

UNION POSTALE

Moving the postal sector forward since 1875 | Autumn 2020



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New financial services software invites Posts to join UPU in the cloud

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UNION POSTALE

UNION POSTALE is the Universal Postal Union's flagship magazine, founded in 1875. It is published quarterly in seven languages and takes a closer look at UPU activities, featuring international news and developments from the postal sector.

The magazine regularly publishes well researched articles on topical issues facing the industry, as well as interviews with the sector's leading individuals. It is distributed widely to the UPU's 192 member countries, including thousands of decision-makers from governments and Posts, as well as other postal stakeholders. All regard it as an important source of information about the UPU and the postal sector at large.

UNION POSTALE is also published in French, Arabic and Chinese.

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Autumn 2020

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We must all move in the same direction

Africa is a dynamic region, it often leads the way in E-commerce and its rate of development has been incredible. If we turn our backs at this critical moment, we would forfeit a generational opportunity to tell the world the African postal story.

I remember the tremendous joy on the faces of the African representatives when Cote d'Ivoire was awarded the 27th Universal Postal Congress to be held in Abidjan in August 2020. There was a genuine feeling among African colleagues that this was the moment to show the world how African postal operators have developed and how they have rapidly embraced digital transformation and new ways of doing business.

Regrettably, the realization of this promise now hangs in the balance. The government of Cote d'Ivoire was forced to cancel the Congress in August as the COVID-19 pandemic swept across the world causing disruption and delay. Now we find ourselves stranded in what is termed the "new normal." A situation that none of us could have anticipated, and which no one wanted. We have all had to adapt to this new environment and to find ways of moving forward. This is why we have called an exceptional meeting of the Council of Administration to agree on how to best proceed. I am hopeful we will find a way forward. One based on the spirit of cooperation and partnership that is the hallmark of this remarkable Union.

It would be sad for Cote d'Ivoire to miss the chance to host the Congress for a second time. Back in 1999, during the Beijing Congress, Abidjan won the vote to host the 23rd Congress in 2004. After over four years of preparations, the Congress was, at the last moment, moved to Bucharest, following civil strife in Abidjan.

Not giving up on the opportunity to bring this unique postal meeting to Africa, Abidjan bid again at the Istanbul Congress and was awarded the right to host the 27th Congress. But just when the world was gearing up for the event, the Covid-19 pandemic struck. Understandably, the government of Cote d'Ivoire has asked for more time to review the extremely fluid situation, and to finalize a decision and consider new dates. Fortunately, the UPU Constitution has given the Union a wide degree of flexibility on these matters. It is my hope members will take advantage of this and give them additional time.

Apart from the disruption of the Congress, the pandemic has also had a massive impact on the global postal business. Transport, logistics and the supply chain for the post were interrupted by the spread of Covid-19.

Passenger flights were grounded, curtailing the international mail flow. Thanks to governments declaring posts as critical infrastructure in many countries, mail and parcel deliveries have continued; at least on the domestic front.

Other postal services, such as remittances and e-commerce received an unlikely boost from the pandemic. Customers in quarantine conditions shopped online, and posts have been involved in the delivery of these goods. Even governments have used the post to distribute Covid-19 protective equipment and medicines.

Despite all these challenges, the post has remained resilient. I believe it will continue to survive and to thrive both during and after the Covid-19 pandemic.

Bishar A. Hussein, Director General, Universal Postal Union

EDITOR'S NOTE

STANDING TOGETHER

How do posts continue to operate during a terrible crisis? This is the subject of the Autumn edition's cover story. On 4 August, over 200 people were killed and hundreds of thousands left homeless when an explosion ripped through Beirut. LibanPost, Lebanon's designated postal operator, did not escape the destruction and suffered injuries to staff and damage to its post offices.

Despite this, the postal operator kept working. The cover story examines the tragedy from the perspective of those who work in the post. The story is a tribute to postal workers everywhere who deliver the mail.

In other stories, the Autumn edition of Union Postale offers an in-depth look at the latest postal statistics, examines postal security certifications and provides an update on the postponed 27th Universal Postal Congress.

David Dodge, Editor



Exceptional session of the CA scheduled for 26 October



In the wake of the postponement of the 27th Universal Postal Congress, due to be held in Abidjan, Côte d'Ivoire, in August 2020, members and observers of the UPU's Council of Administration (CA) have been invited to attend an exceptional session of the body supervising the UN agency's activities.

The UPU's members had been expected to adopt the new World Postal Strategy in Abidjan, a roadmap for the new work cycle commencing in 2021.

Following the unprecedented cancelling of the Congress due to the spread of the COVID-19 pandemic, 17 members of the CA requested a meeting of the Council at the UPU headquarters in Berne. The exceptional session takes place on 26 October.

UPU Director General Bishar A. Hussein said UPU members were fully aware of the challenges posed by the COVID-19 pandemic and were addressing them.

"We are benchmarking on what other organizations in the United Nations system

have done to address the pandemic's effects on their decision-making processes. I am hopeful we will arrive at decisions that will ensure the smooth continuity of the Union activities."

In a circular note sent by Côte d'Ivoire to the UPU Director General on 14 August, the host government requested that the postponement of the Congress be formally recognised as resulting from a force majeure situation, and that the matter should be discussed at the upcoming exceptional session of the Council of Administration.

CA members and observers unable to attend the session in person due to the COVID-19 pandemic will be allowed to participate remotely, as decided by the majority of CA member countries during consultations.

Those wishing to attend the session in person have been requested to pay careful attention to the quarantine measures and other restrictions of the Swiss Government applicable to travellers from abroad. **cd**

Motherhood led Leolinda Dieme to the Universal Postal Union (UPU) in 2017. She had left her non-family post working on a maternal health project with the UN Populations Fund (UNFPA) when her daughter was born.

That is when she learned that the UPU was one of the oldest international organizations. She had not heard of the organization before; but was looking for a professional life which could be combined with normal family life, Dieme says.

Dieme, who is from Senegal, joined the UPU as Regional Expert for Africa and Least Developed Countries (LDCs). Her path, however, might have taken a different turn, if she had not followed her mother's advice.

"I wanted to do biology, and my mother said: 'No, if you do biology you will be poor,'" Dieme says. She took her mother's advice and made the transition to economics. It was then that Dieme joined the UN system with an internship at the World Bank in Haiti.

She went on to complete two master's degrees: one in development economics and international development and the other in applied economics.

Her education launched her career path in development. She worked on peacekeeping missions dealing with budget issues. Dieme worked with the United Nations Office for Project Services on development and infrastructure projects, and then with UNFPA for the project on maternal health before finally taking her place at the UPU.

While the subject matter has shifted throughout her career in the United Nations, the one constant was the skills she developed in project management.

"Regardless of the technical subject, you are still required to do project management," Dieme says. "You apply the economic knowledge in the technical domain. You have the tools and the capabilities, the skills, to build a project, to build a programme and implement it and make sure that the results expected are achieved."

Her work as Regional Expert for Africa at the UPU bridges the development gap in the



postal sector, and seeks to find ways to bring countries to the same level as more developed countries.

Technology is one of the bigger gaps, she says. Posts may not have the same automated services. They may struggle to update computer equipment. They may not be able to access the internet if electricity is not guaranteed. For customers, it may take months for items bought online to be delivered, with little option for returning them.

To do her job well, she has to be creative and very responsive to needs of countries. Every day brings new challenges that require adaptability, flexibility and tolerance, she says. The reward is a job with purpose.

"You help somebody improve their life, help somebody improve their wellbeing," she says. "This is something that is very satisfying for me and very inspiring."

And, it's not just those she helps that keep her happy in her job, it's also the multicultural environment.

"You meet people from different backgrounds, different places, and you must respect them as they are," Dieme says. "There is no small country. There is no small budget. There is no small contribution. Everybody counts." **TG**

Name
Leolinda Dieme

Position
Regional Expert for Africa

Nationality
Senegalese

Languages
English, French and Wolof

LibanPost Responds



On 4 August, a massive explosion ripped through the port of Beirut killing 200 individuals, leaving over 300,000 people homeless and causing an estimated US\$10-15 billion in property damage. The photos of an enormous mushroom cloud above Lebanon's capital sent a shockwave around the world as television audiences witnessed the terrible scenes of damage and destruction.

TEXT: Abbie Cheeseman





How do postal operators respond to such disasters and maintain their operations? What is it like to experience such an event? The following offers two personal experiences about that day and its long lasting effects.

The first story tells how LibanPost Manager Leina Zeidan survived the explosion and her desperate desire to return to work. In the second story, LibanPost CEO Khalil Daoud describes the view from the top. He talks about what it is like to run a postal operator dedicated to the consumer's needs when a national disaster strikes.



The Postal Manager's Story

Leina Zeidan, the head of the Gemmayze branch in Beirut for LibanPost, has her son to thank for her life after the explosions that tore through Beirut on 4th August leaving her near to death.

Living less than 300 metres away from the blast site, Leina was standing on her 11th-floor balcony with her four-year-old son Ryan watching the fire at the port. Her husband, Kamal, was at work in his office next to the port.

"Suddenly I saw something rise in the air, and the sea rose, and something exploded. Ryan flew. He flew and then fell," Leina said. "The balconies all started collapsing below us. I could hear the balconies falling below us."

The sound of the balconies on her building collapsing under her feet is the last thing Leina remembers before losing consciousness.



Sometime later Ryan woke his profusely bleeding mother up and begged her to go and check if his father was alive.

"I had grabbed a piece of cloth and had used it to tie Ryan to me, at the wrist. I tied him to me because I thought if I died, he'd be with me until they came and took me. If I didn't die, I wouldn't lose him."

Leina described the ten-minute walk from their home to her husband's office - barely conscious, her son had dragged her over dead bodies, the wounded and the rubble as she was bleeding onto the floor. Arriving at the office, Leina discovered that her husband had thankfully survived.

Three hospitals turned Leina away because they were so busy and her injuries were too severe to be treated quickly and easily.

It had taken a stranger in a passing car to see Ryan screaming for help, while tied to his dying mother laying on the side of the road,

"Suddenly I saw something rise in the air, and the sea rose, and something exploded. Ryan flew. He flew and then fell.... The balconies all started collapsing below us. I could hear the balconies falling below us."

for them to get to the third hospital. The three of them had walked to the first two hospitals.

"There's no hope for her; she's lost a lot of blood and we don't have emergency/urgent beds right now. We're only treating people with easier cases," doctors told Kamal at the third hospital.

"They put me on a stretcher and covered me up; they thought they'd cover me because I was going to... And my poor son was still tied to my wrist until my family arrived."

Leina's family arrived and managed to get her to a fourth hospital where she was operated on and provided with blood transfusions.

"My son saved my life and now he's living with... so much fear," Leina said in an interview six weeks on from the blast.

"If he finds that I've moved away from him ever so slightly, he immediately asks me, 'Mama are you going to die?'"

The branch of LibanPost that Leina managed was among the most heavily damaged. She said she cannot bring herself to go back and see the damage.

Working for now in the LibanPost Headquarters while the Gemmayze branch is being fixed, Leina is slowly getting back to work.

"Thank god I have work," she repeats again and again.

Being able to focus on work, she says, is the only thing that stops her from replaying the horrific scenes that unfolded in Beirut that day over and over in her head.

"For three or four days afterwards I had memory loss, but as soon as I came back to work everything automatically came back to me, as soon as I put my hands on the computer," she said.

While the Gemmayze branch is still non-operational, Leina is helping another team. There is already senior management on that team, but she jumps at the opportunity to step in for them as soon as they leave the office - she's itching to get back to work, she says.

"Do I get upset? Of course I do. I lost the branch that I love, that I've worked at and come to run for 10 years, but I can't help but thank God I wasn't there, and thank God I had a job to come back to work."

"It's part of the day to day life of any manager: you cannot afford to have emotions overwhelming you. So I was injured, I went to the hospital and one hour later I was back home and I had two concerns: the company and the employees and to assess the damages that had happened."

The CEO's Story

The explosions that tore through Beirut on 4 August caused Lebanon's postal service, LibanPost, around US\$120,000 worth of damage, according to CEO, Khalil Daoud.

The blast only served to exacerbate LibanPost's economic woes.

Lebanon's economic collapse has devastated the country, with the local currency losing over 80 per cent of its value within the year. But while it has torn apart the country, it was clearly coming.

"From January we informed our shareholders that we will be facing a serious loss this year," Mr Daoud said. "It will be the first time. Despite being a private organisation, we have been profitable for the past 16 or 17 years. We were really an exception in the country. We started a diversification plan long ago and this is what has kept us afloat."

The projection that they would face losses was not only from looking at the economic forecast for the country, but also a decision that not a single employee would be laid off or see a salary cut: no matter what happens to Lebanon's economy.

"Either you have to take a loss or you have to reduce salaries and lay off employees. So since we have taken the decision to stand by our employees, we knew that we would face a loss."

"We're one of the few companies still maintaining in the market today and yet we feel guilty that we are not capable of doing more. With the devaluation of the currency, even when you are paying salaries in full the equivalent of \$1000 a month a year ago, today is worth less than \$200."

The physical and economic damage, Mr Daoud says, was the least of his concerns after the blast.

"Obviously, the biggest loss was the loss of one of our employees. We have an employee that used to work at the post office inside the Central Bank of Lebanon and I was made aware that she was celebrating her wedding anniversary on that day in particular, and she was one of the unfortunate casualties of that explosion, alongside her husband, leaving two children behind," he said.

"Then you have a number of injured people from the LibanPost community, some that were seriously injured, others that are more fortunate. There were some that we didn't hear from for days."

While still trying to account for employees, Mr Daoud says his attention quickly had to turn to the logistical nightmare in front of him. Three hundred thousand clients had just been left homeless, branches were destroyed and damages needed to be assessed before working out when they could open again.

Over the past two years, LibanPost had acquired five caravans for the purpose of deploying mobile post offices. Originally, the idea was to have them located in seasonal areas of the mountains or to take advantage of festivals. Now because of the tragedy, they were able to be put into use in the destroyed areas of Beirut so that service wasn't suspended for clients in those areas.

Fifteen post offices, out of a network of 110 were damaged with three branches severely damaged.



LibanPost had also previously set up a "home system" in which everything that can be done at the post office, can be done online or over the phone. "All of that helped in taking over the lack of presence in the usual system processes."

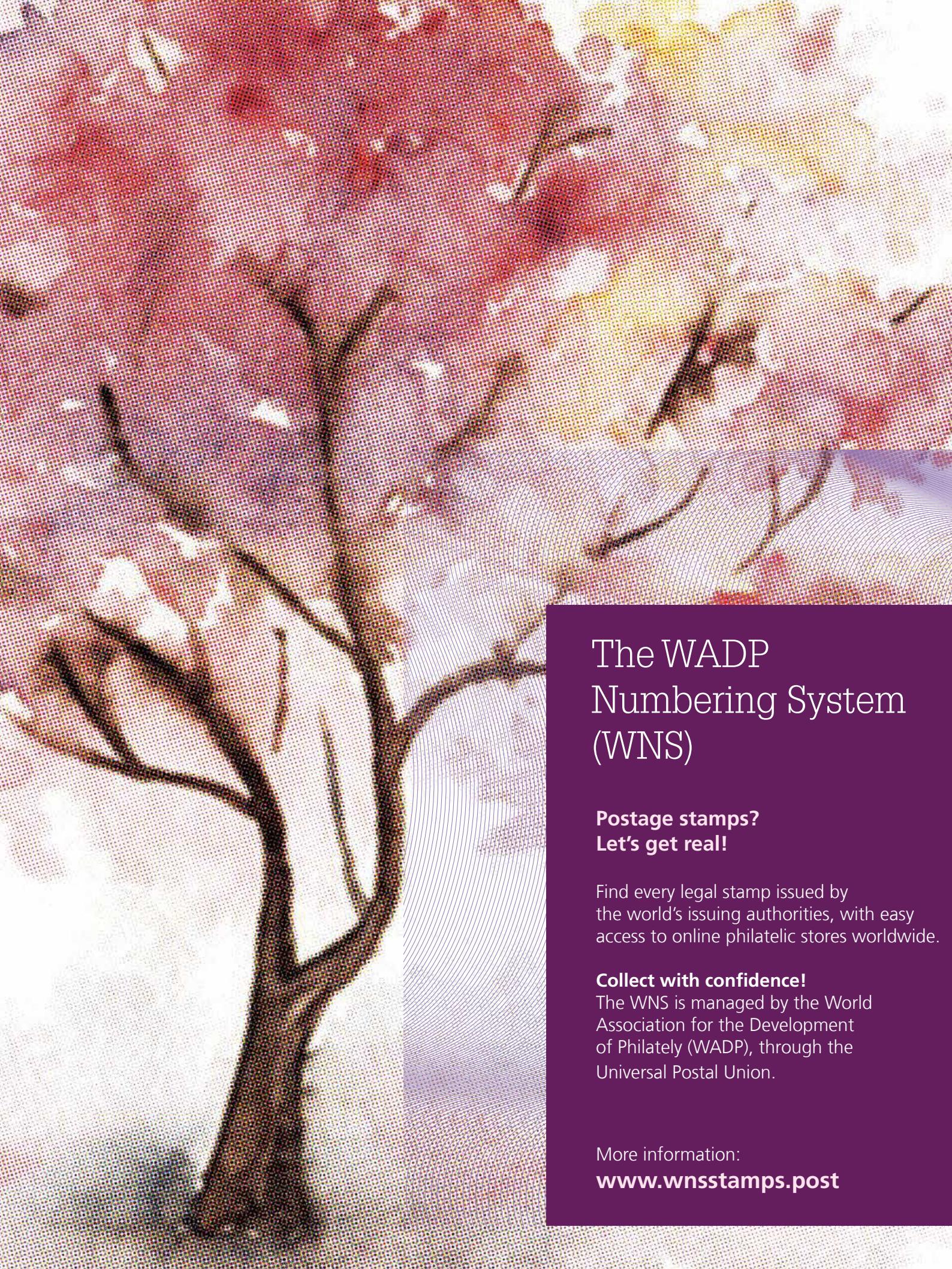
LibanPost was offered "a lot of help" from international postal organisations, Mr Daoud said. "We declined because I think the priority has to go to NGOs and to people that are really in need. We would manage to recover the financial losses that we are facing, but those NGOs are desperately in need."

To do their bit for the city, LibanPost is going to produce a stamp that will cost the equivalent of \$7 USD, the proceeds of which will go to the Lebanese civil defence - a volunteer organisation that makes up the country's firefighters, ambulatory services and rescue teams.

"Every time there is a drama in Lebanon, these people are at the forefront trying to help, but despite being an entity within the public administration, they're neglected and do not have the means or support," said Mr Daoud.

Mr Daoud's house was totally destroyed in the explosion and the shattered glass left him needing medical attention at hospital.

"It's part of the day to day life of any manager: you cannot afford to have emotions overwhelming you. So I was injured, I went to the hospital and one hour later I was back home and I had two concerns: the company and the employees and to assess the damages that had happened."



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India Post offers snapshot on **confronting COVID-19**

India Post has played a significant role in the country's communication and socio-economic development for more than 150 years. During this time, it has touched the lives of almost every Indian citizen through its delivery of mail, financial services and the provision of government social benefit schemes, among a host of other people orientated activities.



With 156,000 Post Offices and 420,000 employees, the country has one of the world's largest postal networks. The country's Post Office Savings Bank (POSB) has around 365 Million accounts and deposits amounting to some USD 123 Billion. As the COVID-19 pandemic rapidly fanned out across the world, India Post continued to provide its impressive services.

The first COVID-19 case was detected in India on 30 January. As of the end of September there were around 6 million positive cases reported. To try to halt the spread of the virulent disease, the Indian government introduced a national lockdown. This resulted in the stalling of the movement of people and goods; cargo services were also severely affected.



Mr. Pradipta Kumar Bisoi,
Secretary (Posts)
Government of India

"India Post has demonstrated the critical role of postal services in crisis management in the country during the pandemic using its physical, financial and digital network to render uninterrupted services to the citizens. We salute Corona Warriors of India Post for their dedication and commitment in service delivery."

Faced with the enormous scale of these problems, India Post focused on a number of priorities as it aimed to turn the countrywide challenges into opportunities.

Acknowledging that the staff's safety was paramount, India Post launched Standard Operating Procedures at postal work places offering guidance on social distancing, hand washing, thermal scanning, use of masks, disinfection and sanitisation of premises and equipment.

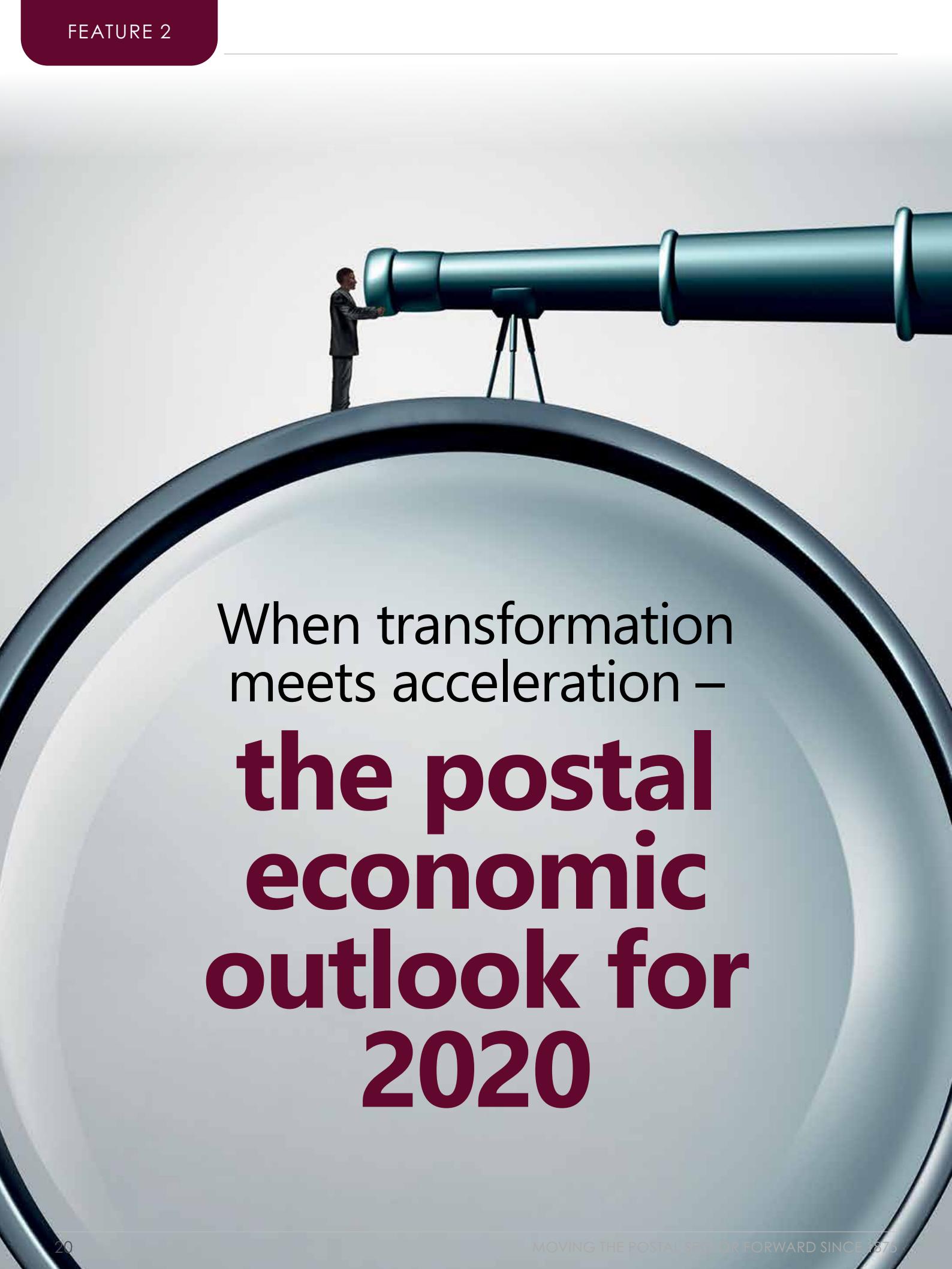
Postal services were identified as essential services during lock down. To meet demand, the vast network of post offices were galvanised to work in coordination with State Governments and local bodies. Control Rooms at India Post Headquarters and Circle (State) Headquarters were established to manage and respond to immediate needs around the country.

India Post also gave the highest possible priority to medical supplies and the payment of wages under government social security benefit schemes. Flights to evacuate expatriates and cargo flights were used for the transport of essential post. The suspension of railway services, the primary mode of mail transport for India Post, also heavily disrupted postal supply chains. To combat this problem, India Post launched its nation-wide Road Transport Network with 56 long haul national routes and 266 regional routes connecting 75 major cities, and a daily run of over 25,000 kilometres.

Using this method, around 40,000 tonnes of shipments were delivered through this network from 25 March to 31 July 2020. Much needed Covid-19 testing kits were also delivered in special cold storage vans using short turnaround times.

India Post also worked during the lockdown to ensure that the Indian people had access to local financial services. During lockdown more than 175 Million transactions valued at around US\$46 billion were made through POSB accounts and around 3.5 million POSB ATM transactions worth US\$158 billion took place.

Speaking about the post's activities during the pandemic, Mr. Pradipta Kumar Bisoi, Secretary (Posts) Government of India, said. "India Post has demonstrated the critical role of postal services in crisis management in the country during the pandemic using its physical, financial and digital network to render uninterrupted services to the citizens. We salute Corona Warriors of India Post for their dedication and commitment in service delivery." **DD**



When transformation
meets acceleration –
**the postal
economic
outlook for
2020**



Every year the postal economic outlook provides insights on the latest developments affecting the sector. The preparation of this year's edition has been a particularly demanding task given the rapidly-evolving global economic crisis, with experts predicting the worst annual economic performance since the Second World War.

Within a very short period, the outbreak of the COVID-19 pandemic has transformed social and economic life across the planet, leaving its mark on the postal sector through disruptions in postal supply chains, accompanied by a surge in ecommerce.

Union Postale magazine spoke to the UPU's resident economist Mauro Boffa, co-author of the latest postal economic outlook, about how to make sense of the current situation.

UP: This year has brought special challenges. What can you say about the positioning of the postal sector in 2019 before the crisis struck?

MB: The sector has been going through a lot of change and transformation for some time, mainly driven by digital substitution. Written communications and the transfer of documents, which used to be carried out through letter mail are increasingly moving online. Even direct marketing, which was at

some point considered as a means of diversification for postal operators, may not necessarily be an avenue for growth.

The sector is moving a lot more towards logistics services, including the transfer of goods and the delivery of parcels.

Opportunities are also emerging in services to citizens, such as the handling of official administrative tasks.

"As the economy develops, the demand for postal services is no longer expanding proportionally, and the growth is going into other services. In other words, the productive paradigm is changing and it does not require as many postal services as before."

In 2019, the Third Extraordinary Congress ended in an agreement on the reform of cross-border settlement rules for international letters, further highlighting the need for postal operators to diversify into other revenue streams.

Before March 2020, the long-term trend of declining letter post, a segment which used to be the most important contributor to revenues, sat alongside an increase in parcel-post activity. However, the shift had not been enough to ensure the growth of postal operators. Amid this transformation, no single business model had yet prevailed, with different options pursued in different countries. That was the state of play when the crisis arrived in 2020.

UP: It seems like the postal sector was particularly vulnerable to a shock and now a shock has come. Is the recession going to disproportionately affect the postal sector?

MB: Not necessarily. Before, the postal sector was always pro-cyclical – it would move with the economy. So we will see the traditional segments – letter post and financial services – being affected by the crisis and the losses will come from some areas in those segments slowing down.





At the same time, as lockdowns were imposed all over the world in the past months, postal operators have been among the few economic actors to be asked to stay open in most countries. In some cases, they may be relatively less affected than the real economy, but they will still be impacted negatively by the crisis.

Moreover, as ecommerce continues to grow in spite of the pandemic, there is a surge for some types of services, for example the delivery of goods and parcels. But what you have to remember is that this business is going in the direction of customers, not necessarily between firms, creating a low-margin activity. That means the surge in demand is not going to compensate for the drop in delivery of letters, for example. It would take a much higher increase in volumes to enable that to happen.

UP: You mention in the outlook that the postal sector is no longer moving in tandem with the economy, so-called postal decoupling. Can you explain what's happening there?

MB: This is a medium-to-long-term trend that has been observed since at least 2008, perhaps even earlier. The economy and the postal sector have been growing at different rates. Historically, for most of its existence, the postal sector grew at roughly the same rate as the wider real economy. This is because, as I mentioned, postal operators used to sell services that were pro-cyclical.

But now this feature is less evident. As the economy develops, the demand for postal services is no longer expanding proportionally, and the growth is going into other services. In other words, the productive paradigm is changing and it does not require as many postal services as before. Or not the same type of services; it requires different ones.

The demand for retail ecommerce, for example, is now much more important for the evolution of the postal sector than wider economic growth. And retail ecommerce is something that would not be affected as much by the crisis as the real economy.

UP: But isn't retail ecommerce also dependent on people's disposable income?

MB: Yes, and it depends on how much the income goes down and how much you adjust your share of income to that sector. But if you can't move freely, you are going to substitute part of your income that goes to retail through the online channel. So even if your disposable income goes down it could still be that you increase your consumption of digitally ordered goods. You may spend less overall, not going to restaurants or concerts, but your demand for ecommerce could also go up.

UP: Can you make any predictions on the impact of the events of 2020 on infrastructure or jobs? Will there be fewer post offices and more redundancies in the next year or so?

MB: Regarding infrastructure it's difficult to make a prediction. It's true that many postal operators will have changed the way they operate in order to take into account protective equipment, disinfection of mail items, etc. It will certainly become more costly to operate. At the same time, there might be demand for other types of services, such as shipping test results, delivery of medical equipment and protective gear, and/or new citizen services. It's not easy to say what will happen on that front. But we expect a net loss in terms of revenues.

The important thing for postal operators is to retain their flexibility. The UPU tries to do that as well, as it monitors the situation in real time.

UP: What would like to say about the competitive environment in the postal sector? New entrants have also benefited from the ecommerce surge.

MB: If the market is big enough there's not necessarily a problem with reaping the benefits. The question is: were you able to adjust your supply of services to the new normal that the crisis established or not? If yes, I do not think that is necessarily a problem for postal operators. If not, then you need to start planning how to do that.

However, the market for many types of products is still not saturated. As long as there is growth, there is not yet a problem of "sharing the cake". There are enough slices for everybody at the moment. **CD**

Postal security programme forges ahead despite Covid-19 obstacles

Virtual recertification and expert training, equivalency reviews, harmonisation, electronic advance data (EAD) preparations – there is no shortage of activity in UPU's postal security programme this year. The travel restrictions imposed by the global pandemic have not stopped progress in this important work.



From January 2021, EAD transmission is going to be required for posts to send items back and forth around the world. The system was originally created to identify threats to aviation security. Now, it has been taken many steps further, according to UPU Security Programme Manager Dawn Wilkes.

"Customs organisations at destination are realising that they can use this data for tax purposes, for statistics, for finding the guns and the drugs and the pharmaceuticals that are not supposed to be there," she said.

Many posts are already up and running with EAD. "Our main goal is to make sure that everybody in the member countries – including designated operators, customs authorities and national authorities – knows how to make the supply chain safe and secure," Wilkes added.

The UPU's postal security standards, S58 and S59 came into force in 2016. S58 deals specifically with physical and personnel security, while S59 covers the actual screening of the mail.

The UPU Standards Board oversees the implementation of these standards and approves any changes. The Postal Security Group created an S58/59 expert team to improve the certification process and bring potential recommendations to the Standards Board.

The team comprises the United States, Australia, the United Kingdom and the Postal Union of the Americas, Spain and Portugal with the UPU International Bureau in an administrative function.



"Prepare and become familiar with the S58 and S59 questions set and the regulations with which you already comply. Use the guide that has been produced and ask the Union S58 & S59 lead for support during the completion of the documentation"

One of the results of that expert team was a proposal to the Standards Board to harmonise S58 and S59 with the World Customs Organization (WCO) SAFE framework of standards.

"We had already highlighted the International Civil Aviation Organization (ICAO) regulated status in the first version of S58 and S59 and now we have added in the WCO SAFE framework of standards. In addition, the WCO have recognised S58 and S59 as being equivalent to their SAFE framework of standards," Wilkes said.

S58/59 equivalency

The reason for this cooperation was to allow member countries whose designated operators had already achieved regulated agent status or the WCO's authorised economic operator (AEO) status to come to an equivalence with S58 and S59.

To make this possible, the expert team created an additional streamlined certification process which allows these DOs that already have other certifications to achieve S58 and S59 equivalency through a virtual evaluation process.

The United Kingdom Royal Mail group was the first to participate in the UPU's pilot of this equivalency process in the month of July 2020.

Martin O'Brien, Head of International & Aviation Security at Royal Mail told Union Postale how relationships with other Posts changed as a result of the certification process.

"The process further enhanced an already positive relationship with USPS representatives and the UPU. Olive branch conversations with other Posts will commence upon certification to encourage and support their completion of this process."

His advice for other Posts seeking S58/59 equivalency? "Prepare and become familiar with the S58 and S59 questions set and the regulations with which you already comply. Use the guide that has been produced and ask the Union S58 & S59 lead for support during the completion of the documentation."

Meanwhile, some countries in the Latin America and Caribbean regions – the two regions that had the quickest uptake of the





standards – were approaching the end of their three-year certification.

Dawn Wilkes explained why: "Historically those regions have had stronger regional postal security groups and that community has been built over decades."

The expert team came up with a recertification process for the three certification levels – gold, silver and bronze.

Costa Rica, El Salvador and Mexico, for example, had all achieved silver previously and it was determined through the S58/S59 expert team that countries that wanted to recertify at the same level with the same critical facility could complete the process virtually. El Salvador and Mexico took up this option.

In his feedback, Roberto Baranoha of Correos de El Salvador said they were pleased to note that the S58/59 standards were in full harmony with the requirements of other international bodies, such as WCO, ICAO and IATA.

Top management at Correos de El Salvador viewed the process as positive, "Since it is a guarantee that our postal services comply with international regulations in postal security, adjusted to the business, benefiting all stakeholders, customers, customs, designated operators and airlines," said Baranoha.

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New experts in the pipeline

Another important objective of the Postal Security Group is to try to increase the number of experts in the field. With funding from various sources, the UPU put together a capacity building training programme with the International Narcotics Control Board and the WCO.

"We covered five regions in 2019 and during that training we focused on S58 and S59 certification and how to prepare your DO for that certification and how to review a facility," Dawn Wilkes explained.

"We also focused on communication with customs officers in the country and how to

work together to mitigate threats in the mail, including how to identify the new psychoactive substances like fentanyl that are becoming more prevalent," she said.

In the course of the training, the UPU was able to identify outstanding students and they were chosen to work with senior experts in the region. One such individual is Brent Lapsey from St Kitts and Nevis.

Brent was awarded a fellowship from UPU to be a member of a team selected to conduct an onsite security review in St. Vincent (Grenadines) in October 2019 under the leadership of regional UPU coordinator Owena Beepot Pryce.

He found the review a great learning experience. "I intend to use the knowledge gained, to strengthen our security sector and conduct training sessions in my home country," he said.

The selected individuals are due to continue their training through virtual workshops in November. The original plan was to bring the trainees to the UPU International Bureau in Bern to learn about the administration process and how to write reports. But like so many plans for 2020, the online substitute will have to suffice. **CD**





New financial services software invites **Posts to join UPU in the cloud**



UPU's financial services software will convert to an entirely cloud-based solution and will no longer be available for Posts as an in-house operation.

Twenty years ago, the Postal Technology Centre (PTC), the Universal Postal Union's IT arm, developed the International Financial Services (IFS) software. It allows Posts to offer international and domestic money transfers to account holders and non-account holders alike, as well as debits from Post bank accounts and other electronic transfers.

PTC is still working with the user's groups to determine the date for the completion of the transition. More details should be available by the end of 2020, according to Marie Fourny, the IFS technical accounts manager, who coordinates with Posts using IFS services.

"[The cloud-based solution] would improve the quality of service," Fourny said. "Once they are all on the cloud, we can harmonize the service, we can ensure the full community has access to the same features, the same up-to-date service and they can harmonize their practice."

Posts have a commitment to offer every person in their country a low-cost means of transferring and receiving cash, Fourny says. Some Posts use outside providers or build their own system, but the IFS is a built-in solution that supports Posts' commitment. And for some of those operators, the cloud service is vital, Fourny adds.

"They don't always have the IT infrastructure, or they don't have the IT people," Fourny said. "And supporting them on the IT administration offers them significant assistance."

Of the 69 Posts who connect to the IFS network, 39 run the software in-house and 12 are IFS Cloud users. The remainder have

third-party - or their own - financial services providers, but have gateway access to the IFS network.

The cloud-based system means Posts no longer need to keep and maintain equipment. Authorized users just need to enroll their chosen hardware - a mobile device, tablet, or computer - to access the network.

Additionally, cloud users will soon have fewer delays related to transfers of funds. The current system is based on a file-sharing system, or FTP, which can result in delays for the receiving Post, depending on when it accesses the network to receive files.

"If the partner connects once a day, you have a delay of one day," Fourny said. "Now we are migrating to a new platform with the cloud. ... When they carry out an operation they share it immediately in the central system."

The post from Mali has been using the IFS Cloud application for a while and enjoys several advantages, according to Sékou Ballo, the Directeur CTP of La Poste du Mali. These include the availability of the application with the cloud solution; strengthened security through the enrollment strategy for computers and mobiles; the unlimited number of users unlike the previous version via token keys; data confidentiality through an encryption certificate; support for both international and domestic transfer; and ensuring continuity of service through technical support. **TG**

Emirates Post helps UAE companies grow online presence

Emirates Post is offering so-called brick-and-mortar businesses in the United Arab Emirates a new service to improve their visibility online, to market themselves, and to manage their online reputation.

The new digital location management service, called Smart Places, will give businesses the power to control and update information appearing in search results and help customers navigate to shops and offices.

The process for claiming and maintaining business listing information online with map data, photos, location addresses, up-to-date operating hours and other relevant data can be time consuming and complicated, says Abdulla M. Alashram, Group CEO of Emirates Post Group. Smart Places simplifies this process.

"As a small company, it is very difficult, sometimes almost impossible to place yourself on these maps," said Alashram. "Smart Places is a click of a button, it's a we-do-it-for-you service."

Smart Places is a partnership between the Post and UAE-based listings management company, Local Knowledge, which is currently facilitating and supporting the service. The service will help ensure businesses can be found on search and navigation sites, such as Google Maps, Apple Maps, Siri Voice Search, Foursquare, Facebook, HERE Maps and other digital mapping platforms and online directories. The entries will appear in both Arabic and English.

Emirates Post first turned to Local Knowledge to help it improve its listings for the Post's then 110 branches. Once Emirates Post was happy with the results, it was clear the benefits could extend to the United Arab Emirates' business community.



"As the UAE's postal and express service provider, we have nationwide reach," Alashram says. "At the same time, we are into addressing, we are into logistics, we are into navigation, we are into last-mile delivery. It makes so much sense to make a single source of truth that will serve the whole UAE as a model under Emirates Post."

Any legal business can register with Smart Places with a valid trade license, a physical business location and a UAE business phone number.

To begin, a business owner can find the Smart Places tab on the Emirates Post website, fill out an application and then upload a few documents. Emirates Post then evaluates the applications and delivers them to Local Knowledge, which contacts the business to finalize the process.

Once onboarding of the business is complete, the owner will have access to a

dashboard. From there, they will be able to manage location information from one central platform, allowing for faster updates.

Additionally, users will have one central place to view all online customer reviews. This will make it easier for businesses to respond to customers and manage their digital reputation.

Alashram says that businesses have begun to sign up for the service since its soft launch in May and full launch in July. Emirates Post's aim is not only to provide solutions for businesses, but also facilitate their operational growth.

"Our ultimate goal behind this whole initiative is to provide a standardized method of business listing," Alashram says, "so that the smallest company will look like the largest organization on Google." **TG**

DPDHL's profits climb, but do not reach summit of pre-CoVID-19 estimates

Deutsche Post DHL Group (DPDHL) saw its revenue and profits climb in the second quarter of 2020, despite disruptions during the COVID-19 pandemic.

DPDHL second quarter revenue of EUR 16 billion was a 3.1 percent increase over the same period last year. Operating profits, before interest and taxes, rose to EUR 912 million, an increase of almost 19 percent over the second quarter in 2019.

The company headquartered in Bonn, Germany was buoyed mainly by the increase of e-commerce during lockdowns in Asia, Europe and the Americas that forced consumers to shop online.

"We have seen several disruptions in the market, especially in the international freight market where capacity and demand weakened notably," said Tobias Ender, DPDHL finance spokesperson, adding that commercial airlines normally responsible for 50 percent of cargo capacity market-wide remained largely grounded. "However, customers could rely on our cargo capacity to continue transporting shipments," noted Ender.

DPDHL's vast global footprint, operating in 220 countries and territories, allowed it to navigate the pandemic's impact by adjusting flight schedules and capacities in an agile way as demand plummeted and then returned across the globe.

The company's five divisions - Post & Parcel Germany; eCommerce Solutions; Global Forwarding, Freight; Express; and Supply Chain - all generated an operating profit. However, this was not achieved without a struggle. The supply chain division took the biggest hit, with an almost 17 percent drop in revenue to EUR 2.7 billion from 3.3 billion.



Despite this, it still reported a profit of EUR 35 million, down from EUR 87 million in the second quarter of 2019.

Ender said the supply chain division does hold a balanced portfolio, but is more reliant on individual customer activities instead of the global economy.

"In Germany, for example, automotive production was closed for a time and that was a negative hit for our revenue," Ender said. "But other businesses, such as warehouse operations with medical supplies, medicines, and protective equipment serving the life science & healthcare sector did fairly well."

The other divisions increased their revenue and profit.

Revenue for Global Forwarding, Freight grew to EUR 4.2 billion in the second quarter, a 10 percent jump, with operating profit up 53 percent to EUR 190 million.

Express increased revenue to EUR 4.5 billion, a 7 percent increase. Profit rose to EUR 565 million.

Post & Parcel Germany saw revenues climb 7 percent to EUR 3.9 billion, with a 49 percent year-over-year increase in profits to EUR 264 million.

And eCommerce Solutions revenue rose 17 percent to EUR 1.2 billion with a profit of EUR 1 million.

DPDHL expects a profit for the year of between EUR 3.5 and 3.8 billion, down from its pre-pandemic estimate of EUR 5 billion. This includes EUR 700 million in one-off expenses comprising of around EUR 400 million for the realignment of its subsidiary StreetScooter, EUR 100 million in non-recurring impairments due to lockdown measures in the second quarter, and EUR 200 million in the third quarter to deliver a EUR 300 bonus to every DPDHL employee worldwide for their handling of the pandemic.

"Our operations did a fantastic job coping with the crisis, especially in the eCommerce-driven business units," Ender said. "They had to cope with peak-Christmas volumes every day." **TG**

Latin America

Uruguay

CORREO URUGUAYO has enhanced its customer service through a WhatsApp channel. The expanded service helps customers track shipments, find their nearest branches, search for postal codes, make declarations of foreign shipments, and obtain money orders. Correo Uruguayo has also been recognized for its policies promoting gender equality by the Communications Services Regulatory Unit (Ursec).

Bolivia

AGENCIA BOLIVIANA DE CORREOS (AGBC) collected and delivered food to vulnerable groups during the COVID-19 pandemic. One hundred and fifty representatives of the Bolivian Post Office provided house visits to such places as the Maria Esther Quevedo reception center, the San Pedro prison and the Hogar de San Ramón elderly. The Bolivian Post Office also provided an alternative for sending international correspondence through the SuperExpress service linking the country with over 200 destinations.

El Salvador

CORREOS DE EL SALVADOR supports 8,000 teachers with laptops who participated in the Google Classroom training and who have a chronic illness. The Minister of the Interior Mario Durán, through Correos de El Salvador, officially launched a new online platform in which products and services can be sold. The platform makes the Market SV portal available to suppliers and consumers. The agreement also strengthens entrepreneurship in the areas of ecommerce and the promotion and commercialization of cultural services and products.

Costa Rica

CORREOS DE COSTA RICA, with the help of the Pymexpress service, reached an average volume of 4,400 daily deliveries of packages compared to 1,300 in the previous year. As part of the commemoration of the Historical Month of Afro-descendants in Costa Rica, Correos de Costa Rica issued a commemorative postmark illustrated with the face of the renowned Costa Rican artist Wálter Ferguson.

Europe

UK

ROYAL MAIL has launched a parcel pick-up service – Parcel Collect – in certain postcode areas of the West of the country, as part of a phased roll-out of the service. Royal Mail can collect up to five parcels per address.

Estonia

EESTI POST is changing some postal codes in Tallinn and Pärnu in order to make it easier for customers to send and receive parcels and letters. The collaboration between Eesti Post and the logistics company Omnilva, which is under the umbrella of the Ministry of Economic Affairs and Communication, is based on a parcel machine system offering sustainable postal services in Estonia.

Ukraine

JSC UKRPOSHTA has delivered 100,000 healthcare parcels in four months. During lockdown, Ukrposhta opened more than 30 new branches with the goal of launching 500 movable offices in seven regions by the end of the year. During the COVID-19 pandemic, the postal operator partially changed the terms for the delivery and storage of postal items to ensure the smooth movement of post.

Croatia

HRVATSKA POŠTA continues to go green by adding another 20 electric vehicles to its fleet. There are now a total of 220 electric vehicles in the Croatian Post's fleet. By using 40 electric quadricycles for delivery, the Croatian Post is significantly reducing its carbon footprint. Croatian Post has also issued the first Croatian crypto stamp in five categories, with five different motifs depicting various means of transport: a van, a train, a ship, an airplane and a drone. The Croatian crypto stamp is viewed as the perfect combination of the analogue and the digital.

Asia

India

INDIA POST has recently launched the ‘Five Star Villages scheme’ ensuring 100 percent rural coverage of flagship postal schemes. A total of 50 villages in each district will be covered during the financial year 2020-2021. This enables post offices to offer the full range of postal products and services and for them to be marketed and publicized at the village level. India Post has announced a painting, writing and calligraphy competition. Using the theme: “What is the most important thing I did during the time of COVID-19”.

China

CHINA POST is collaborating with the Chinese ecommerce company Pinduoduo to establish 150 agricultural production bases over the next three years. Products will be listed on Pinduoduo, which reaches nearly 700 million users. This collaboration enables farmers to have market access even in the most remote areas and reduces delivery times.

Japan

JAPAN POST has launched a new campaign for the national holiday “Respect for the Aged Day” in collaboration with McCann Tokyo. Japan Post has used MedPeer, a physician platform operated by Medpia Corporation, to conduct a survey with 120 physicians treating patients with dementia. More than 80 percent of the physicians told Japan Post: “communication with family and acquaintances is thought to have a positive effect on dementia.”

Thailand

THAILAND POST is to recycle 10,000kg of paper parcel and letter packaging and to turn the mulch into tables and chairs for the national Border Patrol Police Schools network. The postal operator has approached the public, online retailers and business organisations to send their used parcel packages and envelopes to post offices nationwide.

America

Canada

CANADA POST offers new opportunities for civilians to obtain a job without having professional experience or a degree. These positions are “on-call roles,” meaning workers have to be willing to work temporarily and to be called for a shift at any time. The Canada Post Community Foundation announced that approximately \$1.3 million CAD was raised for grants to groups helping children in communities across Canada by selling a special stamp issued annually. The postal operator has rewarded local and small businesses that adapted during the COVID-19 pandemic by launching the Small Business Tales of Triumph Contest. Winners will be announced on 30 October, 2020.

Middle East

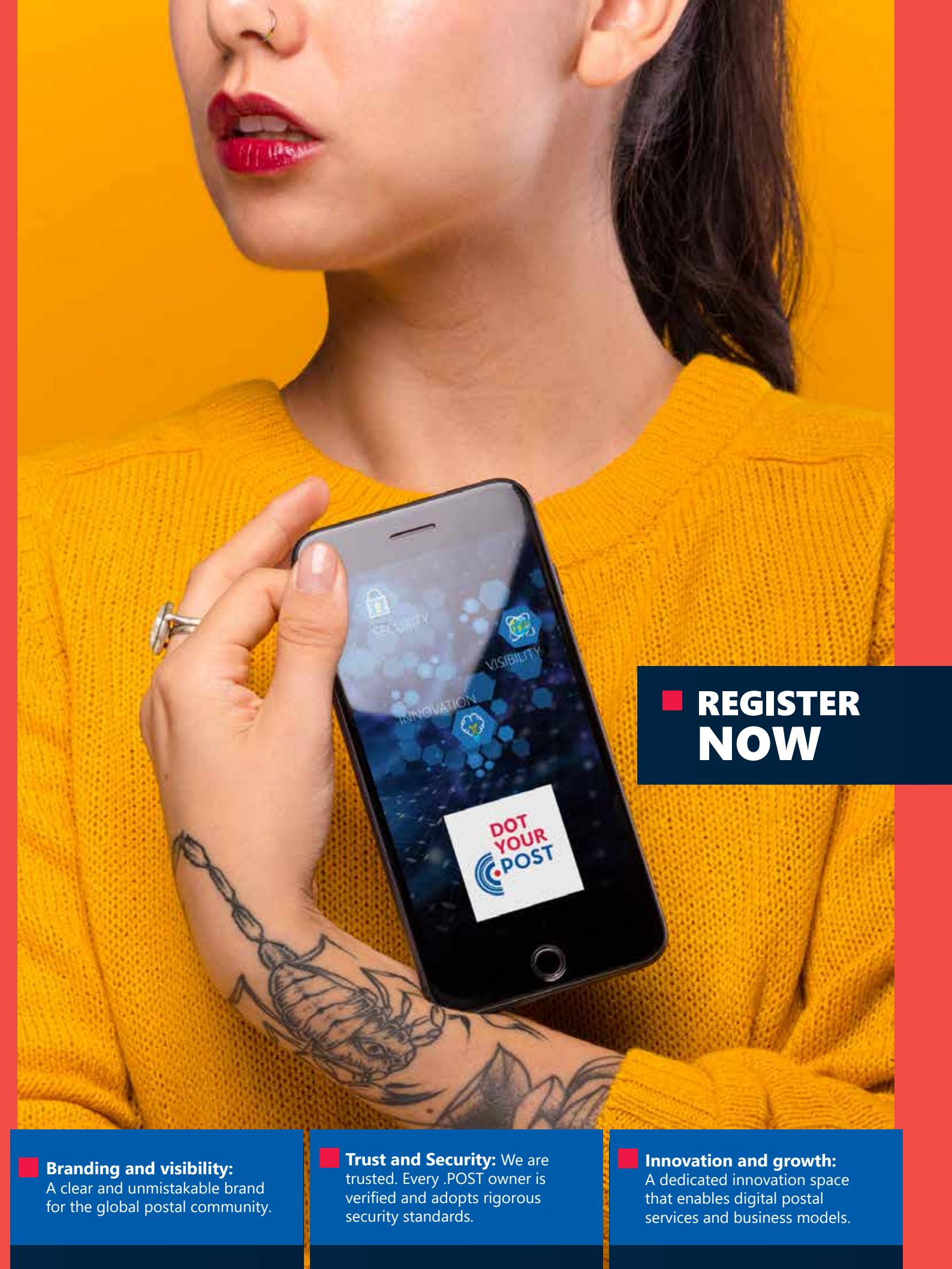
Saudi Arabia

SAUDI POST CORPORATION and the Ministry of Health signed an agreement to deliver medicines to patients in 284 hospitals and medical centers. The postal operator launched the “last mile” service with the Tila e-shopping site through a partnership agreement. Saudi Post has recently succeeded in distributing more than 6 million postal items through more than 600 post offices and 800 vehicles.

Africa

Zimbabwe

ZIMPOST as a parent company of CourierConnect supports manufacturers and farmers in rural areas and helps them to transport their goods. The Minister of Information Technology (ICT), Postal and Courier Services the Honourable Dr. JenFan Muswere opened the Hwange Community Information Centre (CIC). It is hoped that the CIC is able to bridge the gap between the urban and rural communities in terms of delivering technology. **TN**



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Some 12,000 copies of Union Postale are sent to named distribution lists annually. The bulk of these readers are the top decision-makers from national Posts and ministries from the UPU's 192 member countries. They include chief executives, operations managers, technical experts, industry regulators and government ministers.

Around 1,000 further copies of the magazine are also distributed each year during meetings of the UPU's decision-making bodies, the Postal Operations Council and Council of Administration, attended by thousands of delegates from member countries and special industry events, such as Post-Expo.

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