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TNT Sets Out its Five-Year Vision

TNT's "Vision 2015" identifies four areas for growth and sets out the strategy for its mail business.

The growth areas are European parcels, freight, Special Delivery Solutions (SDS) and emerging markets. "The business will continue to operate one strong network and common sales platforms, focused on achieving customer satisfaction and cost leadership," TNT's statement said.

The company will grow the standard parcels market by extending its lead in next day domestic and economy cross-border services.

TNT will offer differentiated solutions to the business-to-business and business-to-consumer sectors in each major European territory. "In this cost competitive market the achievement of cost leadership through optimising our networks and standardising our operations is essential," it said.

In freight activities, TNT will extend day definite transport within Europe. It will extend globally through partnerships similar to the company's cooperation with Conway in the United States and through its own networks in emerging markets.

TNT said it expected its freight operations to grow over time into partially separate networks "to underline cost leadership and customer requirements".

SDS will develop network solutions for multiple customers in order to improve the economics of TNT delivery networks while providing dedicated services. The company will develop delivery services across vertical sectors such as pharmaceuticals, health, electronics, automotive, defence, energy and high-end food retailing. TNT has set up a dedicated solutions team to develop e-commerce delivery services for target supply chains.

In emerging markets, TNT aims to benefit from first mover advantage in South America and China, seeking leadership in day definite services. The company will continue to expand its road networks in Asia Pacific, India and Australia, the Middle East/ Africa and South America.

For mail, TNT said it would focus on the Netherlands, with its remaining European Mail Network business "being managed for value realisation through partnership and sale".

In the Netherlands, TNT will strive to achieve savings above those already announced by continuing to centralise its organisation and adjust its delivery model.

In early December, Dutch postal unions rejected the company's proposals for changes in pay and conditions. TNT said in its Vision 2015 statement that it would be forced to implement less socially preferred measures to align labour costs with the market if it could not reach agreement with the union.
The company also issued a strong statement urging the Dutch Government not to relax minimum social requirements introduced when the Dutch mail market was fully liberalised. At that time, a temporary decree set out a schedule for the phased introduction of a minimum wage in the postal market.

In December, TNT's competitors Sandd and DHL Global Mail said they would challenge the temporary decree by requesting summary proceedings. TNT responded that calls for tenders in the liberalised Dutch mail market had led to Sandd offering bulk rates of less than 12 euro cents per item and DHL Global Mail offering less than 13 euro cents.

Rejecting allegations that it was responsible for the price war in the Netherlands, TNT said Sandd and DHL Global Mail had taken some 150 million mail items away from TNT Post. "Restrictions under competition law prevent TNT Post from offering rates at this level. Furthermore, TNT Post feels that such a price level is not desirable because this blocks the way to fair conditions of employment," the company said.

TNT revealed its financial forecast: seven to nine percent annual average revenue growth for parcels and freight; 10 to 15 percent for emerging platforms; 14 to 18 percent for SDS but minus four to six percent for mail in the Netherlands.

Europe

Swiss Post Board Names Jürg Bucher CEO

Swiss Post has a new chief executive officer, Jürg Bucher, following the departure of Michel Kunz in December owing to his "irreconcilable differences on principle issues" with the Board.

Mr. Bucher, 62, has been head of PostFinance since 2003. He has worked in senior positions at PTT and Swiss Post for about 25 years. In addition to his position as CEO, he will continue to head PostFinance.

The Board said that Mr. Bucher guaranteed continuity and that his appointment was a tribute to the central strategic importance of PostFinance as the most profitable source of earnings at Swiss Post.

Pay Deals Agreed in Switzerland

Swiss Post and postal trade unions have agreed to a new collective employment contract which awards some 37,000 employees a general pay increase of 0.7 percent in 2010 and sets aside 0.8 percent of the total salary bill for individual remuneration.

Under the terms of the agreement, Swiss Post will take on the entire one percent 2010 employee pension contribution which will go towards reorganising the fund.

A separate, three-year collective employment agreement has been reached between Swiss Post and unions for the early delivery of newspapers. The agreement covers about 10,000 employees of Swiss Post subsidiary, Presto Presse-Vertriebs AG, and will enter into force on March 1.

Swiss Post said the new agreement would bring noticeable improvements in security for early delivery carriers, including 80 percent of average salary paid during sickness absence for up to two years and participation in contract renewal negotiations.

Postal Law Passes French Parliament

Just before Christmas, the French Parliament approved the postal law that paves the way for full market opening next January and transforms La Poste into a limited company from March this year. The final vote on a common text was due on January 12.

Prior to the vote, Groupe La Poste issued a statement saying it expected a significant drop in revenue and profits for 2009 and was planning for stabilisation in 2010.

For 2009, the postal operator expects group revenue to be three percent below the previous year at EUR 20.8 billion owing mostly to a 5.8 percent decline in mail volume and a 4.5 percent decline in parcels and express.

Operating profit for the full year is forecast at around EUR 500 million giving a 2.5 percent operating margin, below the margin originally planned.

Under the new postal law, La Poste will receive a capital increase from the state of EUR 2.7 billion. It will invest about EUR 1.1 billion in modernising mail operations and post offices, achieving growth for the express business through GeoPost and developing La Banque Postale.

Full 2009 results will be announced on March 11.

DHL Sells Two Domestic Operations

DHL is selling its United Kingdom domestic parcels business and its heavily loss-making French domestic business.

In the UK, Home Delivery Network (HDN) is purchasing DHL's Day Definite Domestic business, taking over all 4,700 employees, five hubs and 71 service centres by the end of the first quarter this year. Under a preferred supplier relationship with DHL, HDN will continue to use the DHL Domestic brand name in the short term.

HDN said the combined business would have sales of more than GBP 600 million delivering more than 180 million parcels a year.

In France, DHL express announced in December it was poised to sell its domestic business to financial investor Caravelle, hoping the deal would be concluded in the first quarter of this year.

The company said the French domestic (messagerie) business had annual revenues of about EUR 300 million and was likely to make a loss of about EUR 70 million in 2009.

Deutsche Post Holds Domestic Rates

Deutsche Post DHL has announced it will maintain postage prices for domestic mail at 2009 levels throughout 2010.

Prices for international mail charged by the kilogram, international cash on delivery and the European Grossbrief weighing up to 500 grams will increase.

Chronopost in Partnership with Ubifrance

Groupe La Poste's subsidiary, Chronopost, has signed an agreement with Ubifrance, the French agency for international business development, to help small-to-medium enterprises selling goods overseas.

Ubifrance will receive exposure on Chronopost customer communications; additionally, Chronopost will offer discounts to Ubifrance clients sending parcels abroad.

Chronopost said the partnership would give its international services greater visibility among Ubifrance clients; its name would appear in the Ubifrance catalogue and it would take part in regional promotional events organised by the agency.

Post Danmark Operating Profits Drop

Post Danmark has reported a dramatically reduced operating profit after tax of DKK 235 million for the first nine months of 2009, compared with DKK 726 million for the same period the previous year.

In the face of a nine percent decline in letter volumes and an even greater drop in parcel volume, the company said it had only been able to reduce costs by 1.2 percent. "Even though we have initiated a wide-ranging rationalisation programme, this has not been enough to ensure a satisfactory operating profit," said chief executive K. B. Pedersen.

Post Danmark's total after-tax profit for the nine months amounted to DKK 1.7 billion owing entirely to the sale of its stake in De Post/La Poste of Belgium.

"The sale generates non-recurring income, but does not change the fact that we must adapt our company to the heavy volume declines for letters and parcels. Our company must deliver a much better operating profit in order to be able to meet increased competition in a fully liberalised market," Mr. Pedersen said.
Post Danmark merged with Posten AB of Sweden in June 2009 with the establishment of a joint Swedish company called Posten Norden AB.

Decline for Austrian Post in Third Quarter

Austrian Post's group revenue in the first nine months of 2009 was 3.4 percent lower year-on-year at EUR 1.72 billion, while earnings before interest and tax (EBIT) were down nine percent at EUR 93.7 million.

Revenue from the mail division declined 4.5 percent, while parcels and logistics revenue dropped by 2.4 percent. A bright spot was provided, however, by the Austrian parcels business, which registered significant volume growth owing largely to new customer, Hermes.

The branch network suffered a EUR 6.7 million loss in the first three quarters. Planned cost savings were only partially realised owing to delayed conversion of small, unprofitable post offices.

The company said its top priority was to implement cost reduction measures. Steps already taken include "sustainable" cuts in staff. Austrian Post has reduced its workforce by 1,000 through natural wastage, cutting total staff costs by 3.2 percent; civil servants employed by the company can transfer voluntarily to the ministry of internal affairs in the future.

A pay agreement until June 2011 gives all Austrian Post employees covered by the collective agreement a 1.165 percent increase with additional charges, and fringe benefits also increased by 1.165 percent.

Based on cost reduction measures that include savings of EUR 30 million in operating costs and a EUR 20 million cut in capital investment, the company expects to generate a full year group EBIT in 2009 that is 10 to 15 percent below 2008.

Royal Mail Profits Rise at Half Year

Royal Mail's half-year results to end September show a GBP 7 million increase in group operating profit to GBP 184 million. The company achieved the result despite a GBP 55 million decline in letter revenue caused by an eight percent drop in United Kingdom mail volume in the half year.

Royal Mail said the profit, which extended to all group businesses, was evidence that its GBP 2 billion modernisation of its letters business was working; further efforts to tackle costs had also helped sustain operating profit.

Letters achieved an operating profit of GBP 48 million. The company said 80 percent of mail was now sorted automatically and roll-out had begun of walk sequencing machines; 500 are scheduled to be in use by the end of 2011 covering about 75 percent of letters. Flat sorters and intelligent mail sorters are also being installed.

Investment in the final mile includes GBP 120 million allocated to electric-powered trolleys, lightweight trolleys, 11,500 new vehicles and 9,000 more handheld mail tracking devices.

The parcels business, Parcelforce Worldwide, raised profits from GBP 4 million to GBP 7 million, seeing strong export growth on the back of the weak pound. GLS, the European parcels operation, saw operating profits fall owing to the impact of recession.

The retail network's half-year profits rose thanks to cost-saving measures despite a GBP 35 million fall in revenue. It continued to expand its financial services. Royal Mail Group is in talks with the UK Government about possible new business from the planned introduction of ID cards.

Group cashflow continues negative with an outflow of GBP 434 million in the six months owing largely to the cost of voluntary redundancies.

Royal Mail also made a payment of more than GBP 300 million to its pension fund whose deficit is expected to stand at GBP 10 billion. The pension commitment remains "a daunting challenge to fund".

Stamp Prices to Rise in the UK

Stamp prices for standard first and second class letters will increase on April 6, bringing the rate for first class letters weighing up to 100 grams to GBP 0.41 and for second class letters to GBP 0.32.

The prices for ordinary meter and account mail sent largely by small businesses will remain the same at GBP 0.36 first class and GBP 0.25 second class.

Swiss Post Offices Convert to New Business Model

Swiss Post has reviewed 114 post office locations and identified 30 that will continue to operate in their present form. Other locations will be converted to agencies or home delivery services.

The review will cover 421 locations in total, and the verdicts on the remaining 307 will be known within two years. At the end of 2009, Swiss Post was operating 2,348 post offices of which 283 were agencies and 1,154 were home delivery services.

Swiss Council Approves Postal Acts

The Swiss Council of States has approved the Postal and Postal Organisation Acts governing the future structure and funding of the universal service in a liberalised market and converting Swiss Post into a public limited company.

However, the legislations will not permit PostFinance to expand its activities to mortgages and small business loans. PostFinance will become a public company under private law, owned by Swiss Post and monitored by the financial market supervisory authority.

DHL Moves towards Paperless Airfreight

DHL Global Forwarding is partnering with the International Air Transport Association (IATA) in its e-freight campaign to reduce the number of paper documents handled with air cargo shipments.

It is replacing 20 of the former 30 documents required. "This is a future-oriented project," said DHL Global Forwarding's head of air freight Michael Schaecher. "We are fully aware that in five to six years time the airfreight business will be very different from today, with electronic messages replacing the multiple handling of documents. E-freight offers major advantages for our organisation, our service partners, our highly valued customers and, last but not least, the environment."

Correios Ranked First in Eco Index

CTT Correios of Portugal has been ranked first in the Climate Responsibility: ACGE Index carried out by the Euronatura Environmental Law and Sustainable Development Centre.

Euronatura evaluated 50 companies for their commitment to the environment and sustainable development.

This recognition follows the divulgation at the Climate Change Conference in Copenhagen that CTT ranks as the 5th best world postal operator in reducing CO_2 emissions, and reflects the rigorous and consistent commitment of all workers to strength the long term responsible business image of CTT.

Correios is part of IPC's Environmental Measurement and Monitoring System.

UK Quality of Service Suffers a Dip

Quality of service for domestic letters in the United Kingdom dipped by two percentage points in Royal Mail's second quarter to September 30.

The 90.7 percent result for on-time next day delivery of first class letters fell below the 93 percent target. Second class letters achieved a 98 percent result compared with their 98.5 percent target.

The figures relate to a period when localised strikes had begun in London but not the national strikes that occurred later in the year.

Results in the second quarter were better for parcels, with both standard and European services exceeding their targets along with what Royal Mail described as a "significant proportion" of bulk business mail.

Sale Price Offered for Spring Mailings

Direct mailers in the United Kingdom will be able to access a 20 percent discount if they send out new or additional mailings in March and April this year.

Royal Mail is offering its sale price on both Mailsort 3 letter volumes and its Sustainable Mail product. Mark Thomson, the company's media director, said the discounts represented a new approach for Royal Mail that mirrored incentives and price deals offered by other media channels.

An Post Buys Major Stake in GVS

An Post has purchased a majority holding in Gift Voucher Shop (GVS) an Irish pre-paid gift card company which is now trading across the United Kingdom via a strategic alliance with the British Post Office.

An investment of around EUR 9 million in equity and loan notes includes an element to be determined by future performance.

GVS had sales worth EUR 52 million in the Irish Republic in 2008 and now enjoys exclusive access for five years to 12,000 UK post offices and 8,000 pay station outlets.

An Post chief executive Donal Connell said the acquisition was a long-term strategic investment in line with the company's drive to broaden its revenue base and build new channels for future product development in retail business.

Austria Post Deploys Eco-Friendly Fleet

Austria Post is switching to natural gas and electric power systems with the support of klima:aktiv, the climate protection initiative of the Federal Ministry of Agriculture, Forestry, Environment and Water Management.

It has deployed more than 70 environmental natural gas vehicles and about 20 electric mopeds and bicycles as part of its drive to reduce its CO_2 emissions by ten percent by 2012.

"The focus of our climate protection initiative klima:activ is therefore the transition to alternative engines and renewable fuels such as biodiesel, vegetable oil, super ethanol (E85) and biogas as well as electric engines," said Austria Post management board member Walter Hitziger.

Itella Study Looks at Financial Admin Outsourcing

Itella Information has commissioned a survey into chief executive and chief financial officer attitudes to financial administration outsourcing.

AddValue questioned 138 respondents from large companies, finding that CEOs were more prepared to outsource than CFOs. Less than a third of the companies surveyed had outsourced purchase invoice scanning, payroll, travel expenses/expense reports and invoicing.

Employee Awards for Innovative Ideas

Deutsche Post DHL has presented its second annual Innovation Awards to a customer, scientists and employees.

This year the employee award was split between two teams: team one in Germany developed a video coding tunnel that facilitated exchange of codes between centres while improving manpower utilisation; the second team in Finland, developed plastic pallets for optimal stacking and vehicle loading.

DHL Gets Bigger at Heathrow

DHL Supply Chain has won an extended contract for operation of the Heathrow Consolidation Centre (HCC), which supplies retail and catering outlets at the airport.

The company has managed the HCC since 2001, but the new contract is almost double in size and worth up to GBP 22.5 million over two-and-a-half years. It involves consolidating 700 in-bound deliveries a week into 300 outbound. All retail and catering concessions at Heathrow are obliged to use the HCC.

'Embrace Volatility' Study Tells Tech Groups

A report into technology supply chains commissioned by DHL Supply Chain is urging technology companies to take a longer term view and prepare for permanent volatility.

The report, "Embrace Volatility – a Route to Steer Technology Supply Chains out of the Recession," is based on a study by FreshMinds embracing more than 30 technology and supply chain academics and experts as well as supply chain directors at technology companies.

TNT Expands Intermodal Rail Service

TNT is expanding its transalpine rail services between Northern Europe and Italy. It has added a second service to Milan departing its road hub in Arnhem on Fridays and arriving in Milan on Sunday mornings.

The intermodal service combines road and rail transportation, carrying fully laden trucks by rail between Freiburg and Novara.

>>In Brief - Europe

TNT Wins Prize for Financial Reporting
TNT has received the Henri Sijthoff Prize for the best financial reporting in an annually report. The prize, awarded by Dutch newspaper Het FD, is given annually to companies that distinguish themselves through their financial reporting.

Itella Information Appoints Chief for Central Europe
Mikka Savolainen is the new chief executive of Itella Information in Poland, responsible for the whole of eastern Central Europe.

PostBus Continues to Expand
Swiss Post's PostBus has added 3.5 million timetabled kilometres to its Swiss network across 22 new routes and has won another public tender in France to boost its annual French turnover in from EUR 4 million to EUR 30 million.

More Road Trailers to the Middle East
TNT Express has expanded its Middle East Road Network by 30 trailers to offer customers more express options at lower cost.

In Time Express Moves into Chill
German time-critical courier company In Time Express Logistik is launching a temperature-controlled direct delivery service and is already servicing one customer, delivering vaccines, insulin and blood across Germany.

2000 Places to Withdraw Cash
The United Kingdom Post Office has installed its 2,000th cash point providing commission-free access to ATM services across the country.

GLS Belgium Completes its Restructuring
Royal Mail Group parcels subsidiary GLS has completed its Belgian restructuring, splitting its nine locations between parcel and pallet activities to form two separate businesses, streamline operations and modernise freight handling.

Americas

Postal Service Issues Year End Results

The United States Postal Service 2009 fiscal year-end financial results showed a net loss of USD 3.8 billion despite USD 6 billion in cost savings and a USD 4 billion reduction in required payments for retiree health benefits.

The savings include a 40,000 staff reduction, plus cuts in overtime hours, transportation and other costs. The USD 4 billion reduction in mandatory retiree health benefit payments came about under a special law passed to allow the Postal Service to maintain fiscal solvency.

The financial results revealed operating revenue of USD 68.1 billion, compared with USD 74.9 billion in 2008; operating expenses of USD 71.8 billion against USD 77.7 billion and a net loss of USD 3.8 billion, compared with USD 2.8 billion.

Total mail volume declined by 12.7 percent in fiscal 2009 to 177 billion pieces, compared with 203 billion pieces in 2008.

Chief financial officer Joseph Corbett said the Postal Service responded aggressively to unprecedented mail volume declines and the ongoing recession. "We undertook comprehensive cost-cutting measures across all areas of the organization," he said. "Most notably, we reduced work hours by 115 million, or the equivalent of 65,000 full-time employees representing a larger number than the entire workforce at more than 80 percent of Fortune 500 companies today."

Independent auditor Ernst & Young issued an unqualified audit opinion, but emphasized that questions remain about the ability of the Postal Service to generate sufficient liquidity to make all of its payments, including the USD 5.5 billion retiree health benefits payment due on the last day of 2010.

The Postal Service's Integrated Financial Plan estimates a revenue decline of USD 2.2 billion, a net loss of USD 7.8 billion, cost reductions of more than USD 3.5 billion and a reduction in mail volume of eleven billion pieces for the year.

Postmaster General John Potter stated, however, that the Postal Service faced "a sobering reality" of the same problem in 2010 and every year in the near future. "As volume contracts and we struggle to match the costs of an expanding delivery network with revenues received, it's clear that long-term success requires fundamental, legislative change," he said.

He said legislation had to address "the impossible demands" of prefunding future retiree health benefits at current levels of more than USD 5 billion annually; the barriers to matching delivery frequency with declining mail volumes; and the ability to leverage the Postal Service's logistics, distribution and retail networks to create new revenue streams.

"In 2010 we will engage our customer and business partner stakeholders, the Administration and Congress, and the American people in a dialogue to determine a more financially sustainable future," said Mr. Potter. "The Postal Service remains a vital driver of the American economy and an integral part of every American community."

Canada Post Commits to Major CO_2 Cut

Canada Post has announced its intention to cut its direct greenhouse gas emissions by 20 percent in addition to its existing commitment to reduce its emissions by 14 percent from 1990 to date.

"We are committed to making significant additional reductions to our greenhouse gas emissions," said Moya Greene, president and chief executive of Canada Post. "Our commitment is driven by our belief that all businesses have a role to play in tackling climate change. We also know that this urgent global environmental challenge is a priority not only for our business customers, but also for Canadians."

The reduction commitment includes registering all major new buildings for LEED certification. Starting this year, Canada Post is to purchase 3,000 lighter, more fuel efficient vehicles.

Canada Post's subsidiary, Purolator Courier, has ordered 200 hybrid electric delivery trucks in addition to 205 already in its fleet.

The Azure Balance Hybrid Electric vehicles are integrated on a Ford E450 chassis and offer economy features such as engine-off at idle.

Canada Post is a member of IPC's Environmental Measurement and Monitoring System.

US Government Study Confirms Economy of Hybrids

A twelve-month evaluation of UPS diesel hybrid delivery vehicles showed they improved on-road fuel economy by 28.9 percent giving a 15 percent improvement in total cost per mile.

The study by the United States Department of Energy monitored six hybrid vans. A team collected and analysed fuel economy, maintenance and other vehicle performance data.

The vans maintained similar reliability and operational performance as conventional vehicles in addition to their fuel economy, the test results showed.

The vehicles in the test were first generation hybrid diesel step delivery vans powered by the electric hybrid propulsion system from Eaton Corp.

BPI Buys Major Stake in US Mail Business

Belgian Post International (BPI) has acquired a majority share in MSI Worldwide Mail, a United States based mail and parcel distribution company, in order to expand its operations in the US and worldwide.

MSI Worldwide Mail will continue to operate autonomously with the freedom to choose its own postal operator distributors. The company was set up three-and-a-half years ago and said it expected to generate sales of USD 35 million.

Christopher Taylor, chief executive of MSI, said: "Having BPI as a strategic partner provides MSI with the global resources necessary to further strengthen our position in North America and expand our service offering. Moreover, the new relationship will allow additional investment in technology and product offerings to meet client demands in the coming decade."

FedEx Announces Q2 Results

FedEx Corp results for its ending in November showed lower year-on-year revenue and profit figures.

Group revenue at USD 8.60 billion was down ten percent from USD 9.54 billion a year ago; operating income of USD 571 million was 27 percent down from USD 784 million; operating margin was 6.6 percent compared with 8.2 percent and net income at USD 345 million was 30 percent below last year's USD 493 million.

The company said lower yields caused revenue and earnings decline owing primarily to substantial reduction in fuel surcharges year-on-year.

The express business reported second quarter revenue of USD 5.31 billion, down 13 percent from USD 6.10 billion a year ago. Operating income was USD 345 million, down 36 percent from USD 540 million; operating margin was 6.5 percent compared with 8.9 percent.

US domestic average daily package volume rose by four percent, but revenue per package dropped by 19 percent owing to lower fuel surcharges, rate per pound and weight per package.

At FedEx Ground, revenue was USD 1.84 billion, three percent higher than last year's USD 1.79 billion. Operating income was USD 238 million, up twelve percent from USD 212 million; operating margin was 13.0 percent compared with 11.9 percent.

Average daily package volume was four percent higher, but yield decreased by two percent. FedEx SmartPost average daily volume grew 63 percent, aided by gains resulting from DHL's exit from the US domestic package market. Operating income and margin grew primarily on account of increased volume and improved productivity.

The company said less-than-truckload (LTL) yield decreased twelve percent owning to competitive pricing and lower fuel surcharges. Average daily LTL shipments increased three percent year-on-year and growth rates improved throughout the quarter, partially offset by higher shipments.

UPS Rate Increases Come into Force

New UPS rates in force since January 4 are up an average 4.9 percent for air, ground and international packages. The net figure for air and international includes a two percent reduction in fuel surcharge.

Fuel surcharge tables have been adjusted for air express and ground services to align them better and reduce volatility when fuel prices fluctuate.

Freight rates are up an average 5.7 percent for non-contractual shipments in the United States, Canada and Mexico.

UPS Mexico Chief Wins Top Award

The UPS Mexico general manager, Griselda Hernandez, has received the Best Executive in Latin America Stevie Award in an international competition that recognises the accomplishments of outstanding women executives, business owners and the organisations they run.

Asia Pacific

Ahmed Fahour to Head Australia Post

Australia Post's new chief executive officer, Ahmed Fahour, joins the company on February 1 from Gulf Finance House.

Mr. Fahour has worked at Boston Consulting Group, Citigroup and NAB. He is an experienced chief executive in Australia and other countries and will take up the challenge of identifying ambitious strategies that further strengthen Australia Post's balance sheet and profitability, according to chairman David Mortimer.

The appointment results from a four-month international search.

Japan Post to Restructure Again

The Japanese Government plans to restructure the five units of Japan Post group into three companies, with the government owning more than one third of the shares.

The move, seen as a big step backwards for privatisation, boosts the government's involvement in Japan's postal system. The mail and parcel delivery unit Japan Post Service and the post office operator Japan Post Network will be grouped into one new company.

The group's banking and insurance units, Japan Post Bank and Japan Post Insurance, will operate under the merged company, which will hold more than a third of the shares in the two profit-making units.

The reorganisation move was prompted by worries that Japan Post Service may not stay afloat given the weak business environment surrounding its mail and parcel delivery services as Japan Post Bank and Japan Post Insurance generate the bulk of profits for the group.

The company's reorganisation follows recent elections of a new government that blocked long-standing privatisation plans for the postal and financial services giant.

Internal affairs minister Kazuhiro Haraguchi and minister for postal affairs Shizuka Kamei will work out the details of the realignment bringing forward relevant bills to the upcoming Diet session later this month.

Pre-Christmas Industrial Unrest in Australia

A postal strike in Australia before Christmas was stopped after one day by Fair Work Australia, the national workplace relations tribunal, which ordered postal employees back to work after Australia Post applied to the Federal Court for an injunction to stop picketing at key distribution centres.

Fair Work Australia ruled that the union's notices of strike action were too broad and invalid and ordered it to cease them and also call off further action planned for December 17-21.

The union responded to the Fair Work Australia ruling with a strike notice. It refused to call off a planned 48-hour strike in Christmas week; a statement from Australia Post said union stoppages in Melbourne on December 23 caused delays.

The Express Market Grows in China

The Chinese express delivery market grew by 14.8 percent to CNY 34.26 billion in the first nine months of 2009, according to Research in China.

The organisation said the domestic market developed strongly with cross-regional volumes up 30 percent to 940 million pieces and local volumes up 8.4 percent to 320 items.

Revenue from the international business, including Hong Kong, Macau and Taiwan, dropped 0.3 percent to CNY 10.83 billion while volumes rose 1.1 percent to 80 million pieces.

This year the market is expected to consolidate when a new postal law is likely to cause the disappearance of up to 40 percent of small, local express operators.

DHL Completes its Energy Centre Network

DHL has launched a dedicated oil and energy centre of excellence in Singapore to serve the Asia Pacific region as it expands its excellence centre network.

The regional centres located in the United States, the Middle East and Africa, Europe and Asia Pacific are interlinked globally and support multiple DHL business divisions serving energy suppliers.

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IPC
Head of Communication
Avenue du Bourget, 44
1130, Brussels
Belgium