

In this issue

Europe

- New Royal Mail Chief Named
- Proposals to Slacken UK Price Control
- Deutsche Post Adjusts Mail Ops to Demand
- Itella Gathers Views on Mail Channels
- ErgoGroup to Merge with Norway's EDB
- Savings Boost Norway Post's Earnings
- PostFinance Boosts Swiss Post's Quarter
- TNT Post Buys E-Commerce Expertise
- Royal Mail Launches E-Fulfilment Tool
- Austrian Post First Quarter EBIT Falls
- An Post Does Better Despite Weather
- Russian Operator Targets E-Commerce
- Global Website Strengthens 'One DHL'
- Russian Post Returns to Profit
- NetPosti Takes Off after 10-Year Wait
- French Postage Rates to Rise
- Advertisers Sign Up to Royal Mail Resource
- DHL Centre Stays in Touch with Business
- IPC Chief to Speak at World Mail Conference
- Royal Mail Promotes SME 'Blueprint'
- Home Delivery Network Becomes Yodel
- Magyar Posta Prepares for 2013
- Postfone Expands An Post's Range
- Private Mail Firms Seek Voice in Europe
- Transport Workers Strike in Norway
- GLS to Raise Prices
- Enhanced Address Change Data for UK

Americas

- Potter Reshapes USPS Package Services
- Canada Post Unveils its First New Facility
- DHL Expands Further in Latin America
- UPS Backs American Exporters
- UPS Lays Off Pilots
- Correos Mexico Seeks a Strategic Partner
- FAA Seeks to Impose Fine on FedEx
- UPS Enhances Tools for Import Shipments

Asia-Pacific

- Three-Way Deal on eBay Exports from China
- Australia Post Given Leave to Raise Prices
- Belgian Post Forms Indian Partnership
- DHL Invests in Growing Service Logistics
- Toll Group Buys DPEX for Asian Growth
- Japan's Postal Bill Goes Ahead
- DHL Links Asia and UAE

New Royal Mail Chief Named



Moya Greene, president and chief executive of Canada Post, is to take up a new role as chief executive of Royal Mail Group in mid-July.

Ms. Greene was the driving force behind Canada Post's multi-year postal transformation programme. Since her appointment in 2005, employee engagement scores have risen each year; on-time delivery and automation have increased; safety has improved and absenteeism has reduced.

Welcoming Ms. Greene's appointment, Royal Mail chairman Donald Brydon said: "Moya will bring energy, clear thinking and a proven leadership track record - as well as hugely relevant experience - to the business at an important moment in its evolution."

Ms. Greene will take up her new position just as a postal services bill is being drafted by the United Kingdom's new coalition government. This will resurrect plans to part privatise Royal Mail and, according to the government's department for business, will tackle fundamental and longstanding problems facing Royal Mail.

It is understood, however, that Post Office Limited, the retail network, will remain fully in public ownership.

www.ipc.be

To access breaking news on the postal industry, visit our website www.ipc.be. News archives and reports can also be accessed from our on-line media centre.

Europe

Issue 411 | 17 June 2010

print | next

Americas

Asia-Pacific

(New Royal Mail Chief Named continued)

Business Secretary Vince Cable said: "We are looking at all the issues and options with a fresh pair of eyes but are clear that an injection of private capital is important, as is making this work for employees by tackling the pension deficit and exploring opportunities to give workers a real share in the future of the company."

A valuation currently under way is expected to calculate the pension deficit at significantly more than the current official figure of GBP 3.4 billion. Royal Mail paid GBP 867 million into pension schemes in the year to end March 2010; of that, GBP 291 million was to help fund the historic deficit.

The government said its bill would be designed to resolve the pension deficit and would lay out potential changes to the regulatory framework. It will also explore options for employee engagement.

The announcement of the new government's plan came in the Queen's Speech to parliament on May 25. A few days earlier, Royal Mail Group had announced a full year operating profit for 2009/2010 of GBP 404 million, 26 percent more than the previous year. Group revenue, however, was down at GBP 9.35 billion.

Royal Mail said it has so far invested GBP 1.6 billion of the GBP 2 billion allocated to business transformation and modernisation. That investment, coupled with high pension payments, resulted in a negative group cash flow in 2009/10 of GBP 517 million.

At the end of May, Royal Mail announced quality of service results for its full fiscal year to end March 2010.

Delivery performance for first class mail was 87.9 percent, just over five percentage points below the 93 percent target. The period did include major postal strikes and severe winter weather.

Second class mail performed closer to target, achieving a 96.7 percent on-time performance compared with a target of 98.5 percent. Standard parcels, international mail to Europe and some business bulk mail beat their quality-of-service targets.

Royal Mail Group has appointed two non-executive directors with extensive experience of consumer oriented business: Orna Ni-Chionna, senior independent director of Northern Foods, and Cath Keers, former customer and marketing director of telephone company O2 and a non-executive director of Telefonica Europe.



Europe

Proposals to Slacken UK Price Control

United Kingdom postal regulator, Postcomm, has proposed new rules designed to give Royal Mail greater commercial freedom, while at the same time preventing it from hindering competition.

"Our intent is to focus our regulatory safeguards where it is necessary to help sustain a universal service, our primary duty, and to further the interests of all users," said Postcomm chairman Nigel Stapleton.

Postcomm said the new framework would be founded on cost transparency and accounting separation, reflecting recent market developments including mail volume decline and the rise of online shopping.

An initial set of measures will be introduced in April 2011. This includes removing price controls from packages and parcels weighing more than 750 grams and from pre-sorted bulk mail services provided by Royal Mail direct to customers; the wholesale price to other operators seeking downstream access would be subject to new regulatory safeguards.

According to Postcomm, the proposed changes would allow Royal Mail to realise up to GBP 75 million of additional revenue through price increases above retail price inflation. That would mean raising the price of stamps two percent above inflation.

The consultation continues until the end of August, and work continues on additional proposals for regulatory changes.

Deutsche Post Adjusts Mail Ops to Demand

Deutsche Post plans to divert as many advertising mailings as possible away from Monday delivery between May 31 and August 23 in order to save ten percent of costs incurred on the least busy delivery day.

Responding to seasonal volume decline, the company is also transferring shifts from three regional mail centres to neighbouring centres for three weeks in July and August, pledging that the measure will have no effect on transit time or letter delivery.

"We must continue cutting costs to deal with declining revenues, especially during the weeks with low volumes," said Jürgen Gerdes, head of the mail division.

Itella Gathers Views on Mail Channels

Itella has gathered initial findings from a pilot test of possible new delivery channels for the future.

Individuals and companies in the Anttila district of Porvoo are being offered electronic transmission of mail via the NetPosti service, delivery to a mail box in a local convenience store, and twice-weekly delivery to their own address.

"The goal is to create a model of a mail delivery service that responds to the needs and expectations of customers regarding the new services and benefits of mail delivery," said Tommi Tikka, development director.

Almost half the households and companies in Anttila have joined the pilot, which will continue until the end of the year.



Europe

Issue 411 | 17 June 2010

print | next

Americas

Asia-Pacific

ErgoGroup to Merge with Norway's EDB

Norway Post's ErgoGroup and EDB Business Partner ASA (51.3 percent of which is owned by Telenor) plan to merge, creating a leading Nordic IT vendor with the capacity for accelerated organic growth.

The interim name of the combined company will be EDB Ergo-Group ASA. EDB shareholders will have a 53 percent stake (Telenor will have approximately 27.2 percent) while Norway Post will hold 47 percent; Norway Post has pledged to reduce its shareholding to a maximum of 40 percent within two years of the merger's completion.

The combined company will have reported revenue of NOK 12.7 billion for 2009. Following the merger, it will conduct a share issue of up to NOK 1 billion in new equity.

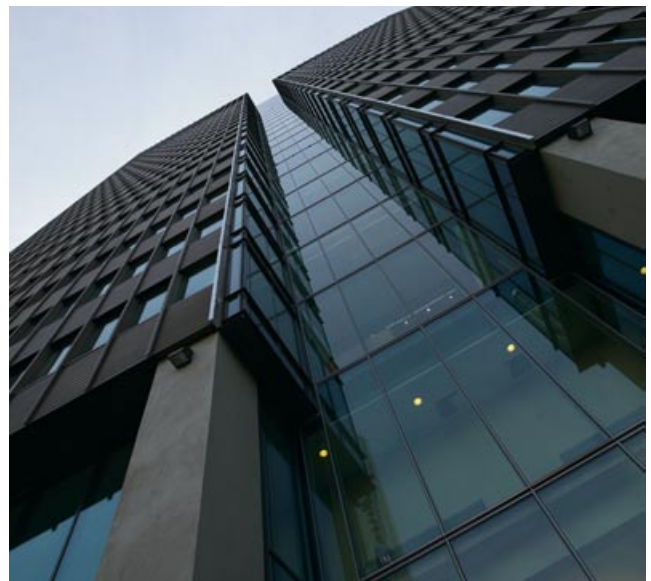
The partners said the merger was expected to bring annual synergies of NOK 250 million to NOK 350 million. Dag Mejdell, chief executive of Norway Post, said combining the two companies would produce a Norway-based service provider with significant competitive strength in the Nordic market.

The drivers for the merger are increasing competitive pressure combined with the need to build scale in organisational competence and services and to improve cost efficiency and financial strength.

The combined company will have 10,000 employees in 16 countries providing IT solutions, outsourced operations and consultancy.

The merger is subject to approval by annual general meetings of both companies - likely to take place in July - and relevant competition authorities. It is expected to be completed in the fourth quarter of this year. The managing director of the merged company will be Terje Mjøs, the current chief executive of Ergo-Group.

Savings Boost Norway Post's Earnings



Norway Post reported an increase in first quarter earnings before non-recurring items and write-downs at the end of May, ten days before announcing plans to merge its ErgoGroup IT business with fellow Norwegian company EDB.

Earnings were NOK 284 million, a marked increase of NOK 194 million on the previous first quarter. The improvement resulted mainly from the Spinnaker cost reduction programme, which, the company claimed, has had a total effect of about NOK 1.4 billion.

Operating revenue in the first quarter dropped by 3.9 percent on last year to NOK 6.66 billion. Mail sector revenue was NOK 3.13 billion, NOK 90 million below last year; the logistics sector's revenue was NOK 3.05 billion, a decline of 4.2 percent; revenue from the IT segment was NOK 1.28 billion, NOK 96 million below the 2009 level.

The group is restructuring into three divisions: parcels and goods, logistics solutions and mail.

PostFinance Boosts Swiss Post's Quarter

Swiss Post generated an operating profit of CHF 276 million in the first quarter to end March, an increase of CHF 77 million on the same period last year. Operating income rose by CHF 55 million to CHF 2.23 billion.

The company attributed its improved performance to an increase in customer deposits at PostFinance and a gradual economic upturn. The group profit was CHF 274 million, up from CHF 198 million in the first quarter last year.

The letters business, PostMail, saw its operating income fall by CHF 59 million to CHF 680 million, but it achieved an operating profit of CHF 67 million.

In contrast, PostFinance increased its operating income from CHF 516 million in the first quarter last year to CHF 572 million this year, achieving a first quarter 2010 operating profit of CHF 131 million.

TNT Post Buys E-Commerce Expertise

TNT Post has purchased e-commerce specialist Kowin for an undisclosed sum, acquiring expertise in driving customers to online shopping sites, effective selling and after sales service, including returns.

The company said the acquisition is in line with its aim to be a market leader across the whole e-commerce chain from supply of know-how and data through to payment, fulfilment and delivery.

It believes Kowin's expertise will enable it to expand its offer to new industries and markets while supporting TNT Post's own online initiatives under the Sjopze brand.

Royal Mail Launches E-Fulfilment Tool

Royal Mail has launched an e-commerce fulfilment tool for managing inventory, accounts and logistics across multiple online and traditional sales channels.

Royal Mail E-commerce Engine is targeted at retail stores, online traders and multi-channel retailers who want to expand to new sales channels. It complements Royal Mail's warehousing and delivery services for online retailers to provide an integrated, end-to-end service.

The tool is aimed at retailers with turnover of more than GBP 500,000. It integrates with users' own processes, providing a single platform for sales; customer communications (automated and manual); stock control and supplier management; pricing by channel; creation of a web or eBay store; eBay or other auction site listings and sales management; returns and refunds, and reporting.



Austrian Post First Quarter EBIT Falls

Austrian Post's earnings before interest and tax (EBIT) in the first quarter were EUR 2.4 million below the figure for the same period last year at EUR 45.3 million. Group revenue dropped as expected by 1.6 percent to EUR 585.6 million.

The company said business continued to be difficult. The mail division's EBIT was EUR 1.7 million more than in the first quarter of 2009 at EUR 64.9 million. Revenue was 1.4 percent down with substitution continuing, but advertising mail is improving slowly.

Parcel and logistics volume showed an upward trend with revenue increasing by 2.6 percent on last year. EBIT was EUR 4.1 million, an improvement of EUR 3.4 million.

The branch network made an operating loss of EUR 2.1 million, and its revenue declined by EUR 9.8 million. Internal sales were down 8.2 percent owing to an increase in direct letter and parcel collection from customers.

Austrian Post's cost reduction measures cut spending on raw materials, consumables and services by 2.8 percent; staff costs reduced by 0.7 percent compared with the previous first quarter and other operating expenses were down by 2.4 percent.

The company's outlook for the year as a whole is for revenue decline of one to two percent year-on-year with EBITDA margin stable at ten to twelve percent.

This overall outlook includes an anticipated three to five percent decline in mail revenue owing mainly to substitution. Parcel revenue is expected to improve in the course of the year.

An Post Does Better Despite Weather

An Post achieved an 84 percent quality of service for the three months from January to March, one percentage point higher than the same period in 2009 despite the more severe weather conditions this year.

"Quality improvement is a top priority for us. We will continue to make steady progress towards our 94 percent next-day target," said Donal Connell, chief executive.



Russian Operator Targets E-Commerce

Russian express company SPSR Express will install at least 100 parcel drop-off and collection terminals in shopping centres in larger cities.

SPSR wants to boost Russia's rapidly growing e-commerce and mail order markets and encourage "the world's largest e-commerce companies" to enter the Russian market.

It is building its national network of terminals in cooperation with the Estonian logistics company SmartPOST, which has been operating a network of 36 terminals in Estonia for a year.

SmartPOST aims to export its technology along with a tested business model. The first Russian machines will be tested in Moscow and St. Petersburg. Ultimately, the partners would like to connect the Russian and Estonian networks to enable parcel shipping between the two countries.

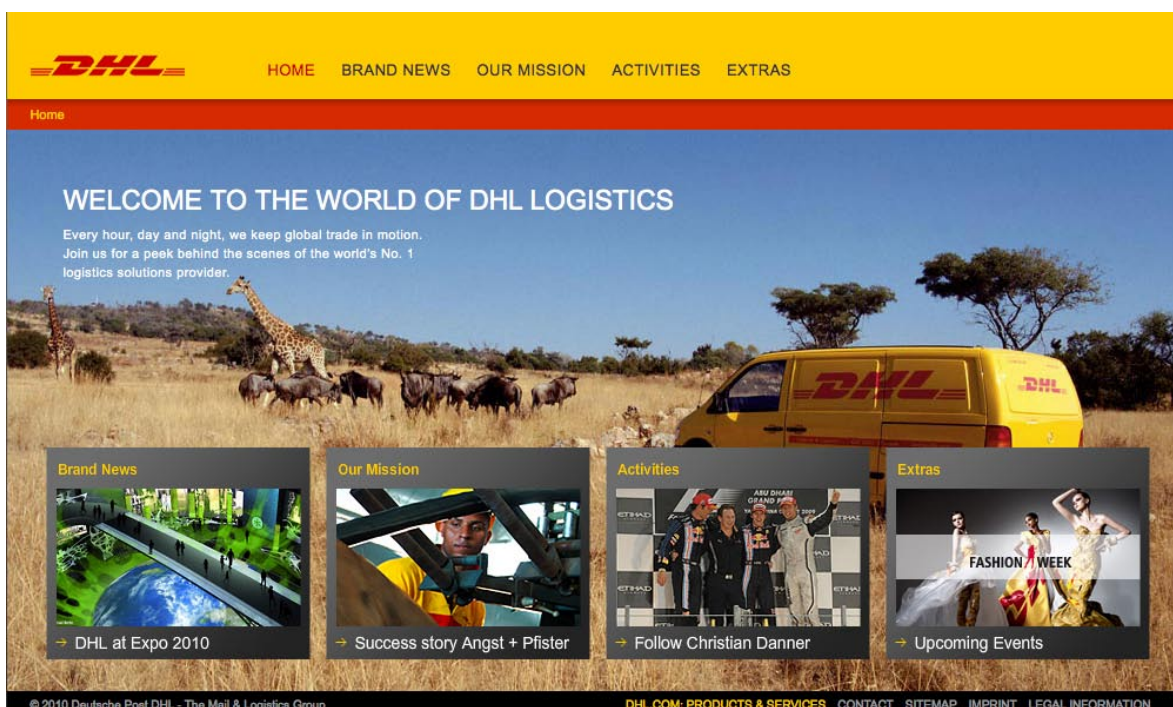
Global Website Strengthens 'One DHL'

DHL has redesigned and relaunched its presence on the web with its new global website, www.dhl.com, and 140 country sites that together comprise some 80,000 web pages in 40 different languages.

The new site integrates all DHL's business units and provides more user-friendly access to the company's logistics and global mail services.

It strengthens the "One DHL" approach of the Deutsche Post DHL group's strategy and supports the DHL brand values.

A partner website, www.DHL-brandworld.com, provides information on DHL customer successes, the company's advertising and marketing campaigns and its partnerships with Formula 1, Fashion Week, the Leipzig Gewandhaus Orchestra and others.



Russian Post Returns to Profit

Higher revenues and cost reduction helped Russian Post get back in the black in 2009. The national postal operator achieved a net profit of RUB 306 million compared with a net loss of RUB 1.47 billion in 2008.

Revenues increased by 11.3 percent to RUB 96.3 billion thanks mostly to expansion in express delivery by EMS Russian Post, financial services and e-commerce.

Postal services accounted for 42 percent of revenue while financial services accounted for 37 percent.

NetPosti Takes Off after 10-Year Wait

Itella says that the number of users registered for its NetPosti service has increased by 50 percent this year, and the number of electronic letters in the system has risen by 45 percent compared with twelve months ago.

The electronic service was first launched in 2000, since when Itella has introduced significant developments and actively promoted the information society. "We were ahead of our time," said Antero Sarèn, senior vice president. "This work produces agonisingly slow results."

During the first quarter of 2010, more than 150,000 new users registered with NetPosti and more than one million e-letters were sent to the system.

Itella says that growth has come in part from a new facility for NetPosti to receive and archive e-invoices in users' personal mailboxes. Companies are also more active, offering employees electronic pay slips.

French Postage Rates to Rise



Postage rates in France will rise by 1.6 percent on average from July 1 to help La Poste finance its universal service.

Standard letters weighing less than 20 g will cost two euro cents more at EUR 0.58, however, prices for large mailers of relational and advertising mail will be unchanged this year.

In addition, the Destineo Free Spirit product designed for small- and medium-sized enterprises will increase by just 0.6 percent in recognition of current economic conditions.

Advertisers Sign Up for Royal Mail Resource

Royal Mail says its online direct mail resource for top advertisers and agencies now has 4,000 registered members, including 11 of the top 15 advertising agencies.

The site, mmc.co.uk, provides insight, training and innovative ideas to help marketers get the most out of direct mail in integrated marketing campaigns.

The programme is aimed at the UK's 3,000 top advertisers and 500 key agencies and gives creative ideas, expert advice on how to maximise return on investment and industry research from a variety of independent sources, including Nielsen.

Europe

Issue 411 | 17 June 2010

print | next

Americas

Asia-Pacific

DHL Centre Stays in Touch with Business

Deutsche Post DHL has integrated its DHL Innovation Centre in Germany into its new solutions and innovations unit, which brings together all the company's activities related to innovation.

"We have integrated the DHL Innovation Centre into the DHL solutions and innovations unit to ensure that requests from each DHL business unit and various industry sectors will be incorporated into development processes at a very early stage," said Petra Kiwitt, head of DHL solutions and innovations.

An extension to the centre designated the Hands-on Lab provides a showroom for innovative developments that are about to go on test. Also on display are pre-series products that have been designed in the centre's own laboratory.

Prototypes in the Hands-on Lab include "digitalStrom" which provides an intelligent control system for electricity consumption and "Cargoguard Safebox", an electronic seal for securing shipments.

IPC Chief to Speak at World Mail Conference

International Post Corporation (IPC) President and CEO, Herbert-Michael Zapf, is speaking on environmental challenges at the World Mail and Express Europe conference.

Also on the programme is a presentation on the strategic benefits of a cross-border merger from Lars Nordström, chief executive of Posten Norden, and an Asian view of the changing role of postal operators presented by Clement Cheung, Postmaster General of Hong Kong Post.

The event takes place in Copenhagen on June 16 and 17.

Royal Mail Promotes

SME 'Blueprint' Royal Mail is enhancing its engagement and links with small and medium-sized enterprises (SMEs) via a blueprint for small business success developed from a study commissioned from Warwick Business School.

Researchers comparing growth rates of 500 SMEs and their competitors identified six factors enabling companies to outperform the industry average in terms of growth and profitability: flexibility, business process efficiency, marketing, human resource planning, growth ambition, research and development.

Royal Mail is offering advice on how to achieve the blueprint for success via a free guide available on its website.



Home Delivery Network Becomes Yodel

United Kingdom parcels operator Home Delivery Network has unveiled a bold rebranding under a new name, Yodel, based on the slogan: "Your delivery, your call".

The new brand follows the company's acquisition in March of DHL's domestic business, creating a business-to-business and business-to-consumer operator with annual revenues of GBP 600 million.

Describing the values attached to the new brand, Yodel said it would have an absolute focus on the customer, delivering a market leading offer for B2B and B2C markets.

Meanwhile, DHL Express (UK) Limited has had its UK postal operator's licence revoked at its own request following its sale of domestic operations, which included limited mail services.

Magyar Posta Prepares for 2013

Magyar Posta and Erste Bank are running a three-month pilot test of automated money order payment at twelve of the banks ATMs.

Customers with a bank card are able to pay postal money orders that have been completed mechanically 24 hours a day. Erste Bank customers and individuals with a Posta account are able to use the service free.

Magyar Posta is preparing for liberalisation in 2013 by strengthening customer service and satisfaction. It is introducing queuing systems in high throughput post offices and is expanding its service range.

The postal operator has introduced a direct mail service offering discounts on standard rates for bulk mailings.

On January 1, the company introduced a customs brokering service for inbound and outbound goods.



Postfone Expands An Post's Range

An Post has launched Postfone, a pre-pay mobile phone virtual network operator in partnership with Vodafone.

Its EUR 2 million-plus investment is An Post's latest move to extend its range of financial and communications products.

"Our strategy is to broaden out our revenue base by investing in those areas from which we can drive more business and profit," said Donal Connell, chief executive. The company plans to take a five percent market share with Postfone, which will be available from 300 post offices.

Private Mail Firms Seek Voice in Europe

Polish company InPost is spearheading a move to set up an association of private mail operators promoting further liberalisation in Europe.

At a meeting in Cracow at the end of May, eight operators from the Czech Republic, Finland, Spain, the Netherlands, Poland, Sweden, Slovakia and the United Kingdom began work to establish an association that will boost the activities of private postal operators in cooperation with the European Commission and national regulators.

"Creating an institution aiming to promote further liberalisation of the postal market is a natural consequence of its dynamic development," said Michel Barnier, European Commissioner for the internal market and services.

Transport Workers Strike in Norway

A national transport strike in Norway began on May 15, forcing Posten Norden's subsidiary Tollpost Globe to close its main terminal in Oslo.

Bring Logistics, Norway Post's logistics division, told customers on May 18 that it was withdrawing product guarantees. About 144 of its workers at its Oslo terminal joined the strike.

The strike broke out over a pay dispute between the Norwegian employers' organisation, LTL, and the transport workers' union, NTF. It ended on June 4 when employers and unions reached an agreement.



Europe

Issue 411 | 17 June 2010

print | next

Americas

Asia-Pacific

GLS to Raise Prices

European parcels operator GLS plans to increase its prices in all markets following a decline in volume, revenue and profits in the year to end March 2010.

The Royal Mail-owned company said price pressure caused revenue to fall by 5.5 percent to EUR 1.7 billion. Earnings before interest, tax and amortisation (EBITA) dropped 15.3 percent to EUR 132 million to produce a margin of 7.9 percent compared with 8.7 percent the previous year.

The company intends to continue investing in its network and has allocated EUR 50 million to spend on land, buildings conveyor equipment, IT integration and development.

At the beginning of June, GLS opened a modernised depot in Isernia, north of Naples, to gain 30 percent more handling space and introduce modern scanning and video surveillance.

GLS Italy said it expected volume growth of about ten percent this year at Isernia.

Enhanced Address Change Data for UK

Royal Mail has added more functionality to its change of address services, offering two new products that respond to feedback from the mailing industry.

NCOA Suppress is the new suppression service, offering "gone away" suppression and data cleansing in one product.

NCOA Update is a forwarding address tool that allows users to update addresses on their database with new forwarding details.

For the first time, Royal Mail is able to provide a full history of change-of-address data across 34 million consumer records to improve match rates and provide insight to consumer relocations.



Europe

Americas

Asia-Pacific

Issue 411 | 17 June 2010

print | next

>> *In Brief - Europe*

Aramex Wins Double Plaudits

Middle East express and logistics operator Aramex has won Express Logistics Provider of the Year and Outstanding Achievement of the Year in the Supply Chain and Transport Awards, held in Dubai.

First Choice Wins Award

Deutsche Post DHL has won the award for Best Process Improvement Programme for its First Choice initiative to improve the loyalty of customers, employees and investors. The awards are organised by UK-based Six Sigma & Process Excellence IQ.

TNT Express Links Moscow to its Air Network

TNT Express has inaugurated a five-days-a-week air cargo service linking Moscow to its European hub in Liege via Warsaw. The route is designed to speed time-critical shipments from Russia, particularly TNT's service to the healthcare industry.

Hermes in Deal with Online Sales Club

Germany-based parcels operator Hermes has signed a cooperation deal to deliver goods sold by members of Brands4friends, Germany's largest e-commerce community. Members of the Brands4friends club can have goods delivered to their home or one of Hermes 14,000 ParcelShops.

New Offices for FedEx Trade Networks

Freight forwarder FedEx Trade Networks has opened two new offices in Warsaw and Gdynia, Poland, and one in Dubai. Poland's strong economy and central location enable intra-European trade, according to the company, while Dubai provides a strategic bridge between Asia-Pacific and European markets.

Belgian Subsidiary for TNT Innight

TNT Innight is now making all shipments in Belgium through an independent subsidiary, TNT Innight NV/SA, to provide improved tracking and customer service linked directly to TNT Innight in Germany.

MTN Chooses Vanderlande

Italian express operator MTN has selected a new parcel sorting system from Dutch manufacturer Vanderlande Industries. The company is a subsidiary of logistics and express courier company Log Service Europe Group.

MRW Upgrades Delivery Technology

Spanish express operator MRW is investing more than EUR 4 million in new mobile terminals for delivery staff to provide real-time tracking, an electronic signature reader and a high resolution camera to record any incidents.

DPD Ukraine Raises Turnover

DPD Ukraine increased its consolidated turnover by 90 percent in 2009, delivering more than 1.2 million parcels on an expanded network.

Charge Free Donating with PostFinance

Swiss Post's PostFinance has activated a button on its Postomats allowing the public to donate money to charity Swiss Solidarity without incurring a transaction fee. The facility runs until the end of June.

Europe

Issue 411 | 17 June 2010

print | next

Americas

Asia-Pacific

Americas

Potter Reshapes USPS Package Services

The United States Postmaster General, John Potter, has merged the US Postal Service's Expedited Shipping and Ground Shipping groups into a single Shipping Services group.

Gary Reblin will lead the unified package services group as vice president, shipping services. He will be responsible for all shipping products and services, plus customer service improvements, for both competitive and market dominant products.

Mr. Reblin moves to his expanded role from the position of vice president of expedited shipping, a position he has held since 2008.

Jim Cochrane has been appointed vice president, product visibility and operational performance, in a newly formed Intelligent Mail and Address Quality group developing innovation in scanning technologies and tracking systems. He will report to the senior vice president in charge of the new group.

Mr. Potter said the new structure would result in more competitive package products and scanning visibility information for customers.

His announcement on May 20 followed the resignation of Robert Bernstock, who had been president of Mailing and Shipping Services since June 2008.

Mr. Bernstock joined the Postal Service as president of the newly created division in June 2008, agreeing to work for an initial period of two years. He left on June 4 to pursue opportunities in the private sector.

On June 7, Mr. Potter announced that Susan M. Plonkey will be acting president of Mailing and Shipping Services, responsible for all product management and development, retail and commercial products and services and commercial sales.

The Mailing and Shipping Services division was created to take advantage of legal changes allowing the Postal Service to compete more broadly in commercial markets.



Europe

Americas

Asia-Pacific

Issue 411 | 17 June 2010

print | next

Canada Post Unveils its First New Facility

The first new facility to be built under Canada Post's multi-year modernisation programme opened formally in Winnipeg on June 7.

The state-of-the-art mail processing plant cost CAD 100 million and is the first in the Canada Post network to be registered as a Leadership in Energy and Environmental Design (LEED) building.

The modernisation plan runs until 2017. It is designed to achieve cost savings of approximately CAD 250 million a year while providing enhanced service and greater productivity.

DHL Expands Further in Latin America

DHL is expanding in Latin America. In Buenos Aires, DHL Express has a new 1,700 sq metre distribution centre, while in Peru, DHL Global Forwarding has invested USD 2 million in building a, 7,000 sq metre warehouse.

The Argentinean distribution centre offers more flexibility for international and domestic connections while extending coverage to more customers. It is part of a five-year investment plan for construction, infrastructure and technology.

The warehouse in the port of Callao, Peru, is expected to increase turnover by 15 percent.



UPS Backs American Exporters

UPS is helping small and medium-sized businesses (SMEs) in the United States to expand through exporting in support of the US Government's drive to boost exports.

The company has published its UPS Business Monitor United States, a survey revealing that exporting SMEs are confident about international sales despite their concern about the economy.

Companies new to exporting said documentation and customs requirements are the highest barriers to expansion; however, 35 percent of small businesses responding said exporting had impacted significantly on overall sales.

In addition to the Business Monitor, UPS will host a series of export seminars around the US this summer. It will also release "snapshot guides" for small businesses interested in expanding their sales to five specific countries.

UPS Lays Off Pilots

UPS has laid off 54 airline pilots in the first wave of up to 170 pilots who could be placed on temporary furlough this year.

The Independent Pilots Association (IPA) said the 2,800 UPS pilots had managed to retain their jobs since April 2009 through voluntary cost-cutting.

UPS promised there would be no compulsory furloughs until April 1, 2010 but in May it announced the first lay-offs, blaming lower demand, a more modern fleet and a raised pilot retirement age of 65 instead of 60.

Europe

Americas

Asia-Pacific

Issue 411 | 17 June 2010

print | next

Correos Mexico Seeks a Strategic Partner

Correos de México is in talks about a potential strategic, international business alliance with DHL, UPS and FedEx.

The state-owned postal operator is believed to be seeking to develop new business channels for its international express service. Options being considered include creating a joint brand or providing domestic transport for foreign operators.

Correos is also talking to its competitor in Mexican express services, Estafeta.

FAA Seeks to Impose Fine on FedEx

The United States Federal Aviation Administration (FAA) has proposed that FedEx pay a civil fine of USD 1.55 million for failing to revise its airworthy maintenance programme in line with regulations.

FedEx allegedly failed to ensure it used approved standards, inspections and time limits for 14 unit load devices (ULDs) used on its aircraft from early 2008. The infringements claimed by the FAA relate to smoke detectors, power distribution feed and batteries.

UPS Enhances Tools for Import Shipments



UPS has enhanced tools that simplify use by customers of multiple transportation modes to give importers more control over their shipments.

New functionality within UPS Import Control enables an importer to process shipments. CampusShip will process air freight shipments as well as less-than-truckload (LTL) and freight shipments providing an interface for small package and LTL freight shippers.

Quantum View Manage is a web-based tool that will provide enhanced support for shipper visibility into air, ocean and LTL freight shipments.

Shippers can also self-enrol in UPS Paperless Invoice which allows small package shipments to clear customs in 92 countries using electronic data instead of paper commercial invoices.



Europe

Americas

Asia-Pacific

Issue 411 | 17 June 2010

print | next

>>In Brief - *Americas*

TNT Improves Joint Service

TNT and Con-way Freight are improving their joint freight service between Europe and the United States, adding Miami and Los Angeles international airports to reduce international transit times. TNT will use belly capacity on passenger and cargo flights. The two companies previously connected their networks only through New York's JFK International Airport.

UPS Offers Talks with Mechanics

UPS has offered aircraft mechanics new pay talks after the United States National Mediation Board turned down an International Brotherhood of Teamsters request for a release from contract negotiations that, if granted, could have led to a strike.

DHL Recruits at Cincinnati Hub

DHL has launched a recruitment campaign for 300 new jobs at its principle hub and gateway at Cincinnati/Northern Kentucky Airport to keep up with the recent positive shipment growth. This month, it expects to hire 200 workers as international service agents in package sorting, ground and ramp operations.

Port Authority Gets DHL's Former Hub

Deutsche Post DHL has given its former DHL Express hub at Wilmington, Ohio, to the Clinton County Port Authority to help the region recover from the loss of jobs resulting from its departure from the domestic market in 2008/09.

FedEx Wins IT Excellence Award

FedEx is a recipient of CIO magazine's 2010 100 award which recognises organisations around the world that exemplify operational and strategic excellence in information technology. The award specifically noted FedEx's ID card management system, which saved USD 1.2 million and brought efficiencies throughout the company.



Europe

Americas

Asia-Pacific

Issue 411 | 17 June 2010

print | next

Asia-Pacific

Three-Way Deal on eBay Exports from China

The United States Postal Service has entered a tri-lateral agreement to create a simplified shipping platform for international tracking and delivery of lightweight goods ordered by US consumers from eBay sellers in China.

The collaborative service and marketing agreement is with eBay Greater China & Southeast Asia (eBay GC) and China Post Express & Logistics Corporation. It gives the Postal Service and China Post preferred shipper status and names them as delivery agents of choice for eBay GC.

eBay GC has developed a seamless shipping application that allows its sellers to print online labels, request pick-ups, track shipments and receive electronic notifications. On arrival in the US, sellers' goods are processed as First Class Mail.

The agreement is in line with the Postal Service's strategy to increase revenue and meet demand in the global marketplace.

Australia Post Given Leave to Raise Prices



Australia Post has welcomed a decision by the Australian Competition and Consumer Commission (ACCC) to allow a five-cent increase in the basic postage rate from June 28. The cost of a standard stamp will rise to AUD 0.60.

In July last year the ACCC objected to an initial proposal from Australia Post. A subsequent notification by Australia Post addressed issues raised by the ACCC giving further information on letter volumes, cost projections and management.

Belgian Post Forms Indian Partnership

Belgian Post International has formed a partnership with Indian mail and express operator Expressit to launch an international express mail delivery service to 180 countries.

A new service branded "MailPlus offer" will offer guaranteed delivery times for three products: Practimail, an all-in express mail service; Volumail, for large mailers; and Parcels, a tracked service offering extended delivery times and drop-off options.

Expressit operates an integrated business-to-consumer network for premium domestic shipments by high-volume customers in sectors including banking, financial services, insurance, telecoms, retail and aviation.

DHL Invests in Growing Service Logistics

DHL is investing EUR 50 million over the next five years in growing its share of Asia-Pacific's EUR 3 billion outsourced service logistics market.

DHL's Supply Chain Division will grow its technical services offer via expansion plans for China, India, Japan and Singapore.

"By our estimates, the market is growing at about 25 percent per annum. Of that, service logistics services, especially technical services and repairs accounts for up to 60 percent of the overall spend," said Paul Graham, chief executive, DHL Supply Chain, Asia Pacific.

DHL plans to set up an Asia Pacific centre of excellence for where a core team of experts will focus on designing solutions and providing consultancy services.

The company's integrated technical services centre at the Penang distribution hub provides a showcase of the company's capability. It offers integrated solutions ranging from spare part warehousing and distribution to reverse logistics and warranty verification, and operates a dedicated technical call centre for a computer manufacturer customer.

Europe

Americas

Asia-Pacific

Issue 411 | 17 June 2010

print | next

Toll Group Buys DPEX for Asian Growth

Australia's Toll Group has acquired Singapore-based express business DPEX from Qantas in order to step up its expansion in Asia's express market through its Toll Global Express (TGX) division.

DPEX joins other recent acquisitions: Deltec, Skynet and Kiwimail providing additional scale and coverage across a network of 19 Asian countries.

Meanwhile, back home in Australia, Toll Group has acquired the assets of Concord Park, a privately owned interstate transport company, and has won a logistics contract with department store Kmart Australia.

Concord Park has revenues of about AUD 90 million. It offers distribution, third party logistics, time-slot deliveries into distribution centres, overnight express and bulk linehaul.

Toll Group's Toll in2store division will manage Kmart's new distribution centre in Victoria from April 2011. The centre will store and distribute apparel and general merchandise to 80 shops.

Japan's Postal Bill Goes Ahead

Japan's new postal services bill is expected to complete its passage through parliament despite the resignation on June 2 of Prime Minister, Ykio Hatoyama.

The new Prime Minister, Naoto Kan, announced his commitment to pushing through his party's postal reform measures by the end of the parliamentary session on June 16.

The bill would restructure Japan Post into three companies: a holding company embracing postal delivery and retail operations, plus two subsidiaries for banking and insurance services.

The measure would also raise the limits on bank deposits and insurance premiums and would retain the banking and insurance subsidiaries in part public ownership.

DHL Links Asia and UAE

DHL has expanded its intercontinental air network, linking the UAE to Asia and Europe in order to take advantage of growing trade from the Middle East.

With its joint venture partner, Aerologic, DHL is operating weekday B777F flights between Leipzig and Hong Kong with a connection in Sharjah.

The company believes China will play an increasingly important role in trade with the UAE. In 2009, China was the UAE's top trading partner accounting for 12.9 percent of total imports.

>> In Brief - Asia-Pacific

UPS Boosts Air Capacity

UPS had added two freighters in Hong Kong and one in Shanghai to increase air capacity in Asia and boost its growth in the region.

DHL Builds Multi-User Centre in Vietnam

DHL Supply Chain is investing more than USD 1.5 million in building a 15,000 sq metre multi-user distribution centre in southern Vietnam as part of the company's strategy to expand its footprint throughout the country.

UPS Teams with Malaysian Operator

UPS has formed an alliance with Malaysian courier company, PosLaju, to launch PosLaju International Premium, a day-definite, guaranteed international express service to more than 215 countries.

Global Forwarding Facility in Free-Trade Zone

DHL is investing USD 10 million in a logistics and warehousing facility in Chennai, southern India to strengthen DHL Global Forwarding's capabilities in the country. The facility will be in the Free Trade Warehousing Zone.

DHL Provides Logistics for Diageo

DHL Supply Chain is expanding in South Korea via a contract to provide integrated supply chain services for drinks company Diageo.

Europe

Americas

Asia-Pacific

Issue 411 | 17 June 2010

print | home

ABOUT THIS PUBLICATION

IPC Market Flash is a bi-weekly newsletter providing a comprehensive look at new developments emerging in the international postal marketplace. It is published by the Markets and Communication Department of the International Post Corporation.

IPC Market Flash is sent out exclusively to IPC member posts. If you would like to contribute an article or photograph to this publication please contact us via email at publications@ipc.be or send your submissions to:

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

While every care has been taken to ensure the accuracy of this report, the facts and estimates stated are based on information and sources which, while we believe them to be reliable, are not guaranteed. No liability can be accepted by International Post Corporation, its directors or employees, for any loss occasioned to any person or entity acting or failing to act as a result of anything contained in or omitted from this report.

