

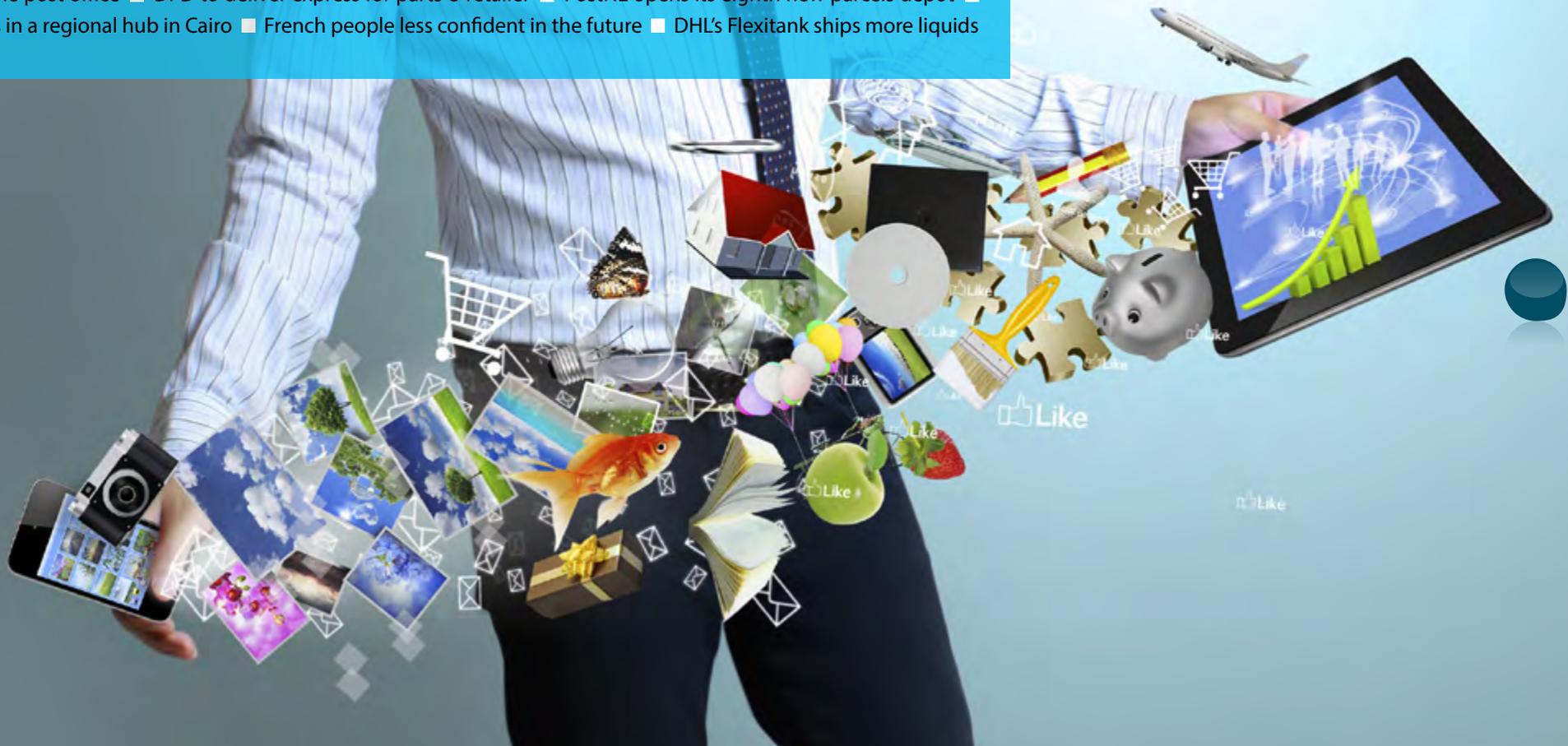
Market Flash

Issue 458 | 29 January 2013

IN THIS ISSUE

TOP STORY New chiefs begin work at the UPU ■ **AMERICAS** Postal Service Governors order speedy restructuring ■ Canada Post's epost gains a new business user ■ FedEx again listed as "best to work for" ■ Maier to head FedEx Ground

■ **ASIA PACIFIC** New Zealand Post to launch electronic ID ■ **EUROPE** Swiss Post's IncaMail recommended to public bodies ■ John Allan joins Royal Mail board ■ DHL Supply Chain wins €100m contract ■ Smartphone apps pay for stamps at the post office ■ DPD to deliver express for parts e-retailer ■ PostNL opens its eighth new parcels depot ■ DHL invests in a regional hub in Cairo ■ French people less confident in the future ■ DHL's Flexitank ships more liquids



Top story

New chiefs begin work at the UPU

The new leadership team has taken over at the Universal Postal Union (UPU) with a promise to move ahead on postal sector modernisation and innovation.

Former Kenya Post chief executive Bishar Hussein is the new director general of the UPU International Bureau while Switzerland's Pascal Clivaz is deputy director general. Both men have an initial four-year mandate renewable at the next UPU Congress in Istanbul in 2016.



Americas

Postal Service Governors order speedy restructuring

The United States Postal Service Board of Governors has decided it cannot wait indefinitely for legislation providing a more sustainable and flexible business model.

It has directed management to speed up the restructuring of postal operations in order to reduce costs further and strengthen the agency's finances.



The Postal Service is engaged in a major cost reduction effort and has reduced its annual cost base by about US\$15bn (€11.2bn) since 2006. Nonetheless, it sustained a loss of US\$15.0bn (€11.2bn) in the fiscal year ending 30 September 2012 owing mainly to US\$11.1bn (€8.3bn) in mandatory pre-funded retiree health payments on which it defaulted.

While authorising accelerated cost cutting and revenue generating measures, the Board of Governors also instructed the Postal Service to revise its 2012 five-year plan to account for its current financial and liquidity conditions.

Earlier, the US Postmaster General, Patrick Donahoe, expressed disappointment at the lack of action by Congress on introducing new postal legislation during its 112th session ending in December 2012.

He said the Postal Service had modified its five-year business plan, offering Congress the flexibility to introduce much needed legislative change. Those modifications had included adjusting the pace of mail processing consolidation but Congress had failed to act.

The Postal Service is seeking legislation to free it from the burden of pre-funded payments and provide it with commercial freedom, including the right to downscale operations and infrastructure and determine mail delivery frequency.

Canada Post's epost gains a new business user

Canada Post's epost digital mailbox has a new business customer, Veridian Connections Inc, an electricity utility in Ontario.

The company will join more than 100 other businesses that are now offering to send bills electronically to consumers who have signed up to epost.

Consumers can organise, store and pay bills from their epost account with a single sign-in. Canada Post said that 42% of Ontarians had registered for epost.



FedEx again listed as "best to work for"

FedEx Corp has again been named as one of Fortune Magazine's "100 Best Companies to Work For" in the United States. It has been included in the list for 11 out of the past 14 years.

The list is compiled via a survey conducted for Fortune by the Great Place to Work Institute. This identifies employee attitudes to management, job satisfaction and camaraderie while a culture audit gains information on pay and benefits, recruitment, communication and diversity.

Maier to head FedEx Ground

Henry J Maier is to succeed David F Rebholz as president and chief executive of FedEx Ground, the division that includes FedEx SmartPost, the final-mile delivery partnership with the United States Postal Service, and FedEx Home Delivery.

Rebholz is retiring on 31 May. Maier has worked at FedEx companies for 25 years and is currently executive vice president at FedEx Ground.



Asia Pacific

New Zealand Post to launch electronic ID

New Zealand Post is to launch an electronic identity verification system, RealMe, which it believes will boost e-commerce as well as improve online access to government services.



The company will offer its new ID system jointly with New Zealand's Department of Internal Affairs to business as well as government bodies; it will provide e-retailers with proof of the identity of the individual at the other end of online transactions.

Members of the public joining RealMe can obtain a biometric photo at a PostShop prior to a data check carried out by New Zealand Post; that done, their user account is established for five years until the next verification.



■ SWISS POST'S INCAMAIL RECOMMENDED TO PUBLIC BODIES ■ JOHN ALLAN JOINS ROYAL MAIL BOARD ■ DHL SUPPLY CHAIN WINS €100M CONTRACT ■ SMARTPHONE APPS PAY FOR STAMPS AT THE POST OFFICE ■ DPD TO DELIVER EXPRESS FOR PARTS E-RETAILER ■ POSTNL OPENS ITS EIGHTH NEW PARCELS DEPOT ■ DHL INVESTS IN A REGIONAL HUB IN CAIRO ■ FRENCH PEOPLE LESS CONFIDENT IN THE FUTURE ■ DHL'S FLEXITANK SHIPS MORE LIQUIDS

Europe

Swiss Post's IncaMail recommended to public bodies

A Swiss national association advising public bodies on choosing and purchasing IT solutions has signed a framework agreement with Swiss Post to cooperate on IncaMail, the Post's secure email service.

Under the agreement, the Swiss IT Conference (SIK) is recommending IncaMail to its members as a solution to support e-government and meet demand for high-level security on the transmission of digital documents.

Swiss Post already has an equivalent agreement with SIK for Post SuisseID, its electronic ID system, and for security certificates.

IncaMail has gained ISO 27001 certification and is already recognised by the Swiss Federal Department of Finance for electronic legal transactions within e-government.



John Allan joins Royal Mail board

Royal Mail has appointed John Allan as a non-executive director of its board.

Allan is a former chief executive of Exel, a supply chain logistics company acquired by Deutsche Post about seven years ago. He is currently chairman of Dixons Retail plc, Care UK and WorldPay. Previously he was a senior executive and board member of Deutsche Post World Net as well as chief executive of Exel.

Royal Mail Group chairman Donald Brydon said Allan's range of experience would be particularly valuable as Royal Mail continued its transformation and the group worked closely with government to obtain external capital.

DHL Supply Chain wins €100m contract

DHL Supply Chain has won a long-term contract with Panasonic worth more than €100m (US\$134m) in a competitive tender process.

IN BRIEF

DPD launches mobile website in Ireland

DPD Ireland has launched a mobile website for smartphones and other web-enabled devices that allows consumers to access tracking and delivery information.



■ SWISS POST'S INCAMAIL RECOMMENDED TO PUBLIC BODIES ■ JOHN ALLAN JOINS ROYAL MAIL BOARD ■ DHL SUPPLY CHAIN WINS €100M CONTRACT ■ SMARTPHONE APPS PAY FOR STAMPS AT THE POST OFFICE ■ DPD TO DELIVER EXPRESS FOR PARTS E-RETAILER ■ POSTNL OPENS ITS EIGHTH NEW PARCELS DEPOT ■ DHL INVESTS IN A REGIONAL HUB IN CAIRO ■ FRENCH PEOPLE LESS CONFIDENT IN THE FUTURE ■ DHL'S FLEXITANK SHIPS MORE LIQUIDS

The company will take over responsibility for Panasonic's United Kingdom supply chain, fulfilling orders for high-end consumer electrical goods, managing a shared warehouse operation and enhancing domestic transport.



DHL will also convert an existing facility into a technology campus featuring an improved IT solution and a dedicated transport control tower. The company will be responsible for creating a platform for transforming the supply chain transformation that can be replicated across Europe.

Commenting on the award of the contract, Panasonic Europe's chief supply chain officer, Nigel Cowmeadow, said his company had identified a need to bring in an innovative logistics specialist that understood the emerging needs of the technology sector.

Smartphone apps pay for stamps at the post office

P&T Luxembourg has launched two smartphone applications providing mobile payment systems for small purchases such as stamps at post offices.

Consumers downloading FLASHiZ can upload cash to be used to pay for goods at a post office. Alternatively, they can choose the Digicash application which connects to their bank account. Both applications provide payment for postal

purchases once the user has scanned the QR code displayed on the product at the post office counter.

The payment systems are already available at two post office branches and will eventually be rolled out to the whole network.

DPD to deliver express for parts e-retailer

DPD Russia has entered a strategic partnership with an e-retailer of automotive parts, VIN-CODE.RF providing express delivery and integrating IT systems in order to manage the logistics flow automatically.

Initially, DPD is delivering to about 40 cities; in future, it plans to deliver to all 2,700 residential locations accessible to its network, offering a cash-on-delivery option.

VIN-CODE.RF holds a stock of 25,000 items and serves about 150,000 customers a month. DPD's express deliveries will be made in packages weighing up to 30kg with dimensions not exceeding 80 x 80 x 120.

PostNL opens its eighth new parcels depot

PostNL is continuing phased modernisation of its parcels network with the opening of its eighth new depot integrating parcels sorting and distribution in Sittard-Geleen, south-east Netherlands.

IN BRIEF

New DPD depot in Trnava

DPD's Trnava branch in the Slovak Republic has moved into a newly built depot equipped with an automatic parcel weighing system and security cameras monitor the interior and exterior of the building.



■ SWISS POST'S INCAMAIL RECOMMENDED TO PUBLIC BODIES ■ JOHN ALLAN JOINS ROYAL MAIL BOARD ■ DHL SUPPLY CHAIN WINS €100M CONTRACT ■ SMARTPHONE APPS PAY FOR STAMPS AT THE POST OFFICE ■ DPD TO DELIVER EXPRESS FOR PARTS E-RETAILER ■ POSTNL OPENS ITS EIGHTH NEW PARCELS DEPOT ■ DHL INVESTS IN A REGIONAL HUB IN CAIRO ■ FRENCH PEOPLE LESS CONFIDENT IN THE FUTURE ■ DHL'S FLEXITANK SHIPS MORE LIQUIDS

When complete in 2015, the new, €240m (US\$323m) parcels network will consist of 18 new depots replacing four regional sorting centres and 37 local distribution centres.

PostNL Parcels said its new network would have capacity to handle 140m packages a year compared with the 106m handled in 2011.

DHL invests in a regional hub in Cairo

DHL Express is to have a new, LE500m (€55.8m, US\$75.1m) hub at Cairo Airport for the Middle East–North Africa region, providing sorting and re-export of shipments from Europe.

The hub is due to go into operation in 2014. It is being constructed by the Cairo Airport Cargo Company under a memorandum of understanding with DHL Express.

Amr Tantawy, country manager for DHL Express said international companies required investment incentives and simplified regulations if they were to help develop Egypt's logistics sector, while the country needed to improve its transport infrastructure.

French people less confident in the future

French people lack confidence in the future but believe in themselves and the people closest to them. While they have the lowest level of confidence in politicians for 30 years, they believe they will be cared for if they are ill and that advances in science will ensure they are cured in most cases.

These are some of the principal findings from Le Groupe La Poste's 2013 confidence barometer. The study, conducted by TNS Sofres, reveals that only a third of French people feel confident about the future compared with 68% in 1993.

Only 7% of those surveyed had confidence in politicians and only 5% in political parties. Just 39% had confidence in France's system for social protection covering areas such as retirement and unemployment.

Respondents gave high confidence scores above 90% for friends and family. Science and global development also provided cause for optimism. People believed that professional training and small businesses would offer a way forward, particularly in relation to employment.

Confidence in banks plummeted from a high of 63% in 1982 to 25% in 2012. The heads of large businesses scored somewhat better with a 44% confidence level compared with 55% in 1993.

La Poste said it had launched its Confidence Observatory in 2008 to analyse and encourage debate on central themes of contemporary society.

DHL's Flexitank ships more liquids

DHL Global Forwarding has introduced a Flexitank for the transport of non-hazardous liquids in standard, 20-foot shipping containers.

Flexitank is a multi-layer liner that fits inside a shipping container, holding up to 24,000 litres, 31% more capacity than other bulk liquids containers.



Market Flash



Issue 458 | 29 January 2013

About this publication

IPC Market Flash is a fortnightly newsletter providing a comprehensive look at new developments emerging in the international postal marketplace. It is published by the Markets and Communications department of the International Post Corporation.

If you would like to contribute to this publication or require further information, please contact: publications@ipc.be.

More information  on our publications

Contacts 

© IPC

Avenue du Bourget, 44

1130 Brussels

Belgium

Tel.: +32 (0)2 724 72 71

www.ipc.be

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 act as a result of anything contained in or omitted from this report.

