

Americas

USPS retains Saturday delivery for packages

The United States Postal Service has announced it will begin delivering mail on five days a week from 05 August but will continue delivering packages on six days.

The decision to continue Saturday delivery for packages responds to strong growth in the sector, driven by e-commerce. Consumer research has revealed 80% approval for the changes in delivery pattern now planned, 10% higher than the 70% approval rate when the Postal Service proposed ending all Saturday deliveries.

Postmaster General and chief executive Patrick R Donahoe said six-day delivery for packages was an important part of the Postal Service's delivery platform.

By ending Saturday delivery for mail, the Postal Service expects to save costs of about US\$2bn (€1.5bn) a year. It said its operational plan for the new delivery schedule would include transferring employees to new roles and natural wastage.

The move to five-day mail delivery follows a direction by the Postal Service Board of Governors in January to accelerate operational restructuring in order to strengthen the Postal Service's financial position. The announcement six months ahead of implementation is designed to give customers time to adjust.

USPS makes US\$1.3bn loss in its best quarter

The United States Postal Service suffered a net loss of US\$1.3bn (€1bn) in its first quarter to end December but the result could have been worse if there had been no Presidential election.

The first quarter is usually the strongest for the Postal Service on account of holiday mailing and shipping. In the current fiscal year, the quarterly result was aided by 3.6% growth in Standard (advertising) Mail in the run-up to the election.

Shipping and package revenue grew by 4.7% and volume by 4%. Customers took advantage of flat-rate pricing and final-mile package delivery. First-Class Mail volume dropped by 4.5% compared with the first quarter of the previous year causing revenue to decline by 3.1% (US\$237m, €179m) despite continuing increases in efficiency.

Low liquidity is a cause for concern for the Postal Service, which warned it would have insufficient funds in September to make the mandatory US\$5.6bn (€4.2bn) payment to prefund retiree health benefits. The Postal Service said its cash position would worsen in October when it is due to make its annual payment of about US\$1.4bn (€1.1bn) for workers' compensation. It is projecting it will have less than five days' operating cash reserves by the end of the 2013 fiscal year.



■ USPS RETAINS SATURDAY DELIVERY FOR PACKAGES ■ USPS MAKES US\$1.3BN LOSS IN ITS BEST QUARTER ■ UPS OPENS MORE SEA LANES ■ UPS INCREASES ITS QUARTERLY DIVIDEND ■ FEDEX OPENS PRAIRIE SERVICE CENTRE

The chief financial officer, Joe Corbett, said payments to employees and suppliers would continue to be the priority, above payments to the Federal Government.

UPS opens more sea lanes

UPS continues to expand its ocean freight services having added 300 lanes for less-than-containerload (LCL) shipments in Asia, Europe, the Middle East, Africa and South America.

The company now has more than 1,700 direct LCL lanes servicing 116 countries and plans to add more this year to meet evolving market needs.

During 2012, additional lanes included 139 outbound in Asia, of which 68 were from China. UPS also added direct LCL services from countries such as Vietnam that provide importers with lower labour-cost sourcing.



UPS increases its quarterly dividend

The UPS board of directors has declared a regular quarterly dividend of US\$0.62 (€0.47) per share on all outstanding Class A and B shares. The dividend is payable on 12 March and is an 8.8% increase.

Chairman and chief executive Scott Davis said the company had generated almost US\$5.4bn (€4.1bn) in free cash flow in 2012. In a reflection of the company's capital efficiency, the board reauthorised UPS's share repurchase programme for US\$10bn (€7.5bn). The new repurchase authorisation has no expiry date.

FedEx opens prairie service centre

FedEx Express has opened a 2,533m² service centre on the Canadian prairie in Saskatoon, the largest city in Saskatchewan.

The company said 85% of manufacturers in the region export globally. Customers would be drawn from the mining and energy, manufacturing, biotechnology, life sciences, construction, agriculture, education and transportation sectors.



■ NEW ZEALAND POST UPGRADES ITS BULK MAIL PRODUCTION

Asia Pacific

New Zealand Post upgrades its bulk mail production

New Zealand Post is upgrading its Datamail operation which produces bulk mail for business customers.

It is installing new printers capable of producing a wider range of mailpieces in colour and is rationalising its network of production sites from three to two.

The company said the new printers would have greater capacity than its current equipment and would incorporate technology that required significantly less manual input and supervision.

An estimated 100 jobs will be lost at the production site in Lower Hutt, which is closing, but about 30 additional jobs will be created at the two remaining sites.



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Europe

IN BRIEF

DPD Slovenia helps children

DPD Slovenia arranged for 25 children to have a holiday in Kranjska Gora and donated €200 (US\$264) to children from disadvantaged homes via a Facebook photo competition, paying €0.50 (US\$0.66) for every photo depicting winter fun posted on the site.

DPD launches international B2C service from the UK

DPD has launched an international e-commerce home delivery service from the United Kingdom to 12 export markets, partnering postal-owned delivery operators in many destination countries.

The DPD Direct service offers a simple pricing structure, tracking, customs clearance, duty-paid parcels delivery, and delivery date notification to recipients in their own language. The company said its new service was helping traditional retailers to break down the barriers to international growth in e-commerce while giving e-retailers a fast and cost-effective solution to international home delivery.

DPD collects parcels made up of online consumer orders and hands them over to Worldnet Direct, an international e-commerce logistics start-up company in which DPD's parent, GeoPost, bought a stake last year.

WorldNet Direct handles air freight and customs paperwork using various airlines to transport shipments to destination markets for final delivery. GeoPost invested in the company in order to create an international business-to-consumer offering.

DPD Direct delivery partners include An Post in Ireland, Australian Post Bartolini in Italy, Coliposte in France, DHL in Germany, Fastway Couriers in New Zealand, Seur in Spain and Portugal, TNT Post in the Netherlands and Belgium, and the United States Postal Service.

Delivery times range from three to four days in Belgium, Germany and the Netherlands to four to five or six days in Italy, Spain and Portugal and seven to eight days in New Zealand.

UPS Access Point aids consumer delivery in Europe

UPS is targeting business-to-consumer deliveries (B2C) in European markets through Access Point collection and drop-off networks using the technology platform developed by Kiala, a B2C delivery firm that it acquired last year.

The first Access Point network is under way in the United Kingdom with more than 600 retailer partners already signed up to offer consumer parcel pick-up and returns drop-off. A total of 1,500 outlets are due to be in place by June and 4,000 in 2014. Access Point outlets receive a fee per parcel handled and are supplied with technology, including mobile devices.

A second Access Point network is due to launch in Germany this summer and UPS plans to start contacting retail partners in April.

Kiala's own network in France is extensive, numbering 4,500 outlets. The company has a further 2,000 outlets in Belgium, Luxembourg, the Netherlands and Spain. The Kiala brand name will be retained in its five own markets, but UPS Access Point will be the global brand for all future geographic expansion.

Additional countries being targeted by UPS include Italy, Poland and the Scandinavian countries. Further in the future,



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Canada, Mexico and Asia have been earmarked as appropriate for the introduction of the Access Point business model.

UPS said Access Point would be an alternative delivery point for both domestic and international parcels. The company would continue to offer e-commerce shoppers home delivery with up to three delivery attempts as standard. It said traditional retailers would be able to use Access Point for a 'click and collect' option for online purchases.

UK export rise brings greater confidence for future



United Kingdom exports were 5.2% higher in the final quarter of 2012 compared with the same period the previous year with 45% of exporters saying their sales had increased.

The DHL/BCC Trade Confidence Index report revealed that confidence about future turnover and profitability is at a two-year high with 59% of UK exporters believing their turnover will increase in 2013 and 50% believing their profitability will rise.

La Poste to extend doorstep services with Facticeo terminals

La Poste, France, plans to introduce between 15 and 20 new services when its postmen and -women are fully equipped with smartphone-type terminals in 2015.

The terminals are being developed for both business and personal use with practical input from postmen. They are designed both to simplify processes at the doorstep and to offer new services.

The terminals, named Facticeo, have three principal areas of use: 'my telephone', offering postmen telephone, SMS, email and internet access; 'my Post', giving access to group news and internal information; and 'my round', providing functions linked to services provided by the postman on his delivery round.



Three applications have already been introduced. One provides an electronic signature for tracked items with the use of a stylus. Senders are notified of the signature the same day. The second application lists the names of all authorised signatories for a delivery in the absence of the addressee. The third facilitates parcel returns: the postman is informed each day via the Facticeo of all the returns ordered by households on his round.

Royal Mail wins back business mail contract

Royal Mail has won back a major contract to collect, sort and deliver statement mail for British Gas in a competitive tender.

British Gas has also awarded Royal Mail a five-year contract to deliver Smart Meters to engineers across the country and



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IN BRIEF

Moya Greene declared number 12 on Power List

Royal Mail Group chief executive Moya Greene has been declared the 12th most powerful woman in the United Kingdom in a new Power List of 100 women composed by BBC 4 Radio's Women's Hour. The entry on Moya Greene stated: "She is credited with having reversed the declining revenues of Royal Mail, following a surge in profits to £211m in 2012."

has extended its existing contract for Royal Mail to provide overnight delivery to engineers of service and repair parts.

Royal Mail said the statement mail contract was by far the largest business mail contract to return from competitors since the new regulatory framework was introduced last year. The contract will begin operating this spring.

TNT Post and Hermes offer one-stop shop

TNT Post has teamed up with parcels company Hermes in Germany to provide distance and mail order sellers with a one-stop shop.

TNT Post will offer its mailing services for catalogues and shipments weighing up to 1kg, while Hermes will offer expertise in business-to-consumer and consumer-to-consumer parcels services.

The partners said shippers could benefit from a complete logistics package from one provider, gaining synergies such as simpler administration.

Itella back to profits in 2012

Itella Group's operating result (EBIT) was €39m (US\$51.5m) for the full year in 2012, a substantial turnaround from the €5.9m (US\$7.8m) loss in 2011. Non-recurring items totalling €14.2m (US\$18.8m) included €3.8m (US\$5m) of staff-restructuring costs.

The company said its €100m (US\$132m) cost-cutting programme initiated in 2011 had a positive effect on performance in 2012. Productivity measures in the mail division, Itella Mail Communications, also had a positive impact on the operating result.

Group net sales grew by 2.4% to €1.95bn (US\$2.58bn) with international operations accounting for 31%, slightly below the 33% the previous year.

Net sales at Itella Mail Communications rose by a slight 1.4%. Parcel volumes rose by 5% but letter volumes continued to fall, along with newspapers and magazines, whose volume decline was accelerated by the imposition of a 9% value added tax. Itella said that operations within the scope of the universal service obligation accounted for 11.9% of the mail division's net sales.



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Sales at Itella Logistics rose by 6.8%, boosted by about €130m (US\$172m) from the company's acquisition of VR Transpoint in the final quarter. Itella Information saw net sales decline by 1.3%, but the company said profitability improved, thanks to the sale of the German printing business and increased efficiency.

Group president and chief executive Heikki Malinen said the company still had some way to go before achieving its target. Investments in 2012 included 100 new, automated parcels terminals and collection points, a new logistics warehouse and Itella Information's development of OpusCapita products for cash flow automation.

Norway Post increases earnings again

The Norway Post Group had earnings before non-recurring items and writedowns of NOK1.12bn (€150m, US\$198m) in 2012, a NOK65m (€8.7m, US\$11.5m) increase on the previous year. The company has achieved five successive years of earnings growth, due in part to significant cost savings.

Operating revenue remained static at NOK22.92bn (€3.1bn, US\$4bn). Falling volumes in both addressed and unaddressed mail reduced mail revenue while the acquisition of logistics companies contributed to revenue growth.



The group's operations outside Norway achieved a combined operating revenue of NOK6.43bn (€0.86bn, US\$1.14bn), the same level as in 2011. Swedish transport company Ekdahls Åkeri was acquired in the fourth quarter and is being integrated into Bring Sweden.

During the year, Norway Post established a separate e-commerce division with the aim of being the preferred supplier for both senders and receivers in the e-commerce market.

TNT Express to announce strategy and profit plan

TNT Express has announced it will give a full strategy update and reveal a profit improvement plan on 25 March prior to its annual general meeting on 10 April.

In the meantime, it has reported a fourth-quarter operating loss of €71m (US\$94m) compared with a loss of €104m (US\$137m) in the same period of 2011.

Adjusted operating income at constant foreign exchange rate and excluding one-off costs was €47m (US\$62m) compared with €58m (US\$77m) in 2011. One-offs totalling €120m (US\$159m) included impairments in China and Indian domestic operations and a value adjustment for 747 aircraft.

IN BRIEF

DHL meets demand for export shipments

DHL Express has invested £1.5m (€1.7m, US\$2.3m) in a new 3,265m² service centre in Oxford, England, in order to handle increasing import and export express volumes in the area.



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IN BRIEF

More services means more passengers for PostBus

Analysis of automatic passenger counting data has revealed that an above-average increase in passenger numbers results from an increase in the number of PostBus services in Switzerland. The Swiss Post subsidiary commissioned the analysis from the EPFL Transportation Centre.

The company said yields declined in Europe, the Middle East and Africa owing to challenging trading conditions but cost control reduced the negative impact on profitability.

Operating income increased in Asia Pacific owing to cost reduction measures and improvements in the business portfolio (the company terminated low-margin customers and services).

Losses in Brazil reduced owing to turnaround actions. The company announced it would seek divestment opportunities.

Swiss Post acquisition enhances document processing

Swiss Post is to purchase Scalaris AG, a provider of scanning platforms and software for document processing that operates in Switzerland and Germany.

Swiss Post Solutions' growth strategy for business processing outsourcing includes providing digitalising and document processing solutions. The company said its acquisition of Scalaris would allow it to broaden its expertise and product portfolio and confirm its role as a service provider at the interface between the physical and digital world.

Business processing outsourcing activities include handling physical mail in-house for companies, digitalising business documents, extracting data and assigning documents electronically, printing and electronic archiving.

Swiss Post Solutions uses its own software, providing standardised processing procedures. It is strengthening its market position in Switzerland, particularly in the banking and insurance sector and intends to use Scalaris's strong position in Germany to grow there.



a Swiss Post company

Itella extends its business with Russian retailer

Itella's warehouse in Krekshino, near Moscow, is to provide 70,000m³ of space to Russian consumer electronics retailer M. Video.

The new, long-term contract almost doubles the warehousing space allocated to M. Video which is already one of Itella's biggest air and sea freight customers in Russia.

Consumer electronics is one of the key segments identified in Itella's strategic plan.



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IN BRIEF

Deutsche Post DHL takes on more apprentices

Deutsche Post DHL has increased the number of apprenticeships it is offering this year to 2,160 across 22 vocational areas and 17 specialities. Most positions are in the mail division. Apprentices with greatest promise will join the Top Azubi programme, gaining additional training and the opportunity to qualify for highly attractive jobs.

DHL completes its Austrian restructuring

DHL Express has completed its operational reorganisation in Austria to provide customers with a single booking tool, invoice and customer number for all express shipments by air and road.

Two years ago, DHL invested €5m (US\$6.6m) in an enlarged facility at Guntramsdorf, near Vienna, and more recently spent €300,000 (US\$396,611) on new sorting technology in Salzburg/Anthering. It then harmonised and simplified its business processes by merging procedures for air and road shipments.



TNT opens a road hub in Timisoara Romania

TNT Express has opened a hub near Timisoara airport in Romania, to provide a road management centre for Eastern Europe within the company's European Road Network.

The hub will coordinate local and national connections in the region. It has 22 van docking areas, seven truck platforms and 1,200m² of warehousing space including space reserved for dangerous and high-value goods.



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