

2016



MARKET INTELLIGENCE



International **Post**
Corporation

MARKET FLASH

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latest news from the global postal sector



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> TOP STORY

ONLINE RETAILERS LOOK BEYOND EUROPE TO BOOST EXPORTS IN 2016

A study from Royal Mail into the ambitions of small online UK retailers has revealed a confident mood among online businesses as they look towards new markets to build on their existing international success.

The annual tracker revealed that Australasia has seen the most significant increase in interest as an export destination with 23% of small online retailers believing it holds the greatest opportunity for export sales growth, compared to just 5% last year. Asia has also increased in importance as a target export destination with 26% believing it holds significant sales opportunities, up from 12% last year

Europe remains the main target for exports as nearly half (48%) of small online retailers are aiming to sell their products in the Eurozone in 2016 compared to 30% in 2015.

A lack of knowledge of international markets remains the main barrier to further export activity, holding back nearly 40, while 35% said they based their export plans on how easy it was to ship and deliver to those markets.

However, the USA is seen to present the greatest opportunity for small UK online retailers in the next five years by 30% of SMEs interviewed

Source: Royal Mail

> AMERICAS

LARGEST GROUP OF UPS' 108-YEAR HISTORY

UPS has announced the induction of 1,613 drivers into its "Circle of Honor". The initiative is used to highlight and honour the number of UPS of drivers who have not had an avoidable accident for 25 years or more.

Collectively, the 8,703 drivers have logged more than 5.3bn miles and more than 245,000 years of safe driving through their careers. The number of active Circle of Honor drivers is the most in company history and includes 53 new members from Canada, Germany and Puerto Rico.

Of all the Circle of Honor members, 514 have been accident-free for 35 or more years, with 68 of those having driven more than 40 years without an accident.

UPS extends its safe driving expertise to the communities it serves through UPS Road Code training, a teen safe driving programme available in the United States and internationally. The programme has been extended to the UK, Canada, Germany and China, and UPS plans to expand the programme into Mexico in April 2016.

Source: [UPS](#)

NEW TRADE ACT COULD BOOST US INTERNATIONAL E-COMMERCE

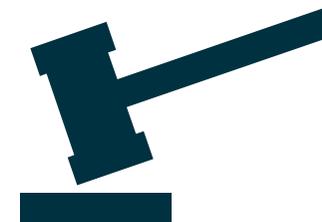
US President, Barack Obama has signed a new trade act into law which, apart from modernising and speeding up the customs clearance process in the US, could help drive further growth in international e-Commerce shipments to the country.

One of the main elements of the Trade Facilitation and Trade Enforcement Act is the provision to raise the de minimis duty-free threshold (of the value of goods) from US\$200 to US\$800 which industry research suggests could generate additional volumes of B2C cross-border traffic.

Earlier this month, both UPS and FedEx applauded the passing of the Act by US legislative bodies which has now become law. UPS described it as "critical legislation that modernises US Customs and Border Protection".

For its part, FedEx said the "positive changes" in the Trade Facilitation and Trade Enforcement Act of 2015 were "significant," highlighting that all of its customers in the US will now be allowed to buy international items worth up to US\$800 duty-free.

Source: [CEP-Research](#)



> ASIA PACIFIC

AUSTRALIA POST REVEALS AU\$1.4M PROFIT

Australia Post has reported a net profit before tax of AU\$1.4m for the six months ended 31 December 2015.

The organisation signalled it expects to return to a full year profit in 2016 following a AU\$222m loss last year. The loss in 2015 can be attributed to the accelerated decline in letter volumes across the fixed-cost network. However it is expected changes to the letters service, implemented in January 2016, will reduce the growing losses in the mail business.

Managing Director & Group CEO Ahmed Fahour said the half year result highlighted why reform to the letters service was absolutely necessary to ensure future sustainability of the business.

Source: Australia Post



AUSTRALIA POST WILL RELEASE ITS FULL YEAR RESULTS IN SEPTEMBER 2016

Australia Post is continuing its transformation to an e-Commerce and eGovernment services company, today announcing a new partnership with the country's largest data innovation group Data61.

Over the next two years Australia Post will leverage its trusted Post Office and digital network to partner with CSIRO's Data61's unmatched digital and cyber expertise across three priority areas such as making it easier and safer for customers to use services online and in-store by building easy to use services backed by advanced cyber capabilities. Other areas include improving how Australian citizens can access and utilise government services when and where they need and applying expertise and insight to the data from our trucks and parcel deliveries.

Source: Australia Post

SINGPOST DIVESTS PARTIAL STAKE IN GD EXPRESS FOR S\$78.4M

Singapore Post Limited has completed the sale of 137,418,000 shares in GD Express Carrier Bhd for RM239.1m (approximately S\$78.4m) to Yamato Asia Pte. Ltd., a wholly-owned subsidiary of Japanese transportation and forwarding group, Yamato Holdings Co. Ltd ("Yamato").

From this partial divestment, SingPost recognised a net gain of approximately S\$64m. The sale proceeds will reinforce SingPost's e-Commerce logistics solutions and networks in the markets where SingPost operates.

As the Group has interlinked systems with GDEX, it will continue to reap business synergies through its GDEX business collaboration with an added uplift that strategic partner, Yamato brings to GDEX. The reduction in the stake will free up capital to allow the Group to strengthen its financial capability while maintaining flexibility for future growth.

With the completion of the partial divestment, SingPost now holds a 11.2% strategic stake in GDEX and retains its board seat at GDEX.

Source: SingPost

> EUROPE

LA POSTE PLANS MORE DIVERSIFICATION AFTER PROFITS REBOUND IN 2015

France's Groupe La Poste made a successful financial 'rebound' last year thanks to much better mail profits and strong growth in parcels, and is predicting further improvements this year as it speeds up its ongoing transformation and gears up for competition from Amazon.

The group increased revenues by 4% to €23,045m in 2015, which was a 2.5% rise on a like-for-like basis and improved operating profits by 21.6% to €875m, which was an underlying increase of 15%. Net profits rose by nearly 24% (15% like-for-like) to €635m. In comparison, in 2014, operating profits had dropped by 8% and net profits by 18%, largely due to the declining mail business. The largest division, Services-Mail-Parcels (SMP) improved its operating profit by 66.3% (+64.9% at constant scope and exchange rates) to €697m, driven by the mail price increase and significant cost reduction efforts to offset rapidly declining mail volumes, which fell by 6.5% last year. Its revenue slightly increased to €11,461m (+0.6% and +0.7% at constant scope and exchange rates).

Mail revenue was stable at €9,334m as the average 7% price increase that took place on 1 January 2015 offset almost all of the drop in addressed mail volumes.

Parcels saw its revenue grow 2.3% to €1,602m in a highly competitive environment thanks to higher volumes and price increases as well as changes in export product mix. The 1.6% increase in volumes, including a 2.3% rise in B2C volumes, followed a 2.7% drop in 2014, and reflects the results of a strategy to win back market share.

Source: CEP-Research



CUSTOMERS REDUCE THEIR CARBON FOOTPRINT WITH DHL'S NEW GREEN SERVICE

DHL Global Forwarding has become the first in the industry to launch a new green service that allows customers to opt for carbon efficient ocean freight, which best fits their transport needs. The new Green Danmar service enables customers to select a carrier for full container shipping, which is over 5% more carbon efficient than the industry average. In addition, they have the choice to combine this service with DHL's offsetting solution and turn their consignment into a CO² free shipment.

DHL's carrier selection approach is based on the GoGreen carrier scorecards, which evaluate the environmental performance of the partner carriers based on four criteria: cooperation, carbon efficiency, transparency and engagement.

DHL Global Forwarding is a member of the Clean Cargo Working Group (CCWG), which is a business-to-business initiative that creates practical tools for measuring and reducing the environmental impacts of global goods transportation.

Source: Deutsche Post DHL

> EUROPE

POSTI GROUP TO ESTABLISH A PICKUP POINT NETWORK IN THE BALTIC COUNTRIES

Posti Group has strengthened their role in international e-Commerce, by establishing a pickup point network in the Baltic countries, which serves consumers and companies at shops and kiosks in Estonia, Latvia and Lithuania. The network will encompass 1,200 item pickup points and will be the largest pickup point system in the Baltic countries.

The pickup point network will strengthen Posti's delivery chain in the Baltic countries from freight operations to warehousing and deliveries to the end users. For consumers, Posti Group already has a home delivery service in the Baltic countries, and in Estonia a network of 85 parcel points. Posti Group has been present in the Baltic countries with the name Itella Logistics since 2006.

Source: Posti

SUPPLY CHAIN RESILIENCE BEST DEFENSE AGAINST GROWING GLOBAL RISKS

A new Deutsche Post DHL report reveals three in four companies surveyed suffered supply chain disruption in 2015

The InsightOn: Risk and Resilience report, the latest in the DHL series, finds that businesses equipped with an explicit risk management focus stand a far better chance of survival in today's complex world.

Building resilience to 'expect the unexpected' isn't only the best defense against supply chain disruption, global companies who get it right could avoid million dollar losses and enjoy organisation-wide competitive advantage. This is one of the central findings presented in DHL's new InsightOn report on risk management and supply chain resilience.

Supply chain risk has been a major unintended consequence of two of the most significant trends of recent decades: globalisation and lean production. Between 2000 and 2010, losses caused by supply chain disruption averaged \$115bn per year, escalating to \$380bn in 2011. The cost in 2015 is expected to be higher; port delays are estimated to have cost US retailers already \$7bn.

Source: Deutsche Post DHL

SWISS POST IS DEVELOPING AN INTERNET OF THINGS

In future, an increasing number of electronic devices will be linked with each other and to the Internet. The "Internet of Things" also offers a range of new applications in the field of logistics. Swiss Post is aiming to set up a network based on LoRaWAN (Long Range Wide Area Network) technology and test various areas of application, with initial testing beginning at the end of March.

Swiss Post is exploring the potential of setting up its own nationwide LoRa network in order to support its logistics and implement customer-friendly services. With its numerous physical access points as well as logistics and office locations, Swiss Post is well placed to exploit this opportunity. This would enable Swiss Post to create an infrastructure for the "Internet of Things" in Switzerland in the near future.

This technology makes it possible to connect a diverse range of objects and devices to the Internet at very low cost and with minimal energy consumption. Unprecedented business opportunities are arising from the ongoing miniaturisation of sensors and their cost-effective operation.

Source: Swiss Post

ABOUT THIS PUBLICATION

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

ABOUT IPC

International Post Corporation (IPC) is the leading service provider of the global postal industry that provides leadership by driving service quality, interoperability and business-critical intelligence to support posts in defending existing business and expanding into new growth areas. It is a cooperative association of 24 member postal operators in Asia Pacific, Europe and North America. IPC's solutions and services are used by over 180 posts worldwide. Since 1989 IPC has set standards for upgrading quality and service performance and developed technological solutions that help members enhance service for international letters, packets and parcels. IPC engages in industry research, creates business-critical intelligence, provides a range of platforms and programmes for member post CEOs and senior management to exchange best practices and discuss strategy. IPC also manages the system for incentive-based payments between postal operators.

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