

2016



MARKET INTELLIGENCE



International **Post**
Corporation

MARKET FLASH

A fortnightly newsletter covering the
latest news from the global postal sector



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> TOP STORY

BPOST LAUNCHES BRINGR, A COLLABORATIVE PLATFORM APP FOR TRANSPORTING GOODS

bpost has launched a new delivery service called bringr, a collaborative platform app allowing smartphone users to find a driver for delivering goods to their door. The new app offers a solution to the increasing and evolving demands of customers.

On the parcels market, bpost offers flexible solutions through its existing network and services (door-to-door next-day delivery, pick-up in post offices, post points or parcel lockers and sustainable urban distribution through Citydepot). With bringr, bpost complements its existing product range with a service that enables users to find a driver to pick up goods at point A and deliver them to point B.

bpost's role is to facilitate this collaborative platform. People who offer their services through the app will have no contractual links with bpost, and should therefore, respect the applicable regulatory framework.

Source: bpost

> AMERICAS

FEDEX HAS AGREED TO PAY US\$240M TO SETTLE ONGOING LAWSUITS

FedEx has agreed to pay US\$240m to settle ongoing lawsuits with 12,000 FedEx Ground drivers in 20 US states in a long-running dispute over whether they were employees or independent contractors.

The settlement would end the dispute over the status of the drivers under contracts that ran until 2011. FedEx changed its practice that year to sign contracts with sub-contractor companies, covering their employees, instead of contracting the drivers directly. In 2014, the California Court of Appeals ruled that 2,300 FedEx Ground drivers in California were employees and not independent contractors.

Source: CEP-Research

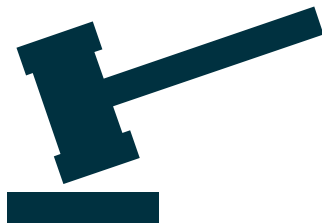
SIEMENS AUTOMATES MAIL SORTING IN USPS DELIVERY UNITS

Siemens Postal, Parcel & Airport Logistics (SPPAL) has added new address-reading technology to the mail sorting systems used in USPS delivery units.

Previously, letters in the delivery units were sorted manually by skilled postal workers, who needed to have a good knowledge of the delivery routes in the various districts. According to Siemens, sorting was dependent on the knowledge of a number of staff members. Integrating Siemens technology directly in the sorting environment at the delivery unit can help avoid such dependencies and their inherent problems.

The automated solution uses Siemens address-reading software to make the process faster and more efficient.

Source: Post and Parcel



> ASIA PACIFIC

ALIBABA CLOUD EXPANDS SINGAPORE DATA CENTRE

Alibaba Cloud, the cloud computing arm of Alibaba Group, has announced that it has expanded its data center operations in Singapore, with the establishment of a second availability zone.

In September 2015, Alibaba Cloud established a data center in Singapore to provide enhanced cloud and big data services across Southeast Asia. The establishment of a second availability zone provides higher capacity to meet enterprise users' demands for high availability and disaster recovery. Alibaba Cloud has established overseas data centers in the US, Hong Kong and Singapore, and plans to establish new data centers in other regions including Japan, Europe, the Middle East and Australia.

In addition, Alibaba Cloud has also achieved the PCI-DSS compliance certification for its public cloud services in Singapore and the US. PCI-DSS is a payment card security qualification, which is highly valued by payment card businesses and related companies. Compliance certification involves the evaluation of payment card data security in areas like credit card numbers, CVV2 numbers, as well as account / password transmission and storage security.

Source: [Alibaba Group](#)

DHL LAUNCHES LARGEST EXPRESS FACILITY IN MYANMAR

DHL Express has launched Myanmar's largest express facility to support the nation's fast-growing economy which is forecast to rise by 8.5% in 2016.

The facility is located in Yangon and occupying over 50,000ft² of land with a built-up area of 32,500ft². The facility's capacity is set to support Myanmar's large import and domestic demand. The new facility is the latest enhancement to the DHL Express' Myanmar network, which includes four service points, three service centres and a fleet of over 30 vehicles.

The facility contains key features that accelerate and enhance service quality for customers. Its conveyor-belt system, spanning more than 280 feet and running throughout the centre, allows goods to be directly loaded into courier vans and rapidly distributed. High security and full visibility of the shipping process is another critical component of the service centre.

Source: [CEP-Research](#)

RUSSIAN CROSS-BORDER E-COMMERCE DOUBLES IN Q1, 2016

Cross-border e-Commerce in Russia has continued to grow strongly in the first quarter of 2016 while the overall online retail market is set for strong double-digit growth this year, according to the Russian e-Commerce association AKIT.

Revenues from cross-border trade in Russia more than doubled during the first quarter of 2016 compared to the same period of 2015, according to the association's latest survey, conducted in cooperation with Russian Post and market research group GFK. Russian shoppers spent around RUB 70bn (€945m) with foreign online stores during the first quarter of 2016, which represents a 106% increase compared to the same period in 2015. For 2016, AKIT expects total e-Commerce revenues in Russia to increase by 15% to RUB 850bn (€11.5bn). In 2015, sales revenues from Russian e-Commerce grew by 7% year-on-year to RUB 760bn (€10.25bn).

About 95% of international shipments from foreign online shops were delivered by Russian Post. In 2016, the overall number of parcels and small packages with commodity enclosures is expected to reach around 230m items.

Source: [CEP-Research](#)

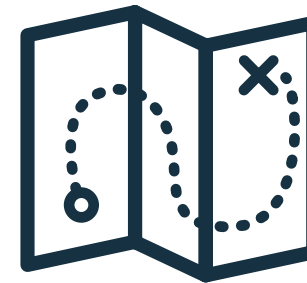
> ASIA PACIFIC

ARAMEX TO OPEN FULLY-AUTOMATED EXPRESS CENTER IN DUBAI

Aramex will open a US\$20m fully automated Express Courier Facility in Dubai next year under a contract with locally-based Al Ashram Investments. Under a build-and-leaseback deal, the new facility will be constructed by Al Ashram Contracting on Dubai Airport Road on a fast-track build-to-suit basis with an expected completion within seven months.

The facility has been designed to employ the latest technologies and will become Aramex's first fully automated hub in the region. Al Ashram will construct the Express Courier Facility in compliance with Dubai's Green Building Regulations and Specifications, which aim to create a more sustainable urban environment. The regulations and specifications stipulate that the construction of buildings should be done in a manner to reduce the consumption of energy, water, and materials, and improve public health, safety, and general welfare.

Source: CEP-Research



> EUROPE

GERMANY TO OUTPACE UK AND FRANCE FOR E-COMMERCE GROWTH IN 2016

Germany will be Europe's fastest-growing major B2C e-Commerce market this year, outpacing the UK and France, according to new country reports from Ecommerce Europe.

51.6m active online shoppers in Germany spent an average of €1,157 per person last year, which was higher than the previous year, but still considerably less per person than consumers in the UK and France. Overall, B2C e-Commerce in Europe grew by 13.3% to turnover of €455.3bn in 2015 and is expected to grow by a further 12% this year to reach the €510bn mark, according to the European e-Commerce association. The estimated 296m e-shoppers in Europe spent an average of €1,540 per person online last year, roughly 52% on physical goods and 48% on services. The UK B2C e-Commerce market will again show solid double-digit growth this year with a projected increase of 10.5% to turnover of £126bn (€174bn) according to its recent UK Country Report. This would continue the slightly slower growth rates seen in the last few years, including 12.6% in 2014 and 11% to £114bn (€157bn) in 2015.

Europe's second-largest B2C e-Commerce market, France, is also forecast for slower growth of 10% to

€71.4bn this year, following an increase of 14.3% to €64.9bn last year. Mobile commerce through smartphones and tablets is again expected to show fast growth, the organisation's France Country Report showed. In Germany, B2C e-Commerce grew by 13.3% to turnover of €59.7bn last year and is expected to increase by 12% to €66.9bn this year thanks to the country's solid economic position, according to the Germany Country Report.

Source: [CEP-Research](#)



LARGEST PARCEL CENTER IN GERMANY COMES ONLINE IN OBERTSHAUSEN

Deutsche Post DHL Group has launched their largest parcel center in Germany.

With a sorting capacity of 50,000 parcels per hour, Deutsche Post DHL Group's parcel center comes starts operations in the south Hessian town of Obertshausen. On about 37,000sq² of indoor floor space, more than 6km of sorting and conveyor lines were assembled with over 400 sorting terminal points, at which employees load the packages for further shipping.

A total of about 600 jobs are being created at the new location for parcels and deliveries. For the Obertshausen parcel center specifically, a state-of-the-art gas-fired combined heat and power (CHP) plant was installed to heat the hall and to simultaneously generate electricity. By combining solar energy in the summer months with electric power generated by the CHP plant in the cooler months, a large proportion of the required electricity can be produced throughout the year in an efficient and resource-saving way.

Source: [Deutsche Post DHL](#)

> EUROPE

HERMES UK EXPANDS PARCEL SHOP NETWORK WITH DODDLE SHOPS

Hermes will be Europe's first parcel delivery company to test 'deliveries by robot' in cooperation with start-up firm Starship Technologies in Germany.

The company announced that it has signed an exclusive logistics partnership with Starship for Germany, including financial assistance and infrastructure support. The two companies plan their first joint delivery tests this summer, although the location has not been decided yet.

The electrically-powered robots, driving at a fast walking speed of about 6km/h on pavements, but are also overseen by human operators to ensure safety. They have a radius of 5km. Recipients can track the robot in real-time through the Starship app and unlock the cargo with a PIN code when the delivery is made. Starship claims it can complete local deliveries within 5-30 minutes from a local depot or retail outlet, such as a Hermes Parcel Shop, which would cost 10-15 times less per shipment than the current last-mile delivery alternatives.

Source: CEP-Research

ROYAL MAIL IMPROVES ACCESS TO CHINESE MARKET FOR UK BRANDS

Royal Mail has launched an automated online-registration tool on its Tmall Global storefront, to help more British brands sell their products in China.

The new tool brings a low-cost market entry solution within reach of British companies that would previously not have been able to afford to enter the Chinese market. This is part of the Royal Mail's strategy to pursue faster growing areas of the UK and international markets. Tmall Global, part of the Alibaba Group, is China's largest third-party e-Commerce platform enabling brands and retailers to connect with millions of Chinese consumers. Royal Mail's Tmall Global storefront makes it easier for British companies of all sizes to reach China's e-Commerce consumers, following in the footsteps of other British brands such as Waitrose, The Cambridge Satchel Company and Yoomi.

Online marketplaces are hugely popular in China with 90% of online shoppers electing to use them. Equally, China is now the biggest overseas consumer of British products online, accounting for 25% of overseas online shoppers purchasing goods from the UK, according to Royal Mail research.

Source: Royal Mail

2016



SUSTAINABILITY

International **Post**
Corporation



GREEN SPECIAL

Quarterly newsletter on sustainability
initiatives in the postal sector



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> TOP STORY

22,000 SOLAR PANELS ON POSTNL'S SORTING CENTRES

PostNL has installed of 22,000 solar panels made by energy company, Eneco on the roofs of 19 parcel sorting and delivery centres. The company will install the first of the centers in Den Hoorn, with other sorting centers following during the course of the year.

The solar panels will produce approximately 4.8m kWh of green energy per year, which is the equivalent of the energy consumption of around 1,500 households. The panels that Eneco will install on each sorting centre will produce 40% of the energy requirements of the sorting centres.

Gerrit Mastenbroek, Managing Director Parcels and Logistics of PostNL: 'When all the solar panels have been installed, PostNL will be one of the largest producers of solar energy in the Netherlands. This is an important step towards realisation of our sustainability ambitions.'

Source: PostNL

> AMERICAS

CANADA POST'S 2015 SOCIAL RESPONSIBILITY REPORT

Canada Post has made a reduction to the company's carbon emissions, an achievement highlighted in the company's 2015 Social Responsibility Report.

The ninth edition of the Report highlights Canada Post's commitment to socially responsible business practices and its progress in key performance measures set out by the internationally recognised Global Reporting Initiative. In 2015, Canada Post reduced carbon emissions from domestic air delivery by contracting its main air network to a new supplier that made significant improvements in network efficiency.

The company also had four major building projects certified under the LEED™ green building programme, including the state-of-the art Pacific Processing Plant in Richmond, B.C. Emissions were also reduced by adding more than 180 fuel-efficient vehicles to the fleet.

Source: [Canada Post](#)

USPS REDUCES ENERGY USE ACROSS THE COMPANY

USPS facilities around the country have installed solar panels to promote energy conservation. The updated facilities are using 42% less energy compared to 2003, the newly released USPS Annual Sustainability Report shows.

Energy usage at the 32,000 facilities fell to 19.5tn British thermal units in 2015, down from 33.72t units in 2003. The report also notes USPS's progress in other areas, such as water usage, which is down 31% since 2007, and greenhouse gas emissions, which have dropped 12% since 2008.

USPS has also announced plans to respond to climate change and align with the company's goals to improve efficiency and manage risk.

Source: [USPS](#)

USPS EMPLOYEE HONOURED WITH EPA AWARD

The US Environmental Protection Agency (EPA), recently honoured USPS employee, Ron Robbins a Sustainability Performance Management Specialist, for his contributions as a member of the US Sustainable Acquisition and Materials Management (SAMM) Interagency Workgroup.

The SAMM group was awarded a Safer Choice Partner of the Year Award for its efforts to promote the purchase and use of products that perform well and are safer for human health and the environment. Robbins has researched, evaluated and promoted the use of the environmentally preferable and safer chemical products at USPS for more than 20 years.

The SAMM group was recognised in the supporters' category. USPS's sustainability efforts also include devising a strategy to respond to climate change and reducing energy and water usage, among other initiatives.

Source: [USPS](#)

> ASIA PACIFIC

500 ELECTRIC PARCEL DELIVERY VEHICLES ARRIVE IN NEW ZEALAND

The first shipment of New Zealand Post's electric delivery vehicles has landed in Auckland, in time for their nationwide roll-out, later this year.

Over the next couple of years, the New Zealand Post Group will receive up to 500 Paxster electric vehicles to add to the 50 fully electric vehicles already in its delivery operation and 118 hybrid cars in the Kiwibank fleet. The Paxsters are produced in Norway and received the 2013 Award for Design Excellence from the Norwegian Design Council. The company has spent four years developing an efficient and environmentally conscious vehicle. The Paxster model is predicted to make a high level of reductions in fuel and greenhouse gas emissions.

The Paxsters will be used for combined parcel and mail deliveries in residential areas of New Zealand's larger towns and cities. A successful pilot has already been held in New Plymouth.

Source: New Zealand Post



> EUROPE

CTT CORREIOS DE PORTUGAL IS A TRUSTED BRAND

For the third year in a row, Portuguese postal operator, CTT Correios de Portugal, was appointed as an “Environmental Trusted Brand”, a well-known environmental prize in Portugal, promoted by the Reader’s Digest magazine.

Of the ten categories at stake, CTT won the “Public Service” category, ahead of the leading Portuguese company in terms of market capitalisation, the electric operator EDP. CTT was also appointed as the most “Bicycle Friendly Company of 2016” by MUBi, Portugal’s urban bikers’ association. The award aims to recognise and distinguish companies who promote cycling mobility in its facilities, for employees and customers alike.

Source: [CTT Correios de Portugal](#)

CTT CORREIOS DE PORTUGAL GOES FOR 100% GREEN ELECTRICITY

In 2015, electricity accounted for 40% of all energy consumed by CTT Correios de Portugal, and had a significant contribution to the overall carbon footprint of the company. Throughout the year, several energy efficiency measures have been implemented, such as building certifications, energy audits and efficient lighting solutions, which has led to a 21% reduction of electricity use in the last five years.

In order to make their energy usage even more efficient, CTT has decided to turn to renewable sources, in an attempt to further reduce their electricity carbon footprint. The company has embraced green electricity and decreased overall scope 1 and 2 emissions last year by approximately 5kton CO₂ (-23%).

Source: [CTT Correios de Portugal](#)

SWITZERLAND’S LARGEST POST OFFICE IS HEATED WITH WASTE-HEAT

Switzerland’s largest post office has moved back into Berne’s central station after a five-year renovation. The new post office has been built with 18 counters and 1,445 post office boxes, and is heated using waste-heat.

A waste-heat system is being used instead of a traditional heating system, which produces cold water and feeds it into the Berne central station’s local cooling energy grid. The excess heat from the new plant will provide heat and warm water for the entire PostParc. The electricity for the refrigerating plant is obtained from 100% renewable energy sources in Switzerland and is “naturmade basic” certified.

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.

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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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