

# UNION POSTALE

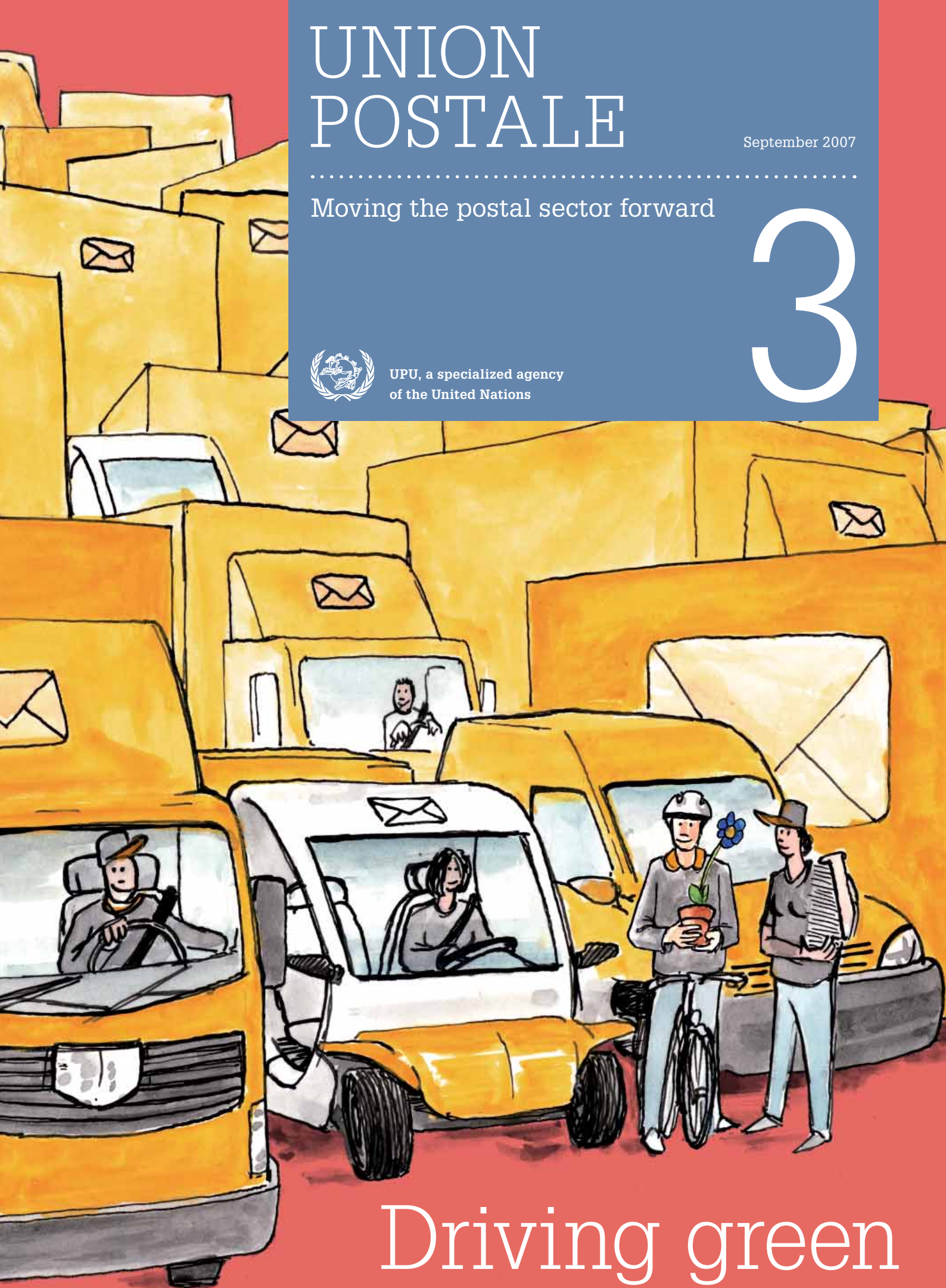
September 2007

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# September 2007

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# in brief

## Special delivery for Harry Potter



As far as anyone can remember, never before, in the history of the postal service, have postmen and women the world over delivered, on a single day, so many identical books ordered via the Internet. The book is none other than the latest Harry Potter book, and the event took place on Saturday 21 July. That day, the postal services of many countries delivered more than 2.4 million copies of the seventh and last volume in English of the hugely popular series.

The United States Postal Service delivered 1.8 million books, while Britain's Royal Mail delivered 600,000. By the British operator's reckoning, one UK household in 43 received the book by post. In Canada, 80,000 books went through the postal network. The French and Swiss Posts also made special deliveries.

Since the first volume hit the shelves in 1997, e-commerce has enjoyed dramatic growth, and the Post has been a key link in the distribution chain. From 2004 to 2005, the global number of ordinary parcels sent domestically and internationally rose by 11 %, to a total of 6 billion parcels delivered annually.

The Post will continue to take part in Pottermania as the book is released in other languages over the coming months. The German and Swiss Posts, for example, will distribute the German version of *Harry Potter and the Deathly Hallows* the night of 27 October, between midnight and 2 a.m. **RL**

### The figure

63,000,000

## Olé! Barcelona hosts POST-EXPO 2007

**POST-EXPO 2007**  
2, 3, 4 October Barcelona, Spain

Postal sector players, including many technology providers, are heading for Barcelona (Spain) this year to attend the 11<sup>th</sup> POST-EXPO. From 2 to 4 October 2007, POST-EXPO will welcome close to 160 exhibitors and 4,000 participants, arriving not only

for the international fair, but also for the conferences that will take place during the event. These include the UPU's World Postal Business Forum. The opening session will consider the postal sector's response to climate change. Future postal strategies, Posts' visual identity and digital postal services will be among the other topics addressed during the three-day Forum. In addition, numerous technology workshops are planned in parallel, along with an exhibition devoted to logistics for the express and parcels services. The UPU has been involved with POST-EXPO, organized annually by UKIP Media &

Events, since 2000. As well as putting the organization on the world stage, the UPU stand will provide a showcase for its leading products and services, such as the International Financial System (IFS), the International Postal System (IPS) and POST\*CODE, not forgetting other innovative projects like the digital postmark and the .post top level domain. **RL**

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## Editor's note

### The Post goes green

Violent hurricanes, devastating floods, deadly heatwaves, melting ice caps ... each day seems to bring new reminders of the terrible consequences of climate change. Global warming has become one of today's major concerns: the recent G8 made tackling it a priority; politicians have made films to highlight the dangers we face; and UN agencies too are looking to address this challenge. The United Nations General Assembly recently held a debate on the subject. Ban Ki-moon, Secretary General of the United Nations, has declared that "Climate change, and how we address it, will define us, our era and ultimately the global legacy we leave for future generations. It is time for new thinking, and a new inclusiveness ... The United Nations is a big

part of the solution." In this context, the world postal sector, with the UPU's support, is addressing the global challenges of environmental protection and sustainable development. And with good reason: according to even the most modest estimates, the world postal sector, with its five million postal staff (up to ten million if we consider the wider sector) and 660,000 postal establishments, uses some 250,000 motorcycles, over 600,000 cars, vans and lorries, and hundreds of aircraft to deliver mail to the four corners of the world; not to mention the tonnes of paper used daily in postal communications. The sector therefore has a role to play in cutting greenhouse gas emissions, as our lead article explains.

Elsewhere in this edition, *Union Postale* has good news on the resumption of postal services in Liberia, a country devastated by 14 years of war but now finally on the road to recovery. Thanks to government support at the highest level, the population of this small West African country is rediscovering a mode of communication which it is hoped will help drive economic development.

The editor-in-chief

That's the number of people around the world escaping from extreme poverty (living on less than a dollar a day) each time the ratio between the total amount of migrant remittances and the gross domestic product of the de-

veloping countries (DCs) rises by 10%. These were the findings of an International Monetary Fund analysis based on data from 76 DCs. The study confirmed migrants' impact on poverty reduction in their countries of ori-

gin. Its results show the vital importance of providing reliable, affordable and easily accessible solutions for fund transfers; hence the UPU's continuing efforts to develop the postal financial network worldwide. LW

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## Preparing for Congress



Edouard Dayan, UPU director general, paid a visit to the Kenyatta International Conference Centre (KICC) during his trip to Nairobi in July. The chairman designate of Congress, Cyrus Maina (left), and Titus Etori, the KICC's project manager, showed him around.

On 17 July, UPU director general Edouard Dayan and Mutahi Kagwe, Kenya's minister for information and communication, signed an agreement finalizing the preparations for the 24<sup>th</sup> Universal Postal Congress, to be hosted by the Kenyan Government and Posta Kenya in Nairobi from 13 August to 3 September 2008. The agreement defines the detailed requirements for Congress.

"We are working very hard to fulfil the Congress requirements," said Kagwe. "We believe that hosting this Congress in Kenya will provide the country and the continent as a whole with the opportunity to better

reflect on the status of our postal business with a view to using it as a vehicle for national development."

Edouard Dayan, for his part, declared that "the preparations for this first Congress in sub-Saharan Africa are on track. I thank the Kenyan Government and Post for their commitment. I believe this Congress will yield concrete results for the development of the postal sector around the world." LW

## Seeing the postal network in a new light

The immensity and interconnectivity of the world postal network are powerfully symbolized in the new World Post Day poster. It was designed by Vinzenz Meyner, a fine arts student at the Berne University of the Arts, and 300,000 copies will be posted in thousands of post offices all around the world over the coming three years. The striking modern design, featuring a constellation of stars against a blue night sky, linked by a fine thread of light, symbolizes the link that interconnects the thousands of post offices down on earth and enables postal exchanges to take

place. "I thought it was important for the poster to contain a universal message, understandable by everyone, whatever his or her origins or culture. The sky, or rather the universe, is omnipresent, linking people wherever they are on our planet. The universe is, in a way, mankind's common roof," says Meyner. The poster invites the public to use the Post to "stay connected". **JĐ**



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## Eye of the tiger: top honours for Malaysian girl

Sze Ee Lee of Malaysia is the winner of the UPU's 36<sup>th</sup> International Letter-Writing Competition. This year's theme was "Imagine you are a wild animal whose habitat is threatened by environmental or climate change. Write a letter to the people of the world, explaining what they can do to help you survive". The 14-year-old Malaysian penned a letter whose "author" is a tiger cub which recounts its life in the jungle – a life now under threat because of the destructive folly of man. This composition – well written and moving, but above all positive – won unanimous praise from the jury for its sensitivity and imagination. The author successfully conveyed the urgency of the situa-

tion and sent us a message: "we must unite to save our planet". Sze Ee Lee and the other winners will receive their prizes on 9 October, as part of World Post Day celebrations.

For the 37<sup>th</sup> competition, the UPU is inviting youngsters to write a letter explaining why the world needs tolerance. This is a particularly relevant theme as globalization, migration and other trends bring ever more people from different cultures into contact with each other. Creating a world where all people can live in harmony is a noble objective to which we can all aspire.

Participating Posts have until 30 April 2008 to select the best

composition written in their country and send it to the International Bureau. **LW**

› [www.upu.int/letter\\_writing/en/](http://www.upu.int/letter_writing/en/)

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## The humanitarian face of the mail

The UPU International Bureau has a new official stamp. Created by Swiss Post at the UPU's request, it is based on an issue produced in conjunction with the United Nations Postal Administration on the theme of humanitarian mail. The stamp was officially launched on 6 September at a ceremony held at the UPU's International Bureau in Berne. The new stamp takes as its theme the commitment of the UN and the UPU to promote humanitarian support to the victims of natural disasters or armed conflicts by delivering food supplies, equipment and mail. The term "humanitarian"

applies to all types of mail that enable the lives of vulnerable populations and the victims of natural disasters, persecution or armed conflicts to return to normal as quickly as possible. As well as serving, on occasion, to locate missing relatives, it acts as a communication hub when the usual channels have been damaged or destroyed. In addition to the stamps, souvenir sheets in different colours will be on sale at the United Nations in New York, Vienna and Geneva. But remember, this 21<sup>st</sup> UPU official stamp can only be used on mail sent from the International Bureau. **JD**



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## Asian expansion

The UPU electronic money transfer network is expanding at a rapid rate. This was abundantly clear from the progress made by the postal operators of the 10 members of ASEAN<sup>1</sup>, the Association of South-East Asian Nations, attending a workshop organized by the Asia Pacific Postal Union at the end of June in Bangkok. With the support of experts from the UPU Postal Technology Centre and France's La Poste Group, the participants mapped out a regional project to create a common electronic postal payment service using the IFS network. Drawing on the experience of the Bamako Group (see *Union Postale* 1/2007), the 10 participants agreed on the need to define a common service. They also made a commitment to join the IFS network. Over 500 post offices across 10 territories look set to take up the technical, organizational and financial challenges of a simultaneous start-up, with uniform levels of service. They will form the cornerstone of the regional project, on which development work continues. **ED**

<sup>1</sup> Viet Nam, Thailand, Philippines, Myanmar, Malaysia, Indonesia, Laos, Cambodia, Brunei and Singapore.

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## Africa supports the future postal strategy

"This plan gives us hope for the future of the postal business," declared Norman Munzhelele, from South Africa's ministry for communications, at the close of the UPU's second regional round table on the future postal strategy, held in Nairobi (Kenya) on 18 and 19 July.

"It will go a long way in developing countries and their economies and ensure that they can participate effectively in the global economy," added the South African delegate.

Over 30 African countries represented at the round table, organized in conjunction with the Pan African Postal Union, gave the green light to the proposed structure of the postal strategy for 2009–2012.

The assembled countries stressed the importance of access to universal service, and the concept of the single postal territory. They also highlighted the need to offer all countries equal opportunities, without discrimination.

"The conclusions of this round table will enable us to continue building the future Nairobi Postal Strategy, focusing on the important role of universal service, within a single postal territory, in preventing all forms of exclusion," said Pascal Clivaz, the UPU's director of strategic planning.

Five other regional round tables are planned: Montevideo (Uruguay), Vienna (Austria) and Sainte-Luce (Martinique) on 3, 11 and 27 September respectively; Jeddah (Saudi Arabia) on 13 November, and New Delhi (India) on 30 November. A final world round table will be held in Guangzhou (China) on 4 and 5 December. **JN**





## On mission

The Iranian Post recently held two training sessions in Tehran for the staff of the Iraqi Post, following the signing of a memorandum of understanding between the two operators. Twenty-five Iraqi postal employees attended general courses covering the history, aims and strategy of the UPU, and providing practical and theoretical information on basic postal operations. In addition, the course included training sessions on marketing, customer relations and new postal services. The trainees also visited Iranian Post's sorting centres and offices of exchange. **LW**

## Money transfer potential between China and Russia

The Russian Federation and the People's Republic of China have been exchanging money transfers via the IFS/STEFI network since July. The launching of these exchanges is an important milestone in the extension of the worldwide electronic payment network. As Feng Yue, deputy director general of international cooperation with China Post explains, "This is the first time China Post has offered its customers the possibility of making electronic postal payments via the IFS/STEFI network. The new service will facilitate and help to increase fund transfers between the two countries." Given its demographic and economic significance, China could play a key role in the expansion of the UPU's worldwide electronic payment network. Russia, for its part, is currently the heaviest user of the IFS network, carrying out some two million financial transactions a year. "Migrants from both countries will benefit from a modern, high-quality service previously unavailable

to them. This will promote the growth of small and medium-sized businesses," says Lev Razovzki, the Russian Post's director of international affairs. **ED**

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## Quality under control

"With the new version of the Quality Control System (QCS Mail v. 2), postal operators' production managers can measure and compare the individual quality performance and results of each of the post offices they oversee," says Lati Matata, IT project manager with the UPU Postal Technology Centre. More generally, the new system provides operators with a complete tool for measuring their operational performance and the quality of their cooperation with other operators. This new system, developed and managed by the PTC, and available free of charge to all members of the UPU Telematics Cooperative, is useful for all management levels. It provides real-time information on all UPU-standard EDI

messages, and in particular those relating to dispatches exchanged among postal operators and between postal operators and airlines. Accessible with a click of the mouse, this new tool provides performance indicators for collections, transport and deliveries, with a breakdown of the different postal products (letters, parcels, EMS and specific regional agreements). The QCS application provides data on volumes, performance indicators (percentage of replies/pre-advice, etc.) and transport times. And the new system boasts high levels of customization, meaning that production managers can freely choose those reports they are interested in. **ED**

### Correction

The 20 new QSF projects adopted in April by the Quality of Service Fund board of trustees totaled 2 million USD and not 20 million USD as reported in our June 2007 issue.





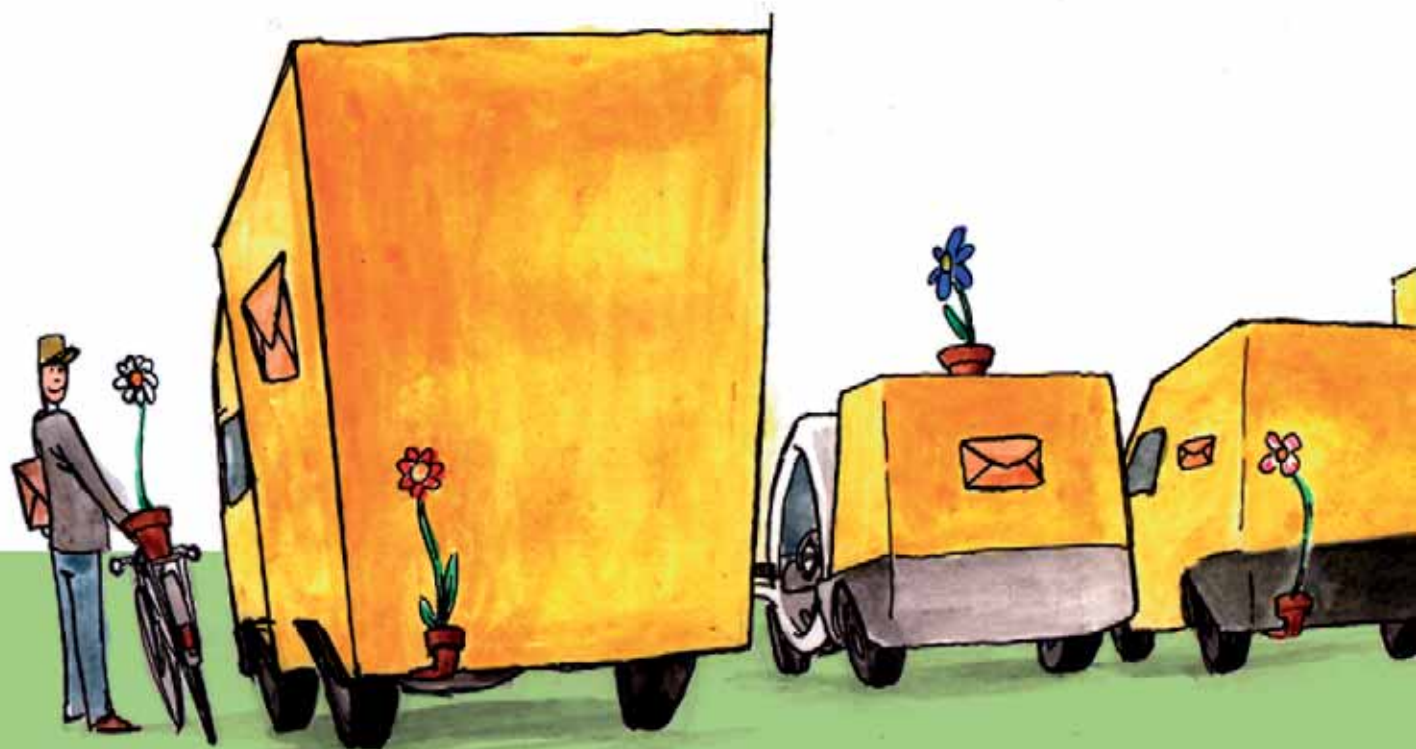
# *The postal network*

*Facilitating affordable  
money transfers  
worldwide*



Postal Technology Centre - Universal Postal Union  
[www.ptc.upu.int](http://www.ptc.upu.int)





# Driving green

.....

The planet is overheating, one natural disaster follows another, and oil prices are on the rise. To help cut greenhouse gas emissions, the postal sector is looking to clean up its vehicle fleet and go green ...



.....  
**By**  
**Jérôme**  
**Deutschmann**

.....  
**Illustration:**  
**Michael Kühni**

Numerous studies show that the greenhouse gas reduction targets set by the Kyoto Protocol<sup>1</sup>, the United Nations Environment Programme (UNEP) and the European Commission can be achieved through simple and inexpensive energy-saving measures.

By the very nature of its activities – the transport of mail – the postal sector contributes to harmful emissions. According to an International Atomic Energy Agency study, in 2000, the transport sector accounted for 26 % of total CO<sub>2</sub> emissions. Industrialized countries are expected to stabilize their CO<sub>2</sub> emissions by 2030. In developing countries, however, it is forecast that such emissions will triple over the same period. Food for thought indeed!

More than 430 billion letters, parcels, newspapers and advertising mail items are delivered each year worldwide, making the postal service the world's largest civil motor vehicle user. Some 250,000 motorcycles, 600,000 cars and trucks and hundreds of postal aircraft cover millions of kilometres, producing greenhouse gas emissions that represent 70 % of operators' total environmental impact.

The postal sector is now embarking on its green revolution. As an essential part of the world economy, it simply cannot ignore the general environmental concern. Consequently, for all new economic growth projects, Posts are carrying out an energy and environment impact study. "Participating in the fight against global warming is beneficial to Posts, which depend exclusively on their countries' economic activities. A declining country means a declining Post," said Patrick Widloecher, chairman of the environment and sustainable development project group, at the symposium on this topic organized by the UPU in April 2007.

#### **Cutting CO<sub>2</sub> emissions**

Given that transportation generates the highest CO<sub>2</sub> emissions, certain Posts have adopted clean-fuel vehicles. Reducing CO<sub>2</sub> emissions has become the credo of industrialized-country operators, an economic challenge also being taken up by their developing-country counterparts. Certain routes are being rationalized and more environmentally friendly vehicles are gradually being tested or purchased.

<sup>1</sup> Signatory countries accepted to reduce greenhouse emissions by 5.5 % over the period 2008–2012 from the levels recorded in 1990.





France's La Poste is probably the most ambitious player in this field. Says Julia Haake, La Poste's director of sustainable development: "Our aim is to increase the number of electric vehicles in our 60,000-vehicle fleet to 10,000 over the next five years. Five hundred electric vehicles, with a range of 130 kilometres, including stops and starts, will be on the road in 2008, making ours the leading fleet of new generation electric postal vehicles in Europe".

And the operator's innovations do not stop there. In 2005, La Poste subsidiary Chronopost International created the new "Urban Delivery Space", aimed at combining several environmentally friendly modes of transport and delivery in order to reduce noise levels and polluting emissions in city centres: electric vehicles, natural gas-fuelled vehicles, and the "Chrono City", an electric trolley able to negotiate its way into the narrowest of city centre streets, often inaccessible to vans. One more innovation – since the beginning of the year, French postmen have been testing an electric quad bike. Not only do the postmen appreciate its practicality, but it also does its bit for the environment by cutting up to three tonnes of CO<sub>2</sub> emissions.

Australia Post is currently testing two Hino hybrid trucks in urban areas. As Andrew Trott, Australia Post's environment manager, points out: "Compared with a conventionally-powered truck, this new four-cylinder diesel engine saves 20 % in fuel consumption, reduces CO<sub>2</sub> emissions by 25 % and, thanks to the engine's stop-start system, halves nitrogen oxide exhaust emissions".



The Norwegian Post, which distributes 70 % of domestic mail by train, uses a "LoggerTool" to monitor the on-road performance of its vehicles (engine idle time, fuel consumption at cruising and maximum speed). Drivers who are trained in economical driving and are provided with this tool reduce emissions by 5 % per km.

### Global strategy

Operators are adopting clean-fuel vehicles and incorporating emission reductions into a global plan providing for other energy-saving innovations.

DHL, the express subsidiary of the German operator Deutsche Post World Net, has launched GoGreen, a global eco-project. Participating businesses sign up to a CO<sub>2</sub> emissions reduction programme, contributing 2 % of the transport costs. In exchange, DHL undertakes to calculate the exact emissions for each item shipped and to offset them through various projects (renewable energy, hybrid vehicles, reforestation of the Amazon). In 2006, DHL introduced a fleet of 24 vehicles in Switzerland and Sweden, which run on biogas, a natural fuel produced from household waste. According to the manufacturer, these vehicles save 12 tonnes of CO<sub>2</sub> per year. A hybrid vehicle and a fuel-cell vehicle, which emits water vapour, are currently being tested in Japan. In Bangladesh and Brazil, compressed natural gas-fuelled vans are used to deliver express items.

The Dutch operator TNT has launched Driving Clean, a global strategy encompassing four complementary initiatives: cleaning up the fleet, going green, remaining eco-friendly and protecting the environment. The first of these initiatives was to retrofit 136 of its vehicles with soot filters, and the second to purchase clean-fuel vehicles. In addition to the 59 biofuel trucks that have been put on the road in Amsterdam, TNT Express is testing a new 7.5-tonne electric vehicle in London. This new vehicle – the world's first zero-emissions postal truck – is designed for the collection and delivery of express parcels and letters. The Newton (as it is known) has a top speed of 80 km/h.

Within the framework of "green productivity", a national awareness-raising programme, the Iranian Post is matching the size of its postal vehicles to the volume of mail for delivery, and is changing their departure times and delivery routes, according to road traffic density. The aim is to minimize the environmental impact of atmospheric pollution, particularly in large towns and cities. The operator plans to purchase compressed natural gas-powered vehicles, as well as unleaded petrol-fuelled hybrid vehicles. The programme also provides for the training of drivers in environmentally responsible behaviour.

In China, the Post has lent its support to the “Green Games” appeal launched by the Beijing 2008 Olympic Games Committee, and hopes to reflect it in its postal services. It is committed to ensuring that all postal vehicles used for the Olympics comply with Euro IV emission standards – drastically reducing nitrogen oxide levels – before their entry into force in July 2010.

#### **Institutional support**

Two considerations underpin these few examples: first, in order to retain their “good corporate citizen” image, operators must seek viable alternative means of reducing CO<sub>2</sub> emissions; and second, the solutions proposed often require a programme, a charter and a larger-scale plan, which is recognized and supported by the institutions and national and supranational authorities.

The Indian Government, aware of the significance of global warming, has taken a number of initiatives to promote biodiesel and, in particular, energy crops such as jatropha (physic nut) and pongamia. TNT India is a key player in this regard. Says Abhik Mitra, managing director of TNT India: “Depending on the results of the testing phase and the cost of the crops, we will use biofuel for other vehicles in the fleet”. The express operator is currently fuelling four delivery trucks with this form of renewable energy, on a trial basis.

In France, the Environment and Energy Efficiency Agency (ADEME) supports La Poste’s environmental policy and will contribute 3,200 EUR towards each clean-fuel vehicle. From an economic standpoint, an electric kilometre costs six times less than a diesel kilometre, there are fewer breakdowns and maintenance costs are halved. The purchase of 500 clean-fuel vehicles is expected to cut CO<sub>2</sub> emissions by 2,000 tonnes in 2008.

#### **The project group and the UN**

The UPU, too, is doing its bit. Through its environment and sustainable development project group and in conjunction with its network of national correspondents, it promotes the best practices of operators at regional workshops.

The creation of a diagnostic tool that would enable each operator to measure the volume of harmful emissions generated by its vehicle fleet and to take actions to reduce those emissions is currently being considered. An alternative fuel vehicle working group, tasked with presenting countries with alternatives to fossil fuels, is to be launched in Shanghai in November 2007.

Institutionally, the UPU contributes to improving the health and environment of citizens, one of the Millennium Development Goals. Environmental issues will also be incorporated into the 2009–2012 Nairobi Postal Strategy. Training activities on economical driving habits, the reorganization of transport routes and the piloting of alternative fuel studies will be organized in collaboration with the UNEP and other organizations.

Finally, the United Nations has created a gateway to the UN system’s work on climate change: [www.un.org/climatechange](http://www.un.org/climatechange). This information site, which provides comprehensive coverage of the activities of the various UN agencies, funds, programmes and conventions, seeks to raise awareness of the harmful emissions associated with climate change. The UPU and its activities are featured.



# Sustainable development in brief

## For the environment

While special attention is being given to its vehicle fleet, members of the postal sector are also looking at other energy-saving initiatives. Here are a few examples:

- DHL, Deutsche Post's express subsidiary, recently launched the "Green Parcel", available in 12,500 post offices throughout Germany. This is the first "carbon-neutral" parcel service. The extra revenue generated from this new product, which costs more than a standard parcel, is invested in environmentally-friendly propulsion systems, solar energy in South-East Asia and reforestation in Latin America.
- "In Burkina Faso, as part of its plans for the construction of new postal facilities, SONAPOST has launched a large scale tree-planting programme aimed at protecting the environment and providing staff with a pleasant working environment," says Christophe Nayire, director of logistics with SONAPOST, the Burkina Faso operator.
- The Tunisian Post has trained 220 staff on energy efficiency as part of a global action plan. Thanks to this training, and to the installation of 540 time-switches to control lighting and air-conditioning, electricity and fuel consumption have been reduced by 10 % and 8.8 % respectively.
- In New Mexico, the United States Postal Service has built a straw-bale post office – the first of its kind – which has very low environmental impact. Thanks to the straw, which acts as an insulator, and to other energy-saving measures, the need for heating and air-conditioning has been minimized.
- As part of the Driving Clean initiative launched by the Dutch operator TNT and in cooperation with the United Nations Environment Programme (UNEP), Toolkit, an interactive, step-by-step tool, can now be accessed via the UNEP website. It contains 18 options providing for environmental performance measurement and evaluation, and proposes practical solutions to postal operators and humanitarian agencies wishing to clean up their vehicle fleets.

"To be committed to sustainable development in the interests of our planet, territories, customers, and the management of postal administrations and their staff." That's how the UPU defines the concept.

Today, Posts should view their commitment to sustainable development as a true lever with which to strengthen their economic effectiveness, and thereby satisfy their customers and improve their staff's living and working conditions.

A sign of respect for the environment, for customers, for territories, for sound rules of governance and for staff, sustainable development is also a way of reinventing the way Posts operate: no decision should be taken by them without taking into account the possible impact on the environment, society and their personnel, or without making relevant adjustment to such decision so that it has little or no negative impact.

Twenty priority actions have been defined with respect to the environment, the economy and society, which should form the basis for the sustainable development of the postal sector.

› More info at  
[www.upu.int/sustainable\\_development/en/](http://www.upu.int/sustainable_development/en/)



# The Post does that?

.....

It cannot be said that Posts lack imagination. Whether their customers live in remote locales or in a sprawling megalopolis, they manage to find solutions to satisfy everyone.

.....

By  
Carole  
Morgenthaler  
and  
Emmanuel  
Deonna

With the digital revolution, globalization and the deregulation of postal markets, more and more Posts are diversifying their services in order to find new sources of income. While some operators fear a decrease in letter-post revenues, many can count on increased income from their logistics, electronic and financial services. And a host of new services, little known by the public or totally new, are set to emerge. By optimizing logistics solutions, as well as communication and information processes, Posts are demonstrating that they are indeed experts in innovation. Nutrition, health, public services ... Posts are improving customer service in many areas.

.....

With Rural Post, New Zealand Post delivers merchandise to the country's most remote areas.





### **It's here, it's there ... it's everywhere**

The omnipresence of the postal service makes it easy to forget how useful and relevant it is. For people who live in hard-to-reach areas, the postman is their link with the rest of the world and he has other tasks that go beyond the traditional role of messenger. "Rural Post" is a particular service of New Zealand Post provided to remote rural communities. The drivers, who are not under any exclusive contract, make other types of deliveries as well. Covering roads and waterways by car, van, truck and boat, they deliver goods of all kinds, including farm machines, food, drugs and medicines and veterinary supplies. Rural Post's motto "Delivering the world to the country" aptly sums up its mission. "Posties" travel over 28 million kilometres each year to serve Rural Post's 191,000 customers.

### **For the sweet tooth**

To help it cope with increasing demand, a well-known Brisbane pastry shop gave Australia Post the daunting task of delivering cakes to its customers. With the packaging now perfected, the service has become very popular. While most of the delicious parcels are delivered in Australia by Express Post, some are even shipped by air to international customers.

### **Everything is logistically possible**

In Germany, various businesses are turning to Deutsche Post to save money and optimize their customer information capabilities. The German postal service is now involved in managing the printing, stocking, packaging and delivery of brochures for a health insurance company. It has also created an intranet facility enabling that company's staff to send advertising material with just one click of the mouse.

### **Healthy solutions**

The Swiss Post specializes in purchasing and supply logistics for hospitals. Its Post Logistics unit's "Hospital Solutions" facility offers total or partial solutions for supplying medical products. An electronic catalogue containing more than two million supply articles allows hospitals to locate medical products by different criteria, download data into their own supply management system or prepare neutral lists for calls for tender. An effective inter-hospital communication tool, "Hospital Solutions" serves

as a basis for group purchases and gives an overview of articles, quantities and current prices. An online ordering platform makes it possible for hospitals to manage pooled supply inventories. Small businesses can supplement their systems with an e-shopping facility equipped with an integrated management software package.

### **Connected**

In Brazil, postmen have been reading customers' electricity meters since the 1980s. Since 1998, this service in three states has included the printing and delivery of utility bills. A hand-held computer with printer is used to enter water and electricity consumption readings on the spot. Developing its integrated logistics expertise, the Brazilian Post also specializes in stocking and delivering telephones and in billing telephone customers. Customer service provided by postmen now includes unlocking phones and opening new customer accounts.

### **Even closer**

A pioneer in the development of the information society, the Tunisian Post is making every effort to remain close to customers. Its SMS and MMS platform, for example, provides information on Courier Express items, notifies the receipt of money orders and transmits information on savings and giro account movements. Its online shops allow customers to order and send personalized greeting cards or flowers. And in agreement with the ministry of higher education, the postal service now offers university registration online. Between 2006 and 2007, some 360,000 students made use of this Internet service, and in 2006, more than 100,000 students received their university grants via the postal network.

### **You've got mail!**

In Côte d'Ivoire, customers can be notified by SMS when mail is delivered to their post office box. Alert'Courier's 600 customers can now avoid unnecessary trips to the post office. As often as twice a week now, customers can receive the following message: "You have just received mail at post office box No ... Please stop by to pick it up as soon as possible. Côte d'Ivoire Post thanks you".

Posts also bring innovation to social services.  
 .....  
 Read the article on the *Union Postale* website:  
 .....  
 > [www.upu.int/union\\_postale/en/](http://www.upu.int/union_postale/en/)  
 .....

# A reference you can trust

In France, the social care services sector now totals over 11 billion euros, more than the textile, clothing and leather goods sectors combined. Nearly two million people were employed in this sector in 2007. From day care and housekeeping to social care for the elderly and dependants, the 21 services of this fast-growing sector represent an important vehicle for social cohesion and an effective job creation tool.

Like the 15 French companies listed by the National Agency for Social Care Services, La Poste has helped to extend the reach of this sector and to improve its professional standards. In 2006, the Post Bank was chosen as issuing agency for the prepaid Universal Service Employment Cheque (USEC). Centrepiece of the law of 26 July 2005 concerning social care services, the USEC enables individuals to pay for all home care services provided by a care-giver or authorized service provider (social care association or company, or public institution). The decision taken that same year to have La Poste's 300,000 postmen distribute the pre-paid USEC is indicative of the operator's commitment in this area. By extending its intermediary role in providing social care services in 2007, La Poste Group has become a key player in the sector. "With 17,000 contact points throughout France, La Poste has a network that is second to none. The confidence that La Poste's customers have in what it does is an important asset in developing demand for these services, providing a suitable structure and guaranteeing a high level of professionalism," explains Bruno Arbouet, who heads the National Agency for Social Care Services.

## Requirement for quality

Known under the "Genius" brand name, the intermediary services provided by La Poste are varied and comprehensive. The Genius card gives unlimited access to home care services, and is available for only 30 EUR at all post offices throughout the country, via the Internet or by telephone. With the card, customers can contact a 24-hour call centre service that will locate, within 48 hours, a suitable state-approved caregiver or service provider listed by La Poste to meet their particular needs, anywhere in metropolitan France.

One of the keys to Genius's success has been the confidence shown by users in the quality of La Poste's registry of care providers. According to Pascal Portier, who is in charge of social care service marketing at La Poste, "service providers need to comply with our charter of quality. Our registry is based on 150 to 200 qualitative and quantitative criteria, such as manager/employee ratio, percentage of payroll devoted to training and the care-giver recruitment process, just to name a few". More than 5,500 service providers are listed, and another thousand applicants are being considered. On the basis of income from card sales and its commission for creating new business, the Genius programme is expected to show a profit from the third year of operation. Another satisfying result is the number of jobs indirectly created. According to Portier, "80 % of Genius customers are seeking care services for the first time. This should mean 2,000 new full-time jobs by the end of 2007, and another 5,000 jobs for our service partners over the next five years".







.....  
**The border post office of Ganta handles surface mail exchanges with Guinea.**

# Road to recovery

.....  
Fourteen years of civil war brought postal services in Liberia to a virtual standstill. For years, people simply managed as best they could without the Post, as they did without so many other services. But now, at last, things are changing. Since the end of August, people and businesses in Liberia have once again been connecting with the world.



.....  
**Ellen Johnson-Sirleaf, president of Liberia, and Jackson Doe, minister for posts and telecommunications and postmaster general, were among the distinguished guests present at the opening of the Buchanan regional post office last 25 July.**

.....  
**By  
 Rhéal LeBlanc**

In the Atlantic Ocean port city of Buchanan, postal services restarted on 25 July when president Ellen Johnson-Sirleaf officially opened the country's first new regional post office. The office, which serves about 90,000 people living in three counties, is one of a number of signs of economic hope that are starting to show in this small, resource-rich country, which is Africa's oldest republic (founded in 1847 by freed American slaves), and where an astonishing 85 % of the 3.3 million people are unemployed.

Since the end of August, 17 other post offices have reopened: some renovated; others constructed from scratch. In one short year, thanks to political will,

leadership and international assistance, Liberia has gone a long way towards rebuilding its postal services. Authorities are counting on this infrastructure to support the country's economic engine, as companies like global steel giant Arcelor Mittal set up billion-dollar mining ventures, such as the one announced for Buchanan the eve of the country's 160<sup>th</sup> Independence Day, on 26 July.

Re-establishing postal services in rural areas is a top priority for the government, which plans to open 150 offices in 14 counties, compared to 34 before the war started. "The renovation and construction of post offices throughout the nation is part of our decentralization plan to take the postal services to our fellow



.....  
**Günter Böhm, UPU consultant, and  
Bourgess Houston, acting director  
general of post, talk about extending  
the postal network to other areas  
of the country.**  
.....

**International aid, including QSF  
funds donated by the Republic of  
Korea, helped finance the purchase  
of postal vehicles and equipment.**



Liberians in rural Liberia. It is their right, not privilege. They have long been denied such a right because of the protracted years of civil conflicts that led to living under harsh economic conditions. Decentralizing postal services is in response to the interim poverty reduction strategies programme," explains Jackson E. Doe, Liberia's minister for posts and telecommunications and postmaster general.

In Monrovia, the country's capital and main business centre, the ground floor of the general post office (GPO) has been completely renovated and mail and parcel sorting and delivery operations began in earnest in August. Mail flows have been scheduled and equipment, locally produced, has been put in place.

Liberian authorities have also been busy ensuring that international mail is able to enter and leave the country. The government signed an agreement with port authorities to ensure that parcels left in storage during the war were transferred to the Post for processing and delivery. Airmail is arriving and leaving on flights from Brussels Airlines, the only international carrier currently flying to Monrovia. Renovated border post offices in Bo-Waterside and Ganta now handle surface mail exchanges with neighbouring Sierra Leone and Guinea, and a harbour post office in Freeport takes care of mail exchanges by sea.

"It is truly impressive the progress that has been achieved in one short year. I didn't expect things to move so quickly, but thanks to the leadership of national authorities and efforts to comply with the UPU's master reconstruction plan, postal services are starting up again," says Günter Böhm, the UPU consultant who assessed Liberia Post's needs and developed the master plan. With the help of the International Bureau's development cooperation directorate, that led to a UPU multi-year integrated project worth 100,000 CHF, focused on getting basic postal operations running again.

A programme manager in Monrovia is now overseeing all the renovation and reconstruction activities. It will take up to six years to reach full operations, at an estimated cost of 6 million USD.

Several UPU member countries have already responded to an appeal for assistance to Liberia. Swiss Post donated six mobile post offices, which arrived in Monrovia in huge containers on 17 June. The GPO is now deploying them to areas of the country where the most urgent need is felt.



Other UPU member countries are donating financial resources or training. Deutsche Post will contribute 10,000 EUR to purchase much-needed sorting equipment, especially for the newly reopened offices. Whenever possible, the equipment is being produced locally. Purchases and services are being undertaken in close cooperation with the United Nations Development Programme's country office in Monrovia.

The Republic of Korea donated 40,000 CHF from its Quality of Service Fund resources to finance the purchase of vehicles, weight scales for mailbags, parcels and letters as well as stamp cancellation equipment. Nigeria has already provided training to a number of postal staff. The UPU hopes other countries will follow suit in the coming months. Liberia is also getting assistance from other international or regional bodies, such as the Inter-Governmental Philatelic Corporation, which printed Liberia's first post-war stamps last year (issued on 22 August 2006), and donated 12 vehicles.

#### **Moving on**

The war claimed some 270,000 lives. It also robbed the country of much work experience and know-how. Training is thus a critical requirement for the postal workforce, which needs to be updated on international mail regulations, accounting procedures and all aspects of mail processing. A proper knowledge of domestic and international mail regulations will also enable Liberia Post to recover or avoid lost revenue. An office in Monrovia has been turned into a training centre for employees, who will be trained by fellow colleagues recently back from a 12-day intensive course provided by Nigeria Post.

Miller Karduan, an administrative assistant, was among the five Monrovia GPO employees – three men and two women – who attended the training on general post office management principles in Lagos. "The training was very useful. It exposed us to a lot of changes regarding how Posts operate around the world. We need to move to a customer-friendly and oriented service. If we achieve that then the postal service can be a profit-driven operation."

Elizabeth Newton, who works in internal auditing, said the training was very rewarding and opened up her eyes to the many possibilities of the postal service. "We saw how Nigeria Post uses track and trace technology and we hope to have it some day too to help us better manage the movement of mail." Newton came back with a clear vision of where the Liberian postal service should go. "I see our service transformed so that it meets with international standards. I am very enthusiastic about this challenge. The war has brought the postal service to a very low level, but we are ready for more training."



**Swiss Post donated six mobile post offices, which were sent to different parts of the country.**

Günter Böhm says he is confident that the Liberian people are ready to turn the page on a horrible chapter of history and rebuild the country's infrastructure. Present at their Independence Day celebrations on 26 July, he says he was extremely touched by the Liberian people's courage and determination to come together after so many years of turmoil. In twelve short months, he has seen what the country is capable of. "One year ago, most of the postal facilities were destroyed and only rudimentary services were offered by three offices in Monrovia. The working conditions were indescribable. More or less everything was missing. Even simple supplies were unavailable and there was no equipment of any kind," Böhm recalls of his first visit to Liberia. "But now there is real change and improvement, and it is visible throughout the country."



*International Postal System*

## The Complete management system of your international mail

For the past twelve years, the Postal Technology Centre of the UPU has been working together with several postal operators around the world in order to develop the International Postal System (IPS).

**What IPS does** is integrate international mail management applications that combine mail processing, operational management and EDI messaging into one application.

IPS provides a means for postal operators to have an **accurate and comprehensive view of their mail movement** covering every point between origin and destination, including transit offices of exchange, international carriers, and handling through Customs.

The purpose of IPS is to **help Posts to improve and manage the quality of their international mail service** through a comprehensive measurement of the mail delivery cycle and end-to-end monitoring of items, receptacles and dispatches.

International Postal Services, now in use by over 120 postal organizations, came about because of the cooperation and sharing of knowledge between administrations under the umbrella of the Telematics Cooperative. Developed by the PTC, it is complete software is capable of managing the entire mail process. IPS can be manipulated in order to adapt to the needs of any organization and can be easily interfaced with other applications.

### Contact

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RFID technology

# A market hungry for chips

By  
Laurent Widmer



.....  
In 10 years, radio frequency identification (RFID)  
has become the technology of choice for optimizing  
logistical operations.





.....  
**Correos de España: 2,400 antennas and 400 readers in 20 mail centres allow the operator to track some 200,000 deliveries a year.**

Ms. Wilson (not a real person) sits in front of her computer, tracking the progress of her parcel. The website of her national postal operator and a map of her area are on the screen. It is 9.30 in the morning, and the post van bringing the medicines she ordered the previous day is just a couple of blocks away. So it's not a good time to go out. Ms. Wilson can trust the system, because she specified when she placed her order that she could only be at home to take delivery of her parcel between 9 and 10 the following morning. These instructions were noted when the schedule for the postal delivery round was prepared. As well as the usual tracking and tracing information, Ms. Wilson can check that the temperature of the medicine, which she cannot do without, has not exceeded the recommended maximum, and that the parcel has not been opened or subjected to excessive vibration. A message arrives on her mobile phone: the postman will be there in five minutes...

Just a dream? Or a vision of things to come? Most of the technology needed for a service of this kind already exists, but has not yet been put to practical use. The UPU is interested in the potential of RFID, and with good reason: a natural place for this technology would be at the heart of its new global quality of service measurement system, which will enable a link to be established between the quality of service of its member countries and the remuneration they are entitled to receive under the terminal dues system.

Given the wide range of RFID technologies on the market today, the UPU is continuing to seek out the most accessible technology for its member countries and to define international standards that will ensure a level playing field for all.

RFID technology, developed in the mid-nineties, is already very present in the postal world. The chips it uses look set to revolutionize logistics and postal activities; in fact, the world's postal operators are already thought to possess the biggest RFID network, with 10,000 gates on 1,000 sites in 50 countries.

A whistle-stop world tour takes us to just a few of the places using RFID technology: first, to China, where RFID chips are used for tracking EMS, domestic and international service mailbags. In Germany, chips placed in containers eliminate the need to print millions of labels, as the data appears on screen automatically. In Saudi Arabia, home letter boxes will soon be fitted with chips (see box). In Brazil, Correios saves a million USD a year by using RFID to manage its containers. And finally, International Post Corporation, an association of 24 postal operators, has been using this technique for 10 years for its UNEX delivery time measurement system.

According to Keith Ulrich, who is responsible for new technology and innovation at Deutsche Post World Net, the range of services used by Ms. Wilson "could be provided for sending all high-value goods that need careful handling, for example medicines, but not for ordinary parcels." RFID technology makes these high-value items intelligent and allows remote data collection without direct visual contact, via gate systems. So, using a chip no bigger than a stamp, a parcel or letter can communicate and store data (see box).

### **Spain leads the field**

Correos, Spain's postal service, has launched one of the biggest postal projects using RFID. This initiative, estimated at 1.6 million EUR, has enabled the Spanish operator to improve its item tracking and quality control. Computer servers, along with some 2,400 antennas and 400 readers installed in 20 mail reception and handling centres, allow the tracking of almost 200,000 deliveries a year, and provide very valuable information on the route these letters follow. The process involves placing 26,000 reusable RFID labels in test letters. The data collected when the letters pass close to an antenna are stored and analyzed by the quality control system. In this way, Correos gathers reliable data that enables it to make the necessary adjustments at specific points on the logistical circuit. The Spanish Post has also acquired four mobile RFID systems supplying it with data at strategic delivery points. It will be installing the RFID system in a further 36 sorting centres next year. This administration has also attached 13,000 RFID labels to trolleys so that they can be tracked. "RFID technology is one of the cornerstones of our modernization and innovation project," says Regina Defarges, of Correos de España's innovations directorate. "It has improved the efficiency



# Intelligent letter boxes



Saudi Arabia's public postal operator, the Saudi Post Corporation, which may soon be privatized, is responsible for one of the Middle East's most innovative transformation projects, modernizing its various sectors of activity, and providing door-to-door delivery. Until now, the 842 million items sent annually have been delivered to post office boxes located near the addressees. Thanks

to the Wasel project, most homes in the Kingdom will be allocated an address, and then provided with a home letter box. A million boxes have already been installed since 2006, and another five million are in the pipeline. And the special thing about them is that they have all been fitted with an RFID chip containing the exact address of the box. Before delivering the mail, the postman uses a hand scanner to check that the address of the box corresponds to the one shown on his scanner; and in the case of EMS items or registered mail, the system even becomes interactive, sending the addressee e-mail notification of the arrival of an individual item. Staff have been trained to make the best use of this new technology. As Dr. Usamah M.S. Altaf, Saudi Post's deputy chairman, puts it: "We can already say that the initial response of our customers and staff is very positive. The use of RFID labels has made the introduction of this new delivery system far easier, and greatly reduced the margin of error."

The Post also plans to fit its postal vehicles with RFID labels to monitor arrivals and departures at its various sorting and delivery centres. **LW**

of our processes and enabled decisions to be taken in what is almost real time. It has also given the added value of our products and services a tremendous boost."

There can be no doubt that there will be a significant increase in RFID use in postal networks over the coming years. These chips, which are getting smaller, more intelligent and cheaper (a price of 16 cents per label is expected by next year) all the time, are being fitted to smaller and smaller objects. Initially used for mobile containers only, they are now fitted to trolleys, cases, bags, and may one day be used for parcels and letters. RFID is in direct competition with the barcode, but offers a significant advantage, in that data can be transmitted without direct visual contact. Consultants IDTechEx estimate the sum that Posts worldwide will spend in 2007 on acquiring RFID equipment at 50 million USD, an amount that could rise to three billion USD over the next few years. And as the amount increases, the price of chips will fall – at least, that's what the UPU hopes.

## **Quality of service and terminal dues**

The UPU will be using RFID for its new global quality of service measurement system, which is to be developed in accordance with Bucharest Congress resolution C 46/2004. This system, due to enter the pilot phase by early 2009, will measure the time taken by the destination country to forward incoming mail to the final deliv-

ery point. This will enable a link to be established between quality of service and the rate of remuneration of the destination countries. According to Akio Miyaji, the UPU quality of service coordinator, "This new remuneration system will only be able to function with accurate and totally anonymous mail tracking and tracing tools. Eventually, all Posts should have this technology." So RFID was the natural choice for measuring the quality of handling and delivery for incoming letter mail. Countries will be divided into five categories, according to the volume of incoming mail. Postal organizations will have to buy the equipment, but financial assistance will be available, particularly through the UPU's Quality of Service Fund. Quality will be measured by means of unmarked letters, sent by a third-party company, that are unidentifiable by postal employees. Since 2005, a similar UPU system, also using RFID technology, has been in operation for testing the quality of mail exchanges for industrialized countries. As well as calculating terminal dues, the global quality of service measurement system can be used by operators for improving mail flows, using data provided by the system.

RFID has vast potential. This technology can also predict the volume of mail to be handled or cleared through customs (at holiday periods, for example), thus allowing optimum use to be made of human and technical resources. And who knows, perhaps one day an RFID chip will make

# How RFID works



1 The RF signal activates the label when it enters the RF field created by the antenna

2 The label demodulates the signal and sends its data back to the readers

3 This data is sent to the computer

Typically, an RFID system consists of three components: a transponder (often called a “tag”) for storing data, a transmitter-receiver (often called a “reader”) with an antenna, and a software application. The antenna uses radio frequency waves to transmit a signal that activates the tag. When activated, the tag transmits data back to the reader. This data is then sent to the control unit (the computer).

This system offers many advantages in comparison with the traditional barcode systems. The tags used by the RFID system can be different types – passive, active or semi-active. Active tags have a battery that enables them to emit a signal. This means that they can be read from long distances, unlike passive labels, which are powered by readers at the time of interrogation. The tags can be read automatically without direct contact or line-of-sight scanning. This makes scanning activities faster, easier and more accurate. Several tags can be read at once, even from a distance (within between 0.5 and 80 metres of a transmitted radio signal). This means that multiple items can be scanned simultaneously from a distance. Moreover, tags have a large storage capacity and are rewritable.

a parcel intelligent enough to reach its destination all by itself, telling the machines on its way through the sorting office the address of its destination, its weight, and whether it is express, priority or economy class, before finally tumbling unassisted into the appropriate zone.

## Standards

A key issue that has yet to be resolved is standards. Although this does not present a problem for closed networks, such as those with a single postal operator, it could soon become a headache when universal tracking is the objective. Wide variations currently exist, both in the frequencies and the chips used (passive, active and semi-active), which often make interconnection very difficult, if not impossible. The danger is not just that different industries define different standards, but that there is a lack of interconnection within the same sector, particularly in the case of the postal sector. This would make it difficult to deploy the technology for handling letters or parcels in the international service.

The UPU has launched a process for reviewing these standards. Its Standards Board has a mandate to define a standard for the use of RFID to enable the cross-border use of this technique.

The UPU’s standards and certification programme manager, Akhilesh Mathur, explains: “We are reviewing the existing technology and standards to see what would be most appropriate for the postal sector. Rather than defining a completely new standard, we would like to update and use existing ones,” he added.

Other sectors have already defined standards. For example, in 2005 the International Air Transport Association (IATA) set an example by introducing a universal standard for baggage labels.

## The mailbox

# “Target, and target well”

### Write to us!

We welcome letters to the editor. Post a letter by mail, or send it by e-mail to rheal.leblanc@upu.int, with your name, address, telephone number and e-mail address. When necessary, letters chosen for publication may be condensed.

In your June 2007 edition about targeted mail and the importance of this medium to the modern Post in a new age of consumer choice, I was pleased to see examples of some of the innovative tools Australia Post has used to entice customers to think about mail as part of a cross-media solution to placing messages in front of people. Our initiatives are driven by business needs and the understanding of their communication requirements. Importantly, businesses today are seeking cost-effective mail solutions and capabilities such as correct addressing, coupled with movers' data, to ensure the accuracy of a mailing list and the probability

of high deliverability. As the article points out, marketers are using available information wisely and, where "lifestyle data" is available, they are seeking out profiled, prospective targets from their own success stories. Direct "targeted" mail is here to stay and Posts working closely with businesses are seeing this sector of their traditional mail growing in importance as other sectors are impacted by the developments in new communications. Australia Post remains vitally aware that mail retains certain advantages not available from electronic media and, with the right positioning, direct mail will continue to grow. The Direct Mail Advisory Board is

an important forum for sharing experiences and know-how to help sustain this growth.

**Christopher Grosser**

**Group manager, international treaty and policy, Australia Post**

The cover subject – direct mail – of the last edition was very opportune, as it is one of the most important growth areas for postal services nowadays. I noticed the emphasis placed on direct mail databases. In fact, correct address lists and other addressing tools are fundamental for effective direct mail campaigns. The Direct Mail Advisory Board's (DMAB) latest forum in Berne focused on this very theme. However, contrary to what you stated in your Editor's note, "developing databases" is not a DMAB activity; this is an activity developed by the private sector and by some postal operators around the world. In its development plan for 2007–2008, the DMAB will, among other objectives, focus on capacity-building, providing guidance to least developed countries, developing a direct mail knowledge base, supporting the UPU addressing group's project to

develop delivery-point validation databases, and interacting more with organizations, such as direct marketing associations, which share similar objectives.

**Roberto Motta de Sant'anna**

**Chairman, Direct Mail Advisory Board**

# “Appeal”

Congratulations on the new *Union Postale* magazine. The new layout is more attractive, the colours more appealing and the news alignment better organized. It also provides a deeper insight on postal world news. I am certain this important publication will continue to be an excellent opportunity for UPU member countries to share the latest news and common interests.

**Carlos Silva**

**Head of international relations  
Portuguese Post**

.....  
As host of POST-  
EXPO 2007 in  
Barcelona from  
2 to 4 October,  
the CEO of Correos  
de España is a strong  
supporter of the  
information society.



# Innovation, the Spanish way

For José Damián Santiago Martín, who has headed Correos since May 2004, new information and communication technologies lie at the heart of a range of quality services. Faced with the liberalization of markets and increased competition, along with the liberalization of the European postal market, the 59 year-old CEO is using every resource at his disposal to meet the challenges of tomorrow's postal sector.





By  
Rhéal LeBlanc

Photos:  
A. Coline and  
M.A. Granados

## The interview

What, in your opinion, are the most important challenges facing the world postal sector, and how is Correos de España positioning itself to take up those challenges?

**José Damián Santiago Martín**

Our sector is undergoing a process of fundamental change, marked by globalization, liberalization and new technologies. Electronic substitution and increased competition pose ongoing challenges to traditional postal operators like ourselves, forcing us to constantly innovate.

Correos is responding to these challenges by adopting new technologies and by improving its quality and efficiency. Our aim is to adapt as quickly as possible to the needs and expectations of our customers and users, to which end we have embarked on various projects. For example, we are using the new RFID labels, which have enabled us to improve our quality measurement system in a reliable, cost-effective and efficient manner. Passive RFID technology is a key tool, whose versatility means that it can be used in conjunction with many different processes.

We are also optimizing our delivery network to make Correos the number one choice and the fastest link for communications between Europe and Latin America. Moreover, we are constantly seeking to forge partnerships by participating in organizations such as International Post Corporation, signing up to international agreements such as that of the Kahala Posts Group, and increasing our involvement in international organizations such as the UPU.

How is Correos preparing for the liberalization of the European postal market, and does this liberalization represent an opportunity or a threat?

The most profitable segment of the Spanish postal market, the domestic mail segment, represents more than 54 % of the total market value and has been liberalized since the 1960s. Correos has thus developed its strategy in a highly liberalized and competitive market, achieving positive results.

The liberalization of the European market, however, represents a landmark event for which we are preparing, as I have said, by developing and incorporating information and communication technologies (ICTs) into our operational and management processes and products; stepping up our cooperation with other international operators (Asia and Oceania region); consolidating our presence in the Americas; and offering e-products via our virtual post office ([www.correos.es](http://www.correos.es)), as well as a wide range of "BanCorreos" financial services.

Spain was one of the UPU's founding members. How do you see the UPU's current role, and how can the UPU contribute to strengthening the world postal sector?

Ever since it was established in 1874, the UPU has always been an important channel of communication between its member countries, and has harmonized postal sector systems to ensure that the whole population has access to an affordable and quality universal service.

It also coordinates technical assistance and cooperation efforts on behalf of its members.

As an intergovernmental organization, it plays a key role in ensuring the development and sustainability of the universal postal service. Moreover, in the current international environment, it needs to facilitate change so that the world postal sector can rapidly adapt to new requirements.

The initiatives taken by the UPU, in terms of encouraging the adoption of financial and electronic products, are of vital importance to many operators. The UPU must, however, be capable of developing a flexible decision-making system, which is able to meet the evolving needs of all players. The debate on the future structure of the Union represents a unique opportunity for the UPU to confirm the importance of its role vis-à-vis both developed and developing countries. As an intergovernmental organization, it has to weigh up many factors and adopt a balanced approach. If, however, the UPU is to continue to serve as a reference point for all operators, it is essential that it shows flexibility in taking decisions on operational issues.

The UPU development cooperation action group (DCAG) is currently chaired by Spain, which is represented by Correos. What mark do Spain and Correos want to leave on the work of the DCAG?

Spain has always supported the UPU's work in the field of cooperation, and puts a lot into its chairmanship of the DCAG. During the current cycle, Correos is supporting the implementation of the integrated postal reform and develop-

ment plans (IPDPs). It is also participating in the introduction of the IPDP methodology in certain countries, and is collaborating with the International Bureau in preparing implementation monitoring indicators and summary sheets in order to facilitate monitoring of the IPDPs by the beneficiary countries and the UPU.

My country is also actively involved in another fundamental approach: the regional development plans (RDPs). The RDP methodology provides a global vision of the needs and shortcomings of the various regions, and, most importantly, it proposes solutions. Spain is cooperating with the UPU and the Postal Union of the Americas, Spain and Portugal in developing RDPs in Latin America, with the emphasis being placed on quality of service.

Finally, with the support of the International Bureau, the DCAG has accorded priority to the Millennium Development Goals, which we believe the postal sector can do much to help achieve.

In this regard, in conjunction with the postal economics group and the International Bureau, we are carrying out a study to analyze the impact of investment in postal infrastructure on the economic and social development of countries. This study may prove a useful tool in helping countries to secure additional funding to develop their markets.

Does the political division of Spain into 17 autonomous communities have a positive or negative impact on universal postal service provision by Correos?

Correos is charged with providing the universal postal service throughout Spain, with the highest levels of quality and accessibility. It does so via a very broad network comprising 67,000 employees, 10,000 postal counters, 2,115 multi-service offices, 1,800 postal outlets and 13,000 vehicles, which enable it to reach every corner of the country on a daily basis.

A priority objective of the Spanish Government is to ensure that citizens are provided with the universal postal service under the best possible conditions. The existence of regional governments does not affect universal service provision. The autonomous communities also channel requests for additional postal resources and infrastructure to meet new requirements, often resulting from population growth in a given region, which shows the importance they attach to the postal service.

Access to affordable remittance services for migrants is a UN and UPU priority. What is Correos' position on the provision of remittance services in Spain?

Immigrants make up approximately 10 % of Spain's population, and are naturally an important population segment for Correos.

We have been meeting their needs in many areas for years. Let me give one or two examples. When immigrants arrive in Spain, their first need is to communicate with their families back home at an affordable price. Correos provides

“Over the past four years, we have developed a 1,000 million EUR investment plan, mainly aimed at modernizing operational and management processes and postal infrastructure.”

telephone booths at its offices located in areas with high immigrant populations. This cheap international call service is particularly popular, which is reflected in the fact that its turnover last year was up 20 % on the previous year.

Immigrants also need to have a secure, rapid and inexpensive means of sending money. In addition to the domestic and international money order service, thanks to a cooperation agreement with Western Union, Correos also offers a “Money transfer in minutes” service, which enables customers to send remittances, almost in real-time, from its more than 2,000 multi-service offices to 300,000 offices located in over 200 countries. Our remittance tariffs are highly competitive, and we offer discounts and special rates for high-volume corridors to regions such as South America, North Africa and Eastern Europe, from where many of the immigrants residing in Spain originate.

Correos takes account of the fact that Spain is a host country for significant numbers of immigrants, and strives to meet their various needs: access to mortgages for the purchase of properties; credits; and loans to set up private businesses, etc. “BanCorreos”, our banking services division, provides immigrants with tailor-made financial products. The latest initiative in this connection was to obtain “Halal” certification in order to meet the needs of the large Muslim community.

Correos de España is to host POST-EXPO 2007, which will be held in Barcelona at the beginning of October. What technological innovations will Correos be presenting at this event, and how do you see the role of new technologies in the development of postal services?

Innovation and ICTs, in which we have invested heavily, are essential to the future of the postal service and Correos. Over the past four years, we have developed a 1,000 million EUR investment plan, which is mainly aimed at modernizing

operational and management processes and postal infrastructure.

Our strategic objective is to provide a high-quality, efficient service. This means that Correos has to steal the march on other operators in terms of: access, delivery, tracking and tracing of mail items, exchanging information with customers, versatility and ability to provide customers with tailor-made solutions and ongoing service. To this end, we must utilize new technologies to enhance the quality and added value of our services and products, and to manage our resources effectively. Correos is adopting the most innovative and effective technologies, such as personal digital assistants (PDAs) and radio frequency identification to effectively monitor and deliver mail.

More than 2,000 Correos postmen now use PDAs in connection with priority mail deliveries. Once it has been fully rolled out, this mobile device will be used by Correos’ 30,000-strong delivery staff for priority, ordinary and rural deliveries. The PDAs allows us to



track mail throughout the network, and should also enable us to further enhance our products and services.

As regards our RFID project, I would say it is breaking new ground in Europe, given its scope and the fact that it uses passive tags to carry out measurements and monitor the flow of items transmitted via the postal chain. At our major operational centres, we have installed antennas that read the item data (in trolleys, pallets and containers) remotely, which enables us to detect in real time and immediately remedy any “bottlenecks” in the mail sorting process. The system enables us to improve the quality of the postal service and to shorten delivery times. And it brings another major benefit: passive tags are far less expensive (0.50 EUR) than active tags (around 30 EUR), which undoubtedly contributes to the effectiveness of our resource management. In short, the use of RFID labels enables Correos to provide higher quality and more secure services, and to reduce operational costs.

We are firmly committed to the widespread roll-out of ICTs, which we see as a means of enhancing and adding value to our products, and of improving our processes and consolidating the company. We are confident that they will guarantee the future development of Correos.

At POST-EXPO, we will showcase the new technologies adopted by Correos, as well as our new product and service offering, including a value-added parcels service, whereby customers are able to establish collection times, track and trace their items via the Internet, and receive an electronic acknowledgement of receipt. We will also stress to our visitors and other operators that Correos is continuously increasing its presence on the Internet. Our virtual post office is another important example of how we are utilizing the Internet to improve quality and accessibility to postal services. In line with the objectives of the Spanish Government, we are committed to the extension of the information society in Spain.



## Market focus

### Postal liberalization: postponed until 2011

By a large majority (512 to 155), members of the European Parliament agreed to postpone the opening up to competition of the market in letters under 50 g – the final stage in the total liberalization of Europe's postal services – until 1 January 2011. The European Commission had been calling for a start date of 1 January 2009. Belgium, France, Greece, Hungary, Italy, Luxembourg, Poland and Spain were not opposed in principle to liberalization from 2009, but were concerned about gaps in the

proposal relating to the funding of universal service obligations. Meanwhile, countries that have already liberalized the market (Finland, Sweden and the United Kingdom), or are gearing up to do so (Germany, Netherlands) supported the Commission's proposal and felt that the liberalization process was moving too slowly. They are keen to allow service providers in their countries to start competing with the traditional operators.

Source: European Parliament Press Service

### Finland Post becomes Itella

Since 1 June, Finland Post Corporation has been known as Itella, and Finland Post Group has become Itella Group. This change reflects the Group's desire and efforts to diversify and internationalize its activities: it now offers a wide range of complete logistic services, alongside postal products. Besides Finland, Itella Group is present in eight countries of Northern Europe, and a quarter of its revenue comes from international activities.

Source: Finland Post/Itella press release

### POST INVEST at the service of Africa's Posts

At the UPU regional round table in Nairobi (Kenya), African countries announced the creation of a new cooperative, POST INVEST, which will be chaired by Mali. Eleven countries, in West Africa for the most part, have already signed up. Eventually, 26 countries should join. The Cooperative supports the same objectives as were contained in the Bucharest World Postal Strategy. Its aims are to speak with a single voice on postal issues, and carry

out joint promotion of postal products and services. The Cooperative's activities will focus on the physical, electronic and financial dimensions of the worldwide postal network.

Source: UPU

### Belgian Post turns eBay seller

Belgium's postal operator is now offering certain products via its own virtual postal shop on eBay. De Post/La Poste regularly puts collectors' items up for sale on eBay – the first postal operator to do so. Since the end of June, it has been selling philatelic and numismatic products to people looking to complete their collection, and also targeting fans of comic strip and coffee table books. De Post's store, with almost 400,000 hits per day, is currently available on ebay.be and ebay.nl, and is soon to go global.

Source: Belgian Post press release

## Market focus

### Virtual guided tour

To help visitors make the very most of its web portal ([www.laposte.fr](http://www.laposte.fr)), the French Post has enlisted the help of two actors, who offer a fun, informative tour of the site. Combining video with Flash animation, this guided tour is the first of its kind for a postal website. The humorous hosts show visitors how the site can help them meet their personal or professional needs or find useful information such as the postcode for a locality, postal rate information, a glossary or job offers in the Group's various units. The various pages of the site

are constructed like the rooms of a house: the virtual hosts drag elements onto and off the screen, enter and leave the page through virtual doors or a virtual lift, etc.

Source: La Poste press release

### Free postage for helping hands

Charitable organizations that lend a helping hand to communities in need see their generosity reciprocated by New Zealand Post, which, in 2007, is to provide them with 1.5 million prepaid envelopes for their fund-raising efforts and campaigns – 500,000 more than in 2006. Last year, some 4,200 organizations benefited from this “Community Post” prepaid envelope initiative, which, since its launch in 1999, has enabled more than 25,000 not-for-profit organizations to make significant savings on their operational costs.

Source: New Zealand Post press release

### Beijing launches the first Olympic postcode

102008: that's the postcode assigned to the Olympic Village and other sporting venues around Beijing for the 2008 Olympics. The figure 1 refers to Beijing, and 2008 to the year of the Games. The postcode came into force on 1 August 2007 and will expire on 30 September 2008. This first specially created postcode in the history of the Olympic Games will help ensure fast and accurate delivery of mail destined for the organizers and athletes.

Source: Chinadaily.com

### Improving cross-border mail services

The United States Postal Service (USPS) and its Mexican counterpart, SEPOMEX, have signed an agreement to improve mail services between the two countries. USPS is to assist SEPOMEX in its efforts to reform and restructure its activities, while SEPOMEX will cooperate with USPS in identifying joint business opportunities. The two operators will form a joint service improvement and business development team, tasked with defining new international express mail and air parcels services. The security of postal products is another key component of the agreement. USPS will participate in the training of Mexican postal inspectors, and a joint working group will establish more efficient customs clearance procedures.

Source: USPS press release



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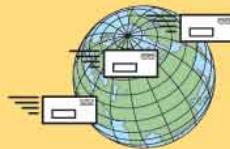
# WHAT'S THE MOST VALUABLE TOOL TO DRIVE SUSTAINABLE GROWTH AND POWERFUL RELATIONSHIPS? MAIL!

The Postal industry has significant potential for long-term growth so long as mail continues to be the most effective medium for business communications. Growth will come from increased co-operation of posts and suppliers, responding directly to customers choice.

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