

UNION POSTALE

December 2007

Moving the postal sector forward



UPU, a specialized agency
of the United Nations

4

E-commerce

Race for the last mile

IPS

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

- Address: Postal Technology Centre - Universal Postal Union - Weltpoststrasse 4 - 3000 Bern 15 - Switzerland
- Phone: +41 31 350 31 11 / Fax: +41 31 352 43 23
- Email: info.ptc@upu.int



Contents



In December, while people in many countries wind down for the holiday season, postal operators face one of the busiest periods of the year. The growth of e-commerce means more parcels are being delivered, and postal services the world over are focusing on quality and flexibility to benefit from the online business.

In brief

Short news items about the UPU

4

Editor's note

5

Cover story

Race for the last mile

How postal services are looking to benefit from e-commerce

10

A matter of customs

Postal operators fear that more stringent customs rules could affect cross-border trade

15

A tiger's appeal to save the planet

Read the letter that won Malaysia's Sze Ee Lee first prize in the UPU's 36th international letter-writing competition

18

Distance learning offers more

Posts are increasingly encouraging employees to perfect their skills online

22

The mailbox

Readers express themselves

23

The interview

The online king

It's a jungle out there! Jeff Staheyeff, CEO of eBay International, tells Posts how to become deliverers of choice

24

Market focus

A look at what's going on in the worldwide postal sector

29

December 2007

Union Postale
International Bureau
Universal Postal Union
P.O. Box
3000 BERNE 15, SWITZERLAND

Phone: +41 31 350 33 10
Fax: +41 31 350 31 77
E-mail: rheal.leblanc@upu.int

www.upu.int

Published since 1875, *Union Postale* is also available in Arabic, Chinese, French, German, Russian and Spanish.

Director, Executive office and communication: Juliana Nel
Editor-in-chief: Rhéal LeBlanc
Assistant editor: Jérôme Deutschmann
Editorial assistant: Gisèle Coron
Contributors: Emmanuel Deonna, Laurent Widmer
Translation: James Holden, Gary Long, Mark Prosser, Ann Williams, Margaret Wills
Revision and proofreading: Mark Prosser
Design: Die Gestalter, St. Gallen (Switzerland)
Printer: Benteli Hallwag AG, Berne (Switzerland)
Subscriptions: publications@upu.int

The opinions expressed in the articles are not necessarily those of the UPU. Material may be reproduced with an acknowledgement: © *Union Postale* (UPU)

Postal services facilitate international trade

The UPU joined other leading international development organizations for the World Trade Organization's "Aid for Trade" conference in Geneva from 19 to 21 November.

UPU director general Edouard Dayan called attention to postal services' role in stimulating international trade, particularly for small and medium-sized businesses. He cited as an example the Brazilian Post's successful "Exporta Fácil" ("Easy Exporting") project. Using Exporta Fácil, available at over 8,000 post offices as well as on the Internet, small and medium-sized Brazilian businesses let the postal operator take care of their

exports, handling the entire logistics side, as well as completing customs export formalities.

"In 2006, 6,000 businesses that had never exported before were able to access external markets," said Dayan. "This is a concrete indicator of the postal network's impact on a developing country's ability to engage in world trade."

He added that the postal sector, with its physical, electronic and financial capabilities, wished to develop partnerships to help provide greater openness to international trade. "Postal networks offer local access to the logistics of international trade. All it takes to enable more businesses to export more goods to more places is for initiatives like Exporta Fácil to be transposed to other countries," concluded Dayan. **RL**



From l. to r.: Luis Alberto Moreno (Interamerican Development Bank), Edouard Dayan (Universal Postal Union), Dominique Strauss-Kahn (International Monetary Fund), Rajat Nag (Asian Development Bank), Patricia Francis (International Trade Centre), Abdoulie Janneh (Economic Commission for Africa), Pascal Lamy (World Trade Organization), Angel Gurría (Organisation for Economic Co-operation and Development), Valentine Rugwabiza (World Trade Organization), Kemal Derviş (United Nations Development Programme), Robert Zoellick (World Bank), Juan Somavia (International Labour Organization) and Donald Kaberuka (African Development Bank)

Reliable mail addressing, sorting and delivery

The postal world is increasingly interested in the UPU's addressing standard S42, already in use in 11 countries, including France, Great Britain, and the United States of America. Germany and Italy are among eight others currently finalizing the standardized elements of their country's address structure. By enhancing the quality of mail processing in many countries and minimizing the risk of errors and returned items in their international mail service, addressing standard S42 improves mail delivery in the country of destination. The development of a standardized addressing model makes the automation of mail flows quicker and easier, at a lower cost for postal operators and high-volume mailers. Postal operators are invited to submit their models for a high-quality, reliable addressing system for both domestic and international mail to postcode@upu.int. **JD**

The figure

2,824,508

Editor's note

Posts' golden opportunity

This year, Monday 26 November was "Cyber Monday". This American phenomenon, which falls on the Monday after Thanksgiving, marks the start of the holiday online shopping season. This year it is believed to have generated over 700 million USD, 100 million more than in 2006. And the sales peak, expected around mid-December, is still to come. Analysts are forecasting a 20% increase in online sales in the United States in November and December. Over in Europe, Internet users will spend almost 73 billion USD, a rise of 58% compared to 2006. Great Britain's online shoppers spend the most – an average of 721 EUR each.

Better Internet penetration, time constraints and increased confidence in online shopping have all helped to boost the growth of e-commerce, particularly in industrialized countries. These transactions generate millions, not only in terms of revenue, but also in the number of packets and parcels sent. This is a golden opportunity for postal operators, who frequently deliver goods to the buyer's home. On-time delivery, reliability, track and trace, and the automatic calculation of shipping charges are all aspects of quality that operators should bear in mind to meet the needs of retailers and consumers. That's the basic message of

eBay International's chief executive officer, who is the subject of our interview. But plenty of challenges remain: encouraging cross-border online commerce so that developing countries can also benefit raises issues of quality of service and customs clearance. Our coverage of the opportunities that e-commerce offers postal services considers a few aspects of the challenge.

The editor-in-chief



UPU adopts new logo

The UPU is changing its logo. On 8 November, the UPU Council of Administration adopted a resolution allowing the organization to officially use the emblem currently on the flag as its new logo. Put simply, the organization will add to its current logo – inspired by the UPU monument in Berne, and featuring five messengers passing letters as they circle the Earth – the United Nations olive branches, the symbol of peace that appears in the logo of many United Nations organizations. On 1 July 2008, the UPU will celebrate its sixtieth anniversary as a specialized institution of the United Nations. It will also, on 28 and 29 April next year, host the biannual meeting of heads of United Nations organizations, under the chairmanship of the United Nations secretary general. The new logo will be gradually introduced, inter alia, in new publications, stationery and communications products. **RL**

That was the amount in US dollars granted for a pilot project to develop a simplified system for postal exports based on the Exporta Fácil project in Brazil. Co-financed by the Inter-American Development Bank and various governments, the project aims to offer an integrated export logistics solution to 4,000 new businesses in Ecuador, Peru, Uruguay, and a fourth country in the region yet to be determined. The project will enable micro, small and medium-sized

businesses – recognized as key drivers in poverty reduction and economic development in their countries – to increase their competitiveness in the international market. The Postal Union of the Americas, Spain and Portugal, based in Montevideo (Uruguay), is responsible for carrying out the project. **LW**

The Post connecting Africa

At the Connect Africa Summit, in Kigali (Rwanda) last 29 and 30 October, the UPU presented a paper entitled *Connecting the "unconnected" in Sub-Saharan Africa: Postal networks can leverage access to infrastructure services*. The paper argues that in Africa, as on other continents, the Post is well placed to coordinate a variety of different services. Postal establishments already provide significant services for society and could become major business centres offering a wider range of administrative and social services (Internet access, telephones, photocopying, financial services and others).

Gladys Mutyavaviri, the UPU's regional adviser for the English-speaking African countries, backed the approach being proposed by the UPU: "I had a number of follow-up discussions with some participants who wanted further clarification on these

issues and the possible partnerships that can be entered into between the Posts and the other market partners, as well as with other UN agencies interested in working with the UPU and the respective member countries to deploy new technologies, especially in rural areas".

The Connect Africa Summit, organized by the International Telecommunication Union and other international organizations, was attended by seven heads of state and more than a thousand participants. Connect Africa aimed to mobilize the human, financial and technical resources required to bridge major gaps in information and communication technology infrastructure across the region.

At Kigali, commitments representing over 55 billion USD were made. **LW**



© IFAD/R. Grossman

Money transfers: a big step forward in Africa

The International Fund for Agricultural Development (IFAD), a UN specialized agency working to eradicate poverty and promote development in rural areas, is financing the introduction of electronic fund transfer services in rural post offices in six West African countries.

IFAD is contributing 200,000 EUR to this UPU project aimed at extending the postal financial network in rural areas of Benin, Burkina Faso, Mali, Mauritania, Niger and Senegal. The UPU, France and six African countries will cover the rest of the project funding, estimated at more than 300,000 EUR.

By next year, reliable and affordable electronic money transfers should be possible between migrant workers and rural populations back home

and between small and medium-sized businesses. The project also provides for the exchange of information between all service access points in large cities and in rural areas, where most of the people receiving remittances from abroad live. Some 80% of the population in these six countries live outside the main urban centres.

More than 30 countries already exchange electronic payments via the UPU IFS (International Financial System) network, while another 34 now testing the application are expected to come online in 2008. **JB**



2008 Nairobi Congress 13 August – 13 September



Philatelic support

Botswana, Mauritius, Nigeria, South Africa and Tanzania have recently issued postage stamps to support the organization of the 24th Universal Postal Congress. The countries will give the Congress host, Kenya, half of the stamp sales proceeds. Kenya is also taking part in this effort, intended not only to raise funds, but also to promote the Congress throughout the continent. The stamp sets issued feature African costumes, the Congress logo and different animal species. **LW**

The Nairobi Postal Strategy takes shape

The global round table on the Nairobi Postal Strategy that took place in China on 4 and 5 December ended the cycle of regional consultations the UPU launched to gather the views of its member countries regarding the postal sector's future worldwide strategy.

After seven regional round tables that culminated in one last meeting in Guangzhou, more than 500 participants from over 170 countries had been able to express their views on the future strategy. Based on the sector's physical, financial and electronic dimensions, this strategy has four objectives: improved interoperability, promotion of sustainable postal sector development, stimulation of the universal postal service, and promotion of market and postal service growth.

For Pascal Clivaz, director of finance and strategic planning at the International Bureau, "one of the most important lessons of the round tables has been that objectives are similar throughout the world, although the order of priority changes".

The strategy will be implemented through seven regional development plans prepared by the International Bureau for the UPU's main geographical regions and should make it possible to strengthen the postal sector as an essential element of the world economy.

The UPU's four-year roadmap will be submitted for delegates' final approval at the last sessions of the Postal Operations Council and Council of Administration in January and February 2008. It will then be presented for adoption by member countries at the Nairobi Congress. **LW**

Candidates step forward

UPU director general Edouard Dayan and deputy director general Guozhong Huang, from France and China respectively, will run for a second mandate from 2009–2012.

Both made the announcement during the 2007 Council of Administration (CA) session, held at UPU headquarters from 22 October to 9 November. No other candidates have so far indicated their wish to vie for the top UPU management positions. The director general and deputy director general positions

are elected by member countries at the UPU Congress.

Great Britain, in the person of Murray Buchanan, Royal Mail's deputy director of international affairs, also announced it would run for the chairmanship of the 2009–2012 Postal Operations Council (POC). The POC is the 40-member UPU body that deals with operational and technical issues regarding the postal sector.

In other news, the CA approved the choice of Chile's Mario Felmer Klenner as doyen of the 24th UPU

Congress. Felmer Klenner is a former director general of the Chilean Post. As someone with extensive postal experience, the Congress doyen has a ceremonial and diplomatic function, and is charged with officially opening the Congress.

Qatar has also extended an invitation to host the 25th UPU Congress in 2012. A final decision will be taken at the Nairobi Congress. **RL**



.....
In Jamaica, postal workers from the May Pen office performed a play to show the public various aspects of their work and some of the new motorcycles they use to deliver the mail.

World Post Day 2007

On 9 October 2007, Posts once again found novel and creative ways to celebrate World Post Day and to show their customers, the public at large and the media how important postal services are in their everyday lives. Postmen in Barbados offered parcels to the needy on their walks, radio and TV featured spots with postal themes in Slovakia and Turkey, Jamaican postmen used comedy skits to make light of their day-to-day work, Macao's postal operator launched a brand new online shopping service called "WeShop", the Rwandan Post unveiled its new Internet site and the postal staff of Burundi's National Postal Authority organized a 15-km run.

A photo gallery of other World Post Day activities can be viewed on the UPU website. **JD**

» www.upu.int/world_post_day/en/

IFS exchanges between France and Russia go live

.....
In an important step forward in the worldwide development of the financial postal network, La Banque postale, a subsidiary of France's La Poste, and the Russian Post signed a contract for electronic money transfer exchanges in Paris on 16 November. The guaranteed two-day time-certain product, known as the international express money order, will be transmitted via the UPU's IFS network.

Around 60 countries and territories are connected to the IFS network, which works to modernize the traditional paper money order service by gradually replacing it with electronic transfers. These enable better management and quality of service and discourage money laundering and the financing of terrorism through informal channels. **RL**

The agreement was signed in the presence of the French and Russian prime ministers. And with good reason. Russian Post exchanges over 2.5 million electronic money transfers annually with some 10 neighbouring countries, Ukraine in particular, and is one of the world's main users of IFS. La Poste conducts exchanges with more than a dozen countries and territories in Africa, Asia and the Pacific, and Europe.

Taking the mystery out of terminal dues

The UPU website now provides member countries with a tool for calculating the terminal dues they would receive under the new system to be proposed at the 2008 Nairobi Congress. Terminal dues is the system used to provide countries with fair compensation for the handling of incoming international mail.

With the new calculation tool, countries which have previously discussed the new system in purely theoretical terms at meetings of the terminal dues project group will at last be able to see what the system means for them in real financial terms. Any fears – particularly on the part of developing countries – about the transition to the target system, which will be based on each country's specific costs, will hopefully be laid to rest.

Under the proposal, the 2010–2013 cycle will see all countries gradually moving towards the target system, though

with close monitoring of the financial repercussions for individual countries. The system will also guarantee income for the developing countries, establish a link to the quality of service provided, as is already the case for the industrialized countries, and provide for a controlled transition by the “most advanced” developing countries.

“Our analyses point to a positive financial impact for most developing countries. Indeed, the proposed increases in terminal dues will be to the benefit of these countries, which import more international mail than they export,” explains Georgios Goumas, economic affairs coordinator at the International Bureau.

A world terminal dues round table is due to be held in Berne on 21 and 22 January 2008. The aim will be to reach a consensus on the final blueprint to be presented at Nairobi. **RL**

A good year for the QSF

For the postmen of China, sorting envelopes bearing addresses in roman letters is no easy task. At the moment, everything is done manually – but not for much longer. China is one of the 16 countries for which the Quality of Service Fund Board of Trustees adopted a project at its latest meeting in October. China will receive three million USD in QSF funds to be used, among other things, for introducing a system that will automatically translate international addresses into Chinese characters, thereby improving mail delivery.

Twenty-one very diverse projects totaling 8.4 million USD were approved recently. The objectives included adopting systems to improve mail tracking, installing X-ray detectors to enhance mail security, setting up mobile post offices in rural areas and improving the transport network. One regional project will enable nine Latin American countries to introduce a cost accounting programme.

In 2007, the QSF financed 75 projects to the tune of 15.8 million USD. For the first time, the Fund spent more money than it received, thanks to an increase in the terminal dues paid by UPU member countries.

In addition, the Board of Trustees awarded certificates to Belarus, El Salvador, Fiji, Jordan, Kenya, Mozambique, Trinidad and Tobago, and Uganda for achieving their QSF project objectives and improving postal service quality in their countries. **RL**

The ups and downs of the mail

In 2006, for domestic and international products combined, postal services around the world delivered 439 billion letter-post items and 6.2 billion parcels. While domestic letter-post volumes increased by 0.9% compared with 2005, international volumes fell by 2%. Parcels continue to increase in number each year, with a combined 4.8% increase over the previous year for domestic and international items. In addition, at least 60% of countries worldwide offer online postal services, such as track and trace, postcode search, or the sale of philatelic products. Letter post continues to provide between 40% and 60% of postal operator revenue in Africa, Latin America and the Caribbean, Europe and the Commonwealth of Independent States, and the Arab and industrialized countries. In Asia and the Pacific, meanwhile, financial services generate



© ieniemienie/Photocase

46% of postal income. The UPU figures are based on information provided by designated postal operators participating in an annual questionnaire. **RL**

Online statistics database:
› www.upu.int/statistics/en/



Race for the last mile

.....
In 2006, e-commerce worldwide accounted
for a turnover of 12.8 trillion USD,
or 18% of the global trade in goods.
If they are to be sure of the lion's share of
deliveries, postal services need
to capitalize on innovation and quality.

The recent strength of the Canadian currency against the US dollar has prompted Canadians to go on an online shopping spree south of the border. Such has been their enthusiasm, in fact, that the end of October saw an 18% rise in the volume of letters and parcels handled by Canada Post compared with the previous year. This was unprecedented, especially as the holiday season had not yet begun! Customs services and sorting centres were overwhelmed.

Anecdotal though this incident is, it shows the importance of Internet sales today, particularly when economic conditions are favourable. What is more, the growth of online sales is outpacing that of traditional retail sales – and it's happening worldwide. According to a recent study by Credit Suisse, the amount spent on e-shopping throughout the world is expected to rise from 170 billion dollars in 2006 to 263 billion dollars by 2010 – an increase of 54%. At the crossroads of the physical, electronic and financial networks, the postal sector is already enjoying the benefits of e-commerce, but much untapped potential remains. By improving accessibility to high value-added integrated services, operators are not only able to support their core activities, but also to diversify their product range in order to generate new sources of revenue.

By
Emmanuel
Deonna

Increased trade

As Paul Donohoe, who heads the UPU's e-business programme, explains, "The rate of trading between the United States and Great Britain is already very high. International traffic will increase as trading gets more and more organized at regional level, particularly in China, India and Europe."

To take advantage of this gold mine, Posts are developing services and tools to make life easier for retailers and buyers, and improving parcel posting, collection and delivery services. The "last mile" – the part of the transaction that consists of delivering goods bought online to the customer – is already well on the way to being conquered in the industrialized countries. But the developing countries, which hold vast potential, could in future become very attractive to delivery companies, particularly in emerging countries like China and Brazil.

Swiss commuters can already pick up their parcels from some 250 collection points located throughout the country at railway stations, service stations and kiosks, even in the evening or at weekends. Moreover, customers of the online supermarket LeShop.ch can have their goods delivered daily to their homes by post. Some 160,000 Swiss households already shop this way. As Christian Wanner, co-founder and chief executive officer of LeShop SA, points out, "The Post provides a targeted, flexible and dynamic response to customer expectations by rising to the challenge of delivering perishable foodstuffs in these quantities every day."

A “victim” of targeted marketing

Certain strategies to increase online sales have a long track record of success. Internet giants from Amazon and eBay to Google turn to good old mail-order catalogues. Last March, the United States Postal Service was the “lucky victim” of an eBay operation that targeted no less than 35 million consumers – some post offices were almost at bursting point!

Businesses are gradually moving away from advertising in the mass media and starting to make greater use of targeted and personalized communication. This means that operators need to put in place customer relations management systems and incorporate ever more effective direct marketing solutions into their strategies.

By including taxes, customs duties and exchange rate fluctuations in the total amount of the transaction, Canada Post’s “Borderfree” service allows Canadian customers visiting the websites of American businesses to see exactly what their purchases will cost. To help American traders capture the Canadian market, Canada Post offers them segmentation tools for finding the best customers by consumer profiling. According to Paulina Sazon, who is responsible for direct sales strategy at Canada Post, “Borderfree” is based on data management services and public relations campaigns to raise awareness of American brands among Canadian customers. As she explains, “In 2006, Canada Post launched the first Canadian multi-trader catalogue, the Lookbook. Using this marketing tool, retailers can canvass customers through targeted mailing and the distribution of catalogues to over a million Canadian homes.” And the marketing policy is paying off. “In 2006, retailers using ‘Borderfree’ saw a 50% increase in their sales during the summer season. According to one of our studies, the clothing and home decorating sectors, along with electronic products, will be the first to benefit from direct sales in the future,” Paulina Sazon concludes.

Offering added value

The digital revolution has also made consumers more demanding. As it is easy for them to compare the quality of the goods on offer, suppliers have to emphasize the security of the transaction and the quality of the information provided. The European Commission barometer for the protection of consumers in the domestic market, published in September 2006, stressed the considerable reluctance of European consumers to engage in cross-border transactions. Katja Mrowka, an expert in commercial and competition law with the Federation of German Consumer Organizations, says consumers want clear information to make an informed choice, and they want to be able to return goods. According to Henri de Mau-blanc, director of Aquarelle.com, a French company specializing in flower delivery that makes 95% of its 35 million EUR turnover in Internet sales, “Above all, customers expect information to be delivered to them in real time. This is the main challenge facing the postal sector in years to come.”

A number of postal operators are already responding to these challenges. “Services such as the automatic calculation of postal charges, the printing of labels, the programmed collection of door-to-door deliveries, track and trace information, and marketing programmes are already available online,” points out Paul Donohoe.

Other operators provide hosting solutions for small and medium-sized companies, as well as managing their own online shops. Partnerships with banks and major credit card providers make it possible to guarantee the security of online transactions and to win customer confidence.

Postepay, which operates on the prepayment principle, makes buying online a simple matter for customers of the Italian Post. In fact, major online auction sites such as eBay offer Postepay as one of their payment options. Postal operators’ strength lies in their ability to offer solutions across the entire range of services essential to e-commerce. Aware that 95% of Italian businesses are small or medium-sized, the Italian Post developed Postecommerce, a tailor-made service for e-commerce. “Our service includes several elements: Internet site hosting, payment solutions, logistics (including the return of goods) and marketing services. Since its launch at the end of November, our customers have been able to

choose either the whole platform, or one or more of its modules," explains Stefania Sbrizzi, Poste Italiane's head of e-business.

Making exporting easier

By facilitating the commercial operations of small and medium-sized businesses, Poste Italiane is following in the footsteps of its Brazilian counterpart, Correios. When the Brazilian Post noticed that small and medium-sized businesses were abandoning the export sector in particular, it took steps, assisted by the Brazilian Government and the central bank, to encourage businesses wishing to export goods by post. The Exporta Fácil service has considerably reduced the number of export documents to be completed, and Correios is now the country's only logistics operator carrying out customs clearance operations on its premises.

With the launch of CorreiosNet Shopping in August 2003, the Brazilian operator then developed a hosting solution for online shops. To date, no less than 600 micro and small businesses have joined this portal.

The benefits derived from an online price comparison tool like Busca Pe are also becoming clear. "Using Busca Pe, our customers can compare all the prices offered by sellers, both within and outside the CorreiosNet Shopping platform," says Antonio Braquehais, head of e-commerce at the Brazilian Post and co-chairman of the UPU's e-commerce project team. There is no shortage of opportunities. Which is why developing e-commerce is at the heart of the e-services and products strategy that is an integral part of the UPU world postal strategy to be adopted at the 2008 Nairobi Congress.

Korean solutions: solid and reliable

.....
Korea Post's e-commerce solutions won it two World Mail prizes in 2006 – and not without good reason. South Korea's 34 million or so Internet users can buy agricultural and fishing products, handicrafts and industrial goods from over a thousand producers all over the country. This initiative is unique, in that government agencies submit the products being sold to strict testing at regular intervals, thus eliminating any health risks. "Last year, Korea Post offered the Posts of Kazakhstan and Mongolia an ICT consultancy service, focusing in particular on e-commerce. Our online shopping solutions, based on a solid, reliable infrastructure and long experience, stimulate parcels growth and make a significant contribution to local economic development," explains Sook-Yeon Lee, deputy director of international cooperation at Korea Post. In particular, Korea Post picks up parcels from home and tracks and traces the items. As Kyung-Won Jung, Korea Post's chairman, is delighted to report, "In 2006, we delivered 40 million parcels and EMS items and responded to 250 million track and trace inquiries about them. In all, the EMS and parcels sector generated 442 million USD, which is 21% of our turnover."

Banking on quality of service

.....
To get the most out of e-commerce, various operators are going all out for quality of service. They are even accepting financial responsibility in case of service failures. The Posts belonging to the Kahala Group are an excellent example of this.

Read more at:

.....
www.upu.int/union_postale/en/index.shtml
.....



Fostering South–North trade

Since the World Summit on the Information Society in Tunis in late 2005, the UPU has been working with other United Nations bodies to develop an e-commerce action plan. At the group's meeting in Geneva last May, a focus was placed on the impact of new information technology on global value chains. The UPU International Bureau presented a paper on the postal sector as international business facilitator for small and medium-sized enterprises (SMEs). Small entrepreneurs in the South have realized they could also benefit from e-commerce and sell products on the Internet rather than in their local town or at the village market. For example, Antonio Diaz, a Mexican artisan from the State of Oaxaca*, displays his sculptured wooden animals not on a mat on the ground as he used to, but on the Internet. He goes into town three times a week to post parcels to Mexico City, where an organization puts various artisans' items online on eBay for sale throughout the world. It has been a godsend for the Mexican, who has more than tripled his income. Other models of this kind are currently being developed thanks to organizations helping SMEs to access world trade. PEOP-Link, with its CatGen ("Catalogue Generator") solution, helps 1,400 SMEs in some 40 countries to participate in the magic of e-commerce and make ceramics from Viet Nam,

masks from Nepal and handicrafts from Rwanda available in countries of the North. CatGen allows SMEs to build up a catalogue accessible via a sales platform such as eBay. CatGen takes payment and the artisan prepares a small parcel containing the item purchased. To make savings, parcels from different SMEs are then sent together to the country of destination, where they are delivered to individual customers. However, Daniel Scaldeo, CatGen's director, is currently seeking a better solution for transporting the goods: "As well as cost, speed and reliability, we would prefer an integrated global shipping solution we could count on and just say to people, 'We use EMS in participating countries'".

Dispatching goods, the final stage of Internet sales, creates challenges in terms of price, time and Customs clearance, which represent obstacles to South-North trade. Paul Donohoe, eBusiness programme manager at the UPU International Bureau, is aware of the problems. "Aside from working with entities such as the World Trade Organization, the United Nations Trade and Development Conference, and the World Customs Organization to develop global strategies and solutions to meet these challenges, the UPU and its members are working with online traders to develop new standards allowing improved quality

of service, and create new services to facilitate dispatch and delivery of items purchased on the Internet in the industrialized countries and in a South-North direction. Our challenge for the future consists in constantly renewing international cost structures to provide South-North postal dispatches at affordable prices." **LW**

*eBay Magazin 1/2007

A matter of customs

.....

It is still relatively easy to send documents and goods across borders, but it may not stay that way for long.

.....
By
Laurent Widmer

.....
Illustration:
Ray Hegelbach

At the post office counter, all that is currently required to send a parcel abroad is to fill in a CN 22, CN 23 or CP 72 form by hand, indicating its content, weight and value, and whether it is a commercial sample or a gift. But as part of the modernization of customs and electronic data processing procedures, and to ensure that security requirements are met and that all parcel carriers operate on a level playing field, Customs may soon be asking for additional information about the content of postal parcels, in electronic form. For the operator, this would mean more cross-border mail processing stages, while the sender could have to provide the item's tariff number electronically. Such exchanges are already mandatory in the United States of America, and Europe is set to follow suit.

Starting July 2009, traders will have to provide customs authorities with advance information on goods brought into, or out of, the customs territory of the European Union. The United States has also published a regulation on advanced cargo manifest information, the so-called 24 hours rule, whereby carriers are obliged to provide Customs and Border Protection (CBP) with electronic manifest data 24 hours before loading sea containers bound for the United States. For air cargo, information

should be made available immediately upon take-off. This regulation enables the CBP to select high-risk shipments via its automated target system. Says Tiddo Bresters, chairman of the UPU's customs support group: "For now, these rules don't apply for the Post, but in the long term, the postal operators may have to give more data to Customs and, for some mail flows, also respect pre-arrival announcements".

If these regulations were extended to letters and parcels, they could have a significant impact on designated postal operators, whose networks are interconnected thanks to the UPU.

Unlike the exchange systems of large private operators such as DHL, Fedex or UPS, that of the UPU, which brings together operators from 191 countries, does not allow all postal operators to track international items from posting through to delivery. Track and trace data, including an electronic description of the articles contained in an item, are not available throughout the mail-processing chain between UPU member countries. There is no easy way for Posts to know in which bag or on which flight a given item will arrive. "Public postal operators are closely monitoring these new requirements. They fear they will soon be subject to such rules, and that the postal sector's specificity will no longer be taken into account," says Akio Miyaji, quality of service coordinator at the UPU International Bureau. This would constitute a departure from the "postal exception" provided for in the Kyoto Convention (see sidebar page 16).

Heightened cooperation

.....

The rules governing the relationship between Customs and postal operators are set out in various documents. The World Customs Organization (WCO) is the UPU's main reference point. The cooperation is based on the Kyoto Convention, an international agreement on the simplification and harmonization of customs procedures, adopted in 1974. Recognizing the specific nature of postal traffic and taking into account the significant numbers of postal items, this document defines simplified customs clearance procedures for the postal sector, aimed at minimizing clearance times and costs. Posts and Customs cooperate within this framework, both at national and international levels. Various cooperation agreements have also been signed between the WCO and the UPU. The most recent one, signed in September 2007, provides for increased cooperation between the two organizations to facilitate free and secure global trade. To this end, the Postal Export Guide will be updated and security further strengthened with new standards and procedures. The two organizations will also prepare e-learning courses and hold joint regional training workshops to improve the quality of service provided by Posts and Customs. Finally, the UPU and the WCO are to work more closely at modernizing customs and postal procedures, particularly in response to the increased demands with respect to electronic data transfers.

Seeking solutions

The UPU is currently working with the World Customs Organization (WCO) to find a solution. EDI messaging standards are being developed to ensure interoperability between Posts and Customs. Used by over 130 countries, the UPU's international mail management system (International Postal System or IPS) generates all the EDI messages that keep operators connected and informed about each other's mail transfer activities. In certain countries, there are several different interfaces for exchanges with Customs. Says Harald Weyerich, director of the UPU Postal Technology Centre: "Our challenge is to ensure the interconnection between postal operators and Customs on a global basis. To that end, data exchanges need to be standardized, the new standards incorporated into the IPS system and, finally, IPS interconnected with the customs systems in the various countries. We are working in that direction, in conjunction with the WCO and other stakeholders".

A tiger's appeal to save the planet



.....
This year's prize-handing ceremony was associated with the 62nd anniversary of the United Nations. In recognition of their work, capturing the spirit of the United Nations, Sze Ee Lee and other Malaysians were awarded prizes on 26 October by Dr. Richard Leete, resident representative of the United Nations Development Programme.

.....
By
Jérôme
Deutschmann

Young writers were asked to write a letter to the people of the world on behalf of a wild animal whose habitat was threatened by environmental or climate change.

Taking on the role of a tiger cub living in the rainforest, Sze Ee Lee recounts her life in the jungle – a life now under threat from the destruction unleashed by man. In an interview with *Bernama Daily Malaysian News*, the Malaysian girl, who won the 36th UPU international letter-writing competition, said she “drew inspiration from certain newspaper articles”, and “wrote the letter in three days”.

In 2007, over three million youngsters from 61 countries expressed their concerns about climate change, river pollution, deforestation or poaching, to name just a few forms of human-inflicted damage.

Sze Ee Lee concluded her letter by saying: “We are helpless. We depend on you – the People of the World – to save us”. Her entry won unanimous praise from the UNESCO jury, which said: “With her sensitivity and imagination, the young Malaysian successfully conveyed the urgency of the situation”.

Margaret Ayieko Grace, from Kenya, and Wara Sofia Facio Flores, from Bolivia, shared the second prize, while Mariana Köster, of Estonia, received the third prize.

36th UPU international letter-writing competition

The winning letter



2nd prize – Wara Sofia Facio Flores
(Bolivia)



2nd prize – Margaret Ayieko (Kenya)



3rd prize – Mariana Köster (Estonia)

Lot 116 Herbal Trees
Tiger Road 1/3
Raub Rainforest
Pahang Darul Makmur
Malaysia

24 March 2007

Dear People of the World,

Don't be surprised when you see this letter. Let me introduce myself. My name is Cody, a tiger cub that lives in the rainforest of Malaysia. I may be small but I have seen horrific things done to the creatures of the Earth. I couldn't sleep for days when I heard about what had happened to my cousin Nikki. Luckily, he was rescued from the cooking pot just in time. Kind people have since then taken good care of him. So I have many words to say to the people of this planet.

I want to congratulate you all. Many of you have good education and live in your so-called world of modernization. Does this mean that humans are civilized? Yet, why do humans still need to invade our jungle besides hunting us like in those primitive days. Dear people of the world, don't burn our homes and occupy the area, our natural habitat. We have no other place to go.

With advanced technology, you can build multi-storey skyscrapers. One day, man may even build an underground city (but please, not under the sea). So why do you still require our land? Please, please leave our habitat alone.

If you want to help us, don't throw waste products into the river. Oh, dear farmers. Be advised to use organic fertilizers, so that harmful chemical fertilizers will not flow into the river. The river is yours and our source of water. Aquatic life like prawn and fish are consumed by you and other animals. Don't poison yourselves indirectly.

The most important way to help us survive is to protect our habitat. Although wildlife preservation is recommended by the government, people are still not cooperating with the organization to help us. Why is this so? Join some of the conservation organizations like the World Animal Foundation and the World Wildlife Foundation, and you will realize our plight: acid rain destroying the forest and wildlife, illegal logging and hunters hunting for our skins or (ugh!) meat for exotic dishes. Please protect our habitat. Reserve parts of the great big jungles of the world for national parks and nature reserves so that we won't be extinct from this world, just as we animals of the world would not want you humans to become extinct, too.

UPU–UNESCO

Years of reading

Children by nature love animals. Expose and educate the young generation to continue to love and protect wildlife. It is also not too late to create awareness and educate the present generation. As long as Man is willing to open his heart and seriously look into nature and wildlife conservation, there is hope for us.

My friend, the crocodiles shed tears when they heard about the demise of the great Steve Irwin a.k.a. the Crocodile Hunter. Mind you, it is not the idiomatic “crocodile tears”. Here was a truly great man who reached out to the people with the message “These creatures are beautiful, fascinating, wonderful.” He handled them with a great respect, cared for them and most importantly was concerned that they remain in their habitat. We need more people like Steve Irwin. Most realistically, if Man can love and care for the well-being of their pets, with knowledge and information about wildlife, more people of the world would be concerned about our well-being.

Scientists and environmentalists should put their heads together to solve problems like acid rain, global warming, and the depletion of the ozone layer as well as do more research to propagate our species.

Whatever man has destroyed is a thing of the past. Let’s look forward to a bright future. Let the governments of the world work together to enforce laws against poaching, illegal logging and mass destruction of our habitat – directly or indirectly. In view of this, I suggest an awareness campaign be carried out via the mass media, over the Internet and across nations. It has to be ongoing so that information and messages to conserve wildlife get the attention of a wide cross-section of the people of the world, young and old alike.

It is said that the pen is mightier than the sword. Please publish more books, magazines, pamphlets. I believe many people of the world are still ignorant or lack information about wildlife. There is a Malay saying: “Tak kenal maka tak cinta”, which means, to know you is to love you. So please get as many people to know us and consequently to love us. We are helpless. We depend on you – the People of the World – to save us. Many concerned organizations also need your funding. So donate generously for a good cause, and don’t allow us to become extinct. Thank you.

P.S. This letter carries 1,000 paw prints of concerned tigers.

Yours sincerely,

Cody



UNESCO has been a partner of the UPU International Letter-Writing Competition since 1971, following a decision of the Tokyo Universal Postal Congress aimed at fostering letter writing among young people. Each year since then, a jury made up of staff representing the six official UN languages – Arabic, Chinese, English, French, Russian and Spanish – has selected three winners and given special mention to other entries. Says Pilar Morel Vasquez, head of the UNESCO documentation centre, who has led the jury since 1998: “If the original letter is in Arabic and translated into French, it is reread by a mother-tongue

Arabic speaker in order to judge the style of the original script”.

The jury bases its decisions on the style, vocabulary and content of the letter, but also takes account of the entrant’s age.

“Some themes stir the imagination and we receive original, unexpected and, at times, moving entries. There are years, however, when the children are less inspired by the subject, which affects the quality of their compositions,” adds Morel Vasquez.

For the 2008 competition, UNESCO is pleased that young writers are being invited to write a letter explaining why the world needs tolerance – a relevant theme in an age of globalization, migration and other trends bringing ever more people from different cultures into contact with each other.



The postal network

*Facilitating affordable
money transfers
worldwide*



Distance learning offers more

For the five million postal employees worldwide, distance learning has become the ideal training tool for acquiring new knowledge and developing skills and know-how.

By
**Jérôme
Deutschmann**

Well aware of the benefits of distance learning, operators are now realizing substantial savings, harmonizing their practices with other operators and becoming more competitive. Distance learning has become the UPU's training tool of choice.

TRAINPOST, the UPU training platform hosted by the Tunisian Post, was launched in August 2004. Since then, more than 20 courses have been available on the Internet in Arabic, English and French. In 2007, 620 learners from 78 countries received basic and advanced training in such diverse fields as cost accounting, statistics, universal service and regulation, QSF project formulation and management, terminal dues, technology, marketing, quality of service, postal security, EMS, universal service and the integrated postal reform and development plan (IPDP), the UPU's new cooperation tool.

Two extensive sessions were programmed for 2007, one involving 450 participants and lasting four months and another equally ambitious session ending on 21 December. Participants appreciated the programme's interactive nature. According to recent evaluations, almost all were satisfied with the course content, and the format and methodology used. Encouraged by a satisfaction rate of over 90%, the UPU plans to develop online training in other regions and is considering setting up regional platforms. To that end, partnerships have recently been formed with Brazil and the United Arab Emirates. The UPU supplies the content for cour-

ses based on the TRAINPOST approach, as well as guides for trainers. The work primarily involves converting and formatting the courses on their own interface.

Access to online distance learning is available at any time. Learners click on the "Mail" tab to contact and exchange information with their tutor. The "Agenda" tab lists the relevant test dates and "Course notes" provides a virtual class binder.

According to Lahcène Chouiter, head of the International Bureau's human resources development and training programme, "while there is still a need to move towards subjects based more on operations than those covered in a traditional classroom setting, distance learning will be adapted to the specific needs of certain regions to ensure that each learner finds what he or she is looking for."



China Post: training adopted to employees' needs

.....
The China Post Distance Education Network is the cornerstone of the Chinese operator's overall human resources policy.

Launched on 6 July 2005, the network centers on a training complex located in Shijiazhuang, which is equipped with servers, recording studios and multimedia facilities used to develop training courses and course materials. The centre sets overall training policy and establishes guidelines for general network management and is connected to 31 regional or branch training centres that cater to the particular local needs of each province.

The network has access to the Internet, China Post's Intranet and a

.....
teleconferencing system. Distance learning includes interactive live classes between trainer and students, video-on-demand classes and offline learning where students download their course materials.

With a workforce of 700,000, China Post uses the network to send staff technological updates relating to their functions and takes advantage of its 31 branch training centres to adapt services to the needs and work schedules of thousands of employees.

The course materials designed by the country's top experts include manuals, a question-and-answer forum, exercises and solutions, tests

.....
and assessments, as well as all logistical aspects of online courses (registration, updates, surveys and statistics).

Since the network's creation, 47 training programmes comprising 236 online courses have been given, in fields ranging from marketing and financial services to direct mail, newspaper and periodical management and philately, as well as MBA courses for managers. More than 300,000 employees have benefited from this training, representing a total of 1,400 hours of computer-assisted distance learning.

The mailbox

“Collaborative progress”

» 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.

Regarding the excellent and informative article on Liberia Post in the last issue of *Union Postale*, it is heartening to see how much progress can be achieved from collaborative efforts by the postal community and to know that Liberia Post is on its way to recovery. Through our own collaboration this past October with the US postal inspection service, the department of state, and the US navy, we were able to include 35 pallets of postal equipment in a shipment of items to Liberia from various other US government agencies. In addition, the US postal inspection

service will be sending a team of experts to provide Liberia Post with critical training in the area of postal security by the end of this year. We hope the postal equipment donated (including some 3,000 post office boxes), and the training initiative will help strengthen Liberia's ability to provide basic postal services to its citizens.

Michael J. Regan
Executive director, international postal affairs
United States Postal Service

The online king

.....
By
Rhéal LeBlanc

.....
Photos:
Manu Friederich

.....
Who would have guessed it?
eBay International is based just a few
kilometers from UPU headquarters
in Berne, Switzerland.
Whim of fate or destiny?

Prada shoes, antique plates, diamond rings, automobiles, even private jets: millions of people visit eBay online stores daily in search of the ultimate buy.

In 10 years, eBay has become a household word. And a global presence in 38 countries. With 248 million registered users worldwide, eBay marketplaces registered net revenue of 1.32 billion USD during this year's third quarter, representing a year-on-year growth rate of 26%. Fifty-one per cent of this revenue comes from eBay marketplaces outside the United States, headed by Nick Staheyeff, chief executive officer of eBay International AG.

With online sales on the rise and millions of items being delivered through the post, Staheyeff urges postal services to be as innovative as his company has been in order to capture the untapped potential of e-commerce.

For someone who doesn't know eBay, how would you describe the business and its goals?

eBay is basically a global online trading platform where practically anyone can trade practically anything – used and new. It began in the United States in 1996 as an experiment and it has grown into a global company that not only enables people to buy items, but also to pay for articles and communicate with others, thanks to our subsidiaries, PayPal and Skype. What is interesting with eBay is that the platform not only enables sellers to sell or buyers to buy, but also to exchange feedback about transactions, including shipping and distribution.

All indicators point to further e-commerce growth.

But do you sometimes think: "What if it's just a fad?"

Online shopping remains a relatively small percentage of retail at the moment, but there has been a gradual evolution over time. And I am convinced it will continue to grow. For example, data shows that in the coming five years the

number of Europeans shopping online will increase to 174 million from 100 million today.

Of course, I would encourage everyone to buy on the Internet (laughs) because it is much easier to purchase online than to go to a shop. It also has huge benefits for consumers. Shopping takes time and, if you have to go to a shop, you basically limit yourself in terms of choices, products and pricing. Many items today are commodities or standardized products, making them suitable to buy online. When you want a mobile phone, a calculator or a stereo, for example, I think there is a natural tendency to want to buy it online because you can immediately compare products and prices and complete a transaction with someone you trust.

I don't believe that 100% of retail transactions will eventually move online, but I think online commerce will continue to develop at an accelerated pace. Online shopping also allows people to make transactions across a global area; you can easily buy something in Australia even if you live in Switzerland.



.....

“If I were a postal service, I would focus on finding ways to remove ‘friction points’ and work with e-commerce providers to facilitate the movement of goods.”

What opportunities do you see for postal services with e-commerce?
I think postal services can be a huge supplier of services to a fantastic growth sector. The most likely way to get goods from point A to point B is through the postal service, but there are alternative options. If I were a postal service, I would focus on finding ways to remove “friction points” and work with e-commerce providers to facilitate the movement of goods and ensure that my service was competitive, and superior to that of others. Quality is not only delivering on time; it is also following up effectively if there is a problem. There are multiple opportunities for the postal service to focus on that, and to work with companies like ours to find out what frustrates customers and how you could work to alleviate problems.

What percentage of deliveries resulting from eBay transactions currently passes through the Post, compared to other modes of distribution (private operators or eBay meeting points, for example)?
Although we do not track this data on a detailed basis, and it probably varies from country to country, I believe that most deliveries still go through the post. Of course, it is up to the sellers to offer shipping options and for the buyers to decide which to use.

Obviously, shipping is important to your business, but could you give a sense of the exact role it plays in eBay transactions?
Shipping is a critical element for buyers and sellers. Sellers rank packaging and shipping as the third most time-consuming activity on eBay. For buyers, it is the second most difficult task. Anything that helps customers save time and improve transparency is obviously value added. Furthermore, five of the top seven bad buyer experiences on eBay are related to shipping: the item arrived late, the shipping

was expensive, the item was never received, the item was damaged or defective upon arrival at destination, or it was poorly packaged. The final interaction between buyer and seller is with shipping. So we are trying to work with the postal services to reduce friction points and the time needed for shipping.

How do you do that exactly?
For example, we try to work with postal services to see if, technically, we can integrate standard rate information about their products and services into the flow of conducting an eBay transaction. Anything that can be done to integrate rates based on the buyer's and the seller's location is desirable. We have done that with the United States Postal Service, and this arrangement has been great because the information helps a buyer compare prices and decide to buy in one country over another. In the end, however, the fact is that we simply provide a platform, and the sellers choose the delivery mechanism they wish to use. We don't put limitations on that.

As such, postal services should work with our local companies to ensure that their services and costs are clear. And we can work with postal services to make their delivery methods more attractive to the sellers.

What is the nature of your working relationship with a postal operator like USPS, for example?

The United States Postal Service is the postal service with which we have worked the longest and it is probably the most developed relationship we have. We have fully integrated zip-to-zip shipping costs into our online shipping calculator. Being able to print standard shipping labels also makes it easier and less costly for customers and the postal service to deal with packages. In the United States there is also a home pick-up service for packages, which is a great benefit, especially for small businesses involved in e-commerce. Finally, there are other opportunities, such as co-branding, and postal services may want to think about preferential pricing related to volumes.

What percentage of eBay transactions constitutes cross-border trade?

Cross-border trade currently accounts for 20% of eBay Inc's business. However, it remains relatively underdeveloped. We believe that the opportunity for e-commerce growth lies, on the one hand, in developing the existing markets and, on the other, in opening international markets and providing smoother cross-border operations. One of the barriers to expanding this trade has to do with shipping costs. Anything that can be done to improve the transparency of shipping costs, even linking with the operator's shipping calculator so the buyer can immediately see what shipping will cost, is important. Eliminating burdensome paperwork could also be helpful, as could the ability to track items across borders. These are the critical elements where the postal service could help.

By "eliminating burdensome paperwork", do you mean customs? And if so, what exactly is the nature of the problem?

Indeed, if a seller who has to ship 500 items a day has to declare every single item, it would make his life easier to be able to declare all items at once.

It's important to make sellers and buyers aware that they have to deal with customs when they sell from one country to another. It's additional cost, which is paid by the buyer, and more paperwork, depending on how many items are sold. On our marketplace we provide all information required to ensure that eBay users get the items efficiently through customs.

Are there dos and don'ts you would recommend for postal services wanting to take advantage of e-commerce?

Make it simple. Don't overcomplicate things. What's important is to deliver packages in a timely fashion and, should something go wrong with a delivery, to be able to identify where the problem is. The dialogue with a customer is very different when you know what the problem is. Postal services should provide as much information as possible about a missing package so that buyers are reassured about the items they have bought. For example, if a package was sent to the wrong office and it is being redirected, it is important to tell the customer. Transparency and clarity in helping us to track things are important too. Finally, postal services must ensure that packages are treated with respect and handled carefully: it's a basic rule.



What do shipping errors cost a company like eBay?

I cannot share precise figures, but I can say that such errors represent a huge cost to us and undermine the trust of the whole “ecosystem” or community of sellers and buyers. It really is something out of our hands. As I mentioned, we have a feedback system so buyers and sellers have confidence in dealing with each other. If you have a number of bad experiences within the community, that can be clearly flagged and people can make a choice over which delivery company they are going to do business with. Any time a bad experience occurs, it taints the transaction for us even though it might not be our fault. It will also mark buyers’ and sellers’ future behaviour.

Have you ever had a bad shipping experience personally?

Luckily I have not, and I buy a lot online. That’s one of the selection criteria I choose: a shipper that I trust.

What are the advantages of co-branding with a postal service such as the USPS?

In addition to having brand awareness, it shows there is a trusted relationship between the two partners, and I think that is a huge advantage for the postal service. People will recognize that the postal service views us as a vibrant, trusted platform for e-commerce. I think we [eBay] should continue to work with postal services, which are in a highly competitive area, as we are. We believe we are innovative, but we are also looking for new ideas. We appreciate that our business partners show innovation, too. From that perspective I urge postal operators to reach out to us.

Is that why eBay International set up its offices near the UPU in Berne (smile)?

We set up our international headquarters in Berne for a variety of reasons, but proximity to the UPU is a very happy coincidence, and it will allow us to continue to evolve our relationship over time.

Market focus

Making scent of mail

Royal Mail, the British postal service, has been hit by the effects of digitization, and is trying to attract business customers by appealing to the senses. A new initiative aimed at marketing specialists who use the mail to reach potential customers is encouraging them to incorporate a scent, taste or sound in their mailings. A shampoo company could add the perfume used in its product. A drinks manufacturer could include the taste of a soft drink. A car maker could include a micro-

chip demonstrating the sound of the engine. "This technique takes direct mail from a two-dimensional medium and turns it into a three-, four- or five-dimensional medium," says Simon Harrop, chief executive of Brand Sense, the agency that developed the programme with Royal Mail. Appealing to the customer's senses gives the mailing something extra. As a result of this partnership, Royal Mail will recruit 300 marketing staff to encourage businesses to use the new products.

Source: International Herald Tribune

Paying bills Kenyan style

The number of post offices offering a service for paying electricity bills has risen from 40 to 200 following the signing of an agreement between Kenya Power and Lighting Company (KPLC) and Posta, the Kenyan Post. This service will eventually be offered in 300 post offices, at no extra cost to customers. KPLC's 120,000 new customers will visit Posta's automated counters to transfer payments electronically. The payments will be entered the same day, rather than two days later. Posta has also used the automated counters to launch other innovative services, such as its PostaPay money transfer service.

Source: Daily Nation

Tackling the Millennium Goals with microfinance

The International Conference on Microfinance and Migrant Fund Transfers, held in Cotonou, Benin, on 8 and 9 November 2007, addressed the real impact of micro-financing on poverty reduction. Does microfinance have a part to play in the achievement of the eight United Nations development goals? Nowadays, alternative methods of financing are greeted with such enthusiasm that decision-makers at the highest levels have made them a development priority. According to Sylvia Mwachuli of

the United Nations Millennium Campaign in Africa, by providing an income for the greatest number of disadvantaged populations, microfinance has proved across the continent to be an essential tool for reducing poverty. In Benin, for example, 689,895 people had benefited from the services of micro-finance institutions at 31 December 2006, a penetration rate of 34.5% of the economically-active poor population estimated at two million people, according to the micro-finance sector's supervisory authority.

Source: L'autre quotidien, Benin

Is that a fly in my mail?

Postal delivery staff in north-east India are delivering fruit along with the mail. The regional postal department has launched an initiative to deliver packs of fruit grown by the region's farmers. This initiative is a unique way of providing organic farmers with market access for their produce. "When a packet of indigenous produce reaches other regions of India, and information is provided about the produce and the region, it becomes a tool for promoting tourism," says M. lawphniaw, chief postmaster general of the North East region. The initiative, the first of its kind in India, looks certain to catch on in other regions.

Source: Economicstimes India

Market focus

DHL ready to respond

Deutsche Post World Net has introduced its third DHL Disaster Response Team in Bahrain. The team, made up of over 40 volunteers, can set up an effective airport logistics operation capable of sorting, storing and distributing emergency supplies in the wake of natural disasters. As the result of a partnership with the UN Office for the Coordination of Humanitarian Affairs, two teams of specially trained DHL experts were created to carry out missions in the Asia-

Pacific and Latin America and Caribbean regions. "Thanks to this third Disaster Response Team, which will be stationed in Dubai, DHL can provide skilled support to humanitarian relief operations around the world. A total of 200 employees are now on call 24 hours a day, ready to quickly create a logistics infrastructure at airports," explains Monika Wulf-Mathies, executive vice-president of corporate public policy and sustainability at Deutsche Post World Net.

Source: Deutsche Post World Net press release

Estonia opens up early

The Government of Estonia wants to open up its postal market to competition in 2009, rather than waiting until the end of 2010, according to the minister of economic affairs, Juhan Parts. The transport, telecommunications and energy ministers of European Union member states have reached a political agreement aimed at ending the monopoly held by universal postal service providers in the domestic market for items weighing under 50 grammes on 1 January 2011. Cyprus, the Czech Republic, Greece, Hungary, Latvia, Lithuania, Luxembourg, Malta, Poland, Romania and Slovakia all want a period of grace before the full liberalization of their markets.

Source: Baltic Business Weekly

Banking on Asia and the Pacific

Despite the slowdown in key markets (the United States and Europe), Pitney Bowes, the world's biggest supplier of hardware and software for mailrooms, has announced its aim to more than double its annual turnover in the Asia-Pacific region over the next five years. The company, which sells franking machines to Posts all over the world, achieved a turnover of 100 million dollars in the Asia-Pacific region last year. Pitney Bowes wants to increase this figure to 250 million USD by 2012. Patrick Keddy, Pitney Bowes' president of international operations, said the company would continue to expand in Asia by acquiring high-growth local firms worth between 10 and 20 million USD that were in related businesses such as mailroom software design.

Source: Reuters

Spain gets a postal regulator

The Spanish Council of Ministers has enacted a law to create the National Postal Sector Commission, a body similar to the Telecommunications Market Commission, with responsibility for ensuring the smooth running of the postal sector. This authority defines the separation of postal sector regulatory and monitoring functions from those of managing the universal postal service. The regulatory body will ensure that the principles of free competition, transparency and equal treatment are applied in a postal market comprising

over 400 private postal businesses. The Commission, which operates totally independently, guarantees an accessible, affordable, good quality postal service throughout the national territory. It grants and withdraws postal operators' authorizations, defines the net cost of the universal postal service, lays down conditions for access to the public postal network, monitors the operation of postal services, and reports annually to parliament on developments in the postal market.

Source: todalaley.com



Get ready to win.



SOLYSTIC, A 60 YEAR PARTNER OF THE POSTAL SERVICES

Gain in technological performance thanks to machines with high throughput, specifically adapted to your needs.

Invest in the future with a partner that devotes 10% of its turnover to Research and Development (30 patents per year on average).

Increase your competitive edge with solutions that offer excellent value for money and optimised cost of ownership: installation, maintenance, team training, ergonomics, etc.

Depend on the reliability of a constructor who has been in the postal business for 60 years.

Respect the planet by choosing materials that comply with the rules of an Environment Management System (ISO 14001 certified).

www.solystic.com



Future postal solutions

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

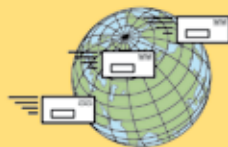
The Postal industry has significant potential for long-term growth so long as mail continues to be the most effective medium for business communications.

Growth will come from increased co-operation of posts and suppliers, responding directly to customers choice.

Service innovation and integration through technology will deliver revenue growth, cost reductions and increased customer loyalty. Pitney Bowes is the leader in creating technologies to bring posts and mailers

Pitney Bowes operates in 130 countries around the world, investing in the growth of mail. Our innovative technology creates solutions that bring Posts and Mailers together for greater productivity.

Pitney Bowes promoting partnerships to deliver profit.



together to optimize the entire mailstream.

Mail is a valuable tool for sustainable growth with the power to build valuable relationships. Mail adds impact by being

targeted, universal and non-intrusive. Mail has that ability to get the right message, to the right person, at the right time.

Our goal is to make those who use the mail more successful. Pitney Bowes invests time and resources, in partnership, to ensure mail delivers.



Pitney Bowes

Engineering the flow of communication™