

# UNION POSTALE

March 2008

Moving the postal sector forward



UPU, a specialized agency  
of the United Nations

# 1

Postal services

# Fuel for trade

# 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.

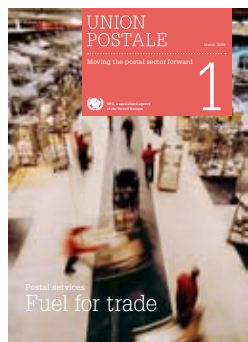


**Pitney Bowes**

*Engineering the flow of communication™*



# Contents



The postal territory is one of the largest physical distribution networks in the world and promotes information and commercial exchanges even from the most remote areas.

<b>In brief</b>	4
-----------------	---

Short news items about the UPU

<b>Editor's note</b>	5
----------------------	---

A world without the Post? Unthinkable!

Cover story

<b>Local access to global markets</b>	8
---------------------------------------	---

A look at how postal services make the economic world go round

<b>The future of letter post</b>	13
----------------------------------	----

Predictions that the Internet would be the end of letter post have missed the mark

<b>Letter-writing lives on</b>	18
--------------------------------	----

A former US president wrote more than 1,000 letters to his wife... times may have changed, but the letter still packs a punch

<b>Back to the future</b>	21
---------------------------	----

A look at some of the technologies and trends postal operators are adopting to become faster and better

The interview

<b>Fair dues</b>	24
------------------	----

Switzerland's Paul Epiney, who heads the UPU's terminal dues project group, takes the mystery out of a most elaborate system

<b>The mailbox</b>	28
--------------------	----

Readers express themselves

<b>Market focus</b>	29
---------------------	----

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

march  
133<sup>rd</sup> year

2008

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:** Dora Precup, 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)

## Ban Ki-moon at the UPU

On 28 and 29 April, the Universal Postal Union in Berne will host the next meeting of the United Nations Chief Executives Board for Coordination (CEB), chaired by United Nations Secretary-General Ban Ki-moon.

The CEB, in which UPU Director General Edouard Dayan participates, is a coordination and cooperation body that deals with the whole range of substantive and management issues facing United Nations organizations. It meets every six months, once in New York and a second time in a country that hosts a United Nations organization. The UPU has actively developed relations with United Nations agencies and programmes since 1948. This meeting at the International Bureau coincides with the UPU's 60th anniversary as a specialized United Nations agency.

"Within the United Nations system, we strive to make the voice of the UPU heard, and to promote our actions and the role of the postal services in economic development," said Dayan at the Council of Administration in February. "For this reason, we are particularly happy to host this important meeting." **DP**

## CA approves key Congress proposals

In early February, the UPU Council of Administration (CA) approved several proposals of a general nature and amendments to the Acts for submission to the 24th Universal Postal Congress. These include: a new terminal dues system (see interview on page 24); the new world postal strategy, which defines four main postal sector objectives for 2009 – 2012; and a new postal payment services agreement, including a multilateral agreement aimed at facilitating postal financial exchanges between designated operators.

Another proposal recommends that UPU member countries be classified into five groups on the basis of their gross domestic product and postal development indicators established by the UPU. This classification impacts on the terminal dues paid by countries for the processing of inbound international mail and the

funding received by developing and least developed countries for reform, development or quality of service improvement projects. Finally, another proposal concerns the new structures of the CA and the Postal Operations Council (POC), the two main UPU bodies responsible for continuing the work of the Union between Congresses. In order to increase cooperation between the two Councils, while taking account of their respective responsibilities in relation to governance and network interconnectivity, the POC project teams and working groups will be better structured, so as to avoid overlapping. Moreover, certain responsibilities, such as technical cooperation and strategic planning, will be transferred to the CA. **RL**

## The quote

"I am not among those that consider it (postal sector) yesterday's business. It has a great future, that cannot be substituted by electronic means. If anything, electronic commerce provides an opportunity rather than a threat to postal services. The postal sector provides essential infrastructure to our citizens and companies to communicate with each other. We can't have a state of the art economy without a state of the art postal sector."



---

## Editor's note

### **A world without the Post? Get real!**

If the national – or even worldwide – postal network were somehow to disappear overnight, it would take a sizeable chunk of the economy with it. Day in and day out, individuals, businesses, organizations and government services rely on postal operators to transport millions of letters, parcels and other express items from one end of the planet to the other. Not to mention the numerous financial services also channelled via the postal network.

Countless businesses and other entities could simply not survive without the postal sector. And while it is true that this public service is facing ever stiffer competition from other modes of communication, it still remains a key driver for the economy in general, and increasingly also for

the ever greater numbers of small businesses and micro-enterprises being spawned by new technologies. Our lead article explains all.

The growth of the Internet and other new technologies has not had the feared impact on traditional postal services. In fact, Posts have been busy updating and improving their services to ensure they continue to respond to their customers' evolving needs.

The letter post, which had been widely expected to be killed off by electronic substitution, is a case in point. The best known of all postal products is fighting back and holding its own in the marketplace thanks to the promotional power and effectiveness of the written word. Even personal letter-writing could be about to

enjoy a renaissance, thanks to the efforts currently being made to revive the art of correspondence. E-mail, text messaging and mobile phones all offer a quick communication "fix", but can they ever have the same emotive power as a real letter? Our article on page xx recalls the impact of the personal letter on an individual and on a society and its history.

One postal customer who can vouch for the pleasure of the handwritten missive is Father Christmas, aka Santa Claus, whose postbag bulges with upwards of six million letters as the festive season approaches. He, at least, still believes in the future of the letter.

**Rhéal LeBlanc, editor-in-chief**

---

## ISO and UPU to work hand in hand

The International Organization for Standardization (ISO) and the Universal Postal Union agreed on 30 January to find ways to improve the exchange of information for finalizing standards of mutual interest to the two organizations.

In an increasingly specialized technological environment, closer cooperation in standardization work has become essential. Furthermore, postal market developments have led to new standards being developed to meet the need for enhanced quality of service. As postal operators diversify their activities, they need to operate in a standardized environment.

"The UPU has already developed many standards for the processing of physical mail," said UPU Director General Edouard Dayan. "We now need to focus on standards for electronic

and financial services. The cooperation agreement with the ISO is intended to do just that."

ISO Secretary General Alan Bryden added: "The agreement will ensure that postal services increasingly benefit from globally relevant standards, making the best use of the specific expertise available in the UPU and the multi-sector, multi-stakeholder platform of ISO".

A contact committee will implement the provisions of the agreement so that the ISO and the UPU will each be able to incorporate in its own standards references to the standards of the other organization. **JD**

Charlie McCreevy, European commissioner for the internal market and services, on 27 February 2008, the day the third postal directive was published in the European Union's Official Journal

# in brief

---

## Greenhouse gas emissions: cutting through the fog

If the transport sector is responsible for 14% of annual greenhouse gas emissions, what is the postal sector's share in that percentage?

The UPU hopes to answer that question soon. As part of the work of the UPU's sustainable development project group, the International Bureau will send out a questionnaire to all UPU member countries in April. With over five million employees, 660 000 postal establishments, 600 000 cars, vans and trucks and 250 000 motorcycles worldwide, not to mention the aircraft and vessels that transport mail on a daily basis, the postal sector is probably not setting a good example when it comes to environmental protection.

However, comprehensive postal sector data are needed before actions aimed at reducing greenhouse gas emissions can be proposed to postal operators and in order to measure the year-on-year effectiveness of such actions. The questionnaire, which will seek to survey the level of pollution generated by the postal sector, is being prepared using a methodology approved by the United Nations Environment Programme (UNEP).

Moreover, the UPU and UNEP will shortly be signing a cooperation agreement to strengthen their joint activities. **RL**



---

## Parcels: improved quality

World parcels traffic continues to increase from year to year, as does the number of operators (148) using barcodes. At January 2008, 107 operators were using a track-and-trace system for parcels, and 76 of these had adopted a common Internet-based inquiry system. Quality of service with respect to parcels is central to the UPU's work. Performance improvement criteria are measured using

performance reports based on the EDI messages exchanged between a hundred or so operators and by means of an inward land rate-based bonus system. To be eligible for these bonuses, operators must comply with minimum network specifications, including: the application of barcodes, in accordance with UPU standards; home delivery; the adoption of a track-and-trace system; and the

publication of delivery standards. By meeting these standards, operators provide their customers with a competitive service and maintain or increase their market share in a highly competitive sector. **JD**



---

## 24th UPU Congress to be held in Geneva

In view of the situation that persisted in Kenya, the Universal Postal Union's Council of Administration decided on 8 February to change the venue of the 24th Universal Postal Congress from Nairobi (Kenya) to Geneva (Switzerland).

The Universal Postal Congress, which takes place every four years, will be held at the Geneva International Conference Centre from 23 July

to 12 August 2008, bringing together some 1,500 delegates from 191 UPU member countries.

A resolution adopted by the Council recommends, however, that Congress approve Kenya's chairmanship of the 2008 Congress as well as the chairmanship of the UPU Council of Administration from 2009 – 2012. This resolution also recommends that Nairobi be promoted as the venue for

the UPU Strategy Conference in 2010. Kenya has not yet communicated its response to this resolution.

The International Bureau will organize the Congress with the support of the Swiss Government and Swiss Post. For further information about the 24th Universal Postal Congress, go to [www.upu.int](http://www.upu.int). **RL**

---

**A view of Lake Geneva and its famous water fountain.**



---

## Gulf region to test RFID technology

In a project coordinated by Qatar's postal authority, Q-Post and two other neighbouring Posts are testing various RFID (radio frequency identification) technologies to measure quality of service in the Gulf region.

Since the beginning of March, the operators have been measuring transmission times for letter post between Qatar, the United Arab Emirates and Saudi Arabia, using RFID chips read remotely and without direct visual contact, by means of seven RFID readers or gates installed in mail processing centres.

The project aims to study the process for integrating and intercon-

necting two separate technologies via some 4,000 "semi-active" and "passive" chips concealed in test envelopes. The three-month project will provide specific information on the combined use of different technologies for the UPU's global quality of service monitoring system. Eventually, this system will use RFID technology to measure the time taken by the destination country to forward incoming mail to the final delivery point. This will enable a link to be established between quality of service and the rate of remuneration of the destination countries for the mail.

At the Postal Operations Council in January, the quality of service project group decided to go ahead with this system and to focus on the interoperability of different technologies. Various standards will be defined this year, and the global monitoring system will enter its first pilot phase in 2009. It will then be extended to all UPU member countries. As well as being a helpful tool for calculating terminal dues, this system could be used by operators to improve mail flows. **LW**





© Photo The Post Swiss

.....  
**The Post was one of the first sectors  
to be affected by globalization.**

# Local access to global markets



.....

The postal sector promotes trade, making it an important driver of the global economy. More specifically, postal sector players are the preferred logistics providers of micro and small businesses, in both developing and industrialized countries.

.....  
**By**  
**Laurent Widmer**

Armed with a computer, an Internet connection, a camera, and plenty of entrepreneurial spirit, Léontine Diouf's recent initiative is enabling small traders from various markets in Dakar (Senegal) to participate in world trade, selling traditional scarves, sculptures, shoes and other items, via her [www.shopduweb.com](http://www.shopduweb.com) website. Most of the customers are based in Senegal, but they also come from abroad. "We only have a small number of customers, but I negotiate prices for them, collect the money by money order and then send them their purchases by post," explains Diouf.

Her small business has opened up a vast international supermarket in which these traders can sell their handicrafts. A shop window on the Web does not cost much, and it can be run from just about anywhere in the world, provided there is an Internet connection, a payment solution and a logistics service for dispatching the goods. Thanks to technological progress and the Internet, the market is open all hours to millions of web surfers.

And far from being left behind in this rapidly changing environment, postal operators, often the most suitable logistics providers for the small dispatcher, are benefiting from the new volumes generated by this type of commerce. "The Post has close links with Customs," points out Michael Taillie, who has just signed a three-year agreement between his New Zealand business promotion company and the Post. "We have chosen the Post as a partner because it is the simplest and most economical dispatch solution for us. And as New Zealand Post is a

UPU member, we have access to the whole of the international market."

#### **The physical Internet**

With 660,000 post offices covering just about all corners of the earth, the postal network is one of the world's biggest physical networks, and its economic importance is considerable. The postal services of the European Union countries have a turnover of some 88 billion EUR, or 1% of the Community's gross domestic product (GDP). In Ghana, the transport sector represents 9% of the GDP, and is of strategic importance to the country's economy.

The logistics sector, also called the "physical Internet", is a key determinant of a country's competitiveness. According to the Performance Index published by the World Bank at the end of 2007, "Success in integrating global supply chains starts with the ability of firms to move goods across borders rapidly, reliably and cheaply. But for the poorly connected, the costs of exclusion are considerable and growing, and the risks of missed opportunities loom large, especially for the poorest landlocked countries, many of them in Africa."

#### **"Without the Post, our business would not exist"**

By providing the universal service, postal operators offer logistics solutions to businesses both small and large. They give them local access to a global network, playing a key role in the economy at the regional, national, and even international level. "Without the Post and the qual-

ity of service it offers, our business could not exist," acknowledges Pierre Kosciusko-Morizet, co-founder and CEO of PriceMinister, a major French Internet sales site.

Whenever there are problems with the post, whether they are due to the weather or to strikes, the importance of a smoothly functioning postal service becomes apparent. During last October's strikes in Great Britain, for example, the impact on businesses and private customers was reported almost daily in the national press. Customers had to rely even more on faxes and e-mails, rural areas became more isolated, technical unemployment occurred, accounts and bills went unpaid and newspaper publishers turned to other distribution networks. According to the London Chamber of Commerce, these strikes cost businesses in the capital alone 300 million GBP.

#### **WTO project**

At the 2006 UPU Strategy Conference in Dubai, Pascal Lamy, director general of the World Trade Organization (WTO), stated that "the UPU strategy of integrating the physical, electronic and financial networks could dramatically facilitate expanding global trade". In November 2007, Edouard Dayan, director general of the UPU, joined the annual debate on the "Aid for Trade" programme, at the WTO headquarters in Geneva. He pointed out that the postal service's role in helping small and medium-sized enterprises (SMEs) to export their goods more easily made it a major driver of economic development. He also mentioned the experience of Brazil, where in 2006 the postal operator helped over 2,000 small businesses to export their goods. Dayan pointed out that this example clearly showed the postal network's impact on a developing country's ability to engage in world trade. "This initiative simply needs to be transposed to other

countries to enable more businesses to export more goods to more countries in the future," he added.

As well as helping WTO members to adjust to the outcome of multilateral trade negotiations, "Aid for Trade" enables countries to take advantage of international trade opportunities. And with up to 30 billion USD available, the amounts involved are enormous. For example, WTO members could receive aid for their infrastructures by setting priorities on roads, telecommunications networks, ports, etc. (see box).

#### **The network of networks**

The message was well received. Much is expected of the postal sector with regard to the WTO project. Postal operators are well positioned to provide logistics services to thousands of small and medium-sized businesses worldwide.

According to economist José Anson, of the UPU's International Bureau, the postal networks can promote access to infrastructure services (water, electricity, telephone, etc.). "If digital and physical connectivity is to reduce poverty, then partnerships between networks must be closely examined so that the resources needed to provide infrastructure services in many small and medium-sized cities as well as rural areas are better shared, and the unit costs of delivering these services considerably reduced," Anson explains. "Post offices would then become major business centres or telecentres." (See article on page 12.)

#### **International microtrade**

It would be wrong to believe, however, that providing people or communities with access to computers connected to the Internet is enough to trigger more trade.

## Show me the money

.....  
The WTO's "Aid for Trade" initiative is about helping developing countries, in particular the least developed, to build the capacity and infrastructure they need to benefit from the opening-up of trade. It is part of overall Official Development Assistance (ODA) – grants and concessional loans – targeted at trade-related programmes and projects. Some 30 billion dollars will be injected into the "Aid for Trade" project from 2010 onward. Postal sector players are eligible for this project and can obtain

.....  
funding by approaching bilateral donors like the European Commission, or international institutions like the World Bank. For example, the Asian Development Bank has projects for improving postal services in developing countries. At its most basic level, "Aid for Trade" is "owned" by the beneficiary country. Postal sector players should therefore contact the trade agencies of their respective governments.



.....  
**The UPU and the International Telecommunication Union have teamed up to establish telecentres in post offices in Bhutan and Afghanistan.**

In fact, the vast majority of telecentres offer the possibility to retrieve information only, a problem highlighted in the 2007–2008 UNCTAD (United Nations Conference on Trade and Development) Information Economy Report. This report criticized the limited support provided by telecentres in areas such as advertising, accounting, banking operations, microfinance, payment processing, import and export, access to trade, data storage and management, tax matters, innovation, and research and development.

Telecentres therefore need to extend their activities and offer customized support to private individuals. For example, the creation of a comprehensive website containing information for visitors could have a positive impact on the growth of tourism and the number of overnight stays in a region. A website could also be used as a shop where micro or small and medium-sized business could develop the sale of their products. Like the micro-credit, this would serve as a tool for micro-businesses in developing countries to sell their goods throughout the world. A website for displaying the goods, e-mail for placing orders, financial services and goods transport facilities: these are the services a micro-business needs in order to operate. "Providing these services, backed up by expert advice, would be enough to enable these businesses to participate in world trade. We are familiar with the micro-credit, now the Post is offering international microtrade," explains Anson.

#### **Challenges ahead**

But how could this model be implemented on a wider scale? International transfers, and also the dispatch of goods – the final stage of Internet sales – present challenges in terms of price, time and customs clearance, all of which represent obstacles to South-North trade (see article on e-commerce, *Union Postale* 4/2007).

Paul Donohoe, e-business programme manager with the International Bureau, is aware of the problems. "As part of its cooperative efforts with the World Trade Organization, the United Nations Conference on Trade and Development, 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 consists in constantly reviewing international rates structures in order to provide South-North postal dispatches at affordable prices."

These challenges are within the reach of postal operators. "Using funds available through the "Aid for Trade" programme, which they would have to apply for, operators would be able to make considerable improvements to the quality of service, play a key role in developing world trade, provide local access to the global logistics network, and thus develop international microtrade, a new economic model," adds José Anson.



# Turning post offices into business centres

.....

Botswana Post has just opened 15 business centres in post offices. In addition to the usual postal services, these "Kitsong Centres" offer publishing, photocopying and document binding services, and provide Internet access; in fact, everything a person would need to respond to a government call for tenders. "We also plan to develop a community website for each post office, containing information on local businesses and state services (hospitals, police, etc.)," reports Botswana Post's network manager, Ned Phatshwane. "We have taken this initiative, without outside assistance, in response to customer demand. As a result, we are now developing financial services within our offices, to become like mini-banks, and we are also concluding electricity and insurance contracts."

According to Canadian Richard Fuchs, a telecentre specialist with the International Development Research Centre, "Almost without exception, social investment in telecentres is a prerequisite for entry into a market. They help to develop the market and to raise communities' awareness of various sectors".

Given that efficiency and network interconnectivity are essential, the UPU has for several years been working with various institutions to improve postal infrastructures and facilitate access to communication services. In conjunction with the International Telecommunication Union (ITU), it has launched several initiatives to improve access to information and communication technology, particularly in Afghanistan and Nepal.

In Bhutan, the UPU and the ITU joined forces with the Kingdom's postal and telecommunications operators and the Indian Government to connect post offices, including some situated in the country's most remote and isolated areas. Currently, 42 post offices are connected to the Internet. Of these, 36 are community Internet centres, offering various means of communication, including an innovative hybrid mail service that speeds up exchanges of information in the remotest regions. These post offices have considerably expanded the range of service they offer.

## The postal sector

# A global player

- .....
- The world's designated postal operators employ over 5.5 million people.
  - With some 660 000 post offices, the postal network is one of the most extensive in the world. Just under half of these offices are managed by people not directly employed by the public postal operator.
  - With a total of 6.235 billion items in the domestic and international services combined, parcels traffic in 2006 was up 4.8% compared to 2005.
  - In 28% of UPU member countries, Posts offer logistics services (26% of developing countries and 36% of industrialized countries).
  - 60% of operators around the world offer Internet-based services (56% in developing countries and 86% in industrialized countries).
  - 69% of permanent or mobile post offices offer financial services.
  - Postal and courier services have been part of the General Agreement on Trade in Services since 2000. In 2006, the World Trade Organization (WTO) granted the UPU ad hoc observer status at meetings of its Council of Trade in Services. The UPU also actively took part in the WTO's "Aid for Trade" initiative held in Geneva in November 2007.
  - For years, the UPU has been working closely with the World Customs Organization to facilitate free and secure global trade. Both organizations renewed their collaboration in September 2007 by signing a new cooperation agreement, whereby they will work more closely at modernizing customs and postal procedures.

# The future of letter post

.....

With the proliferation of new technologies, is letter post fated to disappear or will it remain a core postal activity?

.....

**By**  
**Dora Precup**

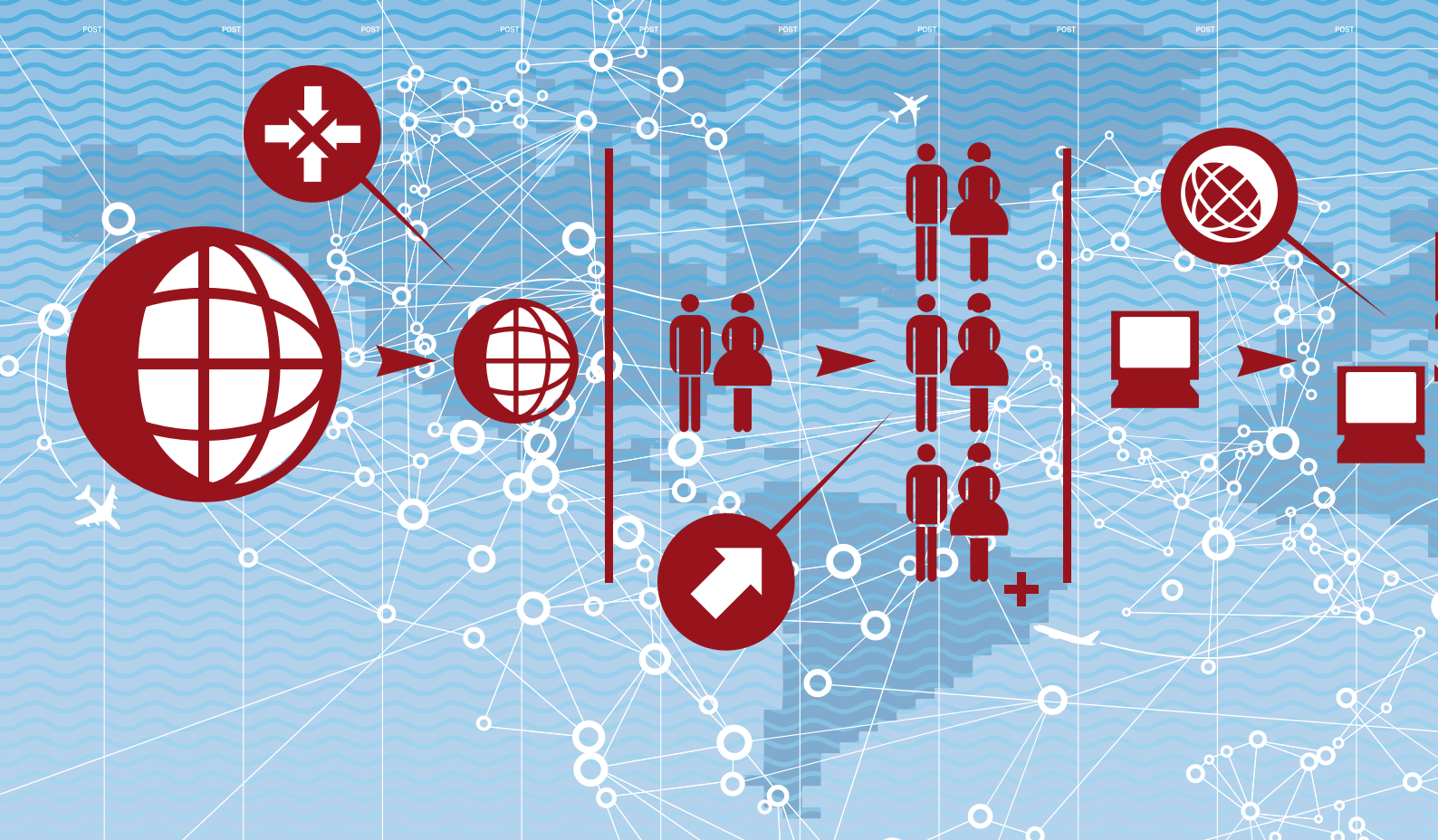
.....

**Illustration:**  
**Sascha**  
**Tittmann**

Because one communication medium never entirely replaces another, letter post remains a core activity in the communications market. By fine-tuning their strategies and offering new services, postal operators are affirming their confidence in the future of letter post. It is increasingly being redefined as a versatile service based more and more on marketing principles and adapted to new technology.

Despite the impact of new technology on mail volumes and the Post's overall communications market share, letter post continues to thrive. This activity sector, comprising letters and small packets up to 2 kilogrammes, as well as newspapers and books, still accounts for the major share of postal revenues in all regions of the world, except Asia and the Pacific, where financial services predominate.

Between 2000 and 2006, letter mail volumes remained steady in industrialized countries and in Latin America. They have even seen rapid growth in the developing countries of Eastern Europe and the Commonwealth of Independent States (CIS). In other regions, however,



traditional letter post is struggling. Over the same period, there was a decrease in volumes in African, Arab and Asian countries.

These variations from one region to the next stem from many factors. According to Ken McKeown, director of markets development at the International Bureau, a healthy and flourishing economy is a strong driver of growth in mail volumes. "As the economy grows, the role of the postal sector as an intermediary becomes more important; consumers, businesses, government services and other non-governmental organizations make greater use of postal services to communicate and exchange goods and services. In the CIS countries, for example, the economic boom has generated robust postal activity."

In Slovenia, domestic letter-post volumes have increased by nearly 58% since 2002, with advertising mail volume growing by 120%. "The establishment of large companies and banks in Slovenia's market has led to increased domestic mail volumes," points out Aleš Hauc, director general of Slovenia Post.

An efficient network also reassures customers. Burkina Faso's designated postal operator, Sonapost, has invested much in improving quality over the last few years and is now reaping the benefits. In the words of Sonapost's business director, Koutou Sommanogo, "the express mail service represents the major share of postal revenues. All telephone and water service bills are also delivered by us".

In Africa, as in all developing countries, water, telephone and electricity companies are the largest mailers and represent enormous potential growth for postal operators.

In the Asia-Pacific region, which generates the largest volume of letter mail in the world after the industrialized countries (44.4 billion items in 2006 or 10% of global volume), some foresee healthy growth. Zhang Kun, in charge of China Post's international business, sees great potential in this sector. "A growing economy points to a promising future for letter post. With new marketing strategies come new possibilities for letter mail."





At press time, Pitney Bowes had just published a new paper entitled *The Future of Mail*, available on their website at: [http://www.postinsight.com/files/MAILTRENDS\\_final\\_2008\\_v10-1.pdf](http://www.postinsight.com/files/MAILTRENDS_final_2008_v10-1.pdf)

### From paper to digital format

According to the Institute for Postal Research and Forecasting in Paris, administrative mail (bills, account statements, etc.) is the type of mail most threatened by the electronic revolution. Nevertheless, despite the various electronic services used for managing transactions between households, government agencies and social organizations (online tax returns, bill payment and Internet access to account statements), studies show that people still put their trust in traditional mail.

In a 2007 Denmark Post survey, 75% of respondents preferred receiving information from businesses or government agencies by post rather than e-mail. They took communications from companies more seriously if they arrived by post than by computer.

The Pitney Bowes company obtained similar results. "Even with some 90% of consumers in the United States and more than 70% in Europe using both paper and electronic media to pay their bills, an overwhelming majority still prefer paper," said analyst Alex Fu in a study conducted last year.

Another Pitney Bowes study carried out in 2007 also confirmed the preference for traditional mail: 73% of respondents preferred traditional mail for receiving advertising for new products and offers from businesses they patronized; 18% preferred e-mail. And when asked about receiving unsolicited information from companies they did not use, a surprising 70% of respondents said they favoured traditional mail.

"This study clearly shows that mail is still the most effective marketing tool for communicating with customers," says Stacy DeWalt, vice-president of marketing and market development with Pitney Bowes.

### Exploring advertising mail's potential

Today, a sizeable share of postal traffic comes from direct mail. According to UPU data, direct mail accounts for at least 38% of domestic letter-post volume, compared with 8% for international letter post. Aimed at direct marketing, letter post offers businesses the opportunity to develop a long-term relationship with their customers.

## Global number of letter-post items (in billions)

### Domestic service

2000	434,1
2001	436,2
2002	426,4
2003	424,0
2004	426,8
2005	429,8
2006	433,6

### International service (incoming)

2000	7,5
2001	7,0
2002	6,2
2003	6,0
2004	5,8
2005	5,6
2006	5,5

## Postal revenue (in billions of SDR)

2000	157,2
2001	156,6
2002	159,9
2003	164,1
2004	175,2
2005	181,2
2006	204,8

At 31 December 2006, 1 SDR = 1.50 USD

Source: UPU Postal Statistics 2006

For example, the Belgian Post's direct mail service offers local addresses in the destination countries and thus an opportunity to target an ever more diverse audience. By selecting a "local presentation" for their direct mail items, businesses are certain to get the response they want from their international customers. In markets with a burgeoning advertising sector, mail offers tremendous potential. The Posts in Tunisia, Morocco and China, for example, have an infrastructure that enables them to realize this potential (special direct mail delivery centres, databases and consulting agencies for customers).

### New products

New technologies also make it possible to develop innovative products. Posts can optimize the design, production and dispatch of documents and offer innovative services.

Hybrid mail (letters or publications printed locally to the intended recipients from electronic data supplied by the customer) offers the latest in technological solutions. Since 2005, hybrid mail has enjoyed an annual growth



# Where is your post-card?

It might just be a new way of finding penpals. The website [www.postcrossing.com](http://www.postcrossing.com) enables visitors to send real postcards to other people who surf the website, and also receive some in return. With just a few clicks of the mouse, visitors gain access to correspondents' addresses. For every card sent, you receive one back. At press time, 40,000 people from 178 countries were registered on the site, and more than 900,000 postcards had been posted. The website also enables a person to chart the distances covered by the postcards, locate registered members and find out what they prefer in terms of images or stamps. Why was the website developed? "Because, there are lots of people who like to receive real mail," writes the site's author. "The element of surprise of receiving postcards from different places in the world (many of which you'd probably never have heard of) can turn your mailbox into a box of surprises – and who wouldn't like that?"

LW

rate of 14% among postal operators, an indication of how important this service is for maintaining letter-post market share and offsetting the lost revenue from lower traditional mail volumes.

Today, 22% of countries offer a domestic hybrid mail service, while 13% provide an international service. Still, international hybrid mail volumes remain small, only 1% according to Deborah Spring, who heads the international hybrid mail department at Australia Post. All the same, Spring, who chairs a working group charged with developing a worldwide hybrid mail service under the auspices of the UPU Telematics Cooperative's advanced electronic services user group, has high hopes for this market.

"Hybrid mail could help postal operators maintain their market share in letter post and even recoup what has been lost to the competition. To do this, however, we will need the UPU's assistance to ensure the interconnection of systems and the exchange of databases between Posts based on international standards and regulations."

Another option operators have for maintaining revenues from traditional mail is to develop an electronic equivalent, such as the electronic registered letter, which has made some progress in the last few years. MAILEVA, a subsidiary of France's La Poste, acts as a platform for managing mail via the Internet. An electronic registered letter is dispatched and processed by the Post, which then delivers electronic proof of the posting in the form of a certifying postmark. With the aid of technical and IT facilities, Posts can guarantee a legal and sustainable archiving system that makes it easier for businesses and individuals to exchange documents.

## Quality of service: a daunting challenge

Quality of service is a key component of postal development. Letter-post services need to perform on a par with the new services offered by the competition. The situation in Africa and Latin America, where private operators control a large share of the postal market, gives cause for concern. While designated operators in Latin America, not counting Brazil, have a 10 to 40% share of the postal market, the extent of that market as a whole is difficult to determine because of insufficient data.

For Rudy Cuadra, regional programme manager at the International Bureau for Latin America and the Caribbean, general postal market estimates are important for taking the measures needed to improve the system. The integrated postal reform and development plans prepared by the UPU set up the structures needed to regulate the market and help operators to improve postal service performance and compete on an equal footing.

Faced with unfair competition, the Posts of Burkina Faso and Côte d'Ivoire have understood that their strategies must serve the population's interests. Negotiations have begun between the Post and smaller municipalities with the aim of guaranteeing quality service. For Koutou Sommanogo, PostEclair (a rapid mail collection, processing and delivery service) has enabled the Sonapost group to keep customers and strengthen its customer relations. A second aim is to develop the post office box service. In the view of Antoine Yoffo, the Ivorian Post's director of international relations, home delivery is a priority in the overall campaign to revive letter post activity in the country.



# Letter-writing lives on

.....

Is the personal letter a thing of the past? Without a doubt it has been overshadowed by the Internet and the mobile phone, but examples of the special role it plays in interpersonal communication still abound.

.....

**By  
Dora Precup**

It is hard to say exactly how many personal letters and postcards there are in the overall letter-post volume, but postal operators in the major industrialized countries estimate interpersonal correspondence at between five and 11% of the volumes they handle.

Nowadays, putting pen to paper, buying an envelope and choosing a nice stamp is often seen as old-fashioned or sentimental, but there is still no substitute for the friendly informality of a personal letter (or a greeting card or postcard). Nothing else can provide the same genuine personal touch.

In the United States, where in 2006 the postal service handled a world-beating 200 billion (domestic) letter-post items, the Greeting Card Association, which represents over 280 greeting card manufacturers and suppliers in the United States and elsewhere, estimates that American consumers buy seven billion greeting cards a year, 70% of which go by post.

Despite the 500 million online greeting cards sent around the world each year, the association believes they are rarely a substitute for a traditional card. As the association explains, "Although e-mail, text messaging and phone calls are valued by Americans for helping them communicate with family and friends, the majority of Americans say that they prefer the old-fashioned handwritten card or letter to make someone feel truly special."

Although letter writing may appear to be declining in popularity, many private individuals, businesses and postal operators are eagerly promoting it. A prime example is the Universal Postal Union's international letter-writing competition for young people, now in its 38th year. Some six million young people take part in this annual competition, judged each year with UNESCO assistance.

Schools, foundations and writing workshops also do their bit, working with Posts to promote the art of writing. The Australian, Indian and Russian Posts all organize annual letter-writing competitions on a specific theme, independently of the UPU initiative.

# Letters: defenders of human rights

Meanwhile, in France, Grignan's annual letter-writing festival, held in honour of the renowned 17th century letter writer, Madame de Sévigné, provides various opportunities for people to write a letter to a friend, a relative or a stranger. The letters are then delivered free of charge anywhere in the world.

This year, the United States Postal Service (USPS) is collaborating with TV channel HBO to promote the art of letter writing, with a mini-series about John Adams, the second president of the United States, who wrote over 1,100 letters to his wife in the course of his lifetime. In February and March, the postmark on around three billion letters will consist of a famous Adams quotation: "Let us dare to read, think, speak and write". "The Postal Service is trying a different approach in this day of instant messaging and e-mails to emphasize how much more powerful a handwritten message can be", says a USPS spokeswoman of the joint venture with HBO.

Eva Lia Wyss, a doctor of philosophy from Zurich University, shares this view: "Although the handwritten letter faces competition from new media for private communication, it still has a special value. For both sender and recipient, it is another way of expressing feelings. The joy of writing a letter is matched only by the pleasant anticipation felt by the recipient."

.....  
"Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers."

As we mark the 60th anniversary of the Universal Declaration of Human Rights, the role of the postal sector in the application of article 19 of the Declaration is clear. Postal operators promote freedom of expression by delivering the many letters written each year in support of those whose rights are infringed.

The annual letter marathon organized by Amnesty International has become an effective means of defending the victims of human rights violations. Launched in 2001 by Amnesty International Poland, the marathon attracts thousand of participants from around the world each year. In 2007, over 40 countries took part, sending more than 200,000 letters to governments, calling on them to release detainees or to improve their living conditions.

"Last year, the letter marathon resulted in an improvement in the situation of four of the eight people targeted by our campaign," said Eric Bürki of Amnesty International Switzerland.

The marathon takes place the week before International Human Rights Day, celebrated on 10 December each year. Public events are held in schools and shopping centres to encourage people to take part in this worldwide simultaneous event. **DP**



## Amnesty International

# A letter is...

## ..... **Proof of authenticity**

When the family of former Colombian presidential candidate Ingrid Betancourt, who has been held captive in the jungle for six years, received a 12-page letter from her last November, it was proof that she was still alive. Reading this letter was a “very powerful thing”, according to her husband, who recognized the style and handwriting of the Franco-Colombian hostage. People all over the world saw this “one hundred per cent personal” letter as a universal symbol of strength and courage.

## **A love token**

In an article she wrote last year for the *Washington Post*, Chloe Kaplan described the pleasure she felt on receiving beautifully decorated letters from her mother every week. The aesthetic quality of these letters was exceptional. “My mother taught me to embellish life in a way no one else could. She turns misfortunes into brilliant stories – not always factual but always thrilling (...). She takes the ordinary and makes it truly extraordinary. Sometimes I like to think I see these qualities in myself.

.....  
When that happens, I smile and write her a letter – which I put in a nicely decorated envelope, of course.”

## **A sign of commitment**

Southwest Airlines, like many other businesses, uses letters to explain to its customers the reasons for shortcomings in its service. Business communication experts and consultants know that in certain situations a letter is far more appropriate than an e-mail.

## **A biographical document**

A letter tells a story, conveys information and reflects the writer’s times. Biographers find handwritten letters essential material for creating an accurate account of a person’s life.

## **Evidence of the past**

In Messein, France, a letter was found in a bottle of Champigneulles beer. The letter was dated Oklahoma City, 15 July 1918. It consisted of four handwritten pages in an envelope addressed by “Aunt Pete” to her nephew, Morres Vickers Liepman. This personal document was truly a reflection of the times, containing

.....  
references to the economic situation in America, the hardships of wartime, mass enlistment and the danger of censorship. Like any other wartime relic, this letter was a real archaeological find.

## **A mark of respect**

Despite the current trend for posting messages of condolence on websites, experts in etiquette agree that letters are preferable to e-mails and telemessages when it comes to expressing solemn sentiments.

## **A token of friendship**

And whether it is for an anniversary or wedding, or for offering the compliments of the season, the 20 cards received by the average American each year leave no room for doubt: the greeting card is here to stay.



# Back to the future

.....

As the postal sector continues to expand, old and new players alike are investing in innovative technologies and cutting-edge equipment so as to better meet customer needs. Weathering the storm? Undergoing change? Trends and innovation...

## **Mail production made easy**

Writing, addressing, printing, signing, folding, enveloping, sealing and franking: the time-consuming letter-production process cannot be resolved simply by hitting the return key on a keyboard. To make the mail production process easier, businesses offer addressing programmes, state-of-the-art printers, enveloping machines able to produce 12,000 letters per hour, all-in-one folding and sealing systems and franking machines. Having understood the volume of work involved, postal businesses and operators are offering hybrid mail services that allow customers to outsource all these mail preparation stages. The same service is also provided at the other end of the chain. Incoming mail is opened, scanned, sent to the addressee electronically and filed.

.....

**The high-speed colour scanner with a unique drop feeder, integrated into an OPEX rapid extraction desk. In just one step, the operator can open, extract, identify, capture, orient, sort, print an audit trail, and output mail contents.**

.....

By  
Laurent Widmer





.....  
**The German, Austrian and Norwegian Posts are among those that use Keba parcel stations, located at accessible points, for mail posting and collection at any time.**



.....  
**Sorting machines are becoming ever more efficient. Over the last 10 years, the number of letters sorted per hour has risen from 36,000 to 60,000.**

### **Omnipresent Post**

Often away from home, customers who shop online – during the day, at night or on a Sunday – need a more flexible parcel collection service. Gone are the days of delivery notifications left in the letter box by the mail carrier. Customers can now collect their parcels from kiosks, service stations, railway stations and, increasingly, from electronic lockers. Parcels are placed in a sort of left luggage locker, which can be opened with a code, a combination of figures and letters left in the letter box or sent by e-mail or SMS. Customer benefits include round-the-clock posting and collection, security and confidentiality, and the possibility of having parcels delivered at a specific station, even when travelling on business or on holiday. For the operator, there are just as many benefits: round-the-clock delivery; fewer unsuccessful delivery attempts; automation of the entire logistics chain; lower logistics and delivery costs; provision of cash-on-delivery and registered item services; payment by card; and lower CO<sub>2</sub> emissions. These kiosks also provide other postal services, including dispatch of parcels, letters and registered items, purchase of stamps, provision of information on postal tariffs and postcodes, access to financial services, and tracking of items.

### **Mail sorting: ever better, ever faster**

At the beginning of the 1990s, sorting machines processed up to 36,000 letters per hour. Ten years later, that number has almost doubled, thanks to advances in address-reading technology and the significant progress made in the field of handwriting recognition technology. According to Lockheed Martin, over the last 10 years, the percentage of handwritten addresses read by optical character readers has increased from 2% to 88%, while that of machine-printed addresses has increased from 35% to 93%. Addresses that cannot be read automatically are entered by video-coding staff. Video-coding systems can also be used remotely. Voice-coding technology is also used (e.g. in sorting outbound international parcels), which avoids having to type the name of the country on a keyboard, as the system will recognize it if it is read aloud.

Whereas their predecessors merely read the postcode, the new sorting machines read the whole address and check it against an integrated database. Thanks to these developments, mail can now be sorted sequentially, according to the mail carrier's round, or automatically redirected in case of a change of address. Moreover, these innovations allow the number of items to be sorted or delivered to be calculated in advance, enabling sorting and delivery centre resources to be rationalized.

.....  
Mail delivery by bike is already quite common, but, in this green age, the delivery method could become even more popular among operators.  
.....

.....  
Equipped with a GPS function, the new Motorola scanner allows parcels and staff to be located and mail to be collected and delivered at the right place and the right time.  
.....

#### **The last mile: efficiency and user-friendliness**

Delivery to the addressee, representing more than 50% of the postage cost, is a key stage for postal operators. While delivery via electronic lockers (see above) or postal agencies is on the rise, most items are still delivered via traditional letter boxes or at the doorstep. Geo-tracking software makes it possible to modify the mail carrier's round and to select the most appropriate means of transport. Surprisingly, the bicycle has not become obsolete, and some have even predicted a bright future for it. Equipped with a battery, a bicycle can do the job of an electric scooter, which certain countries have introduced for their postal rounds.

#### **Between tradition and modernity**

Trolleys, satchels and gloves continue to be part and parcel of the mail carrier's array of working tools. However, the scanner has now become an essential tool for a quality delivery service, as it serves not only as a barcode reader, but also as a telephone and GPS (allowing a carrier's whereabouts to be detected and the carriers to keep to their delivery round), and even as a camera (for damaged parcels, etc.). Some models also read RFID chips, intelligent labels affixed to postal items and, in certain countries, placed inside letter boxes.









# Fair dues

.....

The question is often asked: how are countries paid for processing, transporting and delivering inbound international mail and vice versa?

.....

**By**  
**Rhéal LeBlanc**

.....

**Photos:**  
**Daniel**  
**Wietlisbach**

To calculate the financial compensation due to countries, the UPU uses the terminal dues system. First established in 1969, this system continues to evolve from one Universal Postal Congress to another. At the 2004 Bucharest Congress, member countries adopted a system aimed at covering their actual mail processing costs. Moreover, a link was established between the remuneration received and the quality of service provided.

As not all countries are at the same stage of development and there are significant variations in their mail volumes, postal tariffs and cost absorption, the aim, by the end of 2013, is to progressively incorporate the developing and least developed countries into a target system that already applies to industrialized countries.

Paul Epiney of Switzerland chairs the terminal dues project group, tasked with further developing the system adopted in Bucharest and submitting a proposal to the 2008 Congress. He explains the main changes characterizing this proposal and the challenges faced in preparing it.

Please briefly describe how the terminal dues system impacts upon countries. Why is this one of the most important issues dealt with by the UPU?

In my opinion, this is one of the organization's most important projects, as it affects countries' budgets. Terminal dues is the remuneration paid for the processing and delivery of international letter post, which accounts for around 70% of postage costs. For postal operators, terminal dues represent an essential source of revenue that enables them to provide postal services in their countries.

How has your group managed to work on such an important issue, taking account of the interests of all parties?

In basing our work on resolution C46/2004, which is aimed at the coverage of actual costs, we have thrown down the gauntlet. When dealing with 191 countries, compromises often need to be reached. We have endeavoured to hear all points of view, holding numerous meetings during Postal Operations Council (POC) and Council of

Administration (CA) sessions, as well as two workshops in Berne and steering committee meetings. Regional round tables, culminating in a world round table, have allowed us to fine-tune the proposal. On this basis, we have developed a proposal aligned as closely as possible to the resolution. While we have moved in the right direction, much remains to be done. This work will continue after the 24th UPU Congress.

What were the biggest challenges in preparing the Congress proposal?

There were many. First, agreement had to be reached on the most important principles. We established eight of these, one of which was to put into place a system whereby revenues would be maintained for the same level of mail exchanges. This was of particular concern to developing countries. It took more than two years to establish these principles. On this basis, with the International Bureau's assistance, we conducted in-depth studies in areas such as markets, special services, tariffs and costs.



However, the study on each country's actual mail processing costs was not altogether conclusive. As certain operators are listed on stock markets, shareholders are unwilling to divulge business costs. Other operators do not know their actual costs, as they do not have a reliable cost-accounting system. This made it more difficult for us to establish a framework within which to proceed. We therefore decided to base ourselves on the domestic tariffs for industrialized countries and to maintain the current system for developing countries, which consists of paying terminal dues according to a fixed rate that can be adjusted over time. This was the only way of breaking the deadlock. We will try to conduct a new study on costs during the next cycle.

Another major challenge was the new classification of countries, a task assigned to the CA project group dealing with terminal dues governance issues. France and the International Bureau did an excellent job in this regard. The major advantage of the solution found is that the so-called most advanced

developing countries, such as Singapore and the United Arab Emirates, will migrate directly to the target system.

The Quality of Service Fund (QSF), made available to developing countries to finance their quality of service projects, gave rise to no real problems. Industrialized countries showed a clear will to provide developing countries with resources by maintaining the Fund and increasing their contributions to it through terminal dues payments.

What are the proposal's main benefits? Does it comply with Bucharest Congress resolution C 46?

Pending formal approval by Congress, a consensus has been reached and all the countries approved the proposal at the 2008 POC and CA sessions. The main bone of contention was the financial impact. We have managed to limit any potentially negative financial impact and to protect most countries' revenues. However, each country is sovereign and is free to intervene or propose changes at Congress.

Developing countries fear they would lose revenue under the proposed new system. Have they been sufficiently reassured?

We sought to thoroughly explain the proposed new system at the regional round tables. We also gave countries the opportunity to test the system with a costing tool. Furthermore, the restricted unions studied all aspects of the proposal, and the International Bureau gave several presentations on the financial impact in the regions. I think member countries feel reassured insofar that they approved the final proposal. The working group, the International Bureau and the steering committee did some excellent in-depth work on terminal dues, and it is thanks to them that we have seen this through.

Could further improvements be made to the proposed new system?

Nothing is perfect. We do not meet with all the requirements of resolution C 46, i.e. that all countries be part of the target system by the beginning of 2014. It was simply a matter of being realistic and practi-

.....

“Cost accounting has already been introduced in many countries, but this work must continue. A reliable cost accounting system is a prerequisite for a cost-based system.”

cal. We were guided by common sense and we understood we needed more time to complete our work.

For example, we would have liked to include domestic transmission costs in the proposal (costs paid by the dispatching country for the internal conveyance of inbound mail arriving at the destination country's main office of exchange), but we were unable to do so. We will address this aspect during the next cycle. We had to make concessions in the interest of member countries. In 2004, a ten-year timeframe was established for incorporating all countries into the target system by 1 January 2014. We realized, however, that things were progressing slower than anticipated. So for certain developing and least developed countries, the deadline has been pushed back. Cost accounting is an important aspect of the work to be done vis-à-vis terminal dues. It has already been introduced in many countries, but this work must continue. A reliable cost accounting system is a prerequisite for a cost-based sys-

tem. The ship has set sail, but it needs to call in at several ports. We will reach the final docking point, not tomorrow, but the day after.

How will the proposal facilitate the accession of new countries to the target system?

The transition will be a gradual process. Once in the target system, new countries will not be immediately subject to the rules that currently apply to industrialized countries. They will have to meet thresholds, but a period of grace will be granted for areas such as quality of service. A step-by-step approach will be taken.

Does the terminal dues system go far enough? Is it an accurate reflection of the current market?

We have often been accused of being bean counters (smiles). Terminal dues should be considered in a marketing context. The letter-post segment should be considered as a market, not only in terms of its financial side. In my view, value-added letter-post services, such as track and trace, insured or regis-

tered items, should be included in discussions on terminal dues. Personally, I would like to see terminal dues considered in a broader context, a wish that has also been expressed by the terminal dues project group and by countries such as China and Australia.

So terminal dues could contribute to the development of postal markets?

Of course, both to the development of markets and in responding to customer needs. Certain customers would accept longer delivery times in return for lower tariffs. We have carried out an important study in this connection, but have not had time to analyze the results in depth. This is a complex area that needs to be further explored during the next cycle.

How do you see the proposed measures for evaluating quality of service and establishing a link with terminal dues?

We are already on the road. Twenty-nine countries already participate in the quality of service-linked ter-

minal dues programme, including developing countries such as Brazil, Ukraine, Malta, Latvia and Jamaica. Thanks to the QSF, other countries are planning to join the system by implementing quality control systems. This is the UPU's future. The International Bureau can play a major role in this regard. The global monitoring system for quality of service, on which the UPU is working, will prove invaluable. Owing to the fact that countries are to be classified in five groups, the system will be flexible enough to allow low-volume countries to participate.

Some countries are concerned about the quality objectives established for terminal dues. How would you allay their concerns? The countries have national standards and objectives set by the regulator, so it is sometimes difficult for them to accept the quality of service objectives established to make this link with the terminal dues they receive. Their internal objectives are incompatible with those associated with the terminal dues system. They are not necessarily opposed to the idea of setting a high standard, but they have certain reservations. It's a question of finding the right balance.

Are you confident that the proposal submitted to Congress will be approved? Certain countries could submit other proposals, without completely changing the proposed system. In general, once the POC and the CA have approved a proposal, it should be adopted at Congress.

## The letterbox

# “Breaking barriers”

### » 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](mailto:rheal.leblanc@upu.int), with your name, address, telephone number and e-mail. When necessary, letters chosen for publication may be condensed.

At Correos, distance learning (“Distance learning offers more”, *Union Postale* 4/2007) has become a well-established training method, highly sought after by staff and the various business segments. This training methodology has enabled Correos to overcome geographical barriers and to foster the professional development of its more than 67,000 employees.

Training, and in particular distance learning, has become a key part of our strategy. Given the adoption of new technologies and the speed with which internal changes need to be implemented, distance learning has become essential, reaching more people in less time.

In 2002, there were barely 1,150 distance-learning participants, and the training was largely limited to software applications. The staff

response was positive and the number of distance learners steadily increased, reaching 19,000 in 2005 and over 50,000 in 2007 (i.e. 51% of the overall training provided).

As distance learning has taken root, the scope of the courses has increased to include software tools, business applications and processes, products, languages, skills and the prevention of work-related risks.

The cooperation agreements signed with various entities have enabled us to provide staff in rural and deprived urban areas with computers and Internet access.

**Concepción Lagüela Carballosa**  
Head of Recruitment and Training  
Correos de España



## Market focus

### A monopoly no more

On 1 January 2008, Deutsche Post lost its last monopoly, the exclusive right to deliver letters under 50 grammes. The other EU member states have postponed this deadline until 2011, even 2013. For letters over 50 grammes, the postal sector has been undergoing gradual liberalization since 1997. Not wanting to see the German market slowly eroded by competitors paying rock-bottom wages, the country's political

left has prevailed in its fight to introduce a minimum wage for the sector. After the adoption of this measure, the Netherlands announced a delay in the full liberalization of its own market. At press time, the Netherlands was considering deferring liberalization of the postal sector until July 2008.

Source: le Figaro, Reuters

### United for humanitarian relief

At the World Economic Forum in Davos, three logistics and transport companies, Agility, TNT and UPS, and the United Nations launched two initiatives to facilitate private-sector support in humanitarian relief operations. The first initiative defines a set of 10 guiding principles designed to promote cooperation between the private sector and humanitarian bodies. The second one, a unique example of collaboration between private companies and the humanitarian relief sector, involves the intervention of logistics emergency teams, providing logistics specialists responsible for airport coordination, warehousing, trucks, forklifts and transport services. These teams are ready to intervene during the first three to six weeks following natural disasters such as earthquakes, floods and storms. The benefits of this partnership were first demonstrated in August 2007 when Agility, TNT and UPS set up these emergency teams in Indonesia during an operational exercise with the World Food Programme.

Source: UPS press release

### Namibia: new hybrid mail centre

In February, Namibia's postal service, NamPost, inaugurated its new hybrid mail centre, equipped with the latest technology for managing business mail. The new hybrid mail system, created in 2004 as a pilot project, is now used by a dozen or so major customers. With its fully automated system, the new centre handles all mail processing stages, enabling customers to manage their mail in less time. Businesses simply

provide the centre with all the electronic data and information needed. NamPost then prints the letters or statements, inserts them in envelopes, affixes the postage and sorts the mail according to intended recipients. This technological investment is a major step towards creating digital automated postal services and will open up opportunities for foreign investment in the postal sector and the country's economy.

Source: All Africa

## Market focus

### Post and telephone services: Italians at the forefront

With its PosteMobile service, Poste Italiane becomes the first postal service in the world to join the telephone services sector. PosteMobile offers a package of unique services accessible from a mobile phone. Thanks to these services, the mobile phone becomes an easy-to-use, totally secure «electronic wallet»

that customers can use with three toll-free rate options to transfer money to and from a BancoPosta account, pay bills, check a bank account or Postepay transactions, send telegrams and access other value-added services without going to the postal counter.

Source: Poste Italiane

### The ubiquitous Post

The Korean Post plans to invest 180 million US dollars this year to upgrade its operations and IT infrastructure as part of its aim to create a “ubiquitous” postal network. The money will be spent on hardware and software purchases, research and development projects, creation of an advanced system architecture and maintenance of existing systems. Dubbed “U-Post”, the postal service will make use of 600 RFID readers and 40,000 RFID tags, enabling customers to track the whereabouts of their mail and parcels.

Source: The Korea Herald

### Africa: spotlight on migrant remittances

To measure the impact of remittances on African economies, The African Development Bank Group has conducted a study which provides an overall assessment of financial flows from migrant workers worldwide, identifies mechanisms governing the remittances market and quantifies how the flows and formal and informal channels that exist are distributed and used. The study, which focuses on Morocco, Senegal,

Mali and the Comoros, describes the strategies of the different players involved, the migrants, their families and the other financial entities. These countries all have very different socio-economic characteristics, but share strong migratory and historical links with the same industrialized country, France. For more details, go to [www.afdb.org/](http://www.afdb.org/) diaspora

Source: African Development Bank

### Post offices in Dutch shops

In March 2008, the Dutch postal service, TNT Post, decided to restructure its services by “out-sourcing” all of its post offices. The 250 offices operated by TNT Post will be closed and replaced with 750 new agencies located in shops throughout the country. This is not a first for TNT, as 1,850 access points already exist at retail locations.

Source: TNT, [La.tribune.fr](http://La.tribune.fr)

# 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](http://www.solystic.com)

Future postal solutions





# *The postal network*

*Facilitating affordable  
money transfers  
worldwide*



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

