

Moving the postal sector forward since 1875

SEPTEMBER 2012

N° 3

UNION POSTALE



Universal Postal Union,
a specialized agency
of the United Nations

.....

New research
on international
mail flows

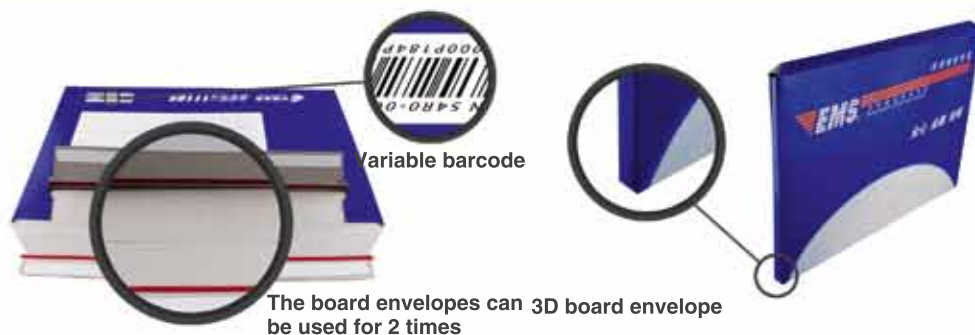
Head start for
disabled workers

ISSN 0041-7003

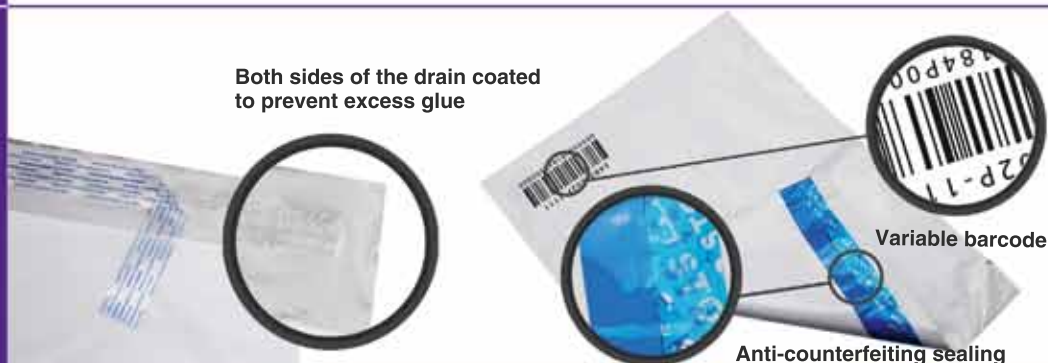


Postal reform
**Finding
the right
fit**

Board Envelope Series



Poly Mailer Series



Bubble Mailer Series



Plastic Seal Series



Packing List Envelope Series



Our other products: Waybill with barcode, Adhesive stickers, Packing tapes, Packaging belts, Bills and so on

Contents



Cover:
istockphoto.com

Cover story

Finding the right fit

How the UPU's Integrated Postal Reform Development Plan is helping countries revitalize the postal sector

6

Regulator demystifies the Argentine market

Alfredo Pérez from the country's National Commission for Communications on postal reform

11

The interview

Looking back over and over

UPU Director General Edouard Dayan considers his time on the job

20

Features

Greek boy wins gold with Federer letter

14-year-old captures jury's heart in 41st International Letter-writing Competition

15

Disabled workers get fresh start

New blows struck in favour of diversifying workforce

24

Zambia rolls out addressing pilot

Some 14 million Zambians are set to benefit from a new system

27

Perspective

UPU maps sector's globalization

New research analyses recent international mail flows

18

Departments

In brief

4

Editor's note

5

Market focus

28

September 2012

Union Postale is the Universal Postal Union's flagship magazine, founded in 1875. It is published quarterly in seven languages and takes a closer look at UPU activities and features international news and developments from the postal sector. The magazine regularly publishes well researched articles on topical issues facing the industry, as well as interviews with the sector's leading individuals. It is distributed widely to the UPU's 192 member countries, including thousands of decision-makers from governments and Posts, as well as other postal stakeholders. All regard it as an important source of information about the UPU and the postal sector at large.

Union Postale is also published in French, Arabic, Chinese, German, Russian and Spanish.

Manager, Communication Programme: Rhéal LeBlanc (RL)

Editor-in-chief: Faryal Mirza (FM)

Contributors: José Ansón (JA), Ruby Pratka (RP), Kayla Redstone (KR), Marc Wolfensberger (MW)

Photographer: Alexandre Plattet

Translators: James Holden, Margaret Willis

Design and layout: Die Gestalter, St Gallen, Switzerland

Printer: Gassmann, Biel, Switzerland

Subscriptions: publications@upu.int

Advertising: faryal.mirza@upu.int

All rights reserved by the UPU. No content may be reproduced without express prior permission from the editor-in-chief.

The UPU neither endorses any products or services offered by third-party advertisers nor guarantees the veracity of any claims made by the same.

Opinions expressed in the articles are not necessarily those of the UPU.

Printed on FSC Mixed Sources paper using environmentally friendly processes and ink by a carbon-neutral printing company.

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

Phone:
+41 31 350 35 95

Fax:
+41 31 350 37 11

E-mail:
unionpostale@upu.int

Website:
<http://news.upu.int/magazine>

in brief

Postal network

Statistical blip



Chinese postal worker (China Post)

During the compilation of its 2011 statistics, the UPU noticed a significant discrepancy between the number of postal establishments being reported, compared to 2010.

In 2010, as a result of new figures provided by China Post, the UPU reported a 22 per cent increase in the global number of post offices, from 600,000 in 2009 to 800,000 in 2010.

Indeed, in the UPU's annual survey, China Post reported and subsequently confirmed that it operated 150,792 post offices in 2010.

But in the 2011 survey, the operator returned to a more modest figure of 13,400 post offices, prompting a request for clarification by the UPU International Bureau.

According to an official of China Post Group's international cooperation department, the 2010 figure for the number of post offices in China

was incorrect. The actual figure should have been 12,531 and not 150,792.

The official apologized for the internal mistake, adding that China Post confirmed that it was operating 13,400 post offices in 2011.

This means the global number of postal establishments run by the world's Posts in 2011 stands at approximately 670,000. **RL**

Who's who at the UPU

Breaking the mold

Name: Sandrine Diffo

Directorate: Postal Technology Centre

Position: Software developer

Nationality: Cameroonian



(Photo: Alexandre Plattet)

The software engineer is one of the brains behind the QCS software. She and her colleagues create web-based applications that allow Posts to check their performance in transmitting and delivering items or financial orders.

QCS mail, for example, helps to track items, such as parcels, letters and EMS, see if they are being correctly

scanned and checked and adjust any problems, she explains.

"I knew I would be an engineer since I was a little girl," Diffo says. "As I could not decide which field of science I should study, I came to computer engineering because those were the first [university entrance] exams I passed."

After completing a bachelor's degree in engineering in her native Cameroon, Diffo studied and worked in Paris, France. "When I first arrived, I missed home a lot. I hated winter, and I would get cravings for food that you can't really cook in Europe. But now I'm used to it," she says.

She lives in Berne with her husband – her high school sweetheart, also a software engineer – and their three-year-old daughter. She likes the city because it reminds her of home in western Cameroon's mountainous region.

Being in the minority as a female software developer doesn't faze Diffo

– she's used to it. "I was always in classes where there weren't a lot of girls, but that gives women more reason to be better," she says.

"In Cameroon, it surprised some people to see a young woman software engineer but not when they found out I was competent."

She thrives in the UPU's international setting. "In Africa, people are very open and talkative – it's a lot like here [at the International Bureau]," she says. "Before I came here, the Post to me was writing a letter and dropping it in the mailbox. Now I've learned about the interconnection of the postal sector and I find it really fascinating."

Besides French and several local dialects from Cameroon, Diffo speaks fluent English and some German. She throws herself into language learning with the same enthusiasm she applies to her work. "I learned English because I liked it," she says. "I always found the vocabulary very rich." **RP**

Editor's note

The UPU finds itself at a crossroads whenever a Universal Postal Congress is on the horizon. There will not only be a changing of the guard at the top of the organization in October, the future strategy will also be set for the next cycle of work.

New technologies and people's attitudes to communication have led to seismic shifts in the way the postal sector does business. Reshaping postal services and transforming and modernising operations are fundamental to the new order.

The ability to adapt to market realities, while remaining focused on the customer, continues to be an existential necessity. The Post as a public-service provider must constantly have its finger on the pulse of what moves the client, be it an individual or a multinational company.

Gathering forces

Many operators have risen to the challenge of transforming their businesses to meet the ever-changing needs of customers. Others too are slowly heading the advice to move with the times. Postal reform can help all stakeholders to weather the maelstrom of new

technologies and rapidly shifting client demands. Thanks to the Integrated Postal Reform Development Plan, the UPU has come up with concrete means to modernize the sector on the ground. To date, more than 70 countries are using this approach, which has borne fruit as our cover story reveals.

Raison d'être

In the past work cycle, many projects and initiatives geared towards modernising the postal sector have been carried under the UPU's aegis. At the heart of it all is the reason why the postal network must be strengthened and services modernized. It is the public we serve, the billions, who rely on us, the global postal community, to ensure their communication needs are met reliably and at an affordable cost.

At Congress, many important decisions will be taken on what course this sector in upheaval should follow. This will be no easy task but the future direction for the UPU is in the trusted hands of member countries.

Faryal Mirza, editor-in-chief, *Union Postale* magazine

Consultative Committee

E-commerce association is latest member



The group is the first member specializing in e-commerce to join the UPU committee, an assembly of postal stakeholders that are not public postal operators or regulators, but which represent the interests of the wider postal sector.

E-commerce sales are expected to pass the trillion-euro mark in 2013. "E-commerce and supply chain integration are key pillars of the world postal strategy to be adopted by 192 member countries at the 25th UPU Congress in Doha, Qatar," said Director General Edouard Dayan. "We are

looking forward to a fruitful relationship with IMRG."

And, while cross-border e-commerce grows, it's more important than ever that e-retailers and the postal sector work hand-in-hand, says Aad Weening, head of international at IMRG. "Close cooperation with postal operators and an important organization such as the UPU is essential to identify the barriers and opportunities of the global market and smooth the way for online merchants," said Weening.

According to IMRG's latest report, e-commerce sales in 2011 were estimated at 690 billion EUR (961 billion USD). **KR**

Hot figures

205

designated operators were using barcodes on parcels at the end of 2011, up from 167 in 2008.



Finding the right fit

.....
Eight years after the UPU first rolled out a new approach to enable countries to embark on postal reform, how has its Integrated Postal Reform Development Plan brought change in the countries it sought to help?



.....
By
Faryal Mirza

.....
Illustration:
istockphoto.com

At the heart of the UPU's mandate is access to quality postal services for all people at an affordable cost. However, governments have found it challenging in recent times to maintain the universal service for a plethora of reasons. One is a lack of defined rules for the sector that take into account market conditions and customer needs. Opening up access to and ensuring quality of postal services require a robust framework for the sector, which is where the UPU's Integrated Postal Reform Development Plan (IPDP) offers assistance.

Currently, more than 70 countries have their own IPDP. While the UPU accompanies the project throughout its duration, the countries themselves are in the pilot's seat. The process's popularity hints that some governments are finally taking postal reform seriously. According to a survey carried out in 2010 of 44 countries participating in the IPDP process, 73 per cent said the IPDP had 'very positive effects for the postal sector, especially in terms of the awareness raised at high levels of government'.

The rationale behind the IPDP is that postal reform can help a country meet its obligations under the universal service. The process aims to guide a country to create a vision for its postal sector, while providing the tools to help realize that vision on the ground.

Nuts and bolts

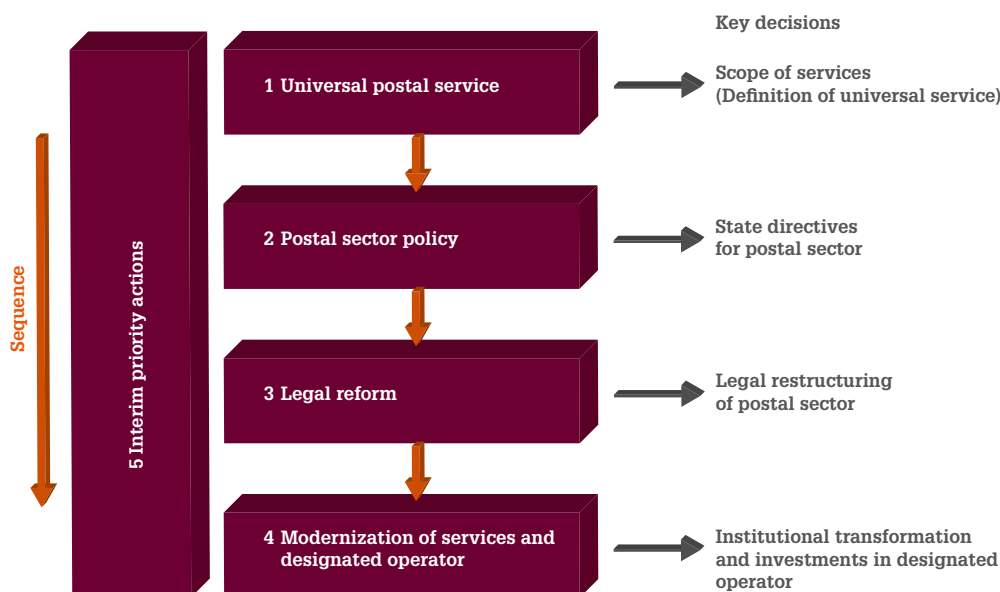
The IPDP specifies four main stages in postal reform. The first sets the scene by determining the scope of the universal postal service. The next covers the national

government developing a postal-sector policy. The third requires a legal restructuring of the postal sector. The fourth stage concerns modernising postal services and the designated operator. There is a supplementary step, which facilitates carrying out priority actions to boost the postal sector in the interim, while the other stages run their course.

For historical reasons, the postal sector has lagged behind other sectors offering public services. In certain countries, the postal sector was a poor second to the likes of telecommunications and electricity. These sectors had their own dynamism and often governments were unable to see that the postal sector could also be a motor of the economy. "The IPDP helps show governments that the postal sector can play a fundamental role in growing the national economy, especially if the postal sector is helped to evolve," says Rudy Cuadra, the UPU's postal reform coordinator.

According to Laurent Boncungou, UPU regional coordinator for Central and West Africa, the IPDP can create a win-win situation for actors in the postal sector. "The state is then better placed to fulfil its universal service obligations, as is the regulator, as far as the application of market rules and protecting the universal service are concerned. The IPDP ultimately benefits the designated operator, in its role as the operational guarantor of the universal service, and society at large, which can access quality services within a well-defined framework," Boncungou says.

Integrated Postal Reform Development Plan



Younouss Djibrine, new secretary general of the Pan African Postal Union, knows the IPDP process intimately due to his time as president of an eponymous ad hoc group, under the UPU's Council of Administration's technical cooperation and postal reform project group. "Postal reform was born from the necessity faced by many UPU member countries, especially developing ones, to find the ways and means to continue to fulfil their obligations under the Union's Acts towards their citizens," Younouss explains.

"These obligations consist of guaranteeing a universal service of good quality throughout their territory in an increasingly liberalized market. In the light of various failures in reform matters, conducted in a piecemeal fashion, a global approach emerged: the IPDP," he adds.

Regional focus

Latin America has focused on postal reform since 2005. Fernanda Pérez Pastorini, project head at the Postal Union of the Americas, Spain and Portugal (PUASP), reveals the reasons behind this. "There were bad postal services, lack of regulation and modern postal laws, disorganized markets, the absence of investments and so on in Latin American countries. The region and the authorities were blinded by the situation," Pérez explains.

"In previous years, there were many initiatives in our region to modernize the postal operator or to separate operations from regulation. This meant that the focus was only on part of the solution or problem. It was necessary to bring visibility to the postal sector situation and... to develop an integrated project for the postal

sector, providing a logical order for the execution of the actions for postal reform," she adds.

Guidance came from the IPDP. "The principles of organized and logical postal reform is that reform is not only for the designated operator but also for the entire postal sector. Integral postal reform includes all postal stakeholders, such as governments, ministries, private and public operators, customers and legislative bodies," Pérez says.

Full support from governments is crucial to enable the countries to apply for an IPDP project, as well as ensuring adequate conditions to execute the resulting plan. "Experience shows that the reform stages and actions demonstrate that it is possible to guarantee the universal service and develop social policies with the postal service as executor reaching and integrating all people. It is also possible to have a postal sector that contributes to economic and social development," states Cuadra from the UPU.

Government support

Thanks to the UPU's trailblazing approach, eight years later, governments of 13 Latin American countries have validated reform plans. These nations are at varying degrees of advancement. They are Bolivia, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, Guatemala, Nicaragua, Panama, Peru, Paraguay, Uruguay and Venezuela. Numerous successes were achieved by them during 2005-12, says Cuadra. In Bolivia, the universal service was enshrined in its constitution and the postal sector was part of the national development plan in 2007-11.

“The IPDP process helped us to see more clearly the state of our services, the market and the need to modernize the designated postal operator.”

Silvia Munárriz Mon, Cuban vice-minister of communications & information technology

The postal sector was integrated into the national development strategy of the Dominican Republic in 2012 and Colombia experienced the creation of a postal regulator, as did Ecuador. The Nicaraguan government adopted the IPDP as a tool to promote sectorial development.

In Uruguay, reform in previous years had got off to a false start. “In our country, as in many others in the region, reform efforts in the past were partial and usually limited to a law, which, it was thought, would solve all difficulties. The results of these experiences – known to all – were not good,” says Carol Dolinkas, international affairs expert at the Uruguayan communications regulator.

Having an IPDP was a game-changer. “The IPDP was fundamental in the reform process of our country and its influence was decisive,” says Dolinkas. “It let us build a clear diagnosis of the sector in our country, its shortcomings, inconsistencies and also its potential and challenges.”

Postal reform in this Latin American nation has since experienced rapid progress. In 2009, work commenced to define the universal service. Within ten months, the proposal was submitted to the appropriate authorities, forming the basis of a sectorial policy. The latter has already been approved by ministers and a postal law is currently moving through the legislatures.

In Cuba, the government threw its weight behind implementing its IPDP. “The IPDP process helped us to see more clearly the state of our services, the market and the need to modernize the designated postal operator,” says Silvia Munárriz Mon, Cuba’s vice-minister of communications and information technology.

Much progress has been made and Cuba is set to issue a draft postal law in December 2012. “The implementation of the IPDP, created by the UPU and PUASP, helps developing countries make significant progress in strengthening postal reform, increase quality of service and meet the needs of citizens, while making a positive impact on their national economies,” says Munárriz.

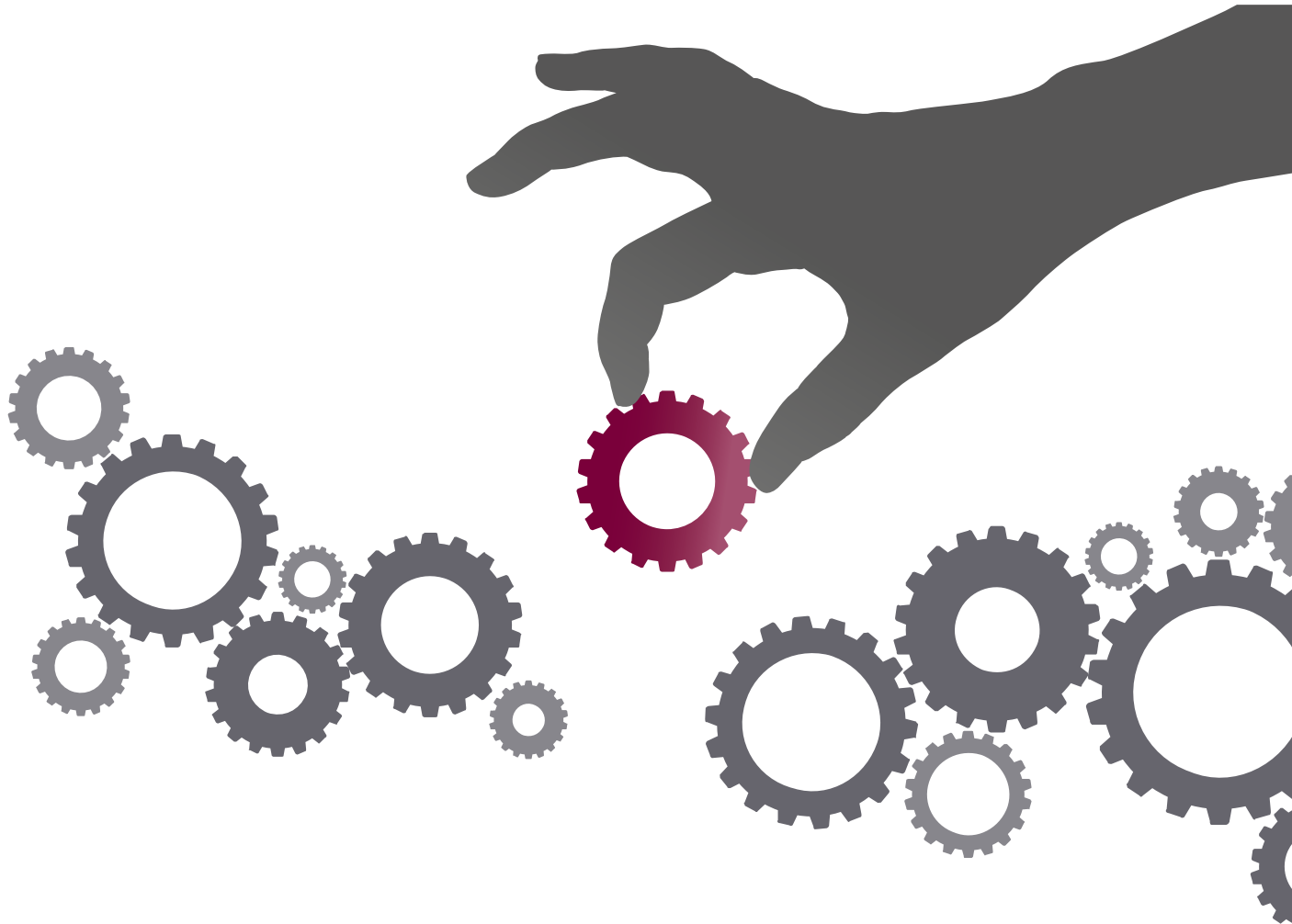
African region

The concept of the IPDP process has been welcomed in certain African countries too. “I observed in many African countries that, after our discussions, there was a real interest in implementing the IPDP. There is a significant need for accompaniment throughout the whole process, including carrying out research, finding finance and raising awareness of the principal actors,” Younouss explains as a former regional expert accompanying the IPDP process.

However, a number of uphill challenges exist. Some countries lack both funding and on-the-ground expertise to truly launch the process. “Globally speaking, implementing an IPDP also requires significant financial resources, which are not always easy to find,” says Younouss.

Another major challenge is persuading governments to step up to the mark. “Aside from the fact that they believe they have other more pressing priorities, such as health, education, clean drinking water, roads and so on, their disinterest in the postal sector can be explained by the lack of awareness of the sector’s importance to socio-economic development,” Younouss states.

Boncounou, the UPU regional coordinator, reveals there are certain misconceptions surrounding postal



reform in Africa. “Common mistakes include considering postal reform as an individual not a collective process, confusing it with reforming postal regulation, seeing postal reform as the domain of the designated operator and viewing reform in a vacuum without taking into account the national business and economic environment,” he says.

Postal regulation

Meanwhile, work is underway at the UPU to survey the postal regulation landscape. Postal Economist Marie-Odile Pilley’s research will provide the first global snapshot with a focus on developing countries. One part of this gargantuan task – the chapter on Africa – has been completed, enabling Pilley to share some of the conclusions. “In Africa, two initial tendencies can be seen: first to regulate the new postal operators – express and courier – and then to apply a standard regulatory model, close to the one developed in the European single market,” Pilley says.

“The European Union reached a compromise that guided the formation of the single postal market in Europe, which aimed at guaranteeing the sustainability of the letter and parcel universal service, while gradually opening the market to competition,” she explains.

One conclusion is that the adage ‘know thy market’ is one governments are advised to heed. “Regulation must be tailor-made for each national market and cannot be one-size-fits-all,” Pilley says. “Keys to success are clarity in governance, transparency, enforceability and scalability.”

“In Africa, the part-liberalization approach to the market has functioned only where the model has been adapted to local conditions, given adequate resources, integrated into development policies, advocated to and fully supported by governments and other stakeholders, including through investment in capacity building, and owned by those involved,” she adds.

There is also a large question mark hanging over the benefits of total liberalization. Argentina’s case provides an interesting insight on this theme (see interview with the Argentine regulator on page 11).

Pilley sounds a note of caution. “If introduced too early, liberalization is destructive and competition finds its limits once traffic volumes become insufficient and economies of scale and scope are insignificant,” she says. **FM**

Regulator demystifies Argentine market

.....

In 20 years, Argentina dismantled the postal monopoly, deregulated postal services and enabled a private enterprise to offer official postal services.

The government then re-took control of the sector, buying back the designated operator. Alfredo Pérez of the Argentine National Commission for Communications explains why.



Alfredo Pérez, postal services manager

Union Postale: The Argentine government decided in the 1990s to abolish the postal monopoly, deregulate postal activities and grant a concession for the running of the official postal service. What was the main lesson learnt from this period?

Alfredo Pérez: The first lesson to emerge was that, before any decision is taken, the [market] reality should be understood and objectives for the postal sector defined as public policy. Failure to do so will lead to bad decisions, which are sometimes unsuccessful copies of measures introduced in other service sectors.

When the government regained control over the designated operator in 2004, why did the latter not resume a monopolistic position? Are there really any monopolistic

services in postal activities today? Is it not the economic reality in many countries that de jure monopolies co-exist with de facto competition from private enterprises? Is it not more realistic to accept this fact and bring order by means of an appropriate regulatory function?

In Argentina's case, a private postal sector was legally recognized even before the abolition of the monopoly in 1993. As these businesses were recognized in law by the state, it was both legally and economically unfeasible 10 years later to abolish them because of a general decision to reintroduce the state monopoly.

However, in 2003, the climate of deregulation of private activities was no longer sustainable. There was an urgent need for the state, via the regulator, to return to its role of bringing order to the market and to take a firm hand, particularly with regard to public decisions on private service providers entering and leaving the market. Also, the permitted scope of each private operator's services needed to be defined in concrete terms.

The idea today is to create an environment of genuine and appropriate competition for the public operator, rather than to reintro-

duce a monopoly through regulations that cannot subsequently be adhered to in practice.

In 1984, the designated operator held a 99 per-cent market share. Why did this fall to a historic low of 33.47 per cent in 2003?

What do we understand by the terms 'postal market' and 'market share'? A certain public operator may be said to hold 30, 50 or 70 per cent of the market, but do we know who holds the remaining share?

It is important to understand that the public operator is not the only one to provide postal services.

Hot figures

.....

142

countries (including 13 territories) had a postcode system at the end of 2011.



Part of the official network (Photo: Correo Argentino)

In fact, a large number of organizations compete, de facto or de jure, to provide the public operator's services both domestically and internationally. There is a corporate demand for services that are not the exclusive domain of the public postal operator, even when this operator considers itself a monopoly.

The state should take these facts into account when fulfilling its role, which is to register the actual postal market first. Only then will it be possible to obtain a far more realistic view of the public operator's real share.

In Argentina's case, the situation in 1984 cannot be compared with the explosion in corporate demand for services seen in subsequent years. This new demand led to the introduction at that time of a regulation, allowing the public operator to grant private operators permits to provide services, which it was itself unable to meet.

The function of regulating postal activities should include obtaining accurate data on the true size of the market in which the public operator is competing. In Argentina, annual statistical reports are a management tool for evaluating the size and composition of the

entire postal market and the public operator's real market share.

Our reports show that the drastic decision to abolish the monopoly in 1993 exacerbated the loss of market share suffered by the official postal service. However, the latter began to make good these losses from 2004 when the Post's concession was rescinded and control was once more in the hands of the regulator.

Why was it necessary to establish an independent regulator?

Until 1992, the public operator had acted both as service provider and postal regulator, granting permits to private-service providers.

This dual function hampered the operator's ability to develop and meet new service demands. It was, therefore, decided to give the Post a more appropriate status for operating a business and so, it became a public limited company. The regulatory role was assigned to a separate public body, the Comisión Nacional de Correos y Telégrafos – National Commission for Postal and Telegraphy Services (CNCT).

The CNCT was given extensive powers but these were systematically curtailed in subsequent years.

How has the regulator evolved since it was established?

In 1996, the CNCT merged with the telecommunications regulator to form the current body, the Comisión Nacional de Comunicaciones or National Commission for Communications (CNC).

It was a takeover rather than a merger, since the powers relating to postal matters were concentrated in a management body, the present Gerencia de Servicios Postales, to which few resources were allocated.

This situation coincided with the process of putting the official postal service out to tender and then awarding the concession to a private company in 1997. This year marked the beginning of a minimal state presence in the postal sector.

The years that followed were marked by conflicts with the private licensee of the official postal service. Effective control of the private, registered and illegal postal sectors became impossible.

A reversal of this situation started in 2003 and decisions adopted by the CNC from 2004 onwards addressed the lack of an effective presence.

General regulatory decisions now remain to be made to complete the process of consolidating the state's presence in the sector as a regulator of postal activities.

How does the regulator supervise a market with a significant number of private players?

The decision to rescind the Post's concession in 2003 launched a new phase where the state was no longer acting as a spectator of the sector.

In the following years, the CNC established effective new procedures to put the Argentine postal market into order to create a much more appropriate competitive environment for the designated operator. During this process, a section of the private postal sector expressed discontent with the unfair competition it was facing from other private

“Decisions taken by the state should be based on the most detailed knowledge possible of the postal market.”

operators that were new entrants to the market.

The key to the regulatory process, which started in 2004–5, was the introduction of registered employment. One of the findings from the previous period was that market competitiveness, in terms of the lowest corporate prices, had been achieved solely by using undeclared or casual staff or employees without proper contracts to provide services.

Committing to registered employment in terms of quality and quantity proved an essential requirement for entering and remaining in the postal market. Consequently, many private enterprises had to leave the registered market.

The new model adopted from 2004 has led to a new vision for the postal sector in Argentina. From 2005 onwards, the number of private operators fell, but the number of jobs generated by the sector rose. In 2005, there were 246 firms and 15,740 jobs, compared with 116 firms and 20,779 jobs in 2009.

Today, the sector constitutes a social asset, comprising almost 40,000 registered jobs. These figures clearly illustrate the success of the policy.

How does the regulator ensure that the existence of a number of

private operators does not go against the interests of the public?
Registering all postal activity not only enables the real postal market to be identified but also shows where the real competition lies.

According to our reports, real competition stemming from the opening up of the market is found mainly in the most densely populated areas of the country (major towns and cities and surrounding areas) and the most profitable services (corporate services, bulk mailings from corporations, such as banks, service companies and so on).

The deregulation that began in 1993 mainly benefited large business customers of the postal sector. One of the assumptions underlying the abolition of the monopoly at that time was that it would lead to a reduction in these companies' costs.

However, our annual records show that this lowering of costs was at the expense of stability in postal employment, decreasing the designated operator's market share.

A significant challenge is not only to eradicate unregistered postal activity but also to instil in those large customers a sense of responsibility, especially when they propose strategies to replace physical mail with electronic mail in the name of modernization.

Another major challenge is to create an environment in which the sector, and the public operator in particular, can be a tool for social inclusion, giving the whole of society access to new technologies, culture, health and identity, all on the basis of achieving final mile or door-to-door delivery.

What challenges does the designated operator face to maintain a universal service?

This is the biggest challenge we face. I believe the basic universal postal service model defined in 1993 is now obsolete and needs to be reviewed.

Hot figures

160

designated operators were exchanging data at item level at the end of 2011.

However, this review should be based on the formulation of a public policy defining the expected role of a public postal operator for this millennium.

Notwithstanding their role in interpersonal communication, traditional postal services are being supplanted by new technology, a fact we have to accept.

On the other hand, it is also true that the delivery of physical objects and the nationwide door-to-door delivery and collection network reaching every inhabitant are powerful tools for the implementation of inclusive public policies.

This situation calls for the traditional universal service concept to be reviewed, brought up to date and linked directly to national development. It should be a real means of access to education, culture, identity, new technologies and health for the whole population, particularly the most disadvantaged and those living in the remotest areas.

The universal service vision should be based on openness and full access as a vehicle for public policies that include the whole population.

Can some of these challenges be addressed by more state intervention?

Although it is unacceptable for the state to be totally absent or inactive, this does not mean that it is omnipresent. We are trying to define the state's role as the principal regulator of postal activity.

Although the general regulations and laws are important, the day-to-day task of the postal regulator is absolutely essential to ensure order and bring about a transformation of the sector.

What services do the private operators offer and are they popular with the Argentine public?

The conversion of the official postal service to a public limited com-

pany and the separation of the regulator's roles enabled the Post to compete effectively in areas of corporate demand that it could not previously meet.

The official postal service is the only postal operator that is, by its very nature, fully qualified to operate in every service. Private operators can only offer the services the CNC authorizes them to provide.

As regards corporate demand for services, the contracting decision is taken within the guidelines for selection processes, such as unit price and quality. It cannot be said that there is an a priori preference for the private operators' services. The regulator can intervene in these processes to ensure that they conform to the basic principles of competition in the sector, i.e. to operate with state authorization and register employment.

In the case of services to the general public, which is classified as 'occasional demand', the official postal service continues to be the dominant operator.

What is the short to medium-term prognosis for the postal market?

As a service sector, the postal sector is not immune to conditions in the wider domestic and international economies.

Next year, the basic deregulatory measure, Decree No. 1187/93, will have been in existence for 20 years, so it would be timely to review it. This will enable public policy objectives for the sector to be defined for the coming decades.

Meanwhile, on a day-to-day basis, the regulator should continue to exercise appropriate control over postal activities, particularly those that are unregistered.

What other lessons can countries learn from Argentina's case?

In today's world, 'postal market activities' is a broader concept than 'mail services'. Not only is there a corporate demand for bulk services but occasional service-users too are

demanding new services, offering added value and non-traditional methods.

Decisions taken by the state should be based on the most detailed knowledge possible of the postal market. The better the information available, the better the policy decisions will be.

Public policy objectives for the sector need to be defined in advance. They should include a thorough review of the universal postal service and the role of the state as regulator, and all sector stakeholders, taking into account national characteristics.

There are no magic formulas or ready-made remedies. Any decision taken without an overall vision for the sector will either end in failure or create worse problems.

The postal sector as a whole can, and should, be consolidated to form a social asset for the country. As such, it can be a tool for implementing public policy, opening up effective access to rights for the whole population and generating genuine, inclusive employment. **FM**

Hot figures

121

countries have signed up to the UPU Postal Payment Services Agreement.



Marios Chatzidimou's pen is mightier than his racket

Greek boy wins gold with Federer letter

Marios Chatzidimou, 14, won the judges over with his eloquent letter to Swiss tennis player, Roger Federer.

By Kayla
Redstone

In time for the London 2012 Olympics, participants in the UPU's 41st International Letter-Writing Competition for Young People were asked to write a letter to an athlete or sports personality, explaining what the Games mean to them.

Chatzidimou captured the jury with his creative and intimate style. "The composition is original, very personal and stylistically creative. The modern and historic Olympic values come out very strongly," it said.

Chatzidimou says he was already honoured to win first place in the Hellenic Post competition but hearing he won the international competition was the cherry on top.

"Becoming the national winner was something I had never expected, it was like a dream... but the happiness I felt when I won the international competition was by far greater," he said.

The gold-medal winner chose to write to the tennis champion because he took up the sport after watching Federer play on television. The third of five boys, he is the only one among his brothers who plays tennis. When he's not playing tennis, Chatzidimou also enjoys writing short stories for children.

Chatzidimou will join UPU delegates and member countries at the 25th Universal Postal Congress in Doha,



Federer in action (Photo: gettyimages.com)

Qatar, to participate in a special ceremony on October 9, World Post Day.

Other winners

Kenya's Valentine Chimba, 15, took home the silver medal with her letter to Kenyan runner, David Rudisha. "A particularly well written composition displaying a lot of authenticity. The letter canvasses the value of social tolerance and the Olympic themes flow beautifully through a young person's eyes," the jury said about Chimba's piece.

The high school student loves to write. When Chimba, the youngest of three children, heard about the cash prizes offered by Posta Kenya for winners in the first step of the competition, she decided to use her talent to win money to help her parents pay her school fees. She will receive 50,000 KES (582 USD) from the Post. She says winning the international competition was an added bonus.

Aliona Kuchanskaya, 15, from Ukraine, and Chelsea Gabriella Ellise Mangaroo, 11, from Trinidad and Tobago, tied for bronze. After studying the biographies of sportsmen on the internet, Kuchanskaya stumbled upon the story of Ukrainian Paralympic skier and biathlete, Elena Yurkovskaya. The jury was impressed by her appreciation of the athlete's determination to become a five-time Paralympic champion, despite having both feet amputated. "A remarkably moving and well written composition. This troubling letter manages to show how the efforts of handicapped athletes come through in the Olympic values," the jury remarked.

In a letter to Hasely Crawford, the first Trinidadian to become an Olympic gold medalist, Mangaroo explains the spirit of pride in participation that she loves about the Olympics. "At only 11 years of age, the author writes beautifully and her style is sincere. She manages to describe with much clarity the real and underlying Olympic values," the jury said.

Honourable mentions

The jury also awarded special mentions to the compositions from Russia (Anastasiya Tolcheva), Brazil (Joyce Lima Moreno), Indonesia (Christ Soselisa), Benin (Auriane Hillarie Hountogan) and Montenegro (Bojan Savovic).

The gold, silver and bronze winners will receive medals, a certificate for participating, comments and appraisals from the jury and a goody-bag from the UPU. The International Olympic Committee will also award its own prizes to the four winners. Honourable mentions will receive a certificate for participating.

More than one million young people from 55 countries participated in the competition. In sync with the International Decade for Action "Water for Life" 2005–2015, the 2013 competition asks young people to write a letter explaining why water is precious. **KR**

Kayla Redstone is currently an intern with the UPU Communications Programme.

Jury members

.....

The international jury was composed of Elizabeth Longworth, deputy assistant director-general for social and human sciences, and director of the division of ethics and global change at UNESCO in Paris, France, Jean Durry, writer and historian specializing in sports and the Olympics, Norbert Müller, professor at the Institute for Sports Science in Mainz, Germany, and Juliana Nel, director of cabinet and communication at the UPU International Bureau. Longworth, Durry and Müller are also members of the International Olympic Committee's commission for culture and Olympic education.

Giannitsa, 25 January 2012
Mr Roger Federer
Tennis Sport Club of Basel
Switzerland



Dear Roger Federer,

My name is Marios, one of your thousands of fans. A small, insignificant Marios compared to one giant of sports. The reason I am writing is to thank you for making me love sports and tennis! I have been following your matches and your efforts in tennis courts for years. I applaud your victories and admire your persistence when times get rough.

Seeing you on the winner's stand in the Olympic games of Beijing was the 'service' of my entry in the sport. I grabbed my brother's abandoned racket and decisively entered the court, ready to win. Then, I realized how different it is to watch the racket in Federer's hands rather than to try and swing it in your own. I struggled, sweated, hearing my trainer's shouts but I did not give up. Your picture on the winner's stand kept me going... Going on and dreaming...

One day, as I hit the ball, with it flew my imagination, far, far away in time and space. I dreamt that I saw myself standing in Ancient Olympia, the great sports celebration, the first Olympic games in 776 BC... Wars stop because sports unify and conciliate people, or so it happened at the time! Young people from all over the land, arriving, upstanding in body and soul, to take part in a 'proper contest', in a "Εὐ ἀγωνίζεσθαι - fair play". What wonderful words, what a magnificent atmosphere!

I pictured you there as well. My historical knowledge disallows it but my imagination places you there. To compete and wear the wild olive tree's wreath. To sweat on ancient Olympia's earth and be celebrated with Diagoras of Rhodes, Polidamas, Theagenis...

Yes, I am proud that my country, Greece, laid the foundation of modern sports. Athletic spirit was initiated and formed through ancient athletic games. The Olympic flame, made brilliant by the Greek civilization's values, illuminated the whole world. The fighting spirit, noble competition, self-control and cooperation through sports enriched man's attitude towards life...

... You were standing there, wearing the wreath, radiating victory's joy, when I humbly approached, touched your hand, stared in your eyes and asked: "How do you feel, Roger? What does all this mean to you?"

"Listen, Young One," you answered with a crystal voice that still rings in my ears. "'To compete' means 'to win', and keep that in mind. Participation, entering the contest, is already a great victory, regardless of the trophy. A victory against fears, insecurity and difficulties, of yourself against your own vanity and selfishness. A victory against self-transcendence. And one more thing: 'To win' means also 'to love'. To love my opponent, who gave me the opportunity to contest, my trainer, who taught me how to play and win, the people that supported my efforts to come first, God that gives me the strength to fight and be the victor!"

"Out! Marios, now, concentrate on the game!" It was my trainer's voice that took me suddenly out of my day-dreaming. However, that day it was impossible for me to concentrate on any game. I wanted to narrate what I had imagined, of the first Olympic Games. All of us, my trainer and fellow tennis-players felt reborn through the spirit of Olympic Games. We talked about the famous "fair play", which modern people can define so readily but when they come to apply it, they find it so difficult! Aiming exclusively for the championship, they go into the dirty and dangerous use of anabolic steroids, sacrificing their body and soul's purity on the altar of momentary glory. Ruin of the athlete and libel of sports are the only outcomes of such acts. But for me, the first Olympic Games mean neither anabolic steroids nor championship, nor financial benefits, economic crisis nor hate. They do mean the joy of participating, "fair play", friendship, peace and I hope this meaning will apply to this year's Olympic Games.

I stop my chatter that might have tired you and I wish you with all my heart, throughout your whole life to compete, win and love, exactly as you taught me. Thank you once again and I will be waiting, where we first met, in ancient Olympia, Greece, home of civilization and sport. In my beautiful and beloved country, which, regardless of the difficulties and troubles that it goes through these times, "it has no fear" because "on its mast is the watchman, everlasting, the Sun"!

With love and admiration,
Marios A. Chatzidimou

UPU maps sector's globalization

.....

New research sheds an interesting light on international mail flows.

.....

By José Ansón

Thomas Friedman, in his book, *The World Is Flat* (2006), suggests that differences between countries are disappearing as a result of globalization and that the world is becoming increasingly homogenous at the political, economic and social levels. Conversely, Pankaj Ghemawat in *World 3.0* from 2011 claims that today's world is not as flat as all that, emphasizing how international borders, distances and persistent differences between countries affect international trade.

So, how flat is the postal world, if at all? According to models developed by the UPU, postal exchanges between two countries are inversely proportional to the distance between them. Let's consider a few numbers: the volume of mail exchanged between two countries can increase by up to 30 per cent if they share a common language, 25 per cent if they share a common border, 16 per cent if they are members of the same trade block, 35 per cent if they use the same currency and 80 per cent if they have ever had a colonial link.

Moreover, at the economic level, distance has a lesser impact on international letter-post and information exchanges than it does on exchange of goods. A 10 per cent increase in the distance between two countries results in a nine per-cent drop, on average, in the volume of goods and merchandise exchanged between those countries and a five per-cent drop in the volume of letter post exchanged between them. Distance, therefore, is a factor in postal communication, albeit to a far lesser extent where segments offer better quality of service and tracking facilities, such as registered mail, or shorter delivery times, such as express mail.

BRICisation

Research by Nayan Chanda suggests that globalization is a slow-moving phenomenon, and the UPU's research shows that postal globalization is no exception. The sector's globalization goes back to 1874, when the single postal territory for UPU member countries was created. It is an on-going process and imbalances can be seen between countries. For each 20g letter sent from South America to North Africa, 30kg of mail are exchanged between Asian-Pacific countries and 252kg between the countries of western Europe. This shows the importance of intra-regional postal exchanges. Approximately two-thirds of international letter-post exchanges are currently between industrialized countries, and this has been the case for the past decade.

There has, however, been a shift in the balance of international postal traffic within the so-called BRIC (Brazil, Russia, India and China) group of countries, which have seen their international mail volumes increase over the last 10 to 30 years. This was, among other factors, a result of the postal traffic generated by the recent growth of e-commerce. What we are seeing is not so much a global readjustment, driven by economic and financial globalization, as the 'BRICisation' of international postal exchanges.

Are other sectors benefiting from globalization more than the postal sector? Certain inter-sectoral comparisons indicate that caution should be exercised before suggesting that the postal sector is lagging behind. International postal exchanges may represent less than two per cent of postal exchanges worldwide, but the telecommunications

sector is hardly faring any better. According to data gathered by Ghemawat, only two per cent of telephone communication and less than 18 per cent of internet traffic are international. The postal sector is, therefore, not the only sector that needs to remove barriers hampering its globalization.

Remuneration

If the postal sector is to be globalized at the same rate as the world economy, standardizing postal governance in industrialized and developing countries, under the aegis of the UPU, is one of the major challenges facing the international postal community. Developing countries could see their inbound and outbound international letter-post volumes more than double if certain distortions associated with remuneration, linked to access to destination operators' networks, were eliminated, and, if appropriate, quality incentives were introduced.

A staggering one billion USD could be generated annually in additional postal revenues, but investment is urgently needed if such figures are to be realized. The postal sector has already shown that it recognizes the importance of quality of service in developing international postal exchanges. To that end, UPU member countries agreed to set up and finance the UPU's Quality of Service Fund, which enables developing countries to

apply for funding to modernize their international letter-post activities.

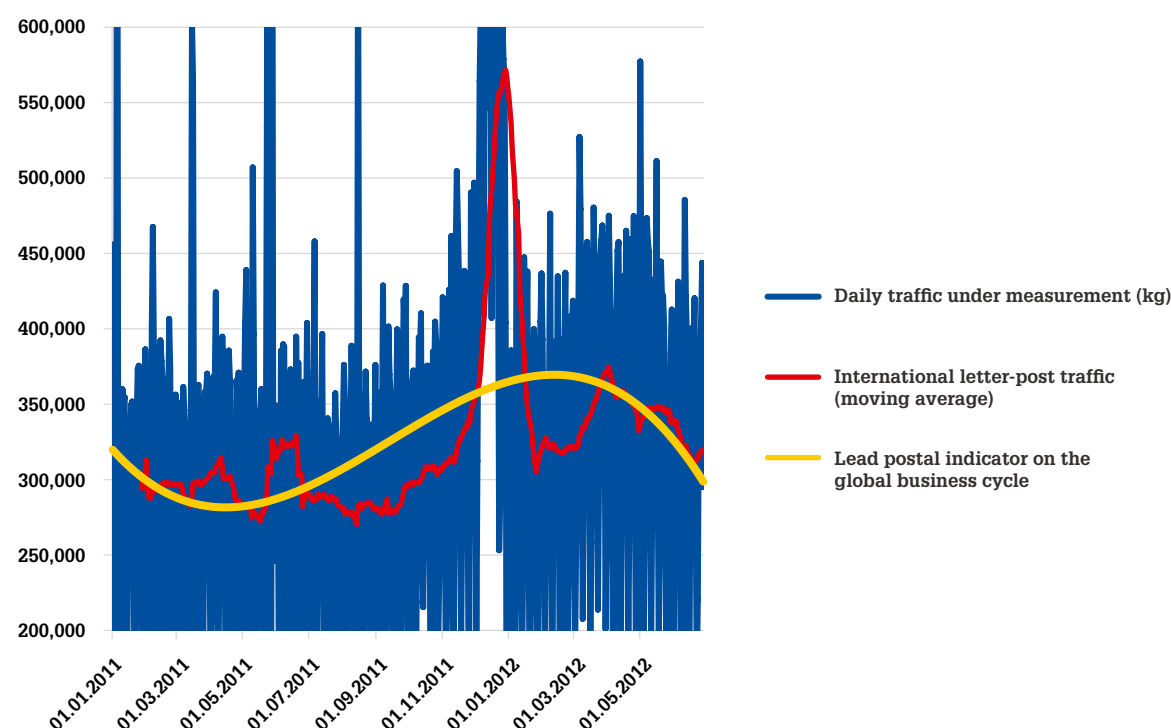
There yet?

In this age of synchronized communication, the postal sector does not appear to be quite in sync with the global economy. Until the onset of the recent economic and financial crisis, the indicator for the globalization of economies showed an increase in the share of goods and service exports in the global gross domestic product. This was the opposite of what was generally happening in domestic and international postal exchanges. However, international postal exchanges rebounded quickly at the first signs of recovery from the crisis.

In the short term, international postal exchanges are closely correlated with international trade. In October 2011, UPU indicators on the evolution of international postal items revealed a better-than-anticipated global macroeconomic situation, but to a more uncertain global economic situation from mid-2012 (see graph). In conclusion, while postal exchanges have not yet become fully globalized, they, nevertheless, allow us to take the pulse of the world economy. **JA**

José Ansón is a postal economist working for the UPU.

International mail: a good predictor of the global economy?



Looking back over and over

.....

As director general for eight years, France's Edouard Dayan has taken the UPU through uncharted waters and consolidated the organization's position as the premier partner accompanying the postal sector.



.....
**By Marc
Wolfensberger**

.....
**Photos:
Manu Friederich**

Union Postale: How has the UPU changed during your two terms of office?

Edouard Dayan: It has changed considerably. We had to anticipate changes in our environment because the postal sector does not function as an island. The international environment is shifting profoundly with the rise of information technology, globalization of markets and exchanges and other phenomena, such as migration. All these factors and elements have deeply altered the sector and the role of the UPU.

What was the greatest challenge you faced in the past eight years?

Keeping the organization rooted in the modern world, rendering it more flexible in the face of change, to reinvent itself, as well as enabling it to respond to the most demanding needs of the sector. This was followed by the introduction of methods and tools that could help all countries achieve the highest standards one step at a time.

I was driven personally to prevent the gulf between industrialized countries and developing ones from widening. At the UPU, our projects are shaped by the needs of the most advanced countries. We consider the needs of the most developed; then we adapt our cooperation policies to help less

advanced, developing countries attain the highest levels. This is how we fulfil our mission as an intergovernmental organization belonging to the United Nations family.

How important is the regional approach to achieving these goals? Regionalization is a political and economic reality. Groups of countries have already organized their economies on a regional basis and these regional organizations form the foundation for a political framework. It is essential for the UPU to take this framework into consideration in its activities.

And has this process been a success?

Yes, without a doubt. Since the approach was launched as a pilot project in Africa in 2006, working at the regional level has become the cornerstone of the UPU's strategy. Its success was demonstrated at the Geneva Congress in 2008, which defined the regional framework as a reference for implementing the UPU's strategy.

The regional approach is an essential way of working as it provides a framework for stimulating growth and innovation. You no longer arrive in a country like a preacher on a mission to spread the good word. Instead, your role is to encourage, while providing tools, solutions and methods.

In concrete terms, how does this work?

It is like being at school when the child at the next desk does better than you. This can spur you on to do well too. This is how our framework of stimuli for countries works, encouraging them gently into motion.

We have also introduced certain tools to help countries modernize their postal services and improve quality of service. Today, an item sent by post is not like a message in a bottle, thrown into the sea. It is very satisfying to see that nearly all Posts can now monitor mail items from end to end. To improve monitoring further, we are also fostering better relations with Customs and aviation authorities.

We have developed independent ways of assessing performance because a functioning system of measurement is a prerequisite for effective action. In 2011 alone, 30 new countries joined the Global Monitoring System (GMS). The results have been encouraging: 70 per cent of Posts using GMS have seen improvements in their national quality of service, which

will definitely impact the quality of international mail.

The UPU is also training over 7,000 postal employees in more than 40 programmes in four languages on the e-learning platform, TrainPost. Thanks to these distance courses, people can be reached no matter where they are.

The UPU has extended its cooperation with other international organizations significantly, such as the World Trade Organization, the International Fund for Agricultural Development, International Civil

Aviation Authority and UN Environmental Programme. Why was it important to strengthen such ties?

The UPU must not be isolated from global realities. Operating effectively at the international level requires organizations to pool their efforts and resources and we have to make international issues an integral part of our thinking and activities.

An international order, where all intergovernmental organizations come together, is vitally important.



“I have lived, worked
and breathed the
postal sector for most
of my career.”

There would be no point in pursuing a strategy focused solely on ourselves, as though the UPU existed in a vacuum. Our work must move from the global to the local and vice-versa, and partnerships must be developed to achieve this. This has been at the heart of my strategy since I took office in 2005 and has helped produce the results we see today.

Is customer trust in national Posts dwindling or increasing?

Trust is something that must be built daily. The recent financial crisis – admittedly a crisis without precedent – has been a revelation for the postal sector. It gave us an opportunity to measure the trust people had in Posts. We discovered that, in some countries, where Posts provide financial services, there was a considerable rise in deposits. This was due to people being so worried about their money being safe that they removed it from banks and placed it in postal accounts. It is a fact that speaks for itself.

What could be the main objectives for the UPU in the future?

One is to facilitate international

trade, above all helping small and medium-sized businesses. The other is to deal with issues concerning migrant workers, in particular by working towards financial inclusion.

What does the future hold for the UPU's budget?

A small number of countries currently contribute a large proportion of the organization's budget – five industrialized countries finance 30 per cent of the budget. In times of financial crisis, it would be unreasonable to ask these countries to contribute more. This is why the future lies in strengthening the UPU's role as a service provider to operators, while maintaining the single, intergovernmental character of the organization, and promoting partnerships with international funding bodies.

Any advice for your successor?

Whoever is elected should keep member countries' interests at the front of their mind. There is much to be accomplished and it is important to maintain a team spirit.

I have lived, worked and breathed the postal sector for most

of my career. I have passionately believed in postal services for almost 50 years. As I reach the end of my term, my passion for the sector will go on but it is now time to entrust the UPU to new hands. I wish my successor the very best and hope that they relish the challenges that lie ahead. **MW**

Marc Wolfensberger is a freelance journalist based in Lutry, Switzerland.

Disabled workers get fresh start

.....

Posts in some countries are doing their bit to ignore stereotypes and fight social discrimination by hiring disabled people and the long-term unemployed to build the business.

.....

By Ruby Pratka

.....

**Illustration:
Matt Kenyon**

One such recruitment drive is from the Netherlands' designated operator, PostNL. It is set to recruit 1,200 former long-term unemployed workers, some of whom are disabled, for 18 new sorting and distribution centres across the country. This Post is currently building a new parcels processing network to expand capacity and replace depreciated infrastructure, explains spokesman, Marc Potma. Five of the depots are already operational; the rest are scheduled to open by the end of 2014.

"For the new system to work, we need labour for fairly simple jobs like transferring parcels from a container to a conveyor belt," Potma says.

PostNL outsourced hiring for the new depots to Locus, an umbrella organization of Dutch social welfare groups, which specializes in employment for workers with disabilities, including the physically handicapped and people with mental illness or intellectual or social limitations. Recovering addicts and those who have been unemployed for ten years or more also form part of the labour pool.

Placements

Locus will place 550 people with intellectual disabilities and 650 welfare-to-work participants at the centres over the next two years. The jobs are part-time positions for which the number of hours will gradually increase.

"All the hiring, training, scheduling and planning is done by Locus. We tell them what we need and they organize everything," says Potma. "From a cost perspective, it is not much different from hiring temporary workers."

Locus comprises several partner organizations which co-ordinate employment opportunities for long-term unemployed workers across the Netherlands. The jobs are in high demand. "The waiting list is a year and a half long," says Rutger van Krimpen, who runs Locus' partner organization in Utrecht. There, PostNL helps non-disabled mentors learn about the logistics process, so they, in turn, can train the new employees.

According to Potma, the initiative arose out of a pilot project a few years ago. "We built a processing facility in Utrecht to see how to combine sorting and distribution in the same plant," he explains. "We hired 40-60 people with mental disabilities and it worked perfectly well."

He says that many of the project's first hires are still with the company. "With a lot of people, you don't see that they are disabled. They might have a behavioural problem or a physical disability," adds van Krimpen. "It takes some time to teach them how to work in new circumstances, but then we see these people improving rapidly and doing the work just like other employees."

Diana van Plateringen, who has attention deficit hyperactivity disorder, works in the Utrecht depot, loading parcels onto conveyor belts. "The work is quite heavy, especially during the holiday season, but I like how I can use my energy," she says.

Locus managing director Hanne Overbeek reveals that the initiative coincides with a change in Dutch law that encourages disabled workers to seek jobs in mainstream companies rather than sheltered factory environments.

Potma advises Posts to look into the legislative framework of their own countries before setting up a similar programme but says PostNL's experience has been very positive. "People need to find new fulfilment. When you offer them a part-time job and gradually work up [to a full schedule], you get them to become very productive over time," he says. "We are very happy with these people; they are very loyal."

Not alone

PostNL is not the only operator looking to increase employment opportunities for workers with disabilities. "Disabled people have been largely excluded from the workforce in the past, but now more emphasis is being put on their skills development, making them competitive and allowing them to contribute to the economy of their household, company and country," says Barbara Murray, senior disability specialist at the International Labour Organization. "[Employers] sometimes make an assumption that people with disabilities are not capable, but if they are in jobs suited to their own interests and qualifications, they can be excellent employees."

She also believes there is a business case. "When a customer or a prospective employee with a disability goes into a post office and sees someone with a disability working there, they know they will not be excluded," she says. "It is also good for a company's public image."

Murray says structural modifications and misunderstandings about what disabled workers can do are the main obstacles to companies hiring them. "In some countries, administrative buildings still have many steps with no lifts and bathrooms that are not accessible to the disabled, and all of that has to be changed," she says. "Also, employers are often willing to hire disabled people but they don't know what jobs the person can and can't do," she says. "Ask the new hire what they need; they may not need anything. They are the ones living with the disability for most, if not all of their lives; they know what they need."

Employing disabled workers may also be a legal requirement. Nepal and Algeria are among the countries requiring government agencies to hire a certain number of people with physical or sensory handicaps. Nepal Post's Nurahari Khatiwada says the country has a recent law promoting disabled hiring. This reserves five per cent of civil service positions for physically disabled, blind or deaf employees, who take the same civil service exam as other staff.

"We are working to promote the inclusion of all formerly excluded people," says Khatiwada. "We are focusing on making the buildings more accessible [for wheelchair users and blind people] and raising awareness among the staff... some people believe disability is a curse from a previous life and we need to change that attitude. We think we can do it in a few years."

Changes afoot

In Algeria, one per cent of civil-service positions are reserved for the disabled. "We have laws forbidding discrimination in the educational and professional spheres, but some people are still not well informed of our rights," says Ali Aknine of the Algerian Post. Aknine has a genetic disorder and uses a wheelchair but that has not prevented the international accounts manager from rising up the ranks or representing his organization on business trips abroad.

Aknine has worked at the Post for over 15 years and has seen accessibility in the past two to three years greatly improve. "Workplaces are being adapted due to a 2011 ministerial order and I would like to see this applied comprehensively," he says. "These [structural adaptations] are little details that can change the lives of some of our workers... I would ask Posts to just adapt the buildings and let us work; other issues will resolve themselves with time." **RP**

Ruby Pratka is currently an intern with the UPU Communications Programme.



Time you subscribed?

Since 1875, *Union Postale* has reported news from the international postal sector for the benefit of

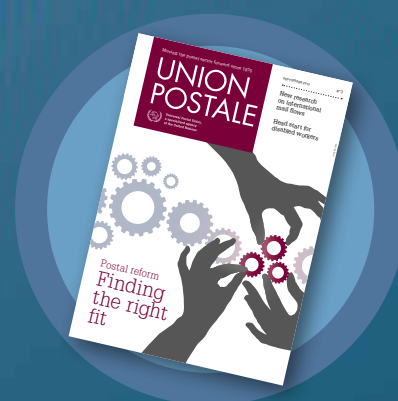
stakeholders across the industry. Readers include chief

executives, regulators, operational experts, managers, strategic thinkers, post-office employees, suppliers, academics, philate-

Join the ranks of thousands of satisfied readers now. Sign up for four issues a year of our flagship magazine in one of seven languages.

Private subscribers anywhere in the world can subscribe for CHF50 a year. Special discount rates apply to Posts from UPU member countries.

**Fax us your order now on +41 31 350 37 11
or email us at faryal.mirza@upu.int with the
following details:**



Name

Position

Organization/Operator

Full postal address

E-mail address

Telephone

Fax

Language version desired:

English

French

Arabic

Chinese

German

Russian

Spanish

Zambia rolls out addressing pilot

.....

A national addressing system is now on its way for Zambia. The Zambia Information and Communications Technology Authority (ZICTA) and the Zambia Postal Corporation (ZAMPOST) are cooperating with other stakeholders on the project.

.....

By Kayla Redstone

The pilot project, launched in July, will result in the development of an addressing system in parts of the capital, Lusaka, and in Chongwe, a nearby rural village, within six months. It is planned to roll the project out in three phases to properly address the entire country with 14 million inhabitants by the end of 2015, says ZICTA's director general, Margaret Chalwe-Mudenda.

Addresses will come first to Lusaka, Central and Copperbelt provinces, followed by Eastern, Muchinga, Luapula and Northern provinces. The Southern, Western and North-Western provinces will be completed in the third and final phase.

ZICTA expects the addressing system to improve communication, city and electoral planning, security, emergency, and utilities services, create jobs, increase trade, facilitate financial and social inclusion, as well as increase revenues for the Post and foster quality of postal services.

"ZICTA's mandate to promote universal access to postal and courier services and stimulate the growth of the postal sector cannot be realized if the issue of addressing is not dealt with comprehensively and decisively," says Chalwe-Mudenda.

Not having physical addresses is a barrier to any public service, particularly postal services says the UPU's addressing expert, Patricia Vivas. Once the addresses are created, developing postcodes is an essential step to improving quality of service, she says.

"With only one element of the address — a granular postcode — the letter carrier knows exactly where the mail has to go and what postal route the letter will take until the delivery point," Vivas says.

Chalwe-Mudenda says study tours to Uganda and South Africa helped ZICTA identify key stakeholders and their roles, spot possible challenges, select the pilot area and develop the next phases of implementation.

She says keeping the pilot in the capital was a strategic move since Lusaka offers several unique types of addresses, such as formal urban, incomplete physical addresses in statutory housing areas and rural addresses. "The idea was to capture areas that are representative of all the address types that currently exist in Zambia, so that this experience can be used to roll out the project to any part of the country," says Chalwe-Mudenda.

Six sub-committees, made up of public bodies, will develop the addresses and postcodes, as well as a geographical information system component, which will map the entire country. ZICTA will oversee the addressing project, while ZAMPOST will be responsible for developing postcodes. The resulting draft postcode directory will undergo selective public consultation before it is approved and published, adds Chalwe-Mudenda. **KR**

Kayla Redstone is currently an intern with the UPU Communication Programme.

Digest

Australia

Australia Post has expanded its network of 24/7 postal superstores, adding a first in Western Australia. The stores allow customers to run their postal errands, such as picking up parcels at any time of day, as well as providing non-traditional offerings, such as online shopping and travel services. The new store in Perth will be the first where customers can pick up and renew driver's licences. **KR**

Austria

Austria Post has expanded its direct mail network, acquiring a Polish unaddressed-mail company and a 26 per cent stake in a Bulgarian hybrid-mail specialist. Poland's Kolportaz Rzetelny claims a 36 per cent share in the country's direct mail market. Bulgaria's M&BM Express sent 65 million hybrid-mail items last year. **KR**

Austrian Post staff have received a 3.2 per cent pay rise, effective from July 1, following an agreement between the operator and the country's postal and telecoms union. Delivery staff will also receive an additional monthly overtime payment of 84 EUR (104 USD). **RP**

Finland

Itella Logistics has signed an agreement with VR Group to acquire its groupage logistics service, VR Transpoint, and its logistics subsidiary, PT Logistiikka Oy. The logistics groupage employs around 800 people and generates about 130 million EUR (161 million USD) in revenues per year. The acquisition is set to eliminate overlap in services provided by the Post and the VR Group. **KR**

Itella Mail and Google's Finnish service provider, GAPPS, have signed a letter of intent, allowing the Post to offer web services to small businesses. The service, Itella Verkosto, will allow companies to perform routine tasks, such as billing, sending, receiving and archiving documents, using one online platform. The service should be available over the course of the next year. **KR**

Germany

Deutsche Post DHL generated 27.1 billion EUR (35.2 billion USD) in revenues during the first half of 2012, a 5.8 per cent increase on the same period last year. The group attributed growth to an increase in parcels and a strong Asian market. **KR**

Deutsche Post has outfitted the last of 82 mail centres with its new mail sorting system. Started in 2009, the 400-million-EUR (484 million USD) upgrade includes 288 sorting machines for standard and compact letters, as well as 87 machines to sort Großbrief and Maxibrief items. The upgrade is expected to result in faster and more accurate sorting and to reduce carbon emissions by 5,000 tonnes annually. **KR**

New Zealand

New Zealand Post has sold its business-to-business management and supply chain software developing subsidiary, ECN Group, to Australian company, B2BE. The Post made the sale to focus on its primary postal, courier, financial and digital services. B2BE is a specialist supply chain e-solutions company, which operates out of offices in 17 different countries. **KR**

New Zealand Post increases share of domestic parcels market

After an eight-year partnership, New Zealand Post will buy DHL's 50 per cent share in two joint ventures, Express Couriers Limited (ECL) and Parcel Direct Group Pty Limited (PDG), to increase its share in the express mail and parcels market.

"Express delivery is a core element of our current and future strategy. We continue to observe a dramatic decline in the amount of letter mail in our traditional postal network, while at the same time parcel and courier volumes are growing

steadily, on the back of growth in e-tailing and e-trading," New Zealand Post CEO Brian Roche stated in a press release.

During the 2010–2011 period, New Zealand Post noted a 4.5 per cent decrease in domestic mail, despite large mail-outs for local government elections in 2010 and voter registration and referendum information in 2011. International mail volumes also decreased 6.7 per cent.

ECL offers express, logistics and distribution services in New Zealand, while

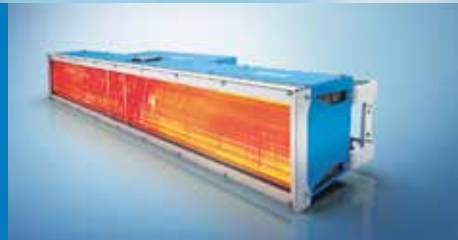
PDG is a group of Australian companies specializing in parcel and freight distribution. Both will become wholly-owned subsidiaries of New Zealand Post.

DHL says it will focus on its international express services, but the companies will still support each other's operations – DHL internationally, and New Zealand Post domestically – though a commercial agreement. **KR**



Seeing details, understanding the big picture

**For speed and reliability in
the sorting process**



Secure recognition, rapid identification, reliable sorting

SICK's solutions guarantee reliable identification of 1D and 2D codes as well as RFID tags. Certified volume and weight measurement systems ensure the optimal utilization of capacities and certified service-based charging. With maximum reading rates and reliable sensors at the micro level, SICK provides maximum throughput speeds – from package acceptance to delivery.

More information at www.sick.com/industries

Switzerland

Swiss Post will soon be providing payslip delivery services by hybrid mail for Deutsche Bahn, the German rail operator. With Swiss Post's ePostSelect, confidential documents can be securely emailed either directly to the recipient or to a Swiss Post printing centre in Germany from where hard copies are generated and mailed to recipients, who prefer paper payslips. **RP**

Singapore

SingPost recorded a 6.5 per cent increase in revenues for Q1 2012/13 compared to Q1 2011/12, pulling in 151.6 million SGD (119.9 million USD), despite a 1.1 per cent contraction of Singapore's economy. Logistics and retail services saw the largest increases at 11.5 and 12.4 per cent respectively, offsetting a decline in domestic mail contributions. **KR**

SingPost's new online booking tool, ezy2ship, will make it easier for businesses to manage and send their packages. By logging on to www.ezy2ship.com, businesses can prepare and print labels, schedule parcel pick-up, manage online shipments, track parcels, generate shipment information and print end-of-day manifests anywhere or at any time. **KR**

United Kingdom

Royal Mail's new mapping pilot project, Pinpoint, in East Anglia records precise GPS longitude, latitude and altitude data at the front door of each home and business address in the area. The Post plans to expand the project to the rest of the country later this year if the pilot is successful. **KR**

United States

USPS achieved 11.6 billion USD in losses during the first three quarters of its financial year. The Post recorded a 5.2 billion USD loss for the third quarter alone, compared to last year's 3.1 billion USD loss in the same period. It blamed a decrease in first-class mail volumes and a 5.5 billion USD prefunding payment for retiree health benefits, on which it defaulted, for the significant Q3 loss. **KR**


Malaysia Post in Islamic pawn venture

Pos Malaysia is now offering a pawn-broking service, which follows the principles of Islamic law, for the country's Muslim population. The service is a joint venture with the Bank Muamalat Malaysia, which will hold a 20 per cent stake in the company.

By submitting gold valuables (except gold bars and gold coins) as collateral, customers will be able to borrow a maximum of 100,000 MYR (31,967 USD) from ArRahnu@POS for six months, with the possibility of another six-month extension upon repayment of the first loan's fees. As interest is prohibited by Sharia law, the Post will impose a safekeeping fee to bypass the rule. The customer will pay a fixed amount per month, determined by the market value of the collateral, for the loan's term. Muslims account for 60 per cent of the Malaysian population.

Although several banks in Malaysia already offer a similar service, the Post's head of financial services, Nora Abdul Rahman, says the Post's network allows it to penetrate parts of the country where these other services are unavailable. "We believe it is an opportunity for Pos Malaysia as the market penetration for this kind of service is said to be still less than 50 per cent," says Abdul Rahman.

The service began at two outlets in July and will be expanded to 50 post offices within a year. **KR**

A portrait of Emmanuel MIETTE, a middle-aged man with short grey hair and blue eyes, wearing a dark suit jacket over a light blue shirt. He is standing with his arms crossed, looking directly at the camera. The background is a blurred industrial setting with yellow and white elements.

Understanding your requirements and imagining tomorrow, that's my job.

Emmanuel MIETTE
Engineering Director - Sorting Systems

C O N S U L T | D E S I G N | I M P L E M E N T | S U P P O R T | A D D V A L U E

For more than 60 years we have been a partner to the world's postal operators. With the strength of our experience we are able to provide a comprehensive consulting service: audit, analysis, assistance in decision-making, benchmarking and working with you to drive continuous improvement. We are here for you and for each stage in the life of your process, SOLYSTIC offers solutions tailored to your requirements.

See the future differently with SOLYSTIC.

www.solystic.com



Future postal solutions

Quality information from innovation



GMS

Global Monitoring System

Measuring mail performance with RFID technology was just a dream for many UPU member countries. Not anymore. Thanks to GMS, Posts can now benefit from a state-of-the-art solution that uses passive RFID at a very affordable price.

For more information, watch the animation film
<http://www.tinyurl.com/gmsfilm>
or contact gms@upu.int.



UPU | UNIVERSAL
POSTAL
UNION