

Moving the postal sector forward since 1875

DECEMBER 2012

N° 4

# UNION POSTALE



Universal Postal Union,  
a specialized agency  
of the United Nations

.....  
Interview with  
new DG  
Parcel inquiries  
get faster

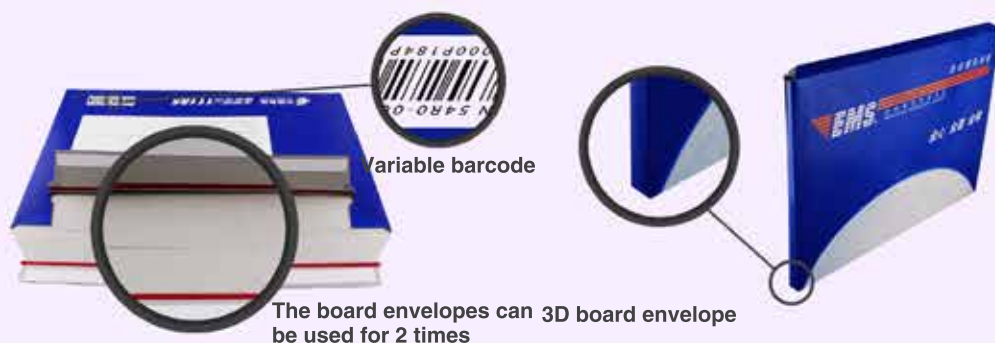


Facing  
the future  
head on

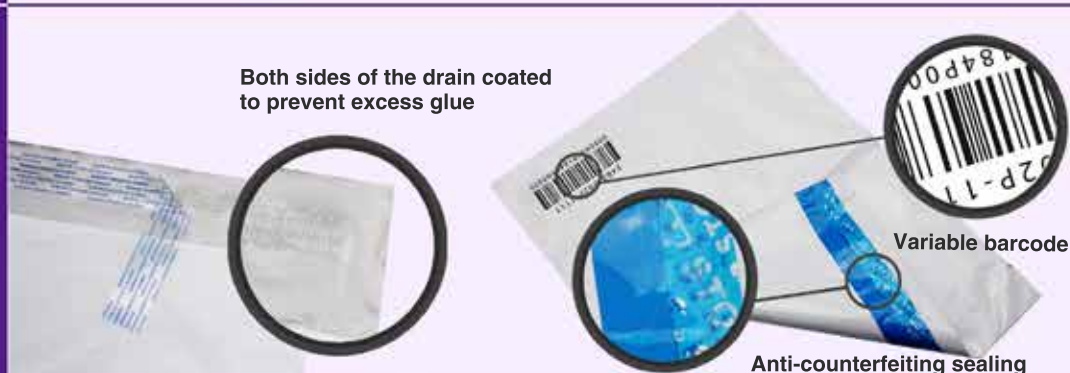
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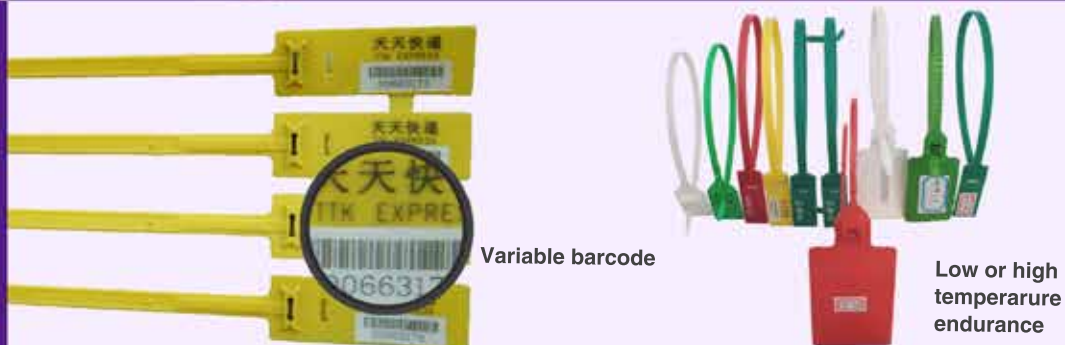
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Cover: [gettyimages.com](http://gettyimages.com)

(Tsim Sha Tsui, Hong Kong)

# December 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, featuring 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.

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# in brief



Scenes from the Doha Congress  
(Photos: Nawras Alfawal)

## Congress video archives



**From October 7-11, 2012, UN Web TV filmed all the Doha proceedings**

To access the archive, check out:

<http://webtv.un.org/meetings-events/conferencessummits/25th-universal-postal-congress-7-11-october-2012-doha-qatar/>

### Postage

## Redefining literature for the blind

Blind and visually impaired persons worldwide now have modern rules for sending and receiving materials internationally after the Doha Congress extended the exemption from postal charges to 'items for the blind' to include a wider range of articles. The definition of persons and organizations that may send items for the blind internationally has also been expanded. Any item for the blind sent to or by an organization for the blind or sent to or by a blind person will be exempt from postal charges.

In future, items for the blind will cover correspondence, literature in

different formats, including sound recordings and equipment or materials of any kind made or adapted to assist blind persons. "Changing the wording of the provisions of the Universal Postal Convention to 'items for the blind' will have a significant positive impact on the electronic inclusion of blind people in today's society," says Dan Pescod, vice-chair of the World Blind Union.

Today, blind and visually impaired persons, estimated at 285 million worldwide, get their information using new media and modern communication tools. Heavy, bulky

books in Braille have given way to CDs specially formatted for use by the blind.

As specialist stores, bookshops and libraries are often located far from where blind people live, the Post is the only service that can bridge these distances. "The large number of countries that voted in favour of these changes at the Doha Congress is a reminder that these countries have honoured their commitments under the United Nations Convention on the Rights of Persons with Disabilities," said Pescod. **JD**



## Editor's note

When I look back on what was my first experience of Congress, a number of images come to mind. Against the strong blue and geometric designs of the event's branding, people from the postal sector mingle in gigantic halls and marble corridors in intense discussions to steer the course of the Union. All are reunited under the Congress motto: New world, new strategy.

During those three weeks in Doha, a new strategy was indeed forged to deal with a business world in perpetual motion. I returned from Doha with a keen sense of what moves our industry, what gives our colleagues in the 192 member countries sleepless nights and what thrills them about the Union's work.

This issue of *Union Postale* is dedicated to those of you, who could not attend Congress. This is our 'wish

you were here' postcard of Congress highlights. Alas, it proved to be nigh on impossible to do justice to all the developments that took place in Doha. Cherry-picking was a necessary evil but I hope, nevertheless, that you get a glimpse – and for those that were there, a reminder – of some key developments.

And the magazine is not only looking backwards but also forward to a new era. From 2013, the UPU will not only have a new strategy but also a different leadership. To help readers get acquainted with the new yet familiar faces, we have interviewed the director general elect, Bishar Hussein, and his deputy, Pascal Clivaz, to get closer to the personalities behind the titles.

**FARYAL MIRZA, EDITOR-IN-CHIEF, UNION POSTALE MAGAZINE**

### Financial inclusion

## Posts must exploit untapped potential

The 25<sup>th</sup> UPU Congress has adopted a resolution urging member countries to continue developing postal financial services, further recognizing their contribution to the United Nations Millennium Development Goal of reducing poverty.

With the decline of letter-post volumes, financial services offer new growth opportunities for postal services, and they are gaining ground as Posts consider strategies to diversify the business. Postal financial services accounted for almost 12 per cent of global postal revenues worth 304 billion USD, according to UPU statistics for 2011. In countries, such as China, India, Gabon, Tunisia, Bangladesh, Italy, Azerbaijan, Belarus and Burundi, these services contribute more than 50 per cent of the Post's revenues.

### New research

Posts are underused for financial inclusion, despite having the largest number of contact points in the world, according to a report by the UPU, presented at Congress. With 660,000 contact points in the world, Posts and their financial subsidiaries come only second to banks in their potential to contribute to financial inclusion. There are 523,000 bank branches and ATMs in the world, according to the International Monetary Fund.

An estimated one billion people are currently banked through the postal network. Fifty-one postal operators worldwide held 1.6 billion savings and deposit accounts in 2010. "The postal network offers tremendous potential for fostering financial

inclusion," says Alexandre Berthaud, one of the report's authors. "If only 51 Posts offering savings accounts can bank a billion people, then the remaining postal operators of the UPU's 192 member countries could easily provide a gateway to financially include at least 500 million unbanked people directly or through partnerships with banks."

Providing a global panorama on postal financial inclusion, the report identifies five main categories of business models Posts use to provide financial services, as well as key issues to keep in mind when providing such services or moving into more complex financial services. The report also recommends how postal operators could progressively offer financial services. **RL**



### Financial inclusion at the UPU:

<http://www.upu.int/en/activities/financial-inclusion/about-financial-inclusion.html>

# in brief

Who's who at the UPU

## An eye for detail

**Name:** Alexandre Plattet  
**Directorate:** Logistics  
**Position:** Assistant, French typing pool  
**Nationality:** Swiss



The spotlight is an unusual place for Alexandre Plattet; he prefers to be behind the camera. In addition to his responsibilities in the French typing pool, Plattet also takes photos of International Bureau (IB) events. "I take portraits of IB staff, pictures of accords being signed and the like," says the soft-spoken shutterbug.

Plattet – who has a commerce diploma – joined the French typing pool in 1999 after responding to a newspaper advertisement. Mainly responsible for typing and formatting French texts, he also helps to create document templates and enters documents into a multilingual database. "I manage the database that allows us to put UPU documents on the web in all official languages," he says.

Plattet has a good knowledge of English. "My brother-in-law is a Canadian and part of my mother's family is Swedish, so I get a certain amount of practice," he says.

Nature photography is Plattet's passion. "I feel really comfortable in nature," he says. "I love the opportunity to contemplate nature's beauty. When I was younger, I drew a lot, but a painting takes a lot of time, whereas with photography you have an immediate result... you freeze a moment in time that is unique; you will probably never again have this

scene with that light at this hour."

Plattet's nature photos have been exhibited at the UPU's Berne headquarters, in Montreux, Fribourg and Geneva, as well as at New York City's Agora Gallery.

Plattet has travelled to Greece, Algeria, Iceland and the Canadian Rockies to shoot photos. "I loved the desert in Algeria and the glaciers in Iceland," he says. "On my next trip, I'd like to go to Chile. There, you have the Atacama Desert in the north and the glaciers in the south. Desert and ice... the two extremes connect."

Before focusing on photography, Plattet sang in a choir and made several short films. In 1995, when he was 23, his first short film was selected for an international festival in Germany. Now he enjoys writing poetry, taking long walks in the woods - usually with a camera - and working with computers. "I've always been fascinated by computers and now make use of them for digital photography. It's a technical art." **RP**

Emergency and Solidarity Fund

## Funding secures future

The UPU's Emergency and Solidarity Fund has been guaranteed a minimum income in the 2013–16 cycle, due to Congress deciding that one per cent of the regular Union budget should go towards it annually. This will enable the UPU to take immediate or rapid action in the wake of future disasters. The ready availability of financial resources will make

it easier to get basic postal services – deliveries of letters and parcels and receipt of money transfers at postal counters, for example – up and running again.

Member countries, postal operators, restricted unions and other partners have also been invited to boost the fund with voluntary contributions or to issue special stamps

with a surcharge earmarked for the fund. Other financing options will also be considered.

The fund was set up by the UPU Council of Administration in 2010 to cover the numerous demands for emergency assistance and ensure a quick response in allocating resources to emergency assistance. **JD**

## Parcels fuel mail transformation

Innovation is vital to reviving the postal sector's fortunes, UPU Director General Edouard Dayan told delegates at the World Postal Business Forum, part of an annual industry event. "The development of the digital economy has stimulated the need for Posts to expand their product and service offerings by developing postal digital services," Dayan said.

While many Posts are diversifying their products and services, Dayan sounded a note of caution. "The UPU is ever-conscious that the internet does not fulfil every need. Mail and parcels are still the core business of the majority of Posts," the UPU director general stated.

Echoing this sentiment was Johnny Thijs, chief executive of bpost, Belgian designated operator. "Our ambition is limited to the core business, where we use our competencies,"

Thijs said. Reputedly the longest serving CEO of a postal operator worldwide, Thijs revealed that bpost's strategy was to move from being a mail company to a parcels one.

### Consumer driven

Khalil Daoud, chief executive of Liban Post, the Lebanese operator, said the jury was out when it came to transforming the business in the long run. "All Posts are reinventing their business. Our common ground is the high fixed costs. The expense is there whether we deal with one mail item or a million," Khalil said.

Dato' Khalid bin Abdol Rahman, Pos Malaysia Berhad's CEO, revealed that the designated operator was moving from a product-centric to a solutions and consumer-driven paradigm. Revenue diversification is at full throttle since the Post was

taken over by the DRB-HICOM conglomerate in 2011. "We can build on our core competencies. We have access to more than 80 per cent of addressed and unaddressed establishments. And we have one touch point for every 5,000 inhabitants in Malaysia," Dato' Khalid said.

The three-day forum in Brussels, Belgium, featured a host of CEOs and operational experts on how to steer the sector through changing times. While there was no magic formula on offer guaranteeing success, the gathering intended to inspire industry actors to find ways to better deal with the sector's future.

Organized by the UPU, the World Postal Business Forum is part of the industry event, Post-Expo, which is attended by 3,000 delegates on average every year. **FM**

### International reply coupon

## Czech out new design

The Czech Republic has won the UPU's competition to design a new international reply coupon (IRC). The work of Czech artist and graphic designer, Michal Sindelar, reflects the theme 'Water for Life', chosen in line with the United Nations International Year of Water Cooperation in 2013.

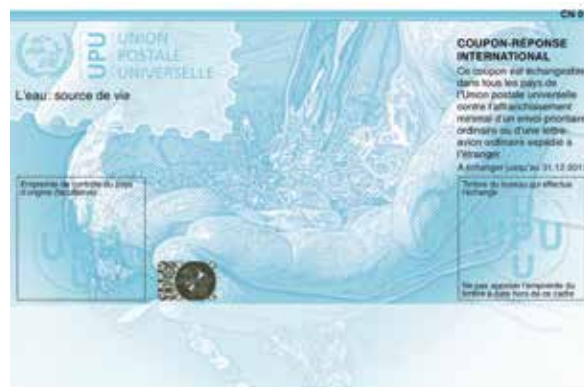
The new IRC will go on sale on July 1, 2013. Customers will be able to exchange it until the end of 2017. It will replace the current coupon, known as the Nairobi model, which was first issued on July 1, 2009, and remains valid until December 31, 2013.

IRCs are exchangeable in every UPU member country for stamps representing the minimum postage for

an ordinary priority letter-post item or airmail letter sent abroad for a reply. While not all Posts sell IRCs, they are all required to exchange them.

By October 31, 2012, 120 Posts worldwide had issued more than four million Nairobi IRCs with a total value of some 5 million USD.

Some 105 years after they were created, IRCs remain useful. In addition to their normal use for sending reply-paid mail, students in many countries use them to exchange correspondence with universities and other educational institutions to find out the status of their admissions applications. **JD**



On sale in July  
2013





# Tempo set for new cycle

.....  
The Universal Postal Congress in Doha, Qatar, was a whirlwind of activity, which did not disappoint.



.....  
**By Faryal Mirza**

Some 2,200 delegates from the UPU community played a crucial role in shaping the Union's future from September 24 to October 15, 2012. Within Congress's framework, decisions taken ran the width and breadth of all that the UPU stands for, setting the tone for the new work cycle.

Against the backdrop of falling mail volumes and evolving customer needs, member countries agreed to

use technology and standards to improve core business areas – such as parcels and letter post – while diversifying their businesses.

Now that the dust from Congress has settled, *Union Postale* takes a closer look at some of the major decisions taken. Among them, terminal dues – the international letter-mail remuneration system – figured heavily, as well as supply chain security and e-commerce.

## Terminal dues move ahead

The complicated and sensitive issue of terminal dues stayed true to form, generating heated debates, but this did not prevent member countries from adopting important decisions on the subject. Terminal dues are the remuneration one country pays the destination country for processing and delivering a letter-post item in the latter's domestic network.

The decisions taken at Congress continue the work started some years ago towards one system of remuneration for all countries. They confirmed that member countries wished to continue moving towards a universal system. Currently, the UPU system has two sub-systems: target and transitional. Depending on a country's classification, linked to its level of development, it belongs

to either the target or transitional system. Countries belong to one of five groups, with Group 1 containing the most developed countries and Group 5 the least developed. "It's an on-going process and the ambition is to have one model for all countries as soon as possible," says Sweden's Jan-Erik Leistedt, chair of the Congress committee that dealt with terminal dues.

In the target system, each country has its own terminal-dues rates, expressed in a rate per item and a rate per kilo. These rates are calculated by taking each destination country's domestic tariffs into account. In the transitional system, the terminal-dues rate for a country are decided by Congress and are part of the UPU Convention.

It was originally envisaged that all countries would be part of the target system by 2017 but the new date is now not likely to be before 2026.

For the work cycle starting in 2014, the target system will see a number of changes. The concept of separating letter-mail items of different formats has been introduced into the UPU Acts. This means that it will be mandatory for countries in the target system to carry out format separation. The rationale is that the format of letter-post items will be taken into account for setting the price for organizing operations and accounting.

In future, two reference domestic tariffs will be used to calculate the terminal dues rates for countries in the target system. One reference rate is currently being used - that of a 20 g letter. This will be joined by an additional reference rate for 175 g flats. "This will ensure that the terminal-dues rate better represents domestic tariffs of postal operators," explains George Goumas, UPU economic affairs coordinator.

The transitional system will also see some changes from 2014. Good news is on hand for countries under this system that need to modernize their letter-post operations with a view to ultimately joining the target system. They can benefit from increased help from the

UPU's Quality of Service Fund (QSF). The annual minimum entitlement from the QSF for all groups will increase from the current 12,565 SDR (8,212 USD) to 20,000 SDR. The total amount of QSF credits available to all countries remains constant at about 10 million SDR per annum.

Another Congress decision enables countries belonging to Group 3 to move from the transitional system to the target system in 2016, the middle of the next work cycle. They include China, the Russian Federation, South Africa, Turkey and Malaysia, as well as Gabon, Mauritius, Lithuania and Costa Rica. New target-system countries benefit from a long transition period, says Goumas. "Once a country passes to the target system, it is considered a new target country for eight to 12 years. This means that it applies the target-system provisions gradually, allowing it time to implement all the changes necessary for full participation in the target system," he explains.

As to why terminal dues are such a sensitive topic, Leistedt offers some insight. "It is because money is involved; there are big sums at stake for some countries. And if we make any changes to the system, there will always be countries that stand to gain or lose." **FM**



**Terminal dues:**

<http://www.upu.int/en/activities/terminal-dues-and-transit-charges/key-documents.html>

## .post gains momentum

Member countries adopted a general resolution by consensus that gave the green light to .post's continued development. With the UPU's sponsored top-level domain on *terra firma*, member countries were invited again to join the project. The .post platform extends the physical postal network into cyberspace, enabling the community to offer trusted and secure postal e-services.

During Congress, Malaysia announced that its Communications and Multimedia Commission would donate 100,000 USD to the project. Its chair, Dato' Mohamed Sharil Mohamed Tarmizi, recognized as an international expert in internet governance, stated that Malaysia is a strong supporter of the .post vision. "We believe the postal service must evolve with the postal eco-system of the future to ensure its sustainability and remain relevant," he said. "Being part of the .post domain presents opportunities for us to leverage on global postal innovation."

Dato' Mohamed revealed that a .post domain could play a crucial role in a number of innovations in Malaysian postal services, such as a cross-border digital mail service and an electronic postal payment system. "These are some of the initiatives, which will accelerate the fulfilment of the strategic objectives of our National Postal

Strategy for 2010–14," he said. "In support of these objectives, Malaysia has enacted new postal legislation that promotes integrated and modern services in three strategic areas: physical, electronic and financial services," he added.

As for the future, the country is looking forward to the next generation of postal services. "Given the future strategy for the postal sector in Malaysia, I believe it will not be long before it joins the rest of the UPU members to apply for a .post domain," Dato' Mohamed said.

Another member country that is excited to be on board already is Italy. Poste Italiane, the designated operator, launched the first .post website (<http://www.posteitaliane.post>) at Congress and has plans for future services branded with the .post suffix. The Italian operator is teaming up with the Netherlands' PostNL to look at developing cross-border e-commerce on the platform. Poste Italiane is also trialling a postal registered electronic mail service with the Posts of China and Macau.

Giovanni Brardinoni, Italy's chair of the .post interim group, said the interest shown at Congress in .post was from both developed and developing countries alike. "People are totally convinced that .post will be the right technical framework for developing real integrated



services to boost e-commerce for postal operators because we, the Posts, have all the single parts that compose the supply chain of e-commerce transactions," Brardinoni said. "We have logistics, financial and electronic services, so we can provide customers with a unique point of access for e-commerce."

To showcase one possibility on .post, the Postal Technology Centre, the UPU's technical arm, has created a global track and trace application which, eventually, will enable customers to track the items they have ordered until final delivery. Malaysia Post is among a handful of countries participating in its pilot implementation. Using the electronic data that the world's Posts exchange on the UPU's Post\*Net network and other interconnected networks managed by external partners, all designated operators could, one day, benefit from a comprehensive end-to-end track and trace system. This would bring tremendous value to online merchants and customers alike.

Member countries and their designated operators interested in applying for a domain can register their interest at: <https://apply.info.post>

At the present time, only limited applications are being processed until the .post user-group is formally set up. This is likely to happen at the next Postal Operations Council in April 2013. The new group will oversee the future development and management of the postal top-level domain, among other activities.

Once the user group is established, member countries (either directly or their designated postal operators) will be able to join for a fee and help shape the future of .post. This will bring the funding of .post in line with other user-funded subsidiary groups, such as the EMS and Telematics Cooperatives. In 2009, the UPU became the first United Nations agency to be granted a sponsored top-level domain by the Internet for Assigned Names and Numbers Corporation. **FM**


## Securing the supply chain

Renewed focus was placed on Posts securing the global supply chain. Thanks to a Congress decision, for the first time in its history, the UPU has set minimum mandatory standards on securing the mail. Other decisions were taken to support the on-going work in electronic data interchange (EDI) to support customs and transport security.

The new supply chain standards—S58 and S59—give Posts a baseline to work from (see *Union Postale*, cover story, June 2012). S58 covers security measures of a more general nature. It focuses on facility security, surface transport, compliance audit programmes, emergency preparedness and business continuity planning, among others. S59 relates to securing the processing and transport of international mail. An important component of the way

forward will be training postal operators to deal with the new challenges of securing the mail. Work will also continue with stakeholders, such as the International Civil Aviation Organization, World Customs Organization (WCO), European Commission and the United States Transportation Security Administration to move ahead.

On a parallel track, member countries gave the green light to continuing the work to provide electronic information to customs and the aviation sector for security purposes. This provides wind to the sails of the testing of an electronic pre-advice system. This activity was started in 2006 by five Posts (Canada, the US, Great Britain, France and Germany), says Canada Post's Peter O'Neill. "These Posts banded together to explore an electronic



format for the CN22 and CN23 customs declaration," he explains. Soon afterwards, work began on the UPU Customs Declaration System (CDS), with funds from Canada and the EMS Cooperative.

Since then, the group of five Posts have grown to 13 and these countries have participated in a number of pilot projects, sending EDI messages containing information about mail items in the so-called ITMATT format. Between 2007-11, these Posts exchanged over 17 million such messages. The group is expected to exchange some 11 million messages in 2012 alone, says O'Neill.

For its part, the WCO has praised the Congress decision to provide electronic advice on consignments to customs authorities in advance. "This forward-thinking decision by the UPU will significantly contribute to global aviation security," said the WCO's secretary general, Kunio Mikuriya, in a press release in November. "It is a clear

demonstration of the UPU's commitment to enhance trade security using a risk management approach, as embodied in the WCO Framework of Standards to Secure and Facilitate Global Trade," he added.

Technical testing of the CDS continues, intending to enlarge the circle of participating customs authorities. The WCO has already approved and mapped the ITMATT message to its own data model. It is hoped that Customs will soon be able to use ITMATT data to examine a consignment's security status ahead of the items' arrival to decide whether further action is required when goods physically arrive in the country of destination. "Connecting the stakeholders of the global supply chain is vital, not only to maintain security but also quality of service," says O'Neill. The WCO's Mikuriya also 'strongly urged Customs administrations and postal services to cooperate at the national level to ensure the integrity and security of post'. **FM**

## Return to sender

As e-commerce develops, it is creating tremendous opportunities for Posts worldwide. To help Posts meet new consumer needs and seize existing and future opportunities in e-commerce, several Congress resolutions urge the UPU to further develop cross-border e-commerce by working on eliminating growth barriers, adapting existing services and enhancing the quality of service for citizens and businesses, especially small and medium-sized ones.

Among the priorities is the creation of return services that would enable customers to easily send back unwanted merchandise to online retailers. As such, Congress urged the UPU to continue developing a merchandise returns service for parcel-post. The 2009-2012 Postal Operations Council (POC) already laid out the groundwork for creating this new proposed optional service and mandated an interim parcels working group to continue the work between Congress and the first POC meeting in April 2013. Congress adopted the necessary changes to the UPU Convention, so the new POC will focus on completing the specifications for this return service and making changes to the UPU parcel-post regulations and related forms to optimize operational processes and procedures.

Joost Magielsen, who looks after the international postal parcels network at PostNL, the Dutch designated operator, leads the return-service group. He says having the new optional service ready by January 1, 2014, when the updated UPU Convention and regulations come into effect post-Congress, will be challenging, but he hopes

the UPU can piggy-back on already existing systems and developments to move forward as efficiently as possible. "The new service has to meet several international challenges, such as affordability, traceability and priority processing," he says. The UPU needs to develop a transparent accounting mechanism to ensure reasonable and competitive regional air conveyance costs, work on an outward land rate to cover a destination Post's collection costs and coordinate the new service with customs officials to ensure smooth handling of return merchandise at borders.

To meet these challenges, the UPU will work closely with entities, such as International Post Corporation, the EMS Cooperative and the Kahala Post Group, which are already operating or exploring return solutions. Aligning these activities will save development and maintenance costs, as well as create the momentum to reduce the 'time to market' for the new service and meet deadlines, adds Magielsen. Work in the letter-post area will also be monitored as the UPU tries to develop an effective and competitive merchandise return service for both light-weight and heavier items.

According to the UPU's 2011 statistics, traffic of international parcels was 58 million items. Since 2006, this business segment has experienced annual growth of 5.3 per cent and it should continue to evolve. The Interactive Media in Retail Group expects that total business-to-consumer e-commerce sales – estimated at 690 billion EUR (887 billion USD) in 2011 – will pass the trillion-euro mark in 2013. **RL**



## Focus on quality

Crucial to shaping 2013–16 was the adoption of the Union's new road map – the Doha Postal Strategy. Member countries gave their seal of approval to the new strategy, which sought to build on the base established by its predecessor. In the face of changing market conditions, the strategy is an important guide to help postal operators modernize and develop the network.

Work in the new cycle will be aligned to the strategy's four main goals: improving the interoperability of the international postal network, providing technical knowledge and expertise related to the postal sector; promoting innovative products and services (developing the physical, financial and electronic dimensions of the network); and fostering sustainable development of the postal sector, (which covers remuneration systems).

There was broad consensus on adapting the universal postal service mission in the light of changing market realities and new technologies. International trade was also given a boost as Congress adopted proposals to enable the postal sector expand its involvement in enabling businesses to move their goods across borders with ease. Countries also pledged to explore how the postal network could better foster financial inclusion of disadvantaged parts of the population normally excluded from mainstream financial services like banking.

During the UPU's first ministerial conference during Congress, the message was clear: many governments are committed to a future for postal services and clear on the important role Posts play in socio-economic development. More than 60 ministers attended, with a packed house listening to the discussions. Delegates also welcomed a declaration on the importance of good addressing systems.

### Boosting levels

Countries reiterated their commitment to increasing the quality of postal services, which featured heavily among the discussions. They decided that the percentage of international priority letter-post items being delivered by the standard of J+5 (the fifth day after posting) should reach a target of 85 per cent by 2016. This is to be achieved gradually over the work cycle, with incremental increases each year. The target is currently at 80 per cent. It was

also decided that 'the standard and target should apply to the international priority letter post between those areas and/or cities that are the most important in terms of international postal exchanges in each member country'.

The Quality of Service Fund, which finances projects to improve quality levels of letter-post for beneficiary Posts, was given a further stay of execution. Countries were in no doubt about the benefit of continuing the fund's activities after a decade in existence. The date for dissolving the trust has been extended from December 31, 2016, until December 31, 2020.

The fund's link to terminal dues – the system of remuneration for postal operators – was reconfirmed. This means that a proportion of terminal dues will still be used to feed the fund.

The Global Monitoring System (GMS) received a strong show of support. The system monitors the quality of service of letter-post items using radio frequency identification technology. As GMS currently only measures quality of service on the inbound stretch, a resolution was adopted on extending it to cover end-to-end measurement to meet user needs and on a 'pay to play' basis.

Decisions were also taken on securing funding for the UPU's Emergency and Solidarity Fund and increasing the scope of postage-free items for the blind.

### New leaders

Other highlights included the elections of the new director general and deputy director general, who will take up office in January 2013. The nail-biting finish saw Kenya's Bishar Hussein elected over Uruguay's Serrana Bassini by 87 votes to 72 to become the director general-elect. Switzerland's Pascal Clivaz won the deputy position against the United States' Dennis Delahanty.

Shortly after Congress wound up, the UPU bodies – the Postal Operations Council (POC) and the Council of Administration – had their constituent meetings. One major result was the signing off of new structures for both bodies. The changes to the POC are more drastic. New committees have been created for supply chain integration and e-services. A new physical services committee covers both parcels and letter post in the areas of remuneration and quality of service. **FM**

# Feature

## Postal Operations Council 2013–2016



“The UPU community is a strong framework in which member countries can provide mutual assistance to overcome challenges that are impossible for any one member to solve alone.

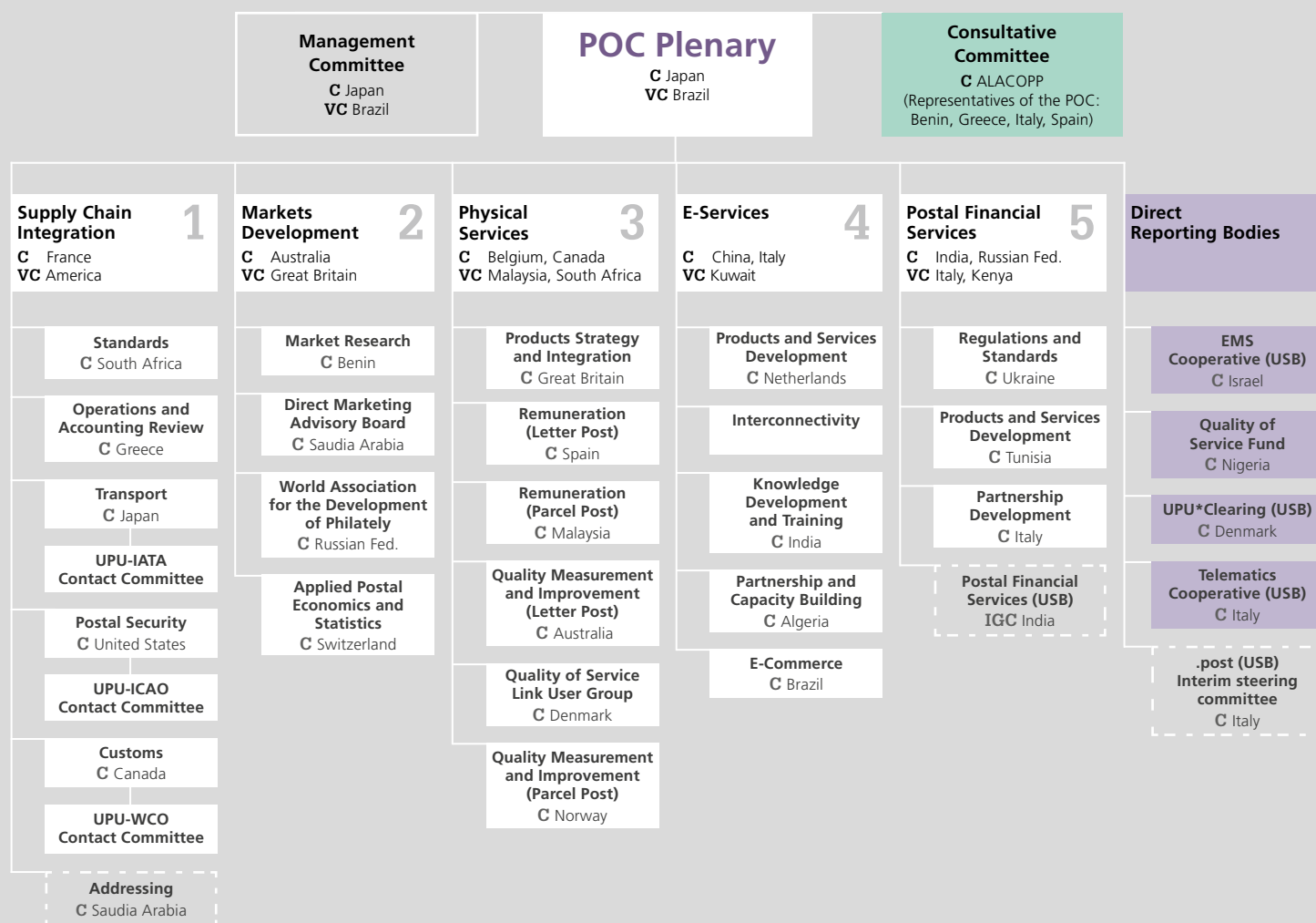
I believe that the chair should not try to create solutions but rather endeavour to facilitate discussions between member countries in order to find better solutions from a neutral standpoint.

During the coming POC meetings, I would like to foster swift and transparent decision-making. To reach decisions swiftly, close teamwork among the chairs of the

committees and working groups, as well as with the International Bureau, will be essential. I also believe that graphical visualization of the discussion materials, such as proposals, resolutions and reports, would contribute greatly to more intelligible and smoother discussions. To ensure transparent decision-making, it will be imperative to consider the views of non-POC countries.”

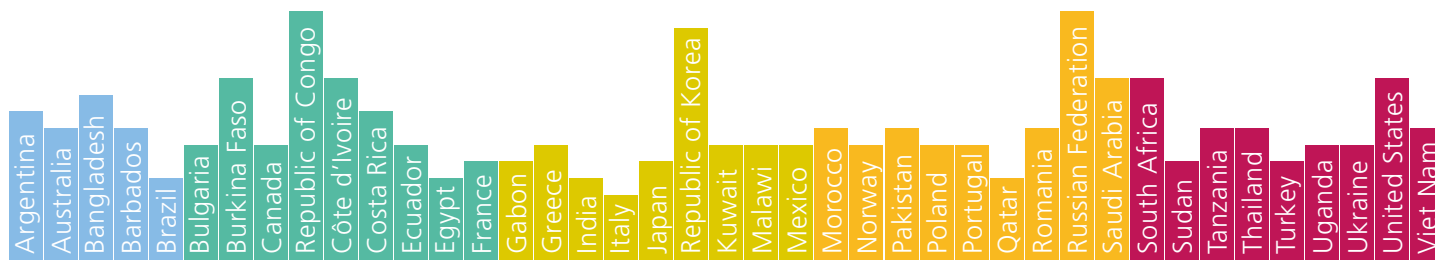
**MASAHIKO METOKI, JAPAN**

**CHAIR, POSTAL OPERATIONS COUNCIL 2013-16**





# Council of Administration 2013–2016



"Implementing the Doha Congress decisions will involve major challenges, since the objectives set by Congress are ambitious when measured against the UPU's available resources.

The Council of Administration's chair, therefore, has a challenging role to play, since he must have a good knowledge of the matters discussed and continually strive to coordinate the Council's activities with those of the other UPU bodies, namely the Postal Operations Council and the International Bureau.

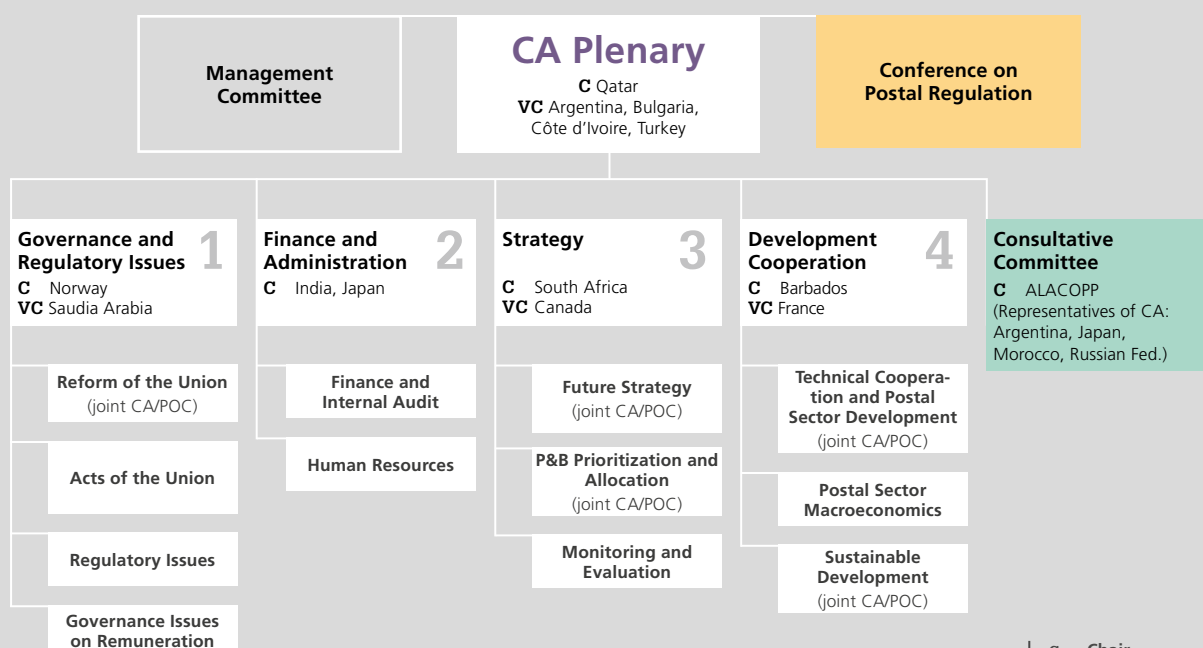
To be effective, the Council's chair must always seek solutions that satisfy all parties. Of course, that is not an easy task, given that it is hard to find concerted solutions, (which I personally prefer to unilateral ones), when objectives are not compatible. Each chair brings his own personal touch to how he deals with issues, approaches negotiations, and seeks solutions in difficult situations."

**ABDUL RAHMAN AL AQAILY, QATAR**  
**CHAIR, COUNCIL OF ADMINISTRATION 2013-16**

"I believe the first and most important challenge is to draw a clear map of what the Consultative Committee is at present and, based on this, to redefine the mission and view of the committee for the next period. This chal-

lenge is obviously not achievable in the short term, but it will allow us to draw the path to be followed in the next four years."

**MARCELA MARÓN, ALACOPP, CHAIR, CONSULTATIVE COMMITTEE**



# Ministers stand up for postal services

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During the Doha Congress, the ministerial conference saw postal movers and shakers from governments share their thoughts on the relevance of postal services today.

.....  
**By Jenifer Fenton**

The gathering of dozens of ministers and business leaders from the postal sector addressed pressing challenges facing the industry as it strives to remain relevant in light of the increasingly sophisticated and changing needs of people and businesses.

Information and communications technologies (ICTs) may have threatened the traditional role of the postal industry but they have also provided an opportunity for countries to transform services, said several ministers during the first session, which focused on the future of the postal industry in light of the digital revolution.

## **New world**

"The role of the Post will change completely going forward," said Omobola Johnson, Nigerian minister of communication technology. However, the Post is still relevant. "People have a need for services... that can be delivered over a postal network leveraging ICTs," she added.

Russia revealed its dream of a network that would give everyone an official electronic address, "a kind of single window for electronic services", said Nikolay Niki-forov, Russian minister of telecoms and mass communi-

cations. This would use technology to provide all with access to state services and help develop small businesses and trade. "ICTs are constantly changing... every day that goes by presents us with new challenges," he added. But the postal sector needs to be ready to respond to those changes, he underlined.

Sustaining the industry in light of financial challenges was also discussed. Due to the global economic crisis, the postal industry has to emerge from the crisis with a new paradigm, remarked Philip Jennings, UNI Global Union's general secretary. Sustainable growth would require sustainable infrastructure – one that connects all citizens, all consumers and all businesses, he added.

The Post's role in fostering both economic and social inclusion was also under the spotlight. A sovereign government can use postal networks to deliver services, which may have been impossible a decade ago, said Sachin Pilot, the Indian minister of state for communications and information technology. India has embarked on a project that will cost one billion USD over five years to provide ICTs and the necessary training to all of its 155,000 post offices, 95 per cent of which are in rural areas.







.....  
 (l. to r.) Andreas Taprantzis, presenter, Hamadoun Touré, International Telecommunications Union's secretary general, Dina Pule, South African minister, Nikolay Nikiforov, Russian minister, Mongi Marzouk, Tunisian minister, David Foster, Al Jazeera English (Photo: Nawras Alfawal)

The postal community must consider local needs and contexts and also be aware that different products present different risks and require different delivery channels, said the Netherlands' HRH Princess Máxima, also the United Nations Secretary General's Special Advocate for Inclusive Finance for Development. "One of the most important roles of government is creating the connected ecosystem that encourages and creates a vibrant market with diverse providers," she added. This requires infrastructure, regulation, efficiency, competition, consumer production and coordination.

#### Postal speak

Designated operators also had their say during the conference. Patrick Donahoe, the United States' Postal Service's postmaster general, revealed that the US postal industry has been forced by declining revenues, caused by the continuing shift of communication to the internet, to become "leaner, faster and stronger".

However, the sole purpose of the US Postal Service – meeting the needs of the customers – has not changed. Donahoe added that the USPS will expand and be profitable in the future because of a comprehensive plan designed to "increase the growth of hard copies and package business" and through improvements to customer service and access.

As UPU Director General Edouard Dayan closed the ministerial meeting, he called on all to build together a sustainable future for the postal sector through innovation and diversification. For the Post to play its role, in-depth change is required in the way in which the postal sector and the UPU pursue common objectives to be players in economic and social development for the good of populations and businesses alike. **JF**

*Jenifer Fenton is a freelance journalist based in Doha, Qatar, who is also a news producer with Al Jazeera English.*



**Learn how ministers view postal services:**

<http://news.upu.int/multimedia/videos/postal-perceptions>





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4



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Photos: Nawras Alfawal

1. Anna Tibaijuka introduces the addressing declaration
2. Delegates at the Qatar National Congress Centre
3. UPU Deputy Director General Guozhang Huang
4. UPU Director General Edouard Dayan
5. Inside Hall 1, Qatar National Congress Centre



Congress photos

[http://www.flickr.com/universal\\_postal\\_union](http://www.flickr.com/universal_postal_union)



# Countries declare good intentions

How addressing infrastructure contributes to social and economic development and can transform lives in developing countries was discussed at the 25th Universal Postal Congress in Doha, Qatar.

By Christina  
Maria Paschyn

The UPU's member countries have adopted an addressing declaration, which reaffirms their commitment to improving and expanding addressing systems in their own lands and across the globe.

Anna Tibaijuka, Tanzanian minister of lands, housing and human settlements development, presented the declaration to delegates. "In a world undergoing fundamental changes, including tremendous population growth in urban areas, which mostly affects developing countries, it is our responsibility as local, national or international leaders to make sure that nobody is left behind," Tibaijuka said. "I myself am convinced that the implementation of addressing systems will result in improvements in public services, such as sanitation, hygiene and water supply, and in many more fundamental services," she added.

The declaration summarizes the main conclusions of the recently released publication linked to the UPU's "Addressing the world – an address for everyone" initiative. One is that addressing systems can help establish legal identities for marginalized individuals, such as people living in rural areas or informal settlements.

This is a particularly pressing concern as some four billion people worldwide are currently excluded from the rule of law and, therefore, cannot claim their basic rights as citizens because they lack a legal identity, says the United Nations Development Programme's Commission on the Legal Empowerment of the Poor. Addresses can also improve the distribution of business and governmental services and resources.

## Reaching all

South African Minister of Communications Dina Pule, voiced her support for the declaration. "The postal business should be truly universal. I believe the right to communicate for every human being has become of fundamental importance in the modern era."

Pule described South Africa's success in expanding its addressing system: it provided addresses to some six million additional households from 2005-9 and implemented geo-coding for each address in the country. "[Addresses] improve emergency services to rural communities and education services. Without an address, it is nearly impossible to access these services," she explained.

While mail volumes are declining worldwide, South Africa is bucking the trend, said Pule. During the past five years, the country has experienced a four-to-five-per cent growth in its national mail volumes because of an increase in business-to-consumer correspondence.

## Legal identity

A representative of the UPU Consultative Committee described how addresses contribute to national wealth by providing families and businesses with a legal identity through which to access bank and money-lending services. "I call it the virtualist cascade: with addresses, a thousand rural families [in South Africa] can now buy furniture on credit. The furniture stores in nearby towns need more clerks, delivery people, furniture, and the suppliers to the stores need more craftsmen to make more furniture," he explained. "New addresses can make new economic activity."

The potential of addresses to generate revenue and enhance countrywide prosperity extends to developed nations as well. Denmark, for instance, decided in 2002 to forgo fees for its address database as long as businesses disclosed the revenues they earned through using the data. The country calculated that, during a period of four years, the database cost about four million EUR (five million USD) to maintain. But its benefit to businesses exceeded this overhead: during the same period, the 1,200 largest users of the database reported direct sales of about 72 million EUR.

Other delegates highlighted how improved addressing infrastructure had benefitted their respective countries. A representative from Saudi Arabia described how technological innovations, such as GPS-devices and smart phones, have enabled the Gulf kingdom's national Post to identify addresses better and deliver mail more efficiently. Likewise, a delegate from Ecuador extolled her nation's recent efforts to implement a six-digit postal code system for the country's 14 million inhabitants. The new system, she said, "will consolidate the postal revolution in our country". **CMP**

*Christina Maria Paschyn is a freelance journalist based in Doha, Qatar, who is also a communication lecturer in the country's Northwestern University.*





# In good hands

When Bishar Abdirahman Hussein won the race to be the new director general of the UPU from 2013, he became the first sub-Saharan African to be elected to the top job.

By Faryal Mirza

Photos:  
Nawras Alfawal

To many in the UPU community, Ambassador Bishar Hussein is already a familiar face and can be called a true postal veteran.

With almost two decades under his belt with the Kenyan Post, he has spent almost as much time again within the UPU environment. The pinnacle of that time was spent as chair of the UPU Council of Administration (CA) from 2009–12.

Shortly after his historic win, the former ambassador expressed 'heartfelt appreciation' to his postal colleagues for 'their confidence and faith throughout [his] campaign'.

He also pledged to countries that had not voted for him that he 'would double [his] efforts to earn their trust and confidence' during the same speech.

Hot on the news of his win, *Union Postale* met the former CEO of the Postal Corporation of Kenya to find out more about the person, who will lead the Union from January 2013 for four years.

*Union Postale*: What kind of leadership style can be expected when you take up the top job at the UPU?

Bishar Hussein: The UPU member countries expect nothing short of results from its secretariat, the International Bureau (IB). My primary duty as director general will be to ensure that these expectations are met with professionalism, efficiency and high ethical standards.

To this end, I will keep to strict deadlines and efficient service-delivery from all cadres of IB staff. I am a pragmatic person, who will deal with situations as they arise. I will involve IB employees in the decision-making process where their skills, competence and knowledge are required.

Creativity, innovation and ideas are what drives organizations and sets them apart. These are the talents I will look out for. I will encourage a team spirit that will inspire trust, confidence, and respect where staff can realize their individual and 'corporate' goals.

However, discipline, respect for authority and chain of command will be observed according to the laid down regulations.

As the new director general, what will you bring to the job that no other predecessor has brought to it so far? Every director general has his own style of management, perspective and focus. I will come with mine. That said, I will build trust and confidence among the IB staff and encourage team work to achieve the best possible results with the limited resources at hand.

“My tough childhood... instilled in me the virtues of modesty, patience, perseverance, hard work, self-reliance, cooperation and respect for others.”

I will also involve and engage governments, regulators, restricted unions, regional coordinators and other stakeholders to develop the postal sector. Enhancing cooperation between member states through building consensus on important issues and mutual understanding on divergent viewpoints is vital.

We must focus on the use of technology to create new innovations and the diversification of the postal business, while enhancing its traditional services.

New sources of financing for postal development will be sought and private-sector participation encouraged where appropriate and necessary.

How can the UPU community benefit from your long-time operational experience?

I am confident that my experience will help to translate the Congress decisions and resolutions into concrete actions that will benefit the UPU member countries.

I have close to three decades of postal and diplomatic experience where I have had the opportunity to manage institutions and resources. I have good knowledge of the postal industry from operational, executive and market viewpoints.

As CA chairman during the past work cycle, I was involved in the preparatory work for the Doha Congress and have a good grasp of the current issues facing the UPU and the postal sector.

What in your view is the single most pressing challenge facing the postal sector today?

A lack of adequate financing for the development of the Post is one of the most pressing challenges facing many postal organizations today. Technological advancement, rapid changes in the communications market and globalization have exerted serious challenges on the Post.

Enhancing the ability of UPU member countries to keep up pace with these changes requires substantial investments to modernize the postal infrastructure. Most postal organizations are finding it increasingly difficult to raise the necessary capital to invest in their networks. This situation was further aggravated by the recent world economic crisis.

What kind of beginnings did the young Bishar have?

I was born and brought up in the remote semi-arid region of north-eastern Kenya. The region receives very little rainfall annually and this dictates the lifestyle of the predominantly pastoralist communities there. The inhabitants of this region move from one place to another in search of water and pasture for their livestock, which is the primary source of their livelihoods.

As a young boy, I tended to my family's herds of cows, goats and camels when I was not in school. This gave me a great outdoor experience during my early childhood that I always remember with the fondest of memories.

Getting formal education was and still is a major challenge in this region. Basic social infrastructure, like roads, telecommunications and postal services, educational institutions and health facilities, remain underdeveloped to this day. Many brilliant children do not often get the opportunity to pursue their education and achieve their dreams.

What imprint did your childhood leave on you?

I consider myself very fortunate to have survived that challenging environment and to have come this far. On the flip side, my tough childhood would prove to be my biggest asset in my later life. It defined my character, hardened my spirit, strengthened my resolve and sharpened my instincts for every challenge that comes my way.

The harsh environment in which I grew up instilled in me the virtues of modesty, patience, perseverance, hard work, self-reliance, cooperation and respect for others, which are essential values in a multilateral and multicultural environment like the UPU.

When did you join the postal service?

I joined the Kenya Post & Telecommunications Corporation (KPTC) in 1984 straight from university and did an intensive one-year course in postal operations and management at the postal training college in Nairobi. The courses covered every aspect of the postal business.





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**Seconds after the election results are announced, delegates rush to congratulate the director-general elect**

Where did you go from there?

I worked in the field and at headquarters in various managerial capacities up to 1999 when the government split the then giant KPTC into three entities: Telkom Kenya Ltd, the Communications Commission of Kenya and the Postal Corporation of Kenya (PCK) on July 1, 1999. I was appointed the PCK's first postmaster general.

What kind of organization did you take over in 1999?

We had to literally build the Kenyan Post from ground zero without any government subventions. The PCK was launched without sufficient funds for its operations. The new entity inherited huge debts from the defunct KPTC, largely in the form of unpaid bills from suppliers, remittances in transit, statutory payments and a host of other liabilities.

We did not have money to pay salaries to the 5,500 employees and the costs of the day-to-day operations to start with.

What happened next under your leadership?

We had four very important assets – a well trained and experienced workforce, a wide postal network, a long history of trust and confidence of our customers and the general public and the will to succeed. We

quickly set up a lean and efficient management team that organized the businesses units and operations with military precision.

We reviewed our network, enhanced our strengths, fixed our weakness, confronted threats and maximized the opportunities in the market. We rallied the staff, created team spirit and enforced strict discipline.

We defined our new vision, mission and set strategic plans for the corporation and then embarked on aggressive reform programmes that yielded positive results immediately.

We cleared most of the liabilities and registered a modest profit by the end of the first year. By the second year, we were out of the woods, having laid a solid foundation for a vibrant and self-sustaining postal enterprise.

Somewhere thousands of kilometres from Nairobi, in Kenya's North, there is a child looking after livestock, wondering what to do with their life. What advice would you give them?

I would tell them to look beyond their present circumstances, dream big and work hard in order to realize their dreams. The sky is the limit for them. **FM**

# Familiar face, new office

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Pascal Clivaz of Switzerland will become the 15th deputy director general of the UPU International Bureau (IB) from January 2013.

.....  
**By Rhéal LeBlanc**

In 2012, Switzerland celebrated two milestones: 10 years as a member of the United Nations and the election of a Swiss national, Pascal Clivaz, as the UPU's next deputy director general.

Clivaz, a former Swiss Post executive, joined the UPU in 2005 as finance director and later added strategic planning to his duties. At 46, he is considered as one of the youngest executives in the history of the organization.

*Union Postale:* How do you envision the role of deputy director general?

Pascal Clivaz: First and foremost, I see it as a role to support the work of the director general. We have a roadmap - the Doha Postal Strategy - and Congress has adopted a number of resolutions reflecting the concrete will of the member countries.

We must, therefore, focus all our energies on doing what Congress has asked us to do, while taking account of the ceiling on expenditure. Since the director general holds political power, it will be my job to support him with the day-to-day business.

What are the main challenges that lie ahead for the UPU in the coming years?

One of the objectives is to concentrate the relevant synergies to implement the decisions taken by Congress. Doing so will help the director general and myself report back to the 2016 UPU Congress in Turkey with as few problems as possible. This will be a challenge at many levels, in particular in terms of resources. Congress confirmed that the UPU must

adopt a more rigorous approach. So, just like other organizations, it will need to take a look inwards, in particular to maintain a sound financial balance. In fact, we will need to reconcile the ambitious demands on our human and financial resources to manage projects on the one hand, and the UPU's steady but limited resources on the other.

Are there any specific projects that you will pay special attention to in your new role?

I will manage whatever projects the director general decides to give to me. Obviously, we need to work closely on a number of them.

By launching .post with our member countries during the Doha Congress, we successfully navigated the UPU into the digital dimension. This dimension requires more professionalism and reactivity on our part. Other pilot projects are also planned, including those on financial services.

We will also need to ensure the development of traditional areas, such as parcels, which are set to take on even greater importance in the postal sector.

So, it will really take two of us to share the workload. I should focus more on the areas I know best, such as support activities and management of resources and staff. I do not anticipate there being any problems in defining our respective roles, based on the issues that need to be tackled.





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**Bringing IB experience to the job**  
 (Photo: Nawras Alfawal)

You refer to the importance of the digital era and its impact on the postal sector. Will the future of postal services be a completely digital one?

The physical network will always play an important role in the sector. Of course, in a new age where technology and information play an increasingly important role in the economy and trade, Posts will be forced to take on a slightly different role. That being said, it will never be possible to virtualize some products and services.

For me, it is important to define the appropriate postal economic model at the worldwide level, according to the different geographical areas and 'types' of countries. Depending on existing national legislation, a number of measures are possible.

It will also be necessary to take a look into regulation to gauge the freedom that postal enterprises have been given to accomplish their future missions. Today, it is crucial that the sector be an essential component of economic development. This is in line with our world postal strategy. We must conduct an in-depth review of the economic models that cover the physical, financial and digital aspects of the Post.

The UPU has worked hard to get governments more interested in the multiple opportunities of the postal sector as a driver of national economies. How well has this message been received?

During Congress, we organized a ministerial conference to build momentum and to make a new deal with governments. Ministers attending were receptive to the messages we imparted. They were appreciative

of the role the postal sector could play in their national economies, especially in this time of crisis.

The postal sector is often one of the biggest employers in a country. In terms of a public service, these ministers have a marvellous tool called the Post at their disposal. It can become a valuable public policy instrument, provided that they review the mandate and missions of their public postal enterprises.

What do you expect from the International Bureau during the coming cycle?

We expect a great deal from the International Bureau staff, so that together we can translate the Doha roadmap into results. But I remain steadfast in my conviction that we will be proud of our record when the time comes to present it in Turkey in 2016, thanks to the hard work of all those who will strive to achieve the objectives set. **RL**

# The man, the myth, the stamps

As Mauritius Post celebrates its 240th anniversary in 2012, *Union Postale* takes a look at the world's most sought-after stamps, which came from this island nation.

By Kayla  
Redstone

In 1847, an engraver in Port Louis, Mauritius, laid the words "Post Office Mauritius" into a copper plate, unaware that the stamps he was about to create would become among the most expensive and sought-after in the world. The two stamps, the Penny Orange and Two Penny Blue, are the only ones in the world bearing the words "Post Office" rather than the usual "Post Paid". This one simple difference is one reason collectors bid millions for copies of the rare stamps.

So, was the wording a simple mistake by the engraver, Joseph Osmond Barnard, or was it planned all along? To this day, the answer remains unclear.

### Legends

Very little is known about Barnard other than he came from Portsmouth, England, and arrived in Mauritius as a stowaway in 1838. A year later, Barnard placed an advertisement in *Le Cernéen*, a Mauritian newspaper, offering his services as a miniature painter and engraver.

In November 1846, Barnard issued an estimate for printing the stamps; he would charge 10 shillings per thousand stamps, plus 10 pounds for the copper engraving plate. On the soft 82 mm by 63 mm piece of copper, he carefully engraved the two templates, complete with the same profile of Queen Victoria wearing a diadem used on the first British stamps, with the words "Post Office Mauritius" around the border. Then he stamped, by hand, 500 copies of each value.

Philatelists over the decades have argued about whether or not the word "Office" was a feeble error by Barnard, who had really meant to inscribe the word

"Paid" in its place. However, the franking stamp used by the Mauritian post office used the same wording. It would perhaps follow that he matched his stamps to the franking stamp.

The stamps were finished on September 20, 1847, and Mauritius became the first British colony outside Britain to issue stamps. The stamps went on sale on September 22, but it is rumoured that some of the stamps were released to a very special client a day earlier on September 21: Lady Elizabeth Gomm, the governor of Mauritius's wife.

### Fancy dress ball

At the time the stamps were printed, the previously French island had already been colonized by Britain for about 40 years. However, despite English being the new official language, French was still dominant and tensions were high.

There is speculation that Lady Gomm's fancy dress ball on September 30, 1847, was a way of easing tensions between the Anglophone and Francophone communities. The rumour that the stamps were released earlier to her for mailing the invitations spurred the belief that the stamps were made specifically for this diplomatic purpose.

Proving the connection between the ball and the stamps was archivist and writer, Helen Morgan's goal while researching her book, *Blue Mauritius: The Hunt for the World's Most Valuable Stamps*. "To me, this is the holy grail of research about these stamps, to find something in writing, which connects the ball and the stamps, but I never did," says Morgan.

Morgan says evidence connecting the stamps to the ball is purely anecdotal. Even so, Morgan, like other collectors, still believes there is a connection between the stamps and the ball. For this, she blames three identical envelopes, each containing the Penny Orange stamp required for local delivery addressed to M. Alcide Marquay, Ed. Duvivier Esq., and H. Adam Esq. Junr. respectively.

Although Morgan says no invitations were found inside the envelopes, the similarity between them is the reason philatelists have connected them with the ball in the past. "An anonymous correspondent wrote to one of the philatelic journals in 1897 and he made the connection," says Morgan. "Once, there were three of them. I think people looked at these envelopes ... and said 'They are all the same. They must have been used for a similar purpose'."

#### Bordeaux Cover

While these covers may stir debate over whether or not the stamps were produced for the ball, one prized letter cover proves that they were not solely produced to mail the invitations. It was in 1902 that a schoolboy digging through his wine-merchant father's dusty old business correspondence, hoping to find a "Post Office" stamp, was richly rewarded. The letter he found is now called the Bordeaux Cover. Sent from

Edward Francis & Co. in Port Louis, Mauritius, to the wine merchants Ducau & Lurgue in Bordeaux, France, it bore both stamps. According to Morgan, this was the wrong postage for an international letter at that time. A second letter to Bordeaux contained only a Two Penny Blue, which was the correct rate.



Morgan says the first Bordeaux letter was an "aberration" and given that stamps were a relatively new invention at the time, mistakes were to be expected. "There are always hiccups because people don't understand the system and I think that's how you can explain some of these anomalies," she says. The simple mistake of using both stamps – a difference of one penny – has caused the value of the letter to soar. Its last buyer bid 3.8 million USD for it at an auction in 1993, making it the most expensive philatelic item in history. The cover has not exchanged hands since.

Only 12 blue and 15 orange stamps are in existence today. Only 27 stamps left for the hopeful Post Office Mauritius fanatics to dream of getting their hands on, should they come across the fortune necessary to even make a bid. **xx**

*Kayla Redstone was an intern with the UPU Communication Programme when she wrote this article.*

.....  
By Susan  
Vogel-Misicka

Specimens of these stamps have changed hands repeatedly over the years. In 1893, one of each sold for 680 GBP – the highest price ever paid for two stamps up until then. In 1988, the Two Penny Blue alone went for 750,000 USD.

The giant sale of the century followed shortly after, explains Emmanuel Richon, the curator of the Blue Penny Museum in Port Louis, Mauritius. "It was a unique occasion to buy these two stamps," says Richon of the auction, held in Zurich, Switzerland, on November 10, 1993. It was there that a consortium of Mauritian companies, headed by the Mauritius Commercial Bank, paid about 2.6 million USD to bring

the two extremely rare mint stamps back home to Mauritius. At that same auction, the Bordeaux Cover went to a collector in Singapore for almost four million USD.

As Richon says, these stamps help tell the story of the introduction of postage during the 19th century, as well as of colonial administration and the engraving process. "It's so much in a square centimetre!"

To display the stamps in style, the bank opened the Blue Penny Museum in 2001. "We are very proud to be able to present them to the public every day in the country where they were conceived and made. I think it is exactly how an Italian would feel about Michelangelo's

Sistine Chapel," Richon enthuses.

The stamps' monetary value has skyrocketed over the past two decades. According to Richon, the museum had to insure the stamps for some 5 million USD for an exhibition in Berlin in 2011.

Though some historians would argue that the stamp designer was an absent-minded fool for writing "Post Office Mauritius", Richon disagrees. "Think about the efficiency of Joseph Osmond Barnard in terms of promoting the country of Mauritius. He was a genius!" **svm**

*Susan Vogel-Misicka is a freelance journalist, based in Berne, Switzerland, who also works as a journalist for swissinfo.*



# Tokyo takes next step in privatization

The long-running saga of Japan Post's privatization inched forward again in late October, with the firm's holding company unveiling a plan for its postal services arm to go public in the latter part of 2015.

By Julian Ryall

Japan Post Holdings Co. presented its proposals to Mikio Shimoji, the minister overseeing privatization of delivery services, on October 26. The floatation on the stock market would be one of the largest in corporate Japan's history and the sale of around two-thirds of government shares could raise as much as 7 trillion JPY (87.5 billion USD).

Shortly after, Koriki Jojima, the finance minister, told a press conference that the government was selling its shares to fund reconstruction efforts after the March 2011 earthquake and tsunami. "I hope we can secure as high a price as possible," he added.

The sell-off of the government's stake was decided long before the Great East Japan Earthquake struck the north-east of the country. But the need to pay for the rebuilding hundreds of communities in the Tohoku region that were destroyed in the natural disaster, the worst to befall Japan in living memory, has added new urgency.

Japan Post was founded on April 1, 2003, through the reorganization of the Postal Service Agency. After being elected, the then Prime Minister Junichiro Koizumi made privatization of the company one of the key aims of his administration, although it was viewed by some as a controversial move.

As a government-owned corporation that provided postal and package delivery services, banking facilities and life insurance, Japan Post had more than 400,000 employees – making it the largest employer in the country – and a network of 24,700 post offices.

### Large network

Taking advantage of the fact that post offices were present in virtually every community across the country – something that private banks could never hope to emulate – Japan Post ran the largest postal savings system in the world and reportedly had as much as 224 trillion JPY (2.1 trillion USD) of household savings in its 'yu-cho' accounts and a further 126 trillion JPY (1.2 trillion USD) in its 'kampo' life insurance services. The situation remains largely unchanged today.

Re-organized in October 2007 into four business units – banking, insurance, mail delivery and over-the-counter-services for the three other units – the Liberal Democratic Party (LDP) government set 2010 as the date for its listing of the holding company's shares on the stock market.

The LDP was defeated in the 2009 general election, however, and the new Democratic Party of Japan government quickly froze the plan to dispose of its shares.

### Next move

Its hand forced by the disasters of last year, the government passed a law in April that reviewed the full privatization option but left the government with a degree of influence over services, clearing the way for the listing to go ahead. "This entire issue has been a long-term thing that has gone back and forth for years, but this latest move does suggest that it is making a comeback," said Martin Schulz, senior economist with the Fujitsu Research Institute. "That does not mean it will happen, however, as the banks and private insurance firms are up in arms over the matter."

The private sector's main worry is that the government's continued minority stake would give Japan Post's financial units a major competitive advantage by permitting it to enter new markets – such as specialist health insurance – and ensure that the firm could never go out of business. However, there is an election on the horizon on December 16, which may affect plans to sell off the government stake. **JR**

*Julian Ryall is a freelance journalist, based in Tokyo, Japan, who is also the Daily Telegraph's Japan correspondent.*

*Market focus continues on page 30.*

# IBIS speeds up parcel inquiries

The use of the internet-based inquiry system (IBIS) for parcels became mandatory in January 2012. Some 148 Posts are using it and many are seeing benefits.

By Kayla Redstone

Before IBIS, Posts would submit inquiries about missing parcels to each other using a paper form (CN08), which was sent as a letter or a fax. With the internet-based system, they can submit inquiries online. Over 25,000 inquiries a month are handled that way. The system also imposes more strict deadlines for finding missing parcels through three phases: the investigation request, the special search and the full investigation.

During the first phase, receiving Posts have 12 working hours to check track and trace data before they must notify the dispatching Post whether the parcel was found. If the parcel is not found, the receiving Post has a further 24 working hours to check the distribution centre before sending another response.

If the parcel is still missing, the Post handling delivery to the final destination has another 160 working hours to perform a full investigation. "Making IBIS mandatory is the UPU's way to phase out the paper-based

CN08 parcels inquiry form and speed up the inquiry process," Christine Bétrémieux, UPU parcels programme manager, says.

Posts say these rigid deadlines are helping improve customer service. The UK's Parcelforce has been using IBIS since 2006, when it was made widely available, and is a top performer. Between February–July 2012, the company scored 100 per cent for on-time performance, i.e. dealing with an inquiry within the maximum time-frame. "IBIS makes it so much easier because you have proof that you have actually received [the parcel] rather than a paper trail that may go missing somewhere and it's much more efficient for the customer," says Parcelforce's international customer service manager, Andrea Tye.

Swiss Post, another top performer with a 100 per-cent rate of on-time response between February–July 2012, saw an improvement in customer service after they switched to IBIS in 2006. The deadlines have

made other Posts more reliable when it comes to responding to inquiries, says Ruggero Schifano of Swiss Post's customer service department.

If Posts receiving inquiries meet a 95 per cent on-time response rate, they are eligible for a five-per-cent bonus on inward land rates. Since May, Posts receiving fewer than 500 inquiries per year receive an alert email when a new inquiry arrives since missing even one inquiry could hinder their eligibility for the bonus.

Posts not using the IBIS system have to rely on the goodwill of their partners to process inquiries submitted via the traditional CN08 and are not eligible for the bonus. Posts participating in IBIS are no longer obliged to respond to CN08 inquiries. The UPU Parcels Programme is encouraging all Posts to join the electronic system. **KR**

*Kayla Redstone was an intern with the UPU Communication Programme when she wrote this article.*

Strict deadlines for finding missing parcels through three phases

Check track and trace data

12

Check distribution centre

24

Perform full investigation

160

### Australia

**Australia Post** wants to invest more than 2 million AUD (2 million USD) to transform its national logistics network into a “world class” parcel delivery network and “universal digital platform”. These investments in the parcels segment will improve the automation levels and expand Australia Post’s presence throughout the country, with more flexible delivery options for individuals and businesses, the operator said.

### Belgium

**bpost** has sold part of its Certipost service for the exchange of electronic documents, particularly e-invoices, for 18.2 million EUR (24 million USD). Certipost will continue to provide secure document and digital certification services as well as the Belgian electronic identity card.

### Canada

**Canada Post** is introducing a new line of products for online retailers wishing to integrate Canada Post data into their platform, online store or customer application. With Canada Post Web Services, retailers can offer various pick-up options, tracking abilities, shipping rates and return labels.

### Great Britain

Travel firm Minoan Group has signed an agreement with the **National Federation of Sub-Postmasters** to conduct a three-month trial of 50 automated travel agency kiosks in small post offices located in market areas. If the pilot proves successful, Minoan Group will install around 1,000 kiosks over the next five years.

**Royal Mail** is offering its low-income customers, such as pensioners and those on unemployment and disability benefit, the opportunity to buy stamps at 2011 rates for the holiday season.

It is also planning to launch a new parcel tracking system for its returns service in early 2013. The system will allow merchants to generate returns labels with tracking numbers. It has been given the green light by its regulator, Ofcom, to deliver parcels to neighbours when the addressees are not at home to receive them.

### Italy

**Poste Italiane** will be the first company in Italy to introduce contactless payment systems for its customers, using near-field communication (NFC) technology. NFC systems use radio waves to transfer information, allowing retail customers to use their mobile telephones to make payments without having to provide a signature or code.

### Jersey

**Jersey Post** is currently testing new ways to optimize parcels deliveries. The Channel Island operator is trying out a number of options through its ‘Secure Drop’ service, which allows residents to designate a location other than their residence for the delivery of unregistered parcels.

### Netherlands

**PostNL** has acquired Valid Express, a small company that employs chronically ill and disabled persons to provide same-day parcels delivery for retailers and online merchants.

It has also issued the world’s first pop-up postage stamps. The 3-D stamps, rolled out during children’s book week, are a world first, PostNL claims. The paper structure transforms the two-dimensional image into 3D by pulling out a sliding tab. At five EUR per sheet, they can be used to mail small packets weighing up to 500 g within the Netherlands.

### Switzerland

**Swiss Post** has announced that 100,000 new customers joined its banking services division, PostFinance, during the first nine months of 2012. With assets that have grown to 103 billion CHF, PostFinance now has 2.9 million customers and manages 4.5 million accounts, 200,000 more than at the end of 2011.

### United States

The **US Postal Service** plans to introduce a same-day package delivery service within certain metropolitan areas of the US, considering the growth in the parcels segment in 2012. The new ‘Metro Post’ service will allow online merchants to offer rapid home delivery to customers in certain cities.

### Other

**FedEx** has opened a new hub in Singapore airport, costing 78.9 million USD, to service the Asia-Pacific region. The hub is the only express transportation facility to house air, ground and clearance operations under one roof. The company is also expected to build a new international express and cargo hub in Shanghai at Pudong International Airport costing 100 million USD. The hub, which will be equipped with clearance facilities, is expected to be up and running in early 2017.

**TNT Express** has continued its expansion in the Middle East by opening a new office in Qatar. The new branch, located in Abu Samra on the border with Saudi Arabia, is strategically positioned within TNT’s road network in the region.

*All items by Jérôme Deutschmann*

Erratum *Union Postale*, September issue, 2012, pg 8, first line – this should read:

*Younouss Djibrine, new secretary general of the Pan African Postal Union, knows the IPDP process intimately due to his time as chair of the UPU’s Council of Administration’s technical cooperation and postal reform project group.*





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