

POSTAL NEWS

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1. Canadian Government - Canada Post Corporation Report

01 May 2009 by Press Release - © Hellmail.co.uk

The Honourable Rob Merrifield, Minister of State (Transport), today shared the report of the independent review of the Canada Post Corporation.

"Canada Post provides a fundamental public service to Canadians. I am pleased to make the review report available to the public," said Minister Merrifield.

"The advisory panel that undertook the review has provided a thoughtful and comprehensive report to the government and it is being carefully analyzed."

The independent review was conducted in 2008. Its purpose was to make sure Canada Post has the tools and means to continue to fulfill its mandate, which is to provide affordable, universal postal service to Canadians. During the course of its review, the advisory panel met with stakeholders, associations, unions and other interested parties. It also received thousands of submissions from Canadians.

The report is now available online, in both official languages, at:

www.cpcstrategicreview.gc.ca

On April 21, 2008, the Government of Canada announced the review of Canada Post, which was conducted by a three-member external, independent advisory panel, chaired by Dr. Robert Campbell with members Mrs. Nicole Beaudoin and Mr. Dan Bader.

The purpose of the review was to examine Canada Post's public policy objectives, its ability to remain financially self-sustaining, and the continued relevancy of the financial performance targets established by the government in 1998.

The advisory panel focused its review on four major areas: market and competition; public policy objectives and responsibilities; commercial activities; and financial and performance targets.

During the course of its work, the panel consulted with a broad range of stakeholders from across Canada, including Canada Post and their unions, customers and competitors, industry associations, and federal departments and agencies. The general public also participated by providing over 1,400 submissions, and sending over 23,500 postcards and documents to the panel by mail and e-mail.

Canada Post was created as a Crown corporation in 1981 as the successor to the Post Office Department of Canada. Canada Post's mandate is to provide affordable, universal postal service to Canadians on a financially self-sustaining basis. The corporation contributes to Canadian society and to Canada's economy as an enabler of business activity. It fulfils these roles by providing Canadians with the tools to communicate, transact business and interact with governments in a timely, accessible and affordable manner.

Canada Post offers a variety of traditional and innovative services to connect Canadians. It is a public institution with a workforce of over 70,000 employees. It processes over 11 billion pieces of mail per year and maintains a network of 6,600 post offices in urban, rural and remote locations across Canada.

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2. Postal Union Accuses UK Government Of Wasting Money

29 April 2009 by David Lynch - © Hellmail.co.uk

The Communication Workers Union today accused the UK government of 'misusing' public funds to pay for specialist advice in the run-up to a partial sale of state-owned postal operator, the Royal Mail.

The CWU says it has learnt that £3.6m has been spent on advice even before a sell-off has been agreed. The information was obtained via a Parliamentary Written Answer.

Billy Hayes, CWU general secretary, said:

“This is an outrageous misuse of public funds at a time when the government needs to be demonstrating responsible economic management.

“Spending millions on working out how to sell off Royal Mail before government has even decided whether this is going to happen is a waste of money.

“This money could have been used for employee pay or for funding new products, machinery or the pension deficit.” he said.

The government was forced to climb down last year during a tendering process for the Post Office Card Account. It resulted in the government having to compensate rival

bidders for costs accrued during the bidding process, The cost of the compensation has not been revealed.

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3. UK Postal Workers Fed Up With Modernisation

01 May 2009 by Steve Lawson - © Hellmail.co.uk

Sparked by a company pay freeze and changes to working conditions, Royal Mail workers in Scotland are to stage a one-day strike.

The Communication Workers Union has also stepped up its campaign efforts to thwart controversial plans in the Postal Services Bill to partially privatise state-owned Royal Mail. The union maintains that there is no need to sell part of the business and that it should continue in wholly public ownership. Union members say they are being asked to work even harder with little or no sign of new equipment.

Industrial action could escalate this year and CWU officials have also written to branches advising them not to give financial support to any MP who has not signed an early day motion opposing the partial privatisation of Royal Mail.

The virtual freeze by Postcomm on major changes in regulation because of the Postal Services Bill is creating a vacuum of uncertainty and the tight financial constraints being faced by Royal Mail due to the global crisis is creating an endless regime of cut-backs just to maintain financial stability in a cut-throat era of competition.

Royal Mail, like any other postal operator is now fighting for its survival but the time being taken to settle the strategic partnership which Lord Peter Mandelson seeks, plus a world economy still in meltdown, is really complicating matters. This time last year a deal could have been concluded reasonably quickly and at a fair rate but the global economic crash has changed all that.

Postal workers in the UK are facing similar problems to employees throughout the European postal industry. The internet as well as providing a wonderful way to communicate is also creating a communications revolution that threatens many services we take for granted including postal services. As the European postal market opens up further, operators are having to run as lean as possible just to compete and this has a direct impact on those actually going out everyday and providing these services.

Essentially the UK's postal force is fed up, and far from resolving the issues between the union and Royal Mail, the pay and modernisation agreement has been a catalyst, creating a widening void between Royal Mail and its employees that continues to stifle progress and productivity. Managers under pressure to produce further performance improvements across the board, are left to crack the whip at increasingly beligerent employees that at one time may well have been firm friends. It is this that lies at the heart of the CWU's present gripes and disenchantment with the present government, that and a privatisation plan that the union feels is unjustified.

There are already concerns that far from increasing competition, postal liberalisation may simply see more consolidation amongst postal operators, reducing choice and at the same time, creating a spiralling deterioration in domestic mail services as profit completely overrides service.

The recent amalgamation of Swedish and Danish postal services is a sign that operators are moving towards consolidation as a means to weather turbulent economic times and presumably gain strength in numbers, but it could also result in a postal framework that is a million miles away from what was envisaged when liberalisation was proposed, with even less choice, higher prices and poorer services.

Our need to consume gadgetry that plays music and video in the blink of an eye, tells us exactly where we are and enables us to talk to anyone, anywhere, does not sit easy with our apparent determination to protect and hang on to what many of us see as an essential service, the post. We simply can't have it both ways and whether competition proves to be a good thing or not, the jury is still out.

Irish postal operator An Post has reported a record operating profit of €31.2m for 2008, amounting to 3.7 per cent of turnover. Profit after tax was €33.2m in 2008, the fifth consecutive profitable year for the Group.

At €850m, turnover was down €26m (2.9 per cent), reflecting a 2 per cent drop in mail volumes over the previous year.

Over the past five years An Post has achieved a €75m turnaround in Group operating profit whilst tightly controlling costs, driving up quality of service and managing significant growth in mail volumes for most of this period.

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4. An Post Reports Record Profit For 2008

30 April 2009 by David Lynch - © Hellmail.co.uk

An Post's performance in 2008 was influenced by first half growth in mail volumes, a strong retail performance, efficiencies achieved by the company's Transformation programme and strict cost control.

Commenting on the 2008 performance after the company's Annual General Meeting at the GPO, An Post Chairman John Fitzgerald said that 2008 is a year on which everyone in An Post can reflect with some pride.

“A most acceptable operating profit was achieved on the back of tight cost control in every aspect of the business. This prudent approach must continue as we are now in a radically different economic environment, and there is only one certainty for An Post – that is the imperative to continue to transform the business into an entity that can remain viable in a competitive market. That task must remain our central focus as we move towards 2011 when the postal market will be open to full competition.

“During 2008, a number of initiatives illustrated the company’s strategic focus on broadening its revenue base, including an increased emphasis on serving the specific delivery needs of online and catalogue retailers and customers; the expansion of financial services offerings such as banking and insurance through Postbank; and the announcement of a Mobile Virtual Network Operator (MVNO) partnership with Vodafone to go live later this year,” he added.

The retail business performed very strongly, with significant growth in financial services products and a steady increase in social welfare payments. A new retail strategy was developed to support Postmasters and staff in growing their business and improving the breadth and quality of their services to customers.

In 2008 An Post invested a total of €39m to support the continued improvement in mails quality of service, all funded from its operations, as part of an overall €150m investment over three years. The company has maintained the price of the basic stamp at 55c since March 2007. 79 per cent next day domestic delivery was achieved in 2008, up 2 per cent on 2007. International mail delivery targets were consistently exceeded for incoming and outgoing mail and An Post received the prestigious International Post Corporation Certificate for Excellence.

Speaking at the GPO, Donal Connell, An Post Chief Executive said “This financial performance means that we look to the future from a solid base of consistent improvements in virtually every aspect of our business. The unprecedented economic downturn, and its potential to affect our ongoing profitability, brings new and very serious challenges for everyone and a renewed cost focus, he said.

“It is important that we continue to focus on those things over which we have control, to remain competitive and not to lose sight of the reality of full market opening in some 20 months time. We are determined to compete in the marketplace; to be our customers’ supplier of choice and to continue to improve our quality of service. I am confident that An Post can meet the current challenges as a strong and leading player at the centre of the Irish economy,” he concluded.

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5. German Letter Pricing Good Value Says Deutsche Post DHL

29 April 2009 by Franz Groter - © Hellmail.co.uk

According to Deutsche Post DHL, the price of a letter in Germany compares well against other European countries.

A new letter price survey confirms an inflation-adjusted 16 percent drop in the past ten years. Deutsche Post DHL said that German mail customers are benefiting more than almost any other country from the stable price of a standard letter. This is the result of Deutsche Post's latest European letter price survey for 2009.

In addition to the purely nominal comparison of prices, which places the standard German letter costing 55 Cent in the mid-range, basic economic conditions such as labor costs or purchasing power parities were also included in the comparison.

This places the price of a letter in Germany in the bottom third compared with other European countries.

When adjusted for inflation, the real price for the standard letter has in fact fallen by 16 percent between 1998 and 2008, while in the other countries included in the study prices have increased by more than 30 percent on average over the same period. The postage for a letter in Germany was last increased in 1997 and following a price reduction in 2003 has since remained stable at 55 Cent.

The Bundesnetzagentur (Federal Network Agency) also noted in its recently submitted annual report that in contrast to the trend in Germany, price levels in most European countries had risen significantly since 2002.

Prices for letters and postcards are regularly approved by the Federal Network Agency in response to an application from Deutsche Post, legally based on what is known as a price cap procedure.

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