POSTAL NEWS
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MAY 25, 2009, 4:32 A.M. ET

1. Taiwan Apr M2 Money Supply Up 6.78% Yr Vs Mar Up 6.39%

TAIPEI (Dow Jones)--Taiwan's M2 money supply, the broadest measure of money flowing through the banking system, rose 6.78% in April from a year earlier, accelerating from the 6.39% rise in March, the central bank said Monday.

The central bank attributed the faster growth to capital inflows and the stock market's gains.

Outstanding loans and investments of Taiwan's major financial institutions, including the island's postal savings system, totaled NT$21.2 trillion at the end of April, up 1.83% from a year earlier. The increase was smaller than March's revised 2.4% growth.

M1B rose 9.50%, faster than March's 5.44% rise.

M1B is net currency, checking accounts passbook deposits of companies and individuals, plus the passbook savings deposits of individuals.

M2 is M1B plus time deposits, negotiable certificates of deposit and foreign currency deposits.

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2. The Postman Will Ring More Than Twice, but Maybe Not Six Times

By Joe Davidson

Thursday, May 21, 2009

If we still used the Pony Express to deliver mail, someone would shoot the horse to put it out of its misery.

The U.S. Postal Service is like a once-proud thoroughbred now crippled with a broken leg -- or two. It remains a venerable institution, but it has been so severely handicapped by the recession that lawmakers are beginning to seriously consider cutting a day of delivery.

That gradual -- and reluctant -- shift in attitudes was evident at a congressional hearing yesterday at which the Postal Service again made a plea for legislation that would allow it to cut mail delivery from six days a week to five.

"The only way we'll embrace it is if we have no other choice, and we're getting to that point," said Rep. Stephen F. Lynch (D-Mass.), chairman of the House Oversight and

Government Reform subcommittee on federal workforce, Postal Service and the District of Columbia.
Compare that with the words of one subcommittee member, Rep. Elijah E. Cummings, a Baltimore Democrat, at a hearing just two months ago: "I would bet everything I've got that's not going to happen."
Rep. Jason Chaffetz (R-Utah) said yesterday that while his "immediate reaction is 'No way,' " he might be willing to consider some combination of delivery-day cuts and a taxpayer subsidy -- another term for a bailout. Currently, the Postal Service gets zero tax dollars.
"I don't think we can get rid of any possibilities at this point," Chaffetz added.
The difference between March and now is the devastating and escalating decline in Postal Service finances.
William P. Galligan, a USPS senior vice president, told the panel that the agency posted its second-quarter financial results after the last hearing. Compared with the same period last year, total mail volume fell almost 15 percent. Revenue is down 10.5 percent. Almost $2 billion was lost in the second quarter.
"We are projecting a loss of more than $6 billion for this fiscal year," Galligan said. This year the service expects to move 180 billion pieces of mail. That sounds like a lot, but it's 32 billion less than in fiscal 2007. The collapse in volume is the largest since the Great Depression.
Postal officials have implemented several cost-cutting measures, including a hiring freeze, closing a few district administrative offices and reducing work hours. Unfortunately, that's not enough to keep the agency from going broke.
"Even if the Postal Service is successful with all of its cost-control and transformation efforts, it appears likely that without legislative relief the Postal Service will run out of cash this year and face serious financial difficulty in 2010 and beyond," said John D. Waller, director of accountability and compliance at the Postal Regulatory Commission.
The legislative relief the Postal Service wants is permission to change the way it funds retiree health-care benefits and to cut the sixth delivery day, most likely Saturday. Legislation the subcommittee is considering would allow the agency to pay for the health benefits of current retirees out of its Retiree Health Benefit Fund instead of its operating budget, saving about $2 billion this year.
"Unfortunately, as mail volume continues to plummet, even [the legislation] will be insufficient to close the gap between costs and revenue," Galligan said. "That is why we must make fundamental changes to our service network -- including reduced delivery frequency."
But just how much reducing delivery will save is the big question, and an important factor in determining congressional support. Last year, the Postal Service projected $3.5 billion in savings annually, if the cutback did not lead to a reduction in volume. The Postal Regulatory Commission assumed mail volume would decline with a cut in delivery days and projected a savings of $1.9 billion.
Del. Eleanor Holmes Norton (D-D.C.) said Congress will want an independent assessment of the savings a five-day schedule would bring. "I would seriously consider it if we had an independent study showing that it would make a structural difference" in postal operations, she said.
Galligan is prepared for strong congressional opposition to the five-day proposal, but he thinks it must be done.

"In the simplest words I can find, we can no longer afford the costs of six-day mail delivery," he said. "In my mind, it is no longer a question of if, but rather when, will economics require this change," he said.
"The time, I believe, is now."

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3. **'Economy' services of express firms do well in downturn**

By Phil Hastings
London
25 May 2009

Economic recession is prompting leading global express companies to further step up their development of "economy" express options to meet a recent marked increase in customer demand for cheaper distribution services.
Recent examples on the Asian logistics industry front include FedEx Express launching an international economy express service in India and DHL reporting rapid growth in traffic for its Southeast Asia road-based express network.
The global express industry has been expanding its range of economy options even before the current economic downturn began to bite. However, the additional impact of that downturn on express service selection by customers was confirmed by DHL's German parent group, Deutsche Post World Net, recently rebranded Deutsche Post DHL, in its 2008 results statement.
"In express, volume declines continued in all regions, with time-definite products more exposed than lower-price products."
Shortly afterwards DHL issued a statement publicising what it claimed had been "significant growth" in the use of the Southeast Asia region (Singapore, Malaysia, Thailand) DHL Economy Select (Road) services launched by that company in 2006.
Following an average of over 20 percent month-on-month growth over the past 12 months, stated DHL, March had seen record volumes moved via road by DHL.
"Compared to February 2009, road volumes on the DHL Economy Select (Road) service grew by 79 percent in March, marking the largest month-on-month growth in 32 months," it reported.
Yasmin Khan, senior vice-president, South East Asia, DHL Express Asia Pacific, added: "The economic downturn has heightened customers' interest and demand for reliable yet cost-effective measures and we're seeing a tremendous upswing in demand for our Economy Select (Road) service. We expect demand for road express services to continue to grow."
Elsewhere on the Asian express scene, early April saw US-based FedEx Express announce the launch of the FedEx International Economy service in India. The company described that option as "an economical, day-definite, Customs-cleared, door-to-door service that features a transit time typically two business days longer than premium FedEx International Priority service, which is designed for more time-sensitive shipments".
Jacques Creeten, vice-president of India FedEx Express, added: "We believe there is a clear demand for a service that lies between our premium International Priority express service and air cargo."
A further example of the strengthened global express industry focus on developing economic service options with implications for Asian shippers was provided earlier this year by TNT when it announced expanded coverage of its Economy Express

service to and from the Mediterranean country of Malta to an additional 75 countries worldwide.
Through that development, said Netherlands-based TNT, it could provide a new "cost-effective service alternative for parcels and freight shipments up to 1,000 kilos (palletised) between the rest of the world and Malta". The service offered on demand booking, delivery on a specified date within two to five working days, door-to-door transport, Customs clearance and track and trace.
"The service expansion will benefit, among others, Asian exporters who serve the Maltese industry as well as Maltese importers of electronic, eco-friendly and household goods," stated TNT. "It fits with TNT's strategy to strengthen its number one position in Europe and increase the connectivity with selected emerging markets such as China, India and Southeast Asia."
Explaining the background to that development, TNT stated that in June 2008, it had introduced "the market's first integrated road/ferry connection between Malta and EU countries". That service, it continued, was part of a TNT express road network which reached over 40 countries in Europe and Northern Africa, connecting them to the rest of the world through TNT's global air network.
"The Economy Express volumes transported between Malta and its EU partners have exceeded our expectations. With the experience in place, we are extending this cost-efficient delivery service to other continents," added Jan Willem Breen, director, marketing and sales, at TNT's Express division.

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