

# POSTAL NEWS

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## **1. Now insurance is going postal**

DANNY JOHN

September 2, 2009

THE arrival of Australia Post into the car insurance market is akin to the postal operator parking its tanks on the lawn outside former army commander Patrick Snowball's new "home" at Suncorp, where he rocked up for his first day in the job yesterday.

The move - along with the coincidental entry of Sir Richard Branson's Virgin Insurance into the very same sector - was another reminder, if he needed it, of the increasingly competitive environment that Mr Snowball now finds himself in.

But at least the Suncorp chief executive, who is facing the triple challenge of restoring the group's insurance, banking and wealth management earnings, is not alone in facing what it is likely to be a stalking horse for two even bigger "beasts" - retailers Woolworths and Coles.

If anything, it is the low-priced products the shopping giants are likely to offer that present the bigger long-term threat to the two major incumbents: Suncorp, the owner of AAMI and GIO, and Insurance Australia Group, best known for NRMA Insurance.

While Woolies and Coles ponder their options, Australia Post has certainly got a head start on its retailing competitors.

Channelling insurance through its network of 4450 outlets could see it pick up market share in the single digits over time.

It's an interesting throwback to years gone by in terms of distributing insurance, where the door-to-door salesmen were replaced by the very direct TV and radio advertising that IAG and Suncorp have used to powerful effect.

But rivals such as Allianz and Real Insurance have cottoned on to that to eat into their 70 per cent hold over the market. Web advertising, online portals and aggregators are only making the task of Suncorp and IAG harder.

What is also noteworthy is the role that international operators - such as the South African insurers - are playing in helping brands such as Australia Post and Virgin to get established.

As "white label" sources, they provide the underwriting cover, the balance sheet strength and the administrative skills in managing claims, which allows the front-end names to "clip the ticket" on the way through with relatively low financial risk.

It's yet another major challenge to the big insurers, who have to do all that and more at the same time as trying to keep their restless shareholders happy by making higher profits.

And one of the main ways to do that is to pass on higher premiums to their customers.

But those prices are exactly the main line of attack for the new players who, as a consequence, also have the recovering profit margins of Patrick Snowball's new employer and Mike Wilkins's IAG in their sights.

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## **2. Go postal: Using mail system a breeze**

LIVING IN KOREA: Sending letters, packages

August 31, 2009

Korea has one of the highest rates of broadband access and Internet users in the world. Combine that with the fact that almost everything can be accomplished on the Web, and you pretty much never have to leave home.

So when you find yourself trekking outside to send a letter or package, it might be a bit difficult to remember exactly what you're supposed to do.

To send a letter or postcard domestically, you can simply affix postage and drop it in one of the red mailboxes that you see on the streets. For a package, just visit the nearest post office or other private mail carrier company. Now let's take a closer look at how to best use postal services in Korea.

Q. What all can you do at the post office?

A. Both postal and financial services are available. Regarding postal services, you can send mail and packages domestically and internationally.

Usually, when sending mail within Korea, the postage for standard mail is between 220 won (18 cents) and 270 won.

If you are sending packages within the same region, mailing a parcel weighing up to two kilograms (4.4 pounds) costs approximately 4,000 won and one up to 30 kilograms will set you back around 8,000 won. If you're shipping a package to another region or to Jeju Island, a 30 kilogram package runs up to 11,000 won.

For the most part, packages are delivered within one or two days, though the type and weight of the package, whether weekends or holidays are involved and the distance to the destination are all factors that can require a higher fee or a longer time for the expected date of arrival.

The operation hours of post offices are generally from 9 a.m. to 6 p.m., Monday through Friday and from 9 a.m. to 1 p.m. on Saturdays.

The Seoul Central Post Office, the Daegu Post Office and the Busan Post Office are all open Monday through Friday until 8 p.m. Additionally, these three offices are open on Sundays until 1 p.m. in case you're unable to get to the post office during the week or if you have mail that needs to be sent immediately.

How do I ship a package overseas?

You can visit the nearest post office or a private mail carrier. At the post office, the Express Mail Service (EMS), operated by the Korea Post through the Ministry of Information and Communication, has special agreements with accredited postal services in other countries. In accordance with those agreements, regional shipping conditions, services and fees differ.

Generally speaking, it costs about 480 won to send a letter or package weighing 10 grams to Japan, China or Hong Kong. To send it to the United States or Canada can cost up to 580 won. Any post office nationwide can ship your packages, and currently Korea's EMS has computerized exchange systems with the U.S., Japan, Hong Kong and 59 other major countries - and it's continually expanding - where you can track your packages online.

You can also send your packages internationally through well-known private mail carriers such as DHL ([www.dhl.co.kr](http://www.dhl.co.kr); 1588-0001), Federal Express ([www.fedex.com](http://www.fedex.com); 080-023-8000) and UPS ([www.ups.com](http://www.ups.com); (02) 2022-1000).

How do I use EMS services?

Besides going in person to the post office, for your convenience you can also make an online request for a mail carrier to come to your house to pick up packages.

The price will vary according to the package's type, weight, bulk and the receiving country.

After sending the package (there's a maximum weight of 30 kilograms), you can make an online inquiry to check the status of your package by clicking on "English" on the right-hand side of the EMS Tracking homepage at [www.epost.go.kr](http://www.epost.go.kr).

You can also check by calling the customer service center at (02) 2108-0051~59. Additionally, if you go to the Korea Post Shopping Web site, you can order special products and goods from Korea while overseas and receive them through EMS.

How do I know if my overseas package will gain clearance through customs?

According to customs laws and international treaties, all international mail is subject to customs inspection. In order to both impose applicable taxes and tariffs and to block restricted items from entering for the sake of public health and security, all items must first pass through customs.

Customs clearance is granted in accordance with national agreements between countries. Even for the same items - depending on the worth of the contents, country of origin and quantity - there are differences in the tariffs. Therefore, when shipping overseas, in the event that you are unable to check the standard customs information at the post office, you are responsible for checking directly with the customs office.

On the other hand, for mail coming from other countries by air or ship, an import declaration form must be completed and it will be X-ray inspected and subject to taxation (if the commercial value is greater than 150,000 won). For items that have import restrictions or items that are valued at over \$600, a formal import declaration is required. For this and other services, call 1577-8577 or you can go to the customs e-consultation Web site at [www.customs.go.kr](http://www.customs.go.kr).

What information should I be aware of when shipping a package overseas?

1. You should check which articles have handling restrictions. Different countries have different restrictions so you should study up carefully before shipping packages to avoid having your package delayed or discarded.

Restricted articles include those prohibited by the the Universal Postal Union, according to UPU Convention Article 25 Trade and Commerce: narcotic drugs, psychotropic substances, flammable explosives and other dangerous materials, radioactive materials, unethical or obscene materials as well as articles that are prohibited from importation such as oriental medicine, animals or plants, mushrooms and food products (especially kimchi and others that spoil easily).

Additionally, you cannot ship contents that are dangerous to postal workers or can cause damage to other packages or postal equipment, etc.

2. The shipping information for packages shipped overseas must be recorded accurately. The sender's address must also be recorded accurately using Roman letters and Arabic numerals. Other information including the receiver's address, name, phone number, package contents, quantity and price must also be accurately recorded and submitted.

The name of the receiving country and the receiving region should be written in capital letters and the correct regional and postal Zip codes should be written together. It's best not to use pencil when writing the names and addresses, and you should put a duplicate copy of the sender and receiver's address inside the package.

3. When packages shipped overseas are lost or the contents are damaged during the transit or handling of the package, appropriate compensation for damages will be

made to the rightful party in accordance with set post office conditions and regulations.

However, if the damage occurs due to poor packaging (not only the outer packaging but the inner packaging as well, including impact protection material), the nature of the contents (damage caused by liquid spilling) a natural disaster or other uncontrollable circumstance or theft, you are not eligible for compensation for damages.

Because the amount of compensation is different depending on the type of international mail and the scope of the damages, you should ask your post office for specific details.

For general inquiries or consultations, contact the Seoul Global Center at 1688-0120.

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### **3. U.S., Cuba to hold postal service talks - diplomats**

Mon Aug 31, 2009

HAVANA, Aug 31 (Reuters) - Talks aimed at resuming direct postal service between the United States and Cuba, which has been suspended for decades, are set to be held in mid-September in another sign of thawing U.S.-Cuba relations, Western diplomats said.

Officials from the U.S. State Department and U.S. Postal Service were expected to attend the discussions in Havana, the diplomats, who asked not to be named, said.

No further details were immediately available and there was no immediate confirmation from the Cuban government.

The talks are part of U.S. President Barack Obama's declared intention to "recast" relations with Communist-ruled Cuba, which for 47 years has been the target of a U.S. trade embargo.

In April, Obama lifted restrictions on travel and remittances sent to Cuba by Cuban Americans with relatives on the island and he has restarted talks on immigration that were suspended by the Bush administration in 2004.

Cuba agreed in late May to resume the immigration discussions and also to a U.S. request for talks on the postal service.

At present, mail between the two countries must go through a third country.

Direct postal service was suspended as a result of the animosity between the United States and Cuba that began soon after the Cuban revolution toppled dictator Fulgencio Batista in 1959.

Diplomatic relations were broken off in 1961 and a year later the U.S. launched a trade embargo that is still in place.

The United States has approached Cuba before about resuming direct postal services but Cuba has insisted in the past that, among other things, this must be accompanied by a resumption of regular scheduled commercial flights between the two nations just 90 miles (145 km) apart. Currently, only charter flights are permitted under U.S. regulations.

Cuba is also said to be concerned about the possible delivery by post of items it views as potentially harmful, including chemicals, firearms, ammunition, and technology such as satellite phones.

U.S. express mail service companies such as UPS (UPS.N) and FedEx (FDX.N) cannot operate in Cuba but German-owned carrier DHL (DPWGn.DE) can.

According to John Kavulich, senior policy advisor at the U.S.-Cuba Trade and Economic Council in New York, resumption of direct mail would likely draw interest from UPS and FedEx.

"Pressure might increase for UPS and FedEx to have the right to compete with the U.S. Postal Service," he said. The two companies "might not want to service Cuba, but they would certainly insist on the right to compete."

He also said that with direct postal service, Cuba's government agencies would be expected to respond more promptly to U.S. requests and queries than in the past.

"With normalization comes accountability -- a relationship that centrally-planned commercial, economic and political systems are not designed to accept readily," Kavulich told Reuters.

While Obama has moved to improve U.S.-Cuba relations, he has said the U.S. trade embargo will only be eliminated if Cuba make progress on political prisoners and human rights.

Cuba has said it is willing to discuss everything with Washington but has ruled out unilateral political concessions or any shift to capitalism. (Reporting by Jeff Franks and Marc Frank; Editing by Pascal Fletcher and Phil Stewart)

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