

POSTAL NEWS

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1. Posta out for a return to its days of glory

Posted Monday, March 21 2011 at 00:00

In a move intended to re-position the Postal Corporation of Kenya (PCK) against challenges brought on by the digital era and changing competitive landscape, IBM's Corporate Service Corps conducted a research survey on the attitude of Kenyans toward the service.

The findings indicate that a paradigm shift in operations is needed, in the light of technological innovations and increasing competition.

"These challenges present opportunities for Posta Kenya: Diversification of business into financial services, and as a partner in e-government," IBM marketing manager John Fredette said.

Several key trends were identified notably that people view PCK as "trustworthy" and "reliable"; however the general perception in the marketplace is that PCK is somewhat out-of-date.

The findings also indicate that the post office is still used for mail services → yet many were not aware of PCK's other services → including electronic funds transfer and mobile bill payments.

Muriuki Mureithi of Digital Opportunity Trust Kenya, an NGO contracted by IBM to facilitate the project said that nonetheless, PCK enjoys a unique position.

"Its strong network of branches and agency locations throughout the country provides a competitive advantage to be reckoned with."

IBM recommends that PCK's organisational structure should → put together an executive level sales management team focused on exploiting new opportunities brought about by the digital era.

The corporation should also seek to add young and energetic talent to the organisation, and explore the possibility of a new technology internship programme. In addition, a re-branding of PCK → is needed to address the "out-of-date" sentiment in the marketplace → and also to promote new services.

However, "reliability" and "trust" are two brand attributes that PCK should be keen to exploit in marketing efforts.

Among the greatest opportunities for Posta Kenya is to digitise its operations and take advantage of the country's extending fibre optics network.

“The corporation could maximise on existing IT infrastructure to connect all its branches, for instance. This will improve efficiency in money transfers across the country,” said Mr Fredette.

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2. Kiwibank operating a 'high cost' model, says Cullen

2:45 PM Thursday Mar 17, 2011

Kiwibank is operating a high-cost model compared with banking sector benchmarks, and will be seeking to trim fat as it anticipates slower growth for the rest of this financial year, said Michael Cullen, chairman of parent New Zealand Post.

Appearing before the commerce select committee for the postal and banking SOE's annual parliamentary review, Cullen said Kiwibank's claim to be cheaper than other banks for customers was true.

However, it was not true of the bank's internal cost structures.

"We are not low cost at the present time," Cullen said.

Kiwibank was "staffed and organised on the assumption of very strong growth. As a consequence, its cost ratios are quite high by banking standards."

"We are expecting much slower Kiwibank in the next year, and will be taking the opportunity improve internal structures," he said.

That included both staff levels and improved credit control processes.

There was also a need to assess and reconfigure existing shared postal and banking outlets, as banking demand grew relative to postal services demand at PostShop outlets.

NZ Post also faced questions from Labour MPs on the committee about its proposed "digital postal service," an initiative intended to help NZ Post shore up its revenues in the face of plummeting physical mail volumes.

Postal volumes are now half what they were 10 years ago, and have fallen steeply in response to the prolonged recession, government and corporate spending cuts, and disruption to mail delivery in Christchurch following the two earthquakes in the city.

"Are you really the best organisation to do that when there's a pile of international organisations doing that globally," asked Trevor Mallard.

"There is not yet a market ready proposition," said chief financial officer Brian Yeoman.

"The exact functionality is not yet clear."

The existence of competing secure digital services for delivering communications was one of the reasons NZ Post was approaching the issue with caution, chief executive Brian Roche told the committee.

NZ Post's brand was strong both for custody and delivery of communications, and it believed digital technology was "part of our future", but was still "exploring whether technology is a friend or a foe."

Cullen said NZ Post's "complex structure" was also being addressed this year.

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3. Finnish Digital Mail Service Continues To See Growth

20 March 2011 - Franz Groter

Netposti, the digital mail service provided by the Fins, now has over 300,000 users. According to the Itella Group, NetPosti has grown rapidly in recent years as an increasing number of consumers, companies and organizations in Finland have started handling their business electronically.

The NetPosti service is intended for consumers and small-scale companies and organizations. NetPosti was established in 2001, and its number of users exceeded 100,000 in 2007. NetPosti provides consumers with an easy way of receiving and archiving letters and e-invoices as well as replacing folder archives and piles of paper at home.

"NetPosti is a secure, environmentally sound mail system which forms part of our information society" says Tommi Björklund, in charge of the NetPosti services.

The typical NetPosti user is 30-59 years of age and a highly educated skilled employee residing in South or West Finland.

"It can be said that a NetPosti user is someone who has a family and a busy life, and so has other things to do than look for receipts in drawers to complete their tax statement. For example, NetPosti users get so many bills and other important documents that going electronic makes a difference. So far, NetPosti has been most popular in the capital region, but we are confident that the rest of Finland will follow suit" says Björklund.

To mark the user milestone, NetPosti sent the happy 300,000th user a product package and movie tickets.

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March 16, 2011 12:22

4. Creation of Postal-Bank still on agenda, Russia ready for its privatization in the future - Kudrin (Part 2)

MOSCOW. March 16 (Interfax) - The creation of a Postal-Bank is still on the agenda, Russian Deputy Prime Minister and Finance Minister Alexei Kudrin said at a banking conference in Moscow on Wednesday.

"We, nonetheless, believe it necessary to create this bank," he said.

Setting up postal infrastructure is necessary so that "a payment system is formed, especially for those regions where there aren't enough [financial] services," he said.

Kudrin added that the state is ready to reduce its stake in the Postal Bank to below that of a control stake in the future. "The state stake will go below 50% plus one share after three years," he said.

Kudrin added that the government is ready to reduce its stake in state banks. The three-year privatization program fixes the state packet at 50% plus one share. After this period, the state stakes will be further reduced, he said.

The Russian government plans to review the development strategy for the banking sector at a meeting on Thursday, Kudrin said.

The fate of Postal-Bank is been under discussion for less than a year. The decision for its creation has been repeatedly moved.

The idea for Postal-Bank sees it as a subsidiary of VEB formed jointly with Sviaz-Bank (RTS: SVZB) and Russia Post. At the same time, VEB plans to bring in a financial partner (either Russian Standard Bank (RTS: RSBN) and Nomos-Bank (RTS: NMOS)).

Auditor KPMG estimated Russia Post's financial operations at 80 billion-100 billion rubles. VEB chief Vladimir Dmitriyev earlier said that this estimate has changed the perceptions of potential banks partners about their involvement in the project.

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5. Japan Still Accepting International Mail, Says U.S. Postal Service

Mailers Should Expect Significant Delivery Delays, Especially to Northern Japan
WASHINGTON, March 16, 2011 /PRNewswire-USNewswire/ -- Despite the tragic events as a result of the March 11th earthquake and tsunami, the postal administration of Japan continues to accept all types of international mail.

Mailers are advised, however, to expect delays in the delivery of all types of mail sent to Japan and in the transmission of information on Express Mail International items and Priority Mail International parcels. Significant delays could be experienced for items addressed to northern Japan, including Sapporo, Sendai, Hokkaido, Aomori, Akita, Iwate, Miyagi, Yamagata, Fukushima, and Ibaraki.

Additional information and updates regarding acceptance and movement of international mail to these areas are posted online at usps.com/communications/news/serviceupdates.

The Postal Service receives no tax dollars for operating expenses, and relies on the sale of postage, products and services to fund its operations.

A self-supporting government enterprise, the U.S. Postal Service is the only delivery service that reaches every address in the nation, 150 million residences, businesses and Post Office Boxes. The Postal Service receives no tax dollars for operating expenses, and relies on the sale of postage, products and services to fund its operations. With 32,000 retail locations and the most frequently visited website in the federal government, usps.com, the Postal Service has annual revenue of more than \$67 billion and delivers nearly 40 percent of the world's mail. If it were a private sector company, the U.S. Postal Service would rank 29th in the 2010 Fortune 500. Black Enterprise and Hispanic Business magazines ranked the Postal Service as a leader in workforce diversity. The Postal Service has been named the Most Trusted Government Agency six consecutive years and the sixth Most Trusted Business in the nation by the Ponemon Institute.

6. Postal Service, APWU agree to four-year-plus contract

Frank Washkuch

March 14, 2011

The US Postal Service and the American Postal Workers Union tentatively agreed to a new four-and-a-half-year contract on March 14. The deal, which would run through May 20, 2015, includes a 3.5% wage increase over the life of the contract, with the first raise taking effect in November 2012.

The deal must be approved by both the APWU's rank-and-file bargaining committee and its general membership. The USPS said it expects the union to ratify the agreement, which would affect about 205,000 clerks, mechanics, vehicle drivers and custodians, within two months.

“The last time, in late 2006, it took about five weeks,” said Sally Davidow, senior manager of communications at the APWU.

The USPS reported a net loss of \$451 million in January, when it also cut work hours by 3.3%. The Postal Service also saw a net loss of \$8.5 billion in its 2010 fiscal year, which ended September 30, 2010. The USPS has said the prefunding of retiree health benefits costs it \$5.5 billion per year and has urged Congress to address the issue.

The contract with the APWU also includes limited long-distance reassignments, changed wages for new employees and increased workforce flexibility, according to the union.

The Postal Service's negotiations with the National Rural Letter Carriers' Association came to an impasse last November at the end of their last contract. The two sides are “still talking,” said Mark Saunders, PR representative for human resources, labor and stamps at the USPS.

The USPS will begin negotiations with the National Association of Letter Carriers and the National Postal Mail Handlers Union about 90 days before their contracts expire this November. The NALC represents mail carriers in metropolitan areas, while NPMHU employees work in mail processing plants and post offices.