

# POSTAL NEWS

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## 1. Malaysia Sells National Postal Company Stake in Divestment Plan

By Gan Yen Kuan - Apr 23, 2011 6:00 AM GMT+0700

DRB-Hicom Bhd. (DRB), a Malaysian automotives, construction and banking group controlled by billionaire Syed Mokhtar Al-Bukhary, won a race to become the biggest shareholder in the Southeast Asian country's national postal company.

It will pay 622.8 million ringgit (\$207 million), or 3.60 ringgit per share, for a 32.2 percent stake in Pos Malaysia Bhd. (POSM), according to an e-mailed statement by Khazanah Nasional Bhd. late yesterday. That's a 7 percent premium to the company's closing share price today of 3.37 ringgit.

Khazanah, an investment arm of the Malaysian government, is divesting after Prime Minister Najib Razak called on state organizations to sell down some non-core local commercial holdings to help boost stock market liquidity and attract investment. DRB-Hicom beat four other rival bids which Khazanah didn't name in the statement.

"DRB-Hicom was chosen based on their overall bid, which offers not only a defined strategy but also an executable business plan and an acceptable offer price," Azman Mokhtar, managing director of Khazanah, said in the statement. It's the buyer's prerogative whether to make a general offer, he said.

Khazanah, which manages a 75 billion-ringgit investment portfolio, is the largest shareholder in some of Malaysia's largest listed companies, including power producer Tenaga Nasional Bhd. (TNB), national carrier Malaysian Airline System Bhd. (MAS), and CIMB Group Holdings Bhd. (CIMB), the country's second biggest lender.  
State Dominance

More than half of the benchmark stock index was owned by government-linked funds as of June last year, according to calculations by Bloomberg. The Employees

Provident Fund, a state pension fund, alone accounted for 50 percent of daily volume in Malaysia's local equity and bond markets, Najib said in March last year.

The disposal of Pos Malaysia stake is Khazanah's first divestment of an entire stake in a major government-linked company, the sovereign fund said. CIMB Investment Bank Bhd. and McKinsey & Co. advised on the sale, it said.

The sovereign fund raised 6.2 billion ringgit from divesting stakes in seven companies last year, including DRB- Hicom, CIMB, Malaysia Airports Holdings Bhd. (MAHB) and Telekom Malaysia Bhd. (T), it said on Jan. 19. This month, Khazanah sold a 30 percent stake in Integrated Healthcare Holdings Ltd., Asia's biggest hospital operator, to Mitsui & Co. for 3.3 billion ringgit.

'Natural Fit'

"Pos Malaysia is a natural fit to our businesses," Khalid Abdol Rahman, DRB's group director, said in a separate statement yesterday. "Our banking and insurance businesses can leverage on the extensive postal network which can serve to reach the people, especially in the rural or remote areas."

DRB, which has a controlling stake in Islamic lender Bank Muamalat Malaysia Bhd., also wants to leverage of Pos Malaysia's virtual retail network and revitalize its logistics business, Khalid said.

Pos Malaysia's net income fell 59 percent to 6.1 million ringgit in its fiscal fourth quarter ended December from a year earlier. The value of its total assets rose to 1.38 billion, according to data compiled by Bloomberg.

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## **2. Malaysia's Khazanah to sell postal stake to DRB-Hicom**

KUALA LUMPUR, April 22 | Fri Apr 22, 2011 6:12am EDT

KUALA LUMPUR, April 22 (Reuters) - Malaysia's strategic state investment firm Khazanah Nasional will sell its 32.2 percent stake in national postal company Pos Malaysia to DRB-Hicom for an indicative price of 622.8 million ringgit (\$207 million).

Khazanah said the conditional sale was done at 3.60 ringgit per share after an "extensive two-stage process", and could be modified by the ministry of finance, which holds a special preference share in the company.

"DRB-HICOM was chosen based on their overall bid, which offers not only a defined strategy but also an executable business plan and an acceptable offer price," Khazanah's managing director Azman Mokhtar said in a statement.

Khazanah's divestment of Pos Malaysia marked its "first divestment of its entire stake in a major GLC", which is part of the government's strategy to increase liquidity in the Malaysian stock market.

The statement added that it was DRB-Hicom's responsibility to determine whether a general offer would be made to all other Pos Malaysia shareholders.

Local media said DRB-Hicom had plans to inject its Islamic lender Bank Muamalat into Pos Malaysia thereby expanding its branch network. [ID:nL3E7FK030]

Shares of DRB-Hicom, which had risen in the days leading to the announcement, fell about 1 percent at the close of trading on Friday.

(\$1 = 3.008 Ringgit) (Reporting by Min Hun Fong; Editing by Niki Koswanage)

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### **3. Beware of postal maneuvers**

#### LETTER TO THE EDITOR

Posted: Saturday, April 23, 2011 6:00 am | Updated: 1:27 am, Sat Apr 23, 2011.

Beware of postal maneuvers Betty Mapes, Fullerton Kearney Hub | 0 comments

The U.S. Postal Service is trying to skirt the law in order to close post offices in small towns throughout rural America.

On March 31, the USPS printed in the Federal Register proposed regulations — 39 Code of Federal Regulations Part 241 — that violate Title 39 of the U.S. Code. These proposed regulations would enable the Postal Service to unilaterally “convert” post offices to subordinate facilities, known as “stations and branches,” which are not protected under the law the way post offices are.

Every post office in Nebraska is susceptible to “conversion” under these new guidelines. We have to act now. I need your help.

Current law entitles communities to due process rights, including appellate review by the Postal Regulatory Commission, whenever the USPS plans to close or consolidate a post office. The USPS aims, through “regulatory sleight of hand,” to nullify a community’s due process rights.

Now is the time to act before your post office becomes a thing of the past.

Please write to: Manager, Customer Service Standardization, Attn: Retail Discontinuance, 475 L'Enfant Plaza, SW, Room 6816, Washington, D.C. 20260-6816.

Tell the manager it is unacceptable to change the post office to a station or branch just to make it easier to close. I want my voice heard.

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#### **4. Postal Service hopes to attract commercial mail with guarantee**

April 25, 2011 - 12:31 pm EDT

Washington, D.C.—The U.S. Postal Service, in an effort to nab a greater proportion of agency and corporate media spending, is introducing a postage-back guarantee program to encourage large advertisers to do more with direct mail.

The Postal Service's Mail Works Guarantee plan, to be launched May 16, will offer the program to a select number of advertisers whose ad budgets already total \$250 million but have a relatively paltry commitment to direct mail.

Those companies that then mail between 500,000 and 1 million direct-mail first- or standard-mail pieces will be offered a \$250,000 postage-back guarantee if their campaigns do not meet expected metrics. The test can run for up to two years, according to the Postal Service.

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#### **5. Postal boxes everywhere, where is mail?**

Updated 8 hr(s) 47 min(s) ago

By John Oyuke

When did you last write a letter? With electronic mail (email) becoming so popular, the pleasure of sticking a stamp and sealing an envelope full of letters for loved ones is fast fading.

The advent of new technology has pushed several traditional services to a corner one among them being the good old post boxes or letter drop boxes that have been part and parcel of our cities for around two centuries.

Gone, it appears, are those golden days when people used to demand that the Post Office mount post boxes in their locality. Indeed, the era of speedy communication gadgets like mobile and Internet have put to test the sustainability of letter-boxes.

Postal Corporation of Kenya (PCK) last week gave a hint of the prevailing state of affairs as new, faster ways of communicating poke holes in the postal service and life of letters.

The state-owned firm announced availability of 25,306 vacant rental letter-boxes spread out in 41 locations in Nairobi region. Acting Corporate Communications Manager, Mr Gichuki Njeru, said that the letter-boxes are up for rental to customers. Out of the total vacant rental boxes available, the recently opened Eastleigh Post Office has the highest number with 8,043 units followed by the Nairobi General Post Office with 4,700.

#### Nairobi region

City Square Post Office has 1,800 boxes and Jamia Post Office 1,737. Other areas with ready boxes are Village Market (602), Mobil Plaza (500), Parklands (300), Ngara (649), Embakasi (733), Kamiti (500), Enterprise Road (200), Kiambu (300), Thika (300) and Ruiru (400).

PCK's Nairobi region covers a vast area that runs through the counties of Nairobi, Kajiado and Kiambu. According to the corporation, the rental rates are Sh4, 200 for corporate organisations and Sh1, 400 for individual customers with a one-off deposit for keys of Sh350 for both categories.

Njeru said there are letter-boxes for rental in Kajiado, Kayole, Dandora, Kitengela, Kiserian, Magadi, Makongeni, Mchumbi Road in South B, Namanga, Ngewa and Ongata Rongai.

Others boxes are located the following post offices: Madaraka, Gatundu, Kanjuku, Gatura, Gatukuyu, Ithanga, Gituamba, Kangemi, Mathare, Wangige, Lower Kabete, Kijabe, Karuri, Matathia and Githunguri.

#### Postal service

PCK believes though Kenyans had slowed on writing letters, a number of companies or even individuals could still utilise this postal service by posting.

Recently, PCK announced it would introduce residential letter-boxes that would enable home delivery of mail. The announcement comes against a backdrop of an emerging consensus amongst those with a direct interest in the postal service that the letters segment is now in decline. Statistics show letter volumes reached peaked in 2005 but have been declining since then.

The experience of declining volumes and demand for letter-boxes is consistent with trends in mature mail markets across the world. For instance, the US Postal Service reported a net loss of \$451 million in January when mail volume declined by 1.3 per cent year-over-year to 13.7 billion pieces.

In the first four months of its 2011 fiscal year, the US Postal Service has reported a total net loss of \$781 million. Total mail volume has been flat up to now, rising 0.9 per cent, according to data provided by Postal Regulatory Commission.

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## **6. Postal dept to launch new global parcel scheme**

Parul Pandey, TNN, Apr 21, 2011, 09.49pm IST

PATNA: International transfer of cash, precious items like gems, jewelleryes and electronic items would now be easier, with postal department coming up with the service of sending 'flat rate box' from May 28.

In the first phase, this service would be operational at Patna GPO, Bankipore, Gaya, Rajgir, Muzaffarpur and Bhagalpur.

'Flat rate box' is a tamper-free parcel box. The department would introduce three sizes of parcel boxes of 1kg, 2.5 kg and 5 kg. No stamp or extra packaging would be required and its price would be the same for sending it anywhere in the world.

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