Market Flash

International Post Corporation

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IN THIS ISSUE

Top story

UPU Congress in Doha reaches conclusion

The annual Universal Postal Congress took place in Doha, Qatar this year. Some of the outcomes include the Doha Postal Strategy and the official launch of the .post platform for international electronic postal services.

The 2013-2016 strategy gives the Universal Postal Union (UPU) broad lines of action and defines regional priorities. It has four goals: improved interoperability of international postal networks; provision of technical expertise to develop the industry; the promotion of innovative physical, financial and digital products and services; sustainable development.

The new .post platform is based on a unique top-level internet domain and is available to national posts. It is intended to replicate the conditions created for the global exchange of physical mail for electronic mail, providing a brand for legitimate postal services on the internet.

The outgoing director general of the UPU international bureau, Edouard Dayan, urged members to adopt .post, saying that the platform provided a tool for developing electronic services such as e-post, e-finance, e-commerce and e-government services.

The UPU sees a wide range of electronic services being offered through the .post platform including identity management, e-shops, e-payments, e-forms, secure postal mailboxes, address management, hybrid mail and advertising mail.

Poste Italiane contributed €500,000 (US$651,327m) and technical expertise to the development of .post and is testing the platform in cooperation with PostNL; China Post is testing several applications.

At the Universal Postal Congress, members elected Bishar A Hussein of Kenya as the new director general to succeed Edouard Dayan. A former Kenyan ambassador to the United Arab Emirates, Bishar Hussein served as chairman of the UPU's Council of Administration from 2009 until 2012. He was appointed Postmaster General of the Postal Corporation of Kenya when it split from KP&TC in 1999.

The new deputy director general is Swiss-born Pascal-Thierry Clivaz, who has been director of finance and strategic planning at the UPU international bureau in Berne since 2005.

■ CANADA POST AND SHOPIFY OFFER COMPLETE E-COMMERCE SOLUTION ■ FEDEX ANNOUNCES PLAN TO BOOST PROFITABILITY BY US$1.7BN ■ USPS EXTENDS ITS ONLINE FOREIGN LANGUAGE SERVICE ■ THE UPS STORE GETS CLOSER TO SMALL BUSINESS ■ FEDEX SHOWCASES ITS HEALTHCARE PRODUCTS ■ FEDEX HUBS OFFER THE ACE US CUSTOMS SYSTEM

Americas

Canada Post and Shopify offer complete e-commerce solution

Canada Post is collaborating with e-commerce platform provider Shopify to offer a complete online sales package for small businesses and bricks-and-mortar retailers.

The ready-made e-commerce solution has fully integrated shipping, including label printing and tracking and automatic calculation of shipping rates during the checkout process. Canada Post said order fulfilment would be streamlined through automatic completion of printed labels. Each online shopper would receive a custom tracking page once their order was fulfilled.

Businesses getting online with Canada Post and Shopify will be able to control their shipping method, include insurance and request delivery confirmation or presentation of personal ID at delivery, Canada Post said.

The Shopify service is based on a monthly fee. Members of Canada Post's VentureOne loyalty programme for small businesses are being offered the chance to set up their e-commerce operation free of charge for three months; other businesses are offered a free 30-day trial.

Canada Post and Shopify claim it takes only minutes to create an online store and start selling. The service allows businesses to upload product photos into pre-designed templates or to create their own look and feel. Business tools are supplied to track order status and provide management reports. A support team is available to steer new users through the process.

An estimated CA$8bn (€6.2bn, US$8.1bn) worth of goods are currently ordered annually in Canada for home delivery and the market is forecast to grow to more than CA$15bn (€15.2bn, US$11.6bn) by 2016. In 2011 a total of CA$600m (€465.9m, US$607.6m) was spent on e-commerce business-to-consumer delivery.

FedEx announces plan to boost profitability by US$1.7bn

FedEx Corp has announced programmes to improve profitability by US$1.7bn (€1.3bn) a year during the next three years with a significant proportion being achieved by fiscal year 2015.

Of the total, the overwhelming proportion amounting to US$1.6bn (€1.2bn) will be achieved at FedEx Express through a combination of cost savings in the United States and growth internationally. The programme follows group earnings below expectations in the first quarter ending 31 August, when the express business saw its operating income decline by 28% year-on-year to US$207m (€158.8m).

Speaking to investors and lenders, FedEx chairman, president and chief executive Frederick W Smith, said the overall strategy was tied closely to yield management based on striking the right balance between volume growth and yield improvement.

IN BRIEF

FedEx Ground chief to retire

David F Rebholz is to retire from his position as president and chief executive of FedEx Ground on 31 May 2013 when he reaches the age of 60. He has led the FedEx operating unit since 2007 and serves on the FedEx Corp strategic management committee. His successor will be named at a later date.

New savings will be in addition to US$350m (€268m) in cost reduction planned for the current financial year.

FedEx Express aims to achieve profit improvements of US$400m (€306.8m) from operational efficiencies and an employee buyout programme, starting in the second half of this financial year, which is expected to produce several thousand voluntary redundancies.

Aircraft fleet modernisation is targeted to achieve a further US$300m (€229.7m) improvement. A US$350m (€268m) cost saving is expected from improvements in domestic performance, with fewer flying hours and more modern vehicles. A further US$150m (€114.8m) is to be achieved from growth and yield management measures.

In the international business, FedEx Express is seeking to achieve a US$350m (€268m) improvement through a mix of cost reduction and revenue growth. It sees international as its growth engine but is looking for 'creative changes' such as a saving of US$50m (€38.3m) achieved from combining Asia-Europe routes.

Chief operating officer Michael Ducker said the US$350m (€268m) improvement in international results would come from a combination of growth in the International Priority service, better asset utilisation, freight forwarding services, expansion in Europe and leveraging five recent acquisitions in France, Poland, India, Mexico and Brazil.

USPS extends its online foreign language service

The United States Postal Service has extended its Spanish and Simplified Chinese service online. Spanish and Simplified Chinese speakers can now shop for stamps and supplies in their own language and register to receive emails and make future visits to the Postal Service website in their preferred language.

Foreign language services were first introduced in 2011 for locating post offices, placing mail on hold, scheduling a package pick-up or delivery, looking up a ZIP code or using the track and confirm tool.

The UPS Store gets closer to small business

The UPS Store is continuing to strengthen its brand positioning as a service provider for small businesses with the launch of its Small Business Solutions portal.

Initially the portal is providing access to offers from service providers for IT support, financial services and receptionist services, but The UPS Store says more partner offers will be added including promotional and internet marketing products.

The Small Business Solutions website includes a blog, resources and tips from small-business experts. The UPS Store said its research had indicated that small-business owners feel they lack support to cope with daily challenges: "Our goal is to make it easier for small-business owners to run their day-to-day operations", said Michelle Van Slyke, vice president of marketing and small-business solutions.

FedEx showcases its healthcare products

FedEx Corp demonstrated its product enhancements for the healthcare and life science industry at its healthcare industry summit in New York in early October.

Presentations from FedEx and external speakers focused on the need for providers to go borderless in order for the sector to achieve its potential globally.

The cold chain product enhancements on show included SenseAware sensor technology with improved GPS capability, cellular connectivity and battery life; the rollout of FedEx Priority Alert to 70 international markets providing increased monitoring and intervention services; FedEx Deep Frozen Shipping which eliminates the need for dry ice by using a super-cooled Dewar that holds a temperature below minus 150 degrees Celsius for up to ten days.

FedEx hubs offer the ACE US Customs system

FedEx Corp's freight forwarding and customs brokerage business, FedEx Trade Networks, has completed its year-long migration to Automated Commercial Environment (ACE) entry summary filing at United States ports of entry.

The US Customs and Border Protection's new automation system is now implemented at all FedEx Express international hubs. FedEx Trade Networks is filing ACE entries ahead of the deadline for its use to ensure there is no service disruption when it becomes mandatory.

The company and participating customers are using new features provided by ACE, including electronic Post Summary Corrections. With eligible customers, FedEx Trade Networks is participating in the ACE Simplified Entry and Document Image System (DIS) pilot programmes.

FedEx said new features in ACE made the clearance process faster, providing improved visibility and functionality.

Asia Pacific

Australia Post invests in parcels and digital platform

Australia Post is to invest AU$2bn (€1.6bn, US$2bn) in its parcels logistics and digital platform over the next four years in order to create a 'world-class' national parcel delivery network and expand its footprint across the country.

Managing director and chief executive Ahmed Fahour made the investment announcement on 11 October when Australia Post tabled its 2011-12 annual report, showing that it achieved a 16.6% increase in profits after tax to AU$281m (€223m, US$291m). Its earnings before interest and tax (EBIT) were up 21 % to AU$398m (€315.8m, US$412.3m) on income 2.8% higher at AU$5.13bn (€4.1bn, US$5.3bn).

The AU$2bn (€1.6bn, US$2bn) investment will provide parcels infrastructure and delivery options capable of sustaining growth in demand for parcels services that is currently causing Australia Post's network to operate at peak levels all year round.

The company's parcel and retail operations increased their EBIT by 20.8% in financial year 2011/12 to AU$546m (€433m, US$566m) on income up by 8.5% to AU$3.07bn (€2.44bn, US$3.18bn).

By 2014, Australia Post said 80% of Australians would be within a ten-minute drive of an after-hours parcel collection point, either a retail outlet operating extended opening hours, or a parcel locker. By the end of 2012, 128 parcel locker locations are planned across the country and 250 locations are planned during the next two years.

New parcel processing facilities will include intelligent conveyors and a whole-of-network view capable of locating every barcoded parcel at any time for track and trace services.

A lower-cost international parcel service, Pack and Track International, will operate to the United Kingdom, United States, New Zealand, Ireland and Singapore to provide local businesses with cheaper access to key international e-commerce markets.

The recent acquisition of 100% of StarTrack (subject to regulatory approval) will allow Australia Post to offer express freight capabilities and products that complement its own parcels offer.

The new investment programme includes the expansion of retail superstores across the country and the provision of a free, secure Australia Post Digital MailBox for every citizen.

Retail superstores offer Apple iMacs, iPads and digital screens for customers to shop or research purchases online, arrange their parcel delivery electronically and navigate Australia Post products and services.

While parcels income and profits grew in 2011-12, Australia Post reported that its regulated mail business's EBIT loss rose by 20% year-on-year to minus AU$148m (€117m, US$153m). Ahmed Fahour said increased competition and fixed costs associated with the national mail network would challenge the company's ability to continue growing and investing in future.

IN BRIEF

New DHL terminals under way in Saudi Arabia

Construction began during October for the new DHL Express gateway terminal at King Fahd International Airport in Saudi Arabia. The terminal is part of a US$20m (€26m) investment in facilities at the country's Dammam and Riyadh airports in support of expanding trade.

DHL Supply Chain invests in capacity in India

DHL Supply Chain is to invest €100m (US$130m) in India, expanding its network with eight new multi-client warehouse sites and more vehicles.

The new warehouses in major cities will add 464,505m^2 of storage space. They will be equipped with loading docks and dock levellers, RFID technology for barcode scanning and security features including CCTV, electronic access controls, intruder alarms and traffic management systems. All the buildings will incorporate green technology such as LED lighting and wind-assisted ventilation.

DHL said the third-party logistics market in India was growing faster than GDP and would account for 13% of the total logistics market in 2015.

FedEx Express officially opens it South Pacific hub

FedEx Express has officially opened its SG$97m (€61m, US$79.5m) 26,265m^2 South Pacific Regional Hub at Singapore's Changi Airport.

The hub is the company's largest consolidated facility in Asia Pacific, housing air, ground and clearance operations under one roof. It provides a regional consolidation point for transhipments in and out of Australia, New Zealand and Southeast Asian countries and is capable of sorting up to 12,000 packages an hour.

DHL Express delivers internationally for Empost

DHL Express has formed a strategic partnership making it the official logistics partner to Empost, the express delivery division of Emirates Post Group Holding.

It will handle and deliver all Empost's international shipments and in a second phase will cooperate in the United Arab Emirates retail sector where Emirates Post/Empost has 125 outlets. The partnership also includes training by DHL of Empost employees.

Empost will have an electronic link with DHL to enable parcel tracking through its website.

SingPost invests in its diversification strategy

Singapore Post plans to invest SG$50m (€31.4m, US$41m) to SG$70m (€44m, US$57.3m) in its infrastructure, technology and employees in order to continue its 'Ready for the Future' business diversification strategy.

The strategy includes expanding e-commerce, digital and logistics services and purchasing stakes in Malaysia's GD Express, Vietnam's Indo Trans Logistics and Shenzhen 4PX Express in China.

Europe

Directors appointed for future PostFinance Ltd

A seven-strong board of directors has been appointed to PostFinance Ltd the public limited company which is due to come into existence in the second quarter of 2013, retroactive to 01 January 2013.

The directors were nominated by the Swiss Post Board and voted in at a general meeting. They include Swiss Post's chief executive Susanne Ruoff, its chief financial officer, Pascal Koradi and two Swiss Post board members: Dr Marco Durrer and Adriano P Vassilli.

The chairman of the PostFinance board will be Commercial lawyer Prof Dr Rolf Watter. Two other external directors are Dr Michaela Troyanov and Dr Patrick Frost.

Swiss Post will continue to own its financial services provider, PostFinance, when a Federal Council resolution expected next year transforms it into a public limited company. PostFinance Ltd will be subject to supervision by FINMA and is expected to receive a banking licence.

bpost bank changes brand imaging

Belgium's postal bank has unveiled a new brand name, bpost bank, and logo reflecting its modernisation in a process that began in 2009.

All branches will be rebranded with the new corporate identity by the end of 2013. Modernisation measures will include a new IT platform to be deployed by the end of this year. Next year bpost bank plans to launch mobile banking for smartphones and tablets and an online savings service.

UPS chief in Brussels to discuss Commission review

A top UPS executive met with European Commission officials in Brussels during October urging the Commission to be reasonable in assessing the competitive and market impact of the company's planned merger with TNT Express.

Dan Brutto, head of UPS International, told reporters that UPS was committed to the €5.16bn (US$6.7bn) takeover of TNT Express.

IN BRIEF

Rudolf Kemler appointed to Austrian Post board

Rudolf Kemler has been elected to the supervisory board of Austrian Post with effect from 01 November to replace Markus Beyer who is retiring. Rudolf Kemler was appointed managing director of HP Austria in 2008 and heads the enterprise business area at HP Austria.

The two companies have argued for a wide view of the European express market that includes parcel operators such as GeoPost/DPD and Royal Mail's GLS as significant competitors. Competition Commissioner Joaquin Almunia, however, has expressed concern about the impact on competition and prices from the merger, which could leave DHL Express and FedEx as the only major international express competitors.

The Commission is expected to issue a Statement of Objections which could require UPS and TNT to make concessions such as disposing of some activities in Europe.

Meanwhile, TNT Express has announced that Jeroen Seyger will act as its interim chief financial officer while Bernard Bot continues to act as interim chief executive.

Chief financial officer Bernard Bot was appointed interim chief executive in September after Marie-Christine Lombard resigned as TNT Express chief executive to take up another appointment.

P&T and ebrc open specialised data centre

P&T Luxembourg and its subsidiary ebrc have inaugurated their European Reliance Centre in Betzdorf to provide 5,000m^2 of computing space with a Tier IV availability rating of 99.995%.

Ebrc provides specialised data centres, cloud computing and IT-managed services. The Betzdorf data centre is the fifth to be established and the second to be Tier IV certified.

P&T and ebrc and other P&T Group subsidiaries are using the data centre infrastructure to extend their range of integrated, added-value services for sensitive information management aimed at both local and international business.

Ebrc is certified for ISO 20000 (IT management), ISO27001 (data security), and the payment card industry data security standard PCI-DSS.

Easier, more secure access to Packstations

DHL Paket Deutschland is introducing a new authorisation method for its 2,500 Packstation parcel machines.

From 29 October, the company will send a mobile transaction number (mTAN) directly to the customer's mobile phone. It says the system is both simpler and more secure as it avoids the risk of Packstation users responding to phishing emails and inadvertently revealing their access codes.

IN BRIEF

DPD Germany to raise prices by 6%

DPD Germany will increase its prices to business customers by 6% on average from early next year owing to significant operating cost increases. The company said it needed to reverse years of price decline across the industry.

The mTAN will be sent as a text message with the shipment notification. Parcel recipients will need the mTAN and a DHL Goldcard in order to pick up their parcel but will no longer require a personal identification number (PIN).

DHL Paket Deutschland said the number of registered Packstation users has reached almost 3m and has continued to climb each year.

DPD Germany extends its parcel collection network

DPD Germany plans to double to 8,000 its parcel drop-off, collection and goods return shops in Germany as it continues to expand its activities in the business-to-consumer delivery market.

The company currently operates 4,000 shop-within-shop outlets in Germany. It plans to have 6,000 by the end of the year and 8,000 in the medium term. From 2013, it says it will equip DPD parcel shops with new IT facilities making it easier for customers and shopkeepers to ship parcels.

In Germany 25% of DPD's deliveries are now made to private recipients. The company plans to offer delivery direct to a parcel shop from next year. Currently, recipients can only redirect their delivery to a parcel shop once the first delivery has failed.

The Flexidelivery service launched earlier this year provides recipients with a text message or email the day before delivery offering them the option to postpone for up to three days. On the delivery day, recipients are notified of the time window in which their parcel will be delivered; from next year, they will be able to divert their parcel to a parcel shop when they receive the final alert.

bpost sells its e-invoicing business

bpost has sold the network and e-invoicing business of its subsidiary, Certipost, to Finnish company Basware but is retaining Certipost activities related to securing documents, certificates and the Belgian electronic identity card.

Basware, a purchase-to-pay and e-invoicing company, is paying €18.2m (US$23.8m) for the Certipost operation. It will integrate Certipost's document exchange organisation into its own global organisation.

P&T increases its stake in Editus

P&T Luxembourg has increased its holding in its local directory subsidiary, Editus, from 51% to 89.92% as part of its strategy to develop activities for professionals and private customers in Luxembourg.

IN BRIEF

bpost opens logistics centre in Wallonia

bpost has opened a €2.5m (US$3.3m) logistics centre in Mouscron, Wallonia, to replace several distribution offices in the region. The 3,200m^2 facility is one of 60 mail centres across the country that are replacing more than 300 distribution offices.

IN BRIEF

Media Cloud completes P&T product range

P&T LUXGSM has completed its range of Cloud products with the launch of P&T Media Cloud which permits the storage and distribution of multimedia content via television, smartphone, tablet or computer.

France's PagesJaunes Groupe will retain a 10.08% stake in Editus in order to support the changeover of Editus's activities from a printed reference directory to a more comprehensive offer encompassing internet and mobile platforms. This strategic shift for Editus is accompanied by a new, segmented offer serving the needs of different sectors.

DHL targets customers for new Leipzig facility

DHL is targeting customers in the technology, life sciences, manufacturing and automotive industries for its €14m (US$18.3m) end-of-runway logistics facility at its Leipzig air hub.

The company says its 15,000m^2 shared user facility offers later cut-off times and faster time-to-market delivery. It will use the new facility for storage, as a cross-dock for air freight shipments, for service parts logistics and other added-value services.

It said key benefits included centralised inventory, shared infrastructure and delivery to major European destinations by 09.00 the next day.

UK exporters missing out on emerging markets says UPS

United Kingdom exports are lagging behind demand in Brazil and Russia, according to research undertaken by UPS and the Centre for Economics and Business Research.

A survey of 1,200 UK businesses revealed that 90% of non-exporters and 81% of exporters believed that increasing exports would be essential to the UK's economic recovery. They expected fastest growth in overseas demand to come from central and eastern Europe, followed by the Indian sub-continent and the Far East.

Analysis of results showed that only two of the UK's top 15 export markets in 2011, India and China, were emerging economies, while a heavy dependence remained on the United States, Germany, the Netherlands, France and Ireland.

P&T increases its holding in VBS

P&T Luxembourg has increased its holding in Victor Buck Services (VBS) from 41% to 90% as part of its strategy to integrate solutions covering the whole information cycle.

VBS distributes confidential data in paper or electronic format for the financial industry in Europe and Asia achieving an annual turnover in 2011 of €31.5m (US$41.1m).

The increased shareholding in VBS will facilitate P&T's group approach which aims to integrate the services offered by the parent company and its subsidiary, according to Claude Strasser, P&T chief executive.

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If you would like to contribute to this publication or require further information, please contact: publications@ipc.be.

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Contacts

© IPC
Avenue du Bourget, 44
1130 Brussels
Belgium
Tel.: +32 (0)2 724 72 71
www.ipc.be