

POSTAL NEWS

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1. Peoples Bank Proposal Launched Today

17 March 2009 by David Lynch - © Hellmail.co.uk

A comprehensive proposal for a new 'Post Bank' to run as part of the Post Office Network is launched today (Tuesday 17 March) by a new coalition of trade unions, a business organisation, pensioner and pressure groups and charities.

The proposal for the Post Bank will be formally launched at a Parliamentary reception hosted by Jon Cruddas MP this afternoon, with cross-party speakers including Pat McFadden, Minister for Employment and Post Offices, Vince Cable, Deputy Leader of the Liberal Democrats, and Phillip Blond, Director of the Progressive Conservatism project at Demos.

The model for a Post Bank proposed by the coalition would:

- * provide more financial services to people and businesses currently not served by high street lenders,
- * strengthen the role of post offices and the Post Office Network – making it more viable, creating new job opportunities, and securing its role for the future,
- * ensure a stable source of finance in the heart of communities, particularly for the three million people still not using banks and the many small businesses looking for alternative sources of finance,
- * link the productive economy with finance through a return to the form of 'relationship banking' abandoned by our biggest banks.

The Post Office and its network of 11,500 branches (almost twice the number of the major high street banks combined) is a unique national resource which communities, businesses and individuals around the UK depend on. The Post Bank coalition believes there is a unique opportunity to answer both concerns around secure and equitable finance and the future of the post office network by setting up a Post Bank.

Evidence from the coalition members demonstrates the clear need for a local banking infrastructure through a Post Bank:

- * Around three million people are still denied access to basic finance in the UK, including the most disadvantaged, pensioners and those in very remote rural areas,
- * The dynamic small businesses that pound for pound create more jobs than big business, are experiencing an increase in the cost of new credit through the high street banks and many are looking for alternative sources of finance to help them through the recession,
- * Two out of five small firms think that a Post Bank built on the Post Office Network is a good idea and would consider banking with it.

The Post Bank – which would be established with government funding, supported for example, by the issue of local bonds, would offer a variety of finance services through post office branches and online – would address these key concerns. Instead of using government money to service existing bad debt, the Post Bank would provide stable finance where it is needed most, in the heart of our local economies.

The government must now seize this opportunity and build on the foundations of the post office network to create a Post Bank that works for the people and businesses of the UK.

Billy Hayes, CWU general secretary, said:

“The Post Bank is the right proposal at the right time politically and industrially. It answers the needs of the financially excluded and will appeal to many in this time of economic uncertainty. The Post bank will be a true People’s Bank meeting the needs of society and business alike and will bring crucial security to the post office network. The government must move swiftly to endorse this timely proposal.”

John Wright, National Chairman of the Federation of Small Businesses said: “Small businesses are completely reliant on the Post Office network with 80 per cent passing their letters and parcels through the Post Office and 47 per cent visiting a post office a couple of times each week. Most Sub Post Offices are run like small businesses, and keeping the network alive by establishing Post Bank would not only retain jobs but could also, we estimate, create 11,000 new jobs.”

Lindsay Mackie, campaign co-ordinator at nef (the new economics foundation) said: “The Post Bank Coalition proves that the idea of a trusted, fair and accessible bank based on the valued Post Office network has wide support across British society. We think that our proposal is an example of the radical re-thinking of our financial institutions that the Government should be working on urgently. In fact, the failure to do so would leave local communities, local economies and the thousands of small businesses that are the lifeblood of UK plc, very vulnerable”

Paul Reuter, Unite national officer, said: "Unite welcomes the valuable work of the Post Bank Coalition. There is clearly an appetite for a banking network that would reverse the trend of exclusion of local communities and improve services to small

businesses, whilst at the same time supporting and maintaining the Post Office network. The experience of other established Post Banks in Europe are successful examples. The Post Bank - at the People's Post Office offers an opportunity for social inclusion, security and innovation in the banking sector which Government must endorse."

Frank Cooper, President, National Pensioners Convention, said: "The Post Office network provides an everyday lifeline to millions of older people, many of whom rely on the services it offers and its valued place in local communities. Recently pensioners have lost faith in the financial sector and the launch of a new, People's Bank at the Post Office will offer some much needed security to those who feel their money is currently under threat."

Tim Holmes, PIRC said: "The Post Office has long provided the public with a face-to-face means of investing their money securely, in Government-backed pension funds and bonds. It also offers the perfect means of leveraging investment for a new, renewable and sustainable energy infrastructure at this critical time. PIRC fully supports the goals of the Post Bank Coalition, which will be essential in providing local communities and small businesses with the financial security they so urgently require."

Steve Lawson, editor for Hellmil, the postal industry news site said: "It has been my long-held belief that post offices should provide a peoples banking service. It is particularly important in rural locations where people often have to drive miles just to find a cash machine. It should have been implemented before deregulation. In fact Hellmail was calling for this over four years ago. Long overdue."

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2. TNT expands its Economy Express service to/from Malta

Mar 17, 2009 7:49PM GMT

The Journal of Commerce Online - Press Release

Connecting Malta to an additional 77 countries worldwide besides the EU Singapore, 17 March 2009 – TNT expands the coverage of its Economy Express service to and from Malta to an additional 77 countries worldwide. The expansion, effective as of this week, builds on TNT's successful introduction in 2008 of the market's first integrated road-ferry service between Malta and other European Union countries.

TNT now offers a new cost-effective service alternative for parcels and freight shipments up to 1,000 kg (palletized) between the rest of the world and Malta. The service offers: on demand booking, delivery on a specified date within 2-5 working days, door-to-door transport, customs clearance and track and trace.

The service expansion will benefit, amongst others, Asian exporters who serve the Maltese industry as well as Maltese importers of electronic, eco-friendly and household goods. 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.

In June 2008, TNT introduced the market's first integrated road/ferry connection between Malta and EU countries. The service is part of TNT's industry leading Express Road Network, which reaches 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," says Jan Willem Breen, Director Marketing and Sales at TNT's Express division.

The European Commission, in its 'interim forecast' published in January 2009, estimated Malta's GDP growth at 2.1% in 2008. Despite the economic downturn, the EC expects Malta to achieve a positive 0.7% GDP growth in 2009, well above the EU and euro zone average. Malta has a strong manufacturing base for pharmaceuticals, electronics, and textiles. The EU countries as a group are Malta's main trade partners. China and Singapore, too, are important source countries of imports. Malta's central Mediterranean location makes it a hub for freight shipment and a facilitator for trade between Europe, Northern Africa, and the Middle East.

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3. Direct Mail to Become More Targeted

by Jack Loechner, 17th March 2009

According to a new white paper by Winterberry Group, with rising postage rates and growing marketer preference for low-cost digital communications, total U.S. direct mail spending declined 3.0% in 2008, and was accompanied by an even more significant cutback in mail volume.

Direct Mail Spending & Year-over-Year Spending Growth

Year	Spending (billion \$)	% Change (from previous year)
2004	\$48.3	6%
2005	\$51.7	7.0
2006	\$55.6	7.5
2007	\$58.4	5.0
2008 \$56.7	3	2008 \$56.7
2009E \$51.8	9.1	2009E \$51.8

Source: Winterberry Group/DMA/Others, February 2009

According to the report, a rapid drop-off in financial services mail activity (brought on by the crisis in the banking and mortgage sectors) fueled the overall decline in mail spending, the channel's first in a recorded history that began in 1945. Further decay in mail activity is expected to continue through the course of the recession, at which point the direct mail channel will likely emerge as a medium used more for precise targeting than "saturation mailing" as it has been over the last decade.

Though notoriously difficult to measure, statistical models, anecdotal evidence and raw data all tell the story of a very serious decline, says the report. According to the

research firm Mintel Comperemedia, mail volumes dropped over 12% in 2008 across the nine verticals tracked. The U.S. Postal Service reported that Standard Mail volumes fell off by 4.5% on a full-year basis (about 9 billion pieces). The numbers for the fourth quarter were even more dire: Standard volumes were off 6.1% from 2007 levels, or about 1.5 billion total pieces.

Percentage Change in Direct Mail Volumes by Vertical Category (2008 vs. 2007)

Category	% Change
Telecommunications	9.6%
Insurance	4.6
Banking	(1.3)
Investments	(4.2)
Travel/Leisure	(4.7)
Automotive	(9.4)
Technology	(16.6)
Credit Cards	(21.8)
Mortgage & Loans	(38.8)
Total across tracked verticals	(12.1)

Source: Mintel Comperemedia

The report concludes: "A wide variety of new mail applications will continue to emerge. Based largely on deep data and technology underpinnings-and structured to take advantage of direct mail's unique ability to enable customer acquisition and integrate with other media... The events of the past 18 months have moved them to the forefront... "

The white paper outlines six trends that took hold in 2008 and another three that are expected to continue defining the role of direct mail in 2009. Expected 2009 trends include:

- Recession forces decrease in spending
- Volumes fall as mailers seek efficiencies
- Production sector in crisis
- New demand for data, analytics, multichannel
- Mail emerges as ideal complement to digital
- "Green" practices fluctuate in importance
- End of untargeted, high-volume campaigns
- New marketing automation technologies applied
- Postal Service as the principal mail delivery channel compromised

Bruce Biegel, Winterberry Group's senior managing director, says "... Postal shocks, environmental pressure, recession, media consumption shifts and enhanced targeting tools have brought about an end to the 'batch-blast' era of direct mail... mailers have shifted their focus to lower-volume, more targeted and higher-value campaigns, with traffic generation to the store, Web and call center being the primary objective... "

Over 85% of service providers say they expect to see increased demand for analytics solutions from their clients in 2009, according to the Winterberry Group report. And nearly 87% say that they're seeing higher demand for digital products (like email, RSS feeds, search and PURLs) that link mail usage to other marketing channels.

Additional implementations will include:

- Postal optimization

- Enhanced trackability
- Personalization
- Self-mailers
- Transpromotional mailings
- Dimensional mail
- Alternate formats

The white paper, *A Channel in Transformation: Vertical Market Trends in Direct Mail 2009*, explores macro trends, unique production sector issues as well as developments specific to one or more vertical markets. Respondents included:

White Paper Survey Respondent Profile

Respondent Category	% of Sample
Data management/lists	28.5
Creative/Agency	25.9
Print/Lettershop/Fulfillment	24.3
Marketers	18.4
MarketingTechnology/Consultants/Other	2.9

Source: Winterberry Group, February 2009

The report concludes that " ...direct mail... commanding over \$50 billion in U.S. marketer spending, remains viable... A wide variety of new mail applications will emerge... based... on deep data and technology... structured (on) direct mail's unique ability to enable customer acquisition and integrate with other media... "

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4. Finnish Itella Sees Drop In Mail And Freight Traffic

16 March 2009 by Franz Groter - © Hellmail.co.uk

Finland reports a reduction in mail volume of 8% for January and February compared to the same period in 2008 and a decrease of 20–30% in freight traffic.

It said the economic recession has reduced the number of letters, magazines, direct marketing messages and packages Itella delivers. In January and February 2009, Itella delivered 40 million letters, magazines and direct marketing messages, which was 8% less than in January and February 2008. The number of packages decreased by 10% from last year.

A decrease in volume could be seen in January and February in all the most important Itella delivery products:

* The number of first and second class letters decreased by a total of 7%. The reduction in the number of letters has been caused by the prevailing economic situation and also by the fact that more and more messages are sent in an electronic format. More recipients receive invoices or bank statements in an electronic format instead of a paper copy.

* The cutbacks that companies are making on marketing could be seen in the number of direct marketing messages delivered. The reduction in direct marketing in January and February was a total of 9%. The decrease was most dramatic in addressed direct marketing: the volumes decreased by 21%.

* In January and February, 12 million newspapers, magazines and city magazines were delivered, 10% less than in 2008.

* 10% less packages were delivered. As a result of the decrease in the number of packages, Itella has started statutory employer-employee negotiations at the Vantaa Logistics Centre to lay off some employees. 70% of all packages delivered by Itella in Finland go through the Vantaa Logistics Centre.

* Freight traffic has decreased by 20–30% in all countries where Itella does business, including Finland. A major decrease in volume can be seen in all Itella Logistics transport activities.

It said that although a decrease in delivery volume was not unexpected, it did not expect the decrease to be so fast and steep.

"Our challenge is that our fixed costs remain pretty much the same even through the delivery volumes decrease. This is because most of our expenses come from salaries. We have to deliver mail on thousands of routes every weekday, regardless of how much mail there is for each household" said President and CEO Jukka Alho.

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