

# POSTAL NEWS

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World Briefing | Asia

## 1. Japan: No Sale of Postal Shares

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Published: December 4, 2009

Japan passed a law on Friday to stop the privatization of the nation's huge postal service, a symbolic move to roll back the small-government policies of former Prime Minister Junichiro Koizumi earlier this decade. The law halts the planned sale of shares of the postal service, which is also one of the world's largest banks, with \$3.4 trillion in assets. The Democratic Party, whose election victory last summer ended a half-century of Liberal Democratic rule, campaigned on canceling the privatization plan, which was widely seen here as depriving Japan's rural areas of banking services, hastening their economic decline.

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DECEMBER 5, 2009

## 2. Japan Shifts Course in Halting Postal Sale

BY ALISON TUDOR

TOKYO -- Japan's decision to scrap plans to privatize its massive postal-services agency shows the country is taking a dramatic turn away from its strategy of seeking to snap a two-decade economic funk by freeing up markets.

Japan's new government pushed through parliament a law on Friday freezing next year's planned sale of shares in Japan Post Holdings Co., which combines mail delivery with nationwide banking and insurance services. Controlling assets worth more than \$3.4 trillion, Japan Post is one of the world's largest financial institutions. It is also seen by many economists here as a vast and stifling bureaucracy ...

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### **3. Law passed to freeze sales of Japanese postal shares**

www.chinaview.cn 2009-12-04 15:11:35 Print

TOKYO, Dec. 4 (Xinhua) -- The Japanese Diet ratified new legislation on Friday to freeze the sale of shares in the state-owned Japan Post Holdings Co. and its banking and insurance units to bring a halt to the privatization process spearheaded by the ousted Liberal Democratic Party (LDP).

The law's enactment came after Tuesday's passage of the related bill in the House of Representatives at which the LDP abstained from voting.

The law forms part of the Democratic Party of Japan's (DPJ) pledge to review the postal service and make revisions that better serve the public under a new management structure, and follows a bill presented in the House of Councilors' plenary session.

Former Prime Minister Junichiro Koizumi of the Liberal Democratic Party had planned to divest all of the shares of the Postal Savings Bank and the Postal Life Insurance Company, the financial wings of the postal system, within 10 years, and two-thirds of the shares of the Japan Postal Delivery System within 10 years.

However DPJ Prime Minister Yukio Hatoyama has claimed that the postal business, the most visible symbol of the former LDP's policy reforms, has been distorted by the Koizumi-led government and that the current structure of the Japan Post group is in need of wholesale revision.

"We will submit a basic bill on how to specifically reform postal services to the ordinary session next year," said postal services minister Shizuka Kamei at a press conference on Friday.

Kamei indicated that it was the government's intention henceforth to constitutionally reconfigure postal operations so as to bolster regional commerce and growth.

Japan Post is one of Japan's largest companies, with 240,000 employees and 3 trillion U.S. dollars in assets. In 2008 it boasted revenues of some 20 trillion yen (220 U.S. billion dollars).

In addition to its postal operations, Japan Post owns a huge bank and a huge insurance company. The bank alone has 2 trillion U.S. dollars in deposits, effectively making it the largest savings bank in the world.

For many years, Japan Post was a state-owned enterprise, until four years ago, with an overwhelming popular mandate, the then Prime Minister Junichiro Koizumi decided to privatize operations to raise the efficiency of both postal services and investments.

The LDP-led government instituted a 10-year process of privatizing the state-run postal services in October 2007. Four companies were created to provide mail delivery services, customer postal services, banking services and insurance operations under a holding company.

Prime Minister Hatoyama appointed Shizuka Kamei, a staunch advocator of antireform in the Koizumi era, as minister for Postal Services and the driving force behind the DPJ's proposed reversal of postal privatization. In turn Kamei charged Former Vice Finance Minister Jiro Saito with the role of president of Japan Post Holdings Co.

The DPJ has drawn some criticism from the public, press and opposition parties, as the new government's election promise was to end the appointment of former bureaucrats into public enterprises and state affiliates -- Saito's appointment to the top-position has seemingly flown in the face of the party's own mandate, according to a number of political commentators close to the matter.

Editor: Han Jingjing

Friday, December 04, 2009

#### **4. NA body directs Postal Services Ministry to expand operations**

ISLAMABAD: The National Assembly Standing Committee on Postal Services directed the Postal Services Ministry on Thursday to expand its area of business to rural and far-off areas as people of these areas lacked mailing facilities. The committee, chaired by Pir Aslam Bodhla, appreciated performance of postal services in Punjab and recommended that the Postal Services Ministry should be allowed to recruit new staff as it faced difficulties in expanding its area of business and was unable to compete with private courier services. The committee recommended that financial incentives should be given to junior officials of postal services. It also recommended that the ministry should be allowed to initiate schemes such as the Behbood Saving Certificate and Pension Saving Schemes, to help generate revenue and enhance the performance of postal services. Earlier, Muhammad Ahmed Mian, secretary Postal Services Ministry, briefed the committee on its performance in Punjab, various services it offered and the ministry's future plans. He said the ministry was providing services at economical rates as compared to courier services and was committed to expanding its network across the country. staff report

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#### **5. The United States Postal Service is horrible.**

December 8, 12:12

While it's not a total monopoly in postal services (Fed Ex, UPS?), USPS is America's main source for letter/package mailing. Come on, where else are you going to get STAMPS? And amazing safety and security against drug shipments from Mexico, anthrax, and mail bombs! Oh yeah, and a very close relationship with the Department of Homeland Security!

Anyway.

While there are competitors, they don't even come close to the government controlled ring leader. And while it's not a monopoly, it certainly acts like one -- bad service, high prices.

At times, I have left my packages in the post office for weeks, just because I hate going there with my peach colored card that failed me as I kept marking for redelivery and placing outside my apartment, only to have it be ignored. Once arriving, I wait in a huge line, that is being managed by one employee, for at least half an hour.

I always tell grumbling customers in line next to me, "Hey, wouldn't it be great if they had some kind of competition? Or cut some over paid, under worked employees?" Of course the snail mail business is slowing down since the invention of the internet by beloved Al Gore (ahem, hehe), but that doesn't mean prices have to increase. It means that cuts need to be made in employment. Revisions must be made. For some reason, the assumption that prices must rise is more prominent amongst consumers -- and it's widely accepted as being perfectly acceptable.

As always, I say, "Wake up, people."

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DECEMBER 7, 2009, 1:38 A.M. ET Excerpts: The Freeze of Postal Privatization

Japan's new government pushed through parliament a law freezing next year's planned sale of shares in Japan Post, steering it away from the corporate, profit-driven path it has been following. Read what key figures have said in recent interviews.

Article Comments more in Asia »

Yoshifumi Nishikawa

Former president of Japan Post Holdings Co.

Interview Dec. 3:

"I can't understand at all why privatization has been halted. It is a huge waste."

"The post offices are not in condition to cover the cost."

"So changing fund management in haste is difficult -- it has to be done gradually, maintaining the balance in the market."

"Japan Post management will revert to the original government-run style."

Shizuka Kamei

Financial Services and Postal Reform Minister

Press briefing, Dec. 1:

"Managing Japan Post's entry into new businesses is difficult and foreign companies are temperamental about me. They worry about ...

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