



CPC International Postal Update

By John Cicchitti

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Workers' strikes and threatened strikes, including one that took down a Prime Minister. Mounting financial losses. Fraud. And, on the good news front – implementation of new technologies and innovative partnerships. Below is a snapshot of recent postal developments around the world.

Finnish Postal Strike Leads to Prime Minister's Resignation

Strikes in Finland disrupted delivery services when a new postal plan, which would have slashed pay and benefits for several hundred postal workers, was announced. Those strikes toppled Finnish Prime Minister Antti Rinne and led to the formation of a new government in Helsinki.

Rinne's government [reached a compromise](#) with strikers in late November. The deal ended two weeks of strikes that had spread to other industries, according to Reuters, but it was not enough to save Rinne's job. The prime minister, widely seen as having botched negotiations, [submitted](#) his resignation on December 3.

Finland [selected](#) Transportation Minister Sanna Marin to replace Rinne, making her the youngest prime minister in the country's history at 34 years old. She is also currently the youngest state leader in the world.



For additional information, see our third quarter [CPC International Update](#).

Following Embargo, Pakistan Resumes Delivery of Indian Mail

Tensions over the status of Kashmir and Jammu spilled into the postal sector of south Asia in late 2019. Pakistan issued a three-month moratorium on delivering any Indian mail, following India's decision to revoke special statuses afforded to the contested provinces of Kashmir and Jammu. In late November, Pakistan began delivering Indian mail again, according to [The Hindu Business Line](#).

U.K. Courts Stop Postal Workers' Strike

Workers for the United Kingdom's Royal Mail on October 15 [announced](#) their intention to strike. According to the Communication Workers Union, the representative of the country's postal workers, 97 percent of employees voted for a work stoppage. But Royal Mail took the union to court, alleging union leadership conducted the vote in violation of British law.

U.K. courts issued an injunction against the strike. This prevented postal workers from striking during the critical Christmas season, and a legal appeal from the union [failed](#) to move U.K. courts to lift the stay. The union now needs to hold a vote that will pass court review in order to go ahead with a work stoppage.

Japan Post Fraud Scandal Leads to Executives' Resignations

After an internal probe into Japan Post's insurance business found that salespeople had defrauded customers, the service announced the resignation of three top executives, including its president, according to [Nikkei Asian Review](#). *Nikkei* reports that Hiroya Masuda, Japan's former minister of internal affairs and communications, will take over as Japan Post's president in the wake of the scandal.

Strike Action Disrupts Serbian Postal Services

Postal workers in Serbia walked out of their jobs to protest low wages and mismanagement from the country's postal supervisory board. Postal unions declined to sanction the strike, but the worker action went ahead and shuttered the country's main postal center in Zemun, according to the [Serbian Monitor](#).

The strike lasted a little over a week when representatives from the workers and the government reached a preliminary agreement on salary increases. The [Serbian Monitor](#) reports that workers with the lowest salaries will see the highest increases.

Postal Services Strain to Achieve Financial Solvency

In Malaysia, the country's postal service suffered a RM29 million (\$7 million USD) deficit in the third quarter of the year, a report revealed. Per [The Malaysian Reserve](#), falling mail volume and rising costs led to Pos Malaysia recording a deficit RM13 million higher than it had in the third quarter of 2018.

The *Reserve* reports that Malaysia hopes tariff negotiations will lead to a friendlier business environment. But a [coming rise in postal rates](#), thanks to the United States' success on the terminal dues issue at the Universal Postal Union, could upend any Malaysian effort to keep prices low and consumption high.

The United Kingdom's Royal Mail saw its stocks fall nearly 17 percent in late November, according to the [Evening Standard](#). Chief Executive Officer Rico Back admitted that a reorganization of the recently privatized service was "behind schedule." Combined with fears that the aforementioned strike of Royal Mail workers could disrupt Christmas deliveries, the blunt words spooked investors.

Singapore Post announced that it would end doorstep delivery of small packages due to rising costs associated with increased e-commerce traffic, [Channel News Asia](#) reported in late October.

The service will instead deliver the packages to letterboxes, where consumers will be able to collect their goods.

FINANCIAL DIFFICULTIES

		
RM29 MILLION Q3 DEFICIT (\$7 MILLION USD)	REORGANIZATION DELAY SPOOKS INVESTORS	END OF DOORSTEP DELIVERY

Postal Services Adopt New Delivery Technologies

France's postal service, La Poste, started using drones to reach remote locations with package deliveries, according to [The Local](#). Since "heavy snowfall often makes access to villages in the mountains more difficult," the drones will allow La Poste to reach consumers in isolated areas when the weather prohibits land travel.

The Indian state of West Bengal will furnish its postal service with 200 e-scooters to facilitate a more modern method of delivery. [Millennium Post](#) reports that the growth in e-commerce deliveries is motivating the change. "Postmen in small bags can easily carry 40 or 50 odd letters but it is difficult for them to carry a reasonable amount of parcels physically. So, we have already introduced 18 e-scooters for delivery in Central and South Kolkata and will scale it up," the area's postmaster general told [Millennium Post](#).

Kenyan Postal Service Partners with Safaricom

The Postal Corporation of Kenya and Kenyan telecom giant Safaricom will partner to assign "physical post office boxes to Safaricom customers using their mobile phone numbers," according to [Reuters](#). The service will notify customers through their phone that a package has arrived. If a customer would like packages delivered directly to their home, they will now have to pay extra.

Mexican Postal Workers Strike Ahead of Christmas

Claiming that the government had not fulfilled its wage obligations, Mexican postal workers went on strike in the days before Christmas, reported [The Mazatlan Post](#). The Mexican Postal Service Workers' Union "called on the workers not to appear at the offices" on December 23 and 24. In a letter, the union [claimed](#) that the government failed to live up to its 2019 commitments for a salary increase.

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