



CPC International Postal Update

By John Cicchitti

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Despite the ongoing pandemic, the world's postal services continue to deliver for their customers. While COVID-19 has led to some barriers and delays, countries are using technology and innovation to cut costs and bring mail to its destination. Below is a snapshot of the past quarter's notable postal developments.

New UPU Terminal Dues Regime Goes Into Effect

The new Universal Postal Union (UPU) Terminal Dues regime went into effect July 1. The UPU now [allows](#) countries to set international shipping rates at 70 percent of domestic rates, and those rates can increase by 1 percent every year to a maximum of 80 percent. The Trump administration fought hard to achieve these reforms. Wanting to protect American manufacturers and retailers, and to reduce annual losses of up to \$500 million at the Postal Service, President Trump threatened to withdraw the United States from the UPU if changes were not made.

CPC has covered this issue in previous updates, [here](#) and [here](#).

UPU Congress Delayed

In May, the UPU [postponed](#) the 27th UPU Congress due to concerns over the COVID-19 pandemic. The Congress "[was scheduled](#) to take place in Abidjan, Côte d'Ivoire, from 10 to 28 August 2020," before Côte d'Ivoire's government announced the delay.

UPU Director General Bishar Hussein wrote that in rescheduling the conference, the organization would prioritize the health of participants and Côte d'Ivoire's citizens.



UPU Director General Bishar Hussein. Source: UPU.

Coronavirus Impacts Worldwide Package Delivery

The COVID-19 pandemic has led to a fall in international package volume over the last few months, as postal services scrambled to deal with the disease's fallout. With many

flights grounded, the U.S. Postal Service [switched](#) from air delivery to sea delivery of packages to Europe. This has led to longer transit times.

In the midst of the pandemic, China [opened](#) a new rail line for package delivery to Europe. The line's first shipment arrived in Lithuania on May 18, after leaving Zhejiang province on May 4. According to *China Daily*, packages from this shipment will reach 36 countries in Europe.

Package delivery has affected trade between regions of some countries. For example, [OutlookIndia](#) reports that package delivery between Indian states has drastically fallen, though not stopped entirely. Despite this fact, package delivery inside states has remained "generally heavy."

According to [The National](#), a United Arab Emirates publication, only one out of two international packages was delivered in May. With weeks between destinations now, postal service has slowed to a crawl.

EU Offers Support for Modernization of Ukrainian Postal Service

In June 2020, the European Union and the [European Investment Bank](#) announced efforts to push the "digital transformation" of Ukraine's postal service, SC Ukroposhta. With 71 percent of Ukrainians enjoying internet access, the "digitilisation of postal services in Ukraine" could make life easier for millions. The proposed reforms include computerization of logistics networks, along with additional "sorting hubs and depots."

Australian Postal Workers Fear Job Losses, Australia Post Tries to Soothe Concerns

The [Communications, Electrical and Plumbing Union of Australia](#) (CEPU), which represents Australia's postal workers, sounded the alarm over potential job losses in early June. According to the union, changes to government regulations could eliminate thousands of postal jobs.

The changes would institute an "[alternating delivery model](#)" in response to the COVID-19 pandemic. Instead of delivering mail daily, the postal service would deliver mail every other business day. Australia Post, the country's postal service, [insists](#) the change will not result in job losses.

Pakistan Uses IT to Bring Mail to Consumers

Pakistan Post, the country's postal service, announced in early June that it would use "new communication and information technologies to meet the requirements of its customers," [UrduPoint](#) reported. The service, which also performs banking, insurance,

and utility functions, will employ the technology to avoid the risks associated with COVID-19.



Royal Mail logo on a postal truck. Source: Wikimedia.

U.K. Royal Mail Chief Quits

[BBC](#) reported that Royal Mail Chief Executive Rico Back abruptly resigned in mid-May amid the postal service's struggles with a COVID-19 business slowdown. While package volume increased, letter volume plummeted. Royal Mail's leadership also faced criticism from its workforce for alleged failures to protect employees.

Back's tenure was rocked by uncertain economic and geopolitical conditions, even before the pandemic. The CEO had to navigate a contentious Brexit, after joining the company in 2018. CPC covered those developments [here](#).

Beyond Back's departure, Royal Mail will cut 2,000 management workers in the wake of the COVID-19 pandemic. [The Guardian](#) reported that this will account for a fifth of its upper staff.

Canada Post Tests Waters of Postal Banking

Canada Post launched a pilot program to evaluate the feasibility of doing post office-based banking, according to [Post and Parcel](#). The study will look at postal banking in rural areas, where communities may not have access to traditional financial institutions. An agreement between Canada Post and the Canadian Postmasters and Assistants Association appropriated \$500,000 to the project.

Troubles in Japan: Workforce Problems and Revenue Drops

Problems with Japan Post's insurance wing will lead to an expected 42 percent fall in profits this fiscal year for the country's postal service, according to [Nippon](#). Despite the highest drop in revenue being in the insurance wing, "all of [Japan Post's] three major arms" are expecting income to fall. That includes mail delivery and the postal bank.

Japan Post also disciplined over 2,500 employees for working side jobs without permission, [Nippon](#) reported in late April. Public servants in Japan, including postal workers, must seek the approval of the internal affairs ministry before taking a second job.

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