



# CPC International Postal Update

By: John Cicchitti

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Amid the COVID pandemic, the world's postal services persevered through the quarter ending June 30, 2021. We review below how leadership has responded, financial challenges, service developments, and assorted other issues such as technology and marketing.

## Leadership in the News

### Royal Mail Slashes Executive Bonuses

Royal Mail will not award bonuses to its senior executives, [The Guardian](#) reported, “as a result of its December service meltdown that resulted in thousands of undelivered Christmas presents.” The value of the bonuses totals nearly £1.5 million. The Christmas “meltdown” resulted in many packages “piling up in depots and weeks of delays,” [The Guardian](#) added.

Royal Mail interim CEO Stuart Simpson was scheduled to receive just over £1 million, while the company's chief financial officer was scheduled to receive just over £400,000. Neither executive will receive any part of that compensation.

### Australia Post Names New CEO as Ex-CEO's Testimony Inflames Political Tensions

Australia Post [named](#) Paul Graham, the former chief supply officer for supermarket chain Woolworths, its chief executive officer in April. Graham had also served in a senior capacity at global logistics company DHL. He replaced Christine Holgate, who resigned after expensive watches were given to senior executives as gifts, igniting a scandal.

Holgate testified to Australia's parliament that Prime Minister Scott Morrison “was a bully who had humiliated her in the Parliament and conspired with Australia Post chairman Lucio Di Bartolomeo to drive her out of the job,” according to [The Sydney Morning Herald](#). The *Herald* added that the testimony exacerbated a problematic perception of the Morrison government as hostile to women.



*Australia Post Ex-CEO Christine Holgate testifies before Australia's parliament in April. Source: YouTube.*

## Service Developments

### NZ Post Struggling to Deliver Mail with Prioritization of Packages

A New Zealand postal workers union complained that some homes are only getting mail delivery once a week due to new NZ Post policies, reported [Stuff](#). NZ Post recently prioritized package delivery over mail delivery. The postal reorganization was a response to “the rise of the internet leading to a steep drop in post,” which required a government subsidy program.



*A South Africa Post Office location.  
Source: Wikimedia.*

### South African Post Office in Legal Fight for Parcel Monopoly

Several parcel companies have filed suit in South Africa’s High Court, alleging South Africa’s Post Office’s (Sapo) claim to monopoly status over small packages is incorrect, [Business Insider](#) reported. The Independent Communication Authority of South Africa’s Complaints and Compliance Committee already ruled that Sapo does in fact possess this monopoly status, based on a reinterpretation of the Postal Services Act.

Sapo most likely anticipates that monopoly status will help its fledgling financial picture, which CPC covered in a previous update [here](#).

### Australia Post Goes Back and Forth on Perishable Food Delivery

In mid-April, Australia Post announced that it was no longer delivering perishable food, starting June 30. The postal service explained that “complex food safety and regulatory requirements differing across states and territories” made it too difficult to fulfill these deliveries. [The Australian](#) reported that the action would have had a “devastating impact on farmers and producers in rural areas” and small online retailers.

This decision was reversed a few days later when Australia Post announced it would seek solutions with small businesses. [Queensland Country Life](#) wrote that the service would “work collaboratively to find solutions to support small business food producers, with Australian Small Business and Family Enterprise Ombudsman Bruce Billson.”

## **Italy Delivers Medicine By Mail**

Poste Italiane announced a partnership with Pharmap to bring important medicine and drugs directly to peoples' homes, the [Postal Hub Podcast](#) reported in April. The postal service will pick up pharmaceuticals and deliver them the same-day. The service is available in 42 cities, with delivery times in 22 cities just 60 minutes or less.

## **Financial Challenges**

### **Portugal Post Office Seeks COVID Bailout**

[The Portugal Resident](#) reported that CTT, Portugal's private postal service, needs government funds to cover the losses incurred by the coronavirus pandemic. CTT "has asked the State for €23 million" for coronavirus relief and is looking for an additional €44 million to continue postal services for the rest of the year. The government rejected the request, and "the matter is now in the hands of arbitrators."

### **Irish Post Office Lost €10 million in COVID Pandemic**

An Post, Ireland's national post office, reported a €10 million loss in 2020, [The Irish Times](#) reported. Even though revenue grew by over €80 million, the pandemic increased costs for the service. An Post CEO David McRedmond explained that the government offered no help to cover pandemic costs and that the postal service "funded all Covid costs from its own resources," the *Times* reported.

### **Financial Challenges Impact Construction of Pan African Postal Union Headquarters**

A lack of funds is hindering the construction of the new Pan African Postal Union headquarters in Tanzania, according to [CajNewsAfrica](#). The 17-story building is a joint project between the union and Tanzania, and it is scheduled for completion in June 2022. However, former members' failure to pay dues is sapping the union's financial health and threatening the headquarters' construction timeline. The union's Secretary-General said these dues were critical to the project, "Countries should honour their contributions if we are to meet timelines."

## Technology, Marketing, & Assorted

### Data Breach Affects Nearly a Million Canada Post Customers

Hackers stole data on 950,000 Canada Post customers in a May breach, the [organization announced](#). The postal service in late May “informed 44 of its large business customers of a data breach caused by a malware attack on one of our suppliers, Commport Communications.” This revealed the shipping manifests for the 44 business customers, exposing the recipients’ information. Canada Post reassured its customers, though, that no financial information was taken.



*A Canada Post truck delivers the mail.  
Source: Wikimedia.*

It is working with Commport Communications and cyber authorities to investigate this breach and prevent further problems.

### Austrian Post Office Introduces Crypto-Stamps, In-Home Delivery

The Austrian post office, Österreichische Post, has introduced several new practices. First, it is experimenting with in-home delivery, according to [euronews](#). Announced in April, this allows customers to grant permission for delivery persons to enter their home by using an app to control their door’s electronic lock. In-home delivery would allow people to secure their packages even when they are not home.

Additionally, the postal service in May announced it would issue a new stamp with “an embedded chip that stores information on a blockchain,” [Bloomberg](#) reported. The service anticipates this will increase efficiency in package delivery and drive crypto-investor interest.



*Saudi Post’s new website logo. Source: splonline.com.*

### Saudi Post Office Rebrands Itself

Saudi Post, the national postal service for Saudi Arabia, renamed itself “Saudi Post and Logistics” in April, reported the [Saudi Gazette](#). According to the report, the rebrand is part of Saudi Arabia’s Vision 2030 program. Crown Prince Mohammad bin Salman previously announced the initiative to modernize Saudi Arabia and bring it into the 21<sup>st</sup> century.

## **Emirates Post Announces Vaccination Success, Looks to Implement Door-to-Door Service**

The United Arab Emirates' (UAE) postal service, Emirates Post, announced a 100% vaccination rate of its workforce in late April, according to [Post & Parcel](#). In early 2021, the postal service began this initiative which soon culminated in success. Emirates Post CEO Peter Somers thanked UAE's leadership "for their support in making the vaccine accessible to the community."

Emirates Post is also exploring the possibility of door-to-door postal service, [Gulf News](#) reported. The greatest challenge facing the service, according to the report, is that not everyone in the UAE has a mailbox to drop deliveries. The National Consultative Council expressed desire for change in a June meeting, saying, "The current system is too complicated and causes delays in postal and parcel delivery."

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