



# CPC International Postal Update

By: Jackson Harms

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There have been many international postal developments for the quarter ending June 30, 2023. Fire ripped through a historic postal facility in Manila, Philippines. A cyberattack hit Israeli mail systems, as well as other critical Israeli infrastructure. Royal Mail's Chief Executive Officer (CEO) announced his planned departure. Several posts announced significant business changes. These issues and more are covered in our quarterly update below.

## International Postal Politics and Security

### Iran, Saudi Arabia to Re-establish Postal Ties

Mahmoud Layali, CEO of the National Post Company of Iran, announced in mid-April that Iran and Saudi Arabia will “resume their ties in postal affairs,” according to [Tasnim News Agency](#). The regional rivals will exchange postal goods “in the very near future.”



*Iran Post headquarters in Tehran.  
Source: Wikipedia.*

### Israel Postal Service Hit by Cyberattack

A group of hackers known as "Anonymous Sudan" claimed responsibility for the April 14 cyberattack on Israel's national mail service and several major banks, according to [The Times of Israel](#). The attack coincided with Quds Day, an Iranian-promoted event featuring anti-Israel rallies in Tehran and other cities.

Israel's postal service was able to prevent any significant harm or data leaks. Anonymous Sudan has also claimed responsibility for “several short-lasting attacks” on services in European countries. The group “often claims to target places in retaliation for anti-Muslim activity,” the article said.

## Estonia and Kazakhstan to Develop Joint E-Commerce Channel

Estonian postal service Omniva signed “a memorandum of cooperation” with Kazpost JSC, the national postal operator of Kazakhstan, to ensure the safe delivery of e-commerce parcels, according to Estonia’s public broadcasting company, [ERR News](#). Omniva’s CEO, Mart Mägi described the company as having undergone “successful transformation from an ex-Soviet background to a leading tech and e-commerce company in the postal sphere.”

Kazpost CEO, Assel Zhanassova, highlighted “their developed ecosystem for e-commerce, featuring a bond warehouse, 208 parcel supermarkets, more than 3,500 couriers, a virtual address service, and a mobile app.”

## Investigations and Tragedies

### Belgian Government Overpayments Trigger Investigation

The Belgian government has announced that it will investigate its contracts with Bpost, the country's postal operator, reported [Reuters](#) on April 26. This decision comes after Bpost revealed that it may have been overpaid for its services. The potential overpayment could be \$28-55 million, and Bpost has not provided specific details on how this might have occurred.

The government, which owns slightly over 50% of Bpost, wants any overpaid amounts refunded and said there will be consequences if any abuses are found. Bpost shares declined by 6.8% following this news, according to *Reuters*.

### Fire Destroys Historic Philippines Post Office

“A massive fire” engulfed Manila's historic post office building, causing extensive damage to the “nearly 100-year-old landmark,” [The Associated Press](#) reported on May 22. “The fire started . . . in the basement of the neoclassical, five-story building” and took “more than seven hours” to extinguish. “Seven people, mostly firefighters, sustained minor injuries or were [affected] by thick smoke,” the story added.



*The historic Manila Central Post Office after the fire. Source: Wikipedia.*

The Manila Central Post Office served as the country's "main mail-sorting and distribution hub," and it was closed at the time of the fire. The building, recognized as a national landmark, was constructed in 1926, and was rebuilt after it suffered severe damage in World War II, the AP said. It has served as a prominent location for Philippine films. The cause of the fire is under investigation.

## Organizational Overhauls

### Australia Post CEO Asks for “Significant Changes”

The CEO of Australia Post, Paul Graham, called on the national postal service to make “significant changes” so that it may remain viable and continue providing essential services, according to an April 27 story by Australia’s [9News](#). He stated that Australia Post’s “long-term viability is at risk.” The service expects its letters business to post a financial loss in the current fiscal year. Factors driving this include declining household mail volumes and customers shifting towards alternative delivery methods, Graham said.

Graham emphasized the need for change, saying that the current legislation governing Australia Post is outdated and no longer suitable for the digital era. The CEO requested “commitment and goodwill” from parliament “to deliver a sustainable future” for the postal service. He also said that Australia Post should continue to be government owned and self-funded.



*Royal Mail's logo on a delivery truck.  
Source: Wikipedia.*

### Royal Mail CEO Plans Departure

Royal Mail's CEO, Simon Thompson, has announced his “plans to step down later this year,” stating that it is the right time for the company to move forward with new leadership, reported [Reuters](#) on May 12. The decision comes as Royal Mail seeks to put

an end to a prolonged pay dispute with the Communication Workers Union (CWU), the labor organization that represents United Kingdom postal workers.

Thompson's tenure as CEO endured nationwide strikes, criticism from the CWU, a ransomware attack, and financial losses. Royal Mail and the CWU reached a deal to end the pay dispute last month, which included a 10% salary increase.

Thompson will remain with the company until the end of October, the report added. The CWU welcomed the news and emphasized the importance of “further change in Royal Mail's leadership team.”

### **Possible Change for Postal Services in Denmark**

Danish politicians are currently considering cutting state ties to PostNord, Denmark's postal service. If this happens, it could open up the market for “increased competition for postal services,” reported [The Local](#) on June 22. Currently, PostNord is the only shipping service in Denmark that is obligated to deliver post to all parts of the country.

However, under the proposed agreement, this obligation could be revoked, allowing market forces to determine full coverage of postal services across the country, the report added. If this happens, the government would ensure that remote areas are serviced by contracting with companies to reach these regions.

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