
How the postal service will get back on its feet after Covid-19

2020/07/07 13:32 στην κατηγορία INTERNATIONAL

The Universal Postal Union has been around for almost 150 years. It has survived wars, the Great Depression and witnessed major changes in the business: the onset of electric sorting machines and the gradual replacement of horses, coaches and sail ships for mail to be carried by planes and drones.

Like so many other industries, the postal industry has faced numerous challenges due to the Covid-19 pandemic. Established in 1874, the UPU is a United Nations specialised agency, but it is much older than the UN, which was formed in 1945. It may be easy to overlook the post's role in the age of email and digitalisation, but that would be a mistake.

At its core, the postal industry serves to shape communication. And UPU serves one purpose: the maintenance of an international postal service formed by uniting the postal operators of 192 member countries.

Today, letters have largely been replaced by small parcels and an ever-growing e-commerce market that caters to hundreds of millions of customers across the world. The humble post office has been transformed. It is now a 21st-century space offering financial services, including life-saving remittances for migrant families in rural and remote areas.

Given the times we are living in, there is little doubt that the pandemic has caused a social and economic crisis unseen since the Second World War. And like so many industries, the postal service too has had to face challenges.

Against this background, the UPU published a report that analysed the pandemic's effects on the international postal sector. The results are troubling: postal volumes fell 21 per cent between January 23 and May 14, compared to the previous year.

To fully understand the gravity of this slump, we need to understand the context. Much of the world's post remains caught in a logistical no man's land, somewhere between those sending and receiving postal items. Unable to deliver due to plane cancellations, countries have been forced to hold on to their international post while they look for alternative means of transport, such as trains and ships.

Only one out of every two items posted abroad has been successfully delivered since May, a significant drop compared to the previous year. Due to the coronavirus restrictions, delivery and customs clearance times have also lengthened. In the first half of 2020, post between China and Europe, once flown to its destination, now takes 12-14 days by mail train.

Financial services are facing disruption, too, and they represent around 16 per cent of postal revenues. The impact on the economic activities of migrants and their families is likely to be severe. These are disturbing results never before seen in this proud industry since I joined as a trainee in 1984 at Kenya Posts and Telecommunications Corporation. A global industry that employs more than five million people and grosses billions of dollars in revenues has been upended on a titanic scale.

Going forward, there are three possible scenarios in the future of postal operators. First, and the most pessimistic, is that postal operators will be unable to return to their previous position. Second, the green shoots of recovery will appear, but the postal service will be unable to reverse the downward trend. In the third scenario, normality will return quickly, and we will be able to seize new opportunities and make positive structural changes.

As the head of the UPU, I want to plan for the worst but also help the industry achieve the most optimistic scenario. Here is how we can do this: for one, by increasing co-operation along the entire global postal chain. The UPU will continue to bring postal operators together through its forums. This will facilitate website integration and importantly, the increased take up of postal e-services, including technologies such as track and trace of mail, and mobile apps.

Leaving no one behind must be our mantra. So, we must also continue to ensure that postal operations in developing countries digitally transform and seize the opportunities of e-commerce.

The report that was published also found that postal flows between wealthier and developing nations were most affected. It makes it clear that governments, regulators and wider operators need to help start the processes of digitalisation, liberalisation and meeting the changing demands of citizens who want efficient service and better delivery times.

Too often people across countries view the post as a somewhat traditional industry. This must change. And in the e-commerce market, postal operators can be the catalyst for this change.

We are already the enablers of e-commerce inclusion across the world. Every day, the postal service helps small businesses sell their wares online. We support small and medium enterprises by giving them an affordable and direct means to ship their merchandise and deliver their goods to customers all over the world. This removes the need for these businesses to deal with customs brokers, distributors and retailers.

Lastly, we must continue to innovate. After all, digitalisation and more effective online services are not just new ways to improve delivery, they are a powerful statement of the postal industry's commitment to embrace change.

During the pandemic, postal workers have been viewed as essential workers; courageously making the rounds in the face of the deadly virus. The delivery of medicines and medical equipment via post has gone a long way to help vulnerable, sick and isolated individuals.

Almost every postal operator has been able to adapt and change their business model during this crisis. That is an incredible achievement. If we continue that spirit of innovation, I believe the momentum from the Covid-19 pandemic will drive the industry forward long after the crisis has ended.

(Bishar A. Hussein, Director General, the Universal Postal Union -UPU)