



Subsectors being developed today in the *Mediterranean*

Transport-logistics_ *Postal services 2.0*

Targeted business: express parcels, e-fulfilment, hybrid mail, official digital franking and certificates, cheque-letters , etc.

Context and market

The subsector today

- ⊕ Faced with the challenge of the digital society and economy (e-government, e-commerce, electronic communications), the postal and express parcel service providers are obliged to innovate.
- ⊕ Electronic telegrams and hybrid mail, secure electronic document management and official digital certification, direct marketing (non-addressed mail, bulk mailing, etc.), real time and online monitoring of parcel shipping, returns management (e-commerce), are some of the new products, chasing productivity and time saving, often with high added-value, which provide the sector pioneers (La Poste Française or Poste Italiane) with enviable operating margins.


Current Med positioning

- ⊕ The MED postal services and light logistics market is highly competitive: national postal services, large global integrators, regional challengers and small local hauliers. The national postal services of the South and Eastern Mediterranean had a total turnover of USD 2,622 million in 2007 (CVA-Euromed Postal).

Weaknesses & obstacles

- ⊕ Customs obstacles and the partitioning of markets, very progressive development of e-commerce, sporadic digital coverage which is nevertheless progressing at a fast pace, bottlenecks at interfaces (especially ports) in the process of being solved via massive ongoing investment programmes, short term weaknesses in South-South transport infrastructures (large TGV projects, Trans-Maghreb motorway), ICT networks still vulnerable.

Potential markets : private individuals, enterprises, craft industries (e-commerce), public administration, liberal professions (lawyers, etc.)

Local opportunities  Export

The Mediterranean: why, how ?

Great potential for parcel mail, a badly-covered market

- ⊕ A MED population and enterprises highly concentrated along the coast, hence facilitated servicing. Service quality which has progress to make: the Moroccan and Syrian postal services have trouble servicing the whole of their territories, whereas the Lebanese Post Office (as well as Jordan Post) does not deliver mail to the general public, which is invited to collect its mail from the post offices.
- ⊕ Many public operators are seeking partners to develop new activities: postal operators in Egypt, Libya and Turkey (Jordan currently undergoing privatisation) are public administrations, public groups in Israel, Morocco, Syria and Tunisia. Lebanon Post is the only privatised Mediterranean postal service (CanadaPost).
- ⊕ The MED postal services are on average relatively profitable. As an example, in 2007 the Turkish and Algerian postal services showed operating margins which were among the highest in the Euromed region (CVA-Euromed Postal).
- ⊕ Unlike their French or Italian counterparts, the parcel activity represents an infinitesimally small part of that of the MED postal groups such as Egypt Post. The international transit of parcels more specifically is more or less monopolised by the global integrators (UPS, TNT Express, DHL, La Poste-GeoPost, FedEx) or their regional counterparts (Lebanon's MidEx, or the Jordanian Aramex, etc.).

The developing MED e-post services

- ⊕ In 2003, the Tunisian postal service launched its Web Telegram offer, which enables customers to send and monitor urgent secure electronic messages, singly or in batches, from their own computer to the distribution centre for printing and delivery within 24 hours.
- ⊕ Jordan Post also proposes to its *corporate* clientele *hybrid mail* services whereas Moroccan Post has introduced a service to monitor shipments and vehicles by GPS, and today possesses electronic postal centres with hybrid mail, in Casablanca, Rabat and Agadir.



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They did it : pioneer stories

The Jordanian Aramex overshadows the large integrators

Created in 1982 in Amman, Aramex rapidly made a name for itself in the Near East then throughout the world prior to its introduction on the NASDAQ in 1997 and the Dubai Financial Market in 2005. Quoted by T.L. Friedman in his best-seller, *The World is Flat*, among the businesses which have managed to take best advantage of globalisation, Aramex offers, among other things, local or international door-to-door express parcel services. Partner of large international mail-order groups, such as la Redoute, Aramex also enables its Middle-Eastern clients, thanks to its Shop&Ship service, to do their shopping on British and American e-commerce sites by taking advantage of a virtual local post office box, whose contents are then shipped to the consignee.

In recent years, the group has managed, through take-overs and new investments, to weave a tight web enabling it to service the regional MED market: take-over the distribution of Palestine's press in 2005, new hubs in Beirut Seaport in 2005 and at Cairo airport in 2008, extension at Amman in 2005 and installation in Mafraq in 2007, projects in the Maghreb announced in 2007, take-over of Freight Professional in Egypt in 2006, etc.

MidEx, a reference partner for the large integrators

"It's On Time Or It's On Us", such is the slogan of this group which offers express and cargo services. Forced to adapt to a most uncertain business environment MIDEEX was obliged by the decade of civil war in Lebanon in the 80s, to locate in Cyprus. By 1990, MIDEEX had offices or representatives throughout the world. Today, the central hub for its international operations is in France. MIDEEX is the agent of the French La Poste for the transport and delivery of all postal parcels to Lebanon, Mauritius, Madagascar, Syria, Egypt, Kuwait, and Iran.

The group has made a speciality of the most specific missions: thus the American University Hospital of Beirut has charged it with the transport of its blood samples to the United States. MIDEEX has become a reference transporter for the world's greatest integrators.

TNT Express suffers from lack of integration of MED markets...

The Netherlands transport and logistics enterprise has subsidiaries in the Mediterranean in Jordan and Egypt, and a franchised network in Morocco. Jordan and Egypt should be used as pivots for a Europe-Asia road/air network. Among the obstacles to the successful application to the region of its integrated development model, TNT mentions mainly the regulatory context: absence of tax-free zones between Algeria and Libya, border circulation problems between Morocco and Algeria, etc. TNT Express is seeking local operators to integrate its MED circuits.

...while Euromed postal services are preparing their integration!

The Euromed national postal services are actively working to integrate all the aspects of their activities, from the creation of common training centres for their personnel to the offer of financial services oriented towards the diasporas. This approach is supported by the Invest in Med programme [\[read+\]](#). Operational cooperation have been launched: JV between Chronopost International and the Algerian and Moroccan postal services for express parcels, project of JV between the French La Poste and the Algerian postal service for non-addressed mail, etc.

For further details... (resources, contacts, links)

- ✦ "Posts and the information society-Posts shift into digital gear", Rhéal Le-Blanc, Union Postale Universelle (UPU), Sommet mondial sur la société de l'information : (SMSI) – Tunis 2005 (FR/EN) : www.upu.int
- ✦ "[Barid Al-Maghrib, vers des e-services](#)", e-Forum juin 2005 (Fr document)
- ✦ "Posts as partners of co-development ", minutes of the First Euromed Postal Conference in 2007 on [ISPU](#)
- ✦ EMS Chronopost Maroc, www.chronopost.ma
- ✦ E-services : www.la-danpost.com.lb
- ✦ MidEx International (www.midexintl.com), Aramex (www.aramex.com)

