

Research Paper Predicts Ongoing Profitability at Canada Post

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OTTAWA – A paper on Canada Post’s financial viability says our public postal service will continue to profit over the next few years and that there is a need to use this time to expand money-making services to ensure its long-term future.

The paper, *Evaluating the Financial Viability of Canada Post Corporation: “Dark Glasses or Rose-Coloured Ones”* will be presented at the 25th Postal and Delivery Economics Conference, which starts today. It was authored by the research department of the Canadian Union of Postal Workers (CUPW).

“Canada Post and other bodies have a dismal record when it comes to predicting the financial state of our public postal service,” said CUPW National President Mike Palecek. “We decided to look at where these organizations went wrong and develop a better framework for predicting Canada Post’s viability.”

“What we learned is that no one can predict what is going to happen a decade from now so it is best to limit the timeframe under consideration. It is also advisable to exclude the impact of one-time events and be up front about assumptions regarding future costs and revenues,” said Palecek.

The paper uses the lessons learned and the financial and operational experiences of 2014 to mid-2016 as a baseline to make its projection of modest profits from 2016 to 2018. It also points out that, in spite of the rhetoric, there is no financial crisis at Canada Post and no need to make cuts.

“Our analysis shows that Canada Post is in pretty good shape but that it needs to add new services such as broadband, postal banking and at-the-door assistance for seniors in order to reduce its reliance on a limited number of product lines,” concluded Palecek. “This is what many post offices around the world have been successfully doing for years.”

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For more information, contact Farouk Karim, 613-882-2742 or media@cupw-sttp.org. The paper *Evaluating the Financial Viability of Canada Post Corporation: “Dark Glasses or Rose-Coloured Ones”* is available upon request.