ERGP REPORT ON CORE INDICATORS FOR MONITORING THE EUROPEAN POSTAL MARKET

3 December 2015

CONTENTS

1. EXECUTIVE SUMMARY

National Regulatory Authorities (NRAs) should have accurate information about the postal market and its developments to ensure that they perform properly their regulatory duties, specifically the obligations that arise from the Postal Directive.

The European Regulators Group for Postal Services (ERGP) considers important to provide information about the postal market developments in the ERGP Member countries and one of its main tasks is to assist the European Commission regarding the development of the internal market for postal services and the consistent application of the regulatory framework for postal services.

In this context, ERGP has been working on the identification and collection of data on specific indicators to monitor the postal market, taking into account NRAs' powers to collect data and the level of implementation and collection of these indicators by the NRAs.

The objective of this report is to provide information about core indicators of the European postal market as well as to identify trends and the main market developments.

The report is based on the 33 replies of the ERGP members to a questionnaire requesting data for 2013 and 2014, complemented with information provided by the countries in previous ERGP questionnaires for the last years. Therefore, the conclusions of the report reflect data for the period from 2008 to 2014.

The report presents indicators for the following categories: market outcomes, market structure, volumes, revenues, employment, postal network and postal investment.

Chapter 6.1 outlines the information about the market outcomes. The indicators selected for this section are the prices of a domestic priority letter, a non-priority letter and an international letter sent within Europe for the 1st weight step. The following conclusions are highlighted:

- In 2014, the European average price of a domestic priority letter was €0.62, which represents a 4.8% annual price variation between 2008 and 2014. During this period, the highest price increase occurred in the Western countries (7.2% on average/each year).
- For the non-priority domestic letter the average price in 2014 was €0.54, a 6% increase compared to 2013 (€0.51).
- In 2014, the average price of a letter sent within Europe was €0.96, a 7.3% rise compared with 2013. For the period from 2011 to 2014, this price increased on average 7.0% each year.

Chapter 6.2 analyses the market structure indicators. Between 2013 and 2014, the number of active postal service providers (PSP) slightly decreased, even if with a distinct behaviour by country. Hungary had the biggest increase in the number of new PSPs - more 42 operators, an increase of 29.9% - and the United Kingdom the greatest percentage decrease (-17.9%). Looking at both the Herfindahl-Hirschman index (HHI) and the number of PSP with more than 1% of the postal market, we can conclude that the European postal market is highly concentrated. Moreover, the level of concentration of the market is higher in terms of volumes than revenues. It is worth mentioning that Eastern countries have a lower level of market concentration than all the other countries.

Regarding universal service providers' (USP) market shares, the USPs continue to maintain high market shares for non-express traffic (87% on average for the volumes in 2014). For the express segment, however, the USPs' volume market shares are much lower: 16% on average in 2014.

Chapter 6.3 examines indicators about postal volumes. For the countries which provided a consistent set of data between 2011 and 2014, the total number of objects decreased on average 5.6%/year. Moreover, all but two countries (Romania and Serbia) suffered a decrease in traffic in this period. This decrease is driven by non-express mail, which represents 94.3% of total traffic, and decreased 6.5%/year, on average.

With regards to volumes, letter post items represent the major part of the non-express postal market (97.4%), while parcels account for 2.6% of the total non-express postal market in 2014.

The number of postal items *per capita* (122 on average in 2014) has a wide dispersion amongst the ERGP countries, ranging from 23 (FYROM) to 474 objects per habitant (Switzerland). In general, Northern and Western European countries have higher average usage levels than Eastern countries.

Regarding revenues figures (chapter 6.4), for the countries that provided a consistent set of data both in 2013 and 2014, total revenues decreased 1.1%. The decrease in the total market is the result of the decrease in the non-express segment (-3.8%), which is not compensated by the increase of the express segment (5.4%).

The average revenue per postal item was 0.80 euros in 2014, an increase of 2.6% comparing with 2013. For the non-express category, unit revenues were, on average, 0.64 euros per item in 2014, while for the express category, the average revenue was, on average, 6.96 euros per item.

Chapter 6.5 of the report lays out indicators about the employment in the postal sector. The total number of people employed by USPs and by other postal providers in ERGP countries has fallen between 2008 and 2014. As the number of people employed by USPs and by other postal providers has been declining at a broadly similar rate, the proportion of total employment in the postal sector accounted for by USPs has remained stable at 66% throughout this period.

Between 2011 and 2014 the overall percentage change in the USP's share of total employment increased in Italy and Republic of Serbia. The largest declines in this indicator were verified in Estonia and in Hungary.

As to the postal establishments' indicators (chapter 6.6), between 2010 and 2014 the number of post offices operated by the USP has declined, while the number of post offices operated by other postal providers has increased. The number of USP postal establishments has fallen in this period in the majority of ERGP countries, the exceptions being Denmark, Hungary, Malta, Romania and Slovakia.

The overall investment in the postal sector (chapter 6.7) widely varies from country to country, reflecting the size of the market and other intrinsic features of the national markets. From the countries that have information available about investment, the United Kingdom continues to lead the postal investment in Europe in 2014, even considering only the USP investment, followed by France and Italy. If we consider the total investment per capita, the highest investment per capita occurred in the United Kingdom, being followed by Finland and Croatia.

2. BACKGROUND

The NRAs should ensure compliance with the obligations arising from the Postal Directive, in particular by establishing monitoring and regulatory procedures to guarantee the provision of the universal service (US) – Art. 22, nr. 2. The Postal Directive also foresees that NRAs should monitor the evolution of the postal market by collecting specific information in order to perform their regulatory tasks.

The Postal Directive gives NRAs powers to request information from postal service providers (PSP) in order to carry out their tasks (Article 22a), more specifically to ensure conformity with the provisions or decisions made in accordance with the Postal Directive and for clearly defined statistical purposes. Moreover, it states that, upon request, NRAs shall provide the European Commission with appropriate and relevant information necessary for it to carry out its tasks under the Postal Directive.

Thus, having accurate and comparable information about the postal market and its developments is essential for NRAs to ensure that they perform their regulatory duties. The supervision of market developments is of the utmost importance in the context of full market opening to ensure that the market opening continues to benefit all users, both consumers and businesses. Monitoring the European postal market is also essential in order to guarantee the twofold regulatory objectives of protecting end-users and promoting the competition.

ERGP considers important to provide information about the postal market developments in the ERGP Member countries and, in light of this, one of ERGP core tasks is to assist the European Commission in the development of the internal market for postal services and to the consistent application of the regulatory framework for postal services.

In this context, and taking into account the importance of having information about the postal market for NRAs, ERGP has identified specific indicators to monitor market developments, notably in the following main categories: market outcomes, market structure, volumes, revenues, employment, postal establishments and postal investment. These indicators were previously chosen by ERGP based on their relevance[1] and the review of its implementation by the NRAs[2].

With the objective of monitoring the market, this benchmarking report provides information about core indicators of the European postal market and it also identifies trends and the main market developments.

The report is structured as follows:

- Chapter 3 presents the methodology used in the report.

[1] ERGP (12) 32 Report on indicators to monitor the postal market.
[2] ERGP (14) 25 Report on the implementation of the 2012 report on indicators to monitor the postal market.

- Chapter 4 identifies the NRAs' powers to collect data on the postal market.
- Chapter 5 outlines the scope of services, including the definition of postal services and the services included within the scope of the US.
- Chapter 6 describes the key core indicators, namely on market outcomes, market structure, volumes and revenues, employment, postal network indicators and investment in the sector.

3. METHODOLOGY

A questionnaire requesting data for 2013 and 2014 was sent to ERGP members and observers NRAs, having received 33 replies from the NRAs of the following countries: Austria, Belgium, Bulgaria, Croatia, Cyprus, The Czech Republic, Denmark, Estonia, Finland, France, Former Yugoslavia Republic of Macedonia (FYROM), Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Norway, Poland, Portugal, Romania, Serbia, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, The Netherlands and The United Kingdom.

The current report is based on the analysis of the replies to the mentioned questionnaire and to previous ERGP questionnaires, complemented by information provided by the NRAs. Therefore, the conclusions of the report reflect the data provided by the NRAs to the ERGP questionnaires, from 2008 to 2014.

The data used in the report is already collected by NRAs and is publicly available data[3], which means that NRAs did not collect data specifically for this ERGP exercise. As such, the definitions behind some indicators may not be exactly the same for all countries and the comparisons made should take into consideration countries' specific notes and the reference to the section on definitions[4].

Moreover, in the benchmarking analysis one should also consider the powers of NRAs to collect data on the market, as this might affect the detail and the quality of the information provided, so a general overview of these powers is presented in the report.

With the objective of identifying geographical trends, a clusters' analysis was made for some indicators using the following clusters[5]:

- Western countries: AT, BE, DE, DK, FI, FR, IE, LU, NL, SE, UK;
- Southern countries: CY, EL, ES, IT, MT, PT;
- Eastern countries: BG, CZ, EE, HR, HU, LT, LV, PL, RO, SI, SK;
- Countries outside the European Union (EU): CH, FY, IS, NO, RS.

[3] Only public data is included in the report, confidential figures are not presented in an individual form.
[4] Specifically, it should be noted that countries define express postal services in a distinct way, being the main reason the inclusion (or not) of the courier in the scope of express services, so the comparisons about volumes and revenues of the express segment should be made taking this into consideration.
[5] Classification also used in some of the postal studies commissioned by the European Commission.

4. NRAS' POWERS TO COLLECT DATA

The majority of the NRAS has powers to collect data from the USP and from other postal service providers (OPSP) and for both the services within or outside the scope of the US, the exceptions being:

- Norway: the NRA does not have powers to collect data on the postal market;
- Sweden: the NRA has powers to collect data but only in terms of letter mail distribution companies, according to Swedish law. According to the definitions in the Swedish Postal Act, only letter mail operators need to be licensed, the only under PTS's supervision;
- The Netherlands: the NRA can require from any (natural or legal) person, the data and information that it needs to properly execute the duties with which it is charged by or pursuant to the Postal Act. Consequently, the Dutch regulator (ACM) is not entitled to require information or data that cannot be related to any duties under the Postal Act.

Figure 1 - NRAs powers to collect data

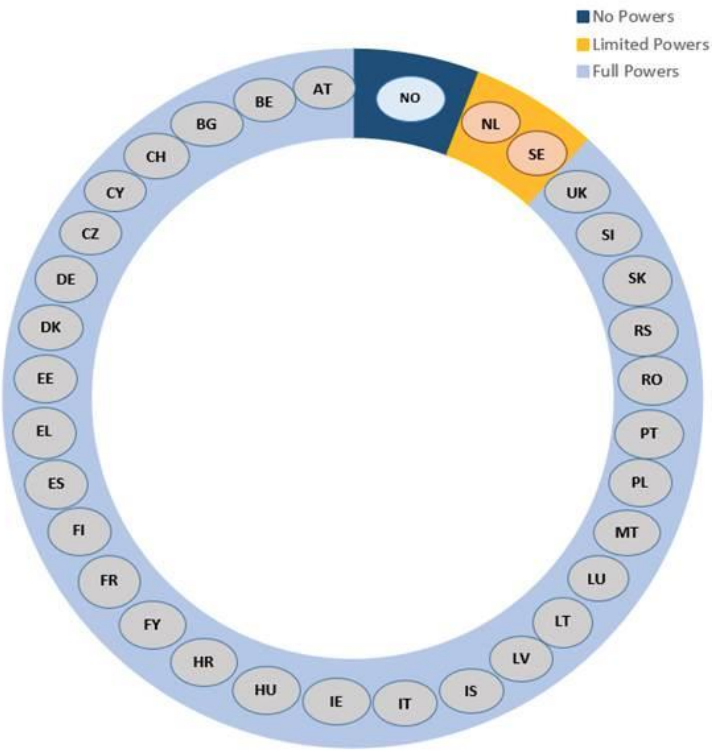


Figure 2 - NRAs powers to collect data by provider and within and outside the scope of the US

	ANSWER	TOTAL	COUNTRY (NRA)
From the USP on the US	Yes	32/33	AT[1], BE, BG, CH, CZ, CY, DE, DK, EE, EL, ES, FI, FR, FY, HR, HU, IE, IT, IS, LT, LU, LV, MT, NL, PL, PT, RO, RS, SE, SK, SI, UK
	No	1/33	NO
From the USP on non-US	Yes	31/33	AT[1], BE, BG, CH, CZ[2], CY, DE, DK, EE, EL,ES, FI, FR, FY, HR, HU, IE, IT, IS, LT, LU, LV, MT, NL[3], PL, PT, RO, RS, SK, SI, UK
	No	2/33	SE, NO
From OPSP within the scope of the US	Yes	28/33	AT[1], BE, BG, CH, CZ[2], CY, DE, DK, EE, EL, ES, FR[4], FY, HR, HU, IE[4], IT, IS, LT, LU, LV, MT, PT[4], RO, RS, SE, SK, UK
	No	1/33	NO
	Not Applicable	4/33	FI[5], NL, PL[5], SI[5]
From OPSP on non-US	Yes	31/33	AT[1], BE, BG, CH[6], CZ[2], CY, DE, DK, EE, EL, ES, FI, FR[4], FY, HR, HU, IE[4], IT, IS, LT, LU, LV, MT, NL[3], PL, PT[4], RO, RS, SI, SK, UK
	No	2/33	NO, SE

Notes:

[1] AT - From 1 July 2013 an ordinance allows the NRA to collect data quarterly from all postal operators. Until 1 July 2013 the RTR was only allowed to collect data from the USP with regard to procedures.

[2] The NRA is empowered to collect data from all postal providers about all postal services since 1 January 2013.

[3] The NRA can require from any (natural or legal) person, the data and information that it needs to properly execute the duties with which it is charged by or pursuant to the Postal Act. It follows that OPTA is not entitled to require information or data that cannot be related to any duties under the Postal Act.

[4] The NRA has the power to collect data only from authorised or licensed providers.

[5] OPSP are not allowed to provide US. As such, even if the NRA is empowered to ask any data regarding postal services, as only the USP can provide the US, no data is collected from OPSP within the scope of the US.

[6] Since October 2012 the ordinance of the new postal act is valid in Switzerland. Since October 2012 the NRA collects also data of express mail and parcels till 30kg.

5. SCOPE OF SERVICES

In Europe there is no common interpretation of the scope of postal services. Even if all countries consider correspondences and the postal parcels in the scope of postal services, the definitions might not be exactly the same.

Moreover, the scope of the US might also differ from country to country. As a consequence, when doing comparisons we should have the country's specific definition in mind.

5.1 DEFINITION OF POSTAL SERVICES

The scope of the postal services in each country is presented in Figure 3. In all countries, both correspondence and postal parcels are included in the definition of postal services, but for the latter, the maximum weight might differ amongst countries, and in some countries there is no weight limit.

Furthermore, the majority include some sort of printed objects (books, catalogues, newspapers and periodicals) in the definition of postal services. Express mail is considered a postal service by all countries except BG, FR, IE, LT and NL. Only a minority of countries (IT, NO, PL and RS) consider unaddressed mail as postal services.

Figure 3 - Services Included in the definition of postal services

SERVICES	TOTAL	COUNTRY
CORRESPONDENCE	33/33	AT, BE, BG[1], CH, CY, CZ, DE, DK, EE, EL, ES, FI, FR[2], FY, HR, HU[2][3], IE, IT, IS, LV, LT, LU, MT, NL, NO, PL, PT, RO[4], RS, SE, SK, SI, UK
PRINTED OBJECTS (BOOKS, CATALOGUES, NEWSPAPERS AND PERIODICALS)	28/33	AT, BE, BG, CH, CY, DE[5], DK, EE[6], EL, ES, FR[6], FY, HR, IE[7], IS, IT, LU, LV, MT, NL[8], NO, PL[9], PT, RO, RS, SE, SK[10], SI
POSTAL PARCELS	33/33	AT, BE, BG, CH, CY, CZ, DE, DK, EE, EL, ES, FI, FR, FY, HR, HU, IE, IT, IS, LT, LU, LV, MT, NL, NO, PL, PT, RO, RS, SE, SI, SK, UK
EXPRESS MAIL	27/33	AT, BE, CH, CY, CZ, DE, EE, EL, ES, FI, FY, HR, HU, IT, IS, LU, LV, MT, NO, PL, PT, RO, RS, SE, SI, SK, UK
UNADDRESSED MAIL	4/33	IT, NO, PL, RS

Notes:

[1] Excluding direct mail.
[2] Up to 2 kg.
[3] M-bag up to 5 kg.
[4] Direct mail outside USO.
[5] If the delivery is undertaken by an operator that also delivers letters and/or parcels up to 20 kg.
[6] Excluding books.
[7] Only sending books abroad up to 5 kg.
[8] Excluding catalogues.
[9] The listed types of items: books, catalogues, newspapers, periodicals are not specifically included in the postal law in Poland. In the definition of postal item the broad term "an object" is used. It means that the object could be a book, but it is not specified.
[10] Excluding newspapers and periodicals.

5.2 SERVICES WITHIN THE SCOPE OF THE UNIVERSAL SERVICE

The services included in the US are distinctive amongst countries, as noted in Figure 4. All the countries include correspondence (domestic and international both inbound and outbound) in the scope of the US. The majority of the countries also include some sort of printed objects in the scope of the US.

Regarding the parcels, although all countries include them on the US, different definitions are used, the main difference being the maximum weight. It is interesting to note that CY and FY consider express services as part of the US.

Figure 4 - Services within the scope of the universal service

SCOPE OF UNIVERSAL SERVICE		TOTAL	COUNTRY
CORRESPONDENCE	**Domestic and International (Outbound and Inbound)**	33/33	AT[1] BE BG DE[2] CH CY CZ DK EE EL ES FR[4] HR HU IE IT IS LV LT LU FI FY MT NL NO PL PT RO RS SK SI SE UK
BOOKS	**Domestic**	19/33	AT[1] BE BG[3] CY DK EL FY IE IT IS LU[4] MT NO PT RO RS SE[5] SK SI
	International Outbound	20/33	AT[1] BE BG[3] CY DK EL FY IE[3] IT IS LU[4] MT NO NL[3] PT RO RS SE[5] SK SI
	International Inbound	20/33	AT[1] BE BG[3] CY DK EL FR[4] IE[3] IT IS LU[4] MT NL[3] NO PT RO RS SE[5] SK SI
CATALOGUES	**Domestic**	19/33	AT[1] BE BG[3] CY DK EL FR[4] FY IT IS LU[4] MT NO PT RO RS SE[5] SK SI
	International Outbound	19/33	AT[4] BE BG[3] CY DK EL FR[4] FY IT IS LU[4] MT NO PT RO RS SE[5] SK SI
	International Inbound	18/33	AT[1] BE BG[3] CY DK EL FR[4] FY IS LU[4] MT NO PT RO RS SE[5] SK SI
NEWSPAPERS	**Domestic**	19/33	AT BE[6] CH DE[7]DK EL FR[4] FY HU IT IS LU[4] MT NO PT RO RS SE[5] SI
	International Outbound	18/33	AT BE[6] CH DE[7] DK EL FR[4] FY IT IS LU[4] MT NO PT RO RS SE[5] SI
	International Inbound	18/33	AT BE[6] CH DE[7] DK EL FR[4] FY IT IS LU[4] MT NO PT RO RS SE[5] SI
PERIODICALS	**Domestic**	16/33	AT BE[6] CH DE[7] DK EL FR[4] IT IS LU[4] MT NO PT RO SE[5] SI
	International Outbound	17/33	AT BE[6] CH DE[7]DK EL FR[4] IT IS LU[4] MT NO PT RO RS SE[5] SI
	International Inbound	17/33	AT BE[6] CH DE[7] DK EL FR[4] IT IS LU[4] MT NO PT RO RS SE[5] SI

PARCELS	**Domestic**	**<10 Kg**	13/33	AT BE CZ FI HR LT NL PL PT RO RS SI SK
		<20 Kg	20/33	BG CH CY DE DK EE FR FY EL ES HU IE IT IS LV LU MT NO SE UK
	Int. Outbound	**<10 Kg**	15/33	AT[1] BE BG CZ FI IS LV LT LU PL PT RO RS SI SK
		<20 Kg	18/33	CH CY DE DK EE EL FR FY ES HU HR IE IT MT NL NO SE UK
	Int. Inbound	**<10 Kg**	3/33	AT[1] LT[8] PT[9]
		<20 Kg	33/33	BE BG CH CY CZ DE DK EE EL FI FR FYROM EL ES HR HU IE IT IS LV LT[8] LU MT NL NO PL PT[9] RO RS SE SI SK UK
EXPRESS MAIL	**Domestic and International (Outbound / Inbound)**		2/33	CY FY[4]

Notes: [1] Excluding items which are deposited in distribution centres.
[2] Excluding direct mail.
[3] Up to 5 kg.
[4] Up to 2 kg.
[5] On condition that they are contained in an envelope or other kind of wrapping, featuring a postal address.
[6] Most periodicals and newspapers fall outside USO scope as they are part of a dedicated SGEI.
[7] If the delivery is undertaken by an operator that also delivers letters and/or parcels up to 20 kg.
[8] For Inbound international parcels with origin in the Members States of the European Union, the weight limit continues to be 20Kg. For parcels incoming from other countries, the new weight limit is 10Kg.
[9] Up to 20 kg if intra-European Union.

6. KEY CORE INDICATORS

This section identifies the main market outcomes in terms of prices of the postal services, notably the prices of the domestic priority and non-priority letter and the price of posting a letter within Europe, for the first weight step.

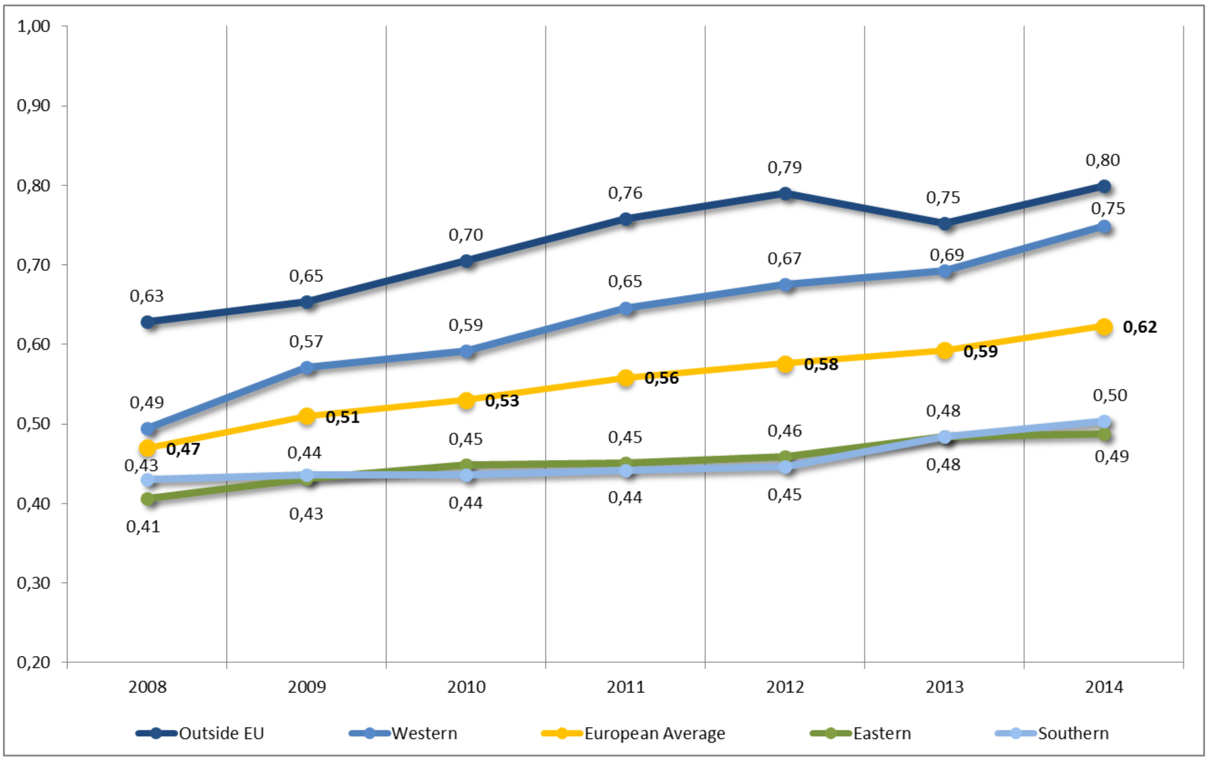
6.1 MARKET OUTCOMES INDICATORS

6.1.1. LETTER PRICE EVOLUTION IN EUROPE

In 2014, the European average price for posting a domestic priority letter of the first weight step was €0.62, which represents a 4.8% annual nominal price variation between 2008 and 2014.

Considering geographical clusters, countries outside the European Union (EU) have the highest price for posting a domestic priority letter and Western countries the second highest, with average prices above the European average. Between 2008 and 2014, the highest price increase occurred in the Western countries (on average 7.2% each year). Between 2013 and 2014, the highest price increase was also in the Western countries (8.2%) and the lowest in the Eastern (0.7%) – figure 5.

Figure 5 – Average prices of posting a domestic priority letter (1st weight step) – euros



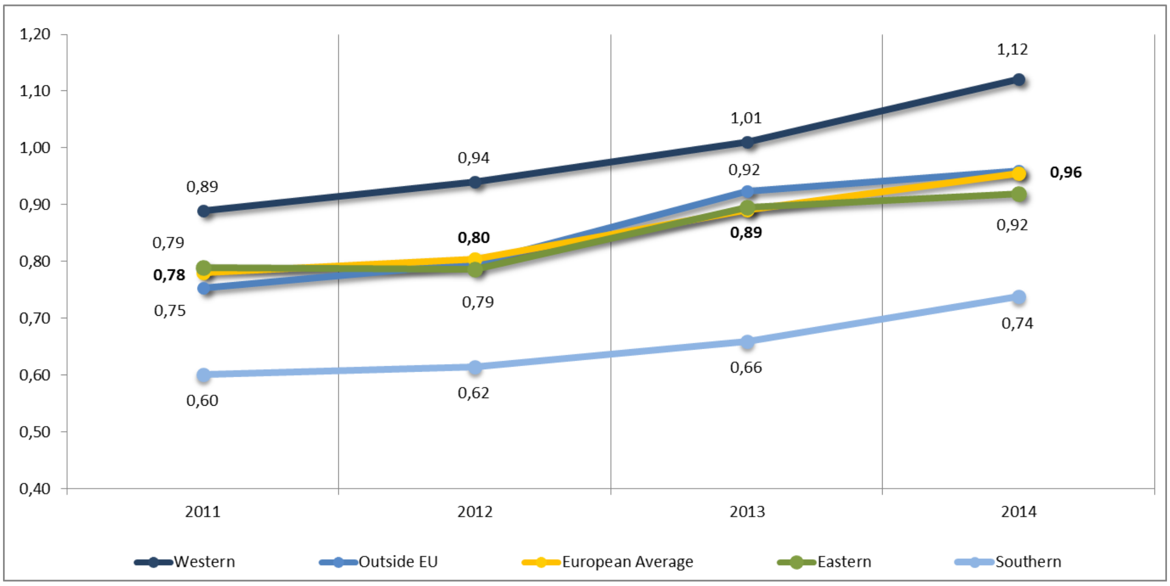
Notes:

1. Average Price for the 31 countries that offer priority letter post service. ES and RS are not included, since there is only one category of letter post without differentiation between 'priority' and 'non-priority' service.
2. Standard postal items provided by the USP/Incumbent at single piece tariff for typical residential customers.
3. First Class/Priority: For services to be delivered on the following working day (according to the service conditions published or informed by the PSP). Corresponds to the service usually provided in the scope of the US.
4. Prices are in Euros, on 1 July of each year.
5. Prices for the first weight step: 20g, with the exceptions of SI, BE (price for 50 g letter), HU (price for standard size letters of 114x162mm or 110x220mm, weight up to 30 g), PL (as of 2013 the lowest weight threshold for letters is 350g) and UK (100 g).
   Exchange rates used for currency conversions of the countries not using the Euro as national currency: Eurostat - Euro exchange rates - Annual data http://epp.eurostat.ec.europa.eu/portal/page/portal/exchange_rates/data/database
6. For countries not using the Euro as national currency, the price variations may result from variations of the exchange rate.
7. Clusters: Countries Outside the EU: CH, FY, IS, NO, RS
   Western Countries: AT, BE, DE, DK, FI, FR, IE, LU, NL, SE, UK
   Southern Countries: CY, EL, ES, IT, MT, PT
   Eastern Countries: BG, CZ, EE, HR, HU, LT, LV, PL, RO, SI, SK

The average price of posting an international letter within Europe for the first weight step in 2014 was €0.96, a 7.3% increase compared with the previous year – figure 6.

For the period of 2011 to 2014, this price increased €0.17, a 7.0% annual average increase. Western countries have the highest price while the Southern countries the lowest – figure 6.

Figure 6 – Average price for posting a letter within Europe (1st weight step) – euros



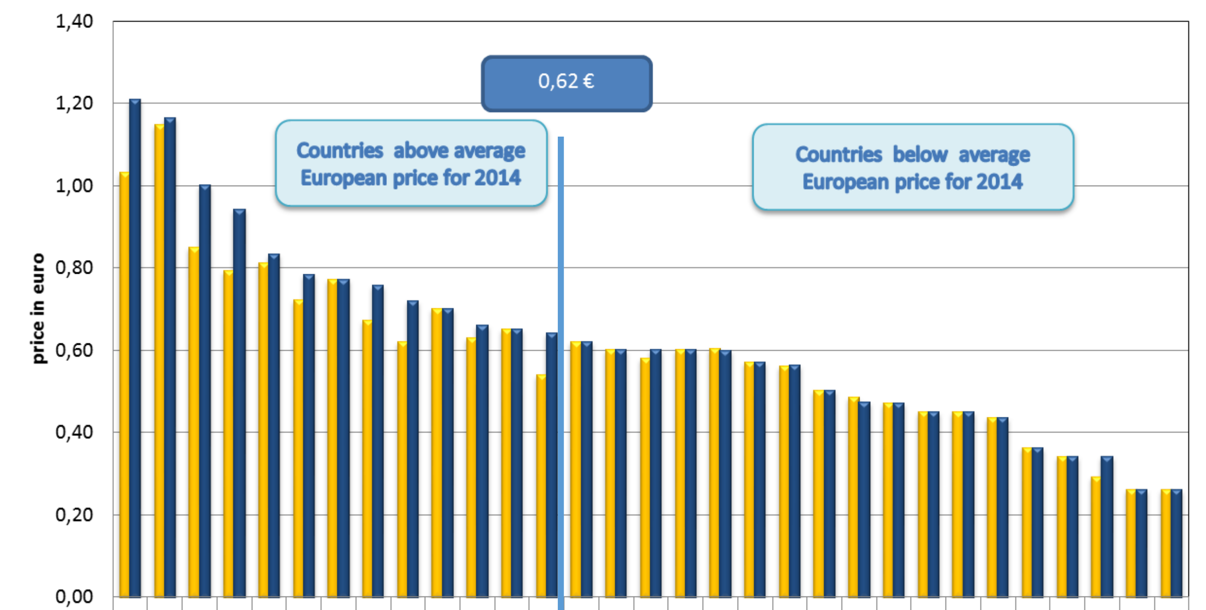
Notes:

1. Annual Price comparison: price in euros on 1st of July of each year.
2. Information for 31 countries (all excluding FI and IS).
3. Exchange rates used for currency conversions of the countries not using the Euro as national currency: Eurostat - Euro exchange rates - Annual data http://epp.eurostat.ec.europa.eu/portal/page/portal/exchange_rates/data/database
4. Prices for the first weight step: 20g, with the exception of PL (price is for letter weight up to 50g) and for CZ in 2014 (up to 50g).
5. Clusters: Countries Outside the EU: CH, FY, IS, NO, RS
   Western Countries: AT, BE, DE, DK, FI, FR, IE, LU, NL, SE, UK
   Southern Countries: CY, EL, ES, IT, MT, PT
   Eastern Countries: BG, CZ, EE, HR, HU, LT, LV, PL, RO, SI, SK.

6.1.2. PRICES OF DOMESTIC LETTERS

In 2014, the average price in Europe for posting a priority letter weighing less than 20 gr within a country was €0.62, a 5% increase compared to 2013 (€0.59). Amongst the 31 countries that provided pricing data, Denmark had the highest domestic priority letter price (€1.21) while FYROM the lowest (€0.26) – figure 7. It is also worth mentioning that over the last six years (2009-2014), Switzerland, Cyprus, Latvia, Lithuania and Romania have not changed the price of the domestic priority letter post.

Figure 7 – Price of Domestic Priority Letter of the 1st weight step in 2013 and 2014



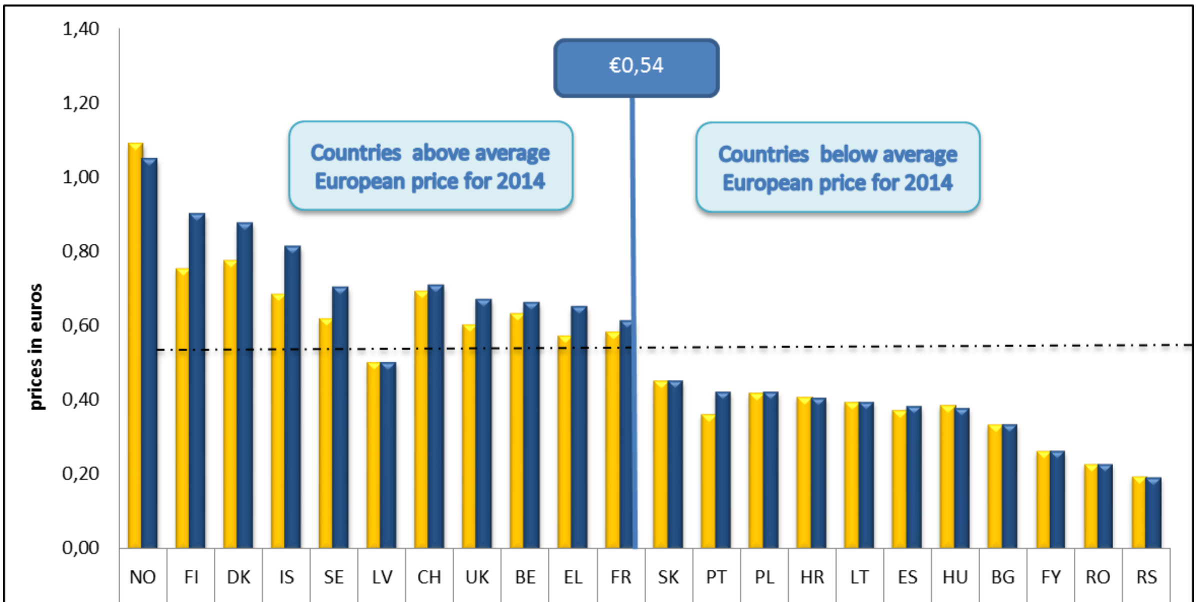
	DK	NO	FI	IS	CH	UK	BE	SE	EL	IT	FR	SK	NL	AT	IE	DE	LU	HR	LV	PL	PT	HU	CZ	EE	LT	BG	RO	CY	SI	MT	FY
2013	1,03	1,15	0,85	0,79	0,81	0,72	0,77	0,67	0,62	0,70	0,63	0,65	0,54	0,62	0,60	0,58	0,60	0,60	0,57	0,56	0,50	0,48	0,47	0,45	0,45	0,43	0,36	0,34	0,29	0,26	0,26
2014	1,21	1,16	1,00	0,94	0,83	0,78	0,77	0,76	0,72	0,70	0,66	0,65	0,64	0,62	0,60	0,60	0,60	0,60	0,57	0,56	0,50	0,47	0,47	0,45	0,45	0,43	0,36	0,34	0,34	0,26	0,26

Notes: Please refer to notes on Figure 5.

In 2014, the average price in Europe for posting a non-priority standard letter within a country was €0.54, a 6% increase compared to 2013 (€0.51). It should be highlighted that the following countries do not offer a non-priority service: Austria, Cyprus, Czech Republic, Germany, Estonia, Ireland, Italy, Luxembourg, Malta, Slovenia and the Netherlands.

In 2014, Norway had the highest price (€1.05), and Serbia the lowest (€0.19). Over the last six years (2009-2014), Switzerland, Lithuania and Romania are the only countries that have not changed the price of non-priority letter service.

Figure 8 – Price of domestic non-priority letter of the 1st weight step in 2013 and 2014



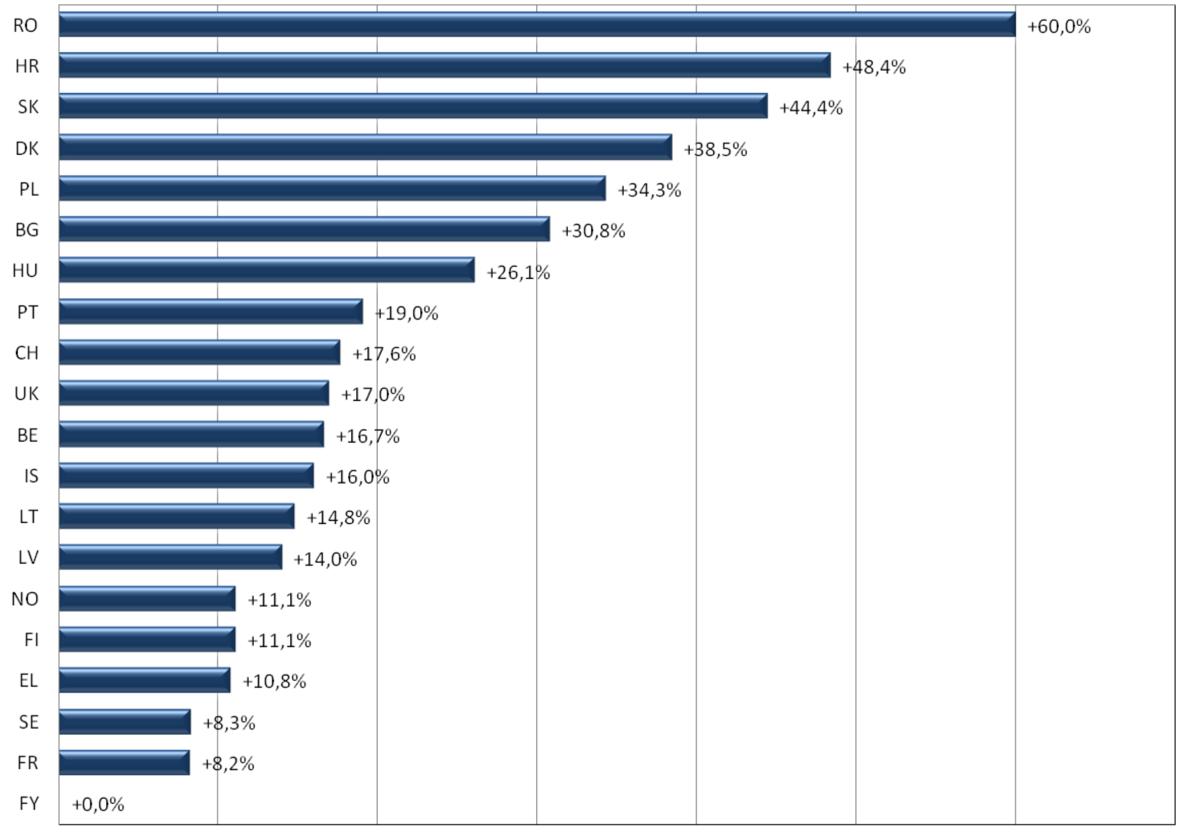
	NO	FI	DK	IS	SE	LV	CH	UK	BE	EL	FR	SK	PT	PL	HR	LT	ES	HU	BG	FY	RO	RS
2013	1,09	0,75	0,77	0,68	0,62	0,50	0,69	0,60	0,63	0,57	0,58	0,45	0,36	0,42	0,41	0,39	0,37	0,38	0,33	0,26	0,23	0,19
2014	1,05	0,90	0,87	0,81	0,70	0,50	0,71	0,67	0,66	0,65	0,61	0,45	0,42	0,42	0,40	0,39	0,38	0,37	0,33	0,26	0,23	0,19

Notes:

1. For services to be delivered until 3 working days after posting (according to the service conditions published or informed by the postal service provider). Corresponds to the service usually provided as universal service, if applicable.
2. Non-priority letter post service is not applicable in AT, CY, CZ, DE, EE, IE, IT, MT, LU, SI and NL.
3. ES and RS: there is only one category of letter post without differentiation between 'priority' and 'non-priority' service.
4. Prices in Euros, on 1 July of each year.
5. Prices for the first weight step: weight up to 20g, with the exception of: HU (price is for letter weight up to 30g), UK (letter up to 100g) and PL (letter weight up to 350g).
6. Exchange rates used for currency conversions of the countries not using the Euro as national currency:
   Eurostat - Euro/ECU exchange rates - Annual data
   http://epp.eurostat.ec.europa.eu/portal/page/portal/exchange_rates/data/database
7. For countries not using the euro (€) as national currency, variations in the price may result from the annual exchange rate differences. As a result, no actual price change has occurred for: NO, CH, HR and HU in 2014 vs 2013.

There is a different pricing policy amongst countries that offer both priority and non-priority letter post service. Worth mentioning are the cases of Romania and FYROM, the former being the country with the highest price difference in 2014 between priority and non-priority letters and the latter not differentiating both prices, but rather offering very distinctive services at the same price – figure 9.

Figure 9 – Price difference between priority and non-priority domestic letter in 2014 (%)

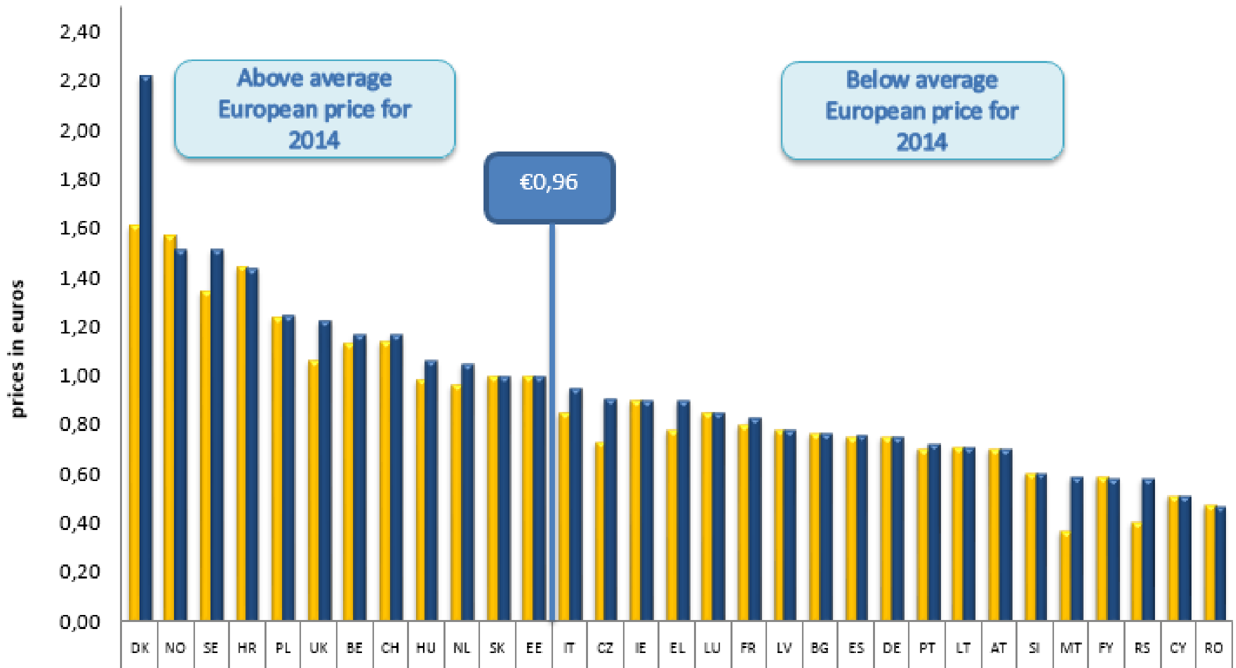


Note: Price difference between a priority and non-priority domestic letter of the 1st weight step in euros.

6.1.3. INTERNATIONAL PRICES

In 2014, the average European price for posting a letter weighing less than 20g from one country to another EU country was €0.96, which represents a price increase of 7.3% compared to 2013. Denmark had the highest price (€2.22), in 2014, amongst the 31 countries that have provided that information, while Romania had the lowest (€0.47) – figure 10.

Figure 10 – Average price for posting a letter of the 1st weight step within Europe in 2013 and 2014

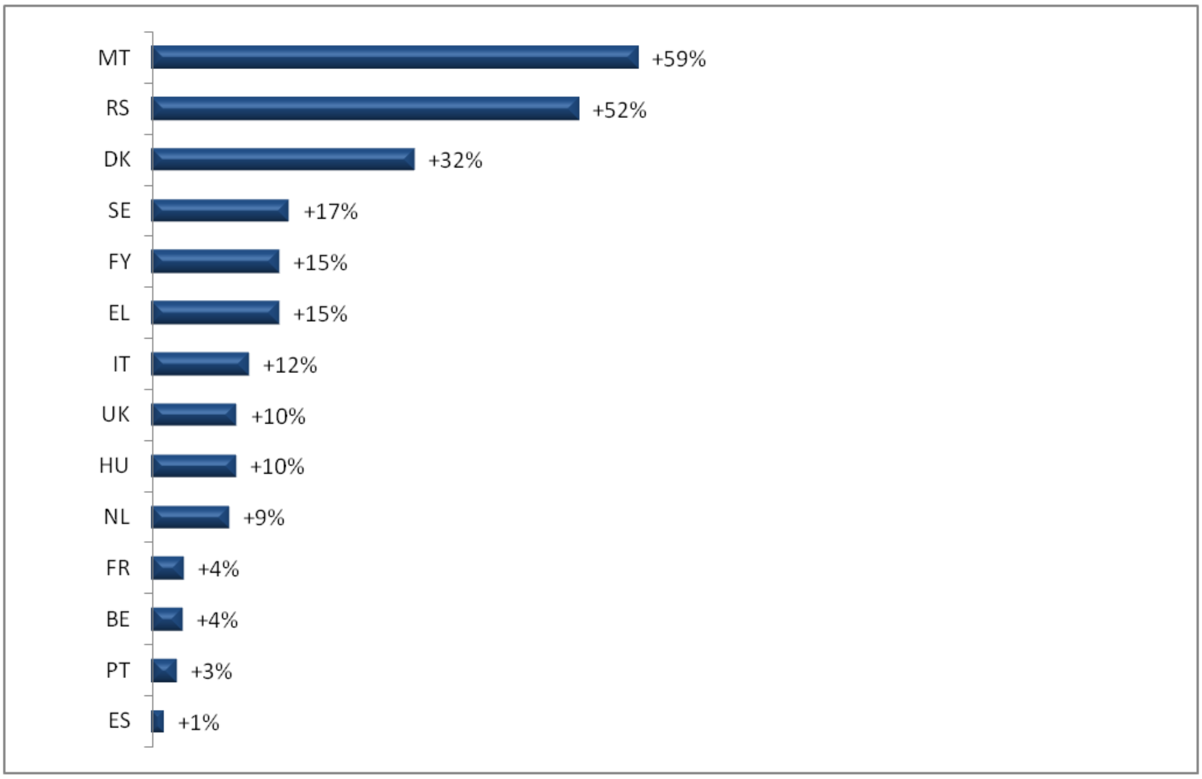


	DK	NO	SE	HR	PL	UK	BE	CH	HU	NL	SK	EE	IT	CZ	IE	EL	LU	FR	LV	BG	ES	DE	PT	LT	AT	SI	MT	FY	RS	CY	RO
2013	1,61	1,57	1,34	1,44	1,24	1,06	1,13	1,14	0,99	0,96	1,00	1,00	0,85	0,73	0,90	0,78	0,85	0,80	0,78	0,77	0,75	0,75	0,70	0,71	0,70	0,60	0,37	0,59	0,40	0,51	0,47
2014	2,22	1,51	1,51	1,43	1,24	1,22	1,17	1,16	1,06	1,05	1,00	1,00	0,95	0,91	0,90	0,90	0,85	0,83	0,78	0,77	0,76	0,75	0,72	0,71	0,70	0,60	0,59	0,58	0,58	0,51	0,47

Notes: Please refer to notes on Figure 6.

In 2014, the abovementioned international price increased in seven out of 15 countries: Belgium, Czech Republic, Denmark, Greece, Spain, Sweden, France, FYROM, Hungary, Italy, Malta, Portugal, Serbia, The Netherlands and the United Kingdom. Malta was the country with the highest price increase in 2014 (figure 11).

Figure 11 – Variation in the price of international letters between 2013 and 2014



Notes:

1. For calculating the annual price changes, national currency per country is used to eliminate any exchange rate differences between 2013 and 2014, since, primarily, the objective is to present the annual price change per country and secondarily to compare between countries.
2. Annual Price comparison calculates the price on 1st of July 2014 vs the price on 1st of July 2013.
3. CZ was not included as in 2014 the first weight category is 50gr letter and in 2013 20gr.

6.2 MARKET STRUCTURE INDICATORS

The quantitative data presented below aims to provide a better understanding of the structure of the postal market in Europe as well as to point out any possible differences amongst countries.

6.2.1. NUMBER OF ACTIVE POSTAL SERVICE PROVIDERS

For the countries that provided data (32 out of 33) there is a slight decrease (-0.8%) in the number of active PSP from 2013 to 2014, as indicated in figure 12.

Figure 12 – Active postal service providers

	2013	2014	Dif. 2014 2013	2014 non-express	2014 express	2014 express and non-express
Austria	19	18	-1			
Belgium	775+	711	-64			
Bulgaria	134	146	+12	7	133	6*
Croatia	23	21	-2		15	6*
Cyprus	21	20	+1	1*		19
Czech Republic	16	20	+4			20*
Denmark	12	11	-1			
Estonia	30	29	-1	1	26	2*
Finland	1	1	0			
France	33	35	+2			
FYROM	23	25	+2		24	1*
Germany	10600+	n.a.	-			
Greece	397	377	-20	11	365	1*
Hungary	137	178	+41		177	1*
Italy	3600	3500	-100			
Ireland	6	7	+1			
Iceland	4	4	0			4
Latvia	67	61	-6			
Lithuania	76	69	-7	63	5	1*
Luxembourg	22	n.a.	-			
Malta	21	23	+2		20	3*
The Netherlands	120	120	0			
Poland	161	166	+5	47	83	36
Portugal	68	70	+2	9	60	1*
Romania	238	237	-1			
Serbia	47	32	-15	1*	31	
Slovakia	22	20	-2	4	15	1*
Slovenia	16	17	+1			2
Spain	1429	1425	-4	77	1024	324
Sweden	30	28	-2	27		1*
Switzerland	124	140	+16			
United Kingdom	28	23	-5			
Total	**18 300**	**18 156**	**-144**			

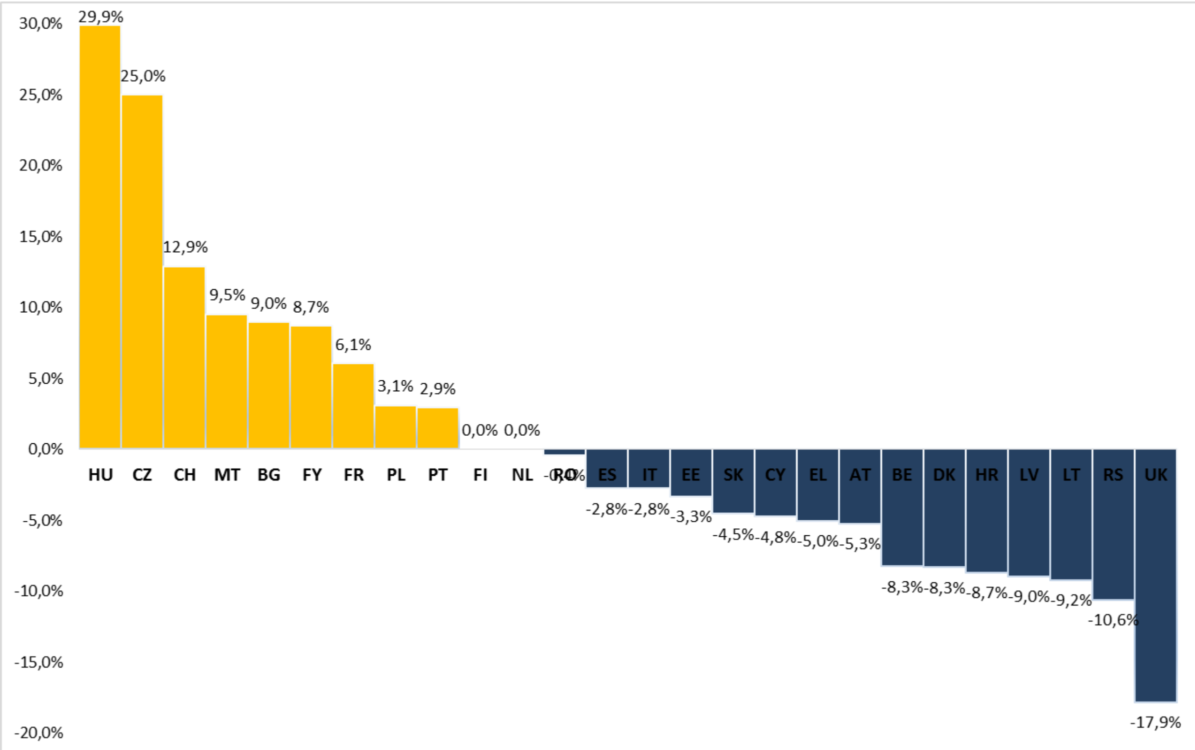
Notes: * USP is included; + approximate number

1. Data at the end of the reference year.
2. Number of PSP that registered activity in each time period.
3. AT: No differentiation between express operators and other operators.
4. FR: Authorized operators for the shipments of correspondence. Express service is not included.
5. IE: it is not required to differentiate authorization based on service provision.
6. UK: Letter post only. Includes access operators. Some operators are primarily unaddressed networks and occasionally deliver addressed mail, which is why there are fewer providers in 2014 - these operators, while maintaining an unaddressed network, have not delivered addressed mail in this period.
7. The total is calculated considering that for DE and LU the number of providers in 2014 is the same as in 2013.

There is not a clear trend regarding the evolution of the number of active PSP by country, as indicated in figure 13. Hungary is the country with the highest increase in new active PSPs in 2014, both in terms of percentage (29.9%) and number (more 42 operators). In terms of percentage, Hungary is followed by Czech Republic (25% increase) and Switzerland (12.9%).

In contrast, the United Kingdom is the country with the greatest decrease in the abovementioned indicator (-17.9%), followed by Serbia (-10.6%) and Lithuania (-9.2%). However, regarding the UK, it should be taken into consideration that the number of active postal services providers can vary from year to year as some operators are primarily unaddressed networks and occasionally deliver addressed mail. This is why there are fewer providers in 2014: these operators, while maintaining an unaddressed network, have not delivered addressed mail during this period.

Figure 13 – Annual change of Active Postal Service Providers between 2014 and 2013 (%)



6.2.2. INDICATORS ON THE LEVEL OF MARKET CONCENTRATION

The Herfindahl-Hirschman index (HHI) analysis shows that the European postal market is highly concentrated, as almost all the countries[6] that provided data have an HHI superior to 2000 (both in terms of volume and revenues) – figure 14.

[6] The exception is Latvia in 2013 in terms of volume and Romania in 2014 for the revenues.

Figure 14 - Herfindahl-Hirschman Index (HHI)

Country	HHI – Volumes			HHI - Revenues		
	2013	2014	Trend	2013	2014	Trend
Austria	7.200	7.200	Stable	6.200	6.200	Stable
Belgium	n.a.	n.a.		4.705	4.539	Decrease
Bulgaria	n.a.	n.a.		5.691	5.230	Decrease
Croatia	5.424	5.196	Decrease	4.969	4.796	Decrease
Czech Republic	9.503	8.964	Decrease	8.978	7.692	Decrease
Estonia	5.243	5.244	Stable	3.372	3.312	Decrease
France	9.801	9.796	Decrease	9.707	9.607	Decrease
FYROM	8.998	8.694	Decrease	4.553	4.257	Decrease
Greece	7.648	6.871	Decrease	2.836	2.465	Decrease
Hungary	2.655	9156	Increase	4.766	4.380	Decrease
Latvia	1.897	2.441	Increase	3.036	3.488	Increase
Lithuania	5.236	5.007	Decrease	2.263	2.544	Increase
Malta	9.600	9.500	Decrease	4.600	4.600	Stable
Portugal	8.977	8.942	Decrease	4.694	4.968	Decrease
Romania	4.783	3.578	Decrease	n.a.	1.226	
Serbia	9.463	9.357	Decrease	4.603	4.518	Decrease
Slovakia	6.833	6.772	Decrease	3.209	3.125	Decrease
Spain	7.777	7.766	Decrease	8.465	8.490	Increase
Sweden	7.590	7.420	Decrease	8.640	8.560	Decrease
The Netherlands	6.678	n.a.		7.826	n.a.	
United Kingdom	9.913	9.752	Decrease	9.236	9.126	Decrease

Notes:
1. AT: Calculation based using for 2013 the data from the 3rd and 4th Quarters.
2. BE: estimate based on a sample of the main postal enterprises.
3. BG and ES: express services are not included.
4. FR: only authorized operators; express services are not included. Includes both international outbound and inbound.
5. UK: for letter post only.
6. HHI indicator is the sum of the square of the market shares of the postal service providers. The higher its value, the higher the concentration of the market is. General interpretation of HHI: above 2000, indicates a concentrated market; between 1000 and 2000, indicates a moderate concentrated market.

Between 2013 and 2014, the level of concentration of the market decreased (or stabilised) in the majority of the countries, the exception being Hungary (in volumes), Latvia (both in terms of volumes and revenues), Lithuania (revenues) and Spain (revenues). In general the level of concentration of the market is higher in terms of volumes than revenues.

Although all the countries have a high concentration index as seen in figure 14, the UK[7] take the lead and is followed by FR[8], both in terms of volumes and revenues. Latvia and Romania are the countries with the lower market concentration in terms of volumes and revenues respectively. It is worth mentioning that Eastern countries have a lower level of concentration than the other countries.

Looking at the number of PSPs with more than 1% of the total postal market, we can also conclude that the postal market in Europe is highly concentrated (see figure 15) and that the level of concentration is higher for volumes, as there are in general less operators with more than 1% of the market than for revenues.

There are no clear signs of emergence of competition within the market, as in general the number of operators with more 1% of market share is stable. Hungary is an interesting case. On one hand, it was the country with the highest increase in terms of number of active operators back in 2014, while on the other hand it had a significant decrease in the number of operators with more than 1% of the market in terms of volume in 2014 (from 12 to 2).

[7] Figures for letters only.

[8] But figures do not include express and cover only a part of parcels.

Figure 15 – Number of postal service providers with more than 1% of the postal market

Country	>1% - Based on volumes			>1% - Based on revenues		
	2013	2014	Trend	2013	2014	Trend
Austria	2	2	Stable	7	7	Stable
Belgium	n.a.	n.a.		7	7	Stable
Bulgaria	18	16	Decrease	18	16	Decrease
Croatia	5	5	Stable	8	8	Stable
Cyprus	15	n.a.		15	n.a.	
Czech Republic	2	4	Increase	2	4	Increase
Denmark	5	6	Increase	5	5	Stable
Estonia	4	4	Stable	8	8	Stable
Finland	1	1	Stable	1	1	Stable
France	1	1	Stable	1	1	Stable
FYROM	4	4	Stable	7	8	Increase
Germany	12	12	Stable	12	12	Stable
Greece	6	6	Stable	9	9	Stable
Hungary	12	2	Decrease	8	10	Increase
Iceland	4	4	Stable	4	4	Stable
Latvia	17	17	Stable	12	11	Decrease
Lithuania	7	7	Stable	13	12	Decrease
Malta	1	1	Stable	8	7	Decrease
The Netherlands	2	2	Stable	2	2	Stable
Poland	12	13	Increase	12	13	Increase
Portugal	1	1	Stable	11	12	Increase
Romania	13	7	Decrease	n.a	15	
Serbia	4	4	Stable	7	7	Stable
Slovakia	5	6	Increase	11	10	Decrease
Slovenia	8	2	Decrease	7	11	Increase
Spain	2	2	Stable	2	2	Stable
Sweden	2	2	Stable	2	2	Stable
Switzerland	5	5	Stable	6	6	Stable
United Kingdom	1	2	Increase	2	2	Stable

Notes: FR: only authorized operators; express services are not included. UK: for letter post only. ES: express services are not included.
BE: estimate based on a sample of the main postal enterprises.

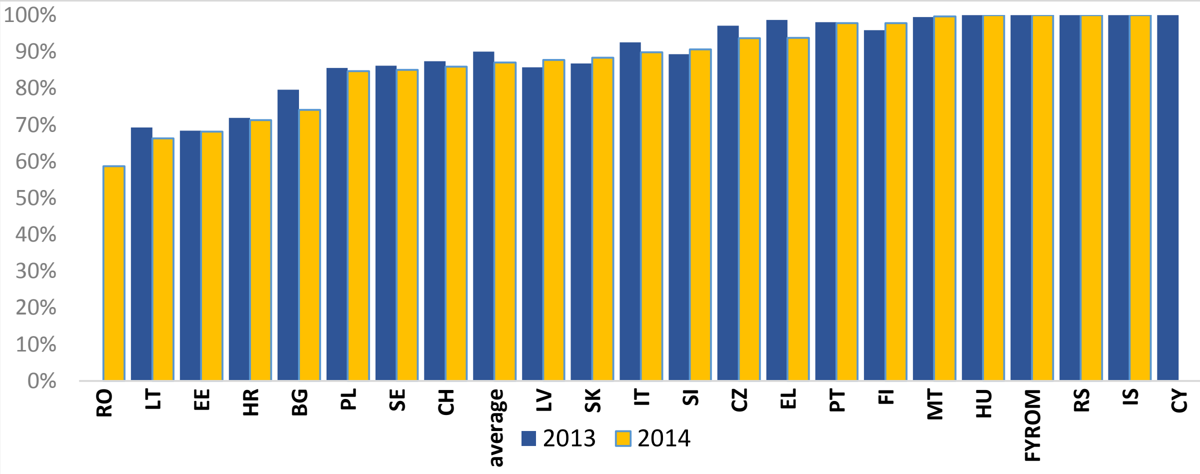
6.2.3 USP MARKET SHARES

The following section presents the USPs' volumes and revenues market shares.

6.2.3.1. USP VOLUME MARKET SHARES

In the European countries for which information is available, the USPs maintain very high market shares for the non-express segment in terms of volumes: in 2014, the USPs market share was 87% on average, a slight decrease from the previous year (90%).

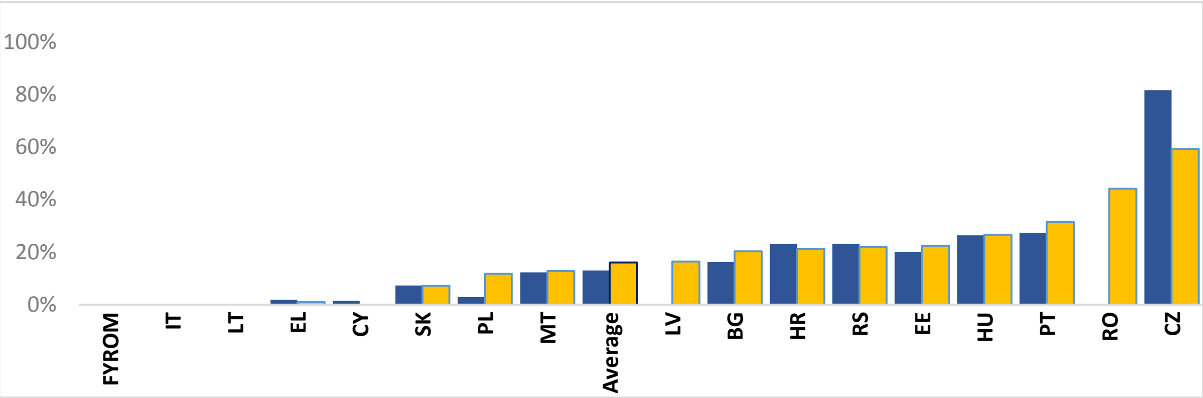
Figure 16 – Non-Express mail – USP's market share in terms of volume (2014)



Note: Total postal volumes include national and international outbound traffic.

As for the express segment, the USPs have on average lower market shares. In 2014, the USPs average market share was 16%, an increase comparing with 2013 (13%). In FY, IT and LT the USP market share in the express segment is 0%.

Figure 17 – Express mail – USP's market share in terms of volume (2014)

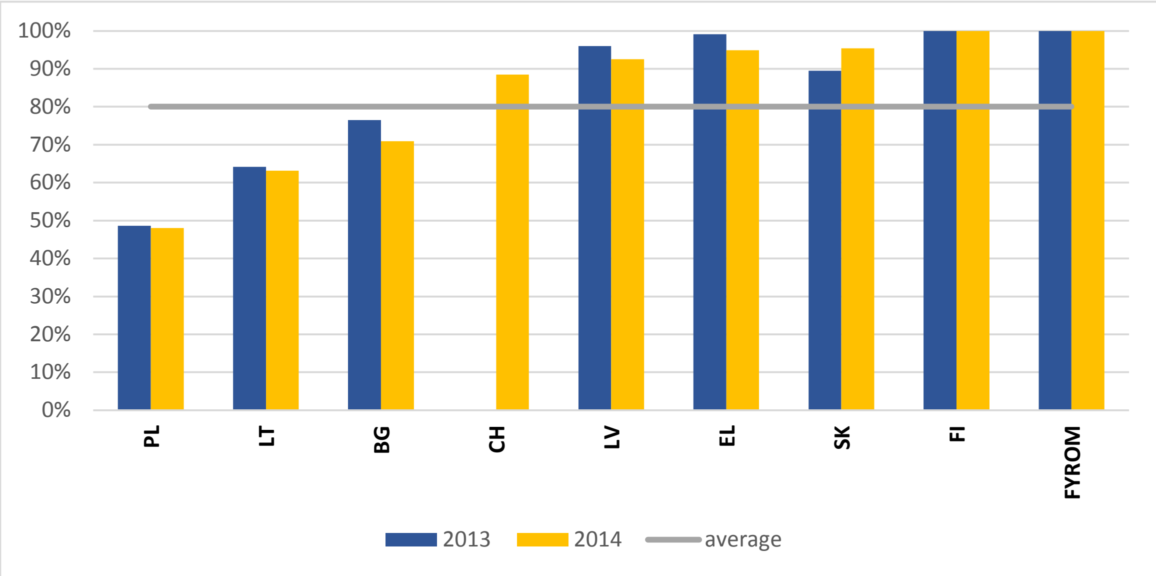


Note: Total postal volumes include national and international outbound traffic.

6.2.3.2. USP REVENUES MARKET SHARE FOR THE NON-EXPRESS AND EXPRESS SEGMENTS

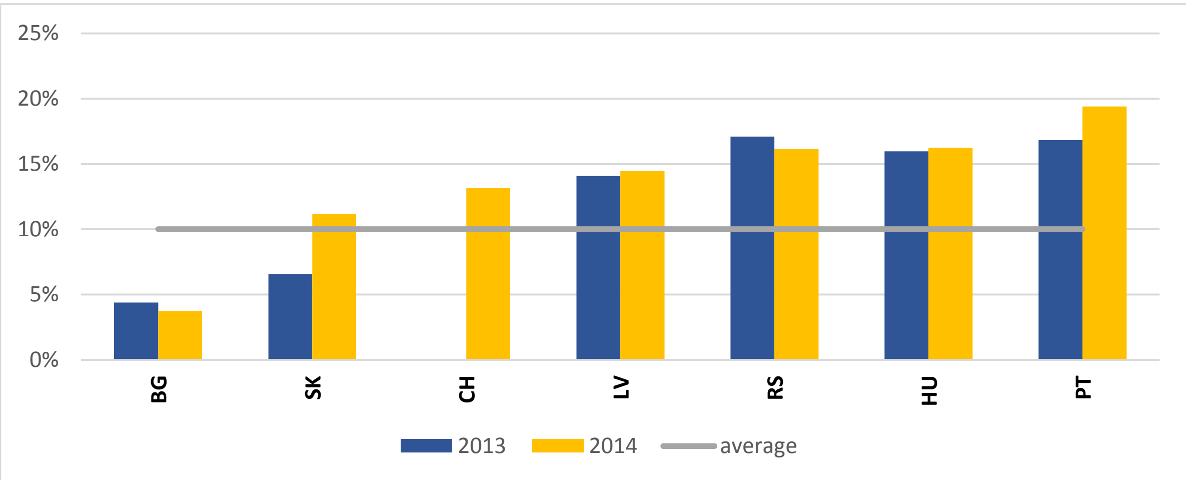
In 2014, regarding the revenues, the USPs' average market share for the non-express segment was 80%.

Figure 18 – Non-Express revenues – USP's market share in terms of revenues (2013-2014)



For the express market, the USPs' average market share for the revenues is much lower and was around 10% in 2014.

Figure 19 – Express revenues – USP's market share in terms of revenues (2013-2014)



6.3 VOLUMES

The following section presents postal traffic volume trends and indicators for the countries which provided data in the categories defined in the questionnaire about volumes.

6.3.1. VOLUME TRENDS

For the 21 countries that provided a consistent set of data between 2011 and 2014[9], total traffic (*i.e.* national and international outbound traffic) decreased on average 5.6% per year on that period. The decrease in the postal traffic is determined by the non-express mail, which represents 94.3% of the total traffic, and decreased 6.5%/year on average.

Despite the general decrease in the postal volumes in the European countries, the express segment is increasing at an annual average rate of 6% - figure 20.

Figure 20 – Total postal volumes: annual average change (2011-2014) and 2013-2014 variation (%)

	Annual average change[1]	Var. 2013 - 2014[2]
1. Total Postal Volumes	-5.6%	-3,5%
1.1 Total Non-express Volumes	-6.5%	-4,6%
1.2 Total Express Volumes	6,0%	9,5%

Notes: Total postal volumes include national and international outbound traffic.

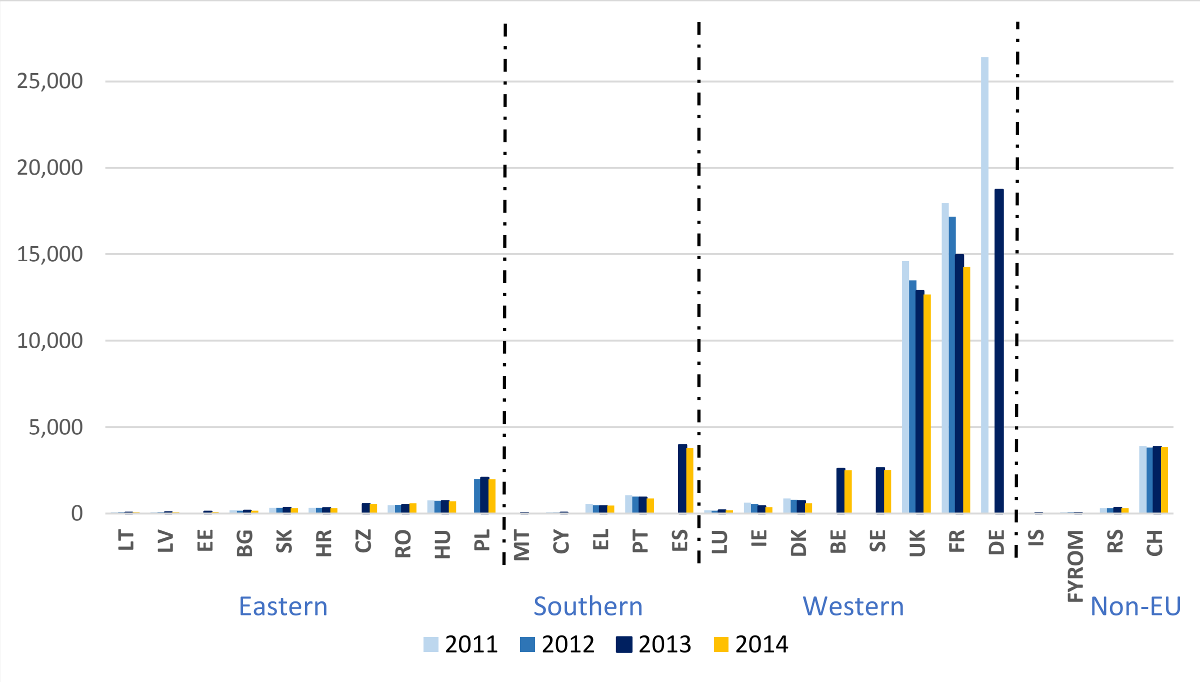
[1] For the 21 countries that provided a consistent set of data between 2011 and 2014: BG, CH, CY, DK, EL, FI, FR, FYROM, HR, HU, IE, LT, LU, LV, MT, PL, PT, RO, RS, SK, UK.

[2] For the 28 countries which provided data for 2013 and 2014 (the previous 21 countries and the following 7: BE, CZ, EE, ES, IT, SE and SI).

In 2014, the postal traffic declined in almost every European country, the exceptions being Romania and the Republic of Serbia (Figure 21). From 2011 to 2014, the annual average percentage change of total traffic varies between -18.4% in Finland and +6.4% in Romania.

[9] BG, CH, CY, DK, EL, FI, FR, FYROM, HR, HU, IE, LT, LU, LV, MT, PL, PT, RO, RS, SK, UK.

Figure 21– Total postal traffic in 2011-2014 (millions of objects)

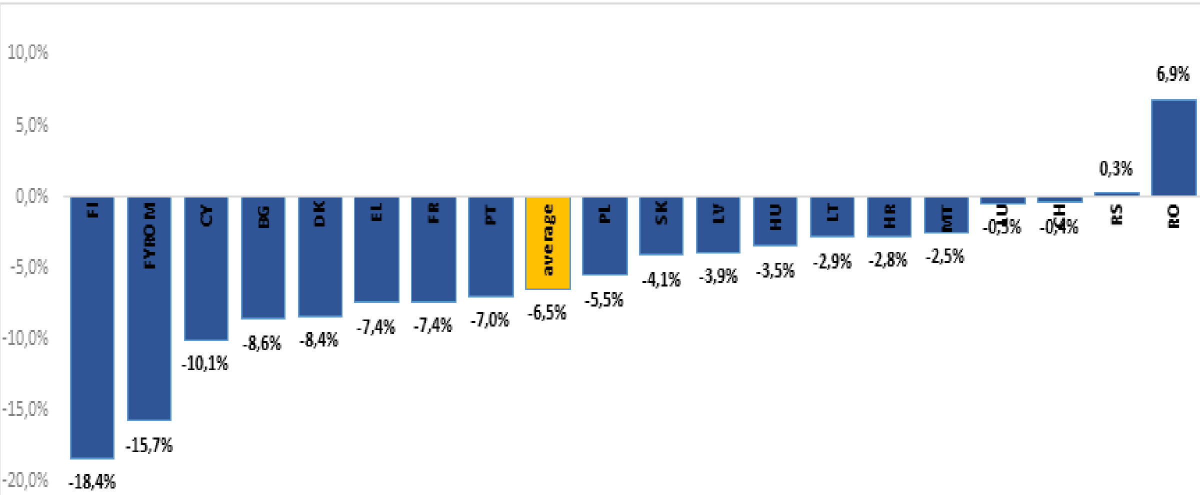


Notes: Data for SI is confidential. FR: only authorized operators; express services are not included.

Non-express and express segments

The annual average decline of non-express mail between 2011 and 2014 varies between -0.4% and -18.4%. The only countries where this type of traffic has increased are Serbia and Romania (+0.3% and +6.9%, respectively) – figure 22.

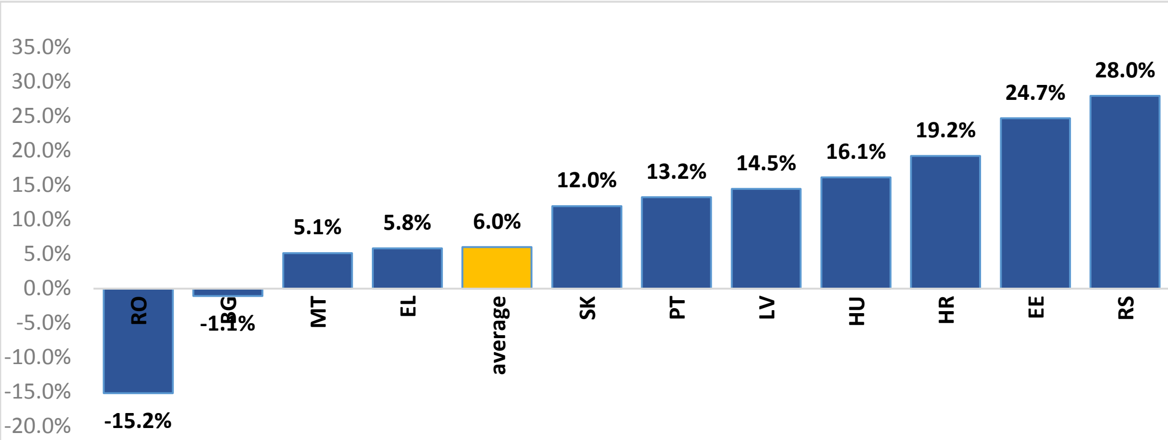
Figure 22 – Non-express mail - Annual average percentage change (2011-2014)



Note: Total postal volumes include national and international outbound traffic. For FI and PL it was considered the annual average percentage change between 2011 and 2013.

There is an upward trend for the express mail: even just counting 5.7% of the total traffic in 2014, express mail increased at an average rate of 6%/year between 2011 and 2014 – Figure 23. With the exception of Romania and Bulgaria, which had a decrease in the express mail volume, the annual average percentage increase for express mail is high, ranging from +5,1 % to +28%.

Figure 23 – Express mail - Annual average percentage change (2011-2014)



Note: Total postal volumes includes national and international outbound traffic.

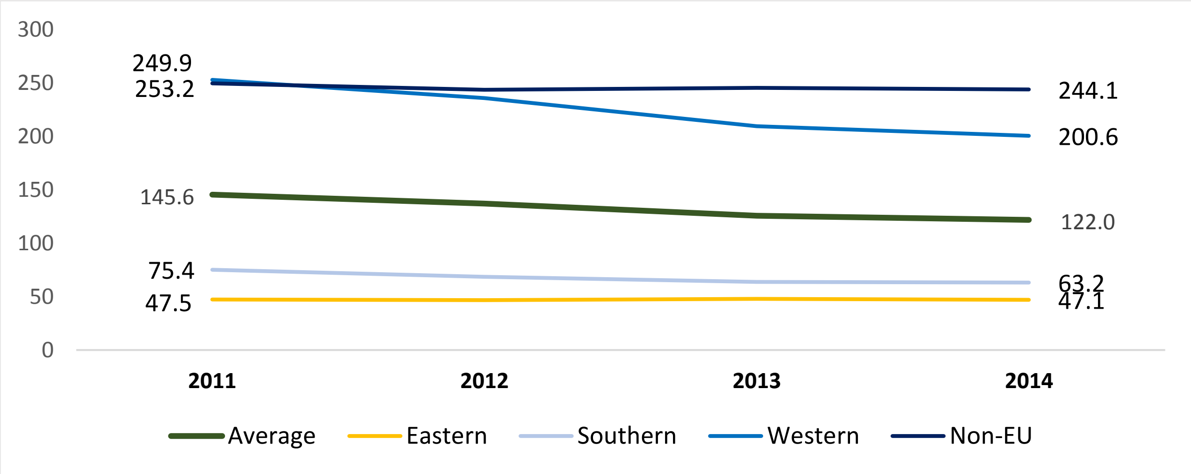
6.3.2. POSTAL ITEMS PER CAPITA

The number of postal items per capita has been steadily decreasing from 145.6 in 2011 to 122 in 2014[10], which represents an annual average decrease of 5.7%. The decrease of the total volumes was more expressive for the Western countries (-7.5% average annual rate per year), while for the Eastern was smoother (-0.3% average rate each year).

In general, Western European countries have higher average usage levels (200.6 items per capita) than Eastern and Southern European countries (47.1 and 63.2 respectively).

[10] For the 21 countries that provided a consistent set of data between 2011 and 2014: BG, CH, CY, DK, EL, FI, FR, FYROM, HR, HU, IE, LT, LU, LV, MT, PL, PT, RO, RS, SK, UK.

Figure 24 – Postal items per capita (2011-2014)

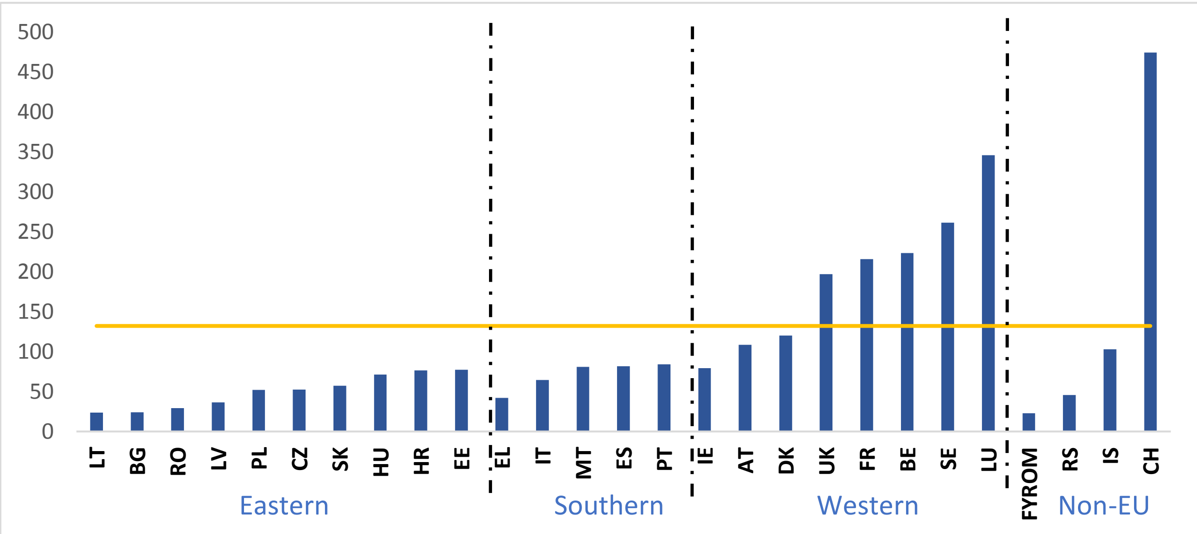


Notes: Total postal volumes include national and international outbound traffic.

Average for the 21 countries that provided a consistent set of data between 2011 and 2014: Eastern: BG, HR, HU, LT, LV, PL, RO, SK; Southern: CY, EL, MT, PT; Western: DK, FI, FR, IE, LU, UK; Non-EU: CH, FYROM, RS.

Moreover, the number of items per capita is very heterogeneous amongst countries, ranging from 23 (FYROM) to 474 (CH).

Figure 25 – Postal items per capita (2014)

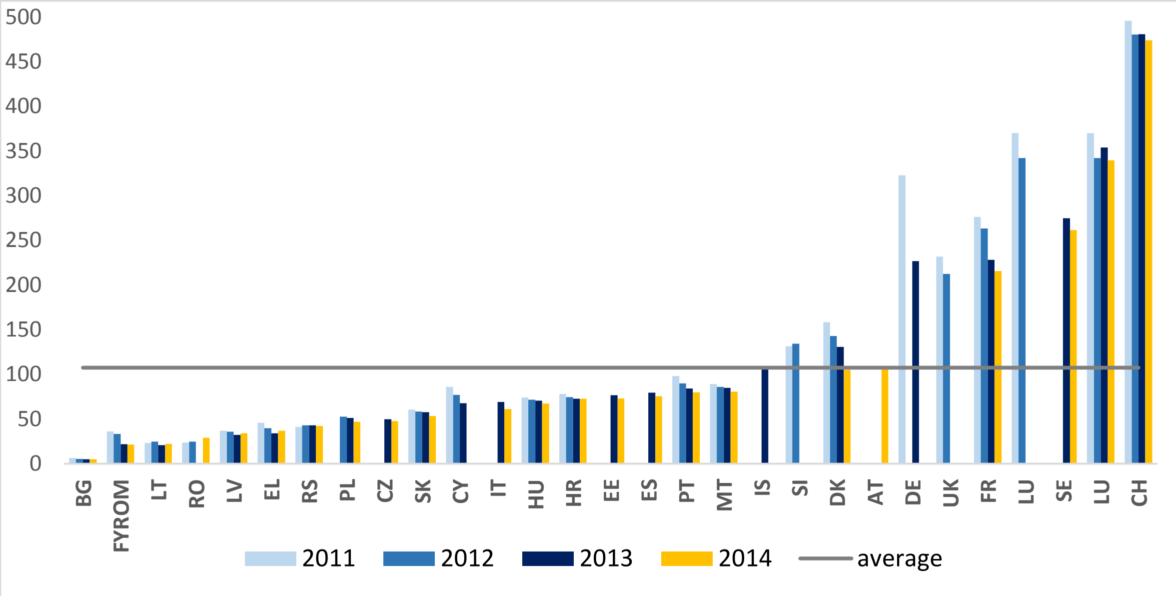


Notes: Total postal volume includes national and international outbound traffic.

Data for SI is confidential. Data for IE refers only to USO items.

Looking by segment, in 2014 non-express items per capita were on average 123.6, but with a remarkable dispersion between 5 in Bulgaria and 474 in Switzerland – figure 26.

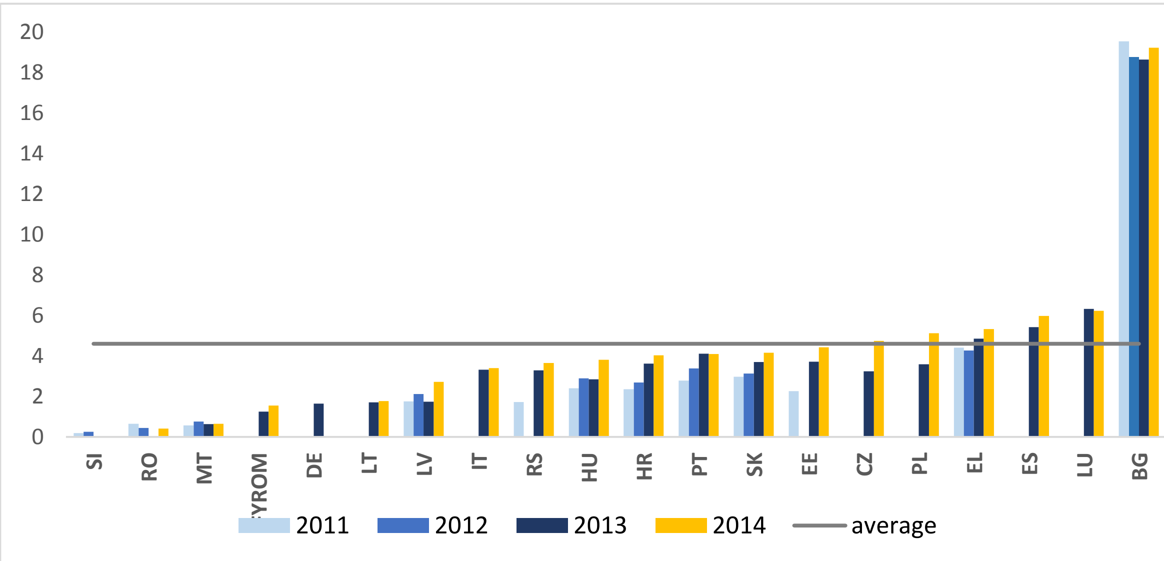
Figure 26 – Non-express mail - Items per capita (2011-2014)



Note: Total postal volumes include national and international outbound traffic. SI: data for 2013 and 2014 is confidential.

For the express segment, in 2014 in Europe each habitant post 4.6 express objects, being Bulgaria the country with the highest number of objects per capita (19.2) – figure 27.

Figure 27 – Express mail - Items per capita (2011-2014)



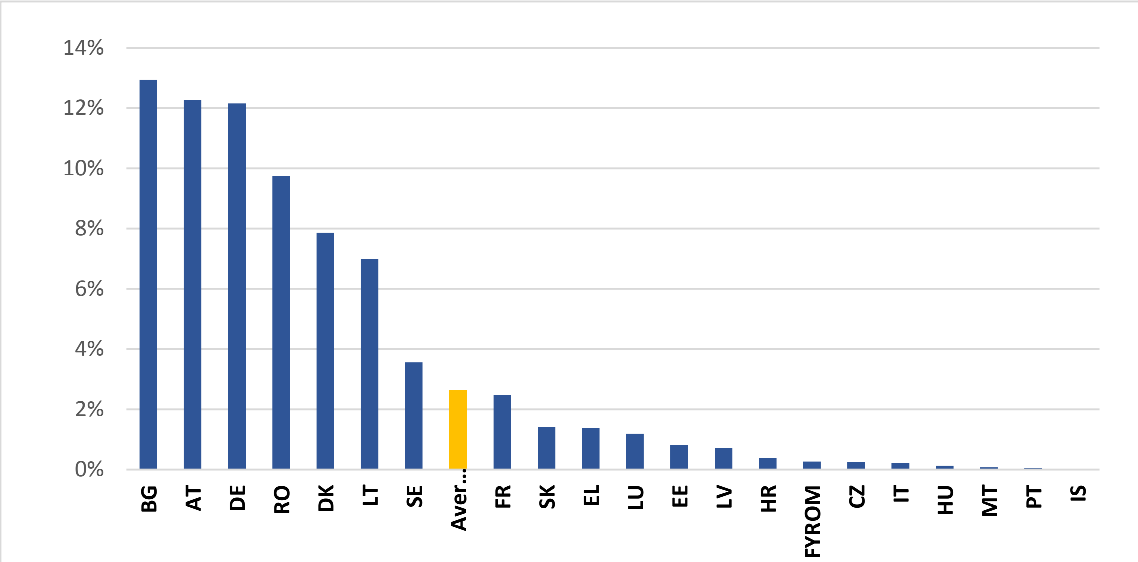
Note: Total postal volumes includes national and international outbound traffic. SI: data for 2013 and 2014 is confidential.

6.3.3. VOLUMES BY TYPE OF OBJECT: LETTER-POST ITEMS AND PARCELS

In 2014, letter-post items represented the majority of the non-express postal market (97.4%) while parcels accounted for 2.6% of the total non-express market.

In eleven countries (out of twenty one), parcels account for more than 1% of the total non-express postal market. In Bulgaria, Austria and Germany the parcels represent more than 12% of the total volumes of the non-express segment – figure 28.

Figure 28 – Share of postal parcels volumes in the total of non-express mail traffic in 2014 (%)



Note 1: Total postal volumes includes national and international outbound traffic.

Note 2: For DE the share refers to 2013.

Note 3: For FR, parcels considered are those handled by authorized operators in the field of correspondence.

6.4 REVENUES

The following section presents the revenues data collected from the countries that have been able to provide it.

6.4.1. TOTAL REVENUES TRENDS

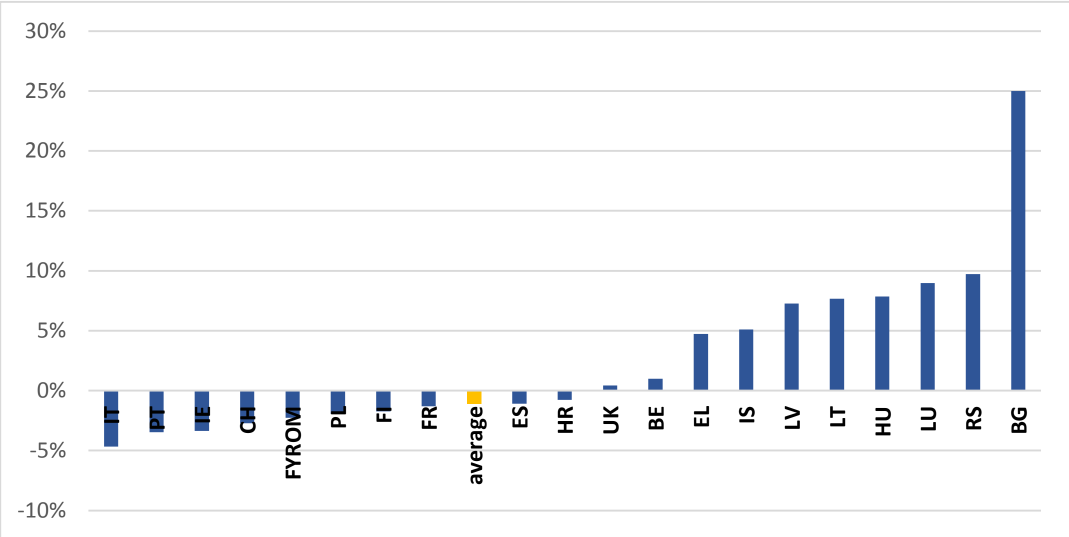
For the 22 countries that provided a consistent set of data in 2013 and 2014[11], total revenues decreased 1.1%, between 2013 and 2014. Again, the decrease in the total market is the result of a significant decrease in the non-express segment, which is not compensated by the high increase of the express segment.

Figure 29 – Total postal revenues variation (2013-2014)

	Var. 2013 - 2014
1. Total Postal Revenues	-1,1%
1.1 Total Non-express Revenues	-3,8%
1.2 Total Express Revenues	5,4%

Despite the general decrease of the total revenues in the European market, the behaviour is distinct by country, and some countries had an increase in the revenues in 2014 – figure 30. The percentage change of total revenues ranges from -4.7% in Italy and +25% in Bulgaria.

Figure 30 – Total postal revenues – percentage change (2013-2014)

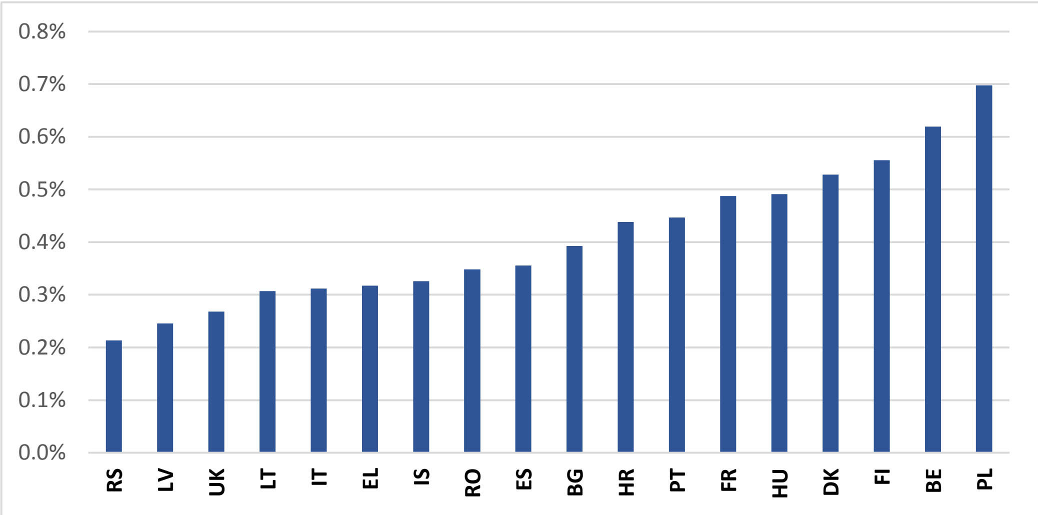


[11] BE, BG, CH, EE, EL, ES, FI, FR, FYROM, HR, HU, IE, IS, IT, LT, LU, LV, MT, PL, PT, RS, UK. For BE the total revenue does not include the financial compensation regarding the management contract.

6.4.2. POSTAL REVENUES AS PERCENTAGE OF GDP

In terms of GDP, postal revenues accounts for a minimum of 0.2% of GDP in Serbia to 0.7% in Poland.

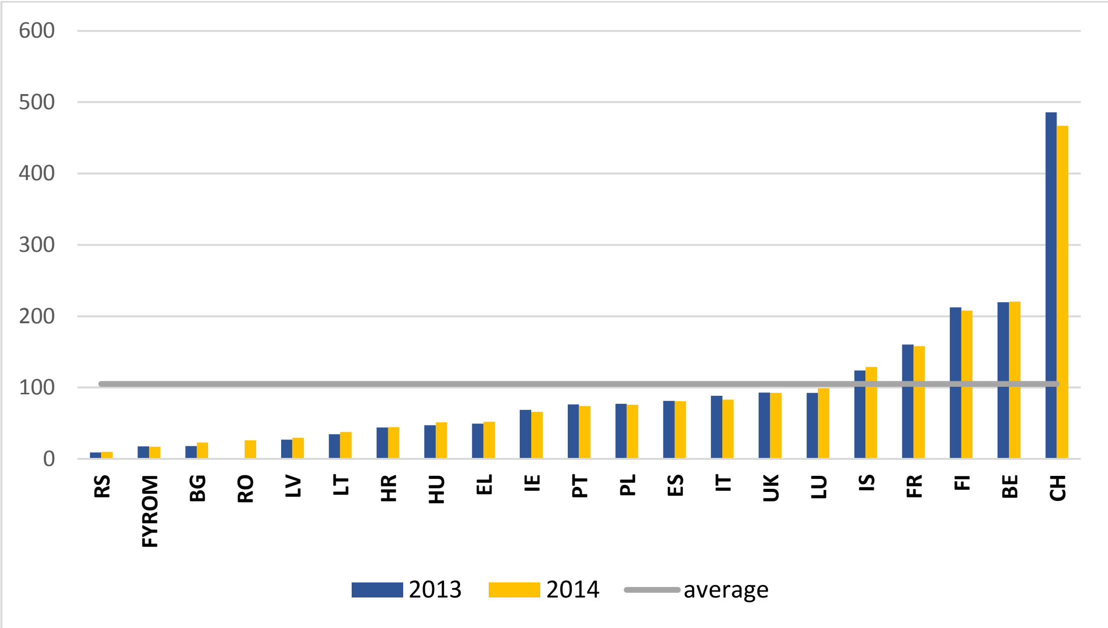
Figure 31 – Total postal revenues as % of GDP (2014)



6.4.3. AVERAGE REVENUE PER CAPITA

In 2014, the average total postal revenues per capita in Europe was 105 euros, being CH the country with the highest revenue per capita, followed by BE and FI.

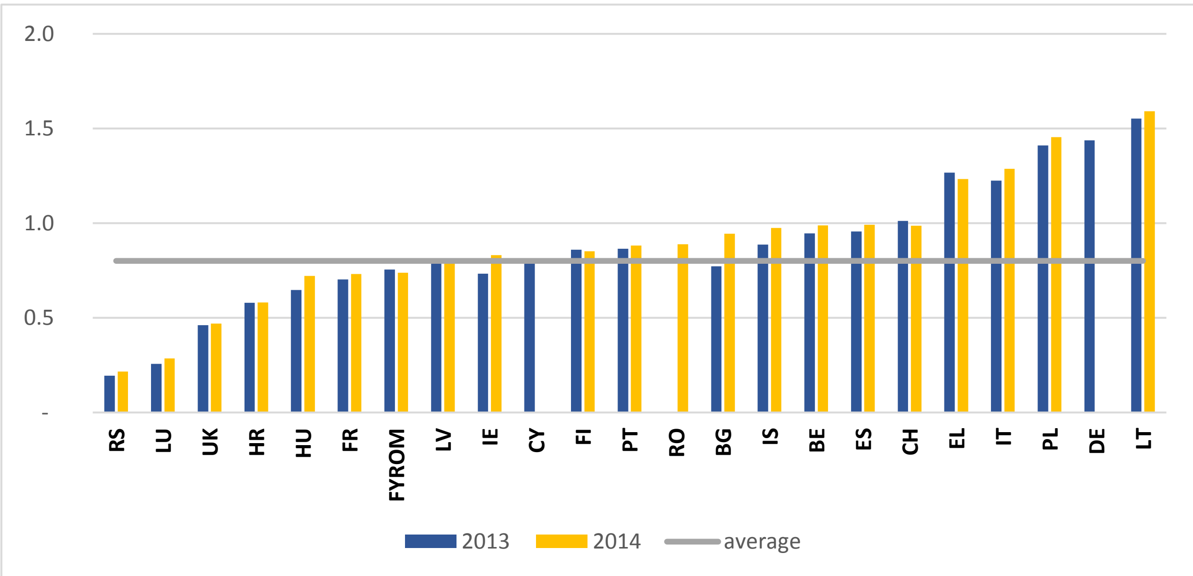
Figure 32 – Total postal revenues per capita (2013 - 2014)



6.4.4. UNIT REVENUES

The average revenue per postal item was 0.80 euros in 2014, +2.6% than in 2013. Unit revenues increased in 2014 for all analysed countries except for Switzerland, Greece, Finland and Macedonia.

Figure 33 – Unit revenues (2013-2014)



Considering the 12 countries that have information disaggregated between express and non-express revenues, the average unit revenue for the express segment decreased more (-6.7% between 2013 and 2014) than the non-express category (-0.9%) – figures 34 and 35.

Moreover, the average unit revenue of the express segment is much higher (6.96 euros) than of the non-express (0.64 euros).

Figure 34 – Unit revenues - non-express items (2013 - 2014)

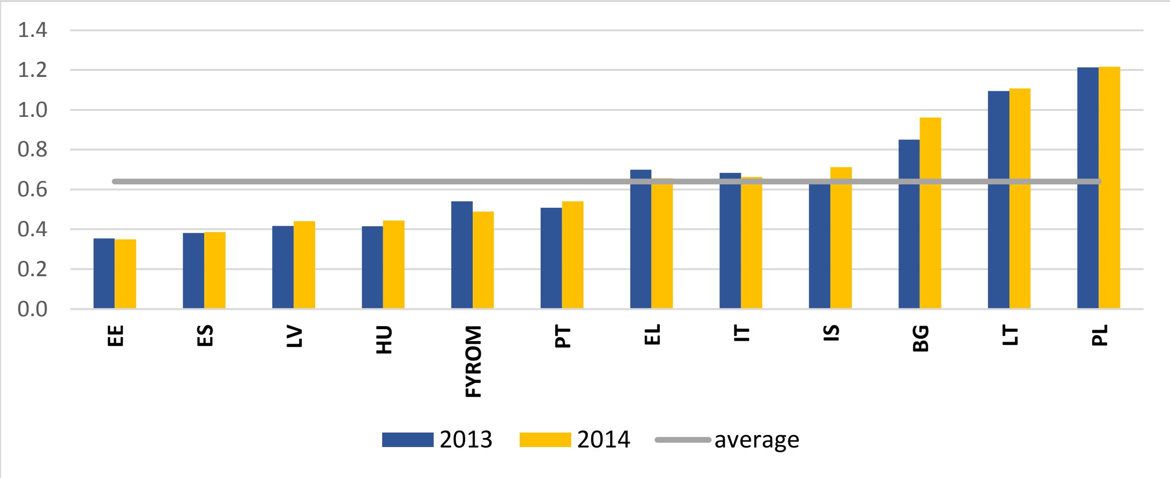
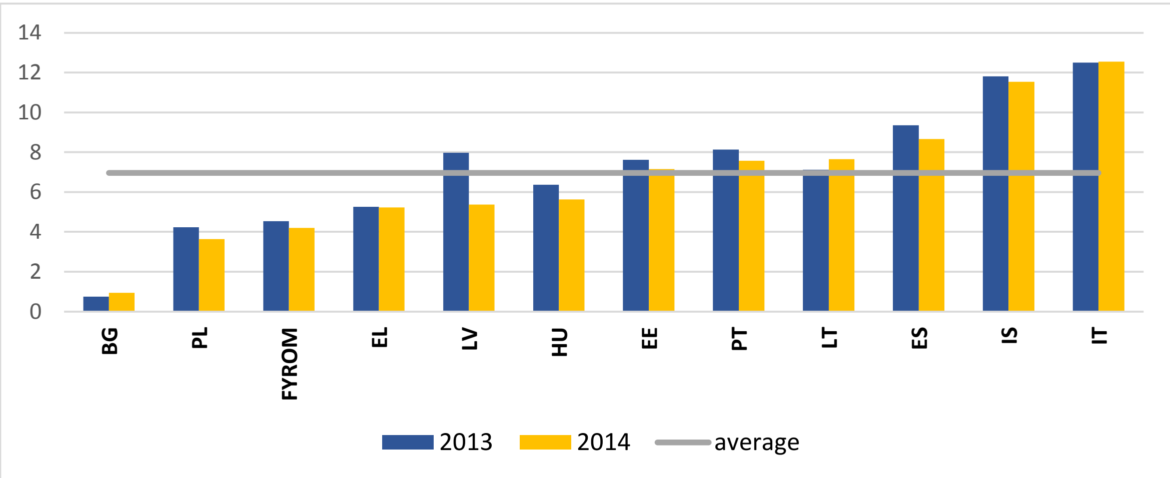


Figure 35 – Unit revenues - express items (2013 - 2014)



6.5 EMPLOYMENT IN THE POSTAL SECTOR

As Figure 36 indicates, between 2008 and 2014, the total number of people employed by USPs and by other postal providers in ERGP countries has decreased. As the number of people employed by USPs and by other postal providers has been declining at a broadly similar rate, the proportion of total employment in the postal sector accounted for by USPs has remained stable at 66% throughout this period.

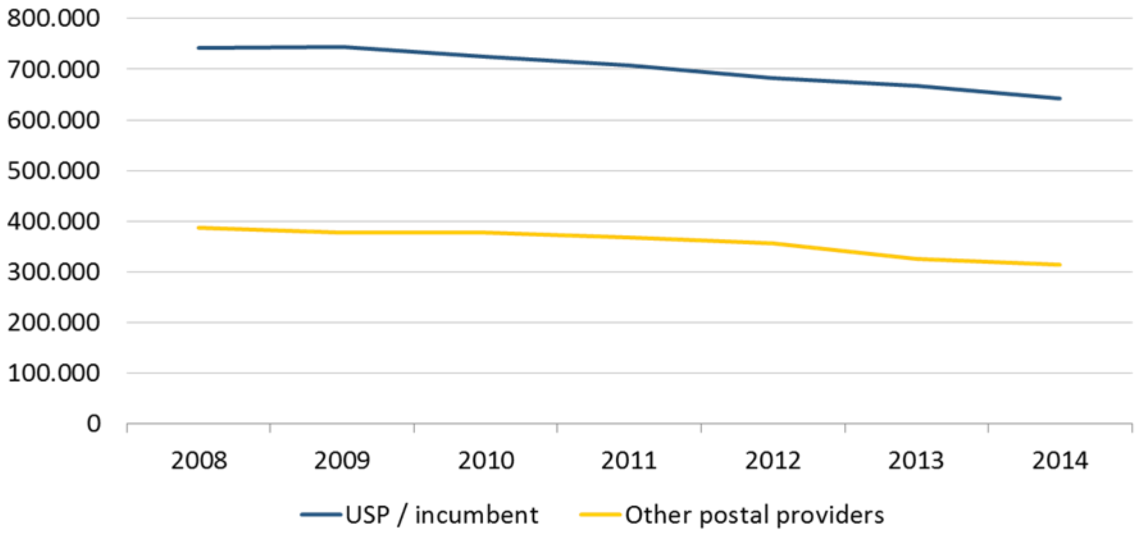
Across all of the countries that were able to report data for 2008 and for 2014[12], there has been a 15.8% decline in the number of people employed by the USP. For all of the countries that have reported data for 2014[13], 979,111 people in total were employed by the universal service providers across the ERGP countries.

Not all countries are represented in Figure 36. Only those that have been able to provide data for both the USP and for other postal providers for the majority of the years between 2008 and 2014 have been included. This means that data from countries where employment information for the USP only has been provided was not included.

[12] The following 21 countries: BE, BG, CH, CY, DE, EE, EL, ES, FY, HR, HU, IT, LT, LU, MT, PL, PT, RO, SE, SI, SK.

[13] The following 28 countries: BE, BG, CH, CZ, DK, EE, EL, ES, FI, FR, FY, HR, HU, IS, IT, LT, LU, MT, NL, NO, PL, PT, RO, RS, SE, SI, SK, UK.

Figure 36 – Total employment by the USP and other postal providers: 2008-2014

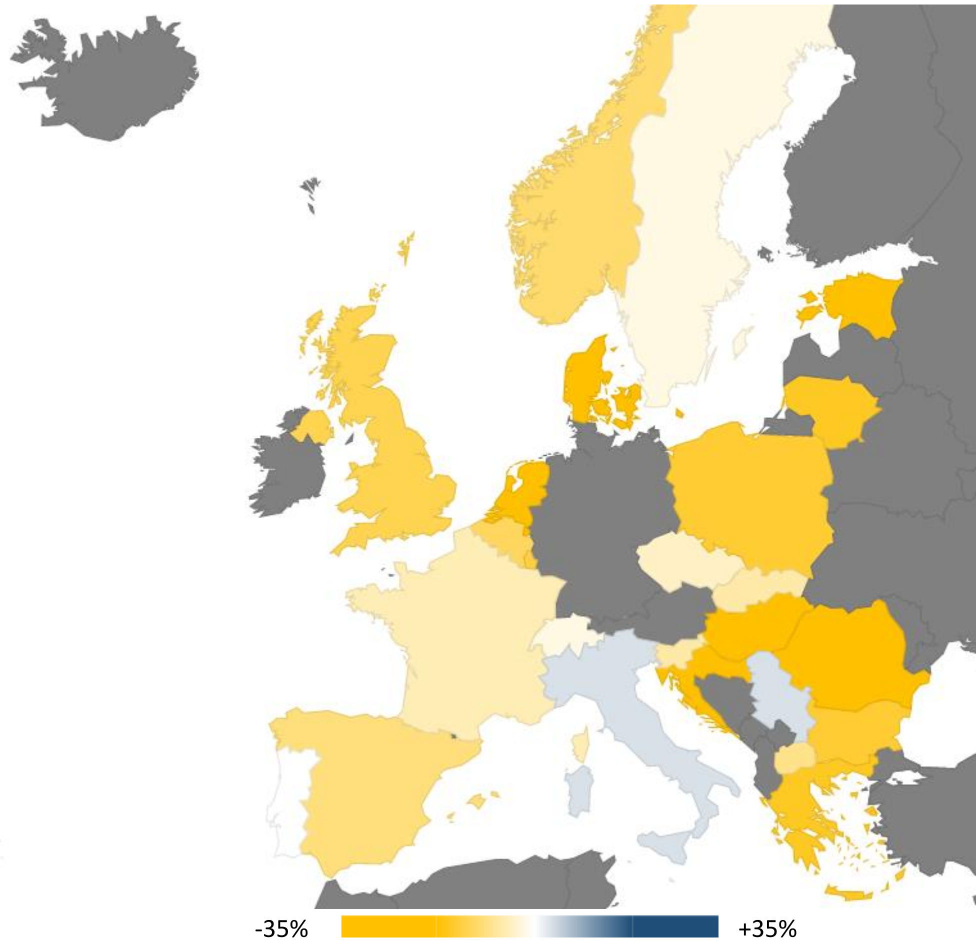


Note: Consistent data for all countries not available for all years. Includes data from the following 21 countries only: BE, BG, CH, CY, DE, EE, EL, ES, FY, HR, HU, IT, LT, LU, MT, PL, PT, RO, SE, SI, SK. Contains some estimates.[14]

Figure 37 shows the overall percentage change between 2011 and 2014 in the share of total employment in each country that is accounted for by the USP, which increased in Italy and the Republic of Serbia. The largest declines were in Estonia (a 31% fall) and in Hungary (a 27% fall).

[14] Figures have been estimated in two ways. In the case where a data point is missing between two years (for example, 2008 and 2010 have data, but 2009 does not, the mid-point between the years is used for the missing data. Where the data is missing for the 2008 or 2014, the percentage change between the next two complete years is applied to estimate the missing data.

Figure 37 – Overall percentage change in the USP's share of total employment: 2011 to 2014



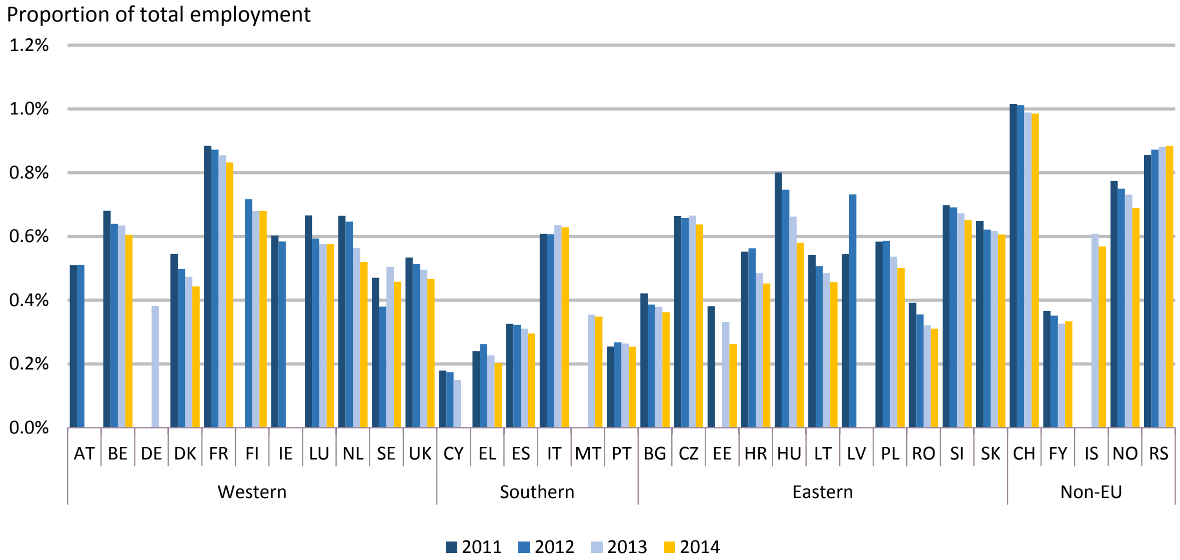
Note: 2014 data for AT is confidential.

There is a general trend of fewer people being employed by the USP and therefore making up a smaller proportion of total employment across ERGP countries.

The only countries where there was an increase in the proportion of people employed by the USP between 2011 and 2014 were the Republic of Serbia and Italy. In the Republic of Serbia, employment by the USP has broadly remained unchanged, but a decline in the number of people employed in the country overall means that the USP's share of employment increased slightly.

For 2014, no country had the proportion of people employed by the USP as a share of employment overall higher than 1%.

Figure 38 – Persons employed by the USP as a proportion of total employment: 2011-2014



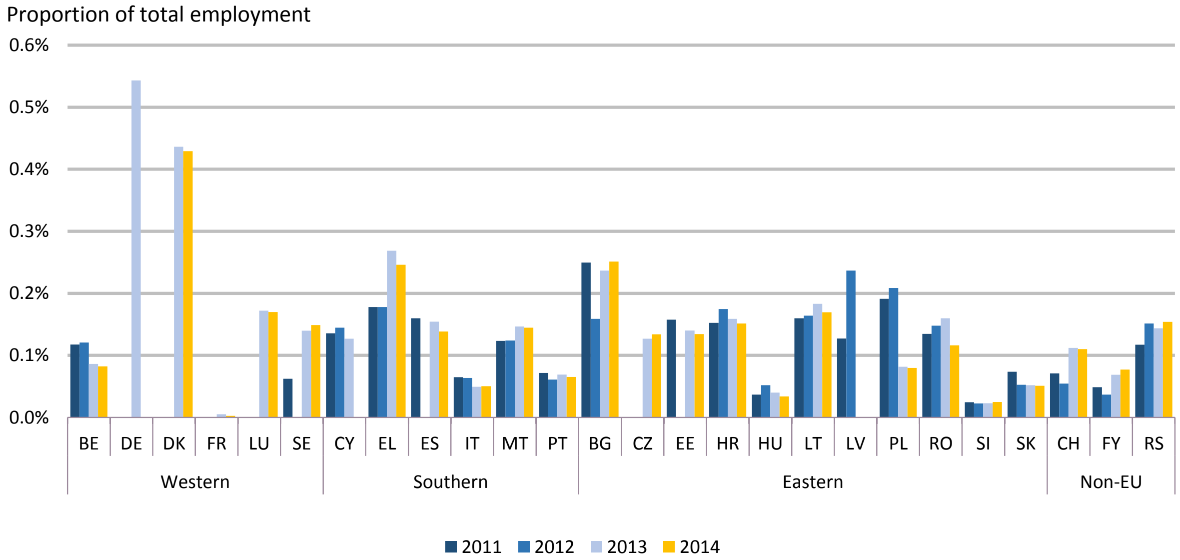
Note: IT data from Poste Italiane Annual Report. Employment data from Eurostat: http://ec.europa.eu/eurostat/web/lfs/data/database.

Note: Data differs between headcount and FTE and this is not always specified. The method of recording employment will also differ between NRAs and Eurostat. AT data for 2013 and 2014 is confidential. MT data for 2011 and 2012 is confidential.

Of all the countries that are able to report figures on the number of people employed by other postal services providers for 2014, Denmark has the largest share of total employment that is accounted for by other postal services providers other than the USP.

The decline in Poland is due to data collection restrictions imposed on the NRA. Since 2013, the data gathered by UKE on employment from postal providers other than the USP is restricted to those employed by operators under the full-time contract of employment. Previous data also includes those who are subcontracting and providing postal services in the name of another postal operator.

Figure 39 – Persons employed by OPSP as a proportion of total employment: 2011-2014



Note: FR: only authorized operators; express services are not included.

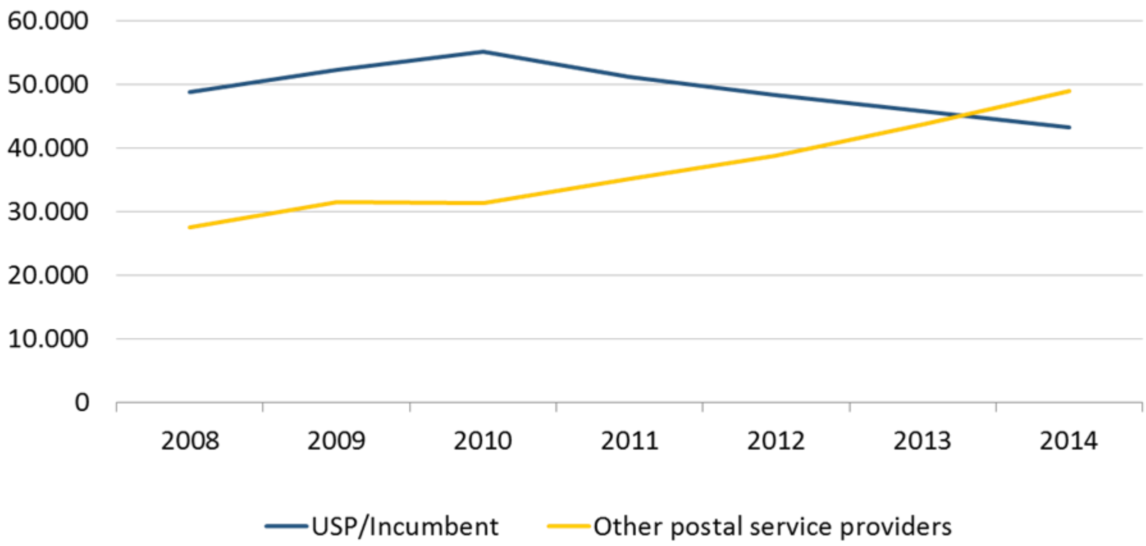
Note: Employment data from Eurostat: http://ec.europa.eu/eurostat/web/lfs/data/database. Note: Data differs between headcount and FTE and this is not always specified. The method of recording employment will also differ between NRAs and Eurostat.

6.6 POSTAL ESTABLISHMENTS

As indicated in Figure 40, following an increase in the number of post offices operated by the USP between 2008 and 2010, there has been a decline between 2010 and 2014. Between 2008 and 2014, the number of post offices operated by other postal providers has increased.

Please note that data from all countries is not represented in Figure 40. Only those countries that have been able to provide data for both the USP and for other postal providers for the majority of the years between 2008 and 2014 were included. This means that data from countries where postal establishment information for the USP only has been provided was not included.

Figure 40 – Total number of postal establishments by USP and OPSP: 2008-2014



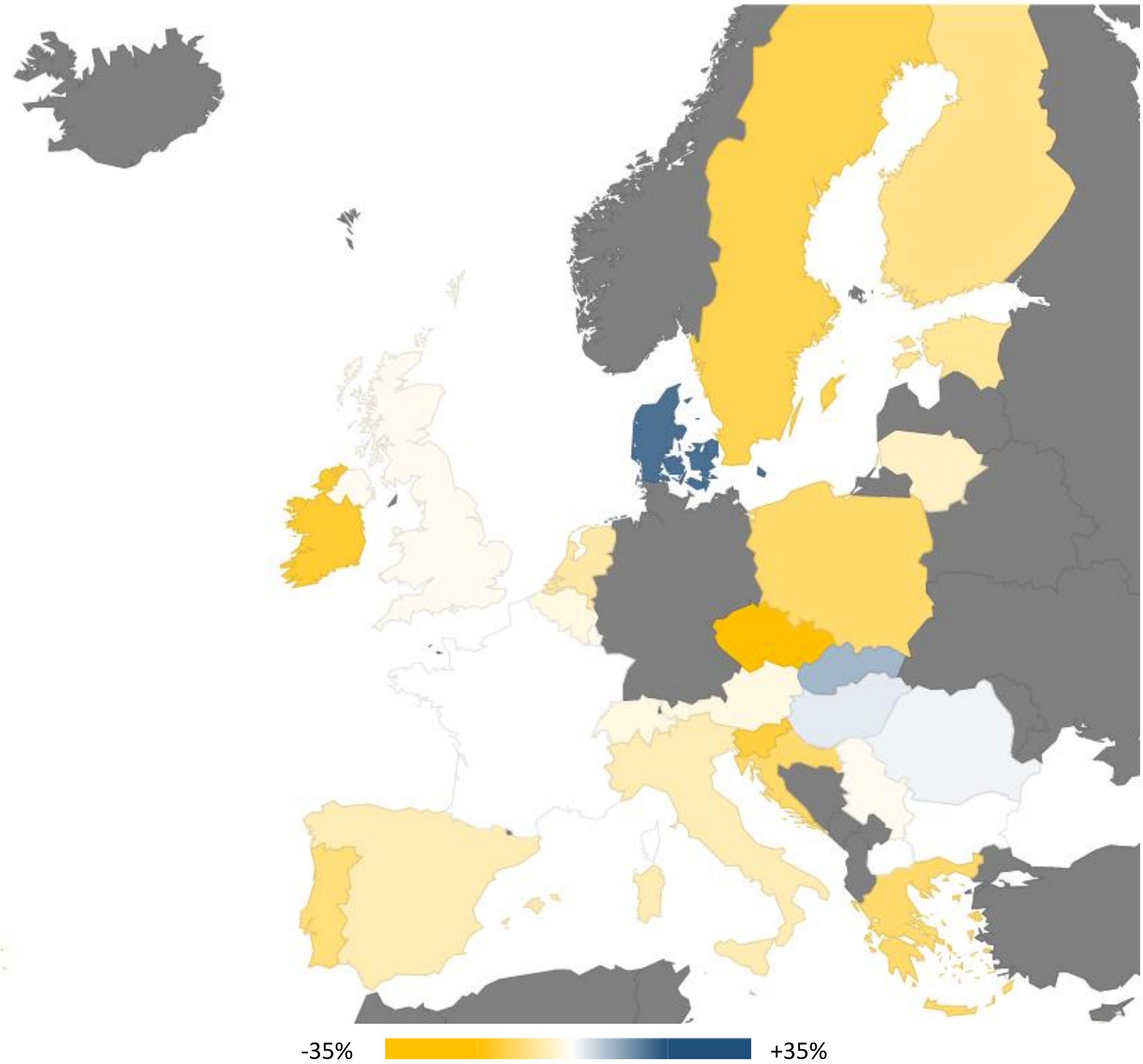
Note: Uses data from countries that have been able to information on postal establishments for the USP and for other postal providers only. Consistent data for all countries not available for all years. Includes data from the following countries only: BG, CY, EE, EL, HR, HU, MT, PL, PT, RO, SI, SK. Contains some estimates.[15]

As shown in Figure 41, in the majority of ERGP countries, the number of USP postal establishments has fallen between 2011 and 2014, the exceptions being Denmark (14% increase), Slovakia (a 7% increase), Malta (a 3% increase), Hungary (a 2% increase) and Romania (a 1% increase). In France, Bulgaria, FYROM, Luxembourg, and the UK, the number of establishments remained broadly the same during this period.

Czech Republic had the biggest decrease. The number of USP post offices in the Czech Republic has declined by 31% between 2011 and 2014.

[15] Figures have been estimated in two ways. In the case where a data point is missing between two years (for example, 2008 and 2010 have data, but 2009 does not, the mid-point between the years is used for the missing data. Where the data is missing for the 2008 or 2014, the percentage change between the next two complete years is applied to estimate the missing data.

Figure 41 – Overall percentage change in the number of USP postal establishments: 2011-2014



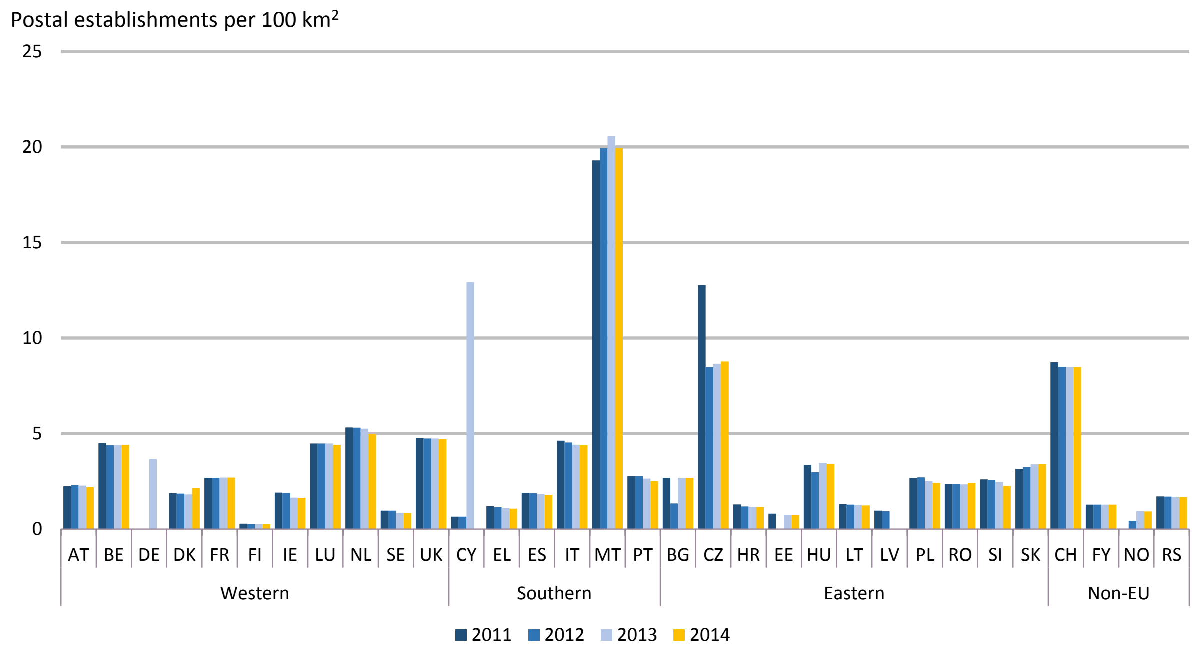
In most ERGP countries, the number of postal establishments per 100km^2 has been relatively stable over the last four years.

In Cyprus, the 2013 increase was due to the inclusion of permanent post offices managed by third parties (such as those in retail outlets) as well as the permanent post offices managed by the USP.

As Malta has a smaller geographical area than other countries, the number of post offices per 100 km2 is higher and also subject to greater variance in this metric. The increase in 2013 is due to the addition of 2 post offices (and the decline in 2014 is due to the removal of 2 post offices).

The decline in the Czech Republic between 2011 and 2012 is due to a strong decrease in the number of delivery postmen offering basic services (known as Mailman 2) as noted in the previous ERGP report.[16]

Figure 42 – Postal establishments per 100km2: USP only



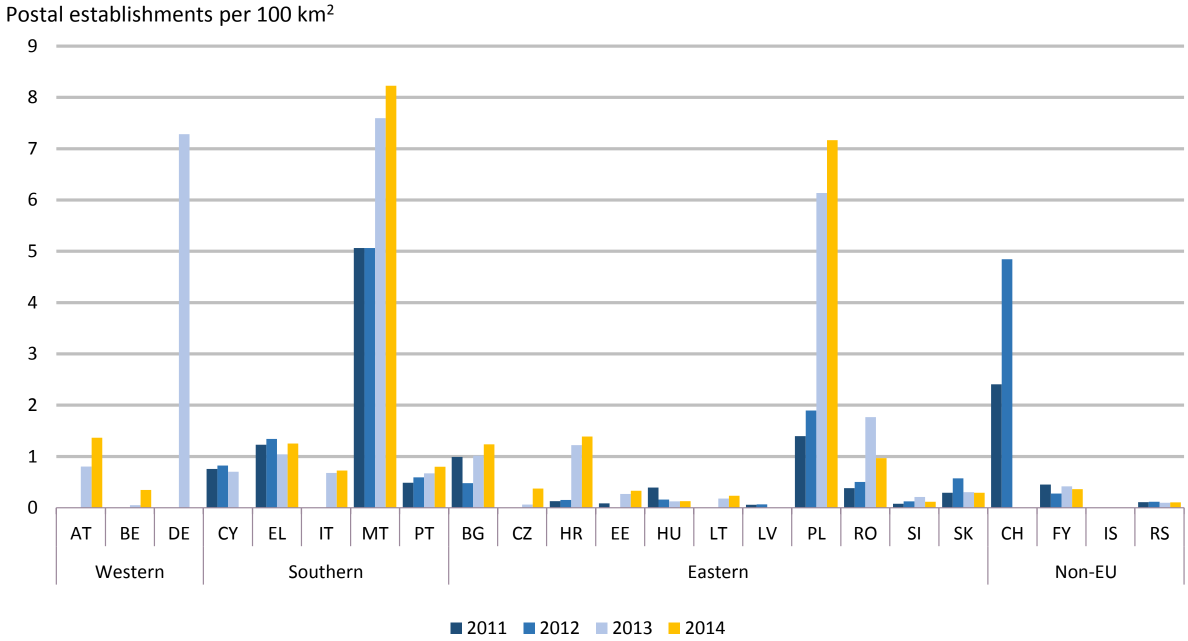
Note: IT data from Poste Italiane Annual Report. Area data from Eurostat: http://ec.europa.eu/eurostat/web/gisco/overview .

Among those ERGP countries that are able to report figures on the number of postal establishments from other postal providers, there is a trend of slight growth in the number of postal establishments per 100km2.

The absolute number of postal establishments from other postal providers has increased by more than one hundred in Austria, Bulgaria, the Czech Republic, Greece, Croatia, Italy, Poland and Portugal. However, the figures for 2013 and 2014 in Poland do not fully reflect the situation. Some alternative operators use the same post offices (mostly kiosks) run by the postal agents and in this way, some of the post offices are double-counted. UKE estimates that over 10,000 post offices are duplicated.

[16] http://ec.europa.eu/internal_market/ergp/docs/documentation/2014/ergp-13-33-rev.1-ergp-report-on-market-indicators_en.pdf

Figure 43 – Postal establishments per 100 km2, other providers: 2011-2014

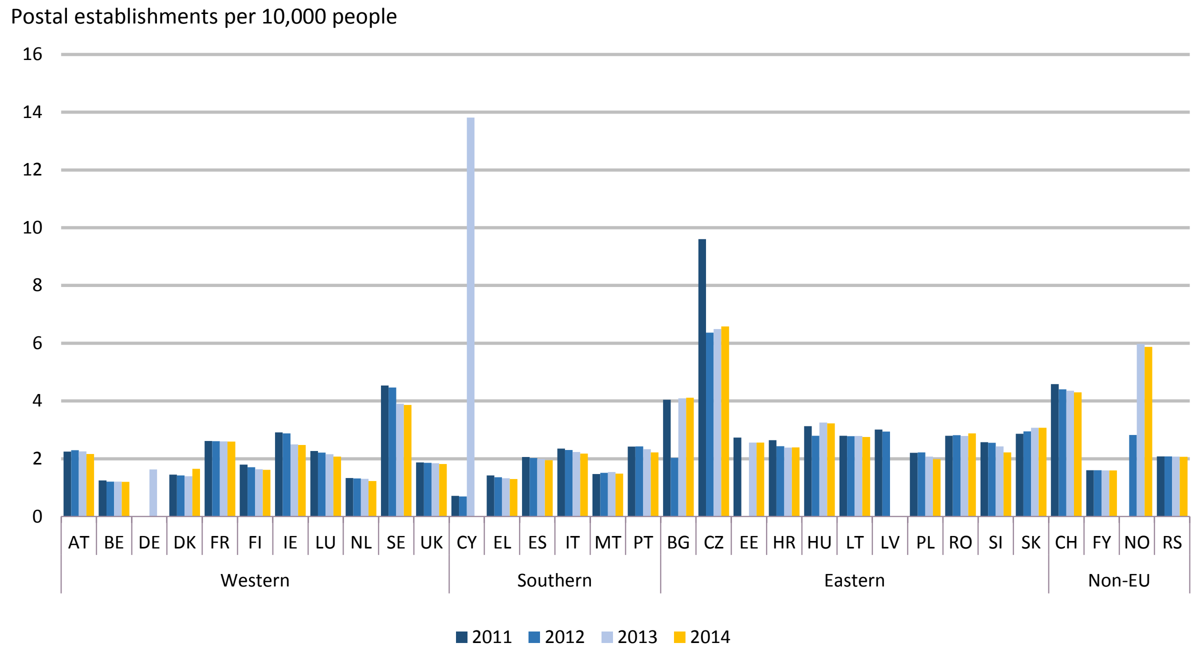


Note: Area data from Eurostat: http://ec.europa.eu/eurostat/web/gisco/overview

The ratio of USP postal establishments to people has also been relatively stable across the countries, with the exceptions being Cyprus and the Czech Republic, as noted above. In 2014, Belgium and the Netherlands had the fewest USP post offices per 10,000 people (both 1.2) and the Czech Republic had the most (6.6).

Belgium, the Czech Republic, Denmark, France, Romania and Slovakia were the only countries where the number of USP post offices increased between 2013 and 2014.

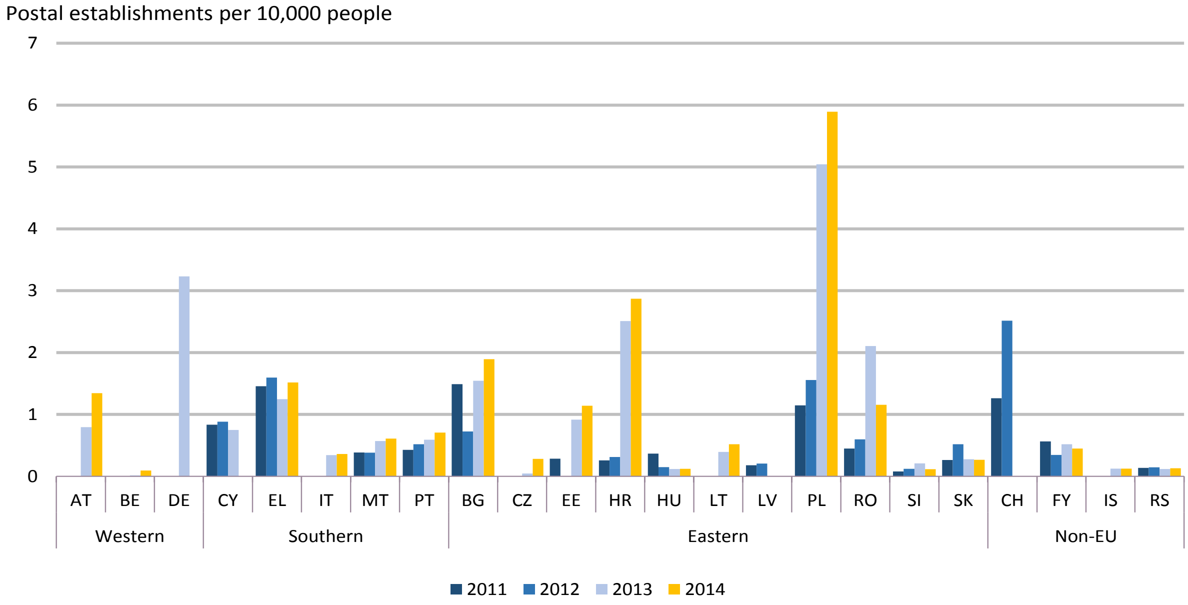
Figure 44 - Postal establishments per 10,000 people: USP only



Note: *IT data from Poste Italiane Annual Report.* Population data from Eurostat: http://ec.europa.eu/eurostat/web/population-demography-migration-projections/population-data/main-tables .

Among those countries that are able to report figures on the number of postal establishments from other postal providers, there is a trend of slight growth in the number of postal establishments per 10,000 people, similar to the trend seen in the postal establishments from other providers per km^2.

Figure 45 – Postal establishments per 10,000 people: other providers



Note: Population data from Eurostat: http://ec.europa.eu/eurostat/web/population-demography-migration-projections/population-data/main-tables .

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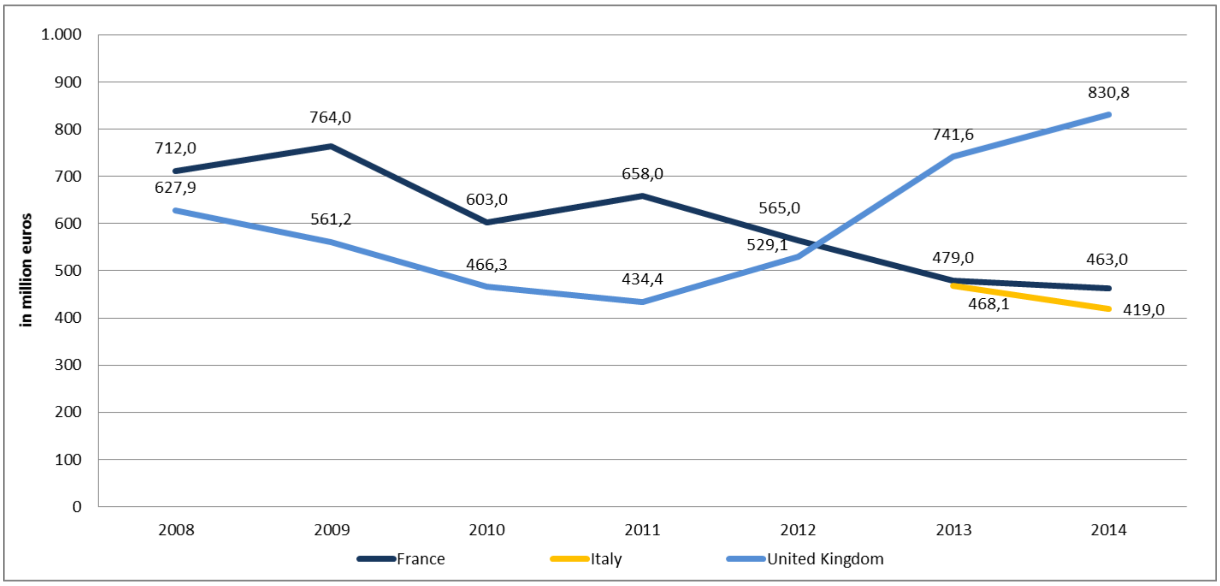
6.7 INVESTMENT IN THE POSTAL SECTOR

The overall investment in the postal sector widely varies from country to country, depending on the size of the market and other intrinsic features of the national markets.

For the countries that provided data on the total investment for both 2013 and 2014[17] the total investment decreased -3.5% in 2014.

From the countries that have information available about investment, UK continues to lead the postal investment in Europe in 2014, even considering only the USP investment[18], followed by France and Italy (figure 46).

Figure 46 – Total Investment in the postal sector in France, Italy and in the United Kingdom



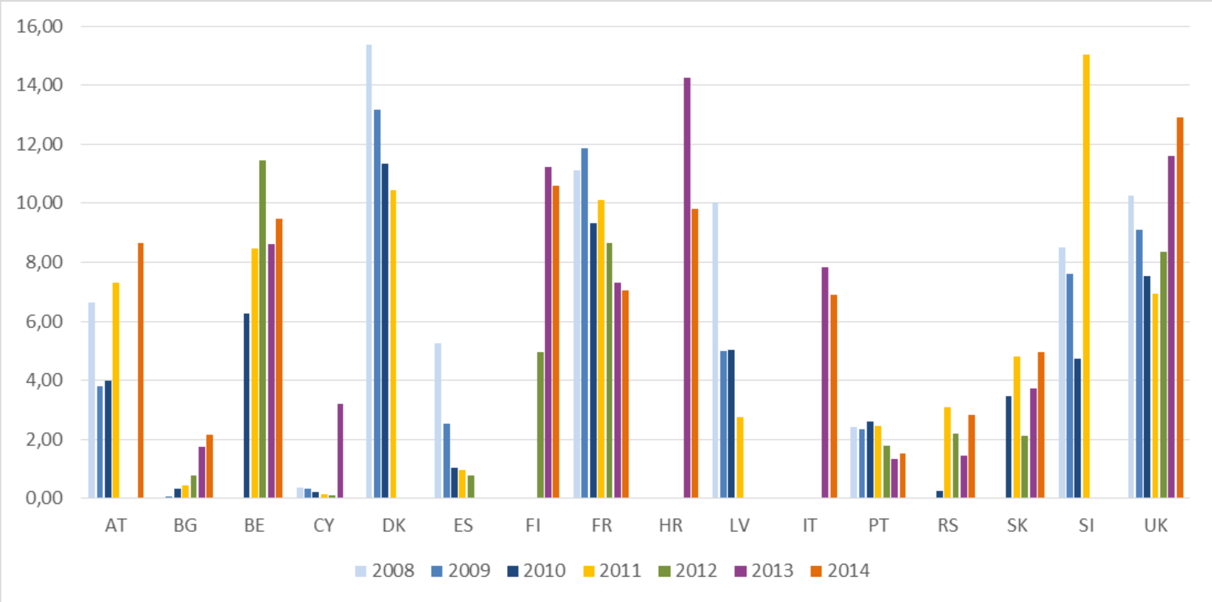
Note: For UK is only the investment of the Royal Mail Group.

If we consider the total investment per capita, UK continues to lead in 2014 the investment in the sector (€12.9 per capita), but the followers are FI (€10.6) and HR (€9.8) - figure 47.

[17] BE, BG, FI, HR, IT, PT, RS and SK.

[18] The investment figures for the UK represent the total investment for Royal Mail Group, as published in its Annual Report: http://www.royalmailgroup.com/sites/default/files/Annual%20Report%20and%20Accounts%202014-15_0.pdf.

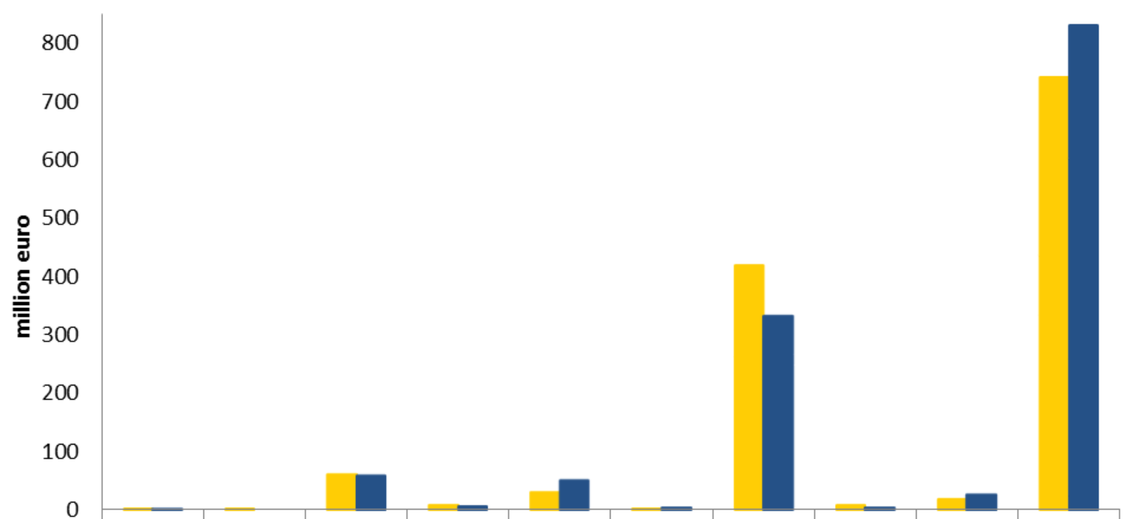
Figure 47 – Total Investment per capita (euros)



Note: For UK is only the investment of the Royal Mail Group.

Regarding the investment of the USPs of the countries that provided data for both 2013 and 2014[19], there is an increase of 1.9% in 2014.

Figure 48 – USP Investment per Country 2013 - 2014



	BG	CY	FI	HR	HU	IS	IT	RS	SK	UK
USP 2013	0,24	1,59	61	8,41	30,54	1,53	419,00	7,07	18,82	741,59
USP 2014	0,13		57,70	5,82	51,32	2,95	332	4,28	25,83	830,81

[19] BG, CZ, FI, HR, HU, IS, IT, PT, RS, SK and UK. Data for CZ and PT is confidential.

APPENDIX: Detailed tables per country/year for each indicator

ERGP Webpage Documents

ABBREVIATIONS

n.a. - not available

NRA – National Regulatory Authority

OPSP – Other postal service provider

PSP - Other postal service provider

US – universal service

USP – universal service provider

TABLE OF FIGURES

COUNTRY CODES AND NRA ACRONYMS

COUNTRY CODE	NRA ACRONYM
AT - Austria	RTR
BE - Belgium	BIPT
BG - Bulgaria	CRC
CH - Switzerland, Helvetia	POSTCOM
CY - Cyprus	OCECPR
CZ - Czech Republic	CTU
DE - Germany	BNETZA
DK - Denmark	TBST
EE - Estonia	ECA
EL - Greece	EETT
ES - Spain	CNMC
FI - Finland	FICORA
FR - France	ARCEP
FYROM - Former Yugoslavia Republic of Macedonia	AP
HR- Croatia	HAKOM
HU - Hungary	NMHH
IE - Ireland	COMREG
IS - Iceland	PFS
IT - Italy	AGCOM
LT - Lithuania	RRT

LU - Luxembourg	ILR
LV - Latvia	SPRK
MT - Malta	MCA
NL – The Netherlands	ACM
NO - Norway	NKOM
PL - Poland	UKE
PT - Portugal	ANACOM
RO - Romania	ANCOM
RS - Serbia	RATEL
SE - Sweden	PTS
SI - Slovenia	AKOS
SK - Slovakia	TELEOFF
UK – The United Kingdom	OFCOM