iii. Unbundled Access to the Local Loop

LLU grew in terms of the line volume, especially in the second half of 2004. As a result of this growth, the number of LLU lines reached at 2,715 by the end of 2004, compared to 655 by the end of 2003 (Chart 39). It should also be stressed that, while until March 2004 there were no Shared Access LLU lines, by the end of 2004 there were 928 lines. The specific development denotes the increasing interest of the alternative providers in LLU as well as the constructive effects of the respective EETT interventions.

The recent modification of LLU fees (subsection 4.3.2.) is expected to further reinforce the LLU market growth.

1.2. Postal Services

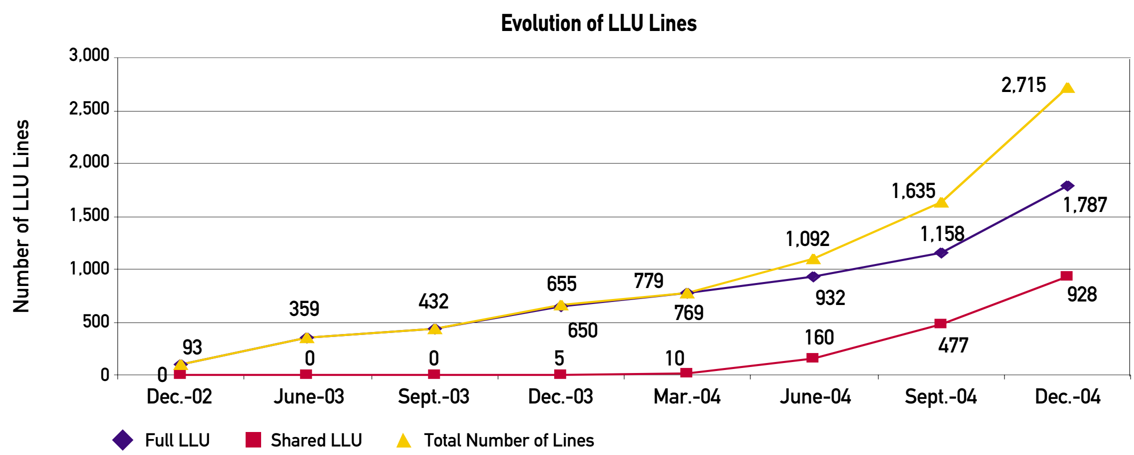
1.2.1. The Courier Services Market

The Courier Services market in Greece keeps growing at high rates. This can be confirmed by the increase in market figures, such as the volume of postal items handled and the number of the sector's employees.

In total, the number of undertakings operating in the Courier market for 2000 - 2004 showed a weighted average increase of 13% on an annual basis. At the end of 2004, 266 undertakings (compared to 176 in 2000) were registered with EETT's Postal Undertakings Registry, holding a General Authorization for the Provision of Postal Services, a regime under which Courier services are mainly provided.

More specifically, 77 declarations for the provision of services under a General Authorization and 2 applications for Individual Licences were submitted to EETT in 2004, the first already approved and the second still at the stage of evaluation.

Chart 39



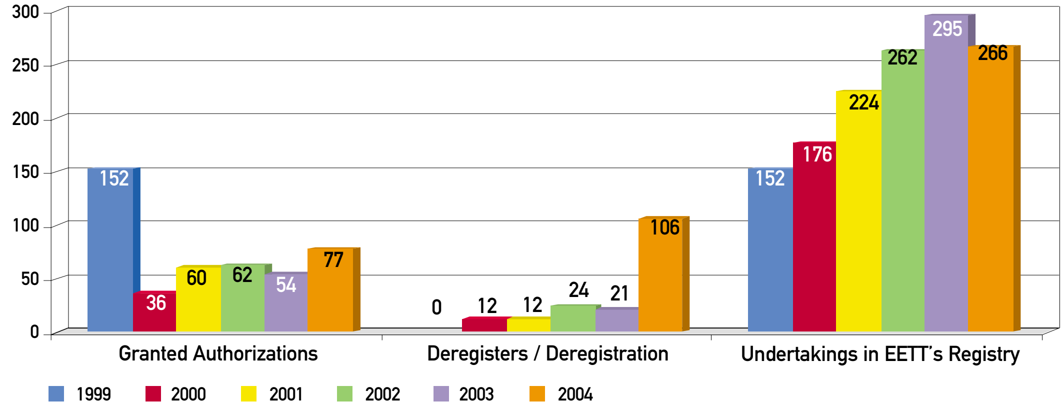
Source: EETT, based on figures of licensed providers

It is noted that the Individual Licence is required for the provision of services within the scope of the US, yet not included in the exclusive rights of the Universal Service Provider (USP). Moreover, the General Authorization is required for the provision of services not referring to any of the above cases, mainly being the case of Courier services.

Regarding the geographic allocation of postal undertakings holding a General Authorization, it is observed, according to Table 6, that 41.5% of undertakings are based in the Region of Attica, followed by the Region of Central Macedonia, in terms of geographic concentration of undertakings, where 16.3% of the undertakings is based.

Chart 40

Progress Evolution of Number of Courier Undertakings with a General Authorization for 1999 - 2004



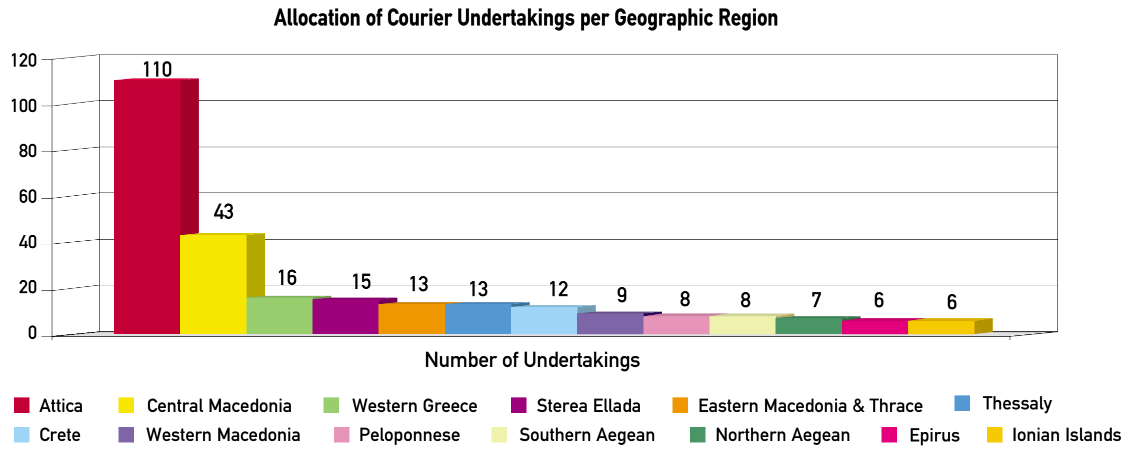
Source: EETT

Table 6

Allocation of Courier Undertakings per Geographic Region

Geographic Region	Number of Undertakings	Percentage %
Attica	110	41,5
Central Macedonia	43	16,3
Western Greece	16	6,0
Sterea Ellada	15	5,6
Eastern Macedonia & Thrace	13	4,9
Thessaly	13	4,9
Crete	12	4,5
Western Macedonia	9	3,4
Peloponnese	8	3,0
Southern Aegean	8	3,0
Northern Aegean	7	2,6
Epirus	6	2,3
Ionian Islands	6	2,3
TOTAL	**266**	**100**

Chart 41



Source: EETT

It is also worth noticing that 80% of all undertakings operating in the Courier market hold a Local General Authorization, with 36% of them being based in the Prefecture of Attica (also see Table 7). Moreover, 18.5% of undertakings have a Regional General Authorization, with 60% of them operating in Attica. Finally, 1.5% of all undertakings hold a National General Authorization and are based in the Prefecture of Attica.

Table 7

Allocation of Courier Undertakings per Geographic Region and Type of Licence

Geographic Region	Number of Undertakings	Local General Authorization	Regional General Authorization	National General Authorization
Attica	110	76	30	4
Central Macedonia	43	36	7	0
Western Greece	16	14	2	0
Sterea Ellada	15	15	0	0
Eastern Macedonia & Thrace	13	13	0	0
Thessaly	13	12	1	0
Crete	12	11	1	0
Western Macedonia	9	4	5	0
Peloponnese	8	6	2	0
Southern Aegean	8	8	0	0
Northern Aegean	7	7	0	0
Epirus	6	6	0	0
Ionian Islands	6	5	1	0
TOTAL	**266**	**213**	**49**	**4**

Table 8

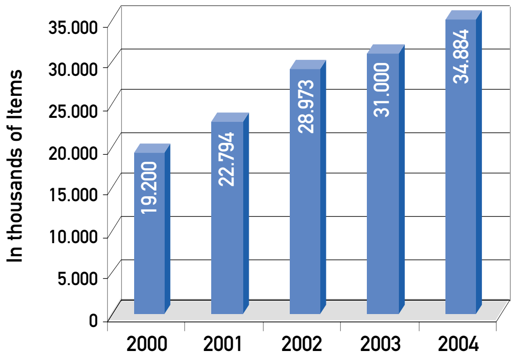
Allocation of Courier Undertakings per Provided Service

Type of Provided Service	Number of Undertakings	Percentage (%) of Total Undertakings with a General Authorization
Courier services for postal items except for domestic parcels	235	91%
Courier services for postal items except for international parcels	201	78%
Courier services for domestic parcels (up to 20kg with or without commercial value)	241	94%
Courier services for international parcels (up to 20kg with or without commercial value)	204	79%
Preparation of postal items	181	70%
Transfer of non-addressed promotional material	129	50%
Exchange of documents	114	44%

The number of items handled by Courier undertakings in 2004, is estimated at 35 million[4], compared to 31 million in 2003 and 19.2 million in 2000 (Chart 42). 90% were domestic items, while 10% were international items, either incoming or outgoing. The largest traffic volume was demonstrated in the Region of Attica, with 65% of items and the Region of Central Macedonia with 12% (see Chart 43).

Chart 42

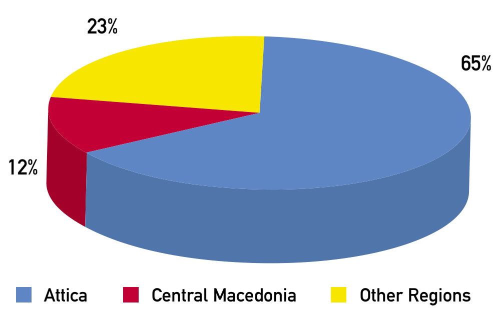
Annual Evolution of Volume of Delivered Items in the Courier Market



Source: EETT

Chart 43

Allocation of Handled Items per Region in the Courier Market



Source: EETT

[4] *The volume of delivered items was estimated using data for the first nine months, by reduction to the year.*

It should also be noted that the average growth rate of items in 2000-2004 stood at 16.3%.

The Courier market kept showing a high degree of concentration in 2004, remaining at the same levels of 2003. It is worth noticing that 88% of the total postal items volume was delivered by only 10 undertakings, and that 5 of them delivered 78% of items.

Also in 2004, the employees in Courier undertakings stood at 8,564 full time and 1,756 part time.

1.2.2. Universal Service Mail Traffic

In the period 1999 - 2004, the volume of handled postal items under the US showed a continuous increase (641.3 million in 2004 compared to 533.5 million in 1999), with an average annual rate of 3.8%.

According to information submitted by the USP to EETT in March 2005, universal services seem to have demonstrated a total increase in volume of 4.44% compared to 2003. More specifically, it is estimated that the volume of domestic mail increased by 6.03% in 2004 compared to 2003. The international mail volume is estimated to have reduced by 4.53%, while in the case of parcels it is estimated to have increased by 5.57% (Tables 9 and 10).

Table 9

Universal Service Mail Traffic 1999-2004

	1999	2000	2001	2002	2003	2004*
Total Number of Postal Items	533,524,593	571,786,808	582,212,123	598,441,707	614,054,700	641,294,200
Annual Percentage Change	-	7.2%	1.8%	2.8%	2.6%	4.4%
Change since 2000	93.3	100	101.8	104.6	107.2	111.6

** Figures by estimate of the USP*

Table 10

Average Percentage Change in the Volume of US Items, 2001-2004

Services*	Change		
	2001 - 2002	2002 - 2003	2003 - 2004
Domestic Mail	4.2%	6.4%	6.0%
International Mail	-6.3%	-15.5%	-4.5%
Parcels	-6.8%	-14.0%	5.6%

** Including all US services*

Source: ELTA

It is noted that the US includes the collection, transport, sorting and distribution of postal items up to 2kg, the collection, transport, sorting and distribution of postal parcels up to 20kg and the services of registered mail as well as items with a declared value.

1.2.3. Universal Service Revenues

According to information submitted by the USP to EETT in March 2005, universal services showed an increase in revenues of 5% compared to 2003. For the period 1999 - 2004, the average annual growth rate of turnover stood at 11.3%.

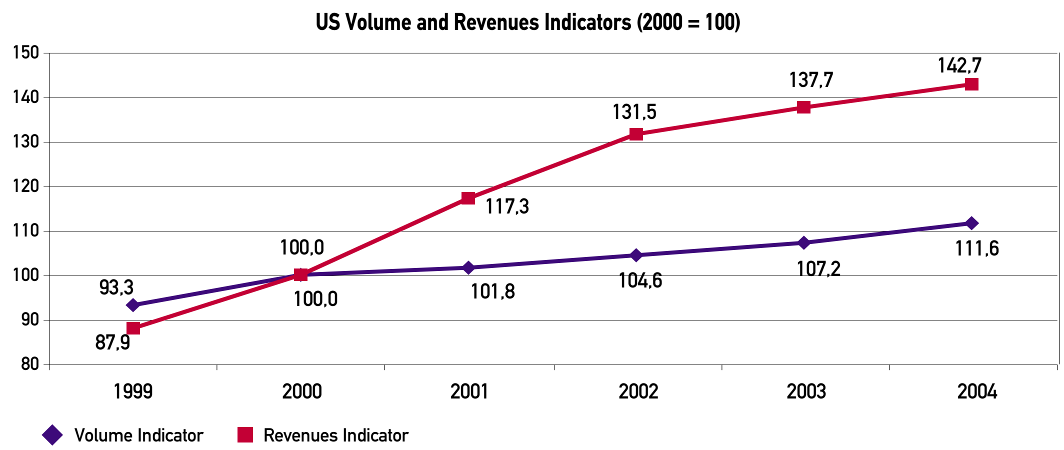
Table 11

Universal Service Revenues 1999 - 2004 (euro)

	1999	2000	2001	2002	2003	2004*
Total Revenues	224,974,591	255,842,692	300,042,840	342,546,634	363,895,486	382,000,000
Annual Percentage Change	-	13.7%	17.3%	14.2%	6.2%	5.0%
Change since 2000	87.9	100.0	117.3	131.5	137.7	142.7

** Figures by estimate of the USP*

Chart 44



Source: EETT

1.2.4. Universal Service Tariffs

This subsection presents the evolution of USP (currently being ELTA) tariffs for the provision of US, for the most important services and in particular for 1st and 2nd Priority Domestic mail up to 20gr., in relation to the evolution of the General Consumer Price Index (GCPI)[5] (see Tables 12 and 13, and Chart 45).

Table 12

Annual Percentage Change of Tariffs in relation to GCPI (1999 - 2004)

	2000/1999	2001/2000	2002/2001	2003/2002	2004/2003
1st Priority Domestic Mail up to 20 gr.	8.3%	7.7%	9.5%	4.4%	4.3%
2nd Priority Domestic Mail up to 20 gr.	9.1%	8.3%	4.8%	5.0%	4.8%
GCPI	3.1%	3.4%	3.6%	3.5%	2.9%

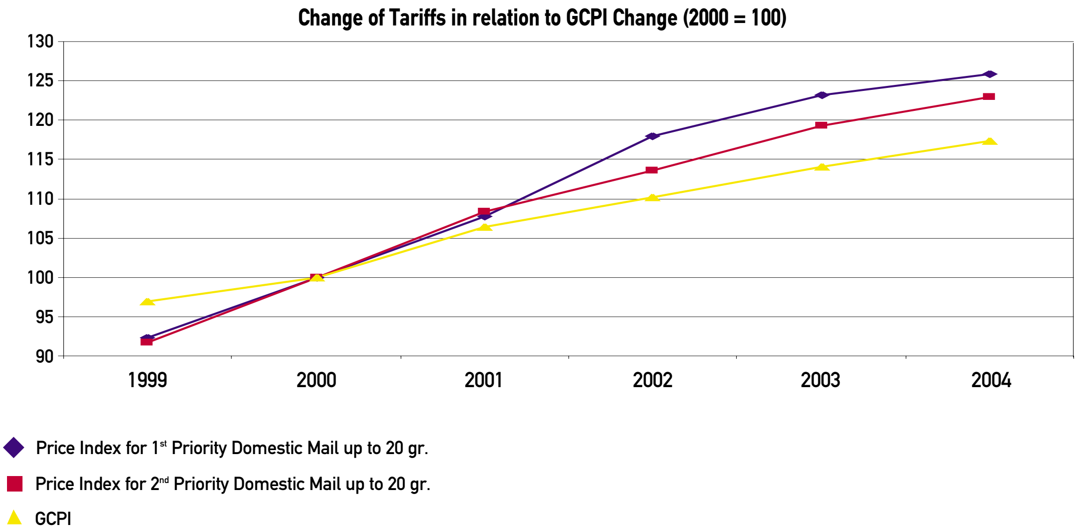
Table 13

Change of Tariffs in relation to GCPI Change (2000 = 100)

	1999	2000	2001	2002	2003	2004
1st Priority Domestic Mail up to 20 gr.	92.31	100.00	107.69	117.95	123.19	125.90
2nd Priority Domestic Mail up to 20 gr.	91.67	100.00	108.33	113.58	119.26	122.90
GCPI	96.99	100.00	106.40	110.2	114.1	117.4

[5] *As calculated by the National Statistical Service of Greece (NSS).*

Chart 45



Source: EETT