Greek Postal Market

Data and Trends of the Market 2009

Executive Summary

EETT

HELLENIC TELECOMMUNICATIONS & POST COMMISSION

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The Hellenic Telecommunications and Post Commission (EETT) collect each year quantitative and qualitative data directly from operators active in the Greek Postal Market. The examination and analysis of the collected data help EETT to closely monitor the market and its developments.

Structure and basic volumes of Greek postal market

The postal market in Greece is consisted of two sectors:
a) the sector for provision of universal services, where the Universal Service Provider (USP) and private enterprises that are holders of the Individual Licence for the provision of postal services (IL) are active, and b) the sector of courier services where enterprises under a General Authorisation for provision of postal services are activated.

The size of postal market (a+b) in Greece is influenced to a great degree by the corresponding changes of the shares of Universal Service Provider (USP), who holds the larger share of the market which is translated into 60% in terms of income and 92% in terms of volume.

The Universal Service sector of the market (a) where apart from the USP another 5 postal enterprises are activated, is not completely liberalized, and USP holds the 99% of market share.

On the contrary, in the sector of Courier Services the conditions differ, whereas the Market is completely liberalised. In this sector, a large number of enterprises operate, however the most important influence in the market is emanated from some big enterprises that have achieved to dominate the market. As a result, almost all of the other enterprises are in collaboration with these enterprises.

The economic crisis and the extensive use of electronic ways of communication have also affected the postal market in Greece in 2009. Thus, compared to 2008 it has been noticed a decrease of almost 6% of the volume of the handled items in the postal market and a reduction of almost 1% of the corresponding income. More specifically, the total items delivered in the postal market was shaped in 728 millions against 777 millions in 2008, while the total income reached in 743 millions against 753 millions of euros. This fact is also confirmed by the economic analysis conducted by EETT in the basic economic elements of postal market's enterprises, which demonstrate a deterioration in the economic indicators in comparison with 2008.

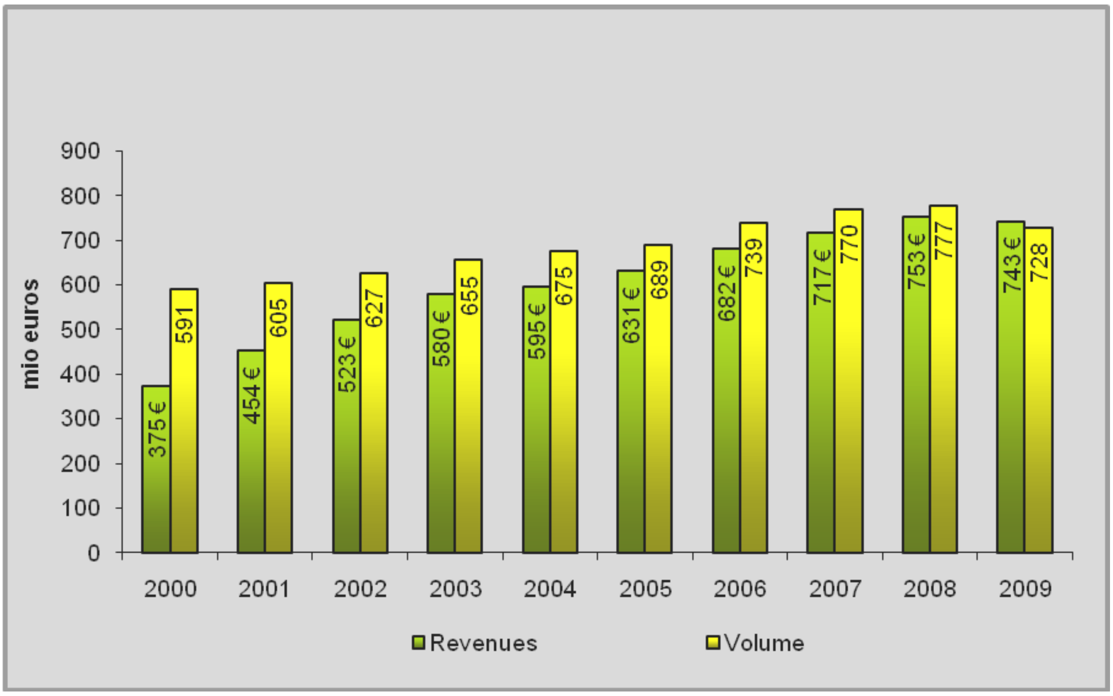
Volume of Items in Postal Market

Postal Items	2005	2006	2007	2008	2009	2009/08
UNIVERSAL SERVICE SECTOR	649.475.889	693.606.224	723.045.301	726.188.933	678.379.349	-6,6%
Universal Service Provider	649.475.889	686.782.500	716.220.900	718.858.100	671.668.468	-6,6%
Enterprises with Individual License	Μ/Δ	6.823.724	6.824.401	7.330.833	6.710.881	-8,5%
COURIER SERVICES SECTOR	39.156.615	45.034.437	46.470.205	50.650.921	49.986.523	-1,3%
TOTAL	688.632.504	738.640.661	769.515.506	776.839.854	728.365.872	-6,2%
Annual rate of change (%)	2%	7,3%	4,2%	1%	-6,2%	

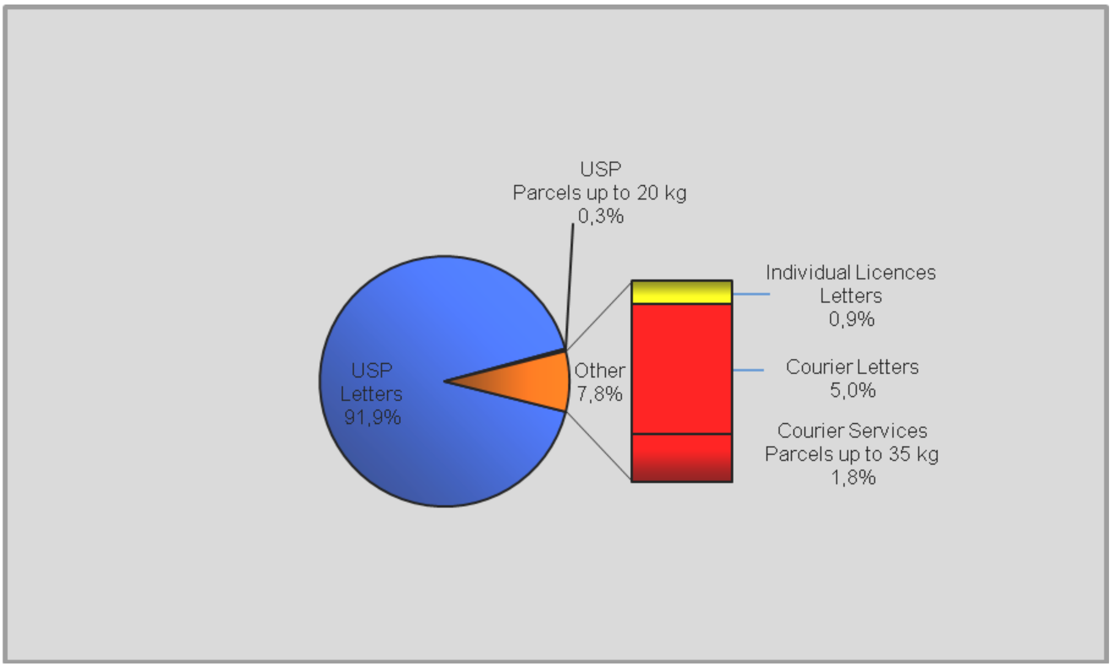
Revenues in Postal Market

Revenues in euro	2005	2006	2007	2008	2009	2009/08
SECTOR OF UNIVERSAL SERVICE	387.581.925	419.088.016	435.581.237	453.139.150	451.179.897	-0,4%
Universal Service Provider	387.581.925	416.241.268	432.940.435	450.286.543	448.630.625	-0,4%
Enterprises with Individual Licence	Μ/Δ	2.846.748	2.640.802	2.852.607	2.549.272	-10,6%
SECTOR OF COURIER SERVICES	243.013.704	263.270.069	281.310.098	299.431.578	291.907.160	-2,5%
TOTAL	630.595.629	682.358.085	716.891.533	752.570.727	743.087.057	-1,3%
Annual rate of change (%)	6%	8,2%	5,1%	5%	-1,3%	

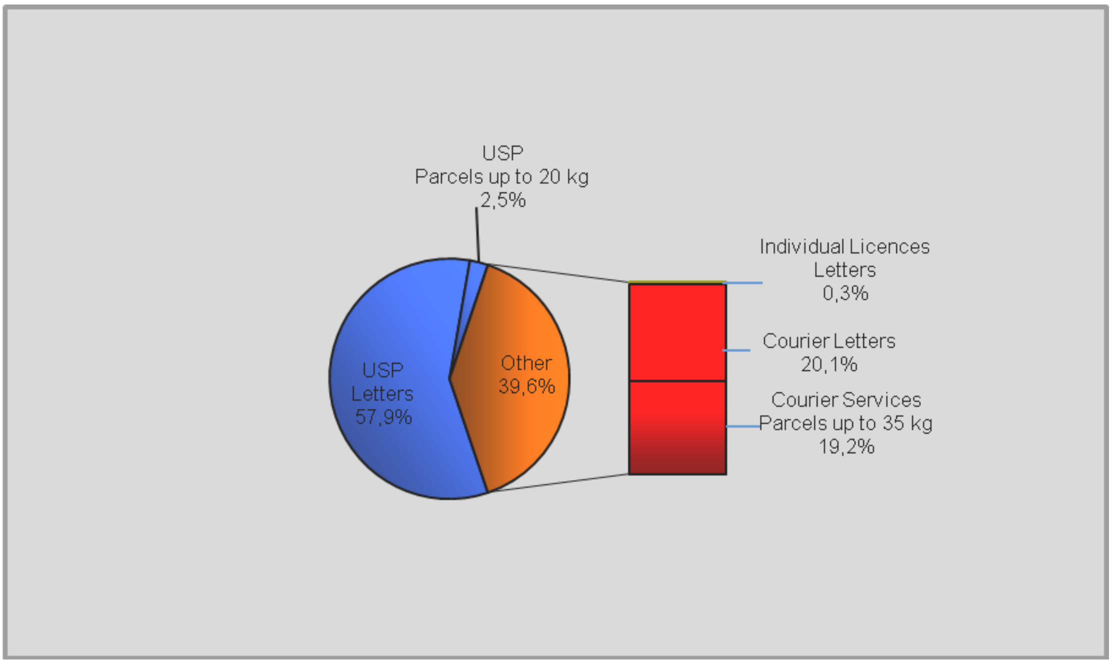
Evolution of Revenues and Volume of items in Postal Market



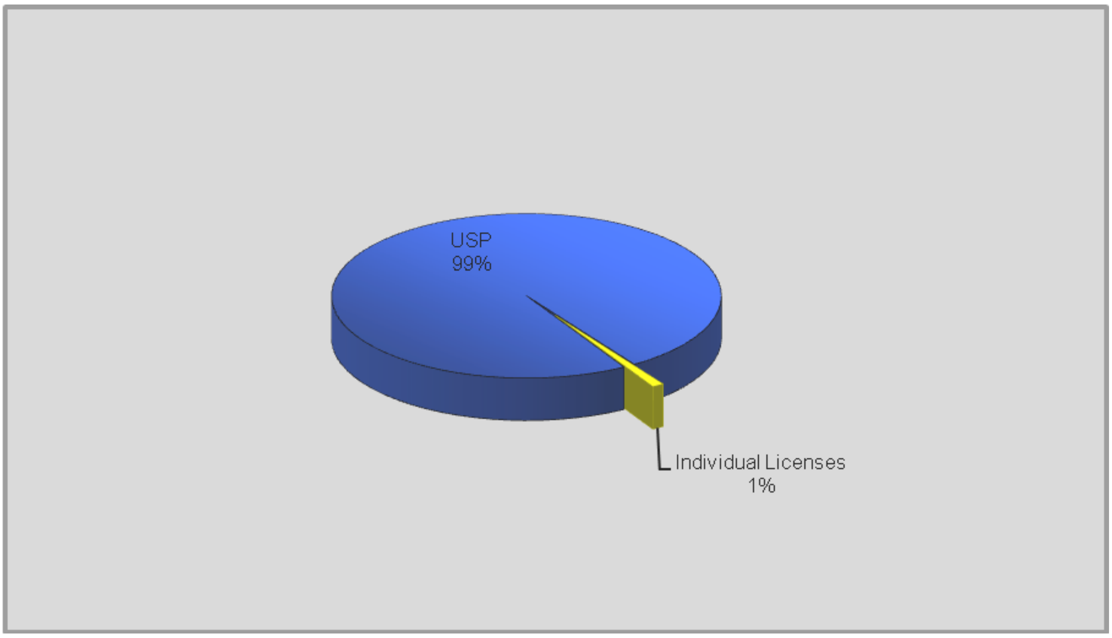
Division of Postal items' Volume in the Overall of the Market, 2009



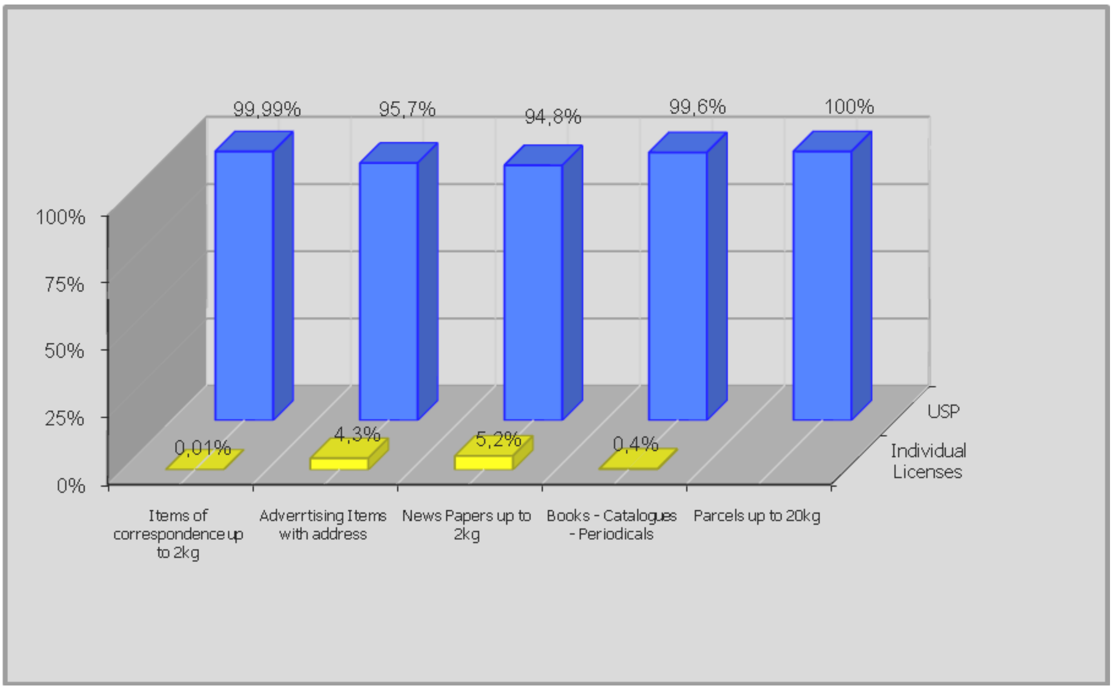
Division of Revenues in the Overall Market, 2009



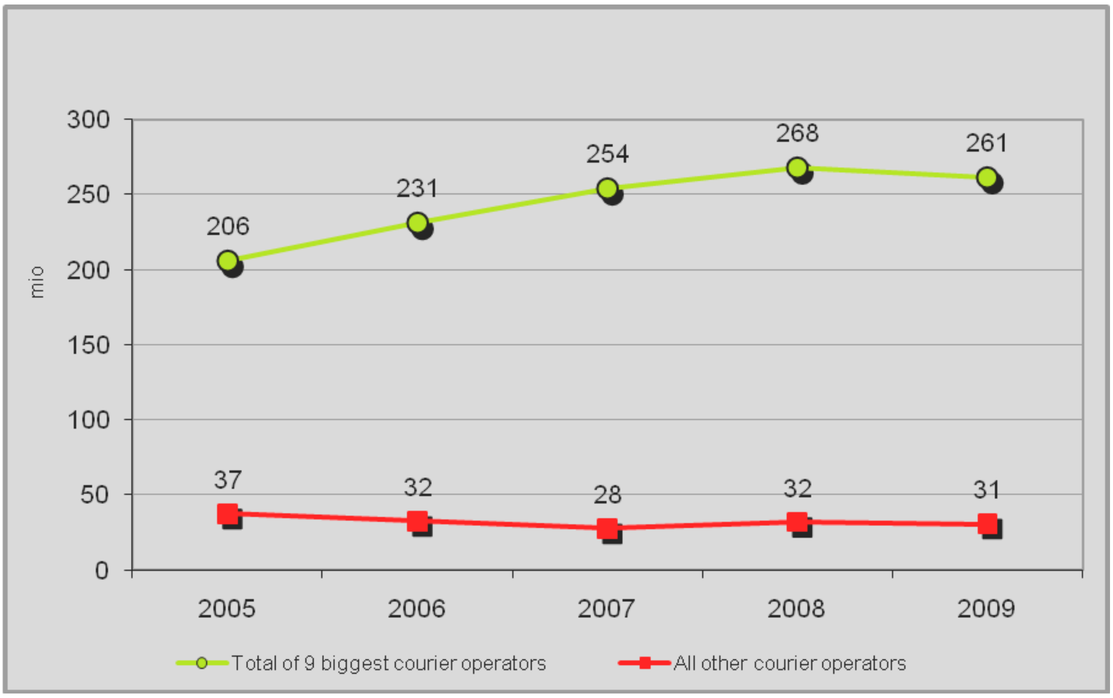
Shares of Universal Postal Service's Market



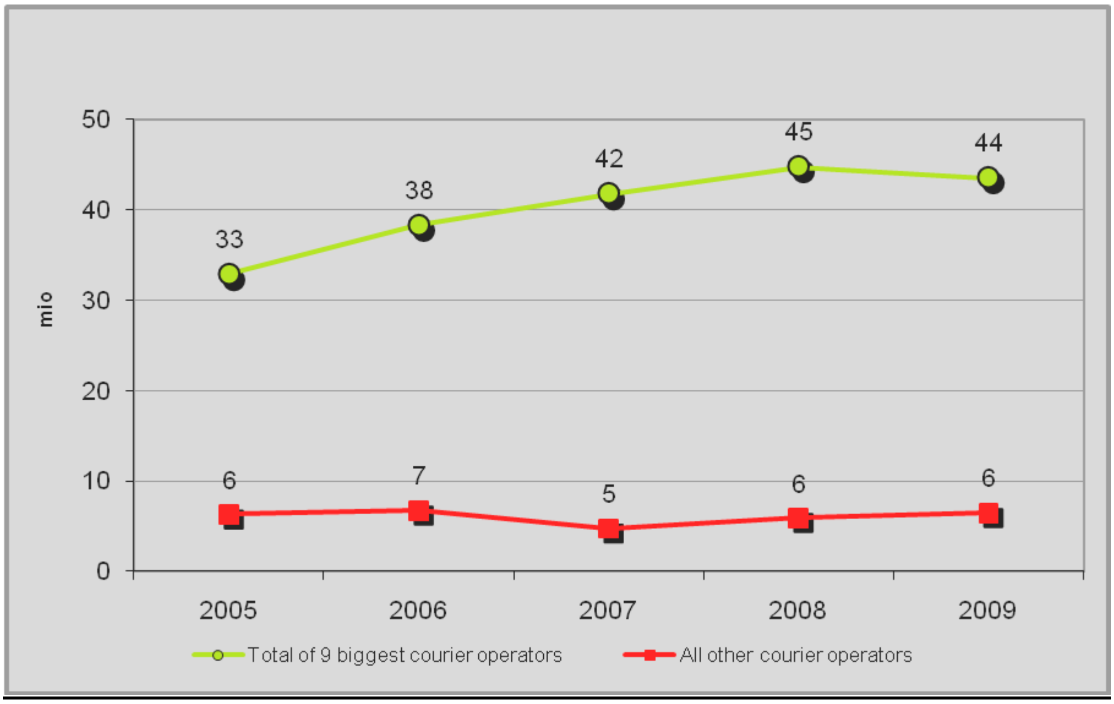
Universal Service Operators’ Shares by sector, 2009



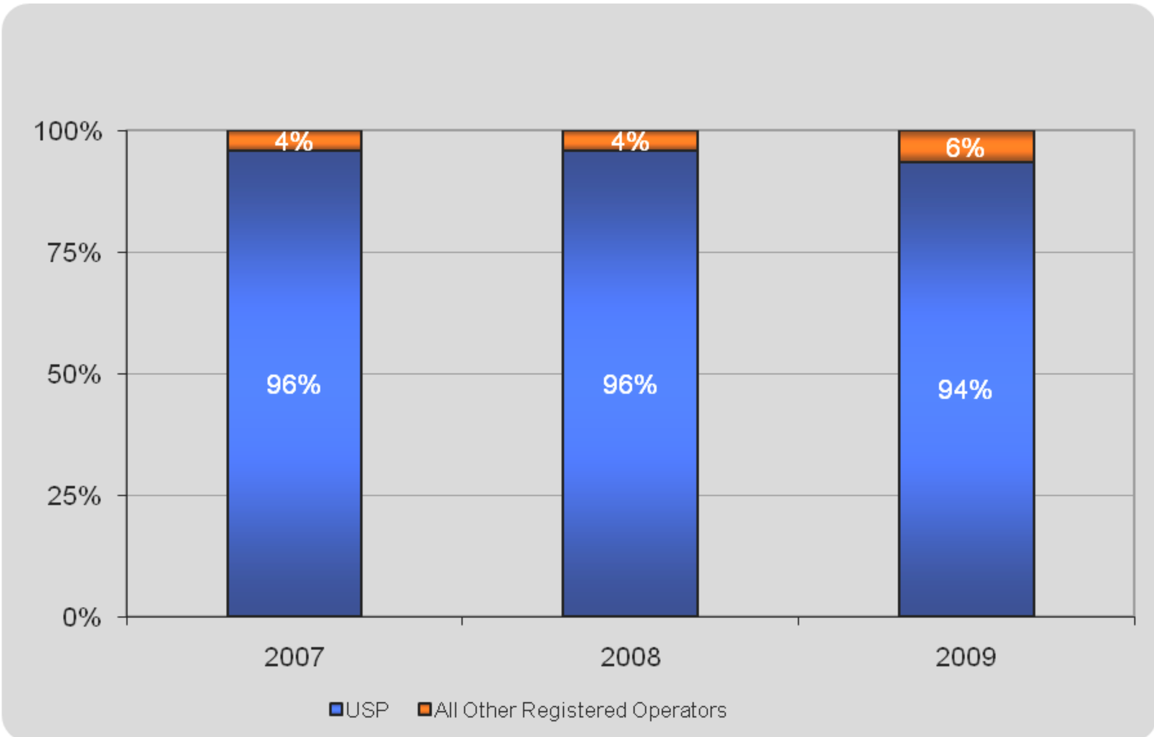
Courier Operators’ Revenues



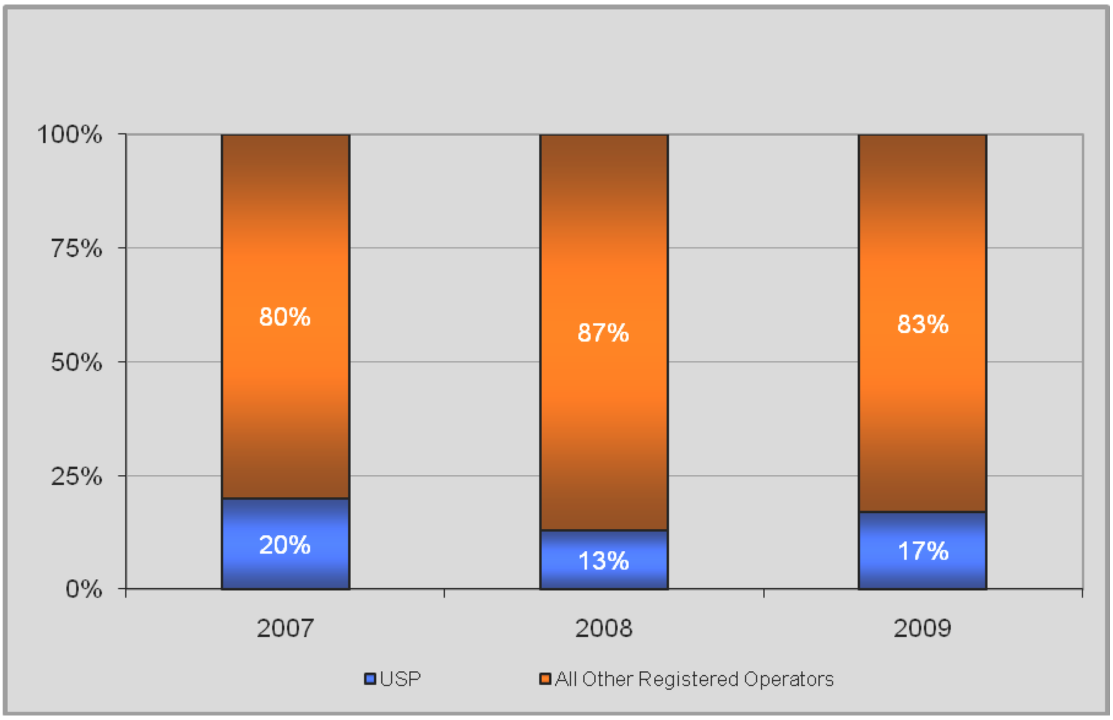
Items delivered by courier services



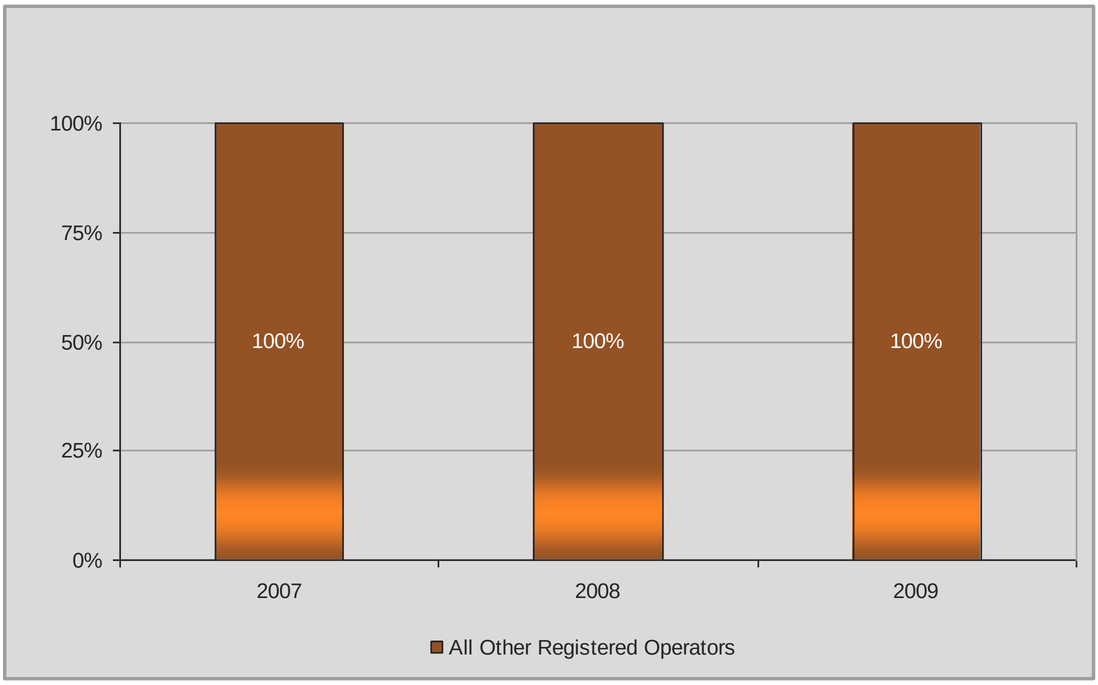
Mail Post (shares)



Parcels (shares)



Small Parcels up to 2 kg (shares)



Licensing, manpower and distribution of volume in the Greek postal market

In Greece there is a large number of enterprises activated in the postal market and in the recent years this number has gradually increased. This fact is confirmed by the number of new enterprises denoting their intention to operate in the sector of courier services and file a declaration to EETT to register in the Postal Undertakings Register. The enterprises activated in the Greek postal market in the end of 2009 were 1.205 including also the enterprises - members of Networks of operators registered by EETT. In these enterprises 21 thousands persons were occupied in 2009 as full time or part time employees, while almost half of them were occupied in the Universal Postal Service Provider. A decline of around 14% for 2009 is noticed in the employees occupied in the sector of courier services. On the contrary, an increase of around 4% was presented in the sector of Universal Service, because for the first time USP declared its external partners – agents.

Employment in postal market

The main volume of postal items is handled in the interior of the country, as the postal items directed towards international destinations are around 7%. More specifically, in the large urban centers (Athens and Thessalonica), where the population density is high, 85% of postal items are handled, while the rest 15% concerns the remaining country.

Production of inland postal items per broad geographical sector

Geographical Sector	Population Allocation (2001)	%	Items Allocation 2009 USP	Courier	Individual Licenses	Average
Attica	3.761.810	34,3%	67,0%	61,7%	82,4%	70,3%
Central Greece	2.016.789	18,4%	10,8%	10,7%	2,9%	8,1%
North Greece	3.466.646	31,6%	15,2%	21,3%	9,3%	15,3%
Aegean Islands and Crete	1.718.775	15,7%	7,0%	6,3%	5,5%	6,3%
	10.964.020	100,0%	100,0%	100,0%	100,0%	100,0%

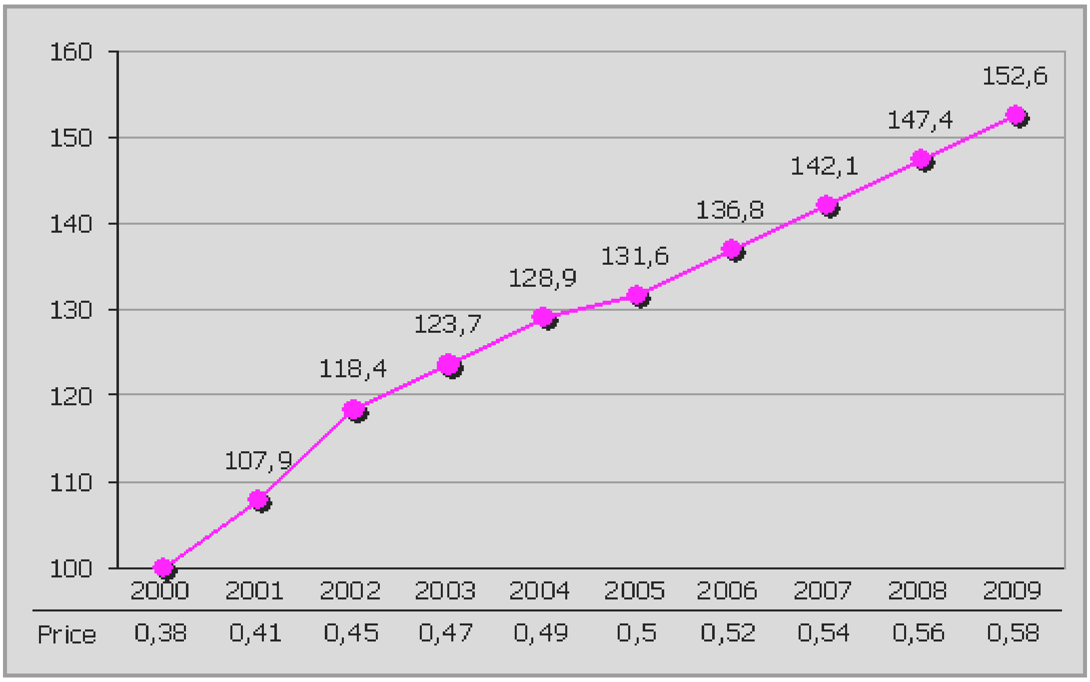
Prices of Provided Services

In the sector of universal services provision the total average charge has been increased 6,6%. The average charge for delivering mail items up to 2 kilos (84% of the total items in the sector of universal services) was increased by 2,6% in comparison to 2008.

Average price per each Universal Service Provider service (USP and IL), 2007-2009

Υπηρεσία	2007	2008	2009	2009/08
Items of correspondence up to 2kg	0,63 €	0,65 €	0,67 €	2,6%
Un-addressed advertising items	0,40 €	0,37 €	0,56 €	52,8%
Newspapers up to 2kg	0,55 €	0,59 €	0,60 €	0,9%
Books – Catalogues - Periodicals	0,58 €	0,63 €	0,65 €	2,9%
Parcels up to 20kg	7,98 €	8,81 €	9,48 €	7,6%
Total Average	0,62 €	0,64 €	0,68 €	7,2%

USP: Price for items of correspondence of 1ST priority of 20gr (base year 2000)



In the sector of courier services the total average charge remained almost in the same levels as in 2008 (- 1,2%). More specifically, the service of domestic postal items, which concerns 92% (73% mail items and 19% parcels) of the total items handled by courier services presented an increase of 16% in the average price, mainly due to the increase of the average price of parcels' handling.

The cause of this, according to findings of the study, is on the one hand due to less but heavier (thus more expensive) parcels handling (since in 2009 we had great decrease in the small parcels) and on the other hand in the effort of courier companies to countervail the overall decrease in the postal items volume.

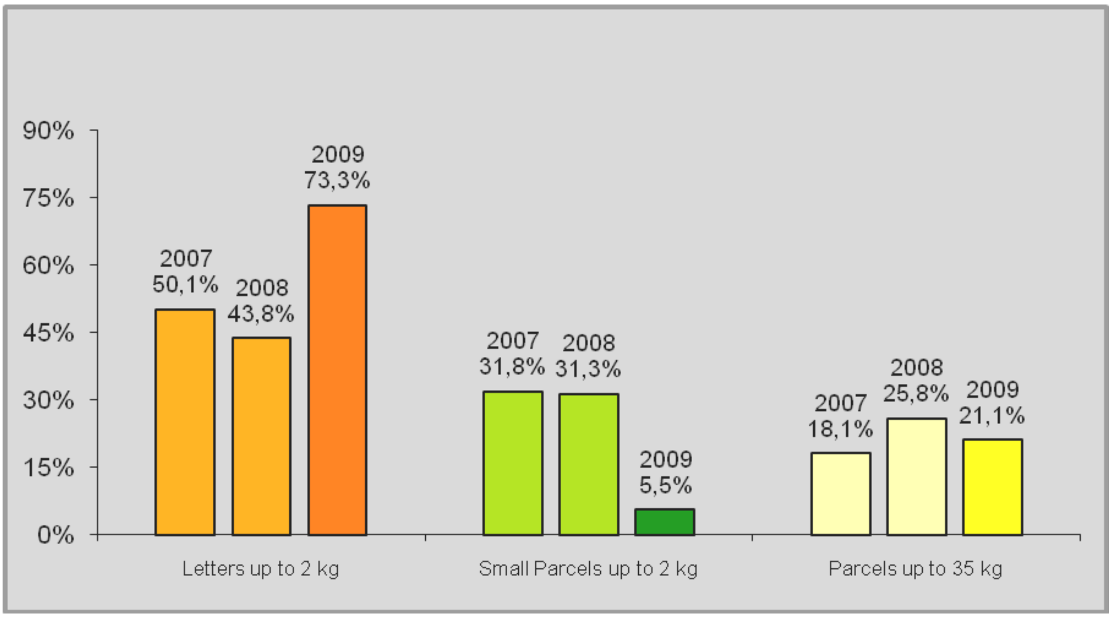
Average price per courier service 2007-2009

Service	2007	2008	2009	2009/08
Inland correspondence	3,4€	3,5€	3,6€	1,1%
Inland Parcels	7,5€	7,1€	8,9€	24,5%
Overseas correspondence	14,0€	13,5€	23,1€	70,9%
Overseas Parcels	34,2€	42,8€	56,5€	32,1%
Total Average	**6,1€**	**5,9€**	**5,8€**	**-1,2%**

In 2009, decline was observed in Greece in both mail items and parcels' handling in comparison with 2008.

However, an increase in parcels handling is expected, due to constant increase in the percentage of internet users proceeding to electronic purchases.

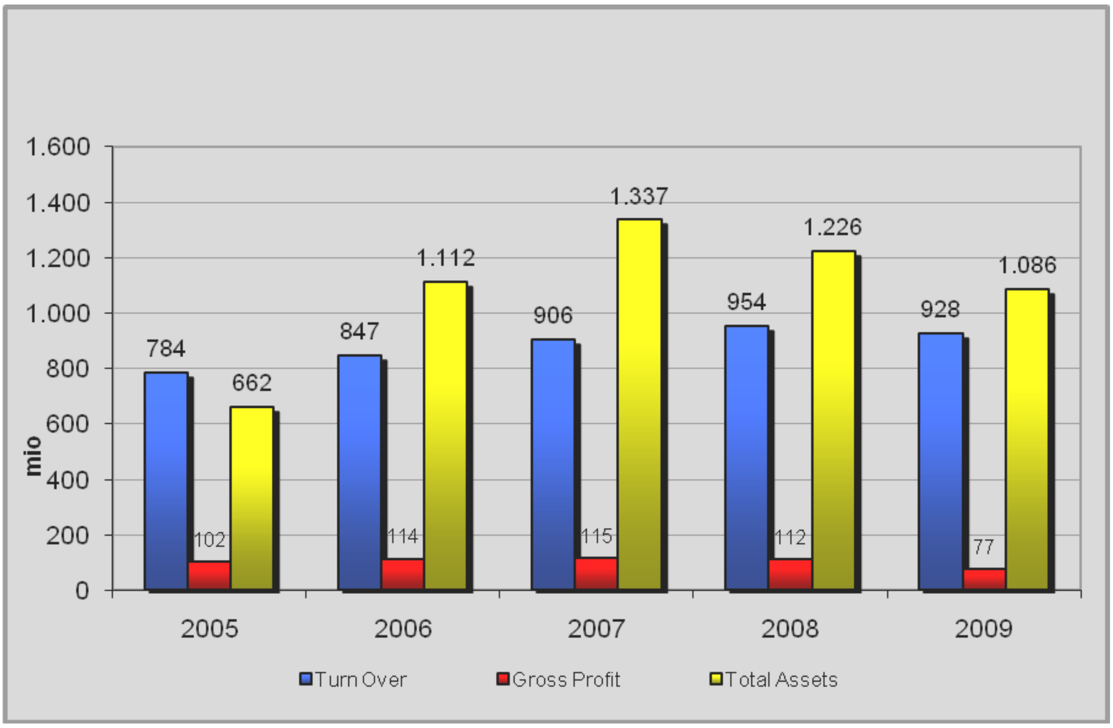
Sector of courier services: Weight of items handled by courier service



Economic elements of postal services' operators

EETT has analyzed the basic economic elements of Postal Market's enterprises, as they resulted from the published economic reports of licensed operators for the years 2005-2009. The economic recession has generated a deterioration of the postal sector's economic sizes. Indeed in 2008 the postal sector was greatly influenced by the decline of the consumers' private consumption, which is illustrated by a -2,8% fall in the turnover, a 31% reduction of the gross trading profit and a general decrease of -11,4% of the total asset of enterprises.

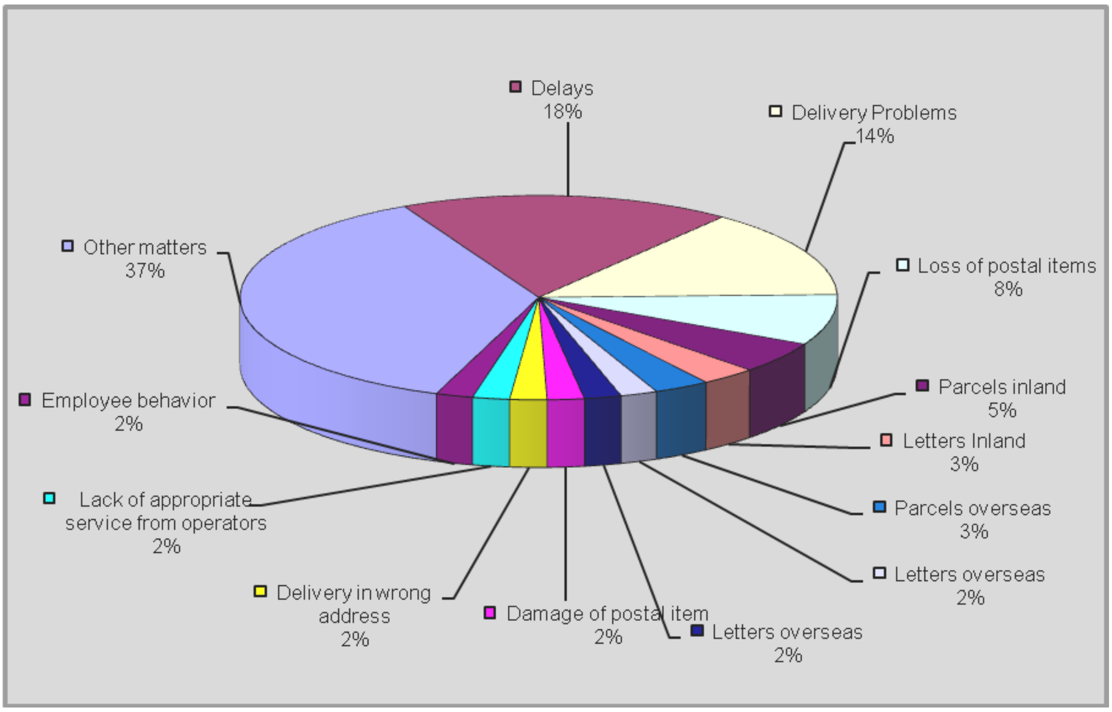
Evolution of the basic financial data of the postal service providers



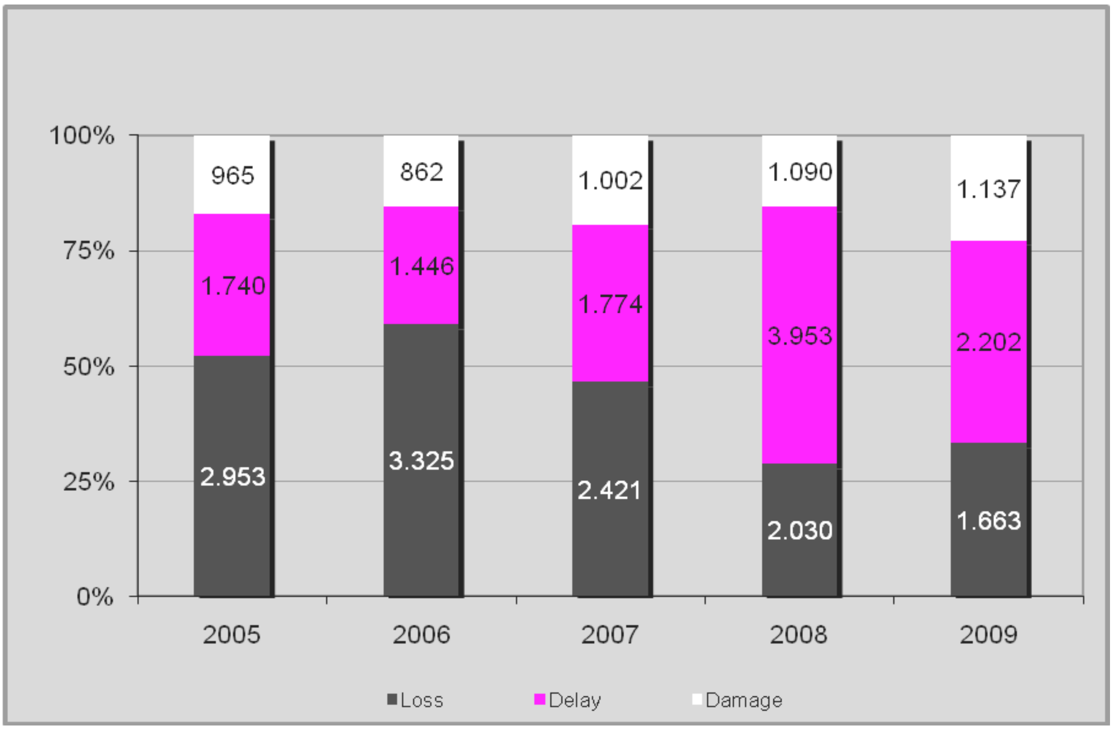
Actions concerning the consumer

During 2009 the EETT has handled a significant number of written reports filled by consumers, concerning both the Universal Postal Service Provider and the private enterprises. The main cause of the costumers' reports is the delay of delivery of postal items, as shown in the following diagrams and EETT took all appropriate measures to make sure that all disputes were settled according to the regulatory framework in place.

Categorazitation of written requests / complaints for postal services, 2009



Cases where Postal Service Providers where found faulty



Average Compensation