Greek Postal Market 2010

EETT

HELLENIC TELECOMMUNICATIONS & POST COMMISSION

Study by the Postal Division of EETT

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Executive Summary

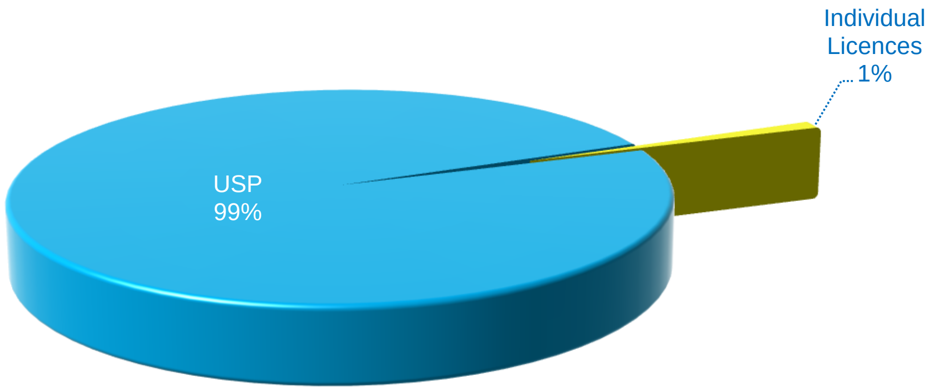
The Hellenic Telecommunications and Post Commission publishes the study on the Greek postal market in 2010 with the aim to inform all stakeholders, businesses and consumers, for the specific conditions prevailing in the market for postal services in Greece.
The main financials of the study are based primarily on the quantitative and qualitative data, collected through questionnaires that were distributed to postal operators licensed by EETT.

1. Overview of the Greek Postal Market

The postal market in Greece consists of two main sectors: a) the universal services sector, where the Universal Service Provider (USP) and undertakings holding individual licenses operate and b) the courier services sector, with undertakings that hold a general authorization. The Universal Service Provider appointed by the Greek state, by law, is Hellenic Post S.A. (ELTA).

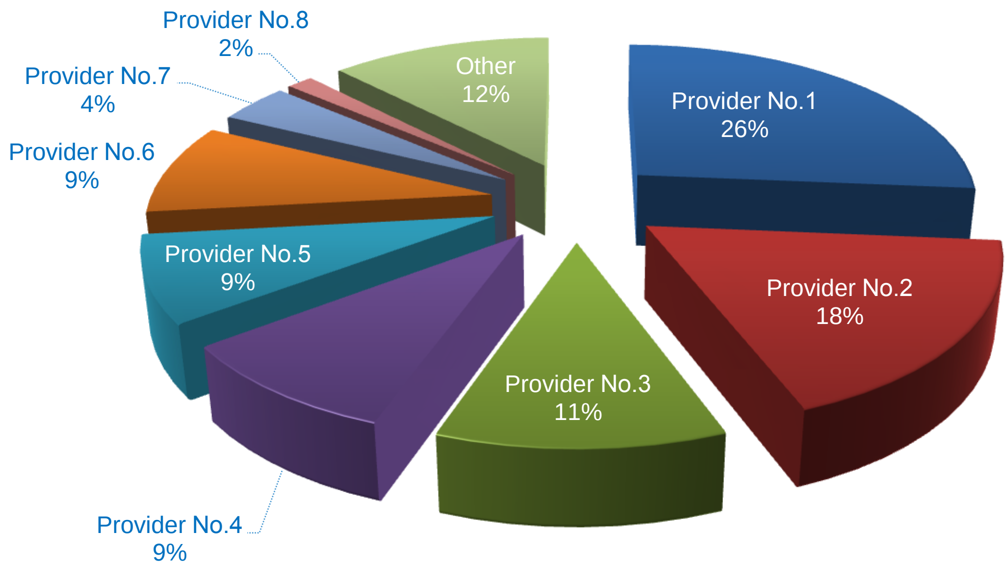
In the universal services sector, the USP dominates the market, with a 99% market share in terms of revenues and volumes, versus a 1% market share obtained by the 5 undertakings that hold individual licenses. The reserved area in favor of the USP still exists, until the full market liberalization on 1/1/2013.

Figure 1 Market Shares (revenues & volumes) in Universal Services Sector, 2010



On the other hand, the courier services sector is open to full competition, with 496 licensed providers and their network of 818 undertakings. Although the courier services sector is highly concentrated, given that 88% of revenues are generated by the 8 largest courier service providers, there is intense competition among the courier services providers, as shown also by the result of the Herfindal-Hirshman Index for the Greek courier services sector (H=14%).

Figure 2 Market shares (revenues) of the 8 largest courier service providers



2. Volumes and Revenues of the Greek Postal Market

The postal market in Greece has been affected by the crisis of the domestic economy, which has now entered the phase of recession.

In 2010, there was a significant decrease both in the number of items handled and revenues in all sectors of the postal market (universal services and courier services).

The total turnover of the Greek postal market in 2010 was 706 million euros, 5% less than in the previous year. The USP accounts for 59% of the revenues, the courier service providers for 41% and the providers holding individual licenses account for less than 1%.

The postal providers handled 678 million items in 2010, 6,8% less than in 2009. The USP handled the largest number of total postal items (92%), leaving a quite smaller share to the courier service providers (7%) and the providers holding individual licenses (1%).

Table 1 Postal Market Revenues (euros)

	2007	2008	2009	2010	2010/09
UNIVERSAL SERVICES SECTOR	435.581.237	453.139.150	451.179.897	419.631.664	**-7,0%**
USP (ELTA)	432.940.435	450.286.543	448.630.625	417.133.906	-7,0%
Individual Licensees	2.640.802	2.852.607	2.549.272	2.497.758	-2,0%
COURIER SERVICES SECTOR	281.310.098	299.431.578	291.907.160	286.149.110	**-2,0%**
TOTAL	**716.891.335**	**752.570.728**	**743.087.057**	**705.780.774**	**-5,0%**
Annual growth rate (%)	**5,1%**	**5,0%**	**-1,3%**	**-5,0%**	

Table 2 Postal Market Volumes (postal items)

	2007	2008	2009	2010	2010/09
UNIVERSAL SERVICES SECTOR	723.045.301	726.188.933	678.379.349	629.291.191	**-7,2%**
USP (ELTA)	716.220.900	718.858.100	671.668.468	622.525.829	-7,3%
Individual Licensees	6.824.401	7.330.833	6.710.881	6.765.362	0,8%
COURIER SERVICES SECTOR	46.470.205	50.650.921	49.986.523	49.186.647	**-1,6%**
TOTAL	**769.515.506**	**776.839.854**	**728.365.872**	**678.477.838**	**-6,8%**
Annual growth rate (%)	**4,2%**	**1,0%**	**-6,2%**	**-6,8%**	

Figure 3 Postal Market Revenues and Growth

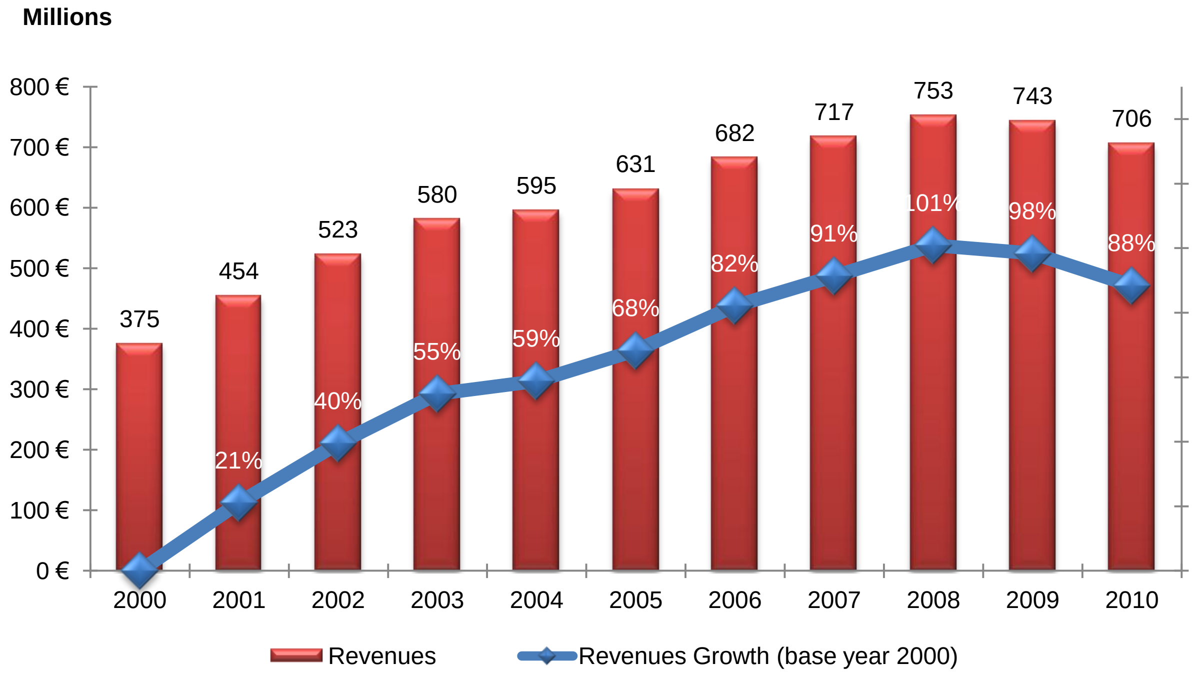


Figure 4 Postal Market Volumes and Growth

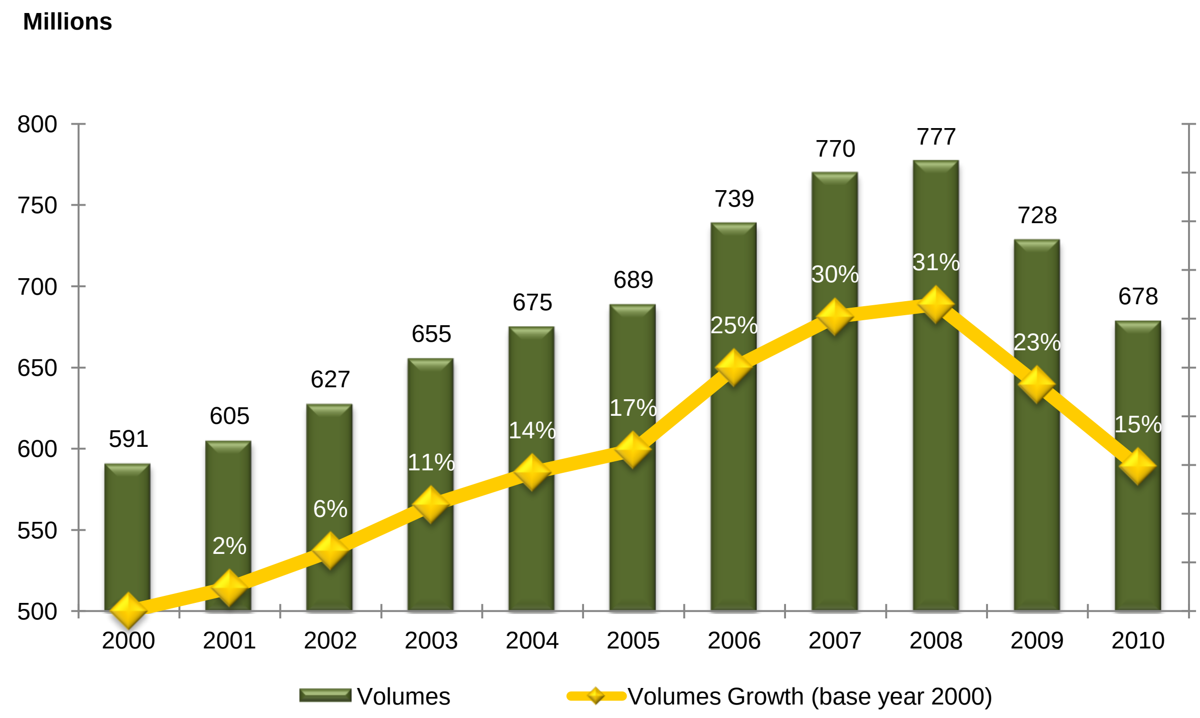


Figure 5 Postal Market Shares in terms of volumes and revenues

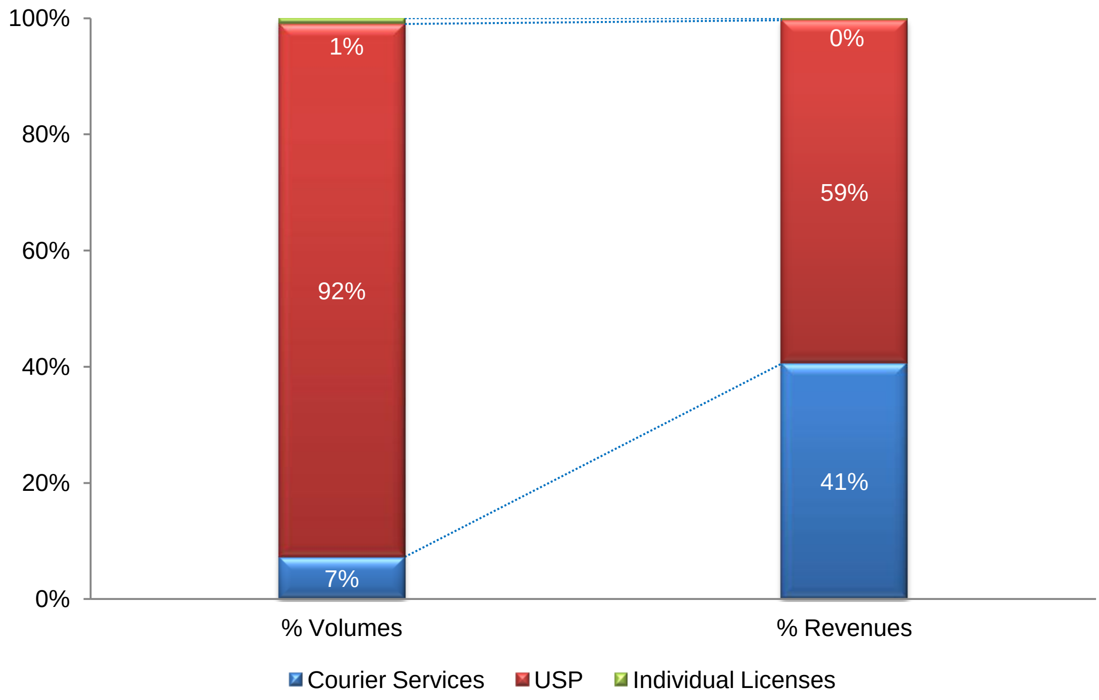


Figure 6 Total market volumes (postal items), 2010

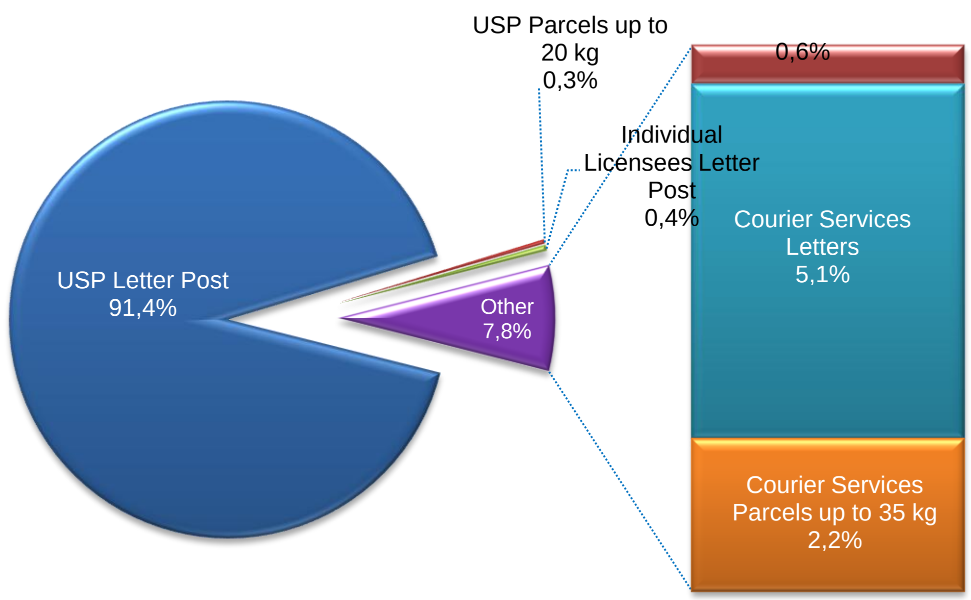
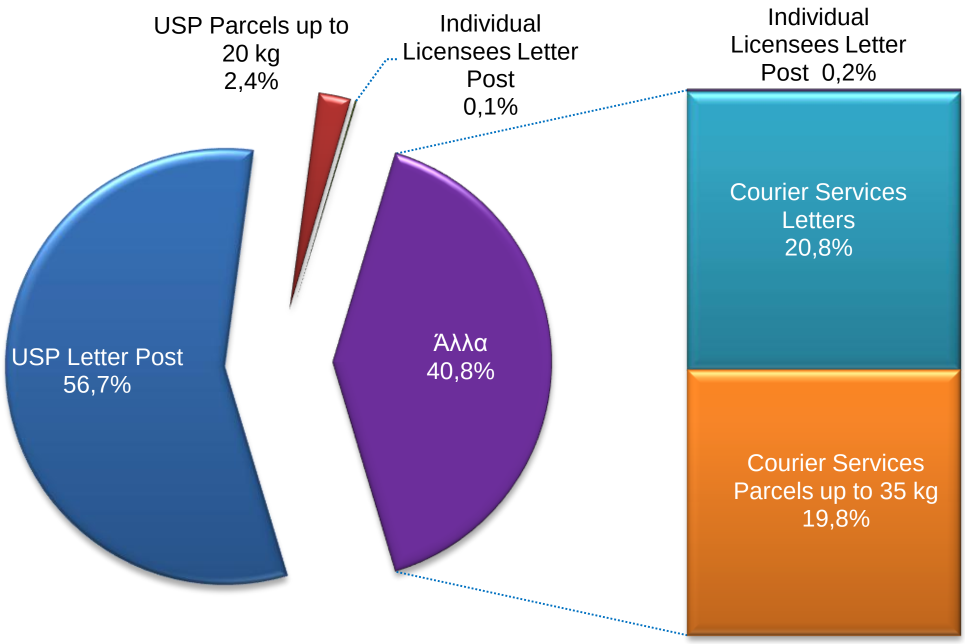
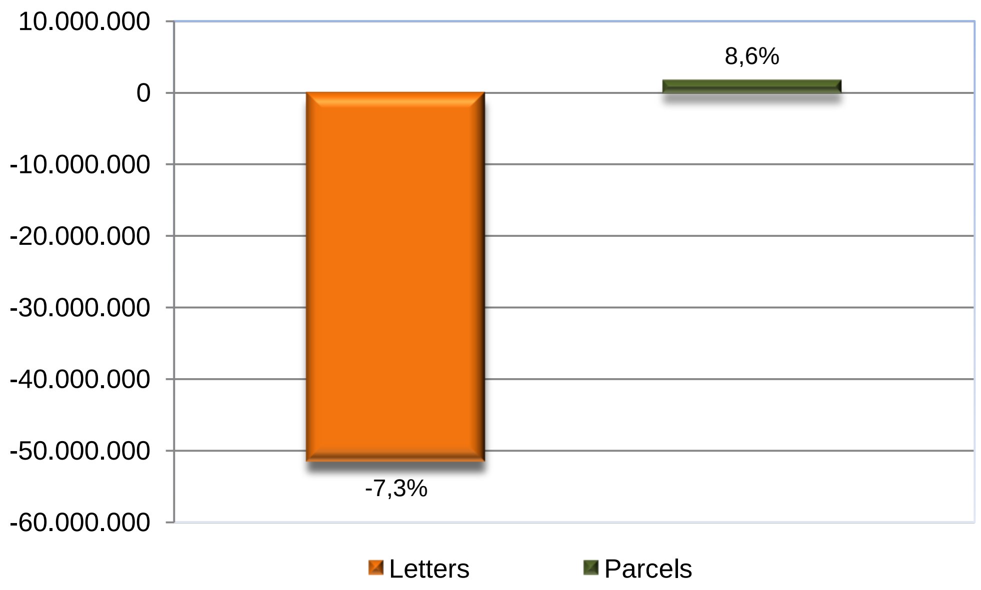


Figure 7 Total market Revenues, 2010



It is worth mentioning that the composition of total postal items handled (letter post and parcels) changed significantly in 2010, compared to 2009. More specifically, letter post decreased by 7,3% (51,5 million items) unlike parcels, which increased by 8,6% (1,6 million items). This trend, which is noted on European level as well, is justified on one hand, by the electronic substitution of letter post (e-mail, social media, e-invoices) and on the other hand, by the ongoing growth of electronic commerce.

Figure 8 Growth rate of postal items volumes (2010/2009)



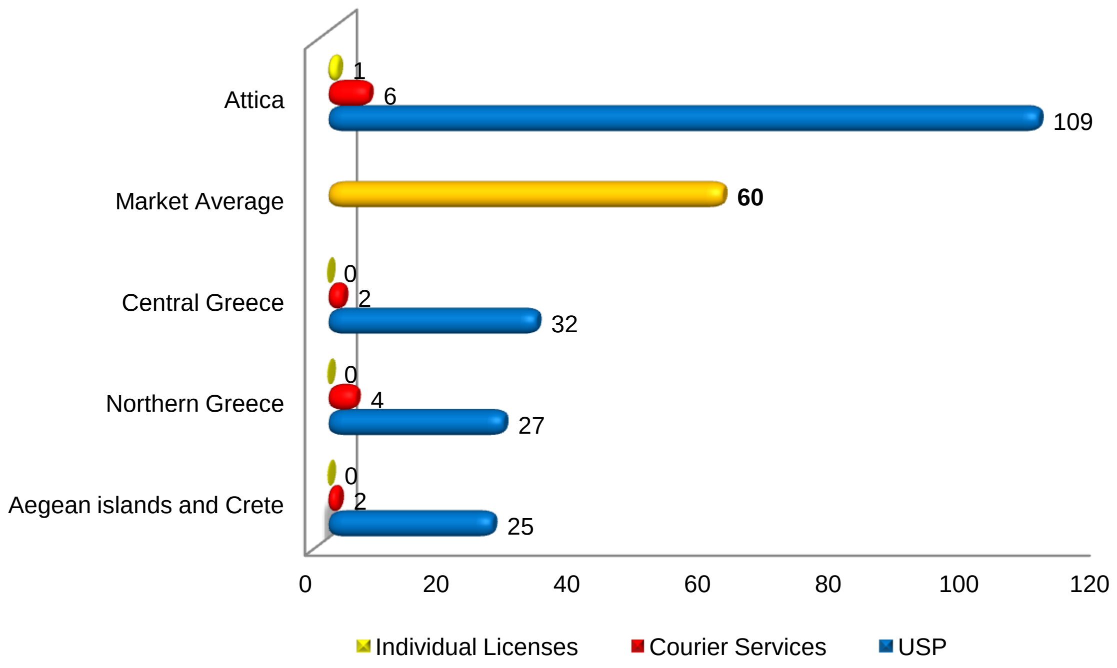
The largest volume of postal items is handled in the large urban centers of Athens and Thessaloniki, due to the large concentration of people and businesses. It is characteristic that in 2010, more than 82% of the items were handled in Attica and Northern Greece, while the remaining 18% was distributed in the other areas of Greece.

Table 3 Postal items allocation per geographical sector

Geographical sector	Population allocation	USP	Courier	Individual Licenses	Total Market
Attica	34,3%	67,1%	51,4%	82,1%	66,2%
Central Greece	18,4%	10,6%	10,3%	2,9%	10,5%
Northern Greece	31,6%	15,3%	32,3%	9,4%	16,4%
Aegean islands and Crete	15,7%	7,1%	6,1%	5,5%	7,0%

In 2010 the average number of postal items per inhabitant amounted for 60. As expected, this figure varies among major geographical regions, with Attica standing out significantly from the average of the country and showing an average number of 109 postal items per inhabitant.

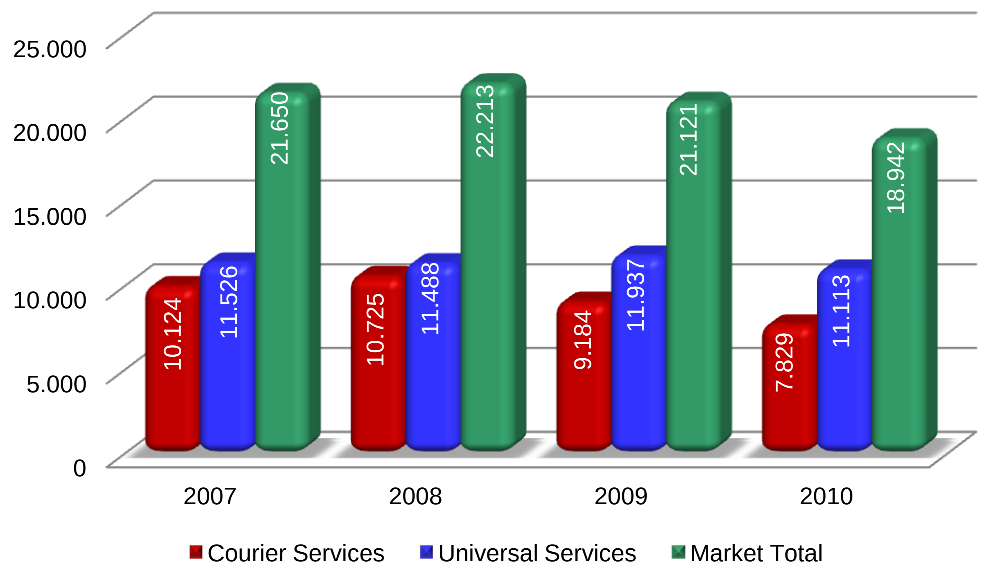
Figure 9 Postal Items per inhabitant per geographical region



3. Employment

In 2010 the total employees occupied in the Greek postal market were 18.942, according to data reported by the postal operators. The decrease observed in relation to 2009 is 10,3% in the market overall.

Figure 10 Employment in the postal market



As regards employment in the postal market, 59% of the employees are occupied in the universal services sector (58% in the USP and 1% in postal operators with individual licenses) and 41% in the courier services sector. Regarding the educational level of the employees, the majority (79%) are graduates of upper secondary education while 13% are graduates of higher education and just 8% of lower secondary education.

4. Prices and quality of service of universal service

In 2010 the prices of the USP remained the same as in the previous year. However, over the last decade, the prices of 20g first priority letter post items have increased by 53%.

Figure 11 Prices of 20g a' priority letter post items

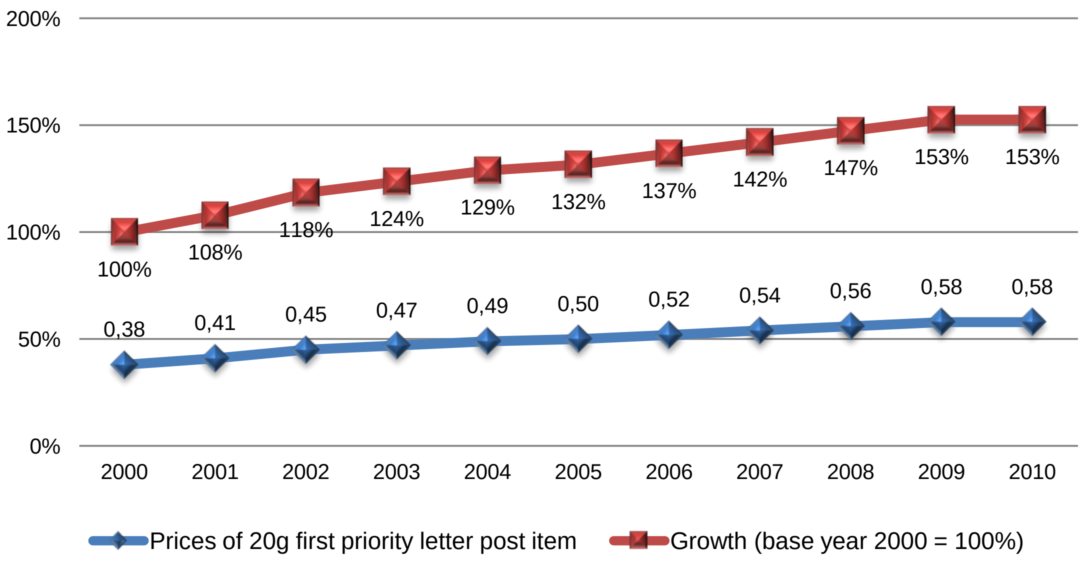


Table 4 Average price of handled postal items, USP 2008-2010

Service	2008	2009	2010	2010/09
Domestic Letter post	0,58 €	0,62 €	0,63 €	1,2%
Domestic Parcels	5,25 €	5,43 €	5,72 €	5,3%
Cross-border Letter post	0,80 €	0,83 €	0,80 €	-3,3%
Cross-border Parcels	20,37 €	12,92 €	11,99 €	-7,2%
TOTAL AVERAGE	**0,63 €**	**0,67 €**	**0,67 €**	**0,3%**

Table 5 Average price of handled postal items, courier services 2008-2010

Service	2008	2009	2010	2010/09
Domestic Letters	3,50 €	3,57 €	3,60 €	0,9%
Domestic Parcels	7,10 €	8,87 €	7,28 €	-17,9%
Cross-border Letters	13,50 €	23,09 €	23,29 €	0,9%
Cross-border Parcels	42,80 €	56,50 €	38,37 €	-32,1%
TOTAL AVERAGE	**5,90 €**	**5,84 €**	**5,82 €**	**-0,4%**

The results of the annual quality measurement regarding the handling of first priority domestic letter post by the USP, are presented in the table below.

Table 6 A' priority domestic letter post

Year	USP obligation (H+1)	USP results (H+1)	USP obligation (H+3)	USP results (H+3)	Average Delivery Time (in days)
2008	87%	79,9%	98%	98,2%	1,14
2009*		81,5%		98,2%	1,13
2010		87,7%		98,9%	1,03

(H+1): within one working day
(H+3): within three working days
(*) The source of 2009 results is the USP and the results come from measurements help according to the EN 13850:02 standard and do not include exceptions