Office of Electronic Communications | UKE

Report on the state of the postal market in 2019

Warsaw, May 2020

The report was prepared pursuant to Article 43(6) of the Postal Law Act of 23 November 2012[1], hereinafter the “Act” or the “Postal Law”, based on the information received from postal operators in accordance with Article 43(1) and (2) of the Act.

These provisions required postal operators to submit to the President of the Office of Electronic Communications, hereinafter referred to as the “President of UKE”, reports on postal activities carried out in 2019 in accordance with the model reporting forms, the scope of which was defined in the Ordinance of the Minister of Administration and Digital Affairs[2].

The report on postal activities for 2019 was submitted by 143 postal operators.

The report includes revised figures for 2018, resulting from changes in the reports on postal activities submitted by postal operators. Therefore, some of the figures concerning the number of active postal operators, volume of services, revenues and percentage shares changed in relation to the previous report of the President of UKE. These changes have no significant impact on the picture of the postal market presented in the report for 2018.

The respective parts of the document present the legal status, entities operating on the postal market, as well as a picture of the developments on the postal market in 2019 and comparatively in 2017-2019.

Unless stated otherwise, the figures presented in the report are expressed in million items or PLN million. Potential differences in sums and shares are due to rounding.

[1] Consolidated text, Journal of Laws of 2018, item 2188, as amended
[2] The Ordinance of the Minister of Administration and Digital Affairs on the model form to be used to file reports on postal activities with the President of the Office of Electronic Communications (Journal of Laws of 2013, item 1489)

1. Introduction

Digitisation has irreversibly changed the lives of societies and the way the economy works. Universal access to broadband networks has led to changes in the way citizens communicate and in their purchasing behaviours. The proliferation of electronic communication channels has significantly reduced paper correspondence, while initiating an explosion in the number of goods ordered in e-commerce by customers having access to products and services 24 hours a day, seven days a week.

Digitisation has also created conditions for postal operators to develop new services and improve delivery logistics, and strong competition on the e-commerce market has led to the evolution of consumer expectations and requirements for reliable and accessible deliveries and convenient return options. These phenomena force operators to adjust their operating strategies, to strictly control and optimise costs and to implement innovations to meet new customer expectations.

The Polish postal services market is a place of such structural changes as well: a slow decrease in the volume of traditional postal services, compensated for by the dynamic growth of items containing goods.

2019 was another year, already the third year in a row, in which the increase in the value of the entire Polish postal services market was at least twice as fast as the growth rate of the entire Polish economy. Although the 8.4% growth rate recorded in 2019 is lower than in 2018 (12.1%), it was still twice as fast as the 4.0% growth rate of Poland's GDP in 2019.

In addition, 2019 is another year with a significant leap in the value of the postal market of over PLN 790 million compared to 2018. Thus, the total value of the Polish postal market exceeded the barrier of PLN 10 billion.

At the same time, the primacy of the courier segment strengthened, which contributed most to the increase in the total value of revenues of the postal services market operators generating 50.6% of the market value.

The pace of development of this segment of the postal market in Poland in 2019 again reached a two-digit value (11.5%). As a result, Poland strengthened itself as one of the leaders in the growth of the courier segment in Europe, clearly surpassing several-percent average dynamics in the European Union.

Unlike last year, the increase in the value of the market was accompanied this time by a slight decrease in the overall volume of postal services. In 2019, the total volume of postal services was 1.89 billion items, a year-on-year decrease of 2.1%.

The most important role in the market in 2019 was still played by Poczta Polska S.A. (hereinafter "Poczta Polska") as the designated operator, which in 2019 provided 1,468.7 million services in domestic and cross-border traffic streams (a 77.9% share in the total volume), which translated into PLN 5,573.6 million in revenue (a 54.4% share in the total revenues). In relation to the previous year, the volume of services provided by the designated operator decreased by 6.7%, and the value of revenues increased by 6.5%.

In 2019, alternative operators provided 417.4 million services in total domestic and cross-border traffic (a 22.1% share in the total volume), which translated into PLN 4,666.0 million of revenues (a 45.6% share in the total revenues). In relation to the previous year, the volume of services provided by alternative operators increased by 18.4%, and the value of revenues increased by 10.8%.

Letters are still the most frequently provided service, of which 1,246.1 million were delivered, down by 9.2% on 2018, which translated into PLN 3,776.1 million in revenue (up by 4.9%).

Furthermore, a total of 466.0 million courier items and traditional postal parcels were delivered in 2019 (an increase by 18.9%), which generated PLN 5,650.5 million in revenue (an 11.1% increase). Therefore, 2019 was another year in which these services brought about a significant increase in revenue, despite price pressure triggered by intense competition in this market area.

In 2019, 21 new postal operators were registered. As at the end of the year, the register of operators included 283 entities (292 in 2018), 143 of which were active in the provision of postal services (151 in 2018).

According to reports of operators, a total of 92,933 employees worked in the postal sector in 2019, an increase by 735 jobs compared to the previous year.

In 2019, postal services were provided in 24,714 postal points of contact, including 7,627 of the designated operator's points of contact and 17,087 of alternative operators' points of contact. As in the previous year, postal services were provided using automatic postal machines for customer service.

2. Characteristics of the postal services market

2.1.
Legal basis for regulation of the postal services market

2.1.1.
Domestic regulations

The following legal acts provided the basis for the operation of the postal services market in Poland in 2019:

- the Postal Law Act[3], and its implementing acts;
- the Telecommunications Act of 16 July 2004[4], hereinafter the "Telecommunications Act".

The Postal Law Act introduced a division of the postal services market into several of its main segments: courier items, universal services, services within the scope of universal services and other postal services.

In 2019, the Postal Law Act was amended three times. These amendments[5] resulted in introducing, among others, the following regulations:

- laying down the conditions for performing information obligations resulting from Regulation (EU) 2018/644 of the European Parliament and of the Council of 18 April 2018 on cross-border parcel delivery services (OJ L 112 of 02.05.2018, p. 19) and financial penalties for failure to comply with them;
- imposing an obligation on a postal operator who did not carry out postal activities in the previous year to submit a declaration by 31 March at the latest about not carrying out that activity together with the information referred to in Article 43(2)(2)–(4), (9) and (10) (average annual headcount, number of postal points of contact, including organisational units of postal agents, number of letter boxes and automatic postal machines for customer service, legal form of the undertaking and contact details and affiliation with a group of companies);
- allowing the President of UKE to delete an entry in the register of postal operators in the event of failure to fulfil the information obligation referred to in Article 43(1) (reports on postal activities) or 5a (declarations on no-conduct of postal activities) for two consecutive years.

[3] The Postal Law Act implemented into the Polish legal order Directive 2008/6/EC of the European Parliament and of the Council of 20 February 2008 amending Directive 97/67/EC with regard to the full accomplishment of the internal market for Community postal services (OJ L 52, 27.02.2008, p. 3, as amended) and defined the rules of the postal market operation after its opening to competition
[4] Consolidated text, Journal of Laws of 2019, item 2560, as amended
[5] 1. The Act of 16 May 2019 on the amendment of the Postal Law Act (Journal of Laws of 2019, item 1051) – the elimination of references contained in the Act to provisions that are no longer in force and the introduction of substantive references and a response to the petition addressed to the Sejm – came into force on 21 June 2019;
2. The Act of 30 August 2019 amending the Postal Law Act and the Telecommunications Act (Journal of Laws of 2019, item 2005), (implementation of European Union law; the draft concerns enabling the correct application of the Regulation of the European Parliament and of the Council (EU) on cross-border parcel delivery services), entered into force on 23 November 2019;
3. The Act of 31 July 2019 amending certain acts in order to reduce regulatory burdens (Journal of Laws of 2019, item 1495), (implementation of the proclamations of reduction of bureaucratic burdens and simplification of regulations formulated in the Strategy for Responsible Development), entered into force on 1 January 2020

2.1.2. European regulations

The most important acts regulating the European Union postal market in 2019 were:

- Directive 97/67/EC of the European Parliament and of the Council of 15 December 1997 on common rules for the development of the internal market of Community postal services and the improvement of quality of service (known as the First Postal Directive)[6];
- Directive 2002/39/EC of the European Parliament and of the Council of 10 June 2002 amending Directive 97/67/EC with regard to the further opening to competition of Community postal services (known as the Second Postal Directive)[7];
- Directive 2008/6/EC of the European Parliament and of the Council of 20 February 2008 amending Directive 97/67/EC with regard to the full accomplishment of the internal market of Community postal services (known as the Third Postal Directive)[8];
- Regulation (EU) 2018/644 of the European Parliament and of the Council of 18 April 2018 on cross-border parcel delivery services[9].

2.1.3. International regulations

The legal acts of the Universal Postal Union[10] also have a significant impact on the postal services market. The Universal Postal Convention is the basic document[11] establishing common rules applicable to international postal service.

The tasks within the scope of postal activities, assigned to postal management authorities or postal administrations under international postal regulations, are performed by the designated operator. This is important in particular for the obligation to provide universal postal services because the provisions of the Universal Postal Convention in Article 3(1) and (2) as well as in Article 12 identify a broader scope of basic (universal) services than defined in Article 45(1) of the Postal Law Act.

2.2. Stakeholders of the postal services market

2.2.1. Regulatory authority

The President of the Office of Electronic Communications is the central-level authority of government administration. The scope of its competence is defined by the provisions of the Telecommunications and the Postal Law Acts. The issues that fall within the competence of the President of the Office of Electronic Communications include regulation, control, mediation and inspiration in the field of postal and telecommunications markets.

The President of UKE cooperates with many organisations responsible for the postal market at national, European and international levels. The most important international cooperation fora include the European Commission (EC), European Regulators Group for Postal Services (ERGP), European Committee for Postal Regulation (CERP) and Universal Postal Union (UPU).

[6] OJ L 15 of 21.01.1998, p. 14, as amended
[7] OJ L 176 of 05.07.2002, p. 21
[8] OJ L 52, 27.02.2008, p. 3
[9] OJ L 112, 02.05.2018, pp. 19–28
[10] Universal Postal Union, or the UPU
[11] Journal of Laws of 2015, item 1522

2.2.2.
Postal operators

In 2019, the register of postal operators included 283 entities (as at 31 December 2019). Out of the registered postal operators, the reports were submitted by Poczta Polska and 142 other postal operators.

The operator designated to provide universal postal services

Pursuant to the decision[12] of the President of UKE, Poczta Polska is the operator designated to provide universal services in 2016–2025.

The designated operator is obliged to provide universal services in a uniform manner in the area of the whole country under comparable circumstances.

The scope of postal activities carried out by the designated operator

In 2019, the objects of the postal operator's activities included in particular:

- universal postal services in domestic and cross-border traffic, unrecorded letter items, recorded letter items (including registered letter items and insured items), items for the blind, postal parcels up to 20 kg (including insured ones) and M-bags;
- services falling within the scope of universal services in domestic and cross-border traffic: letter items (including unrecorded, registered and insured ones) from bulk senders, postal parcels,the EMS service and others;
- courier items in domestic traffic, i.a. Pocztex, Consignment;
- courier items in cross-border traffic, such as Ukraine+ Parcel;
- other postal services in domestic traffic, including marketing mail, direct mail, non-addressed printed forms, postal orders, postal telegrams, items above 10 kg and others;
- other postal services in cross-border traffic Direct Entry and IDM mail, foreign postal orders, Business Parcel and others.

Alternative postal operators

Pursuant to the Postal Law, postal activities constitute regulated activities within the meaning of the Act of 6 March 2018, Business Law[13], and requires an entry in the Register of Postal Operators (Polish, Rejestr Operatorów Pocztowych, or ROP).

In 2019, the President of UKE received:

- 22 applications for entry in the ROP, 1 of which had been received in 2019 but the entry was made in 2020;
- 21 applications for removal from the ROP;
- 3 applications for suspension of postal activities;
- 17 applications for data change within the scope of the application for entry in the ROP.

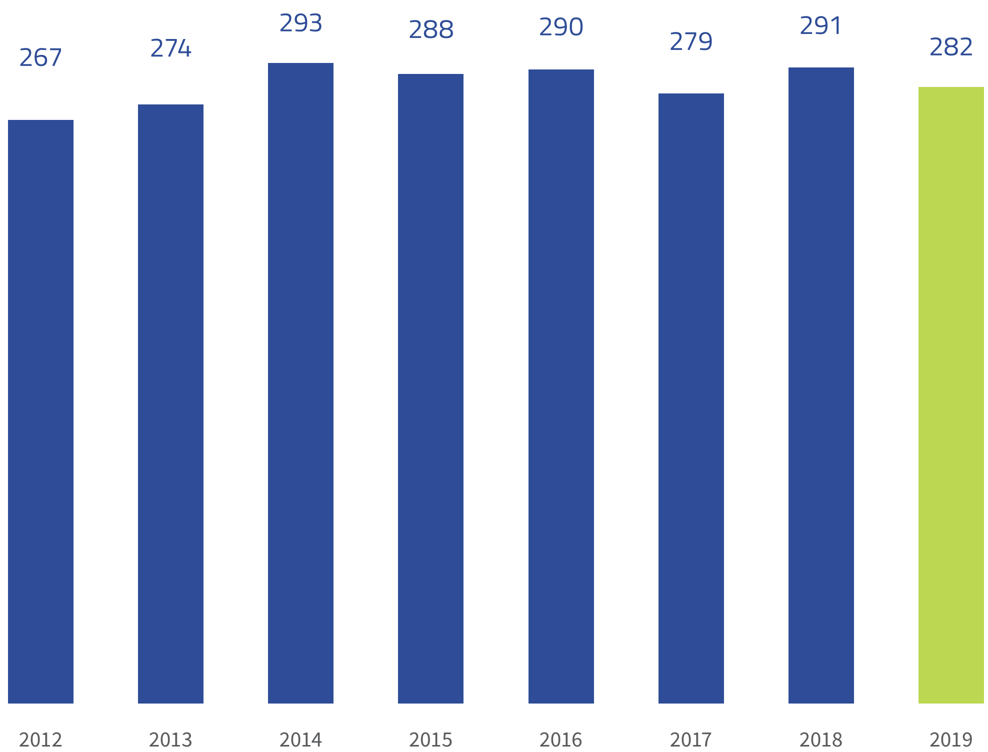
9 entities were removed from the ROP ex officio due to permanent cessation of their postal activities (these entities were previously deleted from the Central Register and Information on Economic Activity (CEIDG) or the National Court Register (KRS). In total, as at 31 December 2019, there were 283 entities in the ROP, including Poczta Polska and 282 operators that did not provide universal services.

[12] Decision of 30 June 2015
[13] TConsolidated text, Journal of Laws of 2019, item 1292, as amended

In 2012–2014, there was an increase in the number of alternative operators. In later years, the number of registered entities has been at a similar level.

Chart 1

Number of registered alternative postal operators in 2012–2019 (as at 31 December)



Source: UKE based on the ROP

Not all of the registered operators undertake postal activities. The largest number of operating entities was in the Masovia region (63). In other regions, the number of operating entities did not exceed 13.

Table 1

Number of registered and active alternative postal operators in the regions in 2019

Region	Number of operators registered*	Number of operators active	Degree of use of entries
Lower Silesia	22	9	40.9%
Kuyavia-Pomerania	7	2	28.6%
Lublin	6	1	16.7%
Lubusz	9	5	55.6%
Łódź	15	5	33.3%
Lesser Poland	21	11	52.4%
Masovia	126	63	50.0%
Opole	4	3	75.0%
Subcarpathia	22	7	31.8%
Podlaskie	7	2	28.6%
Pomerania	20	7	35.0%
Silesia	27	13	48.2%
Świętokrzyskie	5	2	40.0%
Varmia and Masuria	1	1	100.0%
Greater Poland	16	7	43.8%
West Pomerania	5	4	80.0%
TOTAL	**313**	**142**	**45.4%**

Source: UKE

* The number of registered operators also included 30 operators that were removed from the ROP in 2019.

Alternative postal operators conduct business activities in the postal sector in various organisational and legal forms with a significant share of activities undertaken by natural persons. In 2019, the organisational and legal forms of 142 operating alternative postal operators were as follows:

- business activities of a sole-trader: 59 operators;
- limited liability company: 59 operators;
- joint stock company: 6 operators;
- other (civil partnership, general partnership, limited partnership, cooperative and foundation): 18 operators.

In contrast to Poczta Polska which has the obligation to offer its services in domestic and cross-border traffic, alternative postal operators can provide their services domestically, in cross-border traffic or both domestically and in cross-border traffic or only locally (in a region, district, one locality or even part of it).

Table 2

Areas of alternative postal operators' activities in 2017–2019

	Number of alternative postal operators		
Area of activities	**2017**	**2018**	**2019**
Domestic	33	37	31
Domestic and cross-border	39	44	44
Cross-border only	2	8	8
Locally, including:	68	61	59
in the region	30	21	22
in the city, district or other area	38	40	37

Source: UKE

The scope of postal activities conducted by alternative operators

In 2019, alternative postal operators were active in three segments of the postal services market, including in the area of courier items, services falling within the scope of universal service and other postal services.

The following table presents the number of alternative postal operators in the segments of the postal market.

Table 3

Segments of alternative operators' activities in 2017–2019

Segments of the postal services market (2019)			Number of alternative postal operators		
Courier items	Services falling within the scope of universal services	Other postal services	2017	2018	2019
■			80	84	75
	■		37	37	41
		■	12	13	10
■	■		5	6	6
	■	■	5	3	5
■		■	3	4	4
■	■	■	6	3	1
82	**53**	**20**	**148**	**150**	**142**

Source: UKE

The analysis of alternative postal operators in terms of their performance indicates that 126 of them provided services only in one segment in 2019 (75 postal operators reported that postal activities were carried out only in the segment of courier items and 41 in the area of services falling within the scope of universal services). However, 1 alternative operator only was active in all three segments of the postal market.

3. Analysis of the postal services market in Poland in 2019

3.1. Value of the Polish postal services market in 2019

At the end of 2019, the total value of the Polish postal services market was PLN 10,239.6 million. This means that in relation to the preceding year, the total revenue from postal services of the operators active on the Polish market increased by PLN 792.8 million, which translates into an 8.4% annual growth rate. 2019 was already the third year in a row in which the growth rate of the postal market value was at least twice as high as the GDP growth rate of the entire Polish economy.

Over the course of 2019, operators recorded an increase in revenue in all major product categories. This record-breaking increase in the market value was mainly due to the increase in revenues from courier and letter items. The most important growth factor was the dynamic increase in revenues from courier services driven by invariably growing volumes of items containing goods purchased by consumers in e-commerce transactions.

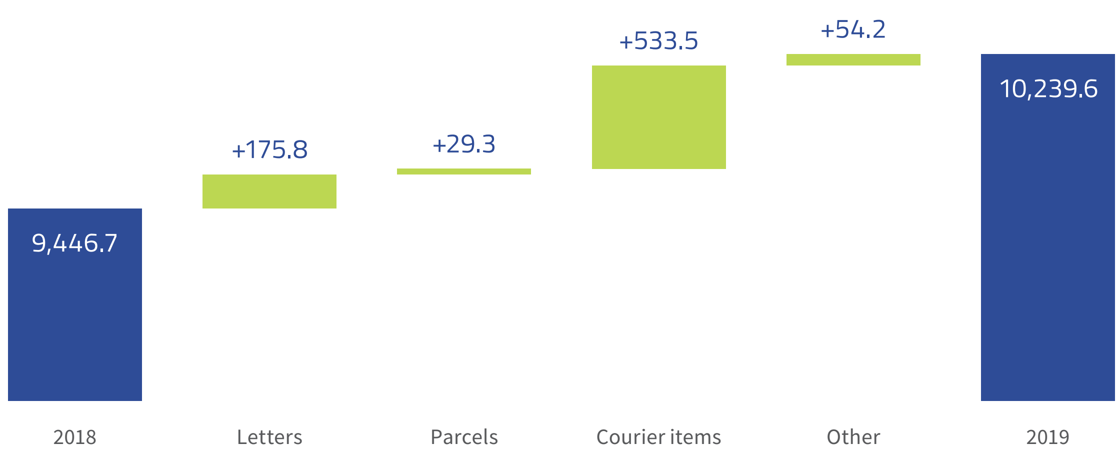
Another important factor in the growth of the postal market value in 2019 was the increase in revenues from letter services, despite the decrease observed in the volume of these items. The increase in revenue was influenced by the modification of the price list of universal services introduced in April 2019, which resulted in an increase in fees for certain services.

The chart below presents the impact of changes in revenues from individual services on the change in the total value of the postal market between 2018 and 2019.

8.4% annual growth rate

Chart 2

Key indicators of changes in the postal service market value in 2019 (PLN million)



Source: UKE

The table below shows the value, share and dynamics of revenues generated by operators in 2017–2019, broken down by main types of postal services.

Table 4

Revenues from postal services in 2017–2019

	Revenues (PLN million)						Change %	
	2017	%	2018	%	2019	%	2018/17	2019/18
Letter items	3,334.9	39.6%	3,600.3	38.1%	3,776.1	36.9%	8.0%	4.9%
Postal parcels	441.8	5.2%	442.8	4.7%	472.1	4.6%	0.2%	6.6%
Courier items	3,978.0	47.2%	4,644.9	49.2%	5,178.4	50.6%	16.8%	11.5%
Other services	669.6	7.9%	758.8	8.0%	813.0	7.9%	13.3%	7.1%
TOTAL	**8,424.3**	**100.0%**	**9,446.7**	**100.0%**	**10,239.6**	**100.0%**	**12.1%**	**8.4%**

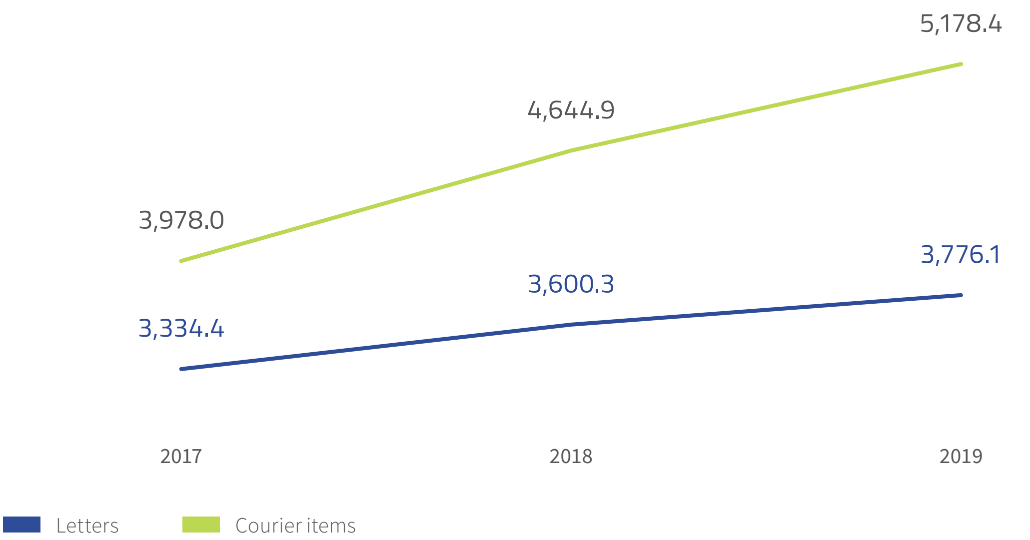
Source: UKE

In 2019, the courier segment strengthened its primacy as the segment that most strongly contributed to the overall value of the Polish postal market. This situation is consistent with general market trends. Courier services, despite their higher prices, are preferred for e-commerce deliveries thanks to a more convenient form of sending and delivery, the possibility of tracking the delivery route and usually shorter delivery times than in the case of traditional postal services.

Analysing the mutual relation of revenue trends from the two most important service groups in the market, we can observe a situation in which the trends have been almost parallel since 2017 as their growth dynamics is positive, while the increase in revenues from letter services was brought about largely by the increase in prices for universal services in 2017 and 2019.

Chart 3

Trends in revenues from letter and courier items in 2017–2019



Source: UKE

The vast majority of the value of the Polish postal market results from revenues generated by the operators in the domestic market; however, for several years the share of cross-border traffic had consistently stayed at approximately 15–20%.

The table below shows the value, shares and dynamics of revenues generated by postal operators, broken down by domestic and cross-border traffic in 2017–2019.

Table 5

Total revenues from postal services by domestic and cross-border traffic in 2017–2019

	Revenues (PLN million)						Change %	
	2017	%	2018	%	2019	%	2018/17	2019/18
Domestic	6,710.9	79.7%	7,599.5	80.4%	8,534.1	83.7%	13.2%	12.3%
Cross-border	1,713.5	20.3%	1,847.2	19.6%	1,705.5	16.3%	7.8%	-7.7%
TOTAL	**8,424.3**	**100.0%**	**9,446.7**	**100.0%**	**10,239.6**	**100.0%**	**12.1%**	**8.4%**

Source: UKE

The share of courier items further increased its dominant influence in relative terms, thanks to its strongest growth dynamics in 2019, even despite the increase in revenues from letter services translating into the increase in revenues from universal services.

The table below presents the value, share and dynamics of revenues generated by postal operators, broken down by individual segments of the postal market in 2017–2019.

Table 6

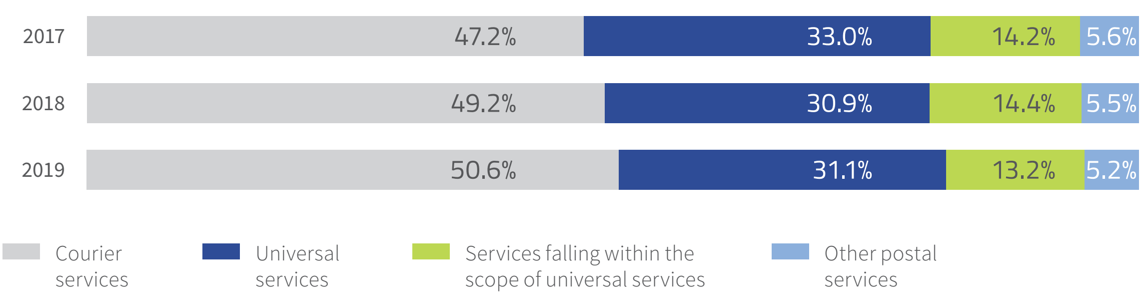
Revenues from postal services, by postal market segments in 2017–2019

	Revenues (PLN million)						Change %	
	2017	%	2018	%	2019	%	2018/17	2019/18
Courier items	3,978.0	47.2%	4,644.9	49.2%	5,178.4	50.6%	16.8%	11.5%
Universal services	2,778.7	33.0%	2,920.4	30.9%	3,181.5	31.1%	5.1%	8.9%
Services falling within the scope of universal services	1,195.9	14.2%	1,361.6	14.4%	1,347.0	13.2%	13.9%	-1.1%
Other postal services	471.8	5.6%	519.8	5.5%	532.6	5.2%	10.2%	2.5%
TOTAL	**8,424.3**	**100.0%**	**9,446.7**	**100.0%**	**10,239.6**	**100.0%**	**12.1%**	**8.4%**

Source: UKE

Chart 4

Value of the postal services market, by postal market segment in 2017–2019 in relative terms



Source: UKE

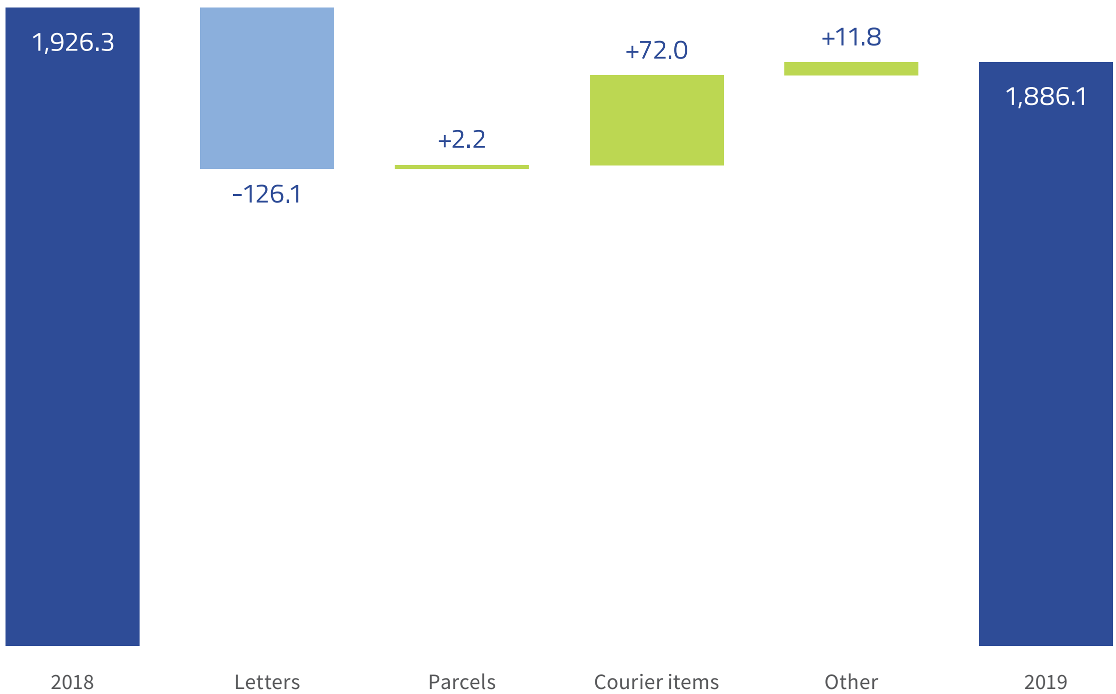
3.2. Volumes of postal services in 2019

In 2019, postal operators provided a total of 1,886.1 million services, which means a decrease by 40.2 million services or 2.1% compared to 2018. That year, the decrease in the volume of letters was not cushioned by increases in the volumes of other service categories, which translated into a downward trend in the volume of postal services in 2019.

The chart below shows the impact of changes in the volume of postal services on the change of the total volume of services between 2018 and 2019.

Chart 5

Key indicators of changes in the postal service market volume in 2019 (millions)



Source: UKE

The table below shows the value, share and dynamics of volumes of services generated by postal operators in 2017–2019.

The charts below show the changes in the volumes of the basic types of items: letter items, postal parcels and courier items.

Table 7

Volumes of postal services in 2017–2019

	Volume (million items)						Change %	
	2017	**%**	**2018**	**%**	**2019**	**%**	**2018/17**	**2019/18**
Letter items	1,353.0	72.4%	1,372.2	71.2%	1,246.1	66.2%	1.4%	-9.2%
Postal parcels	26.4	1.4%	23.0	1.2%	25.2	1.3%	-12.7%	9.4%
Courier items	308.1	16.5%	368.8	19.2%	440.8	23.3%	19.7%	19.5%
Other services	181.0	9.7%	162.2	8.4%	174.0	9.2%	-10.4%	7.3%
TOTAL	**1,868.5**	**100.0%**	**1,926.3**	**100.0%**	**1,886.1**	**100.0%**	**3.1%**	**-2.1%**

Source: UKE

Chart 6

Changes in the total volume of letter items in 2017–2019 (million items)

Source: UKE

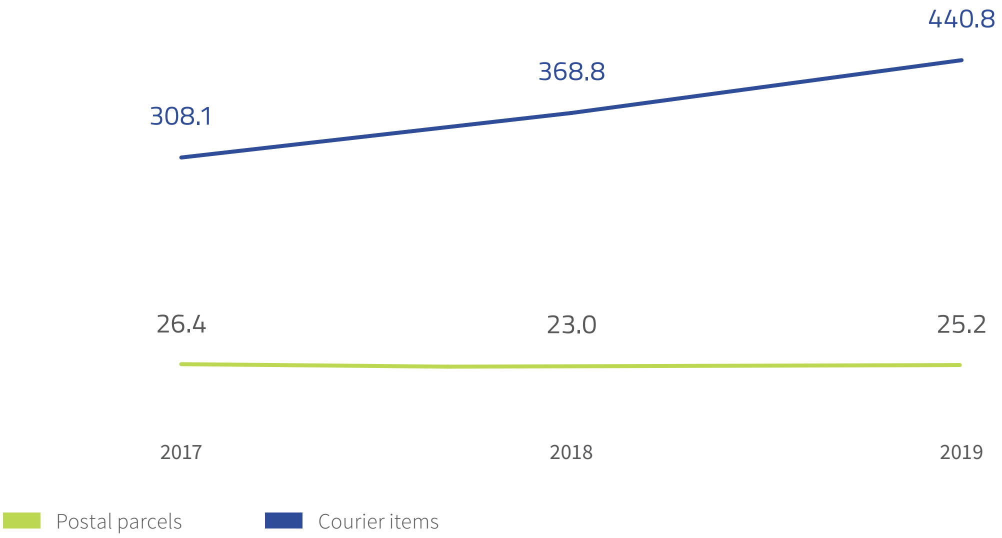
Although, as in previous years, the downward trend in the volume of letter services was weakened by factors such as the lack of a breakthrough in the development of e-administration or the relatively low level of digital competence among adult Poles, in 2019, there was a clear decline in the volume of this type of items.

The decrease in the volume of this service in 2019 may have been influenced by factors such as the weakening of the economic growth rate or a drop in demand for this service in response to the increase in prices for selected letter services.

In 2019, the volume of courier services increased year-on-year by 19.5%. This growth continued the very strong trend from previous years.

Chart 7

Changes in the total volume of courier items and postal parcels in 2017–2019 (million items)



Source: UKE

In 2019, for the next year in a row, the level of the volume of traditional postal parcels continued to stabilise, with its slight increase compared to the previous year.

In contrast to the previous year, there was a slight increase in the number of other postal services, mainly due to an increase in the number of delivered advertising items.

What is known as the postage ratio is a relative measure of the volume of postal services per one resident of the country. In 2019, this ratio was 49.1 postal services per one resident per year.

Table 8

Number of postal services per 1 resident of Poland in 2017–2019

	Years		
	2017	**2018**	**2019**
Volume of postal services (million items)	1,868.5	1,926.3	1,886.1
Number of postal services per 1 resident	48.6	50.1	49.1

Source: UKE (population at the end of each year according to the figures of the Central Statistical Office)

3.3.
Courier items

For the last few years, the courier segment has been gradually increasing its value at the rate of even several hundred million zloty annually. It was no different in 2019, when that market segment increased its revenues further by PLN 533.5 million. Courier items, constituting 23.4% of the total volume of postal services in the market in 2019, accounted for as much as 50.6% of its value.

The dynamic growth of the courier service sector is a consequence of the increasing volume of e-commerce shipments driven by the mass scale of e-commerce transactions.

The number of Polish online consumers has been growing systematically for years. Nevertheless, according to the report, "e-Commerce in Poland 2018. Gemius for e-Commerce Poland", in 2019 62% of Polish Internet users had already shopped online; this result is still lower than that of European leaders in this area.

In 2019, the value of the e-commerce market in Poland was estimated by analysts to be even about PLN 55 billion. It is commonly believed, however, that the potential for further growth of the Polish e-commerce market is much greater. Especially in view of the low share of Polish consumers participating, for example, in cross-border e-commerce, and the still lower level of Polish consumers' expenditure on e-commerce purchases in relation to highly developed European countries, even considering the differences in the general level of affluence.

The e-commerce channel is also particularly favoured by entrepreneurs, including mainly newcomers, entering the retail market and appreciating the effectiveness of this sales channel. Organising sales in the network is much cheaper than investing and managing a traditional network of points of sale. In addition, Polish entrepreneurs are increasingly interested in cross-border e-commerce as a pathway to reach the global consumer and a tool for increasing revenues and building an international brand.

The key issue for the competitiveness and success of e-commerce companies is the logistics that guarantees the proper delivery of orders and a friendly return service. The cost, time, form and reliability— for both delivery and return—determine the level of customer satisfaction and trust, which directly translates into willingness to make further purchases.

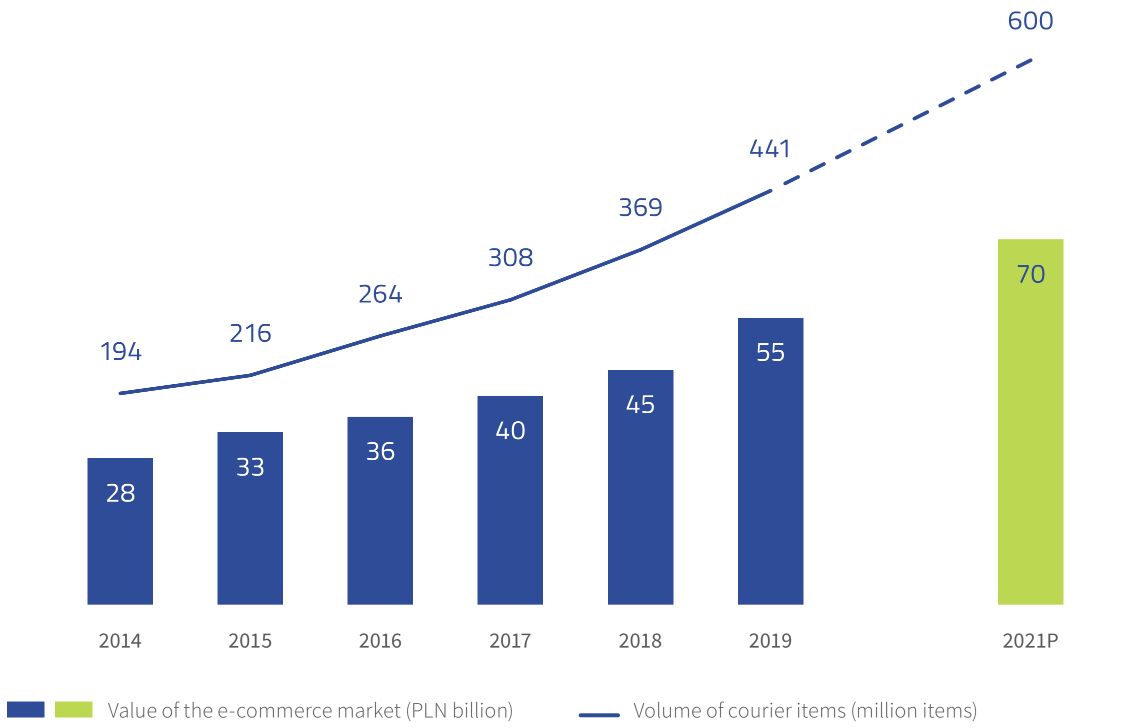
The chart below shows the relationship between the total volume of courier items against an increase in the estimated value of the e-commerce market in Poland. As can be seen, this relationship is almost unambiguously linear, which shows the growth potential of this segment.

If the forecast of growth in the value of the Polish e-commerce market, which for 2021 is estimated by some analysts at as much as PLN 70 billion, is confirmed, the volume of courier items in the next few years may increase to about 600 million items.

Courier items, constituting 23.4% of the total volume of postal services in the market in 2019, accounted for as much as **50.6%** of its value.

Chart 8

Volume of courier items and value of the e-commerce market in Poland



Source: UKE

In addition to the factors related to the increase in the number of Polish e-commerce consumer transactions, in both domestic and cross-border traffic, the courier segment in Poland also has growth prospects owing to the excellent geographical location of Poland, still relatively lower investment and labour costs and plans for further expansion of transport networks.

In 2019, the courier service segment had 83 active postal operators, including Poczta Polska. In terms of the number of active operators, this is the largest segment of the postal services market, and consequently the area where competition has developed most.

Although in recent years, courier companies have benefited from the dynamically growing demand for their services, the decline in unemployment and the related pressure to increase salaries has brought about a clear increase in the costs of courier activity in Poland. Even with a large scale of operations and very high operational efficiency, it is difficult for operators to achieve high profitability.

The constant competitive struggle of the operators for customers, volumes and revenues caused price pressure, which in recent years has been reflected in the prevalence of the growth rate of the volume of shipments over the growth rate of revenues, and which has translated into a consistent decrease in average revenue per courier item.

The table below shows the average revenue per courier item in 2017–2019.

The analysis of the data shows that in 2019, the ten (10) largest, in terms of volume and revenue, operators providing services in the courier segment had 97.6% of the total volume and 94.6% of the total revenue in this market segment, respectively. In 2019, the threshold to qualify for the group of 10 largest courier operators was the revenue of approximately PLN 100 million from this service.

Table 9

Average revenue per courier item in 2017–2019 (PLN net for 1 item)

	Years		
	2017	2018	2019
Average revenue per 1 courier item	12.91	12.59	11.75

Source: UKE

Table 10

Major postal operators in the segment of courier items in 2019

Volume				Revenues			
No.	Name of operator	Domestic traffic	Cross-border traffic	No.	Name of operator	Domestic traffic	Cross-border traffic
1	DPD Polska sp. z o.o.			1	DPD Polska sp. z o.o.		
2	InPost Paczkomaty sp. z o.o.			2	InPost Paczkomaty sp. z o.o.		
3	Poczta Polska S.A.			3	GLS Poland sp. z o.o.		
4	GLS Poland sp. z o.o.			4	UPS Polska sp. z o.o.		
5	InPost sp. z o.o.			5	Poczta Polska S.A.		
6	UPS Polska sp. z o.o.			6	InPost sp. z o.o.		
7	FedEx Express Polska sp. z o.o.			7	TNT Express Worldwide (Poland) sp. z o.o.		
8	DHL Parcel PL sp. z o.o.			8	FedEx Express Poland International sp. z o.o.		
9	Geis Parcel PL sp. z o.o			9	DHL Express (Poland) sp. z o.o.		
10	TNT Express Worldwide (Poland) sp. z o.o.			10	DHL Parcel PL sp. z o.o.		

Source: UKE

Volumes and revenues in 2019

In 2019, postal operators delivered 440.8 million courier items in domestic and cross-border traffic, which translated into PLN 5,178.4 million in revenue. Compared to 2018, the volume increased by 19.5%, while revenue by 11.5%.

The courier segment is a segment with the greatest impact of the share of cross-border traffic revenues on the total value of the segment. In 2019, the share was 18.6% of total revenues, although only 5.8% of the volume of courier items was generated in cross-border traffic.

Table 11

Courier items in domestic and cross-border traffic in 2017–2019 (by volume)

	Volume (million items)						Change %	
	2017	**%**	**2018**	**%**	**2019**	**%**	**2018/17**	**2019/18**
Domestic	287.9	93.4%	345.3	93.6%	415.5	94.3%	19.9%	20.3%
Cross-border, of which:	20.3	6.6%	23.6	6.4%	25.3	5.8%	16.3%	7.6%
outgoing	12.0	3.9%	15.2	4.1%	16.1	3.7%	26.2%	6.4%
incoming	8.3	2.7%	8.4	2.3%	9.2	2.1%	1.7%	9.6%
TOTAL	**308.1**	**100.0%**	**368.8**	**100.0%**	**440.8**	**100.0%**	**19.7%**	**19.5%**

Source: UKE

Table 12

Courier items in domestic and cross-border traffic in 2017–2019 (by revenue)

	Revenues (PLN million)						Change %	
	2017	**%**	**2018**	**%**	**2019**	**%**	**2018/17**	**2019/18**
Domestic	2,994.3	75.3%	3,590.5	77.3%	4,216.9	81.4%	19.9%	17.5%
Cross-border, of which:	983.8	24.7%	1,054.4	22.7%	961.5	18.6%	7.2%	-8.8%
outgoing	666.6	16.6%	775.1	16.7%	803.3	15.5%	16.3%	3.6%
incoming	317.1	8.0%	279.2	6.0%	158.2	3.1%	-11.9%	-43.4%
TOTAL	**3,978.0**	**100.0%**	**4,644.9**	**100.0%**	**5,178.4**	**100.0%**	**16.7%**	**11.5%**

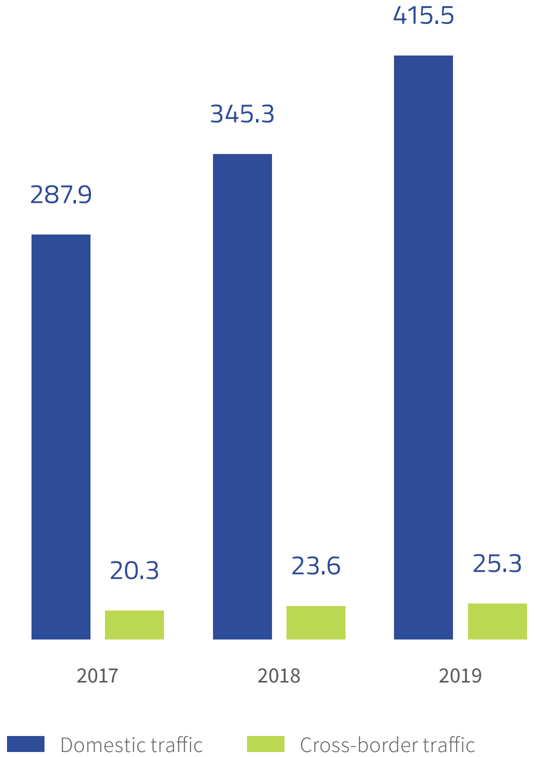
Source: UKE

In 2017–2019, the market of courier items grew steadily in domestic traffic, both in terms of volume and revenue. Cross-border traffic showed also an increase in the number of items, but a slight decrease in revenue.

The increase in both volume and revenue with respect to courier items results, as explained earlier, from the rapid development of e-commerce in recent years.

Chart 9

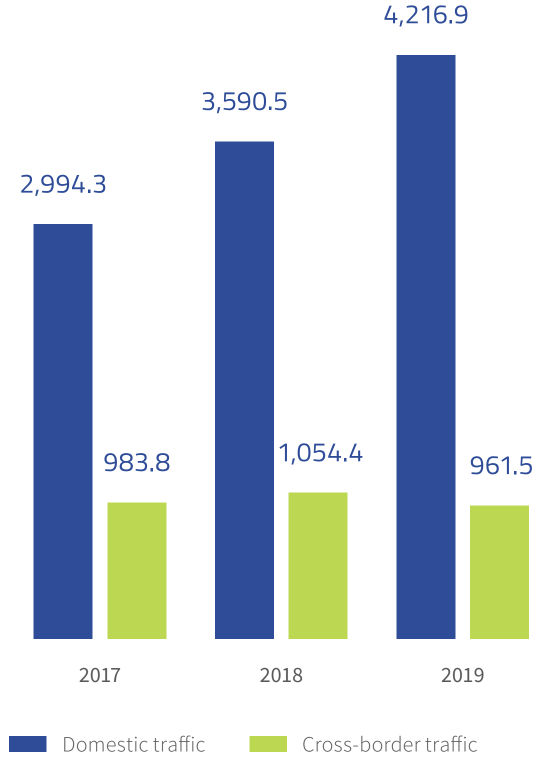
Courier items in domestic and cross-border traffic in 2017–2019, by volume (million items)



Source: UKE

Chart 10

Courier items in domestic and cross-border traffic in 2017–2019, by revenue (PLN million)



Source: UKE

Complaints about courier items

In 2019, users of courier services filed complaints about the total of 1,016,186 services, which, in relation to the total volume of services provided, means that for every 10,000 services more than 23 were subject to complaint (more than 36 in 2018). Delay of delivery exceeding the guaranteed delivery time limit was the most common reason for complaints. The percentage of complaints accepted by operators was 50.3% (60.5% in 2018).

Table 13

Complaints filed and manner of dealing, courier items in 2019

Reason for filing	Manner of dealing:	Accepted	Rejected	Pending	Total	Share %
	Loss of item	38,719	47,036	4,089	89,844	8.8%
	Loss of content	5,237	7,937	880	14,054	1.4%
	Damage to item	55,810	72,639	7,105	135,554	13.3%
	Delay of delivery exceeding the guaranteed time limit	368,607	254,753	25,795	649,155	63.9%
	Incorrect filling of the ZPO[14]	105	313	0	418	0.04%
	Return of item failing to comply with the time limit	547	2,065	0	2,612	0.3%
	Return of item failing to state correct reason	3,004	8,731	4	11,739	1.2%
	Other	38,687	73,238	885	112,810	11.1%
	TOTAL	**510,716**	**466,712**	**38,758**	**1,016,186**	**100.0%**

Source: UKE

3.4. Universal services

In 2019, universal services[15] provided in domestic and cross-border traffic included:

1. clearance, sorting, transport and delivery of:

a) letter items, including registered and insured items up to 2,000 g and following dimensions measured with a tolerance of 2 mm:

- maximum 900 mm, as the sum of the length, width and height, the largest dimension not exceeding 600 mm, and in the case of rolled letter items 1,040 mm, as the sum of their length and the double diameter, with the largest dimension not exceeding 900 mm;
- minimum 170 mm in the case of rolled letters items, as the sum of their length and the double diameter, with the largest dimension being not less than 100 mm;
- minimum for an address side 90x140 mm;

b) items for the blind;

c) postal parcels, including insured ones, up to 10,000 g and with dimensions of which the largest does not exceed 1,500 mm, and the sum of the length and the largest perimeter measured in a direction other than the length should not exceed 3,000 mm;

[14] A document confirming receipt of item
[15] Article 45 of the Postal Law

2. sorting, transport and delivery of postal parcels dispatched from abroad weighing up to 20,000 g and with dimensions referred to in 1(c).

Under the provisions of the Universal Postal Convention, universal services also include postal parcels up to 20 kg sent abroad and M-bags.

In the current legal environment, the universal service catalogue does not include postal money orders, direct mail and services listed in Article 45(1) of the Act provided for bulk senders.

In accordance with Article 46(2) of the Postal Law, universal services should be provided in a uniform manner, under comparable conditions, ensuring, throughout the national territory, the location of postal points of contact and mail boxes matching demand in a given area, in compliance with the routing time indicators for postal items, at affordable prices, with frequency ensuring at least one emptying of mail boxes and delivery of postal items at least on every working day and not less often than 5 days a week, excluding public holidays, in a manner allowing the sender to obtain a document confirming the receipt of a recorded item.

Universal services are provided by Poczta Polska.

Volumes in 2019

Poczta Polska provided 577.0 million universal services in 2019, which translated into PLN 3,181.5 million in revenue. 85.5% of services were provided in domestic traffic and 14.5% in cross-border traffic. In 2017-2019, there was a gradual, though small, increase in the volume of universal services. In 2019, the volume of services in both domestic and cross-border traffic increased by 0.6% and 11.5%, respectively, compared to the previous year. The share of universal services in total postal services was 30.6% of the volume and 31.1% of revenue, respectively.

Table 14

Universal services in domestic and cross-border traffic in 2017–2019 (by volume)

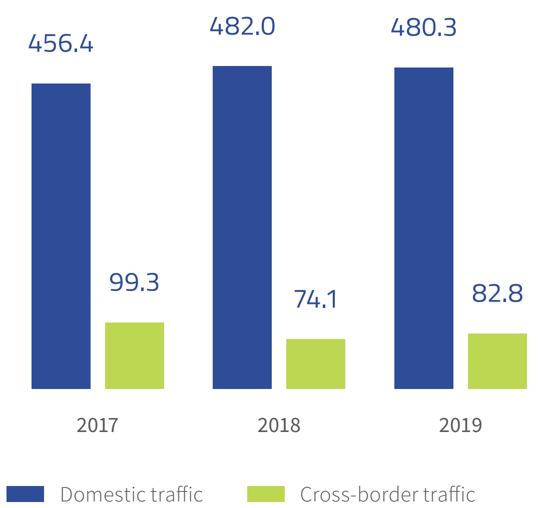
	Volume (million items)						Change %	
	2017	%	2018	%	2019	%	2018/17	2019/18
Letter items	555.7	98.4%	556.1	98.4%	563.1	97.6%	0.1%	1.3%
Postal parcels	8.9	1.6%	9.2	1.6%	13.9	2.4%	3.2%	50.6%
TOTAL	**564.7**	**100.0%**	**565.3**	**100.0%**	**577.0**	**100.0%**	**0.1%**	**2.1%**

Source: UKE

In 2019, as in preceding years, the largest part of the segment of universal services was letter items which accounted for 97.6% of the total volume and 2.4% related to the volume of postal parcels.

Chart 11

Letter items in the segment of universal services in domestic and cross-border traffic in 2017–2019, by volume (million items)

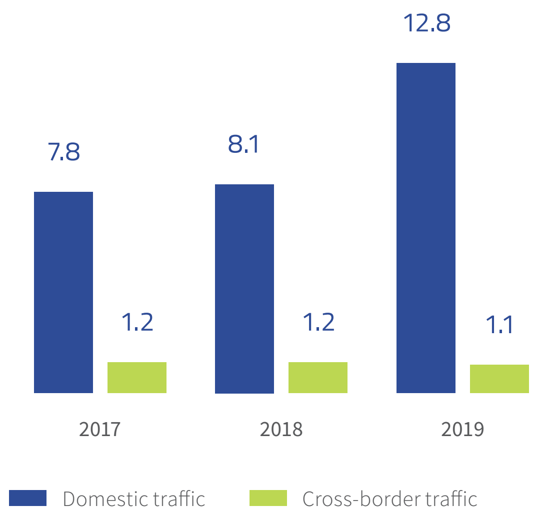


Source: UKE

The analysis of data concerning the volume of letter items in the segment of universal services in domestic traffic in 2017–2019 indicates a slowdown in the growth of the volume in this group of services. In cross-border traffic, the volume of letter items in 2019 showed a significant upward trend (11.8%).

Chart 12

Postal parcels in the segment of universal services in domestic and cross-border traffic in 2017–2019, by volume (million items)



Source: UKE

The analysis of data concerning the volume of postal parcels in the segment of universal services in domestic traffic in 2017-2019 shows a very strong upward trend (58.6%). In cross-border traffic in 2019, a slight decrease in the volume of postal parcels was observed (by 5.0%).

Complaints about universal services

In 2019, users of universal services filed complaints about a total of 189,658 services, which, compared to the total volume of services provided, means that slightly more than 3 services were subject to complaint for every 10,000 services provided (below 4 in 2018). The most common reason for complaints was the loss of an item. The percentage of complaints accepted as justified by the designated operator was 31.0% (40.6% in 2018).

Table 15

Complaints filed and manner of dealing, universal services in 2019

Reason for filing – Manner of dealing	Accepted	Rejected	Pending	Total	Share %
Loss of item	34,379	55,322	13,177	102,878	54.2%
Loss of content	229	499	89	817	0.4%
Damage to item	799	1,729	248	2,776	1.5%
Delayed item	3,595	1,198	292	5,085	2.7%
Incorrect filling of the ZPO[16]	3,660	3,570	176	7,406	3.9%
Other [17]	16,052	50,029	4,615	70,696	37.3%
TOTAL	**58,714**	**112,347**	**18,597**	**189,658**	**100.0%**

Source: UKE

3.5. Services falling within the scope of universal services

The segment of services falling within the scope of universal services[18] includes letter items and postal parcels of the weight and dimensions specified for universal services, not provided by the operator designated to offer universal services.

The services falling within the scope of universal services also comprise the provision of services to bulk senders (i.e. sending more than 100,000 items per year). That is the reason why Poczta Polska records revenues also in this market segment.

This segment is characterised by contracts for massive volumes and the significant bargaining power of ordering parties seen in negotiations of these contracts, which translates into effective pressure to lower prices. That largely explains why this segment, which generates as much as 36.6% of the total volume of the postal services market, provides only 13.2% of the market value.

In 2019, 54 postal operators were active in the segment of services falling within the scope of universal services, including Poczta Polska.

The segment of services falling within the scope of universal services is still extremely concentrated. The share of the two largest operators providing services in the segment of services falling within the scope of universal services in 2019 was 98.7% in revenue and 98.9% in the volume of services in that segment.

[16] A document confirming receipt of a recorded item
[17] Return of a recorded item failing to comply with the time limit, return of a recorded item failing to state the correct reason and other
[18] Article 3(30) of the Postal Law

Table 16

Major postal operators in the segment of services falling within the scope of universal services in domestic and cross-border traffic, by volume and revenues in 2019

Volume

No.	Name of operator	Domestic traffic letter items	Domestic traffic postal parcels	Cross-border traffic
1	Poczta Polska S.A.			
2	Speedmail sp. z o.o.			

Revenues

No.	Nazwa operatora	Domestic traffic letter items	Domestic traffic postal parcels	Cross-border traffic
1	Poczta Polska S.A.			
2	Speedmail sp. z o.o.			

Source: UKE

The table above presents a list of the major operators in the segment along with the scope of their activities.

Volumes and revenues in 2019

In 2019, postal operators delivered a total of 690.0 million services falling within the scope of universal services in domestic and cross-border traffic, which translated into PLN 1,347.0 million in revenue. Compared to 2018, a decrease in both volume and revenue was recorded by 16.4% and 1.1%, respectively.

As in the case of universal services, domestic traffic accounted for the largest volume. Cross-border traffic for services falling within the scope of universal services, is of relatively minor importance. The most important service in this segment includes letter items, whose share was 98.5% of the total volume.

Table 17

Services falling within the scope of universal services in 2017–2019 (by volume)

	Volume (million items)						Change %	
	2017	%	2018	%	2019	%	2018/17	2019/18
Letter items	790.2	97.9%	812.1	98.4%	679.4	98.5%	2.8%	-16.3%
Postal parcels	16.6	2.1%	13.0	1.6%	10.6	1.5%	-21.5%	-18.3%
TOTAL	**806.8**	**100.0%**	**825.1**	**100.0%**	**690.0**	**100.0%**	**2.3%**	**-16.4%**

Source: UKE

Table 18

Services falling within the scope of universal services in 2017–2019 (by revenue)

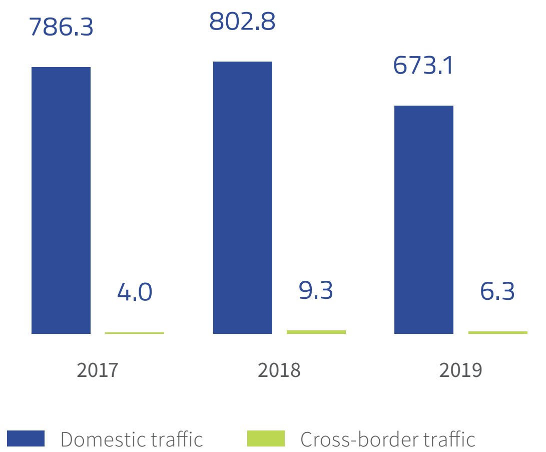
	Revenues (PLN million)						Change %	
	2017	%	2018	%	2019	%	2018/17	2019/18
Letter items	963.3	80.6%	1 129.3	82.9%	1,134.3	84.2%	17.2%	0.4%
Postal parcels	167.4	14.0%	162.8	12.0%	137.0	10.2%	-2.8%	-15.8%
Other[19]	65.1	5.4%	69.5	5.1%	75.7	5.6%	6.8%	8.9%
TOTAL	**1,195.9**	**100.0%**	**1,361.6**	**100.0%**	**1,347.0**	**100.0%**	**13.9%**	**-1.1%**

Source: UKE

[19] Confirmation of receipt of a recorded item

Chart 13

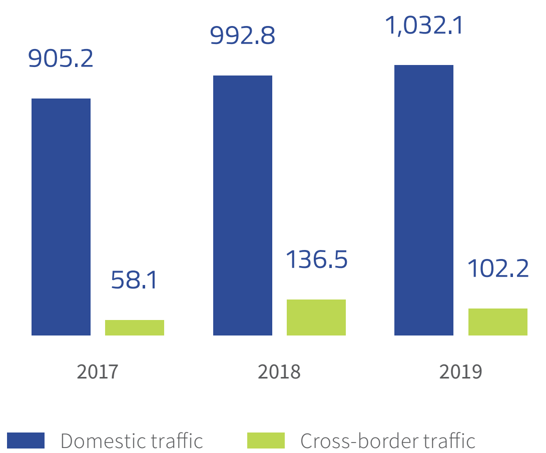
Letter items in the segment of services falling within the scope of universal services in domestic and cross-border traffic in 2017–2019, by volume (million items)



Source: UKE

Chart 14

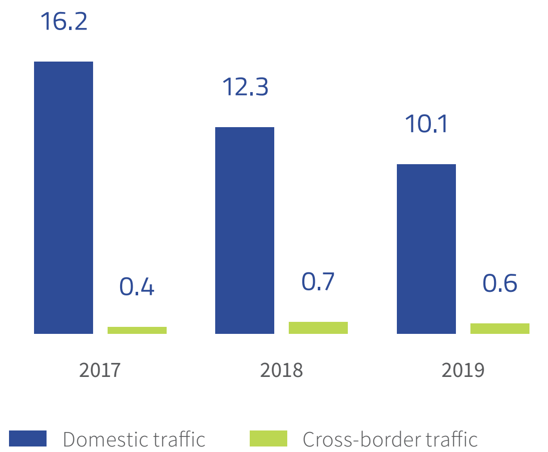
Letter items in the segment of services falling within the scope of universal services in domestic and cross-border traffic in 2017–2019, by revenue (PLN million)



Source: UKE

Chart 15

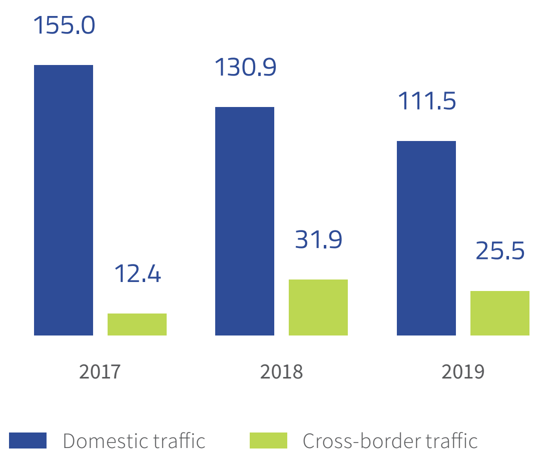
Postal parcels in the segment of services falling within the scope of universal services in domestic and cross-border traffic in 2017–2019, by volume (million items)



Source: UKE

Chart 16

Postal parcels in the segment of services falling within the scope of universal services in domestic and cross-border traffic in 2017–2019, by revenue (PLN million)



Source: UKE

In 2017–2019, in the segment of services falling within the scope of universal services, a gradual increase in revenues from letter items was noticed in domestic traffic, despite a decrease in the volume of these services. For cross-border traffic, a slight decrease in revenue in relation to the previous year was observed.

Both in the domestic and cross-border parcel market in the market segment in question decreases are recorded, both in terms of volume and revenue.

Complaints about services falling within the scope of universal services

In 2019, users of services falling within the scope of universal services filed complaints about a total of 288,353 services, which, compared to the total volume of services provided, means that slightly more than 4 services were subject to complaint for every 10,000 services provided (below 5 in 2018). The most common reason for complaints was the loss of an item. The percentage of complaints accepted by operators was 50.0% (63.8% in 2018).

Table 19

Complaints and manner of dealing, services falling within the scope of universal services in 2019

	Manner of dealing	Accepted	Rejected	Pending	Total	Share %
Reason for filing	Loss of item	27,757	58,060	2,900	88,717	30.8%
	Loss of content	154	155	29	338	0.1%
	Damage to item	3,852	1,658	180	5,690	2.0%
	Delay of delivery exceeding the guaranteed time limit	56,310	17,636	2,246	76,192	26.4%
	Incorrect filling of the ZPO[20]	27,884	32,504	376	60,764	21.1%
	Return of a recorded item failing to comply with the time limit	2,371	997	98	3,466	1.2%
	Return of a recorded item failing to state correct reason	322	382	21	725	0.3%
	Other	25,468	25,395	1,598	52,461	18.2%
	TOTAL	**144,118**	**136,787**	**7,448**	**288,353**	**100.0%**

Source: UKE

[20] Document confirming receipt of a recorded item

3.6. Other postal services

The segment of other postal services includes letters and postal parcels that do not match the definitions of items included in the universal services segment and the segment of services falling within the scope of universal services. Other postal services also include postal money orders, direct mail, non-addressed printed forms and postal items sent using electronic means of communication (known as hybrid mail), which at the stage of clearance, transport or delivery took the form of a letter item.

The revenues of this segment in 2019 accounted for 5.2% of the value of the total postal market, while the volume accounted for 9.5% of the total market volume.

Distribution of non-addressed printed forms is a specific service in this segment, which may be provided without an entry in the ROP. This service reaches huge volumes (2.1 billion items in 2019), with relatively small revenues (PLN 0.1 billion).

In order to avoid data distortion and in accordance with the guiding principles of this report, the volume of non-addressed printed forms, similarly to the previous years, was excluded from the measure of the volume in this segment, as well as from the entire volume of the postal market.

Further analysis in the segment of other postal services was carried out without taking into account non-addressed printed forms.

In 2019, 21 postal operators were active in the segment of other postal services, including Poczta Polska.

The largest operator in this market segment is Poczta Polska with 94.7% of the volume and 96.4% of total revenues.

Volumes and revenues in 2019

In 2019, the volume in the segment of other postal services was 178.3 million items, which translated into PLN 532.6 million in revenue. Compared to 2018, the volume in this market area increased by 6.7%, while revenue grew by 2.5%.

The increase in volume and revenue observed in 2019 in this segment is primarily due to an increase in both volume (11.7%) and revenue in direct mail (22.1%).

The tables below present the value, shares of main services and revenue and volume dynamics of these services in 2017–2019.

Table 20

Other postal services in 2017–2019 (by volume)

	Volume (million items)						Change %	
	2017	%	2018	%	2019	%	2018/17	2019/18
Direct mail	138.5	73.3%	116.8	69.9%	130.4	72.2%	-15.7%	11.7%
Postal orders	42.5	22.5%	45.4	27.2%	43.6	24.1%	7.0%	-4.0%
Other[21]	7.9	4.2%	4.8	2.9%	4.3	3.7%	-39.2%	-11.8%
TOTAL	**188.9**	**100.0%**	**167.0**	**100.0%**	**178.3**	**100.0%**	**-11.6%**	**6.7%**

Source: UKE

[21] Letter items, postal parcels, postal items sent by means of electronic communication

Table 21

Other postal services in 2017–2019 (by revenue)

	Revenues (PLN million)						Change %	
	2017	%	2018	%	2019	%	2018/17	2019/18
Direct mail	129.1	27.4%	126.5	23.2%	154.5	29.0%	-2.0%	22.1%
Postal orders	285.0	60.4%	332.6	64.9%	324.9	61.0%	16.7%	-2.3%
Other[22]	57.7	12.2%	60.6	11.8%	53.2	10.0%	5.1%	-12.2%
TOTAL	**471.8**	**100.0%**	**519.8**	**100.0%**	**532.6**	**100.0%**	**10.2%**	**2.5%**

Source: UKE

[22] Letter items, postal parcels, postal items sent by means of electronic communication, acknowledgements of receipt of a recorded item

In contrast to the previous year, 2019 saw an increase in both volume and revenue in direct mail.

Complaints about other postal services

In 2019, users of other postal services filed complaints about a total of 19,877 services, which, compared to the total volume of services provided, means that slightly more than 1 service was subject to complaint for every 10,000 services provided (below 1 in 2018). The most frequent reason for complaint, among other reasons, was the failure of the designated operator to deliver the designated amount of money specified in the postal order. The percentage of complaints accepted by operators was 59.6% (42.6% in 2018).

Table 22

Complaints filed and manner of dealing, other postal services in 2019

	Manner of dealing	Accepted	Rejected	Pending	Total	Share %
Reason for filing	Loss of item	1,521	719	22	2,262	11.4%
	Loss of content	54	32	5	91	0.5%
	Damage to item	424	1,355	68	1,847	9.3%
	Delay of delivery exceeding the guaranteed time limit	2,328	715	122	3,165	15.9%
	Incorrect filling of the ZPO[23]	2,350	132	0	2,482	12.5%
	Return of a recorded item failing to comply with the time limit and failing to state correct reason	380	51	0	431	2.2%
	Failure to deliver by the designated operator the amount of money specified in a postal order	409	2,882	127	3,418	17.2%
	Other	4,388	1,776	17	6,181	31.1%
	TOTAL	**11,854**	**7,662**	**361**	**19,877**	**100.0%**

Source: UKE

[23] A document confirming receipt of a recorded item

4. Resources and elements of postal infrastructure

Resources and elements of the postal infrastructure of the designated operator

Postal points of contact

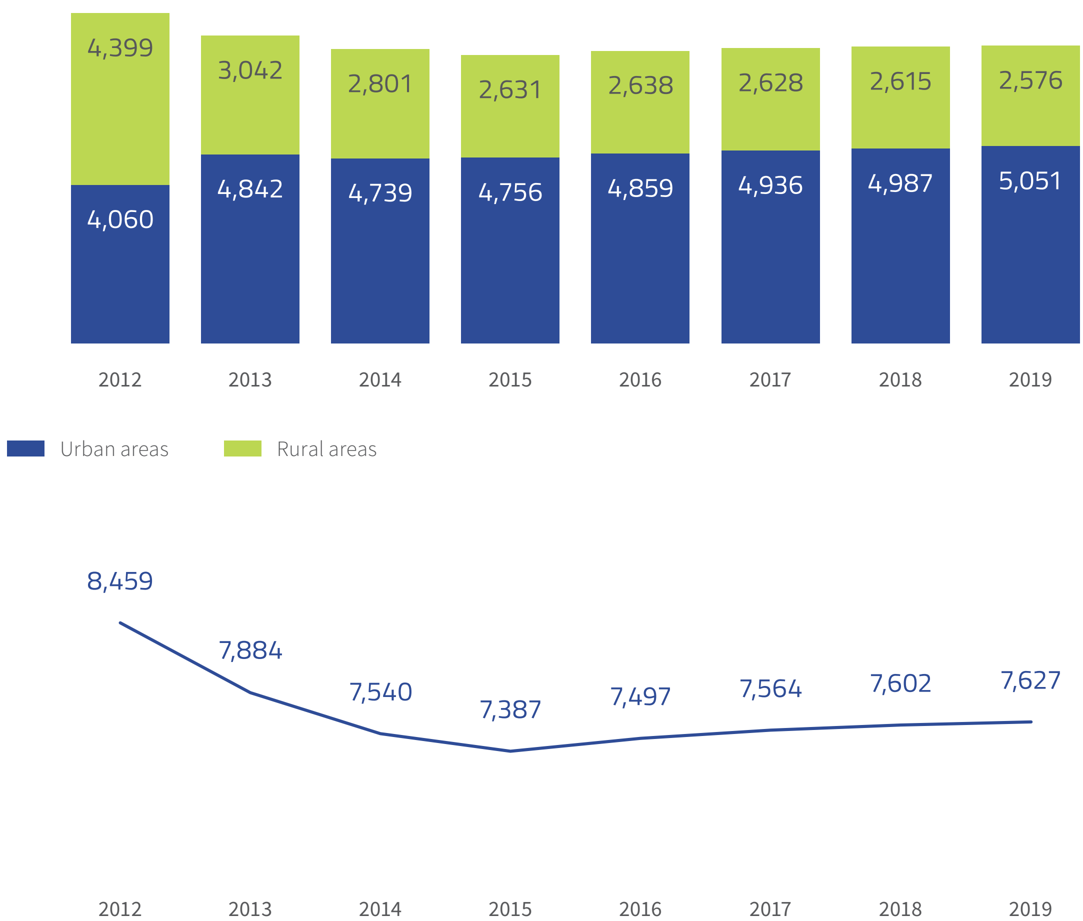
As at 31 December 2019, Poczta Polska had 7,627 postal points of contact, of which 5,051 were located in cities (this category included points of contact located in urban municipalities and urban-rural communes), and 2,576 postal points of contact in rural areas (i.e. rural municipalities). 2,892 postal points of contact were run by postal agents.

In 2019, the number of postal points of contact of the designated operator grew by 25. For a few years, an increase in the number of the points of contact of Poczta Polska has been observed.

As at 31 December 2019, Poczta Polska met the requirements in terms of location of postal points of contact and ensuring availability of the network of postal points of contact

Chart 17

Number of postal points of contact of Poczta Polska in 2012–2019



Source: UKE

Table 23

Fulfilment of requirements for availability of universal services by Poczta Polska

Requirement for availability according to the Ordinance of the Minister of Administration and Digital Affairs[24]	Degree of fulfilment as at 31 December 2019
In each municipality, there should be at least one permanent postal point of contact of the designated operator.	**Requirement fulfilled** In each of the 2,477 municipalities there was at least one permanent postal point of contact.
There is one permanent postal point of contact of the designated operator, when calculating an average value nationally, per 6,000 residents in urban municipalities and urban-rural communes.	**Requirement fulfilled** The availability rate of the network of postal points of contact, when calculating an average value nationally, for urban and urban-rural municipalities was 5,935 residents per 1 operational permanent postal point of contact.
There is one postal point of contact of the designated operator, when calculating an average value nationally, per an area of 85 km^2 in rural municipalities.	**Requirement fulfilled** The availability rate of the network of postal points of contact, when calculating an average value nationally, for rural municipalities was 83.07 km^2 per 1 operational permanent postal point of contact.
Postal points of contact of the designated operator should be open on all working days, excluding Saturdays, at least 5 days a week, and if in a given week there is a public holiday, the number can be lowered accordingly.	**Requirement fulfilled** Points of contact are open on all working days. On public holidays, customer service is provided by postal points of contact on duty.

Source: Information provided by Poczta Polska

[24] The Ordinance of the Minister of Administration and Digital Affairs on conditions for providing universal services by the designated operator (Journal of Laws of 2013, item 545, as amended)

Mail boxes and automated equipment for provision of postal services.

As of the end of 2019, Poczta Polska had 16,158 active mail boxes, of which:

- 8,021 in cities;
- 8,137 in rural areas.

Compared to 2018, the number of mail boxes decreased by nearly 1%. This is another year in which the number of mail boxes is falling.

In addition to postal points of contact, consumers were also able to send and receive postal items in a place and time suitable for them by means of automated equipment for provision of postal services and external pickup points. At the end of 2019, the designated operator had 205 automatic machines and 7,710 external pickup points (for items with the option of pickup at the point).

Other elements of postal infrastructure

At the end of 2019, Poczta Polska owned 126,301 post office boxes and 118,692 own letter boxes. In addition, the designated operator had a system of postal codes identifying the areas of delivery and a database with information on changes in addresses for the purpose of re-addressing postal items. The designated operator owning the above-mentioned elements of postal infrastructure has the obligation to provide access to those elements to postal operators providing services within the scope of universal services to the extent specified in a contract for access to the elements of postal infrastructure, whereas in the case of operators that do not provide services falling within the scope of universal services it is obliged to provide only the system of postal codes identifying the areas of delivery and the database with information on changes in addresses for the purposes of re-addressing postal items[25]. In 2019, Poczta Polska signed four contracts for access to elements of postal infrastructure.

Employment at Poczta Polska

In 2019, the level of average annual employment at Poczta Polska based on employment contracts was 78,484 in full time equivalents (FTEs). In comparison to the data from the preceding year, this is an increase by 0.5%.

Resources and elements of postal infrastructure of alternative operators

Postal points of contact

As at the end of 2019, alternative postal operators reported a total of 17,087 postal points of contact, of which 14,986 were located in cities and 2,101 in rural areas. Alternative postal operators are much more likely to concentrate their activities in cities because there is much greater demand for postal services there, and at the same time the costs of providing them are lower than in the rural areas. In the total number of postal points of contact of alternative operators, the vast majority, i.e. 15,204 points of contact, were managed by postal agents.

Table 24

Number of postal points of contact reported by alternative postal operators (as at 31 December 2019)

Number of postal points of contact	Number of operators 2019
no postal points of contact	65
1 postal point of contact	47
from 2 to 10 postal points of contact	15
from 11 to 100 postal points of contact	8
from 101 to 1,000 postal points of contact	2
over 1,000 postal points of contact	5
TOTAL	**142**

Source: UKE

The above figures show that the majority of alternative postal operators (almost 79%) do not have postal points of contact or have a single point of contact. This is usually also the registered office of a sole trader.

[25] Article 66 of the Postal Law

Elements of postal infrastructure

In the reported period, none of the alternative postal operators had their own postal mail boxes. In 2019, there were more than 7,000 automated postal machines for customer service in Poland.

Employment with alternative postal operators

The average annual level of employment in the group of alternative postal operators in 2019 was 14,449 FTEs, which means an increase by 350 FTEs, i.e. by 2.5% compared to 2018. As the following table suggests, the state of employment for individual postal operators was very diverse. There were 8 operators on the market employing over 500 employees. A relatively large group of operators are one-person operators (51).

Table 25

Number of employees employed with alternative postal operators (as at 31 December 2019)

Headcount	Number of operators 2019
one-person operators	51
from 2 to 9 people	46
from 10 to 49 people	30
from 50 to 249 people	6
from 250 to 500 people	1
over 500 people	8
TOTAL	**142**

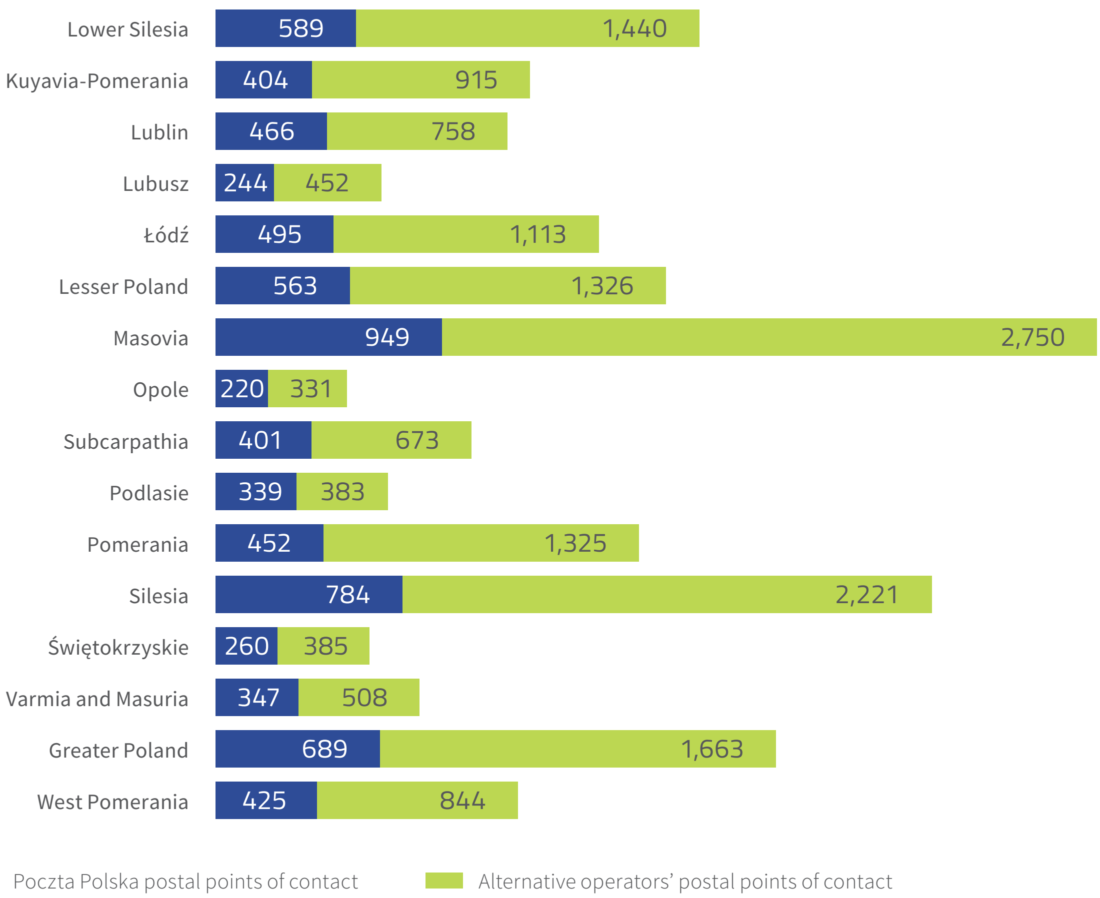
Source: UKE

Postal points of contact of postal operators in 2019

In 2019, postal operators provided services in 24,714 postal points of contact across the country. Of that, over 26.8% (6,618) were the postal operators' own points of contact. The remaining 73.2% of the points of contact were operated by postal agents. In the number of the postal operators' own postal points of contact, 71.5% were the points of contact of the designated operator. The largest number of postal points of contact is located in highly urbanised regions, such as Masovia, Silesia, Greater Poland and Lower Silesia. Considering the relative measure of the number of postal operators' points of contact in relation to the number of residents of individual regions, regions with a higher GDP per capita perform better.

Chart 18

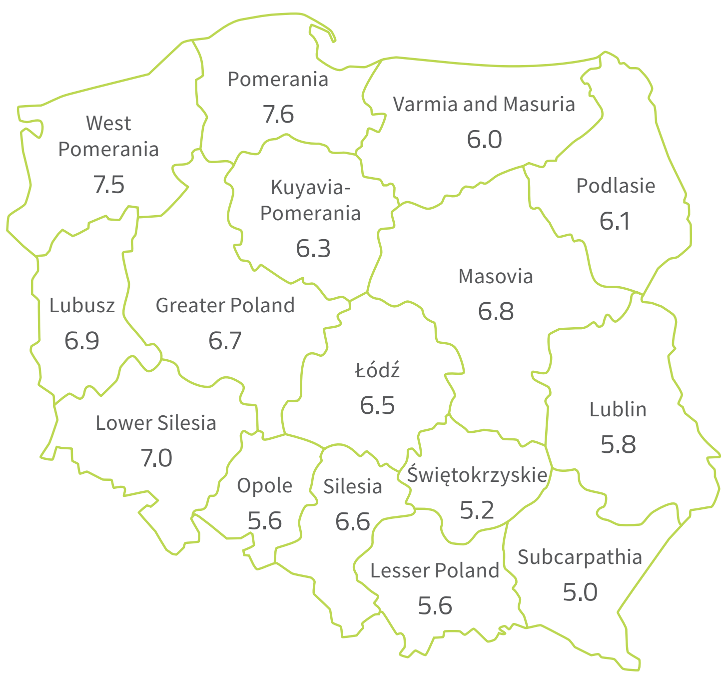
Number of postal points of contact in 2019 by region



Source: UKE

Chart 19

Distribution of postal points of contact per 10,000 residents in 2019 by region



Source: UKE (population used for the calculation according to Central Statistical Office data)

5. Conclusions

For three years now, the Polish postal market has been growing at an unprecedented pace. Since 2016 when it started to grow rapidly, the total value of the market has increased by a total of over PLN 2.5 billion, which means an increase by 33.8%.

In line with the global trend, the fastest growing segment of the postal market is the courier segment, which breaks year-to-year records in terms of both volume and revenue, following the boom of e-commerce.

In the conditions of Polish economic growth, the demand for universal services has turned out to be relatively stable in recent years, despite a gradual increase in prices for these services.

On the other hand, despite the dynamically growing demand, the decline in unemployment and the related pressure on growing salaries resulted in a significant increase in the costs of running postal activities in Poland. Even with a large scale of operations and very high operational efficiency, it is difficult for operators to achieve high profitability.

Despite the intense competitive struggle of operators, especially in the courier market, difficulties in obtaining human resources as well as increasing requirements of e-sellers and consumers, operators plan further investments, especially in the network of pickup points.

The Polish postal services market still has significant development prospects resulting from the potential for further dynamic growth in the number of e-commerce transactions, the favourable geographical location and plans to expand and modernise national transport networks.

The aggregate figures presented below illustrate the development of basic indicators in this market.

Table 26

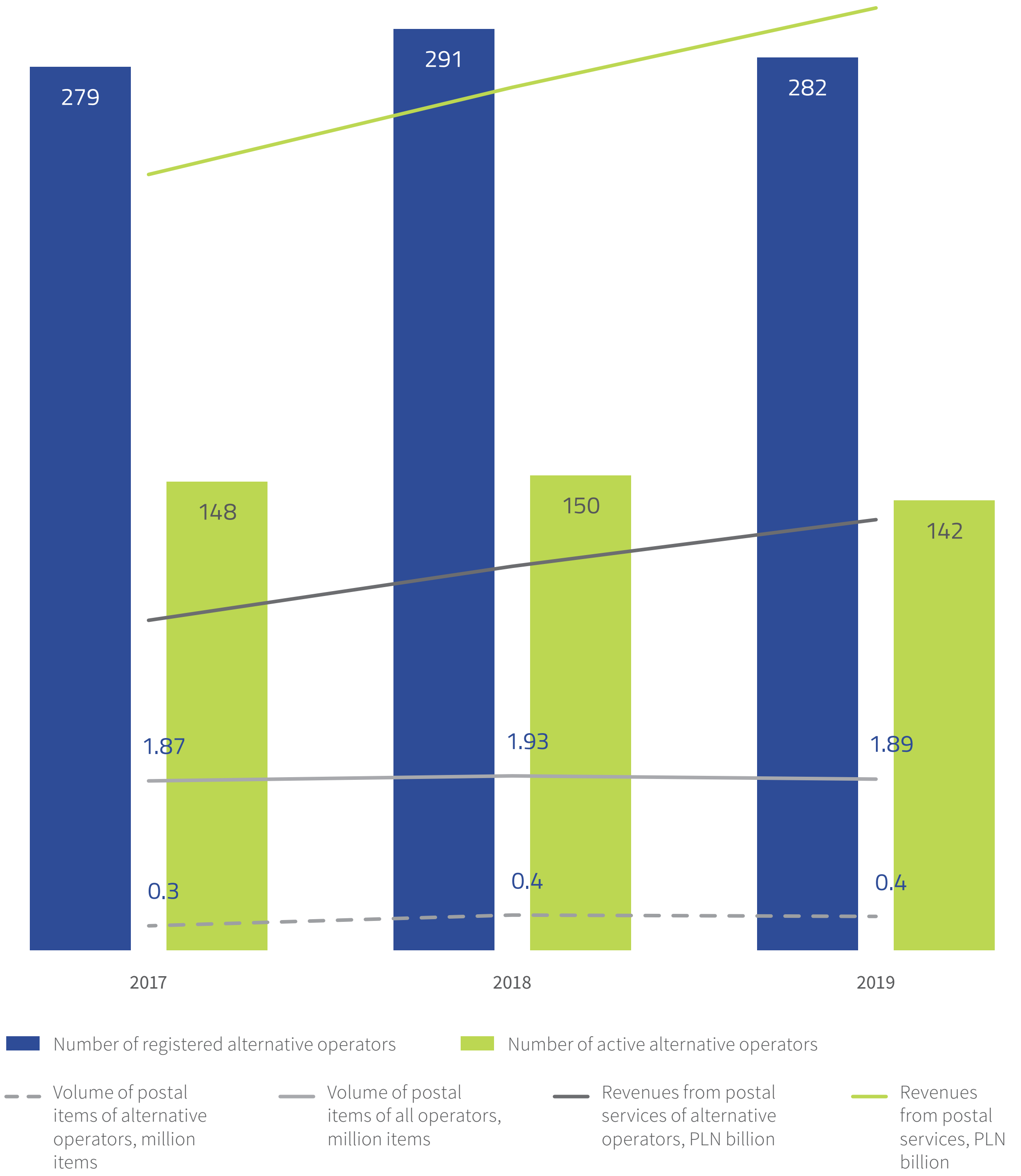
Selected values describing the postal market in Poland in 2017–2019 (excluding non-addressed printed forms)

	2017	2018	2019
Number of registered alternative operators	279	291	282
Number of active alternative operators	148	150	142
Volume of postal items of alternative operators, billion items	0.3	0.4	0.4
Volume of postal items of all operators, billion items	1.87	1.93	1.89
Revenues from postal services of alternative operators, PLN billion	3.6	4.2	4.7
Revenues from postal services, PLN billion	8.4	9.4	10.2

Source: UKE

Chart 20

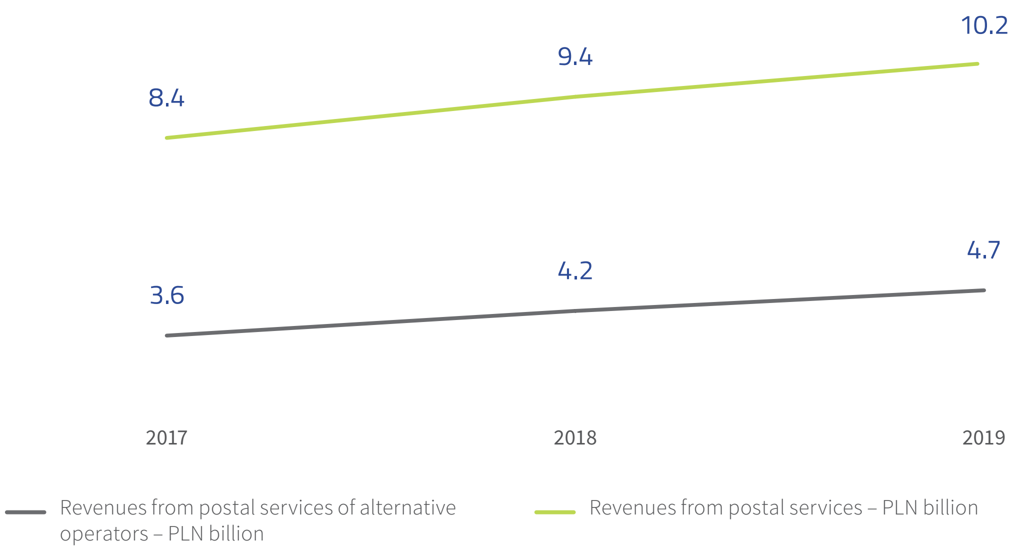
Selected values describing the postal market in Poland in 2017–2019 (excluding non-addressed printed forms)



Source: UKE

Chart 21

Revenues from postal services in 2017–2019 (PLN billion)



Source: UKE

Table 27

Postal services in particular market segments in 2017–2019 structure (%) by volume and revenues (excluding non-addressed printed forms)

	2017		2018		2019	
Segment	**Volume**	**Revenues**	**Volume**	**Revenues**	**Volume**	**Revenues**
Courier items	16.5%	47.2%	19.1%	49.2%	23.4%	50.6%
Universal services	30.2%	33.0%	29.3%	30.9%	30.6%	31.1%
Services falling within the scope of universal services	43.2%	14.2%	42.8%	14.4%	36.6%	13.2%
Other postal services	10.1%	5.6%	8.7%	5.5%	9.5%	5.2%

Source: UKE

Despite the declining volumes of traditional services, the Polish postal market is a significant element of the Polish economy, with great potential for further development. It generates significant revenues, ensures the exchange of information on the internal market, provides consumers with access to services and enables entrepreneurs to compete on domestic and foreign markets and, what is worth emphasising, over 90,000 people find employment in this sector.

Annexes

Appendix 1: Results of inspections of postal activities

Inspections of the operator providing universal services

In 2019, UKE conducted inspections of Poczta Polska as the designated operator in the following scope:

- ensuring accessibility of the universal services for people with disabilities;
- handling complaints about universal services;
- compliance with the regulations on postal activities.

Inspections concerning accessibility of universal services for people with disabilities

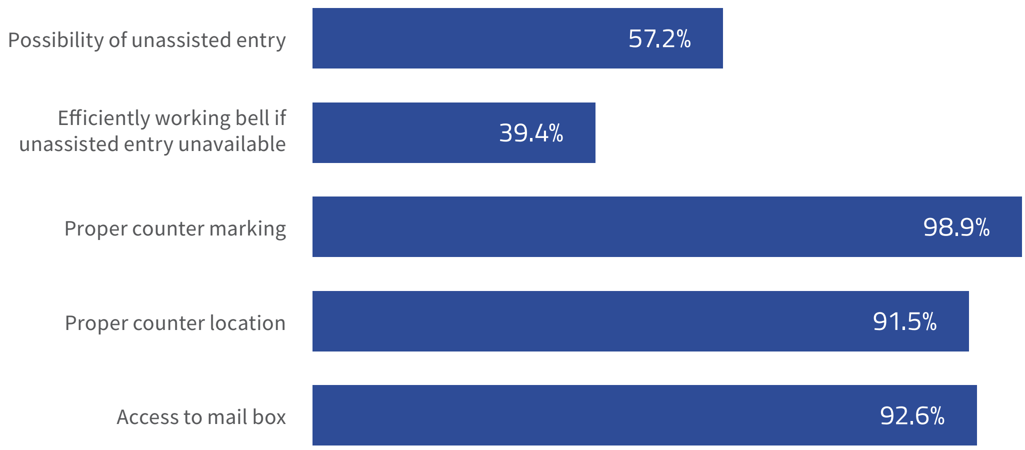
Between October and November 2019, UKE carried out inspections in 470 postal points of contact (285 urban points of contact and 185 rural points of contact), which accounted for 6.2% of the total number of postal points of contact run by Poczta Polska providing postal services throughout the country[26]. Out of the inspected postal points of contact, the possibility of unassisted access to the building was provided in 269 facilities, while in 185 postal points of contact without unassisted access, an efficiently functioning bell was installed to call the staff of the point of contact.

This means that 454 out of 470 postal points of contact of Poczta Polska inspected (96.6%) provided disabled people using a wheelchair with the possibility of unassisted entry to the postal point of contact or the opportunity to effectively call an employee.

[26] According to the data included in the annual report of the designated operator, at the end of 2018, there were 7,602 postal points of contact in Poland, including 4,987 in urban areas and 2,615 in rural areas.

Chart 22

Postal points of contact with facilities for people with disabilities



Source: UKE

All of the inspected 172 postal points of contact with delivery service guaranteed the collection of postal items from a person with disability in the place of residence and kept the register of persons with disabilities.

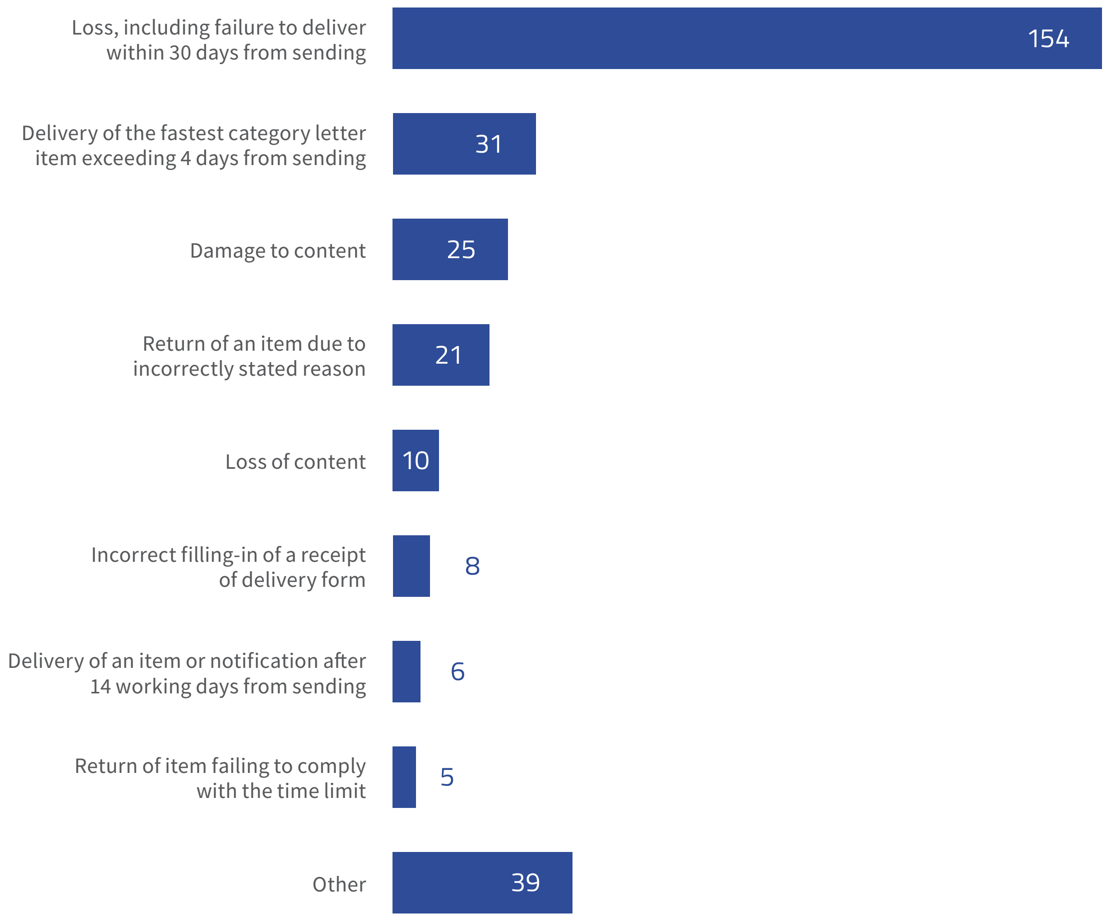
The inspection confirmed that the majority of the inspected postal points of contact met the requirements set out in the Postal Law. What is more, the information obtained suggests that the designated operator, as part of the ongoing process of the new visualisation of postal points of contact, adapts them to the needs of people with disabilities by renovating or developing such facilities.

Inspections concerning universal services complaint handling

From October to November 2019, UKE carried out inspections in the organisational units of Poczta Polska dealing with complaints. The inspections covered the period from 1 January to 19 November 2019. During the inspections, a total of 299 complaints regarding recorded items in domestic traffic were examined, of which 202 complaints concerning letter items, 1 complaint concerning an insured item, 91 complaints concerning postal parcels and 5 complaints concerning insured postal parcels.
The inspections were aimed at determining whether Poczta Polska processed complaints about the universal postal service of recorded items in accordance with the law and at obtaining information on the completeness of responses to complaints and their timeliness. Furthermore, the inspection checked the compliance with the post-inspection recommendations issued in 2019 following an inspection of the handling of universal service complaints carried out in 2018. It was found during the inspection that Poczta Polska had complied with the post-inspection recommendations.

Chart 23

Reasons for filing complaints – inspection data

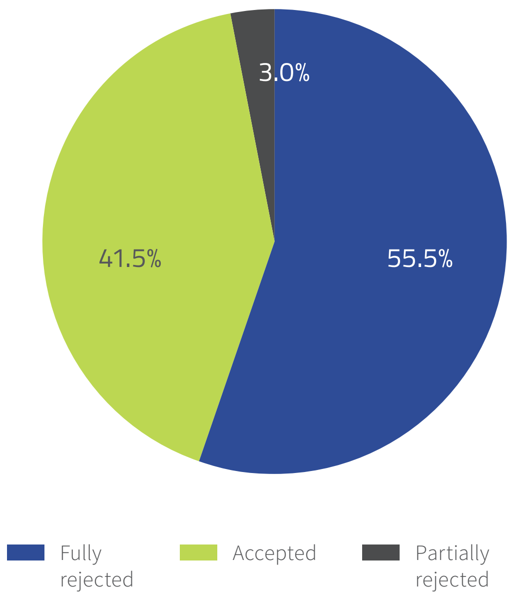


Source: UKE

In the light of UKE inspections findings, it appears that over 40% of the complaints filed in the period were considered justified, while 166 (55.5%) complaints were rejected in full.

Chart 24

Manner of handling complaints



Source: UKE

Inspection of compliance with regulations concerning postal activities

In 2019, UKE also carried out inspections at Poczta Polska to check compliance with regulations on postal activities, including the obligation to make the rules and regulations for providing universal services available in selected points of contact of Poczta Polska. UKE found that in the postal points of contact inspected, the postal operator did make available the rules and regulations for providing the universal services.

Inspections concerning alternative operators

In 2019, UKE inspected 14 postal operators. The grounds for being selected included failure to submit a report on postal activities to UKE, verification of the figures contained in the report, as well as failure to meet the information obligation. Two postal operators were effectively inspected. In the case of the other operators, despite numerous attempts, UKE was not able to carry out the inspection, as there was no communication with the undertaking. In most cases, the office address of the undertaking had only been used for registration, and the undertaking was not actually located there nor was it conducting business activity there. UKE has been taking further efforts to contact the undertakings in order to carry out the inspections but, most probably, the undertakings no longer operate.

Inspections aimed at detecting postal activities carried out without a required authorisation

In this respect, UKE inspected 2 undertakings in 2019. Following the inspection, UKE found that one of the undertakings conducted postal activities particularly through postal operators. The undertaking applied to UKE for entry in the ROP and was entered in the registry.

In the course of inspection of the other undertaking, it was established that it did not conduct postal activities. Based on the findings, it was established that the undertaking had followed the decision of the President of UKE of 2018, ordering it to suspend the postal activities conducted due to the fact that these had been conducted without the required entry in the ROP.

Appendix 2: Regulation (EU) 2018/644 Reporting

Regulation (EU) 2018/644 of the European Parliament and of the Council of 18 April 2018 on cross-border parcel services (the Regulation) entered into force on 22 May 2018.

Article 4(1) and (3) of the Regulation introduced, among other things, an obligation to provide the national regulatory authority by 30 June of each calendar year with information which should include i.a.: the value of turnover and volume of parcels handled during the previous calendar year in the Member State where they operate, broken down into domestic parcels and cross-border incoming and outgoing parcels (from within and outside the EU/EEA), broken down into parcels provided under contract with the sender and handled on behalf of another operator, and employment data.

In 2019, operators reported for the first time by 30 June on the results they achieved in 2018. Data were provided by 35 postal operators.

This Appendix presents aggregate data for the Polish market containing information in accordance with Commission Implementing Regulation (EU) 2018/1263 of 20 September 2018 determining the form for the submission of information by operators providing parcel services pursuant to Regulation (EU) 2018/644 of the European Parliament and of the Council.

In analysing the results presented in the light of the reporting under Article 43 of the Postal Law, the following points should be noted:

1. Parcels within the meaning of the Regulation are a broader concept than parcels within the meaning of the Postal Law.

   In accordance with Recitals 16 and 24 of the Regulation, its Annex 1 and explanations in the Implementing Regulation (EU) 2018/1263, operators were obliged to take into account parcels generated under activities related both to standard parcels and parcels of goods handled in the stream of letters; it was assumed that such items include items with a thickness exceeding 20 mm.

2. Not all postal operators are obliged to report.

   In accordance with Article 4(6) of the Regulation, the reporting obligations apply only to those operators which, in the preceding calendar year to the reporting year, employed on average not less than 50 people involved in the provision of parcel services in the Member State in which that operator is established, unless that operator is established in more than one Member State, including people working for sub-contractors of the parcel delivery operator.

3. The aggregation of volume and turnover do not include consolidation adjustments.

   In accordance with Implementing Regulation (EU) 2018/1263, operators were required to provide a breakdown of the data by parcels delivered under contract with the sender and on behalf of another operator. The same parcel could, therefore, be reported by several different operators if other operators were also involved in the processing chain as subcontractors.

The tables below present the summary results of the reporting under Regulation (EU) 2018/644 for the Polish market in 2018.

Table 28

Number of parcels handled and annual turnover volume for parcel delivery services in Poland pursuant to Regulation (EU) 2018/644: Domestic parcel delivery services

Domestic parcel delivery services	2018
Number of parcels [million items], of which:	**709.0**
Provided on behalf of another operator	265.3
Provided under contract with the sender	443.7
Volume of turnover from parcel delivery services [PLN million], of which:	**5,316.3**
Provided on behalf of another operator	693.2
Provided under contract with the sender	4,623.1

Source: UKE

Table 29

Number of parcels handled and annual turnover volume for parcel delivery services in Poland pursuant to Regulation (EU) 2018/644: Incoming cross-border parcel delivery services (from and outside the EU/EEA)

Incoming cross-border parcel delivery services (from and outside the EU/EEA)	2018
Number of parcels [million items], of which:	**48.1**
Provided on behalf of another operator	2.2
Provided under contract with the sender	45.9
Incoming from EU/EEA, of which:	22.6
Provided on behalf of another operator	2.1
Provided under contract with the sender	20.5
Incoming from outside the EU/EEA, of which:	25.5
Provided on behalf of another operator	0.2
Provided under contract with the sender	25.4
Volume of turnover from parcel delivery services [PLN million], of which:	**636.2**
Provided on behalf of another operator	25.6
Provided under contract with the sender	610.6
Incoming from EU/EEA, of which:	299.9
Provided on behalf of another operator	21.9
Provided under contract with the sender	278.0
Incoming from outside the EU/EEA, of which:	336.3
Provided on behalf of another operator	3.7
Provided under contract with the sender	332.7

Source: UKE

Table 30

Number of parcels handled and annual turnover volume for parcel delivery services in Poland pursuant to Regulation (EU) 2018/644: Outgoing cross-border parcel delivery services (to and outside the EU/EEA)

Cross-border traffic of outgoing parcels to and outside the EU/EEA	2018
Number of parcels [million items], of which:	**33.5**
Provided on behalf of another operator	870. 4
Provided under contract with the sender	32.6
Outgoing to the EU/EEA, of which	30.3
Provided on behalf of another operator	0.8
Provided under contract with the sender	29.5
Outgoing outside the EU/EEA, of which:	3.1
Provided on behalf of another operator	0.04
Provided under contract with the sender	3.1
Volume of turnover from parcel delivery services [PLN million], of which:	**1,504.5**
Provided on behalf of another operator	12.8
Provided under contract with the sender	1,491.7
Outgoing to the EU/EEA, of which:	1,237.8
Provided on behalf of another operator	9.8
Provided under contract with the sender	1,228.0
Outgoing outside the EU/EEA, of which:	266.7
Provided on behalf of another operator	3.0
Provided under contract with the sender	263.7

Source: UKE

Table 31

Data on employment of parcel delivery service operators in 2018 in Poland pursuant to Regulation (EU) 2018/644

	2018	
Number of people employed by operators, of which	**30.06**	**31.12**
Full-time	69,775	74,696
Part-time	9,900	9,699
Temporary staff	19,552	20,280
Self-employed	4,162	4,739
TOTAL	**103,389**	**109,414**

Source: UKE

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