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Postal sector forecasts mail growth over next five years Worldwide volumes slightly down in 2003 from previous year

Bucharest (Romania), 17 September 2004

Despite slight decreases in worldwide letter-post and parcel volumes from 2002 to 2003, public postal operators remain optimistic that their strategies will result in mail volume growth over the next five years, according to a report released today by the Universal Postal Union, during its 23rd Congress in Bucharest, Romania.

While electronic substitution continues to have an impact on worldwide letter-post volumes, e-commerce development is expected to generate increased parcel volumes in future. As a result, many postal public operators are implementing logistics and online services to respond to customers' needs.

The report, called *Postal Market 2004: review and outlook*, shows developments in the postal sector from 1998 to 2003. It also includes public postal operators' predictions for the period up to 2008.

Report highlights

Domestic letter-post

- ☒ Worldwide domestic letter-post volumes totalled 424 billion in 2003, down 0.4% from 2002.
- ☒ Despite the slight decrease, 40% of UPU member countries surveyed reported an increase in their volumes.
- ☒ Since 1999, overall numbers of domestic letter-post items have continued to grow, at an average annual rate of 0.5% worldwide.
- ☒ Except industrialized countries and countries part of the Asia/Pacific region, public postal operators in most regions predict an increase in domestic letter-post items from now until 2008. Africa forecasts an average annual rise of 1.3%, compared to 1.6% in Latin America and the Caribbean, 1.7% in Europe and the Commonwealth of Independent States (CIS) region, and 2.7% in Arab countries.

International letter-post

- ☒ Worldwide international letter-post volumes totalled more than 6 billion in 2003, down 5.1% from 2002. The wide-reaching fall affected almost three quarters of all countries.
- ☒ International letter-post volumes represented 1.4% of worldwide volumes in 2003, compared to 2% in 1995.
- ☒ Since 1999, international traffic fell by an average of 4.7% per year, with Latin America and the Caribbean experiencing the heaviest falls (10.3%).

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- ☒ From now until 2008, public postal operators in Latin America and the Caribbean predict a 1.6% average annual rise in international letter-post volumes, compared to 0.9% in European countries and the CIS, and 2.3% in Arab countries. Industrialized countries, Africa and the Asia and Pacific region are less optimistic.

Domestic parcels

- ☒ Worldwide domestic ordinary parcel volumes totalled 4.4 billion in 2003, down 5% from 2002.
- ☒ Despite the fall, parcel traffic grew in Africa as well as in Latin America and the Caribbean.
- ☒ Since 1999, domestic parcel volumes grew at an average annual rate of 10% in Latin America and the Caribbean, 2.7% in Africa, 1.7% in industrialized countries, and 1.4% in Arab countries. In the Asia and Pacific region and Europe and the CIS, volumes were down 3% and 5% respectively.
- ☒ From now until 2008, most regions predict growth in domestic parcel volumes: Latin America and the Caribbean (2.5%), Europe and the CIS (1.2%), Arab countries (3.4%) and industrialized countries (0.5%). Africa and Asia and Pacific are less optimistic.

International ordinary parcels

- ☒ Worldwide international ordinary parcel volumes stood at 47 million in 2003, down 2.6% from 2002.
- ☒ Industrialized countries reported the most significant drop. Volumes in Africa and Arab countries fell also, but to a lesser extent.
- ☒ Globally, almost half of all countries saw their traffic increase, particularly in Latin America and the Caribbean, as well as in Europe and the CIS.
- ☒ From now until 2008, all regions predict a rise in volumes: Africa (1.3%), Latin America and the Caribbean (3%), Asia and Pacific (1.3%), Europe and CIS (1.4%), Arab countries (2.6%), and industrialized countries (0.6%).

Other highlights

- ☒ Worldwide operating revenue reached more than 174 billion SDR¹ in 2003, representing a 5% growth over 2002. Most of this growth was concentrated in industrialized countries, which shared over 91% of worldwide operating revenue.
- ☒ 58% of world postal revenues were generated by letter-post, 23% by parcels and logistics services, 14% by postal financial services and 5% by other services.
- ☒ More than 96% of the world's population is served by public postal operators; almost 4% (mostly in Africa) was still without postal services in 2003.

¹ The SDR (special drawing right) is the unit of account of the International Monetary Fund. 1 SDR = 1.486 USD at 31 December 2003.

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- ☒ In 2003, the number of postal staff worldwide was at 5 million, compared to 6.2 million in the early 1990s.
- ☒ There are just over 660,000 permanent post offices around the world, down 0.2% from 2002. A significant reduction in the number of post offices began in industrialized countries at the end of the 1980s. These countries have lost more than 15% of their offices over the past 15 years.
- ☒ The number of international express items (Posts' EMS service) grew to 34.7 million in 2003 from 32.7 million in 2002, a rise of 6%. The highest increase in express items was experienced in Arab countries (22%).
- ☒ Advertising items, a growing sector of activity for Posts, made up almost 30% of total domestic letter-post items worldwide in 2003.
- ☒ More than 40% of UPU member countries offer online postal services. The great majority are industrialized countries, but more than half of European and CIS countries fall into this category as well.
- ☒ 21% of UPU member countries offer e-mail service, while 13% of countries, including half of the industrialized countries, offer online bill payments. Another 13% sell goods via the Internet.

For more analysis of the report, please see the following background papers:

- ☒ [Postal market 2004: Review and outlook](#)
- ☒ [The global postal market: past, present and future indicators](#)
- ☒ [The worldwide postal network in figures](#)

About the Universal Postal Union

The UPU, a United Nations specialized agency based in Berne (Switzerland), is the primary forum for cooperation between Posts. In addition to maintaining a genuinely universal network that provides modern products and services, it establishes the rules for international mail exchanges among its 190 members and makes recommendations to stimulate mail volume growth and to improve the quality of service for customers.

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