

Integrated Index for Postal Development (2IPD)

2016 results



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Preface

The UPU's Integrated Index for Postal Development (2IPD) is a composite index providing an overview of postal development around the world, with the results for 2016 covering 170 countries.

The basic input into the 2IPD consists of UPU data, including postal big data – over 3 billion tracking records checked and analyzed – official UPU statistics, and key UPU surveys. 2IPD data insights thus rely on the greatest data integration ever conducted to measure the development of postal services on a global scale. An analysis of the data results in a benchmarking performance score (0 to 100) along four key dimensions of postal development: reliability, reach, relevance and resilience.

Postal services in Switzerland, France and Japan top the ranking in 2016, closely followed by the Netherlands (4th) and Germany (5th). They are all clearly outperforming their peers thanks to a number of factors, such as top quality of service (reliability) across a wide range of postal products, as well as global connectivity (reach) provided to their customers. This in turn supports an already strong demand for their domestic services (relevance) and strengthens the resilience of their business models in a fast-evolving world economy.

At the global level, significant postal development gaps between regions persist and have been widening, thus threatening the relevance of postal infrastructure. Yet the picture is not entirely bleak: eight Posts from emerging and developing regions, all from either the Asia-Pacific or Eastern Europe and the CIS, have reached the global top 20. For instance, China (9th), India (17th) and Poland (7th) have been delivering the greatest postal development catch-up process ever recorded. The global logistics of e-commerce and, to a lesser extent, the development of financial services, appear as common key drivers in their success.

This brochure contains three main sections. The first presents the 2016 results at a global level. The second provides an overview of performance in all regions of the world. The third explains in more detail the methodology that was used to develop the index.

As you will see throughout this report, the UPU's Integrated Index for Postal Development reveals not only the relative performance of Posts around the world, but also the key roads to excellence in postal infrastructure. This makes the 2IPD a unique tool for policymakers, regulators, national Posts and other sector stakeholders eager to understand the role that postal services can play in the era of e-commerce.

Policymakers can draw on the results to develop strategies to enhance the contribution of postal services to the economic and social infrastructure of their countries. Regulators can better identify the development challenges that postal services are facing and benefit from meaningful international comparisons. Posts can benchmark their relative operational and business model strengths and weaknesses across different levels of economic development and geographies, so as to improve their performance.

At the UPU, we stand ready to help countries in this journey towards excellence in postal infrastructure.

Bishar A. Hussein
Director General of the UPU

1. Methodology

Overview

The final overall 2IPD score is the linear combination of the reliability, reach, relevance and resilience scores, each weighted equally. The calculation method can be summarized as follows:

2IPD score = postal reliability score + postal reach score + postal relevance score + postal resilience score

The combination of the different variables in each of the four main components of the overall 2IPD score targets the best possible prediction of any country's real postal output per capita (in terms of its real postal revenues, or sales).

The figure below provides further details on the manner in which the different sub-scores feed into the overall 2IPD score, at global, regional and country level.

Data sources

The key data sources used in the production of this index include:

- UPU postal big data (over 3 billion records in 2016)
- Official UPU postal statistics database (more than 100 indicators available in 2015)
- Key UPU surveys (2016)

How to read the results

The best postal development performer obtains a normalized maximum score of 100, while the worst gets a normalized minimum score of 0.

Intermediate postal development corresponds to a score of 50.

All normalized scores can be read as the distance of any given country with respect to the best (score of 100), intermediate (score of 50) or worst (score of 0) global performer. This enables any country to assess whether it is closer to the best, intermediate or worst absolute performer.

A score above 75 shows that a country's postal development is relatively closer to the best absolute performer than to the intermediate one. A score between 50 and 75 shows a more intermediate level of performance in the high range, or "upper middle performers".

A score below 25 shows that a country's postal development is relatively closer to the worst absolute performer than to the intermediate one. A score between 25 and 50 shows a more intermediate level of performance in the low range, or "lower middle performers".

2. Global results

Overview

Based on an in-depth analysis of 170 countries and territories of the Universal Postal Union, the Integrated Index for Postal Development score and its four main components (reliability, reach, relevance and resilience scores) depict the challenges facing the postal sector in a time of burgeoning e-commerce.

The 2016 results show that in order to develop, national Posts need to improve their operational efficiency, enhance their connectivity with global supply chains, diversify their portfolio beyond traditional segments, and adapt their business models to constant changes in the business environment.

Developing only one of these dimensions is not sufficient in order to build modern Posts that can seize the opportunities of e-commerce, strengthen supply chains and withstand the transformations affecting the world economy and the postal sector in the 21st century. The data is clear: countries that have not tackled all the dimensions of postal development have only achieved partial success.

Indeed, only a handful of countries (11 out of 170) obtained scores of 75 or higher. This implies that the majority of countries have yet to develop more sustainable and wide-ranging strategies.

Top 3 performers

The top 3 performers in 2016 were Switzerland (100), France (94.7) and Japan (94.1).

All of them offer either high or very high quality of service across their postal products portfolio, as well as great global connectivity for their customers. They also benefit from strong demand for their diversified portfolio of services and are all relatively resilient to changes and transformations in the postal environment.

Switzerland has consistently been the best performer in terms of reliability, relevance and resilience with its diversified offer of postal services. There is only one area in which it is outperformed: reach, or global postal connectedness. In that category, China comes first.

France has joined the top 3 thanks to its strategic decision to become a multi-activity postal operator, which has boosted the resilience of its postal business model, a key asset in a fast-changing environment.

Japan excels in the quality of service of its postal logistics and registers very strong demand for its wide range of services, particularly in the area of postal savings and insurance.

Full 2IPD ranking for 2016

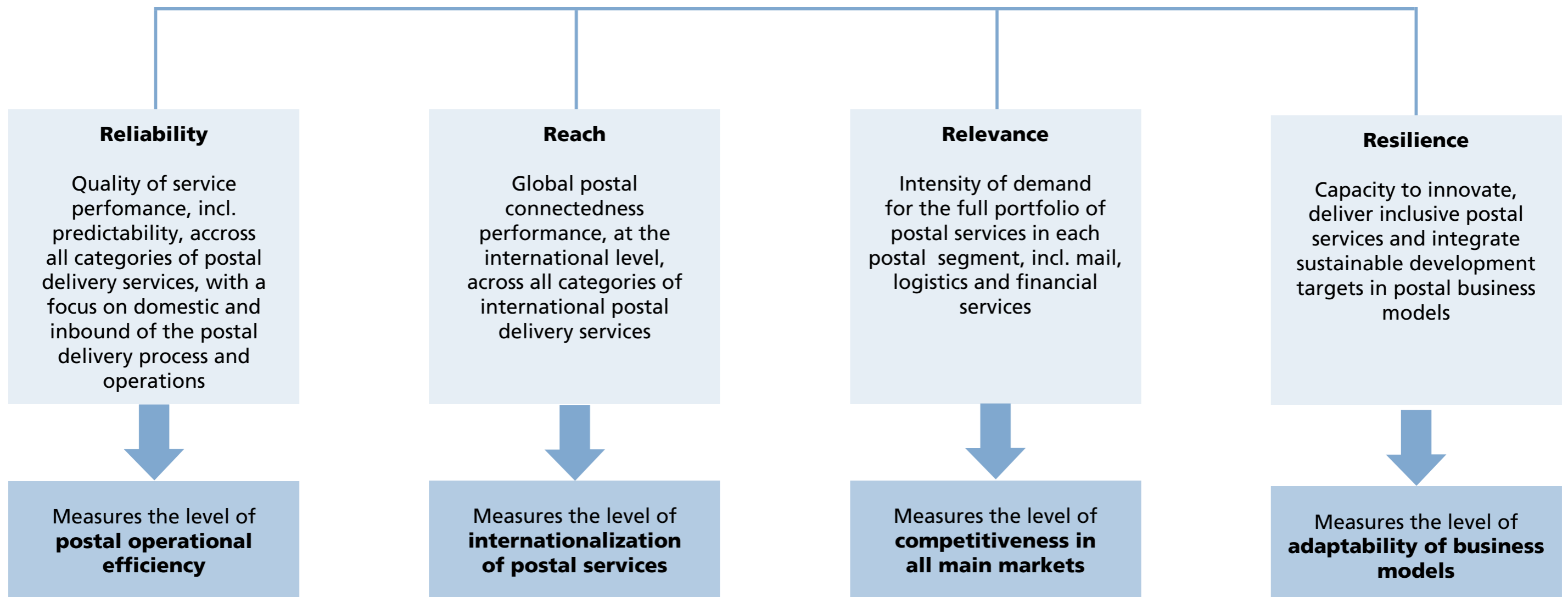
#	Country	Region	Score
1	Switzerland	Industrialized countries	100.00
2	France	Industrialized countries	94.75
3	Japan	Industrialized countries	94.09
4	Netherlands	Industrialized countries	93.84
5	Germany	Industrialized countries	91.88
6	United Kingdom	Industrialized countries	86.46
7	Poland	Eastern Europe and CIS	84.94
8	Singapore	Asia-Pacific	83.77
9	China (People's Rep.)	Asia-Pacific	78.73
10	Austria	Industrialized countries	76.99
11	Korea (Rep.)	Asia-Pacific	75.43
12	New Zealand	Industrialized countries	74.24
13	United States of America	Industrialized countries	74.17
14	Canada	Industrialized countries	74.13
15	Slovenia	Eastern Europe and CIS	73.48
16	Finland	Industrialized countries	72.55
17	India	Asia-Pacific	72.05
18	Estonia	Eastern Europe and CIS	70.65
19	Czech Rep.	Eastern Europe and CIS	70.59
20	Ireland	Industrialized countries	70.17
21	Slovakia	Eastern Europe and CIS	68.76
22	Thailand	Asia-Pacific	66.11
23	Malaysia	Asia-Pacific	66.00
24	Italy	Industrialized countries	65.31
25	Luxembourg	Industrialized countries	65.11
26	Australia	Industrialized countries	63.45
27	Kazakhstan	Eastern Europe and CIS	63.45
28	Lithuania	Eastern Europe and CIS	62.8
29	Belgium	Industrialized countries	61.49
30	Croatia	Eastern Europe and CIS	61.36
31	Norway	Industrialized countries	60.82
32	Belarus	Eastern Europe and CIS	60.76
33	Mauritius	Africa	60.10
34	Serbia	Eastern Europe and CIS	59.42
35	Hungary	Eastern Europe and CIS	59.34
36	Sweden	Industrialized countries	59.02
37	Greece	Industrialized countries	59.02
38	Russian Federation	Eastern Europe and CIS	58.83
39	Cyprus	Eastern Europe and CIS	58.15
40	Ukraine	Eastern Europe and CIS	58.00
41	Latvia	Eastern Europe and CIS	57.84
42	Israel	Industrialized countries	57.84
43	Bosnia and Herzegovina	Eastern Europe and CIS	57.78

#	Country	Region	Score
44	Moldova	Eastern Europe and CIS	56.93
45	Malta	Industrialized countries	55.04
46	Brazil	Latin America and Caribbean	55.00
47	Spain	Industrialized countries	54.98
48	Turkey	Eastern Europe and CIS	53.66
49	Nigeria	Africa	52.21
50	Iran (Islamic Rep.)	Asia-Pacific	51.32
51	United Arab Emirates	Arab countries	50.58
52	Romania	Eastern Europe and CIS	50.33
53	Bulgaria (Rep.)	Eastern Europe and CIS	50.32
54	Indonesia	Asia-Pacific	49.40
55	Iceland	Industrialized countries	49.34
56	Denmark	Industrialized countries	48.48
57	Viet Nam	Asia-Pacific	47.84
58	Portugal	Industrialized countries	47.84
59	Azerbaijan	Eastern Europe and CIS	46.89
60	Tunisia	Arab countries	45.97
61	Morocco	Arab countries	44.88
62	Colombia	Latin America and Caribbean	44.19
63	Chile	Latin America and Caribbean	44.15
64	Georgia	Eastern Europe and CIS	43.81
65	El Salvador	Latin America and Caribbean	43.66
66	South Africa	Africa	42.99
67	Cameroon	Africa	42.18
68	Togo	Africa	41.74
69	Armenia	Eastern Europe and CIS	41.59
70	Albania	Eastern Europe and CIS	41.54
71	Lao People's Dem. Rep.	Asia-Pacific	41.39
72	Namibia	Africa	41.30
73	Uganda	Africa	41.11
74	Saudi Arabia	Arab countries	40.89
75	Lebanon	Arab countries	40.20
76	Trinidad and Tobago	Latin America and Caribbean	40.05
77	Jamaica	Latin America and Caribbean	39.73
78	Bangladesh	Asia-Pacific	39.48
79	Mongolia	Asia-Pacific	39.41
80	Sri Lanka	Asia-Pacific	39.37
81	Madagascar	Africa	38.05
82	Costa Rica	Latin America and Caribbean	37.32
83	Cape Verde	Africa	36.71
84	Senegal	Africa	36.44
85	Kenya	Africa	35.65
86	Jordan	Arab countries	34.85

#	Country	Region	Score
87	Rwanda (Rép.)	Africa	34.57
88	Philippines	Asia-Pacific	33.89
89	Barbados	Latin America and Caribbean	32.87
90	Montenegro	Eastern Europe and CIS	32.74
91	Seychelles	Africa	32.44
92	Ghana	Africa	31.93
93	Uruguay	Latin America and Caribbean	30.48
94	Pakistan	Asia-Pacific	29.61
95	Mexico	Latin America and Caribbean	29.51
96	Maldives	Asia-Pacific	28.92
97	Tanzania (United Rep.)	Africa	28.89
98	Honduras (Rep.)	Latin America and Caribbean	28.86
99	Ethiopia	Africa	28.77
100	Aruba, Curaçao and Sint Maarten	Latin America and Caribbean	28.34
101	Peru	Latin America and Caribbean	28.24
102	Nepal	Asia-Pacific	28.18
103	Egypt	Arab countries	27.66
104	Vanuatu	Asia-Pacific	27.19
105	Angola	Africa	26.90
106	Fiji	Asia-Pacific	26.75
107	Algeria	Arab countries	26.66
108	Ecuador	Latin America and Caribbean	26.34
109	Qatar	Arab countries	26.28
110	Saint Christopher and Nevis	Latin America and Caribbean	26.01
111	Argentina	Latin America and Caribbean	24.83
112	Botswana	Africa	24.70
113	Côte d'Ivoire (Rep.)	Africa	24.40
114	Uzbekistan	Eastern Europe and CIS	24.04
115	Zimbabwe	Africa	23.97
116	Brunei Darussalam	Asia-Pacific	23.72
117	Oman	Arab countries	23.69
118	Bahamas	Latin America and Caribbean	23.15
119	Dominican Republic	Latin America and Caribbean	23.13
120	Grenada	Latin America and Caribbean	22.66
121	Malawi	Africa	22.43
122	Belize	Latin America and Caribbean	21.93
123	Burkina Faso	Africa	21.81
124	Benin	Africa	21.65
125	Swaziland	Africa	20.85
126	Myanmar	Asia-Pacific	20.41
127	Sierra Leone	Africa	20.26
128	Sudan	Arab countries	20.18

#	Country	Region	Score
129	Kyrgyzstan	Eastern Europe and CIS	19.91
130	Cambodia	Asia-Pacific	19.72
131	Congo (Rep.)	Africa	19.64
132	Paraguay	Latin America and Caribbean	19.60
133	Cuba	Latin America and Caribbean	19.26
134	Mali	Africa	19.17
135	Libya	Arab countries	18.22
136	Mauritania	Arab countries	18.05
137	Bolivia	Latin America and Caribbean	17.36
138	Panama (Rep.)	Latin America and Caribbean	17.29
139	Burundi	Africa	16.93
140	Gambia	Africa	16.92
141	Djibouti	Arab countries	16.74
142	Suriname	Latin America and Caribbean	15.59
143	Iraq	Arab countries	15.48
144	Papua New Guinea	Asia-Pacific	15.27
145	Antigua and Barbuda	Latin America and Caribbean	15.10
146	Kuwait	Arab countries	15.09
147	Comoros	Arab countries	15.02
148	Syrian Arab Rep.	Arab countries	14.85
149	Lesotho	Africa	14.38
150	Eritrea	Africa	13.85
151	Guyana	Latin America and Caribbean	13.51
152	Bhutan	Asia-Pacific	13.12
153	Solomon Islands	Asia-Pacific	12.98
154	Venezuela (Bolivarian Rep.)	Latin America and Caribbean	12.74
155	Saint Lucia	Latin America and Caribbean	11.39
156	Afghanistan	Asia-Pacific	11.16
157	Niger	Africa	10.05
158	Kiribati	Asia-Pacific	9.86
159	Guinea	Africa	9.65
160	Gabon	Latin America and Caribbean	9.20
161	Chad	Africa	9.00
162	Haiti	Latin America and Caribbean	8.07
163	Zambia	Africa	7.93
164	Dominica	Latin America and Caribbean	7.58
165	Mozambique	Africa	7.43
166	Samoa	Asia-Pacific	7.09
167	Nicaragua	Latin America and Caribbean	6.10
168	Saint Vincent and the Grenadines	Latin America and Caribbean	5.88
169	Liberia	Africa	3.23
170	Sao Tome and Principe	Africa	0.00

Overview of the methodology

Integrated index for postal development (2IPD)*at global, regional and country level*

3. Performance by region

Overview

Postal development: Benchmarking and targets	2IPD					Benchmark	
	2IPD score (max 100)	Reliability score (max 100)	Reach score (max 100)	Relevance score (max 100)	Resilience score (max 100)	World Bank LPI (max 100)	World Bank EoDB (max 100)
Global average score	38.6	47.8	43.4	11.6	50.2	40.5	50.4
Africa	25.4	30.9	26.5	0.1	46.5	21.5	25.6
Latin America & Caribbean	24.5	26.3	31.1	2.9	41.6	34.1	44.9
Asia-Pacific	38.9	52.0	47.7	13.3	41.0	40.2	48.4
Eastern Europe & CIS	55.1	74.7	58.7	12.2	67.5	41.4	74.4
Arab countries	27.5	33.4	37.3	0.6	41.4	30.1	35.0
Industrialized countries	67.4	79.4	68.2	44.3	66.1	83.2	86.9

The group of industrialized countries reaches the highest postal development scores. However, even within this group, postal development gaps between countries are relatively wide, with leading countries outperforming most of their peers. The best performers all feature relatively diversified and globalized activities. They are also extremely reliable in terms of quality of service and focus on developing sustainable business models.

The regional asymmetries in postal performance – in terms of level of service (reliability), connectedness (reach), sales and market competitiveness (relevance), and sustainability (resilience) – are most likely attributable to a lack of investment in upgrading and transforming the postal infrastructure worldwide, especially in developing regions.

When comparing the 2IPD with related development indicator values, such as the World Bank’s Logistics Performance Index or Ease of Doing Business Index, one can notice a number of performance disparities between these different yet related areas of development. Indeed, postal development indicators usually show lower performance values, compared with their logistics, business or e-commerce benchmarks.

Industrialized countries

This region reached an average score of 67.4. Switzerland, which also tops the global ranking, is the best performer. As explained above in the section on the global top 3, Switzerland’s success can be credited to a number of factors. For instance, delivery times average 1.6 days (for both domestic and inbound), while even in other high-performing countries, the averages are in the range of 2 to 5 days. Moreover, Switzerland has the second most predictable postal delivery service in the

world after Korea (Rep.), with a variability of about 2 days in delivery times instead of 3 to 7 days for its most direct peers.

Eastern Europe and CIS

Eastern Europe and the CIS achieved an average score of 55.1. Poland appears as the top performer with an overall score of 84.9 (7th place in global postal development ranking). The country strongly outperforms its regional peers thanks to its globally connected postal services and the demand for its portfolio of products and services in the area of e-commerce and logistics. For instance, Poland has a total of more than 190 active country destinations at export, as well as a substantial level of international outbound postal traffic.

Asia-Pacific

The average score for the Asia-Pacific is 38.9. Singapore is the top performer in this region with an overall score of 83.8 (8th in global ranking). Through its superior quality of service and a wide range of postal delivery services, it markedly outperforms its peers in the region. It also benefits from strong demand for its portfolio of letter post and logistics services. Indeed, Singapore’s postal traffic per capita, in terms of letter- and parcel-post items, is up to 50 times higher than the levels observed in most of the other Posts in the region, which are lagging behind.

Arab countries

The average for this region stands at 27.5. Only one country has a score above 50: the United Arab Emirates, at 50.6 (51st in the global ranking). The relatively higher

overall performance of the UAE is driven by better quality of service. It ensures delivery within one day for most of its domestic and inbound postal shipments, making it the fastest postal delivery service in the world. On the flip side, it shows relatively lower relevance and resilience in its portfolio of products and services than some of its regional peers.

Africa

Africa has an average regional score of 25.4. But there is considerable disparity between countries in this region. Indeed, the best performer (Mauritius) achieved a score of 60.1, placing it in the 33rd position worldwide. This feat is the result of its better quality of service, in spite of more average performances in the areas of global postal connectedness, demand for the portfolio of products

and services, and business model resilience. For instance, Mauritius logs a remarkable average delivery time of 2.1 days within a predictability range of 2.5 days.

Latin America and Caribbean

The average score for Latin America and the Caribbean is 24.6, i.e. the lowest of all regions. Only one country has a score above 50: Brazil, at 55.0 (46th in global ranking). It achieves this relatively good performance thanks to better global postal connectedness and much stronger demand for its diversified portfolio of services compared with other Posts in the region. Indeed, over the past few years, the number of postal transactions (both physical and financial) per capita in Brazil has consistently stayed between 10 and 100 times higher than the levels seen among its regional peers.



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