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I am pleased to present you the Key Findings of this year’s IPC Global Postal Industry Report (GPIR).

The Key Findings brochure provides a summary of the GPIR 2020. Now in its twelfth edition, the GPIR provides a more comprehensive view of the postal industry than ever before. We analyse 53 posts from Asia Pacific, Europe, Latin America and North America as well as integrators FedEx and UPS. We continue our broad analytical coverage, from detailed performance comparisons across posts to tracking key market and industry trends. And with refreshed deep-dive articles and a timeline of key events, we keep on top of industry news, hot topics and disruptive trends.

During the first half of 2020, the COVID-19 crisis had a significant impact on postal operations across the world. While postal networks were seriously disrupted, the pandemic has shown the resilience of the postal industry and its capacity to adapt. Throughout the crisis, posts have continued to serve their customers and transport essential goods. This year’s GPIR gauges the global impact of the COVID-19 crisis and explores how the postal industry has rapidly adjusted operations in response.

The report sheds light on other key trends. Amid ongoing structural change, the industry continues to grow: postal industry revenue reached €427.2bn in 2019, up €6.3bn on 2018 results. Parcels continued to fuel growth, accounting for most of the aggregate increase in revenue. Mail revenue was also up, albeit by only €0.3bn: as structural volume declines continued, letter rate rises helped cover the costs of operating nationwide, one-price-goes-anywhere postal services. And as other areas such as logistics have grown in importance, non-mail segments now account for over two thirds of industry revenue.

The COVID-19 pandemic has proven that global cooperation between posts is vital to ensure business continuity across the postal industry. Cooperation will remain crucial in the years to come, not only to recover from the crisis but also to meet the long-term challenges and opportunities that await.

As the industry eyes the road ahead, I am confident that the GPIR will continue to chart its course in future.
OPERATOR OVERVIEW

53 posts

Thousands of postal services operate in 53 countries and territories.

- **Asia Pacific**: Australia, China, Hong Kong, India, Japan, Korea, Malaysia, New Zealand, Philippines, Singapore, Thailand, Taiwan, Vietnam
- **Latin America**: Argentina, Brazil, Chile, Colombia, Mexico, Peru, Uruguay, Venezuela
- **Europe**: Austria, Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey
- **North America**: Canada, Mexico, United States
- **Other**: Argentina, Brazil, Chile, China, Colombia, France, Germany, Hungary, Ireland, Italy, Japan, Korea, Mexico, Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland, Turkey, United States

**Shares**
- Listed on stock exchange
- Not listed

**Legal status**
- Private corporation
- State-owned enterprise
- Government dept.

**Annual revenue**
- Less than €1bn
- €1-10bn
- More than €10bn

**Emerging economies**
- Advanced
- Emerging

**Mail revenue share**
- > 60%
- 40-60%
- < 40%
- No data

**Facts**
- More than €10bn
- €1-10bn
- Less than €1bn

**Posts**
- Global
- National
- Regional

**More information**
- Website
- Social media
- Contacts

**Support**
- Help center
- Customer service
- Privacy policy

**Legal notice**
- Terms of use
- Cookies policy
- © 2023 International Post Corporation
KEY FIGURES

Global Postal Industry 2019

- **€427.2BN** Postal Industry Revenue
- **5.0%** Revenue Growth
- **1.4%** Operating Profitability
- **32.2%** Mail Share of Industry Revenue
- **2.3%** Mail Revenue Growth
- **-7.2%** Mail Volume Change
- **6.4%** Parcels Revenue Growth
- **5.6%** Parcels Volume Growth
- **4.8%** CAPEX to Revenue Ratio
Global trends
Sustaining growth, containing costs

Amid a global pandemic, posts worldwide continue to deliver value to customers and remain focused on generating growth, boosting efficiency and investing in tomorrow.

1. GROWTH DRIVERS

On aggregate, total postal industry revenue reached €427.2bn in 2019, up €6.3bn on 2018 results. Mail revenue grew €0.3bn as structural volume declines were offset by rate increases and growth in lightweight packets. Parcels and express remained the engine of growth, up €6.6bn; while three large posts contributed over half of the increase, almost all posts reported e-commerce-fuelled growth. Logistics remained flat, while financial services fell €1.2bn driven by a big decline for one large post.

2. REVENUE SEGMENTS

As core mail volumes decline worldwide, posts have looked to diversify their sources of revenue. Mail accounted for just under a third of total industry revenue in 2019, though the reliance on mail revenue varies considerably across regions. While representing around one quarter of total income in Europe on aggregate, mail accounts for just under two thirds of revenue in North America. Asia Pacific also relies less on mail revenue on aggregate, with financial services accounting for a large share.

Sources: 1. Operator reports, member questionnaires, OANDA
2. Operator reports, member questionnaires
Growth accelerates, profitability steadies

The digital revolution has upended the postal industry: while traditional mail delivery is in decline, posts face strong competition in the e-commerce parcels market. Despite ongoing structural change, the industry continues to sustain profitable growth. Average revenue growth accelerated to 5.0%, up from 4.1% in 2018. But profitability remains low: the average EBIT margin remained at 1.4% in 2019 as competition and cost pressures offset gains from targeted efficiency programmes.

Most posts generate profitable growth

While growth rates ranged widely across the 53 posts analysed, more than three quarters saw stable or increasing revenues during the year and most cited e-commerce as a key growth driver. Two thirds of posts generated operating margins above 1% for the year, with 18 posts reporting margins over 5%. Taking both metrics into account, nearly half of posts reported both revenue growth and an operating profit in 2019, while only two saw a fall in revenue coupled with an operating loss.
As COVID-19 uplifts e-commerce and fast tracks other digital trends, the crisis is accelerating the structural shift from mail to parcels across the postal industry.

E-commerce surges during the crisis

With citizens at home and retailers putting up the shutters, e-commerce rocketed during lockdowns. The US for example had only two “two billion dollar” e-commerce days outside its holiday season in 2019; in 2020, 130 days had passed that milestone by August, including every single day in May and June. Online retail sales were more than 50% above forecast in May, and in the first eight months of 2020, e-commerce spend was €95bn above levels expected for the period.

Parcels soar above previous peaks

Posts were quick to flex their networks to deliver the unexpected spike in volume which, in many countries, was higher and much more sustained than any previous peak. Posts also reported other key trends during the crisis: B2C deliveries increased across most product segments, from grocery to garden, though trends shifted as lockdowns evolved; local SMEs sent more parcels; deliveries to the home increased; and postal webshops saw online sales rise as footfall in post offices fell.

Sources:
5. Adobe Analytics
6. Operator presentations
Parcels rocket up as mail falls steeply

With lockdowns most strict in April, May and June and many economies in reverse, the crisis accelerated the structural shift from mail to parcels. IPC member posts exemplify the trends: admail was hardest hit as businesses delayed or cancelled ad campaigns; border closures and reduced airfreight capacity saw international mail fall sharply, especially flows from China; and lower economic activity and pervasive uncertainty saw transactional mail fall by close to one fifth.

Posts keep delivering during the crisis

Posts faced many operational challenges as the pandemic took hold, and transit times and service quality were both impacted as a result. But posts were quick to respond and prior investment in network capacity and flexibility helped many manage through the crisis. Despite the disruption, recent IPC research reveals that while in lockdown, close to four fifths of surveyed consumers were satisfied with the delivery speed of their online orders and noticed little or no disruption to postal services.

Average growth in parcel volumes in Q2 2020, during the COVID-19 lockdown

Sources: 7. IPC Global Monitor
8. IPC Domestic E-commerce Shopper Survey, IPC UNEX™ study
Mail

Optimising operations as volumes decline

Committed to providing an affordable, reliable, one-price-goes-anywhere postal service, posts are optimising their operations to foster growth and sustain profits as mail volume declines persist.

Consumers worldwide flock online

Global internet users grew to 4.1bn in 2019, representing 53.6% of the world’s population and up from 25.8% a decade ago. With the expansion of faster broadband networks bringing more people online, smartphones and tablets are fast becoming the preferred way for consumers to access digital content. And with stay at home orders confining billions of people to their homes in 2020, the COVID-19 crisis is expected to accelerate the digital revolution across the globe.

Digitisation drives global mail declines

The physical to digital shift has fundamentally altered how consumers, businesses, and governments interact. Since 2009, aggregate mail volume has declined by a quarter in advanced economies and more than halved for some posts. The historically strong positive relationship between mail volume and economic growth has all but disappeared and mail items per capita have fallen steeply as populations have steadily increased.

Sources: 9. ITU, IMF, Euromonitor International
10. Operator reports, member questionnaires, Euromonitor, IMF
COVID-19 set to erode mail volumes

Digitisation remains the key driver of structural mail volume decline across the industry. In 2019, the average decline in mail volume accelerated to 7.2% compared to 5.4% in 2018. Most posts delivered fewer items than in the previous year; within this group, decline rates varied from 2.2% to 27.4%. While many posts saw volumes peak in the late 1990s and 2000s, others have only just begun to report declines. Meanwhile, the COVID-19 crisis is set to fast track structural trends across most countries.

Mail revenue up but cost pressures remain

Despite the challenges, the postal industry is proving resilient. While e-substitution has put strong downward pressure on revenue, letter rate rises and increases in e-commerce packets have helped stimulate growth. As a result, mail revenue grew 2.3% on average in 2019. Meanwhile, costs pressures remain high and many posts have launched efficiency initiatives to streamline and modernise their nationwide networks. In 2019, the average mail EBIT margin rose to 2.1%, up from 1.2% a year earlier.

Sources: 11. Operator reports, member questionnaires
12. Operator reports, member questionnaires
As the COVID-19 pandemic swells global parcel volumes and the physical and digital worlds continue to merge, posts are shifting up gears to enable e-commerce.

**COVID-19 set to accelerate e-commerce**

The retail landscape is rapidly evolving. Global e-commerce sales have grown by over 20% per year on average since 2009 and reached €1.8tn in 2019. As smartphones have become an essential part of everyday life, more than 10% of retail sales worldwide are now made online – over half of which are done via a mobile device. Before the pandemic, global online sales were predicted to roughly double between 2019 and 2024, but recent trends suggest the COVID-19 crisis will pull this timeline forward.

**Posts are well placed to capture growth**

Leveraging their vast physical presence and dense networks, many posts remain among the market leaders in parcel delivery. On aggregate, the postal industry’s parcel volume has almost doubled over the last decade, rising much faster than economic growth. But the growth in parcels delivered by posts still lags behind that of online retail, largely due to competition. Posts have performed strongly overall however, with aggregate volumes rising faster than those of integrators FedEx and UPS since 2009.
Parcel volume growth slows in 2019

Competition remains strong in the parcel delivery market as global, regional and local parcel firms all jostle for delivery contracts. Meanwhile, in recent years, some mature e-commerce markets have seen a growth slowdown in online retail, as well as big e-retailers making moves to insource their delivery operations. As a result, growth rates varied widely across posts in 2019; on average, parcels volume growth slowed to 5.6%, though over a quarter of posts reported growth rates above 10% for the year.

B2C fuels growth but margins remain thin

Parcels now represent more than half of total revenue for some posts, driven by strong growth in B2C items. As posts continued to deliver more parcels in 2019, parcels revenue was up 6.4% on average. Meanwhile, operating margins fell to 2.4% as downward pressure persisted. Prices are under pressure due to the bargaining power of large senders, free delivery expectations of receivers and undercutting by competitors; meanwhile, costs are being driven up in part due to significant network investment.

Sources: 15. Operator reports, member questionnaires
16. Operator reports, member questionnaires
Diversification
Unlocking new value, expanding horizons

As digital trends continue to drive structural shifts across the industry, posts are strengthening their positions in growth markets both at home and abroad.

Parcels and logistics grow in stature

Diversification is on the rise. As posts look to strengthen their positions in growth markets by investing in e-commerce logistics, expanding financial services and transforming retail networks, non-mail segments now account for over two thirds of total industry revenue. Moreover, close to three quarters of posts saw their mail revenue share fall since 2014. But diversification still varies widely: mail shares range from 10% to 90% across posts, and mail accounts for over 50% of revenue for two in five posts.

Post are pursuing growth abroad

International revenue, defined as either revenue generated by subsidiaries abroad or from customers outside the domestic market, reached 23.1% of total revenue on average in 2019 though the share ranged from 1% to 67% across posts. Most posts have grown international revenue since 2014, with some achieving average annual growth above 10%. Several posts now generate more than a quarter of revenue from outside their domestic markets, often focusing on regional e-commerce delivery.

Sources:
17. Operator reports, member questionnaires
18. Operator reports, member questionnaires
Capex continues to trend upwards

From upgrading vehicle fleets and sorting centres to acquiring digital services, posts are investing in new and existing assets to foster future growth. Industry capex has increased by close to a third since 2014, with growth capex accounting for around one fifth of capital outlays on aggregate. Moreover, capex as a share of revenue remained high at 4.8% in 2019. Parcels accounted for a significant share of total capex as posts continued to expand capacity in response to the rapid growth in e-commerce.

Fast tracking growth via acquisitions

Posts have bought controlling stakes in 329 firms since 2009. Companies operating in parcels and logistics segments accounted for around half of postal acquisitions. Moreover, one third were of firms from nearby or neighbouring markets as posts continued to seek growth abroad. To increase focus on core growth areas, posts have divested 182 subsidiaries since 2009. The mail and information service segments accounted for over half of industry divestments, with regional subsidiaries being key targets.

Sources: 19. Operator reports, member questionnaires, OANDA
20. Operator reports, press releases & websites
As COVID-19 disrupts business as usual, accelerates digital trends and empowers e-retail giants, posts must transform ever-faster to grasp the opportunities and meet the challenges ahead.

Global uncertainty pervades amid COVID-19

The COVID-19 crisis has shifted the world economy into reverse and most countries have seen economic activity contract sharply as a result of the pandemic. While China has seen a swift recovery, many advanced and emerging economies are still in recession. Looking ahead, downside risks remain sizable: if the virus resurges or progress on treatments and vaccines is slower than anticipated, economic activity could be lower than expected with renewed social distancing and tighter lockdowns.

Integrators up their investment intensity

DHL, FedEx and UPS have steadily increased their capital expenditure in recent years. From aircraft to handhelds, route optimisation to robots, all three have been investing heavily to shore up their global networks and gain an edge in the strongly contested e-commerce delivery market. Premium cross-border delivery remains a key focus: integrators account for around 90% of the €24bn time definite international market. And while traditionally serving B2B customers, all are pivoting to B2C delivery.
E-retailers are spending billions on logistics

Global e-retail giants continue to invest in logistics to get goods closer to customers, accelerate click-to-door times and insource transport. Amazon exemplifies the trend: since 2013, it has built over 200 new fulfilment centres and ordered 70 planes, 100,000 electric trucks and 20,000 vans. In the US, estimates suggest that Amazon delivered 46% of its own parcels in 2019, up from only 20% in 2018; by 2022, its volumes could more than double to 6.5bn, beating volumes forecast for UPS and FedEx.

Slower growth and lower margins in 2020

Despite strict lockdowns and many economies entering recession, posts across the globe continued to provide citizens with essential services in the first half of 2020. As stay at home orders saw mail volume plunge and parcels soar during the first wave of the pandemic, the financial impact of the crisis varied across posts. On average, and across the smaller subset of posts that publish interim reports, revenue growth fell to 1.3% year on year and operating profitability dropped to 1.7% in H1 2020.
Deep-dive articles

The In Focus articles in the IPC Global Postal Industry Report provide further insight into emerging trends across the industry. Articles from this year’s report are highlighted here.

COVID-19 impact

COVID-19 continues to spread across the globe. As government-imposed lockdowns confine citizens to their homes, shutter all but essential stores and close national borders, businesses and consumers are flocking online. Mail volumes are being hit hard while parcels are rocketing far above forecasts. And as a second wave looms, the crisis is set to accelerate the structural shift from mail to parcels. Our infographic charts the global impact of the COVID-19 pandemic over the first nine months of 2020.

COVID-19 response

Amid the COVID-19 crisis, the postal industry remains resilient. While transit times and service quality were impacted as the pandemic first hit, posts have rapidly adjusted operations to manage changes in demand and disruptions to international transport. Moreover, posts continue to help governments, protect staff and support vulnerable citizens, all the while helping SME retailers get back on their feet. Our infographic monitors the industry’s short- and medium-term response to the global pandemic.

Online marketplaces

Digital marketplaces are the powerhouses of e-commerce and e-retail giants rule the roost: Alibaba and Amazon account for over half of all online third-party merchant sales worldwide. But posts are making moves of their own. While some are developing niche marketplaces, others are emulating successful models from abroad. And for posts unwilling to take the plunge online, alternatives exist. Our infographic explores how digital marketplaces are connecting buyers and sellers across the globe.

Urban logistics

Over two thirds of the global population will live in cities by 2050. As urban density rises, e-commerce surges and more delivery vehicles hit the streets, governments and regulators are introducing a range of measures to combat urban congestion. Meanwhile, posts are developing strategies to boost drop density, reduce emissions and deliver parcels more efficiently across increasingly crowded cityscapes. Our infographic maps both the challenges and solutions emerging across the busy urban landscape.
Detailed operator comparisons

The IPC Global Postal Industry Report is the sector’s most comprehensive, holistic and in-depth report on postal industry trends and performance. The report is split into two parts: Part One looks at overall industry trends, Part Two provides an in-depth analysis of the corporate and business unit performance across posts, allowing stakeholders to benchmark the performance of individual operators both against their peers and an overall industry average. This year’s report includes over 150 industry-specific charts, tables and infographics based on a rich data set of financial and operational data built up over more than a decade.

How to access the full report

The full version of the IPC Global Postal Industry Report 2020 includes over 130 pages of industry and operator analyses. The report is available to IPC members for free, and is also available for purchase by non-members. A full table of contents, as well as further details on how to purchase the report, are available via the IPC website. If you require more information, please contact market.intelligence@ipc.be.
IPC Carrier Intelligence Reports

While the IPC Global Postal Industry Report tracks industry trends and enables performance benchmarking across postal operators, the IPC Carrier Intelligence Reports focus on the performance of individual postal and parcel operators. These operator-specific reports provide instant access to critical financial, operational, strategic and market information for over 50 leading operators from Asia Pacific, Europe, Latin America and North America in an easy-to-read, consistent format.

The IPC Carrier Intelligence Reports have been specifically designed to meet the market intelligence needs of industry executives as well as consultants and analysts engaged in postal and parcel research. By compiling key quantitative and qualitative data for each operator, the reports save valuable resources for in-house strategic and market analysts.

Each individual report analyses key performance indicators for a specific operator, including revenue, profitability, investment and efficiency metrics, as well as monitoring volume and price trends across business segments. In addition, the reports examine governance and strategy, quarterly performance, share analytics and credit ratings, partnerships and innovations, acquisitions and divestments, as well as corporate social responsibility, key press releases and outlook and targets. For further context, the reports also analyse each company’s operating environment, including country demographics, economic conditions and key trends across digital media, e-commerce and national postal markets.

How to access the reports

The reports are available by annual subscription giving participants access to all of the reports. To register your company for access to all IPC Carrier Intelligence Reports, or if you require further information, please contact market.intelligence@ipc.be.
The Key Findings report provides a distillation of data and analysis included in the IPC Global Postal Industry Report 2020, highlighting key charts and including commentary excerpts from the full version.

This report includes data for the following 53 postal operators: An Post; Australia Post; bpost; Canada Post; China Post; Chunghwa Post; Correios Brasil; Correo Argentino*; Correos; Correos de Chile; Correos de Mexico; Croatian Post; CTT Portugal Post; Cyprus Post; Czech Post; Deutsche Post DHL; Eesti Post; Hellenic Post-ELTA; Hongkong Post*; Iceland Post; India Post; Israel Post; Japan Post; Korea Post*; Latvian Post; Le Groupe La Poste; Lithuania Post; Magyar Posta; New Zealand Post; Österreichische Post; PHLPost; POST Luxembourg; Poczta Polska; Pos Indonesia; Pos Malaysia; Posta Romana; Posta Slovenije; Poste Italiane; Posten Norge; Posti; PostNL; PostNord; PTT-Turkish Post*; Royal Mail; Russian Post; Singapore Post; Slovenska Posta; South African Post Office*; Swiss Post; Thailand Post; Ukrposhta; United States Postal Service; Vietnam Post.

Sample sizes vary from chart to chart due to data availability. Unless otherwise stated, all averages refer to an unweighted mean for all posts reporting consistent data for the entire period covered in the chart. Operators marked above with an asterisk (*) had not published data covering the full 2019 period at the time of analysis; data for these posts are based on the latest periods for which data exists. Where required and unless otherwise stated, local currencies were converted into euros at 2019 exchange rates from OANDA. Regional categories for external data such as GDP are based on the source’s regional definition and include countries in addition to those related to the 53 national postal operators in this report.

For further information, please contact market.intelligence@ipc.be