

Packets and parcels driving postal growth

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â€¢ 4.6% year-on-year global postal industry average revenue growth in H1 2018, significantly higher than in H1 2017 â€¢ Growth specifically in small and lightweight e-commerce packets has helped ease the volume decline in the mail segment â€¢ IPC's 2018 Global Postal Industry Report Key Findings presents full-year 2017 results and initial 2018 results

IPC GPIR Key Findings 2018 financial performance

Posts are delivering more packets and parcels than ever before. While growth rates ranged widely, more than two thirds of posts saw stable or increasing revenues during the year and most cited parcels and express as a key growth driver. Digitisation remains the key driver of structural mail volume decline across the industry, though growth in small and lightweight e-commerce packets has helped ease the fall. In 2017, the average decline in mail volume slowed to 4.6% compared to 5.2% in 2016."

IPC GPIR Key Findings 2018 business diversification

Brussels, 29 November 2018 – The IPC Global Postal Industry Report - Key Findings - released today indicate that the postal industry is on track for future growth. In 2017, the sector recorded 2.8% revenue growth, with an acceleration in the first half of 2018 through an increase of 4.6% year-on-year. Ongoing e-substitution and e-commerce growth continued to widen the performance gap across business units, with revenue down 2.3% for mail and up 11.0% for parcels. Profitability remained strong for both divisions, with efficiency initiatives, network optimisation and capacity investment set to continue in the years ahead.

Holger Winklbauer, CEO of IPC said:
"E-commerce continues to fuel the industry.

Apart from mail, the three main sources of industry revenue are parcels and express, financial services and logistics and freight. While mail still represents over 40% of industry revenue, posts continue to pursue

growth outside the core. Most are becoming more diversified: close to three quarters have seen their mail revenue share fall since 2012.

Postal operators are also seeking growth opportunities abroad. For posts with international segments defined as either revenue generated by subsidiaries abroad or from customers outside the domestic market, international revenue has increased over the past five years and in 2017 represented close to one quarter of total revenue on average, though shares ranged widely across operators. Most posts have grown international revenue since 2012, with five achieving average annual growth above 10%.

E-commerce fuels growth in global packet and parcel volumes

E-commerce is booming. As more and more shoppers move online, around 10% of retail sales worldwide are now made online, almost half of which are done via a mobile device. Apparel and footwear, media products and electronics are among the items most often purchased online, and food and drink sales are growing rapidly.

 IPC GPIR Key Findings 2018 volume

In 2017, parcels volume growth rose to 14.3% on average, up from 8.4% a year earlier. Most posts also saw parcels revenue improve in 2017, with e-commerce-driven growth for both domestic and cross-border B2C volume commonly reported as key growth drivers; others saw revenue rise steeply as a result of acquisitions; on average, revenue growth accelerated to 10.8%.

Winklbauer continues: “Despite strong competition, posts worldwide continue to leverage their vast physical presence and dense networks as they innovate, improve and expand their B2C services. Many are teaming up with integrators, e-retailers and start-ups to further bolster e-commerce volumes. Others are introducing same-day shipping, offering real-time tracking and trialing drone, robot and car boot delivery.”

The above insights are published today in IPC’s publicly available [Key Findings report](#), which provides a distillation of data and analysis included in the full IPC Global Postal Industry Report 2018. Published annually and now in its tenth edition, the full report covers 50¹ postal operators from Europe, North America, Asia Pacific and BRICS countries, as well as integrators UPS and FedEx. While aiming to deepen understanding about key trends shaping the postal industry, the report also benchmarks the performance of individual posts both against their peers and an industry average. The [full IPC Global Postal Industry Report](#) is available for purchase by stakeholders outside the IPC membership.

¹ The full IPC Global Postal Industry Report 2018 analyses the following 50 postal operators: An Post; Australia Post; bpost; Canada Post; China Post; Chunghwa Post; Correios Brasil; Correos; 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; 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 Group; 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.

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About International Post Corporation

International Post Corporation (IPC) is the leading service provider of the global postal industry that provides leadership by driving service quality, interoperability and business-critical intelligence to support posts in defending existing business and expanding into new growth areas. It is a cooperative association of 23 member postal operators in

Asia Pacific, Europe and North America. IPC's solutions and services are used by over 180 posts worldwide. Since 1989 IPC has set standards for upgrading quality and service performance and developed technological solutions that help members enhance service for international letters, packets and parcels. IPC engages in industry research, creates business-critical intelligence, provides a range of platforms and programmes for member post CEOs and senior management to exchange best practices and discuss strategy. IPC also manages the system for incentive-based payments between postal operators.

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