

Postal sector growth fuelled by parcels

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The IPC Global Postal Industry Report Key Findings released today indicates continued though slightly slowing growth for the postal industry.

- The global postal industry averaged **1.4% revenue growth in H1 2017, on par with H1 2016 results**
- **Growing e-commerce volumes continue to offer opportunities for posts and compensate for challenging conditions in the mail segment**
- **IPC's 2017 Global Postal Industry Report's Key Findings presents full-year 2016 results and initial 2017 results**

HALF-YEAR FINANCIAL RESULTS, INDUSTRY AVERAGE, %

declined **1.3%** while parcels revenue increased by **11.4%**. Operating margins remain solid for both divisions.

Despite ongoing mail volume decline, industry revenue and profitability remain robust as posts continue to focus on growth, diversification and efficiency. Steady growth in cross-border online retail also continues to boost demand for parcel delivery services worldwide.

Holger Winklbauer, CEO of IPC said: "Fuelled by the rise in e-commerce volume, the parcels and express segment remains the postal industry's key growth area. Increasing demands from online shoppers for faster, cheaper and more convenient deliveries as well as returns remain important challenges for the industry, as does growing competition in the delivery market. But at the same time, it offers many opportunities. Though mail remains the industry's core revenue source, posts continue to diversify, either by investing in other business areas or by acquisitions, joint ventures or partnerships, both domestically and abroad."

Brussels, 30 November 2017 – The IPC Global Postal Industry Report Key Findings released today indicates continued though slightly slowing growth for the postal industry. After reporting 2% revenue growth in 2016, the industry recorded 1.4% growth in the first half of 2017. The performance gap between business units widened in H1 2017 compared to H1 2016: on average, mail revenue

Posts focus on the future as e-commerce and digitisation continue to drive change

PARCELS & EXPRESS VOLUME, % CHANGE ON PRIOR YEAR

Over the full year 2016, parcels and express revenue increased by 6.5% on average, against a 7.8% volume increase year-on-year. As online shoppers become more comfortable buying from retailers abroad, cross-border delivery presents a key opportunity. Today, international items represent less than one fifth of total parcel volumes on average, but many operators report increases in cross-border deliveries and expect strong growth in the future. As posts compete directly with a diverse array of players, they are also teaming up with integrators, e-retailers and start-ups to further grow volumes. To strengthen their positions, posts are investing in upgrading their networks: from modernising sorting hubs and installing parcel lockers to further developments in IT and new technologies.

Winklbauer continues: “As the mail share of industry revenue continues to decline, posts are strengthening their positions in other segments. Posts are increasingly investing in new and existing assets to foster future growth: from modernising mail operations to buying innovative start-ups. Many posts have looked to acquisitions to gain firmer footholds

in new business areas and international markets. Within the parcel delivery market, posts are leveraging their trusted brands, strong expertise and nationwide networks and are looking to grow their share of both domestic and cross-border markets.”

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 2017. Published annually and now in its ninth edition, the full report covers 48 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.

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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 24 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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