



I B P T

BELGIAN INSTITUTE FOR POSTAL SERVICES AND TELECOMMUNICATIONS

PRESS RELEASE

BIPT publishes the economic key figures of the postal sector

Brussels, 15 December 2014 - In its observatory, BIPT publishes the economic key figures of the postal sector for 2013. They reveal a surprising trend: in spite of a decrease of the volumes and revenue in 2013, investments in the postal sector have increased. Bpost has raised the letter post tariffs by 2.6% and has consolidated its market share in the competitive parcel and express mail segment.

Since the beginning of 2012, the Belgian Institute for postal services and telecommunications (BIPT) has set up a lasting observatory of the postal activities market in Belgium. The indicators present in this observatory 2013 aim at providing a representation of the market structure intended for all the stakeholders of the postal sector.

Here are some of the main trends for 2013:

Investments have increased by 4% in 2013, the total number of jobs has decreased by 2.6%

In 2013, 152 million euro were invested by operators¹ in the postal sector, which represents a 4% increase in comparison to 2012. The number of jobs in the postal sector in Belgium decreased by 2.6% between 2012 and 2013. With more than 32,000 direct jobs, the postal sector represents 0.96% of total employment in Belgium in 2013. The number of employees of the alternative operators represents some 20% of these jobs.

The total revenue of the postal sector has decreased by 2.1% in 2013

From a general point of view, the postal market is decreasing slightly in comparison to 2012, and this in spite of the good results of the parcel and express mail segment. Bpost keeps an important market share, even if it is slightly decreasing since 2010: this decrease is linked to the growth of the parcel market, where competition is more developed, particularly due to the presence of the main international providers of express delivery services.

The share of revenue relating to the provision of postal services in the Belgian GDP remained stable between 2010 and 2012. However, we notice a very slight decrease to 0.79% of GDP in 2013. The total revenue of the postal sector has decreased by 2.1% between 2012 and 2013, to stand at 3,041 million euros, while there had been a 2.3% increase between 2011 and 2012. This decline is linked to the decrease in revenue in the letter post segment, which is not fully compensated by the increase in revenue observed in the parcel and express mail segment:

- With a 6.8% growth compared to 2012, the parcel and express mail segment exceeds the nearly 4% growth observed in 2012. Since 2010, revenue linked to parcels and express mail has increased by nearly 23%.

¹ Except for bpost, the amount of investments corresponds to the net evolutions of the fixed assets over 2010 and over 2011. It is therefore the net fixed capital formation.

- On the other hand, in 2013, the letter post segment is marked by a significant 7.3% decrease in value compared to 2012, and this in spite of the price increase introduced by bpost.

The volumes per worker have decreased by 2.6% in 2013; less than 20 items per inhabitant

The decline in value of the letter post market observed can also be seen in the market evolution with regard to volume. So, the volume of mail per worker in Belgium (including employees in all sectors and self-employed workers) decreases by 2.6% between 2012 and 2013, and the volume of mail per inhabitant decreases by 3.6% over the same period, falling below the level of 20 items per inhabitant and per month.

Bpost's tariffs have increased by 2.6% in 2013

The nominal rate of the Prior letter in Belgium went from € 0.75 in 2012 to € 0.77 in 2013, i.e. a 2.6% increase of the sale price of transport and distribution. The price of transport and distribution of the standard format letter in Belgium is amongst the highest in Europe. However it should be noted that it is a unit price. Bpost offers a lower rate for stamps sold in series (from 10 stamps). In 2013, this price amounted to € 0.67 a stamp against € 0.65 in 2012 and € 0.61 in 2011, from 10 stamps purchased.

Bpost's market share has increased in 2013 and exceeds 20% for parcels and express mail

Competition is intense in this segment, which experiences a dynamic development: between 2012 and 2013, parcels and express mail revenue increased by 6.8%. Alternative private operators are very active in the parcel and express mail segment in Belgium, just like the national universal service operators of neighbouring countries, which are present outside of their domestic markets through their subsidiaries. In this segment, bpost's market share is constantly increasing and exceeds 20% in 2013. Together, the 4 international providers of express delivery services - DHL, Fedex, UPS and TNT - represent more than 60% of this market in value.

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