Republic of Poland
Office of Electronic Communications

Report on the state of the postal market in 2015

Warsaw, May 2016

1. Introduction 4
2. The postal services market..... 7
2.1. Legal basis regulating operation in the postal services market.....7
2.1.1. National law 7
2.1.2. European law 7
2.1.3. International law.....7
2.2. Participants of the postal services market.....8
2.2.1. Regulatory authority.....8
2.2.2. Postal operators.....8
2.3. Definitions and scope of postal services 14
3. Analysis of the functioning of the postal services market 17
3.1. Postal services in 2015 17
3.2. Universal services.....26
3.3. Services comprising universal postal services 30
3.4. Courier items 36
3.5. Other postal services 40
4. Resources and elements of postal infrastructure.....48
5. Conclusions.....53
List of tables 56
List of charts.....58
Annex - results of inspections of postal activities.....60

This report was drafted in accordance with Article 43 (6) of the Act of 23 November 2012 on Postal Law (Journal of Laws of 2012, item 1529), hereinafter referred to as the "Act" or "Postal Law Act", based on information obtained from postal operators under Article 43 (1) and (2) of this Act.

These provisions required postal operators to submit to the President of the Office of Electronic Communications reports on postal activities carried out in 2015, in accordance with the specimen reporting forms stipulated in the Ordinance of the Minister of Administration and Digitization of 26 November 2013 on specimen forms to report on postal activities to the President of the Office of Electronic Communications (Journal of Laws of 2013, item 1489).

In 2015 the reports were submitted by 167 postal operators.

This report introduces corrections to the data for 2013 and 2014, resulting from changes in the reports on postal activities submitted by the postal operators. Due to that, some data concerning the volume of services, revenues and percentage shares were modified. The changes do not have a significant impact on the picture of postal market presented in the reports for 2013 and 2014.

Legal state, entities acting on the postal market, as well as the picture of postal market in 2015 and comparison between the years 2013-2015 are presented in the subsequent parts of the report.

Unless otherwise specified, figures presented in the report were expressed in million items or PLN million. Possible variations in sums and shares are a result of rounding.

1. Introduction

Liberalization of the postal market carried out in the recent years has ensured freedom of establishment to all entrepreneurs interested in providing postal services. Lack of market access restrictions increased competition between operators, fostering development of particular segments of the postal market.

The direction of changes on the postal market was set by three subsequent directives of the European Parliament and of the Council. Guidelines included in the European Union (EU) directives were implemented into the Polish law in the Postal Law Act.

The Act, in force since 1 January 2013, has had a very significant impact on various areas of the postal market. The introduced provisions have defined the manner and conditions of providing postal services, as well as rights and obligations of entities performing them, taking into account especially requirements concerning the provision of universal services.

The introduced rules have ensured equal access to postal services to all citizens in the whole territory of the country. In this scope, designation rules and obligations of the regulator designated to provide universal service have been determined.

In 2015 the President of the Office of Electronic Communications, on the basis on the contest results, designated Poczta Polska S.A. to provide universal postal services in the years 2016-2025.

Amendment of the legal provisions made it possible to differentiate postal market segments: universal postal services, services comprising universal postal services, courier items and other postal services. It made it possible to compare the value of sales in particular postal market segments in subsequent years, as well as for assessing the level of changes in reference to particular postal services. The introduced postal market division has a significant meaning for determining rights and obligations of postal operators as regards their share in the net cost of fulfilling the obligation to provide universal services.

Analysis of the postal market in terms of the overall level of provided postal services showed that in 2015 there was an increase both in the volume of services and revenues gained from their provision.

In 2015 postal operators performed a total of 5,786.08 million postal services in both domestic and cross-border traffic, which translated into a revenue of PLN 7,742.88 million, with 3,782.93 million (i.e. 65.38%) of non-addresses printed forms generating a revenue of merely PLN 131.34 million (i.e. 1.70%).

The market of non-addressed printed forms is a highly competitive one. Apart from postal operators, these services are provided by many other market entities, which are not subject to obligation to report on postal activity. Therefore, the data available to the President of UKE do not show the full picture of the market in this scope.

In comparison to 2014, the volume of postal services performed in 2015 (without non-addressed printed forms) increased from 1,982.10 million items to 2,003.15 million items, which means an increase of 1.06%, whereas the value of revenues increased from PLN 7,411.52 million to PLN 7,611.54 million, which is equal to 2.70%. It mostly resulted from a dynamic development of courier services market connected with the development of e-commerce.

Poczta Polska S.A., hereinafter "Poczta Polska" in 2015 performed 1,449.75 million services (without non-addressed printed forms) in domestic and cross-border traffic (72.37% share in the total volume), which translated into PLN 4,317.54 million revenue (56.72% share in total revenue). Compared to 2014, the volume of services performed by the designated operator dropped by 5.59%, and the value of revenues by 6.11%.

Poczta Polska, as the designated operator, performs services of a public value, which are defined in the act as universal postal services. Their performance is connected with the operator's obligation to provide these services on the whole territory of the country, including rural areas, in a continuous manner while maintaining availability and required service quality, and taking account of affordability of services.

In the period of 2013-2015 the volume of universal services has been gradually decreasing. In 2015 the designated operator performed 647.7 million universal postal services in domestic and cross-border traffic, which translated into PLN 2,663.87 million revenues. This represented a decrease in comparison to 2014 by 9.03% and 9.30%, respectively.

In 2015 alternative operators performed 553.40 million services (without non-addressed printed forms) in domestic and cross-border traffic (27.63% of the total volume), which translated into PLN 3,294.00 million revenues (43.28% share in total revenue). Compared to 2014, the volume of services performed by alternative operators increased by 23.94%, and the value of revenues by 17.09%.

Both the number of provided services and revenues differ in particular postal market segments. The highest number of services was performed in the segment of services comprising universal postal services (42.06% of all services); whereas the highest revenue was generated by the courier items segment (41.84% of total revenues).

In terms of particular types of services, the share of letter items in the total number of provided services has been gradually dropping. In 2015 operators provided 1,467.97 million letter items, which is 1.09% less than in 2014. The value of revenues from letter items provision in 2015 was equal PLN 3,191.99 million, i.e. by 7.16% less than in 2014. It is a result of changes in communication methods, i.e. gradual move away from traditional letter communication towards communications with the use of modern technologies.

The number of postal parcels decreased in 2015 to 26.78 million items, i.e. by 4.08% in comparison to 2014. The value of revenues from postal parcels delivery in 2015 was PLN 424.49 million, which was by 4.19% less than in 2014. However, it is a result of customer migration to the courier services segment. Overall, the postal parcels market grows due to the development of services dedicated to e-commerce.

The number of active postal operators is gradually yet slightly increasing. As of the end of 2015, there were 289 entities in the register of postal operators. Activity in the scope of postal services provision was conducted by 167 postal operators. In 2014 there were 166 of them.

After a dynamic increase in the previous years, the number of places where postal services are provided has stabilised. In 2015 postal services were provided in 24,295 postal points of contact, including 7,387 points of the designated operator and 16,908 points of alternative operators. Apart from postal points of contact, postal services

were to a higher extent provided with the use of self-service delivery and collection machines for postal items.

2. The postal services market

2.1. Legal basis regulating operation in the postal services market

2.1.1. National law

The basis for the functioning of the postal market in Poland in 2015 was laid in the following legal acts:

- Act of 23 November 2012 - Postal Law (Journal of Laws of 2012, item 1529, as amended), and implementing acts therein,
- Act of 16 July 2004 - Telecommunications Law (consolidated text: Journal of Laws No. 2014, item 243, as amended), hereinafter "Telecommunications Act".

The Postal Law Act has implemented Directive 2008/6/EC of the European Parliament and of the Council of 20 February 2008 amending Directive 97/67/EC with regard to the full accomplishment of the internal market of Community postal services (Official Journal EU L 52 of 27.02.2008, p.3, as amended) into the Polish law, and determined the principles for the postal market functioning after its full opening to competition.

2.1.2. European law

The following three directives of the European Parliament and of the Council regulated the postal services market in the European Union in 2015:

- Directive 97/67/EC of 15 December 1997 on common rules for the development of the internal market of Community postal services and the improvement of quality of service (the so-called 1st Postal Directive),
- Directive 2002/39/EC of 10 June 2002 amending Directive 97/67/EC with regard to the full accomplishment of the internal market of Community postal services (the so-called 2nd Postal Directive),
- Directive 2008/6/EC of 20 February 2008 amending Directive 97/67/EC with regard to the full accomplishment of the internal market of Community postal services (the so-called 3rd Postal Directive).

The Directives define the legal status and scope of operation of the independent regulatory authorities in the Member States, as well as contain mandatory provisions to be implemented by EU Member States in their legal systems. The main aim indicated by the provisions of the aforesaid directives is to reconcile the pursuit to conduct a controlled liberalisation of the postal services market with a guarantee of high quality of postal services to customers, including the provision of universal postal services at affordable prices with continuing guarantee of offering that service.

2.1.3. International law

International law, including legal acts of the Universal Postal Union, is also important for the postal services market. The Universal Postal Union (UPU) is one of the United Nations' specialized agencies which implements cooperation between postal administrations and operators providing universal postal services.

The World Postal Convention (Journal of Laws of 2007, No. 206, item 1494) establishes common rules applied in international postal service. It specifies the basic concepts and definitions relating to international postal traffic, rules applicable to

letter items and postal parcels, the scope of responsibility, the scope of services offered, and it includes other detailed provisions on letter items.

Pursuant to Article 4 of the Postal Law Act the provisions of the Act shall apply to the provision of postal services in cross-border traffic, unless international provisions provide otherwise. The tasks within the scope of postal activity, assigned to postal management authorities or postal administrations within international postal regulations, are performed by the designated operator. This is important in particular for the obligation to provide universal postal services because the provisions of the World Postal Convention in Article 3 (1) and (2) as well as in Article 12 identify a broader scope of basic (universal) services than defined in Article 45 (1) of the Postal Law Act.

2.2. Participants of the postal services market

2.2.1. Regulatory authority

The President of the Office of Electronic Communications, hereinafter the "President of UKE" is a central-level authority of government administration. The scope of its competences is defined in the provisions of Telecommunications Act and Postal Law Act.

The issues that fall within the competence of the President of UKE include regulation, control, mediation, and inspiration as regards postal and telecommunications markets.

Postal market tasks performed by the President of UKE in 2015 were based on the adopted Regulatory Strategy which defined the following basic strategic objective – „ensuring effective opening of the postal market to competition”. The main action areas comprised:

- designating postal operator obliged to provide universal services,
- determining the right level of prices for universal services,
- enforcing compliance with competition rules by all postal market participants,
- implementing a broad scope of controlling tasks as regards the activity of postal market operators,
- raising consumer awareness and monitoring consumer needs,
- promoting fair market competition by the President of UKE through appropriate and transparent application of regulation.

The President of UKE cooperates with many organisations responsible for postal market on the national, European and international level. The most important cooperation fora include: the European Commission (EC), the European Regulators Group for Postal Services (ERGP), the European Committee for Postal Regulation (CERP) and the Universal Postal Union (UPU).

2.2.2. Postal operators

In 2015, there were 289 entities in the register of postal operators (as of 31 December 2015). Out of the registered operators, postal reports were submitted by Poczta Polska and 166 remaining operators. At the same time, 41 entities submitted statements that they did not conduct postal activities in 2014.

The operator designated to provide universal postal services

Based on Article 178 (1) of the Postal Law Act the obligations of the designated operator within the period of 3 years following the entry of that Law into force, i.e. until 31 December 2015, were performed by Poczta Polska. On 30 June 2015, after conducting an administrative proceeding, the President of UKE issued a decision on appointment of Poczta Polska as the designated operator to provide universal postal services for the years 2016-2025.

Poczta Polska as the designated operator is obliged to provide universal postal services in the whole territory of the country.

The scope of postal activity carried out by the designated operator

In 2015, the designated operator's postal activities included in particular:

- universal postal services in domestic traffic: unrecorded letter items, recorded letter items (including registered items, insured items), items for the blind, parcels up to 10 kg (including insured ones);
- universal postal services in cross-border traffic: unrecorded letter items, recorded letter items (including registered items, insured items), items for the blind, parcels up to 20 kg (including insured ones) and M-bags;
- services comprising universal postal services in domestic traffic: letter items (including insured ones) from bulk senders, agglomeration items, hybrid unrecorded and registered items, mini parcels, multi parcels, items up to 10 kg:
- services comprising universal postal services in cross-border traffic: letter items (including insured ones) from bulk senders and others;
- courier services in domestic traffic: e.g. Pocztex;
- courier services in cross-border traffic: e.g. EMS service;
- other postal services in domestic traffic: e.g. non-addressed printed forms, telegrams, marketing mail, direct mail, items above 10 kg and others;
- other postal services in cross-border traffic: consignment service.

Pursuant to the Ordinance of the Minister of Administration and Digitization of 29 April 2013 on conditions for the provision of universal postal services by the designated operator (Journal of Laws of 2013, item 545) the location of the designated operator's postal points of contact should take account of the demand for services in a given area, as well as the following conditions:

- there should be one permanent point of contact of the designated operator, when counting a mean for the country, per 6,000 inhabitants in urban and in mixed urban and rural communities;
- there should be one point of contact of the designated operator, when counting a mean for the country, per an area of 85 km^2 in rural settings;
- in each municipality there should be at least one permanent point of contact of the designated operator.

The values of parameters obtained by Poczta Polska at the end of 2015 with respect to the minimum requirements in the field of availability of the postal points of contact network, defined in the Ordinance of the Minister of Administration and Digitization on conditions of providing universal postal services by the designated operator, are presented below.

Table 1. Fulfilment of conditions of postal services availability by Poczta Polska

Availability criterion according to the Ordinance of the Minister of Administration and Digitization	**Level of fulfilment as of 31.12.2015**
In each municipality there should be at least one permanent point of contact of the designated operator.	**Criterion fulfilled** In each of the 2,478 municipalities there was at least one permanent postal point of contact.
There is one permanent point of contact of the designated operator, when counting a mean for the country, per 6,000 inhabitants in urban and in mixed urban and rural communities;	**Criterion fulfilled** The availability rate of postal points of contact network, when counting a mean for the country, for urban and mixed urban and rural communities was 5,894 inhabitants per one operational permanent postal point of contact.
There is one point of contact of the designated operator, when counting a mean for the country, per an area of 85 km^2 in rural settings.	**Criterion fulfilled** The availability rate of postal points of contact network, when counting a mean for the country, for rural communities was 75.42 km^2 per 1 operational permanent postal point of contact.
Postal points of contact of the designated operator should be open on all working days, excluding Saturdays, at least 5 days a week, and if in a given week there is a public holiday, the number can be lowered accordingly.	**Criterion fulfilled** Points of contact are open on all working days. On public holidays, customer service of is provided by postal points of contact on duty.

Source: Information submitted by Poczta Polska

Alternative postal operators

In total, there were 288 entities in the register of postal operators as of the end of December 2015.

In 2015, the President of UKE received:

- 38 applications for entry in the register of postal operators,
  - ✓ 35 applications were granted,
  - ✓ 2 applications were received in 2015 but were considered in 2016,
  - ✓ 1 application was revoked by the entity,
- 30 applications for removal from the register of postal operators,
- 7 applications for suspension of postal activity.

10 entities were removed from the register of postal operators ex officio as a result of confirmed permanent cessation of postal activity (the entities were earlier deleted from the central register of business activity).

In the period of 2005-2014, the number of alternative operators increased significantly (from 113 to 293 operators). In 2015 the number of registered entities dropped to 288 due to a significant number of entities removed from the register of postal operators, which was indicated above.

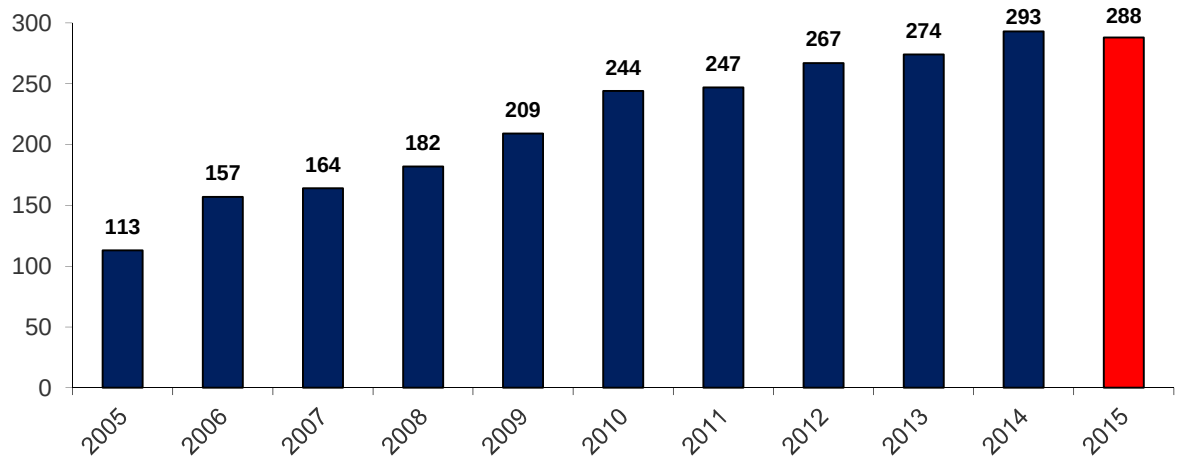
Table 2. Number of registered alternative postal operators in the period of 2005-2015 (as of 31 December each year)

Year	Number of registered alternative postal operators	Change in comparison to the preceding year	
2005	113	-	-
2006	157	44	39%
2007	164	7	4%
2008	182	18	11%
2009	209	27	15%
2010	244	35	17%
2011	247	3	1%
2012	267	20	8%
2013	274	7	3%
2014	293*	19	7%
2015	**288**	**-5**	**-2%**

**In 2015 the number of postal operators registered in 2014 was updated*

Source: UKE own study

Chart 1. Number of registered alternative postal operators in the period of 2005-2015 (as of 31 December each year)



Source: UKE own study

Not all registered operators undertake postal activity. The highest number of active operators was in the mazowieckie (Mazovia) province (70), in the śląskie (Silesia) province (15) and in the małopolskie (Lesser Poland) province (14). In the remaining provinces, the number of active operators did not exceed 11. The highest degree of utilization of obtained entries was observed in the warmińsko-mazurskie (Varmia and Mazuria) province (100%), in the świętokrzyskie province (80%) and in the mazowieckie (Mazovia) province (57%).

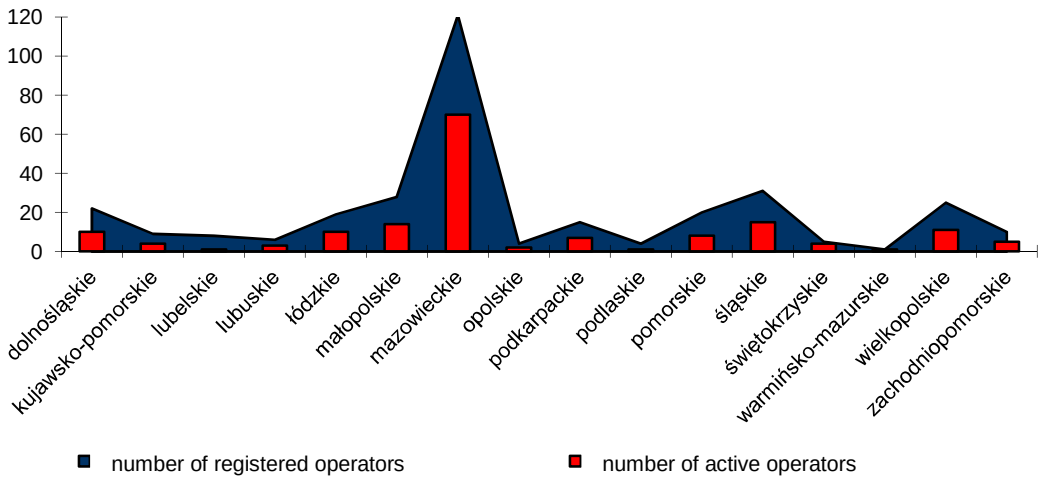
Table 3. Number of alternative operators registered and active in each province in 2015

Province	Number of operators		Level of entry utilization
	registered*	active	
dolnośląskie (Lower Silesia)	22	10	45.45%
kujawsko-pomorskie (Cuiavia and Pomerania)	9	4	44.44%
lubelskie (Lublin)	8	1	12.50%
lubuskie (Lubusz)	6	3	50.00%
łódzkie (Łódź)	19	10	52.63%
małopolskie (Lesser Poland)	28	14	50.00%
mazowieckie (Mazovia)	121	70	57.85%
opolskie (Opole)	4	2	50.00%
podkarpackie (Sub-Carpathia)	15	7	46.67%
podlaskie (Podlasie)	4	1	25.00%
pomorskie (Pomerania)	20	8	40.00%
śląskie (Silesia)	31	15	48.39%
świętokrzyskie (Kielce)	5	4	80.00%
warmińsko-mazurskie (Varmia and Mazuria)	1	1	100.00%
wielkopolskie (Greater Poland)	25	11	44.00%
zachodniopomorskie (Western Pomerania)	10	5	50.00%
Total	**328**	**166**	**50.61%**

**the number of operator includes also 40 operators that were removed from the register in 2015*

Source: UKE own study

Chart 2. Number of alternative operators registered and active in each province in 2015



Source: UKE own study

Business activity in the postal sector is conducted by alternative postal operators in various organisational and legal forms, which is illustrated in the summary given below. In 2015, the most popular legal form of functioning of postal operators was

economic activity conducted by natural persons (91 entities) and a limited liability company (59 entities).

Table 4. Organisational and legal forms of alternative postal operators in 2015

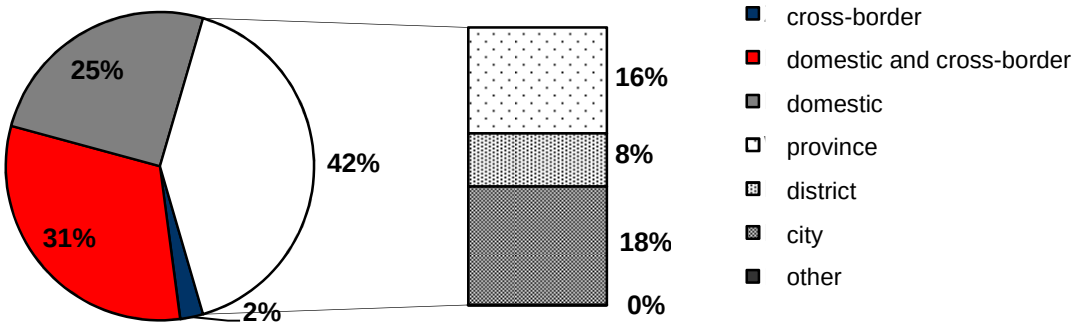
Organisational and legal form	Number of operators
natural person	91
limited liability company	59
joint stock company	7
other (cooperative, limited partnership)	9
Total	**166**

Source: UKE own study

Alternative postal operators, unlike Poczta Polska which is obliged to offer its services in domestic and cross-border traffic, may provide their services domestically, only in cross-border traffic, both domestically and in cross-border traffic or only locally (within the territory of a province, a district, one settlement or even its part). As suggested by the information included in the reports, among 166 operators conducting activities in 2015:

- 68 conducted their activities only locally, including: 26 on the territory of a province, 29 within a city,
- 52 – domestically,
- 42 – domestically and in cross border traffic,
- 4 – only in cross-border traffic.

Chart 3. Scope of alternative postal operators' activities in 2015



Source: UKE own study

Scope of postal activities conducted by alternative operators

In 2015, alternative postal operators were active in three postal market segments, including in the area of:

- services comprising universal postal services – including letter items and postal parcels with weight and dimensions defined for universal services, and items for the blind not provided by the operator designated to provide universal services;
- courier items – covering letter items which are recorded items or postal parcels cleared, sorted, transported and delivered in a manner that collectively guarantees: direct receipt of a postal item from the sender, tracking a postal item from posting to delivery, delivery of a postal item within a guaranteed time limit

specified in the rules and regulations for the provision of postal services or in contracts for the provision of postal services, delivery of a postal item directly to the addressee or to a person authorised to collect it and obtaining an acknowledgement of receipt of a postal item in a written or electronic form;

- other postal services – this group is made of letter items, postal parcels with weight and dimensions exceeding those defined in Article 45 of the Postal Law Act. Services in this postal market segment include also the provision in domestic and cross-border traffic of postal money orders, direct mail and non-addressed printed forms or postal items sent using electronic communications means (which at the stage of clearance, transport or delivery of information took a physical form of a letter item).

The number of alternative postal operators active in individual segments of the postal market is presented below.

Table 5. Scope of alternative operators' activities in 2015

Postal services market segments			Number of alternative postal operators
Services comprising universal postal services	Courier items	Other postal services	
■			46
	■		87
		■	12
■	■		6
■		■	8
■	■	■	7
67	100	27	166

Source: UKE own study

Analysis with respect to the market segments in which individual alternative postal operators are active shows that 145 of them are providing services exclusively in one segment (in 46 reports on postal activities in 2015 it was indicated that the activities were conducted only in the area of services comprising universal postal services, and for 87 postal operators in the area of courier items only). There were 7 entities active in all three postal market segments, however only 3 entities are operators with a significant share in the postal market.

2.3. Definitions and scope of postal services

Pursuant to the Postal Law Act postal activity is a regulated activity in the understanding of the Act of 2 July 2004 on freedom of establishment (consolidated text: Journal of Laws of 2015, item 584, as amended) and requires an entry in the register of postal operators. Activities consisting in clearance, sorting, transport and delivery of non-addressed printed forms, activities performed by a postal agent based on an agency agreement concluded with a postal operator, as well as postal activities performed by a contractor on behalf of the postal operator based on a written agreement (Article 6 (2) to (4) of the Postal Law Act) are not subject to entry in the register.

Postal Law Act has determined the scope of activity of entities operating in the postal market by introducing new concepts and definitions. According to the binding definitions:

- a postal service means the performance on commercial basis, in domestic or cross-border traffic, of any of the following activities: collectively or separately provided clearance, sorting, delivery of postal items and printed forms, as well as their transport, if provided collectively with at least one of the aforesaid activities; sending postal items by electronic communications means, if at the stage of clearance, transport or delivery of information message they take a physical form of a letter item; operation of points of exchange enabling the clearance and exchange of correspondence between entities using the service of these points; handling postal money orders;
- services comprising universal postal services, which pursuant to Article 3 (30) of the Postal Law Act include letter items and postal parcels with weight and dimensions defined for universal services and items for the blind not provided by the operator designated to provide universal services. The services comprising universal postal services do not comprise postal services consisting in the clearance, sorting, transport and delivery of courier items;
- pursuant to Article 3 (19) of the Postal Law Act, a courier item is a recorded letter item or a postal parcel cleared, sorted, transported and delivered in a manner that collectively guarantees: direct receipt of a postal item from the sender, tracking a postal item from posting to delivery, delivery of a postal item within a guaranteed time limit specified in the rules and regulations for the provision of postal services or in contracts for the provision of postal services, delivery of a postal item directly to the addressee or to a person authorised to collect it and obtaining an acknowledgement of receipt of a postal item in a written or electronic form;
- pursuant to the provision of the Act of 12 June 2003 - Postal Law Act which was in force until 31 December 2012, postal parcel was defined as a service provided by a public operator, i.e. Poczta Polska; due to that some alternative operators incorrectly qualified postal parcels to shipping services sector. Currently postal parcel is defined as a recorded postal item other than a letter item, of a defined weight and dimensions stipulated in Article 3 (14) of the Postal Law Act.

In accordance with Article 45 (1) of the Postal Law Act, universal postal services are postal services provided in domestic and cross-border traffic including clearance, sorting, transport and delivery of letter items up to 2 kg (including registered and insured items), postal parcels up to 10 kg (including insured ones), items for the blind, as well as sorting, transport and delivery of postal parcels up to 20 kg sent from abroad. The above-mentioned provision defines also minimum and maximum dimensions for letter items and postal parcels provided as part of universal postal services. Pursuant to the binding Act, postal money orders, direct mail and services listed in Article 45 (1) of the Act provided for bulk senders do not comprise universal postal services.

The Postal Law Act introduced division of postal services market by identifying its major segments: universal postal services, services comprising universal postal services, courier items as well as other postal services.

Definitions of the first three segments of postal market are presented above.

Postal services which cannot be assigned of the three aforesaid categories are considered to be other postal services. Hence, this group comprises both letter items and postal parcels which do not fall under the definition of postal items of the aforesaid segments, as well as postal money orders, direct mail, non-addressed printed forms and postal items send by electronic communications means (the so-called hybrid mail) which at the stage of clearance, transport or delivery of information message took physical form of a letter item.

3. Analysis of the functioning of the postal services market

3.1. Postal services in 2015

This part of the report presents information on the level of postal services' sales of all postal operators in 2015 and, for comparison, in the years 2013-2015, i.e. over the period when Postal Law Act was in force. The analysis **does not take into account non-addressed printed forms** due to lack of complete data in this scope.

Volume of items in domestic and cross-border traffic

In 2015 postal operators performed in total 2,003.15 million postal services. Compared to 2014, it means an increase by 1.06%.

Table 6. Postal items in domestic and cross-border traffic in the period of 2013-2015 (excluding non-addressed printed forms) – by volume

	Volume (million items)			Change %	
	2013	**2014**	**2015**	**2013/2014**	**2014/2015**
domestic	1,983.69	1,873.39	1,895.00	-5.56%	1.15%
cross-border	101.00	108.71	108.15	7.63%	-0.52%
Total	**2,084.69**	**1,982.10**	**2,003.15**	**-4.92%**	**1.06%**

Source: UKE own study

As the data presented above show, 94.60% of the total volume of services performed by postal operators was provided in the domestic traffic. Services in cross-border traffic amounted to 5.40% of the total volume.

In 2015 the volume of postal services in domestic traffic slightly increased in comparison to the previous year, whereas in cross-border traffic a small decrease was noted.

Table 7. Particular postal services in domestic and cross-border traffic in the period of 2013-2015 – by volume

Postal services	Volumes (in million items)			Change %	
	2013	**2014**	**2015**	**2014/2013**	**2015/2014**
Letter items	1,663.45	1,484.16	1,467.97	-10.78%	-1.09%
Postal parcels	56.39	27.92	26.78	-50.48%	-4.08%
Items for the blind	0.08	0.10	0.12	26.04%	20.48%
Direct mail	177.95	228.21	249.41	28.24%	9.29%
Electronic items*	0.03	0.64	0.01	1901.64%	-98.48%
Courier items	136.46	194.46	214.12	42.50%	10.11%
Postal money orders	50.33	46.61	44.74	-7.39%	-4.03%
Total	**2,084.69**	**1,982.10**	**2,003.15**	**-4.92%**	**1.06%**

*Electronic items - postal items send with the use of electronic communications means

Source: UKE own study

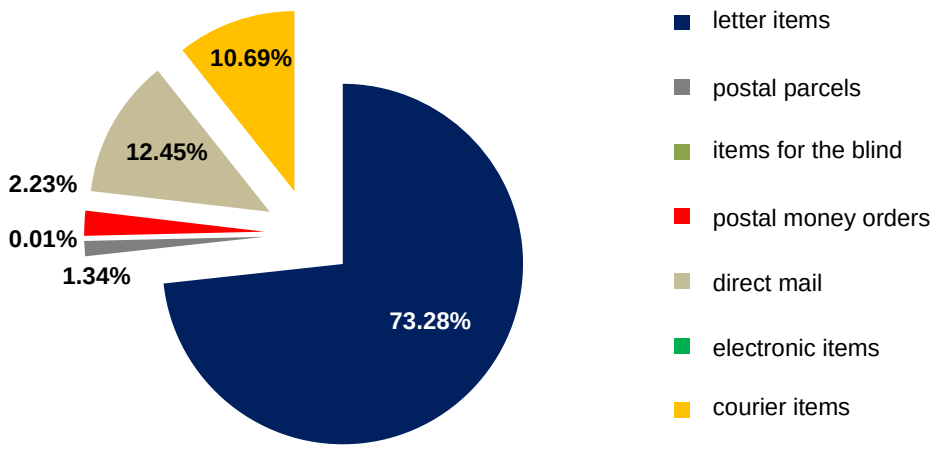
Analysis of the data for 2015 concerning particular types of postal services showed that letter items had the highest share (73.28%) in the structure of these services. In terms of volume, other important services are, respectively: direct mail (12.45%) and courier items (10.69%).

Letter items are provided not only to individual customers, but most of all to important business and institutional entities thanks to which they still hold a dominant share in the total volume of services, in spite of declining trends resulting from the move away from traditional letter mail.

A high share of direct mail in the total volume of postal services indicates that despite many available methods of communication, a huge part of undertakings does not forgo presenting their offer in a traditional way.

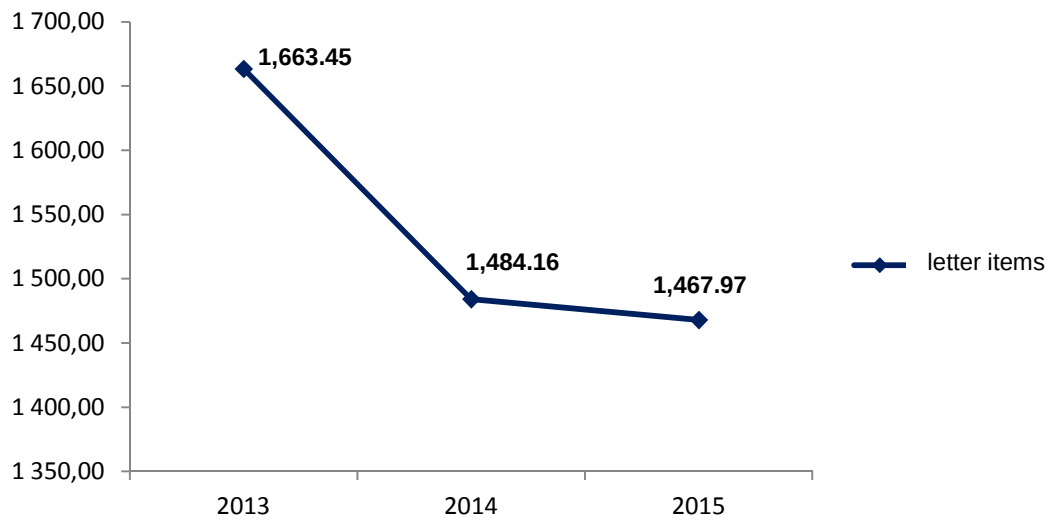
In 2015 postal parcels had a small share in the market, i.e. 1.34%. It probably results from customer migration to the courier services segment, i.e. items with a significantly better quality standard.

Chart 4. Particular postal services in 2015 – structure by volume



Source: UKE own study

Chart 5. Letter items in the period of 2013-2015 - by volume (million items)

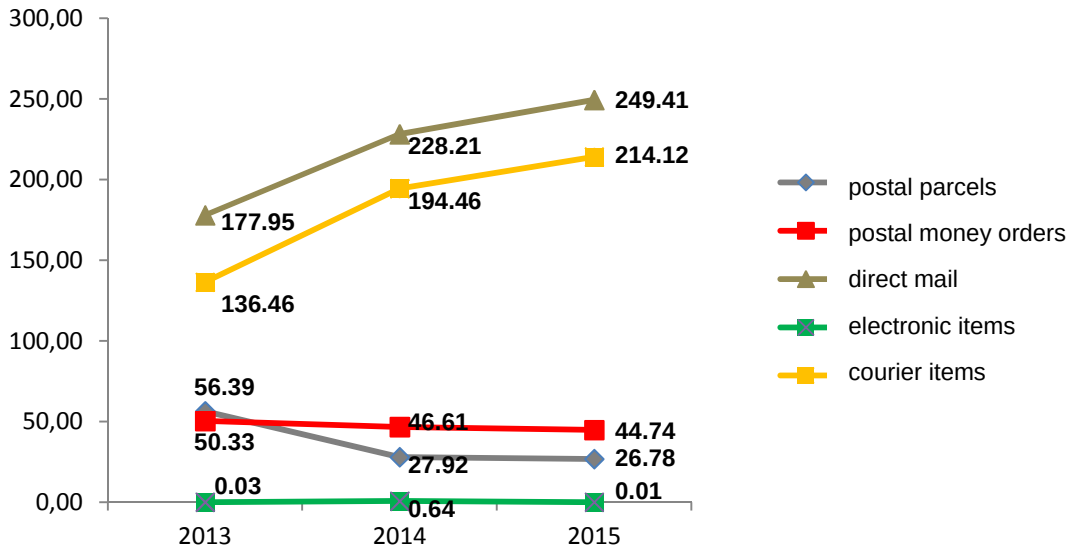


Source: UKE own study

In the period of 2013-2015 a significant decrease in the total volume of letter items was noted, although a slowdown in dynamics of this decrease in the previous year should be observed.

The data concerning the remaining postal services (excluding items for the blind) are presented below.

Chart 6. Particular postal items - totals - in domestic and cross-border traffic in the period of 2013-2015 – by volume (million items)



Source: UKE own study

In the years 2013-2015 a dynamic increase in the volume of courier services and direct mail was noticed. The volume of courier services increased by 56.91%, and in the case of direct mail - by 40.15%. The remaining services, i.e. postal money orders and items send by electronic communications means showed insignificant changes in the volume. The only significant drop, by over 50%, was noted in the number of postal parcels which was caused by migration of customers from traditional parcel services towards courier services.

Revenues from postal activities in domestic and cross-border traffic

In 2015 postal operators gained PLN 7,611.54 million revenues, which means an increase in comparison to the previous year by 2.70%. Operators generate revenue mostly from the domestic activity (80.89%). Revenues from postal services in cross-border traffic amounted to 19.11%.

Table 8. Postal services in domestic and cross-border traffic in the period of 2013-2015 (excluding non-addressed printed forms) – by revenue

	Revenues (PLN million)			Change %	
	2013	**2014**	**2015**	**2013/2014**	**2014/2015**
Domestic	6,240.74	6,134.40	6,157.33	-1.70%	0.37%
Cross-border	1,106.03	1,277.12	1,454.21	15.47%	13.87%
Total	**7,346.77**	**7,411.52**	**7,611.54**	**0.88%**	**2.70%**

Source: UKE own study

The data presented in table 8 show that in 2015 the increase in total revenues from postal services resulted mostly from the increase of revenues in cross-border traffic. Revenues in this part of the market increased in the years 2013-2015 by almost PLN 350 million. The reason for such a significant increase in the cross-border trade should be seen in the growing number of services performed in the courier services segment, which are of a higher price than other services.

Table 9. Particular postal services in domestic and cross-border traffic in the period of 2013-2015 – by revenue

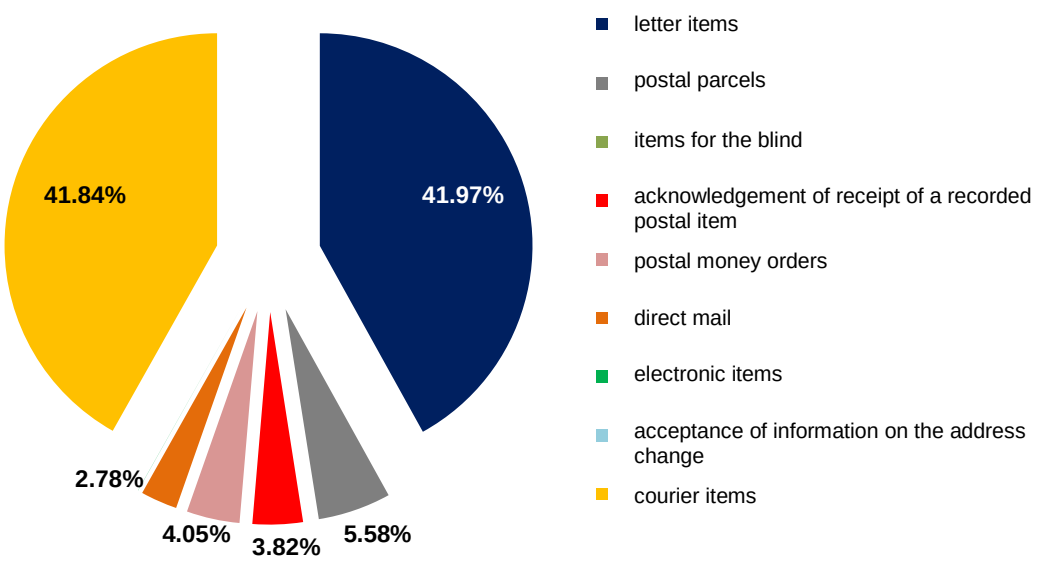
Postal services	Revenues (in million PLN)			Change %	
	2013	2014	2015	2014/2013	2015/2014
Letter items	3,562.02	3,438.07	3,191.99	-3.48%	-7.16%
Postal parcels	610.97	443.06	424.49	-27.48%	-4.19%
Items for the blind	0.77	0.27	0.32	-64.68%	17.84%
Direct mail	180.81	212.47	211.25	17.51%	-0.57%
Electronic items*	0.85	0.46	0.20	-46.31%	-56.46%
Courier items	2,290.56	2,708.12	3,184.33	18.23%	17.58%
Postal money orders	350.26	321.91	308.58	-8.09%	-4.14%
Acknowledgement of receipt of a recorded postal item	349.96	286.74	290.39	-18.07%	1.27%
Acceptance of information on the address change	0.58	0.43	0.00	-26.54%	-100.00%
Total	**7,346.77**	**7,411.52**	**7,611.54**	**0.88%**	**2.70%**

*Electronic item - postal items send with the use of electronic communications means

Source: UKE own study

The data presented above show that in 2015 letter and courier items generated the highest revenues. The total share of these services in the total revenues amounted to 83.77%.

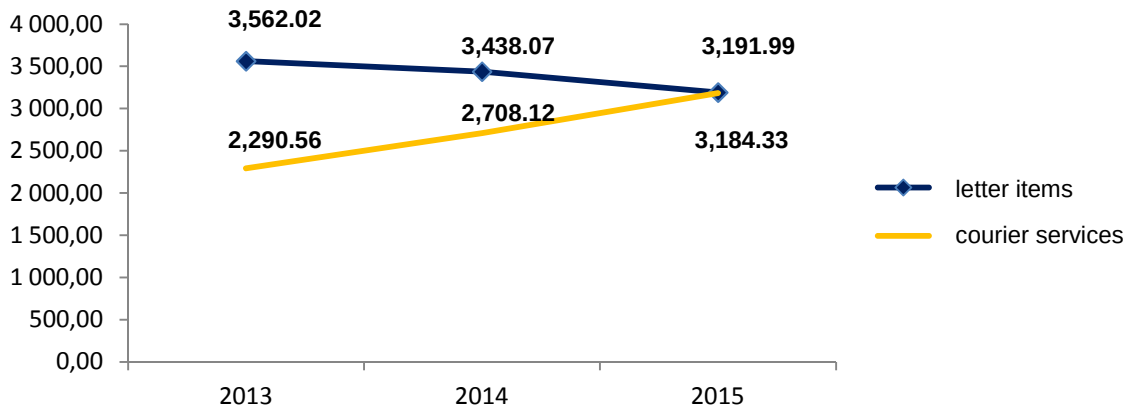
Chart 7. Particular postal services in 2015 – structure by revenue



Source: UKE own study

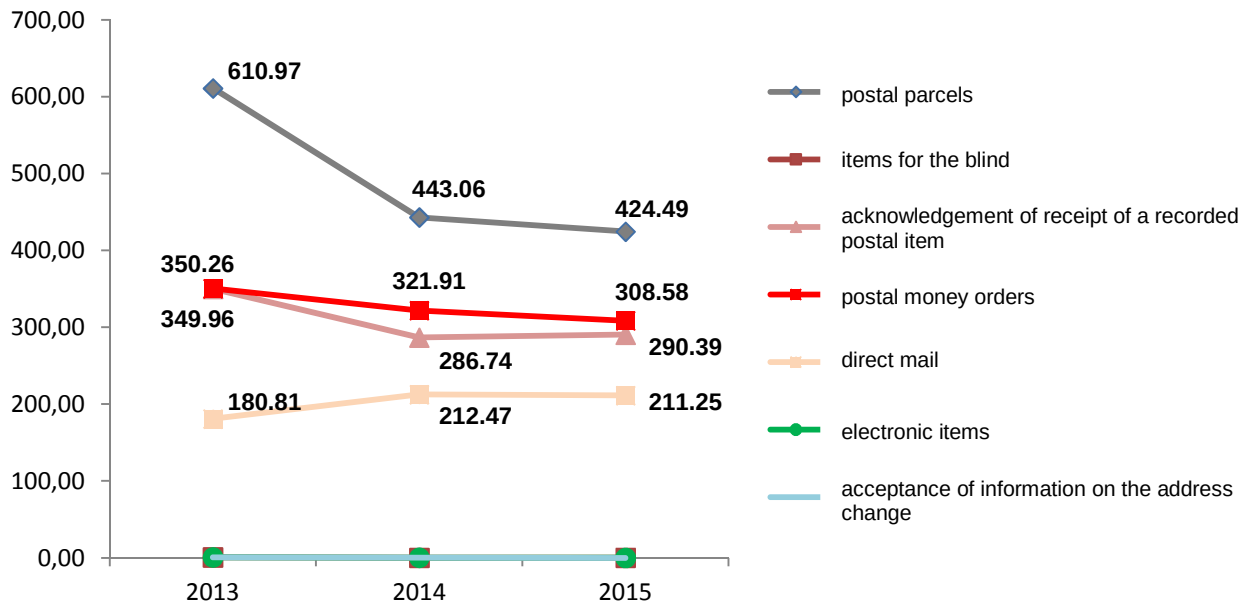
A significant decrease in revenues from letter items was noted in the period of 2013-2015, as the operators' revenue was lower by 10.39% than in 2013. This situation writes into a trend resulting from changes in the preferences of customers who depart from traditional ways of providing services towards services guaranteeing short term and convenient form of performance. This group comprises courier services. In the described period revenues from courier services grew by 37.82% and achieved level comparable to the revenues from letter items, i.e. PLN 3.2 billion. Therefore, if the trend is maintained in both cases, in 2016 revenues from courier services may be higher than the revenues from letter items thanks to growing customer interest in e-commerce, which caused an increase in the number of sent postal parcels.

Chart 8. Letter items and courier services in the period of 2013-2015 - by revenue (PLN million)



Source: UKE own study

Chart 9. Particular postal services[1] in the period of 2013-2015 - by revenue (PLN million)



Source: UKE own study

[1] Excluding letter items and courier services presented on Chart 8.

When analysing the data on the remaining postal services it can be noticed that revenues gained by postal operators have been stabilising in the described period. Only revenues from postal parcels (excluding postal parcels delivered within courier services) decreased significantly (30.52% in comparison to 2013). As it was mentioned before, it is a result of, among others, migration of customers who used traditional parcel services to courier services segment.

Sales of services in particular postal market segments

In 2015, postal operators performed 2,003.15 million postal services in all postal market segments in total, majority (94.60%) in the domestic traffic. The revenues received on this account amounted to over PLN 7,611.54 million, of which 80.89% was in domestic traffic.

Table 10. Postal services in domestic and cross-border traffic, divided into particular market segments in the years 2013-2015 - according to volume and revenues

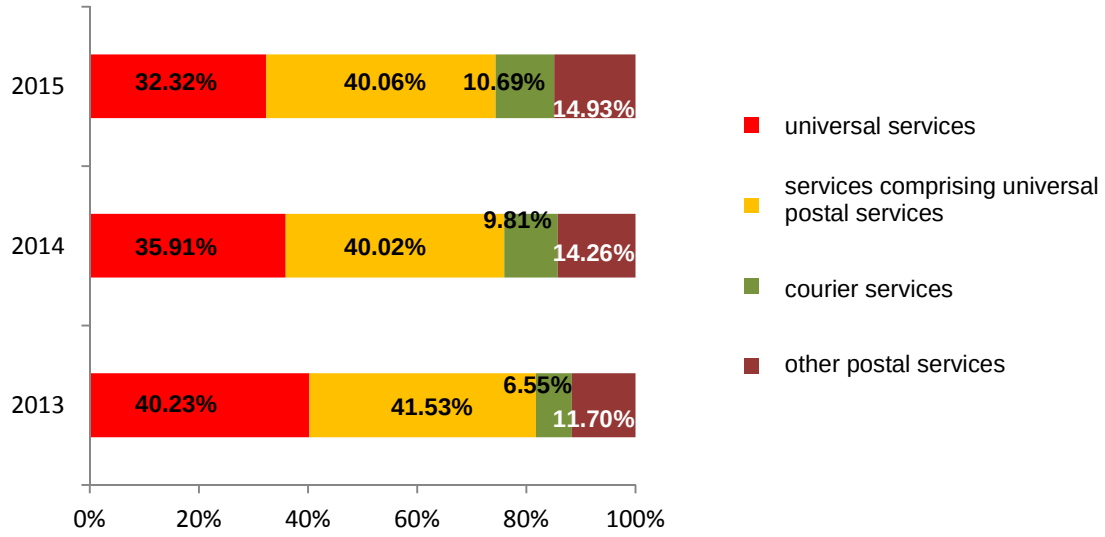
Segment	Volume (million items)			Change %		Revenues (PLN million)			Change %	
	2013	2014	2015	2014/2013	2015/2014	2013	2014	2015	2014/2013	2015/2014
Universal services	838.59	711.74	647.47	-15.13%	-9.03%	3,252.34	2,937.11	2,663.87	-9.69%	-9.30%
Services comprising universal postal services	865.74	793.23	842.53	-8.38%	6.22%	1,194.54	1,177.39	1,189.53	-1.44%	1.03%
Courier items	136.46	194.46	214.12	42.50%	10.11%	2,290.56	2,708.12	3,184.33	18.23%	17.58%
Other postal services	243.90	282.67	299.03	15.89%	5.79%	609.34	588.90	573.82	-3.33%	-2.56%
Other postal services, including non-addressed printed forms	*4,091.75*	*4,273.77*	*4,081.97*	*4.45*	*-4.49*	*750.12*	*748.45*	*705.15*	*-0.22%*	*-5.79*
In total, excluding non-addressed printed forms	**2,084.70**	**1,982.10**	**2,003.15**	**-4.92%**	**1.06%**	**7,346.78**	**7,411.52**	**7,611.54**	**0.88%**	**2.70%**
In total, including non-addressed printed forms	***5,932.54***	***5,973.20***	***5,786.08***	***0.69%***	***-3.13%***	***7,487.56***	***7,571.07***	***7,742.88***	***1.12%***	***2.27%***

Source: UKE own study

When analysing particular postal market segments it can be noticed that the volume of universal postal services has decreased by over 64 million items since 2014. The number of services performed in the segment of services comprising universal postal services was quite stable in the described period and amounted to about 800 million items per year, while the courier services segments was growing. The number of courier services grew by almost 20 million items in 2015 in comparison to 2014. Similarly to the number of services provided in the courier services, segment of other postal services was growing.

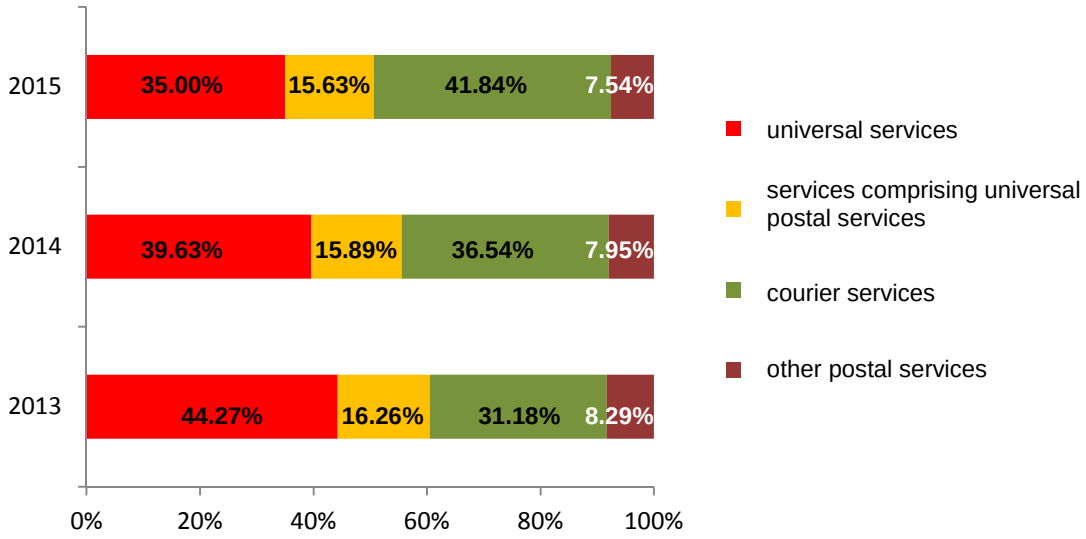
In terms of revenues, the highest growth, by 17.58%, took place in the courier services segments. Revenues in the universal postal services segment and other postal services dropped by 9.30% and 2.56%, respectively.

Chart 10. Postal services in domestic and cross-border traffic divided by market segment in the period of 2013-2015 – structure by volume



Source: UKE own study

Chart 11. Postal services in domestic and cross-border traffic divided by market segment in the period of 2013-2015 – structure by volume



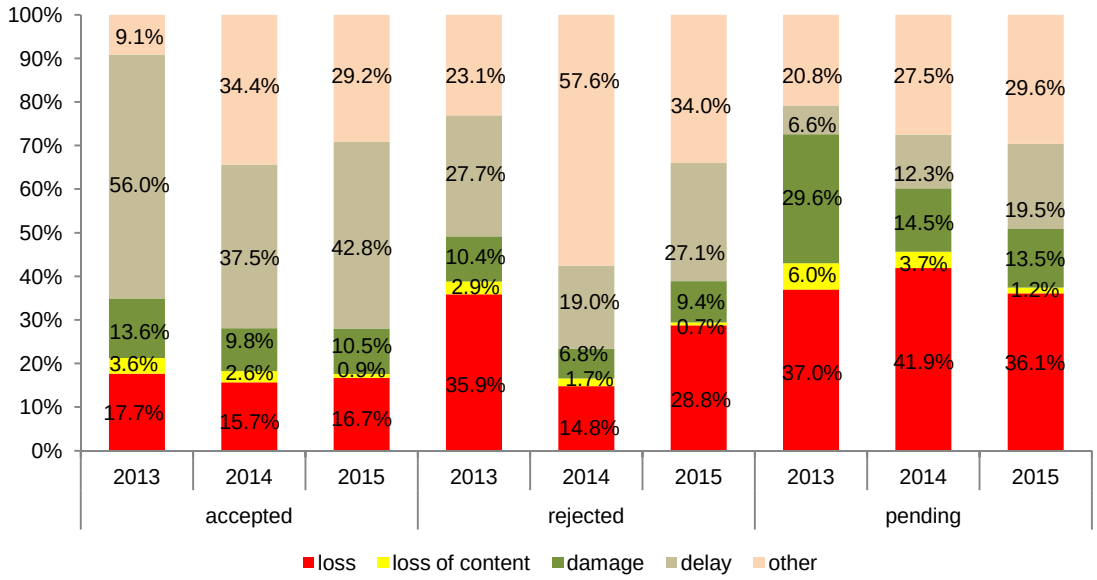
Source: UKE own study

Complaints about postal services

In 2015, customers of postal services complaint about 1,057,724 postal services, which is by 43.25% more than in 2014. The number of complaints against the total number of performed services amounted to 0.001%.

Out of the total number of complaints, 49.80% were rejected, 45.16% accepted, while 5.04% were pending as of the end of 2015. Among the complaints discussed the highest number referred to delays in items delivery (as many as 357,694), followed by complaints concerning other causes (334,204 complaints).

Chart 12. Complaints about postal services in the period of 2013-2015 - structure by manner of complaint handling and the reason for its submission



Source: UKE own study

In 2015 postal operators paid compensations as regards 412 thousand complaints with a total value of PLN 24.54 million.

Number of postal items per 1 citizen (postage rate), excluding non-addressed printed forms

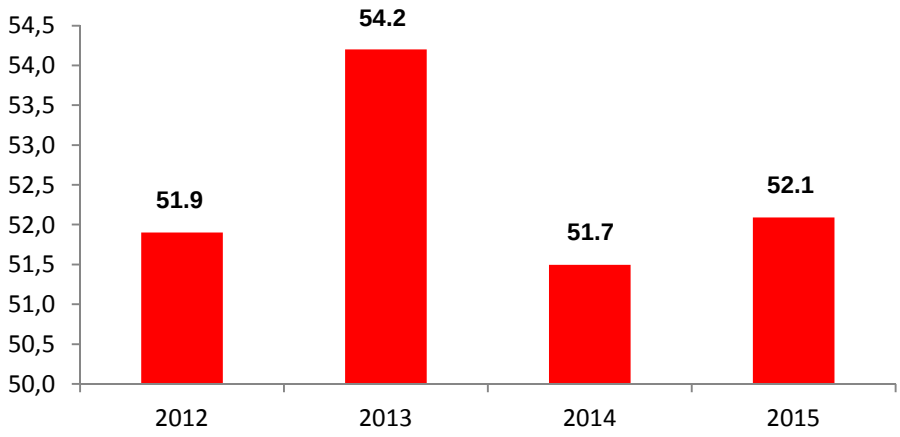
The postage rate in 2015 amounted to 52.1 items per 1 citizen. This represented an increase in comparison to 2014 when this indicator amounted to 51.7. In the period of 2012-2015 it was at a similar level of about 52 items per 1 citizen.

Table 11. Number of items in domestic and cross-border traffic (excluding non-addressed printed forms) per 1 citizen in the period of 2012-2015

	Years			
	2012	**2013**	**2014**	**2015**
Volume (million items)	2,001.80	2,084.69	1,982.10	2,003.15
Number of items per 1 citizen	51.9	54.2	51.7	52.1

Source: UKE own study (population in 3Q of each year according to the data from the Central Statistical Office – Information on socio-economic situation of provinces: 3/2012, 3/2013, 3/2014, 3/2015).

Chart 13. Number of items in domestic and cross-border traffic (excluding non-addressed printed forms) per 1 citizen in the period of 2012-2015



Source: UKE own study

3.2. Universal services

In 2015 universal postal services comprised (pursuant to Article 45 of the Postal Law Act) domestic and cross-border:

1) clearance, sorting, transport and delivery of:
   a) letter items, including registered and insured items up to 2,000 g and with dimensions measured to a tolerance of 2 mm:
      – maximum - 900 mm as the sum of length, width and height, whereas the largest dimension may not exceed 600 mm, and in the case of rolled letter items – 1,040 mm as the sum of their length and double diameter, whereas the largest dimension may not exceed 900 mm,
      – minimum - 170 mm in the case of rolled letter items as the sum of their length and double diameter, whereas the largest dimension may not be smaller than 100 mm,
      – minimum for an address side - 90x140 mm,
   b) items for the blind,
   c) postal parcels, including insured ones, up to 10,000 g and with dimensions the largest of which does not exceed 1,500 mm, and the sum of length and the largest perimeter measured in a direction other than length shall not exceed 3,000 mm;
2) sorting, transport and delivery of postal parcels up to 20,000 g and with dimensions referred to in point 1 (c) sent from abroad.

Under the provisions of the World Postal Convention universal postal services also comprise postal parcels up to 20 kg sent abroad and M-bags.

Under the existing provisions postal money orders, direct mail and services listed in Article 45 (1) of the Act provided for bulk senders do not comprise universal postal services.

Universal postal services, pursuant to Article 46 (2) of the Postal Law Act, should be provided:

- in uniform manner under comparable circumstances,
- ensuring throughout the whole of the national territory of:
    - postal points of contact in accordance with the provisions issued under Article 47 (3), and
    - letter boxes intended for the reception of postal items corresponding to demand in a given area,
- observing the indicators of timely delivery of postal items,
- at affordable prices,
- with frequency ensuring at least one emptying of letter boxes intended for the reception of postal items and delivery of postal items at least on every working day and not less than during 5 days a week, excluding public holidays,
- in a manner allowing the sender to obtain a document confirming the receipt of a recorded item.

Universal postal services are performed by Poczta Polska.

Sales of postal services

In 2015 Poczta Polska performed 647.47 million universal services, which resulted in PLN 2,663.87 million revenue. 86.05% of services were performed in domestic traffic and 13.95% in cross-border traffic. In the period of 2013-2015 a gradual decrease of universal services' volume was observed. The volume of services in domestic traffic decreased by 26.21%, whereas in cross-border traffic a small increase was noted. The share of universal services in total postal services amounted to, respectively, 32.32% of volume and 35.00% of revenues.

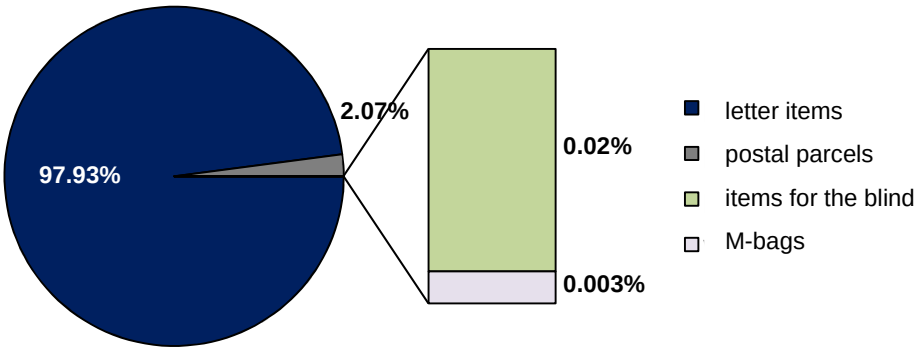
Table 12. Universal postal services in domestic and cross-border traffic in the period of 2013-2015 – by volume

Volumes (million items)				Change %	
Domestic and cross-border	2013	2014	2015	2014/2013	2015/2014
Letter items	820.78	697.22	634.04	-15.05%	-9.06%
Postal parcels	17.81	14.52	13.42	-18.50%	-7.53%
Total	**838.59**	**711.74**	**647.47**	**-15.13%**	**-9.03%**
Domestic	2013	2014	2015	2014/2013	2015/2014
Letter items	738.37	608.00	544.97	-17.66%	-10.37%
Postal parcels	16.71	13.27	12.21	-20.63%	-7.95%
Total	**755.08**	**621.26**	**557.18**	**-17.72%**	**-10.31%**
Cross-border	2013	2014	2015	2014/2013	2015/2014
Letter items	82.41	89.23	89.08	8.27%	-0.17%
Postal parcels	1.10	1.25	1.21	13.97%	-3.12%
Total	**83.51**	**90.48**	**90.29**	**8.34%**	**-0.21%**

Source: UKE own study

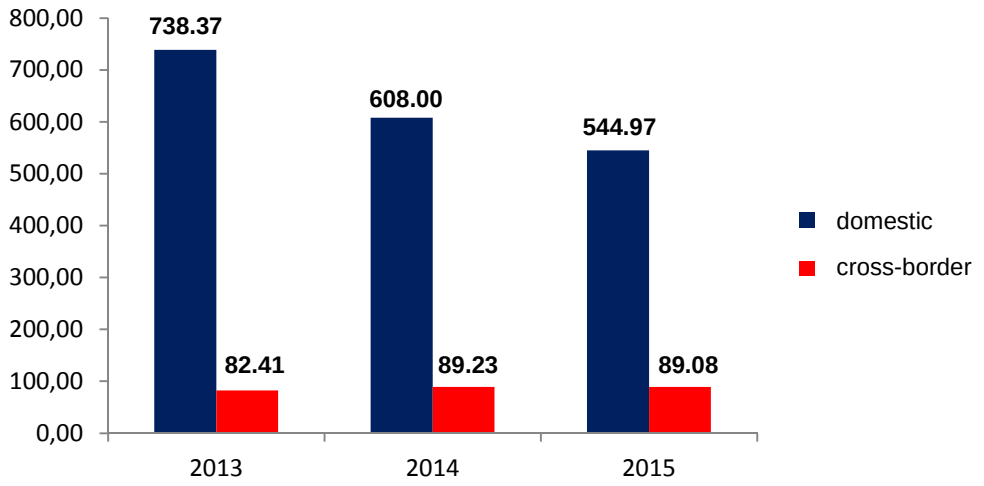
In 2015 letter items constituted the biggest part of universal postal services segment with a share of 97.93% in the total volume. The remaining 2.07% of volume was constituted by postal parcels.

Chart 14. Postal services performed within universal postal services sector in 2015 – structure by volume



Source: UKE own study

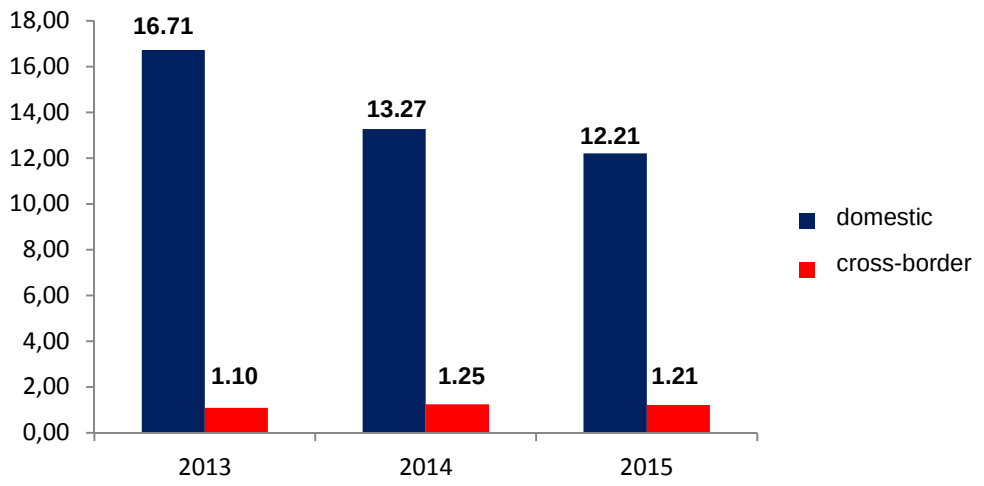
Chart 15. Letter items within universal postal services segment in domestic and cross-border traffic in the period of 2013-2015 – by volume (million items)



Source: UKE own study

Analysis of the data on volume of letter items within the universal postal services segment in the years 2013-2015 in domestic traffic indicates a gradual decrease of volume in this service group. It is a result of the customer shift from letter correspondence carried out in traditional form to other ways of communication. The phenomenon of shrinking letter items market occurs in most of the European countries. The volume of letter items in cross-border traffic was not subject to significant changes.

Chart 16. Postal parcels within universal postal services segment in domestic and cross-border traffic in the period of 2013-2015 – by volume (million items)



Source: UKE own study

Analysis of data on the volume of postal parcels within universal postal services segment in the years 2013-2015 in domestic traffic indicates a gradual decrease of volume in this group of services. It probably results from customer migration to other segments of postal services, e.g. courier services. The volume of postal parcels in cross-border traffic was not subject to significant changes.

Complaints about universal postal services

In 2015, Poczta Polska accepted for consideration 136,070 complaints about universal postal services, of which 59.00% were rejected, 30.23% were accepted and 10.75% were pending at the end of 2015. This means that the situation worsened in comparison to 2014 when about 44.75% of complaints were rejected and about 47.13% accepted.

Taking into account reasons for filing complaints about universal postal services, the complaints submitted in 2015 comprised:

- 83,788 complaints about the loss of postal items,
- 3,096 complaints about the loss of or damage to the contents of postal items,
- 49,186 complaints filed for other reasons.[2]

The complaints about the loss of postal items most frequently concerned the loss of a registered item (73,953 complaints), and the least frequently the loss of insured items (935 complaints).

Table 13. Submitted complaints and the manner of handling them for universal postal services in 2015

	Manner of handling:	Accepted	Rejected	Pending	Total	Share % in complaints about universal postal services
Reason for filing:	Loss	27,494	45,878	10,416	83,788	61.58%
	Loss of content	288	552	126	966	0.71%
	Damage	560	1,310	260	2,130	1.57%
	Other[3]	12,800	32,548	3,838	49,186	36.15%
	Total	**41,142**	**80,288**	**14,640**	**136,070**	**100.00%**

Source: UKE own study

[2] delay of unrecorded letter item, incorrect filling-in of a document confirming the receipt of a recorded item, return of a recorded item exceeding the time limit, return of a recorded item due to incorrectly stated reason and others

[3] delay of unrecorded letter item, incorrect filling-in of a document confirming the receipt of a recorded item, return of a recorded item exceeding the time limit, return of a recorded item due to incorrectly stated reason and others

3.3. Services comprising universal postal services

Pursuant to the Postal Law Act, the segment of services comprising universal postal services includes letter items and postal parcels with weight and dimensions defined for universal services and items for the blind, not provided by the operator designated to provide universal services. It should be also stressed that the services comprising universal postal services do not comprise postal services consisting in clearance, sorting, transport and delivery of courier items.

In 2015 postal operators performed more than 842.53 million services comprising universal postal services in domestic and cross-border traffic in total, which resulted in more than PLN 1,189.53 million revenue. In comparison to 2014 the volume grew by 6.21% and revenues by 1.03%.

Table 14. Services comprising universal postal services in domestic and cross-border traffic in the period of 2013-2015 - by volume

Volumes (million items)				Change %	
Domestic and abroad	2013	2014	2015	2014/2013	2015/2014
Letter items	835.26	780.86	830.01	-6.51%	6.29%
Postal parcels	30.48	12.37	12.52	-59.42%	1.25%
Acknowledgement of receipt of a recorded postal item*	13.32	84.64	101.84	535.67%	20.32%
Total	**865.74**	**793.23**	**842.53**	**-8.38%**	**6.21%**
Domestic	2013	2014	2015	2014/2013	2015/2014
Letter items	834.88	780.00	828.12	-6.57%	6.17%
Postal parcels	30.29	12.15	12.29	-59.89%	1.17%
Acknowledgement of receipt of a recorded postal item	12.04	84.48	101.83	601.45%	20.53%
Total	**865.17**	**792.15**	**840.42**	**-8.44%**	**6.09%**
Abroad	2013	2014	2015	2014/2013	2015/2014
Letter items	0.38	0.86	1.88	129.03%	118.74%
Postal parcels	0.19	0.22	0.23	15.61%	5.37%
Acknowledgement of receipt of a recorded postal item	0.00	0.16	0.00	363,820.93%	-97.33%
Total	**0.57**	**1.08**	**2.11**	**91.05%**	**95.77%**

**the volume of acknowledgement of receipt of a recorded postal item is not included in the total value because it is taken into account in the data concerning letter items and postal parcels*

Source: UKE own study

Table 15. Services comprising universal postal services in domestic and cross-border traffic in the period of 2013-2015 - by revenues

Revenues (PLN million)				Change %	
Domestic and abroad	2013	2014	2015	2014/2013	2015/2014
Letter items	904.99	961.52	949.73	6.25%	-1.23%
Postal parcels	271.64	145.91	133.32	-46.29%	-8.63%
Acknowledgement of receipt of a recorded postal item	17.90	69.97	106.48	290.81%	52.19%
Total	**1,194.54**	**1,177.39**	**1,189.53**	**-1.44%**	**1.03%**
Domestic	2013	2014	2015	2014/2013	2015/2014
Letter items	901.41	953.41	920.35	5.77%	-3.47%
Postal parcels	264.15	138.10	131.44	-47.72%	-4.82%
Acknowledgement of receipt of a recorded postal item	17.90	69.94	106.45	290.69%	52.19%
Total	**1,183.47**	**1,161.45**	**1,158.24**	**-1.86%**	**-0.28%**
Domestic	2013	2014	2015	2014/2013	2015/2014
Letter items	3.58	8.11	29.38	126.36%	262.45%
Postal parcels	7.49	7.81	1.88	4.29%	-75.96%
Acknowledgement of receipt of a recorded postal item	0.00	0.02	0.03	38,670.69%	34.69%
Total	**11.07**	**15.94**	**31.29**	**43.98%**	**96.29%**

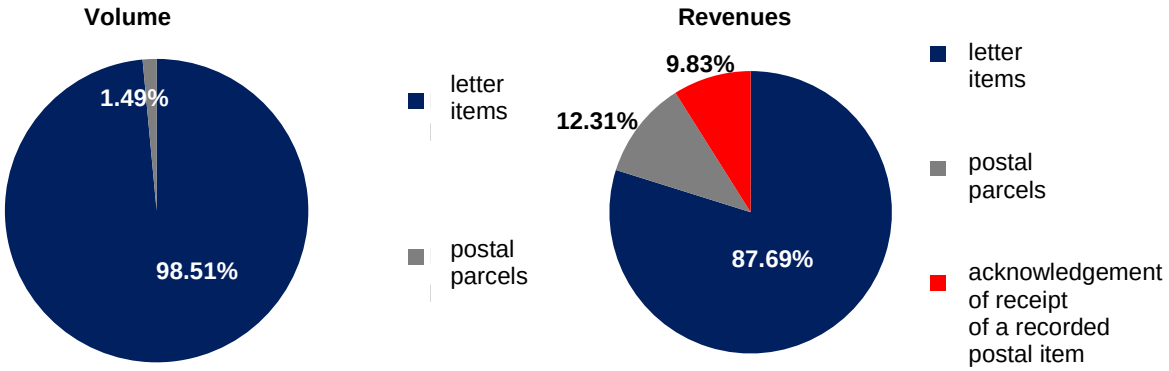
Source: UKE own study

The great majority of services comprising universal postal service, i.e. 99.75%, were performed on the domestic market, and their share in the revenues amounted to 97.37%.

Letter items were dominating (98.51%) in the segment of services comprising universal postal service in both domestic and cross-border traffic. Postal parcels accounted for only 1.49% of the total volume.

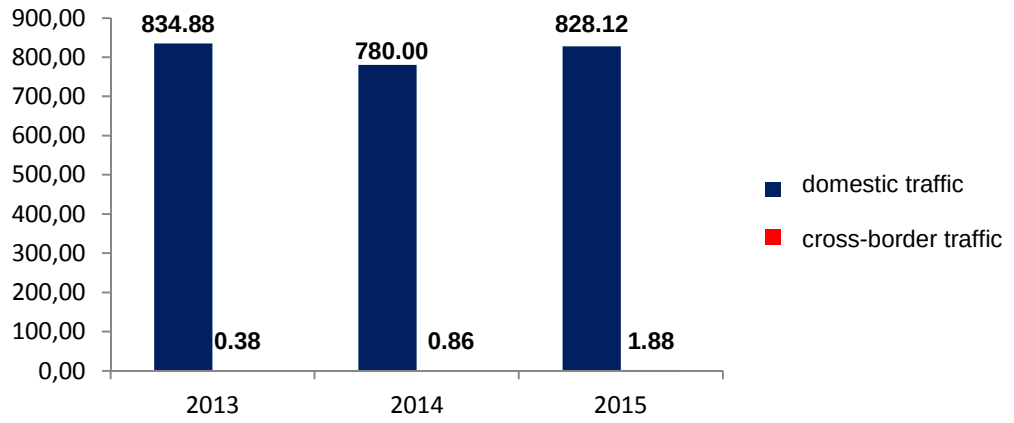
Additional acknowledgement of receipt of a recorded postal item, which was not included in the total volume and taken into account in the total number of registered letter items and postal parcels, generated PLN 106.48 revenue.

Chart 17. Services comprising universal postal services in domestic and cross-border traffic in 2015 – structure by volume and revenues



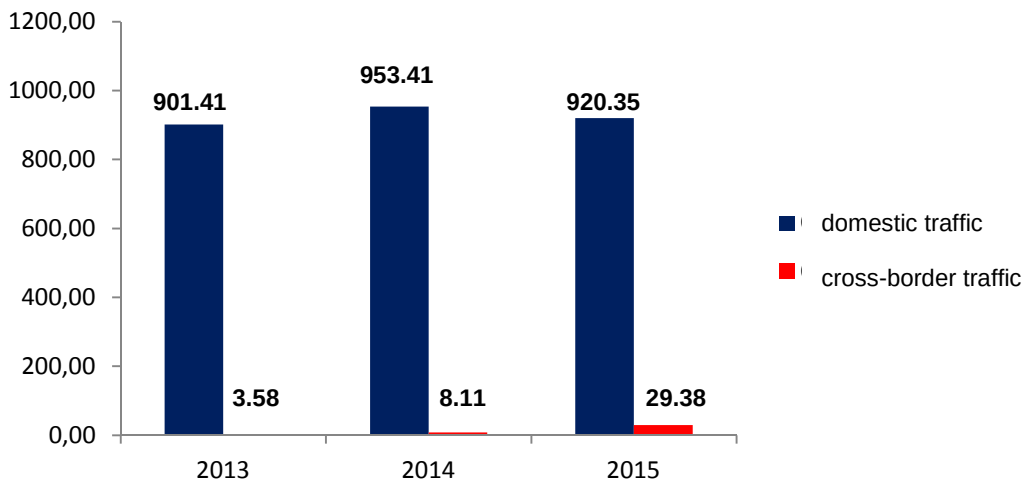
Source: UKE own study

Chart 18. Letter items in the segment of services comprising universal postal services in domestic and cross-border traffic in the period of 2013-2015 – by volume (million items)



Source: UKE own study

Chart 19. Letter items in the segment of services comprising universal postal services in domestic and cross-border traffic in the period of 2013-2015 – by revenue (PLN million)

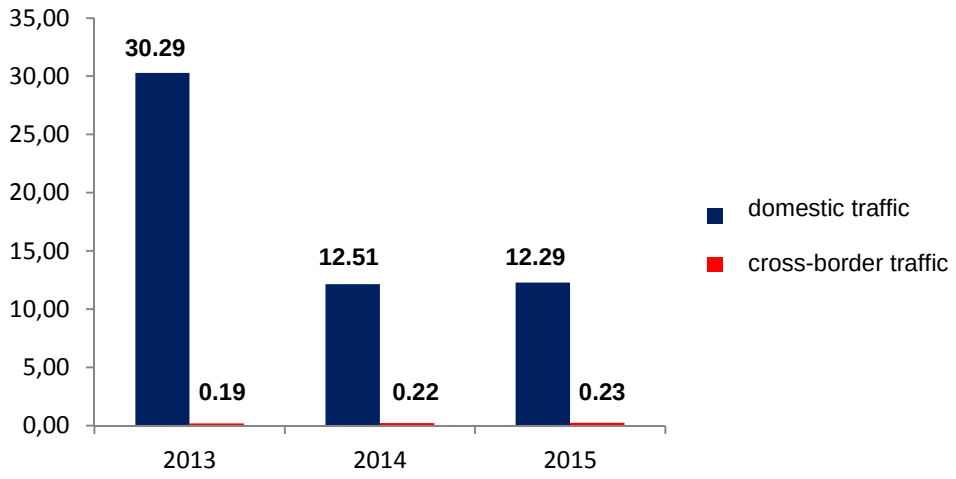


Source: UKE own study

In the years 2013-2015 the volume and revenues on the domestic market in the case of delivered letter items were quite stable. In the segment of services comprising universal postal services postal operators provided letter items mostly to business and institutional customers. In this scope, number of contracts signed by a particular operator has a significant influence on the increase in volume of services provided by that operator.

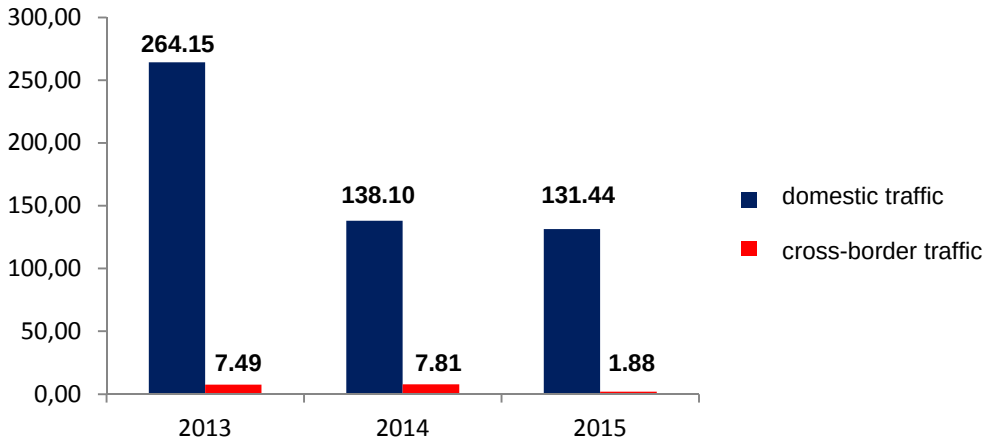
In the cross-border traffic a growing trend was observed, especially in terms of revenues.

Chart 20. Postal parcels in the segment of services comprising universal postal services in domestic and cross-border traffic in the period of 2013-2015 – by volume (million items)



Source: UKE own study

Chart 21. Postal parcels in the segment of services comprising universal postal services in domestic and cross-border traffic in the period of 2013-2015 – by revenue (PLN million)



Source: UKE own study

In case of postal parcels in the described market segment volumes and revenues on the domestic market have been dropping. This does not have a significant impact on the overall dynamic growth tendency on the postal parcels market as a whole (including significant increases in the courier services market).

In the cross-border traffic a slight increase in the volume of postal parcels was observed, with a simultaneous decrease of revenues from this business area.

In 2015, 68 postal operators, including Poczta Polska, conducted business activity in the scope of services comprising universal postal services.

59 of them participated in the entire process of postal services performance: from clearance of a postal item, through sorting and transport, to delivery. The rest of the operators implemented only part of this process and for the remaining part relied on cooperation with other postal operators, subcontracting such activities as sorting or delivery of postal items to their recipients.

Table 16. Services comprising universal postal services - the number of alternative postal operators participating in the respective activities in the process of service delivery

Number of operators	Clearance	Sorting	Transport	Delivery
1				
1				
0				
7				
59				
68	**68**	**60**	**66**	**66**

Source: UKE own study

In 2015 ten (10) entities were considered the biggest operators providing services in the segment of services comprising universal postal services in terms of both performed volumes of services and gained revenues. Their share in the volume of this service segment amounted to 99.53%, and in revenues to 99.42%. The list of these operators is presented in the table below.

Table 17. Leading postal operators in the segment of services comprising universal postal services in domestic and cross-border traffic by volume and revenues in 2015

No.	Operator's name	Domestic traffic			Cross-border traffic
		letter items	postal parcels	acknowledgement of receipt of a recorded postal item	
1	Poczta Polska S.A.				
2	Polska Grupa Pocztowa S.A.				
3	InPost S.A.				
4	InPost Paczkomaty sp. z o.o.				
5	Speedmail sp. z o.o.				
6	X-Press Couriers sp. z o.o.				
7	Polamer Sp. z o.o.				
8	Ruch S.A.				
9	JTD Express sp. z o.o.				
10	ABC Direct Contact sp. z o.o.				
Volume (million items)				**837.65 million items**	
No.	**Operator's name**	**Domestic traffic**			**Cross-border traffic**
		letter items	**postal parcels**	**acknowledgement of receipt of a recorded postal item**	
1	Poczta Polska S.A.				
2	Polska Grupa Pocztowa S.A.				
3	InPost S.A.				
4	InPost Paczkomaty sp. z o.o.				
5	Speedmail sp. z o.o.				
6	X-Press Couriers sp. z o.o.				
7	Polamer Sp. z o.o.				

8	Ruch S.A.				
9	JTD Express sp. z o.o.				
10	ABC Direct Contact Sp. z o.o.				
Revenues			**PLN 1,183.93 million**		

Source: UKE own study

Complaints

In 2015, postal operators received for consideration 287,031 complaints about services comprising universal postal services, of which 56.57% were rejected, 38.57% were accepted, while 4.86% were pending at the end of 2015. Compared to 2014, the number of complaints grew by more than 3.35%. Analysis of the number of accepted complaints shows a significant improvement in comparison to 2014. Operators accepted over 18% more complaints than in the previous year. At the same time the number of rejected complaints dropped in 2015 by over 33% in comparison to 2014.

Table 18. Submitted complaints and the manner of handling them for services comprising universal postal services in 2015

	Manner of handling:	Accepted	Rejected	Pending	Total	Share of services comprising universal postal services
Reason for filing:	loss of postal item	26,080	54,528	3,875	84,483	29.43%
	loss of content	178	397	40	615	0.21%
	damage of postal item	5,015	3,338	701	9,054	3.15%
	delay of postal item delivery exceeding the guaranteed delivery term	8,099	4,270	704	13,073	4.55%
	incorrect filling-in of a document confirming the receipt of a recorded item	15,211	11,857	1,410	28,478	9.92%
	return of a recorded item in breach of the time limit	6,204	2,403	318	8,925	3.11%
	return of a recorded item due to incorrectly stated reason	2,887	3,931	522	7,340	2.56%
	other	47,023	81,652	6,388	135,063	47.06%
	Total	**110,697**	**162,376**	**13,958**	**287,031**	**100.00%**

Source: UKE own study

Analysis of complaints in terms of the reason for filing showed that the highest share of complaints concerned loss of postal items - 29.43% and other reasons - 47.06%. The remaining complaints together had a share of 23.51% in the total number of complaints.

3.4. Courier items

Courier items include letter items which are recorded items or postal parcels cleared, sorted, transported and delivered in a manner that collectively guarantees: direct receipt of a postal item from the sender, tracking a postal item from posting to delivery, delivery of a postal item within a guaranteed time limit specified in the rules and regulations for the provision of postal services or in contracts for the provision of postal services, delivery of a postal item directly to the addressee or to a person authorised to collect it, and obtaining an acknowledgement of receipt of a postal item in a written or electronic form.

In 2015 postal operators performed more than 214.12 million courier services in domestic and cross-border traffic in total, which resulted in more than PLN 3,184.33 million revenue. In comparison to 2014 the volume grew by 10.11% and revenues by 17.58%.

Table 19. Courier items in domestic and cross-border traffic in the period of 2013-2015 – by volume

	Volume (million items)			Change %	
	2013	2014	2015	2014/2013	2015/2014
Total	**136.46**	**194.46**	**214.12**	**42.50%**	**10.11%**
domestic traffic	127.93	183.55	202.46	43.47%	10.31%
cross-border traffic	8.53	10.92	11.66	28.00%	6.80%

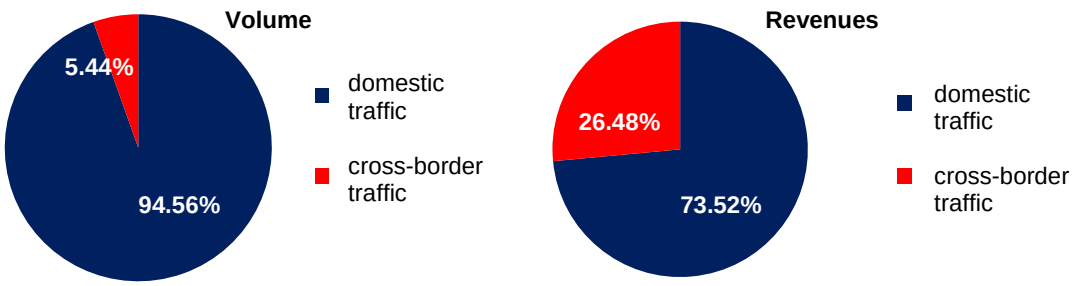
Source: UKE own study

Table 20. Courier items in domestic and cross-border traffic in the period of 2013-2015 – by revenue

	Revenues (PLN million)			Change %	
	2013	2014	2015	2014/2013	2015/2014
Total	**2,290.56**	**2,708.12**	**3,184.33**	**18.23%**	**17.58%**
domestic traffic	1,694.28	2,013.88	2,341.24	18.86%	16.26%
cross-border traffic	596.27	694.24	843.09	16.43%	21.44%

Source: UKE own study

Chart 22. Courier items in domestic and cross-border traffic in 2015 – structure by volume and revenues

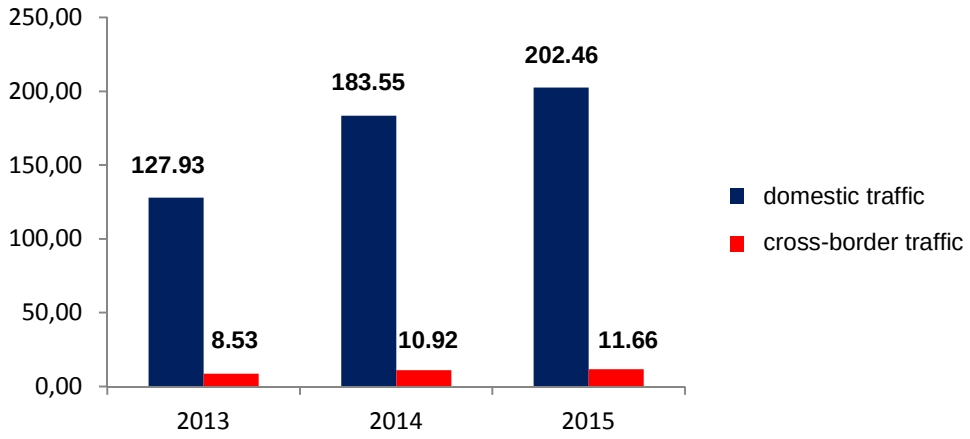


Source: UKE own study

The majority of courier items volume, i.e. 94.56%, was performed in domestic traffic, which resulted in 73.52% of revenues gained from this market area. 5.44% of volume was performed in cross-border traffic but the share of revenues from this business area was higher and amounted to 26.48% of total revenues.

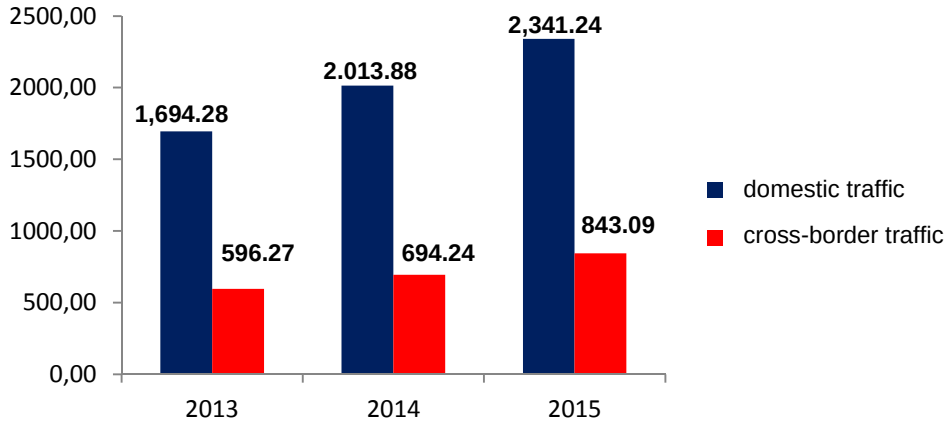
In the years 2013-2015 courier services market has been growing in domestic and cross-border traffic in terms of both volume and revenues.

Chart 23. Courier items in domestic and cross-border traffic in the period of 2013-2015 – by volume (million items)



Source: UKE own study

Chart 24. Courier items in domestic and cross-border traffic in the period of 2013-2015 – by revenue (PLN million)



Source: UKE own study

The dynamic growth in terms of both volume and revenues from courier items results from a fast development of e-commerce services in the recent years. Migration of some of the postal operators' customers to this service segment has also contributed to this situation. At the same time it should be noted the development of competition induced postal operators to add to their offers more services of a better quality, including services with a guaranteed delivery term. In the future a growing customer pressure towards better quality of services should be expected.

Table 21. Courier services - the number of alternative postal operators participating in the respective activities in the process of service delivery

Number of operators	Clearance	Sorting	Transport	Delivery
12	■			
2	■	■		
1	■	■	■	
36	■		■	■
50	■	■	■	■
101	**101**	**53**	**87**	**86**

Source: UKE own study

In 2015, 101 postal operators, including Poczta Polska, conducted business activity in the courier services segment. Majority of the operators (50) conducted all activities included in the process of service delivery. At the same time, a significant part of the operators (36) do not perform sorting of items. 12 out of 101 operators were engaged only in clearance of courier items.

Taking into account the number of operators active in this area it is the largest postal market segment, and consequently, the most competitive area.

Analysis of the data presented by alternative postal operators in their reports shows that ten (10) largest operators - in terms of both volume and revenues - providing services in the segment of courier items had in 2015 more than a 94.50% share in the total volume and more that a 95.48% share in the total revenues of this market segment.

Almost all leading alternative postal operators active in the segment of courier items offered their services in both domestic and cross-border traffic. Two exceptions are: K-EX sp. z o.o. operator, which in 2015 provided services only in the domestic traffic, and Federal Express Poland sp. z o.o., which conducted business activity only in cross-border traffic.

The courier items segment is dominated by entities with foreign capital share, conducting business activity on many foreign markets.

Table 22. Leading postal operators in the segment of courier items in 2015

No.	Operator's name	domestic traffic	cross-border traffic	No.	Operator's name	domestic traffic	cross-border traffic
1	DPD Polska sp. z o.o.	■	■	1	DPD Polska sp. z o.o.	■	■
2	UPS Polska Sp. z o.o.	■	■	2	UPS Polska Sp. z o.o.	■	■
3	GLS Polska sp. z o.o.	■	■	3	GLS Polska sp. z o.o.	■	■
4	Poczta Polska S.A. (Pocztex)	■	■	4	Poczta Polska S.A. (Pocztex)	■	■
5	FedEx Express Polska sp. z o.o.	■	■	5	FedEx Express Polska sp. z o.o.	■	■
6	Federal Express Poland Sp. z o.o.		■	6	Federal Express Poland Sp. z o.o.		■
7	TNT Express Worldwide Poland Sp. z o.o.	■	■	7	TNT Express Worldwide Poland Sp. z o.o.	■	■
8	DHL Express Poland Sp. z o.o.	■	■	8	DHL Express Poland Sp. z o.o.	■	■
9	InPost Paczkomaty sp. z o.o.	■	■	9	InPost Paczkomaty sp. z o.o.	■	■
10	K-EX Sp. z o.o.	■		10	K-EX Sp. z o.o.	■	
	Volume: 202.35 million items				**Revenues: PLN 3,040.53 million**		

Source: UKE own study

Complaints in the courier items segment

In 2015, postal operators accepted for consideration 455,206 complaints about courier services, of which more than 41.18% were rejected, almost 55.79% were accepted and 3.03% were pending at the end of 2015. Compared to 2014, the number of complaints grew by 61.67%. Analysis of the number of accepted complaints indicates a slight decrease in comparison to 2014. 2.24% less complaints were accepted in 2015 in comparison to 2014. At the same time in 2015 the number of rejected complaints significantly increased in comparison to 2014, by 58.47%.

Table 23. Submitted complaints and the manner of handling them for courier items in 2015

	Manner of handling:	Accepted	Rejected	Pending	Total	Share in complaints about courier services
Reason for filing:	loss of courier item	14,312	13,103	1,704	29,119	6.40%
	loss of content of courier item	3,267	2,272	432	5,971	1.31%
	damage of courier item	38,021	37,870	5,172	81,063	17.81%
	delay of courier item delivery	153,847	108,503	4,940	267,290	58.72%
	incorrect filling-in of a document confirming the receipt of a courier item	12	39	5	56	0.01%
	return of a courier item exceeding the time limit	21	24	1	46	0.01%
	return of a courier item due to incorrectly stated reason	364	414	7	785	0.17%
	other	44,098	25,241	1,537	70,876	15.57%
	Total	**253,942**	**187,466**	**13,798**	**455,206**	**100.00%**

Source: UKE own study

When analysing the reasons for submitting complaints the highest share 58.72% of complaints concerning the delivery delay should be noted, followed by damage of a courier item - 17.81%. The remaining reasons together amounted to 23.47% of the total number of complaints.

3.5. Other postal services

Segment of other postal services comprises letter items and postal parcels that do not fall within the definitions of items included within the universal postal services segment and segment of services comprising universal postal services, as well as postal money orders, direct mail, non-addressed printed forms and postal items send with the use of electronic communication means (the so-called hybrid items), which at the level of clearance, transport or delivery of information message took a physical form of a letter item.

In 2015 in the segment of other postal services operators performed 4,081.97 million services, which resulted in PLN 705.15 million revenue. In comparison to 2014 the volume in this area dropped by 4.49% and revenues decreased by 5.79%.

In 2015 the volume in the segment of other postal services, excluding non-addressed printed forms, amounted to 299.03 million, which resulted in PLN 573.82 million revenues. In comparison to 2014 the volume (excluding non-addressed printed forms) grew by 5.79% and revenues decreased by 2.56%.

Table 24. Other postal services in domestic and cross-border traffic in the period of 2013-2015 – by volume

	Volumes (million items)			Change %	
Domestic and cross-border	**2013**	**2014**	**2015**	**2014/2013**	**2015/2014**
Letter items	7.49	6.17	4.04	-17.57%	-34.57%
Postal parcels	8.10	1.04	0.84	-87.20%	-19.23%
Acknowledgement of receipt of a recorded postal item	1.69	0.59	0.50	-65.11%	-14.39%
Postal money orders	50.33	46.61	44.74	-7.39%	-4.03%
Direct mail	177.95	228.21	249.41	28.24%	9.29%
Electronic mail	0.03	0.64	0.01	1,901.64%	-98.48%
Non-addressed printed forms	3,847.85	3,991.10	3,782.93	3.72%	-5.22%
Total	**4,091.75**	**4,273.77**	**4,081.97**	**4.45%**	**-4.49%**
Excluding non-addressed printed forms	**243.90**	**282.67**	**299.03**	**15.89%**	**5.79%**
Domestic	**2013**	**2014**	**2015**	**2014/2013**	**2015/2014**
Letter items	0.00	0.34	0.34		-0.78%
Postal parcels	7.65	0.83	0.65	-89.22%	-21.82%
Acknowledgement of receipt of a recorded postal item	1.69	0.59	0.50	-65.11%	-14.39%
Postal money orders	50.13	46.41	44.55	-7.42%	-4.02%
Direct mail	177.69	228.21	249.41	28.43%	9.29%
Electronic mail	0.03	0.64	0.01	1,901.64	-98.48%
Non-addressed printed forms	3,847.38	3,991.10	3,782.94	3.74%	-5.22%
Total	**4,082.88**	**4,267.53**	**4,077.89**	**4.52%**	**-4.44%**
Excluding non-addressed printed forms	**235.50**	**276.43**	**294.95**	**17.38%**	**6.70%**
Cross-border	**2013**	**2014**	**2015**	**2014/2013**	**2015/2014**
Letter items	7.49	5.83	3.70	-22.14%	-36.51%
Postal parcels	0.44	0.21	0.19	-52.33%	-9.12%
Acknowledgement of receipt of a recorded postal item	0.00	0.00	0.00	-	-
Postal money orders	0.20	0.20	0.19	0.19%	-5.82%
Direct mail	0.27	0.00	0.00	-	-
Electronic mail	0.00	0.00	0.00	-	-
Non-addressed printed forms	0.46	0.00	0.00	-	-
Total	**8.86**	**6.24**	**4.08**	**-29.55%**	**-34.60%**
Total excluding non-addressed printed forms	**8.40**	**6.24**	**4.08**	**-25.66%**	**-34.60%**

Source: UKE own study

Table 25. Other postal services in domestic and cross-border traffic in the period of 2013-2015 – by revenue

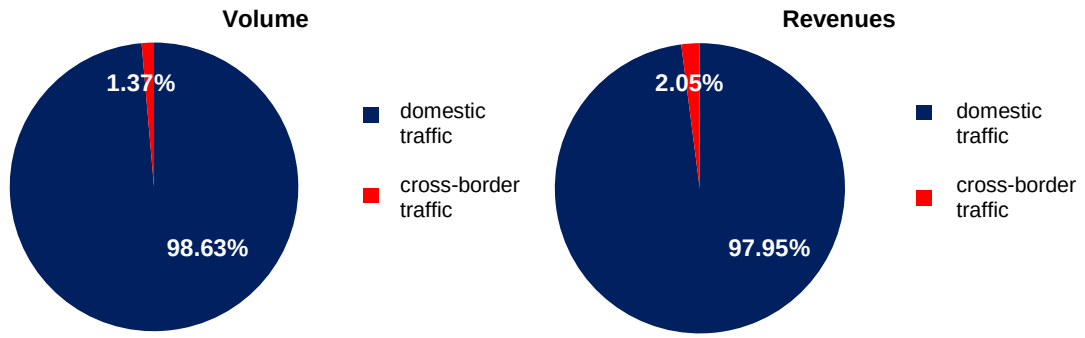
	Revenues (PLN million)			Change %	
Domestic and cross-border	**2013**	**2014**	**2015**	**2014/2013**	**2015/2014**
Letter items	11.29	12.64	14.59	12.02%	15.42%
Postal parcels	51.58	40.16	38.40	-22.15%	-4.36%
Acknowledgement of receipt of a recorded postal item	13.97	0.84	0.79	-94.02%	-5.35%
Postal money orders	350.26	321.91	308.58	-8.09%	-4.14%
Direct mail	180.81	212.47	211.25	17.51%	-0.57%
Non-addressed printed forms	140.78	159.56	131.34	13.34%	-17.69%
Electronic items	0.85	0.46	0.20	-46.31%	-56.46%
Acceptance of information on the address change	0.58	0.43	0.00	-26.54%	-
Total	**750.12**	**748.45**	**705.15**	**-0.22%**	**-5.79%**
Excluding non-addressed printed forms	**609.34**	**588.90**	**573.82**	**-3.35%**	**-2.56%**
Domestic	**2013**	**2014**	**2015**	**2014/2013**	**2015/2014**
Letter items	0.00	4.01	9.19	-	128.91%
Postal parcels	45.12	35.28	33.70	-21.80%	-4.48%
Acknowledgement of receipt of a recorded postal item	13.97	0.84	0.79	-94.02%	-5.34%
Postal money orders	348.63	320.25	306.93	-8.14%	-4.16%
Direct mail	180.52	212.47	211.25	17.70%	-0.57%
Non-addressed printed forms	140.74	159.56	131.34	13.37%	-17.69%
Electronic items	0.85	0.46	0.20	-46.31%	-56.46%
Acceptance of information on the address change	0.58	0.43	0.00	-26.54%	-
Total	**730.41**	**733.29**	**693.39**	**0.39%**	**-5.44%**
Excluding non-addressed printed forms	**589.67**	**573.73**	**562.05**	**-2.70%**	**-2.04%**
Cross-border	**2013**	**2014**	**2015**	**2014/2013**	**2015/2014**
Letter items	11.28	8.63	5.40	-23.54%	-37.38%
Postal parcels	6.47	4.88	4.71	-24.58%	-3.51%
Acknowledgement of receipt of a recorded postal item	0.00	0.00	0.00	-	-
Postal money orders	1.63	1.66	1.65	2.04%	-0.53%
Direct mail	0.29	0.00	0.00	-	-
Non-addressed printed forms	0.04	0.00	0.00	-	-
Electronic items	0.00	0.00	0.00	-	-
Acceptance of information on the address change	0.00	0.00	0.00	-	-
Total	**19.71**	**15.17**	**11.76**	**-23.05%**	**-22.45%**
Excluding non-addressed printed forms	**19.67**	**15.17**	**11.76**	**-22.88%**	**-22.45%**

Source: UKE own study

The subsequent analysis concerning the other postal services segment was conducted excluding non-addressed printed forms.

The majority of items in the other postal services segment were performed in domestic traffic (98.63%), and the share of revenues gained from this activity amounted to 97.95%. The volume of services in cross-border traffic amounted to 1.37% share in the total volume of this market segment, and revenues to 2.05%.

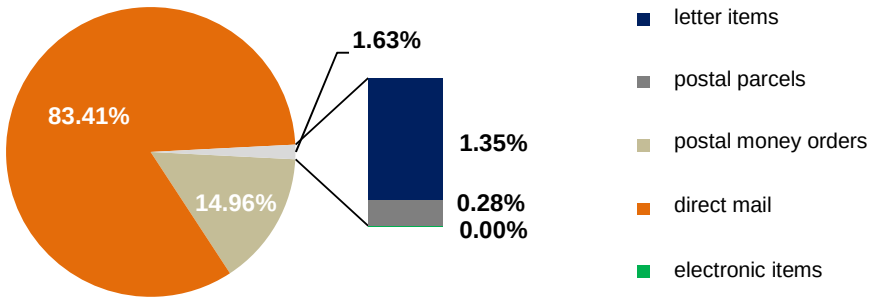
Chart 25. Postal services in the segment of other postal services in domestic and cross-border traffic in 2015 – structure by volume and revenues



Source: UKE own study

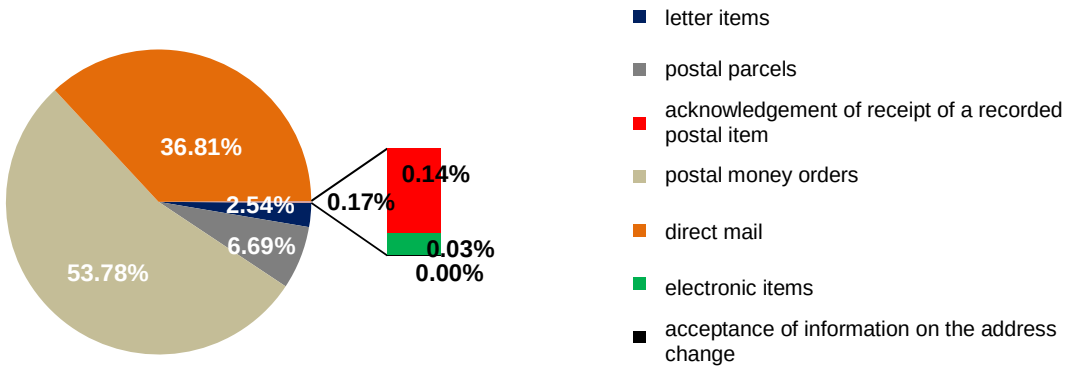
Analysis of the share of particular postal services in the segment of other postal services in terms of volume shows that direct mail constituted the dominant group (83.41%). Postal money orders came on the second place (14.96%). The remaining services: letter items, postal parcels and electronic items amounted to almost 2% share in the total volume.

Chart 26. Postal services in the segment of other postal services in domestic and cross-border traffic in 2015 – structure by volume



Source: UKE own study

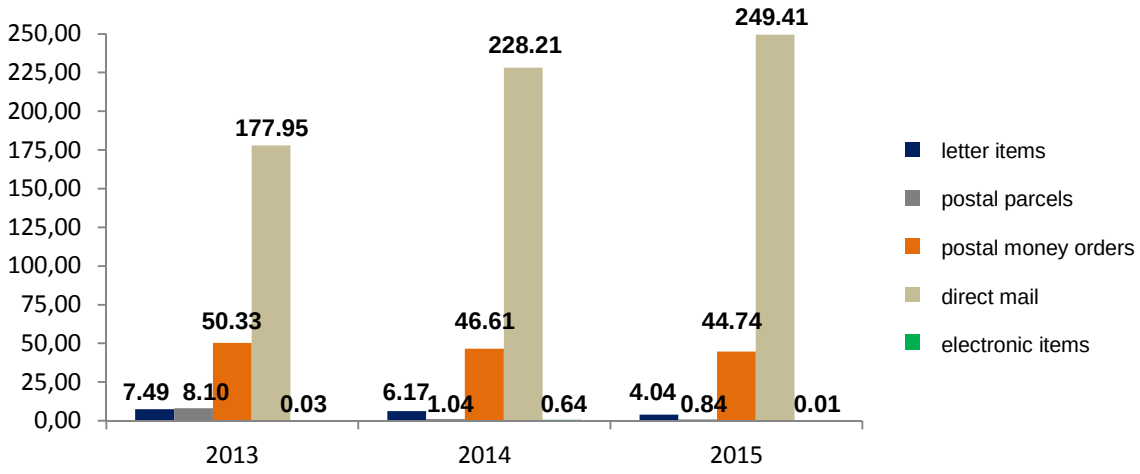
Chart 27. Postal services in the segment of other postal services in domestic and cross-border traffic in 2015 – structure by revenues



Source: UKE own study

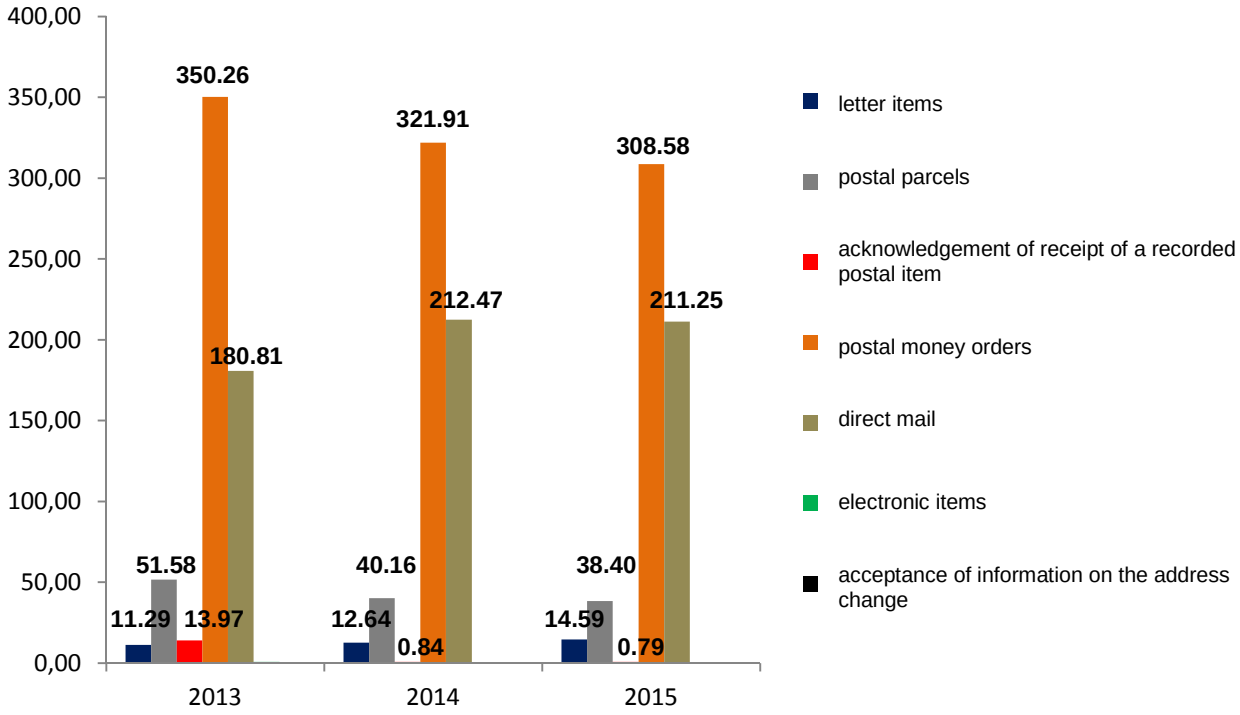
Analysis of the share of particular postal services in the segment of other postal services in terms of revenues shows that postal money orders constituted the dominant group (53.78%). Direct mail came on the second place. The remaining services: letter items, postal parcels, electronic items and acknowledgement of receipt of a recorded postal item together amounted to 9.40% share in the total revenues.

Chart 28. Postal services in the segment of other postal services in domestic and cross-border traffic in the period of 2013-2015 – by volume (million items)



Source: UKE own study

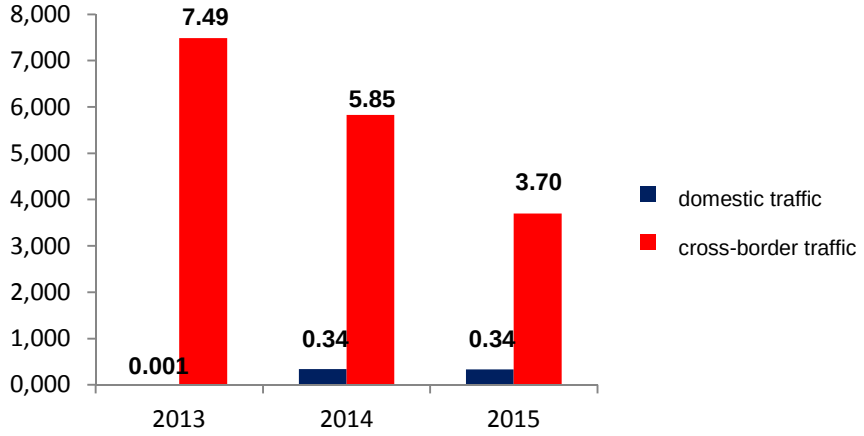
Chart 29. Postal services in the segment of other postal services in domestic and cross-border traffic in the period of 2013-2015 – by revenue (PLN million)



Source: UKE own study

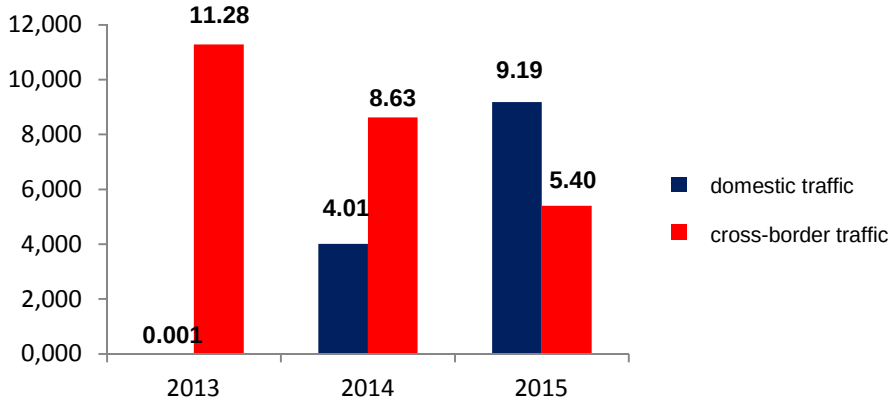
In the period of 2013-2015 the volume of performed direct mail showed a significant increase with a simultaneous decrease in revenues. In the case of letter items the situation was opposite, whereas the performance level of the remaining services decreased both in terms of volume and revenues.

Chart 30. Letter items in the segment of other postal services in domestic and cross-border traffic in the period of 2013-2015 – by volume (million items)



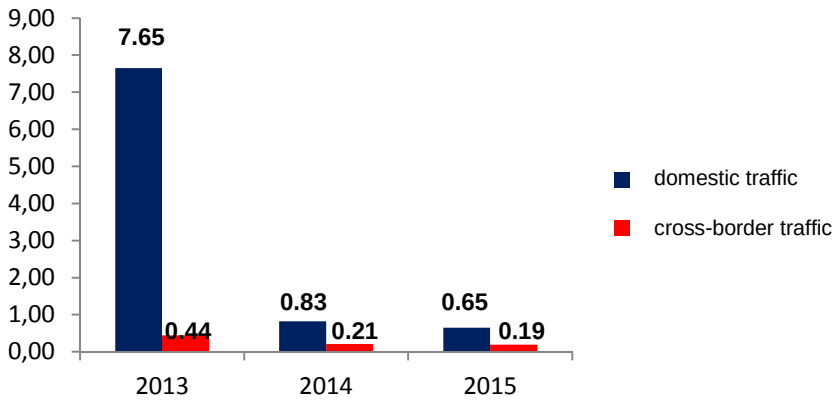
Source: UKE own study

Chart 31. Letter items in the segment of other postal services in domestic and cross-border traffic in the period of 2013-2015 – by revenue (PLN million)



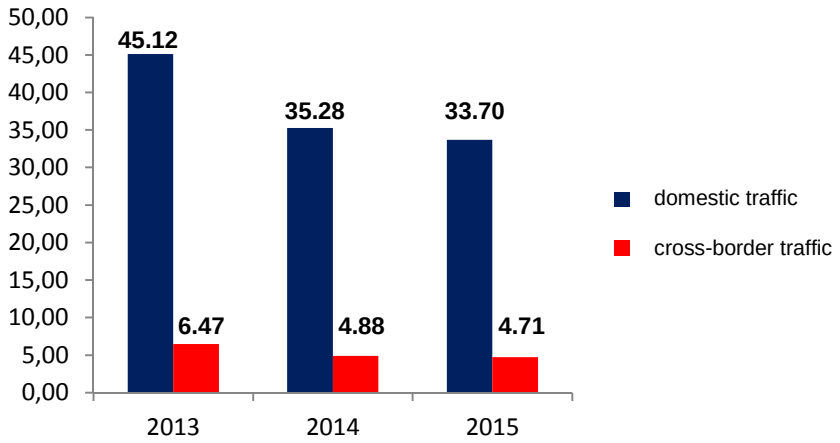
Source: UKE own study

Chart 32. Postal parcels in the segment of other postal services in domestic and cross-border traffic in the period of 2013-2015 – by volume (million items)



Source: UKE own study

Chart 33. Postal parcels in the segment of other postal services in domestic and cross-border traffic in the period of 2013-2015 – by revenue (PLN million)



Source: UKE own study

Analysis of the data on letter items and postal parcels in the segment of other postal services in domestic and cross-border traffic shows significant decreases in terms of both volume and revenues of these services. It is probably connected with migration of these services to other market segments.

28 operators, including Poczta Polska, were active in the other postal services segment. Most operators (17) were engaged in all activities within service delivery. Some of the operators (9) were not engaged in sorting of items. Out of 28 operators 2 were engaged only in clearance of postal items.

Table 26. Other postal services - the number of postal operators participating in the respective activities in the process of service delivery

Number of operators	Clearance	Sorting	Transport	Delivery
2				
9				
17				
28	**28**	**19**	**28**	**26**

Source: UKE own study

Analysis of the data of four (4) main operators in the segment of other postal services showed that these operators performed 98.74% of the total volume of services in this segment, and 97.89% of revenues.

Table 27. Leading postal operators in the segment of other postal services in domestic and cross-border traffic by volume and revenues in 2015

No	Operator's name	Domestic traffic						Cross-border traffic
		letter items	postal parcels	direct mail	acknowledgement of receipt of a recorded postal item	postal money orders	electronic items	
1	Poczta Polska S.A.							
2	InPost S.A.							
3	Speedmail sp. z o.o.							
4	X-Press Couriers sp. z o.o.							
		Volume 295.28 million items						
No	**Operator's name**	**Domestic traffic**						**Cross-border traffic**
		letter items	postal parcels	direct mail	acknowledgement of receipt of a recorded postal item	postal money orders	electronic items	
1	Poczta Polska S.A.							
2	InPost S.A.							
3	Speedmail sp. z o.o.							
4	X-Press Couriers sp. z o.o.							
		Revenues PLN 561.69 million						

Source: UKE own study

Complaints

In 2015, postal operators received for consideration 179,417 complaints about other postal services, of which 53.85% were rejected, 40.05% were accepted, while 6.10% were pending at the end of 2015. Compared to 2014, the number of complaints grew over 11-fold. Analysis of the number of accepted complaints shows a significant improvement in comparison to 2014. Operators accepted almost 20% complaints more than in the previous year. At the same time the number of rejected complaints significantly grew from over 12 thousand in 2014 to 96 thousand in 2015.

Table 28. Submitted complaints and the manner of handling them for services comprising universal postal services in 2015

	Manner of handling:	Accepted	Rejected	Pending	Total	Share of other postal items in the total number of complaints
	loss of postal item	11,971	37,968	3,279	53,218	29.66%
Reason for filing:	Loss of postal items content	349	417	68	834	0.46%
	damage of postal item	6,340	7,173	1,072	14,585	8.13%
	delay of postal item delivery	42,411	30,153	4,767	77,331	43.10%
	other	10786	20904	1759	33,449	18.64%
	Total	**71,857**	**96,615**	**10,945**	**179,417**	**100.00%**

Source: UKE own study

Analysis of the reason for filing complaints showed that the highest number of complaints was submitted due to a delivery delay (43.10%) and loss of postal item (29.66%). The remaining complaint reasons together amounted to 27.24% of the total number of complaints.

4. Resources and elements of postal infrastructure

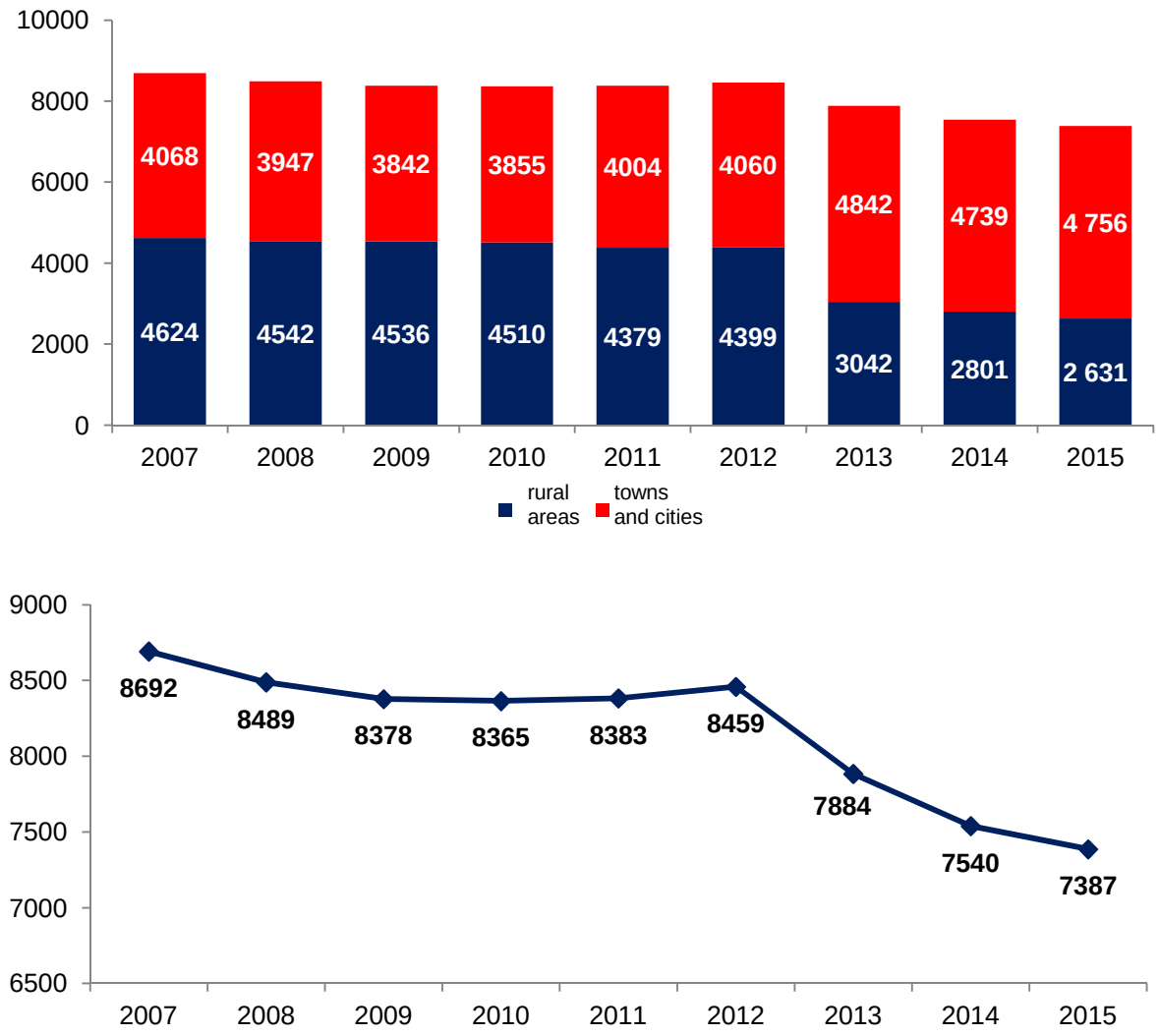
Resources and elements of postal infrastructure of the designated operator

Points of contact

As of the end of 2015 Poczta Polska had 7,387 postal points of contact, out of which 4,756 were located in urban areas (this category includes postal points of contact located in urban communes and in mixed urban and rural communes), and 2,631 postal points of contact in rural areas (i.e. in rural communes). This figure includes 2,716 points of contact kept by postal agents.

In 2015 the number of postal points of contact of the designated operator was reduced by 153 points. The change was possible after implementation of the provisions of the Postal Law Act introduced in 2013, which instead of setting a rigid number of postal points of contact allowed the minister responsible for communications to set the manner of postal points of contact's distribution in an ordinance.

Chart 34. Number of Poczta Polska points of contact in the period of 2007-2015



Source: UKE own study

Mail boxes and automated equipment for postal services to clients

As of the end of 2015, Poczta Polska had 22,838 active mail boxes, including:

- 9,642 boxes in towns and cities,
- 13,196 boxes in rural areas.

Compared to 2014, the number of letter mail boxes dropped by 23.65%.

Apart from postal points of contact customers could also send and receive postal items in a place and time suitable for them thanks to automated equipment for postal services to clients. At the end of 2015 the designated operator had 120 pieces of automated equipment for postal services to clients.

Other elements of postal infrastructure

At the end of 2015, Poczta Polska had 130,423 post office boxes and 116,216 own letter boxes. In addition, the designated operator had a system of postal codes identifying the areas for delivery and the database with information on changes in the address for the purposes of re-addressing postal items. Under Article 66 of the Postal Law Act, the designated operator owning the above-mentioned elements of postal infrastructure has the obligation to provide access to those elements to postal operators who provide services comprising universal postal services within the scope specified in an agreement for access to elements of postal infrastructure, whereas in case of operators who do not provide services comprising universal postal services, it is obliged to provide only a system of postal codes identifying the areas for delivery and database with information on changes in the address for the purposes of re-addressing postal items. In 2015 Poczta Polska signed agreements on access to the elements of infrastructure concerning post office boxes (3 agreements), letter boxes owned by it (1 agreement), and access to post codes identifying the delivery area (3 agreements).

Employment in Poczta Polska

In 2015, the level of average annual employment in Poczta Polska based on employment contracts, amounted to 75,026 full time equivalents, which compared to the data for the previous year means a drop by 5.59%. This was a subsequent year in which the designated operator's level of employment was dropping.

Resources and elements of postal infrastructure of alternative operators

Points of contact

As of the end of 2015, alternative postal operators reported 16,908 postal points of contact in total. Out of it 14,319 postal points of contact were located in towns and cities, and 2,589 in rural areas. Analysis shows that activity of alternative postal operators is concentrated in towns and cities where the demand for postal services is higher and costs of providing services are lower than in the case of rural areas. Points of contact kept by postal agents, i.e. 16,453 points, constituted a vast majority among the points of contact run by the alternative operators.

Table 29. Number of postal points of contact reported by alternative postal operators (as of 31.12.2014 and 31.12.2015)

Number of points of contact	Number of operators in 2014	Number of operators in 2015
no points of contact	50	58
1 point of contact	78	73
2 to 5 points of contact	15	15
6 to 10 points of contact	2	2
11 to 50 points of contact	7	8
51 to 100 points of contact	1	1
101 to 500 points of contact	7	2
501 to 1,000 points of contact	0	2
over 1,000 points of contact	5	5
Total	**165**	**166**

Source: UKE own study

The above comparison shows that the largest group (43.98%) is composed of alternative postal operators reporting one postal point of contact, which in most cases is a headquarter of a natural person conducting business activity.

Elements of postal infrastructure

In the reporting period none of the alternative postal operators had its own mail boxes. At the same time the number of pieces of automated equipment for postal services to clients was not included in the reports on postal activities.

Employment at alternative postal operators

In 2015, the level of average annual employment at alternative postal operators based on employment contracts, amounted to 13,386 full time equivalents, which compared to the data for the previous year means an increase by 5.90%. As shown in the table below, the level of employment for particular postal operators was very diverse. There were 7 large operators in the market, who employed over 500 employees. In most of cases the number of employees exceeded 9 people (98 operators). In addition a relatively big group is composed of operators conducting one-person operations (24).

Table 30. Number of employees at alternative postal operators (as of 31.12.2014 and 31.12.2015)

Size of employment	Number of operators in 2014	Number of operators in 2015
single-handed activity	53	24
2 to 9 persons	63	98
10 to 49 persons	36	28
50 to 249 persons	3	5
250 to 500 persons	1	4
over 500 persons	9	7
Total	**165**	**166**

Source: UKE own study

Postal points of contact of postal operators in 2015

Following a dynamic growth in the number of places of postal services' provision in the previous years, the situation in this scope has stabilised. In 2015 postal operators offered their services in 24,295 points of contact within the country. A little over 21% (5,126) of this number was constituted by postal operators' own points of contact. The remaining 79% of points was kept by postal agents. In the number of postal operators' own points of contact over 91% is owned by the designated operator.

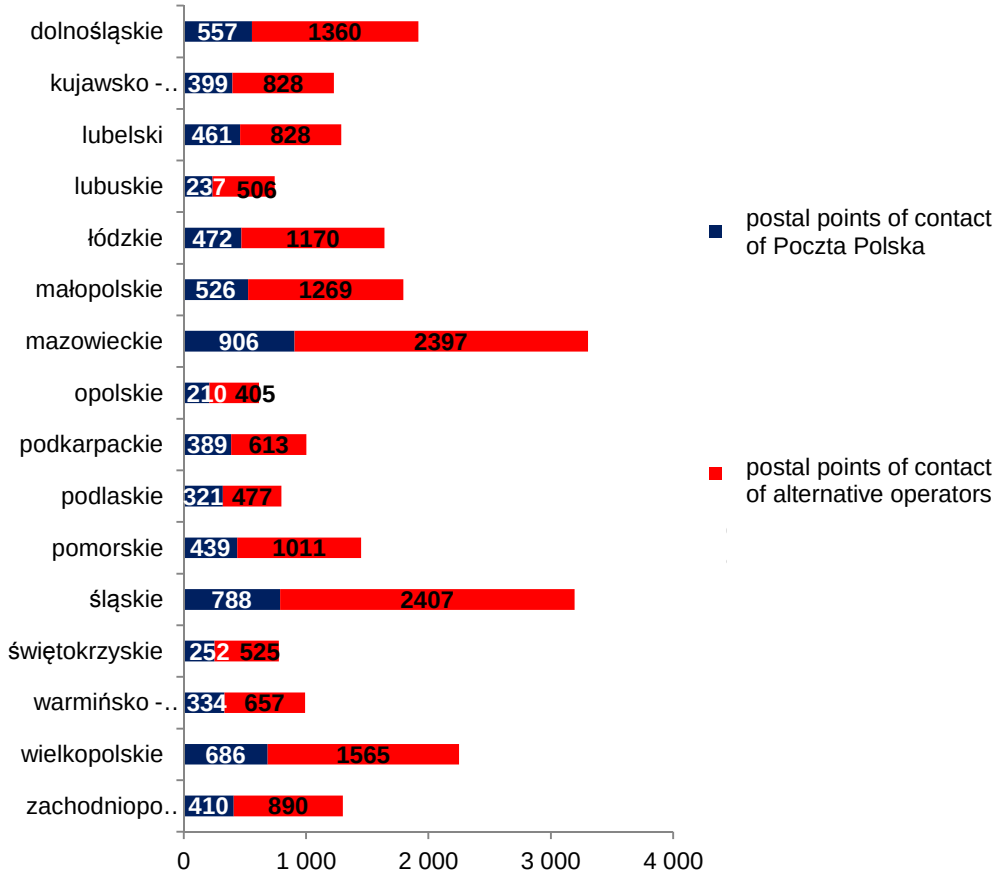
The highest number of points of contact is located in the highly urbanised provinces, such as Mazovia, Silesia, Greater Poland and Lower Silesia.

Table 31. Number of postal points of contact per province, as of the end of 2015

Province	Point of contact of Poczta Polska	Point of contact of alternative operators	Total
dolnośląskie (Lower Silesia)	557	1,360	**1,917**
kujawsko - pomorskie (Cuiavia and Pomerania)	399	828	**1,227**
lubelskie (Lublin)	461	828	**1,289**
lubuskie (Lubusz)	237	506	**743**
łódzkie (Łódź)	472	1,170	**1,642**
małopolskie (Lesser Poland)	526	1,269	**1,795**
mazowieckie (Mazovia)	906	2,397	**3,303**
opolskie (Opole)	210	405	**615**
podkarpackie (Sub-Carpathia)	389	613	**1,002**
podlaskie (Podlasie)	321	477	**798**
pomorskie (Pomerania)	439	1,011	**1,450**
śląskie (Silesia)	788	2,407	**3,195**
świętokrzyskie (Kielce)	252	525	**777**
warmińsko-mazurskie (Varmia and Mazuria)	334	657	**991**
wielkopolskie (Greater Poland)	686	1,565	**2,251**
zachodniopomorskie (Western Pomerania)	410	890	**1,300**
Total	**7,387**	**16,908**	**24,295**

Source: UKE own study

Chart 35. Number of points of contact per province



Source: UKE own study

Chart 36. Distribution of postal operators' points of contact in 2015, divided into provinces

Source: UKE own study

5. Conclusions

In the period of 2013-2015, i.e. within the three years since the Postal Law Act came into force, the postal services market has shown a number of positive changes both in terms of competition, as well as development of new services and manners of their provision.

The overall value of the postal market was systematically growing in the analysed period. This growth takes place along an about 10% decrease in the number of performed letter items. A dynamic development of courier services has been an important continuing trend on the postal market.

In 2015 the share of courier services in the total revenues amounted to over 41%. The situation is to a large extent caused by the growth in the number of postal parcels delivered under e-commerce transactions. Postal operators qualify a huge part of revenues gained in this area to courier services. Growth of customers' interest in e-commerce purchases creates additional opportunities for operators active on the postal markets to increase revenues, and improves their competitive position on the market.

The number of postal operators active on the market was growing in the subsequent years described in this report. The group of postal operators who are able to enter into competition in the field of providing diversified services with the use of modern ways of delivering services has also been growing.

The pace and direction of ongoing changes give a basis to state that the situation will favour development of postal services market, and at the same will contribute to the growth of customer satisfaction in this market.

However, the growing number of complaints is a disturbing phenomenon. In some cases the noted growth was even equal to 61.76%. This will be subject to analysis of the President of UKE in the near future. Quality of services and customer satisfaction should grow along with the market development.

The aggregated data presented below show the development of basic indicators on the postal market in Poland.

Table 32. Selected values describing the postal market in Poland in the period of 2013-2015 (excluding non-addressed printed forms)

	2013	2014	2015
Number of registered alternative operators	274	293	288
Number of active alternative operators	163	165	166
Volume of alternative operators' items - billion of items	0.41	0.45	0.55
Volume of all operators' items - billion of items	2.08	1.98	2.03
Revenues from postal services provided by alternative operators in PLN billion	2.45	2.81	3.29
Revenues from postal services in PLN billion	7.35	7.41	7.61

Source: UKE own study

Chart 37. Selected values describing the postal market in Poland in the period of 2013-2015 (excluding non-addressed printed forms)

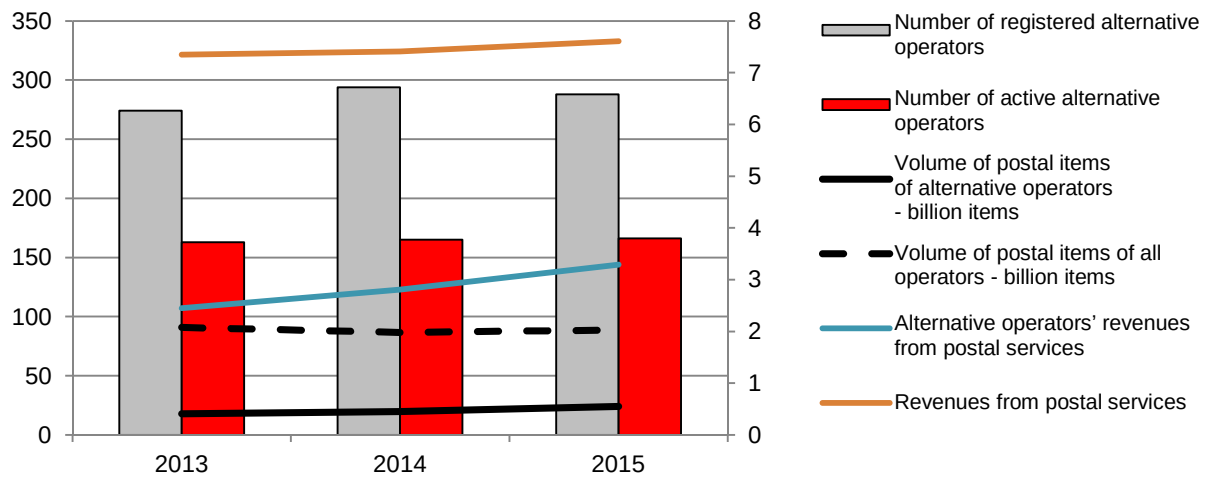
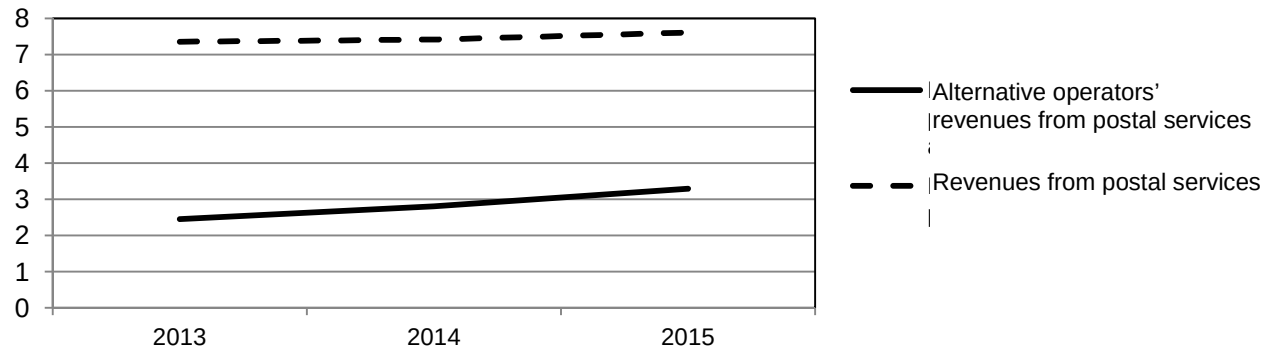


Chart 38. Revenues from postal services in the period of 2013-2015 (PLN billion)



Source: UKE own study

Table 33. Postal services in the period of 2013-2015 in particular market segments - structure by volume and revenues (excluding non-addressed printed forms)

Segment	2013		2014		2015	
	Volume	Revenues	Volume	Revenues	Volume	Revenues
universal services	40.23%	44.27%	35.91%	39.63%	32.32%	35.00%
services comprising universal postal services	41.53%	16.26%	40.02%	15.89%	42.06%	15.63%
courier items	6.55%	31.18%	9.81%	36.54%	10.69%	41.84%
other postal services	11.70%	8.29%	14.26%	7.95%	14.93%	7.54%

Source: UKE own study

Despite the drop in the number of letter items, Polish postal market is still an economic area with great prospects of economic growth and at the same time increasing competition. It is estimated that the postal parcels-courier segment will be growing even 20% per year in the nearest future, mostly due to a dynamic growth of e-commerce.

The situation contributes to the growing interest of both domestic and global operators in the provision of postal parcels-courier services.

Poczta Polska, the biggest Polish operator acting on the postal market, has significantly increased its share in the KEP segment (postal parcels, courier and express items, abbreviation from the Polish words). Within the last three years the designated operator has multiplied its turnover in this group of services.

In the next years, operators' position on the postal market will depend on their technical and organisational potential allowing them to provide comprehensive service, as well as on their ability to adapt to challenges posed by digital communications and e-commerce, and to the growing customer expectations.

List of tables

Table 1. Fulfilment of conditions of postal services availability by Poczta Polska ...10

Table 2. Number of registered alternative postal operators in the period of 2005-2015 (as of 31 December each year) 11

Table 3. Number of alternative operators registered and active in each province in 2015....12

Table 4. Organisational and legal forms of alternative postal operators in 2015 13

Table 5. Scope of alternative operators' activities in 2015....14

Table 6. Postal items in domestic and cross-border traffic in the period of 2013-2015 (excluding non-addressed printed forms) – by volume....17

Table 7. Particular postal services in domestic and cross-border traffic in the period of 2013-2015 – by volume 17

Table 8. Postal services in domestic and cross-border traffic in the period of 2013-2015 (excluding non-addressed printed forms) – by revenue....19

Table 9. Particular postal services in domestic and cross-border traffic in the period of 2013-2015 – by revenue 20

Table 10. Postal services in domestic and cross-border traffic, divided into particular market segments in the years 2013-2015 - according to volume and revenues 22

Table 11. Number of items in domestic and cross-border traffic (excluding non-addressed printed forms) per 1 citizen in the period of 2012-2015....25

Table 12. Universal postal services in domestic and cross-border traffic in the period of 2013-2015 – by volume 27

Table 13. Submitted complaints and the manner of handling them for universal postal services in 2015....29

Table 14. Services comprising universal postal services in domestic and cross-border traffic in the period of 2013-2015 - by volume....30

Table 15. Services comprising universal postal services in domestic and cross-border traffic in the period of 2013-2015 - by revenues....31

Table 16. Services comprising universal postal services - the number of alternative postal operators participating in the respective activities in the process of service delivery 34

Table 17. Leading postal operators in the segment of services comprising universal postal services in domestic and cross-border traffic by volume and revenues in 2015 34

Table 18. Submitted complaints and the manner of handling them for services comprising universal postal services in 2015....35

Table 19. Courier items in domestic and cross-border traffic in the period of 2013-2015 – by volume 36

Table 20. Courier items in domestic and cross-border traffic in the period of 2013-2015 – by revenue 36

Table 21. Courier services - the number of alternative postal operators participating in the respective activities in the process of service delivery 38

Table 22. Leading postal operators in the segment of courier items in 2015 38

Table 23. Submitted complaints and the manner of handling them for courier items in 2015 39

Table 24. Other postal services in domestic and cross-border traffic in the period of 2013-2015 – by volume 40

Table 25. Other postal services in domestic and cross-border traffic in the period of 2013-2015 – by revenue 41

Table 26. Other postal services - the number of postal operators participating in the respective activities in the process of service delivery 46

Table 27. Leading postal operators in the segment of other postal services in domestic and cross-border traffic by volume and revenues in 2015 46

Table 28. Submitted complaints and the manner of handling them for services comprising universal postal services in 2015 47

Table 29. Number of postal points of contact reported by alternative postal operators (as of 31.12.2014 and 31.12.2015) 50

Table 30. Number of employees at alternative postal operators (as of 31.12.2014 and 31.12.2015) 50

Table 31. Number of postal points of contact per province, as of the end of 2015 51

Table 32. Selected values describing the postal market in Poland in the period of 2013-2015 (excluding non-addressed printed forms) 53

Table 33. Postal services in the period of 2013-2015 in particular market segments - structure by volume and revenues (excluding non-addressed printed forms) 54

List of charts

Chart 1. **Number of registered alternative postal operators in the period of 2005-2015 (as of 31 December each year) 11**

Chart 2. **Number of alternative operators registered and active in each province in 2015 ....12**

Chart 3. **Scope of alternative postal operators' activities in 2015....13**

Chart 4. **Particular postal services in 2015 – structure by volume 18**

Chart 5. **Letter items in the period of 2013-2015 - by volume (million items)....18**

Chart 6. **Particular postal items - totals - in domestic and cross-border traffic in the period of 2013-2015 – by volume (million items) 19**

Chart 7. **Particular postal services in 2015 – structure by revenue 20**

Chart 8. **Letter items and courier services in the period of 2013-2015 - by revenue (PLN million) 21**

Chart 9. **Particular postal services in the period of 2013-2015 - by revenue (PLN million) 21**

Chart 10. **Postal services in domestic and cross-border traffic divided by market segment in the period of 2013-2015 – structure by volume 23**

Chart 11. **Postal services in domestic and cross-border traffic divided by market segment in the period of 2013-2015 – structure by volume 23**

Chart 12. **Complaints about postal services in the period of 2013-2015 - structure by manner of complaint handling and the reason for its submission 24**

Chart 13. **Number of items in domestic and cross-border traffic (excluding non-addressed printed forms) per 1 citizen in the period of 2012-2015....25**

Chart 14. **Postal services performed within universal postal services sector in 2015 – structure by volume 27**

Chart 15. **Letter items within universal postal services segment in domestic and cross-border traffic in the period of 2013-2015 – by volume (million items)28**

Chart 16. **Postal parcels within universal postal services segment in domestic and cross-border traffic in the period of 2013-2015 – by volume (million items)28**

Chart 17. **Services comprising universal postal services in domestic and cross-border traffic in 2015 – structure by volume and revenues 31**

Chart 18. **Letter items in the segment of services comprising universal postal services in domestic and cross-border traffic in the period of 2013-2015 – by volume (million items) 32**

Chart 19. **Letter items in the segment of services comprising universal postal services in domestic and cross-border traffic in the period of 2013-2015 – by revenue (PLN million) 32**

Chart 20. **Postal parcels in the segment of services comprising universal postal services in domestic and cross-border traffic in the period of 2013-2015 – by volume (million items) 33**

Chart 21. **Postal parcels in the segment of services comprising universal postal services in domestic and cross-border traffic in the period of 2013-2015 – by revenue (PLN million) 33**

Chart 22. Courier items in domestic and cross-border traffic in 2015 – structure by volume and revenues.....36

Chart 23. Courier items in domestic and cross-border traffic in the period of 2013-2015 – by volume (million items).....37

Chart 24. Courier items in domestic and cross-border traffic in the period of 2013-2015 – by revenue (PLN million).....37

Chart 25. Postal services in the segment of other postal services in domestic and cross-border traffic in 2015 – structure by volume and revenues.....42

Chart 26. Postal services in the segment of other postal services in domestic and cross-border traffic in 2015 – structure by volume.....42

Chart 27. Postal services in the segment of other postal services in domestic and cross-border traffic in 2015 – structure by revenues 42

Chart 28. Postal services in the segment of other postal services in domestic and cross-border traffic in the period of 2013-2015 – by volume (million items)43

Chart 29. Postal services in the segment of other postal services in domestic and cross-border traffic in the period of 2013-2015 – by revenue (PLN million).43

Chart 30. Letter items in the segment of other postal services in domestic and cross-border traffic in the period of 2013-2015 – by volume (million items) 44

Chart 31. Letter items in the segment of other postal services in domestic and cross-border traffic in the period of 2013-2015 – by revenue (PLN million) 44

Chart 32. Postal parcels in the segment of other postal services in domestic and cross-border traffic in the period of 2013-2015 – by volume (million items)45

Chart 33. Postal parcels in the segment of other postal services in domestic and cross-border traffic in the period of 2013-2015 – by revenue (PLN million).45

Chart 34. Number of Poczta Polska points of contact in the period of 2007-2015.....48

Chart 35. Number of points of contact per province.....52

Chart 36. Distribution of postal operators' points of contact in 2015, divided into provinces 52

Chart 37. Selected values describing the postal market in Poland in the period of 2013-2015 (excluding non-addressed printed forms) 54

Chart 38. Revenues from postal services in the period of 2013-2015 (PLN billion).....54

Annex - results of inspections of postal activities

1. Inspection of the operator providing universal postal services

In 2015, the President of UKE carried out inspections of Poczta Polska as the designated operator in terms of:

- domestic routing time indicators for universal postal services, including:
  - unrecorded letter items,
  - postal parcels;
- the level of adaptation of postal points of contact to serve the disabled persons.

Quality of service tests for universal postal services

The quality of universal postal services, including the routing time for postal items is an important issue from the customers' point of view. Under the current provisions, the President of UKE is authorized to conduct tests of the routing time of postal items in a given year for universal postal services in domestic traffic, and to ensure verification of the test correctness and its results. The tests are designed to continuously monitor the quality of services and to influence the designated operator to enhance it (including through publication of test results).

Pursuant to Article 178 (2) of the Postal Law Act, within three years following the entry into force of the Act the requirements for compliance with the routing time indicators for postal items defined in the provisions issued under Article 47 (1), i.e. in the Ordinance of the Minister of Administration and Digitization of 29 April 2013 on conditions for the provision of universal postal services by the designated operator (Journal of Laws of 2013, item 545, hereinafter the "ordinance"), shall not apply to Poczta Polska. At the same time, the routing time indicators for postal items obtained by Poczta Polska S.A. in a given year may not be lower than those for 2012.

As a result of tests on the routing time of unrecorded letter items in 2015 for universal postal services provided by the designated operator in domestic traffic, it was found that:

- 60.9% of priority letter items were delivered in time D+1,
- 90.7% of priority letter items were delivered in time D+2,
- 97.3% of priority letter items were delivered in time D+3,
- 80.7% of economic letter items were delivered in time D+3,
- 97.3% of economic letter items were delivered in time D+5.

The aforesaid routing time indicators for unrecorded priority and economic letter items are lower than the indicators achieved by the designated operator in 2012, which amounted to 68.5%, 92.5%, 97.8%, 82.8% and 98.1%, respectively. However, in the case of unrecorded economic letter items, taking into account the measurement accuracy it cannot be stated (with a level of confidence of 95 %) that D+5 indicator was not in compliance with the Postal Law Act. At the same time, in the case of both priority and economic unrecorded letter items, the result for D+3 indicator is practically at the limit of the requirement defined in Article 178 of the Postal Law Act.

As a result of routing time tests for postal parcels held in 2015 by the designated operator using an Integrated IT System (ZST) applied by this operator, it was found that:

- 84.95% of priority postal parcels were delivered in time D+1,
- 99.58% of economic postal items were delivered in time D+3.

The routing time indicators for priority and economic postal parcels obtained in 2015 by the designated operator are higher in comparison to the indicators for 2012 which amounted to 79.50% and 98.30%, respectively.

The correctness of routing time tests for both unrecorded letter items and postal parcels, as well as the results of these tests were subject to verification in accordance with Article 52 (5) of the Postal Law Act, which was in both cases conducted by the National Institute of Telecommunications – National Research Institute. The auditor confirmed that the aforesaid tests were carried out in compliance of with the requirements of the binding standards, and confirmed the correctness of the results.

Adaptation of postal points of contact to serve disabled users

Pursuant to Article 62 of the Postal Law Act, the designated operator ensures access to universal services for the disabled persons.

In 2015, inspections were conducted in 440 randomly chosen postal points of contact, which accounted for approximately 5.83% of the total number of postal points of contact owned by Poczta Polska, providing postal services throughout the country (according to the data provided by the operator as of 31 December 2015, there were 7,387 points of contact operating in the country, including 4,971 in urban areas and 3,167 in rural areas). In urban areas 275 postal points of contact of the designated operator were inspected, i.e. approximately 5.89% of all urban points of contact, while in rural areas 165 points of contact were inspected, which accounted for about 5.21% of all rural points of contact of Poczta Polska.

59.3% out of the inspected Poczta Polska postal points of contact, i.e. 261 out of 440, provided amenities enabling persons in wheelchairs to enter the building without assistance. During the inspection, UKE staff checked whether persons in wheelchairs were able enter the building on their own, as well as whether upon entrance to the postal point of contact (without the possibility of unassisted entry by people in wheelchairs) it was possible to use a device to call the staff at that postal point of contact. It was found that 427 out of 440 inspected points of contact of Poczta Polska (i.e. 97%) allowed the disabled persons in wheelchairs to use the services provided by those points of contact by offering independent access or efficient call for an employee (independent access to the building was ensured in 59.3%, i.e. 261 inspected postal points of contact, whereas 177 postal points of contact without the possibility of unassisted entry by people in wheelchairs that were subject to inspection provided a doorbell to call the staff of that postal point of contact; in 11 cases this doorbell turned out to be not functional).

In addition, the President of UKE took note of the operator's statements that lack of adaptation of the postal points of contact to the needs of disabled persons as regards offering independent access to the building results from, i.a. limited rights to the occupied property (owners of the property do not agree for conversion due to high investment costs) or location of the postal point of contact in a historical building which is under the supervision of a conservation officer (modernisation works need to

be approved by the Voivodeship Conservator of Monuments and generate high costs), or lack of place to build an access ramp or install a lift (in case of a postal point of contact located on the higher floors).

An appropriate marking of a counter window adapted to serve the disabled persons was found in 98.4% of inspected points of contact, while appropriate placing of a window (i.e. lowered) was found in 428 inspected points of contact of the designated operator (i.e. 97.2%).

The criterion of access to the mail box - the total height of the mailbox and entry slot adapted to be used by the disabled persons - was not met in 9 points of contact (including 2 in rural areas and 7 in urban areas), which means that 97.9% of inspected points of contact had an appropriate mail box, i.e. with entry slot located max. 130 cm above the ground.

181 inspected postal points of contact (i.e. 41.1%) keep registers of disabled persons. Receiving postal items from the disabled person at his/her place of residence was declared by 183 postal points of contact (i.e. 41.5%). However, it should be underlined that the obligation to keep register and provide services at the place of residence is only imposed on the postal points of contact that offer delivery services.

The held inspection confirmed that the majority of inspected points of contact comply with the criteria set out in the Postal Law Act. The data gathered during inspections conducted in the preceding years show that the adaptation of the urban and rural points of contact to the needs of disabled persons has been kept on a similar level.

2. Inspection of operators authorised to conduct postal activities based on entry in the register of postal operators and of entities for which there were indications that they operate without the required powers

Promotion of fair market competition by the President of UKE through appropriate and transparent application of the control tools is an important element in ensuring the protection of rights of postal services users. A permanent task of the President of UKE in this respect is to carry out inspections of undertakings operating in the postal market, consisting in:

- finding that the postal activity is conducted in conformity with the provisions of the Act,
- detection of postal activities carried out without the entry in the register of postal operators.

The reasons for initiating inspections of postal operators by the President of UKE in 2015 included:

- postal users' complaints,
- failure to submit a report on postal activity for the previous year to the President of UKE,
- control of the implementation of the President of UKE's decisions determining the scope of infringement and the term for its removal,
- obtaining entry in the register of postal operators and absence of an earlier inspection,
- other indications suggesting that the operator can perform postal activities contrary to the provisions of the law.

Inspections of undertakings were launched as a result of the complaints submitted by the users of postal services, as well as on the grounds of information obtained by the Office.

Inspections of postal operators active based on entry in the register of postal operators

In 2015, 22 postal operators were inspected, while inspections were effective in respect of 18 postal operators.

After receiving a notification about the intended inspection, 1 postal operator who has not been inspected before submitted a statement informing that it had not launched postal activity nor it was conducting it, and requested for a deletion from the register of postal operators. Following the request, the undertaking was deleted from the register of postal operators.

Inspections of postal operators were conducted as regards the scope of postal services provision, as well as the compliance with conditions required to perform postal activity. In addition, in the case of 3 operators inspections comprised control of the implementation of the President of UKE's decisions determining the scope of infringement of the Postal Law Act and the term for its removal.

It was found that as of the day of inspection, 3 out of inspected postal operators did not perform postal activity (due to lack of orders), although 1 of these operators performed courier services acting for and on behalf of another operator. In 9 cases it was also found that postal operators perform also other business activities apart from postal activity.

In case of 1 postal operator it was established that activity performed by this operator consists in intermediation between customers and postal operators in concluding agreements for courier services (the so-called brokering activity).

Inspections showed that out of postal operators providing postal services in 2015, 2 operators provided their services in the whole territory of the country and abroad, 4 postal operators performed postal activities throughout the country while 9 operators performed postal activities locally. It was also found that 5 postal operators owned postal points of contact (including 2 operators that owned postal points of contact and run points under agency or cooperation agreements; 2 postal operators had only postal points of contact owned by them and 1 operator only agency points). It was found that postal services comprising universal postal services were performed by 10 postal operators, courier services by 5 operators whereas other postal services by 5 operators. In addition it was found that one postal operator provided postal services comprising postal money orders.

Recent results of the completed inspections of postal operators confirm the current trend observed in the postal services market. In particular, it should be noted that the prevailing tendency is the provision of postal services to the clients/senders with whom operators have signed agreements, in particular public administration authorities, courts of common law, public prosecutor's offices and businesses. In contrast, postal services in their reception stage are provided to individual customers only to a limited extent. The conclusion of cooperation agreements between postal operators is also important for the development of the postal services market. The concluded agreements allow, e.g. the use of other postal operators' resources and the provision of postal services over a larger area.

Inspections to detect postal activities performed without the required powers

In 2015, 5 undertakings were subject to the inspection carried out by the President of UKE, including one undertaking whose inspection was launched in 2014. The inspection found that 4 undertakings are providing postal services and 1 undertaking is not engaged in any postal activities. As a result of the inspection activities 3 undertakings were entered in the register of postal operators. In case of one operator it was established that the company suspended its business activity, which was confirmed by the entry in the Central Registration and Information on Business (CEIDG).