UKE | Office of Electronic Communications

Report on the state of the postal market in 2021

Warsaw, May 2022

“Report on the state of the postal market in 2021” was drawn up pursuant to Article 43(6) of the Postal Law Act of 23 November 2012[1], hereinafter referred to as the “Act” or the “Postal Law,” on the basis of the data received from postal operators in accordance with Article 43(1) and 43(2) of this Law.

The aforementioned provisions obliged the postal operators to submit to the President of the Office of Electronic Communications, hereinafter referred to as the ‘President of UKE’, reports on postal activities in 2021 with the use of the reporting templates laid down by the Regulation of the Minister of Administration and Digitisation[2].

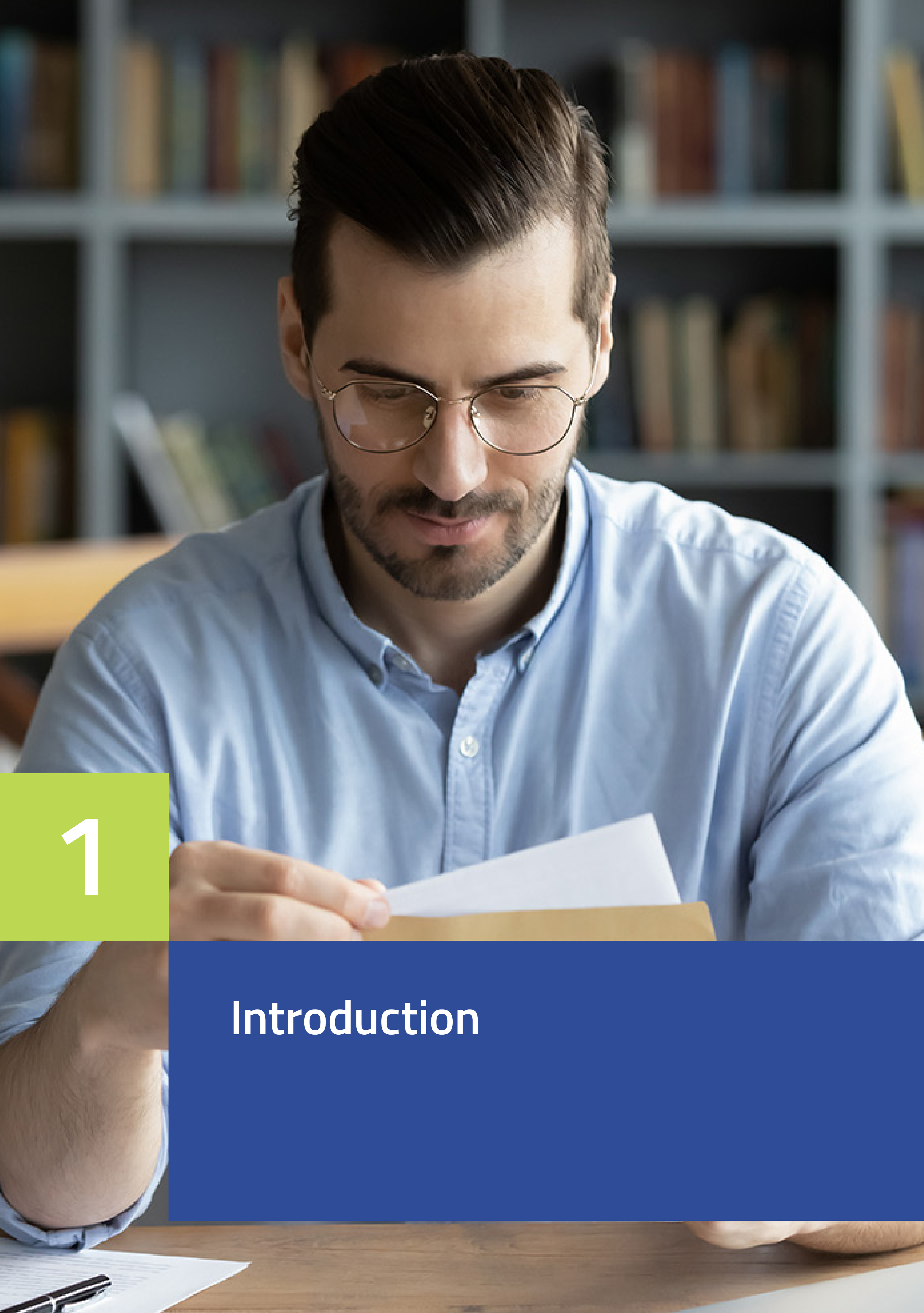
The report on postal activities for 2021 was submitted by 134 registered postal operators, including Poczta Polska, and 133 alternative operators.

The report was used to correct the data concerning 2020, as stated in the reports on postal activities submitted after the publication entitled ‘The Report on the state of the postal market in 2020’ and the amendments to the submitted reports on postal activities. Therefore, part of the data on the number of active postal operators, the volume of services, revenue and percentage shares have changed in comparison with the previous Report of the President of UKE. The aforementioned changes do not significantly impact the picture of the postal market described in the 2020 Report.

Subsequent parts of the Report present the legal basis, the entities operating on the postal market, depict the development of the postal market during 2021, and deliver a comparative analysis for the years 2019-2021.

Unless otherwise specified, the figures are expressed in millions of units or in millions PLN. Any differences in the sum total and shares result from the applied rounding rules.

[1] Uniform text: Journal of Laws of 2022, item 896
[2] The Regulation of the Minister of Administration and Digital Affairs on the template form for submitting the report on postal activities to the President of the Office of Electronic Communications (Journal of Laws of 2013, item 1489).



1

Introduction

Since the liberalisation of 2013, the Polish postal services market has launched itself on the path of constant growth. At that time, it underwent deep structural changes also observed in markets of other developed countries: the decrease in volume of traditional postal services, which was more than compensated by the dynamic increase in volume of e-commerce parcels. The expansion rate of total revenue of operators active on the Polish market has, in recent years, regularly exceeded the pace of growth of the entire Polish economy. This was especially visible in the year 2020, marked by the COVID-19 pandemic and its consequences which made the courier items segment in particular one of the few industries that enjoyed exceptionally favourable conditions for even more accelerated growth.

2021, in which the main pandemic-related restrictions persisted, was another year that saw the value of the entire Polish postal services achieve a strong growth by 10.9%. Although the observed pace is lower than in 2020 (13.5%), it is really notable compared to Poland's GDP dynamics of 5.9%.

The nominal value of the Polish postal services market in 2021 has exceeded the level of PLN 12.8 billion, an increase by 1.3 billion compared to 2020. Unlike in the previous year, this time the increased value of the market was coupled with noticeable increase of the rendered services volume, which in 2021 reached 1.94 billion items, 3.2% more year on year.

The most important role on the market in 2021 was still played by Poczta Polska S.A. (hereinafter referred to as "Poczta Polska"), acting as the designated operator, which carried out 1,174.2 million services (60.7% of the total volume) in domestic and international channels while generating revenue of PLN 5,154.6 million (40.0% of total revenue). If compared with the preceding year, the volume of the designated operator's services shrank by 7.2%, with the value of revenue falling by 3.3%.

During 2021, alternative operators carried out a total of 760.9 million services (39.3% of total volume) in total domestic and international trade, which translated to PLN 7,736.0 million revenue (60.0% of total revenue). If compared with the preceding year, the volume of the alternative operators' services increased by 24.8%, with the value of revenue increasing by 23.0%.

The service most often rendered in 2021, as in previous years, was still letters, with 975.7 million units delivered, which however means a decrease by 7.5% compared to 2020, and translated to revenue of PLN 3,419.6 million (less by 3.5%).

On the other hand, a total of 805.2 million units of courier items and traditional postal parcels were delivered in the analysed year (an increase by 21.0%), generating a revenue of PLN 8,610.5 million (more by 18.6%), which means that 2021 was another year in a row in which revenue from these services were observed to increase.

27 new postal operators were registered in 2021. By the end of the year, there were 300 postal operators in the register (291 in 2020), of which 134 were actively providing postal services (144 in 2020).

As reported by the operators, the average annual headcount in the postal sector was 90,463, which means a decrease by 3.2% compared to the preceding year.

In 2021, postal services were provided in 38,575 postal outlets, including 7,626 outlets of the designated operator and 30,949 outlets of alternative operators. Postal service machines were also used for the provision of postal services, with more than 18 thousand being already in operation in 2021. These devices were administered by four postal operators in 2021.

2

Characteristics of the postal services market

2.1 Legal bases governing the functioning of the market for postal services

2.1.1 Domestic law

The following legal acts constituted the legal basis for the functioning of the market for postal services in Poland in 2021:

- the Postal Law[3] and the implementing acts thereto,
- the Act of 16 July 2004 – the Telecommunications Law[4], hereinafter referred to as the "Telecommunications Law."

The Postal Law divided the market for postal services into several main segments: courier items, universal services, services falling within the scope of universal services, and other postal services.

In 2021, the Postal Law was amended by the Electronic Delivery Act of 18 November 2020.[5] Due to the amendment, provisions were introduced that, among others, extended the requirements imposed on postal operators wishing to enter the designated operator competition. The act entered into force on 5 October 2021 with respect to the majority of its provisions.

2.1.2 European law

The most important acts regulating the postal market in the European Union in 2021 were:

- Directive 97/67/EC of the European Parliament and of the Council 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 First Postal Directive)[6],
- Directive 2002/39/EC of the European Parliament and of the Council of 10 June 2002 amending Directive 97/67/EC with regard to the further opening to competition of Community postal services (the so-called Second Postal Directive)[7],
- Directive2008/6/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 (the so-called Third Postal Directive)[8],
- Regulation (EU) 2018/644 of the European Parliament and of the Council of 18 April 2018 on cross-border parcel delivery services[9].

[3] The Postal Law implemented the provisions of 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 (O. J. of the EU L 52, 27.02.2008, p. 3, as amended) and defined the rules for the functioning of the postal market after its opening to competition.
[4] Uniform text: Journal of Laws 2021 item 576.
[5] Uniform text: Journal of Laws 2022, item 569.
[6] O. J. of the EU L 15, 21.01.1998, p. 14, as amended.
[7] Journal of Laws O. J. of the EU L 176, 05.07.2002, p. 21.
[8] O. J. of the EU L 52, 27.02.2008, p. 3.
[9] O. J. of the EU L 112, 02.05.2018, pp. 19-28

2.1.3
International law on the postal market

The functioning of the market for postal services is also regulated by the legal acts of the Universal Postal Union[10]. The basic document is the Universal Postal Convention[11], establishing common rules applicable to the international postal service.

The tasks related to postal activities, as defined for the postal managers or postal administrations by international legal provisions, are performed by the designated postal operator. This is of particular importance for the obligation to render universal services, as Article 3(1) and (2) and Article 12 of the Universal Postal Convention specify a broader range of basic (universal) services compared to the one specified in Article 45(1) of the Postal Law.

2.2
Participants of the market for postal services

2.2.1
Regulatory authority

The President of UKE is a central government administration authority. His competences are defined by the Telecommunications Law and the Postal Law. They cover regulatory, audit, mediation and inspiration tasks in the area of the postal and telecommunications market.

The President of UKE cooperates with multiple organizations dealing with the postal market at domestic, European and international levels. The most important international groups 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).

[10] Universal Postal Union (UPU).
[11] Journal of Laws 2015, item 1522.

2.2.2
Postal operators

There were 300 entities in the register of postal operators in 2021 (as at 31 December 2021). Of the registered postal operators, the report was submitted by: Poczta Polska and 133 other postal operators.

2.2.2.1
Operator designated for rendering universal services

By decision of the President of UKE[12], Poczta Polska is the operator designated for rendering universal services in the years 2016-2025.

The designated operator is obliged to render universal services within the entire territory of the country in a uniform manner and under comparable conditions.

2.2.2.1.1
Scope of the postal activities carried out by the designated operator

During 2021, the postal activities of the designated operator involved in particular:

- universal postal services in domestic and international trade: unrecorded letters, recorded letters (including registered letters and letters with a declared value), consignments to the blind, postal parcels with a weight of up to 20 kg (including those with a declared value) and M bags,
- services falling within the scope of universal services in domestic and international trade: letters (including unrecorded letters, registered letters and letters with a declared value) from mass senders, unrecorded and registered hybrid consignments, public hybrid service (PUH), postal parcels, EMS and other,
- courier items in domestic trade, including: Pocztex, Consignment,
- courier items in international trade, including: Paczka Ukraina+,
- other postal services in domestic trade, including marketing consignments, unaddressed forms, postal transfers, consignments with a weight of more than 10 kg and others,
- other postal services in international trade: Direct Entry mail, IDM consignments, postal foreign transfers, Biznes Paczka (Business Parcel), Paczka Premium (Premium Parcels), and others.

2.2.2.2
Alternative postal operators

In accordance with the Postal Law, the postal activity is a regulated activity in the meaning of the Act of 6 March 2018 – the Entrepreneurs' Law[13], and requires an entry in the register of postal operators (ROP).

During 2021, the President of UKE received:

- 27 applications for entry into the RPO, including 1 application received in 2021 but put into effect in 2022,
- 9 applications for removal from the ROP,

[12] Decision of 30 June 2015.
[13] Uniform text: Journal of Laws 2021, item 162, as amended.

- 3 applications for suspending the postal activities,
- 15 applications for amending the data in the scope included in the application for entering in the ROP, of which 14 applications were granted and 1 application was left unconsidered (due to application faults that were not corrected).

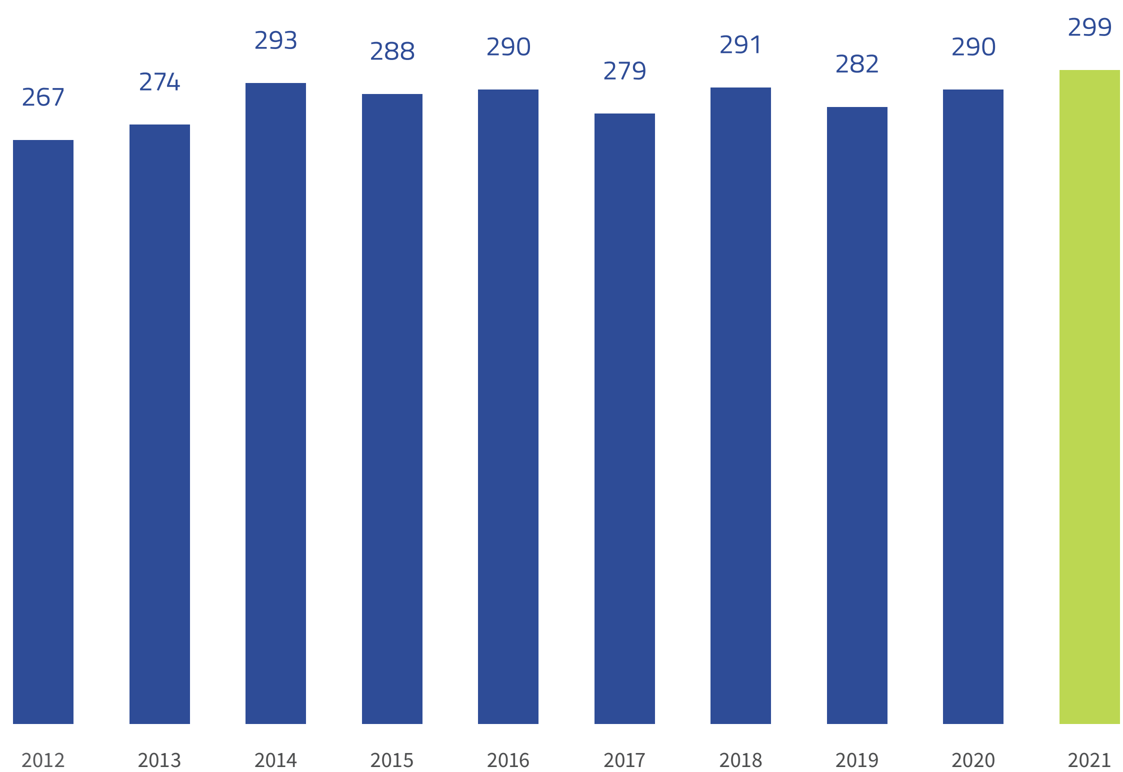
8 entities were removed from the ROP ex officio, including:

- 2 entities removed pursuant to Article 11, point 2, letter d) of the Postal Law due to establishing that they had abandoned conducting postal activities on a permanent basis (the entities had previously been removed from the Central Registration and Information on Business or the National Court Register),
- 6 entities removed pursuant to Article 11, point 2, letter e) of the Postal Law due to failing to fulfil the information obligation as referred to in Article 43(1) of the Postal Law for two subsequent years (these entities did not file a report on postal activities for both 2018 and 2019).

As at 31 December 2021, there were 300 entities in the register of postal operators, including Poczta Polska and 299 operators not rendering universal services.

Figure 1

Number of registered alternative postal operators in the years 2012-2021 (as at 31 December)



Source: UKE on the basis of the ROP.

Not all of the registered operators start postal activities at all. The greatest number of active entities was recorded in the Mazowieckie Voivodeship (55). The remaining voivodeships did not have more than 12 operators.

Table 1

Number of registered and active alternative postal operators in different voivodeships in 2021

Voivodeship	Number of operators registered*	Number of operators active	Usage degree of the entries
dolnośląskie	20	9	45.0%
kujawsko-pomorskie	5	1	20.0%
lubelskie	5	2	40.0%
lubuskie	7	6	85.7%
łódzkie	16	7	43.8%
małopolskie	22	8	36.4%
mazowieckie	125	55	44.0%
opolskie	7	5	71.4%
podkarpackie	20	5	25.0%
podlaskie	9	3	33.3%
pomorskie	22	4	18.2%
śląskie	26	10	38.5%
świętokrzyskie	4	2	50.0%
warmińsko-mazurskie	1	1	100.0%
wielkopolskie	22	12	54.5%
zachodniopomorskie	5	3	60.0%
RAZEM	**316**	**133**	**42.1%**

Source: UKE

* The number of registered operators also includes 17 operators that were removed from the ROP in 2021.

In the postal sector, economic activities are carried out by alternative postal operators in different organizational and legal forms, with the majority of them being companies with limited liability and economic activities of natural persons. During 2021, the following organizational and legal forms were used by 133 active alternative operators:

- company with limited liability – 59 operators,
- economic activity of a natural person – 56 operators,
- joint-stock company – 3 operators,
- other form (civil partnership, registered partnership, limited partnership, cooperative, foundation) – 15 operators.

Contrary to Poczta Polska which is obliged to render services in domestic and international trade, the alternative operators may render their services within the country, abroad, both on an international and national basis, or only on a local basis (within a voivodeship, poviat, one locality or a district of the former).

Table 2

Areas of operation of the alternative postal operators in the years 2019-2021

	Number of alternative postal operators		
Area of operation	**2019**	**2020**	**2021**
Domestic	32	28	27
Domestic and international	44	47	40
Only international	9	10	8
Local, including:	60	58	58
within a voivodeship	22	22	22
within a city, poviat or a different area	38	36	36

Source: UKE

2.2.2.2.1 Scope of the postal activities carried out by the alternative operators

During 2021, the alternative postal operators were active in three segments of the market for postal services: courier items, services falling within the scope of universal services and other postal services.

The number of alternative postal operators in different segments of the market for postal services is depicted below.

Analysis of the segments in which the alternative postal operators operate shows that in 2021, 120 of them rendered services in one segment only (77 operators reported that they rendered only courier delivery services, while 33 operators rendered services falling within the scope of universal services). There was only 1 alternative operator that operated in all three segments of the market for postal services.

These statistics indicate that in 2021, there were 84 alternative operators in the segment of courier items, 43 operators in the segment of services falling within the scope of universal services, and 20 alternative operators active in the segment of other postal services.

Table 3

Segments of operation of the alternative postal operators in the years 2019-2021

Segments of the market for postal services (in 2021)			Number of alternative postal operators		
Courier items	Services falling within the scope of universal services	Other postal services	2019	2020	2021
■			78	84	77
	■		41	37	33
		■	10	9	10
■	■		6	4	3
	■	■	5	5	6
■		■	4	3	3
■	■	■	1	1	1
			145	**143**	**133**

Source: UKE

3

Analysis of the Polish market for postal services in 2021

3.1 Value of the Polish market for postal services in 2021

By the end of 2021, the Polish market for postal services reached a value of PLN 12,890.6 million. This means that compared to the preceding year total revenue in the postal services of the operators operating on the Polish market increased by PLN 1,269.3 million, which translates into an annual growth rate of 10.9%. 2021 was yet another year in which the value of the postal services market increased at a higher pace than the Polish economy.

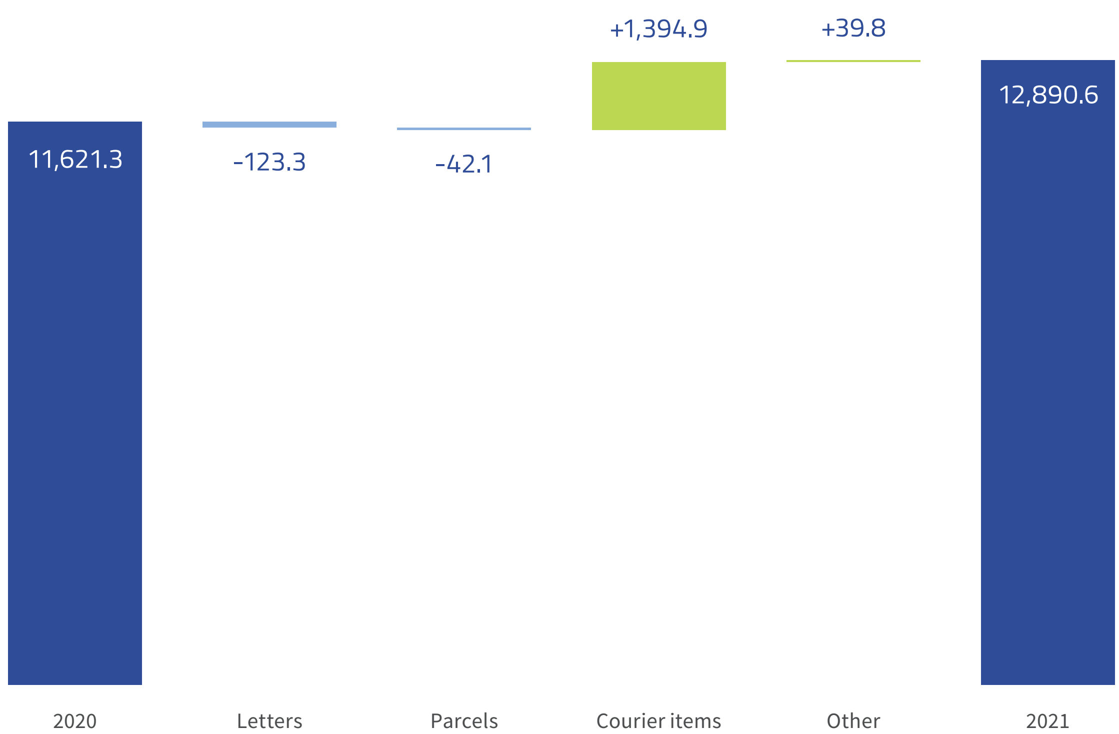
As in 2020, the most important growth factor was the swift increase in revenue from courier items, stimulated by the constantly increasing volumes of consignments containing goods purchased by consumers in e-commerce transactions.

2021 saw a further decrease of revenue in the two main product categories, including letters by 3.5% and postal parcels by 9.3%.
The volume of these items also noted a slump, by 7.5% and 2.7% respectively.

Figure 2 depicts the impacts of developments in different categories of revenue on the total value of the postal market in the years 2020-2021.

Figure 2

Key drivers of the value of the postal market in 2021 (in PLN million)



Source: UKE

Table 4 summarizes the value, share and growth pace of revenue in the years 2019-2021 by main types of postal services.

Table 4

Revenue from different postal services in the years 2019-2021

	Revenue (in PLN million) and relative share (in %)						Percentage change (%)	
	2019	%	2020	%	2021	%	2020/19	2021/20
Letters	3,776.1	36.9%	3,542.9	30.3%	3,419.6	26.5%	-6.2%	-3.5%
Postal parcels	472.1	4.6%	454.9	3.9%	412.9	3.2%	-3.6%	-9.3%
Courier items	5,181.1	50.6%	6,802.8	58.8%	8,197.7	63.6%	31.3%	20.5%
Other services	813.0	7.9%	820.7	7.0%	860.5	6.7%	0.9%	4.9%
TOTAL	**10,242.3**	**100.0%**	**11,621.3**	**100.0%**	**12,890.6**	**100.0%**	**13.5%**	**10.9%**

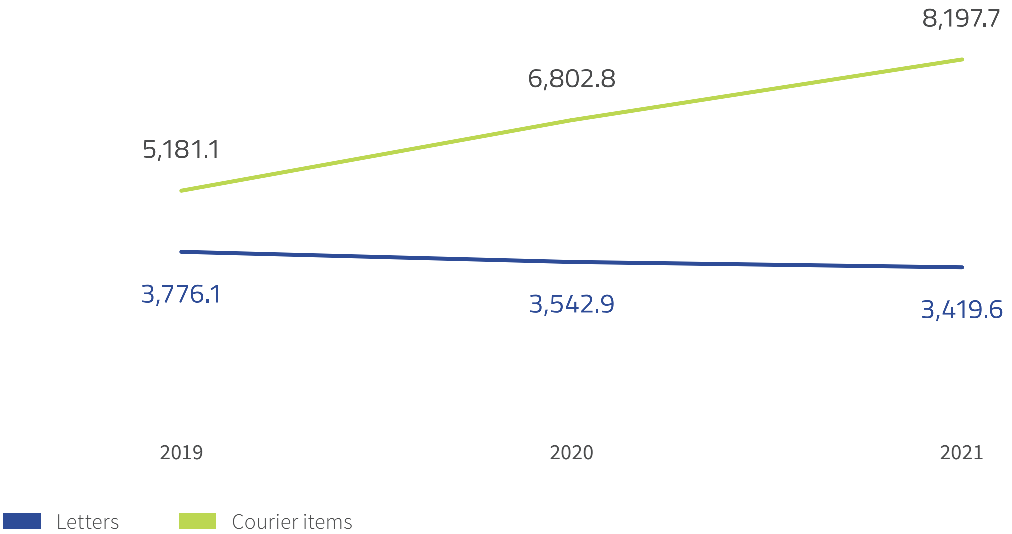
Source: UKE

In 2021, the segment of courier items strengthened its primacy as a segment with the greatest share in the total value of the Polish postal services market. On the Polish market, courier items are an absolutely dominant postal service, used to deliver goods in e-commerce transactions, of which they are an integral component. The quality and convenience of the service determine the level of customer satisfaction and inform subsequent purchasing decisions.

The analysis of mutual relationships between the revenue trends in the two most important market groups during 2021 makes it noticeable that these trends move in different directions.

Figure 3

Developments in the revenue from letters and courier items in the years 2019-2021



Source: UKE

The considerable majority of the Polish postal market is still made up of revenue generated by operators in domestic trade. For a few years now, an important component of this value has also been revenue from foreign trade, whose share remains on the level of 15-20%.

Table 5 summarizes the value, share and growth pace of the revenue in the years 2019-2021 by domestic and international trade.

Table 5

Revenue from all postal services by domestic and international trade in the years 2019-2021

	Revenue (in PLN million) and relative share (in %)						Percentage change (%)	
	2019	**%**	**2020**	**%**	**2021**	**%**	**2020/19**	**2021/20**
Domestic	8,535.5	83.3%	9,837.4	84.7%	10,868.2	84.3%	15.3%	10.5%
International	1,706.8	16.7%	1,783.9	15.4%	2,022.4	15.7%	4.5%	13.4%
TOTAL	**10,242.3**	**100.0%**	**11,621.3**	**100.0%**	**12,890.6**	**100.0%**	**13.5%**	**10.9%**

Source: UKE

Thanks to its highest growth pace, the share of courier items strengthened its dominating impact among postal market segments in relative terms also in 2021.

Table 6 summarizes the value, share and growth pace of the revenue in the years 2019-2021 by segment of the postal market.

Table 6

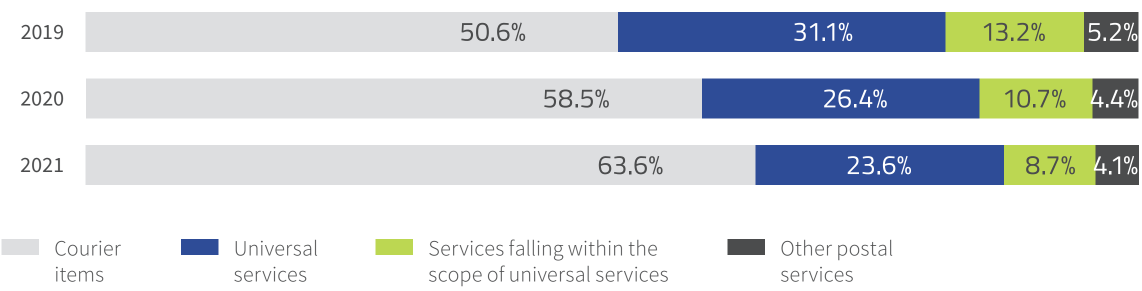
Revenue from all postal services by segment of the postal market in the years 2019-2021

	Revenue (in PLN million) and relative share (in %)						Percentage change (%)	
	2019	%	2020	%	2021	%	2020/19	2021/20
Courier items	5,181.1	50.6%	6,802.9	58.5%	8,197.7	63.6%	31.3%	20.5%
Universal services	3,181.5	31.1%	3,072.2	26.4%	3,044.3	23.6%	-3.4%	-0.9%
Services falling within the scope of universal services	1,347.0	13.2%	1,238.9	10.7%	1,123.6	8.7%	-8.0%	-9.3%
Other postal services	532.6	5.2%	507.3	4.4%	525.0	4.1%	-4.8%	3.5%
TOTAL	**10,242.3**	**100.0%**	**11,621.3**	**100.0%**	**12,890.6**	**100.0%**	**13.5%**	**10.9%**

Source: UKE

Figure 4

Value of the market for postal services in the years 2019-2021 by segment in relative terms



Source: UKE

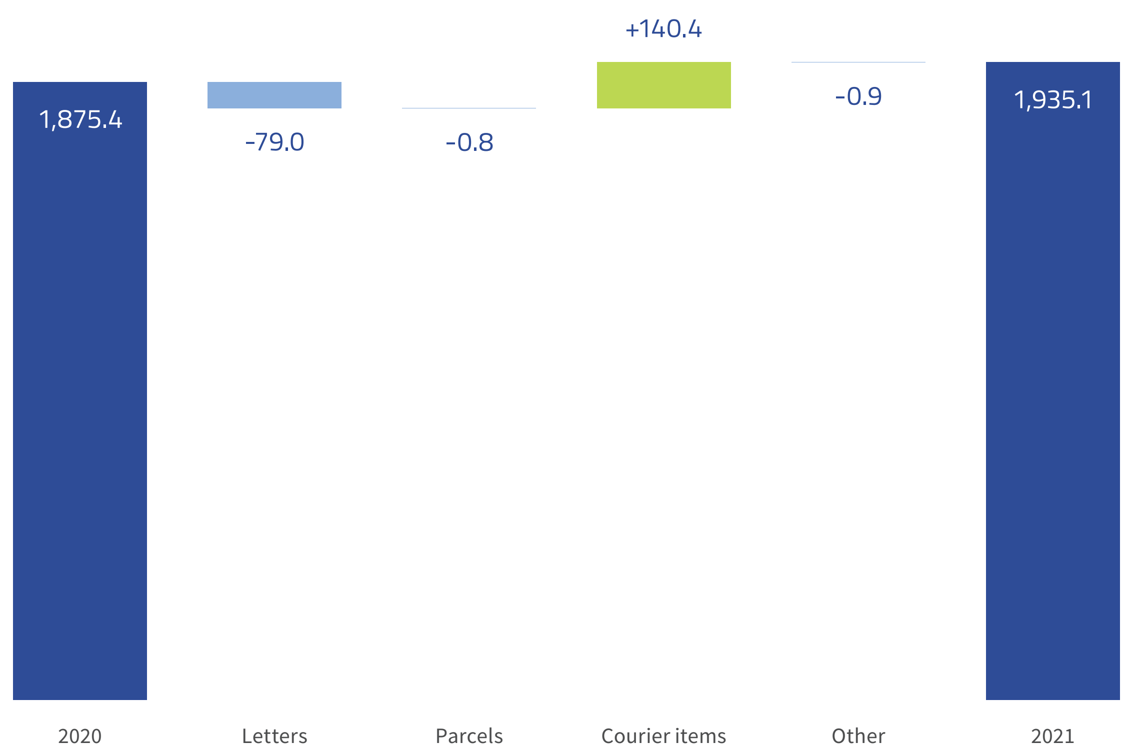
3.2 Volumes of postal services in 2021

In 2021, postal operators delivered a total of 1,935.1 million units of services, which implies an increase by 59.7 million units, i.e. by 3.2%, compared to 2020. This year, the decrease in the volume of letters was more than compensated by an increase in courier volumes. The result was a reversal of the decrease of the general postal services volume observed since 2019.

Figure 5 depicts the impacts of the volumes of different postal services on the total volume of services in the years 2020-2021.

Figure 5

Key drivers of the volume of postal services in 2021 (in millions of units)



Source: UKE

Table 7 summarizes the value, share and growth pace of the volumes generated by the postal operators in the years 2019-2021.

Table 7

Volumes of different postal services in the years 2019-2021

	Volume (in million units) and relative share (in %)						Percentage change (%)	
	2019	%	2020	%	2021	%	2020/19	2021/20
Letters	1,246.1	66.2%	1,054.7	56.2%	975.7	50.4%	-15.4%	-7.5%
Postal parcels	25.2	1.3%	30.0	1.6%	29.2	1.5%	19.1%	-2.7%
Courier items	440.9	23.3%	635.6	33.9%	776.0	40.1%	44.2%	22.1%
Other services	174.0	9.2%	155.1	8.3%	154.2	8.0%	-10.9%	-0.6%
TOTAL	**1,886.2**	**100.0%**	**1,875.4**	**100.0%**	**1,935.1**	**100.0%**	**-0.6%**	**3.2%**

Source: UKE

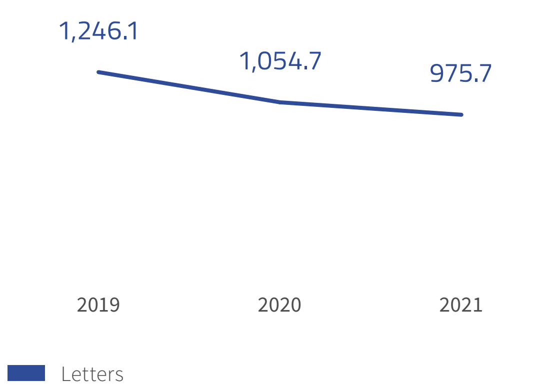
Figures 6 and 7 illustrate the developments in the volumes of basic types of consignments: letters, postal parcels and courier items.

A decreasing trend in the volume of letters has been noticeable for several years now[14]. This trend was also evident in 2021 and additionally affected by the COVID-19-related restrictions, including limited access to postal outlets, general decrease in social and economic activity and a preference for electronic channels of information exchange.

In 2021, the volume of courier items increased by 22.1% year on year, which implies that the very strong trend from previous years does continue.

Figure 6

Developments in the volume of letters in general in the years 2019-2021 (in millions of units)

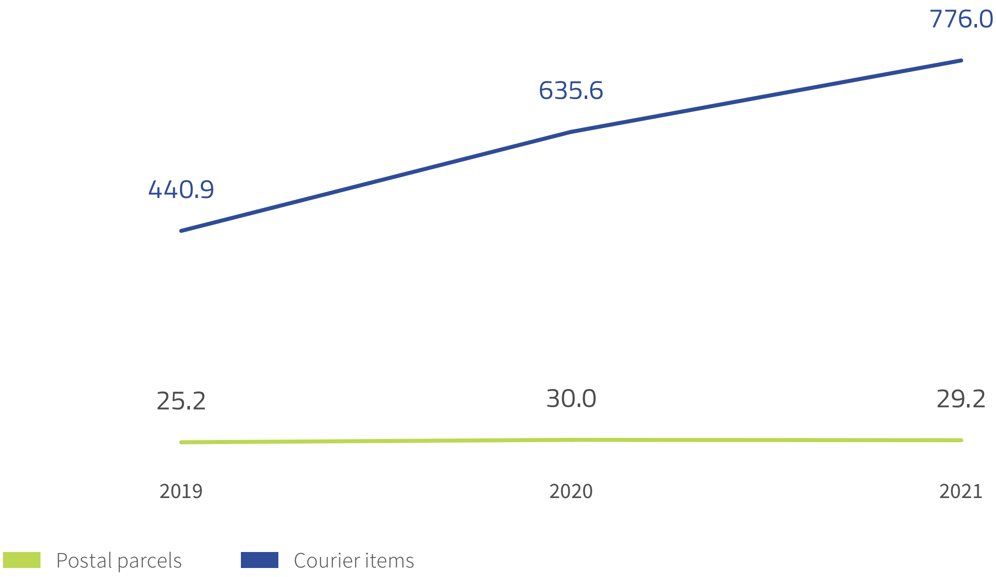


Source: UKE

[14] The Report on the state of the postal market in 2019 and the Report on the state of the postal market in 2020

Figure 7

Developments in the volume of courier items and postal parcels in general in the years 2019-2021 (in millions of units)



Source: UKE

In 2021, the volume of traditional postal parcels remained on a stable level for yet another year. Contrary to the preceding year, the number of other postal services decreased, which may be attributed to the decreasing volume of completed postal transfers.

The so-called posting indicator is a relative measure of the volume of postal services per one resident of a country. In 2021, the indicator had a value of almost 51 units of postal services per 1 resident annually.

Table 8

Number of units of postal services per 1 resident of Poland in the years 2019-2021

	Years		
	2019	**2020**	**2021**
Volume of postal services (in million units)	1,886.1	1,875.4	1,935.1
Number of postal services per 1 resident	49.1	49.0	50.8

Source: UKE (population at the end of each year according to the Central Statistical Office)

3.3
Courier items

According to analytic reports, 2021 is another year which the e-commerce industry can call a successful one. Despite problems related to the timeliness and fluidity of global supply chains, electronic commerce posted historic growth in sales and number of customers. While before the pandemic the value of the Polish market was assessed at PLN 70 billion, currently it is almost PLN 100 billion. Online purchasers account for 77% of all Internet users surveyed, and due to the pandemic and its attendant restrictions in traditional commerce, 30% of e-consumers declared that they bought more products, and 33% that they bought them more frequently, via the Web. For 13% of the surveyed, the online channel has become the method of choice while searching for various products.

The segment of courier items of the Polish postal services market has been gradually increasing the volume of delivered consignments following the development of e-commerce. Annually, this meant an increase by tens of millions of units, which translated to revenue growth by hundreds of millions of PLN. 2020 was a record year in this respect, because this segment of the market stepped up its revenue by as much as PLN 1.6 billion (an increase by 31.3%), while the volume of delivered consignments rose by almost 200 million items compared to 2019 (an increase by 44.2%). Although this outstanding pace turned out to be impossible to sustain in the next year, the increases which the segment achieved in 2021 are also impressive.

In 2021, the courier items segment increased its revenue by almost PLN 1.4 billion compared to 2020, with a growth pace of more than 20%, while the volume of delivered consignments increased by almost 141 million items compared to 2020 (more by 22.1%), reaching 776 million items, which means that in 2021, Polish addressees received more than 2 million courier items each day.

In 2021, courier items accounted for as much as 63.6% of the value of the postal market and 40.1% of the entire postal services volume. It was this increase in volume that made the total postal services volume in 2021 rise, more than compensating for lower volumes of the remaining services.

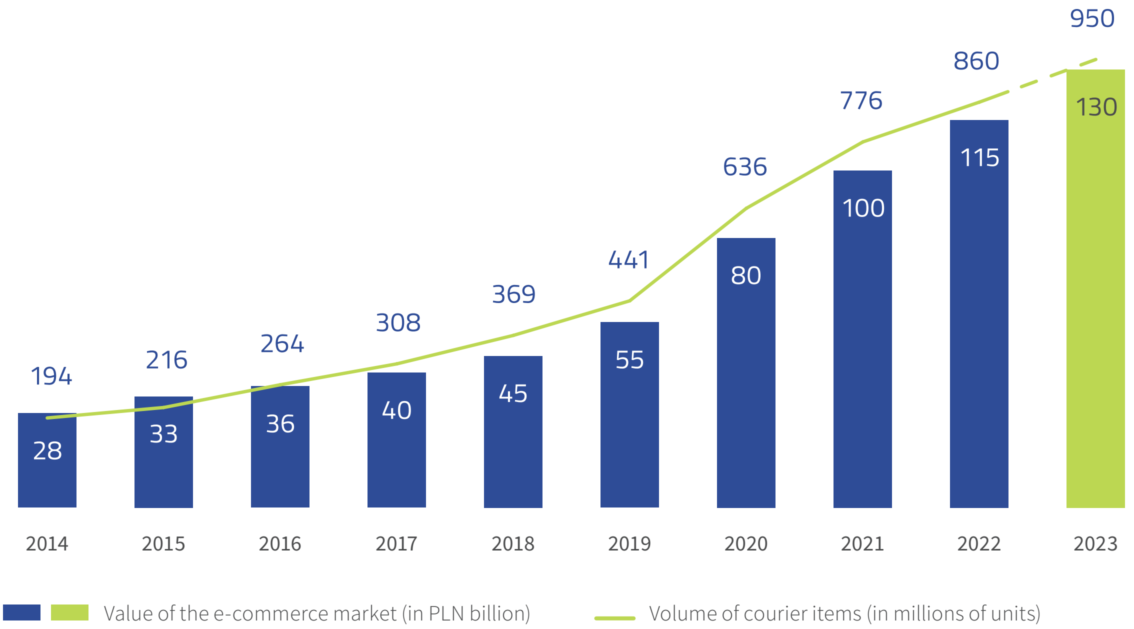
The Polish e-commerce market is commonly believed to still possess a significant potential to grow further. Industry analysts believe that growth tendencies are here to stay once the pandemic ends, although their pace will be more modest than previously observed, and the Polish e-commerce market will see double-digit increases in the years to come, which will also result in suitable growth projections for the courier segment on the postal market.

Figure 8 illustrates the relation between the total volume of courier items and the increase in the estimated value of the Polish e-commerce market. As shown in the figure, the relation is explicitly linear, which demonstrates that the segment possesses the potential to grow further.

If the growth forecasts for the value of the Polish e-commerce market realize, the volume of courier items may increase to as many as 0.9-1 billion courier items in the upcoming years.

Figure 8

Volume of courier items and value of the Polish e-commerce market[15]



Source: UKE

In 2021, there were 85 postal operators, including Poczta Polska, operating in the segment of courier items. In terms of the number of active operators, this is still the largest segment of the market for postal services and an area that has experienced the highest increase of competition as a result.

Although courier companies have benefited from the swiftly rising demand for their services in recent years, salary pressure and rising fuel prices resulted in a noticeable increase in the operational costs of courier activities in Poland. The operators, even those with large scale or high operational efficiency, struggle to achieve high profitability.

The unceasing rivalry between the operators to win new customers continued to exert price pressure in this segment of the market. In recent years, this has become evident because of the growth pace of consignment volume which has been more dynamic than the growth pace of revenue. As a result, the average revenue from a single courier delivery has been observed to systematically drop for a few years now. A similar situation was in 2021 despite a huge demand for courier services, which means that the courier items segment on the Polish market is highly competitive.

[15] The growth forecast for the value of the e-commerce market after 2021 were prepared on the basis of the report by PwC Poland 'The development perspectives of e-commerce in Poland in the years 2021-2026'. The growth forecast for the number of courier items was calculated in proportion to the 95% growth pace in the value of the e-commerce market in the years 2020-2023.

Table 9 illustrates the average revenue per one courier delivery in the years 2019-2021.

From the analysis of the aforementioned data results that in 2021 the seven (7) largest operators of courier items in terms of volume and revenue held a share of 98.8% in the total volume and a share of 98.6% in the total revenue in this segment of the market. As in the preceding years, generating annual revenue in the amount of PLN 100 million was a prerequisite for becoming one of the major operators of courier items in 2021.

Table 9

Average revenue per one courier delivery in the years 2019-2021 (in PLN net for 1 unit)

	Years		
	2019	2020	2021
Average revenue per 1 courier delivery	11.75	10.70	10.60

Source: UKE

Table 10

Leading postal operators in the segment of courier items in 2021

Volume				Revenue			
No	Name of the operator	Domestic trade	International	No	Name of the operator	Domestic trade	International
1	InPost sp. z o.o.			1	InPost sp. z o.o.		
2	DPD Polska sp. z o.o.			2	DPD Polska sp. z o.o.		
3	Poczta Polska S.A.			3	GLS Poland sp. z o.o.		
4	GLS Poland sp. z o.o.			4	UPS Polska sp. z o.o.		
5	UPS Polska sp. z o.o.			5	FedEx Express Poland sp. z o.o.		
6	FedEx Express Poland sp. z o.o.			6	Poczta Polska S.A.		
7	DHL*			7	DHL*		

Source: UKE

* DHL Parcel Polska sp. z o.o. and DHL Express (Poland) sp. z o.o.

3.3.1 Volumes of and revenue from the courier items in 2021

During 2021, postal operators carried out a total of 776.0 million courier items in domestic and international trade, which translated into PLN 8,197.7 million revenue. If compared with 2020, the volume of such services increased by 22.1%, while their revenue increased by 20.5%.

The segment of courier items remains a segment in which the revenue from international trade determine the total value of the segment to the greatest extent. In 2021, this share amounted to 17.1% of the total revenue.

Table 11

Courier items in domestic and international trade in the years 2019-2021 (by volume)

	Volume (in million units) and relative share (in %)						Percentage change (%)	
	2019	%	2020	%	2021	%	2020/19	2021/20
Domestic	415.5	94.3%	605.0	95.2%	738.4	95.2%	45.6%	22.1%
International, including:	25.3	5.8%	30.6	4.8%	37.6	4.8%	26.0%	22.8%
outgoing	16.1	3.7%	22.7	3.6%	25.2	3.2%	24.0%	10.8%
incoming	9.2	2.1%	7.9	1.2%	12.5	1.6%	29.5%	57.3%
TOTAL	**440.9**	**100.0%**	**635.6**	**100.0%**	**776.0**	**100.0%**	**44.5%**	**22.1%**

Source: UKE

Table 12

Courier items in domestic and international trade in the years 2019-2021 (by revenue)

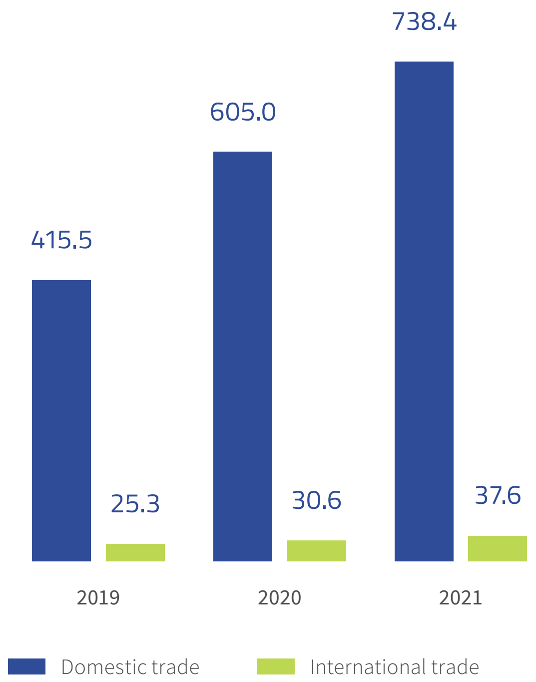
	Revenue (in PLN million) and relative share (in %)						Percentage change (%)	
	2019	**%**	**2020**	**%**	**2021**	**%**	**2020/19**	**2021/20**
Domestic	4,218.3	81.4%	5,644.7	83.0%	6,797.3	82.9%	33.8%	20.4%
International, including:	962.8	18.6%	1,158.1	17.0%	1,400.4	17.1%	27.1%	20.9%
outgoing	804.3	15.5%	926.2	13.6%	1,008.9	12.3%	16.1%	8.9%
incoming	158.6	3.1%	231.9	3.4%	391.4	4.8%	83.3%	68.8%
TOTAL	**5,181.1**	**100.0%**	**6,802.8**	**100.0%**	**8,197.7**	**100.0%**	**32.6%**	**20.5%**

Source: UKE

In 2019-2021, the courier items market has inflated systematically in terms of volume and revenue, both in domestic and international trade. The largest increases were observed in 2020, a year in which multiple restrictions of social and economic life were introduced due to the COVID-19 pandemic.

Figure 9

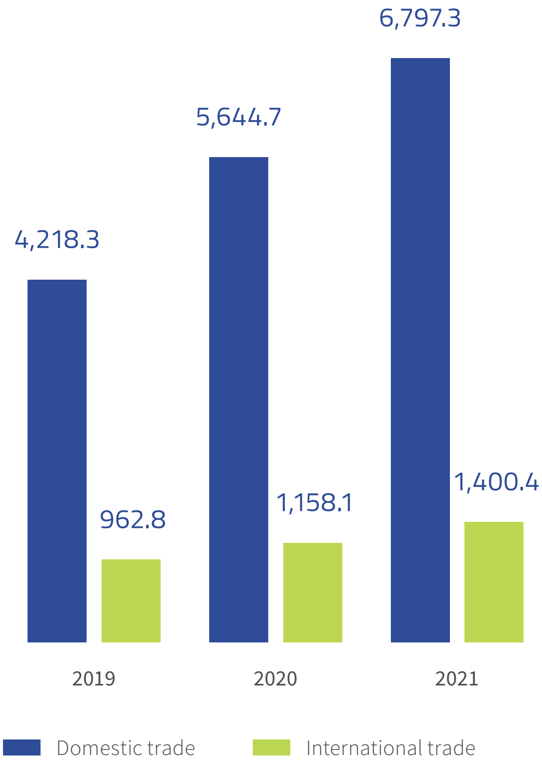
Courier items in domestic and international trade in the years 2019-2021 by volume (in millions of units)



Source: UKE

Figure 10

Courier items in domestic and international trade in the years 2019-2021 by revenue (in PLN million)



Source: UKE

As explained above, both the increased volume and revenue from courier items had been driven by a swifter development of the e-commerce sectors in the preceding years, which significantly accelerated during the COVID-19 pandemic.

3.3.2 Complaints concerning courier items

In 2021, users of courier items submitted a total of 718,530 complaints, which means that, compared with the total value of rendered services, more than 9 out of 10,000 units of services were the subject of a complaint (compared to almost 15 in 2020). Damage to the consignment was the most common reason for complaints. The operators accepted 30.4% of the submitted complaints (30.6% in 2020).

Table 13

Submitted complaints concerning courier items and the result of their examination in 2021

Reason of the complaint:

Result of the examination:	Accepted	Rejected	In progress	Total	Percentage share (in %)
Loss of the consignment	58,667	118,144	2,784	17, 595	25.0%
Partial loss of the consignment's content	9,071	17,112	1,020	27,203	3.8%
Damaged consignment	71,542	104,590	7,299	183,431	25.5%
Delay against the guaranteed delivery time	34,822	142,422	2,563	179,807	25.0%
Incorrectly completed acknowledgement of receipt form[16]	124	128	1	253	0.04%
Return of a consignment after deadline	84	767	0	851	0.1%
Return of a consignment due to the incorrectly specified reason	2,558	12,657	0	15,215	2.1%
Other	41,507	89,809	859	132,175	18.4%
TOTAL	**218,375**	**485,629**	**14,526**	**718,530**	**100.0%**

Source: UKE

[16] Acknowledgement of receipt of a consignment.

3.4
Universal services

In 2021, the universal services[17] included the following types of services in domestic and international trade:

1. accepting, sorting, transport and delivery of:

a) letters, including registered letters and letters with a declared value, with weight of up to 2,000 g and the following dimensions within 2 mm of tolerance:

- the sum of the length, width and height not exceeding 900 mm and the longest dimension not exceeding 600 mm, and for letters sent in a roll – the sum of the length and doubled diameter not exceeding 1,040 mm and the longer dimension not exceeding 900 mm,
- for letters sent in a roll, the sum of the length and doubled diameter not under 170 mm and the shorter dimension not under 100 mm,
- the minimum address page – 90x140 mm,

[17] Article 45 of the Postal Law

b) consignments to the blind,
c) postal parcels, including those with a declared value, with a weight of up to 10,000 g and the longest dimension not exceeding 1,500 mm each, with the sum of the length and the largest perimeter measured in another direction than the length not exceeding 3,000 mm;

2. sorting, transport and delivery of postal parcels from foreign countries, with a weight of up to 20,000 g and the dimensions mentioned in point 1 letter c).

In accordance with the Universal Postal Convention, universal services also include postal parcels with a weight up to 20 kg, if posted to a foreign country, and M bags.

Under current law, the catalogue of universal services does not cover: postal transfer, marketing consignments and the services mentioned in Article 45(1) of the Act, if rendered for the mass senders.

Article 46(2) of the Postal Law lays down that universal services should be rendered: in a uniform manner, under comparable conditions, by ensuring that postal outlets and outgoing mail boxes are available across the entire country according to the existing needs, by fulfilling the time flow indicators for postal consignments, at affordable prices, with a frequency such that the outgoing mail boxes are emptied at least once and postal consignments are delivered at least every working day, not less than 5 days a week, excluding statutory holidays, in a manner ensuring that the sender may receive an acknowledgement of the receipt of the recorded consignment.

Poczta Polska is the only operator rendering universal services.

3.4.1 Volume of universal services in 2021

In 2021, Poczta Polska completed 467.9 million units of universal services, which translated into PLN 3,044.3 million revenue. The percentage of services in domestic trade amounted to 88.1%, and 11.9% in international trade. Compared to the previous year, the volume of such services decreased in both domestic and international trade. The volume decreased by -2.6% and -11.0% respectively. The share of universal services in the total postal services amounted to 24.2% in terms of volume and to 23.6% in terms of revenue.

Table 14

Universal services in domestic and international trade in the years 2019-2021 (by volume)

	Volume (in million units) and relative share (in %)						Percentage change (%)	
	2019	%	2020	%	2021	%	2020/19	2021/20
Letters	563.1	97.6%	473.1	97.4%	457.6	97.8%	-16.0%	-3.3%
Postal parcels	13.9	2.4%	12.8	2.6%	10.3	2.2%	-7.6%	-20.0%
TOTAL	**577.0**	**100.0%**	**485.9**	**100.0%**	**467.9**	**100.0%**	**-15.8%**	**-3.7%**

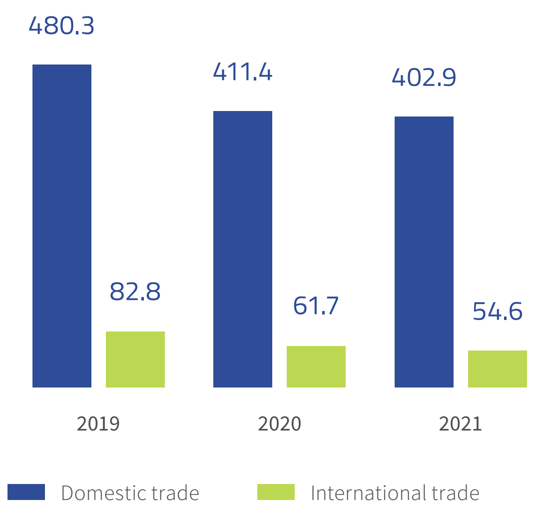
Source: UKE

As in the preceding years, letters were the largest part of the segment of universal services in 2021, with a share of 97.8% of the total volume.

The share in the volume of postal parcels amounted to 2.2%.

Figure 11

Letters in the segment of universal services in domestic and international trade in the years 2019-2021 by volume (in millions of units)



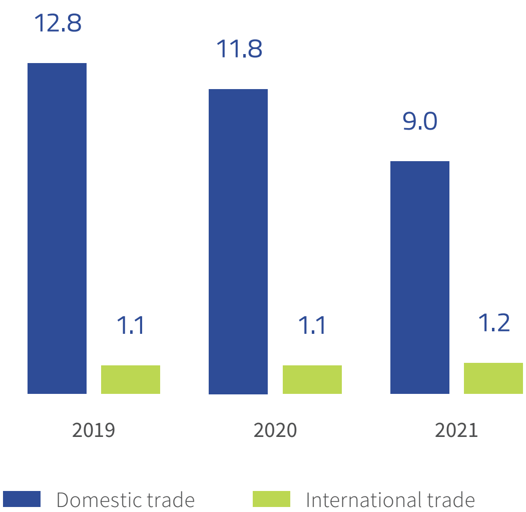
Source: UKE

The data on the volume of letters in the segment of universal services – both in domestic and international trade – in the years 2019– 2021 demonstrate that the year 2021 brought a sharp decrease in the volume of such services – by 2.1% and 11.4% respectively – in comparison with the previous year.

The analysis of the volume of postal parcels in the segment of universal services in domestic trade in the years 2019-2021 demonstrates that since 2019 a gradual decrease has been noted. In international trade, the volume of parcels remained stable in 2021, following the trend recorded in the preceding years.

Figure 12

Postal parcels in the segment of universal services in domestic and international trade in the years 2019-2021 by volume (in millions of units)



Source: UKE

3.4.2 Complaints concerning universal services

In 2021, the users of services falling within the scope of universal services submitted a total of 161,218 complaints, which means that over 3 out of 10,000 units of services were the subject of a complaint in proportion to the total volume of rendered services (more than 3 in 2020). The loss of the consignment was the most common cause for complaints. The designated operator accepted 25.3% of the submitted complaints (22.0% in 2020).

Table 15

Submitted complaints concerning universal services and the result of their examination in 2021

	Result of the examination:	Accepted	Rejected	In progress	Total	Percentage share (in %)
Reason of the complaint	Loss of the consignment	25,577	55,621	8,286	89,484	55.5%
	Partial loss of the consignment's content	178	630	84	892	0.6%
	Damaged consignment	340	1,586	218	2,144	1.3%
	Delayed consignment	3,106	4,261	519	7,886	4.9%
	Incorrectly completed acknowledgement of receipt form[18]	4,751	3,068	343	8,162	5.1%
	Other[19]	6,761	41,356	4,533	52,650	32.7%
	TOTAL	**40,713**	**106,522**	**13,983**	**161,218**	**100.0%**

Source: UKE

[18] Acknowledgement of receipt of a registered consignment
[19] Return of a registered consignment after deadline, return of a registered consignment due to the incorrectly specified reason and other.

3.5
Services falling within the scope of universal services

The segment of services falling within the scope of universal services includes letters and postal parcels having the same type, weight and dimensions as specified for the universal services, however not rendered by the designated operator in the framework of its obligation to render universal services.

The services falling within the scope of universal services also include the services rendered for mass senders (i.e. those posting more than 100 thousand shipments a year). This is the reason why Poczta Polska generates revenue in this market segment as well.

This segment is marked by mass contractual volumes, for the negotiation of which the negotiation strength of the contracting parties is of particular importance. This reflects in an effective price pressure, which causes that the segment accounts for only 8.7% of the value of the entire market although it generates as much as 27.5% of the entire volume of postal services.

In 2021, there were 44 postal operators, including Poczta Polska, actively operating in the segment of services falling within the scope of universal services.

[20] Art. 3 pkt 30 Prawa pocztowego

The segment of services falling within the scope of universal services invariably remains highly concentrated. The three largest operators active in the segment of services falling within the scope of universal services had a share of 99.0% in revenue and 99.4% in the volume in 2021.

Table 16 lists the largest operators in the segment and specifies the outreach of their services.

Table 16

Leading postal operators in the segment of services falling within the scope of universal services in domestic and international trade in terms of volume and revenue in 2021.

Volume

No	Name of the operator	Domestic trade letters	Domestic trade postal parcels	International trade
1	Poczta Polska S.A.			
2	Speedmail sp. z o.o.			
3	RUCH S.A.			

Revenue

No	Name of the operator	Domestic trade letters	Domestic trade postal parcels	International trade
1	Poczta Polska S.A.			
2	RUCH S.A.			
3	Speedmail sp. z o.o.			

Source: UKE

3.5.1
Volumes of and revenue from the services falling within the scope of universal services in 2021

In 2021, postal operators carried out a total of 532.1 million units of services falling within the scope of universal services in domestic and international trade, which translated into PLN 1,123.6 million revenue. If compared with 2020, the volume of such services decreased by 10.6%, while their revenue decreased by 9.3%. This is another year in which decreases in this segment of services have been observed.

The greatest volume of services was delivered in domestic trade. International trade is relatively insignificant for the services falling within the scope of universal services. As in the preceding years, letters were the most important service in this segment in 2021, with a share of 96.6% of the total volume.

Table 17

Services falling within the scope of universal services in the years 2019-2021 (by volume)

	Volume (in million units) and relative share (in %)						Percentage change (%)	
	2019	**%**	**2020**	**%**	**2021**	**%**	**2020/19**	**2021/20**
Letters	679.4	98.5%	578.8	97.2%	513.9	96.6%	-14.8%	-11.2%
Postal parcels	10.6	1.5%	16.5	2.8%	18.2	3.4%	55.0%	10.5%
TOTAL	**690.0**	**100.0%**	**595.3**	**100.0%**	**532.1**	**100.0%**	**-13.7%**	**-10.6%**

Source: UKE

Table 18

Services falling within the scope of universal services in the years 2019-2021 (by revenue)

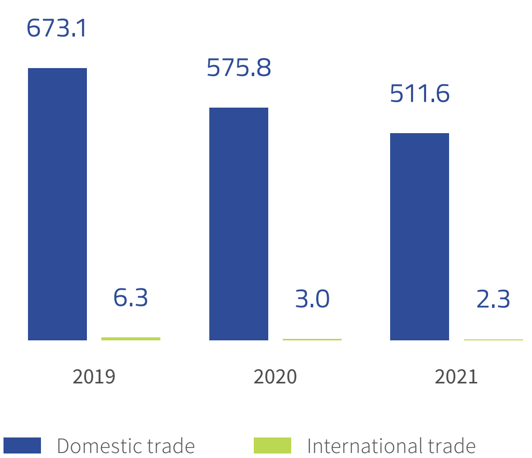
	Revenue (in PLN million) and relative share (in %)						Percentage change (%)	
	2019	**%**	**2020**	**%**	**2021**	**%**	**2020/19**	**2021/20**
Letters	1,134.3	84.2%	1,035.4	83.6%	935.8	83.3%	-8.7%	-9.6%
Postal parcels	137.0	10.2%	151.7	12.2%	133.9	11.9%	10.8%	-11.7%
Other[21]	75.7	5.6%	51.8	4.2%	53.9	4.8%	-31.6%	4.1%
TOTAL	**1,347.0**	**100.0%**	**1,238.9**	**100.0%**	**1 123.6**	**100.0%**	**-8.0%**	**-9.3%**

Source: UKE

[21] Acknowledgement of receipt of a registered consignment.

Figure 13

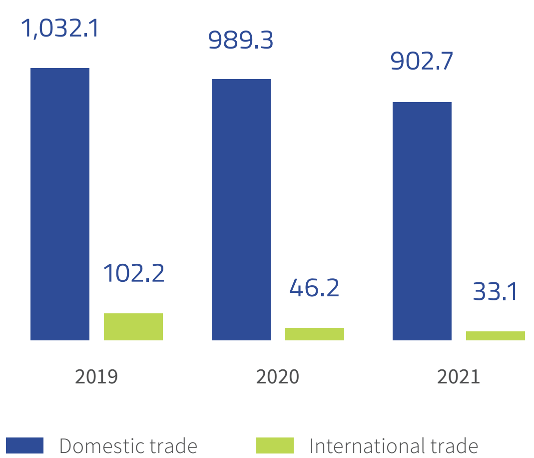
Letters in the segment of services falling within the scope of universal services in domestic and international trade in the years 2019-2021 by volume (in millions of units)



Source: UKE

Figure 14

Letters in the segment of services falling within the scope of universal services in domestic and international trade in the years 2019-2021 by revenue (in PLN million)

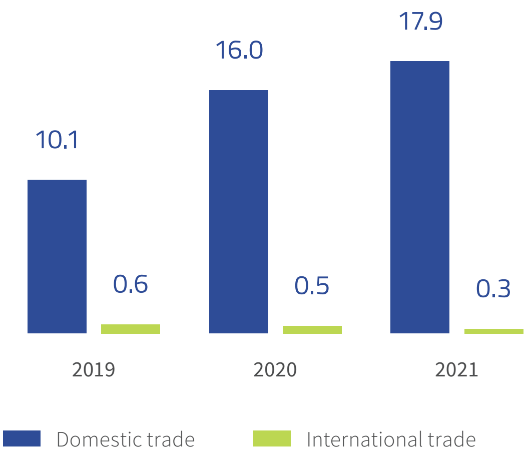


Source: UKE

In the years 2019-2021, the segment of services falling within the scope of universal services recorded a decrease in revenue from and volume of delivered letters both in domestic and international trade.

Figure 15

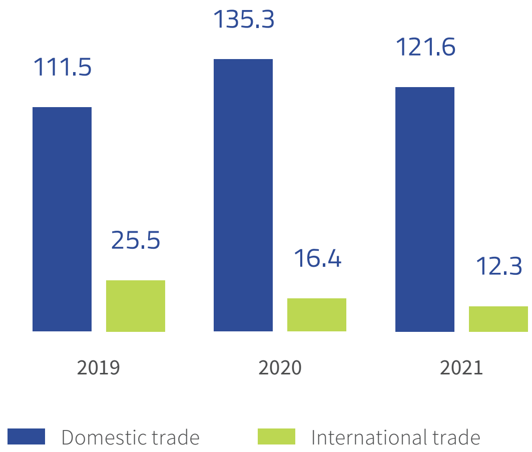
Postal parcels in the segment of services falling within the scope of universal services in domestic and international trade in the years 2019-2021 by volume (in millions of units)



Source: UKE

Figure 16

Postal parcels in the segment of services falling within the scope of universal services in domestic and international trade in the years 2019-2021 by revenue (in PLN million)



Source: UKE

In the years 2019-2021, both the volume of and revenue from postal parcels decreased on the international market in the aforementioned segment. On the other hand, in 2021 the volume of postal parcels on the domestic market once again posted an increase (11.9%), albeit not as huge as in the previous year (59.0%). In the opinion of experts, this was largely due to the domestic situation caused by the COVID-19 pandemic that forced online purchases. Revenue from postal parcels in this segment of the market demonstrated a different trend from the volume. The large increase in 2020 was followed by a considerable slump, which may be explained by the recent introduction of promotional delivery solutions for products ordered on e-commerce platforms.

3.5.2 Complaints concerning services falling within the scope of universal services

During 2021, the users of services falling within the scope of universal services submitted a total of 127,135 complaints, which means that over 2 out of 10,000 units of services were subject to a complaint in proportion to the total volume of rendered services (more than 2 in 2020). The loss of the consignment was the most frequent cause of the complaints. The operators accepted 42.6% of the submitted complaints (46.5% in 2020).

Table 19

Submitted complaints concerning services falling within the scope of universal services and the result of their examination in 2021

Reason of the complaint: / Result of the examination:	Accepted	Rejected	In progress	Total	Percentage share (in %)
Loss of the consignment	23,917	36,015	1,837	61,769	48.6%
Partial loss of the consignment's content	68	151	11	230	0.2%
Damaged consignment	1,027	1,294	35	2,356	1.9%
Delay against the guaranteed delivery time	4,031	4,611	165	8,807	6.9%
Incorrectly completed acknowledgement of receipt form[22]	7,615	610	24	8,249	6.5%
Return of a registered consignment after deadline	5,793	343	40	6,176	4.9%
Return of a registered consignment due to the incorrectly specified reason	204	393	6	603	0.5%
Other	11,445	26,603	897	38,945	30.6%
TOTAL	**54,100**	**70,020**	**3,015**	**127,135**	**100.0%**

Source: UKE

[22] Acknowledgement of receipt of a registered consignment.

3.6 Other postal services

The segment of other postal services includes letters and postal parcels that do not meet the definition of the consignments falling under the segment of universal services and the segment of services falling within the scope of universal services. Other postal services also include postal transfers, marketing consignments, unaddressed forms and postal consignment shipped with the use of the means of electronic communication (the so-called hybrid consignments), which took the form of a letter at the stage of acceptance, transport or delivery of the information notification.

In 2021, the revenue of this segment accounted for 4.1% of the value of the entire postal market, while the corresponding volume accounted for 8.2% of the volume of the entire market.

A specific service in this segment consists of the distribution of unaddressed forms, for the rendering of which no entry in the register of postal operators is required.. The service is rendered in huge volumes (1.1 billion units in 2021), while generating a marginal revenue of PLN 0.07 billion.

To prevent the distortion of data and as assumed for the purposes of this Report, the volume of unaddressed forms was excluded from the measures of the segment and from the entire volume of the postal markets, as in the preceding years.

The further analysis of the segment of other postal services was performed by excluding the unaddressed forms.

In 2021, there were 21 postal operators, including Poczta Polska, operating in the segment of other postal services.

Poczta Polska is continuously the largest operator in this segment of the market, generating 95.4% of its revenue and 94.1% of its volume of services.

3.6.1 Volume and revenue from other postal services in 2021

In 2021, the volume of other postal services amounted to 159.1 million units, which translated into PLN 525.0 million revenue. Compared with 2020, the volume and revenue of such services in this area of the market increased slightly, by 0.4% and 3.5% respectively.

The tables below summarize the value, shares of different main services and the growth rate of the revenue and volumes of these services in the years 2019-2021.

Table 20

Other postal services in the years 2019-2021 (by volume)

	Volume (in million units) and relative share (in %)						Percentage change (%)	
	2019	**%**	**2020**	**%**	**2021**	**%**	**2020/19**	**2021/20**
Marketing consignments	130.4	72.2%	113.4	71.5%	115.3	72.4%	-13.1%	1.7%
Postal transfers	43.6	24.1%	41.7	26.3%	38.9	24.5%	-4.3%	-6.7%
Other[23]	4.3	3.7%	3.4	2.1%	4.9	3.1%	-20.5%	44.1%
TOTAL	**178.3**	**100.0%**	**158.5**	**100.0%**	**159.1**	**100.0%**	**-11.1%**	**0.4%**

Source: UKE

[23] Letters, postal parcels, postal consignments shipped with the use of the means of electronic communication

Table 21

Other postal services in the years 2019-2021 (by revenue)

	Revenue (in PLN million) and relative share (in %)						Percentage change (%)	
	2019	**%**	**2020**	**%**	**2021**	**%**	**2020/19**	**2021/20**
Marketing consignments	154.5	29.0%	148.6	29.3%	161.4	30.7%	-3.8%	8.6%
Postal transfers	324.9	61.0%	319.0	62.9%	327.3	62.3%	-1.8%	2.6%
Other[24]	53.2	10.0%	39.8	7.8%	36.3	6.9%	-25.3%	-8.8%
TOTAL	**532.6**	**100.0%**	**507.3**	**100.0%**	**525.0**	**100.0%**	**-4.8%**	**3.5%**

Source: UKE

[24] Letters, postal parcels, postal consignments shipped with the use of the means of electronic communication, acknowledgements of receipt of a registered consignment

In 2021, unlike in the previous years, increases in both volume and revenue dominated for all the services in this segment of the postal market. Exceptions included postal transfers in terms of volume and postal parcels in terms of revenue: decreases were noted in these two cases.

3.6.2 Complaints regarding other postal services

In 2021, users of other postal services submitted a total of 5,600 complaints, which means that over 1 of 10,000 units of services was a subject of a complaint in proportion to the total volume of rendered services (less than 1 in 2020). The loss of the consignment was the most frequent cause of the complaints. The operators accepted 29.2% of the submitted complaints (24.5% in 2020).

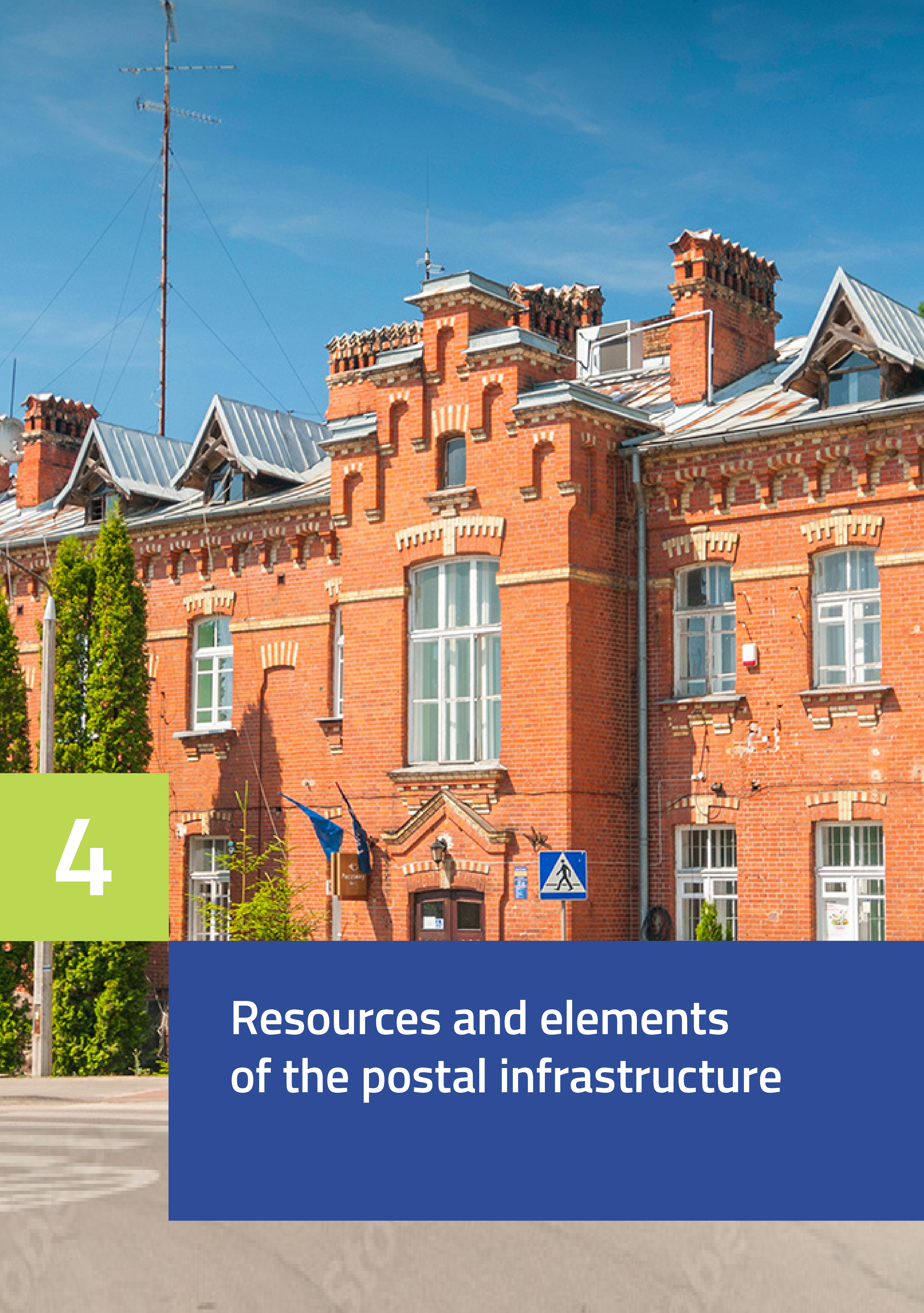
Table 22

Submitted complaints concerning other postal services and the result of their examination in 2021

Reason of the complaint	Result of the examination:	Accepted	Rejected	In progress	Total	Percentage share (in %)
	Loss of the consignment	441	641	134	1,216	21.7%
	Partial loss of the consignment's content	24	26	2	52	0.9%
	Damaged consignment	79	631	9	719	12.8%
	Delay against the guaranteed delivery time	220	240	2	462	8.3%
	Incorrectly completed acknowledgement of receipt form[25]	0	0	0	0	0.0%
	Return of a consignment after deadline and due to the incorrectly specified reason	0	0	0	0	0.0%
	Non-delivery by the operator of the amount of money indicated in the postal transfer form	171	1,872	40	2,083	37.2%
	Other	702	331	35	1,068	19.1%
	TOTAL	**1,637**	**3,741**	**222**	**5,600**	**100.0%**

Source: UKE

[25] Acknowledgement of receipt of a registered consignment.



4

Resources and elements of the postal infrastructure

4.1
Resources and elements of the postal infrastructure of the designated postal operator

The resources and elements of the postal infrastructure of the operators are mainly postal outlets, outgoing mail boxes and customer service machines and human resources. The designated operator also possesses post office boxes, own outgoing mail boxes, a system of postal codes for identifying the areas of delivery and a database of address changes for the purposes of redirecting postal consignments.

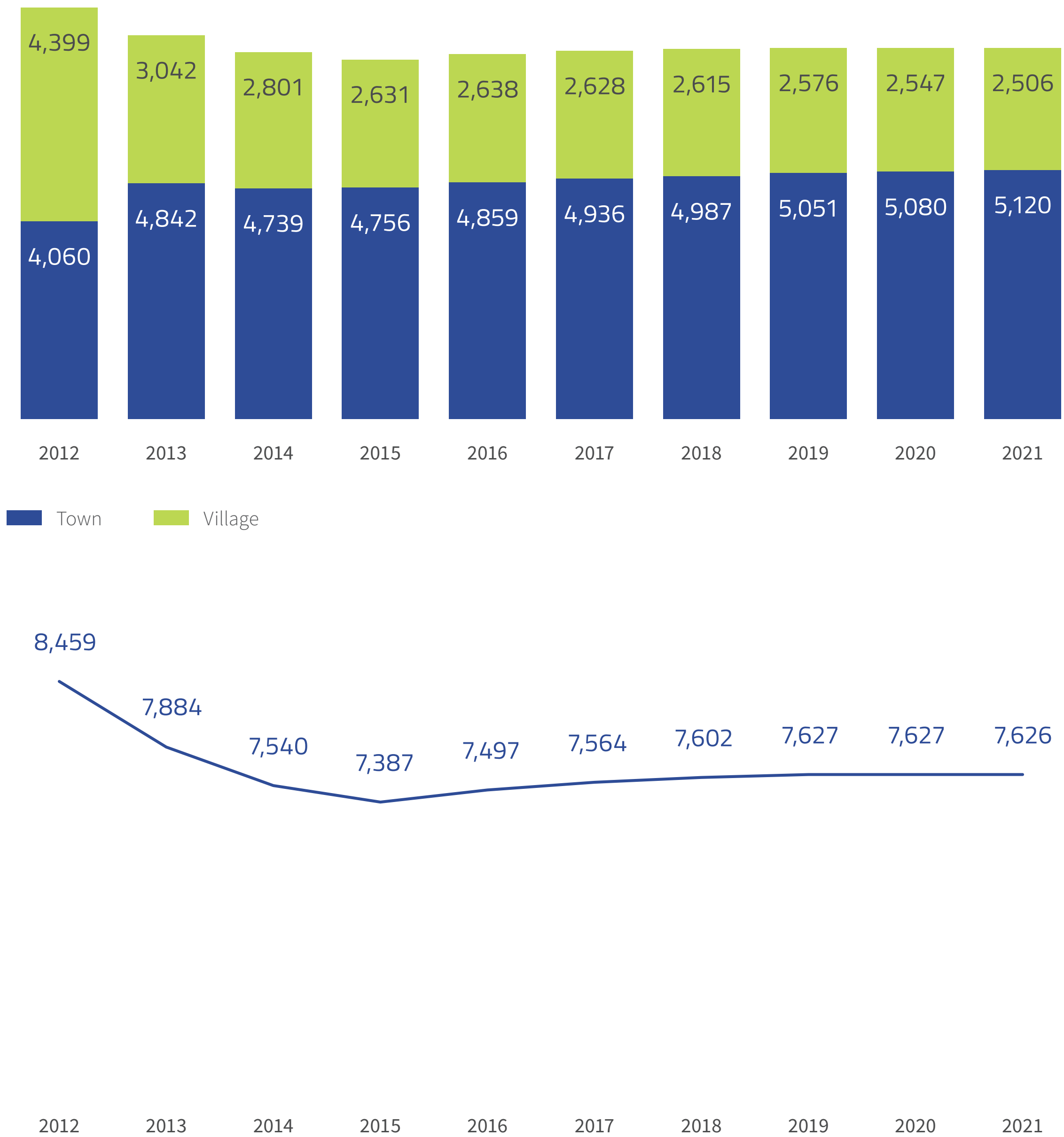
4.1.1
Postal outlets

As at 31 December 2021, Poczta Polska operated through 7,626 postal outlets, of which 5,120 postal outlets were located in towns (including those located in urban municipalities and urban and rural municipalities), while 2,506 postal outlets were located in rural areas (i.e. rural municipalities). Postal agents managed 2,877 postal outlets.

In 2021, the number of postal outlets operated by the designated operator remained on a level similar to the preceding year.

Figure 17

Number of postal outlets operated by Poczta Polska in the years 2012-2021



Source: UKE

Table 23

Fulfilment of the accessibility criterion for universal services by Poczta Polska

Accessibility criterion in accordance with the Regulation of the Minister of Administration and Digital Affairs[26]	Degree of fulfilment as at 31.12.2021
The designated operator should launch at least one permanent postal outlet in each municipality.	**Criterion fulfilled** In each of the 2,477 municipalities there was at least one permanent postal outlet.
The designated operator should run one permanent postal outlet per 6,000 residents on average in urban as well as urban and rural municipalities across the entire country.	**Criterion fulfilled** The indicator of average accessibility of postal outlets amounted to 5,961 residents per 1 active permanent postal outlets in urban as well as urban and rural municipalities.
There should be at least one postal outlet of the designated operator per 85 km2 in rural municipalities across the entire country on an average basis.	**Criterion fulfilled** The indicator of average accessibility of postal outlets amounted to 84.42 km2 per 1 active permanent postal outlet in rural municipalities across the country.
The postal outlets of the designated operator should open every working day, excluding Saturdays, at least 5 days a week, and in case a statutory holiday falls during a week, the number may be reduced accordingly.	**Criterion fulfilled** The postal outlets open every working day. On statutory holidays, customers are services by the postal outlets on duty.

Source: Data provided by Poczta Polska.

[26] The Regulation of the Minister of Administration and Digital Affairs on the conditions under which the designated operator may render universal services (uniform text: Journal of Laws of 2020, item 1026).

As of 31 December 2021, Poczta Polska fulfilled the requirements concerning the location of postal outlets and the accessibility of the network of postal outlets.

4.1.2 Outgoing mail boxes and customer service machines

At the end of 2021, Poczta Polska operated 15,603 outgoing mailboxes, including

- 7,797mail boxes in towns,
- 7,806 mail boxes in rural areas.

In comparison with 2020, the number of outgoing mailboxes decreased by 2.4%. The number of outgoing mailboxes has been declining for several years now.

Apart from the postal outlets, consumers could also post and collect postal consignments by using customer service machines at a time and place of convenience, or in external collection points. By the end of 2021, the designated operator possessed 207 customer services machines and 13,089 external collection points (for consignment to be collected in a collection point).

4.1.3
Other elements of the postal infrastructure

By the end of 2021, Poczta Polska managed 124,794 post office boxes and 73,084 own outgoing mail boxes. Additionally, the designated operator also possessed a system of postal codes for identifying the areas of delivery and a data base of address changes for the purposes of redirecting postal consignments. Having the aforementioned elements of the postal infrastructure, the designated operator is obliged to provide the postal operator rendering services falling within the scope of universal services with access to such elements within the scope specified in a contract on the access to elements of the postal infrastructure.

On the other hand, the operators not rendering services falling within the scope of universal services are required to make available only the system of postal codes for identifying the areas of delivery and the data base of address changes for the purposes of redirecting postal consignments[27]. In 2021, Poczta Polska signed five contracts on access to postal infrastructure components.

One contract was terminated in the analysed period.

4.1.4
Employment structure of Poczta Polska

In 2021, the annual average employment level in Poczta Polska on the basis of an employment contract amounted to nearly 70,314 full-time equivalent units.
In comparison with the preceding year, this means a decrease by almost 9.0%

4.2
Resources and elements of the postal infrastructure of the alternative postal operators

4.2.1
Postal outlets

By the end of 2021, alternative postal operators reported a total of 30,949 postal outlets, of which 26,647 were located in towns and 4,302 in rural areas. As mentioned above, more alternative postal operators tend to concentrate their activities in towns there the demand for postal services is higher by their lower costs than in the rural areas. The vast majority of all the postal outlets of the postal operators, i.e. 28,564, were managed by postal agents.

[27] Article 66 of the Postal Law.

Table 24

Number of outlets reported by the alternative postal operators (as at 31 December 2021)

Number of outlets	Number of operators in 2021
No outlet	61
1 outlet	45
From 2 to 10 outlets	15
From 11 to 100 outlets	3
From 101 to 1,000 outlets	3
More than 1,000 outlets	6
TOTAL	**133**

Source: UKE

The aforementioned data confirm that the largest group (nearly 79.7%) is formed by the alternative postal operators that do not possess postal outlets or possess one postal outlet. Most of them are usually seats of the natural person carrying out economic activity.

4.2.2 Other elements of the postal infrastructure

During the analysed period, none of the alternative postal operators had outgoing mail boxes of their own. In 2021, Poland had over 18,212 postal service machines.

4.2.3 Employment structure of the alternative postal operators

The annual average level of employment by the alternative postal operators was equal to almost 20,149 posts, which marks an increase by 3,934 (by 24.3%) posts in 2021 compared to 2020. As results from the data below, the level of employment by different postal operators was highly diversified. On the market, there were 8 operators with more than 500 employees. One-person operators formed a relatively large group (45).

Table 25

Number of employees by the alternative postal operators (as of 31 December 2021)

Level of employment	Number of operators in 2021
one-person economic activity	45
from 2 to 9 people	44
from 10 to 49 people	30
from 50 to 249 people	3
from 250 to 500 people	3
over 500 people	8
TOTAL	**133**

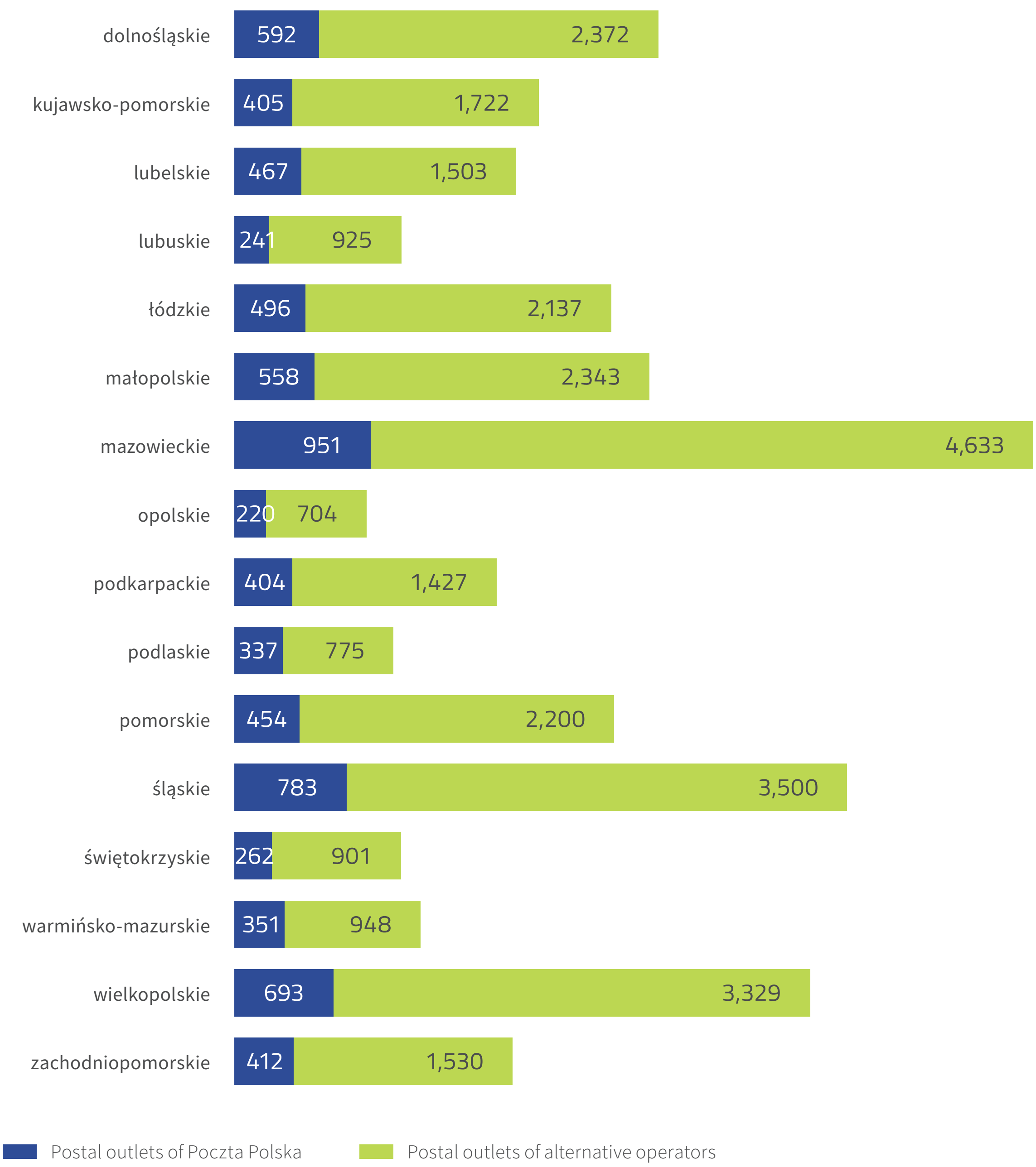
Source: UKE

4.3 Postal outlets of the postal operators in 2021

In 2021, the postal operators rendered postal services through 38,575 postal outlets across the entire country. Own outlets of the postal operators accounted for over 18.5% of them (7,134). The remaining 81.5% of the postal operators were managed by postal agents. The designated operator had 66.6% of the own postal outlets. The highest number of postal outlets are located in highly urbanized regions, e.g. Mazowieckie, Śląskie and Wielkopolskie. Concerning the proportion of the postal outlets to the population of different voivodeships, the voivodeships with a higher value of GDP per capita are in a relatively better situation.

Figure 18

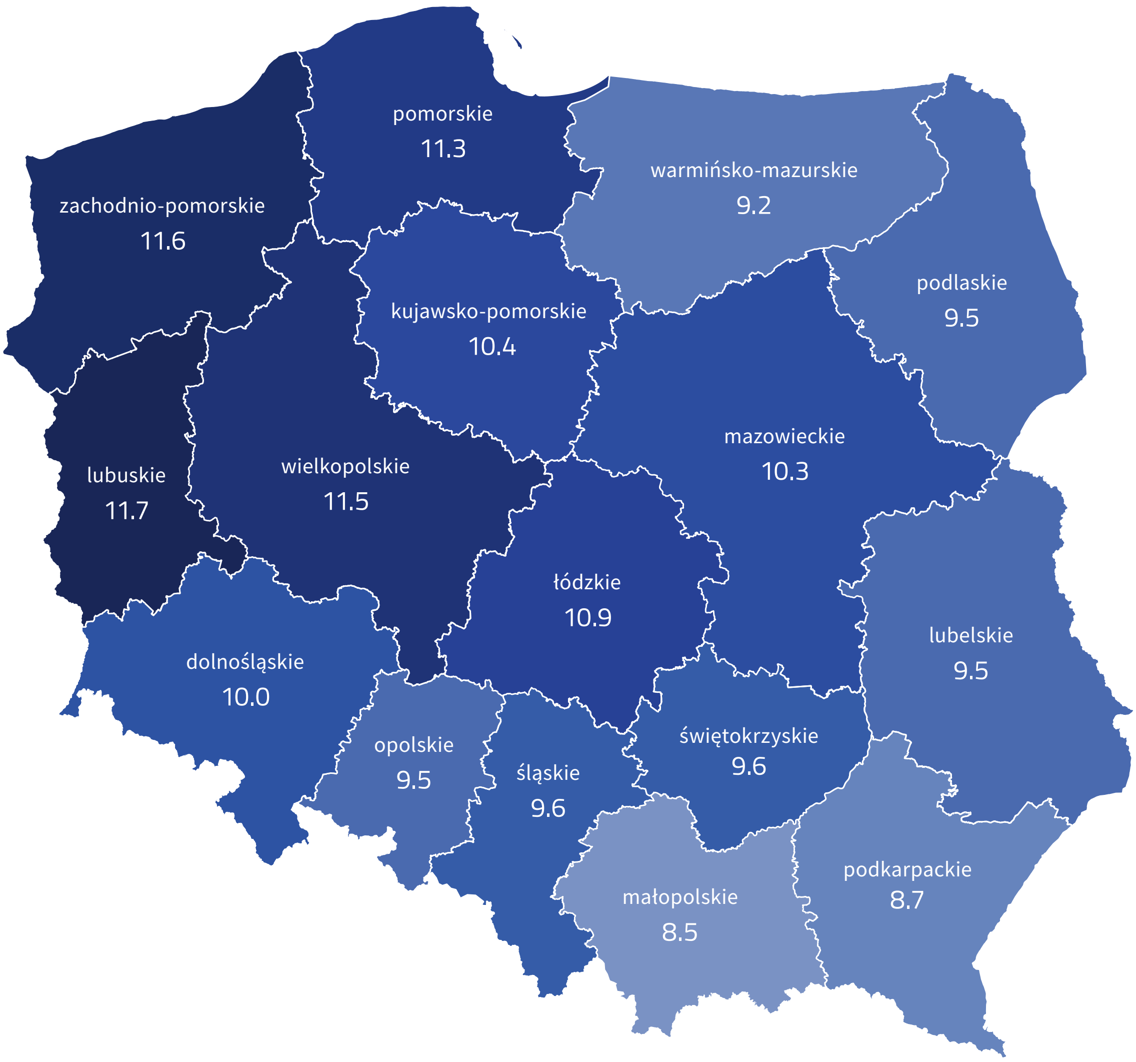
Number of postal outlets in 2021 by voivodeship



Source: UKE

Figure 19

Number of postal outlets per 10 thousand residents in 2021 by voivodeship



Source: UKE (population at the end of each year provided by the Central Statistical Office)

5

Conclusions

Following 2020, a year which for the Polish postal services market, and especially for its most important courier items segment, meant a record-high increase in the volume of completed courier items and the value of revenue achieved by operators, the entire 2021 saw the retention of pandemic restrictions. This resulted in a situation where those postal operators that quickly and efficiently adapted to pandemic requirements and systematically developed means of consignment delivery and the network of collection points could look forward to more good times. This is evident from results posted by the courier industry, only slightly lower than in 2020 (revenue increase of PLN 1.4 billion in 2021 compared to 1.6 billion in 2020).

The Polish postal services market has a significant potential to grow further, though. Analysts predict further development of e-commerce, even after pandemic restrictions are lifted, directly translating to demand for courier services. Despite the competitive struggle on the market and unstable economic situation, postal operators plan further investments, especially as regards networks of collection points, wishing to meet the expectations of recipients, who are interested in the earliest delivery dates possible and convenient collection locations. Therefore, further expanding the network of collection points will become one of the most important trends on the postal services market in the upcoming years.

The aggregate data in Table 26 illustrate the developments in basic indicators of the market.

Table 26

Selected indicators of the Polish postal markets in the years 2019-2021 (excluding unaddressed forms)

	2019	2020	2021
Number of registered alternative operators	282	290	299
Number of active alternative operators	145	143	133
Volume of shipments operated by alternative operators – in billions of units	0.4	0.6	0.8
Volume of shipments operated by all operators – in billions of units	1.89	1.88	1.94
Revenue from postal services of alternative operators – in PLN billion	4.7	6.3	7.7
Revenue from postal services – in billions of PLN	10.2	11.6	12.9

Source: UKE

Table 27

Postal services in different segments of the postal market in the years 2019-2021 – structure (in %) by volume and revenue (excluding unaddressed forms)

	2019		2020		2021	
Segment	**Volume**	**Revenue**	**Volume**	**Revenue**	**Volume**	**Revenue**
Courier items	23.4%	50.6%	33.9%	58.5%	40.1%	63.6%
Universal services	30.6%	31.1%	25.9%	26.4%	24.2%	23.6%
Services falling within the scope of universal services	36.6%	13.2%	31.7%	10.7%	27.5%	8.7%
Other postal services	9.5%	5.2%	8.5%	4.4%	8.2%	4.1%

Source: UKE

The Polish postal services market is invariably an important part of the Polish economy. It still has a noticeably large growth potential, as evidenced by the sector revenue which go from strength to strength every year. At the same time, postal services play a socially important role, as confirmed by the COVID-19 pandemic during which, thanks to introducing innovative solutions, especially as regards consignment delivery, consumers could be ensured safe, reliable and convenient access to services. In addition, the postal sector ensures communication on the internal market, allows entrepreneurs to compete in Poland and abroad, and in addition, offers a sizeable number of jobs.

6

Appendix No 1. Results of the inspections of the postal activities carried out in 2021

Inspections by the operator rendering universal services

In 2021, UKE carried out inspections of Poczta Polska being the designated operator in the following areas:

- providing the persons with disabilities with access to the universal services,
- examining complaints concerning universal services.

Inspection of providing the persons with disabilities with access to the universal services

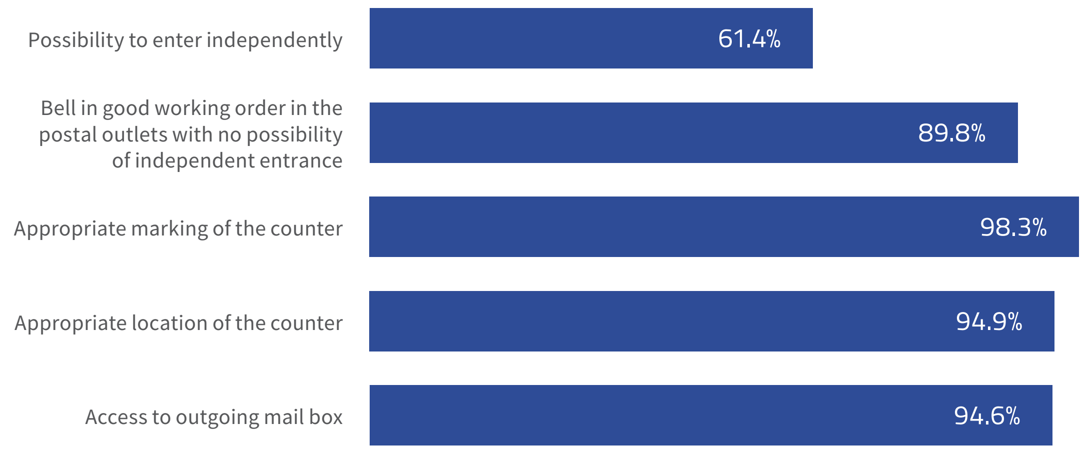
The President of UKE is a body authorised to inspect whether the designated operator allows access to universal postal services for persons with disabilities, pursuant to Article 62 of the Postal Law. Accordingly, in September and October 2021, the President of UKE inspected 355 postal outlets (296 postal outlets in towns and 59 postal outlets in rural areas), i.e. 4.7% of all postal outlets of Poczta Polska that render postal services across the country[28]. Out of the inspected postal outlets: 218 postal outlets had an independent entrance to the building, and when there was no possibility to enter the premises independently, 123 postal outlets had an efficiently operating bell installed to call the personnel. However, the personnel of 11 postal outlets did not react to the bell, among others because of servicing the customers present in the outlet at the same time.

It may be concluded on the basis of the inspection findings, that 330 of 355 inspected postal outlets of Poczta Polska (93%) could be accessed by those using wheelchair independently, or the persons with disabilities could call the personnel effectively.

[28] The annual report of the designated operator shows that by the end of 2020, there were 7,627 postal outlets across the country, including 5,080 postal outlets in urban areas and 2,547 postal outlets in rural areas.

Figure 20

Postal outlets with facilities for the persons with disabilities



Source: UKE

Among 141 inspected postal outlets with delivery service, a register of persons with disabilities was kept in 137 outlets (97.2%), while all (100%) outlets with delivery service guaranteed picking up consignments from a person with disability at their place of residence.

The inspection staged by the President of UKE confirmed that most of the inspected postal outlets fulfilled the requirements specified in the Postal Law. Furthermore, the gathered data confirm that the designated operator adapts its postal outlets to the needs of persons with disabilities by renovating, allocating or developing the network of postal outlets in the framework of the new visualization project.

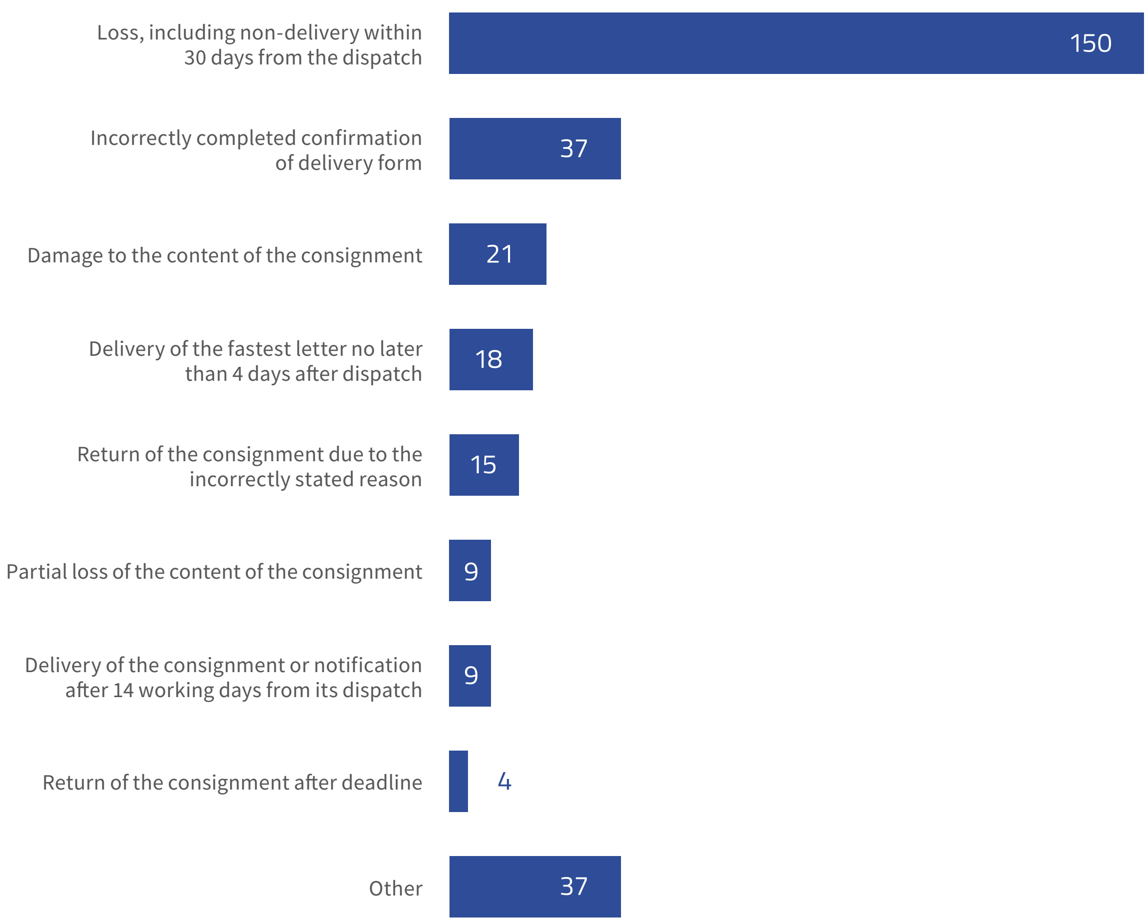
Inspections of the procedure of examining complaints concerning universal services

The provisions of the Postal Law and the implementing provisions thereto lay down possible procedures in which the users of postal services may submit claims, the conditions and prerequisites for liability of the postal operator, including liability exemption circumstances, as well as rules for granting compensation and calculating its amount (Articles 87-95 of the Postal Law). The main procedure in which the users of postal services may submit claims is the complaint procedure conducted by the portal operators.

In September and October 2021, the President of UKE inspected organizational units of Poczta Polska in charge of examining incoming complaints. The inspection covered the period from 1 January to 29 October 2021. A total of 300 complaints concerning registered consignments in domestic trade were checked, including: 244 complaints concerning letters, 55 complaints concerning postal parcels and 1 complaint concerning postal parcels with a declared value. The inspection was aimed at establishing whether Poczta Polska examines complaints concerning registered consignments in the framework of universal postal services in accordance with valid legal provisions, and at gathering data on the completeness of the answers to the complaints and their timeliness.

Figure 21

Reasons for submitting complaints selected for inspection

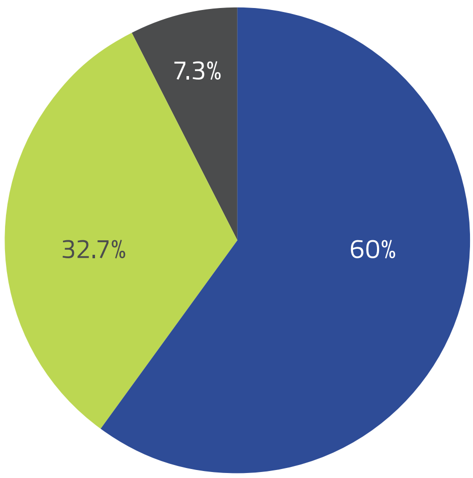


Source: UKE

From the inspection findings formulated by the President of UKE results that nearly 33% of the inspected complaints were accepted, while 180 (60%) complaints were not accepted in total.

Figure 22

Manner of examining the complaint



Source: UKE

The evidence gathered during the inspection and the resulting findings make it possible to conclude that the designated operator examined the complaints concerning registered consignments in the framework of universal services in accordance with valid legal provisions in particular the provisions of the Regulation on submitting a complaint concerning postal services[29].

Inspections by the alternative operators

Considering different regulatory tools, the legislator authorized the President of UKE to carry out inspections of the economic activity to verify whether the provisions and decisions on postal activities are adhered to (Article 122(1) of the Postal Law). The applicable legal provisions lay down a pecuniary penalty, inter alia, for violating the rules for postal activities, including for violating the reporting obligation mentioned in Article 43(1) of the Postal Law in accordance with Article 126(1)(2) of this Law.

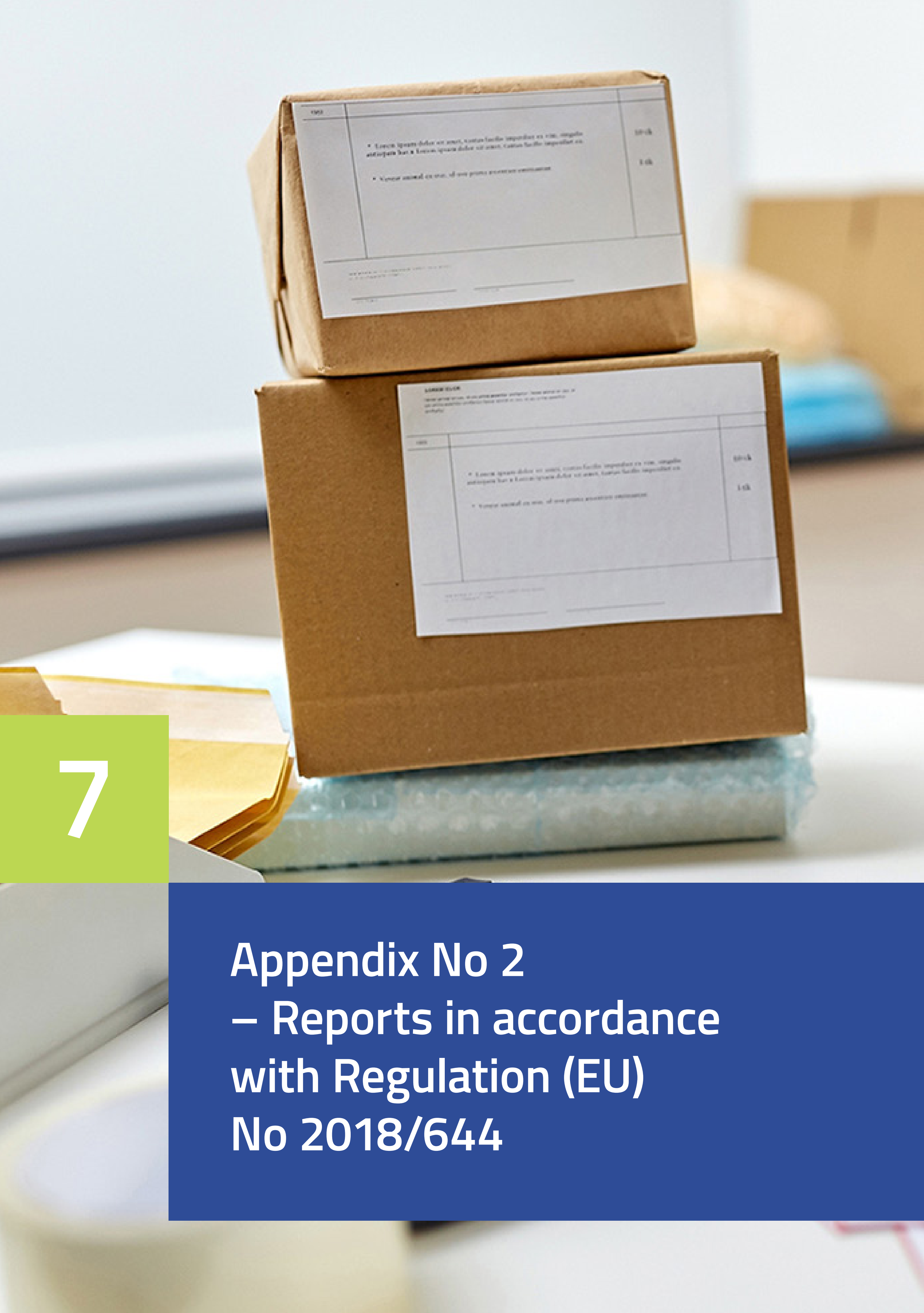
In connection with the above, the President of UKE inspected 13 postal operators in 2021. The reason for the inspection was in particular the failure to submit a report on postal activities in 2019 and 2020 to the President of UKE and the need to verify data found in submitted reports on postal activities. The purpose of the inspection was to determine whether postal operators conducted postal activities in 2019 or 2020 and continue to do so. The inspection focused on compliance with legal provisions and decisions concerning postal activities and the rendering of postal services, as well as on compliance with the requirements for carrying out postal activities. 6 out of 13 inspections were planned, while the remaining 7 were staged ad hoc as inspections conducted when irregularities, negligence or infringements arise on the part of the entrepreneur.

[29] The Regulation of the Minister of Administration and Digitisation of 26 November 2013 on submitting a complaint concerning postal services (uniform text. Journal of Laws of 2019, item 474).

Among 13 postal operators, 8 were inspected effectively. The results of the inspection demonstrated that one half of the effectively inspected postal operators did not conduct postal activities due to the epidemic situation, change of the prevailing kind of activities, loss of a key client, or other reasons. As a consequence of the inspection, one of the postal operators not conducting postal activities submitted a notification of ceasing such activities and was subsequently removed from the ROP. Another entrepreneur, in turn, submitted a notification of suspending postal activities.

Among 4 effectively inspected postal operators that conducted postal activities, 2 rendered postal services included in universal services to public entities, while 2 others rendered courier services. One of the inspected postal operators, due to ceasing the rendering of postal services during the inspection, submitted a notification of suspending postal activities.

In case of 5 postal operators, despite numerous attempts, it was not possible to conduct an inspection as the entrepreneur could not be contacted. In such cases, the entrepreneur used its seat to register a company but did not reside or conduct economic activities there, or ceased to conduct postal or economic activities and moved out from the address provided upon registering the company, without submitting a relevant notification.



7

Appendix No 2 – Reports in accordance with Regulation (EU) No 2018/644

The provisions of Regulation (EU) 2018/644 of the European Parliament and of the Council of 18 April 2018 on cross-border parcel delivery services entered into force on 22 May 2018 (hereinafter referred to as the 'Regulation').

Article 4(1) and (3) of the Regulation introduced, inter alia, an obligation to provide the national regulatory body with data on the turnover value and on the volume of parcels delivered during the preceding calendar year by 30 June each calendar year, for the Member State whether postal activities are carried out, by domestic parcels and incoming and outgoing cross-border parcels (from and from outside of the EU/EEA).by parcels delivered on the basis of a contract with the sender delivered on behalf of a different operator, the same being applicable to the employment data.

In 2021, operators submitted data on their results for 2020 by the deadline of 30 June. The data were delivered by 24 postal operators.

This Annex presents aggregate data for the Polish market, including the data mentioned in Commission Implementing Regulation (EU) 2018/1263 of 20 September 2018 establishing the forms for the submission of information by parcel delivery service providers pursuant to Regulation (EU) 2018/644 of the European Parliament and of the Council.

From the analysis of the results in terms of the reporting obligation mentioned in Article 43 of the Postal Law, the following should be pointed out:

1. A discrepancy in definitions

   In accordance with recitals 16 and 24 of the preamble of the Regulation, Annex 1 thereto, and the explanations to Commission Implementing Regulation (EU) 2018/1263, as published by the European Commission, the postal operators were obliged to consider the parcels generated in the framework of their activities related both to standard parcels and consignments of goods handled in the stream of letters in their report, whereby it was assumed that the respective parcels cover any consignments over 20 mm thick. It means that the Regulation defines parcels more broadly than the Postal Law.

2. A discrepancy in the scope of the subject matter of the reporting

   In accordance with Article 4(6) of the Regulation, the reporting obligations are applicable only to those postal operators that had over the previous calendar year on average fewer than 50 persons working for it and involved in the provision of parcel delivery services, including those working for the parcel delivery service provider's subcontractors, unless the postal operator carried out its activities in more than one Member States. This means that not all postal operators had reporting obligations in accordance with the Regulation.

3. No consolidation mechanisms for aggregate reports

   In accordance with Commission Implementing Regulation (EU) 2018/1263, the postal operators were obliged to submit data by parcels delivered on the basis of a contract with the sender and delivered on behalf of a different operator. This means that the same parcel could be reported by several postal operators, if they were involved in its handling. However, the provisions of the Regulation did not establish any consolidation adjustment to prevent that.

The tables below summarize the 2020 reporting data for the Polish market in accordance with Regulation (EU) 2018/644.

Table 28

Number of parcels handled and annual turnover in parcel delivery services in Poland in accordance with Regulation (EU) no 2018/644 – domestic parcel delivery services

Domestic parcel delivery services	2020
Number of parcels [in millions of units], including:	**778.0**
Rendered on behalf of a different operator	35.8
Rendered on the basis of a contract with the sender	742.3
Turnover value from the parcel delivery services [in PLN million], including:	**7,429.1**
Rendered on behalf of a different operator	241.9
Rendered on the basis of a contract with the sender	7,187.2

Source: UKE

Table 29

Number of parcels handled and annual turnover in parcel delivery services in Poland in accordance with Regulation (EU) no 2018/644 – incoming cross-border parcel delivery services (to and outside of the EU/EEA)

Incoming cross-border parcel delivery services (from and from outside of the EU/EEA)	2020
Number of parcels [in millions of units], including:	**37.7**
Rendered on behalf of a different operator	4.9
Rendered on the basis of a contract with the sender	32.8
Shipped from the EU/EEA, including:	26.4
Rendered on behalf of a different operator	1.9
Rendered on the basis of a contract with the sender	24.5
Shipped from outside of the EU/EEA, including:	11.4
Rendered on behalf of a different operator	3.0
Rendered on the basis of a contract with the sender	8.3
Turnover value from the parcel delivery services [in PLN million], including:	**524.4**
Rendered on behalf of a different operator	43.5
Rendered on the basis of a contract with the sender	481.0
Shipped from the EU/EEA, including:	313.9
Rendered on behalf of a different operator	20.0
Rendered on the basis of a contract with the sender	293.9
Shipped from outside of the EU/EEA, including:	210.6
Rendered on behalf of a different operator	23.4
Rendered on the basis of a contract with the sender	187.1

Source: UKE

Table 30

Number of parcels handled and annual turnover in parcel delivery services in Poland in accordance with Regulation (EU) no 2018/644 – incoming cross-border parcel delivery services (from and from outside of the EU/EEA)

Outgoing cross-border parcels to and outside of the EU/EEA	2020
Number of parcels [in millions of units], including:	**47.1**
Rendered on behalf of a different operator	0.2
Rendered on the basis of a contract with the sender	46.9
Shipped to the EU/EEA, including:	41.3
Rendered on behalf of a different operator	0.1
Rendered on the basis of a contract with the sender	41.1
Shipped outside of the EU/EEA, including:	5.8
Rendered on behalf of a different operator	0.03
Rendered on the basis of a contract with the sender	5.8
Turnover value from the parcel delivery services [in PLN million], including:	**2,147.5**
Rendered on behalf of a different operator	1.6
Rendered on the basis of a contract with the sender	2,145.9
Shipped to the EU/EEA, including:	1,720.1
Rendered on behalf of a different operator	1.3
Rendered on the basis of a contract with the sender	1,718.8
Shipped outside of the EU/EEA, including:	427.4
Rendered on behalf of a different operator	0.3
Rendered on the basis of a contract with the sender	427.0

Source: UKE

Table 31

Employment data of the operators of parcel delivery services in 2020 in Poland in accordance with Regulation (EU) No 2018/644

	2020	
Number of people employed by the operators, including:	**30.06**	**31.12**
On a full-time basis	72,374	70,294
On a part-time basis	10,569	9,591
Employees employed for an indefinite period	8,563	9,467
Self-employed	4,304	4,513
TOTAL	**95,810**	**93,865**

Source: UKE

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