



ENVELOPE INDUSTRY AND POSTAL SECTOR: sharing changes and partnering for transformation

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Ljubljana, September 2022

65th Congress of Federation for Envelopes and Light and ecommerce Packaging in Europe (FEPE)



Postal sector and the envelope industry: common challenges

Impacted by the same market trends (letter mail/parcels) and drivers (digitalization)

Innovation in products and transformation in business models

Diversification: finding new growth opportunities

Sustainability requirements for a greener industry



Needs for a common response: Working together!

**Posts and the envelope
industry**

**UPU and industry
organizations (FEPE)**





Latest Trends

Analysis of the global economy and the postal sector

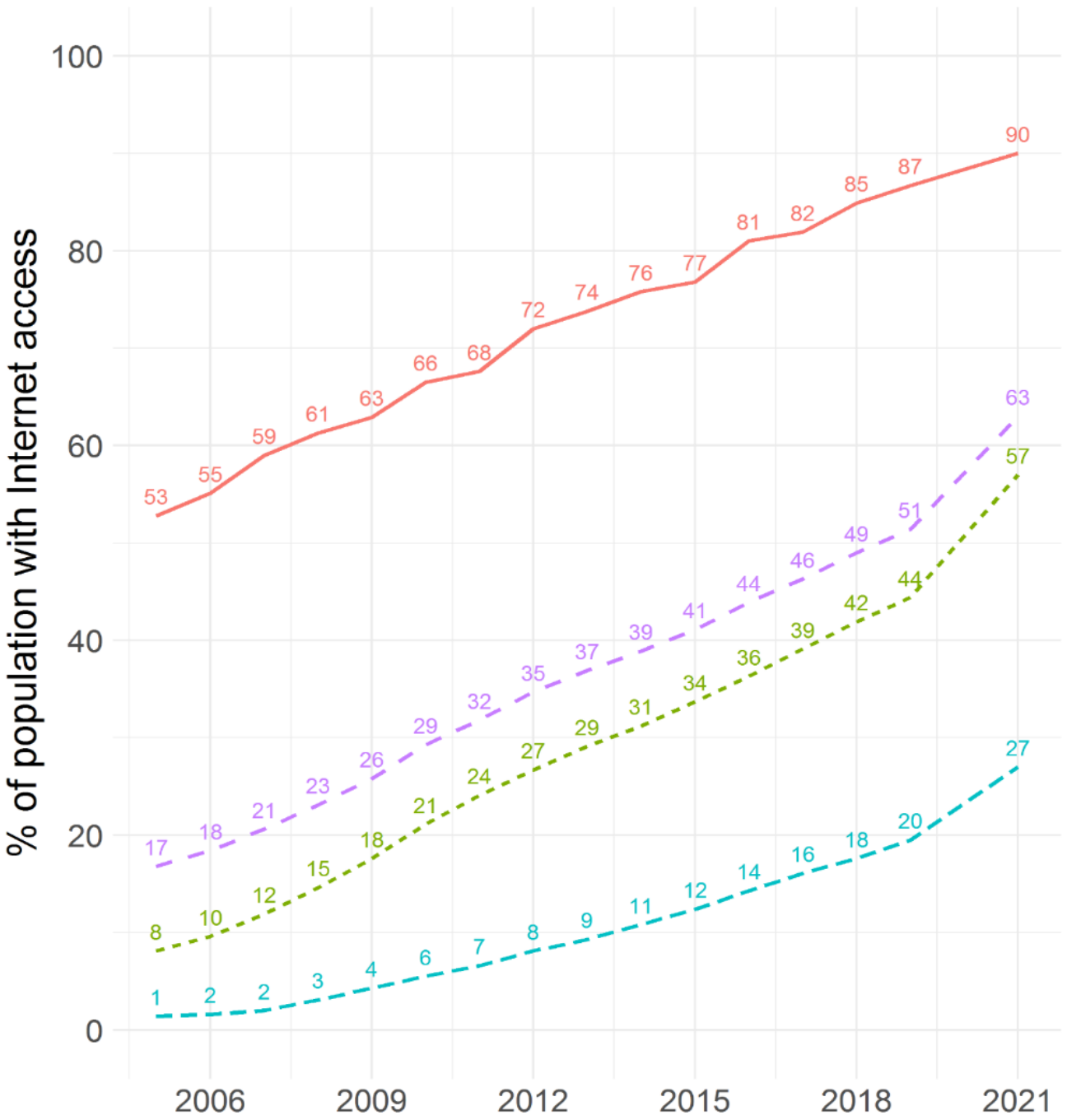


State of global e-commerce

Pre-COVID19 trends and the pandemic's legacy: more people are (shopping) online

- Developed
- - - Developing
- - - Least Developed Countries (LDCs)
- - - World

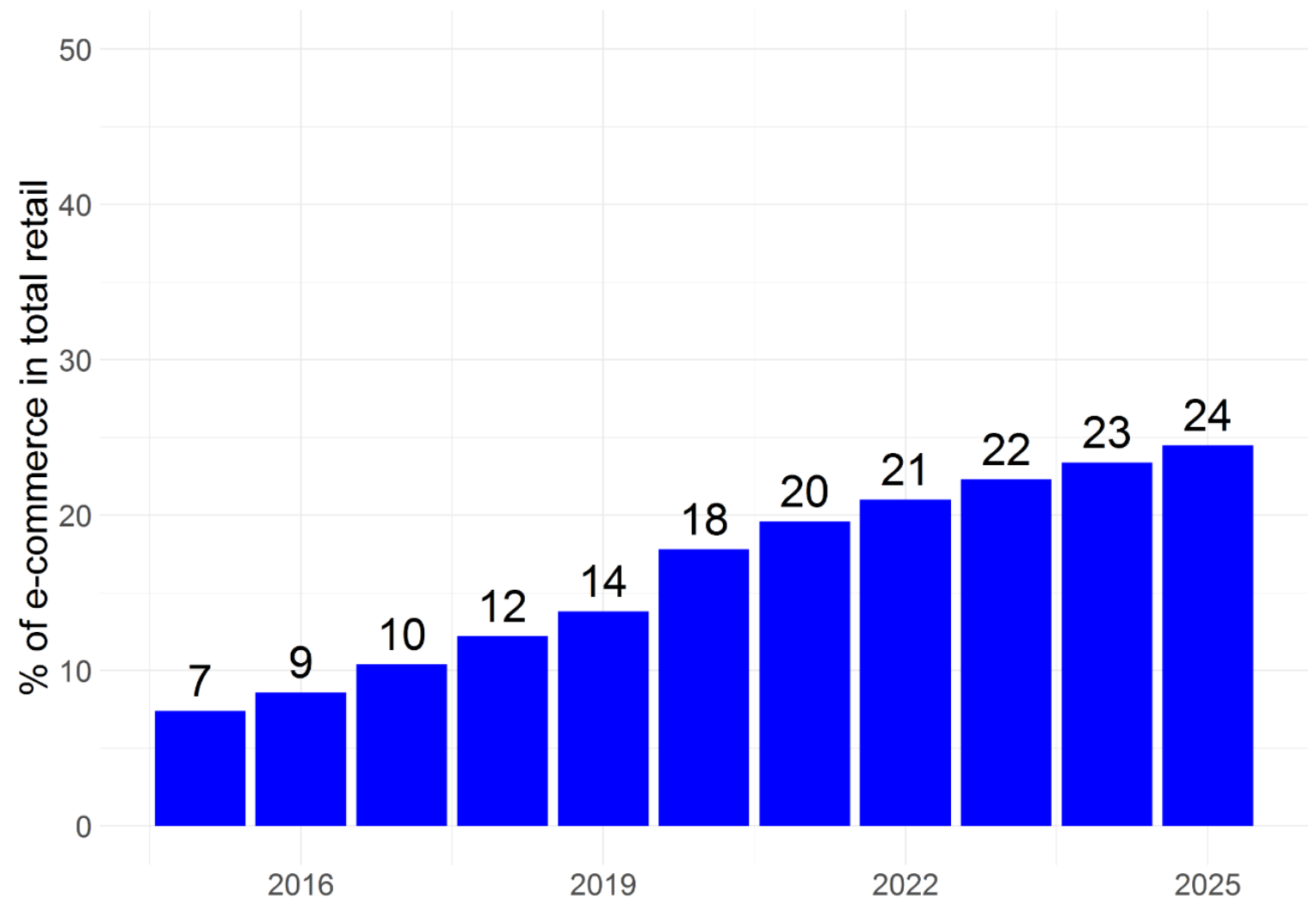
Source ITU (2021)





State of global e-commerce

Pre-COVID19 trends and the pandemic's legacy: more people are (shopping) online



Source: eMarketer (2021).



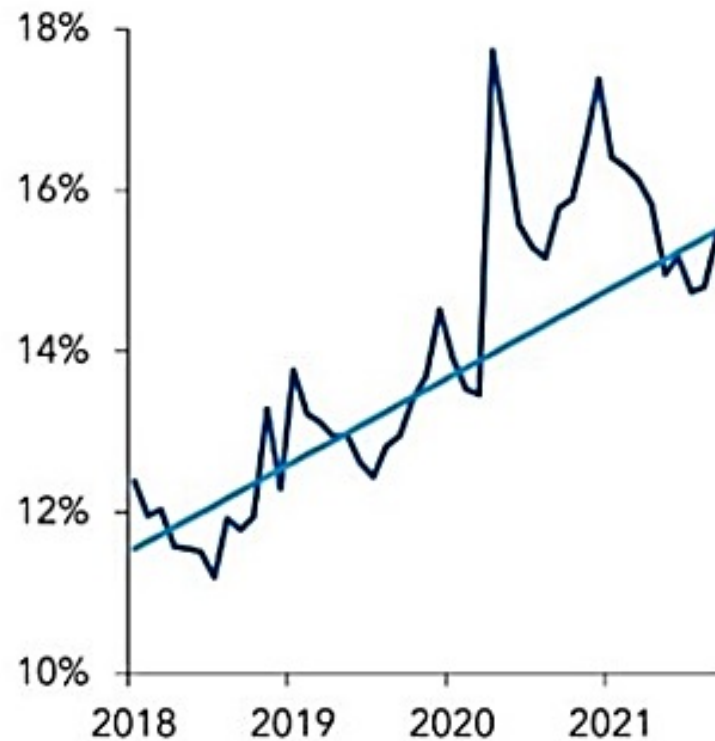
Online retail

The share of retail done online is settling back in line with pre-pandemic trends across various economies.

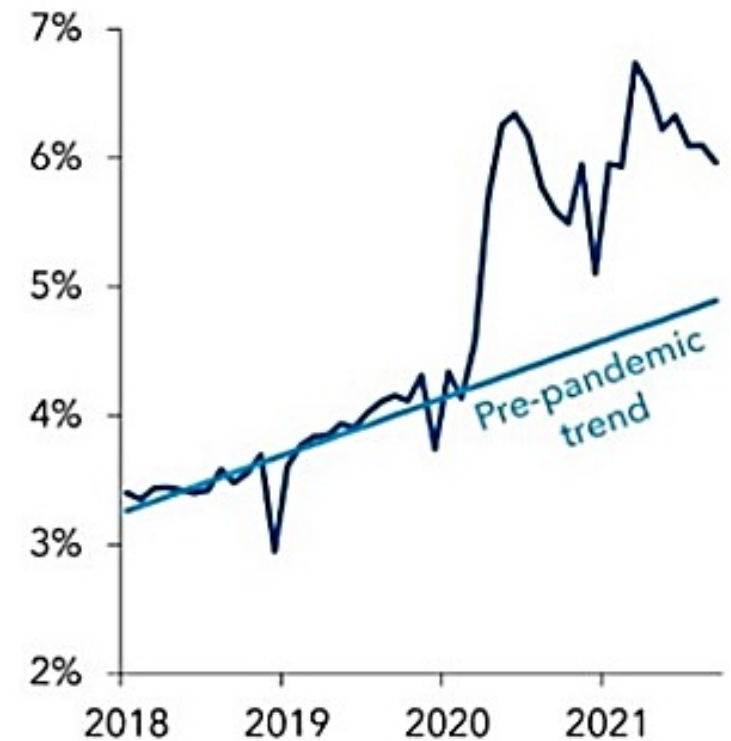
However

As restrictions are lifted, online retail returns to its pre-pandemic trend

United States, retail online share



Brazil, retail online share

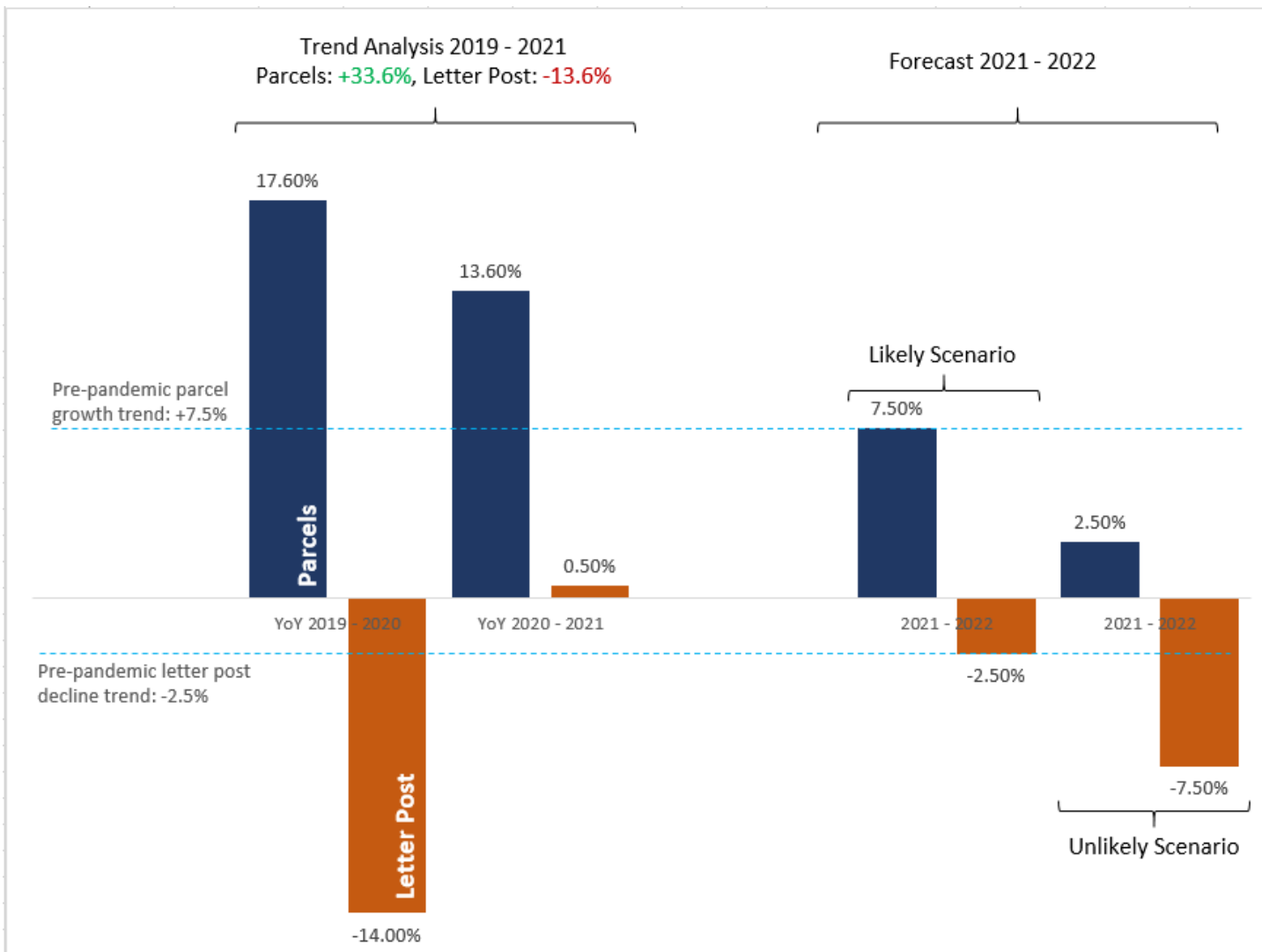


Source: Mastercard Economics Institute.



Domestic postal trends: 2019-21 & beyond

Parcel volumes are pursuing steady growth, letter post volume decline is slowing



Domestic Parcels

- **Global volumes up by 33.6%** between 2019 and 2021.
- Still above trend in 2021.
- High single-digit growth rate for 2022.

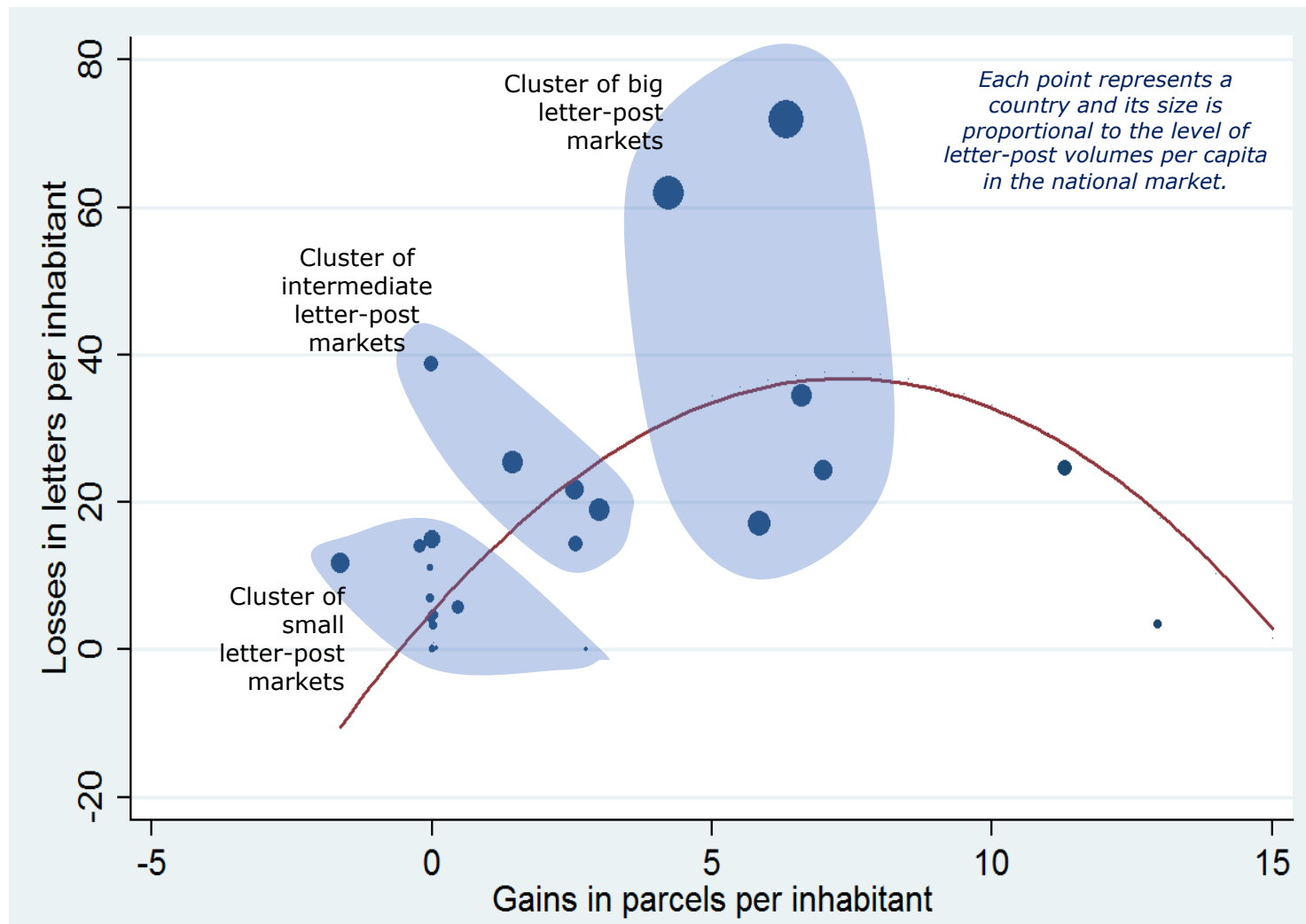
Domestic Letter Post

- **Global volumes down by 13.6%** between 2019 and 2021.
- Slightly increasing in 2021.
- Low single-digit decline rate for 2022.
- Direct mail drives the recovery with 4% YOY growth
- The future is direct mail for cross-border B2B2C e-commerce.



Domestic postal trends: 2019-21 & beyond

For each parcel gained, the post lost 8.8 letters



Source: UPU Postal Economic Research, data from UPU Postal Statistics

8.8 letters worth of revenue per parcel to maintain revenue base.

Markets closer to an inflection point in letter-post volume losses.

Beyond inflection point, more parcels = slower letters volumes declines.

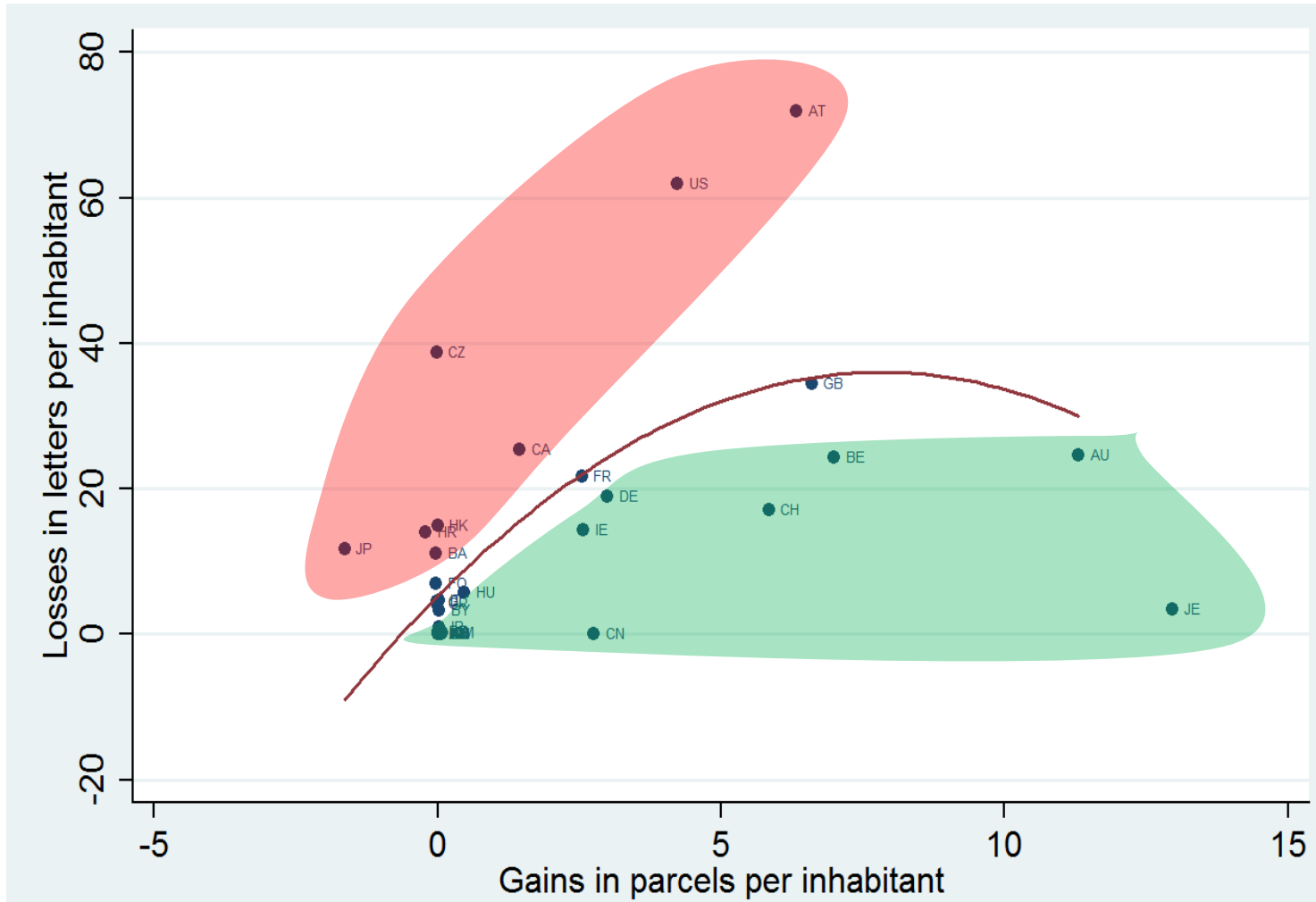
No more losses in letter-post volumes after 15 additional parcels per capita.

Letter-post declines expected to taper off: larger letter-post markets closer than ever to the inflection point.



Domestic postal trends: 2019-21 & beyond

How are envelope markets affected by accelerated e-commerce and digitization?



Different envelope market conditions from country to country.

Greater challenges for Designated operators (DOs) in the red area: moving to slower declines of mail ... but slowly

Better prospects for envelope sales in countries in the green area: moving to slower declines of mail ... very fast



Opening up of the UPU to Wider Postal Sector Players

Engaging FEPE members in an inclusive UPU



What is the opening of the UPU?

Decades ago, the postal sector used to be **run entirely by a single operator**, which was known as “the Post”.

The sector has become **increasingly liberalized** and many Posts have been privatized.



What is the opening of the UPU?

Stakeholders from the wider postal sector are **not fully represented** at the UPU

Providing wider postal sector players **access to UPU products and services**



UPU's Task Force

Creation of a task force on the opening up of the UPU to WPSPs

Three work streams:

Work stream 1

recommend the ideal structural governance mechanism for WPSPs to engage with the UPU.

Work stream 2

recommend products and services of the UPU that might be opened up for access by WPSPs.

Work stream 3

ensure reform as a continuum within the UPU



UPU's Consultative Committee (CC)



JOIN #OPENUPU

Become a member of
the Consultative Committee today



Other existing UPU channels for cooperation



Direct Marketing



DMAB unique value proposition

Knowledgebase, case studies and best practice

Guides and training materials

Capacity building and technical assistance to postal operators

Tools, equipment and solutions

TRAINPOST				
Direct and Digital Marketing				
Course Plan				
Module 1 Introduction: Why focus on Direct and Digital Marketing?	Module 2 The Media	Module 3 How Direct Marketing is Employed	Module 4 Integrated and Cross Channel Marketing	Module 5 Data-driven Marketing
Module 6 The Necessary Infrastructure	Module 7 Players in the Direct and Digital Marketing Value Chain	Module 8 Assessing the Market Potential	Module 9 Direct and Digital Marketing Education and Promotion	Module 10 Best Practices



DMapp.post



How can FEPE members engage?

Engage Domestically

Make sure your voices are heard in domestic debates on opening up the UPU to wider postal sector players

Have a say on our future

Participate in the public consultation on the opening up of the UPU to wider public sector players

Be a part of the UPU family

Join the Consultative Committee and create opportunities with other channels (DMAB)

www.upu.int/WSPsurvey22





Thank you



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