

UPU CONFERENCE ON **POSTAL REGULATION**

BEYOND THE MAILBOX: REDEFINING THE BOUNDARIES OF THE POSTAL SECTOR



Tuesday, 5 May 2026, 14:00 - 17:45 (CEST)



KEYNOTE SPEECH

DR. ROEL GEVAERS

Professor, University of Antwerp





University of Antwerp
Faculty of Business
and Economics



KEYNOTE: SETTING THE SCENE

UPU conference on postal regulation

Beyond the mailbox: redefining the boundaries of the postal sector

May 5th, 2026 – BERN

Prof. dr. Roel Gevaers

Prof. dr. Roel Gevaers

- ✓ Master in Applied Economics (2007)
- ✓ Doctor in Applied Economics (2013)
 - ✓ Title: “Evaluation of Innovations in Last Mile, B2C reverse and waste logistics”
- ✓ Assistant @ UAntwerpen: 2007 – 2014
- ✓ Intern @ P&G (UA collaboration) : 2011 – 2014
- ✓ Supply Chain Program Manager @ Ahold Delhaize Belgium (2014 – 2018)
- ✓ Strategy & Innovation Advisor @ BD Logistics/Citydepot (2018-2022)
- ✓ Advisor & Owner @ Jomini Advice & Research (2022-now)
- ✓ Professor @ UAntwerpen & AMS (2019 – now)
- ✓ Academic Director Global Supply Chain Management – AMS
- ✓ Visiting Professor @ MIT Boston, Kedge France & UHasselt
- ✓ TRB Urban Freight Committee member (2021-now)
- ✓ Chair Top Team Zero Emissie Vrachtervervoer (2023-now)
- ✓ Chair of the Pharma Logistics Masterclass



University of Antwerp
Faculty of Business
and Economics



Roel Gevaers

Details on the collaboration between the UPU and University of Antwerp

The first-ever partnership between the UPU and a university

1. Close **collaboration** with academic and industry results
2. Includes a **three-month research stay** at the headquarters of the UPU in Bern, Switzerland
3. Supported by the **Japanese Fund** of the UPU
4. First ever **UPU research fellows**



Research goals and content

1. Provide insights on the **evolving cross-border postal and parcel landscape** via **quantitative** and **qualitative** research
2. Deliver an **end-report** and **publish academic papers** based on the gained insights
3. Participate in **postal and UPU-related events**



Agenda

1

État des lieux of the postal industry

2

The industry architecture of the cross-border parcel market





État des lieux of the postal and parcel industry

1.1

Postal flow statistics

1.2

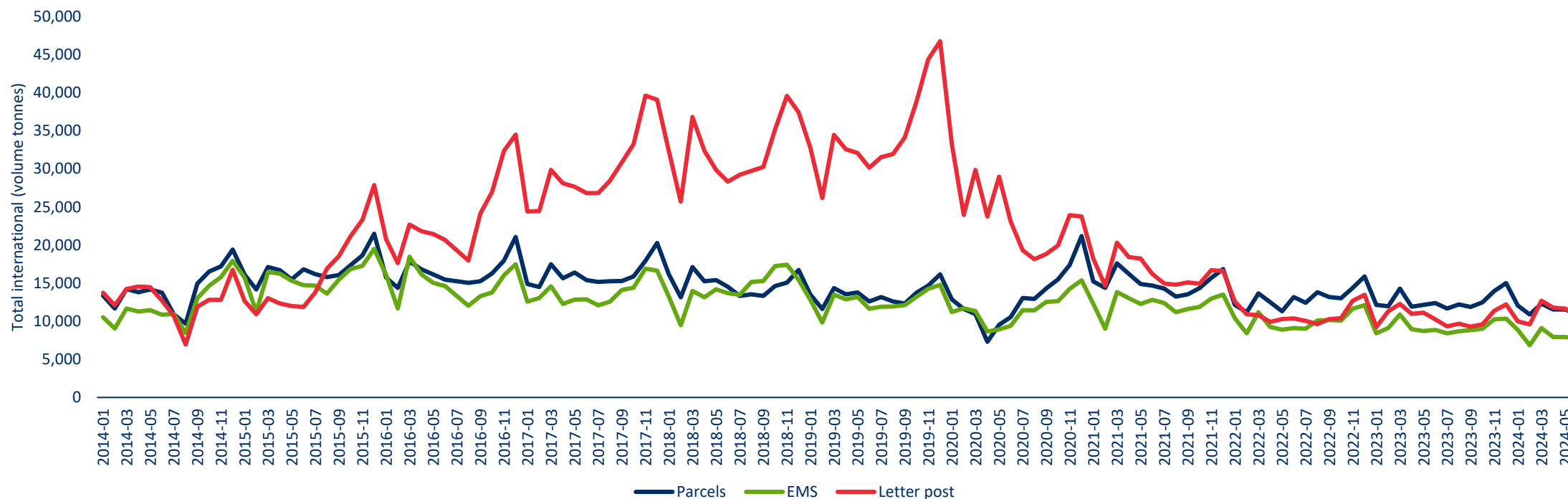
Postal quality statistics

Postal flow statistics

Total international postal decline

International postal item volumes are decreasing for EMS, parcels and letter post

Split between the three categories of international postal volumes measured monthly in tonnes from 2014 to mid-2024.



All three international postal categories are experiencing a decline, with letter post showing the sharpest drop. This trend is driven by changes in remuneration (terminal dues) policies, the impacts of COVID-19, and digitalisation, while EMS and parcels are comparatively more stable.

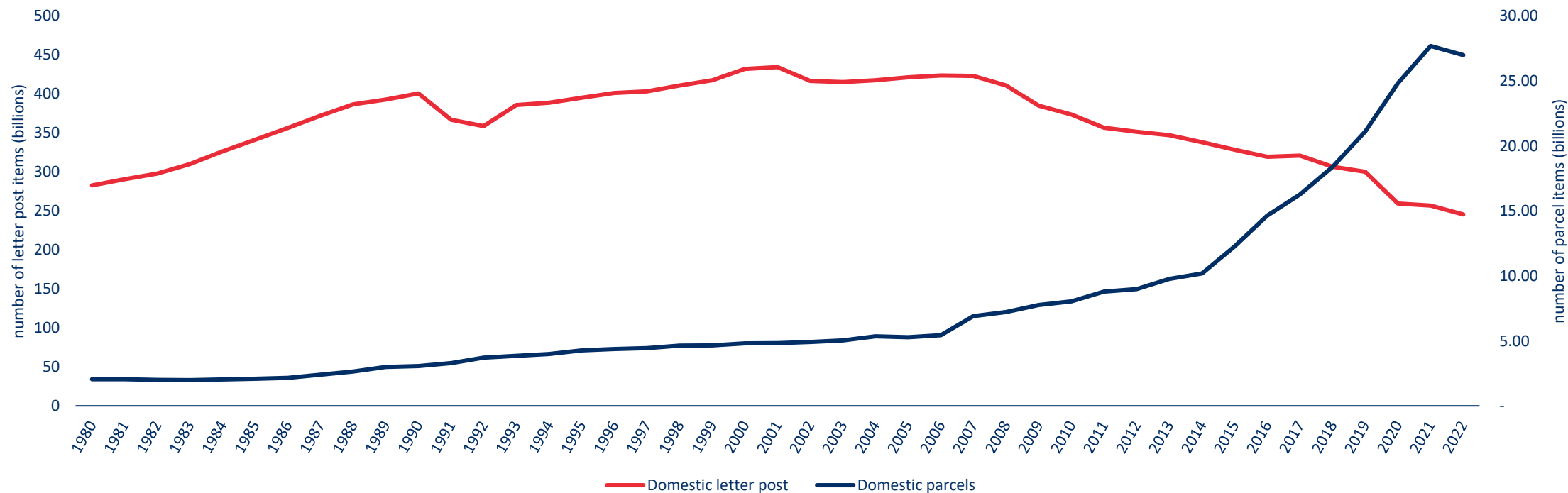


Postal flow statistics

Domestic letter and parcel post comparison

A strong decline in domestic letter-post volumes while parcel-post volumes increase

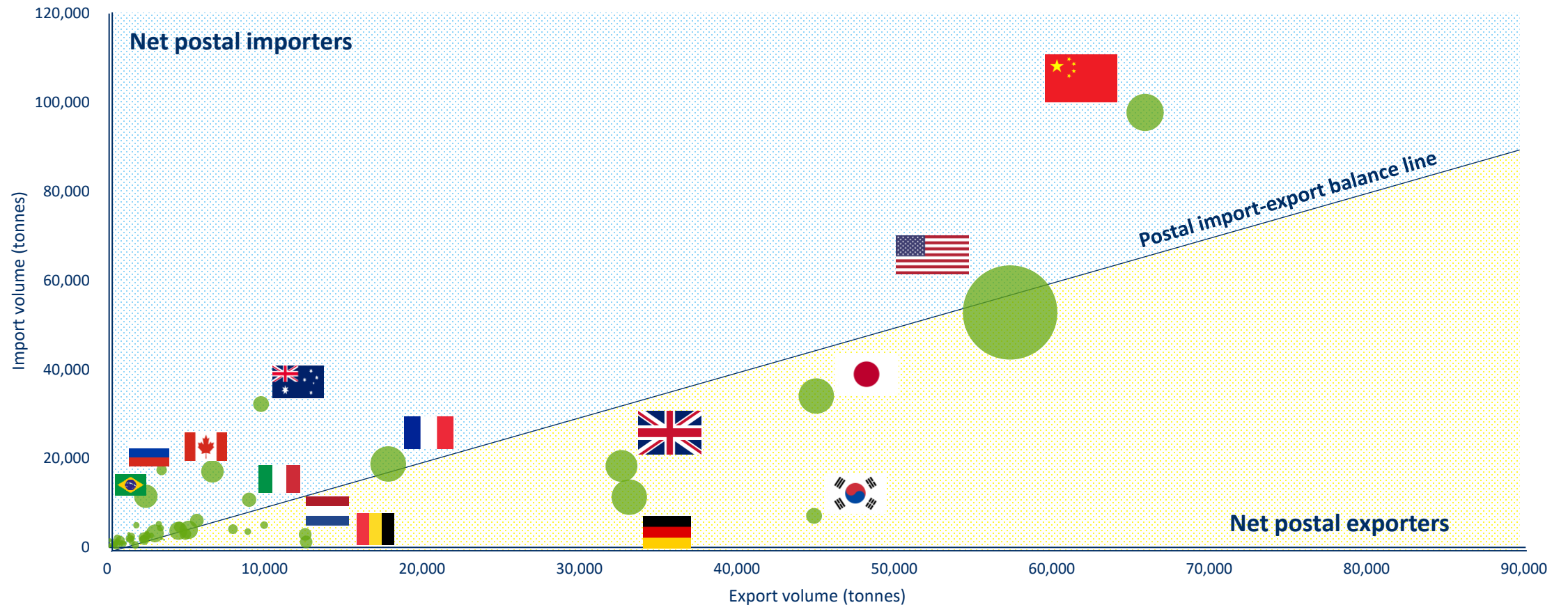
Evolution of domestic letter post and domestic parcel numbers, measured annually from 1980 to 2022.



Domestic letter post volumes have steadily declined since the late 1990s, while **domestic parcel volumes** have surged since 2015. This divergence highlights the **shifting postal and parcel landscape** towards **more parcel shipments**, also for postal operators.

Postal importers and exporters: 2014 snapshot

2014 snapshot of global postal trade, showing countries' import and export volumes (in tonnes). The dot sizes are the number of domestic postal items in 2014. The diagonal line separates net postal importers (blue) and exporters (yellow).

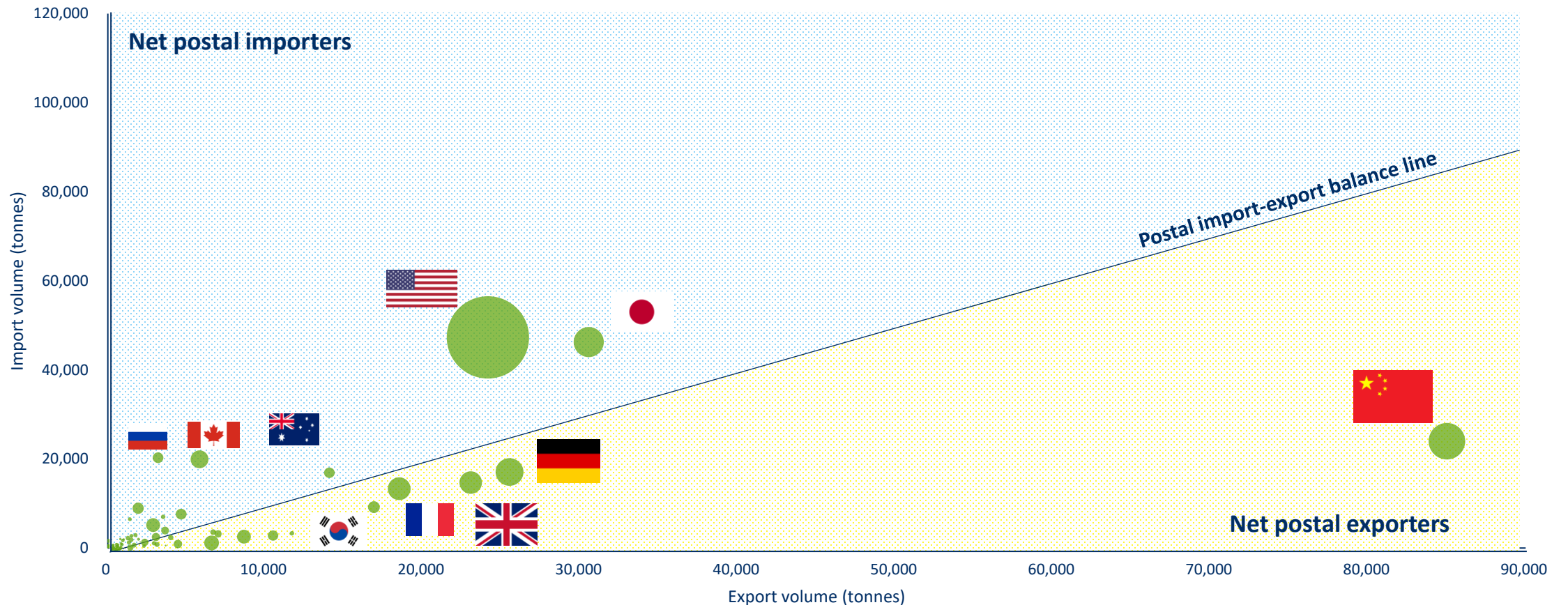




Postal importers and exporters: 2023 snapshot

In 2023, compared to 2014, the clustering at the beginning of the import-export balance line is less clustered

2023 snapshot of global postal trade, showing countries' import and export volumes (in tonnes). The dot sizes are the number of domestic postal items in 2022. The diagonal line separates net postal importers (blue) and exporters (yellow).



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État des lieux of the postal industry

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The industry architecture of the cross-border parcel market

The industry architecture of the cross-border parcel market

<p>2.1 Academic background</p> <hr/> <p>2.2 Methodology</p> <hr/> <p>2.3 Rules of the game</p>	<p>2.4 Industry architectural role evolution</p> <hr/>
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Understanding industry architecture (IA): the blueprint of sector dynamics

1 Conceptual **sector-wide structural** configuration, 'template', or framework originated from **strategic management and industrial organisation**.

- Helps to understand the **structure** and **dynamics of industries**
- Establishes the '**rules of the game**' for **value creation** and **capture** (who gets what) within an industry
 - Focuses on the **relationships** and **roles** of different players within the industry
 - Defines the **division of labour** (who does what) among firms
 - IA is **not static**, as power dynamics evolve with **new challengers and external factors**

2 **Power dynamics** describe how firms **establish and sustain influence** by controlling key interfaces and resources.

- Rooted in **strategic industry roles** which allow firms to impose constraints and steer industry evolution to their advantage
- Organisations that can effectively **navigate and influence their IA** can achieve an '**architectural advantage**'

The industry architecture of the cross-border parcel market

2.1 Academic background

2.4 Industry architectural role evolution

2.2 Methodology

2.3 Rules of the game

Methodological framework of the study



Data gathering

Internal UPU databases

External sources (e.g.,
IPC and World Bank)



Methods

Industry and academic
literature review

Data visualisation
methods

Semi-structured
interviews



Results

Rules of the game, IA
visual, and IA role
evolution

Graphs and data-
related insights

Actor insights used
throughout the entire
study

The industry architecture of the cross-border parcel market

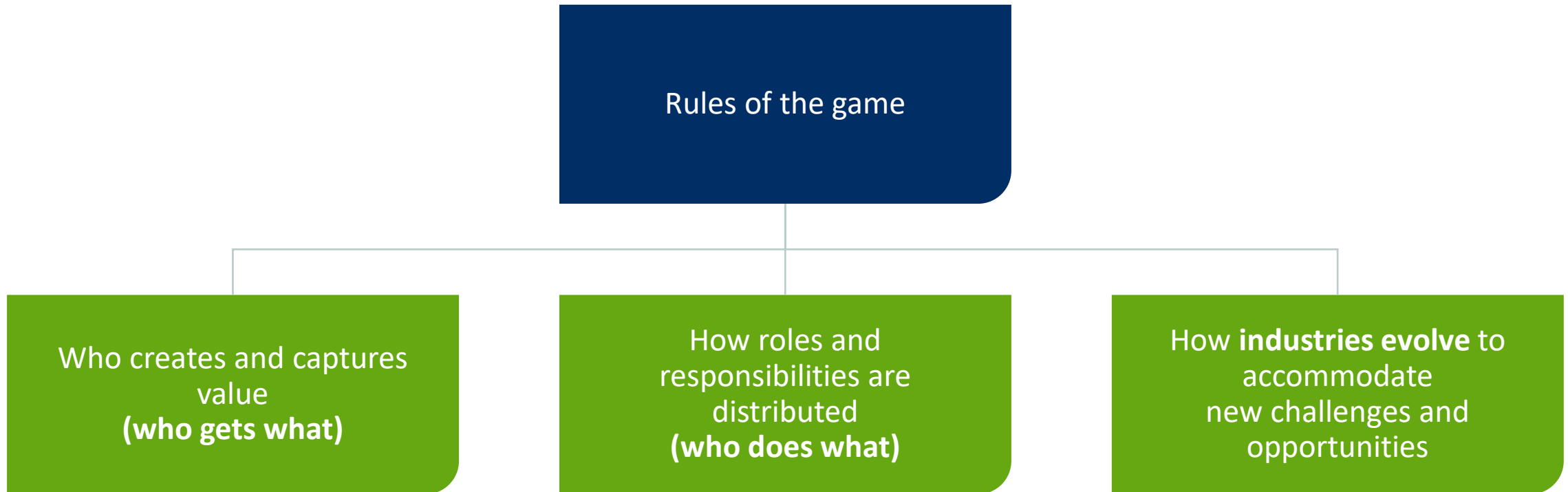
2.1 Academic background

2.2 Methodology

2.3 Rules of the game

2.4 Industry architectural role evolution

Understanding the rules of the game (“Principles”) in industry architecture



- 1 The "rules of the game" refer to the **structural, institutional, and dynamic norms** that govern how firms **interact, compete, create, and capture value** in a given industry or ecosystem
- 2 The "rules of the game" **are not static** because they are **shaped by a dynamic interplay of external forces, internal strategies, and evolving interdependencies** within industries and ecosystems

The industry architecture of the cross-border parcel market

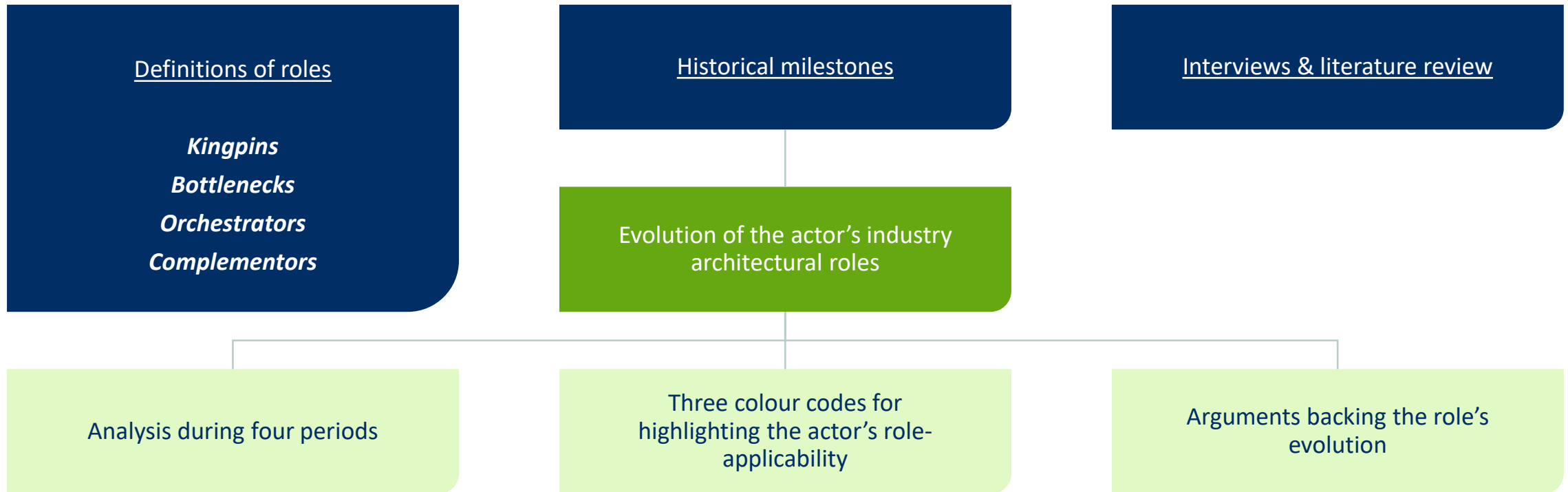
2.1 Academic background

2.2 Methodology

2.3 Rules of the game

2.4 Industry architectural role evolution

Methodological approach to understanding role evolution

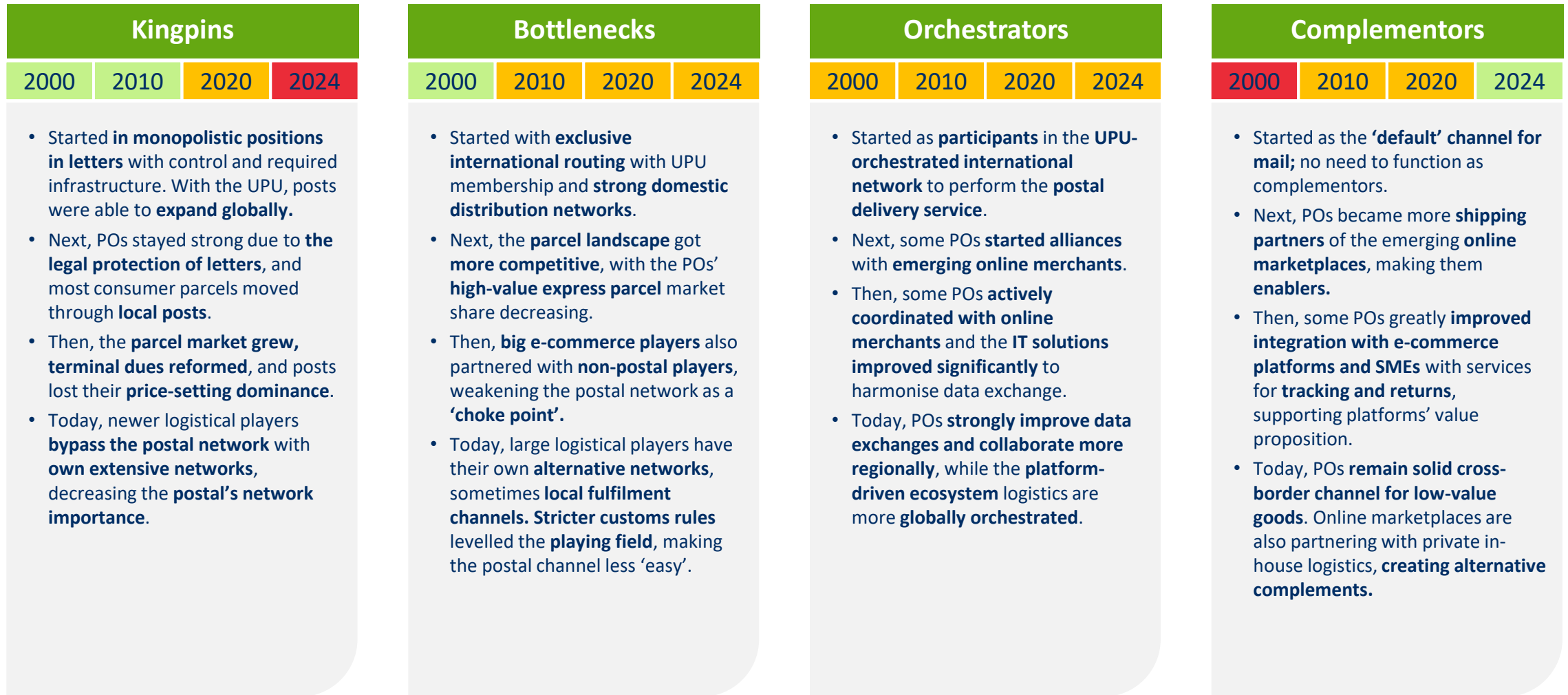


- 1** The **four time periods** analysed are until 2000, 2000-2010, 2010-2020, and 2020-2024.
- 2** The colours (**green, orange, and red**) represent how **fitting the industry architectural role is for that specific actor**, with green being the most applicable.

The roles

Kinpins				Bottlenecks				Orchestrators				Complementors			
2000	2010	2020	2024	2000	2010	2020	2024	2000	2010	2020	2024	2000	2010	2020	2024
<ul style="list-style-type: none"> • The dominant or most influential player in the industry. • Sets industry standards, dictates pricing, and shapes the competitive landscape. • Other firms in the ecosystem depend on its decisions and resources. • Example: Apple in the smartphone industry, which dictates app store policies and supplier requirements. 				<ul style="list-style-type: none"> • The critical constraint in the value chain. • Controls scarce resources, technology, or regulations that others must comply with. • Often has pricing power and can extract significant value. • Example: TSMC in semiconductor manufacturing, as it holds a monopoly on advanced chip production. 				<ul style="list-style-type: none"> • The coordinator of multiple players in the ecosystem. • Ensures smooth collaboration, integrates various components, and optimizes efficiency. • May not own all assets but facilitates their best use. • Example: Amazon in e-commerce, orchestrating suppliers, sellers, logistics, and customers. 				<ul style="list-style-type: none"> • A firm that adds value to the ecosystem by enhancing the main product/service. • Often dependent on kingpins or orchestrators but plays a crucial supporting role. • Example: App developers for Apple's App Store, providing applications that enhance iPhone usability. 			

Role evolution of postal operators across two decades



Role evolution of integrators across two decades



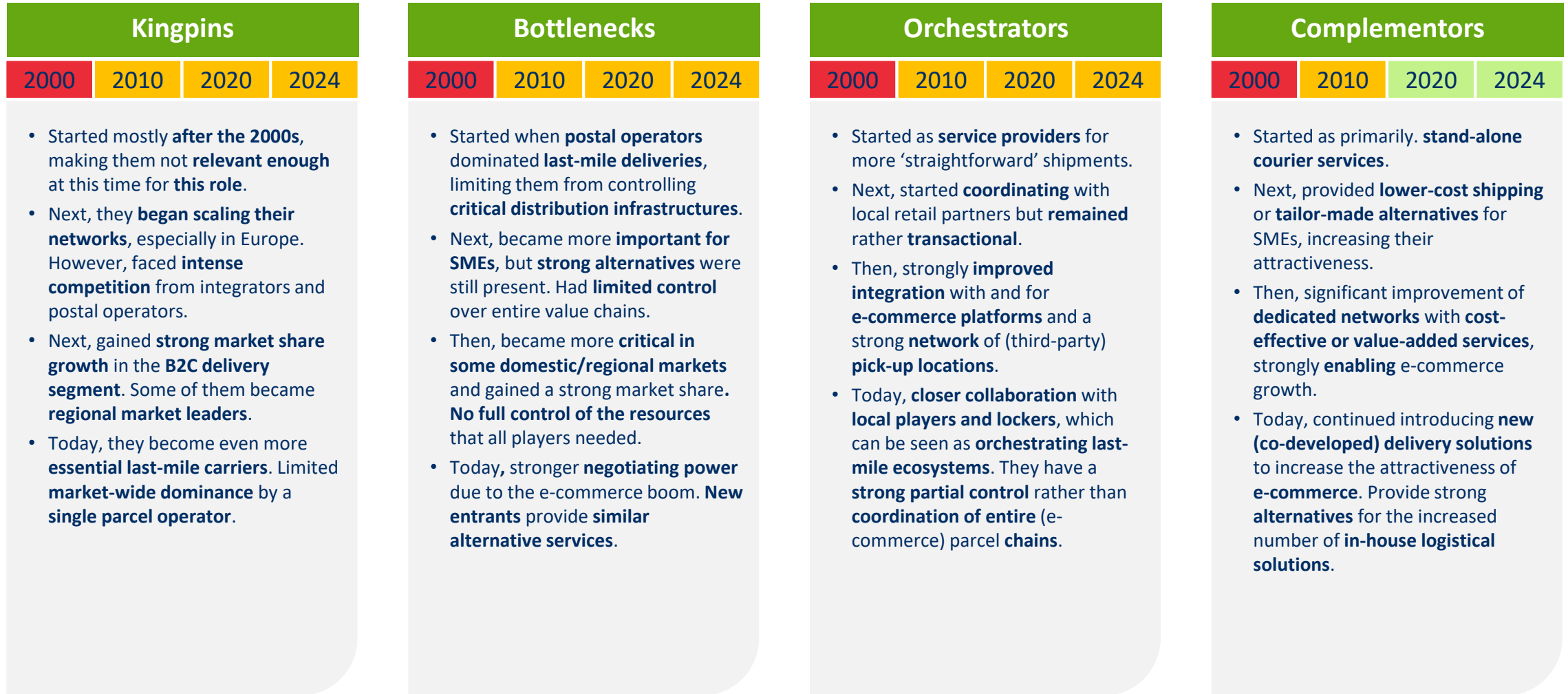
Kinpins				Bottlenecks				Orchestrators				Complementors			
2000	2010	2020	2024	2000	2010	2020	2024	2000	2010	2020	2024	2000	2010	2020	2024
<ul style="list-style-type: none"> Started as market leader in time-sensitive shipments, mainly for B2B express. Next, integrators become go-to carriers for fast, cross-border delivery with extensive (aviation) networks. They set standards with on-time delivery guarantees and tracking. Next, remained dominant in premium cross-border traffic and specialised in added value services like customs clearance. Today, they continued dominating B2B and premium services while struggling to enter the competitive B2C delivery market. 				<ul style="list-style-type: none"> Started with strong choke points in international express, although limited to high-value and time-sensitive deliveries. Next, strong control over (air cargo) networks and a pioneering role in electronic customs clearance. Replicating their infrastructure and expertise made nearly impossible. Then, focused on high-margin e-commerce delivery segments and become indispensable for specific sectors like healthcare and automotive. Today, bottleneck remains in the high-priority segment, but the market is broadening beyond their exclusive choke points. 				<ul style="list-style-type: none"> Started as closed, express, point-to-point service providers, with most transactional relationships. Next, started with platform integration, better alignment with custom authorities, and partnerships with major e-retailers. Then, tracking and developer tools further improved, but remained more of a one-stop-shop. Today, they coordinate multiple parties under their umbrella for end-to-end solutions but remain commercial gatekeepers as they orchestrate under their own brand and control. 				<ul style="list-style-type: none"> Started as largely standalone logistics providers and primary carriers for express shipments. Next, began to increase e-commerce platform offering specialised solutions, but were considered the premium shipping option. Then, better and closer collaboration with e-commerce platforms by guaranteeing speed, reliable customs handling, and end-to-end visibility. Today, express option part of e-commerce platform's offerings and increased co-development for quick shipment and returns. 			



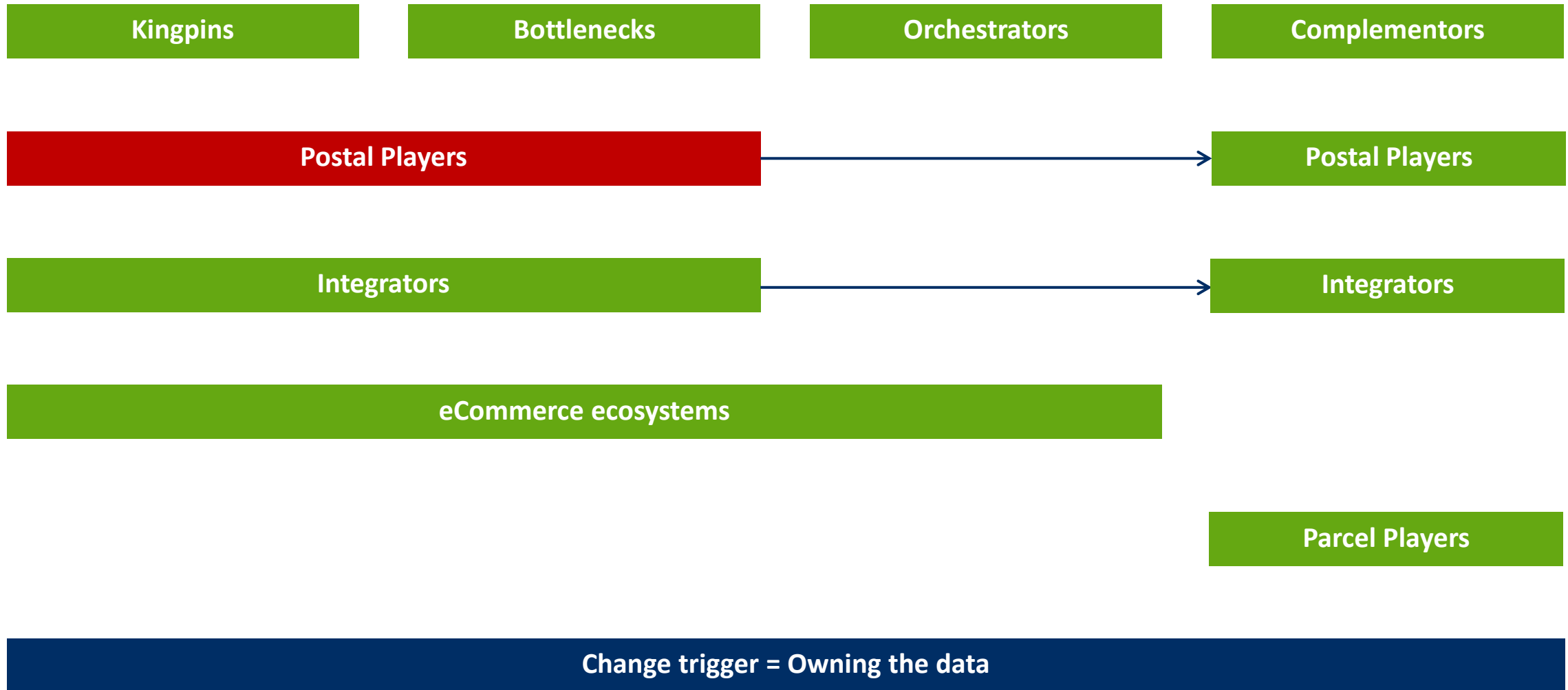
Role evolution of e-commerce marketplaces & ecosystems across two decades

Kinpins				Bottlenecks				Orchestrators				Complementors			
2000	2010	2020	2024	2000	2010	2020	2024	2000	2010	2020	2024	2000	2010	2020	2024
<ul style="list-style-type: none"> Started mostly after the 2000s, making them not relevant enough at this time for this role. Next, online marketplaces started to grow and shape the standard online with reviews, third-party sellers, and payment methods. Next, massive growth led to gatekeeping positions to large consumer bases. Strong logistical integration resulting in greater value chain control. Today, they remain in their dictating status regarding online standards and capturing significant e-commerce market share. 				<ul style="list-style-type: none"> Started mostly after the 2000s, making them not relevant enough at this time for this role. Next, acting as essential sales channels for many small/medium sellers, creating some dependency. However, no monopoly over consumer access. Then, many SMEs worldwide dependent on the online marketplaces and ecosystems. Fulfilment services provided ability to steer or constrain shipping flows. Today, indispensable for SMEs to reach mass global audiences, improved logistical vertical integration, and strong social-commerce growth. 				<ul style="list-style-type: none"> Started mostly after the 2000s, making them not relevant enough at this time for this role. Next, third-party sellers allowed on the platforms. Early, partial orchestration with no extensive data integration with external logistics service providers. Then, started orchestrating millions of merchants on the platforms. Co-creating of value for sellers and the marketplace. Today, expanded offerings to end-to-end ecosystem solutions (payments, data analytics, warehousing, cloud services,...). New ecosystem entrants quickly dominate specific sectors. 				<ul style="list-style-type: none"> Started mostly after the 2000s, making them not relevant enough at this time for this role. Next, they effectively were the main e-commerce site and established themselves as primary digital channels. Then, core offerings such as cloud services, payment systems, and integrated logistics complemented other industry players while not making the e-commerce players complementors. Today, more integration into social media channels, making them some what a complementor. Overall, they remain the main environment. 			

Role evolution of parcel operators across two decades



Key Takeaways



Industry architectural role evolution

Key Takeways





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PANEL 1

DEFINING POSTAL MARKETS AND SERVICES

DR JOAKIM LEVIN

Acting Head of Postal Affairs Unit, Swedish Post
and Telecom Authority (PTS)



Defining postal markets and services - The case of Sweden

Joakim Levin
Swedish Post and Telecom Authority (PTS)

Delivery services in Sweden

Letters and parcels
(License requirement)

postnord



Local providers (6)

Parcels
(Registration and
data provision
requirements only)



DSV

Instabee



AIRMEE

Small providers
(7 with <1% market share)

Other:
Courier services &
New delivery models
(Unregulated)

Wolt

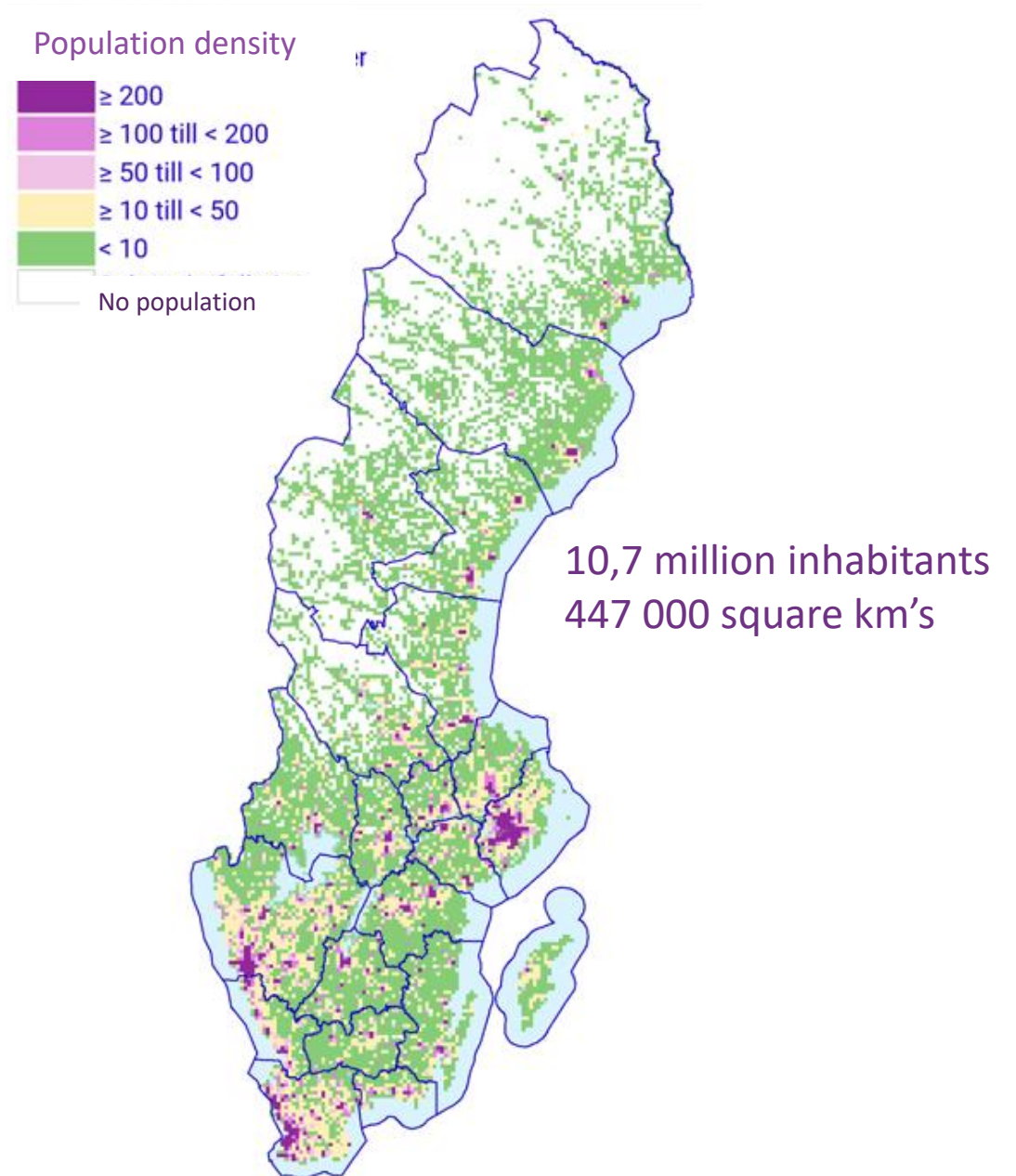
foodora

Uber Eats

Local/regional providers (many)

Delivery in Sweden

- Letters (2025):
 - 964 million items
 - 8,0 billion SEK (0,75 billion EUR)
- Parcels (2024):
 - 313 million items
 - 16 billion SEK (1,5 billion EUR)



Formal focus for the regulatory authority (PTS)

- A well-functioning **Universal Postal Service** of good quality should be available for all users in Sweden
 - Collection and delivery 5 days per week
 - Service points should be located so dense that users' needs are taken into account
 - Single piece items should be distributed at uniform tariffs
- Monitor that **postal services** are in line with the society's need for services

The traditional market definitions – based on the production of services (until 2025)

- Letter market
 - Regular scheduled delivery (i.e., fixed postal routing) to home/premises
 - Maximum 2 kg
- Parcel market
 - More flexible delivery (to service points/OOH or home/premises)
 - Maximum 20 kg (Universal Service) or 31,5 kg (other parcel services)
- No regard to the **content or purpose** of postal items
 - Items containing goods and weighing up to 2 kg, and distributed in the scheduled delivery by mailman/-woman ("small packets") are thus considered letters

New market definitions – based on the users' needs that are fulfilled by the services (from 1 April, 2025)

- Letter market
 - Services **intended for the distribution of written communication**
 - Maximum 2 kg
- Parcel market
 - Services **intended for the distribution of goods/things** with or without commercial value
 - Maximum 20 kg (Universal Service); 31,5 kg (other parcel services)
- The delivery mode (production) is no longer relevant; that means that e.g. small packets distributed to home/premises are now in the scope of the parcel market

Reform of the Universal Service Obligation

- With the new market definitions of 1 April 2025, PTS concluded that
 - For **universal letter services**, there is only one provider that reach all receivers all-over the country – Postnord.
 - Thus, there is still a need to oblige Postnord to provide the Universal letter services and the Universal Service Obligation remains
 - For **universal parcel services**, several providers reach the entire territory, the competition is evolving and increasing, and different delivery options (home/premises, manned service points or parcel lockers) are available at reasonable prices
 - Thus, **no need for a Universal Service Obligation** in the parcel market – the market fulfils the users' needs in competition on commercial terms

What about the new developing delivery services?

- In Sweden, Wolt, Foodora, Uber Eats and similar gig-economy and platform based delivery services provide services characterized by **fast** delivery from **local** stores, restaurants, etc. directly to the buyer
- Currently, we view those services as premium services which are not in the realm of basic postal services, and should not be considered for inclusion in the universal service
- We have not found at this point any evidence for any severe issues for the users (consumers) that would require regulatory action into this field (i.e. that cannot be dealt with within existing consumer protection laws)

PTS' (and Sweden's) main views for the future (European) regulatory framework

- Users' needs are central and should be weighed against relevant costs for provision in balancing the level of the services to avoid oversized net cost of the universal service
- Due to significant differences in digitalisation development, the users' needs (demand) of postal services between different Member States, a high degree of national flexibility is needed.
- Universal Service is still relevant, and should guarantee the citizens and businesses access to basic postal services
- However, a Universal Service **Obligation (USO)** is only needed where the market fails to provide such postal services (in Sweden, only for the letter market)
- Issues like labor conditions and environmental concerns are from a regulatory perspective best handled by horizontal regulation, and not by postal sector specific regulation

BRIAN MWANSA

Acting Executive Secretary, Communications
Regulators' Association of Southern Africa (CRASA)













Towards Effective Postal Sector Regulation

A Market-Based Methodology for Defining and Regulating the Postal Sector

Presentation Overview

- **The Problem**
Why the lack of a common understanding of the postal sector matters
- **The Consequences**
How inconsistent definitions and regulatory approaches lead to poor outcomes
- **The Misaligned Approach**
Why current regulation is anchored in outdated, institution-based models
- **What Really Matters**
Why scope, not terminology, is the real issue
- **A Methodological Pivot**
Shifting from defining entities to defining markets, activities and substitutability
- **A Common Framework**
A practical approach to define the postal sector consistently across jurisdictions
- **Applying the Framework**
How the framework works across the value chain
- **The Real-World Reality**
Evidence from markets: convergence, substitutability and customer perspective
- **Regulatory Implications**
How the methodology informs licensing, competition oversight and universal service
- **The Opportunity**
Better outcomes: fair competition, protected consumers and universal service for all
- **Strategic Closing**
Towards harmonized and effective postal sector regulation

A Sector Without a Common Definition



No universally adopted definition of the postal sector

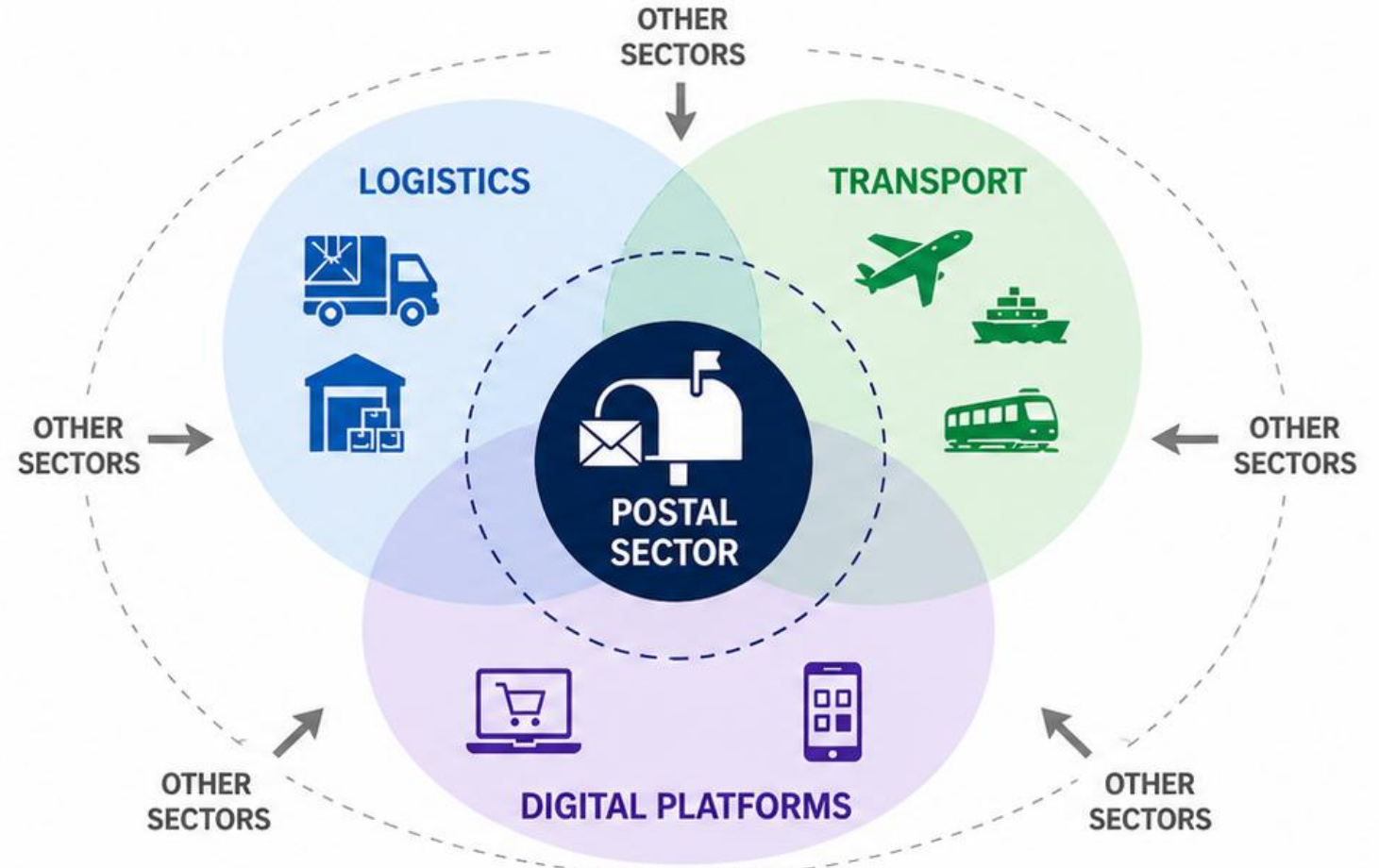


Divergent national and regional approaches



Increasing overlap with adjacent sectors:

- Logistics
- Transport
- Digital platforms



Regulatory boundaries are becoming increasingly unclear:
We are regulating something we have not clearly defined!

Why Definition is Foundational to Regulation

Clear market definition is the foundation upon which effective regulation is built

MARKET DEFINITION UNDERPINS:



Competition analysis

Assess market structure and competitive dynamics.



Licensing frameworks

Determine who should be licensed and on what basis.



Universal service obligations

Define scope, targets and provider responsibilities.



Consumer protection

Ensure rights, transparency and service quality



WITHOUT CLEAR DEFINITION:



Regulatory uncertainty

Unclear boundaries lead to inconsistent decisions.



Disputes over jurisdiction

Overlap and conflicts among regulators.



Risk of over- or under-regulation

Market distortions, compliance burdens or regulatory gaps

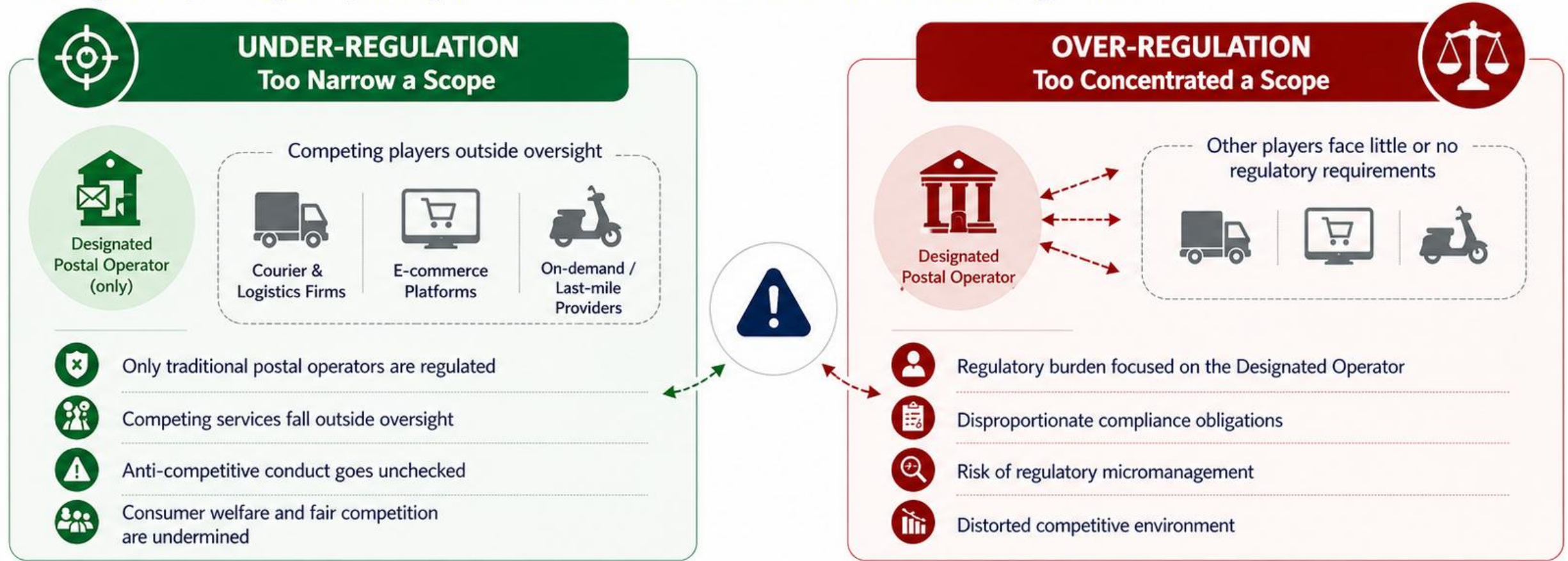


No clear definition = no clear regulatory mandate



When Regulatory Scope Is Misaligned

A misaligned scope of regulatory oversight leads to market distortions and weakens effective regulation



BOTH EXTREMES DISTORT THE MARKET AND WEAKEN EFFECTIVE REGULATION

Effective regulation requires the right balance—neither too narrow nor too concentrated—but a scope that reflects real market dynamics and protects the public interest.

The Real Issue: Scope of Regulation, Not Terminology

What matters is the actual business activities and their impact on the market and stakeholders

BEYOND LABELS—FOCUS ON REAL ACTIVITIES

Debates over “what is postal” vs “non-postal” are increasingly inadequate.

Across multiple players and business models:



ACCEPTANCE

Items are accepted from senders



PROCESSING

Items are sorted, handled and prepared



CONVEYANCE

Items are transported across the network



DELIVERY

Items are delivered to recipients



Goods and documents with similar attributes are provided under different business models, operational conditions and value-added attributes.

WHY SCOPE MATTERS MORE THAN TERMINOLOGY



These activities compete directly

They vie for the same users, volumes and markets.



They influence market dynamics

Pricing, quality, innovation and access are affected.



They affect both consumers and designated operators

Impacts consumer welfare and the sustainability of licensed operators.



Therefore, they warrant some form of regulatory oversight

To address market failures, ensure fair competition and protect the public interest.

EXAMPLE: E-COMMERCE PLATFORM WITH INTEGRATED DELIVERY



E-commerce platform sells goods online
Captures demand and customer data



Own fulfilment centres
Processes and handles parcels



Own delivery / last-mile network
Conveys and delivers to customers



DIRECT COMPETITOR

Directly competes with DPO's EMS, Parcel and Small Packet services and can materially affect market outcomes. Anti-competitive behaviour by such players has real impact and must not go unchecked.



REGULATORY SCOPE MUST REFLECT REAL MARKET ACTIVITIES—NOT LEGACY LABELS.

Effective regulation depends on recognizing how services interact, compete and impact the market, regardless of the provider's label or business model.

From Static Definitions to a Dynamic Methodology

A shift from rigid labels to a market-based approach that reflects how value is created, delivered and competed for today



TRADITIONAL APPROACH STATIC DEFINITIONS



Based on legacy concepts

Rooted in historical models that no longer reflect today's market realities.



Focus on institutional labels

Relies on labels such as "postal" or "non-postal" rather than what firms actually do.



Struggle to adapt to market evolution

Slow to capture new business models, technologies and customer preferences.



Lead to inconsistent regulatory outcomes

Different scopes, different interpretations, different results across jurisdictions.



PROPOSED APPROACH DYNAMIC METHODOLOGY



Based on market logic

Focuses on how services compete and substitute in the eyes of users.



Anchored in relevant market definition

Defines the boundaries using economic principles that reflect real competitive constraints.



Uses demand substitution

Identifies close substitutes based on user choice, price, attributes and switching behavior.



Adapts to evolving business models

Flexible and forward-looking to capture innovation, convergence and new sources of competition.



Harmonization is achieved not through a single definition, but through a common methodology.



A common methodology enables consistent, proportionate and future-proof regulatory outcomes across all jurisdictions.

A Market-Based Methodology to Define the Postal Sector

From the broad economy to the competitive space where postal services operate

THE FRAMEWORK: A FOUR-LEVEL APPROACH

1 MARKET

The broad environment where needs are satisfied



- All goods and services that can satisfy a given user need.
- Very wide universe of options.

2 RELEVANT MARKET

Services that consumers view as interchangeable



- Defined using the principle of demand substitution.
- Includes close substitutes that users would switch to in response to a small but significant change.

3 INDUSTRY

Firms offering services in the relevant market



- All actual and potential suppliers of services in the relevant market.
- Captures different business models and operating conditions.

4 SECTOR

The scope of regulatory oversight



- The industry (and activities) that should be subject to regulatory oversight to address market failures and protect the public interest.

THIS METHODOLOGY ENSURES THAT:



Real market competition is captured—across providers and business models.



Regulatory scope is aligned with actual market dynamics.



Outcomes are consistent, proportionate and resilient to change.



Consumers, operators and the wider economy benefit from effective and fair regulation.

THE ENGINE OF THE METHODOLOGY



DEMAND SUBSTITUTION

At the heart of the methodology. It identifies the boundaries of the relevant market based on how users actually choose and switch between options.



Users have needs



They have choices



They switch when conditions change



This defines the relevant market

Why it matters

Focusing on user behaviour and substitutability ensures the sector definition reflects economic reality, not labels—delivering better regulatory outcomes.



This methodology provides a **consistent, adaptable** and **evidence-based** way to define the postal sector in any jurisdiction.

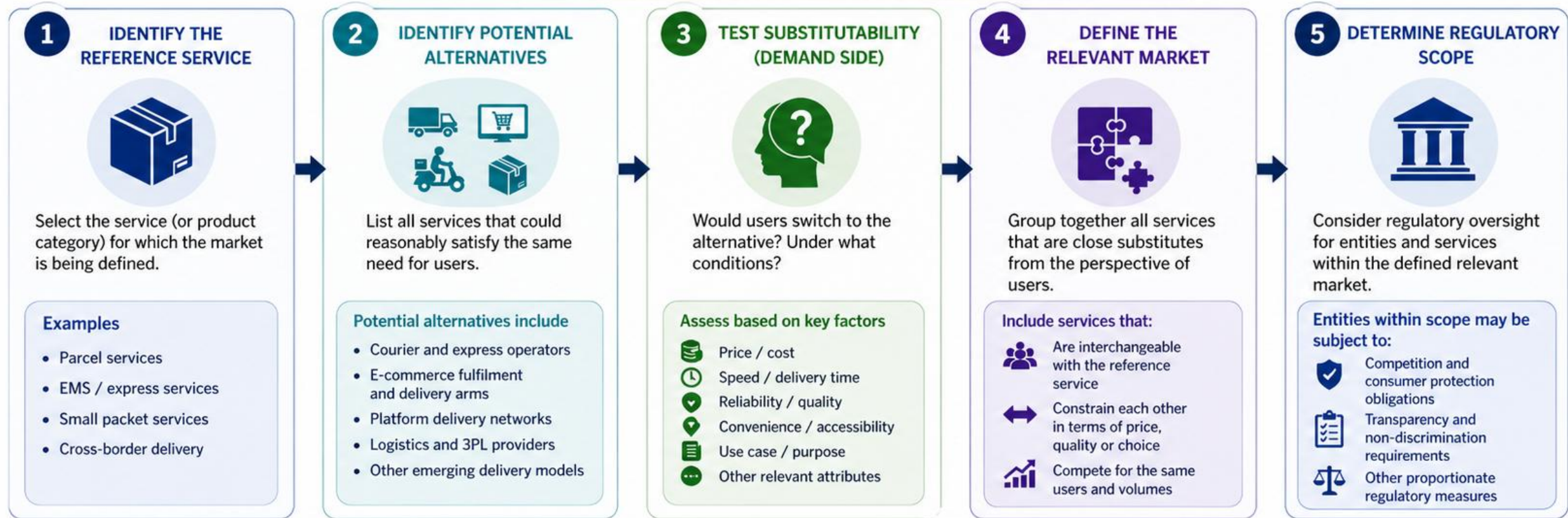


Different contexts. One common approach. Better regulatory outcomes.

Applying the Methodology: Defining the Relevant Market

A practical, evidence-based process rooted in demand substitution

A 5-STEP PROCESS FOR REGULATORY APPLICATION



WHAT THIS PROCESS DELIVERS



Reflects real-world competition and user behaviour



Grounded in evidence and observable factors



Adaptable to evolving business models



Consistent and replicable across different markets



Supports proportionate, effective and future-ready regulation



Bottom Line: Regulatory scope is determined by real competitive constraints—
not institutional labels.



Focus on how services compete.
Regulate what matters in the market.

Regulatory Implications: Aligning Oversight with Market Reality

Policies and regulatory frameworks must reflect how the market actually operates.

 Key shift: From regulating entities (e.g., the DPO) to regulating *activities and market outcomes across all substitutable services*.

1 LICENSING & REGULATORY SCOPE

From (current)



Operator-based licensing

- Focus on “postal operator” or designated operator
- License tied to institutional status
- Many providers performing the same activities remain outside scope

To (recommended)



Activity / function-based licensing

- License by activities performed (acceptance, processing, conveyance, delivery)
- Include all providers of substitutable services:
 - Platform delivery arms
 - Couriers & logistics companies
 - Hybrid / integrated operators
- Same rules for same activities, regardless of who provides them



Regulatory scope must capture all providers competing for the same users, volumes and value.

2 COMPETITION & MARKET OVERSIGHT

From (current)



Monitor only the DPO

- Limited market intelligence
- No view of market power beyond the DPO
- Limited assessment of vertical integration and cross-subsidisation
- Reactive and fragmented interventions

To (recommended)



Market-wide competition analysis

- Holistic view of the market
- Assess market power across all providers
- Monitor pricing behaviour, vertical integration and cross-subsidisation
- Proactive, evidence-based interventions
- Merger review and conduct remedies where appropriate



Competition policy must reflect the full competitive landscape to protect users and ensure fair outcomes.

3 UNIVERSAL SERVICE RECONSIDERED

From (current)



Burden on DPO alone

- DPO carries the primary obligation and cost
- Funding gaps and financial strain
- Uneven playing field vs. other providers
- Limited sustainability of universal service

To (recommended)



Rebalanced universal service framework

- Shared responsibility where appropriate
- Market-based and competitive approaches to deliver outcomes
- Transparent funding mechanisms
- Focus on achieving outcomes, not preserving monopolies



Universal service must be aligned with market realities to be effective, affordable and sustainable.

4 REGULATORY APPROACH (CROSS-CUTTING)



Proportionate regulation

Tailor intensity of regulation to risk, market power and potential impact on users.



Technology-neutral frameworks

Regulate functions and outcomes, not specific technologies or business models.



Adaptive and iterative regulation

Continuously monitor market evolution and adjust policies based on evidence.



Data, transparency and cooperation

Improve data access, reporting standards and cooperation across agencies.



Effective regulation requires shifting from regulating entities to **regulating markets and activities**—where impact can be real, proportionate and outcome-focused.



Aligning oversight with market reality ensures better competition, stronger universal service and improved outcomes for all users.

THE BENEFITS OF GETTING IT RIGHT



Fair competition and level playing field



Better consumer outcomes



More innovation, investment and efficiency



Sustainable universal service for all



Regulatory credibility and public trust

Effective Postal Sector Regulation

Aligning regulation with market reality to achieve policy and regulatory objectives



1. THE REALITY

The postal sector is no longer defined by institutions, but by markets, functions and substitutability.



Customers view delivery as a **service**, not by the type of provider.



Multiple providers perform the same **functions** across the delivery chain.



Competition occurs across an **integrated ecosystem**, not within silos.



2. THE SOLUTION

A **common methodology** provides a consistent, adaptable and evidence-based way to define the sector across jurisdictions.



Focus on **substitutable services** and the activities that determine market outcomes.



Grounded in **competition, user behaviour** and observable evidence.



Adaptable to evolving business models, technology and market dynamics.



3. THE OPPORTUNITY

Harmonization is achievable through **shared regulatory approaches**, not identical definitions.



Enable **comparability** of markets across countries and regions.



Strengthen **cooperation** and information sharing among regulators.



Build regulatory frameworks that are **proportionate, effective** and **future-ready**.



Harmonization begins with a common understanding of **how** to define the market—not **what** to define it as.



Effective regulation will depend on our ability to align oversight with market reality— **ensuring fair competition, protecting consumers and delivering on universal service objectives**.



The market has already evolved. **The question is whether our regulatory frameworks will evolve with it.**



**Thank You!
Questions?**



DR MICHAEL FUNK

Principal Economist, Swiss Economics



Blurring Boundaries in Parcel Markets

UPU conference on postal regulation – Panel: defining postal markets and services

Michael Funk, Swiss Economics

05.05.2026

Agenda



Some Stats



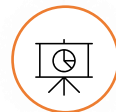
Main Developments



Key Factors for Market Definition



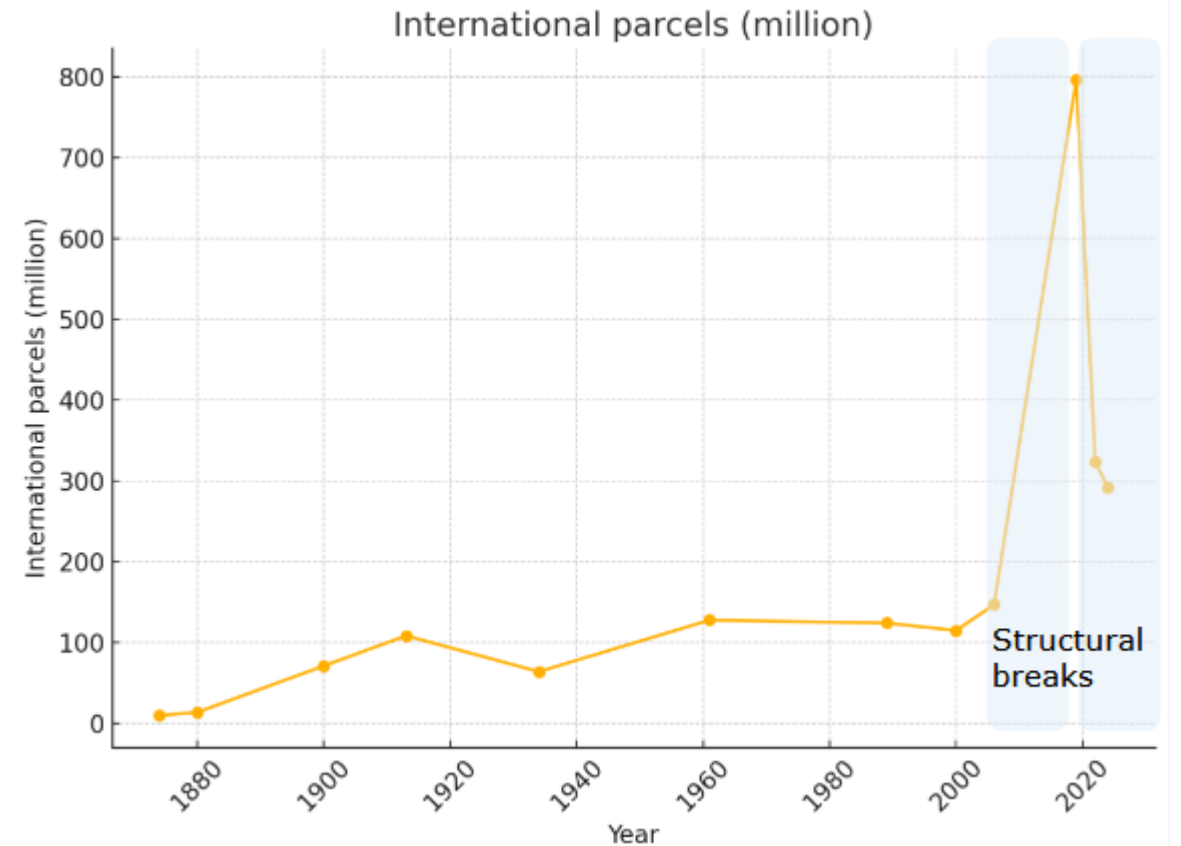
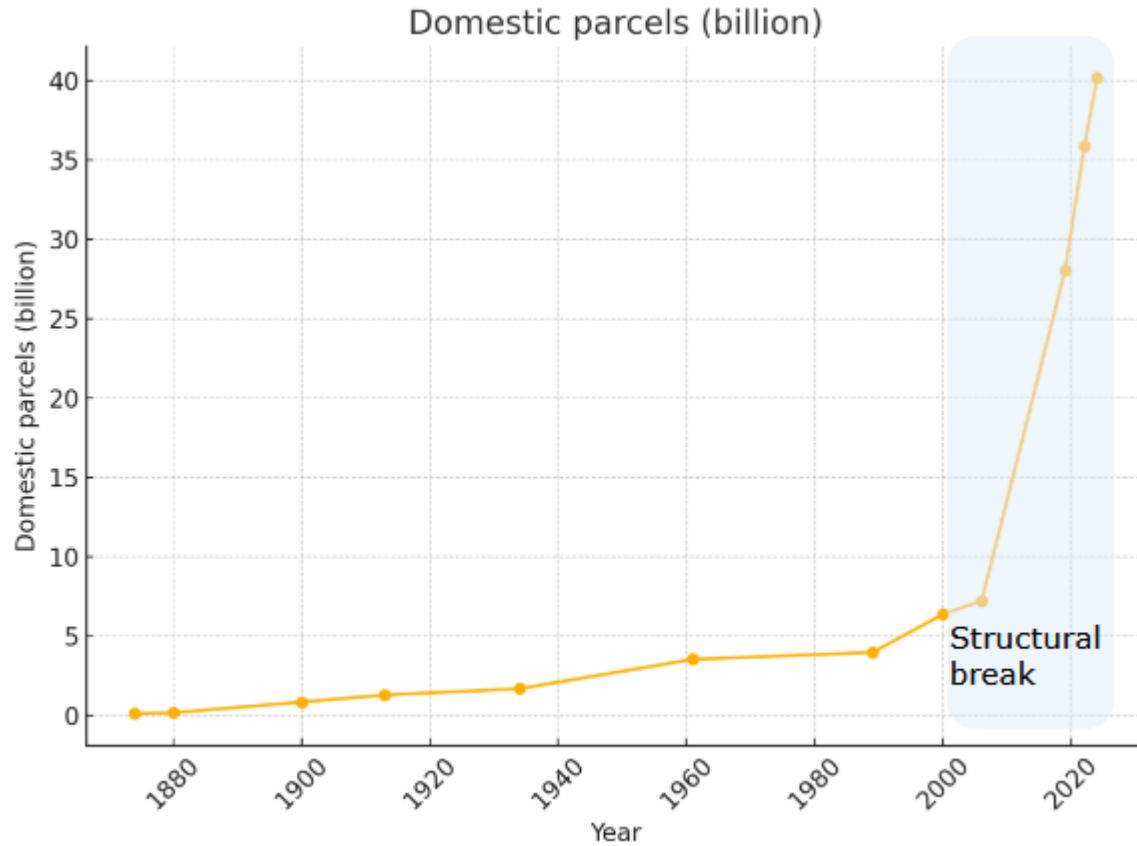
Deep dives



Conclusion

Worldwide parcel volumes

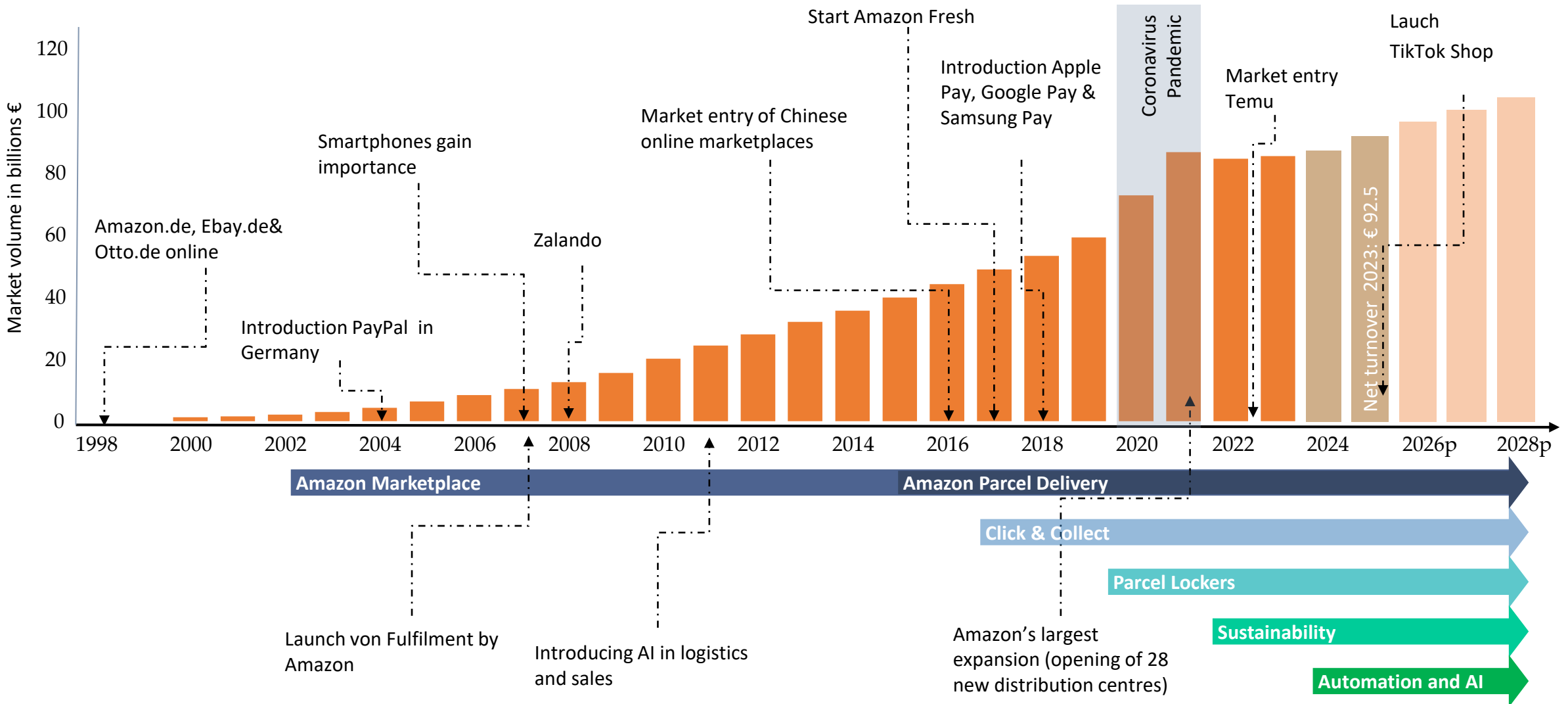
Long-run perspective: the rapid growth of e-commerce



Source. State of the Postal Sector 2024, 150 Years of the UPU, and Beyond.
Presentation by the International Bureau

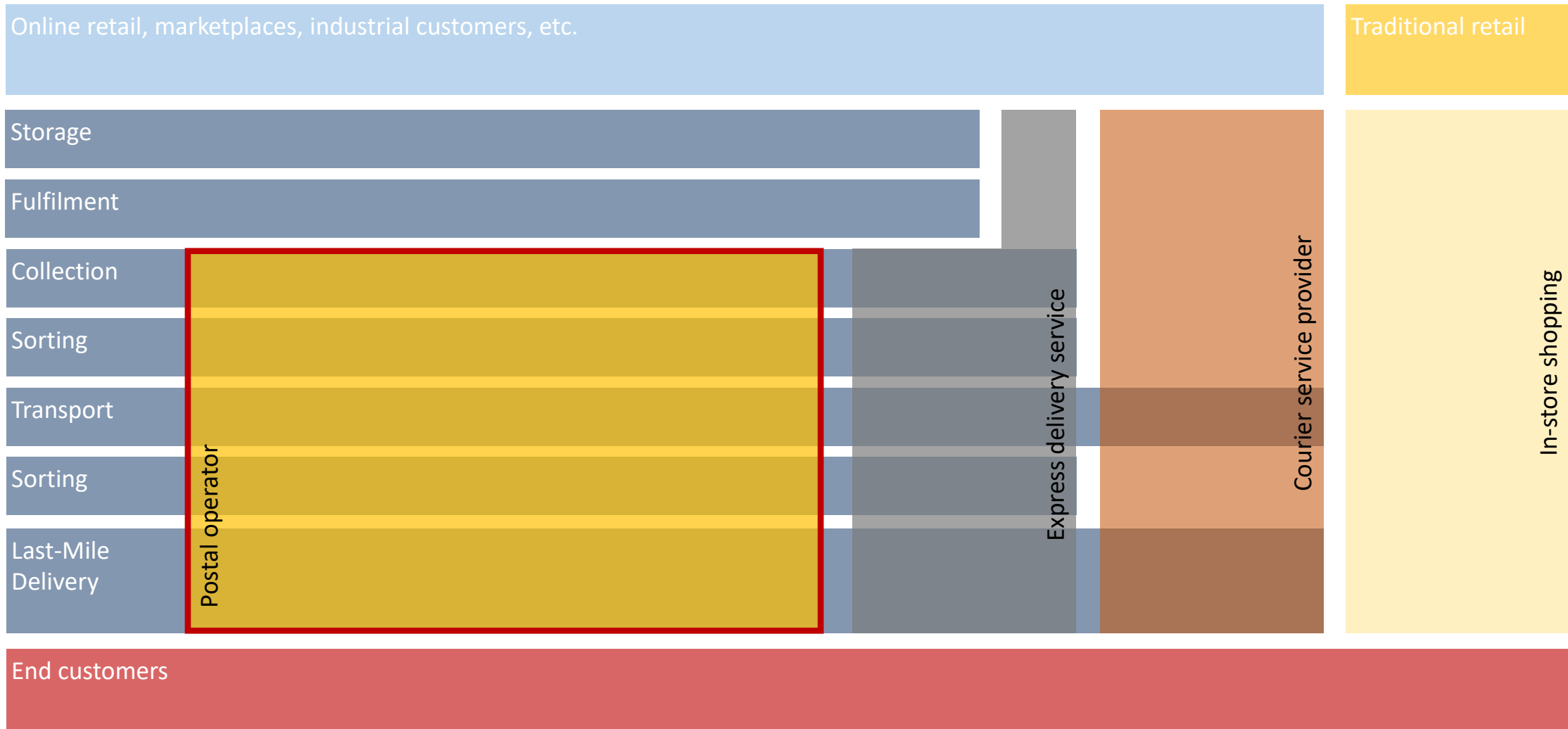
Main Developments in E-Commerce – the Example of Germany

Rapid growth and a series of disruptive events



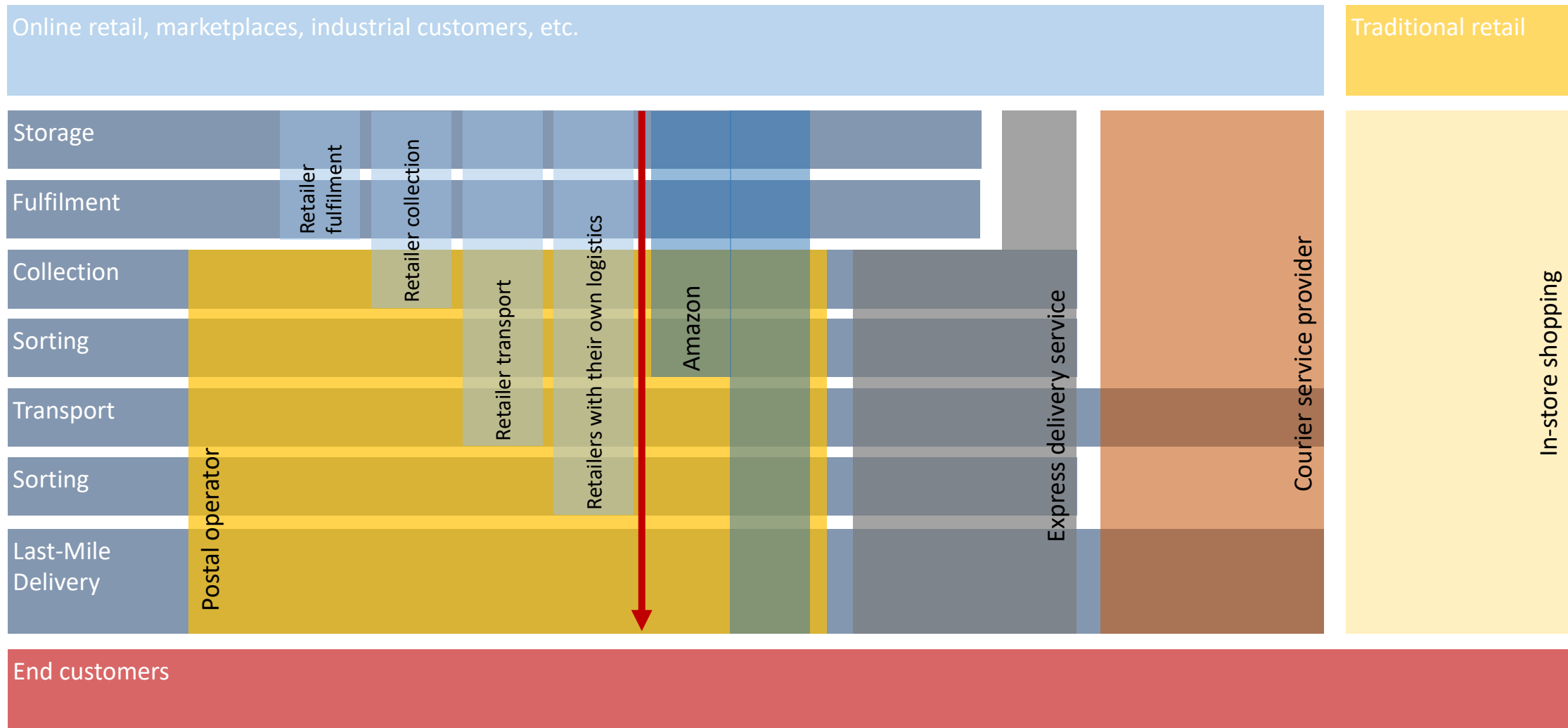
Traditional parcel market

A designated (national) postal operator covers the entire postal value chain



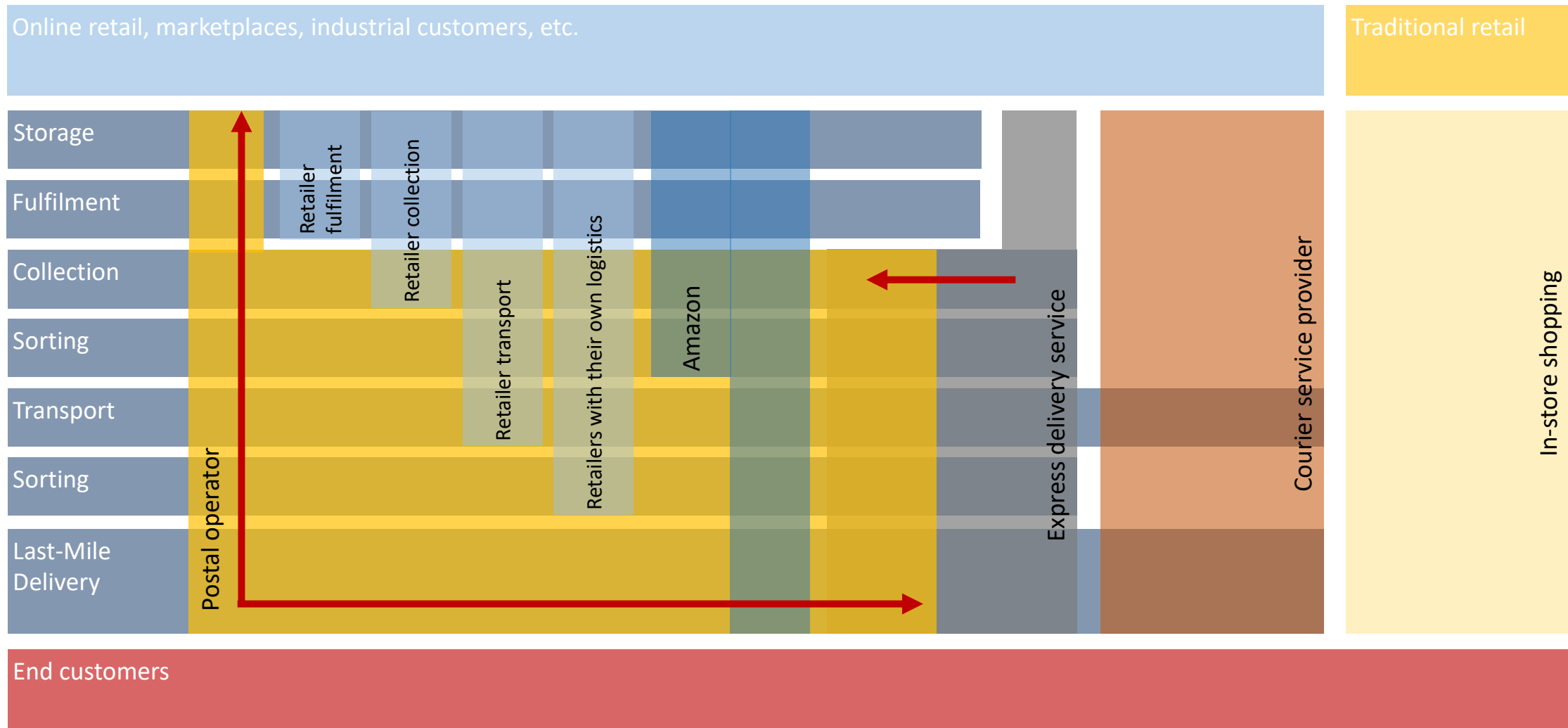
Growth and vertical integration of e-commerce

Online retailers are penetrating ever deeper into the postal value chain



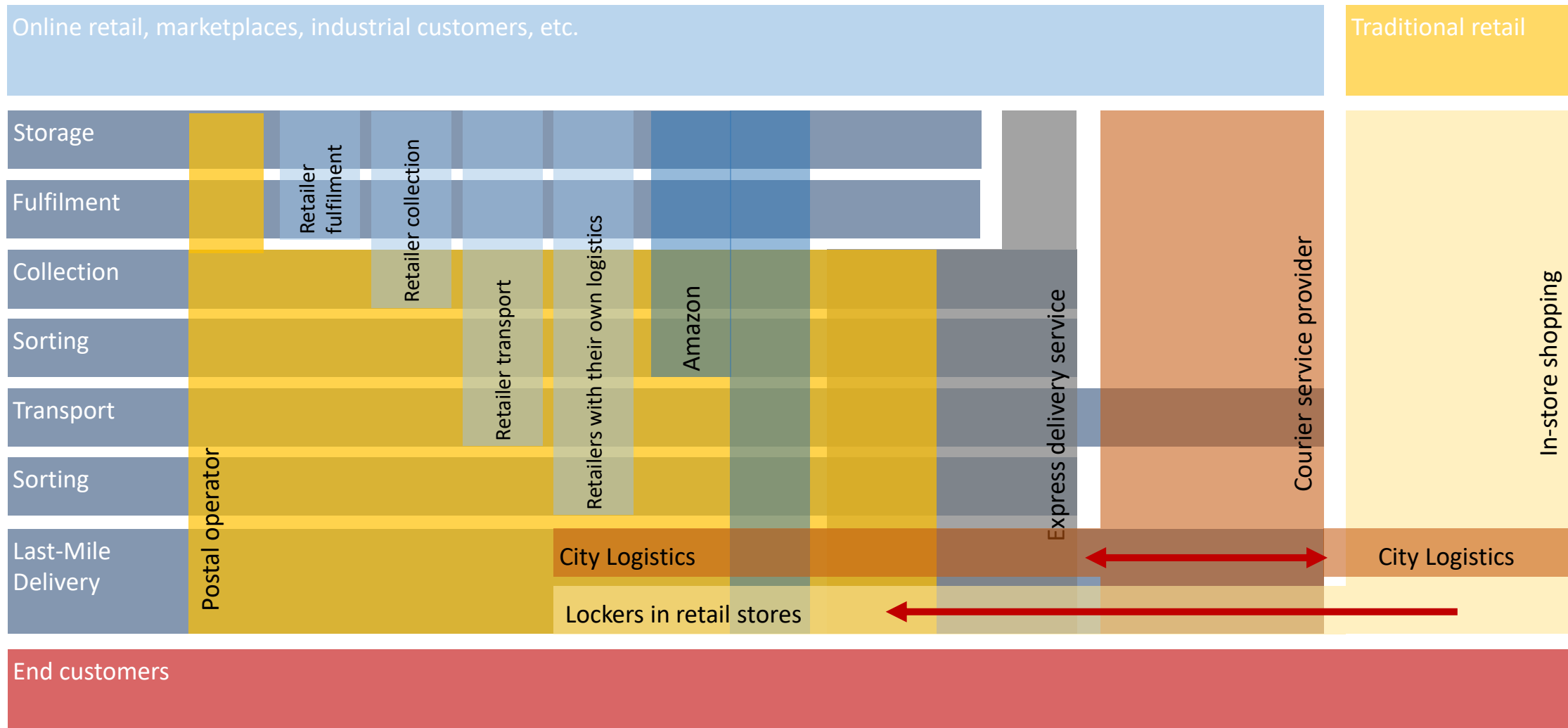
Vertical expansion and convergence of services

Vertical integration and technical adaptation among parcel delivery companies



Innovations on the Last Mile

New technology-driven models are lowering the barriers to entry in last-mile delivery



Key Factors for Market Definition

Overview of the key market boundaries

Geographical: destination of parcels



Parcel size



Delivery channel



Sender: B2X vs C2X



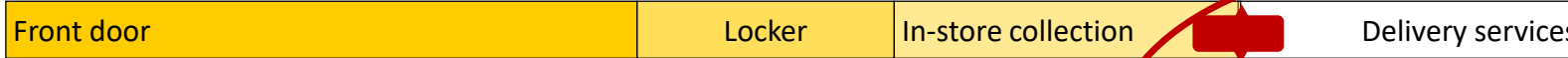
Recipient: X2C vs X2B



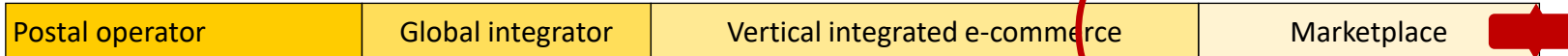
Shipment direction



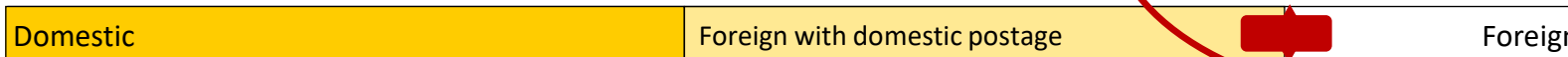
Last Mile



Firm structure



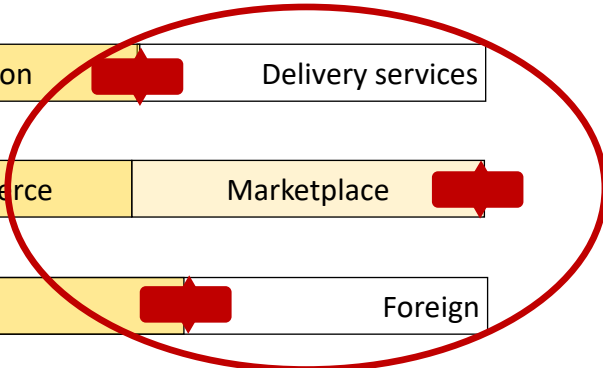
Geographical: origin of parcels



Supply and demand still differ significantly across the channels

Convergence from the supply side; different products from the demand side

Returns are operationally separated, but remain part of the same market from a demand and contracting perspective



Treatment of captive volumes

Do integrated e-commerce platforms and postal operators belong to the same market?

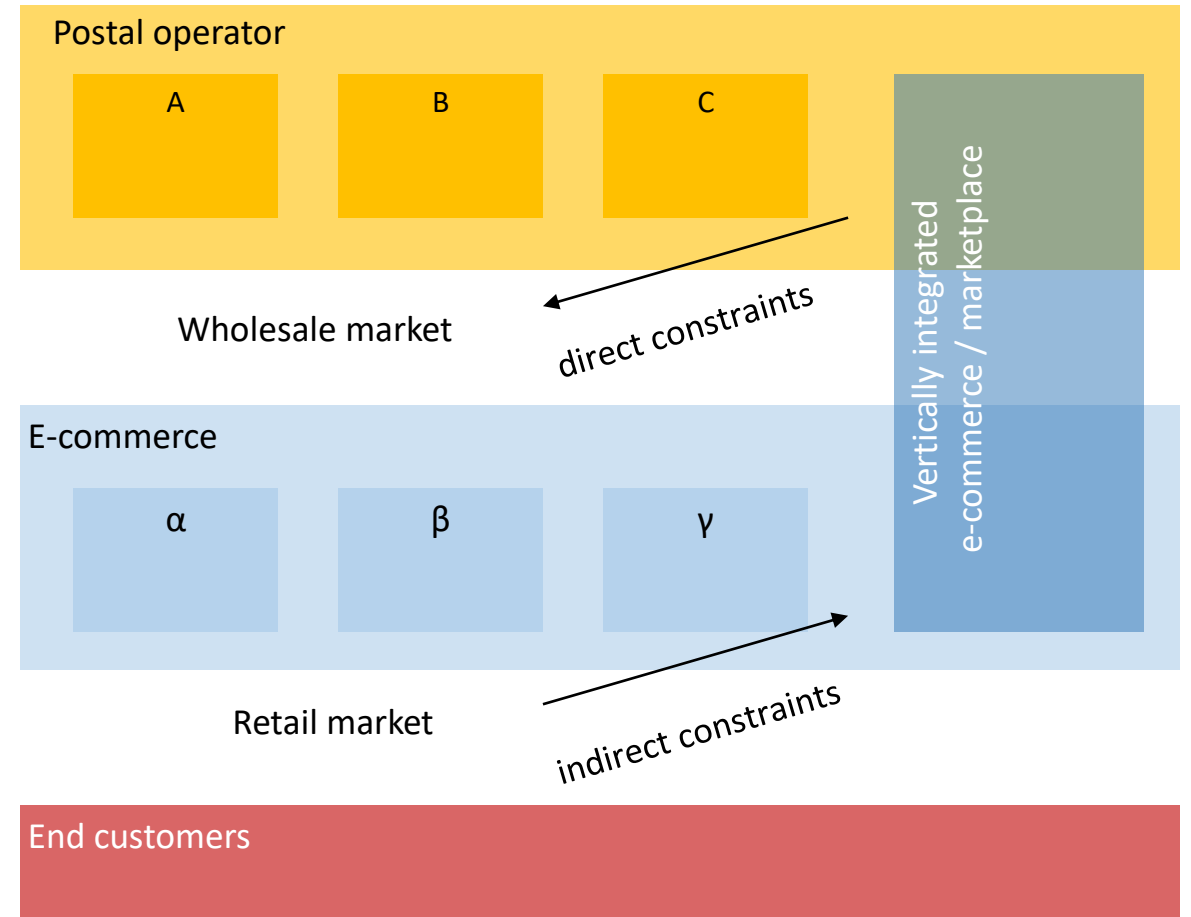
Direct constraints

- Demand substitution
 - Open delivery networks / open marketplaces
- Supply substitution
 - Build own delivery network
 - Open network to third party
 - Last-mile cooperation (e.g., delivery partners)

Indirect constraints

- Traditional e-commerce competes with vertically integrated e-commerce
- High parcel prices shift e-commerce to integrated platforms

→ **Captive volumes belong to the same relevant market**



Geographical: Origin of Parcels

How wide is national?

E-commerce bypasses traditional cross-border services

- Own transport, consolidators, marketplaces
- Key criterion: Ability to inject parcels into the destination country quickly and at low unit cost

Postal operators respond

- Cross-border collection
- Acceptance from foreign logistics providers

→ **Geographic market expands beyond national borders***

* Still subject to customs-related frictions

The case of Chinese Marketplaces

- Vertically integrated platforms i.a. as a response to higher termination fees
- Rapid growth driven by ultra-low pricing and scaling
- Direct shipping model → Cross-border transport + injection into national delivery networks
- Strong economies of scale and bargaining power
- Increasing use of destination-country warehouses

→ **Parcels often priced as national shipments**

Conclusion

Parcel markets are becoming increasingly contestable

- Traditional parcel market boundaries are blurring
- Value chain is increasingly permeable → entry of new players
- Broader ecosystem: global integrators, regional players, national operators

E-commerce as a disruptive force

- Vertical integration driven by cost and quality concerns
- Large platforms build own delivery infrastructure
- Last-mile delivery no longer a bottleneck

Implications for market definition

- Development of highly competitive parcel delivery markets
- Wide range of innovative delivery models and providers increases the scope of the relevant market
- Cross-border e-commerce: Ability of domestic injection expands the geographic scope of market

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PANEL CHANGEOVER



PANEL 2

**REGULATORY REMIT –
DEFINING THE BOUNDARIES
OF THE POSTAL SECTOR**



PAOLO ALAGIA

Head of the unit Regulation and Universal Service, Autorità per le garanzie nelle comunicazioni (Agcom)



ADAM TOMCZAK

Group Head of International Delivery and
Solutions Development, Allegro



Our panel topic

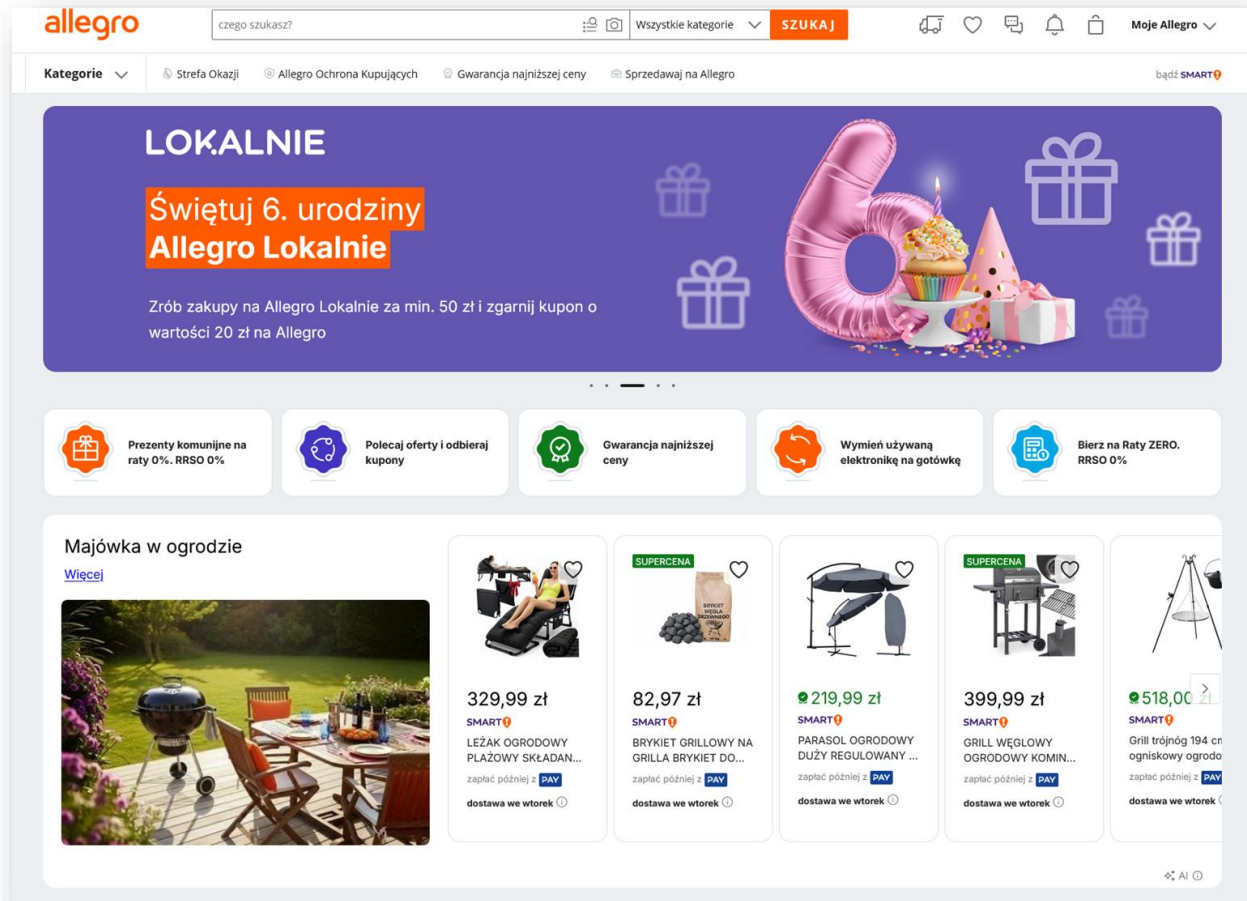
Are vertically integrated platforms performing (traditional) postal services?

If so, what are the implications of these trends on the postal sector's regulatory remit?

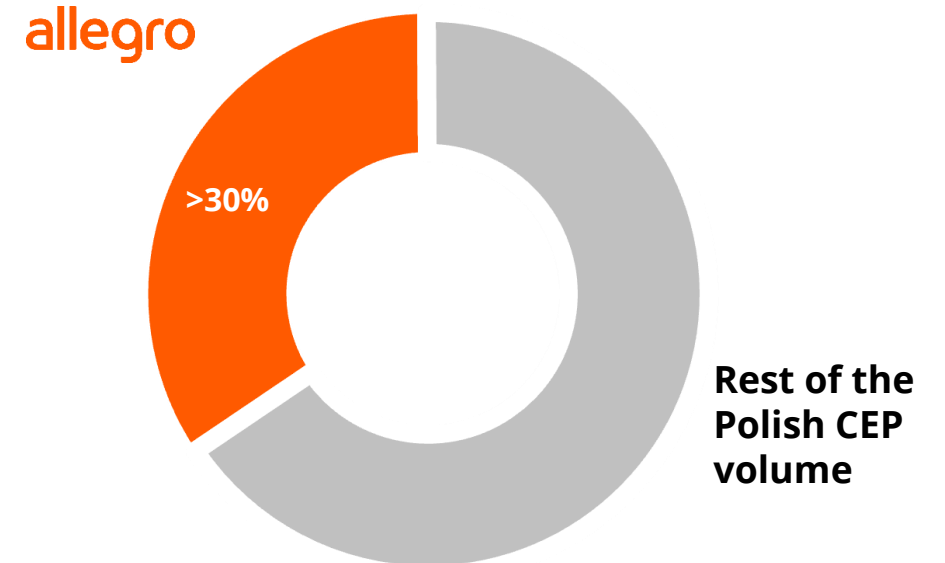


Allegro

What is “Allegro”?



A place to shop



...which generates more than 1/3 of the Polish CEP market volume

Allegro: Millions of offers but zero letters



290M+

Active offers across all categories

Electronics

Phones, Laptops, Audio

Home & Garden

Furniture, Lighting

Fashion

Clothing, Shoes

Health & Beauty

Cosmetics, Wellness

Automotive

Parts, Accessories

Sports & Travel

Equipment, Gym

Allegro: Millions of offers but zero letters

Are vertically integrated platforms performing (traditional) postal services?



290M+

Active offers across all categories

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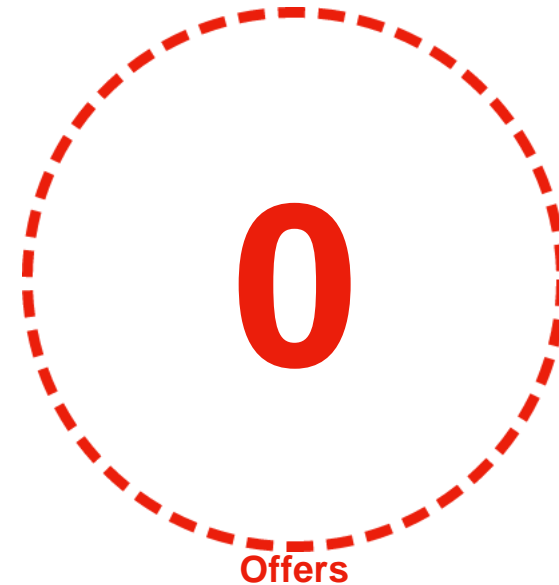
Cosmetics, Wellness

Automotive

Parts, Accessories

Sports & Travel

Equipment, Gym



No offers containing

- Personal letters
- Private correspondence
- Traditional postal mail services



Allegro
- the marketplace

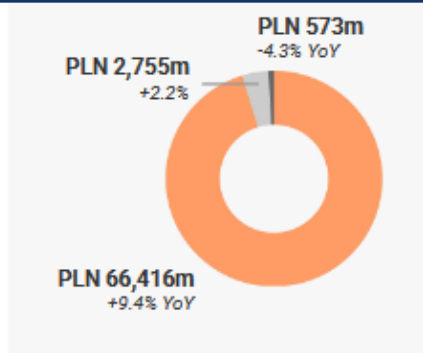
Numbers behind Allegro

Group GMV nears PLN 70bn for 2025, with Adjusted EBITDA up 15.4% YoY to PLN 3.5bn

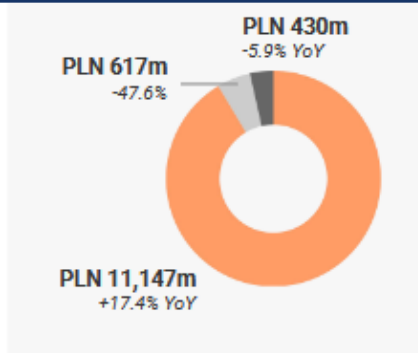
FY 2025 annual performance highlights

GROUP ¹	GMV	PLN 69.7bn	REVENUE	PLN 12.1bn	ADJ. EBITDA ³	PLN 3.5bn	CAPEX ⁴	PLN 0.9bn
	16,5 bn EUR	+9.0% YoY ²	2,9 bn EUR	+10.6% YoY ²	0,825 bn EUR	+15.4% YoY ²	0,212 bn EUR	+52.3% YoY ²

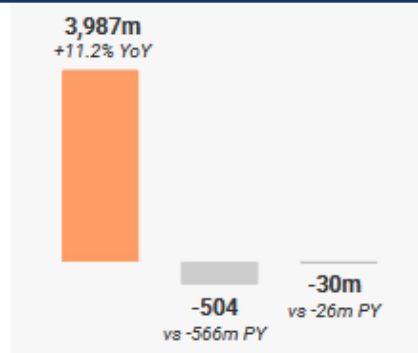
- Polish Operations
- Allegro International Segment
- Mall South Segment¹



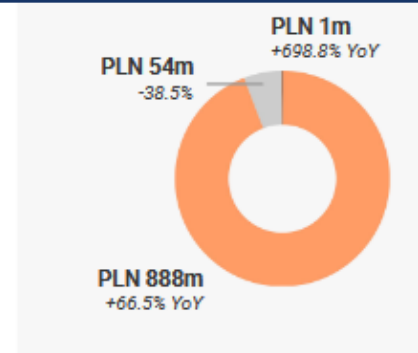
- 9.4% Polish GMV growth
- 2.2% Allegro International Segment growth comprises:
 - Allegro int'l marketplaces growing 58% YoY to PLN 2,677m
 - Headwind of PLN 879m⁵ from legacy Mall North operations closed since Q2



- Polish revenue growth reflects rising take rates, higher advertising penetration, expansion of fintech and logistics
- Final year of shrinking international revenues as Mall Transformation completed



- Polish GMV margin improves to 6% as advertising and fintech add to profits while logistics and marketing cost growth is contained
- Lower international loss as Mall legacy losses cut and the new marketplace scale-up continues



- Group capex of 23.6% of Polish Adj. EBITDA, within medium-term aspirations
- Spend acceleration mainly on delivery projects to reduce supplier concentration and manage unit costs

Profitable growth in Poland continued, with full year 6.00% GMV margin (+0.09pp YoY), exceeding medium-term aspirations for second straight year

1. Pro forma results, including Mall South to be consistent with Q1-Q3 2025 earnings reports. In Q4 2025, Mall South was moved to discontinued operations. See p 24 and Group annual report for details
 2. Growth for consolidated Group presented data after intersegment eliminations

3. Adjusted EBITDA defined as EBITDA pre group restructuring and development costs, stock-based compensation and other one-off items
 4. Represents cash capex and does not include leased asset additions (which are also presented in balance sheet)
 5. Excluding consolidation adjustments

Numbers behind Allegro

Evolving priority focus to growing the core marketplace and leveraging assets

Current medium-term priorities

Grow Core Marketplace	1	Easy and safe to shop, simple to sell	Continued
	2	Increasingly loyal customers	Continued
Build New Engines	3	Strong advertising	Continued
	4	Seamless fintech solutions	Continued
	5	Low cost and reliable delivery	Continued
Expand Internationally	6	Introduction of our asset-light marketplace	Continued
	7	Mall Segment turnaround	Completed
Ensure Solid Fundamentals	8	Groupwide architecture	Completed
	9	People & Culture, ESG	Continued

Delivery a key engine component

Revised medium-term priorities



New engines for growth

Build New
Engines



Advertising

Revenue up 24% YoY in 2025

Reached 2.24% of Q4 GMV

- **PLN 1.2bn** annual revenue from Sponsored Offers
- Driven by advanced algorithm developments, bidding optimization, and strong pricing

Fintech: Allegro Pay

PLN 13.6bn full-year loan origination

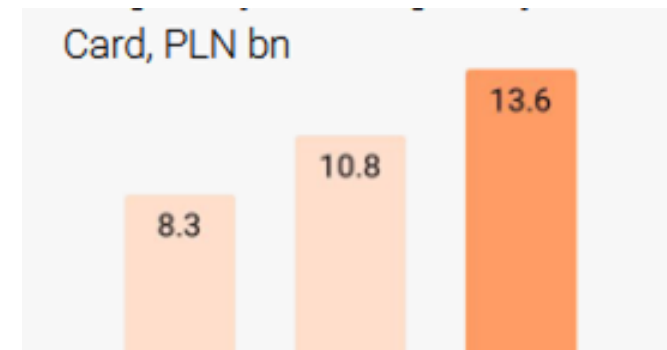
+26% YoY growth

- Q4 reached **PLN 4.1bn** (+30% YoY)
- Credit cards beginning to scale

Advertising revenue growth, PLN m



Card, PLN bn



Delivery: Allegro Delivery & Allegro International

Domestic and international programs where Allegro is the named carrier, shifting process accountability from traditional carriers to Allegro



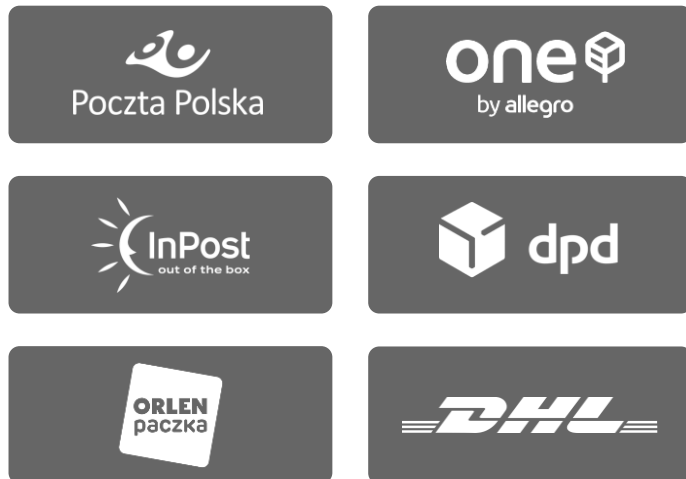
Allegro
- **the Polish**
delivery part

To provide the best experience to our customers, we created Allegro Delivery - an innovative partnership delivery program...

Enhanced product page project

Before

Clients navigating the maze of options



To provide the best experience to our customers, we created Allegro Delivery - an innovative partnership delivery program...

Enhanced product page project

Before

Clients navigating the maze of options

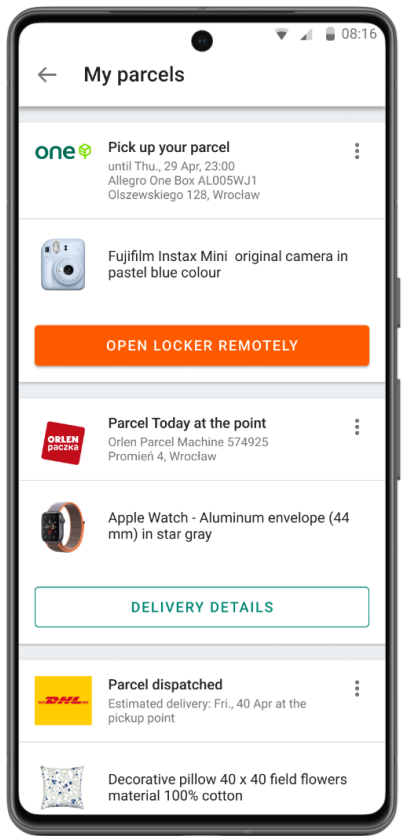


After Allegro Delivery

End-to-end buying experience within one platform



allegro DELIVERY



...which is already among the top logistics providers in Poland!

allegro DELIVERY

75 000+¹

lockers & pick-up points

>100 000+¹

merchants with Allegro Delivery

>200m¹

offers with Allegro Delivery, incl. all Smart! offers

84 pNPS²

industry-leading delivery service quality

1. As of March 2026

2. Own survey; As of March 2026



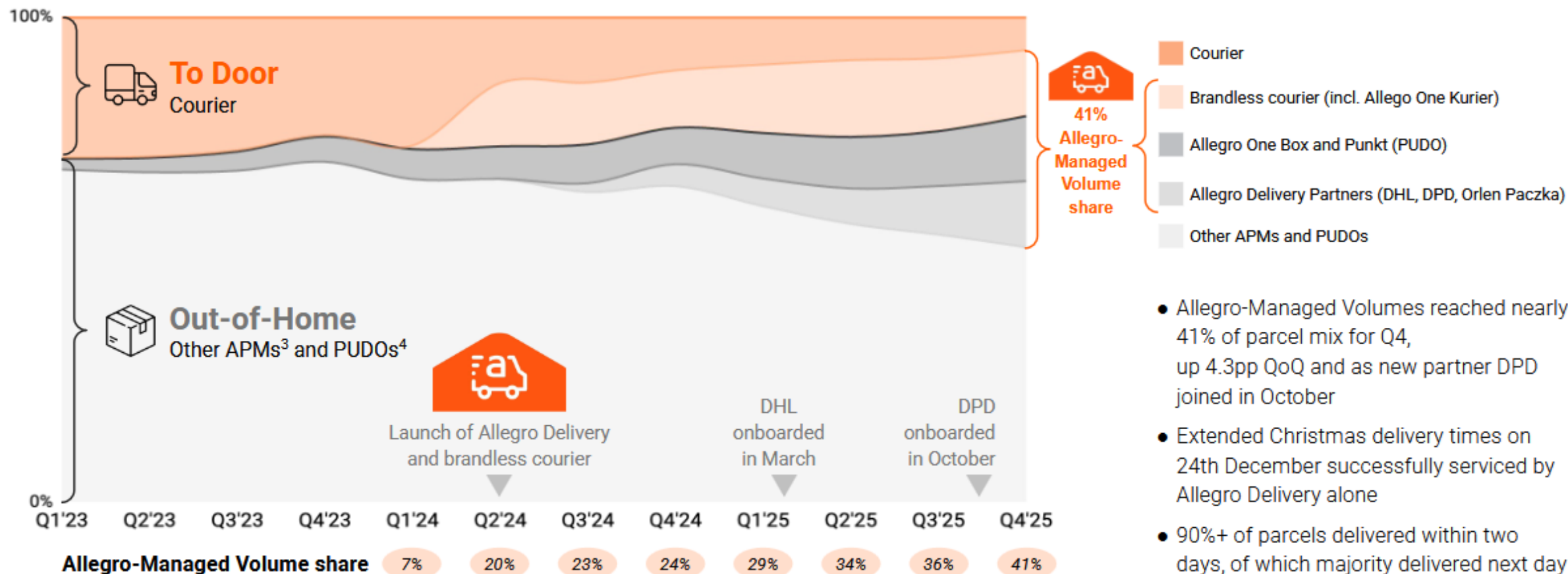
Allegro-Managed share in total deliveries continues to grow, adding 17pp during 2025 to reach 41% in Q4

Build New Engines



Increasing Allegro-Managed Volume share¹

Share evolution of delivery methods²



- Allegro-Managed Volumes reached nearly 41% of parcel mix for Q4, up 4.3pp QoQ and as new partner DPD joined in October
- Extended Christmas delivery times on 24th December successfully serviced by Allegro Delivery alone
- 90%+ of parcels delivered within two days, of which majority delivered next day

1. % share of Allegro Delivery and Brandless Courier in Allegro total volumes, incl. non-Smart! volumes
 2. In % of Allegro total volumes, incl. non-Smart!

3. APM - Automated Parcel Machines
 4. PUDO - Pick-Up and Drop-Off point

Delivery Experience: Volumes shifted to Allegro Delivery reduce average cost per parcel

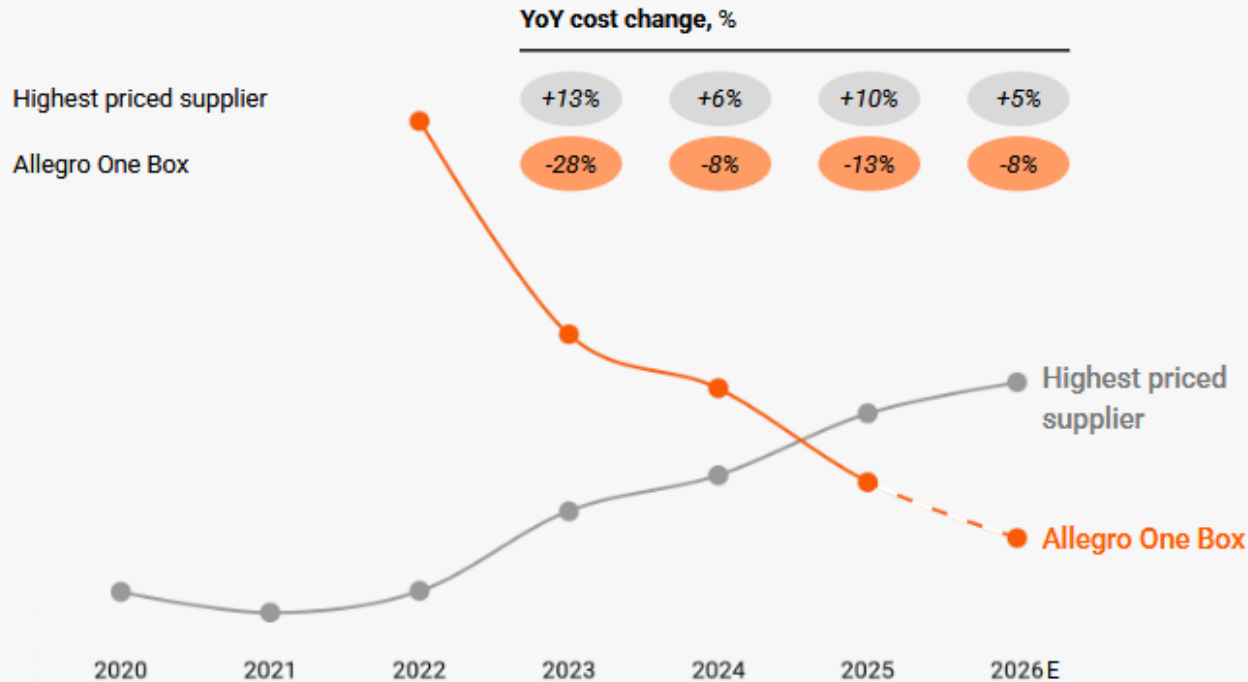
Build New
Engines



Mix shift to Allegro Delivery partners a tailwind to lower average cost per parcel

Unit cost of parcel delivery to APM

at EBITDA level



Allegro One development highlights:

- Reached >8.5k One Boxes in Poland and c.800 in Czechia, with rapidly growing volumes and utilization
- Continued One Box volume growth driving unit costs down
- Total Allegro One volumes (One Box, One Punkt, One Kurier) up 80% YoY

2026 drivers:

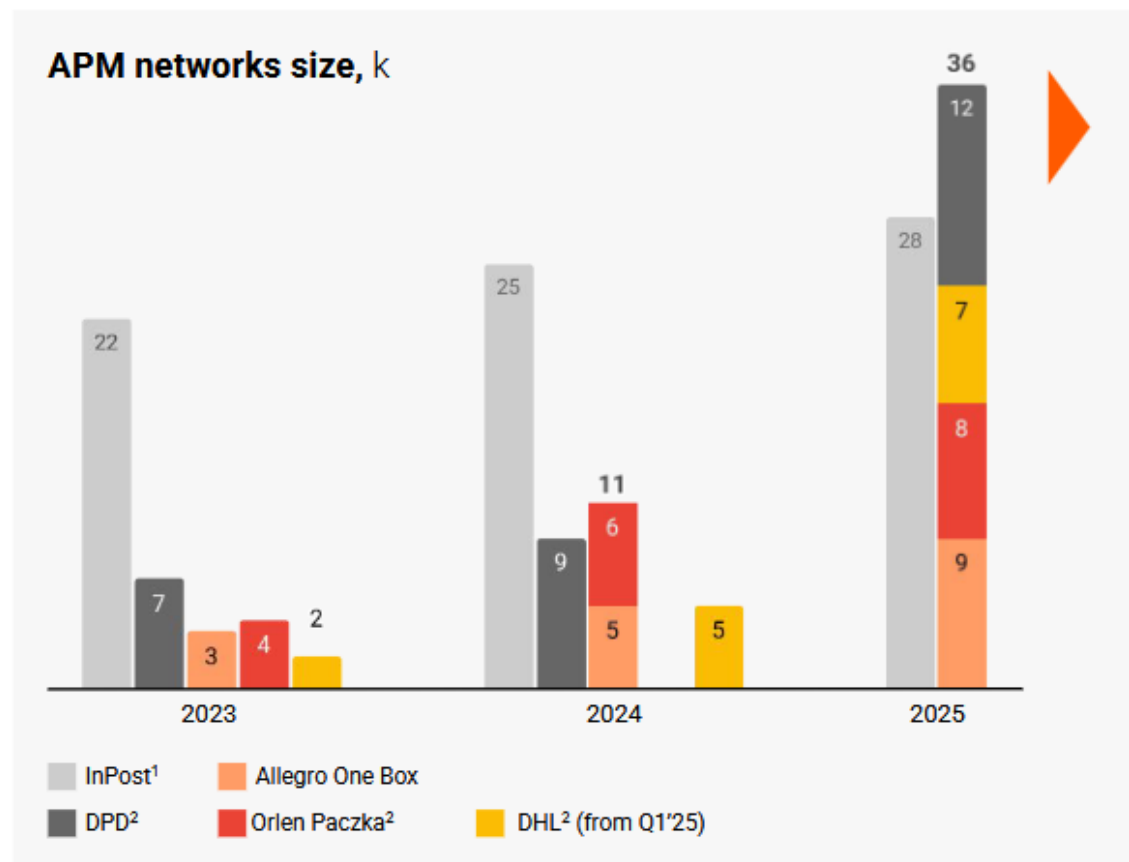
- Mix shifts towards Allegro Delivery partners lowers average cost per parcel
- All Allegro Delivery partners are cheaper than the highest priced supplier
- No breakthrough with the highest priced supplier as indexation increase (per contract) for 2026 further weakens competitiveness

Allegro Delivery offers the largest network of APMs, building on strength of Allegro One and partner providers

Build New Engines



Continued expansion of alternative APM providers



Allegro Delivery

- Delivery partnership program, in which Allegro assumes responsibility for the end-to-end delivery process
- Delivery method required for all Smart! offers for the customers to choose from

- DHL and DPD joined the program during 2025 significantly expanding the partner network to **36k Allegro Delivery APMs and 37k PUDO points** as of YE 2025
- Buyers rank **Allegro Delivery** experience consistently high, with **NPS³ at 79 for Q4**

Further network expansion plans in 2026:

- Allegro plans to further expand its One Box network by another 3,500-4,000 units in 2026, with additional investment in upstream depots and sorting facilities
- **Allegro Delivery partners** expected to expand their APM networks in line with SLA obligations, at a pace at least similar to 2025

1. InPost public data

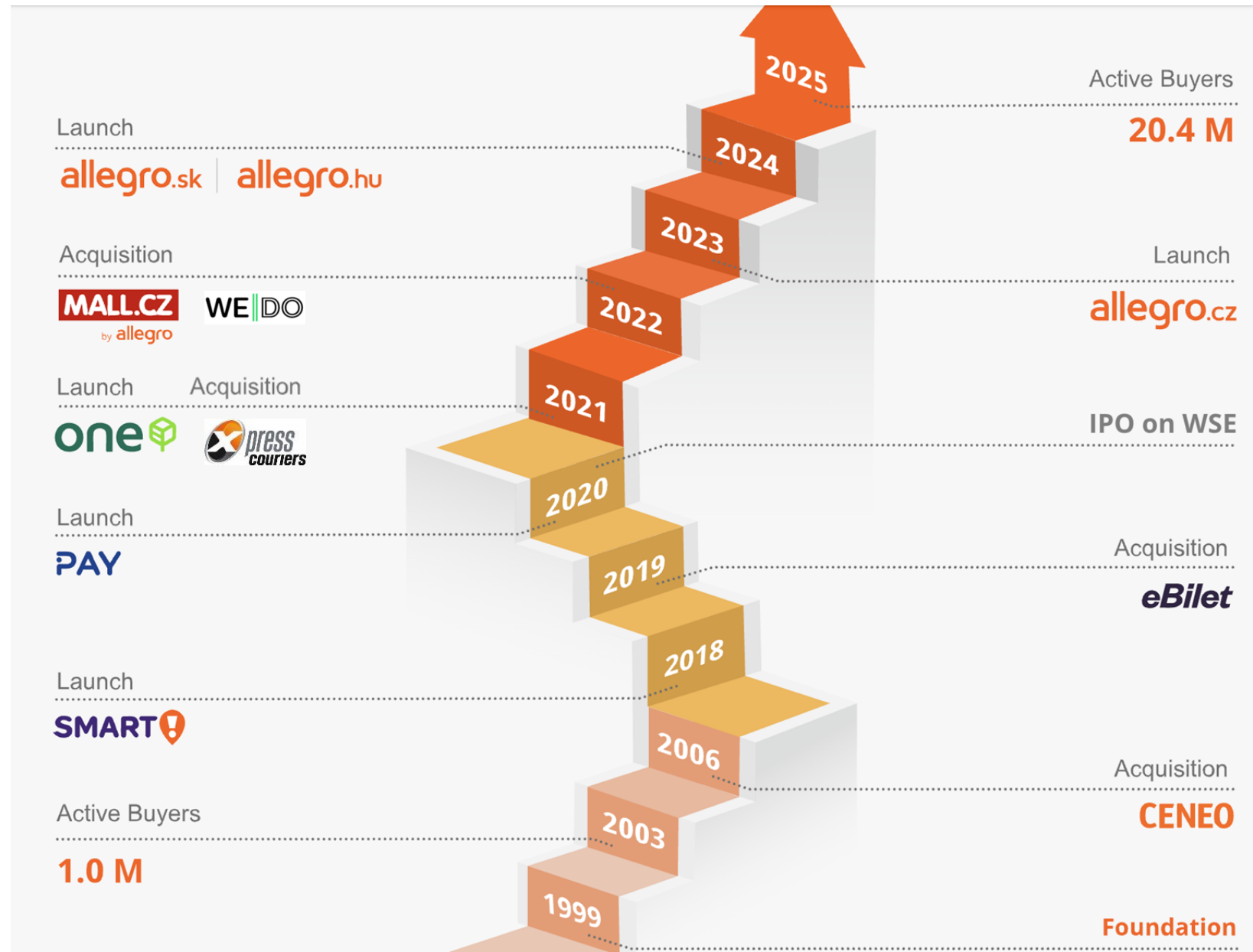
2. Press releases, company estimates

3. Source: Allegro own product NPS survey, as of December 2025, based on 36.3k sample size Combined Net Promoter Score for all Allegro Delivery! partners (Allegro One, Orlen Paczka, DHL) deliveries. Question: Delivery method of this purchase was (...) - would you recommend it to family or friends?



Allegro
- let's move!

New chapter: Scaling across CEE-4



allegro International delivery model

Service Core

Unified brand name across all platforms: **Allegro International**

Key Features

- Custom-designed for international e-commerce flows
- Allegro acts as the central operator managing the ecosystem
- Scalable cross-border infrastructure for CEE regions

Carrier Strategy

Multi-carrier model involving **>2 carriers** optimized for both first-mile pickup and last-mile delivery success.



allegro International delivery model

Customer

Key value proposition

- Trust & Best Experience
- Local Last Mile leaders
- Top customer service & claims standards

Legislative takeaways

- Unified customer service / claims and data protection rules
- Legal flexibility for local leaders to address cultural & geographic diversity

Merchant

Key value proposition

- Max. simplification
- Seamless intl expansion
- Unified T&Cs and pricelists on Allegro platform

Legislative takeaways

- Unified internal standards allow for simple scaling EU-wide

Marketplace

Key value proposition

- Top delivery experience
- Operational simplicity
- Single IT integration

Legislative takeaways

- Legal framework matching e-commerce flows
- Flexibility to lead through innovation and actively respond to business potential and customer needs

Partner Carriers

Key value proposition

- Multiple volume streams
- Integrated operations
- Performance visibility

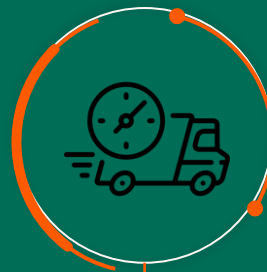
Legislative takeaways

- Flexibility to opt for exclusive or interoperated logistic networks, as per business model and customer needs
- Voluntary, not mandatory



Allegro

- why do this with delivery?



Speed



Reliability



Cost

E-commerce delivery is just the tip of the iceberg

The Opportunity

Allegro addresses a potential audience of 63 million buyers across the CE-4 region.



The Funnel Challenge

- Catch attention
- Convince to join platform
- Ensure relevant offers
- Convert browsing to shopping
- Perfect delivery (fast, cheap)

Costs of customer acquisition far surpass delivery costs.

The Bottom Line

While delivery must be perfect, e-commerce sales carry massive associated front-end costs.



Less than perfect delivery drives up retailer sales costs

Rejected carrier complaints impact customer satisfaction and drive them away

Thank you!



ANTONIA NIEDERPRÜM

Head of Department Postal Services and
Logistics, WIK Consult



Are vertically integrated platforms performing postal services?

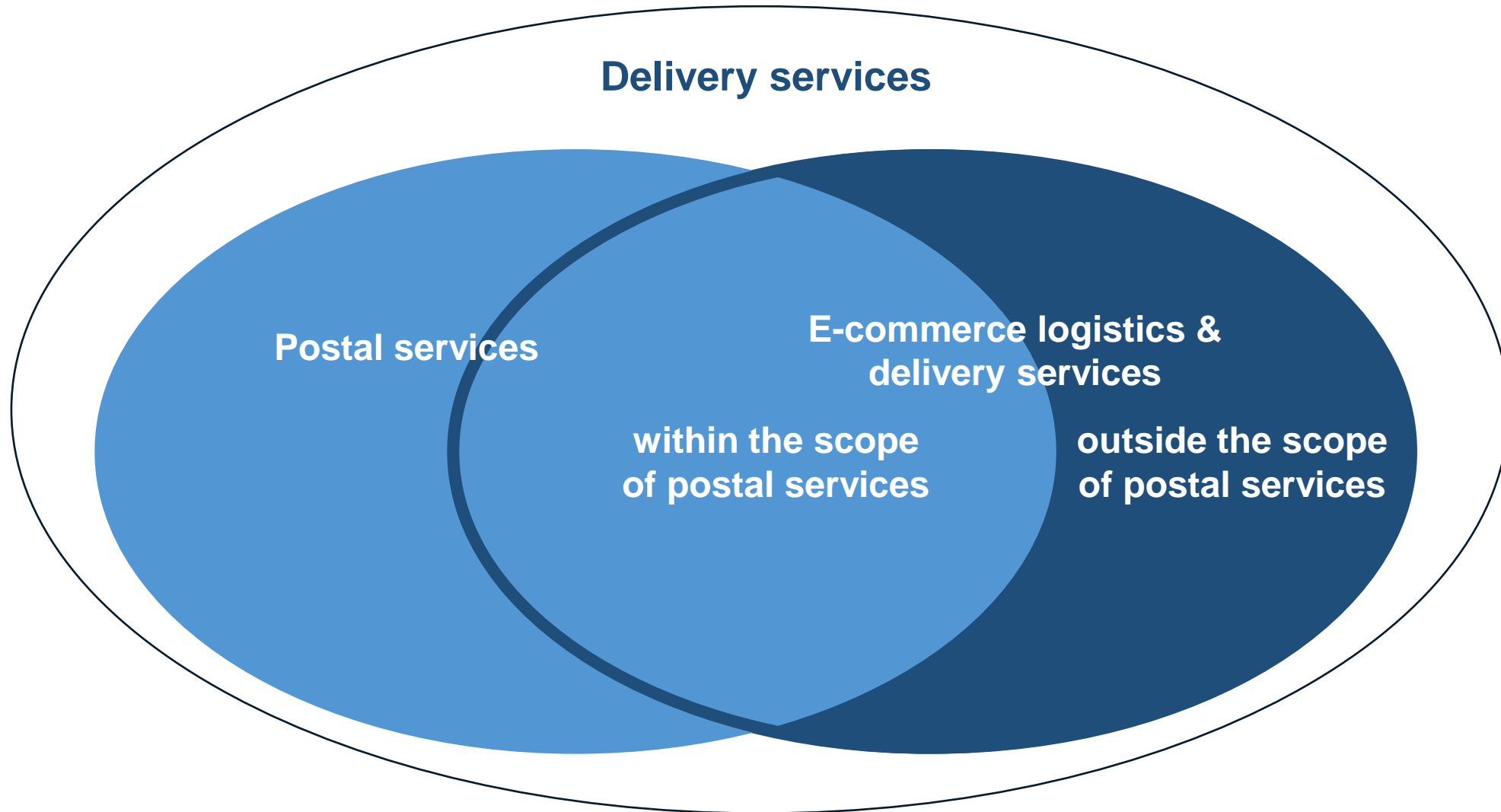
Regulatory remit defining the boundaries of the postal sector

Antonia Niederprüm
UPU Conference on Postal Regulation
Berne, 5 May 2026

Demand trends and market dynamics

- Demand trends have changed the competitive landscape
 - Designated operators shifting from letters to parcels: Letter-focused USO under pressure
 - ‘Traditional’ local parcel / express operators & integrators moving into B2C deliveries
 - New platform-origin players insourcing delivery of e-commerce orders
 - Smart, technology-driven independent last-mile providers
 - Platform-driven delivery for food and groceries
- E-commerce covers many product categories that need delivery = postal items?
- Letters vs. parcels and wider e-commerce delivery – different market structures
 - Letter markets: statutory monopoly and / or dominance of designated operators
 - Parcel and wider e-commerce delivery markets: innovative, dynamic and competitive

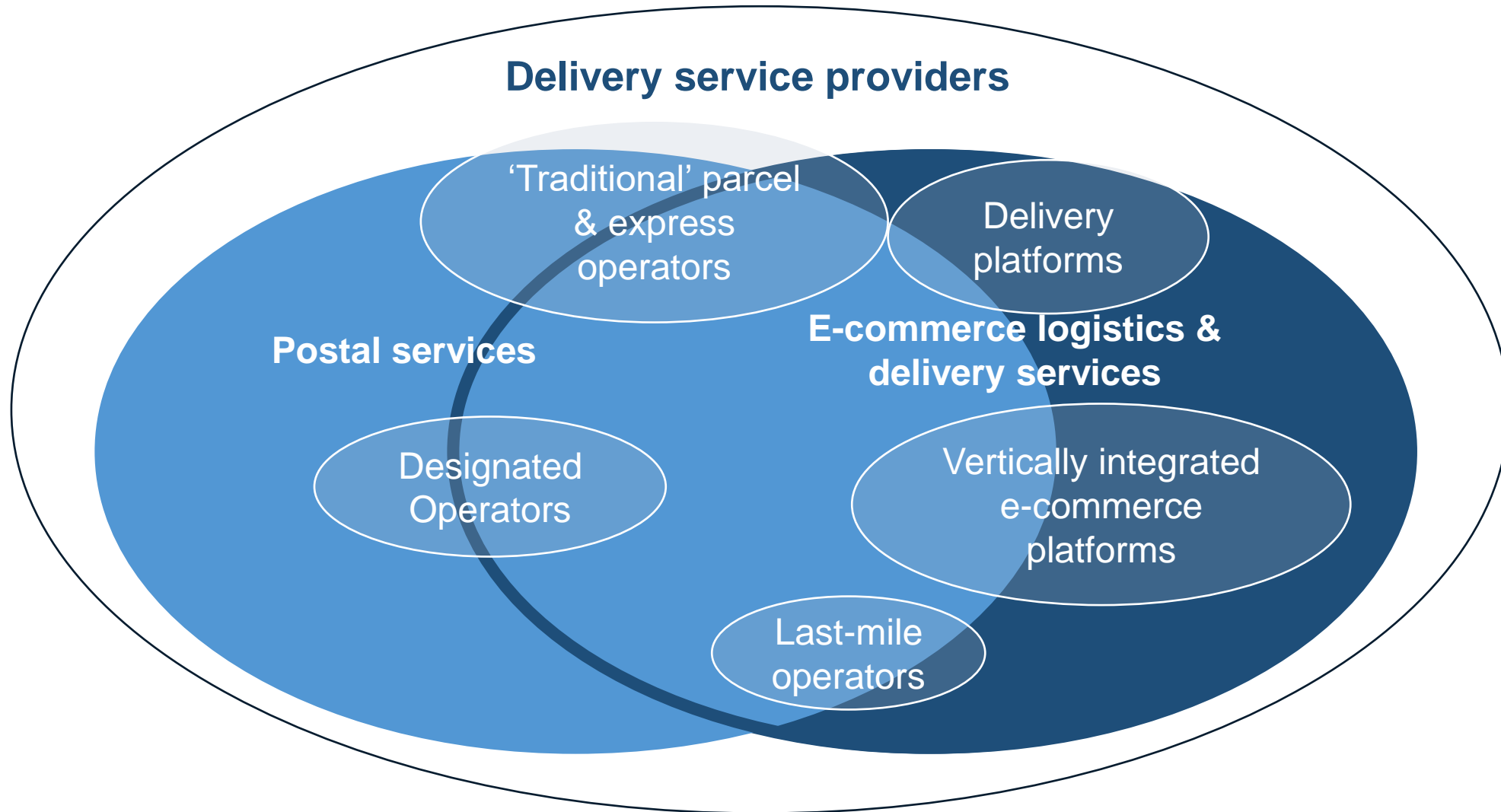
Postal versus wider e-commerce delivery services



Why do we need the regulation of postal services?

- Historically, postal market regulation was mainly about
 - Ensuring and regulating universal postal services with emphasis on letter post services
 - Setting up rules for postal services in general (outside the scope of universal postal services) to strengthen postal user protection and market transparency
- From an economic point of view, additional sector-specific interventions require the evidence of market failure and/or persistent distortions of competition
- Today, there is a gradual shift to increase the regulatory oversight of parcel delivery services
 - Under discussion: Reform of the European postal regulatory framework (EU Delivery Act)

Who should be categorized as postal service provider?



The definition of postal services matters for the decision who is controlled by postal rules

- Definition of postal services by activity
 - Collection, Sorting OR Delivery (ECJ case Confretra) vs. Collection, Sorting AND Delivery?
 - Regularly scheduled and standardized processes vs. ad hoc delivery services (point-to-point)?
- Definition of postal items
 - Addressed items
 - Defined by the size and weight of the item delivered (UPU standard)
 - Articles wrapped only vs. all articles
 - E-commerce encompasses product categories with specific requirement such as two-man handling (oversized articles) and temperature-controlled (groceries, food, health products)
- Service provision for third parties and the general public vs. self-provision

Vertically integrated e-com platforms = postal service providers?

Regulatory practice in Europe: The case of Amazon (1/2)

- A vertically integrated e-commerce platform is not only a marketplace where sellers and buyers transact with each other, but also one that provides the fulfilment and delivery of orders placed on the platform.
- In Europe, Amazon has been insourcing the delivery of online orders from its marketplace since 2012, including those from third-party sellers and from Amazon itself.
 - By 2025, Amazon had set up package delivery stations and delivery services in the UK (2012), Germany (2015), France (2016), Italy (2016), Spain (2016), Austria (2018), Belgium (2022), the Netherlands (2022) and Ireland (2025).
 - Delivery services are organised under national Amazon subsidiaries, such as Amazon Logistics and Amazon Transport.
 - The last mile is subcontracted to SME delivery service providers (DSPs)
- In the European CEP market, Amazon was the TOP 1 carrier and delivered 13% of the packages (2023, estimates of Effigy).

Vertically integrated e-com platforms = postal service providers? Regulatory practice in Europe: The case of Amazon (2/2)

- From a regulatory point of view: Are Amazon subsidiaries considered postal service providers in EU Member States?
 - Short answer: YES
 - Amazon subsidiaries must notify as parcel delivery service providers.
 - Following EU postal regulatory framework and ECJ decisions:
All parcel delivery service providers are postal service providers (but not vice versa).
- What does the categorization as a postal service provider actually mean for Amazon:
This depends on the market access regime and the depth of regulatory oversight:
 - Market access regimes range from light-touch notification with reporting obligations, to tighter authorisation regimes with additional requirements and obligations.
 - Depth of regulatory oversight: Range from market transparency and user protection to tighter obligations and requirements

Light-touch notification vs. tighter authorisation regimes

Regulatory practice in Europe

Notification Regime

- Application of the EU Cross-border Parcel Regulation
- Typical requirements:
 - Reporting obligations
→ can be extended by NRAs (sustainability indicators, home vs. OOH delivery etc.)
 - Information on complaints & redress procedures, public cross-border tariffs

Parcel operators in AT, FR, IE & NL

General Authorisation Regime

- National postal legislation & decisions
 - Evidence required for reliability by affidavit, incl. subcontractors i.e. only last mile services (ES, IT)
 - Evidence required for reliability, financial and professional capacity (DE)
 - Obligations related to subcontractors and/or working conditions (BE, DE, IT)

Parcel operators in (BE), DE, ES & IT

No market access regime in place for parcel operators in the UK

Drawing the line: postal definitions and regulatory scope

Be careful what you define as ‘postal services’ and ‘postal items’

No one-size-fits-all: calibrate sector-specific rules and depth of oversight.

- A legal definition does not only decide **who** is subject to sector-specific rules; if drawn too broadly it can unintentionally capture innovative services and new business models.
- This risks slowing down experimentation in areas such as **new delivery concepts, platform-based logistics and data-driven services**, which might function well under general competition and consumer-protection law alone.
- The challenge is to design postal definitions that **target the universal service and, if appropriate, genuine market failures** without putting unnecessary regulatory weight on emerging, still-evolving business models.
- How we draw the line around “postal services” can also create **frontier effects** with adjacent activities (transport, warehousing, wider delivery markets) that often face different regulatory regimes.

Policy priorities: what belongs in postal regulation?

What to regulate – and what to leave to horizontal rules

Primarily postal

Universal service and affordability:

- Ensure access to basic delivery services, including for e-commerce, in remote and rural areas.

Market functioning and access

- Monitor how vertically integrated e-commerce platforms affect the addressable market for independent providers

When market power is leveraged into delivery

- If a platform uses its strong position in an adjacent market to distort competition in delivery, this should prompt closer cooperation between postal regulators and competition authorities to enforce tighter ex post control.

Primarily horizontal

Working conditions and subcontracting

- Important concerns, but best addressed by general labour and social rules, with postal regulation only stepping in where there is a clear sector-specific gap

Vertically integrated e-commerce platforms are not traditional postal delivery service providers

- They should be brought into postal oversight only where their activities clearly amount to postal-type services and may generate sector-specific risks, not merely because they operate logistics assets



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MAIN CONCLUSIONS AND TAKEAWAYS

