



The COVID-19 crisis and the postal sector

The Universal Postal Union, the UN specialized agency for coordinating international postal services, has released a report diagnosing the economic impact of the COVID-19 pandemic on postal operators worldwide.

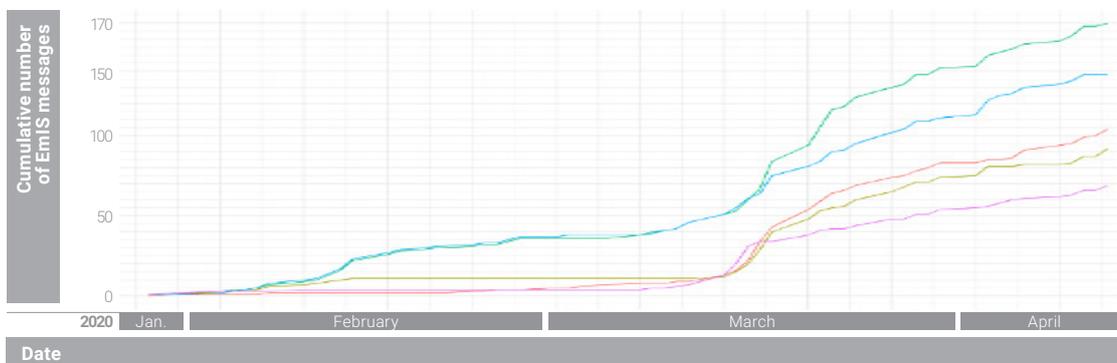
Using official postal statistics and indicators constructed from electronic data interchange messages on postal shipments exchanged between countries, the report evaluated postal sector activities between January and May 2020, finding:

International postal volumes have seen a significant drop

Volumes were down 21% compared to the same period last year – the largest drop since the UPU began recording electronic data interchange between postal operators 10 years ago.

Postal operators have faced many barriers preventing them from providing a regular service

The UPU has tracked disruptions to postal services via messages received from its member countries through its Emergency Information System (EiMS). The UPU has received hundreds of messages reporting transport disruptions, changes in work force capacity, suspensions and force majeure.



Announcement

- Disruption
- International transport capacity impacted
- Work force capacity impacted
- Force majeure case invoked
- Suspension

Source: UPU Emergency Information System (EiMS) messages
Notes: Daily cumulative sum of announcements at the global level

Postal items are being stranded in a logistical “no man’s land” due to these disruptions

Only one of every 2.1 items sent are arriving at their destination within the same week, as opposed to 1:1 during normal times.

There are outcomes for postal operators around the globe

Based on the long-term trend of declining letter post volumes – a major business line for the Post – coupled with the short-term economic effects caused by the pandemic, the report predicts three possible outcomes for postal operators:

- **The pessimistic outcome** – postal operators are unable to fully recover.
- **The expected outcome** – postal operators recover from the short-term impacts of COVID-19, but continue to face declining letter post volumes.
- **The optimistic outcome** – postal operators recover quickly and harness opportunities that would reverse long-term volume declines.

How they manage to recover will depend on several key factors

Postal operators’ recovery will depend on supply (such as labour), the resilience of postal supply chains, the duration of public health measures taken against COVID-19, economic risk mitigation measures, consumers’ disposable income, the adoption of digital alternatives, and countries’ postal development.

To read the full report titled, “The COVID-19 crisis and the postal sector” go to:
www.upu.int/en/covid19report