

STATE OF THE POSTAL SECTOR 2026

Orchestrating a postal future

UPU
UNIVERSAL
POSTAL
UNION

Published by the Universal Postal Union (UPU)
Berne, Switzerland

Printed in Switzerland by the printing services
of the UPU International Bureau

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TITLE: State of the Postal Sector 2026,
Orchestrating a postal future

ISBN: 978-92-95116-56-6

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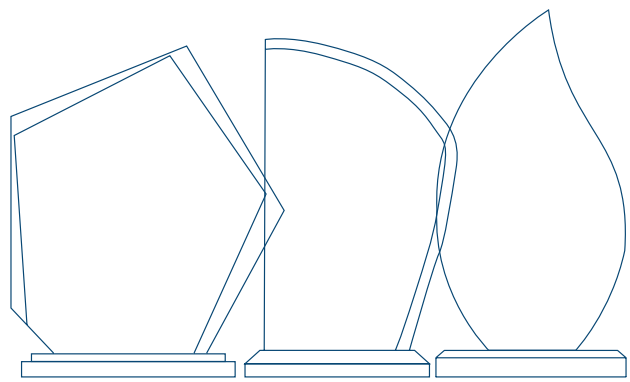
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EXECUTIVE SUMMARY

ONE FINDING FROM FIVE ANGLES

The Universal Postal Union's State of the Postal Sector 2026 was written in a year that added a new tempo to a settled diagnosis.

That the sector's difficulties are structural rather than cyclical is no longer contested: the UPU's strategy for the Dubai cycle calls them "structural" and in need of "immediate, radical transformation".

What the 12 months from August 2025 to July 2026 added was speed.

The world's two largest destination markets each changed the customs treatment of low-value cross-border parcels; an armed conflict reshaped the postal geography of an entire region within a month; and real postal revenue completed its third consecutive year of decline.

Some of these events were forecast, but each arrived faster than the sector's decision cycles can adapt to accommodate exogenous shocks.

The report follows a single argument from measurement to mechanism to response.

Section I sets the statistical baseline; section II presents the 10th edition of the Integrated Index for Postal Development (2IPD); section III reads 12 months of international exchanges at the level of the individual corridor; section IV names the macroeconomic regime and the mechanism by which it amplifies postal fragility; and section V describes the response the UPU has prototyped.

Its five bodies of evidence, assembled from different data at different frequencies, all point the same way: the sector is not badly informed. It decides too slowly on too narrow an option set, in an environment that no longer rewards patience.

DOMINANT WHERE VOLUME IS DISAPPEARING, MARGINAL WHERE IT GROWS

The official statistics returned by designated operators (DOs) – the operators that member countries designate to fulfil the obligations of the Universal Postal Convention – describe compound rather than cyclical pressure.

Domestic letter post stands at 66% of its 2015 volume and international letter post at 37%, with the decade's losses deepest in Africa (-80.8%) and in Latin America and the Caribbean (-76.2%).

Parcels, the segment that was expected to carry the sector's growth, are growing more slowly than their markets: domestic parcels rose 6.0% in 2024 against a 10-year rate of 9.7%, and international parcels, at 189 million items, remain below their 2019 volume of 240 million.

Nominal operating revenue fell in 2024 for the first time since 2010, by 1.6% to 322 billion SDR, and real revenue has been falling since 2021.

The report's new contribution is our analysis which estimates DOs' market shares for 188 countries, and it isolates the fragility.

The median DO holds 74% of its domestic letter market but only 27% of its parcel market and 39% of express items.

The parcel gap is widest where the revenue trajectory is weakest: a median parcel share of 61% in industrialized countries against 16% in Africa and in the Arab region.

Access remains unequal as well. Some 89% of the world's population has mail delivered at home and more than half a billion people have to collect it from a postal establishment. Meanwhile, 27% of Africa's population has no access to postal services.

Whether that infrastructure is turning into demand is the question the 2IPD tries to answer.

FASTER AND MORE PREDICTABLE, LESS ABLE TO ABSORB SHOCKS

The 2IPD is the UPU's composite measure of postal development, built from four dimensions – reliability, reach, relevance and resilience – and published this year for 181 countries with a new bonus component for the digital maturity of the DOs.

Its headline improved: across the 179 countries measured in both editions, the mean score rose from 52.2 to 55.8, and 58 countries moved up a development level, 105 held and 16 fell.

Switzerland leads at 111.7, followed by Germany, France, Japan, Austria and Australia, with Thailand the only country outside the industrialized group at the top level.

Convergence is happening from a low base: the Africa region recorded 20 upward moves against three downward, the strongest net mobility of any region.

Even so, 76 countries – 42% of those measured – remain at level 5 or below, and roughly 45% of the mean improvement between editions comes from the new bonus rather than from movement in the four dimensions.

The composition of the improvement is one of the central findings of our report.

Almost all of it lies in reliability – the operational dimension – which rose in every region; almost none is in resilience, the capacity to absorb shocks, which fell in five regions out of six. The sector became faster and more predictable, and less able to withstand the year we describe.

For 164 of the 181 countries, including all 41 in the Africa region, the lowest-scoring dimension is relevance – the standing of the postal business model in its own market – and its gains were almost entirely industrialized.

The new digital evidence complicates the standard development narrative: six African operators appear in the global top 25 for digital maturity, and the world's highest digital-depth score belongs to a DO whose relevance score is just 20.9.

The services can be built; what is missing is the business model, the regulatory permission and the commercial perimeter that turn them into demand.

A RISING TOTAL OVER A FALLING NETWORK

Section III reads the UPU's item-level exchange data for the 12 months to July 2026 at the level of the corridor – a directed country pair in a calendar month – and its central finding is a divergence.

Aggregate international items rose 21.1% while the median corridor – the link a typical operator actually experiences – contracted 9.8%: a gap of 31 percentage points across 9,607 corridors, widening to 47 points in January–July 2026.

Much of the rise in items is a digital dividend rather than a demand signal: tonnage over the same flows rose only 1.4%, because compulsory tracking of all postal items since January 2025 provides greater visibility, and therefore an increase in the total count, of items that were already moving.

Tonnage is the demand signal, and at the median it fell in every one of the 12 months and in all six UPU regions, from -16.3% in Africa to -8.6% in Asia-Pacific.

Three shocks landed on that network, and the corridor data dates each of them to a single month.

The United States of America's suspension of duty-free de minimis treatment – the value threshold below which low-value imports enter free of duty – from 29 August 2025 produced the sharpest break in the series: inbound tonnage fell from -8.9% August to -70.3% in September, the number of origin countries with any arriving tonnage fell from 176 to 133, and the Herfindahl index of origin concentration doubled in a month, from 886 to 1,786.

The European Union's 3 EUR per-item duty from 1 July 2026 was visible immediately, with arrivals falling from -7.4% in June to -31.0% in July, but with seven months' notice and a standardized instrument it cut volume without the exit and concentration seen at the United States border.

The West Asia conflict reached the network through air capacity, transit routeing and insurance cost: median tonnage from Arab-region senders ran nearly flat through February 2026 and collapsed to -51.4% in March, the same weeks in which trade and macroeconomic indicators registered it.

We draw two lessons.

Policy design, not only policy content, determines whether a border measure concentrates the network.

Second, the network now transmits macroeconomic and geopolitical shocks in near real time, faster than any process to develop appropriate policy responses.

POLYCRISIS, DISTAGFLATION AND THE AMPLIFICATION TRAP

Section IV names the environment. The sector is not facing a crisis but a polycrisis – entangled crises whose combined effect exceeds the sum of the parts.

None of these individual crises are resolvable in isolation and each response is constrained by the others – and the macroeconomic regime inside it is not classical stagflation but what this report calls distagflation, from disconnection, stagnation and inflation.

Classical stagflation is exogenous and episodic; it arrives and clears with a supply shock. Distagflation is endogenous and structural: trade barriers, technological decoupling and financial fragmentation produce stagnation and inflation together, and persist as long as the disconnection does.

The IMF's April 2026 World Economic Outlook, which replaced its baseline with a "reference forecast" flanked by two downside scenarios, projects global growth of 3.1% in 2026 and headline inflation of 4.4%; in the severe scenario, growth falls to 2.2% and inflation rises to 6.1% in 2027.

The postal evidence shows that revenue was contracting before the macro shock, and everywhere at once.

Real postal revenue at purchasing power parity peaked at 606 billion USD in 2021 and fell for three consecutive years to 563.4 USD billion in 2024, a cumulative 7.0% loss; across the whole 1997–2024 record, all six UPU regions contracted simultaneously in only two years, 2022 and 2024, so the regional diversification buffer of three decades is gone.

Nor would a benign environment carry the sector: in 2024, postal revenue growth fell short of gross domestic product (GDP) growth in every region, and across 118 DOs over 2006–2023 it ran some 71 percentage points below cumulative GDP growth.

Four fragilities then convert a proportional shock into an amplified one:

- high fixed costs, so that even a 10% fall in revenue with 80% of costs fixed compresses operating income by 40–50%;
- revenue concentrated and hope in the very segment that trade fragmentation disrupts;
- an average EBIT[1] margin across 53 operators of an alarming -0.8% in 2024, leaving no cushion; and
- a regulatory cage of universal service obligations, price caps and labour frameworks that removes the price, workforce and scope of service tools an ordinary firm would use.

The one escape valve which the literature identifies – cutting costs faster than revenue falls – is closed to a regulated operator by construction, so that without deliberate intervention the deterioration compounds, rather than self-stabilizing. Five operator profiles, described by structural position rather than by name, show the trap to be a distributional problem.

Section IV of the report closes on evidence rather than consolation. The 1970s oil shocks produced rate spirals, service cuts and labour conflict, and downstream the automation that allowed the United States postal administration to deliver 145% more mail in 2000 than in 1970 with only 22% more employees.

Crisis has been the sector's most reliable forcing function, and today's technology window is wider; the indispensable qualification is that in the 1970s demand was still growing; today it is not.

1 Earnings before interest and taxes (EBIT) measures a company's profit from its operations before deducting interest and income tax expenses.

THE RESPONSE: A DECISION KERNEL FOR THE SECTOR

If the binding constraint is decision capacity rather than information, the remedy is a decision-facilitating architecture, and section V describes the one that the UPU has developed and already prototyped.

It begins by pricing the absence of orchestration – the coordination of a network's decisions on shared data, shared semantics and shared identity.

A conservative assessment puts the direct annual cost of the sector's under-decision at 70.8 billion USD: 35.6 billion USD of forgone cross-border logistics margin; 13.1 billion USD of managerial decision waste; 5.2 billion USD of unmanaged letter-mail decline; and 16.9 billion USD of customs-compliance exposure, rising to 94.5 billion USD by 2030 on current trends, and to 411 billion USD cumulatively over 2026–2030.

The cost is diffuse.

DOs bear 45% of it, and e-commerce platforms, ministries and regulators, technology providers and private carriers the remaining 55%, so no single actor has ever captured enough of the gain to fix the problem alone. Orchestration is a shared input with no natural owner, which is the case for building it once under neutral stewardship.

The architecture exists as a working prototype, not as a business case.

The UPU's Unified Data Platform (UDP) combines three bodies of work:

the Postal Orchestration Canvas, an 11-block map of what a DO has to decide, which gives 192 member countries shared semantics;

11 specialist AI agents under a supervisor, each confined to one block of the canvas and grounded in bilateral flows, more than 40 years of postal statistics and the Union's documentary corpus;

a Decision Navigator, a six-step discipline for consequential decisions under uncertainty in which the agents perform the first five steps, namely, the dilemma, widening the option space, surfacing and testing assumptions, and identifying pivots – and the human executive owns the sixth, the resolution.

Custom-developed and prototyped through three UPU Innovation Challenge cycles, rather than procured, and demonstrated to 169 countries at the 28th Universal Postal Congress in Dubai, the platform first proved itself in the context of the UPU's own statistics, cutting processing time by 90% and publication cadence from 12 months to one.

Moving it into production will require investment, and that investment is the decision which section V invites the sector to take. The boundary that makes it politically feasible is simple: interoperate on the rails, compete on the decisions. Semantics, identity and the precompetitive corpus are common; strategy, customer experience, commercial models and each operator's decision history are not.

Because the corpus of decisions compounds from its first year, the value of joining is path-dependent, and waiting is not a neutral option.

WHAT THE EVIDENCE SUPPORTS

Five conclusions follow: three for policymakers and two for operators.

First, the universal service compact needs rewriting around capability rather than inputs: the regulatory regime is why a revenue shock passes to margins undamped and outlet consolidation widens the gap between postal and GDP growth by about 1.7 points a year for each standard-deviation rise in inhabitants per office while staff intensity has no significant effect.

Second, *de minimis* coherence is a structural variable, not an administrative one: the United States and European Union measures produced comparable volume effects and sharply different concentration effects, and that difference is a matter of design, which is negotiable.

Third, the interventions that matter most are at system level because each changes the economics for every operator at once, and none can be achieved by any operator individually.

For operators, the evidence says diversify broadly rather than optimally – since a 10-point reduction in letter dependence improves performance by roughly half a point a year, regardless of what replaces it – and treat resilience as a managed variable, because the dimension that fell in five of six regions is the one that a year of shocks tested.

The decision facing the sector is the cost of non-orchestration; this represents a core risk to its future.

To remedy this, the sector could treat the UDP as shared infrastructure rather than as a pilot, endorse the canvas, the agents and the Decision Navigator as its common architecture, and start the cognitive-advantage clock now.

Recovering even one-tenth of a single cost dimension is estimated to be worth 3.56 billion USD a year.

ONE POSTAL NETWORK, INFINITE POSSIBILITIES

Decline is not inevitable.

Section II identifies operators that moved two and three development levels in a year, section IV identifies operators that escaped the amplification trap, and the long-run evidence is explicit that diversification breadth and network density change outcomes.

The sector's remaining advantage is institutional, and institutional advantage is expressed through decisions. World Post Day 2026 describes the sector in five words – one postal network, infinite possibilities – and the two halves name the two halves of this report's argument.

One postal network is the asset that no competitor can replicate: 192 member countries, one treaty, addresses in every inhabited place on earth, and one network only as long as its semantics, standards, identity layer and remuneration rules remain common.

Infinite possibilities is the return: shared rails are worth building only if the sector uses them to decide better, widening the option space before it filters.

The postal system of 2040 will run on whatever decision architecture is installed now.

Tools expire; cognitive advantage compounds.

The window is this Dubai cycle, 2026 to 2029, not the next.



INTRODUCTION

The postal sector entered 2026 with a diagnosis it had already accepted… and a decision still to be taken.

That the sector's difficulties are structural rather than cyclical is now the settled view. The Universal Postal Union's strategy for the Dubai cycle states it without qualification: the problems facing the international postal sector are "structural and require immediate, radical transformation" (UPU, 2026a, p. 3).

The past 12 months has added not a new diagnosis but a new tempo. Between August 2025 and July 2026, the world's two largest destination markets each changed the customs treatment of low-value cross-border parcels; armed conflict reshaped the postal geography of an entire region; and real postal revenue completed its third consecutive year of decline.

None of these significant events were foreseen or forecast, and each arrived faster than the sector's decision cycles are built to accommodate.

This report is organized around that mismatch. Its five sections follow a single argument, from measurement to mechanism to response.

Section I sets the current scene for the global postal sector.

It confirms the familiar trends – domestic letter post at 66% of its 2015 volume, international letter post at 37%, parcel growth decelerating, real revenue falling for a third year – and adds a previously unpublished analysis: the market share of designated operators (DOs), estimated for 188 countries.

Our research shows that the median DO holds roughly three-quarters of its domestic letter market and barely a quarter of its parcel market. Operators are dominant where volume is disappearing and marginal where it is growing, and the gap is widest in the regions whose revenues have contracted most.

Section II presents the 2026 results of the Integrated Index for Postal Development (2IPD), covering 181 countries, and introduces a new bonus component for the digital maturity of the DO.

The headline has improved: the mean score rose; 58 countries moved up a Postal Development Level; and the bottom of the distribution is thinning. Reliability rose in every region, while resilience fell in five out of six.

For 164 of 181 countries benchmarked, the binding constraint is relevance – whether the postal business model still commands demand – at a mean score of 15 out of 100.

The new digital evidence then complicates the standard development narrative: six African postal operators appear in the global top 25 for digital maturity. Where operators are constrained, this is typically not due to their inability to build modern services.

Section III examines 12 months of international postal exchanges at corridor level.

Its central finding is a divergence: aggregate international items rose 21% while the median country-pair corridor contracted 9.8%, a gap of 31 percentage points across 9,607 corridors. Median corridor tonnage – unaffected by expanding tracking coverage – was negative in every one of the 12 months, across all six UPU regions.

We trace three shocks: the end of the United States of America's de minimis exemption, which produced a 61-point break in a destination corridor in one month and doubled origin concentration at that border; the European Union's per-item duty from 1 July 2026, visible immediately and structurally different in shape; and a conflict whose postal signature is datable to the same weeks as its macroeconomic signature.

Section IV identifies the mechanism through which macroeconomic shocks are amplified into postal sector decline.

It frames the wider macro environment as a polycrisis – entangled crises whose combined effect exceeds the sum of the parts, nonresolvable in isolation and each response bound by the constraints the others impose. This is twinned with the macroeconomic regime within it – distagflation, the compound of disconnection, stagnation and inflation – and distinguishes it from classical stagflation, which is exogenous, episodic and self-limiting.

Our research documents the historical first that frames the year: over the whole 1997–2024 record, all six UPU regions contracted simultaneously in only two years, 2022 and 2024. The regional diversification buffer on which the sector relied for three decades no longer exists.

Against four fragilities – operating leverage, revenue concentration, an average earnings before interest and taxes (EBIT) margin of -0.8%, and a regulatory cage that removes the standard distress-response toolkit – we identify why uncertainty produces amplified rather than proportional deterioration, and why the escape valve available to an ordinary firm is closed to a regulated operator.

The section closes on evidence rather than consolation: the 1970s oil shocks were the forcing function that produced the automation era, and the technology window now is wider – with the qualification that in the 1970s demand was still growing.

Section V describes the response.

If the binding constraint is the capability of postal operators to reach and commit to decisions, rather than their access to information, the remedy is an architecture that facilitates decisions.

In the absence of a holistic decision-facilitating architecture, a conservative estimate puts the direct annual cost of postal under-decision at 70.8 billion USD – of which DOs bear only 45%. This is why no single actor has ever invested adequately in fixing the decision architecture.

The section describes in some detail the systems and mechanisms the UPU has prototyped: a Postal Orchestration Canvas as shared semantics; 11 specialist AI agents with a supervisor as the intelligence layer; and a six-step decision discipline in which the agents execute the first five steps and the human owns the sixth.

This decision-facilitating platform exists as a working prototype, which the necessary investment can move into production, and the architecture is shared rather than replicated.

Three threads run through all five sections.

The first is the distinction between the aggregate and the median. It appears in section I as the gap between the world market share of DOs and the share held by the typical operator; in section II as the gap between an improving mean score and a relevance constraint that binds almost everywhere; in section III as a 31-point wedge between aggregate and median corridor growth; and in section IV as the collapse of cross-regional dispersion. In every case the aggregate is the more reassuring number; the median the more representative one.

The second is the holistic lens. If the sector is in the midst of a polycrisis, meaning that the damage lies in the interactions between crises, a single-focused, silver-bullet-approach decision-making architecture will systematically miss it. That is the premise for section V, and it is why the response proposed there is a decision-facilitating architecture, focused on looking at the moving parts holistically, rather than a technological solution.

The third is fragility as a measurable property rather than a hypothetical concept. It is an EBIT margin of -0.8%, a 27% share of a growing market, a relevance score of 1.0, a resilience score falling while reliability rises, and an origin count falling from 176 to 133 in a month. Stated that way, fragility becomes actionable, because each component has an owner and a remedy.

The report's conclusion is that decline is NOT inevitable.

Section II identifies operators that moved two and three development levels in a year; section IV identifies operators that escaped the amplification trap; and the long-run econometric evidence is explicit that postal decline is not technologically predetermined – diversification breadth and network density change outcomes.

The conclusion is narrower and more demanding: the sector's remaining advantage is institutional. Institutional advantage is expressed through decision making, and the sector is deciding too slowly for the environment it is in.

What follows is the evidence for that claim – and one specific proposal about what to do with it.

SECTION 1

THE GLOBAL POSTAL MARKET – A STATISTICAL PERSPECTIVE

KEY TAKEAWAYS

The overall position of DOs, measured by their reported statistics, is difficult and getting harder. Letter-post decline has accelerated; parcels, a once expanding segment, are growing below their respective market growth rates; and real revenues have contracted for three consecutive years, a first on record.

Domestic letter post is at 66% of its 2015 volume, international at 37%. Domestic volumes fell 4.4% in 2024 to 215.4 billion items, international 11.8% to 1.37 billion items – this is under 1% of global volumes. Decade-long losses are the most severe in the Africa (-80.8%) and Latin America (-76.2%) regions.

Parcel growth has decelerated below letter post decline. Domestic parcels grew 6.0% in 2024 to 28.3 billion items, a recovery after two flat years, against a 10-year growth rate of 9.7%. International parcels grew 1.3% to 189 million items, below their 2019 pre-pandemic volume of 240 million.

Nominal revenue fell for the first time since 2010. Real revenue has been falling since 2021. Operating revenue declined by 1.6% to 322 billion SDR. The real purchasing power parity (PPP) index peaked in 2021 and stood at 110 in 2024, against a 2015 base of 100 – 8% below peak.

The market share evidence isolates the fragility. The median DO holds 74% of its domestic letter market but only 27% of its parcel market and 39% of express items. Volume-weighted, DOs' share of global express items falls to only 3.4%. DOs are dominant where volume is disappearing, marginal where it grows.

The parcel share gap is widest where the revenue trajectory is weakest. Median parcel share is 61% in industrialized countries but 16% in Africa and 16% in the Arab countries. A quarter of African DOs are below 0.3%. Furthermore, Africa's network is sparsest, with 1.0 permanent office per 100,000 inhabitants against 22.4 in Eastern Europe and the CIS, and continues to thin as population grows.

Access to postal services remains materially unequal. Some 89% of the world population has mail delivered at home, but more than half a billion have to collect it from a postal establishment. Meanwhile, 27% of Africa's population has no access to postal services.

THE OVERALL PICTURE

The official statistics returned by DOs describe compound rather than cyclical pressure, with a variance between operators now their most important feature.

CONTINUOUS DECLINE OF LETTER POST

Domestic letter-post items were estimated at 215.4 billion in 2024, around 66% of the 2015 value. Between 2023 and 2024 volumes fell 4.4%, slightly below the 10-year average decline of 4.6% (Table 1 and 2).

The decade brought losses in Africa (-80.8%), Latin America (-76.2%), Eastern Europe and the CIS (-52.8%) and the Arab region (-46.4%). Industrialized countries, still accounting for 82.7% of global volumes, have the second smallest decline (-32.7%) after Asia-Pacific (-27.7%) (Table 3).

The regions that lost the most volume also had the lowest volumes per capita, as well as the least substitution, to begin with – in Africa and Latin America, letter post has been abandoned rather than substituted.

International letter post declined faster: volumes fell 11.8% in 2024, above the 10-year average of 10.5%. At an estimated 1.37 billion items, the total is 37% of the 2015 value, less than 1% of global letter-post volumes.

The letter-post volume fell in every region except Eastern Europe and the CIS, where it grew for a second year running: 10% in 2023 and 5% in 2024. One likely explanation is compositional: international letter post includes small packets up to 2 kg, the format which carries most low-value cross-border e-commerce, and the corridor data in section III locates most of the recent growth in international items on the Asia-Pacific to Eastern Europe and CIS corridor group, with the Russian Federation's item count in particular rising sharply on a changed counting basis alongside real growth. Inbound e-commerce packets and improved item-level counting, rather than a revival of correspondence, are the most plausible drivers of the regional exception.

Table 1: **Global postal traffic, letter post**

	Number of items, 2024	Year-on-year growth, 2024[2]	Ten-year compound annual growth (2015–2024)
Letter-post items, domestic	215.4 billion	-4.4%	-4.6%
Letter-post items, international	1.37 billion	-11.8%	-10.5%

Source: UPU

Table 2: **Global postal traffic, letter post. Index 2015 = 100%**

	2015	2017	2019	2021	2022	2023	2024
Domestic letters	100%	98%	91%	78%	75%	69%	66%
International letters	100%	92%	84%	52%	45%	42%	37%

Source: UPU

Table 3: **Domestic letter post – volume losses by region**

Region	Total number of items, 2024	Total volume loss, 2015–2024
Africa	0.2 billion	-80.8%
Arab countries	0.5 billion	-46.4%
Asia-Pacific	28.1 billion	-27.7%
Eastern Europe and the CIS	6.0 billion	-52.8%
Latin America and the Caribbean	2.4 billion	-76.2%
Industrialized countries	178.2 billion	-32.7%

Source: UPU

2 2024 is the last year we have postal statistics data. The 2025 postal statistics are being collected in mid-2026 at the time of preparing this report.

Table 4: **Global postal traffic, parcel post**

	Number of items, 2024	Year-on-year growth, 2024	Ten-year compound annual growth (2015–2024)
Parcel-post items, domestic	28.3 billion	+6.0%	+9.7%
Parcel-post items, international	0.19 billion	+1.3%	+2.4%

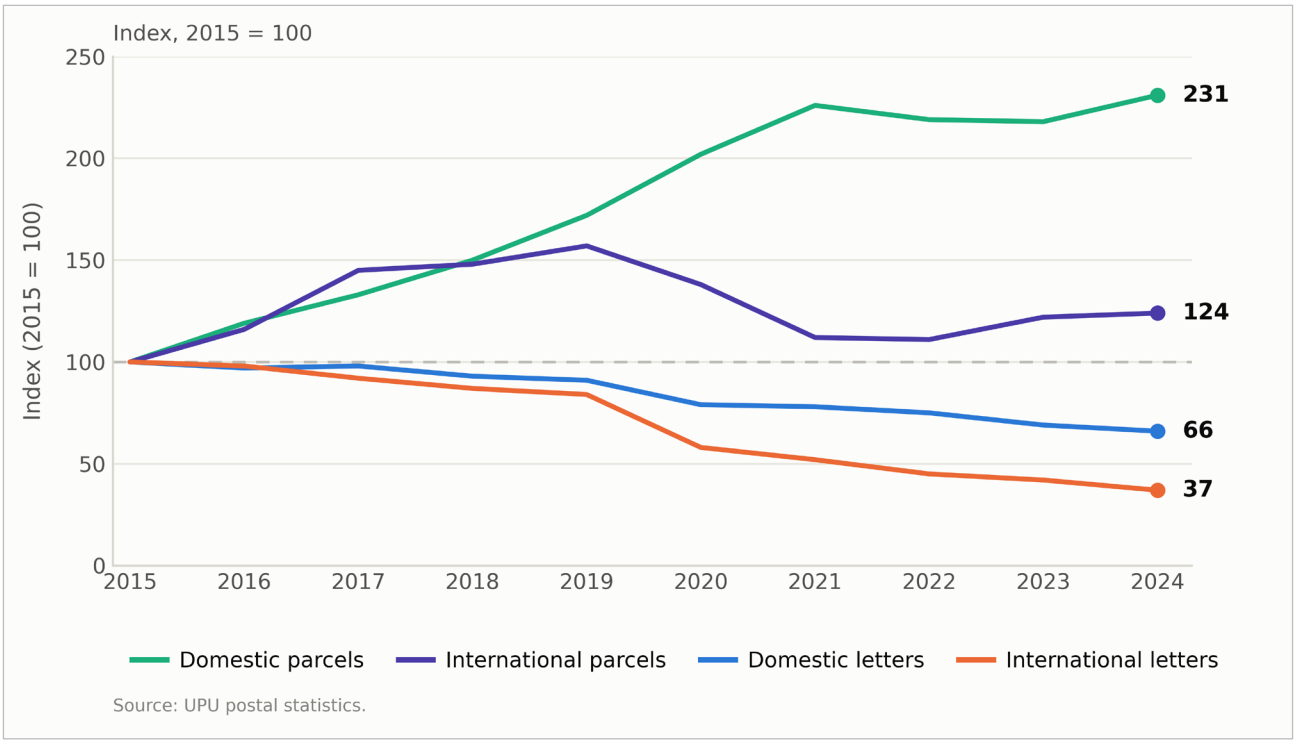
Source: UPU

Table 5: **Global postal traffic, letter post. Index 2015 = 100%**

	2015	2017	2019	2021	2022	2023	2024
Domestic parcels	100%	133%	172%	226%	219%	218%	231%
International parcels	100%	145%	157%	112%	111%	122%	124%

Source: UPU

Figure 1: **In picture: postal volumes have diverged by product and by border. Index, 2015 = 100**



Source: UPU postal statistics.

Table 6: **Worldwide operating revenue**

	Billions SDR, 2024	Annual growth, 2024	Ten-year compound annual growth (2015–2024)
Operating revenue	322.3	-1.6%	+3.1%

Source: UPU

Table 7: **Nominal versus real operating revenue. Index 2015 = 100%**

	2015	2017	2019	2021	2022	2023	2024
Nominal revenue	100%	105%	112%	130%	132%	134%	132%
Real revenue (PPP adjusted)	100%	104%	109%	119%	116%	115%	110%

Source: UPU

DECELERATED GROWTH OF PARCEL POST

Double-digit domestic parcel growth partly offset letter-post shrinkage over the decade, then halted in 2022 and 2023. The 6% growth in 2024 is a recovery, but the volumes seen in 2016 to 2021 are unlikely to return (Table 4 and 5).

International parcel volumes grew by 9.4% in 2023 and 1.3% in 2024 but remained below pre-pandemic levels: 189 million items in 2024 against 240 million in 2019.

The e-commerce boom has not lifted this segment, mainly due to cross-border items moving in bulk to destination-country warehouses (often though cargo channels) and entering domestic flows, bypassing the individual international product.

International parcels are concentrated on the origin side: 93% of volumes are exported from industrialized countries. Volumes from Africa, the Arab countries and Latin America are low and volatile: the international parcel product is not their route into cross-border e-commerce.

We observe the same concentration at corridor-level monthly frequency, where a 31-percentage-point gap opens between aggregate and median growth.

Irrespective of its year-on-year variances, a segment that is growing at 1.3% internationally cannot compensate for a letter-post base falling at 4.4% a year (Figure 1).

POSTAL REVENUES

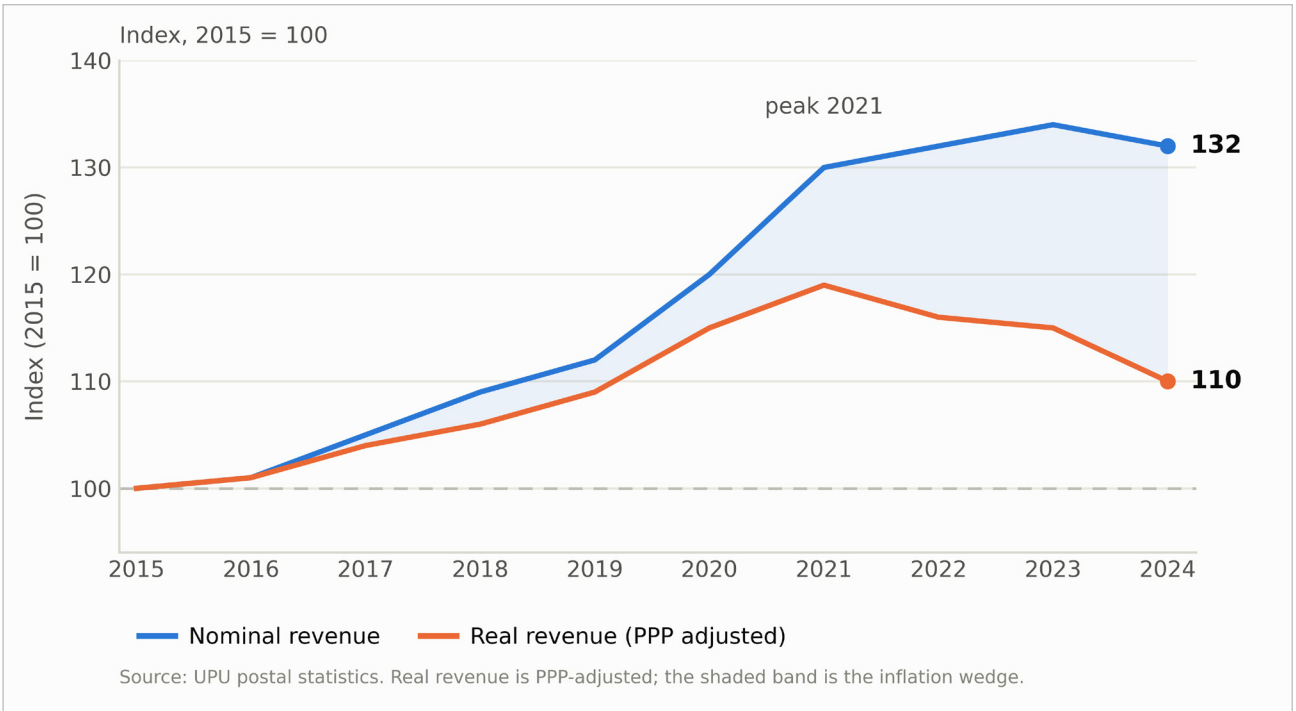
Global nominal revenue from all postal services fell 1.6% to 322 billion SDR in 2023 (Table 6), the first decline since 2010, with decreases in all regions except Eastern Europe and the CIS and the industrialized countries; the sharpest, Asia-Pacific's, at -12.8%.

The real story lies in the gap between the two rows, which is the inflation wedge: between the 2021 peak and 2024, the last year for which data is available, nominal revenue rose two index points, from 130 to 132, while real revenue fell nine, from 119 to 110 (Table 7 and Figure 2).

Postal business has nominally shrunk in three regions: Africa, Latin America and the Caribbean, and the Arab countries (Table 8).

When we convert these series to constant purchasing-power terms and set them against gross domestic product (GDP), our findings show that, on a real basis, postal revenue has contracted in every region in 2024, including the two that grew nominally.

Figure 2: **In picture: real postal revenue has fallen for three consecutive years. Index, 2015 = 100**



Source: UPU postal statistics. Real revenue is PPP-adjusted; the shaded band is the inflation wedge.

Table 8: **Nominal postal revenues by region**

Region	Revenue, billions SDR, 2024	Total change, 2015–2024
Africa	0.36	-38.3%
Arab countries	1.9	-7.7%
Asia-Pacific	81.8	+45.3%
Eastern Europe and the CIS	8.1	+31.6%
Latin America and the Caribbean	4.1	-29.2%
Industrialized countries	226.0	+30.2%

Source: UPU

Table 9: **Evolution of revenue breakdown**

	2015	2019	2024
Letters	40.8%	35.2%	33.3%
Parcels	20.0%	28.2%	31.6%
Postal financial services	17.7%	16.3%	16.7%
Other	21.5%	20.3%	18.4%

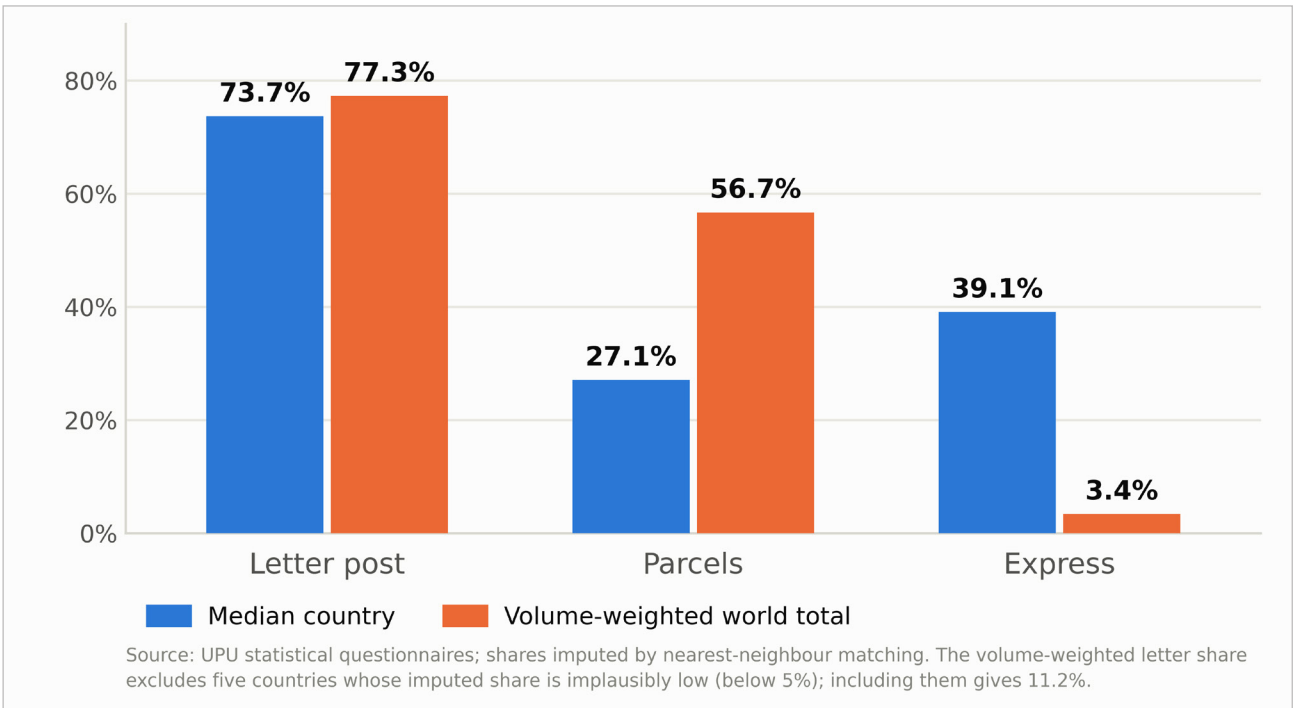
Source: UPU

Table 10: **Estimated market share of DOs, 2024**

Segment	Median country share	Volume-weighted world share
Letter post	73.7%	77.3%
Parcels	27.1%	56.7%
Express	39.1%	3.4%

Source: UPU

Figure 3: **In picture: dominant in the shrinking segment and marginal in the growing ones. Estimated market share of DOs by segment, 2024**



Source: UPU statistical questionnaires; shares imputed by nearest-neighbour matching. The volume-weighted letter share excludes five countries whose imputed share is implausibly low (below 5%); including them gives 11.2%.

ONGOING SHIFTS IN BUSINESS MODELS

Increasingly, more of the postal business depends on parcels and logistics, up from 20% to 32% over the decade (2015–2024), while letter post has shrunk from 41% to 33% (Table 9). Letter post is now the primary revenue source for only 35% of operators, against 50% a decade ago. Revenue from postal financial services remains unchanged.

Parcels overtook letters as the largest revenue segment for the first time in 2023, and in 2024 the ordering reversed: letters regained a lead over parcels.

If, as seen from our analysis, revenue from parcel post can lose significant share in a year of real revenue contraction, with letter volumes falling 4.4%, the diversification thesis of the past decade needs re-examining. No single dominant model is emerging.

MARKET SHARE OF DOs

Detailed data on all DOs cannot be obtained; regulatory bodies often do not collect it centrally. Volume market shares can nonetheless be estimated from the official UPU statistical questionnaires, with nearest neighbour matching filling gaps.

Table 10 presents the UPU's estimates, based on the 2024 questionnaires covering 188 countries, published here for the first time.

The volume-weighted letter share excludes five countries whose imputed share is implausibly low (below 5%), a known artefact of the imputation; including them gives 11.2%, which is not a usable figure.

Designated operators remain dominant in letter post. A median share of 74% and a volume-weighted 77% confirms it as substantially a DO-led business – keeping in mind that this is a segment that is at 66% of its 2015 volume and falling 4.4% a year.

Designated operators are a minority participant in the parcel delivery segment. A median 27% means the typical DO has lost (or never held) roughly three quarters of its national parcel market. The volume-weighted 57% is higher because of the inherent statistical skew due to DOs in a few large markets – the United States, China and Japan, notably.

In express, DOs are marginal in global terms. A volume-weighted 3.4% against a median country share of 39% is the widest divergence here: global integrators carry almost all the volume; national operators position themselves in smaller markets. Express is where liberalization has gone furthest; perhaps this is a leading indicator for parcels (Figure 3).

As shown in Table 11, industrialized countries are the only country grouping where the typical DO holds a majority of its parcel market, 61%. Everywhere the median is 16–30%, with wide dispersion: the lower quartile of African operators holds 0.3%; the Arab region's lower quartile 3.7%.

The three regions whose nominal revenue contracted over the decade (Table 8) – Africa (-38.3%), Latin America and the Caribbean (-29.2%) and the Arab countries (-7.7%) – also have the smallest median parcel shares.

The counter-case is Eastern Europe and the CIS: the highest letter-post share, 89%, a parcel share of 23%, and decade revenue growth on a letter base now at 47% of 2015 volume, a model with a defined expiry.

Our analysis shows that this is what the 2IPD measures as a relevance constraint. We find this binding for nine out of 10 countries.

ACCESS TO POSTAL SERVICES

Access by delivery mode is estimated from 125 countries' data, weighted by population, covering approximately 6.128 billion people.

Africa, where the estimate is hardest to achieve, is the serious concern. Extrapolated to world population, more than half a billion people have to collect their mail from a postal establishment rather than receiving it at home. While this might meet the access-to-postal-services policy of governments, it might pose challenges for remote and rural communities as well as for fragile and vulnerable populations (Table 12).

DIVERSIFICATION OF POSTAL INFRASTRUCTURE

Globally, DO's permanent infrastructure comprised approximately 664,000 post offices in 2024, down from 678,000 in 2023 – a 2% decline (Table 13). This figure, however, does not account for an increase in access points, such as pick-up-drop-off (PUDO) points, or shared service locations where postal services are provided from common premises, such as supermarkets.

Permanent offices managed directly make up around two-thirds of this total figure and remain stable over the decade. Outsourced offices fluctuate, especially in Asia-Pacific. We also find that full-service post offices are being supplanted by access points, standalone or hosted in other businesses, with varying service ranges and automation.

Table 11: **In picture: dominant in the shrinking segment and marginal in the growing ones. Estimated market share of DOs by segment, 2024**

Region	Letter post	Parcels	Express
Eastern Europe and the CIS	89%	23%	17%
Industrialized countries	83%	61%	40%
Arab countries	76%	16%	42%
Asia-Pacific	76%	30%	40%
Latin America and the Caribbean	75%	29%	39%
Africa	60%	16%	49%

Source: UPU

Table 12: **Delivery modes and access to postal services, 2024**

Region	Delivered at home	Collected from a postal establishment	No postal service
Africa	16.8%	56.3%	27.0%
Arab countries	79.7%	14.5%	5.8%
Asia-Pacific	95.1%	3.7%	1.3%
Eastern Europe and the CIS	98.5%	1.4%	0.0%
Industrialized countries	98.9%	1.0%	0.0%
Latin America and the Caribbean	94.2%	4.4%	1.4%
World	89.0%	7.8%	3.2%

Source: UPU

Table 13: **Density of the global postal network**

Region	Permanent post offices per 100,000 inhabitants (2024)
Eastern Europe and the CIS	22.4
Industrialized countries	16.3
Asia-Pacific	7.7
Arab countries	5.3
Latin America and the Caribbean	3.7
Africa	1.0
Africa	1.0

Source: UPU

Table 14: **Growth/Decline in postal staff. Index 2015 = 100%**

	2015	2017	2019	2021	2022	2023	2024
Number of staff	100%	99%	98%	92%	90%	86%	87%

Source: UPU

Fixed infrastructure density is decreasing in all regions except Eastern Europe and the CIS and the Arab countries. The African network grows sparser each year against a growing population and falling volumes, consistent with the relevance score of 1.0 out of 100 that the 2IPD records for the region's median operator.

POSTAL STAFF

The number of staff employed by DOs in 2024 was estimated at 4.63 million. The contraction since 2019 appears to have halted: employment rose 0.8% on 2023. Over the last decade (2015–2024), however, the number of staff has fallen by approximately 13% (Table 14).

"Postal staff" means persons holding a contract with the operator, excluding those employed by outsourcing contractors.

The workforce is concentrated: three country groupings – the industrialized countries, Asia-Pacific and Eastern Europe and the CIS – employ more than 93% of the world's postal staff. Two of these regions, however, saw the greatest reductions: over the decade Eastern Europe and the CIS lost 30% of staff, Asia-Pacific 17%. Comparatively, staff in the group of industrialized countries have declined by only 5%.

WHAT THE STATISTICS ESTABLISH

The 2024 statistics paint a stark picture of structural difficulties: volumes falling where DOs are dominant and rising where they are not; real revenue falling over the past three years; and outlet consolidation that might not provide equitable access to vulnerable population segments.

None of these can be addressed by the DOs alone: parcel share depends on regulatory perimeter and platform relationships, real revenue on macroeconomic conditions and pricing permission, and fixed infrastructure density on the sustainability of the universal service obligation (USO).

Finally, our findings counsel caution: a one-standard-deviation rise in inhabitants per office widens the postal–GDP gap by approximately 1.7 percentage points a year, while staff intensity has no significant effect. Outlet consolidation, without offering viable access through suitable alternative access points, is therefore the most expensive saving available to the postal sector: it delivers short-term cost reductions at the expense of long-term growth.



SECTION 2

ASSESSING POSTAL DEVELOPMENT LEVELS – THE 2026 INTEGRATED INDEX FOR POSTAL DEVELOPMENT

KEY TAKEAWAYS

The 10th edition of the 2IPD covers 181 countries.

The headline has improved. Across the 179 countries measured in both years the mean score rose from 52.2 to 55.8, the mean level from 5.93 to 6.20. Fifty-eight countries moved up a level, 105 held and 16 fell – better than the sector's revenue accounts would suggest, and the reason is this section's central question.

Almost all the improvement is in reliability, almost none in resilience. World median reliability rose 4.1 points, in every region. World median resilience fell 1.2 points, in five out of six regions – 3.4 in Latin America and the Caribbean, 3.3 in Eastern Europe and the CIS. It became faster and more predictable, and less able to absorb shocks.

Relevance is the binding constraint almost everywhere. For 164 of 181 countries – 90.6% – the lowest-scoring dimension is relevance, the standing of the postal business model in its own market; in Africa, all 41. Gains are almost entirely confined to the industrialized countries: +6.8 points at the median against +0.1 for the world.

The 2IPD distribution remains unequal, and the observed gap is a business-model gap. Median score runs from 95.1 in industrialized countries to 38.9 in Latin America and the Caribbean, against a world median of 53.6. On relevance, the distance from regional median to frontier is 28.8 points for industrialized countries but 92.9 to 99.0 for Africa, the Arab countries, Asia-Pacific and Latin America and the Caribbean.

Convergence is happening at the bottom, from a low base. Africa recorded 20 upward moves against three downward, the strongest net mobility of any region; levels 1 and 2 fell from 10 countries to seven and level 8 grew from 23 to 32. Even so, 76 countries – 42% – remain at level 5 or below.

Digital maturity does not track income. Six African operators appear in the global top 25 – the United Rep. of Tanzania second, Ethiopia fourth, Botswana ninth, Zimbabwe 11th, Uganda 17th, Namibia 22nd – against five industrialized.

DEFINING POSTAL DEVELOPMENT LEVELS

Since 2017, the Integrated Index for Postal Development has been the Universal Postal Union's flagship instrument for monitoring postal progress. After nine editions covering 2016 to 2024, the 10th applies the methodology introduced in 2024 and revised in 2025 and 2026 (UPU, 2026b), with a new bonus component for digital maturity.

Introduced in 2022, the Postal Development Level (PDL) converts each country's 2IPD score into a single multidimensional indicator that serves as a benchmark for policy makers and postal operators' strategic planning. The 10 tiers derive from clustering of 2IPD scores, each corresponding to a stage of postal maturity and to the sector's contribution to national economic resilience (Table 16).

The 2026 edition evaluates 181 countries, analyzing 2024 postal statistics (the last complete year of postal statistics) alongside 2025 big-data monitoring results.

2IPD SCORES: THE UNDERLYING QUANTITATIVE ASSESSMENT

The scoring model rests on four dimensions, each scored 0 to 100 and weighed equally, plus a bonus rewarding documented progress in areas the UPU regards as critical for long-term success (Table 15).

RELIABILITY

The reliability score reflects the speed and predictability of domestic delivery, calculated from tracking events in EMS item event (EMSEVT) messages from the UPU's Postal Technology Centre.

Performance is assessed not against national delivery standards, which vary widely, but against outcomes: delivery within an acceptable average or median time with reasonable variability. Three alternative methods are computed; the highest score is taken. A corrective mechanism addresses one bias: where internal logistics are strong but external logistics weak, the reach score is substituted if reliability exceeds reach by more than 1.5 times, or 2.5 times under the third method. Scores above 70 signify excellent reliability, fostering trust and supporting e-commerce.

REACH

The reach score measures international connectivity, closely associated with international postal volumes, along three axes.

The volume unit may be barcoded items in postal dispatches, their weight, or tracked items, computed separately for each mail segment – letter post, parcel post and express mail service. The perspective is twofold: outbound export relations and inbound import relations. The data source is one of three: pre-advice of dispatch (PREDES) messages via the UPU's POST*Net; aggregated GXS data from International Post Corporation (IPC); and item event (EMSEVT) messages from the UPU Postal Technology Centre.

Table 15: **Calculating 2026 2IPD scores**

RELIABILITY (R1)	+ REACH (R2)	+ RELEVANCE (R3)	+ RESILIENCE (R4)
Assesses the development of the delivery experience from a service speed and predictability perspective, by mail class, on the national territory	Evaluates the level of postal connectivity and volumes exchanged with the rest of the world from an inbound as well as an outbound perspective	Measures the relative success of different business and network models and segments of activity from a demand-intensity perspective	Estimates the postal capacity to sustainably overcome economic, social, technological and environmental shocks and to provide relevant data to customers and partners

+ BONUS (B)	Rewards postal statistics quality, digital maturity, participation in a selected UPU survey, and progressive decarbonization achievements

Source: UPU

Table 16: **Postal Development Levels and economic development impacts**

INCREASING POSTAL MATURITY AND POSTAL DEVELOPMENT IMPACT ON ECONOMIC RESILIENCE

PDL	COHORT CHARACTERISTICS FROM A POSTAL AND ECONOMIC DEVELOPMENT PERSPECTIVE
10	PDL 10 represents the pinnacle of postal development excellence, comprising top-performing DOs that are exceptionally well-positioned to drive sustainable economic growth. These operators leverage cutting-edge technological innovation and robust infrastructure to maximize their positive impact on long-term national economic resilience. By fostering inclusive development and leading the internationalization of exchanges, they set the standard for global postal services.
9	DOs in this group are nearing their full potential, with significant contributions to national economic development. These operators effectively capitalize on their strengths while addressing any remaining weaknesses, positioning themselves as key drivers of their country's greater economic resilience and internationalization.
8	Taking a further step toward excellence, DOs in countries at this level offer a robust value proposition through their postal services portfolio. Their contributions play a crucial role in enhancing national economic resilience, supporting both businesses and citizens with reliable and efficient postal solutions.
7	DOs of countries at this level have likely reached important milestones in their postal development journey. They play a significant role in their domestic markets and are increasingly contributing to broader economic development, though their impact is not as pronounced as that of DOs at more advanced stages.
6	DOs at PDL 6 are actively accelerating their postal development by focusing on key performance areas to ensure consistent, reliable services. These efforts are poised to yield significant economic benefits, fostering higher growth and contributing to the reduction of inequalities within their countries.
5	The essential building blocks for postal success are in place, providing a foundation for future growth. If current development efforts are sustained, these DOs could unlock significant positive impacts on their country's economic growth and poverty reduction in the coming years, positioning themselves for a brighter postal future.
4	DOs at PDLs 4 and 3 are gradually moving toward meeting the necessary conditions to better serve both their current and potential customers, albeit at different speeds. While operators at PDL 4 are making steady progress, those at PDL 3 are facing more significant challenges, particularly in terms of digital transformation. With targeted investments, their contributions to national economic development could grow.
3	
2	DOs in this group primarily focus on basic operations, are increasingly disconnected at the international level, and must significantly improve services and business models in order to be better positioned to seize future opportunities. Only then can they begin to contribute to more inclusive economic growth and development in their country.
1	DOs at PDL 1 are either in the early stages of development or significantly underperforming in terms of postal services. To ensure their survival, they must urgently address fundamental structural challenges, modernize their basic postal infrastructure, and enhance their role in national development. Reconnecting to the international postal network is also crucial for unlocking future opportunities and integrating into the global postal ecosystem.

The combination yields 10 alternative calculation methods, five outbound and five inbound; the reach score is the highest of the 10, rewarding connectivity in either direction rather than penalizing an asymmetric trade position.

Two sub-variables underpin each method: the number of distinct partner countries and total unit volume on a logarithmic scale, the transformation applied to each mail class separately before aggregation, equalizing contributions across classes while preserving sensitivity to structural differences in volume distribution. Scores above 50 indicate robust global connectivity, vital for cross-border e-commerce and the trade participation of micro, small and medium-sized enterprises.

RELEVANCE

The relevance score measures an operator's competitiveness in its most important business segment – letter post, parcels and logistics, financial services or other services – together with infrastructure density.

That segment is compared with the world's best-performing operator; the rescaled distance from that frontier is the first sub-variable. The second is the rescaled number of access points: permanent post offices including outsourced ones, automated parcel lockers and mobile offices, including rural delivery staff. Unlike the other dimensions, the two sub-scores are not equally weighted. Data comes from official UPU statistics, PREDES messages and IPC data. Scores above 20 reflect strong demand, including counter services.

RESILIENCE

The resilience score rests on factors determining adaptability to economic, social, technological and environmental shocks. Postal network logistical effectiveness, assessed through item tracking, is now integrated. To this are added business resilience, the rate of mail volume decline, the delivery network's economies of scale and the diversification of postal revenues.

Social resilience is measured by the potential for financial inclusion through the postal network, computed by principal component analysis on data from the UPU's Global Panorama on Financial Inclusion. Scores above 60 highlight the societal benefits of a resilient network.

THE BONUS, AND WHAT CHANGED THIS YEAR

Four bonus components are added arithmetically to the rescaled composite, to a combined maximum of 14 points. The following identity holds for all 181 countries:

Final score = composite + statistical data points + digital maturity points + survey points + decoupling points

Postal statistics quality contributes up to 3 points, awarded algorithmically for accurate, comprehensive responses to the UPU's questionnaires.

Environmental decoupling contributes up to 5, graduated: 0 to 1 point at the start, 1 to 2 for greater effort, 2 to 3.5 for significant progress, 3.5 to 5 for strong decoupling between emissions and postal traffic.

Participation in a selected UPU survey contributes 1 point.

Digital maturity – new to this edition – contributes up to 5 points, from the UPU Global Digital Panorama survey.

Table 17: **2IPD bonus point distribution, 2026**

Component	Total points	Countries receiving	Share of all bonus points
Digital maturity	386.3	145	41.1%
Postal statistics quality	348.9	126	37.1%
Survey participation	105.0	105	11.2%
Environmental decoupling	100.0	56	10.6%
Total	940.2	–	100%

Source: UPU

Because the bonus is added to a composite normalized to 100, final scores can exceed 100: Switzerland leads at 111.7.

The mean bonus rose from 3.64 points in the previous edition to 5.24. Since the mean score rose 3.59 points, roughly 45% of this year's headline improvement is attributable to the bonus rather than to the four underlying dimensions (Table 17).

FROM SCORES TO LEVELS

After consistency checks on the UPU's big-data streams, the four-dimension scores are weighted equally into a composite, then linearly normalized so that the top-performing country anchors the scale at 100 and the lowest at 0. Bonus points are added, and clustering identifies the natural breakpoints defining the 10 tiers (Table 18).

A score of 36.0 or above places a country in levels 5 to 10, where operators possess the infrastructure, efficiency and agility to underpin economic growth; below 36.0, in levels 1 to 4, the data shows ageing assets, patchy reach and limited innovation.

One change of comparability: the threshold between levels 9 and 10 rose in this edition from 100.0 to 102.6; the nine other boundaries were unchanged. The Kingdom of the Netherlands accordingly moves from level 10 to level 9 on a change of -0.4 – a boundary effect, not a change in performance.

2026 PDL AND 2IPD SCORE RESULTS

The regional medians (Table 19) fall into three tiers rather than a continuum. The industrialized countries, with a median of 95.1, sit more than 40 points above the global median of 53.6, and Eastern Europe and the CIS, at 73.2, is the only other region above it.

The Arab countries (52.1) and Asia-Pacific (48.0) lie just below the global median, within six points of it. Africa (42.7) and Latin America and the Caribbean (38.9) trail it by 11 and 15 points respectively, so that the typical operator in those two regions scores less than half of a typical industrialized one.

What has moved in this edition is the distance from below: Africa recorded the largest net progression in PDL, 20 countries up and three down, while the industrialized group recorded no net change, one up and one down (Figure 4).

The distance between the top and the bottom of the table is therefore not a gradient but a step: the two leading regions are separated from the rest by more than 20 points, while the four regions below the world median lie within a span of about 13 points of one another.

Because the index is normalized, so that the best-performing country anchors the scale at 100, a median of 95.1 means that the typical industrialized operator is within five points of the frontier, whereas the typical operator in Latin America and the Caribbean is more than 60 points from it.

The UPU's industrialized countries mostly cluster in levels 9 and 10 (Figure 5); all 24 sit at level 7 or above, only Greece emerges at 64.9, below level 8. Eastern Europe and the CIS

Table 18: **Postal development levels and their corresponding 2IPD scores**

PDL	1	2	3	4	5	6	7	8	9	10
2IPD score	<6.0	6.0-15.9	16.0-25.9	26.0-35.9	36.0-45.9	46.0-55.9	56.0-65.9	66.0-79.9	80.0-102.5	≥102.6
No of countries	2	5	21	21	27	17	24	32	25	7

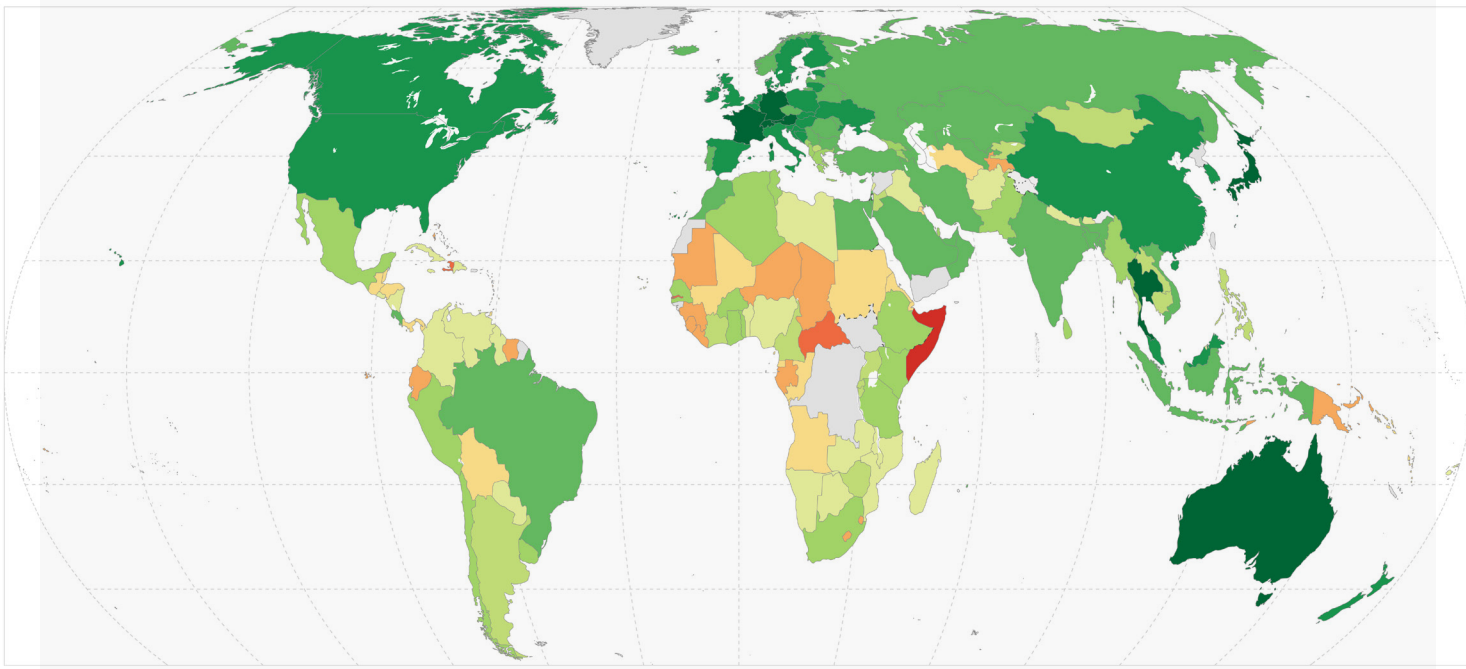
spans levels 3 to 9: 14 of its 31 operators at level 8, nine more at level 9, median 8, Tajikistan at 22.7 the outlier. The Arab region is the least uniform, spread from level 1 to level 8. Africa clusters in levels 3 to 6, median level 5, Mauritius alone at level 8 and three at level 2. Asia-Pacific spans level 1 to level 10, with most operators in the level 5 to 8 band. Latin America and the Caribbean falls mostly in levels 3 to 5, median level 5, with Costa Rica at level 8.

More than 56 points separate the highest and lowest regions; Figure 6 sharpens the gradient by dimension.

Industrialized economies dominate every pillar, with medians of 93.9 for reliability, 91.4 for resilience, 87.8 for reach and 71.3 for relevance; Eastern Europe and the CIS nearly match them on reliability but reach less than half their relevance score, at 30.9.

Latin America and the Caribbean and Africa sit in the low 40s on reach and resilience with relevance at 1.0 and 2.5, while Asia-Pacific and the Arab countries hold the middle, reliability and resilience medians between 53 and 77.

Figure 4: **Postal Development Levels by country, 2025 data**



181 countries have 2IPD scores; grey shading indicates that no 2IPD score is published for that country or territory. The designations employed and the presentation of material on this map do not imply the expression of any opinion whatsoever on the part of the IB of the UPU concerning the legal status of any country, territory, city or area, or of its authorities, or concerning the delimitation of its frontiers or boundaries.

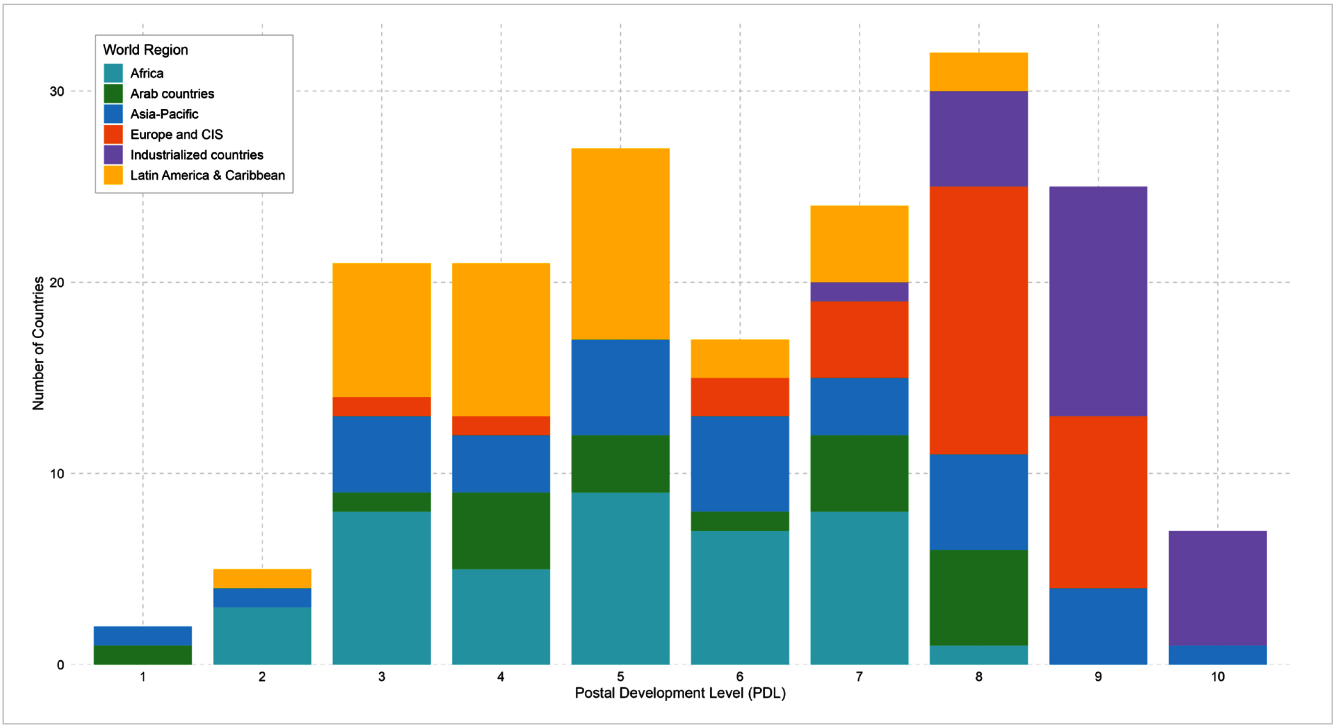
Source: UPU, Integrated Index for Postal Development (2IPD) 2025. Boundaries: UN Geospatial.

Table 19: **Median 2IPD scores by UPU region**

UPU region	Median 2IPD score
Industrialized countries	95.1
Eastern Europe and the CIS	73.2
Global median 2IPD score	53.6
Arab countries	52.1
Asia-Pacific	48.0
Africa	42.7
Latin America and the Caribbean	38.9

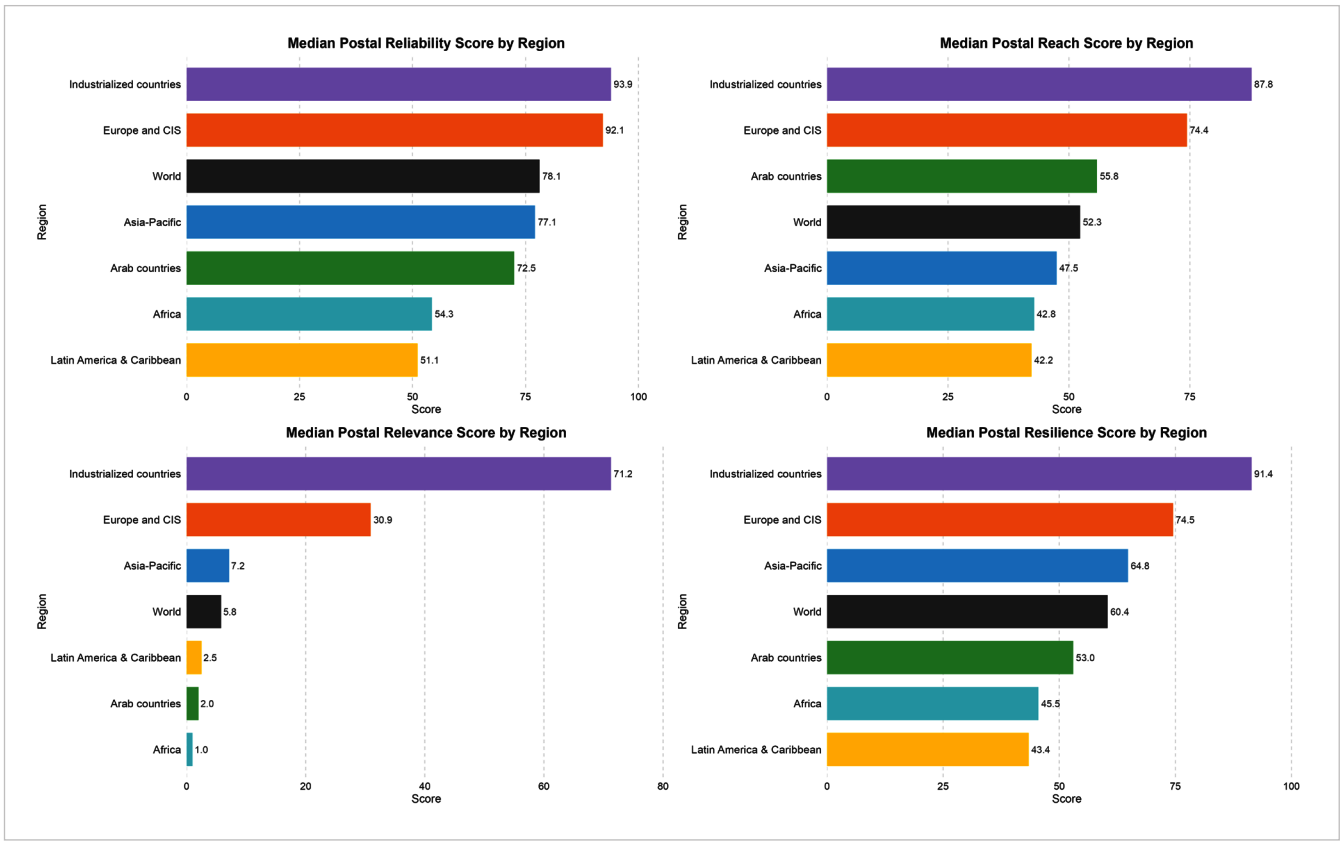
Source: UPU

Figure 5: **Postal development level distribution across UPU regions**



Source: UPU

Figure 6: **Regional distribution by R-score, 2025**



Source: UPU

2026 2IPD SCORES BY COUNTRY

Annex 1 presents every country in its respective PDL band. The upper band holds 64 operators, scoring between 66.1 and 111.7.

Level 10 remains almost exclusively industrialized – Switzerland at 111.7, then Germany, France, Japan, Austria and Australia – with Thailand the single exception.

Below PDL 10, the picture diversifies: industrialized countries account for 23 of the 64 at levels 9 and 8, and Eastern Europe and the CIS for exactly as many, led by Ukraine at 98.1; Asia-Pacific supplies 10, the Arab countries five led by Oman, Latin America and the Caribbean two led by Costa Rica, and Mauritius at 69.8 is again the lone African entrant.

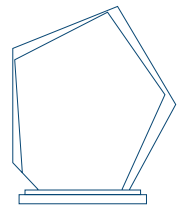
The middle bands invert that composition. At levels 7 and 6, 41 operators run from 65.9 to 46.6 and Africa supplies the largest contingent, 15, led by the United Rep. of Tanzania; only Greece represents the industrialized group.

Level 5 holds 27 operators within a nine-point spread, Latin America and the Caribbean dominating with 10. Levels 4 and 3 hold 42 countries, from 35.7 down to 17.0, Latin America and the Caribbean supplying 15 and Africa 13.

At the lowest PDL band (levels 2 and 1), seven operators run from 15.5 for the Dem. Rep. of the Congo to 1.8 for Somalia, which enters the index this year at level 1. Moving these operators up one level will call for foundational investment in logistics, transport links and tracking.

LEADERS IN POSTAL EXCELLENCE, REGIONAL CHAMPIONS AND POSTAL PROGRESS

The UPU 2IPD Awards single out operators that achieve statistically significant levels or gains across the four dimensions; Annex 1 maps their performance and final score.



LEADERS IN POSTAL EXCELLENCE

Seven operators attain PDL 10 in 2026 to take the Leader in Postal Excellence award.



AUSTRALIA

Australia posts the leaders' most instructive turnaround: earnings of 18.8 million AUD for the year to June 2025, reversing an 88.5 million AUD loss, on parcel growth and cost savings, with relevance of 98.4 across a dispersed universal service obligation.



AUSTRIA

Austria records reliability of 96.1 and resilience of 93.9 with a maximum relevance score, its reach of 85.8 reflecting domestic market size rather than weak connectivity; its 2025 annual report records mail volume contraction partly offset by parcel growth.



FRANCE

France, ninth on the composite at 94.6, rises to third on the maximum bonus of 14.0, the only country with full marks on all four components. La Poste Group's relevance score of 77.9 is the lowest among the leaders, but it records their highest resilience score and reliability of 97.5, and it published its 2025 integrated report in February 2026.



GERMANY

Germany leads the underlying composite with 100.0 before bonus and is the only operator in the index to score 100.0 on both reach and relevance, from inside a global logistics group serving virtually every country.



JAPAN

Japan combines reliability of 98.6 with a maximum relevance score and resilience of 95.5. Japan Post Holdings reported net income of 370,564 million JPY for the year ended March 2025, up 37.9%, the postal and domestic logistics segment narrowing its ordinary loss from 65,184 million JPY to 32,220 million JPY on rising Yu-Packet and Yu-Mail volumes and the October 2024 rate revision.



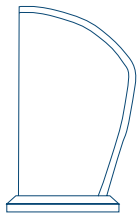
SWITZERLAND

Switzerland tops the table again at 111.7, on reliability of 99.7, a maximum relevance score and resilience of 94.3. Swiss Post's 2025 annual report, approved by the Swiss Confederation in May 2026, records parcel volumes of 186.6 million shipments, up 3.7%.



THAILAND

Thailand is the first Asia-Pacific operator to reach level 10, at 103.6, on reliability of 98.0 and relevance of 98.2; Thailand Post reported a record profit of 631 million THB in the first half of 2025 under its "POSTsible Together" strategy.



REGIONAL CHAMPIONS

Five operators lead their respective regions, in terms of their 2IPD scores, each having made the postal operator an instrument of economic inclusion.



UKRAINE

Ukraine (98.1), Eastern Europe and the CIS region. Ukrposhta records a resilience score of 100.0, the maximum in the index, under sustained conflict conditions, with reliability of 95.3 and reach of 85.8 indicating maintained coverage and relevance of 71.5 reflecting the disruption to domestic commerce.



CHINA

China (96.7), Asia-Pacific region. China Post records a maximum reach score of 100.0, alongside relevance of 98.2 and reliability of 86.5, below Western European peers but consistent with the world's largest postal volume: official statistics record 216.5 billion delivery items handled by China's postal sector in 2025, up 11.5%.



OMAN

Oman (77.7), Arab countries. Oman Post's reliability score of 98.4 is the highest of any regional champion; its 2025 annual report records a 99% on-time mail delivery rate, 96% customer satisfaction, 98% compliance on quality, health, safety, security and environment, and 1,047,208 working hours without a lost-time injury. It retained the UPU EMS Gold award for a third consecutive year, placed second globally in the EMS Customer Care awards for a second, completed 212,000 document attestation transactions across 33 countries, and awarded 45% of its business to Riyada small and medium enterprises.



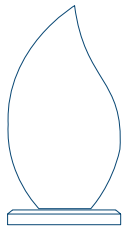
COSTA RICA

Costa Rica (76.9), Latin America and the Caribbean region. Correos de Costa Rica records a relevance score of 96.7, the third highest in the index, with reliability of 51.1 and reach of 49.2: a business model that commands demand and delivery consistency while still lagging in connectivity.



MAURITIUS

Mauritius (69.8), Africa region. Mauritius Post's reliability score of 96.2 is the highest among African operators; relevance of 46.0 and reach of 62.9 reflect a small island economy, yet sit far above the African medians of 1.0 and 42.8.



RISING STARS

Three operators are recognized for the greatest improvement in their respective 2IPD scores.



LITHUANIA

Lithuania gained 12.7 points to 93.0, the largest advance of any PDL 9 operator, driven by relevance (+26.7); Lietuvos Paštas reports 12 million parcels delivered through lockers and couriers, up by a fifth, 98% reaching recipients the next business day.



EGYPT

Egypt gained 12.1 points to 73.0, moving from level 7 to level 8, again relevance-led (+15.1) on reliability of 92.4.



TANZANIA

The United Rep. of Tanzania gained 14.7 points to 65.9, moving from level 6 to level 7 – the largest gain of the three – almost entirely from relevance (+16.5) while reliability fell 1.0 and resilience 2.5; it is working under its eighth Strategic Business Plan for 2022 to 2026.

MOBILITY AND CONVERGENCE

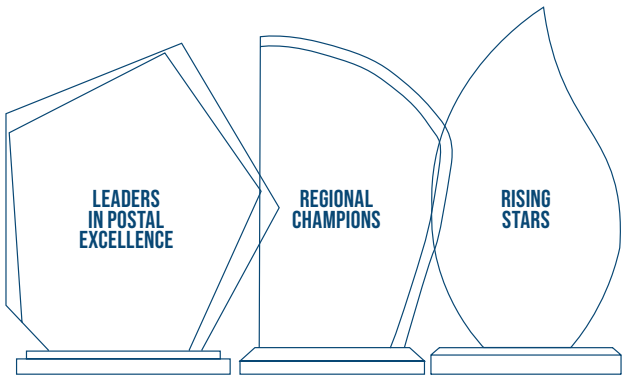
Of the 179 countries measured in successive editions, 58 member countries moved up at least one level, 105 remained static between 2025 and 2026, and 16 countries regressed in their levels (Table 20).

Multi-level movers upward are Aruba, Curaçao and Sint Maarten (+3, level 3 to 6), Costa Rica (+2, 6 to 8), Senegal (+2, 5 to 7), the Seychelles (+2, 4 to 6), Libya (+2, 3 to 5) and the Congo (+2, 2 to 4).

All 16 downward movers fell one level, the largest declines being the Maldives (-15.4), Türkiye (-8.3) and Vanuatu (-8.3) (Table 21).

The distribution shifted upward in its middle: level 8 grew from 23 countries to 32 and level 9 from 23 to 25, levels 2, 3 and 4 each losing between two and five and the bottom two falling from 10 to 7.

Net mobility is inversely related to starting position. The relationship is negative – lower-scoring operators improved more on average – the signature of catch-up rather than uniform drift, qualified only by the new digital bonus, which rewards operators responding to the digital services survey.



THE BINDING CONSTRAINT

Each country's lowest-scoring dimension gives the index's clearest diagnostic (Table 22).

For 164 of 181 countries – 90.6% – relevance is the binding constraint, at a mean of 14.9 out of 100; in Africa it binds for all 41. The two reliability cases, Nauru and Somalia, score zero.

Figure 7 adds the distributions: reliability medians exceed 92 in tight bands in the industrialized and Eastern Europe and CIS groups, span a wide range in Asia-Pacific, the Arab countries and Africa; relevance dispersion is widest in the industrialized group.

The distance to the frontier – 100 minus the regional median on each dimension – makes the same point (Table 23).

WHAT MOVED, AND WHAT DID NOT

Dimension-level movement does not point in one direction (Table 24).

Reliability rose in every region, the world median gaining 4.1 points from 74.8 to 78.9, most where the starting position was furthest behind: Latin America and the Caribbean from 46.5 to 51.1, Africa from 50.7 to 54.3 – consistent with the expansion of tracking coverage documented in section III.

Resilience fell in five of six regions, the world median losing 1.2 points from 61.6 to 60.4, the falls concentrated in Eastern Europe and the CIS (77.8 to 74.5) and Latin America and the Caribbean (46.8 to 43.4).

The sector improved on operational management and lost ground on capacity to absorb shocks, in a year in which, as sections III and IV document, shocks defined the environment. Reliability is a performance

Table 20: **Rank change in PDL for 2026**

	Regressed	Static	Progressed		
PDL rank change	-1	0	+1	+2	+3
Countries	16	105	52	5	1

Source: UPU

Table 21: **Net 2IPD score change, per region**

Region	Progressed	Regressed	Unchanged	Net
Africa	20	3	18	+17
Latin America and the Caribbean	14	4	16	+10
Arab countries	9	1	8	+8
Eastern Europe and the CIS	8	2	20	+6
Asia-Pacific	6	5	21	+1
Industrialized countries	1	1	22	0

Source: UPU

Table 22: **Weakest dimension by R-score, global**

Weakest dimension	No. of countries	Mean R-score (x/100)	Median R-score (x/100)
Relevance	164	14.9	5.0
Reach	9	71.5	80.4
Resilience	6	70.0	87.1
Reliability	2	0.0	0.0

Source: UPU

First, our analysis clearly shows that the postal development gap is primarily a business-model gap, not an infrastructure or speed gap.

Africa's distance to the frontier is 45.7 points on reliability and 99.0 on relevance: sorting capacity, transport and tracking address the smaller gap; the larger one relates to whether households and businesses have reason to use the postal channel – product, pricing and financial services, not hardware.

Second, relevance is where a development diagnosis and a fragility diagnosis converge.

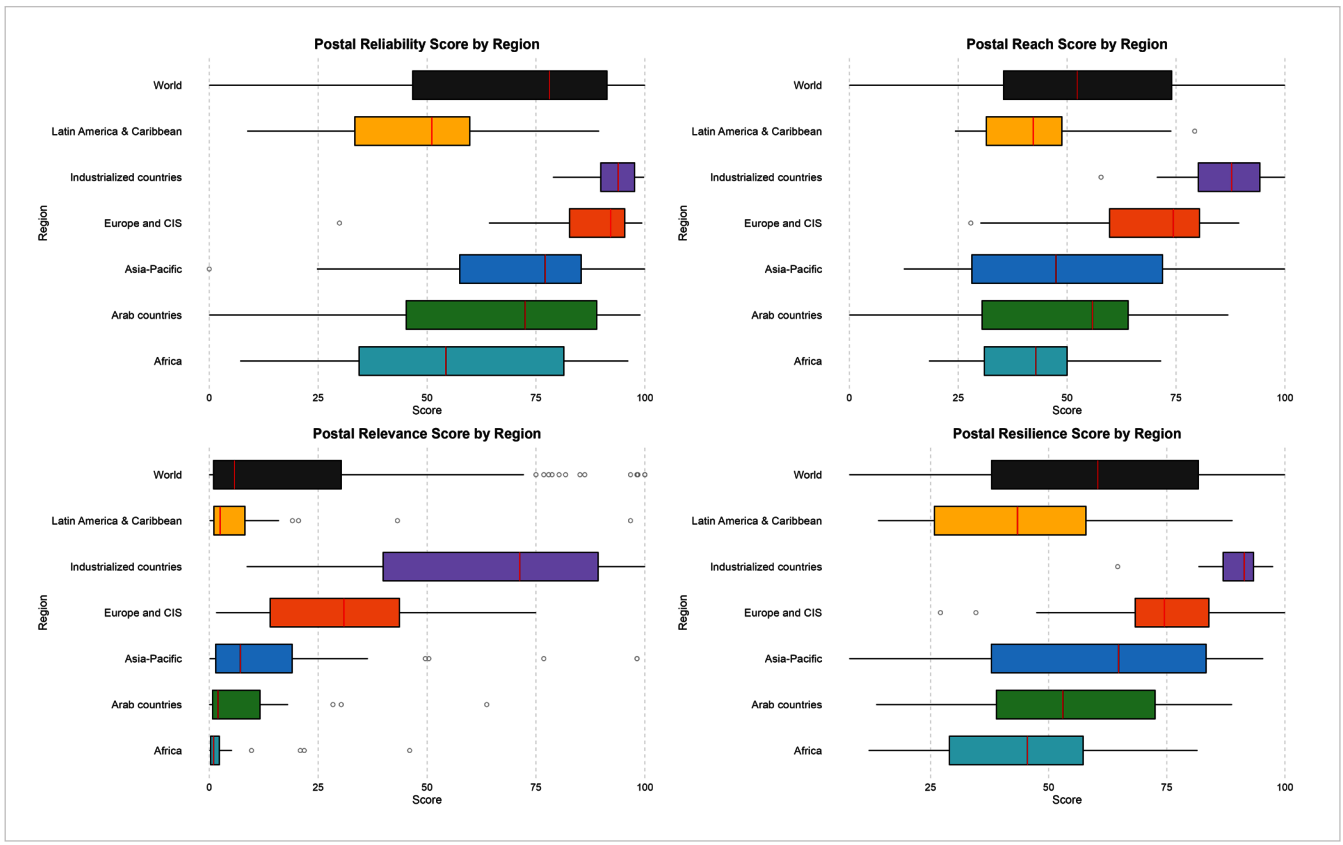
In the following sections we explore how revenue concentration in a declining segment can be a fragility. We have already shown that DOs hold a median 74% of their domestic letter market but only 27% of their parcel market.

Table 23: **Distance to frontier, by region and R-score**

Region	Reliability	Reach	Relevance	Resilience
Africa	45.7	57.2	99.0	54.5
Arab countries	27.5	44.2	98.0	47.0
Asia-Pacific	22.9	52.6	92.9	35.2
Eastern Europe and the CIS	7.9	25.6	69.1	25.5
Industrialized countries	6.1	12.3	28.8	8.6
Latin America and the Caribbean	48.9	57.8	97.5	56.6

Source: UPU

Figure 7: **Distribution of 2IPD dimension scores across UPU regions. Box plots show medians, interquartile ranges and outliers**



Source: UPU

measure; resilience is a fragility measure.

Relevance barely moved at world level (+0.1) because its gains are almost entirely industrialized. The industrialized median rose 6.8 points from 64.5 to 71.3, while Africa's stayed at 1.0, the Arab countries' moved from 1.6 to 2.0, Asia-Pacific's fell from 7.5 to 7.2 and Latin America and the Caribbean's from 3.9 to 2.5.

THE DIGITAL DIMENSION: HOW BONUS POINTS ARE EARNED

The new digital component derives from the UPU Global Digital Panorama survey and measures what DOs offer in digital services, not national digitalization. Of 159 responding operators, 157 were retained (the other two questionnaires being largely incomplete). The index is built in three levels from 136 ordinal survey items plus seven aggregated complements (Table 25).

LEVEL 1 ENCODING

Each response is coded on a 0 to 5 ordinal scale: never considered (0); considered and rejected (1); considering or discontinued (2); under development (3); implemented (5). Omitting 4 widens the interval between development and production. Non-response is coded 0.

LEVEL 2 PRINCIPAL COMPONENT ANALYSIS BY PILLAR

Nine service pillars are assessed: digital infrastructure (16 items); connectivity (15); digital postal services (12); e-commerce (17); digital finance (14); e-government (24); emerging technologies (19); cybersecurity (8); and digital health (11). Within each, items are standardized and the first principal component extracted, normalized to 0–100, higher meaning more mature. A 10th pillar applies the same method to seven aggregated complements – multi-channel delivery, partnerships and national policies among them – so weighting is data-determined. Explained variance on the first component ranges from 32.8% for connectivity to 66.4% for cybersecurity, above the 30% threshold in every pillar.

LEVEL 3 BREADTH AND DEPTH

Five of the 10 dimensions are conditional on the operator offering the service: digital postal services, e-commerce, digital finance, e-government and health. The composite is Score = 0.5 × Breadth + 0.5 × Depth, breadth being the share of dimensions active and depth the mean across active dimensions only; it is normalized across the 157 operators and converted linearly to a bonus of 0 to 5 points.

Sensitivity testing across breadth-to-depth weightings from 30:70 to 70:30 gives Spearman rank correlations of at least 0.929, 59% of countries moving 10 ranks or fewer between the extremes and five remaining in the top 10.

Six African operators appear in the global top 25 against five industrialized, and the United Rep. of Tanzania achieves the world's highest depth score, 84.9.

Regional dispersion on digital maturity is far narrower than on the index – 18 points from top to bottom region against 56 on the 2IPD – and Africa outranks Asia-Pacific, reversing the 2IPD ordering.

The Africa region records the highest mean on digital finance (56.0 against 48.8 for industrialized countries), the second highest on digital health (17.5, behind the Arab countries at 25.2), and the third highest on emerging technologies (81.6).

Industrialized operators lead on digital infrastructure (92.9) and cybersecurity (95.3) but are second lowest on e-government (11.5), above only Latin America and the Caribbean at 11.0, where the Arab countries lead at 41.7. Connectivity – post offices as Internet service providers, mobile virtual network operators or SIM registration points – is strongest in Africa (33.0); weakest in Latin America and the Caribbean (14.3).

These are different development models, not points along one path: where other institutions provide e-government and financial services, the postal operator specializes; where they do not, only the postal network has the reach to deliver them.

Our findings indicate that operators whose relevance scores are in single digits are not generally incapable of building digital services.

Tanzania's relevance score is 20.9; Ethiopia is fourth on digital maturity and 78th on the index. The constraint is not capability but its translation into demand – business model, regulatory permission, commercial perimeter – a decision problem rather than an investment problem; we reinforce this argument in the following sections.

Table 24: **Net change in regional median score by dimension**

Region	Reliability	Reach	Relevance	Resilience
Africa	+3.6	-0.1	0.0	-0.4
Arab countries	+2.7	+0.4	+0.4	-1.0
Asia-Pacific	+1.0	+1.5	-0.3	-0.1
Eastern Europe and the CIS	+1.1	-0.7	+2.0	-3.3
Industrialized countries	+2.3	-0.9	+6.8	-0.9
Latin America and the Caribbean	+4.7	+1.2	-1.4	-3.4
World	+4.1	+0.3	+0.1	-1.2

Source: UPU

Table 25: **Assessing the digital dimension for top 10 countries**

Rank	Country	Active dimensions	Breadth	Depth	Composite	Bonus
1	**France**	10	100.0	78.6	89.3	5.0
2	**United Rep. of Tanzania**	9	90.0	84.9	87.4	4.8
3	**Switzerland**	10	100.0	73.3	86.6	4.7
4	**Ethiopia**	10	100.0	70.1	85.1	4.6
5	**Iraq**	9	90.0	79.5	84.8	4.5
6	**Jordan**	10	100.0	69.1	84.5	4.5
7	**Portugal**	10	100.0	67.4	83.7	4.4
8	**Italy**	9	90.0	77.2	83.6	4.4
9	**Botswana**	9	90.0	76.0	83.0	4.3
10	**Poland**	8	80.0	83.4	81.7	4.2

Source: UPU

Because the bonus can reach 14 points on a 100-point scale, it moves the ranking: 161 of 181 countries change position (Figure 20). The largest gains are Kazakhstan and Zimbabwe, each +16 places, then Botswana (+12), Iraq (+11) and Eswatini (+10); the largest losses Mauritius (-13), Romania (-12), and Cyprus, Jamaica, El Salvador, the Philippines, Cabo Verde and Madagascar (-11 each). Thirteen countries received no bonus.

The bonus therefore functions as designed, rewarding operators that report their statistics, decarbonize and digitalize – but it rewards institutional behaviour, not service outcomes.

However, we state six clear limitations. The digital bonus measures postal offering, not national digitalization. Data is self-reported without field verification. Non-response is coded as absence. The observation-to-variable ratio exceeds six to one in every pillar. The 50:50 breadth-depth weighting is normative. One data gap is flagged – India answered no cybersecurity item – with seven further operators recording zero there.

WHAT THIS SECTION CONTRIBUTES TO THE ARGUMENT

The index tells a more ambiguous story than its headline suggests. Operational performance improved: reliability rose in every region, the world median gaining 4.1 points, and mobility was strongest among the least developed operators.

But the dimension measuring capacity to withstand shocks declined in five of six regions, in the same 12 months in which we observe customs control measures in both of the world's two largest destination markets and a conflict-driven collapse in a third, and this in the face of real revenue contracting in every region for the second time in three years.

And the dimension measuring whether the postal business model still commands demand binds for nine countries in 10, at a mean of 14.9 out of 100, while those most constrained on relevance are frequently not those least able to build modern services.

SECTION 3

INTERNATIONAL POST UNDER PRESSURE – 12 MONTHS THAT RESHAPED THE POSTAL MAP: AUGUST 2025 TO JULY 2026

KEY TAKEAWAYS

Global item totals rose while the typical postal corridor shrank. Over the 12 months, aggregate international items rose 21.1% while the median country-pair corridor contracted 9.8%. This represented a divergence of 31 percentage points across 9,607 corridors, widening to 47 points in January–July. Overall postal volume growth is concentrated in a few large flows.

The rise in items is a digital dividend, not a demand signal. Aggregate item count rose 21.1% while aggregate tonnage over the same flows rose 1.4%. This 19.7-point wedge cannot be produced by demand alone. Since tracking became compulsory for all merchandise items in January 2025, more of what was already moving is now counted. That is a real gain in customer visibility and data quality; it is not growing demand. Tonnage is the real demand signal, and tonnage is falling.

Tonnage, unaffected by counting changes, was negative every month at the median. Median corridor tonnage fell in all 12 months, from -4.9% in August 2025 to -13.1% in July 2026, with a low of -13.7% in May. Aggregate tonnage fell in seven of 12 months, closing at -9.7%.

All six UPU regions recorded negative median growth on both metrics. Median corridor tonnage over the rolling year was Africa -16.3%, Latin America and the Caribbean -13.9%, the Arab countries -13.8%, industrialized countries -9.9%, Eastern Europe and the CIS -9.0%, and Asia-Pacific -8.6%.

The end of the United States de minimis exemption, effective from 29 August 2025, produced the sharpest single-month break in the series. Inbound items fell from -8.9% tonnage in August 2025 to 70.3% in September, a 61-point break in one month. It closed the rolling year at -48.7% aggregate and -70.1% at the median origin corridor. The number of origins shipping into the United States fell from 176 to 133.

And it concentrated the corridor sharply. The Herfindahl index of United States arriving tonnage doubled in a month, from 886 to 1,786, the top five corridor share rose from 58.1 to 83.2%. It partly unwound but remained 7.3 points above the prior year in July 2026. Comparatively, the European Union shows no equivalent movement. Concentration is a United States border phenomenon, not a global one.

The European Union's 3 EUR per-item duty, applicable from 1 July 2026 under Council Regulation (EU) 2026/382, was visible well in advance, unlike the US shock. Extra-bloc arrivals into the Union shifted downwards from -7.4% tonnage in June to -31.0% in July, and items from -16.8% to -50.9%. The number of corridors remained unchanged at 1,675. We find this to be a volume effect, not a coverage artefact.

The Middle East conflict registered in the postal data in the same weeks as in the broader trade and macroeconomic indicators. Arab-region median sender tonnage went from -5.0% in February 2026 to -51.4% in March, and active sender corridors fell from 784 to 504 in the same month; across January–July, median tonnage into Arab-region destinations was -31.5%.

Trade diversion is measurable, and Switzerland is its clearest signature. Swiss outbound tonnage rose 83.0% globally – 230.3% into the United States and 129.9% into the European Union with items and tonnage moving together. This is re-routeing, not a counting change.

WHAT IS MEASURED, AND HOW

This section analyzes the 12 complete months from August 2025 to July 2026 against the same months a year earlier,[3] using UPU item-level exchange data at the August 2026 export, with a cut-off date of 12 August 2026.

A corridor is a directed country pair in a calendar month. The sample keeps only pairs active in the pre-pandemic baseline, at least 26 weekly observations in one year between 2018 and 2022. Calendar months rather than four-week buckets are deliberate: week-bucketing would add an artefact of roughly ±20 to 25% in six of the 12 months.

Aggregate and median answer different questions, and the difference is the finding. The aggregate sums all flow, absorbing corridor entry and exit; the median reports the middle growth rate among corridors present in both periods.

Tonnage is the cleaner signal, taken from barcode weight and unaffected by the compulsory tracking of all merchandise items since January 2025, which inflated item counts as coverage improved. Where the two disagree, tonnage is the one to believe.

The data is flow data, not product data. The panel does not decompose by letter post, parcel post or EMS: findings concern corridors and geographies, not product mix, which section I addresses.

Percentage changes on small bases are suppressed or given as absolute value: a corridor moving from 35 to 181 items produces a spectacular rate and no information. Large item-count movements – for example, in one Asia-Pacific origin, items were up 270% against tonnage down 15% – signal a counting-basis change rather than volume and are flagged where they appear.

THE HEADLINE: A RISING TOTAL OVER A FALLING NETWORK

The items divergence (Figure 8) peaks in May 2026 at 58 percentage points, aggregate +44.0 against median -14.2, the widest gap in the series and almost entirely from one corridor pair.

Median tonnage (Figure 9) is negative in all 12 months, from -0.1% in September 2025 to -13.7% in May 2026. Median items are negative in 10, September and December exactly zero: the arithmetic of a median over 8,500 corridors straddling zero.

Aggregate tonnage turns negative only in July, at -9.7%, with the imposition of the European Union duty. Before that it oscillates around zero while the median deteriorates: the interpretation is clear, postal volume is migrating into fewer, larger channels.

Active corridors fall from 8,666 in August 2025 to a trough of 7,984 in April 2026, recovering to 8,426 in July: part mechanical, each corridor having one chance a month to appear in both years. The rest is real exit: Arab-region sender corridors fell 36%, from 784 to 504, in March 2026.

THE DIGITAL DIVIDEND: WHY ITEMS ROSE WHILE TONNAGE DID NOT

Before locating the growth, it has to be correctly named, keeping firmly in mind that the most quotable number in this dataset is also the most misleading.

Table 26 shows that aggregate international items rose 21.1% over the rolling year. Aggregate tonnage over the same flows, in the same months, rose 1.4%. A 19.7-point wedge between a count of items and the weight of those items cannot be produced by demand: if more parcels were genuinely moving, they would weigh more. It is produced by more complete counting.

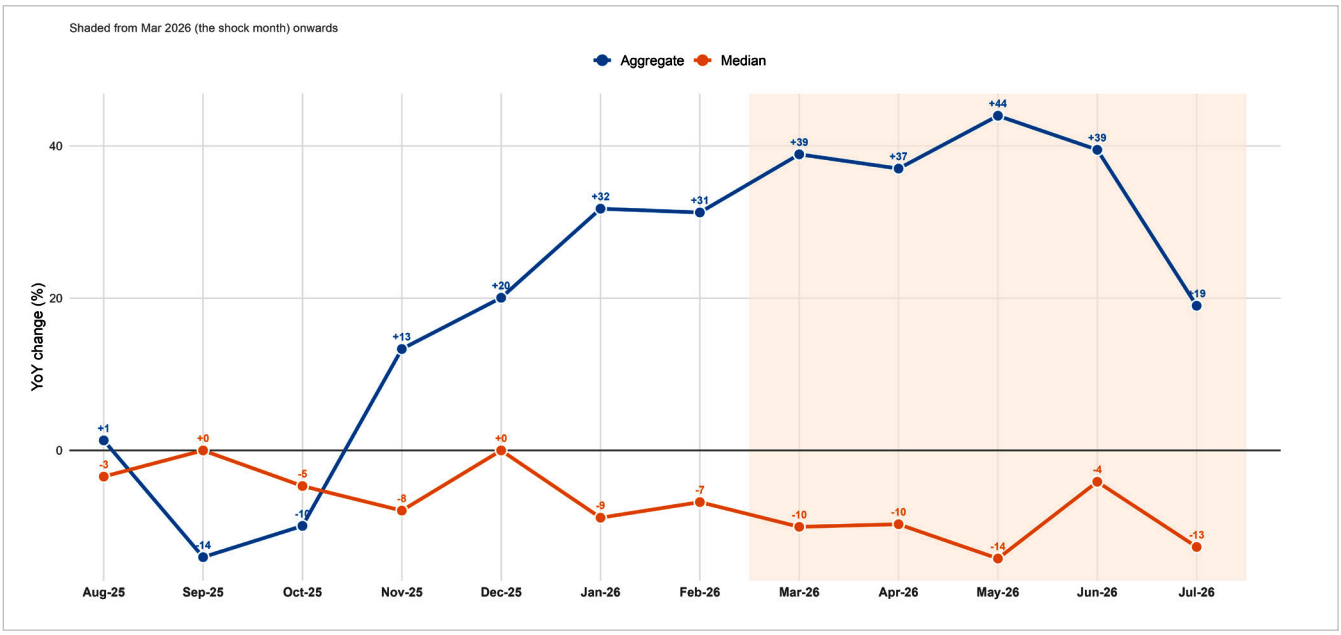
Since January 2025, tracking has been compulsory for all merchandise items. Coverage of the item-level record has expanded mechanically as operators brought previously untracked traffic into the barcoded, electronically declared channel. More of what was already moving is now counted. The item series measures visibility as much as volume.

The country-level evidence shows the effect directly, leaving a signature no demand story can imitate: a divergence in items per tonne inside a single flow.

The Russian Federation's item count rose 425% while its tonnage rose 106% – a fourfold divergence. In one Asia-Pacific origin, items rose 270% while tonnage fell 15%. Neither pattern is consistent with more goods crossing a border; both are consistent with the same goods being enumerated where previously they were not.

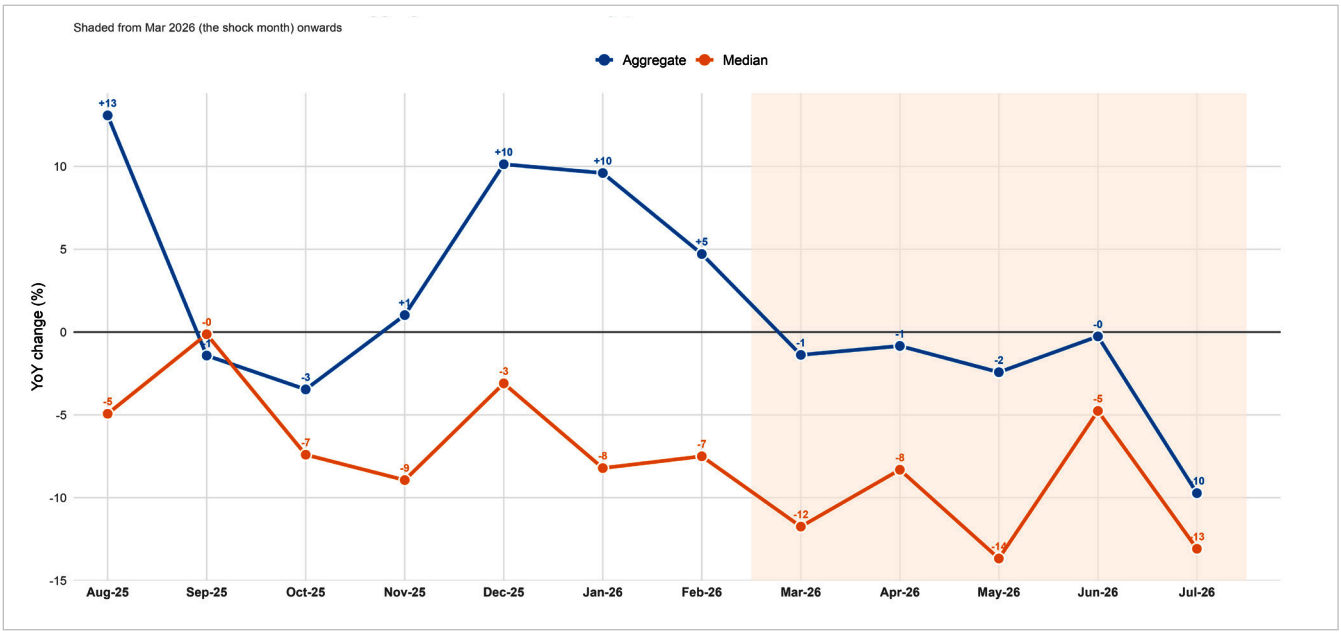
3 March 2026 figures differ from those presented to the Postal Operations Council on 5 May 2026, revised by that export; this report uses the latter.

Figure 8: **International postal items: aggregate versus median country-pair year-on-year growth, August 2025 – July 2026**



Source: UPU

Figure 9: **International postal tonnage: aggregate versus median country-pair year-on-year growth**



Source: UPU

Table 26: **Aggregate versus median country-pair growth in international postal exchanges, year on year**

Window	Aggregate tonnage	Aggregate items	Median tonnage	Median items	Corridors	Tonnage gap	Items gap
Rolling 12 months, Aug 2025 – Jul 2026	+1.4%	+21.1%	-10.0%	-9.8%	9,607	11.4 pp	31.0 pp
Year to date, Jan – Jul 2026	-0.5%	+34.3%	-12.7%	-12.7%	9,364	12.3 pp	47.0 pp

Source: UPU, August 2026 export

Three consequences follow and govern how the rest of this section should be read.

First, tonnage is the demand series, and it is falling. Median corridor tonnage was negative in all 12 months and in all six UPU regions (Figure 10); aggregate tonnage was negative in seven of 12 and closed the year at -9.7%.

Where the two metrics disagree, tonnage is the one to believe.

Second, the dividend is real and should be claimed as such. Compulsory tracking is one of the sector's clearest recent wins: customers can see their items, customs authorities receive electronic advance data, and operators acquire the transit-performance record needed to manage delivery quality.

The world median reliability score rose 4.1 points and rose in every region, the largest single-dimension movement in this year's index. The same operational change that inflates an item count improves a reliability score, and only one of the two measures performance.

Third, presenting item growth as demand growth would invert the sector's own diagnosis. A reader observing that international postal items grew 21% in a year of border shocks and conflict might reasonably conclude that the postal channel is winning share. The tonnage series, the median series and the regional medians say the opposite.

This report therefore leads on tonnage and the median throughout, treating the item series as what it is: a measure of how much of the network has become visible, not of how much it has grown.

WHERE THE GROWTH ACTUALLY IS

The regional aggregates locate the 21% item rise: Asia-Pacific up +9.0% in tonnage and +70.7% in items, Eastern Europe and the CIS up 18.6% and 63.8%, against Africa down 20.5 and 30.5%, Latin America and the Caribbean down 12.1 and 42.9, the Arab countries -9.6 and -4.9, industrialized countries -3.7 and -7.6 (Figure 11 and 12).

One origin-destination pair carries most of the global item growth: aggregate items on the Asia-Pacific to Eastern Europe and CIS corridor group ran at -36.3% in August 2025, turned positive in the autumn, rose from +586.6% in January to +807.8% in May 2026, and closed at +731.1% in July, while the group's median across roughly 200 country pairs ran from -5.3% to -18.1%.

The Russian Federation's item count rose 425% and China's 127%, consistent across four independent views of the data; but Russian tonnage rose only 106% against items up 425%: a counting-basis change alongside real growth.

Every cell in Table 27 is negative, including those of the two regions whose aggregate item counts grew most. Eastern Europe and the CIS, whose aggregate items rose 64%, records a median corridor change of 9.3%; Asia-Pacific, whose aggregate items rose 71%, records -9.5%. The growth that lifts the regional totals is confined to a handful of large corridors, while the typical corridor shrank.

Growth in a few mega-corridors is not the public good that growth across a network is: it generates scale economies there and nothing for the rest.

That is the network on which the three shocks of the year landed, and our report now looks at these in turn: the end of the United States de minimis exemption in August 2025; the European Union's per-item duty from July 2026; and the armed conflict that reshaped the postal geography of one region from March 2026. Each arrived from outside the sector, each is datable to a single month in the corridor data, and each struck a network whose typical link was already contracting. That is why the measure that matters in what follows is not the aggregate, but what happened to the thinnest corridors, and to the number of origins still serving each destination.

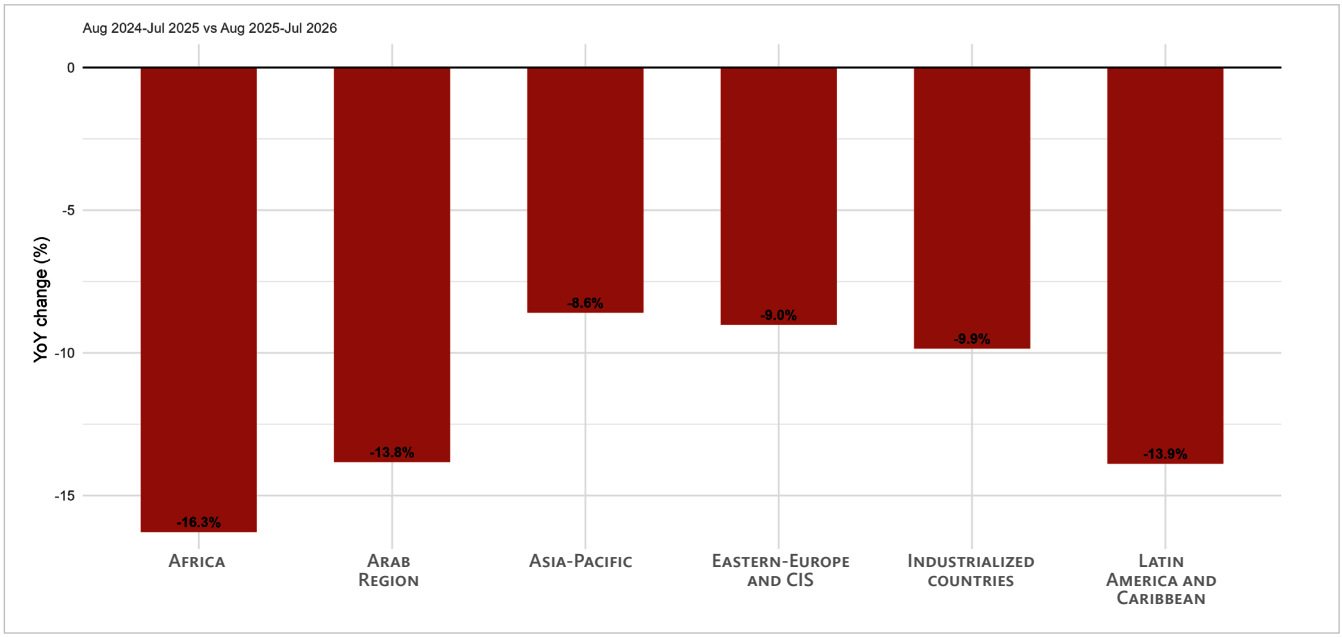
SHOCK ONE: THE END OF THE UNITED STATES DE MINIMIS EXEMPTION

The United States suspended duty-free de minimis treatment globally under Executive Order 14324, signed on 30 July 2025 and effective 29 August 2025: the exemption under 19 U.S.C. 1321(a)(2)(C) ceased to apply to covered shipments regardless of value, origin or mode (White House, 2025a; US Customs and Border Protection, 2025a). Only the first month is materially pre-change (Table 28).

The suspension was the second step: duty-free treatment had already been withdrawn from origins in China and Hong Kong from 2 May 2025 under Executive Order 14256, repricing the largest single origin group four months earlier (White House, 2025b). The postal network was not exempted but given a transitional collection mechanism: items became liable either to an ad valorem duty at the origin country's effective tariff rate, or to a specific duty of 80 to 200 USD per item graduated by that rate (US Customs and Border Protection, 2025b).

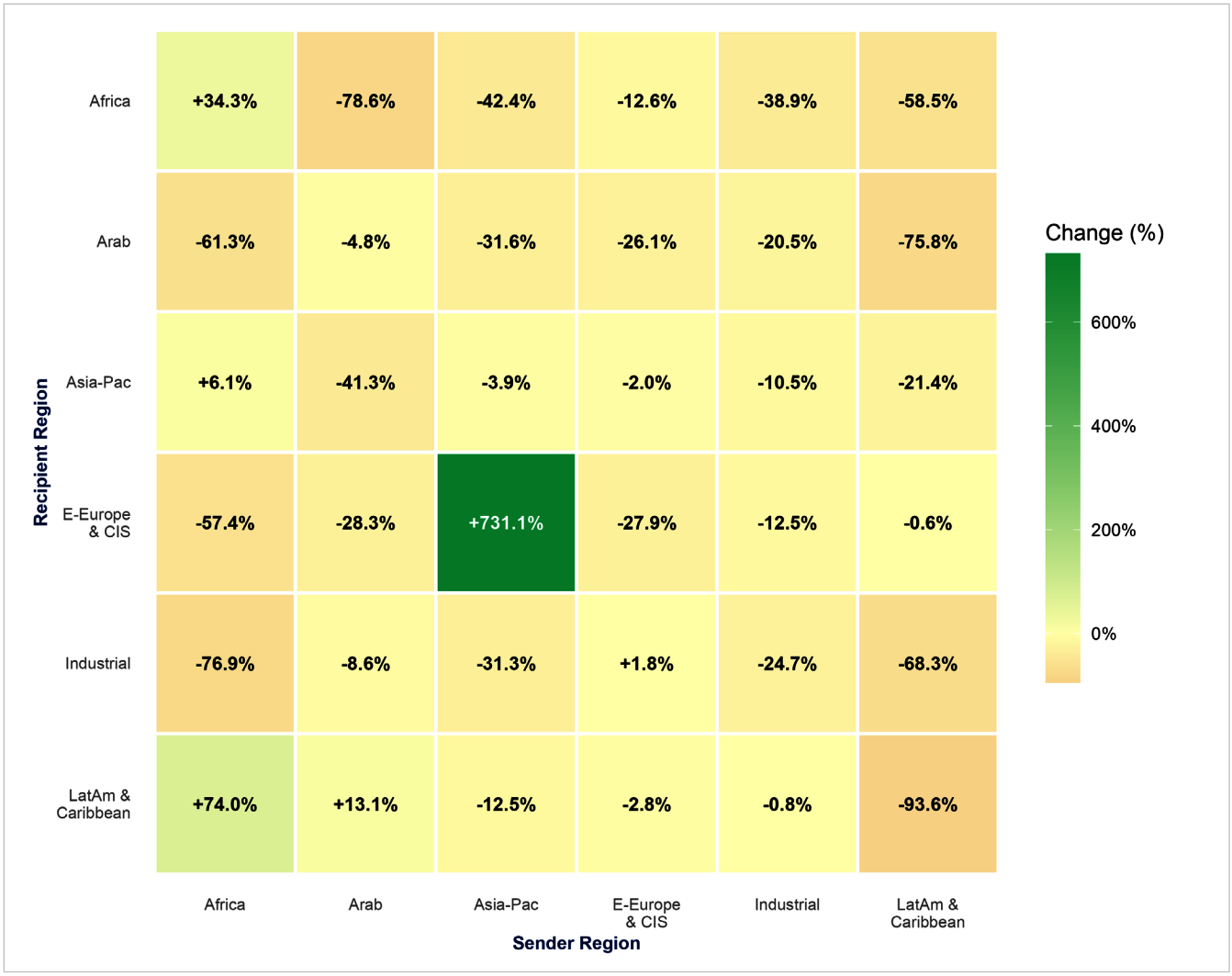
The obligation was not only to pay more but to determine dutiable status, transmit customs data, calculate the duty and find a bonded party to remit it.

Figure 10: **Median corridor tonnage by sender region, 12 months to July 2026**



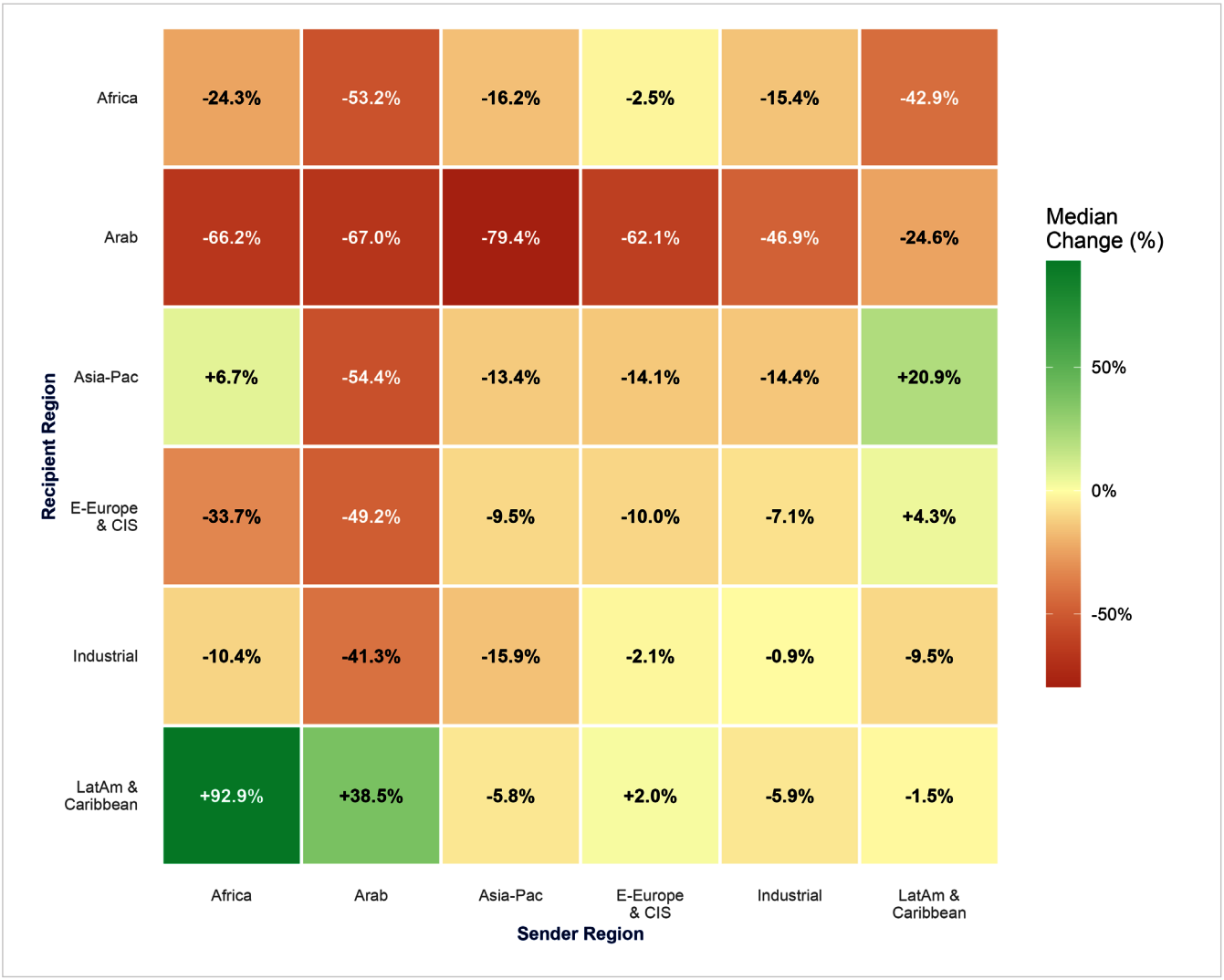
Source: UPU

Figure 11: **Aggregate items change by origin and destination region, 12 months to July 2026. Locates aggregate growth in the Asia-Pacific to Eastern Europe and CIS corridor group**



Source: UPU

Figure 12: **Median tonnage change by origin and destination region, March 2026**



Source: UPU

Table 27: **Median corridor growth by sender region**

Region	Median tonnage, rolling 12M	Median items, rolling 12M	Corridors	Median tonnage, Jan–Jul	Median items, Jan–Jul
Africa	-16.3%	-14.6%	1,017	-10.6%	-11.1%
Latin America and Caribbean	-13.9%	-18.7%	931	-15.1%	-17.6%
Arab countries	-13.8%	-15.9%	863	-25.4%	-26.7%
Industrialized countries	-9.9%	-7.0%	2,955	-12.7%	-10.3%
Eastern Europe and CIS	-9.0%	-9.3%	1,980	-10.7%	-11.9%
Asia-Pacific	-8.6%	-9.5%	1,655	-12.0%	-13.1%

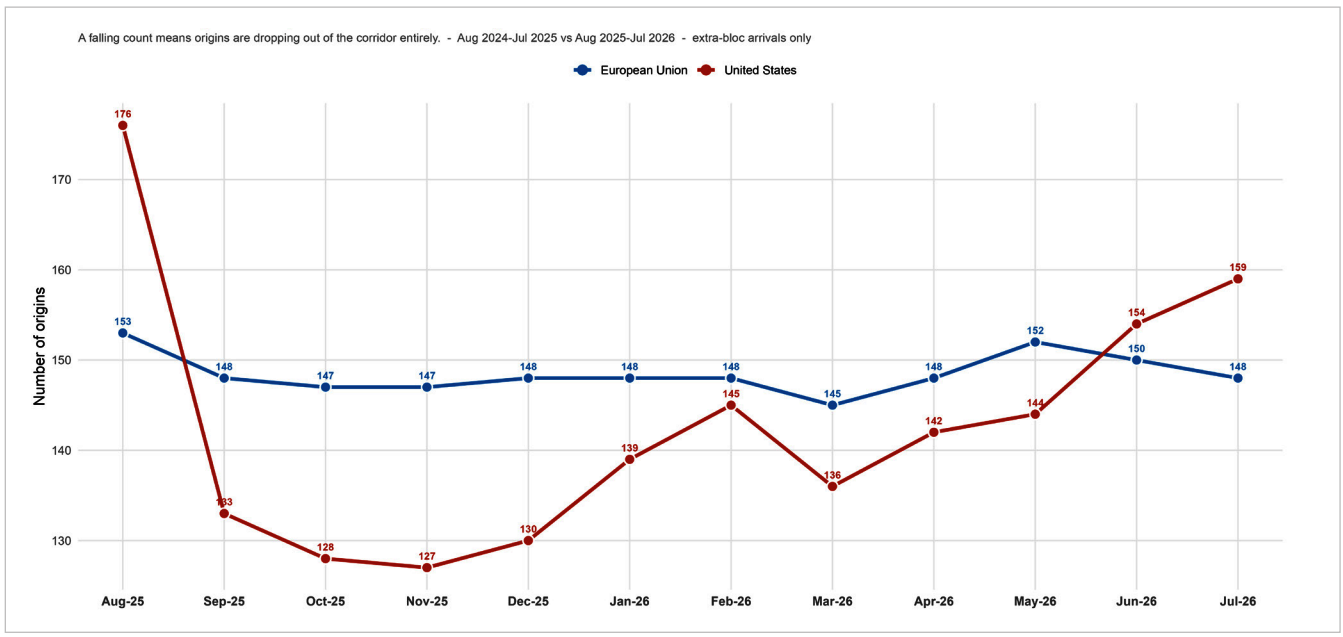
Source: UPU

Table 28: **Inbound items into the United States, year on year**

Month	Aggregate tonnage	Aggregate items	Median tonnage	Median items	Origins
Aug 2025	-8.9%	-19.9%	-18.3%	-9.3%	172
Sep 2025	-70.3%	-71.7%	-88.6%	-80.3%	132
Dec 2025	-55.2%	-56.2%	-79.0%	-55.8%	128
Mar 2026	-51.5%	-59.9%	-63.2%	-50.0%	135
Jul 2026	-36.8%	-38.0%	-62.7%	-53.5%	159
Rolling 12M	-48.7%	-51.7%	-70.1%	-61.9%	179

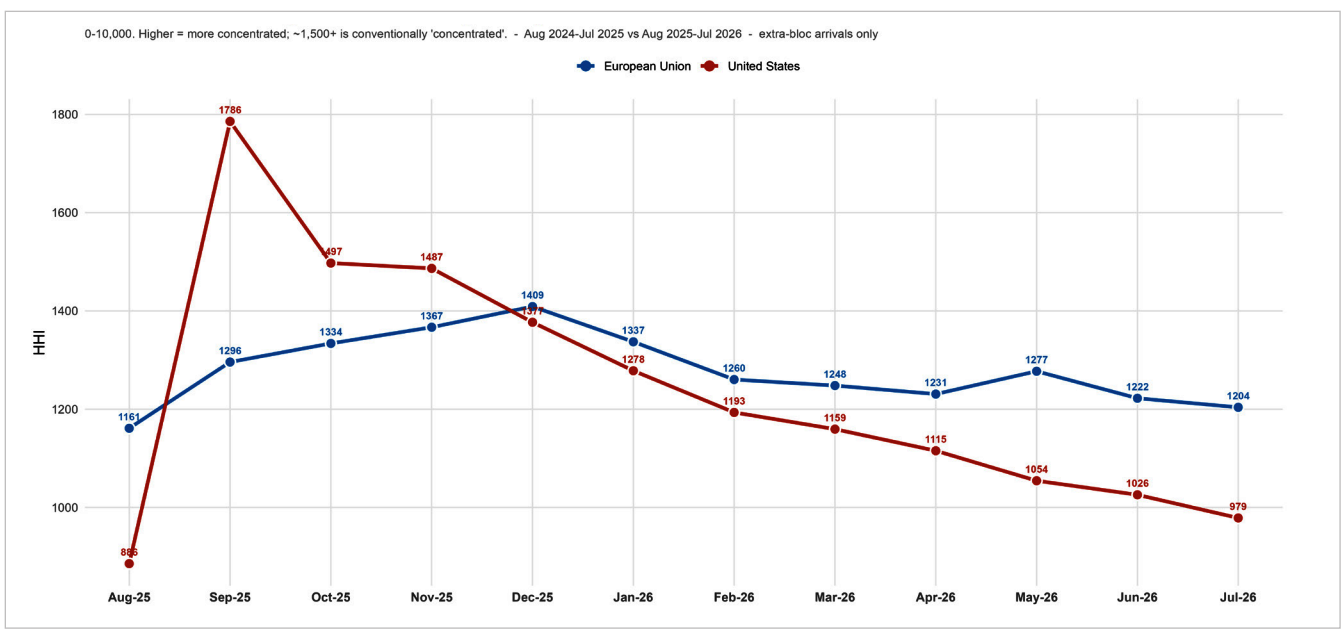
Source: UPU

Figure 13: **Number of origins with positive arriving tonnage, United States and European Union**



Source: UPU

Figure 14: **Herfindahl index of origin shares in arriving tonnage, United States and European Union**



Source: UPU

Table 29: **Concentration of origin shares in arriving tonnage**

Month	US: top 5 origin share	US: HHI	EU: top 5 share	EU: HHI
Aug 2025	58.1%	886	65.4%	1,161
Sep 2025	83.2%	1,786	71.2%	1,296
Dec 2025	71.6%	1,377	72.6%	1,409
Mar 2026	66.0%	1,159	70.6%	1,248
Jul 2026	63.6%	979	67.7%	1,204

Source: UPU

WHY THE BREAK IS A CLIFF RATHER THAN A SLOPE

The September movement is not a demand response: operators withdrew the service rather than accepting items they could not clear.

Reuters reported on 26 August 2025, three days before the measure took effect, that 25 UPU member countries had already suspended goods consignments to the United States (Reuters, 2025a).

Deutsche Post and DHL Parcel Germany stopped accepting business customers' goods-containing items from 22 August; Austrian Post, Japan Post, Swiss Post and several Nordic and Belgian operators suspended over the same period (Deutsche Post DHL Group, 2025; Reuters, 2025b; Global Trade Alert, 2025). The UPU assessed in early September that postal traffic to the United States dipped by more than 80%, and responded with a landed-cost calculator and delivered duty paid interface in its Customs Declaration System (UPU, 2025b).

The shock was near-universal across origins, not confined to the largest senders. In September 2025, aggregate tonnage into the United States fell 98.6% from African origins, 96.4% from Asia-Pacific, 94.1% from Latin America and the Caribbean, 63.3% from industrialized countries.

The median fell further than the aggregate throughout, by 9 to 26 percentage points: small origins hit harder than large, consistent with fixed compliance costs on thin flows.

Origins exited the corridor entirely. Those with positive arriving tonnage fell from 176 to 133 within a month, recovering only to 159 by July 2026, 17 below the prior year (Figure 13).

Recovery is partial and stalled. The trajectory improves from -70.3% in September to -33.8% in June, then deteriorates to -36.8% in July: a new level, not a path back.

This observed stall has a policy explanation: the transitional postal duty was pegged to tariff rates imposed under the International Emergency Economic Powers Act.

On 20 February 2026 the United States Supreme Court held in Learning Resources, Inc. v. Trump that the Act does not authorize the President to impose tariffs, invalidating the rates that the postal duty was tied to (Supreme Court of the United States, 2026; Congressional Research Service, 2026).

Within days, the administration replaced them with a temporary 10% ad valorem import surcharge under Section 122 of the Trade Act of 1974, effective 24 February 2026 for 150 days, and Executive Order 14388 continuing the de minimis suspension while relinking postal duties to it (White House, 2026a; White House, 2026b; US Customs and Border Protection, 2026).

The 150-day surcharge expired on 24 July 2026, three weeks into the final month, so July straddles two duty regimes and is the least stable observation in the series: the duty basis changed twice, and the instability of the rule, not only its level, depressed the corridor.

CONCENTRATION: THE STRUCTURAL CONSEQUENCE

United States origin concentration doubled in a month: the Herfindahl index rising 900 points to 1,786, above the conventional threshold, the top five origin share rising 25 percentage points to 83.2% (Table 29, Figure 14).

The European Union is the control: its origin concentration stayed within 1,161 to 1,409, ending where it started. Concentration rose sharply at the United States border and did not rise at the EU border, which attributes it to the design of the United States measure: the rule applied universally, every origin, value and mode, but the capacity to satisfy it was distributed unevenly, no low-volume operator being able to stand up data quality, duty calculation and a bonded arrangement in days.

DIVERSION

The clearest signature of displaced traffic is Switzerland: outbound tonnage up 83.0% globally, 230.3% into the United States and 129.9% into the European Union. In this case, items and tonnage moved almost identically.

Switzerland was not insulated: Swiss Post itself suspended goods consignments to the United States in late August 2025 (Global Trade Alert, 2025). The data is consistent with consolidation through a jurisdiction that resolved its compliance position early, not one that escaped the rule: a capability others could replicate, not an arbitrage.

The same pattern appears in arrivals into the European Union. Among the countries sending into the Union, tonnage from China fell 20.4% over the rolling year and from Singapore 28.9%, while tonnage from Japan rose 17.3% and from Switzerland 129.9%. Direct flows from the largest Asian origin and from an Asian consolidation hub declined as flows through a European intermediary surged – the consolidation through intermediary jurisdictions that is the rational response to origin-specific measures.

The United States episode therefore set the template: a universal rule applied at a month's notice, a cliff rather than a slope, exit by the thinnest origins and consolidation through the largest. Eleven months later, the second-largest destination market changed its own treatment of low-value parcels, with a different instrument, a longer pipeline and, so far, a different shape. The comparison is the subject of the next part.

SHOCK TWO: THE EUROPEAN UNION PER-ITEM DUTY FROM 1 JULY 2026

The European Union abolished the 150 EUR duty relief for low-value consignments from third countries, introducing a temporary 3 EUR duty from 1 July 2026. The legal basis for this is Council Regulation (EU) 2026/382, adopted on 11 February 2026; the duty runs until 1 July 2028, after which normal customs duties are expected once the EU Customs Data Hub is operational (Council of the European Union, 2026; European Commission, 2026).

The 3 EUR is not a flat charge per parcel: it applies per item, or per customs declaration line or tariff subheading, so a mixed consignment of several product types can attract it more than once. For a low-value basket, the effective ad valorem burden is therefore higher and less predictable than the headline suggests.

The July movement is not a measurement artefact: the corridor count is unchanged at 1,675 between June and July, so no origins left the sample. Aggregate tonnage fell 23.6 percentage points and items 34.1 in one month (Table 30).

The reform had a long pipeline: EU member states agreed politically to remove the 150 EUR threshold in November 2025, the Commission announced the duty in December, and adoption followed in February 2026, some seven months of notice. The contrast with the United States timetable explains why the two shocks have different shapes.

Comparing the two events, in the United States the median fell further than the aggregate, so small origins bore the brunt; in the European Union in July the aggregate fell much further than the median: the largest senders absorbed it first, Asia-Pacific origins falling 86.5% on items against a -27.1% median across the group's 327 corridors (Figure 15 shows the same break by sender region).

The primary reason for this is advance notice: platforms, consolidators and the large Asia-Pacific senders had months to reprice, reroute or consolidate against a standardized instrument.

Whether the European Union's shock keeps this shape is an open question, because the United States series shows that origin exit and concentration arrived months after the initial loss of volume rather than with it (Figure 16).

A further layer of cost is also in prospect. Separately from the duty, a European Union customs handling fee of roughly 2 to 3 EUR per parcel or declaration line, intended to compensate customs authorities for processing rather than to act as a duty, was under discussion for later in 2026, subject to a delegated act. It played no part in the July 2026 break, but it belongs in any assessment of the cost pressure the corridor will face.

It is not a cause of the July 2026 break, but it matters for the cost-pressure argument that follows.

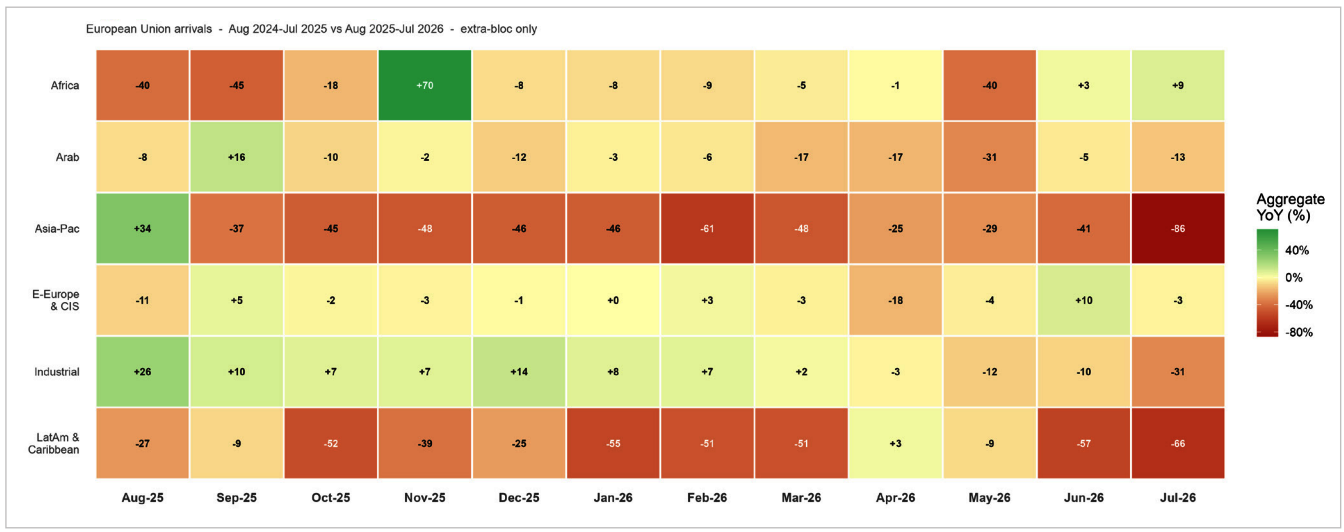
Intra-bloc flows account for 65.1% of tonnage and 69.8% of items arriving in European Union member states, excluded from the series above: the reform covers roughly a third of tonnage arriving by post, a smaller exposed base than the United States equivalent, which has no intra-bloc component.

Table 30: Extra-bloc arrivals into the European Union, year on year

Month	Aggregate tonnage	Aggregate items	Median tonnage	Median items	Corridors
Apr 2026	-5.0%	-6.4%	-4.0%	-8.3%	1,610
May 2026	-6.6%	-14.8%	-12.8%	-13.1%	1,660
Jun 2026	-7.4%	-16.8%	+0.4%	-3.9%	1,675
Jul 2026	-31.0%	-50.9%	-15.7%	-15.9%	1,675
Rolling 12M	-0.4%	-15.3%	-8.3%	-8.8%	1,889

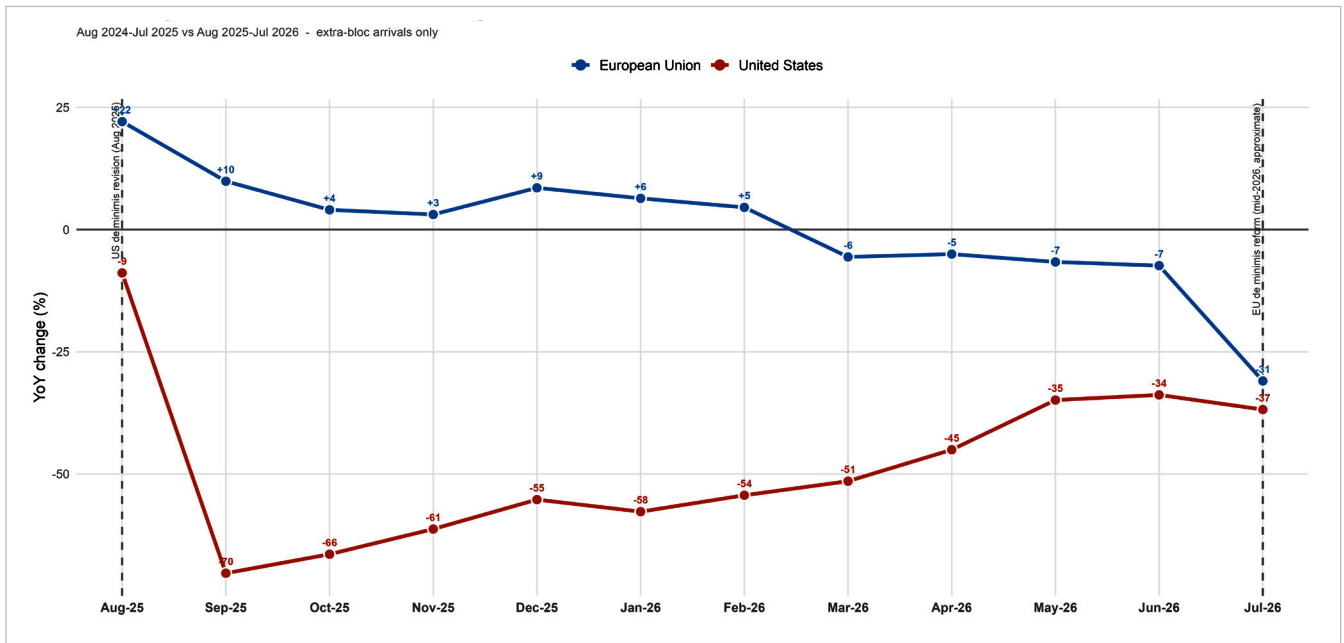
Source: UPU

Figure 15: Aggregate items year on year by sender region, extra-bloc arrivals into the European Union, August 2025 to July 2026



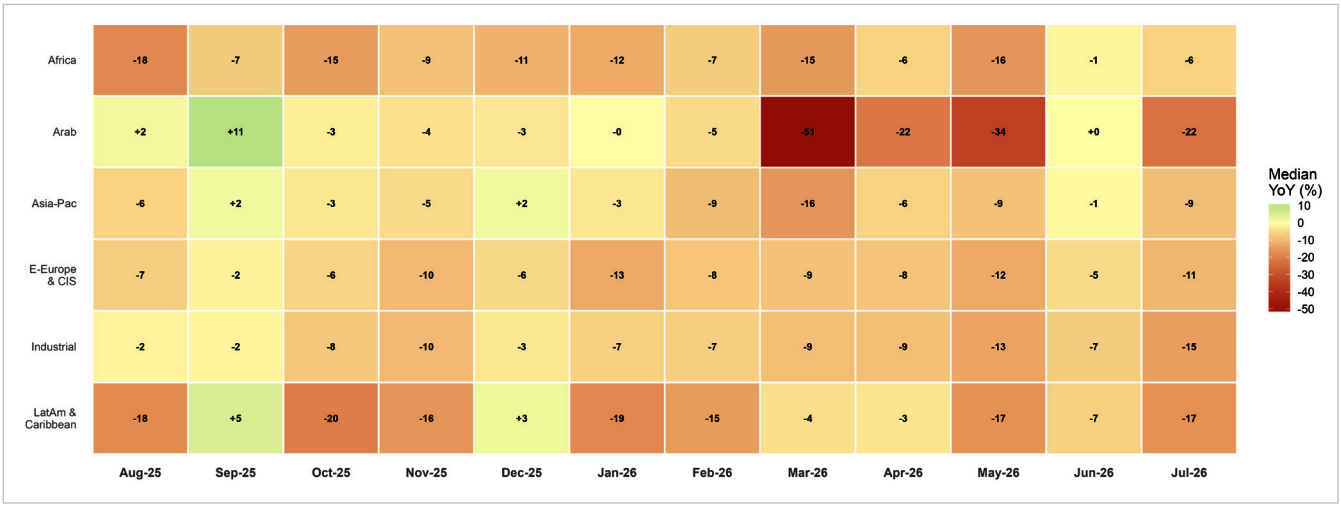
Source: UPU

Figure 16: Arrivals by destination: aggregate inbound tonnage year on year, United States and European Union (extra-bloc only)



Source: UPU

Figure 17: **Median corridor tonnage year on year by sender region and month**



Source: UPU

CONVERGENCE BETWEEN THE TWO DESTINATIONS

The gap between the two destinations – the United States growth rate minus the European Union growth rate in aggregate tonnage, in percentage points – measures how far the American corridor underperformed the European one at each point in the year. It stood at -80.2 percentage points in September 2025, the month the de minimis suspension took effect, when arrivals into the United States fell 70.3% while arrivals into the Union were still growing.

By July 2026, with the Union's duty in force, the gap had narrowed to -5.8 points, and on items it inverted to +12.9 points, the Union performing worse than the United States that month. On the median corridor, however, the gap persists at -47.0 points: the United States corridor remains structurally depressed, while the Union's has so far only been disturbed.

The two events are the same shock arriving 11 months apart: cross-border postal volume is being reset in both of the world's largest destination markets, and the discussion of revenue concentration below rests on that fact.

Both customs measures were announced, legislated and datable in advance. The third shock of the year was not. It reached the network through the logistics system – air capacity, transit routeing and insurance cost – rather than through the customs code, and the corridor data registered it within a single month. The next part documents that signature.

SHOCK THREE: CONFLICT, AND THE POSTAL GEOGRAPHY OF ARMED CONFLICT

Looking at median tonnage by country pair (Figure 17), the Arab regional corridor runs nearly flat, between +1.7 and -5.0%, through February 2026, then collapses in March to -51.4% for median sender tonnage. At the same time, sender corridors fall from 784 to 504, and the tonnage is still at -22.5% in July.

Every cell of the March matrix for Arab-region destinations is negative on both measures.

It was -45.8% from industrialized senders, -57.2% from Asia-Pacific, -63.8% from Eastern Europe and the CIS, -84.8% from Africa and -90.2% from Latin America and the Caribbean. On the median, which no single flow can drive, the fall ranged from -38.4% to -77.5% across all six sender regions. In January–February two of the six were still positive and the worst was -34.9%, dating the change to a single month.

The breadth of the deterioration is visible across the whole network. In the January–February aggregate tonnage matrix, 25 of the 36 origin-destination cells were negative; in March the count rose to 31 of 36 on the aggregate measure and 32 of 36 on the median.

Over the full January–July window, median tonnage into Arab-region destinations was -31.5% and median items -34.0%, the largest regional deterioration in the dataset.

Outside the postal sector, trade and macroeconomic reporting dated the escalation of trade flow disruptions to the end of February 2026 and described its logistics signature: oil price spikes, vessels anchoring rather than transiting near the Strait of Hormuz, Gulf airspace restrictions, with trade-growth expectations revised down (World Economic Forum, 2026; ING, 2026).

These sources do not measure postal flows; the magnitudes are estimated from the exchange data. Restrictions in air capacity, transit routeing and increased insurance cost are how a regional conflict reaches a postal corridor, and all three moved in the weeks the corridor's tonnage did.

The following section focuses on the significance of this event: the contraction and the macroeconomic downgrade are datable to the same weeks, and the postal data – monthly, corridor-level, available within weeks – identified it first.

OUR CONCLUSION FROM EVENTS IN 2025–2026

First, the aggregate is no longer an adequate summary of the network.

When aggregate international items rise 21% while the median corridor contracts by almost 10%, a statement about "international postal volumes" can be true and misleading at the same time, depending on which measure it rests on. The aggregate is dominated by a handful of very large flows; the median corridor is what most operators actually experience. We therefore recommend that the International Bureau publish the median corridor growth rate alongside the aggregate in its regular releases of international postal statistics and in this report, beginning with the next reporting cycle, so that member countries see the figure that describes the typical operator's position, and not only the total.

Second, corridor exit has become a first-order phenomenon in its own right.

When an origin stops sending to a destination altogether, as 43 origins did at the United States border within a single month, the corridor does not shrink; it disappears from the network. That is a different event from a fall in volume, and a less reversible one. Volume can return when conditions are eased, but a service that has been withdrawn must be re-established, and the fixed costs of re-entry – compliance arrangements, customs data, a bonded partner, a transport contract – must be paid a second time. The United States series shows how slow that is: the number of active origins had recovered only to 159 by July 2026, still 17 below the previous year.

Third, policy design determines whether a customs control measure concentrates the network.

The United States and European Union measures produced comparable volume effects and sharply different concentration effects: the strongest evidence that de minimis coherence is a structural variable, not an administrative convenience.

Fourth, and most important: the postal network now transmits macroeconomic and geopolitical shocks in near real time. But the sector's decision cycles are not calibrated to that speed.

A 61-point break in a destination corridor in one month, and a 46-point collapse in a regional median in another, arrive faster than any possible policy response.

In the following section, we explain why that mismatch is dangerous, and subsequently we explore what must change for the sector to decide at the speed at which it is shocked.

SECTION 4

POLYCRISIS AND DISTAGFLATION – WHEN MACRO UNCERTAINTY MEETS POSTAL FRAGILITY

KEY TAKEAWAYS

The sector is not facing a singular crisis – it is facing a polycrisis. The 12 months here delivered two border and customs measures, an armed conflict, an energy repricing, a growth downgrade, an inflation upgrade and a third year of real revenue decline, entangled so each response is constrained by the others. A polycrisis cannot be managed one crisis at a time, nor by any single actor.

A new macroeconomic regime is forming, and classical stagflation is the wrong analogy. This report names it distagflation, from disconnection, stagnation and inflation. Classical stagflation is exogenous and episodic, arriving and clearing with a supply shock. Distagflation is endogenous and structural, characterized by disconnection, trade barriers, technological decoupling and financial fragmentation; it produces stagnation and inflation, and persists as long as the disconnection does.

The macro backdrop has darkened, and the range of outcomes is now published, not assumed. The International Monetary Fund's April 2026 World Economic Outlook replaces its baseline with a reference forecast plus two downside scenarios. Global growth is projected at 3.1% for 2026, down 0.2 points, below 2024–2025's 3.4% and the 2000–2019 average of 3.7%; headline inflation is revised up 0.6 points to 4.4%. In the severe scenario growth falls to 2.2% in 2027, inflation to 6.1%.

Postal revenue was already contracting before the polycrisis arrived, in every region at once. Real postal revenue in PPP terms peaked at 606 billion USD in 2021 and fell for three consecutive years to 563.4 billion USD in 2024, a cumulative 7.0% loss. Across 1997–2024, all six UPU regions contracted at once in only two years, 2022 and 2024 – the diversification buffer of three decades is gone.

Even a benign macro environment would no longer carry the sector. In 2024 postal revenue growth fell short of GDP growth in every UPU region. Across 118 DOs over 2006–2023 it ran approximately 71% below cumulative GDP growth; the modal DO is some 3% a year below GDP growth.

Four fragilities convert a macro shock into an amplified one. High fixed costs reducing operating leverage: a 10% revenue decline with 80% fixed costs compresses operating income by 40 to 50%. Revenue concentrates in a product segment that is susceptible to disruptions from trade fragmentation. Margins offer no cushion, the average EBIT margin across 53 operators was -0.8% in 2024, from -0.5% in 2023. The regulatory regimes removes the potential to reduce price, workforce and fixed infrastructure coverage toolkit.

The prediction is unambiguous: without deliberate intervention the deterioration does not self-stabilize, it compounds. The one escape valve the evidence identifies – cutting costs faster than revenues fall so margins temporarily improve – is closed to regulated DOs by design.

And yet past crisis has been the postal sector's most reliable forcing function. The 1970s oil shocks produced rate spirals, service cuts and labour conflict, and downstream the automation that let the United States postal administration deliver 145% more mail in 2000 than in 1970 with only 22% more employees. However, then, unlike now, demand was still growing. The path is narrower, the window wider.

WHY A STATISTICS REPORT NEEDS A MACROECONOMIC REGIME

Our analysis so far closed on a finding that cannot be explained from inside the postal sector.

Between February and March 2026, tonnage into Arab-region destinations moved from a mixed picture of growth and decline to uniform contraction: -43.0% from within the region; -45.8% from industrialized senders; -57.2% from Asia-Pacific; -63.8% from Eastern Europe and the CIS; -84.8% from Africa; and -90.2% from Latin America and the Caribbean. On the median, all six regional corridors were negative, between -38.4% and -77.5%, and the number of origin corridors fell from 784 to 504 in a single month.

The IMF's April 2026 World Economic Outlook records its largest regional downgrades in the same geography: the Middle East and North Africa down 2.8 percentage points to 1.1% for 2026, the Middle East and Central Asia down 2.0 points to 1.9%, both attributed to the conflict of late February 2026.

The postal contraction and the IMF's regional downgrade are datable to the same weeks and the same geography.

On the available evidence, the postal series does not reflect a macroeconomic backdrop but records the same disruption, in physical exchanges rather than in economic output. That coincidence is the reason a report whose subject is postal statistics now turns to the macroeconomic outlook: if the postal network registers a geopolitical shock within weeks, the sector's prospects cannot be read without an account of the regime in which it is operating.

This section supplies that account in five parts: the outlook itself; the vocabulary needed to describe it; the postal revenue evidence; the mechanism that turns a macro shock into a postal crisis; and the historical evidence that severity has been survivable before.

THE MACRO BACKDROP: A DARKER, MORE DISPERSED WORLD

The most informative feature of the IMF's April 2026 World Economic Outlook is methodological rather than numerical. For the first time, the Fund declined to publish a baseline:

> **"Given the difficulty of underpinning in real time a consistent set of assumptions for projections, this World Economic Outlook report presents a "reference forecast" – in lieu of the traditional baseline – predicated on the assumption that the war will have limited duration, intensity, and scope, such that the disruptions will fade by mid-2026 [...] However, given the fluidity of the situation, the report complements the global reference forecast with scenarios in which the conflict lasts longer or expands. The likelihood of these scenarios materializing rises progressively as hostilities and associated disruptions continue." (IMF, 2026a, p. 1)**

Within that reference forecast, three features of the published numbers matter for the postal sector (Table 31).

First, growth is revised downwards while inflation is revised up: a supply-side disturbance, the worst configuration for an operator with lagged, regulator-set prices.

Second, the revision is asymmetric. The 0.3-point cut to emerging market and developing economies masks variation: cumulative 2026–2027 growth is down 0.5 percentage points for low-income net energy importers, 0.2 for energy-importing advanced economies, with neutral-to-positive revisions for exporters. Emerging and developing Europe is down 0.3 points to 2.0%.

Third, absent the regional conflict, the revision would have gone the other way: on pre-conflict assumptions, 2026 growth would have been revised up 0.1 point to 3.4%. The downgrade therefore traces itself to a single geopolitical event, which is also the event the postal corridor data dated to the month.

Table 31: **Key macroeconomic data: annual percentage change; revisions in percentage points**

Series	2025	2026	2027	Revision to 2026 vs January 2026 update
Global growth (PPP weights)	3.4	3.1	3.2	-0.2
Global growth (market exchange rates)	2.9	2.6	2.6	-0.2
Global headline inflation	4.1	4.4	3.7	+0.6
Advanced economies, growth	1.9	1.8	1.7	0.0
Emerging markets and developing economies, growth	4.4	3.9	4.2	-0.3
World trade volume, goods and services	5.1	2.8	3.8	+0.2
Oil price index	-14.4	+21.4	-7.6	+29.9

Source: IMF (2026b)

Table 32: **IMF's global growth forecast**

	Global growth 2026	vs reference	Global growth 2027	Headline inflation 2026	Headline inflation 2027
Reference forecast	3.1%	–	3.2%	4.4%	3.7%
Pre-conflict counterfactual	3.4%	+0.3 pp	3.2%	–	–
Adverse	2.5%	-0.8 pp	3.0%	5.4%	3.9%
Severe	~2.0%	-1.3 pp	2.2%	5.8%	6.1%

Source: UPU

THE SCENARIOS, AND THE STAGFLATIONARY TILT

The Fund's two downside scenarios describe what happens if the conflict lasts longer or widens (Table 32). The adverse scenario puts oil 80% above the January baseline from the second quarter of 2026, natural gas prices in Europe and Asia 160% higher, and inflation expectations up 50 basis points in advanced economies and 90 basis points in emerging markets excluding China. The scenario also raises oil to 100% above baseline through 2027, and the Fund describes its consequence in unusually direct terms:

> **"Global growth would be reduced by 1.3 percentage points in 2026. This would mean a close call for a global recession (growth rate below 2 percent), which has happened only four times since 1980, with the latest two occasions corresponding to the global financial crisis and the COVID-19 pandemic." (IMF, 2026b, p. 8)**

Both downside scenarios pair lower growth with higher inflation – a stagflationary tilt rather than a demand recession – and both fall unevenly. The severe scenario lowers 2026 growth by 1.9 percentage points in emerging markets excluding China, almost twice the decline in the advanced economies.

That geography matters for the postal network because it coincides with the geography of the corridor contraction documented in the previous section.

The scenarios fall hardest on emerging markets outside China and on energy-importing economies – the sender regions whose median corridors were already contracting fastest over the rolling year: Africa at 6.3%, Latin America and the Caribbean at -13.9% and the Arab countries at -13.8%, against -8.6% for Asia-Pacific.

A stagflationary scenario would therefore reach the thinnest and most fragile corridors first, deepening a contraction that predates the scenario rather than creating a new one.

UNCERTAINTY ITSELF AS A FIRST-ORDER DRIVER

The forecast revisions describe a lower level of activity. A second effect, which the tables cannot show, works through the uncertainty of the outlook itself. Three strands of the economic literature explain why uncertainty is a driver of outcomes in its own right, independently of the level of growth, and each has a direct counterpart in the postal sector.

The first is real-options theory. When investment is partly irreversible and the future is uncertain, the option to wait acquires value, and firms delay investment and hiring until the picture clears (Bloom, 2009; Bloom et al., 2022). For a postal operator, this is the decision to defer automation, fleet renewal or network redesign until the customs regime or the conflict has settled – a delay that, as the amplification mechanism later in this section shows, preserves the very cost structure that makes the operator vulnerable.

The second is the financial accelerator. Shocks are amplified where firms depend on external finance or hold weak collateral, because a fall in earnings raises the cost of borrowing at the moment it is most needed (Bernanke, Gertler and Gilchrist, 1996; Bernanke, 2007). Operators with negative margins and constrained public-sector balance sheets sit precisely where this mechanism bites.

The third is the heterogeneity literature. Identical shocks generate very different outcomes depending on pre-shock leverage, liquidity and customer concentration (Davis et al., 2025; ECB, 2025), and shocks to policy uncertainty foreshadow declines in investment, output and employment within six months (Baker, Bloom and Davis, 2016). This is why the same 12 months produced structural distress for some operators and relative resilience for others – a distribution examined later in this section.

Trade-policy volatility and geopolitical fragmentation work through the same three channels. The border measures documented reshaped the economics of cross-border parcels, while rerouteing, insurance and sanctions altered corridor cost and speed – each an uncertainty shock in the sense the literature describes, arriving on top of the level effects in the forecast.

What distinguishes the past 12 months is not any one of these shocks in itself but their simultaneity, and describing that condition requires a vocabulary the sector has not so far used.

POLYCRISIS AND DISTAGFLATION: NAMING THE REGIME

THE WIDER CONDITION: POLYCRISIS

The 12 months covered by this report delivered not one shock to the global postal network, but six.

The first was the border and customs measure in the world's largest destination market; second, 11 months later, an equivalent measure in the second largest; third, an armed conflict that removed a third of one region's corridors within a month. Alongside them came an energy reprice of 21.4%, a downgrade to forecast growth paired with an upgrade to forecast inflation, and a third consecutive year of real revenue decline for postal operators worldwide.

None of these six shocks arrived alone.

Each interacted with the others and compounded their effects, and that is what makes the year an instance not of a sequence of crises but of what the literature calls a polycrisis: multiple systemic crises so entangled that their combined effect exceeds the sum of the parts.

The term originates with Morin and Kern (1999) and has a causal formulation in Lawrence and co-authors (2024), defining it by the entanglement of crises across domains rather than their simultaneity: a shock in one system alters another's operating conditions, so responses calibrated to each crisis separately are individually reasonable and jointly insufficient.

The postal evidence is a textbook instance. The end of the United States de minimis exemption is a trade-policy event; the conflict in the Middle East a regional geopolitical event; the structural decline of letter post a technological substitution event.

This report has already shown that all three arrived in the same 12 months and are visible in the same data series, each landing on a cost structure the previous one had already weakened.

What the postal sector needs to recognize is that a polycrisis cannot be managed one crisis at a time.

Because the damage lies in the interactions between the shocks, it cannot be managed by any single actor either: the entanglement runs across trade policy, geopolitics, security and macroeconomics, none of which the postal sector controls.

What a polycrisis does demand of any organization operating inside it is a decision-making process capable of holding all of those domains in view at once – and that requirement is the subject of the next part.

DECISION MAKING IN TIME OF POLYCRISIS

If the damage done by polycrisis lies in the interactions between crises, then a decision-making process that focuses on solutions from one domain at a time will not achieve the desired result.

Table 33: **Classical stagflation and distagflation compared**

	Classical stagflation	Distagflation
Origin	Exogenous	Endogenous
Character	Episodic	Structural
Duration	Clears with the shock	Persists as long as disconnection persists
Dynamics	Self-limiting	Self-amplifying

Source: UPU

Postal decision making works that way today: corridor economics sits with international relations, network costs with operations, the macroeconomic outlook with the finance director. Each analyzes its domain competently; nobody reasons across all of them at once, on the same evidence, inside the decision window that section III has shown to be a matter of weeks.

What a polycrisis demands is therefore a holistic lens – a mechanism that holds trade policy, cost structure and regulatory constraint in view at once, tests an option against all of them and surfaces the interactions a domain-by-domain review would miss.

Hiring more analysts – or more staff members for that matter – does not provide an alternative: the constraint is not analytical capacity, but the number of domains a team can integrate before the decision is due.

That is what an orchestration layer of specialist artificial intelligence (AI) agents, coordinated under a human supervisor, can provide within an organization: 11 domains queried in parallel and synthesized into a single brief in which the interactions are explicit, at machine rather than committee speed.

The claim is not that AI systems can resolve a polycrisis – no technology can; it is an observation on the breadth of focus, and speed. AI agentic orchestration restores the holistic view a polycrisis destroys, fast enough to matter for effective decision making.

Polycrisis describes the condition; it does not describe the economics.

The macroeconomic regime that a polycrisis of this composition produces – disconnection feeding stagnation and inflation – needs a name of its own, because the correct response to it differs from the correct response to any of its components.

THE MACROECONOMIC REGIME: DISTAGFLATION

Distagflation, from disconnection, stagnation and inflation, is the macroeconomic expression of the polycrisis: a self-reinforcing regime in which structural disconnection produces economic stagnation and inflation. Its three elements are causally linked rather than merely coincidence.

Disconnection is the structural driver, in the form of trade barriers, technological decoupling and financial fragmentation. Stagnation follows endogenously, through supply-chain efficiency losses and an investment freeze. Inflation is cost-push and coexists with weak growth, so that monetary tightening addresses it only at a high cost in output – hence the IMF's calibration, in which the policy response "assigns less weight to output stabilization than usually assumed".

Naming the regime matters because the response to a temporary shock is the opposite of the response to a structural one.

Table 33 sets out the contrast with classical stagflation, the analogy most likely to be reached for.

A temporary shock calls for bridging: liquidity, deferred investment, and waiting for conditions to clear. A structural regime calls for adaptation, because there is nothing to wait for. Three implications follow for the postal sector, in ascending order of importance.

First, the postal sector is a disconnection-sensitive industry by design. An operator's revenue base is the connective tissue that fragmentation attacks. Our analysis showing that the typical corridor contracted in all 12 months while the aggregate item count rose is disconnection observed at network level.

Second, and less obviously, disconnection degrades the sector's principal remedy. The case for hopeful realism made at the end of this section rests on the technology window – agentic AI and automation addressing the fixed-cost and productivity fragilities directly.

But new evidence models the international diffusion of AI as an endogenous process mediated by trade and production networks rather than a productivity shock reaching all economies alike, and finds that geoeconomic fragmentation "is not a peripheral risk but a central determinant of who benefits from AI and by how much" – weakening diffusion by raising trade costs, restricting frontier-technology access and fragmenting digital services through data-governance barriers (Eichengreen et al., 2026).

Distagflation therefore does not merely coexist with the sector's difficulty; it slows the arrival of the tools that would resolve it. The third implication is the reason this is less discouraging than it sounds.

Third, institutions able to sustain cross-border cooperation under geopolitical stress have their highest marginal value in a distagflationary regime.

When bilateral coordination to grow cross-border volumes becomes expensive, multilateral infrastructure with 192 member countries operating a single postal territory gains value – an argument for using the UPU's global postal network more effectively.

The revenue accounts cannot yet show distagflation as such: the regime is forming in 2026, and the latest audited postal statistics end in 2024. What they can show is the condition in which the sector met it.

The next part reads three years of revenue data for that purpose and finds that the sector entered the polycrisis already contracting, in every region at once.

THE POSTAL EVIDENCE OF POLYCRISIS AND DISTAGFLATION

REAL POSTAL REVENUE HAS BEEN FALLING SINCE 2021

Global real postal revenue, in PPP terms, peaked at 606.0 billion USD in 2021 and then declined for three consecutive years, to 563.4 billion USD in 2024 – a cumulative loss of 7.0%.

Measured on an index with 1996 = 100, the sector stood at 188.8 in 2021 and at 175.5 in 2024: in three years it gave back roughly one seventh of the ground it had gained over the previous quarter-century, and the 2024 level is the lowest since 2019.

Figure 18 shows the full series, and the shape of it matters as much as the endpoint. The long climb from 1996 to 2007 was interrupted only briefly by the financial crisis; the pandemic year of 2020 produced a surge as e-commerce moved into the post; and the decline that followed is the first sustained one on record.

The decline is not a story of a weak world economy. Unlike 2020, when revenues rose as e-commerce surged, the lockdown boost has since dissipated against continued global expansion: global GDP grew 3.4% in 2023 and 3.3% in 2024, while real postal revenue fell 0.7% in 2023 and 4.1% in 2024.

FOR THE SECOND TIME IN THREE YEARS, EVERY REGION CONTRACTED AT ONCE

Over 1997–2024, the global postal sector recorded simultaneous declines across all six UPU regions in only two years: 2022 and 2024 (Figure 19).

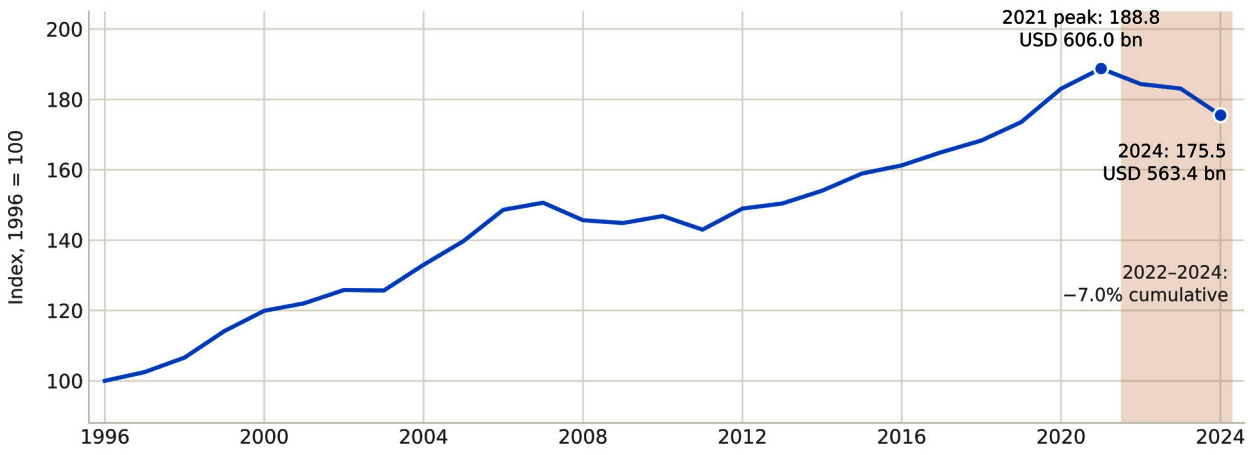
In 2022 the average regional decline reached -11.4%, steepest in the Arab countries, Africa and Eastern Europe and the CIS. In 2024 it was shallower at -5.8%, but its breadth confirms a phenomenon that is neither local nor cyclical.

When one region contracted, another used to compensate: cross-regional dispersion was the sector's diversification buffer. In 2024 this global stabilization mechanism collapsed, with no region better than -0.58% (Table 34).

Reporting coverage fell to 177 of 216 countries and territories in 2024, the lowest since 1997, Asia-Pacific losing four countries reporting their data and partly confounding its -9.3%. PPP and nominal SDR measures have diverging trends in two regions: industrialized countries record +2.4% nominal against -0.6% real, Eastern Europe and the CIS +3.1 against -2.8. The findings are robust to both; the magnitudes are not.

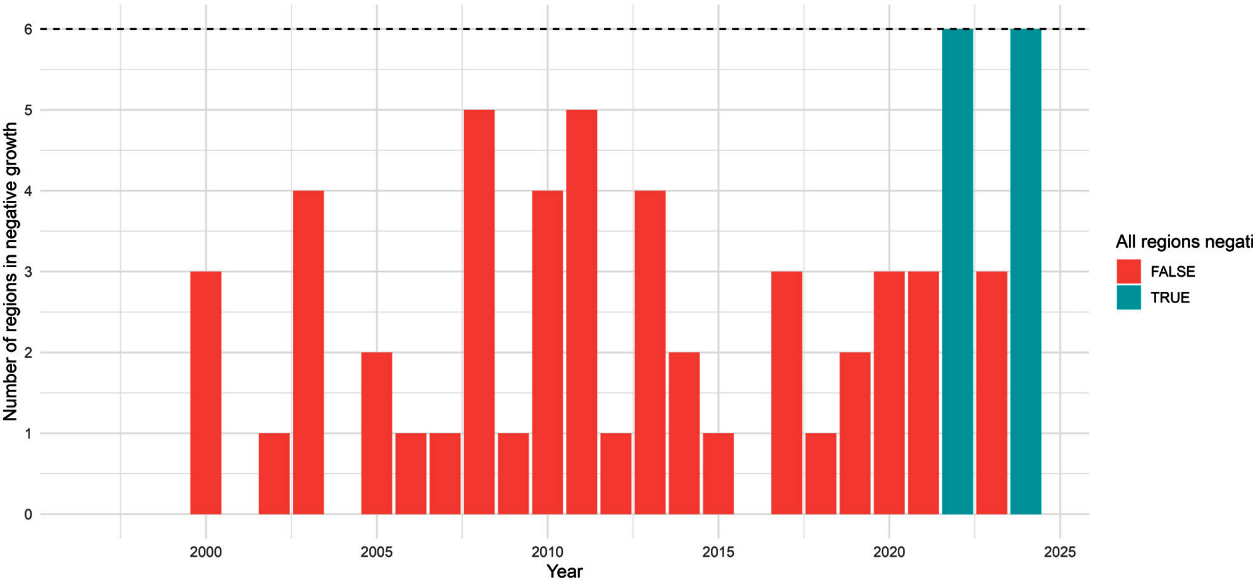
Over 1996–2024, real postal revenue grew approximately 8.2% a year in Asia-Pacific and 4.0% in the Arab countries, faster than their economies; 0.9% in Latin America and the Caribbean, 0.9% in Eastern Europe and the CIS and 0.8% in the industrialized countries, slower than GDP; and in Africa it contracted at 2.0% a year while GDP grew at 4.1%. Africa's index fell below 50 in 2024, under half its 1996 level; Asia-Pacific, peaking at 958.7 in 2023, lost 89 index points in a year.

Figure 18: **World real postal revenue at purchasing power parity, index 1996 = 100, 1996–2024**



Source: UPU postal statistics; real revenue in constant 2017 international dollars (PPP). Coverage 176–187 countries per year; 177 in 2024.

Figure 19: **Number of UPU regions recording negative real PPP postal revenue growth, by year, 1997–2024**



Source: UPU

Table 34: **Year-on-year growth in real postal revenue, PPP, percent**

Year	Africa	Arab	Asia-Pacific	E. Europe & CIS	Industri-alized	LAC	World	Regions with negative revenue growth
2019	2.2%	**-9.2%**	8.6%	4.2%	0.7%	**-2.0%**	3.1	2
2020	**-18.4%**	**-5.5%**	7.6%	3.9%	5.2%	**-1.9%**	5.5	3
2021	**-6.2%**	**-16.8%**	1.9%	**-8.4%**	5.8%	2.3	3.1	3
2022	**-16.8%**	**-19.8%**	**-2.9%**	**-15.3%**	**-0.1%**	**-13.3**	**-2.3**	6
2023	**-2.3%**	0.8%	10.7%	3.1%	**-7.5%**	**-3.9**	**-0.7**	3
2024	**-11.3%**	**-9.2%**	-9.3%	**-2.8%**	**-0.6%**	**-1.6**	**-4.1**	6

Source: UPU

Growth that lags the wider economy has been endemic in the postal sector for two decades. The next part of this report quantifies that lag and explains why even a benign macroeconomic environment would no longer carry the sector on its own.

DECOUPLING: EVEN BENIGN MACRO CONDITIONS WOULD NOT CARRY THE SECTOR

In every UPU region in 2024, postal revenue growth fell short of GDP growth, widest in industrialized markets (Figure 20).

Analyzing data from 118 DOs over 2006 to 2023, we find that real global GDP grew substantially while postal revenue barely moved. Mean postal revenue–GDP growth decoupling was measured at approximately -71% over the whole period – not 71% a year.

The pre-2006 compounded annual growth rate (CAGR) cloud tracks the 45-degree line while the post-2006 cloud shifts down and flattens. The modal DO is now around three percentage points a year below GDP growth rates (Figure 21).

A small set of strategic variables explains 46% of the cases where DO revenue growth lags behind national GDP growth across all countries, and two factors dominate this analysis.

We find that reducing letter dependence narrows the decoupling gap: a 10-point fall in the letter share lifts performance by roughly half a point a year, about nine points cumulatively over the 17 years, regardless of what replaces them: breadth matters more than the substitute.

And equally, unilateral fixed infrastructure outlet consolidation widens the gap: a one-standard-deviation rise in inhabitants per office costs approximately 1.7 points a year, about 29 points cumulatively. Staff intensity is not significant: customers value where outlets or postal service access points are, not how many people staff them.

Dense networks, either though post offices or equitable access points, remain a platform for service innovation, e-commerce fulfilment and financial inclusion. Unilateral consolidation without providing equitable alternative service access points risks revenue streams and risks accelerating the decline that posts seeks to manage.

Decoupling explains why the sector was losing ground before the shocks of 2025 and 2026 arrived. The next part explains why those shocks, when they came, did more damage than their size alone would predict.

THE AMPLIFICATION TRAP: WHY MACRO SHOCKS HIT POSTAL OPERATORS HARDER THAN OTHER FIRMS

FOUR FRAGILITIES THAT AMPLIFY A SHOCK

A macro shock of a given size does not produce a postal loss of the same size. Four structural features of the DO business model convert a proportional shock into an amplified one.

Each of the four is measurable, and each has appeared, in one form or another, in the preceding sections of this report.

The first is high fixed costs, and therefore operating leverage. The USO fixes the network cost base: a 10% revenue decline where 80% of costs are fixed compresses operating income by 40 to 50%.

As a sector analogue, Delta Air Lines turned a 4.8 billion USD profit in 2019 into a 12.4 billion USD loss in 2020; one very large industrialized-country operator reported second-quarter fiscal 2025 revenues flat at 19.7 billion USD, with controllable loss more than doubling to USD 848 million.

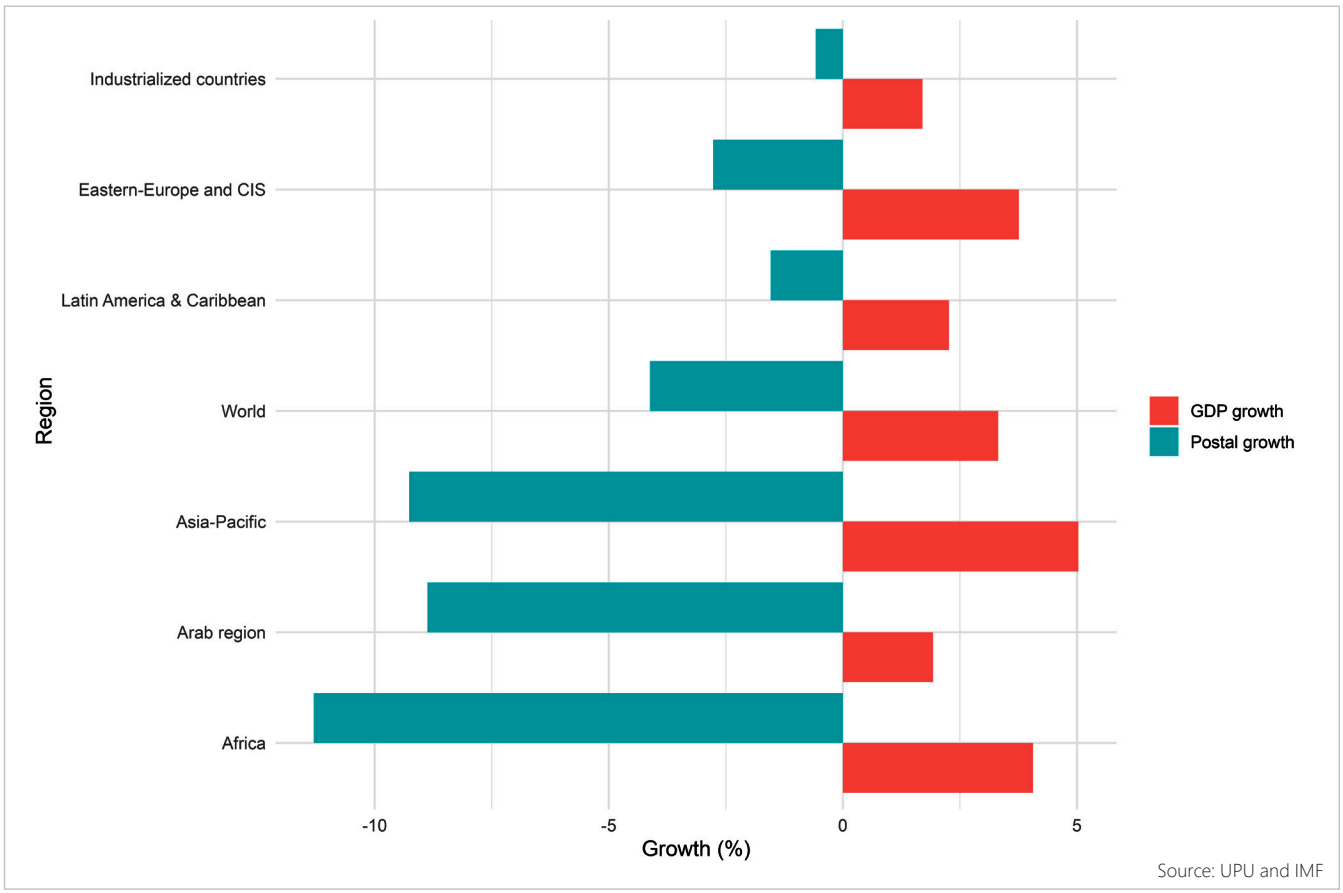
The second is revenue concentration, with no silver bullet in parcels. The diversification thesis concentrated growth in one segment. A median DO has 74% of the domestic letter market but only 27% of parcels. We also outlined what a single regulatory decision can do: United States inbound tonnage fell 48.7%, the median origin corridor 70.1%.

The third is near-zero margins, and therefore there is no cushion. IPC's 2025 report puts the average EBIT margin across 53 DOs at -0.8% in 2024, down from -0.5% in 2023. In real-world terms, this translates to no buffer to withstand a shock and no retained earnings to fund transformation – let alone weather six shocks in a polycrisis environment.

The fourth is the unflexible regulatory regime, or a "regulatory cage". USO obligations, price caps and labour frameworks leave the standard toolkit (which, in a typical business involves raising prices, reducing workforce and shrinking outlet / footprint) unavailable, or available only over a long period of time.

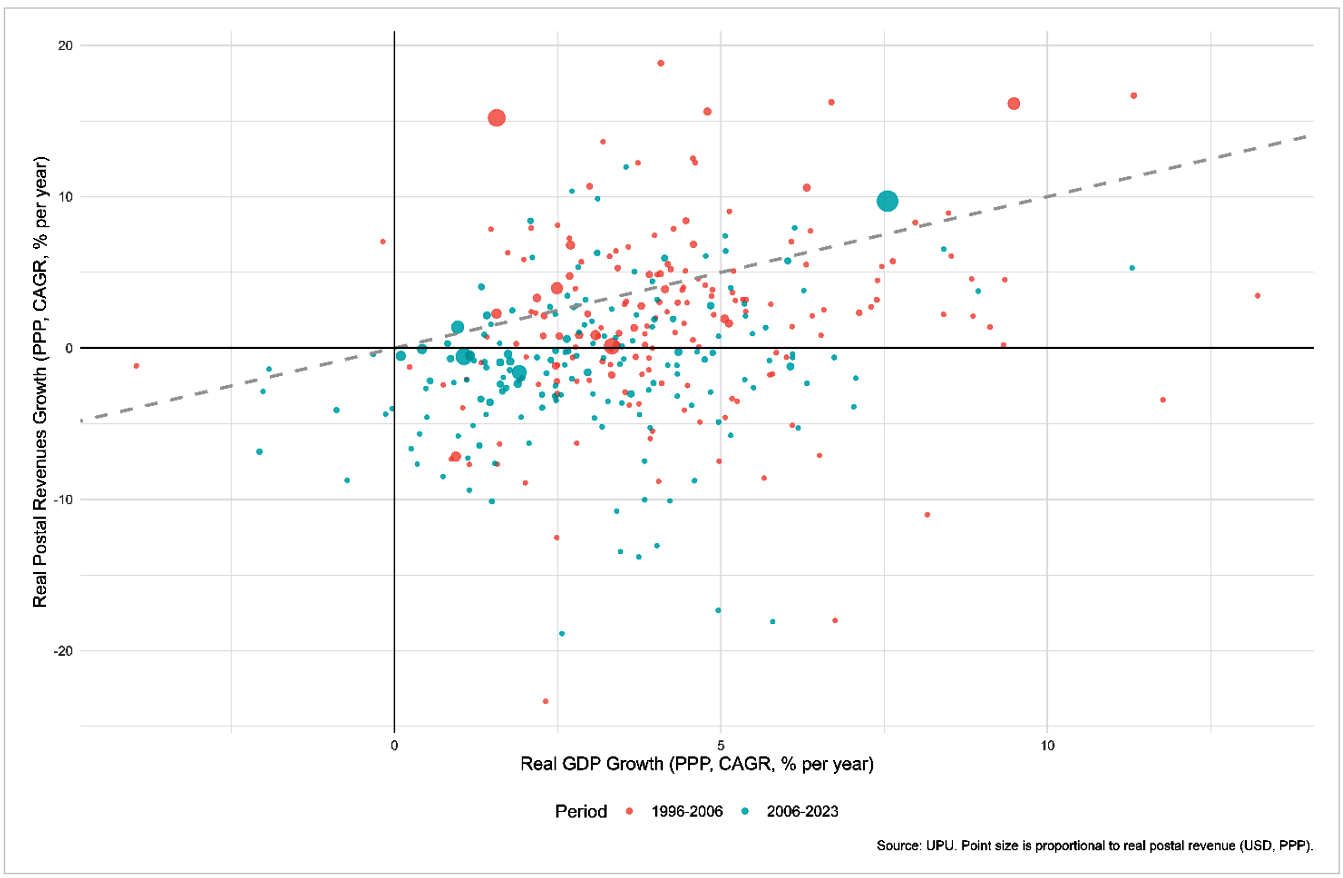
Taken separately, each of the four is a familiar weakness. Taken together, they form a sequence, and it is the sequence that turns a shock into a trap.

Figure 20: **Real postal revenue growth against real GDP growth by region, 2023 to 2024**



Source: UPU and IMF

Figure 21: **Postal versus economic growth: compound annual growth rates, 1996–2006 and 2006–2023**



Source: UPU. Point size is proportional to real postal revenue (USD, PPP).

THE MECHANISM, STEP BY STEP

The literature on uncertainty and firm fragility summarized earlier in this section predicts a specific chain of events when a shock reaches a firm with these four characteristics. Applied to a DO, the chain runs as follows.

A macro uncertainty shock – trade fragmentation, a de minimis cliff, cost inflation – first hits revenue.

Operating leverage then amplifies it: because fixed costs do not move, the whole of the revenue loss passes on to margins. Since the margin buffer is absent, at an average of -0.8%, the compression becomes a liquidity concern and a reason to defer investment.

Revenue concentration bites at the same time, because the segment being disrupted is the one that carries the growth.

Regulatory constraints then bind: the gap between falling revenue and sticky costs cannot be closed by the tools an ordinary firm would use. As earnings weaken, the external finance premium rises, with lenders and rating agencies hardening their terms.

Finally, wait-and-see compounds everything that precedes it: delaying the investments that would cut fixed costs preserves the fragility that made the shock damaging in the first place, so that the next shock arrives on a weaker structure than the last.

The chain has one exit that an ordinary firm can use, and it is worth being precise about why a postal operator cannot.

THE ESCAPE VALVE IS CLOSED

The one escape valve the literature identifies is that uncertainty typically cuts expenses faster than it cuts revenues. A firm facing an uncertain outlook freezes hiring, defers discretionary spending and postpones investment; because those cuts take effect immediately while the loss of revenue arrives over several quarters, measured profitability can improve for a time, and the firm buys itself room to adjust.

For a DO, however, that valve is closed by the very nature of our business.

Its largest costs – the delivery workforce, the retail network, the daily delivery obligation – are fixed by the universal service obligation and by labour frameworks rather than by management discretion. They cannot be cut faster than revenue falls, and in many cases cannot be cut at all within the decision window, that is, a matter of weeks.

The temporary improvement in margins that cushions other firms is therefore unavailable, and the full force of the shock passes to the bottom line.

How much of that force reaches the bottom line depends on where the operator started, which is why the trap is a distributional problem rather than a uniform one.

HETEROGENEITY: THIS IS A DISTRIBUTIONAL PROBLEM

Individual operators are not named here or in the sections that follow.

The condition is systemic rather than particular; every figure below is taken from published financial statements; the analytical object is the distribution, not the identity of any one operator. Table 35 profiles five operators, referred to by letters, whose starting positions span the range from structural distress to relative resilience.

Profile E shows the trap is not deterministic: parcel volumes grew 300% against a plan built on roughly 10% a year.

Profile D shows how fine the margin is: a statutory USO cost of approximately 370 million a year in national currency against a residual letter monopoly yielding 68 million.

Where the configuration of profiles A and B persists, the corporate-finance literature would classify such an entity as a zombie firm – unable to cover debt servicing and pension obligations without continuing public support.

The category is analytically available and institutionally unusable: a treaty-mandated USO is not an enterprise that can be allowed to exist, which is precisely why the remedies have to be found elsewhere.

If the trap is distributional, so are the remedies, and none of them is easy in the regime described in this section.

FOUR POLICY OPTIONS, ALL GROWING HARDER SIMULTANEOUSLY

Four policy responses are available to an operator, or to the government that stands behind it, once the trap has closed. Each has been attempted somewhere in the past three years, and each carries a cost of its own.

The first is direct public recapitalization, which is fiscally costly, politically contested and risks perpetuating the dynamics it relieves.

The second is quality of service retrenchment, which works: profile C's March 2025 decision to cease nationwide letter delivery in one home market shows both its feasibility and its endpoint.

The third is regulatory modernization, which restores the management toolkit, but potentially at the cost of universality in low-density areas unless alternative access points are established.



Table 35: **Five operator profiles under the amplification trap**

Profile	Revenue fragility	Margin position	Regulatory flexibility	Trajectory
A – very large, industrialized network: universal service plus a contested parcel business	Very high – concentrated in declining mail alongside competitive parcels	Deeply negative (net loss of some 9 billion USD in its most recent finan-cial year)	Very low	Structural distress
B – large, industrialized operator, parcel-dependent	High	Deeply negative; largest quarterly losses in its history	Low	Management has stated it cannot continue without public support
C – multi-market European operator, one home market exiting letter delivery	Moderate-high	Negative	Moderate	Strategic retreat
D – high-income European operator with a broad commercial perimeter	Moderate – commercial cross-subsidy	Near breakeven with subsidy	Moderate; regula-tory revision under way	Under pressure
E – small high-income European operator	Lower – 300% parcel growth	Positive	Moderate	Relative resilience

Source: published financial statements

The fourth is accelerated digital transformation, including enhanced data interchange and using agentic AI tools, which addresses the fixed-cost and productivity fragilities at their root but requires capital that cash-squeezed operators may not hold.

Distagflation makes all four harder to achieve at once: recapitalization competes with national priorities of defence and energy spending; retrenchment collides with cost-of-living politics; liberalization is unattractive while fragmentation already reduces coverage; and transformation capital is what tightening withdraws.

At this point the analysis can turn fatalistic or useful. The case rests on history: the sector has been in a comparable position before, and what it did then is evidence rather than consolation.

HOPEFUL REALISM: THE 1970s AS EVIDENCE, NOT CONSOLATION

The severity described so far could be read as a terminus: a sector whose revenue is contracting, whose margins are gone and whose adjustment tools are locked away by regulation. This part of our report argues for different reading.

Historically, severity has been the postal sector's most reliable forcing function – the condition under which changes that were impossible in calm times became possible.

The evidence is the 1970s, the last period in which postal systems faced a simultaneous cost shock, a disruption of demand and a binding regulatory constraint, and it is worth setting out what actually happened in those years before drawing the lesson from them.

WHAT THE 1970s ACTUALLY DID TO POSTAL SYSTEMS

The October 1973 embargo quadrupled crude prices from roughly 3 USD to nearly 12 USD a barrel; the 1979 Iranian revolution took them from around 15 USD to nearly 40 USD by 1980.

The United States postal administration, reconstituted by the Postal Reorganization Act of 1970 after the March 1970 strike by over 200,000 postal workers, was three years old and required to be self-sustaining. In 1973 it was the largest civilian consumer of gasoline in the United States; fuel price rises added 162 million USD to its costs. The November 1973 Christmas peak, projected at some 45 million gallons, became an emergency in which the Interior Secretary pledged priority fuel; Trans World Airlines dropped the 23.00. New York–Los Angeles service underpinning overnight delivery.

The first-class stamp held at 3 cents from 1932 to 1958, taking 73 years to double from 2 to 4 cents, then doubled to 8 cents by 1971 and again to 15 cents by 1978, the fastest in postal history, reaching 18 cents in 1981.

Fortune diagnosed the trap in 1973: the postal service "cannot operate as a self-sustaining business without continually raising rates or sacrificing service"; raising rates in a recession suppressed volume, raised unit costs and forced the next increase. Service cuts came first: less frequent collection; and an end to the second daily residential delivery.

Time set out the endpoint in 1974: a fully commercial postal service would close post offices wholesale and cut residential delivery to twice a week, serving "perhaps two-thirds of the American people one-third of the time." Congress refused, reinforcing the regulatory cage.

In the United Kingdom, the Three-Day Week imposed from 1 January 1974 restricted commercial electricity use for over two months, constraining mechanized sorting, the UK postal administration's 1969 plan mid-execution and under union embargo since 1972; the crisis produced, in 1975, a revised plan trading union protections for mechanization.

In France, which met 70–75% of its energy needs from imported oil in 1973, the Messmer Plan of March 1974, ordering 16 reactors that year, gave the country nearly 70% nuclear electricity by the 1990s and its postal administration stable, low-cost energy.

France did not reform its postal service in response to the 1970s crisis; it reformed its energy system (the Messmer Plan), and the postal sector benefited.

In Switzerland, car-free Sundays and a speed limit constrained delivery, foreshadowing the cross-subsidy model its operator would later build.

Rising air transport costs after 1973 pressured a contentious terminal dues system and accelerated a shift from airmail to priority surface mail. In March 1975 the United Kingdom abolished its reduced Empire and Commonwealth air letter concession for a single worldwide surface rate, cutting whole corridor sets' connectivity.

Substituting "de minimis reform" for "jet fuel" produces a recognizable description of 2025 and 2026.

Read as a sequence rather than as anecdotes, those years yield five lessons that bear directly on 2026.

FIVE ANCHORS

The first is that the forcing function has worked before.

The mechanization programme of the late 1960s reached diminishing returns by the mid-1970s, driving the push to full automation, the first optical character recognition barcode sorters in 1982, and the United States postal administration delivering 145% more mail in 2000 than in 1970 with only 22% more employees.

The second is that postal systems have survived worse combinations. The 1970s combined cost inflation, service cuts, labour conflict and electricity rationing in the United Kingdom.

The third is that crisis-forced labour settlements produced durable gains. The 1970 US strike and the 1972–1975 UK standoff looked lose–lose, yet workers gained collective bargaining rights and job security; management the productivity of automation.

The fourth is that system-level pivots outperform operator-level heroics. This is the lesson of the Messmer Plan. The most consequential interventions may not be postal reforms but terminal dues reform, de minimis coherence across the European Union, the World Customs Organization and United States frameworks, and shared digital infrastructure – measures that change the environment for every operator.

The fifth is that the technology window is unprecedented. The 1970s had mechanization, with cost curves unfavourable for a decade. The 2020s have agentic AI, autonomous sorting and digital financial services, with cost curves moving the right way against high fixed costs and low productivity.

Every one of these anchors comes with a qualification, and it is the qualification that matters most.

THE INDISPENSABLE QUALIFICATION

In the 1970s, underlying demand for postal services was still growing: letter volumes rose even as costs rose, and the crisis was about cost management in a growing business. Today the crisis is about managing a structural revenue decline while costs remain fixed.

Five differences compound the point.

The adjustment tools that were available then are now constrained by regulation. The technology response then had a ready pipeline from mechanization to automation, whereas today's response needs capital that operators lack. The workforce has already shrunk, so the productivity gains of the 1970s cannot simply be repeated. The international network was intact then and is fragmenting now. And the regulatory cage, loose in 1973, is tight in 2026.

Postal services have been here before.

Some did not survive intact.

Those that did used the crisis as permission for what comfort had not allowed.

What the sector should take from the comparison is therefore not reassurance, but direction.

WHAT FOLLOWS FROM THIS SECTION

The window is open: today's technology is stronger than anything the 1970s could deploy. What is missing is the will to accelerate three moves.

The first is regulatory modernization – restoring adjustment tools in service flexibility, pricing and workforce frameworks within a capability-based universal-service compact, so that operators regain the toolkit this section has shown to be locked away.

The second is system-level coordination – remuneration, quality of service, customs data reforms, de minimis coherence, and identity standards – which no single operator can achieve alone and which, as the Messmer lesson shows, changes the environment for every operator at once.

The third is transformation investment in agentic AI, automation and digital financial services, funded with the urgency that the crisis demands.

The third is not a hope: not only does it exist, but it could be accelerated, and the next section describes it.

SECTION 5

THE POSTAL DECISION KERNEL – AGENTIC AI AND THE MAKING OF A SUPER DECIDER SECTOR

KEY TAKEAWAYS

A polycrisis is a decision problem before it is anything else. Our analysis showed that the damage lies in the interactions between crises, which a domain-by-domain review will miss. What is required is a holistic lens: 11 domains examined in parallel and synthesized into one brief, the interactions explicit, at machine rather than committee speed. Orchestration does not resolve a polycrisis; it restores the whole system view a polycrisis destroys.

The binding constraint on postal transformation is no longer information but decision capacity. We have shown that postal operators face a synchronized revenue contraction, near-zero margins, a regulatory cage and a macroeconomic regime amplifying every shock, but not a shortage of data. What is missing is a mechanism converting measurement into decisions at the speed the environment demands.

Non-orchestration has a price, and the UPU has estimated it. A conservative methodology puts postal under-decision's direct annual cost at 70.8 billion USD: 35.6 billion USD of forgone cross-border logistics margin; 13.1 billion USD of managerial decision waste; 5.2 billion USD of unmanaged letter-mail decline; 16.9 billion of customs-compliance exposure USD – a cumulative bill for 2026–2030 of 411 billion USD. (Meanwhile, adding the macroeconomic value forgone raises the annual bill to 386 billion USD.)

The cost is diffuse, which is why nobody has fixed it. Designated operators carry roughly 45%; the remaining 55% falls on e-commerce platforms, ministries and regulators, technology providers and private carriers. No profit-and-loss statement captures the gain: the signature of missing shared infrastructure, and the case for building it once under neutral stewardship.

Tools commoditize; judgement compounds. When every operator can procure the same forecasting engine, the model confers no advantage. What compounds is how an organization turns shared intelligence into committed decisions – cognitive advantage (Ferràs-Hernández, 2026). A tool can be copied in a procurement cycle; a platform accumulating an operator's judgement cannot.

The architecture exists as a working prototype, not as a business case, and can move into production with the necessary investment. The UPU's Unified Data Platform combines the Postal Orchestration Canvas (shared semantics), 11 specialist AI agents under a supervisor (intelligence), and the six-step Decision Navigator (cognitive discipline). The agents run under the sovereign .post domain, grounded in bilateral flows, empowered by more than 40 years of postal statistics and a 150-year documentary corpus.

The division of labour is constitutional, not incidental. Agents execute the first five steps: naming the dilemma; widening the option space; surfacing assumptions; testing them; and identifying pivots. The sixth, resolution, belongs to the human executive. The sector automates the staff work of deciding; it never makes a decision – a human does.

The boundary that makes this politically feasible is simple: interoperate on the rails, compete on the decisions. Semantics, identity and the precompetitive corpus must be common; strategy, customer experience, commercial models and each operator's decision history must not.

WHERE THE ARGUMENT HAS ARRIVED

Our analysis so far has led us to a single proposition: the global postal sector is not badly informed; it decides too slowly on too narrow an option set, in an environment that no longer rewards patience.

In this report, we have established the baseline: DOs are dominant in a disappearing segment and marginal in the growing one. The median DO holds roughly three-quarters of its letter market but barely a quarter of its parcels.

Our 2IPD analysis found the binding constraint to be relevance for 164 of 181 countries. We have also traced 12 months in which the typical corridor contracted every month while global item totals rose, two regulatory decisions and one war reshaping cross-border flows. Finally, we have named the regime underpinning this polycrisis – distagflation – and identified the mechanism by which uncertainty meeting fragility amplifies deterioration.

Each of those diagnoses points to the same institutional gap. However, seen from different angles, postal flows that fragment across thousands of thin corridors is a coordination failure; relevance constraint that binds in nine countries out of 10 is a strategic planning failure; and a corridor that empties within a month while business parameters such as tariffs are reviewed on an annual cycle is a classic symptom of decision latency.

None of these failures are due to lack of information: the data that describes each can be found in this report..

In the previous section, we framed the wider condition as a polycrisis and drew a requirement: because the damage lies in the interactions between crises, a decision process that examines one domain at a time will miss it, and no single actor commands all the domains.

What is needed is a holistic lens: the capacity to hold trade policy, security exposure, cost structure, regulatory constraint, customer behaviour and financial position in view at once, and to test an option against all of them before committing. The rest of this section describes a decision architecture built to meet that requirement, and it begins with the idea that organizes it.

EVERY OPERATING SYSTEM NEEDS A KERNEL

Postal networks are often called the operating system of the physical economy.

An operating system is not a collection of applications. What makes it one is the kernel, deciding which process gets which resource, on what evidence and under which constraints.

The first AI wave in logistics delivered applications – forecasting engines, routeing optimizers, sorting vision systems – but no kernel: each decides locally, nothing decides together.

Tools commoditize at the speed of a procurement cycle. What compounds is how an organization converts shared intelligence into committed decisions: Ferràs-Hernández (2026) argues that advantage grounded in position and resources is giving way to cognitive advantage, whose durable asset is augmented perception, reduced decisional latency and cumulative learning.

Feser, Laureiro-Martínez, Frankenberger and Brusoni (2024) supply the decision-science foundation in their work on what they call Super Deciders: organizations and executives that take consequential decisions under uncertainty systematically better than their peers, by widening the option set before choosing and by testing their assumptions before committing.

A Super Decider sector, in the sense of this section's title, is one that has built that discipline into shared infrastructure rather than leaving it to individual talent.

The practical consequence for a sector of 192 member countries is direct. A tool procured separately by each of them produces 192 depreciating assets, each replaced when the next vendor cycle arrives.

However, a decision layer built once and shared appreciates instead, because every decision it supports adds to the corpus that the next decision draws on. That difference, between an asset that depreciates and one that compounds, is the economic case for the rest of this section, and the next part puts a figure on what the absence of such a layer currently costs.

PRICING THE ABSENCE OF ORCHESTRATION

The postal decision environment is among the hardest in global commerce: over 200 postal operators in 192 member countries serve some 7.3 billion people across a cross-border e-commerce market estimated at 1.98 trillion USD. This is done on fragmented bilateral flows, under customs digitalization and in the same market segments that has platform-native market actors.

This is a network that is concentrating rather than converging, with a Gini coefficient of flows at 0.86 or above in every year from 2018 to 2024, a degree of inequality that would be considered extreme if it described incomes (Ansón and Chodan, 2026).

Each of those conditions – the customs regime of a destination market, the terms on which a platform routes its parcels, the corridor to serve or to withdraw from – resolves into a strategic decision that an operator takes on fragmented information.

The UPU has estimated what taking those decisions badly, late or not at all costs the sector each year. The estimate, set out in this part, has four measurable dimensions and one important caveat.

THE FOUR MEASURABLE DIMENSIONS

The caveat comes first.

The figures that follow are estimates built on stated assumptions; the methodology contains no sensitivity analysis, and the split of the cost across those who bear it is illustrative. They are offered as orders of magnitude, sufficient to establish that the cost is large and diffuse, not as accounting.

The first and largest dimension is forgone cross-border logistics margin, at 35.6 billion USD a year. It is the gap between the postal channel's 18–22% share of cross-border e-commerce volume, midpoint 20%, and the 30 to 35% implied by the "renaissance" trajectory in The State of the Postal Sector 2024, applied to a 1.98 trillion USD market at a 15% logistics margin, modest because operators capture service, not merchandise, value.

The second is managerial decision waste, at 13.1 billion USD a year. McKinsey and Institute of Directors research puts a Fortune 500 firm's loss at some 530,000 days of managerial time a year, roughly 250 million USD in wasted wages. Size-tiered, the rough calculation for operators at the Fortune 500 equivalent shows that for 50 this is at 100 million USD per operator; for 122 at 25 million USD – bringing the total to 13.1 billion USD.

The third is unmanaged letter-mail decline, at 5.2 billion USD a year. A letter-mail revenue base of 104.8 billion USD declining at 5% annually – the midpoint of the 4 to 6% range across developed markets – yields 5.2 billion USD.

The fourth is customs-compliance exposure, at 16.9 billion USD a year. It is built from a cross-border e-commerce logistics market projected at 187.6 billion USD for 2026, a 3% at-risk rate and a threefold multiplier for penalties, delay costs and reputational damage. The at-risk rate is conservative against documented postal error rates; the multiplier comes from trade-compliance evidence.

These four dimensions sum to 70.8 billion USD a year.

Adding the macroeconomic value the sector fails to generate, against a global GDP of 105 trillion USD, a postal contribution is approximately 2%. Compared to a 15% underperformance rate from the 71-percentage-point postal–GDP gap in The State of the Postal Sector 2025, this gives a figure of 386 billion a year USD.

This report uses the narrower figure: the macroeconomic dimension reflects the same dysfunction and would double count.

On the current trajectory – with cross-border e-commerce growing at a conservative 10% a year, regulatory complexity compounding at 8%, letter mail declining at 5% – the direct cost reaches 94.5 billion USD by 2030, the cumulative 2026–2030 bill 411 billion USD.

Those are the sums that a sector which decides as it does today will forgo.

We show that the condition they describe is not hypothetical: it is already visible in the accounts of the operators profiled in Table 35.

THE CONDITION IS ALREADY IN THE ACCOUNTS

The sector's reported financials already confirm our hypothesis and report the condition.

Operators are not named, under the convention set out in our methodology. The argument concerns a systemic condition, and every figure comes from published financial statements.

Profile B has posted seven consecutive annual losses, with cumulative pre-tax losses over 2018–2024 running to several billion in its national currency, and its management has stated that it cannot continue without public support.

Profile D saw profit fall 44% in the first half of 2025.

Profile A, among the world's largest networks, reported a net loss of some 9 billion USD in its 2025 financial year.

Profile C decided in March 2025 to cease nationwide letter delivery in one home market, after an approximately 90% collapse in letter volumes there.

Two sector-wide facts sit alongside those operator accounts.

The internationalization rate of parcel post – the share of parcels that cross a border – has fallen from 2.7% in 2019 to 0.7% in 2024, so the segment expected to carry the sector's growth is becoming more domestic, not less.

And the 3 EUR customs duty per item on low-value consignments entering the European Union from 1 July 2026 was unpriced in much of the sector's tariff architecture when it arrived. A decision the whole network needed to take was, for the most part, not taken in time.

If the cost is this visible, the question is why it has persisted, and the answer lies in who bears it.

WHY THE COST HAS PERSISTED: INCIDENCE

The burden of this annual 70.8 billion USD loss lands on nine stakeholder segments rather than on one balance sheet (Figure 22):

DOs carry 31.9 billion USD, or 45.1%;

e-commerce platforms 14.2 billion USD (20.1%), largely the premium paid to private carriers;

ministries 7.1 billion USD (10.0%) in subsidies and forgone development;

regulators and customs authorities 5.0 billion USD (7.1%);

technology providers and private carriers 3.5 billion USD each (4.9%) – for software vendors this largely stems from 192 bilateral relationships and 192 data-format specifications instead of one integration;

postal fintechs 2.8 billion USD (4.0%);

development finance institutions and developing-country governments 2.1 billion USD (3.0%); and

academia 0.7 billion USD (1.0%).

The allocation is illustrative rather than derived, with shares assigned according to each actor's primary exposure.

What it shows is that no single actor captures more than 45% of the benefit from fixing the problem.

Orchestration is therefore a shared input with positive externalities and no natural owner, one in which every actor will rationally undersupply. This is not a failure of postal management but a feature of market structure, whose remedy is to build the shared layer once, under neutral stewardship, and to finance it collectively.

Before turning to what that shared layer consists of, one further question needs an answer. If the cost is measurable and the remedy is known, why do capable executives not simply decide better?

THE BINARY IN THE BOARDROOM

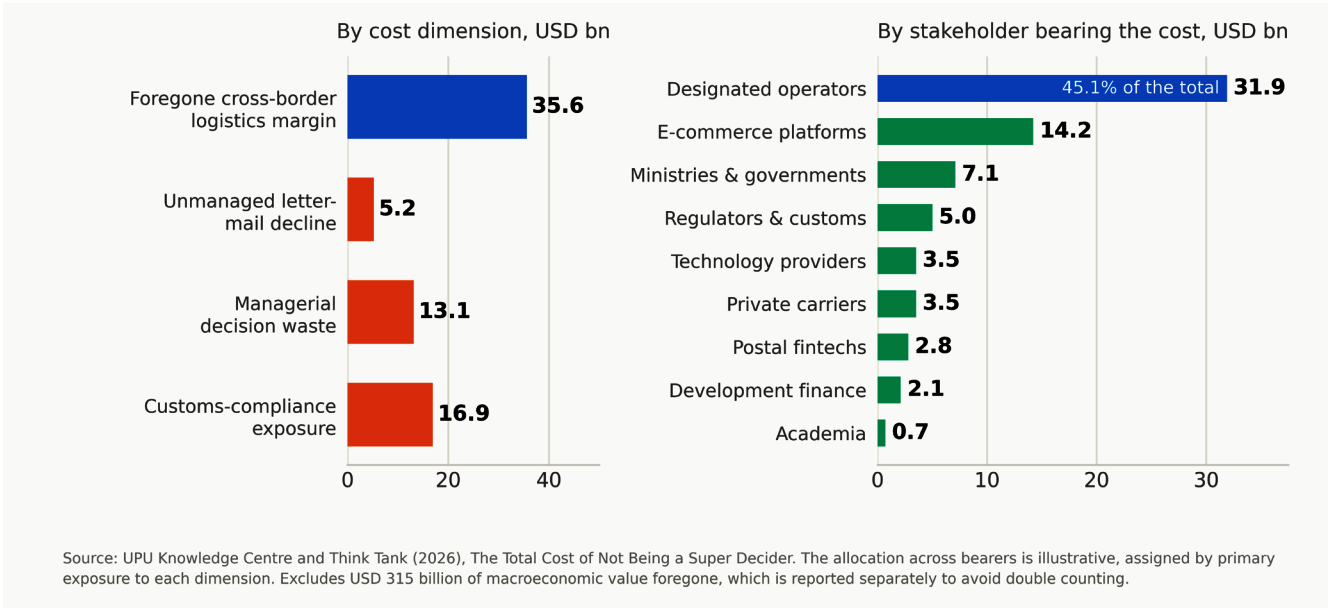
Why do capable executives preside over a condition they can describe accurately? Decision neuroscience gives an answer that has nothing to do with competence.

The brain compresses strategic dilemmas into a single choice between exploiting what the organization already does and exploring something new. In familiar environments, that compression is adaptive; in a sector being re-platformed it hides the option space that matters. "Should we invest in the parcel network or cut the branch estate?" is a question whose answers are both wrong and whose framing hides the third, fourth and fifth options.

Feser and colleagues (2024) call this binary bias and trace it to three unconscious processes: simplifying a dilemma into a two-way choice; predicting outcomes from emotional memory rather than from evidence; and applying habitual rules of thumb about objectives, opportunities and time.

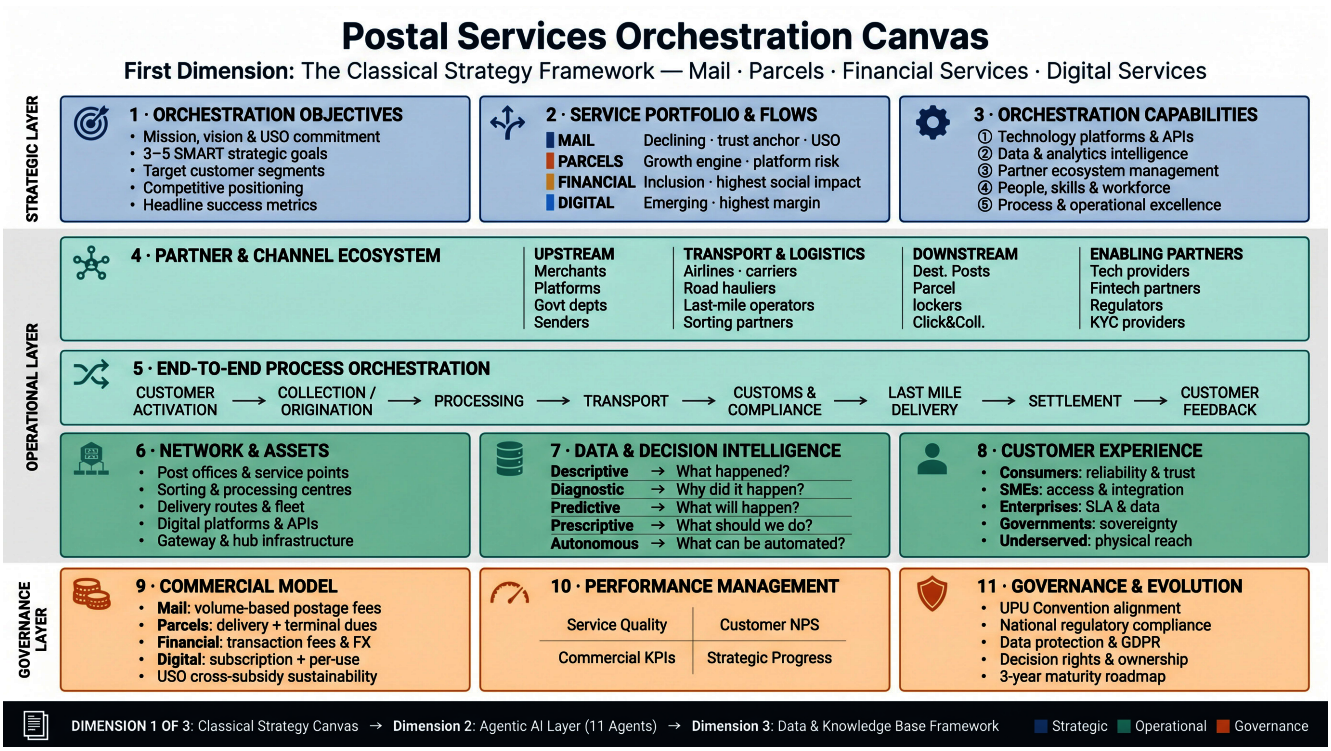
The pattern is visible in the adoption of artificial intelligence itself. MIT's Project NANDA (2025) found that some 95% of enterprise AI pilots deliver no measurable profit-and-loss impact. Read as an intelligence failure the finding is puzzling, because the models work; read as an orchestration failure it is obvious: the pilots die unconnected to any decision that anyone owned.

Figure 22: The annual cost of non-orchestration by dimension and by stakeholders, billions USD



Source: UPU Knowledge Centre and Think Tank (2026), The Total Cost of Not Being a Super Decider. The allocation across bearers is illustrative, assigned by primary exposure to each dimension. Excludes USD 315 billion of macroeconomic value foregone, which is reported separately to avoid double counting.

Figure 23: The Postal Orchestration Canvas – 11 blocks across three layers



Source: UPU

The postal sector has its own version of the bias.

Operators that have spent a century as infrastructure providers apply the habits of exploitation to problems that call for exploration: the tendency is to default to incremental network investment when the environment demands platform building.

There is an increasing trend towards entering into bilateral arrangements when the moment calls for a multilateral data architecture.

And, overarchingly, there is a trend towards treating delivery volumes as the measure of success when value is migrating to data.

Each default decision is defensible in isolation. But, together, they form what this report calls the orchestration trap, and escaping it requires the three things the next part describes: a shared map, a shared intelligence and a shared discipline for deciding.

THREE BODIES OF WORK, ONE DECISION ARCHITECTURE

The architecture rests on three bodies of work, each answering a different question.

A strategic canvas, by design, answers what has to be decided, and by whom. A set of specialist agents answers what the evidence says on each of those questions. A decision method answers how a conclusion is reached, and who owns it. Together, they form the kernel that the opening of this section argued the sector lacks.

THE MAP: THE POSTAL ORCHESTRATION CANVAS

The canvas (Figure 23) is an 11-block strategic design tool in three layers, adapting Osterwalder and Pigneur's business model canvas to the public mission and multilateral obligations of a DO.

The top strategic layer holds Orchestration Objectives (mission, universal service obligation, strategic goals); Service Portfolio and Flows (the four service lines – mail, parcels, financial services, digital services – with revenue, customer and data flows); and Orchestration Capabilities (technology, data, partners and workforce on a five-level maturity scale).

The middle operational layer, where most integration failures occur, holds Partner and Channel Ecosystem; End-to-End Process Orchestration, the spine from customer activation to last mile; Network and Assets, with an asset-retirement discipline; Data and Decision Intelligence, housing the Unified Data Platform; and Customer Experience, across five segments including the unbanked.

The underlying governance layer holds Commercial Model, making the inter-DO payment system and universal-service cross-subsidy explicit; Performance Management; and Governance and Evolution, covering decision rights, Convention compliance and a three-year maturity roadmap.

The canvas is not a planning template. It is shared semantics – one map that all operators, their ministries and their partners can all read – and a counterweight to the binary bias described above, because 11 dimensions resist being collapsed into two.

It also describes what happens in its own absence.

For each block there is a characteristic failure: strategic drift where objectives are not set; market erosion where the portfolio is not managed; data darkness where decision intelligence is missing; institutional threat where governance fails. The report already recognizes most of them as measured findings rather than as hypotheses.

A map, however, decides nothing; the second body of work supplies the intelligence that reads it.

THE INTELLIGENCE: 11 AGENTS AND A SUPERVISOR

Each block of the canvas has a dedicated AI agent, constrained to that block: it can reason only about its own domain, on the evidence assigned to it, and it cannot answer questions outside it. Table 36 lists the 11 specialists and the supervisor that coordinates them.

The supervisor, MAESTRO, is what makes the set a kernel rather than a portfolio of tools.

It owns no block and is not permitted to answer a domain question itself. Its role is to decompose a question, route the parts to the specialists, run the independent parts in parallel and synthesize the answers with each source attributed.

Presented with "We are losing volume on our top corridors – what should we do?", MAESTRO decomposes the question into four stages (Figure 24): VEGA, PULSE and SCORE in parallel on corridor performance, the unified data snapshot and indicators; then ORION on objectives and PRISM on pricing; then NEXUS, GRID and FLOW on ecosystem gaps, network optimization and customs bottlenecks; finally, ATLAS assembling a roadmap and MAESTRO synthesizing.

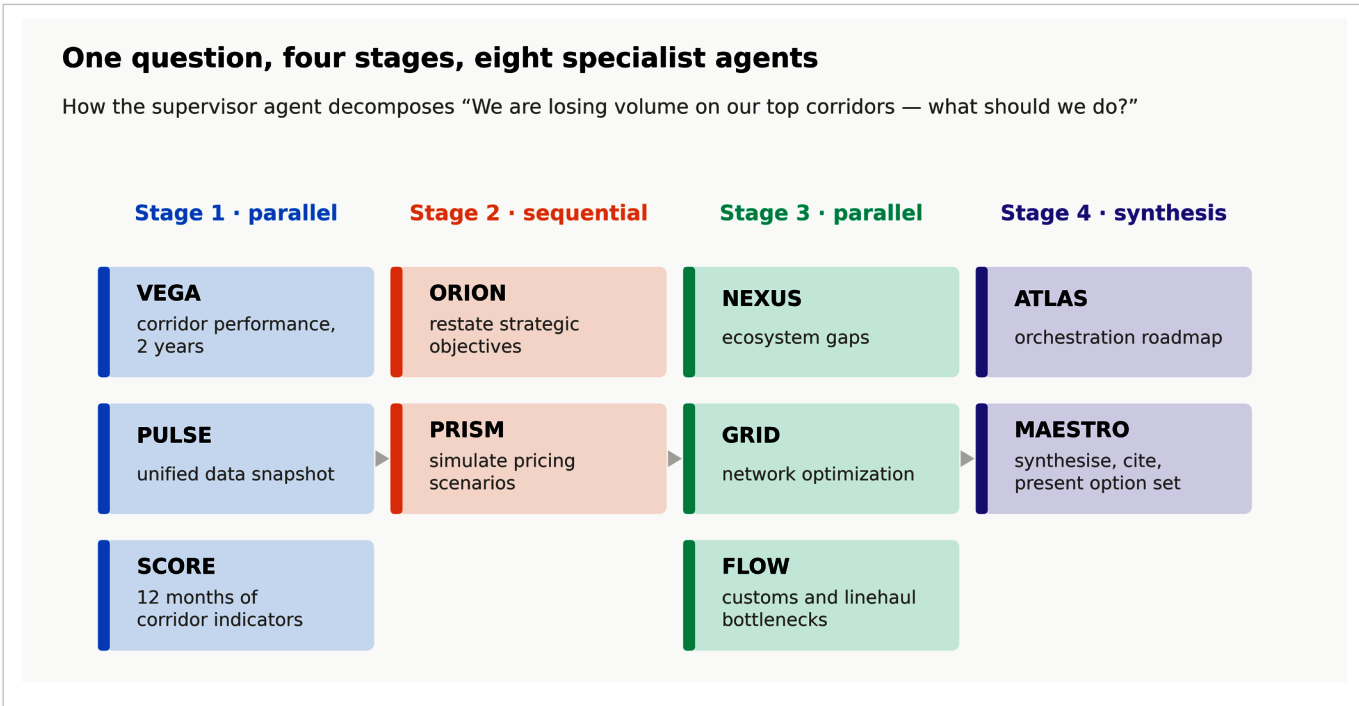
This is where the architecture meets the polycrisis requirement.

Table 36: **The 11 specialist agents and their supervisor, by canvas block**

Agent	Canvas block	Function
ORION	Orchestration Objectives	Sets and tracks strategic objectives; does not make operational decisions
VEGA	Service Portfolio and Flows	Corridor intelligence: ranks and monitors corridors across four value tiers and flags de minimis and customs regulatory risk
CAPS	Orchestration Capabilities	Capability maturity assessment and gap-closing actions
NEXUS	Partner and Channel Ecosystem	Maps and scores partners upstream, in transport, downstream and among enablers
FLOW	End-to-End Process Orchestration	Process performance and bottleneck identification across nine operational stages
GRID	Network and Assets	Utilization, unit cost, coverage; invest, consolidate or divest
PULSE	Data and Decision Intelligence	The data backbone maintains Unified Data Platform integration, data quality, predictive models and automated decision triggers
ECHO	Customer Experience	Journeys, satisfaction and churn risk
PRISM	Commercial Model	Pricing logic, remuneration impact, cost structure, revenue diversification scenarios
SCORE	Performance Management	Key indicators with trend and status, and peer benchmarking
ATLAS	Governance and Evolution	Institutional memory: decision rights, Convention compliance, maturity progression
MAESTRO	(supervisor – owns no block)	Decomposes queries, routes to specialists, runs independent sub-tasks in parallel, synthesizes with attribution

Source: UPU

Figure 24: **Multi-agent choreography – how the supervisor agent decomposes a corridor question across the specialist agents in four stages**



Source: UPU Knowledge Centre and Think Tank (2026e), Postal Orchestration AI Agents for figure 24

As we stated, a polycrisis damages through interaction: a customs measure changes corridor economics, which changes the network utilization case, which changes compliance exposure and the financing position – each sitting in a different department, with a different reporting line and clock.

A supervisor agent querying 11 specialists in parallel on the same evidence does not answer faster; it answers a different question, because it holds the interactions rather than the domains. Where a sequential review leaves the reader to integrate four competent domain answers, the synthesis makes the trade-offs visible… including the ones nobody thought to ask about.

Two properties make this more than a workflow improvement.

The lens is holistic by construction: the canvas enumerates the 11 domains in advance: none is omitted because no-one owned it. And it is symmetric across operators: every participant reasons over the same telemetry, so a corridor shock visible to one is visible to all – the precondition for the coordinated response identified as the only kind that works.

A polycrisis is the problem of seeing the whole while it moves: a decision-architecture problem with a decision-architecture answer.

What the agents produce, however, is a brief, not a decision. The third body of work governs what happens next.

THE COGNITION: THE DECISION NAVIGATOR

On top of the map and the intelligence sits the Decision Navigator (Feser and colleagues, 2024), a six-step process for consequential decisions under uncertainty. Its steps are Dilemma, Option Space, Assumptions, Testing, Optimizing and Resolution.

The agents run the first five steps. They name the dilemma before it hardens into a binary. They widen the option space – co-orchestration, white-label partnerships, regional data-sharing alliances – with the executive's role at this step being to expand the set, not to filter it. They make the assumptions explicit, converting "I believe our network is competitive on this corridor" into "my assumption is that our network is competitive, and the network agent's data will test that".

They then test each option against flows, regulation and the corpus, and surface the pivots: the points at which an option would have to change.

The sixth step, Resolution, is the human decision, and it is not delegated.

Teams applying this discipline forecast approximately 30% more accurately than individuals, and the methodology estimates roughly 30% of the 13.1 billion USD of managerial decision waste to be recoverable by restoring the option space that binary compression destroys. Those are the claims.

The next part sets out what has actually been built and used.

PROOF, NOT PROMISE

The platform was not procured but prototyped: born at a UPU Innovation Challenge hackathon in Berne in June 2023; matured through a second cycle in 2024; and joined by a commercial service partner at a third cycle in Limassol in May 2025.

The build of the prototype started in June 2025 on a serverless architecture – one in which computing capacity is rented by the second of use rather than owned, so that cost follows usage; 15 weeks later it was demonstrated at the 28th Universal Postal Congress in Dubai – the first postal AI agent shown to 169 countries.

In May 2026, the Fourth Innovation Challenge stress-tested the architecture: eight multi-agent prototypes built in three days in Cologne and Ghaziabad, delivered with academic, DO and cloud-industry partners, and with economists from the 34th Conference on Postal and Delivery Economics and Policy running policy clinics.

The challenges spanned community resilience toolkits, leveraging of the UPU archives, and AI for policy advisory and universality diagnostics.

Three results bear on the argument. The resilience team began where our analysis would predict – disasters break information flows first – treating postal workers, branches and delivery networks as real-time intelligence nodes.

The policy advisory team merged mid-event with the financial services team, regulation and operational reality proving impossible to advise upon separately. The archives team treated 150 years of Congress documents as latent intelligence, not static repositories. Several prototypes remain conceptual; the significance was strategic, not technical.

The clearest proof, however, is not a prototype but a production system that has already changed how this report was conceptualized.

WHERE IT HAS ALREADY DELIVERED: THE STATISTICS PIPELINE

The prototype first proved itself in the least glamorous corner of the UPU's work, its statistics: automated pipelines cut statistical processing time by 90%. Through its use, publication cadence fell from 12 months to one; indicator depth tripled and every member country is served through the 2IPD development dashboard – all of which is machine-queryable.

Demand is now forming outside the sector as well as inside it, and the same de-identification convention applies to counterparts as to operators.

A member country has come forward to support an agentic approach to cross-sectoral regulation; several multilateral development banks have asked to work from the sector's governed data; and the partners who built and hosted the prototype cycles span academia, DOs and the cloud industry.

None is named here, and none of these approaches is yet a commitment. What they establish is the direction of demand: a governed, cross-border, longitudinal corpus with an agentic layer over it is a scarce asset beyond the postal network, not only within it – which is the strongest available evidence that the sector is building something other than an internal reporting tool.

Access remains gated while each use case acquires its own business model.

Because the build is serverless and shared, running costs are a fraction of those of a single national programme, and an additional use case is incremental rather than a new project: the corpus, identity layer and agent framework are already built. Operating cost scales with usage rather than membership, so the marginal cost of one more operator is near zero and average cost falls as the sector joins.

One shared build instead of 192 parallel ones is the whole financial case, and why participation can be priced at a level that a least developed country's postal budget can absorb.

None of this is possible unless DOs trust what happens to their data, which is the question the next part answers.

THE CLOSED LOOP: WHAT IS SHARED, AND WHAT NEVER IS

Every operator asks the same question first: what happens to our data?

The agentic layer is designed as a closed loop with four movements, and each answers part of that question. In the first, data stays in: each country controls what it shares and with whom, under encryption and per-account isolation, through a model in which the producer of data, the steward who holds it and the consumer who uses it are distinct roles with distinct rights.

In the second, agents reason inside the perimeter. Every agent is bound to an identity and limited to a defined set of capabilities, autonomous within those guardrails, and authenticated under the sector's own sovereign Internet domain, .post.

Each carries a cryptographic identity, agents authenticate one another over encrypted channels, and every exchange is written to an audit log that cannot be altered; the same namespace extends to government agents, so that a customs agent operating at customs.[cc].gov.udp.post is recognized as such by any operator's agent.

In the third loop, the human resolves: every agent brief is cited, and every decision is logged, explainable and auditable.

In the fourth, learning loops back: outcomes enrich the governed corpus, so the sector's cognitive capital compounds inside the loop rather than in someone else's model.

Three rules are binding by design: stakeholder data is not used to train external models; it does not leave the encrypted perimeter; and it does not move without producer consent.

Risk is managed and mitigated with the UPU's Postal Technology Centre: one register covering data leakage, prompt injection and model drift, and security review before any agent ships. The loop defines what is protected. It does not yet define what must be shared, and drawing that line is the political core of the proposal.

INTEROPERATE ON THE RAILS, COMPETE ON THE DECISIONS

Three layers must be common to every participant.

The first is shared semantics, which the canvas provides.

The second is shared events: the item-level electronic messages that already cross borders with every consignment – the ITMATT message that describes the item and the CUSITM message that carries its customs declaration – unified so that every agent reasons over the same telemetry.

The third is shared identity, provided by the .post namespace. Omit any one of the three and agents on either side of a border cannot trust each other.

Equally, three things must never be common: an operator's strategy; its customer experience and commercial models; and, above all, its own decision history, which is the corpus its agents learn from.

The boundary matters in both directions. Differentiate the rails, and the sector produces 192 incompatible builds, reproducing at treaty scale the 95% of enterprise AI pilots that deliver nothing; interoperate the decisions, and an operator has outsourced its strategy.

This is also the answer to the neutrality question: stakeholders trust their strategic intelligence not to a private technology company but to an institution with 150 years of neutrality, the convening authority of 192 member countries and a governance architecture serving the public interest. One question remains that no boundary settles: what the human is for.

THE HUMAN ROLE: OWNING THE ADVICE

Anxiety about artificial intelligence in this sector concerns what becomes of the human in an automated decision system. This architecture answers constitutionally rather than reassuringly.

Picture the same executive facing the same dilemma in two strategy sessions. In the first – today's – a binary sits on the table. The data is fragmented across four departments; assembling a single view takes weeks; by the time it arrives, the corridor has moved.

Judgement is spent on plumbing.

In the second, 11 agents have already mapped the option space, every option grounded in cited evidence. Assumptions have been made explicit and tested; pivots surfaced at machine speed.

Judgement goes where it is irreplaceable – to values, to stakeholder obligations, to strategic commitment.

The difference is not that the second executive decides faster, but that they decide on a real option set, having spent none of their scarce attention assembling it. We automate the staff work of deciding, never outsourcing the actual decision being taken.

The effect is concentration, not displacement. What that concentration is worth depends on where an operator starts, and the next part returns to the operators the earlier sections described.

WHAT THIS CHANGES FOR THE OPERATORS

The architecture is general, but its value is specific to the position an operator starts from. Four positions recur in the earlier sections of this report.

For the operator facing a corridor shock, the case is speed. We have documented United States inbound tonnage falling from -8.9 to -70.3% in a single month; European Union arrivals from -7.4 to 31.0% between June and July 2026.

The corridor agent flags the regulatory risk before the month closes, the commercial agent models the tariff consequence, and the supervisor presents an option set within days: repricing in the quarter the shock lands, not the one after.

For the operator whose binding constraint is relevance, the case is the canvas itself. We find relevance to be the binding constraint for 164 of 181 countries and for all 41 African countries. Relevance resists engineering because it is a question of business model rather than of infrastructure, and the business model is precisely what the canvas interrogates.

That six African operators appear in the global top 25 on digital services shows that there is no capability ceiling in the way.

For the small operator, the case is access. Operators without the balance sheet to build a data platform, hire a data science team and curate a corpus can join a network that uses all three, at a price no national programme could match.

For ministries, regulators and financiers, the case is evidence. The bearers carrying 55% of the cost acquire an evidentiary basis matched to their exposure: ministries defending postal investment with governed data; customs authorities differentiating compliance burdens by maturity; development institutions targeting capability rather than generic grants. Each of those cases assumes that shared infrastructure is a sound bet in the first place, and the obvious objection is that, in a fragmenting world, it is not.

FRAGMENTATION AND THE CONNECTOR PREMIUM

The objection deserves a direct answer, because it is the strongest one available: a fragmenting world looks like a poor moment to bet on shared technological infrastructure. New evidence suggests the opposite.

Eichengreen and co-authors (2026) model the international diffusion of artificial intelligence not as an exogenous productivity shock reaching all economies alike, but as an endogenous process mediated by trade and production networks.

Frontier innovation is concentrated in a handful of economies; everyone else benefits through supply-chain participation or adoption, how much depending on their position in those networks and their AI preparedness. Their central finding on fragmentation is unambiguous: geoeconomic fragmentation "is not a peripheral risk but a central determinant of who benefits from AI and by how much", weakening diffusion by raising trade costs, restricting access to frontier technologies, and erecting data-governance barriers that fragment digital services and cloud infrastructure.

That is the same disconnection named as the first pillar of distagflation, with an uncomfortable implication: the regime the sector is entering degrades the very technology window we identified as its principal advantage.

Fragmentation does not merely coexist with the sector's difficulty; it attacks the remedy.

The paper's second finding is where the postal argument turns.

Economies that position themselves as connectors – maintaining trade and technology links across multiple partners rather than aligning with a bloc – can capture diverted flows, and the simulations show that acting as a connector "can fully offset fragmentation-induced losses and generate GDP and welfare gains that exceed the no-fragmentation baseline".

Preserving diversified networks dominates both alignment strategies tested, and the gains from improving AI preparedness accrue most to those starting from the lowest levels.

THREE PROPOSITIONS FOR THE POSTAL SECTOR

Three propositions follow for the postal sector from that evidence.

The first is that the UPU is a connector institution by construction.

A single postal territory, one treaty, 192 members and an obligation of universal exchange is the definition of maintaining links across multiple partners rather than choosing a side. In a fragmenting world, that is not a legacy characteristic to be defended; on this evidence, it is the position that outperforms.

The second is that a shared platform is an instrument of AI preparedness, and that its returns are highest where preparedness is lowest.

The case made above for the small operator is, in our view, a preparedness intervention delivered collectively, and our finding that the largest improvements accrue to economies starting furthest behind is the strongest external support for building once and sharing, rather than letting 192 operators procure separately at 192 different levels of readiness.

The third is that "interoperate on the rails, compete on the decisions" is the sector's version of preserving a diversified network.

The boundary drawn earlier in this section keeps semantics, identity and event visibility common while leaving strategy and each operator's decision corpus proprietary – the configuration the paper finds dominates bloc alignment: connected on the infrastructure, differentiated on the application.

The argument for shared infrastructure therefore does not depend on the geopolitical weather improving. On this evidence it is stronger if the weather worsens, which is also why the timing of the decision matters.

THE ASYMMETRY OF WAITING

Waiting is not a neutral option, because the value of joining is path-dependent.

Early participants shape the intelligence layer around their data and priorities; late joiners inherit a system calibrated to others' needs. To draw an analogy, this is much like the path dependence that made the 1874 Treaty of Berne's early signatories authors of a network others joined on terms they had not set.

The arithmetic is forgiving to sceptics.

Recovering one tenth of a single cost dimension – the forgone cross-border logistics margin – is worth 3.56 billion USD a year, and recovering 30% of managerial decision waste close to 4 billion USD, against a shared build whose running costs are a fraction of those of a single national programme.

On these numbers alone, deciding is the conservative option; not deciding is simply a more expensive decision.

2040 BEGINS WITH A DECISION

The UPU's strategy for the Dubai cycle names the condition: the problems facing the international postal sector are "structural and require immediate, radical transformation" (UPU, 2026a, p. 3), and the moment "must be seized for bold reinvention" (p. 14).

The cost work here is that diagnosis, priced; the platform is the transformation, prototyped and waiting for the investment that would put it into production. What remains is the decision. Four moves would make it.

The first is to adopt the framing: to make the cost of not being a Super Decider the sector's strategic narrative, because a diffuse cost that nobody names is a cost that nobody funds.

The second is to treat the platform as shared sector infrastructure rather than as a pilot, which is the difference between a system that is owned, and one that joins the 95% of AI pilots that deliver nothing.

The third is to operationalize the method: to endorse the canvas, the 11 agents with their supervisor and the Decision Navigator as the sector's shared architecture, so that a Congress, a council and 192 operators work from one map.

The fourth is to start the cognitive-advantage clock now, because the corpus compounds from its first year and the compounding is the asset.

We concluded the previous section on a note of hopeful realism: crisis has been the sector's most reliable forcing function, and the technology window is stronger than in 1973. The 1970s had mechanization, which delivered 145% more mail with 22% more staff – but only after a decade of rate spirals, service cuts and labour conflict made it possible.

The 2020s have agentic AI, and the machinery to deploy it collectively, rather than 192 times over.

The postal system of 2040 will run on whatever kernel the sector installs now. Tools expire. Cognitive advantage compounds.

CONCLUSION

FIVE BODIES OF EVIDENCE, ONE FINDING

The five sections of this report were built from different data, at different frequencies and for different purposes, and they all point the same way.

The statistics show DOs dominant in a disappearing product, letter post, and marginal in a growing one, parcels: the median operator holds roughly three-quarters of its domestic letter market and barely a quarter of its parcel market.

Its development index shows reliability, the operational dimension, rising in every region, while resilience, the capacity to absorb shocks, fell in five out of six; and for 164 of the 181 countries measured, nine out of 10, the binding constraint is not infrastructure but relevance – whether the business model commands demand.

Its corridor data shows a network whose typical link contracted in every one of the 12 months to July 2026 while global item totals rose 21%, the growth concentrated on a handful of mega-flows.

Its revenue accounts show three consecutive years of real decline, 2022 to 2024, and, for the second time in three years, simultaneous contraction in every region, a pattern unknown before 2022. And its macroeconomic environment has moved from a single baseline forecast to a reference forecast flanked by downside scenarios, a change made by an institution as cautious as the IMF.

Each of these findings has been available to the sector, in some form, for years.

What this report adds is that they are one finding seen from five angles, and that the mechanism connecting them is neither technological nor commercial. It is decisional: the binding constraint lies in how, and how fast, the sector converts what it knows into what it commits to. The next part says what that means in practice.

WHAT IS ACTUALLY BINDING

The constraint is not information: the sector has never measured itself better. The 2IPD covers 181 countries on four dimensions with a decomposable bonus; the corridor panel resolves 9,607 country pairs every month; and the statistical pipeline has cut processing time by 90% and publication cadence from 12 months to one.

The constraint is not capability, at least not the technical capability that development programmes are designed to supply. The digital-maturity evidence places six African operators in the global top 25 and gives the world's highest depth score to an operator whose relevance score is 20.9. The services can be built; what is missing is the business model, the regulatory permission and the commercial perimeter that would turn them into demand.

The constraint is not, in most cases, a shortage of options, but a failure to see them. The identified binary bias – capable executives compressing a genuine dilemma into a two-way choice, invest in the parcel network or cut the branch estate – and the orchestration trap it feeds, a century of infrastructure habits applied to problems that call for exploration, mean that the option space which matters is rarely on the table at all.

The constraint is the rate at which the sector converts what it knows into what it commits to.

A 61-percentage-point break in a destination corridor between August and September 2025 was visible in the data within weeks; repricing, remunerations adjustment and network reconfiguration operate on cycles of quarters and years.

In a stable environment, that mismatch is a minor inefficiency.

In a distagflationary one, where amplification mechanism converts each delay into a compounding margin loss, it is the binding constraint on survival.

Five conclusions follow: three for policymakers, two for operators.

THREE CONCLUSIONS FOR POLICYMAKERS

First, the universal service compact needs modernization around capability rather than inputs, and soon.

The "regulatory cage" – universal service obligations, price caps and labour frameworks that leave the standard business response tools of raising prices, reducing the workforce and shrinking the footprint unavailable, or available only over longer periods – is why a revenue shock passes to revenue margins undampened.

But the evidence does not support wholesale changes either: fixed infrastructure outlet consolidation, without offering equitable access points, widens the gap between postal and GDP growth by approximately 1.7 points a year for each standard-deviation increase in inhabitants per office, about 29 points cumulatively, while staff intensity has no significant effect; customers value where outlets are, not how many people staff them.

Capability-based obligations, outcome-indexed support for network preservation and a broad commercial perimeter are what the evidence supports.

Second, de minimis coherence is a structural variable, not an administrative one.

Within 12 months, the world's two largest destination markets changed the customs treatment of low-value cross-border parcels: the United States from 29 August 2025; the European Union from 1 July 2026. Both produced large volume effects; only one changed the shape of the network.

The United States measure, applied to every origin at a month's notice, doubled origin concentration at its border and removed 43 origins within a month.

The European Union's per-item duty, announced seven months in advance as a standardized instrument, has so far cut volume without the same exit and concentration. That difference is a consequence of design, and design is negotiable.

The sector has an evidenced interest in coherence across the European Union, World Customs Organization and United States frameworks – not to resist border enforcement, which is a sovereign matter, but to ensure that it does not eliminate the thinnest, most development-critical corridors.

Third, the interventions that matter most are at system level.

This is the lesson we draw from the Messmer Plan: France did not respond to the 1970s oil shock by reforming its postal service; it reformed its energy system, and the postal operator benefited from a pivot it could not have executed alone.

Today's equivalents are product portfolio, remuneration, and quality of service reform which must be augmented by de minimis coherence, enhanced customs data exchange, identity and decision infrastructure. Each changes the economics for every operator at once, and none can be achieved by any operator individually.

That is also why, in the incidence analysis of the 70.8 billion USD annual cost of non-orchestration, only 45% falls on DOs; the remaining 55% falls on e-commerce platforms, ministries and regulators, technology providers and private carriers, none of whom can capture the gain from fixing it alone.

Two conclusions follow for operators themselves.

TWO CONCLUSIONS FOR OPERATORS

Diversify broadly rather than optimally.

The most actionable econometric finding is that a 10-percentage-point reduction in letter dependence narrows the gap between postal and GDP growth by roughly half a point a year, about nine points over the 17 years studied, regardless of what replaces it: breadth matters more than the substitute.

An operator need not identify the correct adjacent market first. The strategic question is permission and perimeter, not picking a winner.

Treat resilience as a managed variable.

The 2IPD result that reliability rose in every region while resilience fell in five out of six is a warning about where management attention has gone.

Reliability responds to operational discipline and is visible in monthly reporting; resilience responds to balance-sheet strength, revenue breadth and institutional flexibility, and is visible only when tested – and the 12 months covered here tested it.

The sector became faster and more predictable, and less able to absorb shocks, in the same year that two customs regimes and one conflict reset its cross-border flows. Both conclusions point to the same decision, which the next part sets out.

THE DECISION FACING THE SECTOR

This report put four moves on the table.

The first is to adopt the framing: to make the cost of not being a Super Decider the sector's strategic narrative, because a diffuse cost that nobody names is a cost that nobody funds.

The second is to treat the Unified Data Platform as shared sector infrastructure rather than as a pilot.

The third is to operationalize the method: to endorse the Postal Orchestration Canvas, the 11 agents with their supervisor and the Decision Navigator as the sector's shared architecture, so that a Congress, a council and 192 operators work from one map.

The fourth is to start the cognitive-advantage clock now, because the corpus of decisions that the platform accumulates compounds from its first year.

The sums are modest against the stakes. Recovering one tenth of a single cost dimension – the 35.6 billion USD of forgone cross-border logistics margin – is worth 3.56 billion USD a year; recovering 30% of the 13.1 billion USD of managerial decision waste close to 4 billion USD.

The platform that would make both plausible is a shared, serverless build whose running cost is a fraction of what any one member would spend alone. Against a cumulative 2026–2030 cost of non-orchestration of 411 billion USD, the sums are rounding errors.

On these numbers, deciding is the conservative option.

The value is also path-dependent.

The corpus – the accumulating record of decisions, evidence and outcomes on which every subsequent decision draws – compounds from its first year, and early participants shape it around their data and priorities, just as the signatories of the 1874 Treaty of Berne wrote the rules that everyone who joined later accepted on terms they had not set.

Waiting is not a neutral option.

That the sector should decide is the arithmetic; whether it can, in its present condition, is the question the next part takes up.

HOPEFUL REALISM

The sector faces an amplification trap.

The four fragilities – high fixed costs that turn a 10% fall in revenue into a 40 to 50% fall in operating income, revenue concentrated in the segment that trade fragmentation disrupts, an average EBIT margin of -0.8% that offers no cushion, and regulatory requirements that removes the standard adjustment tools convert macroeconomic shocks into compounding rather than proportional deterioration, and the literature's prediction that this does not self-stabilize without deliberate intervention is not a rhetorical flourish.

Some operators – profiles A and B – are already in the configuration it describes as the most dangerous: years of losses, dependence on continuing public support, and adjustment tools constrained by regulation. In the 1970s analogy, not every postal system came through intact, and in 1973 demand was still growing while today it is not.

The path is narrower.

But the record is clear that crisis has been this sector's most reliable forcing function.

The rate spirals, service cuts and labour conflicts of the 1970s produced the automation programme that let the United States postal administration deliver 145% more mail in 2000 than in 1970 with only 22% more employees. The British mechanization standoff of 1972 to 1975 ended in a settlement that neither side could have reached in calm conditions: workers gained collective bargaining rights and job security; management the productivity of automation.

The crisis did not create solutions; it gave both sides permission to adopt them.

Three things are true simultaneously, and holding all three is what this report means by hopeful realism.

Severity is real and measured.

The forcing function is real and historically demonstrated.

And the technology window now opening – agentic AI, predictive logistics, autonomous sorting – is categorically stronger than anything available in 1973, and directly addressed to the fixed-cost and productivity fragilities that the 1970s could only manage through mechanization.

What is missing is not analysis, capability or technology, but the institutional will to decide at the speed at which the sector is shocked.

The last part of this report puts that conclusion in the sector's own words.

ONE POSTAL NETWORK, INFINITE POSSIBILITIES

World Post Day 2026 invites the sector to describe itself in five words: one postal network, infinite possibilities (UPU, 2026e).

Read as a slogan, it celebrates a united global network and the opportunities it creates for people, businesses and communities. Read against the evidence in this report, it is also an exact statement of what the sector has, what it risks losing, and what it would have to do to keep it – and its two halves name the two halves of the argument.

One postal network is the asset, and the one thing in this report that no competitor can replicate: a single postal territory, 192 member countries, one treaty, addresses in every inhabited place on earth.

But we have measured what happens when its rules stop being single – origins leaving a destination corridor within a month, concentration doubling at one border and not at another, the typical link contracting every month while totals rose on a handful of mega-flows.

It is one network only as long as its semantics, standards, identity layer and remuneration rules remain common, which is the boundary drawn when it says interoperate on the rails, compete on the decisions.

Every argument in this report for shared infrastructure is an argument for keeping the first half of the slogan true.

Infinite possibilities is the harder half, and failure is not one of ambition.

The binary bias is a story about possibilities being lost: the brain compresses a strategic dilemma into two options, and the decision that reaches the table is a choice between impoverished alternatives.

The second step of the Decision Navigator is called option space for that reason, and its discipline – expand before you filter – is the operational meaning of infinite possibilities.

Our proposed 11 agents exist to widen that space; the executive closes it, consciously, at step 6.

A sector that measures itself well, sees the whole while moving, and gives its leaders a real option set is a sector with possibilities. A sector that decides in binaries, one domain at a time, a quarter after the shock, has only outcomes.

The two halves are a sequence, and order matters.

One postal network is the precondition: possibilities are infinite only if the rails are common, because an operator cut out of a corridor has no options there at all.

Infinite possibilities is the return: shared rails are worth building only if the sector uses them to decide better. Get the first without the second and the UPU maintains excellent infrastructure for a shrinking business; get the second without the first and 192 members optimize toward incompatible futures.

The proposition of this report is that the sector can still have both, and that the window is this Dubai cycle, 2026 to 2029, not the next.

The postal system of 2040 will run on whatever decision architecture is installed now.

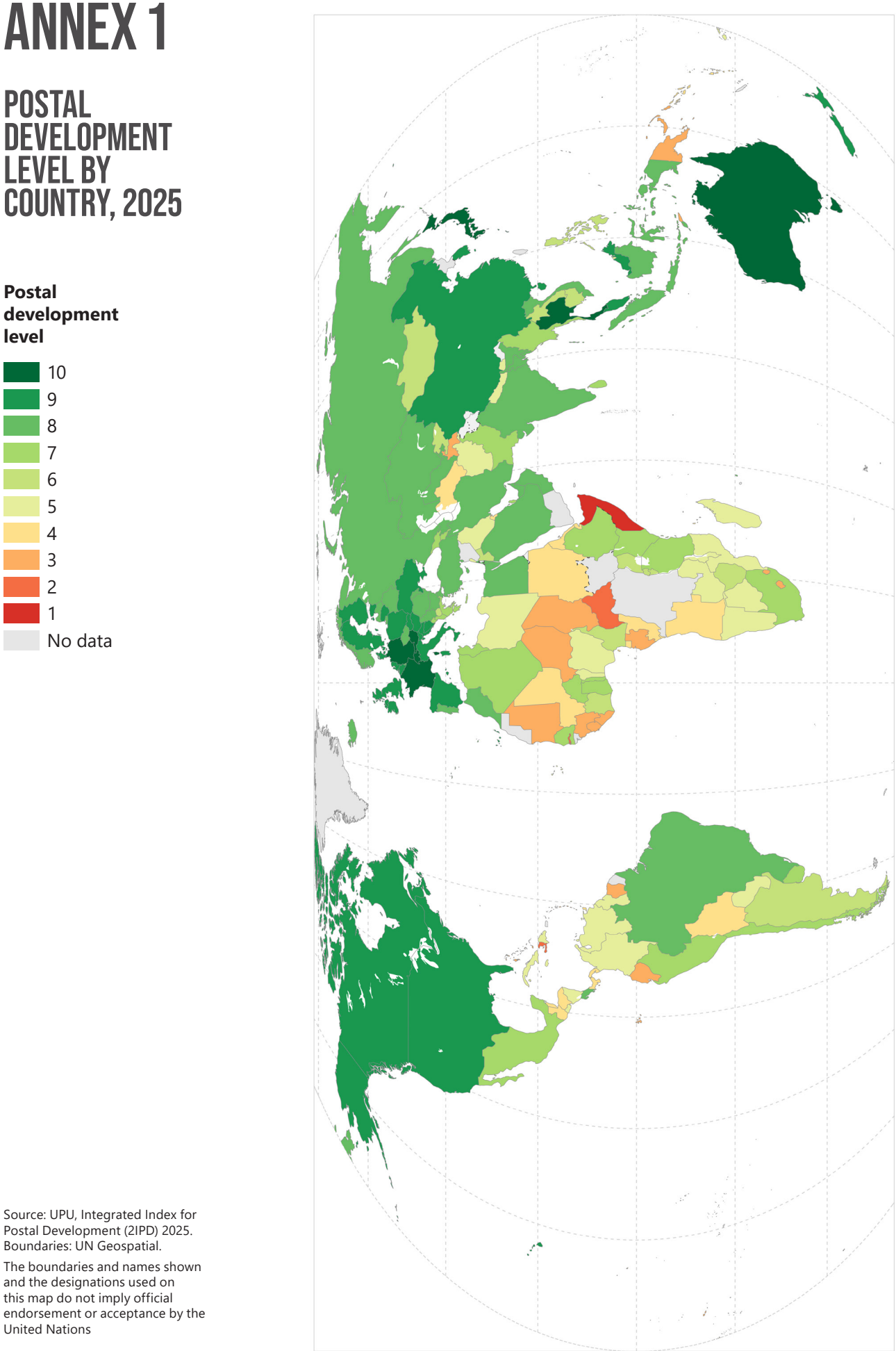
Tools expire. Cognitive advantage compounds.

One postal network, infinite possibilities – but only if the sector decides, in good time, to keep the network one, and the possibilities open.

ANNEXES

ANNEX 1

POSTAL DEVELOPMENT LEVEL BY COUNTRY, 2025



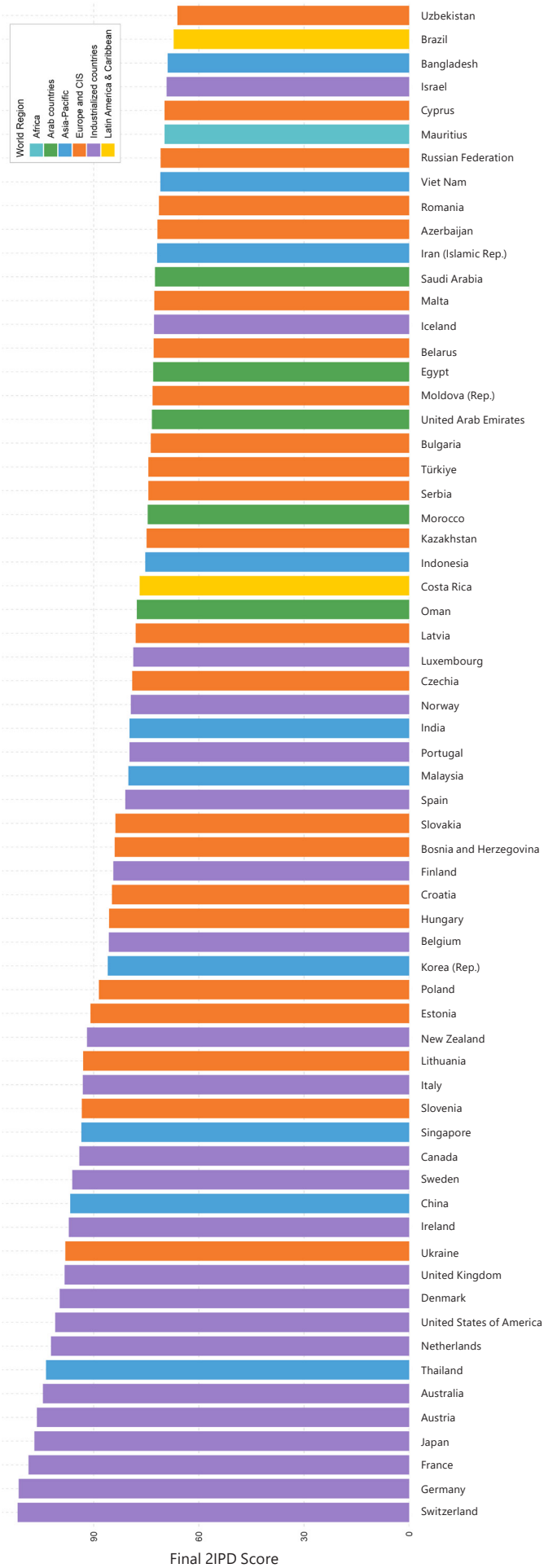
Source: UPU, Integrated Index for Postal Development (2IPD) 2025. Boundaries: UN Geospatial.

The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations

COUNTRIES WITH POSTAL DEVELOPMENT LEVELS 10, 9, 8

World Region

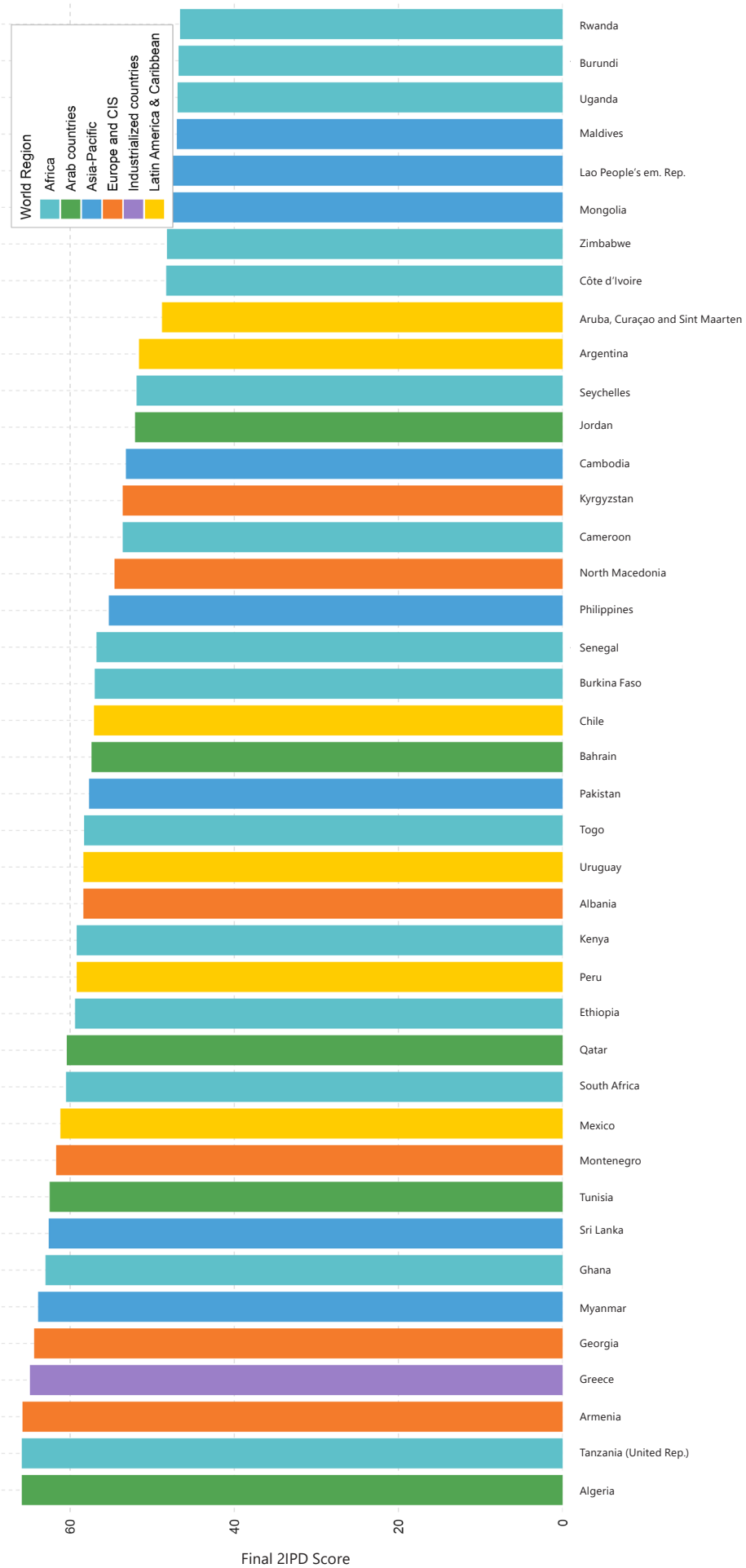
- Africa
- Arab countries
- Asia-Pacific
- Europe and CIS
- Industrialized countries
- Latin America & Caribbean



COUNTRIES WITH POSTAL DEVELOPMENT LEVELS 7 AND 6

World Region

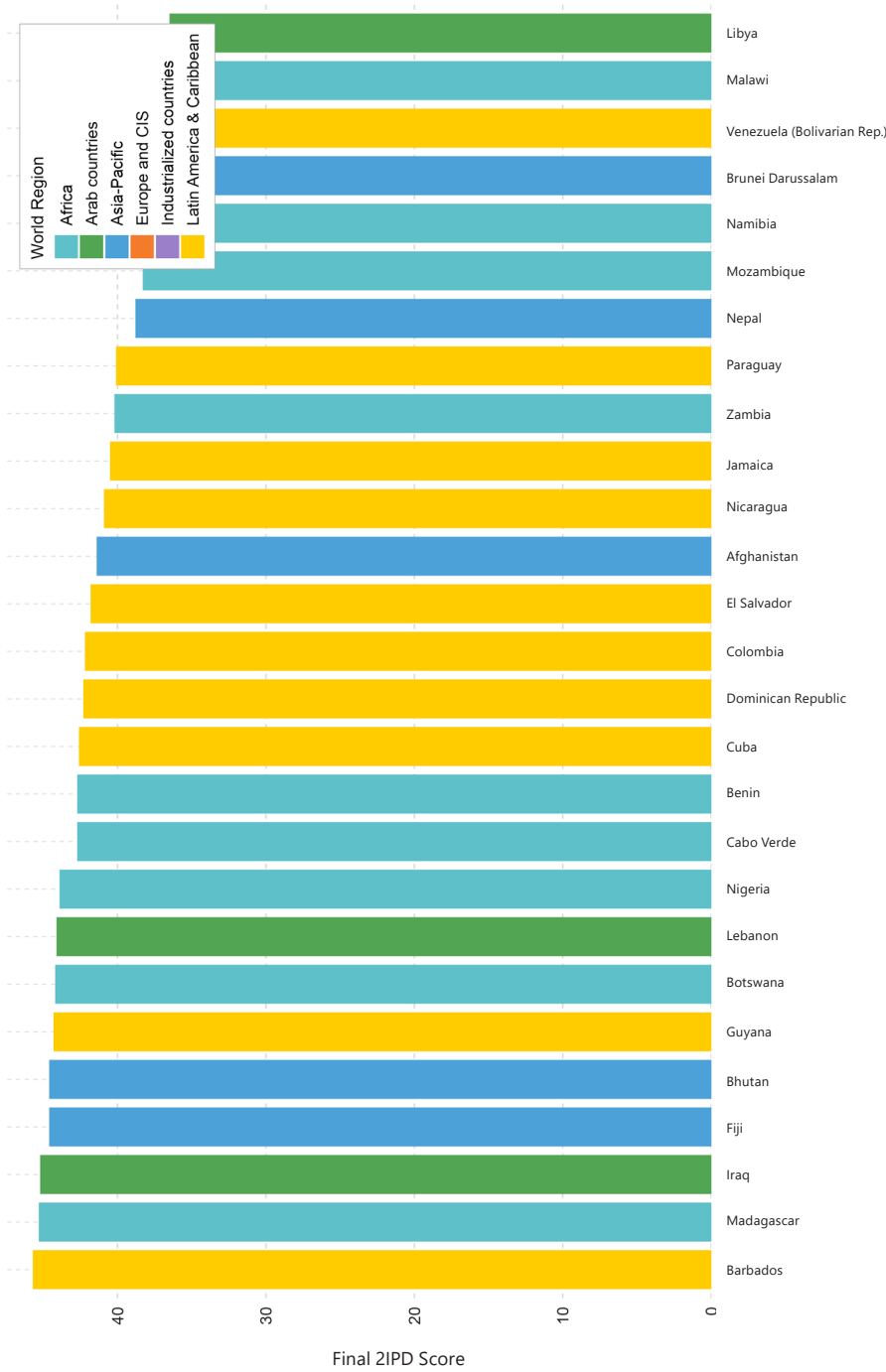
- Africa
- Arab countries
- Asia-Pacific
- Europe and CIS
- Industrialized countries
- Latin America & Caribbean



COUNTRIES WITH POSTAL DEVELOPMENT LEVEL 5

World Region

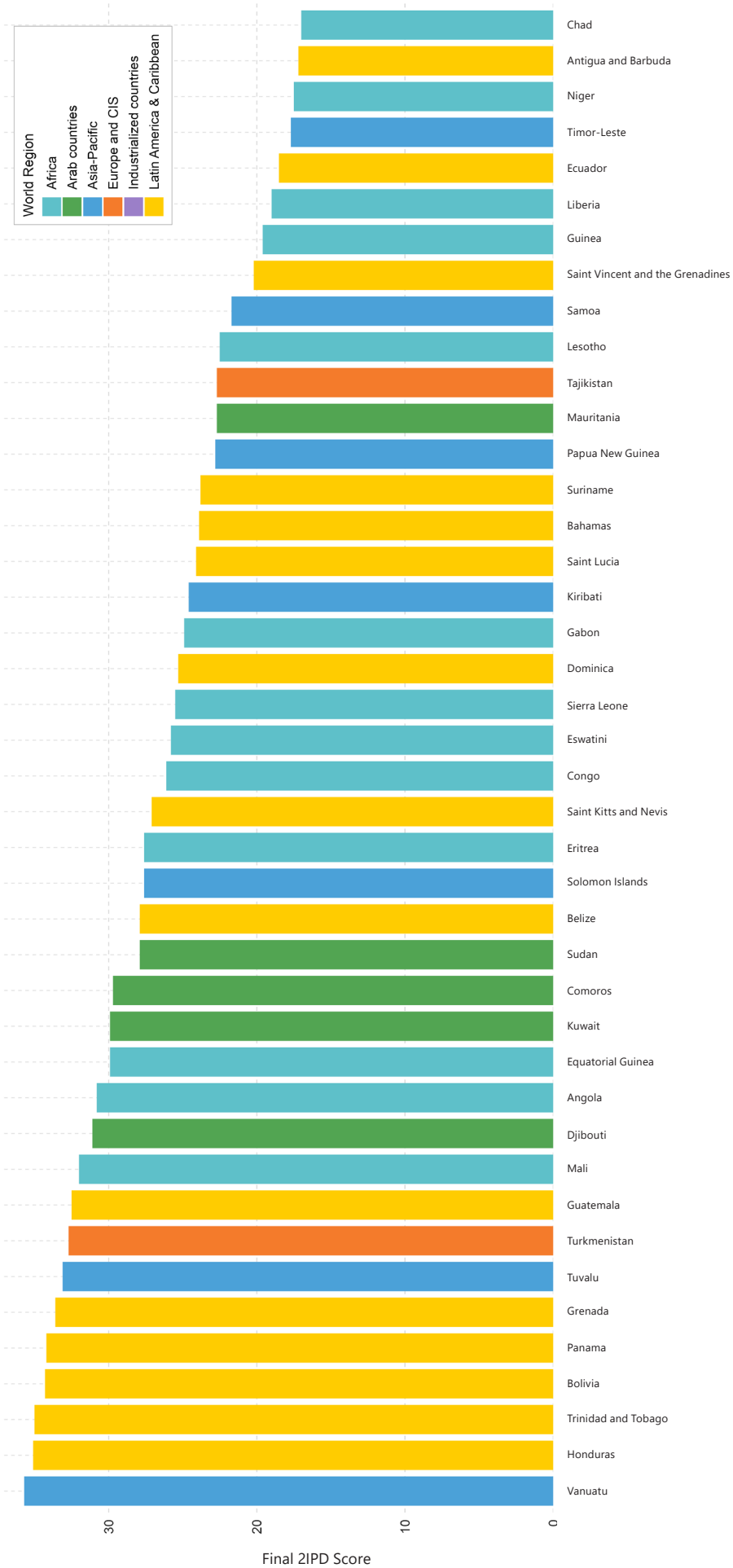
- Africa
- Arab countries
- Asia-Pacific
- Europe and CIS
- Industrialized countries
- Latin America & Caribbean



COUNTRIES WITH POSTAL DEVELOPMENT LEVELS 4 AND 3

World Region

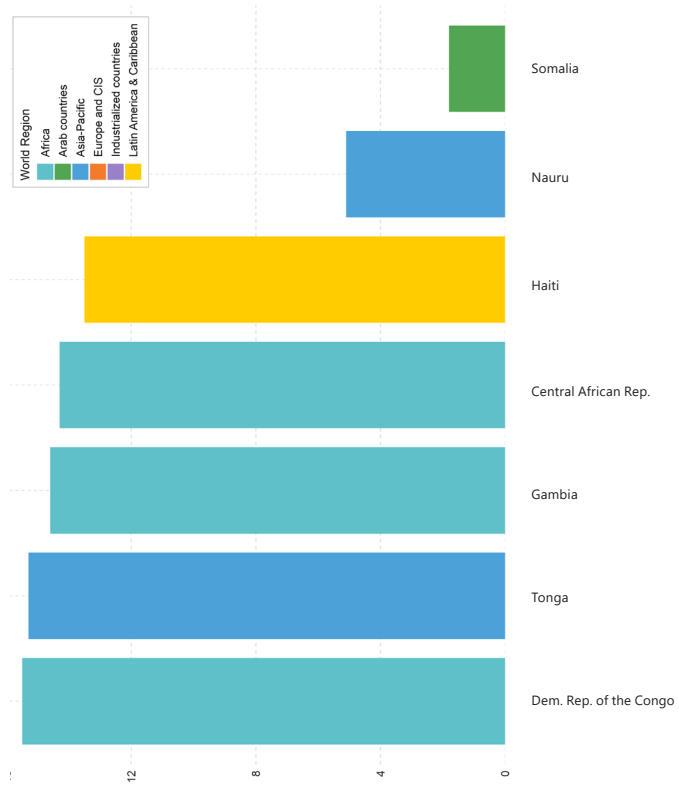
- Africa
- Arab countries
- Asia-Pacific
- Europe and CIS
- Industrialized countries
- Latin America & Caribbean



COUNTRIES WITH POSTAL DEVELOPMENT LEVELS 2 AND 1

World Region

- Africa
- Arab countries
- Asia-Pacific
- Europe and CIS
- Industrialized countries
- Latin America & Caribbean



ANNEX 2

2IPD SCORES BY PDL

This annex contains the detailed 2IPD results by country. The table can be downloaded as a data file from the State of the Postal Sector 2026 page at www.upu.int/en/universal-postal-union/activities/research-publications/integrated-index-for-postal-development.

READING THE 2IPD COUNTRY TABLE

Table A1 shows the complete 2026 results of the Integrated Index for Postal Development for all 181 countries.

Postal development level (PDL) is the country's stage of postal development derived from its 2IPD score, on a scale from 10 (highest) to 1 (lowest). The bands are: PDL 1, score below 6; PDL 2, 6 to below 16; PDL 3, 16 to below 26; PDL 4, 26 to below 36; PDL 5, 36 to below 46; PDL 6, 46 to below 56; PDL 7, 56 to below 66; PDL 8, 66 to below 80; PDL 9, 80 to below 102.6; PDL 10, 102.6 and above. The bands derive from clustering analysis of the score distribution rather than from fixed intervals, which is why PDL 8 and PDL 9 are wider than the others.

Reliability – the development of quality of service from a speed and predictability perspective.

Reach – the level of postal connectivity of the country with the rest of the world from an outbound and inbound perspective.

Relevance – the relative success of different postal business models and activities from a demand perspective.

Resilience – the estimated postal capacity to overcome economic, social, technology and environmental shocks in a sustainable way.

2IPD score before bonus – obtained by aggregating the four-dimension scores with equal weight, then normalizing so that the highest value is rescaled to 100 and the lowest to 0.

Bonus – the sum of four components: quality of provision of official postal statistics (up to 3 points); digital maturity of the DO (up to 5 points, new in this edition); participation in UPU surveys (1 point); and carbon-emissions measurement and decarbonization decoupling achievements (up to 5 points). The theoretical maximum is 14 points.

2IPD score after bonus – the headline ranking variable. Because the bonus is added to a scale already normalized to 100, scores above 100 are possible.

Three notes on comparability. The threshold between PDLs 9 and 10 was raised this edition from 100.0 to 102.6; all nine other boundaries are unchanged. One consequence should be read with care: the Kingdom of the Netherlands moves from level 10 to level 9 on a score change of only -0.4, which is a boundary effect rather than a change in performance.

Turkmenistan and Somalia enter the index this year and have no prior-year values; the Syrian Arab Rep., the sole PDL 1 country in the previous edition, is not covered this year.

Because the digital-maturity component is new, roughly 45% of the mean score improvement between editions is attributable to the bonus rather than to movement in the four dimensions – readers making year-on-year comparisons of postal performance should therefore use the before-bonus column.

Table A1: **2IPD results by country, 2025 data**

Country	PDL	2IPD sub-score				2IPD score before bonus	Bonus	2IPD score after bonus
		Reliability	Reach	Relevance	Resilience			
Switzerland	10	99.7	94.2	100.0	94.3	99.5	12.2	111.7
Germany	10	97.4	100.0	100.0	92.9	100.0	11.4	111.4
France	10	97.5	96.9	77.9	97.5	94.6	14.0	108.6
Japan	10	98.6	93.7	100.0	95.5	99.3	7.6	106.9
Austria	10	96.1	85.8	100.0	93.9	96.2	10.0	106.2
Australia	10	92.7	91.3	98.4	89.2	95.0	9.5	104.5
Thailand	10	98.0	88.4	98.2	88.3	95.4	8.2	103.6
Netherlands (Kingdom of the)	9	95.0	96.8	81.8	91.3	93.3	8.9	102.2
United States of America	9	89.5	100.0	85.1	91.1	93.5	7.5	101.0
Denmark	9	95.5	80.4	100.0	91.5	93.9	5.8	99.7
United Kingdom of Great Britain and Northern Ireland	9	99.8	97.5	80.3	93.2	94.8	3.5	98.3
Ukraine	9	95.3	85.8	71.5	100.0	90.0	8.1	98.1
Ireland	9	98.8	84.2	86.2	95.2	93.1	4.0	97.1
China	9	86.5	100.0	98.2	85.9	94.8	1.9	96.7
Sweden	9	92.3	87.1	64.6	91.3	85.4	10.7	96.1
Canada	9	93.9	94.4	78.7	85.8	90.1	4.0	94.1
Singapore	9	100.0	77.6	76.8	86.5	86.9	6.6	93.5
Slovenia	9	97.7	73.4	75.0	85.8	84.5	8.9	93.4
Italy	9	93.9	91.5	50.7	92.8	83.7	9.4	93.1
Lithuania	9	91.3	78.6	72.2	87.1	83.8	9.2	93.0
New Zealand	9	98.1	81.7	52.6	94.8	83.2	8.7	91.9
Estonia	9	95.9	84.6	47.1	91.8	81.2	9.7	90.9
Poland	9	92.6	89.5	50.1	83.8	80.3	8.2	88.5
Rep. of Korea	9	97.0	86.7	49.6	95.4	83.6	2.4	86.0
Belgium	9	90.0	88.4	52.6	86.8	80.7	5.0	85.7
Hungary	9	93.3	84.8	40.7	83.1	76.5	9.1	85.6
Croatia	9	94.8	79.7	43.5	81.3	75.9	8.9	84.8
Finland	9	88.5	78.4	49.3	93.1	78.5	5.9	84.4
Bosnia and Herzegovina	9	94.1	62.0	43.8	84.0	71.8	12.2	84.0
Slovakia	9	96.3	81.1	39.1	79.4	75.0	8.8	83.8
Spain	9	88.1	91.2	20.6	81.7	71.2	9.8	81.0
Malaysia	9	95.0	83.1	12.9	87.5	70.3	9.8	80.1
Portugal	8	81.1	86.8	25.9	83.4	70.0	9.8	79.8
India	8	83.4	94.8	11.2	93.7	71.6	8.2	79.8
Norway	8	91.3	79.4	33.1	86.7	73.5	5.9	79.4
Czechia	8	94.2	85.8	30.9	72.6	71.7	7.3	79.0
Luxembourg	8	99.1	74.0	42.2	87.0	76.7	2.0	78.7
Latvia	8	99.4	84.4	24.6	69.9	70.3	7.7	78.0

Country	PDL	2IPD sub-score				2IPD score before bonus	Bonus	2IPD score after bonus
		Reliability	Reach	Relevance	Resilience			
Oman	8	98.4	58.0	63.7	60.8	71.0	6.7	77.7
Costa Rica	8	51.1	49.2	96.7	76.9	69.1	7.8	76.9
Indonesia	8	85.3	72.9	21.0	92.0	68.4	6.9	75.3
Kazakhstan	8	84.9	68.9	9.8	88.2	63.2	11.7	74.9
Morocco	8	88.6	65.8	30.3	75.6	65.5	9.1	74.6
Serbia	8	90.1	74.4	27.7	73.0	66.8	7.6	74.4
Türkiye	8	66.2	82.1	31.6	81.6	65.8	8.6	74.4
Bulgaria	8	80.5	76.3	49.2	53.7	65.3	8.4	73.7
United Arab Emirates	8	99.0	87.0	2.0	73.3	65.8	7.6	73.4
Rep. of Moldova	8	98.8	56.7	38.8	68.0	66.0	7.2	73.2
Egypt	8	92.4	63.7	18.1	83.5	64.8	8.2	73.0
Belarus	8	98.4	78.2	34.5	65.8	69.9	3.0	72.9
Iceland	8	90.8	57.8	28.2	92.2	67.8	5.0	72.8
Malta	8	95.8	62.8	23.1	84.2	67.0	5.7	72.7
Saudi Arabia	8	92.7	70.4	5.4	88.8	64.7	7.8	72.5
Iran (Islamic Rep.)	8	83.8	52.9	36.4	84.6	64.8	7.1	71.9
Azerbaijan	8	95.4	68.9	5.3	85.0	64.0	7.8	71.8
Romania	8	90.3	77.1	31.5	68.6	67.4	4.0	71.4
Viet Nam	8	85.6	63.7	24.1	77.4	63.0	8.0	71.0
Russian Federation	8	80.0	77.4	18.6	75.2	63.1	7.8	70.9
Mauritius	8	96.2	62.9	46.0	60.1	66.8	3.0	69.8
Cyprus	8	93.3	75.6	47.9	47.4	66.6	3.2	69.8
Israel	8	78.9	70.6	8.6	87.2	61.5	7.7	69.2
Bangladesh	8	84.6	73.3	3.6	82.9	61.3	7.6	68.9
Brazil	8	56.0	79.3	13.6	86.9	59.0	8.2	67.2
Uzbekistan	8	91.8	66.8	3.8	73.9	59.1	7.0	66.1
Algeria	7	89.0	64.3	28.4	68.8	62.9	3.0	65.9
United Rep. of Tanzania	7	76.1	50.0	20.9	81.5	57.1	8.8	65.9
Armenia	7	91.1	57.5	14.9	69.0	58.1	7.7	65.8
Greece	7	82.2	79.0	20.8	64.6	61.9	3.0	64.9
Georgia	7	92.1	62.2	1.6	77.8	58.5	5.9	64.4
Myanmar	7	90.1	37.1	7.2	78.6	52.9	11.0	63.9
Ghana	7	87.3	60.3	1.7	72.1	55.2	7.8	63.0
Sri Lanka	7	90.1	59.7	11.7	65.9	56.8	5.8	62.6
Tunisia	7	87.3	58.9	17.9	71.9	59.1	3.4	62.5
Montenegro	7	73.7	46.4	26.7	74.5	55.2	6.5	61.7
Mexico	7	81.3	73.9	4.7	58.4	54.4	6.8	61.2
South Africa	7	48.6	71.6	21.8	68.9	52.4	8.1	60.5
Qatar	7	88.9	65.3	3.1	53.0	52.2	8.2	60.4
Ethiopia	7	72.3	55.2	1.6	75.6	50.8	8.6	59.4
Peru	7	89.5	65.8	2.5	59.3	54.0	5.2	59.2
Kenya	7	73.8	60.8	2.1	70.5	51.4	7.8	59.2

Country	PDL	2IPD sub-score				2IPD score before bonus	Bonus	2IPD score after bonus
		Reliability	Reach	Relevance	Resilience			
Albania	7	90.5	56.9	13.1	58.1	54.4	4.0	58.4
Uruguay	7	53.9	48.5	19.1	80.9	50.1	8.3	58.4
Togo	7	95.9	48.4	5.0	52.9	50.1	8.2	58.3
Pakistan	7	80.2	69.5	5.8	64.8	54.9	2.8	57.7
Bahrain	7	72.5	55.8	0.7	73.1	50.1	7.3	57.4
Chile	7	78.1	63.5	0.5	67.6	52.1	5.0	57.1
Burkina Faso	7	93.3	48.8	0.7	54.4	48.8	8.2	57.0
Senegal	7	81.7	49.4	0.9	62.0	47.9	8.9	56.8
Philippines	6	70.1	71.6	0.9	70.1	52.9	2.4	55.3
North Macedonia	6	74.6	48.5	20.2	55.0	49.1	5.5	54.6
Cameroon	6	87.5	60.4	1.0	42.7	47.3	6.3	53.6
Kyrgyzstan	6	64.2	48.0	6.8	72.6	47.3	6.3	53.6
Cambodia	6	79.0	47.9	0.7	66.4	47.9	5.3	53.2
Jordan	6	61.3	53.7	2.5	60.4	43.6	8.5	52.1
Seychelles	6	75.4	44.8	2.4	62.2	45.5	6.4	51.9
Argentina	6	21.9	65.7	16.0	88.9	47.5	4.1	51.6
Aruba, Curacao and Sint Maarten	6	87.1	34.3	5.4	55.4	44.8	4.0	48.8
Côte d'Ivoire	6	71.6	48.0	1.2	47.6	41.1	7.2	48.3
Zimbabwe	6	66.3	41.4	1.3	51.6	39.0	9.2	48.2
Mongolia	6	79.3	50.1	8.0	40.0	43.5	4.6	48.1
Lao People's Dem. Rep.	6	68.9	38.0	1.2	69.1	43.5	4.4	47.9
Maldives	6	75.2	47.8	18.4	40.2	44.6	2.4	47.0
Uganda	6	88.0	53.7	0.2	33.0	42.8	4.1	46.9
Burundi	6	81.4	34.5	0.6	64.3	44.4	2.4	46.8
Rwanda	6	85.4	37.8	0.8	43.4	40.9	5.7	46.6
Barbados	5	52.5	42.2	5.3	62.9	39.7	6.0	45.7
Madagascar	5	91.9	62.3	1.1	29.1	45.3	0.0	45.3
Iraq	5	67.0	46.4	0.4	40.1	37.3	7.9	45.2
Fiji	5	69.0	45.2	7.1	47.0	41.1	3.5	44.6
Bhutan	5	65.9	26.1	2.8	60.7	37.7	6.9	44.6
Guyana	5	59.9	37.0	6.3	56.3	38.8	5.5	44.3
Botswana	5	35.2	35.4	9.7	64.6	34.9	9.3	44.2
Lebanon	5	79.6	52.2	1.0	21.2	37.3	6.8	44.1
Nigeria	5	58.0	58.9	1.0	52.2	41.6	2.3	43.9
Cabo Verde	5	85.0	43.0	3.8	42.5	42.7	0.0	42.7
Benin	5	79.7	52.3	0.6	29.0	39.3	3.4	42.7
Cuba	5	32.8	48.9	6.2	56.1	34.7	7.9	42.6
Dominican Republic	5	70.6	53.7	0.8	37.9	39.7	2.6	42.3
Colombia	5	30.4	60.1	1.6	56.2	35.8	6.4	42.2
El Salvador	5	83.9	44.3	1.0	34.8	39.9	1.9	41.8
Afghanistan	5	58.7	35.8	1.6	64.8	39.1	2.3	41.4
Nicaragua	5	68.0	30.0	0.5	52.2	36.4	4.5	40.9

Country	PDL	2IPD sub-score				2IPD score before bonus	Bonus	2IPD score after bonus
		Reliability	Reach	Relevance	Resilience			
Jamaica	5	75.5	47.0	8.8	31.1	39.5	1.0	40.5
Zambia	5	55.9	44.2	0.4	41.4	34.1	6.1	40.2
Paraguay	5	55.5	39.5	2.0	45.3	34.2	5.9	40.1
Nepal	5	59.5	47.1	6.1	45.3	38.4	0.4	38.8
Mozambique	5	50.7	42.8	5.0	46.8	34.9	3.4	38.3
Namibia	5	38.1	42.3	2.7	49.7	31.7	6.5	38.2
Brunei Darussalam	5	69.6	40.6	2.7	33.8	35.4	2.4	37.8
Venezuela (Bolivarian Rep.)	5	35.3	40.3	0.5	58.5	32.2	5.5	37.7
Malawi	5	54.3	34.7	0.5	35.1	29.5	7.2	36.7
Libya	5	46.8	31.4	1.6	49.8	30.8	5.7	36.5
Vanuatu	4	82.7	36.1	6.0	15.8	33.7	2.0	35.7
Honduras	4	43.5	41.9	0.6	56.1	34.2	0.9	35.1
Trinidad and Tobago	4	47.8	42.3	6.2	41.5	33.0	2.0	35.0
Bolivia (Plurinational State)	4	46.7	43.3	1.9	48.2	33.6	0.7	34.3
Panama	4	52.0	45.4	1.3	25.1	29.3	4.9	34.2
Grenada	4	46.1	30.6	20.5	34.7	31.4	2.2	33.6
Tuvalu	4	26.0	24.3	50.4	33.0	31.9	1.2	33.1
Turkmenistan	4	70.2	30.1	1.9	34.6	32.7	0.0	32.7
Guatemala	4	51.1	42.7	0.2	37.6	31.4	1.1	32.5
Mali	4	41.5	32.1	0.1	50.8	29.5	2.5	32.0
Djibouti	4	30.9	28.9	0.5	49.3	25.5	5.6	31.1
Angola	4	17.9	45.3	0.1	57.3	28.4	2.4	30.8
Equatorial Guinea	4	30.0	18.3	5.2	57.2	25.8	4.1	29.9
Kuwait	4	20.1	60.0	0.8	37.8	27.9	2.0	29.9
Comoros	4	52.3	24.3	0.9	27.1	24.2	5.5	29.7
Sudan	4	43.6	29.6	2.4	42.9	27.9	0.0	27.9
Belize	4	59.4	34.0	2.0	21.5	27.4	0.5	27.9
Solomon Islands	4	53.9	24.3	7.7	26.1	26.2	1.4	27.6
Eritrea	4	34.4	20.8	1.0	45.5	23.4	4.2	27.6
Saint Kitts and Nevis	4	58.7	25.0	1.9	30.1	27.1	0.0	27.1
Congo	4	38.6	29.0	0.3	36.2	24.1	2.0	26.1
Eswatini	3	32.9	24.3	2.3	27.6	19.6	6.2	25.8
Sierra Leone	3	32.2	31.0	0.4	43.3	24.8	0.7	25.5
Dominica	3	25.3	24.3	43.2	16.0	25.3	0.0	25.3
Gabon	3	40.3	31.0	1.1	28.6	23.2	1.7	24.9
Kiribati	3	26.0	24.3	10.7	39.4	23.1	1.5	24.6
Saint Lucia	3	40.1	28.6	11.8	23.8	24.1	0.0	24.1
Bahamas	3	35.7	34.3	4.2	23.0	22.2	1.7	23.9
Suriname	3	30.2	29.1	1.6	23.6	18.9	4.9	23.8
Papua New Guinea	3	38.8	28.3	0.2	24.0	20.7	2.1	22.8
Mauritania	3	26.9	25.1	0.7	37.7	20.4	2.3	22.7

Country	PDL	2IPD sub-score				2IPD score before bonus	Bonus	2IPD score after bonus
		Reliability	Reach	Relevance	Resilience			
Tajikistan	3	29.9	27.9	2.7	27.1	19.7	3.0	22.7
Lesotho	3	34.5	24.3	1.3	21.1	18.0	4.5	22.5
Samoa	3	40.3	27.7	0.9	21.6	20.4	1.3	21.7
Saint Vincent and the Grenadines	3	26.6	24.9	13.5	22.2	19.6	0.6	20.2
Guinea	3	32.6	31.4	0.1	21.5	19.1	0.5	19.6
Liberia	3	38.8	26.1	0.1	20.1	19.0	0.0	19.0
Ecuador	3	8.7	42.4	0.4	27.9	17.5	1.0	18.5
Timor-Leste	3	24.7	12.5	0.4	39.2	16.8	0.9	17.7
Niger	3	26.0	24.3	0.2	21.1	15.4	2.1	17.5
Antigua and Barbuda	3	28.6	27.6	2.5	19.4	17.2	0.0	17.2
Chad	3	32.2	23.9	0.1	11.9	14.5	2.5	17.0
Dem. Rep. of the Congo	2	7.1	45.5	0.3	15.8	14.6	0.9	15.5
Tonga	2	26.0	24.3	0.1	17.3	14.4	0.9	15.3
Gambia	2	17.6	28.8	0.2	21.9	14.6	0.0	14.6
Central African Rep.	2	26.5	24.7	0.2	16.1	14.3	0.0	14.3
Haiti	2	26.0	24.3	0.1	13.9	13.5	0.0	13.5
Nauru	1	0.0	24.3	0.5	7.8	5.1	0.0	5.1
Somalia	1	0.0	0.0	0.0	13.5	0.0	1.8	1.8

Source: UPU 2IPD 2026. Sorted by 2IPD score after bonus. 181 countries.

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ACKNOWLEDGEMENTS

The State of the Postal Sector 2026 and Integrated Index for Postal Development (2IDP) are the result of cross-cutting teamwork across various expert units at the UPU International Bureau.

The 2026 report was prepared by Dr José Ansón, UPU Lead Economist, and Sirine Chodan, Consultant, under the guidance and supervision of Saleh Khan, Coordinator of the UPU Think Tank, and Siva Somasundram, Director of Policy, Markets and Regulation.

This report is made possible by the work of the UPU Postal Statistics team, and we are particularly grateful to Lukasz Piotrowski and Jessika Brena.

The IB Communications team played a critical role in ensuring outreach of this report. We thank the language translation and document processing services for their work to ensure that this report is accessible to all, and Sonja Denovski for the design and brand visualization of the State of the Postal Sector report.

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