

**Delivering the Future:  
How the G20's Postal Services  
meet the challenges of the 21st  
century**

Oxford Strategic Consulting  
Oxford UK  
0044 (0) 7785 110910  
[wsj@oxfordstrategicconsulting.com](mailto:wsj@oxfordstrategicconsulting.com)  
[www.oxfordstrategicconsulting.com](http://www.oxfordstrategicconsulting.com)



## Executive Summary

The very existence of the legions of postal service workers and thousands of postmen, sorting depots, post offices and mail vans is today under threat in many developed countries. Instant, electronic communications are displacing the material exchange of documents at a rapid pace, while e-payments are supplanting physical commercial exchanges of cheques or postal orders. While only 1% of the population in Asia-Pacific lacks access to postal services and 94% has home mail delivery, will basic economics allow this in the future? Will the expansion of broadband Internet across the world spell the end for the postal empires?

***Delivering the Future*** is a comprehensive report that establishes new structural performance metrics to better understand the effectiveness of national universal postal service providers (USPs) in the G20 group of the world's wealthiest nations. It provides a new benchmark to measure USPs delivery of national socio-economic benefit, defining their present and future utility and social value.

The ranking tables are based on three criteria using multiple secondary datasets, judged to provide the best measures of the USPs' structural strengths:

1. Provision of Access to Vital Services –enabling the participation of all communities in political society and the economy
2. Operational Resource Efficiency – the efficient management of human resources
3. Performance and Public Trust – public approval through effective performance

The report shows that, while there are multiple reports of the imminent demise of the Universal Postal Service Provider, USPs currently retain their key role in the provision of an essential communications infrastructure in all countries, in some cases against a backdrop of declining mail volumes and cuts to postal offices and delivery staff.

The United States Postal Service's top ranking belies its inability to raise its own finance or move into new non-mail sectors, its debt position and the rapid shift towards electronic communications. It has achieved its ranking by being highly efficient in its core function – the delivery of mail.

USPS delivers twice the mail volumes per full-time delivery employee of any other postal operator.

The report finds that developed countries top the rankings of the world's best USPs. Japan Post and Korea Post perform well on all measures, while Australia Post is strong on efficiency and access. Deutsche Post, the only USP in the G20 to have been fully privatized, is the front-runner in the four European Union states, and also the best improved in the developed countries. France's La Poste scores highly on access and performance, having improved markedly between 2007 and 2010.

In emerging markets, USPs are fast catching up with those in the developed world. This reflects not only the growth of their economies, but also the clear belief among regulators that universal postal service provision has a key role to play in their developing infrastructure.

Correios Brazil is the best placed of these, with mid-table performance on all metrics, and a high rate of improvement, followed by Russia Post among the BRICs. Russia Post has shown a faster rate of improvement in performance than all of the developed countries, in particular on parcel delivery efficiency.

**Other key findings:**

- For many remote customers, especially in emerging markets, the post office is the only viable means of receiving or sending goods, and of engaging in e-commerce, whether P2P (person-to-person) or with an e-tailer
- Japan Post and France's La Poste lead on key performance measures reflecting public trust in the service. Turkey's PTT was the most improved while Russia Post was the fastest improving in the BRIC countries
- Between 2007 and 2010, only one developed country USP among the G20 reduced its postal office network significantly – the UK's Royal Mail. Most developed country networks stayed relatively static in numbers while Correios Brazil's expanded 55% to 10,278 outlets, following the acquisition of franchises
- Korea Post and Japan Post lead the world in the efficiency of parcel deliveries, while sizeable declines in efficiency were seen at France's La Poste, the UK's Royal Mail, Correo Argentina, Italy's Poste Italiane and Saudi Post – due to competition from commercial providers

- In letter delivery, the USPS reigns supreme, delivering close to twice as many letters per delivery employee as its closest competitor. Meanwhile significant declines in delivery efficiency were seen at Japan Post, Correios Brazil, Italy's Poste Italiane and the South African Postal Office – indicating a lack of workforce re-adjustment

### The Best-Performing Universal Service Providers in the G20

Rank	USP (Ranking by Improvement)	Country	Citizens per PO	Letters per delivery employee	Parcels per delivery employee	2010 WEF Postal Service Efficiency
1	USPS (14)	USA	8,409	288,894	2,633	8.4
2	Japan Post (17)	JP	8,213	103,149	7,975	8.8
3	Australia Post (15)	AUS	5,573	166,776	6,633	8.3
4	Korea Post (6)	SK	4,065	41,082	8,919	8.3
5	Deutsche Post (11)	DE	6,085	47,670	4,476	6.4
6	Royal Mail (16)	UK	5,146	121,418	845	5.7
7	La Poste (12)	FR	3,838	67,888	1,184	6.6
8	Canada Post (13)	CA	1,516	33,420	1,184	6.4
9	Correios Brazil (2)	BR	10,276	72,364	626	5.9
10	Russia Post (4)	RU	3,484	4,295	377	4.7
11	Poste Italiane (19)	IT	4,227	41,263	162	4.2
12	PTT (1)	TU	20,376	37,384	230	5.4
13	Correo Argentina (5)	AR	8,910	37,782	611	3.8
14	SP Mexicano (3)	MX	13,627	117,707	45	3.0
15	India Post (10)	IN	7,851	15,956	438	5.2
16	Pos Indonesia (9)	IND	11,838	18,679	2,747	3.9
17	South African PO (18)	SA	19,871	33,420	1,184	3.1
18	Saudi Post (7)	SAU	39,275	38,196	46	4.9
19	China Post (8)	CN	24,828	8,610	503	5.6