



# The future of the USO and the role of the State in postal and delivery markets

Tuija Åkerman; VP Consumer Services and International Affairs, Posti Finland

May 11<sup>th</sup> 2022



# Content of the presentation

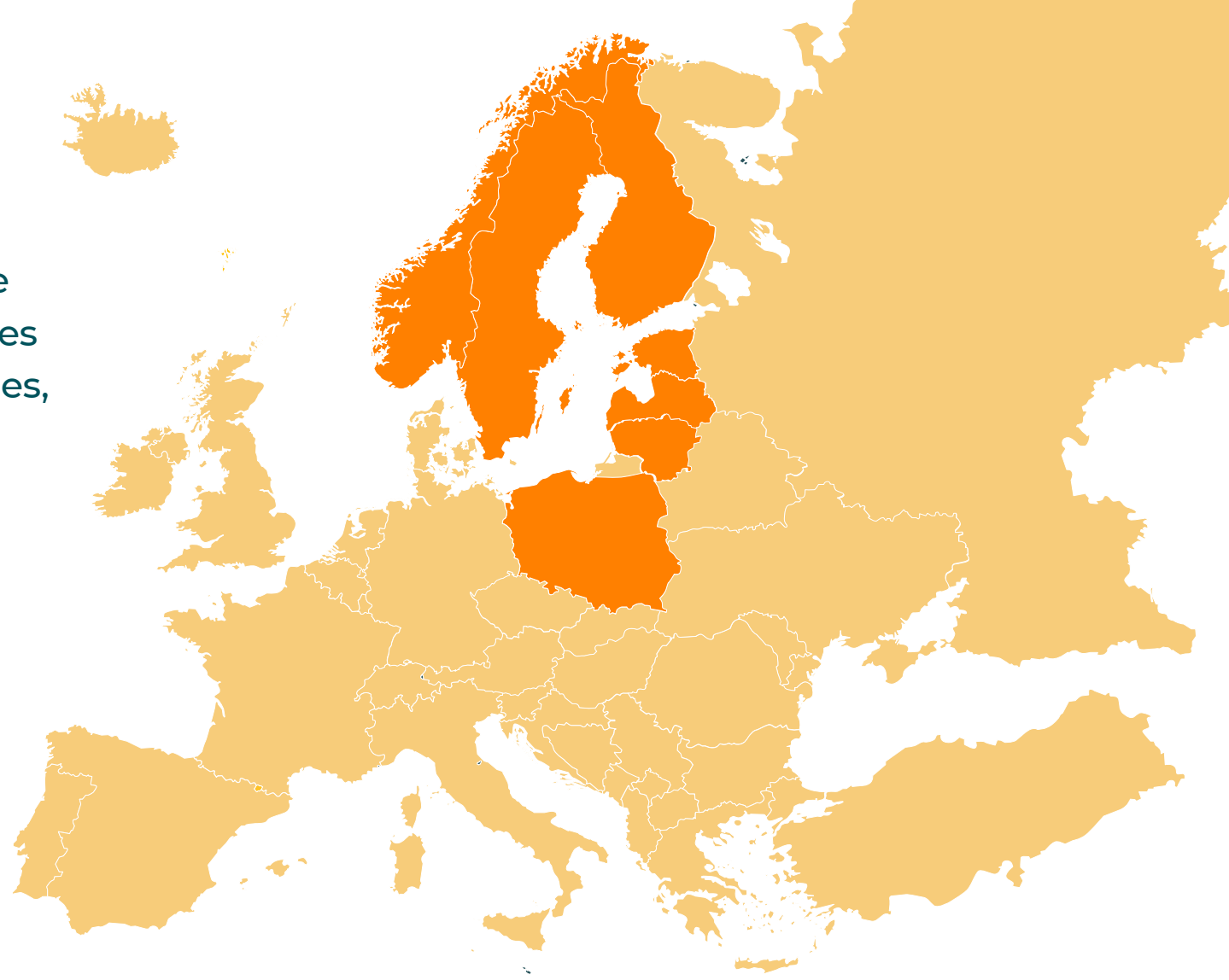
- Posti in brief
- USO in Finland
- Letter Trends
- New Postal Act in the making

# Posti in brief

# Posti Group Oyj

We are the leading postal and logistics service company in Finland. Our core business includes parcel and e-commerce services, postal services, freight and other logistics services.

- Net sales EUR 1 595 million (2021)
- ~21 100 employees
- ~200 000 business customers
- Owner: The State of Finland
- Founded in 1638
- Operations in 7 countries: Finland, Sweden, Norway, Estonia, Latvia, Lithuania and Poland



# USO in Finland

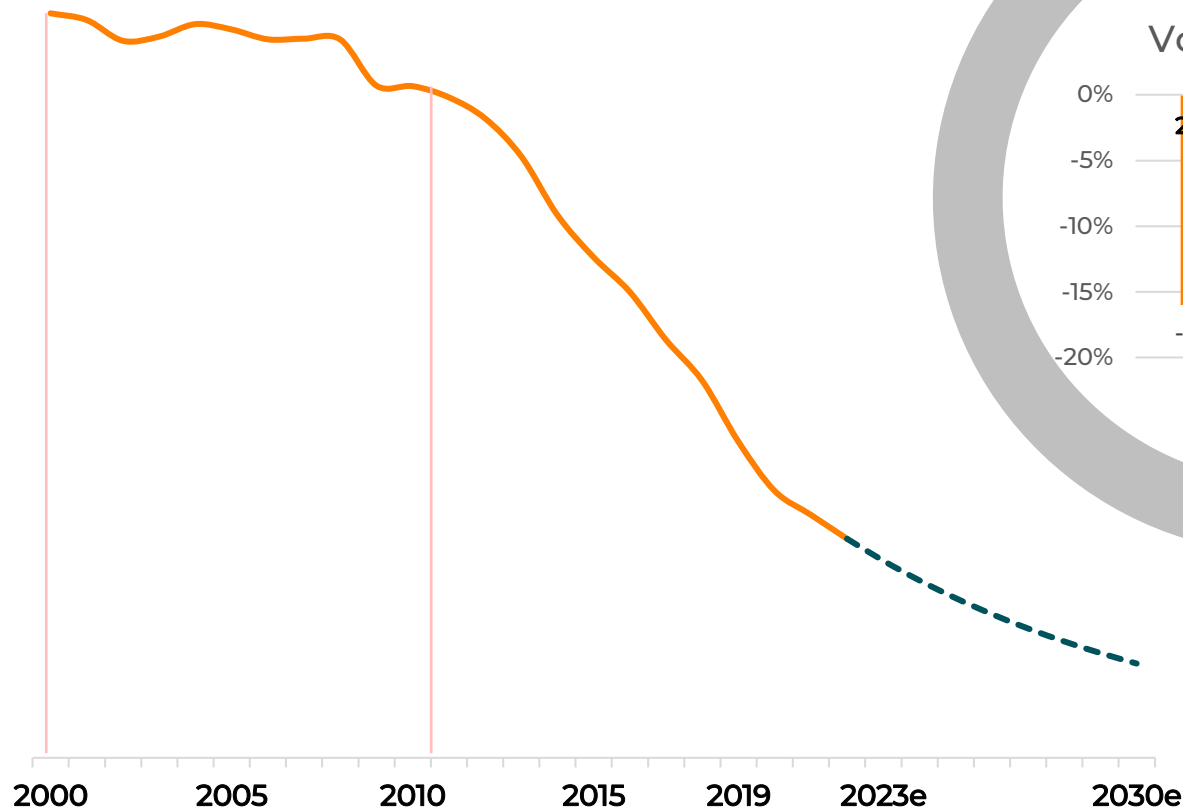
# USO in Finland currently

- USO is narrow in Finland containing;
  - Consumer mail (stamps)
  - Valuable consumer letters
  - International letters and parcel (UPU)
- Corporate Mail, newspapers and magazines are not part of USO
  - In Corporate mail there are 16 other operators delivering corporate mail – mainly owned by the media houses
  - Newspaper delivery is done completely on commercial terms – different service levels in urban and rural areas

# Trends

# Addressed Letter Trends - Volumes

Posti addressed letter volumes 2000 - 2021



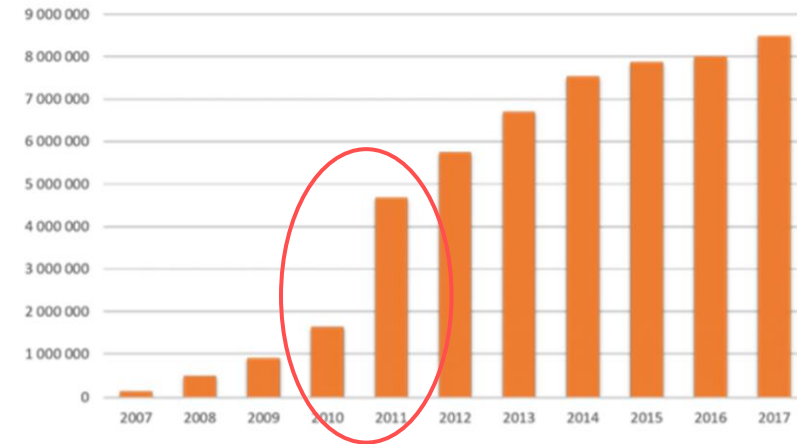
Since year 2000 the addressed letter volumes have dropped almost 70%

Source: Posti Group





# Letter Trends - Digitalization



Number of mobile broadband in Finland 2007 - 2017\*

- First iPhones launched in Finland 2008
- Android phones as market leaders starting from 2010
- State is pushing for further digitalization
- What is the saturation point?

\* Source: Traficom 2018

# Letter Trends - Sustainability



  
100%  
carbon neutral  
services since  
2011, zero  
emissions  
by 2030

- Sustainability is a megatrend
- Already 39% of households in Finland are reached with electricity vehicles, in Helsinki area 90%

# Letter Trends – Traceability

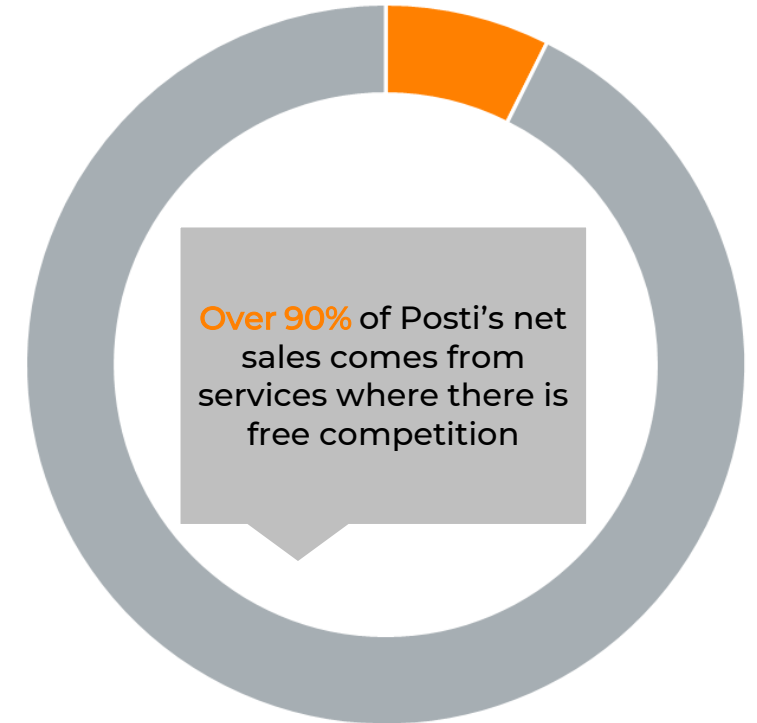


- Traceability is something the consumers and companies are getting used to from parcels and there is a growing demand for it also in letters
- 2019 we launched Plus sticker for consumers
- By adding the Plus sticker next to the stamp, the sender gets a light traceability and can see when the letter has been delivered

# New Postal Act in the making

# New Postal Act reform and State Aid for Newspaper Delivery

- The delivery of universal service is about to be reduced to three days (currently five days).
- New temporary State Aid for the newspaper delivery (two days a week) in rural areas.
- Due to the significant reduction in the mail volumes, there is no longer a need for five-day universal service delivery. In 2017 free competition in mail delivery was opened by current Post Act.
- The amendment of the Postal Act will not reduce the delivery speed of letters with stamps
- From the owner's point of view, Posti is expected to operate on market terms in free competition and as efficiently as private companies.
- The postal reform is planned to enter into force in 2023.



THANK YOU!