

The information is also available in Anacom's Internet website in:

<http://www.anacom.pt/template12.jsp?categoryId=274863>

Date of publication – 6.5.2008

NETWORK OF POSTAL ESTABLISHMENTS
CTT – CORREIOS DE PORTUGAL, S.A.,
AS AT THE END OF 2007

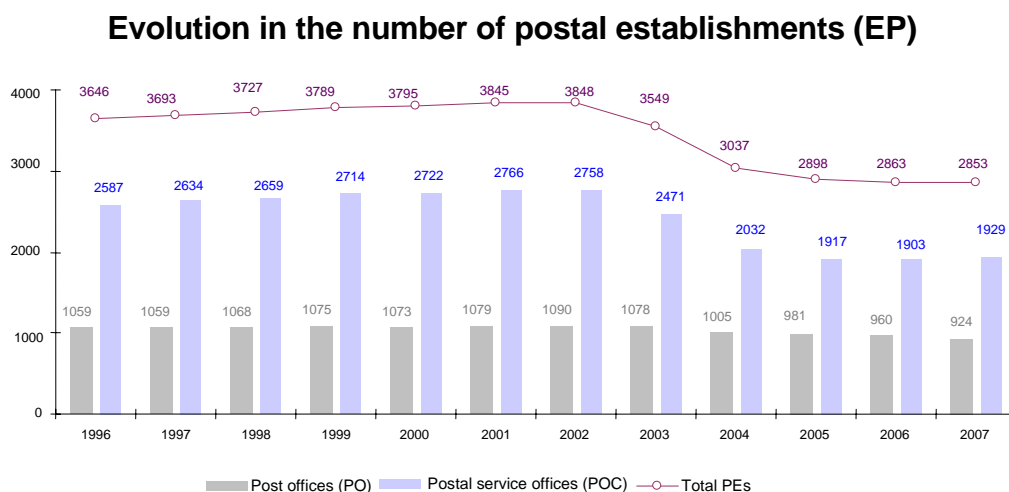
INDEX

1.	EXECUTIVE SUMMARY	1
2.	BACKGROUND	3
3.	EVOLUTION OF NETWORK OF POSTAL ESTABLISHMENTS.....	4
4.	INTERNATIONAL COMPARISON.....	8
5.	NOTIFICATIONS MADE TO ICP-ANACOM PURSUANT TO PARAGRAPH 4 OF BASE XX OF THE CONCESSION	11
6.	GLOSSARY	12

The following information refers to the postal establishments of the universal postal service concessionaire (CTT – Correios de Portugal. S.A.) as well as to private establishments and those of other entities where postal services conceded to CTT are provided.

1. EXECUTIVE SUMMARY

1. At the end of 2007 there were 2,853 postal establishments in operation (10 fewer than at the end of 2006), of which 912 were permanent post offices (36 fewer than at the end of 2006), 12 were mobile post offices and 1,929 were postal service offices¹ (26 more than at the end of 2006).
2. In 21 (32 at the end of 2007) of these permanent post office the customer service operations are contracted out in accordance with Base XXII, paragraph 1 of the Universal Postal Service Concession.
3. A reduction has been seen in the number of postal establishments since 2002 (see Graph below), resulting essentially from a reduction in postal service offices, although this trend has levelled off in the last 2 years.



Source: CTT data.

Note: Figures for end of each indicated period.

¹ Postal service offices are establishments operated under contract by third parties. In all such offices, the postal services which make up the universal service are provided (Source: CTT).

4. As at the end of 2007 there was at least one post office located within each Municipality (*Concelho*).
5. Taking the whole network of postal establishments into consideration (post office and postal service office networks), at the end of 2007:
 - a) In 6% of Municipalities (*Concelhos*) (18 Municipalities in total) there was only one postal establishment (at the end of 2006 there were 19 Municipalities with only one postal establishment);
 - b) In 53% of parishes (*Freguesias*) there was at least one postal establishment (2,229 parishes – two less than at the end of 2006)². It is also shown that: there was at least one postal establishment in 28% of parishes with less than 1,000 inhabitants; there was at least one postal establishment in 78% of parishes with 1,000 or more inhabitants.
6. According to CTT, all post offices provide the full range of concession services and 46% of postal service offices do not offer parcel services (880 in absolute terms, compared to 904 at the end of 2006), although providing the remaining concession services.
7. Based on available data (source UPU) on the network of permanent postal establishments belonging to the providers of universal service in the Member States of the European Union (EU), with reference to 2006, it can be concluded that the situation in Portugal compares favourably with the average of the EU (excluding Portugal), both in terms of postal coverage (average area, in km², per fixed postal establishment) and in terms of postal density (average number of inhabitants per fixed postal establishment).
8. A third of the postal establishment network consists of post offices managed by CTT. The remaining two-thirds are managed by third parties (postal service offices). This second figure is surpassed, according to the UPU's 2006 data, only by Denmark (80%), Finland (82%), Sweden (91%), Ireland (95%), Cyprus (95%) and the United Kingdom (97%).

² Taking into account the total of 4,241 Parishes of the 2001 Census.

2. BACKGROUND

In accordance with paragraph 3 of Base XX of the Bases for the Universal Postal Service Concession (Concession)³, the following are incumbent upon CTT:

- a) The establishment and closure of postal establishments (PE);
- b) The alteration of the working hours of postal establishments, bearing in mind service needs and levels of demand.

CTT is bound to notify ANACOM of decisions which it takes in respect of the above, and shall, in respect of the closure of postal establishments or the reduction of the working hours of postal establishments, provide grounds for such decisions, especially in terms of service needs, levels of demand and satisfaction of the communication needs of the population and of economic activities (paragraph 4 of Base XX, in the amendment enacted by Decree-Law no. 112/2006 of 9 June).

By amendment to the Concession Bases approved by Decree-Law no. 448/99 of 4 November, enacted firstly by Decree-Law no. 116/2003 of 12 June and subsequently by Decree-Law no. 112/2006 of 9 June, modifications have been made to the procedures to be followed where CTT makes decisions in respect of the creation and closure of establishments or alteration of their working hours.

Previously, any decision made by CTT in this respect was subject to the prior favourable opinion of ICP-ANACOM (paragraph 2 of Base XX, in the amendment of Decree-Law no. 448/99 of 4 November).

With the amendments enacted by Decree-Law no. 116/2003, ICP-ANACOM was empowered only to oppose those decisions of CTT which regard the closure of establishments or reduction of their working hours.

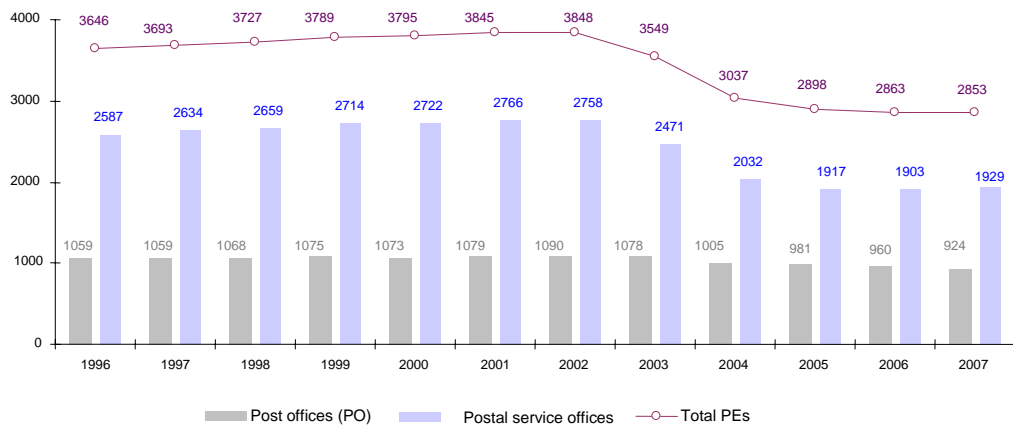
Subsequently, under Decree-Law no. 112/2006, CTT is bound, as stated above, to notify ANACOM of decisions it makes in this respect, and shall, in respect of the closure of postal establishments or the reduction of the working hours of postal establishments, provide grounds for such decisions, especially in terms of service needs, levels of demand and satisfaction of the communication needs of the population and of economic activities.

³ Approved by Decree-Law no. 448/99 of 4 November (<http://www.anacom.pt/template20.jsp?categoryId=5855&contentId=17286>) as amended by Decree-Law no. 116/2003 of 12 June (<http://www.anacom.eu/template20.jsp?categoryId=5855&contentId=111988>) and by Decree-Law no. 112/2006 of 9 June (<http://www.anacom.eu/template20.jsp?categoryId=5855&contentId=381752>).

3. EVOLUTION OF NETWORK OF POSTAL ESTABLISHMENTS

1. At the end of the first half of 2007 there were 2,853 establishments in operation (see **Graph 1**), consisting of:
 - a) 912 permanent post offices (including 20 postal agencies⁴);
 - b) 12 mobile post office⁵;
 - c) 1,929 postal service offices⁶.

Graph 1 – Evolution of the number of postal establishments (EP)



Source: CTT data.

Note: Figures for end of each indicated period.

2. In comparison to the end of 2006, there has been a reduction of 10 postal establishments, consisting of a reduction of 36 post offices offset by an increase of 26 in the number of postal service offices. This evolution reflects, over the course of 2007:
 - a) the closure of 37 post offices (all replaced by a postal service office);
 - b) the opening up of one post office;
 - c) the opening of 57 postal service offices (37 replacing of these post offices);
 - d) the closure of 31 postal service offices.

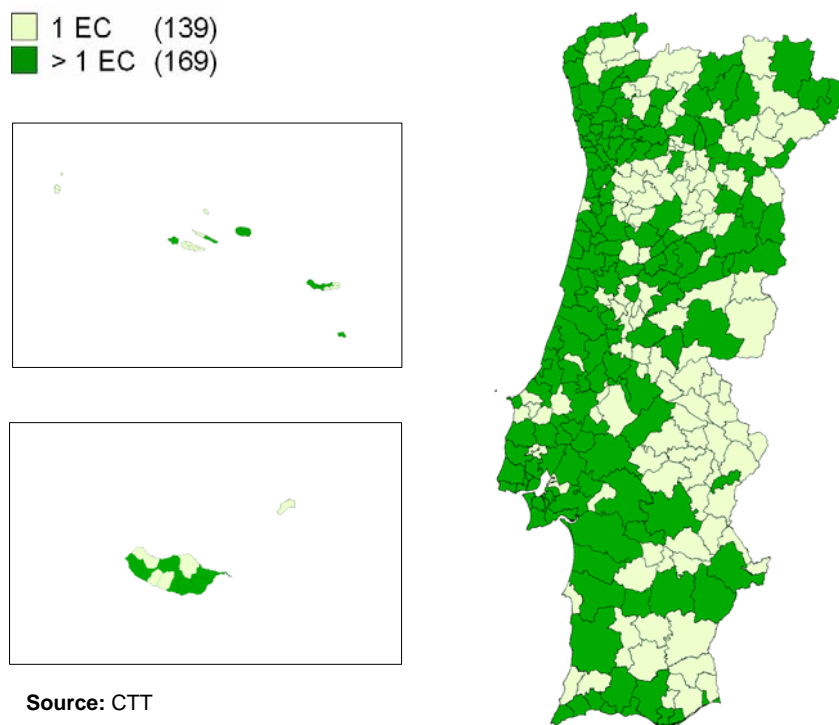
⁴ Postal agencies are postal establishments which are the same as post offices in physical terms and in terms of the level of postal services provided to users and customers, being different from post offices only in terms of the internal organisation of CTT, given that these are establishments which depend, in terms of hierarchical structure, on offices (Source: CTT).

⁵ Mobile post offices are postal establishments installed in automobile vehicles which follow previously defined routes and which stop in specific areas not served by permanent offices. The services provided are the same as those provided by fixed postal offices (Source: CTT).

⁶ Postal service offices are establishments, operated under contract by third parties. All of these offices provide the postal services which make up the universal service (Source: CTT).

3. As at the end of 2007, in 21 of these permanent post offices, the customer service operations are contracted out in accordance with Base XXII, paragraph 1 of the Universal Postal Service Concession, representing a decrease of 11 compared to the end of 2006. These post offices are generally designated as partnership shops⁷.
4. As shown in **Graph 1**, there has been a continuous reduction in the number of postal establishments since 2002, resulting essentially from a reduction in the number of postal service offices, although there have been signs of this trend levelling off in the last two years
5. In respect of post offices, at the end of 2007:
 - a) All Municipalities contained at least one post office (see **Graph 2**);
 - b) 139 Municipalities (45% of the totality of Municipalities) contained only one post office, 4 more Municipalities than at the end of 2006 (Fundão, Peso da Régua, Vale de Cambra and Vinhais).

Graph 2 – Post offices per Municipality on 31/12/2007

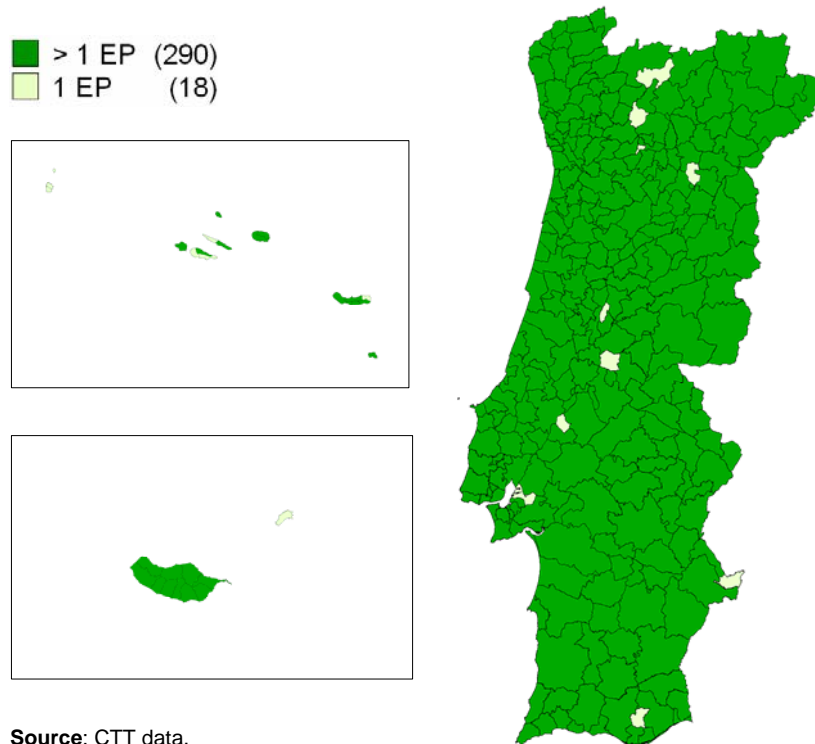


Source: CTT

⁷ Partnership shops are postal establishments with contracts made between CTT and another entity for the contracting out of the customer service operations in post offices. The postal services which make up the universal service are provided in the name of and behalf of CTT (Source: CTT).

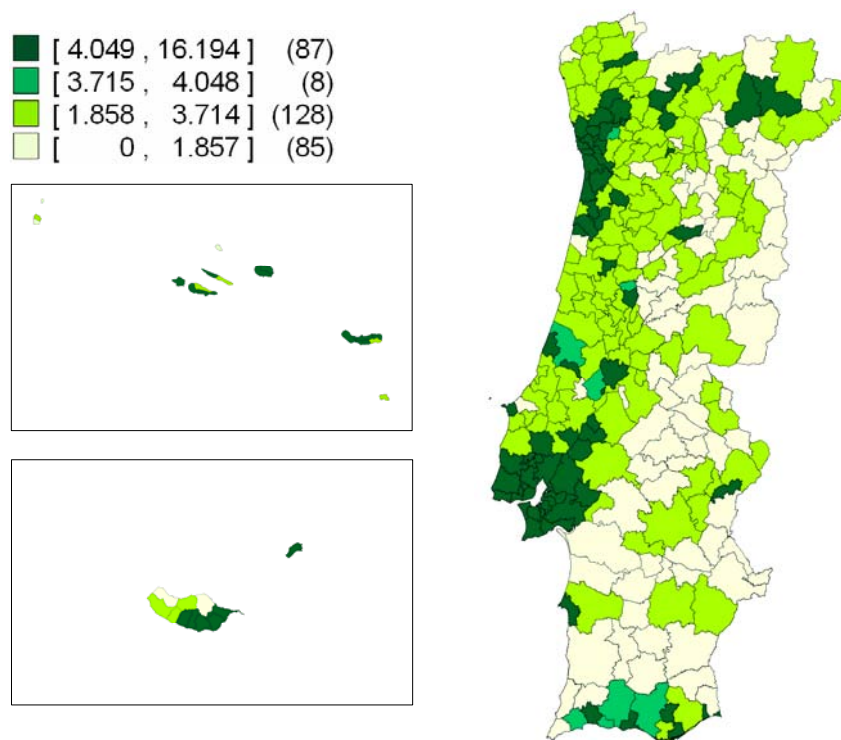
6. Considering the entire network of postal establishments (that is including the network of post offices and postal service office), at the end of the first half of 2007:
- a) In eighteen Municipalities (one less than at the end of 2006) there was only one postal establishment, corresponding to 6% of the 308 Municipalities in Portugal; in the remaining Municipalities there was more than one postal establishment (see **Graph 3**);

Graph 3 – Number of post establishments per Municipality on 31/12/2007



- b) On average, each postal establishment serviced 3,715 inhabitants. In general terms the density index was higher in coastal regions, in line with the population density of the territory (see **Graph 4**);

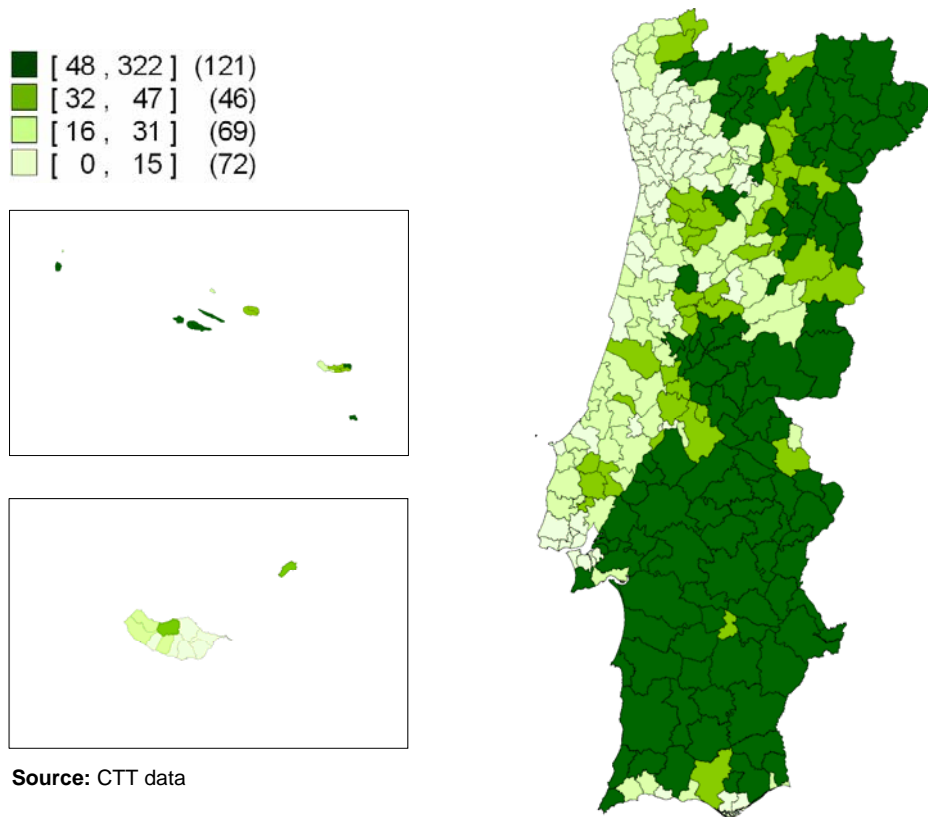
Graph 4 – Density of postal establishments, by Municipality on 31/12/2007
(resident population per postal establishment)



Source: CTT data.

- c) On average it is possible to find one postal establishment for every 32.3 km². In the interior regions of the North and Centre and *Sul do Tejo*, as well as on some of the islands of the Autonomous Region of the Azores, there is a higher level of postal coverage (km² per postal establishment) – see **Graph 5**;
- d) The percentage of Parishes (*Freguesias*) with at least one postal establishment is 53%, corresponding to 2,229 Parishes (2 fewer Parishes than at the end of 2006), taking into account a total of 4,241 Parishes (2001 Census). It is further shown that the Parishes with at least one postal establishment and which have less than 1,000 inhabitants corresponds to 28% (610 Parishes; 611 at the end of 2006). Meanwhile, the percentage of Parishes with 1,000 or more inhabitants and with at least one postal establishment corresponds to 78% (1,619 Parishes; 1,620 at the end of 2006).

Graph 5 – Coverage of postal establishments, by Municipality on 31/12/2007 (km² per postal establishment)

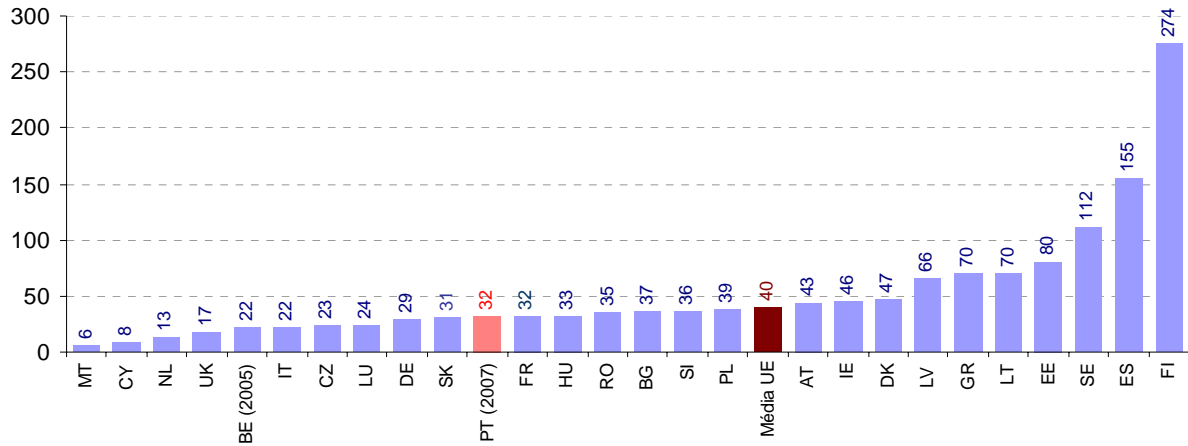


- According to CTT, all post offices provide the full range of concession service whereas 46% do not offer parcel services (880, compared to 904 at the end of 2006), while providing the remaining concession services.

4. INTERNATIONAL COMPARISON

- Based on available data (source UPU⁸) on the network of permanent postal establishments of the providers of universal service in the Member States of the European Union (EU), with reference to 2006, it can be concluded that the situation in Portugal compares favourably to the EU average (excluding Portugal), both in terms of coverage (see **Graph 6**) and in terms of density of permanent postal establishments (see **Graph 7**).

Graph 6 – Coverage of permanent postal establishments in EU in 2006*
(km² per permanent postal establishment)

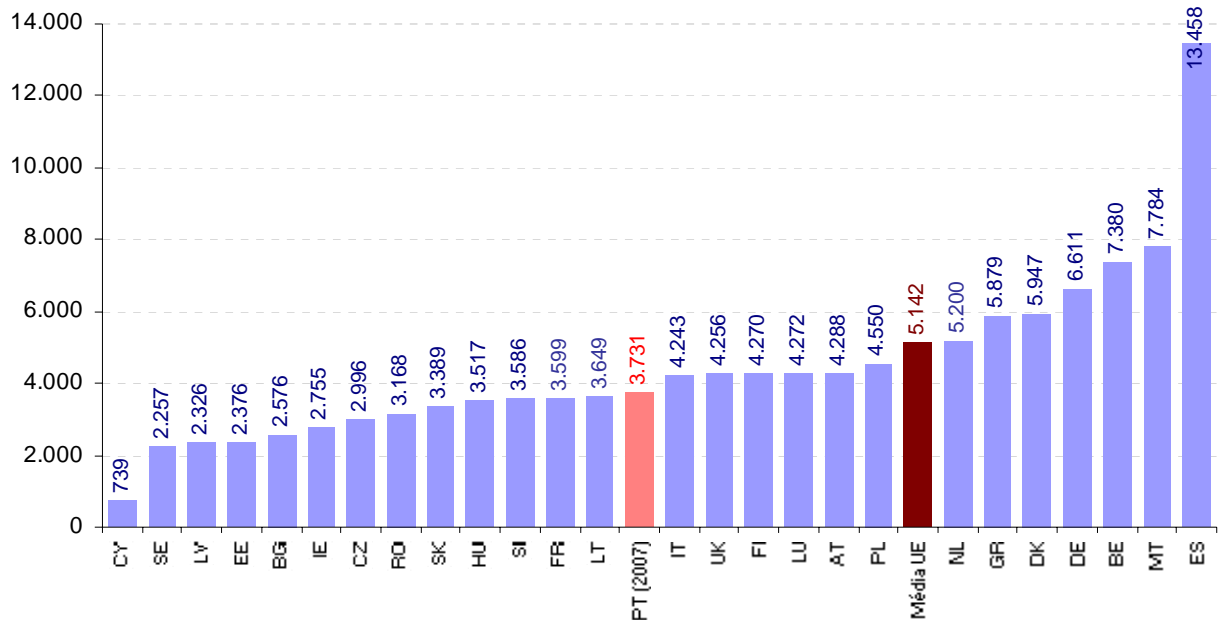


Source: UPU (2006), except for data from Belgium which refers to 2005.

*Portugal (2007): Number of permanent postal establishments – CTT; Area of Portugal – INE (92,090.1 km²).

Note: Consideration is not made, for example, of mobile post offices and postmen who also provide the services offered in permanent postal establishments.

Graph 7 – Density of permanent postal establishments in Member States of EU in 2006* (population per permanent postal establishment)



Source: UPU (2006), except for data from Belgium which refers to 2005.

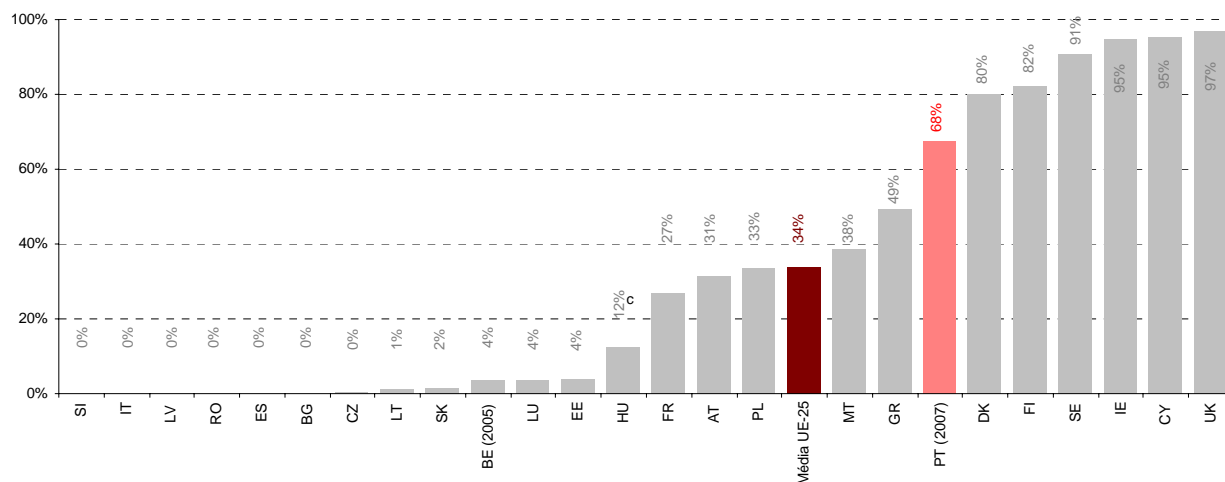
*Portugal (2007): Number of permanent postal establishments – CTT; Inhabitants in 2006 – INE (10,599,095 inhabitants).

Notes: Consideration is not made, for example, of mobile post offices and postmen who also provide the services offered in permanent postal establishments.

⁸ Universal Postal Union: www.upu.int.

9. The differences seen between the Member States of the EU may result from the geographic particularities of each country. They may also result from the fact that in some countries postmen provide similar postal services to those provided in postal establishments.
10. One third of the postal establishment network consists of post offices managed by CTT. The remaining two-thirds are managed by third parties (postal service offices). This figure is surpassed, according to the UPU's 2006 data, only by Denmark (80%), Finland (82%), Sweden (91%), Ireland (95%), Cyprus (95%) and the United Kingdom (97%) - see **Graph 8**.

Graph 8 – Relative importance of permanent postal establishments managed by third parties (2006*)



Source: UPU (2006), except for data from Belgium which refers to 2005.

Notes: * Portugal data: CTT.

UPU definition of postal establishments managed by third parties: Postal establishments managed by persons other than the universal service provider (USP), based on a contract made between the parties.

The UPU does not give data for Germany and Holland. Based on data published by the German regulator in its 2005 Report and Accounts⁹ (page. 110), the relative importance of permanent postal establishments managed by third parties was 55% in 2005. According to data published in the study of WiK-Consult *Main Developments in the European Postal Sector*¹⁰ of July 2004 (pages 46/58 and 47/58 of *Appendix C – Sector Development*), in Holland in 2003, 86% of postal establishments were managed by third parties.

⁹ <http://www.bundesnetzagentur.de/media/archive/5278.pdf>.

¹⁰ http://ec.europa.eu/internal_market/post/doc/studies/2004-wik-final-appendices_en.pdf.

5. NOTIFICATIONS MADE TO ICP-ANACOM PURSUANT TO PARAGRAPH 4 OF BASE XX OF THE CONCESSION

11. During 2007, ICP-ANACOM received 61 notifications from CTT pursuant to paragraph 4 of Base XX of the Concession, in the amendment enacted by Decree-Law no. 112/2006 of 9 June, categorised as follows:

- 4 notifications in respect of the closure of post offices;
- 37 notifications in respect of the closure of post offices and their replacement by postal service offices;
- 1 notification in respect of post offices openings;
- 9 notifications in respect of reductions in post office working hours;
- 10 notifications in respect of other alterations to post office working hours which do not imply a reduction in the daily timetable.

6. GLOSSARY

Austria	AT
Belgium	BE
Bulgaria	BG
Cyprus	CY
Czech Republic	CZ
Denmark	DK
Estonia	EE
Finland	FI
France	FR
Germany	DE
Greece	GR
Holland	NL
Hungary	HU
Ireland	IE
Italy	IT
Latvia	LV
Lithuania	LT
Luxembourg	LU
Malta	MT
Poland	PL
Portugal	PT
Romania	RO
Slovakia	SK
Slovenia	SI
Spain	ES
Sweden	SE
United Kingdom	UK