II.8 Postal services

This chapter contains the state of postal services at the end of 2005, as well as their evolution during that year.

II.8.1 Main items of the postal services' evolution in 2005

- Between 2002 and 2005, postal traffic decreased at an average annual rate of -0.1 per cent. However, traffic volume stabilized in the last year.
- Traffic of the liberalized area stands for about 19.3 per cent of all traffic. The evolution of this type of traffic was determined by the decrease of the weight and price limits that framed the reserved area and which occurred in mid 2003.
- Grupo CTT maintains very high market shares in the services not framed by the express mail category. Regarding express mail, new operators altogether are responsible for 57 per cent of the traffic.
- The prices of the universal service-enclosed provisions have registered falls in real terms and stand below the EU15 average.
- The quality indicators of the universal service evolved positively during the year.
- In 2005, there was a 1 per cent increase in the number of employees of the postal sector vis-à-vis the previous year. The companies of Grupo CTT continue to be mainly responsible for this indicator's evolution.

II.8.2 Postal services' offer

The postal sector in Portugal includes all entities and activities in connection with the establishment, management and operation of postal services on the national territory, as well as the international services with origin or destination on the national territory.

The first segmentation of the sector is the definition of universal service.

In Portugal, the universal service is the "permanent offer of postal services with a specified quality, provided on all locations of the national territory, at affordable prices to all users, aiming to the satisfaction of the communication's needs of the population and of the economic and social activities"[94].

The scope of the universal service includes a postal service of sending correspondence, books, catalogues, newspapers and other periodicals weighting up to 2 Kg, and postal parcels up to 20 kg, as well as a service of registered sendings and a service of declared values, nationally and internationally.

To ensure the economic and financial viability of the universal service provision, there is a set of services – reserved postal services – that are exclusively provided by the universal service operator[95].

All the postal services not included in the definition of reserved postal services are operated in competition and may be provided by the entity that provides the universal service or by single or collective legal persons properly entitled for the purpose. An individual licence system applies to the provision of postal services that are non-reserved or not included in the scope of the universal service. The provision of postal services that are non-reserved and not included in the scope of the universal service is subject to a legal authorization, which regime is characterized by being relatively less demanding, both in terms of requisites to access the activity and in the setting of obligations.

II.8.2.1 Postal services

The following table sums up, with reference to the legal framework applying at the end of 2005, the reserved postal services, provided exclusively by CTT, and the non-reserved services, which could be provided by any entity entitled for that purpose.

Table 104 – Reserved and non-reserved postal services

Postal services	Name	Provider
Reserved services	• Postal service of sending correspondence, including addressed publicity, whether or not with express delivery, which price is three times lower than the public tariff for sending a 1st class correspondence of the fastest standardized weight category, as long as it weights less than 100gr; nationally and internationally; • Postal service of sending registered correspondence and declared-value correspondence, including legal notices by mail and penal notice by mail service, within the same price and weight limits mentioned in the previous paragraph nationally and internationally; • Issuance and sale of stamps and other postal values; • Issue/issuance of money orders; • Placing of mail stands and mail boxes for the collection of postal sending in public areas	CTT (operation under Concession Contract)
Non-reserved services (national and international scope)	<u>Operation under a licence</u> • Postal service of sending correspondence, including addressed publicity, whether or not with express delivery, which price is three times lower than the public tariff for sending a 1st class correspondence of the fastest standardized weight category, as long as it weights as much or more than 100gr; nationally and internationally; • Postal service of sending books, catalogues, newspapers and other periodicals, weighing up to 2kg; • Postal parcel service with up to 20kg; • Postal service of sending registered correspondence and declared-value correspondence, including the legal notice by mail and the penal notice by mail service not included within the aforementioned price and weight limits <u>Operation under an authorization</u> • Express mail services (also usually known as *courier*). This service is characterized by the extra-fast acceptance/collection, handling, transportation and distribution of correspondence and parcel, being different from the corresponding basic services by fulfilling the following characteristics, among others: pre-defined delivery deadline; record of sendings; responsibility guarantee from the authorized provider; tracking of the sendings; • Operation of document exchange centres – places where the users may self-distribute by the mutual exchange of postal sendings, having their own mail boxes; in order to do so, the users must form a group of subscribers, further to subscribing that service. • Other services that fall in the definition of universal service and that are not included in the universal service's range, namely those which provision is made possible by technological evolution and that are different from traditional services.	CTT and other entities entitled to provide postal services (further to a licence or authorization).

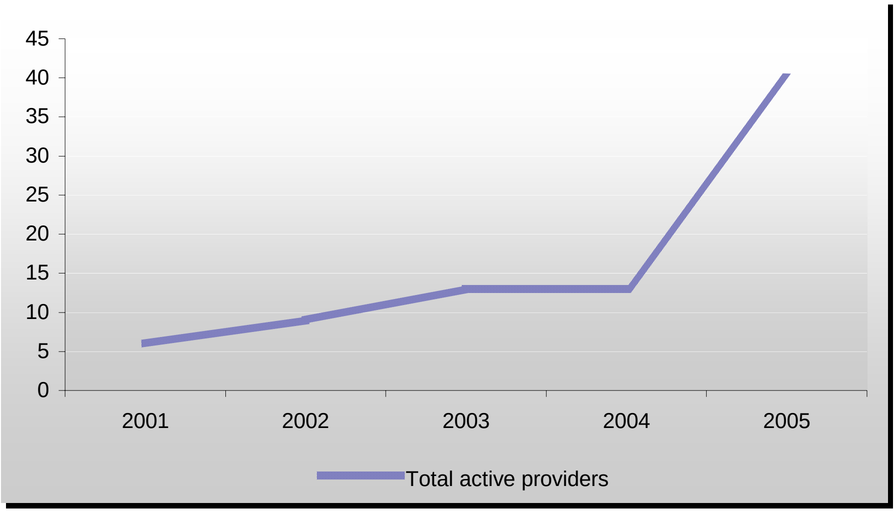
Source: ICP-ANACOM

In pursuing their activity, the entities providing postal services are based on a set of human and material means which make up the postal network[96].

II.8.2.2 The postal service providers

Between 2004 and 2005 there was a considerable increase in the number of providers on the market. This resulted from the entitling of 24 franchised entities from the company Ibercourier – Serviço de Transporte Urgente, Lda., which have small sized postal networks. In Portugal, Ibercourrier operates the MRW *Worldwide Courier* brand.

Graph 116 – Evolution of the postal services providers in activity



Source: ICP-ANACOM

The following tables contain the postal service providers, the title authorizing them and its date of issuance, with all the entitled entities being active at the end of 2005. Some also operate in other markets, namely in the transportation of goods, and have activities complementary to the postal one.

Table 105 –Entitled providers of services not covered by the express mail category

Entity	Licence no.	Date of issue	Provided services
CTT Correios de Portugal, S.A.*			Sending of correspondence, including addressed advertising (direct mail), books, catalogues, newspapers and other periodicals. Postal parcels.

CTTexpresso – Serviços Postais e Logística, S.A.**	ICP-01/2001-SP	01-10-2001	Sending of correspondence, including addressed advertising (direct mail), books, catalogues, newspapers and other periodicals. Postal parcels.
SDIM – Sociedade de Distribuição de Imprensa da Madeira, Lda.	ANACOM-01/2002-SP	13-12-2001	Distribution of books, catalogues, newspapers and other periodicals.
Notícias Direct – Distribuição ao Domicílio, Lda.	ANACOM-02/2002-SP	13-12-2001	Distribution of books, catalogues, newspapers and other periodicals.
MEEST Portugal – Unipessoal, Lda.	ICP-01/2005-SP	07-07-2005	Postal parcels.
TEX – Transporte de Encomendas Expresso, Lda.	ICP-02/2005-SP	15-07-2005	Postal parcels.

Source: ICP-ANACOM

* The universal postal service concessionary (CTT) can operate non-reserved services and services that are not included in the scope of the universal service, without no need of an additional authorizing title.

** On 1 September 2003 ICP-ANACOM authorized the transmission of the licence held by Postexpresso – Correio de Cidade, Lda to Postlog – Serviços Postais e Logística, S.A. which, from the 4th quarter of 2004 was named CTTexpresso – Serviços Postais e Logística, S.A..

Table 106 – Entitled providers of express mail services

Entity	Licence no.	Date of issue	Provided services
CTTexpresso – Serviços Postais e Logística, S.A.	ICP-01/2001-SP	01-10-2001	Express mail
DHL – Transportes Rápidos Internacionais, Lda.	ICP-03/2001-SP	13-12-2001	Express mail
Chronopost Portugal – Transporte Internacional, S.A.	ICP-04/2001-SP	13-12-2001	Express mail
TNT Express Worldwide (Portugal), S.A.	ICP-05/2001-SP	13-12-2001	Express mail
UPS of Portugal – Transportes Internacionais de Mercadorias, Lda.	ANACOM-01/2002-SP	17-10-2002	Express mail
Rangel Expresso, S.A.	ANACOM-02/2002-SP	19-12-2002	Express mail
Federal Express Corporation – Sucursal em Portugal	ANACOM-01/2003-SP	10-04-2003	Express mail
GL Transportes, Unipessoal, Lda.	ANACOM-02/2003-SP	13-05-2003	Express mail
Guipuzcoana Transportes Coimbra, Unipessoal, Lda.	ANACOM-03/2003-SP	13-05-2003	Express mail
Guipuzcoana Transportes Porto, Unipessoal, Lda.	ANACOM-04/2003-SP	13-05-2003	Express mail
Ibercourier – Serviço de Transporte Urgente, Lda.	ANACOM-01/2005-SP	09-02-2005	Express mail
Logista – Transportes, Lda.	ANACOM-02/2005-SP	09-05-2005	Express mail
Lisespo – Transportes, Lda.	ANACOM-03/2005-SP	15-07-2005	Express mail
Halley – Encomendas Rápidas, Lda.	ANACOM-04/2005-SP	08-09-2005	Express mail
Cavijo – Logística e Marketing, Lda.	ANACOM-05/2005-SP	08-09-2005	Express mail
Transworld Express – Correio Expresso, Lda.	ANACOM-06/2005-SP	08-09-2005	Express mail
Nuno Miguel Alves, Unipessoal, Lda.	ANACOM-07/2005-SP	08-09-2005	Express mail

Globe Logistics – Empresa de Courier, Logística e Transportes	ANACOM-08/2005-SP	08-09-2005	Express mail
Fozpost – Entrega e Recolha de Encomendas, Lda.	ANACOM-09/2005-SP	08-09-2005	Express mail
Mensageiro Azul – Serviços de Courier, Lda.	ANACOM-10/2005-SP	08-09-2005	Express mail
RANEXPRESS – Transportes Rodoviários, Lda.	ANACOM-11/2005-SP	08-09-2005	Express mail
Passo Rápido – Recolha e Entrega de Documentos, Lda.	ANACOM-12/2005-SP	08-09-2005	Express mail
Francisco & Silvina – Transportes de Documentos e Encomendas, Lda.	ANACOM-13/2005-SP	08-09-2005	Express mail
MAILGLOBE – Transporte de Correio Urgente, Lda.	ANACOM-14/2005-SP	08-09-2005	Express mail
Água Lusa Transportes, Sociedade Unipessoal, Lda.	ANACOM-15/2005-SP	08-09-2005	Express mail
EXPRESSODÃO – Transporte de Mercadorias, Lda.	ANACOM-16/2005-SP	08-09-2005	Express mail
FOXIL – Gestão de Transportes, Lda.	ANACOM-17/2005-SP	08-09-2005	Express mail
Transportes António Garcia & César, Lda.	ANACOM-18/2005-SP	08-09-2005	Express mail
P.P.Expresso – Transportes de Mercadorias, Lda.	ANACOM-19/2005-SP	08-09-2005	Express mail
Portipost – Serviço de Transportes Urgentes, Lda.	ANACOM-20/2005-SP	08-09-2005	Express mail
JáEstá – Tráfego e Serviços Logísticos, Lda.	ANACOM-21/2005-SP	08-09-2005	Express mail
Multitagus – Transportes e Serviços, Lda.	ANACOM-22/2005-SP	27-09-2005	Express mail
Iberenvios – Actividades Postais e Transportes, Unipessoal, Lda.	ANACOM-23/2005-SP	27-09-2005	Express mail
Princeps – Comércio por Grosso, Lda.	ICP-ANACOM-24/2005-SP	04-11-2005	Express mail
Portomail – Transporte de Documentos e Encomendas, Lda.	ICP-ANACOM-25/2005-SP	04-11-2005	Express mail
ER – Encomendas Rápidas, Lda.	ICP-ANACOM-26/2005-SP	23-11-2005	Express mail

Source: ICP-ANACOM

II.8.3 Postal services' consumption profile

In 2005 ICP-ANACOM surveyed the use of postal services[97]. The main results of that survey are shown below.

The normal mail service and the priority (blue) mail service are the most used ones among all types of mail. The recent beginning of the offer of pre-paid (green) mail[98] and the price of the express services are at the base of the low consumption level of these two types of postal services.

Postal services are more intensely used by individuals at working age, with highlight to the 25 to 30 years old age group.

Table 107 – Use of postal services by age group

Age group	Normal mail	Priority (blue) mail	Express mail	Pre-paid (green) mail	Parcels
15-24	51.9%	47.8%	5.5%	5.0%	11.0%
25-30	64.0%	54.1%	9.0%	7.2%	19.8%
31-49	56.3%	51.8%	5.6%	3.9%	13.8%
50-64	55.5%	42.4%	4.8%	0.9%	12.7%
65-more	41.8%	18.2%	0.9%	0.5%	5.2%

Source: Survey on the use of postal services 2005

Table 108 – Number of correspondence sendings during the last year by interviewee, by interviewee and age group

Age group	Normal mail	Priority (blue) mail	Express mail	Pre-paid (green) mail	Mail orders / Parcels / Packages
15-24	2.5	2.0	0.1	0.2	1.7
25-30	4.1	3.0	0.2	0.3	1.5
31-49	2.9	2.8	0.3	0.2	1.9
50-64	3.8	2.2	0.1	0.0	2.0
65-mais	1.9	0.7	0.0	0.1	1.9

Source: Survey on the use of postal services 2005

The use of postal services is greater among customers with higher education levels. There seems to be a positive relationship between the education level and the use of postal services.

Table 109 – Use of postal service by education level

Education level	Normal mail	Priority (blue) mail	Express mail	Pre-paid (green) mail	Parcels
Above 12th grade	62.6%	65.9%	14.3%	6.6%	20.9%
12th grade	63.6%	57.6%	8.6%	8.6%	18.5%
Between 6th and 9th grade	55.9%	49.5%	5.2%	3.4%	11.9%
Up to primary education	45.7%	28.4%	1.5%	0.4%	8.2%

Source: Survey on the use of postal services 2005

The higher income classes are those that more intensely use mail.

Table 110 – Use of postal services by social status

Social class	Normal mail	Priority (blue) mail	Express mail	Pre-paid (green) mail	Parcels
High (A)	65.4%	69.2%	23.1%	11.5%	23.1%
Medium high (B)	63.1%	64.0%	9.9%	7.3%	25.2%
Medium (C)	64.5%	52.4%	5.9%	8.1%	17.7%
Medium low (D)	48.6%	35.7%	3.2%	1.2%	7.5%
Low (E)	48.6%	41.1%	2.7%	0.5%	10.9%

Source: Survey on the use of postal services 2005

The use of postal services in each region varies with the type of mail. For example, priority and express mail services are more used in the Autonomous Region of Madeira. With the exception of green mail, the use of postal services is higher in the Inland and Centre coast than in the cities of Lisbon and Porto.

Table 111 – Use of postal services by region

Regions	Normal mail	Priority (blue) mail	Express mail	Pre-paid (green) mail	Parcels
North coast	46.2%	42.3%	5.5%	2.8%	12.6%
Porto	56.8%	42.4%	8.5%	5.1%	15.3%
Center coast	58.0%	53.9%	4.7%	5.2%	9.8%
Inland	58.1%	44.6%	6.6%	3.0%	16.3%
Lisbon	46.4%	40.3%	2.7%	2.7%	7.5%
Alentejo	57.1%	36.0%	2.0%	2.0%	20.4%
Algarve	86.4%	27.3%	0.0%	0.0%	11.4%
Madeira	50.0%	72.7%	13.6%	0.0%	27.3%
Azores	40.9%	0.0%	9.1%	0.0%	4.5%

Source: Survey on the use of postal services 2005

The Autonomous Region of Madeira has a greater average amount of postal sendings: altogether, about 6 sendings per year. However, analysing each type of mail individually, although Madeira continues to be the region that most uses priority (blue) mail, express mail and parcel services, the same is not true for the normal and green services, where Alentejo and Porto have greater average amounts of sent postal objects per year: 5.3 and 0.3 objects, respectively.

Table 112 – Amount of correspondence sendings during the last year, by interviewee and by region

Regions	Normal mail	Priority (blue) mail	Express mail	Pre-paid (green) mail	Parcels
North coast	2.8	2.4	0.3	0.1	1.7
Porto	3.9	2.9	0.2	0.3	2.0
Centre coast	3.5	2.8	0.1	0.2	2.2
Inland	2.6	1.9	0.1	0.0	1.8
Lisbon	2.1	1.8	0.1	0.1	1.6
Alentejo	5.3	1.1	0.1	0.2	1.8
Algarve	4.5	0.6	0.0	0.0	1.3
Madeira	2.0	4.3	0.6	0.0	2.0
Azores	1.3	0.0	0.4	0.0	1.0

Source: Survey on the use of postal services 2005

Lastly, it should be mentioned that Internet use does not seem to hinder the use of postal services, or influence the mail order service.

Table 113 – Amount of correspondence sendings during the last year, by interviewee and by Internet use

	Normal mail	Priority (blue) mail	Express mail	Pre-paid (green) mail	Parcels
Uses Internet	3.2	3.9	0.3	0.4	1.9
Does not use Internet	2.9	1.6	0.1	0.1	1.8

Source: Survey on the use of postal services 2005

II.8.4 The evolution of postal services in 2005

Below is a set of items on the performance of postal services in 2005: penetration, use of postal services, employment, network infrastructures, prices and perception of quality of the postal services from the consumers' standpoint.

II.8.4.1 Penetration

Between 2000 and 20005 the postal coverage index remained practically unchanged, standing at 21 access points per each 100km^2.

Table 114 – Postal coverage

	2000	2001	2002	2003	2004	2005
Postal coverage	21.7	22.9	21.5	21.5	21.3	20.9

Source: ICP-ANACOM, INE Unit: No. of access points per 100km^2
Note: INE's Portugal's Statistical Yearbook 2003; Portugal's total area is 91,947km^2.

Postal density registers a slight decrease, explained by the reduction in the number of access points.

Table 115 – Postal density

	2002	2003	2004	2005
Postal density	523	529	538	547

Source: ICP-ANACOM, INE Unit: No. of inhabitants per access point
Note: INE's population projection for 31 December 2004: 10,529,255 inhabitants.

The penetration rate of postal services measured in terms of postal capitation – postal traffic per inhabitant – and detailed by traffic destination did not change greatly.

Table 116 – Postal capitation

	2002	2003	2004	2005
Postal capitation	125	121	123	123
National traffic	118	115	117	118
Outgoing international traffic	6	6	5	5
Incoming international traffic	4	5	5	5

Source: ICP-ANACOM, INE Unit: postal traffic per inhabitant
Note: INE's population projection for 31 December 2004: 10,529,255 inhabitants.

II.8.4.2 Service's usage level

Global postal traffic stabilized in 2005.

Table 117 – Postal traffic

	2002	2003	2004	2005
Postal traffic	1,295,582	1,262,223	1,290,738	1,292,811
Reserved area	1,147,170	1,061,228	1,036,235	1,043,780
Liberalized area	148,412	200,994	254,503	249,031

Source: ICP-ANACOM Unit: Thousands of objects
Note: The 2005 figures were corrected further to the data update sent by some providers after the publication of the 2004 Regulation Report.

It should be mentioned that the considerable traffic increases in the liberalized services in 2003 and 2004 only reflect the change in the boundary between reserved and liberalized areas. *I.e.*, the traffic increases in the liberalized area in those years were due to the new categorization of traffic that was previously classified as reserved. The first phase of the liberalization process started with the entry into force of Decree-Law 116/2003, of 12 June, and it had impact on the liberalized postal area's traffic from the 3rd quarter of 2003 on. As a result, the traffic of the liberalized postal area grew around 35.4 per cent in 2003 (versus the end of 2002). Later this effect had impact on the traffic in the four quarters of 2004 and justifies the 26.6 per cent increase in the liberalized traffic area, during that year.

Table 118 – Postal traffic in the liberalized area

	2001	2002	2003	2004	2005
Liberalized area	150,776	148,412	200,994	254,503	249,031
Correspondence	139,699	137,829	184,519	235,693	230,736
Parcels	11,076	10,584	16,475	18,810	18,295

Source: ICP-ANACOM Unit: Thousand objects

Regarding the behaviour of postal traffic by traffic destination, while national traffic grew 0.6 per cent since 2002, international traffic decreased 16 per cent in the same period. This different behaviour also occurred in 2005. On that year, there was a stabilization of national traffic and a 21.1 per cent decrease in international traffic.

This evolution was influenced by the activity of distribution of addressed correspondence of the new competing operators and by the behaviour of the companies of Grupo CTT in the international expedition of mail orders in the liberalized area and of correspondence in the reserved area.

Table 119 – Postal traffic by traffic destination

	2002	2003	2004	2005
Postal traffic	1,295,582	1,262,223	1,290,738	1,292,811
National	1,229,488	1,204,885	1,233,928	1,237,177
International	66,094	57,338	56,811	55,634
Incoming international	46,105	49,002	48,736	48,343

Source: ICP-ANACOM Unit: Thousands of objects
Note: The 2004 figures were corrected further to the data update sent by some providers after the publication of the 2004 Regulation Report.

Regarding traffic evolution by type of service, the growth in the segment of express mail services (15.4 per cent in 2005) stands out. This evolution is explained by the granting of titles to new entities for the provision of this type of services. Furthermore, this express mail service growth was mostly due to the new operators and, in particular, to their activity of distribution of addressed correspondence.

Table 120 – Postal traffic by type of service

	2002	2003	2004	2005
Postal traffic	**1,295,582**	**1,262,223**	**1,290,738**	**1,292,811**
Express	12,024	14,474	16,449	18,982
Not within the express category	1,283,558	1,247,748	1,274,289	1,273,829

Source: ICP-ANACOM Unit: Thousands of objects
Note: The 2004 figures were corrected further to the data update sent by some providers after the publication of the 2004 Regulation Report.

II.8.4.3 Employment in postal services

Employment in postal services has shown a slightly downward trend. In 2005, there was a decrease of about 1 per cent in the number of employees of the postal sector vis-à-vis the previous year. The companies of Grupo CTT continue to be the main responsible for this evolution in the employment indicator since, as demonstrated, employment in the companies of competition increased 10 per cent in that year.

Table 121 – Employment in postal services

	2000	2001	2002	2003	2004	2005
No. of employees	18.908	19.205	18.203	17.531	16.809	16.680
Grupo CTT	n.a.	n.a.	16.875	15.698	15.005	14.695
Other providers	n.a.	n.a.	1,328	1,833	1,804	1,985

Source: ICP-ANACOM

II.8.4.4 The postal network

The evolution of the material means of the global postal network held by the universal service provider and by the entities entitled for the provision of postal services operated in competition is shown on the following table.

Table 122 – Material means of the postal network

	2000	2001	2002	2003	2004	2005
No. of access points	19,942	21,080	19,775	19,798	19,563	19,257
No. of distribution points	457	453	460	459	462	446
Fleet of vehicles	5,366	5,304	5,138	5,608	5,362	5,807

Source: ICP-ANACOM

The fleet of vehicles had a year-to-date increase of more than 8 per cent.

The companies of Grupo CTT are responsible for the evolution registered in each one of these three postal network indicators since, except in the case of the fleet of vehicles, its competitors kept in 2005 the same number of access points and of distribution centres.

II.8.4.5 Evolution of competition

Analysing the market shares in each segment of traffic destinations, Grupo CTT's share has been practically unchanged, standing at about 99 per cent in the case of national traffic and around 97 per cent in the case of international traffic.

Table 123 – Postal traffic shares by postal destination

	2002		2003		2004		2005	
	CTT*	Other	CTT*	Other	CTT*	Other	CTT*	Other
National	99.2 %	0.8 %	98.9%	1.1%	98.8%	1.2%	98.8%	1.2%
International	99.0%	1.0%	97.8%	2.2%	97.6%	2.4%	96.6%	3.4%
Incoming intern.	99.2%	0.8%	95.6%	4.4%	94.6%	5.4%	90.7%	9.3%

Source: ICP-ANACOM
* Includes CTT e CTTexpresso

Detail by type of service makes it possible to verify that Grupo CTT's share in quite high in the segment of services not included in the express mail category. In the case of express mail, the new operator hold, altogether a 57 per cent share.

Table 124 – Postal traffic shares by type of service

	2002		2003		2004		2005	
	CTT*	Other	CTT*	Other	CTT*	Other	CTT*	Other
Express	60.7%	39.3%	48.6%	51.4%	44.1%	55.9%	43.0%	57.0%
Not within the express category	99.5%	0.5%	99.4%	0.6%	99.4%	0.6%	99.6%	0.4%

Source: ICP-ANACOM.
* Includes CTT and CTTexpresso

II.8.4.6 Price level of the universal service

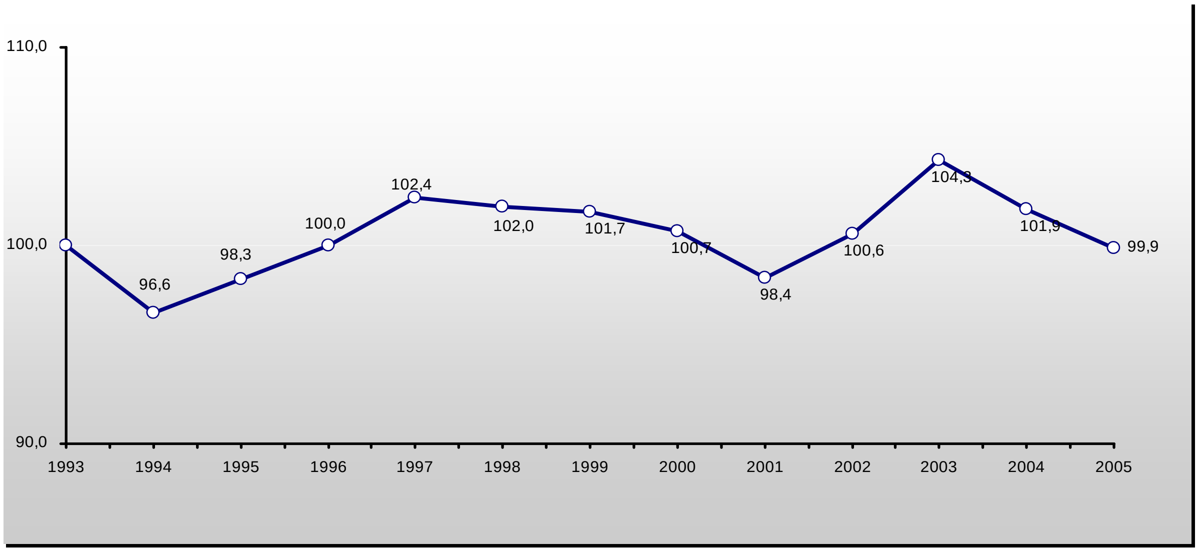
The rules for the setting of prices of the postal services that make up the universal service[99] are subject to an Agreement (Universal Postal Service Prices Agreement) established between the regulator (ICP-ANACOM) and the universal service provider.

According to the price agreement signed on 20 January 2004, the weighted average variation of the prices of the reserved postal services for 2005 could not be above CPI[100] -0.5 per cent, in nominal terms.

In the scope of the said Price Agreement, the average level of the postal services' prices increased 1.1 per cent in 2005.

In terms of evolution, one registers that in 2005 the price of the normal mail's basic tariff (tariff for a 20g national sending) stood, in real terms, at a very similar level to the one recorded in 1993 (it decreased 0.1 per cent).

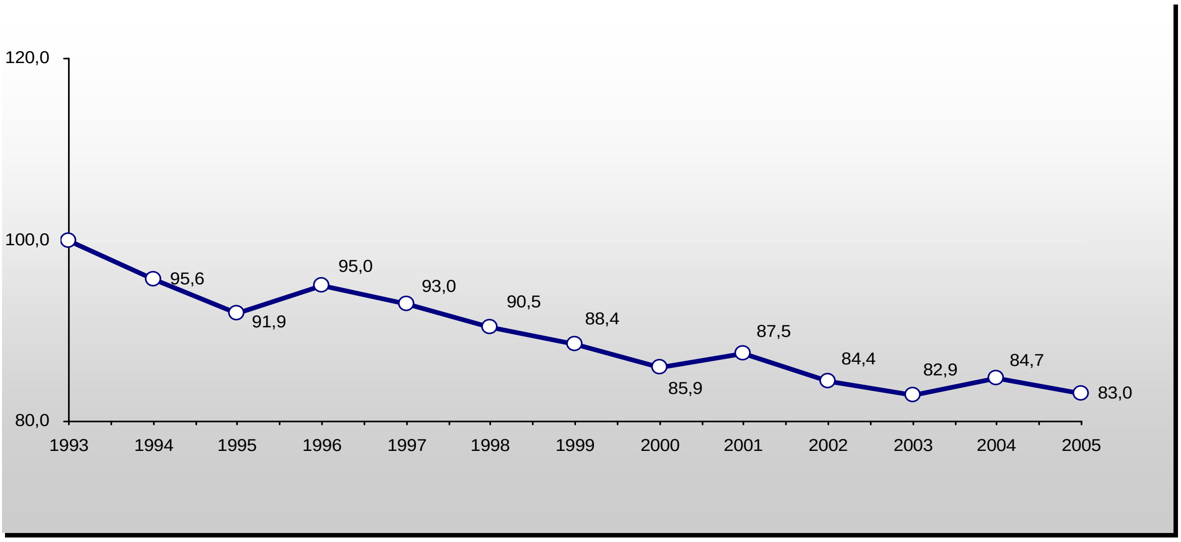
Graph 117 – Real evolution of the basic tariff (1993 = 100) – national normal mail



Source: ICP-ANACOM

On the other hand, the priority (blue) mail's basic tariff decreased 17 per cent in real terms, between 1993 and 2005.

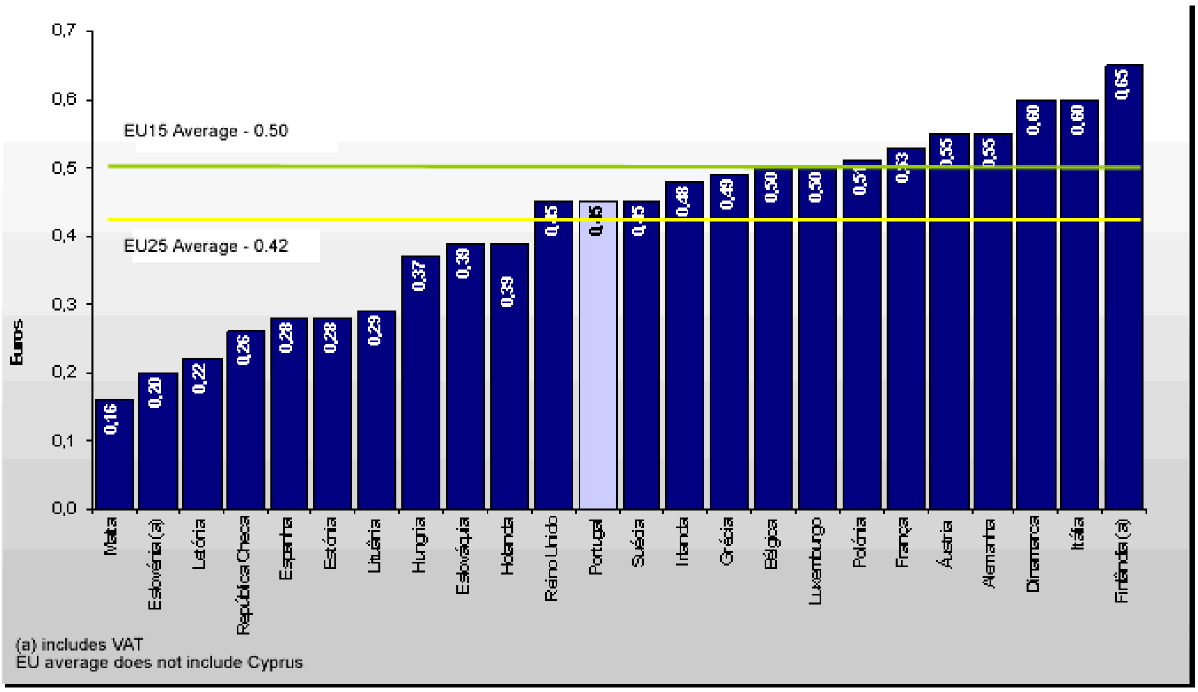
Graph 118 – Real evolution of the basic tariff – national priority mail



Source: ICP-ANACOM

Regarding 2005, one notices that the price of the 20g national priority mail (blue mail)[101] is i) 9.6 per cent bellow the EU 15[102] average and ii) 6.4 per cent above the EU 24[103] average (not including Cyprus).

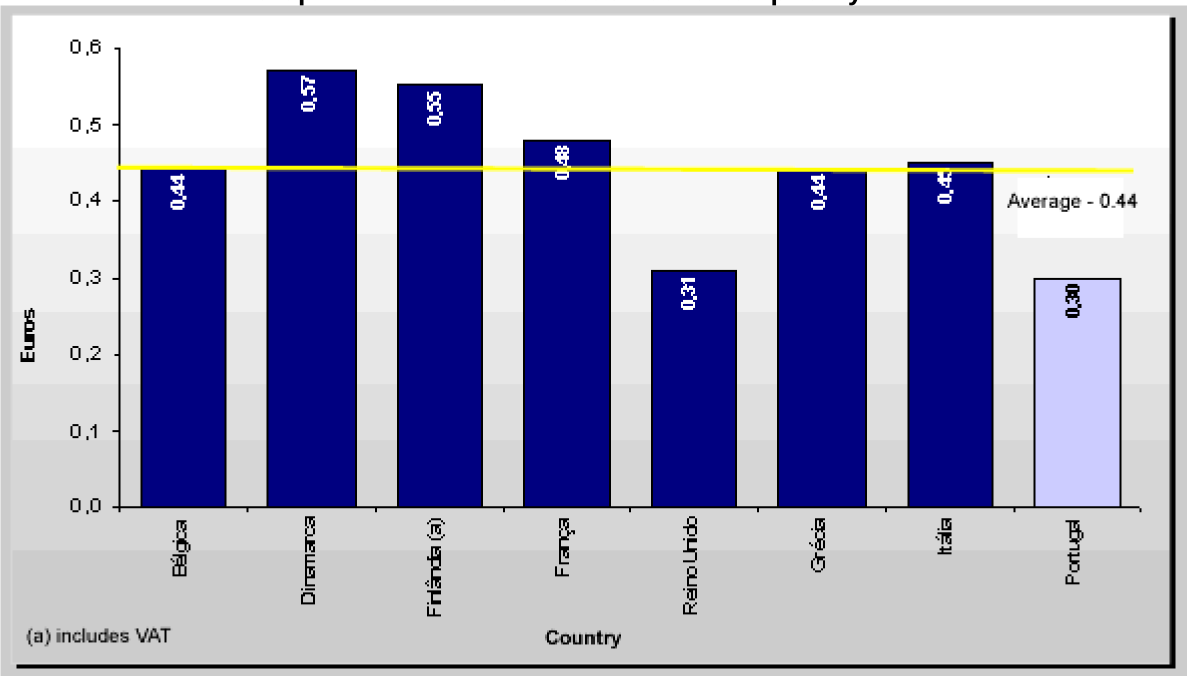
Graph 119 – Basic tariff of domestic priority mail



Source: ICP-ANACOM

On the other hand, one registers that the price of a 20g letter of non priority mail (normal mail) is 32.2 per cent above the average of the EU countries that provide an equivalent service.

Graph 120 – Basic tariff of domestic non priority mail



Source: WIK, Main Developments in the European postal sector.

II.8.4.7 Quality of the universal service

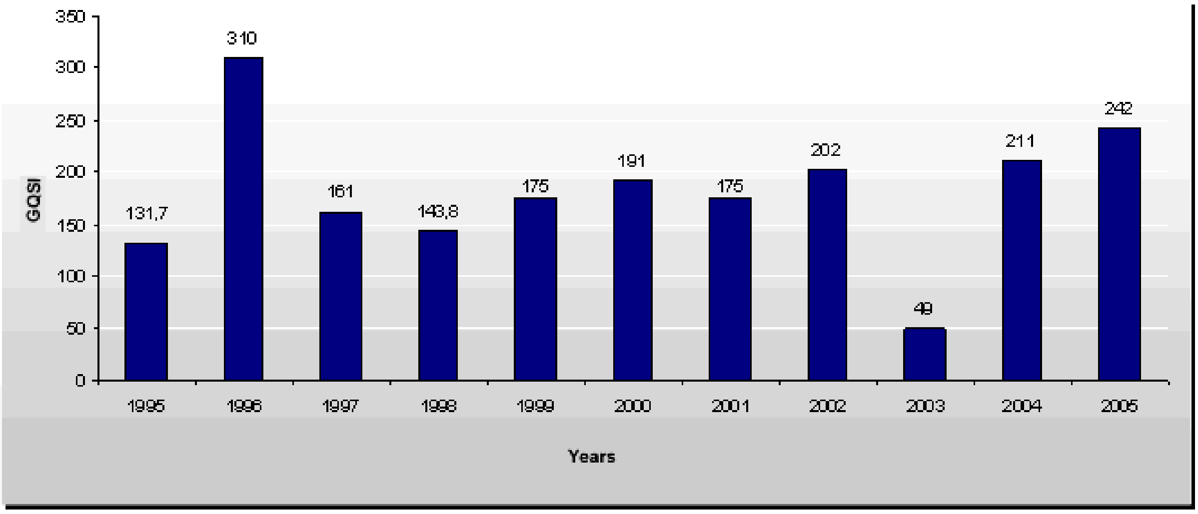
The parameters and quality of service levels associated to the provision of the universal services are set through an agreement established between ICP-ANACOM and CTT (Universal Service Quality Convention).

The quality convention that was in force between 20 January 2004 and 31 December 2005 defined the quality of service indicators (QSI) for i) delays in delivery if normal mail, priority mail, newspapers and periodicals, intercommunity mail and parcels, ii) loss of normal and priority mail, and for ii) waiting time at postal establishments. For each of the QSI there is a minimum and target level of quality if service defined. The target level is the one that CTT is expected to achieve, each year.

The Quality convention also sets a Global Quality of Service Indicator (GI), which is reckoned depending on the quality of service levels reached by CTT for the aforementioned
QSI[104].

Regarding this last indicator – GI – it had a positive evolution since 2007, reaching values above 140. In 2003, this indicator reached a negative level (49), due to the non-fulfilment of some quality of service indicators, that year[105].

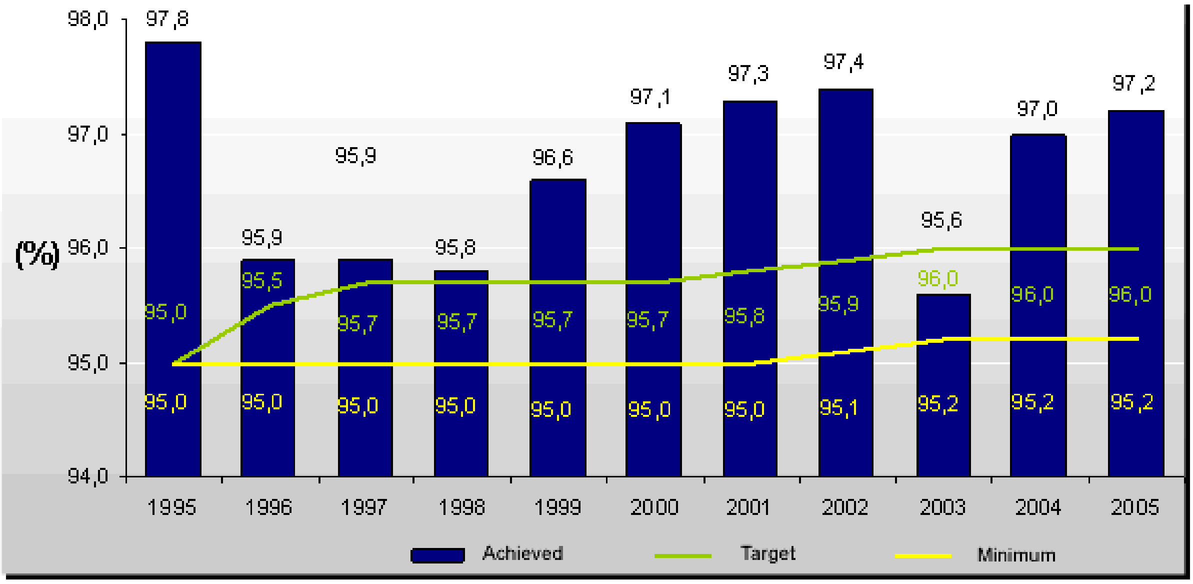
Graph 121 – Global Quality of Service Indicator (GI)



Source: ICP-ANACOM

Regarding the delay in the delivery of normal mail (D+3) it stood always above the target value except in the year 2003.

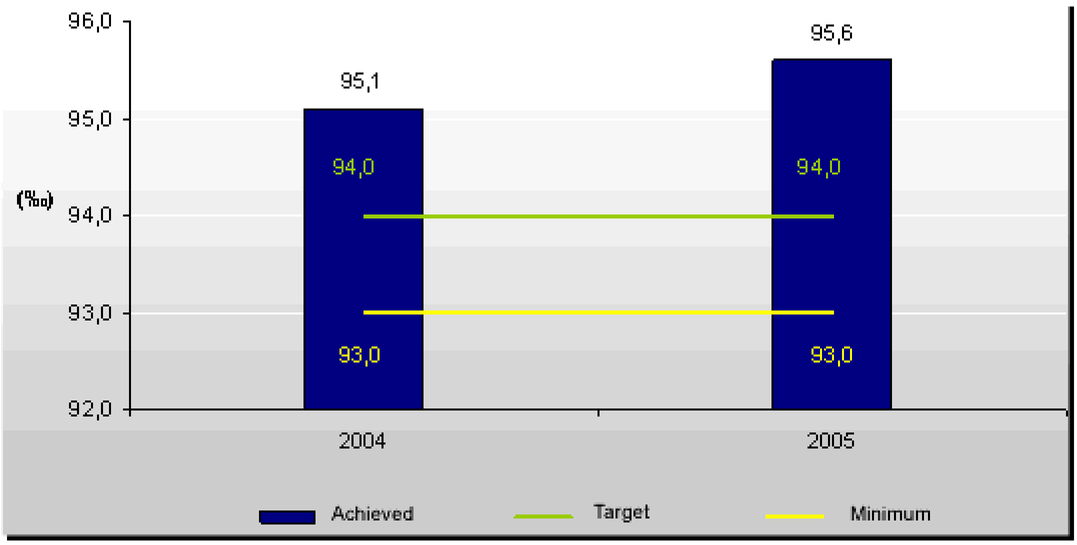
Graph 122 – Delay in the delivery of normal mail (D+3)



Source: ICP-ANACOM

Regarding the delivery time of priority mail in the Mainland (D+1) there is a positive evolution in 2005 vis-à-vis the year 2004.

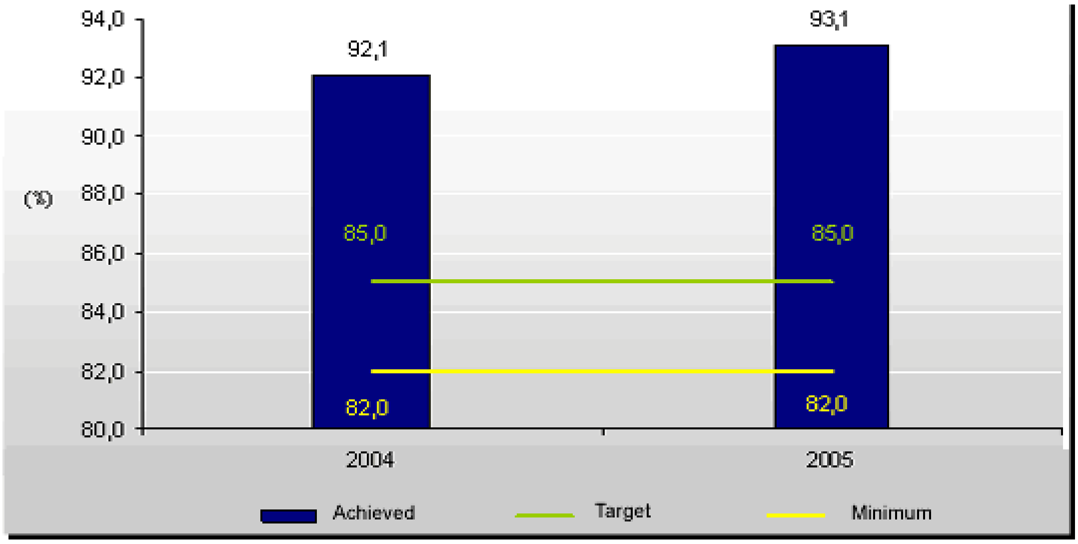
Graph 123 – Delivery time of priority mail – Mainland (D+1)



Source: ICP-ANACOM

Regarding the delay in the delivery of priority mail for CAM region (D+2) there is a positive evolution in 2005 in regards to 2004.

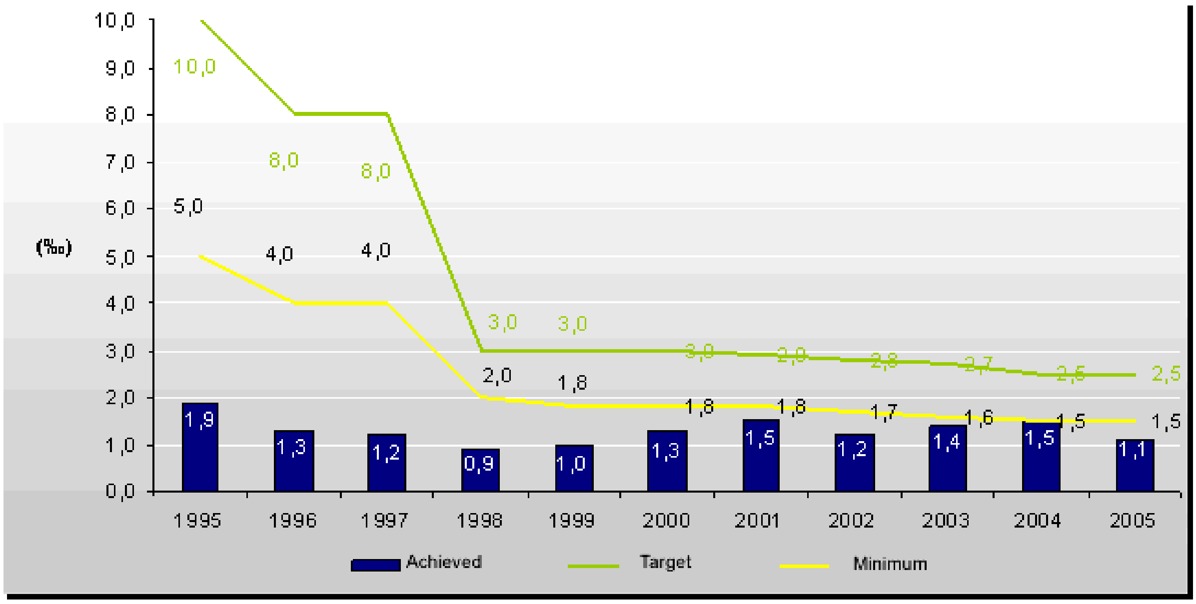
Graph 124 – Delay in the delivery of priority mail – CAM (D+2)



Source: ICP-ANACOM

Regarding normal mail not delivered within 15 working days, after the slight degradation trend recorded in 2002, one registers the return to a positive evolution in 2005.

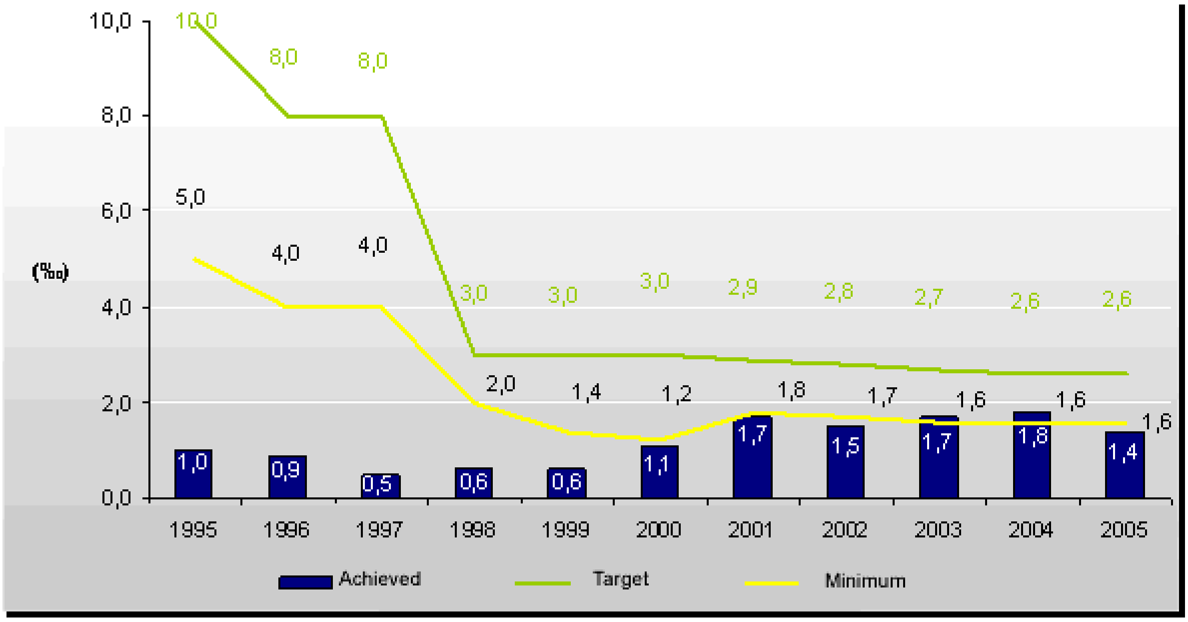
Graph 125 – Normal mail not delivered within 15 working days (per 1,000 letters)



Source: ICP-ANACOM

Regarding the priority mail not delivered within 10 working days, one registers a positive evolution in 2005, further to a stabilizing trend registered since 2002.

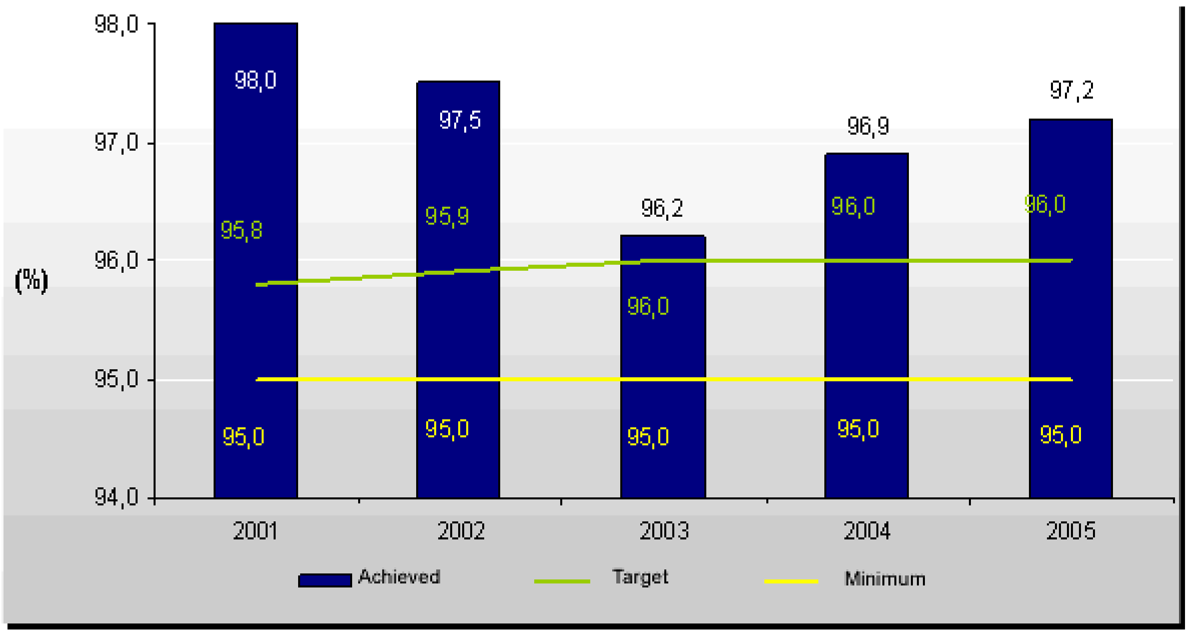
Graph 126 – Priority mail not delivered within 10 working days (per 1,000 letters)



Source: ICP-ANACOM

Regarding the quality of service in the delivery of newspapers and other periodicals, since 2003 there is an improvement trend in the delivery time.

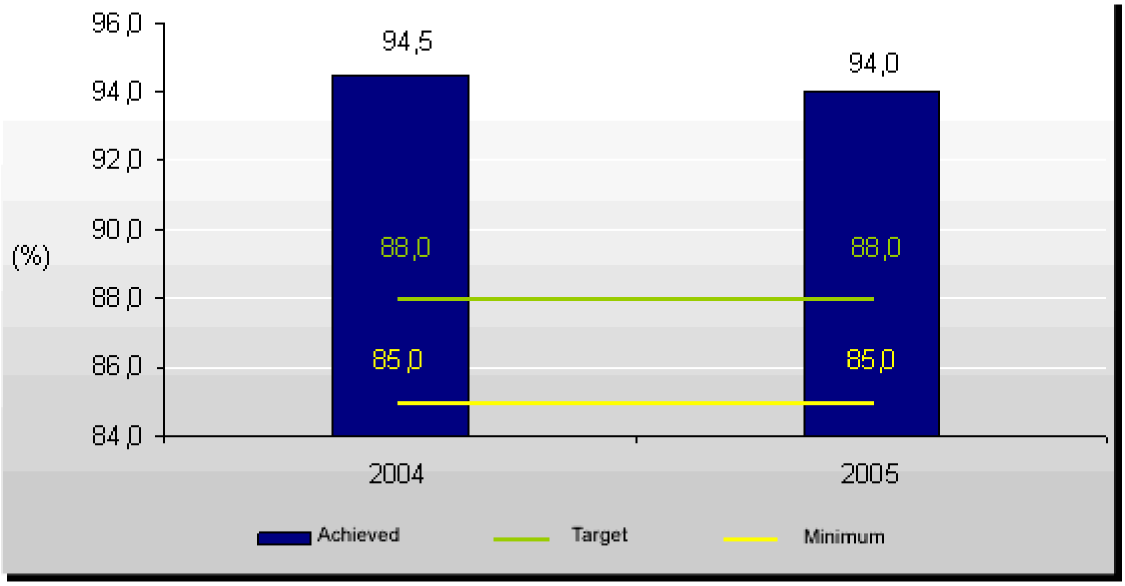
Graph 127 – Delivery time of newspapers and periodicals (D+3)



Source: ICP-ANACOM

Regarding the delivery in the routing of intra-community mail (D+3) there is a slight degradation in 2005 vis-à-vis the year 2004.

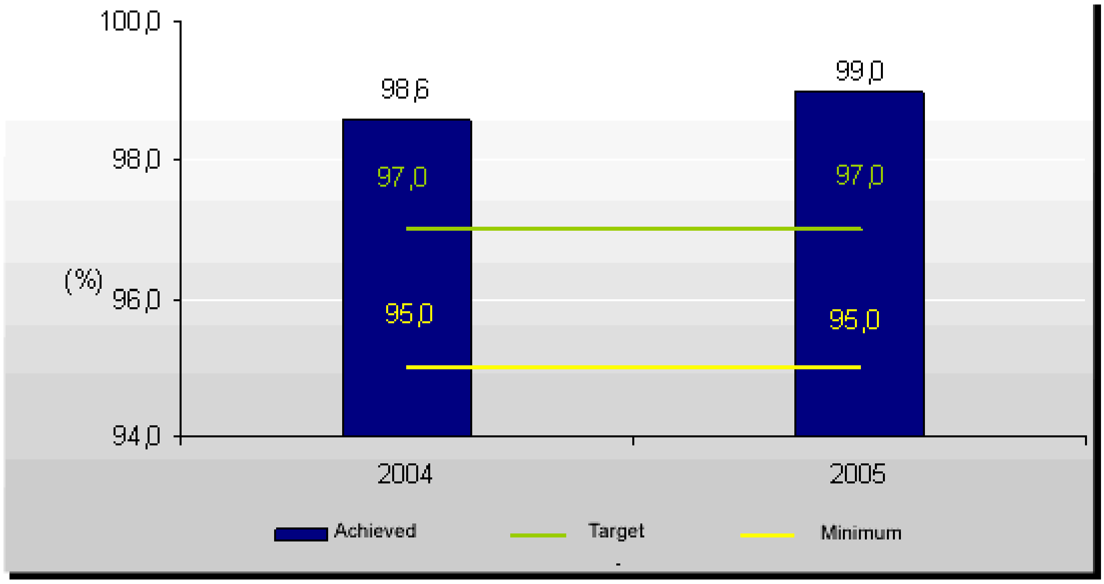
Graph 128 – Delivery time of intra-community mail (D+3)



Source: ICP-ANACOM

Regarding the delivery time in the routing of intra-community mail (D+5) there is a slight degradation in 2005 vis-à-vis the year 2004.

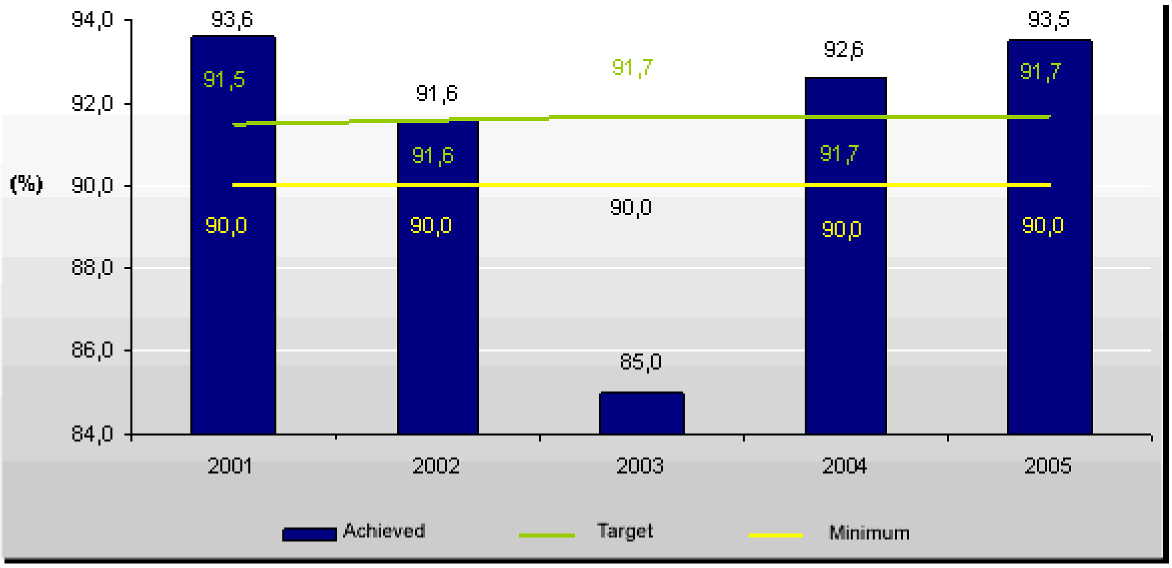
Graph 129 – Delay in the delivery of intra-community mail (D+5)



Source: ICP-ANACOM

The quality indicator concerning the delivery time of a normal parcel (D+3), it also presents a positive evolution.

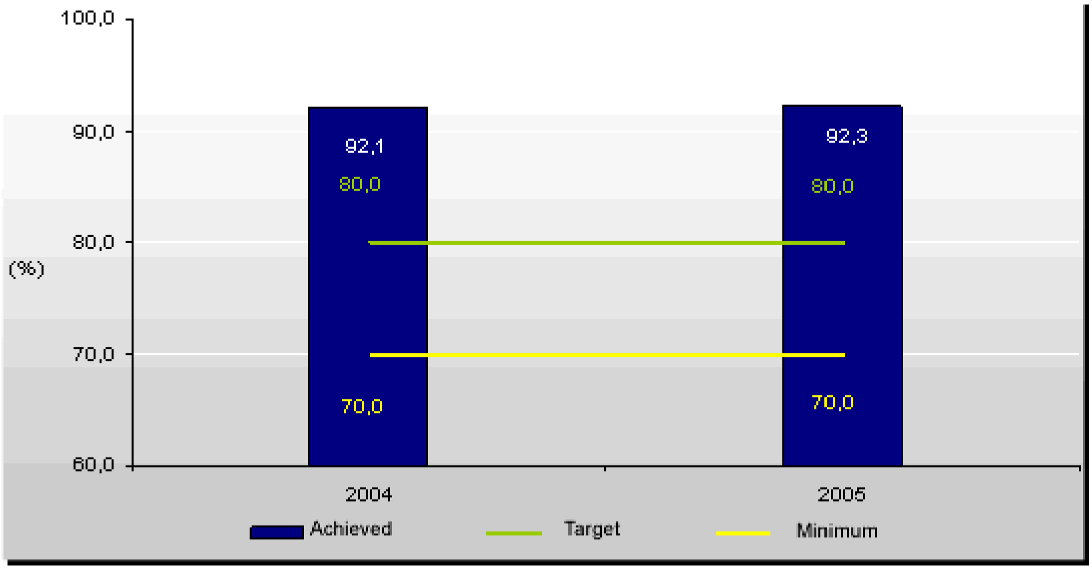
Graph 130 – Delivery time of a normal parcel (D+3)



Source: ICP-ANACOM

Regarding the time waiting at post offices there was a positive evolution in 2005, in regards to the year 2004.

Graph 131 – Time waiting at post offices



Source: ICP-ANACOM

II.8.4.8 Users' evaluation

According to the Survey on the use of postal service promoted by ICP-ANACOM in 2005, users give postal services a global classification above seven (on a zero to ten scale).

It should also be noted that the distribution of parcels presented the lowest evaluations, being the price factor the worst classified feature, with a 5.81 average.

Table 125 – Average evaluation of postal services (0-10)

	Normal mail	Priority mail	Express mail	Green mail	Parcels
Service in global terms	7.0	7.4	7.3	7.2	6.9

Source: Survey on the use of postal services 2005

The price of the postal services was the indicator with worse results. An important part of those interviewed considers that the price evolution has been increasingly unfavourable to the consumer.

Table 126 – Evolution in the price of postal services in the last year

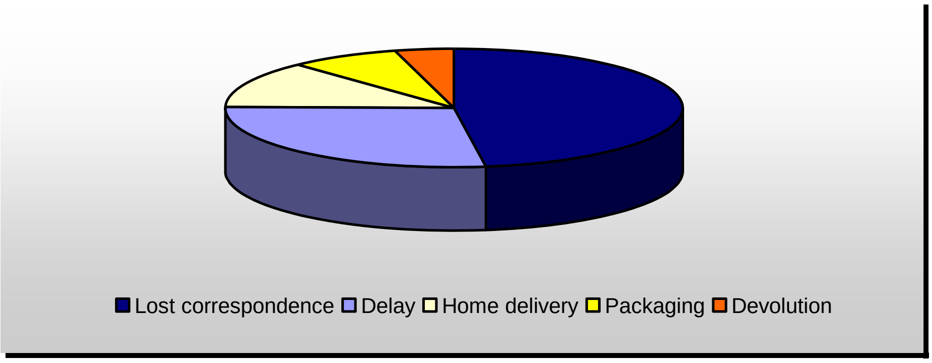
	Normal mail	Priority mail	Express mail	Green mail	Parcels
Became worse	19.1%	14.5%	11.3%	8.8%	17.3%
Maintained	66.3%	67.4%	56.6%	47.1%	68.4%
Improved	9.0%	12.1%	15.1%	23.5%	8.3%
DNN/DNA	5.7%	6.0%	17.0%	20.6%	6.0%

Source: Survey on the use of postal services 2005

ICP-ANACOM's UM-TSM (Mission Unit for the Handling of Market Requests) received during 2005 117 complaints and information requests concerning the postal services and respective providers.

According to the following graph, it is possible to see that half (48 per cent) of those requests relate to issues of wrong delivery, and that the delivery time is also considerable (27 per cent).

Graph 132 – Complaints and information requests on postal services – 2005



Source: ICP-ANACOM