

OSF

*Postal and small freight delivery
statistics 2007*

FOREWORD

The Postal and small freight delivery statistics is a statistical publication compiled by Statistics Finland and jointly published by Statistics Finland and the Finnish Communications Regulatory Authority. The statistics are for monitoring the competition in the postal services branch and for producing data for EU statistics and other information needs. It will also help to promote EU endeavours to develop postal statistics further.

The objective of the statistics is to produce information on the volume of deliveries in postal services, that is, in branch 6411, National post activities, and the volume of other deliveries in branch 6411 and particularly in branch 6412, Other delivery and courier services. Selected enterprises engaged in the delivery of small freight not classified in these branches are also examined here.

When the production of official postal statistics (OSF) was terminated, the postal statistics were compiled by the State business enterprise Posts and Telecommunications of Finland and subsequently by PT Finland Ltd, until Statistics Finland and the Finnish Communications Regulatory Authority started the joint production of the Postal and small freight delivery statistics in 1998. The Ministry of Transport and Communications was also involved in the development of statistics production.

The publication was prepared by Klaus Bossart from Statistics Finland. Also, Lauri Manninen participated in the compilation of the statistics, as well as Sami Lahtinen as an expert from Statistics Finland.

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SUMMARY

Background

As competition is increasing in postal services, it is important to obtain information on the present situation in the field and the changes that have taken place. The aim of this publication was to provide information on licensed postal deliveries, which is part of the deliveries in branch 6411(National post activities).

The publication also contains information on the transport and delivery of small freight outside the sphere of the postal services proper in branches 6411 and 6412. An adequate impression of this activity was deemed to be gained by concentrating attention on the largest firms operating in this field in branch 6412. In addition, selected enterprises not classified in these branches are also examined here. According to the Postal Services Act, a so-called universal service must be available in the whole country.

The focus of this examination is on postal services, which were the main motivation for this statistical classification. Hence, the data on different kinds of deliveries are presented with the greatest accuracy in this sphere. The classification used outside the sphere of the actual postal services was also influenced by the fact that the companies concerned were not able to classify their deliveries with sufficient accuracy, and that data on goods of certain types are available only from individual companies.

Year 2007

Collection of data from companies concerning the year 2007 was started in May 2008. The data were collected from the companies both with a mailed and an e-mailed questionnaire inquiring about the volume of postal services and the resulting financial turnover for 2007. The total response rate was 85 per cent. The response rate of the postal services was 100 per cent, and other than postal services was 84 per cent.

Postal deliveries within Finland in 2007 amounted to a total of 3,876 million items. Of domestic deliveries, 1,097 million, or around 28 per cent, were part of the so-called universal service subject to a postal licence. (Universal service is defined in Section 4 on page 10.) The total turnover from domestic deliveries was EUR 1,069 million and deliveries belonging to the universal service accounted for 54 per cent of the turnover.

A total of 2,779 million small freight deliveries within Finland were recorded outside the universal services proper in 2007, giving a turnover of EUR 495 million. The majority of the deliveries outside the postal services proper, or 1,746 million items, was unaddressed mail, followed by newspapers and magazines. The next largest item was newspaper deliveries.

International mail amounted to 94 million items in 2007 in the examined enterprises. The turnover from these deliveries amounted to EUR 274 million. The volume of international mail decreased by 4 per cent, but the turnover from them increased by 2 per cent from the year before. International deliveries are examined as a whole and those belonging to the universal service are not separated from the other international deliveries.

1 INTRODUCTION

Background

The official postal statistics were produced by the General Directorate of Posts and Telecommunications in Finland until 1988. Since then, these statistics were compiled until 1993 by Posts and Telecommunications of Finland, a State business enterprise. The Act on postal services, which came into force at the beginning of 1994 (from the beginning of 2002, the Postal Services Act), distinguished between administration and business operations, as a result of which the supervision of the laws on postal services and the regulations issued by virtue of these was transferred to the Telecommunications Administration (from 1 September 2001, the Finnish Communications Regulatory Authority), while the compilation of postal statistics was assigned to PT Finland Ltd. The duties of the Telecommunications Administration were expanded in 1996 to cover all postal statistics in Finland.

Discussions were launched by the Telecommunications Administration with Statistics Finland on generating the information required for recommencing the drawing up of official postal statistics in Finland, monitoring the competition emerging in the field, producing information for inclusion in EU statistics and satisfying other information needs. A working group was consequently set up by Statistics Finland on 25 September 1997 to develop the compilation of postal statistics. The group was responsible for specifying the position of the actual postal service sector with regard to other types of delivery services for small freight, surveying actual information needs, drawing up a proposal for organising and financing the compilation of postal statistics, outlining the existing data and providing a statistical summary of such data. The summary and a proposal for the content and organisation of postal statistics were submitted by the group on 15 December 1997.

Statements of opinion on the report drawn up by the group were obtained from companies providing postal and small freight services and their interest groups, and the draft inquiry was amended in accordance with these opinions. In addition, a meeting was arranged by Statistics Finland on 20 April 1998 with organisations representing and undertaking the delivery of small freight items. This led to some further adjustment of the classification of the information content of the inquiry form so as to come closer to satisfying the needs expressed by the respondents' representatives.

The Telecommunications Administration and Statistics Finland agreed on 4 May 1998 that the latter should draw up a set of statistics on postal and small freight delivery services every year. The results of the statistics compiled according to the recommendation of the working group are published yearly in the publication series of the Finnish Communications Regulatory Authority.

Classification

The data contained in the statistics cover the years 1996 to 2007. The data for earlier years have been updated so that the figures for different years are mutually comparable. Until 2002, the breakdown used in the Postal and small freight delivery statistics was the Standard Industrial Classification, when described were the volume of the actual postal services and the incomes gained from these in the licensed postal sector (TOL 6411) and other branches, particularly in 6412, together with the scope of comparable delivery services in other branches and the related incomes. At the beginning of 2002, the Postal

Services Act came into force, replacing the previous Act on postal services. The Postal Services Act defines the postal services subject to licence and assigns the universal service obligation to Finland Post Corporation (as from 1 June 2007 Itella Corporation). From the statistical year 2002 a distinction has been made in this publication between licensed postal services and other postal and small freight deliveries. The primary purpose is to examine the volume of licensed domestic deliveries by the postal services proper.

The main focus of the publication is on the most recent statistical year, 2007, which is compared with the previous year. Data for the years before the previous year are presented in time series charts. The delivery types examined include letters, parcels, unaddressed mail, and newspaper and magazine deliveries. Domestic deliveries and international mail are examined separately.

Deliveries belonging to the universal service are presented in Section 4.1 in accordance with the Postal Services Act that came into force on 1 January 2002. Deliveries of mail and small items outside the licensed postal services are examined as a whole in Sections 5.1. to 5.4. The examination includes domestic deliveries in category 6411 not belonging to the universal service, category 6412, Other delivery and courier services, and a separately defined group of companies in other categories. International mail is examined as a whole in Section 5.5. International mail within the universal service from category 6411 is also included in Section 5.5. Section 6 looks at delivery services as a whole, and Section 7 explores other data sources.

2 SUBJECT MATTER OF THE STATISTICS

2.1 Defining the target group

The target group is defined and examined here on the basis of Statistics Finland's Standard Industrial Classification TOL 2002. The principal activity of a company is determined by the value added generated in the establishments of the company operating within different sectors of industry. The primary focus is on the national postal service, although attention is also paid to the volume of mail handled outside this service. Companies operating in the post and courier activities sector (TOL 641) were defined on the basis of Statistics Finland's Business Register data, and certain companies representing other fields were also defined as falling within the statistical frame employed here. The statistical unit used is enterprise.

The majority of the enterprises discussed here represent sectors 6411, National post activities, and 6412, Other delivery and courier services. The services in the latter category include the collection, transportation and delivery of letters, parcels, documents, newspapers and magazines, for example, by instances other than the national postal service. It also covers posting services connected with these, including addressing and provision of envelopes.

Major instances of the delivery of small freight items pursued as part of other forms of business were also considered to fall within the scope of these statistics. Companies engaged in deliveries of this kind operate in such fields as railways, bus services, taxi services, road freight transports, bus stations, forwarding and freighting.

Of the above sectors, the inquiry achieves 100 per cent coverage with respect to the national post, while the combined turnovers of the companies providing other delivery and courier services make up 85 per cent of the total turnover recorded for the field. Thus, all in all, the data contained in this survey cover around 97 per cent of the total turnover in the fields concerned.

The basic set of companies surveyed for statistical purposes in 2007 comprises 59 providers of postal and small freight services, two of them representing the actual postal services, 45 other delivery and courier services and 12 separately defined fields involving the delivery of small freight.

2.2 Background information about the branches of industry concerned

According to the Statistics Finland Business Register, there were 289 enterprises operating in this sector (TOL 641) at the end of 2006, and 315 at the end of 2007.

The data in Table 1a. below derived from the publication Finnish Enterprises 2006 also include information obtained from Posten Åland. The volume of postal service establishments available from the Business Register is not shown in the table. The volume of establishments reported by post offices is presented later in Table 1b.

The reason for this is that the volume of postal service establishments available from the Business Register is incompatible with the volume of establishments reported by enterprises in the postal sector. In the Business Register, each enterprise's establishment is determined a category based on which category's goods it produces the most calculated in monetary terms. By contrast, enterprises carrying out postal services determine all establishments carrying out postal services as postal service establishments regardless of whether postal services is their principal activity measured in monetary terms, or not.

The data shown in the table originate from the 2007 Business Register and are advance information. The personnel and turnover data for 2007 in the Business Register will be published on 28 November 2008.

Table 1a. Postal and courier services 2003-2007

	2003	2004	2005	2006	2007*
Companies					
Postal and courier activities (TOL 641)	264	268	267	289	315
Postal services	2	2	2	2	2
Other delivery and courier services	262	266	265	287	313
Establishments					
Other delivery and courier services (TOL 6412) (excl. post office services)	300	306	295	313	343
Personnel					
Postal and courier activities (TOL 641)	21 418	21 855	21 357	21 846	-
Postal services	17 731	17 845	18 809	19 192	-
Other delivery and courier services	3 687	4 010	2 548	2 654	-
Turnover (EUR mil.)					
Postal and courier activities (TOL 641)	1 316	1 355	1 350	1 421	-
Postal services	1 016	1 053	1 130	1 180	-
Other delivery and courier services	300	302	220	241	-

* advance information

In 2006, the total turnover of the sectors was EUR 1,421 million, which was 5 per cent higher than the year before. The 2005 data by branch are not comparable with data from previous years, as company restructurings in the branches had an effect on the changes in industry shares in 2005. In 2006, the proportion of national post (6411) of the joint turnover in this branch amounted to 83 per cent.

Trends in the turnover of the various sectors in 2002 - 2006 are given in Figure 1.

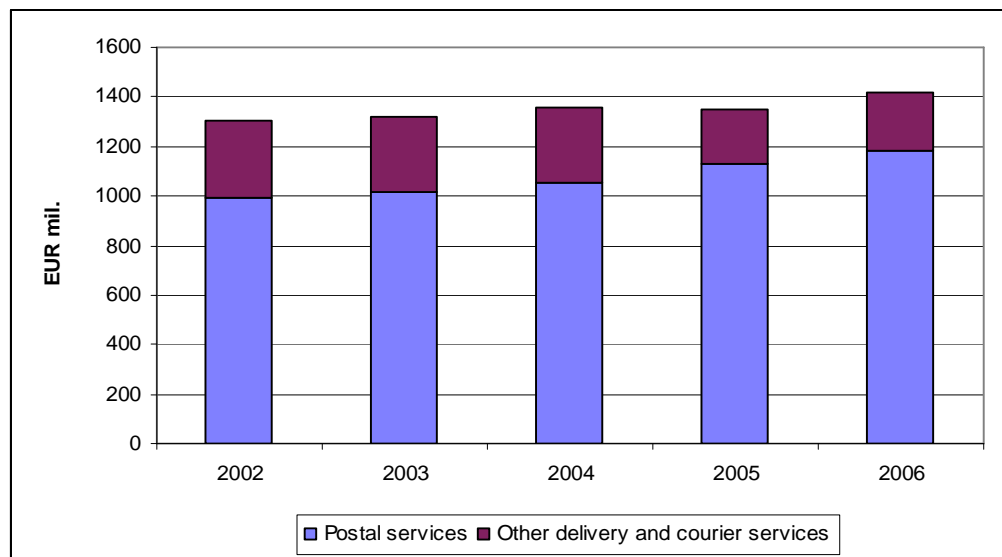


Figure 1. Turnover of the national post and other delivery and courier services in 2002 - 2006

Table 1b. shows the volume of establishments carrying out postal services. Enterprises carrying out postal services have both own stores and sales outlets run by external entrepreneurs. The annual data have been collected either directly from enterprises or from their annual reports.

Table 1b. The volume of establishments carrying out postal services in 2003 to 2007

	2003	2004	2005	2006	2007
Establishments					
Total	1 367	1 332	1 297	1 252	1 222
Post office establishments	304	305	290	229	208
Entrepreneur-driven sales outlets	1 063	1 027	1 007	1 023	1 014

3 DATA COLLECTION AND PROCESSING

3.1 Questionnaire form

The data were collected from the enterprises both with a mailed and e-mailed questionnaire. The respondents were also offered a possibility to use an encrypted electronic form to answer to the inquiry.

The working group set up to develop postal services has determined the classification. The classification was also amended according to suggestions by representatives of the respondents. The questionnaire was simplified after an inquiry made in 1999. It still inquired about such matters as whether the company was part of an international group, and asked companies to indicate the numbers of items delivered and the resulting incomes separately for domestic and international mail. The volumes and incomes recorded for inland mail were specified to type in terms of their weight range. In the case of international mail, this information was to be reported separately according to their type and origin or destination. Contact information for the persons responsible for the replies was also requested. The questionnaire form used for 2007 is in the Appendix.

3.2 Data processing

The information gained from the replies was recorded and validated. The quality of the data received from enterprises was assessed by comparing them with e.g. the annual data of the Business Register of Statistics Finland and the time series data of the enterprises in question. In addition, it was assessed whether the unit prices of different product groups calculated from the data were rational. Some companies were contacted in the course of the work in order to verify their performance figures and classifications.

General information on Post and courier activities (TOL 641), National post activities (TOL 6411) and Other delivery and courier services (TOL 6412) was collected from the Business Register, including figures for the numbers of companies, establishments and staff in each sector and total turnover in each sector. General data on the activities of the companies were produced for the period 2002 - 2007.

Information on the delivery of newspapers was derived from statistics on the distribution of morning papers maintained by the Finnish Newspaper Association. Data were extracted only for “pure” delivery organisations, as it was only in this case that the turnover data from the business taxation material could be assigned to the same companies. Since newspaper publishing houses gain the majority of their turnover from sources other than actual deliveries, information from such sources does not serve to describe the activities concerned here. Thus deliveries by units within such publishing houses, if not divided off as separate companies or establishments, belong to TOL category 2212, Newspaper publishing, or 2221, Newspaper printing.

3.3 Response rate

The questionnaires were posted in May to a total of 59 companies engaged in postal services and/or the delivery of small freight, which made up the population examined here. The response rate achieved with the first set of questionnaires was around 38 per cent, and non-responders were called in June.

After the calling, the total response rate of the inquiry was 85 per cent. For the postal service, the response rate of enterprises was 100 per cent. Of the companies included in the survey that lay outside postal services, 84 per cent replied.

Table 2. Number of companies contained in the statistics and response rate

Industry (TOL)	Companies N	Response rate %
Postal services, TOL 6411	2	100
Other delivery and courier services, TOL 6412	45	82
Companies defined separately	12	92
Other than postal services, total	57	84
Entire population, total	59	85

Examined in terms of turnover, the overall response rate for TOL categories 6411 and 6412 reaches 99 per cent. The figure for other delivery and courier services (6412) was 95 per cent, while that for the national post (6411) was 100 per cent.

4 POSTAL SERVICES SUBJECT TO LICENCE

Postal services constitute category 6411 of the Standard Industrial Classification (TOL 2002). In practice, the sector includes postal services subject to licence, Itella Corporation's reception, transport and distribution of mail other than that subject to licence, and postal services in Åland. There are currently two companies in this sector: Itella Corporation and Posten Åland. The activity of Itella Corporation is partly subject to licence. Posten Åland provides postal services in the Åland Islands under a special law for that region, Landskaps lag om Posten Åland. The companies engaged in postal activities are fully Finnish, i.e. they are not part of any international group.

From 1 January 2002 postal services are regulated in Finland (excluding Åland) by the Postal Services Act (313/2001). The licence to provide postal services is granted by the Government. Licensed postal services cover all addressed letters up to 2 kg, parcels up to 10 kg and incoming parcels up to 30 kg belonging to universal service. Registered and insured items are also subject to licence, while deliveries of newspapers and magazines and unaddressed mail and other than universal service parcels are not.

In its licence, Itella Corporation is specified as the provider of universal service. The universal service also includes the obligation to provide a facility for postal services and one collection and distribution on each working day.

4.1 Universal service

The next section describes domestic deliveries within the universal service offered by Itella Corporation as a whole. Section 5 presents all international mail belonging to the universal service and all other deliveries in branch 6411 not in the scope of universal service in conjunction with deliveries made in other branches of industry.

4.1.1. Letters

The volumes of letters delivered within the universal service and the turnover received in 2006 and 2007 are given in Table 3. In 2007, the number of letters in the universal service

was 1,076 million, producing a total turnover of EUR 458 million. The volume of letters went down by one per cent and their turnover fell by 3 per cent compared with 2006.

Table 3. Volume of inland letters delivered within the universal service and revenues from it

Letters	2006		2007		change	
	revenues EUR 1000	number 1000 pcs	revenues EUR 1000	number 1000 pcs	revenues %	number %
Total	470 604	1 085 259	457 672	1 075 804	-3	-1

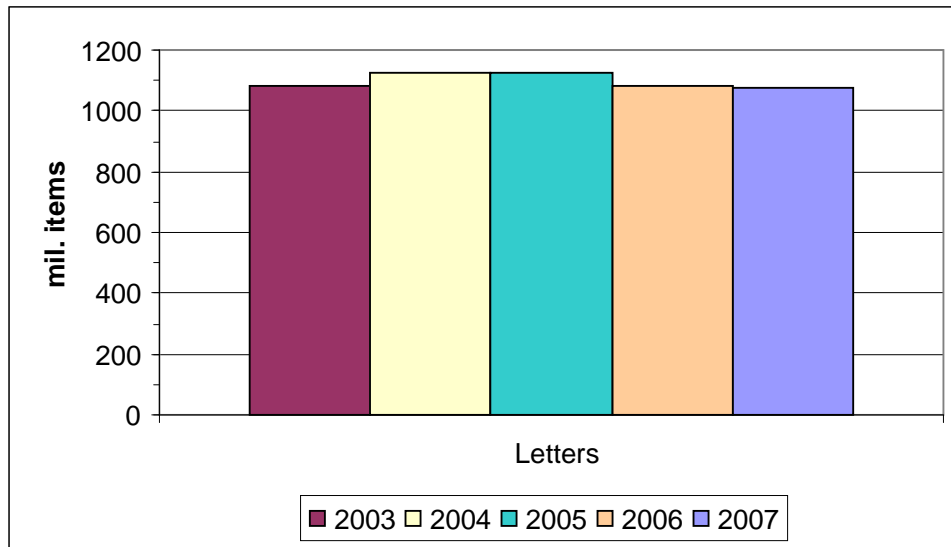


Figure 2. Volume of letters delivered within the universal service in 2003 - 2007

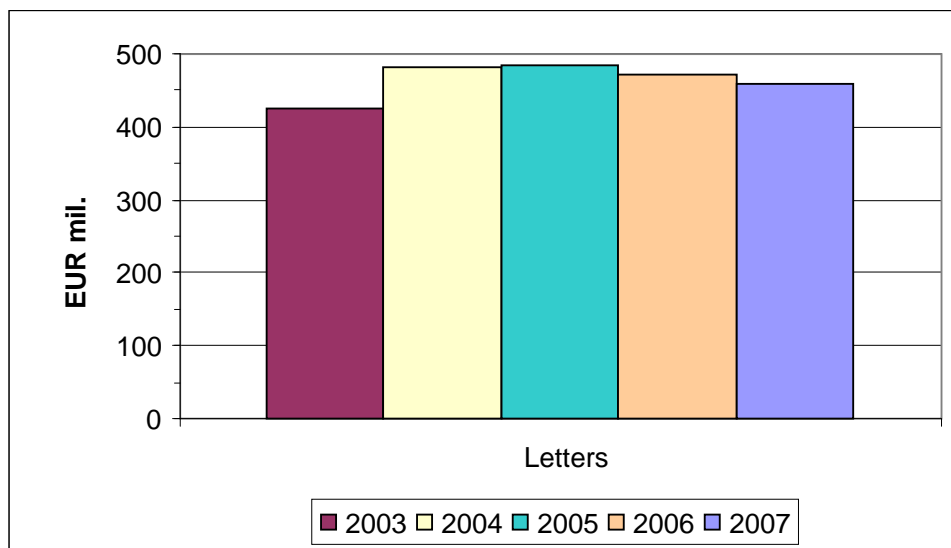


Figure 3. Revenues from letters delivered within the universal service in 2003 - 2007

4.1.2 Parcels

In 2007, a total of 21 million domestic parcels of under 10 kg within the universal service were delivered, generating a turnover of EUR 116 million. The number of parcels increased by 12 per cent and the turnover from parcel deliveries grew by 16 per cent from the previous year. Table 4 presents the volume and turnover of domestic parcel deliveries in 2006 and 2007.

Table 4. Volume of parcels delivered within the universal service and revenues from it

Parcels	2006		2007		change	
	revenues	number	revenues	number	revenues	number
	EUR 1000	1000 pcs	EUR 1000	1000 pcs	%	%
Total	100 668	19 133	116 356	21 397	16	12

4.2 Quality of postal services

The data presented here that are relevant to the assessment of the quality of postal services describe the postal services performed by Itella Corporation, which is still responsible for such a high proportion of postal services that the information can be regarded as sufficiently representative of the quality of the postal services in general.

The service capacity of Itella Corporation is evaluated by measuring the speed of conveyance of letters, newspapers and magazines and parcels and by monitoring how the delivery speed targets are reached. The attainment of delivery targets for 1st and 2nd class letters, magazines and parcels from customer to customer is monitored systematically. The monitoring is carried out by an independent research organisation by means of test deliveries. Newspaper and magazine deliveries are measured with a survey made twice a year jointly with the publishing houses. After the renewal of the parcel service, the delivery speed of parcels is also monitored continuously. The delivery of a parcel can be followed during the whole conveyance process by means of registration of despatch codes. Customers can follow the progress of their parcels in almost real time on Itella Corporation's website (www.Itella.fi or www.posti.fi).

The service quality for letters was achieved in 2007 as required by the Postal Services Act. The results of the delivery speed survey commissioned by Itella Corporation from an outside company indicate that 95 per cent of the 1st class letters sent reached the recipient within the time set, i.e. on the following working day. The service quality was 1 percentage lower than the year before. In all, 97 per cent of the newspapers and magazines reached their destination within the set time, thus the service quality was one percentage point better than in the previous year.

The Finnish Communications Regulatory Authority (www.ficora.fi) commissions yearly an impartial auditing required by the standard SFS-EN 13850 on the transit time measurement of 1st class letters delivered by Itella Corporation. The audit for the year 2007 showed that the measurement had been performed in the manner and at the accuracy required by the standard.

The transit times of European internal letter deliveries are measured by an external research institute on assignment of the joint enterprise of post operators, the International Post

Corporation IPC (www.ipc.be). The new EU Member States were added to the number of countries included in the survey. In 2007, the transit speed of a 1st class letter (J+3) arriving in Finland varied by the country of origin between 73 per cent (Cyprus) and 98,5 per cent (Estonia). For the deliveries from Finland, the corresponding rate ranged between 56 per cent (Cyprus) and 98,5 per cent (Germany). The target level set by the Postal Directive is 85 per cent.

Customer satisfaction surveys for 2007 commissioned by Itella Corporation showed that 81 per cent of business customers and 80 per cent of private customers considered postal services at least satisfactory. The figures represent the average of the entire year. Compared with 2006, the customer satisfaction index improved by one percentage point from 2006 among business customers, and the index remained at the same level as in the previous year among private customers.

In addition to the quality surveys commissioned by Itella Corporation, this matter has also been examined by the Ministry of Transport and Communications (www.mintc.fi). The first such survey commissioned by the Ministry was conducted in 1996. The subsequent surveys were made in 1998, 2000, 2002, 2004 and 2006. The results have been published in the publication series of the Ministry of Transport and Communications. The results of the most recent survey for 2006 pointed to a fairly high assessment for postal services as a whole, i.e. the majority of both consumers (73%) and enterprises (66%) were at least fairly satisfied with the services. In the 2004 survey on postal services the corresponding figures were 78 and 84 per cent. The latest survey indicated that 38 per cent of consumers and 47 per cent of enterprises would welcome competition in postal services, feeling that from the users' point of view it would have a favourable impact on the price level, the number of post offices, the choice of products and the general quality of the service provided. The intention is to conduct surveys on the quality of postal services at intervals of two years. The following survey on the quality of postal services will be conducted at the end of 2008, according to the Ministry of Transport and Communications.

From the beginning of 2002, with the entry into force of the Postal Services Act, the duties related to the opening of the universal service letters and parcels undelivered by Itella Corporation were transferred to the undelivered postal items unit established by the Finnish Communications Regulatory Authority. Itella Corporation's address clarification services are still in charge of matters relating to address clarification.

In 2007 these units handled 471,700 letters and 4,717 parcels. Of the letters, 29.1 per cent were destroyed as decreed by the Postal Services Act. A total of 324,779 letters, or 68.9 per cent of the total, were transported to their receiver or sender, as were 20.1 per cent of the parcels. During 2007 the undelivered postal items unit had in storage for six months, as regulated by the act, a total of 9,595 letters and 3,768 parcels and 4,088 individual loose items detached from deliveries waiting to be despatched to the correct receiver or sender through customer inquiries.

5 OTHER POSTAL AND SMALL FREIGHT DELIVERIES

Deliveries of mail and small freight items outside the licensed postal services are examined below as a whole. The examination includes domestic deliveries in category 6411 not belonging to the universal service, category 6412, Other delivery and courier services, and a separately defined group of companies in other categories. International mail is examined as a whole and also international mail within the universal service from category 6411 is included.

There is no distinct difference between letter and parcel services in the case of deliveries taking place outside the postal services proper. Often the only basis for classification is weight, which is why the boundary between letters and the lightest parcels (up to 2 kg) is not clear-cut. Category 6412 includes a relatively large number of companies that market or act as agents for distribution services without being engaged in actual deliveries themselves.

In 2007, the volume of domestic deliveries outside the licensed postal services amounted to a total of 2,779 million items. The turnover from this was EUR 495 million. The total volume of international mail was 94 million and the turnover from it amounted to EUR 274 million.

5.1 Letters

A total of 2.7 million letters were delivered outside the actual postal services in 2007 and the turnover from these amounted to EUR 3.8 million. The volume of letters increased by one per cent and the turnover from letters grew by 3 per cent. Letters delivered outside the actual postal services represent letters not belonging to the universal service and other deliveries categorised as letters.

Table 5. Letters handled outside the licensed postal services in 2006 - 2007

Letters	2006		2007		change	
	revenues	number	revenues	number	revenues	number
	EUR 1000	1000 pcs	EUR 1000	1000 pcs	%	%
Total	3 731	2 631	3 839	2 664	3	1

5.2 Parcels

Table 6 shows the number of and turnover from inland parcels carried outside the licensed postal services in 2006 and 2007. Included are thus inland parcels carried outside the universal service from branch 6411, National post activities. The series for parcel deliveries is not continuous, because a different statistical methodology was used for weight categories of parcels in 2001, 2002 and 2003. This is visible in figures 4 and 5 as the breakdown of parcels into heavier weight categories in 2003.

In 2007, a total of 15 million inland parcels were carried by operators outside the licensed postal services and the turnover from these totalled EUR 140 million. The number of parcels increased by 2 per cent and the turnover from parcel deliveries grew by 7 per cent from the previous year.

Of the delivered parcels 39 per cent weighed less than 10 kg. Deliveries of such parcels made up 35 per cent of the respective turnover.

Table 6. Parcels handled outside the licensed postal services

Parcels	2006		2007		change	
	revenues	number	revenues	number	revenues	number
	EUR 1000	1000 pcs	EUR 1000	1000 pcs	%	%
Less than 10 kg	49 965	5 898	49 077	5 717	-2	-3
10 - 50 kg	81 019	8 599	90 961	9 030	12	5
Total	130 984	14 496	140 038	14 747	7	2

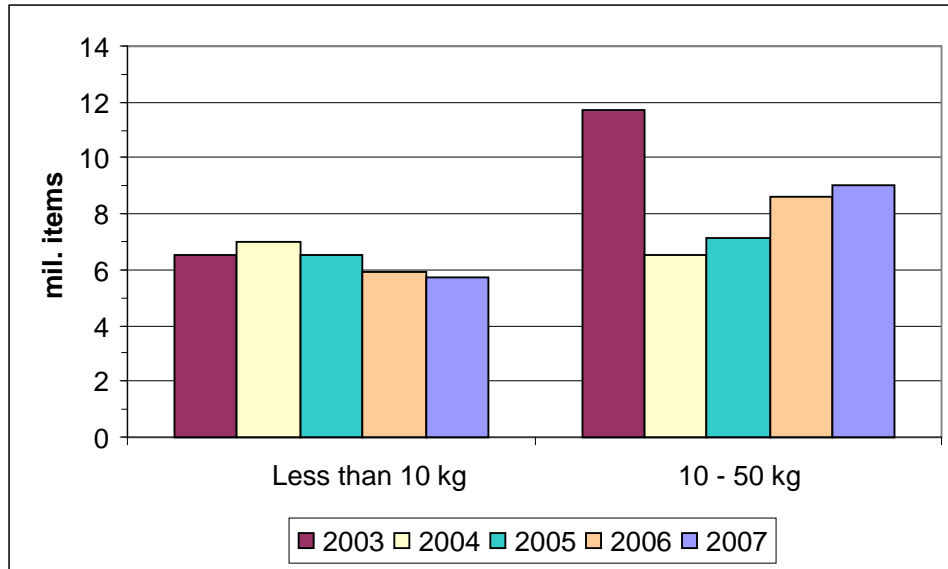


Figure 4. Parcels handled outside the licensed postal services in 2003 - 2007

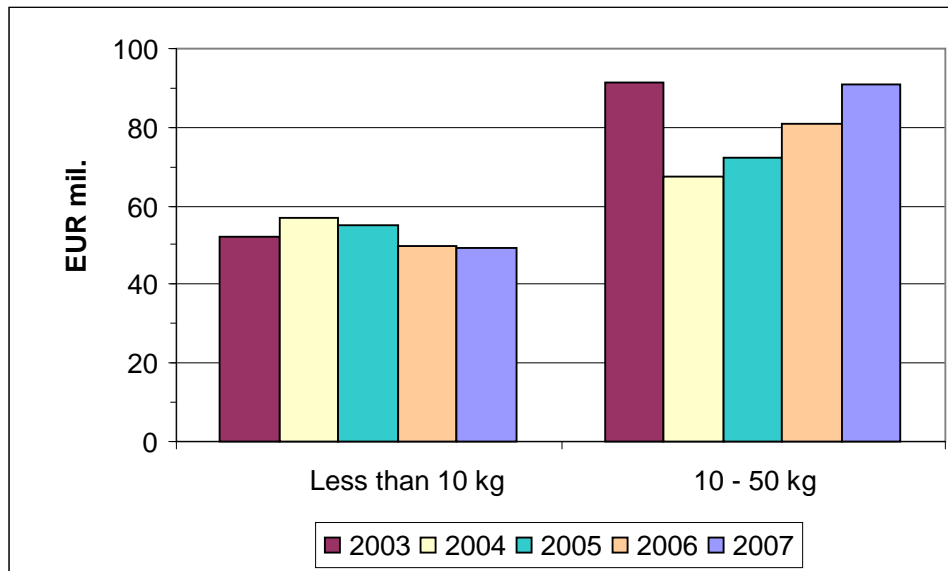


Figure 5. Turnover from parcels handled outside the licensed postal services in 2002 - 2007

5.3 Newspapers and magazines

A total of 1,016 million newspapers and magazines were delivered in 2007 by the enterprises involved in the survey. The turnover from these deliveries amounted to EUR 268 million. The volume of newspaper and magazine deliveries was on level with the previous year, but the turnover from these grew by 4 per cent. Newspapers and magazines were almost entirely delivered in branch 6411, National post activities, and in branch 6412, Other delivery and courier services.

In 2007 the volume of morning deliveries of newspapers was 503 million, while 166 million newspapers were delivered during daytime. Volume of newspaper deliveries

totalled 669 million, which was on level with the year before. A total of 347 million magazines were delivered in 2007, which was 1 per cent more from the year before.

The morning delivery statistics compiled by the Finnish Newspaper Association, discussed in Section 7.1 below, also include some enterprises not belonging to the actual inquiry. These are primarily delivery organisations functioning directly as parts of newspaper and general publishing houses and not as separate companies or establishments. All deliveries made by these organisations belong to the sector Newspaper publishing (TOL 2212) or Newspaper printing (TOL 2221), which means that no comparative turnover data for these organisations can be extracted from the Business Register material. The volume of newspapers and magazines delivered by these organisations was around 62 million in 2006 - 2007. The figures are not visible in Table 7, because no turnover data are available for these.

Table 7. Volume of and turnover from newspaper and magazine deliveries in 2006 and 2007

Deliveries	2006		2007		change	
	revenues	number	revenues	number	revenues	number
	EUR 1000	1000 pcs	EUR 1000	1000 pcs	%	%
Newspapers	168 758	671 126	172 755	668 852	2	0
morning delivery	137 932	506 849	139 351	502 520	1	-1
daytime delivery	30 826	164 277	33 404	166 332	8	1
Magazines	88 947	343 595	95 231	346 983	7	1
Total	257 705	1 014 721	267 986	1 015 835	4	0

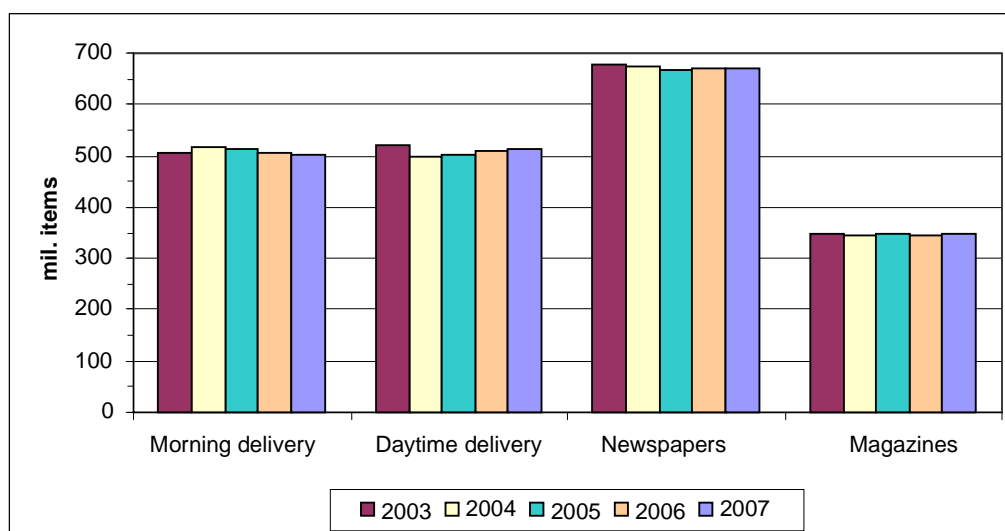


Figure 6. Volume of newspaper and magazine deliveries in 2003 - 2007

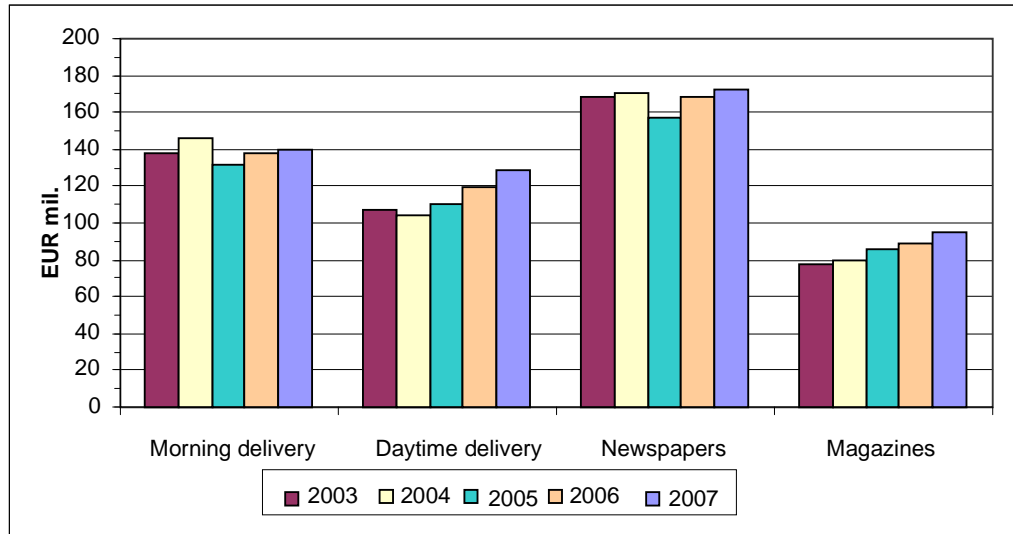


Figure 7. Turnover from newspaper and magazine deliveries in 2003 - 2007

5.4 Unaddressed mail

Table 8. Unaddressed mail in 2006 - 2007

Unaddressed mail	2006		2007		change	
	revenues	number	revenues	number	revenues	number
	EUR 1000	1000 pcs	EUR 1000	1000 pcs	%	%
Total	81 422	1 662 139	83 543	1 745 587	3	5

In 2007, the total volume of unaddressed mail was 1,746 million and the turnover from these amounted to EUR 84 million. Unaddressed mail increased from the year before; by 5 per cent in volume and by 3 per cent in turnover. In addition to direct mail advertising, unaddressed mail also comprises free advertising newspapers.

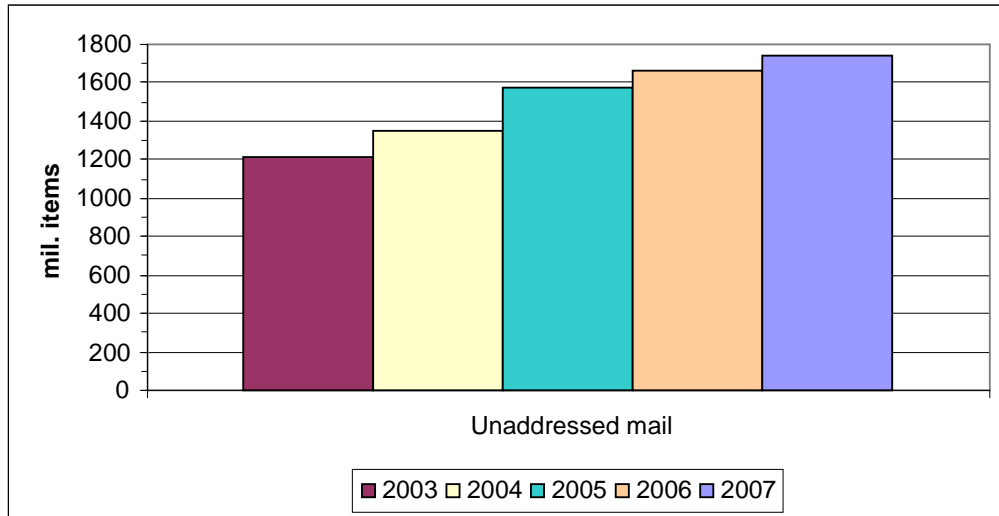


Figure 8. Volume of unaddressed mail in 2003 - 2007

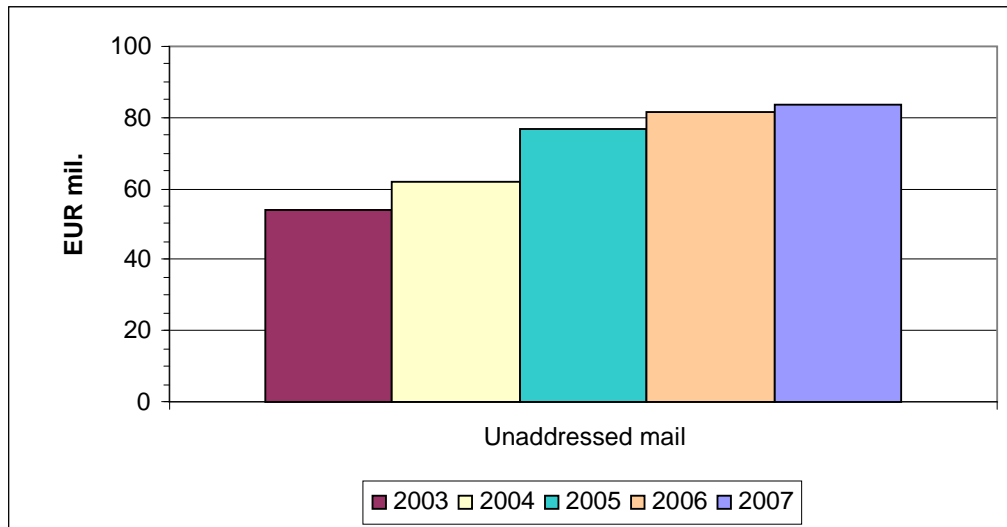


Figure 9. Turnover from unaddressed mail in 2003 - 2007

5.5 International delivery of small freight

International postal deliveries amounted to a total of 94 million items in 2007. Their number was 4 per cent down from 2006. The turnover derived from international mail amounted to EUR 274 million, which was 2 per cent more than in the year before. The volumes of parcels increased from the previous year, but the volume of letters and the group 'other items' declined.

The volume of incoming mail grew by 1 per cent and that of outgoing mail decreased by 10 per cent from the previous year. Measured by items, the figures for incoming items were higher than for outgoing ones, but the turnover generated from outgoing mail was clearly larger than that from incoming mail. This is attributable to the fact that the turnover of outgoing mail also includes the postage payments that have to be credited to the postal services of other countries. The volumes of this traffic in 2006 and 2007 and the revenues obtained from it are indicated by origin or destination in Table 9. The table includes the figures of all international deliveries, also those belonging to the universal service from branch 6411.

Of the incoming items, 77 per cent originated from the EU countries, which in turn received 60 per cent of the outgoing items. In all, 69 per cent of this traffic in 2007 took place with the EU countries.

In 2007, international incoming or outgoing deliveries of letters totalled 69 million, parcels 9 million and other items 16 million. The turnover from international deliveries of letters produced EUR 73 million, parcels EUR 150 million and other items EUR 51 million.

Table 9. International mail in 2006 - 2007

International mail	2006		2007		change	
	revenues	number	revenues	number	revenues	number
	EUR 1000	1000 pcs	EUR 1000	1000 pcs	%	%
Incoming mail	92 967	53 158	97 438	53 773	5	1
From EU countries	66 341	40 242	67 333	41 214	1	2
Letters	22 773	33 469	22 035	34 890	-3	4
Parcels	33 266	4 826	34 316	4 975	3	3
Other items	10 302	1 947	10 982	1 349		
From non-EU countries	26 626	12 917	30 105	12 559	13	-3
Letters	8 626	12 354	8 281	11 548	-4	-7
Parcels	16 594	307	20 169	362	22	18
Other items	1 406	256	1 655	649		
Outgoing mail	175 933	44 584	176 142	39 992	0	-10
To EU countries	99 137	27 087	100 573	23 893	1	-12
Letters	18 318	11 211	17 856	9 769	-3	-13
Parcels	52 752	2 462	53 293	2 711	1	10
Other items	28 067	13 414	29 424	11 413		
To non-EU countries	76 796	17 497	75 569	16 099	-2	-8
Letters	25 574	12 857	24 730	12 831	-3	0
Parcels	43 720	485	41 843	492	-4	2
Other items	7 502	4 155	8 996	2 775		
International mail, total	268 900	97 742	273 580	93 765	2	-4

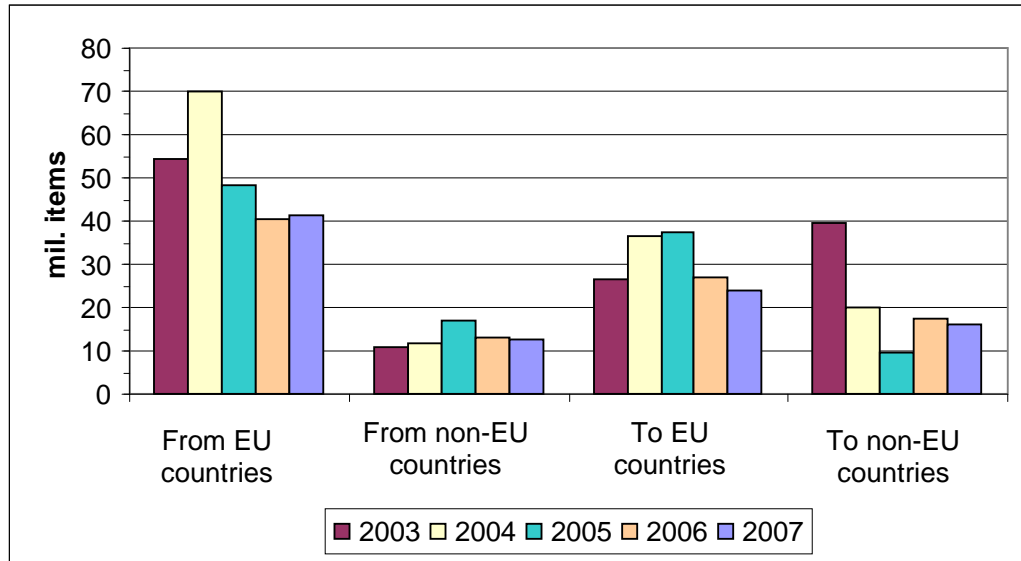


Figure 10. International mail by area of origin and destination in 2003 - 2007

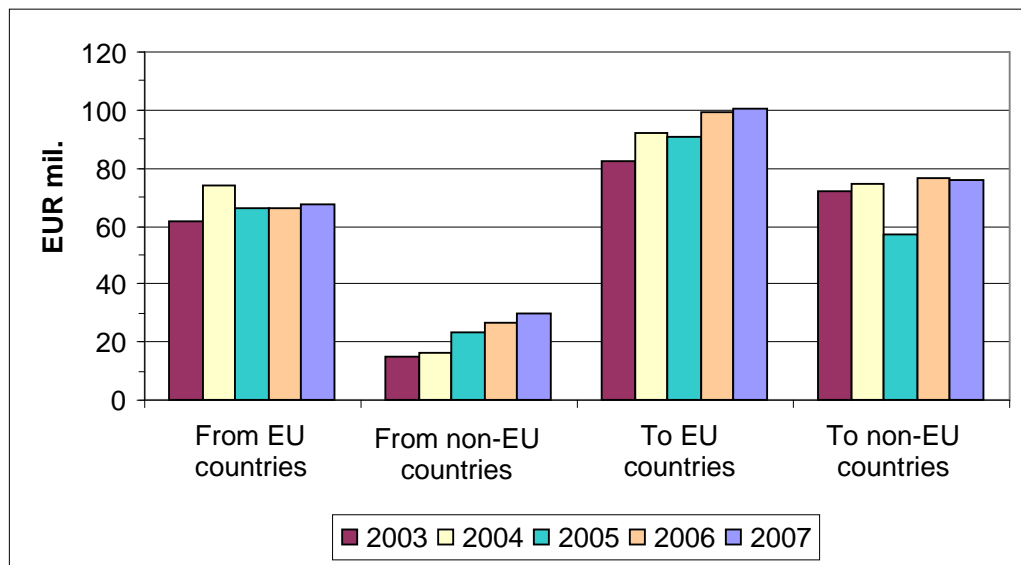


Figure 11. The turnover of international mail by area of origin and destination in 2003 - 2007

6 POSTAL AND COURIER SERVICES AS A WHOLE

The total volume of inland and international mail handled by the postal services and other operators in 2007 amounted to 3,970 million items and the turnover from this was EUR 1,343 million. Compared with the previous year the volume and turnover both increased by 2 per cent.

Inland mail totalled 3,876 million items and international mail 94 million, with turnover figures of EUR 1,069 million and EUR 274 million, respectively. Table 10 shows the volumes and revenues of inland mail handled by the universal service and other operators in 2007. International mail is presented in Tables 13 and 14.

Table 10. Volumes of inland mail conveyed by the universal service and other operators in 2007, by type of mail

Type of mail	Universal service		Other postal and small freight delivery		Total	
	revenues	number	revenues	number	revenues	number
	EUR 1000	1000 pcs	EUR 1000	1000 pcs	EUR 1000	1000 pcs
Letters	457 672	1 075 804	3 839	2 664	461 511	1 078 468
Parcels	116 356	21 397	140 038	14 747	256 394	36 144
Unaddressed mail	0	0	83 543	1 745 587	83 543	1 745 587
Newspapers and magazines	0	0	267 986	1 015 835	267 986	1 015 835
Total	574 028	1 097 201	495 406	2 778 833	1 069 434	3 876 034

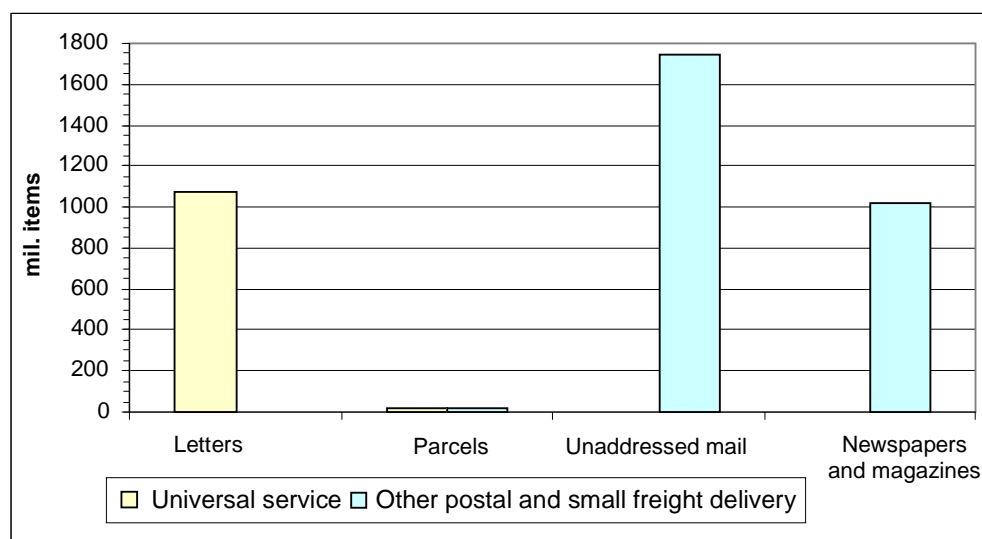


Figure 12. Volumes of inland mail conveyed by the universal service and other operators in 2007, by type of mail

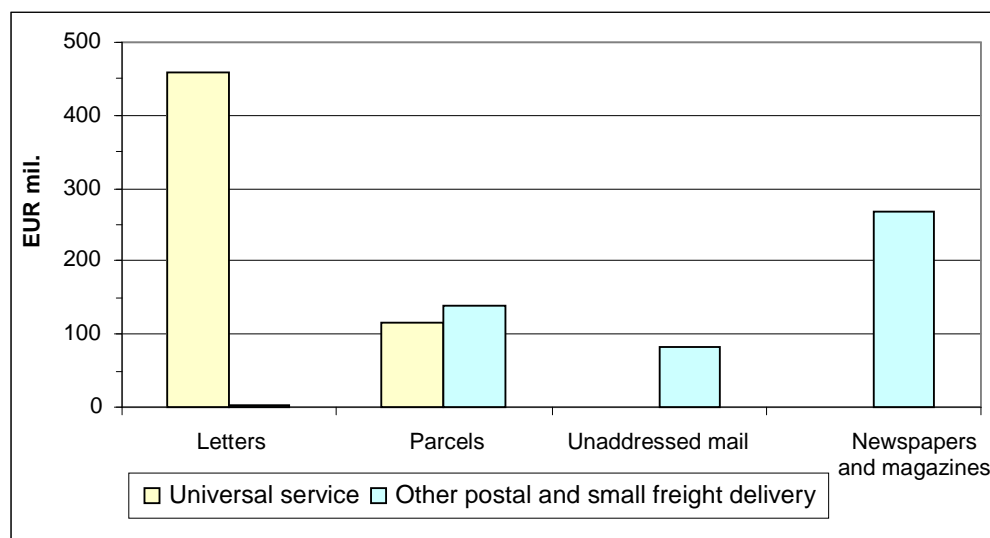


Figure 13. Turnover from inland mail conveyed by the universal service and other operators in 2007, by type of mail

6.1 Letters

The total volume of inland deliveries of letters was 1,078 million in 2007 and the turnover made was EUR 462 million. The volume of letters went down by 1 per cent and their turnover by 3 per cent compared with the previous year. In all, 2.7 million letters were transported by other operators, which is an extremely small figure compared with the 1,076 million letters delivered within the universal service. It should be noted when comparing these figures that the type denoted as a letter is not specified in any more detail e.g. as to the speed or mode of delivery. Furthermore, the boundary between a letter and a parcel is very indeterminate outside the actual postal services.

6.2 Parcels

The total volume of inland parcels delivered was 36 million and the turnover totalled EUR 256 million. The number of parcels increased by 7 per cent and the turnover from parcel deliveries grew by 11 per cent from 2006. Of the inland parcels conveyed, 21 million or 59 per cent belonged to universal service deliveries. Parcels delivered in the universal generated 45 per cent of the turnover. A total of 15 million parcels were delivered outside the universal service and the turnover from these amounted to EUR 140 million. Figures 14 and 15 show the volumes of and turnovers from parcels handled by the universal service and other operators.

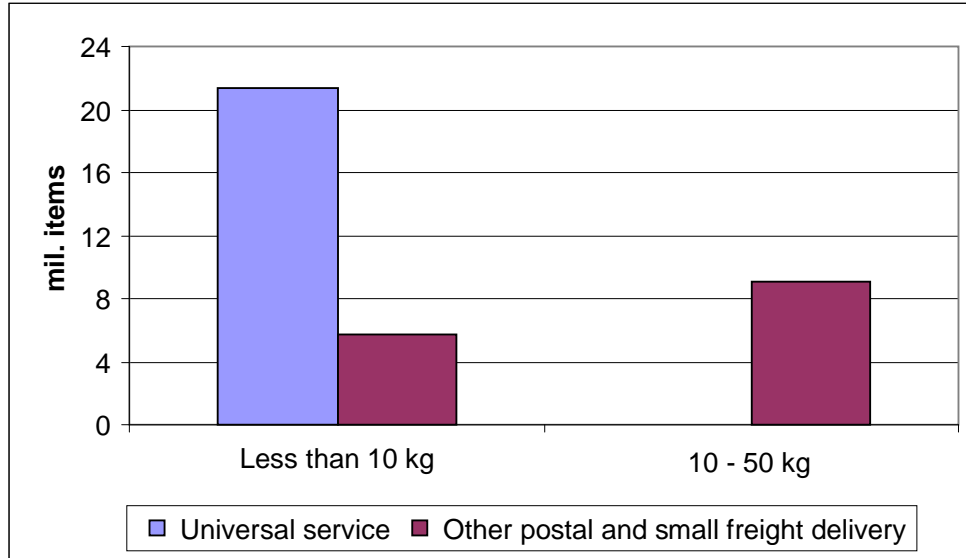


Figure 14. Parcels handled by the universal service and other operators in 2007, by weight category

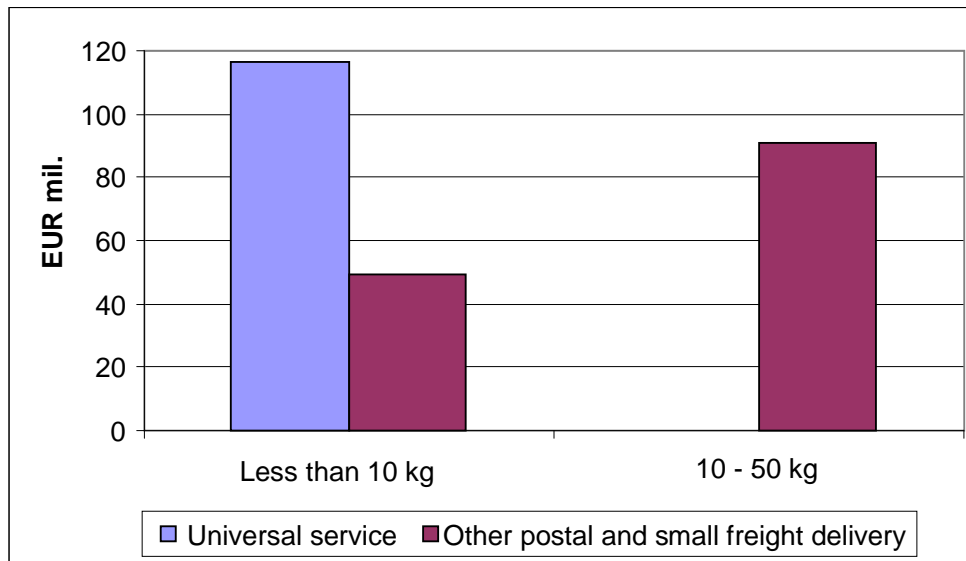


Figure 15. Turnover from parcels handled by the universal service and other operators in 2007, by weight category

It should be remembered when examining the statistics for parcels that these are not specified here in any more detail e.g. as to speed or mode of delivery. Table 11 presents parcels conveyed in Finland in 2006 and 2007 by weight category.

Table 11. Inland deliveries of parcels as a whole in 2006 - 2007

Parcels	2006		2007		change	
	revenues	number	revenues	number	revenues	number
	EUR 1000	1000 pcs	EUR 1000	1000 pcs	%	%
Less than 10 kg	150 633	25 031	165 433	27 114	10	8
10 - 50 kg	81 019	8 599	90 961	9 030	12	5
Total	231 652	33 629	256 394	36 144	11	7

6.3 Newspapers and magazines

A total of 1,016 million newspapers and magazines were delivered in 2007, which was a million more than in 2006. The turnover from this was 4 per cent higher than in the previous year, i.e. EUR 268 million. Examined by branch, 899 million newspapers and magazines were conveyed in branch 6411, National post activities, and 116 million in branch 6412, Other delivery and courier services. Among the newspapers delivered by the postal services (6411), 390 million were morning newspapers. The remaining 506 million newspapers and magazines formed part of the regular daytime postal deliveries of Itella Corporation.

Figure 16 shows the volumes of morning deliveries of newspapers in postal services 6411 and in branch 6412, Other delivery and courier services, and the volumes delivered by organisations directly connected with the publishing houses from 2003 to 2007. Since the year 2005 the changes in industry shares are partly due to company restructurings in the branches.

Around 62 million newspapers and magazines delivered in 2007 outside the postal services by organisations connected directly with the publishing houses were not included in Table 10, due to the absence of turnover data. The volume of newspapers and magazines distributed in the morning delivery by the distribution organisation of these publishing houses is included in Table 12 and Figure 16. Table 12 presents newspapers by mode of delivery and Figure 16 morning deliveries of newspapers by branch

Table 12. Delivery channels of newspapers in 2003 - 2007

Mode of delivery	2003	2004	2005	2006	2007
	mil. items	mil. items	mil. items	mil. items	mil. items
Home delivery	739	736	741	733	731
Morning delivery by regular postal service	222	238	397	397	390
Other morning delivery	346	343	190	175	178
Daytime delivery by regular postal service	172	155	153	161	163
Newspapers sold as single copies*	94	99	98	95	91
Total	833	835	839	828	822

* Source: Rautakirja Group

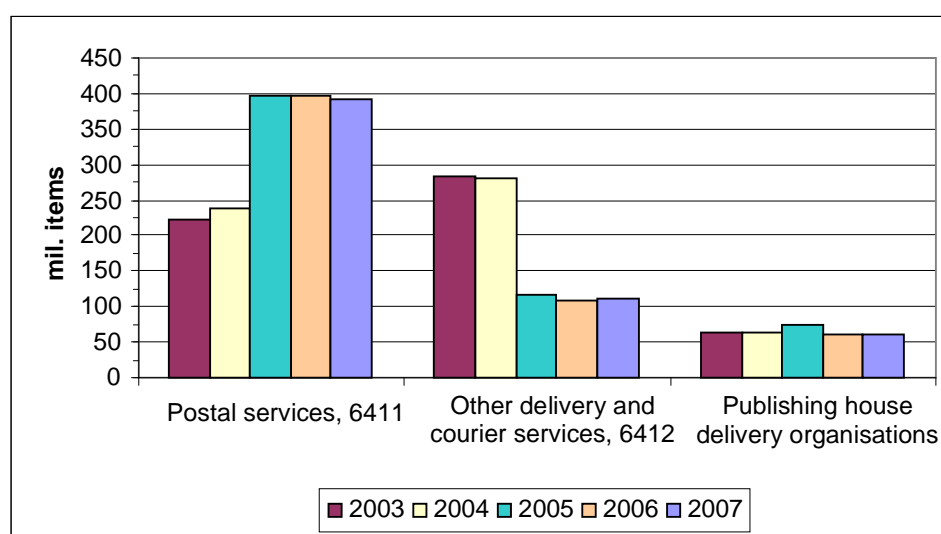


Figure 16. Volumes of morning deliveries of newspapers in 2003 - 2007

According to the basic data used for producing the newspaper circulation statistics (Section 7.1.2), a total of 733 million copies of newspapers are delivered per year, a result which correlates quite well with the number of newspaper deliveries recorded in the present survey, 731 million. Of these, 553 million were delivered by the actual postal services, 116 million by companies classified into TOL category 6412, and around 62 million by publishing house delivery organisations.

6.4 Unaddressed mail

Unaddressed mail in 2007 amounted to a total of 1,746 million items. The turnover from this was EUR 84 million. The volume of unaddressed main increased by 5 per cent and turnover from it grew by 3 per cent from the previous year. The volume of and the turnover from unaddressed mail are presented in Table 10.

6.5 International mail

The total volume of international mail handled by the companies considered here amounted to 94 million items in 2007. The turnover from this was EUR 274 million. The volume of international mail decreased by 4 per cent, but the turnover from them increased by 2 per cent. Table 13 shows international mail belonging to the licensed universal service and other operators as a whole.

The majority of international mail was letters, 69 million in 2007. The volume of letters decreased by one per cent from the previous year and the turnover declined by three per cent. The next highest figures, at 16 million, were recorded for the group 'other items', whose volume, however, decreased by 18 per cent from the year before. The total number of parcels stood at 9 million, which was 6 per cent up from the previous year. The turnover from parcel deliveries grew by 2 per cent.

The turnover derived from parcels was the highest of all, EUR 150 million. The turnover from letters delivered was EUR 73 million and that from other items EUR 51 million. Table 13 and Figures 17 and 18 present the volume of and turnover from international mail by type of mail.

Table 13. International mail by type of mail in 2006 - 2007

Type of mail	2006		2007		change	
	revenues	number	revenues	number	revenues	number
	EUR 1000	1000 pcs	EUR 1000	1000 pcs	%	%
Letters	75 291	69 891	72 902	69 039	-3	-1
Parcels	146 332	8 080	149 621	8 540	2	6
Other items	47 277	19 771	51 057	16 186	8	-18
Total	268 900	97 742	273 580	93 765	2	-4

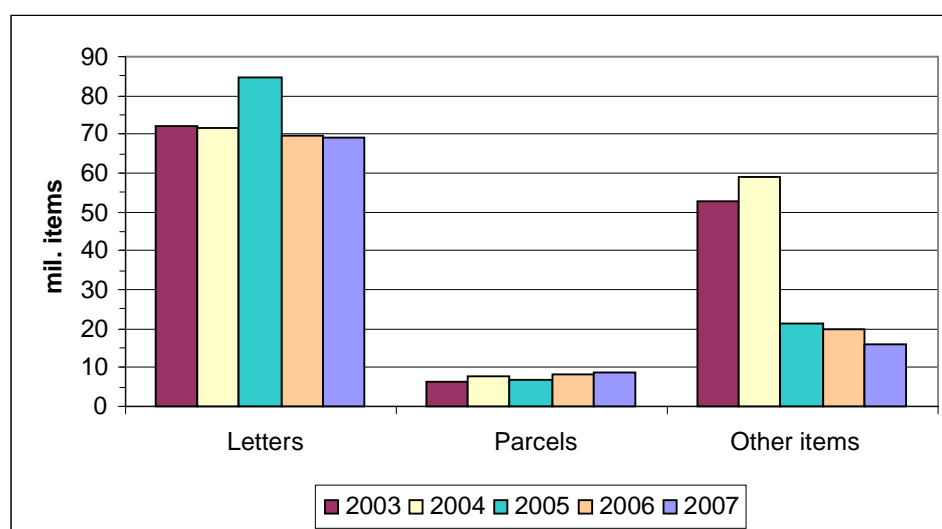


Figure 17. Volumes of international deliveries in 2003 - 2007

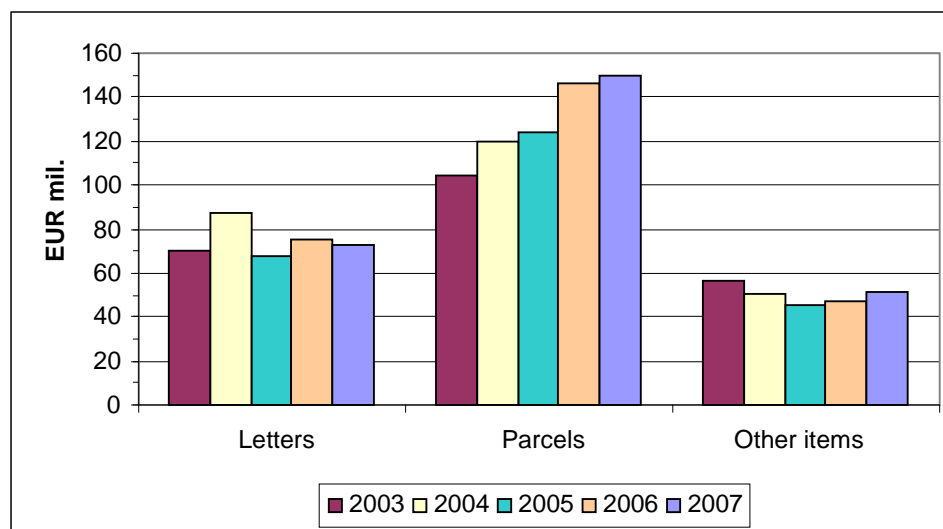


Figure 18. Turnover from international deliveries in 2003 - 2007

Examined by branch, the majority of international mail was handled in branch 6411, National post activities. In 2007, only 6 per cent of international mail was delivered outside branch 6411, that is, in branch 6412 and by companies specified for the inquiry. The turnover from operators outside postal services 6411 was 62 per cent, however. Table 14 shows international deliveries in 2007 by postal services 6411 and by other operators. The table also presents the proportion of other operators in the total deliveries of different types of mail and the turnover made from it.

The volume of international mail outside postal services 6411 decreased by 5 per cent, and the turnover from them decreased by 4 per cent from the year before. For enterprises outside postal services 6411 the volume of international mail grew by 16 per cent and the turnover by 6 per cent. Figures 19 and 20 present international deliveries of parcels by the postal services 6411 and by other operators from 2003 to 2007. Outside the postal services, the numbers and turnover of parcel deliveries have grown since 2003. As similar growth trend has not been visible in international deliveries of parcels outside postal services 6411.

Table 14. International mail in 2007 and shares by branch

Type of mail	Postal services, 6411		Other operators		Proportion of other operators	
	revenues	number	revenues	number	revenues	number
	EUR 1000	1000 pcs	EUR 1000	1000 pcs	%	%
Letters	61 139	68 535	11 763	504	16	1
Parcels	28 782	3 916	120 839	4 624	81	54
Other items	12 807	15 981	38 250	205	75	1
Total	102 728	88 432	170 852	5 333	62	6

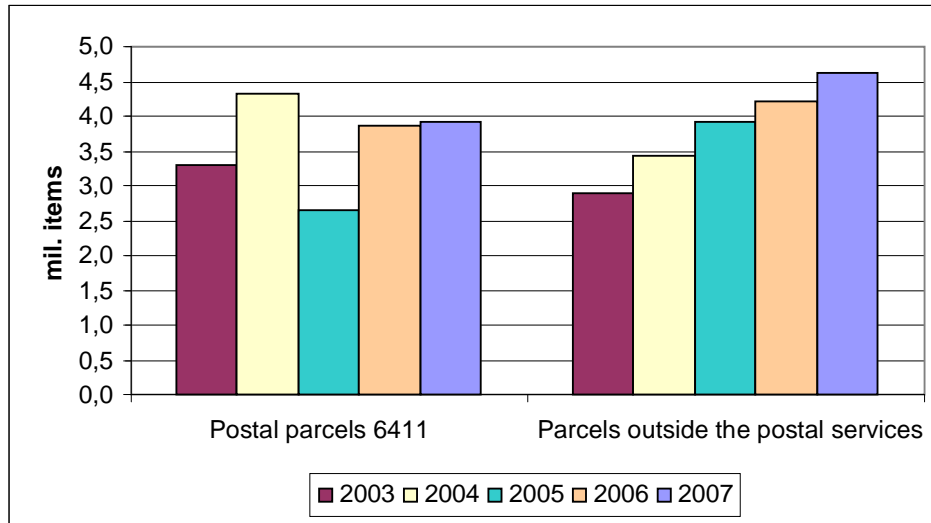


Figure 19. The volume of international parcels in postal services 6411 and outside the postal services in 2003 - 2007
2003 - 2007

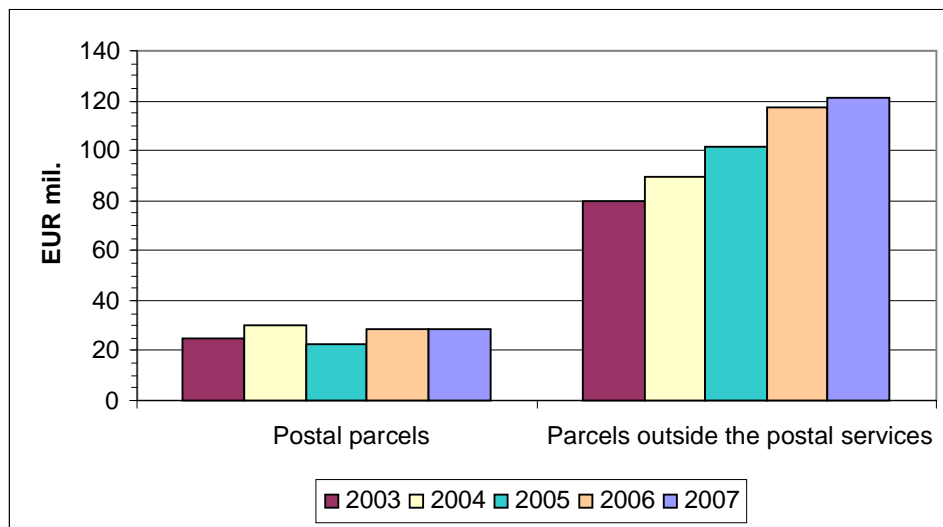


Figure 20. Turnover from international parcels in postal services 6411 and outside the postal services in 2003 - 2007

7 OTHER SOURCES OF INFORMATION

7.1 Statistics of the Finnish Newspaper Association

7.1.1 Delivery statistics

Information on the numbers of newspapers delivered is available from the statistics on morning deliveries and transportation and delivery costs maintained by the Finnish Newspaper Association, except that the statistics do not contain newspapers produced by publishers not affiliated to the association which are delivered separately or jointly through channels other than the postal services. Other channels available include delivery companies, sports clubs, associations and corresponding organisations. Data are also lacking for the numbers of newspapers delivered by companies who did not reply to the questionnaires sent to them by the Finnish Newspaper Association, a figure that tends to vary from one year to another.

A total of 1,565 million copies of newspapers were delivered daily in Finland in 2007, which was one per cent less than in the year before. The volume of morning deliveries reached its peak in 1993, at 1,676 million a day. Developments in the numbers of morning papers over the past ten years are shown in Figure 21, which is based on the figures reported by the delivery organisations for one particular day. From 1998 onwards the data have been collected on 1 February, while prior to 1998 the collection date was 1 March. Annual data can be obtained by multiplying these figures by the number of delivery days in each year, which typically varies between 351 and 358.

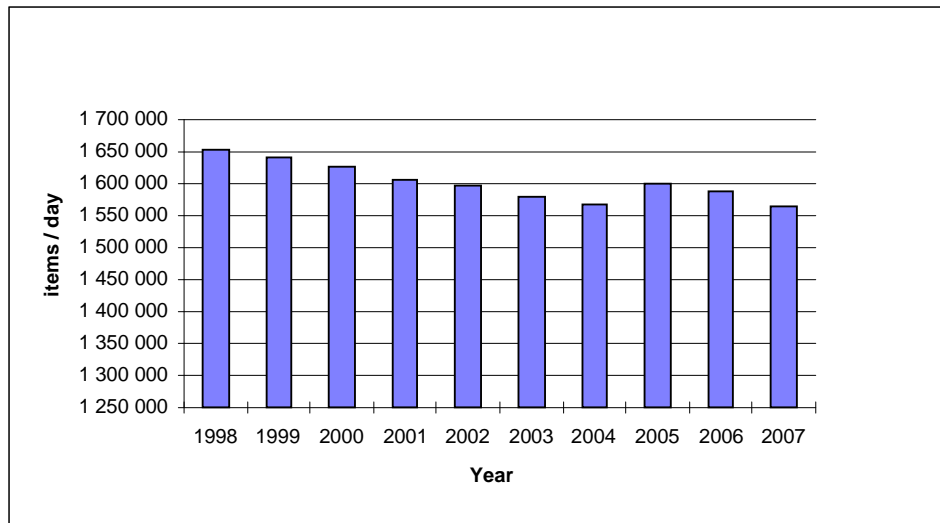


Figure 21. Daily morning deliveries of newspapers in 1998 - 2007

7.1.2 Circulation statistics

According to the official circulation statistics for Finnish newspapers compiled by the Finnish Audit Bureau of Circulations, the combined circulation of all newspapers was 3,116,579 in 2007, which was 1 per cent lower than the year before. Newspapers published 4 to 7 times a week made up 71 per cent of this total and those published 1 to 3 times a week made up 29 per cent.

The circulation statistics also show that the total number of newspapers delivered or sold as single copies was 824 million in 2007, while in 2006 the corresponding figure was 831 million. In 2007 the number of domestic papers sold over the counter as single copies was 91.1 million, which was 4 per cent less than in 2006. The number of single copies of international newspapers sold was 0.5 million. Based on the figures quoted above, it can be estimated that some 733 million papers were delivered to subscribers in 2007.

7.2 Statistics of the Finnish Direct Marketing Association (Finnish DMA)

The statistics compiled by the Finnish DMA contain information on the numbers of addressed and unaddressed mailed advertisements sent out and their costs. The statistics are published annually at the end of the year. The reference year of the most recent statistics available in August 2008 is 2006.

The statistics include data on addressed direct advertising since 1990 and on unaddressed direct advertising from 1995 onwards. Cost data were not included in the processing of this information, as the present statistics do not otherwise concern themselves with costs but only with the information provided by delivery, production and marketing companies. The delivery figures reported by companies engaged in marketing and supplying the distribution of advertising material cannot be included in the postal and small freight delivery statistics, unless the companies concerned are able to specify the volumes of the material communicated to the companies actually responsible for the deliveries. Thus these figures were not included in the current statistics, on account of the obvious danger of duplication.

In 2006, direct mail advertising amounted to 2,168 million items, of which unaddressed direct advertising made up 1,680 million and addressed mail 488 million. In 2006, the volume of direct advertising went up by 5 per cent in comparison to the previous year, which was due to the 8 per cent growth in unaddressed direct advertising. By contrast, addressed direct advertising grew in 2006 by 4 per cent from the previous year. Trends in the volumes of direct advertising in Finland in 2002 - 2006 are presented in the figure below.

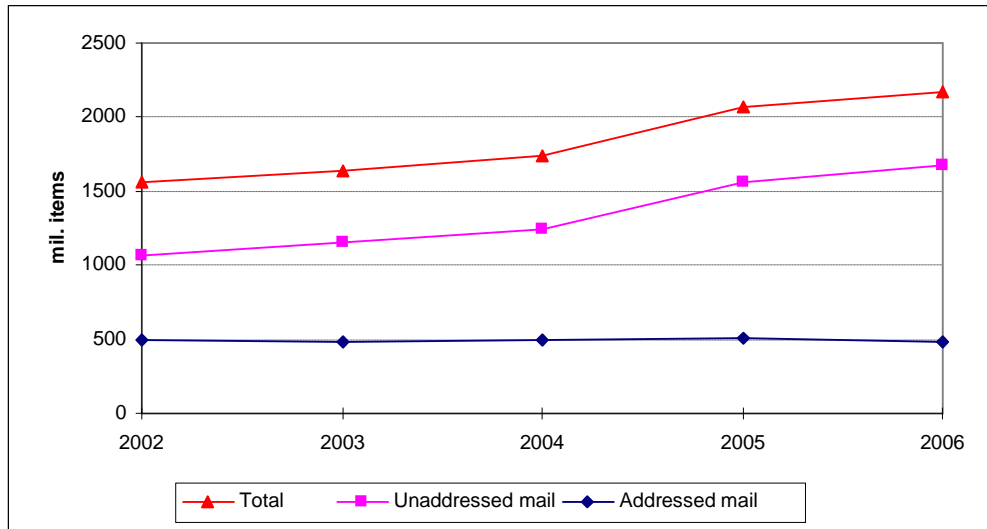


Figure 22. Volume of direct advertising in 2002 - 2006

Appendix 1: Questionnaire form



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Statistics Act 280/2004

Inquiries: Klaus Bossart, (09) 1734 2602, klaus.bossart@tilastokeskus.fi
Lauri Manninen, (09) 1734 3260, lauri.manninen@tilastokeskus.fi

Inquiry to postal and small freight delivery companies in 2007

NB If you find it difficult to report exact information, please submit an estimate.

Name of company		Business code or personal ID	
Address			
Postal code		Post office	
Financial year	____/____20____ - ____/____20____	The inquiry concerns the financial year terminating between 1 April 2007 - 31 March 2008.	
Is your company part of an international group?		<input type="checkbox"/> Yes	<input type="checkbox"/> No

DISTRIBUTION OF DELIVERY VOLUMES AND TURNOVERS

1 Inland mail

1.1 Letters, parcels and unaddressed mail	Turnover EUR 1000	Volume 1000
Letters, less than 2 kg, addressed mail		
Parcels, less than 10 kg		
Parcels, 10 - 50 kg		
Other unaddressed mail		
Total		

1.2 Addressed newspapers and magazine deliveries	Morning delivery		Daytime delivery	
	Turnover EUR 1000	Volume 1000	Turnover EUR 1000	Volume 1000
Newspapers and local papers				
Magazines				
Total				

2 International postal and small freight delivery services

2.1 Outgoing mail	Turnover EUR 1000	Volume 1000
Letters to EU countries		
Letters to non-EU countries		
Parcels to EU countries		
Parcels to non-EU countries		
Other items to EU countries		
Other items to non-EU countries		
Total		

2.2 Incoming mail	Turnover EUR 1000	Volume 1000
Letters from EU countries		
Letters from non-EU countries		
Parcels from EU countries		
Parcels from non-EU countries		
Other items from EU countries		
Other items from non-EU countries		
Total		

Date and place	
Signature	
For further information, please contact	
E-mail	
Telephone	