

Turnover and Output: Measurement for Postal Sector in Italy

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Summary

1. Definition of service being collected
2. Market condition and constraints
3. Available data sources
4. Turnover/Output data method and criteria for choosing various output methods

Definition of service being collected

1. Postal and courier enterprises are classified according to the European statistical classification (NACE Rev. 2) in the division **53 - Postal and courier activities** included into the section **H - Transportation and Storage**.
2. In particular, the division 53 is divided in two 3-digit groups whose main distinction is the connection or not with the universal service obligation:
 - group 53.1 includes the activities of postal services operating under an universal service obligation by one or more designated universal service providers.
 - group 53.2 considers pickup, sorting, transport and delivery (domestic or international) of letter-post and (mail-type) parcels and packages by firms operating outside the scope of an universal service obligation.

Measure of the sector: STS

1. Following the Short-Term Statistics Regulation (Council Regulation No. 1165/98 and No. 1158/2005 of the European Parliament) turnover transmitted quarterly to Eurostat as an index (currently in base year 2010=100)
2. In Italy the services turnover survey collects turnover in euro excluding the VAT and other taxes and subsidies. Short-term statistics of postal and courier activities have been produced since the first quarter 2000 and now released with a timeliness of 60 days after the end of the reporting quarter, raw and in seasonal adjusted form.
3. As a few number of large companies determine the dynamics of the market, the selection is made by cut-off criterium, which includes larger companies to cover a sufficiently high proportion of the sector turnover.

Measure of the sector: SBS

1. Turnover is collected also by Structural business statistics (produced annually). As for STS information are collected at enterprise level.
2. Structural business statistics turnover and of postal and courier activities is measured in Euro. These statistics have been produced since 1998.
3. Structural business statistics survey collects data on a broader range of variables in a greater level of detail 18 month after the end of the reporting year.

Postal service sector

1. The European postal sector has been evolving rapidly and national postal services are facing new challenges.
2. This process has been different for European countries.
3. For example in Italy the process is still ongoing and only for some products.

Products of the postal service sector

The European postal market traditionally encompasses three segments:

1. **Communications** (Transport and delivery of letters, direct mail and print media);
2. **Logistics** (Parcel delivery, express mail and logistics/ freight services);
3. **Retail** (Branch network business with postal and banking services, retail products).

Some changes in the sector

1. ICT and new communication means change in the communication behaviour and, over the last years, the mail volumes have dropped significantly.
2. In some countries these drops mark two-digit percentage figures forcing the postal companies to cut costs becoming more efficient and to look for revenues in different economic sector.
3. For example in Italy according to the most recent balance sheet for the main company 50% of the revenues comes from financial and insurance activity.

The Postal Sector in the EU-27

The main priorities for EU policies on postal services include the completion of the internal market and ensuring efficient, reliable and good quality services at affordable prices for individuals and enterprises.

Some of the key elements of EU policy in this area include:

1. gradual opening of the market to competition and reduction of the reserved area;
2. guaranteed access to the universal postal service;
3. cost transparency;
4. setting of common quality standards;
5. harmonisation of technical standards;
6. creation of the conditions for rapid technological progress.

The liberalisation process

The EU law on postal services consists of three postal directives: Directive 97/67/EC of 1997, as amended by Directive 2002/39 and Directive 2008/6/EC which imposed obligations on EU member states to reduce the universal service provider and reduced the reservable area to items of domestic and incoming cross-border correspondence.

At the moment

- 80% of Member States are open to competition
- 60%, including Italy, completely open market

Number of enterprises in some EU countries: postal and courier services

GEO/TIME	2005	2006	2007	2008	2009	2010
Bulgaria	:	170	180	271	420	468
Czech Republic	291	330	426	472	487	458
Estonia	22	29	44	51	50	67
Finland	267	299	307	324	322	337
France	1,950	2,011	1,884	:	:	1,530
Germany	7,651	8,221	8,995	8,784	8,854	8,562
Italy	2,040	2,025	2,113	2,147	2,061	2,067
Netherlands	2,350	2,705	2,710	3,106	3,532	4,459
Romania	252	308	404	533	610	599
Spain	6,056	5,893	5,427	4,490	5,875	6,045
Sweden	351	390	412	419	422	437
United Kingdom	11,000	11,385	11,609	12,297	11,752	11,707

Source: Eurostat (online data post ps empn, nama aux pem and ifsa egam)

Demographic indicator: Italy

Indicators	2005	2006	2007	2008	2009	2010
Number of enterprises	2,040	2,025	2,113	2,147	2,061	2,067
Number of employees	163,897	165,175	166,385	167,752	167,998	163,341
Average size	80.3	81.6	78.7	78.1	81.5	79.0
Enterprises Birth Rate	11.8	12.3	13.3	14.7	14.3	19.9
Enterprises Death Rate	13.9	14.7	14.3	15.9	14.4	16.5
Gross rate of enterp. Turnover	25.7	27.0	27.6	30.6	28.7	36.4
Net rate of enterp. Turnover	-2.1	-2.4	-1.0	-1.2	-0.1	3.4

Source: Istat(service sector competitiveness)

Sources available: micro indicator

Four main indicators for most European countries:

- number of people served by post offices;
- number of handled letter post-items;
- on-time delivery of priority letters;
- prices of posty standard letters.

For detail see Eurostat analysis on the following web-site:

http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Postal_service_statistics_universal_service_providers

Sources available: macro indicator

Domain	Indicators	Sources
SBS	Number of enterprises Turnover or gross premiums written Production value Value added at factor cost Gross operating surplus	Eurostat (sbs_na_1a_se_r2)
NA	Final consumption expenditure of households by consumption purpose	Eurostat (aggregates at current prices) nama_co3_c
STS	Turnover SPPI	Eurostat
Prices	HICP monthly data (index)	Eurostat [prc_hicp_midx]

Output data method: available sources

1. Turnover index calculated on quarterly basis in base 2010=100;
2. SPPI calculated on quarterly basis in base 2010=100;
3. HICP calculated on monthly basis in base 2005=100;

Output data method: criterium

For the section H53 (Postal and Courier activities) in the Compilation Manual for an Index of Service Production (ISP) published by OECD the turnover from survey of postal and courier enterprises deflated by weighted appropriate price index of SPPI and HICP is indicated as preferred method for measuring gross value added.

In alternative can be used either HICP or SPPI.

Output data method: method A and B

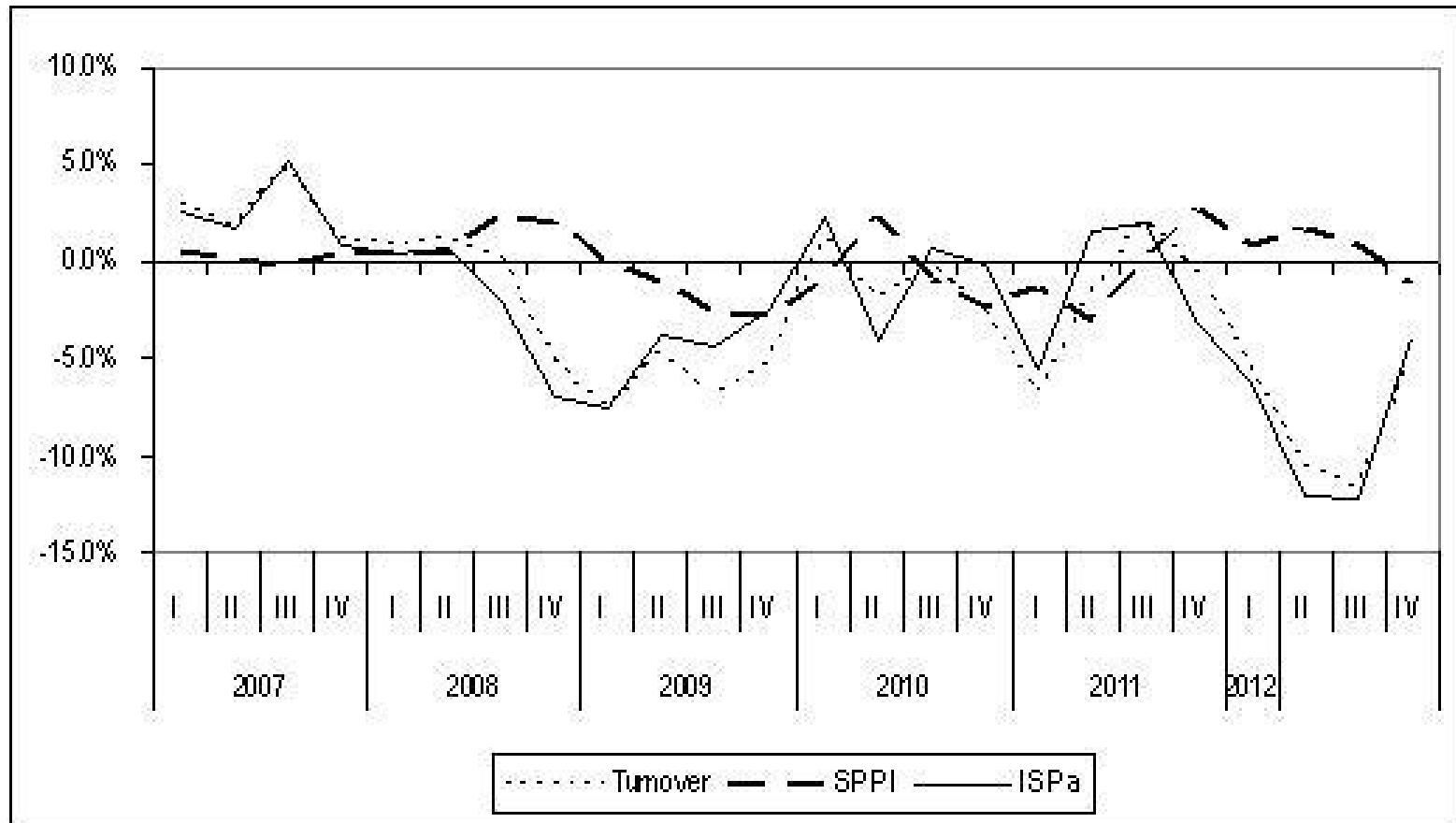
Turnover deflated by :

1. an ISP calculated deflating turnover by SPPI (A);
2. an ISP calculated deflating turnover by a combination of SPPI and HICP (B).

Index in different basis and methodology:

- All series transformed in basis 2010 = 100

Option A: changes of the same quarter of previous year



Output data : Option B

Combination of HICP and SPPI

- All indices expressed in base 2010 = 100
- Weighting system

Output data option B: the weights

For the combination:

- In particular using the supply and use tables at basic prices for year 2009 we checked the destination of the output of branch postal and courier activities (R53) between business use (intermediate consumption) and household consumption
- Year: 0,884 e 0,116 (similar for 2008)

Option A and B: changes of the same quarter of previous year

