6. Postal services

This chapter sets out the situation with regard to postal services at the end of 2009 and details the evolution that took place during the year.

6.1 Main aspects of the evolution in 2009

- In 2009 there were 72 entities authorized to provide postal services, of which 60 were active. The majority of authorized providers comprised small-sized franchised entities.

As at the end of last year, Grupo CTT continued to hold a high share of postal traffic. In the case of non-express mail services, Grupo CTT's share was reported at 99 %. In the case of express mail, new providers held a combined share of about 58 %.

- The number of network access points continues to decrease (-3.7 %) due to the policies pursued by Grupo CTT, with consequent declines in postal density (555 inhabitants per access point) and postal coverage (21 access points per 100 km^2).

  Employment in the postal sector dropped 0.3 %.

- In 2009, postal traffic declined 5 %, and fell 9.44 % over the last five years. However, parcels and express mail traffic increased 10.1 % and 19.4 %, respectively.

- The basic tariff increased by 2.8 %, in real terms, but remains 32 % below the EU27 average.

- The Universal Service provider fulfilled the established quality of service levels, except for correspondence not delivered within 15 working days and *correio azul* (priority mail) not delivered within 10 working days, which did not reach the target value.

6.2. The postal services offer

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

A first segmentation of the sector results from 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, in order to satisfy the communication's needs of the population and of economic and social activities" .

The scope of the Universal Service comprises 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 postage and a service of declared-value postage, in the national and international scope.

To ensure the economic and financial viability of Universal Service provision, there is a set of services – reserved postal services – that are exclusively provided by the Universal Service operator[122].

All 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 natural or legal persons duly authorized for the purpose.

An individual licensing system applies to the provision of postal services that are non-reserved but are 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 less demanding in terms of access to the activity and the obligations established.

122 Law no. 102/99 of 26 January

While developing their activity, the entities providing postal services are supported by a set of human and material resources which make up the postal network.

6.2.1. Postal services

The following table sets out the reserved postal services, provided exclusively by CTT, and non-reserved services, which may be provided by any authorised entity.

Reserved and non-reserved postal services | Table 171

Postal services	Designation	Provider
Reserved services	• Postal service of delivery of items of correspondence, including addressed advertising whether by express delivery or not, the price of which is lower than two and a half times the public tariff for sending first weight step correspondence of the fastest standardised category, provided that the weight thereof does not exceed 50 g, both at national and international level; • Postal service of delivery of registered items and insured items, including services concerning legal summons and notification by post, within the same price and weight limits referred to in the preceding point, both at national and international levels; • The issue and sale of postage stamps and other postage products; • The issue of postal orders; • Provision, in areas of public access, of boxes or other receptacle for the collection of postal items.	CTT (pursuant to concession contract)
Non-reserved services (national and international)	**Operation subject to licensing** • The postage of correspondence items including addressed publicity, whether or not carried out through express distribution, where the price of such postage exceeds 2.5 times the public tariff for the postage of standard format correspondence in the first weight bracket, and where the items being posted equals or exceeds 50 g in weight and is less than 2 kg, on a national and international basis; • Postage of books, catalogues newspapers and other publications up to 2 kg in weight; • Postage of packets up to 20 kg in weight; • Postage of items that are registered or that are of declared value, including the serving of summons of judicial notifications by post, where the postage of such items does not exceed the weight and price limits set out in the previous paragraph. **Operation subject to authorisation** • Express mail services (commonly known as courier services). Service characterised by the acceptance / collection, handling, transport and distribution with increased urgency of mailed correspondence and orders, distinguished from the respective basic services by following additional characteristics: pre-set delivery deadline; registration of sent mail; guarantee of responsibility of the authorised provider; control of mail route; • Operation of document exchange centres – places where users may carry out self-distribution through the mutual exchange of postal items with their own boxes. For this purpose, users must set up a group of members who subscribe to this service; • Other services which are encompassed within the definition of postal services and not covered by the definition of universal service, including those whose provision is enabled through technological development and which differ from traditional services.	CTT and other undertakings authorised for the provision of postal services (pursuant to licensing or authorisation

Source: ICP-ANACOM

It should be noted that on 1 January 2006 a new phase of postal sector liberalization came into force. Under the terms of paragraph 3 of article 4 of Decree-Law no. 150/2001 of 7 May, as amended by Decree-Law no. 116/2003 of 12 June, the weight and price limits applicable to the reserved area were changed to the following: 50 gr. and two and a half times the public tariff for sending a 1st class correspondence of the fastest standardized weight category, respectively.

In 2011, the final phase of postal sector liberalization is due to enter into force. Under this final phase, there will no longer be a reserved area and there will be full liberalization of postal services.

6.2.2. The postal network – physical resources, human resources, coverage and density

The following table sets out the evolution reported in terms of the physical resources of the postal network of the provider of the Universal Postal service and of the entities authorized for the provision of postal service operating in competition.[123]

Physical resources of postal network | Table 172

	2008	2009	Var. (%) 2008/2009	Annual average var. (%) 2005/2009	Accumulated var. (%) 2005/2009
No. of access points	**19,897**	**19,155**	**-3.7 %**	**-1.8 %**	**-7.1 %**
Grupo CTT	19,753	19,022	-3.7 %	-1.9 %	-7.4 %
Other providers	144	133	-7.6 %	13.2 %	64.2 %
No. of distribution centres	**507**	**497**	**-2.0 %**	**1.3 %**	**5.3 %**
Grupo CTT	383	376	-1.8 %	-1.0 %	-3.8 %
Other providers	124	121	-2.4 %	10.6 %	49.4 %
Vehicle fleets	**6,088**	**6,127**	**0.6 %**	**1.1 %**	**4.6 %**
Grupo CTT	4,321	4,140	-4.2 %	-1.9 %	-7.6 %
Other providers	1,767	1,987	12.5 %	9.6 %	44.3 %

Unit: number; %
Source: ICP-ANACOM

Note: Corrections have been made to figures reported for 2008 due to updates made to data sent by certain providers.

In 2009, the number of access points saw a further decline (-3.7 %). This decline was larger than the average of previous years (around -1.8 %).

There was also a reduction reported in the number of distribution centres, declining 2 %, counter to the trend seen since 2005. In fact, for the first time, there was a reduction reported in the number of access points and distribution centres of other providers, whose growth in recent years had tended to offset the reductions reported by Grupo CTT.

The size of the vehicle fleet grew by 0.6 %, continuing the upward trend of previous years.

Postal coverage, measured in terms of access point per 100 km^2, continued to decline, reported at under 21 access points per 100 km^2. Since 2005, a slight downtrend has been seen for this indicator.

123 The postal network that is established, managed and operated by the Universal Service provider is called the public postal network. Entities licensed and authorized to provide non-reserved postal services may also establish, manage and operate their own postal network, as well as having access to the public postal network, according to the conditions agreed with the universal postal service concession holder. Licensed and authorized entities may also sign contracts with third parties that are not postal service providers, to provide the transportation and distribution of postal items.

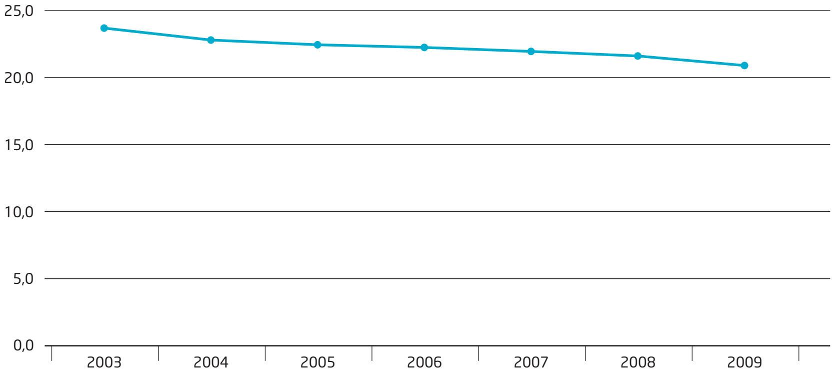
Postal coverage| Table 173

	2008	2009	Var. (p. p.) 2008/2009	Annual average var. (p.p.) 2005/2009	Accumulated var. (p.p.) 2005/2009
No. of access points per 100 km²	21.6	20.8	-0.8	-0.4	-1.6

Unit: access points per 100 km², p.p.
Source: ICP-ANACOM, INE (Statistics Portugal)

Note 1: Corrections have been made to figures reported for 2008 due to updates made to data sent by certain providers.

Postal coverage | Graph 171



Unit: no. of access points per 100 km²
Source: ICP-ANACOM

Meanwhile, postal density (measured in terms of the number of inhabitants per access point) is also reported in a downward trend, with the number of inhabitants served per access point rising since 2005.

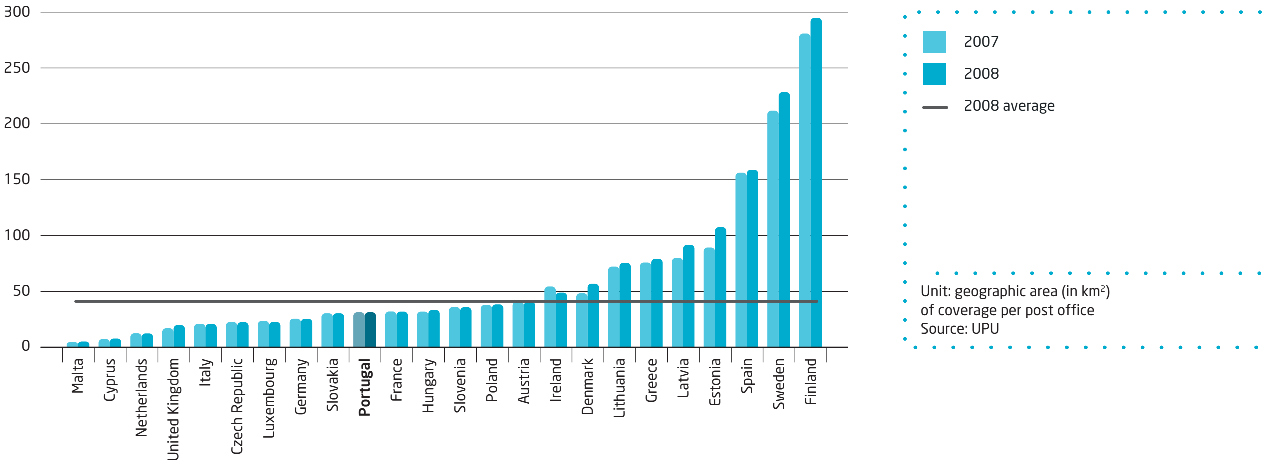
Postal density | Table 174

	2008	2009	Var. (p. p.) 2008/2009	Annual average var. (p.p.) 2005/2009	Accumulated var. (p.p.) 2005/2009
No. of inhabitants per access point	534	555	21	11	42

Unit: no. of inhabitants per access point, p.p.
Source: ICP-ANACOM, INE (Statistics Portugal)

In terms of the ratio between the area and number of postage access points, the figure reported in Portugal is below the European average (32 km² as opposed to 42 km²), reflecting greater geographic network coverage in Portugal.

Postal coverage | Graph 172

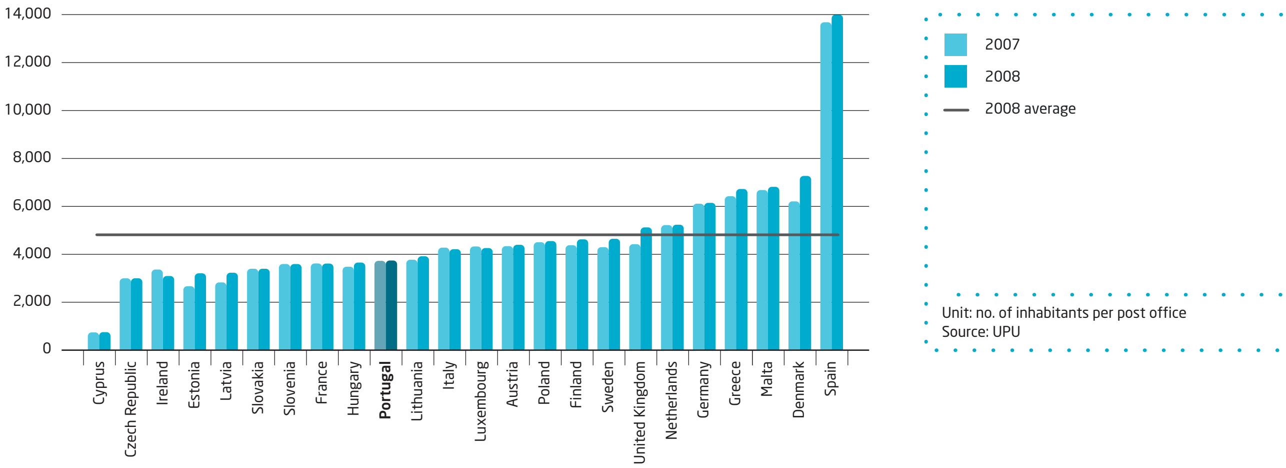


Note: Data unavailable for Belgium, Bulgaria and Romania

If only post office are considered, and according to available information[124], the average number of inhabitants per post office in 2008 (3.720) was below the EU average (4.807).

Between 2007 and 2008, this indicator grew by 2.8 % in the EU and fell 0.3 % in Portugal.

International comparison of postal density | Graph 173



Note: Data unavailable for Belgium, Bulgaria and Romania.

Employment in postal services has been seen in a slight downward trend. In 2009, the number of people employed by the postal sector fell 0.3 %. This fall was slightly less than the average decline reported over the last five years, and is due in most part to the fact that the companies of Grupo CTT made practically no reductions in staff numbers. In the companies operating in competition with CTT, staff numbers were reduced for the first time in five years.

124 Source: UPU, 2008.

Employment in postal services | Table 175

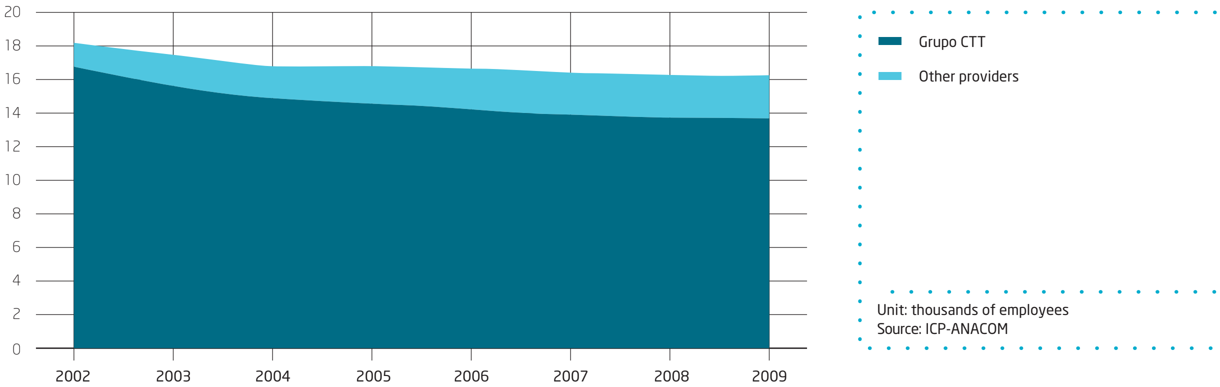
	2008	2009	Var. (%) 2008/2009	Annual average var. (%) 2005/2009	Var. (%) accumulated 2005/2009
No. of employees	**16,359**	**16,303**	**-0.3 %**	**-0.7 %**	**-2.7 %**
Grupo CTT	13,765	13,762	0.0 %	-1.6 %	-6.3 %
Other providers	2,594	2,541	-2.0 %	5.3 %	22.8 %

Unit: 1 employee, %
Source: ICP-ANACOM

Note: Corrections have been made to figures reported for 2008 due to updates made to data sent by certain providers.

Since 2005, employment in the postal sector has fallen by 2.7 %.

Evolution in postal sector employment | Graph 174



Unit: thousands of employees
Source: ICP-ANACOM

According to available information[84], the evolution reported in postal sector employment in Portugal has been in line with the European trend. In fact, between 2004 and 2006, the number of people employed by the providers of universal postal services in the EU27 decreased 6.3 %. In Portugal, during the same period, there was a drop of 4.9 %.

6.2.3 Postal service providers

In 2009, there were 72 entities authorized to provide postal services.

Of these entities, 61 were authorized to provide express mail services and 12 were authorized to provide services not included in the express mail category (CTT Expresso is authorized to provide both express mail and services not included in the express mail category).

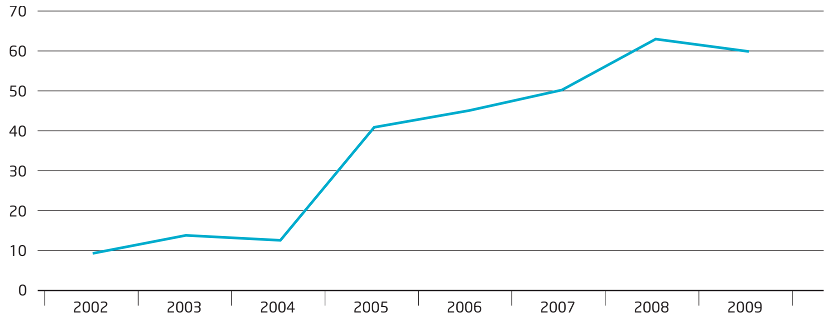
Over the year one new entity was licensed for the provision of services not included in the express mail category: Postcontacto, which, however, has not yet begun its activity. Of the companies authorized to provide services not included in the express mail category, CTT Expresso is not active in this segment and offers express mail services only.

Meanwhile, five new authorizations were granted over the course of 2009 to express mail service providers. Three of these entities are franchisees, two from Nacex and one from MRW. However only the non-franchisee companies started their activity in 2009: Atlanticourier and Rangel II. Therefore, 51 of the 61 entities authorized to provide express mail services are reported as active.

124 Source: UPU, 2008.

As such, at the end of 2009 there were 60 active postal service providers (nine licensed and 51 authorized), three less than a year before.

Evolution of active postal service providers | Graph 175



Source: ICP-ANACOM

The following tables list the postal service providers, their authorization title and its date of issuance. Some of the mentioned entities also operate in other markets, namely in the transportation of goods, and have activities that are complementary to the postal activity.

Postal service providers authorised in non-express mail category | Table 176

Company	Licence No.	Issue date	Services provided
CTT Correios de Portugal, S. A.(1)	The Universal Postal service concessionaire (CTT) is allowed to operate non-reserved postal services not within the scope of the Universal Service, with exemption from additional authorization title.		Sending of correspondence, including addressed mail (Direct Mail), books, catalogues, newspapers and other periodicals. Postal parcels.
CTT Expresso - Serviços Postais e Logística, S. A. (2)	ICP-01/2001-SP	01-10-2001	Sending of correspondence, including addressed mail (Direct Mail), books, catalogues, newspapers and other periodicals. Postal parcels.
SDIM - Sociedade de Distribuição de Imprensa da Madeira, Lda.	ICP-ANACOM-01/2002-SP	24-02-2002	Distribution of books, catalogues, newspapers and other periodicals.
NOTÍCIAS DIRECT - Distribuição ao Domicílio, Lda.	ICP-ANACOM-02/2002-SP	12-09-2002	Distribution of books, catalogues, newspapers and other periodicals.
MEEST Portugal - Unipessoal, Lda.	ICP-ANACOM-01/2005-SP	07-07-2005	Postal parcels.
URBANOS - Distribuição Expresso, S. A.	ICP- ANACOM-02/2005-SP	15-07-2005	Postal parcels.
IBEROMAIL - Correio Internacional, Lda.	ICP- ANACOM-01/2006-SP	18-05-2006	Postal parcels.
LORDTRANS - Transportes Urgentes, Lda.	ICP- ANACOM-02/2006-SP	28-12-2006	Distribution of postal items and parcels.
POST 21 - Empresa de Correio, S. A.	ICP- ANACOM-01/2007-SP	04-05-2007	Sending of correspondence, including addressed mail (Direct Mail), books, catalogues, newspapers and other periodicals. Postal parcels.
VASP PREMIUM - Entrega Personalizada de Publicações, Lda.	ICP-ANACOM-02/2007	23-07-2007	Distribution of books, catalogues, newspapers and other periodicals.
CELERIS - Distribuição Postal, Lda.	ICP-ANACOM-01/2008-SP	22-07-2008	Sending of correspondence, including addressed mail (Direct Mail), books, catalogues, newspapers and other periodicals. Postal parcels.
Postcontacto, correio publicitário, Lda.	ICP-ANACOM-01/2009	18-11-2009	Sending of correspondence, including addressed mail, books, catalogues, newspapers and other periodicals.

Source: ICP-ANACOM

(1) The universal postal service concessionaire (CTT) is allowed to operate non-reserved postal services not within the scope of the Universal Service, with exemption from additional authorization title.
(2) On 1 September 2003 Autoridade Nacional de Comunicações (ICP-ANACOM) authorized the transmission of the licence held by POSTEXPRESSO - Correio de Cidade, Lda. to POSTLOG - Serviços Postais e Logística, S.A which, after 4Q04, has been designated CTTexpresso - Serviços Postais e Logística, S.A.

Authorized providers of express mail services | Table 177

Company	Authorisation No.	Issue date
CTT Expresso - Serviços Postais e Logística, S. A. (1)	ICP-01/2001-SP	01-10-2001
DHL - Express Portugal, Lda.	ICP-03/2001-SP	13-12-2001
CHRONOPOST PORTUGAL - Transporte Expresso Internacional, S. A.	ICP-04/2001-SP	13-12-2001
TNT Express Worldwide (Portugal) - Transitários, Transportes, e Serviços Complementares, S. A.	ICP-05/2001-SP	13-12-2001
UPS OF PORTUGAL - Transportes Internacionais de Mercadorias, Lda.	ICP-ANACOM-01/2002-SP	17-10-2002
RANGEL EXPRESSO, S. A.	ICP-ANACOM-02/2002-SP	19-12-2002
FEDERAL EXPRESS CORPORATION - Sucursal em Portugal	ICP-ANACOM-01/2003-SP	10-04-2003
IBERCOURIER - Serviço de Transporte Urgente, Lda. (MRW) (2)	ICP-ANACOM-01/2005-SP	09-02-2005
LOGISTA - Transportes, Transitários e Pharma, Unipessoal, Lda.	ICP-ANACOM-02/2005-SP	09-05-2005
LISESPO Transportes, Lda. (4)	ICP-ANACOM-03/2005-SP	15-07-2005
TRANSWORLD EXPRESS - Correio Expresso, Lda. (3)	ICP-ANACOM-06/2005-SP	08-09-2005
NUNO MIGUEL ALVES, Unipessoal, Lda. (3)	ICP-ANACOM-07/2005-SP	08-09-2005
GLOBE LOGISTICS - Empresa de Courier, Logística e Transportes (3)	ICP-ANACOM-08/2005-SP	07-10-2005
FOZPOST - Entrega e Recolha de Encomendas, Lda. (3)	ICP-ANACOM-09/2005-SP	07-10-2005
RANEXPRESS - Transportes Rodoviários, Lda. (3)	ICP-ANACOM-11/2005-SP	07-10-2005
FRANCISCO & SILVINA - Transportes de Documentos e Encomendas, Lda. (3)	ICP-ANACOM-13/2005-SP	07-10-2005
MAILGLOBE - Transporte de Correio Urgente, Lda. (3)	ICP-ANACOM-14/2005-SP	07-10-2005
EXPRESSODÃO - Transporte de Mercadorias, Lda. (3)	ICP-ANACOM-16/2005-SP	07-10-2005
FOXIL - Gestão de Transportes, Lda. (3)	ICP-ANACOM-17/2005-SP	07-10-2005
Transportes ANTÓNIO GARCIA & CÉSAR, Lda. (3)	ICP-ANACOM-18/2005-SP	07-10-2005
P.P. EXPRESSO - Transportes de Mercadorias, Lda. (3)	ICP-ANACOM-19/2005-SP	07-10-2005
JÁESTÁ - Tráfego e Serviços Logísticos, Lda. (3)	ICP-ANACOM-21/2005-SP	07-10-2005
MULTITAGUS - Transportes e Serviços, Lda. (3)	ICP-ANACOM-22/2005-SP	27-09-2005
IBERENVIOS - Actividades Postais e Transportes, Unipessoal, Lda. (3)	ICP-ANACOM-23/2005-SP	27-09-2005
PRINCEPS, Comércio por Grosso, Lda. (3)	ICP-ANACOM-24/2005-SP	04-11-2005
PORTOMAIL - Transporte de Documentos e Encomendas, Lda. (3)	ICP-ANACOM-25/2005-SP	04-11-2005
ER - Encomendas Rápidas, Lda. (3)	ICP-ANACOM -26/2005-SP	23-11-2005
FELCOURIER - Distribuição de Encomendas Nacional e Internacional, Lda. (3)	ICP-ANACOM-02/2006-SP	02-02-2006
HMJ - Envio Rápido de Encomendas, Lda. (3)	ICP-ANACOM-03/2006-SP	02-02-2006
FLASH Transportes Unipessoal, Lda. (3)	ICP-ANACOM-04/2006-SP	02-02-2006
Transportes OCHÔA, S. A.	ICP-ANACOM-05/2006-SP	02-02-2006
LHSTUR - Transportes Urgentes, Estafetagem, Lda. (3)	ICP-ANACOM-06/2006-SP	07-02-2006
CONSIGO PELO MUNDO - Transporte e Entrega de Documentos, Unipessoal, Lda. (3)	ICP-ANACOM-07/2006-SP	07-02-2006
ANTÓNIO CARLOS SANTOS - Entregas Rápidas, Unipessoal, Lda. (3)	ICP-ANACOM-08/2006-SP	09-03-2006
ASL Courier, Lda. (3)	ICP-ANACOM-09/2006-SP	08-06-2006
ABASTFROTA - Transportes, Lda. (5)	ICP-ANACOM-01/2007-SP	12-10-2007
TRANSALCAINÇA - Transportes, Lda. (5)	ICP-ANACOM-02/2007-SP	12-10-2007
ANTÓNIO MOREIRA Unipessoal, Lda. (5)	ICP-ANACOM-03/2007-SP	12-10-2007
PALMILHAR TRILHOS - Transportes, Unipessoal, Lda. (5)	ICP-ANACOM-05/2007-SP	12-10-2007

Authorized providers of express mail services (cont.)

Company	Authorisation No.	Issue date
OBIK EXPRESS - Serviço de transportes, Unipessoal, Lda. (5)	ICP-ANACOM-06/2007-SP	12-10-2007
OVERSPEED - Transportes de correio expresso, Lda. (5)	ICP-ANACOM-08/2007-SP	12-10-2007
URBEXPRESS - Transportes expresso, Lda. (5)	ICP-ANACOM-10/2007-SP	12-10-2007
VASTA SELECÇÃO - Comércio e serviços, Lda. (5)	ICP-ANACOM-12/2007-SP	12-10-2007
MENDES & PEREIRA SOUSA, Lda. (5)	ICP-ANACOM-13/2007-SP	23-11-2007
JOAQUIM LUIZ MARTHA, Lda. (5)	ICP-ANACOM-14/2007-SP	23-11-2007
ATLANTILÉGUA - Serviços postais, Lda. (5)	ICP-ANACOM-15/2007-SP	23-11-2007
STARTJOB - Recolhas e Entregas, Unipessoal, Lda. (3)	ICP-ANACOM-16/2007-SP	27-12-2007
JOSÉ MANUEL ARAÚJO SILVA - Serviço de Transporte Urgente, Unipessoal, Lda. (3)	ICP-ANACOM-17/2007-SP	27-12-2007
TOTALMÉDIA - Entregas ao domicílio, S. A.	ICP-ANACOM-02/2008-SP	22-01-2008
MANOBRA JOVEM - Transportes, Lda. (5)	ICP-ANACOM-03/2008-SP	12-03-2008
VIANICLE - Unipessoal, Lda. (5)	ICP-ANACOM-04/2008-SP	27-03-2008
RITMO VELOZ, Lda. (5)	ICP-ANACOM-05/2008-SP	14-03-2008
LEVADO À LETRA - Transportes e Serviços, Lda. (5)	ICP-ANACOM-06/2008-SP	14-03-2008
ADICIONAL - distribuição e gestão comercial, S.A.	ICP-ANACOM-07/2008-SP	18-06-2008
SERVIÇOS POSTAIS DA LEZÍRIA, Unipessoal, Lda. (5)	ICP-ANACOM-08/2008-SP	14-07-2008
IBERPERÍMETRO, Lda. (5)	ICP-ANACOM-09/2008-SP	28-08-2008
ATLANTICOURIER - Transporte e entrega de documentos Unipessoal, Lda.	ICP-ANACOM-01/2009-SP	02-03-2009
CARGA COMPATÍVEL UNIPESSOAL, Lda. (5)	ICP-ANACOM-02/2009-SP	26-05-2009
Linexpress, serviços expresso, Lda. (5)	ICP-ANACOM-03/2009-SP	30-05-2009
Polientrega, Lda. (3)	ICP-ANACOM-04/2009-SP	30-10-2009
Rangel Expresso II, S. A.	ICP-ANACOM-05/2009-SP	20-11-2009

Source: ICP-ANACOM

(1) 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, after 4Q04, has been designated CTTexpresso - Serviços Postais e Logística, S.A.
(2) The MRW brand is the property of the company IBERCOURIER.
(3) Companies providing postal services under the MRW brand through franchising.
(4) Companies providing postal services under the SEUR brand through franchising.
(5) Companies providing postal services under the NACEX brand through franchising.
(6) The Nacex brand is the property of the company Logista.

6.2.4 Evolution of the offer structure

Despite the fact that there is already a considerable number of entities operating in this market in 2009 - including, in addition to the companies of Grupo CTT, agents of major international express service groups - the majority of authorized entities consisted of small-sized franchisees.

Looking at the shares of traffic by traffic destination segment, Grupo CTT's share remained practically unchanged at 98 % in the case of national traffic. In the case of outgoing international traffic, Grupo CTT's share remained at 93 %.

Postal traffic shares per destination | Table 178

	2005	2006	2007	2008	2009
National					
Grupo CTT*	99.0 %	98.9 %	98.9 %	98.4 %	98.0 %
Others	1.0 %	1.1 %	1.1 %	1.6 %	2.0 %
International out					
Grupo CTT*	96.8 %	96.4 %	93.5 %	92.2 %	92.5 %
Others	3.2 %	3.6 %	6.5 %	7.8 %	7.5 %
International in					
Grupo CTT*	91.8 %	94.1 %	93.2 %	91.9 %	90.5 %
Others	8.2 %	5.9 %	6.8 %	8.1 %	9.5 %

Source: ICP-ANACOM
* Includes CTT and CTT Expresso

Note: Corrections have been made to figures reported for 2008 due to updates made to data sent by certain providers.

A breakdown by type of service shows that the Grupo CTT's share remains very high in the non-express mail category (99 %). in the case of express mail, the new providers reported a combined share of 58 %.

Postal traffic shares by type of service | Table 179

	2005	2006	2007	2008	2009
Express service					
Grupo CTT*	43.1 %	45.8 %	46.2 %	44.5 %	41.9 %
Others	56.9 %	54.2 %	53.8 %	55.5 %	58.1 %
Non-express service					
Grupo CTT*	99.6 %	99.5 %	99.4 %	99.1 %	99.0 %
Others	0.4 %	0.5 %	0.6 %	0.9 %	1.0 %

Source: ICP-ANACOM.
* Includes CTT and CTT Expresso

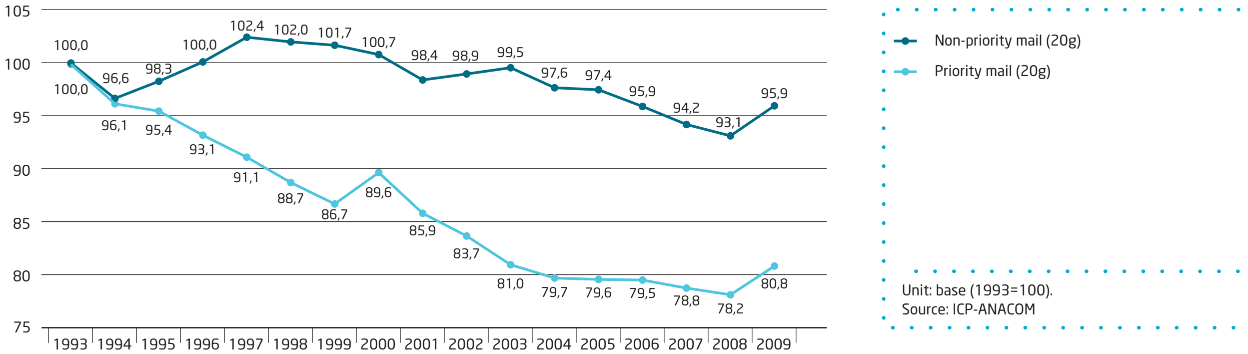
6.2.5. Pricing of Universal Service

The rules applicable to setting the prices of the postal services that comprise the Universal Service[125] are governed by an Agreement *Convénio de Preços do Serviço Postal Universal* (Universal Postal Service Pricing Agreement), established between the regulator (ICP-ANACOM) and the Universal Service provider (CTT).

On 10 July 2008, CTT and ICP-ANACOM signed the *Convénio de Preços do Serviço Postal* Universal (Universal Postal Service Pricing Agreement)[126], which is valid for a period of three years. It should be noted that, under the terms of this agreement, the weighted average variation of the prices of the reserved postal services in 2009 and 2010 is not permitted to exceed (CPI[127]+CPICF[128]) -0.4 %, in nominal terms.

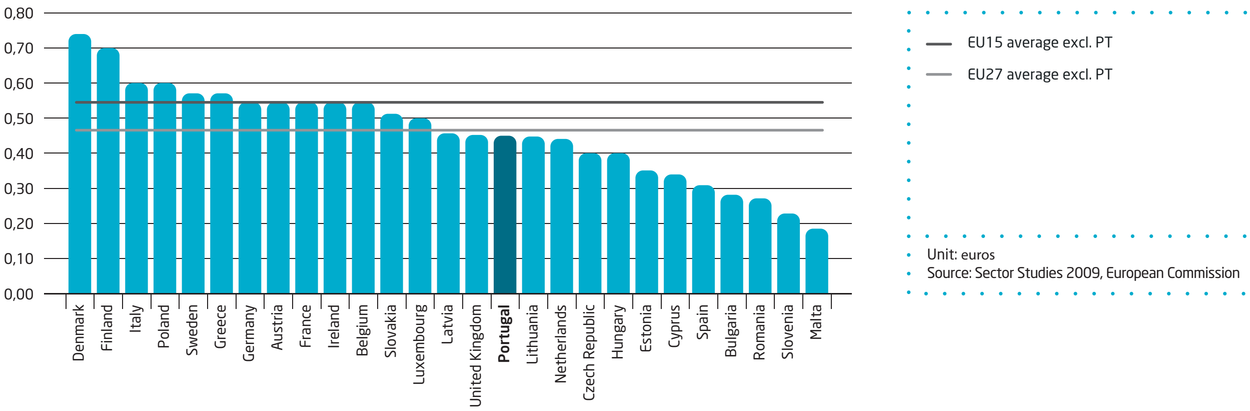
In 2009, the base tariff for *correio normal* (non-priority mail) (tariff for a 20 g national letter) fell in real terms by 2.8 % compared to 2008. In comparison with 2003[129], a real reduction has been seen in pricing of 3.6 %. In real terms, the price of the base tariff of *correio azul* (priority mail) increased by 2.6 % compared to 2008, but remains essentially at 2003 levels (see Graph 7-6).

Real evolution of the base tariff: national non-priority and priority mail | Graph 176



According to available information, the price in Portugal for national priority mail up to 20 g is 3 % below the EU27 average (excluding Portugal) when the comparison is made with PPP (Purchasing Power Parity).

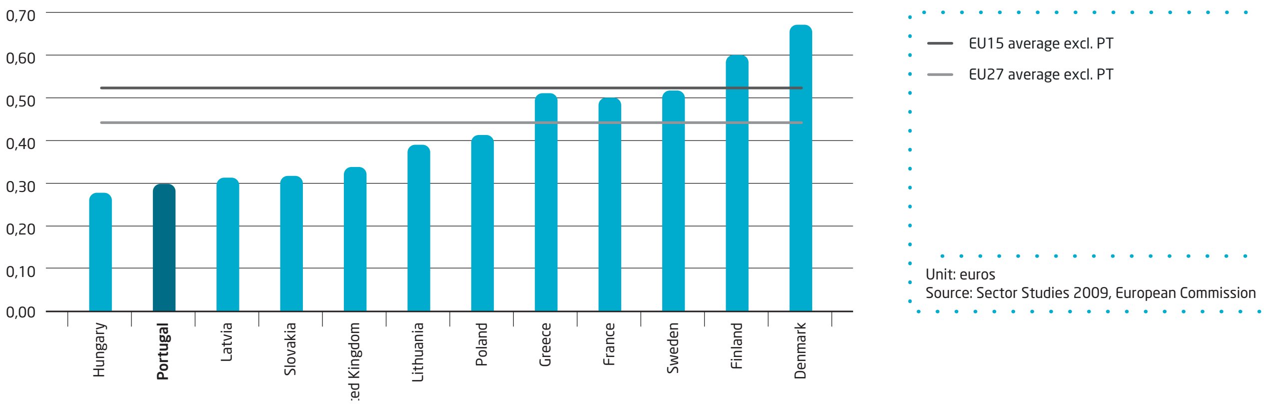
Price of national priority mail - 2008 | Graph 177



125 The Convénio de Preços (Pricing agreement) defines the rules for the formation of the universal service's prices, which comprise a service of sending correspondence, books, catalogues, newspaper and other periodicals weighting up to 2 kg, and of parcels up to 20 kg, as well as a service of registered sendings and a money order sending service, both for the national and international services (nos.1 and 2 of article 6 of the Lei de Bases (Basic Law)).
126 http://www.anacom.pt/render.jsp?contentId=616181
127 CPI - inflation rate estimated for each year and officially forecast by the Government and included in each year's State Budget Report.
128 CPI correction factor (CPICF) - Corresponds, in 2008, to the difference between the 2007 rate of inflation published by INE (Statistics Portugal), and the inflation rate specified in the 2007 State Budget Report. In 2009 and 2010, it corresponds to the difference between the inflation figure estimated in the State Budget Report from one year to another, and the inflation value that had been estimated for the previous year, under the terms of the previous note).
129 Year in which the first Convenção de Preços (Pricing Agreement), signed between ICP-ANACOM, CTT and the then Direcção-Geral do Comércio e da Concorrêncai (Directorate-General for Commerce and Competition) came into force.

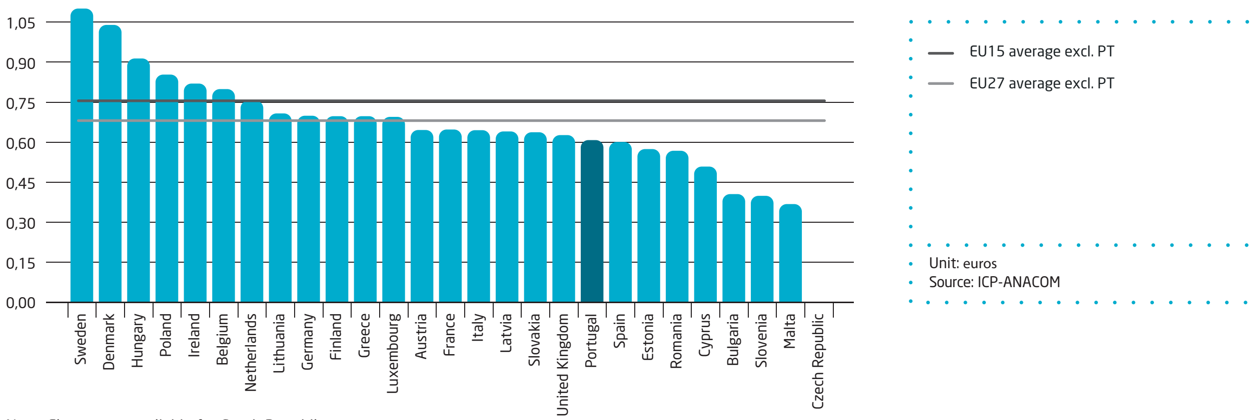
Meanwhile, the price in Portugal of non-priority national mail up to 20 g is 32 % below the EU27 average (excluding Portugal), whereas not all countries provide this service.

Price of national non-priority mail - 2008 | Graph 178



The price in Portugal of a letter up to 20 g sent using *correio normal internacional* (standard international mail), is 11 % below the EU27 average (excluding Portugal) when the comparison is made with purchasing power parity (PPP).

Price of intra-community priority mail - 2008 | Graph 179



Note: Figures not available for Czech Republic

6.2.6. Quality of the Universal Service

When the previously mentioned *Convénio de Preços* (Pricing Agreement) was signed (10 July 2008), the *Convénio de Qualidade do Serviço Postal Universal* (Universal Service Quality Agreement)[130], was also established, to be in force from 1 January 2008 for a 3-year period. This Agreement establishes the parameters and minimum levels of quality of service associated with the provision of the Universal Postal Service, which CTT is obliged to provide.

The *Convénio de Qualidade* (Quality Agreement) defines the quality of service indicators (QSI) for i) transit time for standard mail, priority mail, newspapers and periodicals, intra-community cross border mail and parcels, ii) loss of standard and priority mail, and for iii) waiting time at the post office. For each QSI there is a minimum and a target level of quality of service defined. The target level is the one that CTT is expected to achieve, each year, and the minimum level corresponds to the minimum quality that CTT must ensure.

130 http://www.anacom.pt/render.jsp?contentId=616221

In 2009, it was found that the indicator values achieved the minimum levels and that all targets were met, with the exception of standard mail not delivered within 15 working days and priority mail not delivered within 10 working days.

The following table details the minimum values and targets established in the agreement, as well as the values achieved in 2009.

QSI defined in the 2008 Quality Convention and values reported in 2009 | Table 180

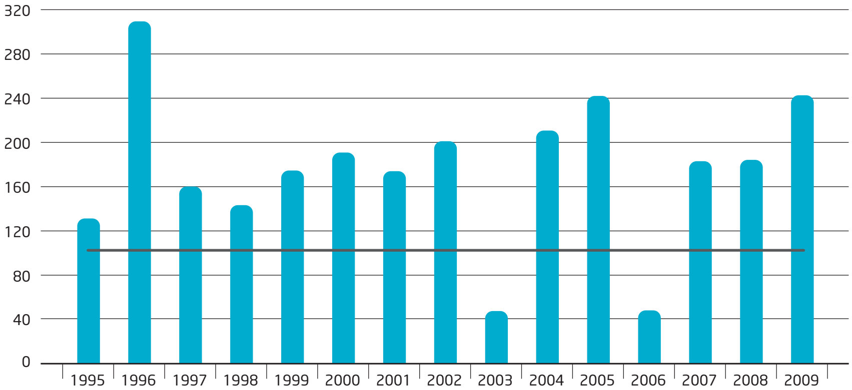
Quality of Service Indicators		Quality Convention			Quality of service reported in 2009 (a)	
		IR (%)	Established value			
			Min.	Obj.		
QSI1	Transit time for standard mail – (D+3)	45.0	95.5 %	96.3 %		97.6 %
QSI2	Transit time for priority mail – Mainland (D+1)	15.0	93.5 %	94.5%		95.2 %
QSI3	Transit time for priority mail – CAM (D+2)	4.0	84.0 %	87.0 %		91.3 %
QSI4	Standard mail not delivered within 15 working days (per one thousand letters)	5.0	2.3 ‰	1.4 ‰		2.1 ‰
QSI5	Priority mail not delivered within 10 working days (per one thousand letters)	3.0	2.5 ‰	1.5 ‰		2.1 ‰
QSI6	Transit time for newspapers and periodicals (D+3)	11.0	95.5 %	96.3 %		99.1 %
QSI7	Transit time for Intra-community cross-border mail (D+3)	3.5	85.0 %	88.0 %	(i)	94.3 %
QSI8	Transit time for Intra-community cross-border mail (D+5)	3.5	95.0 %	97.0 %	(i)	99.0 %
QSI9	Transit time for standard parcels (D+3)	5.0	90.5%	92.0 %		93.6 %
QSI10	Waiting time at post offices (% of events < 10min)	5.0	75.0 %	85.0 %		92.3 %
GI - global indicator of quality of service (b)		**N/A**	**N/A**	**N/A**		**242**

Source: (a) CTT. (b) Calculated by ICP-ANACOM (see Appendix on Methodology)
Notes: (i) Annual value corresponding to average from November 2008 to October 2009.
D+X, means delivery up to X working day(s) after the deposit of the items at the mail reception point.
IR - relative importance.
Min. - Minimum value.
Obj. - Target value.
N/A - Not applicable.

The *Convénio de Qualidade* (Quality Convention) also sets a Global Indicator of Quality of Service (GI)[131], which is reckoned depending on the quality of service levels reached by CTT for the previously mentioned QSIs. This indicator's evolution is shown on the following table. The indicator was stable versus to the previous year.

131 The GI is reckoned in the following way: firstly, each QSI defined in the Convénio de Qualidade (Quality Agreement) is given a classification in accordance with the following methodology: i) Given the value set for each QSI, the target value is given the value 100 ii) Non-fulfilment of the minimum value = 0; iii) Proportional value from 0 to 100 for values situated in the interval between the target and the minimum; iv) For values above the target, the classification will also be above 100, in proportion to the positive variation regarding the target. Secondly, Sum of the classifications given to each QSI, weighted by their corresponding relative importance. Thirdly, should de GI be: i) 100 or above 100, there is no application of the subtraction associated to the OQSI; ii) below 90, the maximum deduction foreseen fully applies, of 1 %; iii) between 90 and 100, the subtraction applies proportionally. The subtraction corresponds to deducting up to 1 % to the price variation of the reserved services allowed for the year following the year of the non-fulfilment.

Evolution in global indicator of quality of service | Graph 180



Source: ICP ANACOM

Note 1: Since de GI figure results from the individual QSI values, the comparison of the evolution of the GI must be done with care by considering the modifications at the level of the QSIs defined for each year and their methodology of reckoning.
Note 2: In case the global indicator is equal to 100, there is no penalty. Should it be lower than 90, the penalty applies in full. In the case the indicator stands between 90 and 100, the deduction is applied proportionally.

6.3. Profile of postal services consumer and level of service usage

The main users of postal services are non-residential entities. According to the survey on business consumption of postal services conducted by KPMG[132], it is estimated that, within the different European countries, the traffic originated by individual consumers represents less than 15 % of postal traffic

The profile of the user and residential usage of postal services is presented below.

According to available data[133], *correio normal* (non-priority mail) and *correio azul* (priority mail) remain the most used postal services[134].

It was concluded that the use of the various types of mail are statistically correlated with the individual's age group. *Correio verde* (pre-paid mail) has the greatest level of correlation (V Cramer coefficient of 0.153) and *correio normal* (non-priority mail) the lowest level of correlation (V Cramer coefficient of 0.099).

Postal services receive most intensive use from individuals of an active age, especially in the 25 - 34 age range.

132 See KPMG, Study on the corporate consumption of postal services, May 2008. The universe is made up of 244,024 companies operating in Portugal (Mainland, Azores and Madeira). The sample is representative in regards to level NUTS I. 1119 interviews were made, connected to a ±3.0 % error margin, for a confidence level of 95 %. The full presentation is available at http://www.anacom.pt/render.jsp?contentId=596055.

133 The universe is composed of individuals of 15 years or more who reside in private housing units located in Mainland Portugal or in the Autonomous Regions (Azores and Madeira). The sample is representative at the level of NUTS I having been composed of 2,040 interviews on the Mainland and 780 interviews in each of the Autonomous Regions. Households were selected by means of proportional stratified random sampling according to the crossing of the NUTS II Region variables and the size of the household. Within each household one individual was selected by means of sampling by quotas guaranteeing the marginal totals of the sex, age class, level of education and employment status variables, according to the General Population Census (2001) of the INE (Statistics Portugal). The gathering of information was by CAPI – Computer Assisted Personal Interviewing which took place between 5 November and 29 December 2008. The results regarding the Mobile Telephone Service are based on the universe of the individuals and present a maximum margin of error of less than 2 % (with a degree of reliability of 95 %). The results regarding the Fixed Telephone Service, Internet Service and paid Television Service are based on the universe of the households and present a maximum margin of error of less than 3 % (with a level of reliability of 95 %). The company TNS-Euroteste was responsible for the fieldwork and data handling.

134 The service standard was approved by Administrative Rule no. 1048/2004 of 16 August. Seehttp://www.anacom.pt/streaming/port1048 04.pdf?categoryId=42989&contentId=224902&field=ATTACHED FILE

Percentage of individuals who use postal services, by age group | Table 181

	Correio Normal (non-priority mail)	*Correio Azul* (priority mail)	*Correio Expresso* (express mail)	*Correio Verde* (pre-paid mail)	Parcels
15-24	44.5 *	48.9 *	15.7 #	14.3 #	28.3 *
25-34	51.5 *	61.0 *	26.1 *	25.1 *	35.5 *
35-44	45.2 *	57.7	16.3 *	16.3 *	27.1 *
45-54	37.9 *	47.8 *	15.2 #	13.2 #	21.8 #
55-64	36.1 *	62.6	13.8 #	18.6 #	24.3 *
65-or more	38.5 *	42.6 *	6.4 #	6.2 #	14.3 #

Unit: %.
Source: ICP-ANACOM, *Inquérito ao Consumo dos Serviços Postais* (Consumer Survey of Postal Services), December 2008
Base: Individuals aged 15 years or more according to age group.

Note 1: The coefficient of variation is considered as sampling error indicator, based on the variance of the "proportion" estimator of a simple random sample and assuming a significance level of 95 %. The following key is used:
(#) Coefficient of variation greater than or equal to 25 % (unreliable estimate).
(*) Coefficient of variation greater than or equal to 10 % and less than 25 % (acceptable estimate).
(no symbol) Coefficient of variation less than 10 % (reliable estimate).
Note 2: The proportions highlighted in blue indicate those that are significantly different (column) in accordance with the test of two samples for proportions. Higher proportions are highlighted in light blue and lower proportions in dark blue.

The use of the various types of mail is also statistically correlated to the individual's level of education, whereby *correio verde* (pre-paid mail) has greater association (V Cramer coefficient of 0.17) and express mail the smallest degree of association (V Cramer coefficient of 0.127). Individuals with a higher level of education are those who tend to use postal services relatively more intensely.

Percentage of individuals who use the postal services, by level of education| Table 182

	Correio Normal (non-priority mail)	*Correio Azul* (priority mail)	*Correio Expresso* (express mail)	*Correio Verde* (pre-paid mail)	Parcels
Higher education	54.7 *	70.0	23.9 *	28.5 *	38.9 *
Secondary education	47.3 *	55.1	17.6 *	16.1 *	25.6 *
3rd stage primary education	38.9 *	52.2 *	12.6	13.0 #	22.5 #
2nd stage primary education	34.1 #	46.3 #	7.2 #	3.1 #	12.1 #
1st stage primary or under	37.0	47.7	12.0 *	11.8 *	21.6 *

Unit: %
Source: ICP-ANACOM, *Inquérito ao Consumo dos Serviços Postais* (Consumer Survey of Postal Services), December 2008
Base: Individuals aged 15 years or more according to level of education.

Note 1: The coefficient of variation is considered as sampling error indicator, based on the variance of the "proportion" estimator of a simple random sample and assuming a significance level of 95 %. The following key is used:
(#) Coefficient of variation greater than or equal to 25 % (unreliable estimate).
(*) Coefficient of variation greater than or equal to 10 % and less than 25 % (acceptable estimate)
(no symbol) Coefficient of variation less than 10 % (reliable estimate)
Note 2: The proportions highlighted in blue indicate those that are significantly different (column) in accordance with the test of two samples for proportions. Higher proportions are highlighted in light blue and lower proportions in dark blue.

Social class is also statistically correlated with use of the various types of mail, whereby *correio azul* (priority mail) has a greater degree of association (V Cramer coefficient of 0.174) and express mail the smallest degree of association (V Cramer coefficient of 0.099). The higher social classes are those associated with a greater intensity of usage of postal services.

Percentage of individuals who use the postal services, by social class | Table 183

	Correio Normal (non-priority mail)	*Correio Azul* (priority mail)	*Correio Expresso* (express mail)	*Correio Verde* (pre-paid mail)	Parcels
A/B	51.1	62.9	19.7 *	21.0 *	33.7 *
C1	46.6 *	54.7	14.9 *	18.6 *	20.6 *
C2	38.6 *	52.4	13.4 #	11.0 #	23.3 *
D	29.3 *	38.9 *	10.1 #	7.0 #	18.4 *

Unit: %
Source: ICP-ANACOM, *Inquérito ao Consumo dos Serviços Postais* (Consumer Survey of Postal Services), December 2008
Base: Individuals aged 15 years or more according to social class.

Note 1: The coefficient of variation is considered as sampling error indicator, based on the variance of the "proportion" estimator of a simple random sample and assuming a significance level of 95 %. The following key is used:
(#) Coefficient of variation greater than or equal to 25 % (unreliable estimate).
(*) Coefficient of variation greater than or equal to 10 % and less than 25 % (acceptable estimate).
(no symbol) Coefficient of variation less than 10 % (reliable estimate).
Note 2: The proportions highlighted in blue indicate those that are significantly different (column) in accordance with the test of two samples for proportions. Higher proportions are highlighted in light blue and lower proportions in dark blue.
Note 3: Social class is determined according to the level of education and profession of the highest paid individual in the household. Social class A is the highest and social class D is the lowest.

Finally, the use of the various types of mail, with the exception of *correio azul* (priority mail), is statistically correlated with the individual's employment status, whereby *correio verde* (pre-paid mail) has greater association (V Cramer coefficient of 0.151). The employed population are more likely to use postal services.

Percentage of individuals who use the postal services, by employment status | Table 184

	Correio Normal (non-priority mail)	*Correio Azul* (priority mail)	*Correio Expresso* (express mail)	*Correio Verde* (pre-paid mail)	Parcels
Employed	45.3	56.3	18.1 *	18.7 *	27.6 *
Student	44.9 *	51.5 *	12.9 #	10.4 #	29.7 #
Unemployed	42.6 #	49.4 #	20.3 #	26.2 #	25.6 #
Retired	40.7 *	51.1 *	9.9 #	10.6 #	16.9 *
Other situation	30.0 *	45.1 *	10.1 #	6.2 #	23.0 #

Unit: %
Source: ICP-ANACOM, *Inquérito ao Consumo dos Serviços Postais* (Consumer Survey of Postal Services), December 2008
Base: Individuals aged 15 years or more according to employment status.

Note 1: The coefficient of variation is considered as sampling error indicator, based on the variance of the "proportion" estimator of a simple random sample and assuming a significance level of 95 %. The following key is used:
(#) Coefficient of variation greater than or equal to 25 % (unreliable estimate).
(*) Coefficient of variation greater than or equal to 10 % and less than 25 % (acceptable estimate).
(no symbol) Coefficient of variation less than 10 % (reliable estimate).
Note 2: The proportions highlighted in blue indicate those that are significantly different (column) in accordance with the test of two samples for proportions. Higher proportions are highlighted in light blue and lower proportions in dark blue.

It is noted that use of the Internet does not appear to be a disincentive to consumption of postal services, seeing that Internet users are also those who make most intense use of the postal services.

Percentage of individuals who use the postal services in 2008, by Internet usage | Table 185

	Correio Normal (non-priority mail)	*Correio Azul* (priority mail)	*Correio Expresso* (express mail)	*Correio Verde* (pre-paid mail)	Parcels
Do not use Internet	29.8 *	40.5 *	4.0 #	5.6 #	15.0 *
Use internet	48.3	59.2	20.3 *	19.6 *	29.5

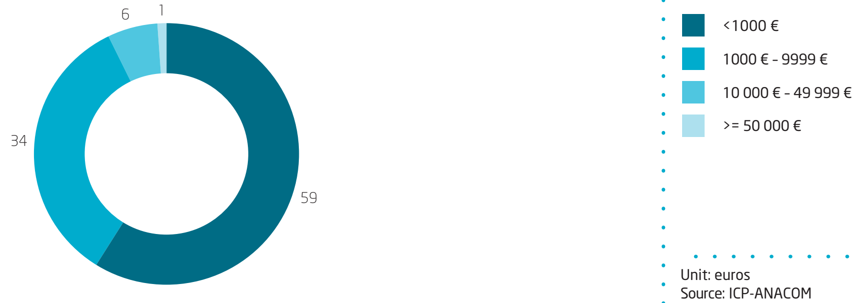
Unit: no. of items sent.
Source: ICP-ANACOM, *Inquérito ao Consumo dos Serviços Postais* (Consumer Survey of Postal Services), December 2008
Base: Individuals aged 15 years or more according to Internet usage.

Note 1: The coefficient of variation is considered as sampling error indicator, based on the variance of the "proportion" estimator of a simple random sample and assuming a significance level of 95 %. The following key is used:
(#) Coefficient of variation greater than or equal to 25 % (unreliable estimate).
(*) Coefficient of variation greater than or equal to 10 % and less than 25 % (acceptable estimate).
(no symbol) Coefficient of variation less than 10 % (reliable estimate).
Note 2: The proportions highlighted in blue indicate those that are significantly different (column) in accordance with the test of two samples for proportions. Higher proportions are highlighted in light blue and lower proportions in dark blue.

In terms of business users of the service, a characterisation is set out below, based on the KPMG study referred to above.

It is concluded from this study that the majority of companies, around 60 %, spend less than one thousand euros per year on postal services annually.

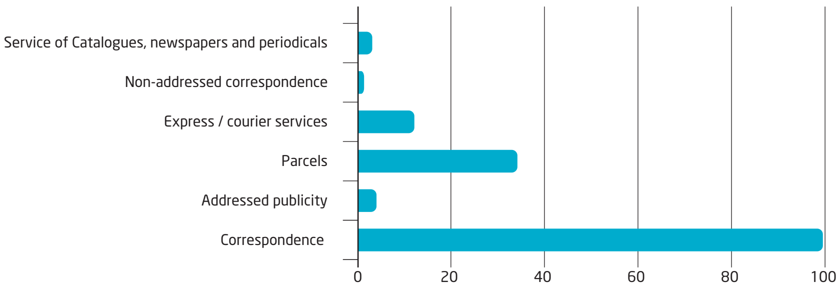
Annual expenditure of business segment on postal services | Graph 181



Unit: euros
Source: ICP-ANACOM

The large majority of companies surveyed use correspondence services. Meanwhile, over a third of companies also use parcel services and around 12 % use express services.

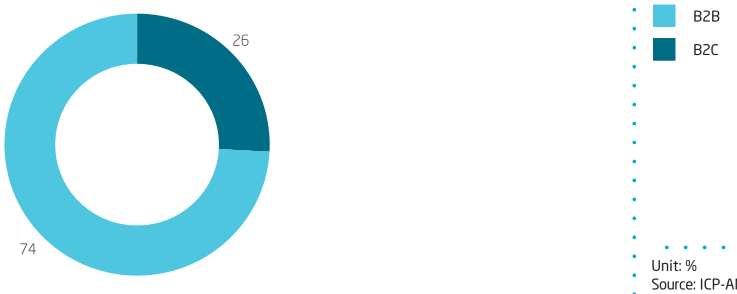
Types of mail used by business segment | Graph 182



Unit: %
Source: ICP-ANACOM

The business to business (B2B) segment surpasses business to consumer (B2C), contrary to the situation reported in the European countries.

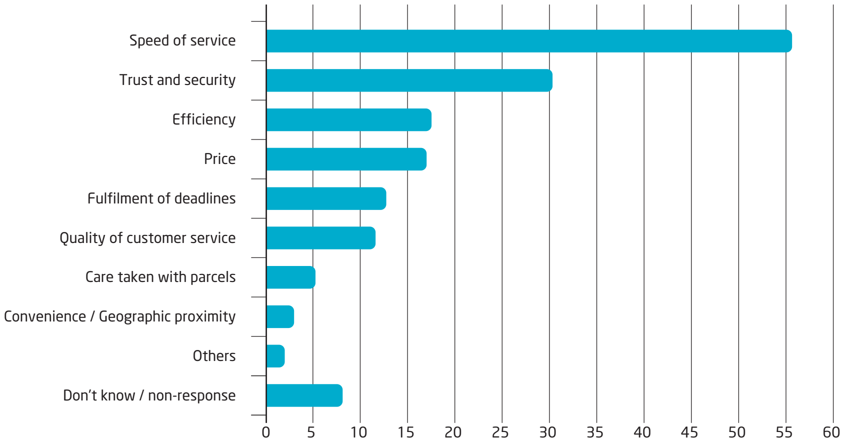
Type of destination | Graph 183



Unit: %
Source: ICP-ANACOM

Among the decisive factors supporting the choice of service provider, note is made of speed of service (50 %), followed by trust and security.

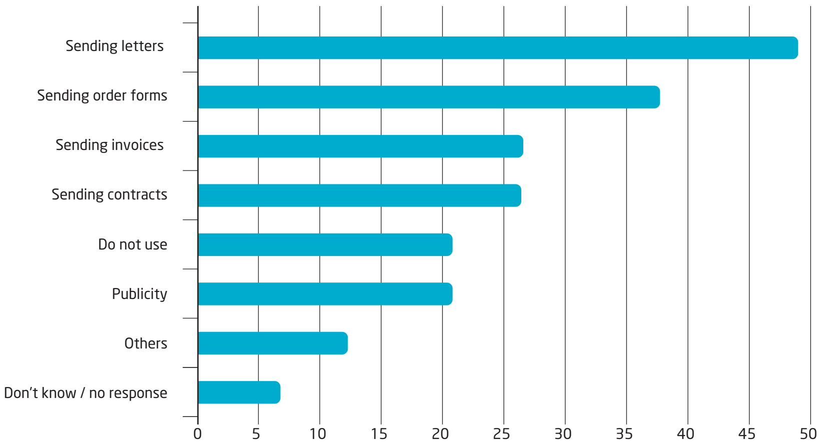
Decisive factor supporting the choice of an operator | Graph 184



Unit: %
Source: ICP-ANACOM

Lastly, it is reported that correspondence is the service most affected by the replacement effect brought on by the use of the electronic mail. It is noted that, in spite of this, a considerable proportion of interviewees, over 20 %, still do not use email to replace postal services.

Use of email as a replacement of postal services, by type of service | Graph 185



Unit: %
Source: ICP-ANACOM

6.3.1. Level of service usage

In the following sections, an analysis is made of the evolution of overall traffic, liberalised traffic and traffic by destination.

Evolution of overall traffic

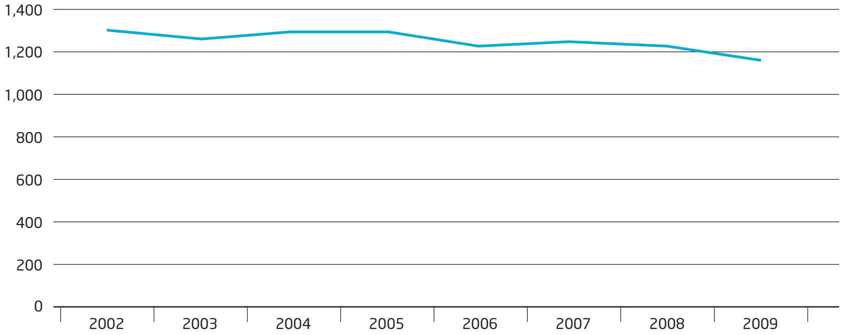
In 2009, postal traffic fell by around 5 %. In the last five years, postal traffic has seen a decline of 9.4 %, giving an average annual reduction of 2.4 %.

Postal traffic | Table 186

	2008	2009	Var. (%) 2008/2009	Annual average var. (%) 2005/2009	Var. (%) accumulated 2005/2009
Postal traffic	1,226,149	1,167,654	-4.8 %	-2.4 %	-9.4 %

Unit: thousands of items
Source: ICP-ANACOM

Evolution of postal traffic | Graph 186



Unit: thousands of items
Source: ICP-ANACOM

It is noted that, according to the most recent information supplied by Eurostat, between 2004 and 2006, postal traffic in fell by 1.2 % in 22 countries of the EU27.

Traffic composition: reserved/liberalized area

In 2009, a slight decline was reported in reserved postal traffic (-4.2 %), as well as a fall in liberalised postage traffic (-7.1 %). As a result, the relative weight of reserved post exceeded 78 %, 0.5 percentage points more than in 2008.

Postal traffic: reserved area / liberalized area | Table 187

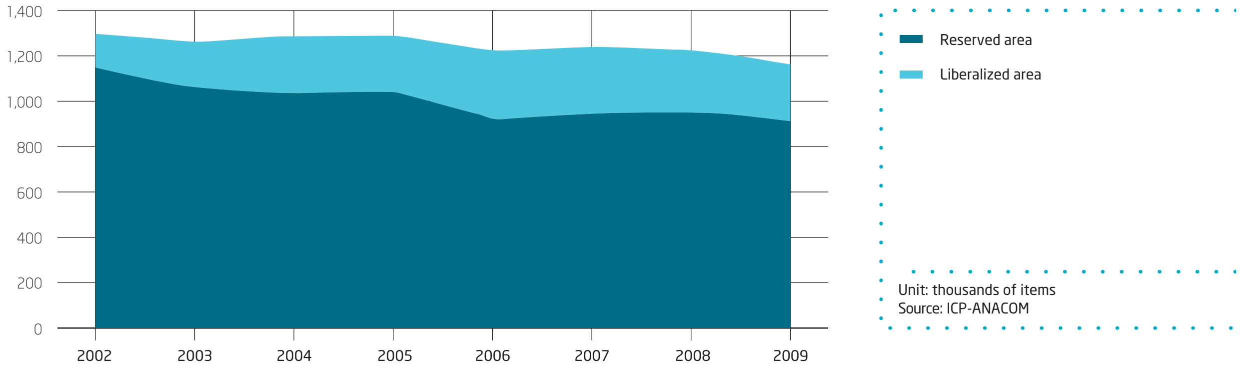
	2008	2009	Var. (%) 2008/2009	Annual average var. (%) 2005/2009	Var. (%) accumulated 2005/2009
Reserved area	955,953	917,278	-4.0 %	-3.2 %	-12.1 %
Liberalized area	270,195	250,376	-7.3 %	0.5 %	1.9 %

Unit: thousands of items, %
Source: ICP-ANACOM

Note: Corrections have been made to figures reported for 2008 due to updates made to data sent by certain providers.

In cumulative terms, with reference to the last five years, a reduction of 12.1 % is reported in reserved traffic and an increase of 1.9 % in liberalized traffic.

Evolution of reserved and liberalized postal traffic | Graph 187



Unit: thousands of items
Source: ICP-ANACOM

According to Eurostat, between 2004 and 2006, correspondence traffic in 16 countries of the EU27 declined by around 10 %, a decline matched by Portugal over the same period.

It should be mentioned, however, that the most important variations occurring in the traffic's composition (reserved area / liberalized area) are mainly explained by the successive phases of the postal sector's liberalization phases that occurred in 2003, 2004 and 2006. These changes to the regulatory framework resulted in the re-categorization of traffic previously considered to be reserved. On the contrary, the variations which occurred in 2007 and 2008 only reflect the behaviour of participants in these markets.

Liberalized area traffic per type of object: correspondence and parcels

Liberalized traffic is mostly made up of correspondence (91 %).

Postal traffic in the liberalized area | Table 188

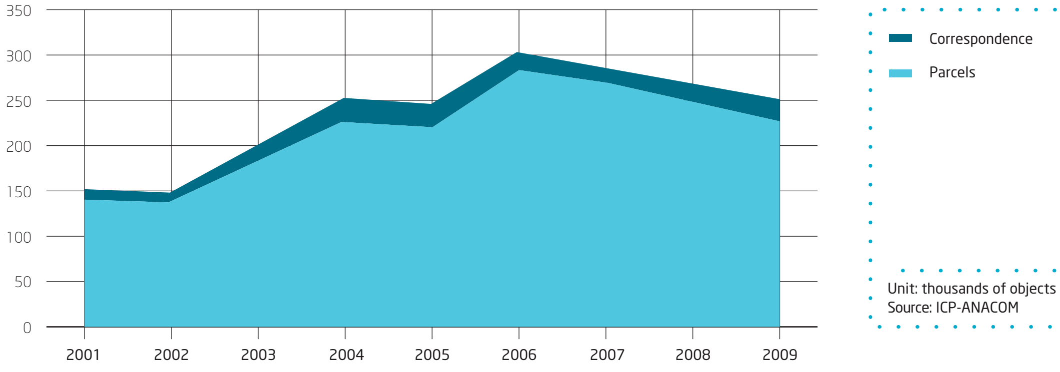
	2008	2009	Var. (%) 2008/2009	Annual average var. (%) 2005/2009	Var. (%) accumulated 2005/2009
Liberalized area	270,195	250,376	-7.3 %	0.5 %	1.9 %
Correspondence	248,654	226,662	-8.8 %	0.7 %	3.0 %
Parcels	21,541	23,714	10.1 %	-2.1 %	-8.0 %

Unit: thousands of items, %
Source: ICP-ANACOM

Note: 2007 figures were corrected further to the data update sent by some operators.

As previously mentioned, the cumulative variations occurring are mainly explained by the artificial traffic increases that resulted from successive stages of the liberalization process.

Evolution of liberalized traffic | Graph 188



Unit: thousands of objects
Source: ICP-ANACOM

Evolution of traffic per destination: national / international

Analysing traffic trends by destination, it is seen that national traffic and outgoing international traffic declined in 2009, by 4.7 % and 6.6 %, respectively. This traffic reduction, particularly in international traffic, was mainly due to the traffic evolution reported for the area reserved to CTT, while traffic reported for the other providers increased.

Postal traffic per destination | Table 189

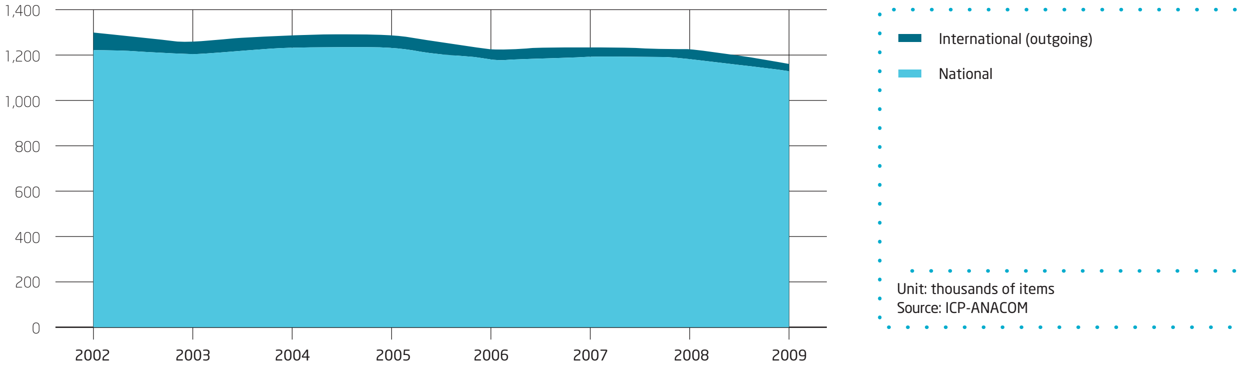
	2008	2009	Var. (%) 2008/2009	Annual average var. (%) 2005/2009	Var. (%) accumulated 2005/2009
Postal traffic	1,226,149	1,167,654	-4.8 %	-2.4 %	-9.4 %
National	1,181,453	1,125,911	-4.7 %	-2.3 %	-8.7 %
International outgoing	44,696	41,743	-6.6 %	-6.9 %	-24.8 %
International incoming	44,817	39,160	-12.6 %	-4.7 %	-17.4 %

Unit: thousands of objects, %
Source: ICP-ANACOM

Note: Corrections have been made to figures reported for 2008 due to updates made to data sent by certain providers.

International traffic also reported the greatest proportional decline during the 2005-2009 period. This type of traffic decreased almost 25 % versus a 9 % decrease in national traffic.

Evolution of traffic by destination | Graph 189



National traffic makes up over 96 % of postal traffic.

Evolution in traffic by type of service

Regarding traffic evolution by type of service, note is made of the growth reported in the express mail services segment (19.4 % in 2009 and 50 % since 2005). This evolution is almost totally explained by the increase in national parcels traffic reported by several providers, although "CTT Expresso "has also reported very positive trends within this segment.

Postal traffic per type of service | Table 190

	2008	2009	Var. (%) 2008/2009	Annual average var. (%) 2005/2009	Var. (%) accumulated 2005/2009
Postal traffic	1,226,149	1,167,654	-4.8 %	-2.4 %	-9.4 %
Express	19,804	23,652	19.4 %	10.7 %	50.4 %
Non-express	1,206,345	1,144,002	-5.2 %	-2.6 %	-10.1 %

Unit: thousands of items
Source: ICP-ANACOM

Note: 2007 figures were corrected further to the data update sent by some operators.

In spite of this evolution, postal traffic not included in the express mail category continues to represent the majority of liberalized traffic (98 %). However, since 2005, postal traffic not included in the express mail category saw an overall decline of 10 %.

6.3.2. Evaluation by consumers

According to the survey on the use of postal services, users are generally satisfied with postal services. On a scale of 1 to 10 (from "Dissatisfied" to Very satisfied") the average satisfaction level stands at above 8. The services earning the most satisfaction are *correio azul* (priority mail), *correio verde* (pre-paid mail) and registered mail.

In terms of being compliant with deadlines, express mail also receives a good score in terms of satisfaction.

Level of satisfaction with postal services | Table 191

	***Correio Normal* (non-priority mail)**		***Correio Azul* (priority mail)**		***Express mail***		***Correio Verde* (pre-paid mail)**		**Parcels**		**Registered mail**	
	Average	Non-response rate (%)	**Average**	Non-response rate (%)	**Average**	Non-response rate (%)	**Average**	Non-response rate (%)	**Average**	Non-response rate (%)	**Average**	Non-response rate (%)
Overall satisfaction level	**8.2**	0.5	**8.5**	1.0	**8.4**	0.8	**8.5**	0.5	**8.0**	1.6	**8.5**	1.2
a) Compliance with published delivery deadlines	7.6	3.4	8.3	4.3	8.4	2.2	8.4	4.4	7.9	3.2	8.1	7.0
b) Price	7.0	5.2	7.2	5.9	6.9	6.0	7.4	4.6	6.6	4.8	7.1	6.9
c) Confidentiality and the inviolability of correspondence	8.7	2.3	8.9	3.3	8.8	3.4	8.9	2.5	8.4	2.8	8.8	4.5

Unit: scale of 1 to 10
Source: ICP-ANACOM, *Inquérito ao Consumo dos Serviços Postais* (Consumer Survey of Postal Services), December 2008
Base: Individuals aged 15 years or more with access to respective postal services (non-responses not included).

Note 1: The absolute margins of error for the averages on a scale of 1 to 10 are all equal to or less than 0.4 absolute points.
Note 2: Measurement scale: 1: Very dissatisfied; ...; 10: Very satisfied.
Note 3: The averages highlighted in blue indicate those that are significantly different from the overall level of satisfaction according to test T. Higher proportions are highlighted in light blue and lower proportions in dark blue.

Levels of satisfaction with postal services, specifically in terms of the postal network, appear to be slightly lower than for the service in itself, with an average of below 8.

Levels of satisfaction with postal services - postal network | Table 192

	Post offices (1)	**Development of post offices (2)**
Average level of satisfaction (scale 1 to 10)	7.8	7.3
Negative (1 to 4)	2.9 #	7.7 *
Low positive (5 to 6)	14.6 *	20.9 *
Medium positive (7 and 8)	50.2	43.0
High positive (9 and 10)	32.3	28.4
Total	100	100

Unit: scale 1 to 10 / %
Source: ICP-ANACOM, *Inquérito ao Consumo dos Serviços Postais* (Consumer Survey of Postal Services), December 2008
(1) Base: Individuals aged 15 years or more with access to post offices (non-responses not included)
(2) Base: Individuals aged 15 years or more (non-responses not included)

Note 1: The non-response rate in the evaluation of development of post offices is 10.9 %.
Note 2: Original measurement scale: 1: Very dissatisfied; ...; 10: Very satisfied
Note 3: : The coefficient of variation is considered as sampling error indicator, based on the variance of the "proportion" estimator of a simple random sample and assuming a significance level of 95 %. The following key is used:
(#) Coefficient of variation greater than or equal to 25 % (unreliable estimate)
(*) Coefficient of variation greater than or equal to 10 % and less than 25 % (acceptable estimate)
(no symbol) Coefficient of variation less than 10 % (reliable estimate)

In terms of satisfaction with post offices, it is noted that the parameters generating least satisfaction are accessibility for people with special needs and waiting times; while location gives most satisfaction.

Level of satisfaction with post office according to different parameters | Table 193

	Average	Non-response rate (%)
Overall satisfaction level	**7.8**	**1.2**
a) Diversity of the services offered	7.6	4.6
b) Clarity and transparency of the information provided	7.6	2.0
c) Performance of the attendance staff (knowledge of services, affability and capacity to resolve problems)	7.9	0.7
d) Waiting time for service	7.0	1.1
e) Organization of queuing	7.6	3.7
f) Opening hours	7.5	2.0
g) Accessibility for people with special needs	6.3	6.5
h) Location	8.1	1.0
i) Correct mail delivery (correct address and in undamaged condition)	7.7	1.1

Unit: scale 1 to 10
Source: ICP-ANACOM, *Inquérito ao Consumo dos Serviços Postais* (Consumer Survey of Postal Services), December 2008
Base: Individuals aged 15 years or more with access to post offices (non-responses not included).

Note 1: The absolute margins of error for the averages on a scale of 1 to 10 are all equal to or less than 0.5 absolute point
Note 2: Measurement scale: 1: Very dissatisfied; ...; 10: Very satisfied
Note 3: The proportions highlighted in blue indicate those that are significantly different (column) in accordance with the test of two samples for proportions. Higher proportions are highlighted in light blue and lower proportions in dark blue.

The main reason cited for not using postal services, irrespective of the type of services, appears to be lack of need to communicate in this way.

Reasons for not using postal services | Table 194

	Correio Normal (non-priority mail)	*Correio Azul* (priority mail)	*Express mail*	*Correio Verde* (pre-paid mail)	Parcels	Registered mail
Had no need to use that means of correspondence	60.0	75.2	81.9	64.5	90.5	87.3
Used the e-mail to effect this kind of correspondence	7.2 *	6.2 #	-	-	-	1.3 #
Used other means to effect this kind of correspondence	-	-	7.6 *	6.5 *	2.1 #	-
Service is very slow	13.4 *	1.8 #	0.0 #	0.6 #	0.7 #	0.4 #
Prefers to use fixed / mobile telephone	6.7 *	4.6 #	-	-	-	-
Does not know the service / lack of information	-	-	3.3 #	19.7 *	-	1.9 #
Other reasons	8.0 *	6.7 #	7.1 *	2.6 #	2.8 #	2.6 #
Don't know / no response	4.7	5.5	3.8	6.1	4.0	6.5
Total	100	100	100	100	100	100

Unit: %
Source: ICP-ANACOM, *Inquérito ao Consumo dos Serviços Postais* (Consumer Survey of Postal Services), December 2008
Base: Individuals aged 15 years or more who did not use the respective services in 2008

Note: : The coefficient of variation is considered as sampling error indicator, based on the variance of the "proportion" estimator of a simple random sample and assuming a significance level of 95 %. The following key is used:
(#) Coefficient of variation greater than or equal to 25 % (unreliable estimate)
(*) Coefficient of variation greater than or equal to 10 % and less than 25 % (acceptable estimate)
(no symbol) Coefficient of variation less than 10 % (reliable estimate)

6.4. Postal service penetration

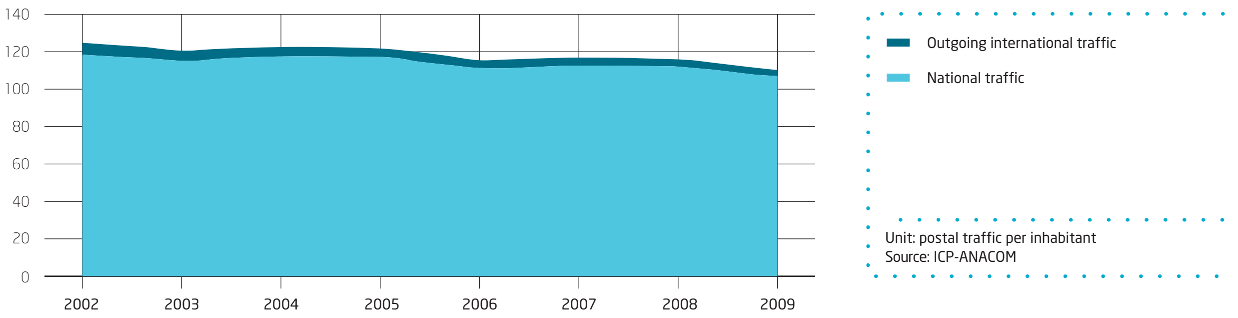
The penetration rate of postal services measured in terms of postal capitation - postal traffic per inhabitant - declined by almost 5 % points in 2009, as shown on the following tables.

Postal capitation | Table 195

	2008	2009	Var. (p. p.) 2008/2009	Var. (pp) annual average 2005/2009	Var. (pp) accumulated 2005/2009
Postal capitation	115	110	-4.8	-2.6	-9.9
National traffic	111	106	-4.7	-2.3	-9.0
International traffic OUT	4	4	-6.6	-6.9	-25.0
International traffic IN	4	4	-12.6	-4.7	-17.7

Unit: postal traffic per inhabitant, pp
Source: ICP-ANACOM, INE (Statistics Portugal)

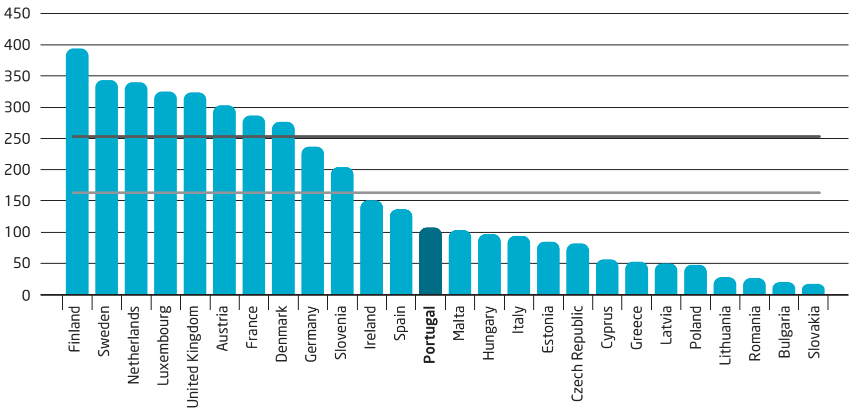
Evolution of postal capitation by traffic destination | Graph 190



Unit: postal traffic per inhabitant
Source: ICP-ANACOM

According to available information, in 2007, correspondence traffic per inhabitant in Portugal was 13th highest among the 26 countries shown below.

Postal capitation in Europe 2007 | Graph 191



Unit: Items of postal correspondence per inhabitant
Source: Sector Studies 2009, European Commission

Note: Austria data from 2008. Latvian data from 2006.