

# What is the cost of UPU terminal dues agreement for national postal operators?

Our study for the U.S. Postal Regulatory Commission shows that Western European operators lose up to € 1,3bn annually even after the Istanbul agreement

## Research question

would European postal operators be better off absent the UPU terminal dues agreement?

## Method

Calculate financial transfers, as the difference between current UPU terminal dues rates and a counterfactual based on domestic rates.

## Result

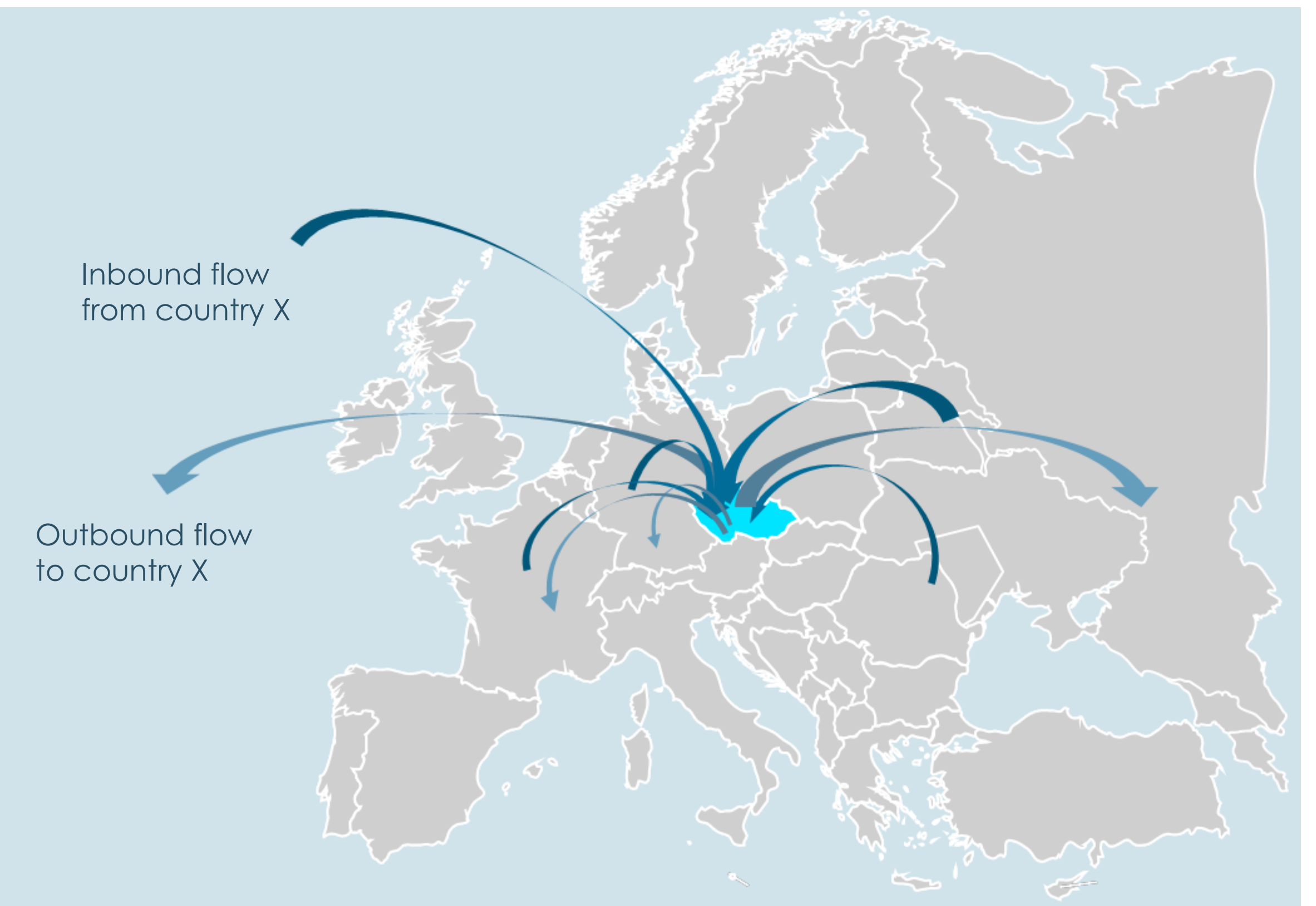
The terminal dues net financial transfers\* for Western Europe amount to a total deficit of €1,3bn.

- Western Europe is the region receiving the largest negative net financial transfers.
- Asia-Pacific is the region that has the largest negative impact on Western Europe, amounting to €1bn.

## Have the UPU Istanbul reforms removed the financial transfer?

- The new UPU terminal dues system with changes agreed in Istanbul results in 8% lower financial transfers compared to the old system.
- However, over the period 2016-2021, the volume of packets (E-format mail) is expected to grow by 10-20% annually, thus amplifying the issue of financial transfers.

**We help operators, regulators and governments calculate losses (gains) caused by UPU terminal dues to a given country**



**The sum of financial transfers determines the loss (gain) for a given country**

