

Consequences of a modified delivery time requirement in Sweden

An examination of the consequences for the users, critical societal functions and the universal postal service provider

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Background: The Impact of Digitalisation

- Fundamental impact on the letter mail market
 - Only 1/3 of the peaking letter volume (year 2000) left
 - The decrease has accelerated (-12% annually in 2023 and 2024)
- Forecasts project even further acceleration in the coming years
 - Proposal from official government inquiry that government bodies *must* use digital communication
- Challenges the economic sustainability of providing the universal (letter mail) service

The study

- Purpose
 - Investigate the consequences for **users**, for **critical societal functions** and for the **universal postal service provider** if delivery time requirements are changed
- Approach
 - Digitalisation effects
 - Users' needs (with a focus on critical societal functions)
 - Prerequisites for the provision of universal service
- Investigated alternatives for delivery time requirement:
 - Current regulation: D+2 95%
 - Proposal from government inquiry: D+3 95%
 - D+3 85% and D+5 97%
 - D+5 97%

Universal Service Provider perspective

Service provision from the perspective of the USP

- The delivery time requirement is the most determining factor for dimensioning the infrastructure for letter delivery
 - In practice, the planning horizon for major changes in the delivery network and delivery operations is at least 5 years
 - The current delivery time regulation is based on an inquiry in 2015 when letter volume was more than twice as high as 2024
 - With an annual decrease rate of 15%, the current (2024) volume will be halved again by 2028
- With current regulation, the USP claims that the letter service provision will be unprofitable already in 2025, with a rapid deterioration every following year

User and societal perspective

There will still exist needs for time critical physical mail items for societal functions

- Secrecy and security (e.g., digital solutions not secure enough for some documents)
- Legal and technical obstacles (e.g. official documents must be communicated within certain time limits, and digital solutions may have maximum file size requirements)
- Accessibility and user habits (digital exclusion)

Dealing with consequences for users and society if delivery time is changed

- Extended delivery time will require structural adjustments with digital solutions as main tool, complemented with specific solutions for groups that are dependent on physical mail delivery
 - Accelerating the digitalisation
 - Intensified work with digital solutions and strengthening the security infrastructure to decrease the need for physical letter mail
 - Legal and technical changes
 - Change legal provisions to maintain legally secure governmental handling
 - Need for governmental bodies to change their work routines in handling of cases
 - Safeguard access to communication for vulnerable groups
 - Give support and alternative solutions for groups that cannot use digital solutions

Conclusions

Sweden is facing a crucial choice

- I. Keep the current delivery time requirement (D+2 95%) but soon face covering the upcoming financial deficits (net cost) with some type of financing solution
- II. Change the requirement to D+3 85% and D+5 97% but likely face financial deficits in a few years (2027/2028)
- III. Change the requirement to D+5 97% and possibly maintain a self-financed universal service at least until around 2030

Report: Consequences of a modified delivery time requirement in Sweden

- Full report (in Swedish)

[pts.se - PTS-ER-2024:29](#)

- English summary

[pts.se - English summary](#)