

MARKET ANALYSIS
OF POSTAL
AND COURIER
SERVICES IN THE
REPUBLIC
OF CROATIA
IN 2006

POSTAL
SERVICES
COUNCIL

REPUBLIC
OF CROATIA

Zagreb, September, 2007

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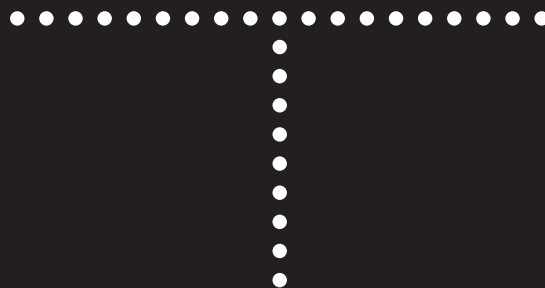
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INTRODUCTORY WORD
OF THE PRESIDENT OF THE
POSTAL SERVICES COUNCIL



INTRODUCTORY WORD OF THE PRESIDENT OF THE POSTAL SERVICES COUNCIL

The Postal Services Council was established with the aim to perform regulatory jobs at the market of postal and courier services, in order to ensure equal and efficient market competition of all providers at that market and protection of interests of users of postal and courier services and also to ensure the right to universal postal services of all the users in the Republic of Croatia under equal and suitable conditions.

The market of postal and courier services in the Republic of Croatia has been partly liberalised by the new Postal Act¹ of 2003. This implies the existence of exclusive right, i.e. monopoly of one provider in providing clearly defined postal services, and at the same time, the possibility of other providers to provide all other postal services which can be found at the free market and courier services.

Since postal services represent services of general economic interest for the state, it ensures them for citizens by legal regulations of obligations of providing certain postal services to one of providers.

Traditional provider of postal services in the Republic of Croatia, Croatian Post Inc. (public operator), according to the Postal Act has to provide a certain number of services to all the users on the whole territory of the Republic of Croatia, under equal conditions and at affordable prices (universal postal services). The monopoly is envisaged as a primary way of financing this obligation, i.e. the exclusive right of public operator in providing certain services prescribed by the Law (reserved postal services).

Other providers of postal and courier services can provide all other postal services in the area they have chosen and which have not been reserved for a public operator, as well as courier services, i.e. all the services at the free market.

Pursuant to the Postal Act, one of the tasks of the Council is to follow the development of the postal activity and the market of postal and courier services in the Republic of Croatia. The Council also participates in the project of collecting statistical data in the postal sector, initiated in cooperation of the European statistical organisation (EuroStat) with the European Committee for Postal Regulation (CERP) and the European Commission. As a national regulatory body, the Council is a holder of the Project of collecting statistical data from providers of postal and courier services in the Republic of Croatia. Within this Project and with the aim to follow the condition at the market, the Council makes questionnaires for a public operator, as well as for other providers of postal and courier services and collects necessary statistical and financial data.

Collected data are necessary to the Council for following and comparison of the number of provided services, revenues, number of employees and other data at the market, i.e. to give an insight into the condition of postal and courier services in the Republic of Croatia, but also for the comparison of markets in Croatia with markets of postal and courier services of other countries.

The intention of the Council is that processed and published data included in this Analysis, are used by providers of postal and courier services for better insight into the market as a whole, and possible evaluation of their position and share at the market and other interested parties. The quality of published data, as well as the whole Analysis, depends on the quality of data delivered to the Council. Therefore, in the next period we expect timely, precise and verifiable data, as well as suggestions, advice and criticism which can serve as a guideline for making quality analysis and which can be used by all the persons involved in postal and courier activity.

¹ Official Gazette number 172/03, 15/04 and 92/05



TEREZIJA BENČIĆ,
PRESIDENT OF THE
POSTAL SERVICES
COUNCIL



ESTABLISHING AND
TASKS OF THE POSTAL
SERVICES COUNCIL

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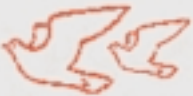
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ANALIZA TRŽIŠTA POŠTANSKIH I KURIRSKIH USLUGA U REPUBLICI HRVATSKOJ U 2006. GODINI

10

1. ESTABLISHING AND TASKS OF THE POSTAL SERVICES COUNCIL

The Postal Services Council was established based on the Postal Act of 2003, as an independent regulatory body with public authorities for the area of postal activity in the Republic of Croatia. It is responsible for its work to the Croatian Parliament.

The Croatian Parliament appointed members of the Council, upon the suggestion of the Government of the Republic of Croatia, by its decision of 9 July 2004, for a period of five years.

Members of the Council are:

- **Terezija Benčić** - president of the Council
- **Nedjeljko Đerek** - vice-president
- **Krste Čveljo** - a member
- **Nikola Obuljen** - a member
- **Zoran Ravlić** - a member

The Council has its Professional and administrative service which performs administrative, professional and technical activities, technical control and expert supervision. At the end of 2006, the Professional and administrative service had six employees with university degree (three economists, two lawyers and one traffic engineer).

One of the basic elements of the regulatory framework established by Postal Directives of the European Union is the establishment of the regulatory body, legally separated and operatively independent from the provider of postal and courier services. The aim of such a regulatory framework is the achievement of the single EU market of postal services by gradual and control market opening.

Activities of the Council comprise those activities which the Council performs based on the public authority and other activities prescribed by the Postal Act.

The Council performs the following activities based on the public authority:

- Issues licences for providing universal postal services and brings decision on the expiry of licence,
- Brings a decision by which the amount of funds from the State budget of the Republic of Croatia for covering losses on reserved and universal postal services of the public operator is determined, when the revenues from reserved and universal postal services of the public operator does not cover their costs and loss cannot be covered from the profit of the public operator,
- Determines the method of dividing business activities of the public operator regarding their calculation in order to ensure the accounting management of reserved postal services, for each service, separately from non-reserved postal services; and within non-reserved postal services the accounting management of universal postal services separately from postal services which are not universal and courier services,
- Deals with disputes between the public operator and other providers of universal postal services regarding giving the access to public postal network ,
- Determines prices of reserved postal services upon the proposal of the public operator.

The Council also performs other activities prescribed by the Act:

- Monitors the application of postal and courier service prices and proposes to a competent body of the state administration to take legal measures when a provider of postal and courier services sets or applies prices against the provision of the Postal Act,
- Approves general conditions of providers of postal and courier services,
- Approves the general act of the public operator which determines conditions and prices of access to the public postal network,
- Follows the development of the postal activity and market of postal and courier services and takes necessary measures to ensure equal and efficient market competition at the market of postal and courier services,
- Ensures the right to universal postal services to all service users under the equal and suitable conditions,
- Performs expert supervision which refers to a supervision regarding the type, scope and quality of performance of postal and courier services,
- Cooperates with international postal organisations and institutions and participates in the work of their professional bodies and work groups,
- Cooperates with foreign regulatory postal bodies,
- Submits the annual report on its work to the Croatian Parliament and the Government of the Republic of Croatia,
- Brings, with the prior consent of the Government of the Republic of Croatia, the annual work programme, financial plan and annual financial statement,
- Keeps the register of postal service providers based on the data determined by the Act,
- Publishes the list of providers of postal and courier services in the “Official Gazette”,
- Performs other activities determined by the Law, regulations brought based on the Law and the Statute of the Council.



PROVIDERS AT THE
MARKET OF POSTAL AND
COURIER SERVICES IN THE
REPUBLIC OF CROATIA

2



2. PROVIDERS AT THE MARKET OF POSTAL AND COURIER SERVICES IN THE REPUBLIC OF CROATIA

Postal and courier services in the Republic of Croatia can be provided based on the licence or notification.

Universal postal services are provided based on the licence issued by the Postal Services Council. The public operator has the exclusive right of providing reserved postal services, while the remaining universal services at the free market can be provided after obtaining the licence.

Postal services which are not universal and courier services, are at the free market and they can be provided by all the providers who submit the notification to the Council.

Universal postal services are a group of postal services of a certain quality which are, at affordable prices, available to all service beneficiaries in the area where the licence is issued. Universal postal services include services of clearance, transport and delivery, in the domestic and international traffic:

1. letter-post items weight up to 2 kg and secogram weight up to 7 kg,
2. parcels weight up to 20 kg,
3. postal and telegram money orders,
4. special services connected with mail from items 1., 2. and 3. (receipt services, transfer and delivery of registered items, express letters, insured items and items with confirmation of delivery).

At this moment, in the Republic of Croatia, the only provider of universal postal services is Croatian Post Inc. (public operator). It has not been issued the licence for providing universal services, but based on the Postal Act it has the right and obligation to provide all universal postal services in the whole territory of the Republic of Croatia. Croatian Post Inc, as a public operator, has to ensure that universal postal services are available under equal conditions regarding certain quality and affordable prices to all service users on the whole territory of the Republic of Croatia.

Since the Postal Services Council did not receive any request for providing universal postal services till the end of 2006, no licence for providing such services was issued.

Since the Postal Act came into force in 2003 until the end of 2006, 21 providers have submitted the application for providing postal and courier services. The following providers have submitted the application, according to the registration order in the Registry:

- Croatian Post Inc.
- Rhea Express Ltd.
- DHL-INTERNATIONAL Ltd.
- INTEREUROPA SAJAM međunarodno otpremništvo Ltd.
- NULA JEDAN - BRZA POŠTA Ltd.
- DPD CROATIA Ltd.
- Lagermax AED Croatia, Ltd.
- Libertas Regiss Ltd.
- INTEREUROPA logističke usluge Ltd.
- IN TIME Ltd.
- City EXPRESS Varaždin Ltd.
- City EXPRESS Makarska Ltd.
- City EXPRESS Rijeka Ltd..
- City EXPRESS Istra Ltd.

- City Express Split Ltd.
- City EXPRESS Ltd. (Zagreb)
- City EXPRESS MID Ltd.
- City EXPRESS Ltd. (Osijek i.e. Nevidane)
- RHEA, Ltd..
- Lider 21 Ltd.
- Lider express Ltd.

Among the total of 21 received notification of providers of postal and courier services, the Council received eight (8) of them in 2004, i.e. the Ministry of the Sea, Tourism, Transport and Development (that Ministry had performed the tasks of the Council pursuant to the Postal Act before the Council started its work), the Council received seven (7) notifications in 2005 and in 2006 another six (6) complete notification were received.

Among the total number of registered providers of postal and courier services, eight (8) were deleted from the List of providers of postal and courier services. In 2006 there was a status change in one provider which was merged with five providers previously registered in the Council, based on the merging contract. Thus, their existence ceased. Three previously registered providers in the Council stopped providing registered services in 2006.

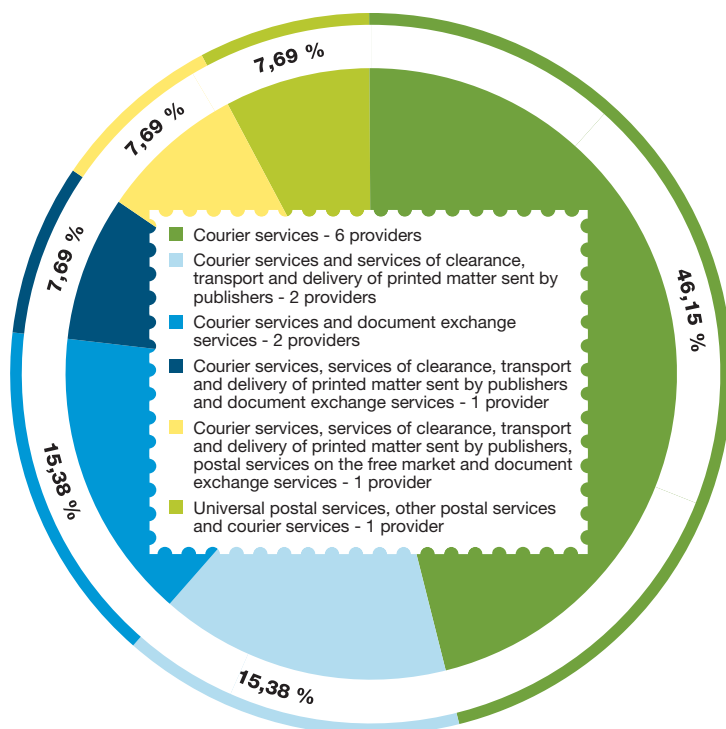
Regarding the fact that there is only one provider of universal postal services at the market, which is also a provider of courier services, on 31 December 2006 there was a total of thirteen (13) registered providers of postal and courier services in the Republic of Croatia. Among them, eleven (11) are active, while for two (2) providers it is doubtful if they are active on the market (NULA JEDAN - BRZA POŠTA Ltd. and City EXPRESS Ltd. which changed the headquarters from Osijek to Nevidane).

On 31 December 2006, the following providers of postal and courier services were active:

- Croatian Post Inc.
- DHL-INTERNATIONAL Ltd.
- INTEREUROPA SAJAM međunarodno otpremništvo Ltd.
- DPD CROATIA Ltd.
- Lagermax AED Croatia, Ltd.
- INTEREUROPA logističke usluge Ltd.
- IN TIME Ltd.
- City EXPRESS Ltd.. (Zagreb)
- RHEA, Ltd.
- Lider 21 Ltd.
- Lider express Ltd.

Regarding the type of service they offer, all providers are registered for providing courier services. Among them, six (6) are registered for providing only courier services, two (2) for providing courier services and services of clearance, transport and delivery of printed matter (newspapers and magazines) sent by publishers; two (2) for providing courier services and document exchange services; one (1) for providing courier services, services of clearance, transport and delivery of printed matter (newspapers and magazines) sent by publishers and for the document exchange services; one (1) for providing courier services, services of clearance, transport and delivery of printed

matter (newspapers and magazines) sent by publishers, other postal services provided on free market and the document exchange service. The public operator, apart from universal postal services, provides other postal and courier services. The shares of providers according to types of services they provide and for which they submitted the notification to the Council, are shown in the Graph 1.

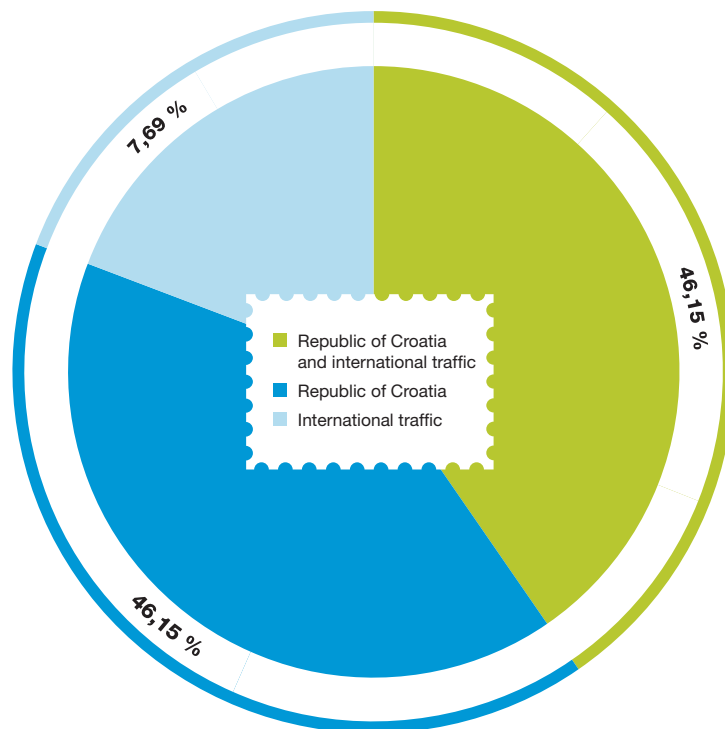


GRAPH 1.
SHARES OF PROVIDERS
AT THE END OF 2006
ACCORDING TO TYPES
OF SERVICES THEY
PROVIDE

Regarding the area where services are provided, six (6) providers have been registered for providing services in the area of the Republic of Croatia and in the international traffic; six (6) providers for providing services only in the Republic of Croatia; one (1) provider only for providing services in the international traffic.

Shares of providers according to the area where services are provided and for whose performance they submitted their notification to the Council are shown in the Graph 2.

GRAPH 2.
SHARES OF PROVIDERS
AT THE END OF 2006
ACCORDING TO THE
AREA WHERE SERVICES
ARE PROVIDED



The annex of the Analysis contains a detailed survey from which the following can be seen: data about names, address of a service provider, registration number, date of receipt of the notification and/or issuing licence, i.e. another legal foundation for providing services, type of postal and/or courier services they provided and the number of announcement in the Official Gazette of all providers of postal and courier services in the Republic of Croatia, which provide or provided these services, based on the Postal Act or based on the notification to the Council.

In its following the development of the postal activity and market of postal and courier services, the Council has got the information on the existence of a certain number of legal persons who provide postal and/or courier services or their object of business states the performance of postal and/or courier services, without obtaining a licence for that, i.e. they have not submitted the notification to the Council. These providers have not been included in this analysis.



MARKET ANALYSIS OF
POSTAL AND COURIER
SERVICES IN THE REPUBLIC
OF CROATIA IN 2006

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3. MARKET ANALYSIS OF POSTAL AND COURIER SERVICES IN THE REPUBLIC OF CROATIA IN 2006

Market analysis of postal and courier services in the Republic of Croatia in 2006 was made based on data obtained from the provider of postal and courier services in the Republic of Croatia and publicly accessible data.

The Postal Services Council made a questionnaire for 2006, based on which data were collected from providers of postal and courier services. The questionnaire asked from active providers of postal and courier services to deliver certain statistical and financial data and GFI-POD and RAD-1G annexes, which were used for certain analyses and checking of delivered data. Part of data were collected also based on statistical questionnaires for 2005, within the statistical research of the market of postal and courier services, initiated by the European Commission and EUROStat (European statistical organisation) in cooperation with CERP (European Committee for Postal Regulation). In that research, in the Republic of Croatia the Postal Services Council was a holder of all the activities (making a questionnaire, data collection and processing, etc.).

All active providers of postal and courier services delivered completed questionnaires: Croatian Post Inc., DHL-INTERNATIONAL Ltd., INTEREUROPA SAJAM međunarodno otpremništvo Ltd., DPD CROATIA Ltd., Lagermax AED Croatia, Ltd., INTEREUROPA logističke usluge Ltd., IN TIME Ltd., City EXPRESS Ltd., (Zagreb), RHEA, Ltd., Lider 21 Ltd., Lider express Ltd.

The analysis was made in a way that obtained data were processed and shown, either in a textual, table or graph form and, where possible, were compared with the previous year. The analysis of the market of postal and courier services was divided and shown in several units:

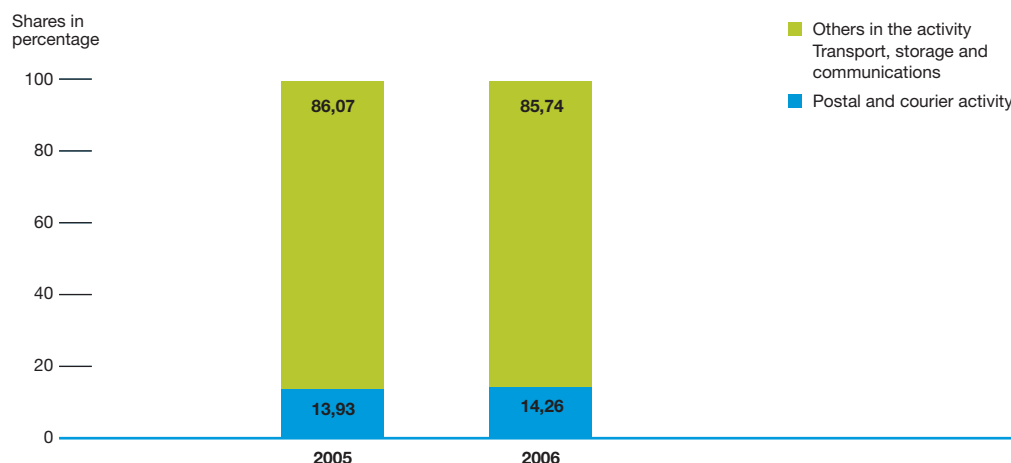
1. Postal activity as a part of the total economic activity in the Republic of Croatia in 2006,
2. Data about employees,
3. Data about services,
4. Financial data.

All data were shown separately for Croatian Post Inc., as a public operator and common for all other providers (the group *other providers*), except for the Graph 11 where data were expressed according to individual providers, without mentioning the name of the provider.

There were many obstacles in making the analysis due to numerous limiting factors. Some of providers had not delivered all the requested annexes, some of them are registered for providing of other services, except for providing postal and courier services (financial services, sale of goods, forwarding, logistics, transport of goods, etc.) and others. All the mentioned limitations prevented the adequate use and processing of certain collected data, but certain analyses were made based on available data, only those which could have been used as a representative sample with some certainty.

The aim of the analysis was to give the information about the market condition of postal and courier services in the Republic of Croatia in 2006, based on data delivered from providers.

GRAPH 3. SHARES OF EMPLOYEES IN THE AREA OF ACTIVITIES OF TRANSPORT, STORAGE AND COMMUNICATION



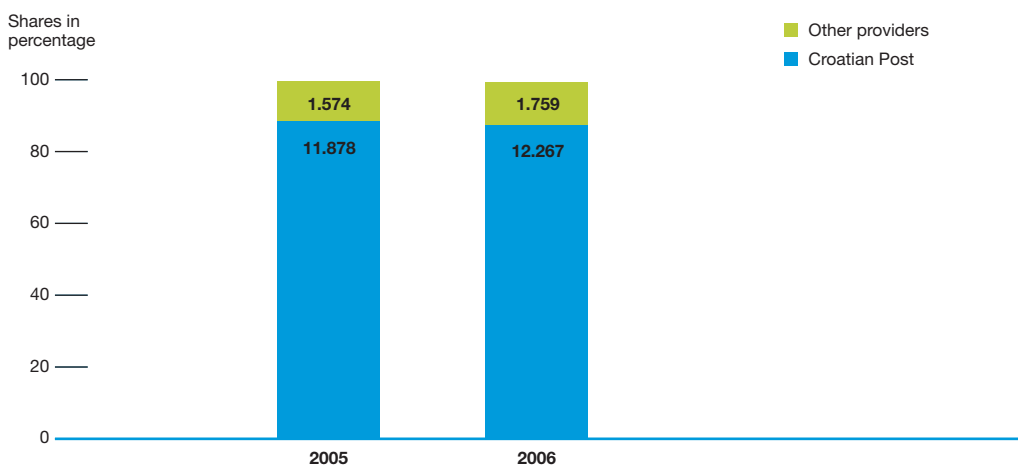
In 2006, when the total GDP in the Republic of Croatia amounted to approximately 250.6 billion kuna and was almost by eight per cent higher than in the previous year, the share of active providers in it was 0.87 per cent. The total revenues of all providers of postal and courier services was higher by about nine per cent in 2006, in relation to 2005.

According to the data of the Central Bureau of Statistics, the average net monthly salary in the Republic of Croatia in 2006 was 4,603 kuna, while in the area of Transport, storage and communications it was 5,464 kuna. According to data delivered by the providers of postal and courier services, the average net monthly salary was 4,387 kuna, which is by 4.9 per cent less than the state average and by 25 per cent less than the average salary in the area of Transport storage and communications.

² DZS, Statistical data, 2007

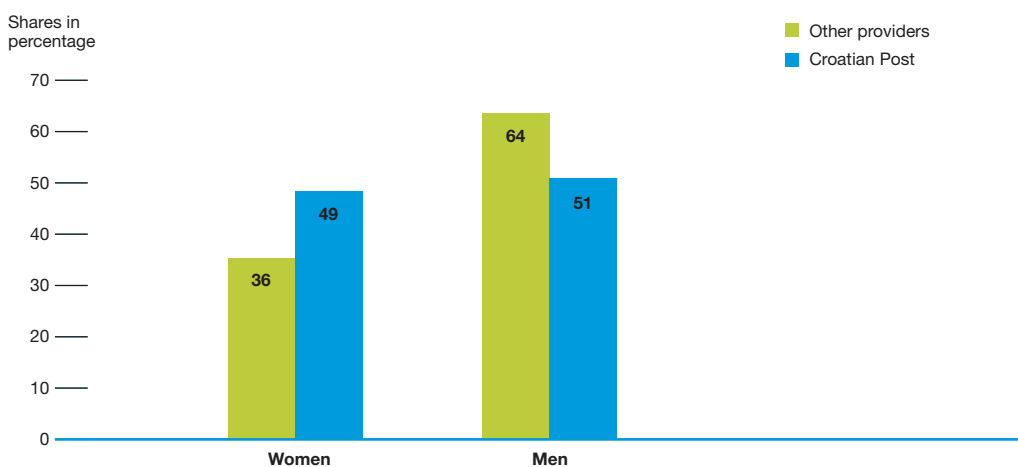
3.2. DATA ABOUT EMPLOYEES

Based on data delivered at the end of 2006, the active providers of postal and courier services employed the total of 14,026 persons. Out of that number, 12,267 were employed in Croatian Post Inc., which makes approximately 87 per cent, while the rest of 1,759 or approximately 13 per cent were employed in the group *other providers* (Graph 4). The share of Croatian Post Inc. in the total number of employees, in relation to the group *other providers*, was approximately by one per cent less than in 2005.



GRAPH 4.
NUMBER AND
SHARE OF
EMPLOYEES

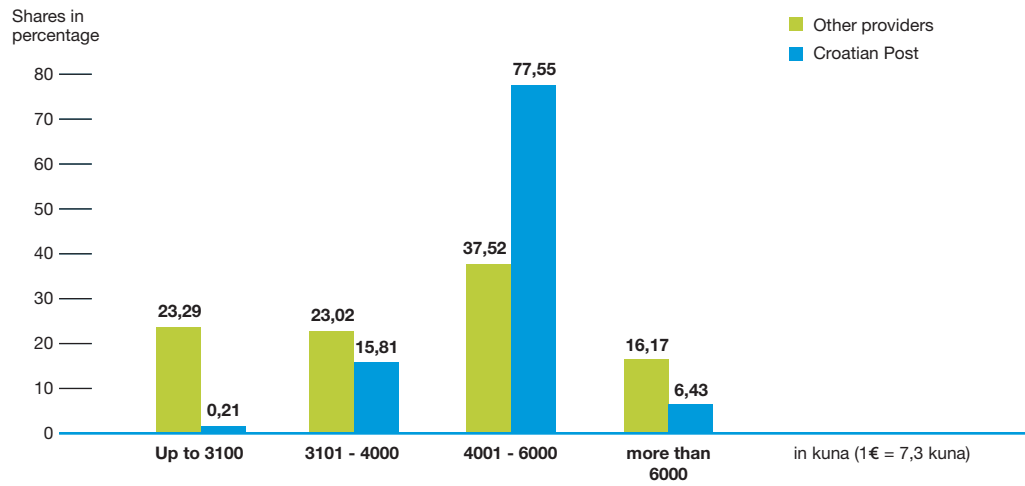
The number of employees in all active providers in 2006 increased by 4.26 per cent in relation to 2005, in which the increase of about three per cent was registered in Croatian Post Inc., while in the group *other providers* the increase amounted to 11.7 per cent. According to delivered data, the number of employees in the group *other providers* was very different and it ranged from a few to several hundred employees. If we observe the sex representation of employees, a significant difference among the employees in Croatian Post Inc. and employees in the group *other providers* can be seen. While in Croatian Post Inc. both male and female population were equally present, in the group *other providers* a percentage of men was much higher in relation to the percentage of employed women (Graph 5).



GRAPH 5.
SHARES OF
EMPLOYEES
ACCORDING TO SEX
IN 2006

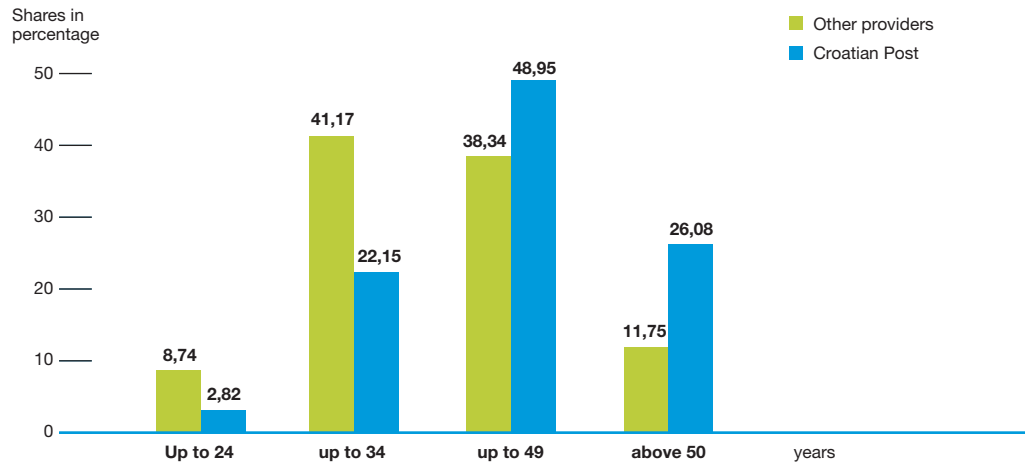
Shares of net salaries according to sex are identical to the above shown structure. The Graph 5 shows a difference in shares of employees according to the amount of net salary based on money categories.

GRAPH 6.
SHARES OF
EMPLOYEES
ACCORDING TO THE
AMOUNT OF NET
SALARY IN 2006



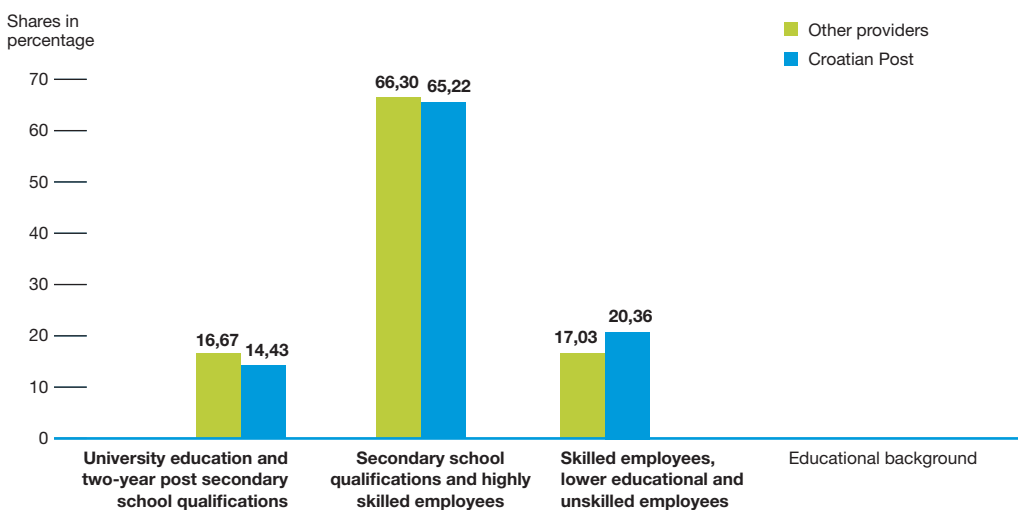
On the Graph 7, which shows the age structure of employees, the difference in shares of employees according to age in the group *other providers* and Croatian Post Inc. can be seen. The share of employees up to 45 in Croatian Post Inc. was about 57 per cent, while in the group *other providers* it was about 80 per cent. The average age of employees in Croatian Post Inc. was about 42, while in the group *other providers* it was about 36.

GRAPH 7.
SHARES OF
EMPLOYEES
ACCORDING TO AGE
IN 2006



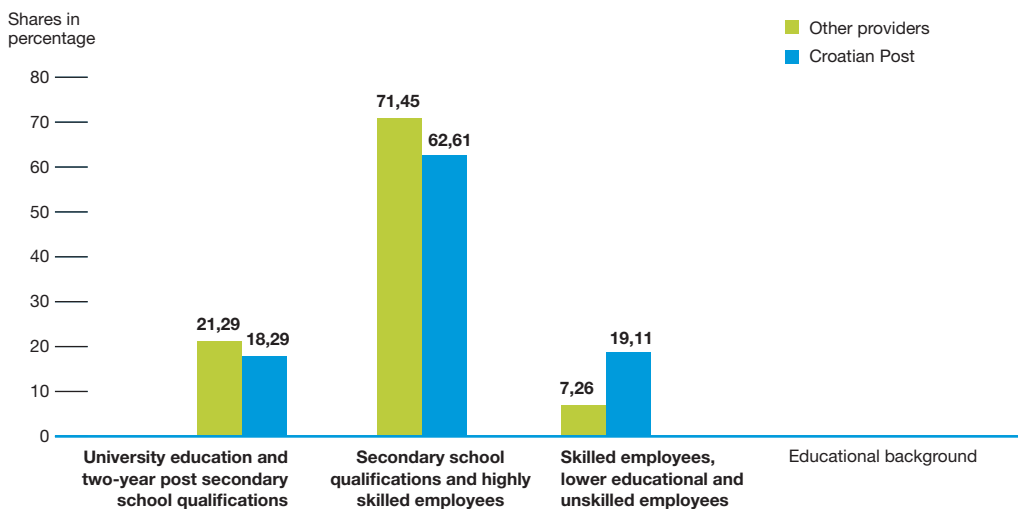


According to the level of education, there are no significant deviations between employees in Croatian Post Inc. and the group *other providers*, and the highest share (Graph 8) is with secondary education (secondary school qualifications + highly skilled employee).



GRAPH 8.
SHARES OF
EMPLOYEES
ACCORDING TO THE
LEVEL OF EDUCATION
IN 2006

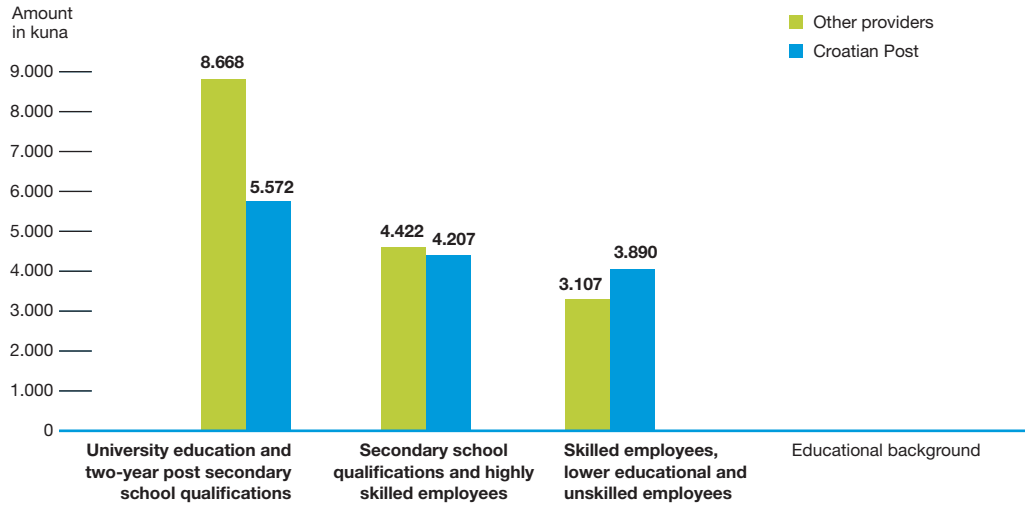
If we look at shares of net salary according to the level of education and compare them with the share of employees based on the educational background, there are certain deviations between the group *other providers* and Croatian Post Inc. (Graph 9).



GRAPH 9.
SHARES OF NET
SALARY ACCORDING
TO THE LEVEL OF
EDUCATION IN 2006

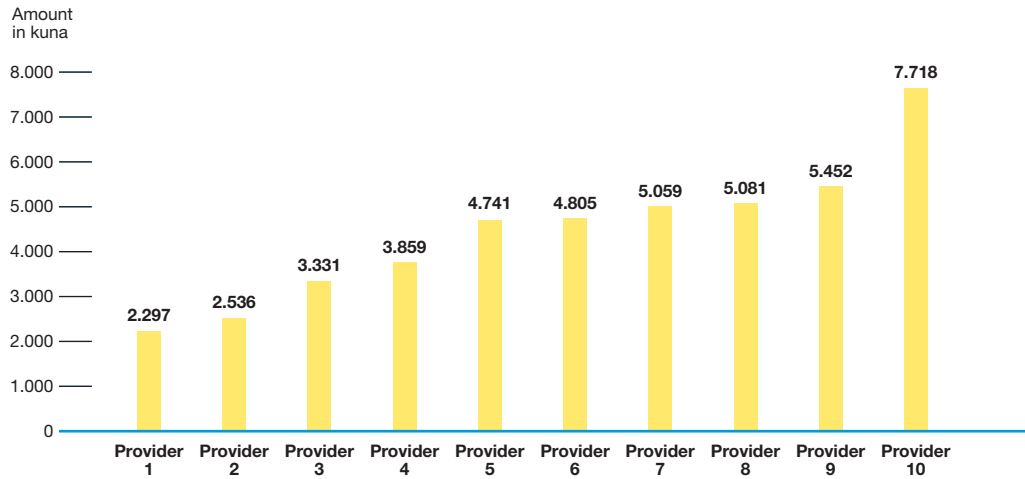
Deviations are also shown by data about the average net salary based on the educational background in 2006 (Graph 10).

GRAPH 10.
THE AMOUNT OF AVERAGE NET SALARY ACCORDING TO THE LEVEL OF EDUCATION IN 2006



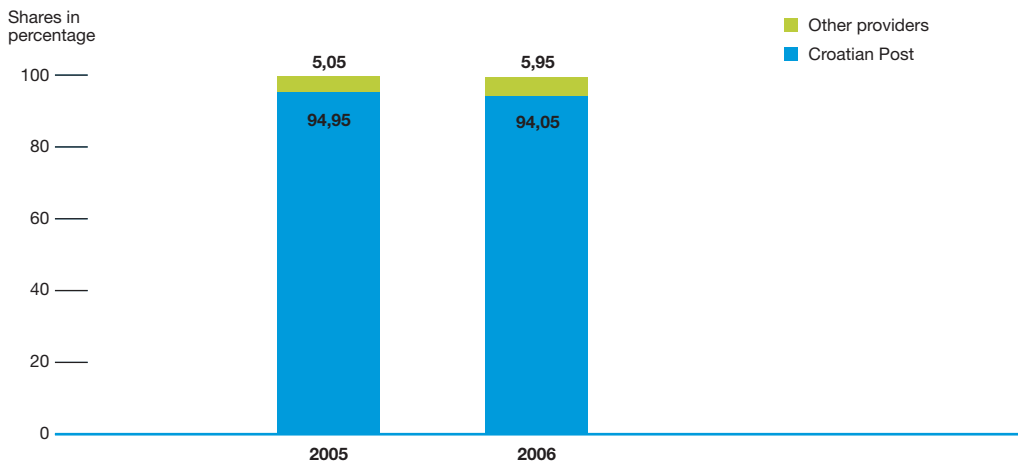
According to delivered data of active providers of postal and courier services and pursuant to the criteria of the amount of the average net salary, Graph 11 shows the average net salary in 2006 per individual providers, from the lowest to the highest.

GRAPH 11.
THE AMOUNT OF AVERAGE NET SALARY PER PROVIDERS IN 2006



3.3 DATA ABOUT SERVICES

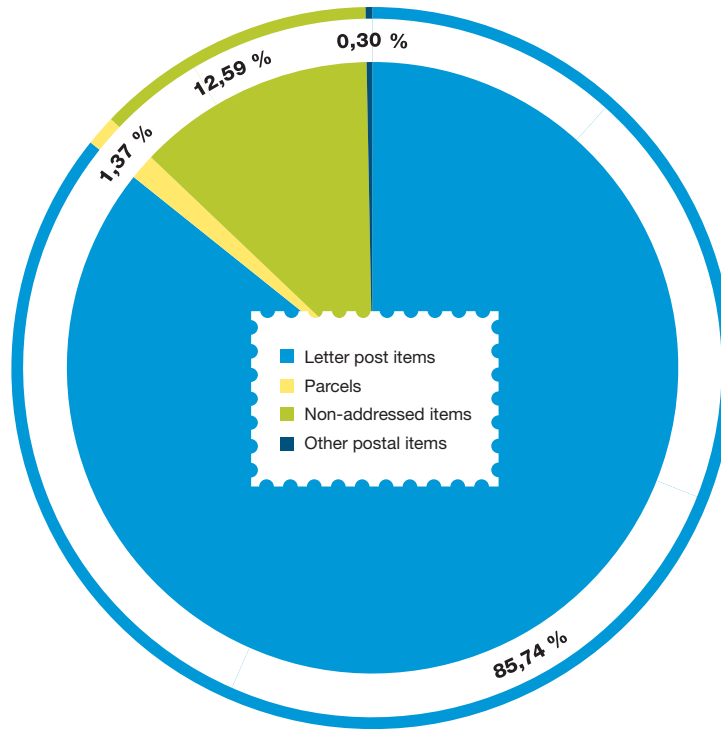
According to the data from the Questionnaire, providers of postal and courier services realised the total of 394,193,371 of postal and courier services in 2006, which is the approximate increase by eight per cent in relation to the previous year. Croatian Post Inc. realised with 370,746,387 services approximately 94 per cent at the total market, while the group *other providers* with 23,446,984 realised services, had a share of about six per cent. The group *other providers* increased its market share by almost one per cent in 2006, in relation to 2005 (Graph 12).



GRAPH 12.
SHARES IN THE TOTAL
NUMBER OF REALISED
SERVICES

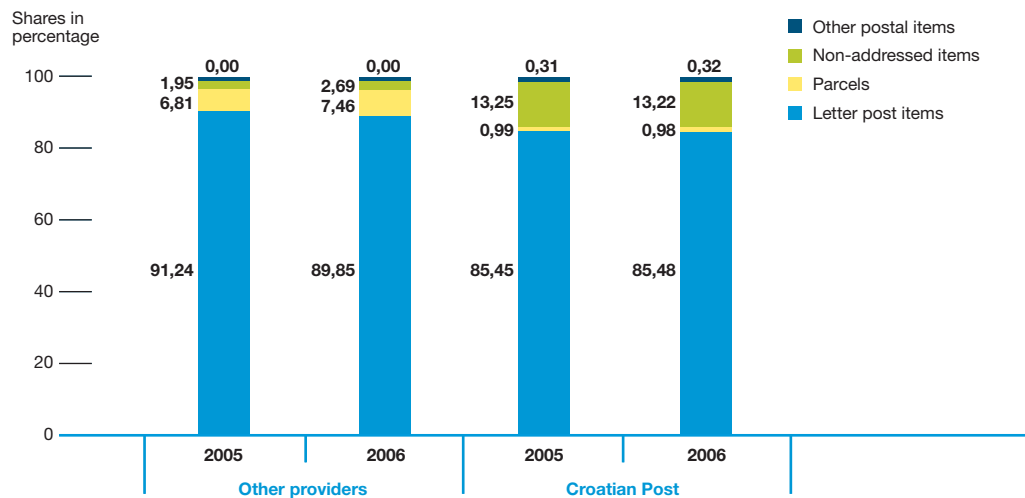
In the structure of realised services, letter post items had the highest share with approximately 86 per cent i.e. 337,977,812 items. They are followed by non-addressed items with the share of almost 12.5 per cent or 49,619,487 items and then parcels with the share of almost 1.3 per cent or 5,397,089 items. Other postal items (postal money orders, etc.) had a share of approximately 0.3 per cent or 1,198,983 items (Graph 13). It should be mentioned that there might be differences between data mentioned in this analysis and data published in publications of the Central Bureau of Statistics due to differently made forms, i.e. different criteria for data collection of the Central Bureau of Statistics and the Postal Services Council. There were no significant changes in the structure of realised services in relation to the previous year.

GRAPH 13.
SHARES OF CERTAIN
SERVICE CATEGORIES
IN 2006



In the structure of totally realised services (Graph 14), it can be seen that letter post items in Croatian Post Inc. made about 85 per cent of all the services, while in the group *other providers* they made about 90 per cent. Non-addressed items in Croatian Post Inc. had a share of almost 13 per cent, and in the group *other providers* they were almost three per cent. The share of parcels in the total realised services in Croatian Post Inc. was almost one per cent, while in the group *other providers* it was seven per cent. Other postal items in Croatian Post Inc. had a minimum share in the totally realised services, while *other providers* did not provide such services. In relation to the previous year there were no significant changes in shares per certain service categories.

GRAPH 14.
SHARES OF TOTALLY
REALISED SERVICES
PER PROVIDERS





By observing individually service categories and shares of the group *other providers* and Croatian Post Inc. in the total number of realised services in 2006, in relation to the previous year, the increase of the group *other providers* is obvious in relation to Croatian Post Inc. in all service categories, except in the category other postal items (Table 1).

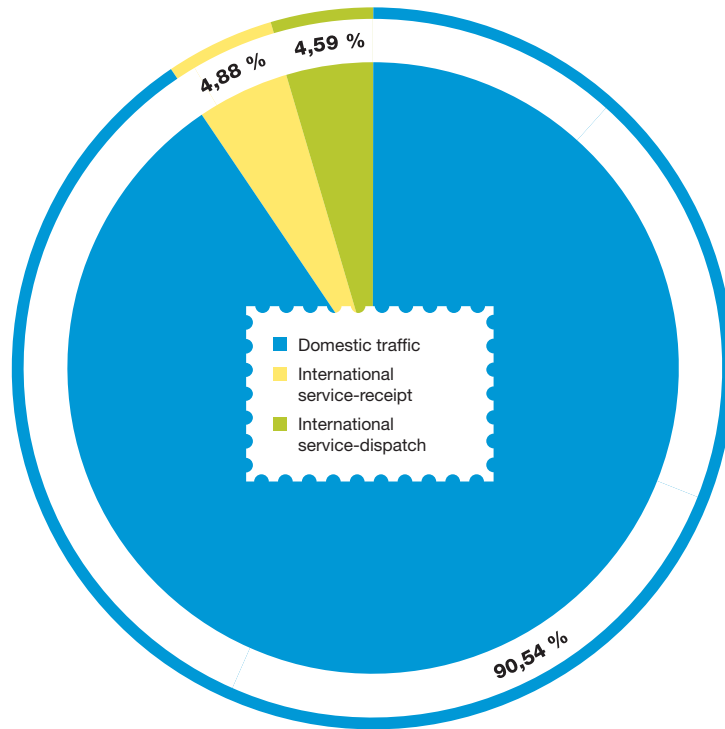
		Other providers	Croatian Post Inc.	Total	Share of other providers	Share of Croatian Post Inc.
Total services	2005	18.442.025	346.553.013	364.995.038	5,05	94,95
	2006	23.446.984	370.746.387	394.193.371	5,95	94,05
	Index	127	107	108		
Letter post items	2005	16.825.747	296.133.632	312.959.379	5,38	94,62
	2006	21.066.845	316.910.967	337.977.812	6,23	93,77
	Index	125	107	108		
Parcels	2005	1.256.278	3.443.238	4.699.516	26,73	73,27
	2006	1.749.139	3.647.950	5.397.089	32,41	67,59
	Index	139	106	115		
Non-addressed items	2005	360.000	45.911.598	46.271.598	0,78	99,22
	2006	631.000	48.988.487	49.619.487	1,27	98,73
	Index	175	107	107		
Other postal items	2005	0	1.064.545	1.064.545	0,00	100,00
	2006	0	1.198.983	1.198.983	0,00	100,00
	Index	0	113	113		

TABLE 1.
NUMBER OF REALISED SERVICES PER SERVICE CATEGORY AND SHARES PER PROVIDERS

Among the total realised number of services of all the active providers of postal and courier service, a bit more than 90 per cent was realised in the domestic traffic, about five per cent in the international traffic and the same amount in the international service-dispatch (Graph 15). The mentioned shares did not change in relation to 2005 except for values expressed in parts per thousand.

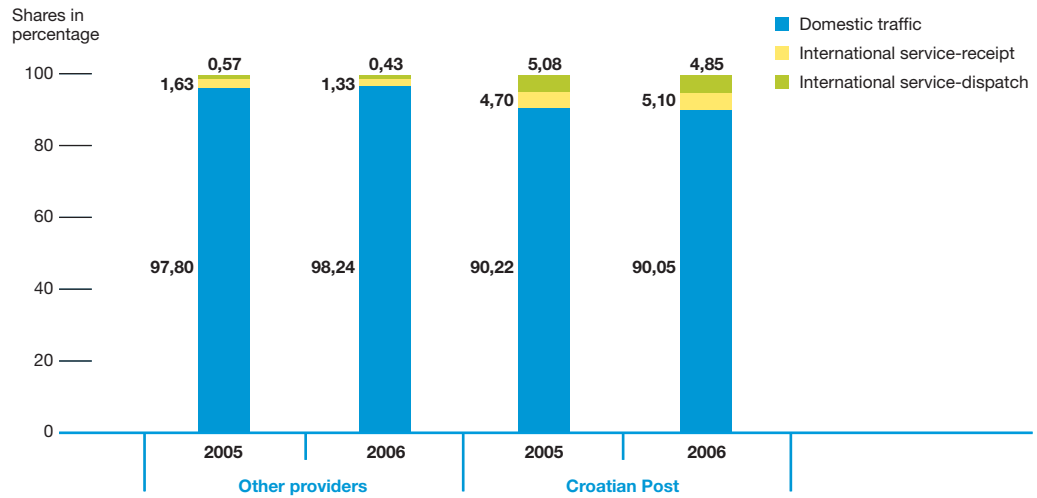


GRAPH 15.
SHARES OF REALISED
SERVICES ACCORDING
TO TYPES OF TRAFFIC
IN 2006



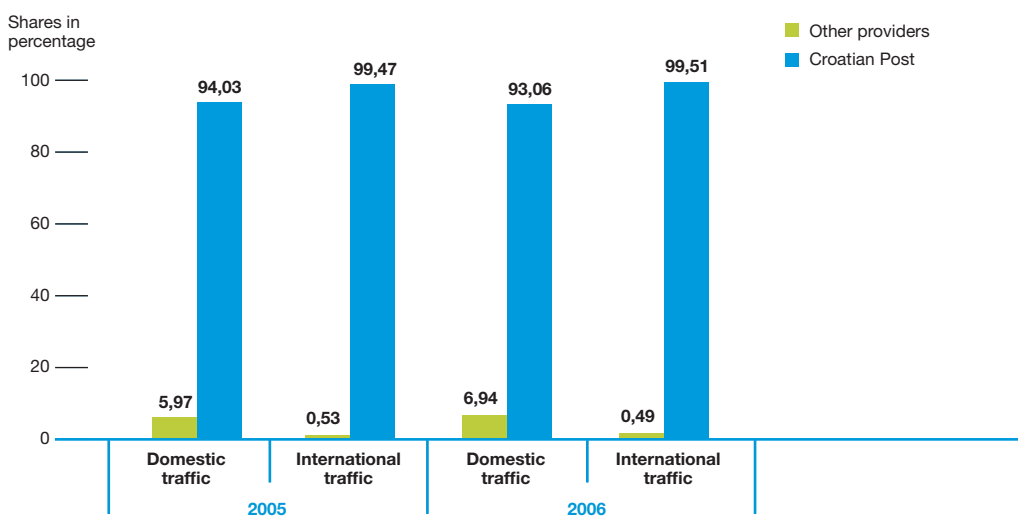
The group *other providers* realised in the domestic traffic more than 98 per cent of services, almost one per cent in the international service-receipt and less than one per cent in the international service-dispatch. Croatian Post Inc. realised almost 90 per cent of services in the domestic traffic, five per cent in the international service-receipt and five per cent in the international service-dispatch (Graph 16). In relation to the previous year there were no significant changes in the share of providers per individual types of traffic.

GRAPH 16.
SHARES OF REALISED
SERVICES ACCORDING
TO TYPES OF TRAFFIC
PER PROVIDERS



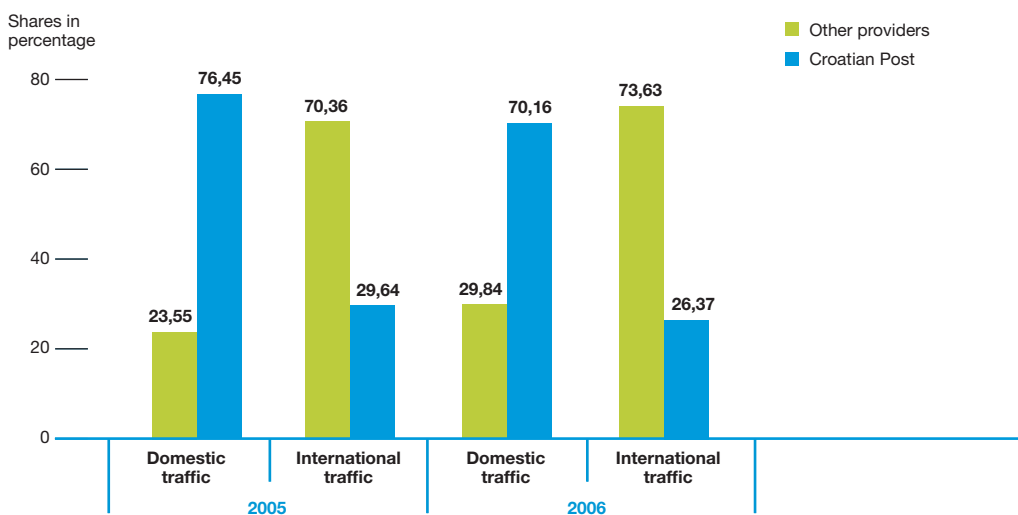


Graph 17 shows shares of letter post items in the group *other providers* and Croatian Post Inc. in the total realised traffic. In the graph, a slight decrease in the share of Croatian Post Inc. in 2006 can be seen in the domestic traffic, in relation to the previous year. In the international traffic of letter post items, Croatian Post Inc. had a share above 99 per cent in 2005 and 2006.



GRAPH 17.
SHARES OF LETTER
POST ITEMS
ACCORDING TO TYPES
OF TRAFFIC

At the market of parcel services a significant decrease of share of Croatian Post Inc. can be seen, in relation to the group *other providers*, both in the domestic and international traffic. Unlike letter post items where Croatian Post Inc. had a significantly higher share than the group *other providers*, in the category of parcels shares are different, taking into consideration domestic and international traffic. The group *other providers* had almost three times higher share of parcels in the international traffic in 2006 and the same was approximately three per cent higher in relation to the previous year. In the domestic traffic of parcels, the share of Croatian Post Inc. was significantly higher, but in 2006 in relation to the previous year, that share was decreased by more than six per cent (Graph 18).

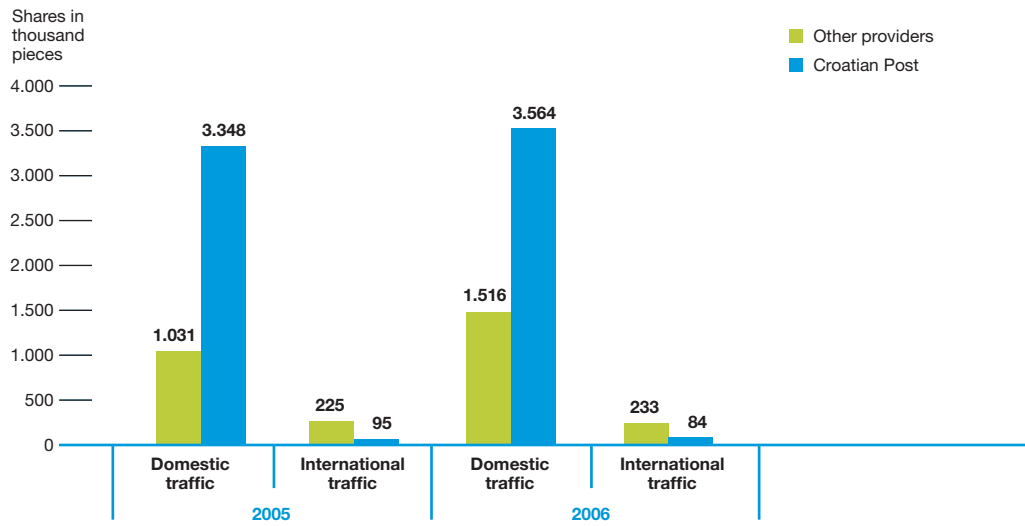


GRAPH 18.
SHARES OF PARCELS
ACCORDING TO TYPES
OF TRAFFIC



According to delivered data about the number of parcels, the group *other providers* increased the number of parcel services in domestic traffic by approximately 47 per cent in 2006 in comparison with the previous year, unlike Croatian Post Inc. which increased the number of parcel services by approximately six per cent (Graph 19). For Croatian Post Inc., ordinary and insured parcels and Hpexpress items were shown in the total sum of parcels in the domestic traffic, while only ordinary and insured parcels were shown in the international traffic, since Croatian Post Inc. does not offer Hpexpress service in the international traffic.

GRAPH 19.
TOTAL NUMBER OF
PARCELS ACCORDING
TO TYPES OF TRAFFIC

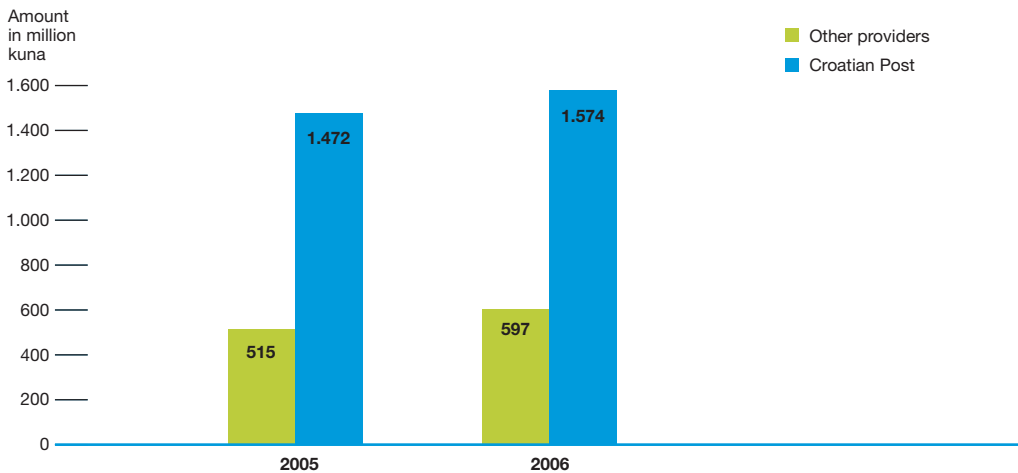


3.4. FINANCIAL DATA

3.4.1. Revenues

Total realised revenues of active providers of postal and courier services in 2006 which includes the revenue from postal and courier services, as well as revenue from other services and activities (financial services, sale of goods, forwarding, logistics, transport of goods and others) were 2,171,243,572 kuna and they were higher by about nine per cent in relation to 2005 when they amounted 1,987,365,376 kuna (Graph 20). Croatian Post Inc. increased its revenues by 6.9 per cent in relation to 2005 and the group *other providers* by 16 per cent.

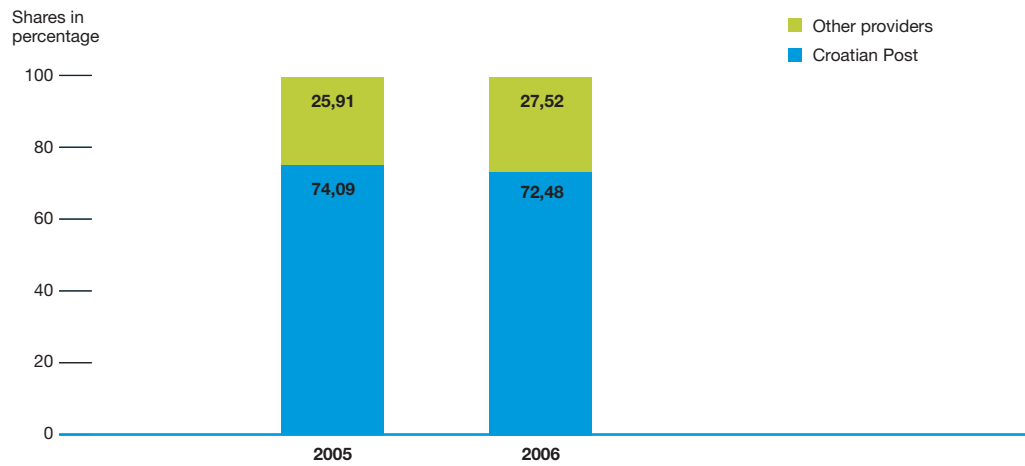
According to delivered data, providers of postal and courier services realised the total revenues of 1,199,121,229 kuna, in 2006, only from providing postal and courier services. Out of this, Croatian Post Inc. realised the revenues of 950,819,000 kuna and the group *other providers* 248,302,229 kuna. In one part of providers, the mentioned data were based on actually realised revenues from providing postal and courier services, while in the other part of providers, particularly those that, apart from postal and courier services provide other services, data obtained by their evaluation could not have been checked because of that.



GRAPH 20.
TOTAL REALISED
REVENUES FROM
ALL ACTIVITIES

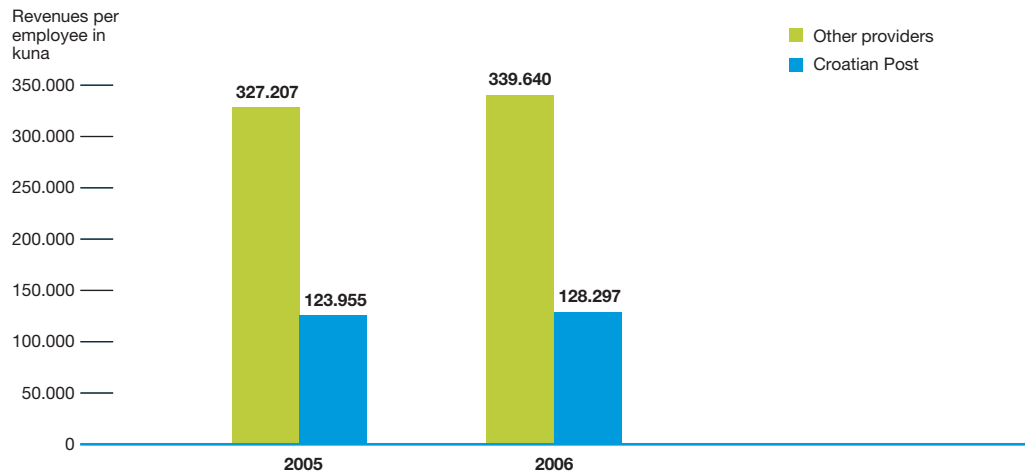
In 2006, out of the total realised revenues of all active providers, Croatian Post Inc. realised 1,573,816,507 kuna of revenues or 72.48 per cent, while the group *other providers* realised 597,427,965 kuna of revenues, i.e. 27.52 per cent (Graph 21). The share of Croatian Post Inc. in the total realised revenues at the whole market decreased by approximately 1.5 per cent in relation to a previous year.

GRAPH 21.
SHARES OF
REVENUES IN THE
TOTAL REALISED
REVENUES



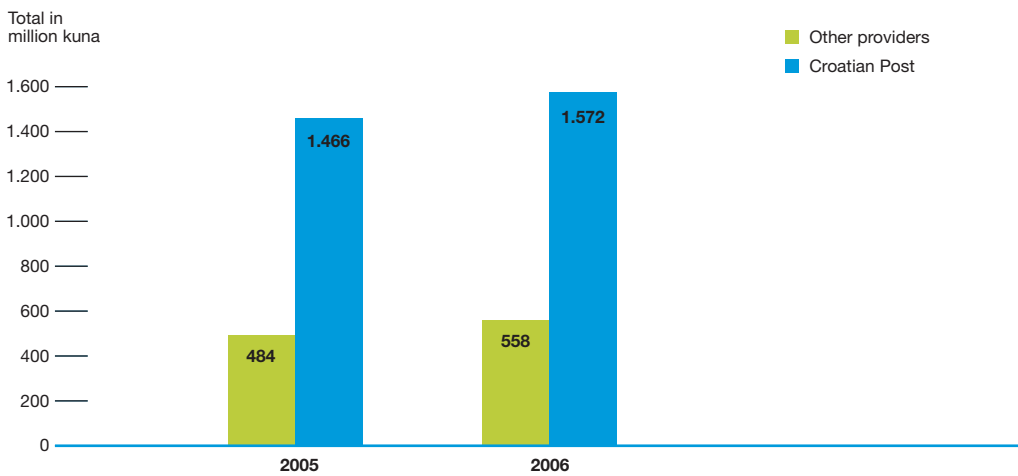
Realised revenues per employee of the group *other providers* and Croatian Post Inc., obtained in a way to divide totally realised revenues by a total number of employees at the end of the year are shown by the Graph 22. The revenues per employee in Croatian Post Inc. in 2006 were 128,297 and in the group *other providers* 339,640 kuna.

GRAPH 22.
REALISED
REVENUES PER
EMPLOYEE



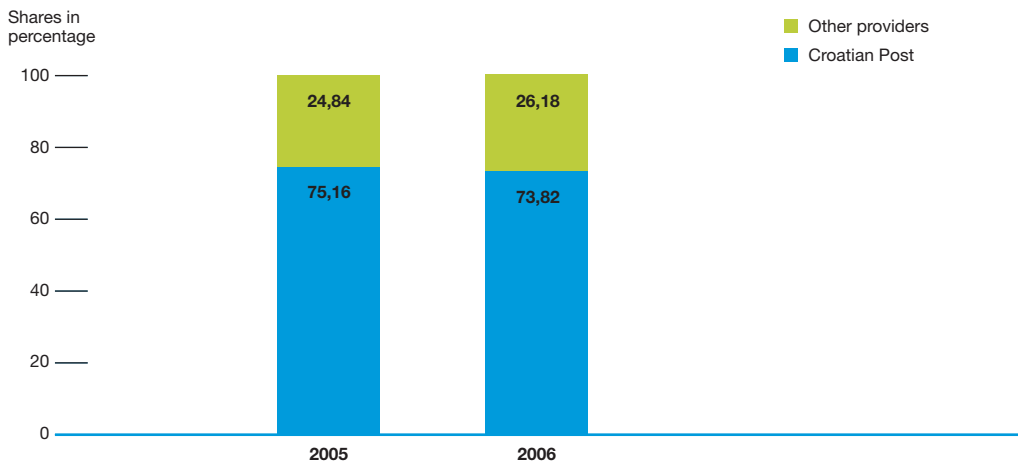
3.4.2. Expenditures

The total realised expenditures of active providers of postal and courier services in 2006 which include expenditures from providing postal and courier services and expenditures from providing other types of services and activities (financial services, sale of goods, forwarding, logistics, transport of goods and others) were 2,129,818,479 kuna and they are approximately higher by nine per cent in relation to 2005 when they were 1,950,636,592 kuna (Graph 23). Croatian Post Inc. increased its expenditures by 7.2 per cent in relation to 2005 and the group *other providers* by approximately 15%.



GRAPH 23.
TOTAL REALISED
EXPENDITURES
FROM ALL
ACTIVITIES

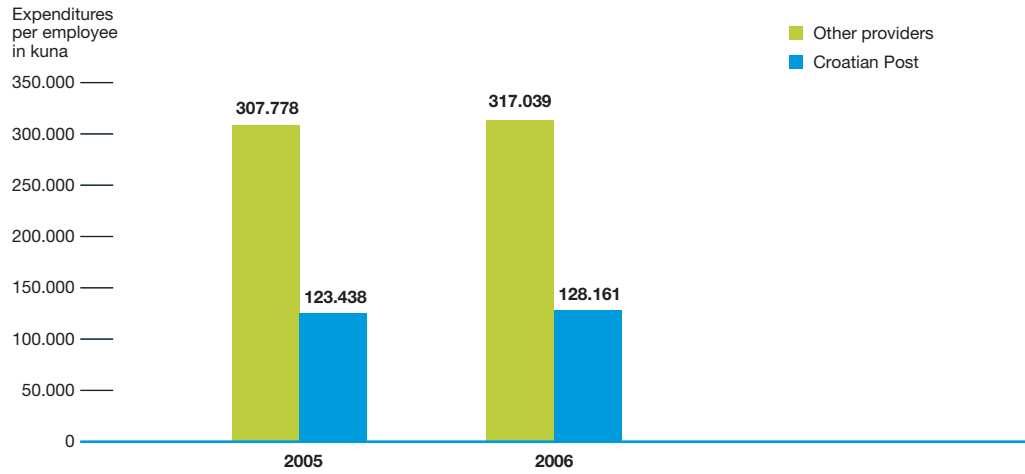
Out of the total of realised expenditures of all active providers, Croatian Post Inc. realised the expenditures of 1,572,147,307 kuna in 2006 or 73.82 per cent and the group *other providers* the expenditures of 557,671,172 kuna, i.e. 26.18 per cent (Graph 24). The share of Croatian Post Inc. in the total realised expenditures on the whole market decreased by approximately 1.3 per cent in relation to a previous year.



GRAPH 24.
SHARE OF
EXPENDITURES IN
THE TOTAL REALISED
EXPENDITURES

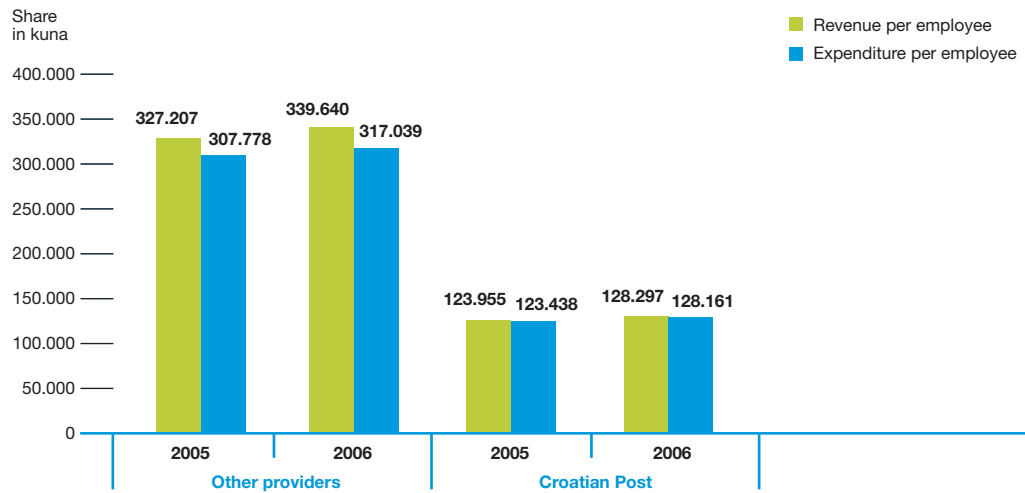
Realised expenditures per employee of the group *other providers* and Croatian Post Inc., obtained in a way to divide totally realised expenditures by a total number of employees at the end of the year are shown by the Graph 25. The revenues per employee in Croatian Post Inc. in 2006 was 128,161 and in the group *other providers* 317,039 kuna (Graph 25).

GRAPH 25.
REALISED
EXPENDITURES
PER EMPLOYEE



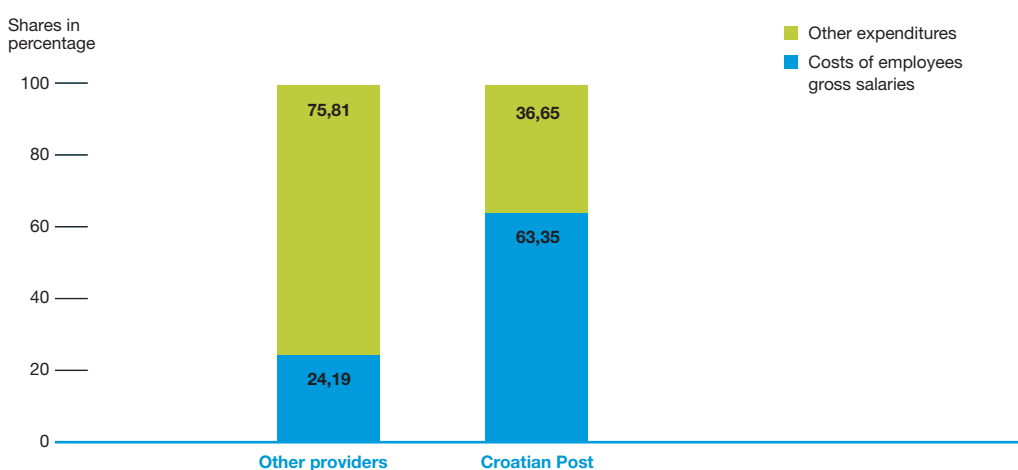
Graph 26 shows comparatively realised revenues and expenditures per employee and providers for 2005 and 2006.

GRAPH 26.
REALISED REVENUES
AND EXPENDITURES
PER EMPLOYEE





Graph 27 shows shares of gross salary in total expenditures of providers. The mentioned share in Croatian post Inc. in 2006 was about 63 per cent of its total expenditures and in the group *other providers* approximately 24 per cent of total expenditures.



GRAPH 27.
SHARE OF GROSS SALARY
OF EMPLOYEES IN TOTAL
REALISED EXPENDITURES
IN 2006

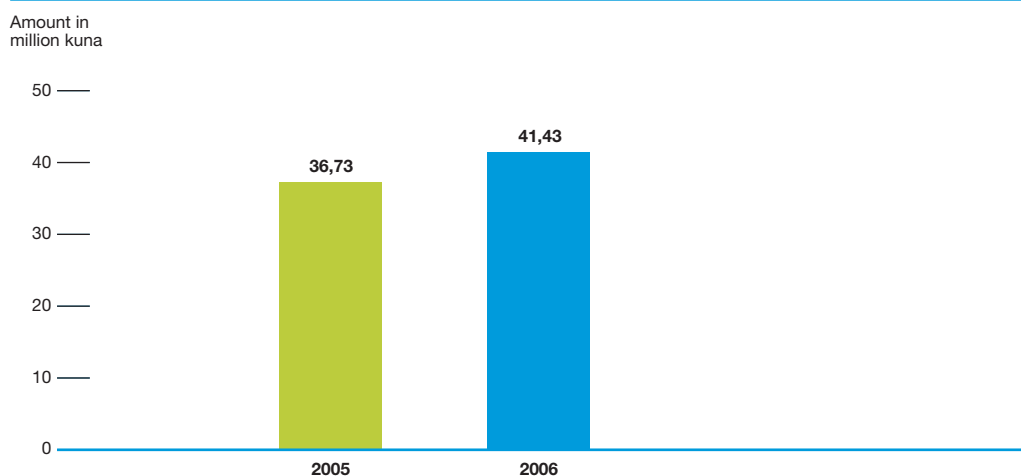
Regarding the big difference in shown revenues and expenditures per employee (Graph 26), and the shown share of paid gross salary of employees in the total expenditures in 2006 (Graph 27) between the group *other providers* and Croatian Post Inc., it has to be mentioned that a part of the group *other providers* uses services of other legal or natural persons for some jobs connected with providing postal and courier services. Because of that, due to the use of services of other persons, in the group *other providers* revenues and expenditures are divided by a smaller number of (own) employees, by which revenues and expenditures per employee are increased in an indirect way and they would be smaller in case of providing the mentioned services with own employees.

Also, part of the total expenditures of the group *other providers* refers to the payment of services to other legal or natural persons. In that way, the category of gross salaries of employees is decreased in relation to salaries that would be paid off if the mentioned categories had been performed with own employees and increased other expenditures categories, particularly transportation costs.

3.4.3 Net results

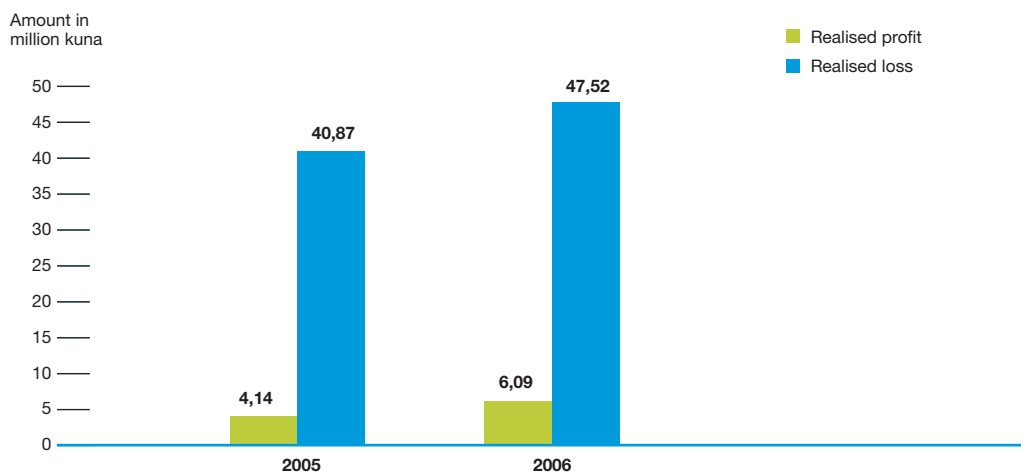
According to delivered data, active providers of postal and courier services realised the total profit of 41,425,093 kuna in 2006 from postal and courier services and from providing other services and activities (financial services, sale of goods, forwarding, logistics, transport of goods and others). In 2005, the profit was 36,728,784 kuna, which means that the total profit in 2006 increased by approximately 13 per cent (Graph 28).

GRAPH 28.
TOTAL REALISED
PROFIT FROM ALL
ACTIVITIES



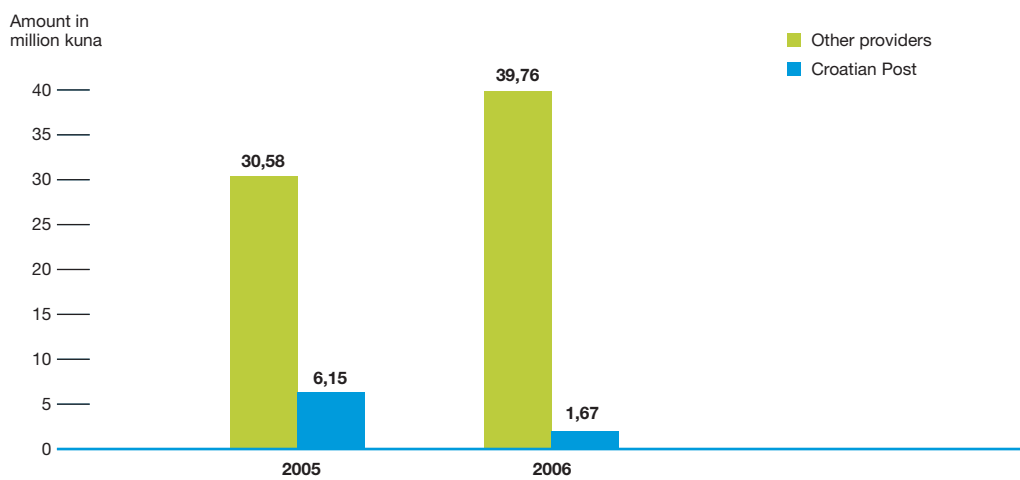
In 2006, four providers had a negative net result in the total amount of almost six million kuna (in 2005 there were two providers with 4.14 million kuna), while the other realised a positive result in the total amount of approximately 48 million kuna (in 2005 approximately 41 million kuna) (Graph 29).

GRAPH 29.
TOTAL REALISED
PROFIT AND LOSS
FROM ALL ACTIVITIES





If we look at the total net results (Graph 30), it can be seen that the group *other providers* increased its profit in 2006, i.e. increased the difference between the realised profit of one part of providers and realised loss of *other providers* in relation to the previous year, while Croatian Post Inc. decreased its profit in the same period.



GRAPH 30.
TOTAL REALISED NET
RESULTS FROM ALL
ACTIVITIES





QUALITY OF PROVIDING
UNIVERSAL POSTAL
SERVICES OF THE
PUBLIC OPERATOR

4





LES. - Grand'Place.
de Ville.
Grote Markt. Stao
verlicht te
Jeanne



PAR AERIE
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FABRICATION FRANÇAISE

M^r & M^{me} L. Tortevii
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4. QUALITY OF PROVIDING UNIVERSAL POSTAL SERVICES OF THE PUBLIC OPERATOR

Pursuant to article 37., paragraph 1. of the Ordinance on terms and conditions for the provision of postal services³, providers of universal postal services are obliged to announce annual data about quality of postal items delivery and data about the total number of received complaints and the number of solved complaints in the period prescribed by the Postal Act. According to that, Croatian Post Inc., as the only provider of universal postal services, delivered to the Council its data for 2006 in the Annual report on the quality of providing universal postal services.

4.1. TRANSIT TIME OF END-TO-END FOR LETTER POST ITEMS

Croatian Post Inc. measured transit time of end-to-end for letter post items two times in the domestic traffic in 2006 and in organisation of Universal Postal Union (UPU) transit time of international priority letter post items with three members of the European Union: The Czech Republic, Hungary and Slovenia was measured.

According to the measurement of Croatian Post Inc. (Table 2), in the transit time of non-priority letter post items in the domestic traffic, it was shown that quality indicator in test items was 96.05 per cent of received items in time D+3 (the period of three days without a receipt day) while in real items, the quality indicator was 99.86 per cent in the mentioned time. In the transit of parcels, the quality indicator was 99.38 per cent of all received parcels in the same period.

		Transit time				
		D+1	D+2	D+3	D>3	Total
1.1.	Test items					
	Number of items	1.721	967	230	120	3.038
	% of total numbers	56,65	31,83	7,57	3,95	100
	Cumulative	56,65	88,48	96,05	100	
1.2.	Real items					
	Number of items	3.907.213	888.045	173.901	7.119	4.976.278
	% of total numbers	78,52	17,85	3,50	0,14	100
	Cumulative	78,52	96,36	99,86	100	
1.3.	Parcels					
	Number of items	26.961	10.721	2.617	252	40.551
	% of total numbers	66,49	26,44	6,45	0,62	100
	Cumulative	66,49	92,93	99,38	100	

TABLE 2
DATA ABOUT TRANSIT
TIME OF END-TO-END
FOR LETTER POST
ITEMS IN THE DOMESTIC
TRAFFIC

Data source: Croatian Post Inc., Annual report on the quality of providing universal postal services for 2006

When dealing with the quality of the international priority letter post items delivery, according to data obtained while measuring transit time between Croatian Post Inc. and public operators in The Czech Republic, Hungary and Slovenia (Table 3), the percentage of transit time in the period D+3 is on the average 73 per cent and in the period D+5 94 per cent.

³ Official Gazette 151/04 and 122/05

⁴ Universal Postal Union

TABLE 3.
DATA ABOUT
MEASUREMENT OF THE
TRANSIT TIME OF END-
TO-END FOR LETTER
POST ITEMS IN THE
INTERNATIONAL TRAFFIC

	Transit time in %	
	D+3	D+5
Priority letter post items		
Czech Republic - Croatia	56,30	90,90
Hungary - Croatia	78,30	95,00
Slovenia - Croatia	83,30	97,30
Average in %	72,63	94,40

Data source: Croatian Post Inc., Annual report on the quality of providing universal postal services for 2006

4.2. COMPLAINTS

According to delivered data (Table 4), Croatian Post Inc. had the total of 22,951 complaints in 2006, out of which it managed to solve within prescribed time 22,284 or 97.09 per cent.

TABLE 4.
DATA ABOUT
THE NUMBER OF
COMPLAINTS TO
CROATIAN POST INC.
IN 2006

		DOMESTIC TRAFFIC	INTERNATIONAL TRAFFIC	TOTAL	
COMPLAINTS	Letter post items	Standard letters	11	11	
		Registered letters	17.920	1.903	19.823
		Insured letters	143	54	197
	Parcels	Ordinary	2.459		2.459
		Insured	15	83	98
	Money orders	Postal	339		339
		Telegram	24		24
	Total		20.900	2.051	22.951
	Solved within prescribed time	Number	20.333	1.951	22.284
		%	97,29	95,12	97,09

Data source: Croatian Post Inc., Annual report on the quality of providing universal postal services for 2006



DATA ABOUT PUBLIC
POSTAL NETWORK IN THE
REPUBLIC OF CROATIA

5



5. DATA ABOUT PUBLIC POSTAL NETWORK IN THE REPUBLIC OF CROATIA

Public postal network includes post offices, postal headquarters and other facilities, letter boxes, equipment, means of transport and other means of the public operator, which are interlinked in unique technical-technological unity for providing universal postal services on the territory of the whole Republic of Croatia.

The Table 5 shows data about the number of post offices of the public operator, i.e. data of Croatian Post Inc. According to delivered data, in 2006, the group *other providers* had 55 offices open to the public, in which postal items can be given or taken from.

Ordinal number	Type of post office	2005	2006	Index
0	1	2	3	4(3:2)
1.	Post offices with delivery area	918	924	101
2.	Post offices without delivery area	220	217	99
3.	Seasonal post offices	21	20	95
TOTAL		1.159	1.161	100

Data source: Croatian Post Inc., Business Report for 2006

Table 6 shows basic data about postal network and capacities of the public operator in the Republic of Croatia.

Ord. no.	Description	2005	2006	Index
0	1	2	3	4(3:2)
1.	Letter boxes in delivery areas	5.384	5.147	96
2.	Counters in post office	2.880	2.881	100
3.	Counter terminals	2.172	2.305	106
4.	Post office boxes	30.017	29.735	99
5.	Delivery areas	3.585	3.749	105
6.	Means of transportation	751	804	107
7.	Post lines	522	526	100
8.	Length of post lines (in km)	47.216	49.835	106

Data source: Croatian Post Inc., Business Report for 2006

TABLE 5.
DATA ABOUT THE
NUMBER OF POST
OFFICES OF THE PUBLIC
OPERATOR

TABLE 6.
DATA ABOUT POSTAL
NETWORK AND
CAPACITIES OF THE
PUBLIC OPERATOR

According to data about development indicators of postal network of a public operator in the Table 7, measurements on establishing, maintaining and developing public postal network in the Republic of Croatia have been satisfied, pursuant to the Ordinance on the postal system of the public operator.

TABLE 7.
BASIC DEVELOPMENT
INDICATORS OF THE
POSTAL NETWORK OF
THE PUBLIC OPERATOR

Ord. no.	Description	2005	2006	Index
0	1	2	3	4(3:2)
1.	Number of post offices	1.159	1.161	100
2.	Surface area in m ² for one post office	49	49	100
3.	Number of inhabitants per one post office	3.829	3.822	100
4.	Number of inhabitants per one counter	1.541	1.540	100
5.	Number of inhabitants per one letter box	824	862	105

Data source: Croatian Post Inc., Business Report for 2006



THE COMPARISON
BETWEEN THE CROATIAN
POST INC. AND EUROPEAN
PUBLIC OPERATORS

6



6. THE COMPARISON BETWEEN THE CROATIAN POST INC. AND EUROPEAN PUBLIC OPERATORS

Tables 8, 9 and 10 and Graphs 31, 32 and 33 give comparative data about basic development indicators of postal network, data about services and financial indicators of Croatian Post Inc. and other European public operators. Data are based on statistical reports published on the Internet pages of the Universal Postal Union (UPU) for 2005, since they have not been published for 2006.

0	Area in km ²	Number of inhabitants (in mil.)	Total number of employees	Total number of permanent post offices	Number of letter boxes	Number of post office boxes	Average area covered by a post office (km ²)	Average number of inhabitants per post office
0	1	2	3	4	5	6	7	8
Austria	83.858	8,19	26.058	1.947	20.539	28.170	43,07	4.206,19
Belgium	30.528	10,42	36.154	1.409			21,67	7.394,64
Cyprus	9.251	0,84	1.792		998	25.810		
Czech	78.866	10,22	39.299	3.416	24.107	40.786	23,09	2.991,69
Denmark	43.094	5,43	21.539	945	9.190	58.463	45,60	5.746,66
Estonia	45.100	1,33	4.100	544	3.786	12.034	82,90	2.444,30
Finland	338.145	5,25	24.408	1.276	8.000	27.000	265,00	4.113,68
France	551.500	60,50	278.286	17.008	145.000	230.000	32,43	3.556,89
Greece	131.957	11,12	11.471	2.093	11.639	158.500	63,05	5.312,90
Croatia	56.538	4,55	11.878	1.159	5.286	21.102	48,78	3.926,95
Ireland	70.273	4,15	9.465	1.570	6.200	4.000	44,76	2.641,98
Italy	301.318	58,09	147.904	13.831	62.000	315.749	21,79	4.200,18
Latvia	64.600	2,31		975	2.300	2.300	66,26	2.366,14
Lithuania	65.300	3,43	8.136	949	4.141		68,81	3.615,42
Luxemburg	2.586	0,47	1.746	107	1.153	6.680	24,17	4.344,90
Hungary	93.032	10,10	39.098	2.844	15.487	81.583	32,71	3.550,54
Malta	316	0,40	647	51	472	1.890	6,20	7.875,10
Netherlands	41.528	16,30	58.880	3.191	19.540	188.000	13,01	5.107,86
Germany	357.022	82,69	502.545	12.671	108.000	940.000	28,18	6.525,86
Poland	323.250	38,53	100.035	8.350	56.623		38,71	4.614,32
Portugal	91.982	10,50	14.160	2.889	18.232	157.043	31,84	3.632,57
Slovakia	49.033	5,40	17.053	1.586	7.096	22.959	30,92	3.405,36
Slovenia	20.256	1,97	6.517	558	3.068	16.503	36,30	3.524,76
Sweden	449.964	9,04	38.315	1.980			227,26	4.566,29
Great Britain	242.900	59,67	195.592	14.376	113.000	160.000	16,90	4.150,52

Data source: Universal postal union, Postal statistics 2005

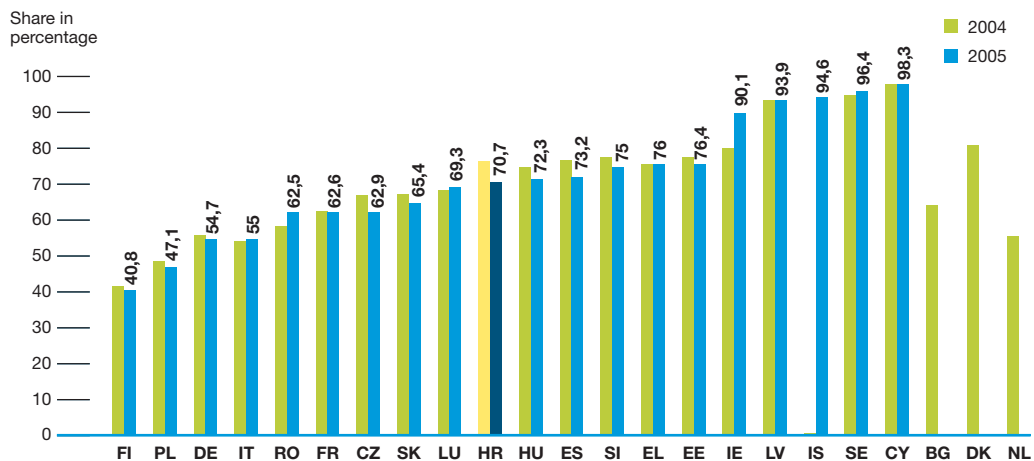
TABLE 8.
BASIC DEVELOPMENT INDICATORS OF THE POSTAL NETWORK OF THE EUROPEAN PUBLIC OPERATORS IN 2005

TABLE 9.
DATA ABOUT REALISED
SERVICES OF EUROPEAN
PUBLIC OPERATORS IN
2005

	Percentage of items delivered by POB	Average number of sent letter post items per inhabitant	Number of letter post items in domestic traffic (in thousand pieces)	Number of registered items (in thousand pieces)			Number of insured letters		
				In domestic traffic	In international service-dispatch	In international service-receipt	In domestic traffic	In international service-dispatch	In international service-receipt
0	1	2	3	4	5	6	7	8	9
Austria	12,00		994.466	16.870			104.000		
Cyprus	20,00	70,83	50.073	651	246	226		386	1.466
Czech	35,00	271,86	2.745.037	105.368	2.829	1.558	881.823	27.861	12.048
Denmark			1.058.300	1.511					
Estonia	3,00	201,15	47.985	2.017	359	332	2.760	350	840
Finland	5,00	520,59	832.000	1.700	130	370	110.000	10.000	10.000
France			17.543.000	219.000					
Greece		54,60	560.742	16.030	1.292	1.527	321.724	16.122	12.319
Croatia	16,00	70,48	308.273	32.843	849	697	1.128.316	4.118	19.591
Ireland		182,05	499.000	3.820	920	1.300			
Italy	6,60	119,29	6.833.399	251.311	3.608	4.161	15.650.724	45.048	48.846
Latvia		78,73	56.470	3.720	416	317	97.243	215.023	149.371
Lithuania		61,84	42.891	5.378	856	361	44.000	1.000	1.500
Luxemburg	25,00		105.100	1.030	650	580	5.900	10.400	11.200
Hungary	13,86	144,61	911.528	133.771	1.602	657	1.059.143	6.000	5.000
Malta	0,04	120,97	43.465	718	126	103			
Netherlands	12,50		5.139.000						
Germany	20,00		21.437.000						
Poland		82,91	1.193.616	330.568	4.078	1.421	1.680.086	34.130	51.183
Portugal	20,50	190,00	1.010.387	52.681	1.632	1.305	19.765	3.720	10.145
Slovakia	20,00	97,61	510.936	52.090	1.633	1.167	933.436	8.551	11.336
Slovenia	18,00	427,35	832.488	26.695	466	460	739.604	43.482	3.548
Great Britain	4,00	355,94	20.790.000	7.703	6.437	9.683		2.144	129.930

Data source: Universal postal union, Postal statistics 2005

GRAPH 31.
SHARES OF LETTERS
AND POSTCARDS IN
THE TOTAL NUMBER OF
LETTER POST ITEMS



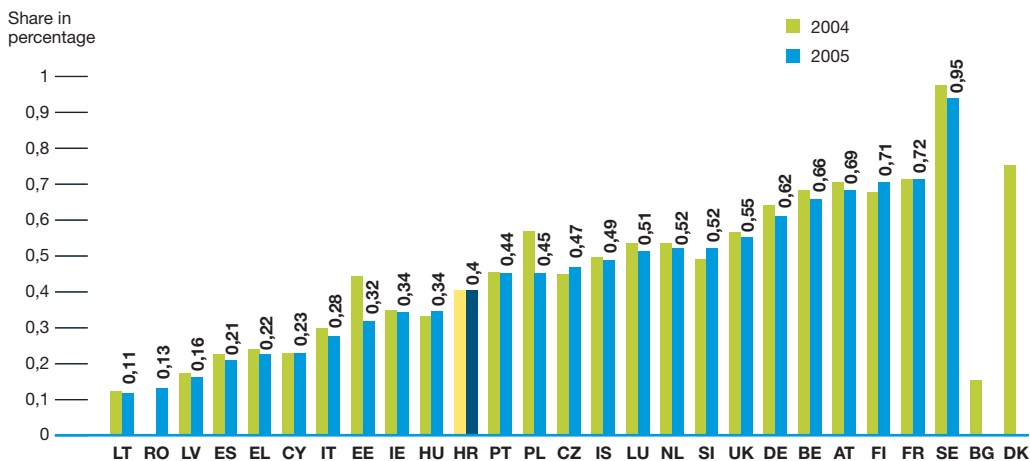
Data source: Eurostat. Inquiry on Postal Services 2006



TABLE 10.
FINANCIAL INDICATORS
OF EUROPEAN PUBLIC
OPERATORS IN 2005

Country	Operating revenues in €	Operating expenditures in €	Net results in €	Revenues percentage from			
				Letter Post items	Parcels and logistic services	Postal financial services	Other services
0	1	2	3	4	5	6	7
Austria	1.755.129.251	1.650.768.808	104.360.442				
Belgium	1.974.057.755	1.863.409.184	110.648.571				
Cyprus	31.193.695	24.707.011	6.486.684	78,83	1,70	0,25	19,22
Czech	597.856.738	568.887.341	28.969.397	41,29	9,23	25,42	24,06
Denmark	1.523.212.745	1.312.832.393	210.380.352	57,30	10,30	18,90	13,50
Estonia	48.070.912	45.193.887	2.877.025	38,80	21,50	8,80	30,90
Finland	1.420.427.386	1.285.377.244	135.050.142	60,00	26,00	0,00	14,00
France	19.534.252.817	18.778.972.391	755.280.426	58,00	6,00	23,00	13,00
Greece	503.622.900	496.297.899	7.325.001	77,00	3,00	14,00	6,00
Croatia	189.979.254	196.531.237	-6.551.982	64,00	6,00	1,00	29,00
Ireland	753.179.646	736.973.629	16.206.017	72,20		18,10	9,70
Italy	9.220.016.273	8.392.956.197	827.060.077	49,10	3,10	47,10	0,70
Lithuania	49.002.189	48.761.537	240.652	37,60	3,90	23,60	34,90
Luxemburg	149.160.732	137.178.583	11.982.150	83,00	3,00	13,00	1,00
Hungary	659.432.150	632.452.353	26.979.797	43,00	4,00	28,00	25,00
Malta	16.946.126	14.007.446	2.938.681	74,00	6,00	1,00	19,00
Netherlands	3.985.479.757	3.234.200.817	751.278.940				
Germany	48.294.938.924	44.538.699.241	3.756.239.683	28,00	57,00	15,00	
Poland	1.602.637.821	1.532.742.838	69.894.983	51,80	6,40	21,10	20,70
Portugal	655.714.458	654.260.919	1.453.540	81,50	3,00	6,60	8,90
Slovakia	211.062.758	193.954.585	17.108.173	55,87	6,29	8,65	29,19
Slovenia	209.202.296	188.956.575	20.245.720	61,20	7,20	18,90	12,70
Sweden	2.725.713.381	2.589.219.935	136.493.446	53,00	28,00	5,00	14,00
Great Britain	13.223.145.594	12.704.791.278	518.354.316				

Data source: Universal postal union, Postal statistics 2005. Data are expressed in euros and are obtained by calculation based on 1 SDR = 1.212 EUR *Column 6. mentions revenues percentage from postal financial services in the amount of 1 percentage where the revenues from orders is only taken into account and not all revenues from various types of financial services carried out by Croatian Post Inc.

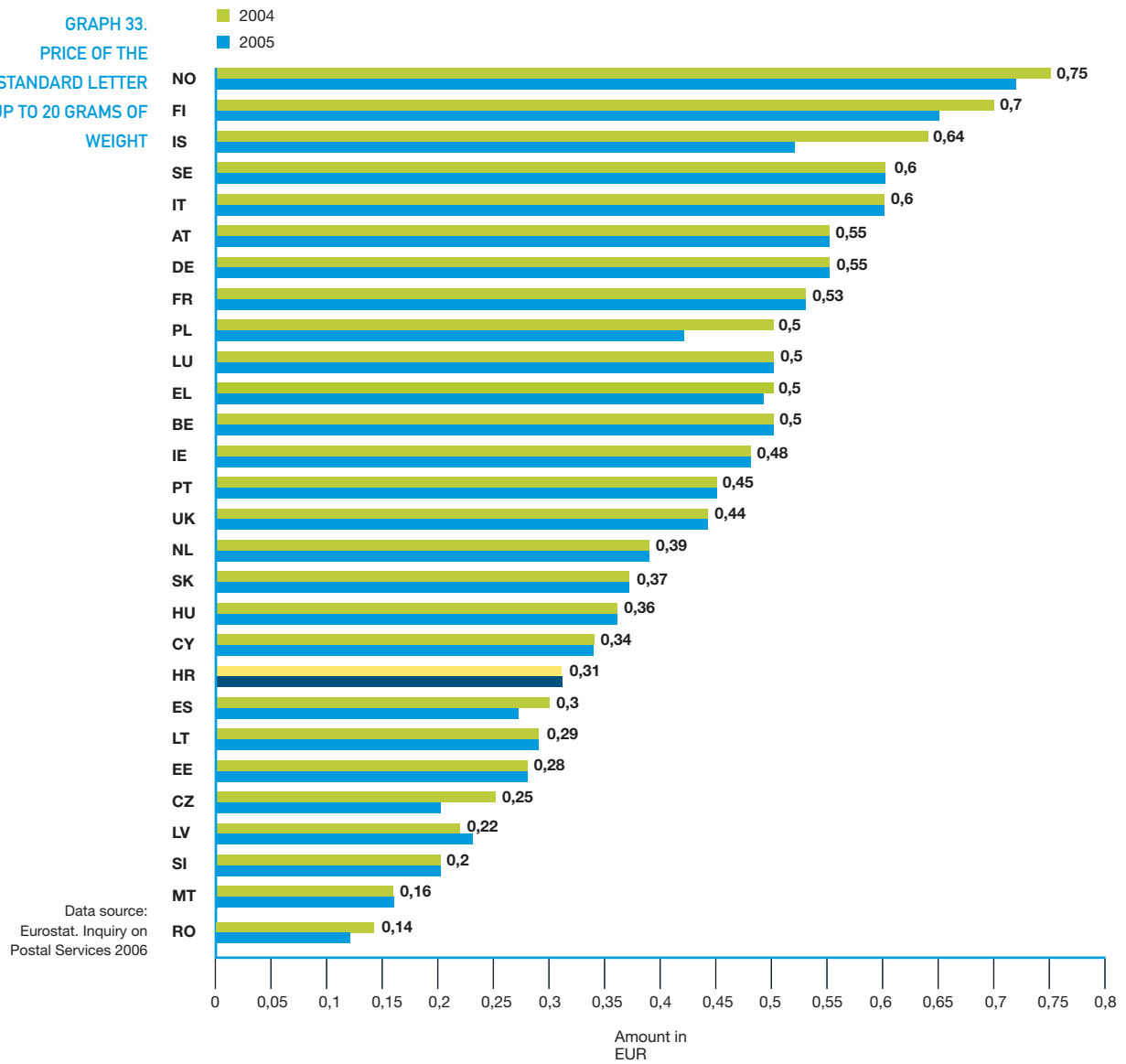


GRAPH 32.
SHARES OF REVENUES
OF DOMESTIC POSTAL
SECTOR IN THE
NATIONAL GROSS
DOMESTIC PRODUCT

Data source:
Eurostat, Inquiry on
Postal Services 2006



GRAPH 33.
PRICE OF THE
STANDARD LETTER
UP TO 20 GRAMS OF
WEIGHT



Data source:
Eurostat. Inquiry on
Postal Services 2006



CONCLUSION



CONCLUSION

Postal Services Council has for the first time collected, joined, analysed and presented to the public data about the postal and courier services market in the Republic of Croatia. The aim of publishing the Analysis is to introduce all participants at the market and interested institutions with the market conditions and movements. By publishing collected data they stop serving to the Council only in following of postal and courier services, but they become the instrument of following processes and effects of partial and gradual opening of postal and courier services market.

Partial opening of postal and courier services market enables equal market competition of all the participants at the market, in the area which is open for free market competition. Gradual market opening enables adjustment of all participants at the market to conditions of free market competition and particularly public operators, previously public state firms with the monopoly in providing postal services.

In all countries of the European Union, except those which have completely opened their market, the postal service market is partially liberalised. But the process of gradual opening of postal service market in the European Union is entering its last phase. In October 2006, the European Commission made the Draft of the third Postal directive which envisages complete liberalisation of the postal service market since 1 January 2009. The aim of this Draft is to achieve the single market by abolishing previously guaranteed exclusive rights, i.e. monopolies of public operators; providing for all beneficiaries of the European Union countries common satisfactory level of universal services; establishing harmonised regulating principles in conditions of liberalised market, with the aim to remove obstacles in functioning of the single market. The draft emphasises the significance and strengthens the role of regulatory bodies at the postal service market. A special task of regulatory bodies is to ensure compliance with the obligations arising from the Postal directives, particularly in establishing monitoring and regulatory procedures, with the aim to insure further provision of universal postal services of certain quality under equal terms and at popular prices on the whole territory of the European Union member countries.

The Draft of the third Postal directive caused numerous reactions in the European Union member countries, together with the invitation to careful approach in discussions on complete liberalisation of the postal market in 2009. Some of the European Parliament Committees and the European Economic and Social Committee suggested the postponement of the total liberalisation of the postal market until 2012. However, it can be expected that the complete liberalisation of the postal service market will finally be carried out, so the preparation of national postal operators is particularly important, as well as of national regulatory bodies for the complete liberalisation, i.e. market opening and market competition in the area of providing postal services. Complete liberalisation and free market competition do not also mean the lack of any rules of behaviour for participants at the market and in that sense, the role of regulatory bodies is particularly important. They take care that the behaviour of all participants at some market is in accordance with regulations which regulate that area.

In that sense, the project “Support to the Postal Services Council” from CARDS 2004 programme is very important. Its implementation started in May, 2007. The Project has been implemented by the German Federal Agency for Electricity, Gas, Telecommunications, Post and Railway.

The purpose of the project is introduction, maintenance and promotion of the effective and sustainable market competition at the postal and courier service market in the Republic of Croatia, ensuring efficient law enforcement, as well as strengthening of the institutional capacity of the Council as a regulatory body in the Republic of Croatia. Therefore, one of the aims of the Project is to introduce all participants at the postal and courier service market in the Republic of Croatia and public with the future liberalisation of sectors and changes at the market of postal and courier services.

Bearing this on mind, the Council has made this Analysis whose data and conclusions show growth and strengthening of the postal and courier service market in 2006.

According to delivered and processed data, taking into consideration the total postal and courier service market, it can be seen that in 2006, in relation to a previous year, the total increase and growth in almost all market segments and observed categories were recorded. The total number of employees is higher by approximately four per cent; the number of realised services is higher by eight per cent, total revenues increased by nine per cent, while the total profit, as a result of all activities performed by active providers of postal and courier services, increased by 13 per cent.

Generally speaking, the total increase and growth of the mentioned categories are higher and more significant in the group *other providers* of postal and courier services in relation to Croatian Post Inc. It resulted in the reduction of differences in shares of the majority of observed market indicators, between the group *other providers* of postal and courier services and Croatian Post Inc.

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LIST OF PROVIDERS OF POSTAL AND COURIER SERVICES

ORD. NO.	NAME AND ADDRESS OF SERVICE PROVIDER	REGISTRATION NUMBER	DATE OF RECEIPT OF THE COMPLETE APPLICATION AND/OR ISSUING LICENCE I.E. ANOTHER LEGAL FOUNDATION FOR PROVIDING SERVICES	TYPE OF POSTAL AND/OR COURIER SERVICES	NUMBER OF PUBLISHING IN THE OFFICIAL GAZETTE
1.	Croatian Post Inc. Jurišićeva 13, 10000 Zagreb	1414895	Right and obligation pursuant to the Postal act ("Official Gazette", number 172/03, 15/04 and 92/05) and registration 10 February 2004	Universal postal services in the whole area of the Republic of Croatia and other postal services pursuant to article 11, 12, 13 and 15 of the Postal Act and courier services in the whole area of the Republic of Croatia pursuant to the article 14. of the Postal Act	39/05 and 120/05
2.	Rhea express d.o.o. Buzinski prilaz 36, 10020 Zagreb	1559591	Registration 20 February 2004 CESSATION OF PROVIDING SERVICES 30 March 2006	Courier services in the international traffic according to the article 14. of the Postal Act	39/05 deleted 39/06
3.	DHL-INTERNATIONAL d.o.o. Turinina 3, 10000 Zagreb	3996824	Registration 1 March 2004	Courier services in the whole area of the Republic of Croatia and in the international traffic pursuant to the article 14. of the Postal Act	39/05
4.	INTEREUROPA SAJAM, Međunarodno otpremništvo d.o.o. Avenija Dubrovnik 15, 10020 Zagreb	3780503	Registration 10 March 2004	Courier services in the international traffic pursuant to the article 14 of the Postal Act	39/05
5.	NULA JEDAN - BRZA POŠTA d.o.o. Božidara Adžije 34, 10000 Zagreb	3604560	Registration 10 March 2004 IT IS QUESTIONABLE WHETHER IT STILL PROVIDES SERVICES	Courier services in the whole territory of the Republic of Croatia and in the international traffic pursuant to the article 14. of the Postal Act	39/05
6.	DPD CROATIA d.o.o. Franje Lučića 23, 10000 Zagreb	1772040	Registration 25 March 2004	Courier services in the whole territory of the Republic of Croatia and in the international traffic pursuant to the article 14. of the Postal Act	39/05
7.	Lagermax AED Croatia d.o.o., Franje Lučić 23, 10090 Zagreb	1530062	Registration 25 March 2004	Courier services in the whole territory of the Republic of Croatia and in the international traffic pursuant to the article 14. of the Postal Act	39/05
8.	Libertas Regiss d.o.o. Vjekoslava Klaića 22, 10430 Samobor	1864602	Registration 21 December 2004 CESSATION OF PROVIDING SERVICES 21 April 2006	Courier services in the whole territory of the Republic of Croatia and in the international traffic pursuant to the article 14. of the Postal Act	39/05 deleted 48/06
9.	Intereuropa logističke usluge d.o.o. Josipa Lončara 3, 10090 Zagreb	3745830	Registration 17 January 2005	Courier services in the whole territory of the Republic of Croatia pursuant to the article 14. of the Postal Act	39/05

ORD. NO.	NAME AND ADDRESS OF SERVICE PROVIDER	REGISTRATION NUMBER	DATE OF RECEIPT OF THE COMPLETE APPLICATION AND/OR ISSUING LICENCE I.E. ANOTHER LEGAL FOUNDATION FOR PROVIDING SERVICES	TYPE OF POSTAL AND/OR COURIER SERVICES	NUMBER OF PUBLISHING IN THE OFFICIAL GAZETTE
10.	IN TIME d.o.o. Velika cesta 78, 10020 Zagreb	3808629	Registration 23 April 2004 and 25 January 2005	Courier services in the whole territory of the Republic of Croatia and in the international traffic pursuant to the article 14. of the Postal Act	39/05
11.	City EXPRESS VARAŽDIN d.o.o. Josipa Kozarca 26, 42000 Varaždin	1647296	Registration 11 November 2005, cessation of business - merging with City Express d.o.o. Donje Svetice 40, Zagreb, by articles of association of 31.07 2006; entry of merging of the company in the court register of the Commercial court in Varaždin 21.08. 2006	Courier services in the whole area of the Republic of Croatia pursuant to the article 14. of the Postal Act and document exchange services from the article 12. paragraph 4 of the Postal Act	151/05 deleted 139/06
12.	City EXPRESS MAKARSKA d.o.o. Zrinsko-Frankopanska 24/C1, 21300 Makarska	1803042	Registration 21 December 2005, CESSATION OF BUSINESS - STATEMENT 6 September 2006	Courier services pursuant to the article 14. of the Postal Act and document exchange services from the article 12. paragraph 4 of the Postal Act in the area of Makarska, Metković, Vrgorac and Ploče	02/06 deleted 128/06
13.	City EXPRESS Rijeka d.o.o. Osječka 47 51000 Rijeka	1462903	Registration 21 December 2005, cessation of business - merging with City Express d.o.o. Donje Svetice 40, Zagreb, by articles of association of 31.07 2006; entry of merging of the company in the court register of the Commercial court in Rijeka 20.09. 2006	Courier services in the whole area of the Republic of Croatia pursuant to the article 14. of the Postal Act.	02/06 deleted 139/06
14.	City EXPRESS ISTRA d.o.o. Mletačka 6, 52100 Pula	1721119	Registration 23 December 2005, cessation of business - merging with City Express d.o.o. Donje Svetice 40, Zagreb, by articles of association of 31.07 2006; entry of merging of the company in the court register of the Commercial court in Pazin 16.08. 2006	Courier services in the whole area of the Republic of Croatia pursuant to the article 14. of the Postal Act.	02/06 deleted
15.	City EXPRESS SPLIT d.o.o., R. Katalinića-Jeretova 12, 21000 Split	1721119	Registration 23 December 2005, cessation of business - merging with City Express d.o.o. Donje Svetice 40, Zagreb, by articles of association of 31.07 2006; entry of merging of the company in the court register of the Commercial court in Split 20.09. 2006	Courier services in the whole area of the Republic of Croatia pursuant to the article 14. of the Postal Act and document exchange services from the article 12. item 4 of the Postal Act	02/06 deleted 139/06



ORD. NO.	NAME AND ADDRESS OF SERVICE PROVIDER	REGISTRATION NUMBER	DATE OF RECEIPT OF THE COMPLETE APPLICATION AND/OR ISSUING LICENCE I.E. ANOTHER LEGAL FOUNDATION FOR PROVIDING SERVICES	TYPE OF POSTAL AND/OR COURIER SERVICES	NUMBER OF PUBLISHING IN THE OFFICIAL GAZETTE
16.	City EXPRESS d.o.o. Donje Svetice 40, 10000 Zagreb	1448439	Registration 10 January 2006 (04.10.2006 merging registered)	Courier services in the whole area of the Republic of Croatia pursuant to the article 14. of the Postal Act and document exchange services from the article 12. item 4 of the Postal Act	09/06
17.	City EXPRESS MID d.o.o. Donje Svetice 40, 10000 Zagreb	1747355	Registration 10 January 2006, cessation of business - merging with City Express d.o.o. Donje Svetice 40, Zagreb, by articles of association of 31.07 2006; entry of merging of the company in the court register of the Commercial court in Zagreb 3.10. 2006	Courier services in the whole area of the Republic of Croatia pursuant to the article 14. of the Postal Act and document exchange services from the article 12. item 4 of the Postal Act	09/06 deleted 139/06
18.	City EXPRESS d.o.o., Mrljane 13, 23264 Nevidane	1589709	Registration 20 January 2006 IT IS QUESTIONABLE WHETHER IT STILL PROVIDES SERVICES	Courier services in the whole area of the Republic of Croatia pursuant to the article 14. of the Postal Act and document exchange services from the article 12. item 4 of the Postal Act	30/06
19.	RHEA d.o.o. Buzinski prilaz 36, 10020 Zagreb	0642991	Registration 13 March 2006	Courier services in the whole territory of the Republic of Croatia and in the international traffic pursuant to the article 14. of the Postal Act	35/06
20.	LIDER 21 d.o.o. Kijevska 2, 21000 Split	1661566	Registration 3 April 2006	Postal services which are provided at the free market pursuant to the article 13. of the Postal Act, courier services pursuant to the article 14. of the Postal Act, services of receiving, transport and delivery of printed matters (newspapers and magazines) which are sent by publishers from the article 12. paragraph 4. of the Postal Act and document exchange services from the article 2. paragraph 1, item 37 of the Postal Act, in the whole area of the Republic of Croatia	39/06
21.	LIDER EXPRESS d.o.o. za kurirske usluge, Ulica Sv. Roka 3, Gornje Sitno 21251 Žrnovnica	2116472	Registration 9 October 2006	Postal services which are provided at the free market pursuant to the article 13. of the Postal Act, courier services pursuant to the article 14. of the Postal Act, services of receiving, transport and delivery of printed matters (newspapers and magazines) which are sent by publishers from the article 12. paragraph 4. of the Postal Act and document exchange services from the article 2. paragraph 1, item 37 of the Postal Act, in the whole area of the Republic of Croatia	128/06

