

Summary of the report Consequences of a modified delivery time requirement

- an examination of the consequences for the users, critical societal functions and the universal postal service provider (2025)

The postal market in Sweden is facing a significant change as a result of society's rapid digitalisation. Users' need for letters is decreasing, while they are receiving and sending more and more parcels. Since 2000, two out of three physical letters have been replaced by digital communication in Sweden. Calculations show that Postnord's letter volumes will continue to drop and could be equivalent to about a third of today's in five years' time. There are two important aspects to highlight when taking a position on the level of service of the future universal postal service: consequences for the users and the provider's economic conditions for providing the service.

PTS regularly conducts surveys of users' needs for postal services. The surveys show that users are very much embracing the new ways of communicating offered by digitalisation and that needs and behaviours are gradually changing. An example of this is that a majority of users state that they would not be affected if the transit time were to increase by one day.¹ In addition, most Swedes have a digital mailbox and almost everyone has access to the internet. According to PTS surveys, the focus should be on ensuring stable and reliable, albeit somewhat slower, postal service for those letters that cannot be digitised.

To supplement previous studies, PTS has carried out a survey in 2024 with the aim of analysing the potential consequences of extending the transit time for letters to up to five days for critical societal functions. The objective has been to gain knowledge about which societal functions are most dependent on postal services and what consequences a changing postal market can bring. A longer transit time could affect groups that rely on physical mail, such as some elderly people, people with a protected identity or those without personal identity numbers. The survey shows there are alternative postal services that can deliver letters quickly throughout Sweden, but these services are on average more expensive than Postnord's standard postage rate. Government agencies, regions and municipalities would in some cases have to rely on express services to ensure that time-critical consignments arrive on time, resulting in increased costs. The combination of digital solutions and changed procedures are seen as main strategies to reduce reliance on more expensive alternatives.

Several stakeholders in the survey conclude that, in the long term, extended transit time can lead to more efficient, more sustainable solutions that better adapt mail handling to the digitalised society. It can also drive a transition to digital communication channels and reduce the environmental impact of physical mail. The survey highlights the adaptations that may be needed to deal with an extended transit time. Digitalisation is an important solution, but efforts are needed for the groups most dependent on physical mail, with continued efforts for digital inclusion.

Today's delivery time requirement means that 95 per cent of the domestic letters that have been handed in for delivery within two working days, and which were posted on time, must be delivered within two subsequent business days, irrespective of where in the country the letters were posted.²

The profitability of the universal postal service has fallen rapidly in recent years as a result of the accelerating volume decline in the letter market, and PTS expects that the service will become loss-making as early as in 2024.³ Postnord considers that the operator cannot solve the resulting

¹ PTS report [The population's use of postal services 2023](#).

² Postnord has not been able to meet the delivery time requirement for the universal postal service in 2022 or 2023. Postnord has appealed PTS's decision on licence conditions on 2024-12-20. [Konsekvenser av ett ändrat befordringstidskrav](#)

³ At the time of writing, we have yet to see the outcome for 2024 but the numbers we have seen point strongly in that direction.

profitability challenges with price increases alone and the scope for further streamlining within the current regulatory framework is limited.

In order for different stakeholders to adapt their respective activities and regulatory frameworks in good time to longer regulated transit times, the conditions for the future universal postal service need to be established shortly. According to PTS, the choice is between maintaining a high level of service through today's delivery time requirements, which will soon entail large costs for the provision of the service. The alternative is to extend the transit times and instead spend society's resources on developing new digital services and enabling as many users as possible to use them.

If the decision on longer transit time is taken relatively soon, the provider can begin systematic adjustments of the capacity and infrastructure of the letter flows, as well as to integrate them to a greater extent in the logistics flows. It creates the conditions for a self-funded universal postal service even after 2029.