

DECISION  
No. 207, dated 6.4.2022

FOR THE APPROVAL OF POLICY DOCUMENT OF POSTAL SERVICES  
IN THE REPUBLIC OF ALBANIA, 2021 ONWARDS

In support of Article 100 of the Constitution and Article 6 of Law no. 46/2015, "On postal services in the Republic of Albania", with the proposal of the Minister for Infrastructure and Energy, the Council of Ministers

DECIDED:

1. The approval of the policy document of postal services in the Republic of Albania, 2021 onwards, according to the text attached to this decision.
2. Decision no. 625, dated 24.7.2013, of the Council of Ministers, "On the approval of the policy document of the development of postal services in the Republic of Albania", is abolished.
3. The Ministry of Infrastructure and Energy is charged with the implementation of this decision.

This decision enters into force after publication in the Official Gazette.

PRIME MINISTER

**Edi Rama**

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POSTAL SERVICES POLICY DOCUMENT IN THE REPUBLIC  
OF ALBANIA

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**2021+**

## INTRODUCTION

The postal sector is an important sector of the Albanian economy that provides public postal services. Postal services are public services of general interest. Technological developments, the ever-increasing use of information and communication technology are facing the postal sector with challenges and the need to adapt to the digital age, which also offers new development opportunities such as the growth of e-commerce or diversification of services.

The postal sector in Albania has gone through a gradual process of changes extended in time from the provision of postal service in monopolistic conditions to an open market for gradual competition, based on the European Union model and on international practice.

The policy document approved by the Decision of the Council of Ministers no. 625, dated 24.7.2013 "On the approval of the document for the development of postal services in the Republic of Albania", defined as an important objective the full opening for competition of the postal market by reducing, and then removing the reserved area for the provision of universal service.

The approval of the policy document in 2013 for the postal sector, was followed by drafting and adoption of a new legal and regulatory framework, during 2015-2018. Law no. 46/2015 "On postal services in the Republic of Albania", which is in full compliance with EU directives on postal service, marked an important step towards the liberalization of the postal sector, creating the legal space for the provision of universal service by more than one operator.

This document presents the new development policy of the postal sector in the Republic of Albania, for the period 2021-2027. The purpose of this new policy document for the development of the postal sector, is to set objectives for adapting the Albanian postal sector to the latest developments in the European Union and worldwide, improving the performance of the sector and adopting the new developments in the framework of the electronic commerce (e-commerce).

The document is based on the experience of the European Union and the "The global strategy for the development of postal services" adopted by the Universal Postal Union (UPU). The document defines the medium and long term objectives for the development of the postal sector in Albania during 2022-2027 period of time.

The document presents the progress made in the postal sector, current situation and the challenges emerging for the development of the postal market. The document presents the policies, activities that will be undertaken in order to fully implement the law on postal services, further improve the quality of postal services, improve the postal infrastructure, the provision of universal service in terms of competitiveness as well as identifying the ways to adapt this

sector in the development of the digital economy circumstances in order to promote the development of electronic commerce. Part of the objectives of this document are the commitments at the international level in accordance with the “The global strategy for the development of postal services” adopted by the Universal Postal Union, UPU.

This document will replace the previous policy document adopted in 2013 and aims to reflect market developments, such as technological and global developments, by adapting them appropriately to the Albanian market.

## **I. Analysis of the current situation**

### **I.1 General - legal and institutional framework in the postal sector**

The provision of postal services in the Republic of Albania is regulated by Law no. 46/2015, dated 7.05.2015 "On postal services in the Republic of Albania". The policy document for the development of the postal sector approved by the Decision of the Council of Ministers no. 625, dated 24.7.2013, set out medium and long-term objectives:

- Full market liberalization;
- Removal of the reserved area;
- Improvement of the legal framework, with the adoption of the new law on postal services;
- Establishing an effective regulatory framework and defining the role of AKEP;
- Guaranteeing the provision of universal postal service;
- Sustainable development of the postal sector, promotion of new products and services;
- International cooperation;
- Development of human resources, etc.

Two main objectives of the policy document adopted in 2013 were the full opening of the postal market to competition and legislation’s harmonization with the EU legal framework., . Since then, there have been a number of important developments in the postal market, in relation to the adoption of a modern legal and regulatory framework, as well as in terms of developments in the provision of postal services, in particular the provision of universal postal service.

The legal framework for postal services, is fully aligned with Directive 97/67/EC, as amended by Directive 2002/39/EC and Directive 2008/6/EC of the European Parliament and Council of 20 February 2008 and defines the rules for the provision of postal services in an open market, aims to guarantee the provision of universal postal service by more than one provider, as well as determining the scheme of financing the net costs of universal postal service. The law sets

out the principles for setting tariffs, the requirements for transparency of accounts in the provision of universal services, the standards for quality in the provision of universal services, and guarantees the functioning of the independent national regulatory authority.

The alignment of the legislation with the EU, aimed at the gradual and controlled opening up to a full liberalization, of the postal market to free competition, elimination of the reserved area, definition of quality standards for the provision of universal service, as well as the establishment of the independent national regulatory authority. These processes have been realized with the adoption of the new law in 2015, as well as with the completion of the sub-legal and regulatory framework during the period 2015-2018..

After the approval of Law no. 46/2015, the new scheme for licensing of operators, includes the individual authorization for the provision of universal service, with a competition process, as well as the general authorization for the provision of postal services falling outside the universal service scope. The reserved area for the provision of universal service was reduced to 50 grams in 2013 and has been removed since 1 January 2017, after a transitional period leaving in force the right of the universal service provider Albanian Post as the first provider of postal services in public institutions. In annex 1, attached to this document, is given a list of bylaws approved pursuant to Law No. 46/2015, dated 7.05.2015 "On postal services in the Republic of Albania".

Regarding the institutional framework in postal sector, the duties of the policy maker and the regulator are divided between the responsible ministry and the regulatory body. According to the definitions of article 5 of law no. 46/2015, competent authorities in the postal sector are the minister responsible for postal services, currently the Minister of Infrastructure and Energy, as policy-maker and the Electronic and Postal Communications Authority, as the independent regulatory body.

The Electronic and Postal Communications Authority exercises its activity in accordance with the provisions of Law no. 9918, dated 19.5.2008 "On electronic communications in the Republic of Albania", as amended, as well as Law no. 46/2015 "On the postal service in the Republic of Albania".

## **I.2 Key developments in the postal market**

In this section, the main developments in the postal market are presented, focusing on:

- The letter and parcel post market in terms of volumes and revenues, market shares and evolution of user segments;
- Universal postal service and its provision;

- Service quality and prices for postal products;
- Operators' response to digitalization in terms of alternative distribution channels/modes and operational models;
- Diversification strategies;
- New technologies applied to the letter and parcel post market.

## I.2.1 Postal services and the universal postal service

Postal services include a large number of services such as letter mail, package mail, direct mail, addressed mail, express mail within the country, mail outside the country, bulk mail, etc. Postal services are classified as universal postal services, otherwise known as basic postal services and services that are outside the scope of the universal postal service.

The figure below summarizes the range of postal services as classified by *Copenhagen Economics* (Key developments in the postal sector, June 2018).

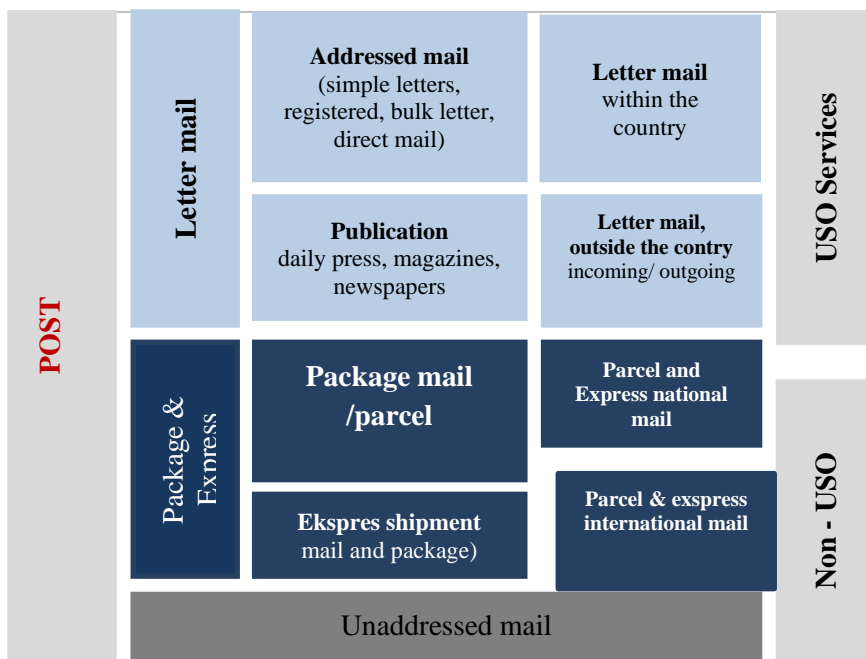


Figure 1. Postal services

Source: Copenhagen Economics

The universal postal service includes the basic services, as follows:

- Collection, classification, transport and distribution of postal items weighing up to 2 kg;
- Collection, classification, transport and distribution of postal items weighing up to 10 kg;
- Collection, classification, transport and distribution of secured and registered postal items.

The universal service also includes the collection, classification, transport and distribution of postal items received from an EU member state weighing up to 20 kg. The legal obligation to

provide universal service requires to be guaranteed for not less than 5 working days per week, except in circumstances or geographical conditions that are considered exceptional.

Developments in the postal market have opened the discussion on redefining / reviewing the universal postal service at European level and beyond.

## **I.2.2 Provision of postal services in Albania**

In the postal services sector in Albania, Albanian Post (Posta Shqiptare sh.a.) exercises its activity, provided with the Individual Authorization by AKEP, for the provision of universal postal service and 33<sup>1</sup> other operators/providers of postal services, that are currently authorized by AKEP for providing postal services outside the scope of universal service, such as express mail within and outside the country, direct mail, hybrid post, bulk mail etc.

In the Albanian postal market, for more than ten years, are present and operate subsidiaries of large international postal companies such as DHL, TNT, FEDEX etc. with a significant contribution in this market, mainly in express mail.

Albanian Post sh.a, that is a publicly-owned operator, is currently the only provider of universal postal service and the main contributor to the provision of postal services in the country, according to data on postal delivery volumes as well as market revenues.

Pursuant to law no. 46/2015, article 64, point 3, with the Decision no. 13, dated 30.06.2020, Albanian Post sh.a. has been provided by AKEP with Individual Authorization as the sole provider of the universal postal service in the entire territory of the country, as well as with general authorization for the provision of postal services that are not part of the universal postal service.

## **I.2.3 The main developments in the Albanian postal market**

Albanian postal market is characterized by a stable situation in terms of the total volume of postal items, in contrast to the global trends of the postal market where the volume of postal items, in particular for paper postal items, has decreased.

However, the average number of postal items per individual in Albania is much lower compared to other European countries. In Albania, on average, an individual sends 10 postal items per year, while this indicator is 34 in Eastern European countries and 191 in Western ones, as shown in the figure below.

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<sup>1</sup> Until December 31, 2021

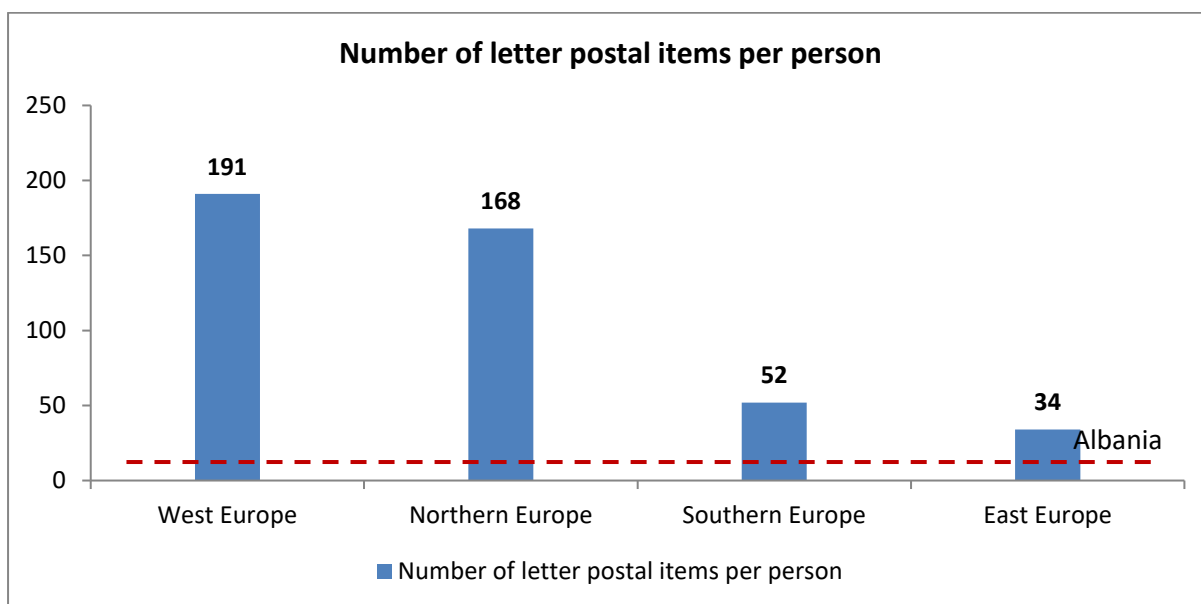


Figure 2. Average number of postal items per person. Source: ERGP report and AKEP

The situation regarding the amount of postal items per inhabitants is quite different in European countries as well, moving from 425 letters per inhabitants in the case of Switzerland to 3 and 10 letters per inhabitants in Bulgaria and Romania. In the case of Greece, we have 25 letters/inhabitants; in Italy 35, in Latvia 15, Lithuania 22, Romania 10 and Bulgaria 3. The big differences are explained or related to several factors such as: economic and social developments, demographic distribution, digital developments, etc.

The total revenue of the Albanian postal market for the year 2020, is calculated at 2.8 billion ALL. The performance of this market over the years, indicates a fluctuation in market income. The main part of these revenues consists of the revenues of Albanian Post sh.a. at the level of 65%. Compared to 2014, the market share of Albanian Post sh.a. in the total income of this market there was a decrease of 3% (in 2014 Albanian Post sh.a. owned 68% of the total).

In the postal market, it is observed that there is an increase in the number of postal service providers authorized by AKEP in recent years. At the end of 2021, there were 31 postal service providers authorized by AKEP compared to 12 providers in 2013.

In the period 2014-2020, the volume of postal items processed by all postal operators had a constant growth, except for the period of pandemic during 2020. From 2014 to 2019, the volume of postal items has increased by 17%. In 2021, the volume of postal items increased by 9.4% compared to 2020. Albanian Post sh.a., in general, has processed a total of about 81% of the postal items.



The fact that Albanian Post sh.a. holds the main weight of the volume in postal services, shows that there is a high concentration of the postal market and a low impact of the opening of the postal market after its full liberalization with the adoption of the new law in 2015.

The position of Albanian Post sh.a in the market, is related to several factors such as the geographical extent of the postal network throughout the country, the largest infrastructure in possession, the provision of a wide range of services in post offices under the concept of a one-stop office and not only for postal and financial services, etc.

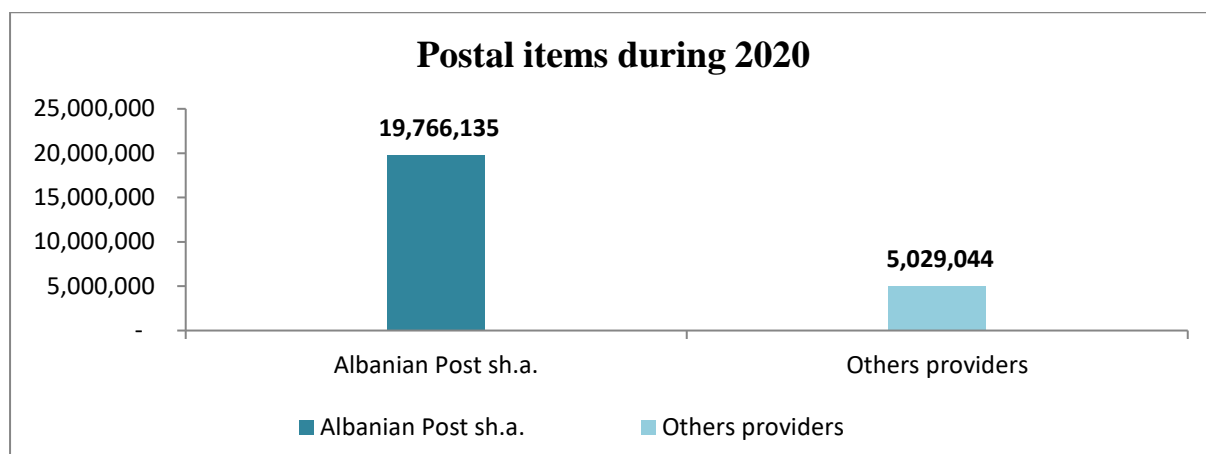


Fig. 3. Total postal items received during 2020. Source: AKEP

During the year 2021, Albanian Post sh.a. and other postal service providers, received a total of 27,132,919 postal items. Most of the postal items have been accepted by the Albanian Post, with a number of 21,875,416 items, about 81% of the total.

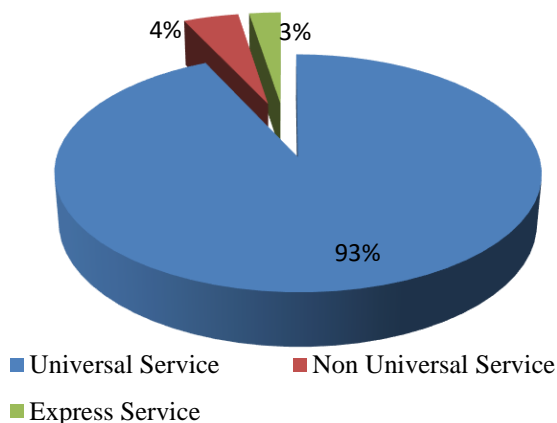
Statistical data show that compared to 2018, there was an increase of 17% in the total number of accepted postal items related to this and an increasing trend of electronic commerce, while in 2020 there was a decrease of 4.2% of the total number of postal items received, as a result of the situation of the global pandemic COVID-19 as a result of the measures taken and air transport restrictions.

During the year 2021, from Albanian Post sh.a. and other postal service providers are received 27,132,919 postal items, experiencing an increase of 9.4% compared to the same period of 2020, during which 24,795,179 postal items were received. During 2020, there was a decrease in postal items received in the period January-September 2020, coinciding with the situation of total closure due to the COVID-19 pandemic.

The following charts show the data of the main categories of postal items accepted by Albanian Post sh.a. during 2020, and during the 9 months of 2021.

## Postal items accepted by Albanian Post sh.a.

*During 2020*



*During 9 months of 2021*

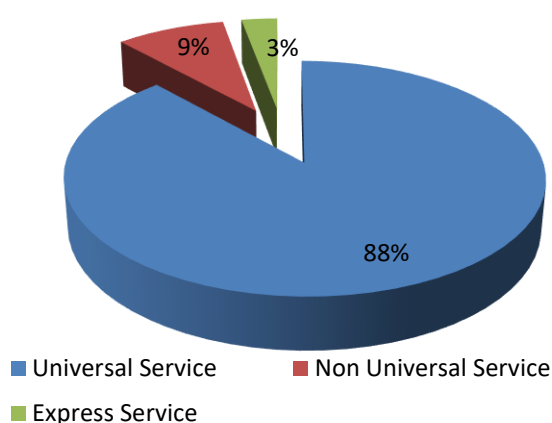


Fig 4. Postal items accepted by Albanian Post sh.a during 2020 and 2021.

Source: AKEP

Regarding the postal items accepted by Albanian Post sh.a., during the 9th month of 2021, compared to the same period of 2020, an increase is observed in all indicators: +13.5% for universal service, +37.9% for express service and 65.3% for non-universal service .

## Developments in the postal network infrastructure

Postal network infrastructure includes a number of elements such as post offices, mailboxes, air, sea, land means of transport for the distribution of postal items, processing and transit offices, etc.

During 2014-2020 the postal infrastructure has had developments, in particular in terms of the total number of post offices. The total number of post offices in the country at the end of 2020 was 915, a number that has fluctuated over the years. Most of the post offices, belong to Albanian Post sh.a. Meanwhile, there are no essential changes regarding the transit centers, processing postal items.

The total progress of the postal market in terms of the number of offices is given in the chart below:

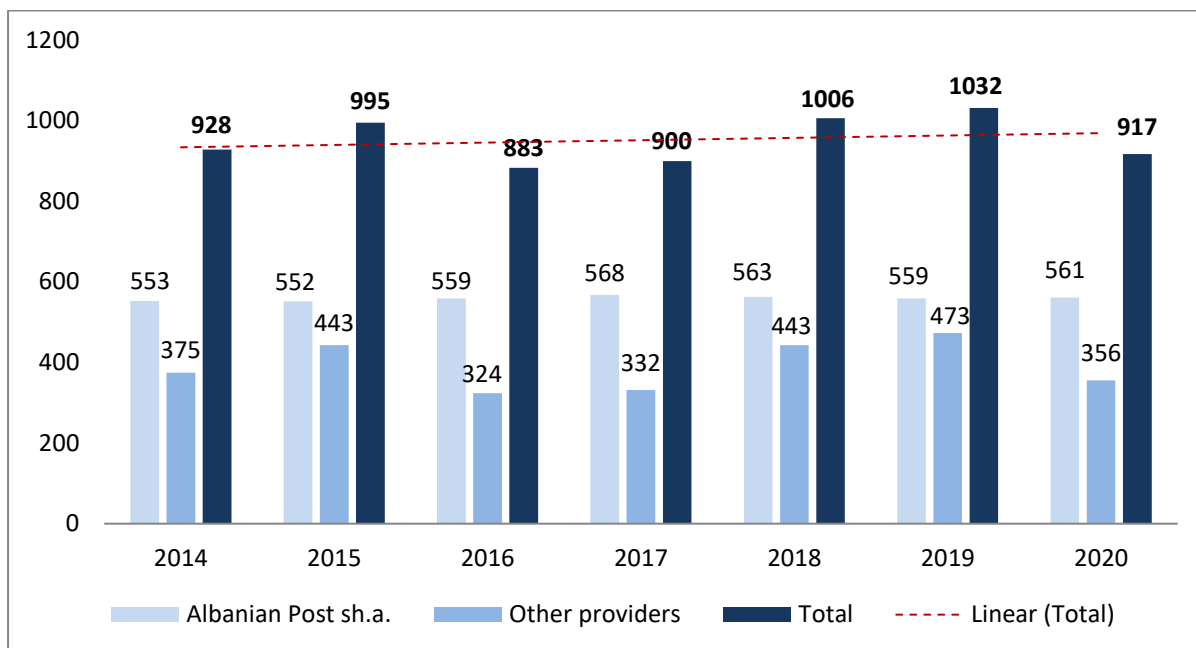


Figure 5. Number of postal offices in Albania during 2014-2020.

Source: AKEP reports.

Albanian Post sh.a. has made 704 counters available to the public for the provision of universal service, while for the reception of postal items it has made available 579 mailboxes and for delivery of the postal items 667 mailboxes, in total 1,246 mailboxes.

*Albanian Courier, Albanian Cargo Service, United Transport, Albanian Delivery Express, DHL International Albania, etc.*, have a large number of post offices. In general, the presence of post offices of other providers, except the Albanian Post, is in the main cities of the country. In terms of infrastructure and postal vehicles, during 2021, the Albanian Post had 474 vehicles in use, followed by *Albanian Delivery Express* with 118, *FEDEX* with 113, *United Transport* with 111, followed by other providers. Vehicles include trucks, vans, cars, motorbikes, motorcycles and bicycles. As far as air transport is concerned, it operates with airline companies to enable the delivery and receipt of international mail.

The combination of traditional postal services with electronic services has necessitated the modernization and digitization of infrastructure and logistics, which help in providing quality services.

However, the postal infrastructure has lack of an accurate nationwide address system, especially in large cities. Also, the package handling infrastructure system, such as package storage boxes, is not developed. This system would enable a better service to the citizens.

Postal code approved with VKM No. 676, dated 4.10.2006 "On the postal code in the Republic of Albania" is not widely applied in postal services and, moreover, it is not unified for all postal service providers.

Decision of the Council of Ministers no. 27, dated 20.01.2001 "On the placement of mailboxes in residential buildings and institutions", defines the placement of mailboxes in all projects for new buildings, residential facilities, social-cultural institutions and production entities. The mailboxes and their type, are required to be placed by the investors themselves, depending on the function of the building. However, the application of this regulation is not unified and is not implemented in all cases.

In the postal sector at the end of 2021, there were 3,257 employees, where Albanian Post sh.a. as the operator with the largest coverage, it has 2,512 employees, which constitutes 77% of the total number of employees in this sector. Of the other operators, the largest number of employees for 2021 was *TNT* with 113 employees, *Albanian Delivery* with 108 employees and *United Transport* with 100 employees.

### **I.3 Provision of services by Albanian Post sh.a.**

The Albanian Post has the obligation to fulfill universal postal services, and it has its own national network of 561 post offices<sup>2</sup>, spread over the entire territory of the country till to the deepest rural areas. The Albanian Post provides a great number of qualitative postal and financial services with competitive prices, for individuals, businesses, institutions, as well as for those with no access to the banking system.

Services provided by Albanian Post sh.a. include: the universal postal services, letters, parcel post, Express Mail Service (EMS), financial services, philately and sales, as well as other services offered at each post office.

As a provider of the universal postal service, Albanian Post sh.a., has the obligation to provide a minimum of services with a specified quality, throughout the territory of the country, with affordable prices, to all users, regardless of their geographic location. The latest technological developments have also had a positive impact on the quality of service of the universal service provider. Postal services are computerized in about 400 post offices in urban and rural areas, including the entire operational postal chain: from the receipt to the delivery of the postal items, part of which is the automatic calculation of service tariffs.

The further development of the sector, is also reflected in the growth of the volume of postal services. During 2019, the number of items received by the Albanian Post was over 26 million, experiencing a significant increase compared to previous years. Meanwhile, during 2020, the

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<sup>2</sup> Source: AKEP

number of accepted items decreased, reaching over 19 million, as a result of the situation created by the global COVID-19 pandemic.

The main indicators of postal services, in relation to the population (2,845,955 inhabitants) and the area (28,748 km<sup>2</sup>) of the Republic of Albania for the year 2020, are as below:

- 8.71 postal items/inhabitants
- 3,103 inhabitants /post office
- 31.35 km<sup>2</sup>/office

The development and improvement of the services offered by Albanian Post sh.a. has also been influenced to a large extent, by the computerization of postal services. The use of ICT in postal services, over the years, has developed significantly, bringing increased performance and quality, increased variety of traditional and financial services, their extension throughout the country, as well as integration with international network services.

However, not all post offices are computerized, especially offices in remote areas.

## **II. Status of the Universal Postal Service**

One of the main objectives of Law No. 46/2015 "On Postal Services in the Republic of Albania", is to ensure universal postal service. Based on Article 13 of Law no. 46/2015, AKEP is the authority responsible for the licensing/authorization of the universal service provider/s. The determination of the provider/s is made by decision of AKEP, based on the principles of objectivity, transparency, non-discrimination and proportionality and according to the rules approved by the Decision of the Council of Ministers.

With Order no. 469, dated 27.12.2019, of the Minister for Infrastructure and Energy, in support of point 7 of article 6 and point 3 of article 12 of Law no. 46/2015, the density of access points for the provision of the universal postal service has been defined, taking into consideration the needs of users to being present throughout the territory of Albania. The number of access points should be such as to ensure that:

- one post office to offer the universal postal service to an average population of 5,500 inhabitants;
- one post office, average in an area of 53 km<sup>2</sup>

Also, the Order determines that:

- , the distance of the nearest post office from the user's address, in urban areas should be at an average of 5 km;
- , the distance of the nearest post office from the user's address in rural areas, should be at an average of 8 km, for at least 95% of the population.

Albanian Post sh.a., based on the legal requirements for the provision of universal postal service, must implement:

- 1) Obligation to provide universal postal service to every user in the territory of the Republic of Albania, regardless of geographic location, including domestic and international postal services;
- 2) The organization of the postal network, in order to ensure the universal postal service according to the requirements of law no. 46/2015 and regulatory acts approved by AKEP;
- 3) The quality standards of universal postal service;
- 4) Principles of determining tariffs and costs for providing universal postal service.

Pursuant to Article 64, point 3, of Law no. 46/2015, by the Decision no. 13, dated 30.06.2020, Albanian Post sh.a., has been provided by AKEP with the Individual Authorization, defining it as the only provider of the universal postal service in the entire territory of Albania, valid for a period of 5 years.. Universal service must be guaranteed for no less than 5 working days per week, except in circumstances or exceptional geographical conditions . The universal service includes the following minimum services:

- a) Collection, sorting, transport and distribution of postal items weighing up to 2 kg;
- b) Collection, sorting, transport and distribution of postal items weighing up to 10 kg;
- c) services for registered items and insured items.

Regardless of the weight limit for postal packages, defined as above, the law determines that the universal postal service provider/s must ensure that postal items, received in an EU member state and weighing up to 20 kg, to be distributed throughout the territory of the Republic of Albania.

Albanian Post sh.a. provides these services at the same affordable prices for the benefit of all users, regardless of their geographical location. To fulfill this obligation, Albanian Post sh.a. operates with its national network of 561 post offices, distributed throughout the entire territory of the country to the deepest rural areas.

During the years, the volume of accepted items in the universal postal service, within the country, remains stable as a whole although there have been oscillations, but from 2015 to the end of 2019, it has increased by 16.6%. Compared to 2019, during 2020, , the number of items is decreased by 14.1%. Meanwhile, as given in the chart below, the volume in the universal international postal service has decreased during the period 2015-2020.,.

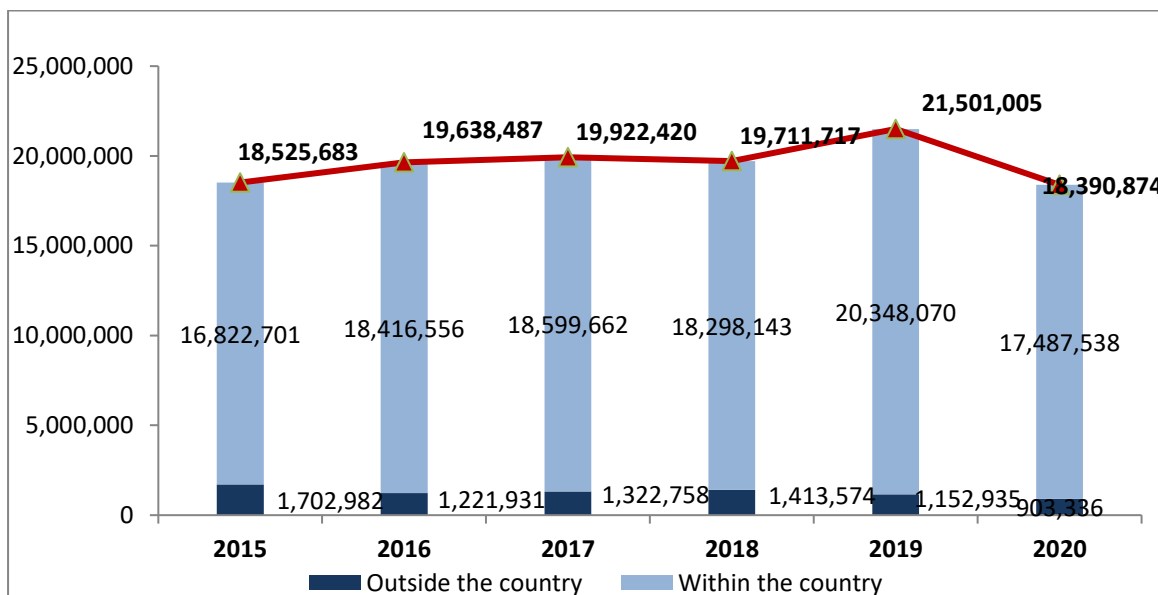


Figure 6: Universal service volume progress during 2015-2020

Source: AKEP Reports

The total volume of postal items of the universal postal service, offered by Albanian Post sh.a., inside and outside the country, is increased from 18.5 million items in 2015 to 21.5 million items in 2019, with a decline of 18.4 million items during the year 2020.. The reason for this is related to COVID-19 situation, which had a lot of impact on the postal sector. In total, the volume of postal items of the universal postal service offered by Albanian Post sh.a. inside and outside the country, has increased by 11%, from 19.7 million objects in 2020, to 21.8 million objects in 2021.

## II. 1 Quality standards of the Universal service delivery

Pursuant to the requirements of Law 46/2015 "On postal services in the Republic of Albania" and Regulation No. 36, dated 29.10.2015 "On the provision of the Universal Postal Service", from the reports of the Albanian Post sh.a. for the quality indicators, for the year 2018, it results that:

- the minimum and maximum sizes for postal items (letters and postal packages), are in accordance with the acts approved by UPU, for both kind of mails, within and outside the country;
- the obligation to publish information on the quality of the universal postal service has been fulfilled;
- are already performs tests for the delivery time of postal items, the information system for tracking postal items, the regularity and reliability of national and cross-border/international services.

Delivery time standards for international mail, between Albanian Post and EU countries and non-EU countries, are achieved through tests developed by postal companies under the monitoring of the UPU, as well as Post Europe standards. The results of these tests, serve as a reference for measuring international mail delivery time standards.

Compliance with the standards, in the provision of the universal postal service, is supervised by AKEP. The results of the tests done at Albanian Post sh.a., presented in the table below, show t improvement in the delivery time of ordinary letters between cities for D+1, while the delivery time of recommendation letters between cities for D+1 and D+2 has been on a constant level.

	Standard	Realisation of 2015	Realisation of 2016	Realisation of 2017	Realisation of 2018	
<b>Between cities: Ordinary letter</b>						
	D+1	85%	97.40%	98.09%	97.03%	99.73%
	D+2	15%	2.56%	1.86%	1.60%	0.24%
	> D+2		0.04%	0.05%	1.10%	0.03%
<b>Between cities: Recommendation letter</b>						
	D+1	85%	98.5%	98.7%	98.90%	98.20%
	D+2	15%	1.4%	1.3%	1.10%	1.70%
	> D+2				0.00%	0.10%
<b>Between villages: Ordinary letter</b>						
	D+2	60%			89.80%	89.90%
	D+3	20%			8.10%	8.30%
	D+4	20%			2.10%	1.80%
<b>Between villages: Recommendation letter</b>						
	D+2	60%			91.40%	90.00%
	D+3	20%			7.40%	7.90%
	D+4	20%			1.20%	2.10%

Table 1: The results of the standards realisation in the provision of universal service during 2015-2019.

Source: AKEP reports

During 2021, the indicators have been improved, and the proportion of items distributed on D+1 (1 day after admission) has increased by 2 percentage points ,compared to 2020. Albanian Post realizes in D+1 the delivery of 97% of postal items within the city and 96% of items between cities. In 2021, the improvement of the distribution of postal items in villages has continued, reaching a D+2 distribution of 84%, compared to 80% in 2020.



## Tariffs for the provision of Universal postal service

Tariffs for the provision of universal (basic) postal services within the country, provided by Albanian Post sh.a., have not changed since 2002. Tariffs for services provided within the country, for letter mail, range from 40 ALL for a simple letter weighing 20 grams, to 80 ALL for sending a letter weighing 1001 to 2000 grams. The tariffs for ordered postal items, range from 70 ALL for paper weighing up to 20 grams and 110 ALL for ordered object weighing up to 2000 grams.

As well, the prices of delivering small packages, starting from 250 grams to 2 kg, vary from 50 ALL to 200 ALL for simple deliveries and 80 ALL to 230 ALL for the ordered ones. Meanwhile, fees for international postal shipments, vary depending on their weight. Delivering paper weighing 20 grams to Europe, costs 130 ALL and that weighing up to 2000 grams 2400 ALL, while for delivering ordered paper these fees are 310 ALL and 2580 ALL, respectively. The chart below provides a comparison of the tariffs for ordinary and priority letter deliveries to several countries in the region.

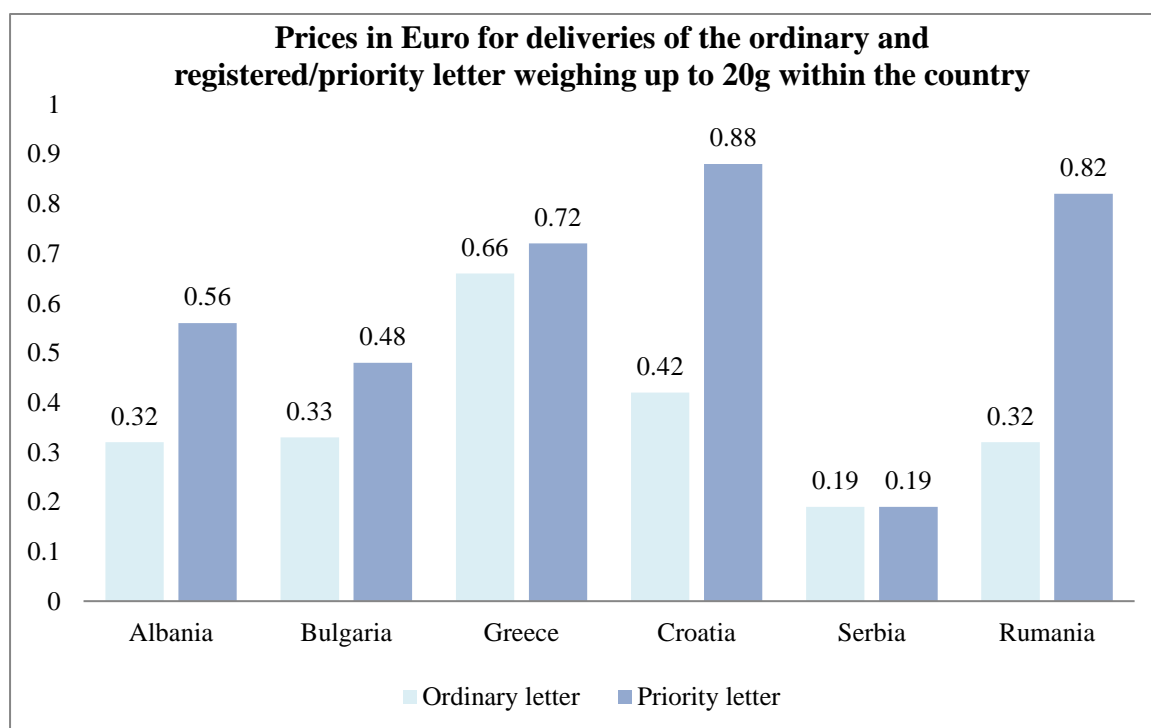


Figure 7. Prices for deliveries of ordinary and priority letter. Source: ERGP report and Albanian Post sh.a.

Tariff policies in the postal market are different in different countries of Europe, but in contrast to our country, in Europe has been a significant increase in tariffs, mainly for deliveries of ordinary or priority postal letters.

Based on the ERGP Report (The European Regulators Group for Postal Services), the average price in Europe for sending a priority letter weighing up to 20 grams within the country, is 0.91 Euro. This price has increased by 9.3% during the period 2014-2018. The average price in Europe for sending an ordinary letter weighing up to 20 grams within the country is 0.64 Euro and there was an average increase of 1.8% in 2018 compared to 2017.

The figures below, provide the development of tariffs for the postal service in European countries for priority letter up to 20 grams within the country and within Europe, as well as the development of the price for sending packages weighing up to 2 kg within the country and within Europe.

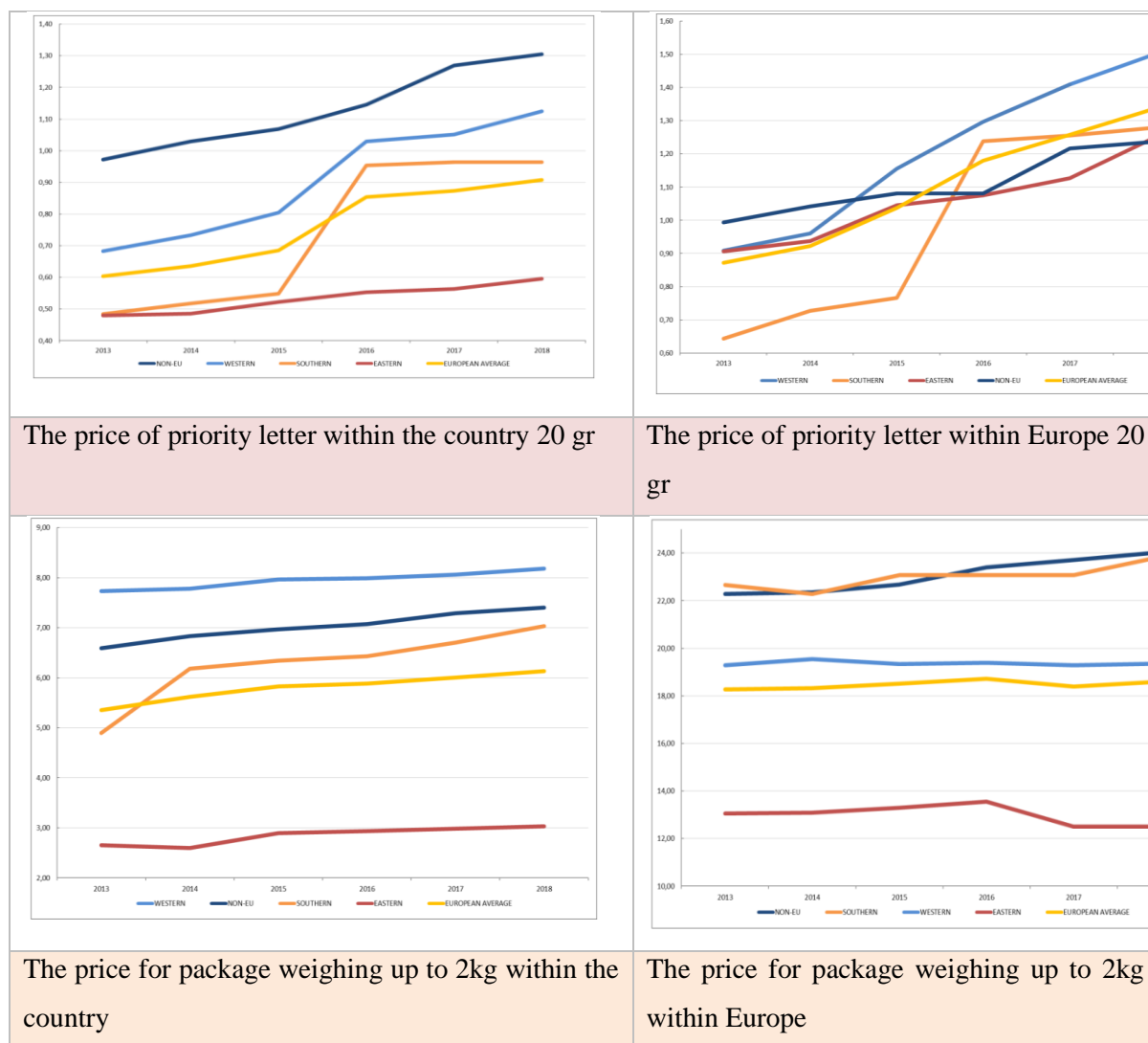


Figure 8: Price developments for postal services in Europe

Source: ERGP PL II(19) 37 Report on postal core indicators and data from Albanian Post sh.a.

Referring to the applied tariffs in Albania by the universal service provider, the tariffs for sending a letter weighing 20 grams within the country are respectively 70 ALL for the ordered letter and 40 ALL for the ordinary letter.

In a study conducted by the World Bank<sup>3</sup> on electronic commerce in Albania, when the part of postal services has been analyzed, it is said that although Albanian Post sh.a. offers low-cost services throughout Albania, prices are still high compared to local incomes. This finding may require a more detailed analysis regarding the prices for parcel deliveries and in particular if this refers to the universal postal service.

Regarding the progress of the prices for parcel delivery, it can be observed that in Europe the prices for parcel delivery up to 2 kg have had very little changes both for sending within the country and those to other European countries.

Tariff policies are different in different countries; there are countries that do not have a difference in the price of sending a priority letter with the ordinary one, as in Serbia, there are also countries where we have not had a price change in the last four-five years, such as in Bulgaria, Greece, and countries such as Romania, Croatia that have had a change in the prices of sending ordinary or priority letters in the period 2014-2018.

The new legal framework approved in 2015, has introduced the principles for setting tariffs for postal services, in particular those for universal service, as well as a new model for setting and regulating tariffs.

The tariffs for the basic postal service have been approved by the Decision of the Council of Ministers no. 446, dated 26.09.2002 "On the approval of the basic postal tariffs" as well as with the Decision of the Council of Ministers no. 595, dated 31.08.2006 "On the approval of the tariffs of Direct Mail, the postal tariffs of the "Direct Mail" service for the borders of the area reserved".

With the entry into force of the new law in 2015, the previous legal regulation that required the approval of the universal or basic postal service tariffs by Decision of the Council of Ministers has been replaced by the new regime. The developments that have taken place in the postal market, the need to adapt to new requirements and challenges require periodic review, adapting them to the new range of services offered, based on good practices or regional benchmarks.

In relation to the tariffs for the provision of universal postal services, it is found that the rate structure of Albanian Post postal items differs from those of the EU countries. Low tariffs for some postal items and higher tariffs for others, as well as the non-revision of tariffs for a very long period of time since 2002, create problems for incentives for efficient provision of universal postal service. The periodic revision of the tariffs for the provision of postal services, in order to increase the efficiency of the provision of postal services, is necessary.

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<sup>3</sup> Albania: E-commerce Diagnostic Leveraging the digital trade opportunity.

Albanian Post sh.a. has presented the request for the review of postal tariffs for the universal postal service, in particular regarding the need to cover the costs of providing the universal service. The legal framework provides for the coverage of the net costs of providing the universal postal service.

## **II.2 Problems of the Universal Postal Service in Albania**

Law 46/2015 "On the postal service in the Republic of Albania", determines that the distribution and delivery of postal items must be carried out at the recipient's address in his residence, work or business premises or in the mailbox located in the relevant premises. By Albanian Post, as well as from the inspections carried out by AKEP, it has been established that:

- a) For parcel postal items, due to technical/logistic impossibility and problems related to the address system, Albanian Post does not fully deliver the parcel postal items to the recipient's address, but they are delivered to the relevant post offices.
- b) Small postal packages for which the sender has chosen the international or domestic express service, are delivered to the recipient's address;
- c) Small postal packages for which the sender has chosen the universal or non-universal postal service, are partially delivered to the recipient's address, and partially delivered to the respective post offices.

For postal items which are not delivered to the address but near the relevant post offices, the Albanian Post carries out the notification for the withdrawal of the postal object through the written receipt on the arrival of the postal object, but also using electronic means, such as SMS notification. After the notification on the withdrawal of the postal object, the recipient appears at the post office for the withdrawal of the postal object.

The problem related to the accuracy of addresses in Albania is a worsening factor of the quality of the provision of postal services and the universal postal service in particular. This problem increases the costs of the providers of these services, for the distribution of postal packages, and has a negative impact on other services. This problem is also evident in the judicial system, which in some cases has submitted complaints to AKEP for non-delivery of notices to litigants. All these ultimately result in extra costs for Albanian citizens for the mentioned services. This also negatively affects online commerce, as citizens using these services are forced to wait in lines and spend time at the counters to receive the ordered products.

### **III. Global and European trends – challenges in the development of the postal market**

Developments in the postal market indicate a global trend in the reduction of the volume of letter mail and the rapid growth of parcel deliveries due to electronic commerce. In contrast to the letter mail market, the parcel mail market has a strong growth, the upward trend of which continues. In Europe, this market in the last three-four years has had over 13% average annual growth. The growth of the parcel post market, increases the need to adapt the relevant infrastructure of the postal network and investments in this direction.

These developments bring challenges both for postal operators, in particular in the provision of universal postal service, but also for policy makers and the regulatory body. On the other hand, developments in the postal sector affect the e-commerce industry.

In the postal sector, digitalization and e-substitution is one of the issues that has been discussed for years for the impact it has on the letter post market, but at the same time for the opportunities that digitalization offers in improving the quality of postal services.

Electronic communications are widespread today and the number of public services provided electronically has increased significantly. The most part of communications with public institutions, have been replaced by online applications, bringing indisputable benefits and facilities to the public. Seen simply from the point of view of the postal sector, this new way of receiving services leads to the reduction of letter mail. On the other hand, it is an opportunity through digitalization. Access to electronic services is an increased opportunity for receiving quality services at the offices of the universal service provider, since many services are offered at the same post offices.

#### ***Postal service and electronic commerce***

During the last years, electronic commerce, defined as the sale of goods and services online, is creating new ways for economic development. For providers of goods and services, online commerce presents a unique growth opportunity. Through online sales, businesses can reach consumers who may not be physically present - both in the domestic and foreign markets. Providing online sales service in 24 hours is a convenience for consumers.

According to the analysis carried out by the experts of the World Bank<sup>4</sup>, e-commerce is a growth opportunity for Albania. E-commerce is becoming more and more part of the global economy every day.

The penetration of e-commerce in Albania is limited and remains behind its neighbors in the region. According to the Global Findex 2017 survey, only 7% of Albanians reported using the Internet to make online purchases in the past year, compared to 14% of the rest of the Western Balkans region. This is the lowest value among the countries of the Western Balkans, and it is far from other countries in the region with the same income level, such as Moldova. However, the most recent survey conducted by the Institute of Statistics, shows an increase in the number of businesses in Albania that have used electronic commerce. According to this report, in 2020, by 88.9% of enterprises, the website was used to display product catalogs or their prices against 87.8% that was in 2019.

In 2020, 12.8% of enterprises sold products/services through the website, dedicated applications, e-commerce websites and applications used by various enterprises to trade products. The largest share of e-commerce is occupied by enterprises operating in the field of accommodation and food service activities with 38.2%, followed by information and communication with 30.1% and administrative and support services with 21.1%.

According to UNCTAD (United Nations Conference on Trade and Development) policy areas for the development of e-commerce include:

- ICT infrastructure and electronic services;
- Payments;
- Logistics Services;
- Legal and regulatory framework;
- Development of ICT skills;
- Financing for e-commerce;
- Evaluation of e-commerce/statistics;

The provision of logistics services to enable fast and low-cost delivery, directly affects the growth of e-commerce indicators. The main role for the delivery of postal packages to consumers is played by the postal service. An efficient border distribution of cross-border parcels, is very important for e-commerce. In the analyzes made, it is estimated that there is a

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<sup>4</sup> Albania: *E-commerce Diagnostic Leveraging the digital trade opportunity*

need for improvements in the cross-border service of large (coliposte) and small (parcels) shipments in relation to cross-border service fees, simplification of administrative procedures, reduction of processing time, etc., in a situation where the volume of postal packages continues to grow at a rapid pace.

Albanian Post sh.a. has a very good coverage of the territory of Albania, however there is still room to strengthen reliability and improve service delivery. Albanian Post sh.a. continues to offer a stable network of its offices, connecting Albanians with each other and with the rest of the world. Based on UPU statistics, 96% of the population receives mail delivered to their homes. Rural areas benefit from service an average of three times a week. However, the quality of service needs improvement. According to the reliability assessment conducted by the UPU, based on the average time and the variability of the delivery time, Albania ranks low, compared to the region.

A slightly wider overview of the development of e-commerce in our country, over the last few years, can be found on the website dedicated to e-commerce [etradeforall.org](http://etradeforall.org). This site is a multi-stakeholder initiative committed to making the digital economy more inclusive. Information about Albania can be found at the address <https://etradeforall.org/wp-content/uploads/countryprofiles/2021/ALBANIA.pdf>

The address system in Albania continues to be an obstacle to timely and cost-effective postal deliveries. Bearing in mind the rapid urbanization and the occasional change of street names, the address system remains important for the improvement of postal delivery service. The lack of a consolidated address system increases delivery operating costs and causes delays.

Meanwhile, the cost of international postal service is affected by the disparity between incoming and outgoing parcel deliveries. According to the UPU, more than three times of postal packages enter in Albania than those delivered out of Albania (this is also reflected in Albania's overall trade balance), which means that planes and trucks traveling abroad are often not loaded to full capacity, thereby increasing delivery costs.

Trade quality and customs procedures are essential to maximize the benefits of cross-border e-commerce. In addition to the direct cost of paying taxes and customs duties, the burden of administrative procedures affects the cost, speed and convenience of cross-border trade. In the case of cross-border e-commerce and the delivery of small postal parcels, these concerns are increased, often due to the costs of administrative procedures which are higher than the value of the shipment itself.

In line with international best practices, Albania has a simplified regime for cross-border trade for small shipments, currently applying a "de minimis" value of 22 euros below which imports are exempt from import VAT and customs duties, save on administrative costs. Authorized traders processing large numbers of cross-border parcels (such as logistics companies handling large numbers of parcels on behalf of online cross-border sellers), can complete simplified declarations for each object, which are then followed by completing an additional summary statement within 24 hours. The focus of this document is the development and improvement of postal services, the improvement of infrastructure and postal logistics services that help the further development of electronic commerce.

### ***The impact of COVID-19 on the postal service***

2020 was a difficult year for the world economy. The postal sector and in particular the provision of the postal service was severely affected due to the situation of closure and disruption of air transport in many countries. Most of the postal operators in the world declared a State of Emergency of Force Majeure and did not undertake to guarantee quality standards in the delivery of postal items.

This situation also had an impact in Albania as all the airlines operated by Albanian Post sh.a. for the delivery of mail abroad, as well as incoming mail, flights to and from Mother Teresa airport were suspended, both for passengers and for cargo service. This made the normal operation of international mail impossible. A similar situation and difficulties in the normal provision of the postal service existed for all other postal service providers.

Albanian Post sh.a. examined all possibilities for mail forwarding with other partners in order to solve the situation created, in the maximum possible number of destinations to find a solution. In the situation of air traffic congestion, the transport of postal deliveries continued on land, which caused delays in the delivery of postal items. Express service abroad is partially covered by EMS service and fully to all destinations by SEM service. In this period, EMS service was offered only to its 5 main destinations: USA, Canada, England, Italy and France. At the end of 2020, the provision of international postal services by Albanian Post sh.a. was available in about 90 international destinations.

The pandemic situation necessitated the adoption of more flexible policies and business models in the postal sector as well as the importance of increased cooperation for the use of



infrastructure, means of transport between national operators/providers and the global postal network.

In order to better and effectively cope with such situations, such as the pandemic or other extraordinary situations, it is necessary to draw up an action plan to ensure the provision of services in these cases. According to the provisions of Article 53, of Law no. 46/2015 "On postal services in the Republic of Albania", such a plan is drawn up by the universal service provider and submitted to the responsible minister and AKEP.

### ***Development challenges in the postal market***

The main challenges, in an overview, accompanying developments in the postal market consist of:

#### **Letter Post Reduction:**

For postal operators: it means lower economies of scale, higher service delivery cost per postal unit/object; income decrease, as a result of investments decrease; pressure to reduce postal network/reduction of access points; price increase, difficulty in maintaining the number of employees, etc.

#### **The growth of electronic commerce and parcel delivery volumes**

For postal operators: increased pressure to adapt the postal network that serves parcel delivery; Potentially reduced revenue from incoming international mail due to fixed fees (terminal dues set by the UPU); higher competition; pressure to reduce costs and take measures for the environmental impact aiming for developments in a green economy with a low level of carbon dioxide (CO<sub>2</sub>), which requires a reduction of the environmental impact that comes from transport of the postal network.

Both these developments also bring challenges for policy-making and regulatory institutions.

In particular, the tendency to reduce the volume of postal letters brings to:

- higher cost for providing the postal service, in potential risk of price increasement accompanied by social impact;
- difficulties in maintaining competition in the paper market;
- increase in the cost of providing services in rural areas;

The increase of the volume in the parcel market, also leads to the need for a new regulatory framework/mode of regulation for the universal postal service, as well as pressure for changes

in the postal law in the determinations/definition of the universal postal service and in the requirements for the quality of service ( QoS) etc.

From the consultation with the operators of the postal market in the country, several concerns and problems arise, regarding the development of the postal market that combine problems of fair competition, the impact of technological development, regulatory practices, the development of postal infrastructure, etc.

Market liberalization is still expected to bring changes in the market structure. Other challenges arise from the need to balance separate interests, both for the actual postal services market and for the financial banking services market.

Also, the process of market liberalization has brought new challenges, such as burdens and competition at maximum levels. From this point of view, a regulatory framework is needed to guarantee that market rules are not violated by any actor. Some postal service providers complained of unfair competition from unlicensed entities in the postal market. This is an issue that needs continued regulatory attention, both for reporting and for taking corrective measures. Postal business models have changed, further influenced by the growth of e-commerce, the Internet economy and partnership innovation models, the volatility of the cost of services as well as the evolution of financial services, the increase in their number and access to the capital market.

In the field of e-commerce development and the role of the postal sector, it is necessary to adopt good practices for Custom, such as the application of 'pre-clearance'. For this, it is necessary to increase cooperation with Custom and the Ministry of Finance and Economy.

Improving, and completing the regulatory framework, regarding tariff practices/cross-border payments according to EU practice that affects the development of e-commerce is also necessary.

The use of the postal code should be mandatory for all postal deliveries, as well as the correctness of the address system as one of the major problems for the postal sector.

#### **IV. The vision and objectives of the postal sector**

This policy document defines this vision for the development of the postal sector in the medium and long term:

*Providing postal services with high quality and reliability throughout the territory of the Republic of Albania based on new technologies and innovative solutions.*

The postal sector has a great opportunity for development as an important part of the national economy. Taking into account the rapid changes of technology, the economy and the demands of society and relying on its strengths, such as the network spread throughout the country with post offices, the provision of many services in a single office, etc. the mission of the postal sector remains important today. The rapid development of this sector relies on reforms, changes and the implementation of contemporary projects.

This document defines as objectives for the development of the postal sector for the period 2021-2026:

- Development of the infrastructure of the postal network through the improvement/establishment of a modern transit center;
- Implementation of international standards for the network and postal services;
- Guaranteeing the sustainable development of quality and ubiquitous universal postal services;
- Integration of as many postal and financial services as possible, creation of service packages getting closer to consumers;
- Guaranteeing the free circulation of postal items, in a single postal environment consisting of interconnected networks;
- Encouraging the achievement of common honest standards for all market operators;
- Support in the implementation of modern innovation technology;
- Guaranteeing the quality of the universal postal service;
- Development of e-commerce within the country and in the region, through increasing the quality of service and supporting infrastructure;
- Increasing the capacities of the postal sector through the qualification of the employee staff.

## **V. Measures to be taken**

The digital age and changes in consumption patterns have contributed to the evolution of tomorrow's consumer. Technology is key to understanding current and future transformation. The unprecedented growth of e-commerce has led to a significant increase in package volumes and the need to increase processing capacity and undoubtedly modernize this system. In this regard, it is necessary to support initiatives that allow the postal sector to re-position itself and be considered as an essential component of the digital economy.

The rapid changes in the needs of businesses and customers across the country force postal operators, and in particular the Albanian Post sh.a. to aim for integration new solutions across the entire complex and extensive postal network.

In order to achieve these objectives, it will cooperate with AKEP, the postal sector and relevant institutions for issues related to the market and customs. In order to achieve these objectives, the following measures will be taken:

### **Improving the postal infrastructure**

- Consolidation of the network of post offices for the provision of universal service will be supported, ensuring territorial and population coverage throughout the country;
- It will be invested in further digitization of post offices, to ensure receiving information in real time from every post office;
- It will be invested in the growth and modernization of the supply and transport chain in the postal sector;
- It will be invested in the improvement of the postal infrastructure for parcel deliveries through the expansion of "postal ATMs";
- It will cooperate with the universal service provider, AKEP and other related structures for the designation of a plan of measures for the continuation of the provision of postal services in exceptional cases, such as COVID-19;
- It will cooperate with the responsible structures to promote the completion of a consolidated system of postal addresses and its widespread use in the postal sector;
- International cooperation will be increased to facilitate coping with the growing demand for postal package deliveries and emergency situations, such as that created by the pandemic.

### **Improvement of services**

- The policies of service diversification and the provision of postal and financial services in each post office will be supported, in order to facilitate the receipt of services by the citizen;
- Investments will be made for the e-Money service system, aimed at its use as a financial service for that group of people who do not own a bank account;
- The development strategies for a contemporary business model for the proper administration of the financial, technical or human resources of Albanian Post sh.a. will be supported;
- Albanian Post sh.a. and other actors of the postal sector to foresee changes in time according to customer needs;

- The quality of the postal service and the universal postal service, will be periodically monitored, taking appropriate corrective measures for the implementation of high standards;
- Possibility to provide quality direct mail, parcels and personalized digital services, according to European best practices.

### **Review of tariffs for the universal postal service**

In order to reflect the changes that have occurred in the postal market, as well as the dynamics of developments, the ministry will cooperate with AKEP and Albanian Post sh.a. for the review of universal postal services tariffs, according to best practices. Also, the necessary steps will be taken to address the coverage of net costs for the provision of universal postal services in justified cases, according to the provisions of the law.

### **Digital market**

- Through the improvement of the infrastructure and the quality of service, work will be done to increase electronic commerce and international trade;
- will be worked on the implementation of new technologies and innovation, to meet the needs of consumers and the administration;
- In the future, will be considered the possibility of new communication and improved postal networks, as well as to ensure interoperability, according to international standards;
- will be worked on implementing the activities provided for in the action plan for electronic commerce, drafted in cooperation with the Ministry of Finance and Economy;
- will be worked on implementing the commitments of the Regional Common Market Plan regarding postal services, approved at the Sofia Summit in November 2020.

In particular, during the period 2021-2025, from Albanian Post sh.a. will be implemented a number of projects aimed at improving the performance of the postal sector.

### **International cooperation**

In terms of regional and international cooperation, the Global Postal Strategy approved by the UPU for the period 2020-2024, defines the development objectives which are oriented in four main areas of action:

- **First:** Taking measures by governments for postal development by reducing differences through increased investments and focusing policies, in order to promote different ways of the postal network usage for the socio-economic development of countries;

- **Second:** regulators must harmonize and present the sectoral regulatory framework. With increasing innovation, diversification and investment in the postal field, it is the proper time for regulators to step in and manage the changes that are shaping the postal sector;
- **Third:** postal operators should seek to increase their performance by implementing diversified strategies and improving operations. The postal market today operates with more operators, service providers, so it is necessary for them to be more innovative in providing postal services;
- **Fourth:** other interest groups from the private sector and public institutions, should be integrated into this sector through engagement with traditional actors and vice versa. This means opening the market, strengthening the partnership and increasing the role of the UPU.

In conformity with these orientations of the Universal Postal Union and with the commitments within the framework of European integration, will be worked on:

- Improving and completing the legal and regulatory framework in the postal sector, in order to promote regional and international cooperation;
- Implementation of the rules on cross-border parcel delivery services, based on experience and Regulation (EU) 2018/644;
- Realization by Albanian Post sh.a. in projects carried out in cooperation with the operational structures of the U.P.U;
- Supporting and promoting projects for the green economy and decarbonization in the postal sector;
- The implementation of activities for the development of electronic commerce in the components related to the postal service and the improvement of the quality of the service.

### **The European integration process**

The Ministry of Infrastructure and Energy, in cooperation with AKEP and the Ministry of Finance and Economy, as the leader of chapter 3 of EU integration, will continue to follow the fulfillment of commitments in the Stabilization and Association Agreement for postal services. During 2021, was worked on the transposition of EU regulation 644/2018 on cross-border parcel delivery services, which was approved by Directive no. 5, dated 25.06.2021 "On the adoption of rules on cross-border postal parcel delivery services".

Reports on the progress of the report, the implementation of the National European Integration Plan and in the internal market subcommittee and competition related to postal services will be followed regularly.

### **Projects of Regional cooperation and UPU**

Albanian Post sh.a. has cooperated with the operational structures of the UPU, for the realization and follow-up of three important projects, such as "Go Green with a modernized and ecological fleet", "Participation in the Global Monitoring System (G.S.M.) managed by the UPU., in the cycle of measuring the quality of the universal postal service for the period of 2 years (2020-2021) in the G.M.S. system. LINK with external panelists" and "Participation in the Global Monitoring System (G.M.S.) managed by UPU, in the universal postal service quality measurement cycle for the 2-year period (2020-2021) in the G.M.S. WORLD system with panelists monitored and managed by Albanian Post sh.a.".

The Global Postal Strategy approved by the UPU in 2021, defines the 2030 vision for the global postal market, as well as foresees a number of objectives and commitments that member countries must undertake to improve, modernize and introduce innovative solutions for the postal sector, which are given in Annex 2.

In order to fulfill these objectives, in the coming years the aim is that the cooperation with the UPU will be closer and more comprehensive.

Also, among the issues that require greater attention and a more fruitful cooperation, cooperation with the customs administration, financial inclusion and the response to natural disasters in the case of Force Majeure can be singled out.

*Cooperation with customs administration:* the growth of the online market, has led to an increase in the cross-border exchange of parcels and small packages, thus influencing the need for closer cooperation between postal operators and customs for increased security. For this, the UPU works with supply chain partners to continue the cross-border exchange of these postal goods. The Customs Declaration System (CDS), created by the UPU's Postal Technology Center, assists in customs clearance by allowing participating Post Offices and Customs to exchange preliminary data and calculate the necessary duties and taxes.

For the packages delivered, postal operators are required to share information about the sender, contents and value with customs authorities. This information was previously sent via a form, but CDS now enables carriers to share this information via Electronic Data Interchange (EDI)

messages before packages are shipped. This advance information helps Customs reduce its processing time.

*Financial inclusion:* provides for the provision of basic financial services (savings, payments, money transfers, insurance, loans) for people who do not have access to such services. Worldwide, these financial services provided by postal operators are used by 1.5 billion people, making the postal sector the second largest contributor to global financial inclusion. UPU helps its member countries introduce or develop inclusive and sustainable financial services. As an information and technical assistance platform for the postal sector, the UPU is an ideal partner for lending institutions and donors in the effort to make postal financial services accessible to the most disadvantaged populations.

*Response to natural disasters in the case of Force Majeure:* last years, the world has often faced natural disasters and emergency situations, such as in the case of the global Covid-19 pandemic during 2020. These situations have also had an impact on the communication infrastructure of countries, including postal networks. Natural and health disasters directly affect public postal services, by causing damage to infrastructure, vehicles and equipment, or disruption of the postal service itself worldwide, disrupting an important trade and communication channel. At the same time, these situations highlight the value of postal services in post-disaster response. Given their extensive network, post offices and mail processing centers can act as distribution points for emergency supplies, postal services can help coordinate emergency relief operations. Among the most important services that provide assistance in situations of natural disasters in the case of Force Majeure, highlight the Express Mail Service (EMS), which is a service that is offered in about 200 countries around the world, offering a fast delivery of postal items.

In the framework of regional cooperation, the cooperation with the European organization for post and telecommunications will continue and the activities of CERP, as well as the developments and meetings of the European Group of Postal Regulators (ERGP) will be followed by AKEP.

## **VI. Monitoring and implementation of postal policy document**

Pursuant to Law No. 46/2015 "On postal services in the Republic of Albania", the Minister responsible for the postal sector, is charged with drafting and implementing policies for the



development of the postal sector. The Electronic and Postal Communications Authority is charged with the regulation and supervision of postal services provided in the Republic of Albania.

From operational point of view, the directorate of policies and strategies for the development of telecommunications and posts, in cooperation with AKEP, will follow the continuous process of implementing and achieving the objectives of this document.

To monitor the provision of universal postal services, performance indicators will serve, according to the standards in the provision of universal postal services that are supervised by AKEP, such as:

- Indicator for the delivery time of ordinary letter between cities for D+1, D+2 and above D+2;
- Indicator for distribution of letter of recommendation between cities for D+1, D+2 and above D+2 etc.;
- Indicator for the time of distribution of ordinary letter between villages for D+2, D+3 and D+4;
- Indicator for recommended distribution time between villages for D+2, D+3 and D+4;

The postal policy document will be revised periodically depending on technological developments and international commitments.

The Ministry of Infrastructure and Energy will cooperate with the Ministry of Finance and Economy in the process of fulfilling regional commitments for the common regional market as well as the action plan for the development of electronic commerce.

Each institution responsible for the foreseen activities must plan their realization by guaranteeing the planned budgets, human resources and technical capacities in order to realize them.

The Ministry of Infrastructure and Energy will be responsible for the drafting of the legal and bylaw acts provided for the implementation of this document.

The Electronic and Postal Communications Authority will be responsible for carrying out regulatory activities for the supervision of the activity of providing postal services and in particular the universal postal service.

The provider of universal postal services, Albanian Post sh.a. will be responsible for the realization of projects for the improvement of infrastructure and universal postal services.

Every year, there will be an assessment of the implementation of the activities and the achievement of the identified objectives through the realization of the indicators.

**ANNEX 1**  
**BY-LAWS APPROVED FOR POSTAL SERVICES**

Pursuant to Law No. 46/2015 "On postal services in the Republic of Albania" during the period 2016-2018, the by-laws were also approved, as follows:

- Decision of the Council of Ministers No. 360, dated 11.05.2016 "On the approval of the rules for the establishment of the universal postal service fund and the ways of determining the contribution in case of co-financing by the universal postal service providers". The decision provides rules for the universal service fund for compensating the net cost of universal postal services in accordance with the provisions of the EU acquis;
- Decision of the Council of Ministers No. 239, dated 02.05.2018 "On the approval of the rules for the appointment of the Universal Postal Service provider". The decision provides the rules for the designation of the universal postal service provider with public competition as well as the designation of the minimum area for the provision of the universal postal service;
- AKEP Regulation No. 41, dated 03.03.2016 "On the division of accounts and the calculation of the cost of the universal postal service", approved by the decision of the Governing Council of AKEP No. 2670, dated 03.03.2016;
- AKEP Regulation No. 42, dated 03.03.2016 "On the calculation of the net costs of the universal postal service", approved by the decision of the Governing Council of AKEP No. 2671, dated 03.03.2016;
- AKEP Regulation No. 45, dated 27.10.2016 "Methodology of Inspection of Postal Service Providers", approved by the decision of the Governing Council of AKEP No. 2694, dated 27.10.2016;
- AKEP Regulation No. 40, dated 17.12.2015 "On periodic statistical and financial data on services provided by operators and postal service providers";
- AKEP Regulation No. 39, dated 17.12.2015 "On procedures for resolving disputes between the user and the postal service provider and disputes between postal service providers";
- AKEP Regulation No. 20, dated 28.12.2015 "On the procedure and method of calculating the level of annual payments made to AKEP for the supervision of the market of electronic communications and postal services";

- AKEP Regulation No. 38, dated 19.11.2015 "On the General Authorization for the provision of postal services";
- Regulation No. 3, dated 29.10.2015 "On the provision of Universal Service";
- Instruction No. 5 of 25.06.2021 of the Ministry of Infrastructure and Energy "On the approval of the regulation on cross border parcel delivery services".

## ANNEX 2

### THE GLOBAL POSTAL STRATEGY APPROVED BY THE UPU - VISION 2030

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<b>1.</b>	<b><i>Governments should decrease gaps in postal development through increased investments and focused policies, and promote various ways to utilize the postal network for socio-economic development</i></b>
1.1	Drafting and adoption of a national policy for the postal sector, with clear roles and objectives for each of the actors in the sector (the ministry, the regulator, operators and other market participants and government authorities).
1.2	Measurement of annual investments by the government for activities related to the universal service obligation in the postal sector, in order to ensure full cost recovery.
1.3	Provision of at least 10 government/citizen services through the postal sector. These may include services related to financial inclusion, disaster management, services for the elderly, pension payments, supporting small and medium enterprises (SMEs), agriculture, cultural heritage, technology, etc.
1.4	Development of a national emergency postal plan as part of national and local disaster risk reduction strategies.
1.5	Education of the postal development gap within the regions by 10% (measured through the indexes calculated by the UPU).
1.6	The inclusion of the postal sector in the national strategy of each country for the fulfillment of the SDGs.
<b>2.</b>	<b><i>Regulators should harmonize and enhance the sector's regulatory framework</i></b>
2.1	Analysis of the current status of the national regulatory system in the light of technological and market changes and in comparison with the models used in other industries (eg telecommunications).
2.2	Development of national policies to harmonize the regulatory system for the postal sector, harmonizing them with international standards developed by the UPU.
2.3	Drafting and adoption of a comprehensive national regulatory framework for all market participants operating in the postal sector, not just the traditional operator.
2.4	Creation of regulatory "maps" detailing all the actors in the market, their market share and the applicable regulatory framework for each of them.

2.5	Development and implementation of a process of national monitoring, evaluation and updating of regulations for the postal sector on a 2-3 year basis report.
2.6	Analyzing all activities covered by postal operators and determining the applicable regulation and regulatory authority (eg regulation for postal payment services under the responsibility of a clearly defined agency or group of agencies).
2.7	Updating and redefining national licensing systems, also for universal service providers, to meet the objectives of socio-economic development and to adapt to technological changes and the needs of the market and citizens.
2.8	Analyzing the current rules, costs and licensing systems of the universal service provider, and adapting an updated model to finance it (eg universal service fund, payment by all operators, payment by extraterritorial exchange offices ( ETOE), etc.).
2.9	Establishing official channels of communication between the regulatory authority and the various enterprises operating in the postal sector (such as regular meetings in which the authorities meet representatives of all market actors to discuss outstanding issues).
<b>3.</b>	<b><i>Operators should seek to enhance their performance by implementing diversified strategies and operational improvements</i></b>
3.1	Home delivery to 90% of all households in developing and least developed countries
3.2	Access to postal services for 100% of the population.
3.3	Postal sector operators must be in accordance with national definitions and policies for universal service, as well as with government objectives for socio-economic development.
3.4	Development of ways to accurately calculate the cost of providing universal service by all operators.
3.5	Development of a national campaign by operators providing government services and/or services falling within the scope of universal service to promote their contribution to the fulfillment of the SDG and their socio-economic role.
3.6	Reviewing the performance of each country in relation to postal development in order to set precise targets for improvement.
3.7	Equipping all operators with the necessary tools in order to provide international delivery services.
3.8	Creation of a specific channel/activity for the provision of services to SMEs (eg exports, e-commerce training, etc.) by all operators.
3.9	Reduction of delivery time to at least the equivalent of the regional average for 2020 for all types of mail (letter, parcel and express) from all operators.
3.10	Increasing the number of international network partners to reach at least the regional average of 2020 (measured by big data platforms) by all operators.
3.11	Increasing the number of postal items exchanged with international partners to reach at least the regional average of 2020 (measured by the tonnage of exported mail) by all operators.

3.12	Skills training related to digital transformation by all interested postal staff.
3.13	Recognition and support by all operators of the Paris Agreement objectives of limiting the increase in global average temperature to less than 2°C above pre-industrial levels and efforts to limit it to 1.5°C above pre-industrial levels, including reducing greenhouse gas emissions.
<b>4.</b>	<b><i>Other stakeholders from the private sector and public institutions should pursue integration into the sector by engaging with traditional stakeholders, and vice-versa. This means opening up the market, fostering partnerships and enhancing the role of the UPU</i></b>
4.1	Creation of centers in each UPU region to facilitate the exchange of postal items between countries, integrating all actors of the supply chain, both private and public.
4.2	Reduction of delivery time (speed and predictability) from any country in international exchanges of postal items between different actors of the supply chain, including carriers, Customs, airlines and roads/rails.
4.3	Development and implementation of the legal framework from each country for the creation of public-private partnerships between actors of the postal supply chain, including operators, Customs, airlines, start-ups and other companies.
4.4	Reorganization of the UPU (in a way yet to be decided) so that certain categories of market actors are participants in the operational solutions of the UPU (where the member countries consider it appropriate).
4.5	Establishment of official relations (or expansion and further strengthening of existing ones) by the UPU with all organizations that contribute to the elements of the Postal Vision 2030 (eg UN agencies and limited trade unions).