



cutting through complexity

Ministry of Economy and Sustainable Development of Georgia

Universal Postal Services

July 2015



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CAGR	Compound Annual Growth Rate
CAPEX	Capital expenditure
Draft Law	Draft Law of Georgia on Postal Union dated 29 October 2014
GDP	Gross domestic product
GDP per capita	Gross domestic product divided by population
GEL	Georgian Lari
EBITDA	Earnings before interest, tax, depreciation and amortization
FCFF	Free cash flows to the firm
IATA	International Air Transport Association
KPMG	KPMG Georgia LLC
mGEL	Million Georgian Lari
Ministry	Ministry of Economy and Sustainable Development of Georgia
NPV	Net present value
SG&A	Sales, general and administrative
sq.m	Square meters
UPS	Universal Postal Services
UPU	Universal Postal Union
USD	US Dollars
USO	Universal Service Obligation
USP	Universal Service Provider
WACC	Weighted average cost of capital

	Definition per Georgian Draft Law dated 29 October 2014	Definition per International Source	International Definition Source Details
Postal service	The receipt, processing, dispatch, transportation and delivery to an addressee of mails, which shall be provided by the national (designated) postal operator, the postal operators and the special courier postal operators according to the national postal regulations, the acts of the Universal Postal Union and this Law.	Postal service: services involving the clearance, sorting, transport and delivery of postal items. Postal service: all postal services, whose scope is determined by the bodies of the Union. The main obligations of postal services are to satisfy certain social and economic objectives of member countries, by ensuring the collection, sorting, transmission and delivery of postal items.	DIRECTIVE 97/67/EC of 15 December 1997 Decisions of the 2012 Doha Congress-Berne 2013
Postal item	Postal item sent by the authorized person in the postal industry and/or delivered to the addressee (written correspondence, parcel and postal money order). Types and categories of postal items as well as weight and dimensions are determined by this law, the national postal regulations and acts of the Universal Postal Union.	Postal Item: an item addressed in the final form in which it is to be carried by the universal service provider. In addition to items of correspondence, such items also include for instance books, catalogues, newspapers, periodicals and postal packages containing merchandise with or without commercial value. Postal Item: generic term referring to anything dispatched by the Post's services (letter post, parcel post, money orders, etc.);	DIRECTIVE 97/67/EC of 15 December 1997 UPU Convention (Article 1, Definitions)
Written correspondence	A type of the mailings, which includes letters, postal cards, printed editions, cecograms, small packets, M-bags. Their types and categories, weight and sizes shall be defined by the national postal regulations and the acts of the Universal Postal Union.	Items of correspondence: a communication in written form on any kind of physical medium to be conveyed and delivered at the address indicated by the sender on the item itself or on its wrapping. Books, catalogues, newspapers and periodicals shall not be regarded as items of correspondence. Items of correspondence: letters, postcards, (and addressed direct mail).	DIRECTIVE 97/67/EC of 15 December 1997 EUROSTAT – GLOSSARY OF DATA COLLECTION ON POSTAL SERVICES
Ordinary mailing	The mailing, which is received by an authorized person without issuing a receipt and is delivered to an addressee without being signed.	Ordinary parcels are defined as items normally containing merchandise and sent by a standard/ordinary service, i.e. non-express and non-courier, and are carried by the USP or private operators.	EUROSTAT – GLOSSARY OF DATA COLLECTION ON POSTAL SERVICES
Priority mailing	The mail, which is sent with priority by the fastest air or land means. Priority mailing falls under the universal and ordinary postal services and it does not imply the Express Mail (including EMS) or/and the courier postal service.	Priority items, i.e. items conveyed by the quickest route (air or surface) with priority	UPU Letter Post Regulations 2013 (Article RL 120 Basic services)
Non-priority mailing	A mailing, for the dispatch of which a customer selected a less high tariff, which implies delivering it to an addressee in a relatively long time. The notion of the non-priority mail represents the category defining the speed of the processing of the mails under the universal and ordinary postal services	Non-priority items, i.e. items for which the sender has chosen a lower rate, implying a longer delivery time.	UPU Letter Post Regulations 2013 (Article RL 120 Basic services)

	Definition per Georgian Draft Law dated 29 October 2014	Definition per International Source	International Definition Source Details
Registered mailing	The mail registered separately, the receipt of which from a customer is confirmed by a person authorized in the postal sector and to which an identification number is given.	Registered item: a service providing a flat-rate guarantee against risks of loss, theft or damage and supplying the sender, where appropriate upon request, with proof of the handing in of the postal item and/or of its delivery to the addressee. Registered Mail: Registered items are items which the sender has asked to be delivered to the addressee against a receipt. It is a service providing a flat-rate guarantee against risks of loss, theft or damage and supplying the sender, where appropriate upon request, with proof of the handing in of the postal item and/or of its delivery to the addressee.	DIRECTIVE 97/67/EC of 15 December 1997 EUROSTAT – GLOSSARY OF DATA COLLECTION ON POSTAL SERVICES
Insured (announced price) mail	Priority and non-priority mail, which includes valuable documents or expensive items and may be dispatched through insuring its content by the value announced by a sender. The amount announced by a customer shall not exceed the face value of the content of a parcel.	Insured item: a service insuring the postal item up to the value declared by the sender in the event of loss, theft or damage. Insured mail is mail containing securities or valuable documents or articles. Insured mail is insured for the amount of the value declared by the sender in the event of loss, theft or damage.	DIRECTIVE 97/67/EC of 15 December 1997 EUROSTAT – GLOSSARY OF DATA COLLECTION ON POSTAL SERVICES
Express Mail and EMS	A type of the postal service, which implies receiving, processing, sending, shipping and express delivery to an addressee of the written correspondence and the parcels with the shortest possible delay on the basis of the special agreement concluded between customer and the national (designated) postal operator or the postal operators or the persons authorized in the postal sector by using own networks.	EMS, which is a postal express service for documents and merchandise, and shall whenever possible be the quickest postal service by physical means. Express Services: express services are postal and related services characterized by the fact that they are accelerated as compared to the universal service, and employ transfer centers in order to convey the items entrusted to them (distinction with courier services).	UPU Convention (Article 16, EMS and integrated logistics) EUROSTAT – GLOSSARY OF DATA COLLECTION ON POSTAL SERVICES
Universal Postal Service	The types of the postal service of quality defined by the acts of the Universal Postal Union and established by this draft law dated 29 October 2014 by which all the regions of the country are served at affordable prices. The provision of customers with the universal postal service is an international obligation of the state, which shall be carried out by the national (designated) postal operator.	The permanent provision of a postal service of specified quality at all points in the territory of a Party at affordable prices for all users. Universal postal service encompassing a minimum range of services of specified quality to be provided in all Member States at an affordable price for the benefit of all users, irrespective of their geographical location in the Community. The permanent provision of quality basic postal services at all points in a member country's territory, for all customers, at affordable prices	Association Agreement> Postal and courier services> Article 99 DIRECTIVE 97/67/EC of 15 December 1997 UPU Convention (Article 1, Definitions)

	Definition per Georgian Draft Law dated 29 October 2014	Definition per International Source	International Definition Source Details
Reserved postal service	In order to ensure the efficient and stable financing of the postal service, the national (designated) postal operator shall provide postal services of certain weight under this law until the full liberalization of the postal sector.	Services that may be reserved, in compliance with the rules of the Treaty and without prejudice to the application of the rules on competition, appears justified on the grounds of ensuring the operation of the universal service under financially balanced conditions.	DIRECTIVE 97/67/EC of 15 December 1997
Courier postal service	A type of the postal service that implies receiving, processing, sending, shipping and express, door-to-door delivery to an addressee of the local and international mails - written correspondence and parcels by the same authorized person through his/her network. The courier service created to provide non-postal service and to serve the needs of the enterprise, the objective of which is to deliver its own goods/services to a third person, shall not be considered as the courier postal service.	Courier services are named after the courier, who provides personal accompaniment for a consignment. Courier services are postal and related services in which the item is always under the responsibility of the same person.	EUROSTAT – GLOSSARY OF DATA COLLECTION ON POSTAL SERVICES
National (designated) postal operator	An authorized person with the relevant status, which is obliged, according to the acts of the Universal Postal Union, to provide universal postal service throughout the country, as well as shall be entitled, under this law, to provide the reserved postal service and other types of the postal service.	Universal service provider: the public or private entity providing a universal postal service or parts thereof within a Member State, the identity of which has been notified to the Commission in accordance with Article 4. Designated postal operator: organization which has been designated by a UPU member country or territory as an operator responsible for fulfilling part or all of the member's obligations arising from adherence to the UPU Convention and agreements. Such organizations: – are authorized by the UPU member country to provide public postal services, that is, to accept mail from any mailer in its territory and take responsibility for delivery to any addressee worldwide; – organize and take direct responsibility for delivery to addressees within the geographic area covered by their operating remit; – provide delivery services, within this geographic area, to other designated postal operators in accordance with the UPU Convention and standards. Designated operator: any governmental or non-governmental entity officially designated by the member country to operate postal services and to fulfil the related obligations arising out of the Acts of the Union on its territory.	DIRECTIVE 97/67/EC of 15 December 1997 UPU standards glossary of 26 February 2014 Decisions of the 2012 Doha Congress-Berne 2013
Authorization	The registration of the activity of a person providing the postal service by the Georgian National Communications Commission under the rule established by this Law	Any permission setting out rights and obligations specific to the postal sector and allowing undertakings to provide postal services and, where applicable, to establish and/or operate postal networks for the provision of such services, in the form of a 'general authorization' or 'individual license'.	DIRECTIVE 97/67/EC of 15 December 1997

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Executive Summary

The research of the Postal Market was performed during the period from 25 February 2015 to 25 June 2015, based on the Agreement N115 signed on 23 February 2015 between The Ministry of Economy and Sustainable Development of Georgia and KPMG Georgia LLC.

As per the Terms of Reference the scope of works included:

1. The research of all companies registered under the Law on the “Entrepreneurs” of Georgia, which according to the draft Law of Georgia on “Postal Services” perform certain postal services including the research of the organizations, which are contracted to ship local and/or international postal items by land or by sea – page 16;
2. The analysis of the Universal Postal Basic Services in similar countries (at least three) and the services under the draft Law of Georgia on Post – page 30;
3. Operational and economic analysis of Georgian Post Ltd. – page 18;
4. The study of the customer’s demand on the Universal Postal Service according to the geographic units of Georgia – page 41;
5. The estimation of the Universal Postal Services costs and the amount of the investments to be carried out (including the infrastructure projects) – page 55;
6. The estimation of the approximate tariffs for certain types of the Universal Postal Services – page 57-59;
7. High level financial model, including the forecast revenues to be received from the Universal Postal Services – page 62;
8. The analysis of the types of the Reserve Postal Services and its weight indicators, its estimated tariffs and the forecast revenues – page 63;
9. High level analysis of the forecast effect of the adoption of the reserve postal services on the entrepreneurs of the postal market based on the research among the entrepreneurs – page 57-59.

For the study of customers demand, The Ministry and KPMG agreed to perform face to face interviews of 1,000 individuals in all regions of Georgia. KPMG used the work of a subcontractor, ACT LLC, for the study of customers demand.

For the analysis of the Universal Postal Basic Services in similar countries, we chose the United Kingdom (classical model of USO), Estonia (comparable by size and GDP) and Switzerland (comparable by size and the fact that the USO is financed by reserved area, similar to the Draft Law in Georgia).

Currently the Georgian postal market is not regulated

In 2005 the Parliament declared the Law on Post and Communications void and made a commitment to pass a new Law on Post, but the law has not been passed to this day.

Consequently, the 48 operators (including Georgian Post, operators providing both postal, courier, express, e-commerce, air/sea freight forwarding, postal logistics and other types of postal services) in the Georgian market operate without any license or authorization and are not subject to supervision by regulatory authorities.

In August 2014 Georgia signed the Association Agreement with the European Union and took the obligation to improve its postal service regulations.

The Draft Law on postal services analysed in this research was last updated in October 2014.

Georgian Post provides virtually all postal services in the market for ordinary postal services

Based on our research, it is likely that the Georgian Post provides virtually all of the services under the definition of the ordinary postal service per the Draft Law and the vast majority of other postal operators provide courier, express or other value adding services. We do not have factually accurate information about the market due to lack of segregated statistical information. During the interviews, the large operators represented that they do not provide any postal services, but only courier services. This is also supported by the population survey which shows that 91% of the respondents recognize Georgian Post as the postal services provider.

Due to the lack of market information relevant for the research, we have used the information provided by the Ministry about the postal market in its widest definition, including postal, courier, express, e-commerce, air/sea freight forwarding and other types of postal services.

According to the information provided by the Ministry and Georgian Post, the total market value of the Georgian postal market in its widest definition is GEL 44 million in 2013 and GEL 43 million in 2014. [REDACTED]

It needs to be noted, however, that the market value information is not complete due to lack of cooperation from certain operators. The share of Georgian Post in the total postal market in its widest definition is expected to be lower than that noted above.

Globally standard letter volumes are in terminal decline, however parcel market is growing

The letter post volumes are declining in all three countries in our benchmark and worldwide. Countries with well developed letter post markets experienced the strongest decline due to developing electronic communications. The volume of letters sent in UK decreased from 16,140 million items in 2010 to 12,779 million items in 2014 experiencing negative CAGR of 6%. Switzerland experienced lower decline (from 2,650 million items in 2010 to 2,563 million items in 2014, negative CAGR of 1%) and Estonia experienced higher decline (from 39 million items in 2010 to 31 million items in 2013, negative CAGR of 8%).

The declining mail volumes put significant pressure on USPs forcing the Member states of the EU to consider potential changes to the current regulatory requirements around USO. Although, no decisions have been made yet.

On the other hand, the parcel market is growing influenced by growing e-commerce and is expected to continue the positive trend. In the UK, the Apex Insight report (UK Parcels, Market Insight Report, September 2014) forecasts 7.0% growth of the parcels market from 2014 to 2018, which it notes is significantly more than the 3.9% growth experienced from 2008 to 2014. Switzerland experienced 5% CAGR during 2010 - 2014 (from 119 million items in 2010 to 144 million items in 2014) and Estonia experienced 1% CAGR during 2010-2013 (from 1.1 million items in 2010 to 1.2 million items in 2013).

The mail volumes are significantly less in Georgia compared to the benchmarks

According to the information from Georgian Post, the average delivered letter per inhabitant in 2014 was 0.57. For comparison, this indicator in the UK is 199 letters, in Estonia – 23 letters (2013 data, latest available), and in Switzerland – 315 letters.

Although the above indicator is for Georgian Post only and excludes letters sent through courier services, this still indicates the significantly lower use of the letter mailing service in comparison with other countries. In general the use of postal services in Georgia is very low, also because due to small size of the country and the culture, significant part of the population prefers sending their mail through bus drivers. The population survey showed that only 18% of the population had an experience of receiving postal items from Georgia and 16% from outside of Georgia. The experience of sending postal items was even lower - 5% of sending postal items within Georgia and 11% to outside of Georgia.

The significant part of the domestic letters sent through Georgian Post represent court orders and parking/police bills. It is not expected that the volumes of such mail will significantly decline until the government adopts electronic communication. The volume of parcels sent through Georgian Post is very low and has a potential to grow.

Georgian Post already provides postal services close to the requirements for the Universal Service Obligation as per the Draft Law

Georgian post operates through 81 post offices. 14 post offices are located in Tbilisi, 3 offices in Kutaisi and 2 offices in Batumi. Apart from post offices in 6 distant villages, Georgian Post performs collection and delivery of mail to/from each post office 6 days a week. This is above the requirement of 5 days collection per the Draft Law. Less intensity is allowed for rural and mountainous areas by the Draft Law.

This is also confirmed by the population survey which showed that 50% of the respondents (32% did not remember) who received letters from within Georgia and 91% of the respondents who received parcels from within Georgia, had their mail delivered in 1-3 days.

In order to achieve this, Georgian Post employs 409 postmen and a fleet of 358 transportation means (vans, cars, motorcycles).

The quality standards of Georgian Post are not available, however, the delivery ratio of letters in 2014 was 78%. The number of claims received from customers during 2014 was 2,422.

Individual countries are allowed to determine the quality standards of USO

According to the EU directive Member States shall ensure that users enjoy the right to a universal service involving the permanent provision of a postal service of specified quality at all points in their territory at affordable prices for all users. To this end, Member States shall take steps to ensure that the density of the points of contact and of the access points takes account of the needs of users. Member states shall also take steps to ensure that the universal service provider guarantees deliveries every working day and not less than five days a week, save in circumstances or geographical conditions deemed exceptional by the national regulatory authorities.

Quality standards shall focus, in particular, on routing times and on the regularity and reliability of services and shall be set by the Member States in the case of national services.

Although the main concepts of affordability, accessibility, etc should be kept, the detailed requirements can be set by individual Member States.

Population survey shows that the population is sensitive to the tariffs and the delivery periods

According to the population survey carried out the respondents are very sensitive to the delivery periods. 82% of the surveyed population responded that the maximum acceptable days for the delivery within Georgia is up to 3 days.

The population is also sensitive to the tariffs. Since the demand currently is quite low, it is not as sensitive to the increase in tariffs as opposed to the decrease in tariffs. As an illustration, in case of delivering a simple letter in the same region within 3 working days, 15% of the respondents were ready to pay GEL 2.5, 24% of the respondents were ready to pay GEL 2 while the percentage of the respondents ready to pay increased to 73% when the price was suggested to be decreased down to GEL 1.

However, caution needs to be taken in interpreting the results in consideration of the generally low demand for letter post items in Georgia.



Courier operators operate in all of the benchmark countries

According to our research international courier operators (such as DHL, TNT, Fedex, UPS, etc) are present in all of the benchmark countries.

Overall there are 50 registered postal operators in the UK. All large international operators are present on the market, except TNT who left the UK market in May 2015. However, the share of these operators in the end-to-end market is below 2%. The postal operators need to notify Ofcom before they carry on business as postal operators.

In Estonia 47 operators were registered as courier service providers as at 31 December 2013, although around half of them is not active currently. The courier service providers have to notify the regulator of its activity.

In Switzerland 140 postal operators were registered as per 2015 May data. Courier and express operators represented 2% of the domestic letter market, 3% of the domestic parcel market and 43% of the total international mailing market in 2014. All providers of postal services are required to register with PostCom.

There seem to be no negative impact of the designation of Georgian Post as USP and the reserved area on the courier operators

In accordance with the Draft Law, the courier services are specifically identified and do not fall under universal services.

We have not been provided with detailed information on the operations of the international operators in Georgia, however based on their oral representation during the interviews we understand that they are pure courier operators and do not provide postal services.

On the basis that this information is correct, we do not see a large negative impact on the operations of the couriers following the designation of Georgian Post as USP and establishing a reserved area. It is not evident that more than an insignificant volumes of mail currently delivered by the courier operators will be transferred to the USP due to the reserved area.

However, the analysis shows that Georgian Post has a large funding requirement which is not expected to be covered by the establishment of the reserved area. There are a number of ways to fund the USO, including Government direct funding, increased tariffs for government, or a funding by the market players. Caution needs to be taken when determining the market for the purpose of imposing USO financing obligation. Potentially the contributions to the fund might result in the elimination of profits of efficient competitors, damaging the market. [REDACTED]

Under the Draft Law, the courier operators are required to be registered under the postal law and pay the regulatory fee, however, no further specifications are provided in the Draft Law.

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Postal market Research in Georgia

Georgia joined the Universal Postal Union in 1993. In 1999 the Georgian Parliament passed the Law on Post and Communications in order to regulate the postal service field. This law established the Ministry of Post and Communications as the policy-making body, and the Post and Communications Regulatory Commission as the regulatory body.

In 2005 the Parliament declared the Law on Post and Communications void. The Parliament also made a commitment to pass a new Law on Post, but the deadline of the law coming into force was extended several times and the law has not been passed to this day.

On 30 August 2014, Georgia signed the Association Agreement with the European Union and took the obligation to further improve its postal service regulations. According to Annex XV-C, Georgia needs to fulfill the provisions contained in the EU Directive 97/67/EC (the Directive) within 5 years of the agreement coming into force.

According to this Directive and the changes it envisions, the way to successfully reform this sector is to fully liberalize the market, to promote free competition and to limit the scope of 'Reserve Postal Services' (the so-called market of 'monopolistic practices') for the postal operator holding the obligation to provide universal postal services.

Also, according to this Directive, Georgia has to ensure that users enjoy the right to a universal service involving the permanent provision of a postal service of specified quality at all points in their territory at affordable prices for all users.

According to the EU directive Member States shall ensure that users enjoy the right to a universal service involving the permanent provision of a postal service of specified quality at all points in their territory at affordable prices for all users. To this end, Member States shall take steps to ensure that the density of the points of contact and of the access points takes account of the needs of users. Member states shall also take steps to ensure that the universal service provider guarantees deliveries every working day and not less than five days a week, save in circumstances or geographical conditions deemed exceptional by the national regulatory authorities. Quality standards shall focus on routing times and on the regularity and reliability of services and shall be set by the Member States in the case of national services.

In accordance with Article 3(4) of Directive 97/67: each member state shall adopt the measures necessary to ensure that the universal service includes the following minimum facilities:

- the clearance, sorting, transport and distribution of postal items up to two kilograms,
- the clearance, sorting, transport and distribution of postal packages up to 10 kilograms,
- services for registered items and insured items.

In addition, the article 7 of Directive 97/67, entitled harmonization of the services which may be reserved:

1. To the extent necessary to ensure the maintenance of universal service, the services which may be reserved by each Member State for the universal service provider(s) shall be the clearance, sorting, transport and delivery of items of domestic correspondence, whether by accelerated delivery or not, the price of which is less than five times the public tariff for an item of correspondence in the first weight step of the fastest standard category where such category exists, provided that they weigh less than 350 grams
2. To the extent necessary to ensure the maintenance of universal service, cross-border mail and direct mail may continue to be reserved within the price and weight limits laid down in paragraph 1.

Rather than being a definitive basis for setting prices, we believe that the above clauses are used to define two distinctive markets for universal and other postal services. These clauses were subsequently removed from the Directive.

The Association Agreement with the European Union also set regulatory standards for courier and postal services. Article 99 (paragraph 2, subparagraph b) defines universal postal service as follows: the permanent provision of a postal service of specified quality at all points in the territory of a Party at affordable prices for all users. In addition, Article 100 states that "each party has the right to define the kind of universal service obligation it wishes to maintain. Such obligations will not be regarded as anti-competitive provided they are administered in a transparent, non-discriminatory and competitively neutral manner and are not more burdensome than necessary for the kind of universal service defined by the Party".

Georgia is located at the crossroads of Western Asia and Eastern Europe, it is bounded to the west by the Black Sea, to the north by Russia, to the south by Turkey and Armenia, and to the southeast by Azerbaijan. The capital and largest city is Tbilisi. Georgia covers a territory of 69,700 square kilometers and its population is 3 729.5 thousand as of 1 January 2015 per the National Statistics Office of Georgia.

Georgia's key indicators per the National Statics Office are as follows:

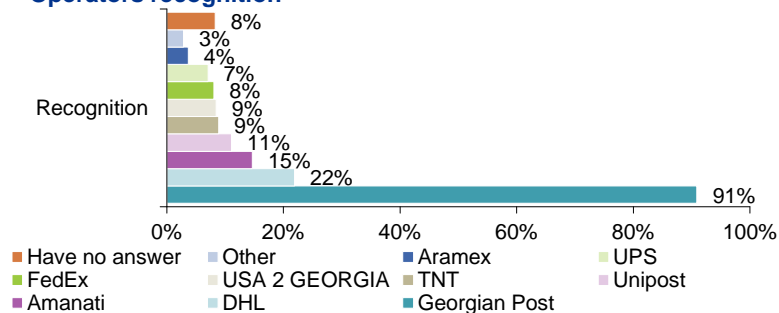
Indicators	Date	Result
GDP at current prices, million euro	2014	12 439.9
GDP Per Capita, euro	2014	2 770.3
Internet Penetration	2014	44.4%
Active population (labor force), thousand persons	2013	2,003.9
Employed, thousand persons	2013	1,712.1
Unemployed, thousand persons	2013	291.8
Unemployment rate, percentage	2013	14.6%

Source: Geostat, internetworldstats

Based on our research, it likely that the Georgian Post provides virtually all of the services under the definition of the ordinary postal service. We do not have factually accurate information about the market due to lack of segregated statistical information. The large international operators represented during the interviews that they don't provide any postal services, only courier services.

In the framework of the study, we have conducted survey of the population within Georgia. The results of the survey show that 91% of Georgia's population have heard that the postal services are provided by the Georgian Post LLC.

Operators recognition



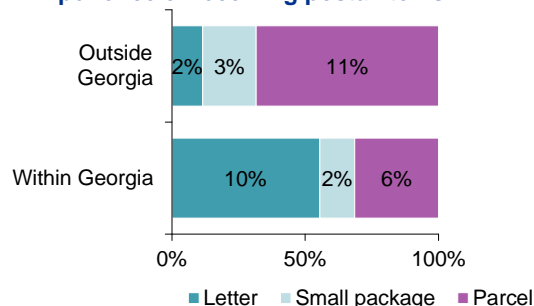
Source: ACT survey

Average delivered letter rate per inhabitants per Georgian Post data during 2014 is 0.57.

The survey shows, that only 18% out of total population of Georgia has an experience of receiving postal items from Georgia and 16% from outside Georgia.

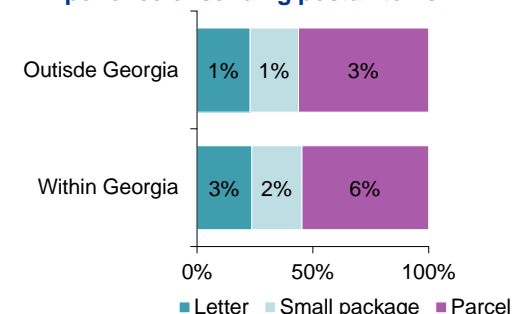
The results of the sending postal items are even lower resulting 11% of sending postal items within Georgia and 5% outside Georgia.

Experience of receiving postal items



Source: ACT survey

Experience of sending postal items



Source: ACT survey



[REDACTED]

[REDACTED]

Country	2019	2020
United States	100	100
Germany	95	95
France	90	90
Italy	85	85
Spain	80	80
China	75	75
India	70	70
Japan	65	65
South Korea	60	60
United Kingdom	55	55
Canada	50	50
Brazil	45	45
India	40	40
China	35	35
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Response	Percentage
Yes, the U.S. should take action to address climate change	95%
No, the U.S. should not take action to address climate change	5%

[REDACTED]

(b) (5) DPP, (b) (5) ACP, (b) (5) ADP

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Similar Countries Analysis

Similar Countries Analysis Summary (1/2)

	Georgia	United Kingdom	Estonia	Switzerland
Population, 1 Jan 2014	4,490,500	64,308,261	1,315,819	8,139,631
Size of the Country (sq. km)	69,700	243,610	45,226	41,290
Density, 1 Jan 2014 (persons per sq. km)	64.4	264.0	29.1	197.1
Unemployment rate, 2014	14.6 (2013 data)	6.1	7.4	3.2
Internet Penetration, 2013	44.40% (2014 data)	89.80%	80.00%	86.70%
GDP at current prices, 2014, million euro	12,440	2,222,361	19,526	516,068
GDP per capita, 2014, euro	2,770	34,400	14,800	63,800 (2013 data)
Letter per inhabitant, 2014 (Note)	0.57 letter through Georgian Post LLC	199 letters	23 letters (2013 data)	315 letters
Designated Operator	Georgian Post LLC	Royal Mail	Estonian Post (Eesti Post)	Swiss Post
State Ownership	State owned	Public Limited Company (with certain Government share)	State owned	State Owned

Note: (1) Although letter volumes are significantly higher in other countries compared to Georgia, it is worth noting that in most countries standard letter volumes are in terminal decline due to the adoption of other means of communication, such as text, e-mail, social media, etc. In addition, the high volume per inhabitant may be driven primarily by business to consumer and business to business mail (invoices, marketing material) rather than ordinary customer to customer mail.

(2) Switzerland is not a member of the European Union

Similar Countries Analysis Summary (2/2)

	Georgia (per Draft Law)	United Kingdom	Estonia	Switzerland
Universal Postal Service includes	<ul style="list-style-type: none"> - priority and non-priority written correspondence up to 2 kilograms (ordinary, registered letters, postcards, printed publications, small packets) - cecogram up to 7 kilograms, - "M" bags up to 30 kilograms and - local parcels up to 10 kilograms and international parcels up to 20 kilograms. 	<ul style="list-style-type: none"> - Collection/ delivery of letters, - postal packets less than 20 kilograms, - registered items, - insured items, - free of charge postal services to blind or partially sighted people and - free carriage of legislation petitions. 	<ul style="list-style-type: none"> - correspondence up to 2 kilograms (as ordinary, registered and insured) and - postal parcels up to 20 kilograms (registered and insured). - Universal postal services do not include the forwarding of postal items as bulk items. 	<ul style="list-style-type: none"> - letters up to 1 kilogram, - parcels weighing up to 20 kilograms.
Universal Postal Service minimum requirements	Post service delivery minimum 5 working days	Post service delivery during 6 days per week	Post service delivery minimum 5 working days	Post service delivery minimum 5 working days
Pricing	Variable	Uniform	Variable	Uniform
Financing	Until a full liberalization of the postal service, the reserved area of postal service shall be a source of financing of the universal postal service.	Royal Mail finances its own operations but Ofcom has a duty to secure the USO	USO fund – unreasonably burdensome costs shall be compensated out of the UPS charges paid by postal service providers who have the USO financing obligation (postal service providers who have been granted a license for the provision of postal services).	Reserved area
Reserved Area	<ul style="list-style-type: none"> - registered local and international letters and postcards up to 100 grams, and - international inbound and outbound parcel up to 20 kilograms by land and/or sea, its processing, dispatch, transportation and delivery to addressee 	Not applicable	Not applicable	Swiss Post has exclusive right to transport the letters weight of which does not exceed 50 grams
Number of registered operators	47	50	77	140
International courier operators on the market	Yes	Yes	Yes	Yes
Requirements to courier operators	Authorisation	Notification	Notification	Registration (simple or ordinary depending on annual revenue)

Royal Mail is the UK's designated Universal Postal Service Provider

In 2013-2014 one inhabitant in the UK sent on average around 199 letters (Ofcom)

General overview

United Kingdom's key indicators are as follows:

United Kingdom	Date	Results
Population	1 Jan 2014	64,308,261
Size of the Country (sq. km)		243,610
Density (persons per sq. km)	1 Jan 2014	264
Unemployment rate	2014	6.1
Internet Penetration	2013	89.8%
GDP at current prices, million euro	2014	2,222,361
GDP per capital, euro	2014	34,400

Source: Eurostat, internetworldstats, KPMG analysis

Great Britain has been a member of UPU since 1 July 1875.

Under the Postal Services Act 2011 Ofcom is the regulator of the postal services in the UK. Its primary objective is to secure the provision of Universal Postal Service. Ofcom must also ensure that the universal service is efficient, and delivers the minimum requirements set out in the act.

The core elements of the Universal Obligation can only be changed by the Parliament. However, Ofcom has the ability to vary the service standards, such as % of mail that needs to be delivered next day.

Royal Mail is the UK's designated Universal Postal Service Provider.

Royal Mail

Group overview

Royal Mail plc (LSE: RMG) is the parent company of Royal Mail Group Limited, provider of postal and delivery services in the UK and the UK's designated universal postal service provider.

Royal Mail Group Limited includes UK Parcels, International & Letters (UKPIL) which comprises the Group's UK and international parcels and letters delivery businesses operating under the 'Royal Mail' and 'Parcelforce Worldwide' brands.

Through the Royal Mail Core Network, the Group has the capability to deliver a 'one-price-goes-anywhere', six-days-a-week service on a range of letters and parcels to more than 29 million addresses across the UK.

UKPIL also carries out a number of letter related business activities, including marketing mail consulting services. It is responsible for the design and production of the UK's stamps and philatelic products. It also processes international mail under reciprocal arrangements with other overseas postal administrations.

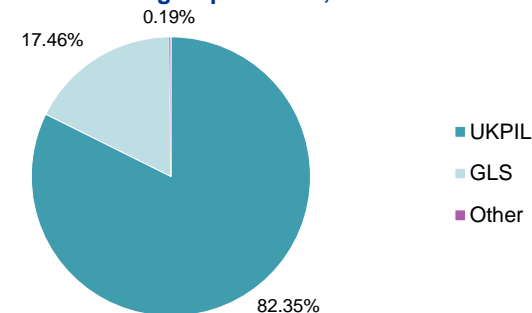
Parcelforce Worldwide operates a separate UK network which collects and delivers express parcels. Royal Mail also owns General Logistics Systems (GLS). Its operation is related to deferred parcels, express parcels and logistics.

For the year ended 31 March 2014 in the breakdown of Royal Mail revenue UKPIL held the largest part (82.35%) with the total income of USD 7,787 million.

61% of the UKPIL revenue was earned by letters business, while the remaining 39% came from parcels.

Source: Royal Mail Group

Breakdown of the group revenue, 2014



Source: Royal Mail 2014 financial statements

Royal Mail is responsible for providing priority and non-priority mail services, non-priority parcel service for packages up to 20 kg, registered and insured services, support services such as mail forwarding, and international outbound service. Royal Mail is also obliged to provide free-of-charge postal service to the blind and provide free carriage of legislative petitions and addresses

Collection and delivery take place six days a week

Universal postal service

Universal Service is defined as postal products and associated minimum service standards that must be available to all addresses in the UK.

The regulator must have regard for the need for the universal service to make a reasonable commercial rate of return on the costs of providing the activities to deliver the universal service, including 6 days a week collection and delivery to all addresses in the UK.

Minimum Universal Service requirements

The Postal Services Act 2011 sets out the minimum requirements the Universal Service provider must deliver. These are statutory. They can only be altered with the consent of the UK Parliament. The minimum requirements are:

- At least one delivery of letters every Monday to Saturday to every address in the UK;
- At least one collection of letters every Monday to Saturday from every access point in the UK that is used to receive letters and postal packets for onward transmission;
- At least one delivery/collection of other postal packets ≤20kg every Monday to Friday to the places to/from every access point in the UK;
- Postal services at an affordable, uniform tariff across the UK;
- A registered items service at an affordable public tariff;
- An insured items service at an affordable public tariff;
- A free-of-charge postal service to blind or partially sighted people;
- Free carriage of legislative petitions and addresses.

Universal Service Performance Performance measure	Standard achieved
Delivery routes completed each day	99.9%
Access points served each day	99.9%
Postal packets deemed delivered	99.5%
First class mail delivered next working day	93.0%
Second class postal packets up to 1kg delivered within 3 working days	98.5%
Second class postal packets more than 1kg delivered within 3 working days	90.0%
Special Delivery up to 10kg delivered by 13:00 next working day	99.0%
International Mail going to the EU delivered within 3 working days	85.0%
First class mail delivered next working day in each of 118 postcode areas	91.5%

Source: Ofcom report

Price controls

In March 2012, Ofcom decided to remove price control on services and defined the proportion of Royal Mail revenues under direct price regulation to 5 per cent. Prior to 2012, more than 80 per cent of the revenue was directly price controlled.

Ofcom have decided to retain a price cap on a number of “safeguard” products. Stamped Second Class letters, Large letters and Parcels up to 2kg will continue to be subject to a regulatory safeguard cap. The safeguard cap, which is in place until 2019, increases in line with inflation, measured by the Consumer Price Index.

Source: Royal Mail Group

Together, the total UK market comprises three parts: mail collected and delivered by Royal Mail ('Royal Mail end-to-end'); mail collected by other operators and delivered by Royal Mail ('Royal Mail access'); and mail collected and delivered by other operators ('Other operators end-to-end').

There are approximately 50 registered postal operators in UK

Large international postal service providers like DHL, Fedex and UPS operate in the UK's postal market, however the share of these operators in the end-to-end market is below 2%. TNT left the UK market in May 2015

Competition

In its annual monitoring update on the postal market for 2012 and 2013, Ofcom indicated that there are two main forms of competition within the postal sector: end-to-end and access.

Access competition is where the operator collects mail from the customer, sorts it and then transports it to Royal Mail's Inward Mail Centres, where it is handed over to Royal Mail for delivery. Royal Mail is subject to a regulatory condition to continue to offer access to its Inward Mail Centres for letters and large letters. This enables other operators to offer letter postal services to larger business customers without setting up a delivery network. Access has been the predominant form of competition in the UK since the first access contract was signed in 2004.

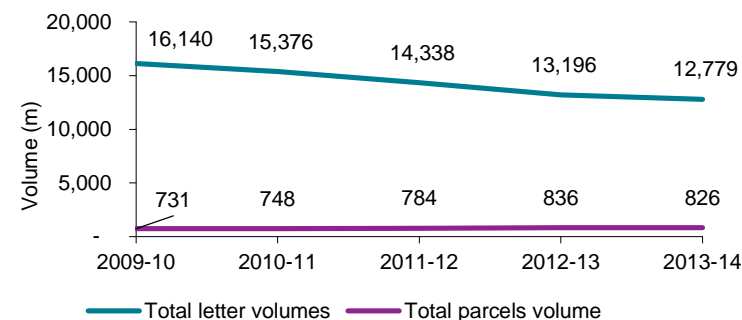
End-to-end competition is where an operator other than Royal Mail undertakes the entire process of collecting, sorting and delivering mail to the intended recipients.

There are numerous mail providers who operate in the UK (per Royal Mail website approximately 50) who are free to compete with Royal Mail's services. The postal operators need to notify Ofcom before they carry on business as postal operators.

Access operators handle over 50 per cent of all letters and around 70 per cent of the volume of addressed letters posted by large businesses, whilst end-to-end competition is increasing. Royal Mail continues to face price control of its access contracts through a margin squeeze test.

If, at any time in a charging year, a postal operator provides a service within the scope of the universal postal service, the operator must, in respect of the service, pay to OFCOM the administrative charge that is fixed by OFCOM as applicable to the operator.

Total volumes of letters and parcels in the UK



Non-Postal Services

With revenue from letters and other traditional postal services trending downward, Royal Mail has expanded into several non-postal commercial activities. Through the Post Office, Royal Mail sells life, travel, and other vehicle insurance policies and provides several basic savings tools. The company also offers personal loans, mortgages, and other basic financial services. It even sells broadband and phone services. Consumers can also handle passport business and pay car taxes at the Post Office.

The Post Office is the nationwide network of branches offering a range of postal, Government and financial services. The Post Office remains in public ownership. Royal Mail (the postal network) was separated from the Post Office (post office network) prior to privatization.

The Government has made a clear commitment to no further programme of Post Office closures. The network is now at its most stable for 25 years, at around 11,500 branches. It is also committed to maintaining the network at its current size and is giving the network £1.34 billion of funding for transformation.

Source: Royal Mail Group

By the end of the year 2013 average area covered by a permanent post office amounted to 134.6 km², while average number of inhabitants served by one office equaled 3 843

In 2013 (latest data per Estonian Competition Authority) one inhabitant in Estonia sent on average 23 letters

General overview

Estonia's key indicators are as follows:

Estonia	Date	Results
Population	1 Jan 2014	1,315,819
Size of the Country (sq. km)		45,226
Density (persons per sq. km)	1 Jan 2014	29.1
Unemployment rate	2014	7.4
Internet Penetration	2013	80.0%
GDP at current prices, million euro	2014	19,526
GDP per capital, euro	2014	14,800

Source: Eurostat, internetworldstats, KPMG analysis

Estonia has been a member of UPU since 30 April 1992. The Ministry of Economic Affairs and Communications is responsible for framing and implementing State economic policy and drafting the legislative framework for postal services, while Estonian Competition Authority acts as a regulatory body in the country.

Based on the Estonian Postal Act Universal Postal Services include the following domestic and cross-border postal services:

- Forwarding of items of correspondence weighing up to 2 kilograms as ordinary, registered and insured items
- Forwarding of postal parcels weighing up to 20 kilograms as registered and insured items
- Universal postal services do not include the forwarding of postal items as bulk items

A universal postal service provider is a person to whom a licence for the provision of universal postal services has been issued. A universal postal service provider shall ensure the collection of postal items and the delivery of postal items to the addressees on all working days and not less than five days a week and once a day throughout the whole territory of Estonia.

Estonian Post

Since 16 July 2002, Estonian Post (Eesti Post), state-owned entity, has been the only provider of UPS in Estonia.

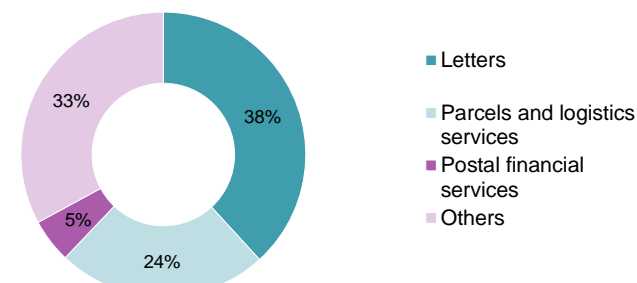
In June 2014 as part of the company's effort to internationalize its business the company introduced new international name Omniva. The brand is now used for logistics and e-services. The name Eesti Post was retained for post offices and the mail delivery service.

The enterprise offers traditional postal office services also courier, warehouse and transportation services and new services such as the parcel locker, post office and courier network. Fast development is made in e-services like e-invoicing, software solutions and hybrid mail services. The prices are not uniform. The pricelist is quite wide, according to the geography, weight and dimension of parcel or letter.

In 2014 domestic letter volumes fell by 8%, while the company's incoming international mail volumes grew by 19%. Also, international outgoing mail volumes grew by 23% — in large part due to e-commerce.

Income linked to letters held the largest part in the breakdown of revenue of the entity for 2013.

Breakdown of revenue by types of services, 2013



Source: Eesti Post 2013 financial statements

Source: UPU

Number of delivery and collection from boxes per week was 5 days in 2013

Overall there are 77 registered postal operators in Estonia of which 47 are registered as courier service providers. Many of these operators provide more than one postal service. Part of them are not active (no turnover in 2014)

Large international postal service providers like TNT, DHL, Fedex and UPS operate in Estonia's postal market

Universal Postal Services

A universal postal service provider shall ensure the collection of postal items and the delivery of postal items to the addressees on all working days and not less than five days a week and once a day throughout the whole territory of Estonia.

There are two types of postal services :

Licensed services – A postal operator has to apply for a license which is granted by the Estonian Competition Authority. These services are forwarding of ordinary, registered and insured letters and parcels both domestic and cross-border (including universal postal service).

Services with notification – A postal operator has to notify of its activity. These services are courier service, direct mail service, forwarding of periodicals.

Universal postal service financing

A universal postal service provider may submit to the Estonian Competition Authority an application for compensation for the unreasonably burdensome costs related to the performance of the universal postal service obligation. The application shall be submitted not later than on the tenth day of the month following the accounting quarter.

Upon assessment of the costs related to the performance of the universal postal service obligation, the Estonian Competition Authority compensate the costs after the costs are justified.

The costs shall be compensated out of the universal postal service charges paid by postal service providers who have the obligation to pay the universal postal service charge (hereinafter *financing obligation*).

Universal postal service charge is a payment made by a postal service provider with the financing obligation in order to compensate the universal postal service costs. The amount of the charge shall be determined on the basis of the principles of transparency, non-discrimination and proportionality.

A postal service provider with the financing obligation is required to pay the universal postal service charge in the amount of 0–5 per cent of the turnover of postal services specified in the license during the previous accounting quarter or on the basis of the volume of postal services specified in the license during the previous accounting quarter as follows:

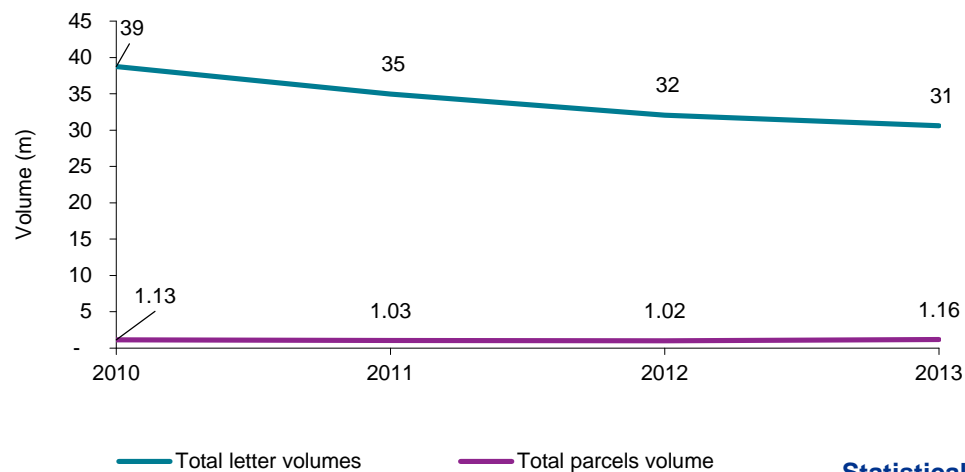
- the forwarding of items of correspondence as ordinary items, including forwarding as bulk items, 0–0.19 euros per unit;
- the forwarding of items of correspondence as registered items and insured items, including forwarding as bulk items, 0–1.59 euros per unit;
- the forwarding of postal parcels as ordinary items, registered items and insured items, including forwarding as bulk items, 0–1.15 euros per unit.

A postal service provider who has been granted a license for the provision of postal services specified in the Postal Act has the financing obligation

Source: Postal Act , Riigi Teataja

**Estonian Post delivered
85% of letters on time
during 2013 and 2014**

Total volumes of letters and parcels in Estonia



The postal service providers during 2013, were as follows:

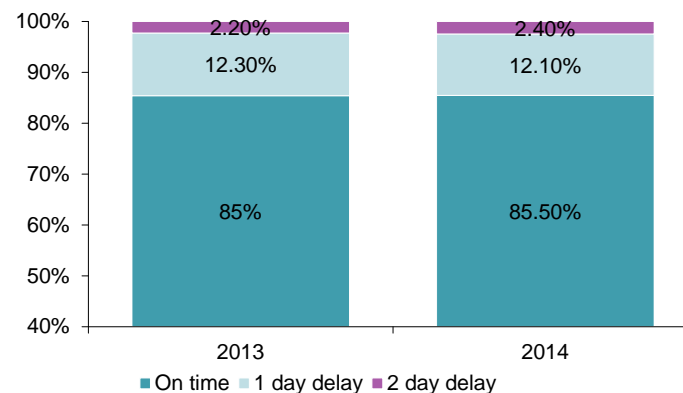
Service providers	Number
The universal postal service (UPS)	1
Postal Courier Service	47
Other	29
Total	77

Source: 2013 Competition Authority Report of Postal Services; 2014 Yearbook

Statistical Data of Estonian Post

As at 31 December 2013, Estonian Post has 320 employees

The performance measure during 2014 by Estonian Post was as per the below graph.



In 2014 one inhabitant in Switzerland sent on average around 315 letters (PostCom)

Swiss Post is the Universal Service Provider in Switzerland

General overview

Switzerland's key indicators are as follows:

Switzerland	Date	Results
Population	1 Jan 2014	8,139,631
Size of the Country (sq. km)		41,290
Density (persons per sq. km)	1 Jan 2014	197.1
Unemployment	2014	3.2
Internet Penetration	2013	86.7%
GDP at current prices, million euro	2013	516,068
GDP per capital, euro	2013	63,800

Source: Eurostat, internetworldstats, Swiss statistics, KPMG analysis

Switzerland has been a member of UPU since 1 July 1875.

Postal Services Commission (PostCom) is the independent national regulator responsible for the Swiss postal sector. In particular, it independently monitors the quality of services provided under the universal service as well as access to that service, independently examines compliance with accounting practices and prohibition of cross subsidies, and handles complaints made to the supervisory authority concerning the universal service. PostCom also carries out authoritative tasks dealing with postal matters on behalf of the *Federal Department of the Environment, Transport, Energy and Communications* (DETEC), including setting up a system of concessions (licences), preparing departmental pricing decisions and assessing the gradual liberalization of the market.

Swiss Post is the Universal Service Provider in accordance with the Postal Law (PL) of 30 April 1997.

Universal Postal Service

Swiss Post provides a satisfactory universal service comprising the posting, collection, conveyance and delivery of items, generally every working day but at least five days per week. This service must be of good quality and be provided throughout the country according to the uniform principles and at fair prices. Swiss Post is required to convey parcels weighing up to 20 kilogrammes.

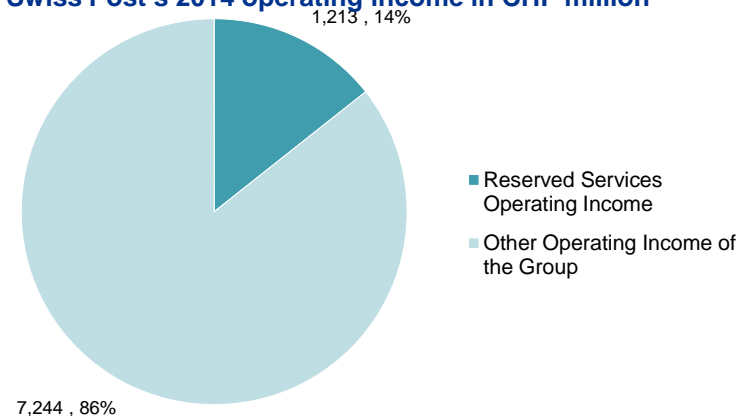
The Post operates a network of post offices covering the entire country and ensures that services under the universal service are available in all regions to all segments of the population at a reasonable distance. Items are, in principle, delivered to the place of address in all inhabited areas all year long.

Financing

Since 2004 the parcels market has been completely open to competition. Businesses providing non-reserved services whose turnover is greater than 500,000 CHF are subject to ordinary registration with PostCom. Businesses whose turnover is less than this figure are subject to simple registration with PostCom.

Swiss Post has to finance its services on its own. There is no access to the financial markets.

Swiss Post's 2014 operating income in CHF million



Source: UPU, Swiss Post 2014 financial statements

Swiss Post has exclusive right to transport the letters weight of which does not exceed 50 grams

There are 140 registered postal operators in Switzerland per 2015 May data (May 2014: 124)

Large international postal service providers like TNT, DHL, Fedex and UPS operate in Switzerland's postal market

Postal operators are subject to simple or ordinary registration with PostCom depending on the level of annual revenues

Pricing

Per Postal Law, rates must be fixed according to economic principles. The rates of letters and of packages under universal service in Switzerland must be fixed independently of distance and according to uniform principles. PostCom periodically checks the uniformity of prices.

Reserved Services

Swiss Post has exclusive right to transport the letters weight of which does not exceed 50 grams (reserved service).

The following are excluded from reserved service:

- letters whose price is less than 2.5 times the public price for sending a letter in the first weight step of the fastest standard category; and
- letters transported internationally.

Swiss Post fixes the rates of the letters of reserved service posted in Switzerland independently of distance, so as to cover costs and according to adequate and uniform principles; The price caps are determined by Federal Council.

Swiss Post uses reserved service to cover the costs of universal service.

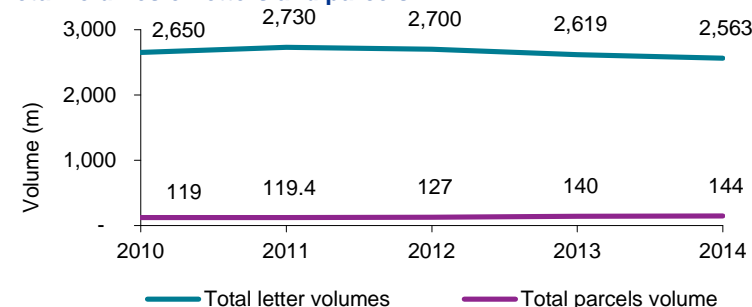
Source: The Federal Council of the Posta of the Swiss Government

Number of arrangements in 2014

	Domestic Sector: Letters weighting till 1 kilo and parcels weighting till 20 kilos	Domestic Sector: Letters weighting till 2 kilo and parcels weighting till 30 kilos	International Sector: Letters weighting till 2 kilo and parcels weighting till 30 kilos
Total	2,524 millions	2,636 millions	876 millions
% of courier and express services	2.0%	3.0%	43.0%

Statistical Data

Total volumes of letters and parcels



To December 31, 2014, the post served 14 927 public mailboxes (2013: 15,002).

It is estimated that the postal sector employs around 30 000 people in total.

Source: Postcom 2014 annual report

A large blue parallelogram graphic on the left side of the slide, containing the title text.

Customer's Demand Analysis

Customer's Demand Analysis ACT-Survey

The survey results were
provided by ACT

The customer's demand analysis was performed by ACT LLC. The inquiry took place from 17th April 2015 to 22nd April 2015. Total of 1,000 individuals were inquired within the whole territory of Georgia.

The sample of addresses was performed using statistic sampling. The regions and quantity selected were as follows:

Description	Quantity
Tbilisi	200
Imereti	170
Samegrelo, Zemo Svaneti	120
Kvemo Kartli	120
kakheti	100
Achara	90
Shida Kartli	80
Guria	40
Samtskhe-Javakheti	40
Mtskheta-Mtianeti	30
Racha-Lechkhumi, Kvemo Svaneti	10
Total	1,000

Source: ACT Sample

As shown on Slide 16, very little part of the respondents had experience of receiving (outside Georgia:16%; within Georgia-18%) or sending postal items (outside Georgia: 5%, within Georgia:11%), including letters, packages and parcels. Consequently, the analysis and the conclusions drawn in this section are very limited.

Customer's Demand Analysis

Results of Interviews – Terms of receiving postal items

79% of the persons who received parcels got their postal item from Georgia in 1 day

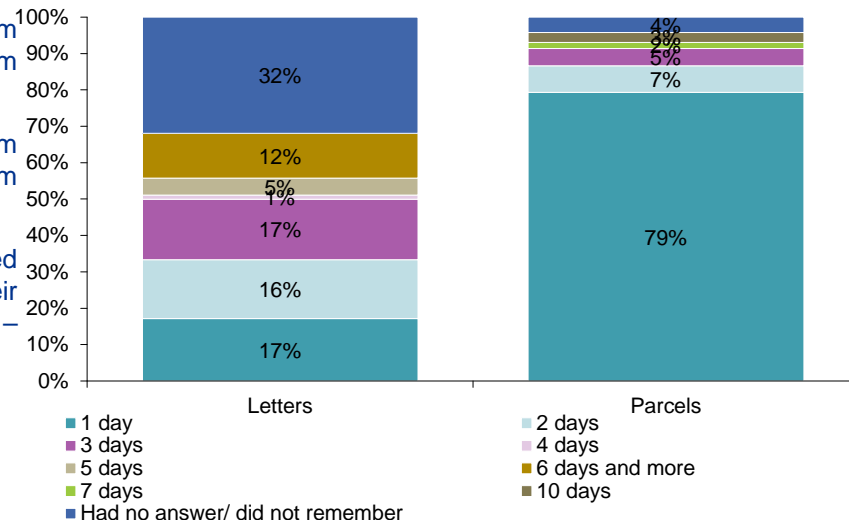
Terms of receiving postal items from Georgia

17% of the persons who received letters got their postal item from Georgia in 1 day and 17% - received the letters from Georgia in 3 days.

79% of the persons who received parcels got their postal item from Georgia in 1 day and 7% - received the parcels from Georgia in 2 days.

From the total sample of 1,000 persons, 22 persons received the small packages from Georgia. 9 of them (41%) got their postal item from Georgia in 1 day, while 3 persons (14%) – received the small packages from Georgia in 2 days.

Terms of receiving the latest postal items from Georgia



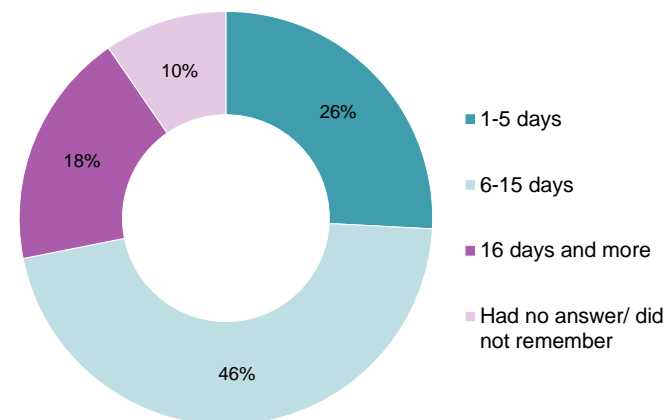
Terms of receiving postal items from abroad

From the total sample of 1,000 persons, 19 persons received the letters from abroad. 4 of them (21%) got their postal item from abroad in 7 days, while 2 of them (11%) got their postal item from abroad in 2 days.

26% of the persons who received parcels from abroad got their postal item with 1-5 days, while 46% - received the parcels from abroad in 6-15 days.

From the total sample of 1,000 persons, 29 persons received the small packages from abroad. 16 of them (55%) got their postal item from abroad in 6 days and more.

Terms of receiving the latest parcels from abroad



87% of persons who sent parcels in Georgia identified that their postal items were received in 1 day

Terms of sending postal items in Georgia

From the total sample of 1,000 persons, 25 persons sent the letters in Georgia. 7 of them (28%) stated that the letter was delivered in 1 day, while 5 persons (20%) stated that the letter was delivered in 2 days.

87% of persons who sent parcels in Georgia identified that their postal items were received in 1 day and for 8% the postal items were received in 2 days.

From the total sample of 1,000 persons, 21 persons sent the small packages in Georgia. 16 of them (76%) identified that their postal item reached the recipient in 1 day, while for 3 persons (14%) the small packages was delivered in 2 days.

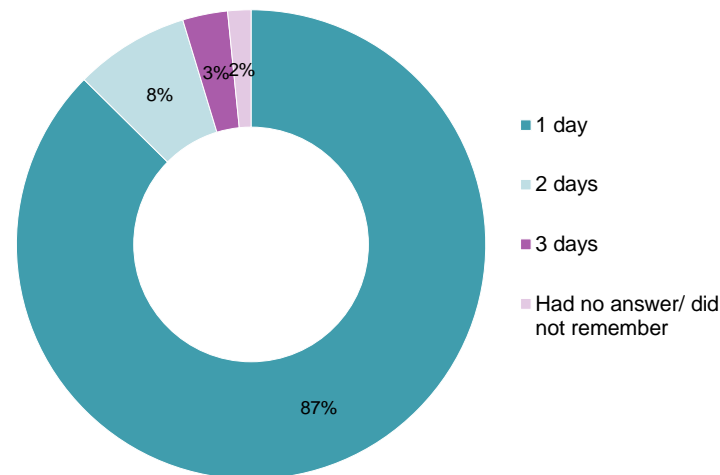
Terms of sending postal items abroad

From the total sample of 1,000 persons, 10 persons sent the letters abroad. Postal items of 4 of them (40%) were delivered in 2-3 days.

From the total sample of 1,000 persons 28 persons sent parcels abroad. For 8 of them (29%) the parcel was delivered in 3 days, while 6 of them (21%) identified that their postal item was received in 2 day and for 8% of persons - the postal item was received in 2 days

From the total sample of 1,000 persons, 10 persons sent the small packages abroad. 3 of them (30%) identified that their postal item reached the recipient in 2 days, while for 2 persons (20%) the small packages was delivered in 3 days.

Terms of sending the latest parcels in Georgia



Customer's Demand Analysis

Results of Interviews – Ways of receiving postal items

65% of the persons who received the parcels from abroad got their postal item from post service centers

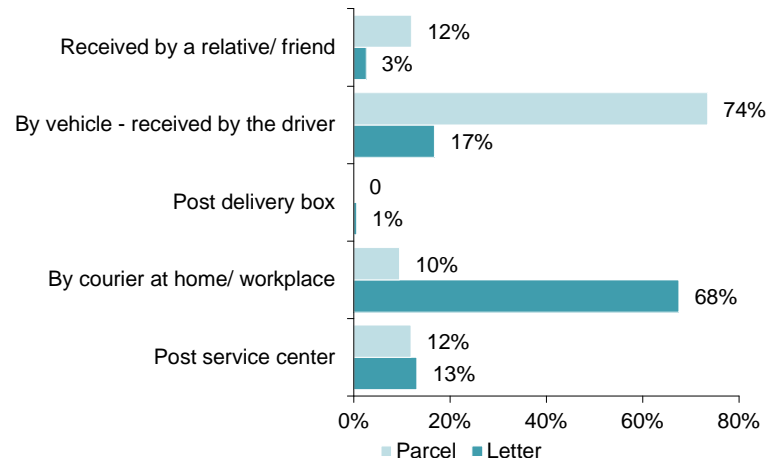
Receiving postal items from Georgia

74% of the persons who received the parcels from the territory of Georgia got their postal items by the driver.

68% of the persons who received the letters from the territory of Georgia got their postal item by courier at home/workplace, while 17% received by a driver.

From the total sample of 1,000 persons 22 received the small packages from the territory of Georgia. 11 of them (50%) got their postal item by courier at home /workplace, while 7 of them (32%) – by the driver.

Ways of receiving postal items from Georgia



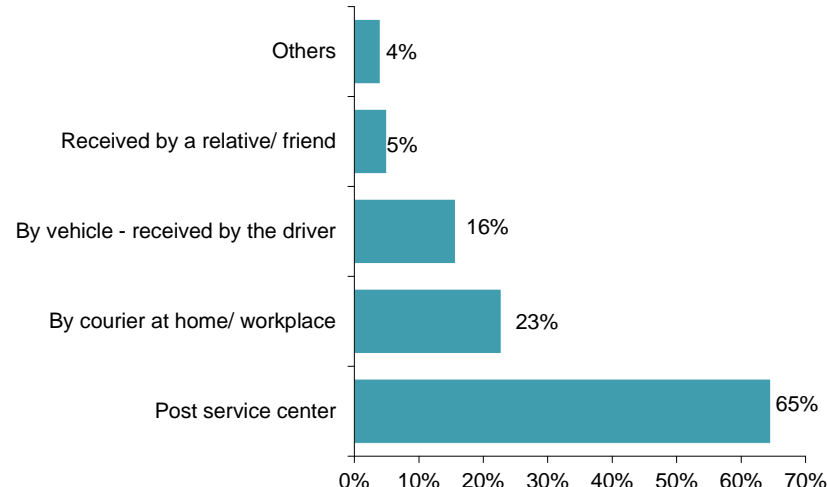
Receiving postal items from abroad

From the total sample of 1,000 persons 19 received the letter from abroad. 11 of them (57%) got their postal item by courier at home/workplace , while 4 of them (21%) –received in post service center.

65% of the persons who received the parcels from abroad got their postal item from post service centers, while 23% received by courier at home/workplace.

From the total sample of 1,000 persons 29 received the small packages from abroad. 16 of them (55%) got their postal item in the post service center, while 9 of them (31%) received by courier at home/workplace.

Ways of receiving parcels from abroad



Customer's Demand Analysis

Results of Interviews – Ways of sending postal items

87% of the population, sending parcels in Georgia, sent their postal items by vehicles

Sending postal items in Georgia

From the total sample of 1,000 persons, 25 persons sent the letters in Georgia during the last one year. In 20 cases the items were sent by post service centers, while in 6 cases drivers were used to deliver the letters to the recipient,

87% of the population, sending parcels in Georgia, sent their postal items by vehicles, while 10% used a friend or relative to deliver the item.

From the total sample of 1,000 persons, 21 persons sent small packages in Georgia. In 15 cases the postal item were sent by drivers, while in 5 cases post service centers were used.

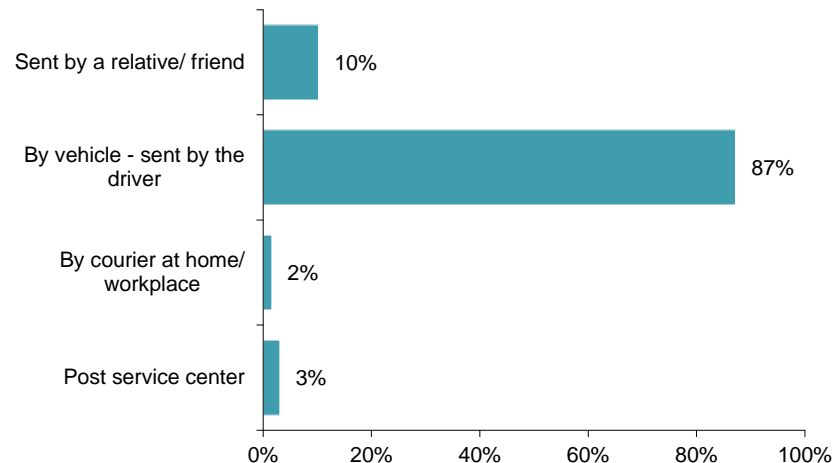
Sending postal items abroad

From the total sample of 1,000 persons, 10 persons sent the letters abroad. 6 persons used post service centers for this action, while 2 persons used drivers to deliver the letters abroad.

From the total sample of 1,000 persons, 28 persons sent the parcels abroad. 12 of them used drivers to deliver the parcels to the recipient while 11 of them sent parcels by post service centers.

From the total sample of 1,000 persons, 10 persons sent the small packages abroad. 5 of them (50%) stated that the postal item was sent by post service center, while 2 of them (20%) used friend, relative to deliver the small package to the recipient.

Ways of sending parcels in Georgia



Results of Interviews – Distance to the service centers and/ or post boxes

Service centers are located within 2km from homes of 34% of the total population

8% of the total population can visit service centers within 2km from their workplaces

29% of the total population have no access to service centers in their towns/ villages

Distance between homes and service centers and/ or post boxes

The survey shows that around 29% of the total population have no access to service centers in the town/village where they live. The portion of such population is significantly high in villages of regions (57%).

14% of the population can have access to the service center within 1km from their homes, while based on 20% of the total populations, the centers are located within 1km - 2km from their homes.

12% of the population can have access to the service centers within 3km – 4km, while for 10% of them the centers are located further than 5 km.

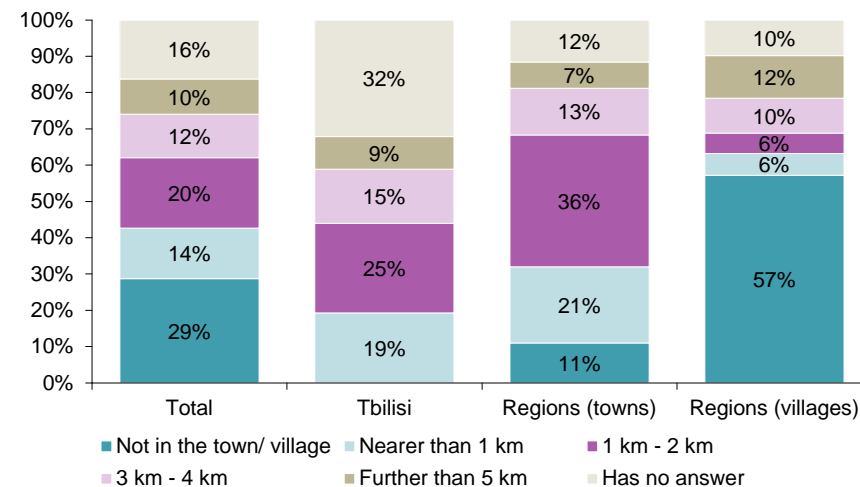
Distance between workplaces and service centers and/ or post boxes

The survey shows that around 4% of the total population can have access to service centers within 1km from their workplaces. The portion of such population is relatively high for towns of regions, reaching 7%.

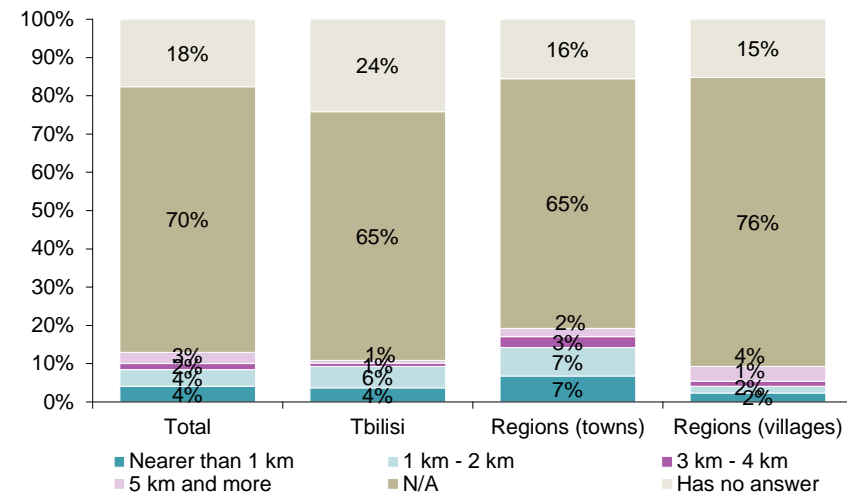
For around 4% of the total population service centers are located 1km – 2km away from their workplaces, while 2% of the population can visit the centers within 3km – 4km from their workplaces.

For around 70% of the respondents the question was not applicable as they were unemployed for the period.

Distance of from home to service center and/ or post boxes



Distance from workplace to service center and/ or post boxes



Results of Interviews – Effect of distance to the service centers and/or post boxes on intention of sending postal items

The survey results showed that the intention to send a mail item was not sensitive to the location of the access point. The proximity of the access point affects 0%-2% the respondents intention to send a postal item

General future plans for sending postal items	Letter		Small Package		Parcel	
	%	Mean	%	Mean	%	Mean
Within Georgia	22%	3 units	18%	3 units	24%	3 units
Abroad	12%	3 units	9%	3 units	14%	3 units

Influence of post office location on the future plan of sending postal items	Letter		Small Package		Parcel	
	%	Mean	%	Mean	%	Mean
Within Georgia	23%	3 units	20%	3 units	25%	3 units
Abroad	11%	3 units	10%	3 units	14%	3 units

Maximum terms of delivery of postal items	Letter	Small Package	Parcel
Within Georgia	2 days	2 days	3 days
Abroad	5 days	6 days	7 days

Results of Interviews – Estimation of Number of Postal Items sent within the coming year

In general, 78% of the population will not plan to send even one letter within the coming year. 82% of them will not send a small package and 76% of them will not send a parcel during the year

In terms of sending abroad, 88% of the population will not send a letter, 90% will not send a small package and 86% of the population will not send a parcel abroad

Postal items sending within the territory of Georgia

Based on the survey, 78% of the population do not plan to send even one letter in the coming year within the territory of Georgia, while 12% will send around 1-3 letters and 2% will send 4-5 letters in the coming year. In terms of small packages, 82% of the population do not plan to send a small package during the year. 9% estimate to send 1-3 small packages and 2% of them will send 4-5 small packages. 76% of the population will not send a parcel. 12% of them will send around 1-3 items and 3% will send 4-5 parcels during the coming year.

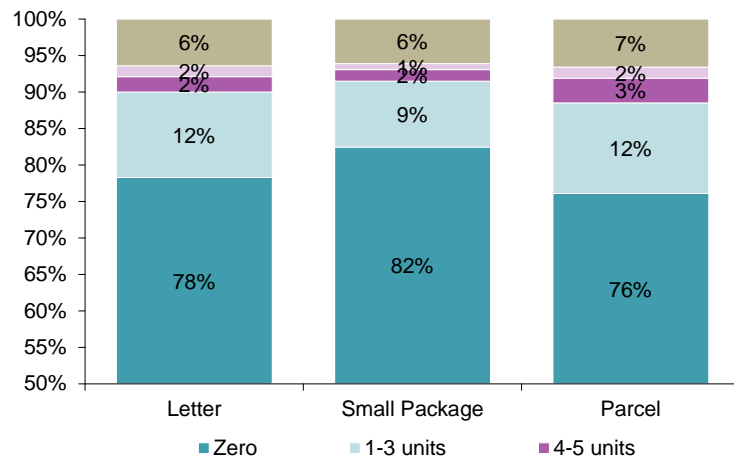
In case of having a service center near home/ workplace, 77% of the population will not send even one letter during the coming year, while 13% of the population will send 1-3 letters and around 3% will send 4-5 letters. In terms of small packages, 80% will not send a small package, 10% will send 1-3 small packages and 3% will send 4-5 units. 75% of the population will not send a parcel during the coming year. 14% of them will send 1-3 parcels and 4% of the population will send 4-5 items.

Postal items sending abroad

In terms of sending abroad, 88% of the population do not plan to send even one letter in the coming year, while 5% will send around 1-3 letters and 1% will send 4-5 letters in the coming year. In terms of small packages, 90% of the population do not plan to send a small package during the year. 3% estimate to send 1-3 small packages and 1% of them will send 4-5 small packages. 86% of the population will not send a parcel. 7% of them will send around 1-3 items and 1% will send 4-5 parcels during the coming year.

In case of having a service center near home/ workplace, 89% of the population will not send even one letter during the coming year, while 4% of the population will send 1-3 letters. In terms of small packages, 90% will not send a small package and 4% will send 1-3 small packages. 86% of the population will not send a parcel during the coming year and 7% of them will send 1-3 parcels.

Number of postal items sent in Georgia within a year



Number of postal items sent abroad within a year



Results of Interviews – Maximum acceptable days for delivery of postal items

If delivery of a letter within Georgia takes more than 2 days, 32% of the population will refuse to use the service. In case of small packages and parcels, respectively 32% and 48% of the population will refuse to use the service if delivery takes more than 2 days

If delivery of a letter abroad takes more than 4-5 days, 50% of the population will refuse to use the service. In case of small packages and parcels, respectively 56% and 64% of the population will refuse to use the service if delivery takes more than 4-5 days

Maximum delivery days of postal items in Georgia

Through the survey we identified that 38% of the total population assume that a letter should be delivered in 1 day within the territory of Georgia. While 30% of the population assumes that delivery within 2 days is also acceptable.

38% of the population assumes that more than 1 day for delivery a small package is not acceptable, while for 30% of the population delivery within 2 days is also acceptable.

22% of the population assumes that a parcel should be delivered in 1 day within Georgia. 30% of the population considers that delivery of a parcel within 2 days is reasonable.

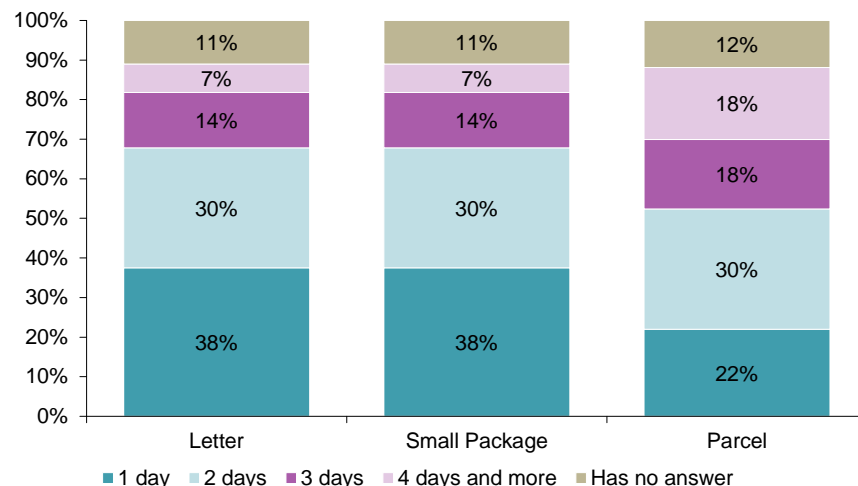
Maximum delivery days of postal items abroad

29% of the total population assumes that in case of sending a letter abroad it should be delivered within 1-3 days. While 21% of the population assume that delivery within 4-5 days is also acceptable.

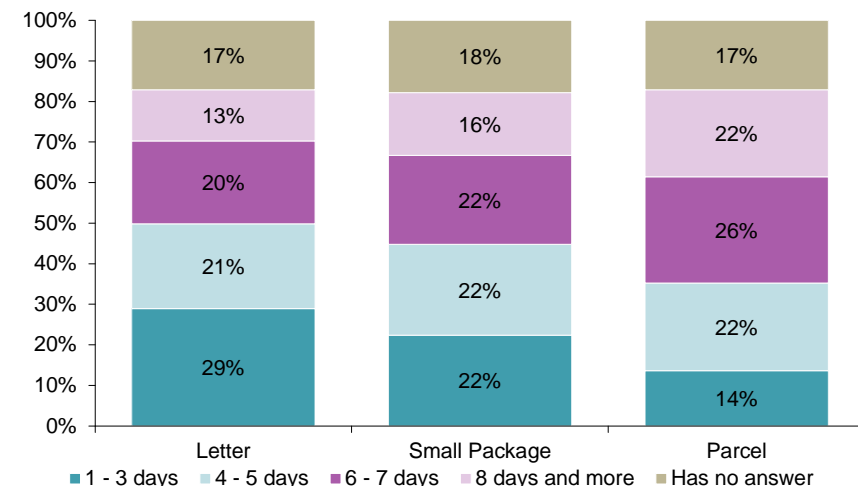
22% of the population assumes that more than 1-3 days for delivery a small package is not acceptable, while for 22% of the population delivery within 4-5 days is also acceptable.

14% of the population assumes that a parcel should be delivered within 1-3 days. 22% of the population consider that delivery of a parcel within 4-5 days is reasonable.

Maximum acceptable days for delivery of postal items in Georgia



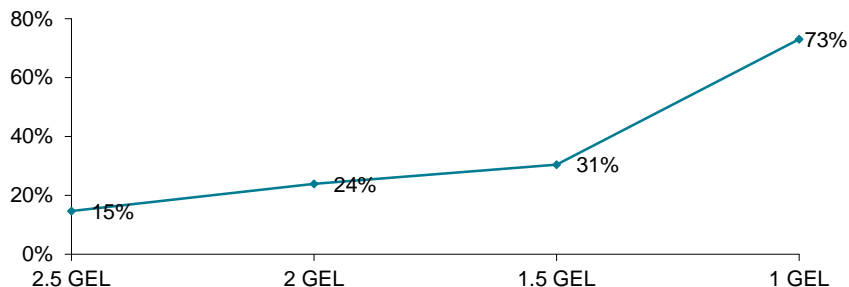
Maximum acceptable days for delivery of postal items abroad



Customer's Demand Analysis

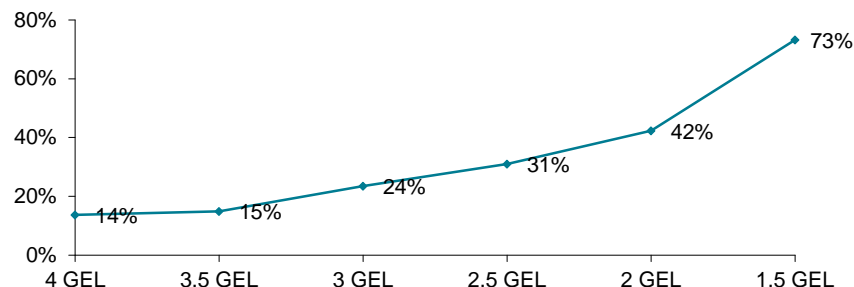
Results of Interviews – Price Elasticity of Demand (1/3)

Ordinary letter (within region)



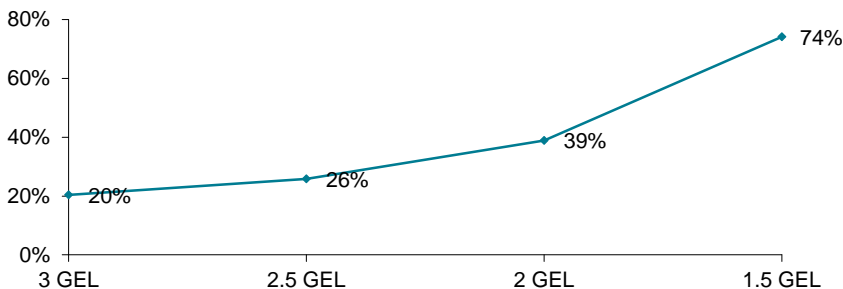
In case of delivering simple letter in the same region within 3 working days, 15% of the inhabitants are ready to pay GEL 2.5, while the percentage of the inhabitants ready to pay increases to 73% when price decreases down to GEL 1.

Ordinary letter (outside region)



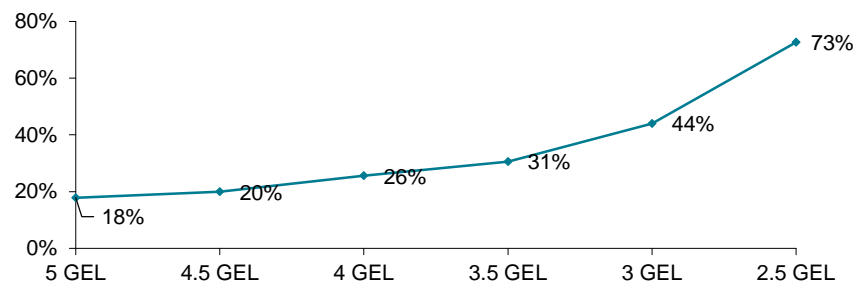
In case of delivering simple letter outside the region within 3-5 working days, 14% of the inhabitants are ready to pay GEL 4, while the percentage of the inhabitants ready to pay increases to 73% when price decreases down to GEL 1.5.

Registered letter (within region)



In case of delivering registered letter in the same region within 3 working days, 20% of the inhabitants are ready to pay GEL 3, while the percentage of the inhabitants ready to pay increases to 74% when price decreases down to GEL 1.5.

Registered letter (outside region)

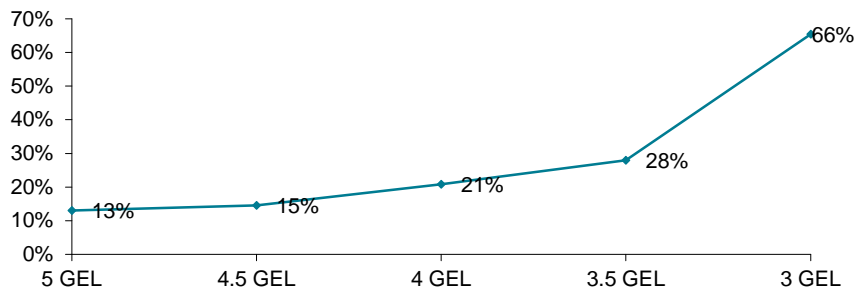


In case of delivering registered letter outside the region within 3-5 working days, 18% of the inhabitants are ready to pay GEL 5, while the percentage of the inhabitants ready to pay increases to 73% when price decreases down to GEL 2.5.

Customer's Demand Analysis

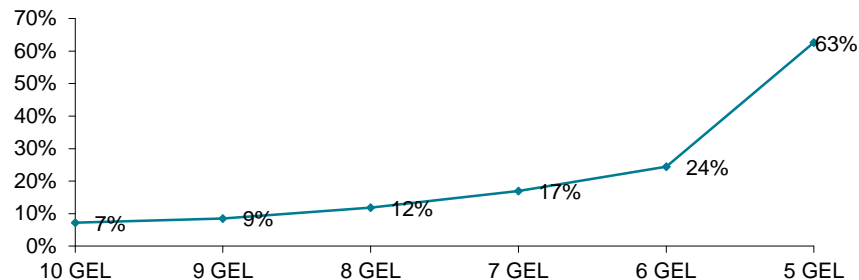
Results of Interviews – Price Elasticity of Demand (2/3)

Small package (within region)



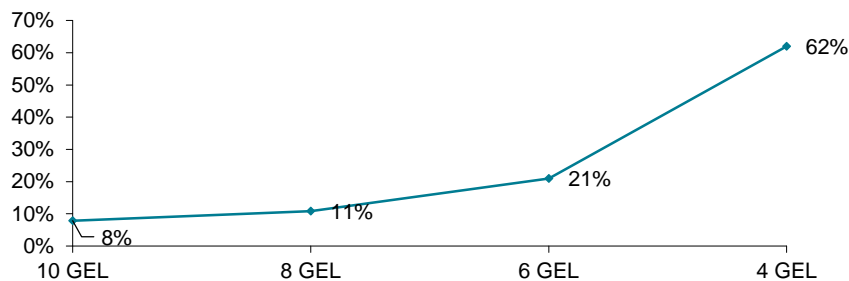
In case of delivering small package in the same region within 3 working days, 13% of the inhabitants are ready to pay GEL 5, while the percentage of the inhabitants ready to pay increases to 66% when price decreases down to GEL 3.

Small package (outside region)



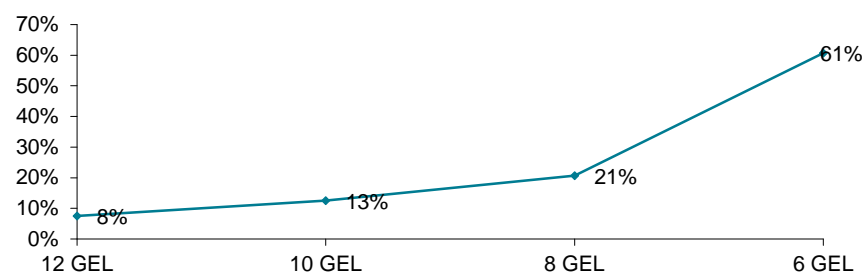
In case of delivering small package outside the region within 3-5 working days, 7% of the inhabitants are ready to pay GEL 10, while the percentage of the inhabitants ready to pay increases to 63% when price decreases down to GEL 5.

Parcel, 0kg – 5kg (within region)



In case of delivering parcel (0kg – 5kg) in the same region within 3 working days, 8% of the inhabitants are ready to pay GEL 10, while the percentage of the inhabitants ready to pay increases to 62% when price decreases down to GEL 4.

Parcel, 0kg – 5kg (outside region)

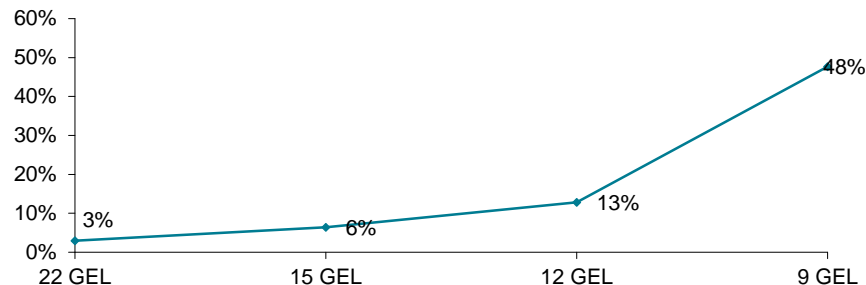


In case of delivering parcel (0kg – 5kg) outside the region within 3-5 working days, 8% of the inhabitants are ready to pay GEL 12, while the percentage of the inhabitants ready to pay increases to 61% when price decreases down to GEL 6.

Customer's Demand Analysis

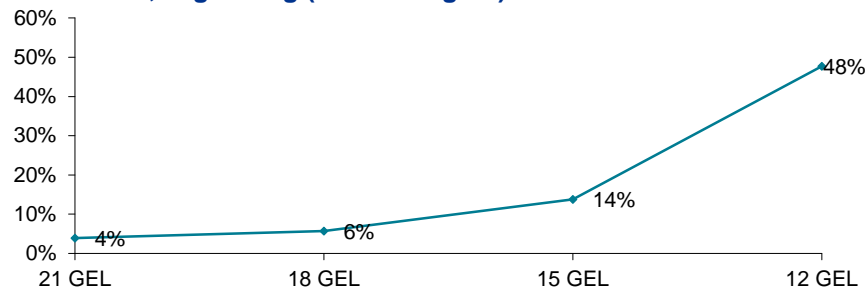
Results of Interviews – Price Elasticity of Demand (3/3)

Parcel, 5kg – 10kg (within region)



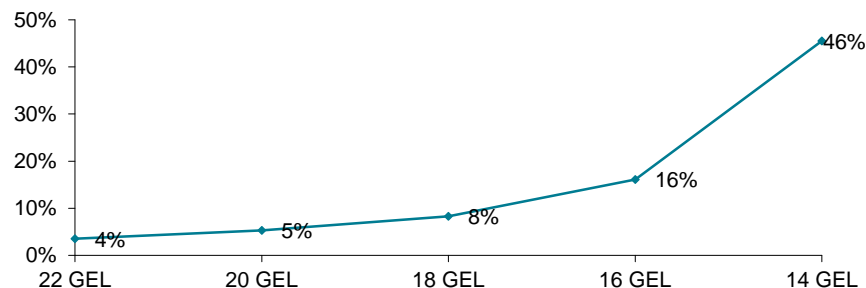
In case of delivering parcel (5kg – 10kg) in the same region within 3 working days, 3% of the inhabitants are ready to pay GEL 22, while the percentage of the inhabitants ready to pay increases to 48% when price decreases down to GEL 9.

Parcel, 5kg – 10kg (outside region)



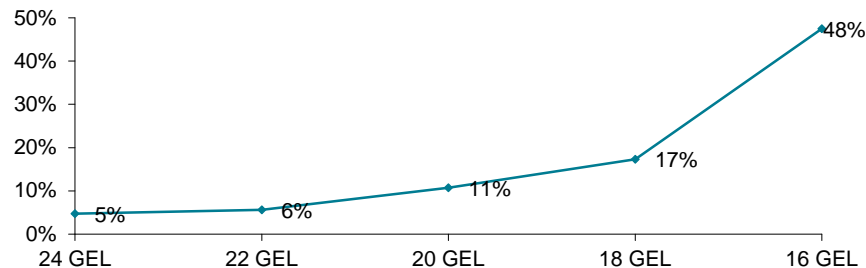
In case of delivering parcel (5kg – 10kg) outside the region within 3-5 working days, 4% of the inhabitants are ready to pay GEL 21, while the percentage of the inhabitants ready to pay increases to 48% when price decreases down to GEL 12.

Parcel, 10kg – 20kg (within region)



In case of delivering parcel (10kg – 20kg) in the same region within 3 working days, 4% of the inhabitants are ready to pay GEL 22, while the percentage of the inhabitants ready to pay increases to 46% when price decreases down to GEL 14.

Parcel, 10kg – 20kg (outside region)



In case of delivering parcel (10kg – 20kg) outside the region within 3-5 working days, 5% of the inhabitants are ready to pay GEL 24, while the percentage of the inhabitants ready to pay increases to 48% when price decreases down to GEL 16.



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Appendices

Appendix 1

Post offices of Georgian Post (1/2)

#	Post Offices	Area (sq.km)	Inhabitants (thousands) as at 1 January 2015	Number of post offices	Rural Delivery Staff as at 10 June 2015	Area per delivery staff (sq.km)	Thousand inhabitants per delivery staff	Number of collections per week	Collection days	Collection time*
1	Tbilisi	350	1,118	14	162	2	7	6	Monday - Saturday	5:00 PM
2	Batumi	65	154	2	13	5	12	6	Monday - Saturday	5:00 PM
3	Zugdidi	683	106	1	8	85	13	6	Monday - Saturday	5:00 PM
4	Kutaisi	70	149	3	14	5	11	6	Monday - Saturday	5:00 PM
5	Gori	2,327	127	1	8	291	16	6	Monday - Saturday	5:00 PM
6	Marneuli	935	105	1	9	104	12	6	Monday - Saturday	5:00 PM
7	Rustavi	1,935	125	1	8	242	16	6	Monday - Saturday	5:00 PM
8	Gardabani	1,305	82	1	8	163	10	6	Monday - Saturday	5:00 PM
9	Kobuleti	720	75	1	6	120	13	6	Monday - Saturday	5:00 PM
10	Ozurgeti	675	63	1	6	113	10	6	Monday - Saturday	4:30 PM
11	Bolnisi	804	54	1	3	268	18	6	Monday - Saturday	4:30 PM
12	Zestafoni	423	58	1	5	85	12	6	Monday - Saturday	5:00 PM
13	Tskaltubo	633	57	1	6	106	10	6	Monday - Saturday	5:00 PM
14	Gurjaani	846	54	1	3	282	18	6	Monday - Saturday	4:00 PM
15	Telavi	1,095	58	1	7	156	8	6	Monday - Saturday	5:00 PM
16	Mtskheta	805	56	1	10	81	6	6	Monday - Saturday	5:00 PM
17	Akhalkalaki	1,235	45	1	2	618	22	6	Monday - Saturday	3:30 PM
18	Khashuri	585	53	1	5	117	11	6	Monday - Saturday	5:00 PM
19	Sagarejo	1,491	53	1	6	249	9	6	Monday - Saturday	3:00 PM
20	Samtredia	364	49	1	3	121	16	6	Monday - Saturday	5:00 PM
21	Chiatura	542	40	1	3	181	13	6	Monday - Saturday	4:00 PM
22	Kaspi	803	44	1	5	161	9	6	Monday - Saturday	4:00 PM
23	Qareli	1,092	41	1	3	364	14	6	Monday - Saturday	5:00 PM
24	Lagodekhi	890	42	1	5	178	8	6	Monday - Saturday	3:00 PM
25	Senaki	521	40	1	7	74	6	6	Monday - Saturday	5:00 PM
26	Martvili	881	33	1	5	176	7	6	Monday - Saturday	5:00 PM
27	Sachkhere	973	38	1	3	324	13	6	Monday - Saturday	3:30 PM
28	Akhalcikhe	1,011	39	1	4	253	10	6	Monday - Saturday	5:00 PM
29	Poti	66	42	1	5	13	8	6	Monday - Saturday	5:00 PM
30	Terjola	357	36	1	4	89	9	6	Monday - Saturday	5:00 PM
31	Akhmeta	2,207	31	1	3	736	10	6	Monday - Saturday	5:00 PM
32	Signagi	1,251	30	2	3	417	10	6	Monday - Saturday	5:00 PM

Source: Georgian Post, Geostat

The data provided in the column reflects collection time from Monday to Friday. As post offices work till 2:00 PM on Saturday, collection process takes place earlier compared to other working days

Note: The numbers of inhabitants were estimated based on the current population census for the total population and the proportion per region provided by Georgian Post

Post offices of Georgian Post (2/2)

#	Post Offices	Area (sq.km)	Inhabitants (thousands) as at 1 January 2015	Number of post offices	Rural Delivery Staff as at 10 June 2015	Area per delivery staff (sq.km)	Inhabitants per delivery staff	Number of collections per week	Collection days	Collection time*
33	Khobi	660	31	1	2	330	15	6	Monday - Saturday	5:00 PM
34	Kvareli	1,000	30	1	3	333	10	6	Monday - Saturday	4:30 PM
35	Tsalenjikha	647	26	1	2	324	13	6	Monday - Saturday	5:00 PM
36	Lanchkhuti	534	31	1	3	178	10	6	Monday - Saturday	5:00 PM
37	Khulo	710	24	1	4	178	6	6	Monday - Saturday	3:00 PM
38	Dmanisi	1,199	19	1	2	600	10	6	Monday - Saturday	3:30 PM
39	Ninotsminda	1,354	25	1	2	677	12	6	Monday - Saturday	3:00 PM
40	Vani	557	25	1	1	557	25	6	Monday - Saturday	5:00 PM
41	Dusheti	2,981	26	1	6	497	4	2	Monday and Thursday	5:00 PM
42	Chkhorotsku	619	22	1	1	619	22	6	Monday - Saturday	5:00 PM
43	Borjomi	1,189	25	1	4	297	6	6	Monday - Saturday	4:30 PM
44	Khoni	428	24	1	2	214	12	6	Monday - Saturday	5:00 PM
45	Dedoplistskaro	2,529	21	1	3	843	7	6	Monday - Saturday	4:30 PM
46	Tkibuli	478	21	1	2	239	10	6	Monday - Saturday	4:30 PM
47	Bagdadi	815	22	1	2	408	11	6	Monday - Saturday	5:00 PM
48	Abasha	323	22	1	5	65	4	6	Monday - Saturday	5:00 PM
49	Kharagauli	913	20	1	2	457	10	6	Monday - Saturday	5:00 PM
50	Tetritskaro	1,175	21	1	3	392	7	6	Monday - Saturday	4:00 PM
51	Khelvachauri	500	52	1	3	167	17	6	Monday - Saturday	4:30 PM
52	Chokhatauri	826	19	1	2	413	10	6	Monday - Saturday	4:00 PM
53	Shuakhevi	588	15	1	4	147	4	6	Monday - Saturday	3:30 PM
54	Tsalka	1,051	19	1	1	1,051	19	6	Monday - Saturday	2:30 PM
55	Adigeni	800	16	1	3	267	5	6	Monday - Saturday	5:00 PM
56	Keda	452	17	1	2	226	8	6	Monday - Saturday	4:00 PM
57	Tsageri	756	10	1	1	756	10	2	Tuesday and Thursday	3:00 PM
58	Ambrolauri	1,142	11	1	1	1,142	11	6	Monday - Saturday	3:30 PM
59	Mestia	3,045	9	1	1	3,045	9	2	Tuesday and Thursday	2:00 PM
60	Tianeti	906	9	1	2	453	5	2	Monday and Thursday	5:00 PM
61	Aspindza	825	10	1	1	825	10	6	Monday - Saturday	4:30 PM
62	Lentekhi	1,344	4	1	1	1,344	4	2	Tuesday and Thursday	2:00 PM
63	Oni	1,712	6	1	1	1,712	6	6	Monday - Saturday	3:00 PM
64	Stepantsminda	1,081	4	1	1	1,081	4	2	Monday and Thursday	2:00 PM
Total		61,079	3,730	81	415	147	9			

Source: Georgian Post, Geostat

The data provided in the column reflects collection time from Monday to Friday. As post offices work till 2:00 PM on Saturday, collection process takes place earlier compared to other working days

Note: The numbers of inhabitants are not the final





Appendix 3

Georgian Post – Rates of domestic postal items

Description of the main service	Volume/weight/price	From service center to service center	To destination			
			Within an administrative unit		Outside the administrative unit	
			24-72 hour	Following working day	24-72 hour	Following working day
Post card			1		1	
Ordinary letter	A6; A5		2		2	
1st class letter (registered)	A6		2		3	
1st class letter (registered)	A5		3		4	
1st class letter (registered)	Not standard		5		7	
Small package	Up to 4 kg		5		7	
Parcel (maximum 1 cubic meter volume)	Up to 5 kg	5	6	15	8	20
Parcel (maximum 1 cubic meter volume)	From 5-15 kg	10	12	30	15	40
Parcel (maximum 1 cubic meter volume)	From 15-30 kg	15	18	45	20	60
Parcel (maximum 1 cubic meter volume)	30<= for every 1 kg		0.50	1.20	0.60	1.75

Source: Georgian Post

Note: the rates are given in national currency, including VAT

Georgian Post – Rates of international postal items (1/2)

Zone	Type of postal item	ID	Customs Declaration	0,020 kg	0,021-0,100 kg	0,101-0,250 kg	0,251-0,500 kg	0,501-1 kg	1-1,5 kg	1,501-2kg	2,001-2,5 kg	2,501-3 kg
Zone 1	Ordinary letter											5
	Post card											3
	1st class letter	RR	CN22	8.9	13.7	19.4	28.7	37.9	48.3	53.3	58.8	64.3
	Priced letter	VV	CN2/23	9,70 +10%	14,50 +10%	20,20 +10%	29,50 +10%	38,70 +10%	49,70 +10%	54,70 +10%	59,70 +10%	69,70 +10%
	Small package	RR	CN2/23		13.7	19.4	28.7	37.9	48.3	53.3	58.8	64.3
Zone 2	Ordinary letter											5
	Post card											3
	1st class letter	RR	CN22	10.5	17.3	23.7	37.6	45.9	59.9	65.9	69.9	74.9
	Priced letter	VV	CN2/23	11,30+10%	18,10+10%	24,50 +10%	38,40 +10%	46,70 +10%	64,10 +10%	69,70 +10%	74,70 +10%	79,70+10%
	Small package	RR	CN2/23		17.3	23.7	37.6	45.9	59.9	65.9	69.9	74.9
Zone 3	Ordinary letter											5
	Post card											3
	1st class letter	RR	CN22	11.1	18.2	25.6	39.5	48.3	63.6	69.9	74.9	80.2
	Priced letter	VV	CN2/23	12,00 +10%	19,00 +10%	26,40 +10%	40,30 +10%	49,10 +10%	64,40 +10%	73,70 +10%	79,70 +10%	88,70 +10%
	Small package	RR	CN2/23		18.2	25.6	39.5	48.3	63.6	69.9	74.9	80.2
Zone 4	Ordinary letter											5
	Post card											3
	1st class letter	RR	CN22	11.8	19.2	27.6	41.4	50.8	67.7	73.3	79.8	87.3
	Priced letter	VV	CN2/23	12,60 +10%	20,00 +10%	28,40 +10%	41,90 +10%	51,60 +10%	68,50 +10%	74,70 +10%	82,70 +10%	90,70 +10%
	Small package	RR	CN2/23		19.2	27.6	41.4	50.8	67.7	73.3	79.8	87.3
Zone 5	Ordinary letter											5
	Post card											3
	1st class letter	RR	CN22	12.1	19.7	28.5	42.4	53.2	71.7	80.3	89.5	97.4
	Priced letter	VV	CN2/23	12,90 +10%	20,50 +10%	29,70 +10%	43,20+10%	38,70 +10%	54,00 +10%	73,30 +10%	79,70 +10%	87,70 +10%
	Small package	RR	CN2/23		19.7	28.5	42.4	53.2	71.7	80.3	89.5	97.4
Zone 6	Ordinary letter											5
	Post card											3
	1st class letter	RR	CN22	12.4	20.2	29.5	43.3	57.2	75.7	83.7	91.6	99.9
	Priced letter	VV	CN2/23	13,20 +10%	21,00 +10%	30,30 +10%	44,20 +10%	56,40 +10%	76,50+10%	82,70 +10%	91,70 +10%	101,70 +10%
	Small package	RR	CN2/23		20.2	29.5	43.3	57.2	75.7	83.7	91.6	99.9

Source: Georgian Post

Note: the rates are given in national currency, including VAT

Georgian Post – Rates of international postal items (2/2)

Parcel weight (kg)	Cost -Zone 1	Cost -Zone 2	Cost- Zone 3	Cost- Zone 4	Cost-Zone 5	Cost-Zone 6
0.5	40	50	63	66	73	76
1	55	72	84	92	98	103
1.5	62	84	94	105	111	116
2	69	95	105	118	124	130
2.5	76	104	115	130	138	147
3	82	113	126	143	153	163
3.5	89	122	136	156	167	179
4	95	130	147	169	182	195
4.5	101	139	157	182	196	211
5	108	148	167	195	211	227
5.5	116	159	180	209	226	244
6	124	169	192	224	242	261
6.5	130	178	202	237	256	277
7	137	187	213	250	271	293
7.5	143	195	222	261	284	308
8	148	203	232	273	298	324
8.5	154	211	242	285	312	339
9	159	219	251	298	325	355
9.5	165	227	261	310	339	370
10	171	235	271	322	353	385
10.5	178	245	282	336	367	400
11	185	254	293	349	382	415
11.5	191	262	303	361	395	431
12	196	271	312	374	409	446
12.5	202	279	322	386	423	461
13	208	287	332	398	436	477
13.5	213	295	341	410	450	491
14	219	303	351	422	464	507
14.5	223	309	359	432	476	521
15	227	316	367	443	488	535
15.5	229	320	374	452	499	549
16	232	325	380	461	510	562

Parcel weight (kg)	Cost -Zone 1	Cost -Zone 2	Cost- Zone 3	Cost- Zone 4	Cost-Zone 5	Cost-Zone 6
16.5	236	332	388	471	522	575
17	240	339	396	481	535	589
17.5	244	344	404	492	547	603
18	248	351	412	502	559	617
18.5	252	357	420	513	571	630
19	256	364	428	523	583	644
19.5	260	370	436	534	595	658
20	264	377	444	544	607	671
20.5	268	383	452	555	621	684
21	272	396	460	565	633	698
21.5	276	409	468	575	645	712
22	280	422	477	586	657	725
22.5	284	435	485	595	669	739
23	288	447	493	605	681	753
23.5	292	460	501	616	693	767
24	296	473	509	626	705	780
24.5	300	486	511	637	717	794
25	304	499	525	647	729	808
25.5	308	512	533	658	741	821
26	312	524	541	668	753	835
26.5	317	537	549	678	765	849
27	321	550	557	689	777	862
27.5	325	563	565	699	790	876
28	329	576	573	710	802	890
28.5	333	589	581	720	814	903
29	337	602	589	731	826	917
29.5	341	614	597	741	838	931
30	345	627	605	752	850	944
30.5	349	640	613	762	862	958
31	353	653	620	774	875	973

Source: Georgian Post

Note: the rates are given in national currency, including VAT



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cutting through complexity

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