

MARKET MONITORING

# Letters Market Report

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Market data and competitive conditions  
in the postal sector as at 2024



Bundesnetzagentur

# Letters Market Report 2024

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# 1 Introduction

The Bundesnetzagentur conducts an annual survey of market data on postal services. In this survey, companies operating in the postal sector are asked about their economic situation (in particular revenue and volume figures) with the help of a questionnaire. The companies' obligation to provide this information is based on section 90 of the German Postal Act (PostG).

The results of the market survey conducted in 2024 have been included in this report for the letters sector. In addition, they are shown in the activity report that is published every two years (section 84 PostG).

This report presents and evaluates the updated market figures. It also contains information about market structure and market concentration in the letters sector.

The data presented here may also be found on the Bundesnetzagentur's website at [www.bundesnetzagentur.de/Post-Marktdaten](http://www.bundesnetzagentur.de/Post-Marktdaten).

## 2 Definitions of letter services

In accordance with the PostG, letter services encompass the conveyance on a commercial basis of letter-post items. Letter-post items are addressed written communications, not including books, catalogues and recurring printed matter such as newspapers and magazines as well as items that only have a collective indication of the place of residence or business or are unaddressed.

Letter-post items may take various forms, including access mail, end-to-end items (national and cross-border) and formal postal delivery order items as well as addressed newspapers, magazines and catalogues.

Small-sized items containing goods were classified as letter services until 2020 and were, under the rules of the PostG at the time, not subject to the licensing obligation, as they are generally offered by letter service providers and conveyed via the letter network. However, as the focus of these items is on the goods as contents, they are defined as parcels under Regulation (EU) 2018/644 of 18 April 2018 on cross-border parcel delivery services (EU Parcel Regulation). Accordingly, they are listed under parcels in the reporting from 2021 onwards (see the Parcel Market Report 2024 for further details) and do not count as letter-post items.

It should be noted that since the entry into force of the new PostG on 18 July 2024, there has no longer been a distinction between the previous licensed sector (letter-post items up to 1,000 grams) and non-licensed letter items (over 1,000 g).

All graphics and figures in this report have been adjusted in light of the new legal situation, including for previous years, and thus include letter-post items individually weighing over 1,000 g. A full comparison with the figures published in previous reports is therefore not possible.

The tables below show the small proportion of revenue and volume of all letters made up of items individually weighing over 1,000 g.

### Letter-post revenue (€mn)

Year	Total	over 1,000g
2019	8,162.03	19.19
2020	8,097.19	20.78
2021	7,876.53	19.38
2022	7,869.90	14.78
2023	7,313.28	11.28
2024 forecast	7,089.83	10.22

**Letter-post volume (mn units)**

<b>Year</b>	<b>Total</b>	<b>over 1,000g</b>
2019	13,589.56	3.56
2020	12,383.22	4.74
2021	12,210.82	4.19
2022	11,935.42	3.09
2023	10,919.82	3.18
2024 forecast	10,339.92	3.02

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### 3 Market trends

The downwards trend in the whole letter services sector continues as a result of the many digital alternatives to the letter and their use in both business and personal contexts. The decline in letter volume in 2023 was significant, and the letter service providers forecast yet another clear drop in 2024.

However, the forecasts should be viewed with caution in light of factors such as the overall economic situation and inflation. The actual figures for 2024 (from the survey conducted in 2025) may thus deviate from the forecasts.



The absolute figures shown below have been rounded. The percentages have been calculated using non-rounded revenue and volume figures for reasons of accuracy. The figures in the text, charts and tables may therefore differ slightly. The revenue and volume figures for 2024 are based on estimates that were derived from the 2024 forecast figures that the companies reported.

#### 3.1 Number of companies actively operating in the market

The number of companies actively operating in the letter services sector continues to decrease. In 2006, 1,030 companies were active in this area. The greatest decline in the number of market participants occurred up to 2010, by which time only 595 companies were still active. In subsequent years, there were slight fluctuations, but overall the number of active companies declined. Since 2020, it has remained steady at about 400.

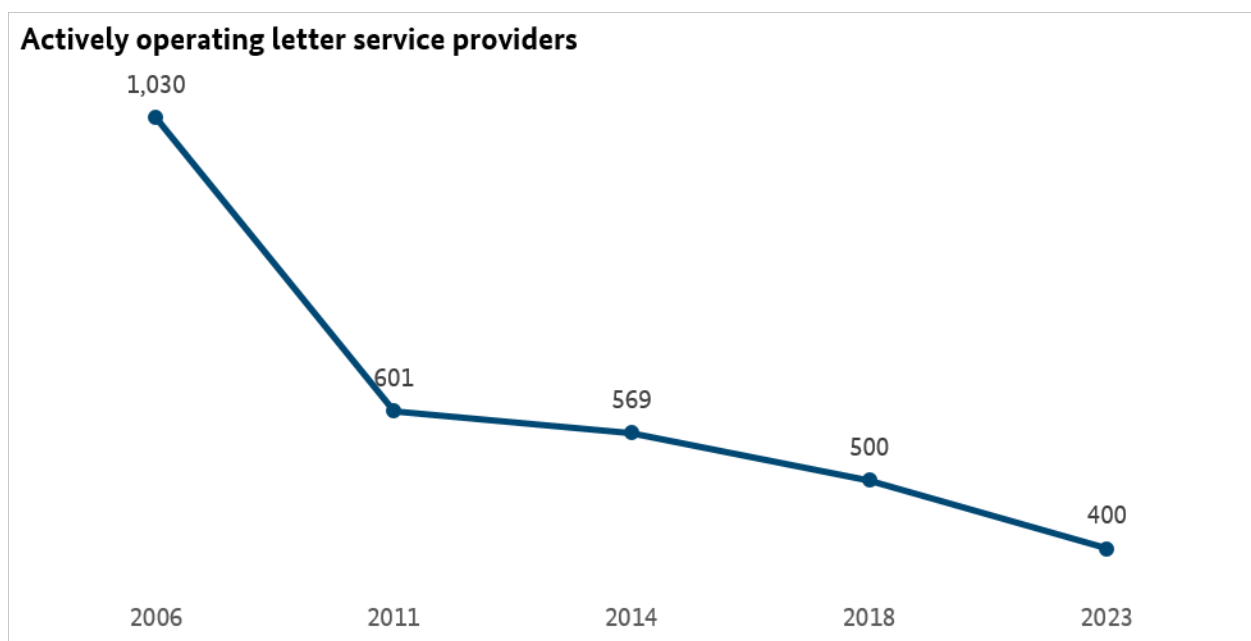


Figure 1: Actively operating letter service providers

Letter service providers can voluntarily enter into an obligation to the Bundesnetzagentur to convey postal delivery orders (formal delivery). In 2023, 255 companies had entered into this obligation, although only about 55 of them actually actively carried out formal delivery during the year. The following graph shows that, since 2019, the number of companies that are actually operating in the area of formal delivery has steadily decreased.

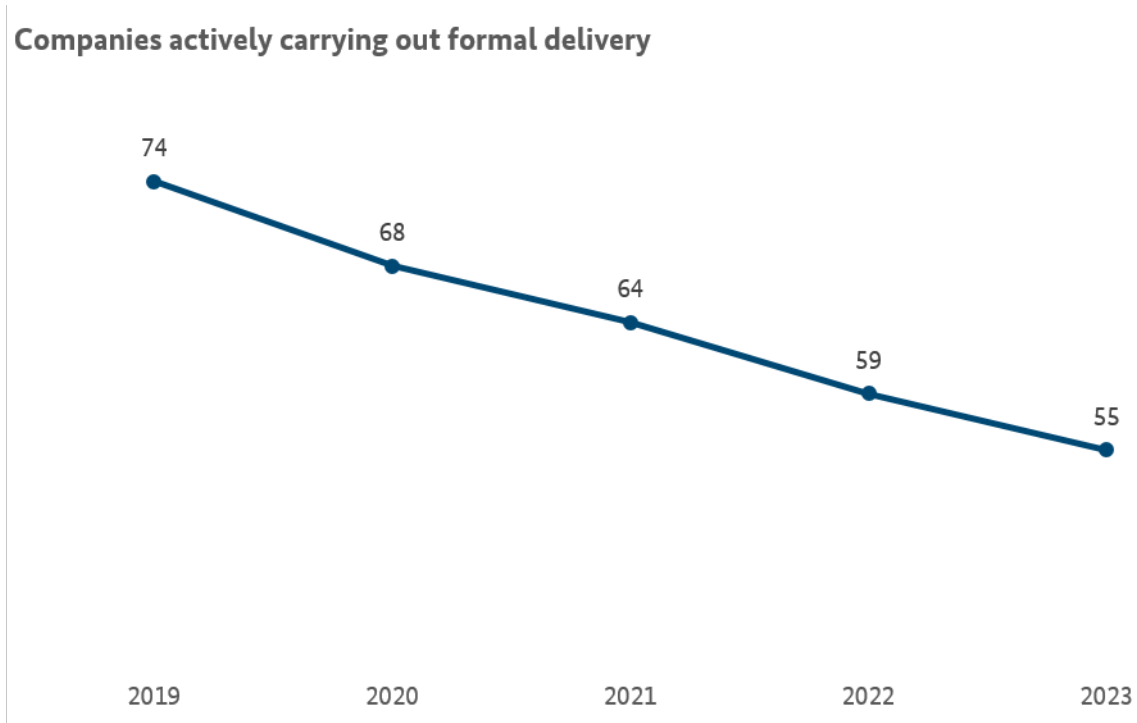


Figure 2: Companies actively carrying out formal delivery<sup>1</sup>

### 3.2 Letter-post items

The market for letter-post items continues to see a steady decline in both volume and revenue. In 2023 total revenue amounted to €7.31bn, of which €6.32bn were attributable to DP DHL. In 2022 DP DHL still generated €6.69bn in revenue, so there was a decline year-on-year of 5.53%.

For the competing companies, the decline in revenue was 15.77%, from €1.18bn in 2022 to €1bn in 2023.

The companies' forecast figures for 2024 point to further declines in revenue, both for DP DHL and for its competitors, and hence also for total revenue generated in the letters market. According to the forecasts, the total revenue of €7.31bn will fall by 3.06% to around €7.09bn. DP DHL's revenue will amount to an estimated €6.15bn and competitors' revenue to €0.94bn.

<sup>1</sup> Comparable figures for formal service are only available from 2010 onwards.

**Letters market revenue by provider group**  
(€bn)

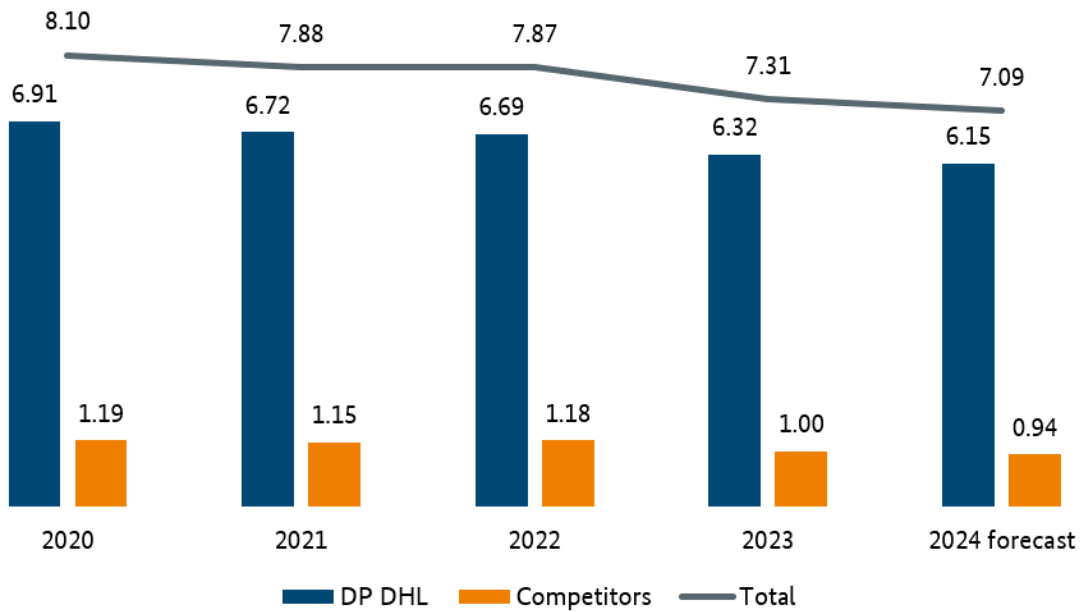


Figure 3: Letters market revenue by provider group

In 2023, total volume in the letters sector amounted to 10.92bn items. This represented a volume decrease of 8.51% from the previous year, which had a volume of 11.93bn items. There has been a steady decline for years, only interrupted by a period of stabilisation in the post-pandemic year of 2022. For 2024, too, market participants forecast a lower total letter volume of 10.34bn items.

DP DHL conveyed 9.51bn letter items in 2023, down from 10.2bn the year before. For 2024, the forecasts point to a decline to 9.04bn items.

The competitors also experienced a year-on-year drop in 2023, from about 1.73bn items in 2022 to 1.4bn items in 2023 (-18.86%). There were various reasons for the disproportionately steep decline recorded by the competing companies, including closures, restructuring and changes to business models. Another reason is that letters that were previously given to competitors for delivery are now increasingly being delivered by DP DHL companies. Based on the competitors’ forecasts for 2024, it may be assumed that the volume conveyed by competitors in the letters sector will decline further to 1.29bn items.

### Letters market volume by provider group (bn items)

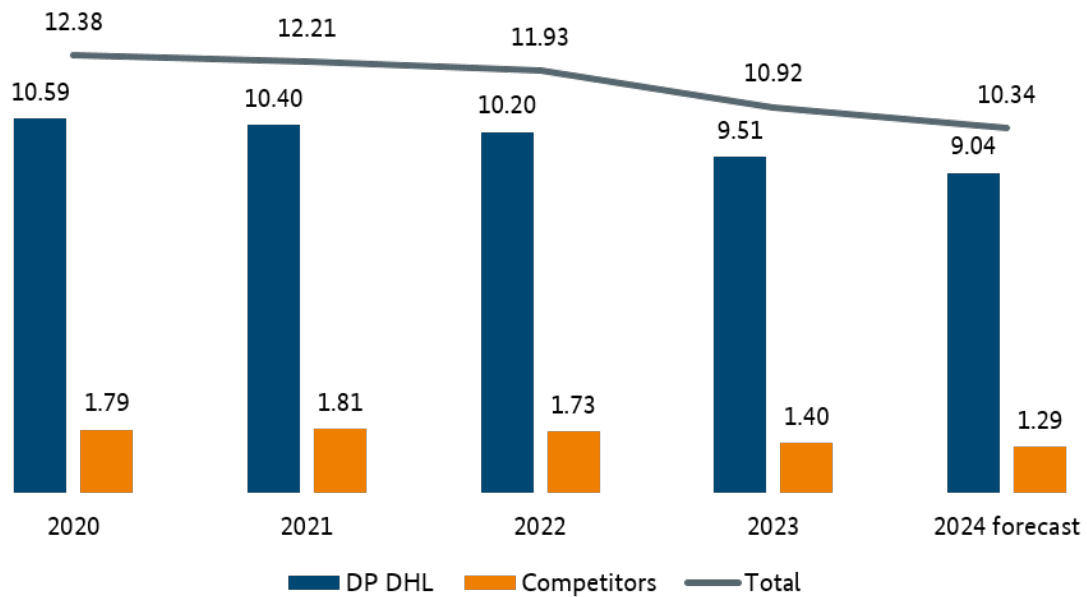


Figure 4: Letters market volume by provider group

A large proportion of revenue and volume is attributable to access mail items. In terms of volume, access mail items are attributed in their entirety to DP DHL. Competitors are granted access to partial services and can provide preliminary services in the same way as the group companies and end customers (large-volume mailers) of DP DHL, but DP DHL accounts for most of the transport and revenue.

In 2023, 7.51bn items were handed over to DP DHL through access to partial services (2022: 8bn), of which 88.63% (2022: 86.36%) came from end customers (large-volume mailers) or from DP DHL group companies (including items delivered by competing companies to the group company DPIHS). The remaining 11.37% (2022: 13.64%) of access mail items were handed over to DPAG by competitors under corresponding contracts. The competitors combined gave more items to DP DHL (DPAG and group companies) than in the previous year.

The decline in access mail items handed over is primarily due to the declining volume of items dropped off by end customers.

### 3.3 Domestic and cross-border end-to-end letter items

End-to-end letter items generated revenue of €2.8bn in 2023, of which €2.21bn (79.03%) came from domestic conveyance. The proportion of letter-post items sent to destinations outside Germany was 12.65% (€0.35bn) and the proportion of letter-post items coming from outside Germany was 8.32% (€0.23bn). This was a decline of 12.4% from 2022. The forecasts for 2024 predict a further drop.

### Breakdown of revenue in the end-to-end letters sector (domestic and cross-border)

(€bn)

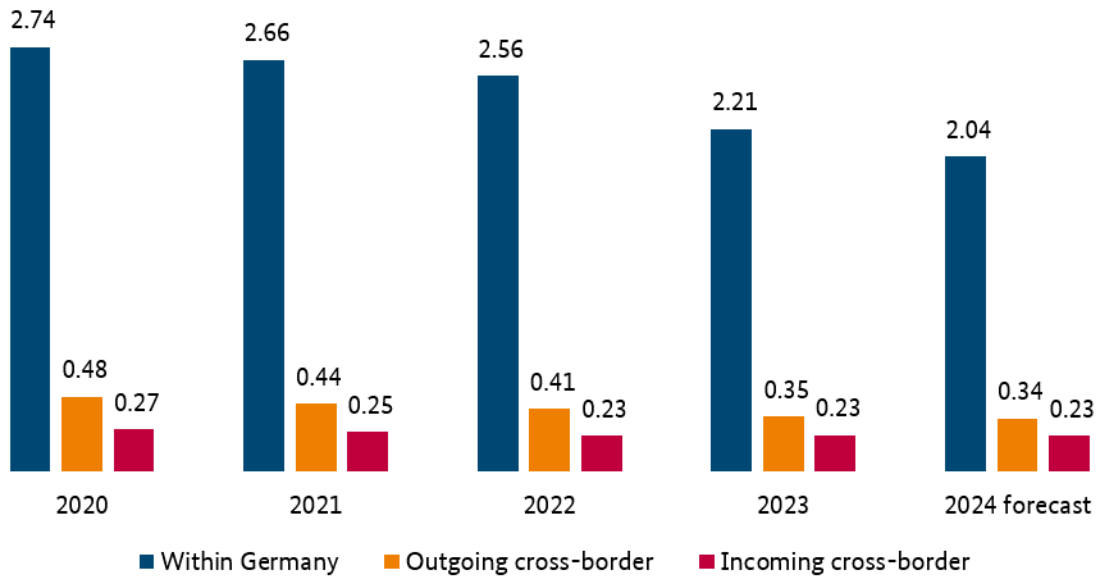


Figure 5: Breakdown of revenue in the end-to-end letters sector (domestic and cross-border)

The distribution in terms of volume was similar. Of the total 3.32bn letter-post items in 2023, 2.68bn (80.88%) were domestic deliveries, 0.29bn (8.65%) were outgoing cross-border letter-post items and 0.35bn (10.47%) were incoming cross-border. This represented an overall decline of 13.04% from 2022. Here, too, further drops in volume are forecast for 2024.

### Breakdown of volume in the end-to-end letters sector (domestic and cross-border)

(bn items)

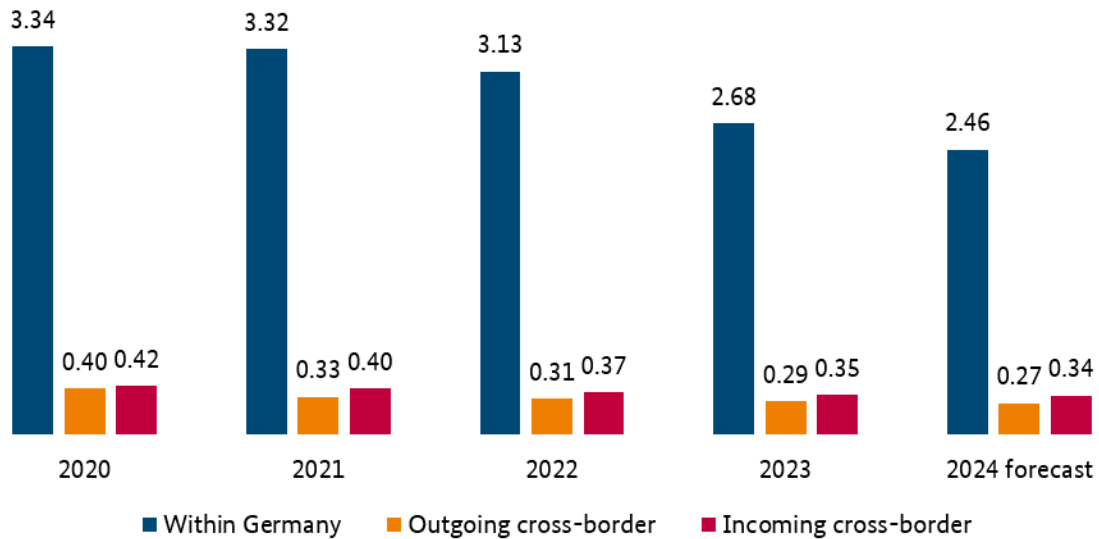


Figure 6: Breakdown of volume in the end-to-end letters sector (domestic and cross-border)

#### 3.4 Competitors' delivery methods

The companies operating in the German letters market do not deliver all their letters themselves. In the case of companies operating regionally, this is generally due to the lack of a nationwide infrastructure. In some cases, there are business models in which competitors, just like large-volume mailers, hand over to DP DHL items for the transport of which preliminary services (such as presorting or franking) have already been provided (use of DP DHL's access to partial services, see above). Alternatively, items are handed over for delivery by other competitors on the basis of cooperation agreements.

The following figure shows only items delivered by competing companies. In 2023, 32% of these items were delivered by the competitor itself, while 68% of letter-post items were delivered by cooperation partners from the competitor sector. There was no significant change from previous years.

**Competitors' letter items by delivery method (2023)**  
in percent

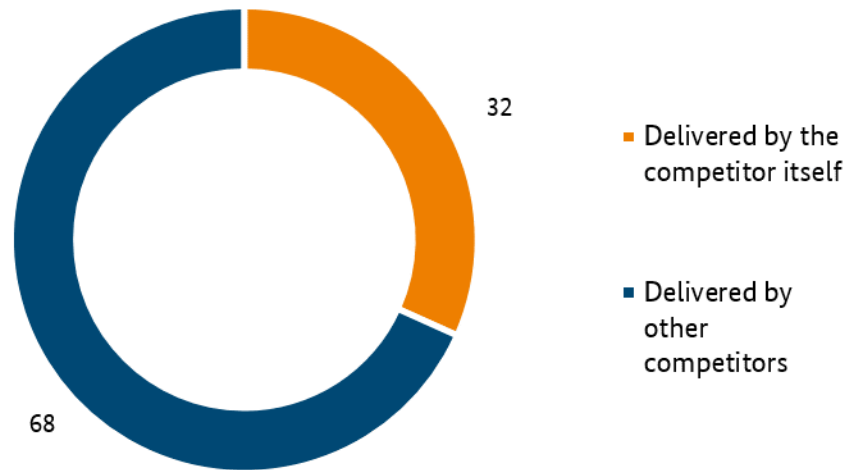


Figure 7: Competitors' letter items by delivery method (2023)

**3.5 Customer structure in the letters market**

The customer structure has barely changed from the years before, with the overwhelming majority (95%) of volume in the letters sector being sent by business customers. Just 5% of all letter-post items were sent by personal customers.

The customer breakdown at DP DHL nearly matched this distribution: 94% of letter volume came from the business customer segment and 6% from the personal customer segment. The picture at the competing companies was rather different, with almost all items coming from business customers, who accounted for 98.84% of all letter volume conveyed by competitors. The private customer segment accounted for only about 1% of competitors' letter volume.

**Letters sector volume shares by customer in 2023**  
in percent

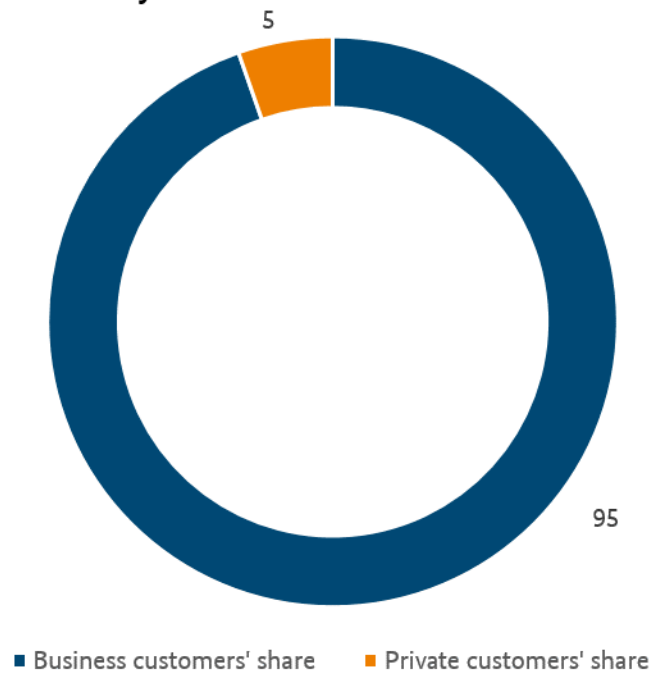


Figure 8: Letters sector volume shares by customer in 2023

## 4 Utilisation of letter delivery network capacity

The utilisation of letter-post network capacity describes the distribution across all products that are transported via letter-post networks. In addition to the letter products mentioned under “Definitions of letter services”, goods consignments of DP DHL and competitors are also transported via letter delivery networks. Up to and including 2020, goods consignments were classified as non-licensed letter items. However, since 2021, this is no longer the case due to the lack of a written notification in the shipment and alignment with the EU Parcel Regulation. Since then, they have been counted as parcel services. Nevertheless, with the exception of the Amazon logistic subsidiary’s consignments of goods, they are still transported via letter delivery networks and are thus listed in the breakdown below for the analysis of utilisation of letter delivery network capacity.

It can be clearly seen that the highest utilisation of letter delivery network capacity is attributable to access mail items (48.35%), which are largely posted by end customers (large-volume mailers) and group companies of DP DHL (see 3.2). This high proportion of access mail items in the letter delivery networks has also been recorded in previous years since 2017 with only minor fluctuations and is therefore almost constant.

In general, there have been hardly any changes in the utilisation of letter delivery network capacity since 2017. Only the share of goods consignments in the letter delivery networks has multiplied from 0.44% in 2017 to 1.39% in 2023. This trend is probably attributable to the booming e-commerce sector, which was boosted in 2020 and 2021 by the coronavirus pandemic. Nonetheless, the share of goods consignments conveyed in the letter delivery networks is increasing only moderately. The reason for this is, for one, that the volume shares of letter products are still very high overall despite the decline in volume. In addition, the fact that the book shipment product was taken off the market by DP AG could be a contributing factor.

End-to-end letter items as well as partially addressed and unaddressed letter items account for a high share of the letter volume transported in the letter delivery networks (about 19-21% each). The smallest share in the letter delivery networks is accounted for by domestic and cross-border letter items weighing over 1,000 g. Formal delivery also does not contribute significantly to the utilisation of letter delivery network capacity. Its share is only 0.32%.

**Utilisation of letter delivery network capacity in 2023**

in percent

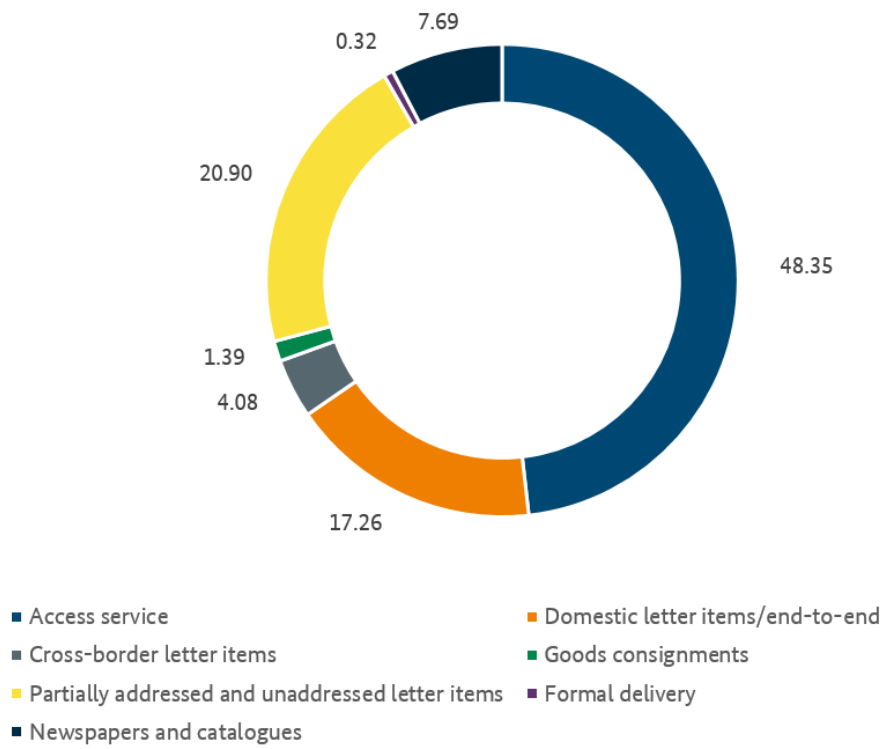


Figure 9: Utilisation of letter delivery network capacity in 2023

## 5 Competitive conditions and market concentration

The letters sector has been dominated by DP DHL since it was opened up to competition in 1998.

In terms of revenue, DP DHL held a market share of 86.4% in 2023. The market share by volume for DP DHL was similarly high, at 85.2%. These market shares have been almost unchanged for years.

Consequently, competitors accounted for a market share of 14.7% in terms of revenue and 13.6% in terms of volume. The following tables on market shares by revenue and volume show that there have been only slight shifts in market shares in recent years.

### Revenue in the letters sector by provider group

in percent

Year	2020	2021	2022	2023	2024 forecast
DP DHL	85.3%	85.3%	85.0%	86.4%	86.8%
Competitors	14.7%	14.7%	15.0%	13.6%	13.2%

Table 1: Revenue in the letters sector by provider group

### Volume in the letters sector by provider group

in bn units

Year	2020	2021	2022	2023	2024 forecast
DP DHL	85.5%	85.2%	85.5%	87.1%	87.5%
Competitors	14.5%	14.8%	14.5%	12.9%	12.5%

Table 2: Volume in the letters sector by provider group

The market shares thus indicate almost monopolistic market structures. The values of the concentration indices for this market also support this assumption. The Herfindahl-Hirschman-Index<sup>2</sup> (HHI) has remained quite stable since 2019 and in 2023 was 7,470 for revenue and 7,610 for volume. These values reflect a very high level of market concentration.

The Gini coefficient measures relative concentration or inequality. With a range of 0 to 1, a value of 1 indicates that one person or company holds 100% of the market. In the case of the letters sector, the Gini coefficient was 0.98 in 2023, both for revenue and for letter volume. This not only supports the assumption of high market concentration but also clearly shows a very uneven distribution of revenue and letter volume among

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<sup>2</sup> The Herfindahl-Hirschman Index (HHI) uses values between 0 and 10,000. If the assumed index value is below 1,000, it indicates low concentration, between 1,000 and 2,000 moderate concentration and above 2,000 high concentration. A value above 6,000 indicates very high concentration.

the market participants. The clearly dominant company in the letters sector is DP DHL, as may already be seen from the market shares.

**Concentration indices in the licensed letters sector 2019-2024 (forecast)**

<b>Year</b>	<b>HHI revenue</b>	<b>HHI volume</b>	<b>Gini coefficient revenue</b>	<b>Gini coefficient volume</b>
2019	7,385	7,416	0.98	0.98
2020	7,291	7,332	0.98	0.98
2021	7,292	7,273	0.98	0.98
2022	7,230	7,328	0.96	0.97
2023	7,470	7,610	0.98	0.98
2024 forecast	7,546	7,676	0.98	0.99

Table 3: Concentration indices in the letters sector 2019-2024 (forecast)

## 6 Summary

This report and the figures it contains make clear that there has been a significant decline in the letters market over the years, both in terms of volume and revenue. The number of providers active in the sector has been decreasing for years as well. This trend is likely to continue in the years to come, forecasts indicate.

It is also evident that the letters market is characterised by near-monopolistic structures. DP DHL takes 87% of all letters by volume, with the remaining 13% divided up between its competitors, whose business model is designed primarily for business customers. The personal customer sector is served almost entirely by DP DHL. This development is being further driven by the withdrawal from the market of major competitors in the access mail sector, whose shares have largely gone to DP DHL.

**In addition to this publication, data on the postal sector as a whole is also available at [www.bundesnetzagentur.de/Post-Marktdaten](http://www.bundesnetzagentur.de/Post-Marktdaten).**

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## 9 List of abbreviations

<b>bn</b>	<b>billion</b>
<b>DPAG</b>	<b>Deutsche Post AG</b>
<b>DP DHL</b>	<b>Deutsche Post DHL</b>
<b>g</b>	<b>gram</b>
<b>HHI</b>	<b>Herfindahl Hirschman Index</b>

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