



A LOOK AT THE EXPONENTIAL GROWTH OF INTERNATIONAL SHIPMENTS

In its second annual Parcel Shipping Index, Pitney Bowes announced a 48% increase in global parcel volume over the last two years. Parcel volume has grown from 44 billion parcels in 2014 to 65 billion in 2016, and the increase in growth shows no signs of slowing down, with the index estimating parcel growth will continue to rise at a rate of 17-28% each year between 2017 and 2021.

The index measures parcel volume and spend for business-to-business, business-to-consumer, consumer-to-business, and consumer-consigned shipments with weight up to 70 pounds (31.5 kg), across 13 major markets, including: Australia, Brazil, Canada, China, France, Germany, India, Italy, Japan, Norway, Sweden, the United Kingdom, and the United States.

China, a new addition to this year's index and by far the largest market

examined, grew parcel volume by 52% in one year, increasing from 21 billion parcels in 2015 to 31 billion in 2016. But, even when excluding China's prolific volumes, the index forecasts a strong and accelerating pace of growth in parcels throughout the world. On average, the other 12 major markets studied have grown 4.3% annually since 2012 and are projected to grow 4.5%-5.4% annually through 2021.

The United States (at 13 billion) and Japan (at nine billion) were also among the largest markets by parcel volume. In terms of investment, the United States ranked highest, spending \$96 billion on parcel shipments, followed by China at \$60 billion and Japan at \$22 billion.

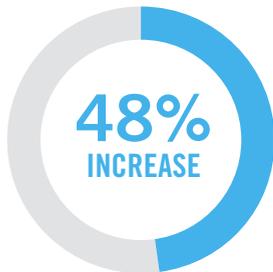
“The continued rise of e-commerce globally is keeping the parcel shipping market strong through 2021 as consumers are increasingly looking to online shopping for convenience, price, and availability of products from around the world,” said Lila Snyder, executive vice president and president, Global E-commerce, Pitney Bowes. “As consumer

expectations continue to rise, shipping technology and service providers will need to help retailers and marketplaces meet those demands.”

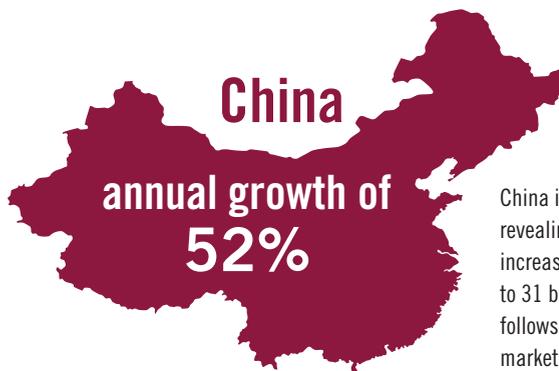
Results from the index point to rapid growth and last-mile delivery challenges — when a parcel is transported from a hub to the end-user — as driving innovation across markets. New trends and emerging technologies — such as parcel lockers, crowd-shipping, on-demand delivery services, evening and weekend delivery, and drones — are impacting the customer shipping experience by shortening delivery times, lowering delivery costs, and adding flexibility.

“Managing the growing demands and navigating the evolving landscape of parcel shipping can be complicated for organizations of all sizes, from large enterprises to small businesses,” said Mark Shearer, executive vice president and president, Global SMB Solutions, Pitney Bowes. “Digital transformation of a company’s shipping workflow — like the integration of SaaS-based multi-carrier platforms — can help to better enable carrier, timing, and cost efficiencies for companies, as well as improve customer experiences through the addition of tracking capabilities, simplifying and streamlining processes for both senders and recipients.”

The Breakdown:



Parcel volume overall grew from 44 billion parcels in 2014 to 65 billion in 2016 — a 48% increase.



China is the world leader in parcel volume, revealing an annual growth of 52%, increasing from 21 billion parcels in 2015 to 31 billion in 2016. The United States follows China as the second largest market in parcel volume (with 13 billion).

United States

Parcel Spend
\$96 Billion

Despite China's lead in parcel volume, the United States is the world leader in parcel spend, recording a \$96 billion investment in parcel shipments, followed by China at \$60 billion.



New trends and emerging technologies are impacting customer shipping experience by reducing delivery time, lowering cost, and adding flexibility.

Germany

Parcel Volume
€3.3 billion

Germany is the largest European parcel market in both volume and spend, with parcel spend increasing by six percent to €14 billion in 2016, and parcel volume increasing by 6.7% to 3.3 billion in 2016.

United States continues to lead the world in parcel spend

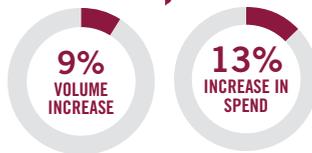
Americas (Brazil, Canada, United States)

United States



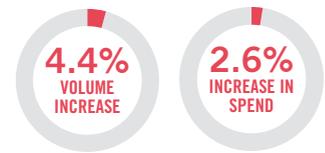
Of the 13 countries analyzed, the United States remains the largest market in terms of spend, recording \$95.8 billion in 2016. Parcel volume also increased by 8.2% year-over-year, up from 12 billion parcels in 2015 to 13 billion parcels in 2016.

Brazil



The annual parcel shipping market in Brazil grew by 13% in spend from 2015 to R\$11.6 billion in 2016 and nine percent in volume, up from 558 million parcels in 2015 to 609 million in 2016.

Canada



In Canada, annual parcel spend increased by 2.6%, up from \$7.1 billion CAD in 2015 to \$7.3 billion CAD in 2016. Volume also grew by 4.4% from 2015 to 597 million parcels in 2016.

Germany is the largest European parcel market in both volume and spend

Europe (France, Germany, Italy, Norway, Sweden, United Kingdom)

Germany



Germany is the largest European parcel market — in terms of both volume and spend. Parcel spend increased by six percent to €14 billion in 2016. Similarly, parcel volume increased by 6.7% to 3.3 billion in 2016. Of note, business to consumer shipments represented 58% of all parcels in Germany in 2016.

France



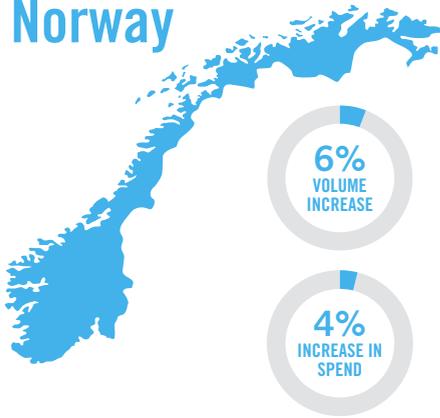
In 2016, the parcel shipping market in France grew by three percent in spend to €10 billion, and four percent in volume to 1.6 billion.

Italy



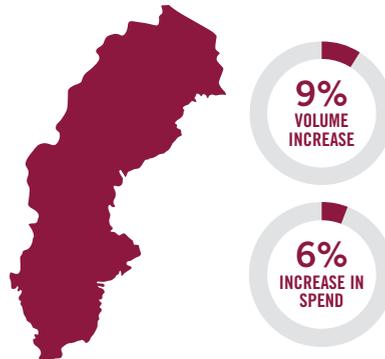
With a 2014-2016 compound annual growth rate (CAGR) of 12%, Italy is among the top three fastest growing markets by volume in the index. From 2015-2016, parcel volume increased by 10% to 801 million parcels, and spend increased by three percent to reach €5 billion in 2016.

Norway



The parcel shipping market in Norway increased by four percent in spend to 6.3 billion kr, and by six percent in volume to 38 million in 2016.

Sweden



In Sweden, parcel spend grew by six percent to 4.4 billion kr, and volume grew by nine percent to 108 million in 2016.

United Kingdom



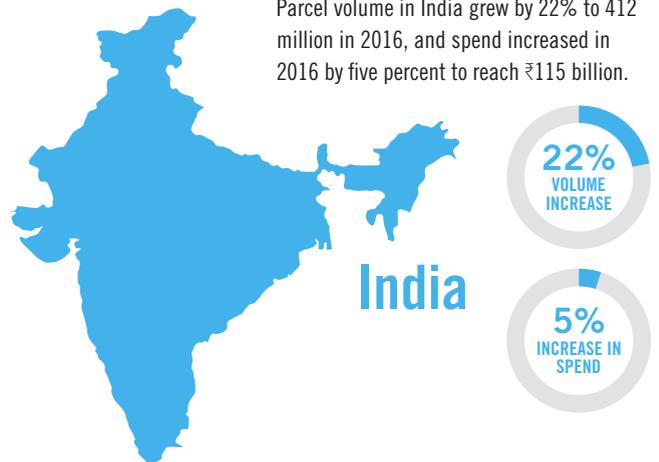
In the United Kingdom, parcel spend increased by eight percent to £9.7 billion, and volume increased by 12% to 2.5 billion in 2016.

Australia experiences double-digit growth in parcel volume (year-over-year)

Asia Pacific (Australia, China, India, Japan)



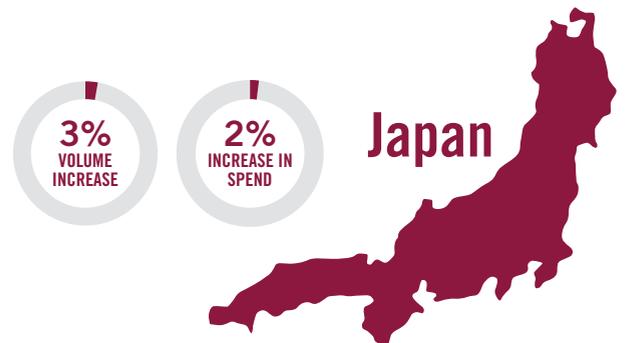
In Australia, the parcel market experienced double-digit growth in parcel volume, increasing in 2016 by 13% to 794 million, and parcel spend grew by four percent to reach AU\$9 billion in 2016.



Parcel volume in India grew by 22% to 412 million in 2016, and spend increased in 2016 by five percent to reach ₹115 billion.



From 2015 to 2016, the parcel shipping market in China grew by 52% in volume to reach 31 billion parcels shipped, and 45% in spend to reach ¥400.5 billion.



Japan showed a three percent growth in parcel volume and two percent growth in parcel spend from 2015 to 2016, reaching 9.4 billion and ¥2,401 billion respectively.