POSTAL SERVICE PRICE INDEX (PSPI: EXPERIMENTAL INDICES)

METHODODOLOGY

COMPONENTS:

Postal Service sector in India can be broadly classified into two distinct constituents namely the Postal services and the Courier services. The postal services including parcel service in the country are in the public domain whereas the Courier services mainly related to picking up letters, parcels & packages and its delivery to the destined places at national and international level provided by private players are in the private sector. Because of certain reservations of courier service provider associations, this segment will be dealt separately and is not a part of this index.

The Indian Postal Service currently provides scores of services such as Communication services (Letters, Post Cards etc.), Transportation Services (Parcel, Logistics Post etc.), Financial Services (Savings Bank, Money Order, International Money Transfer Service, NSC, KVP, IVP, Postal Life Insurance etc), Premium Value added services (Speed post, Business Post, Retail Post) and Other Services (renting out of post box number, philately etc)

The financial services of India Post not being part of the classification of Common Product Classification are being excluded from the purview of this study. For the construction of postal service price index services are categorized into four Groups as below.

1) **Postal Services related to letters** i.e. collection, transport and delivery services for letters, brochures, leaflets, journals, periodicals etc

2) **Postal services related to Parcels** i.e. collection, transport and delivery of services for parcels and packages

3) **Post Office counter services** i.e. services rendered at post office counters e.g. sales of postal stamps, handling of certified and registered letters etc

4) **Other services** includes services rendered by Business Development & Marketing Directorate of the Department of Postal services such as speed post, Express Post, Business Post, Bill mail Service, Mail box rental service, e-post etc.
Total 100 items are covered in these four categories. The allocation of different items falling under each group and sub-group constituted for postal price index, is as under. List of the items is given in the Annexure.

<table>
<thead>
<tr>
<th>Group No.</th>
<th>Name of the Group</th>
<th>No. of items</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Postal Services related to letters</td>
<td>51</td>
</tr>
<tr>
<td></td>
<td>National</td>
<td>29</td>
</tr>
<tr>
<td></td>
<td>International</td>
<td>22</td>
</tr>
<tr>
<td>2</td>
<td>Postal services related to Parcels</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>Post Office counter services</td>
<td>31</td>
</tr>
<tr>
<td></td>
<td>National</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>International</td>
<td>6</td>
</tr>
<tr>
<td>4</td>
<td>Other services</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>100</td>
</tr>
</tbody>
</table>

**Prices:**

The prices used in the compilation of the index are in respect of the selected services and the selected items within the service. All prices are in Rs. Per unit of item e.g. Rs. 0.50 per postcard.

However since the tariffs/charges are weight sensitive and/or distance sensitive all the tariffs/charges classified by different categories within a service have been treated as different entities e.g. an envelope with weight upto 20 grams has been treated as a separate entity than an envelope in excess of 20 grams.
**WEIGHTS:**

A fixed base Index using Laspeyre’s formula is used for index compilation

\[ \frac{P_t}{P_0} = \frac{\sum P_tQ_0}{\sum P_0Q_0} \times 100 \]

- \( P_0 \) - Base year price
- \( P_t \) – Current year price
- \( Q_0 \) – Base year weight

The basis of selection of an item (service) is its share in the revenue generated by the particular service group in the base year 2004-05.

Weights assigned on the basis of estimated revenue of each item are as follows

**Weighting Diagram**

<table>
<thead>
<tr>
<th>Name of the Group</th>
<th>Weights</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Postal Services related to letters</td>
<td>34.35</td>
</tr>
<tr>
<td>National</td>
<td>32.92</td>
</tr>
<tr>
<td>International</td>
<td>1.43</td>
</tr>
<tr>
<td>2. Postal services related to Parcels</td>
<td>4.88</td>
</tr>
<tr>
<td>3. Post Office counter services</td>
<td>41.15</td>
</tr>
<tr>
<td>National</td>
<td>40.80</td>
</tr>
<tr>
<td>International</td>
<td>0.34</td>
</tr>
<tr>
<td>4. Other services</td>
<td>19.62</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
</tr>
</tbody>
</table>
**SOURCE OF DATA:**

The Postal Service Price Index shall basically utilize the rates/ tariffs charged by the Department of Post (DoP) for its services from the customers. The only source of price data is the DoP, New Delhi.

**LIMITATIONS:**

- Postal services extended to armed forces personnel through APOs of base circle are not being covered for reasons of national security
- Sale of revenue stamp, IPO and money order, International money transfer through Western Union have not taken as postal service because of the classification of CPC
<table>
<thead>
<tr>
<th>Item No</th>
<th>Item</th>
<th>Specification</th>
</tr>
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<tbody>
<tr>
<td></td>
<td><strong>Group-I: Postal Services Related to Letters</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Sub-group-I: National</strong></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Ordinary Postcard</td>
<td>Ordinary</td>
</tr>
<tr>
<td>2</td>
<td>Printed Postcard</td>
<td>Printed</td>
</tr>
<tr>
<td>3</td>
<td>Meghdoot Postcard</td>
<td>Meghdoot</td>
</tr>
<tr>
<td>4</td>
<td>Competition Postcard</td>
<td>Competition</td>
</tr>
<tr>
<td>5</td>
<td>Letter card (Inland Letter)</td>
<td>Standard</td>
</tr>
<tr>
<td>6</td>
<td>Letter (Envelope) upto 20 grams</td>
<td>Upto 20 grams</td>
</tr>
<tr>
<td>7</td>
<td>Letter (Envelope) above 20 to 40 grams</td>
<td>Above 20 to 40 grams</td>
</tr>
<tr>
<td>8</td>
<td>Book Pattern and Sample Packets upto 50 grams</td>
<td>Upto 50 grams</td>
</tr>
<tr>
<td>9</td>
<td>Book Pattern and Sample Packets above 50 to 100 grams</td>
<td>Above 50 to 100 grams</td>
</tr>
<tr>
<td>10</td>
<td>Book packets containing printed books upto 100 grams</td>
<td>Upto 100 grams</td>
</tr>
<tr>
<td>11</td>
<td>Book packets containing printed books above 100 to 200 grams</td>
<td>Above 100 to 200 grams</td>
</tr>
<tr>
<td>12</td>
<td>Book packets containing periodicals of value upto Rs. 20/- and weight upto 100 grams</td>
<td>Upto 100 grams</td>
</tr>
<tr>
<td>13</td>
<td>Book packets containing periodicals of value upto Rs. 20/- and weight above 100 to 200 grams</td>
<td>Above 100 to 200 grams</td>
</tr>
<tr>
<td>14</td>
<td>Book packet containing periodicals of value upto Rs. 20/- and weight above 200 to 300 grams</td>
<td>Above 200 to 300 grams</td>
</tr>
<tr>
<td>15</td>
<td>Book packet containing periodicals having value upto Rs.20/- and weight above 300 to 400 grams</td>
<td>Above 300 to 400 grams</td>
</tr>
<tr>
<td>16</td>
<td>Book packet containing periodicals of value above Rs 20 to Rs. 50/- and weight upto 100 grams</td>
<td>Upto 100 grams</td>
</tr>
<tr>
<td>17</td>
<td>Book packet containing periodicals of value above Rs 20 to Rs.50/- and weight above 100 to 200 grams</td>
<td>Above 100 to 200 grams</td>
</tr>
<tr>
<td>18</td>
<td>Book packet containing periodicals of value above Rs 20 to Rs. 50/- and weight above 200 to 300 grams</td>
<td>Above 200 to 300 grams</td>
</tr>
<tr>
<td>19</td>
<td>Book packet containing periodicals of value above Rs 20 to Rs. 50/- and weight above 300 to 400 grams</td>
<td>Above 300 to 400 grams</td>
</tr>
<tr>
<td>20</td>
<td>Book packet containing periodicals of value above Rs.50/- and weight upto 100 grams</td>
<td>Upto 100 grams</td>
</tr>
<tr>
<td>21</td>
<td>Book packet containing periodicals of value above Rs.50/- and weight above 100 to 200 grams</td>
<td>Above 100 to 200 grams</td>
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<tr>
<td>22</td>
<td>Book packet containing periodicals of value above Rs.50/- and weight above 200 to 300 grams</td>
<td>Above 200 to 300 grams</td>
</tr>
<tr>
<td>23</td>
<td>Book packet containing periodicals of value above Rs.50/- and weight above 300 to 400 grams</td>
<td>Above 300 to 400 grams</td>
</tr>
<tr>
<td></td>
<td>Description</td>
<td>Weight Limit</td>
</tr>
<tr>
<td>---</td>
<td>------------------------------------------------------------------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>24</td>
<td>Book packet containing periodicals of value above Rs.50/- and weight above 400 to 500 grams</td>
<td>Above 400 to 500 grams</td>
</tr>
<tr>
<td>25</td>
<td>Single copy of Registered newspaper upto 50 grams</td>
<td>Upto 50 grams</td>
</tr>
<tr>
<td>26</td>
<td>Single copy of Registered newspaper above 50 to 100 grams</td>
<td>Above 50 to 100 grams</td>
</tr>
<tr>
<td>27</td>
<td>Bundle of registered newspaper up to 100 grams</td>
<td>Upto 100 grams</td>
</tr>
<tr>
<td>28</td>
<td>Bundle of registered newspaper above 100 to 200 grams</td>
<td>Above 100 to 200 grams</td>
</tr>
<tr>
<td>29</td>
<td>Acknowledgement</td>
<td>Standard</td>
</tr>
</tbody>
</table>

**Sub-group-II: international**

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Weight Limit</th>
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</thead>
<tbody>
<tr>
<td>30</td>
<td>Airmail letters upto 20 grams to Pakistan, Nepal, Bhutan, Bangladesh</td>
<td>Upto 20 grams</td>
</tr>
<tr>
<td>31</td>
<td>Airmail letters above 20 to 40 grams to Pakistan, Nepal, Bhutan, Bangladesh</td>
<td>Above 20 to 40 grams</td>
</tr>
<tr>
<td>32</td>
<td>Airmail letters upto 20 grams to Asia Pacific Postal Union Member countries except PNBB</td>
<td>Upto 20 grams</td>
</tr>
<tr>
<td>33</td>
<td>Airmail Letters above 20 to 40 grams to Asia Pacific postal union member countries except PNBB</td>
<td>Above 20 to 40 grams</td>
</tr>
<tr>
<td>34</td>
<td>Airmail Letters upto 20 grams to Universal postal union member countries except APPU</td>
<td>Upto 20 grams</td>
</tr>
<tr>
<td>35</td>
<td>Airmail letters above 20 to 40 grams to universal postal union member countries except APPU</td>
<td>Above 20 to 40 grams</td>
</tr>
<tr>
<td>36</td>
<td>Airmail Postcard to Asia Pacific Postal Union member countries except PNBB</td>
<td>Asia Pacific postal union member countries except PNBB</td>
</tr>
<tr>
<td>37</td>
<td>Airmail postcard to Universal Postal Union member countries except APPU</td>
<td>Universal Postal Union member countries except APPU</td>
</tr>
<tr>
<td>38</td>
<td>Aerogramme to Asia Pacific Postal Union Member countries except PNBB</td>
<td>Asia Pacific postal union member countries except PNBB</td>
</tr>
<tr>
<td>39</td>
<td>Aerogramme to Universal Postal Union member countries except APPU</td>
<td>Universal Postal Union member countries except APPU</td>
</tr>
<tr>
<td>40</td>
<td>Airmail Sample &amp; Small Packets upto 100 grams to Asia Pacific Postal Union Member countries except PNBB</td>
<td>Upto 100 grams</td>
</tr>
<tr>
<td>41</td>
<td>Airmail Sample &amp; Small Packets up to Universal Postal Union member countries except APPU</td>
<td>Upto 100 grams</td>
</tr>
<tr>
<td>42</td>
<td>Airmail Printed Papers (including Newspaper &amp; Books) upto 20 grams to Asia Pacific Postal Union member countries except PNBB</td>
<td>Upto 20 grams</td>
</tr>
<tr>
<td>43</td>
<td>Airmail Printed Papers (including Newspaper &amp; Books) upto 20 grams to universal Postal Union member countries except APPU</td>
<td>Upto 20 grams</td>
</tr>
<tr>
<td></td>
<td>Service Description</td>
<td>Weight Limit</td>
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<tr>
<td>---</td>
<td>-------------------------------------------------------------------------------------</td>
<td>----------------</td>
</tr>
<tr>
<td>44</td>
<td>Airmail Registered Newspaper upto 20 grams to Asia Pacific Postal Union Member countries except PNBB</td>
<td>Upto 20 grams</td>
</tr>
<tr>
<td>45</td>
<td>Airmail Registered Newspaper upto 20 grams to Universal Postal Union member countries except APPU</td>
<td>Upto 20 grams</td>
</tr>
<tr>
<td>46</td>
<td>Surfacemail Letters upto 20 grams to Pakistan, Nepal, Bhutan, Bangladesh</td>
<td>Upto 20 grams</td>
</tr>
<tr>
<td>47</td>
<td>Surfacemail Letters above 20 to 40 grams to Pakistan, Nepal, Bhutan, Bangladesh</td>
<td>Above 20 to 40 grams</td>
</tr>
<tr>
<td>48</td>
<td>Surfacemail Letters upto 20 grams to Asia Pacific postal union member countries except PNBB</td>
<td>Upto 20 grams</td>
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<td>49</td>
<td>Surfacemail letters above 20 to 40 grams to Asia Pacific postal union member countries except PNBB</td>
<td>Above 20 to 40 grams</td>
</tr>
<tr>
<td>50</td>
<td>Surfacemail letters upto 20 grams to Universal postal union member countries except APPU</td>
<td>Upto 20 grams</td>
</tr>
<tr>
<td>51</td>
<td>Surfacemail letters above 20 to 40 grams to Universal postal union member countries except APPU</td>
<td>Above 20 to 40 grams</td>
</tr>
<tr>
<td></td>
<td><strong>Group II: Postal Service Related to Parcel</strong></td>
<td></td>
</tr>
<tr>
<td>52</td>
<td>National Unregistered Parcels upto 500 grams</td>
<td>Upto 500 grams</td>
</tr>
<tr>
<td>53</td>
<td>National Unregistered Parcels above 500 to 1000 grams</td>
<td>Above 500 to 1000 grams</td>
</tr>
<tr>
<td></td>
<td><strong>Group III: Postal Office counter Services</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Sub-group-I: National</strong></td>
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<tr>
<td>54</td>
<td>Registered letter (Envelope) Upto 20 Grams</td>
<td>Upto 20 grams</td>
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<tr>
<td>55</td>
<td>Registered letter (Envelope) Above 20 to 40 Grams</td>
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</tr>
<tr>
<td>56</td>
<td>Registered Book Pattern and Sample Packets upto 50 grams</td>
<td>Upto 50 grams</td>
</tr>
<tr>
<td>57</td>
<td>Registered Book Pattern and Sample Packets above 50 to 100 grams</td>
<td>Above 50 to 100 grams</td>
</tr>
<tr>
<td>58</td>
<td>Registered Book Packets containing printed book upto 100 grams</td>
<td>Upto 100 grams</td>
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<tr>
<td>59</td>
<td>Registered Book Packets containing printed book above 100 to 200 grams</td>
<td>Above 100 to 200 grams</td>
</tr>
<tr>
<td>60</td>
<td>Registered Book Packets containing periodicals of value upto Rs. 20/- and weight upto 100 grams</td>
<td>Upto 100 grams</td>
</tr>
<tr>
<td>61</td>
<td>Registered book packet containing periodicals of value upto Rs. 20/- and weight above 100 to 200 grams</td>
<td>Above 100 to 200 grams</td>
</tr>
<tr>
<td>62</td>
<td>Registered book packet containing periodicals of value above Rs. 20/- to Rs. 50/- and weight upto 100 grams</td>
<td>Upto 100 grams</td>
</tr>
<tr>
<td>63</td>
<td>Registered book packet containing periodicals of value above Rs. 20/- to Rs. 50/- and weight above 200 to 300 grams</td>
<td>Above 200 to 300 grams</td>
</tr>
<tr>
<td>64</td>
<td>Registered book packet containing periodicals of value above Rs. 50/- and weight upto 100 grams</td>
<td>Upto 100 grams</td>
</tr>
<tr>
<td>65</td>
<td>Registered book packet containing periodicals of value above Rs. 50/- and weight above 100 to 200 grams</td>
<td>Above 100 to 200 grams</td>
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<td></td>
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<td>---</td>
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</tr>
<tr>
<td>66</td>
<td>Insured letters of insurance value Rs 1-200 and weight upto 20 grams</td>
<td>Upto 20 grams</td>
</tr>
<tr>
<td>67</td>
<td>Insured letters of insurance value Rs 201-300 and weight upto 20 grams</td>
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<td>68</td>
<td>VP letters of value upto Rs 20 and weight upto 20 grams</td>
<td>Upto 20 grams</td>
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<tr>
<td>69</td>
<td>VP letters of value upto Rs 20 and weight above 20 to 40 grams</td>
<td>Above 20 to 40 grams</td>
</tr>
<tr>
<td>70</td>
<td>VP letters of value above Rs 20 to Rs 50 and weight upto 20 grams</td>
<td>Upto 20 grams</td>
</tr>
<tr>
<td>71</td>
<td>VP letters of value above Rs 20 to Rs 50 and weight above 20 to 40 grams</td>
<td>Above 20 to 40 grams</td>
</tr>
<tr>
<td>72</td>
<td>VP letters of value above Rs 50 and weight upto 20 grams</td>
<td>Upto 20 grams</td>
</tr>
<tr>
<td>73</td>
<td>VP letters of value above Rs 50 and weight above 20 to 40 grams</td>
<td>Above 20 to 40 grams</td>
</tr>
<tr>
<td>74</td>
<td>VP packet containing printed books having value above Rs 50 and weight above 300 to 400 grams</td>
<td>Above 300 to 400 grams</td>
</tr>
<tr>
<td>75</td>
<td>Registered parcels upto 500 grams</td>
<td>upto500 grams</td>
</tr>
<tr>
<td>76</td>
<td>Registered parcels above 500 to 1000 grams</td>
<td>Above 500 to 1000 grams</td>
</tr>
<tr>
<td>77</td>
<td>Insured parcels having insurance value upto Rs 200 and weight upto 500 grams</td>
<td>Upto 500 grams</td>
</tr>
<tr>
<td>78</td>
<td>VP Parcels of value above Rs 50 and weight upto 500 grams</td>
<td>Upto 500 grams</td>
</tr>
<tr>
<td></td>
<td>Sub-group-II: international</td>
<td></td>
</tr>
<tr>
<td>79</td>
<td>Registered Airmail letters upto 20 grams to Asia Pacific Postal Union Member countries except PNBB</td>
<td>Upto 20 grams</td>
</tr>
<tr>
<td>80</td>
<td>Registered Airmail letters above 20 to 50 grams to Asia Pacific Postal Union Member countries except PNBB</td>
<td>Above 20 to 50 grams</td>
</tr>
<tr>
<td>81</td>
<td>Registered Airmail letters upto 20 grams to Universal Postal Union Member countries except APPU</td>
<td>Upto 20 grams</td>
</tr>
<tr>
<td>82</td>
<td>Registered Airmail letters above 20 to 50 grams to Universal Postal Union member countries except APPU</td>
<td>Above 20 to 50 grams</td>
</tr>
<tr>
<td>83</td>
<td>Registered Aerogramme to Asia Pacific Postal Union Member countries except PNBB</td>
<td>Asia pacific postal Postal union member countries except PNBB</td>
</tr>
<tr>
<td>84</td>
<td>Registered Aerogramme to Universal Postal Union member countries except APPU</td>
<td>Universal Postal Union member countries except APPU</td>
</tr>
<tr>
<td></td>
<td>Group IV: Other services</td>
<td></td>
</tr>
<tr>
<td>85</td>
<td>Local Speed Post Upto 50 grams</td>
<td>Local</td>
</tr>
<tr>
<td>86</td>
<td>Speed post upto 50 grams for upto 200 kms</td>
<td>Upto 200 kms</td>
</tr>
<tr>
<td>87</td>
<td>Speed post upto 50 grams for above 200 to 1000 kms</td>
<td>201-1000 kms</td>
</tr>
<tr>
<td>88</td>
<td>Speed Post Upto 50 grams for above 1000 to 2000 kms</td>
<td>1001-2000 kms</td>
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<td>89</td>
<td>Speed post upto 50 grams for above 2000 kms</td>
<td>Above 2000 kms</td>
</tr>
<tr>
<td></td>
<td>Local speed post above 50 to 200 gms</td>
<td>Local speed post above 50 to 200 grams for upto 200 kms</td>
</tr>
<tr>
<td>---</td>
<td>-----------------------------------</td>
<td>--------------------------------------------------</td>
</tr>
<tr>
<td>90</td>
<td>Speed post above 50 to 200 grams for upto 200 kms</td>
<td>Speed post above 50 to 200 grams for Above 200 to 1000 kms</td>
</tr>
<tr>
<td>91</td>
<td>Upto 200 kms</td>
<td>201-1000 kms</td>
</tr>
<tr>
<td>92</td>
<td>Local Express parcel post upto 3 kg</td>
<td>Local Express parcel post upto 3kg for upto 500 kms</td>
</tr>
<tr>
<td>93</td>
<td>Upto 500 kms</td>
<td>501-1000 kms</td>
</tr>
<tr>
<td>95</td>
<td>Upto 50 gms</td>
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</tr>
<tr>
<td>100</td>
<td>Bill Mail Service</td>
<td></td>
</tr>
</tbody>
</table>
