

# Tardy delivery for open post markets

BY AOIFE WHITE

POST has a vital role to play in boosting the European economy but efforts to liberalise the sector are still moving slowly. National governments have agreed to open up the EU postal market to competition by 2009. Sweden, Finland, the Netherlands and the UK either have already or are planning to deregulate their postal services soon. But other countries are lagging behind. France only passed a law implementing existing EU legislation on postal deregulation in May.

With two major reports on the liberalisation of postal services in Europe to be released shortly, public operators and the pro-liberalisation lobby ready themselves to defend their interests.

Two reports which the European Commission has ordered from consultants, outlining the effects of increased competition on the market and on the public operators are to give hints on the line that the Commission might take. Both will be published in June and July.

Post has the potential to increase consumer spending, one of the key factors needed for economic recovery in two of Europe's largest economies, France and Germany. The Commission said in a study published in March that postal services should not be seen as a "dying media" when it had the potential to feed new consumer areas such as home shopping.

Liberalisation should play a crucial

role here as it is likely to cut prices to consumers. Public operators claim that this will come at an enormous cost. They say the loss of their legal monopolies could damage their ability to provide the basic mail delivery "universal service" most of us take for granted.

The Association of European Public Postal Operators (Posteurop) said it did not contest the need to open up the market but wanted to see it happening at a slower pace to allow them get ready to face rivals. This is exactly what those rivals fear. Both sides are calling on the EU to give them clear guidelines on how they will be able to access infrastructure and what the boundaries of the universal service obligation (USO) should be.

Valeria Fagone of the pro-liberalisation lobby, the Free and Fair Post Initiative (FFPI), said the "gradual and controlled" approach the EU has taken so far has been demonstrated not to create the best path to fair competition. She insisted that new entrants needed to have access to the postal network under licence to help them gain market share against the national postal operators.

"Monopolies enjoy huge infrastructural network which would be impossible for smaller operators to build," she said.

Posteurop fears that the USO will force them to offer a service to remote areas leaving them unable to compete with private rivals for high profit markets in the cities and towns.

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