

Deutsche Post no longer needs to have monopoly protection

From Mr Philippe Bodson.

Sir, Klaus Zumwinkel, the chief executive of Deutsche Post, jumps to conclusions when he suggests further postal market opening in Germany should be delayed unless France, Italy and Spain also support European Union-wide liberalisation ("The postal group that now delivers", July 27). Mr Zumwinkel seeks to avoid what happened in the energy sector where the French energy utility, Electricité de France, expanded into other, less protectionist EU markets, while enjoying a monopoly in its home market.

He is right in saying that companies like EDF should not be allowed to shon around using monopoly

positions to fund acquisitions. This also applies to postal operators. Revenues from postal monopolies should only be used to finance the domestic universal service obligation and not for other purposes.

German politicians might, however, want to consider whether it is not in the interest of citizens that the German postal market is opened for competition, irrespective of the situation in the EU. An efficient German postal regulator and the *Bundeskartellamt*, the anti-trust watchdog, can prevent any operator on the German market benefiting from unfair advantages. Healthy competition on the German postal market would bring down the

currently high prices.

Deutsche Post is an admirable example of a postal phoenix that has risen from the ashes of the former Bundespost. The group is a formidable commercial machine that no longer needs monopoly protection.

The UK, the Netherlands, Germany and Nordic countries have agreed in principle to open their domestic markets before 2009; the UK market in 2006. These countries' full commitment to full opening of the postal market will be necessary in the upcoming EU postal review process.

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