

## **The EU Internal Market for Postal Services – Creating it together**

### **European Commission High Level Conference -Panel 1: Users' needs, challenges and opportunities for businesses and consumers in a liberalised postal market**

Brussels, 24 June 2008

Speech by Philippe Bodson, FFPI President

---

First of all I would like to thank Mr Berardis (Director, DG Internal Market and Services) and his colleagues for inviting the Free and Fair Post Initiative to participate in this high level conference. I am particularly glad to be here today as this is the first opportunity I have had to meet with distinguished colleagues after the adoption of the Third Postal Directive and the long awaited decision to put an end to postal monopolies.

With the objective of full postal market opening at an EU level now attained through the fixation of final dates for liberalisation in the Directive, the framework is now in place for postal competition to be introduced across the EU.

But, dear Colleagues, we would be fools if we thought that this will happen automatically and immediately. Good and healthy competition is not always automatic, especially not in newly liberalised sectors.

Markets will not be liberalised across Europe until all the provisions of the Directive are correctly and fully implemented and to achieve that, postal regulators must stay vigilant and ensure that no new barriers are introduced.

For liberalisation to be a success the transposition into national law will have to comply with the EU text. Excuses and conditions should not be tolerated. Regulators need to put in place more efficient regulatory mechanisms to avoid market distortions.

But there is more.

Commissioner McCreevy has addressed with Member States the pending issues and the potential risks at an individual Member State level such as the VAT exemption for some incumbent postal operators, the introduction of a minimum wage for postal workers in Germany and the exclusive access of mail boxes in Austria and Poland.

We welcome these efforts made by the Commission and are indeed very concerned about the new barriers that are introduced. The German minimum wage and VAT barriers have already resulted in reduced employment in the sector and limited choice with German courier and postal operator PIN AG withdrawing. Exactly the opposite of what was envisaged.

A recent study by the Molinari Economic Institute in France (“Threats to the opening of the postal sector in Europe”) puts the German issue in perspective. The paper

*states that “By favouring innovation and enabling new services to be offered, competition can generate new jobs. But because social measures imposed by lawmakers contribute to raising the cost of labour, they effectively block the creation of some of these jobs while depriving consumers of the services these wage-earners would have produced. These obstacles are imposed to the detriment both of consumers and of persons who will end up not being hired. Contractual freedom between employers and employees must accompany an opening to competition in the postal market. In this regard, it is a key factor in creating lasting jobs and enabling new services to be offered”.*

With this in mind, we would also welcome market opening in the Netherlands. It would be in the users’ interest to move ahead with market opening as planned. The decision to open the postal market in one country should not be dependent on what happens in a neighbouring Member State.

We have already witnessed a blow to the development of jobs and choice when our member company Adrexo decided to pull out of the French addressed mail market when it became clear that Full Market Opening would be unlikely to take place by 2009 as originally proposed by the Commission.

Competition must be considered as an opportunity rather than a challenge that must be endured by postal operators. If there is a level playing field then all stakeholders – consumers and operators alike – will be beneficiaries.

Furthermore, we should not forget that the Directive constitutes a minimum framework and we encourage member States to anticipate the EU deadlines. Most member States have in fact very mature and sophisticated postal systems and are fully ready to comply with the requirements of the Directive today.

We have often argued that competition also boosts innovation and economic dynamism. As other network services sectors (such as telecoms) have experienced, liberalisation will allow for improvements in terms of choice, quality of service and tariffs. This is what we want for the postal sector.

Let me conclude by stating that postal users and mail market players have advocated competition and a level-playing field in the postal sector for almost twenty years. They will not allow this achievement to be destroyed by the introduction of protectionist measures that favour those who have, for too long, benefited from the maintenance of postal monopolies.

We trust that all Member States are now preparing for this historical reform and that a free and fair postal market throughout the EU will soon be a reality.