

EU initiative for a Free and Fair Post

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A project recently launched in Brussels will strive to promote liberalisation of postal services in Europe. The Free and Fair Post Initiative will also try to ensure that competition is not distorted between EU members and between companies.

The postal services sector, with an annual turnover of €80 billion, is at the crossroads of several key industries: advertising, communications, information technology and logistics. The EU's Free and Fair Post Initiative is intended to help modernize the postal sector.

In addition to being a key industry, postal services play an important social role. "The significance of the social dimension of the letters market is widely recognized. This means a daily universal collection and delivery services to every address must be maintained. But I do not see any contradiction between these social objectives and increased liberalization," commented Philippe Bodson, the EU's newly appointed president of the Free and Fair Post Initiative.

"Modernised postal services will help carry forward the fast developing European knowledge-based economy. Without the necessary market and regulatory infrastructures in place, the postal market risks being overpriced and inefficient," he said.

The European Commission recently proposed increased but moderate market openings. This proposal is now due to be debated by the European Parliament. "EU member countries may eventually have to adopt new rules. However, the opponents of liberalisation have already engaged in vocal and strong campaigns against it," said Philippe Bodson.

"Since EU rules determine the degree of minimum market opening that EU members must have, I believe that it is essential that campaigns to promote liberalisation are coordinated at European level, in addition to the efforts made at national level. Under the current EC rules, 97% of letter volumes and 95% of incumbent operators' revenues remain closed to competition. The commission's new proposal provides for a very limited opening of the market that would leave about 80% of the postal services sector in the hands of the monopoly holders. In my opinion these figures clearly demonstrate the logical basis for the launch of a broad Initiative," said Philippe Bodson.

"Currently the European Commission is also investigating numerous breaches of competition rules by the postal monopolies and, in some instances, by EU member countries. The Commission believes that the combination of increased commercial activities by the postal monopolies, often through costly acquisitions abroad in neighbouring competitive markets, and the continued protection of a substantial share of the monopolies' domestic markets is not sustainable. I agree with this and I think that it's essential there be a level playing field."

"Thus I believe that it is very important, and timely, that postal industry and consumers come together under a large umbrella with long-term objectives. Together we can inject vigour into the debate within the European Parliament and the Council of Ministers. In order to be successful, I intend to co-ordinate the efforts of the Free and Fair Post Initiative with existing networks that support a more open and modernised postal market in the EU," said Initiative president Philippe Bodson.