

Countdown to market opening in postal services

On 24 June 2008 Internal Market and Services Commissioner Charlie McCreevy hosted a high-level conference on postal market reform to bring together key stakeholders in the final phase before full market opening which for most Member States will at the end of December 2010.



The high-level conference 'The EU Internal Market for Postal Services – creating it together' which took place in Brussels in June marked the start of the final and decisive phase of EU postal market reform.

The recent adoption of the 3rd Postal Directive (2008/6/EC) in February 2008 by the European Parliament and Council means there will be full market opening by 31st December 2010 for the majority of Member States (95% of the EU postal markets) and by 31st December 2012 for the remaining Member States.

The Directive thus provides the basis for the accomplishment of the Single Market for postal services.

EU postal market reform was initiated



On the opening panel: Commissioner Charlie McCreevy, Guido Berardis, Director, DG Internal Market and Services, Kostas Hatzidakis, Greek Minister of Transport and Communications and Jörg Reinbothe, DG Internal Market and Services.

in the mid 1990s and is an important part of the Lisbon Agenda. But the EU's postal markets will not automatically open and work is not finished yet. The objective of the conference was thus to deliver a strong message that continued efforts at all levels are needed to achieve a competitive postal market bringing benefits to businesses and consumers.

Charlie McCreevy: "... a true Internal Postal Market cannot and must not be driven solely by Brussels but.... it requires all of us to work together"

Key Single Market industry

Postal services account for some 1% of EU Gross Domestic Product (GDP) and 5 million people are employed in the sector. At the crossroads between communications, advertising and transport, postal services are a key industry that holds the Single Market and its citizens together. Without postal services, the Single Market would not work.

The conference brought together all relevant stakeholders in the postal sector. This ranged from governments to postal regulators, incumbent operators and competitors, consumers, trade unions and representatives of the European

institutions. The conference generated considerable interest and stakeholders were represented at the highest levels including government ministers, state secretaries, presidents of national postal regulators and CEOs, which demonstrated the importance of the event for the sector.

Key-note speeches

The morning session was devoted to some selected, high-ranking key-note speakers. All key-note speakers acknowledged the importance of the postal sector to the proper functioning of the Single Market and its crucial role in communication and trade that is vital for many economic activities. Speakers stressed the importance of the liberalisation of the postal market as a means to improve the efficiency and quality of postal services and considered that liberalisation is indispensable for the postal services market to face competition from the ICT sector. They agreed that work is not yet finished and efforts have to continue.

Charlie McCreevy, Commissioner for Internal Market and Services, delivered a strong message to the conference that creating a sustainable internal postal market is a joint responsibility and that it takes more than abolishing the legal monopolies to meet this target.

“Your presence makes this conference not only very high level event but it shows that you agree with the basic objective that underpins this conference: That a true Internal Postal Market cannot and must not be driven solely by Brussels but that it requires all of us to work together,” he said.

Neelie Kroes, Commissioner for competition, supported Commissioner McCreevy in his commitment to effectively open up the postal markets.



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Other key-note speakers included the Portuguese Minister for Public Works, Transport and Communications, Mário Lino, and the Greek Minister for Transport and Communications, Kostas Hatziidakis.

Minister Lino presented the Council's perspective on the negotiations for the 3rd Postal Directive. The political agreement on the Directive had been reached in the Council under the Portuguese Presidency in October 2007.

Minister Hatziidakis worked on the postal services dossier both as an MEP (from 1994-2007) and as rapporteur of the European Parliament's Internal Market and Consumer Committee, and now as Greek Minister responsible for postal services. He laid out the challenges ahead from a Member State's perspective.

Finally, MEP Markus Ferber explained the main issues of the EP in the context of the negotiations of the Directive.

Ferber had been the rapporteur for the 3rd Postal Directive in the leading TRAN committee on Transport and Tourism in the European Parliament and as such had played a crucial role in shaping the compromise for the 3rd Postal Directive.

Panel discussions

The afternoon session of the conference saw two discussion panels involving representatives from the postal industry (incumbent operators as well as new competitors), customers, regulators and governments.

The first panel focused on users' needs and challenges and the opportunities for businesses and consumers. The discussion showed that liberalisation indeed does provide opportunities for newcomers in the postal market as can be seen by the new company Kiala, which is building collection point networks for the delivery of parcels. The panel also identified the desire of users of postal services to have better value services and more cost-oriented prices.

The second panel focused on how to cope with the regulatory challenges ahead and how to ensure that the benefits of the Single Market will be realised. The panelists agreed that a lot remains to be done to achieve effective competition in the postal markets and that work has only just started.

The panel session saw an interesting discussion on minimum wages in the postal sector which is a hot issue at the moment. Proponents of the minimum wage argued that it is needed to establish a level playing field between the



MEP Markus Ferber with Jörg Reinbothe, Head of Unit, DG Internal Market and Services.

incumbent operators and new competitors. Opponents argued that minimum wages should not be used to block entry to the postal market and to protect the incumbent postal operator from competition.

The conference provided a platform for a frank exchange of views among active participants as well as the audience. It was an important event to remind the participants that the work towards completing the Single Market for postal



Mário Lino, Portuguese Minister for Public Works, Transport and Communications, with Guido Berardis, Director, DG Internal Market and Services.

services has to continue and that this is the responsibility of all stakeholders.

The participants appreciated the strong commitment of the Commission and its availability to assist Member States in the implementation process. The Commission suggested holding a review Conference in due course.