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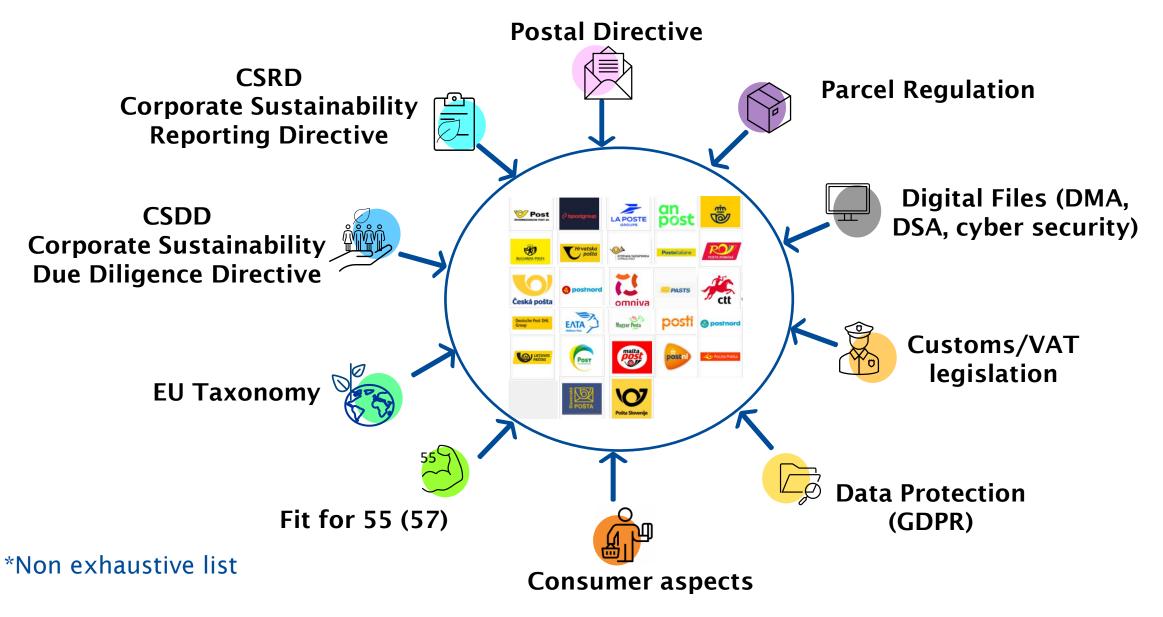
Do we need postal specific regulation to manage the twin transition of the postal sector?

- View of the European designated postal operators

Dr. Botond Szebeny Secretary General of PostEurop

ERGP Stakeholder Forum Session IV: Regulatory Round Table (Brussels, 27 September 2023)

Facing multidimensional regulatory framework*



Forward looking approach to the sector

Megatrends

- Accelerating technological change and hyperconnectivity
- Growing consumption
- Climate change and environmental degradation
- Continuing urbanization
- Changing nature of work
- Increasing demographic imbalances
- Increasing significance of migration
- Widening inequalities

Impacts

Increasing regulatory pressure

- ✓ Sector-specific & horizontal
- ✓ Sustainability "by default"

Global emergencies/crisis

- ✓ COVID pandemic
- ✓ War in Ukraine
- ✓ Inflation

Shifts in the market

- ✓ Parcels: Increasing volumes are slowing down, high competition due to new entrants and new business models
- ✓ Letters: Declining volumes due to e-substitution

Measures needed

- > To maintain the universal postal service
- Special focus on vulnerable groups, at least for the next decade
- Guarantee the sustainability of the USO
- Respect the principle of subsidiarity
- Parcels: no additional regulation needed

Voluntary frontrunners in sustainability endevours

aiming at achieving a triple positive impact





Fleet decarbonisation













Energy efficiency

operators comes from renewable sources.

60 % of energy used by postal of postal operators produce renewable energy for selfconsumption (i.e. solar pannels in buildings).



Circular economy



These principles apply to

- Packaging
- Paper

- Plastics

- Batteries
 - Electrical equipment

Vehicles

Zero-waste strategies



Sustainable products





The use of technology to optimise route planning and pooling rate of vehicles allows to reduce the number of kilometers travelled.

SOCIAL²

The postal sector is a people-led and labour-intensive industry, with around 2 million workers across all 55 operators members of PostEurop.



1,1 million

workers in 25 European operators.



Employment has remained relatively stable between 2018-2020.



>60% of workforce dedicated to Delivery.



~50% of employees are women.



The average age of employees is 45 years.



ECONOMIC

Postal operators play an **essential role** in the single market by promoting economic growth, social cohesion and inclusion as well as enhancing rural areas development, keeping all territories connected.



Connecting

800 million people and businesses daily.



>60 billion items handled per years.



258 million delivery points.



55 posta operators

of their national GDPs.

represented by PostEurop.



Engagement for sustaining quality of postal services & postal work

Re/training, Employability

Dedication to social dialogue

Employment level in postal sector EMPLOYEES
AS THE
KEY ASSET

Development projects

Focus on sustainability

- Employees as beneficiaries and actors of the transformation
- Social dialogue& proactive measures

Horizontal vs sector specific regulation dilemma

- Postal sector specific regulation is not a Swiss Army knife (not the appropriate framework to regulate environmental, social, etc. dimensions)
 - Additional elements/dimensions in the postal regulation are NOT needed
 - Horizontal regulations (i.e. Green Deal, digital and consumer protection initiatives) are applicable to postal operators
 - Postal sector specific criteria can be introduced in horizontal regulation if/where appropriate (e.g. EU Taxonomy)



Conclusions

- Within an extremely challenging context for the postal sector and an increasing regulatory pressure, the **postal regulation** shall:
 - i. remain focused at USO;
 - ii. provide for flexibility at national level; and
 - iii. ensure a sustainable USO, i.e. an effective long-term financing model and a proportionate (cost-effective) regulatory burden.
- Significant economic and social dimension of the postal sector requires consideration of the economic challenges of
 - reaching vulnerable citizens & rural areas;
 - ii. assuring fair employment conditions; and
 - iii. the investment and infrastructure needed to becoming net zero & climate positive.
- > Postal operators are **frontrunners in the sustainability endeavours**, aiming at achieving a triple positive impact (on environment, economy, and society).
- > The postal **sector specific** and **horizontal regulation** impacting the postal industry shall stay balanced to avoid overregulation of the industry.



THANK YOU

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