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Postal services: EU reforms on track but more progress needed in some Member States, says Commission report

EU reforms in the postal sector are well on track, but some Member States need to speed up their transition towards full market opening and to remove remaining barriers to competition. These are the conclusions of the European Commission's latest periodical application report on the EU postal sector. The creation of an Internal Postal Market is included in the Lisbon Strategy as a crucial element of the EU's single market policy.

The Postal Directive requires the Commission to present a periodical application report that analyses important market and regulatory developments and assesses the impact of EU Postal Reform by identifying the effects and benefits that it has generated to date. The reported period – 2006-2008 – is of particular relevance for the postal sector in the EU, as a number of decisive developments took place.

Major Milestones

Proposal and adoption of the 3rd Postal Directive

In February 2008 the Council and the European Parliament adopted the 3rd Postal Directive, which sets a deadline for the full market opening by 31st December 2010 for the majority of Member States (in fact, 95% of the EU postal markets in terms of volumes) and by 31st December 2012 for the remaining Member States.

This important decision was taken by broad consensus in the European Parliament and Council has had a significant impact on the market and regulatory developments during the reference period of the report.

Gradual market opening and development of competition

In the reporting period, the process of gradual market opening continued. The UK fully liberalised its postal market on 1 January 2006. On 1 January 2008 Germany became the fourth Member State to fully open its postal market.

However, the Netherlands, where full market opening was envisaged for 2008 at the latest, has now postponed liberalisation without setting any firm date for full market opening.

The development of competition – although emerging – remains slower than expected. The slow development can be attributed to several remaining or emerging barriers. In most Member States a large part of the addressed mail market is still reserved for the incumbent postal operators.

At the same time, other barriers to competition have emerged and are slowing up the pace of full liberalisation. Excessive licensing requirements, denying the access to essential elements of the postal infrastructure are just some recent examples that show the rise of protectionist tendencies in some of the Member States.

Shared responsibilities

The report shows that Member States should strengthen their National Regulatory Authorities (NRA's) as endorsed in the Postal Directive and reiterates that *"NRA's have a crucial role in establishing common rules, taking action against strategic or any other barriers to entry and ensuring that tariffs are cost oriented"*.

The report concludes that *"the vision of an internal market with sustainable and efficient postal services is the joint responsibility of the Commission and the Member States as well as all stakeholders. In order for this vision to become a reality market barriers have to be dealt with efficiently and removed."*

The full text of the Commission's report can be found at:

http://ec.europa.eu/internal_market/post/reports_en.htm