

POSITION PAPER for the Market Access Advisory Committee

Brussels 16 November 2009

Subject : Position Paper for the Market Access Advisory Committee*In Summary*

As a contribution to the work of the Market Access Advisory Committee (MAAC) in the field of postal and courier services, PostEurop would like to stress a number of points that could help to reduce market access problems:

- *The need for additional commitments, which could be pursued through the reference Paper, in order to favour clear domestic regulations*
- *The importance of reciprocity in third country markets*
- *The international development of postal operators is often hindered by the maintenance of broad monopolies in third country markets and/or by the lack of a precise definition of the monopoly*

PostEurop wishes to thank the European Commission (hereinafter, "the Commission") for its commitment towards the Market Access Advisory Committee (hereinafter, "the MAAC") in the field of services and welcomes the Commission's engagement in tackling trade barriers applied by third countries on postal/courier services supplied by EC operators.

PostEurop believes that the MAAC is an excellent tool to force the removal of existing problems affecting commitments already undertaken, for example, in the [WTO](#) Uruguay Round of negotiations or through accession to the [WTO](#). Once existing barriers are identified, there are clear and efficient instruments to bring [WTO](#) Members to comply with their contracted obligations. These instruments include informal consultations with the [WTO](#) Members concerned and, eventually, recourse to [WTO](#) dispute settlement mechanism.

This is particularly the case, given that the EC is now asked to make a whole set of new market access commitments, some of which are particularly generous, within the [Doha Development Agenda](#) (hereinafter, DDA) Round of [WTO](#) negotiations. However, PostEurop believes that, before committing to new commercial concessions at the [DDA](#), the EC and all other [WTO](#) Members should effectively comply with their Uruguay Round commitments.

In this respect, in light of the nature of the vast majority of current market access problems encountered by the EC postal/courier operators on third markets, PostEurop would like to emphasise the need for a number of additional commitments.

Additional commitments, which could be pursued through a Reference Paper, would go a great length towards resolving a plethora of market access problems that emerge from the interpretations of domestic regulatory frameworks or the absence of clear domestic regulation guarantees (i.e., independence of the regulator, licensing, cross-subsidisation).

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In addition, PostEurop believes that in view of the ongoing process of liberalisation of the postal sector within the EC, of the regulatory guarantees accorded by EC law and enjoyed by “non-EC” operators and of the generous commitments offered in the [DDA](#) in relation to postal/courier services, there is a strong need to ensure reciprocity of commitments in third country markets.

On the basis of these considerations, and on behalf of its Membership, PostEurop would like to indicate some concrete examples of obstacles encountered by the postal and courier sector as a whole in third markets, which could be addressed through better-quality frameworks and which highlight the need for reciprocity of commitments.

In particular, the costs of the licence for foreign postal/courier operators to provide services in Algeria is set at 200.000 € (20.000.000 dinars) per year, independently of the turnover, which represents a real challenge for operators to reach profitability. Algeria is not a [WTO](#) Member. Therefore such issue should be resolved in the context of the bilateral relations under the framework of the EC-Algeria Association Agreement.

In addition, PostEurop would like to point out that the removal of trade barriers is of great interest for operators having business interests outside the EC (that would like to see existing trade barriers removed) as well as for postal operators that are in the process of developing an international strategy. However, PostEurop believes that the international development of postal operators is very often hindered by the maintenance of large monopolies.

In particular, according to PostEurop the problem is twofold: i) the lack of a precise definition of “monopoly” that could generate confusion and a low level of commitments and, where such concept is defined; ii) the scope and coverage of such monopolies is too broad.

The example of China is illustrative. The Chinese postal law was amended in April 2009 and is due to take effect on 1 October 2009. The law allows only China Post to deliver domestic letters posted and thus ban foreign companies from providing delivery services in China for security reasons. The law provides for a broad definition of “letters” including almost all printed material and information stored on CDs and DVDs.

In Turkey, the law provides for a postal monopoly granted to the Turkish Post on letters and documents but these terms are not clearly defined and weight limits are not used. As a consequence, the scope of the monopoly is not legally certain. Moreover, no independent regulatory authority exists.

A better definition of the scope of the monopoly would facilitate countries and trading partners to undertake better quality commitments.

The situation in Canada stands as a good example of the second problem. In Canada the postal operator enjoys a monopoly covering mail weighing less than 500 grammes, should also be mentioned. Canada Post has also a monopoly over the delivery of letter mail destined for foreign recipients. The amendment to the Canada Post Corporation Act proposed by Canadian government on 17 June 2009 modifying Canada Post’s exclusive privilege by removing letters intended for delivery to an addressee outside Canada is a positive signal. In that context, the EC-Canada negotiations that will be launched in September 2009 will represent an opportunity for the EC to place the postal services on the agenda as Canada may offer huge business opportunities for European postal/courier operators.

In this respect, PostEurop would like to refer to the ongoing process of liberalisation of the postal sector within the EC and to the regulatory guarantees accorded by EC law and enjoyed by “non-EC” operators to restate the need to ensure reciprocity of commitments in third country markets.



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If you have any comments or questions on WTO/GATS related matter, please do not hesitate to contact **Ms. Catherine Coppo**, Chairperson of the Working Group, Tel: + 32 2 231 56 27 (c.coppo@laposte.skynet.be).

This position paper is supported by the following postal operators:

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