

## Subsidiary DMC loses major contract in Basel

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The employees of Direct Mail Company AG (DMC), a Swiss Post subsidiary, deliver newspapers in Basel. They distribute the Basler Zeitung to all households every Thursday. DMC has now lost the contract for distributing the large-circulation newspaper. This means much of the work carried out by employees on that day is no longer required. As a result, DMC plans to reduce the working hours of employees in Basel as of 31 December 2022. DMC's Executive Board deeply regrets having to take this step. The delivery staff work at a minimum employment level of 5 to 20 percent and distribute newspapers and unaddressed advertising. The employees can present proposals on how the reduction of working hours could be avoided as part of a consultation process. Swiss Post and DMC are holding talks with the social partners.

Digitization has been changing the newspaper landscape and advertising market in Switzerland for some time, with people increasingly obtaining information online. They are reading printed newspapers in paper format less and less, putting publishers and advertisers under pressure. High energy and paper prices are currently exacerbating the situation. This has had a major impact on the Swiss Post subsidiary Direct Mail Company AG (DMC) in Basel. DMC previously delivered the Basler Zeitung (BAZ), published by Tamedia, every Thursday in a large print run to 75,000 households in the region free of charge. The publisher of the BAZ has now decided to stop the large circulation at the end of December. As a result, the Swiss Post subsidiary can no longer bear the costs. This means much of the work carried out by employees is no

longer required. 194 delivery staff are affected by the loss of this contract which equates to 24.5 FTEs.

As DMC has lost this major contract, the working hours of employees in the region also look set to be reduced. There will not be any redundancies, but the employment relationship of around 194 employees may be amended. They previously delivered newspapers and unaddressed advertising at the beginning of the week and on Thursday at a minimum employment level of 5 to 20 percent as an additional source of income.

Swiss Post and DMC hold talks with the social partners

DMC notified the employees concerned on 5 December 2022 in an information letter.

These employees now have the opportunity to put forward proposals up until 20

December 2022 on how the planned amendment to the employment relationship could be avoided as part of a consultation process.

Swiss Post and DMC deeply regret that BAZ has stopped its large print-run and having to

take this step. Swiss Post and DMC are in talks with the social partners and are also discussing possible support measures to make the planned working time reduction as socially acceptable as possible for employees.

Source: [Swiss Post](#)

