

Swiss Post welcomes wide-ranging discussion - including on digital services

24-02-2022

Swiss Post received the report of the committee chaired by former Council of States member Christine Egerszegi today. Swiss Post CEO, Roberto Cirillo, will set out the company's position on this report following a thorough examination of the committee's proposals. Irrespective of the report's content, Swiss Post welcomes the wide-ranging discussion initiated on the future of the universal postal service. The service must always be aligned with the needs of Swiss residents to make their everyday lives easier, and in tune with the needs of companies in Switzerland in order to boost their competitiveness.

Needs of residents and companies must come first in discussions

Regardless of the content of the report, one aspect is already certain: we welcome the fact that wide-ranging discussions on the future of the universal postal service are now being initiated. "The needs of the residents and companies in Switzerland must always come first," said Roberto Cirillo, Swiss Post's CEO. Swiss Post strives to provide residents with services that make their lives easier and to enable companies, particularly SMEs, to boost their competitiveness using its services. In doing so, Swiss Post intends to continue offering all of its products and services independently in the future, i.e. without receiving subsidies. To achieve this objective, Swiss Post itself will need the necessary entrepreneurial freedom as regards competition.

Customer needs have changed significantly

as a result of trends such as digitization. The day-to-day activities of residents and companies alike are shifting more and more into the digital sphere, and they are now seeking digital services that are not tied to a specific place or time. Where sensitive matters are concerned, like health, finances or citizens' rights and obligations, they want a provider they can trust without reservation. Swiss Post needs and wants to meet these demands in the future and to evolve accordingly. However, which digital services will be included under the universal service – and therefore must be accessible and guaranteed for the entire population at the same price – will now be discussed by politicians.

"We have been pushing for this political discussion for quite some time now, and we have been getting Swiss Post fit for the future with our strategy," says Roberto

Cirillo. "Swiss Post can only cater to Switzerland's needs in the future if it is in good shape. With this in mind, we are giving the Swiss Confederation and Parliament the necessary time and room for manoeuvre to define what the public service will entail from 2030 with no direct financial pressure."

Expert committee identifies key challenges facing Swiss Post

The expert committee led by former Council of States member Christine Egerszegi is examining the further development of the universal service. The Federal Council tasked the independent expert committee with preparing proposals in this regard at the beginning of 2021. Swiss Post has since provided the expert committee with detailed background information, but was not itself part of the committee.

The expert committee has identified the key challenges facing Swiss Post and has drawn up proposals for the future of the public service from 2030. Swiss Post wants to continue offering its services to Switzerland in the future without being dependent on taxpayers' money. At the same time, it aims to pursue the clear goal of remaining the world's best postal service. The report also illustrates that the Swiss Post universal service will continue to play an important role from 2030.

High demand for A Mail: Swiss Post unwilling to forgo the service

Swiss Post can give a preliminary statement on four of the proposals, as they concern topics that Swiss Post has already addressed in the context of its new strategy.

The report recognizes the large, growing significance of postal logistics and the importance of Swiss Post's services in the parcel sector for the proper functioning of online retail. It also stresses that physical, logistical needs arise from this digital economy, both for companies and private customers throughout Switzerland. Swiss Post draws parallels between its strategy and the report as, like the committee, the company has projected the central importance of this factor far beyond 2030 in its "Swiss Post of tomorrow" strategy.

At the same time, the report proposes removing A Mail from the universal service from 2030 and to include only B Mail. Swiss Post is convinced that forgoing the A Mail service is not an option for Swiss Post given the current situation. Posting a consignment one day and having it reach the recipient's letter box the next is a very popular service among private and business customers. Forgoing this service would be to ignore the needs of our customers. We consider this proposal as a clear indication that Swiss Post needs more entrepreneurial freedom in letter mail services to meet the constantly changing needs of our customers.

In addition, the delivery of subscription

newspapers and magazines should, according to the experts, be removed from Swiss Post's universal service obligation going forward. The number of physical newspaper copies has been steadily decreasing for years. Swiss Post is conscious of its central role in facilitating a press market that runs smoothly, and knows that this service continues to be important for both publishers and readers. Swiss Post would therefore like to continue this delivery service. Unlike A Mail, which is a profitable delivery service, newspaper delivery – regardless of the indirect press subsidies – results in significant losses for us. If newspapers were to be removed from the universal service from 2030, our customers (newspaper publishers and all parties that have newspapers distributed) would have to bear this deficit themselves in future and Swiss Post would have to charge competitive

prices. It is up to Parliament to decide if this is preferable.

Swiss Post's universal service also comprises payment transaction services, which includes the possibility to make inpayments and withdraw money. The expert committee proposes putting the universal service obligation for payment transactions out for tender in the future, so that other companies can also bid for the contract. According to the committee, this service would be subsidized with taxpayers' money where necessary. Swiss Post and PostFinance do not dispute the fact that a sustainable financing solution is needed for the universal service for payment transactions. At the same time, it is essential to consider the dependencies between the postal network and payment transactions.

Source: [Swiss Post](#)