
PostNL requests Dutch government to provide temporary financial contribution towards postal service

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People in the Netherlands send and receive less and less mail every year. In the past decade, mail volume has nearly halved, but the Dutch Postal Act has remained unchanged.

PostNL is committed to keeping the postal service accessible, future-proof and financially healthy, but current postal legislation refrains PostNL from implementing further changes to the postal business model. Political decision-making on the future of the postal market is taking time to materialise, while the costs of the current service keep rising. Under the Dutch law, the provider in charge of the universal service obligation (USO) is entitled to receive compensation for the net cost of the service if this constitutes a disproportionate financial burden. PostNL therefore has requested temporary financial support from the Dutch government to be able to continue to carry out this essential public duty responsibly.

PostNL has been designated by the Dutch government as the provider for the USO, as laid down in the Dutch Postal Act. This means that PostNL provides services including collecting and delivering mail from the country's orange postboxes five days a week, and it is also responsible for specific services such as braille letters, bereavement mail and medical mail. The structural decline of mail volume, changing customer needs and rising costs have turned the postal service into a loss-making proposition in its current set-up.

The changing postal market

Maurice Unck, Director of Mail in the Netherlands at PostNL, explained: "Although communication is increasingly digital, a large group of people still depend on physical mail. And PostNL has been proudly carrying out this key social task for everyone in the country for 225 years. Our 22,000 employees have seen the market change: mail deliverers walk every street in the country five days a week but increasingly pass by

homes for which they have no mail to deliver on that day. We're constantly changing and adapting, but the current legislation offers very limited scope for further adjustments. At the same time, consumers indicate that they value predictability over speed. That is why, we've been advocating changes to the Postal Act to allow us to continue to meet the needs of customers and the labour market. Until such changes are in place, a temporary financial contribution will be necessary."

Financial contribution to offset USO losses

Unck continued: "PostNL acknowledges that government needs to carefully assess the future of the postal market, but we emphasise that, without intervention, the service will continue to deteriorate from year to year. Under the law, a company cannot be expected to continue to provide a government service that is loss-making. Hence our request for a financial contribution towards the USO costs of €30 million in 2025 and €38 million in 2026, to help keep these postal services up and running. This is calculated in accordance with the legal guidelines and will be determined retrospectively based on the actual costs. It concerns USO requirements such as delivery within 24 hours, maintaining over 10,000 postboxes across the country, free delivery of braille letters and a sixth delivery day for bereavement and medical mail." PostNL has urged the ministry of Economic Affairs to formally address this request for a financial contribution and to decide as soon as possible. Meanwhile, both parties will continue to engage in talks to arrive at an appropriate joint solution for the Dutch postal service.

Changing the law to ensure a future-proof postal service

Last year, PostNL asked the government to change the Postal Act to help secure a suitable postal service for everyone in the Netherlands – a service able to move in keeping with market trends in a financially healthy manner. The proposal urged a transition towards a service level for standard USO mail to be delivered within two days, moving towards three days over time, to consider the option to deliver urgent mail within 24 hours at higher rates, and to put in place a financial safety net guaranteeing a minimum USO return. The survey by the Authority for Consumers and Markets (ACM) confirmed public support for extending the delivery terms in the Netherlands.

Delivery terms relaxed in other European countries

Many countries in Europe are relaxing their delivery terms to better align with declining mail volume and changing consumer needs. France, Germany, Belgium, the UK, Denmark and Italy already have a two- or three-day delivery term in place or are discussing this. In addition, postal companies in various countries receive government support to keep the USO affordable, varying from direct financial aid to tax breaks and/or subsidies for selected services.

(PostNL)