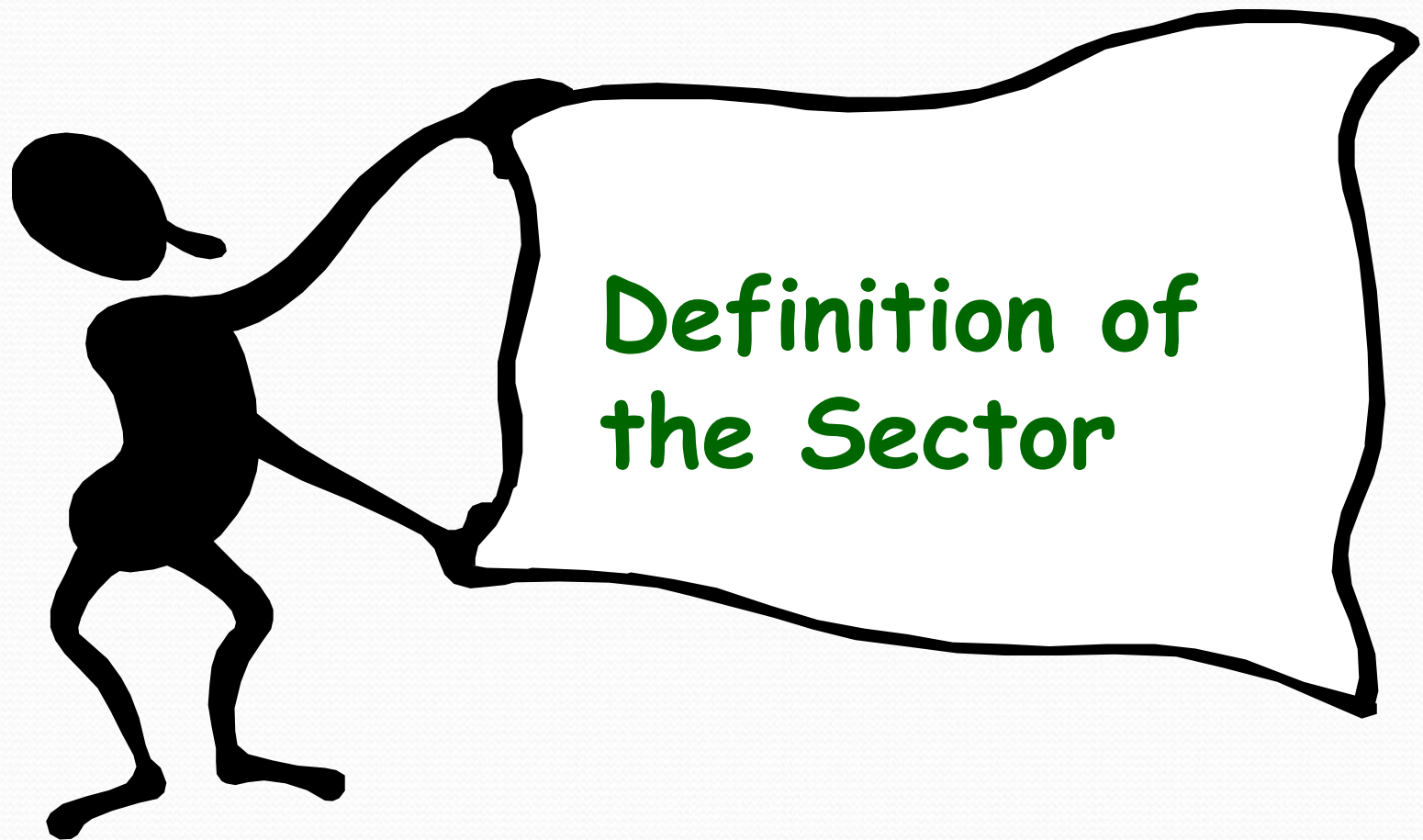


POSTAL AND COURIER SERVICES

Classification and Scheduling Issues

Outline

- Definition of the sector for trade negotiation and scheduling purposes
- Regulatory status quo of the postal sector in SADC member states
- Scheduling options
- Discussion on commitments and offers by SADC member states



Postal and courier services in the Services Sectoral Classification List (W/120)

- 2. COMMUNICATION SERVICES
 - A. Postal services CPC 7511
 - B. Courier services CPC 7512

CPC definition of postal services

- All according to CPC: i.e.

7511 Postal services

75111 Postal services related to letters

Services consisting of pick-up, transport and delivery services of letters, newspapers, journals, periodicals, brochures, leaflets and similar printed matters, whether for domestic or foreign destinations, as rendered by the **national postal administration**

75112 Postal services related to parcels

Services consisting of pick-up, transport and delivery services of parcels and packages, whether for domestic or foreign destinations, as rendered by the **national postal administration**

75113 Post office counter services

Services rendered at post office counters, e.g. sales of postage stamps, handling of certified or registered letters and packets, and other post office counter services

75119 Other postal services

Mailbox rental services, "poste restante" services, and public postal services not elsewhere classified.

Exclusion: Services related to postal giro and postal savings accounts are classified in class 8111 (services of monetary intermediaries)

CPC definition of courier services

- All according to CPC: i.e.

7512 Courier Services

75121 Multi-modal courier services

Services consisting of pick-up, transport and delivery services, whether for domestic or foreign destinations of letters, parcels and packages, rendered by **courier** and using one or more modes of transport, **other than by the national postal administration**. These services can be provided by using either self-owned or public transport media

Exclusions: courier services for mail by air are classified in subclass/73210 (Mail transportation by air).

75129 Other courier services

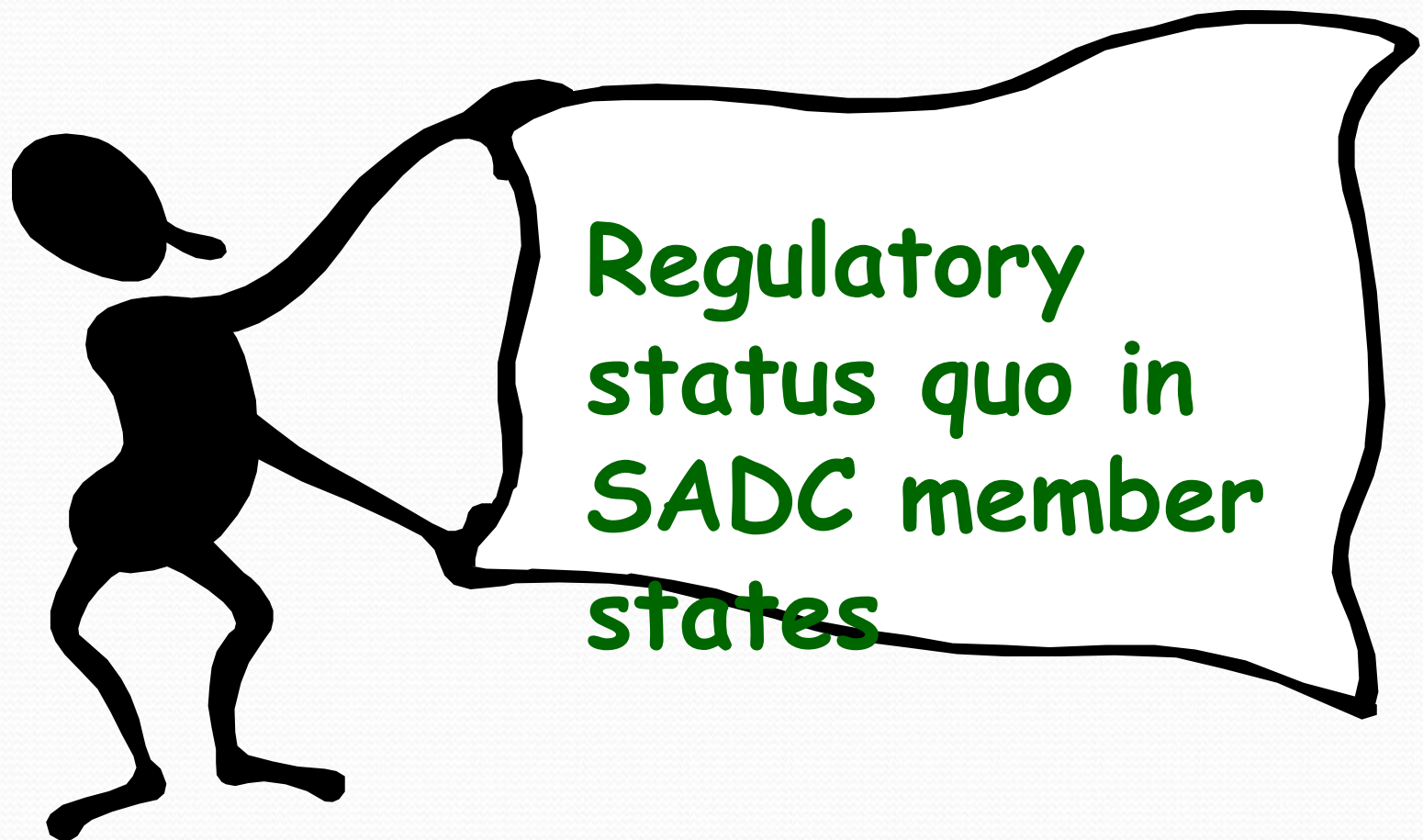
Other courier services for goods, not elsewhere classified, e.g./trucking or transfer services without storage, for freight.

Reasons for the existing classification

- Universal postal service: an international obligation requiring governments to ensure the provision of basic postal services throughout their territories at affordable prices.
- Traditionally postal services were therefore provided by the government.
- As a result, the W/120 classification is based on the nature of the service supplier, unique in the classification system:
 - Postal services: services provided by national postal administration
 - Courier services: services provided by courier and using one or more modes of transport, other than by the national postal administration

Existing classification facing challenges

- This classification is designed for statistical purposes and inadequate for undertaking commitments as market-oriented postal reforms have taken place in many countries:
 - Most postal operators in the world have been transformed into commercially independent corporations; many have been privatized
 - Most delivery services are subject to competition and provided by both postal and courier operators.
 - In many cases the boundary between public and private operators is blurring.



Postal regimes in SADC members states

Country	Designated postal operator
Angola	Empresa de Correios de Angola (EP), public corporation, has a monopoly over reserved services, including <i>inter alia</i> correspondence items weighing up to 500 grammes, parcels up to 10 kilos, stamps, postal financial services, etc.
Botswana	Botswana Post, public corporation with financial autonomy, has a monopoly over reserved services (e.g. correspondence up to a weight of 100 grammes)
Congo (Rep.)	Posts and Savings Company, public corporation with financial autonomy, has a monopoly over reserved services (e.g. letters up to 500 grammes, parcels up to 2 kilos, stamps, etc.)
<u>Lesotho</u>	Postal Services, government department, has monopoly over letter items; reserved services need to be precisely defined
Madagascar	Paositra Malagasy, public corporation, has a monopoly over letters and paper packets weighing 2 kilos or less.
Malawi	Posts Corporation, public corporation, monopoly exists over letter items, there is no legal definition of reserved services
Mauritius	Mauritius Post Limited, state-owned company, the monopoly is restricted to letters.
Mozambique	<i>Correios de Moçambique</i> , public corporation with administrative and financial autonomy, the monopoly needs to be defined.

Postal regimes in SADC members states

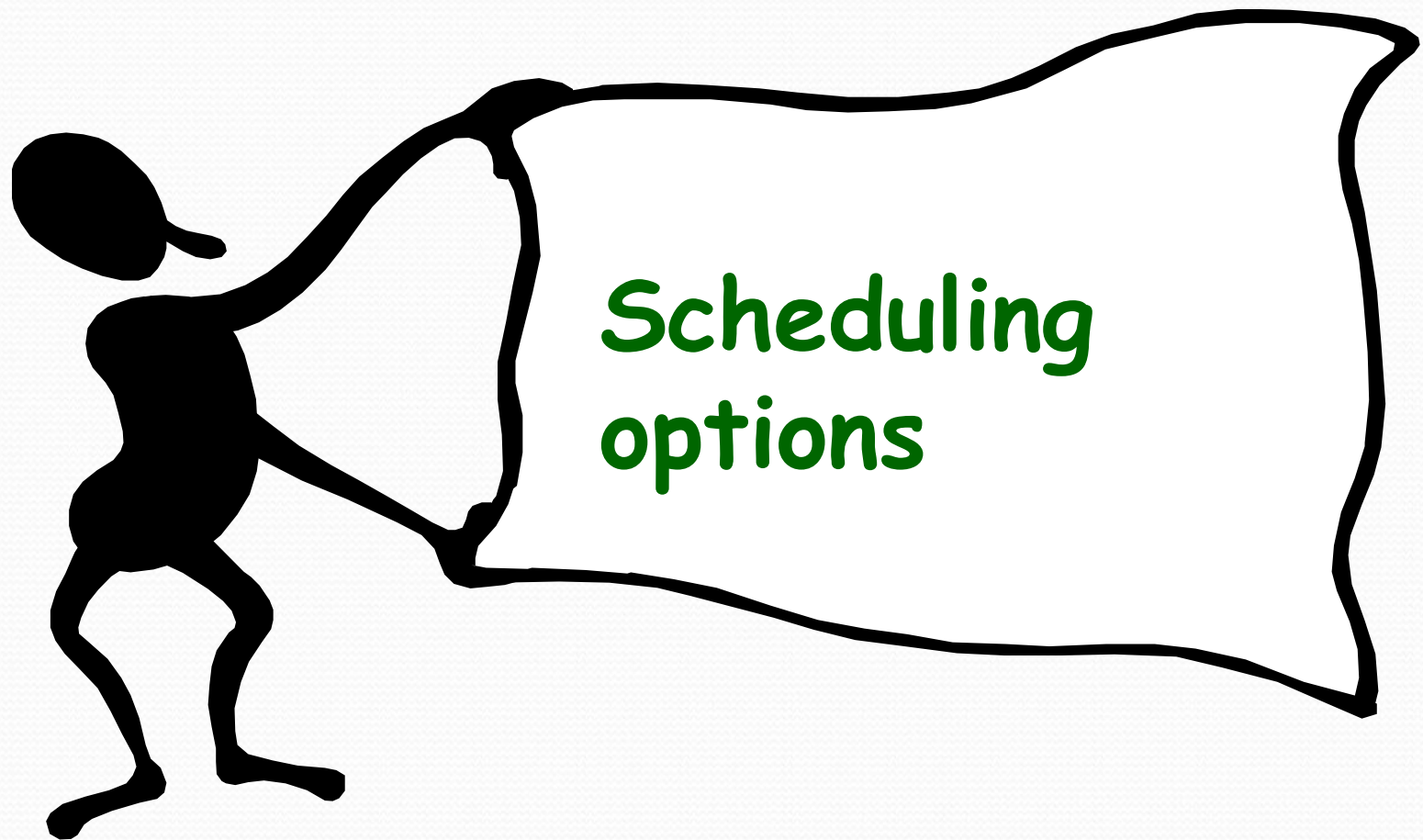
Country	Designated postal operator
Namibia	Namibia Post Ltd, autonomous public enterprise, the scope of its exclusive rights has yet to be defined
<u>Seychelles</u>	The Postal Division in the Seychelles, a division of the Ministry of Finance, has a monopoly over letters, which needs to be clearly defined
South Africa	South African Post Office Ltd., autonomous public corporation, has a monopoly over letter-post items up to 1 kg.
Swaziland	Swaziland Posts and Telecommunications Corporation, wholly own by the Government, has a monopoly over the traditional postal services, which needs to be clearly defined
Tanzania	Tanzania Posts Corporation, autonomous, wholly government owned, the monopoly restricted to personal correspondence and postcards weighting up to 500 grammes
Zambia	Zambia Postal Services Corporation, autonomous, wholly government owned, areas of monopoly have not been defined
<u>Zimbabwe</u>	Zimbabwe Post, functioning as government department, the monopoly is limited to the letter mails up to 500 grammes

General observations of postal regimes in SADC member states

- In 12 of 15 member states, the designated postal operator has been transformed into a public corporation, though government owned, having administrative and financial autonomy;
- Competition exists in the postal market of all member states. In other words, the monopoly is restricted to a limited area;
- Some member states have yet to clearly define the scope of the monopoly granted to the designated postal operator, i.e. reserved services.

GATS commitments by SADC member states

- No member states have made commitments on postal services
- Three member states (Botswana, Lesotho, and South Africa) have undertaken commitments on courier services with the reference CPC 7512. (Botswana's commitments are confined to CPC75121).
- Apparently, there are gaps between commitments and applied regimes.



What is the scheduling assumption?

- GATS – plus, with or without liberalization commitments?
- To bind the regulatory status-quo?

----- No matter what option, the first step is to clearly define the scope of the commitments which should make sense.

Addressing the inadequacy of W/120

- Convergence in the WTO negotiating proposals
 - Fully describe committed activities
 - Clearly delineate competitive versus reserved services (in terms of sale, weight, price, speed of delivery or combination thereof)
 - Use a neutral classification, activity-based and applying to the suppliers including postal entities
 - Clarify any relationship between these commitments and other commitments in the schedule (e.g. transport)

Example of proposed new definition

- **Postal/Courier services:** services relating to the handling¹ of postal items², whether for domestic or foreign destinations:
 1. Handling of addressed written communications on any kind of physical medium³, including:
 - Hybrid mail services
 - Direct mail
 2. Handling of addressed parcels and packages⁴
 3. Handling of addressed press products⁵
 4. Handling of items referred to in (i) to (iii) above as registered or insured mail.
 5. Express delivery services⁶ for items referred to in (i) to (iii) above.
 6. Handling of non-addressed items.
 7. Document exchange.
 8. Other services not elsewhere specified

Notes: ¹The term “handling” should be taken to include clearance, sorting, transport and delivery. ²“Postal item” refers to items handled by any type of commercial operator, whether public or private. ³e.g. letter, postcards ⁴Books, catalogues are included hereunder. ⁵Journals, newspapers, periodicals. ⁶Express delivery services may include, in addition to greater speed and reliability, value added elements such as collection from point of origin, personal delivery to addressee, tracing and tracking, possibility of changing the destination and addressee in transit, confirmation of receipt.

Proposed model schedule

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
2. COMMUNICATION SERVICES			
Heading Option 1: A/B Postal/Courier services {with items subject to commitments inserted by each Member} Heading Option 2: A. Postal Services B. Courier Services {This is the classification structure found in MTN.GNS/W/120 with correspondence to CPC 7511 and CPC 7512. Each Member would determine whether to list A., B., or both A. and B. If this structure is used, a clarification is necessary in order to provide greater certainty that the scope of the scheduled commitments encompasses all competitive suppliers of the defined service.}	1) [] 2) [] 3) [] 4) []	1) [] 2) [] 3) [] 4) []	E.g., commitments pertaining to anti-competitive practices, cross-subsidization, universal service, licensing, independence of the regulator, etc...

Common restrictions identified in postal and courier services

- Exclusive rights
- Customs regulations
- Local incorporation or contract requirements (for pick up, delivery and customs clearance)
- Postal taxes / concessions fees
- Regulatory issues:
 - Anti-competitive practices
 - Opaque universal service obligation
 - Burdensome licensing requirement
 - Lack of independence of the regulator

CPC Version 2 of the UN: new definition

- Postal services: services rendered under a universal service obligation;
- Courier services: rendered by courier and using one or more modes of transport, other than those rendered under a universal service obligation.

Note: The UN CPC is prepared for statistical purposes.

Question: Is it helpful for making clearer commitments?

Typical commitments under the GATS:

How do the commitments work in a (fully or partially) liberalized market?

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
2. COMMUNICATION SERVICES	1) None	1) None	
B. <u>Courier services</u> (CPC 7512)	2) None	2) None	
	3) None	3) None	
	4) Unbound, except as indicated in the horizontal section	4) Unbound, except as indicated in the horizontal section	

A number of questions for consideration?

1. Concerning the scope of commitment: does it cover the services provided by both postal and courier operators? Could couriers provide services reserved for postal operators? If not, what is the precise scope of commitments?
2. To the extent postal and courier operators provide competitive services (e.g. parcels, express mails, etc.), would a preferential treatment granted to postal operators (e.g. tax exemption, subsidies, expedite customs procedures, etc.) be considered to violate the commitments?
3. Do the commitments allow the government to require that domestic delivery be handled by national operators?



Botswana's SADC offer

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
<p>2. COMMUNICATION SERVICES</p> <p>A & B <u>Postal and Courier Services</u></p> <p>(CPC 7511 and 7512) <i>Commercial courier services, including by public transport of self-owned transport</i> (CPC 75121) Services relating to the handling¹ of items in accordance with the following list of sub-sectors, whether for domestic or foreign destinations.</p> <p>The sub-sectors below are excluded when they fall into the scope of the services which are reserved for the Public postal operator, which are: items of up to 100 grams delivered through a P.O. Box; provision of P.O Box services in communities with at least 5000 inhabitants, issuing of Botswana stamps, and placing of street letter boxes for mail collection</p> <p>(a) the conveyance of addressed mail not delivered through a P.O. Box but delivered directly to the addressee as a value added service</p> <p>(b) the conveyance of advertising mail</p> <p>(c) the conveyance of incoming cross-border mail not to be delivered to a P.O. Box</p> <p>(d) the conveyance of postal packages and postal parcels</p> <p>(e) express and courier postal services delivered directly to the addressee as a value added services, including extra services such as bar-coding, tracking, insured items, and guarantees on delivery</p> <p>(f) all other value-added postal services not being part of the reserved postal services such as pre-mailing services</p>	<p>1) None</p> <p>2) None</p> <p>3) The service should be supplied through commercial presence. None</p> <p>4) Unbound, except as indicated in the horizontal section</p>	<p>1) None</p> <p>2) None</p> <p>3) The service should be supplied through commercial presence. None</p> <p>4) Unbound, except as indicated in the horizontal section</p>	

¹"Handling" should be taken to include clearance, sorting, transport and delivery.

DRC's SADC offer

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
<p>2. COMMUNICATION SERVICES</p> <p>A. Postal services (CPC 7511)</p>	<p>1) None</p> <p>2) None</p> <p>3) The public postal operator has exclusive rights for the provision of universal postal services during the exclusivity period defined together with the State</p> <p>4) Unbound, except as indicated in horizontal commitment</p>	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound, except as indicated in horizontal commitment</p>	
<p>B. Courier services (CPC 7512)</p>	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound, except as indicated in horizontal commitments</p>	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound, except as indicated in horizontal commitments</p>	

Malawi's SADC offer

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
2. COMMUNICATION SERVICES	1) None	1) None	
B. <u>Courier services</u> (CPC 7512)	2) None	2) None	
	3) None except for mail items weighing less than 350 grams	3) None except for mail items weighing less than 350 grams	
	4) Unbound, except as indicated in the horizontal section	4) Unbound, except as indicated in the horizontal section	

Mauritius' SADC offer

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
<p>2. COMMUNICATION SERVICES</p> <p>B. <u>Courier services</u> (CPC 7512)</p> <p>Courier services refers to individualised and time-sensitive services of accepting, conveying and distributing documents and goods on a door to door basis</p>	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound, except as indicated in the horizontal section</p>	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound, except as indicated in the horizontal section</p>	

Seychelles' SADC offer

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
2. COMMUNICATION SERVICES			
<p>A. and B. Postal and Courier services (including express delivery services)</p> <p>Services relating to the handling of items in accordance with the following list of sub-sectors, whether for domestic or foreign destinations</p> <p>The sub-sectors below are excluded when they fall into the scope of the services which are reserved for the Seychelles Post Office, which are: simple letters weighting less than 500 grams, postcards.</p> <p>(i) Handling of addressed written communication on any kind of physical medium, including:</p> <ul style="list-style-type: none"> - Hybrid mail service - Direct mail <p>(ii) Handling of addressed parcels and packages</p> <p>(iii) Handling of addressed press products⁵</p> <p>(iv) Handling of items referred to in (i) to (iii) above as registered or insured mail</p> <p>(v) Express delivery services⁶ for items referred to in (i) to (iii) above</p> <p>(vi) Handling of non-addressed items</p> <p>(vii) Document exchange⁷</p> <p>(viii) Other services not elsewhere specified E.g. letters, postcards.</p>	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) []</p>	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) []</p>	<p>Same treatment will be applied to the Seychelles Post Office and Private Operators for express delivery services.</p>

Seychelles' SADC offer

- Important footnotes:

1. The commitment on postal and courier services and express delivery services applies to commercial operators of all forms of ownership, both private and state.
2. "Handling" should be taken to include clearance, sorting, transport and delivery.
3. E.g. letters, postcards.
4. Books and catalogues are included in this subsector.
5. Magazines, newspapers and periodicals.
6. Express delivery services are defined as the collection, transport, and delivery of documents, printed matter, parcels, goods or other items on an expedited basis while tracking and maintaining control of these items throughout the supply of the service.
7. Provision of means, including the supply of ad hoc premises as well as transportation by a third party, allowing self-delivery by mutual exchange of postal items between users subscribing to this service. Postal item refers to items handled by any type of commercial operator, whether public or private.

SADC offers by South Africa and Swaziland

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
2. COMMUNICATION SERVICES	1) None	1) None	
B. <u>Courier services</u> (CPC 7512)	2) None	2) None	
	3) None	3) None	
	4) Unbound, except as indicated in the horizontal section	4) Unbound, except as indicated in the horizontal section	

Zambia's SADC offer

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
2. COMMUNICATION SERVICES			
B. <u>Courier services</u> (CPC 7512)	1) None	1) None	
	2) None	2) None	
Multimodal courier services (CPC 75121)	3) None	3) None	
	4) Unbound, except as indicated in the horizontal section	4) Unbound, except as indicated in the horizontal section	

THANK YOU

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