Postal activities Discussant Remarks

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Introduction

- European perspective from papers and presentations
- EU Law playing its part in liberalising access to the sector's universal service obligation
- Some interesting issues raised across all papers
- Consistent themes

Themes

- Evolving sector
    - Technological – sorting, logistics etc
    - Cultural – switch from letters to parcels with email and e-commerce
    - New ‘products’ – where should they be classified?
- Well defined with no real classification issues
    - Though care needed to separate postal from other, eg financial, activities when measuring output
- USO means sector dominated by small number of enterprises, usually just one
    - Brings issues around disclosure and dependency

Turnover and output

- Supported by relevant and established legislation – STS and SBS in EU
- National accounts' needs are for deflated turnover, but volume measures acceptable where no rapid quality change: <u>does that describe this industry?</u>
- Weighted deflator – does it make a difference?

SPPIs

- Industry and product base approaches, but latter more prevalent?
- Identification of B2B and B2C often difficult
- Prices ‘target’ often pragmatic:
    - Contract pricing – good
    - Unit value pricing – challenges
    - List prices – OK for B2A but others?
    - HICP/CPIs – with transformations

UK experience and issues

- Revolution not evolution
    - Privatisation, competition, recession leads to..
    - Fragmentation, which demands change
    - Mixed deflator, CPI and SPPI, less relevant?
    - No more ‘I love you’s… influences on volumes
    - Amazonian muscle