



Guaranteeing EU companies' access to the Canadian market for outbound international mail

On 12 July 2010 an amendment of the Canadian postal law was officially adopted into law, which clarifies that Canada Post does not have a monopoly with regard to letters intended for delivery to an addressee outside of Canada (so-called outbound international mail) but that this market is fully open to competition, thus ending a long standing key market access barrier. This brings to a close a five year period of uncertainty during which Canada Post took repeated legal action to try and expel European companies that had been lawfully active for more than two decades in this market.

For over 5 years, the state-owned Canada Post had been taking legal steps against several European international mail delivery companies, notably from Belgium, Germany, the Netherlands and the UK for alleged violation of its monopoly on conveyance of letter mail. These operators had been active for over 20 years in the Canadian market for outbound international mail, a market worth around 150 million Canadian dollars in 2006 of which European operators had held a significant share which decreased further to the legal actions brought by Canada Post.

The problems faced by the European operators were subject to a sustained dialogue between the EU and Canada. To clarify the legal situation, the Canadian government made a policy decision in 2007 to amend the Canada Post Corporation Act with a Bill clarifying that international outbound mail was open to competition. The government's decision was also backed by the report on the formal review in 2008 of the future of the national postal services in Canada which recommended the liberalisation of outbound international mail. Pending the passage of this Bill, the final court orders leading to the expulsion of EU companies were put on hold until December 2010.

The amended *Canada Post Corporation Act* will now include among its exceptions a provision stating that the exclusive privilege of Canada Post does not apply to letters intended for delivery to an addressee outside of Canada. This finally means that EU companies active in the Canadian market can continue their operations in a secure business environment.

The EU continues to discuss the benefits of market opening in postal and courier services, where several European companies are world leaders, with its trading partners. This is currently being discussed under the framework of the Canada-EU Free Trade Agreement negotiations which hopefully will bring more market access and legal certainty to European companies in further segments of the Canadian market.

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