Press release

New postal law creates clarity and ensures the continuation of nationwide postal services – but also reveals weaknesses

- The Federal Council of Germany passes overdue revision of the Postal Act (PostModG)
- DHL CEO Tobias Meyer: "The approval of the revised Postal Act provides much-needed clarity for our employees, customers, and investors regarding the future of postal services in Germany. The legislation has clear flaws, however."
- More lenient transit time requirements for mail delivery will curb cost increases – but proliferating bureaucracy and a unilateral promotion of competition are viewed critically.

Bonn/Berlin, July 5, 2024: Deutsche Post acknowledges the Bundesrat's, Germany's Federal Council, long-awaited approval of the revised Postal Act today. This legislation establishes the framework for the future provision of postal services. Following Bundestag approval last month, the act is expected to enter in force in July. It will replace both the former Postal Act (*Postgesetz*) and the Universal Postal Services Ordinance (*Post-Universaldienstleistungsverordnung*) from 1998, providing a new legal foundation for nationwide mail and parcel services in Germany – also known as universal postal service. This legislative modernization is long overdue and addresses the need to adapt to structural changes, including the decline in letter mail and the corresponding growth in parcel shipping, ensuring the continued universal postal service provision by Deutsche Post.

DHL Group CEO Tobias Meyer: "The approval of the revised Postal Act provides much-needed clarity for our employees, customers, and investors regarding the future of postal services in Germany. The law enables us to continue to provide universal postal service in Germany. It has clear flaws, however. The unique path Germany is taking to promote competition in a shrinking mail market will make the universal postal service more expensive and put quality at risk since competitors are permitted to feed items into our network at the point where delivery is usually difficult and expensive."

Deutsche Post also specifically criticizes the new instruments provided in the law for artificially stimulating competition in a downward-trending mail market, such as the consistency requirement for fees, the elimination of surplus revenue for infractions of fee regulation provisions, and network access

DHL Group
Charles-de-Gaulle-Str. 20
53113 Bonn
Deutschland

Phone +49 228 182-9944

E-Mail pressestelle@dhl.com
X (Twitter) twitter.com/DHLglobal
Website group.dhl.com

for merchandise shipments and press products. By promoting competition in the letter mail sector, legislators have adopted special measures that have proven to be abject failures in other EU countries. Comparable steps in other countries have led to higher prices and lower quality. Equally incomprehensible is the proliferation of bureaucracy in the new Postal Act such as new reporting requirements.

Changes to letter mail

Starting next year, the new Postal Act will also impact letter mail delivery times. Approximately 95% of letters will now reach recipients within three business days of posting instead of the current two days. Looking toward the future, customers can choose their desired delivery timeframe, with a projected launch date of 2025.

Changes to parcels

According to the new postal law, parcels that weigh more than 10 kilograms or more than 20 kilograms must be labeled as such. The labeling must be clearly visible, easy to understand, and draw attention to the higher weight.

Impact on the retail outlet network

The new law also requires the company to continue to operate 12,000 post offices across Germany. To that extent, it ensures that the nation's customers will continue to have access to local brick-and-mortar options. The company is not restricted to universal service branches but may also operate automated postal stations. This modernization course is good news for Deutsche Post customers since automated stations are usually universally accessible and highly popular. It is becoming increasingly difficult in some areas to find suitable shops or retailers to operate retail outlets. As always, Deutsche Post will ensure that every community has the legally required postal services it needs.

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Press release

Media Contact:
DHL Group
Media Relations

Alexander Edenhofer

Phone: +49 228 182-9944
E-mail: pressestelle@dhl.com

On the internet: group.dhl.com/press
Follow us at: twitter.com/DHLglobal

Post & Parcel Germany is a division of DHL Group with around 187,000 employees. Its core business is the national mail and parcel business - i.e., the transport, sorting and delivery of letters and parcels. The division is a pioneer in its industry in the area of environmental and social sustainability and is represented in Germany with two brands:

Deutsche Post is the largest postal service provider in Europe and the market leader in the German mail market. The Mail Communication, Dialog Marketing and Press Services product segments are essentially bundled under this business area. Deutsche Post's product and service portfolio includes the processing and delivery of physical documents as well as a broad digital portfolio in its product segments.

DHL is the leading global brand in the logistics industry. In the Parcel Logistics Business Division, DHL Paket is the market leader in Germany. The division is the service provider of choice for shipper and recipient customers in online retailing. A wide range of flexible services make it easier for customers to receive and ship parcels. DHL Paket also operates the largest parcel machine network (Pack- and Poststations) in Germany.

DHL Group generated revenues of more than 81.8 billion euros in 2023. With investments in green technologies and a commitment to society and the environment, the Group makes a positive contribution to the world. By 2050, DHL Group aims to achieve net-zero emissions logistics.