



Presentation SLOVENE TRADE UNION OF TRANSPORT AND COMMUNICATIONS WORKERS of Pošta Slovenije d.o.o.

Legal status

Pošta Slovenije was founded on the 1st of January 1995 with a Decree of the Government of Republic of Slovenia, issued on the basis of Post of Slovenia Act. The Decree has split till then operating company PTT into two companies, first Pošta Slovenije d.o.o. and second Telekom Slovenije d.d.. A Decision on conversion of Pošta Slovenije d.o.o. into public enterprise on the 5th of February 1998 transformed Pošta Slovenije d.o.o. into public enterprise and it operated in this status form until 18th of July 2002, when a Decision on conversion from public enterprise to company Pošta Slovenije d.o.o., enabled Pošta Slovenije to operate as a company. Since 18th of July 2002 Pošta Slovenije d.o.o. operates as an enterprise with a limited liability and is 100% owned by the state.

Anticipated changes of legal form

The State of the Republic of Slovenia as an owner of Pošta Slovenije d.o.o. has until now not expressed any intentions to transform the legal form of Pošta Slovenije d.o.o. into any other form of organisation. The stream of thinking, with no formal proposal, goes in following directions:

- conversion of the enterprise into public limited company and
- in the direction of partial privatisation of Pošta Slovenije d.o.o, where the state would preserve the majority of ownership.

Description of reserved fields

Legal Postal Services Act in force treats as reserved fields the following types of postal consignments:

- a standard domestic mail to 50g of weight,
- a non-standard domestic mail to 50g of weight,
- a postcard in inland transport,
- an arriving international standard mail to 50g of weight,
- an arriving international non-standard mail to 50g of weight and
- an arriving international postcard.

Inland competition in the postal sector, major competitors

According to the Postal Services Act, postal services, with the exemption of universal postal services, can be carried out by a private individual or legal person, under registered activity of postal services and with provider submission to national regulator. Universal postal services are provided only by a private individual or legal person with national regulator's approval. Noticeable competition is present in the field of postal consignments (parcels in inland and international traffic) and in the field of express parcels in inland and international transport. Leading competitors in the listed postal fields are mainly well established international

companies, with own affiliates on the territory of Slovenia or are cooperating with subcontractors in Slovenia. These companies are UPS, DHL, DPD, TNT and similar (amounting to 11 registered providers). Competition holds a dominant share only in the field of express postal services.

Range and provision requirements of universal services

The Postal Services Act provides that a universal postal service must be a permanent, regular and smooth operating service, with a required degree of quality on the territory of Republic of Slovenia and at prices accessible to all users of postal services. The Act declares the following services to be universal postal services in inland and international transport:

- transfer of postal item to 2 kg of weight,
- transfer of postal parcel to 20 kg of weight,
- transfer of registered and insured postal item and
- transfer of postal item for blind and visually impaired.

The competent Ministry has, with specific rules, imposed a degree of quality and details for execution of universal postal service and with a special Act, determined accessible prices for universal postal services. Pošta Slovenije as provider of universal postal services has to comply with the following criteria for the quality of accessibility:

- at least 5 deliveries of universal postal services per week must be ensured to a single resident,
- establishment of permanent contact points as regular or contractual posts; one post per areas, if an area has 500 households in rural areas or 1000 to 3,500 households in town areas, depending on town size,
- prices of universal postal services are controlled by the state, where a government consents to changes in prices of universal postal services,
- transfer of correspondence postal items must be carried out in due time, provided by regulator (in the domestic transport at least 95% of correspondence postal items on the annual basis near to be delivered in T + 1 and at least 99.5% in T + 2, meaning a postal item needs to be served one day after reception or two days after reception of the postal item).

Financing of universal postal service

Universal postal services are financed from billed postage for their transfer. The Act anticipates the establishment of compensation fund, in which all the providers of postal services would pay in and through whom a disproportionate share of cost for execution of this services, demonstrated by individual providers for servicing of universal services throughout country, would be covered.

We need to clarify that the price for sending a letter or postcard in inland transport (which is classified in one part between reserved services) is currently among the lowest in Europe (the price for standardised letter or postcard in inland transport is only 0.23 EUR), resulting in loss, since revenues from this type of services do not cover their operational costs. Pošta Slovenije is forced to compensate the loss in the field of reserved services from positive business outcome in the field of commercial services.

Pricing and price control

Pošta Slovenije d.o.o. forms price list of commercial services solely on principle of calculations and competition monitoring. The price list for universal services is approved by national regulator. Currently the majority of prices for universal services do not cover the costs of their execution.

The status of modernisation and transformation of postal services, adopted organisational measures

Pošta Slovenije d.o.o. is constantly searching new niche markets to offer their services that can be provided by postal network, with the objective to reduce fixed costs per unit of service. Each year new services are offered, supplementing the services with expired life (selling) cycle and some services are renewed aiming to prolong their life cycle. Computerisation of business enables us on one hand to achieve rationalisation of business and on the other hand to increase productivity. Pošta Slovenije has fully computerised operation on postal counters with software products developed by its own experts. Information services (certificate agency, E archiving, hybrid mail, etc.) represent newly offered services by Pošta Slovenije with high value added value. Pošta Slovenije is designing among others also an information solution for delivery districts planning that would enable unified organisation with uniform and optimal activity of postmen.

Pošta Slovenije has launched a project of rationalisation of postal network following the example of foreign postal administrations (Austria, Germany) that would reduce the number of contact points to those required by quality standards under national regulator.

In the field of logistic a study was made on the issue of optimisation of logistic paths. Based on this study two projects were launched. First, implementation of six parcel conversion post offices, operational until the end of 2010 and second, preparation of projects on construction of parcel logistic centre in Ljubljana, since existing capacities can no longer fulfil increased volume of parcel consignments.

New modern transportation vehicles are being introduced in the field of transportation and delivery, with due attention dedicated to protection of postmen and ecological cleanness of vehicles.

The social situation of postal workers

The social situation of employees is governed by Collective labour agreement for postal and courier activities at the state level and by Collective labour agreement of Pošta Slovenije d.o.o. A renewal of payment model is currently in preparation and would enter into effect by the end of 2009 after successful negotiations with unions.

Qualification structure of employees is slightly lower than the one for average in the state, therefore average salary of employees in Pošta Slovenije is slightly lower than the national average.

Salaries and social dumping

Here we point out especially foreigners from third countries, mainly foreigners from former Yugoslavia, because they need work permits for employment in our country. EU workers are employed in our country under equal conditions as domestic workers, however there are only a few, others are hindered by language barriers and low wages. Thus, in spite of 60.000 unemployed in Slovenia, we are still lacking workers of some profiles.

With December 2007 amendments were made to the Act on employment of foreigners that significantly facilitate procedure for attaining permission. This event has reduced the number of application forms from 34 to 5, shortened the time of procedure and extended the period of permit validity.

We as unions, have already expressed opposition to the increase in quota, since it is in our opinion one form of social dumping, in which employers rely on cheap foreign labour that is lowering the wages of domestic workers. Likewise, a consensus has not yet been given on the topic of increasing quotas by Economic and Social Council.

In the activity of postal and courier services we have not yet encountered this problem. The problem is present mainly in the industry of construction and transportation.

Union efforts to train employers in competitive companies

The adoption of Collective labour contract for postal and courier activities has set minimum standards for all providers of postal and courier services in the country. If competitive companies comply with the provisions in collective labour contract, no significant competitive advantage can be acquired due to lower paid labour in competitive companies.

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