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Russian Post Facing Reorganization and Privatization

By The Moscow Times

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Impending reform, including privatization, of the country's mail services promises to erase Russian Post's monopoly on the market and allow private express couriers, such as UPS and DHL, to operate without having their tariffs regulated by state organs.

The Communications and Press Ministry plans to finalize the draft bill regarding the ownership and structure of the postal service by Sept. 15 and present it to the Duma in the fall session, Communications and Press Minister Nikolai Nikiforov said.

The draft bill will remove the ban on the sales of shares in the company, Kommersant reported, based on information from the bill's working group, which includes officials from the Communications and Press Ministry, Finance Ministry, Federal Anti-Monopoly Service and Economic Development Ministry.

The final bill envisions creating two types of postal companies in Russia: a universal mail

provider and courier services companies.

The courier companies will need to get licenses to operate in the regions, after which they will be able to offer all types of postal services except for the delivery of regular mail correspondence. They will also be able to set their own prices for their services.

The couriers are not expected to cause major financial losses to Russian Post since the state company's profits from express mail are fairly small, a Communications and Press Ministry spokesman told Kommersant.

In 2003, the Russian government first announced its intention to privatize Russian Post, though members of the working group tasked with drafting the new legislation still believe that the company should remain a public entity.

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