

Press Release

Monopolies Commission warns: VAT exemption for Deutsche Post could squeeze out competitors

Bonn, 10 December 2025 - In its sector report on postal services presented to the German government today, the Monopolies Commission warns against granting Deutsche Post a VAT privilege. **'An exclusive VAT exemption for Deutsche Post's business customer letters would probably drive most of its competitors out of the market,'** warns Tomaso Duso, Chairman of the Monopolies Commission. The German government is currently considering such a privilege. This would put Deutsche Post at a clear competitive advantage among important customer groups that are not entitled to deduct input tax. These include public authorities, banks and insurance companies. These customer groups account for around 60 per cent of the letters transported by competitors. The Monopolies Commission recommends that VAT be levied on all business customer letters, regardless of whether they are sent via Deutsche Post or competitors.

Further Privileges for Deutsche Post Distort Competition

Besides the VAT exemption, which may soon become exclusive, Deutsche Post also benefits from generous regulations governing its charges for letters and parcels. Cross-subsidies within the company are legal and profit margins are based on the returns on sales of companies such as Ferrari, L'Oréal and Adidas rather than on standard market rates based on return on capital. Such privileges distort competition. In the letter segment, Deutsche Post's competitors currently account for only around 15 per cent of total sales. In the private customer sector, competitors hold less than five per cent of the letter business. The Monopolies Commission recommends securing and promoting competition in the letter sector in the long term. **'We still want Christmas cards to continue to be delivered, even if Deutsche Post were ever to abandon its letter business. That's why we need alternative service providers,'** emphasises Duso. In Denmark, the former state monopoly PostNord decided to end its letter operations as of the beginning of 2026. Declining letter volumes, advanced digitalisation and the abolition of legal requirements have led to this decision. A national competitor has announced to guarantee letter delivery from 2026 onwards.

Five Delivery Days instead of Six: Lower Costs

In political discourse, the privileges granted to Deutsche Post are often justified by its universal service obligations. They include, among other things, six delivery days per week and nationwide accessibility. Politicians had already relaxed certain requirements in 2024, e.g. with regard to letter delivery times. In view of the declining relevance of letter mail, the Monopolies Commission considers the legal requirements too high: **'We must reduce the standards of**

basic service and thus lower the overall costs. Five delivery days per week are completely sufficient,' says Tomaso Duso. Such a reduction would be permissible under EU law. Consumers and businesses could also benefit from these savings through lower postage prices. In addition, the Monopolies Commission recommends planning the necessary adjustments to basic postal services in a forward-looking and long-term manner – especially in view of advancing digitalisation.

Opportunities Arising from the New Postal Act

The Monopolies Commission has given an overall positive assessment of the modernised Postal Act, which has been in force since July 2024. It offers new opportunities to strengthen competition. Now it is up to the German Federal Network Agency to act. With more consistent regulation of Deutsche Post, particularly with regard to limiting legal cross-subsidies, it can take advantage of these opportunities.

About the Monopolies Commission

The Monopolies Commission is an independent advisory body to the Federal Government and Parliament on issues of competition policy, antitrust law, and regulation. The Commission consists of five members appointed by the Federal President on the recommendation of the Federal Government. Professor Tomaso Duso has served as Chair of the Commission since 2024.

For Editors:

- [Full Sector Report Post \(in German\)](#)
- Press photographs: [Tomaso Duso](#) and [Monopolies Commission](#)

Press Contact:

Michelle Busch
+49 (0)228 33 888 2- 56
presse@monopolkommission.bund.de
www.monopolkommission.de