

December 27, 2009

Press Release

Minister of Communications Moshe Kahalon objects privatizing the Israel Postal Company

=====

In early January 2008, Ministry of Communications granted the Israel Postal Company a license that to provide 28 different new services, with a view to widen the postal company's income base and so to strengthen its financial robustness. Included among those new services were emailing services, insurance services, sale of office merchandise, logistics services, deposit distribution, and more.

With regard to the Postal Bank, Minister Kahalon clarified that there is no intention to turn the bank into a commercial bank that would compete with the big banks, and that the bank would remain an integral part of the Postal Company, with the bank's revenues supporting the Postal Company's operations.

The plan is to turn the Postal Bank into a corporation, while examining options to widen its financial activities so that the bank can pay its customers interest. Under the Postal Company's General License, the Ministry of Communications has recently allowed the Postal Bank to provide credit to small businesses as well as to supply dedicated credit services.

With regard to the employees, Minister Kahalon has on several occasions announced his obligation to safeguarding the rights of the Postal Company's employees, and has said that the steps he is leading are meant to strengthen the Postal Company, being the entity in charge of providing universal postal services.

Minister of Communications Moshe Kahalon: "No step would be taken without cooperating with the employees and the Histadrut labor federation. I intend to turn the Postal Bank into a social bank, which will aim its activities at society's lower economic layers and at small businesses, and will promote important social goals".

Dr. Yechiel Shabi
Spokesman
050-6236001
shabiy@moc.gov.il