



The FFPI expresses concern about continued protectionism and entrenchment of national champions in the European postal sector

Brussels, 17 March 2006 – The Free and Fair Post Initiative (FFPI) remains concerned about the continued protectionism in the postal sector which denies everyone in Europe the economic benefits or market integration: Higher growth and more jobs.

The European Commission has strongly condemned the new wave of protectionism that is sweeping over Europe and endangering the Internal Market. Commissioner for Internal Market Charlie McCreevy, views these developments as contrary to the public good, to consumer and shareholder interest and to the goal of creating sustainable long term employment.

The European postal sector is, mainly due to the lack of mandatory full liberalisation at the European level, still dominated by the promotion of national champions that rely on stable revenues from their remaining letter monopolies to expand nationally and abroad into neighbouring markets such as logistics and transport.

It comes as no surprise that consumers many times are charged hefty prices for the mail services they rely on that are provided by the monopolists. As pointed out by the FFPI annual comparative stamp price analysis in the EU of December 2005, prices have continued rising last year. The FFPI has expressed its concern about this upwards trend that has now been confirmed over a four-year period and has called on national regulators to look into this phenomenon with more attention.

Germany has one of the highest prices for a stamp for a basic domestic letter among the EU25. According to its recently (14 March 2006) released financial results, the German Post is incurring strong losses in its commercial activities e.g. in its express division, DHL, while the domestic mail monopoly business of Deutsche Post continues being highly profitable. The FFPI is concerned that postal users in Germany are paying unjustified stamp prices for their basic universal postal service, which should be set at cost price and not at a level that allows the Post Office to be able to invest and lose in other services and other markets outside Germany.

High stamp prices are a problem for the user and a barrier for competitors to enter the market. Postal Regulators should become more active in controlling tariffs by enforcing the 'geared to cost' concept provided for in the EU Postal Directive, therefore helping to reduce cross subsidisation.

2006 will be a crucial year in the process of liberalisation of postal services and, thus, it is fundamental to ensure that the EU requirements on transparency and pricing are respected to guarantee a smooth transition to a finally open market.



ANNEX
Stamp prices in the EU-25 for basic domestic letters¹

28 November 2005

Country	Stamp price in euro	Max letter weight	Comments
Austria	0,55	20 gr	The price for a letter between 20 and 50 gr is 0,75 euro.
Belgium	0,44	50 gr	First class mail stamp price is 0,50 euro. Prices will be raised in 2006.
Cyprus	0,35	20 gr	The price for a letter between 20 and 100 gr is 0,43 euro. Prices will be revised in 2006.
Czech Republic	0,25	20 gr	On 1 June, stamp prices increased from 0,20 to 0,25 euro for second class mail. The price for a letter between 20 and 50 gr is 0,30 euro.
Denmark	0,58	50 gr	First class mail stamp price is 0,61 euro. Postage rates for domestic letters are expected to increase in January 2006. The standard letter will increase to 0,60 euro and first class mail to 0,64 euro.
Estonia	0,28	20 gr	The price for a letter between 20 and 50 gr is 0,30 euro. In January 2006, both international and domestic registered mail tariffs will increase (0,38 euro).
Finland	0,43	50 gr	Prices excluding 22% VAT. 0,51 euro for first class mail. Finland will increase its postal fees in 2006: The prices of domestic mail with a maximum weight of 50 gr will remain unchanged, and the prices of other weight categories will be reviewed.
France	0,53	20 gr	The price indicated is the one of priority mail (<i>service rapide</i>), most commonly used by consumers. The second class service (<i>ecopli</i>) is 0,48 EUR. In March 2005 the price of stamps rose from 0,50 to 0,53 euro for priority mail and from 0,45 to 0,48 for the economic service.
Germany	0,55	20 gr	For 2006 the cost of stamps for domestic standard letters will remain unchanged, the cost of sending standard letters within Europe will increase from 0,55 euro to 0,70 euro.

¹ Data gathered on the websites of national Postal Operators and through direct contacts with Postal Operators and Regulatory Authorities.



			The price for letters from 20 to 50 gr will decrease from 0,95 to 0,90 euro.
Greece	0,44	20 gr	The price for a letter between 20 and 50 gr is 0,66 euro. First class mail stamp prices are 0,49 euro (>20 gr) and 0,69 euro (>50 gr). A revision of prices for 2006 is under consideration.
Hungary	0,20	30 gr	The price for a letter between 30 and 50 gr is 0,27 euro. First class stamp prices are 0,35 and 0,47 euro (>50gr).
Ireland	0,48	100 gr	The Irish postal regulator is considering an application from An Post to have stamp prices increased from 0,48 to 0,60 euro in 2006.
Italy	0,45	20 gr	The price for a letter between 20 and 50 gr is 0,85 euro. First class mail stamp prices are 0,60 euro (>20 gr) and 1,40 euro (>50 gr). A potential change of tariffs and/or price structure is likely to take place in January 2006.
Latvia	0,22	20 gr	The price of a letter between 20 and 100 gr is 0,50 euro. The Latvian Post expects to review prices in 2006.
Lithuania	0,29	20 gr	The price for a letter between 20 and 100 gr is 0,40 euro.
Luxembourg	0,50	20 gr	The price for a letter between 20 and 50 gr is 0,70 euro.
Malta	0,16	50 gr	Stamp price is 0,25 euro for letters between 50 and 100 gr These prices will be revised in 2006.
Netherlands	0,39	20 gr	The price for a letter between 20 and 50 gr is 0,78 euro. The Dutch Ministry of Economic Affairs decided to cap prices until 1 January 2006 and TPG decided not to increase them before 2007.
Poland	0,33	50 gr	In January 2005, stamp prices increased from 0,30 to 0,33 euro for second class mail. First class mail stamp prices increased from 0,41 to 0,51 euro.
Portugal	0,30	20 gr	Prices were revised on January 2005, standard and first class mail stamp prices remained unchanged. The price for a letter between 20 and 50 gr increased from 0,45 to 0,46 euro.
Slovakia	0,23	20 gr	On 1 January 2005 the stamp price for a basic letter increased from 0,20 to 0,23 euro. The price for a letter between 20 and 50 gr increased to 0,25 euro.



			First class mail stamp prices increased from 0,36 to 0,38 euro.
Slovenia	0,20	20 gr	The price for a letter between 20 and 100 gr is 0,40 euro.
Spain	0,28	20 gr	Price increase of 1 eurocent for second class mail and by 5 eurocents for first class mail on January 2005. The price for a letter between 20 and of 50 gr is 0,40 euro. First class mail stamp price is 1,95 euro.
Sweden	0,41	20 gr	Price excluding 25% VAT. The price for a letter from 20 to 100 gr is 0,84 euro. First class mail stamp price is 0,46 euro.
United Kingdom	0,30	60 gr	First class mail stamp price is 0,44 euro. A new "pricing in proportion" scheme will come into force in August 2006, letter prices will depend on size as well as weight: i.e. prices will remain stable for small size letters and increase for large size letters.

Countries that increased stamp prices in 2005 are marked in red.

Exchange rates with euro calculated on 17 November 2005 at 15.36.05 GMT

Source: <http://finance.yahoo.com/currency>

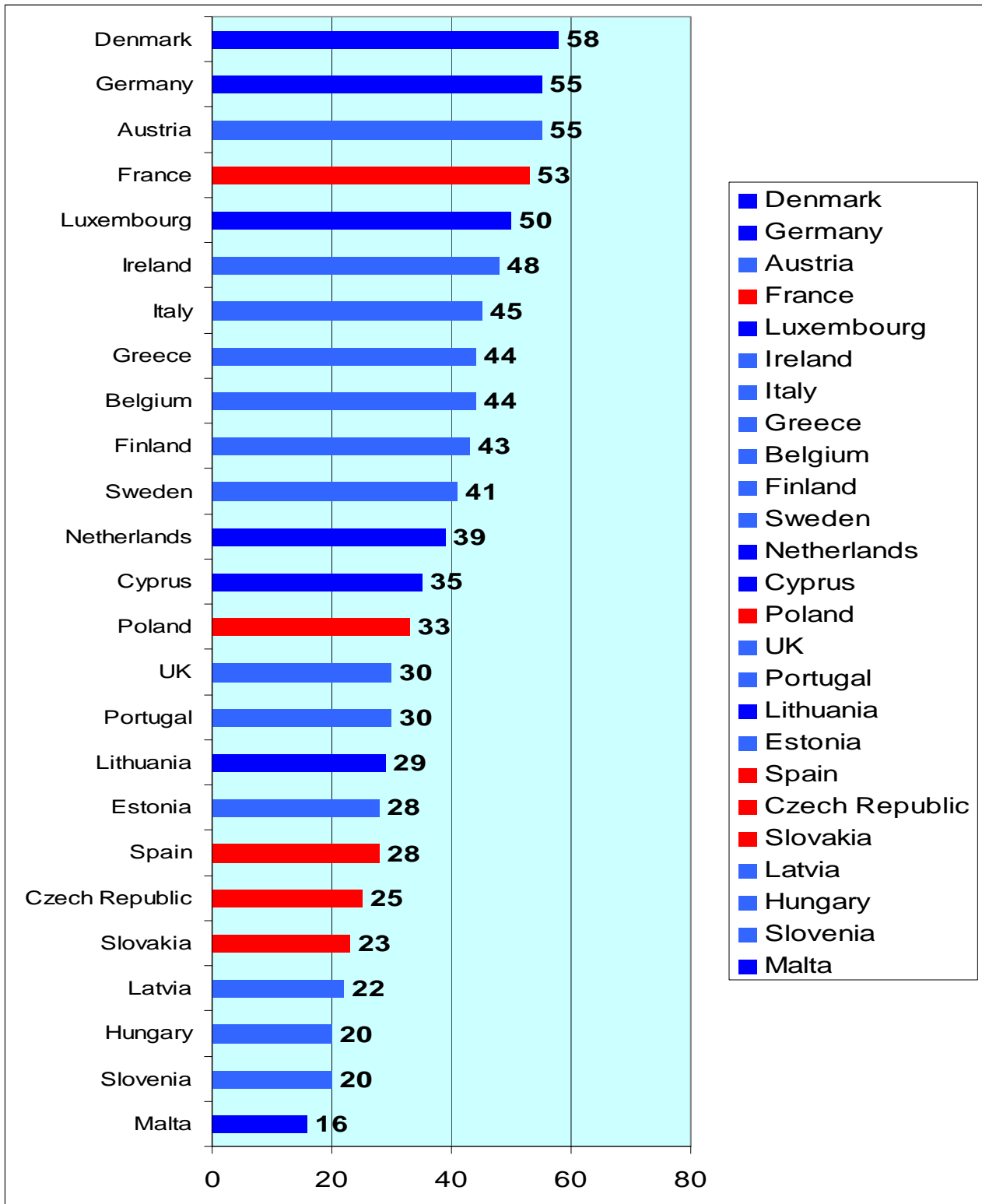
Note to the editor:

The Free and Fair Post Initiative (FFPI) is a unique European initiative that brings together users and competitors of the public postal operators who strongly believe in the benefit of a liberalised and more competitive postal market. Through its membership, the FFPI currently represents more than 7,1 million companies. The FFPI key objectives are to secure full liberalisation of postal services that should be in 2009 at the latest and a fair playing field in the postal sector to prevent public postal monopolies to turn into private ones.

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2005 EU Stamp Price Chart – Prices in Euro cents



* The price indicated for France is the one of priority mail (service rapide), most commonly used by consumers. The second class service (ecopli) is 0,48 EUR.