



Press Release

## Stamp price gap grows as European postal sector prepares for market opening

Brussels, 8 December 2005 – The Free and Fair Post Initiative (FFPI) today released its fifth survey on stamp prices in the European Union (EU). The study, which covers the 25 EU member States, reveals that 20% of EU countries have increased stamp prices in the course of 2005 and that price differences are still wide.

The annual comparative analysis of the FFPI points out that prices of stamps for basic domestic letters have increased in 5 member States<sup>1</sup> during this year. In addition, the survey reports that the gap in prices between the old and new EU member States is still widening. It is in fact important to notice that costs have risen in 3 countries from the EU-15, therefore further enlarging the difference with the price in the new member States.

Although price trends have stabilised during 2005 in comparison with previous years, the number of requests for domestic letter price reviews (10 in December 2005<sup>2</sup>) that have been filed by postal operators and that will be decided upon in 2006 suggests that operators are indeed adjusting price levels in anticipation of market opening and full competition.

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.

The reduction of the reserved area to items of correspondence weighing less than 50 grams and costing less than two-and-a-half times the basic tariff on the 1<sup>st</sup> of January 2006, has led to a number of strategic reviews on the part of the Universal Service Providers. Some of these changes seem to focus on promoting added value mail categories (i.e. first class mail) at the detriment of the less profitable standard domestic mail, expecting the latter to be phased out by the new telecommunication technologies. *“The introduction of new limits to the reserved area should not become an excuse to overprice users and consumers. I believe that it is in the interest of the incumbents to be forthcoming and work for transparent tariff setting in the EU, ensuring that stamp prices are indeed cost based. The role of the Regulators in this regard is vital: They shall maintain checks and balances to ensure that excessive pricing and profits are avoided and that the revenue generated via reserved services is only used for the purpose of financing the alleged burden of the universal service obligation”*, said FFPI President, Philippe Bodson.

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.

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<sup>1</sup> Czech Republic, France, Poland, Slovakia, Spain.

<sup>2</sup> Belgium, Cyprus, Denmark, Estonia, Greece, Ireland, Italy, Latvia, Malta, UK.



## Stamp prices in the EU-25 for basic domestic letters<sup>3</sup>

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. The price for letters from 20 to 50 gr will decrease

<sup>3</sup> Data gathered on the websites of national Postal Operators and through direct contacts with Postal Operators and Regulatory Authorities.

			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

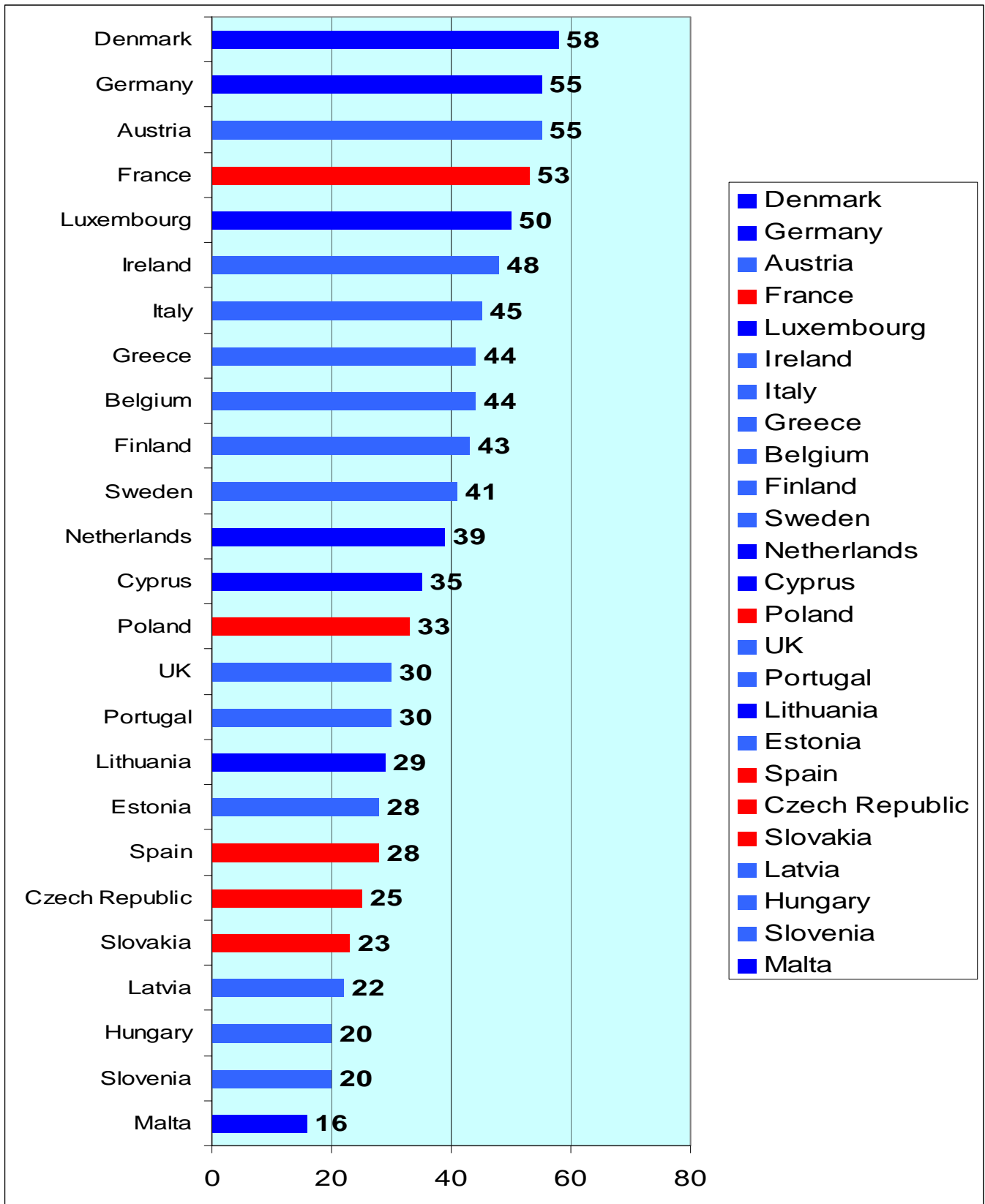
Source: <http://finance.yahoo.com/currency>

**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.

For more information, visit the FFPI website [www.freefairpost.com](http://www.freefairpost.com) or contact Valeria Fagone. Tel: 32-2-777.05.35. Fax: 32-2-777.05.36. E-mail: [info@freefairpost.com](mailto:info@freefairpost.com).

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.