



Press Release

## **FFPI's 2002 survey reveals alarming trend towards increases in stamp prices**

Brussels, 16 December 2002 – The Free and Fair Post Initiative (FFPI) today released its second EU stamp price survey. The annual study reveals remarkable continued pressure by postal operators for price increases in a number of countries and a worrying trend towards changes in the traditional stamp price structure.

The FFPI's research report on stamp prices in the 15 EU Member States demonstrates that the significant stamp price differences registered in 2001 have not been reduced. This shows that users in several countries are still being overcharged. In addition, postal users now have to pay more for a basic domestic letter than last year in Finland, Greece, Ireland, Portugal, Spain, and Sweden. Furthermore, in several EU States, national postal operators have applied to the Postal Regulators requesting further price rises. *"This year results confirm that European postal users are treated very differently but also that they are overcharged. I am convinced that as long as markets will remain closed or only limitedly opened to competition, postal users will continue to lack choice and quality of postal services and will therefore pay excessive prices for sending their letters"*, said FFPI President, Philippe Bodson.

The FFPI chart highlights that some EU postal operators have recently changed their price structure extending the threshold for basic postal tariffs from 20 to 50 grams. Postal operators have promoted this change as positive for postal users who undisputedly now can send heavier items for the standard price. However, the FFPI considers that national postal regulators and the European Commission need to monitor these developments closely in order to ensure that the changed price structure is not used by postal operators as a smokescreen for de facto increases of stamp prices.

The 20 grams weight limit is by far the most used standard in the sector: It represent two A4 paper sheets and an envelop, and amounts to more than 72% of the current reserved postal market (from 0 to 350 grams). If you add mail up to 50 grams, the percentage rises to only 77% that is 5% more. The impact on the market is therefore minimal. However, some postal operators have already used the changed price structure as an "excuse" to increase basic stamp prices; others are planning to follow the example. *"Postal users will be penalised by the price structure change since this process will end up with a general rise in cost for the postal users. It is important that uniformity and transparency are guaranteed, or the users will continue to be the victims of the monopolies' interests"*, commented Bodson.

Furthermore, the FFPI fears that the weight threshold increase may be used by postal operators as an argument to prevent future steps towards the full liberalisation of the EU postal market. The existing Postal Directive provides that the EU postal sector will not be liberalised for letters up to 50 grams, and that consideration of further opening of the market will take place in 2009. By eliminating the 20 grams threshold, postal operators are clearly seeking to expand the scope for what is perceived as a standard postal item. In the heavily politicised and often emotional debate on EU postal liberalisation, the FFPI is concerned that this change of perception may be

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used as a political argument to protect this expanded “basic tariff” area to limit and block further market liberalisation. *“It is of crucial importance that the EU Postal Directive is implemented fully and correctly by all Member States within the timeline provided for in the Directive itself. The European Commission has a fundamental role in ensuring that all provisions are respected and that no mock reforms are introduced that would risk delaying the EU liberalisation process. As pointed out by the European Commission in its recent report on the status of the European postal sector, liberalisation brings higher quality of service and wider choice, while guaranteeing employment and the maintenance of the universal service obligation”*, added Bodson.

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 Web site [www.freefairpost.com](http://www.freefairpost.com) or contact Axel Rindborg. Tel: 32-2-777.05.35. Fax: 32-2-777.05.36. E-mail : [info@freefairpost.com](mailto:info@freefairpost.com).



## Stamp prices in the EU for basic domestic letters

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| Country         | Stamp price in euro | Max letter weight | Comments   |
|-----------------|---------------------|-------------------|--|
| Austria         | 0,51                | 20 gr             | The price for a letter between 20 and 50 gr is 0,58 euro   |
| Belgium         | 0,41                | 50 gr             | 0,49 euro for first class mail (delivery within one day)   |
| Denmark         | 0,50                | 20 gr             | 0,54 euro for first class mail   |
| Finland         | 0,35                | 50 gr             | Price without 22% VAT<br>0,41 is the price without VAT for first class mail.   |
| France          | 0,46                | 20 gr             | La Poste's request for a price rise was rejected by the French Government in July, but a new request might be considered in 2003.  |
| Germany         | 0,56                | 20 gr             | A reduction to 0,55 is planned to take place on 1.1.2003. More stamp price changes could follow from 2004, depending on inflation rates.   |
| Greece          | 0,40                | 20 gr             | Price increase of 2 cents from 2001. 0,45 euro for priority mail   |
| Ireland         | 0, 41               | 50 gr             | Price in Ireland has been raised of 3 cents and Irish Post has applied to ODTR, the national regulator, for a further increase.  |
| Italy           | 0,41                | 20 gr             | 0,62 euro is the price for first class letter of max 20 gr.  |
| Luxembourg      | 0,45                | 20 gr             | 0,59 for letter between 20 and 50 gr   |
| Portugal        | 0,28                | 20 gr             | Price increase of 2 cents from 2001  |
| Spain           | 0,25                | 20 gr             | 1 cent increase from 2001  |
| Sweden          | 0,40                | 20 gr             | <ul style="list-style-type: none"><li>• This is the price excluding 25% VAT.</li><li>• First class price is 0,44 euro excluding VAT.</li><li>• Stamp prices in Sweden will increase on 1.1.2003: 0,44 euro will be the new price for a second-class basic domestic tariff.</li></ul> |
| The Netherlands | 0,39                | 20 gr             | The Dutch Ministry of Economic Affairs in November 2002 decided on price freeze until end of 2006.   |
| United Kingdom  | 0,30                | 60 gr             | First class price is 0,42 euro.<br>Royal Mail is challenging the UK Regulator's decision to impose a three-year price freeze.  |

Countries that increased stamp prices in 2002.

The Free and Fair Post Initiative

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