

POSTAL SERVICES - STILL WIDE DIVERGENCES IN STAMP PRICES ACROSS EU.

The price of a stamp for a standard domestic letter continues to diverge widely between the EU Member States, according to statistics from the pro-liberalisation lobby, the Free and Fair Post Initiative (FFPI). The cheapest place for a stamp is Spain, where it costs just 25 cents, while the most expensive is Germany at 56 cents. The FFPI, which brings together postal users and competitors who favour more market opening, complains that consumers are still being overcharged. It notes that some Member States have recently raised the weight threshold that defines a "standard letter" from 20g (two A4 paper sheets and an envelope) to 50g. The public postal operators maintain that this gives their customers better value for money because they can send a heavier letter for the same price. However, the FFPI fears that this is simply a smokescreen for subsequent price increases. It claims that 72% of mail in the reserved end of the market (350g or less) weighs less than 20g, while only 5% weighs between 20g and 50g, so the impact of the increase in the threshold is minimal. But it believes that public postal operators will use the new threshold as an excuse for blocking further liberalisation when there is a review in 2009. It feels that the operators are trying to expand the scope of what is perceived as a standard postal item for which monopolies should be allowed. The EU's updated Postal Directive (39/2002/EC) slashed this weight threshold from the current limit of 350g, to 100g in 2003 and 50g in 2006. The net effect should be to increase the proportion of Europe's letter market open to competition from 3% to some 23%.
(BB).