



Press Release

2003 stamp price survey confirms worries on excessive tariffs in Europe

Brussels, 15 December 2003 – The Free and Fair Post Initiative (FFPI) today released its third EU stamp price survey. The study, which this year also covers the ten new EU Member States, confirms the trend towards price increases and highlights the remarkable gaps that exist among current Member States and between them and the accession countries.

The FFPI's research shows that the wide price differences registered in 2002 have not been reduced and that tariffs have in most States registered further raises. In 11 out of 15 current EU Member States stamp prices have been increased in the past year. In addition, requests for price reviews have been filed by postal operators in some countries where decisions are still pending and will likely be taken in 2004.

This tendency confirms the concern voiced by the FFPI in the past few years. Constant price increases are a real problem that needs to be urgently and firmly tackled to avoid that users continue being overcharged. *"I am concerned by the results of this year's analysis of postal tariffs. I fear that, in a number of cases, prices are neither geared to costs nor affordable in the meaning of the EU Postal Directive. The lack of clear methods to calculate costs incurred by the Postal Operators and for setting prices significantly contributes to this concerning situation for the postal users. I see a clear need for more transparency: an effective and uniform oversight of tariffs at EU level is required"*, said FFPI President, Philippe Bodson.

In addition to considering the quality of services provided, another element to compare prices and verify whether they are adequately set is looking at the margins of the postal operators. It seems that some major European players have monopoly profits that exceed what needed for the provision of the universal service. *"Recent history shows that high monopoly returns tempt incumbents to use them to expand their services into new product areas and foreign markets, while users pay an unjustified prices for a basic universal service"*, added Bodson.

As regards the new States, the FFPI survey reveals that the average stamp price in the accession countries is around half the average stamp price in current Member States. However, it appears that, if taking into consideration criteria such as quality of service and the average income of the new Member States' citizens, the affordability of basic postal services in these countries appears not to be very high. As reported in a recent European Commission's study on postal networks in accession countries¹, prices have increased substantially in the new Member States in the past five years. A striking example is the one of Poland having raised its prices by 205% between 1998 and 2003, considering that the Polish market represents almost 50% of the whole accession countries postal sector. High prices are sometimes justified by low volumes of mail or by inflation but they have so far been set by political decision rather by a national independent authority analysing all the relevant factors. *"None of the ten new Member States has yet transposed the Postal Directive. I am confident that the European Commission will be closely scrutinizing the full and correct*

¹ Survey on some main aspects of postal networks in EU accession candidate countries, Wik Consult, August 2003.



implementation of the EU legislation in the postal sector particularly as regards transparency of accounts and tariff setting”, added Bodson.

Finally, the FFPI chart also confirms a change already signalled in 2002: The tendency of some incumbents in existing Member States to modify the price structure of their stamps by enlarging the threshold for basic postal tariffs from 20 to 50, 60 or even 100 grams. *“It is important that the National Regulators and the European Commission stay vigilant to ensure that the price structure change, promoted by the Postal Operators as an advantage for users and consumers, does not end up in an expansion of the monopoly areas and as a further obstacle to the liberalisation of the postal market”,* concluded Bodson.

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 Web site www.freefairpost.com or contact Valeria Fagone. Tel: 32-2-777.05.35. Fax: 32-2-777.05.36. E-mail: info@freefairpost.com.

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Stamp prices in the EU-25 for basic domestic letters²

15 December 2003

| Country | Stamp price in euro | Max letter weight | Comments |
|-----------------------|---------------------|-------------------|---|
| <i>Austria</i> | 0,55 | 20 gr | <ul style="list-style-type: none"> - The price for a letter between 20 and 50 gr is 0,75 euro. - The price for a basic letter was raised by 4 cents. |
| Belgium | 0,41 | 50 gr | 0,49 euro for first-class mail. |
| Cyprus | 0,35 | 20 gr | The price for a letter between 20 and 100 gr is 0,43 euro. |
| <i>Czech Republic</i> | 0,20 | 20 gr | The price for a letter between 20 and 50 gr is 0,25 euro. |
| <i>Denmark</i> | 0,54 | 20 gr | <ul style="list-style-type: none"> - 0,57 euro for first-class mail. - Price increase of 4 cents (basic mail) and 3 cents (first-class mail) from 2002. On Jan 1 2004 prices will be raised again by 3 cents (basic mail) and 4 cents (first-class mail). |
| Estonia | 0,28 | 20 gr | The price for a letter between 20 and 50 gr is 0,30 euro. |
| <i>Finland</i> | 0,43 | 50 gr | <ul style="list-style-type: none"> - Price excluding 22% VAT. - 0,51 euro (excluding 22% VAT) for first-class mail. - Prices were raised in March 2003 by 5 cents. |
| <i>France</i> | 0,50 | 20 gr | <ul style="list-style-type: none"> - The price for a letter between 20 and 50 gr is 0,75 euro. - In August 2003 the basic stamp price was raised by 4 cents. |
| Germany | 0,55 | 20 gr | <ul style="list-style-type: none"> - The price for a letter between 20 and 50 gr is 1,00 euro - Price decrease of 1 cent as of 1st January 2003. |
| <i>Greece</i> | 0,42 | 20 gr | <ul style="list-style-type: none"> - The price for a letter between 20 and 50 gr is 0,63 euro. - First-class mail stamp prices are 0,47 euro (20 gr) and 0,67 euro (50 gr). - Price increase of 2 cents from 2002. |
| Hungary | 0,17 | 30 gr | The price for a letter between 30 and 100 gr is 0,27 euro. |

² Data gathered through contacts with national Postal Operators and Regulatory Authorities.



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|-------------------|------|--------|--|
| <i>Ireland</i> | 0,48 | 100 gr | <ul style="list-style-type: none"> - Prices were raised by 7 cents on 20th August 2003. - Change of price structure: the maximum weight of a basic domestic letter has increased from 50 gr to 100 gr. |
| Italy | 0,41 | 20 gr | <ul style="list-style-type: none"> - The price for a letter between 20 and 100 gr is 0,77 euro. - First-class mail stamp prices are 0,62 euro (20 gr) and 1,24 euro (100 gr). |
| Latvia | 0,23 | 20 gr | <ul style="list-style-type: none"> - The price for a letter between 20 and 40 gr is 0,31 euro; the price for a letter between 40 and 60 gr is 0,38 euro. - Probably, prices will be increased in 2005. |
| Lithuania | 0,29 | 20 gr | The price for a letter between 20 and 100 gr is 0,40 euro. |
| <i>Luxembourg</i> | 0,50 | 20 gr | <ul style="list-style-type: none"> - The price for a letter between 20 and 50 gr is 0,70 euro. - On 1st August 2003 prices were raised by 5 cents (20 gr) and 11 cents (50 gr). |
| Malta | 0,16 | 50 gr | |
| Netherlands | 0,39 | 20 gr | <ul style="list-style-type: none"> - 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 1st January 2005. |
| <i>Poland</i> | 0,26 | 20 gr | <ul style="list-style-type: none"> - The price for a letter between 20 and 50 gr is 0,28 euro. - First-class mail stamp prices are 0,38 euro (20 gr) and 0,41 euro (50 gr). |
| <i>Portugal</i> | 0,30 | 20 gr | <ul style="list-style-type: none"> - The price for a letter between 20 and 50 gr is 0,46 euro. - First-class mail (blue mail) stamp prices are 0,43 euro (20 gr) and 0,60 euro (100 gr). - Price increase of 2 cents from 2002. |
| Slovakia | 0,17 | 20 gr | <ul style="list-style-type: none"> - The price for a letter between 20 and 50 gr is 0,22 euro. - First-class mail stamp prices are 0,29 euro (20 gr) and 0,32 euro (50 gr). - On 1st January 2004 the stamp price for a basic letter will be raised by 2 cents. First-class mail stamp prices will be raised by 5 cents. |
| <i>Slovenia</i> | 0,13 | 20 gr | <ul style="list-style-type: none"> - Prices excluding 20% VAT. - Non-standard size domestic letter costs 0.15 euro - Stamp prices were raised in January 2003. |



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| <i>Spain</i> | 0,26 | 20 gr | <ul style="list-style-type: none">- The price for a letter between 20 and 50 gr is 0,39 euro.- First-class mail stamp prices are 1,85 euro (20 gr) and 2,00 euro (50 gr).- Price increase of 1 cent from 2002. |
| <i>Sweden</i> | 0,42 | 20 gr | <ul style="list-style-type: none">- Prices excluding 25% VAT.- The price for a letter up to 100 gr is 0,84 euro.- First-class mail stamp prices are 0,46 euro (20 gr) and 0,92 euro (100 gr).- Price increase of 2 cents from 2002. |
| <i>United Kingdom</i> | 0,30 | 60 gr | <ul style="list-style-type: none">- First class price is 0,42 euro.- Stamp prices were raised by 1p in May 2003. |

Countries that increased stamp prices in 2003.



EU Stamp Price Chart – Prices in Euro Cents

