

## Short note on the study “Comparison of prices of the providers of the Universal Postal Service in the European Union in 2010”

### 1 Introduction

The purpose of this study is to present a comparison of the prices of the postal services most used and belonging to the universal postal service (US) and provided by the universal service providers (USP) of each Member State of the European Union. It also characterizes the price trend over the last three years. As in previous years, comparisons relate to the average of all EU countries, and also of the 15 countries<sup>1</sup> (EU15) which belonged to the EU until 1995, since for political and economic reasons these countries had a different degree of development.

As in the previous studies carried out by this body<sup>2</sup>, the services evaluated here are based on mail up to 20g for national and intra-community mail in the EU, priority and non-priority, and non-priority national parcels up to 2kg. The selection of these services took into account their fair representation in terms of volume and revenue, both in Portugal and in the other Member States.

The prices of the services analysed in the 2008, 2009 studies and this 2010 one relate to the month of October, so that all comparisons presented in the price analyses relate to his month.

### 2 Methodology

For a more complete analysis of prices at community level, as before we have opted in this study to use the following methodological options:

- a) Comparison of prices based on the exchange rate (Annex II) and on PPP. The value of PPP was calculated using the EUROSTAT<sup>3</sup> indexes for the different countries and using Portugal as a base.
- b) Inclusion of VAT<sup>4</sup> where applicable<sup>5</sup>, since they were made from the user’s perspective.
- c) Prices relate to the month of October.
- d) Price averages were calculated excluding Portugal, except when stated otherwise.

### 3 Priority national mail

The criterion used for selecting the services was the cost for a private user to send a letter in a standardized format of up to 20 grams within most of the national territory, in priority mode, using the universal postal service, delivered on the day after collection.

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<sup>1</sup> Germany, Austria, Belgium, Denmark, Spain, Finland, France, Greece, Netherlands, Ireland, Italy, Luxembourg, Portugal, United Kingdom, and Sweden.

<sup>2</sup> <http://www.anacom.pt/render.jsp?contentId=984242>

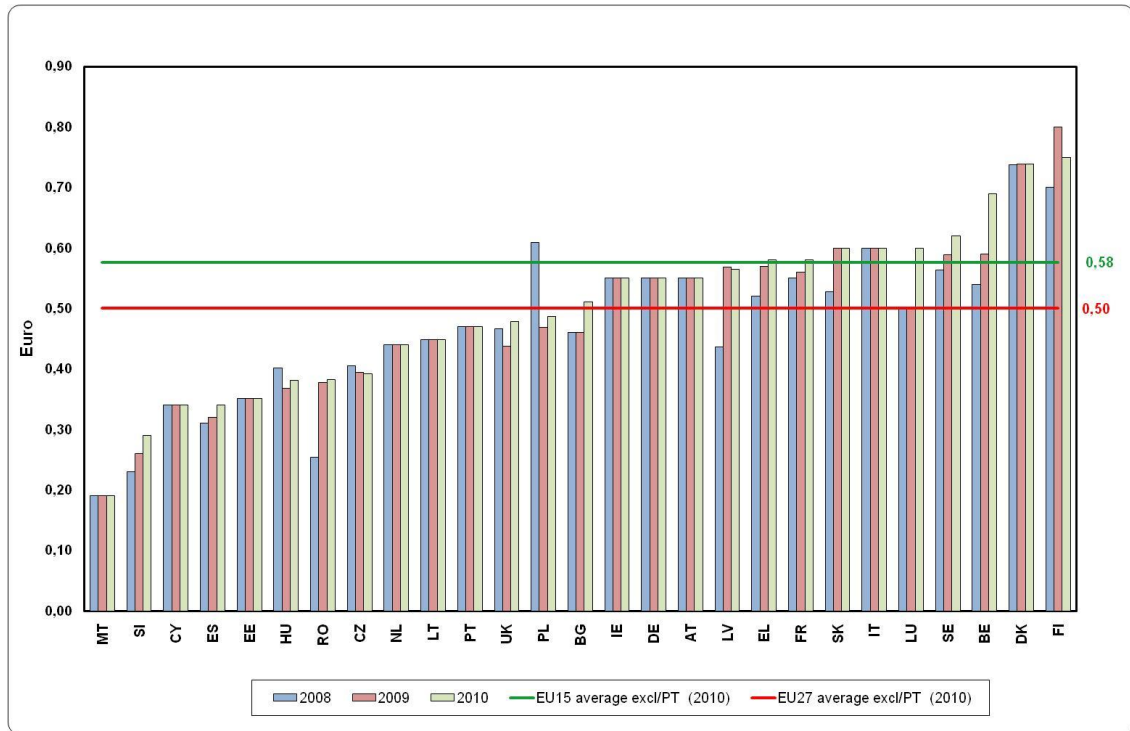
<sup>3</sup> [http://epp.eurostat.ec.europa.eu/portal/page/portal/product\\_details/dataset?p\\_product\\_code=TSIER010](http://epp.eurostat.ec.europa.eu/portal/page/portal/product_details/dataset?p_product_code=TSIER010)

<sup>4</sup> VAT: Slovenia (22%), Spain (18%), Finland (22%), Italy (20%), Latvia (21%), Malta (18%), and Sweden (25%).

<sup>5</sup> This criterion was also followed in the 2006 study by WIK-Consult as well as by Eurostat, for example in its publication 25/2008. The FFPI however, in its “Stamp Price Survey” study, opted for a business perspective, excluding the VAT for the few countries that apply it.

Taking the exchange rates (vide Figure1) as the base of the price comparisons, it shows that the priority national mail price average rose 2% (1.0 €cts) compared with 2009, currently costing 0.50 Euros.

Figure 1: Comparison of prices of priority national mail



Source: ICP - ANACOM

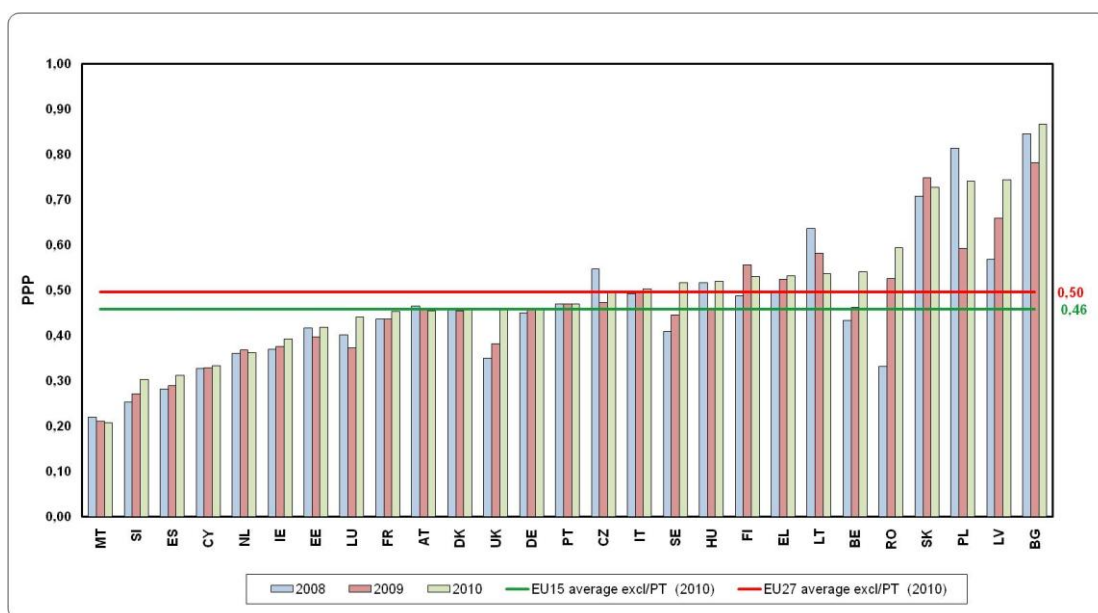
Based on the information collected since 2008, the EU 15 price average is higher than the EU price average. The difference between the highest price and the lowest price charged in the EU in 2010 is 0.56 Euros<sup>6</sup>.

The PPP-based price comparison, Figure 2, shows that in 2010 the EU countries average is 8% above the average of the EU 15 countries<sup>7</sup>.

6 In 2009 and 2008 the difference between the highest and the lowest price was 0.61 and 0.55 Euros.

7 In 2009 and 2008 this figure was, respectively, 7% and 12%.

Figure 2: Comparison of prices of priority national mail using PPP



Source: ICP - ANACOM

There is a 5.6% increase in the EU average (from 0.47 in 2009 to 0.50 in 2010), while the EU15 average rises 4.2% (from 0.44 in 2009 to 0.46 in 2010).

Table 1 summarizes the price trend of the priority intra-community service between 2008 and 2010 in the EU15 and the EU, in terms of Euros and PPP.

Table 1: Comparison with the average for the national priority service between 2008 and 2010

	Priority National Service					
	2010		2009		2008	
	Price	PPP	Price	PPP	Price	PPP
EU 15 average excl/PT	0,58 €	0,46	0,57 €	0,44	0,55 €	0,43
EU 27 average excl/PT	0,50 €	0,50	0,49 €	0,47	0,48 €	0,48
Deviation EU 15 average excl/PT	-18,4%	2,5%	-17,0%	6,0%	-15,0%	10,0%
Deviation EU 27 average excl/PT	-6,0%	-5,3%	-5,0%	0,0%	-2,0%	-1,3%

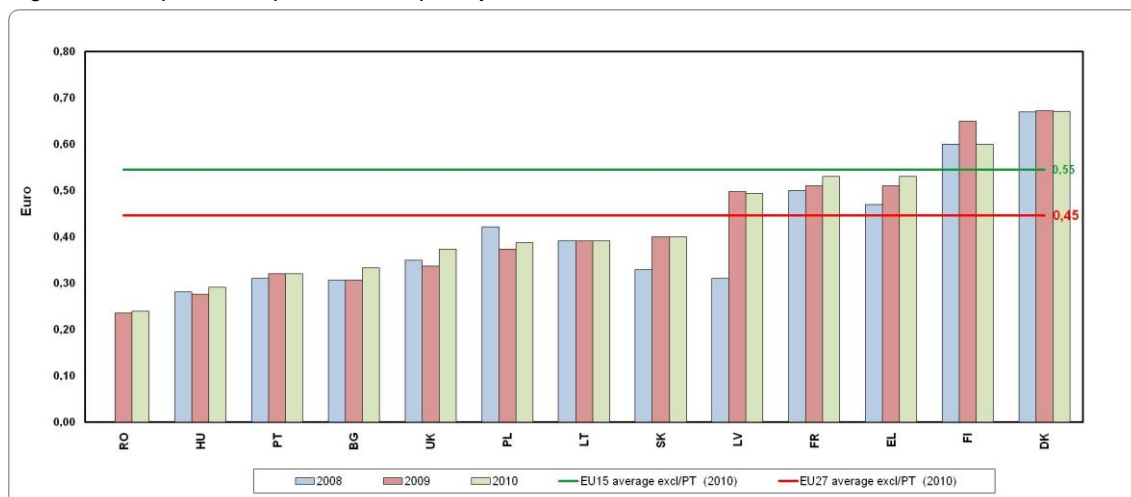
Source: ICP - ANACOM

#### 4 Non-priority national mail

The criterion used for the non-priority national mail was how much it cost for a consumer to send, through the universal postal service and in non-priority mode, a letter in a standardized format of up to 20 grams within most of the national territory in each of the EU countries.

Figure 3 presents the comparison based on the current exchange rate. It shows that the average price for the non-priority national mail was the same as in 2009 (€0.46). The EU15 average increased 2.9%

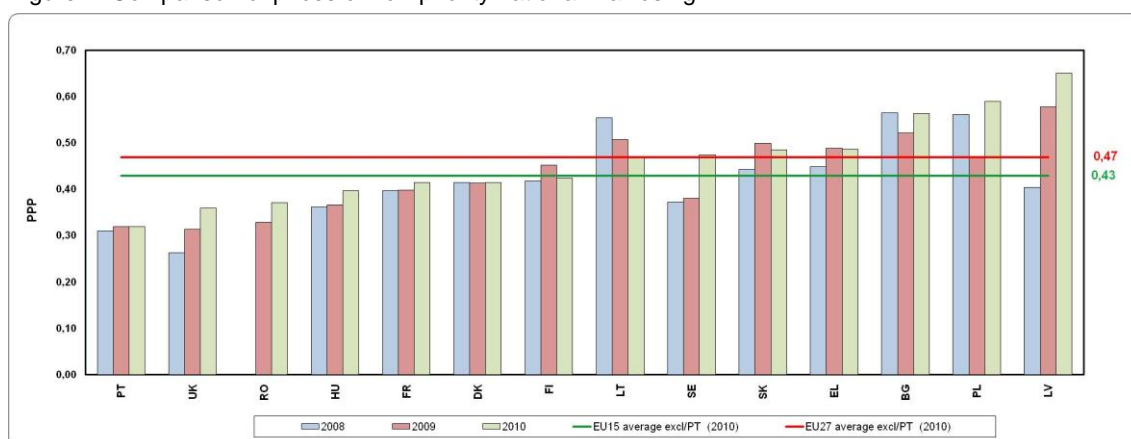
Figure 3: Comparison of prices of non-priority national mail



Source: ICP - ANACOM

The comparison of prices based on PPP, Figure 4, shows that in the countries which have this service the PPP based price changed<sup>8</sup> in relation to 2009. Contrary to previous years, the EU countries' average is lower than the EU15 countries' average. In 2008 and 2009 the EU15 average was, respectively, 9.3% and 4.5% lower than the EU average, while in 2010 it is 25.1% higher.

Figure 4: Comparison of prices of non-priority national mail using PPP



Source: ICP - ANACOM

The UE average rose 6.6% (from 0.44 in 2009 to 0.47 in 2010), while the EU15 average increased 39.7% (from 0.42 in 2009 to 0.59 in 2010).

In the 2008 to 2010 period there was a price reduction in terms of PPP in two countries, Lithuania (15.8%) and Bulgaria (0.2%), while in the other countries<sup>9</sup> there was a price increase, Latvia standing out with a 61.2% increase.

Table 2 summarizes the price trend of the priority intra-community service between 2008 and 2010 in the EU15 and the EU, in terms of Euros and PPP.

<sup>8</sup> Lithuania (-8.0%), Finland (-6.28%), Slovakia (-2.87%), Greece (-0.49%), Denmark (0.41%), France (4.04%), Bulgaria (7.98%), Hungary (8.29%), Latvia (12.76%), Romania (12.85%), United Kingdom (14.76%), Sweden(24.85%) and Poland (25.13%).

<sup>9</sup> Denmark (0.1%), Finland (1.4%), Portugal (3.2%), France (4.4%), Poland(4.9%), Greece (8.3%), Hungary (9.5%), Slovakia (9.6%), Romania (12.0%), Sweden (2.0%), United Kingdom (36.5%) and Latvia (61.2%)..

Table 2: Comparison with the average for the non-priority national service between 2008 and 2010

	Non-Priority National Service					
	2010		2009		2008	
	€	PPP	€	PPP	€	PPP
EU 15 average excl/PT	0,55 €	0,43	0,56 €	0,42	0,53 €	0,40
EU 27 average excl/PT	0,45 €	0,47	0,46 €	0,44	0,43 €	0,43
Deviation EU 15 average excl/PT	-41,3%	-25,4%	-43,0%	-25,0%	-42,0%	-22,0%
Deviation EU 27 average excl/PT	-28,4%	-31,7%	-30,0%	-28,0%	-28,0%	-28,0%

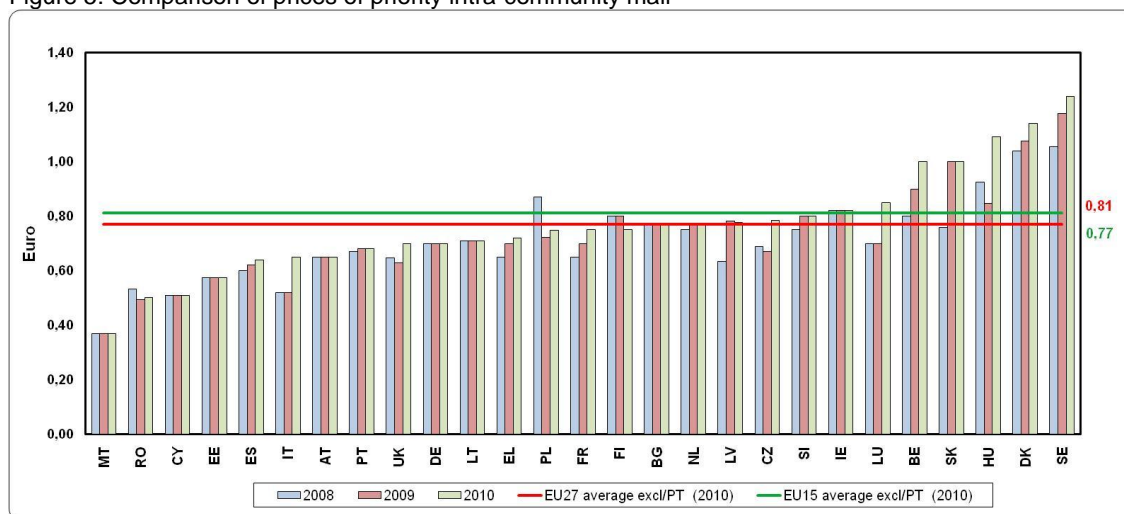
Source: ICP - ANACOM

## 5 Priority cross-border intra-community mail

The criterion used was how much it cost to send, in priority mode, a letter in standardized format of up to 20 grams to any European Union country with a transit time of three working days for at least a number of countries.

Figure 5 shows the comparison of prices for the priority cross-border intra-community mail based on the current exchange rate. It shows that the average price for the priority cross-border intra-community mail increased 5.5% with respect to 2009. The EU15 average increased 5.6%. Between 2008 and 2010, in terms of local currency, sixteen<sup>10</sup> countries raised prices, while nine<sup>11</sup> introduced no price changes. Finland recorded a 6.3% decrease.

Figure 5: Comparison of prices of priority intra-community mail



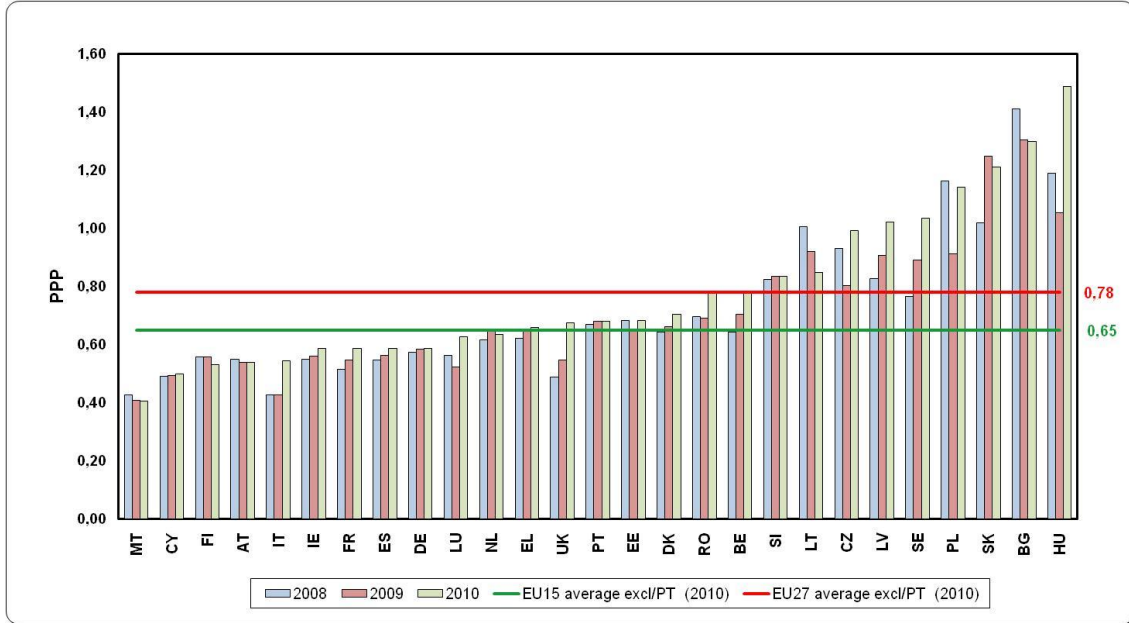
Source: ICP - ANACOM

Figure 6 shows the price comparison for priority intra-community mail from 2008 to 2010, based on PPP.

<sup>10</sup> Portugal (1.5%), Netherlands (2.7%), Spain (6.7%), Denmark (9.7%), Greece (10.8%), Slovenia (12.0%), France (15.4%), Sweden (16.5%), Czech Republic (17.6%), United Kingdom (20.0%), Luxembourg (21.4%), Latvia (22.2%), Belgium (25.0%), Italy (25.0%), Hungary (30.4%), and Slovakia (32.0%).

<sup>11</sup> Germany, Austria, Cyprus, Estonia, Ireland, Lithuania, Malta, Poland and Romania.

Figure 6: Comparison of prices of priority intra-community mail using PPP



Source: ICP - ANACOM

The EU average shows an 8.3% increase over 2009 (from 0.72 in 2009, to 0.78 in 2010), and the EU15 average increased 8.1%.

Since 2008 twenty-one EU countries have increased the prices each year in terms of PPP<sup>12</sup>, and five have lowered them, also every year<sup>13</sup>.

Table 3 summarizes the price trend of the priority intra-community service between 2008 and 2010 in the EU15 and the EU, in terms of Euros and PPP.

Table 3: Comparison with the average for the priority intra-community service between 2008 and 2010

	EU Priority International Service					
	2010		2009		2008	
	€	PPP	€	PPP	€	PPP
EU 15 average excl/PT	0,81 €	0,65	0,79 €	0,62	0,76 €	0,59
EU 27 average excl/PT	0,77 €	0,78	0,74 €	0,73	0,72 €	0,73
Deviation EU 15 average excl/PT	-16%	5%	-14%	10%	-12%	14%
Deviation EU 27 average excl/PT	-12%	-13%	-9%	-6%	-7%	-8%

Source: ICP - ANACOM

## 6 Non-priority cross-border intra-community mail

The criterion used in the price comparison for non-priority cross-border intra-community mail, was how much it costs for a consumer to send a letter, in economy mode, with a weight of up

<sup>12</sup> Estonia (0.21%), Slovenia (1.27%), Portugal (1.49%), Cyprus (1.50%), Germany (2.38%), Netherlands (2.98%), Greece (6.36%), Ireland (6.40%), Czech Republic (6.53%), Spain (7.51%), Denmark (9.83%), Luxembourg(11.06%), Romania (12, 00%), France (13.70%), Slovakia (19.08%), Belgium (22.10%), Latvia (23.88%), Hungary (24.92%), Italy (27.48 %), Sweden (35.01%), United Kingdom (38.24%).

<sup>13</sup> Lithuania (15.75%), Bulgaria (7.86%), Malta (5.08%), Finland (4.96%) and Austria (2.17%).

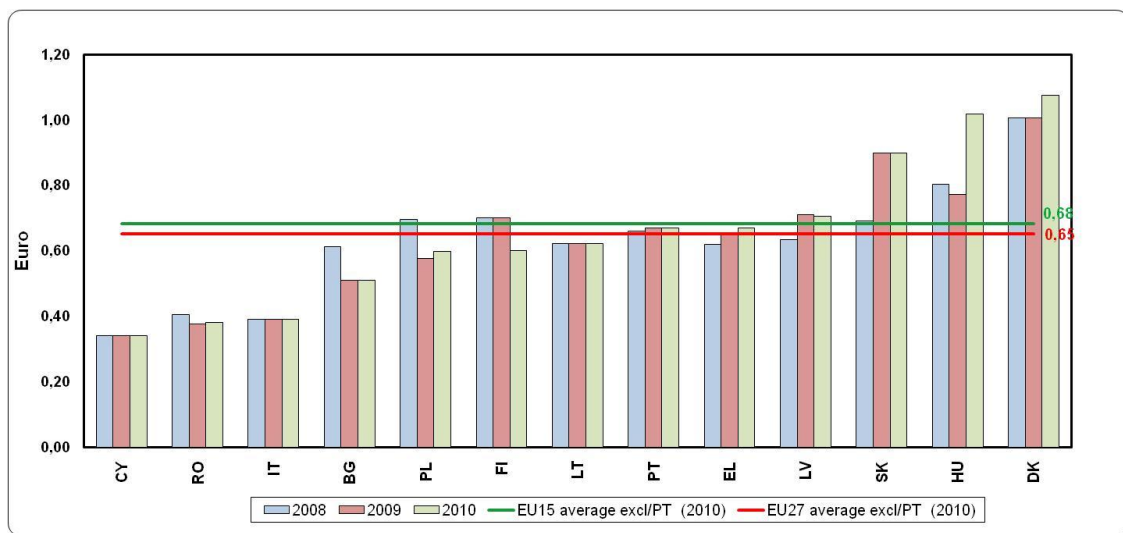
to 20 grams and in a standardized format to any EU country, excluding the outlying areas of the EU.

**Error! Not a valid bookmark self-reference.** and Concerning the comparison based on PPP, Figure 8 shows that, as with the priority intra-community mail, the average of the EU countries is higher than the average of the EU15 countries. There is a 3.4% increase in the EU average (from 0.63 in 2009 to 0.65% in 2010), while the EU15 average falls 3.7% (from 0.71% in 2009 to 0.68 in 2010).

show in ascending order the comparison based on the exchange rate and on PPP.

Seven of the thirteen EU countries that provide this service charge prices below the EU average<sup>14</sup>, and the rest, including Portugal have prices above the average. Regarding the price variation between 2008 and 2010, six countries<sup>15</sup> experienced a price rise<sup>16</sup>, with Hungary (40.0%) and Slovakia (30.1%) standing out. Six<sup>17</sup> kept the price unchanged, and Finland reduced it by about 14.3%.

Figure 7: Comparison of prices of non-priority intra-community mail



Source: ICP - ANACOM

Concerning the comparison based on PPP, Figure 8 shows that, as with the priority intra-community mail, the average of the EU countries is higher than the average of the EU15 countries. There is a 3.4% increase in the EU average (from 0.63 in 2009 to 0.65 in 2010), while the EU15 average falls 3.7% (from 0.71% in 2009 to 0.68 in 2010).

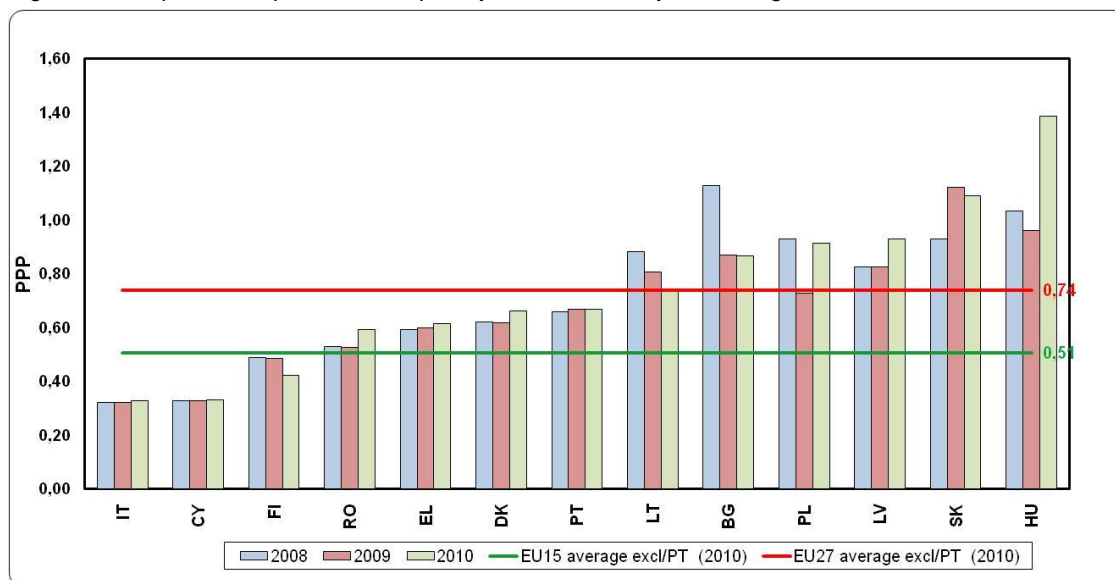
<sup>14</sup> Bulgaria, Cyprus, Finland, Italy, Lithuania, Poland and Romania..

<sup>15</sup> Portugal (1.5%), Denmark (6.7%), Greece (8.1%), Latvia (11.1%), Slovakia (30.1%) and Hungary (40.0%).

<sup>16</sup> Portugal increased prices from 0.75€ to 0.90€ in August 2008 and so this increase was not included in the trend.

<sup>17</sup> Bulgaria, Cyprus, Italy, Lithuania, Poland and Romania.

Figure 8: Comparison of prices of non-priority intra-community mail using PPP



Source: ICP - ANACOM

Table 4 summarizes the priority intra-community service between 2008 and 2010 in the EU15 and the EU.

Table 4: Comparison with the average for the non-priority intra-community service between 2008 and 2010

	EU Non-Priority International Service					
	2010		2009		2008	
	€	PPP	€	PPP	€	PPP
EU 15 average excl/PT	0,55 €	0,43	0,56 €	0,42	0,53 €	0,40
EU 27 average excl/PT	0,45 €	0,47	0,46 €	0,44	0,43 €	0,43
Deviation EU 15 average excl/PT	-41,3%	-25,4%	-43,0%	-25,0%	-42,0%	-22,0%
Deviation EU 27 average excl/PT	-28,4%	-31,7%	-30,0%	-28,0%	-28,0%	-28,0%

Source: ICP - ANACOM

## 7 National parcels

The criterion used to analyze the comparison of prices for sending national parcels, was the sending of a 2kg parcel through the universal postal service provided in each of the EU countries, within the national territory, for delivery at the post office in the recipient's area of distribution.

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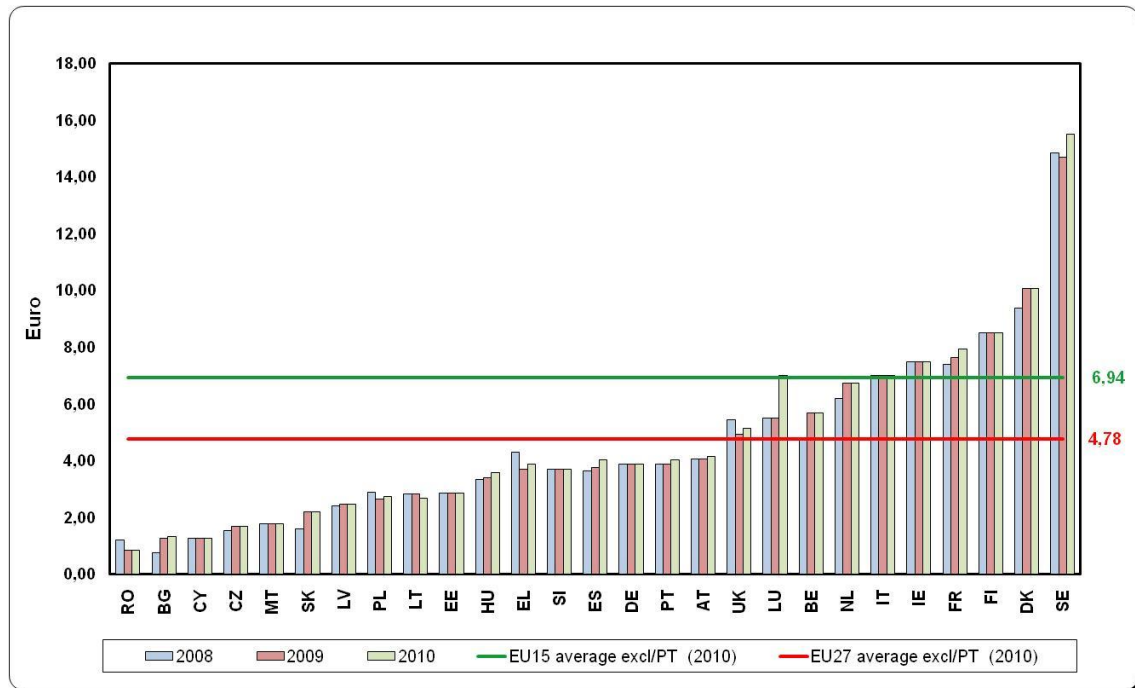
and It shows that eight countries (Portugal included) increased the price in local currency between 2.2% and 27.3%, Austria and Luxembourg, respectively. The only price reduction, of about 5%, was recorded in Lithuania, due to a substantial modification of the parcels tariff scheme. Eighteen countries did not change the price in terms of local currency. However, when the exchange rate is applied in only thirteen countries do the prices stay the same. Analysing the price trend since 2008 we find that, in local currency, seventeen countries raised



prices between 2.2% and 36.3%, one country lowered the price and the other nine kept the prices unchanged.

show the comparison of prices for sending national parcels in the EU countries based on the exchange rate and on PPP.

Figure 9: Comparison of prices for the parcels service



Source: ICP - ANACOM

It shows that eight countries<sup>18</sup> (Portugal included) increased the price in local currency between 2.2% and 27.3%, Austria and Luxembourg, respectively. The only price reduction, of about 5%, was recorded in Lithuania, due to a substantial modification of the parcels tariff scheme<sup>19</sup>. Eighteen countries<sup>20</sup> did not change the price in terms of local currency. However, when the exchange rate is applied in only thirteen countries<sup>21</sup> do the prices stay the same. Analysing the price trend since 2008 we find that, in local currency, seventeen countries<sup>22</sup> raised prices<sup>23</sup> between 2.2% and 36.3%, one country lowered the price<sup>24</sup> and the other nine<sup>25</sup> kept the prices unchanged.

<sup>18</sup> Austria (2.2%), France (3.8%), Portugal (3.8%), Bulgaria (4.0%), Greece (5.4%), Hungary (6.5%), Spain (7.1%), and Luxembourg (27.3%).

<sup>19</sup> The previous tariff scheme, as in the other countries, was described by weight categories, with the first class ending at 3 kg. In 2010 the tariff scheme became more gradual up to 10 kg, with one fixed price component and another changing for 0.5 kg increases. For example, a 3 kg parcel cost the same in local currency, after the new tariff scheme was applied.

<sup>20</sup> Germany, Belgium, Cyprus, Denmark, Slovakia, Slovenia, Estonia, Finland, Netherlands, Ireland, Italy, Latvia, Malta, Poland, United Kingdom, Czech Republic, Romania and Sweden.

<sup>21</sup> Germany, Cyprus, Estonia, Malta, Romania, Slovakia, Belgium, Netherlands, Italy, Ireland, Finland, Denmark, and Slovenia.

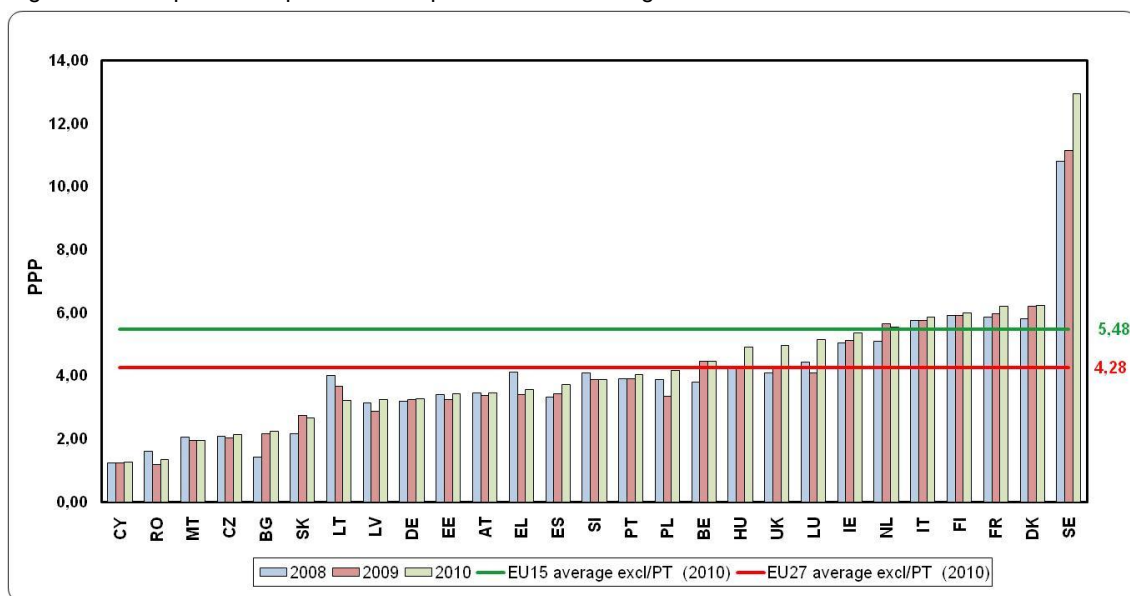
<sup>22</sup> Austria (2.2%), Latvia (2.3%), Sweden (3.4%), Portugal (3.8%), Bulgaria (4.0%), United Kingdom (5.0%), Greece (5.4%), Denmark (7.1%), France (7.3%), Netherlands (8.9%), Poland (10.0%), Spain (11.0%), Czech Republic (13.2%), Hungary (19.3%), Belgium (20.0%), Luxembourg (27.3%), and Slovakia (36.3%).

<sup>23</sup> Portugal increased from 3.75€ to 3.90€ in August 2008 and therefore this increase was not identified in the evolution.

<sup>24</sup> Lithuania

The comparison of prices based on PPP, Figure 10, shows that the average of the EU15 countries is higher than the average of the EU countries. In 2010, the EU average is 22.0% lower than the EU15 average.

Figure 10: Comparison of prices for the parcels service using PPP



Source: ICP - ANACOM

Table 5 summarizes the trend of the national parcels service between 2008 and 2010 in the EU15 and the EU.

Table 5: Comparison with the average for the parcels service between 2008 and 2010

	Parcels 2 kg					
	2010		2009		2008	
	€	PPP	€	PPP	€	PPP
EU 15 average excl/PT	6,94 €	5,48	6,72 €	5,17	6,56 €	5,01
EU 27 average excl/PT	4,78 €	4,28	4,66 €	4,04	4,55 €	4,00
Deviation EU 15 average excl/PT	-42%	-26%	-42%	-25%	-41%	-22%
Deviation EU 27 average excl/PT	-15%	-5%	-16%	-4%	-14%	-2%

Source: ICP - ANACOM

## 8 Conclusions

In the EU and according to Table 6 the average price (Portugal included) for the postal services analyzed increased in terms of Euros and PPP during 2010. The rise in terms of PPP was greater than the Euro increase, in all services.

<sup>25</sup> Cyprus, Malta, Italy, Estonia, Slovenia, Romania, German, Ireland and Finland.

Table 6: Average prices (Portugal included) of the postal services in 2010

<b>Average prices (Portugal included) of the postal services in 2010</b>		
	<b>Euro</b>	<b>PPP</b>
<b>Priority National Mail</b>	3%	6%
<b>Non-Priority National Mail</b>	1%	6%
<b>Priority Intra-community Mail</b>	3%	9%
<b>Non-Priority Intra-community Mail</b>	3%	8%
<b>National parcels</b>	3%	6%

Source: ICP - ANACOM