

Press release

Germany has the fourth-lowest letter postage rate in Europe

- New letter price study by Deutsche Post compares nominal and real letter prices in the EU and in the United Kingdom, Iceland, Norway and Switzerland
- Result adjusted for key macroeconomic factors: postage for a standard letter is more expensive in 26 countries than in Germany
- Denmark still has the highest letter mail rate, while Malta still has the lowest
- Majority of European postal companies offer different mail transit times; regulation in Germany does not yet permit this

Bonn – April 26, 2023: Postage for sending a standard letter in Germany is becoming increasingly inexpensive compared to the rest of Europe. This is because most postal companies in Europe have raised their prices – in some cases drastically – since the last mail price study by Deutsche Post, while postage in Germany has remained unchanged despite substantial cost increases. A comparison of purely nominal letter mail prices in Europe shows that postage in Germany, at 85 cents, is almost 64 percent cheaper than the average European price of 1.33 euros and is still below the price level in Poland, the Czech Republic, Slovakia and Romania, for example. When macroeconomic factors such as labor costs and purchasing power are taken into account to obtain a meaningful comparison of European mail prices, Germany is the fourth-least expensive country. Only Switzerland, Cyprus and Malta offer more affordable postage. This is confirmed by this year's mail price benchmarking by Deutsche Post, which compares postage in the 27 member states of the European Union and the United Kingdom, as well as the EFTA countries of Iceland, Norway and Switzerland.

As in the previous years, Denmark is the most expensive country in which to send a letter, with customers having to pay the equivalent of EUR 4.30 to have mail delivered the following working day. At 37 cents for a standard letter, Europe's least expensive postal service for the past 15 years has been that of Malta, despite a modest price increase last year. Overall, domestic mail postage in Europe rose by 8 cents to an average price of EUR 1.33 due to increases in 21 of 31 evaluated countries. Postage costs now even exceed EUR 2 in five countries (Denmark, Italy, Belgium, Finland and Iceland).

Letter mail prices have increased by a nominal 57% in Europe since 2018. Romania easily tops this list with an increase of 250% over the past five years. Postal rates in Germany have been raised by only 21% over the same period. Overall, the price of a standard letter rose more significantly in 24 of the 31 reviewed countries than in Germany.

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The Deutsche Post study reveals a similar situation for cross-border letter mail delivery in Europe. Here the average price has even surpassed the EUR 2 mark for the first time due to increases in 17 countries, and now amounts to EUR 2.05. On average, it costs almost twice as much to send a letter to another European country than within the same country. In Portugal this factor is even higher, at 4.5; in Germany, the factor is only 1.3 given prices of EUR 1.10 (letter mail delivery to another destination in Europe) and 85 cents (domestic letter mail), respectively. Thus only in Lithuania and Cyprus does it cost less than in Germany to send a letter to another European country.

When adjusted for inflation over the past ten years, European letter mail rates in the evaluated countries have increased by 89% since 2013. This is the highest figure ever ascertained through the Deutsche Post mail price comparison. Over the same period and accounting for inflation, Germany's letter mail price rose by only 26.2%. Here as well, the price for a standard letter in Germany rose by the fourth-lowest rate in the European ranking. Only in Cyprus, Switzerland and Lithuania did mail prices increase by a smaller percentage when adjusted for inflation. By contrast, Italy is the undisputed "league leader" at 267.7%.

In its 22nd edition, the Deutsche Post letter mail price survey also uses the example of an industrial worker to show the number of hours that need to be worked in each country to be able to afford the postage for a standard letter. This gives an insight into how affordable the postage rate actually is. In Germany, a worker only has to work 1.51 minutes to earn enough to buy a stamp. Only in Switzerland (1.50 minutes) is postage less expensive. The European average is 4.70 minutes; Latvia has the least affordable rate at 12.22 minutes.

The situation is noteworthy in Finland, where "Posti" has discontinued next-day delivery and now only offers delivery after two days. As this product is somewhat less expensive, Finland has improved significantly in several rankings. One more thing: most European postal service providers now offer a slower letter service that takes several days, as well as letters with next-day delivery. In eight of the countries evaluated in this study, the respective postal company no longer offers regular next-day delivery at all.

This finding is another indication that postal regulations, which in Germany still reflect the analog world of the 1990s, will have to be adapted to the changed circumstances within the mail markets. Ole Nordhoff, who is in charge of product management at Post & Parcel Germany, explains: "In Europe, it is normal and in the customers' interests to distinguish between transit times. Our neighboring countries have long since come to the realization that it is not expedient to promote competition in a rapidly

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shrinking letter mail market. Instead, a suitable regulatory framework should be put in place to promote a reliable and affordable universal service with good working conditions, as well as a more rapid transition to climate-neutral mail and parcel transport.”

– End –

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Deutsche Post is the largest postal service provider in Europe and the market leader in the German mail market. The Mail Communication, Dialog Marketing and Press Services product segments are essentially bundled under this business area. Deutsche Post's product and service portfolio includes the processing and delivery of physical documents as well as a broad digital portfolio in its product segments.

DHL is the leading global brand in the logistics industry. In the Parcel Logistics Business Division, DHL Paket is the market leader in Germany. The division is the service provider of choice for shipper and recipient customers in online retailing. A wide range of flexible services make it easier for customers to receive and ship parcels. DHL Paket also operates the largest parcel machine network (Packstation) in Germany.

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