

APPENDIX

EXCHANGE RATES TO EURO

The following table shows the exchange rates for national currencies (for those countries belonging to the EMU, the official exchange rates are stated) that have been used in annex 4 for the comparison of monetary value between Member States in the economic section of the report.

The exchange rates used are the rates on the specific period on which the value for the different sections were calculated.

Exchange rate used for sections 4.5 and 4.6 (PSTN and leased lines retail prices)

Comparisons between the retail tariffs have been calculated using the euro exchange rate expressed in term of Purchasing Power Parities (EUR/PPP), in order to show the comparisons in real term of retail price level between Member States.

PPP is widely used by the international organizations (OECD, EUROSTAT, WORLD BANK, etc.) as an alternative to monetary exchange rates when making international economic comparisons. They are, in effect, “real” exchange rates, based on physical comparison of the relative purchasing power of each country’s currency.

Purchasing Power Parities are the rates of currency conversion which equate the purchasing power of different currencies. This means that a given sum of money, when converted into different currencies at the PPPs rates will buy the same basket of goods and services in all countries. Thus PPPs are the rates of currency conversion, which eliminate differences in the retail price levels between countries.

The EUR/PPP exchange rates listed below, have been calculated using OECD’s Comparative Price Levels information as of April 1999. In order to make comparisons between European Member State more significant, the euro/PPP has been set up (instead of US\$/PPP), using the Austrian Schilling as the reference currency (since its inflation trend has been estimated to be in line with the average inflation rate in Europe).

It should be pointed out that the use of euro/PPP does not reflect the difference of costs underlying the provision of the services. As referred to above, the use of PPP should be limited to international comparison between Member States.

Table 50. Exchange rate to euro and euro/PPP

	EUR	EUR/PPP
Belgium	0.024789352	0.026094055
Denmark	0.13438	0.110147541
Germany	0.511291881	0.496399885
France	0.152449017	0.143819828
Greece	0.003061	0.003874684
Spain	0.006010121	0.007705283
Ireland	1.269738078	1.39531657
Italy	0.000516457	0.000607596
Luxembourg	0.024789352	0.026655218
Netherlands	0.453780216	0.463041037
Austria	0.072672834	0.072672834
Portugal	0.004987979	0.007025322
Finland	0.168187926	0.15430085
Sweden	0.114093	0.103720909
UK	1.499475	1.414599057
USA	0.927471712	0.997281411
Japan	0.008100183	0.005785845

Exchange rates for section 4.3.2 and 4.3.3 (licence fees for public voice telephony and public network)

The exchange rates to euro used for the licence fees for public voice telephony and networks (section are the same as above, except for Denmark (0.1328854), Greece (0.0032021), Sweden (1.146319) and the United Kingdom (0.14993537).

Exchange rates for section 4.3.4 (licence fees for VSAT networks)

The exchange rates to euro used for the VSAT networks (section) are the same as in table 50, except for Denmark (0.1343), Greece (0.003083), Sweden (0.1128) and the United Kingdom (1.53).

Exchange rates for section 4.4 (interconnection charges)

The exchange rates to euro used for the interconnection charges are the same as in table 50, except for Denmark (0.13441, Greece (0.003110), Sweden (0.1100) and the United Kingdom (1.560).