

**COMMUNICATIONS REGULATORY AUTHORITY  
OF THE REPUBLIC OF LITHUANIA  
(RRT)**

**ASSESSMENT OF THE IDENTIFIED CROSS-BORDER PARCEL TARIFFS  
NON - CONFIDENTIAL VERSION**

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## I. INTRODUCTION

Article 6 of the Regulation (EU) 2018/644 of the European Parliament and the Council of 18 April 2018 on cross-border parcel delivery services (hereinafter 'the Regulation') requires the national regulatory authorities (hereinafter 'the NRAs') to assess, whether the tariffs of services subject to the universal service obligation (hereinafter 'USO') are unreasonably high.

According to the provisions of Article 6 of the Regulation, the Communications Regulatory Authority of the Republic of Lithuania (hereinafter 'RRT') assessed the tariffs of the public limited liability company Lithuanian Post (hereinafter 'the LP') for postal parcels classified as standard cross-border parcels (hereinafter – 'standard parcel') and falling within the scope of USO.

## II. SUMMARY AND RESULTS OF THE ASSESSMENT CARRIED OUT IN ACCORDANCE WITH THE REQUIREMENTS OF ARTICLE 6 OF THE REGULATION

According to the European Commission (hereinafter 'the EC') pre-assessment filter (hereinafter 'filter'), the LP 1, 2 and 5 kg standard parcel tariffs to 24 European Union (hereinafter 'EU')/the European Economic Area (hereinafter 'EEA') countries (Ireland, Austria, Belgium, Bulgaria, Czech Republic, Estonia, Cyprus, Croatia, Spain, Greece, Hungary, Iceland, Poland, Liechtenstein, Luxembourg, Malta, Netherlands, Norway, Portugal, Romania, Slovakia, Slovenia, Finland, and Sweden), which were valid as at 1 January 2023, calculated according to purchasing-power parities (hereinafter 'PPP') published by Eurostat, were included in the 25 per cent interval of the potentially unreasonably highest tariffs in each category for national regulatory authority (hereinafter 'NRA') assessment (see Table 1).

Table 1. Standard parcel tariffs identified via the EC filter for further analysis in 2023.

Destination Country	Standard parcel tariffs categories		
	1 kg standard parcel	2 kg standard parcel	5 kg standard parcel
AT		√	√
BE	√	√	√
BG			√
CY		√	√
CZ			√
EE			√
ES			√
FI	√	√	√
GR		√	√
HR			√
HU		√	√
IE			√
IS	√	√	√
LI			√
LU		√	√
MT		√	√
NL			√
NO	√	√	√
PL			√

PT	√	√	√
RO	√	√	√
SE			√
SI			√
SK			√

For the RRT assessment 2023, 42 standard parcel tariffs for 1, 2 and 5 kg parcels were selected (see, Table 1). Compared to the number of standard parcel tariffs selected for RRT assessment in 2022, there is a decrease of one tariff in 2023 (43 tariffs were selected for RRT assessment in 2022) (see, Table 2). However, the number of countries to which standard parcels were sent increased and the weight categories of these tariffs selected for the assessment were redistributed. In 2023, according to the EC filter, mostly standard parcel tariffs for 5 kg parcels were indicated – 24 tariffs, 2 kg – 12 tariffs and 1 kg – 6 tariffs. Meanwhile, in 2022, the most indicated standard parcel tariffs were for 1 kg parcels – 16 tariffs, 2 kg – 15 tariffs, and 5 kg – 12 tariffs (see Table 2).

Table 2. Standard parcel tariffs identified via the EC filter for further analysis in 2022.

Standard parcel tariffs categories	Destination Country																
	AT	BE	CY	ES	FI	FR	GR	HU	IE	IS	LU	MT	NO	PL	PT	RO	SE
1 kg standard parcel	√	√	√	√	√	√		√	√	√	√	√	√	√	√	√	√
2 kg standard parcel	√	√	√		√		√	√	√	√	√	√	√	√	√	√	√
5 kg standard parcel	√	√	√		√		√	√		√	√	√	√		√	√	

In 2022, the RRT, having conducted an assessment of standard parcel tariffs falling within the scope of USO, found that LP standard parcel tariffs of 5 kg parcels to Austria, Belgium, Cyprus, Finland, Greece, Hungary, Ireland, Iceland, Luxemburg, Malta, Norway, Poland, Romania and 2 kg to Austria, Belgium, Cyprus, Finland, Greece, Hungary, Iceland, Luxemburg, Malta, Norway, Portugal, Romania, which fell under the EC filter and which were further evaluated, were on average 51 per cent higher than their costs. For this reason, these standard parcel tariffs have been identified as unreasonably high and reduced accordingly.

Considering the results of the 2022 assessment of standard parcel tariffs falling within the scope of USO, the RRT indicated the LP to change the unreasonably high tariffs set and instructed the LP to change the tariffs to be cost-based.

Considering the request submitted by LP to review the entire USO pricing, the RRT examined and assessed not only the standard parcel tariffs indicated according to the EC filter, but also all other LP USO (i.e., domestic and cross-border letters and parcels) tariffs.

The RRT, considering the request of LP regarding the change of USO tariffs and pricing, and having examined the information on LP's cost accounting system in 2021, LP annual report for 2021 and analytical appendices and other information provided, adopted the RRT Council Resolution No TN-7 of 19 January 2023 "On the approval of the maximum tariffs of the universal service obligation" (hereinafter 'the Resolution').

The Resolution stipulates that the pricing of cross-border letters and parcels (hereinafter 'items') must be set under common principles, i.e., the final maximum tariff for cross-border items consists of 1) the part of the processing of the cross-border items in Lithuania; 2) the part of the transport of the cross-border items to the destination country calculated by the USO provider based on the costs incurred (international transit); and 3) the part of the final international settlements between the USO providers

for the delivery of cross-border items in the country of destination. The LP must keep track of the actual costs of international settlements (transit and final settlements) and ensure that the applied tariffs are cost-based.

The tariffs approved by the Resolution entered into force on 1 February 2023 (hereinafter 'New Tariffs')

Comparing the New Tariffs with the tariffs into force on 1 January 2023, it was determined that the tariffs for standard cross-border parcels of all weight levels (1 kg, 2 and 5 kg) have decreased.

Tariffs for 1 kg cross-border standard parcels to Belgium, Finland, Iceland, Norway, Portugal, and Romania decreased between 12.27 and 26.81 per cent, averaging 18.28 per cent (see Table 3).

Table 3. Comparison of LP's New Tariffs for 1 kg standard parcels tariffs and those valid on 1 January 2023.

Tariffs for 1 kg standard parcel	Destination Country					
	BE	FI	IS	NO	PT	RO
Tariffs valid on 1 January 2023 (EUR)	22.00	20.00	23.50	22.00	20.00	20.50
New Tariffs (EUR)	17.95	16.95	17.20	19.30	15.10	17.95
Difference (per cent)	-18.41	-15.25	-26.81	-12.27	-24.50	-12.44

Moreover, tariffs for LP's 2 kg standard parcels to Austria, Belgium, Cyprus, Greece, Hungary, Iceland, Luxembourg, Malta, Norway, Portugal, Romania and Finland decreased between 20.37 and 36.51 per cent, averaging 28.03 per cent (see Table 4).

Table 4. Comparison of LP's New Tariffs for 2 kg standard parcels and those valid on 1 January 2023.

Tariffs for 2 kg standard parcel	Destination Country											
	AT	BE	CY	FI	GR	HU	IS	LU	MT	NO	PT	RO
Tariffs valid on 1 January 2023 (EUR)	22.00	27.5	23.00	25.00	22.00	22.00	31.5	22.00	27.00	28.5	26.50	27.00
New Tariffs (EUR)	15.25	20.25	14.75	18.75	15.85	17.3	20.00	14.75	20.25	22.00	18.15	21.50
Difference (per cent)	-30.68	-26.36	-35.87	-25.00	-27.95	-21.36	-36.51	-32.95	-25.00	-22.81	-31.51	-20.37

LP tariffs for 5 kg standard parcels to Ireland, Austria, Belgium, Bulgaria, Czech Republic, Estonia, Cyprus, Croatia, Spain, Greece, Hungary, Iceland, Poland, Liechtenstein, Luxembourg, Malta, Netherlands, Norway, Portugal, Romania, Slovakia, Slovenia, Finland and Sweden decreased between 17.46 and 59.13 per cent, averaging 40.55 per cent. (see Table 5). Tariffs decreased the most for standard parcels to Croatia (50.95 per cent), Cyprus (54.00 per cent) and the Netherlands (59.13 per cent).

Table 5. Comparison of LP's New Tariffs for 5 kg standard parcels and those valid on 1 January 2023.

Destination Country	Tariffs for 5 kg standard parcel		
	Tariffs valid on 1 January 2023 (EUR)	New Tariffs (EUR)	Difference (per cent)
AT	37.00	21.10	-42.97
BE	44.00	24.85	-43.52
BG	36.50	21.65	-40.68
CY	42.50	19.55	-54.00
CZ	31.50	19.05	-39.52
EE	33.00	18.2	-44.85
ES	32.50	22.35	-31.23

FI	40.00	24.15	-39.63
GR	41.50	25.60	-38.31
HR	37.00	18.15	-50.95
HU	37.00	25.40	-31.35
IE	34.50	22.00	-36.23
IS	55.50	28.40	-48.83
LI	35.50	19.20	-45.92
LU	38.50	20.75	-46.10
MT	52.50	35.70	-32.00
NL	34.50	14.10	-59.13
NO	48.00	30.10	-37.29
PL	36,50	24.20	-33.70
PT	46,00	27.30	-40.65
RO	46.50	32.15	-30.86
SE	31.50	26.00	-17.46
SI	36.50	19.10	-47.67
SK	36.50	21.80	-40.27

The New Tariffs were compared with competitors' cross-border parcel tariffs of similar weight to determine the price level of LP standard parcels tariffs.

*Remark: The parcel tariffs of LP and other postal service providers are not fully comparable because the postal services provided by them differ in terms of quality; for example, cross-border parcels are transported by different methods (transportation only by land transport – UAB "DPD Lietuva", etc.), as well as, when setting tariffs, postal service providers apply different weight levels and determine different dimensions of postal items. However, despite insufficient conformity between the provided postal services, comparing the tariffs of postal services provided by LP with those of competitors allows one to assess users' choices in the Lithuanian postal market.*

When comparing the LP 1 kg standard parcel tariffs with 1 kg cross-border parcel tariffs of other postal service providers, often the tariffs applied by competitors UAB "Omniva LT" and UAB "Itella Logistics" are lower than those of LP. The tariffs applied by other postal service providers, such as UAB "DHL Lietuva" , UAB "DPD Lietuva" are significantly higher than those of LP (see Table 6).

Table 6. Comparison of LP and other postal service providers tariffs applied during the 2023 assessment of 1 kg cross-border parcels.

Tariffs applied by LP and other postal service providers	Destination Country					
	BE	FI	IS	NO	PT	RO
<b>LP New Tariffs (EUR)</b>	<b>17.95</b>	<b>16.95</b>	<b>17.20</b>	<b>19.30</b>	<b>15.10</b>	<b>17.95</b>
UAB 'Itella Logistics' (EUR)	11.12	12.35	X*	X*	18.12	15.10
Difference (per cent)	-38.05	-27.14	X*	X*	20.00	-15.88
UAB 'DHL Lietuva' (EUR)	45.45	45.45	65.00	65.00	45.45	45.45
Difference (per cent)	153.20	168.14	277.91	236.79	200.99	153.20
UAB 'DPD Lietuva' (EUR)	16.93	17.76	X*	X*	24.37	26.02
Difference (per cent)	-5.68	4.78	X*	X*	61.39	44.96

UAB 'Omniva LT' (EUR)	13.66	13.79	15.49	13.52	12.34	10.49
Difference (per cent)	-23.90	-18.64	-9.94	-29.95	-18.28	-41.56

\* Tariffs were not selected for RRT assessment in 2023.

Table 7 compares the LP 2 kg standard parcels tariffs with cross-border tariffs of other postal service providers of the same weight category. The applicable tariffs vary significantly, i.e., tariffs for LP cross-border standard parcels to some countries are lower and to other countries – higher than those of other postal service providers. For example, the tariffs for LP to Greece are 1.6 times lower than the tariffs applied by UAB "Itella Logistics". Moreover, LP tariffs for 2 kg standard parcels to Malta and Norway are three times lower, and to Iceland – as much as 3.8 times lower than UAB "Omniva LT" tariffs for cross-border parcels of similar weight to these countries.

Table 7. Comparison of LP and other postal service providers' tariffs applied during the 2023 assessment of 2 kg cross-border parcels.

Tariffs applied by LP and other postal service providers	Destination Country											
	AT	BE	CY	FI	GR	HU	IS	LU	MT	NO	PT	RO
<b>LP New tariffs (EUR)</b>	<b>15.25</b>	<b>20.25</b>	<b>14.75</b>	<b>18.75</b>	<b>15.85</b>	<b>17.30</b>	<b>20.00</b>	<b>14.75</b>	<b>20.25</b>	<b>22.00</b>	<b>18.15</b>	<b>21.50</b>
UAB "Itella Logistics" (EUR)	13.76	11.24	X*	12.55	24.46	10.76	X*	13.30	X*	X*	18.24	15.20
Difference (per cent)	-9.77	-44.49	X*	-33.07	54.32	-37.80	X*	-9.83	X*	X*	0.50	-29.30
UAB "DHL Lietuva" (EUR)	61.98	61.98	6.98	61.98	61.98	61.98	61.98	61.98	61.98	85.00	61.98	61.98
Difference (per cent)	306.43	206.07	320.20	230.56	291.04	258.27	209.90	320.20	206.07	286.36	241.49	188.28
UAB "DPD Lietuva" (EUR)	20.65	18.17	X*	19.00	28.50	20.65	24.78	20.65	X*	X*	25.60	27.26
Difference (per cent)	35.41	-10.27	X*	1.33	79.81	19.36	23.90	40.00	X*	X*	41.05	26.79
UAB "Omniva LT" (EUR)	16.12	15.69	15.69	17.97	28.02	19.89	76.07	15.69	60.27	66.09	28.02	24.17
Difference (per cent)	5.70	-22.52	6.37	-4.16	76.78	14.97	280.35	6.37	197.63	200.41	54.38	12.42

\* Tariffs were not selected for RRT assessment in 2023.

The comparison of LP 5 kg standard parcels tariffs with cross-border parcel tariffs of other postal service providers showed that the applied tariffs differ greatly. For example, LP 5 kg standard parcels tariffs to Greece and Ireland are the lowest; however, tariffs to other countries are either second or third lowest. Some of the differences in tariffs are significant and probably determined by the different pricing policies applied by the postal service providers and the shipping scale to certain countries (i.e., the cross-border parcel tariff applied by UAB "Itella Logistics" for shipments to Estonia is 63.68 per cent lower compared to the tariff applied by LP, and the cross-border parcel tariff applied by UAB "DPD Lietuva" for shipments to Estonia is half the tariff applied by LP, but the tariffs of these postal service providers for shipments to other countries are significantly higher than the tariffs applied by LP) (see Table 8).

Table 8. Comparison of LP and other postal service providers' tariffs applied during the 2023 assessment of 5 kg cross-border parcels.

Destination Country	<b>LP New tariff (EUR)</b>	UAB "Itella Logistics" (EUR)	Difference (per cent)	UAB "DHL Lietuva" (EUR)	Difference (per cent)	UAB "DPD Lietuva" (EUR)	Difference (per cent)	UAB "Omniva LT" (EUR)	Difference (per cent)
AT	<b>21.10</b>	14.15	-32.94	95.04	350.43	26.43	25.26	16.12	-23.60
BE	<b>24.85</b>	11.6	-53.32	95.04	282.45	22.3	-10.26	15.69	-36.86
BG	<b>21.65</b>	16.55	-23.56	95.04	338.98	39.25	81.29	24.17	11.64
CY	<b>19.55</b>	X*	X*	95.04	386.14	X*	X*	15.69	-19.74

CZ	19,05	11.65	-38.85	95.04	398.90	22.3	17.06	14.84	-22.10
EE	18,20	6.61	-63.68	95.04	422.20	9.08	-50.11	10.99	-39.62
ES	22,35	21.05	-5.82	95.04	325.23	33.05	47.87	28.02	25.37
FI	24,15	13.15	-45.55	95.04	293.54	24.78	2.61	17.97	-25.59
GR	25,60	26.65	4.10	95.04	271.25	39.25	53.32	28.02	9.45
HR	18,15	12.6	-30.58	95.04	423.64	37.18	104.85	22.41	23.47
HU	25,40	11.15	-56.10	95.04	274.17	26.43	4.06	19.89	-21.69
IE	22,00	23.35	6.14	95.04	332.00	29.74	35.18	28.02	27.36
IS	28,40	21.05	-25.88	125.00	340.14	X*	X*	76.07	167.85
LI	19,20	X*	X*	125.00	551,04	X*	X*	66,09	244,22
LU	20,75	13.75	-33.73	95.04	358.02	26.43	27.37	15.69	-24.39
MT	35,70	X*	X*	95,04	166,22	X*	X*	60,27	68,82
NL	14,10	12.65	-10.28	95.04	574.04	26.43	87.45	15.69	11.28
NO	30,10	X*	X*	125.00	315.28	X*	X*	66.09	119.57
PL	24,20	9.25	-61.78	95.04	292.73	17.35	-28.31	8.60	-64.46
PT	27,30	18.60	-31.87	95.04	248.13	33.05	21.06	28.02	2.64
RO	32,15	15.50	-51.79	95.04	195.61	37.18	15.65	24.17	-24.82
SE	26,00	22.50	-13.46	95.04	265.54	29.74	14.38	24.17	-7.04
SI	19,10	14.00	-26.70	95.04	397.59	29.74	55.71	24.04	25.86
SK	21,80	11.50	-47.25	95.04	335.96	22.30	2.29	16.77	-23.07

\* Tariffs were not selected for RRT assessment in 2023.

Summarising the data presented in Tables 6, 7 and 8, it can be stated that LP standard parcel tariffs to some countries are higher than those applied by competitors – UAB "Itella Logistics" and UAB "Omniva LT". However, it should be noted that, for example, UAB "Itella Logistics" does not provide services to several countries, it can only choose directions that are beneficial and profitable for the company, as it is not designated to provide USO in Lithuania. In addition, some UAB "Omniva LT" tariffs to certain countries, such as Iceland, Liechtenstein, and Norway, are more than 3-4 times higher than LP's. As a result of the RRT assessment, LP standard parcel tariffs may be higher than competitors due to the obligation to provide USO and thus incurring higher costs than those incurred by other postal service providers. When evaluating the tariffs of cross-border parcel tariffs offered on the Lithuanian postal market, LP's New Tariffs are in the first, second or third position as the lowest tariffs for cross-border parcels of the corresponding weight. As a result, the user, having the opportunity to choose, can prioritise services of the required quality and price that meet his needs.

RRT compared the LP's New Tariffs for standard parcels tariffs with the 2022 cost for the provision of those services. It was determined that the cost of LP standard parcels [CONFI]. Furthermore, it should be noted that LP is obliged by the Resolution to ensure that the tariffs for the USO items (as well as standard parcels) applied by LP must be based on the cost of that specific period incurred in 2023 (the evaluation of the exact costs of these tariffs will be carried out in 2024).

### III. CONCLUSIONS

Considering the following circumstances:

1. LP applies the New Tariffs from 1 February 2023, which are required to be calculated based on actual LP cost;
2. the New Tariffs are on average, 29 per cent lower than the tariffs applied by LP on 1 January 2023;
3. compared to competitors, the New Tariffs are in the first, second or third position as the lowest tariffs for cross-border parcels of the corresponding weight in Lithuania;

the standard parcels tariffs applied by LP are not unreasonably high. Implementing the New Tariffs, which are calculated based on actual costs, lower than the previously valid tariffs as of 1 January 2023 and competitive with the tariffs set by competitors, indicates a reasonable pricing approach by the company.