



**Assessment report pursuant article 6 of the Regulation (EU) 2018/644  
for universal service cross-border single-piece tariffs as of January 1st  
2023**

Zagreb, 25 June 2024

According to Article 6 of Regulation (EU) 2018/644 of the European Parliament and the Council of 18 April 2018 on cross-border parcel delivery services, the Croatian National Regulatory Authority HAKOM submits its assessment of cross-border single-piece parcel tariffs. NRAs must identify and assess cross-border tariffs of the universal service parcel delivery provider originating in their member state, using an objective pre-assessment filter mechanism as mentioned in recital 25 of the Regulation. As per Article 6, paragraph 7, the European Commission must receive this evaluation from the National Regulatory Authority by 30 June of the relevant calendar year.

HAKOM has used a filter mechanism suggested by the European Commission (EC) in guidelines COM(2018) 838 on the transparency and assessment of cross-border parcel tariffs pursuant to Regulation (EU) 2018/644 and Commission Implementing Regulation (EU) 2018/1263. This document presents the assessment of cross-border single-piece tariffs of the designated postal operator Croatian Post Inc. for postal items containing goods, conducted by HAKOM in accordance with Regulation (EU) 2018/644 and the guidelines from the EC.

#### METHODOLOGY USED BY HAKOM

The guidelines of the EC Communication of December 2018 establish several comparison elements that can be used to assess the cross-border tariffs of the Croatian designated operator. According to these guidelines, HAKOM chose to analyze the domestic and international cross-border prices of the designated operator adjusted per purchase price parity (PPP), as well as the average domestic prices from operators that provide the universal service (US) in destination countries in the rest of the member states, and the average international cross-border prices of providers that offer the US in destination countries in the rest of the member states.

Regulation (EU) 2018/644 on cross-border parcel delivery services defines 15 categories of postal items that are subject to the price transparency measures. The Croatian universal service provider (USP) has submitted tariffs for twelve categories. The remaining three categories are not in the service portfolio because they are solely track and trace parcels (not standard parcels).

According to Article 6, paragraph 1 of the Regulation, the NRA shall identify the cross-border tariffs which the NRA objectively considers necessary to assess. For this analysis, HAKOM has chosen to use the prefilter mechanism that relies on ranking the cross-border tariffs of all Member States for each category of postal items listed in the shared table available on the website *Parcel Delivery in the EU*.

The following table displays the product categories that have been identified as potentially unreasonably high through the prefilter mechanism.

<b>Product</b>	<b>International cross-border price (€)</b>	<b>Tariff (with PPP)</b>	<b>Destination</b>
500 g (domestic and intra Union) registered letter	12,80	21,62	All MS
2 kg (domestic and intra Union) track and trace parcel	24,95	42,14	BG, CY, EE, GR, IE, LT, LV, MT, NO

Source: EC pre-assessment filter mechanism for universal service cross-border single-piece tariffs as of January 1st 2023.

In order to carry out the analysis, HAKOM considered multiple parameters to ensure continuity and comparison of data:

- Domestic and international prices of the USP in euro and ratio of those two prices;
- Domestic and international prices of the USP with PPP index and ratio of those two prices;
- Average domestic prices in destination member states as well as average international prices in destination member states and ratio of those prices;
- Sum of domestic prices of the USP and average domestic prices in destination member states;
- Difference and ratio between international prices of the USP and sum of domestic prices of the USP as well as average domestic prices in destination member states.

According to HAKOM's analysis of the 500 g registered letter (domestic and intra Union), the international cross-border price for this category is €12.80, which is below the average domestic price in destination countries within the Union, set at €13.25. It is important to note that Croatian Post maintains uniform prices for all international letter services to the EU, other European countries, and the rest of the world. Due to low bilateral volumes between Croatia and global destinations, this results in increased international transport costs, transit fees, and terminal fees per unit. Consequently, HAKOM concludes that the tariffs are not unreasonably high.

For the 2 kg track and trace parcel (domestic and intra Union), identified as potentially unreasonably high for specific Member States (BG, CY, EE, GR, IE, LT, LV, MT, NO) classified as delivery Zone 3, the analysis found that the international cross-border price for this category is €24.95, which is below the average domestic price in destination countries within the Union, set at €27.93. Prices for these countries are higher due to factors such as low bilateral volumes and increased transportation and transit costs. Additionally, the relatively small volume of parcels leads to higher costs per unit due to a lack of economies of scale. The insufficient availability of direct traffic connections, particularly by air, with other Member States necessitates additional transit costs within the transportation chain to the destination countries. Therefore, HAKOM concludes that the tariffs are not unreasonably high.

HAKOM's analysis concludes that the tariffs for both the 500 g registered letter and the 2 kg track and trace parcel are not unreasonably high, with international cross-border prices below the average domestic prices within the Union.

Detailed calculations for the two categories identified as potentially unreasonably high are provided in the Annex of the confidential report.