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Assessment of cross-border single-piece tariffs in Denmark 2024

According to Article 6, paragraph 7, of the Regulation (EU) 2018/644 of the European Parliament and of the Council of 18 April 2018 on Cross-Border Parcel Delivery Services, the National Regulatory Authority shall submit its assessment of cross-border single-piece tariffs to the Commission by 30 June each year.

This paper contains the outcome of the Danish assessment of 2024.

The National Regulatory Authority in Denmark is the Danish Civil Aviation and Railway Authority (hereafter the Danish NRA).

Pre-filter mechanism

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.

The communication paper from the Commission¹ states that the NRA should use a filter mechanism based on a ranking of the cross-border tariffs of all Member States, for each of the 15 categories of single-piece items listed in the Annex of the Regulation. The Commission specifically suggests that the pre-filter mechanism should identify the 15 % highest tariffs. The tariffs should be adjusted according to purchasing-power parities.

The Danish NRA has used the pre-filter mechanism suggested by the Commission.

The "Tariff Assessment" part of the PARCEL-application gives an overview of the purchasing power adjusted tariffs in each category for all Member States. For each category, the 25 % highest tariffs are highlighted. The pre-filter mechanism for Denmark shows, that the following Danish tariffs are amongst the 15 % highest in the 15 categories:

¹ Communication from the Commission on guidelines to national regulatory authorities on the transparency and assessment of cross-border parcel tariffs pursuant to Regulation (EU) 2018/644 and Commission Implementing Regulation (EU) 2018/1263



- 500 g standard letter (all destinations)

Based on the result of the pre-filter mechanism, the Danish NRA consider it necessary to assess these Danish tariffs further.

Assessment of tariffs

The Danish NRA has therefore conducted a full assessment according to the methodology recommended in the communication from the Commission. To do so, the Danish NRA asked the USP for further information on the product categories identified by the pre-assessment filter suggested by EC in COM(2018)838 IV.1. The following question and answer were given:

Question: The NRA asked the USP why they have the same price for all standard letters, i.e., 500 g, 1 kg, and 2 kg.

Answer: The prices are set to make it as simple as possible for the costumers.

Thus, the USP applied a uniform tariff on all standard letters from 500 g up to 2 kg, i.e., costumers will pay the same price no matter the weight of these standard letters. In addition, these tariffs are uniform across all countries. As the pre-filter mechanism does not consider uniform price structures according to weight, the Danish NRA, has conducted a target analysis of these prices.

500 g standard letters:

To assess the category of standard letters, the Danish NRA created a filter with all standard letters as one category regardless of the weight and identified the 15 % highest prices within all the prices for 500 g, 1 kg, and 2 kg standard letter.

This is done because the Danish USP operates with only one price for all standard letters up to 2 kg. It therefore seems reasonable to apply an assessment filter where all prices for letters (500 g, 1 kg and 2 kg) are considered as one block of prices. This block contains 2.137 prices, so the cutoff is the 321st highest (15 % of 2.137).

When using this filter, the result is that all prices above 20.72 EUR(PPP) are among the 15 % highest tariffs. The Danish tariffs are 5.75 EUR(PPP) for all standard letters to all countries, hence, the Danish tariffs are not among the 15 % highest, when using this assessment filter. Based on this the Danish NRA concludes that the Danish price for standard letters up to 500 g is not unreasonably high.

General remarks

In addition, some other factors have been considered. In particular, the Danish NRA has observed a high degree of competition on the parcel market, which increases the probability of affordable tariffs. Furthermore, the Danish NRA has not received any complaints about non-affordable tariffs in the market.

If other pre-filter mechanisms had been used, the result might have been different.

Conclusion

Based on the above, the Danish NRA concludes, that there is no indication that the tariffs of the standard products in the Regulation are too high. Therefore, the Danish NRA does not take any further action on this matter.