

Decision

PUBLIC VERSION

Assessment of cross-border single-piece parcel tariffs (2024)

(Article 6 of Regulation (EU) 2018/644)

junho 2024

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1. Executive summary

Regulation (EU) 2018/644 of the European Parliament and of the Council of 18 April 2018 (Regulation) provides that each National Regulatory Authority (NRA) is to identify, for each of the individual postal items listed in the Annex to that Regulation, the cross-border tariffs of the parcel delivery service provider from its Member State (MS) subject to the universal service obligation (universal service obligation) that it considers it objectively necessary to assess (Article 6(1)), in order to identify any excessively high tariffs, including using an objective pre-assessment filtering system.

The analysis of the cross-border tariffs identified as potentially excessive, using the pre-assessment filtering system proposed by the European Commission, has led to the conclusion that there is insufficient evidence to consider these tariffs to be excessively high. In particular, the tariffs for: (i) track & trace parcels of 1 kg, 5 kg and 2 kg for all destinations reported under Article 5 of the Regulation (EU Member States, Iceland, Liechtenstein and Norway), with the exception of Austria, Belgium, Denmark, Spain, France, Italy, Liechtenstein, Luxembourg and the Netherlands for 5 kg parcels; and (ii) track & trace items of 1 kg and 2 kg for all destinations reported under Article 5.

2. Framing

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Regulation (EU) 2018/644 of the European Parliament and of the Council of 18 April 2018 (Regulation) on cross-border parcel delivery services lays down, inter alia, specific provisions to be followed by the National Regulatory Authorities (NRAs) when assessing tariffs for certain cross-border postal items delivery services in order to identify possible excessively high tariffs.

In particular, Article 6(1) of the Regulation requires the NRA to identify, on the basis of the public lists of tariffs obtained pursuant to Article 5 of the Regulation, and for each of the categories of unitary postal items listed in the Annex to the Regulation (see summary in

Table 1) means the cross-border tariffs of the parcel delivery service provider from its Member State (MS) subject to the universal service obligation (universal service obligation) that it considers objectively necessary to assess.

Table 1. Categories of postal items listed in the Annex to the Regulation

Service	Weight (in grams)
Standard letter	
Registered letter	500, 1000 and 2000
Track & trace correspondence	
Standard order	
Track & trace parcel	1000, 2000 and 5000

Source: Regulation.

As is apparent from Article 5(1) of the Regulation, cross-border parcel delivery service providers must submit² to the NRA of the Member State where they are established, by 31 January of each calendar year, the public list of tariffs applicable on 1 January of that year for the delivery of single-piece postal items falling within the categories listed in the Annex to the Regulation. In accordance with Article 5(2) of the Regulation, the

¹ Available at <https://www.anacom.pt/render.jsp?contentId=1435241>.

² With the exception of providers excluded by Article 4(6) and (7) of the Regulation. In Portugal, the following parcel delivery service providers provided information on the tariffs associated with the postal items listed in the Annex to that Regulation, via the PARCEL platform developed by the European Commission: CEP II – Correios Express Portugal, S.A. (CEPII); CTT – Correios de Portugal, S.A. (CTT); CTT Expresso – Serviços Postais e de Logística, S.A. (CTT Expresso); DHL Express Portugal, Lda. (DHL Express); DHL Parcel Portugal Unipessoal, Lda (DHL Parcel); DPD Portugal – Transporte Expresso, S.A. (DPD); Logista – Transport, Transitários e Pharma, Unipessoal, Lda. (Logista); Mondial Relay, Sucursal em Portugal (Mondial Relay); TCI – Transport Courier International, Lda. (TCI); TNT Express Worldwide (Portugal), Transitários, Transport and Complementary Services, Unipessoal, Lda. (TNT); UPS of Portugal Transportes Internacional de Freight Sociedade Unipessoal, Lda (UPS).

public list of these tariffs was published by the European Commission (EC) on a dedicated website.³

Given that CTT – Correios de Portugal, S.A. (CTT) are, in Portugal, the universal postal service provider (PSU) and therefore the provider to whom the corresponding obligations fall, only the tariffs applied by CTT, as PSUs, are subject to this assessment under that Regulation.

In order to reduce the administrative burden for NRAs and parcel delivery service providers subject to the obligations of the universal service, and taking into account the principle of proportionality, NRAs may base the identification of tariffs for which assessment is required on an objective pre-assessment system, as indicated in recital 25 of the Regulation.

Commission Communication COM (2018) 8384 of 12.12.2018 sets out guidelines for NRAs on the assessment of cross-border parcel tariffs under the Regulation, in particular the use of a filtering system based on the ranking of cross-border tariffs of all Member States for each of the 15 categories of individual items listed in the Annex to the Regulation, based on the tariffs reported by providers, corrected according to the purchasing power parities established by Eurostat. According to the EC, this will help to ensure comparability and fairness across the European Union (EU), as well as the flexibility and adaptability of a filtering system that takes into account changes in the market.

On the basis of the pre-assessment filtering system proposed by the EC, the tariffs to be analysed should be those above a previously established threshold and it has been established that, for 2024, the tariffs included in the group of the highest 15 % must be analysed.

With regard to the objective assessment to be carried out by the NRA, Article 6(2) of the Regulation states that such assessment shall be based on the principles set out in Article 12 of Directive 97/67/EC,⁵ considering, inter alia, the following elements:

- the domestic and any other relevant tariffs of the comparable parcel delivery services in the originating Member State and in the destination Member State;
- any application of a uniform tariff to two or more Member States;
- bilateral volumes, specific transportation or handling costs, other relevant costs and service quality standards;

³ See https://ec.europa.eu/growth/sectors/postal-services/parcel-delivery-eu/find-best-price-your-eu-parcel-delivery_en.

⁴ Available at <https://www.anacom.pt/render.jsp?contentId=1465151>.

⁵ Directive 97/67/EC of 15.12.1997, as amended by Directive 2008/6/EC of 20.2.2008, hereinafter referred to as Directive 97/67/EC or Postal Directive.

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- the likely impact of the applicable cross-border tariffs on individual and small and medium-sized enterprise (SME) users, including those in remote or sparsely populated areas, and on individual users with disabilities or with reduced mobility, if this is possible without imposing a disproportionate burden.

In addition, Article 6(3) of the Regulation establishes that the national regulatory authority may also take account, where necessary, of the following elements:

- whether tariffs are subject to a specific price regulation under national legislation;
- abuses of dominant market position established in accordance with relevant applicable law.

Pursuant to Article 6(7) of the Regulation, the national regulatory authority must submit its assessment to the European Commission by 30 June of the relevant calendar year, and must also provide a non-confidential version of that assessment. The Commission must publish the non-confidential version of the assessments provided by all of the national regulatory authorities within one month of receipt (Article 6(8)).

It should also be noted that, as set out in Article 6(5) and (6) of the Regulation, each NRA may, if it deems it necessary, request new evidence in relation to the identified tariffs that it deems necessary to carry out the assessment, which must be communicated to the NRA within one month of receipt of the request, accompanied by a justification of the tariffs under assessment.

In that context, in 3.5.2024 ANACOM sent a request for information to the CTT, which sent the information requested in 3.6.2024, which was taken into account in the analysis set out below.

3. Analysis

3.1. Identification of the tariffs to be assessed

Following the implementation of the pre-evaluation filtering system identified in Commission Communication COM/2018/838, it was identified as objectively necessary to assess the tariffs charged by the CTT for the following items:

- 1-kg track & trace parcel for all destinations reported under Article 5 of the Regulation – corresponds to the tariffs “Zone 1” and “Zone 2” of the CTT’s international parcel tariff;
- 2-kg track & trace parcel for all destinations reported under Article 5 of the Regulation – corresponds to the tariffs “Zone 1” and “Zone 2” of the CTT’s international parcel tariff;

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- 5-kg track & trace parcel for all destinations reported under Article 5 of the Regulation with the exception of Austria, Belgium, Denmark, Spain, France, Italy, Liechtenstein, Luxembourg and the Netherlands – thus corresponds to the ‘Zone 1’ tariff for consignments to Germany and the ‘Zone 2’ tariff for other destinations;
- Track & trace correspondence of 1 kg for all destinations reported under Article 5 of the Regulation;
- Track & trace correspondence of 2 kg for all destinations reported under Article 5 of the Regulation.

It should be noted that the above tariffs for orders have already been identified in the pre-evaluation filtering system applied in previous years (2019 to 2023), and ANACOM’s assessments concluded that there was no evidence that those tariffs were excessively high⁶.

3.2. Assessing of tariffs

Following the identification of potentially excessive tariffs under the pre-evaluation filtering system, they are then assessed in the light of the elements listed in Article 6(2) of the Regulation.

The evaluation to be carried out must be in accordance with the principles set out in Article 12 of Directive 97/67/EC, as amended by Directive 2008/6/EC of the European Parliament and of the Council of 20.2.2008, which were transposed into national law by Law No 17/2012 of 26 April, amended at a later date (Postal Law), namely: (I) accessibility for all users; (II) cost orientation, prices should encourage efficient provision of the universal service, and Member States may apply a single tariff on national territory and/or across borders to single tariff services and other postal items where necessary for reasons of public interest; and (iii) transparency and non-discrimination.

The prices in force in 1.1.2024 corresponded to the prices in force since 1.3.2023, proposed by CTT under the pricing rules set out in the Universal Postal Service Price Arrangement concluded in 20.7.2022 between the CTT, ANACOM and the Directorate-General for Consumer Affairs (Arrangement), which sets out the criteria for price formation of the postal services comprising the universal postal service for the period from 2023 to 2025. Prices which were thus found to comply with those criteria.

3.2.1. Application of a single tariff for two or more MS

Commission Communication COM (2018) 838 states that uniform tariffs (based, for example, on the geographical proximity of destinations), even if they constitute a legitimate deviation from the principle of

⁶ Decisions from 2019 to 2023 available at <https://www.anacom.pt/render.jsp?categoryId=408963>.

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cost-orientation of prices (Article 12 of the Postal Directive), may be important for the protection of regional and/or social cohesion, and NRAs should take into account that the existence of a gap between the specific cost of a service and its price may be justified by the possibility of the price being based on an average cost reflecting different cost structures.

At parcel level, and with regard to the tariffs applied by the CTT, it should be noted that there are two charging zones for all EU Member States, Iceland, Liechtenstein and

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Norway, the tariffs “Zone 1” and “Zone 2”, which apply according to the country of destination, according to the table below (the tariffs applicable to “Zone 1” being lower than those applicable to “Zone 2”), which have been applied by the CTT for several years and which generally takes into account the distance from Portugal to the country of destination of the service.

Table 2. Tariff zones applied by the CTT (for the EU Member States, Iceland, Liechtenstein and Norway)

Zone 1	Zone 2
Germany, Austria, Belgium, Spain, France, the Netherlands, Italy, Liechtenstein, Luxembourg	Bulgaria, Croatia, Cyprus, Czechia, Denmark, Estonia, Finland, Greece, Hungary, Ireland, Iceland, Latvia, Lithuania, Malta, Norway, Poland, Romania, Slovakia, Slovenia, Sweden

Source: CTT.

As regards the unit costs associated with the tariffs in question for parcels sent to each of the destinations⁷, it is possible to conclude that there is a difference in average costs for each of the charging zones, with the costs associated with ‘Zone 1’ destinations being, on average, lower than those observed for ‘Zone 2’, as shown in the table below.

Table 3. Estimated unit costs for sending parcels to each charging zone [Confidential Information Start – IIC⁸]

		Average Unitary Cost (2023)
1 kg track & trace parcel	Zone 1	
	Zone 2	
	Total EU/EEA	
2 kg track & trace parcel	Zone 1	
	Zone 2	
	Total EU/EEA	
5 kg track & trace parcel	Zone 1	
	Zone 2	
	Total EU/EEA	

[End of Confidential Information – FIC⁹]

Unit: Euros

Source: CTT information.

It is therefore appropriate to conclude that the definition by the CTT of the two charging zones will generally take into account the distance between the destination countries and the costs underlying the provision of the services¹⁰.

⁷Costs estimated by the CTT for 2023 based on data from the analytical accounting system for the 1st half of 2023, without one-off expenditure – information not audited by ANACOM (see Appendix).

⁸Start of confidential information.

⁹End of confidential information

¹⁰There may nonetheless be variations in individual cases, since taking account of the specific costs associated with each destination would require a more detailed breakdown of tariff zones or, in the final analysis, the definition of specific tariffs for each destination country (or potentially even for each operator hired by the CTTs to distribute the items in the destination country).

In the case of international blue mail, the CTT tariff is uniform for all EU Member States, Iceland, Liechtenstein and Norway, and is also uniform for ‘Europe’ countries.

It should also be noted that the bundling of tariffs in only two areas (such as parcel tariffs), or in a single area (such as international blue mail), as well as being important for the protection of territorial cohesion (as stated in recital 26 of the Regulation), has the benefit of less complex tariffs for users of the services, who can thus more easily identify the prices applicable to the services offered.

In the light of the foregoing, the application of a uniform tariff for all destinations, or of two charging zones with a uniform tariff in each of those zones, may lead to differences between the tariff charged and the cost of providing the service for each destination. The tariff applied must therefore be assessed in the light of the average cost of providing the service for each charging zone, which is done in the following paragraph.

3.2.2. Bilateral volumes, specific transportation or handling costs, other relevant costs and service quality standards

As stated in Article 6(2)(c) of the Regulation, the criteria relate in particular to the assessment of the cost orientation of the tariffs. It also states that the possibility of economies of scale and other costs must be taken into consideration, in particular the cost of terminal rates – the term used to cover both terminal dues (applicable for letter mail¹² items) and inward land rates (applicable to parcels)¹³ (on the basis of Commission Communication COM (2018) 838).

Table 4 gives an overview of the unit values (costs and margins) estimated by the CTT for 2023 (compared to 2022) for the tariffs under analysis for the dispatch of parcels.

Table 4. Estimated unit costs and margins for sending parcels to each charging zone (2022 and 2023) [SCI]

		Average unit cost		Average unit margin				
		Euros		Euros		(%)		Variation 2022-2023
		2022	2023	2022	2023	2022	2023	(pps)
1 kg track & trace parcel	Zone 1							
	Zone 2							
	Total EU/EEA							
2 kg track & trace parcel	Zone 1							
	Zone 2							
	Total EU/EEA							
5 kg track & trace parcel	Zone 1							
	Zone 2							
	Total EU/EEA							

Commission¹¹ Communication COM (2018) 838 further clarifies that volumes should be measured by the number of shipments to the service under assessment and to other services carried out together, which can contribute to reducing the unit cost.

¹²UPU Convention Article 29.

¹³UPU Convention Articles 35, 36.

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[FIC]

Source: CTT information (communications of 3.6.2024 and 2.6.2023), Assessment of cross-border unit parcel tariffs (2023) and ANACOM calculation.

As shown in the table above, in unit terms, and for each of the types of dispatch under analysis, margins are estimated in 2023 ranging from [SCI] [ECI]% to [SCI]%. [FIC]% linked to the sending of 1-kg track & trace parcels to Zone 2 and the sending of 5-kg track & trace parcels to Zone 1 respectively. In general, margins reflecting the application of tariffs in line with the respective average unit costs are estimated. Only in the case of track & trace parcels of 5 kg is an estimated more significant margin for 2023, but it should be noted that for 2022 a margin was estimated to be almost zero. ANACOM will continue to monitor the evolution of tariffs for these submissions, in particular in the context of the price offers made by the CTT, and taking into account available cost data.

As regards the volumes associated with the parcels in question, it should be noted that no information is available broken down by weight band, as indicated by the CTT in their 3.6.2024 communication. Nevertheless, CTT reported that traffic

total dispatched to “Zone 1” and “Zone 2” countries in 2023 was [SCI] [FIC] objects (corresponding [SCI])

[FIC]% of this traffic towards “Zone 1” countries and the

remaining [IIC] [FIC]% to “Zone 2” countries), a volume corresponding to one

overvaluation of traffic corresponding to the items specified in the Annex to the Regulation, which will necessarily be lower. It should be noted, without prejudice, that the figure now presented by CTT corresponds to a reduction of approximately [SCI] [ECI]% compared to the total volume reported in the previous year’s financial year ([SCI] [FIC] objects),

characterised by a traffic variation for Zone 1 of about [SCI] [FIC]% and for Zone 2 of about [SCI] [ECI]%. It should be noted that the low annual traffic figures recorded in the flows under analysis may also help to justify the greater variation observed in the margin for parcels weighing 5 kg, given that, for lower traffic values, any variations in traffic may lead to more significant variations in average unit costs and thus in the value of margins.

As regards correspondence items, the table below gives an overview of the unit values (costs and margins) estimated by the CTT for 2023 for the tariffs in question for sending track & trace (international blue mail for Europe).

Table 5. Estimated costs and unit margins for blue mail items (to Europe) in 2023 [IIC]

		Average unit cost		Average unit margin	
		Euros		Euros	(%)
1-kg Track Blue mail	Total EU/EEA				
2-kg Track Blue mail	Total EU/EEA				

[FIC]

Source: CTT information (3.6.2024 communication) and calculation of ANACOM.

For international blue mail items, the margin for items up to 1 kg is estimated to be [SCI] [ECI]% and [SCI] [ECI]% for shipments up to 2 kg. In this respect, it should be noted that for this service CTT applies a uniform tariff for the whole of Europe, and not only for shipments to the countries covered by the Regulation (EU and Iceland, Liechtenstein and Norway), and therefore the average cost of sending to all destinations in Europe is taken into account when setting it.

Looking at the margin of these submissions considering all destinations in Europe, and not only the destinations included in the Regulation, although according to the information available in the results of the 1st semester 2023 of the CTT analytical accounting system, a positive margin is still found, this margin is significantly lower ([SCI] [ECI]%) compared to the margin found in shipments to the EU MS, Iceland, Liechtenstein and Norway (see Table 5).

From the above, it can be concluded that, when considered as higher average shipping costs for the construction of the tariff in question, since items are included to countries where the average cost of delivery is higher, when comparing the value of the tariff (uniform for Europe as a whole) and the average delivery costs for the countries included in the Regulation, the margins found are higher ([SCI] [ECI]% for 1 kg shipments and [SCI]% for 2 kg items). This does not in itself mean that the tariff charged is excessively high, not least because in the analysis of margins on shipments to the countries of the Regulation, despite the identification of destinations where the margin is positive, it is also possible to identify destinations where the same margin is negative (see information in Appendix).

In this respect, it should be noted that the application of a uniform price for Europe as a whole, and not just for the EU/EEA area, i.e. the application of a uniform price which takes into account the average cost of deliveries to the whole of Europe and not just to a more limited area (and closer to Portugal), contributes to making the margin for all destinations under the Regulation more positive. However, it is still possible to identify some of the Regulation's destinations where there is a negative margin and it cannot therefore be concluded, in the light of the available data, that the tariffs in question are excessive.

From the above, it cannot be concluded that the tariffs of the CTT in question (international parcels and international blue mail) are excessive. However, ANACOM will continue to monitor the prices charged by the CTT for the abovementioned items, in particular for orders of 5 kg and for blue mail items, in particular in the context of the evaluation of tariff offers to be submitted by the USP and taking into account, inter alia, updated data on the costs associated with the items in question, among other relevant data.

3.2.3. Tariffs charged by competitors of the universal service provider in the originating country

It is also considered useful to carry out a comparative analysis between the tariffs applied by the CTT and those applied by their competitors in Portugal for the items under assessment, without prejudice to the fact that the framework applicable to tariffs subject to the universal service obligation does not apply to prices charged by providers other than the USP14, and that the very characteristics of the offers (such as quality of service) may be distinct and thus not directly comparable.

The tariffs of parcel delivery service providers submitting information under the Regulation for each of the categories of items in question, compared with those applied by the CTT, are then analysed. The result of the comparison for sending 2-kg, 1-kg and 5-kg track & trace parcels (Zone 1 and Zone 2) and international blue mail (Europe) track & trace of 1 kg and 2 kg is shown in the table below.

Table 6. Comparison between the average tariffs applied by the CTT and the average tariffs applied by the other providers in Portugal for all products covered by the filter

CTT	PESCO II	CTT Expresso	DHL Express	DHL Parcel	DPD	Logista	Mondial Relay	TCI	TNT	UPS	Average excluding CTT	Median excluding CTT	Deviation of CTT from average	Deviation of CTT from median
1 kg track & trace parcel (Zone 1)														
26,45	49,58	34,53	50,11	19,50	25,81	21,79	8,53	26,41	57,11	13,86	30,72	26,11	— 13.91 %	— 1.29 %
2 kg track & trace parcel (Zone 1)														
29,40	77,12	42,23	62,67	19,50	34,10	26,11	9,06	—	71,23	13,86	39,54	34,10	— 25.65 %	— 13.78 %
5 kg track & trace parcel (Zone 1)														
37,40	147,70	41,67	79,00	19,50	24,30	25,93	—	—	104,78	14,10	57,12	33,80	— 34.53 %	— 10.65 %
1 kg track & trace parcel (Zone 2)														
31,60	65,40	52,33	51,00	24,99	25,83	42,65	—	48,80	83,33	17,93	45,81	48,80	— 31.01 %	— 35.24 %
2 kg track & trace parcel (Zone 2)														
35,65	98,25	67,04	65,10	24,99	39,83	58,89	—	—	105,34	17,93	59,67	62,00	— 40.26 %	— 42.50 %
5 kg track & trace parcel (Zone 2)														
46,55	169,46	90,30	79,63	28,71	49,18	79,08	—	—	151,77	17,97	83,26	79,36	— 44.09 %	— 41.34 %
1 kg track & trace correspondence														
11,10	—	—	—	—	—	36,17	—	—	73,97	—	55,07	55,07	— 79.85 %	— 79.85 %
2 kg track & trace correspondence														
17,85	—	—	—	—	—	48,72	—	—	93,53	—	71,13	71,13	— 74.90 %	— 74.90 %

Unit: Euros

Source: Parcel platform and calculation of ANACOM.

Notes: In the case of 5-kg parcel shipments only the CTT tariff for Germany is within the filter of the highest 15 % tariffs in Zone 1. In “Zone 2” only the CTT tariff for Denmark was not covered by the filter.

From an analysis of the above table, it can be concluded that, overall, the tariffs applied by CTT are lower than the average rates charged by their competitors for the various services, since the deviation of CTT from the average is always negative. As regards the median of the average tariffs of each provider, which enjoys greater strength to assess situations with significant variability to the median, the tariffs applied by the CTT are also lower than the median of the average tariffs applied by the other providers, with the exception of 1-

It14 should be noted that any differences may also be due to the characteristics of the offers in question.

kg parcel shipments to Zone 1, where the CTT tariff (EUR 26,45) is 1.29 % higher than the median of the average tariffs of the other providers, and 5-kg parcels also to Zone 1, where the CTT tariff (EUR 37,40) is 10.65 % higher than the median average of the average tariffs of the other providers.

In the light of the foregoing, without prejudice to the identification of situations in which some providers charge lower tariffs than the CTT for the categories of items in question and it is generally stressed that the tariffs applied by the CTT are more homogeneous, as a result of the definition of only two tariff zones in the case of parcels and a single tariff zone in the case of blue mail, it is not possible to conclude, on the basis of this information, that the tariffs charged by CTT on shipments to the EU, Iceland, Liechtenstein and Norway are excessive.

In addition to the analysis presented, it will also be relevant to note the national tariffs of each provider¹⁵. As shown in the table below, the national CTT tariff for parcels of 1 kg, 2 kg and 5 kg is lower than the average for other providers. However, if the median is considered, CTT tariffs are higher, a reversal than last year, as these three prices were below the median domestic tariffs of domestic providers.

¹⁵Note that some providers do not offer a domestic product corresponding to the deliveries under analysis.

Table 7. Domestic tariffs of each provider

CTT	PESCO II	CTT Expresso	DHL Express	DHL Parcel	DPD	Logista	Mondial Relay	TCI	TNT	UPS	Average excluding CTT	Median excluding CTT	Deviation of CTT from average	Deviation of CTT from median
1 kg track & trace parcel														
9,05	8,04	6,81	17,83	8,12	7,91	9,11	3,83	4,84	19,05	6,45	9,20	7,98	— 1.62 %	13.48 %
2 kg track & trace parcel														
9,05	8,57	6,81	19,07	8,12	9,5	9,11	4,16	—	19,05	6,45	10,09	8,57	— 10.34 %	5.60 %
5 kg track & trace parcel														
10,9	10,18	10,2	20,3	9,34	13,34	10,14	5	—	19,05	6,45	11,56	10,18	— 5.67 %	7.07 %
1 kg track & trace blue mail														
—	—	—	—	—	—	9,11	—	—	19,05	—	14,08	14,08	N/A	N/A
2 kg track & trace blue mail														
—	—	—	—	—	—	9,11	—	—	19,05	—	14,08	14,08	N/A	N/A

Unit: Euros

Source: Parcel platform and calculation of ANACOM.

In this respect, it is important to note that the domestic tariffs of the CTT are not the subject of this analysis, and that the increase in those tariffs compared to the previous year took place in accordance with the rules set out in the abovementioned Arrangement when analysing the CTT price proposal for 2023.

The analysis of domestic tariffs (see Table 7) included only the CTT tariff for parcels, since blue mail does not include tracking and tracing (track & trace) in national items.

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4. Conclusion

Based on the analysis carried out, our conclusion is as follows:

- The tariffs identified through the application of the pre-assessment filtering system identified in Commission Communication COM/2018/838 as being objectively necessary to assess, and which were in force on 1.1.2024, are part of the universal service price basket and were set under the pricing rules set out in the Universal Postal Service Price Arrangement concluded in 20.7.2022 between the CTT, ANACOM and the Directorate-General for Consumer Affairs (Arrangement), which sets out the criteria for price formation for postal services comprising the universal postal service for the period from 2023 to 2025.
- For parcel shipments, CTT applies two charging zones for EU and EEA MS, “Zone 1” and “Zone 2”, which has been applied historically and generally reflects the average distances of Portugal to different destinations and the differences in average costs associated with shipments to each of the charging zones. In the case of international track & trace connections, CTT applies a single uniform tariff for shipments to Europe. This practice, of applying uniform tariffs for two or more destinations, is legitimised by the Postal Directive and the Regulation, and may have the benefit of resulting in lower complexity of tariffs for service users, as well as being important for the protection of regional and social cohesion.
- Taking into account the information available:
 - the estimated margins of international track & trace parcels range from [IIC] [FIC]% to [SCI] [ECI]%, linked to the sending of 1-kg track & trace parcels to Zone 2 and sending 5-kg track & trace parcels to Zone 1 respectively. In general, margins reflecting the application of online tariffs with the respective average unit costs are estimated, only for track & trace parcels of 5 kg is estimated to be more significant in 2023;
 - the estimated margins of international matches (blue mail) with track & trace of 1 kg and 2 kg are at [SCI] [ECI]% and [SCI]% respectively. These higher margins could be explained by the fact that CTT applies a uniform tariff for the whole of Europe, and not only for shipments to the countries covered by the Regulation (EU and EEA), which takes into account higher average shipping costs compared to a more limited area, such as the group of countries covered by the Regulation.
- The tariffs applied by the CTT in 1.1.2024 are lower than the average of the tariffs applied on the

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national market by the other service providers. They are also lower than the median of the average tariffs applied by the other providers, with the exception of parcels of 1 kg and 5 kg to destinations in Zone 1 where they are higher.

- The comparisons made are subject to significant limitations related to the lack of information on the comparability of the specific characteristics of each product, particularly as regards delivery speed, size of the items or territorial coverage. Please note that the Commission Communication itself points out that, in general, tariffs of single-piece postal items usually depend to a large extent on service quality and other product characteristics. Accordingly, it must be noted that specific information on the characteristics associated with each tariff communicated by each universal service provider in each Member State via the PARCEL platform does not present this level of detail, and thus does not allow for such analysis.

In the light of the above and in the light of the information available, it can be concluded with regard to the cross-border tariffs of the CTT examined:

- (i) 1-kg tracking and tracing parcel for all destinations reported under Article 5 of the Regulation – corresponds to the tariffs “Zone 1” and “Zone 2” of the CTT’s international parcel tariff;
- (ii) 2-kg tracking and tracing parcel for all destinations reported under Article 5 of the Regulation – corresponds to the tariffs “Zone 1” and “Zone 2” of the CTT’s international parcel tariff;
- (iii) 5 kg track and trace parcel for all destinations reported under Article 5 of the Regulation with the exception of Austria, Belgium, Denmark, Spain, France, Italy, Liechtenstein, Luxembourg and the Netherlands – corresponds to the ‘Zone 1’ tariff for consignments to Germany and the ‘Zone 2’ tariff for other destinations;
- (iv) Tracking and tracing (international blue mail) correspondence of 1 kg for all destinations reported under Article 5 of the Regulation;

(v) Tracking and tracing (international blue mail) correspondence of 2 kg for all destinations reported under Article 5 of the Regulation, there is insufficient evidence to consider these tariffs to be excessively high.

Without prejudice, ANACOM will continue to monitor the prices charged by the CTT for the above items, in particular as part of the evaluation of tariff proposals to be submitted by the USP and taking into account, inter alia, updated data on the costs associated with the items in question, or other relevant data that become available.

APPENDIX

Information sent by the CTT in a communication dated 3.6.2024

1 kg order [IIC]

[FIC]

2 kg order [IIC]

[FIC]

5 kg order [IIC]

[FIC]

1 kg international blue mail [IIC]

[FIC]

2 kg international blue mail [IIC]

[FIC]

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