

## Posti: Increasingly, Finns are sending digital messages - the prices of stamps will be adjusted to cover the delivery costs

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The prices of Posti's letter services paid in cash will change on June 12, 2020. Letter services paid in cash include, for example, domestic and international letters that are paid by stamps and included in the universal service.

"Finns still appreciate a real card or letter, even though the annual number of sent corporate communications has taken a nosedive in the digital era. That said, people find it especially important to make someone happy with a letter or card, especially in these current times," says Tuija Åkerman, Posti.

Finnish consumers spend, on average, less than EUR 20 per year on letter postage fees. The price adjustment translates into an increase of less than EUR 2 annually.

## The increases are aimed at ensuring universal service in the whole country

The backdrop to the change is a sharp decline in the letter delivery volume resulting from the increase in online communications. In January–November, the letter delivery volume decreased by 15%. The share of stamped universal service letters dropped to 2.6% of all of the items delivered by Posti.

"With the delivery volume decreasing, we are forced to raise our prices so that the payments will cover the costs of the delivery network. People are sending fewer cards and letters, so the processing and delivery cost of an individual letter or card becomes higher. Still, we are convinced that there will be demand for real letters and cards for a long time to come because of their attention value," says Tuija Åkerman.

The processing and sorting of stamped letters include several manual work phases, from collection to sorting and delivery.

A normal delivery day covers approximately 320,000 km in total. By adjusting the postage fees to cover the costs, Posti is able to ensure universal service in all of Finland. Posti's operations are financed by service charges paid by customers, and the company is not subsidized by the State.

Domestic letters are divided into four weight categories according to the weight in grams. The price of a domestic card or letter weighing no more than 50 g will be EUR 1.75 as of June 12, 2020 (EUR +0.15).

The price of a Priority class international card or letter weighing no more than 20 g will be EUR 1.85 (EUR +0.15).

## The price of Christmas greetings will increase to EUR 1.20 (EUR + 0.10).

However, all domestic weight classes will be priced in multiples of the no-value indicator stamp's price. In the lightest class (1–50 g), the postage fee of a letter or postcard equals one no-value indicator stamp; in the next weight class (51–250 g), the fee equals two no-value indicator stamps; and in the third weight class (251–1,000 g) the fee equals four no-value indicator stamps. In the



heaviest weight class (up to 2 kg), the letter postage fee equals six no-value indicator stamps.

All domestic and international no-value indicator stamps purchased before the price increase will be accepted without additional

stamps after the price increase. Old 1st and 2nd class no-value indicator stamps can still be used. Their value corresponds to the domestic no-value indicator stamp and will be EUR 1.75 as of June 12.

Source: Posti