

## **DHL reverses price increase on parcels and small packages for private customers effective May 1, 2020**

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DHL will reverse its price increase for parcels, small packages (Päckchen) and additional services for private customers introduced on January 1, 2020; the rate reversal will be effective starting May 1, 2020. The company's objective is to avoid a drawn-out legal dispute with Germany's Federal Network Agency (Bundesnetzagentur) and any confusion on the part of customers with regard to parcel rates.

On January 1, 2020, DHL raised the price for parcels and small packages for private customers by an average of 3% after three years of price stability. This was in response to significant increases in personnel and transport costs, as well as extensive investments in service and quality improvements. DHL informed the Federal Network Agency (Bundesnetzagentur) in the fall of 2019 about the planned price increases and provided detailed documentation establishing compliance with German Postal Act (Postgesetz) rate regulations.

The Federal Network Agency, however, responded by calling the new prices excessive and, on January 28, 2020, initiated an official review of the new prices. As stated

in its preliminary resolution, the Federal Network Agency believes that the price increase effective January 1, 2020 would lead to significantly higher revenues than estimated by DHL. Though DHL does not agree with this assessment, it has decided to retract the price increase to avoid a drawn-out legal dispute and any uncertainty with regard to the outcome.

The reversal will take effect on May 1, 2020 due to time required for IT system updates and changes to customer data at more than 24,000 parcel acceptance points. Until then, current prices remain valid. Beginning May 1, 2020, retail outlet and online prices for private customers will revert to prices effective through December 31, 2019.

Source: [Deutsche Post DHL](#)