

Amazon boosts price of 'Prime' membership to \$99 in US

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An Amazon parcel is seen on a conveyor belt before being shipped to a client on December 13, 2012

Amazon is boosting the price of its "Prime" membership to \$99 a year, a 25 percent jump for US customers seeking free delivery and access to the streaming video service.

The price hike unveiled Thursday is the first since Amazon launched the program in 2005.

"Even as fuel and transportation costs have increased, the price of Prime has remained the same. If you consider things like inflation and fuel costs, a Prime membership valued at \$79 in 2005 would be worth more than \$100 today," an Amazon statement said.

"Beyond that, we've gone from one million to more than 20 million eligible items for express shipping, added unlimited streaming with Prime Instant Video and books to borrow for free with the Kindle Owners' Lending Library. Plus, our members have a voracious appetite for Prime's unlimited free two-day shipping."

The Prime membership packages several services including a streaming [video service](#) which competes with that of rivals like Netflix, which charges \$8 a month, or \$96 a year.

Amazon hinted at the increase earlier this year when its [chief financial officer](#) said the company was studying an increase of up to \$40 a year.

Amazon, which began as an online bookseller, now offers a range of products and services including e-books, Kindle tablets and e-readers. It is also a major provider of cloud computing services.

In its global operations, Amazon has programs similar to Prime at various prices, which are not affected by the change. For example, Amazon UK has a Prime service at 79 pounds and Amazon France Premium costs 49 euros annually.

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