

Integrated parcel delivery market for the growth of e-commerce in the EU

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PURPOSE: to launch a consultation on the integrated parcel delivery market for the growth of e-commerce in the EU (Commission Green Paper).

BACKGROUND: according to estimations, the EU parcel market was estimated to be worth **€42.4 billion in 2008**.

Over the last 5 years, and due to the growth of e-commerce, the business to consumer segment of the parcel and packet markets has grown rapidly. Estimates of today's volumes indicate that this segment now represents between 20 % and 40% of total volumes in more mature e-commerce markets such as the United Kingdom. In the EU-27, only 9% of EU consumers and 18% of EU retailers use cross-border e-commerce. Cross-border delivery is considered to be an obstacle by 57% of retailers¹⁰, while 46.7% of consumers declare they worry about the delivery in cross-border transactions.

The [Commission's Communication on ecommerce and online services](#) identifies the delivery of goods purchased online as one of the **top five priorities** to boost e-commerce by 2015 and its importance has been reiterated by the Council of the European Union and the European Parliament in its [resolution](#) of 21 September 2010. **Delivery is indeed critical as it has a substantial impact on facilitating e-commerce trade** and is a key element for building trust between sellers and buyers.

A more appropriate design of the delivery chain for e-commerce in the EU would also have **positive implications for a number of policy areas** such as cohesion, employment, innovation, environment, competitiveness of European industry to promote investment in a European delivery network which faces intense competition in the international environment.

CONTENT: this Green Paper examines how the e-commerce and delivery markets in Europe are evolving, explores what is required for the creation of a Single Market for delivery, analyses the key challenges for the different actors, and highlights the opportunities for improving the delivery process to the benefits of citizens and businesses, in particular SMEs.

Based on an analysis of the existing regulatory and institutional framework, **three main issues are considered instrumental** in creating an integrated EU parcel delivery market :

(1) Convenience: greater convenience and transparency for consumers. In this context, the Green Paper focuses on the following points:

- **greater consideration from the consumers' point of view through the provisions of information** : (i) on delivery options and modalities; (ii) on the quality/performance of delivery (e.g. performance indicators on the speed of delivery, the geographic coverage of the delivery operator, delays, damaged or lost items; (iii) trust labels (e.g. a certificate given by an industry association that the delivery process of an operator can be trusted);
- **better service and more safeguards:** the Green Paper examines the need for a **new universal service obligation** to address the ubiquity, affordability and quality of parcel delivery services as well as ways to reply to concerns and **consumer complaints** as regards deliveries.

(2) Controlling costs: consumers and e-retailers consider generally current price levels to be too high. By contrast, operators argue that they already work with low margins and that sustainable prices are necessary to ensure their long-term economic viability. There is a need to **identify solutions to limit the impact on delivery prices of crossing border** and to close the existing gap between the domestic and the cross-border price, where it is not objectively justified.

Consumers often perceive the choice of delivery solutions to be very limited due to the lack of transparency of the market, and the actual state – or perceived state – of competition on the market. Specific ex ante regulatory solutions could be envisaged to the benefit of consumers by **making delivery markets competitive on a sustainable basis**.

(3) Improving interoperability along the delivery chain: more transparency and better partnerships are required in order to address the need of e-retailers, to better understand what constitutes best logistic and delivery practices and to effectively communicate the delivery options that are available to consumers. Successful **partnership** within and between these two sectors will be decisive for the future of ecommerce.

The Commission services have already launched a **number of demonstration actions** aiming to improve the competitiveness of the transport and logistics sector in Europe, through the smart use of information technologies and connect, in particular smaller enterprises to digital transport and logistics value chains.

All interested parties are invited to submit their views in response to the consultation **at the latest by 15 February 2013**. As a follow up to this Green Paper and on the basis of the responses received, the Commission will identify, in spring 2013, the set of actions to be taken to complete the single market for parcels.