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on an integrated parcel delivery market for the growth of e-commerce in the
EU
(2013/2043(INI))

Committee on the Internal Market and Consumer Protection

Rapporteur: Pablo Arias Echeverría

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on an integrated parcel delivery market for the growth of e-commerce in the EU (2013/2043(INI))

The European Parliament,

- having regard to Article 3(3) of the Treaty on the Functioning of the European Union (TFEU), which commits the Union to working for ‘a highly competitive social market economy, aiming at full employment and social progress, and a high level of protection and improvement of the quality of the environment’,
- having regard to Article 9 TFEU, which establishes that ‘in defining and implementing its policies and activities, the Union shall take into account requirements linked to the promotion of a high level of employment, the guarantee of adequate social protection, the fight against social exclusion, and a high level of education, training and protection of human health’,
- having regard to Article 11 TFEU, which stipulates that ‘environmental protection requirements must be integrated into the definition and implementation of the Union policies and activities, in particular with a view to promoting sustainable development’,
- having regard to Article 12 TFEU, which stipulates that ‘consumer protection requirements shall be taken into account in defining and implementing other Union policies and activities’,
- having regard to Article 14 TFEU and Protocol 26 thereto on services of general (economic) interest,
- having regard to Article 26 TFEU, which stipulates that ‘the internal market shall comprise an area without internal frontiers in which the free movement of goods, persons, services and capital is ensured in accordance with the provisions of the Treaties’,
- having regard to Articles 49 and 56 TFEU on the freedom of establishment and the freedom to provide services within the Union,
- having regard to Articles 101 and 102 TFEU on the rules on competition applying to undertakings,
- having regard to Article 169 TFEU on promoting the interests of consumers and ensuring a high level of consumer protection,
- having regard to Directive 97/67/EC of the European Parliament and of the Council, as amended by Directive 2002/39/EC and 2008/6/EC on postal services,
- having regard to Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society services, in particular e-commerce, in the Internal Market,

- having regard to Directive 2013/11/EU of the European Parliament and of the Council of 21 May 2013 on alternative dispute resolution for consumer disputes and amending Regulation (EC) No 2006/2004 and Directive 2009/22/EC,
- having regard to Regulation (EU) No 524/2013 of the European Parliament and of the Council of 21 May 2013 on online dispute resolution for consumer disputes and amending Regulation (EC) No 2006/2004 and Directive 2009/22/EC,
- having regard to Directive 2011/83/EU of the European Parliament and of the Council of 25 October 2011 on consumer rights, amending Council Directive 93/13/EEC and Directive 1999/44/EC of the European Parliament and of the Council and repealing Council Directive 85/577/EEC and Directive 97/7/EC of the European Parliament and of the Council,
- having regard to the Commission Green Paper of 29 November 2012 on ‘An integrated parcel delivery market for the growth of e-commerce in the EU’ (COM(2012)0698),
- having regard to the Commission staff working document of 23 April 2013 entitled ‘E-commerce action plan 2012- 2015 – State of play 2013’ (SWD(2013)0153),
- having regard to the Commission communication of 11 January 2012 entitled ‘A coherent framework for building trust in the Digital Single Market for e-commerce and online services’ (COM(2011)0942),
- having regard to the Commission communication of 18 December 2012 entitled ‘The Digital Agenda for Europe – driving European growth digitally’ (COM(2012)0784),
- having regard to the Commission communication of 26 August 2010 entitled ‘A Digital Agenda for Europe’ (COM(2010)0245),
- having regard to the Commission staff working document of 7 December 2012 entitled ‘Consumer Markets Scoreboard – Making markets work for consumers – Eighth edition’ (SWD(2012)0432),
- having regard to the Commission communication of 22 May 2012 to Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions entitled ‘A European Consumer Agenda – Boosting confidence and growth’ (COM(2012)0225),
- having regard to the Commission communication of 23 February 2011 entitled ‘The review of the “Small Business Act” for Europe’ (COM(2011)0078),
- having regard to the Commission communication of 9 January 2013 entitled ‘Entrepreneurship 2020 Action Plan – Reigniting the entrepreneurial spirit in Europe’ (COM(2012)0795),
- having regard to the Commission communication of 9 November 2011 entitled ‘Small business, big world – A new partnership to help SMEs seize global opportunities’ (COM(2011)0702),

- having regard to the Commission communication of 28 November 2012 entitled ‘Annual Growth Survey 2013’ (COM(2012)0750),
- having regard to the Commission communication of 3 March 2010 entitled ‘Europe 2020 – a strategy for smart, sustainable and inclusive growth’ (COM(2010)2020),
- having regard to the Commission communication of 11 November 2010 to Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions entitled ‘Towards a Single Market Act – For a highly competitive social market economy –50 proposals for improving our work, business and exchanges with one another’ (COM(2010)0608),
- having regard to the Commission communication of 3 October 2012 to Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions entitled ‘Single Market Act II’ (COM(2012)0573),
- having regard to the Commission communication of 13 April 2011 to Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions entitled ‘Single Market Act - Twelve levers to boost growth and strengthen confidence’ (COM(2011)0206),
- having regard to the Commission White Paper of 28 March 2011 entitled ‘Roadmap to a Single European Transport Area’ (COM (2011)0144),
- having regard to the Commission communication of 18 October 2007 entitled ‘The EU’s freight transport agenda: Boosting the efficiency, integration and sustainability of freight transport in Europe’ (COM (2007)0606),
- having regard to the Council conclusions of 31 May 2012 on the ‘Digital Single Market and Governance of the Single Market’,
- having regard to its resolution of 4 July 2013 on completing the digital single market¹,
- having regard to its resolution of 11 December 2012 on completing the digital single market²,
- having regard to its resolution of 21 September 2010 on completing the internal market for e-commerce³,
- having regard to its resolutions of 6 April 2011 on ‘a Single Market for Europeans⁴’, on ‘a Single Market for Enterprises and Growth⁵’, and on ‘Governance and Partnership in the Single Market⁶’,

¹Texts adopted, P7_TA(2013)0327.

² Texts adopted, P7_TA(2012)0468.

³ Texts adopted, P7_TA(2010)0320.

⁴ Texts adopted, P7_TA(2011)0145.

⁵ Texts adopted, P7_TA(2011)0146.

⁶ Texts adopted, P7_TA(2011)0144.

- having regard to its resolution of 11 June 2013 on a new agenda for European Consumer Policy¹,
 - having regard to Rule 48 of its Rules of Procedure,
 - having regard to the report of the Committee on the Internal Market and Consumer Protection and the opinion of the Committee on Transport and Tourism (A7-0000/2013),
- A. whereas e-commerce is a channel with enormous potential to create economic growth and employment across the European Union; whereas the Commission's communication on e-commerce and online services of January 2012 identifies the delivery of goods purchased online as one of the top five priorities for boosting e-commerce by 2015, and its importance has been reiterated by the Council and by Parliament;
 - B. whereas the EU e-commerce market grew by over 20 % in 2012; whereas cross-border e-commerce in particular is predicted to multiply by a factor of four; whereas the parcel delivery market is undergoing radical transformations, with new providers entering the market and new services emerging;
 - C. whereas efficient and reliable delivery services are a critical pillar of a real and effective digital single market, having a substantial impact in terms of facilitating e-commerce and building trust between sellers and buyers;
 - D. whereas cross-border delivery is considered to be an obstacle by 57 % of retailers, while one in two consumers declare they are worried about delivery in cross-border transactions; whereas delivery concerns (including product returns) and high delivery costs are the top two concerns of consumers in relation to online shopping, contributing to low consumer confidence in cross-border e-commerce;
 - E. whereas in order to overcome this situation it is vital to boost consumers' confidence in delivery, trust in the market and knowledge of their rights, by ensuring more information and greater transparency regarding the conditions of delivery;
 - F. whereas SMEs seeking business opportunities across the EU are confronted with higher costs, greater complexity and a lack of transparency when it comes to cross-border delivery; whereas prices for cross-border delivery are three to five times higher than domestic prices; whereas effective, simple and affordable delivery systems are a key driver of the sustainability of the business models of SMEs and their ability to supply products to customers;

Integrated delivery services in Europe: a pillar for the Digital Single Market

1. Stresses that accessible, affordable and high-quality delivery services are an essential element in the online purchasing of goods and must be promoted by ensuring free and fair competition; notes, however, that many consumers are reluctant to buy online, especially cross-border, because of uncertainties relating to final delivery, delivery costs or reliability;

¹ Texts adopted, P7_TA(2013)0239.

2. Welcomes the Green Paper launched by the Commission to identify possible shortcomings in the European delivery market, and calls on the Commission to take appropriate action to address these in a way that will allow both businesses and consumers to benefit fully from the opportunities offered by the digital single market; stresses that any proposed action should take into account the sustainability of the delivery process and seek to minimise its environmental footprint;

Putting consumer interests at the heart of the delivery process

3. Stresses the importance of increasing consumer confidence in the delivery process; considers more transparency and better information on available delivery options, prices and conditions to be paramount for consumers, specifically with respect to the conditions under which consumer orders are shipped and the procedures to follow in case of delay or damage to or loss of goods;
4. Emphasises that it is necessary to promote measures aimed at ensuring consumer choice at the time of purchase; notes the significant gap between consumer expectations and the availability of convenient, innovative services such as relay points or parcel kiosks, track-and-trace solutions or easy return policies;
5. Stresses that reliability of delivery services is crucial and that it is essential to offer efficient systems that guarantee that parcels effectively reach the requested destination within a reasonable timeframe;
6. Points out that the high cost of cross-border delivery is one of the main reasons for consumer dissatisfaction; stresses that more affordable delivery options for consumers and SMEs are imperative if long-distance sales and purchases are to increase;

Creating a level playing field for SMEs

7. Highlights the vital role of SMEs in creating growth and employment, in particular youth employment; stresses that delivery services are of extreme importance for European SMEs, and that an integrated competitive delivery market ensuring different delivery options at affordable prices is a precondition for accessing new markets and reaching more consumers within the EU;
8. Emphasises that SMEs need to be able to respond to the needs and expectations of consumers with simpler, faster, more affordable, transparent, reliable and efficient shipping services in the context of cross-border e-commerce; stresses that delivery solutions that do not meet consumer expectations have a direct impact on a business's brand name, image and competitiveness;
9. Is concerned at the barriers which SMEs encounter due to the lack of a truly developed European single market in delivery services; stresses that SMEs are currently confronted with higher costs, great complexity, and a lack of transparency;

Towards innovative and interoperable solutions for a truly European delivery market

10. Calls on the Commission to propose the necessary measures to encourage industry to improve interoperability and accelerate the roll-out of streamlined processes aimed at reducing costs, increasing the availability and quality of delivery services, and offering affordable flexible shipping rates to consumers and businesses alike;
11. Believes that in this regard collaboration within the industry on interoperable cross-border track-and-trace systems is of particular importance; encourages the Commission to explore further the potential of developing European standards and of using open application programming interfaces to enable integrated tracking systems;
12. Highlights that easier collection and return solutions could significantly lower prices and increase consumer satisfaction, especially across borders; encourages further collaboration to improve the interoperability of call-centres dedicated to consumer complaints;
13. Calls on the Commission to encourage delivery operators to create cooperation and information exchange platforms in order to promptly address the existing gaps in the EU delivery market in terms of innovation, flexibility, stock management, transport and return of parcels, while respecting EU competition law;
14. Calls on the Commission to work towards the adoption of European standards on addressing and labelling, as well as e-commerce-friendly letter-box standards;

Monitoring market development and improving regulatory oversight

15. Recognises the dynamic nature of the parcel delivery market, with new services and operators emerging rapidly; notes that innovative solutions responding to the needs of e-retailers and customers are likely to become a key differentiator for competition; believes that it is of utmost importance to monitor the development of the market carefully, in order to identify any areas of potential market failure where further action may become necessary in the future;
16. Calls on the Member States and the Commission to ensure that the existing regulatory framework is fully transposed, implemented and enforced, with particular attention to the Postal Services Directive, EU competition law and the Consumer Rights Directive;
17. Instructs its President to forward this resolution to the Council and the Commission.

EXPLANATORY STATEMENT

Importance of delivery for the growth of e-commerce in Europe

The economic importance of the internet economy and of e-commerce in particular has been widely acknowledged. In 2012, the EU B2C e-Commerce market grew by around 20% to some 250 billion Euros. Between 2013 and 2016, an annual increase in e-commerce of more than 10% is expected for the entire European region. Yet, e-commerce markets vary greatly across the EU: whilst in the UK, for instance, over 80% of internet users bought online in 2012, the figure was only 11% in Romania. At the same time, cross-border e-commerce, though growing steadily, is still lagging behind domestic sales throughout almost the entire EU. Figures suggest that there is a large potential for increased e-commerce in the EU, with cross-border e-commerce expected to multiply by a factor of four.

However, this potential can only be realised if delivery services meet the needs of e-shoppers and e-retailers, so that delivery services do not become a bottleneck. Accessible, affordable and high-quality delivery services across Europe are an essential prerequisite to realising the full potential of e-commerce.

Recent studies have shown that problems related to delivery services are a key reason for not buying online, with almost half of consumers naming concerns about possible non-delivery, damaged goods or uncertainty about return policies as reasons for refraining from e-commerce. Delivery-related problems (e.g. unexpectedly high delivery costs or lengthy delivery times) are responsible for almost 70% of abandoned online shopping transactions. SMEs likewise express dissatisfaction about the lack of transparency, the quality of delivery services and the high costs of cross-border delivery, considering it a significant barrier to their development in the digital single market.

The report recognises that the parcel delivery market in Europe is experiencing rapid changes, with new services emerging and new players entering the market. Yet, evidence suggests that important barriers remain in place, threatening to slow down the potential for growth in European e-commerce. The rapporteur therefore urges Member States and the Commission to prioritise removing all major obstacles towards the development of an integrated market for parcel delivery, which should be seen as a fundamental pillar in the construction of the digital single market.

Putting consumer interests at the heart of the delivery process

It is time to put consumers at the heart of the delivery process and to overcome the gap between consumer expectations and the reality on the ground. It is time to move towards more transparency, better quality, more affordability and increased availability.

Consumers expect more transparency and better information on the available delivery options and the conditions of the delivery process, including the shipment of orders and what to do if parcels are delayed, damaged or lost. More transparency and comparability is also needed in terms of the pricing and the different operators acting on the market. Secondly, consumers expect to have the possibility to choose between different shipment options (including for instance where and when a parcel should be delivered) at the point of purchase. All too often, consumers have no say in the matter, which causes increasing frustration.

Consumers expect better quality services in terms of reliability, speed and convenience. Packages must effectively reach the requested destination within a reasonable timeframe in order to make online shopping attractive and save for consumers. Innovative convenient solutions exist, including easy return policies, track-and-trace systems or the availability of relay points/ parcel kiosks to ease the collection of parcels from delivery operators. Ensuring that such solutions are taken up widely would not only respond to consumer needs but it would also be a key step to reduce costs and lower prices.

The high cost of delivery, especially across borders, continues to be one of the main reasons for consumer dissatisfaction with online shopping, seen as a fundamental obstacle to cross-border e-commerce.

Finally, the evidence clearly suggests that there are important differences in terms of availability of delivery services between different EU Member States and different regions within the same Member State, to the detriment of consumers living in less accessible, remote areas. This imbalance risks jeopardising the potentially positive social effects of e-commerce, providing access to a wide choice of goods and services for people who would otherwise not benefit from the single market to the same degree.

Creating a level playing field for SMEs

Small and medium-sized companies are the cornerstone of the EU economy. If Europe wants to unlock the growth potential that the digital single market has to offer, it is imperative that the right framework conditions are put in place to encourage SMEs to grow and expand across the EU. SMEs in particular depend on the availability of the logistic sector to deliver solutions at low cost, in a convenient manner in order to meet consumer expectations. The quality of delivery services has a direct impact on a business's reputation and success in the online world. SMEs in particular are at a disadvantage as they have neither the bargaining power to obtain substantial discounts from delivery operators nor the capacity to invest in logistics networks of their own.

What is more, the ability of SMEs to provide customer-oriented delivery services depends on where they are located and where they are selling their products. There are marked differences between domestic and cross-border services with many premium services such as track-and-trace, relay points and parcel kiosks, electronic notifications or insurance related to delivery only provided for the domestic market (and at times not even for the entire country). Prices for cross-border deliveries are often three to five times higher than prices for domestic delivery, with customers that are able to buy shipments in bulk enjoying significant discounts and small retailers usually facing much higher delivery prices, preventing them from engaging in e-commerce.

The rapporteur stresses the importance to allow SMEs in the digital single market to compete under comparable conditions with the large e-commerce players. For this, it is vital to address the challenges of higher costs for cross-border shipments, the great complexity of the process, resulting for instance from the lack of standardised procedures for labelling, postal codes, bar codes or address forms and the lack of transparency in the delivery market today, where it is increasingly difficult for small players to become aware of the different logistics solutions available.

Towards innovative, interoperable solutions for a truly European delivery market

The rapporteur is of the opinion that in order to respond to the needs of consumers and businesses alike, it is vital to encourage the development of interoperable and cost effective solutions. Logistics operators and delivery service providers must be encouraged to accelerate the roll-out of existing innovative solutions and the development of new ones. Whilst respecting the principles of competition policy, the Commission should encourage industry to cooperate in putting forward a catalogue of measures to boost the development of a truly integrated European delivery market based on more streamlined, efficient processes that help reduce cost and increase quality. This catalogue of measures should cover the following aspects:

- track-and-trace: facilitate industry collaboration on cross-border integrated tracking systems
- easy collection and return solutions, especially cross-border
- labelling
- interoperability of call centres for consumer complaints
- information platform on available delivery services to increase transparency for SMEs and consumers

In addition, the rapporteur recommends that the European Commission explore the added value of introducing European standards on addressing and labelling as well as e-Commerce friendly common letter box standards to reduce the complexity and cost of the delivery process. Another proposal for follow-up action put forward in the draft report is to build on existing price comparison websites and to integrate “delivery requirements” (such as requirements related to delivery performance and the provision of transparent and easily accessible information) into existing European trustmark schemes in order to improve transparency and competition.

Monitoring market developments and improving regulatory oversight

With the growth of e-commerce, the parcel delivery market is undergoing radical transformations, with new service providers entering the market, new types of services emerging and overall competition increasing. Innovative solutions responding to the needs of e-retailers and customers are likely to become a key differentiator for competition. In this dynamic environment, any legislative intervention should be handled with utmost care. The rapporteur is therefore of the view that in addition to supporting the development of industry-led solutions, at this stage emphasis should be placed on two additional measures: (1) enforcing the existing regulatory framework and (2) improving market monitoring to identify incidences of market failures where further action may be necessary.

It is clear that further information is required and that market monitoring should move beyond a domestic market focus to encompass also the cross-border dimension, and it should look not only at traditional postal operators but also on new service providers.

In this context the rapporteur highlights the importance of identifying any structural entry barriers or incidences of abuse of dominant market position, be it through price strategies or other tools to foreclose the market from competitors and stresses the need for enhanced administrative cooperation between national regulatory authorities in particular in relation to cross-border deliveries.

Finally, the report calls on Member States and the Commission to ensure that the existing regulatory framework is fully enforced. This applies in particular to the Postal Services Directive, EU Competition law and the Consumer Rights Directive.