



Position Paper

EMOTA briefing for the European Parliament Report on Integrated parcel delivery market for the growth of e-commerce in the EU 2013/2043(INI)

EMOTA¹'s main goal is to assist policy makers in removing any barriers to cross-border trade. EMOTA's commitment to a barrier free EU Single Market is long standing and can be traced across all our positions and actions. We are making the following comments with the aim to constructively contribute to the debate over the future of the EU Digital Single Market for products and services by reflecting the views of online sellers across 17 markets, including the largest.

Context: The current EU legal framework for postal services required Member States to fully liberalize the postal services market by 31 December 2012, creating a Single European Market for Postal Services. The aim of this measure is to increase competition and quality while decreasing costs in support of cross-border trade. Both in national markets and in the cross-border segment the parcel volume continuously increased for the past 10 years. On average 50% of citizens purchased online from a national seller and 11-15% from a foreign seller in 2012 (EU Commission Consumer Scoreboard July 2013). In February 2013 the European Commission closed a public consultation meant to indicate to policy makers what measures are needed in order to support the development of cross-border trade across the 28 Member States.

We suggest the following areas of focus for future measures aimed to develop cross-border trade in the EU:

1. Strong and independent National Regulatory Authorities (NRAs), with sufficient financial and human resources are key to ensuring competitive postal markets which function smoothly both nationally and EU-wide:

The current Postal Directives of the EU² require Member States to ensure that NRAs are independent and able to monitor the postal services market for any potential issues. Competition authorities should be equally involved in the monitoring of the markets. As the volumes of parcels delivered cross-border are growing, NRAs should be able to dedicate some of the resources to cooperating with neighboring NRAs both regionally and at the EU level. The European Commission launched in 2010 the European Regulators Group for Postal Services (ERGP), a very welcomed first step, but limited in resources. A permanent, single, EU level technical cooperation mechanism for postal and competition authorities is

¹ EMOTA, the European eCommerce and Omni Channel Trade Association, is the European level umbrella federation representing online and distance sellers across Europe. The main mission of EMOTA is to promote eCommerce and Distance Selling and help policy makers remove any barriers to cross-border selling. Transparency register N° 11251212351-96

² DIRECTIVE 2008/6/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 20 February 2008 amending Directive 97/67/EC with regard to the full accomplishment of the internal market of Community postal services



necessary in order to ensure that the cross-border parcel delivery market is competitive and encourages new entrants and new business models.

2. Industry stakeholders and postal users should be supported by NRAs and policy makers in achieving a higher standard of harmonisation for technical requirements:

Technical requirements and standards in postal services, especially for cross-border shipments or transactions, lead to a high level of complexity which results in additional costs for the sending of parcels across borders (e.g. different labeling, addressing formats, different postal codes, difficult data exchange for track and trace). Smaller sellers that do not have the resources to process and label their parcels in accordance with the requirements of the country of origin end up paying more for their shipments, making them less competitive in front of larger retailers.

EMOTA recognizes the importance of technical developments and competition in the postal services market and it is for this reason that we feel it would be best for the industry stakeholders to agree on a series of standards which would help smaller and medium sized sellers to reduce the costs of their shipments, and increase consumer confidence. Such standards could focus on the formatting of the labeling, the codes used for the labeling of parcels and on the exchange of data between the seller and the various postal operators in view of establishing a basic pan-European track and trace system.

3. Clear information for businesses and consumers is key for trust in e-commerce:

Every consumer and every order are important for an e-commerce seller. SMEs need to know what services they can use for their shipments and logistics, and how to organize their business to the highest possible standard. Such information should include consumers need to be shown that ecommerce can be trusted and that if there is a problem they will know who to contact.

EMOTA industry associations offer advice and best practice guides to companies while our trustmark schemes help consumers find support when encountering problems.

However, in a market of 500 million consumers more efforts are needed and including from authorities in order to reach more consumers and businesses with the necessary information and tools. A possible solution could be the creation of an information exchange scheme which would help operators, sellers and consumers find the necessary information on delivery solutions.

4. Fully liberalizing the postal market is key to more competition, better quality and lower prices:

Price caps and specific Universal Service Obligations for parcel delivery should be measures of last resort as they could result in reduced competition which would increase prices (setting a minimum price will also result in a general price increase as operators will try to compete on the same service including by offering the same price). As the various policy initiatives currently in place aim to encourage new market entrants and the development of new services, any price cap would significantly limit the ability of new market entrants to compete with already established operators.

A Universal Service Obligation is a system whereby a general public service is guaranteed where the provision of such a service under free market conditions would not be possible because it would result in losses for the respective operators or prices which are too high for the consumers. EMOTA feels that the creation of such a service for the delivery of parcels nationally or across borders would be detrimental to competition. A new market entrant will not be able to compete with existing operators in a context where the service offered by the existing operators is in any way subsidized or has specific requirements such as the frequency of deliveries, coverage of specific regions or concerning the place of delivery (doorstep, postal office). New market entrants should be able to propose new and different services to consumers and allow them to choose, fostering competition in that area.



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