



Development of Cross-Border E-Commerce and its Regulation

China-Europe Forum on Postal Regulation

**9 October 2019
Beijing**

Dr. Spyros Pantelis,
ERGP Chair 2020

BACKGROUND

High prices and inconveniences of cross-border parcel delivery have been identified as being among the main obstacles to greater uptake of e-commerce among European consumers and retailers.

Cross-border parcel delivery prices charged by universal service providers can be almost 5 times higher than domestic parcel delivery prices.

Need for further improvements in the quality of service standards and in the interoperability of cross-border parcel delivery services.

Cross-border parcel delivery services are diverse and complex and SMEs and individuals need to access information in terms of quality and price and compare services in an easy way.

BACKGROUND

Fundamental differences between Member States when it comes to competences conferred on NRAs with regard to market monitoring and regulatory oversight of parcel delivery service providers.

Complementary measures needed, particularly in the areas of price transparency and enhanced regulatory oversight.

Regulation 2018/644 on cross-border parcel delivery services

The regulation on cross-border parcel delivery services entered into force on 22 May 2018.

The regulation on cross-border parcel delivery services (EU) 2018/644 has 3 key objectives

- to enhance the regulatory oversight of parcel delivery services
- to increase the transparency of certain single-piece tariffs through publication on a website
- to assess tariffs for certain cross-border parcel delivery services.

Scope of Regulation

Parcel delivery service providers, are required to provide certain information to the national regulatory authority (NRA) of the EU country in which they are established.

- A threshold of 50 persons has been applied, based on the number of persons who were working for the service provider over the previous calendar year and who were involved in the provision of parcel delivery services in the Member State in which the provider is established, **unless that provider is established in more than one Member State.**
- This Regulation does not apply to undertakings that are established in only one Member State and that have domestic in-house delivery networks only in order to fulfil orders of goods that they themselves have sold under a sales contract.

Provision of Information

European Commission issued **Implementing Regulation (EU) 2018/1263** of 20 September 2018 establishing the forms for the submission of information by parcel delivery service providers pursuant to Regulation (EU) 2018/644 of the European Parliament and of the Council, **based on ERGP technical input.**

Provision of Information

Parcel delivery service providers shall submit the following information:



1. Their business status:

(a) name, legal status and form, registration number in a trade or similar register, VAT identification number, the address of their establishment and the contact details of a contact person;

(b) the characteristics of the parcel delivery services they offer;

(c) their general terms and conditions for parcel delivery services.

Provision of Information

Parcel delivery service providers shall submit the following information:

2. Statistical data (by 30 June):

- (a) the annual turnover in parcel delivery services (domestic, incoming and outgoing cross-border);
- (b) the number of employees involved in the provision of parcel delivery services (full-time and part-time, temporary employees and self-employed);
- (c) the number of parcels (domestic, incoming and outgoing cross-border parcels);
- (d) the names of their subcontractors, plus any information concerning the characteristics of parcel delivery services provided by those subcontractors;
- (e) where available, any publicly accessible price list applicable on 1 January of each calendar year for parcel delivery services.

Tariffs Transparency

Cross-border parcel delivery service providers, have to provide the NRA of the EU country in which they are established with the public list of tariffs for the delivery of the following single-piece postal items, domestic and intra Union:

- (a) standard letter (500gr, 1kg, 2 kg);
- (b) registered letter (500gr, 1kg, 2 kg);
- (c) track and trace letter (500gr, 1kg, 2 kg);
- (d) standard parcel (1kg, 2 kg, 5 kg);
- (e) track and trace parcel (1kg, 2 kg, 5 kg).

Tariffs Transparency

The postal items listed above shall meet the following criteria:

(a) The size limits of the letter mail postal items shall follow the following rule: Length, width and thickness combined: 900 mm, the greatest dimension shall not exceed 600 mm, the smallest dimension shall exceed **20 mm**;


(b) The parcels shall not be smaller than the size prescribed for letter mail postal items.

- This excludes items of correspondence (i.e. postal items not containing goods).
- Submission by 31 January of each calendar year.
- Tariffs are published online by the end of March each calendar year.

PARCEL Application screenshot

https://ec.europa.eu/growth/sectors/postal-services/parcel-delivery/public-tariffs-cross-border_en

Internal Market, Industry, Entrepreneurship and SMEs

[Single market and standards](#)[Industry](#)[Entrepreneurship and SMEs](#)[Access to finance for SMEs](#)[Sectors](#)

Postal services

- EU postal services policy
- EU postal legislation, implementation and enforcement
- Parcel delivery in the EU**
 - Public tariffs on cross-border parcel delivery services**
 - Assessment of cross-border single-piece parcel tariffs
- The European Regulators Group for Postal Services
- Postal statistics
- Standardisation in the postal sector
- International activities
- Postal sector studies

Public tariffs on cross-border parcel delivery services

One of the aims of the regulation on cross-border delivery services is to improve price transparency. The regulation requires that providers with 50 or more employees, as well as providers established in more than 1 EU country, provide their respective national regulatory authority with domestic and cross-border prices for up to 15 basic parcel delivery services (in certain cases, national regulatory authorities may have used a threshold of 25 employees to take into account certain conditions in their country). The Commission publishes those prices here. Price information is updated every year on 31 March.

The tariffs are the public prices a customer has to pay for delivering a single-piece item domestically or to another EU country. They can be found on the provider's website and on public tariff lists of the provider.

It should be noted that the displayed price reported by a provider for a parcel delivery service may include certain conditions and restrictions. In many cases, the characteristics of a parcel delivery service may differ from one provider to another.

The published prices are applicable as of 1 January and exclude VAT. They are reported in the local currency and in euros. The exchange rate applied by the European Central Bank on 31 March is used for the conversion to euros.

Fullscreen view on/off

Year: 2019 ▾

Origin: Austria ▾

Destination: All countries ▾

Product category: All categories ▾

Get data

PARCEL Application screenshot

GREECE: Data for a 2kg track and trace parcel to Austria

Fullscreen view on/off

Year: 2019 ▼ Origin: Greece ▼ Destination: Austria ▼

Product category: a 2 kg (domestic and intra Union) track and trace parcel ▼

PDSP	Product name	Tariff EUR
ACS S.A.	ACS EU ECONOMY +	10.04
COURIER CENTER SA	+	14.03
DHL EXPRESS (ΕΛΛΑΣ) Α.Ε.	DHL Express Worldwide +	90.80
EASY MAIL Α.Ε.	Express Parcel +	69.88
ELTA - Hellenic Post SA	ΜΕΜΟΝΩΜΕΝΟ ΔΕΜΑ +	26.68
GENIKI TAXYDROMIKI S.A.	+	46.60
ΝΤΑΙΝΑΜΙΚ ΠΑΡΣΕΛ ΝΤΙΣΤΡΙΜΠΟΥΣΙΟΝ ΜΟΝ.ΕΠΕ – DPD GREECE	DPD CLASSIC & EXPRESS BALKANS +	21.77
TACHYMETAFORES ELTA S.A. (ELTA Courier)	EMS - Express Mail Service +	33.01
UPS of Greece Inc	Standard service +	58.85
ΟΡΜΠΙΤ ΤΑΧΥΜΕΤΑΦΟΡΕΣ ΑΕ	Package +	81.09
ΣΠΗΝΤΕΞ ΑΕ	International Economy Service +	47.45
TNT Skypak Hellas Limited	EXPRESS +	79.75

PDSP

Product name

Tariff
EUR

Assessment of Cross-Border Tariffs



The Commission adopted Guidelines (COM/2018/838 final) for NRAs on the assessment of cross-border tariffs in December 2018, **following ERGP technical input.**

Assessment only for tariffs that are subject to a universal service obligation.

The NRAs submit their assessment to the Commission by the end of June each calendar year. A non-confidential version of the assessment is published by the Commission within 1 month of receipt.

Identification of tariffs that the NRA objectively considers necessary to assess Elements provided by Art. 6.1

- On the basis of the public lists of tariffs the NRA identifies, for each of the single-piece postal items listed in the annex of the regulation, the cross-border tariffs that they consider necessary to assess.
- NRAs can base their identification on an objective pre-assessment filter mechanism,
- The European Commission considered that it is appropriate to set a range of between 25% and 5% of the highest tariffs for each category, starting in the first 2 years with the highest percentage (i.e. 25%) and lowering the percentage progressively.

Assessment of Cross-Border Tariffs

Elements provided by Art. 6.2 & 6.3

Elements of Art. 6.2 **shall** be taken into account:

- 6.2(a) the domestic and any other relevant tariffs of the comparable parcel delivery services in the originating Member State and in the destination Member State.
- 6.2(b) any application of a uniform tariff to two or more MS.
- 6.2(c) bilateral volumes, specific transportation or handling costs, other relevant costs and service quality standards
- 6.2(d) the likely impact of the applicable cross-border tariffs on individual and SME enterprise users including those situated in remote or sparsely populated areas, and on individual users with disabilities or with reduced mobility, where possible without imposing a disproportionate burden

Assessment of Cross-Border Tariffs

Elements provided by Art. 6.2 & 6.3

Elements of Art. 6.3 **may** be taken into account. Elements foreseen in 6.3:

- 6.3 (a) whether tariffs are subject to a specific price regulation under national legislation.
- 6.3 (b) abuses of a dominant market position established in accordance with relevant applicable law.

Assessment of Cross-Border Tariffs

For 2019, the application of a pre-assessment filter, identified tariffs that could be unreasonable high and need further assessment, in 16 MS.

The respective sixteen (16) NRA assessment reports have been published on ec.europa.eu

(https://ec.europa.eu/growth/sectors/postal-services/parcel-delivery/assessment-cross-border-single-piece-parcel-tariffs_en)

One (1) country (EE) is taking steps to reduce the tariffs for 5kg parcel to Bulgaria, Greece, Croatia, Norway, and Romania.

Assessment of Cross-Border Tariffs

Other countries concluded that:

- The prices identified as possibly unreasonably high, have certain features on service quality and other characteristics that justify the price,
- Tariffs are part of a basket of prices, or uniform tariffs approved by National Regulatory Authorities (NRAs) in accordance with the universal service pricing criteria set in Article 12 of Directive 97/67/EC,
- There is a high cost due to very low volumes and/or high transportation cost to remote areas.

Next steps

Enforcement

EU countries are responsible for laying down the rules on the penalties applicable to infringements of the regulation.

Monitoring

By mid-2020, and every 3 years thereafter, the regulation requires the Commission to submit an evaluation report on the application and implementation of the regulation to the European Parliament, the Council and the European Economic and Social Committee and Council accompanied, where necessary, by a legislative proposal for its review.

ERGP is asked by the European Commission to provide input on the NRAs experiences and cross border delivery services improvement, for the first evaluation report in 2020.



Thank you

Dr. Spyros Pantelis,
ERGP Chair 2020
ergp2020@eett.gr