

# ERGP STAKEHOLDERS FORUM

Overcoming the challenges of cross-border e-commerce



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Presented by Holger Winklbauer, IPC CEO

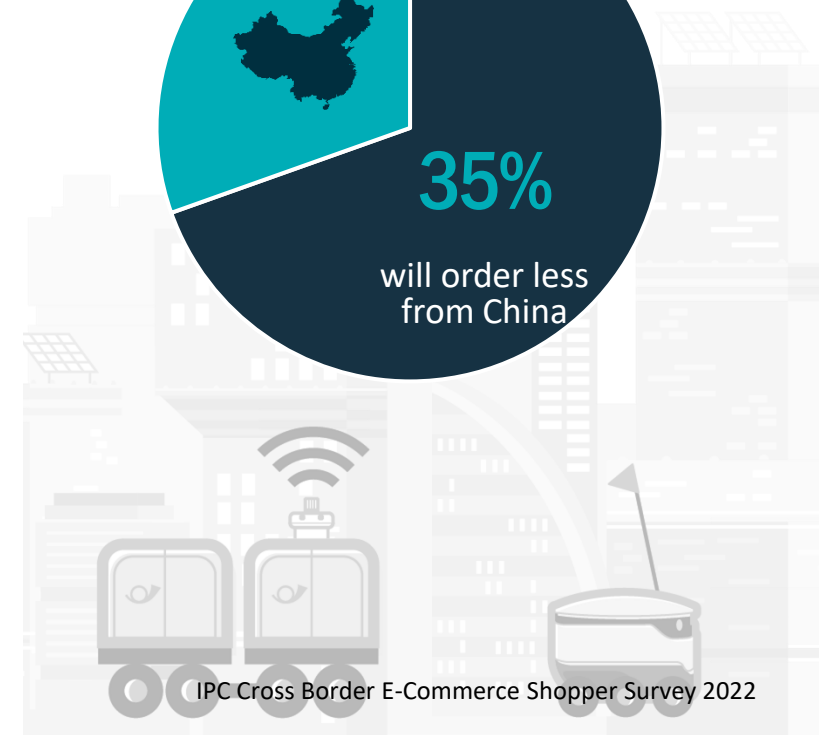
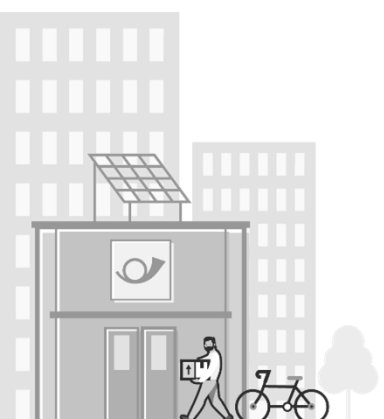
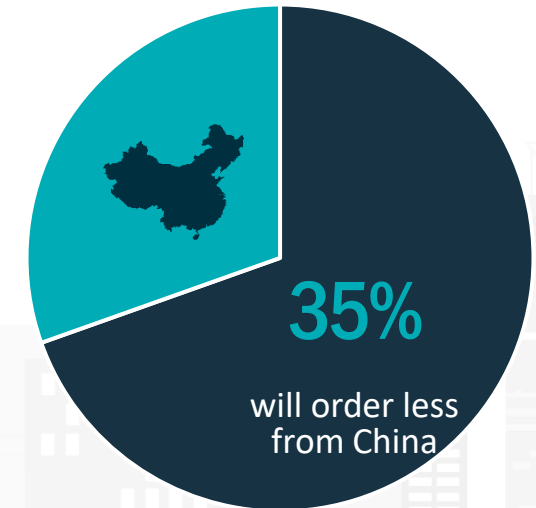
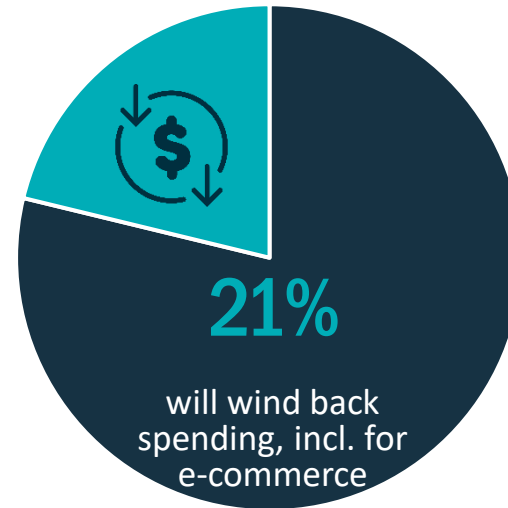
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10 pages

27/09/2023

# CONSUMER VIEW ON PROSPECTS FOR THE FUTURE

## The impact of the increase in cost of living

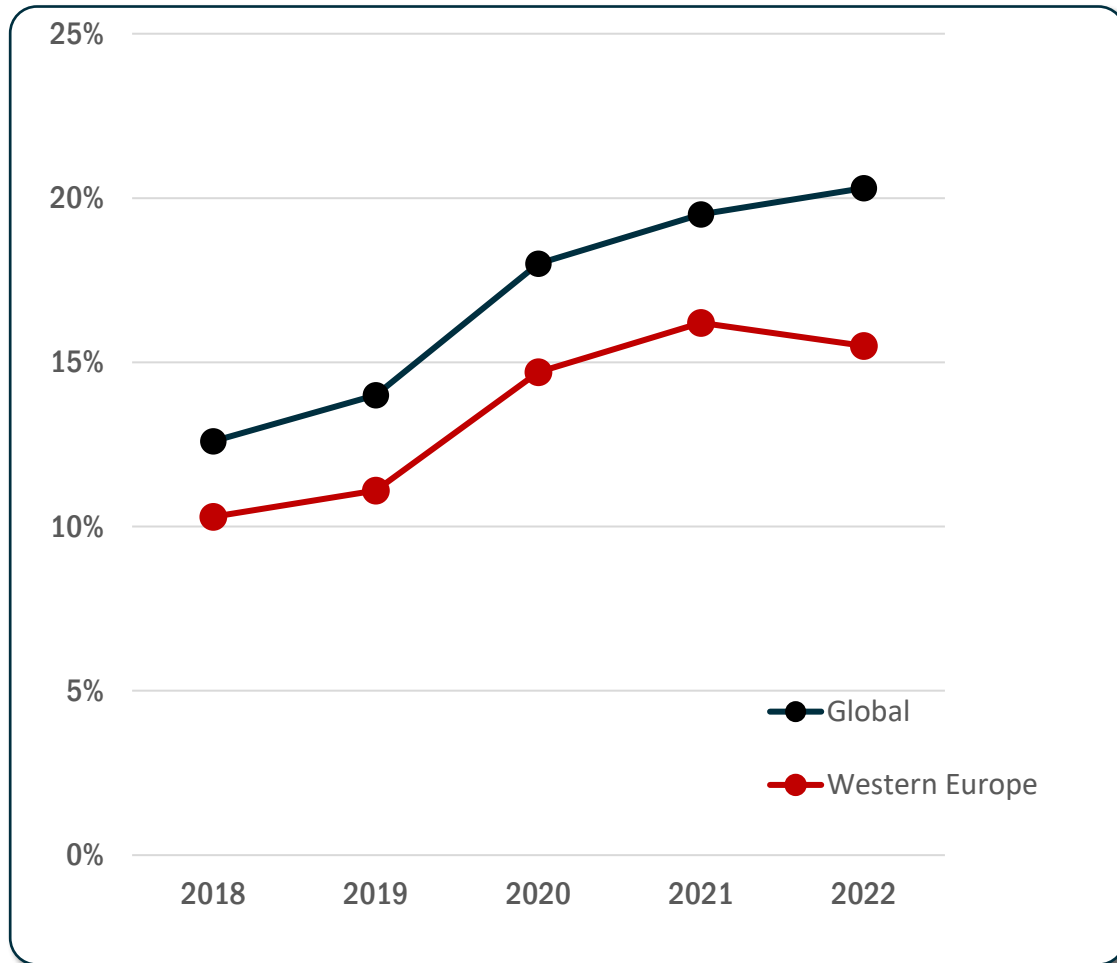


IPC Cross Border E-Commerce Shopper Survey 2022

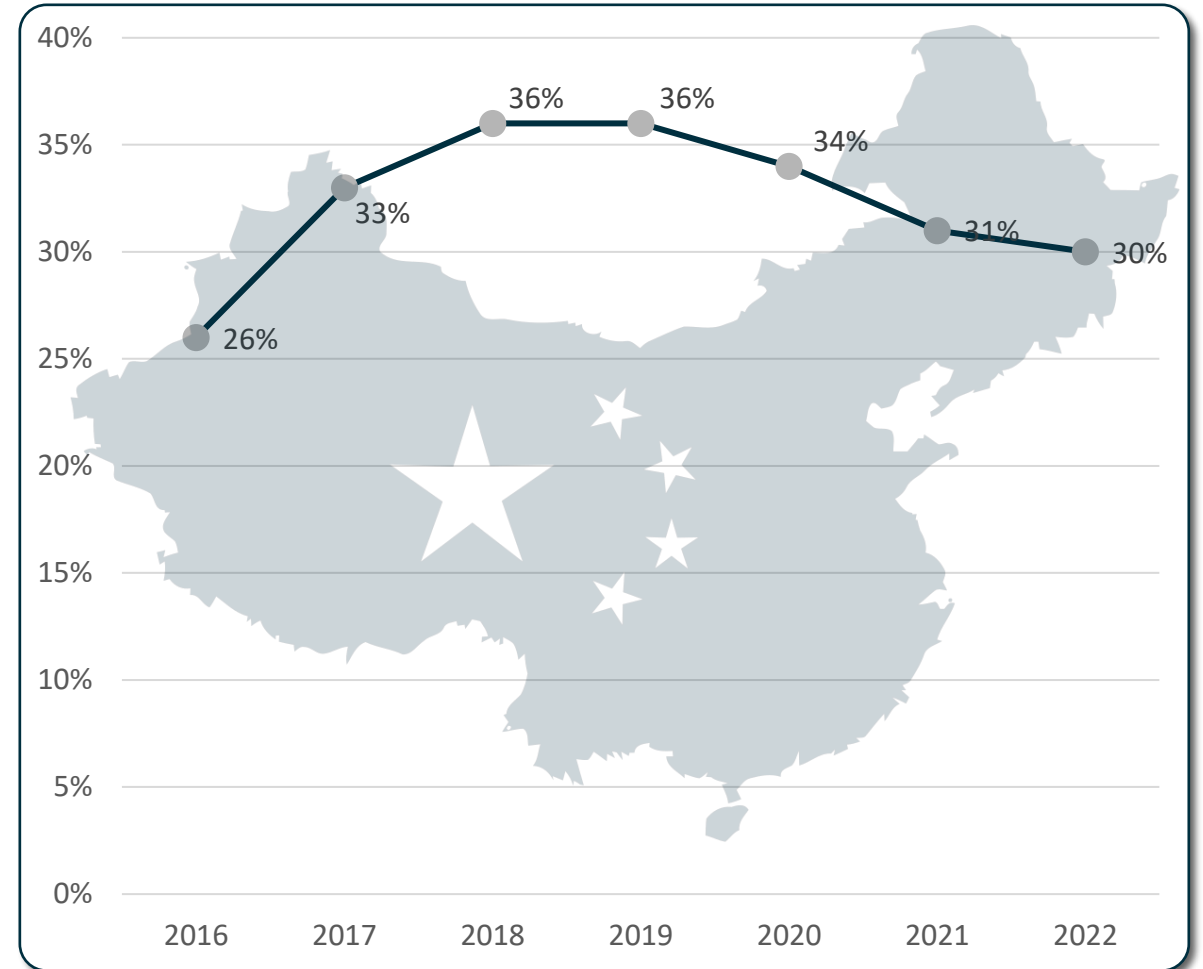


After the pandemic, cross-border e-commerce growth is slowing down

## E-commerce as a % of retail

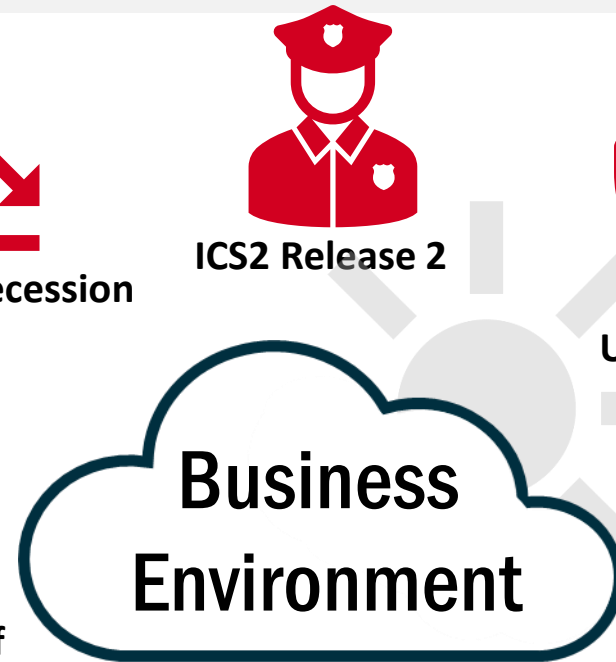


## Consumers are ordering less online from China



# BUSINESS CHALLENGES 2022

## The Business Environment



War in Ukraine



Economic Recession



ICS2 Release 2



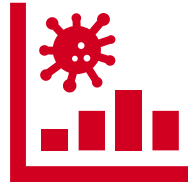
US Stop Act



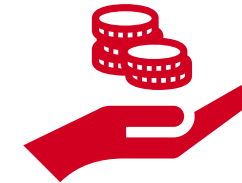
Energy crisis



Platforms reactions to regulatory changes of ICS2



Legacy impact of COVID-19 on volumes



Global trend towards VAT and Duties borders - BREXIT



Inflation



Airlines capacity shortfall and poorer performance



Accelerated decline of traditional letter mail



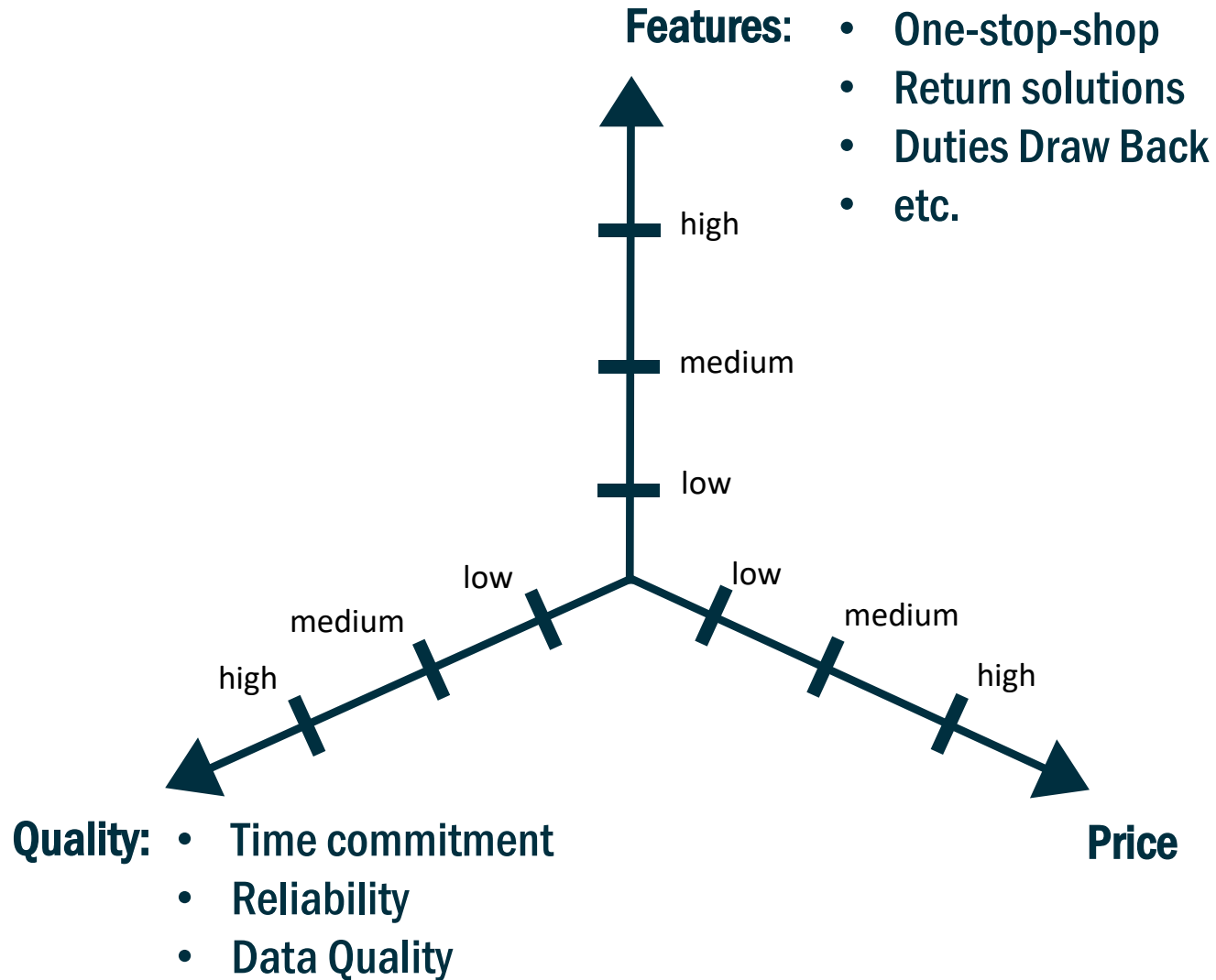
Rising transport costs



Increased competition domestic and integrators



Consumer reaction



## PDDP: the postal solution to overcome the customs challenge

- 79% of cross border online consumers overall were made aware pre-purchase that customs fees would apply, but European consumers were less likely to be made aware pre-purchase
- 50% of online consumers overall paid customs at the point of online purchase, but European consumers tended to pay customs at a later point

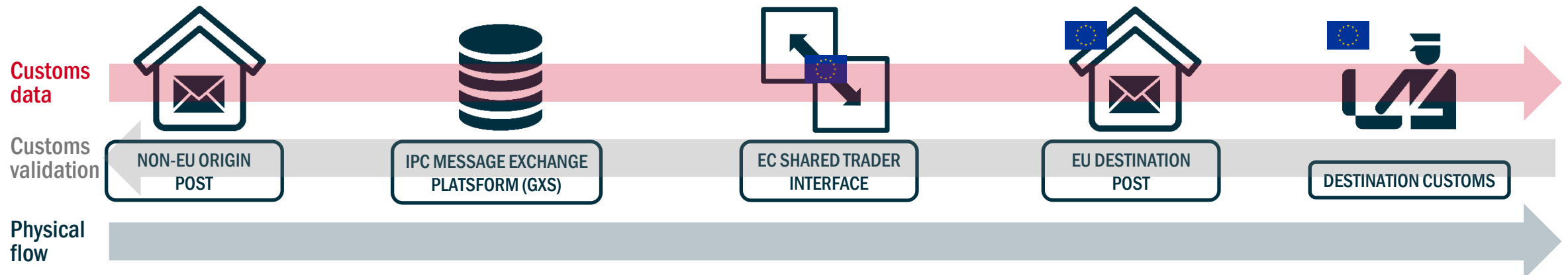
The IPC Postal Delivery Duties Paid (PDDP) solution has been developed to enable postal operators to offer their customers full transparency on customs fees and payment upon purchase.



IPC Cross Border E-Commerce Shopper Survey 2022

## COMETS: common system for posts to comply with security requirements (ICS2, Stop Act)

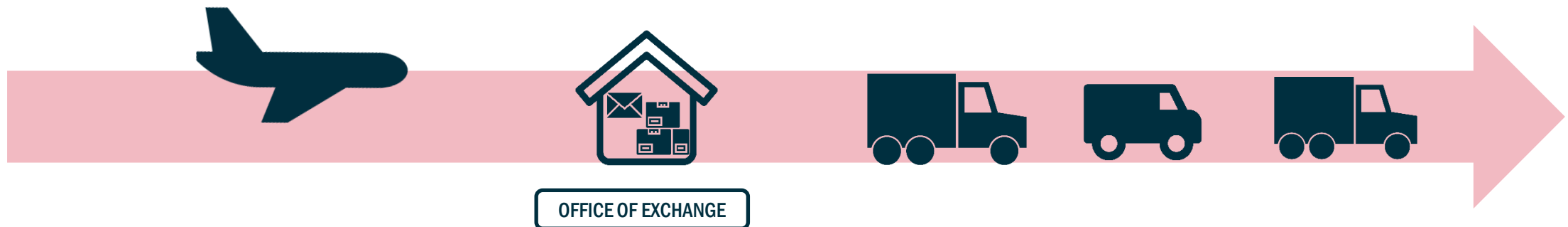
- Provides efficient and low-cost solution for posts to meet EU ICS2 requirements
- Automatically translates ITMATT electronic data messages from the postal EDI format to the EU's Entry Summary Declarations (ENS) format.
- Enables non-EU posts to continue exporting goods to the EU and enables EU posts to import and deliver them.
- Release 1 (since 15 March 2021): Air-express pre-loading, Postal air pre-loading
- Release 2 (since 1 March 2023): Air general cargo, air express full, postal by air full



# OVERCOMING REDUCED CAPACITY

## Postal solution to optimise capacity, save costs and reduce carbon footprint

- Capacity management, optimisation and technological solutions (IFABS, Airmail consignment monitoring tool)
- Shared postal road network (Sprinter Network, CRONOS)
- Higher reliability despite reduced air capacity
- Central management and monitoring





## A synoptic overview of postal regulation in 63 markets

- For the compilation of information IPC cooperates with UPU Restricted Unions like PostEurop and PUASP
- The IPC Regulatory Database has been published annually for more than 20 years, providing with a detailed overview of the Regulatory Obligations imposed to Designated Operators in different countries from Africa, the Americas, Asia Pacific, Europe and the Middle East
- It offers information about Universal Service Obligation products, delivery frequency, number of delivery points, financing mechanisms, network access, powers of the Regulatory Authority and cross-border regulations, among others
- The final objective of the Database is to provide posts with an overview on the Regulatory Framework applied in other countries and to be able to compare and benchmark

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