European Commission - Press release



EU agrees to make parcel delivery more affordable

Strasbourg, 14 December 2017

EU negotiators reached a provisional agreement last night to make prices for cross-border parcel delivery services more transparent and affordable and to increase regulatory oversight of the EU parcel market.

The new Regulation is a key pillar of the Commission's efforts to <u>boost e-commerce</u> to allow consumers and companies, in particular SMEs, to buy and sell products and services online more easily and confidently across the EU.

Vice-President Andrus **Ansip**, responsible for the Digital Single Market, said: "High delivery prices are a major concern for consumers and companies, especially SMEs. With more transparency and a stronger role for the regulators, we are tackling this issue. It is good news again for the development of ecommerce in the EU, after a series of agreements to improve consumer protection, simplify VAT rules and fight unjustified geo-blocking. I thank the European Parliament and the Estonian Presidency for their efforts in reaching an agreement."

Commissioner Elżbieta **Bieńkowska**, in charge of Internal Market, Industry, Entrepreneurship and SMEs, added: "Millions of Europeans choose to buy presents online, but still face many obstacles, including high delivery prices and unclear return options. With today's agreement we are one step closer to changing that, helping consumers and companies reap the full benefit of the EU Single Market and cross-border e-commerce within the EU."

The main elements of the new Regulation on cross-border parcel delivery are:

- **Price transparency:** While the Regulation does not impose a cap on prices, it will foster competitive pressure by allowing users to easily compare domestic and cross-border tariffs. Parcel delivery providers will have to disclose prices for the services individual consumers and small businesses often use, which the Commission will publish on a website.
- **Regulatory oversight:** Where parcel delivery is subject to the universal service obligation, National Regulatory Authorities will assess whether tariffs for cross-border services are unreasonably high compared to the underlying cost as they already do for postal services. National regulators will be given new powers to identify better parcel service providers and the services they offer. This will allow them to get a better overview also of the many innovative new players in the fast-growing EU cross-border e-commerce market.

Traders also have to provide consumers with clear information on prices charged for cross-border parcel delivery and returns, and customer complaints procedures, in line with the <u>Consumers Rights</u> <u>Directive</u>.

Next steps:

The provisional agreement reached today by the European Parliament, the Council and the Commission now needs to be finally approved by the Parliament and the Council.It is expected to formally enter into force at the beginning of next year and it will be fully applicable in 2019.

Background:

A 2013 Commission <u>survey</u> found that consumers and small businesses struggle with parcel delivery, in particular with the high prices, which prevent them from buying or selling more from other Member States. <u>Research</u> shows that the public cross-border prices charged by universal service providers are up to five times higher than the domestic equivalent and that these differences cannot be explained by labour or other costs in the destination country. Prices from broadly similar originating Member States over comparable distances sometimes vary significantly without obvious explanatory cost factors.

Delivering on the <u>Digital Single Market</u> and <u>Single Market</u> strategies, on 25 May 2016 the <u>Commission presented a three-pronged plan to boost e-commerce</u> by tackling geoblocking (for which a <u>political agreement</u> was reached on 21 November), making cross-border parcel delivery more affordable and by improving <u>consumer protection</u> through better consumer law enforcement (fully adopted on 12 December).

For More Information:

- Proposal for a Regulation on Cross-Border Parcel Delivery Services
- <u>Impact Assessment Accompanying the Proposal for a Regulation of the European Parliament and of the Council on cross-border parcel delivery services</u>
- Questions & answers on Parcel Delivery
- Factsheet Parcel Delivery

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Press contacts:

<u>Lucia CAUDET</u> (+32 2 295 61 82) <u>Maud NOYON</u> (+32 2 298 03 79)

Victoria VON HAMMERSTEIN-GESMOLD (+32 2 295 50 40)

General public inquiries: Europe Direct by phone 00 800 67 89 10 11 or by email

Attachments

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