

OPPORTUNITIES AND CHALLENGES FOR GROWING E-COMMERCE IN EUROPE

PORTUGAL DIGITAL Summit'19

João Cadete de Matos

Lisboa, 23.10.2019

E-commerce and Postal services

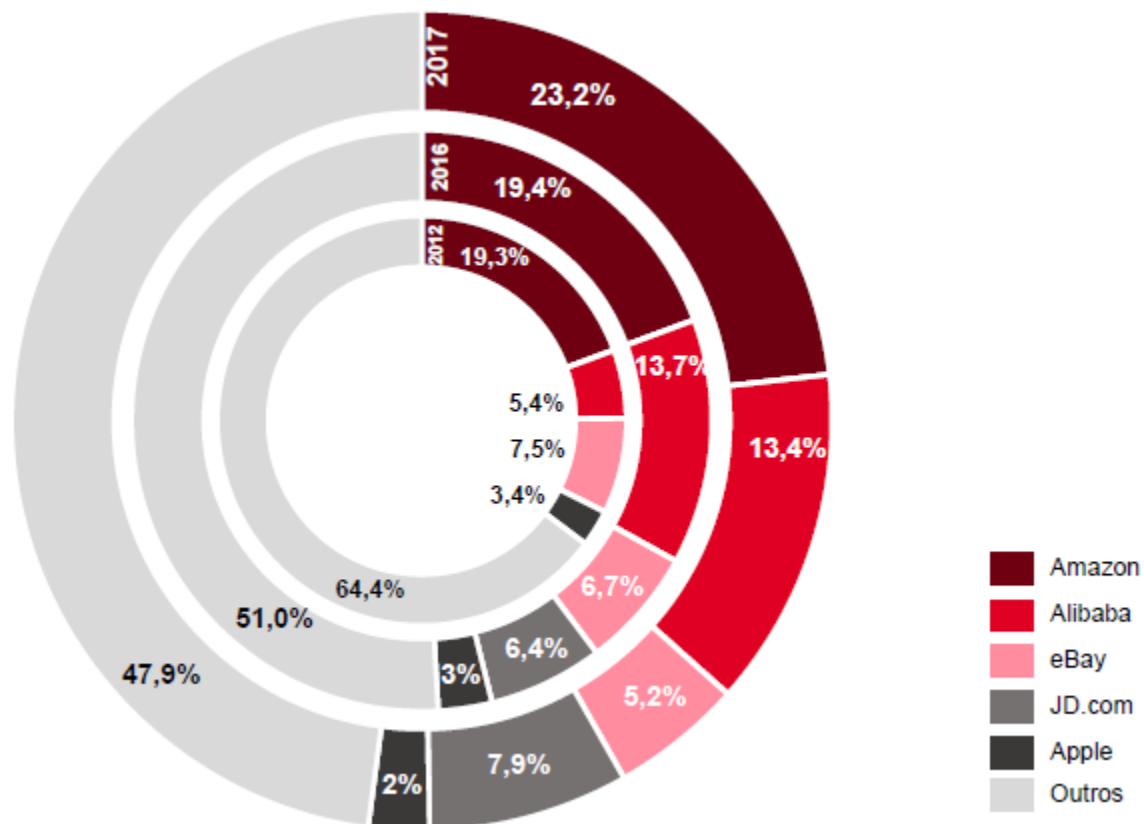


E-commerce is a driver for electronic communications

Central Supervision Authority
(E-Commerce Directive)

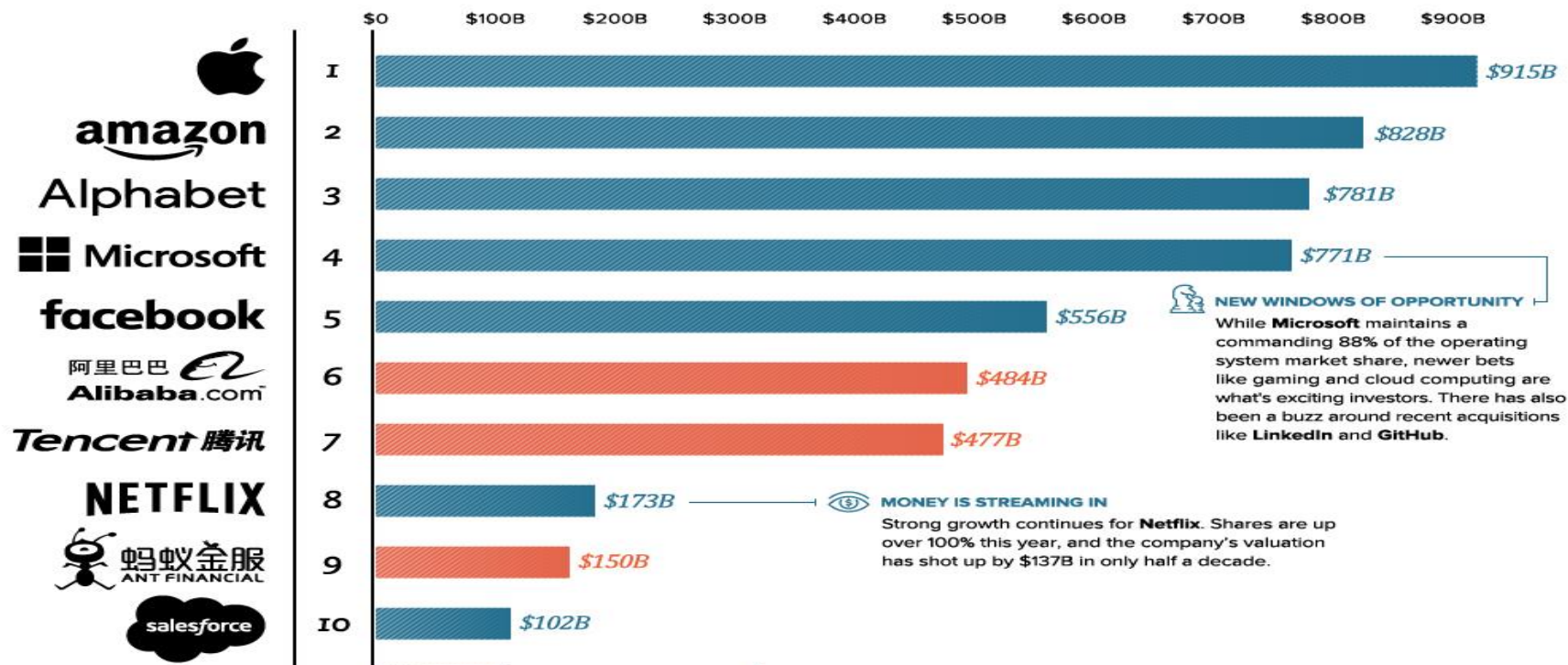
High Concentration of the E-Commerce Market

Global Market Share Highest e-retailers



Digital Concentration

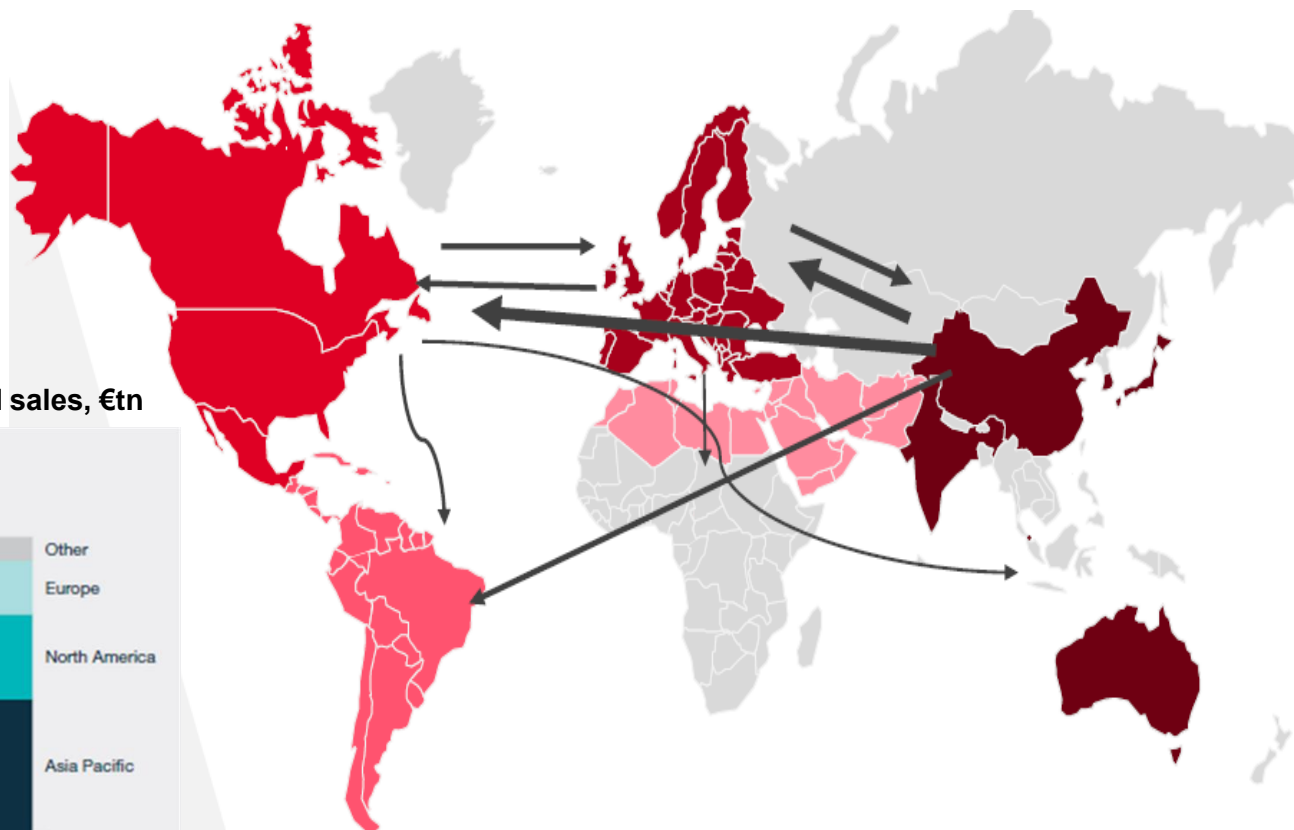
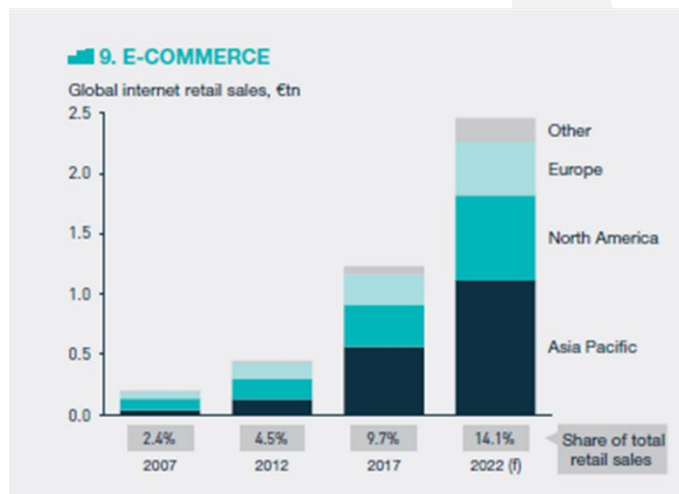
Internet Companies – Leadership 2018 (billions dollars)



Source: Forbes. Company Reports

Asia Pacific dominates E-Commerce worldwide

E-Commerce: Global Internet retail sales, €tn



Source: IPC Global Postal Industry Report 2018

E-Commerce in Europe

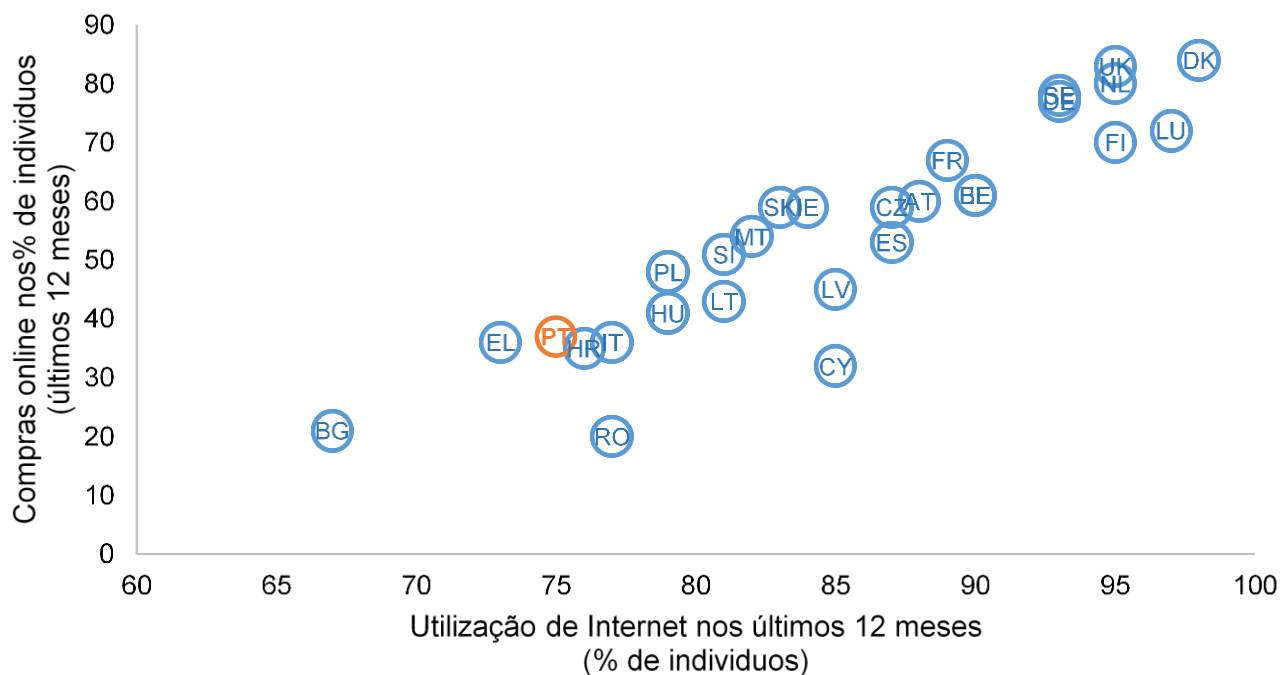
ANACOM

AUTORIDADE
NACIONAL
DE COMUNICAÇÕES

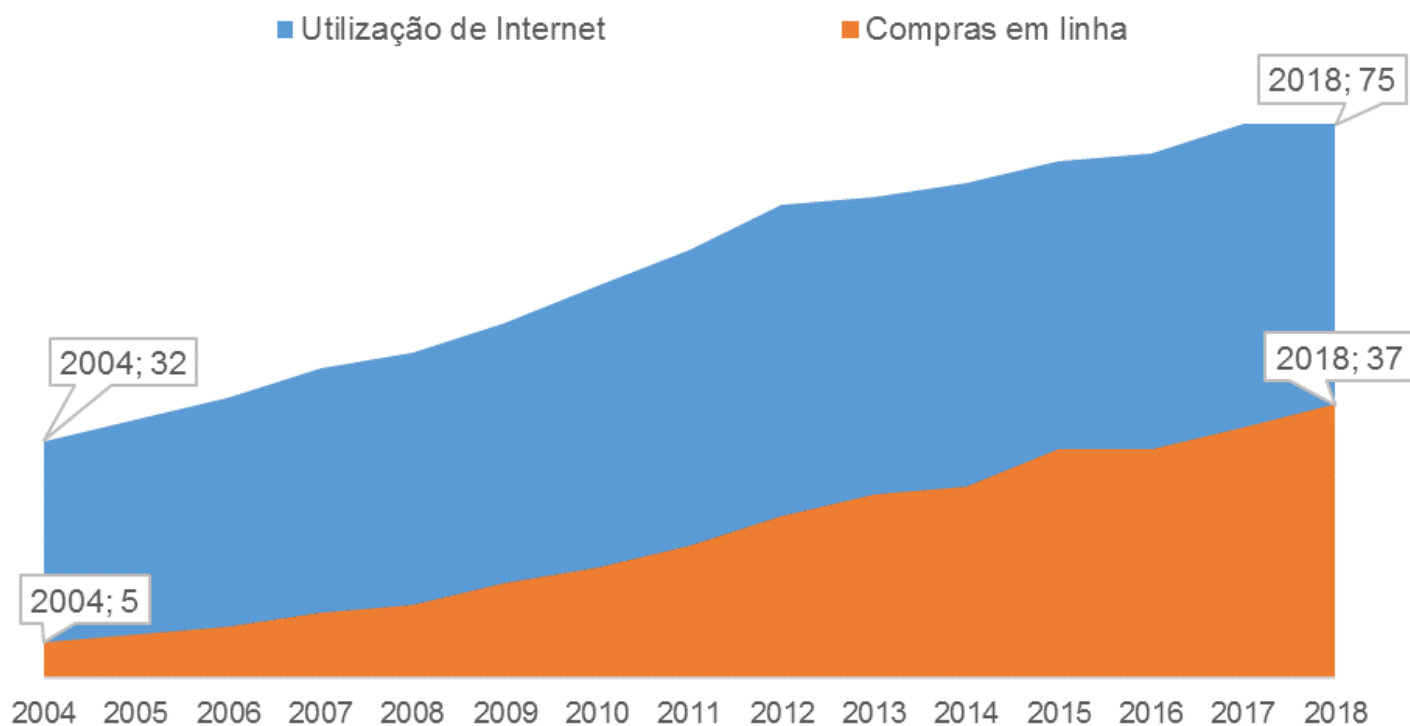


Most recent
purchase origin
country, 2018

Proportion of Internet users and online buyers in the UE28 (2018)



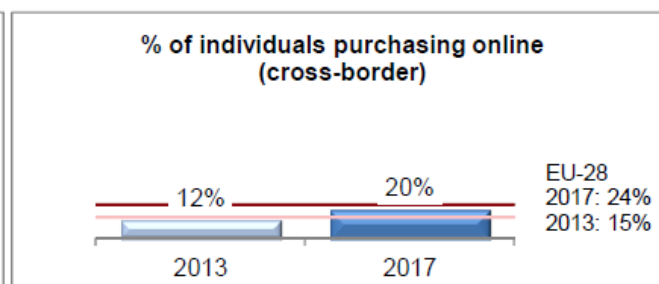
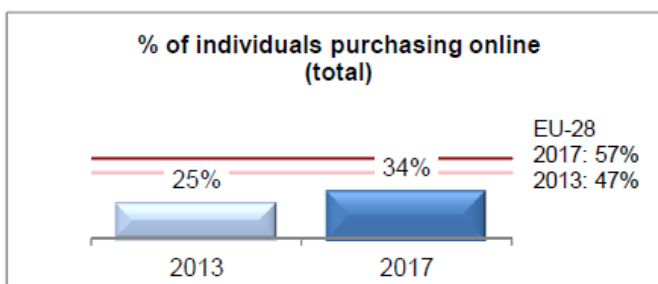
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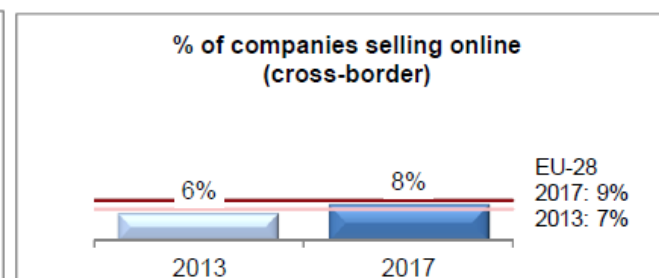
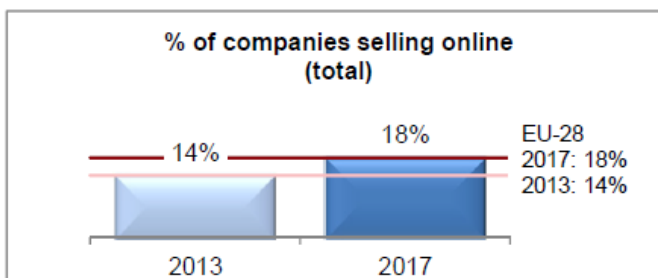
E-Commerce in Portugal



Revenues B2C e-commerce	4 600 m€
Revenue per capita	446 € (EU-28: 921 €)
Revenue development (CAGR 2013-2017)	15.0%
% of GDP	2.4%



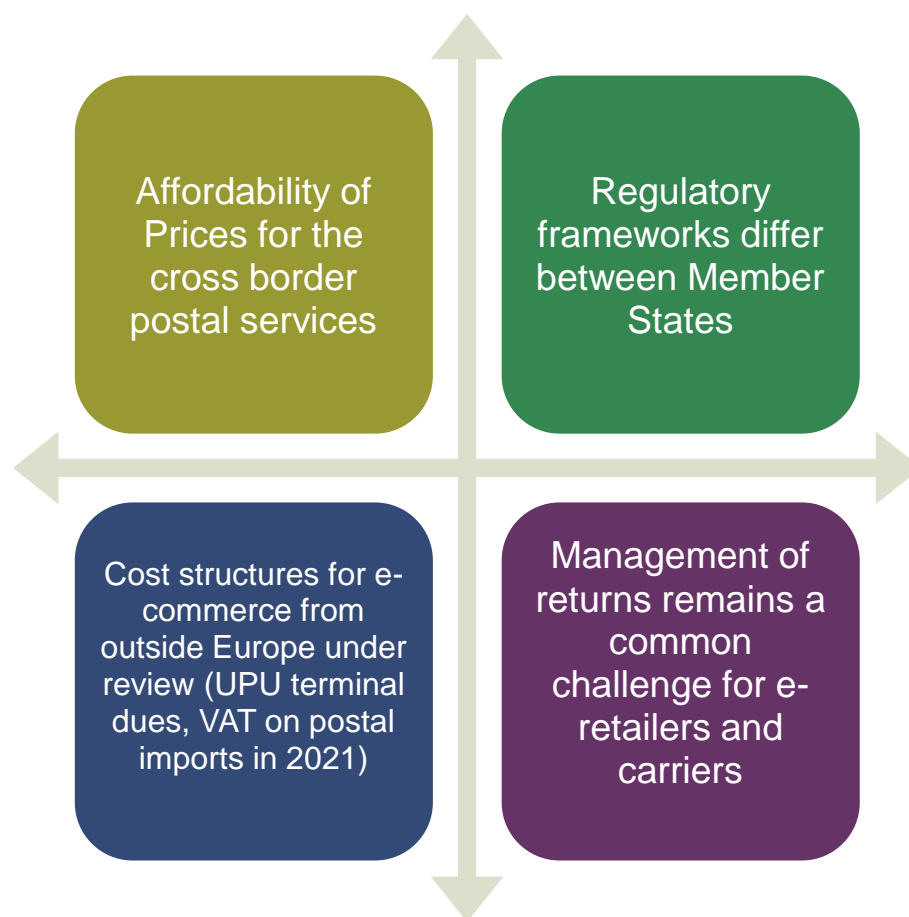
TOP3 countries ordered from	China	Spain	United Kingdom
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TOP3 countries in Europe sold to	Spain	France	Germany
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TOP 3 E-retailers (by revenue)	amazon.com	worten.pt	laredoute.pt
TOP 3 Payment methods	Digital wallet (paypal, Alipay)	Multibanco (local payment method)	Cash-on-delivery

- A well-functioning EU Single market, with growing cross-border e-commerce, and better service and co-operation among carriers and e-retailers BUT:



- The EU has made it easier and safer for European consumers to shop online no matter where they are in the EU.
- To realise the full potential of e-Commerce, the EU has worked on:
 - The revised Payment Services Directive New rules to stop unjustified geo-blocking
 - Revised consumer protection rules that will enter into force in 2020;
 - New VAT rules for online sales of goods and services that will enter into force in 2021
 - New rules on cross-border parcel delivery services

- Extraordinary UPU Congress 25-26 September: terminal dues system
- Option V by Acclamation:
 - 2020: actual TD system
 - 2021 onwards: self declared rates, with a ceiling of 70% of the domestic rates
 - 2 speeds in implementation (exception US): countries with volumes higher than 75 000 tones may auto-declared rates since 1 July 2020
 - Principle of reciprocity



- Regulation 2018/644 on cross-border parcel delivery services entered into force on 22 May 2018
- 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.
- First analysis of the implementation:
 - Substantial increase of transparency on the market for NRAs: who/what/where;
 - A solid base for assessing certain high cross-border tariffs has been established (PARCEL)
 - First assessment process (tariffs)

- Next steps 2020:
 - 31.01: Parcel delivery service providers to provide NRAs with public tariffs for single piece items (2nd exercise)
 - 31.03: EC publishes tariffs on website (2nd exercise)
 - 23.05: Report on the application of the regulation
 - 30.06: NRAs submit their assessments to EC - non-confidential versions are published (2nd exercise)
 - 23.11: Notification of penalty provisions from MS to EC

Future: Digital Services Act

- Priority of the new Commission
- Eliminate some problems/Bottlenecks
- Enlarge the competence to the regulation of the online platforms and algorithms




Future: review of the postal regulatory framework

Review postal regulatory framework is needed (for 2021?):

- Fundamental changes in markets and society
- PSD needs upgrade or overhaul
- Market-oriented greenfield approach vs rule-based approach
- Competition remains valid objective
- Principles of economic and social inclusion, regional cohesion and consumer protection are valid: ensure that a minimum set of postal services, at a certain level of quality and at acceptable prices, are available to all users

ERGP opinion on the future regulatory framework review (Azores, June 2019)

- Portugal is ready to respond to the challenges of the digital transformation
- ANACOM wants to guarantee the inclusion of all in the digital economy and that the communications needs of consumers and business are satisfied, across the country
- As such, it should be guarantee a proper and well functioning postal network, affordable prices and a good quality of service.
- Recent ANACOM decisions:
 - Decision on the review of the density objectives
 - Decision regarding the publication of information regarding the closure and the change of the schedule of the postal establishments
 - Regulation on the registration of the postal service providers
 - Audit to the levels of quality of service 2016 and 2017
 - Criteria for definition of the prices of the US in 2019-2020



Thank you for your attention!

João Cadete de Matos