

Copenhagen
Economics

CE

10TH ANNUAL COPENHAGEN ECONOMICS
POSTAL & DELIVERY CONFERENCE

COPENHAGEN | 26 APRIL 2024 | 08.30 – 16.40

Wrapping up: Session 1

Postal reform and universal service evolution

- **Changing market conditions:** Fundamental shift from letters to parcels, new market entrants and a shift from a sender- to a recipient-focus
- **USO changes:** Regulators across Europe are responding with changes to the USO allowing for cost savings while ensuring user satisfaction and safeguarding the USO
- **Forward-looking:** Revision of national and the European legal framework needs to reflect the long-term realities of the market and should be forward-looking enough to avoid requiring another revision soon
- **Financial Sustainability vs. Societal Value:** The societal value of the universal service is still high but declining letter volumes can require compensation of the universal service providers
- **Safety net:** Even absent a universal service obligation, a safety net is required to protect customers in case the market fails to provide sufficiently
- Memorable whispers:
 - Over- and under-compensation: **“Let’s avoid a lose-lose-lose situation”**
 - Confidence in the market is good **“... but control is better”**

Wrapping up: Session 2

Regulatory design based on market trends and environmental sustainability

- Important questions:
 - **Is there a role for sector regulators:** transparency and reporting (information asymmetry?), and adapting USO with a view of climate impact?
 - **Why do we need green targets in the postal regulation** when it is already covered in many other horizontal regulations?
 - **Which metrics and indicators** should be used to ensure comparability?
 - **What is the added value of sector-specific environmental regulation** versus the additional red tape?
 - **Sustainability of e-commerce:** is it just delivery? Are we looking at a big picture?
 - Is there a way to **nudge the consumers** to more climate-friendly options?
 - How do you **define the quality of employment?**
- Memorable whispers:
 - “if you have a Christmas tree, you want to put ornaments in it”
 - On operational level, “Things change every day”



Wrapping up: Session 3

Executive viewpoints on business and policy transformation

- **The discussion about who is a vulnerable user is important but difficult:** Irrespective how you define the USO, you risk finding people on the wrong side of that definition.
- **Need for collaboration:** Postal operators need to collaborate closely with regulators and policy makers to address the common problems and find good solutions
- **Future regulation:** Potential market failures in parcel delivery might warrant new regulation. The solutions to tackle these problems differ depending on the nature of the market failure.
- **Many questions still to be answered:** Is there a need for a right to parcel delivery? How should that right look like? Is there a case for limiting parcels import from Asia? Etc.
- **Food for thought:** How would you define the USO today if you started from scratch? Looking outside Europe might provide a good example.
- Memorable whispers:
 - “It’s not the strongest who will survive, but those who are more adaptable to change”
 - “All users are important, but the vulnerable users are more important”
 - “Don’t try to apply an easy-fix to very pressing and difficult issues”

Wrapping up: Session 4

Market and policy developments across the e-commerce delivery value chain

- **Shift to recipient-oriented:** National postal sector transformation can align with e-commerce growth, emphasizing policy objectives and technological advancements.
- **Rise of e-commerce shows operators' adaptability:** Operators' adaptation of their operations from letters to parcels and to incorporate EU customs regulations exemplifies market responsiveness and operational efficiency.
- **Parcel lockers and PUDO networks provide an opportunity:** They provide an opportunity to expand networks but there are cultural differences throughout Europe regarding receiving parcels out of the home versus to the door
- **New business models:** Online platforms include business models that can enhance e-commerce delivery by bridging online and offline local commerce.
- Memorable whispers:
 - “C2C is a high growth area due to interest in promoting the circular economy”
 - “Even if you have an offline presence, you also need to have an online presence”

THANK YOU
FOR JOINING THE CONFERENCE!



Scan the QR code above to submit your feedback!