



International E-Commerce and the Role of Postal Services

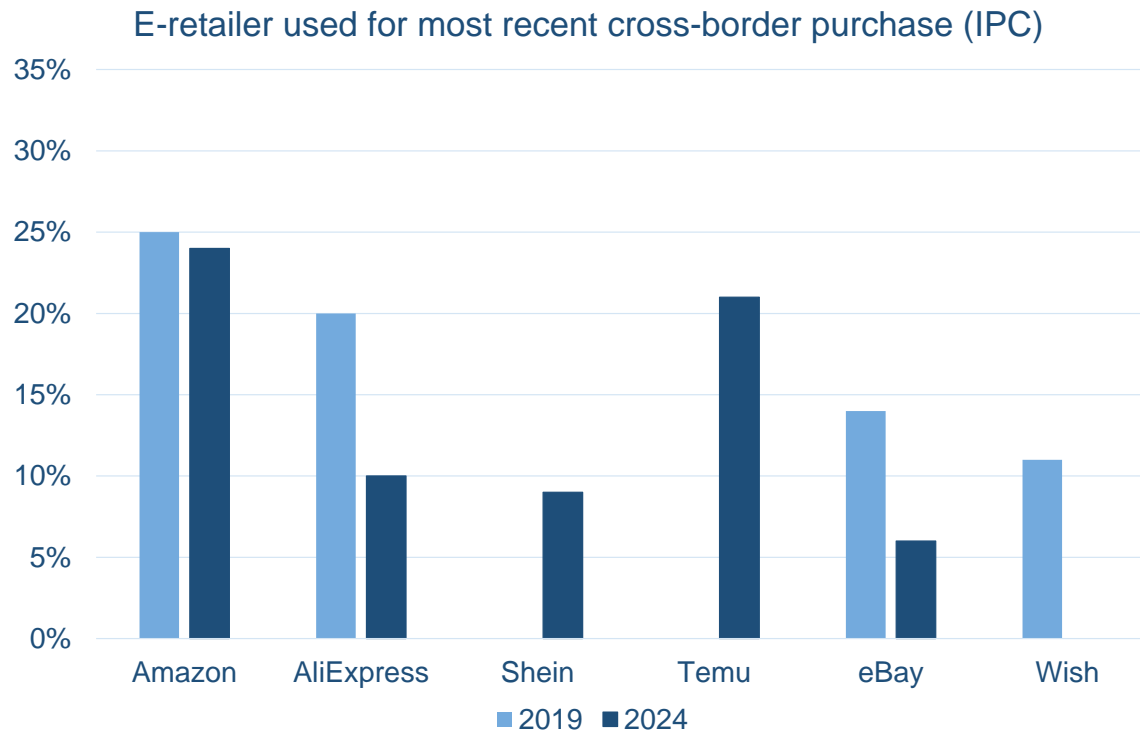
Antonia Niederprüm

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13 March 2025

Agenda

-  Developments in cross-border e-commerce
-  E-commerce logistics and the role of international postal services

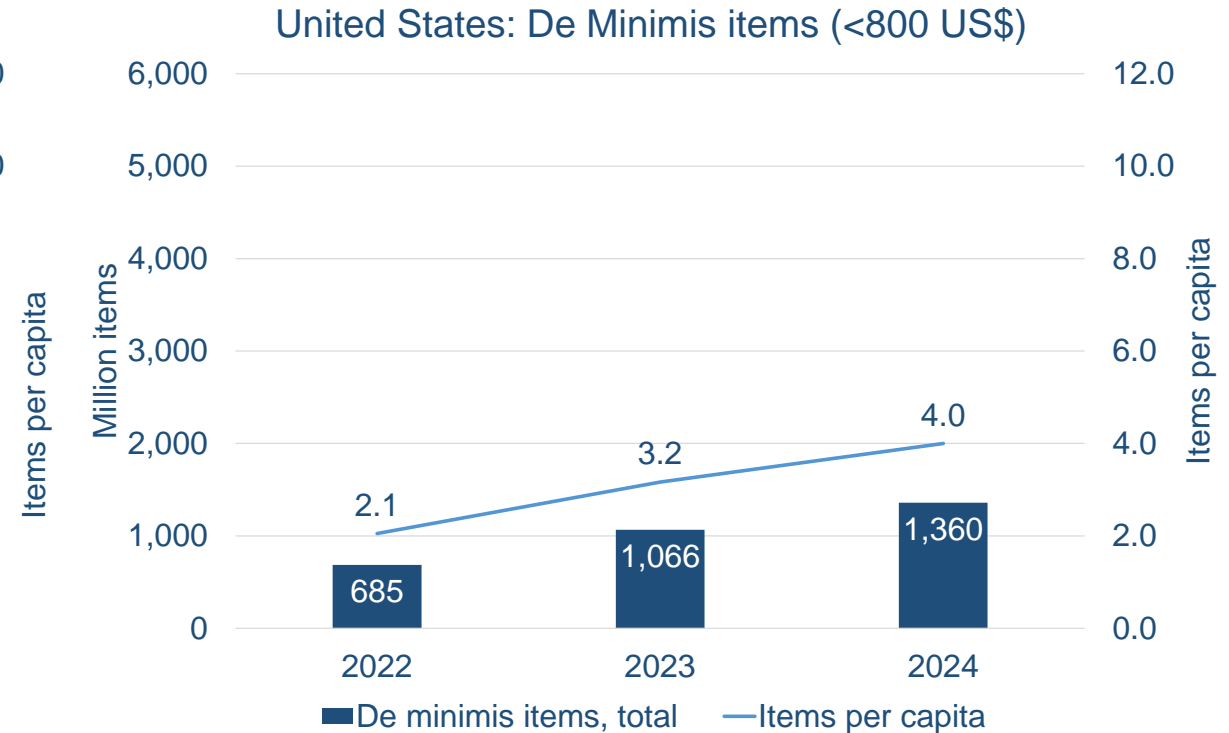
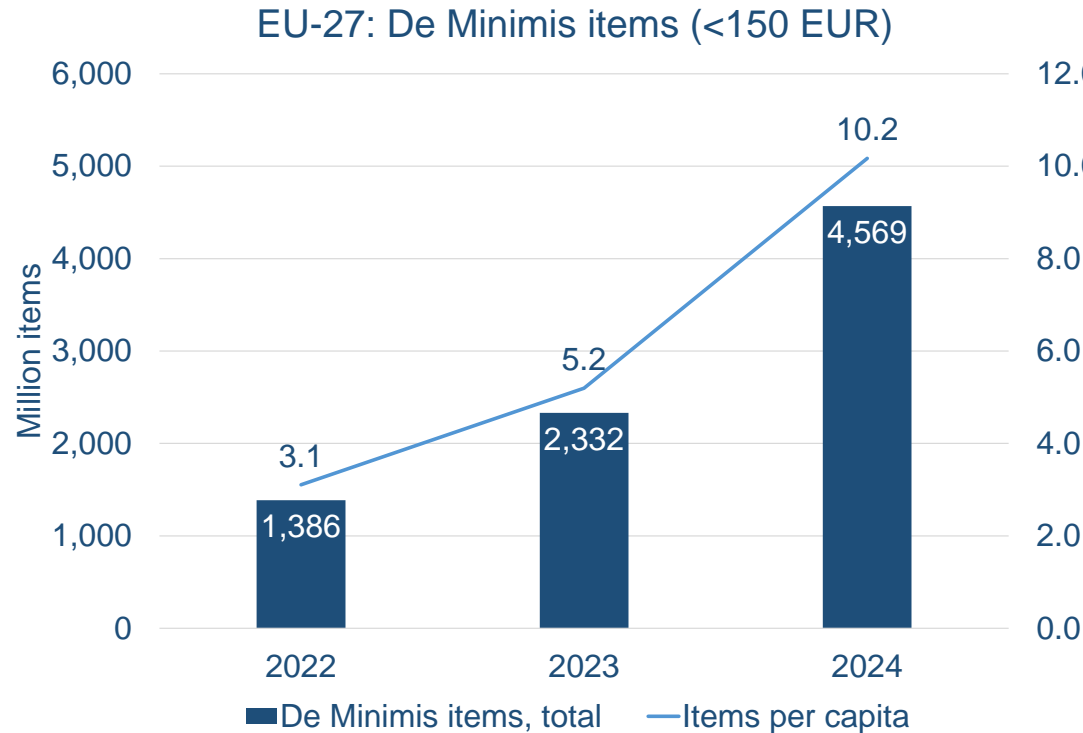
Dynamic development of international e-commerce purchases, particularly from Chinese sellers and platforms



Source: Based on IPC Cross-Border E-Commerce Shopper Surveys

- Amazon marketplace has “traditionally” a significant share of China-based online sellers, many using Fulfilment by Amazon (FBA)
- Alibaba/AliExpress lost market share to PinDuoDuo (PDD) in China and to PDD’s platform Temu internationally
- Successful market entry of the Chinese international e-commerce platform Temu in 2022 in the US and in 2023 in Europe
 - E-commerce export opportunity for Chinese manufacturers at a time of weak demand in China
- Wish’s business model collapsed during the pandemic because it relied on cheap international postal services

“De minimis” e-commerce imports from China into the EU doubled in 2024



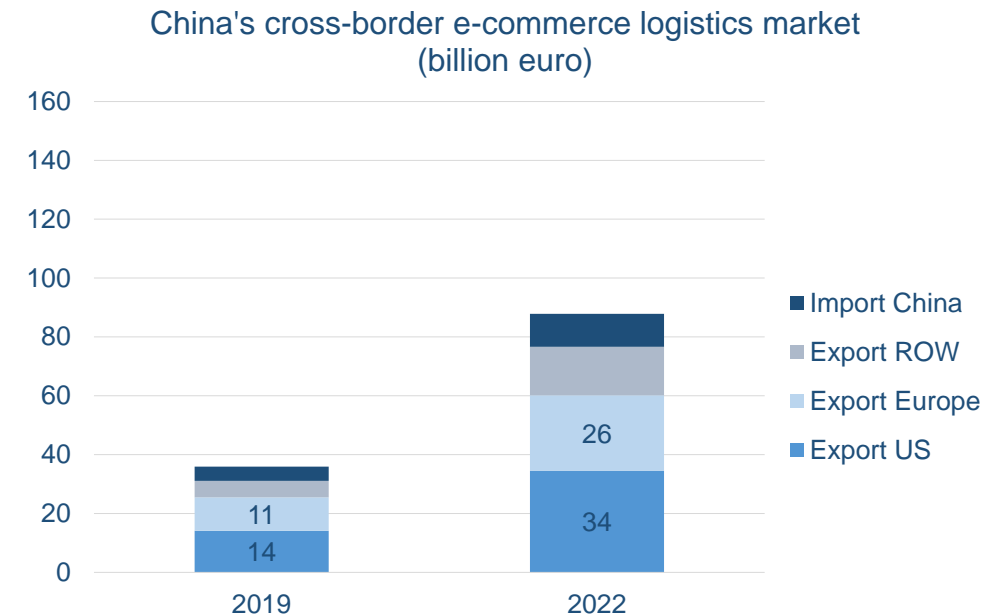
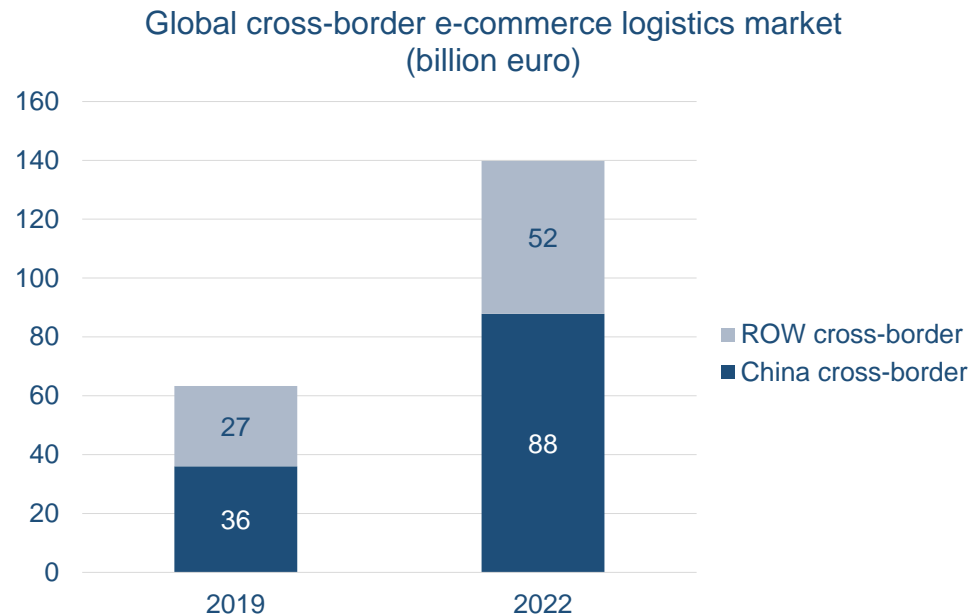
- De Minimis items accounted for 97% of all customs import declarations (2024)
- 91% came from China in 2024, up from 81% in 2023
- 89% were imported via 6 Member States in 2024 (BE, DE, FR, HU, IT and NL)

- 2023: Chinese sellers accounted for ~60% of the shipments

Market entry of Temu is an important driver for quickly growing e-commerce packages from China

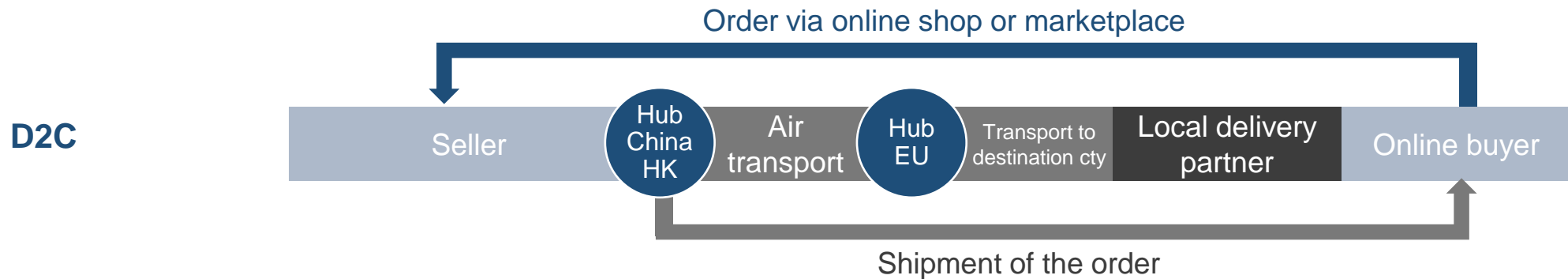
Chinese trade policy promotes cross-border e-commerce

- “Workbench” China is the largest exporter of e-commerce goods with significant growth rates
- Cross-border e-commerce logistics include both, direct shipments (D2C) and shipments via overseas warehouses (B2B2C)
- “Silk Road E-Commerce” Action Plan for Digital Commerce (2024-2026)
Building up a digital infrastructure (including overseas warehouses) to facilitate cross-border e-commerce
- High agility of major Chinese players, able to adapt quickly to changing conditions in international trade

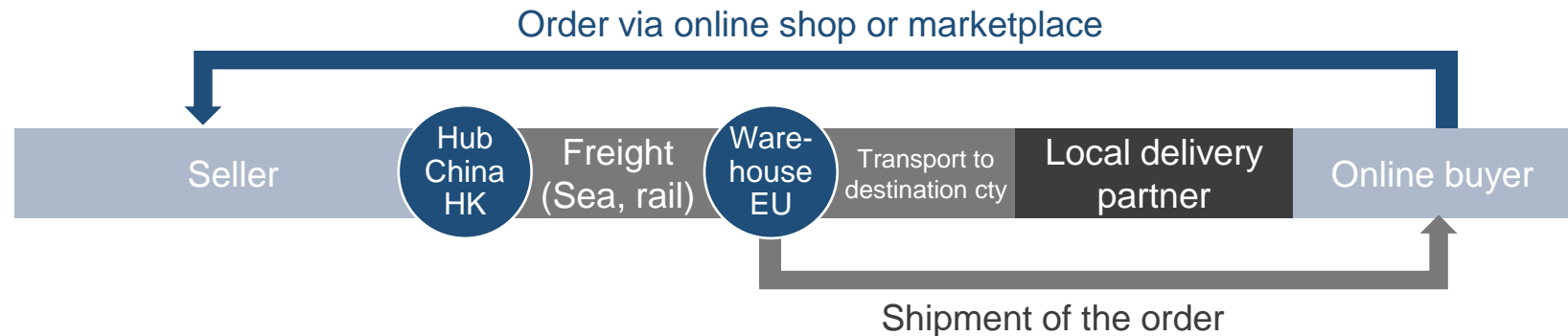


Quelle: Cainiao Smart Logistics Network Limited (2023), Preliminary IPO prospectus, p. 151- 152.

Two basic options for cross-border e-commerce logistics Direct-to-consumer (D2C) and via local warehouses (B2B2C)

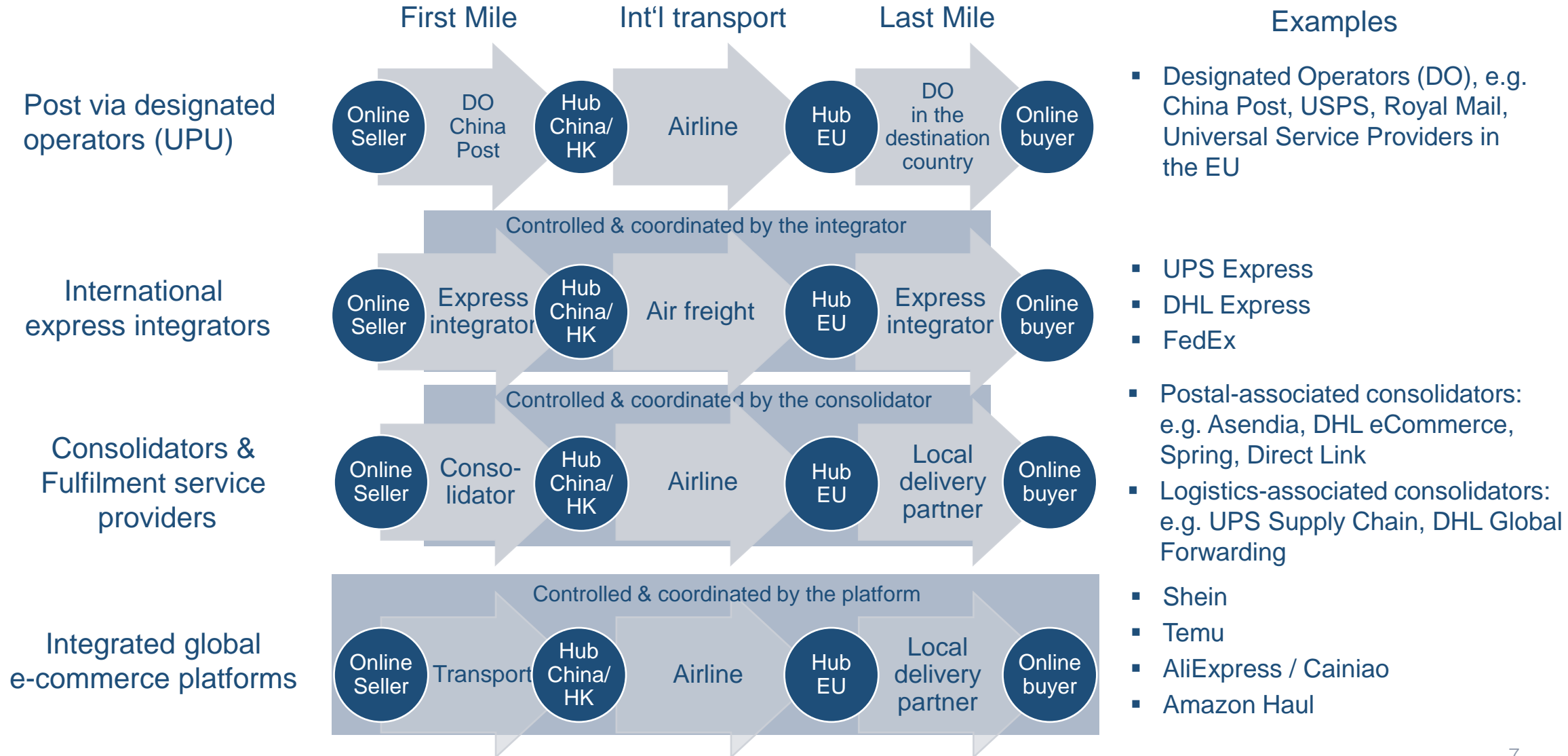


B2B2C
Delivery from an
EU warehouse
(e.g. via FBA or Cainiao
overseas warehouses or
via e-commerce fulfilment
providers, e.g. CIRRO)

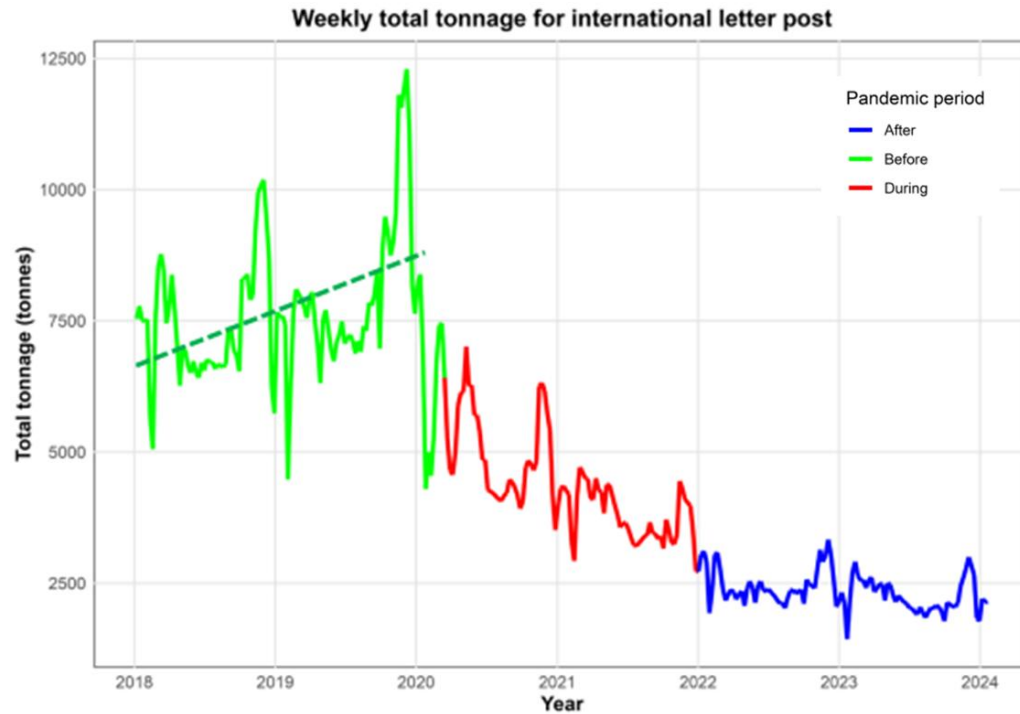


- Selection depends i.a. on warehouse and transport costs (including customs clearance), delivery time and on the good category (size & weight)
- Due to longer transport times, B2B2C is not suitable for each business model (e.g. Shein)
- Whether D2C or B2B2C, local delivery partners are always needed for the "last mile"

D2C: Emergence of commercial solutions for direct shipping with growing cross-border e-commerce



UPU e-commerce volume fell sharply and did not recover after the pandemic, especially from Asia



Change in international tonnage for international letter post between global regions (2019–2023)

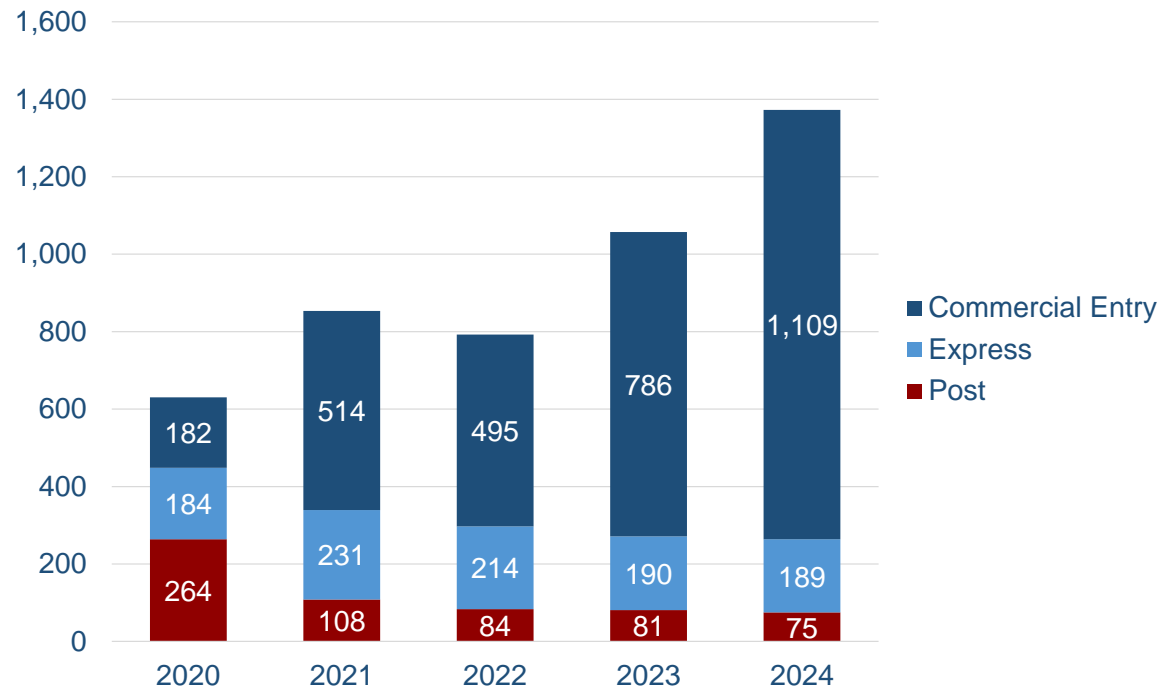
Destination	Origin		
	North America	Asia	Europe
Europe	-45%	-83%	-48%
Asia	-54%	-64%	-48%
North America	n.a.	-90%	-29%

Source: UPU (2024), Updates to the trends and drivers of international postal volumes, CA C 3 2024.1-Pres5, Slides 5 and 7

Decline in international postal shipments despite growing cross-border e-commerce

Example

United States: De Minimis imports (in million)



Source: cbp.gov/trade/basic-import-export/e-commerce

But: Shipment volumes for USPS were not lost
Deliveries are handled via "Direct Entry" as domestic shipments through USPS or its competitors

Key reasons for this development:

- Rising costs for shippers due to increased terminal dues following the introduction of Self-Declared Rates.
- Decline in service quality, particularly regarding delivery times and reliability in international postal shipping since 2019.
- Commercial export channels offer better quality, benefit from significant economies of scale and facilitate compliance with customs and security rules

Consequences for the UPU postal channel:

- The international postal channel cannot compete with commercial e-commerce supply chains for direct shipping
- The UPU postal channel still functions as a fallback option, primarily relevant for smaller shippers, but not for the larger volume-dominating shippers, (non-postal) consolidators, and integrated global e-commerce platforms.

Closing customs loopholes to help create a level playing field between domestic and Chinese online sellers

European Union

- Suspension of the Import VAT threshold in July 2021

Under discussion

- Suspension of the De Minimis threshold for customs duties (€150) and introduction of a handling fee on D2C imports

United States

- (Temporary) suspension of the Section 321 'de minimis' threshold by presidential decision in February 2025

- Closing customs loopholes and tightening security and other measures increase costs and delivery time of e-commerce exports for "single-piece" shipments
- D2C become less attractive → migration to B2B2C

Opportunity for Posts

Become local delivery partner for international e-commerce sellers

- The bad news for the international postal channel:
It is unlikely that the international postal channel is able to catch up the technological and commercial backlog
 - Additional threat for D2C (from China):
Closing customs loopholes fosters the migration from D2C to B2B2C
- The good news for national posts:
 - Independently whether D2C or B2B2C, e-commerce orders must be delivered in the destination countries
 - But: Posts need to be well-prepared to become the first-choice delivery partner in their country/region
- Threat for Posts: Highly concentrated demand exerts significant bargaining power over prices and services, especially in a highly competitive domestic delivery market



**WIK Wissenschaftliches Institut für Infrastruktur
und Kommunikationsdienste GmbH**

Postfach 2000

53588 Bad Honnef

Tel.: +49 2224-9225-0

Fax: +49 2224-9225-68

E-Mail: info@wik.org

www.wik.org