

Courier, Express, and Parcel (Cep) Market - Growth, Trends, Covid-19 Impact, and Forecasts (2023 - 2028)

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Report description:

The Courier, Express, and Parcel (CEP) Market is anticipated to register a CAGR of more than 10% over the forecast period. Increasing demand through e-commerce is driving the market. Furthermore, there is an increased volume of shipments in terms of parcels in the B2C segment.

Key Highlights

Growth in the global express markets has been driven by strong domestic e-commerce sales. Domestic markets have been growing more quickly than international markets in most regions, but the gap is narrowing significantly in some regions. The gap between the domestic and international markets is smaller in North America and Europe. In Europe, this is primarily due to the interconnectedness of the market and the lower barriers to international trade. Domestic markets have proved capable of seizing on the opportunities that e-commerce brings.

The CEP industry is posting impressive growth in developing countries, driven by the growth in international trade, rising internet and smartphone penetration boosting e-commerce sales, growing middle-class population, disposable incomes, and improved standards of living. Besides e-commerce, the emerging trends of omnichannel retailing in certain countries and growth in trade driven by economic growth are also some of the drivers of the CEP industry. As reported in April 2022, several foreign express giants said that their operations are running as normal, refuting online rumours that delivery companies from Europe and the US are suspending postal and parcel express services in China amid the COVID-19 epidemic. FedEx's international express and freight centre at Shanghai Pudong International Airport has kept operating during the recent outbreak, in a bid to ensure normal export business and promote the recovery and development of global trade.

E-Commerce sales were USD 870 billion in the US in 2021, a 14.2% increase over 2020 and a 50.5% increase over 2019.

E-Commerce represented 13.2% of all retail sales in 2021 in the US. Chinese National Statistics suggest that online retail sales grew at a 22% compounded growth rate between 2014 and 2021. Though online retail penetration is expected to continue to

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increase, China's 14th Five-Year Plan, which runs from 2020 until 2025, anticipates this growth in online retail sales to slow to 7.5%. The Indian e-commerce market had a size of USD 40 Billion in 2021 which is projected to increase to USD 50 Billion in the ongoing year (2022). The market has grown exponentially over the past five years due to the surge in Internet and smartphone users, improved policy reforms, and an increase in disposable income.

Companies like Lufthansa Cargo have invested in digital capabilities with their e-booking but also want to make their bookings available to others so that API can offer the inventory in their systems. Larger customers would want to incorporate the data into their systems, but smaller customers needed a different approach. SME forwarders might not be as IT-savvy or want to invest, so we also need to be on platforms such as cargo.one or WebCargo, where they can compare rates, routings, stopovers and capacity and make their choice directly. Qatar Airways Cargo has a similar policy. In January 2021, it finally joined Freightos's WebCargo booking platform. Qatar has also signed up for the Validaide Capabilities Platform, which now hosts some 11 airlines. It provides customers with access to information on the special handling capabilities of suppliers. Airlines can digitally manage and share station capabilities for pharma and healthcare products, and customers can see and review them.

Courier, Express, & Parcel (CEP) Market Trends

E-Commerce And Omnichannel Retail Driving the Market

The global e-commerce market reached a value of USD 13 Trillion in 2021. Rapid urbanization across the globe is one of the key factors driving the growth of the market. Furthermore, increasing internet penetration and usage of devices, such as smartphones, laptops and tablets to access e-commerce portals, is also providing a boost to the market growth. E-commerce enables organizations to conduct business without maintaining a physical presence, thereby minimizing infrastructure, communication and overhead costs. Latin America saw USD 85 billion in e-commerce sales in 2021, up 25% from USD 68 billion in 2020. The Indian e-commerce market is expected to grow to USD 111.4 billion by 2025, up from USD 46.2 billion in 2020. Russia, the UK, and the Philippines saw more than 20% e-commerce sales growth in 2021.

North America, which includes the United States and Canada as the leading regions in business-to-consumer (B2C) e-commerce sales, accounts for around one-third of digital purchases worldwide. The United States accounted for more than 60% of the total e-commerce market in North America in 2020. This increase in e-commerce trade over online portals has driven the growth of the global CEP market. The various e-commerce activities, such as online shopping through e-retail portals, are expected to fuel the market growth during the forecast period. Despite a difficult year for retail in 2020, every national market saw double-digit e-commerce growth. Despite a 3.4% drop in overall retail sales, Latin America experienced incredible growth of 36.7% compared to the previous year. Argentina's e-commerce sector grew by 79% in 2020, while Singapore's grew by 71.1%.

One of the greatest cross-border e-commerce markets, India and Mexico were in the top five countries in the world. With 50 million e-buyers, India is in third place (the high-growth region of Southeast Asia has been triggered by increased logistics and broadband infrastructure), and Mexico is in fifth place with 40 million e-buyers. These countries' growing internet users make them great markets for multinational firms to sell into. In Hong Kong, Singapore, and Vietnam, cross-border purchases account for 31%, 43% and 55% of online purchases respectively. In Australia and New Zealand, 35% of online purchases are imported from outside the region, with 25% of e-purchases from North America and Europe.

Cross-Border E-commerce Stimulating The Growth Of The International CEP Market

The growing e-commerce sector, along with the growing cross-border trade, is one of the key factors driving the growth of the CEP market. The development of cross-border trade channels, especially in emerging nations, has enhanced the adoption of international trade and B2C shipments. Furthermore, the increasing consumer preference for shopping online through various e-commerce portals is also providing a boost to market growth. E-commerce stores partner with courier service providers to

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deliver their products across domestic and international locations.

Technological advancements, including the utilization of digital technologies with crowd-sourced delivery models, are also creating a positive outlook for the market. These technologies aid the service providers in increasing their overall operational efficiency and meeting the requirements of the customers effectively. Other factors, including rapid urbanization, rising consumer expenditure capacities, and significant growth in the manufacturing sector, are projected to drive the market further toward growth during the forecast period. Automated package and freight shipping solutions are available to improve efficiency for the entire shipping process of retail vendors.

Retailers will soon be able to leave the paperwork to shipping partners, such as transmitting customs documentation electronically and enjoy a smooth customs clearance process, minimizing the time and cost involved in the associated paperwork. Moreover, with more regional and trade deals being negotiated between governments and trading blocs, it has become more attractive for SMEs to expand into new markets. The rapid growth of cross-border e-commerce is attributed to the rise of a young, urban population that is heavily reliant on technology.

Courier, Express, & Parcel (CEP) Market Competitor Analysis

The Courier, Express, and Parcel (CEP) Market is fragmented and highly competitive. DHL, FedEx, and UPS continue expanding their business across the globe to capture the market in the untapped areas. The global express and small parcels market continues to be driven forward by e-commerce. Companies are trying to grow organically or inorganically to improve their product offerings, services, and geographical reach. The international players are making strategic investments to establish a regional logistics network, such as opening new distribution centres, smart warehouses, etc. Local companies face high competition with multinational companies with comparatively well-developed infrastructure. In the regional context, domestic companies still have an edge.

Additional Benefits:

- The market estimate (ME) sheet in Excel format
- 3 months of analyst support

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