

Europe Sortation Systems - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2025 - 2030)

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Report description:

The Europe Sortation Systems Market is expected to register a CAGR of 4.2% during the forecast period.

Key Highlights

- Several factors are driving the growing interest in the adoption of autonomous robotics technology to perform sorting functions in order fulfillment centers. With the rapid urbanization and growth in stock-keeping units (SKUs), distributors and wholesalers are finding it technically challenging to make the right decisions for their operations. This factor is driving the need for a more innovative way of using labor, equipment, and technology. Key factors driving the need for an automated material handling system are cost savings, labor efficiency, and space constraints.
- Vendors in the market are gaining new orders for sortation systems due to increased focus on automation. For instance, in February 2022, Siemens Logistics received a contract from GLS Spain to design and integrate parcel sorting technology in GLS's new logistics center in Madrid. Therefore, the expansion of logistics and warehouses worldwide is driving the market's growth.
- Warehouses, distribution centers, and retailers must find ways to organize their sorting processes and handle different packages in less time and cost-effectively, as ineffective sorting wastes time and effort, thus damaging business profits. Therefore, warehouses, distribution centers, and retailers must upgrade their existing sorting systems to accurately sort large volumes of packages.
- The COVID-19 pandemic resulted in warehouse operators considering accelerating their schedules for adopting automation and robotics. Successful implementations demonstrated that these operators created safer jobs by reducing worker interactions and increasing productivity to meet the growing demand for e-commerce. The surge in e-commerce over the past few months has improved the sortation market in the region.
- Shipping companies such as UPS and DHL announced investments in their European operations due to a surge in e-commerce shipments. For instance, in September 2021, UPS opened a new sorting facility in Prague, expanding its European network.

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According to UPS, the new facility is part of its recently completed USD 2-billion multi-year European investment plan to expand the UPS network across Europe.

Europe Sortation System Market Trends

The Post and Parcel Segment is Expected to Drive the Market's Growth

- The increasing number of available products and the demand for more frequent and smaller deliveries in today's competitive environment are automating the sorting processes. The UK wholesale and retail sector has a high chance of automation in the next few years. The predicted labor shortage is also strengthening the case for logistics automation as firms seek to make their operations less labor-intensive. High demand and opportunities for further market growth have resulted in a positive outlook among automated logistics suppliers.
- According to the European Commission, in November 2021, the European Postal Service made basic post and parcel services accessible to all European citizens and increased tariff transparency for cross-border delivery services for single parcels. However, it also highlighted the way digitization is transforming the domestic market for postal and parcel services, creating new opportunities for postal operators amid changing consumer needs and expectations. Such initiatives are boosting the demand for post and parcel sortation systems in the region.
- Organizations in the region are focused on innovating new sorting systems. For instance, in July 2022, Royal Mail launched the first automatic parcel sorter in Northern Ireland. Capable of processing 157,000 packages per day, the machine can help meet the growing demand for overnight packages per day. This machine is an intelligent system that combines conveyor belts and scanning technology to sort packages for shipping. Installed at the Postal Center in Newtown Abbey, Northern Ireland, the machine sorts up to 7,500 parcels per hour. It dispatches them via the Royal Mail network to local delivery offices. It can handle parcels of any shape and size, with some packages weighing up to 20 kg.
- In June 2022, Magyar Posta, Hungary's leading parcel sorting center, increased its distribution capacity with Leonardo's new sorting system. This is the latest international milestone in the logistics industry and confirms the Hungarian operator's trust in Leonardo's capabilities. They have had a solid cooperation for two decades. The system will be delivered by 2023 and can process up to 100 million parcels per year, and the contract includes technical support until 2031.
- Germany is one of the largest economies with a skilled manufacturing industry. As evidenced by the Industry 4.0 initiative (which aims to allocate resources and funding to build more intelligent factories), the country has a growing interest in using automation technology to improve manufacturing productivity.
- The growth of the sortation systems market in Germany can also be supported by the presence of the global leaders in sortation systems, Siemens Postal and Parcel Airport Logistics. These companies have made successful installations across international markets and are increasing awareness about sortation technology across regions with solid growth rates.

United Kingdom is Expected to Hold the Largest Market Share

- The concept of a sortation center dates back to 2013 and was first introduced by Amazon in the United Kingdom. After recording significant savings in operating costs while achieving the required throughput, other e-commerce industries adopted the same concept in the United Kingdom before other major countries.
- Due to the e-commerce boom, parcel delivery is experiencing tremendous growth across Europe, mainly in countries such as the United Kingdom and Germany. The resulting increase in parcel volume is a significant challenge for many courier and postal companies. The increasing demand for delivered products may boost the adoption of automation in sorting and managing shipping packages.

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- Organizations are taking strategic approaches according to consumers' requirements. For instance, LAC Logistics offers a complete range of equipment for all sorted commodities. The company mainly focuses on the significant increase in the volume of various products, such as parcels, packets, and boxes, in the postal/express delivery market served by retailers and logistics companies.
- Along with e-commerce growth, the market for sortation systems in the United Kingdom is driven by the region's aviation industry. Four leading UK airports announced expansion plans to record passenger growth. For instance, Gatwick Airport announced a new EUR 1.1 billion investment plan over five years, aiming to increase passenger numbers by around 53 million by 2023.
- PSI Technologies excels in the food and beverage industry. The company understands the unique requirements of 24/7 operations, thus minimizing planned maintenance. It offers color-based food sorting to high-speed dispensing and filling systems. Its products are widely used throughout the food and beverage ecosystem.
- In June 2022, AsendiaManagement SAS successfully installed automated sorting robots and six new labeling robots at its parcel processing center in Heathrow, which became fully operational in May 2022. The new automated system has significantly increased parcel throughput for retailers, e-commerce brands, and other customers, reaching speeds of up to 7,200 parcels per hour and allowing sites to operate 24/7. The company invested its CAPEX of EUR 2.5million in these improvements.

Europe Sortation System Industry Overview

The European sortation systems market is fragmented and highly competitive. Product launches, high expenses on R&D, partnerships, and acquisitions are the prime growth strategies adopted by companies to sustain the intense competition.

- August 2021 - Vanderlande partnered with Bleckmann, a logistic service provider, to test its latest warehousing innovation, which aims to improve the manual sortation of batch-picked items to orders. This intuitive system can also reduce training time and increase operator performance.
- March 2021 - Fives provided DHL Express Italy with a new parcel handling and sorting solution. In March 2021, DHL Express Italy inaugurated the new Hub, Gateway, and Service Center at the Milan Malpensa Airport in northern Italy. As a partner of DHL Express Italy, Fives designed the solution based on proprietary technologies to meet customers' requirements. DHL Express Italy selected Fives' cross belt technology due to its high speed and accuracy.

Additional Benefits:

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

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