

# Courier & Express Delivery - UK - April 2021

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## This report looks at the following areas:

- The impact of COVID-19 on the courier and express delivery market.
- Market size, forecast and segmentation of the courier and express delivery market.
- Trends in the courier and express delivery market, including the impact of Brexit on international trade.
- Analysis of demographic differences in the uptake of online shopping.
- Analysis of the structure of the courier and express delivery market, profiles of key companies and their recent activities.

Although total parcel volume grew at a similar rate to previous years over the 2019-20 period, international parcels stagnated notably, with inbound parcels showing no growth compared to a 15% increase a year prior. Similarly, outbound parcels rose 2% against a 10% increase the year before.

The slowdown points towards the drastic impact the pandemic has had on global supply chains in areas such as China that are now essential to the production of goods, and, even more so, to the UK, which heavily relies on imports. The disruption caused by the coronavirus crisis led to rising shipping costs, as well as the need to invest and adapt operations to meet social-distancing guidelines.

The new UK-EU Trade and Cooperation Agreement complicates this picture. The deal has at least temporarily introduced costs to consumers and businesses. This adds another barrier to international parcel volumes, which have been an outsized source of revenue in contrast to their volume. This would leave couriers more dependent on domestic parcels, a segment driven by fierce competition and downward pressure on margins.

Despite these issues, the influx on new consumers to online retailing in response to the coronavirus crisis has drawn permanent additions to the market, in particular over-65s, who are shopping online more frequently than ever. This



"The coronavirus crisis drove a meteoric rise in online shopping as a result of lockdown and social-distancing measures that were enacted in response to it. The surge in demand has placed couriers and delivery operators under immense pressure as they look to maintain service quality, and also contribute to solving the crisis by engaging supporting private and public initiatives."

– Francesco Salau, B2B

Analyst

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demand, alongside investment in electric vehicles (EVs), new delivery vehicles such as bikes, expanding the use of collection centres, and improving efficiency through fleet telematics will underpin the sector's growth in the years to come.

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