## UK government considering delivery charge on internet purchases

The environmental impact of e-commerce is facing renewed scrutiny with the proportion of shopping done online rocketing during COVID-19-imposed lockdowns.

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A mandatory delivery charge should be imposed on internet shopping, similar to the plastic bag levy, to cut traffic and pollution caused by the rise in <u>e-commerce and delivery</u> vans on the roads, the UK Department for Transport's scientific advisers have recommended. Online retailers offering next-day and free deliveries have led to "unnecessary" overordering, with unwanted goods being returned, the advisers noted. A delivery charge would persuade consumers to adopt "more sustainable behaviour", they added.

Even prior to the pandemic, commentators were <u>bemoaning</u> how services such as next- or same-day delivery were increasing traffic on roads and congestion in urban areas.

Same-day delivery is reportedly the fastest-growing segment of last-mile deliveries globally. In the US, it's slated to represent <u>15% of all online</u> <u>orders</u> by 2025. Despite the convenience it offers consumers, it has also been shown to contribute to increased emissions. Recent research by the World Economic Forum noted emissions from last-mile delivery services will rise by a third over the next decade based on demand. This research was conducted prior to the boom in e-commerce caused by the coronavirus outbreak.

While the introduction of a tax on deliveries may encourage consumers to behave more sustainably, it's also been argued it could have negative effects. Home delivery company ParcelHero, for example, has suggested deliveries are more environmentally friendly than consumers driving to large retail outlets in search of items.

Furthermore, some <u>commentators</u> have noted a delivery charge being introduced now will hit smaller retailers hard. Many of these have had to set up e-commerce ventures in order to survive the disruption caused by the pandemic and will now seemingly be penalised for doing so.

Large e-commerce players and logistics firms have been exploring alternatives to ground delivery. UPS, for example, is looking towards <u>drone delivery</u> to meet the increased demand for same-day fulfilment. Meanwhile, FedEx is <u>encouraging cooperation</u> between business lines to avoid more than one vehicle delivering items to the same location.

Elsewhere, more out-there ideas are taking form. British start-up Magway, for example, has raised more than £1M via crowdfunding for a <u>freight</u> <u>delivery system</u> that would use underground pipes to ferry goods between locations.

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