Country Fiche
GERMANY

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Introduction

The *Team Hub!* project is a two-year project supported by the European Commission, Directorate-General for Employment, Social Affairs, and Inclusion, receiving funding under the call for proposals SOCPL-2021-IND-REL aimed at improving expertise in the field of industrial relations. Running for 24 months (August 2022 – July 2024), *Team Hub!* combines desk and empirical research, as well as mutual learning and networking activities, in order to analyse features and challenges of the e-commerce supply chain in a set of selected countries, namely Belgium, Estonia, France, Finland, Germany, Greece, Italy, Poland, Spain.

The *Team Hub!* project brings together a consortium of universities, research institutes and trade unions from nine EU countries to jointly address the complexities and challenges of e-commerce supply chains, especially with regard to storage and delivery activities. The aim of *Team Hub!* is to analyse the implications of the e-commerce boom, following the COVID-19 pandemic, and to equip trade unions with the knowledge and skills necessary to propose a sustainable reshaping of business models and work organization in the supply chain, also in view of the digital revolution and environmental sustainability objectives.

The first phase (Study) of the *Team Hub!* project consists of a preliminary literature review aimed at producing country-level analysis of the e-commerce and logistics national panorama. The goal is to identify and assess existing information and data about key trends and features in the e-commerce supply chains at national level, with a particular focus on key market players and dominant business models, working and employment conditions, social partners activities, and the geography of the supply chains in the covered countries.

The present Country Fiche, part of a series of nine similar papers, contains the results of the national-level analysis. The Country Fiches are aimed at feeding an EU-level comparative analysis to be included in the Background Report, which will equip the consortium with adequate background information for the following phases of the project.

Country Fiches are based on a common methodology agreed and shared in advance with the project's consortium. The research was realised by national experts appointed by the project partners. Experts developed their research on the basis of a common template, whose structure shapes the Country Fiche below. With a view to guaranteeing homogeneity and comparability of results, guidelines were shared with regard to sources and references to be used for the completion of the country fiches' template. In particular, the following categories were designated: scientific literature, administrative data, surveys, general press, interviews with relevant stakeholders.

Country Fiche

Macro-analysis on trends and developments in the e-commerce sector

Sales, use of online channels by consumers and shops, market shares and presence of dominant players, employment and wage trends in the supply chain

Facts, Figures, Data | E-Commerce

	2015	2016	2017	2018	2019	2020
turnover trade (Bill. €)	528,23	537,53	562,20	579,57	595,42	635,24
share e-commerce (%)	9,1	10,4	11,3	12,2	13,3	16
turnover e-commerce (Bill. €)	48,07	55,90	63,53	70,71	79,19	101,64
growth in %		16,30	13,64	11,30	12,00	28,35

Number of employees: 1,26 mill.

Growth 2011 - 2021: +221% (stationary retail in the same period: +10%)

Revenue forecast 2022: 103.30 billion euros (-4.1% vs. 2021)

Forecasts up to 2027: annual growth of 11.76% with 69.7 million users (online customers)/ market volume increases to €180.10 billion

Share and increase of the goods groups in 2019: daily need (4,9 bill.€, +14,1%), clothing (18,7 bill. €, +11,4%), entertainment (25,8 bill. €, +11,5%), leisure (8,67 bill. €, +9,8%), furnishing (10,92 bill. €, +13,5%)

Ranking - TOP 10 (2022):

1. Amazon Europe Core S.à r.l. (15.68 bn.)
2. Otto (GmbH & Co KG) (5.12 bn)
3. MMS E-Commerce GmbH/Mediamarkt (2.54 bn)
4. Zalando SE (2.52 bn)
5. IKEA Germany GmbH & Co. KG (1.75 bn)
6. MMS E-Commerce GmbH/Saturn (1.34 billion)
7. Apple Distribution International Ltd (1.19 billion)
8. Lidl Digital International GmbH & Co. KG (1.02 billion)
9. H & M Hennes & Mauritz GBC AB (900.2 million)
10. DocMorris N.V. (783.3 m)

Strong growth in online trade led to a significant increase in the volume of parcel shipments.

Shipment volume 2021: 4.51 billion courier, express and parcel shipments transported in Germany (+11.2% vs. previous year).

B2c share of parcel shipments in 2021: 71% (2011: 48%)

Growth of b2c parcel shipments in 2021: +16,6% (2020: +19,7%)

Expansion of the parcel infrastructure, increasing quality requirements of senders and recipients (free delivery and returns, same-day and flexible delivery, new delivery concepts and business models).

Figures, data, facts | Logistics

	2015	2016	2017	2018	2019	2020	2021
turnover logistics (Bill. €)	253,00	258,00	267,00	274,00	285,00	279,00	294,00
growth in %*		1,98	3,49	2,62	4,01	-2,11	5,38

** we cannot quantify the share of growth accounted for by e-commerce*

Number of employees 2021: 3.36 million (3.05 million in 2016)

Development of remuneration: CEP +25.7% (2010-2022), logistics +25.6% (2010-2022)

Structure of the sector: 73% of companies with fewer than 9 employees, in the CEP sector almost 80%.

Qualitative analysis on the different types of existing business models

Overview of the existing types, in particular concerning the relationships with workers and in the supply chain

CEP: Delivery is mainly carried out through **contracts for work/subcontractors**, which implies the lack of collective bargaining agreements and company representation of interests. Companies like DPD, Hermes, GLS, and Amazon based their businesses model completely on subcontractors, especially in the delivery section of the supply chain, where no direct employees are present.

The logistics and delivery sector is characterised by a very high proportion of migrants. Posted workers and third-country nationals dominate the labour market. A target group that is difficult to reach for their own rights as workers

Supply chain organization using the example of Amazon (main player), which organizes its logistics through three types of sites:

1. logistics centres, where customer orders are processed and ready for shipment (packed, addressed, etc.);

2. sorting centres, where packages delivered from the logistics centres are sorted by distribution area;

3. distribution centres, where shipments are prepared for delivery to the customer (last mile).

National transport between the logistics and sorting centres is carried out almost without exception by Eastern European subcontractors. Likewise, delivery (last mile) is carried out exclusively by subcontractors. The employees of the subcontractors work under difficult conditions, have no works council and are not covered by a collective agreement.

Labour market and working conditions

Emerging issues in terms of employment, working conditions, and health and safety of workers involved in storage and delivery activities for e-commerce major players

Work intensification due to increased parcel volumes, not only delivery but also collection of parcels by the delivery staff. Great physical exertion because the maximum weight of the parcels is 31.5 kg. The logistics operations run around the clock in a 3-shift model and at weekends. We have a high number of temporary and contract workers in the sector. The use of subcontractors is the rule rather than the exception in logistics. Logistics space is constantly increasing. Amazon alone has increased its space in Germany by 44% in the period from November 2020 to September 2022. The collective bargaining coverage in logistics in Germany is not very high at around 20%. This is mainly due to the fact that there are many small companies in the sector.

Geography of the e-commerce supply chain and presence of nodal points

Germany in land transport, even if no loading or unloading takes place. Germany is often the largest market after the US for Amazon and many other e-commerce retailers due to its size and high average household income. The German market for logistics space exceeded 8 million m2 for the first time in 2021. Of this, 2.42 million m2 was taken up in the metropolitan areas of Berlin, Düsseldorf, Frankfurt, Hamburg and Munich.

Social partners positions and main actions

Ver.di is the only trade union in the logistics sector and is present at all levels. We are partners in company and corporate co-determination, represent the interests in the statutory social insurance and are collective bargaining partners in the logistics sector. Ver.di demands a ban on work contracts in the CEP sector; the current national campaign "CEP Action Plan" aims to bring about a legislative initiative that bans the use of subcontractors in the CEP sector. Furthermore, the maximum weight for parcels should be reduced to 20kg (one-man handling) and heavy parcels should be specially marked. The general contractor liability due to the Minimum Wage Act plays a role in logistics.

References

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Interviews with Ver.di Trade Union Representatives

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Delivering sustainability to the e-commerce supply chain

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