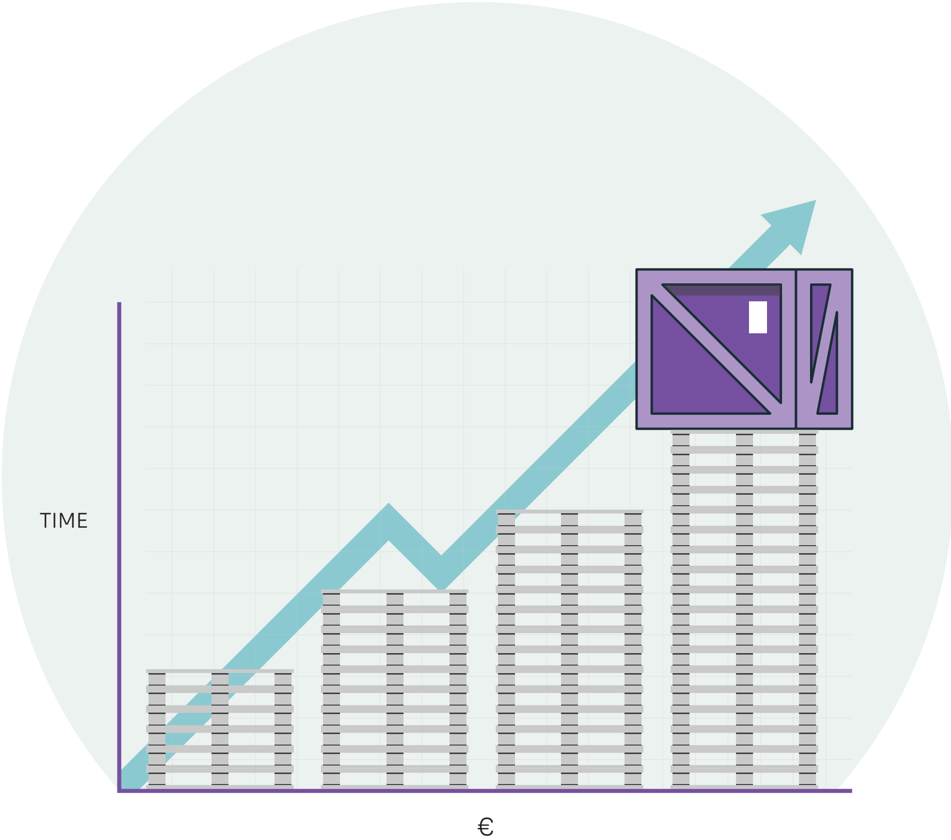
The freight forwarder's guide to cross-border parcel revenue

From Pallets to Parcels

The margin has moved off the box and onto the parcel. Here is how to follow it, without buying a single van.



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THE SHORT VERSION

A forwarder we know moved a decent book of consolidated freight for a homeware brand. Steady lane, good margin, no drama. Last autumn the brand's US parcel volumes exploded, and it went looking for someone to clear them item by item. The forwarder didn't have a product for it, so the brand signed with an integrator. Same lane, same relationship, a new revenue line, gone to a competitor who was quicker to the door.

That is the shape of the market right now. Freight forwarding is not in a downturn. It is being repriced. Volumes are recovering, but the profit attached to moving a box has thinned, and it is not coming back on the old terms. In FY2025 Maersk grew ocean volumes 8% while ocean EBIT fell 71%. The margin didn't vanish. It moved: out of transactional freight, into service lines that compound. Customs. Orchestration. And above all, cross-border parcel.

Then the rules locked it in. The US suspended de minimis in August 2025. The EU removed its €150 exemption in July 2026. Every low-value parcel crossing those borders now needs customs treatment: classification, valuation, origin, duty. Item by item, billed per parcel.

This guide covers where the margin went, why parcel captures it, what it costs, what it earns, the risks, and a 90-day route in.

01

THE MARGIN MOVED

For two decades, more volume meant more profit. Not any more.

71%

Maersk ocean EBIT fall on +8% volume

MAERSK FY2025

~25%

parcel CAGR vs 3.3% core forwarding

NEXTMSC / TI

$599bn

cross-border parcel by 2030

NEXTMSC

THE OLD LINK IS BROKEN

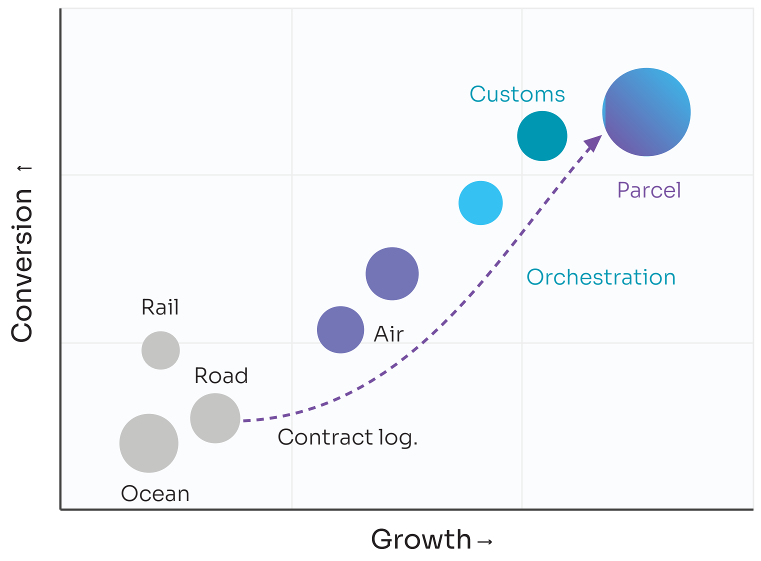
Overcapacity, carriers integrating forward into the shipper relationship, and digital platforms stripping out the information advantage forwarders used to charge for. Three forces, one margin, squeezed from three sides. Revenue built on rate arbitrage now whipsaws with the market.

WATCH CONVERSION, NOT REVENUE

The most revealing number in a forwarder's accounts is no longer revenue, or even gross profit. It's conversion rate: how much gross profit actually survives to EBIT.

In FY2025, Kuehne+Nagel converted Sea Logistics gross profit to EBIT at **29%**. The group as a whole? Just **16%**, dragged down by road and contract logistics. Same company, running at two very different speeds.

EIGHT POOLS, ONE DIRECTION



Parcel is the biggest pool in that corner, and the one that pulls the others along. It runs on air, lives on customs, and draws in fulfilment. Get your weight up and to the right before the market decides for you.

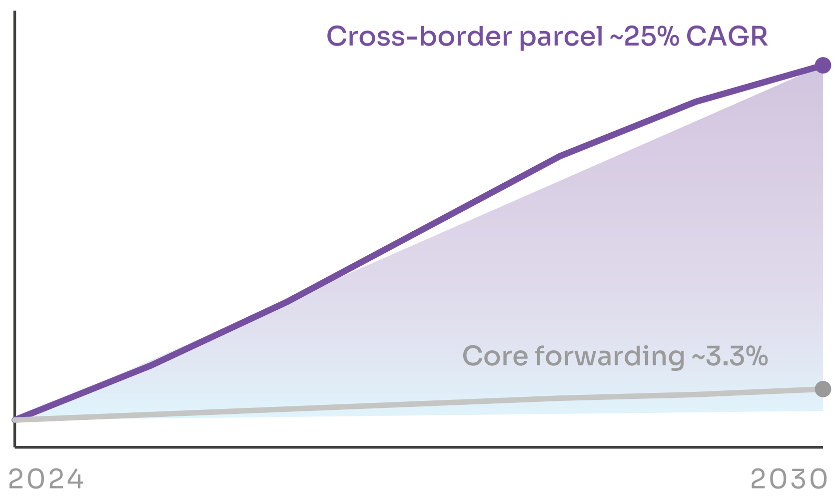
02 WHY PARCEL, WHY NOW

The volume didn't leave. It changed shape.

Start with the same shipment, viewed two ways. The pallet of forty cartons you moved for a wholesaler five years ago is now forty cartons ordered one at a time by forty consumers, shipped as forty parcels, each with a name and an address on it. That is the whole shift in one image: smaller, more frequent, pointed straight at the end customer. Global parcel volumes have roughly doubled since 2019, and they are not consolidating back.

The money follows the parcels. Cross-border e-commerce logistics is heading for around $599bn by 2030, on a 25.5% CAGR. Core forwarding grows at roughly 3.3%. The UK freight market, worth £26.3bn, is forecast to grow 0.2% this year. The freight you know is flat. The freight you don't yet handle is where the growth sits.

TWO MARKETS, TWO TRAJECTORIES



THEN THE RULES CHANGED

Within eleven months, the US and the EU dismantled the duty-free thresholds that let low-value parcels cross borders on barely any data. Every one of those parcels now needs customs work, and someone will be paid to do it. Forwarders sell customs work. The only open question is who captures the revenue: you, the integrators, or the platforms.

2×
global parcel volumes since 2019
PITNEY BOWES

25.5%
cross-border parcel CAGR
NEXTMSC

0.2%
UK freight growth this year
IBISWORLD

> The market has just mandated customs work on billions of parcels a year. The regulators have, in effect, written a demand signal for the exact work you already do.

03

WHAT YOU ALREADY HAVE

A parcel product is a data, customs and orchestration business. Not a van network.

The instinct is to size yourself up against DHL and decide the gap is unbridgeable. Wrong comparison. Most of a cross-border parcel product already sits inside your company. Five things that already transfer:

- ✓ **Customs capability.** Brokers, bonded warehouses, deferment accounts, licences. The single most expensive capability in parcel, already on your payroll, and the highest-margin work you do.
- ✓ **Trade-lane knowledge.** Origin agents, airlines, co-load partners, corridor quirks. A parcel is just a small shipment on a lane you already run.
- ✓ **Buying power.** Airfreight capacity, linehaul contracts and gateway handling. That's the middle mile of parcel.
- ✓ **Existing customers.** Some of your freight customers already sell direct to consumers. Your first parcel clients are sitting in your CRM.
- ✓ **Compliance record.** AEO-certified traders face 20% to 50% fewer inspections and clear faster. Merchants leaving grey-channel shipping come looking for exactly that pedigree.

YOUR OPERATION AS BUILDING BLOCKS

✓ ALREADY YOURS — TRANSFERS DIRECTLY

- ✓ Customs capability
- ✓ Trade-lane knowledge
- ✓ Buying power
- ✓ Existing customers
- ✓ Compliance record

BOUGHT, NOT BUILT — THE THREE TO ADD

- Parcel-level systems
- Last-mile contracts
- Per-item rate card

All three are bought or partnered. None needs capital anywhere near the scale of a network build.

04

HOW THE SYSTEM WORKS

A cross-border parcel flow, from a forwarder's seat. Six steps.

where capability becomes a product

your existing business bought, not built

1 · Order data in

Merchant or marketplace pushes item-level data by API: description, value, HS code, origin, consignee. This replaces the commercial invoice stack.

2 · Label & manifest

The platform generates carrier-compliant labels and builds manifests by destination and injection point.

3 · Export & linehaul

Parcels consolidate at your gateway and move on capacity you already buy. Your existing model, unchanged.

4 · Clearance, per item

Each parcel clears on itemlevel data: H7 and the €3 regime in the EU; ACE entry with HTS codes in the US.

5 · Injection & last mile

Cleared parcels enter a contracted domestic carrier or postal network. You never own a van.

6 · Tracking & billing

Events flow to the merchant. You bill per parcel across freight, clearance, duty handling and delivery.

From November 2026, EU declarations for low-value sales need up to three product identifiers per line, so clean data at intake is structural, not optional. The leap into parcel isn't physical. It is the move from tens of consignments a day with manual entries to thousands with validated, item-level data at source. That is a platform decision, not a hiring decision.

Step 4 is where it gets hard

Picture the Tuesday. A seller has loaded 3,000 parcels a day onto your lane, and one HS code in their catalogue is wrong. Not one parcel wrong. The same code sits against 400 SKUs, so every parcel carrying those items is misdeclared. On Monday it clears, because nobody has looked closely. On Tuesday customs pulls the first few, spots the pattern, and holds the rest. Now you have a cage of 900 parcels at the gateway, a duty figure that no longer matches, and a queue building behind it while the same lane keeps injecting.

Your customs lead does what a good customs lead does: works the backlog by hand, reclassifies, resubmits. It takes two days. In those two days the merchant's customers get "held at customs" emails, some open disputes, and the merchant's account manager is on the phone asking why parcels that cleared last week are stuck this week. The cost is not the correction. It is the trust, the refunds, and the ops hours pulled off everything else.

THE OPERATORS WHO MAKE PARCEL PAY

They never let it reach the gateway. They validate at intake.

A classification engine flags the code against the product description before the parcel ships. A valuation check catches the outliers. Only the genuine exceptions land on a broker's desk.

That is what "automation" means here in practice. Not replacing your customs team, but pointing them at the **2% that needs judgement** instead of the 98% that doesn't.

WITHOUT INTAKE VALIDATION

900 parcels held · 2 days of manual rework

Refunds, disputes and ops time pulled off everything else.

WITH INTAKE VALIDATION

Caught before it ships · brokers touch the exceptions

The lane keeps flowing. The margin survives its first bad week.

05

WHAT IT COSTS

Planning ranges for a mid-size forwarder launching one or two lanes. Not quotes.

Cost line	What it covers	Year-one range
Platform & integration	Parcel platform, customs automation, carrier & merchant APIs, billing	Low six figures at moderate volume
Network access	Last-mile contracts, injection agreements, postal access	Volume commitments, not capex
People	1–2 product/ops leads; existing customs team absorbs clearance at first	£120k to £200k
Compliance	IOSS registration, destination brokers, bonds where required	£20k to £50k

£250k–£500k Year-one envelope for a one-lane pilot. Nearly every line is variable or commercial, not fixed capital. Pilot on one lane with one anchor customer, and scale spend with volume.

WHAT THE TWO ENDS OF THAT RANGE BUY

At the £250k end you run one lane properly: item-level clearance, per-parcel billing, a last-mile contract, IOSS, and one product lead beside your customs team. The extra £250k buys what stops the pilot stalling: data-intake validation, integration so events flow without rekeying, and enough cover that one holiday doesn't take the lane down.

THE FAILURE MODE

Underspending on the invisible half. Skip intake validation and the platform chokes the first time a merchant sends a messy file, which is week one. Cheap intake is the most expensive line on the page.

THE MARGIN MIX IS THE OTHER HALF OF THE CASE

3–4%
average forwarder net margin
GOFREIGHT

20–40%
customs & compliance gross margin
INDUSTRY BENCHMARKS

A parcel product concentrates revenue in that second column: margin from expertise, not assets.

06

WHAT IT EARNS

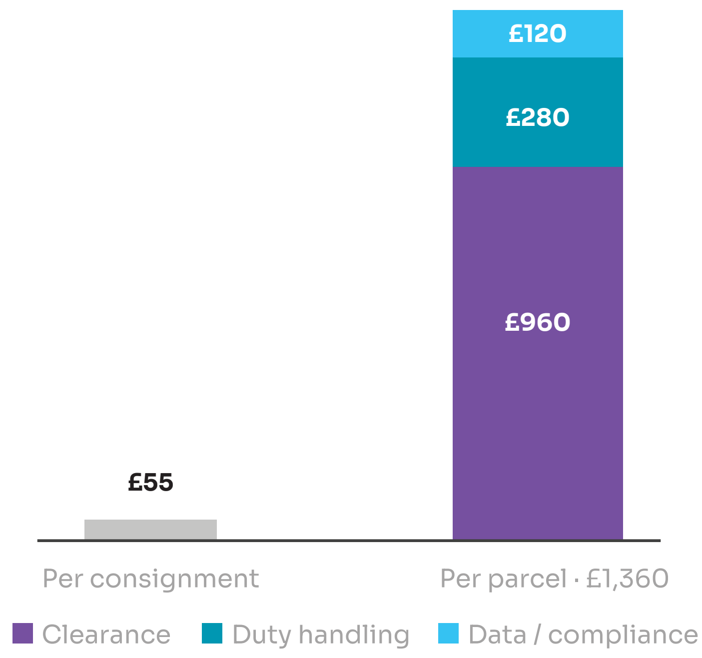
Per consignment vs per parcel. Same aircraft. Same customs team.

Today you charge clearance per consignment. A consolidated shipment holding 800 marketplace parcels earns one entry fee. Under the new regimes, each of those 800 parcels needs item-level customs treatment, and the market accepts per-parcel pricing for it. One weekly consolidation, one lane, illustrative rates.

Line	Per consignment (today)	Per parcel
Clearance	1 entry × £55 = £55	800 × £1.20 = £960
Duty / tax handling	Included	800 × £0.35 = £280
Data / compliance	n/a	800 × £0.15 = £120
Weekly total	**£55**	**£1,360**
Annualised	**£2,860**	**£70,720**

Illustrative pricing. Rates vary by lane, volume and service level.

THE REVENUE STACK, ONE WEEKLY CONSOLIDATION



Nothing physical changed between those two columns. The only difference is item-level data and a billing engine that charges per parcel. Clearance becomes the highest-margin line in the stack: no assets, near-zero marginal cost once intake is automated. The $599bn market is, from where you sit, a very large pile of entries.

07

DE MINIMIS, PLAINLY

The duty-free thresholds are gone. The customs work is mandated.

1.36bn
US de minimis shipments (2024)
US GOVT

−54%
US volume after suspension
UPU

€3
EU duty per HS6 line
EURO COMMISSION

170k+
IOSS / OSS traders
EURO COMMISSION

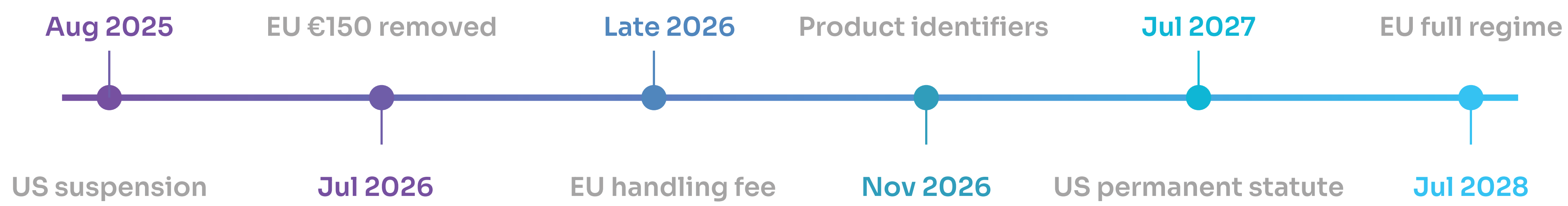
UNITED STATES

Executive Order 14324 suspended duty-free de minimis for all countries from 29 August 2025. Every shipment now needs ACE entry with origin declaration and duty payment. Volumes had grown from 134 million in 2015 to 1.36 billion by 2024, roughly 4 million parcels a day, then fell 54% after the suspension. The repeal becomes permanent statute on 1 July 2027, so there's no reversal to wait for.

EUROPEAN UNION

The €150 exemption ended on 1 July 2026. Until 1 July 2028, a transitional €3 duty applies per HS6 tariff line, not per parcel, so a mixed-category parcel attracts multiple charges. A handling fee is expected from late 2026, product-identifier data lands in November 2026, and member states are adding their own fees (Italy €2, Romania around €5). These rules touch effectively all inbound volume.

THE REGULATORY TIMELINE — JULY 2025 TO JULY 2028



08

WINNING YOUR FIRST CUSTOMERS

Your first customers are already invoiced by your finance team every month.

01 Start in your own CRM

Audit freight customers for e-commerce exposure. Hunt for the ones who split their logistics: freight with you, parcels with someone else. Consolidating that spend is the easiest sales conversation in logistics. One call to an account you already speak to every month: "you're shipping parcels elsewhere, and clearance is getting harder. We already clear your freight on that lane. Let us quote the parcels."

02 Marketplace sellers

Post-de minimis, marketplaces need compliant, data-rich routes into the US and EU. Mid-size sellers are the sweet spot: too big for the post office to serve well, too small to get an integrator's key-account team on the phone. They are the ones whose parcels sat in the autumn 2025 backlogs, and they remember it.

03 3PLs and fulfilment houses

They own the merchant relationships but not the customs depth, and EU reform puts clearance responsibility on the seller, marketplace or their logistics partner. Sit behind them as the customs engine, let them keep the merchant relationship, and take the clearance revenue on every parcel they push.

04 Other forwarders

Forwarders without a parcel product still get asked for one, and today they say no. Wholesale yours to them and they can say yes without building anything. The lane you dominate on freight may be one a competitor can't serve on parcel, so your competitor becomes your channel.

LEAD WITH COMPLIANCE, NOT DELIVERY

Anyone can promise delivery. What keeps merchants up at night since the rules changed is customs. Delivery gets you shortlisted. Compliance wins the account. Price the first engagement as a defined pilot: one lane, ninety days, per-parcel rates, no volume commitment. Then let the anchor customer's results close the next ten.

09

BUILD, BUY OR PARTNER

Three ways into the pool. Each has a known cost, and a known way to fail.

Buy for speed

Acquisition is the fastest route to credible scale. Failure mode: integration takes years longer than the strategy implies.

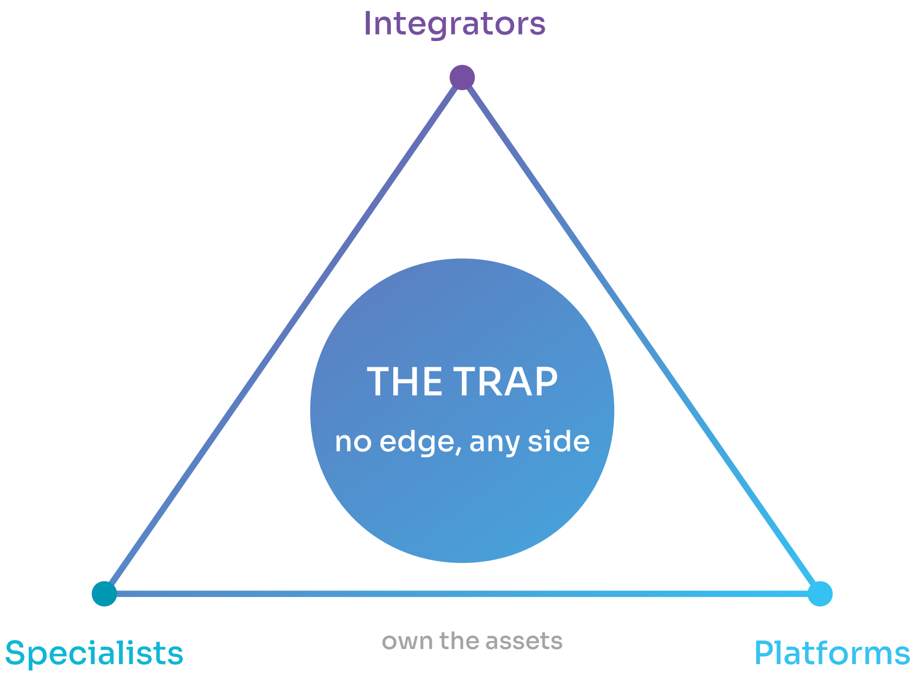
Build for control

An organic build produces deeply integrated capability, and works where a committed customer anchor underwrites the volume. **Failure mode**: building speculatively, with no volume floor.

Partner to start

An alliance is the fastest entry at the lowest capital cost, and the right first move before demand is proven. **Failure mode**: leaking delivery margin and control to the partner.

THE TRAP IN THE MIDDLE



Integrators own the assets. Platforms own the price floor. Specialists own the complexity. Not asset-heavy enough to beat integrators on speed, not tech-native enough to beat platforms on price, not specialised enough to command premium margins. A defensible corner is a choice. The middle is what you get by not choosing.

10

THE RISKS, OFF THE TABLE

The boardroom objection-handler. Five risks, five answers.

THE RISK	HOW YOU TAKE IT OFF THE TABLE
Poor merchant data stalls clearance. From Nov 2026 the EU wants up to three product identifiers per line.	Validate and enrich at intake; make clean data a condition of onboarding. Platform capability, not headcount.
Per-parcel margins are pence; manual entry teams can't scale.	Automate classification, valuation checks and filing so brokers touch only exceptions. The margin only appears once a human isn't keying each entry.
E-commerce service expectations exceed freight-grade visibility.	Contract last-mile partners with full event feeds; expose parcel-level tracking to merchants from day one.
Channel conflict: parcel cannibalises some consolidation revenue.	The shift happens anyway; the only choice is who invoices it. Pilot with accounts already leaking parcel spend to competitors.
Regulation keeps moving: member-state fees, UK review, full EU regime in 2028	Give one named person the job of tracking rule changes and updating the platform's duty and data logic before each deadline, so merchants never get a surprise charge or a rejected entry from your lane.

Every one of these is answered by the platform doing your expertise at volume, not by hiring your way out.
That is the shape of a parcel product that survives contact with real merchant data.

11

THE 90-DAY ENTRY PLAN

Three phases, one lane, one anchor customer. Each phase closes on a decision gate.

Day 1 — Day 30 — Day 60 — Day 90

PHASE 1 · DAYS 1–30
Audit and define

Goal: prove there's a lane and a customer worth piloting.

Owner: Commercial lead.

- Pick one lane you already dominate on freight
- Audit the CRM; rank customers by parcel volume leaking to competitors.
- Shortlist three anchor-customer candidates.
- Define the product: DDP-first, service level, delivery promise.
- Draft the per-parcel rate card.
- Size the year-one envelope against the revenue model.
- Name the four "will not pursue" lanes in writing

GATE TO PHASE 2

One anchor customer verbally committed, and a rate card finance will stand behind.

PHASE 2 · DAYS 31–60
Platform and partners

Goal: stand up item-level clearance and last mile, end to end, before a live parcel.

Owner: Ops/product lead.

- Select the platform; confirm customs automation, APIs, per-parcel billing.
- Contract last-mile and injection partners; require full tracking feeds.
- Stand up item-level clearance: classification, valuation, e-submission.
- Register for IOSS where relevant.
- Configure for the November 2026 product-identifier rules.
- Build data-intake validation; make clean data a condition of onboarding.
- Put AEO on the medium-term roadmap. Run an end-to-end test consignment.

GATE TO PHASE 3

A test consignment clears item-level, end to end, with tracking visible and a correct per-parcel invoice.

PHASE 3 · DAYS 61–90
Pilot and iterate

Goal: run real volume, measure it, fix intake, package the result.

Owner: Ops/product + commercial.

- Launch live with the anchor customer on the one lane.
- Measure cost per parcel, clearance success rate, delivery performance.
- Fix data intake at source; the leading cause of clearance failure.
- Track exceptions; confirm brokers handle only exceptions.
- Reconcile and bill per parcel; confirm no margin leak.
- Capture anchor-customer results as a reference case.
- Line up the next ten CRM targets for the working product.

GATE TO SCALE

Unit economics hold at pilot volume and the anchor acts as reference. Then repeat the lane playbook. Don't rebuild it.

12

PROOF IT WORKS

You don't have to take this on trust. The pattern is in the trade press.

Open the trade press from the last twelve months and the pattern is there to read. Established freight and express businesses, several of them older than most people reading this, have launched cross-border e-commerce services built on the network and customs capability they already had, then layered parcel-level systems on top. Search "forwarder cross-border e-commerce launch 2025" and you'll find them announcing it themselves.

Look at the anatomy rather than the press release. None of it is out of reach for a mid-size forwarder on its own lanes. The difference is scale, not kind.

THE ANATOMY, EVERY TIME

- ✓ Existing network assets
- ✓ Existing customs capability
- + Parcel systems bought or built on top
- ▸ A single lane piloted before any wider rollout

THREE DOORS INTO THE SAME ROOM

Bought

Acquired a parcel business and reached tens of millions of parcels a year, though logistics margins still sit below the specialists.

Built

Built organically around one committed anchor customer and used premium positioning to protect margin.

Partnered

Reached 190-plus countries with no acquisition at all. The most copyable route for a mid-market operator, at the cost of depending on someone else for the last mile.

What none of them did was start by buying vans. They started from customs and network access, the two things you already have, and bought the rest. The work is now mandated, the capability is already yours, and the only decision left is whether you invoice it or let someone else do it.

ABOUT GN TEQ

The market repriced the box. It has not repriced expertise.

GN TEQ is a global technology provider to freight forwarders, last-mile carriers and postal operators moving weight up the margin map: out of commodity freight and into customs, parcel and orchestration. We are not a forwarder or a parcel operator, and we do not compete for your customers.

The technology baseline is now buyable. The differentiation has moved to execution and customs expertise at scale. That's the gap a focused technology partner closes faster than an internal build, and more defensibly than a partner who also wants your delivery margin.

WHAT WE BUILD

Customs automation
Automated entry filing and HS classification at parcel volumes.

Parcel track-and-trace
Consumer-grade, integrated with last-mile networks.

Dynamic landed-cost pricing
Built for the post-de-minimis regime.

Reconciliation & control tower
Protects margin at scale.

"The market repriced the box. It has not repriced expertise."

SOURCES

Market sizing and growth: NextMSC; Transport Intelligence; Business Research Insights; Straits Research; IBISWorld (UK); OECD, Trade in the Time of Parcels; Pitney Bowes Parcel Shipping Index. Company results (FY2025, self-reported): Maersk; Kuehne+Nagel; DSV; C.H. Robinson; Expeditors; DHL Group; Hellmann. Regulatory: Executive Order 14324 and White House fact sheets; US CBP; Universal Postal Union; European Commission Taxation and Customs Union; Regulation (EU) 2083/2025; national customs notices (Italy, Romania). Margins and industry economics: GoFreight benchmarks; UK forwarder margin analyses; McKinsey, De minimis disrupted (2025). All regulatory dates correct as at July 2026.