

Visit to the Singapore Post regional logistics centre (SingPost)  
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**Participants:** Zann TIANG, Vice-President, Program Management Postal Services, Laetitia DABLANC.

Visit organised by Wen-Teng CHIU, Group Director Research & Development, Urban Redevelopment Authority, Singapore's public planning and development agency.

Singapore Post is a traditional player, which, like many other logistics providers, is asking itself questions about **the need to adapt** to rapidly changing consumption patterns and delivery requests. The visit was organized in this way: to see how a major player in the parcel business adapts to the new context.

The 52,000 m<sup>2</sup> five-storey warehouse (see Photo 1) was opened in 2016 in Tampines, a very urban area in northeast Singapore. This « eComm Log Hub » also hosts the SingPost «**Centre of Innovation**» whose objective is «to conduct research on new logistical and postal services and products, in collaboration with research institutions and higher education institutions», a cooperation approach with academia common in Singapore (companies work with National Technical University (NTU) and National University of Singapore (NUS), for example, also with the MIT SMART centre based in Singapore).



**Photo 1.** SingPost Regional eCommerce Logistics Hub  
**Source:** SingPost

Contrary to popular belief, **e-commerce in Singapore** (a city-state of «only» 6 million inhabitants) is not as developed as in the major cities of Korea, China or Japan. It can be explained by a very strong tradition of frequenting (especially by public transport) **shopping centres, which are numerous and highly sophisticated**<sup>1</sup>; as well as the very high attendance of the very many restaurants. SingPost is wondering about the near future: the development of e-commerce seems to have accelerated very strongly since 2016.

SingPost now has about 50% of the B2C delivery market. Its SpeedPost subsidiary is growing strongly in new niches such as racing and on-demand delivery.

Innovation being deployed within the group is promising for productivity: « **Smart letter box** ». Automatic lockers<sup>2</sup> in the lobbies of the residences (70% of Singapore's inhabitants live in state-owned apartments, the HDBs, allowing a certain standardisation of the processes for the layout of the lobbies) which will allow a significant increase in productivity: parcel deliveries by SingPost employees could go from 30 to 60 addresses delivered per tour today, to 10 to 20.

The terminal: 12 quays, capacity of 100,000 parcels per day, for a maximum of **45 000** parcels actually processed today (especially on special days, such as « 11/11 », Single Day on 11 November). Alibaba, with its brand **Lazada** (the largest e-merchant in Southeast Asia), occupies the 3rd and 4th floors. Green Lazada food.

**Singapore warehouse property rental prices:** approximately S\$1.5 Singapore dollars (~€1) per m<sup>2</sup> per month<sup>3</sup>. Near the airport (located to the northeast), up to 2 to 2.5 SD. To the west of the island, which is more industrial, the average rate is about 1 SD.

**No delivery drones** for the moment in Singapore (due to the trees, many in the city, and very strict regulations). SingPost is working with **Neolix**, a Chinese start-up, to develop delivery robots.

The previous day, we also saw the official inauguration of the test of the Volocopter, a taxi drone, during the ITS World. The many high-rise apartment buildings are also a problem in Singapore for drones, taxis and delivery.

Very few **electric vehicles** in Singapore. The country has a large refinery industry, the business case for changing to electric is not yet made.

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<sup>1</sup> See in particular the new shopping and leisure centre located within the international airport - but frequented by all Singaporeans, the **Jewel**. <https://www.jewelchangiairport.com/>

<sup>2</sup> They are a little different from European automatic lockers, they look more like vending machines for example: private individuals do not have access to an individual locker each time; the package or letter, after the recipient has scanned the code, falls into a single common locker, which saves space.

<sup>3</sup> Also see at the top of page 3 of <https://www.colliers.com/-/media/files/apac/singapore/research-reports/industrial-2h2018.pdf>

## SingPost Regional eCommerce Logistics Hub Quick Facts

**Source:** SingPost

<b>Total investment</b>	S\$182 million
<b>Total area</b>	553,000 square feet (51,375 sqm)
<b>Configuration</b>	<ul style="list-style-type: none"><li>• Three-storey integrated facility</li><li>• Two warehousing floors</li><li>• Office block</li></ul>
<b>Level 1 Sorting facility</b>	<ul style="list-style-type: none"><li>• Siemens' VarioSort cross-belt sorter measuring around 500 meters in length</li><li>• 291 chutes for parcel sorting</li><li>• OCR technology to enable &gt;98% automated processing for good quality barcode labels with machine printed addresses</li><li>• Sort up to 100,000 parcels per day</li></ul>
<b>Level 2 Warehouse</b>	<ul style="list-style-type: none"><li>• Pick by light: high performance, near 100% accuracy</li><li>• Pick to tote: high performance, near 100% accuracy</li></ul>
<b>Direct last mile delivery vehicle capacity</b>	150 loading bays that can cater up to 600 delivery vans per day
<b>Global delivery network (with a hybrid model of postal and commercial connections)</b>	Serving more than 200 countries
<b>SingPost global eCommerce logistics footprint</b>	Spanning 19 markets, with more than 50 fulfilment centres