

**IDA, SPRING Singapore and CapitaLand Mall Trust
collaborate to boost last mile delivery to retailers**
More than 300 retailers to potentially benefit from trial

Singapore – 15 March 2016 – The Infocomm Development Authority of Singapore (IDA), SPRING Singapore and CapitaLand Mall Trust (CMT) Management Limited signed a Memorandum of Intent (MOI) to launch an In-Mall Distribution (IMD) trial at Tampines Mall and Bedok Mall, which could benefit an estimated 300 retailers. If successful, the model may be further rolled out to other shopping malls owned or managed by the CapitaLand Group in Singapore to benefit other retailers in its network. Witnessed by Dr Yaacob Ibrahim, Minister for Communications and Information, this initiative is the first deployment under the nationwide Urban Logistics programme spearheaded by IDA and SPRING Singapore.

As Singapore gears up to be a Smart Nation, technology will be an important boost to the competitiveness of the logistics sector. The Urban Logistics programme thus aims to transform the efficiency of the logistics sector through tech. First mooted in the Infocomm Media 2025, this project was followed by a funding announcement of \$20 million from IDA and SPRING Singapore to implement urban logistics in the retail sector. Deployed nationwide, this move could translate into an estimated reduction of trucks on the road by 25 per cent and cut waiting and queuing time for deliveries by 65 per cent.

Meeting the challenges in the logistics sector

Currently, logistics resources are not well-optimised in the retail sector. Goods are delivered in an unconsolidated and uncoordinated manner causing inefficient utilisation of delivery trucks, traffic congestion at loading bays of malls which spills out beyond these premises and a shortage of delivery drivers. The IMD trial seeks to address the above challenges in two ways.

Firstly, the trial will pilot a dock scheduler and queue management system which enables Logistic Service Providers (LSPs) and tenants with their own delivery fleet to book specific delivery timings at the mall. This can reduce traffic congestion and trucks queuing outside the malls by ensuring that delivery timings do not clash.

An innovative ‘change of custody’ system will also be introduced to improve efficiency during the handing and taking over process of deliveries. Handover processes from LSPs to retailers contribute to long waiting time for truck drivers outside malls because receivers need to manually count items. This change of custody system secures and registers the inventory of items at the shipment level electronically, allowing receivers to know the number of items received. This frees receivers from manually counting items, streamlining processes further.

Secondly, the IMD includes the creation of In-Mall Logistics Operators (IMO). Services of the operator include being stationed within the mall to receive and consolidate deliveries from suppliers before making the distribution to retailers. The IMOs can also perform additional roles such as providing value-added services like unloading bay facility management, security pass issuance and concierge services such as luggage deposit, meal delivery for F&B establishments, and goods transfers for retailers. This can encourage new opportunities of employment in Singapore. If the pilots prove to be successful, this concept may be adopted at other shopping malls owned or managed by the CapitaLand Group in Singapore.

Benefits of In-Mall Distribution

Benefits of the IMD are multi-fold. Retailers can look forward to reduced operating costs by outsourcing jobs, such as stock transfer between outlets, goods return and on-shelf placement, to IMOs. As for mall management, they are able to reduce traffic congestion at their premises, which allows for better consumer movement and lower carbon emission. Lastly, the LSPs stand to benefit from such streamlined delivery operations, without the need to queue to get into the unloading bay. From 4 deliveries LSPs conduct in a day due to truck congestion, they can conduct as many as an estimated 6-8 deliveries within a day. This in turn, allows them to perform the same volume of deliveries or more with a smaller fleet, whilst reducing operating costs in the long run.

Dr Yaacob Ibrahim, Minister for Communications and Information said, “The In-mall Distribution concept is a key initiative developed under the Infocomm Media 2025 Plan. As a highly urbanised city-state, Singapore is well aware that demand on its infrastructure will only increase. Using infocomm media technology to increase the efficiency and productivity for urban logistics in the retail sector is a significant step in the right direction. This will result in a win-win for businesses and consumers as well. The Government is committed in its push for urban logistics innovations and we are glad to see the industry coming together to pilot this initiative.”

Mr Steve Leonard, Executive Deputy Chairman, IDA said, “Achieving the Smart Nation vision of Singapore will only be possible if government and industry work closely together, adopting new ideas and embracing new technologies. We know that the complexities and logistics of moving large amounts of goods in densely-populated areas is a big challenge. Together with our partners, we want to explore how analytics and robotics can be part of new ways to solve these challenges.”

It is imperative that the government and the industry not only work together, but keep looking forward to adopt new ideas and new tech in business. Today is a start point. In the future, we can even look at deploying advanced robotics to sort goods and fleet solutions to enhance logistic processes as we push and challenge ourselves towards building a Smart Nation, leveraging technology as an enabler in business and in life.”

Mrs Kee Ai Nah, Group Director (Industry & Enterprise Development), SPRING Singapore said, “SPRING is pleased to work with industry partners and other agencies to drive process improvements and bring about greater benefits to the mall operators, retailers and logistics providers. We look forward to working with more players in the retail and logistics sectors to encourage uptake of this In-Mall Distribution initiative. We plan to also look at expanding other Urban Logistics solutions to meet retailers’ emerging needs.”

Ms Teresa Teow, Head of Retail Management, Singapore, CapitaLand Mall Asia Limited, the manager of CMT malls, said, “As the owner and manager of Singapore’s largest shopping mall network, we are constantly looking at ways to innovate and further improve our operations and shopping experience by leveraging technology and strategic partners. In line with the national productivity drive, we have been an early adopter of innovative solutions that help our tenants increase productivity. Last year, IMM Building was the first in Singapore to offer an onsite centralised dishwashing service, enabling F&B tenants in the mall and vicinity to improve their productivity by redeploying dishwashers and freeing up dishwashing area. We are pleased that our two operational malls in the eastern part of Singapore – Tampines Mall and Bedok Mall – are now part of the In-Mall Distribution Pilot aimed at enhancing the logistics sector’s productivity, which also benefits our malls and retailers. This trial will provide useful insights into how the different parties can calibrate this innovative solution for wider implementation.”

Next steps

In addition to IMD, nationwide Offsite flow through Consolidation Centres (OCC) are also being explored as part of the Urban Logistics Programme to enhance the processes of the logistics sector. This aims to optimise truck efficiencies, by enabling trucks with less-than-full loads to consolidate and sort their goods in an OCC before delivering to malls. These goods can then be re-loaded and then delivered to their intended destinations on a single truck within the same day. This reduces the number of trucks going to the same destination and improves truck load utilisation. A concept first mooted in the Infocomm Media 2025, IDA will work with retailers to understand their delivery demands, leading to call-for-proposals for LSPs to propose their service offering to manage such OCC operations.

**ISSUED BY THE INFOCOMM DEVELOPMENT AUTHORITY OF SINGAPORE,
SPRING SINGAPORE AND CAPITALAND MALL TRUST MANAGEMENT
LIMITED**

About Infocomm Development Authority of Singapore

The mission of the Infocomm Development Authority of Singapore (IDA) is to develop information technology and telecommunications within Singapore with a view to serve citizens of all ages and companies of all sizes. IDA does this by actively supporting the growth of innovative technology companies and start-ups in Singapore, working with leading global IT companies as well as developing excellent information technology and telecommunications infrastructure, policies and capabilities for Singapore. For more news and information, visit www.ida.gov.sg.

About SPRING Singapore

SPRING Singapore is an agency under the Ministry of Trade and Industry responsible for helping Singapore enterprises grow and building trust in Singapore products and services. As the enterprise development agency, SPRING works with partners to help enterprises in financing, capability and management development, technology and innovation, and access to markets. As the national standards and accreditation body, SPRING develops and promotes internationally-recognised standards and quality assurance infrastructure. SPRING also oversees the safety of general consumer goods in Singapore.

Please visit www.spring.gov.sg for more information and news about SPRING Singapore.

About CapitaLand Mall Trust (www.cmt.com.sg)

CMT is the first real estate investment trust (REIT) listed on Singapore Exchange Securities Trading Limited (SGX-ST) in July 2002. CMT is also the largest REIT by market capitalisation, S\$6.8 billion (as at 31 December 2015) in Singapore. CMT has been affirmed an 'A2' issuer rating by Moody's Investors Service on 16 July 2015. The 'A2' issuer rating is the highest rating assigned to a Singapore REIT.

CMT owns and invests in quality income-producing assets which are used, or predominantly used, for retail purposes primarily in Singapore. As at 31 December 2015, CMT's portfolio comprised a diverse list of close to 3,100 leases with local and international retailers and achieved a committed occupancy of 97.6%. CMT's 16 quality shopping malls, which are strategically located in the suburban areas and downtown core of Singapore, comprise Tampines Mall, Junction 8, Funan DigitalLife Mall, IMM Building, Plaza Singapura, Bugis Junction, Sembawang Shopping Centre, JCube, Raffles City Singapore (40.0% interest), Lot One Shoppers' Mall, 90 out of 91 strata lots in Bukit Panjang Plaza, The Atrium@Orchard, Clarke Quay, Bugis+, Westgate (30.0% interest) and Bedok Mall. CMT also owns 122.7 million units in CapitaLand Retail China Trust, the first China shopping mall REIT listed on SGX-ST in December 2006. As at 31 December 2015, the total deposited property size of CMT is approximately S\$11.1 billion.

CMT is managed by an external manager, CapitaLand Mall Trust Management Limited, which is an indirect wholly-owned subsidiary of CapitaLand Limited, one of Asia's largest real estate companies headquartered and listed in Singapore.

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