

Speech by Tan Kiat How, Senior Minister of State, Ministry of Communications and Information, at the Celebrate with Pick Industry Event on 26 July 2022

Mr Lew Chuen Hong, Chairman, Pick Board,
Mr New Soon Tee, CEO, Pick,
Pick Board Members,
Industry Partners,
Ladies and Gentlemen

1. Good afternoon. I am pleased to join you today to celebrate Pick's first year anniversary. Happy birthday to Pick!
2. I would like to begin by congratulating Pick for their successful deployment of the Locker Network over the past year, despite unprecedented challenges due to COVID-19.
3. As of March this year, Pick has deployed over 1,000 parcel lockers across Singapore, including at HDB estates, transport nodes, and community clubs. The Network is ready to serve 80% of Singapore's residents, allowing them to "pick anytime, anywhere".
4. Good progress has also been made in connecting with business partners, with major marketplaces and Logistics Service Providers (LSPs) including FedEx, Shopee Xpress and Ninja Van coming onboard Pick's network.
5. Pick's success is testament to the hard work and dedication of the team. From collaborating with Town Councils and public transport operators to developing the API to enable the interoperability of stakeholders' systems, Soon Tee and his team have worked hard to build the Network into what it is today.

Pick Network provides convenience to consumers and uplifts the productivity of the logistics sector

6. Pick's journey began in 2018, when IMDA initiated the Locker Alliance pilot. At that time, IMDA observed the rapid expansion of the e-commerce sector and the rise in demand for convenient delivery options of online purchases. The Network aimed to provide a last-mile delivery solution that would offer consumers with conveniently located lockers that they could access at any time. This would also provide a reliable fulfilment service for Logistics Service Providers, reducing missed deliveries and the rescheduling of deliveries.
7. Fast forward to 2022, and the initial pilot of 70 locker stations has grown impressively.
 - a. To borrow Pick's catchphrase, residents can now "take their pick" of any of Pick's lockers located within about 100m (or less than a 5-minute walk) from their homes.
 - b. Pick has strived hard to meet consumers' expectations. 96% of over 8,000 users surveyed said that they are highly satisfied or satisfied with the lockers. This is a very good achievement.



- c. On the environmental front, Pick helps consumers reduce their carbon footprint from online shopping with consolidated deliveries. As a result of reducing failed deliveries, Pick is projected to save over 600 tons of CO₂ emissions per year, equivalent to the carbon sequestered by around 10,000 trees grown for ten years¹.
8. By aggregating deliveries to a single locker station instead of consumers' doorsteps, Pick's lockers are able to reduce the strain of manpower crunch and increase cost savings. For instance, larger LSPs who have delivered to Pick's lockers have demonstrated up to 19 times productivity gains.
9. Individual drivers have also benefitted from the Network. Drivers say that Pick lockers have allowed them to be more efficient by reducing time spent waiting at lifts and contacting customers. They have also given feedback that the OTP system enhances security, and have found the option to choose the appropriate locker size to fit parcels useful.
10. I would like to acknowledge the many partners that have contributed to the success of the Pick Network, including government agencies like HDB and LTA, e-commerce platforms and LSPs. Many of these partners are here today.
11. I want to especially thank the partners who collaborated with us on the pilot, as well as the pioneer batch of partners who worked with Pick to interoperate your systems. Your support has been crucial.

Looking forward

12. The pandemic has accelerated the growth of e-commerce and increased the need for a sustainable last-mile delivery infrastructure. The value of the e-commerce industry in Singapore is expected to almost double in the coming years, from \$7.8b at the start of this year to \$14.2b² in 2025. Similarly, the pool of Singaporean customers is expanding, with more than 500,000 new digital consumers since the start of the pandemic³.
13. Over the next three years, Pick intends to deploy another 150 lockers to cover new HDB developments and complement existing lockers in locations with high demand.
14. Pick will regularly review its service offerings to provide more benefits to its partners and bring further convenience to consumers.
 - a. A recent case in point is its collaboration with our National Library Board, where consumers can choose to have their monthly children's book subscription delivered to one of Pick's lockers. From February to June this year, Pick has delivered over 13,000 children books under The Little Book Box subscription service.

¹ According to the US Environmental Protection Agency's Greenhouse Gas Equivalencies Calculator.

² According to data analytics company GlobalData (As of January 2022)

³ Annual South-east Asia e-Conomy study published by Google, Temasek and Bain & Company, 2021.



- b. Pick is also looking to introduce parcel returns services by end of 2022, which will further enhance the convenience and utility of the Pick Network to consumers.

15. I look forward to seeing more e-commerce merchants and LSPs coming onboard the Pick Network in the coming years.

- a. This will provide residents with more options to pick up their parcels conveniently and securely.
- b. E-commerce merchants will be able to provide consumers with a range of delivery options.
- c. LSPs and delivery personnel can enjoy the benefits of a reliable fulfilment service.
- d. Customers and end users can reduce their carbon footprint from online shopping with consolidated deliveries.

16. On our part, the Government is committed to further strengthening the infrastructure network, which will provide robust support and spur the growth of our e-commerce and delivery eco-system.

Conclusion

17. Once again, my heartiest congratulations to Pick on your one year birthday, and thank you to the industry partners for your support. I look forward to our continued collaboration as we take the partnership to new heights!