



Smartag Solutions Bhd chairman Datuk Abdul Hamed Sepawi expects the RFID solution to become Smartag's core contributing business by next year.

Smartag to start RFID trial run at Customs points on June 1

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KUALA LUMPUR: Smartag Solutions Bhd stands to make a minimum RM70 million a year once its Radio Frequency Identification (RFID) solution to track container movements is made compulsory.

Smartag, together with the Royal Malaysian Customs Department, will undertake a trial run of the RFID system at the latter's checkpoints from June 1.

Smartag chairman Datuk Abdul Hamed Sepawi said the pilot project will run for three months with major companies from the logistics and manufacturing sectors such as Western Digital, TNT, Federal Express Brokerage and Priority Cargo having signed up for the test run.

Abdul Hamed said the company may charge around RM10 per trip/container for journeys within the country. Taking into this account, Smartag is set to make at least RM70 million a year once the RFID solution is made mandatory. However, this was just an indicative pricing for now, he added.

Abdul Hamed was speaking after the signing ceremony of the agreement on the pilot run yesterday.

The Customs currently has about 4 million outgoing and 3 million incoming containers every year.

Under the trial run, users will be able to use the RFID seal to secure their containers when entering, leaving and moving within the country.

The system will enable users to automatically identify the container's movements electronically via the RFID seal to the RFID readers (a black phone like gadget) set up by Smartag at the various Customs checkpoints nationwide.

Abdul Hamed said the system has been in place in Thailand by the Customs. This had helped increase efficiency of the movements of goods by 50 per cent, he claimed.

He said Smartag is talking to Singapore, China and Taiwan to implement the system there.

Abdul Hamed expects the RFID solution to become Smartag's core contributing business by next year.

Meanwhile, Northern Corridor Implementation Authority vice president (logistic division) Kuan Eu Jin said the NCER is a major contributor to the country's exports of electrical and electronic goods with over RM200 million products exported via air cargo alone each year.

"We are happy to support this (RFID) project as we hope to have the business grow further with this solution," he added.