

Smartag Solutions eyes regional expansion

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GEORGE TOWN: Smartag Solutions Bhd, a homegrown total radio frequency identification (RFID) solutions provider, is exploring the region to market its security and trade facilitation system. This is a RM45 million project that has been implemented on a trial basis by the Royal Malaysian Customs since June 1.

Smartag CEO PK Lim said the company would start with Singapore and other countries north of Thailand such as Laos and Vietnam which are linked on the Asia Road Network.

Since 2008, Smartag has been working with regional port operators and Customs authorities on RFID solutions for security and trade facilitations.

The Royal Customs Department of Thailand and the Shanghai International Port (Group) Co Ltd have already implemented Smartag's RFID system over the past two years.

The Royal Malaysian Customs project is financed by Smartag and is one of the 12 initiatives under the government's economic transformation programme.

The trial project was carried out at Customs checkpoints in Penang air cargo complex, Bukit Kayu Hitam, Telok Panglima Garang in Selangor, Sungai Way free trade zone, Tanjung Kupang and Tanjung Pelepas in Johor, and KLIA for commercial goods transported via containers.

Users who participated in the trial project were TNT, DHL, FedEx and Western Digital and until Aug 31, 1,747 movements of containers via the RFID were detected by Customs.

The users will be able to use the RFID seal to secure their containers and identify their movements electronically when entering, leaving and moving within the country via the RFID readers set up by Smartag in the various Customs checkpoints across the country.

At a press conference after the soft launch of the system at the air cargo complex, Lim said from Oct 1 and in the next two years, the RFID system will be implemented in stages at over 200 Customs checkpoints and 600 high-value bonded warehouses nationwide.

With the RM10 per container movement charged by Smartag, Lim expects the return on investments within the next two years.

According to Smartag chairman Datuk Abdul Hamed Sepawi, the results from the trial project showed the RFID system cut the duration of time for Customs clearance, enhancing operation procedures.

“Based on a study conducted by Customs, the system is nine times more efficient than the manual process and it saves time by 47 minutes per container.

“All these saving and greater efficiency will enable Customs to monitor and clear more containers, thus enabling the country to have a key competitive advantage in this globalised business environment,” he added.

Airfreight Forwarders’ Association of Malaysia chairman Walter Culas expressed confidence that with positive feedback from participants in the pilot project, more forwarders will embrace the system, thus going paperless. At least three million K8 forms (applications to tranship/move goods for dutiable cargo) are said to be used every year for Customs clearance in Malaysia.

“The feedback is that time lines have been reduced with no more K8 forms and paperwork.

“We hope that when all is in place, we will see other forwarders using this system though we are hoping that the fees can be lowered with more volume.

“The government should also make it mandatory for all to use this system once it is successfully implemented nationwide,” he added.

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