

# Smartag setting up RFID infra for Customs

> System to reduce traffic and waiting time at checkpoints, improve info system

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**PETALING JAYA:** Smartag Solutions Bhd will spend RM3 million this year to set up infrastructure for radio frequency identification (RFID) system at Royal Malaysian Customs checkpoints. Full-scale deployment is expected to cost RM45 million until 2020, but the company won't charge the government a dime to recoup its capital expenditure.

"We operate like a service provider to the industry and there are no charges to the government," chief executive officer P.K. Lim said in an email to *SunBiz*.

"The relationship between Smartag and the government is in symbiosis manner, whereby Smartag will derive its return from the industries, while the government will be enjoy security enhancement, and better efficiency from the automation of processes," he said.

What this means is that Smartag needs to convince potential users of the benefit of using its RFID tags to ensure the security and paperless tracking of their shipments.

Lim said the extra cost of using the reusable RFID tags would not be significant and is done on a voluntary basis.

The government is already sold on the idea. Last month, the company's RFID system was named one of the entry point projects under the Economic Transformation Programme (ETP).

This was followed by the signing of an MoU with the customs department last week.

Under the MoU, Smartag will be appointed the main contractor to roll out the RFID system and set up the necessary infrastructure at customs checkpoints throughout the country.

The trial run of the project will start on June 1.

To boost awareness and attract customers, Smartag and the customs department will hold seminars and courses on the RFID system to

various stakeholders in the logistics industry including members of logistics and transportation associations.

The RFID attached to the container is known as RFID seal. It can also be used to "lock" vans and lorries. "The checkpoint will be equipped with RFID readers that will be installed by Smartag," Lim said.

He said the objective of the system is to reduce the traffic and waiting time at each customs checkpoint and also further improve the information system deterring security threats with the use of RFID technology.

Smartag has already started to roll out a similar system in Thailand, and had managed to get several international logistics firms to use its RFID tags to track the movement of their shipments.

"This project currently covers domestic movement, we do intend to provide tracking from Malaysia to other countries that implement ISO 18186 system but it will depend on the readiness of the other country," Lim said.

Smartag sold its shares to the public at 31 sen each in March, raising RM17.7 million.