

H.K. Launches RFID Supply Chain Project

The government of Hong Kong is backing a HK\$14 million project that uses the EPCglobal Network to provide end-to-end supply chain visibility for companies manufacturing in China's Pearl River Delta.

By Mark Roberti

June 8, 2005—The Hong Kong government has put up HK\$14 million (US\$1.8 million) to develop the infrastructure needed to track goods manufactured in southern China's Pearl River Delta as they pass through the border checkpoint between Shenzhen and Hong Kong, onto ships at the port of Hong Kong and finally to their destination overseas. This will be one of the first large-scale deployments of the EPCglobal Network.

The ambitious project, which will take two years to complete, began in April 2005 when the government's Innovation and Technology Commission, set up to foster Hong Kong's move toward a "knowledge-based economy," chose to fund a project proposed by EPCglobal Hong Kong. "We want to create visibility by connecting the stakeholders in the supply chain," says Anna Lin, chief executive of EPCglobal Hong Kong, which was set up in 2004 under the auspices of GS1 Hong Kong. "We will use the EPCglobal Network to share information."

Hong Kong companies now have some 70,000 manufacturing plants, which employ 10 million workers in Southern China. Approximately 80 percent of the goods made in the region are exported via Hong Kong, which has become a services and logistics hub for China's manufacturing facilities. The Hong Kong government and the government of China's southern Guangdong province want closer cooperation between companies in China and their partners in Hong Kong, which is a special administrative region of China.

"We need tighter integration between Hong Kong, which is a service economy, and China, which has a strong manufacturing base," says Lin. "We believe that better supply chain efficiency hinges on better collaboration and information sharing, which is the strength of the EPCglobal Network. That's why we are pioneering the use of the network to facilitate better visibility, which will help companies be more responsive to market needs."

The E-Business Technology Institute (ETI), an applied research center set up under the University of Hong Kong with IBM as core sponsor and technology partner, will support EPCglobal Hong Kong in the technical development of the network infrastructure needed to track goods using Electronic Product Codes. Technology partners, including Intel, will provide technical expertise on the development of that infrastructure.

Products made in China will be outfitted with EPC tags, and those serial numbers will be registered with the Object Name Service, an EPCglobal Network service that points computers to data about specific EPCs. Information about the movement of products will be stored in a secure database that is part of the EPC Information Service (EPC IS), which is a component of the EPCglobal Network. Logistics providers and retailers in the United States and Europe, as well as other supply chain partners participating in the project, will be able to view the information about the products stored in the EPC IS.

"We are implementing the standards as developed by EPCglobal," says Frank Tong, assistant director of ETI and director of ETI's Supply Chain Management Technology Laboratory. "There could be a new family of applications that will take advantage of the global visibility." These applications could include anticounterfeiting, security management, demand management and business intelligence.

Among the end users participating in the project are the Esquel Group of Hong Kong, one of the world's largest producers of cotton shirts; GSL, a leading Hong Kong electronics company; and Maersk, one of the largest shipping liner companies in the world. Lin says EPCglobal Hong Kong has also secured the participation of worldwide retailers such as Target and Wal-Mart.

"This is an industry project supported by standards being created by EPCglobal," says Lin. "By studying and collecting the requirements in this part of the world, we hope to help foster adoption of the EPCglobal Network."

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