

Rafsec Announces Gen 2 Pricing

The Finnish RFID tag manufacturer will sell its UHF Gen 1 and Gen 2 inlays for just under 10 U.S. cents each for a minimum purchase of 50,000.

By Jonathan Collins

Sept. 30, 2005—Joining a growing list of RFID tag and inlay manufacturers that have recently announced pricing for Gen 2 tags, [UPM Rafsec](#), a Finnish designer and manufacturer of radio frequency identification inlays, says its UHF Gen 1 and Gen 2 inlays are priced at just under 10 U.S. cents apiece for a minimum purchase of 50,000 inlays.

"There has been a lot of movement on prices during the last few weeks, and this is our commitment to building RFID business, deepening our share of the market and ensuring major volume sales in [the] future," says Christer Härkönen, senior vice president at UPM Rafsec. "This is the right move to make the RFID business move faster."

Before the inlays can be used by customers, they must first be converted into labels, either non-printable or printable. Last week, rival inlay and label manufacturer [Avery Dennison](#), located in Pasadena, Calif., announced it would be selling Gen 2 inlays for 7.9 cents each, but in quantities of at least 1 million. A few days later, [RSI ID Technologies](#), based in Chula Vista, Calif., said the pricing of its 4-by-6-inch printable smart labels, with embedded EPC Gen 2 inlays, would be set at 14.9 cents each, for a minimum quantity of 1 million. (See [Avery Dennison, RSI ID Lower Price Bar](#).)

Rafsec believes that setting its new pricing at quantities of just 50,000 will help draw more businesses into deploying RFID. "This will be a major enabler to getting customer approval [of RFID]," says Härkönen.

Rafsec's new pricing is for the company's OneTenna short-dipole UHF inlays, which Rafsec launched in June (see [Rafsec Set to Produce Gen 2 Inlays](#)). Depending on the IC placement on the OneTenna short-dipole antenna, Rafsec can manufacture the UHF RFID inlay to operate in the frequency range used in Europe (868-870 MHz), the United States (902-928 MHz) or Japan (950-956 MHz). The two additional IC placement positions on the antenna enable the finished inlay to operate while embedded in plastic, for either the European or U.S. market. Not all of the Rafsec's UHF tags and inlays, however, use the OneTenna design, and Rafsec has also implemented its OneTenna design on other aluminium antenna models besides the short-dipole.

According to the company, inlays for the U.S. and European markets are now available for shipping. Versions for other regions may require longer delivery times for the near term.

Rafsec says its new pricing—which represents a significant reduction compared with what the company had previously charged for its Gen 1 inlays—applies to both wet (with adhesive applied to the substrate) and dry (without adhesive) inlay formats. Although the firm expects the Gen 2 ICs used in its inlays to cost more than the Gen 1 ICs, it says it will charge the same price for an inlay with either type of IC.

Despite the low price of its inlays, Rafsec maintains it is not selling them at a loss. The company attributes this to several factors: its OneTenna design, its inlay's high yield rate (on average, 98 percent of the inlays produced are fully operational, Rafsec claims) and the manufacturing flexibility of its recently opened production facility in Fletcher, N.C.

Copyright ©2005 RFID Journal, Inc. All Rights Reserved