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For immediate release

## CUHK Consortium Leads the Business Integration of RFID Technologies for Hong Kong

The Center of Cyber Logistics (CCL) research team from The Chinese University of Hong Kong is spearheading a project with the leading industry partners to investigate the integration of Radio Frequency Identification (RFID) technologies in business chains for Hong Kong. The team includes Professor Waiman Cheung, Director of CCL, Professor Sung-Chi Chu, and Professor Timon Du from the [Faculty of Business Administration](#). CUHK receives tremendous support from consortium members – a crucial combination of partners in supply chains, logistics industry, technology companies, solutions providers and regulatory agencies. A press conference is held today to launch the project.

“RFID has become an imperative issue for the logistics industry recently.” said Professor Waiman Cheung, “RFID has been proposed to identify the goods being handled. The commonly used barcode scanning has difficulties in identification of products packed in high density within a tolerable time frame while RFID technology can resolve this problem.”

The applications of RFID technologies for business applications in corporations of different business natures within the company boundary have been discussed and highlighted recently in the media. This CUHK-led project aims to identify new and pressing key research issues for partners in the integration of this one single unique identity technology of goods and products in the management of supply chains or demand chains, and logistics services chains – collectively referred to as business chains.

The research will address three topical areas: 1) information infrastructure – global identification standards and neutral information and communications platforms; 2) business collaboration – integration of RFID-aware business processes; and 3) information security and privacy – dynamic management of sensitive information sharing among business partners.

Prof. Cheung continues, “Our project will provide a clear and forward-looking recommendation to leverage the RFID technologies in near terms, and to take steps to alleviate key concerns, especially those related to security and privacy. We will address the issues and concerns from a holistic view of the collaboration of business chains. That is why participations from different industries and business partners are fundamental and crucial in this pilot project. We will build the first test case around the garment industry.”

Hong Kong must be able to react appropriately in a timely manner – both in governmental initiatives and regulatory preemptive stands, along with policies to buoy industry investments and strategic positioning with RFID technologies. The recent implementation of CEPA II further opens up opportunities for companies and professionals to access the Chinese markets with zero tariff products and services. Hong Kong has continuously enjoyed growth in export to markets in Mainland China, the U.S.A., the EU and Japan, making up 80% of total exports in the first eight month of 2004 according to TDC. Majority of HK companies have their manufacturing base in Guangdong and conducting outward processing activities. The incorporation of the RFID technologies is an urgent and unavoidable issue, as Wal-Mart leads key logistics and supply chain partners to jumpstart RFID-assisted business processes in their management of supply chains. This innovative use of technology can further accentuates the differential competitive advantages of supply chains, and Hong Kong as the leading logistics hub of the region.

The CUHK Consortium has lined up the industry leaders which enable a necessary and sufficient combination of business partners to benefit from the study. These generous sponsors have supported the study in various aspects, with contribution, including both equipment and software, actually amounts to HK\$2.5 million. This group of industry leaders includes key partners of the logistics industry such as Asia Airfreight Terminal, Cathay Pacific, Dimerco, DHL, HACTL and Kerry Logistics; supply chain partners such as SML Group and Bossini; technology solutions providers such as Automated Systems, NEC, Oracle, SCL, and Sun; standards organization, HKANA; and electronic agent, Tradelink. [Moreover, the Asia-Pacific Institute of Business at CUHK has also made a generous contribution to this study.](#)

The research team and members of the consortium will collaboratively work together to reach a comprehensive understanding of the emerging trend of this innovative RFID technology, and its implications on business strategy, and new privacy and security issues revolving around the adoption to this single unique identity in global trade. Initial findings will be reported within a 10-month time frame.

The Center of Cyber Logistics conducts academic and applied research in logistics issues. The Center has been an advert advocacy in working closely with members of the logistics communities and the Government to enhance and empower the industry in the new cyber era. The study of RFID technologies and their ramifications in global trade will be one of the key focuses of the Center. The Center is also affiliated with the Business Faculty of the City University of Hong Kong.