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French-Malaysian joint venture to supply smart cards

INFORMATION technology-based Gemplus of France, which claims to be the world's largest smart card manufacturer, will be teaming up with Malaysia's Arah Fajar Sdn Bhd and several other Bumiputera companies to supply and market its smart cards locally.

The product will be marketed for the telecommunications and Government-related markets through a joint-venture company named AFGEM Sdn Bhd, Gemplus said.

Gemplus and related parties are to sign the joint-venture agreement today in conjunction with the opening of its Malaysian office in Kuala Lumpur.

Energy, Telecommunications and Posts Minister Datuk Leo Moggie is due to witness the signing ceremony.

Gemplus, which produces about 1.5 million smart and magnetic stripe cards per day, also designs and sells software, terminal and related systems, as well as providing consultancy and training services.

The firm registered total sales of around US\$440 million (RM1.1 billion) last year. It expects a production of 900 million plastic and smart cards this year.

"The formation of AFGEM is seen to further complement our move to position ourselves aggressively in the Malaysian market," Gemplus said in a statement issued at the 3rd Langkawi International Dialogue which ended yesterday.

"The joint-venture is a synergistic collaboration encompassing Gemplus smart card expertise and its Malaysian partners' dynamism," said Arah Fajar executive chairman Mohamed Said.

"This fusion will serve to provide innovative smart card solutions to the country's telecommunications, banking, transportation and multi-media industries," he added.

A bumiputera-owned company, Arah Fajar's business activities include smart cards, security equipments, defence and oil and gas.

Gemplus Group International president and chief executive officer Marc Lassus said the Malaysian office was set up to better serve and offer direct support to its customers.

"Besides being closer to our customers, the office will also play an active role to develop a research and development centre as well as regional marketing for multi-media smart card applications in the Asia Pacific region."

Gemplus will also collaborate with its local partners and tertiary institutions to establish a training centre to "educate" the public and information technology industry on the trends and development of smart card technology.

"These initiatives will be established within the context of Malaysia's Multimedia Super Corridor."

Early this week, Gemplus confirmed its participation in a consortium consisting several Malaysian companies and two other international IT firms to tender for two of the first four MSC flagship applications under the Concept Request For Proposals.

CRFP was launched by Prime Minister Datuk Seri Dr Mahathir Mohamad last Friday.

The first four flagship applications up for tender, estimated to be worth around RM1.6 billion, are electronic government, smart schools,

telemedicine and smart card applications.

Gemplus is a part of the advisory panel set-up by Bank Negara for the national multi-purpose card programme.

Lassus said Gemplus was now in discussion with several local companies to enter into smart partnerships covering areas like smart card system integration and smart card related services and training IT specialists on the smart card technology.

The smart partnerships will also explore the possibility of producing Gemplus smart cards locally.

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