# FREE TRADE ZONE / EXPORT PROCESSING ZONE



Boosting logistics operations and reducing costs by using a centralized regional tariff-free cross-dock hub

Consumer electronics companies transport manufactured goods from country of origin into a free trade zone (FTZ) or export processing zone (EPZ) to prepare country-specific finished products for onward shipment. This offers many operational and financial benefits.

### **TYPICAL BUSINESS CHALLENGES**

- Optimizing the supply chain network
- Achieving finished goods flexibility
- Deferring customs duties and taxes
- Accurately harmonizing HTS/HS codes
- Accelerating speed to market



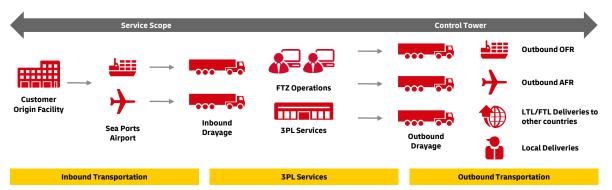
#### **DHL SOLUTION**

By leveraging FTZ/EPZ facilities, companies can take advantage of a centralized regional tariff-free cross-dock hub. Goods are received for inventory checking, secure storage, postponement activities, and component assembly followed by country-specific customs clearance and dispatch/delivery.

#### **SOLVING YOUR BUSINESS CHALLENGES**

- ✓ **Optimizing the supply chain network** Replace or minimize the use of traditional in-country distribution centers; network optimization from country of origin through to final delivery destination; manage multiple stakeholders; holistic, strategic control; end-to-end visibility
- ✓ Achieving finished goods flexibility Enables inventory risk pooling; value-added services include postponement activities, packing, kitting, and assembly; fulfill countryspecific orders/product configurations
- ✓ Deferring customs duties and taxes Incurs only one export process, when goods leave the FTZ/EPZ; no fees are due between country of origin and regional hub
- ✓ Accurately harmonizing HTS/HS codes Light assembly work is performed using multiple items, each with its own Harmonized Tariff Schedule (HTS) or Harmonized System (HS) code; once completed, finished goods each receive a single HTS/HS code
- ✓ Accelerating speed to market Efficient warehouse management system; rapid order fulfillment and customs clearance; optimized onward multimodal goods transportation

#### BOOSTING LOGISTICS OPERATIONS AND REDUCING COSTS IN AN FTZ/EPZ



## FREE TRADE ZONE / EXPORT PROCESSING ZONE



#### **KEY BENEFITS FOR YOUR BUSINESS**



#### **EXPERTISE**

DHL knowledge of FTZ regulations, local customs regulations, and free trade agreements



#### CONTROL

Asset tracking and monitoring



#### **OPTIMIZATION**

Focus on improving tasks, resources, and inventory



#### **END-TO-END**

Includes all 3PL services and both inbound and outbound transportation