



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



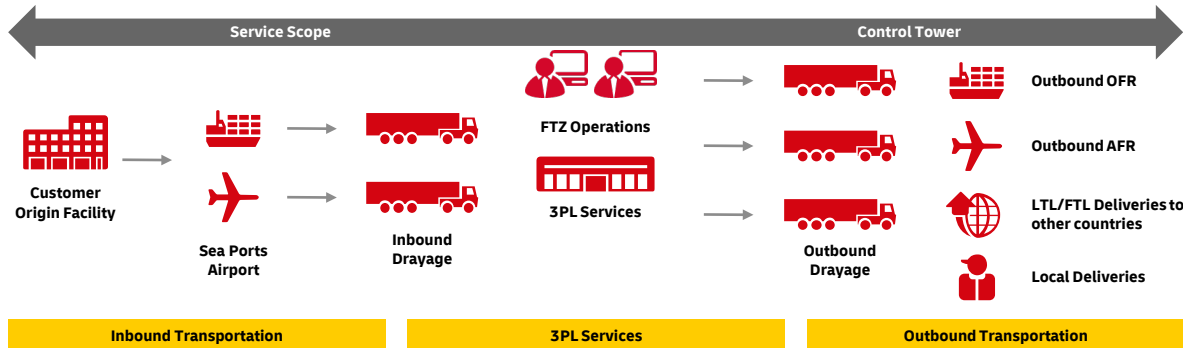
DHL SOLUTION

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 country-specific 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



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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

