



**An open secret:
FTAs can help you save millions;
everyone knows it, so why haven't
you fully leveraged it?**

Free Trade Agreements (FTAs) can help you maximize profits by saving millions of dollars in duty savings. They can also help you expand into new markets to diversify your revenue streams, and set up strategic partnerships to strengthen your value chain.

However, they are highly underutilized. A recent study revealed the large-scale underutilization of one of the biggest FTAs across APAC - the AANZFTA. According to another survey, only 23% of the companies utilize the FTAs available to them, and only 8% of them report duty savings through FTA.

Despite FTAs offering a myriad of benefits, why are companies still not fully leveraging them?

The reason for this is a lack of internal capability. With huge amounts of money and man-power expenses needed to manage free trade, companies have been unable to determine the feasibility of their FTA investments. The entire monitoring and qualification processes of hundreds of thousands of products, ranging from document preparation and collection to filing and verification, is expensive, cumbersome, and error prone. Moreover, companies, rightfully, fear that non-compliance with the FTA rules will result in huge financial and reputational penalties. As a result, there is a substantial gap in determining the ROI and time involved in realizing the value of FTAs.

However, the current economic climate offers an unprecedented opportunity for you to realize the potential of the FTAs. With major supply chains disrupted, you have a once-in-a-generation opportunity to not only recapture some of your lost revenues but also expand into the FTA partner countries at the expense of your competition.

FTAs can be your gateway to new opportunities

Companies are under increasing pressure to reduce costs whilst maximizing logistical efficiency and stabilizing their market positions. A recent survey identified a direct correlation between high FTA utilization and enhanced financial performance. It discovered that companies that were able to achieve a surge in exports experienced an increase in revenue, without a major uptick in operating costs. Therefore, ignoring, or even cherry-picking FTAs can mean only one thing - you are losing out. utilization and enhanced financial performance. It discovered that companies that were able to achieve a surge in exports experienced an increase in revenue, without a major uptick in operating costs. Therefore, ignoring, or even cherry-picking FTAs can mean only one thing - you are losing out.

Stop leaving millions of dollars on the table

Where should you start? Your first action should be to set up the right tool i.e., an FTA Management Platform. Here's a look at what the platform can help you achieve:

- It enables real-time compliance reporting and also helps visualize savings driven through FTAs
- It can automate the entire data gathering processes, enabling you to take control of the customs verification and certification processes and ensure the use of accurate and relevant information on the bills of materials.

- Being powered via Cloud technology, it can track and qualify your products and implement procedural changes seamlessly across multiple geographies from a single, secure location. This prevents shipping delays and enables optimum supply chain efficiency
- It tracks changes in the FTA rules and immediately highlights any tariff fluctuation and product addition or removal. This eliminates manual work and ensures adherence to the FTA regulations
- It can also identify additional FTAs that you can leverage to drive value through further strategic investments and partnerships

Want to optimize your cost savings and supply chain operations?

Then utilizing the immense potential of FTAs can be your strategic trump card in the complex, post-lockdown world. Are you ready to get started?

Thomson Reuters ONESOURCE™ Free Trade Agreement (FTA) is used by some of the world's largest multinational firms and has proven to be an invaluable tool when dealing with customs audits that threaten penalties or elimination of FTA benefits. Gain a competitive advantage in the complex trade regulatory world with ONESOURCE FTA Management.



Unlock the potential of Free Trade Agreements now!

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