



E2OPEN®

Weathering the Trade Policy Storm: Trade Content is Key

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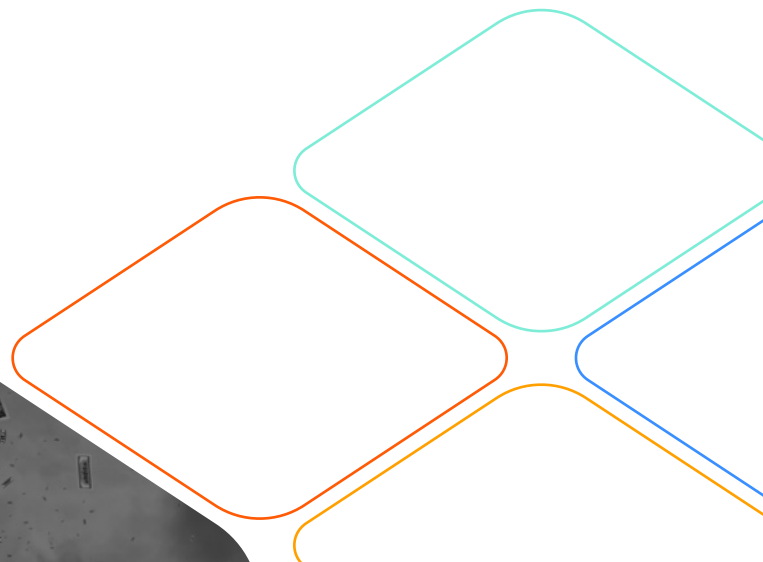
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Weathering the Trade Policy Storm: Trade Content is Key

The economy is booming in certain parts of the world, and supply chains are running at full steam. Meanwhile, in other areas of the world, the economy is taking a hit from obstacles that hinder open commerce and trade. Protectionist trade policies are causing companies to shift their country sourcing practices. To help keep things moving and visible, companies are also modifying their investments in automation and technology. Moreover, there is no reason to believe that we will see geopolitical posturing along the trade front fade in the near future. The issues of labor and transportation costs, along with capacity, will beleaguer everyone from the supply chain manager to the CFO. Through it all, the consumer will be the proverbial tail wagging the dog.

The new normal in global trade policy is a stormy environment that is highly unpredictable. Supply chain managers need to put in place proactive measures to keep supply chains safe or become a casualty.



Trade Walls

Almost every major economy is building a “trade wall” along its borders, including the United States, the United Kingdom, the European Union (EU) and China. Concerns about the appropriate balance of trading between nations, consumer and environmental safety, protection against terrorism and, of course, revenue generation are at the root of these trade walls, which generally consist of volumes of legal documentation and a corps of agents at points all over the world enforcing them.

Understandably, trade policies all around the globe are in flux. Tariff discourse is evolving into policy changes, non-tariff actions are increasing and the number of new trade agreements has risen to record levels. In this fluid environment, it can be challenging to pinpoint trends and assess how trade policy shifts might impact your business and products.

When new policies are implemented, shippers and manufacturers all over the world rush to reconfigure their supply chains both physically and financially by finding new suppliers, alternative production sources and lower-risk markets for selling their goods.

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Trade Relations

Amidst the breakdown in U.S.-China trade relations and the ongoing trade war, the rest of the world is scrambling to make trade moves that will insulate them against uncertainties. The United Kingdom is racing to strike deals with the United States, China and other Asian countries, and EU nations to shelter the UK economy in light of the split from the EU.

This trade volatility and disruption affect every company and every industry — and often not for the better. The fact is that global trade volatility can carry a hefty price tag. It can drive up the cost of raw materials, manufacturing, transportation, duties and tariffs, and ultimately increase the prices paid by consumers. For instance, U.S. and foreign automotive manufacturers alike have increased consumer prices to compensate for the higher tariffs levied by the United States or by China's retaliatory tariffs. Analysts caution that this scenario will potentially reduce sales and force worker layoffs. China's production numbers are dropping, and factory activity in both the United States and China is slower than expected.

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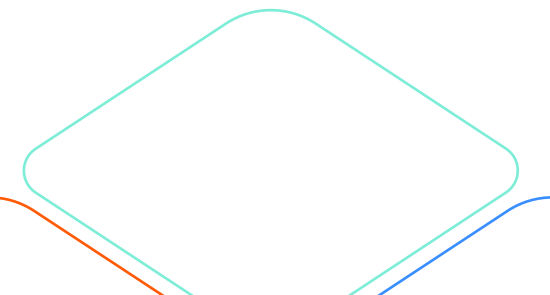
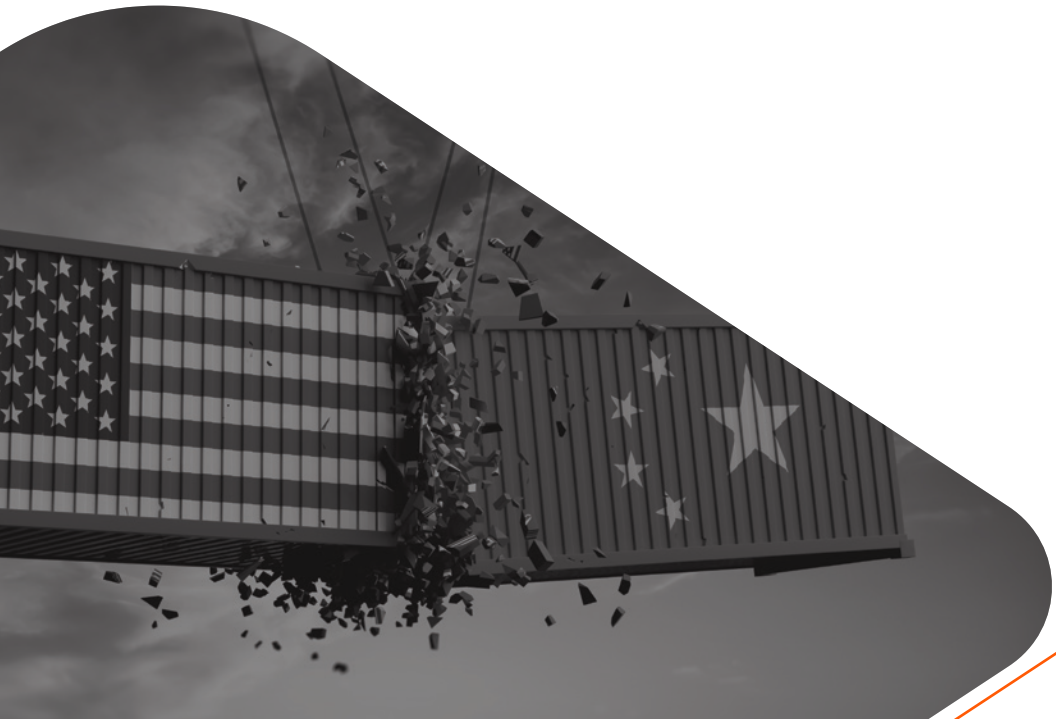
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Geopolitical Changes

It is critical to be tuned in to the geopolitical changes that are impacting the direction of global trade and the implementation of punitive and retaliatory tariffs. Companies should consider how to react to these developments and brace for more changes that might come down the road. To stay ahead, you need up-to-date trade knowledge to pinpoint new changes, coupled with a digital supply chain execution platform to ensure that goods cross borders efficiently.

At a minimum, the information you need includes current duty rates, accurate bilateral and multilateral trade agreements data — down to the harmonized tariff schedule (HTS) level — methods to identify which products have been targeted with what anti-dumping or countervailing measure, and more. Best-in-class businesses also need the means to track import and export trends as supply chains adjust in response to trade policy fluctuations.

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Trade Policies

With the upheaval of trade policies around the globe, companies continue to look to foreign markets as a means to grow top-line revenues, avoid increased duties and tariffs, and take advantage of trade agreements. All of this means your goods are crossing more borders. Unfortunately, shipping to customers in more countries complicates export/import compliance challenges and increases regulatory risks. Many shippers struggle to accurately determine duty and tax costs, effectively screen potential customers against restricted party lists, ascertain license requirements, perform compliance checks and generate international trade documents.

To efficiently import or export goods, shippers need fast access to data pertaining to all the countries where they trade. Unfortunately, collecting, cleansing and publishing trade content is complicated by the number of countries and government agencies, differences in trade regimes, the wide variety of formats, and rapidly changing information. Trying to maintain an accurate database can be time-consuming and costly.

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E2open provides the industry's most comprehensive database of government regulations and international business rules. We call our trade content Global Knowledge®. It powers our global trade management (GTM) applications by fully supporting import, export and logistics processes with the most current data available anywhere.

The added value of rich trade content is how it seamlessly integrates with automated import/export applications. By combining content with an on-demand platform for global trade execution, companies can realize productivity gains from streamlining the trade compliance side of their operations.



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Global Knowledge covers over 170 countries or roughly 95% of world trade. We maintain a staff of in-house trade experts around the world who gather, translate, interpret and update country-specific trade regulations. Having such a robust trade content database integrated with our applications enables our clients to manage all aspects of trade compliance.

The following data is captured in Global Knowledge and updated through the platform within 24 hours of any changes:

- 600-plus restricted party lists, including denied entities, politically exposed persons, and embargoed or sanctioned countries
- Customs tariffs along with section and chapter notes, general rules of interpretation, footnotes and appendices to facilitate classification for customs purposes
- Dow Jones® Risk & Compliance's Adverse Media Entities list, State-Owned Corporations (SOC) data and Sanctions Ownership Research (SOR) list for 50% Rule compliance
- Binding rulings on product classifications for export and import determination
- Import and export control information, including license and document requirements as well as taxes, duties, fees, quotas and surcharges imposed by each country
- E2open supports
- Terms, coverage and rules of origin for Free Trade Agreements and other preferential programs
- Control lists for restricted goods, licensable items and munitions

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Don't Just Hunker Down – Keep Moving

Supply chain storms aren't going away. As you seek solutions to shelter your company from uncertainty, grow into new regions or maintain your existing customer base, you need to equip your supply chain team with the right gear. Successful companies worldwide are using E2open's Global Trade Management intelligent applications coupled with dynamic global trade content to keep moving in a stormy environment.

To learn more about our software and trade content, visit www.e2open.com.

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About E2open

At E2open, we're creating a more connected, intelligent supply chain. It starts with sensing and responding to real-time demand, supply and delivery constraints. Bringing together data from customers, distribution channels, suppliers, contract manufacturers and logistics partners, our collaborative and agile supply chain platform enables companies to use data in real time, with artificial intelligence and machine learning to drive smarter decisions. All this complex information is delivered in a single view that encompasses your demand, supply and logistics ecosystems. E2open is changing everything. *Demand. Supply. Delivered.* Visit www.e2open.com.



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A large, stylized graphic composed of multiple overlapping, rounded rectangular outlines in various colors (orange, yellow, green, blue). The central part of the graphic is a complex, multi-layered shape that resembles a stylized 'E' or a series of nested, rounded rectangles. The lines are thick and have a slight glow effect.

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