



Effectively Overcoming US-EU Trade Escalations and Tapping into APAC's potential

A Bold Vision

An iconic US-based motorcycle company wanted to rapidly expand into the fast-growing APAC markets. However, affordability and accessibility of its motorcycles remained a top concern. The company, therefore, determined that setting up a regional manufacturing facility would help them make in-roads into China, Korea, and the ASEAN countries.

Trade Tensions

EU tariffs on the US-manufactured motorcycles had increased to a whopping 31% in 2019 from 6% the previous year. This rendered the motorcycle company liable to pay USD 90-100mn per year in additional duties. This substantial increase in the cost of doing business would have been passed on to consumers, putting their EU revenues at high risk.

The Unique Resolution

In order to bring its vision into reality, the motorcycle company decided to set up its manufacturing facility in Thailand's Free Zone. Overseeing such a huge initiative demanded a robust solution to streamline vital operations and maximize the utilization of all FTAs (Free Trade Agreements) available to them.

The **ONESOURCE™ FTA Management** and the **ONESOURCE™ Thailand Free Zones solutions** not only enhanced the export capabilities out of the Thai facility but also ensured a seamless point-of-origin transition of EU-bound motorcycles from the US to Thailand, helping the company save millions.



Ensuring that the motorcycles qualify for the Thai FTAs



Making in-roads into the APAC market



Strengthening the EU revenues despite the US-EU trade escalation

A Reliable Partner

Having considered many local players, the motorcycle company decided to partner with Thomson Reuters, because of its:

- ✔ Global coverage
- ✔ Integrated solutions that enabled seamless scaling
- ✔ Solid track-record of ensuring maximum FTA utilization

With such unique characteristics, Thomson Reuters brought much-needed clarity during this critical transformation, something that the company needed.

ONESOURCE™ FTA Management

The ONESOURCE™ FTA Management solution enabled accurate certification of the motorcycles as per the Rules of Origin requirements and helped the company to not only take advantage of duty deferrals on the imported raw materials but also minimize the duty payables on the motorcycle exports.

ONESOURCE™ Thai Free Zones

The ONESOURCE™ Thai Free Zones solution provided a complete end-to-end visibility on all import-export functions. This improved the inventory count and minimized reporting gaps, which helped the company better manage the requirements of the various IPR (Inward Processing Relief) schemes and the FTAs.

- ✔ Easy to integrate with enterprise platforms
- ✔ Reliable audit trail to improve the chances of timely customer clearance
- ✔ Increased clarity on all regulatory requirements

Leverage Free Trade Agreements to reduce your operational costs today.

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Hitting Two Birds with One Stone

The platforms helped the motorcycle company not only achieve its vision of tapping into the APAC markets but also diversify and de-risk its supply chains. Moreover, they reduced the complexities of the duty refunds and deferrals associated with the various FTAs and IPR (Inward Processing Relief) schemes, which saved millions of dollars in tariffs.

Additionally, with the rising US-EU trade tensions, the platforms enabled the company to seamlessly circumvent the 25% duty-hike on the EU-bound motorcycle exports from the US by producing and exporting the same motorcycles from Thailand instead.



Scaled the EU-bound throughput by 5x



Average duty savings of USD 2200 per motorcycle



4-5X increase in transactions across 3 months