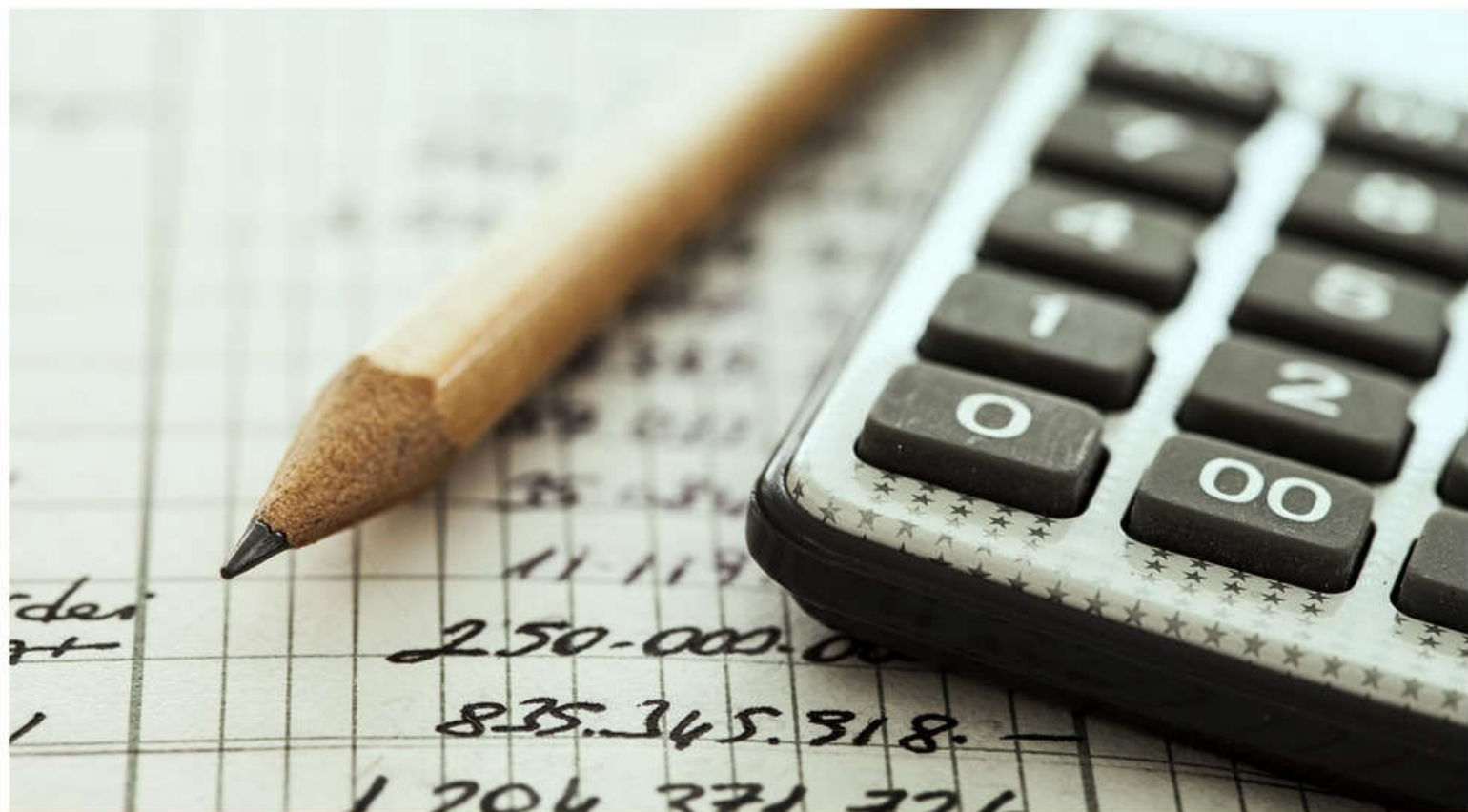


Counting the cost

Calculator from BPE Global helps companies understand their bottom line impacts from proposed trade policies

By: **Eric Johnson** | January 26, 2017



Anyone following the formal, proposed, rumored or just plain outlandish proposals being bandied about on U.S. taxes, duties, tariffs or other trade-restrictive measures, knows things can change fast.

Importers are grappling with the possibility of sweeping border adjustment taxes, tariffs on goods made in foreign countries, and broad changes to existing free trade agreements. The plans and numbers seem to change daily.

Though the nation seems far from any policies being enacted – there’s the small matter of the Trump administration and Congressional budget leaders having differing views on exactly how to revive U.S. manufacturing – it’s never too early for shippers to think about the ramifications of all the proposals out there.

That’s not so easy. Many shippers employ detailed landed cost calculators, but those tend to factor in existing tariff and free trade agreement figures, not projected ones.

So into the breach has stepped the global trade advisory firm BPE Global, which this week unveiled a [free Trade Policy Impact Calculator](#). The tool is designed to give importers and exporters a picture of how the various duty proposals discussed pre- and post the U.S. presidential campaign would impact their duty burden.

The tool doesn’t use hypotheticals. Companies input their free U.S. import data to generate a dashboard reflecting three categories:

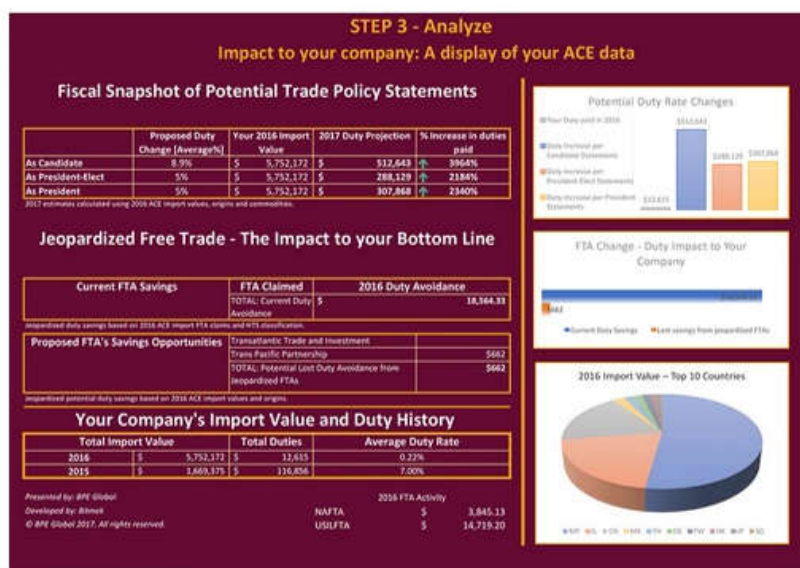
- A duty projection of the potential fiscal impact of President Donald Trump’s trade statements during the election campaign, as president-elect, as president.
- A snapshot of the company’s current free trade savings, along with a snapshot of potential savings should programs like TPP and TTIP be implemented.
- A profile of users’ historical import data and origin country volume, which could prove critical if a surge of retaliatory tariff threats spreads across the global trade arena.

Because the calculator is downloaded to the user’s system, data inputted into the calculator isn’t visible outside of the organization.

“The calculator will help CEOs develop a strategic plan to ensure profitability under the incoming U.S. administration,” BPE said. “CFOs will get bottom line costs for budgeting and forecasting purposes. COOs will have estimates so they can develop proactive manufacturing and supply chain strategies to optimize margin. Chief Counsels will understand the implications of U.S. trade policy impact on existing sales, service and manufacturing contracts. And Chief Marketing officers will be able to develop sales, marketing and pricing strategies inclusive of any increased or decreased cost of goods sold (COGS).”

A sample of the calculator’s output is available, using a hypothetical \$15 billion company importing around \$11 million in goods primarily from Malaysia, Singapore, Germany, Israel and China.

The “tool allows executive leaders to make fact-based decisions with information already at their fingertips,” said BPE President Beth Pride.



Courtesy: BPE Global
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