

## BPE Global Hot Topic – December 2018

### The Certainty of It All



The Wall Street Journal published an article titled “Trading on Uncertainty About Tariffs” in early December. The context of the article was that “uncertainty” may be a U.S. strategy. As trade compliance professionals, we’ve been living for a long time with the fact that there will always be tariffs and country of origin criteria, and the significant corporate implications of these realities.

While the world is suddenly coming to terms with a reality that we trade compliance professionals have been living with our entire careers, I want to point out that it’s now our time. We finally have the door to the boardroom opening wide and the entire executive team welcoming us in to brief them on new tariffs and other non-tariff barriers. And our view is truly global because the U.S. tariffs are being met with retaliatory actions from China, the EU, India, Turkey, Russia, Canada and Mexico.

So, I want to devote today’s message to talking about what I know that is certain – our global trade compliance profession is amazing. We have willingly taken on some of the most technically challenging work at companies with little or no acknowledgement of those skills, until this year. Now, we are being sought out and actually asked for our opinion.

We love digging into the technical details of an item so that we can correctly classify it and understand the tariffs, requirements and controls to export and import the item globally. We seriously enjoy looking at a Bill of Materials (BOM) on how an item is manufactured to determine if there are ways to reengineer it to lower the Cost of Goods Sold (COGS). We are fanatics about understanding the export controls of an item and related technology, so we can help our companies hire the best talent and design and manufacture in their countries of choice. We actually get excited when talking Incoterms and landed cost. And determining the correct valuation of an item sends us to the moon.

While 2018 has been an eye-opening year for many, we’ve seen it as a grand opportunity to teach entire companies how to do global trade compliance the right way. We’ve been able to connect to Procurement, Engineering, R&D, Sales, Marketing and Human Resources. It been such a treat to see the lightbulbs go off when people finally “get” what we do and why we do it.

Our chosen profession is an amazing one, however we must be patient with the people who are just starting to understand the complexities. There are still people who believe that finding a vendor who is willing to cite a zero duty Harmonized Tariff number is acceptable. We are dealing with a U.S. administration that doesn’t fully understand the impact of its trade-related actions. As a result, now is the time to teach everyone at companies what the tariffs mean and how to respond to them with creativity, agility and knowledge.

We have always been able to help companies make intelligent sourcing and manufacturing decisions, the great news is that we are now being asked to help. As “uncertain” as things may feel, I am absolutely certain that there are seasoned trade compliance people, just like us (our readership), who are more than equipped to bring cast-iron certainty to 2019.



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So, from all of us at BPE Global, we say goodbye 2018 and bring it on 2019!!!

We hope that you all have a very happy holiday season and we look forward to working on amazing and challenging projects with you next year.

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