

New App for Managing Foreign Trade Zone Operations Unveiled

by Jeff Moad, MA Editorial Staff

Posted on Wednesday, September 02, 2009

Seeking to help manufacturers manage their operations in U.S.-based foreign trade zones, global trade management software vendor QuestaWeb Inc. has rolled out a module that automates customs document filings and other functions.

The company's new FTZ^{QW} module, which can be implemented as a stand-alone application, in conjunction with the company's GTM system, or pre-integrated with an ERP system, allows manufacturers to track the movement of inventory into and out of foreign trade zones, automates compliance and customs clearance processes, and automates denied party screening processes.

Foreign trade zones are becoming increasingly popular with manufacturers that source parts and materials from offshore but also wish to reduce tariff and other costs, said Wayne Slossberg, a vice president at QuestaWeb. Although they physically exist inside the United States, often near ports, foreign trade zones are officially considered to be outside U.S. customs territory. Manufacturers using foreign trade zones can avoid certain entry procedures and customs duties.

About 2,600 companies today use the U.S. Foreign Trade Zone Program, which was created in the 1930s, according to the National Association of Foreign Trade Zones trade group. The group says U.S.-based foreign trade zones conducted \$491 billion in business in 2006.

The U.S. Customs and Border Protection bureau closely regulates the entry of materials and parts into foreign trade zones. QuestaWeb's new FTZ^{QW} application supports direct filing of customs forms, such as CF214. It also includes a central database of pre-classified parts and products, including bills of material.

QuestaWeb, a 20-year-old software provider, has about 120 customers for its Web-based global trade management system, which is used to automate global logistics, purchase orders, and local compliance. The company also offers a warehouse management system.

"The addition of a foreign trade zone product was a natural extension for us," Slossberg said.

QuestaWeb FTZ^{QW} can be implemented as a Web-accessible on-premise application or as a hosted application.

An electronics manufacturer is in the process of implementing the foreign trade zone application, though Slossberg declined to name the customer.

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