

The Optimal Solution for FTA Country-of-Origin Verification

The Hyundai-Kia Automotive Group and its suppliers chose Ecocloud's FTA Insight* System equipped with Intel® Xeon® processors and Intel® Solid-State Drives for easier data integration and storage of reference materials for country-of-origin verification.



CHALLENGES

- **Country of origin verification for free trade agreement (FTA) customs tax benefits.** It has become increasingly important to understand complicated FTA export customs procedures, and to be able to verify the country of origin, to benefit from FTA tax exemptions.
- **Increased importance for suppliers to adopt country of origin verification systems.** The lack of understanding of the FTA has left many smaller suppliers unequipped with country-of-origin verification protocols, warranting a more sophisticated system.
- **Fast deployment.** As soon as an FTA goes into effect, the obligation to store documents related to country of origin verification begins, so quick deployment of the system is crucial.

SOLUTIONS

- **Ecocloud's FTA Insight System, equipped with Intel® Xeon® processors X3565 and Intel® SSDs.** Ecocloud is the South Korean leader in FTA-related system projects and this experience has proven vital to developing an efficient country-of-origin verification system. Ecocloud has been the world's first company to adopt the embedded cloud software as a service (SaaS) model.

IMPACT

- **More efficient country-of-origin-related verification work by suppliers.** By being able to manage complicated FTA country-of-origin references compiled by over 300 suppliers, Hyundai-Kia can now efficiently verify the country of origin, meeting FTA regulations and benefiting from FTA tax exemptions.
- **Increased exports through competitive pricing.** By meeting FTA guidelines and gaining customs tax benefits, Hyundai-Kia now offers more competitive prices, which have increased exports.

"As part of the process of verifying the country of origin, we process vast amounts of data across the entire company. This can create a substantial load on our existing systems, so fast processing is critical. Powered by the Intel® Xeon® processor and Intel® Solid-State Drives, FTA Insight is the optimal system for its stability."

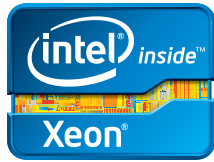
*Choi Young Soo
Hyundai-Kia Automotive Group
Vaatz Planning & Development Team
Manager*

Hyundai-Kia Automotive Group Adopts FTA Insight System

Growing international trade has led to both expansion and greater interest in FTAs. More companies are taking steps to qualify for customs tax benefits. But the advantages of the FTA do not apply to all exporters. To qualify, a company must submit a certificate of origin as stipulated in the FTA. The Hyundai-Kia Automotive Group, a global car manufacturer with over 300 suppliers, demanded a system that could store country-of-origin verification documents for the obligated period of five years. After choosing Ecocloud's FTA Insight System, equipped with Intel Xeon processor X3565 (4-core/3.2G/8M/4.8GT) and Intel SSD 80G, the Hyundai-Kia Automotive Group has been able to establish its own country-of-origin verification system, a crucial step for customs clearance. Hyundai-Kia and its suppliers managed to complete the country of origin verification system in less than two months.

The Optimal System for Country-of-Origin Reference Management

As soon as the United States-Korean FTA went into effect on midnight of March 15, 2012, international trade companies and their suppliers were faced with understanding the new process for country-of-origin verification. Different regulations per various FTAs can be complex, but they are essential. Storing related documents after customs clearance is necessary to prepare for future inspections. FTA Insight provides a verification tool for all FTAs in effect. By including product-specific rules (PSR)¹, goods across all industries can be categorized into the correct country of origin. FTA Insight is optimized to accurately verify the country of origin. Data accumulation, country of origin designation, the publishing of relevant forms, and the storage of related documents are all part of this process. Results can be searched to locate and resolve errors, helping to achieve a higher level of domestic designation of the country of origin.



FTA Insight is an optimized appliance server system built on the Intel® Workstation System. To store and manage vast amounts of data, EcoCloud chose the Intel Xeon processor, proven for its high performance and system stability.

“FTA Insight is a package-based server consisting of Intel hardware, Oracle Database*, and a country-of-origin designation engine developed by EcoCloud. This allowed us to distribute the system to over 300 suppliers under two months.”

*Choi Young Soo,
Hyundai-Kia Automotive Group
Vaatz Planning and Development Team
Manager*

Hyundai Kia Automotive Group is based in Seoul, South Korea.

Through its subsidiaries, Hyundai Kia Automotive Group manufactures and markets automobiles globally. It is the largest automobile manufacturer in South Korea. After the Korea-EU free trade agreement (FTA) went into effect, the decline of tariff barriers has helped Hyundai-Kia Motors quicken its pace into the European market segment. Exports have increased by 168 percent while market share has exceeded 5 percent.

Faster Deployment

From the time the FTA went into effect, Hyundai-Kia Automotive Group had a short lead time to have the country-of-origin verification system operational. Choosing a system based on industry-standard architecture that hundreds of different suppliers could easily adopt was crucial. The FTA Insight system, based on the Intel Xeon processor, meets this requirement. Combining the system with EcoCloud's FTA verification engine, Hyundai-Kia Automotive Group was able to complete the deployment in less than two months.

Increased Work Efficiency

In preexisting data processing methods, integrated management was difficult because individual suppliers used different systems. However, FTA Insight is equipped with Intel Xeon processor x3565 and enables the user to automatically link systems and obtain data within two hours. FTA Insight has increased data processing speeds across all areas of work at the company and made integrated management easier.

Protect Production Cost Information

The country-of-origin verification process needs sensitive company information including production costs. Often, companies have voiced concerns about such information being stored on Web servers, not on their internal systems. However, with FTA Insight, equipped with Intel SSDs, data is managed directly from the server, which physically resides within the company. Moreover, by using Intel SSDs, which are proven to be robust and long-lasting, companies can keep production costs low by reducing the need for maintenance.

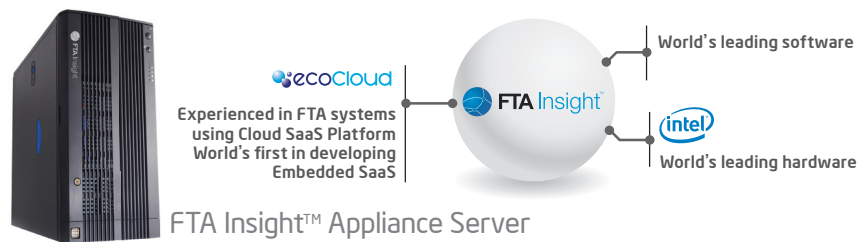
High-Volume Data Processing

In the process of verifying the country of origin, the server accesses vast amounts of data from across the company. Fast data processing is essential. The Intel Xeon processor x3565, which can handle the high volume of data reliably, was the ideal choice for FTA Insight. Also, since most suppliers are in different regions, Intel SSDs resolved most maintenance issues, thanks to their durability. The high performance of Intel SSDs compared to traditional hard disk drives also contributes to the overall performance of the system for high-volume processing. Ultimately, packaged with Intel Xeon processor-based servers with Oracle Database*, FTA Insight is an ideal system with optimized performance and stability.

Management Costs Reduced

The previous method of carrying out country-of-origin verification work by employing an outside company required lots of time and money. In contrast, with FTA Insight equipped with Intel SSD, processing speeds are faster and ongoing costs can be reduced to be only one-seventh of previous levels.

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