



FOREIGN TRADE ZONE 33

Offering Duty and Tax Savings Benefits

What is a Foreign Trade Zone?

- An area within the U.S. which is considered outside of the US Customs Territory.
 - Merchandise enters without formal customs entry or payment of duties.
 - Duties are paid when the merchandise leaves the zone and enters U.S. commerce.
 - If the merchandise is exported no duties are owed.
- Authority granted by the Foreign-Trade Zones Board under the Foreign-Trade Zones Act of 1934 to:
 - Stimulate economic growth by encouraging companies to maintain or expand operations in the U.S. creating employment
 - Facilitate trade and increases global competitiveness of U.S. companies
- A Zone is under supervision of U.S. Customs and Border Protection, Department of Homeland Security

Benefits of an FTZ

- Duty Elimination - no duties on imported goods if they are re-exported
- Duty Deferral - duties are paid when items leave the zone and enter U.S. commerce
- Reduction of Duties - duty can be paid on imported items or finished product whichever is lower
- Elimination of Duty Drawback
- Weekly Entry Filings and lower Merchandise Processing Fees
- Additional benefits include: increased security, direct delivery of merchandise, better inventory control, improved quality control, lower administrative fees

Is an FTZ Right for My Company?

- Do you have a high volume of entries into the US?
- Do you have large Customs duty payments?
- Have you experienced delays in receiving shipments through Customs?
- Do you pay more than \$485 in weekly entry fees?
- Do you apply for duty drawback?
- Do you scrap, waste, destroy or reject some of your imports?
- Costs to Consider in your evaluation
 - FTZ Board Fees, Grantee Fees, Consultant Fees
 - Operator's Bond Fee, Security, Software, Training

"Being established in the Foreign-Trade Zone in Western PA has had a very positive effect on us in many ways, from duty deferral, to duty exemption, overall expense reduction and accuracy of our on-hand inventory. Had we realized the positive effects it has on businesses like ours, we would have established a FTZ years ago."

Peter Manickas, VP Finance, Steelite International USA, Inc.

"As an Importer to the US, with daily shipments to Canada, we see a constant reminder of one benefit in the FTZ program. We know that our participation in the FTZ program has had a positive impact on both our top and bottom line."

Larry Whitney, Manager, Trade Compliance, Leed's

Service Area of FTZ 33

The Regional Industrial Development Corporation of Southwestern Pennsylvania is Grantee of FTZ #33. FTZ #33 is organized under ASF and has a Service Area of eleven counties in southwestern Pennsylvania within the Pittsburgh Port of Entry.

