



# 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, Lead'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.

