

ABOUT THE FOREIGN-TRADE ZONES BOARD

Established by Congress in 1934,
the Foreign-Trade Zones Board
currently consists of the Departments
of Commerce and Treasury, with
U.S. Customs and Border Protection
serving as an advisor.



Since 1934,
over 250 Foreign-Trade Zones
have been approved in all 50 states
and Puerto Rico.



Hundreds of thousands
of U.S. workers are employed in
Foreign-Trade Zones.



Billions of dollars of
merchandise moves through FTZs
annually and helps contribute
to U.S.-exports.



Thousands of companies use
the FTZ program in industries such as
automotive, electronics, chemicals,
pharmaceuticals, machinery,
petroleum refining, cosmetics,
and shipbuilding.



FOREIGN-TRADE ZONES BOARD

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THE UNITED STATES FOREIGN- TRADE ZONES PROGRAM

*Strengthening
American
Workers and
Communities by
Helping U.S.
Employers to
Compete Globally*



HOW DOES THE FOREIGN-TRADE ZONES PROGRAM WORK?

The foreign-trade zones (FTZ) program helps encourage activity and value-added at U.S. facilities in competition with foreign alternatives by allowing delayed or reduced duty payments on foreign merchandise, as well as other savings.

THE BOTTOM LINE

Enhancing competitiveness. By reducing costs, FTZs level the playing field and improve U.S. competitiveness. FTZs can help businesses reduce production, transaction, and logistics-related costs. FTZ use can lead to more competitive U.S. operations and help to maintain activity in the United States by lowering effective duty rates, allowing special entry procedures, and encouraging production closer to market.

Creating/retaining jobs and encouraging investment. By helping U.S. employers remain competitive, zones can contribute to maintaining or boosting employment opportunities. And lower FTZ-based production costs encourage increased investment in U.S. facilities instead of in offshore alternatives.

WHAT ARE THE BENEFITS OF A FOREIGN-TRADE ZONE?

In the global marketplace, many companies consider moving to foreign facilities to reduce costs. The benefits of the Foreign-Trade Zones program may be the competitive advantage that companies need to keep their manufacturing or distribution operations in the United States. These include:

- No duties on imported goods that are later re-exported
- Delayed payment of duties on goods that enter the U.S. market
- Manufacturing-specific benefits—with case-by-case approval by the FTZ Board—that can include reduction of duties, if a lower tariff rate applies to the finished product leaving the zone than the tariff rates that would have been applied on foreign components (“inverted tariff”)
- Elimination of duties on waste, scrap and rejected or defective parts
- Ability to file single customs “entry” to reduce merchandise processing fees
- Potential streamlined delivery of incoming merchandise

USING A FOREIGN-TRADE ZONE

For more information on the U.S. Foreign-Trade Zones program, and for a list of existing zones in your area, visit the program’s Web site at www.trade.gov/ftz.

Once a zone location has been established by the FTZ Board, companies are required to “activate” the zone with U.S. Customs and Border Protection (CBP) prior to beginning FTZ operations. For more information on this process, and other CBP requirements, visit www.cbp.gov.

MERCHANDISE CAN BE BROUGHT INTO FOREIGN-TRADE ZONES FOR...

STORAGE
INSPECTION
TESTING
REPAIR
DISTRIBUTION
RELABELING
REPACKAGING
DISPLAY
MANUFACTURING*
ASSEMBLY*
PROCESSING*
DESTRUCTION



* May require specific FTZ Board approval