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## Foreign-Trade Zones

### PRELIMINARY FEASIBILITY ANALYSIS QUESTIONS

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The Foreign-Trade Zone (FTZ) program helps American companies improve their competitive position versus their counterparts abroad. Using an FTZ, U.S. - based companies to defer, reduce or even eliminate customs duties on products admitted to the Zone. For example:

- Domestic goods involving foreign items can be processed in a zone to eliminate or reduce customer duties.
- Duty-free treatment is accorded items that are re-exported and duty payment is deferred on items sold in the U.S. market.

#### *Building local prosperity through global business*

In an expanding global economy, there is increased competition among nations for jobs, industry and capital. The FTZ program promotes American competitiveness by encouraging companies to maintain and expand their operations in the United States. When companies increase their cash flow, save taxes and improve their bottom line by locating their operations in FTZs, communities benefit in several important ways.

- Economic growth and development are stimulated because jobs are retained and created in the community.
- Opportunities are created for suppliers and service providers to locate in the community.
- An FTZ project can be a valuable asset when a community is trying to attract new business investment to its area.
- Finally, a community with a FTZ may experience an improved infrastructure and expanded tax-base as a result of higher employment and the influx of new businesses.

For all of these reasons, more than 250 communities throughout the United States support and rely on the benefits that the FTZ program offers public as well as private entities. The Port of Moses Lake administers a Foreign-Trade Zone in Grant County that creates, maintains and diversifies economic development in the region.

Contact us to see whether our Zone (FTZ #203) can meet your global trade needs.

#### *How do I get more information on a local FTZ?*

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The following questions will assist in determining whether your company can benefit from using a Foreign-Trade Zone.

1. What is the annual value of imported merchandise?
2. What is the average U.S. duty rate assessed on foreign goods imported?
3. What is the % and value of goods eventually exported?
4. What is the average duty on finished goods sent from the warehouse?
5. What is the average % of waste, scrap and/or defective merchandise?
6. Average total value of inventory on hand at any given moment?
7. How often does the inventory turn per year?

