

FIVE WAYS THE U.S. FTZ PROGRAM HELPS BUILD A STRONGER U.S. ECONOMY

Created by Congress in 1934 to encourage investment and promote U.S.-based manufacturing and distribution, exports, and American jobs, Foreign-Trade Zones (FTZs) are designated areas physically in the United States, but considered outside U.S. customs territory, where goods can be stored, assembled, manipulated, modified, relabeled, repackaged, and re-exported, free of U.S. customs duties. FTZs are in every U.S. state plus Puerto Rico.

#2 CREATING AMERICAN JOBS

EMPLOYING MORE THAN
 440,000 U.S. WORKERS
 AT 3,300 COMPANIES
 OPERATING IN A FOREIGN-TRADE ZONE



Example: Airbus Americas, Inc. Mobile, AL (FTZ #82) aircraft manufacturing operations have grown since 2015 to support more than 15,000 Alabama jobs.

#5 STRENGTHENING COMPLIANCE

To operate in an FTZ, companies must adhere to strict security requirements, comply with stringent U.S. Customs and Border Protection (CBP) rules, and strictly observe a variety of U.S. laws and regulations. They typically have closer and transparent working relationships with CBP officials, who consider FTZs a model of good compliance and a “C-TPAT security best practice.”



#1

INCREASING THE COMPETITIVENESS OF U.S. BASED COMPANIES

By providing mechanisms to optimize supply chains and minimize a product’s landed costs, FTZs improve U.S.-based companies’ cost competitiveness, allowing them to offer more affordable and innovative products.

Example: FTZ duty savings on its inputs allows Piramal Critical Care, Inc., Bethlehem, PA (FTZ #272) a U.S. based anesthesia products manufacturer, to compete with duty-free foreign products in U.S. and global markets.

#3

INVESTING IN AMERICAN COMMUNITIES

ADDS BILLIONS
 OF INVESTMENT DOLLARS INTO LOCAL ECONOMIES



FTZs benefit U.S. communities by attracting new businesses, increasing local employment, expanding the tax-base, and enhancing infrastructure.

Example: Through its FTZ production facility, BMW Manufacturing Co., Spartanburg, SC (FTZ #38) turned a struggling textile town into an automotive manufacturing and exporting powerhouse.

#4

PROMOTING U.S. EXPORTS

HELPS U.S. BASED COMPANIES BE MORE COMPETITIVE IN THE GLOBAL MARKETPLACE

Accounting for nearly 7% of all U.S. exports, FTZs are an important export-promotion tool.

Example: Thanks to the FTZ program’s cost savings and competitive benefits, Kubota North American Corporation, Atlanta, GA (FTZ #26) now exports 35% of its American-made sub-compact tractors, utility vehicles, and lawn mowers to Europe and Australia.

Example 2: The cost-competitive advantage from the FTZ program allows Kawasaki Motors Mfg. Corp., U.S.A., Lincoln, NE (FTZ #59) to export 20% of its U.S. production of JetSkis and Mule and Teryx lightweight utility and sport vehicles to the EU, Australia, Canada, and Japan.

SOURCES: 2019 FTZ ECONOMIC IMPACT STUDY, NATIONAL ASSOCIATION OF FOREIGN TRADE ZONES; 80TH ANNUAL REPORT OF THE FOREIGN TRADE-ZONES BOARD TO THE CONGRESS OF THE UNITED STATES; DATAWEB, U. S. INTERNATIONAL TRADE COMMISSION