

In a foreign-trade zone, pennies saved...



Improved cash flow →

← Duty deferral

← Reduced entry fees

Increased supply chain efficiencies →

...add up

A Foreign-Trade Zone can take cost out of your business, giving you an edge over the competition.

Come find out how companies are improving their bottom line at the Port of Seattle's FTZ #5.



Where a sustainable world is headed.™



Find out what we can do for you at portseattle.org



FTZ #5... YOUR COMPETITIVE EDGE

What is an FTZ?

Foreign-Trade Zones (FTZs) are designated, secure sites physically located inside the borders of the United States but considered outside of U.S. Customs territory. A company can apply to designate part or all of their own facility as an FTZ. A zone can be designated in industrial parks, distribution centers and warehouse facilities. Businesses in many different industries can benefit from FTZ's including retail, automotive, manufacturing, fashion and many more.

What activities are permitted in a zone?

Foreign and domestic merchandise may be admitted into an FTZ for storage, exhibition, assembly, manufacture, production and processing without formal Customs entry procedures, the payment of Customs duties, or the payment of federal excise taxes. Applicable duties and fees are paid when the products leave the zone.

Fast and easy set-up!

Gaining FTZ status is now faster and easier under the Port's Alternative Site Framework (ASF), recently approved by the U.S. Department of Commerce. The ASF allows businesses in King County engaged in importing, exporting, assembly, warehousing and distribution to apply for expedited approval through the Port's FTZ program. Approvals are made in 30 days or less.

Cost Savings Scenario: Weekly Entry

Under the FTZ program, companies can submit customs entries on a weekly basis instead of per shipment. This can add up to substantial costs savings in Merchandise Processing Fees. For example, a company that averages 20 entries per week, could realize annual savings of almost \$500,000 potentially on this item alone.

Weekly Merchandise Processing Fee Entry

20 entries per week at \$485 per entry \$9700 per week
 1 entry per week under FTZ at \$485 per entry \$485 per week

Over 52 weeks

20 entries/week at \$485 per entry \$504,000
 1 entry per week under FTZ at \$485 per entry \$25,220

Potential Annual Savings \$478,780

Why use an FTZ?

- ▶ Defer, reduce or eliminate customs duties and federal excise taxes.
- ▶ Reduce Merchandise Processing and related fees through the Weekly Entry process.
- ▶ No U.S. customs duties paid on merchandise exported from an FTZ.
- ▶ Store quota merchandise without time restrictions.
- ▶ Eliminate the need for duty drawback.
- ▶ Improve cash flow and reduce inventory carrying costs.

The Seattle Advantage

- ▶ Closest US port to Asia
- ▶ Close to Canadian markets
- ▶ Gateway to Alaska and Hawaii
- ▶ Second largest logistics hub on the west coast
- ▶ Serviced by 17 international steamship lines including the P3 & G6 alliances
- ▶ Hub of the Alaska cruise industry
- ▶ Two Class I railroads connecting you with consumer markets in the Midwest and beyond.

To get started, contact:

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