



Neighboring the Niagara Falls International Airport, FTZ #34 offers clean and secure space for warehouse, office and light manufacturing. The zone also includes the 158-acre Vantage International Pointe Industrial Park.

STRATEGIC LOCATION WITHIN 500 MILES OF:

- 55% of the U. S. Population
- 62% of the Canadian Population
- 92% of Canadian Manufacturers

CONVENIENT ACCESS TO:

- Nationwide Rail Service
- 3 International Bridges to Canada
- Air, Truck and Rail connections to any point in North America

HOW FOREIGN-TRADE ZONE #34 CAN HELP SAVE YOUR COMPANY MONEY

Foreign and domestic merchandise may enter the foreign trade zone without a formal Customs entry or the payment of Customs duties or government excise taxes. Merchandise entering a zone may be:

- | | |
|---------------|----------------|
| • Stored | • Mixed |
| • Tested | • Cleaned |
| • Sampled | • Assembled |
| • Relabeled | • Manufactured |
| • Repackaged | • Salvaged |
| • Displayed | • Destroyed |
| • Repaired | • Processed |
| • Manipulated | |

If the final product is exported from the United States, no U. S. Customs duty or excise tax is levied. If however, the final product is imported into the United States, Customs duty and excise taxes are due only at the time of transfer from the foreign trade zone and formal entry in the U.S.

The duty paid is the lower of that applicable to the product itself or its component parts. Thus the zone provides opportunities to realize customs duty savings by zone users. In addition, zone procedures provide one of the most flexible methods of handling domestic and imported merchandise.

ACTIVITIES IN THE FOREIGN TRADE ZONE

DUTY IS DEFERRED ON IMPORTED GOODS ADMITTED TO ZONE.

For storage, manipulation such as packaging, marking, labeling, repackaging, etc., or for assembly/manufacturing. Cash flow is improved. Zone user pays duty only when goods leave the zone and enter the U. S. market. Zone user improves cash flow position by shortening the time between payment of duties and receipt of income from sale of goods. Zone user achieves a major reduction in its capital requirements for financing.

NO UNITED STATES DUTY IS ASSESSED WHEN REEXPORTING GOODS FROM ZONE.

Goods imported duty free into zone may be processed several ways: inspected, assembled into finished products, repackaged, or warehoused, then exported to markets outside the United States with no assessed U. S. duties.

PROCESSING GOODS WITHIN THE ZONE CAN ELIMINATE OR LOWER TARIFFS.

A company that imports parts into the zone and assembles them into finished products can reduce or eliminate tariffs by shipping finished products from the zone.

DUTIES CAN BE AVOIDED ON DEFECTIVE DAMAGED GOODS BY INSPECTING AND TESTING IMPORTED GOODS WITHIN A ZONE.

Segregate rejects for return to shipper or other duty-free disposition. And no duty is due for any accountable losses: including evaporation, seepage, spoilage, impurities, damage, defects or obsolescence.

SAVINGS OF 10% TO 25% HAVE BEEN REALIZED IN TOTAL TRANSPORT INSURANCE FROM FOREIGN SHIPPER'S PLANT TO U. S. IMPORTER IN A ZONE VS. U. S. IMPORTER OUTSIDE A ZONE.

In addition to Fire and Theft Insurance Savings, which depend upon shipment method, air/ocean, containerized/non-containerized, nature of goods, etc.

ACTIVITIES IN THE FOREIGN TRADE ZONE

CONSTANT INVENTORY SAVINGS	EXAMPLES
Amount of Average Dutiable Inventory	\$5,000,000
Average Duty Rate	<u>10%</u>
Duty deferred on permanent basis	\$500,000
Cost of Money (est.)	<u>10%</u>
Annual Savings (est.)	\$50,000

EXPORT SAVINGS	
Amount of imports exported annually from the Zone	\$2,500,000
Average Duty Rate (est.)	<u>6%</u>
Annual Savings (est.)	\$150,000

MANUFACTURING / ASSEMBLY / PROCESSING SAVINGS	
Annual duty which would have been paid on imported components/ materials, etc.	\$100,000
Duty on finished goods due to lower rate on duty thereon	<u>\$60,000</u>
Annual Savings (est.)	\$40,000

DEFECTIVE / DAMAGED / WASTE / OBSOLETE SAVINGS	
Total dutiable imported goods	\$ 2,500,000
Percentage of defective material	<u>15%</u>
Value of dutiable goods that became defective, etc.	\$375,000
Average Duty Rate (est.)	<u>8%</u>
Annual Savings (est.)	\$30,000

FIRE AND THEFT INSURANCE	
Average annual value of duty-paid inventory	\$5,000,000
Fire and theft insurance (\$.08 per \$100)	\$4,000



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