

Helping businesses compete in the global marketplace

Foreign Trade Zones (FTZs)



International business grows local opportunities

Thriving in a globally connected economy requires operating across borders. Foreign Trade Zones (FTZ) can make it easier to do business internationally by reducing costs associated with tariffs and duties, and by accelerating global supply chains.

FTZs are physical areas inside the U.S. that, for customs entry purposes, are treated as if they are outside U.S. Customs territory. Companies can use FTZs for storage, distribution, or production.

Foreign Trade Zones (FTZs)

Opening new opportunities for global business

Benefits of FTZs

- **Deferring and reducing duty payments:** inventory kept within an FTZ may be held indefinitely without paying customs duty. Duty is paid only as merchandise is delivered to its market.
- **Reducing costs:** goods may be stored, distributed, or produced while in an FTZ. If a company's finished product is destined for the U.S., paying a finished product rate can save money.
- **Saving on processing fees:** import fees can be combined into one weekly entry fee instead of individual Customs entry fees, lowering overall import costs.
- **Making duty-free exports:** Imported goods can be stored and exported without incurring duties.

“Having a Foreign Trade Zone has better-enabled SICK Incorporated to operate and grow in Minnesota. It helps put local manufacturing on a level playing field with other countries and makes it so we can create and keep even more quality jobs here. The benefits of a Foreign Trade Zone have contributed to the success and growth of SICK's international business from Minnesota.”

— Sick Industries representative

Who is eligible?

A broad range of companies use FTZs to help them compete in the global marketplace, including:

- Warehouses and distribution firms
- General manufacturers
- Food processors
- Electronics manufacturers
- And many more

How does it work?

The greater Minneapolis-St. Paul metropolitan area has an existing Foreign Trade Zone (FTZ #119) that companies can use. Hennepin County is within the Alternative Site Framework (ASF) service area, meaning businesses within the county can create a subzone at their existing location. A new distribution zone can be approved in as little as 30 days.



Learn more and apply

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