



SEPTEMBER 2012

communitynewspapers.com

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What is a Free Trade Zone?

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Lately you might have heard a lot of buzz about Free Trade Zones, but what are they?

Also known as Foreign Trade Zones or “Zonas Francas,” Free Trade Zones (FTZs) promote intense economic growth by attracting international investment, increasing trade activity, and creating new jobs. But how do they do this?

FTZs are federally-designated areas considered to be *outside* of U.S. Customs territory, enabling trading companies to operate under a more flexible environment.

One of the many misconceptions about FTZs is that because duty savings are a major FTZ benefit, they are only beneficial to companies who re-export or to those who pay a high amount of duty in doing so.

Regardless of your commodity and desired markets, there are numerous ways an FTZ can benefit your business. Whether your company imports duty-free products, or has hundreds of thousands of dollars of duty paid merchandise sitting in a warehouse destined for re-exportation, there are many benefits available.

Not only can you avoid paying duties and taxes on re-exported merchandise, but the lessened regulatory agency requirements allow you to store merchandise that is not approved nor destined for US consumption without facing costly penalties or limitations until re-exported.

If you run a business that imports high value/volume products, you could be saving considerable amounts of cash by utilizing a weekly entry procedure for consumption, allowing you to pay customs brokerage documentation and merchandise processing fees (MPF) only once a week, by filing one entry for multiple importations.

In Miami-Dade County, there are currently four Foreign Trade Zone Grants: (1) FTZ#166 Vision Council-Homestead; (2) FTZ#180 Wynwood (not active); (3) FTZ#281 MDC-Port Miami; and (4) FTZ#32, Greater Miami Chamber (GMFTZI) which includes Sysco South Florida, Kansas Marine, Bijoux Turner, and, located in the heart of Doral, the Miami Free Zone.

If you live in Doral you have probably driven by the Miami Free Zone many times. Operated by FTZ World Services, the Miami Free Zone was founded in 1979 and has been the flagship FTZ in Miami-Dade County for the past 33 years.

There is a reason why many logistics providers and over 3,000 other international trade-related businesses have chosen Doral. The City of Doral has quickly become the logistics capital of South Florida and the backbone of our local economy.

To help your business succeed, you are welcome to contact our MTZ offices to learn more about the Miami Free Zone.

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To learn more go to www.ftzworld.com