

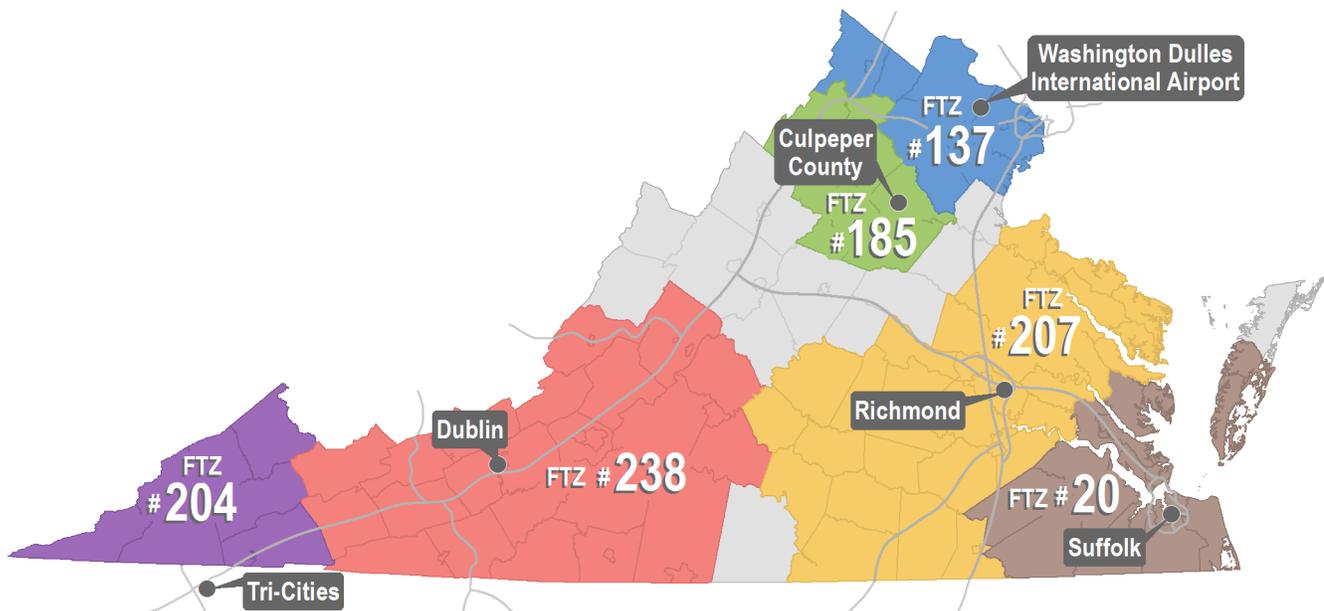


FOREIGN TRADE ZONES (FTZ)

Virginia offers companies access to six general purpose foreign trade zones (FTZs) designated by the U.S. Department of Commerce. These zones are dispersed across the state.

Foreign trade zones allow businesses to defer paying U.S. Customs duties on imported goods held within the zones until the goods enter the United States for domestic consumption. No duties are paid if goods are re-exported. Companies also receive the benefit of not having to pay duty on broken or wasted product.

Businesses are allowed to store goods within foreign trade zones for an unlimited period of time. They are allowed to manufacture products within zones and pay duties on either the foreign parts used or on the finished product, whichever is most advantageous to the company. Finally, businesses may seek subzone status at their facilities. Virginia has an excellent track record of gaining approval for subzone projects.



Note: Zones 207 and 238 are currently awaiting approval for Alternative Site Framework. The FTZ Board allows zones that are under review to operate as if they have the designation.
Source: ESRI 2013, International Trade Administration 2014, VEDP 2014