



## *Benefits of STEWART Ind. FTZ Operations*

**The Foreign-Trade Zone program** was created in 1934 by Congress as an incentive to encourage companies to keep investment and jobs in the United States and not move production offshore. The program removes certain costs and barriers that do not exist in foreign locations.

**Located within FTZ #43**, STEWART Ind's 60k sqft (Battle Creek, Mi) facility is strategically located to quickly access over 60% of the U.S. population and more than 40% of Canada's. A relationship with STEWART FTZ #43 offers foreign and U.S companies alike a unique opportunity to defer, reduce or eliminate duty, taxes and tariffs on goods while adding value to your process.

1. **Duty Deferral/Elimination:** Imported and domestic goods are not subject to duty while stored within an FTZ facility. Duty is only applied once the good enters into the U.S. market. Merchandise can be transported between FTZs or exported from the U.S. duty free. In addition, damaged products or scrap materials may be returned or eliminated without duty penalty.
2. **Duty Reduction (Inverted Tariff Relief):** In many instances, tariffs are higher on unfinished products. Our FTZ allows companies to bring in components under a lower tariff for completion within the facility.
3. **Lower Taxes:** Goods stored within FTZ #43 normally avoid federal excise taxes and state inventory taxes.
4. **Reduced Insurance Premium:** Inventory within our FTZ is subject to strict security measures established and closely regulated by U.S. Customs. Many insurance companies are willing to offer lower premiums on goods stored within FTZ facilities.
5. **Weekly Entry:** Companies utilizing an FTZ can combine entries and pay only one fee on goods moving through the zone within a week, rather than once a day or multiple fees per week. This opportunity is completely unique to FTZ facilities.
6. **Quota Exemption:** Items subject to quota limitations may be held within an FTZ facility penalty free until the quota restriction is lifted.
7. **Value Added Service Unique to FTZ #43:**
  - a. **Quality Inspection** - Under the customers protocol items may be inspected to ensure proper quality before duty is applied. Only those inspected items that pass get applied duty.
  - b. **Assembly \ Line Transfer** - For more than 19 years STEWART has provided sub-assembly services for its customers. This allows processes to be moved into the zone to be processed before entry. Beneficial especially on export parts with domestic items added.
  - c. **Location Advantage** - Strategically located in Battle Creeks Fort Custer Industrial Park, transportation and logistics support has its advantages around timing and cost savings.

***Put our Valued add to work for your bottom line!***