



CENTRAL PENNSYLVANIA'S FOREIGN-TRADE ZONE

Foreign Trade Zone 147

Foreign-Trade Zone (FTZ) 147 encompasses 11 counties in southcentral Pennsylvania in the United States. There are numerous sites that are strategically located to offer convenient on-site inter-modal transport links for air, road and rail transportation. The FTZ Corp of Southern PA is the Grantee of FTZ 147 and the Zone Project is administered by Campbell Trade Group, Inc.

Benefits of the Foreign Trade Zone

- Defer, reduce and/or eliminate U.S. Customs duties
- Distributions savings
- Elect preferential duty rates
- Lower inventory costs

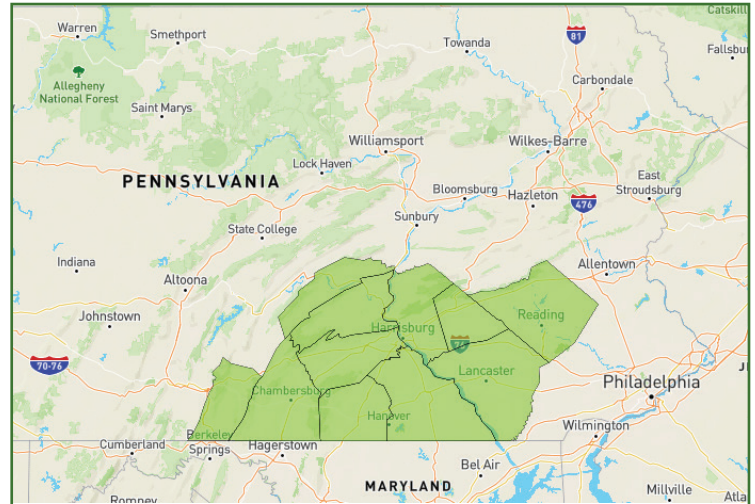
Companies can use foreign-trade zones to maintain the cost competitiveness of their U.S.-based operations in relation to their foreign-based competitors. For a company, zone status provides an opportunity to reduce certain operating costs associated with a U.S. location that are avoided when operating from a foreign site.

The fundamental benefit offered by the FTZ program to U.S.-based companies is the ability to defer, reduce or even eliminate Customs duties on products admitted to the zone. For the U.S.-based companies involved in international trade, the FTZ program provides a means of improving their competitive position in relation to their counterparts abroad.

Deferral of Duties

Customs duties are paid only when and if merchandise is transferred into U.S. Customs territory. This benefit equates to a cash flow savings that allows companies to keep critical funds accessible for their operating needs while the merchandise remains in the zone. There is no limit on the length of time that merchandise can remain in a zone.

For more information, visit FTZ147.com
or contact Campbell Trade Group at
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Reduction of Duties

In a foreign-trade zone, with the permission of the Foreign-Trade Zones Board, users are allowed to elect a zone status on merchandise admitted to the zone. This zone status determines the duty rate that will be applied to foreign merchandise if it is eventually entered into U.S. commerce from the FTZ. This process allows users to elect the lower duty rate of that applicable to either the foreign inputs or the finished product manufactured in the zone. If the rate on the foreign inputs admitted to the zone is higher than the rate applied to the finished product, the FTZ user may choose the finished product rate, thereby reducing the amount of Customs duty owed.

Elimination of Duties

No Customs duties are paid on merchandise exported from a FTZ. Therefore, duty is eliminated on foreign merchandise admitted to the zone but eventually exported from the FTZ. Generally, Customs duties are also eliminated for merchandise that is scrapped, wasted, destroyed, or consumed in a zone.

