

## COMPANIES OPERATING IN GKCFTZ

The GKCFTZ has approximately 2500 full-time employees in 10 active sites. There are 18 designated GKCFTZ sites.

### PRODUCTION



### WAREHOUSE



CAREFREE INDUSTRIAL PARK

### TEXTILES



## POLICY ISSUES FACING LOCAL IMPORTERS AND FTZ OPERATORS

**1. UNITED STATES-MEXICO-CANADA AGREEMENT (USMCA)** - NAFTA imposed unfair and punitive restrictions on the ability of FTZ manufacturers to export products duty-free to Canada and Mexico and to use the rules of origin to make those products more cost-competitive with Canadian and Mexican products in NAFTA markets. NAFTAZ developed legislative proposals to address these problems and will work to get those proposals introduced in Congress for inclusion on a miscellaneous trade bill (MTB) or another legislative vehicle in 2020.

**2. END DISCRIMINATORY TRADE-ACTION TARIFFS ON FTZ-MANUFACTURED PRODUCTS** - Inequitable tariff treatment between U.S.-based manufacturers located inside and outside an FTZ in the assessment of duties under various trade actions (Sections 201, 232, 301, etc.). Sec. 201 and 301 country-of-origin reporting requirements for entries from an FTZ resulted in certain instances in the improper assessment of these duties on the value of all foreign inputs incorporated into products manufactured in an FTZ, including inputs that are not products of a targeted nation or are not merchandise included on the published list of targeted foreign products subject to the trade action.

**3. 321/DE MINIMIS** - Changes to U.S. informal-entry rules increasing the duty-free de minimis level for imported goods from \$200 to \$800 adversely impacted FTZ distribution operations by encouraging a shift of e-commerce fulfillment from the U.S. market to Canada, Mexico, and other foreign locations. NAFTAZ is a participant in an industry coalition that is planning to get a proposal introduced in Congress within the first three months of 2020 for inclusion on the MTB or another legislative vehicle.



### GREATER KANSAS CITY FOREIGN TRADE ZONE, INC.

The intent of the FTZ program is to stimulate economic growth in the United States. It's designed to promote American competitiveness domestically and overseas by reducing, deferring or eliminating duties on goods sourced overseas then brought into Zones for value-added work by US employees, and thereafter entered into the commerce of the US or exported. The program is an incentive to firms to maintain and expand their business in the US and entice foreign companies to establish U.S. operations.



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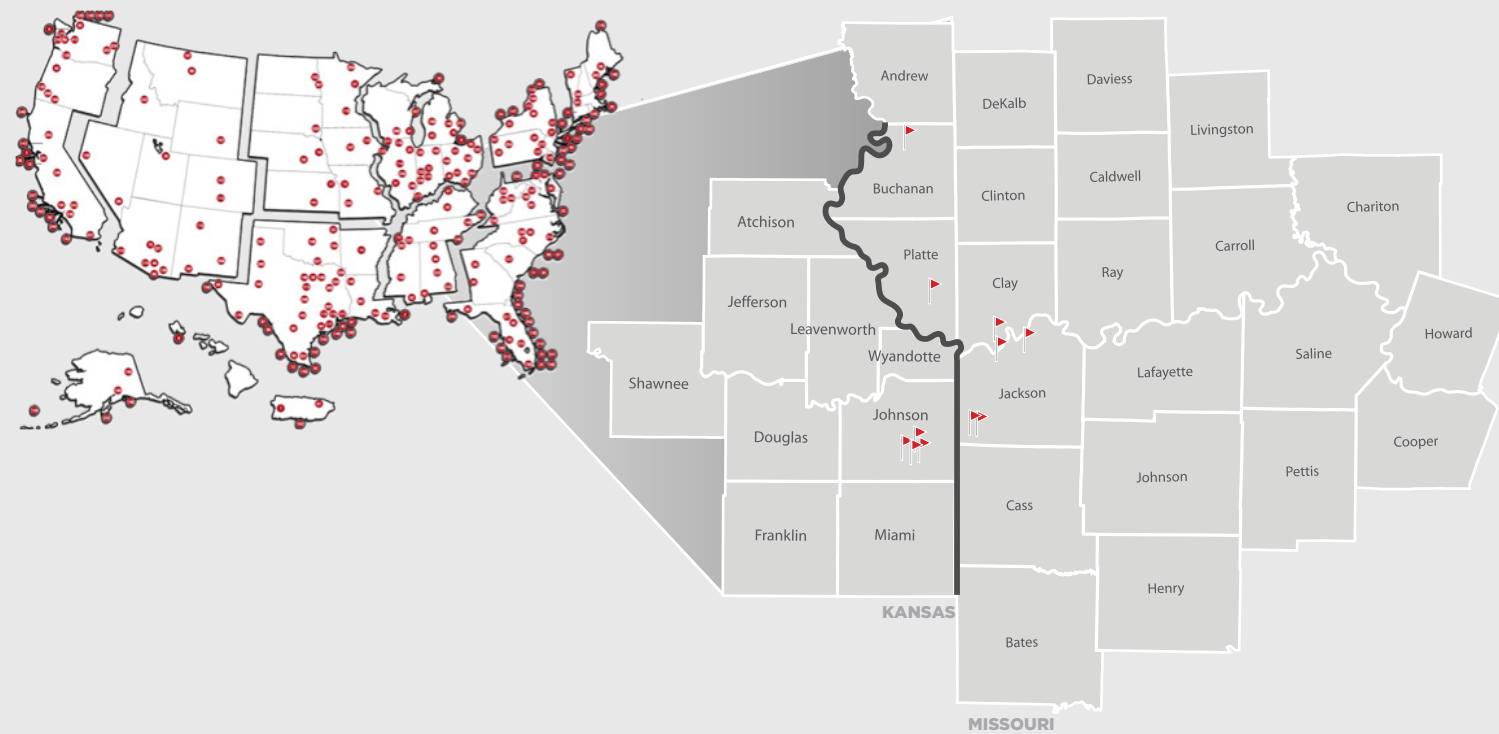
## GREATER KANSAS CITY FOREIGN TRADE ZONE (GKCFTZ)

GKCFTZ is a regional grantee of the national FTZ program. GKCFTZ has been the grantee since 1974 and was the first non-profit organization to be designated a grantee. GKCFTZ sponsors both Foreign-Trade Zone No. 15 in Kansas City, Missouri and Zone No. 17 in Kansas City, Kansas. Zone 15 serves FTZ needs in 22 contiguous counties in the western half Missouri. Zone 17 presently serves 9 counties in metropolitan Kansas City, KS.

### BENEFITS TO COMPANIES AND COMMUNITIES

- Effective tools to increase the global competitiveness of U.S.-based operations and promote exports.
- Provide savings for U.S.-based firms through duty deferral and reduction, encouraging U.S. investment and employment that could otherwise be conducted outside the U.S.
- Help attract investment in American communities.
- Source component products at competitive prices while keeping important value-added activities in the U.S.
- Improve Customs & Border Protection compliance, leading to a more secure supply chain and improved transit time.
- No limit on the length of time merchandise can be in the FTZ helps companies prepare for unexpected supply chain issues.

### U.S. FOREIGN TRADE ZONES



**1934**

Congress passes the U.S. Foreign-Trade Zones Act of 1934 to help "expedite and encourage foreign commerce."

**1972**

The National Association of Foreign-Trade Zones (NAFTZ) is established.

**1984**

Zone merchandise is exempted from state and local ad valorem inventory taxes.

**1996**

The FTZ Act is amended to allow duty deferral for production equipment installed in a zone.

**2012**

FTZ Board publishes revised 15 CFR Part 400 regulations significantly streamlining the regulation of the program.

Congress amends the FTZ Act to permit manufacturing in zones.

**1950**

U.S. Customs & Border Protection (CBP) issues a formal ruling that FTZ users would pay duty on the value of the foreign non-duty-paid content only

**1980**

The FTZ Act is amended to allow petroleum production in zones.

**1988**

The Trade and Development Act extend the use of Weekly Entry procedures for all manufacturing and distribution in Foreign-Trade Zones.

**2000**

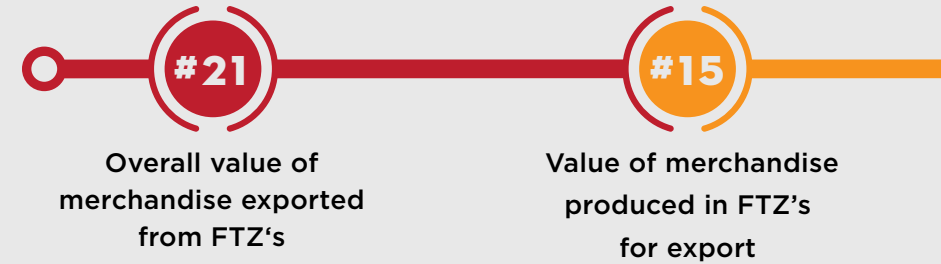
President signs the Trade Facilitation and Trade Enforcement Act of 2015 into law.

**2016**

## GREATER KANSAS CITY FOREIGN TRADE ZONE 2018 METRICS

GKCFTZ Zones produce greatest economic value of all Zones in KS and MO ranking both states in top 25 States for Zone Activity for past several years

### GKCFTZ 2018 NATIONAL RANKINGS:



\*Both Rankings are related to KCMO and Zone 15

### GKCFTZ OPERATIONS:

- **\$2.7 billion** in value of merchandise received: **137% increase over 2017**
- **\$2.3 billion** in value of merchandise forwarded: **8% increase over 2017**
- **\$576 million** in goods exported: **20% increase over 2017**
- **\$1.76 billion** Total of goods entered to U.S. Commerce: **4% increase over 2017**

### 2018 STATE SUMMARIES

<b>KANSAS 2018 SUMMARY</b>	<b>GKCFTZ - ZONE 17</b>	<b>OTHER KANSAS FTZS</b>	<b>2018 TOTAL FOR KS</b>
Merchandise Received	\$500-750 MIL	\$50-75 MIL	\$750-1,000 MIL
Exports	\$10-25 MIL	\$0	\$10-25 MIL
Total Shipments	\$500-750 MIL	\$50-75 MIL	\$750-1,000 MIL
Employees	251-500	1-25	251-500

<b>MISSOURI 2018 SUMMARY</b>	<b>GKCFTZ - ZONE 15</b>	<b>OTHER MO FTZS</b>	<b>2018 TOTAL FOR MO</b>
Merchandise Received	\$1,000-5,000 MIL	\$500-1,000 MIL	\$1,000-5,000 MIL
Exports	\$500-750 MIL	\$0	\$500-750 MIL
Prod. Activity Total Shipments	\$700-1,250 MIL	\$0	\$700-1,250 MIL
Total Shipments	\$1,000-5,000 MIL	\$250-500 MIL	\$1,000-5,000 MIL
Employees	2,001-2,500	500-1,000	2,501-3,000