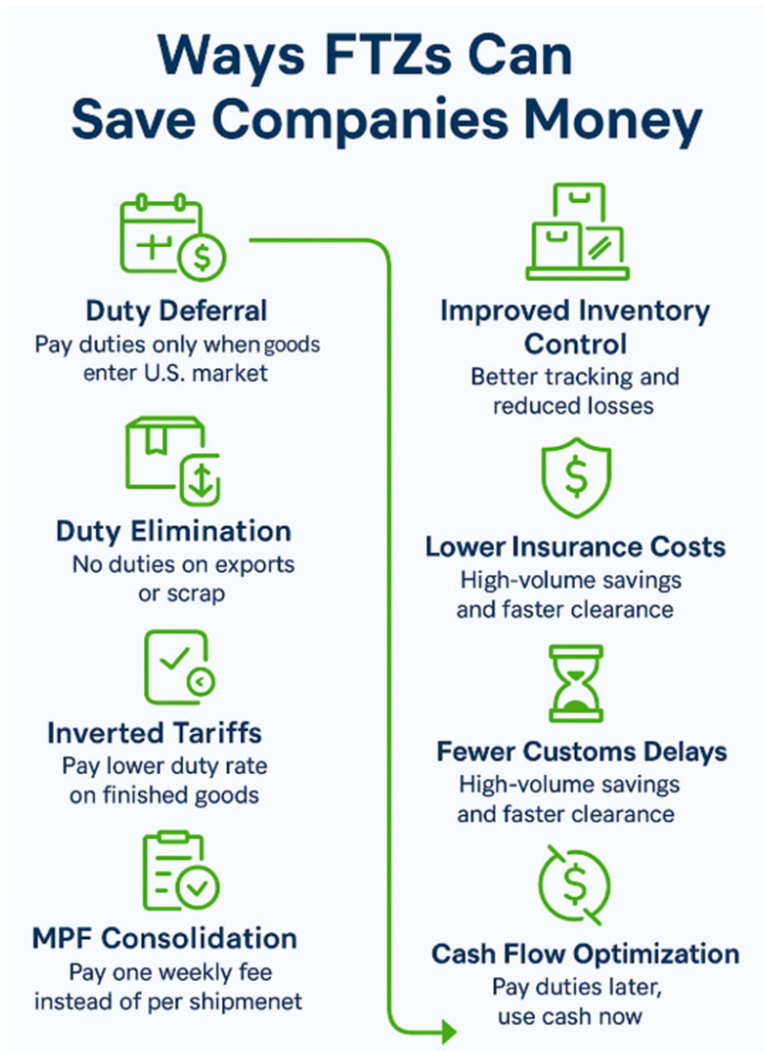


Save Money and Speed Up Shipping with Florida Foreign Trade Zones

With all the uncertainty, risk, and concern about tariffs and inflation, supply chain professionals are looking for ways to reduce costs, improve performance, and ensure that their companies have a competitive edge. Many businesses in Florida have discovered Foreign Trade Zones (FTZs) and have been leveraging them to their advantage.

Use Florida's Foreign Trade Zones to speed up customs clearance, improve cash flow, gain competitive pricing worldwide, and decrease duties, thanks to inverted tariffs. You may not realize that [Florida Has the 2nd Largest Foreign Trade Zone \(FTZ\) Network in the United States \(in terms of acreage\) and is in the Top 3 States for FTZ Activity.](#)



With all the talk of tariffs, let's look at how companies can leverage Florida Foreign Trade Zones to mitigate these costs:

Companies can experience significant cost savings and incentives including:

- Duty deferral or elimination
- Inverted tariff relief: companies may pay lower duty rates on finished goods than on components
- Simplified customs procedures
- Improved inventory control
- Better trade compliance
- Logistical and compliance advantages

What is a Foreign Trade Zone (FTZ)?

Think of a Foreign Trade Zone as a giant waiting room in a warehouse, waiting for imports. Goods remain in an FTZ in duty-free status until the company decides what to do with them. Companies only "pay the entry fee" (duties and tariffs) when the goods officially enter the U.S. commercial market.

Businesses operating within an FTZ can manufacture, handle, store, or re-export goods without having to immediately pay the U.S. customs duties. In this case, duties are paid only when the goods leave the FTZ and enter U.S. commerce.

Foreign Trade Zones can provide value for any company, not just for global corporations. FTZs can be helpful for any company that imports parts or materials; manufactures or assembles products; and/or stores goods before distributing the products worldwide. FTZs can help companies save hundreds to thousands of dollars in duties each year, keeping cash flow healthy. This can enable companies to compete globally. It can also decrease paperwork as well as expedite customs clearance.



Here is a simple example to show you how Foreign Trade Zones work.

Sunshine Semiconductors of Florida manufactures semiconductors and sells their products all over the world.

Like many companies, Sunshine Semiconductors of Florida buys parts and components from Asia to make their finished products:

- Specialized components from Japan
- Packaging from Vietnam
- Circuit boards from Taiwan

If Sunshine Semiconductors imports these goods directly into the United States, the company would be required to pay customs duties and tariffs **immediately** on every component before they sell any devices.

Doing so ties up their cash and makes their products more expensive.

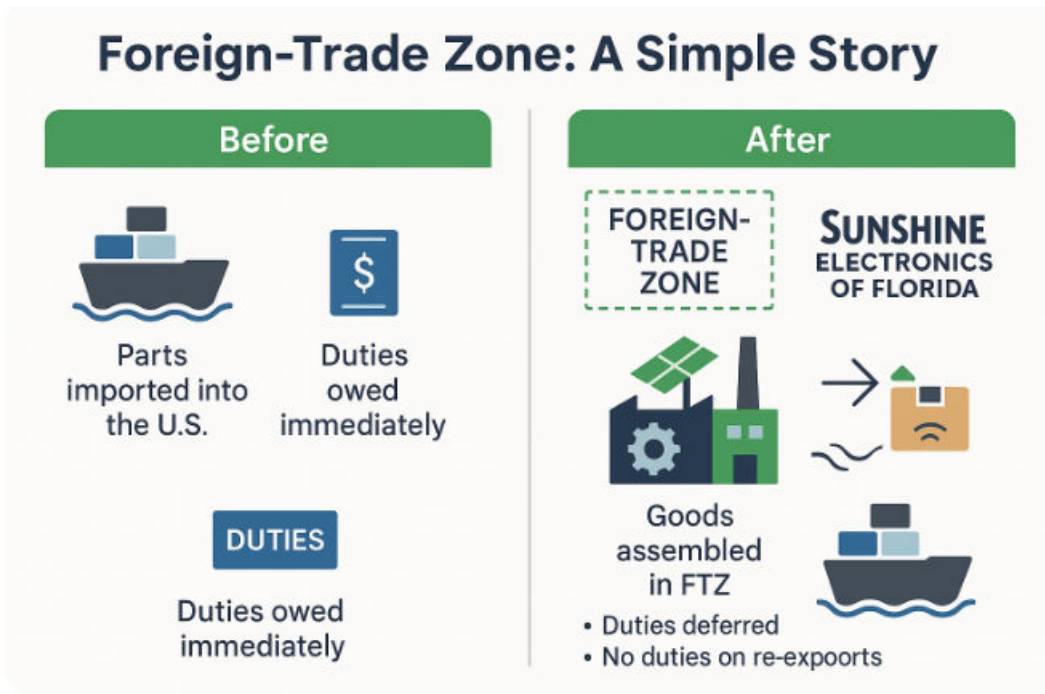
Here's How Foreign Trade Zones (FTZ) Can Free Up Cash and Reduce Costs

Sunshine Semiconductors of Florida establishes operations inside a Foreign Trade Zone.

Now all the parts and components they need from Asia can arrive duty-free inside the FTZ. At their operation inside the FTZ, Sunshine Semiconductors of Florida then assembles the devices, handles the packaging, and stores their inventory in their warehouse in the FTZ, all without paying U.S. duties.

Sunshine Semiconductors of Florida now handles the matter of paying duties based on where they are selling their products.

Foreign-Trade Zone: A Simple Story



When selling their products inside the United States, duties are paid only when the finished devices leave the Foreign Trade Zone and enter the U.S. market.

Sunshine Semiconductors of Florida then benefits from an “inverted tariff”, meaning that the duty rate on finished goods is lower than the duty on individual parts. This means that the company will pay less overall tax.

When selling their goods outside the United States, Sunshine Semiconductors of Florida can also reap significant benefits.

Sunshine Semiconductors of Florida ships thousands of products to Canada, South America, and Europe so the goods never enter U.S. commerce. Because of this, no U.S. duties are owed.

This generates major savings on duties and enables faster global delivery of the products to customers.

Now Let's Look at Duties and Tariffs...



What are Duties?

Duties are a tax that is charged when goods are imported into or exported from a country. The amount of tax is based on the type, value, or quality of goods. Duties are set based on customs classification, as well as the product value and origin.

Duties are general taxes on imports/exports, are permanent and are focused on revenue generation.

Duties are everyday import taxes that are always applied.

Here is an example: if your company imports \$10,000 worth of semiconductor goods into the United States and the duty rate is 5%, the company pays \$500.

DUTIES vs. TARIFFS	
	
DUTY	TARIFF
<ul style="list-style-type: none">• A tax on imports• Calculated based on the type and value of product• Always applied	<ul style="list-style-type: none">• A tax on imports• Added to protect domestic industry or as a trade barrier• Imposed selectively

What are Tariffs?

Tariffs are a tax that is specifically imposed on imports and sometimes on exports. This is a policy tool of governments that is used to protect domestic industries, control trade, make foreign goods more expensive, or retaliate against other countries. Tariffs are established either as a flat rate or on a percentage basis on specific imports to protect industries or influence trade balance.

Tariffs are often temporary and are specific trade policy driven taxes.

Tariffs are extra taxes that are applied when the government decides to influence trade. Tariffs are charged on top of duties.

Here is an example: If the United States imposes a 25% tariff on semiconductors from a specific country, companies that import semiconductors from that country must pay an extra 25% (tax) on top of the regular duties.

For this specific example of the company importing \$10,000 worth of semiconductors:

Duty 5%=\$500

Tariffs 25%=\$2,500

Total duties and tariffs: \$3,000

Why Florida Foreign Trade Zones (FTZs) Are So Popular

Florida has an enviable strategic global location with proximity to the Panama Canal. The gateway to the Caribbean and Latin America, Florida is an ideal hub for companies that target Pan-American trade. Florida has 20 FTZs, most in transportation corridors, near ports, airports, rail, etc.

With 15 deepwater seaports, 20+ commercial airports and a robust infrastructure with rapid intermodal connectivity to global markets, Florida has the infrastructure and continued investment companies need for global trade.

Major Florida ports with FTZs include PortMiami, JAXPORT, Port Everglades, and Port Tampa Bay. In addition, major Florida airports including Miami International, Orlando International, and Tampa International as well as others are FTZ-activated for handling high value goods such as pharma, electronics, aerospace components, and perishables.

Florida's Foreign Trade Zones support numerous industries and provide a cost-efficient hub to handle kitting and assembly as well as manufacturing and packing for the following and other industries including:

- Automotive
- Aerospace
- Food and Beverages
- Electronics
- Life Sciences
- Technology
- Energy and Renewables

Many FTZs in Florida now use the Alternative Site Framework (ASF) model. This enables rapid activation of new FTZ zones within a radius of 60 miles so that companies can activate their own warehouse or distribution center as a zone without relocating.

Florida FTZs are integrated with the state's logistics strategy. The Florida Department of Transportation includes FTZs in its infrastructure, port, and freight mobility plans.

Florida FTZs provide a resilient platform for regional distribution and value-added production, aligned with nearshoring trends.



**Join us at the 2025 Florida Supply Chain Summit September 29th
– October 1st at the HYATT Regency Downtown Jacksonville**

Gain valuable insight into Florida's world class logistics infrastructure and capabilities

Meet C-level executives from Florida ports, intermodal, ocean carriers, terminal operators, and more

Network with a full range of supply chain logistics industry professionals and government officials from across the spectrum

[Take a Look at our Program](#)

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