

FOREIGN TRADE ZONES

For the Premium Cigar Industry

An un-tapped competitive advantage for manufacturers, importers and distributors of premium cigars and tobacco in the U.S.



Learn more during IPCPR Las Vegas

Many will agree that taxation and regulation of premium cigars are the two biggest challenges facing the industry. One way to counter that is to reduce your operational costs, improve cash flow and buildup inventory ensuring your product gets to market when you need it. This is where Foreign Trade Zones come into play.

U.S. Foreign Trade Zones allow companies to manufacture, buildup inventory, store, QC/test, package, and improve your supply chain without having to pay duty or tax, including the SCHIP tax, on your imported cigars, tobacco and supplies until the product enters U.S. commerce. If the product is exported from the U.S. (to Canada, Europe, Asia, etc.), you never pay the duty on that product. This may benefit companies looking to establish global distribution centers in the U.S.

Unlike bonded warehouses, an FTZ offers flexibility, financial savings, and logistical advantages not available through any other international trade program offered by the U.S. government. The FTZ Program can benefit any company involved in international trade. But for those companies with the right combination of activity and volume, the FTZ program may provide significant financial and logistical advantages. Completing a cost-benefit analysis will identify the level of savings and logistical benefits the program can offer your company.

The IPCPR show in Las Vegas presents an opportunity to learn more. Read on.

An FTZ allows you to:

- Import cigars & tobacco without paying duty up front, including the SCHIP tax
- Buildup inventory in the U.S. without paying duty or tax
- Manufacture, QC, package/ repackage, or destroy product
- Clear shipments at your FTZ warehouse, not the port of entry
- Improve your supply chain

Consider using an FTZ if you:

- Manufacture or distribute premium cigars in the U.S.
- Import more than 15 containers per year
- Export imported cigars/tobacco



The **Foreign Trade Zone Program** was created by the United States government in the 1930's to facilitate international trade, increase the global competitiveness of U.S.-based companies and stimulate domestic economic development. The program continues to thrive and change to better meet the needs of American companies in the global economy. This purpose is as timely today as it was when the program was created.

Foreign Trade Zones exist in every state in the country and allow companies, large and small, to defer the high cost of duty and taxes assessed on premium cigars and tobacco and any other imported product. The program also provides logistical benefits reducing costs and improve your company's supply chain. Budweiser, Ford, Kraft, GE and many others currently use FTZ's.

FTZ vs Bonded Warehouse

Unlike bonded warehouses, an FTZ offers flexibility, financial savings, and logistical advantages not available through any other international trade program offered by the U.S. government.

A bonded warehouse must operate under very strict, sometimes inflexible guidelines. Bonded warehouse operators are also subject to a high degree of scrutiny and frequent inspections by U.S. Customs.

To see a side-by-side comparison of both programs, you can visit our website and download our [FTZ vs Bonded Warehouse comparison](#) by clicking on the link above or visiting our website www.epicuregroup.com

Completing an FTZ cost-benefit analysis on your operation is the first step in identifying possible program benefits and savings.

EGI Global Trade Solutions is

based in Las Vegas which presents a unique opportunity for one-on-one meetings while you are attending the IPCPR Trade Show in July.

CEO's, CFO's, COO's, and operations managers typically benefit most from these detailed conversations and would be familiar with key information necessary for an initial assessment.

If you would like to learn more on how the Foreign Trade Zone Program may benefit your company, please call us to setup an appointment.

Please contact Ramón Torres at 702-303-8984 or via email at ramon@epicuregroup.com

EGI has been a proud member of the IPCPR since 2004 which gives us a unique perspective on the premium cigar and tobacco industry.



International Trade Customs Compliance
Foreign Trade Zones Logistical Solutions

EGI GLOBAL TRADE SOLUTIONS provides highly specialized international trade services including U.S. Customs Brokerage, Supply Chain Solutions, Regulatory Compliance and Foreign Trade Zone consulting. We work with companies and government agencies throughout the U.S. and abroad.

Our team delivers decades of combined real world experience in international trade and customs compliance. With offices in the Americas and Asia, EGI is strategically positioned at the centers of international trade and travel retail.

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