# Simplified Duty Savings Estimator for Foreign-Trade Zone Manufacturing

**PURPOSE:** This automated worksheet is designed to help small- to medium-sized U.S. manufacturers perform a basic assessment of duty savings available through use of foreign-trade zone (FTZ) procedures.

**INSTRUCTIONS:** Enter information for a finished product and up to ten imported inputs. The worksheet will automatically calculate a basic estimate of the resulting potential FTZ savings (including breaking out the savings into four categories: 1) export-related; 2) duty deferral; 3) inverted tariff ; and 4) scrap/waste).

**NOTE:** Additional information about a number of elements of the worksheet can be reviewed by clicking on the yellow question mark icon ( (?) ) associated with a particular element.

<div style="border: 1px solid red;">

**DISCLAIMER:** The calculations in this worksheet only cover categories of potential FTZ savings that relate directly to import duties. These calculations do <u>not</u> include other categories of potential savings, such as logistical benefits, which can also yield substantial FTZ-related savings for many companies -- you should ask your local zone grantee about those other categories of potential savings. Finally, overall evaluation of potential participation in the FTZ program should also include an analysis of the likely costs (*e.g.*, personnel, software, zone fees) that would be involved.

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➤ **FINISHED-PRODUCT INFORMATION**

Finished product name: _____    Finished product's current duty rate: _____ %

Percentage of production of this product exported to NAFTA countries (Canada & Mexico): _____ %

Percentage of production of this product exported to non-NAFTA countries: _____ %

Interest rate – enter your approximate interest rate for current borrowings: _____ % (?)

➤ **INPUT INFORMATION**

**INPUT # 1**

| Input name | Input's current duty rate (%) | Scrap/waste percentage (%) | Input's days in inventory | Annual value of this input used in producing the finished product |
|---|---|---|---|---|
| | % | % | | |

**INPUT # 2**

| Input name | Input's current duty rate (%) | Scrap/waste percentage (%) | Input's days in inventory | Annual value of this input used in producing the finished product |
|---|---|---|---|---|
| | % | % | | |

**INPUT # 3**

| Input name | Input's current duty rate (%) | Scrap/waste percentage (%) | Input's days in inventory | Annual value of this input used in producing the finished product |
|---|---|---|---|---|
| | % | % | | |

**INPUT # 4**

| Input name | Input's current duty rate (%) | Scrap/waste percentage (%) | Input's days in inventory | Annual value of this input used in producing the finished product |
|---|---|---|---|---|
| | % | % | | |

**INPUT # 5**

| Input name | Input's current duty rate (%) | Scrap/waste percentage (%) | Input's days in inventory | Annual value of this input used in producing the finished product |
|---|---|---|---|---|
| | % | % | | |

**INPUT # 6**

| Input name | Input's current duty rate (%) | Scrap/waste percentage (%) | Input's days in inventory | Annual value of this input used in producing the finished product |
|---|---|---|---|---|
| | % | % | | |

**INPUT # 7**

| Input name | Input's current duty rate (%) | Scrap/waste percentage (%) | Input's days in inventory | Annual value of this input used in producing the finished product |
|---|---|---|---|---|
| | % | % | | |

**INPUT # 8**

| Input name | Input's current duty rate (%) | Scrap/waste percentage (%) | Input's days in inventory | Annual value of this input used in producing the finished product |
|---|---|---|---|---|
| | % | % | | |

**INPUT # 9**

| Input name | Input's current duty rate (%) | Scrap/waste percentage (%) | Input's days in inventory | Annual value of this input used in producing the finished product |
|---|---|---|---|---|
| | % | % | | |

**INPUT # 10**

| Input name | Input's current duty rate (%) | Scrap/waste percentage (%) | Input's days in inventory | Annual value of this input used in producing the finished product |
|---|---|---|---|---|
| | % | % | | |

➤　**ESTIMATED FTZ SAVINGS**

Based on the information you enter, the built-in formulas in the worksheet automatically calculate the following estimate of total annual FTZ-related savings and break-out by savings category:

**TOTAL =** _____

? EXPORT-RELATED = _____          ? DUTY DEFERRAL = _____

? INVERTED TARIFF = _____          ? SCRAP/WASTE = _____