

San José Foreign Trade Zone 18 and Sister Cities Program

**Community and Economic Development Committee
Item (d)3.
June 24, 2024**

Joseph Hedges, Office of Economic Development and Cultural Affairs

City of San José – Foreign Trade Zone 18 Grantee

- The Foreign Trade Zone is a federal program passed into law by Congress in 1934 to foster U.S. commerce and trade
- City applied and received federal approval in 1974 for the San José Foreign Trade Zone, the 18th Foreign Trade Zone established in the U.S.
- City administers the Foreign Trade Zone as a public benefit for San José and the region to facilitate economic growth, support jobs, manufacturing and trade

Foreign Trade Zone

- A site in the U.S., through federal designation, considered to be outside of a U.S. Customs area.
- Foreign merchandise is admitted into a Foreign Trade Zone duty free – duties are paid only if the merchandise enters into U.S. Customs area.
- A company is able to delay, reduce or eliminate federal duties on foreign merchandise that is admitted into a Foreign Trade Zone.



Foreign Trade Zone 18 Service Area

San José and all cities and towns in Santa Clara County

Santa Cruz

Scotts Valley

Fremont

Hayward

Newark

Union City

Companies Operating Under Foreign Trade Zone 18



Bloomenergy®



TESLA



Epoch

Foreign Trade Zone Benefits

- Financial savings and operational benefits help to maintain and grow business operations in the U.S.
- Supports employment in the U.S., the manufacturing sector, U.S. exports and investment in the U.S.
- Enhances the global competitiveness of companies operating in the U.S. and protects companies in times of trade uncertainty.

2023 Foreign Trade Zone 18 Activity

Nearly \$25 billion in merchandise received

\$6.2 billion in exports from the Foreign Trade Zone

30,000-plus Employed in the Foreign Trade Zone

Source: Reports submitted by FTZ 18 operators



San José Sister Cities Program

- San José is a charter member of the national Sister Cities network and established one of the nation's first Sister City affiliations.
- A Sister City affiliation is a permanent official city-to-city relationship between a U.S. city and an international city.
- Encourages international citizen diplomacy, collaboration and exchanges in education, the arts, economic development, sport, civic affairs and other community programs.

San Jose's Sister Cities

Okayama, Japan (1957)*

San José, Costa Rica (1961)

Veracruz, Mexico (1975)

Tainan, Taiwan (1977)*

Dublin, Ireland (1986)*

Ekaterinburg, Russia (1992)

Pune, India (1992)*

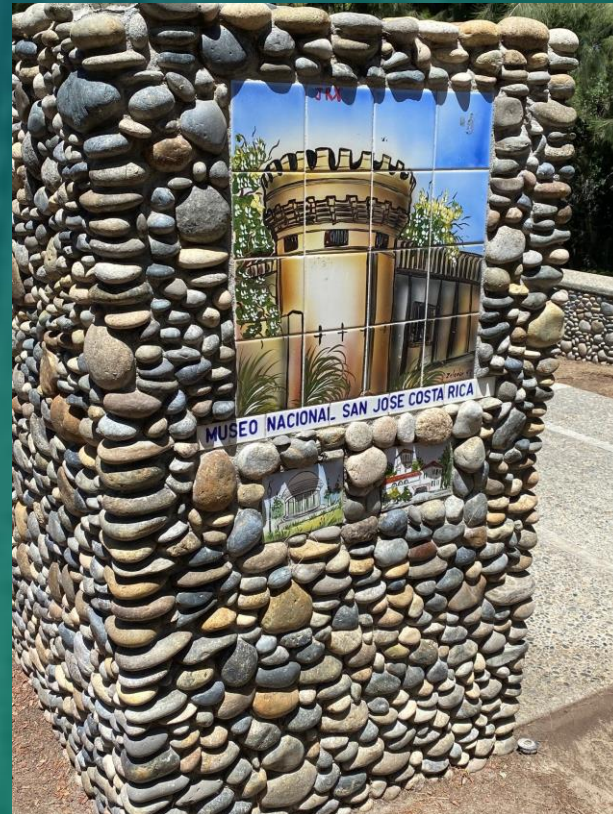
Guadalajara, Mexico (2014)*

*Sister City Program with active community organization

Sister Cities in San José – Dublin Delegation



Sister Cities in San José



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