

San José Foreign Trade Zone 18 and Sister Cities Program

Community and Economic Development Committee
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Item d(2)

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City of San José – Grantee of Foreign Trade Zone 18

The Foreign Trade Zone is a federal program created by Congress in 1934 to foster U.S. commerce and trade

City applied and received federal approval in 1974 for San José Foreign Trade Zone 18

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. that is outside of a U.S. Customs area – the site is considered to be in international commerce.

Foreign merchandise is admitted into a Foreign Trade Zone duty free – duties are paid at the time of entry into the U.S. Customs area.

A company is able to delay, reduce or eliminate duties on foreign merchandise that is admitted into a Foreign Trade Zone.

San José 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

San José Foreign Trade Zone 18 was reorganized in 2012 with a federal designation which streamlined the application and federal review and resulted in significant growth of the Foreign Trade Zone



Foreign Trade Zone Subzones Operating Under the City's Foreign Trade Zone

Maxar Space LLC

Epoch International Enterprises, Inc.

Lam Research Corp.

Innovusion , Inc.

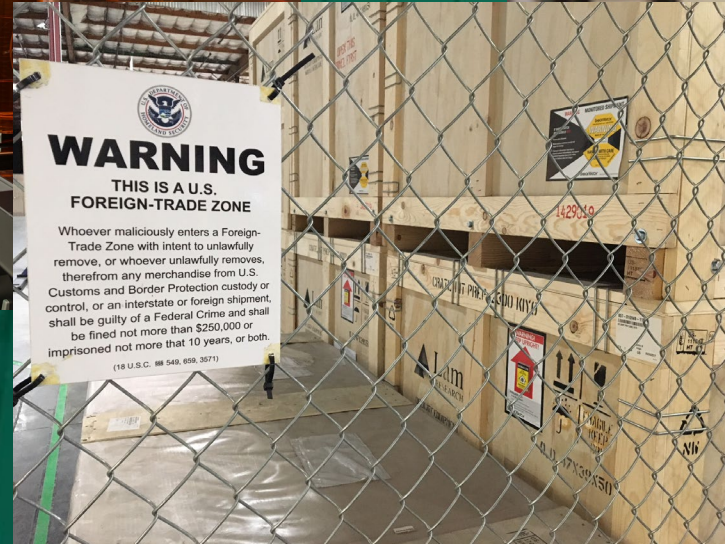
Tesla, Inc.

RK Logistics Group

Bloom Energy Corp.

Enovix Corp.

Roambee Corp.



SAN JOSE

CITY OF
SAN JOSE
CAPITAL OF SILICON VALLEY

San José Foreign Trade Zone 18

\$10 - \$25 billion in merchandise received

\$5 - \$10 billion in exports from the Foreign Trade Zone

25,000 – 26,000 Employed in the Foreign Trade Zone

Source: 82nd Annual Report of the Foreign Trade Zones Board to the U.S. Congress

Foreign Trade Zone Benefits

Financial savings and operational benefits help to maintain business operations in the U.S. that might otherwise shift to an overseas location
A stimulus for attracting foreign investment

Supports employment in the U.S., the manufacturing sector and U.S. exports

Enhances the global competitiveness of companies operating in the U.S.

Sister Cities Program

San José is a charter member of the national Sister Cities program, since the establishment of the program in 1956 by President Dwight Eisenhower

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 José's Sister Cities

Okayama, Japan (1957)*

San José, Costa Rica (1961)

Veracruz, Mexico (1975)

Tainan, Taiwan (1977)*

Dublin, Ireland (1986)*

Pune, India (1992)*

Ekaterinburg, Russia (1992)

Guadalajara, Mexico (2014)*

*Denotes Sister City Program with active community organization



Discussion / Q&A

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