

***Georgia Foreign-Trade Zone  
2019 Annual Report***



**GEORGIA**  
FOREIGN-TRADE ZONE



February 3, 2020

Dear Friends:

For more than 40 years, Georgia Foreign-Trade Zone has worked to grow our economy and secure local jobs with global businesses through the federal Foreign-Trade Zone program. And in that same time, Georgia businesses and political leaders have worked to make Atlanta and the entire state of Georgia a leading destination for global businesses. They've been incredibly successful. Our economy has diversified and strengthened, Hartsfield Jackson became the busiest airport in the world, and Savannah became one of the most critical ports in the United States.

But never has trade – which is so heavily intertwined with Georgia's economy – been so closely scrutinized or more widely misunderstood.

Georgia Foreign-Trade Zone has embraced this moment as an opportunity to have a healthy discussion about trade and trade policy, including the role of the Foreign-Trade Zone program and its benefits for companies both large and small. Accordingly, the service area under our jurisdiction has never had more Operators, more economic activity or a greater impact on our economy.

We are particularly proud to have surpassed 10,000 men and women employed in our zone and to have welcomed four new Operators in 2019: Southwire Company, Carter's Inc., CEVA Logistics and Patterson Pump Company.

Our leadership regularly engages state and federal policymakers, foreign leaders and leading businessmen and women from around the world in the hopes of further realizing our mission: to support the creation and retention of jobs in Georgia by promoting and facilitating the use of the Foreign-Trade Zone program.

It is an honor to have the confidence of so many businesses in our community. Your interest and participation in the program are the keys to its success. And we will continue to work every day in 2020 and beyond to serve our Operators and the state by continuing to build Georgia's reputation as a premier destination for global business.

Yours in service,

Julie Brown, President & CEO

Joseph R. Bankoff, Chairman of the Board



## Year in Review

### U.S. Department of Commerce Taps Georgia Foreign-Trade Zone's Julie Brown To Discuss Foreign-Trade Zone Program At SelectUSA Investment Summit

Georgia Foreign-Trade Zone is a recognized leader in the national success of the program. With that comes unique and important opportunities to grow awareness and participation by companies that are considering opportunities to establish themselves in the U.S. market.

The U.S. Department of Commerce invited Georgia Foreign-Trade Zone's President and CEO Julie Brown to address decision makers from more than 60 countries at its premier annual event to promote business investment in the U.S., the SelectUSA Investment Summit.

Brown joined an esteemed panel of customs and trade experts in June thanks to her success in promoting the Foreign-Trade Zone program.

"People come to the SelectUSA Investment Summit to learn about policy, make connections and start business relationships. Helping to educate this audience about the foreign-trade zone program's features and how it increases efficiencies and reduces costs was a great opportunity. I'm always excited to talk with decision makers about the FTZ program because it's such an obvious way to strengthen a business that relies on a global supply chain," said Brown.

She was joined by Shane Williams, Director of Economic Development with the Port of Houston Authority, Geoffery Powell, Chairman of the National Customs Brokers and Forwarders Association and President of the C.H. Powell Company, and Ronald Oleynik, a partner at Holland & Knight LLP. Valerie Neuhart of the U.S. Department of Homeland Security served as the moderator.



### Trade, FTZ Experts Highlight Annual Operator Meeting



Trade attorney Lewis E. Leibowitz

Nearly 50 officials from current Georgia Foreign-Trade Zone Operators attended this year's annual Operator Meeting at the Georgia Tech Global Learning Center in November. The day-long gathering was headlined by nationally recognized trade attorney and former chairman of the National Association of Foreign-Trade Zones (NAFTZ) Lewis E. Leibowitz.

Leibowitz briefed Operators on tariffs, counter-tariffs, economic and security sanctions, Phase One of the U.S.-China trade agreement, the status of USMCA, the future of steel and aluminum tariffs and the political impacts that impeachment proceedings and the general election will have on trade policy and global trade in general.

Later, Operators heard from the immediate past president of NAFTZ Rebecca Williams, Officer Kenneth Metcalf of U.S. Customs and Border Protection as well as foreign-trade zone and advocacy experts who explained challenges and opportunities for zone Grantees and Operators going into 2020.

### Four New Operators Activate In FTZ #26

Georgia Foreign-Trade Zone celebrated four new activations in the last months of the year which helped to raise the number of Operators to record highs and expanded our footprint into areas of the state where no other Operators are at the present time.

The additions of Southwire Company, Carter's Inc., CEVA Logistics and Patterson Pump Company represent a tremendous amount of growth at a rapid-fire pace for the program and for Georgia Foreign-Trade Zone.

"This is really a validation of the program's value, the work of our Board of Directors to promote the program and the importance of political support at the local, state and federal levels," said CEO & President Julie Brown.

Already one of the leading Grantees in the United States prior to these activations in terms of number of persons employed by Operators, these new activations are likely to push Georgia Foreign Trade Zone into the top tier. More importantly, thousands of more jobs are now more secure and major businesses will improve their bottom line – making them more competitive and profitable.

### World Free Zones Organization Invites Georgia Foreign-Trade Zone's Julie Brown To Discuss Global Value Chains

At the 5<sup>th</sup> Annual World Free Zones Organization (WFZO) International Conference & Exhibition in Barcelona, Georgia Foreign-Trade Zone's President and CEO Julie Brown joined an esteemed panel in discussion about how free zones and U.S. Foreign-Trade Zone Grantees are adapting to provide solutions that bring products to market faster, more reliably and more efficiently.

Brown, as the lone U.S. representative, focused on the importance of same-day delivery and how U.S. foreign-trade zone Grantees can address inefficiencies in the global supply chain.

The organization was launched in May 2014 to support free zones in increasing its contributions to local, regional and international economies. It aims to develop strategic implementations for free zones around the world that help drive the evolution and progress of the industry. Brown is a founding member of the WFZO Board of Directors.



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During the event, she was joined by Henrik Kristensen of DP World Americas, Rachid Houari of Morocco's TangerMedPort and Srikanth Bradiga of India's Phoenix Group.

Participation also presented an opportunity to promote the U.S. Foreign-Trade Zone program in general and Georgia specifically as a potential outpost that understands how to best support

global businesses with a mix of state and local incentives, superior infrastructure, and robust federal benefits through the Foreign-Trade Zone program.

"The World Free Zone Association promotes better relationships between businesses and free zones while publishing detailed studies on their tax and trade advantages," said Brown. "It's an honor to be a representative of what the world sees as a model for advocacy and promotion with governments and the business community alike. It's also a great opportunity to remind industry leaders that Georgia is a global success story – and I'm confident that message is being received in board rooms around the world."

### Georgia Foreign-Trade Zone Convenes Political Leaders, Operators In Major Marketing Event With Japanese Business Community

Throughout the spring and early summer, Georgia Foreign-Trade Zone worked to develop a major event to share our pro-business, pro-jobs program with leaders in Georgia’s Japanese business community.

Georgia Foreign-Trade Zone leveraged its strong relationships with Democrats and Republicans from Capitol Hill, the Kemp Administration and Georgia state legislators to join with the Consulate-General of Japan for a groundbreaking new event. The event brought political and business leaders together at Atlanta’s Freight Depot to celebrate Japan’s investment in Georgia and the benefits Japanese companies are realizing through the foreign-trade zone program.



Geoff Duncan  
@GeoffDuncanGA

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Talking about our continued economic development with lots of great Georgians tonight. @Georgia\_FTZ #gapol



4:36 PM - 15 Aug 2019

Representatives from Kubota North America Corporation, Makita Corporation of America, Mizuno USA, Ricoh Electronics, Nisshinbo Automotive Manufacturing, Inc., and Yamaha Motor Manufacturing Company were invited to mix and mingle with more than two dozen officials from leading Japanese companies not already making use of the program. Representatives from state agencies, House and Senate Economic Development and Tourism Committees and the Board of Directors were also in attendance.

The evening was highlighted by remarks from Lieutenant Governor Geoff Duncan, Congressman Drew Ferguson and Consul-General Takashi Shinozuka.

“The Georgia-Japan trade relationship is one of the most important the state has and it is critical that every major Japanese company with a flag planted in the Peach State

is well-educated about the foreign-trade program’s benefits and of course, there are no better advocates for the program than the businesses already involved,” said Board Chairman Joseph Bankoff.

CEO and President Julie Brown added that “the combination of endorsements by top Japanese businesses and respected political leaders resonated with companies that heard about the program for the first time. It was eye opening and many left eager to learn more and get their companies involved.”

Besides the obvious opportunities to expand the program’s utilization, Georgia Foreign-Trade Zone was able to develop a new and important relationship with the Japan External Trade Organization (JETRO), which will help to promote the Foreign-Trade Zone program more consistently and clearly thanks to our closer ties.



## *In The News*

### **Georgia Foreign-Trade Zone Program Benefits Japanese Companies (and Thousands of Their Local Employees)**

**August 1, 2019** – Few bilateral economic relationships are as important to Georgia’s economy as its ties to Japan. Since the 1970s, the Peach State has repeatedly shown its friends in Tokyo that Georgia is a hub for investment and business opportunities.

Our pro-business policies, world-class transportation and highly educated and skilled workforce has led Japan to invest more than \$12 billion in the state through some 600 Japanese-affiliated companies that employ more than 35,000 Georgians. It has become, undoubtedly, a special relationship.

Next week, Lt. Gov. Geoff Duncan, Congressman Drew Ferguson and more than a dozen state legislators will join Japanese officials and business leaders to celebrate economic ties that are healthy, mutually beneficial and prosperous. This extraordinary evening will also help to draw attention to the U.S. Foreign-Trade Zone program which is used by some of the largest and most successful Japanese firms operating in the state.



Kubota Manufacturing of America Corp., Yamaha Motor Mfg. Corp. of America, Ricoh Electronics, Makita Corp. of America, Nisshinbo Automotive Manufacturing Inc. and Mizuno USA – all of which work with Georgia Foreign-Trade Zone (GFTZ) to access the benefits of the FTZ program – employ more than 6,000 people in the state.

GFTZ and state leaders want Japanese firms to thrive after they plant their flags in Georgia soil. By encouraging more global businesses to seize the benefits of the FTZ program, we are helping to secure the state’s economy against potential downturns by keeping America competitive. And, at the same time, Japanese officials are helping Japanese businesses secure a competitive edge that could save them millions of dollars annually.

The savings that businesses realize come through deferred, delayed or eliminated tariffs and fees, supply chain optimization through direct delivery and a hard cap on otherwise expensive merchandise processing fees normally paid on each bill of lading received. See more on the program in an earlier commentary

All told, more than \$10 billion in merchandise moves in and out of our zone every year, helping to make Georgia a hub for global trade and strengthening local economies with jobs and untold millions of dollars every year in business for local firms that support global operations.

As businesses start to realize savings from the FTZ program they are better able to make capital investments and spend on logistics. And as they grow, so too does public spending on rail, highway, port and utility infrastructure to support the movement of people and goods. Each of those projects are job creators, too.



## ***In The News***

When a business joins the FTZ program, it tells employees and local communities that it is acting responsibly by reducing its costs and doing everything possible to find a competitive edge. It is seemingly engrained in the business culture of Japanese firms to place a special emphasis on these two priorities, which is part of the reason so many Japanese businesses are thriving in our state.

Over the past 40 years, Georgia has become the undisputed center of Japanese industry in the Southeast. We look forward to celebrating this and supercharging our relationship by helping to make the Georgia-Japan relationship even stronger by supporting the operations and bottom lines of businesses across the state and in every plausible industry.

*Julie Brown is the President and CEO of Georgia Foreign-Trade Zone, which administers FTZ #26, a service area that covers parts of 60-plus counties within 60 miles or a 90 minute drive from Hartsfield-Jackson Atlanta International Airport.*

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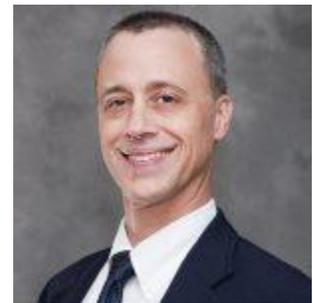
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## ***Fast Facts***

### **Georgia Foreign-Trade Zone Data Reported To U.S. Foreign-Trade Zone's Board**

As the Grantee for FTZ #26, Georgia Foreign-Trade Zone is required to file a report annually with the U.S. Foreign-Trade Zone's Board. The data collected and reported is compiled into a report for Congress and the Secretaries of the Treasury and Commerce.

The most recent data available covers the entirety of calendar year 2018. Updated data will be reported in March 2020.

#### ***Georgia Foreign-Trade Zone - FTZ #26***

- 69 companies using the foreign-trade zone program in the 60-county FTZ #26 service area
- More than 10,000 people employed at companies within FTZ #26 sites
- FTZ #26 sites received over \$9.3 billion in foreign and domestic merchandise (#14 nationally) and exported more than \$744 million in goods (#18 nationally)

#### ***State of Georgia (Georgia Foreign-Trade Zone, Savannah, Brunswick)***

- 92 companies using the foreign-trade zone program in Georgia
- More than 13,250 people employed at FTZ sites throughout Georgia
- Georgia's FTZs received over \$15 billion in foreign and domestic merchandise (#13 in the nation) and exported more than \$1 billion in goods (#8 in the nation)

#### ***Nationally***

- 3,300 companies are utilizing Foreign-Trade Zones across the country.
- More than 440,000 persons are employed in zones
- Combined, foreign-trade zone's received over \$793 billion (year-over-year increase of \$124 billion) in foreign and domestic merchandise and exported \$112 billion in goods (year-over-year increase of \$24 billion)