

Free Trade Zones create Untapped Opportunities for Business in Colorado

Denver (CO).- The implementation of a new Free Trade Zone (FTZ) in Colorado has created new, still untapped opportunities for businesses in some areas of metro Denver and in designated areas of the eastern plains, according to Joe Kiely, a longtime member and supporter of the Chamber of the Americas (COTA).

Kiely, Assistant Town Manager and Foreign Trade Zone Director at the Town of Limon, in eastern Colorado, was the keynote speaker at the recent The Americas Executive Forum Luncheon. He spoke about “Foreign Trade Zones: Bringing Global Business to Colorado.”

Kiely, with decades of experience in transportation and international trade, said there are 311 FTZs in the country, generating (as of 2014) almost \$800 billion in income for the local economies and helping to create more than 420,000 new jobs. However, the numbers in Colorado are significantly lower.

In Colorado, there are only three FTZs: one in Denver (active), one in Colorado Springs (inactive), and the one created by Kiely and his team a year ago. That zone, FTZ 293, includes all of Adams and Arapahoe counties and parts of Morgan, Elbert, and Lincoln counties.

According to Kiely, before FTZ 293, the other two FTZs helped to create less than 500 jobs, a number he described as “unacceptably small.”

Kiely explained that the main advantage of an FTZ is to defer custom duties (paid only when the merchandise enters the U.S. market), reduce custom duties (if the duty rate of a finished product is lower than the sum of its components rate), and even eliminate those duties ((if the merchandise is exported from the zone).

“The new FTZ will allow us to create primary Jobs in the communities in the area of service of the FTZ,” Kiely said, indicating that the main opportunities are in manufacturing, assembling, repackaging, relabeling, displaying, storing, testing, processing, and repairing.

He also explained that FTZ 293 is based in Limon because is already a member of the Ports-to-Plains Alliance, a trade and transportation alliance of 275 communities from Mazatlán, Mexico, to numerous cities in the United States, to cities in Canada.

The Town of Limon is already exploring the creation of two subzones within its limits, one next to the local airport and one on the south side of the city. In those two subzones or in similar places within FTZ 293 companies can open warehouses and then obtain the FTZ designation, a process that takes around three months, assuming the applicant fulfills all local, state, and federal regulations.

Other option is to create FTZ “magnet sites,” which is what Limon is doing. Regardless, Kiely said, the new FTZ offers “the opportunity of doing international business without leaving Colorado and of attracting international investors to Colorado.”

To facilitate that process, Kiely and his team have developed an FTZ Guidebook, available free of charge at www.townoflimon.com. In fact, he himself will help those business owners or companies interested in being part of FTZ 293, so they can learn how to navigate the process and they are prepared to meet local, state, and federal officials (usually Department of Commerce and U.S. Custom and Border Protection representatives.)

“FTZ 293 is a great opportunity for the future of Colorado. It is not only for Limon, but for everybody in Adams and Arapahoe counties and for those in the designated zones in Elbert, Lincoln, and Morgan counties,” Kiely said. According to the U.S. Census Bureau, that is an area with around 1.2 million residents.

“We are now part of the global economy,” he concluded.

For more information about FTZ 293, please visit www.townoflimon.com or call 719-775-2346.

For more information about COTA, please visit www.chamberoftheamericas.com or call 303-462-1275.

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