



UNITED NATIONS
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Country Presentation
United States of America

Item 7: Trade system

System of Trade

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Presentation Outline

- U.N. Recommendation
- U.S. Practices
- Warehouses and Zones
- Goods for/after Processing
- U.N. Recommendation

System of Trade

- Existing Recommendations:
 - That countries use General Trade System
 - That countries using Special Trade compile periodic statistics on goods for and after processing

System of Trade U.S. Practices

- Official Trade Statistics – General Trade
- “Imports for Consumption” available
 - Special Trade (relaxed definition)
 - Special Trade Exports not available

General Exports

- Includes all goods physically exiting the economic territory of the United States above reporting threshold
- Includes estimate of value of exports below threshold
- Re-exports separately identified in statistics

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General Imports

- Includes all goods physically entering the economic territory of the United States above the reporting threshold
 - Goods entered for immediate consumption
 - Admissions to bonded warehouses and foreign trade zones
 - Goods temporarily imported under bond
 - Goods entered to be processed into articles manufactured in the United States

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Imports for Consumption

- Includes all goods entering the commerce of the United States
 - Goods entered for immediate consumption
 - Withdrawals from bonded warehouses
 - Withdrawals from foreign trade zones
 - Temporary Importations under Bond

Imports for Consumption

- Vs. Relaxed definition of Special Trade
 - Includes goods entered for processing and return (temporary importation under bond)
 - Does not include admissions to industrial FTZs
 - Companies may not use Temporary Importation under Bond procedure if duty free

Warehouses and Zones

- Facilities in “Customs Custody”
 - Bonded Warehouses
 - 11 different types authorized
 - Include
 - Storage of imported merchandise
 - Manufacturing under bond
 - Cleaning, sorting, repackaging
 - Duty-free stores
 - Good free of duty until withdrawn for consumption
 - No duty if exported

Warehouses and Zones

- Facilities in “Customs Custody”
 - Foreign Trade Zones
 - Goods may be placed in FTZs without payment of duties or certain excise taxes
 - Duty not due until entered into United States or exported to certain countries (e.g. NAFTA countries)
 - Can claim lesser of duty on entered foreign components or duty on foreign value of finished good
 - No duty for exports to other countries

Activities in Zones

- Wide range of activities including:
 - Storage
 - Manufacturing
 - Oil refineries
 - Automotive manufacturing
 - Sales
 - Repackaging

Foreign Trade Zones

- Statistically, do not distinguish between commercial and industrial Foreign Trade Zones
- Admissions to zone are not included in Imports for Consumption

Exports After/For Processing

- Exports
 - Exports of goods after processing not separately identified
 - Exports of goods for processing and return
 - not separately identified
 - Automated Export System provides for identifier
 - Rarely used - < 1% export value

Goods To/From Processing

- Temporary imports for processing under bond
 - Recorded in both general imports and imports for consumption
- Warehouse and Foreign Trade Zone admissions
 - Recorded in general imports only

Goods To/From Processing

- Imports after Processing
 - Not separately identified
 - In past, could estimate using imports of goods incorporating U.S. components
 - Pay duty only on non-U.S. value
 - Not used as much now – if low/no duty- not cost effective

UN Recommendation

- Information needed to compile on General Trade basis
 - Warehouse admissions – filed using import entry form
 - Zone admissions – Separate form obtained from Customs
 - Temporary importations under bond – assign HS code (Chapter 98) – handled as any other entry

U.N. Recommendation

- General Trade imports more consistent with partner exports
- For U.S. – General Trade more complete
 - Don't distinguish between types of zones and warehouses
 - Captures value added by processing regardless of location
- Still find Special Trade valuable for some purposes