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HELP US ATTRACT  
FOREIGN INVESTMENT  
TO VANCOUVER  
ISLAND

## What's the point?

The Government of Canada has granted Foreign Trade Zone Point designation (FTZ-VI) to the Vancouver Island Economic Alliance (VIEA).

An FTZ Point is one of Canada's strategic locations for international trade where an organization with a mandate to promote local trade and foreign direct investment is uniquely supported by a single-point of access to information on relevant government policies and programs.

An FTZ Task Force with representatives from various government departments will be coordinated by FTZ-VI to problem solve and to facilitate easy access to a suite of programs that make up the FTZ advantage:

**Duty Relief Program** - Relieves the payment of duties on imported goods that will eventually be exported either in the same condition or after being consumed, expended or used in processing other goods. This can have significant cash flow benefits for Island manufacturers.

**Duty Drawback Program** - Refund of customs duties paid for imported goods that will eventually be exported or used in manufacturing and then exported. This benefits businesses that have already paid duties and wish a refund.

**Customs Bonded Warehouses** - Companies participating in the Customs Bonded Warehouse Program qualify for complete deferral of duty and taxes. When goods exit the warehouse, taxes are applicable. If goods are re-exported, there are no duties or taxes. The definition of a warehouse is quite broad. It can be part of your office building, a stand-alone facility, or even a hotel conference room, and can be located anywhere within the FTZ Point - e.g. anywhere on Vancouver Island!

**Export Distribution Centre Program** - Provides relief of cash flow cost incurred by export businesses that add limited value when processing or distributing goods such as relabeling, repackaging, assembling or disassembling, inspecting, cleaning, etc. This especially benefits companies, for instance, that are importing goods and/or acquiring goods in Canada without paying GST/HST as long as the goods are later exported.

**Exporter of processing Services Program** - Qualifies companies to import goods belonging to non-residents without paying GST/HST as long as these goods are imported for processing, distribution or storage and are subsequently exported.

FTZ Point designation is just the beginning of a pivotal time during which Vancouver Island will assume its role as a prominent component in Canada's Asia Pacific Gateway.

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## more points...



**FTZ-VI...** is unique amongst the eleven FTZ Points across Canada. It is the only broad regional designation and the only designation awarded to a non-government organization. FTZ-VI is also the only FTZ Point west of Quebec with direct access to ocean transport.

**Who...** FTZ-VI will serve import/export interests of Island businesses and transportation providers with all the advantages afforded FTZ Points by the Government of Canada.

**What...** FTZ Point designation enables aggressive marketing of the Island region to attract international trade activity and expansion of Vancouver Island production of goods for export. FTZ-VI will also be able to provide streamlined access to government programs to improve trade.

**Where...** FTZ-VI will serve all of Vancouver Island wherever opportunity exists to expand international trade and attracting foreign investment. These opportunities are likely to be concentrated wherever industrial land and transportation infrastructure is strong. The FTZ-VI office will be centrally located for easy access.

**When...** FTZ-VI will be up and running in late 2018. This initiative grew from VIEA's efforts to support advanced manufacturing and develop a comprehensive plan for intermodal transportation in 2014. The FTZ-VI application was submitted in June 2017.

**Why...** With significant inventory of under-utilized industrial land, transportation infrastructure to handle 10 times the current volume of goods, and a global reputation for our enviable lifestyle, Vancouver Island is poised to play a larger role as part of the Asia-Pacific Gateway. Easy access to tax and duty deferral programs will improve the scope of import/export opportunities on the Island and improve cash flow and competitiveness for companies importing and exporting.

**How...** With core funding from three levels of government along with substantial stakeholder partnerships with industry and transportation, FTZ-VI will function as the 'go to' resource to promote and facilitate international trade on Vancouver Island.

The Vancouver Island Economic Alliance is a non-government, registered non-profit society with a singular mandate to help ensure a vital and sustainable economy for all of Vancouver Island including the Gulf Islands.

FTZ-VI is the result of several years of work by the Economic Alliance to help raise the profile of Vancouver Island as a preferred location for producing goods for export and as a recognized destination for Foreign Direct Investment.

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