

Case Study

How a company used Foreign-Trade Zone 138 to eliminate all Customs duties and keep about 80 manufacturing jobs in the U.S.



Company:

International Converter

Industry:

Manufacturer

Business challenge

Located in the Appalachia region of Caldwell, Ohio, International Converter produces packaging materials using thin aluminum from China. Not currently made in the U.S., this commodity has a regular duty rate and anti-dumping/ countervailing duties of nearly 100 percent and is subject to further duties through recent presidential proclamations. These duties threatened to make the products unaffordable for customers and could lead to closure of the 50-year-old facility.

Results

- International Converter became activated within Foreign-Trade Zone 138.
- The company is now able to bring the thin aluminum into the FTZ without paying duties. The aluminum is then used in the creation of packaging products, which are exported out of the FTZ without formal Customs entry and free of any Customs duties.
- Efficiency gains thanks to weekly Customs entries instead of filing paperwork on each container.
- Able to pay a lower duty rate on foil purchased from countries other than China.
- Manufacturing continues in Caldwell, Ohio, where about 80 people are employed by the company.

The company

NOVOLEX's™ International Converter® brand is a leader in foil laminates, multi-web lamination and specialty barrier and sealant coatings for use in a wide range of high-barrier consumer and industrial applications. For over 50 years, International Converter has partnered with customers to develop new, innovative packaging products – improving how products are delivered to consumers. Some key markets served by International Converter are building products, heat transfer labels, food packaging, bakery trays and medical & HBA.

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