GKCFTZ FEATURED LOCATIONS

BAYER - ***1.5 million sq. ft. activated, manufacturing facility with 650 employees in Kansas City, MO***

- Kansas City is the largest manufacturing site for Bayer Crop Science in North America.
- Exports are at about 50% of total production.
- Having the FTZ and the recognized savings for exports, duty deferral and inverted tariffs allowed the plant to be chosen for additional production instead of a 3rd party or other Bayer production site in another country.

COLEMAN - ***1.85 million sq. ft. activated, distribution facility with 192 employees in Gardner, KS***

- Coleman chose to build in the KC metro area for better proximity to the rail & major highways.
- The primary benefit for Coleman has been MPF savings, reduced brokerage fees, and duty deferral/delay.
- Coleman utilized the FTZ Admission Classification regulations to lock in preferential rates on goods entered into the FTZ prior to new classification rulings with higher duty rates.

KUBOTA - ***765k sq. ft. activated, distribution facility with 150 employees in Edgerton, KS***

- Kubota Tractor Corporation established the North American Distribution Center in Edgerton, KS as an FTZ in an effort to streamline the import process, improve cash flow, reduce MPF fees, and import broker fees.
- Kubota is in the process of building two new 1 million sq.-ft. facilities in the Edgerton area.

KAWASAKI - ***867k sq. ft. activated, manufacturing facility with 1,128 employees (829 full-time and 299 contract) in Maryville, MO***

- The FTZ has been critical for Kawasaki to remain competitive with foreign companies.
- Activities performed include material handling, warehousing, manipulation, production and manufacturing.
- Kawasaki has expanded their original building 13 times since opening in 1989.

ISSUES FACING LOCAL IMPORTERS AND FTZ OPERATORS

TRADE-REMEDY TARIFFS MISAPPLIED - With recent section 201 and 301 trade actions, country-of-origin reporting requirements for entries from an FTZ have resulted in many instances in the improper assessment of trade-remedy duties on the value of all foreign inputs incorporated into products manufactured and substantially transformed in an FTZ, including those that are not products of a targeted nation or not included on the published list of targeted foreign products subject to the trade action.

UNFAIR NAFTA PROVISIONS - NAFTA imposed unfair and punitive restrictions on the ability of FTZ manufacturers to export products duty-free to Canada and Mexico and to use the rules of origin to compete equally with products imported under those rules into the U.S. from Canada and Mexico. These provisions may be repeated in "NAFTA 2.0" (USMCA) and need to be addressed in implementing legislation.

GOVERNMENT SHUTDOWN - FTZ operators were financially impacted by the government shutdown, and will be in future shutdowns forcing companies to make decisions that add significant costs to operations. For example, one local FTZ operator producing agricultural products and who routinely received Cargo Releases required by a U.S. Customs Partner Governmental Agency (PGA) was unable to get them during the shutdown because government activity to provide releases was considered a "non-essential function" that they were not able to staff. This was very costly; it created shipping delays and production interruptions for needed agricultural products.

RETALIATORY TARIFFS - Restricted access to foreign markets is directly impacting the agricultural industry in the Heartland region, as individuals and companies in the industry depend upon international trade and open markets to source products and sell their goods.

GREATER KANSAS CITY FOREIGN TRADE ZONE

GREATER KANSAS CITY FOREIGN TRADE ZONE, INC.

The intent of the FTZ program is to stimulate economic growth in the United States. It's designed to promote American competitiveness domestically and overseas by reducing, deferring or eliminating duties on goods sourced overseas then brought into Zones for value-added work by US employees, and thereafter entered into the commerce of the US or exported. The program is an incentive to firms to maintain and expand their business in the US and entice foreign companies to establish U.S. operations.

KCFTZ
GREATER KANSAS CITY
FOREIGN TRADE ZONE

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GREATER KANSAS CITY FOREIGN TRADE ZONE (GKCFTZ)

GKCFTZ is a regional grantee of the national FTZ program. GKCFTZ has been the grantee since 1974 and was the first non-profit organization to be designated a grantee. GKCFTZ sponsors both Foreign-Trade Zone No. 15 in Kansas City, Missouri and Zone No. 17 in Kansas City, Kansas. Zone 15 serves FTZ needs in 22 contiguous counties in the western half Missouri. Zone 17 presently serves 9 counties in metropolitan Kansas City, KS.

QUICK FACTS:

- Over 2,800 full-time employees in GKCFTZ active sites
- 23 designated GKCFTZ sites, 8 currently active
- GKCFTZ Zones produce greatest economic value of all Zones in KS and MO ranking both states in top 25 States for Zone Activity for past several years

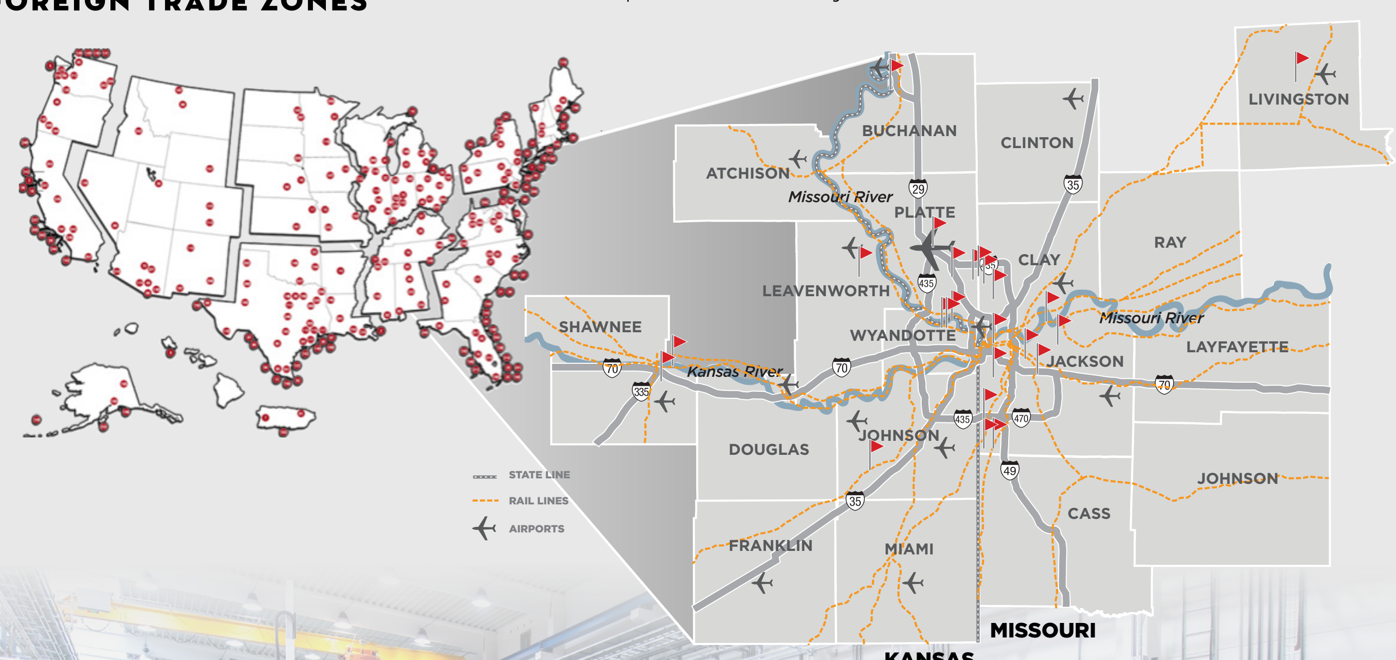
BENEFITS TO THE COMMUNITIES

- Stimulate employment
- Attract foreign direct investment
- Improve export competitiveness
- Source component products at competitive prices while keeping important value-added activities in the US

BENEFITS TO THE COMPANIES

- Import duties & Federal excise taxes are not paid until, and unless, the goods enter the commerce of the United States
- Opportunity for Inverted duty/transformation
- No limit on length of time merchandise can be in the FTZ
- Consolidation to one weekly customs entry
- Source component products at competitive prices
- Improved Customs & Border Protection compliance
- Lower security and insurance costs
- Shorter transit time using direct delivery
- Improved inventory control

U.S. FOREIGN TRADE ZONES



GREATER KANSAS CITY FOREIGN TRADE ZONE 2017 METRICS

GKCFTZ NATIONAL RANKINGS:

- **#21** Overall value of merchandise exported from FTZ's
- **#15** Value of merchandise produced in FTZ's for export
- **#22** Value of merchandise received in FTZ's for warehousing, entry and distribution

GKCFTZ OPERATIONS:

- **12% avg. annual growth** in value of merchandise received over last 6 years
- $2.16B in value of merchandise forwarded (2017). **3.3% increase over 2016**. 14.37% avg annual growth over last 16 years
- **$1.48B in valued added labor, overhead and profit:** a 7.5% increase over 2016
- **$1.7B total value of goods** entered: a 9.8% increase over 2016

STATE SUMMARIES

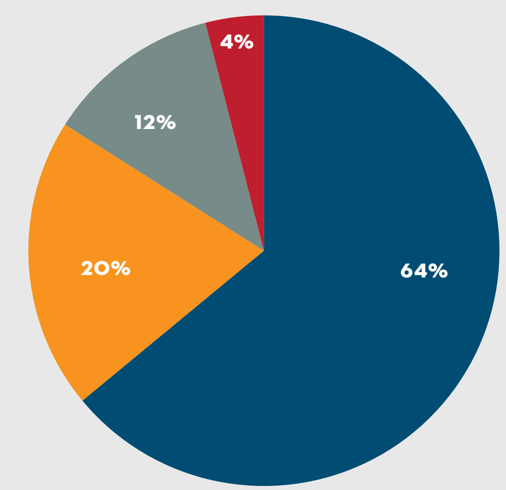
KANSAS 2017 SUMMARY

Merchandise Received: $500 – 750M

Exports: $1 – 5M

Total Shipments: $500 – 750M

Employees: 251 – 500



TOP FOREIGN-STATUS PRODUCTS BY VALUE

- MACHINERY/EQUIPMENT
- TOBACCO
- CONSUMER PRODUCTS
- PLASTIC/RUBBER

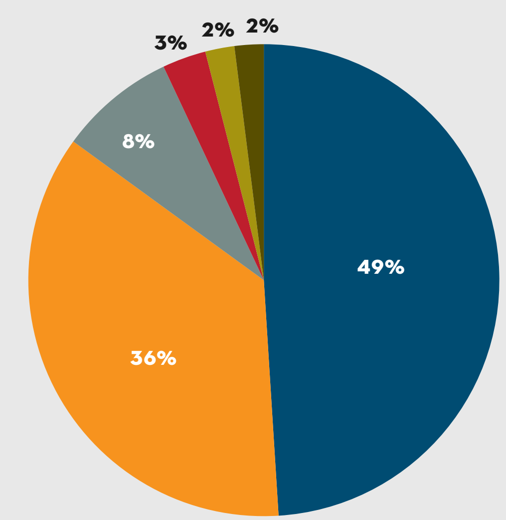
MISSOURI 2017 SUMMARY

Merchandise Received: $1,000 – 5,000M

Exports: $250 – 500M

Total Shipments: $1,000 – 5,000M

Employees: 2,501 – 3,000



TOP FOREIGN-STATUS PRODUCTS BY VALUE

- CONSUMER ELECTRONICS
- CHEMICALS
- CONSUMER PRODUCTS
- MACHINERY/EQUIPMENT
- TEXTILES/FOOTWEAR
- OTHER