New Rockford Area Trade Zone Allows Easier Import of "Goodies" From Europe

A Huntley, Illinois firm is using a Foreign Trade Zone (FTZ) to operate a more efficient supply chain, allowing Scandinavian companies easier access to American markets and increasing the choices available to consumers.

Chicago Importing Company was granted a Foreign Trade Zone in November, 2013. The company is a leading importer of specialty foods such as chocolate, candy, cookies and coffees from Europe, mainly Scandinavia.

"There's a demand for these great brands. These are foods American consumers have tried during visits to Europe or are brands known worldwide," said President Lars Berntson. Scandinavian-Americans (or restaurants serving Scandinavian ethnic food, such as Rockford's Stockholm Inn) also want to have "goodies from the old country" available.

An FTZ is an area which is considered outside U.S. Customs territory. Among the benefits of an FTZ are deferred or waived duties and excise taxes, no duty costs or time limits for storing or processing the imported goods and reduced supply cycle time.

Chicago Importing will use the zone to conquer an obstacle common for European specialty importers: Labeling standards.

"Not all of these products have the proper [FDA required] nutrition information," Berntson said, and European barcodes cannot be read by American scanners. Many small companies are unable to reach the minimum production volume needed to make an American-labeled version of their product profitable. But with an FTZ, Chicago Importing will be able to relabel the imports without customs entanglements and before paying the appropriate duties.

Berntson is confident the arrangement will create new opportunities and choices for everyone involved. "Small companies that wouldn't be able to export a specific U.S.-compliant product will now be able to do so. More products will come here, giving consumers more options, more variety and an increased quality of life."