



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Required Report - public distribution

Date: 10/4/2005

GAIN Report Number: CO5020

Colombia

Exporter Guide

Annual

2005

Approved by:

David J. Mergen, Agricultural Attache
U.S Embassy

Prepared by:

Alicia de Jacobs, Marketing Specialist

Report Highlights:

Total Colombian food and agricultural imports were \$2.1 billion in 2004. The United States accounted for 33.9 percent of total imports valued at \$726.05 million, making Colombia our largest export market in Central and South America. Colombia and the United States are negotiating a bilateral free trade agreement. The trade agreement will provide a major boost to the Colombian economy and imports of food products from the U.S.

Includes PSD Changes: No
Includes Trade Matrix: No
Annual Report
Bogota [CO1]
[CO]

SECTION I. MARKET OVERVIEW

In 2004, total Colombian food and agricultural imports were \$ 2.1 billion. The United States accounted for 33.9 percent of total imports valued at \$726.05 million, making Colombia our largest export market in Central and South America. Demand for processed foods and other high-value food products had a steady increase in the last three years. The Colombian GDP grew 3.96% in 2004 slightly down from the 4% projected by the Government. Agricultural imports from the United States went up 41% or \$211 million in 2004 versus 2003. This increase was due to the economic growth and the peso re-evaluation (14% in 2004) that made imports more attractive. The economy is projected to grow at least 4% in 2005 and 4.5% is projected for 2006.

Colombia and the United States are currently negotiating a bilateral free trade agreement, with the goal of implementing the agreement in January 2007. The trade agreement is expected to provide a major boost to the Colombian economy and imports of food products from the U.S.

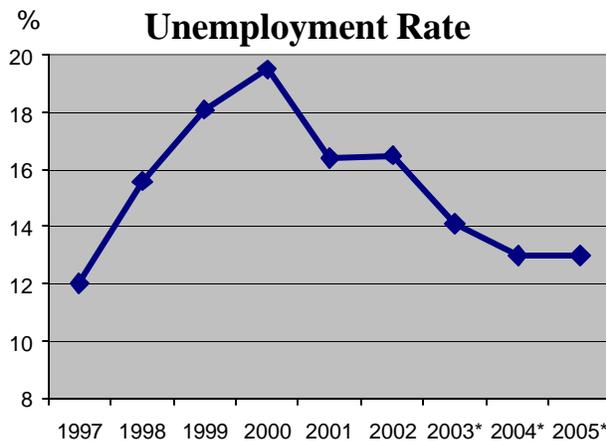
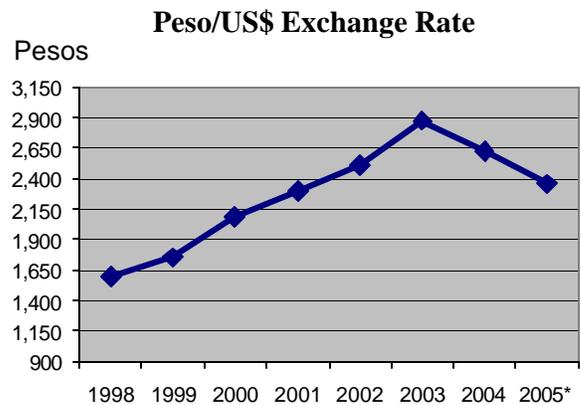
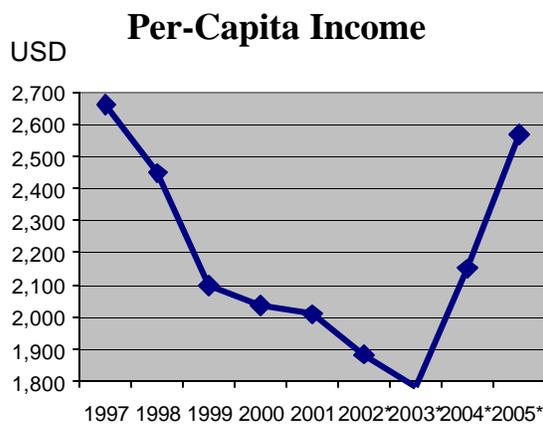
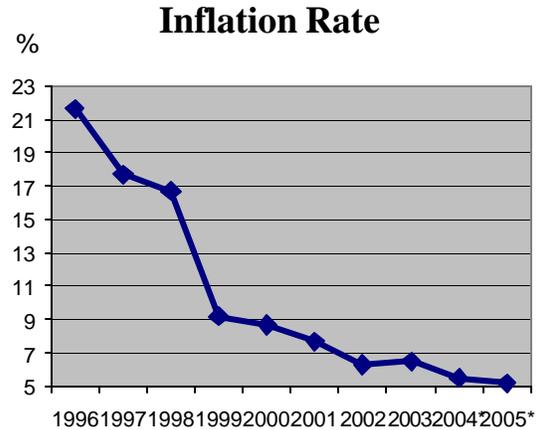
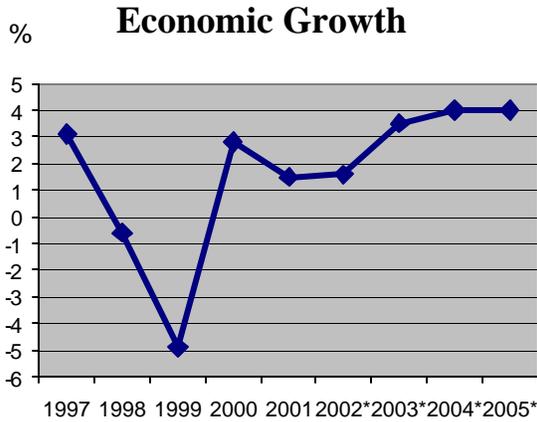
The food processing industry continues to be one of the largest and most vital sectors of the Colombian economy, accounting for 21 percent of industrial production and 17 percent of industrial employment. The supermarket sector in Colombia is one of the most modern in Latin America, with sales of US \$7.8 billion in 2004, of which \$5.3 billion was in food products. The hotel, restaurant and institutional sector is also important, generating 2.1 percent of GDP. Colombia has great potential for growth driven by the tourism sector. The government has fostered in-country tourism. Colombia is well endowed with human and natural resources and as security improves, foreign investment and economic growth have been strong and as well as growth in tourism, with its concomitant demand for imported products.

Despite the political unrest, industry continues to develop. Concentration and consolidation remain as dominant forces in the Colombian food market. Domestic supermarket chains continue seeking strategic alliances with foreign partners in a frantic effort to capture market share. The giants of the market continue opening new stores. Economic realities and current consumer trends indicate that buying decisions are increasingly based on quality and price. Today's consumers are more health-conscious and selective shoppers. Consumers have benefited from the "price war" among competitors. Although most imports are still handled through agents and distributors, Colombian importers are constantly seeking alternatives to reduce high costs. Large companies import directly, and end-users are increasingly establishing contacts abroad. Additionally, there is a new retail market structure in Colombia and the production-consumer chain has forced distributors/suppliers to switch from being passive to active agents.

Several factors have a negative impact on the market: 1. As a member of the Andean Community, Colombia imposes a variable import duty system on more than 150 products, resulting in high and unpredictable duties. 2. Restrictive import licensing requirements block imports of U.S. products such as chicken parts. 3. Despite GOC efforts, artificially low-priced contraband produces unfair competition and disrupts sales of legally imported products, and 4. Internal conflict continues hindering economic growth.

Despite the present limitations and constraints, the market is highly competitive and will become much more open in the future when the bilateral free trade agreement is in place. U.S. products enjoy an advantage because they are well regarded for their perceived high quality and value. This makes it more challenging than ever for small to medium-sized exporters to get their products on supermarket shelves and restaurant menus.

ECONOMIC OUTLOOK



- Colombia is regaining economic growth and stability. GDP growth was 3.96 % in 2004, up from 3.6% in 2003. The target for 2005 is a 4 % and 4.5% for 2006.
- Both domestic demand and household consumption are expected to increase by 4.4% although still held back by high unemployment.
- The peso continued to strengthen in 2004. The reevaluation was 9%.
- The 2005 one-digit inflation target has been set at 5-5.5%, lower than the 6.5% in 2004.
- Unemployment rate fell from 15% to 14.5% but continues to hinder faster economic recovery.
- Security has improved significantly but remains a concern for investors and businessmen.

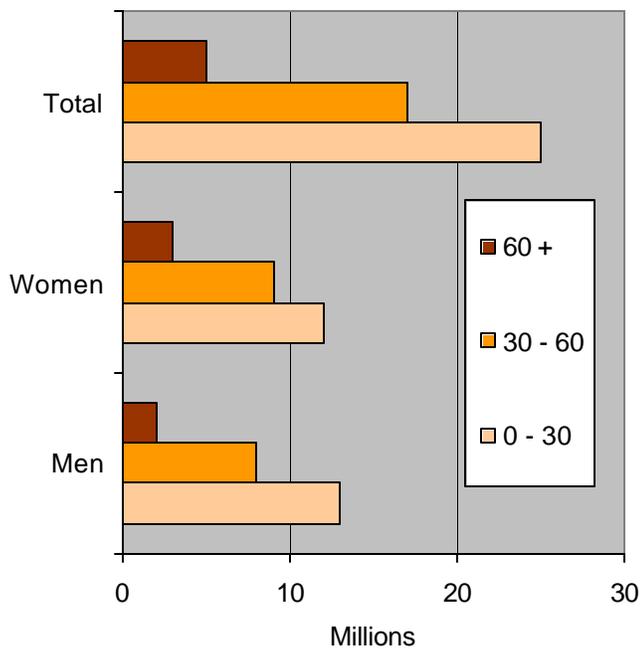
Market Overview

Income Distribution

	Income	%	Population	%
High		47	10	
Medium		40	40	
Low		13	50	

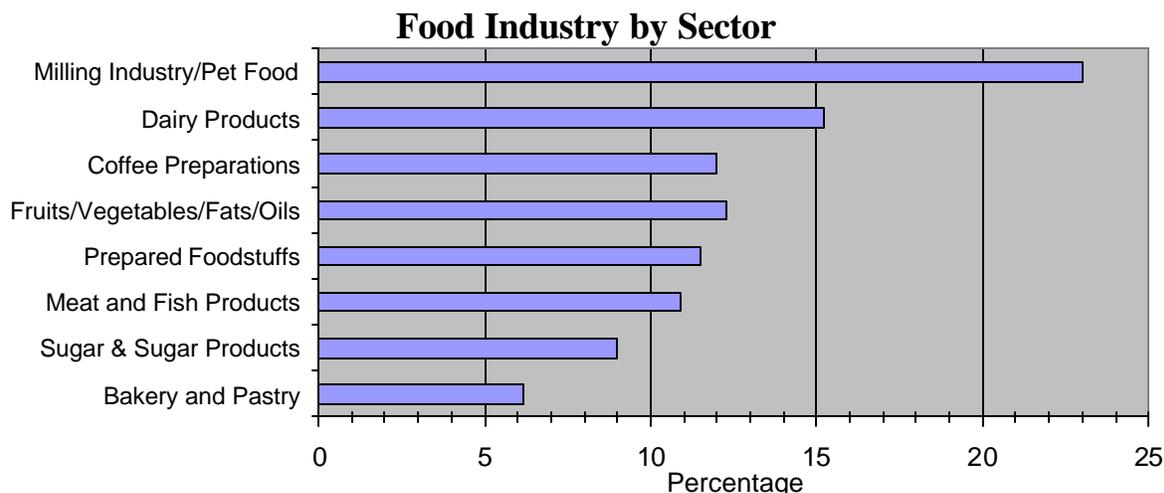
- ✓ Colombia is a growing market of 42 million people.
- ✓ Monthly food expenditures by income group are:
 - High US\$400 - 700
 - Middle US\$150 - 400
 - Low less than US\$120
- ✓ Medium- to high-income groups are an attractive market for U.S products.
- ✓ The medium-income group is driving demand for value-added products.

Population by Age

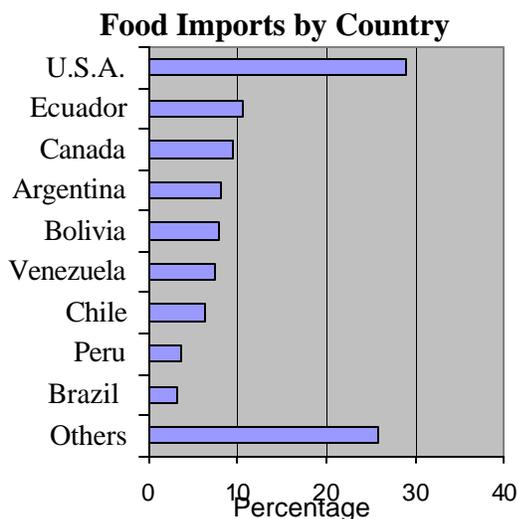


- ✓ The rise in female participation in the labor force (38%) will continue to stimulate demand for consumer-ready products.
- ✓ 79% of the population is concentrated in 39 large and medium-sized cities, all with modern supermarkets.
- ✓ 58.7% of the population is younger than 30 years. Lifestyles are changing rapidly.
- ✓ The middle class represents 38.7% of Bogota's population Upper middle 22.2% and the upper class just 6.6%.
- ✓ Rural areas are the new market niche for food products.
- ✓ Rural consumers that represent nearly 28% of Colombian population are now generating 25% of mass consumption products.

Colombian Food Production



- ✓ The food industry is one of the largest and most vital sectors in the economy, accounting for 21% of industrial production, and 28.6%, if beverages are included.
- ✓ Industry has state-of-the-art technology and modern communications.
- ✓ Colombia is a major producer in many intermediate and consumer-ready categories, such as sauces and spices, dairy products, breakfast cereals, confectioneries, baked goods, poultry feed, pet food, oils and margarines.
- ✓ Foreign processing food affiliates account for a large portion of processed food output. Some domestic food manufacturers import products from foreign affiliates, labeled as their brand.
- ✓ Store-brand products have increased in the last two years. They captured 3% of food sales.
- ✓ The food-processing sector depends heavily on imports of ingredients like spices, dry mixes for sauces, modifiers, preservatives, flavorings, enhancers and thickeners.



- ✓ Colombia is the largest market for U.S. food and agricultural products in Central and South America, and a gateway to some Latin American markets.
- ✓ In 2004, total food and agricultural imports were valued at \$2.1 billion. The U.S.A. accounted for 33.9% equivalent to 726.05 million.
- ✓ Imported food products account for 16% of national consumption.
- ✓ Total imports growth is forecast at 2.5%

Food and Agriculture Products Imported In 2003-2004

PRODUCTS	2003	2004	MARKET SHARE % 2004	GROWTH RATE 04/03
	US\$ MILLION			
Consumer -oriented Food Products	375	412	100.0	9.9
U.S.A.	51	48	11.7	-5.9
Others	324	364	88.3	12.3
Beverages	57	66	100.0	15.8
U.S.A.	0.6	0.9	1.3	50
Others	56	65	98.7	16
Raw Mat. & Interm.Prod.of Animal Food Production	425	547	100.0	29
U. S.A.	232	360	65.8	55
Other	193	187	34.2	-3.1
Other Raw Materials for Agriculture.	296	346	100.0	17
U.S.A.	97	96	28	-1
Others	199	250	72	26
Raw Materials & Intermediate Products for Food Industry	847	1027	100.0	21
U.S.A.	391	546	53	39.7
Other	456	481	47	5.5
TOTAL	2000	2052	100.0	2.6
U.S.A.	771	1050	51	36
Others	1229	1002	49	-18

Source: World Trade Atlas

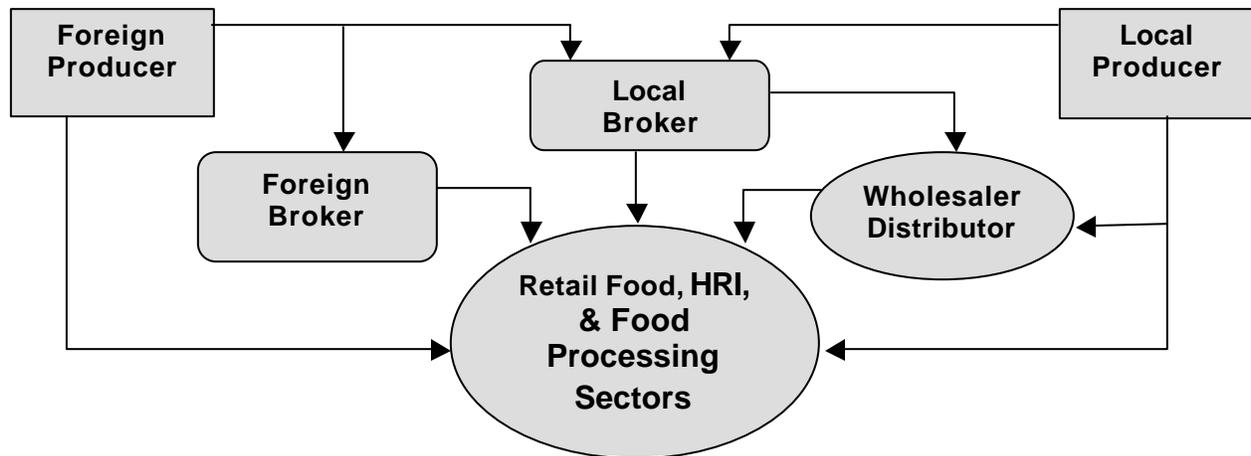
2003-2004 Food and Agricultural Imports from U.S.

PRODUCT	2003	2004	PRODUCT	2003	2004
	US\$ MILLION			US\$ MILLION	
Meat and Edible Meat Offals	4.2	0*	Mis. Grain,seeds	29	40.6
Fish, Shellfish, Mollusks	0.4	0.6	Animal or Vegetable Fats and Oils	16	16
Dairy Products, Eggs, Honey	1.2	2.0	Preparations of Meat and Fish	12.5	4.7
Products of Animal Origin and other Animal Products	2.7	2.0	Sugars and Confectionery Products	3.0	3.9
Live Trees and Plants, Bulbs, Roots	3.0	2.7	Cocoa and Cocoa Preparations	1.8	1.3
Vegetables	1.5	1.6	Cereal Preparations, Flour, Starches, Milk, Bakery products.	2.9	3.8
Edible Fruits and Nuts, Citrus Fruits	8.0	8.0	Preserved food	3.6	4.8
Soybean meal	39	74	Miscellaneous Edible Preparations	15.4	18.5
Grains	323.6	424	Beverages, Spirits and Vinegar	1.0	1.6
Soybeans	35	48	Residues and Waste from Food Industries /Prepared By-Products	39.3	74.2
Fruits and Veg. juices	6	5	Cotton	97	96
Lacs, Gums, Resins, Other Vegetable Saps/ Extracts	6.5	5.0			

World Trade Atlas

* Due to BSE

Market Entry Strategy



General suggestions to access the Colombian food market, raise sales competitiveness and introduce new products:

- ✓ Calculate your level of competitiveness on the equation of high quality, moderate price and good service to meet increasing foreign competition.
- ✓ Consider innovative marketing strategies when introducing new products. Social marketing strategy is a new approach. Sales generate funding for social programs. Leading supermarkets are deeply involved in social programs with customers' direct participation and alliances with NGOs. Exito has the "Children's program." Carulla customers are encouraged to donate small change for housing and educational plans.
- ✓ Provide guarantee of consistent supply of products to large stores, hotel chains and institutional markets. Marketing strategies must meet the specific needs of the Colombian market.
- ✓ Reinforce activities, such as trade exhibits, product sampling, advertising and campaigns.
- ✓ Keep in mind that category managers are key people. They are in a position of being able to offer a service that is unlikely to be matched.
- ✓ Be aware that Hyper/Supermarkets condition shelf space acceptance to discounts, promotions and/or additional cost.
- ✓ Establish direct relations with leading companies to develop a low cost, direct sales approach and to offer products and services.
- ✓ Develop a relationship with top executives, i.e, marketing directors, purchasing managers, and expose them to U.S. business practices. Take advantage of domestic food fairs and exhibits. Alimentec is the Colombian trade show for food products and ingredients. It takes place in Bogota every other year. The next Alimentec Trade Show will take place in August 23-26, 2006.
- ✓ Include after-sales service and customer support, which are decisive purchasing factors.
- ✓ Prepare promotional material in Spanish or dual language. Product literature should highlight products and services available. Communication media have a great impact on Colombian consumers.

Advantages for U.S. Companies and Products

The Colombian food market is dynamic and efficient. Demand in Colombia for processed foods and other high-value food products has grown over the past years.

U.S. continues to be the number one trading partner of Colombia. The U.S. accounts for 33.9% (\$726.05 million) of food and agricultural imports.

Most popular U.S. made products are well regarded by Colombian consumers, because they are perceived as being of good quality and good nutritional value. Many Colombians have traveled and studied abroad and have developed a taste for U.S. products.

Alliances and merging with foreign companies are broadening the scope of the food business.

Locally established multinational firms are taking advantage of their brand names to position new imported products.

The readjustment of the retail market is paving the way for the new retail market structure in Colombia. The mini-market is a new and strong competitor of "Mom and Pop" stores, which continue to be the number one competitors of the hypermarkets/supermarkets.

Information and technology have become strong tools for food marketing. The Uniform Product Code and scanners at point of sale have been fundamental to collaborative planning, forecasting and replenishment aimed at increasing profitability and stock control. The Colombian government has changed investment policy to attract new foreign investors. Joint ventures, franchising and licensing agreements are increasing in number and value. The younger population (60% is under 30) has been stimulating the expansion of fast food restaurants. The deli business is one of the faster growing segments. Middle-income families are developing a taste for new and more sophisticated products. Colombian consumers are now more health conscious and selective shoppers. Changing lifestyles and the rise in female participation in the labor force (38%) will continue to stimulate demand for value-added food products. The shift from basic to high-quality foods is continuing. A surplus of ordinary low-price food products coexists with a shortage of high-quality food products. Colombians are now selective shoppers. Upscale and middle-income Colombian families are eating out more frequently, at least twice a month, devoting 24% of food spending for meals away from home. U.S. Food shows are excellent opportunities to introduce new products and set up personal relationships, meet customers and personally address their technical needs and requirements. Colombian business community knowledge of and confidence in U.S. business practices as well as geographical proximity help reduce costs of training trips, equipment transportation, etc. Supply channels have been streamlined. End-users increasingly are establishing direct contact abroad for sourcing new products and services. Colombia's strategic geographical position makes it a gateway to many other Latin America markets. Pre-shipment inspection has been eliminated

Challenges to U.S. Companies and Products

Consumption of processed food is low according to international standards and highly price sensitive. Colombian households devote 34% of their earnings to food.

Importers demand competitive prices, good quality and consistent supply availability. Category management practices by stores, including charging slotting fees for products, are overhead costs to be expected. The supplier absorbs at least 60% of price discounts.

Competition has intensified. Food products from countries around the world are found on the shelves of Colombian stores, and Colombian companies and foreign affiliates are launching a variety of new frozen and ready-to-eat products.

Consumer prices for food and beverage have declined more than total consumer price index. "Price War" among retailers has become a permanent tool to maintain market share and increase sales.

Colombian consumers are now either time-constrained consumers who seek good quality and essential products, or "cherry pickers" after sales and discount products.

Innovation and new concepts for a low-cost product portfolio is a must to gain market participation. The portion-pack business is an expanding sales venue.

Investment in new outlets continues as part of the effort to penetrate regional markets and attract unattended consumers.

Private brands are expanding rapidly though still incipient and limited. They represent 2.5% of total sales. Private brand margins are higher than other brand margins (20,4%). Similarly, private brand prices are 25.6% lower than third party prices.

Franchising is an excellent opportunity for fast food restaurants, particularly through the expanding Gasmarts. Investment and foreign trade are keystones for economic development in the years to come.

Procurement Law 80 regulates purchases and contracts by the government and state industrial and commercial enterprises. Given equal contracting conditions, the offer of goods and services of domestic origin are preferred. The GOC urges all official entities and decentralized industrial and commercial government organizations to "buy Colombian".

For sales to the government, either directly or through international tenders, foreign bidders must: have legal representation in Colombia, register with the Colombian Chamber of Commerce under the so-called "Registro Unico de Proponentes" (Bidders Register), and be pre-classified and pre-qualified by the Chamber and, in some cases, by the Colombian government contracting agency.

Colombia is negotiating a Free Trade Agreement with the U.S. with the goal of implementing the agreement in 2007, which will increase the Colombian imports from the U.S.

U.S. suppliers should intensify market advertising and promotional campaigns and sampling to compete with the wide range of quality products available. After-sales service and customer support is a decisive purchasing factor in Colombia.

U.S. suppliers should encourage buyers to tour suppliers/producers facilities and have business representatives tour their plants.

The import process still has many layers. However, the GOC has introduced key modifications to significantly simplify the paperwork. Import/export procedures and customs clearances have become almost virtual. Documents are to be presented through electronic or magnetic media.

Despite GOC efforts, artificially low-priced contraband products still produce a climate of unfair competition and disrupt sales of legally imported products.

Section II Exporter Guide

FOOD LAWS AND IMPORT LICENSING REQUIREMENTS

The average Colombian consumer, who is usually the urban consumer, has developed some special characteristics that are explained basically on Section III of this report.

Food Legislation: The basic piece of legislation dealing with food products and human health in Colombia is Law 9 of January 24, 1979. All decrees and regulations produced since then are based on the above-mentioned Law.

Import Licensing: The Colombian Government maintains control over imports through the Ministry of Commerce, Industry and Tourism (MOCIT). All responsibilities in dealing with Colombian foreign trade have been transferred to the MOCIT including the issuance of import licenses and the registration of imports and exports as well as the handling of the export incentives and administration of the certificates of sugar quota eligibility (CQE's).

Because most, if not all, agricultural commodities require permits or have to be approved by another government agency (i.e., the Ministry of Agriculture), they need an import registration at the MOCIT to be cleared through customs. There are three categories of imports in Colombia:

Free (libre) Imports. Free imports are products whose importation is not limited and do not need prior approval by the MOCIT. Free import products must be registered at the MOCIT only if they are under the special import-export program. The majority of agricultural product imports requires authorization or permits from official institutions (Ministry of Agriculture or Ministry of Social Protection/INVIMA) and import registration at MOCIT.

Prior License (licencia previa) Imports. Import products that require import registration with the Ministry of Agriculture or Invima, in addition to approval of the MOCIT.

INVIMA - Import registration with INVIMA (the equivalent of FDA in the U.S.) under the Ministry of Social Protection applies to most products destined for the final consumer, such as meat and food products for retail sales. While the registration process can sometimes be complicated and costly (particularly for products destined for retail sale), Invima has not used this process to prohibit imports.

ICA, Colombian Agricultural Institute – ICA is the Ministry of Agriculture agency responsible for sanitary and phyto-sanitary issues (the equivalent of FSIS and APHIS). ICA is responsible for products requiring sanitary or phyto-sanitary registration such as meat, fresh fruits and vegetables, and animal inputs, including pet food. ICA currently prohibits imports of beef and beef products from the U.S. due to BSE related restrictions under ICA Resolution 3865 of Dec. 24, 2003, and poultry meat from states where there have been outbreaks of Avian Influenza in the last two years.

Ministry of Agriculture/General – Products subject to import registration in order to restrict imports for non-scientific reasons, either to protect local production from import competition or to regulate imports under tariff-rate quotas. These include products such as poultry parts, which are banned, and products subject to tariff-rate quotas (beef, corn, sorghum, rice and cotton).

Prohibited (prohibida) Imports. Imports on the “prohibited list” are not allowed entry into Colombia. No food and agricultural products are included into this category.

Tariff Rates

Most processed foods are assessed a 20 percent ad-valorem import duty. However, some high-value food product imports, such as fresh/chilled and frozen pork and chicken parts, are subject to the Andean Community's price band and reference price system, which can markedly increase the Colombian import duty. The U.S. Government views the reference price and price band systems applied by Colombia to be inconsistent with Colombia's World Trade Organization obligations. The price band system distorts trade and does not operate in a transparent manner. Colombian processed food imports from Chile and other country members of the Andean Community (Peru, Ecuador, Bolivia, and Venezuela) enter duty-free. This, combined with lower transport charges, provides a significant cost incentive for local importers to turn to regional suppliers rather than to purchase from the United States. This is particularly true for fresh and processed fruit, wine, and at times for meat.

For those U.S. products subject to the price band system, import duties are calculated based upon the CIF adjusted floor, ceiling, and reference price levels determined by the Andean Board of Directors. The Andean Community establishes annual ceiling and floor prices every April. The Andean Community adjusts the reference prices every two weeks. If, the applicable reference price falls within the floor and ceiling price band, the import duty is calculated by applying the common external tariff rate for the Andean Community to the reference price. When the reference price falls below the floor price, a variable levy, or surcharge, is applied, which is based on the difference between the floor price and the reference price. This surcharge is levied in addition to the applied duty. Conversely, when the reference price exceeds the ceiling price, a reduction is made to the applied duty, based on the difference between the reference and the ceiling prices.

The following illustrates how Colombia's import duties are calculated for those U.S. food products subject to the price band system. In the example below, we have calculated Colombia's import duty treatment that would be assessed against imports of chicken parts (if they are approved for imports) arriving at Colombian ports July 16-31, 2005:

Price Band Ceiling Price	\$1,580 per ton
Price Band Floor Price	\$1,400 per ton
Reference Price	\$1,120 per ton
Basic Duty Rate	20 percent

Variable Surcharge = (Floor Price - Reference Price) * (1+Basic Duty Rate)/Reference Price

Total Import Duty (50 percent) = Basic Duty Rate (20 percent) + Variable Surcharge (30 percent)

The Total Import Duty is updated and published on the web page of the Andean Community (http://www.comunidadandina.org/politicas/franja_circular.htm) twice a month. The duty paid is the total import duty (50 percent) times the declared import value.

Value-added Tax (VAT)

- ✓ Most imports are subject to the VAT (value-added tax).
- ✓ VAT is assessed on the CIF value plus import duties.
- ✓ The VAT fluctuates between 2% and 16 %

- ✓ VAT for Liquors and wine is 35%.
- ✓ Law 788 of 2002 aimed to reform the tax system modified the VAT for a number of food and agriculture products:
 - *extended the VAT to imports of several agricultural products, including some feed ingredients, such as soybean meal and soybean oil.
 - *exempted from VAT fresh, chilled or frozen meats; fresh, chilled or frozen fish; some milk and skim, fresh cheese, milk preparations for infant use, eggs in shell and eggs for hatching.
 - *excluded from VAT more than 124 products including some meats, fruits, vegetables, milk and grains.
- ✓ Imports of feed grains are levied a VAT of 10%

Pricing Products

- ✓ Import duties are quoted ad-valorem on the CIF value of shipments. Retail prices of consumer-oriented imported products are generally 60 to 120 percent above FOB prices.
- ✓ Freight and insurance costs are 10 to 15 percent.
- ✓ Other factors affecting import costs and retail price are peso revaluation, inflation, and financing.
- ✓ Local manufacturers usually work with a markup varying from 15 to 30 percent and wholesalers from 15 to 20 percent. Profit margins for consumer goods may reach 20 to 30 percent.

Sanitary and Phytosanitary Measures and Other Licensing Requirements

Product Health Registration

All processed retail food items, including products imported in bulk for repackaging for retail use without further processing, must be registered and approved by the National Institute for the Surveillance of Drugs and Food (INVIMA), an agency of the Ministry of Social Protection (decree 3075/97). INVIMA charges a registration fee ranging from \$534.40 to \$1,220.70 per product. According to Decree 3075 of 1997, product registration is not required for:

- Products that are not subject to any transformation, such as grains, fruits, fresh vegetable, honey, etc.
- Products of animal origin which are not subject to any transformation process.
- Products used as raw materials by the food industry or HRI sector in food preparation.

A transformed product is defined by the GOC as having been subjected to processing that resulted in a change in its internal structure.

INVIMA registration is valid only for the applicant (exporter or importer) and the manufacturer specified in it. Whenever the U.S. exporter wants to change its Colombian importer, there are two possibilities:

(a) If the U.S. exporter is the applicant for the INVIMA registration, he must submit an application for modification to INVIMA (cost 83,533 pesos or about \$36.32).

(b) If the Colombian importer is the applicant, the U.S. exporter must initiate a new registration process, specifying his new importer(s). Afterwards, he may change his importer(s) whenever he deems it advisable. The U.S. exporter must apply through his legal representative in Colombia or a lawyer.

INVIMA registration is valid only for the specifications (e.g., presentation and size) mentioned in the registration. If another presentation of the same product is to be imported, the registering company needs to inform INVIMA in writing of the new product.

INVIMA registration of processed foods requires: (1) a written document from the manufacturer stating that it manufactures the product; and (2) a certificate of free sale stating that the products are approved for human consumption in the United States. This certificate needs to be issued by a U.S. government (state, local or federal) health authority. Although not strictly required, INVIMA registration is facilitated if a description of the manufacturing process and a list of the ingredients, including any additives, preservatives, and colorings (dyes), is submitted. Since Colombia implemented the Hague Convention of October 5, 1961 with Law 455 of August 4, 1998, facilitating import documentation, the above listed documents must carry an "apostille" stamp. The "apostille" stamp fee amounts to \$20 each and it is produced by different authorities in each State, i.e. a Notary or a State Secretary or Under Secretary. This procedure replaced the notarization by the Colombian Embassy or a Consulate in the United States and by the Ministry of Foreign Affairs in Bogota. A translator approved by the Ministry of Foreign Affairs must translate these documents into Spanish.

INVIMA charges a registration fee ranging from \$534.40 to \$1,220.70 per product. After the submission of all required documentation, product registration by INVIMA takes about three working days (although we have received reports that this can take longer). Internet can carry out most of the product registration process. After issuing the product registration, INVIMA analyses the documents provided by the importer and may request additional information within a given period. Some importers complain that this procedure may result in additional requirements that become a non-tariff barrier to trade.

Sanitary Permit

Products used as raw materials by the food industry or HRI sector in food preparation do not need an INVIMA registration, but they do need a sanitary permit from the Ministry of Agriculture's Colombian Agricultural Institute (ICA). ICA is responsible for the issuance of import sanitary permits for animal products, vegetables, fruits, grains, pet food and agricultural inputs, including seeds and GMO's. The permit details the phyto-sanitary and zoo-sanitary (SPS) import requirements for the specific product. The Colombian importer must first obtain the import permit from ICA, before requesting an import registration from the MOCIT. The importer should supply the exporter with the ICA import permit for submission to USDA. USDA then issues a sanitary export certificate referencing the requirements in ICA's import permit. No shipments should be loaded and transported without the submission of the sanitary permit. Whenever, ICA issues new health requirements, the health agency in the US is notified to see if it can comply with the new requirements.

For ICA approval, the product must: (1) come from a USDA inspected facility; (2) be free of disease; (3) be inspected by USDA prior to its shipment and be accompanied by a USDA health certificate; and (4) be inspected by an ICA veterinarian upon arrival in Colombia.

Registration Requirements

Company/Importer Registration

Every Colombian importer must be registered with the Ministry of Commerce, Industry and Tourism (MOCIT). U.S. exporters seeking to sell to a Colombian firm should ascertain that

the Colombian importer has obtained the legal authority to import agricultural products by completing the Ministry of Commerce, Industry and Tourism registration process. Once registered, the importer or importing company enjoys the legal right to import any agricultural product.

Most agricultural imported products require an import registration form (cost 30,000 pesos or about \$13) issued by the MOCIT. Import registration approval takes about two working days.

Labeling and Marking Requirements:

The Government of Colombia (GOC) requires country-of-origin labeling for processed foods. The GOC, however, does not classify frozen vegetables as a processed food and, therefore, no country of origin labeling is required. Also, fresh fruit and vegetables do not require country of origin labeling.

The GOC issued resolution 0485 of February 25, 2005 through the Ministry of the Social Protection (previously known as Ministry of Health) establishing labeling requirements for canned food and food raw materials. The regulation came into force beginning on September 15, 2005. The label must contain the following information: food product name, list of ingredients, net content and drained weight, producer name and address, origin country, lot identification, date marking and instructions for product conservation, instructions for product use, and sanitary registration number. These requirements apply to both domestic and imported canned food products and food raw materials. GOC officials have stated that stickers are admitted on the imported products, but they must contain the information of the original label in Spanish. The most important information is lot identification number and expiration date.

Imported processed food products that are not destined for further processing must comply with the labeling requirements mentioned in the previous paragraph. GOC labeling requirements for processed foods do not address the question of ingredient origin. Therefore, if an imported food item contains ingredients from more than one country, for example, U.S. and Canadian peas in the same frozen package, the label must only identify the processor's name and address and the country where the product was produced. The GOC's product labeling requirements for imported processed foods do not require that the exporter identification information be affixed in a specific part of the package.

Product labeling information on imported processed products must be present at the point of retail sale. The responsibility for this labeling information rests with the importer, not the retailer. Many Colombian importers arrange for this information to be placed on the product by the exporting firm, before it enters Colombia.

For processed products shipped with Spanish labels, the following information must be shown: product name, name and address of importer, name and address of producer, net contents in metric units, list of ingredients, Ministry of Social Protection (INVIMA) registration number, any recommended method of storage/conservation, and product expiration date, if appropriate

Imports that are destined for further processing, such as mechanically deboned chicken, do require country-of-origin labeling. The GOC also does not require country-of-origin labeling for imported bulk-packed or consumer-packed fresh fruits and vegetables. The GOC does not require a sticker/label indicating country of origin on individual pieces of fresh fruit. Colombian consumers, therefore, seldom are aware of the origin of imported fruit and vegetables.

Labeling for Food Products. Food products that are canned, bottled, filled or packed by (marketing agents) such as chain stores, supermarkets, delicatessen, etc for further commercialization must be labeled in accordance to this resolution and must contain at least the following information:

1. Name
2. Ingredients list
3. Net content
4. Name and address of producer or importer
5. Origin country
6. Lot identification
7. Expiration date
8. Preservation method or system

Import Documentation

The following steps must be accomplished in order to carry out an import:

- a) The exporter must provide a pro-forma invoice to the importer. The invoice should contain the specific product name, quantity, weight, and value per unit.
- b) The local importer should verify the Colombian harmonized schedule to see how the product is classified and its import requirements.
- c) Based on the above information, the importer requests a commercial invoice from the exporter, including the currency used for the transaction, FOB or CIF prices, and terms of payment.

Importers should also take into consideration the following recommendations:

- 1) Where required, obtain sanitary permit for products from the Ministry of Agriculture's Colombian Agricultural Institute (ICA). All domestically produced and imported food products require a sanitary registration approved the National Institute for the Surveillance of Food and Medicines (INVIMA), which is part of the Ministry of Social Protection (decree 3075/97).
- 2) Buy and fill out the Import Registration form. File the Import Registration form with the MOCIT.
- 3) Obtain approval from MOCIT for the Import Registration Form or Import License
- 4) Make arrangements with a financial entity for payment of the importation either through a letter of credit or direct payment.
- 5) Ask the exporter to ship goods to a Colombian port along with the packing list and certificate of origin that include an statement that the product is approved for human consumption, and expiration date.
- 6) Request the bill of lading from the transportation firm.
- 7) Make arrangements, with the SIAs or Customs Intermediary Entities to receive the merchandise. All merchandise must be transferred to either bonded warehouses or free trade zones. Transfers must be done within two days from airport arrival or five days from seaport arrival. Products are allowed a maximum of two months from the arrival date while undergoing customs clearance. A two months extension is possible. If extension period expires, products are declared abandoned by Customs.

Note: The importer must keep import documents for a period of not less than five (5) years. Documents must be in Spanish.

Patents and Trademarks

- ✓ The Superintendence of Industry and Commerce under the MOCIT is in charge of patents and trademarks.
- ✓ Protection of patents, trademarks and plant varieties is based on regulations by the Andean Community of Nations (CAN). These are generally consistent with international standards for protecting intellectual property rights, and also govern protection of industrial secrets.
- ✓ Patents have a 20-year term of protection.
- ✓ Trademark registrations have a ten-year duration and may be renewed for successive ten-year periods.
- ✓ Priority rights are granted to the first application for a trademark in an Andean Community country.
- ✓ Colombia is a member of the Inter-American Convention for Trademark and Commercial Protection and the Treaty of Patent Cooperation. The Andean Community decision on patent and trademark protection also provides for protection of industrial secrets.

Copyright

- ✓ Andean Community Decision 351/94 and Colombia Law 44/93 regulate protection of copyrights in this country. Law 44/93 extends computer software protection to 50 years, but does not classify it as a literary work.
- ✓ Colombia belongs to both the Berne and the Universal Copyright Conventions. This decision provides a generally Berne-consistent system.
- ✓ Law 44/93 significantly increased penalties for copyright infringement, specifically empowering the Attorney General's office to combat piracy. Ineffective anti-piracy enforcement in Colombia adversely affects employment, job creation and revenues, both in the United States and Colombia.
- ✓ U.S. companies suffered trade losses due to copyright piracy exceeding \$108 million in 2003 in Colombia.

Samples

- ✓ As a general rule, samples require the same documents as commercial imports.
- ✓ Samples are exempt from import license, registration form or import duty payment when they are consigned to a designated free trade zone, bonded warehouse or imported on a temporary in-bond basis.

Courier and Express Shipments

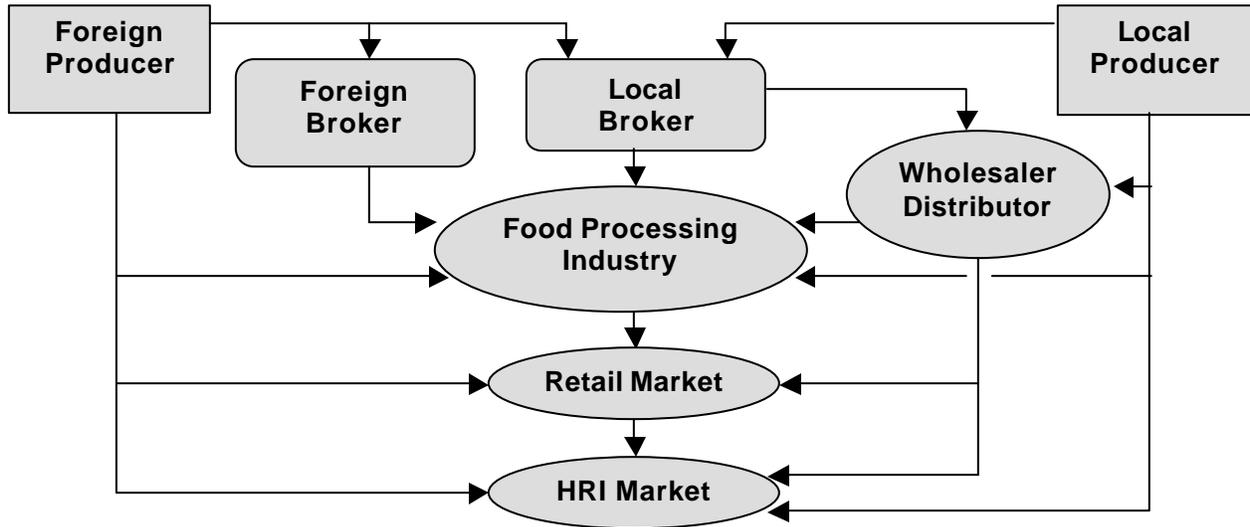
- ✓ Courier or express shipments not exceeding US\$ 1,000 in value and 20 Kilograms in weight are freely imported into Colombia.
- ✓ Air or surface shipment of products is allowed.
- ✓ The number of units of the same product should not exceed 6 units in order to be considered as a sample.

Distribution and Sales Channels

- ✓ The Colombian food industry ranges from state-of-the-art processing food companies to all types of retail outlets, including sophisticated hypermarkets, supermarket chain stores, department stores, specialty stores, mini-markets, wet markets, cooperatives, street vendors and truckers who engage in door-to-door peddling.
- ✓ Radio and TV sales, as well as Internet e-commerce sales are becoming more popular.
- ✓ Direct marketing through credit card promotions, flyers, polls, and sales calls to either home or office sites are also popular, including home delivery services. Chain stores and

large distributors have their own catalogs for phone, mail orders and internet purchases, which can be paid for by cash, check, or credit card.

- ✓ Mini-markets, Mom & Pop stores, wet markets and traditional stores are retaining their 50% market share.
- ✓ The number of suppliers has been growing along with those providing private brands.
- ✓ Negotiations between the new retail structure and suppliers have changed. Suppliers deal with fewer but stronger retailers.



Joint Ventures/Licensing

- ✓ Joint ventures, franchising and licensing agreements are increasing in number, value, and importance to improve competitiveness.
- ✓ The Colombian government investment policy encourages foreign investments.

Sales Representative

As a general rule, it is advisable to appoint a local agent or sales representative to help with import procedures, sales promotion and after-sales service, in spite of the fact that Colombians prefer to deal directly with manufacturers or through their export divisions, rather than through outside representatives or brokers.

Importers And Distributors

- ✓ The United States traditionally has been Colombia's main trading partner. Colombia is considered a natural market for U.S. products and technology, because of its proximity.
- ✓ The bulk of purchases from the U.S. are made through well-established local importers, representatives and distributors.
- ✓ Importers offer a full line of products to meet the domestic demand and to expand market possibilities.
- ✓ Competition in the food market has intensified and supply channels have been streamlined. There are now a few large players with strong negotiating and purchasing power. Large numbers of end-users are purchasing directly from suppliers and/or manufacturers abroad, avoiding local representatives.
- ✓ Colombian businesses are establishing direct contacts abroad to find new products and services. FAS/Bogota has detected an increasing interest in looking for new food products. This interest has been fueled by the marketing activities carried out by this office.
- ✓ Suppliers to large store and hotel chains and institutional markets must provide guarantees of the consistent supply of products.

Colombian- Main Ports and Cities



- ✓ Colombia is located in the northwest corner of South America and has both Atlantic and Pacific coasts.
- ✓ It has a strategic location, which makes it a commercial bridge into South America for North America, Europe and Asia.
- ✓ Colombia has four seaports with container facilities, three on the Atlantic Coast: Barranquilla, Cartagena and Santa Marta, and one on the Pacific Coast, Buenaventura.

Top Colombian Importers and Distributors of High Value and Processed Food – Imports in 2004

Importer	Products	From U.S. US\$ Mill.	Total US\$ Mill.
Fruticola de Colombia	Apples, grapes, kiwis	0.3	4.0
Fruticola Comercial Panamericana	Fresh apples, plums, kiwis, cherries, garlic.	2.8	13
Nestle of Colombia	Poultry fat, condensed milk, lactose/whey, tomato sauce, bakery products, biscuits, cacao preparations, cereals.	9.3	28
Italcol Occidente	Cookie meal, meat meal, yellow grease. Oilseed meal.	14	31.1
Harinera del Valle	Corn, wheat, sauces, margarine, baked products.	17	39
Carulla - Vivero	Vitamins, cheese, margarines, dairy spreads, bakery mixes, bakery enhancers	0.8	0.7
Grasas S..A.	Sunflower oil, bovine animal fats, edible mixture of animal fats/oils of fish, soybean crude oil.	1.6	30
Industrias del Maiz	Glucose, sugars, bakery enhancers, mixes and pastas.	33.1	35.4
Colombiana de Comercio S.A. Corbeta Alkosto	Soybean oil, soups, frozen potatoes, ketchup, tomato sauce, pasta, canned tomatoes, bakery mixes	0.3	0.6
Aceites y grasas vegetales, ACEGRASAS	Bakery enhancers, shelled eggs, chocolate blocks, cookies, confectionary	3.4	4.8
Alimentos Polar de Colombia S.A.	Cereals, orange juice, mineral water, apple juice, tomato juice	0.6	3.2
Effem	Confectionery, pet food ingredients.	13	21
Nacional de Chocolates	Tuna, peanuts, almonds, soups, broths, cocoa, lactose/whey, cereals.	0.1	10.4
Agrinal/Agribands -Purina	Sunflower seeds, soybean oilcakes, dog/cat food, fish meal.	10	16
Amway Colombia	Chocolate bars, confectionary, bakery mixes	0.8	0.8
Compania de Galletas Noel	Vinegar, sauces, tomato sauce.	17	21
Rica Rondo	Frozen pork, edible swine offal, and other edible pork.	7.3	13.3
C.I. Agrodex S.A.	Sweet corn, cheese powder, frozen potatoes, cheese, jams, seasonings, cookies, bakery products, confectionary	0.5	2.4
Avidesa Mac Pollo	Corn, fish meal,, spices, cookies.	20	26

Productos Alimenticios Doria	Wheat, semolina, pasta, dry vegetables.	1.1	12.6
Productos del Maiz S.A. Promasa	Vinegar, tomato sauce, mayonnaise, margarine, corn.	5.8	5.9
Comerfruit Ltda.	Grapefruits, prunes, apples, prunes, grapes, oranges	0.6	4.8
Comestibles Alfa	Vinegar, meat and fish bases, canned foods	0.8	1.1
Congrupo	Food preparations, sauces, pickles, ketchup, vinegars, pasta, confectionary, mustard, soup bases	0.6	1.2
Crepes and Waffels	Canned fruits and vegetables, mustard, cappers and olives	0.7	0.8
Distribuidora de vinos y licores	Wine, whiskey, seasonings, breakfast cereals, canned fish products, cookies, vegetables and grains.	0.6	1.7
Frigorifico Continental	Soy protein, cold cuts	0.6	1.1
Frigorifico de la Costa	Fruit preparations, olives, palm hearts, capers, prunes, edible mixtures of bovine meat	0.3	2.4
Importaciones y Exportaciones Fenix	Fresh fruits.	2.2	8.9
Frigorifico Suizo	Frozen pork, pig/poultry fats, edible offal.	1.0	2.5
Bavaria	Hop cones of lupulin, malt.	3.7	42
Cooperativa Colanta	Frozen pork meat, fats, corn, breakfast cereals, milk replacements for heifers.	4.3	7.6
Vigomez	Fresh apples, pears, grapes, kiwis.	0.3	5.3
Quala S.A.	Dried onions, ice cream flour, yeast, animal fats.	0.6	1.8
Procaps	Lactose, juices, honey, dry vegetables, fish oils, nuts.	1.2	2.0
Productos alimenticios El Galpon	Soybean oilcake, corn, animal feed mixes, fish "pellets.	1.7	2.2
FEDCO	Pistachios, frozen bread/pastry, mayonnaise, preserved vegetables, sweet corn, tomato sauce, pasta, cereals.	0.6	0.9
Griffith Colombia S.A.	Pastry, vegetables, spices, lactose, isolated proteins, whey.	0.4	1.2
Frigorificos de la Costa	Fruit preparations, olives, palm hearts, capers, prunes, edible mixtures of bovine meat.	0.4	2.2
Unilever Andina	Bovine fats, coconut and soybean oil, cereal flours, tomato sauce.	0,6	0.8
Almacenes Exito	Tuna, frozen orange juice, bakery products, pastry, marmalade, cocoa preparations, Green peas, onions, garlic, fresh fruit, dry plums, olive oil..	0.2	9.0

Source: Customs Administration.

Standards

- ✓ ICONTEC (Colombian Institute of Technical Standards and Certification), accredited by the Superintendency of Industry and Commerce (SIC) as a certification entity, is responsible for the development of technical standards. SIC performs under the MOCIT.
- ✓ ICONTEC is a member of the International Standards Organization (ISO).

Section III. Market Sector Structure and Trends

Hotels and Restaurants and Institutional Sector (HRI)

HRI sector sales of food and beverages in Colombia were estimated at \$1.7 billion dollars in 2004 and are expected to grow 5 percent in 2005. The market has benefited from the arrival of world-class hypermarkets, such as Makro and Carrefour, which are oriented toward serving the food service sector. There are other Colombian hypermarkets such as Alkosto, Carulla-Vivero and Almacenes Exito who are developing strategies to serve the food service sector. Colombia is experiencing an increase in hypermarket chains and a decrease in the number of HRI sector importer/distributors. Foreign processed food brokers, who are the major suppliers of the Colombian HRI sector, are facing strong competition from domestic producers. Distribution channels for hotels and restaurants have become more efficient, while the system for sales to institutions is still relatively small and undeveloped. Public institutions use very few imported products.

Colombia currently has relatively high duties for processed food products imported for the HRI sector (generally around 20 percent) and strict registration requirements that cost around \$800 per product registered. The rising value of the Colombian peso relative to the U.S. dollar and strong competition in the restaurant sector have, however, made U.S. food products more attractive to local purchasers. The current negotiations for a bilateral free trade agreement between the U.S. and Colombia, Peru and Ecuador (the goal is to implement the agreement in 2007) have also generated more interest in U.S. food products.

Changes in consumer taste and consumption patterns and the rise in female participation in the labor force have demanded new market strategies. The remarkably young population, 70 percent of which lives in urban areas, has new tastes and preferences and is more health-conscious and selective. With rising participation of women in the workforce and greater use of fast food restaurants, demand for new high-value products is increasing. Current consumer trends indicate that buying decisions are increasingly based on quality and price. There is a general perception that U.S. products are of good quality and value.

The hotel and restaurant sector catering to tourism has potential for growth driven by the tourism sector, though it continues to be affected by persistent internal conflict. The government campaign "live Colombia and travel in it" has fostered in-country tourism through out the country, with a significant portion of the tourists traveling to Cartagena and Santa Marta on the northern coast. Santa Marta is the only tourism destination with large hotels catering exclusively to tourism. Foreign tourism is still relatively small and generally concentrated in the historic colonial walled city of Cartagena, while international business travel is generally to Bogotá, Medellín, Cali, Cartagena and Barranquilla.

Quick service and fast food restaurants, especially franchises, are expanding rapidly. Colombians are getting more inclined to eat in fast food restaurants due to working schedules, prices, and convenience. Most of the fast food restaurants are American franchises, although there are several local fast food restaurants that use American techniques and marketing strategies. Currently, away-from-home meals represent nearly 24

percent of food spending. High and upper-middle income groups are interested in foreign cuisine and are eating out more frequently, at least twice a month, devoting 24 percent of food spending to meals outside the home.

Most hotels and restaurants in Colombia buy food products from food importers and retailers specialized in the food service. Fruits and vegetables are mostly bought at wholesalers. Dairy products are bought directly from Colombian dairy plants and distributors. There are ethnic restaurants with specialized menus like Italian, French, Mexican, Cajun, Japanese, Chinese, etc. Those restaurants buy the essential ingredients for their menus from specialized importers. The restaurants that import directly are local restaurants like "Crepes and Waffles" and owners of upscale restaurants. International food chains such as McDonalds and Fridays also import directly.

Colombia has a total population of 42 million and the restaurant sector generates an estimated 300,000 direct jobs, while the hotel sector generates 54,000 direct jobs. In 2004, total Colombian food and agricultural imports (January-October) were \$1.74 billion of which the U.S. accounted for 35 percent or \$599.5 of the total. Colombia continues to be our largest export market in Central and South America. Economic growth was 3.6 percent in 2004 and the projected economic growth in 2005 is estimated at around 4%.

Food Processing Industry

The food industry is one of the largest and most dynamic sectors of the Colombian economy accounting for 21.8% of industrial production and 28.6% including beverages. It generates 7.9 of GDP and 17% of industrial employment. Colombian demand for processed foods and other high value food products has grown steadily. Imports play an increasingly important role in meeting consumer demand for food products.

Some industries have state-of-the-art technology and modern communications. Others such as Harinera del Valle, Doria, Nacional de Chocolates and Grupo Antioqueno are making significant investments to modernize or expand production. Productivity has improved substantially.

Product lines have diversified and new products have entered the market. Such is the case of the dairy industry with lactose free products, the meat industry with low fat products; the baked goods industry with high fiber and whole-wheat products and the oil and fats industry with low cholesterol cooking oils.

Colombia is a major producer in many intermediate and consumer-ready categories such as sauces & spices, dairy products, breakfast cereals, confectioneries, baked goods, poultry feed, pet food, oils and margarines and dairy products.

Top processing companies, such as Colombina, Alpina, Levapan, Industrias del Maiz, Invernacional de Chocolates, etc. successfully compete in international markets. Foreign food processing affiliates provide a large portion of domestic processed food. Some of them have a number of their brand lines produced by affiliates abroad.

Specific products showing stable sales are : fresh/frozen chicken, turkey and pork, and poultry , mechanically deboned chicken meat, cheese, fresh fruits, breakfast cereals, wine and beer, and assorted snack foods. Feed grains represent the bulk of grain imports. Almost all corn imports are directed to the feed industry, mostly for poultry. The United States is the dominant supplier.

Food processing industries rely heavily on imported inputs, such as thickeners, preservatives, modifiers, flavorings, dry mixes for sauces, and spices.

The Retail Food Market Sector

The supermarket sector in Colombia is one of the most modern in Latin America, with preliminary sales estimates of \$7.1 billion in 2003, of which \$4.9 billion were food products. Despite significant growth, fierce competition characterized Colombia's retail sector in 2003, causing shrinkage in profits. Consumers have benefited from the "price war" among competitors. The sector is consolidating a massive structural change initiated in recent years. Strategic alliances, such as Carulla-Vivero, took place in a frantic effort to modernize and capture market share.

World-class hypermarkets, such as Makro and Carrefour, made their first incursions into the country in 1998 and continue to expand. Carrefour's marketing strategies led it to a larger market share and a strong position in the industry. In 2003 Carrefour purchased 35% of the stocks held by the Grupo Santodomingo and 10% of those owned by the Spanish company Sigla, ending up with a 100% ownership of the chain in Colombia. Other significant acquisitions, such as the purchase of 28 percent of Carulla by the U.S. based New Bridge, and of 28.6% of Exito by Casino (a French enterprise) have reshaped the sector. Exito had previously bought out the Cadenalco group, one of its largest rivals, and in 2003 acquired the Comfamiliar chain; Olimpica in turn, purchased the Febor chain (former Central Bank employees Fund). Furthermore, the arrival of French giant Carrefour and Holland retailer Makro in Colombia, as well as the sustained strength of local players such as Exito, Carulla, Alkosto, Olimpica, Colsubsisio and Cafam, have unleashed a wave of concentration in 50 percent of the retail market. On the other hand, convenience stores are a new sales venue and are expanding in the form of GasMarts. As a result, supply channels have been rapidly streamlined, and end-users are increasingly establishing contacts abroad. Colombian importers are constantly seeking alternatives to reduce high costs. The new retail market structure in Colombia and the production-consumer chain has forced distributors/suppliers to switch from being passive to active agents.

Despite rapid modernization in the retail sector, traditional Mom 'n Pop stores continued to consolidate as one of the most important distribution channels in the country. They have regained the near 50 percent of the market share they had in the past, at the expense of the market tigers and have been extremely resilient in the face of massive modernization in the sector. This is because the hyper/supermarkets, do not offer services, such as credit, small-quantity sales of bulk products, and a proximity that appeals to the vast number of middle and lower-income consumers. Likewise, they are expanding in a format of mini-markets that are effectively competing with supermarkets.

Additional factors are expected to contribute to further expansion of the retail food market: market leaders are investing in construction of new modern shopping centers in which super/hypermarkets and cinemas are the cardinal points; sales areas of between 6,000 and 12,000 sq meters, offer a complete range of products and fulfill the increasing demand for one-stop shopping. Investment also includes state of the art technology, tailored logistics to save consumers time and money, remodeling and improvement of service areas. Total investment will be nearly USD 172 million reinforcing the growth of the sector in the last three years. The target now is to reach low-income consumers: the aggregate of low income population has quite a large budget to spend in massive consumption products, which are less sensitive to family earning declines.

Competition, Consumer- Ready Food

Colombia is a strong competitor in the production of:

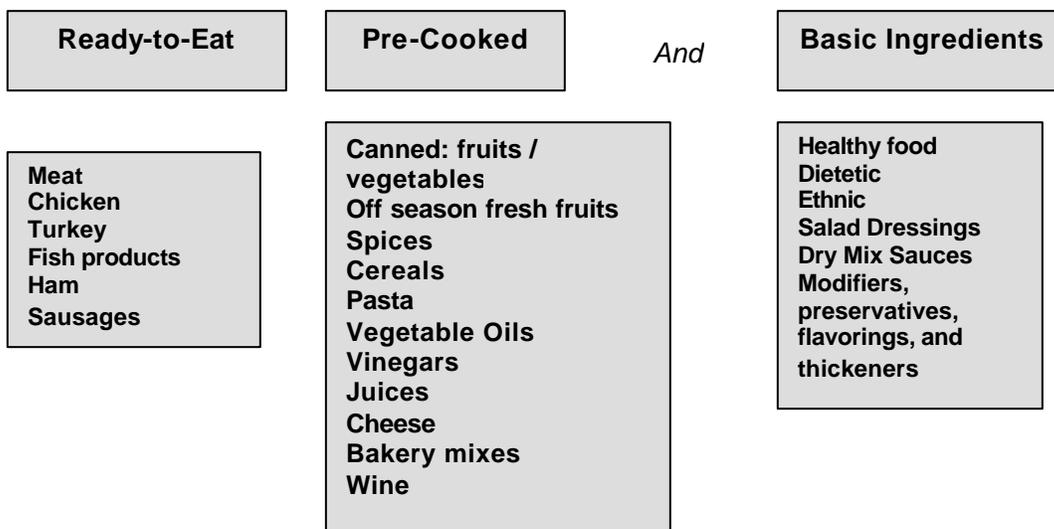
Product	Company
Dairy products	Alpina, Colanta, Parmalat, Purace, Nestle
Breakfast cereals	Kellogg's, Nestle, Quaker
Snacks	Frito Lay -Margarita, Savoy Brands, Yupi, Nabisco Royal, Kraft Foods
Baked foods	Levapan, Bimbo, Ramo, Comapan
Confectionery	Colombina, Noel, Warner Lambert, Nacional de Chocolates, Chiclets Adams, Italo
Oils and margarines	Grasas S.A., Unilever, Lloreda, Acegrasas, Gravetal
Dry mixes for sauces, mayonnaise, ketchup, mustard, jellies, condiments	Unilever-Disa-Best Foods, California, La Constancia, El Rey, Productora de jugos, Frutos del campo
Poultry feed and pet food	Solla, Purina, Finca, Italcol, Contegral, Nestle Pet care, etc.
Canned food products	La Constancia, Fruco, Comapan
Canned tuna fish	Van cans, Tune

Best Products Prospects

Colombia is a growing market for value-added food products. Surveyed retailers and producers feel there is significant potential for new products in almost all food product categories.

Healthy and ethnic food categories are new and especially new and fast growing. Also, wines and gourmet products are penetrating the market with excellent results. Frozen products represent 38% of total sales, followed by chilled products 34% and, dry products 24%.

Fast food chain restaurants are the largest buyers of frozen products



Business Practices and Habits

- ✓ Colombia has a very sophisticated and highly developed private sector.
- ✓ Colombian businessmen have good knowledge of business practices abroad. A large number of them have been educated overseas, especially in the United States.
- ✓ They share similar business practice and ethics with U.S. entrepreneurs.
- ✓ Colombians tend to be friendly, straightforward and direct in doing business.
- ✓ Consequently, despite Colombia's political and social problems, knowledgeable U.S. companies have been doing business successfully in Colombia for years.

Travel Warning and Visas

- ✓ Business visas are valid for up to three years, can be renewed, and can be used for multiple entries into Colombia for stays of up to six months per visit.
- ✓ Although business travelers may enter Colombia on a tourist visa, businessmen traveling under a tourist visa should not sign contracts, because they may be considered invalid and/or non-binding.
- ✓ U.S. business travelers can obtain copies of the travel warning and other up-to-date travel information and publications such as tips for Travelers to Central and South America, via the Internet at <http://www.access.gpo.gov/su docs>; or via the Bureau of Consular Affairs Home Page at <http://www.travel.state.gov>

Related Reports

Report No.	Report Name	Date
CO4007	Wine and Liquor	6-02-04
CO4011	Retail	9-15-04
CO4017	Bakery Premixes	12-30-04
CO-5003	Oilseeds and Products	02-01-05
CO-5005	Grain and Feed	03-10-05
CO-5006	HRI	03-01-06
CO-5007	Sugar	04-10-05
CO-5010	Coffee	05-15-05
CO-5015	Fairs	07-29-05
CO-5016	Fairs Export Certificates	08-31-05
CO-5020	Rice Update	10-04-05

For further information, visit the FAS home page at <http://www.fas.usda.gov>.

Post Contact Information**Office of Agricultural Affairs
U.S. Embassy, Bogota, Colombia**

Calle 22D Bis, No. 47-51
Apartado 3831
Bogota, Colombia

David Mergen

Agricultural Attaché
U.S. Mailing Address: U.S. Embassy - Bogota
Agr Section, Unit 5119
APO AA 34038

Phone: (57-1) 315-2138
Fax: (57-1) 315-2181
Email: agbogota@usda.gov

**APHIS Attaché
(Agricultural and Plant Health Inspection Service)**

U.S. Mailing Address: U.S. Embassy - Bogota
Agr Section, Unit 5103
APO AA 34038

Phone: (57-1) 315-2192
Fax: (57-1) 315-2191
Email: usdacol@colomsat.net.co

COLOMBIAN GOVERNMENT CONTACTS**Ministry of Agriculture and Rural Development**

Colombian Agricultural Institute (ICA)
(Phytosanitary and Zoosanitary requirements office)
Calle 37, No. 8-43, Piso 4
Bogotá, Colombia

Deyanira Barrero-León
Deputy Manager Animal Health Protection and Regulation
ICA - Instituto Colombiano Agropecuario
Calle 37 # 8-43, Of. 401
Bogotá, Colombia
Tel. (57-1) 320-3654, 332-3700/ext: 250 259
Cel pone: (315)899-7032
Fax: (57-1) 232-4695
e-mail: subgerencia.pecuaria@ica.gov.co

Jaime Cardenas, Head
Plant Inspection Guarantee-Health Risk
ICA - Instituto Colombiano Agropecuario

Calle 37 # 8-43, Of. 401
Bogotá, Colombia
Tel: (57-1) 232-4709
Fax: (57-1) 288-1753
E-mail: sanidad.vegetal@ica.gov.co

Ministry of Social Protection

National Institute for the Surveillance of Food and Medicine (INVIMA)
Division of Food and Alcoholic Beverages
(Food Products registration and Health permits)
Carlos A, Robles
Carrera 68D # 17-21 Zona Industrial
Bogotá, Colombia
Phone: (57-1) 294-87003 Ext. 3920
Fax: (57-1) 315-1762
E-mail: invimasal@invima.gov.co

Ministry of Foreign Trade

Juan Guillermo Castro
Director of Commercial Relations
Calle 28, No. 13A-15, 6th Floor
Apartado 240193
Bogotá, Colombia
Phone: (57-1) 606-7676 Ext. 1433
Fax: (57-1) 606-7539
E-mail: jcastro@mincomex.gov.co