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Market Brief

Colombia

Wine Import Situation

1998

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Report Highlights:

Colombia is a growing market for wine, with about 60 percent of all wine consumed being met by imports. Total wine imports in 1998 are estimated at about \$9.5 million. The United States supplies about 8 percent of Colombia's wine imports. The Colombian market offers excellent sales opportunities for exporters of quality U.S. wine.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Bogota [CO1], CO

Colombia: Wine Import Situation

Market Overview

Colombia is a growing market for wine. Per capita annual wine consumption is estimated at approximately 0.22 liters and is growing. Currently, about 60 percent of all wine consumed in Colombia is imported. During the past three years, 55 percent of total wine imports were supplied by Chile and 8 percent by the United States. Other important suppliers are France with a 17 percent market share and Spain with 10 percent. About half of all imported wine from Chile is of good quality. Most imported American wine is of average quality. According to Colombian importers, the average Colombian consumer usually opts for Chilean or French wine when higher quality is sought.

In recent years, imports of French wine have been on the upswing. This indicates a trend of Colombian consumers to turn to higher quality wine. French wine accounted for only 6 percent of total wine imports in 1991 but has risen to 14 percent in 1997.

Colombians generally express a preference for white wine (particularly Chablis), which accounts for about 40 percent of all wine imports. Red wine (mainly Pinot noir) makes up close to 30 percent of imports, rosé about 10 percent, vermouth about 5 percent, and sparkling wine 15 percent.

Sales opportunities exist for quality American wine. Well designed promotional campaigns must be carried out to successfully launch new-to-market U.S. wine labels.

Total wine imports in 1998 are estimated at about 5.4 million liters, with a value close to \$9.5 million. Import growth in 1999 is projected at 5 percent.

American and European wine imports are assessed a 20 percent import duty. Wine from ALADI Economic Group countries (Chile included) and the Andean Community (Colombia, Venezuela, Ecuador, Peru, and Bolivia) enter duty-free. All wine (imported and domestic) is assessed a 16 percent value-added tax (VAT).

Colombia also imports about 200 tons annually of wine must for local wine production. Must is supplied by Chile, Portugal and Italy.

Total grape area for wine production in Colombia is estimated at 3,000 hectares. Most of this area is located in the Cauca Valley (western Colombia). Colombia's most widely planted variety is Isabella (*Labrusca* sp.) which accounts for some 800 hectares. Other important local varieties are Barbera, Muller-thurgau, Muscat, Pinot noir, Pedro-Ximénez, Johannisberg-riesling, and Sylvaner. Slightly more than 100 wineries are operating in Colombia.

Exchange rate: 1 Peso = US\$0.00065; US\$1 = 1,546Pesos

Import Regulations

Import Registration

1. Colombian importers must register with the Foreign Trade Institute (INCOMEX), an agency of the Ministry of Foreign Trade. This registration grants Government of Colombia authorization to the company to import all agricultural products.
2. Wine products must be registered with INVIMA, the National Institute for the Surveyance of Food and Medicines under the Ministry of Health. This registration can be done by either the exporter or the importer. INVIMA registration requires:
(a) A written document from the manufacturer stating that they manufacture the listed products. (b) A "certificate of free sale" stating that the products are approved for human consumption in the United States. In the past, INVIMA has accepted a statement issued by the producer. To satisfy this requirement, INVIMA is now demanding that this document be issued by a U.S. Government (state, local or federal) health authority.

Although not required, INVIMA registration is facilitated if a description of the manufacturing process and a list of the ingredients, including any additives, preservatives, and colorings is submitted.

All documents must be notarized by the Colombian Embassy or a Consulate in the United States and by the Ministry of Foreign Affairs in Bogota. These documents must be translated into Spanish by a translator approved by the Ministry of Foreign Affairs. A sample label also may be submitted. An INVIMA registration fee must be paid. This fee covers the cost of preparing an analysis of the product. The wine product does not need to be analyzed before registration approval is given. INVIMA, however, can randomly select product from retail shelves for testing. Registration cost depends on the item, but it is about \$700. After all the required documentation is submitted, product registration by INVIMA takes about three

working days.

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

(a) If the U.S. exporter has undertaken the INVIMA registration, he must submit a request to modify his registration. Cost for this process is 48,000 pesos or about \$30.

(b) If the Colombian importer has undertaken the INVIMA registration, the U.S. exporter must initiate a new registration process. The exporter must specify 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 through a local lawyer.

Import License Approval Procedures

1. The Colombian importer purchases an import license form at INCOMEX (cost 24,000 pesos or about \$17).
2. The importer presents the completed INCOMEX import license form to INVIMA for clearance. This intermediate approval process normally takes about 48 hours.
3. The importer presents the completed INCOMEX form and the INVIMA clearance to INCOMEX. INCOMEX now issues an import license. The final license issuance normally takes about 48 hours.

Shipment Inspection Procedures

Imported wine is subject to inspection prior to shipment for product and price validation. This inspection is carried out by private companies contracted by the GOC.

Import Tariffs and Taxes

- A. Tariffs: American and European wine imports are assessed a 20 percent import duty, while wines from ALADI Economic Group countries (Chile included) and the Andean Community (Colombia, Venezuela, Ecuador, Peru, and Bolivia) enter duty free. All wine (imported and domestic) is assessed a 16 percent Value-Added Tax (VAT). Wine tariffs are as follows:

Table wine	20 percent
Sparkling wine	20 percent

Bulk wine 20 percent
Wine coolers 20 percent

- B. Value added tax: Wine is assessed a 16 percent value added tax on the cif value. Wine coolers and other fruit wines also are subject to the 35 percent VAT.
- C. Regional preferences: Preferential duty treatment is accorded to products imported from ALADI member states (Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay, and Venezuela).

Wine imports from Andean Community nations (Bolivia, Colombia, Ecuador, Peru and Venezuela) enter Colombia duty-free.

Chilean wine imports were granted duty-free entry into the Colombian market in 1994 under a bilateral trade agreement.

Certification, Labeling and Container Size

Colombia does not accept BATF approved U.S. laboratory certification of wine.

Wine labels must contain the name of the product, place of production, percentage of alcohol, net contents, name of the importer, and a statement indicating that excessive consumption of alcohol is harmful to health. All of this information must be printed on the label prepared by the wine producer/exporter.

Imported bottled wine is permitted in containers not exceeding 2 liters.

Colombia Wine Importers

Interconsult Trading Ltda.

Calle 108 No. 9A-14
Tel. (571)619-2134, 619-2136
FAX: (571)619-2135
Bogotá

Tel. (571)611-1279
FAX: (571)257-3914
Bogotá

ACODIL

Asociación Nal. de Importadores
de Licores y Vinos
Calle 93A No. 14-17, of. 403

Puyana & Cia.

Autopista Norte km 17, Guaymaral
Apdo. 50381
Tel. (571)676-0700
FAX: (571)676-0956
Bogotá

Atlas Comercial

Calle 78 No. 9-39
Tel. (571)249-3217
FAX: (571)211-8941
Bogotá

Fondo Rotatorio del Ejército

Cra. 50 No. 18-92
Tel. (571)261-7700
FAX: (571)261-0207
Bogotá

Asolicores Ltda.

Calle 82 No. 16A-15
Apdo. 92629
Tel. (571)611-1144
FAX: (571)611-1944
Bogotá

J.E. Rueda & Cía.

Calle 79A No. 8-31
Tel. (571)249-6822
FAX: (571)211-2249
Bogotá

Dislicores de la 18

Calle 18 No. 7-36
Tel. (571)334-1414
FAX: (571)341-9915
Bogotá

Darío Sarmiento S.A.

Calle 13 No. 36-78
Apdo. 7754
Tel. (571)277-3200
FAX: (571)277-3566
Bogotá

Internacional de Licores Ltda.

Cra. 24 No. 22A-81
Tel. (571)268-1973
FAX: (571)268-0802
Bogotá

Gustavo Zuluaga & Cía. Ltda.

Cra. 25 No. 17-67
Apdo. 10237
Tel. (571)201-1960
FAX: (571)201-3692
Bogotá

Comercial SM & Cia. Ltda.

Transv.28 No. 23A-08
AA 75437
Tel. (571)369-0578, 335-0138/592,
244-1189/1856
FAX: (571)268-8887
Bogotá

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