



THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT
POLICY

Voluntary Public

Date: 11/6/2014

GAIN Report Number:

Philippines

Post: Manila

Veritas Quo In Vino Victory

Report Categories:

Export Accomplishments - Other

Approved By:

Ralph Bean

Prepared By:

Maria Ramona C. Singian

Report Highlights:

FAS Manila worked with Veritas Quo (VQ), a California-based exporter representing popular wine brands to connect with several importers. This led to VQ awarding exclusive distributorship for several labels to Global Noble International Corporation (GNIC). GNIC anticipates sales in the range \$1.2 million in the first year. VQ expects to award exclusive distributorships for ten more labels to two other partners in the Philippines before end-2014.

General Information:

Beginning in October 2013, FAS Manila started work with Veritas Quo (VQ), an exporter representing California wines and other lifestyle brands in high growth international markets. VQ's mission to "share the best of the California lifestyle experience" with the world dovetails extremely well with the Philippine consumers' high level of familiarity with the U.S., U.S. culture and lifestyles, and food products from the U.S.

FAS Manila provided Veritas with up-to-date market information, well-defined market entry strategies, identified potential import partners, facilitated sample shipments from several California wineries, and arranged one-on-one meetings and sampling. This led to VQ awarding the exclusive distributorship in the Philippines of SIP Moscato wines to Global Noble International Corporation (GNIC), a joint venture between a Singapore-based company and Filipino entrepreneurs. VQ is set to award exclusive distributorships for ten more wine labels to two other partners in the Philippines before the end of 2014, while GNIC expects to move at least 12 containers of SIP Moscato wines in 2015 with a total value estimated at \$1.2 million. According to VQ, USDA's GSM-102 program enabled them to extend credit to GNIC. Since most hotels, restaurants and retail stores in the Philippines require credit terms varying from 30-90 days, importers usually require exporters to share the burden.

The U.S. has long been the leading supplier of wines to the Philippines and, since 2009, the Philippines has been the largest market for U.S. wine in Southeast Asia. Despite distribution challenges and a combination of tariffs and taxes that inflate the final price by roughly 30 percent, the country's booming economy, wine's increasing popularity, widespread trust and acceptance of U.S. products, and a young population (40 percent of the country's 105 million people under 20 years old) create an extraordinary profile that makes the Philippines one of the most exciting potential wine markets in the world. FAS Manila estimates 2014 exports will reach a record \$11.5 million, exceeding last year's sales by almost 30 percent.