

Colombia Market Survey Findings

12th June 2018
exporTT Limited
151B Charlotte Street
Port of Spain

Demographics

Population Size

49.1 Million (2017)

Population Statistics: 2030

POPULATION (MILLION)

53.2

MEDIAN AGE (YEARS)

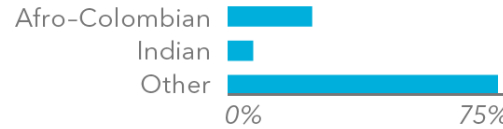
36.4

LIFE EXPECTANCY (YEARS)

77.1

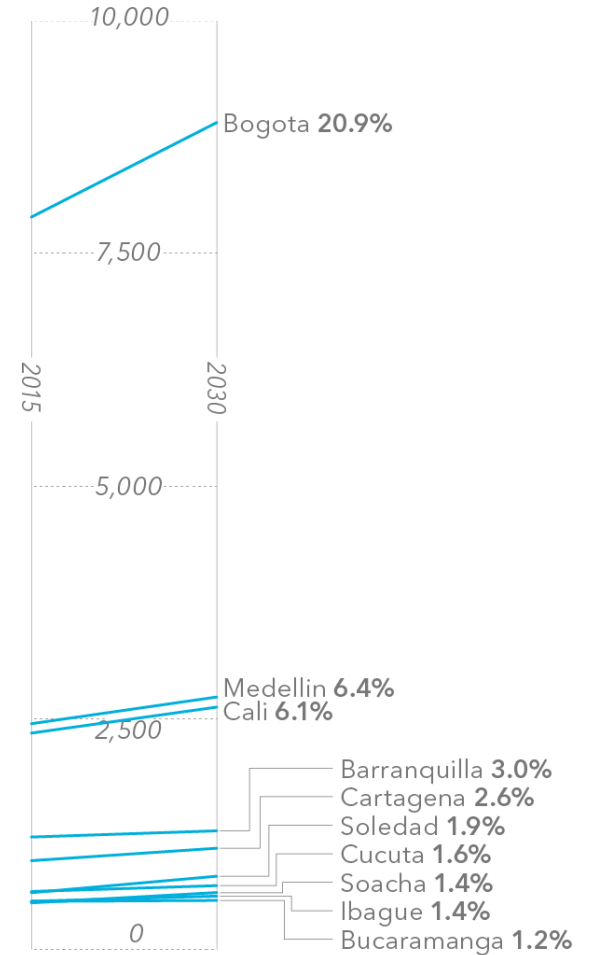
Population by Ethnicity: 2030

% of total population



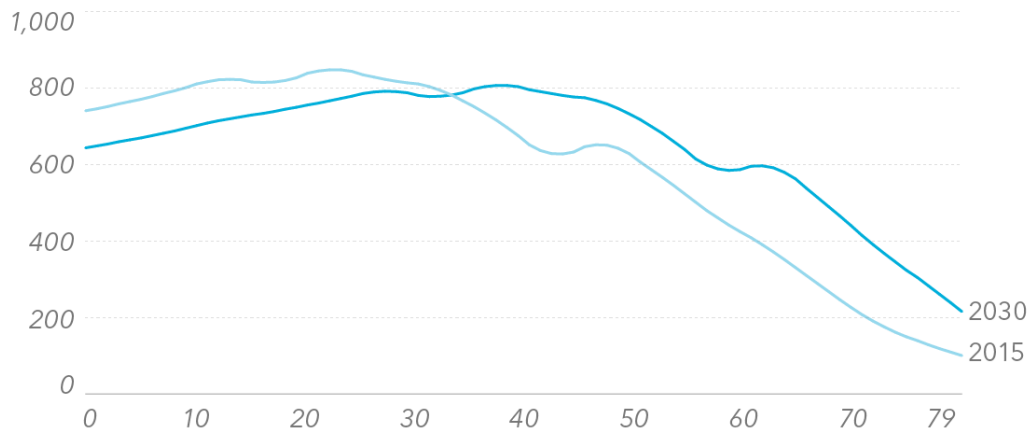
Growth of Top 10 Cities: 2015–2030

'000; % share of urban pop. in 2030



Population Age Shift: 2015/2030

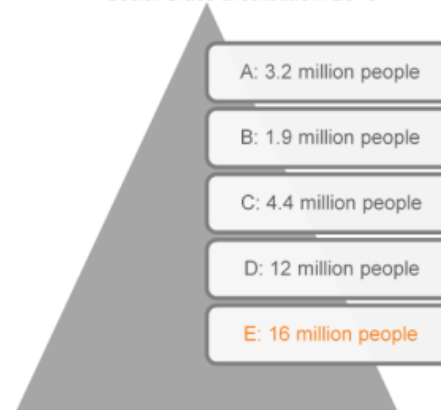
'000, by age



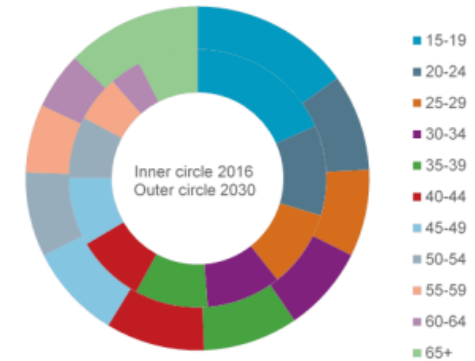
Social Classes

- Class E (Lowest Income Class) is predominant in Colombia. Its related to the past armed conflict which drove a significant share of the population into displacement and unemployment. **16 million**
- Class C (Middle Class) has the fastest rate of expansion which has been fuelled by increasing disposable income and rising social spending by the government. **4.4 million**

Social Class Distribution: 2016

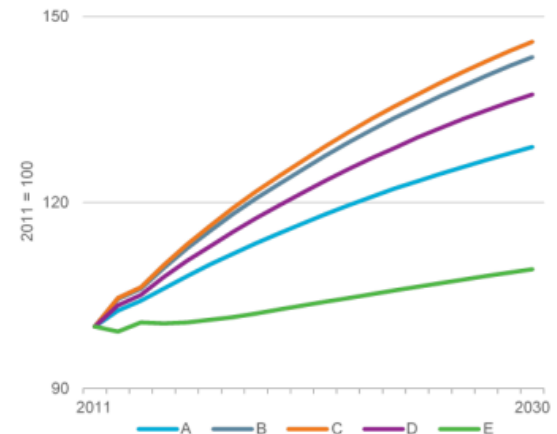


Social Class E by Age: 2016 and 2030



17 MILLION
COLOMBIANS WILL BELONG TO
SOCIAL CLASS E IN 2030

Growth Index of Social Classes: 2011-2030



Source: Euromonitor International from national statistics

Note: Data for 2017-2030 are forecasts

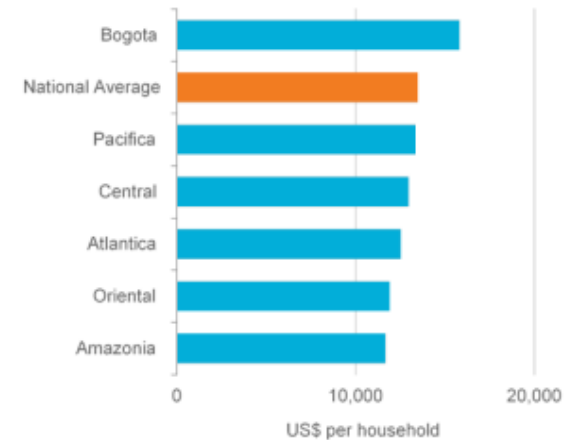
Colombia's Consumer Market by Region

- Colombia is made up of 32 departments and one Capital District.
- Capital district is Bogota
- Caribbean/Atlantic Region – Cartagena, Santa Marta, and Barranquilla
- Pacific Region – Buenaventura and Ipiales.
- Central/Andean Region – Medellin, Cali, Popayan and Pereira.
- Oriental Region – Villavicencio, Acacias and Villanueva.
- Amazon Region - Leticia

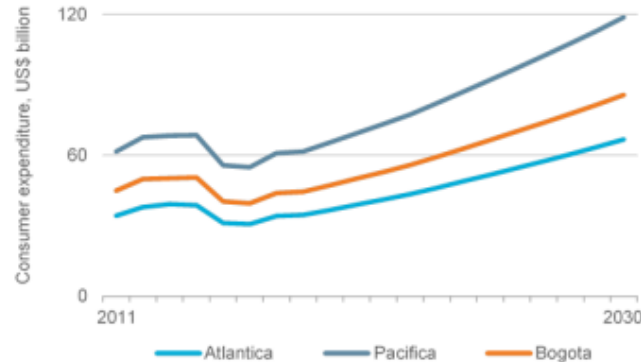
Largest Regions by Total Consumer Expenditure: 2016



Regions with Lowest and Highest Average Household Spending: 2016



Regions with Fastest-Growing Consumer Expenditure: 2011-2030



IN 2016, AN AVERAGE URBAN HOUSEHOLD SPENT **US\$14,049**, COMPARED TO **US\$8,558** SPENT BY AN AVERAGE RURAL HOUSEHOLD

Source: Euromonitor International from national statistics/UN/OECD

Note: Data for 2017-2030 are forecasts

Cities Covered in Survey



Bogota
Barranquilla
Cartagena

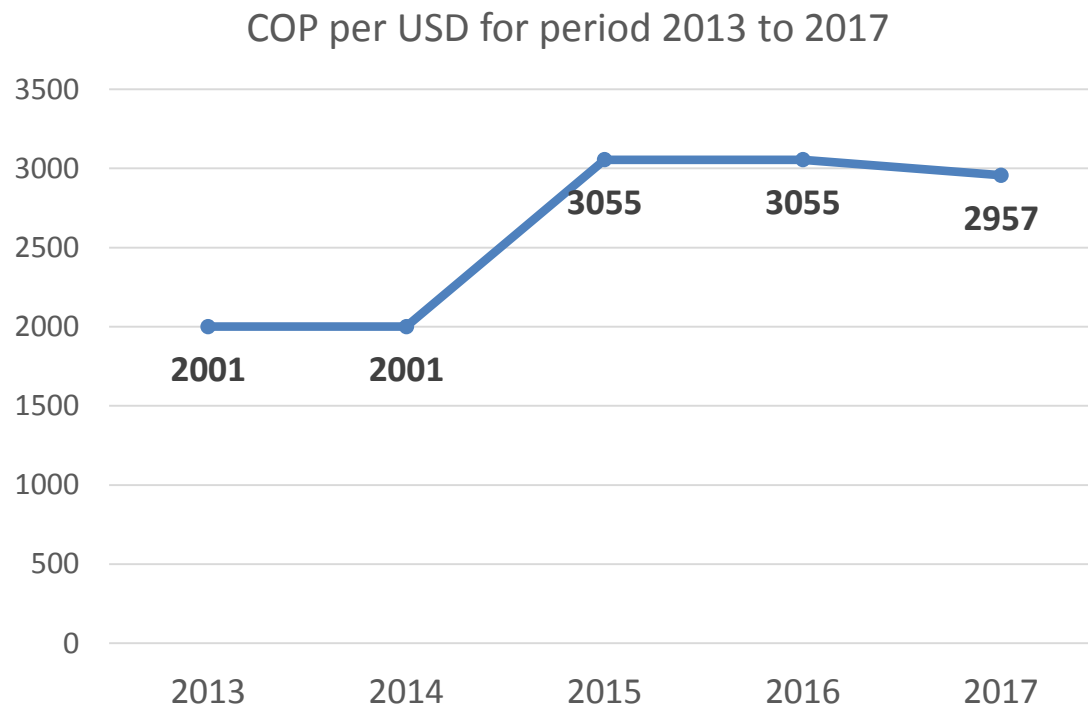


Language and Meetings

- A few of my meetings were conducted in English but English is not so widely spoken that an interpreter is not required.
- Even if the meeting is conducted in English an interpreter is recommended to get into the building which can be a task in itself.
- Security is high in most places so account for that when getting to meetings.
- Even in carparks to malls dogs will be allowed to sniff inside your car and mirrors will be used to check for bombs.
- Easier to get meetings with decision makers in the Coastal Cities



Depreciation of Exchange Rates



Same fate as other petroleum producing countries like Trinidad and Tobago. In Trinidad and rate was more or less preserved but this has caused implications with currency availability which we are still struggling with.

Source: World Factbook

Retail Landscape

Casino Guichard-Perrachon SA

- Almacenes Éxito, Éxito, Éxito Express, Carulla, Surtimax, Super Inter, Ley, Pomona and Vivero.

Supertiendas & Droguerías Olímpica SA

- Olímpica and Sao

Cencosud SA

- Metro and Jumbo

Neighbourhood Convenience Stores

- Koba LLC – D1, Jeronimo Martins SGPS SA – Ara, Mercaderia – Justo y Bueno

- Colombiana de Comercio SA – Alkosto (Simiar Format to Pricemart)
- Sodimac Corona - Homecenter



ARA





Por favor espere
el llamado del cajero

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Proliferation of Private Labels

- 7 buyers (3 big, 3 medium, 1 small) – All preferred Private Labels to National Brands.
- Everyone is getting in on the PL Bandwagon. Retailers, Wholesalers, Distributors and even Agents are looking at opportunities to offer their own brands.
- Retailers have their own brand which is positioned as a value brand and also offer an economy brand which is lower in price.
- Some retailers are creating different brands for each of their product offerings.

Important to Importers of Private Label Brands

Competitive
Cost/Price

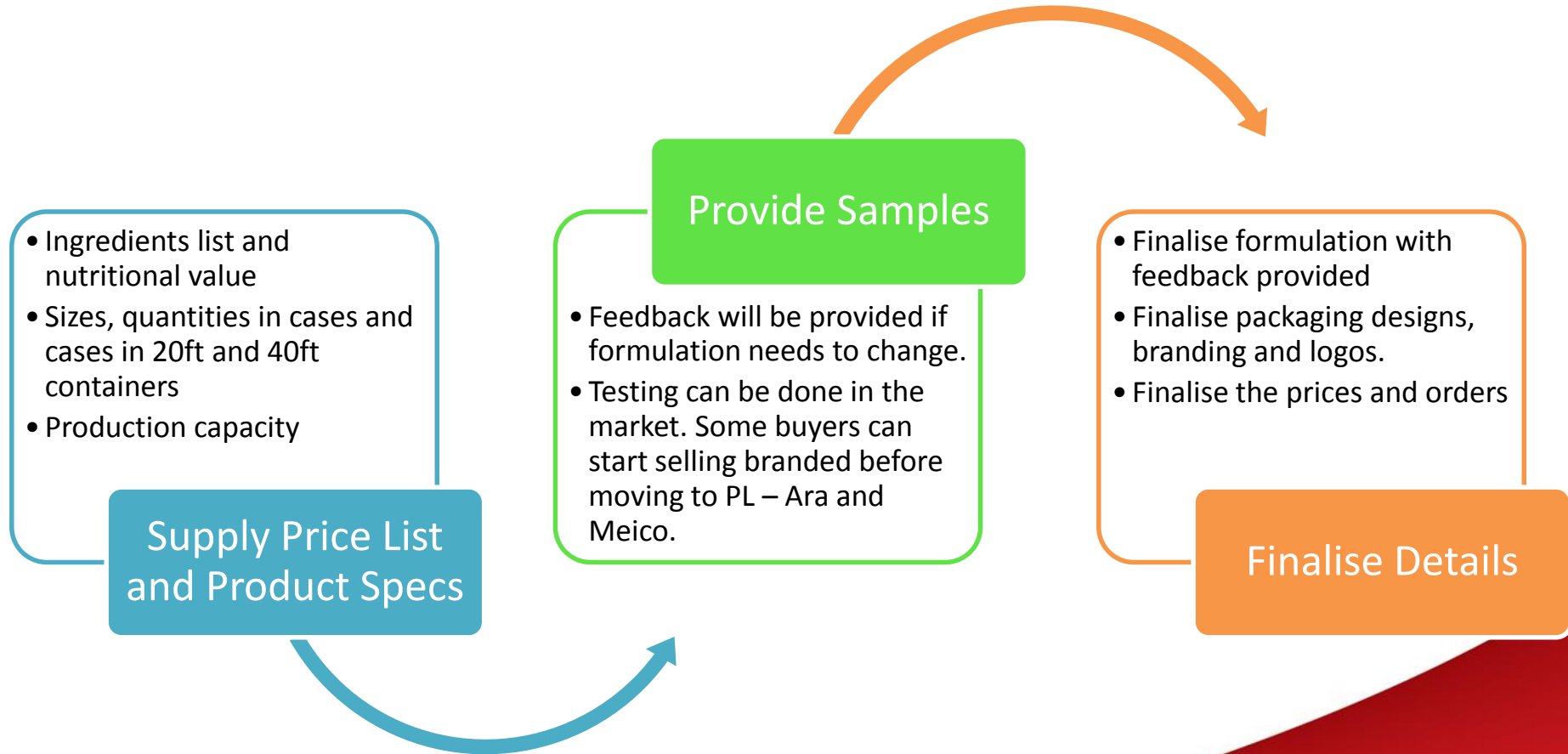
Ability to modify
product
formulation and
packaging

Consistent Quality

Ability to share the
product
formulations

Where packaging is
a major input high
volumes are
necessary

General Process of Becoming a PL Supplier



Margins

- With Private Label the buyer retailer can do business directly with the manufacturer so there is no distributor margin but the retailer margin going up. Cencosud – up to 40%
- It is also possible that a distributor picks up your private label and in this case – margins for food products are 10-15% and for personal care items 10-40%.
- All depends on the products and deal that is agreed to between the parties.

Pricing

- The final price of most imported consumer goods is calculated by estimating 20 percent of the FOB price for freight and insurance, warehousing, and other documentation costs; a 19 percent VAT (in most products); the import tariff (if the product is not duty free); and a 30-40 percent profit, thus putting the final price at an approximately 60-80 percent over the FOB price.

Both Brands Manufactured by the same company locally – Unibol SAS



Exito Value Brand



Exito Economy Brand

Olimpica







Justo y Bueno



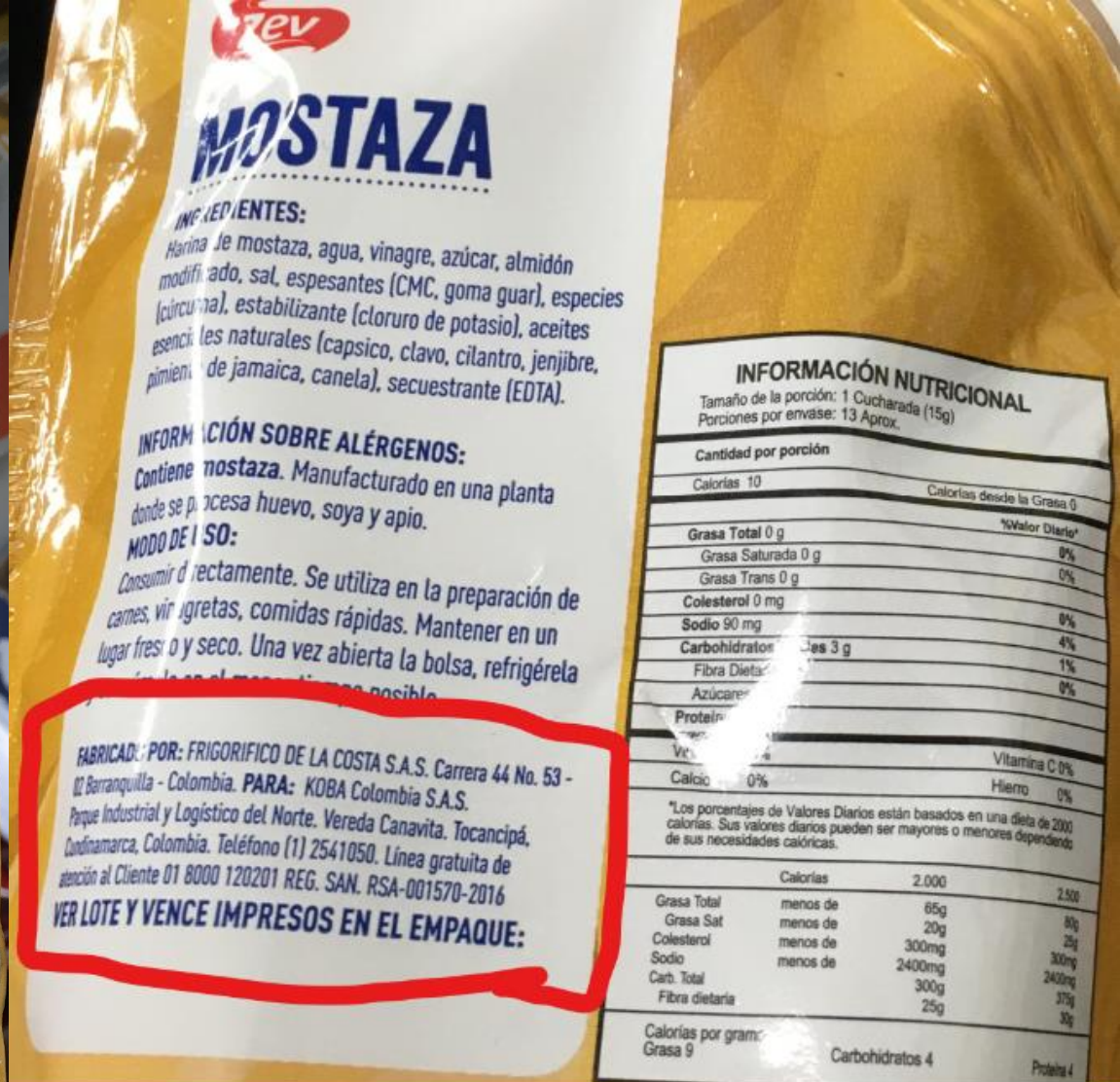
Ara



- Multiple brands for different products rather than one brand for all products like Exito.



D1



- Most of the Private Labels spotted were locally manufactured. There were a number of others manufactured by Latin American Neighbours such as Chile and Mexico.





Pricing - Regional Differences

Product	Exito Bogota	Ara Bogota	Exito – Barranquilla	Ara – Cartagena
Fabuloso Antibacterial Disinfectant 2L	\$10,890		\$11,220	
Limpido Bleach 1L	\$3,310 - Carulla	\$2,200		\$3,190
Saltin Noel Crackers 500g		\$4,300 – 385g		\$4,850
Kelloggs Zucaritas 450g	\$9,990			\$7,250 – 300g
Axion Dishwashing 450g	\$4770		\$4,125 - Special	\$4050 – 400g
Hit Flavoured Soft Drink 500ml	\$1,620	\$1,540		\$1,540
Familiar Toilet Paper 30M X 12		\$9,900	\$9,990	\$10, 990
Muneca Spagetti 250g	\$1,670		\$1,720	

Land Logistics

- The ports are on the Coast but the most populous cities are in the mountains far away.
- Cartagena has the biggest container port and can facilitate the largest ships. The distance between Cartagena and Bogota however is very far.
- Roads have been improved between the cities but it can take 20-24 hrs by truck.
- Buenaventura is closer to Bogota but its on the Pacific Coast and will require going through the Panama Canal.



Logistic Costs

Shanghai China to Cartagena	Cartagena to Bogota	Buenaventura to Bogota
450 – 500 USD	2000 – 2500 USD	1500 – 1900 USD

Shipment	40 Feet	20 Feet
T&T to Cartagena	USD 980 – 1090 excl. taxes and duties	USD 780 – 870 excl. taxes and duties
T&T to Barranquilla	USD 1000 – 1010	USD 800 - 900

Main Agencies in the Import Process

DIAN (Customs)

- Contraband and money laundering related to the drug trade. They check the paperwork against the shipment to ensure that it is consistent in terms of value.

INVIMA (Health)

- Similar to Chemistry Food and Drug in Trinidad and Tobago and is responsible for approving the entry of all products for human use or consumption including items like cosmetics, tissue etc. once it makes contact with the skin.

ICA (Agriculture)

- All agricultural products (plants and animals)

NARCOTICS POLICE

- Check for drugs in shipments. All containers are scanned and suspicious shipments are searched.

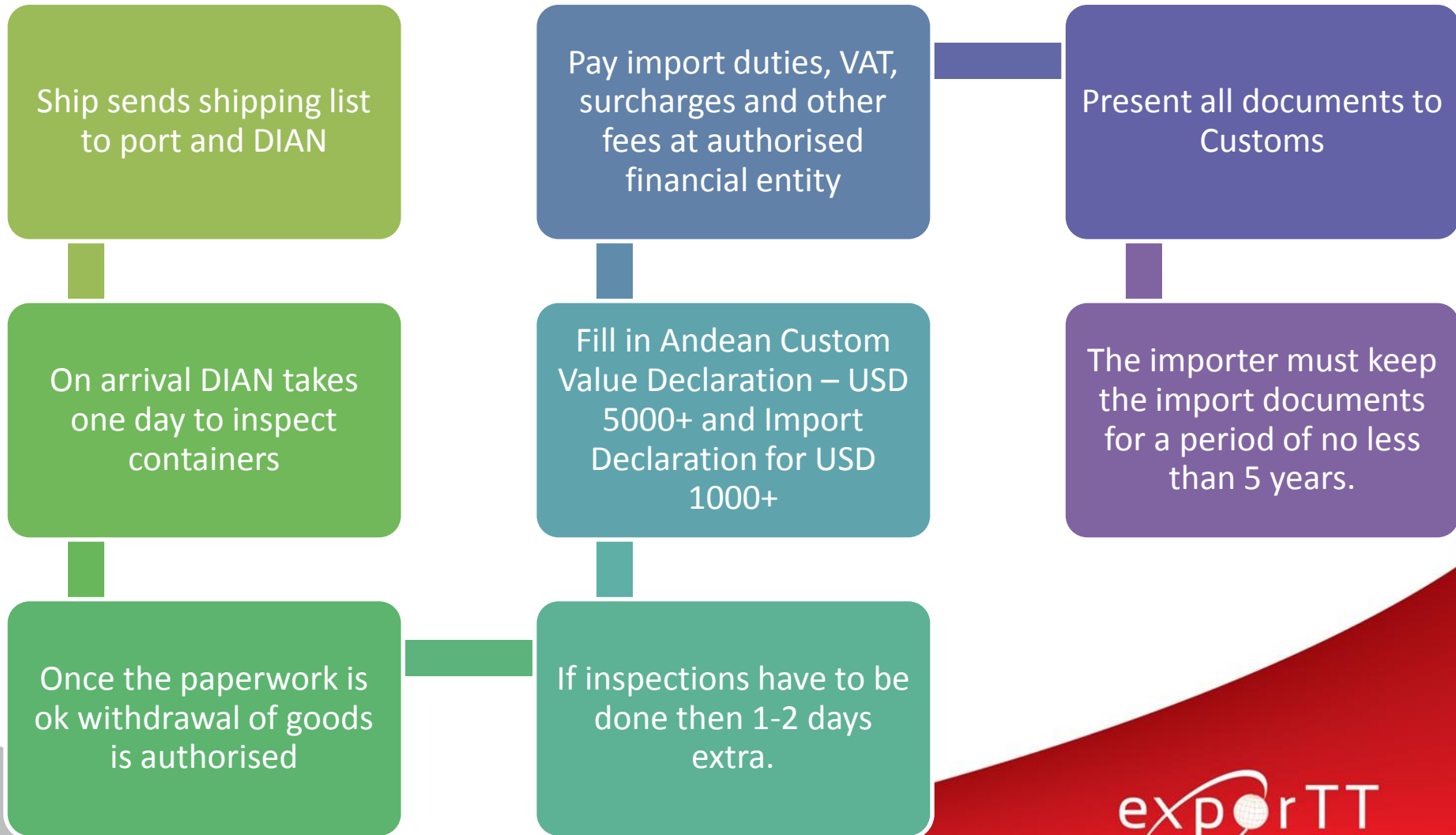
Port Costs in USD

Details	Break Bulk/Ton	20' Container	40' Container
Port Charge	5.50	90	140
Inspection	2.20	120	140
Unloading	5.50	70	70
Warehousing	5.50	35/day	35/day

Handwritten calculations on a whiteboard:

	BB	20'	40'
UDI	5 ⁵⁰ ton	90	140
Inspection	2 ²⁰ ton	120	140
Carriage	5 ⁵⁰ ton	70	70
Almacén	5 ⁵⁰ ton	35 x day	35 x day
		3 days Free	
	up 17 ton	\$ 215	\$ 385
		110	100
04 hrs.		\$ 325	\$ 500
	up 17 ton		

General Import Process



Reasons for Delays

The supplier/exporter does not submit the necessary documents.

The importer does not have the money to pay the fees.

Trucks not available to take the products out –
80% of truck not owned by logistics companies

Container selected for inspection

INVIMA

- All products which make contact with humans must be registered.
- The importer can do the registration process but the T&T company can also have the company register the product on their behalf.
- Generally, products which are deemed high risk have a longer process and involve a higher costs. The process can take as long as 4-5 months.
- Major steps in the process:
 - Identify the risk level of the product
 - Harmonisation – ensure that products correspond
 - Registration or certification

MINISTERIO DE SALUD Y PROTECCIÓN SOCIAL

RESOLUCIÓN NÚMERO 00000719 DE 2015

(11 MAR 2015)

Por la cual se establece la clasificación de alimentos para consumo humano de acuerdo con el riesgo en salud pública

EL MINISTRO DE SALUD Y PROTECCIÓN SOCIAL

En ejercicio de sus atribuciones legales, en especial, de las conferidas en los numerales 3 y 5 del artículo 2° del Decreto-Ley 4107 de 2011 y el artículo 126 del Decreto-Ley 019 de 2012, y en desarrollo de la Ley 09 de 1979,

CONSIDERANDO:

Que el artículo 126 del Decreto-ley 019 de 2012, establece que los alimentos que se fabriquen, envasen o importen para su comercialización en el territorio nacional, requerirán de notificación sanitaria, permiso sanitario o registro sanitario, según el riesgo de estos productos en salud pública, de conformidad con la reglamentación que expida el Ministerio de Salud y Protección Social.

Que la Resolución 2674 de 2013 mediante la cual se reglamenta el artículo 126 del Decreto-Ley 019 de 2012, establece en su artículo 4, que el Instituto Nacional de Vigilancia de Medicamentos y Alimentos – INVIMA, a través de la Sala Especializada de Alimentos y Bebidas Alcohólicas (SEABA) de la Comisión Revisora, propondrá a éste Ministerio la clasificación de alimentos para consumo humano.

Que el Director de Alimentos y Bebidas del INVIMA en condición de Secretario Técnico de la Sala Especializada de Alimentos y Bebidas Alcohólicas (SEABA) mediante radicado 201442300579352 de 29 de abril de 2014, remitió la propuesta de clasificación de alimentos a que alude el artículo 4 de la Resolución 2674 de 2013, teniendo en cuenta las definiciones de riesgo medio, alto y bajo en salud publica incluidas en el artículo 3 de la citada resolución.

Que la clasificación que se adoptará con el presente acto administrativo deberá observarse en el procedimiento para la habilitación de las fábricas de alimentos de mayor riesgo en salud pública de origen animal ubicadas en el exterior, conforme a lo establecido en el capítulo V del Decreto 539 de 2014, modificado por el Decreto 590 de 2014; así mismo, se empleará para obtener la notificación, permiso o registro sanitario de alimentos ante el INVIMA y en el desarrollo de las actividades de inspección, vigilancia y control que adelanten las autoridades sanitarias en el marco de sus competencias.

Que en cumplimiento del artículo 2 del Decreto 1844 de 2013 este Ministerio solicitó concepto previo con relación a la expedición del presente acto administrativo a la Ministerio de Comercio, Industria y Turismo., entidad que mediante pronunciamiento dirigido a la Dirección de Promoción y Prevención, bajo el radicado 201442301222792 recibido el 04 de agosto de 2014, manifestó que

INVIMA Document
which provides the risk
level associated with
different products.

INVIMA

- INVIMA's website: www.invima.gov.co
- All information related to process for each grouping of process is available.
- Tramites y Servicios → Tramites
- Select the product grouping for eg. Alimentos
- Select the certification required from the list.
- Navigate the tables for the details

Busque por término, palabra clave



 / [Inicio](#) / [Trámites y Servicios](#) / [Trámites](#)

Alimentos ▼

Seleccione Trámite... ▼

Seleccione Trámite...

- Análisis de laboratorio para verificar la calidad de los alimentos, bebidas y otros materiales para el consumo humano
- Autorizaciones
- Autorizaciones de importación
- Certificaciones de inspección sanitaria
- Certificaciones de venta libre
- Certificaciones HACCP
- Certificaciones requiere no requiere
- Inspección oficial por hora
- Modificaciones
- Notificación sanitaria
- Permiso sanitario
- Publicidad
- Registro sanitario
- Renovaciones
- Sala especializada de alimentos
- Visitas y certificaciones

[Formatos de devolución de dinero y co](#)

[Listado de tramites.](#)

[Manual tarifario vigente 2018.](#)

CERTIFICACIONES DE INSPECCIÓN SANITARIA

Cuáles son los requisitos

Información Asociada

Formatos

Tarifas

Dónde lo puedo presentar

Requisitos Generales:**Documentación física**

- Letra clara y visible
- No usar resaltador en ningún caso
- Foliados debidamente de la primera a la última hoja, en la esquina superior derecha delantera en tinta negra empezando por la consignación.
- Sin enmendaduras y sin alterar membretes, sellos, textos o numeraciones originales (si hay una enmendadura colocar una diagonal y foliar nuevamente)
- No se acepta agregar letras a los números de los folios
- Las hojas en blanco y los separadores no deben foliarse
- Legajar los documentos con ganchos plásticos en carpetas máximo de hasta 200 folios en el siguiente orden:
 - 1- Consignación (Los recibos de consignación deben pegarse totalmente en una hoja con pegante o legajarse como una hoja. No grapar)
 - 2- Formatos de información básica, solicitud o si es el caso carta de solicitud.
 - 3- Información legal.
 - 4- Información técnica.

Documentación medio magnético

Ver Instructivo para radicar documentos en medio magnético (AIC-AST-IN005)

CERTIFICACIONES DE INSPECCIÓN SANITARIA

Cuáles son los requisitos	Información Asociada	Formatos	Tarifas	Dónde lo puedo presentar
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CÓDIGO TARIFA	CONCEPTO	SMLDV	TARIFA \$
4050-1	Certificado de inspección sanitaria para la nacionalización de alimentos terminados por 1 (un) Lote del Cargamento y por 1 (un) Lote a Inspeccionar. Sólo se aceptará el pago de esta Tarifa vía electrónica.	5	\$ 130,207
4050-2	Certificado de inspección sanitaria para la nacionalización de alimentos terminados de 2 (dos) a 8 (ocho) Lotes del Cargamento y por 2 (dos) Lotes a Inspeccionar. Sólo se aceptará el pago de esta Tarifa vía electrónica.	8.33	\$ 216,925
4050-3	Certificado de inspección sanitaria para la nacionalización de alimentos terminados de 9 (nueve) a 15 (quince) Lotes del Cargamento y por 3 (tres) Lotes a Inspeccionar. Sólo se aceptará el pago de esta Tarifa vía electrónica.	11.66	\$ 303,643
4050-4	Certificado de inspección sanitaria para la nacionalización de alimentos terminados de 16 (dieciséis) a 25 (veinticinco) Lotes del Cargamento y por 5 (cinco) Lotes a Inspeccionar. Sólo se aceptará el pago de esta Tarifa vía electrónica.	18.32	\$ 477,079
4050-5	Certificado de inspección sanitaria para la nacionalización de alimentos terminados de 26 (veintiséis) a 50 (cincuenta) Lotes del Cargamento y por 8 (ocho) Lotes a Inspeccionar. Sólo se aceptará el pago de esta Tarifa vía electrónica.	28.31	\$ 737,233
4050-6	Certificado de inspección sanitaria para la nacionalización de alimentos terminados de 51 (cincuenta y uno) Lotes del Cargamento en adelante y por 10 (diez) Lotes a Inspeccionar. Sólo se aceptará el pago de esta Tarifa vía electrónica.	34.97	\$ 910,668
4057-1	Certificado de inspección sanitaria para la nacionalización de materia prima o insumos para la industria de alimentos o bebidas de 1 (uno) a 10 (diez) Lotes y por 1 (un) Lote a Inspeccionar. Sólo se aceptará el pago de esta Tarifa vía electrónica.	5	\$ 130,207

Non-Food and Beverage Requirements

- Construction
 - Generally does not require registration but electrical products such as generators, panels, wires etc would require ISO or UL certification.
 - The details and use of the product are important. For eg. wires for a specific machinery would not have as many requirements as wires for household electricity. Electrical products require a REPTIE certificate which can take up to 15 days.
- Chemicals
 - Also does not require registration but there are restrictions on some types of chemicals which are used in the production of illegal drugs such as acetone and ethanol. The frequency and volumes of these chemicals are closely monitored by the Narcotics police.

Customs Agencies

- Over 250 customs brokers in Colombia
 - Top 10 – Large established firms which are not the cheapest.
 - 11-25 Medium size
 - 25-40 Smaller firms but which are still well established.
 - Over 40 companies in a mixed bag of good and bad
- Customs brokers are highly recommended if you want to get your products through without issues.
- The established brokers have good relationships with ports and port operators and can leverage these to your benefit.
- Choose a broker who is based at the port of entry rather than somewhere else since the operation will be bigger and better able to help.

Top 5 Customs Agencies

1. Aduanas Gamma
2. Imex
3. Sudeco
4. DDP
5. Aduanimex

Opportunities

- A number of opportunities available in the area of private labels for those companies which can meet the requirements.
- Some of the products of interest were:
 - Sauces and condiments including Ketchup, Mustard, Mayonnaise and Barbecue Sauces.
 - Candy particularly low priced lollipops
 - Pasta
 - Cereals
 - Healthy and Low Fat Snacks
 - Soaps
 - Beer and Malta



\$1.590



\$6.590

\$1.098



\$25.990

\$866



Resources Available on Colombia

- 12 Product Sheets on the sectors covered
- Access to all the Euromonitor Reports on Colombia.
- Over 750 pics from store checks
- Pricing info from Euromonitor and from store checks.
- Ability to use in-market consultants to get more specific info for your market.
- Colombian Embassy

Product Factsheet



Product Fact Sheet

RETAIL TISSUE IN COSTA RICA



Market Overview

MARKET HIGHLIGHTS

- Retail tissue sees **1%** negative growth in **2016** in current value terms
- Economy unbranded toilet paper products continue to affect value sales in **2016**
- Average unit price for toilet paper sees **4%** value contraction in **2016**
- Kimberly-Clark Costa Rica SA continues to lead retail tissue sales with **41%** value share

Drivers of Growth

Volume growth rose in line with population growth with per capita consumption remaining close to 5.5kg in 2016.

Economy toilet paper continues to gain momentum with low to middle income earners with Walmart's private label and unbranded alternatives from China

DISHWASHING IN COLOMBIA - DATAGRAPHSICS

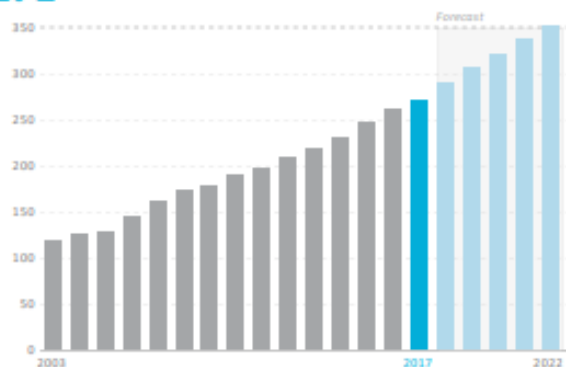
Country Report | Feb 2018

Market Sizes

Sales of Dishwashing

Retail Value RSP - COP billion - Current - 2003-2022

271



Sales of Dishwashing

% Y-O-Y Growth 2003-2022

4.5%



Sales of Dishwashing by Category

Retail Value RSP - COP billion - Current - 2017

Click on a Category to update Sales Chart

Automatic Dishwashing

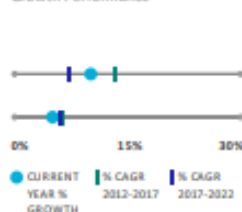
261.5

Hand Dishwashing

271.0

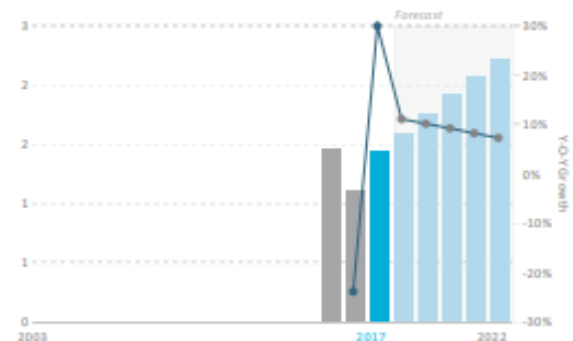
DISHWASHING

Growth Performance



Sales of Automatic Dishwashing Liquids

Retail Value RSP - COP billion - Current - 2003-2022



Contact Information

- Website: www.exportt.co.tt
- Dhanraj Harrypersad
dharrypersad@exportt.co.tt
623-5507 ext 411
799-7390
- Vincent Ramlochan
vramlochan@exportt.co.tt
623-5507 ext 380