

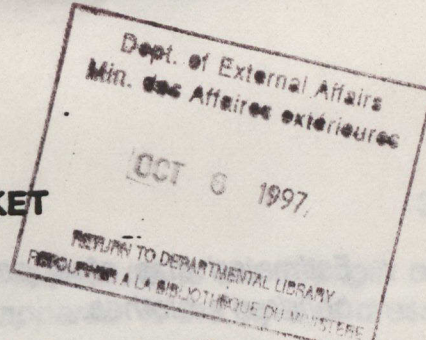
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COLOMBIA: APPAREL MARKET



Colombia is a country of 33 million inhabitants, living in 3 different types of climates: cold (mountains), mild and hot (coast and interior valleys). Therefore, dressing habits differ according to altitude.

Cotton of short and medium staple fibres is domestically produced to supply part of the demand. The rest is imported mainly from Peru.

The textile industry is the biggest manufacturing activity in the country, which supplies the majority of material needed for the apparel industry, both for domestic consumption and for export. Nevertheless, imports of textiles are carried on a permanent basis from Brazil, China, Korea, Hong Kong, Italy and the United States. Colombia is strong in producing drills and denims but 20% of the needs have to be imported. Textiles like silks and polyesters for women are imported to a large extent, since women are often more demanding on quality. Cotton knit and non-flammable (for babies) textiles as well as decorative, upholstery and curtain textiles have a good demand and can be imported, provided prices are competitive against domestic production.

MARKET OPPORTUNITIES

- *Market opportunities for Canadian manufacturers of menswear, womenswear and childrenswear in your territory.*

Since 1991, the Colombian economy has been open to foreign competition. Prior to it, it was very protectionist and only a few textiles were allowed to be imported.

Now, all textiles and all types of menswear, womenswear and childrenswear are allowed to be imported, provided they pay the respective tariffs and taxes and are competitive with similar domestic production. Most market opportunities are for medium and high fashion apparel.

Following are the tariffs and taxes for the different types of products imported:

Textiles	20% ad-valorem duty plus 14% sales tax.
Yarn	10-15% ad-valorem duty plus 14% sales tax.
Apparel	20% ad-valorem duty plus 14% sales tax.

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- *Estimated size of apparel market in Canadian dollars for men, women and children's clothes.*

CDN\$ 475 MILLION

Total imports of apparel products into Colombia for the years 1990 and 1991, based on a FOB value, are as follows:

1990 - CDN\$ 30,000

1991 - CDN\$ 129,000

- *Description of opportunities that exist (including market size in Canadian dollars) for menswear, womenswear and childrenswear, (e.g. cold weather clothing, jeans, high-end fashions, etc.).*

There are market opportunities, especially for moderately priced apparel, all year round, provided it is competitive with domestic manufacturing. Fashion outerwear and women's dresses are of particular interest. High style fashion and luxury products are limited to a few stores in major cities. Importers generally buy in Europe and the United States.

- *The importance of designer brand names versus private labels.*

Apparel of designer brands is very much appreciated, especially by women but, due to its high price, it is outsold by private labels.

- *Where do buyers get their knowledge of fashion trends. Which style magazines are the most influential.*

Foreign European and North American magazines.

- *Seasonality (please indicate if requirements are for spring, summer, fall or winter apparel).*

There is a market for all seasons, all year round, provided above points of climate, economic strata, etc. are considered.

- Describe consumer spending on clothing in your market i.e. Is the strength of your market in low, medium or high-end fashion apparel. Is the style of dress in your territory more casual or formal.

Style of clothing worn in this country includes dress and casual, with emphasis on conservative, moderately-priced fashions. Consumers in this market are value-conscious in their expenditures vis-a-vis domestic goods. In general they tend to be more practical than luxurious.

- Are you aware of marketing practices employed by our competitors to capture "shelf space".

No such practice exists.

- Are there opportunities for contract manufacturing (e.g. where the Canadian manufactured goods are produced for a retailers label such as Sandors of St. Louis).

None, due to very low domestic production costs.

MAJOR BUYERS

- List important clothing retailers, boutiques, other buying offices (e.g. those agencies that do the buying at international shows for smaller retail chains and outlets), mail order catalogues/houses. If number is large, list top 10 to 15.

Stores and boutiques

Womenswear

Juana Marulanda / Carrera 16 No. 90-69, Santafé de Bogotá, Colombia / Tel. (571) 256-8228.

Cabaret Boutique / Carrera 15 No. 88-94, Santafé de Bogotá, Colombia / Tel. (571) 236-5097.

Margarita de Wolf / Calle 60 No. 9-08, Santafé de Bogotá, Colombia / Tel. (571) 235-4131 / 256-6492.

Rango Modas / Carrera 11 No. 94A-60, Santafé de Bogotá, Colombia / Tel. (571) 611-0307 / Attn. Mrs. Pilar Aznar, Owner.

Boutique Lucy de Vásquez / Carrera 15 No. 93-27, Santafé de Bogotá, Colombia / Tel. (571) 236-8853.

Sutendals / Calle 90 No. 13A-43, Santafé de Bogotá, Colombia / Tel. (571) 256-6492.

Boutique Sonia's - Centro Comercial La Pasarela, Local 276, Cali, Colombia / Tel. (5723) 276-884.

Etiquette / Centro Comercial New Point, Local 132, San Andrés Islas, Colombia / Tel. (578112) 23-107 / Fax 23-107.

Menswear

Boutique Jean Pascal Homme / Carrera 15 No. 88-82, Santafé de Bogotá, Colombia / Tel. (571) 236-5118.

Carlos Nieto y Cía. / Carrera 15 No. 123-30, Local 213A, Santafé de Bogotá, Colombia / Tel. (571) 213-0460.

Department stores

Cadenalco S. A. / Calle 30 A No. 65B-57 / Medellín, Colombia / Tel. (57-4) 265-1515 / Fax (57-4) 235-6196 / Attn. Mr. Germán Jaramillo, President.

Department store with 58 branch stores in Colombia.

Almacenes Exito S. A. / Apartado 3479 / Medellín, Colombia / Tel. (57-4) 331-0544 / Fax (57-4) 331-4792.

Large department store with 4 outlets. Retailers textiles, clothing, shoes, toys, food and hardware. Very progressive.

Ferretería Iserra S. A. / Apartado 31755 / Carrera 28A No. 14-87 / Santafé de Bogotá, Colombia / Tel. (57-1) / 277-2600 Fax (57-1) 277-9990 / Telex 43288.

Grajales Hermanos Ltda. / Apartado 20288 / Cali, Colombia / Tel. (57-23) 569-212 / Fax (57-23) 569-889.

- *Are there lists of credit worthy apparel buyers that can be provided to Canadian apparel manufacturers by your post, if requested. How can these be obtained.*

Yes. From Commercial Division of the Canadian Embassy and the Asociación de Confeccionistas de Colombia - ASCONFECCION. / Apartado 22045 / Santafé de Bogotá, Colombia / Tel. (57-1) 341-8343 / Fax (57-1) 341-0524.

SOURCES OF SUPPLY

- *Percentage of domestically manufactured apparel versus imports.*

95% versus 5%.

- *Profile of local manufacturers: size of firms, type of apparel manufactured locally.*

All sorts of apparel are manufactured all throughout Colombia to supply practically all the present needs of the population. Size of factories ranges from family contract operations to big factories.

- *Current source of foreign imports.*

Foreign imports are only 5% of total Colombian apparel needs. Imports are generally made from Europe and the United States. To a lesser extent from Asia.

- *Recent imports (broken out where possible); which categories of clothing are imported i.e. men, women and children.*

Most important categories of apparel imported to Colombia in 1991 surpassing a total import value of US\$500,000 FOB:

	US\$
(Women and girls) Synthetic fibre knitted jackets	848,078
(Women and girls) Cotton knitted shirts and blouses	645,359
(Women and girls) Other fibres knitted shirts an blouses	597,299
(Men, women and children) T-Shirts	1,410,747

(Men and boys) Wool jackets	1,382,173
(Men and boys) Synthetic fibre jackets	1,224,547
(Men and boys) Other material jackets (except wool)	1,466,121
(Men and boys) Cotton pants	4,319,320
(Men and boys) Synthetic fibre pants	2,356,722
(Women and girls) Wool suits	3,949,000
(Women and girls) Cotton suits	1,350,976
(Women and girls) Synthetic fibre suits	3,856,615
(Women and girls) Wool jackets	3,804,039
(Women and girls) Cotton jackets	2,557,433
(Women and girls) Wool skirts and jump-skirts	3,338,573
(Women and girls) Cotton skirts and jump-skirts	1,386,381
(Women and girls) Synthetic fibre skirts and jump-skirts	2,804,387
(Women and girls) Wool pants	521,784
(Women and girls) Cotton pants	5,585,279
(Women and girls) Synthetic fibre pants	2,154,570
(Men and boys) Cotton shirts	877,534
(Women and girls) Cotton shirts and blouses	567,709
(Women and girls) Synthetic fibre shirts and blouses	1,039,898
(Men and boys) Other cotton products (except shirts)	721,405
Brasiers, all fibres	1,856,423
(Women and girls) Other garments	736,270
Parts of apparel for women	751,791

PROMOTIONAL ACTIVITIES

- *List any current post initiatives and major trade shows for the upcoming fiscal year (1993-1994) whether or not it is a post priority. Which of these do you believe Canadian exporters should attend.*

The major apparel Trade Show is Colombiamoda'93, September 7-10, 1993 and is organized by:

Inexmoda / Calle 7 No. 43A-88 / Medellín, Colombia / Tels. (574) 311-5972, 266-1310 / Fax (574) 266-2050.

This show is sponsored by the Colombian Institute for Fashion and Exports - INEXMODA - at above address. We don't think this show should be a post priority to start penetrating this market but for a later date, once Canadian products find a way into Colombia.

- *At which international shows do the buyers "shop".*

The most outstanding of Europe and North America.

- *Which local or international magazines do the buyers rely on and should be considered for advertising by Canadian exporters. What is their knowledge of Canadian apparel capability.*

There is a very limited knowledge of Canadian apparel capability from the Colombian apparel side.

BUSINESS ENVIRONMENT

- *Preferred marketing and distribution method: local agent, distributor, trading house, direct sales. Please provide lists where feasible.*

Local agent and distributor.

Lists of potential agents and distributors:

The ones mentioned under "major buyers" above.

- *What are typical commission rates and payment terms if known.*

Commission rates: 3 to 5%.

Payment terms: Cash and irrevocable letter of credit, at the beginning. Once customer is known, then 30, 60 or 90 days credit term.

- *Financial practices - Is there anything of which Canadian apparel exporters should be made aware; should exporters quote in Canadian, United States or local currency.*

Canadian apparel exporters should quote FOB basis, in whatever city exports originate and in United States dollars.

- *Import regulations - tariff/non-tariff barriers, quotas.*

Apparel pays ad-valorem duty of 20%, based on the FOB price, plus a 14% sales tax. Both are paid at time product passes through customs. There are no non-tariff barriers and no quotas on apparel imports.

- *Language regulations - language of business, preferred language for promotional material.*

Preferred language of business is Spanish; English language spoken by most importers as an alternative.

Promotional material should definitely be in Spanish language.

- *Are there possibilities for joint ventures.*

Joint ventures are possible, especially for local manufacturing under license. We doubt very much for finished goods.

- *Legal practices as they affect how business is done, e.g. contracts.*

Representation should be formalized under a contract of commercial agency or distribution, clearly stating faculties delegated, territory to be covered and length of time of agreement.

- *Other relevant information.*

Credit reports on potential agents or distributors can be obtained from Byington, local agent of Don Bradstreet, at approximate cost of CDN\$94 each.

CONTACTS

- *Is there an apparel agents association.*

No.

- *Is there an apparel industry importers association.*

No.

Following is the list of apparel related entities:

Instituto para la Exportación y la Moda - INEXMODA (Institute for Apparel Exports and Fashion) / Apartado 95641, Medellín, Colombia / Tel. (574) 311-5972 / Fax (574) 266-2050.

Asociación de Confeccionistas de Colombia - ASCONFECCION (Apparel Manufacturers Association) / Apartado 22045 / Santafé de Bogotá, Colombia / Tel. (571) 341-8343 / Fax (571) 341-0524.

Asociación de Confeccionistas de Tejidos de Punto - ASOTEJIDOS (Knitted Point Textile Manufacturers Association) / Carrera 26 No. 69-16, Santafé de Bogotá, Colombia / Tel. (571) 250-8256 / Fax (571) 225-8901 / Attn. Mr. Jaime Sáenz, President.

Cámara de Comercio de Bogotá (Chamber of Commerce of Santafé de Bogotá) / Apartado 29824, Santafé de Bogotá, Colombia / Tel. (571) 334-7900 / Fax (57-1) 284-7735.

Cámara de Comercio de Medellín (Chamber of Commerce of Medellín) / Apartado 1894, Medellín, Colombia / Tel. (574) 511-6111 / Fax (57-1) 231-8648.

Cámara de Comercio de Cali / Apartado 1565 (Chamber of Commerce of Cali) / Cali, Colombia / Tel. (5723) 823-271 / Fax (5723) 824-627.

Asociación Nacional de Industriales - ANDI (Industrial Producers Association) / Carrera 13 No. 26-45, Piso 6, Santafé de Bogotá, Colombia / Tels. 218-0600, 334-9620 / Fax (57-1) 218-3675.

April 12, 1993

Canadian Embassy
Santafé de Bogotá

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