

**Required Report:** Required - Public Distribution

**Date:** October 04, 2023

**Report Number:** CO2023-0025

**Report Name:** Food Service - Hotel Restaurant Institutional

**Country:** Colombia

**Post:** Bogota

**Report Category:** Food Service - Hotel Restaurant Institutional

**Prepared By:** Ana Salinas

**Approved By:** Abigail Mackey

**Report Highlights:**

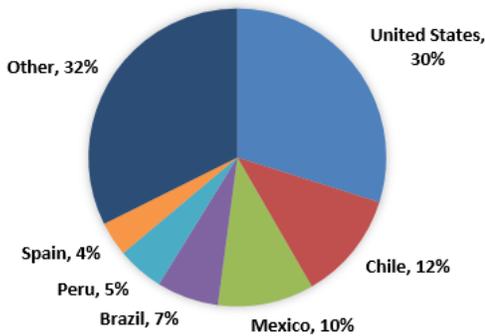
In 2022, Colombian GDP for lodging and restaurants grew 16 percent compared to 2021 and 20 percent compared to 2019, consolidating its share of Colombia's economic activity at 4.5 percent. Although the Hotel Restaurant Institutional (HRI) sector reported strong sales in 2022, more substantial growth is limited by high food inflation and pressures on food prices. In 2022, food service sales grew by 24 percent in Colombia.

**Market Fact Sheet: Colombia**

**Executive Summary:** Colombia is the leading destination for U.S. agricultural exports to South America, followed by Chile and Peru. In 2022, U.S. agricultural exports to Colombia were valued at \$3.8 billion.

**Imports of Consumer-Oriented Products:** In 2022, Colombian imports of consumer-oriented products from all suppliers increased 20 percent to \$2.8 billion due to economic growth. In 2022, Colombian imports from the United States grew 7.7 percent to \$849 million, followed by Chile (\$335 million) and Mexico (\$297 million). Consumer-oriented products account for 26 percent of U.S. food and agricultural exports to Colombia.

**Top Sources of 2022 Colombian Imports of Consumer-Oriented Products**



Source: Trade Data Monitor

**Food Processing Industry:** Colombia is a net importer of many food ingredients. There is growing domestic demand for healthier confectionary products. The Colombian fats and oils sector imports unrefined soybean oil and other oil seeds to meet industrial demand. The milling, bakery, and starches sectors have benefited from innovation in flavors and healthier ingredients. [Food Processing Industry GAIN report](#)

**Food Retail Industry:** Although the market share of hard discounters decreased in 2022 (from 33 to 24 percent) due to the bankruptcy of Justo & Bueno, it is expected to recover due to new market entrants. E-commerce continues consolidating thanks to rapid digital adoption among Colombians. [Retail Foods GAIN report](#)

**Food Service Industry:** In 2022, the sector benefited from tax exemptions and experienced a recovery after low sales in 2020 and 2021. However, these benefits ended, and higher taxes and inflation impacted food service sales.

**Population:** 51.6 million (2022)

**GDP:** \$342.92 billion (2022)

**GDP per capita:** \$6,644 (2022)

**Top 10 Consumer-Oriented Products Imported by Colombia from the World (millions of dollars)**

Description	2021	2022	Change
Dairy products	\$283	\$397	40%
Pork & pork products	\$301	\$314	4%
Soup & food preparations	\$257	\$302	18%
Distilled spirits	\$158	\$201	27%
Processed vegetables	\$140	\$198	42%
Fresh fruit	\$168	\$180	7%
Bakery goods, cereals, pasta	\$115	\$148	28%
Tobacco	\$106	\$121	13%
Dog & cat food	\$89	\$118	32%
Poultry meat and products (exc. Eggs)	\$122	\$110	-10%

Source: Trade Data Monitor

**Strengths/Weaknesses/Opportunities/Challenges for Colombian Market**

Strengths	Weaknesses
Growing demand for consumer-oriented products	Deficient infrastructure
Diverse retail market	Political and economic uncertainty
Opportunities	Challenges
Growing middle class	Technical food regulation compliance
Decentralized country	Peso depreciation
Four ports	

Top 3 Hotels	Top 3 Restaurants
- <a href="#">Hoteles Decameron Colombia</a>	- <a href="#">Frisby</a>
- <a href="#">Hoteles Estelar</a>	- <a href="#">Hamburguesas El Corral</a>
- <a href="#">Tour Vacation Hoteles Azul</a>	- <a href="#">Arcos Dorados Colombia</a>

Sources: Trade Data Monitor, World Bank, Global Agricultural Trade System, Euromonitor, DANE, IMF, various online sources. For additional information, contact [agbogota@usda.gov](mailto:agbogota@usda.gov)

## SECTION I: MARKET SUMMARY

According to the [Colombian Department of Statistics \(DANE\)](#), Colombia's gross domestic product (GDP) increased 7.5 percent in 2022. The [Colombian Central Bank \(Banrep\)](#) predicts that Colombia's economic recovery will slow to 1.0 percent GDP growth in 2023 and could continue being revised downward based on lower private consumption and investment levels, higher interest and inflation rates, and general uncertainty from the new Colombian administration's recent tax reform and potential changes to education, health, labor, and pension systems.

Colombia is the third most populous country in Latin America with 51 million inhabitants. Eighty percent of the Colombian population resides in urban areas. Colombia is atypical of Latin America with decentralized urban centers and five cities with over one million residents: Bogota, Medellin, Cali, Barranquilla, and Cartagena. Urbanization is increasing, stimulating changes in lifestyles, and eating patterns.

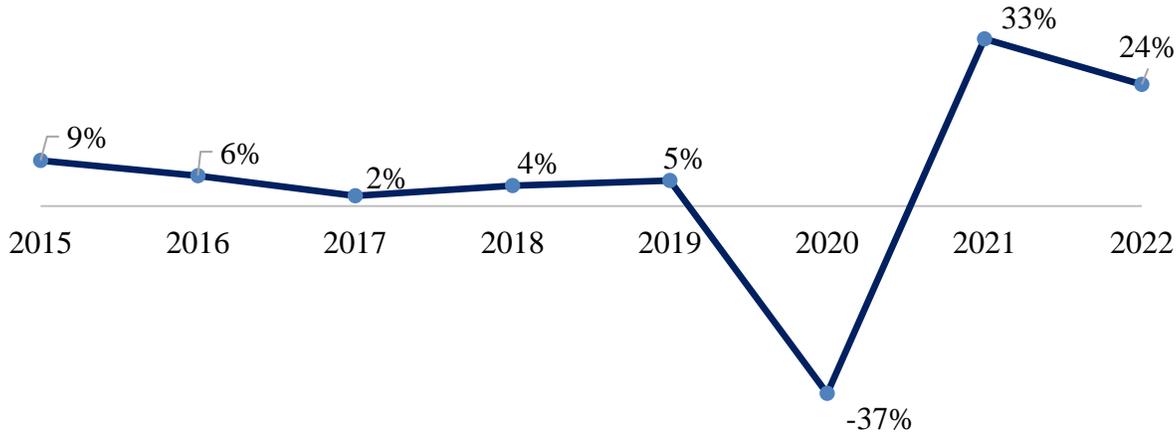
In recent years, urban households in Colombia are becoming dual income, resulting in an increasing demand for processed food and shopping convenience. In Bogota, the average household size was 2.7 members in 2022, and it is expected to be only 2.2 members by 2050. The population is aging as birth rates decrease and life expectancy increases. Venezuelan immigration is another key demographic trend. The Colombian government estimates that 2.5 million Venezuelans live in Colombia. They influence the consumption of main food staples such as beans, rice, and corn flour.

Based on Euromonitor's information, the HRI sector consists of 113,000 restaurants, cafés, bars, cafeterias, and kiosks, and 10,000 hotels. The [Colombian National Department of Administrative Statistics \(DANE\)](#) estimates that the HRI sector is highly informal and therefore, strong competition from local informal restaurants and hotels remains. Although urbanization, a growing number of shopping malls and food courts, increasing dual income households, higher participation of women in the labor force, and a growing flow of tourists are major drivers of HRI expansion, most Colombians still link the experience of dining-out with celebrations. Even though food service sales increased by 24 percent in 2022, the sector experienced a slower pace of growth due to higher inflation and fluctuations in the exchange rate.

Main consumer trends can be summarized as follows:

- Higher brand food product price sensitivity leaves room for private labels. Favorite private label products in Colombia are milk, vegetable oil, and rice.
- Growing health and environmental awareness translate into opportunities for healthy and sustainable food products. 78 percent of Colombians are interested in having a healthier lifestyle.
- Growing interest in plant-based food products has opened a niche market that is on the rise. Although these products are perceived as expensive, 93 percent of Colombians are interested in trying plant-based food products, as they are considered healthier, more nutritious, and environmentally friendly.
- Preference for high-protein and calcium content products has encouraged demand for meat and dairy products.

**Graph 1: Food Service Sales in Colombia – Average Annual Growth (%)**



Data Source: Euromonitor

The [Food Processing Ingredients GAIN Report](#) and the [Food Retail Industry GAIN Report](#) provide data and analysis on Colombian food trends. The [2023 Investment Climate Statements: Colombia](#) provide further information about the country’s economic and political environment.

**Table 1: Advantages and Challenges for U.S. Exporters to Colombia**

Advantages	Challenges
The U.S.-Colombia Trade Promotion Agreement (CTPA) provides preferential product treatment for many agricultural goods.	Colombia has trade agreements with many other countries, increasing competition with U.S. products.
The United States holds a reputation for producing high quality agricultural products.	Colombian per capita consumption for processed and semi-processed products is low; for example, bread consumption is only 22 kg per year, low compared to other Latin American markets.
Increased acceptance of American style restaurants provides an avenue for introducing U.S. recipes and food ingredients into the Colombian diet.	Fluctuation of the Colombian peso affects U.S. export competitiveness.
Growing tourism increases demand for raw materials and ingredients to make products more appealing to foreigners and domestic consumers.	There is a cultural perception that frozen products are unhealthy and lack quality.
Growing urbanization of Colombian cities is stimulating new consumer trends and an increase in processed foods.	Internal transportation costs from ports of entry are high due to extremely poor infrastructure.
Market opportunities for health foods and organic products are expanding given government support for healthy living campaigns.	Cold chain is deficient and increases logistical costs.
U.S. food suppliers and manufacturers have a positive reputation for food safety, availability, quality, and delivery.	The Petro administration campaigned on renegotiating the CTPA to protect domestic agriculture and manufacturing, creating uncertainty in the market about the future of the agreement.

## SECTION II: ROAD MAP FOR MARKET ENTRY

### Entry Strategy

- Understand customer needs and their purchasing requirements and specifications. Additionally, understand Colombian standards and regulations to avoid clearance delays at ports of entry.
- Conduct market research to better understand competitors, consumer preferences, and the business environment.
- Build relationships with large importers and wholesalers/distributors.
- Highlight social responsibility in marketing techniques.
- Develop ways to meet the needs of the Colombian market, ideally through personal visits, to have a greater understanding of the market and identify needs of buyers and developing trends.
- Consider consolidation when exporting small amounts of product.
- Develop business relationships with top executives (marketing directors, purchasing managers, etc.) and expose them to U.S. business practices.
- Participate in local trade and promotion shows, as well as food festivals, such as [Agroexpo](#), [Alimentec](#), [Expovinos](#), [SaborBarranquilla](#), and [Expo IAlimentos](#), to learn about consumer trends.
- Attend trade events in the United States like the [National Restaurant Association Show](#), [Sweets and Snacks Expo](#), or [Americas Food and Beverage Show](#), which are popular among Colombian buyers.
- Develop Spanish marketing/communication materials.
- Work closely with local importers to comply with food import regulations to facilitate the registration and import of food products and minimize port of entry risks.
- Support the importer with promotional campaigns.

For more information on doing business in Colombia, see the [Colombia Country Commercial Guide](#).

### Market Structure

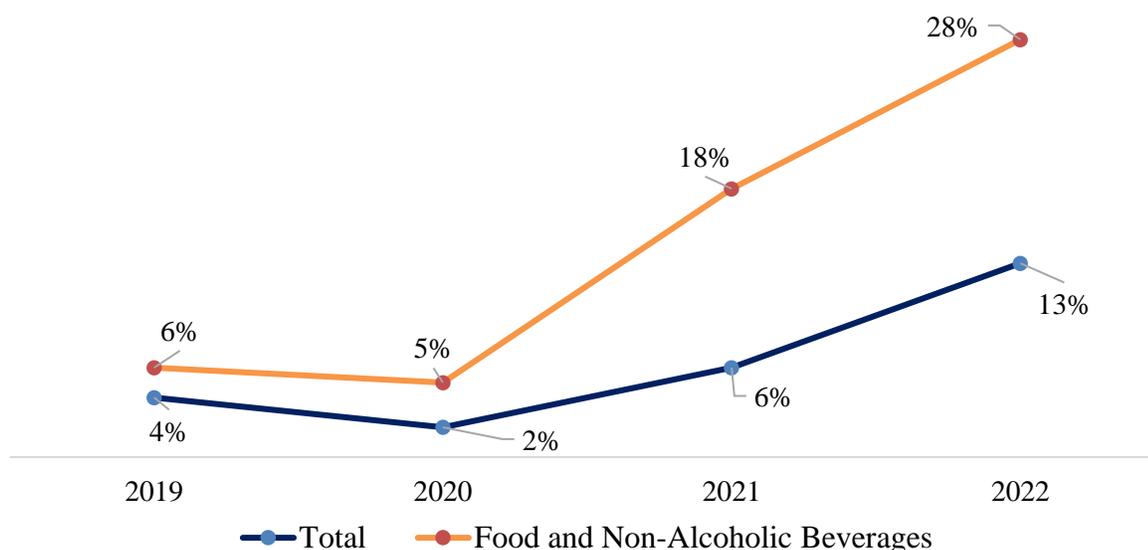
Restaurant chains are well established and recognized by consumers. They have benefited from their standardized menus and formats, providing confidence to consumers who know what to expect. Independent brands offer a wide variety of options and innovative menus, including non-traditional ingredients and flavors from other cultures. For independent brands, Colombians are willing to pay more. Small informal restaurants, which are often preferred by workers and students, are found all over the country.

According to the Colombian Association of Restaurants (ACODRES), there are over 113,000 food service outlets throughout the country. The market share of independent outlets is now close to 95 percent. Some American restaurant and fast-food chains present in the market are Burger King, Dunkin' Donuts, Hard Rock Café, Hooters, McDonalds, Subway, KFC, Domino's, Papa John's, and Starbucks. Main local restaurant chains are Frisby, El Corral, Crepes & Waffles, and Archie's.

The country's hotel supply is wide and diverse, and includes hotels that are chains, boutique, independent, and marketed as ecofriendly. The main travel motivations for Colombians are leisure (58 percent) and business (35 percent). In 2022, foreign visitors were mainly from the United States (28 percent), Mexico (9 percent), Ecuador (7 percent), Venezuela (6 percent), and Peru (5 percent). Domestic tourism is expected to slow because of the bankruptcy of some low-cost airlines and a heavy rainy season.

Colombia’s HRI industry has been seriously impacted by food inflation. Consumers are very sensitive to price changes. Therefore, small restaurants have adapted their menus and portion sizes to mitigate inflation effects. Due to COVID-19 impacts on the sector, the government of Colombia suspended consumption taxes for restaurants, which came back into effect in 2023, increasing prices and affecting reactivation. ACODRES reported that restaurant sales went down 24 percent from January to June 2023, compared to the same period in 2022.

**Graph 2: Consumer Price Inflation – Average Annual Growth, Total vs. Food and Non-Alcoholic Beverages (%)**



Source: DANE

### Distribution

Only big restaurant and hotel chains directly import food and beverages. Other smaller businesses purchase inputs from importers and/or distributors. Companies such as [La Recetta](#), [Unilever Food Solutions](#), and [Makro](#) have specialized in supplying food and beverages to the HRI industry. Some other companies such as [Estrena Tienda Horeca](#), [Restit](#), and [JDH Distribuciones](#) have strengthened their online presence to supply products to the food service sector.

**Table 2: Colombian Food Service Suppliers**

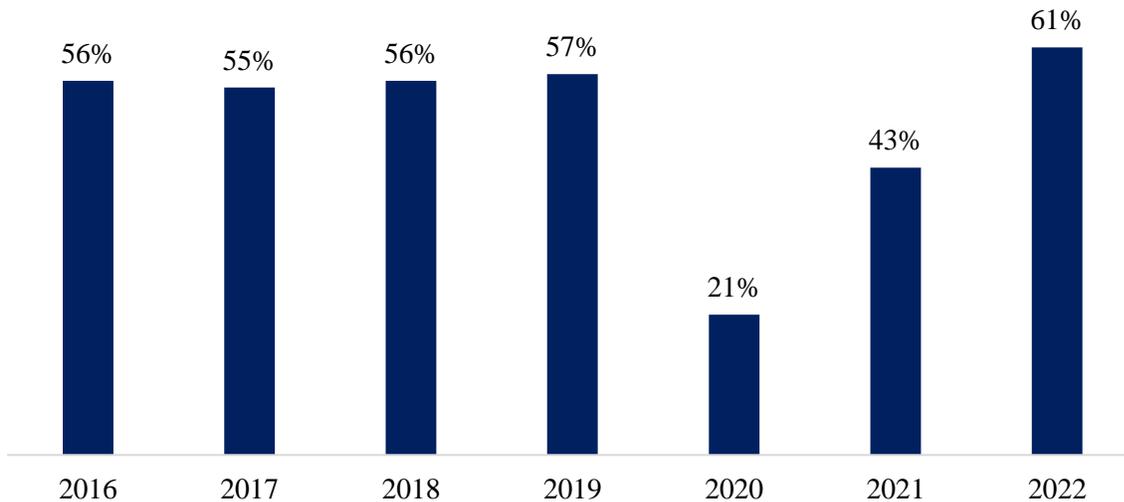
Beef	<a href="#">Makro</a> <a href="#">Zenu</a>	Dairy	<a href="#">Alpina</a> <a href="#">Colanta</a>
Pork	<a href="#">La Fazenda</a> <a href="#">Cervalle</a>	Poultry	<a href="#">Bucanero</a> <a href="#">MacPollo</a>
Alcoholic beverages	<a href="#">Dislicores</a> <a href="#">Bavaria</a>	Seafood	<a href="#">Ancla y Viento</a>
Condiments	<a href="#">El Rey</a>	Fruits and vegetables	<a href="#">Olimpica</a>

Source: Best 2021 HRI supplier awards – La Barra Magazine

### Sub-Sector Profile - Hotels

The [Colombian Hotel and Tourism Association \(COTELCO\)](#) supports its members and represents the industry's interests to the government. In 2020, hotel room stays fell to 20 percent, showed a significant recovery in 2021, and reached occupancy records in 2022. Although the rise in domestic consumption drove the sector rebound, low-cost airlines bankruptcy, consumption decline, and higher taxes have had an impact on the sector, and it is expected to see a lower performance in 2023. Most hotels in Colombia are family businesses, although there are some international chain hotels and resorts. Main international chain hotels and resorts present in Colombia are [NH Hotel Group](#), [Decameron Hotels & Resorts](#), [GHL Hotels](#), [Hilton](#), [Accor](#), [Marriott](#), and [Best Western](#).

**Graph 3: Colombia Hotel Average Occupancy Rates**



Source: COTELCO

### Sub-Sector Profile – Restaurants

The market share of unregistered restaurants is up to 77 percent of the market, which is the main threat facing the sector. The past performance in the restaurant sector is primarily due to growth in the tourism sector and rising household incomes. Quick service and fast-food restaurants are strategically located around working areas and represent one-third of the restaurant market.

The convenience of fast-food restaurants supports dual income, working households that have little time to prepare traditional meals on a moderate income. In addition to Colombian preferences for fast-food restaurants, consumers have a growing affinity for fast casual restaurants where they can find higher quality food at affordable prices. Main restaurant operators that offer fast-food include: [Frisby SA](#), [Hamburguesas El Corral](#), and [McDonald's Corp.](#)

Consumer demand for healthy food has resulted in new menu offerings such as plant-based proteins, low-fat options, and sugar-free options. Additionally, waste food management is now more relevant for the sector since it represents a growing consumer concern. Perceived as healthy options, vegan and vegetarian menus as well as poke bowls are now popular meals. Social responsibility and sustainability

practices have become more relevant for consumers when making purchasing decisions. Some restaurants that highlight their social responsibility are [Wok](#) and [Crepes & Waffles](#).

Restaurant, catering, and bar service sales grew 24 percent in 2022, showing a faster reactivation than expected. ACODRES emphasized that this reactivation did not translate to full recovery since high food inflation diminished profits, hurt employment generation, and resulted in higher prices for final consumers. Informal restaurants are expected to see an increase in market share since they offer more affordable meals and consumers are highly sensitive to price changes.

### **Sub-Sector Profile – Institutional**

**Schools:** According to DANE, approximately 24 percent of the Colombian population is of school age, between 0 and 14 years old. Most schools contract with catering companies to serve lunch, while others prepare food on-site. Foods prepared at schools are purchased wholesale at establishments specializing in food services for schools. Sales of imported products for this purpose are not significant; however, there is potential for growth in U.S. consumer-oriented-products, such as fruits, beverages, and nutritional snacks.

**Colombian Government Programs:** The government of Colombia sponsors several programs aimed at improving nutritional standards for children attending public schools and addressing child malnutrition in low-income families. The food assistance programs provide a nutritionally balanced lunch supplement and reach approximately 4 million school age children, nursing mothers, the elderly, and homeless. [The Colombian Family Welfare Institute \(ICBF\)](#) and all regional educational offices implement food assistance programs. Program implementers source high-nutritional and low-price food products, including pulses, rice, wheat and corn flours, and fruits.

**Social and Country Clubs:** There are almost 80 high-end social clubs in Colombia, offering sports facilities and restaurant opportunities. Most of them are located in the cities of Bogota, Medellin, Cali, and Barranquilla. Social clubs are a good market for upscale imported food products. Social and country clubs source their food and beverages stocks from specialized food service establishments and importers of fine foods and wines.

## **SECTION III: COMPETITION**

### **Competition Narrative**

- U.S. competitors for raw materials include MERCOSUR, Canada, and the European Union. These countries/markets have free trade agreements with Colombia. For more information on Colombia's free trade agreements and current negotiations, please see [FTAs - Colombia](#).
- The U.S.-Colombia Trade Promotion Agreement (CTPA) entered into force in May 2012. This comprehensive trade agreement eliminated tariffs and other barriers to goods and services. Although over 80 percent of U.S. exports of consumer and industrial products to Colombia are classified as duty-free, the CTPA provides a duty-free tariff-rate-quota (TRQ) on certain goods that operate under a first come/first serve basis. Rice and poultry are subject to auctions managed by Export Trading Companies (ETC). Additional information is available at [Colombia Poultry Export Quota](#) and [Colombia Rice Export Quota](#).
- Colombian consumers have become increasingly conscious of the source of their food. This change encourages consumers to purchase products made domestically and that improve connections with local communities.

## SECTION IV: BEST PRODUCT PROSPECTS

- **Products Present in the Market which have Good Sales Potential:** dog and cat food; distilled spirits; beef and beef products; fresh and processed vegetables; and dairy products.
- **Top Consumer-Oriented Products Imported from the World:** dairy products; pork and pork products; soup and other food preparations; distilled spirits; and processed vegetables.
- **Top Consumer-Oriented Products Imported from the United States:** pork and pork products; dairy products; poultry meat and products; dog and cat food; and food preparations.
- **Products Not Present in Significant Quantities but which have Good Sales Potential:** eggs and products, beer, and fresh vegetables.
- **Products That Face Significant Barriers:**
  - The introduction of new U.S. processed meat products has been affected due to the decreasing number of U.S. states that issue a Certificate of Free Sale (COFS) for federally inspected products. Per Resolution 2674 of 2013, the Colombian food safety authority INVIMA (Colombian FDA equivalent) requires importers to submit a COFS when registering retail-ready processed meat products for sale in Colombia.
  - On November 9, 2020, Colombia’s Ministry of Health and Social Protection (MINHEALTH) set mandatory maximum sodium content limits for 59 processed food categories ranging from snacks to processed meats and dairy products. Resolution 2013 introduces a new conformity certificate requirement and reduction goals that started going into effect in November 2022. More information is available at [Update on Colombia Sodium Resolution 2013 of 2020 for Processed Foods GAIN Report](#)
  - On June 16, 2021, MINHEALTH established the technical regulation for nutrition and front-of pack labeling requirements for packaged food for human consumption. On July 30, 2021, Colombian Congress enacted Law 2120 of 2021, widely known in the country as the “Junk Food” bill. This legislation led to changes to labeling requirements for food products in Colombia. More information is available at [Colombia Issues Nutrition and Front of Pack Labeling Requirements for Processed Foods GAIN Report](#)

More information on Colombia’s policy issues affecting U.S. product competitiveness is available at [FAIRS](#).

## SECTION V: KEY CONTACTS AND FURTHER INFORMATION

### Post Contact Information

<b>Office of Agricultural Affairs (OAA)</b>	<b>Animal Plant Health Inspection Service (APHIS)</b>
U.S. Embassy, Bogotá, Colombia Telephone: (57-1) 275-4622 e-mail : <a href="mailto:AgBogota@fas.usda.gov">AgBogota@fas.usda.gov</a>	U.S. Embassy, Bogotá, Colombia Phone: (57-1) 275-4572 e-mail: <a href="mailto:Roberto.Guzman@aphis.usda.gov">Roberto.Guzman@aphis.usda.gov</a>

### Regulatory Agency Contacts

<b>Phytosanitary and Zoosanitary Requirements</b>	<b>Food Product Registration and Health Permits</b>
<a href="#">Ministry of Agriculture and Rural Development ICA</a> (APHIS counterpart) Edilberto Brito Deputy Manager Animal Health Protection Tel. +57-601-7563030 ext. 3201	<a href="#">Ministry of Health and Social Protection INVIMA</a> (FDA counterpart) Carlos Alberto Robles Director Division of Food and Alcoholic Beverages Phone: +57-601-7422121 Ext. 4001

e-mail: <a href="mailto:subgerencia.animal@ica.gov.co">subgerencia.animal@ica.gov.co</a>	e-mail: <a href="mailto:croblesc@invima.gov.co">croblesc@invima.gov.co</a>
Alberto Rosero Deputy Manager Plant Health Protection Tel: +57-601-7563030 ext. 3101 e-mail: <a href="mailto:subgerencia.vegetal@ica.gov.co">subgerencia.vegetal@ica.gov.co</a>	

**Import Procedure:** The Ministry of Commerce, Industry and Tourism (MINCIT) and the National Tax and Customs Directorate (DIAN) are responsible for the administration of overall import-export operations and customs procedures, respectively. Colombian importers must be registered with MINCIT. All U.S. exporters seeking to sell to a Colombian importer should verify that the importer has obtained the legal authorization to import food and agricultural products from MINCIT and, depending on the type of product to be imported, other government authorities including the Colombian Institute for Agriculture and Livestock (ICA) and the National Institute for the Surveillance of Food and Medicines (INVIMA). ICA has the regulatory authority over the production, manufacturing, and use of agricultural inputs (fertilizers, pesticides, seeds, etc.), feed, feed ingredients and non-processed agricultural commodities. INVIMA is the regulatory authority responsible for regulating food safety and sanitary conditions of products sold directly or indirectly for human consumption. More information on Colombia’s import procedure is available at [FAIRS](#).

**Relevant Colombian Import Policies**

Requirement	Regulation	Description
<b>Food product registration</b>	<a href="#">Resolution 2674 / 2013</a> <a href="#">Resolution 3168 / 2015</a> <a href="#">Resolution 719 / 2015</a>	All food items intended for direct sale to final consumers in Colombia must be registered with INVIMA. Product registration is NOT required for: <ul style="list-style-type: none"> <li>• Natural food products that have not been subject to a transformation process (grains, fresh fruits, and vegetables, etc.)</li> <li>• Animal-origin food products (chilled/frozen) that have not been subject to any transformation process</li> <li>• Products used as inputs by foodservice operators or food processors for food preparation or manufacturing</li> </ul>
<b>Importer Registration, Import Registration, and Import Licensing</b>	<a href="http://www.vuce.gov.co">www.vuce.gov.co</a>	Importers must be registered with MINCIT, and must obtain an “electronic signature” from the Ministry of Finance at the “Unique Window for Foreign Trade” (VUCE)
<b>Minimum Description</b>	<a href="#">Resolution 057 / 2015</a>	Imported products shall comply with the “minimum description” requirements
<b>Export Sanitary Certificates</b>	<a href="#">Decree 2478</a>	Importers must submit a “sanitary certificate,” issued by the food safety authority in the country of origin, for any batch or lot of “medium” or “high” risk food products imported into Colombia, including all animal-derived products such as dairy, seafood, meat, and poultry

For additional information about exporting to Colombia, see [Exporter Guide](#).

**Attachments:**

No Attachments