

Building an Export Strategy for COOMERSA – Salamina

A customized report in Spanish for the COOMERSA, a cooperative of raw sugar producers based in Salamina, Caldas, Colombia. At the request of COOMERSA, the report indulges in a detailed analysis of its business structure, operation, marketing methods and its compliance with the Colombian domestic regulation. The due diligence report also includes an assessment of the Colombian export regime and the international standards applicable to COOMERSA in order to devise an effective export strategy. The final section of the report deals with the rules of the World Trade Organization and the applicable regulation included in the bilateral and plurilateral agreements entered into between Colombia and the European Union, Canada, and the United States.

Clinic: IELPO, Fall 2017

Beneficiary: COOMERSA

Executive Summary

The present report is an executive summary of a legal memorandum produced for the International Economic Law Clinic of the University of Barcelona.

The practical relevance of the memorandum mentioned in the previous paragraph could be summarized by referring to a statement of the Ministry of Agriculture and Rural Development of Colombia, per which the “panela” -a human consumption nourishment derived from sugarcane- producing industry, constitutes one of the main agricultural activities in the country.

COOMERSA, the recipient of this memo, is a non-profit legal entity that gathers the “panela” producers in Salamina, Caldas, Colombia. Due to the importance of its business activity in the Colombian economy, COOMERSA requested assistance to verify if its business structure, operation, production and marketing methods comply with the Colombian domestic regulation. In addition, COOMERSA was interested in knowing about the economic laws and regulation of specific markets (European Union, Canada, and the United States) to potentially build an export strategy of some of its products.

Accordingly, a corporative due diligence in the light of the Colombian legal system was performed. The analysis focused on the documentation pertaining the overall operative structure of COOMERSA as well as the environmental and sanitary licenses. The diligence amounted to conclude that the operational structure and methods of COOMERSA observe the Colombian domestic regulation. Additionally, the study comprised an analysis of the possibility of requesting an eventual trademark and protection by a designation of origin over the goods produced by COOMERSA.

Furthermore, the paper included an assessment of the Colombian export regime. In this sense, the general and specific benefits for exporters were identified, as well as the requirements that must be complied with to export goods such as those produced by COOMERSA. It was concluded that COOMERSA could request the granting of both general and, eventually, specific benefits for exporters in Colombia.

On the international trade component, the legal memo identified the relevant international standards that may have effects on the strategy of COOMERSA. These standards were found in the rules of the Covered Agreements of the World Trade Organization as well as the applicable regulation included in the bilateral and plurilateral agreements entered into between Colombia and the European Union, Canada, and the United States. The study of these standards included a review of the domestic law of the aforementioned jurisdictions related to tariff measures, the quantitative restrictions, and the preferential regimes.

The final section of the memorandum dealt with the technical barriers to trade and sanitary and phytosanitary measures imposed by the European Union, Canada and the United States to goods such as those produced by COOMERSA. This section contained an examination of the requirements that nourishing products must contain regarding packaging, labeling, organic labeling, contaminating components and good practices in manufacturing.

The International Economic Law Clinic of the University of Barcelona together with the Universidad de Caldas of Colombia and Tradelab delivered a report that includes a detailed analysis of the operative structure as well as the needs of COOMERSA. The document handed to the recipient fulfills the needs of an entity that considers in advancing an export strategy which is meant not only to profit a small number of producers but rather to aid in the growth of the agriculture and the wealth of an entire nation.