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Colombian merchants warn proposed alcohol tax could raise beer prices by up to 60%

Fedecom says a 3,500-peso bottle could reach about 5,200 pesos if Congress approves a new production-based formula

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On Thursday, November 12, Colombia’s Federation of Merchants and Shopkeepers, known as Fedecom, warned that a tax proposal in the government’s Economic Rescue Law could sharply raise the retail price of beer and other mass-market alcoholic drinks

sold in neighborhood stores.

The trade group said its concern centers on a bill recently filed in Congress that would change how taxes are calculated on alcoholic beverages. According to Fedecom’s estimates, the proposal could push up the final price of some standard beer units sold in small shops, a channel that depends heavily on fast turnover and thin margins.

Fedecom said a bottle of beer that now sells for about 3,500 Colombian pesos could increase by 49% to 60%, reaching roughly 5,200 pesos if the proposed formula becomes law. The organization based that projection on its reading of the bill and legislative analysis, and it presented the figures as a potential outcome rather than a final price change, since the measure has not been approved.

Under the current system, Fedecom said, the tax is applied as a fixed percentage on the price at which the manufacturer sells the product to the retailer. The proposed model would replace that structure with what the bill describes as a production tax. In practice, the new approach would combine two separate charges: a 10% levy on the final retail price before taxes and a fixed charge of 330 pesos for each degree of alcohol in a standard 330-milliliter bottle.

Fedecom argued that changing the tax base in that way would raise the fiscal burden on producers from the start of the supply chain. The group said those added costs would likely move from breweries and other manufacturers to distributors, then to corner stores and finally to consumers at the counter. That matters beyond small retail shops because beer is one of the highest-rotation products in Colombia’s beverage trade, and any change in the way it is taxed could affect pricing, margins and demand across brewing, wholesaling and neighborhood distribution.

The warning also reflects the business model of Colombia’s small stores, which Fedecom said operate with narrow profit margins and rely on steady daily sales of widely consumed products. A sharp increase in beer prices could put pressure on those stores in two ways: by raising the amount of working capital needed to restock and by weakening sales if customers reduce purchases or switch to cheaper options.

Fedecom’s comments focus on a proposal that is still in the legislative process, and the final text could change during debate in Congress. Still, the group’s intervention adds to the scrutiny around the tax section of the Economic Rescue Law, especially in categories such as beer, where even moderate changes in shelf prices can quickly affect consumption patterns in local stores and the broader beverage market.