

# PROCOLOMBIA

EXPORTACIONES TURISMO INVERSIÓN MARCA PAÍS

**Rosa Carolina Garzón**  
Representative South Caribbean  
[rcgarzon@procolombia.co](mailto:rcgarzon@procolombia.co)  
(m) 4621324



**PROCOLOMBIA**

EXPORTACIONES TURISMO INVERSIÓN MARCA PAÍS



**We  
promote  
exports**

**We  
promote  
investment**  
and industrial  
expansion for  
internationalization



**We  
promote  
tourism**



**We  
promote  
country  
brand**



# COLOMBIA



**Area**

2,070,408 Sq. Mi



**Population**

49.800.000



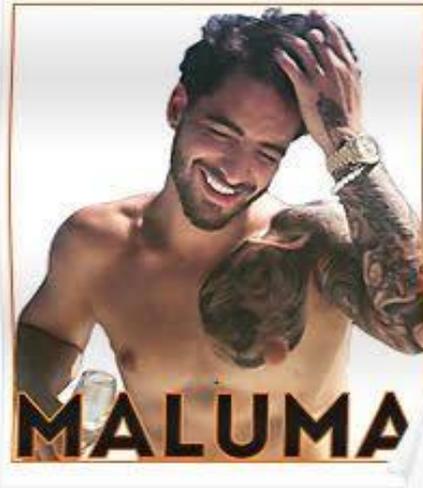
**Language**

Spanish



**Currency**

Colombian Peso (COP)



Doing business in Colombia

# BUSINESS CULTURE IN COLOMBIA

- ❖ We are Colombia NOT Columbia
- ❖ Establishing personal relationships is essential to conducting business
- ❖ B. C. varies across the country
- ❖ When meeting and greeting...
  - ✓ Expect a firm handshake, often for a long time, combined with strong eye contact.
  - ✓ Smiling is also important!!!!
- ❖ Expect to be asked several times how you are and how things are going.
- ❖ Conservative European dress code is the norm for all meetings in Bogotá and Medellín
- ❖ Colombians are more likely to discuss business issues by telephone than by email. But the first preference is face-to-face communication

# Colombia Offers:



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*A dynamic and stable economy*



*A growing market located strategically to facilitate business transactions with the region.*



*A trade platform with over 16 Trade Agreements enabling investors to reach third markets with preferential access*



*Multiple development centers and regions coupled with a growing middle class securing a greater products and services demand.*

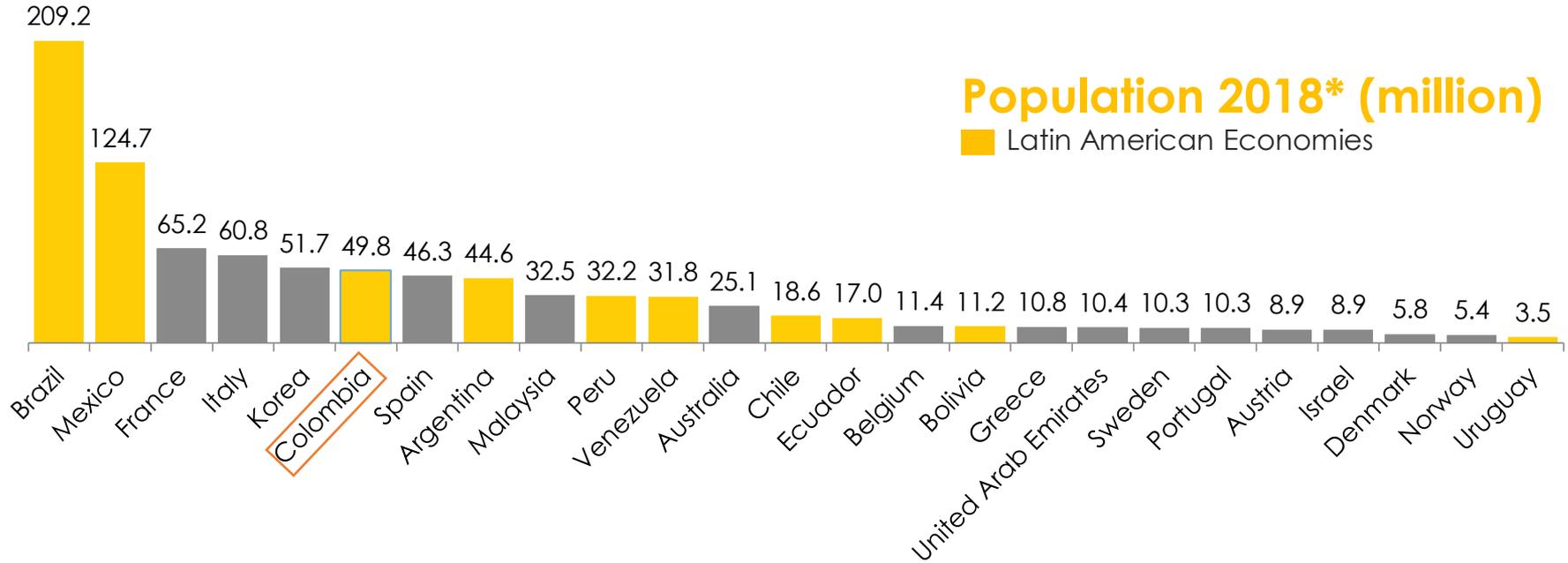


*A growing pool of qualified Colombian companies able to partner with international investors to reach out to regional markets.*



*Diverse investment opportunities in a wide variety of sectors*

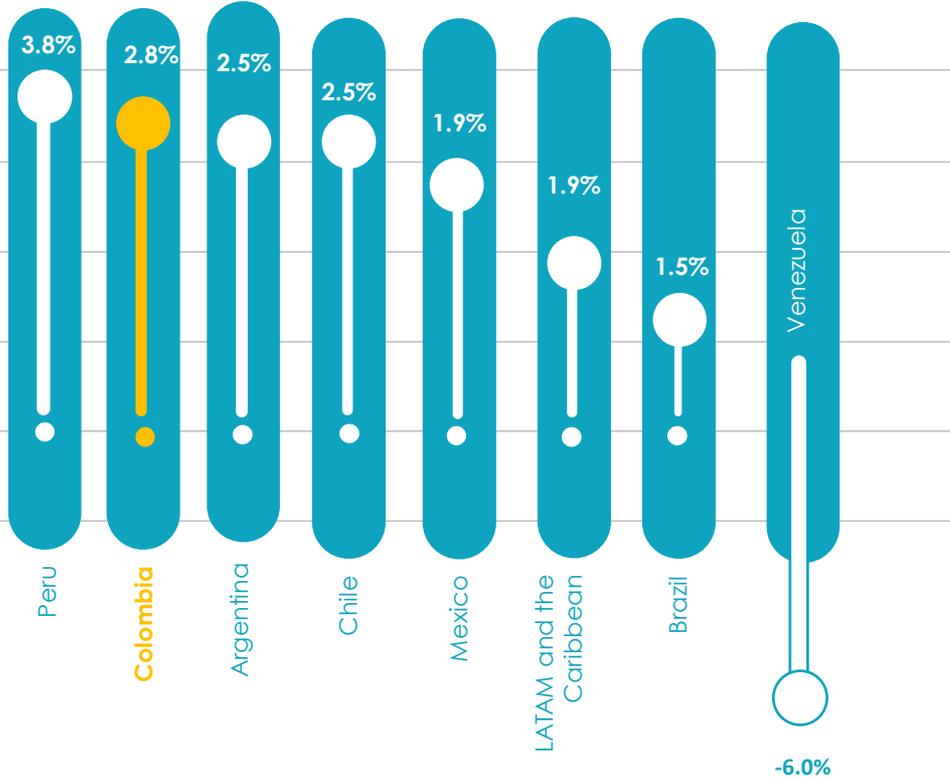
Colombia is the 28<sup>th</sup> most populated in the world  
and the 3<sup>rd</sup> in Latin America



\*Estimated,  
Source: IMF, 2018

# Gross Domestic Product

## Estimated growth 2018



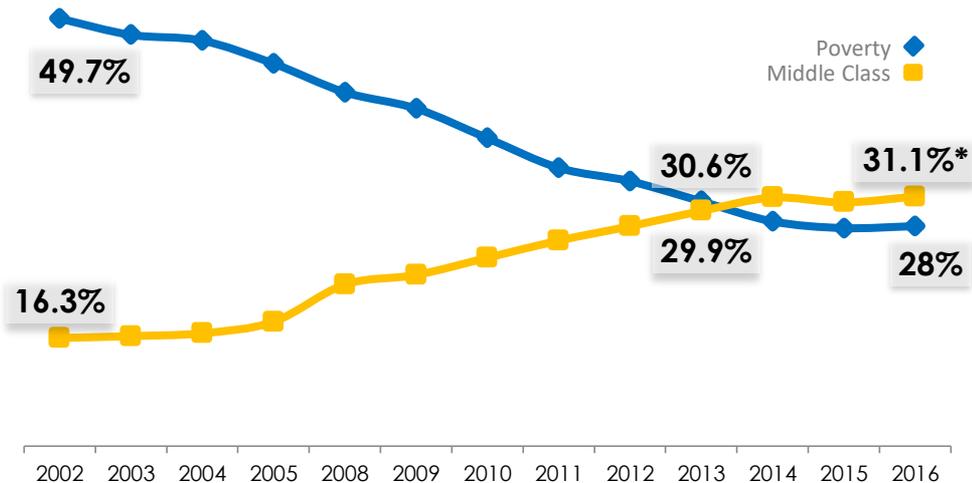
Colombia, **one of the top growing economies in 2018** among the largest Latin American countries

Source: IMF, 2018. In January 2018, the IMF has updated the GDP growth rate of the following economies: Colombia 3.0%, Mexico 2.3% and Brazil 1.9%

# Remarkable reduction in poverty rates and strong growth of the middle class

## Percentage of people in poverty

2002 – 2016



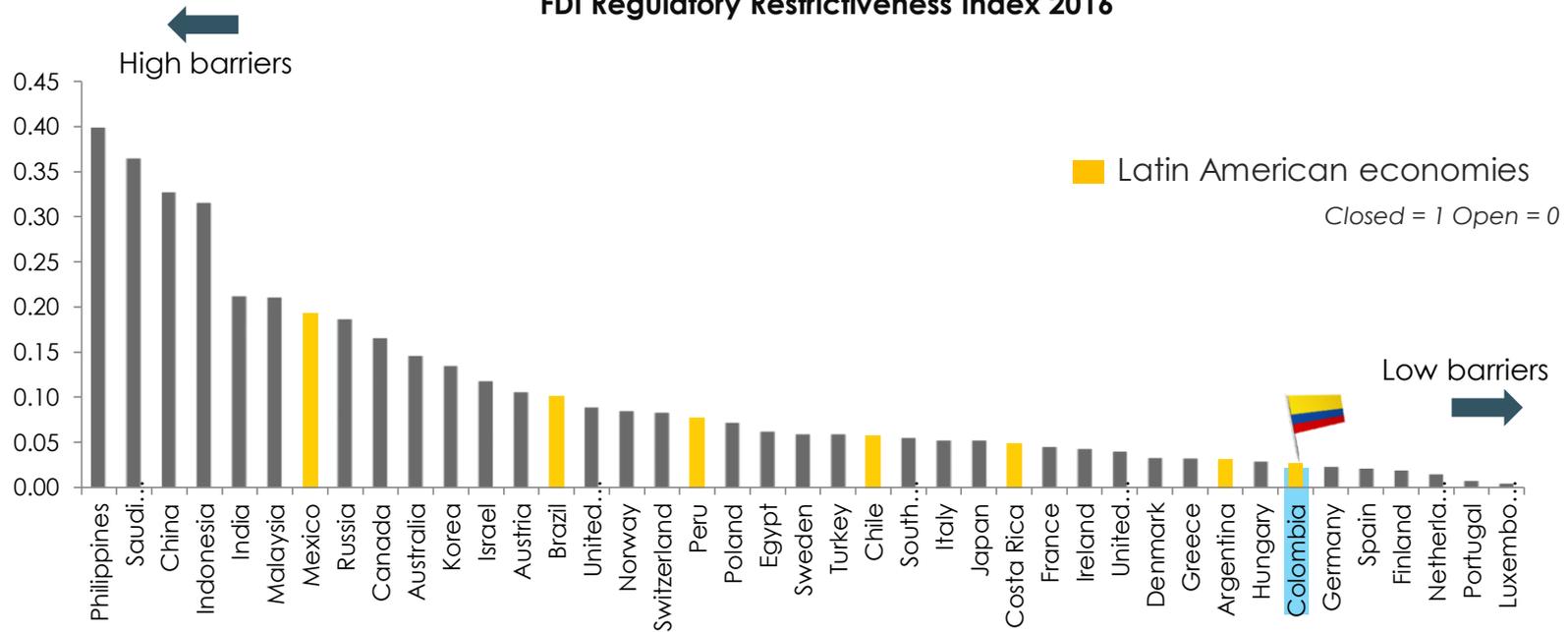
Colombia has continuously decreased its poverty levels

Source: Poverty: National Administrative Department of Statistics – DANE  
Middle class: The gained decade: the evolution of the middle class in Colombia between 2002 and 2011. Document CEDE # 50. Universidad de los Andes. And RADDAR for 2013 data.

\*Middle class 2016: Estimates calculated by ProColombia

# Colombia has the lowest FDI barriers in LAC

## FDI Regulatory Restrictiveness Index 2016



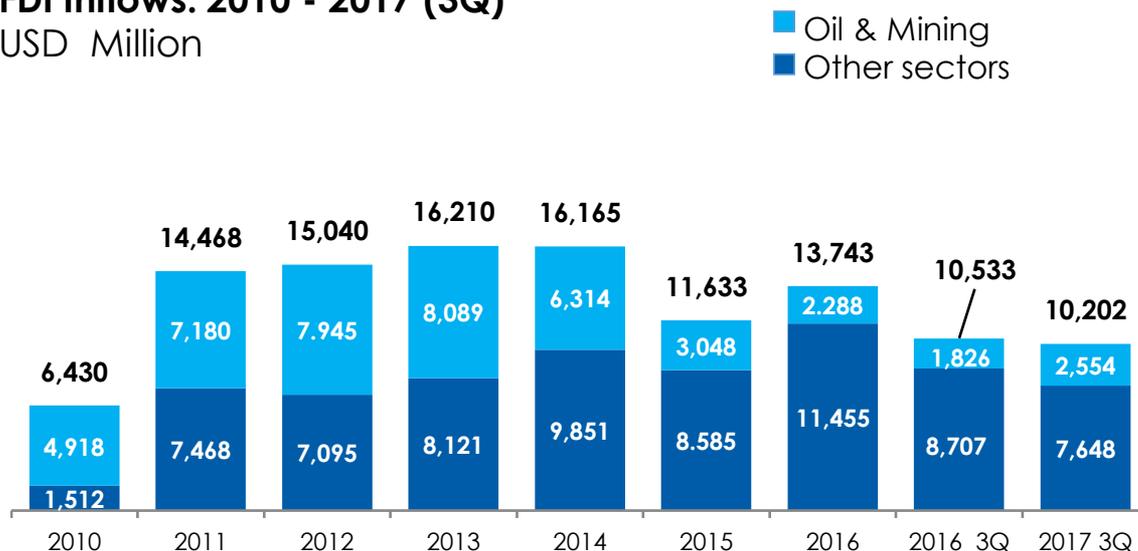


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FDI has been largely driven by non-mining sectors over the last 2 years

## FDI Inflows. 2010 - 2017 (3Q)

USD Million



## Top Investing countries in Colombia

2000 - 2016



### United States

- USD 31,684 million
- 21.1%



### United Kingdom

- USD 18,372 million
- 12.2%



### Spain

- USD 13,242 million
- 8.8%



### Switzerland

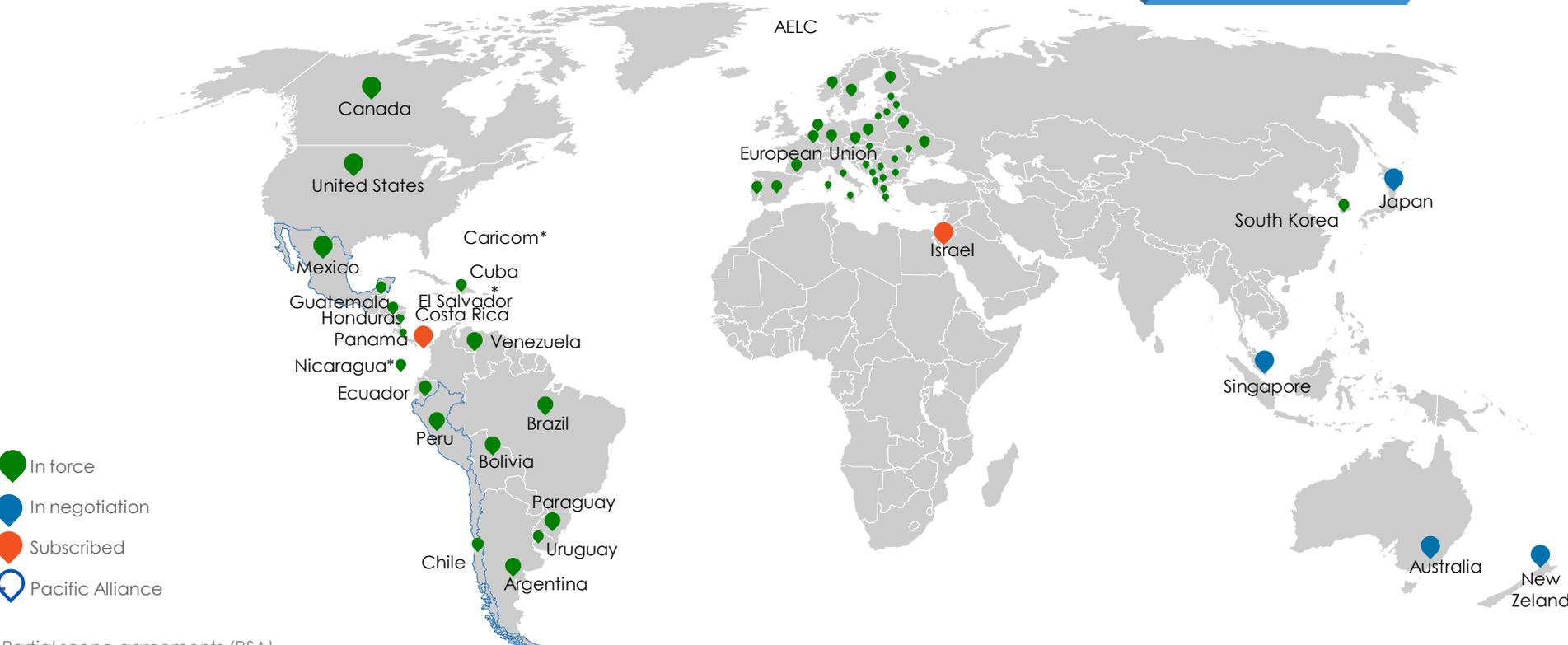
- USD 9,130 million
- 6.1%

Source: Balance of Payments - Banco de la Republica.

Share of all countries with positive cumulative investment, The information includes reinvested profits or investments in the oil sector

Note: the list of the top countries investing in Colombia does not include Panama. Last values available by country at 2016

# Colombia has access to 47 countries and more than 1.5 billion consumers through its network of trade agreements



\* Partial scope agreements (PSA)  
 --- Blue line shows Pacific Alliance's member countries others than Colombia – (Chile, Peru and Mexico).  
 - Source: Chamber of Commerce, Industry and Tourism, Colombia, 2017

# Colombia is the Latin American country with the most Free Trade Zones



Country	# of Free Trade Zones	Employment (direct and indirect)	Installed companies	Exports generated (USD FOB millions)	Main Sector
Colombia	100	239.280	845	280,9	Industrial
Brazil	1	114.226	479	200,8	Electronic
Costa Rica	11	119.701	331	6.948	Services
Panama	19	11.349	154	82	Industrial

The new world trade dynamic allows Colombia to take advantage of different opportunities, such as:

- Access to demanding and sophisticated markets
- Increase the quantity and diversity of exports
- Transfer of technology
- Improve the quality of production

Source: AZFA, DANE.  
AZDA released colombian data dated in 2016, rest of the countries: 2015.

# Colombia and its Free Trade Zones represent an important opportunity for third countries to take advantage of the country's Trade Agreements



Free Trade Zones have a high potential for generating productive chains

Input Supply



Investment opportunities in Colombia in value-added production chains



Supply with value-added intermediate products



### Mexico

- Cables and wires -
- Batteries and accumulators -
- Electrical Parts -
- Flats laminated with steel or iron -



### United States

- Accessories and Auto Parts -
- Electrical equipment -
- Cotton Yarn -
- Plastic Resins -



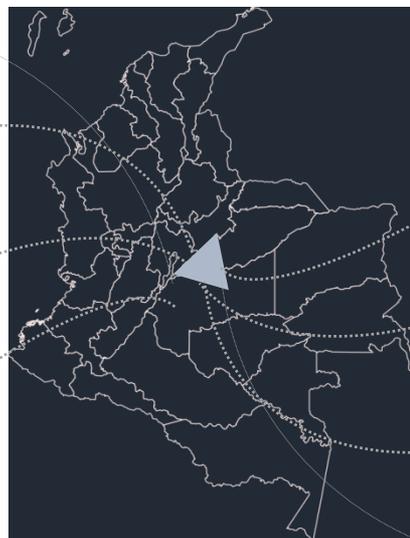
### Japan

- Aromatic products -
- Glasses -
- Flats laminated with steel or iron -
- Vehicle parts & accessories -



### Peru:

- Cotton yarns -



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- Plastic packaging for the beverage and the cosmetics industry
- Automotive assembly
- Home appliances
- Clothing
- Processed foods
- Aeronautics
- Medical devices

Source: High impact Free Trade Zone-2016, CLG



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# Colombia's offer to the Caribbean

## Exports

# Export opportunities from Colombia to the Caribbean



## Clothes

- Jewelry
- Footwear
- Jeanswear
- Leather goods
- Casual Clothing
- Shapewear
- Bedding
- Sports Clothing
- Formal Clothing
- Children's Clothing
- Underwear
- Textiles
- Uniforms
- Bathing Suits



## Services

- Digital Animation
- Mobile Apps/Videogames
- Audiovisual (advertising)
- Graphic and Editorial Industry
- Engineering and Construction Services
- Health Services
- Software and IT
- BPO

# Export opportunities from Colombia to the Caribbean



## Manufactures

- Fertilizer
- Electrical Equipment
- Handcrafts
- Home Goods
- Industrial Goods
- Promotional Goods
- Auto parts
- Electrical Conductors
- Cosmetics and Personal Care
- Home Office and Industrial Supplies
- Bottling/Packaging
- Extracts, Pigments and Paints
- Tools
- Steel and Iron Manufactures
- Agricultural Machinery
- Industrial Machinery
- Construction Materials
- Furniture
- Paper and Cardboards
- Plastic
- Pharmaceutical Products
- Chemicals



## Agribusiness

- Oils
- Animal Food
- Sugar and Honey
- Alcoholic and Non-alcoholic Beverages
- Coffee and Special coffees
- Cocoa Byproducts
- Flowers
- Fresh fruits (Aguacate, Cholupa, Granadilla, Gulupa, Lima Tahití, Piña Pitahaya, Uchuva)
- Processed Fruits
- Dairy Products
- Legumes and Vegetables
- Processed Foods
- Confectionary
- Bakery Products
- Oil seeds and Oil Fruits

# Sectors with opportunity

## Agribusiness



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### Some niche opportunities



Aquaculture



Cocoa



Cereals



Fruits and  
vegetables



Meat



Processed food



Rubber



Biofuels



Forestry

### Investment Opportunities

- ▣ Colombia is the 2<sup>nd</sup> largest flowers exporter worldwide, with around U\$1.285 million
- ▣ Colombia is the 3<sup>th</sup> largest coffee producer worldwide and the 2<sup>nd</sup> of Latin America.
- ▣ Colombia is the 4<sup>th</sup> largest producer of oil palm over the world, with around 1 million tonnes.
- ▣ Colombia has one of the largest biodiversity by km<sup>2</sup> in the world.
- ▣ In 2018, there will be one million more hectares due to “Colombia Siembra Plan”

# Manufacturing





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# Opportunity Sectors

## Metalworking and other industries

### Some niches of opportunity :



**Automotive  
and auto parts**



**Metalworking**



**Construction  
materials**

- ▣ Assembly plants for commercial vehicles (buses), cargo vehicles and motorcycles to serve both local and external market using Colombia as an export platform.

Colombia has specialized its production and assembly of vehicles and motorcycles to meet local and foreign demand as well as a set of auto parts that allow it to respond to the needs of assemblers and the aftermarket.

- ▣ Establishment of factories to transform iron and steel products to meet the demand of other industries.

The development of the construction, automotive, shipbuilding and metallurgical sectors is a potential for investment in the manufacture of products such as metal structures, tools and machinery.

- ▣ Establishment of plants for the production of cement, ceramic and prefabricated products to supply local and export market.

Colombia has a portfolio of projects for the construction of housing, road infrastructure and air transport, which makes it an attractive destination for companies in the sector.



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# Sectors with opportunity

## Chemicals and Life Sciences

### Some niche opportunities



**Fertilizers**



**Natural ingredients  
for cosmetics**



**Plastic Packaging**

- ❑ Set up agrochemicals formulation and production plants to serve the growing local market.

Colombia is the second country in the region with the highest fertilizer consumption per hectare. In Latin America, Colombia is 5.5 times above the average.

- ❑ Set up research centers on development of cosmetics based on natural ingredients. Taking advantage of the Colombian biological and floristic diversity; and the tax incentives provided by the National Government for R&D projects.

The country has positioned itself as a hub for the production of cosmetics and toiletries at a regional level. It is the fourth manufacturing industry with the highest exports in the country.

- ❑ Assembly of plastic packaging production plants to meet the needs of the LAC region.

Colombia counts with high quality raw materials for packaging with highly technical control equipment.

# Sectors with opportunity - Infrastructure: A major driver for growth



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## Some niches with opportunities:



Airports



Ports



Roads



Step railways



Fluvial National  
plan

Source: Ministry of Transport - Exchange rate: USD = COP\$3,000

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- ▣ **USD 900 million** in rehabilitation, expansion and modernization of **47 airports** (2015 – 2018)
- ▣ **The Fluvial National Plan** consists of 13 river projects with an investment of **USD 2,660 million**
- ▣ Until 2021, **USD 17 billion will be invested** to increase road infrastructure:
  - 7,000 kms of highways**
  - 1,400 kms of double lane highways**
  - 141 tunnels**
  - 1,300 viaducts**
- ▣ **USD 1.8 billion** to improve the navigability of Magdalena river
- ▣ **USD 53 million** investment to recover more than **990 kms of railways network**



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EXPOSITE TOURISM INVESTMENT COUNTRY BRAND

- Sectors with opportunity - Energy: a diversified source base and a pivotal location in the Americas

Colombia ranked first in Latin America and eighth in the world according to the “Energy Architecture Performance Index 2016”. WEF, 2016.

More than 200 Power Generation projects registered in different stages: Installed capacity up to 7,000 MW\*

Open public bids for power transmission projects in Colombia\*\*

High potential in Biofuels and alternative energies

Projects focus on renewable energy will have special VAT exemptions, deduction from taxable income and customs exemptions – Law 1715

### The Global Energy Architecture Performance Index 2016



Some niche opportunities



Thermal



Micro hydro



Solar



Wind



Biomass

Transmission network



Source: World Economic Forum 2016 and UPME / \* UPME (Colombian Planning Unit of Mines and Energy). MW approx.. \*\*Bids open by UPME

# Services



# Sectors with opportunity - Services

## IT, BPO, ITO, Shared Services, Apps

Colombia is one **the three major providers** of IT services in the region.

- ▣ **The broadband connections increased** from 2.2 to 10.1 million between 2010 and 2015.
- ▣ In the next 4 years, **broadband connections will be triple** reaching 27 million connections.
- ▣ **Available labor force of more than 1,200,000 professionals** graduated in fields related to financial and value added shared service operations.
- ▣ VAT exemption for service exports.

Source: MinTic and IDC

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## Some niches with **opportunities**



Cloud computing



Software development



Aggregated shared services centers for diverse industries



Big data



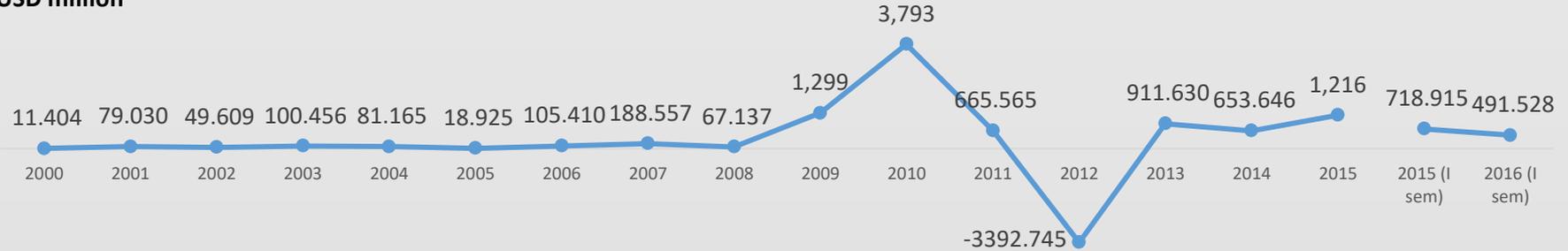
Innovation and development centers



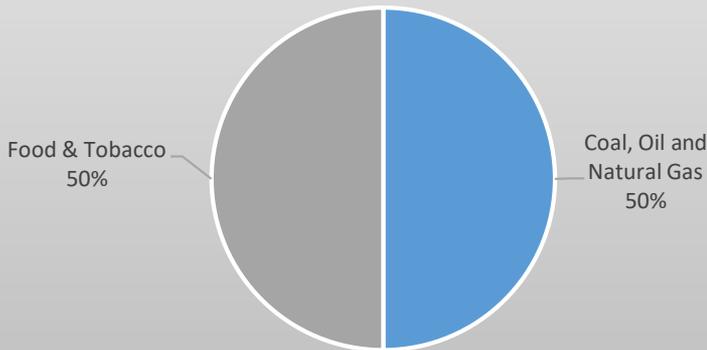
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EXPORTATIONS TOURISME INVESTISSEMENT MARQUE PAYS

Between 2000 and the first half of 2016, Colombia has invested more than USD 6.3 billion in the Caribbean countries

**Net flows of FDI from Colombia in Caribbean countries**  
USD million



**Investment projects in Caribbean by sector**  
2003 - 2016 I Semester



Projects (FDI Markets): 2

**Some Colombian companies based in Caribbean**

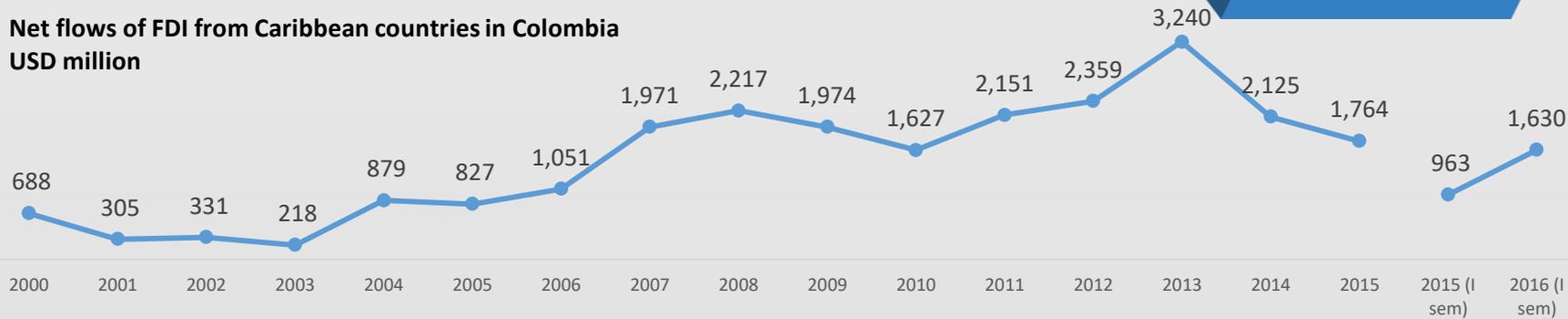




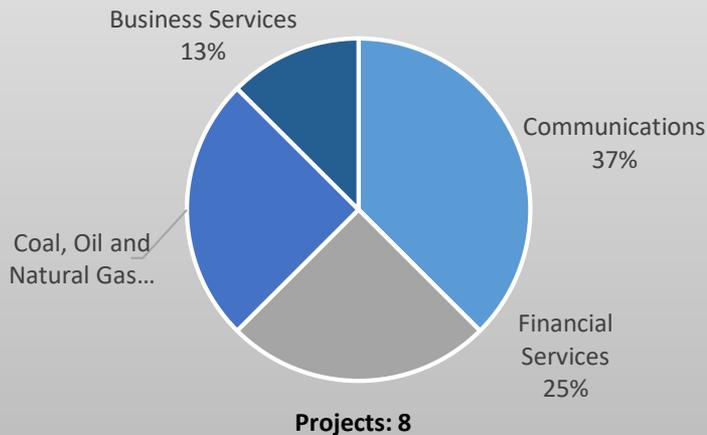
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EXPORTATIONS TOURISME INVESTISSEMENT MARCHÉ PAYS

Between 2000 and the first half of 2016, the Caribbean countries invested more than USD 25.3 billion in Colombia

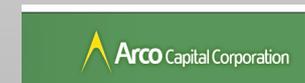
**Net flows of FDI from Caribbean countries in Colombia**  
USD million



**Investment projects in Colombia by sector**  
2003 - 2016 I Semester



**Some Caribbean companies based in Colombia**



people caring for people



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EXPORTATIONS TOURISME INVESTISSEMENT MARQUE PAYS

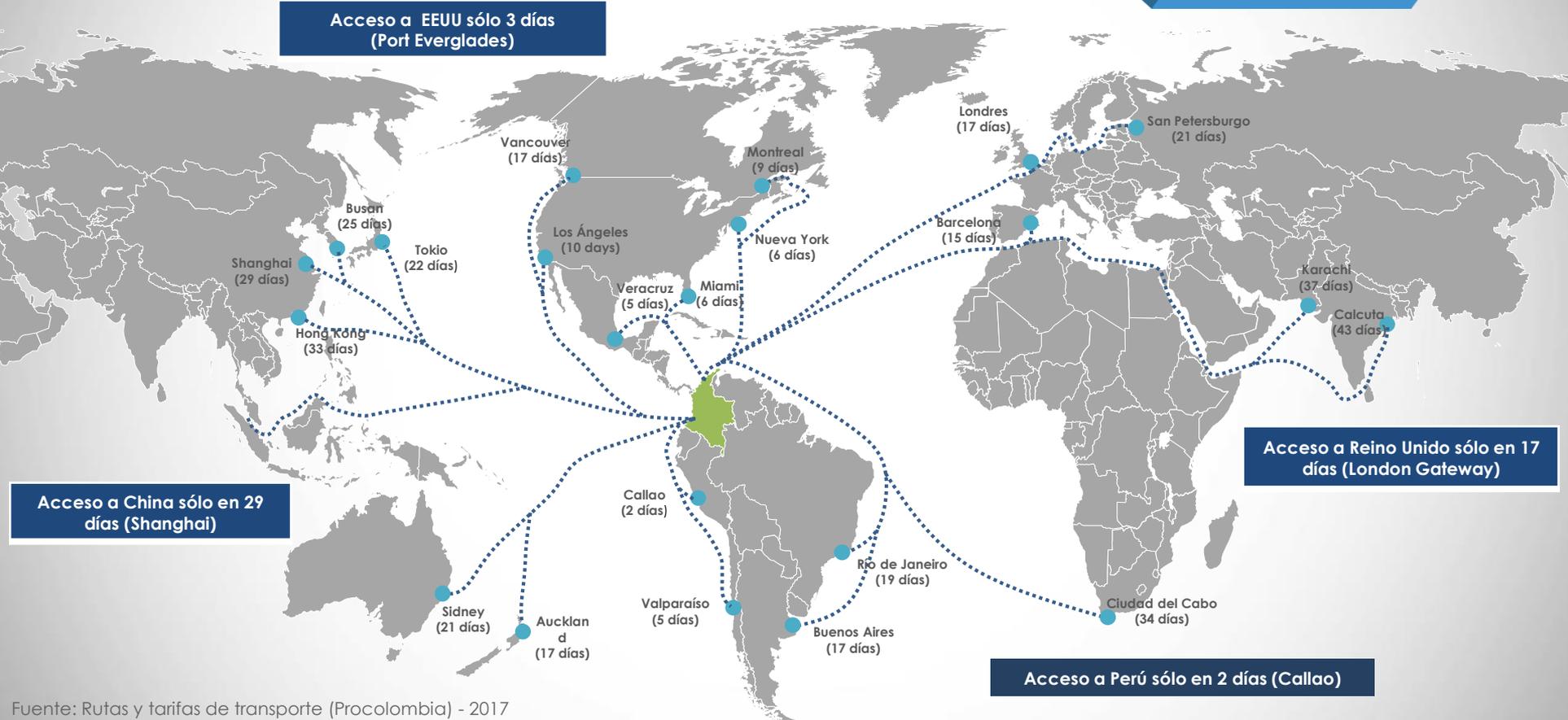
# The Caribbean Logistics



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# Times of shipping.....

**Acceso a EEUU sólo 3 días  
(Port Everglades)**



**Acceso a China sólo en 29  
días (Shanghai)**

**Acceso a Reino Unido sólo en 17  
días (London Gateway)**

**Acceso a Perú sólo en 2 días (Callao)**



## Principales Aerolíneas- 2016

**Avianca Cargo** 

  
**cargolux**

**DHL**  
Aviation

  
**CENTURION CARGO**

**FedEx**  
Express

**Copa Airlines**  
Cargo 

**AIRFRANCE**  
CARGO 

**BRITISH AIRWAYS** 

**IBERIA** 

**AIR CANADA**  
CARGO 

**American Airlines**  
Cargo 

**UNITED**  
CARGO 

 **DELTA**  
CARGO

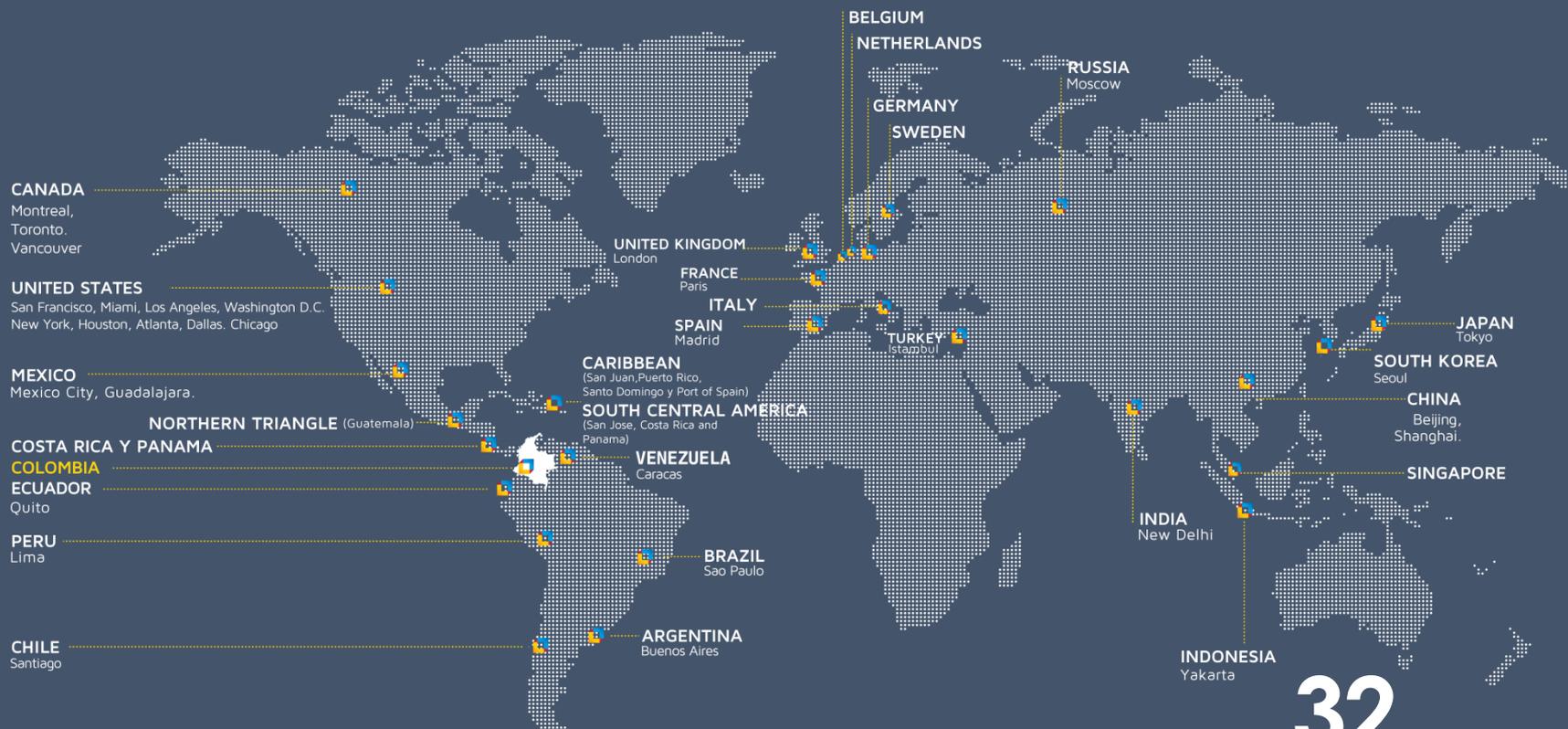
  
**KLM**  
CARGO

 **LATAM**  
CARGO

 **Lufthansa Cargo**

- Colombia tiene más de 2.400 rutas de exportación para carga, directa y en conexión prestada por 30 líneas aéreas con acceso a más de 500 ciudades.
- En 2016 Colombia movilizó más de 981 mil toneladas por vía aérea, incluyendo carga nacional, charter y correo.
- El Aeropuerto Internacional El Dorado es el mayor puerto de carga aérea de América Latina, con más de 650 mil toneladas de carga movilizada en 2016.

# Procolombia's Worldwide presence



**32**  
countries

TAIKU PALDIES ΕΥΧΑΡΙΣΤΩ TANAN благодаря  
SHUKRAN DANKE TERMA KASSIH DÍKY  
GRATIAS 감사합니다 MATONDO MAAKE NANNI DIAKUIU  
HVALA GRACIAS MOCHCHAKKERAM DIOLCH  
TÄNAN DIAKUIU MERCI SPASIBO дякую FALEMINDERIT

# THANK YOU

תודות ASANTE CHOKRANE ESKERRAK MISAOTRA GRAZIE  
谢谢 OBRIGADO ARIGATO VINAKA  
SULPÁY SPASIBO  
DIOLCH ACIU DIOLCH WELALIN TAK KÖSZÖNÖM  
EKELE NGIYABONGA MATUR NUWUN KIITOS DZIEKUJĘ



MINCOMERCIO  
INDUSTRIA Y TURISMO



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MINCOMERCIO  
INDUSTRIA Y TURISMO



TODOS POR UN  
NUEVO PAÍS  
PAZ EQUIDAD EDUCACIÓN