

# COLOMBIA: The strategic ally of CHINA

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MINISTRY OF TRADE  
INDUSTRY AND TOURISM



GOVERNMENT OF COLOMBIA

# WHY COLOMBIA ?



**A STRATEGIC PLATFORM  
FOR DOING BUSINESS**



**A DYNAMIC AND  
STABLE ECONOMY**



**A MIDDLE CLASS  
RAPIDLY GROWING**



**STRENGTH PROTECTION  
FOR FDI**

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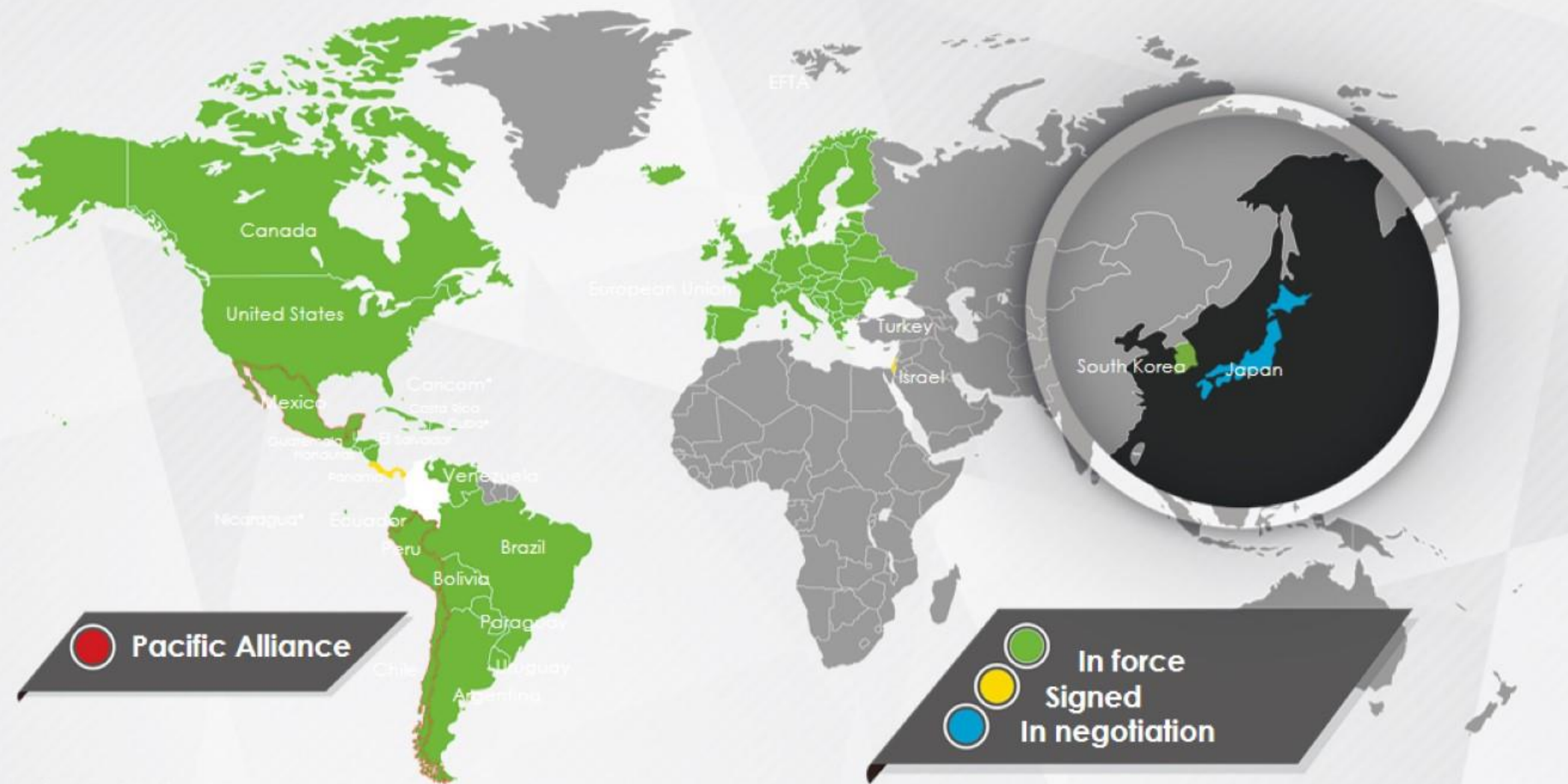


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# COLOMBIA HAS 16 TRADE AGREEMENTS, REACHING 1.5 BILLION CONSUMERS



Source: Ministry of Commerce

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# COLOMBIA- A DYNAMIC AND STABLE ECONOMY

GROSS DOMESTIC PRODUCT, ANNUAL GROWTH RATE  
2005-2016



MACROECONOMIC STABILITY INDEX  
WORLD RANKING 2016-2017



SOURCE: GLOBAL COMPETITIVENESS INDEX, 2016.

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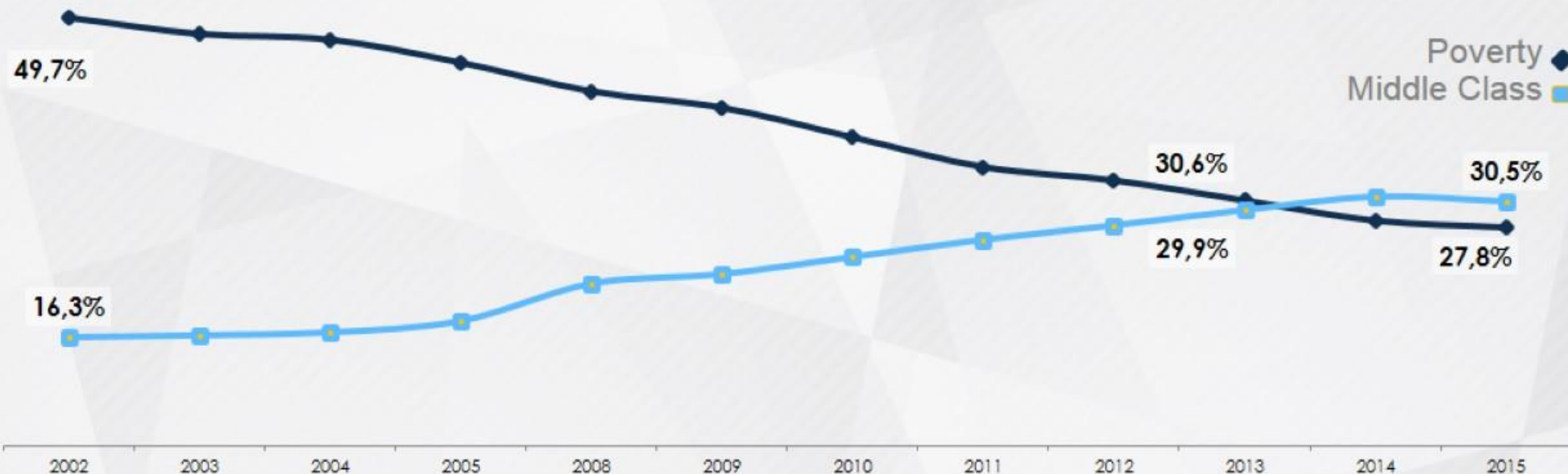
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# REMARKABLE REDUCTION IN POVERTY RATES AND STRONG GROWTH OF THE MIDDLE CLASS

Percentage of people in poverty



Source: DANE (National Statistical Office)

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# COLOMBIA — A TOP DESTINATION FOR A SAFE INVESTMENT



## COLOMBIA RANKS:



First in the Legal rights index (Worldwide)



First in the strength of investor protection Index (LAC region)

Source: Global competitiveness Index, 2016.

# DOING BUSINESS 2007-2017 RANKING

According to Doing Business, within the Latin American and Caribbean region, Colombia is:



- #1** in getting credit
- #1** in protecting minority investors
- #2** in dealing with construction permits
- #2** in ease of doing business
- #3** in registering property
- #5** in starting a business

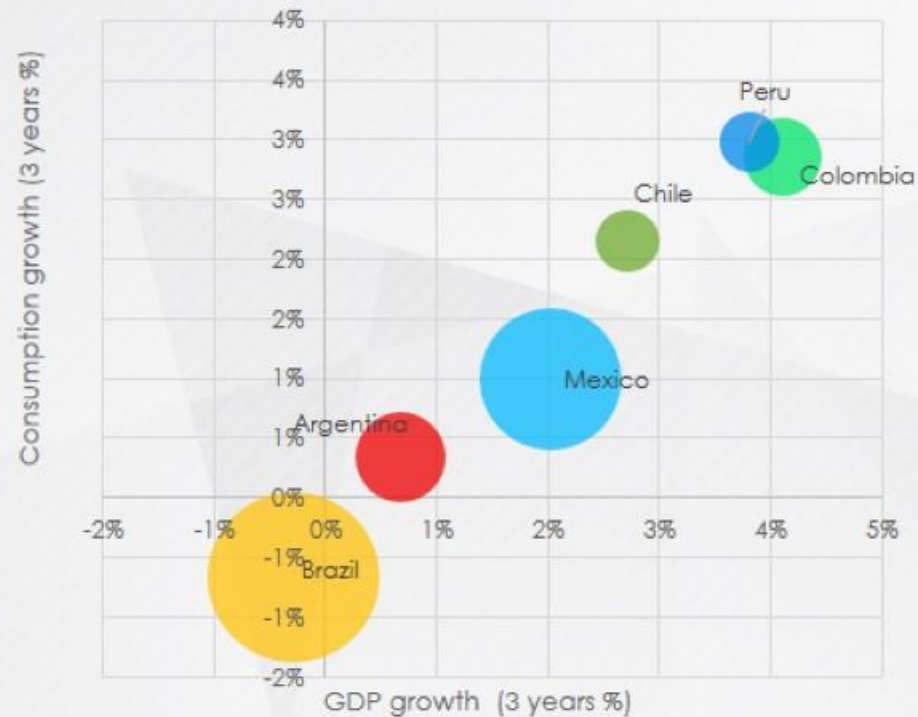
## COLOMBIA

Has implemented the most reforms in Latin America to improve business environment

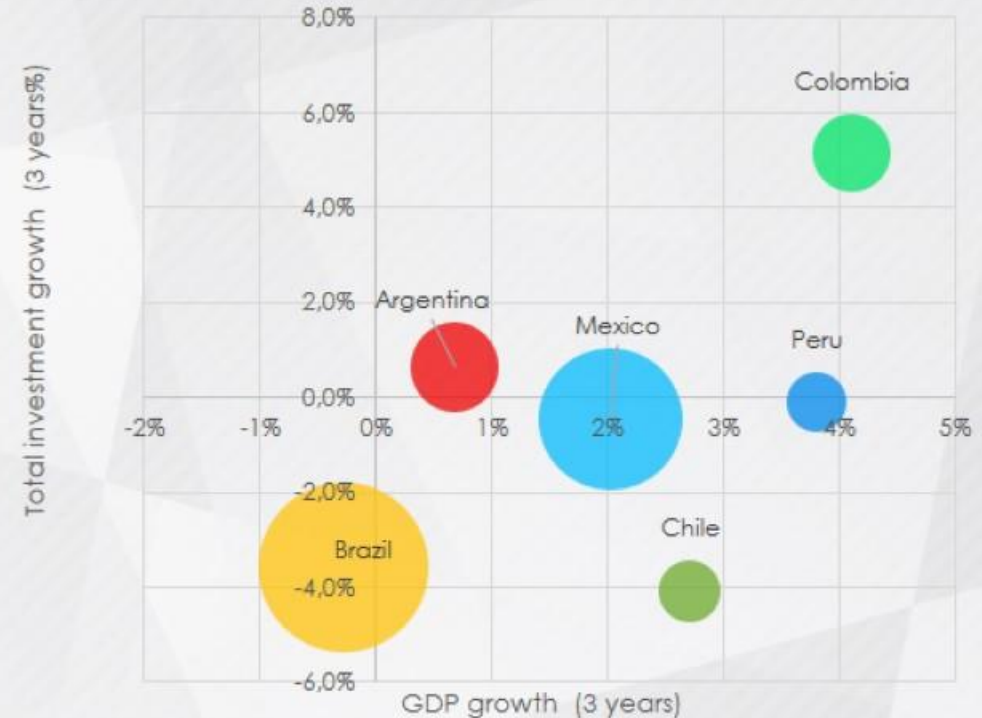
Country	Ranking 2017	# of reforms 2006-2017
<b>Colombia</b>	<b>53</b>	<b>34</b>
Peru	54	24
Panama	70	17
Ecuador	114	13
Argentina	116	10
Chile	57	8
Mexico	47	5
Brazil	123	4

# COLOMBIA IS LEADING A SUSTAINABLE GROWTH IN THE REGION

GDP growth vs. Consumption  
2012-2015 - (%)



GDP growth vs. Total Investment  
2012-2015 - (%)



Source: ProColombia based on World Bank data. Bubble sizing responds to the economy size.

A full-page background image of a sunset over the ocean. The sun is a bright yellow circle partially obscured by a dark, horizontal band of clouds. The sky is a gradient of orange and red, with some wispy clouds. The ocean is dark and reflects the light from the sun.

# **Investment Opportunities in Colombia**

# INVESTMENT OPPORTUNITIES IN AGRIBUSINESS

## NICHES WITH OPPORTUNITIES



Processed  
foods



Forest



Fruits and  
vegetables

## KEY DRIVERS

- Due to the great fruit variety in Colombia and constant availability over the year, companies have developed a wide range of processed fruits and vegetables with greater added value. These products include pulps, concentrates, dried fruits, freeze-dried fruits, canned fruits and frozen fruits.
- Colombia has more than 24.8 million hectares with aptitude for commercial forest plantations. 7.2 million with high aptitude and 6.2 million with medium aptitude.
- Colombia is the third largest producer of fruits in the region, producing more than 9.5 million tons per year.
- According to the FAO, Colombia is one of the countries with the greatest potential for expansion in the agricultural area (without affecting natural forest). It has 25 million hectares of arable land, from which only 35% is being used for this purpose.

# INVESTMENT OPPORTUNITIES IN CHEMICALS AND LIFE SCIENCES

## NICHES WITH OPPORTUNITIES



Chemicals



Cosmetics  
and Toiletries



Medical  
devices



Plastic  
packaging



Pharmaceuticals



Agrochemicals

## KEY DRIVERS

- 3rd country in Latin America in sales of medical devices
- Pharmaceutical sales are growing steadily in line with economic growth.
- Clinical trials are an attractive destination, due to the size of the population, geographic location, language and the low costs of procedures.
- 95% of the population has health coverage.
- 75% of health spending is financed by the government. Colombia's state investment in healthcare services over the past few years has increased access to medicines, which has driven demand.
- The workforce has some of the highest literacy rates in the region, and it's considered highly qualified by Latin American standards

# INVESTMENT OPPORTUNITIES IN APPAREL AND TEXTILES

## NICHES WITH OPPORTUNITIES



Textiles and supplies

## KEY DRIVERS

- Textile imports in Colombia have increased at a rate above 6.6% over the last 10 years. Thus, it is necessary to supply the demand for local production.
- Colombia's strategic location positions the country as an export platform, taking advantage of the industrial capacity and its 16 trade agreements.
- There are qualified Colombian companies able to associate with foreign investors to reach regional and international markets.

# INVESTMENT OPPORTUNITIES IN BPO, KPO, IT AND SOFTWARE

## NICHES WITH OPPORTUNITIES



BPO & KPO



Financial  
services



Telecommunications

## KEY DRIVERS

- More than 1,200,000 professionals in Colombia graduated in fields related to BPO, software & IT, financial services and value added shared service operations.
- Over the next 4 years, broadband connections will triple reaching 27 million connections.
- VAT exemption for service exports.

### Opportunities focused on:

- Specialized BPO centers in marketing, sales, customer service and call centers.
- Development of payment platforms and applications for the monitoring of users financial products.
- Comprehensive systems of credit analysis and project risk on environmental issues.
- Integration and Network Deployment, Data Centers, Telecommunications Connectivity, Network Support.

# INVESTMENT OPPORTUNITIES IN METAL INDUSTRY

## NICHES WITH OPPORTUNITIES



**Building  
Materials**



**Metalworking**



**Auto-parts**



**Automotive  
assembly**

## KEY DRIVERS

- Third largest construction sector in Latin America.
- The construction sector is the main driver of steel consumption in Colombia.
- There are 132 vehicles for every 1,000 inhabitants, providing investment opportunities due to the low motorization rate.
- Colombia is the second largest manufacturer of motorbikes in the region after Brazil
- Auto parts production has increased 80% over the last six years.

# INVESTMENT OPPORTUNITIES IN HOTEL AND TOURISM INFRASTRUCTURE

## SOME NICHE OPPORTUNITIES



Nature &  
Adventure



Wellness



Entertainment



City Hotels

## KEY DRIVERS

- Nature and adventure hotels.
- Luxury and wellness hotels can take advantage of the Colombian biodiversity to offer high quality services.
- 9% tariff reduced for hotels with more than 61% of their building by December 2017 and for hotels in cities and towns with less of 200.000 people built before 2027.
- Colombia ranks 25th in the ICCA ranking (International Congress and Convention Association).

# INVESTMENT OPPORTUNITIES IN INFRASTRUCTURE

## NICHES WITH OPPORTUNITIES



Airports



Roads



Ports



Step  
railways



Fluvial National  
plan

## KEY DRIVERS

- US\$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 US\$2,660 million
- Until 2021, US\$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
- US\$1.8 billion to improve the navigability of Magdalena river
- US\$53 million investment to recover more than 990 kms of railways network

# INVESTMENT OPPORTUNITIES IN ENERGY

## NICHES WITH OPPORTUNITIES



Thermal



Micro hydro



Solar



Wind



Biomass



Transmission  
network

## KEY DRIVERS

- 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

# INVESTMENT OPPORTUNITIES FOR CAPITAL FUNDS

## NICHES WITH OPPORTUNITIES



Real Estate



Health



Banking



TIC



Biotechnology



Energy



Agribusiness



Infrastructure

## KEY DRIVERS

- Colombia was ranked fourth in Latin American and the Caribbean due to its favorable conditions for development of the PEF industry.
- 19 International General Partners in Colombia.
- Capital funds such as Advent International and Victoria Capital have chosen the country as a hub to service other countries in the region

# COLOMBIA IN PEACE: BIGGER, INCLUSIVE AND PRODUCTIVE

## MOST AFFECTED AREAS OF CONFLICT, ZOMAC

The **ZOMAC** are made of more than 300 municipalities affected by the armed conflict.

Strategy for:

Generate opportunities to investors and at the same time restore progress; foster development, establishment of companies, generation of employment and promote social inclusion.

The companies located in ZOMAC territory have

Tax benefits.  
Opportunities in the agro sector, industry and tourism.

## TOURISM AND PEACE

Lines of action:

Productive transformation of companies and destinations in peace environments.

Responsible and sustainable practices.



# THANK YOU

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