



# INVESTMENT ENVIRONMENT

BUSINESS OPPORTUNITIES IN COLOMBIA

Aquaculture Cooperation Seminar between Norway and Colombia

2020



El futuro  
es de todos

Gobierno  
de Colombia



**PROCOLOMBIA**  
EXPORTS TOURISM INVESTMENT COUNTRY BRAND





# PROCOLOMBIA PROMOTES

Country Brand



Exports



Tourism



Investment and  
industrial expansion  
for internationalization



# PRESENCE OF PROCOLOMBIA IN THE WORLD



32  
COUNTRIES

\* In conjunction with the MinCIT

# COLOMBIA

## OFFERS:



A responsible Government committed with public health and economic reactivation, which allows the country to capitalize 50 years of economic growth to withstand the COVID-19 crisis



The greatest political stability in Latin America thanks to its government's commitment to the development of private activity



A strategic point for regional supply, because of its location and its network of free trade agreements



A developed technology ecosystem, which meets the necessary standards for the "new normality" in the post-COVID-19 recovery

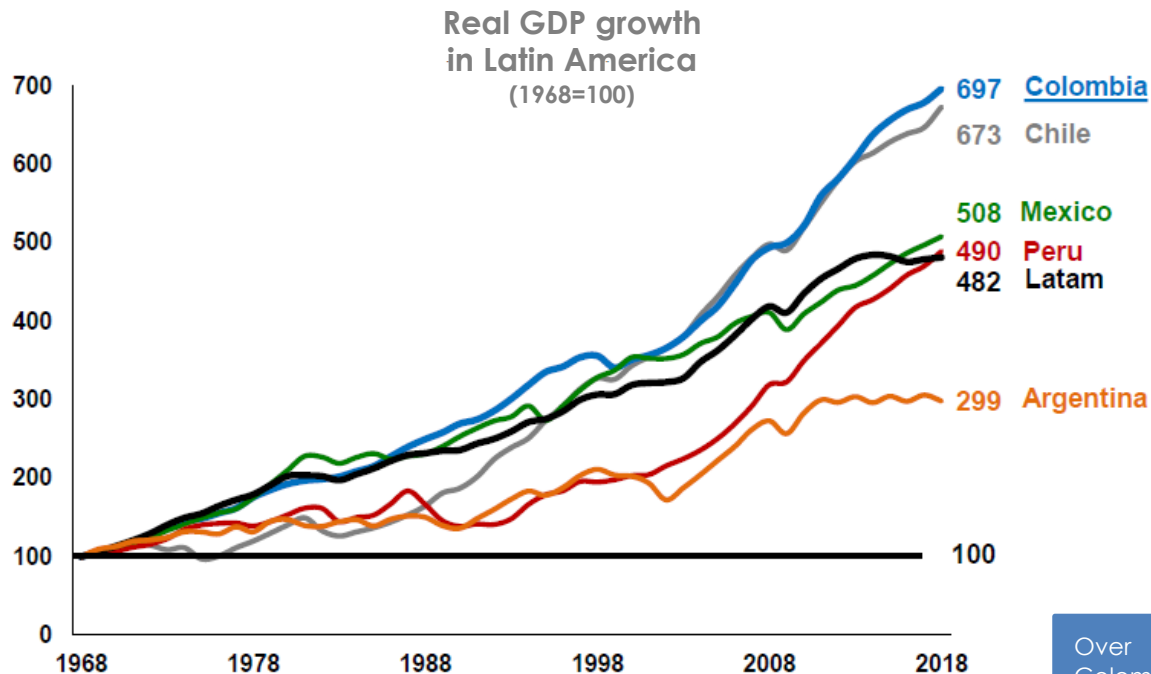


A leading country in receiving FDI in the region





# Before the pandemic Colombia was already excelling due to its sustained economic growth over the past 50 years

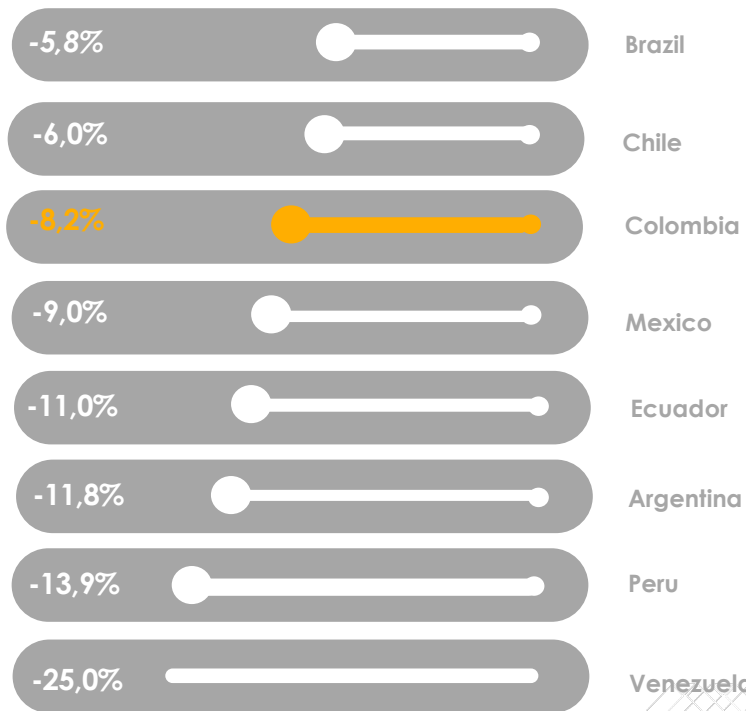


Over the past 50 years, the Colombian economy has been the fastest growing in the region.


# As a result, Colombia has become a resilient country and one of the economies with the greatest capacity to withstand the crisis in 2020

- In 2019, Colombia's GDP had the highest growth compared to other large economies in Latin America and the Caribbean, with a rate of 3.3%.
- According to the IMF, in 2020, Colombia would be the third least affected economy, among the large economies in the region.

Estimated GDP growth 2020



Source: IMF (World Economic Outlook, October, 2020).



The dynamism of its economy has enabled the country to continue having outstanding indicators, despite the global economic impact due to COVID-19

**4.0% and 4.5%**

will be the **estimated growth of the Colombian economy in 2021**, according to international organizations such as the IMF and the World Bank, respectively

**1.9%**

**Inflation rate, 2020**

The inflation rate will remain **low**

**US \$3,228 millions**

received in **non-mining FDI**, between January and June 2020

**67,3%**

Of participation in total investment





Colombia stands out in the  
region for its political  
stability and solid  
institutions



Furthermore, Colombia has strong institutions which have allowed to position itself in the international context



According to the Global Competitiveness Report:



Corporate government  
**1<sup>st</sup> in Latin America**



Business dynamism  
**2<sup>nd</sup> in Latin America**



Financial system stability  
**2<sup>nd</sup> in Latin America**

## Global Competitiveness Report 2019



33



48



54



57



65



71



83

Source: Global Competitiveness Report 2019, World Economic Forum.





# Thanks to the above, Colombia was officially accepted by the OECD, giving it access to the best economic and social practices

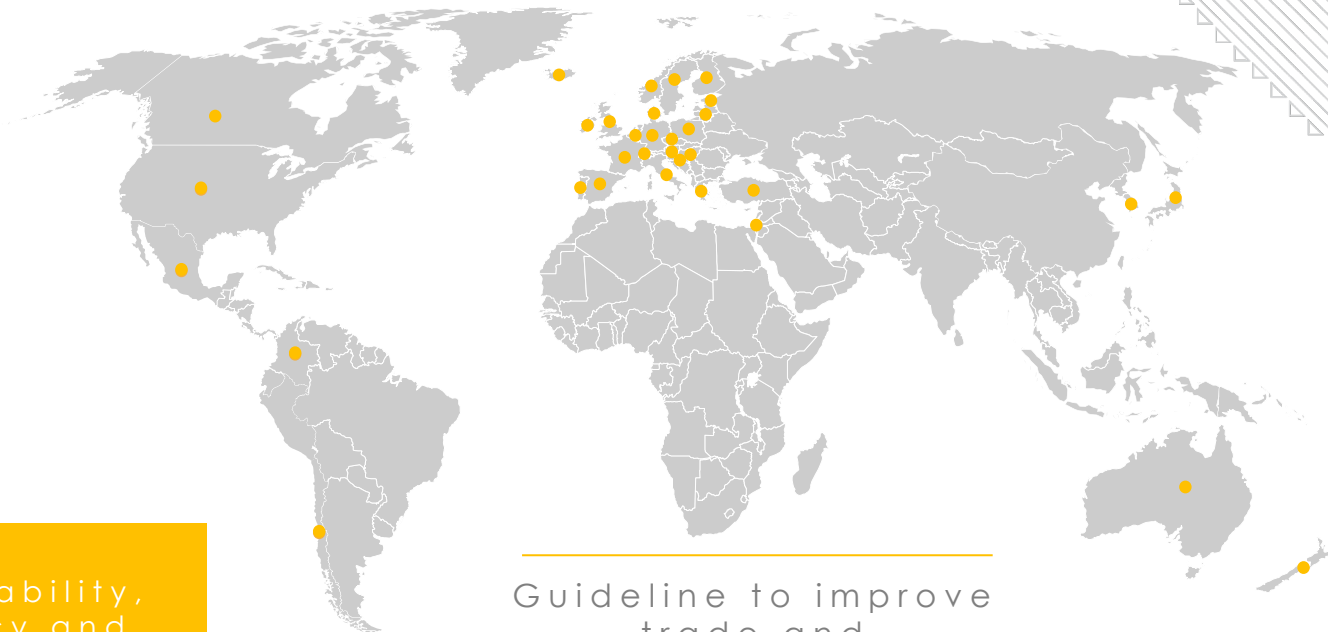
CANADA  
UNITED STATES  
MEXICO  
CHILE  
COLOMBIA

AUSTRIA  
BELGIUM  
CZECH REPUBLIC  
DENMARK  
ESTONIA  
FINLAND  
FRANCE  
GERMANY  
GREECE  
HUNGARY  
ICELAND  
IRELAND  
ISRAEL  
ITALY

JAPAN  
SOUTH KOREA

LITHUANIA  
LATVIA  
LUXEMBOURG  
NETHERLANDS  
NORWAY  
POLAND  
PORTUGAL  
SLOVAK REPUBLIC  
SLOVENIA  
SPAIN  
SWEDEN  
SWITZERLAND  
TURKEY  
UNITED KINGDOM

AUSTRALIA  
NEW ZEALAND



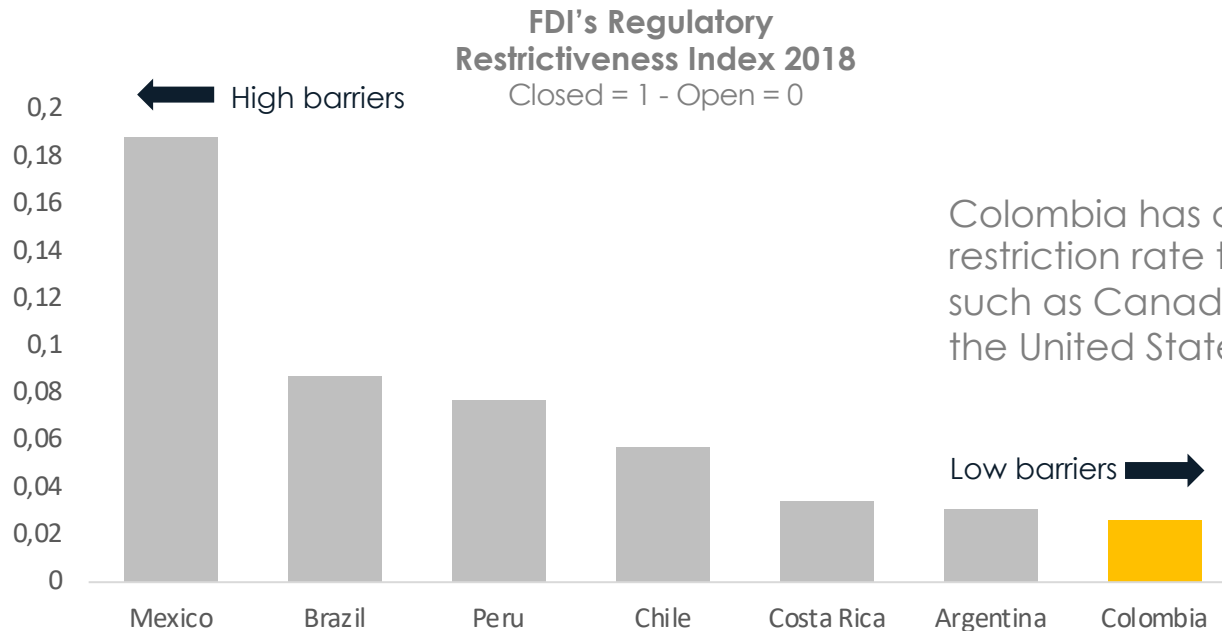
Economic stability,  
transparency and  
government discipline

Guideline to improve  
trade and  
investment barriers





# With that in mind, Colombia has **the lowest FDI barriers of Latin America**



Colombia has a lower FDI restriction rate than countries such as Canada (0.16) and the United States (0.09).



Rating agencies also recognize Colombia with an **investment rate**

**STANDARD  
& POOR'S**

**FitchRatings**

**MOODY'S**

<b>Term</b>	Long Term – Foreign currency	Long Term – Foreign currency	Long Term – Foreign currency
<b>Rating</b>	<b>BBB-</b>	<b>BBB-</b>	<b>Baa2</b>

In the last review of 2020, Moody's maintained the Baa2 rating for Colombia, a step up of investment grade.

1. Large, dynamic and resilient economy.
2. Prudent and predictable macroeconomic policies.
3. Strong tradition of payment of debt obligations.

In June 2020, Moody's\* **maintained Colombia's rating outlook as stable.**

Source: S&P Ratings; Dinero magazine, Colombian Treasury.

\* Moody's, 2020.





The new dynamic of global trade opens the opportunity to Colombia **for regional supply**



# Colombia is ready to address this relocation challenge, offering preferential access to 97%\* of the countries of the region

## Regional agreements

- Andean Community
- Pacific Alliance
- Chile
- Mexico
- Canada
- United States
- Northern Triangle
- Costa Rica
- Mercosur
- Cuba
- Caricom
- Nicaragua
- Venezuela

## Other agreements

- EFTA
- European Union
- South Korea
- Israel

## Signed agreements

- Panama
- United Kingdom



Colombia has 17 free trade agreements in force, which allow preferential access to 60 countries and 1.5 billion consumers

- In force
- Signed
- Pacific Alliance

Source: MinCIT

\*Non-self-governing territories are not included.



Thanks to the above, the country has privileged access to the **continent's largest markets**



Population:  
329.3 million



Population:  
227.9 million



Population:  
37.5 million



Population:  
293.5 million

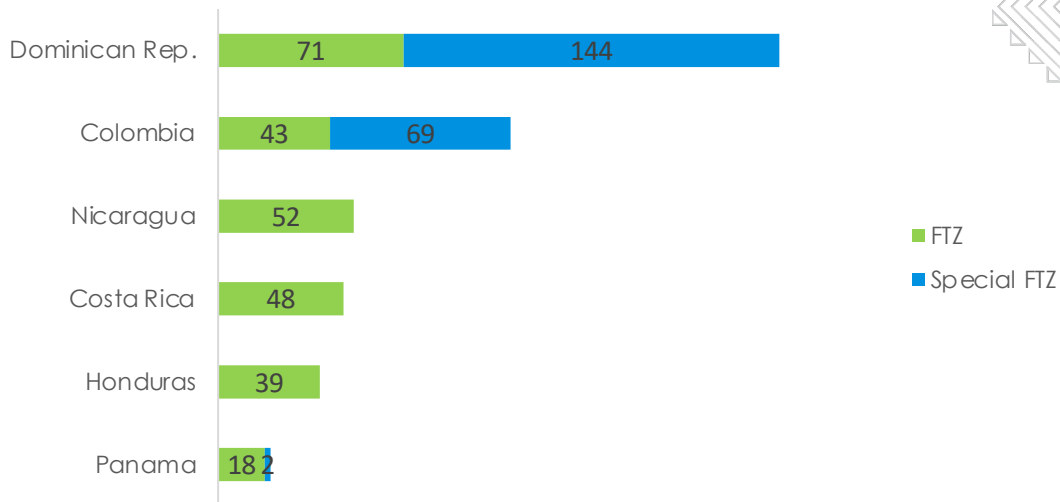


Population:  
50.2 million



Colombia is the second Latin American country with the **highest number of free trade zones**

Number of FTZ in Latin America, 2018



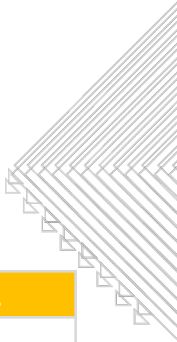


# The Free Trade Zones regime is complemented by other investment incentives





# The combined incentives position Colombia as **the country with the best tax regime for investors in Latin America**



Tax burden	COLOMBIA	CHILE	PERU	MEXICO	ARGENTINA	BRAZIL
Income tax	<b>32% - 2019</b> <b>30% - 2022</b>	25% a 27%	29,5%	30%	25%	34%
Special benefits	<b>Mega investment - 27%</b> <b>+ FTZ - 20%</b>	Exempts in FTZ of Iquique and Punta Arenas	Exempt in 4 operative FTZ	20% in the Northern Border Free Zone	No	- 75% in FTZ of Manaus
VAT	<b>Exempt from FTZ</b>	Exempt From FTZ	Exempt from FTZ	8% in the Northern Border Free Zone	Exempt from FTZ	55% to 100% reduction
Custom Duties	<b>Exempt in FTZ</b>	Exempt in FTZ	Exempt in FTZ	No (Only IMMEX)	Exempt in FTZ	- 75% on supplies
Accelerated Depreciation	<b>In 2 years for mega investment</b>	50% snapshot until 2021	No	No	No	No
Dividend Tax	<b>10% (DTA)</b> <b>Mega investment 0%</b>	5% to 10 %	5%	10%	13%	No
Legal Stability Contract	<b>In mega investment projects</b>	Yes	Yes	No	Yes	No



The country has a **technological ecosystem developed and prepared** for the "new" normality



# Colombia provides the necessary technological infrastructure for operations in the new economic reality

**98%**

of Colombia's municipalities **are connected to the world through optical fiber.**

**4°**

**largest IT market in Latin America.**

**11**

**submarine cables in operation,** being the second country in the region with better connectivity, transmission and stability.



Colombia offers one of the **lowest operating costs in the world** for the provision of IT services.

**3°**

**most entrepreneurial country in Latin America.**

**66%**

**of internet penetration in the country,** with 32.7 million users.

In 2019, Colombia opened Latin America's  
**first Center for the Fourth Industrial Revolution**

# Center for the Fourth Industrial Revolution



BLOCKCHAIN



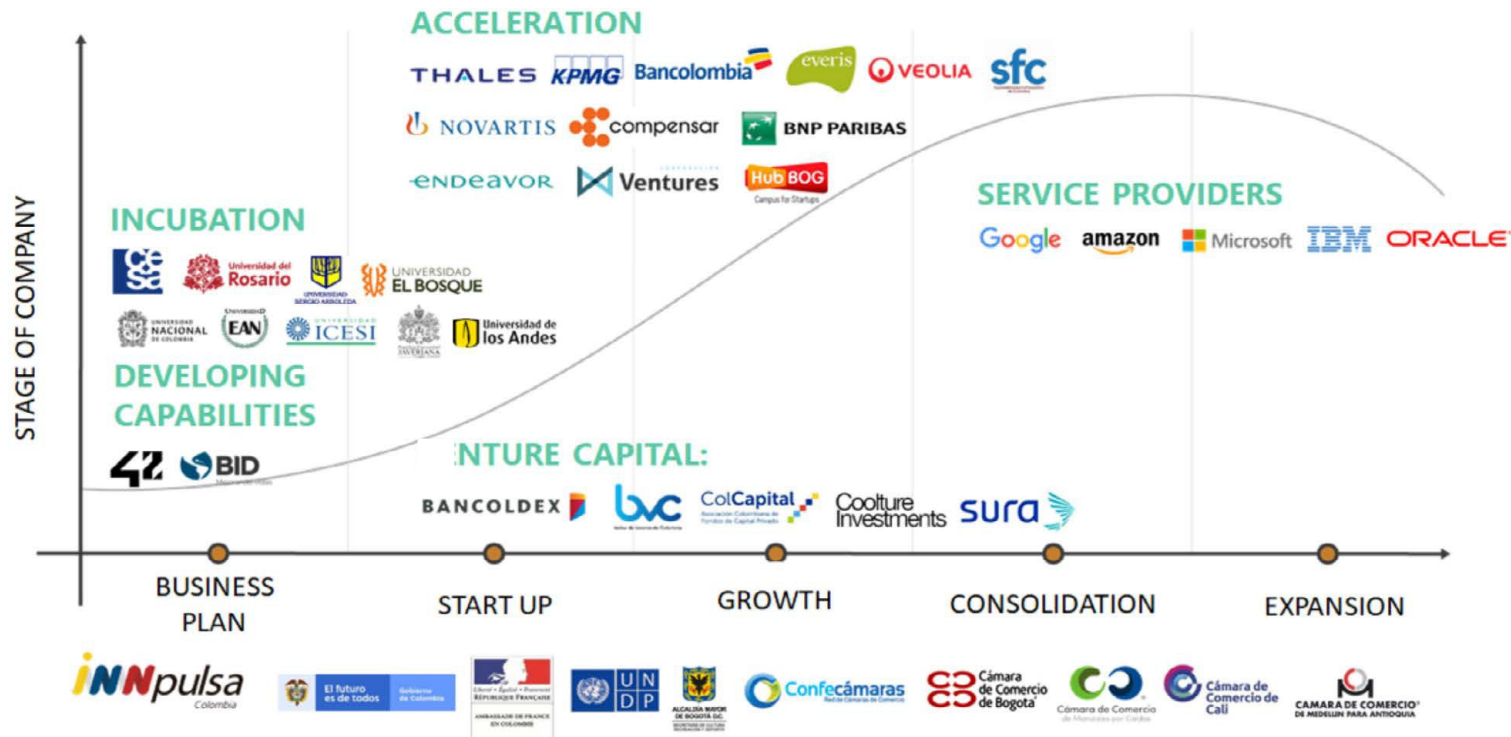
ARTIFICIAL INTELLIGENCE



INTERNET OF THINGS

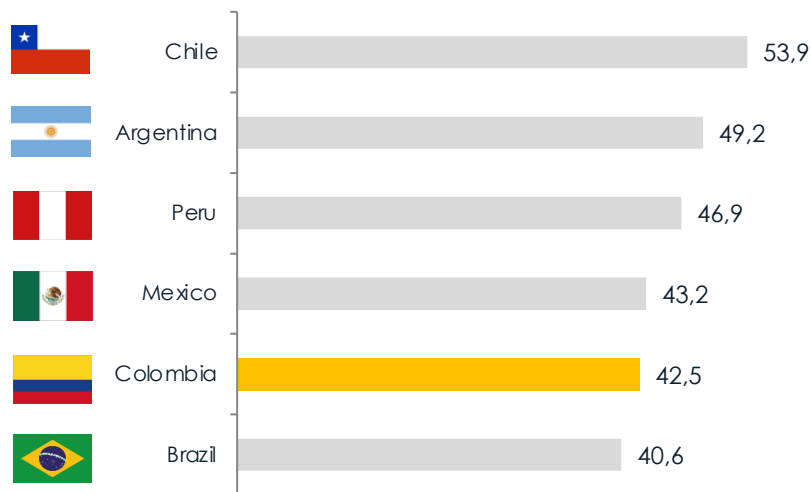


This is complemented by a high number of enterprise **incubators, accelerators and innovation centers** that motivate high-value innovation and entrepreneurship

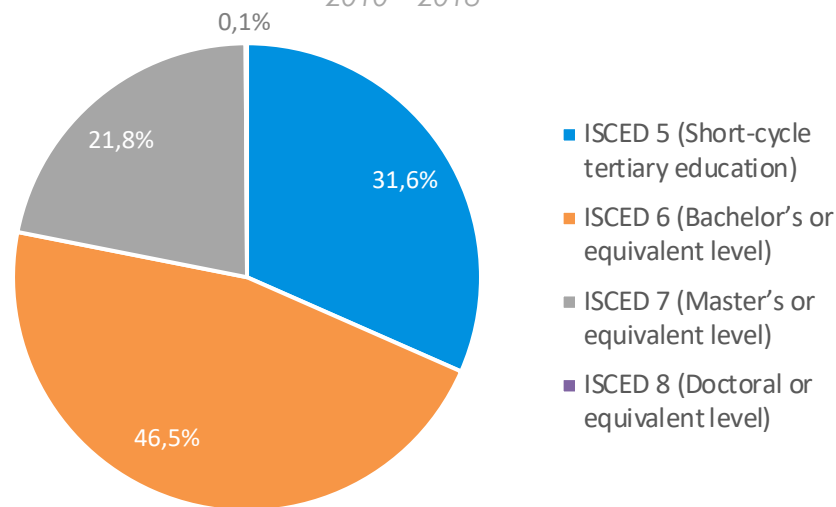


# Colombia has the third most qualified workforce in Latin America and leads in terms of employee training and apprenticeships schemes

IMD World Talent Ranking  
2020



Graduates by level of higher education  
2010 – 2018



**Total: 3,325,880**

Source: Ministry of Education, 2018  
International Standard Classification of Education ISCED 2011 -DANE  
IMD World Talent Ranking 2020

The arrival of Amazon is not just a vote of confidence, but has also made an anchor effect of attraction to other companies, dynamizing the offer of digital services in Colombia



In 2017, the company expanded to Colombia with **Amazon Web Services**, so the company could offer cloud computing services to 'startups' and large companies in different sectors of the economy and public entities.



In 2018, the company announced the launch of **its first customer service center** in Colombia. The site supports Amazon's customers around the world in Spanish, English and Portuguese; and provide 24/7 world class customer service.



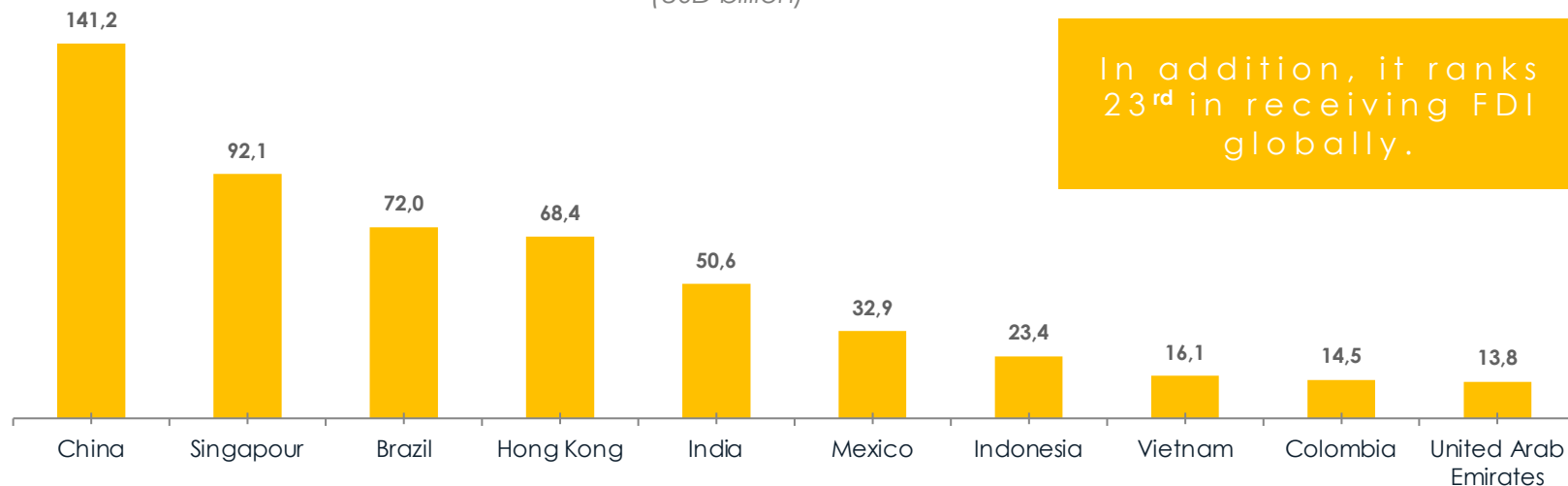




All these  
conditions **place**  
**the country as a**  
**regional leader in**  
**receiving FDI**

# Colombia ranks 9<sup>th</sup> among developing countries in receiving FDI

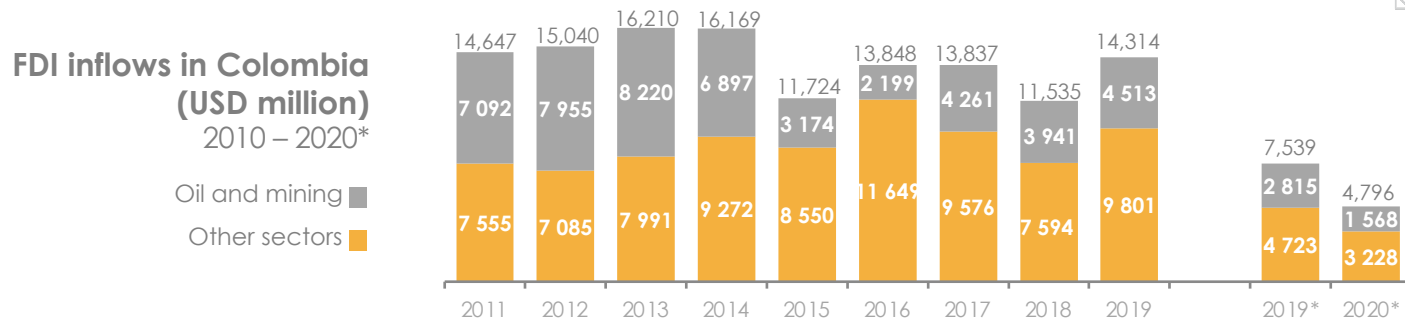
Top 10 developing economies  
in receiving FDI in 2019  
(USD billion)



Source: UNCTAD, 2020.

\*Cayman Islands and British Virgin Islands are not included.

# Since 2014 non-mining sectors **have registered a major participation in Colombia's FDI**



In 2019, investment flows **grew by 24.1%** compared to 2018, meanwhile investment in **non-mining sectors grew by 29.1%**

## Top investors in Colombia, by country\*\* 2015-2019



**United States**  
USD 11.61 billion  
17.8%



**Spain**  
USD 9.58 billion  
14.7%



**United Kingdom**  
USD 5.22 billion  
8.0%



**Canada**  
USD 3.84 billion  
5.9%

Source: Balance of Payments – Banco de la República.

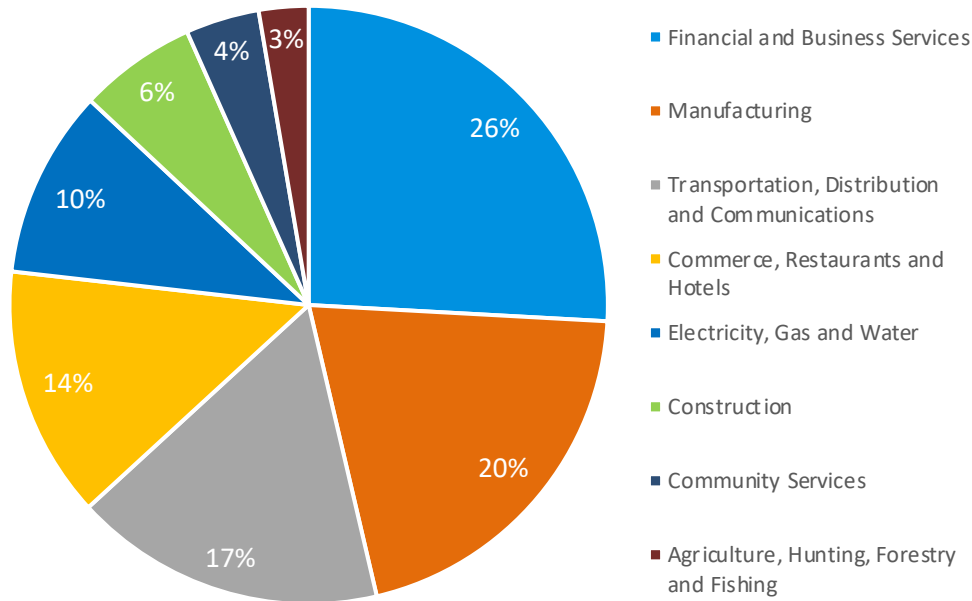
\* January-June.

\*\*Panama and Switzerland are not included



# Investment in Colombia reaches various sectors of the economy

FDI by economic activity\*  
2015 – 2019



Between 2015 and 2019, a total of US\$47.17 billion in non-mining FDI arrived in the country

Source: Banrep.  
\*Mining-energy investments are excluded.



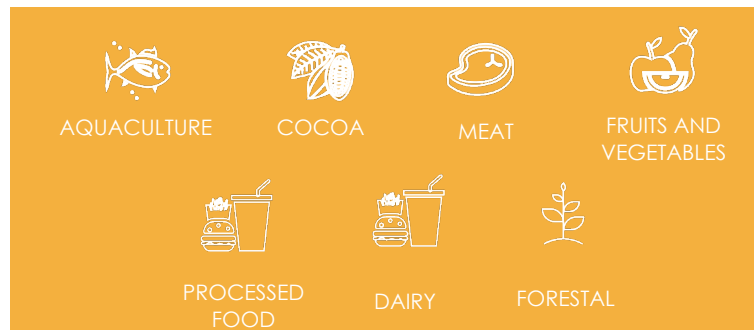


There are many reasons why  
**Colombia** is  
the best  
investment  
destination



# AGRIBUSINESS

Some **niche opportunities**:



1.

Colombia is set to become a global food pantry and has the potential for agricultural and agro-industrial growth to serve the local and international markets.

2.

The agri-food sector is one of the **pillars of the national economy and is recognized internationally**. This is strengthened by the **growth of foreign direct investment** in this sector.

3.

Colombia is a significant **food consumer** in the region and an **important export platform** to satisfy the Americas, with an expanded market equivalent to **30% of the world's processed food and beverage** market.

4.

The **national government is committed to boosting the sector** and taking measures to consolidate production and opportunities at the international level, such as: **diplomacy strategy , investment promotion and mega-projects**.

5.

The Colombian business network offers possibilities of strategic alliances or supplying companies to develop value-added products in Colombia.

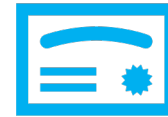
Colombia has **legal incentives** that impact the agro-industrial sector and facilitate the establishment of crops and companies in the country.

The Colombian aquaculture sector in Colombia is **internationally renowned** and **consumption** of the offer has **grown** to such an extent that it is the **second supplier of fresh tilapia for the United States.**



Colombia has adopted an approach based on **clean and ecologically sustainable production**, geared towards **4** fundamental factors:

1. Food safety
2. Animal welfare
3. Social development
4. Environmental sustainability



**25% of the fish production has been certified** under the different quality standards for export to the European Union and the United States.



Fish production reached **165.444 tons in 2019**, with a **growth of 27.8%** compared to 2018.



### TILAPIA

CONTRIBUTES **58%** OF THE  
TOTAL PRODUCTION



### TROUT

CONTRIBUTES **16%** OF THE  
TOTAL PRODUCTION



### CACHAMA

CONTRIBUTES **19%** OF THE  
TOTAL PRODUCTION



### SHRIMP

IN 2019 THE PRODUCTION  
OF SHRIMP FARMING  
REACHED 5,582 TONS,  
SHOWING A GROWTH OF  
**3.4%**

## PRODUCTS AND BY-PRODUCTS





# BUSINESS FABRIC

Over 30 fish production units with quality certifications (BAP, ASC and GlobalG.A.P.), mainly located in Huila, Boyacá, Cundinamarca, Antioquia, Cauca and Risaralda.

The sector has 13 processing plants for continental fish farming with the certification awarded by INVIMA – HACCP, which are qualified to export to the United States. Similarly, out of the 13 plants, five (2 tilapia, and 3 trout) are also qualified to export to Europe.

## INTERNATIONAL RECOGNITION OF THE NATIONAL OFFER

Colombia is the first country to receive a group certification for good aquaculture practice by the Global Aquaculture Alliance.

The acknowledgement highlights the efforts of the entire chain to improve its production practices.

### CERTIFICATIONS



**HACCP**



**BEST AQUACULTURE PRACTICES (BAP)**

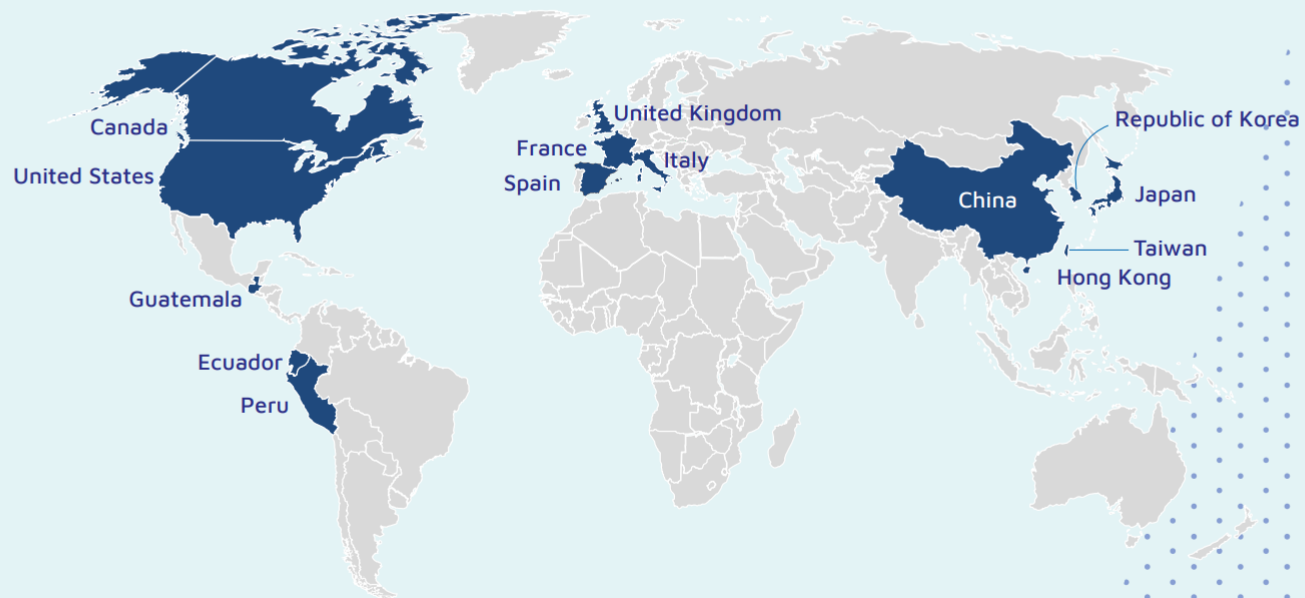


**FARMED RESPONSIBLY ASC**



**GLOBAL G.A.P.**

## DESTINATIONS OF COLOMBIAN EXPORTS





# PROCOLOMBIA

is ready to  
assist you in  
assessing  
investment  
opportunities





El futuro  
es de todos

Gobierno  
de Colombia

THANK YOU



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