



Doing Business in Colombia



U.S. Department of Commerce
International Trade Administration

Colombia at a Glance

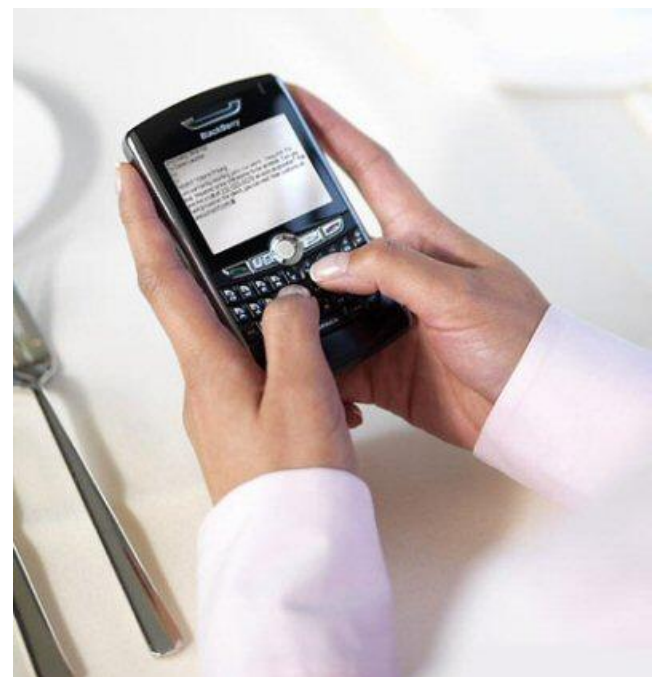


- 3rd largest population in Latin America
- Strategic geographical location
- Among top 50 tourism destinations in 2009
- Language: Spanish (official)
- Literacy Rate: 94%



Why Colombia? An Economic Miracle

- Until 2009, positive economic growth
- Political stability
- Major projects
- Labor
 - Educated
 - Motivated





Why Colombia? An Economic Miracle

- Well managed foreign debt
- Frequent travelers to U.S. and Europe
- U.S. products preferred
- Growing population

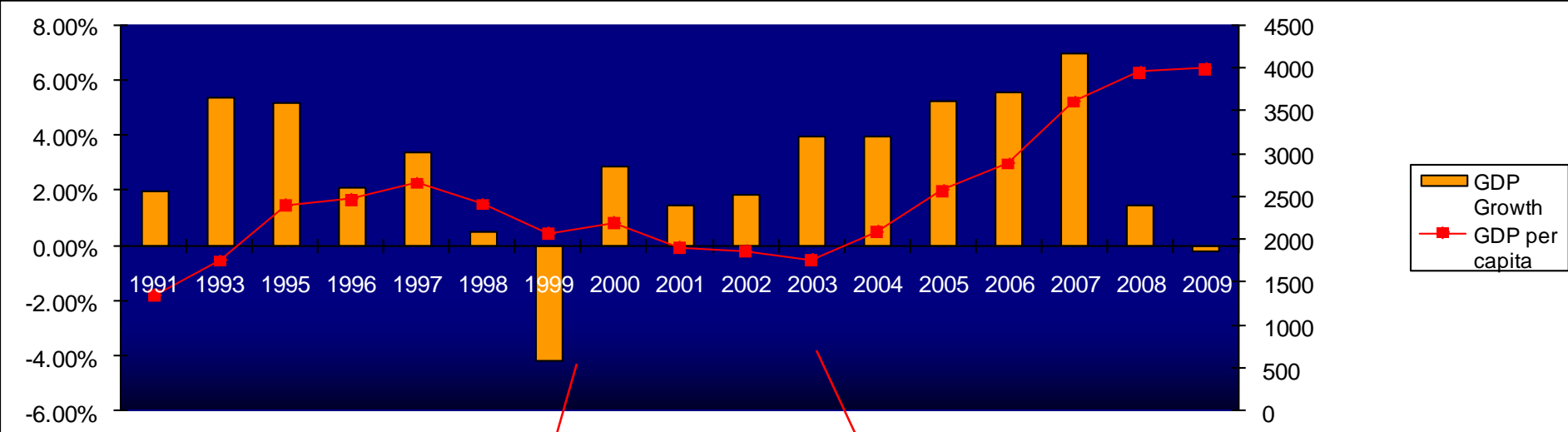


Photo: New El Dorado Airport



Why Colombia?

GDP and GDP Per Capita Growth 1991-2009



Asia crisis

Internal political and economic crisis

ATPDEA Begins

Source: DANE/IMF

*GDP per capita (nominal value)

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Why Colombia?

An Economic Miracle

	2000	2007	2008	2009(e)
GDP (US\$ bn)	83.8	171.3	178	177
GDP per capita (US\$)	2,192	3,614	3,956	4,000
Exports (US\$ bill) FOB	13.1	28.4	35	25
Imports (US\$ bill) FOB	10.9	28.1	37	21
GDP (%)	3%	8.2%	1.5%	-0.5

GDP and GDP per capita Source: FMI

Source: Trade Source: DANE/Comunidad Andina –CAN-

GDP % Source: MINISTERIO DE HACIENDA

Past vs. Present

1990's

- Low investment rates
- Informal business management practices
- Security concerns



Today

- Sustained investment in human resources and IT
- Improved Corporate Governance
 - Standards, CSR
- Improved Security



Past vs. Present

1990's

- Corruption
- Protectionism
- Non- export orientation



Today

- More transparency
- Economic liberalization
- Diversification of Exports





Challenges

Social

- Obtain a peaceful solution to the internal conflict
- Defeat corruption in official agencies
- High displacement rate
- Reduce poverty



Economic

- Large informal economy
- Bureaucracy and red tape
- Sluggish judiciary
- Tax evasion
- SMEs lack access to credit



Market Trends

- 2010 GDP growth 1-2%
- Venezuela border closure affecting trade
- China/India/Brazil influence growing
- More trade and investment with Peru
- Acceptance of UL standards
- Growing internet use
- U.S. EXIM granted \$1 billion to Ecopetrol





Market Trends: FTA Negotiations

Agreements implemented:

- Andean Community (CAN) (Ecuador, Peru, Bolivia)
- Mercosur (Argentina, Brazil, Paraguay, Uruguay)
- Mexico
- Chile

Negotiations closed:

- Central America Triangle (Honduras, El Salvador and Guatemala)
- Canada
- European Free Trade Association EFTA (Switzerland, Norway, Iceland and Liechtenstein)
- **USA**

Current Negotiations: European Union

Headlines

Government

Will he run again?

- Democratic Republic
- Presidential and Congressional elections: May 2006
- Results: Alvaro Uribe Vélez 62.2%
Carlos Gaviria 22.04%
- Last Municipal Elections: Oct 2007
- Next Presidential Elections: May 2010





Headlines

Security Improving

- U.S. hostages released July 2, 2008!!!
- In last 5 years, kidnapping reduced by 72%, homicides reduced by 37%, terrorist attacks reduced by 63%
- By 2009 government demobilized total of 50,000 paramilitary members (vs. 4,000 total by 2000)
- Attacks on public infrastructure nearly eliminated



Best Prospects Equipment

- Oil and Gas
- Construction
- Mining
- Medical
- Telecommunications
- Plastics and Resins



Best Prospects Equipment/Agricultural Products



- Safety and Security
- Food Processing and Packaging

Agricultural Products :

- Processed foods
- Cotton/ yarns
- Wheat/corn/soy/
oilseeds



Best Prospects Services

- Construction and Engineering
- Consulting/Legal
- Distribution
- Energy
- Insurance
- IT



Major Projects

- TransMilenio - Bogota
- Refinery Modernization
- Ports - Cartagena, Salgar, Buenaventura
- Infrastructure - Ruta del Sol, satellites
- Telecommunications - National Broadband Plan





Market Practices

Upcoming Trade Shows

2010

- **International Home and Housewares 2010**
March 14-16, 2010 - Chicago, IL
Home products
julio.acero@trade.gov
- **International Franchise Expo 2010**
April 9-11, 2010 - Washington, D.C
Franchises
alejandra.henao@trade.gov
- **Wireless 2010**
March 23-25, 2010 - Las Vegas, NV
Wireless Communications
gabriel.ramjas@trade.gov
- **National Association of Broadcasters**
April 12-15, 2010 - Las Vegas, NV
Audio/visual equipment
gabriel.ramjas@trade.gov
- **International Security Expo 2010**
March 23-26, 2010 - Las Vegas, NV
Safety and Security equipment
juan.antia@trade.gov
- **Offshore Technology Conference 2010**
May 3-6, 2010 - Houston, TX
Oil and gas equipment and services
Julio.Carbo@trade.gov

****<http://www.corferias.com/> for tradeshow in Colombia******

Market Practices

Trade Missions 2010



- Enterprise Florida: August
- Oil and Gas: October (tbc)
- USDOC: November



Market Practices

Tips for Success in Colombia

- Check the “Clinton List” / OFAC website
- Contact the FCS at the Embassy
- Identify partners / background check
- Use situational awareness for security
- Arbitration clauses in contracts



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