

# COLOMBIA, Realities and Prospects



Libertad y Orden

Prosperidad  
para todos



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# COLOMBIA, Realities and Prospects



## **i. LATIN AMERICA**

1. This is how world maps tend to show Latin America and the Caribbean
2. This is how we really are

## **ii. COLOMBIA**

1. Economic indicators
2. A stable and attractive economy

## **iii. COLOMBIA, THE EUROPEAN UNION AND France**

1. Colombia and the European Union
2. Colombia and France

## **iv. WHY YOU SHOULD COME TO COLOMBIA**

1. Colombia is a country of diverse regions with diverse investment opportunities
2. Colombia is continuously improving its business climate
3. Colombia has an available, flexible, and efficient labor market
4. Colombia has significant industrial ceiling available near ports and large cities
5. Colombia has key economic sectors that are being rapidly boosted by exports and FDI flows
6. Colombia is a commercial platform with the world
7. OECD





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# SPANISH WORLD MAP

Mapa del Mundo Políticos

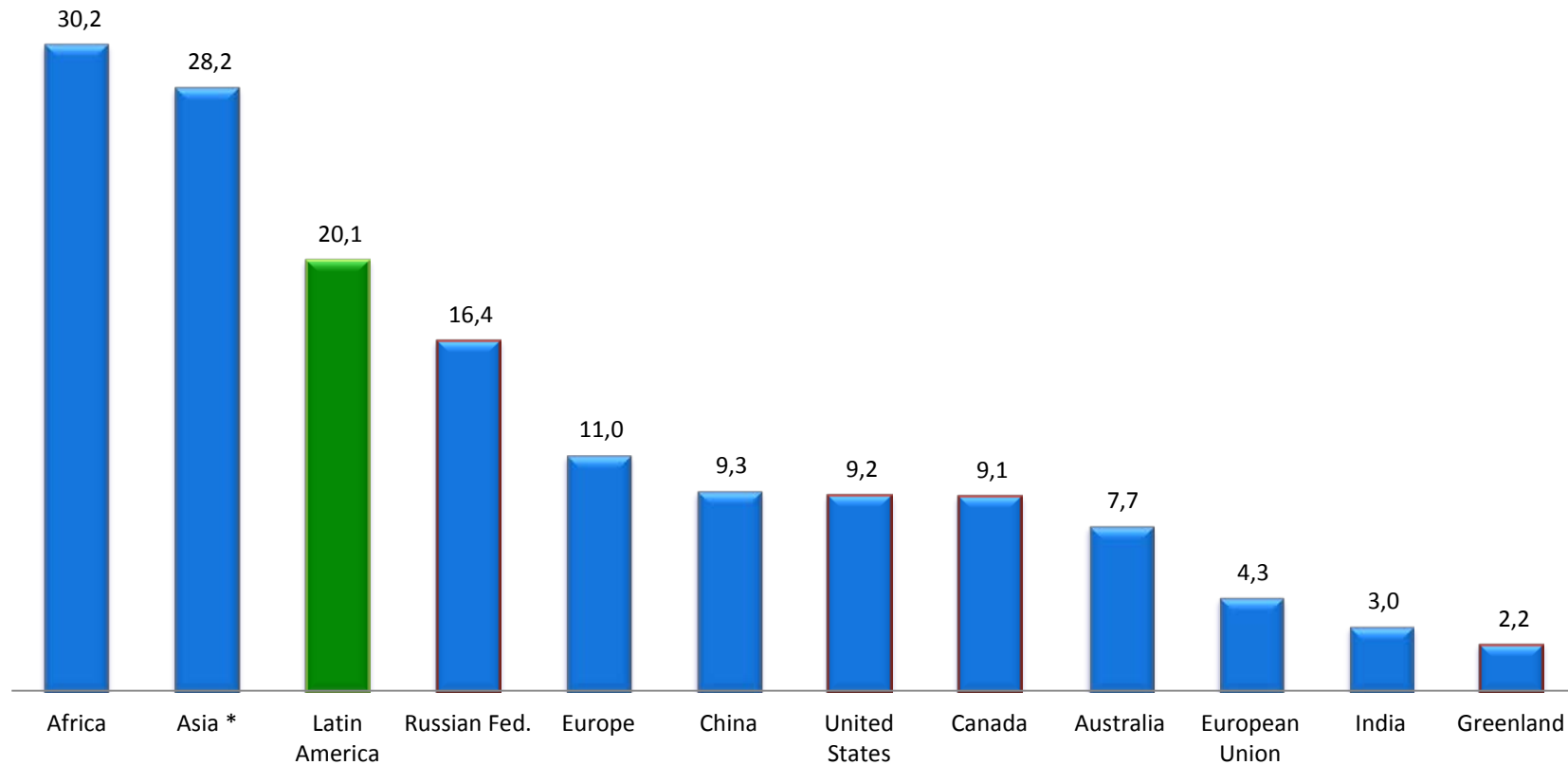




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## Latin America has an area that is over twice that of China, the United States, or Canada and five times that of the European Union



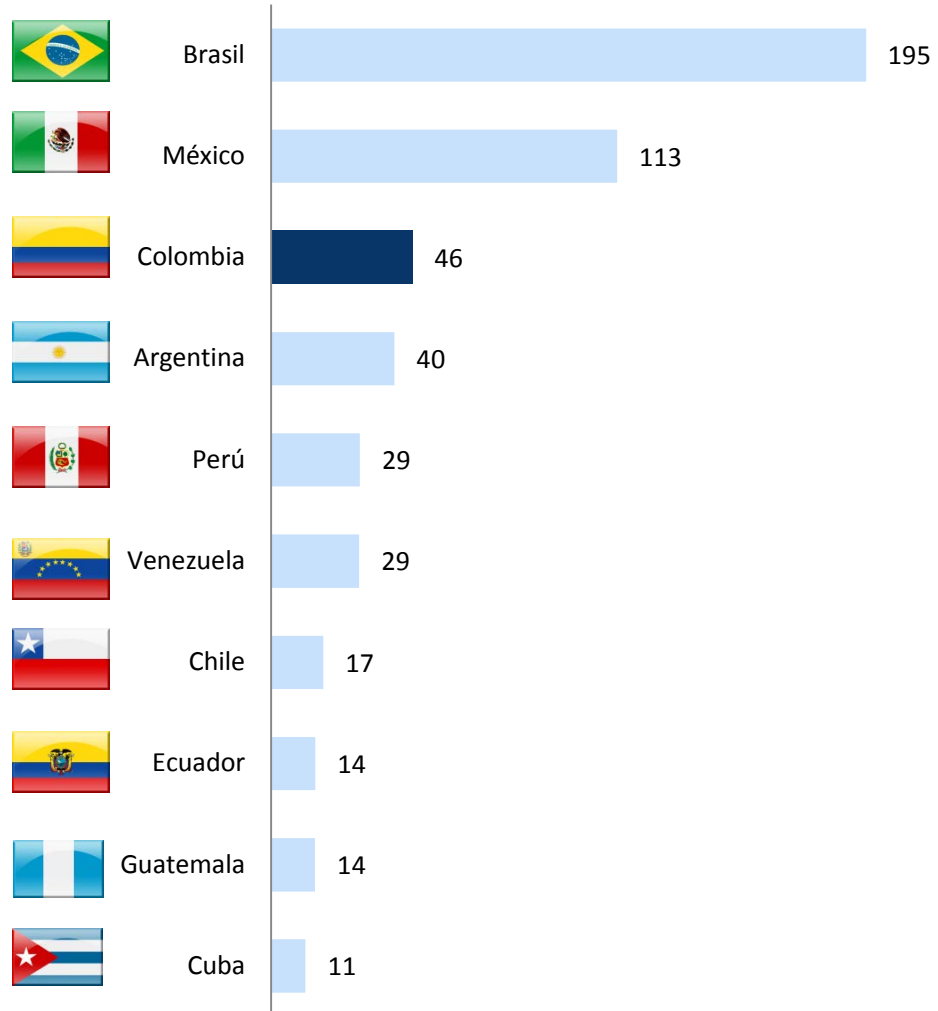
\* Excluding the Russian Federation

Sources: World Bank, CIA Factbook and Wikipedia

2x

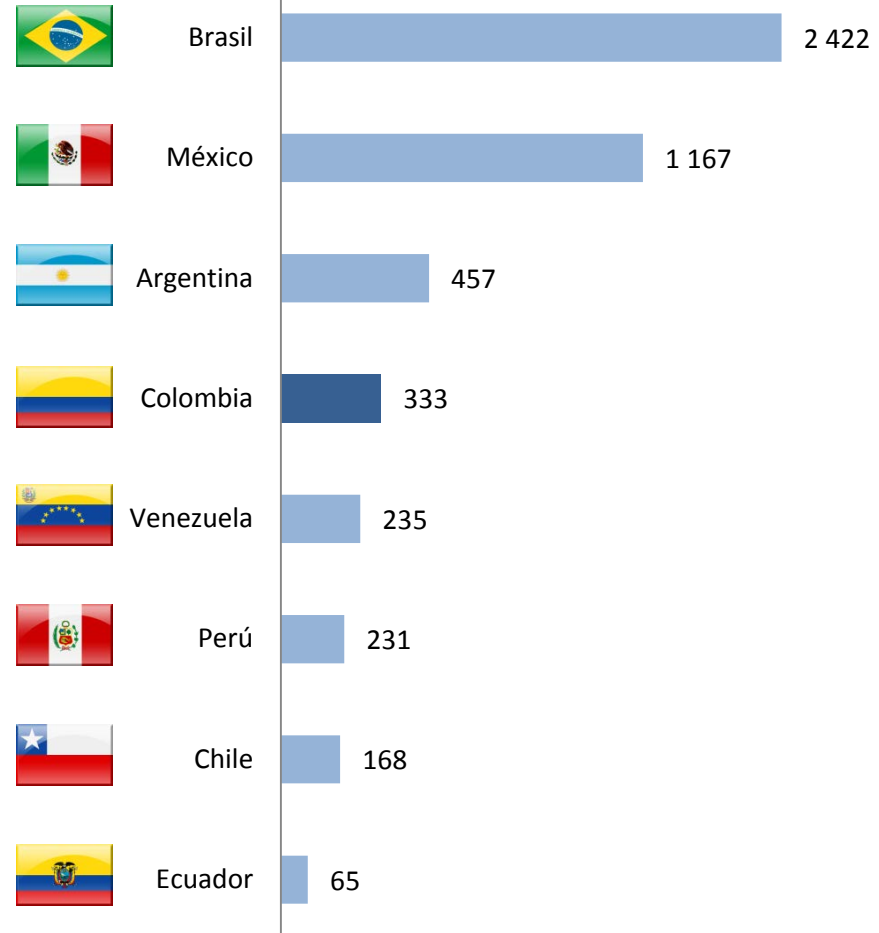


## Population 2010 (million)





## GDP 2011 (US\$ billion)

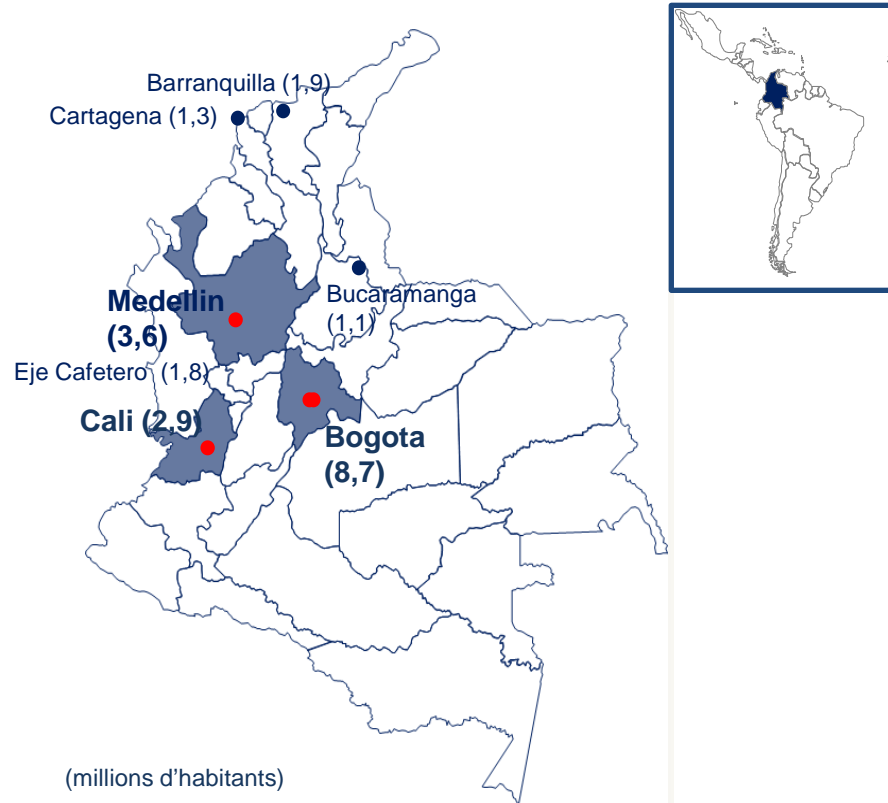


## Latin America in figures

### Main Economic Indicators 2011

	<b>GDP (US\$ Millions)</b>	<b>Population</b>	<b>GDP per capita</b>	<b>FDI</b>	<b>International Reserves</b>
<b>BRAZIL</b>	<b>2.421.637</b>	<b>195</b>	<b>12.423</b>	<b>50.448</b>	<b>352.928</b>
<b>MEXICO</b>	<b>1.167.124</b>	<b>110</b>	<b>10.638</b>	<b>13.429</b>	<b>144.122</b>
<b>ARGENTINA</b>	<b>456.817</b>	<b>41</b>	<b>11.169</b>	<b>2.400</b>	<b>46.376</b>
<b>COLOMBIA</b>	<b>333.179</b>	<b>46</b>	<b>7.236</b>	<b>13.300</b>	<b>32.300</b>
<b>VENEZUELA</b>	<b>235.296</b>	<b>30</b>	<b>7.905</b>	<b>3.196</b>	<b>27.476</b>
<b>CHILE</b>	<b>231.302</b>	<b>17</b>	<b>13.294</b>	<b>11.072</b>	<b>41.979</b>
<b>PERU</b>	<b>167.846</b>	<b>30</b>	<b>5.593</b>	<b>5.902</b>	<b>48.816</b>
<b>ECUADOR</b>	<b>65.032</b>	<b>15</b>	<b>4.334</b>	<b>386</b>	<b>4.094</b>

**SOURCES: IMF y Central Banks of the different countries**



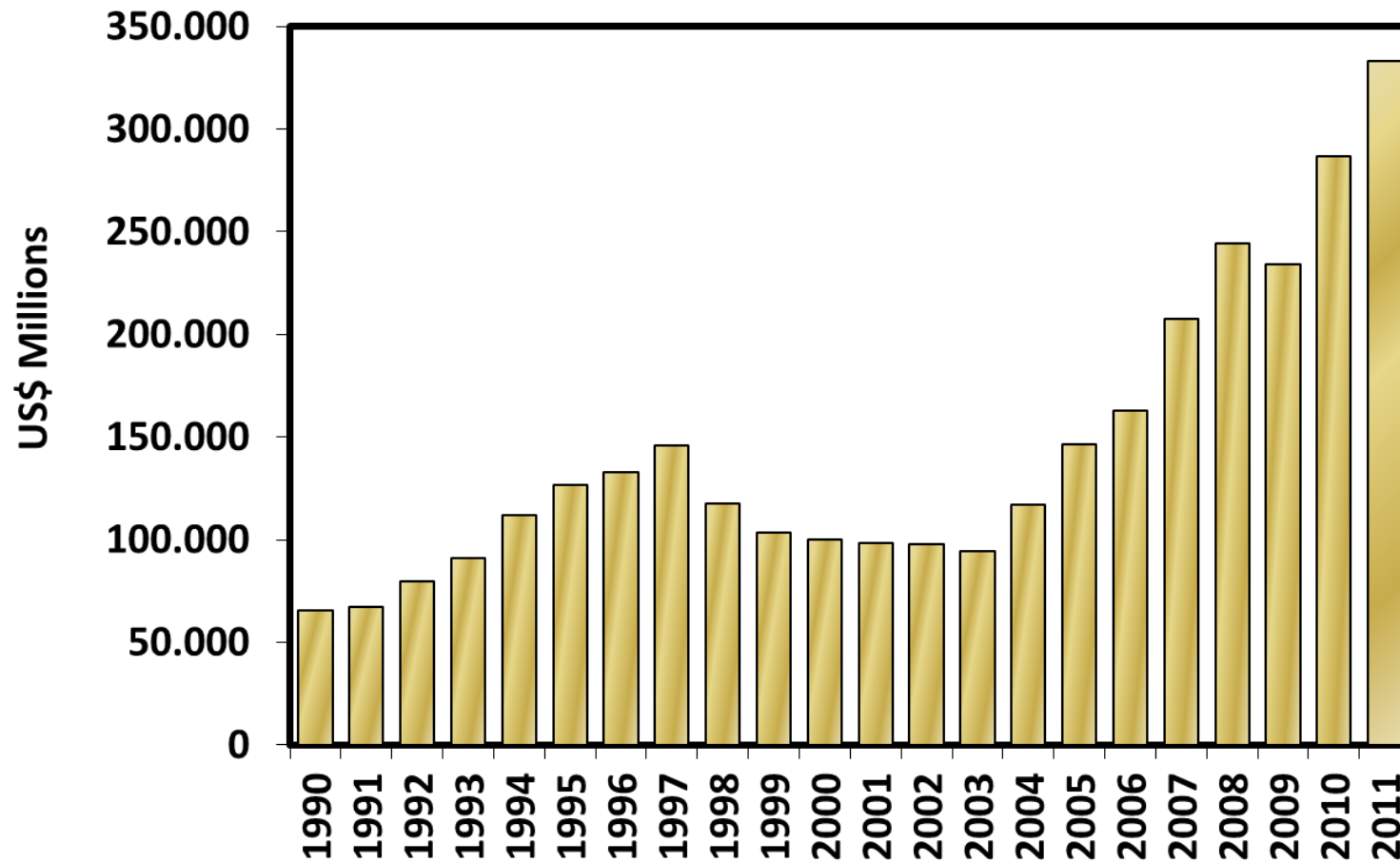
- **A population living mostly in urban areas**

- ✓ 26 cities of more than 200.000 inhab. of which Bogotá (8,7M) and Medellín (3,6M)<sup>1</sup>

- **A young and educated population**

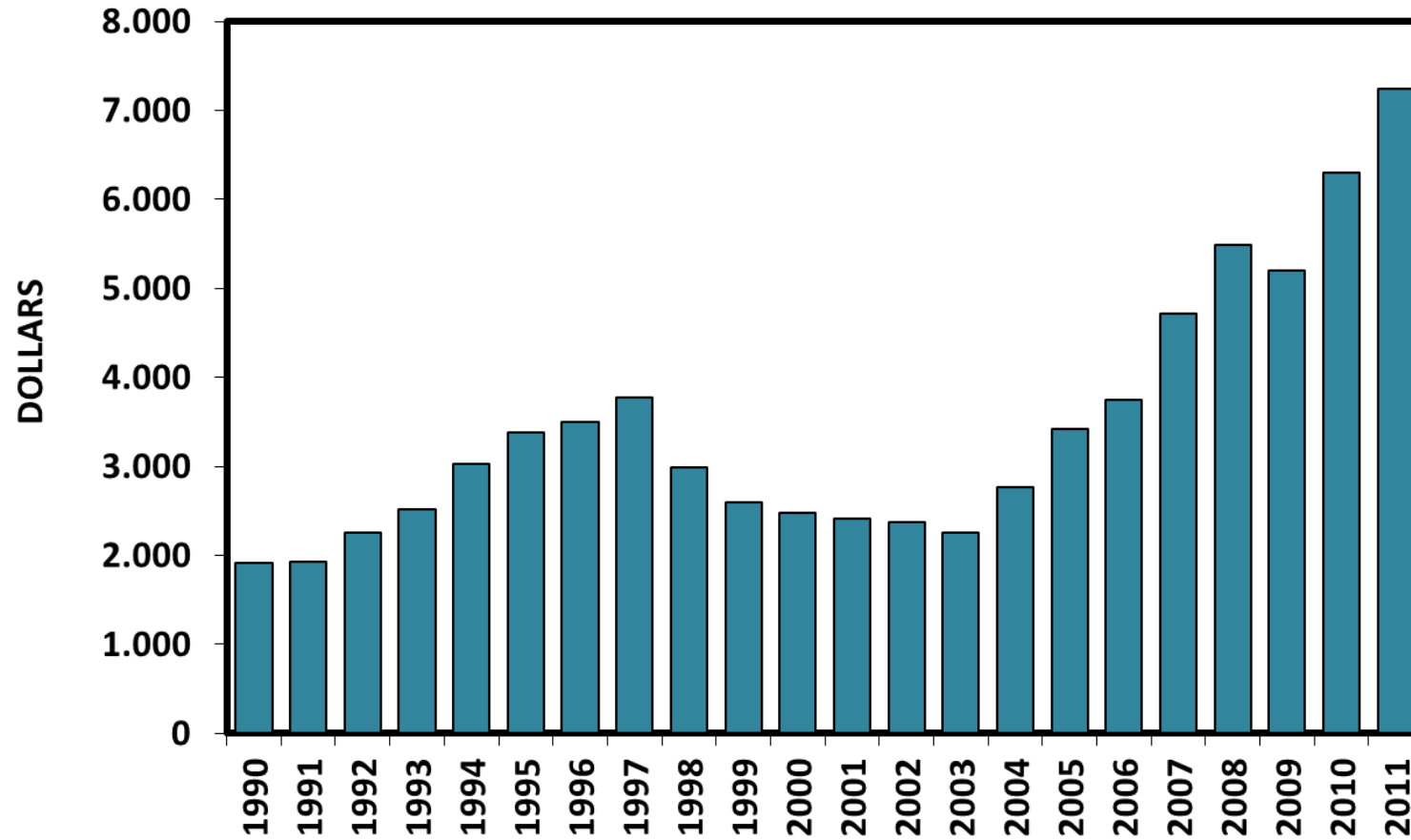
- ✓ 28% is less than 14 years old
- ✓ 92,3% of the 15 y/o and older are literated
- ✓ « Universidad Nacional » amongst the first 20 universities in L.A. (13<sup>ème</sup>)<sup>2</sup>

## COLOMBIA: GDP (US\$ Millions)



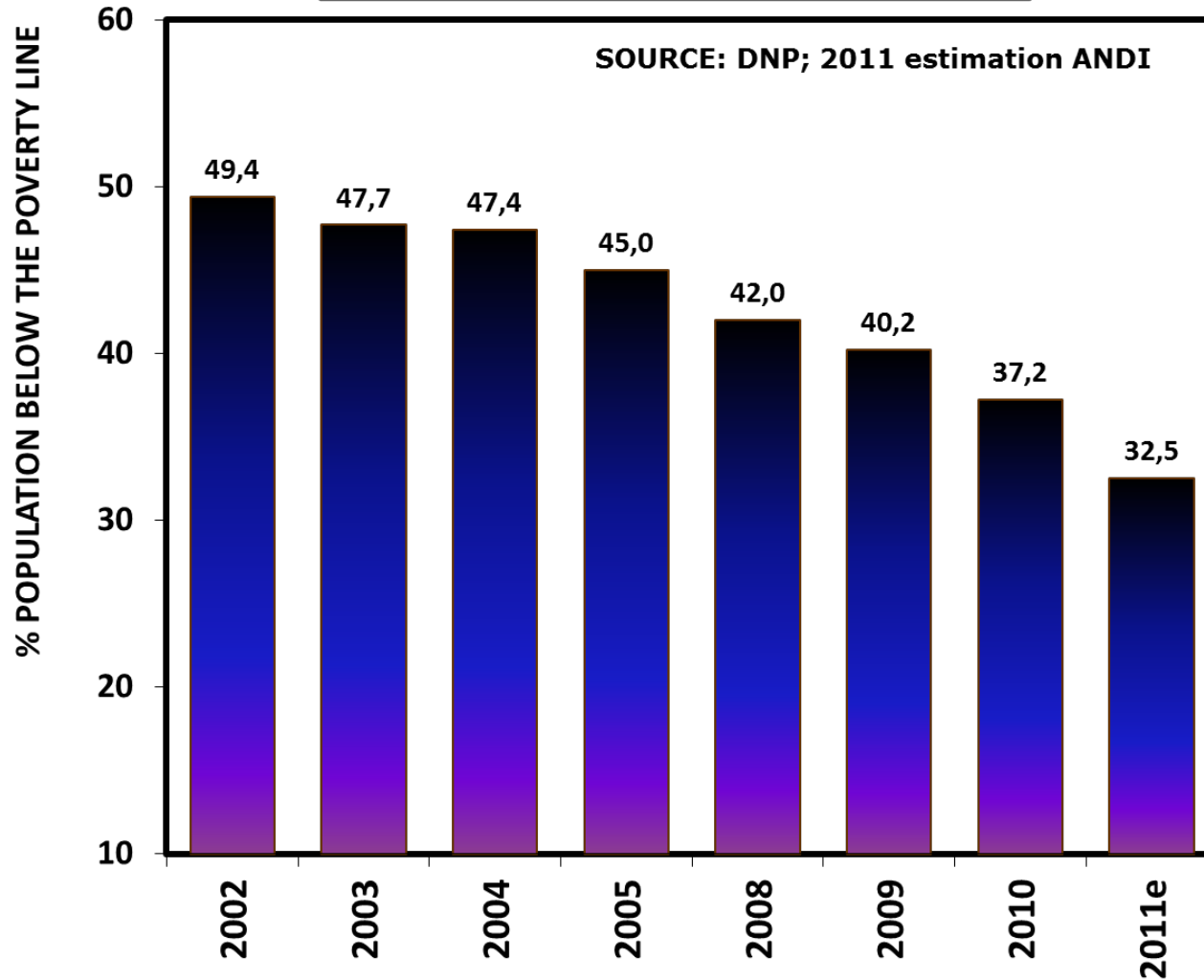
SOURCE: DANE, NATIONAL ACCOUNTS

## COLOMBIA: GDP PER CAPITA

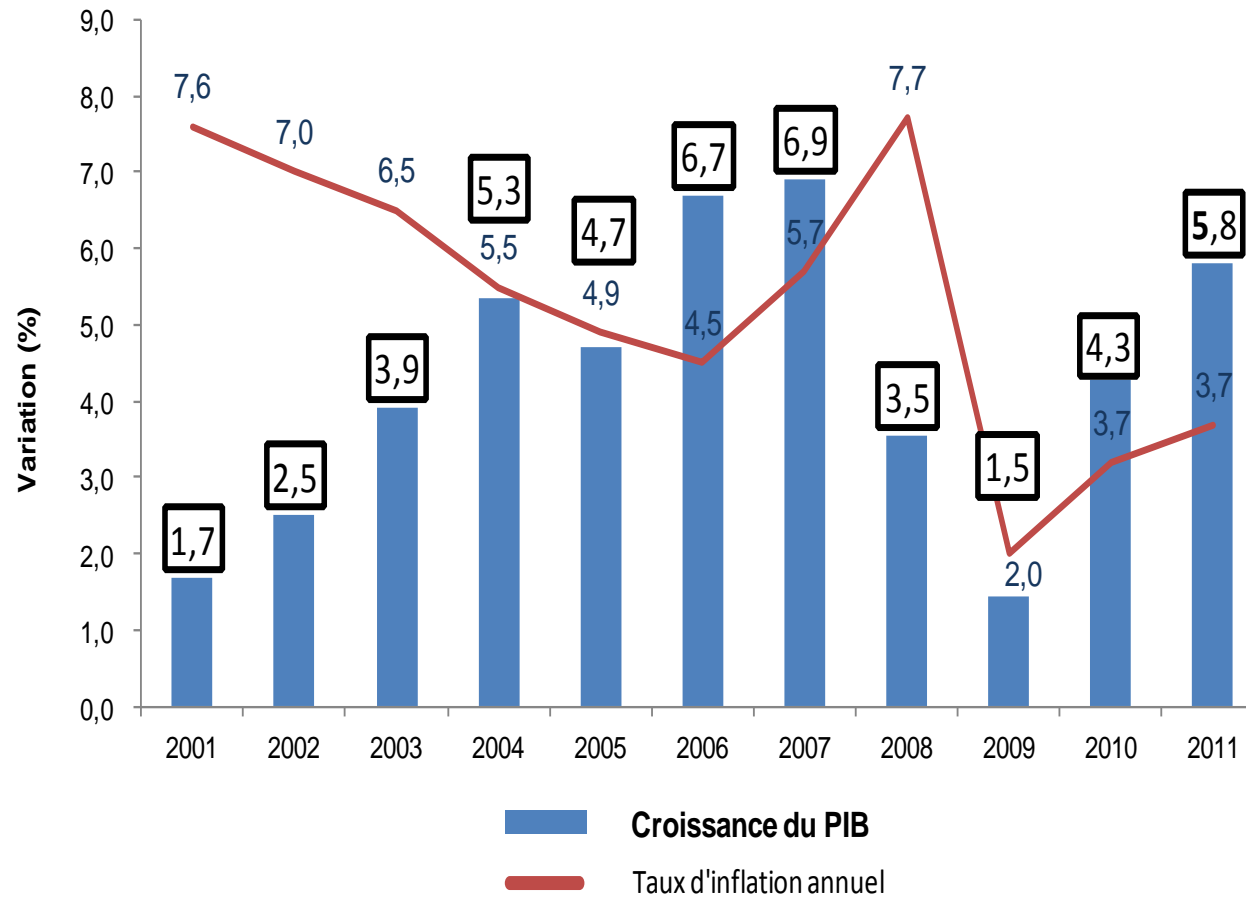


SOURCE: DANE, NATIONAL ACCOUNTS

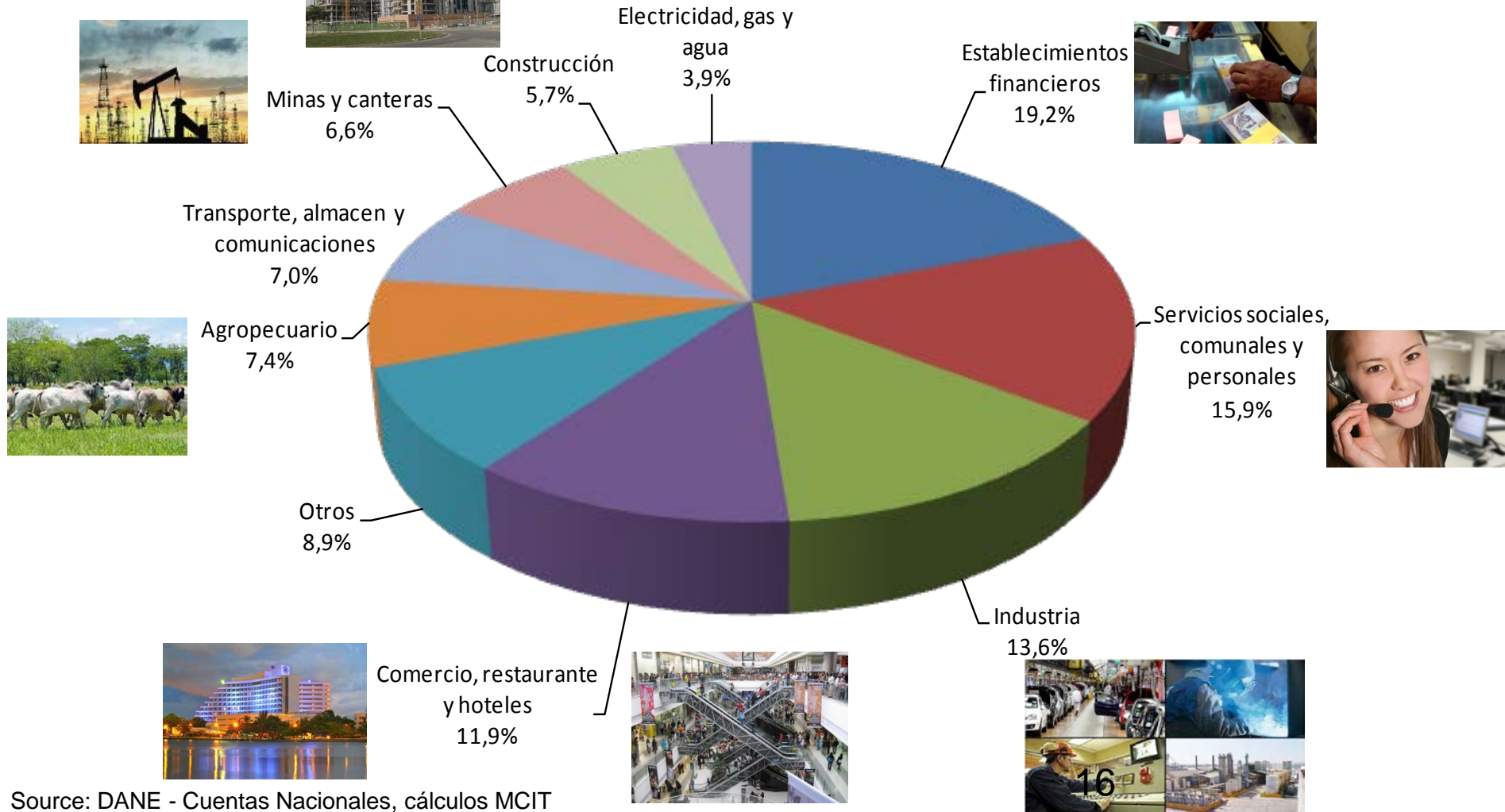
## COLOMBIA: POVERTY RATE



### GDP evolution and inflation 2001-2011<sup>1</sup>



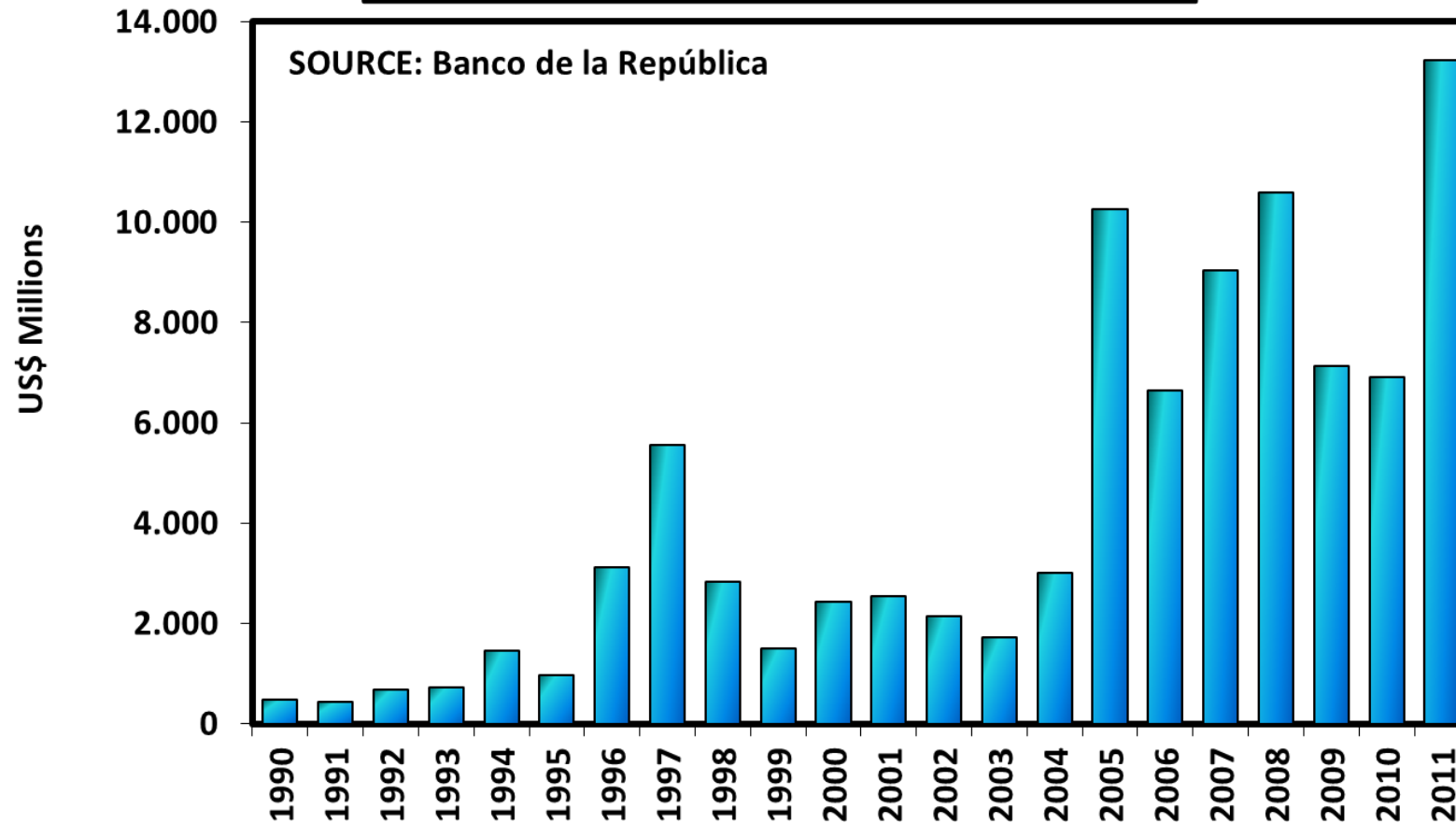
## GDP participation in sectors (average 2001-2011)



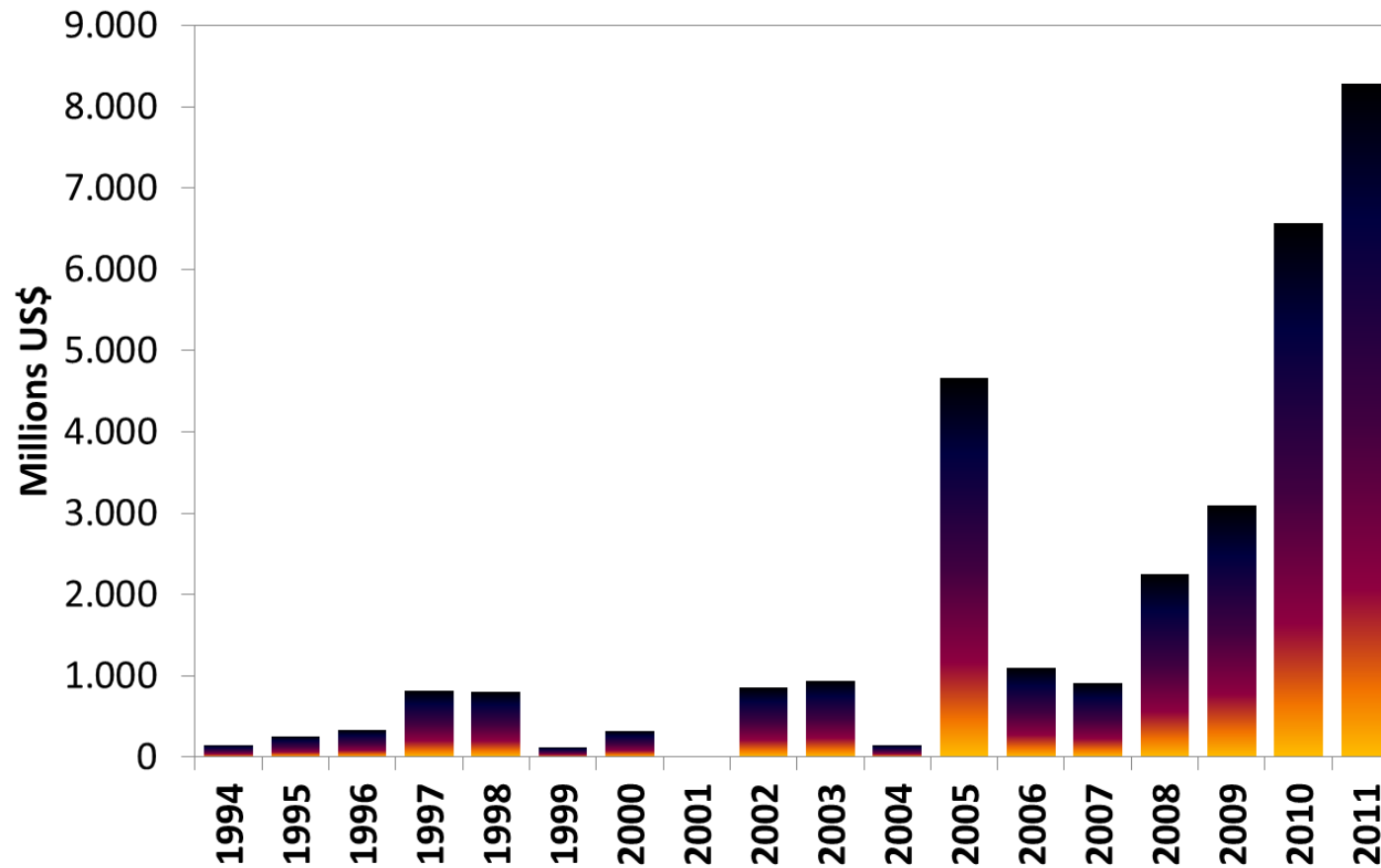
Source: DANE - Cuentas Nacionales, cálculos MCIT



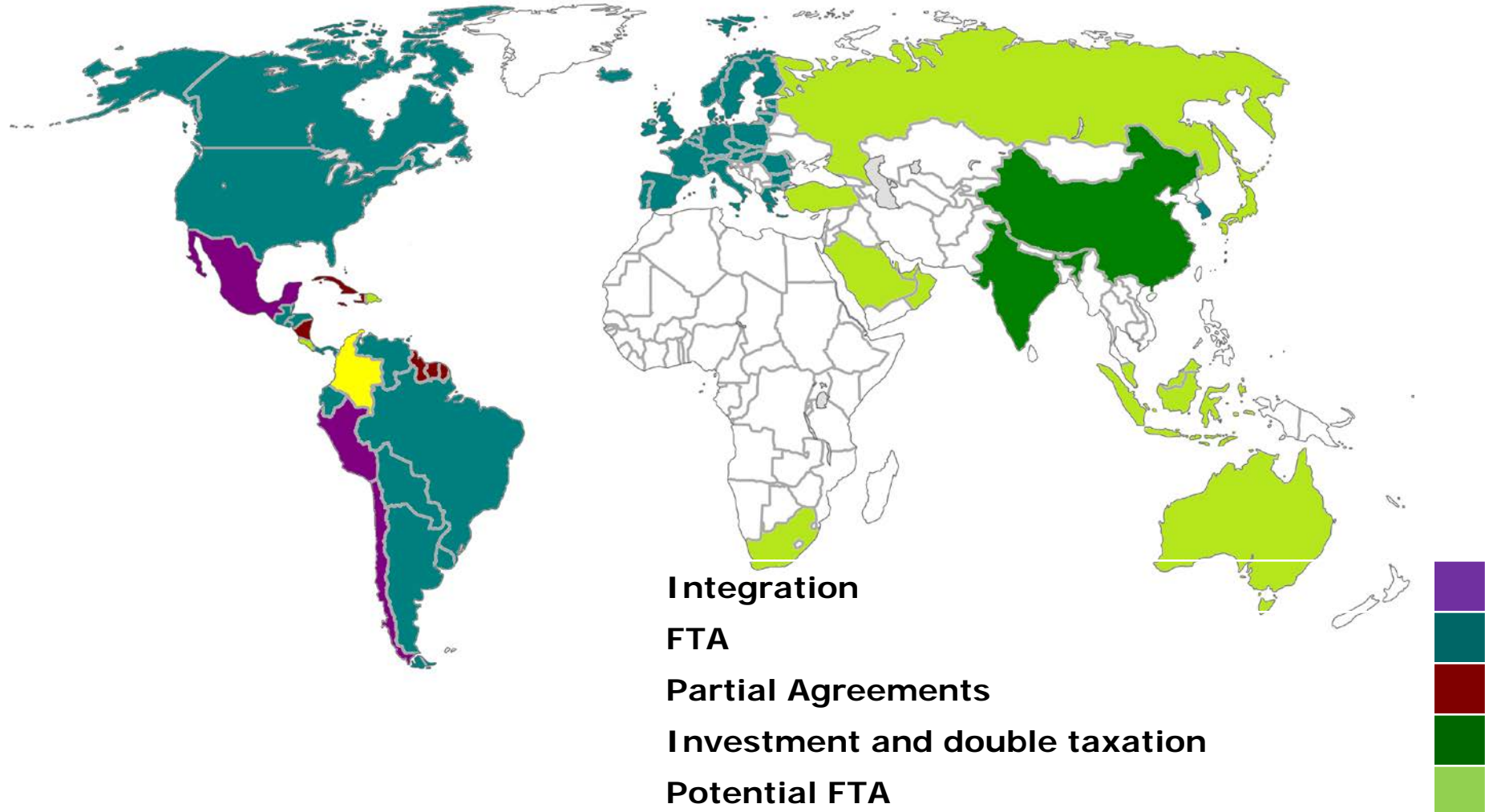
## COLOMBIA: FOREIGN DIRECT INVESTMENT



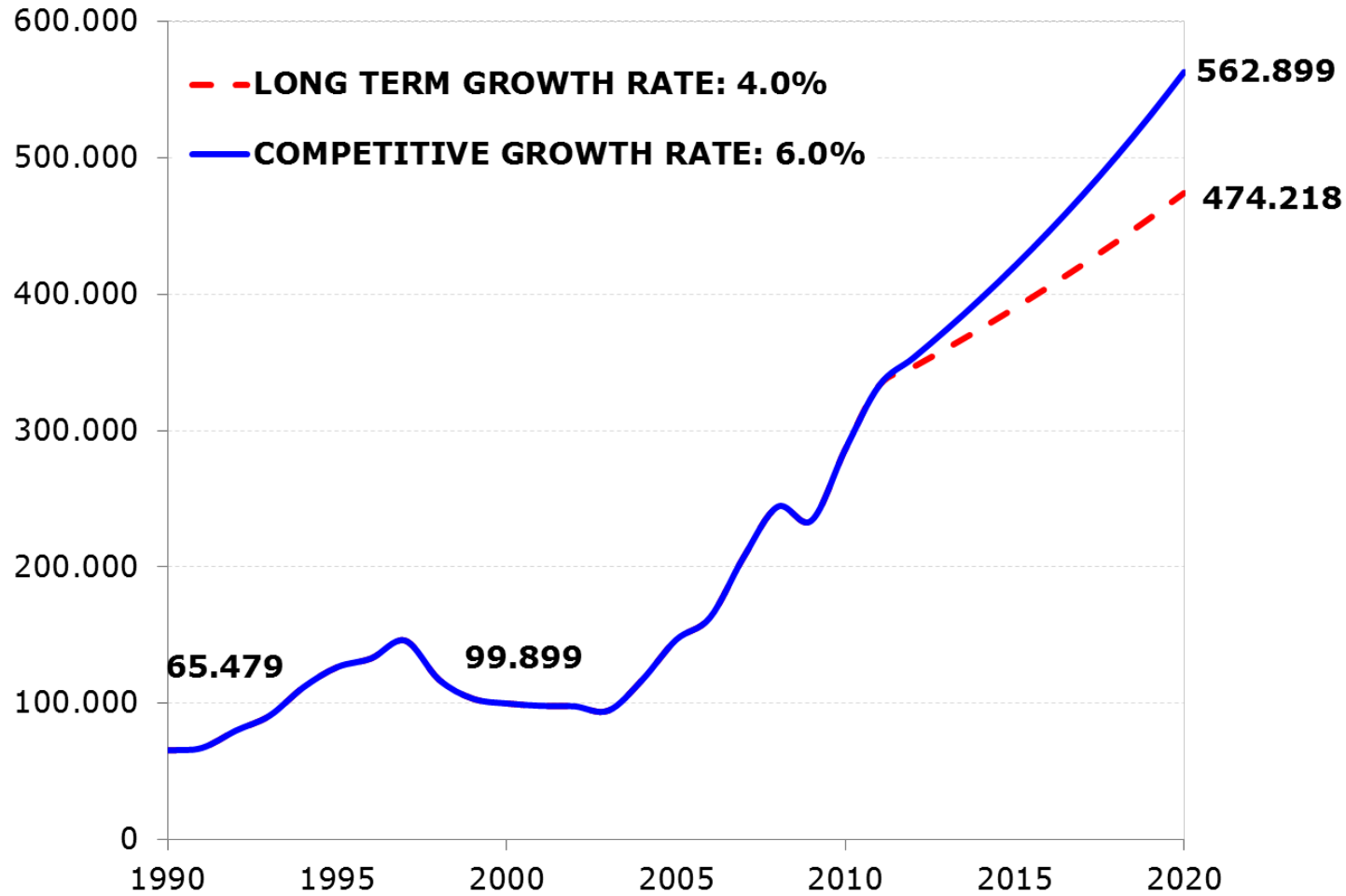
## COLOMBIA: FOREIGN DIRECT INVESTMENT OUTFLOWS



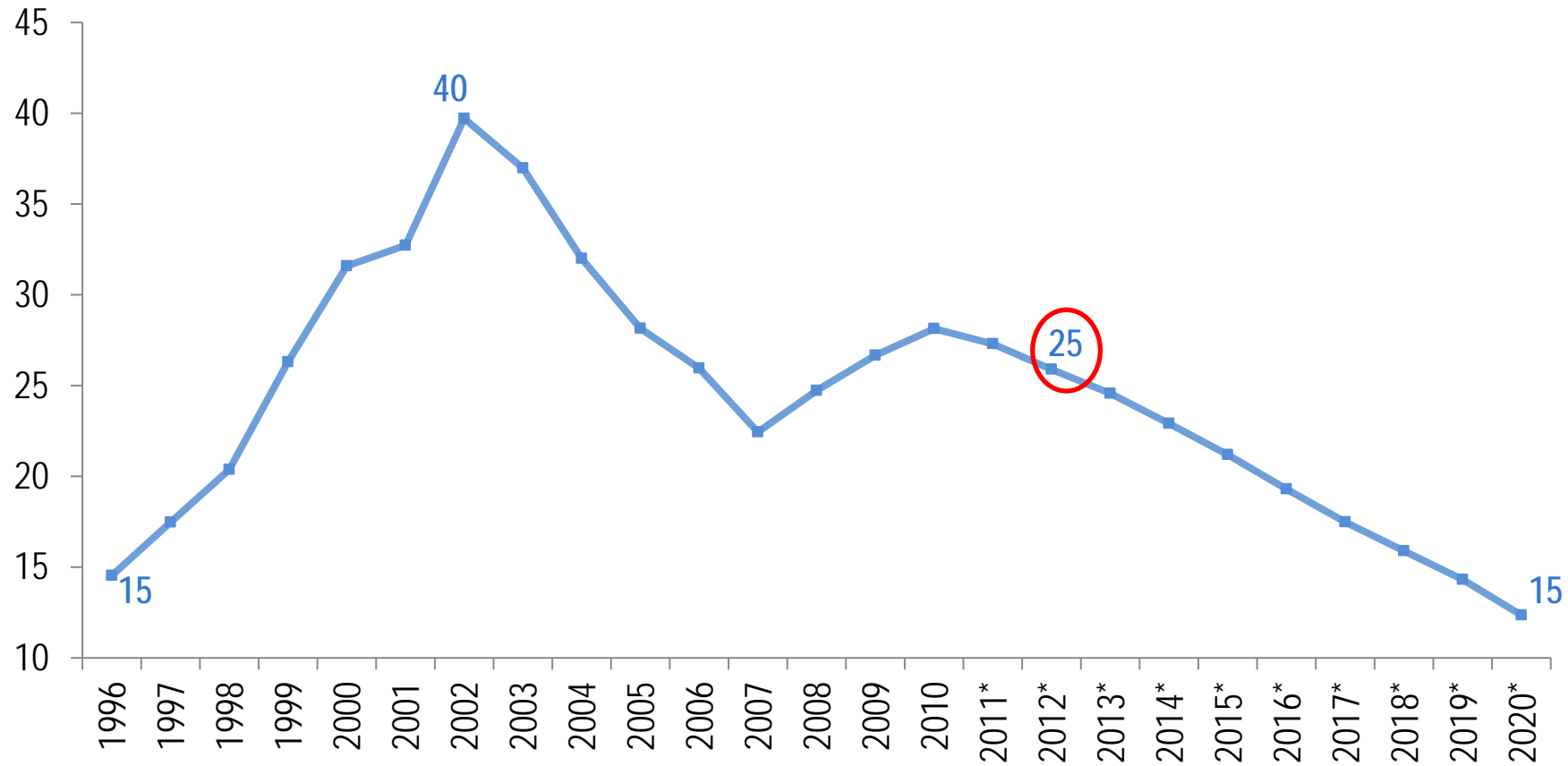
## Colombia: free trade & Economic partnership agreements



## COLOMBIA: GDP (US\$ MILLIONS US\$)



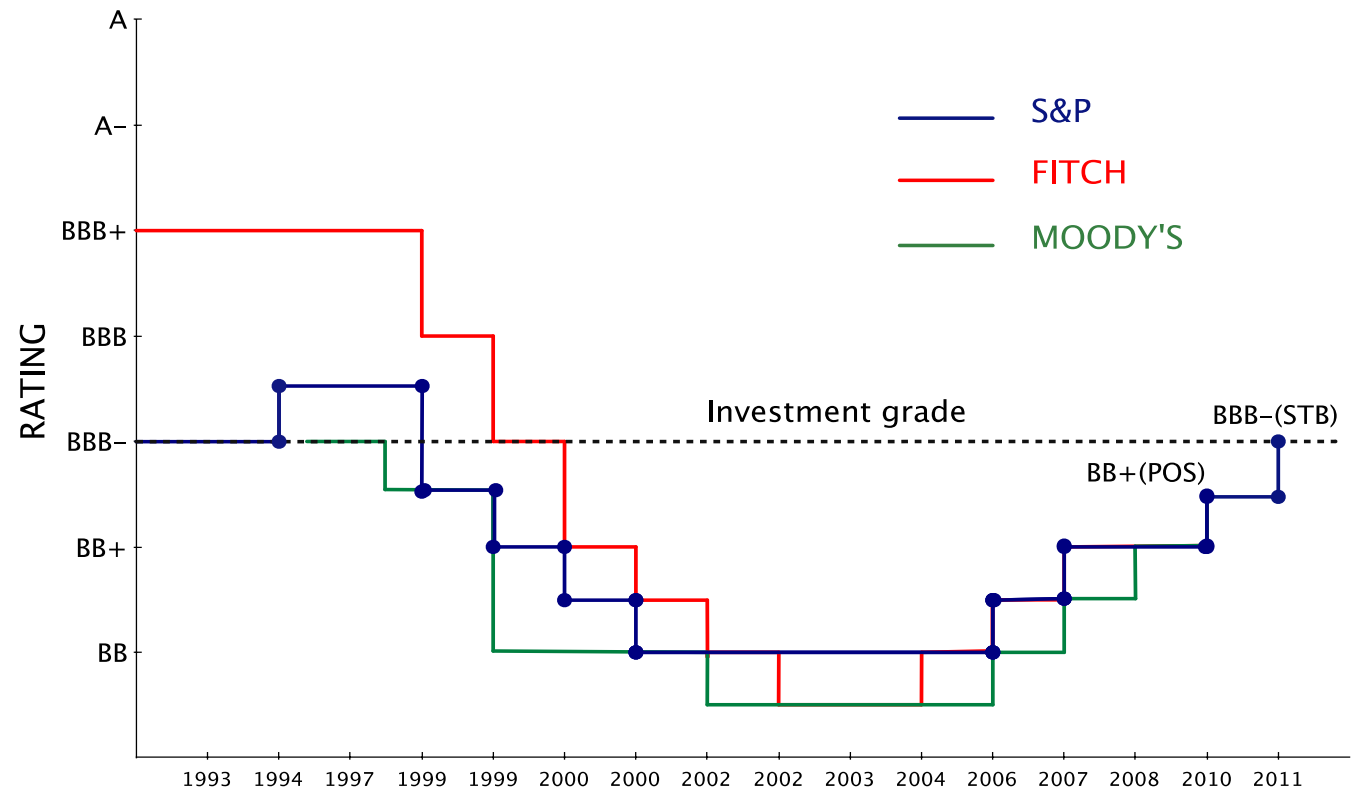
## Net Public Debt\*\* (% of GDP)



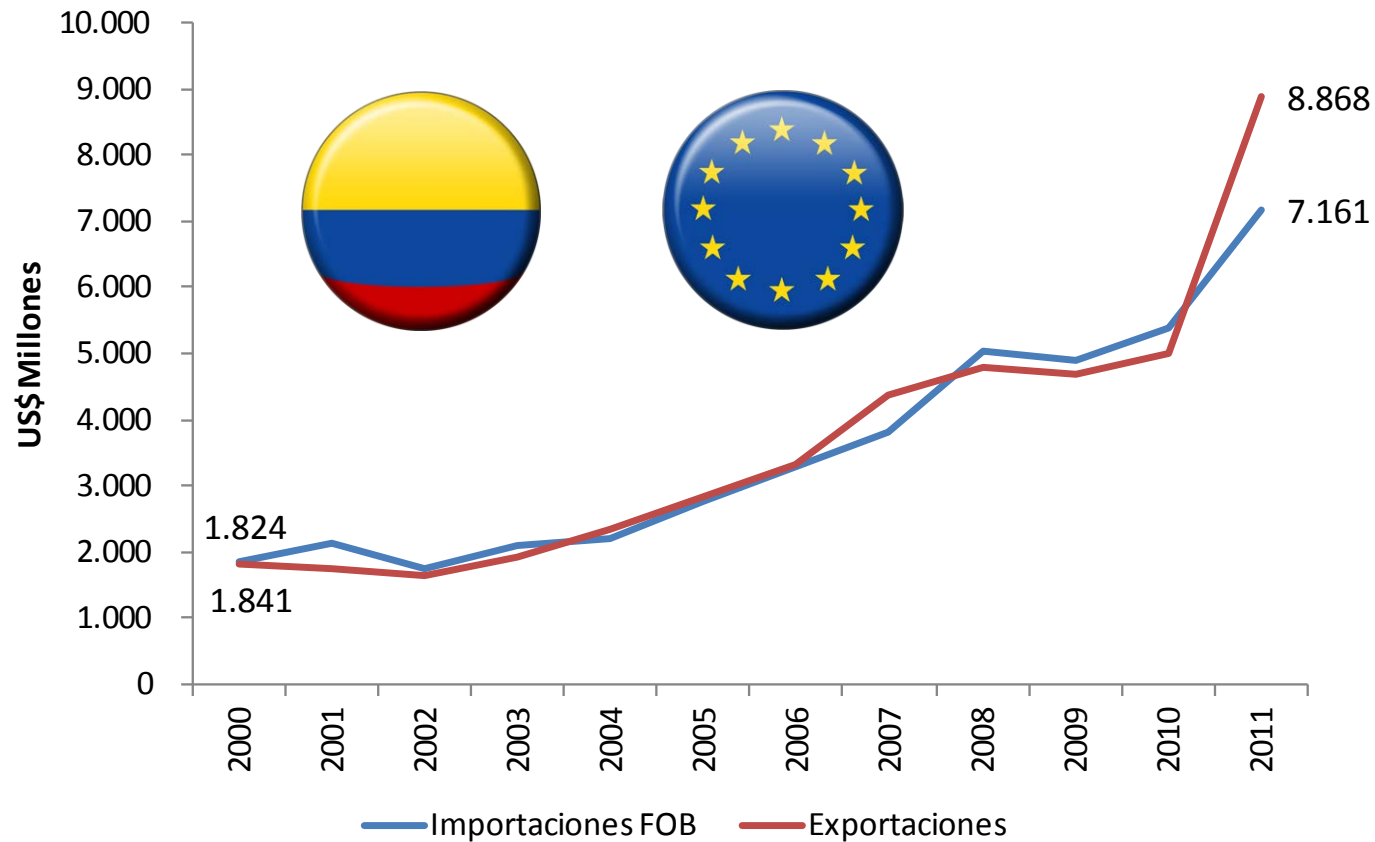
Fuente: DGPM-Ministerio de Hacienda y Crédito Público.\*Proyecciones.\*\*La deuda neta de activos financieros es aquella que resta los activos que tienen las entidades públicas en el sistema financiero nacional e internacional.



## Long Term Sovereign Rating Debt



### Colombian trade with the European Union 2000-2011 (US\$ millions FOB)



Source: Dane.

## A brief history of the french and colombian relations

### ▪ **Political relations**

- ✓ Many Independence and Republic leaders were educated in France
- ✓ The Civil Law was inspired from the french Code

### ▪ **Economic relations**

- ✓ French presence in the mining and service sector (until 1950)
- ✓ Trade and investment growth

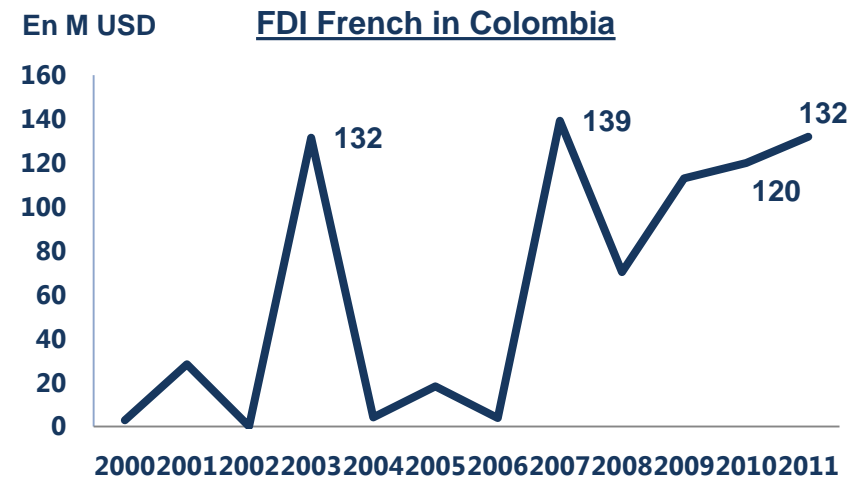
### ▪ **Cultural relations**

- ✓ Elite education in the 19th century and during the first half of the 20th century
- ✓ Large number of french-speaking and bilingual schools
- ✓ Second population of students in France >3.000



## French investments in Colombia

- **6° Investor** in Colombia with **543 M€** invested during the last 10 years<sup>1</sup>
- Almost **120 establishments** in Colombia
- **First foreign employer**
  - ✓ 120 000 direct jobs and 250 000 indirect jobs
- The french firms **turnover** (2010) in colombia represent more than **8 Mds USD**
- Presence of the *Agence Française pour le Développement*



<sup>1</sup> 60% des IDE proviennent des paradis fiscaux

## Some french companies presented in different sectors

### Energie, Environnement



GDF SUEZ

### Grande Distribution



GRUPE  
*Casino*

### Industrie et Ingénierie



SAINT-GOBAIN



*Technip*



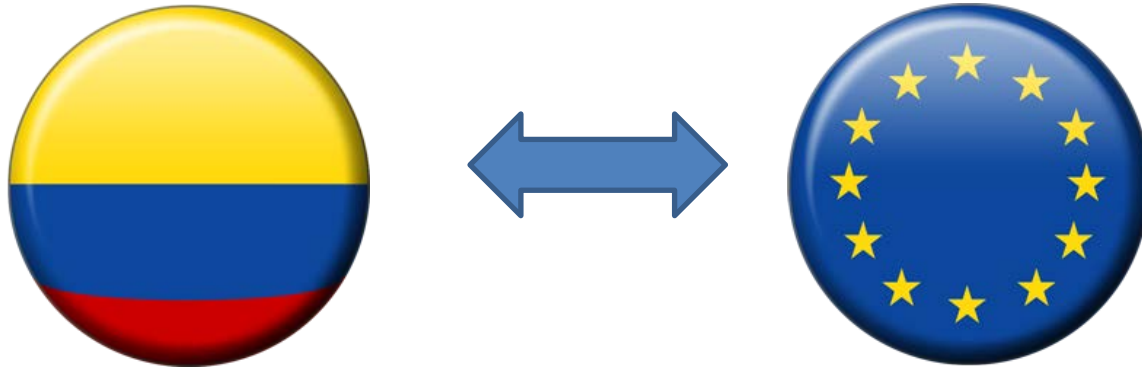
ALSTOM

### Hôtellerie et Restauration



*sodexo*

# 7 reasons to be in Colombia...





- **Caribbean Region:**

Tourism, Logistics, Petrochemical, Construction Materials, Export platform from the Atlantic

- **Andean/Central Region:**

Outsourcing services, manufacturing of high value-added, distribution centers to cover the domestic market, agribusiness specialist

- **Pacific Region:**

Manufacturing, agribusiness, logistics, Biotechnology. Export platform from the Pacific

- **Orinoco Region:**

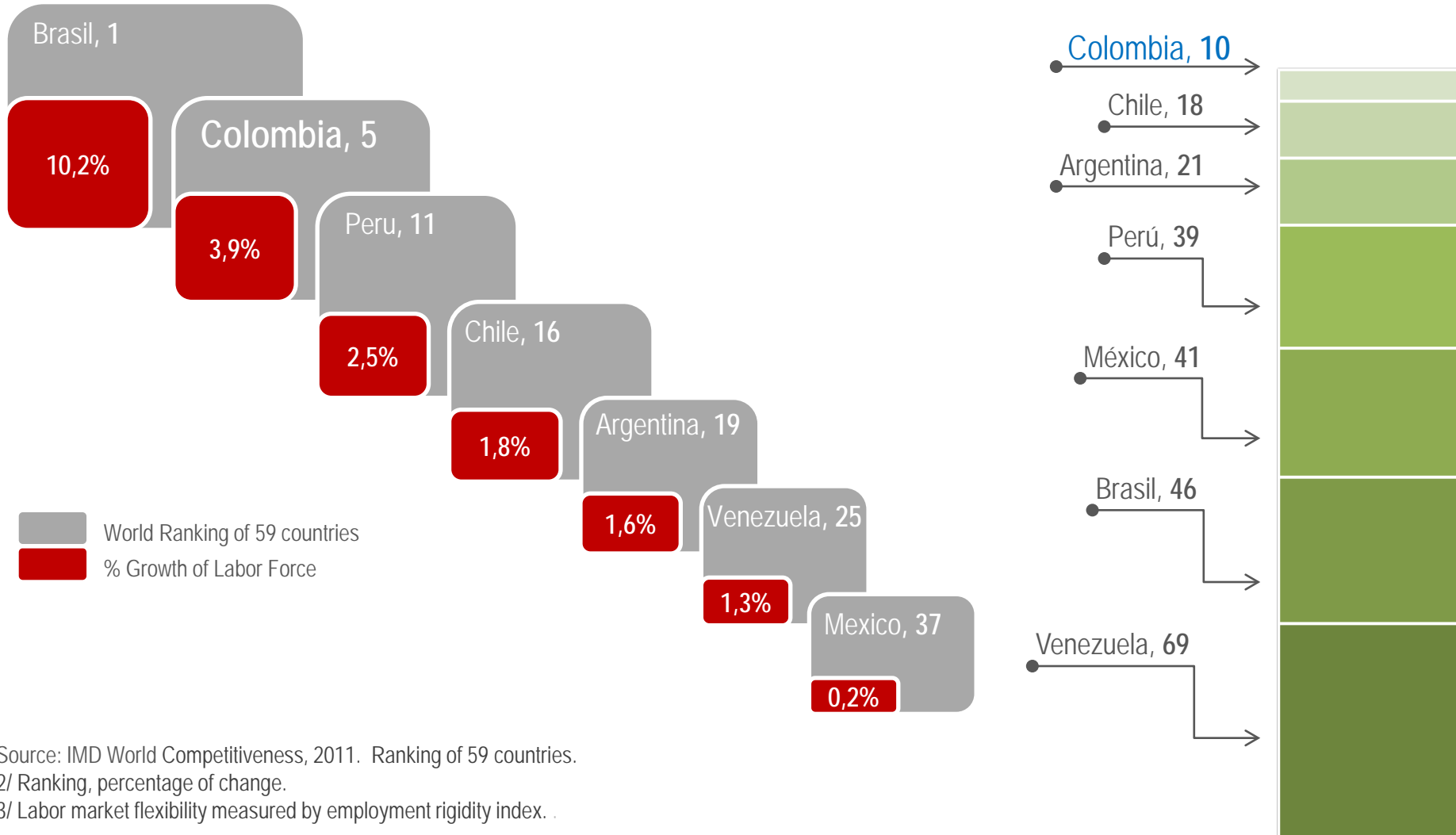
Agriculture, forestry, biofuels, oil

- **Amazon Region:**

Biodiversity, Conservation, Ecotourism (Leticia)



## Growth of Labor Force, 2011 <sup>2/</sup>



Source: IMD World Competitiveness, 2011. Ranking of 59 countries.

<sup>2/</sup> Ranking, percentage of change.

<sup>3/</sup> Labor market flexibility measured by employment rigidity index. .



- **15% income tax. Preferential access to external markets via trade agreements, as well as access to the internal market.**

## SERVICES



Outsourcing of Business processes - BPO&O

Software and IT

Health Tourism

Nature Tourism

Electric Energy and its goods and services

## MANUFACTURING



Publishing and Graphic Communication

The Fashion System

Vehicles and Auto Parts

Cosmetics and Personal Care

Metal working, Metallurgy, Shipyard

## AGRO



Chocolates, candies, and raw materials

Beef

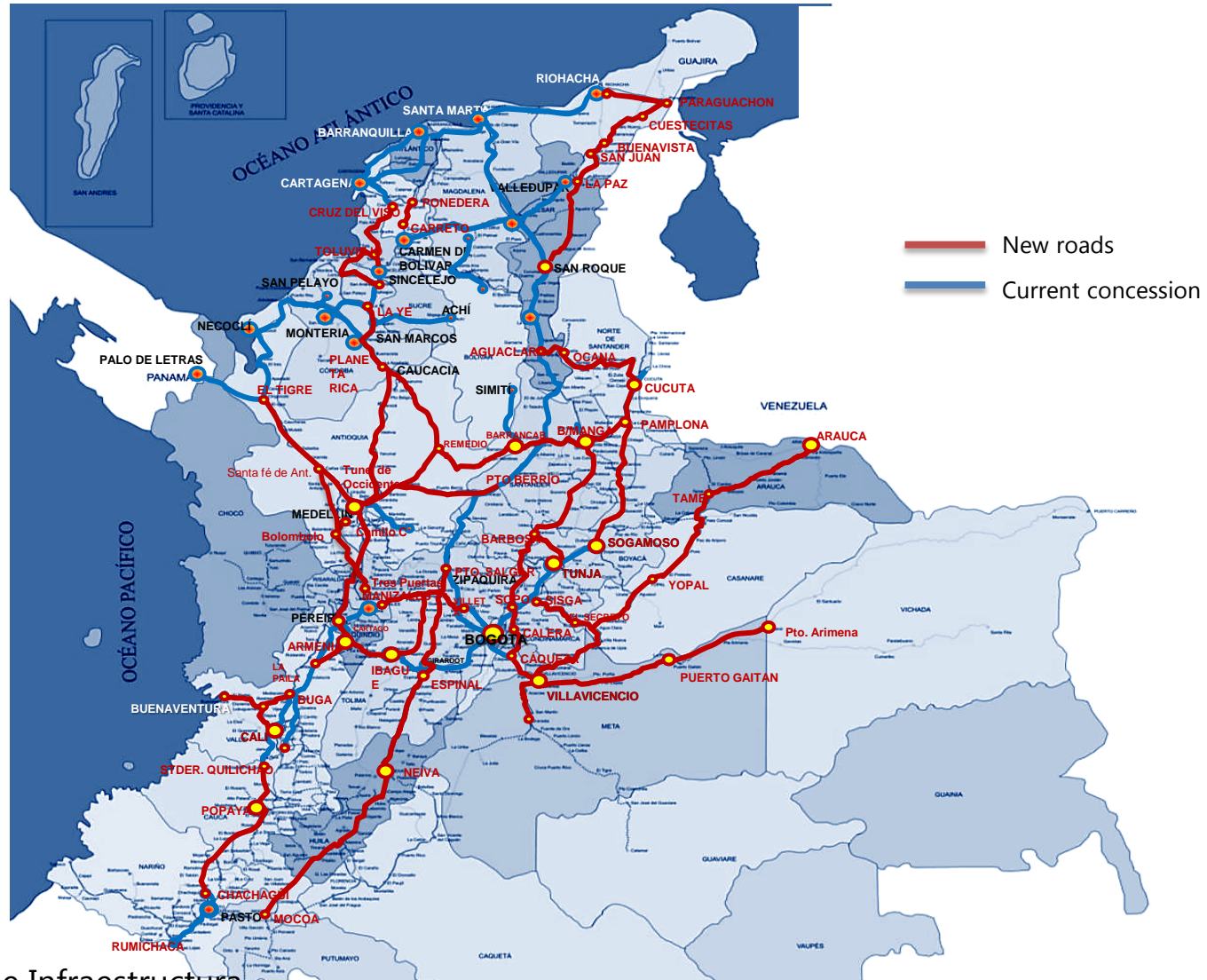
Palm, Vegetable Fats & Oils, Biofuels

Shrimp Farming

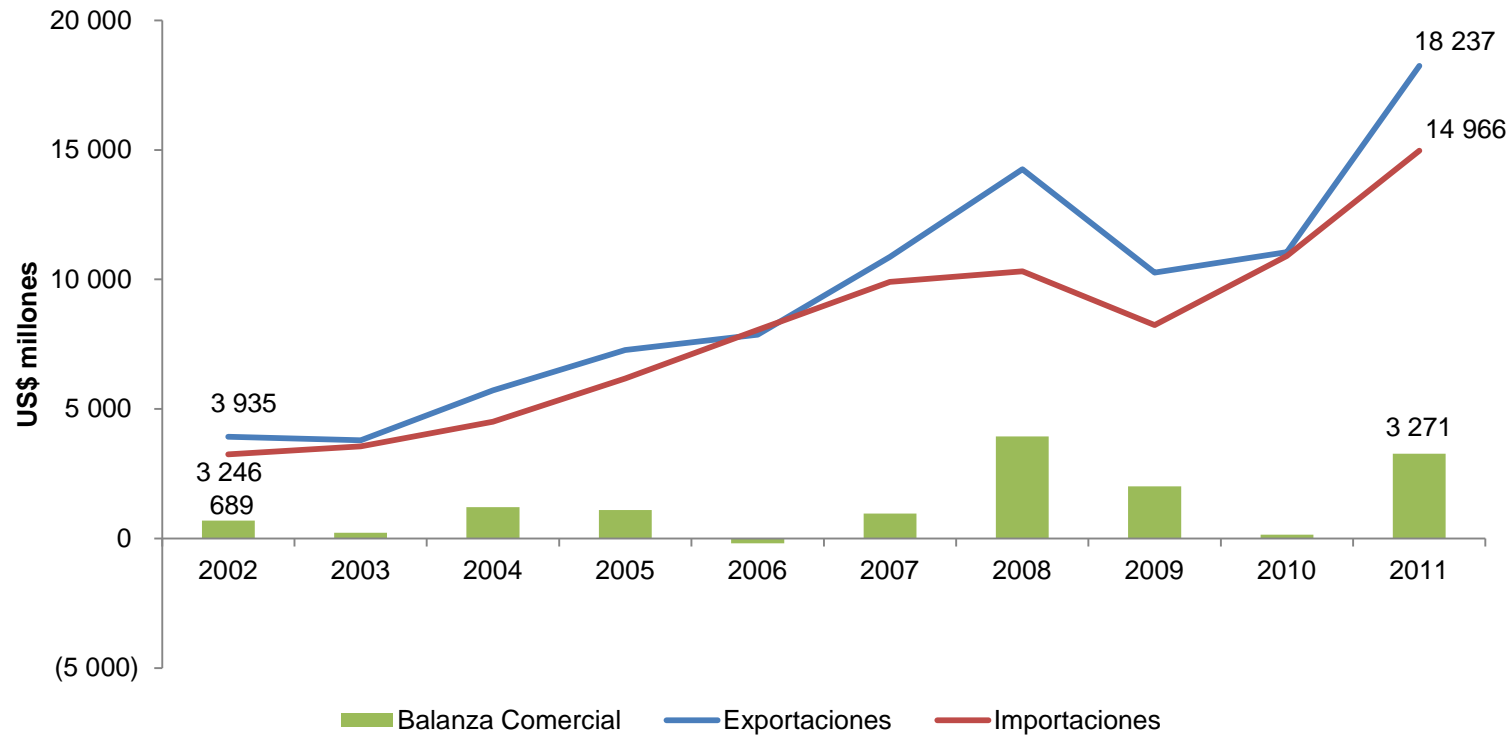
Dairy

Fruit Farming

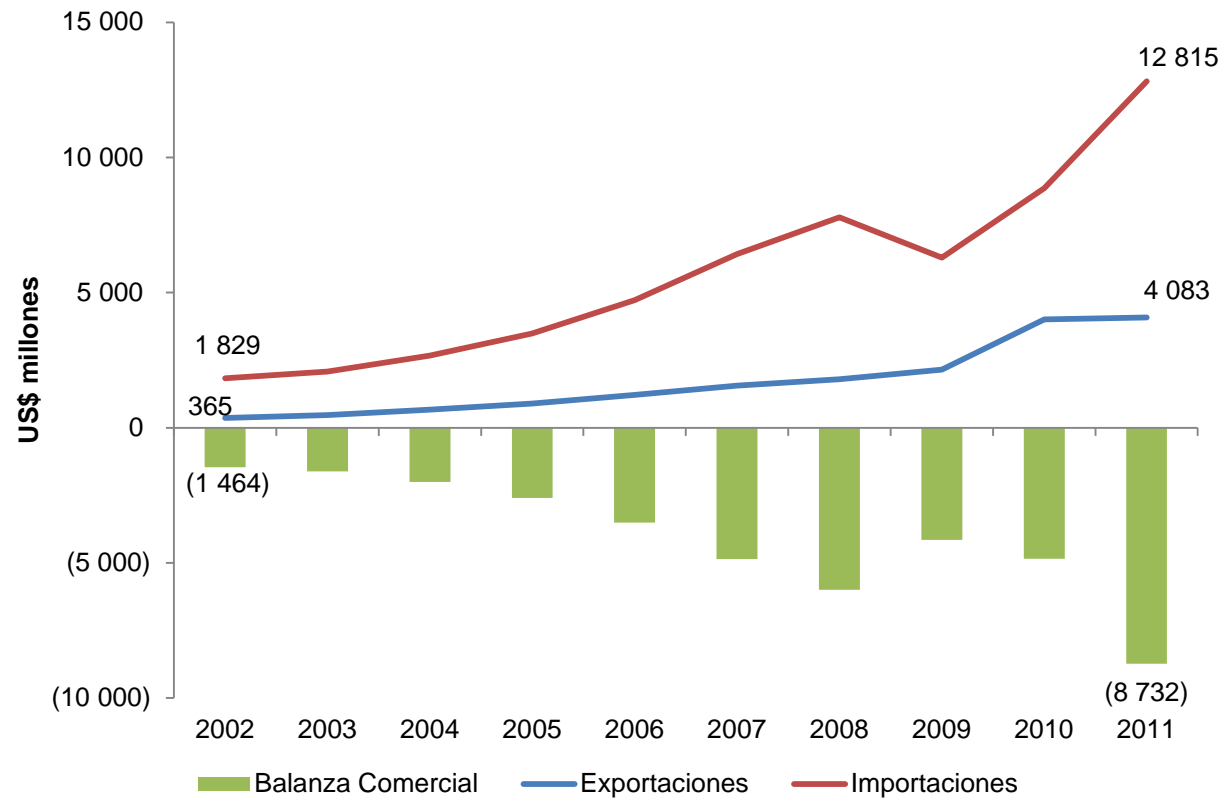




## Colombian trade with Latin America and the Caribbean (US\$ millions)



## Colombian trade with Asia (US\$ millones)



**Colombia created the « Alianza del Pacifico » along with Mexico, Peru, and Chile.**





- Since 2008, Colombia started working together with the OECD and the Development Center in order to improve its public policies.
- January 2011: President Santos announced to the OECD Council his desire to be part of the Organization.
- April 2012: President Obama express his support to Colombia's accession to the OECD during the Latin American Summit in Cartagena, Colombia.
- May 2012: the Minister of Foreign Affairs presented to the Council, on behalf of President Santos, a letter officially asking for accession to the OECD.
- Colombia is currently waiting for a formal invitation from the Council.



Presidente Juan Manuel Santos, **Alocución presidencial sobre el 'Acuerdo General para la Terminación del Conflicto'**  
4 de septiembre de 2012

*“En ellas [conversaciones exploratorias] se construyó una visión compartida del fin del conflicto y se acordaron el propósito, la agenda y las reglas de juego de un proceso que debe ser serio, digno, realista y eficaz. Luego de estas conversaciones exploratorias, tengo la convicción de que estamos ante una oportunidad real de terminar de manera definitiva el conflicto armado interno. Se trata de un camino difícil, sin duda –muy difícil–, pero es un camino que debemos explorar.”*

- Latin America is in a good moment. And regionally, Colombia stands out as a dynamic economy.
- We have a trade strategy that will allow us to reach over 1.5 billion consumers by 2014.
- For the European Union, Colombia provides an excellent destination for investment.
- Colombia is a country friendly to business, with investor protection that is the highest in the region, according to the World Bank. Moreover, our economy is investment grade.
- Colombia's human resources are recognized for their quality, and the country's labor standards are among the most flexible of Latin America.
- Colombia has yet to realize its full potential in meeting the growing demands of the EU market.

# Gracias



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