

INVEST IN COLOMBIA

» A CONVENIENT DESTINATION FOR FDI
2021



► *PROCOLOMBIA* *PROMOTES*



FOREIGN DIRECT
INVESTMENT



INTERNATIONAL
TOURISM



NON-MINING EXPORTS

- Strategic alliances
- Aftercare services
- Red Carpet treatment
- Investment agendas
- Investment workshops
- Nearshoring Strategy

**WORLDWIDE
PRESENCE:**

» **33** COUNTRIES

» **22** INTERNATIONAL
OFFICES

▶ **COLOMBIA** *OFFERS*

- 1.** ***A responsible government committed to health and economic recovery***
which allows the country to capitalize 50 years of economic sustained growth to overcome the COVID-19 challenge.
- 2.** ***Political stability***
A government committed to the development of the private sector.
- 3.** ***An ideal nearshoring location***
Thanks to a wide range of competitive advantages, including its location and its network of free trade agreements
- 4.** ***A well-developed tech ecosystem***
and the necessary standards to face the post-COVID-19 “new normal”



1

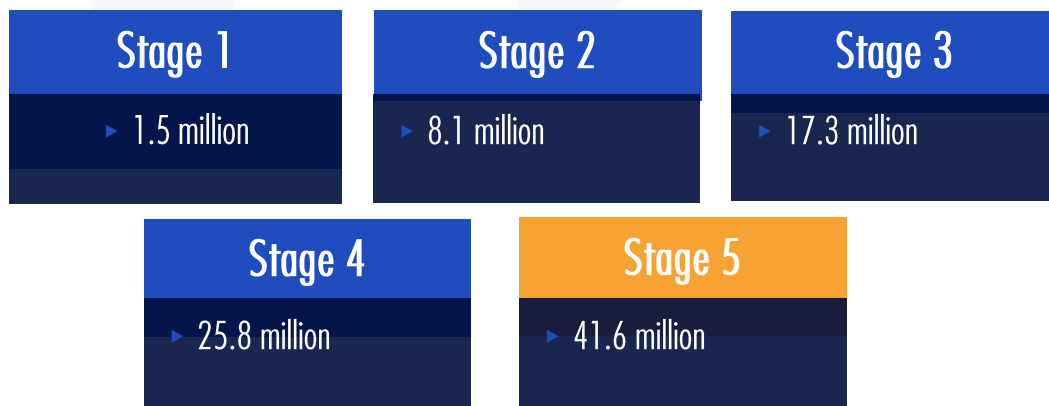
A responsible government committed to health and economic recovery

which allows the country to capitalize 50 years of economic sustained growth to overcome the COVID-19 challenge



▶ THE GOVERNMENT HAS ESTABLISHED AN EFFECTIVE PLAN TO IMMUNIZE THE POPULATION

Projection of the vaccination plan Accumulated population

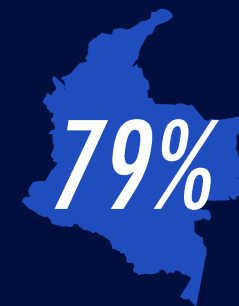


2021 GOAL
HERD IMMUNITY


» **70%**

»  Colombia has a continuous vaccines supply for

**40.3
MILLION
PEOPLE**



**79%
OF THE
POPULATION**



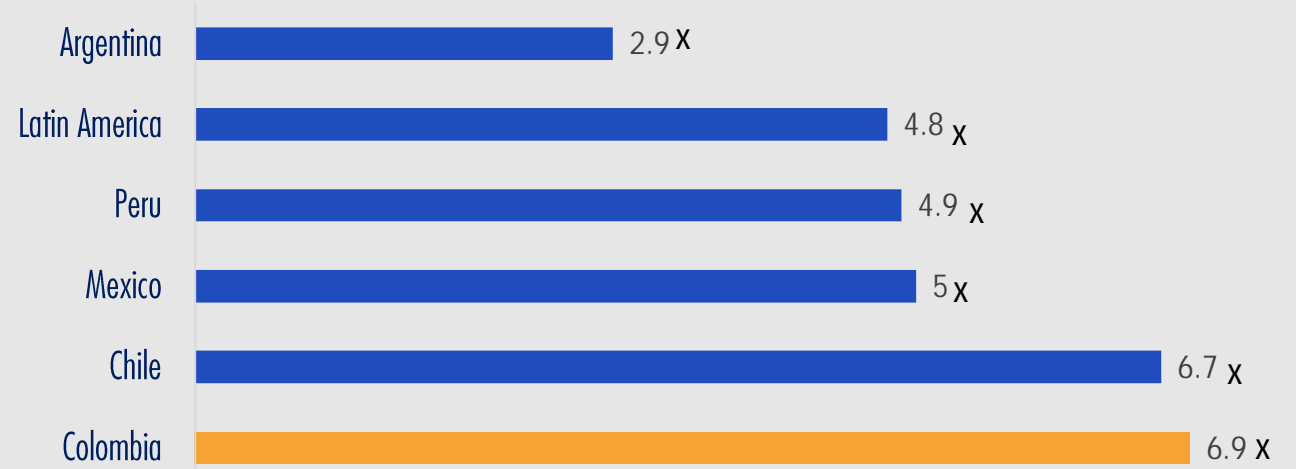
32.4 MILLION PEOPLE

of the COVID-19 vaccine have been applied.

**Last updated on August 18, 2021*

► **PRIOR TO THE PANDEMIC, COLOMBIA ALREADY STOOD OUT FOR ITS SUSTAINED ECONOMIC GROWTH.**

GDP growth over the past 50 years



Over the past 50 years Colombia has increased its GDP 6.9 times

Source: ANIF based on Dane and World Bank.

CURRENTLY PROJECTED TO BE THE MOST STABLE ECONOMY IN THE REGION

Colombian economy is projected to **grow 5.9% and 7.6% in 2021** according to the WB and OECD respectively.

According to the IMF, in 2021 the inflation rate will be **2.5%**.

2

Political stability

A government committed to the development of the private sector



- ▶ **COLOMBIA STANDS OUT IN THE REGION FOR ITS SOLID INSTITUTIONS AND ITS COMMITMENT TO THE PRIVATE SECTOR** which have made it one of the most politically stable markets in Latin America.

GLOBAL
COMPETITIVENESS REPORT 2019



- ▶ **1st** Corporate government in Latin America
- ▶ **2nd** Business dynamism in Latin America
- ▶ **2nd** Financial system stability in Latin America

GLOBAL ARBITRATION REVIEW
"Whitelist 2018"



- ▶ 1st Arbitration institute in Latin America
- ▶ In 2020 and for the third year in a row, it was included into the most - influential group of arbitration centers in the region

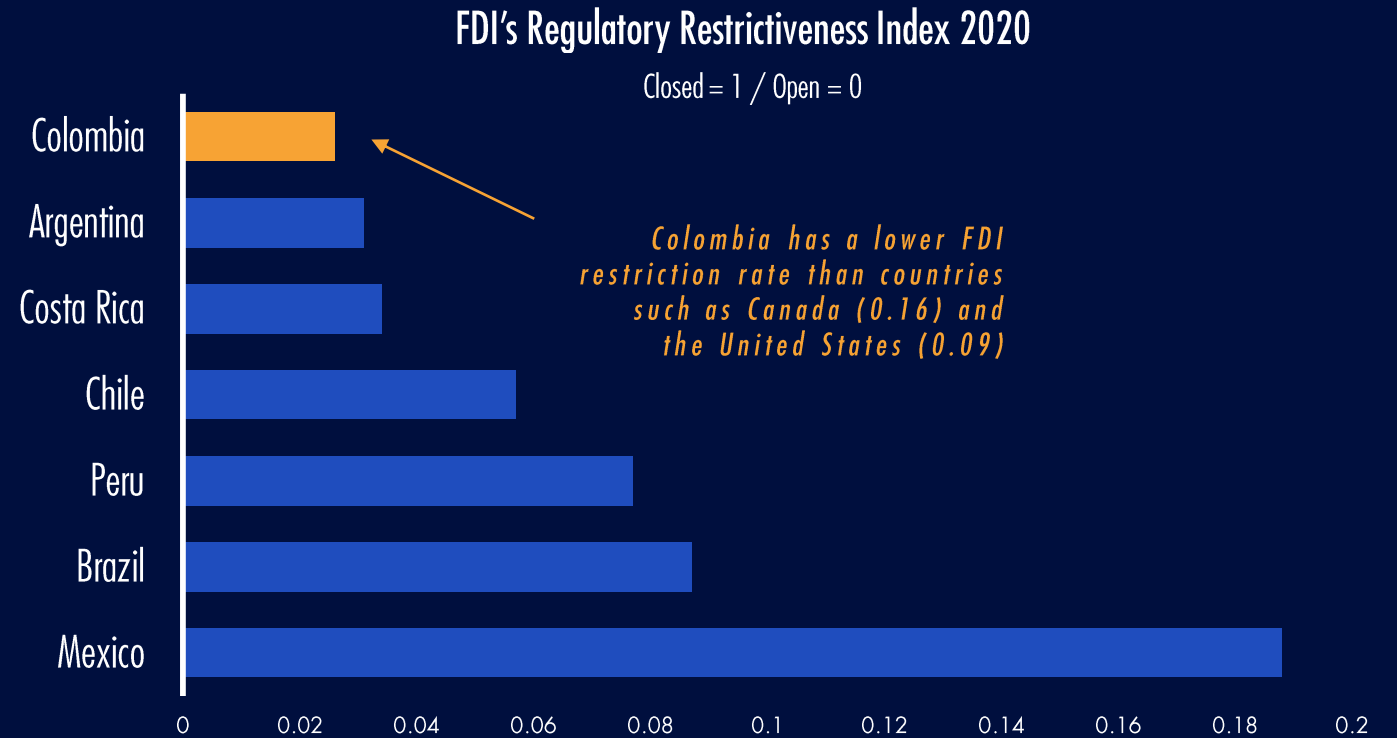
DOING
BUSINESS 2020



BANCO MUNDIAL

- ▶ **1st** Getting credit in Latin America
- ▶ **1st** Protecting minority investors in Latin America

▶ **COLOMBIA HAS THE
LOWEST FDI
RESTRICTION INDEX
RATE OF LATIN
AMERICA**



Source: OCDE, 2020.

**In 2020 Colombia was
officially accepted by the**

giving it access to the best economic and social practices

3

An ideal nearshoring destination

Thanks to a wide range of competitive advantages, including its location and its network of free trade agreements





COLOMBIA IS READY **TO ADDRESS THE RELOCATION CHALLENGE**



***FREE TRADE AGREEMENTS
AND PREFERENTIAL ACCESS***



***AIR AND MARITIME
LOGISTICS ADVANTAGES***



***ATTRACTIVE INCENTIVE
PACKAGE FOR FDI***

▶ **COLOMBIA OFFERS PREFERENTIAL ACCESS TO 97%* OF THE COUNTRIES IN THE REGION MAKING IT AN ATTRACTIVE NEARSHORING LOCATION**



COLOMBIA HAS 17 FREE TRADE AGREEMENTS IN FORCE

WHICH ALLOW PREFERENTIAL ACCESS TO 60 COUNTRIES AND 1.5 BILLION CONSUMERS

OTHER AGREEMENTS

- EFTA
- European Union
- South Korea
- Israel



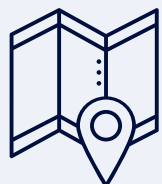
» Colombia is part of The Pacific Alliance and in December 2020, received the Pro-tempore presidency of the mechanism. In Latin America and the Caribbean, the block of countries represent 38% of the region's GDP, 50% of the total trade and attracts 45% of the Foreign Direct Investment fluxes.

» Among the countries of the region, Colombia's FTA with the United States has the best access conditions

Source: MinCIT *Non-self-governing territories are not included

Source: TradeMap, IMF.

▶ PREFERENTIAL ACCESS IS COMPLEMENTED BY MARITIME LOGISTICAL ADVANTAGES



» Thanks to its strategic location companies can access America's main ports in a short period of time. Colombia has more than **4,500 maritime routes** and access to **680 ports around the world.**

DESTINATION PORT	PORT LOGISTICS IN LATIN AMERICA DISTANCIE IN DAYS BY ORIGIN PORT						
	Colombia		Mexico (Veracruz)	Peru (Callao)	Chile (Valparaiso)	Argentina (Buenos Aires)	Brazil (Santos)
	Cartagena	Buenaventura					
New York	6	12	22	16	24	23	16
Los Angeles	10	10	24	12	22	34	27
Montreal	15	23	38	26	31	33	26
Vancouver	18	21	32	22	32	44	35
Callao	9	2	22	-	7	34	16
Valparaiso	18	13	36	5	-	43	32

Source: Routes and rates - Tools for the Colombian Exporter, processed by ProColombia.
Legal guide for doing business in Colombia 2019



THERE ARE
2,400 ROUTES
(DIRECT AND IN CONNECTION)



OFFERED BY MORE THAN
30 AIRLINES



LESS THAN
6 HOURS BY PLANE
FROM MAJOR CITIES IN
THE CONTINENT

▶ **THE COUNTRY HAS ONE OF THE MOST COMPETITIVE AIR FREIGHT COSTS**

COUNTRY	AVERAGE AIR FREIGHT TO U.S. /KG	
Colombia	USD 1.12	
Mexico	USD 1.55	
Brazil	USD 2.17	
Peru	USD 2.62	
Chile	USD 1.99	

AND STANDS AS A LEADER IN AIR CARGO TRAFFIC IN LATIN AMERICA

- Source: IATA TACT – Referential route MIA, Scale +500Kg
- Source: Central and South America; ACI ; 2018. Statista 2020

▶ **COLOMBIA HAS A COMPETITIVE FREE TRADE ZONE REGIME THAT GRANTS ONE OF THE MOST ATTRACTIVE INCENTIVE PACKAGES IN THE REGION**

- 01.** 20% Income tax rate in free trade zones
- 02.** Customs taxes (VAT and customs duties) are not accrued or paid on merchandise that is introduced into the Free Trade Zone
- 03.** Goods of foreign origin introduced into the free trade zone may remain there indefinitely
- 04.** Possibility of exporting from a Free Trade Zone to third-party countries
- 05.** VAT exemption for raw materials, parts, inputs, and finished goods that are sold from the national customs territory to industrial users of Free Trade Zone goods or services



NUMBER OF SINGLE COMPANY
FREE TRADE ZONES

79



NUMBER OF PERMANENT FREE
TRADE ZONES

41

FREE TRADE ZONES ARE LOCATED THROUGHOUT THE COUNTRY, ESPECIALLY CLOSE TO THE COUNTRY'S MAIN PORTS AND AIRPORTS

**TOTAL NUMBER
OF FREE TRADE ZONES**

120

A LOGISTICS AND PRODUCTION
REGIONAL HUB

NEW INVESTMENT INCENTIVES



PROGRESSIVE REDUCTION

OF THE CORPORATE
INCOME TAX RATE



MEGA INVESTMENTS

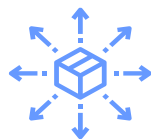


HOLDINGS COMPANIES REGIME



DEDUCTIONS

OF THE PAID ON
REAL FIXED ASSETS



SPECIAL BENEFITS

FOR DISTRIBUTION
CENTERS



INCOME TAX EXEMPTIONS

FOR DIFFERENT
SECTORS OF THE
ECONOMY

AMONG OTHERS

COLOMBIA HAS A COMPETITIVE FREE TRADE
ZONE REGIME THAT GRANTS ONE OF THE
MOST ATTRACTIVE INCENTIVE PACKAGES IN
THE REGION



NUMBER OF
SINGLE COMPANY
FREE TRADE
ZONES

77



NUMBER OF
PERMANENT
FREE TRADE
ZONES

40

TOTAL NUMBER
OF FREE TRADE
ZONES

117

4

A well-developed tech ecosystem

and the necessary standards to face the post-COVID-19 “new normal”



▶ COLOMBIA OFFERS A WELL-DEVELOPED TECHNOLOGICAL INFRASTRUCTURE FOR OPERATIONS IN THE NEW ECONOMIC REALITY

98%

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

4th

Largest IT market in Latin America

11

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



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

3rd

most entrepreneurial country in Latin America

66%

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

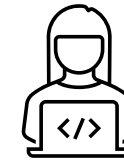
▶ THE GOVERNMENT JOINS THE COUNTRY'S WIDE INNOVATION AND ENTREPRENEURSHIP ECOSYSTEM



WORLD ECONOMIC FORUM

Colombia is hosting Latin America's first Center for the Fourth Industrial Revolution

Blockchain, IA, internet of the things



2nd biggest labor force of South America and ranks 4th as the workforce with better digital skills



Incubators, accelerators and innovation centers

▶ COLOMBIA RANKS FOURTH IN SOUTH AMERICA AS THE WORKFORCE WITH BETTER DIGITAL SKILLS AND IS A LEADER IN EMPLOYEE TRAINING AND LEARNING SCHEMES

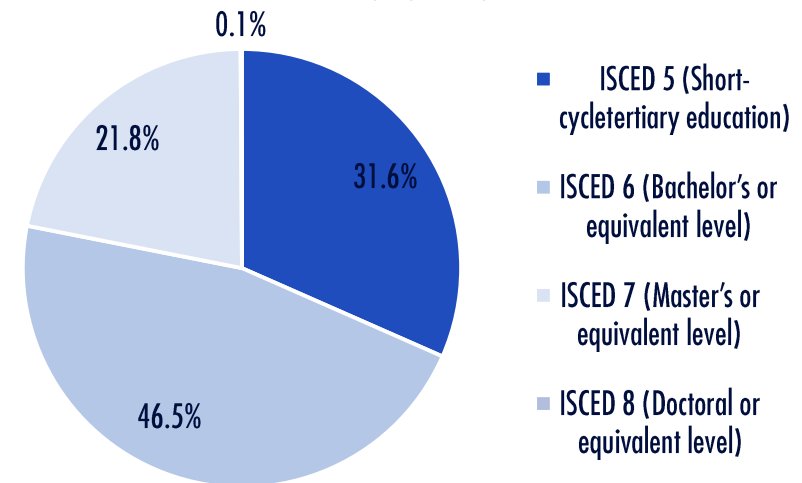
*The Global Competitiveness Report 2019
Digital skills*

1 st		Chile	6 th		Venezuela
2 nd		Uruguay	7 th		Peru
3 rd		Argentina	8 th		Bolivia
4 th		Colombia	9 th		Brazil
5 th		Ecuador	10 th		Paraguay

Colombia has the second biggest labor force of South America

Source: The Global Competitiveness Report 2019

*Graduates by level of higher Education
2010 – 2019*



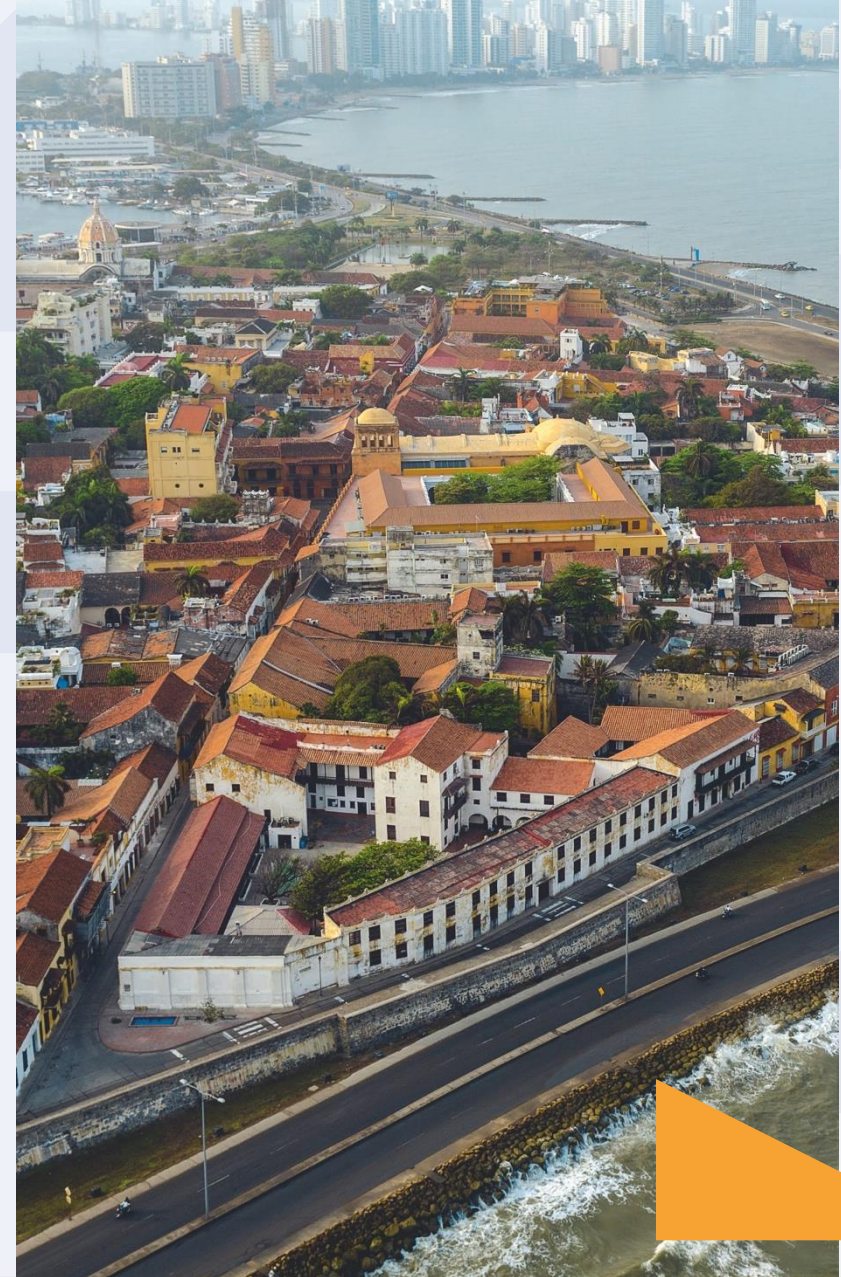
Total: 3.8 million

Source: Ministry of Education, 2018
Classification of Education ISCED 2011 -DANE

» **COLOMBIA**

IS A LEADING COUNTRY

*in receiving **FDI** in the region*

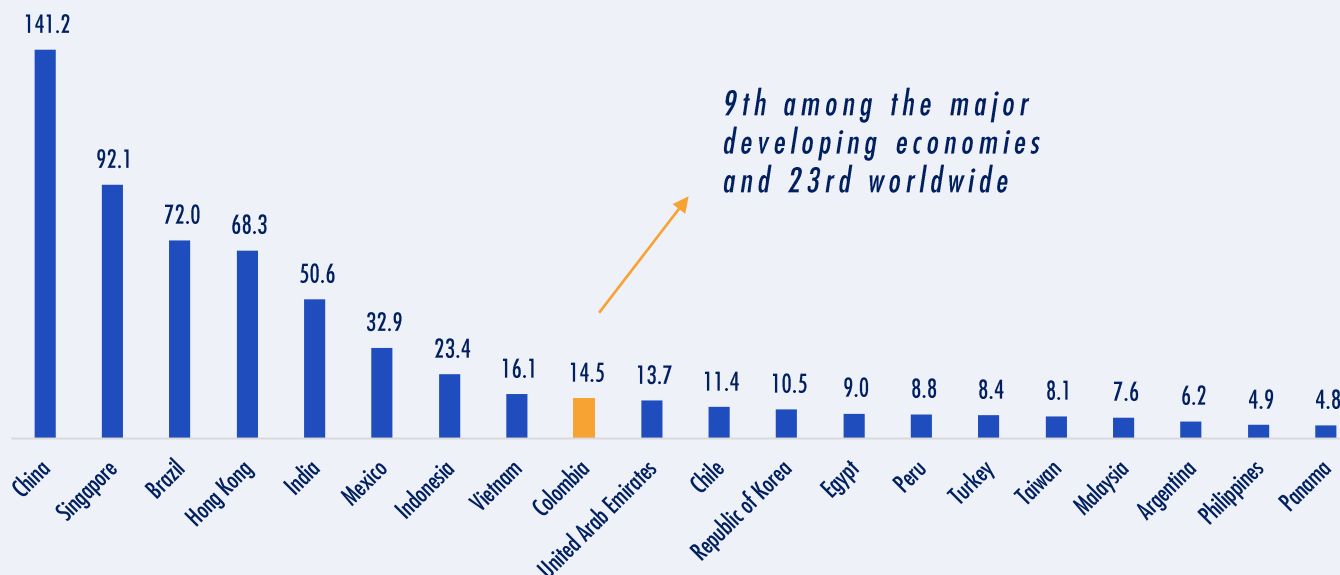


▶ FOREIGN DIRECT INVESTMENT INFLOWS TO COLOMBIA HAVE BECOME MAJOR CATALYSTS FOR THE COUNTRY'S ECONOMIC DEVELOPMENT

» TOP INVESTORS IN COLOMBIA 2016-2020**



TOP 20 DEVELOPING ECONOMIES IN RECEIVING FDI IN 2019 (USD million)



UNITED STATES
USD 11.7 billion
 19.0%



SPAIN
USD 10.0 billion
 16.2%



ENGLAND
USD 4.8 billion
 7.8%



CANADA
USD 4.1 billion
 6.7%

In 2020, a total of US \$8,100 million in FDI arrived in the country.
FDI in no-mining sectors represented 70.1%



Source: UNCTAD, 2019.

*Cayman Islands and British Virgin Islands are not included

Source: Balance of Payments - Banco de la República.
 **Excluding Panama and Switzerland

**INVESTMENT
REACHES DIVERSE
SECTORS OF THE
ECONOMY AND
LEADING COMPANIES
HAVE ALREADY
TRUSTED US.**



mastercard.



» **DIGITAL SERVICES**



» **AGRICULTURAL PRODUCTS
& FOOD PRODUCTION**



» **INFRASTRUCTURE**



» **MANUFACTURING
INDUSTRIES**



» **TOURISM**



» **ENERGY**



Between 2016 and 2020, a total of US \$44,513 million in FDI arrived in the country, in non-mining-energy sectors

In the first quarter of the year, Colombia received US \$1,797 million in FDI, in no-mining sectors.

SUCCESS STORIES

The logo for CASTEM, featuring the word "CASTEM" in a bold, blue, sans-serif font. A small yellow star is positioned above the letter "E".

The Japanese company of continuous casting and production of high precision parts, decided to open a plant to serve the American market.

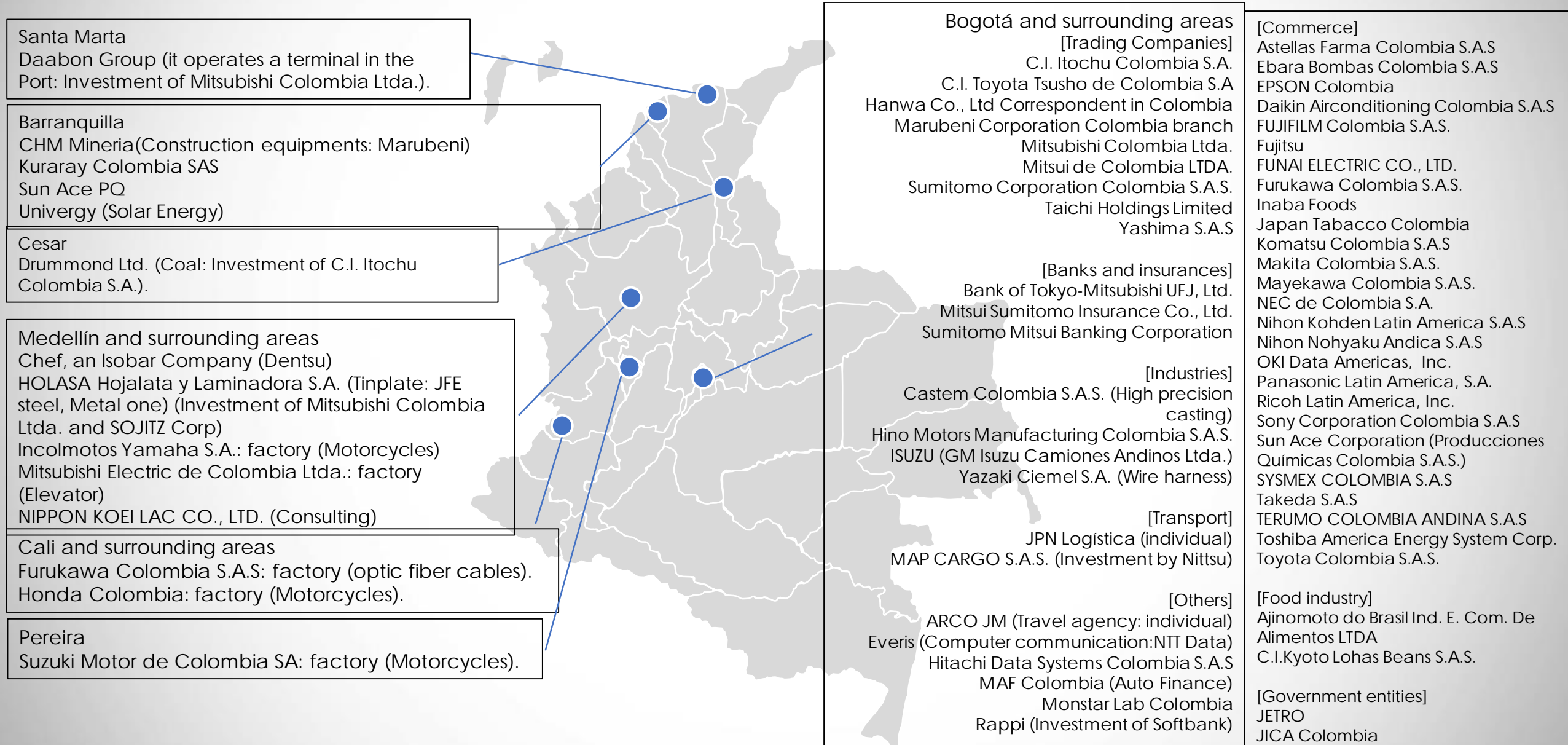
The logo for Astellas, featuring a stylized red and grey star icon to the left of the word "astellas" in a lowercase, grey, sans-serif font.

One of the most important pharmaceutical company decided to establish their operation in Colombia in 2017.

The logo for ISUZU, featuring the word "ISUZU" in a bold, red, sans-serif font.

Isuzu Motors Limited's alliance with actors installed in Colombia has allowed them to become automotive technology leaders for ten years. Recently, they made a new investment of USD 2.5 million to expand their operations.

Expansion of Japanese Multinationals in COLOMBIA



THANK YOU



IT'S TIME TO INVESTINCOLOMBIA.COM.CO



El futuro
es de todos

Gobierno
de Colombia