



COLOMBIAN GDP GROWTH 2017

1.8%

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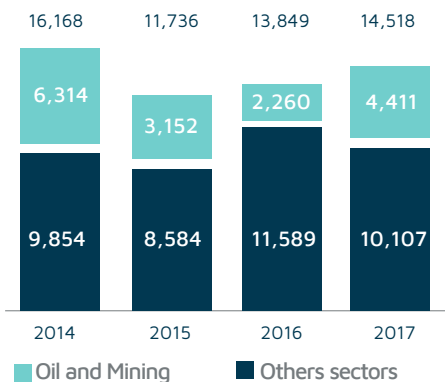
2.8%

COLOMBIAN FORECAST GDP GROWTH 2019

3.5% UPWARD TREND

- Inflation (2017): **4.09%**
- Inflation 12 months (November 2018): **3.27%**
- Interest rate – Central Bank (December 2018): **4.25%**
- DTF (January 3th, 2019): **4.54%**
- GDP PPP (2017): **USD 714 billion**
- Av. exchange rate (2018): **COP 2,956 per USD**
- Av. exchange rate (Jan 2019): **COP 3,250 per USD**

#### FDI INFLOWS (USD million) 2014 - 2017



Top investing countries  
in Colombia 2000-2017

- United States**  
► USD 33,856 million  
► 20.5 %
- United Kingdom**  
► USD 19,699 million  
► 12.2 %
- Spain**  
► USD 15,832 million  
► 9.6 %
- Switzerland**  
► USD 10,157 million  
► 6.2 %

In 2017, **69.6%** of FDI was concentrated  
in non-mining sectors

#### COLOMBIA FDI INFLOWS (USD MILLIONS)

SECTORS	2016	2017
Oil and mining sector	2,260	4,411
Logistics services	1,495	3,465
Manufacturing Industry	1,839	2,269
Financial Services	2,461	1,662
Commerce, Hotels, Restaurants	903	899
Construction	620	701
Electricity, Gas, Water	3,620	472
Social services*	353	398
Agrobusiness	299	241

**Total** **13,850** **14,518**

Social services\*: Public and defense administration, education services, social services, culture and sports activities.

Source: Central Bank, balance of payments

- **Exemption of customs duties** (i.e. VAT and tariffs) for goods imported from abroad, as long as such goods remain within the Free Trade Zone.
- **Goods produced within the Free Trade Zone** are considered to have colombian origin, hence, they can take advantage of the free trade.
- **Preferential 20% income tax rate** within the Free Trade Zones.
- Allows **sales to the local market**.

Colombia has more than **105 Free Trade Zones**, becoming one of the countries in Latin America with the most FTZs.

Source: Free Trade Zones Directory 2017- 2018 DANE



**39** Permanent Free Trade Zones

**66** Special Free Trade Zones



A growing middle class drives demand and consumption, it increased from **15.6% in 2002 to 30.4% in 2017**.

Monetary poverty decreased to **26.9% in 2017**

Source: ProColombia's estimated calculations

For the **fifth year in a row**, Colombia had an **unemployment rate below two digits** in 2017.



**Unemployment rate 2017**

**9.4%**

Source: DANE - National Administrative Department of Statistics

- International tourist arrivals in Colombia grew by **28.2% in 2017**.



In 2017  
**6,531,226**  
foreigners visited  
Colombia.

Source: TEC- ProColombia

#### TRADE BALANCE

Colombia's trade  
balance recorded a  
**USD 8.3 billion deficit**  
in 2017.



In 2017 Colombia imported USD 46.1 billion.



In 2017 Colombia exported USD 37.8 billion.

SOURCE: DANE-DIAN

- Colombia has access to 60 countries and more than 1.5 billion consumers through its network of trade agreements

#### 12 DOUBLE TAXATION AGREEMENTS IN FORCE

- SWITZERLAND
- PORTUGAL
- SOUTH KOREA
- CANADA
- INDIA
- SPAIN
- CZECH REPUBLIC
- MEXICO
- ECUADOR
- PERU
- BOLIVIA
- CHILE

#### 15 AGREEMENTS ON RECIPROCAL PROMOTION AND PROTECTION OF INVESTMENT IN FORCE

- CANADA
- CHILE
- CHINA
- COSTA RICA
- SOUTH KOREA
- SPAIN
- UNITED STATES
- JAPAN
- MEXICO
- PERU
- UNITED KINGDOM
- SWITZERLAND
- CARICOM\*
- CENTRAL AMERICA NORTHERN TRIANGLE
- PACIFIC ALLIANCE

\*Some of the investment agreements are investment chapters within FTAs.

#### 16 TRADE AGREEMENTS IN FORCE

- ALEC
- PACIFIC ALLIANCE
- CAN\*
- CANADA
- CARICOM\*
- CHILE
- SOUTH KOREA
- COSTA RICA
- CENTRAL AMERICA NORTHERN TRIANGLE
- CUBA\*
- UNITED STATES
- MERCOSUR\*
- MEXICO\*
- NICARAGUA\*
- EUROPEAN UNION
- VENEZUELA\*

\* Economic complementation or partial scope agreement

#### 4 SIGNED

- ITALY
- UNITED KINGDOM
- FRANCE
- UNITED ARAB EMIRATES

#### 6 SIGNED

- BRAZIL
- PANAMA
- ISRAEL
- FRANCE
- SINGAPORE
- TURKEY

#### 2 SIGNED

- PANAMA / ISRAEL





COLOMBIA  
LEGALITY, EQUITY, ENTREPRENEURSHIP

► We are taking action to meet our investors’ needs.

- Removal of unnecessary expenses
- Minimization of administrative obstacles
- Tax system simplification
- Greater incentives for investment
- Tax benefits



Strategy: ◀

Resources directed to promote companies with high growth potential



Strategy to promote business formalization



Support vulnerable populations through formal entrepreneurship and business strengthening projects at the urban level



► A wide portfolio of tools and incentives



RED CARPET STRATEGIES

Set of complimentary and facilitation strategies

- Single window for investors (VUI)
- Shelter companies
- Aftercare services
- Commercial diplomacy



INCENTIVES FOR FDI MEGA PROJECTS

Tax, management, regulatory and financing incentives package.

- Target: Efficient investment in any region of the country



PRIORITIZED AND STRATEGIC INTERNATIONALIZATION REGIONS -REIP

Set of complementary and facilitation strategies

- Internationalization of Colombian regions
- Comprehensive territorial interventions for strategic sectors



FREE TRADE ZONES

- Increase investment to boost productivity
- Improve productive transformation
- Enter global value chains



PRODUCTIVE CHAINS PROJECT DATABASE

Platform to connect local suppliers to foreign investors

Target: Reduction of information asymmetries



BUSINESS ACCESS

System to centralize information and identify opportunities to improve the investment climate

Target: Use of strategic information to increase competitiveness



SECTORIAL AND TAX INCENTIVES

Set of tax incentives to promote foreign investment in particular sectors:

- Investment in tourism and Orange Economy sectors
- Stimulus for science, technology and innovation
- Agreements to avoid double taxation

ROAD MAP

- COLOMBIA AS A WORLD CLASS PROVIDER OF ORANGE ECONOMY INDUSTRIES
- COLOMBIA AS A SERVICE AND TECHNOLOGY HUB FOR THE REGION
- COLOMBIA AS THE LATAM EPICENTER OF INNOVATION AND ENTREPRENEURSHIP

OUR GOAL

- SIMPLIFIED PROCEDURES EFFICIENT STATE
- ONE STOP SHOP – DIGITAL HUB TO SIMPLIFY ADMINISTRATIVE MATTERS

