

# Colombia

## Major Business Sectors

**Compiled by:**

**Swiss Colombian Chamber of Commerce**

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### **Overview and trends**

In 2007, The Colombian economic activity had a growth near to 7 %, impelled by the dynamism of the domestic demand. The investment and private consumption have been determining in the growth rhythm. From 2006, the economic authorities have taken several measures trying to avoid an economy overheating and stop the inflationary pressures.

On the other hand, the country risk perception has decreased substantially, which has encouraged the capital flows to the emerging economies, so this has increased the foreign direct investment.

The increase of the intervention rates of the Central Bank was oriented to show down the consumption and the credit and therefore, the added demand. For 2008, the Economic Commission for Latin America (ECLA) predicts a GDP growth near to 5,5%, accompanied of restrictive monetary and fiscal policies.

In fiscal matters, in 2007 the objective of improving the public finances was reached. The favourable economic cycle contributed to an increase in the tax collection and the government cut the expenditures. The deficit of the consolidated public sector was reduced from 0,8% to 0,7% of GDP, while the primary surplus went from 3,8% to 3,6% of GDP. On the other hand, the National Central Government deficit was reduced from 4,2% in 2006 to 3,3% in 2007, keeping its declining tendency.

Additionally, the primary surplus was 1% of GD for 2007. For 2008, it was approved an austere budget in terms of expenditures and it is predicted a deficit of 1,4% of GDP for the consolidated public sector, as well as the stability of the National Central Government deficit.

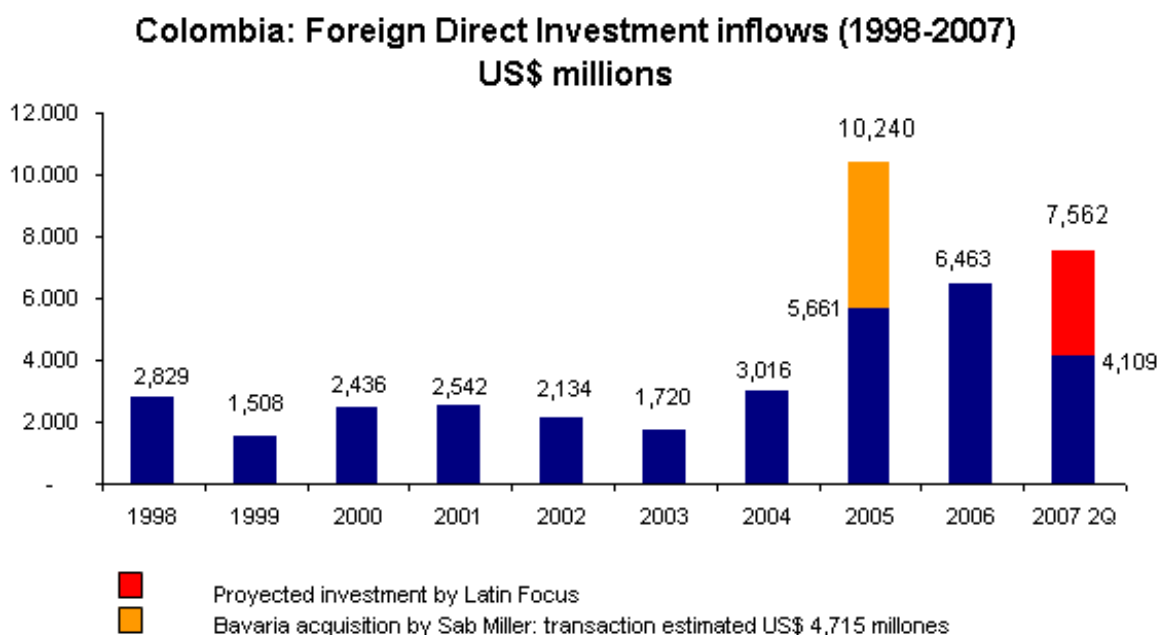
### Colombian economy strengths

- The economy is increasing its saving rate and the highest expenditure is concentrated in machinery investment and not in consumption anymore.
- A bigger share of the capital flows entitles to foreign direct investment, which has a more structural nature.
- Better position of international reserves.
- Lower private indebtedness
- Structural improvement of the financial sector
- Monetary policy dissuasive about demand increase
- Fiscal Policy more austere.

## Some Recent Strategic Alliances / Acquisitions

Foreign investment in Colombia has also increased significantly over the past decade. In 2005, Colombia received USD 10,252 million of FDI inflows, the highest figure in history and almost five times the average foreign investment in the past decade. This outstanding performance is the result of the country's macroeconomic results, competitiveness improvements, successful democratic security and defense policies and a favorable foreign investment regime. During 2007, the country received USD 9,040 million.

Between 2000 and 2007, foreign investment in Colombia increased on a compound average growth rate basis of 16.3%. Most of the investments were made in the manufacturing and mining sectors.



Source: Central Bank of Colombia

### Recent multimillion investment projects in Colombia

#### **Glencore International AG** (Switzerland)(2007)

Investment: US\$ 2,000 MM

Investment in Cartagena's Refinery

#### **Votorantim** (Brazil)(2007)

Investment: US\$ 490 MM

Acquired 52% of Acerías Paz del Río

#### **GE Money** (USA)(2007)

Investment: US\$228 MM

Acquired 39.29% of Banco Colpatría, a local bank US\$ 4,715 Million

## Domestic

Period: 2007

Business sector	% of GDP	Change from previous year	Value in USD m
Agriculture and livestock, forestry, hunting and fishing	10	-1	17.754,47
Mining and quarrying	6	0	10.903,32
Electricity, gas and water	4	0	6.476,57
Manufacturing	15	0	25.068,82
Construction	8	1	13.000,95
Commerce, restaurants and hotels	11	0	18.828,14
Transportation and communication	8	1	13.012,20
Financial, insurance, real state and service companies	14	0	24.182,69
Services	19	0	32.284,79
Financial intermediation services indirectly measured	4	0	7.501,64
Others	2	0	2.961,00
GDP	100		171.974

Source: DANE- Central Bank

## Imports

Period: 2007

Business sector	% of Exports	Change from previous year	Value in USD m	Main countries of origin
Mining sector	1,44	0,40	474	Canada, Chile, USA, Ecuador
Industrial Sector	93,38	-0,74	30.718	USA, EU, Ecuador, Belgium, Japan, Mexico
Foodstuffs and beverages	4,69	-0,04	1.544	USA, EU
Tobacco Products	0,07	-0,03	22	USA, EU, Canada
Textiles manufacturing	2,71	-0,22	893	Italy, Brazil, Chile, Venezuela
Clothes manufacturing	0,53	0,11	173	Mexico, USA, Venezuela, Germany, Ecuador, Peru, and Brazil
Leather and by-products; Footwear	0,86	-0,03	284	USA, Mexico
Wood industry	0,35	0,04	115	China
Paper, carton and its products	2,25	-0,08	739	Ecuador, Venezuela, Chile, China
Printing and edition activities	0,47	-0,07	156	Chile
Oil refining products manufacturing	1,65	-0,21	544	Ecuador, USA, Brazil
Chemical substances and products manufacturing	18,53	-1,65	6.097	USA, Germany, Ecuador, Belgium, Japan, Mexico, Peru
Rubber and plastic products manufacturing	3,24	-0,11	1.066	USA, Mexico
Other non methalic mineral products	1,17	-0,01	384	USA, Mexico
Basic methalurgic products manufacturing	8,15	0,48	2.680	USA
Metal products	1,64	-0,05	538	USA; Brazil
Machinery and equipment manufacturing	12,45	1,26	4.097	USA, Peru, Brazil
Office manichery manufacturing	3,08	-0,20	1.014	USA, Germany, Brazil, China
Electric machinery and devices manufacturing	3,06	0,21	1.005	USA, Brazil
Telecommunications equipment manufacturing	7,59	-1,04	2.496	Mexico, China, USA, Brazil
Medical devices manufacturing	2,94	-0,15	968	USA, Mexico, China
Vehicles manufacturing	11,67	0,99	3.839	USA
Other kind of transport manufacturing	4,65	0,00	1.530	USA, Korea, Venezuela, Japan, China
Furniture manufact. Manufact. industry	1,43	0,06	470	China, USA

Recycling	0,19	-0,01	62	Ecuador, Venezuela, China
Other sectors	0,08	-0,02	28	USA
Total Imports	100,00	0,79	32.897	USA, Austria, Taiwan; Mexico, China

Source: DIAN-DANE

## Exports

Period: 2007

Business sector	% of Exports	Change from previous year	Value in USD m	Main countries of destination
Agriculture and livestock, forestry, hunting and fishing	7,02	-0,61	2.105	USA, Mexico, Venezuela
Mining Sector	29,91	-0,49	8.971	USA, Mexico, Venezuela
Industrial sector	62,81	1,45	18.838	USA, Mexico, Venezuela, Germany, Ecuador, Peru
Foodstuffs and beverages	12,21	-0,09	3.663	Peru, Ecuador, Bolivia, USA
Tobacco Products	0,13	0,00	39	Spain, Argelia, USA, Mexico, France, Venezuela, Germany, Luxemburg
Textiles manufacturing	2,91	0,85	872	USA, Peru, Ecuador, Bolivia
Clothes manufacturing	3,66	0,32	1.099	USA, Venezuela
Leather and by-products; footwear	1,55	0,57	464	USA, Venezuela
Wood industry	0,24	0,05	71	USA, Venezuela, Dominican Republic, Peru
Paper, carton and its products	1,68	0,06	504	Austria, Venezuela, Ecuador, Costa Rica
Printing and edition activities	0,98	0,00	293	Peru, Ecuador, Venezuela
Oil refining products manufacturing	6,48	-1,30	1.942	USA, Venezuela
Chemical products and substances manufacturing	7,23	-0,17	2.169	Venezuela, Ecuador
Rubber and plastic products manufacturing	2,30	-0,03	690	USA, Venezuela
Other non methalic mineral products	2,01	-0,11	604	USA, Venezuela, Ecuador
Basic methalurgic products manufacturing	10,98	-0,15	3.293	EU, USA, Peru, Ecuador, Bolivia
Metal products	1,17	0,06	350	China, Korea, Taiwan
Machinery and equipment manufacturing	1,54	0,21	463	Venezuela, Mexico, Ecuador, USA, Ecuador, USA
Office machinery manufacturing	0,04	-0,01	13	
Electric machinery and devices manufacturing	1,43	0,32	430	
Telecommunications equipment manufacturing	0,14	-0,04	43	USA, Ecuador, Venezuela, Costa Rica
Medical devices manufacturing	0,25	-0,01	74	Bolivia, Peru
Vehicles manufacturing	3,78	0,71	1.135	Venezuela
Other kind of transport manufacturing	0,55	0,04	164	Venezuela
Furniture manufacturing, manufacturing industry	1,42	0,16	426	USA, Venezuela, Dominican Republic, Peru
Recycling	0,12	0,03	37	USA, Mexico
Other Sectors	0,26	-0,35	77	USA, Thailand, Hong Kong, Japan Venezuela
Total Exports	100,00	0,8	29.991	

Source: DIAN- DANE

## Promotion opportunities

- **Trade fairs**

Trade fairs calendar in Bogota can be found on the internet at [www.corferias.com](http://www.corferias.com). Corferias is the leader in the organization and accomplishment of tradeshow, a business association whose main shareholder is the Chamber of Commerce of Bogota. More than 30 events are held every year gathering around 6,500 exhibitors and more than 1.000.000 visitors from all over the world. Due to its outstanding performance for 54 years, Corferias has been consolidated as Latin America's best seller window. (For more information see under OSEC module Trade Fairs)

- **Daily News papers**

**El Tiempo:** [www.eltiempo.com.co](http://www.eltiempo.com.co): in Spanish. The major daily news paper in the country

**El Espectador:** [www.elespectador.com](http://www.elespectador.com): In Spanish. Daily news paper

**Portafolio:** [www.portafolio.com.co](http://www.portafolio.com.co): in Spanish. Business and Economy daily newspaper

**La República:** [www.larepublica.com.co](http://www.larepublica.com.co): in Spanish. Economical news paper.

- **Magazines**

**Semana:** [www.semana.com.co](http://www.semana.com.co): in Spanish.

**Cambio:** [www.cambio.com.co](http://www.cambio.com.co): in Spanish

**Dinero:** [www.dinero.com.co](http://www.dinero.com.co): In Spanish

### Further information and links

- **Associations**

Analdex: (Colombian Foreign Trade Exporters Association) [www.analdex.org](http://www.analdex.org)

Fenalco: (Colombian National Traders Association). [www.fenalco.org.co](http://www.fenalco.org.co)

Andi: (National Industrial Association): [www.andi.org.co](http://www.andi.org.co)

Acopi: (Small and Medium Companies Association): [www.acopi.org.co](http://www.acopi.org.co)

- **Governmental Entities**

Ministerio de Comercio, Industria y Turismo (Foreign Trade, Industry and Tourism Ministry). [www.mincomercio.gov.co](http://www.mincomercio.gov.co)

Proexport: [www.proexport.gov.co](http://www.proexport.gov.co)

Bancoldex: [www.bancoldex.gov.co](http://www.bancoldex.gov.co)

Banco de la República: (Central Bank) [www.banrep.gov.co](http://www.banrep.gov.co)

DANE (National Statistics Department) [www.dane.gov.co](http://www.dane.gov.co)

DNP (National Development Department) [www.dnp.gov.co](http://www.dnp.gov.co)

Segurexpo: [www.segurexpo.com](http://www.segurexpo.com)

### Other Links

Colombian Exporters Electronic Directory: [www.colombiaexport.com](http://www.colombiaexport.com)

Economy and foreign trade website: [www.businesscol.com](http://www.businesscol.com)

Also see under OSEC module: Basic Addresses.

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