

CAPTURE THE OPPORTUNITY IN COLOMBIA

BUSINESS SWEDEN

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Bogota

COLOMBIA – AMONG THE FASTEST GROWING ECONOMIES IN THE REGION

EXECUTIVE SUMMARY

- ▶ Colombia has a privileged geographical location between Central and South America thus easily functioning as a connecting hub between numerous markets.
- ▶ The economy has been growing at stable rates on average 4% of GDP growth in the past 6 years.
- ▶ In 2014, Colombia was the second fastest growing economy in the region at 4.6% in terms of GDP growth, right after Panama with 6.2%. Construction was the fastest growing sector in the Colombian economy stimulated by several governmental development programs.
- ▶ Colombia ranked first in South America in regards to ease of doing business after a leap of 19 places between 2014 and 2015. The main advances were made in registering property and obtaining credit. The overall safety in the country has improved in the past 8 years. Peace talks between the government and leftist guerrillas started in 2012.

BUSINESS SWEDEN IN COLOMBIA

Business Sweden's office in Colombia has broad knowledge of the Colombian market and in particular within industries of significant interest to Swedish companies. Our staff has extensive experience in promoting Swedish-Colombian business relationships and growth.

In recent years, we have supported business activities to promote Swedish companies in the most dynamic sectors in Colombia such as healthcare, transport systems, infrastructure and energy.

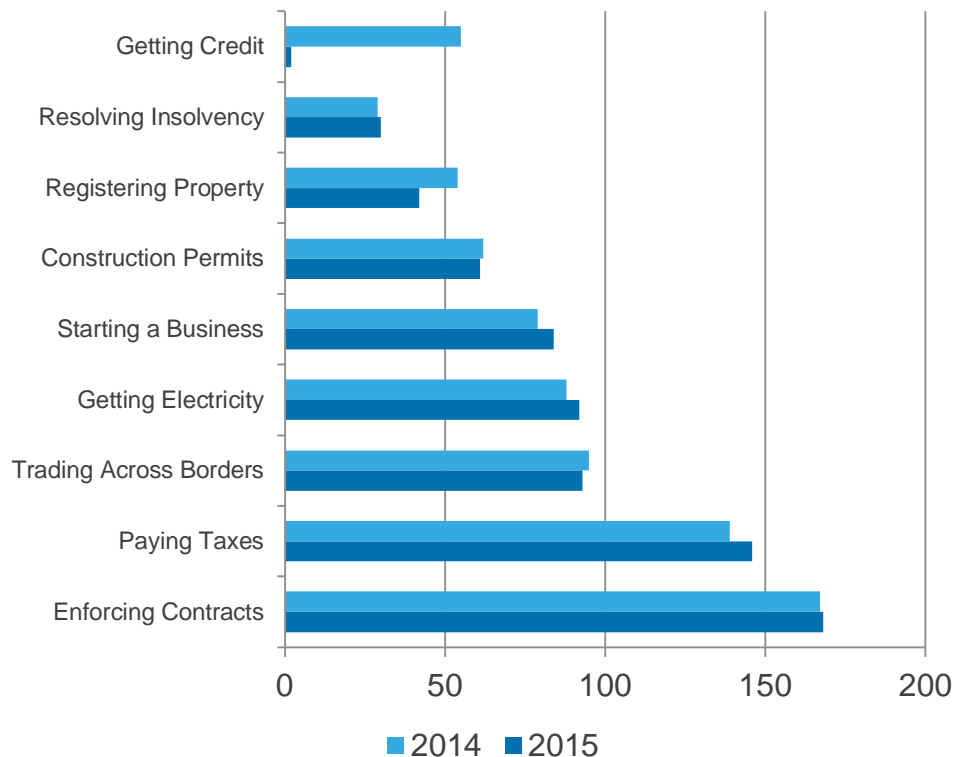
Colombia is an important player in Latin American economy with lucrative opportunities for investment and market development in the above sectors and will continue to be one of the fastest growing economies in the region.

Erik Alarik
Country Manager, Colombia

COLOMBIA RANKED FIRST IN SOUTH AMERICA IN REGARDS TO EASE OF DOING BUSINESS

- OVERALL INTERNATIONAL RANK 34 IN 2015: CHANGE SINCE 2014 +19 SPOTS

EASE OF DOING BUSINESS
(INDEX VARIABLES, COMPARISON 2014 TO 2015)



COLOMBIAN BUSINESS CULTURE

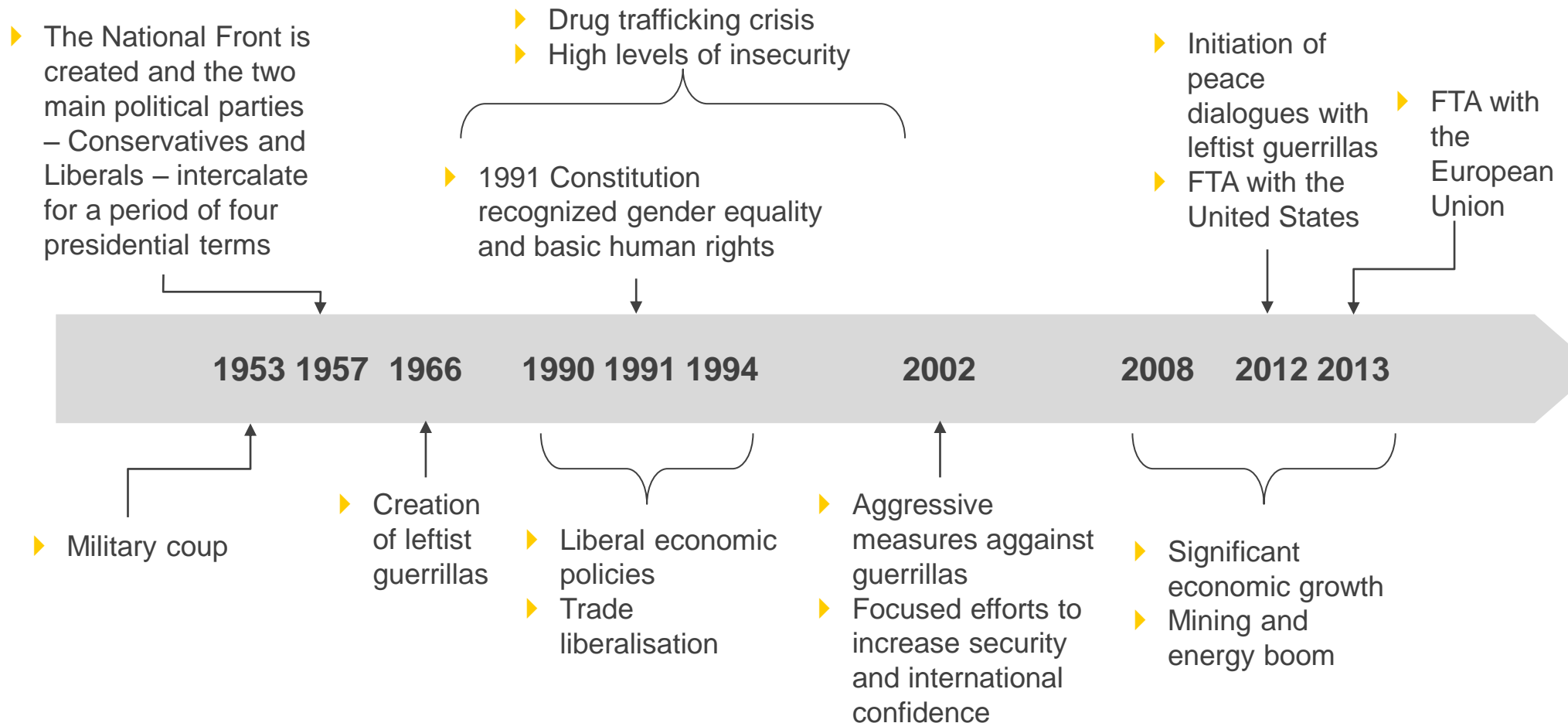
- ▶ The Colombian business climate has benefited due to pro-business regulatory reforms that have reduced the red tape, increased openness to foreign trade and investment, and improved macroeconomic stability
- ▶ Some aspects weighing on competitiveness are high total tax rates, generally weak infrastructure and the relatively poor quality of the educational system
- ▶ Colombia's capacity for innovation remains limited, which adversely impacts productivity levels
- ▶ The country has open policies towards trade (several FTAs) and foreign direct investment (FDI)
- ▶ Major improvements in violence and corruption have taken place over the last decade providing increased stability in the country. Peace process is in progress

MAJOR ADVANCES WERE MADE IN REGISTERING PROPERTY AND GETTING CREDIT

SOURCE: DOING BUSINESS WORLD BANK



MAIN POLITICAL AND ECONOMIC EVENTS



SOURCE: BANCO DE LA REPUBLICA, SEMANA



REGIONAL HUB FOR INTERNATIONAL TRADE

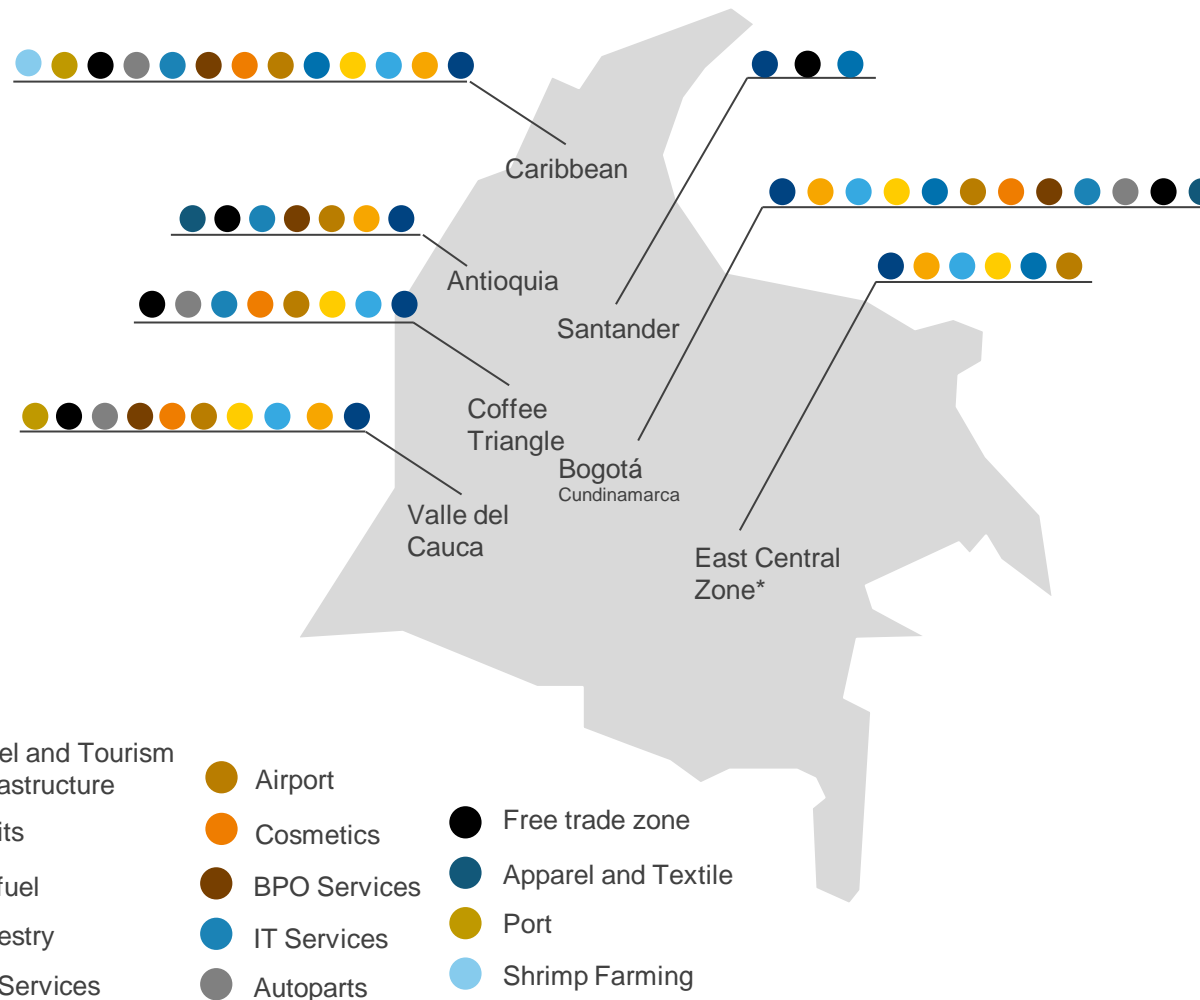


ABLE TO TRADE WITH LARGE MARKETS AS UNITED STATES, BRAZIL AND MEXICO



INVESTMENT OPPORTUNITIES

INVESTMENT GEARED MAINLY TO TRANSPORT AND HEALTHCARE SINCE THE OIL AND MINING SECTOR IS STAGNANT



SOURCE. PROCOLOMBIA, MAPA DE OPORTUNIDADES DE INVERSION EN COLOMBIA

Investment in Colombia

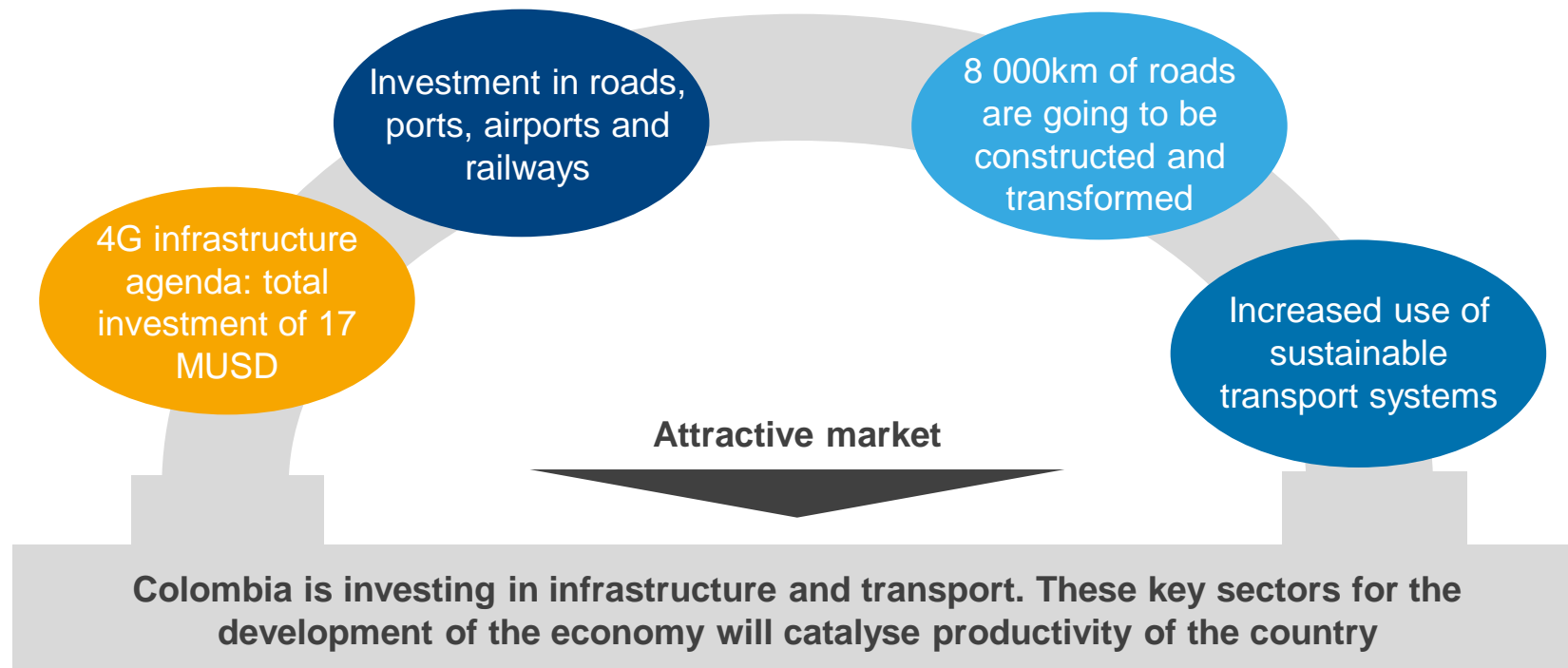
- ▶ The oil and mining sector experienced a boom between 2008 and 2014, unclear panorama for the coming years
- ▶ The opportunities are concentrated to the north and central part of the country
- ▶ Foreign Direct Investment in hotel and tourism infrastructure has increased 235% in the last 4 years (2010-2014) as a result of governmental incentives
- ▶ The number of vehicle units exported from Colombia has risen fivefold since 2009 after several assembling companies establishing in the country
- ▶ Colombia is the fifth largest market for cosmetics in Latin America. Sales increased at an average annual rate of 6.9% between 2000 and 2013

* CITIES: ARAUCA, FLORENCIA, LETICIA, MOCOA, PUERTO CARREÑO, SAN JOSE DEL GUAVIARE, VILLAVICENCIO AND YOPAL



INFRASTRUCTURE AND TRANSPORT ARE CRUCIAL ENGINES TO DRIVE THE COLOMBIAN ECONOMY

THE GOAL OF THE GOVERNMENT DEVELOPMENT PLAN IS TO CREATE CONNECTIVITY AND INCREASE COMPETITIVENESS



HISTORICAL LEVELS OF INVESTMENT IN INFRASTRUCTURE WILL TAKE PLACE IN THE COMING 5 YEARS

SOURCE: ANI, MINISTRY OF TRANSPORT

COLOMBIA'S STABILITY ATTRACTS FOREIGN COMPANIES

COLOMBIA HAS NUMEROUS FREE TRADE AGREEMENTS WITH PARTNERS ALL OVER THE WORLD



Year	Trade agreements in effect
2013	FTA with the European Union
2012	FTA with the United States
2012	FTA with the Pacific Alliance*
2011	FTA with EFTA**
2010	FTA with El Salvador- Guatemala- Honduras
2009	FTA with Chile
2004	CAN***- Mercosur
1995	FTA with Mexico

SOURCE: PRESIDENCIA DE LA REPUBLICA DE COLOMBIA, INTER-AMERICAN DEVELOPMENT BANK, WORL BANK,

*PACIFIC ALLIANCE-MEXICO, CHILE , PERU, COLOMBIA

**EFTA: EUROPEAN FREE TRADE ASSOCIATION,

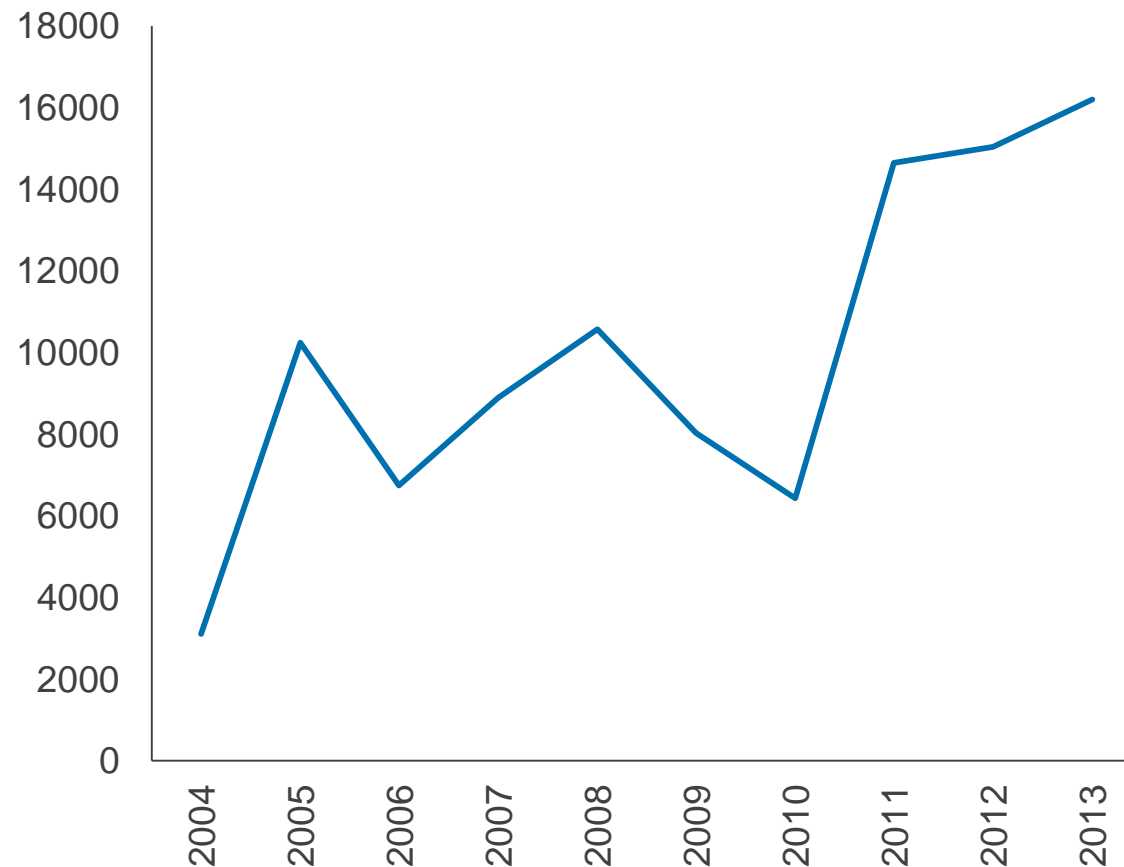
***CAN TRADE BLOC OF BOLIVIA, COLOMBIA, ECUADOR AND PERU



IN THE LAST THREE YEARS, COLOMBIA'S FDI HAS INCREASED FIVEFOLD

THE INFLOW OF FOREIGN DIRECT INVESTMENT

Million USD



SOURCE: PROCOLOMBIA

FDI IN COLOMBIA

Between January and September 2014:

- ▶ United States, Spain and Switzerland concentrated the 40% of the FDI flow
- ▶ Spain, Peru and Canada were the countries with the highest growth of FDI
- ▶ Sectors other than mining and energy represented 54.3% of the FDI in Colombia

LARGEST SECTORS OF FDI INFLOW

- ▶ Construction
- ▶ Electricity, gas and water supply
- ▶ Transport
- ▶ Logistics
- ▶ Communications



SOME OF THE LARGEST SWEDISH COMPANIES ARE PRESENT IN COLOMBIA



SCA



Millicom International Cellular S.A.



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