



Proexport Colombia promotes the colombian exports, the foreign investment and the tourism to Colombia.

December 17, 2007

Invest in Colombia

"Our work team, most of it formed by Colombians, has an amazing level of entrepreneurial and managerial spirit within quality standards that can easily be compared to the best standards of the world."

Luis Bernardo Fitero, President BBVA Colombia

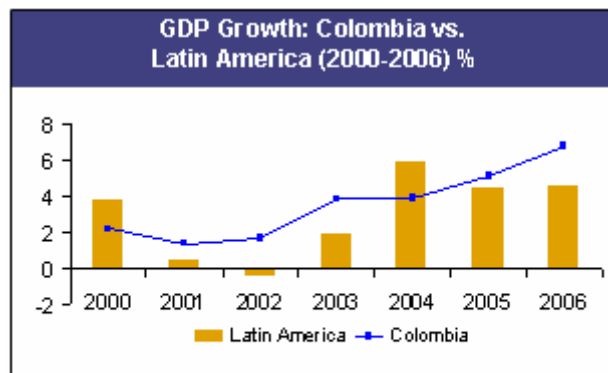
Recently, some of the most important publications of the world such as the New York Times, the British newspaper The Guardian, the special issue of swimsuits of Sports Illustrated and the travel guide Lonely Planet, have given special attention to the new image Colombia is projecting to the world.

This shift of perception is based on true facts such as the economy growth and the political and economic stability of the country added to the improvement in the security levels, and has produced a positive reaction on the image the Country portrays all over the world. These publications invite investors and tourists to visit the country and to enjoy the multiple attractions Colombia has to offer.

1. Macroeconomic Stability

Colombia is one of the most stable economies in Latin America, as shown by its above average steady economic growth that last year reached 6.8%.

Macroeconomic indices also reflect the country's stability. The inflation rate has been substantially reduced over the last few years to reach 4.5% in 2006. Foreign debt has been reduced by more than 20% of the GDP in the past few years. In 2002, foreign debt accounted for 51% of the GDP and 30.6% in 2006.



Source: CEPAL, DANE

2. Political Stability

Colombia is known as the Latin American oldest and most stable democracy. All presidents have been elected democratically, except for a short period, between 1953 and 1957, when there was a military dictatorship. According to the World Competitiveness Yearbook 2006, Colombia ranks number-one in the Latin American region in terms of consistent and transparent government policies. President Alvaro Uribe Vélez was reelected for a second term in office (2006-2010) with over 62% of the total votes. This shows the consistency of government policies supported by the majority of the population. (Proexport Page)

3. Foreign investors' trust in Colombia

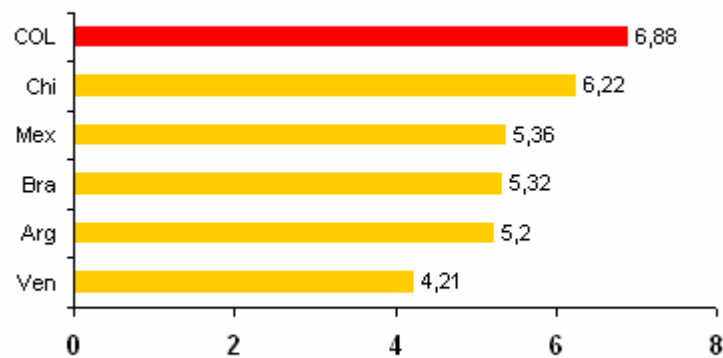
- Foreign direct investment has grown significantly; in 2006 it stood at US\$ 6,295 million
- More than 700 multinational companies have investments in Colombia. Of note among them are Procter & Gamble, Johnson & Johnson, 3M, SABMiller, Telefonica and Nestle
- Recently, other multinational companies such as Falabella, Millicom Internacional Celular and Glencore have put their vote of confidence in Colombia
- The country provides investors with the possibility of entering into 3- to 20-year legal stability agreements which ensures that rules related to investment determinants will remain unchanged and will continue to apply for the duration of the agreement

4. Competitive and highly qualified human resources

Colombia's workforce is considered to be the best within the Andean Community, and one of the most qualified, at management level, in Latin America. The literacy rate in Colombia is 94.2%, one of the highest rates in Latin America.

According to the World Competitiveness Yearbook, Colombia ranks number one among the leading economies in Latin America in terms of availability of skilled labor and ranks second in terms of qualified managers.

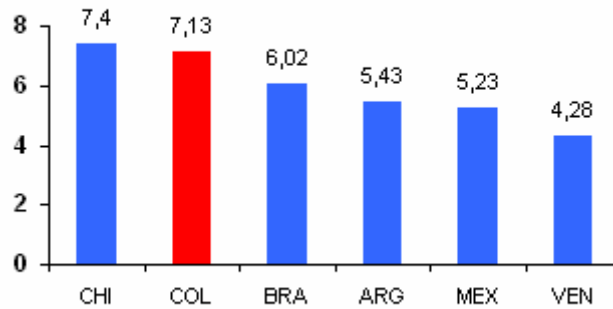
AVAILABILITY OF QUALIFIED WORKERS



Source: World Competitiveness Yearbook, 2006 - 2007

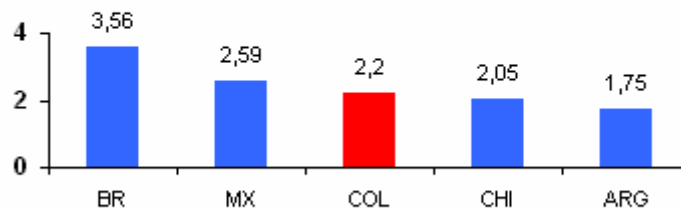
Salaries on Service sectors and hourly wages for the manufacturing sector are highly competitive when compared to other developing and developed countries.

QUALIFIED MANAGERS



Source: World Competitiveness Yearbook, 2006 - 2007

HOURLY WAGES FOR WORKERS OF THE MANUFACTURING SECTOR (SALARIES + BENEFITS)



Source: World Competitiveness Yearbook, 2006 - 2007

5. Flexible labor system

Colombia has one of the most flexible labor systems in Latin America.

- The extended workday from 6:00 a.m. to 10:00 p.m. enables the employer to hire two working shifts without having to pay overtime or night surcharges.
- Companies may hire internship students from the National Learning Service (SENA in Spanish) through a special service rendering contract with no labor ties, so that the employer does not have to pay social benefits.
- Reduced compensation for wrongful termination of employment. (Proexport web site)

6. Strategic Location

Colombia is strategically located at a middle point between North and South America.

- Colombia has coastlines on both the Atlantic and Pacific Oceans and has a modern port infrastructure.
- Easy access to North American, European, Asian and Latin American markets.
- Colombia is in the same time zone as the East Coast of the United States which is an advantage compared to other countries as it facilitates Call-Center activities and Business Process Outsourcing (BPO) from Colombia to the entire continent.



7. Export Platform and Privileged Access to World Markets

Thanks to various Free Trade Agreements (FTA) and some unilateral tariff preferences, Colombia has access to a 1.2 billion-people market:

Free Trade Agreements

- FTA with the United States, currently under ratification
- FTA Colombia - Chile
- FTA Colombia – Central America (Honduras, Guatemala and El Salvador)

Preferential Tariffs

- With the United States: ATPDEA
- With the European Union: SGP Plus
- Andean Community of Nations -CAN (Colombia, Bolivia, Ecuador and Peru)
- G-3 (Colombia and Mexico)
- CAN-MERCOSUR
- Colombia - CARICOM

8. Special Foreign Trade System

- 10 duty-free zones that provide customs, exchange and fiscal benefits
- New law for single company duty-free zones to encourage foreign trade, providing tax incentives
- Incentives for large exporters
- Special import/export systems
- More information in the following link: <http://www.proexport.com.co/vbecontent/NewsDetail.asp?ID=7985&IDCompany=22>

9. Multiple development poles

With a population of over 41 million, Colombia has the third largest population in the region:

- 1 city with population over 7 million
- 3 cities with population over 2 million
- 4 cities with population over 500,000
- 23 cities with population over 100,000

10. Infrastructure and Communications

- 6 seaports on the Caribbean and 2 seaports on the Pacific Ocean
- 5 international airports
- 91% of the national roads are paved
- Access to 3 submarine communication cables, which ensures stable and reliable communications
- Two additional submarine cables will be put in service. One in the second half of this year, and the other one in the first half of next year.

Some of these multinational companies operating in Colombia are:

- Citibank 
- Gas Natural 
- Nestlé 
- Carrefour 
- Unilever 
- Bayer 
- ExxonMobil 
- Siemens 

- Renault



- Dupont



- BBVA



- Cemex



- América Móvil



- Telefónica



[Go to Foreign Investment Guide 2006](#)

[Go to Legal Framework 2007](#)