

# A new path for Colombia: opportunities and challenges



Libertad y Orden



**Clemencia Forero-Ucros, Ambassador, Embassy of  
Colombia in Australia**

Ministerio de Relaciones Exteriores República de Colombia

13/06/2015

# Colombia



**Location:** North Corner of South America.

**Surface Area:** 1,141,000 Km<sup>2</sup>

**Population:** 47'154.530 (2012) Million

**Capital:** Bogotá (8 Million inhabitants)

**GDP (total)** US\$ 369.5 billion (2012)

It is the third largest economy in Latin America.

**GDP Growth Rate:** +4.6% (2014)

**Controlled Inflation:** 3.66% (2014)

**FDI (2014)** US\$16,053 million

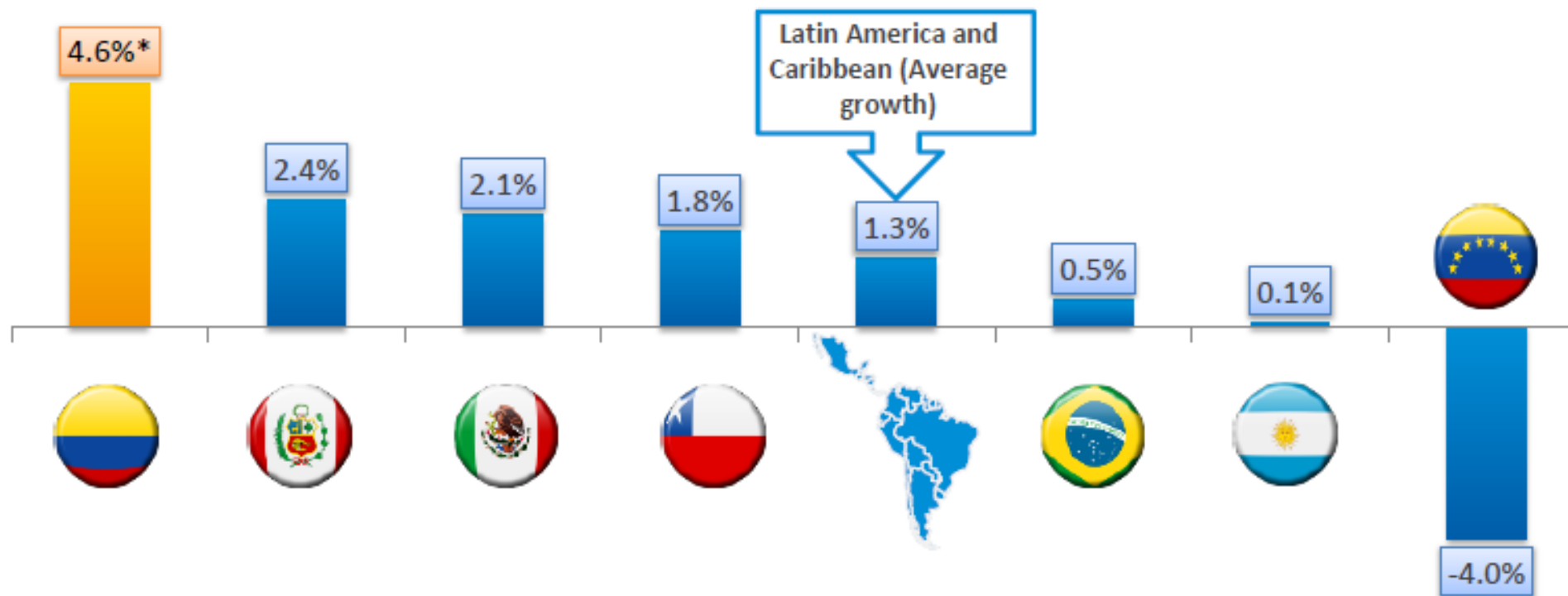
**System of Government:**

Presidential Republic. Balance of powers between executive, legislative & judicial branches.

# The highest growth in 2014 among Latam's major economies



Gross Domestic Product Growth, 2014



Colombian growth drivers according to OECD

- High investment in housing and infrastructure (12% growth)
- Growth in private consumption (4.6%)
- Solid labor market
- Public expenditure

# Attraction of foreign direct investment



Term                      Rating                      Perspective



Long Term – Foreign currency                      BBB                      Stable



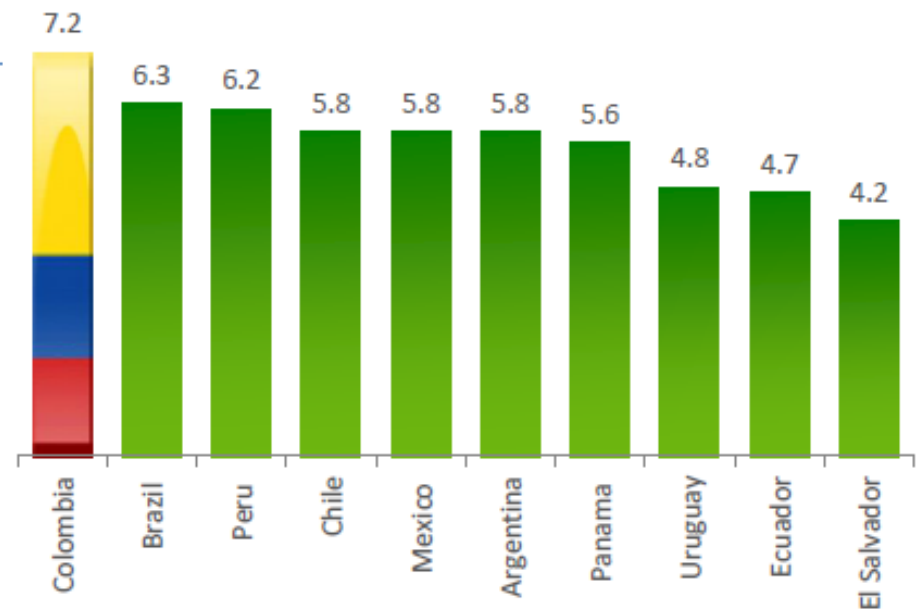
Long Term – Foreign currency                      BBB                      Stable



Long Term – Foreign currency                      Baa2                      Positive

**Colombia is the leader in terms of Investor Protection in the region and 10<sup>th</sup> worldwide**

Investment Protection Index  
Doing Business - 2015



**Colombia, an investment-grade country with positive outlook in 2014**

# Colombia was officially invited on May 2013 to initiate the process to become full member of the OECD



OECD Investment Policy Review (February, 2012) recognizes Colombia's progress in pursuing policy reforms to promote investment liberalization and improving the business climate




As an adherent to the Declaration, Colombia:

**I** Commits to treating foreign investors in the same way as domestic investors and to promoting responsible business conduct, in line with the Guidelines for Multinational Enterprises

**II** In turn, the country benefits from similar and fairly treatment from other adherents.

**III** Colombia's adherence provides further international support for the principles of sound investment policy and corporate responsibility laid down in the Declaration.

"The review examines Colombia's achievements in developing an open and transparent investment regime and its efforts to reduce restrictions on international investment" *OECD*

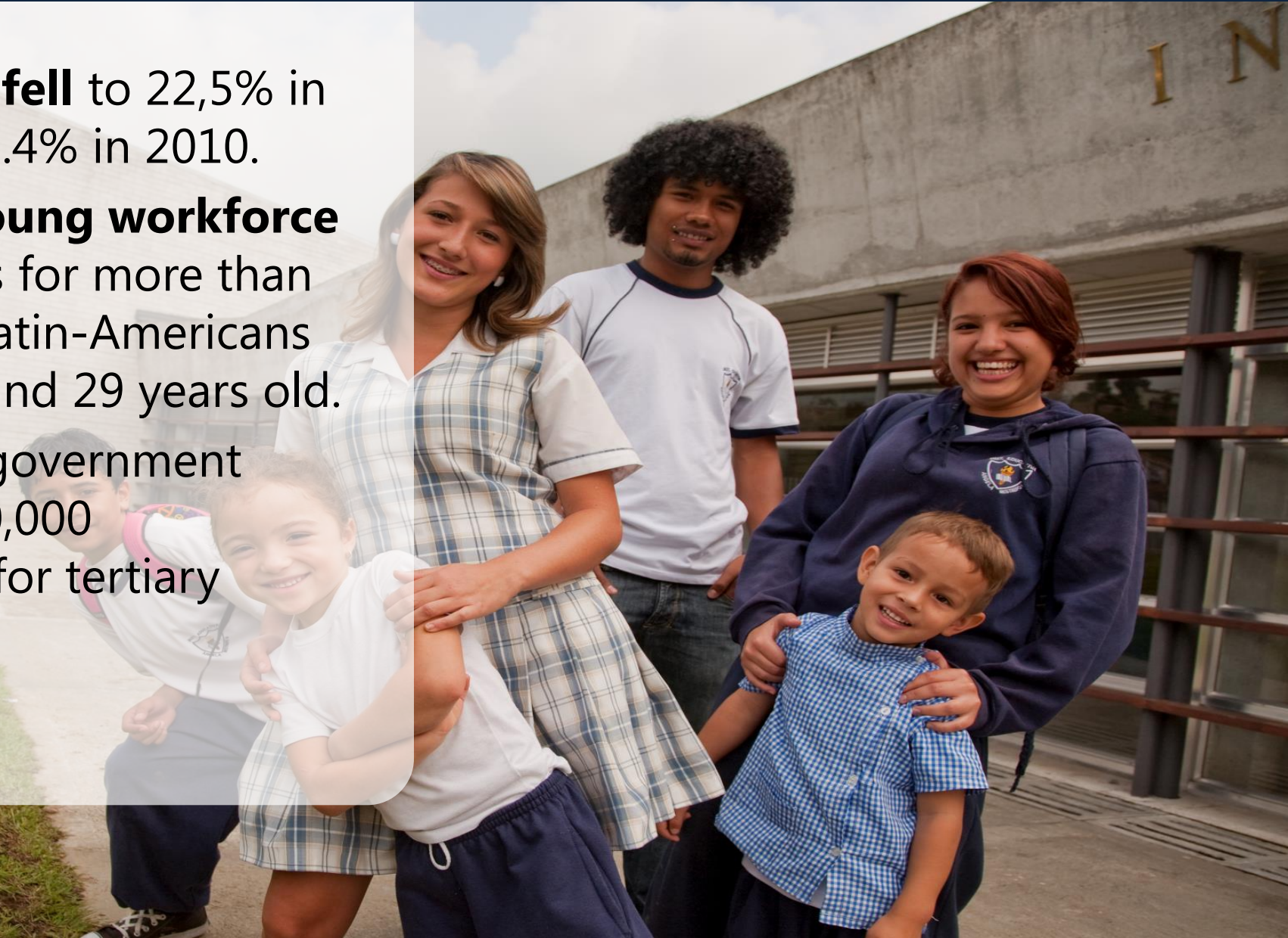


“Macroeconomic stability and free trade have no use for us if they do not result in the reduction of social gaps and income opportunities, more employment opportunities and quality of life for our people”.

President of the Republic of Colombia  
**Juan Manuel Santos**

# Social success story

- **Poverty** rate **fell** to 22,5% in 2014 from 30.4% in 2010.
- We have a **young workforce** that accounts for more than 150 million Latin-Americans between 15 and 29 years old.
- In 2014, the government supported 10,000 scholarships for tertiary education.



# Peace and reconciliation



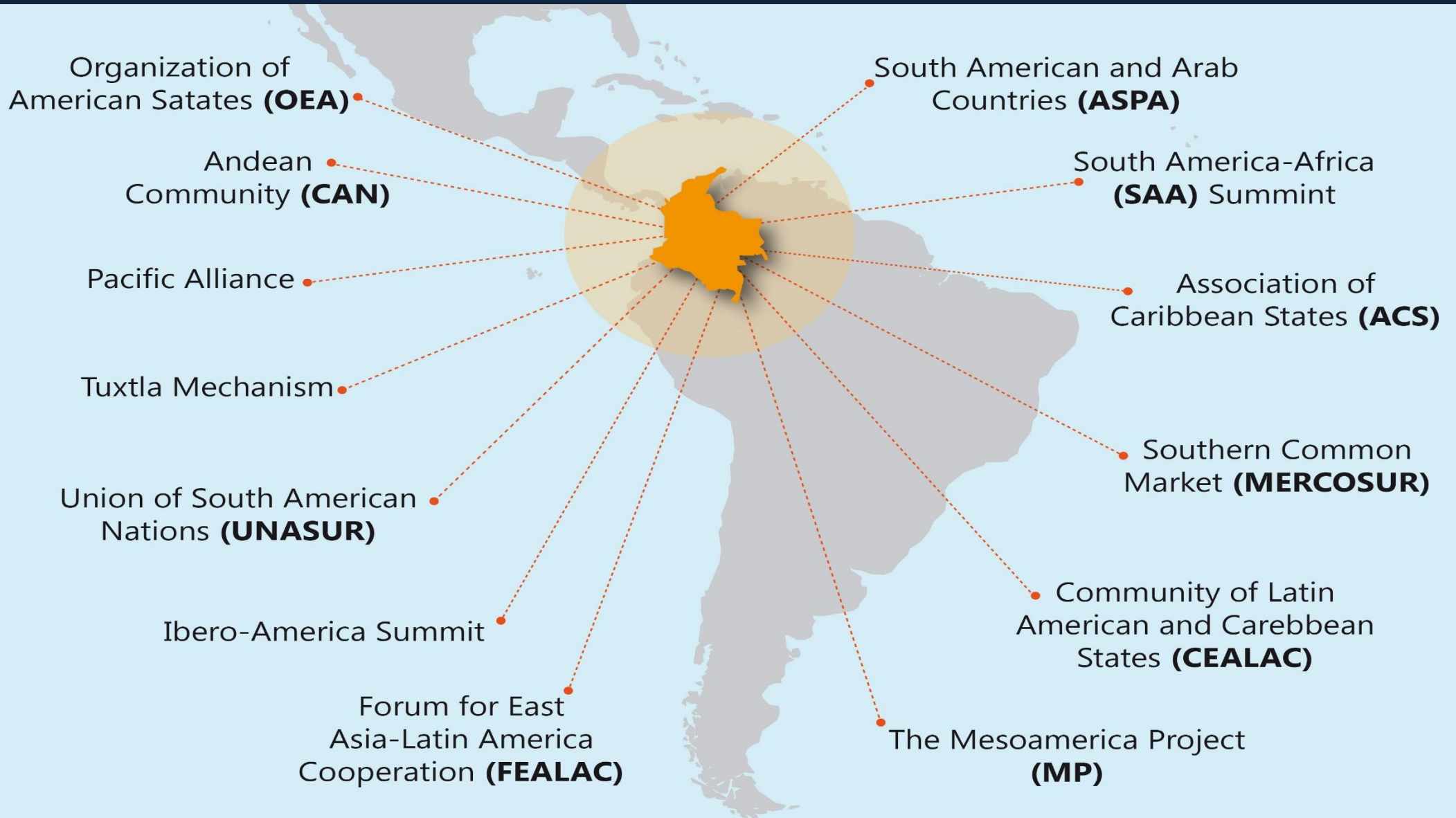
“And I must confess before you that for me, as the head of the government, it would have been easy to continue moving forward on the path we were following and leave the conflict unresolved. Because waging war is easier than seeking peace”.

President Santos, 68<sup>th</sup> UN General Assembly, NY, 2013

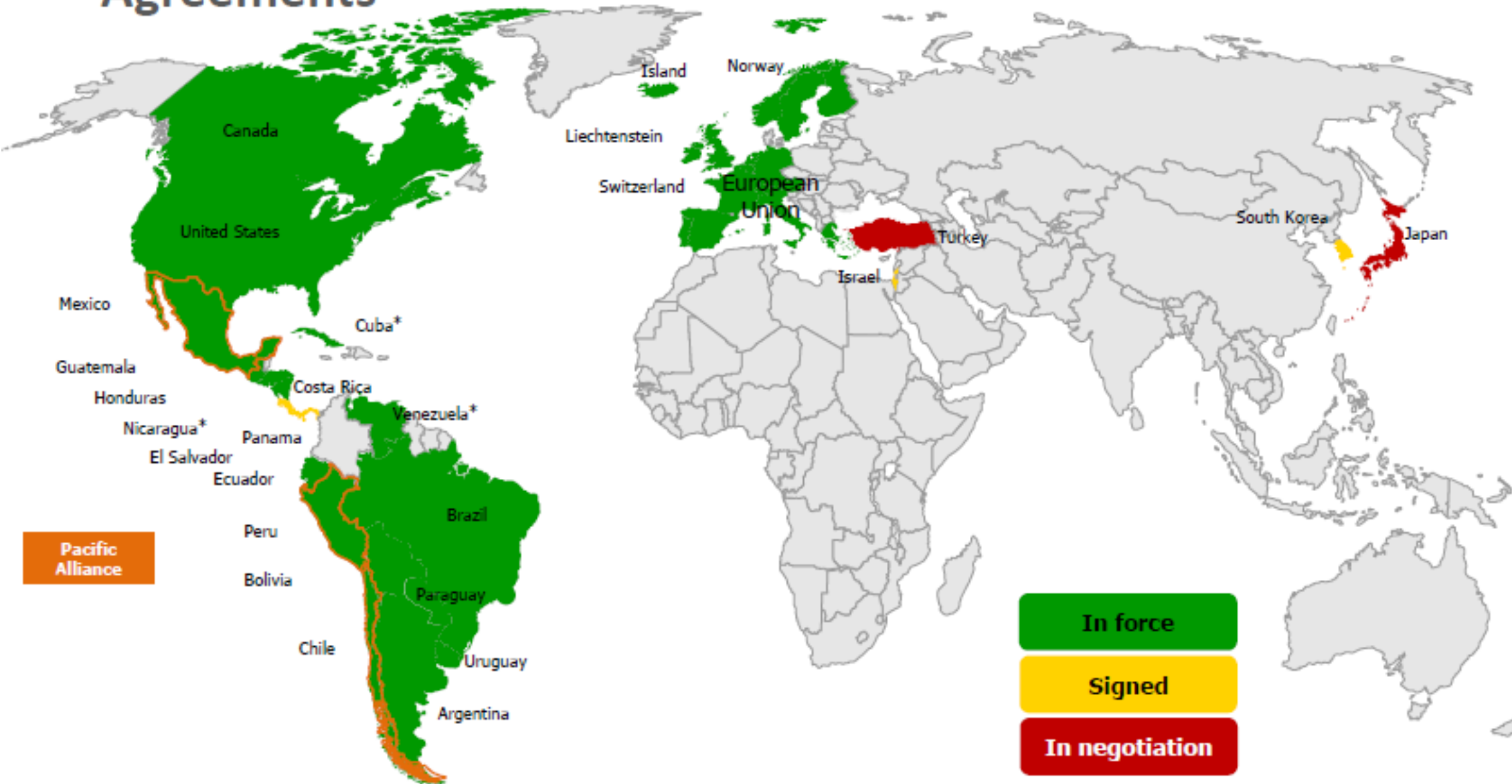




# Foreign policy: regional Mechanisms



# Colombia has access to more than 45 countries and 1,500 million consumers through its network of Trade Agreements

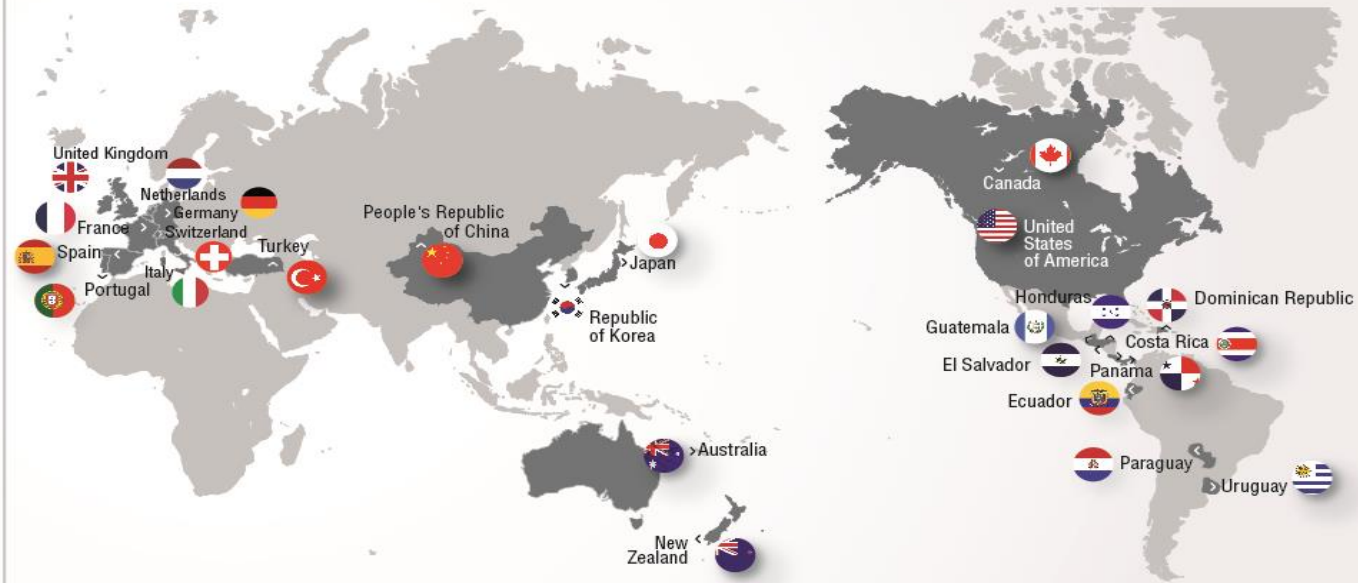


# Deeper integration: The Pacific Alliance

## Member States The Pacific Alliance



## Observer States The Pacific Alliance





# The Alliance as an economic bloc

## The Pacific Alliance

 **210** MILLION  
Total population (2012 est.)

 Unemployment rate was **5.8%**

 Average inflation in 2012 was **3.8%**

**GDP**  
 **4.3%**  
GDP growth in 2012  
About **USD 14.712**  
GDP per capita (2012)  
Source: ECLAC

 CULTIVATED LAND (2011)  
**185** MILLION hectares  
LAND for crops and permanent crops (2011)  
**39** MILLION hectares

## Trade

Exports 2012  
**USD 555,641**  
MILLION

Imports 2012  
**USD 560,338**  
MILLION  
Source: WTO

 **FDI** (2012 est.)  
Foreign Direct Investment  
**USD 71,045**  
MILLION  
Source: ECLAC

## TOURISM 2012

**32 MILLION**  
tourists visited the member countries



# Colombia-Australia Partnership

Colombia's mining sector needs to **improve** its **competitiveness** and to **build mining supply chains**.

**Australia has world-class technology and service providers.**

Colombia is promoting **responsible mining** in accordance with the **world's best practices**,

**Australia has developed a sustainable mining model:**

**Environmental protection**

**Engagement with aboriginal communities**

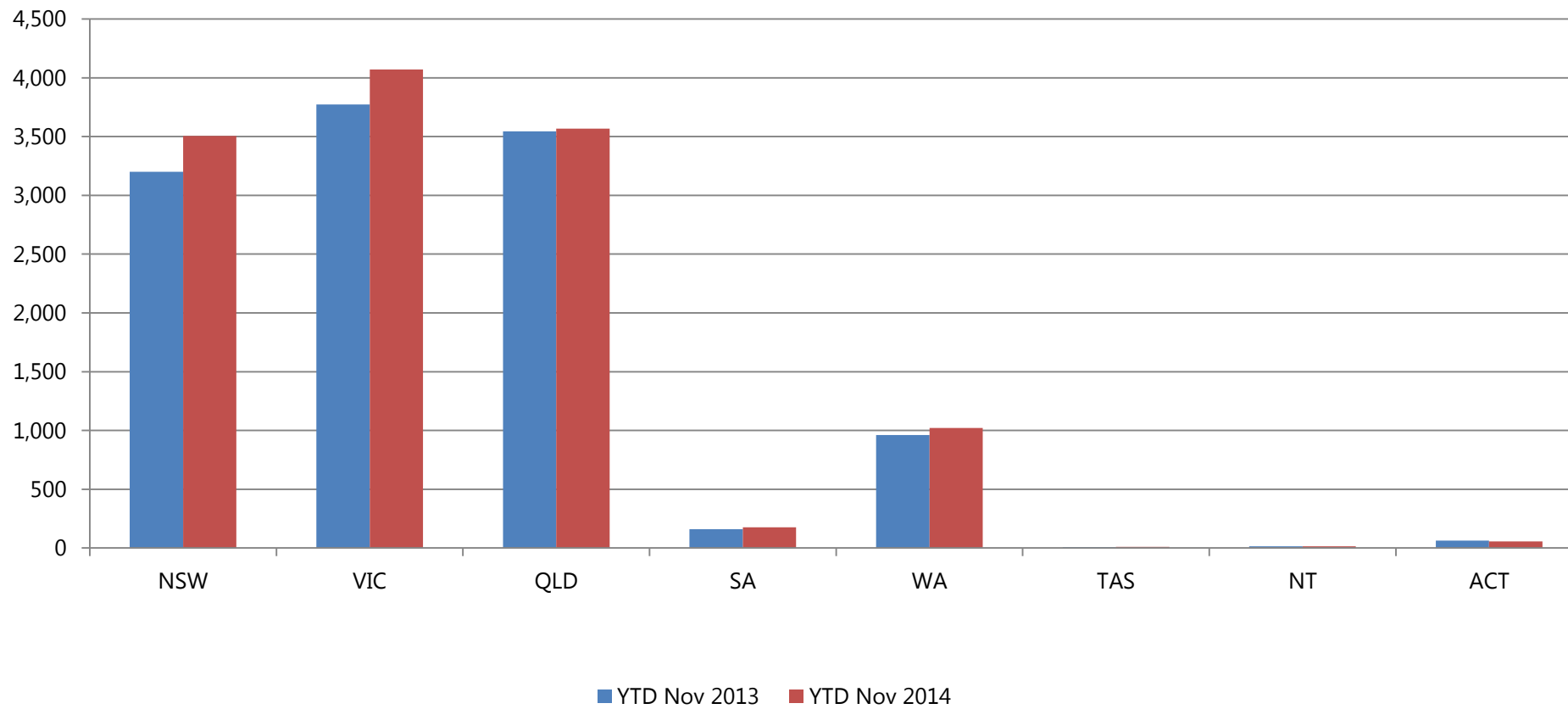
**Mining clusters**



# Colombia with the second largest number of students from Latin America



### Enrolments from Colombia in Australia

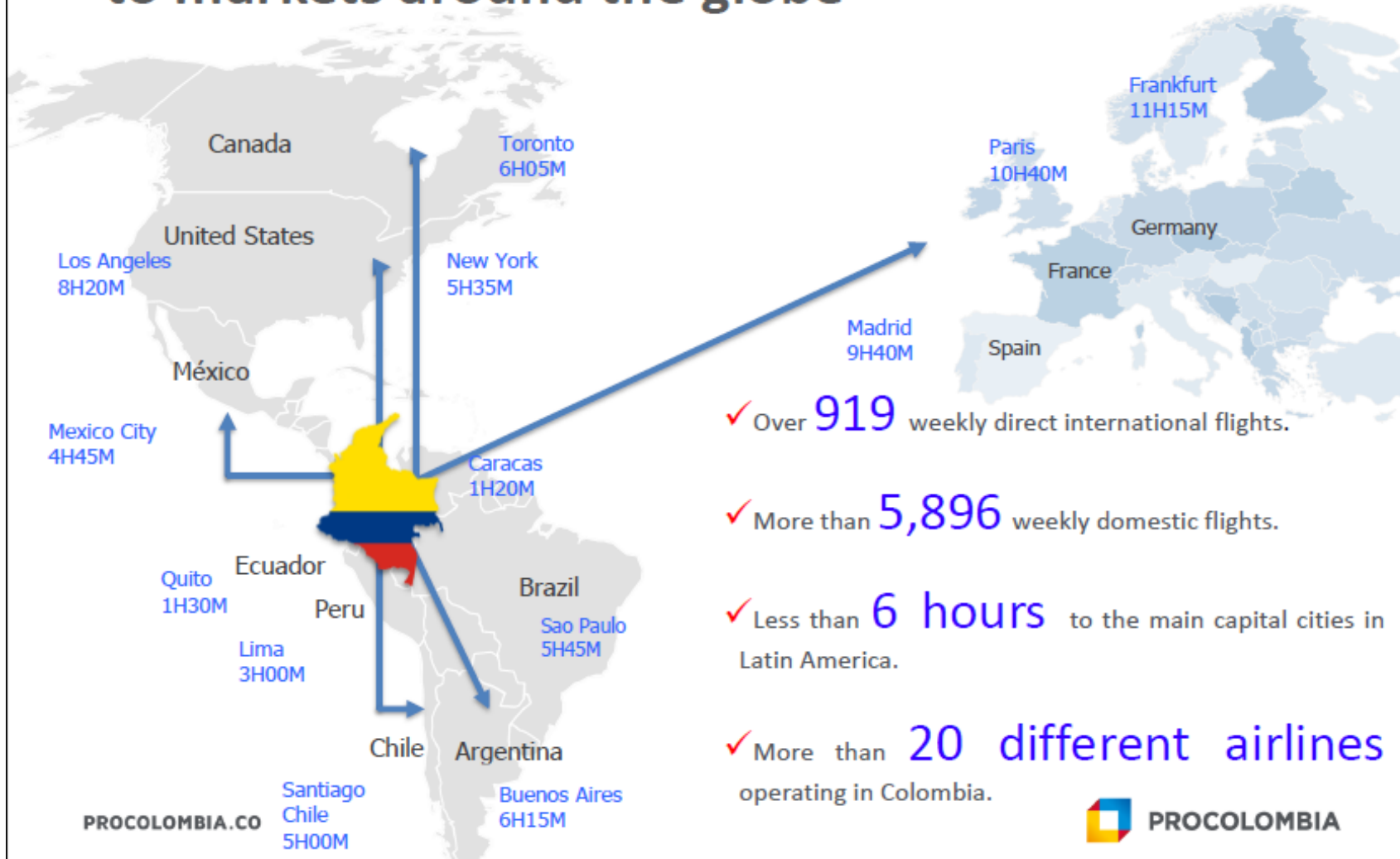


Source: Department of Education and Training International Student Data, Australian Government

# Connectivity: an issue with Australia



A competitive location with easy access to markets around the globe



- ✓ Over **919** weekly direct international flights.
- ✓ More than **5,896** weekly domestic flights.
- ✓ Less than **6 hours** to the main capital cities in Latin America.
- ✓ More than **20** different airlines operating in Colombia.

# CATTLE FARMING IN COLOMBIA

## Represents:

- **53%** of livestock farming GDP
- **20%** of agricultural GDP
- **1.3%** of national GDP
- Generates **950,000 jobs**
- 12th livestock inventory in the world (23 million)
- **12th** milk-producing country
- **10th** meat-producing country
- Covers **39** million hectares
- High potential for growth

**According to the World Bank agriculture in Colombia was 25.8 billion dollars in 2012.**

**The value of agricultural production in Australia is estimated at US\$47.8 billion a year. The three main industries are:**

- Bovine livestock (7.3 billion)
- Wheat (4.8 billion)
- Milk production (3.4 billion)



# Thank you!

# Gracias!

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Embajada de Colombia en Australia