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## Get Trade Assistance

Ready to get started? Contact an international trade specialist at the U.S. Commercial Service. They can provide general export assistance or help determine if Colombia is the right market for you.



## Learn the Basics of Exporting

Whether you're new to exporting or just want to see new ideas and techniques, the Basic Guide eBook will give you all the information you need about creating a plan, financing, handling orders, shipping, legal concerns, and more.



## Download the Guide

As an exporter, you face challenges most businesses never consider. Download the Trade Finance Guide to learn about accessing capital, types of sales terms, and more.



## Request a Free Consultation

Learn how EXIM can help you protect your business.



This is a descriptive summary to be used only as a general introductory reference tool. The complete terms and conditions of the policy are set forth in the policy text, applications, and endorsements.

# HOW TO EXPORT TO COLOMBIA

Market Opportunities  
and Strategies for  
American Exporters

Based on the U.S. Commercial Service's  
2022 Colombia Country Commercial Guide



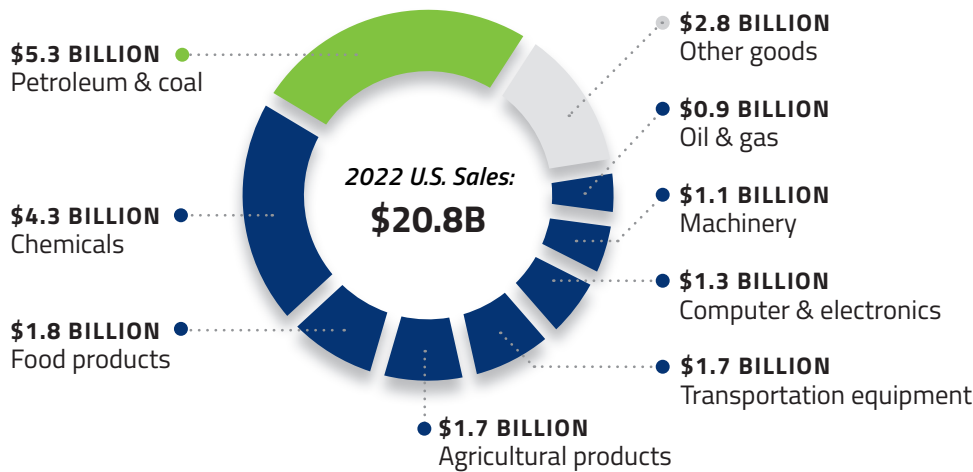
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EXPORT-IMPORT BANK  
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# WHY EXPORT TO COLOMBIA?

The Republic of Colombia has the fourth largest economy in Latin America, after Brazil, Mexico, and Argentina. The country boasts five major commercial hubs: Bogotá, Medellín, Cali, Barranquilla, and Cartagena. These cities are key centers of economic activity and commerce within the country. Colombia also has a relatively open business environment, ranking 67th out of 190 economies for overall ease of doing business in the World Bank’s most recent Doing Business study for 2020.

As Colombia’s largest trading partner, the U.S. has traditionally had a natural market for its products and services.



## Current Trade Climate

Following the signing of the Peace Agreement with the FARC insurgency group in 2016 and with an improving security environment over the last two decades, Colombia is enjoying a period of improved stability and economic prosperity in various sectors of the economy, including tourism, investment, and trade.

Many factors favor U.S. exports:

- Our geographic proximity to Colombia
- A free trade agreement between the two countries
- The large number of U.S. firms operating in Colombia
- U.S. technological leadership in key industrial sectors
- The high quality of U.S.-made products
- Colombians who study here develop an affinity for U.S. products



## Quick Facts About Colombia

**COUNTRY SIZE:**  
440,800 square miles

**POPULATION:**  
51.5 million people

**LANGUAGE(S):**  
Spanish

**CAPITAL CITY:**  
Bogotá

**LARGEST CITY:**  
Bogotá

**NOMINAL GDP:**  
\$343.9 billion  
44th highest worldwide

**TOTAL IMPORTS:**  
Goods: \$57 billion  
Services: \$12 billion  
USA only: \$20.8 billion

**CURRENCY:**  
Colombian Peso (COP)

All quick fact statistics are 2022 approximations. Monetary figures throughout this guide reflect USD.

# INDUSTRY OPPORTUNITIES

U.S. exporters are finding new business opportunities in several of Colombia's key industrial, governmental, and consumer sectors, including:



## Infrastructure

While U.S. companies have generally not participated in Colombia's highway development due to the uncertainty of cost recovery and licensing complexities, they have preferred to participate in engineering, architectural design, and financing. A U.S.-Colombia Trade Promotion Agreement provides legal protections, expanded service market access, transparency in the procurement process, and better dispute resolution. These provisions are designed to make it easier for U.S. companies to operate and invest in Colombia and promote economic cooperation between the two nations.



## Electricity and Renewable Energy

The Colombian government has plans to increase its renewable energy capacity, particularly in the solar and wind sectors, to diversify its energy mix and reduce dependence on fossil fuels. They are developing several new power generation projects to accommodate growing demand through 2031. Leading subsectors include transformers, switchgears, and turbines. More than 1,000 private-sector projects are looking to install solar solutions.



## Education

Colombian students in U.S. colleges and universities contributed \$305 million to the U.S. economy in the 2019/2020 academic year. In Colombia, there is a strong network of 11 *Education USA* centers administering English language programs and doing extensive outreach around the country. U.S. schools and universities will need to provide new technology and tools to increase student engagement on campus and online with remote or hybrid platforms, which have become more prevalent due to global events like the COVID-19 pandemic.



## Medical Devices

Colombia is the third-largest medical device market in Latin America, and it relies overwhelmingly on imports, which made up about 83 percent of the market in 2021. This reflects the country's growing healthcare sector and the demand for medical equipment. Colombia's leading imports from the U.S. were surgical instruments and appliances. Since the implementation of the U.S.-Colombia Trade Promotion Agreement (TPA) in 2012, most U.S. medical equipment exports to Colombia have been duty free, facilitating trade and enhancing economic cooperation between the two countries.



## Information & Communication Technology (ICT)

The ICT hardware industry in Colombia is small, and the market relies on imports. Colombia's ICT Sector Modernization Law of 2019 aims to boost the ICT sector, product modernization and innovation, and access to services. Companies in the U.S. that can provide advanced products and services needed for Colombia's progress in connectivity and digital technology have opportunities in the market.



## Food & Drink

Colombia is the leading destination for U.S. agricultural exports in South America, followed by Brazil and Chile. In 2020, U.S. agricultural exports to Colombia were valued at \$2.9 billion. Although the COVID-19 pandemic slowed many sectors, Colombia remains a fast-growing market for specialty and higher-value food products such as health foods and organics, ethnic foods, tea, and wine.

# SALES STRATEGIES

Unlike many other Latin American countries with only one or two major cities, Colombia offers U.S. exporters access to multiple diverse commercial centers. U.S. companies wanting to sell here should endeavor to follow these guidelines:



## 01

### Speak the Language

Translate your company's sales collateral and service manuals into Spanish, as this may be required in certain sectors like medical products; a U.S.-based staff with Spanish language skills will prove extremely useful.

## 02

### Be Direct

Quality, profitability, functionality, financing, and price all play an important role in the buying decision.

To obtain better prices, guarantees, parts, and after-sales servicing, Colombians prefer to deal directly with manufacturers rather than trading companies.

## 03

### Provide Local Service

Secure an agent, representative, or distributor in Colombia, which requires a contract that meets the provisions of the Colombian Commercial Code. Focus on formality, personal relationships, and trust when negotiating agreements and contracts. Offer excellent after-sales service arrangements to maintain the relationship.

## 04

### Visit Often

Take advantage of Colombia's geographic proximity to the United States and the abundance of flights connecting Colombia to all regions of North America. Attend functions of local business promotion organizations such as the Council of American Businesses (CEA) and the American Chambers of Commerce (AmCham), which number five in Colombia (Bogotá, Medellín, Cali, Barranquilla, and Cartagena).

# IMPORTANT MARKET DIFFERENCES

While the Colombian market is generally open and business-friendly, companies exporting to Colombia must be aware of several challenges, including:

## Regulations & Standards

U.S. businesses in Colombia may face challenges with evolving regulations and standards. Changes can occur suddenly, with inadequate notification to the World Trade Organization and stakeholders. The comment period for regulatory changes is often too short, and Colombian authorities may not thoroughly review the feedback. In terms of standards, there are suggestions to favor European standards over U.S. ones, and mandates for tests at Colombian labs, even when they are absent or tests are already certified in the U.S.

## Government Procurement

Colombia's government procurement system poses challenges for U.S. firms due to transparency issues and limited competition in public tenders, hindering their participation in vital projects. The Colombian government has taken steps to address these issues through initiatives like Colombia Compra Eficiente and SECOP II. These platforms are aimed at enhancing transparency in the proposal process for public works, which can help create a more level playing field for businesses.

The U.S. government is working with Colombian partners through the Global Procurement Initiative (GPI) to improve the procurement process in Colombia and creating a more conducive environment for U.S. firms to participate in vital projects.

## Logistics Costs

Businesses may incur high logistics costs in Colombia, primarily due to poor road infrastructure that must wind its way through some of the world's tallest mountain ranges. Transporting goods from ports like Cartagena and Buenaventura to central hubs like Bogotá and Medellín adds substantial expenses. This can be particularly burdensome for sectors reliant on imports through these ports. While Colombia's infrastructure investments aim to address these issues, the benefits will materialize gradually since many projects have long completion timelines.

