

COLOMBIA
ECONOMIC PERFORMANCE BRIEF
October 2012

1. ECONOMY IN BRIEF

- Colombian GDP in 2011 reached 5.9%, showing a continuous positive growth rate over the past years.
- In the third quarter of 2012 the Colombian Economy grew 4.9% in comparison to the same quarter of 2011.¹

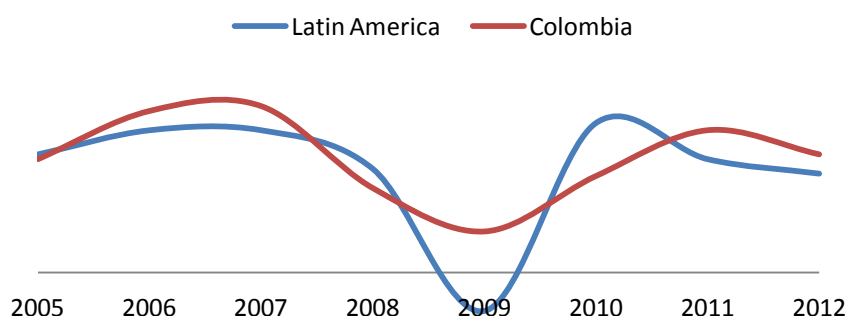
Main economic indicators

	GDP (US \$ billions)	Population (million)	GDP per capita	FDI (million)	International reserves
Brazil	2.477,0	196,7	12.594	84.210	378.725
Mexico	1.155,0	115,5	11.114	17.700	162.720
Argentina	435,2	41,3	10.640	2.400	47.600
Colombia	333,1	46,8	7.131	13.300	34.880
Venezuela	316,5	29,4	5.671	1.400	28.400
Chile	248,6	17,3	14.413	17.500	38.419
Peru	176,7	29,4	6.009	7.660	58.996
Ecuador	67,0	14,7	4.569	568	3.530

Source: The World Bank. August 2012

- GDP per capita has steadily grown since 2009 to 2012 and has showed a stable growth compared with Latin America's GDP.
- Colombia's current population is 46,752,494², being the 27th biggest population and the 4th largest Spanish speaking population in the world.

GDP growth (annual %) Colombia - Latin America

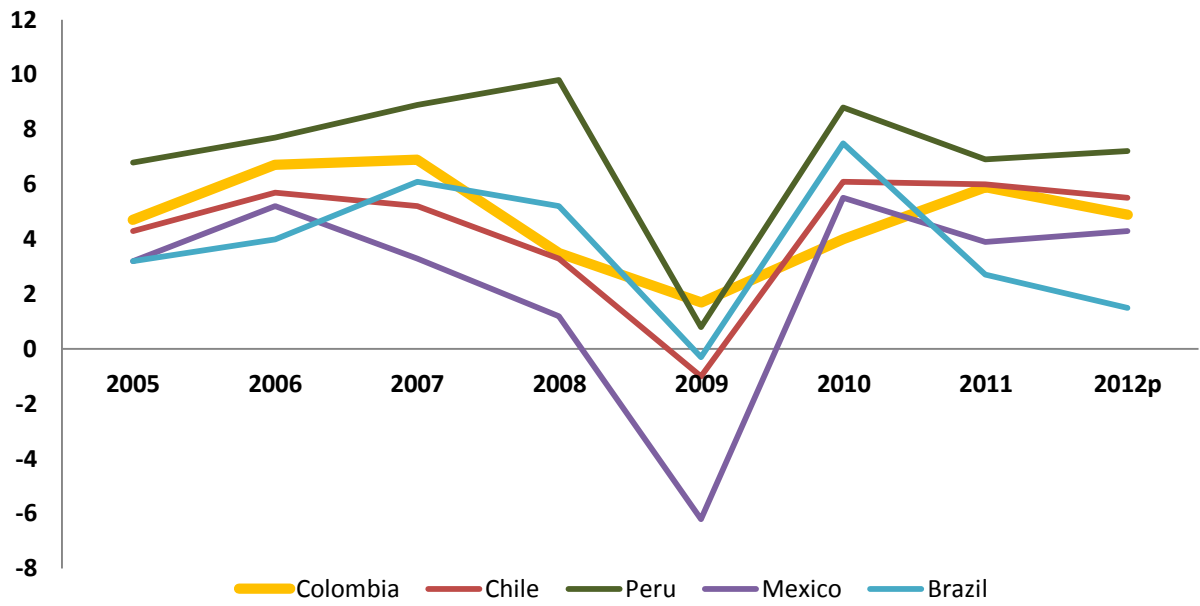


Source: The World Bank.

¹ Source: Central Bank

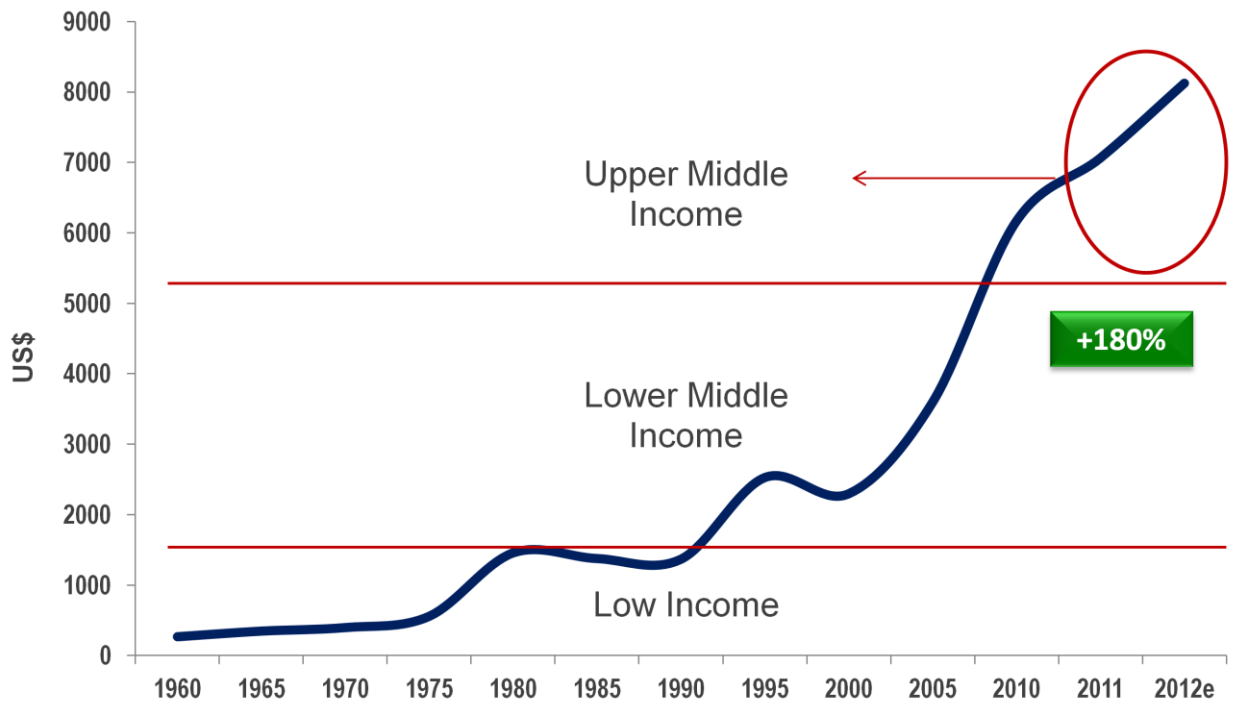
² DANE, Departamento Administrativo y Nacional de Estadísticas. 2012

GDP growth (annual %) Latin America



Source: The World Bank.

Per-Capita National Income * USD



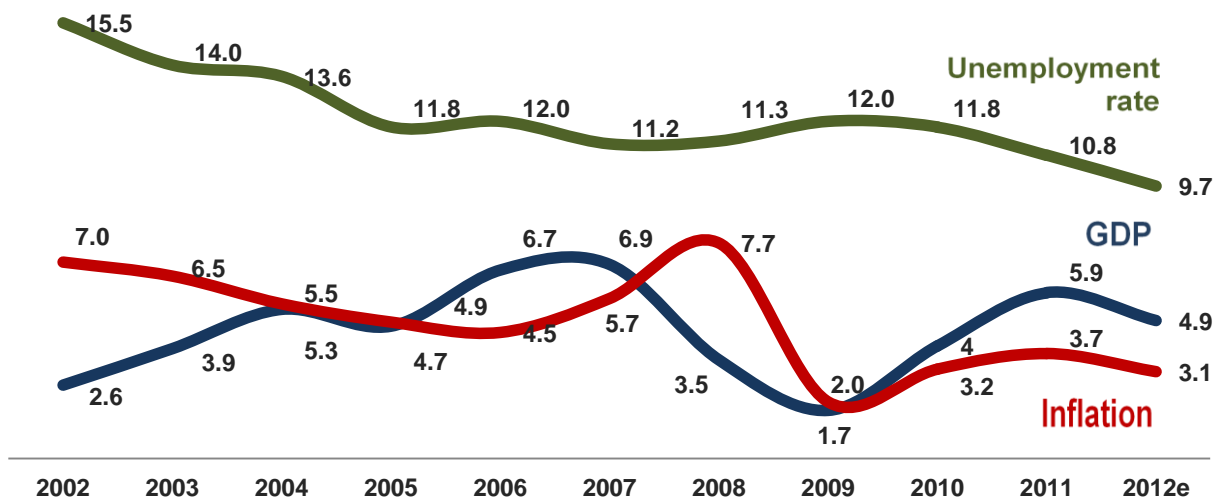
Source: EIU (Economist Intelligence Unit)

- The construction, mining, financial services and real estate were the fastest growing.

	Share	2007	2008	2009	2010	2011	2012-II
Agriculture	6.5	3.9	-0.4	-0.7	1	2.2	2.2
Mining	8.1	1.5	9.7	11.1	12.3	14.3	8.5
Manufacturing	13.9	7.2	0.5	-4.1	2.9	3.9	0.6
Utilities	4	4.1	0.5	1.9	1.2	1.8	3.6
Construction	7.4	8.3	8.8	5.3	-1.7	5.7	18.4
Retail trade, restaurants & hotels	11.6	8.3	3.1	-0.3	5.1	5.9	4.3
Transport, communication & warehousing	6.3	10.9	4.6	-1.4	5	6.9	3.6
Finance, insurance and real estate	4.5	6.8	4.5	3.1	2.9	5.8	5.1
Government, social and personal services	15.4	5	2.6	4.4	4.8	3.1	3.9
GDP	100	6.9	3.5	1.7	4	5.9	4.9

Source: National Department of Statistics (DANE)

GDP, Inflation and Unemployment rate 2002 – 2012e. Annual Average %

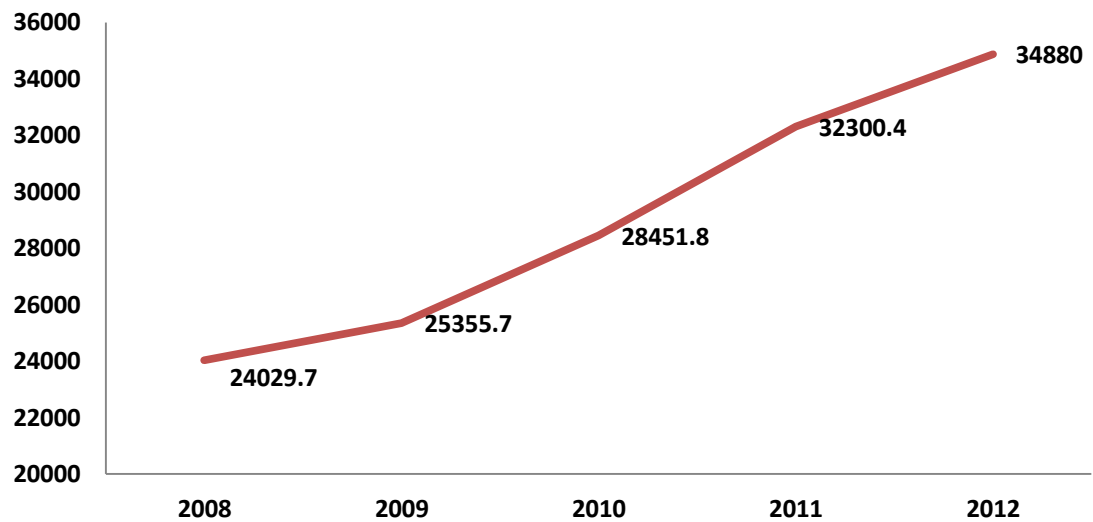


Source: DANE- Colombia Central Bank - EIU: Economist Intelligence Unit Forecast. 2012

- Annual inflation to September 2012 was 3.08%³ and this year's target is between 2% and 4%.
- The unemployment rate for the second quarter of 2012 was 9.7% compared to 10.1% registered on the same period in 2011.

³ Source: Colombia Central Bank

International Reserves US \$ Million



Source: Colombia Central Bank

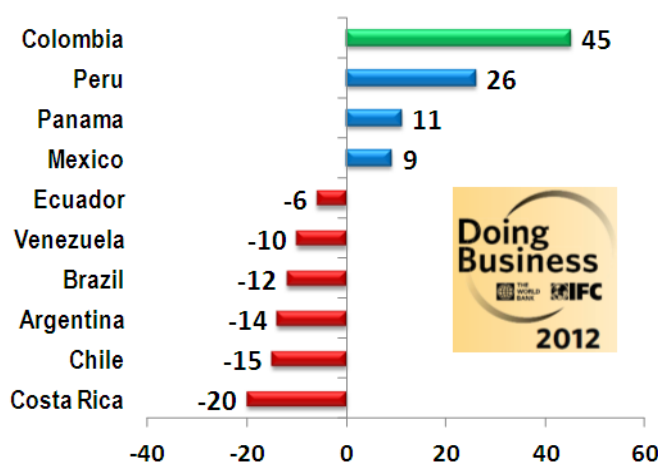
World Bank Doing Business Report 2012

- In terms of globalization Colombia is ranked 3rd among Latin American countries, performing better than world economies such as Japan, Brazil, Russia and Indonesia. 4
- In 2011 Colombia was ranked among the top countries on investor protection.
- Colombia is in the position 42 in the Doing Business 2012 rank that assesses regulations affecting domestic firms in 183 economies and ranks the economies in 10 areas of business regulation, such as starting a business, resolving insolvency and trading across borders.

Even this year, Colombia obtained [the largest increase in Latin America](#), which imply a constant improvement ahead the entire region.

Doing Business Ranking Variation, 2007-2012*

(Change in positions)



Country	World Ranking 2012	World Ranking 2011
Chile	39	41
Peru	41	39
Colombia	42	47
México	53	54
Panama	61	63
Argentina	113	114
Costa Rica	121	121
Brazil	126	120
Ecuador	130	131
Venezuela	177	175

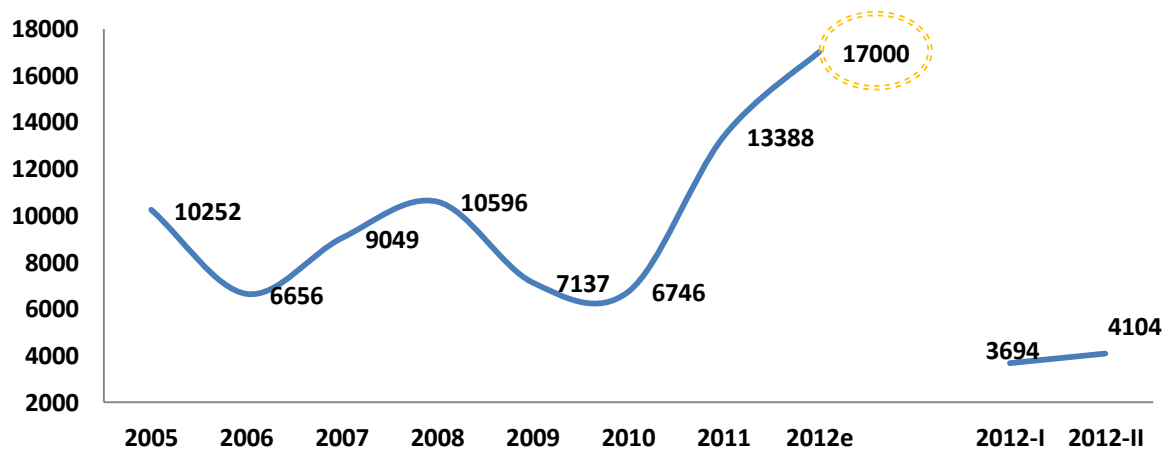
Source: Doing Business Report 2011

4 Source: Ernest & Young

2. FOREIGN DIRECT INVESTMENT

- Foreign direct investment in Colombia grew by 26% in the first six months of 2012 in comparison to the same quarter of 2011.5
- Standard & Poor's had given Colombia the lowest investment level grade, BBB-, however this ranking was increased from stable to positive on August of 2012 based on the current strength of the Colombian economy.

Foreign Direct Investment US \$ Millions

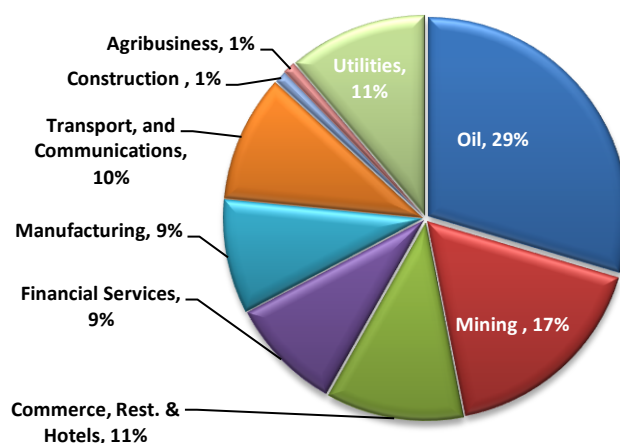


Source: Colombia Central Bank – Foreign Payments Balance

- In 2011 foreign direct investment in Colombia accounted for 4% of GDP.

FDI in Colombia by Sectors 2009 – 2012 II

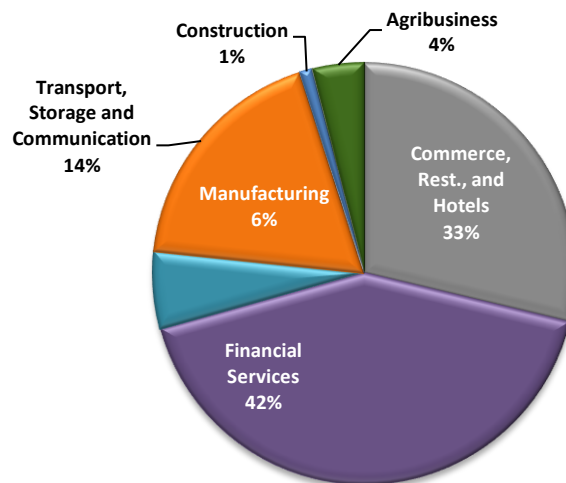
- Oil and Mining represents 46% of the FDI with US \$ 2317 million, followed by Financial Services with US \$ 395 million and Commerce, Restaurant and Hotels with US \$ 270 million.



% Share by total FDI of positive flows from Colombia, without reinvesting profit.

Source: Colombia Central Bank

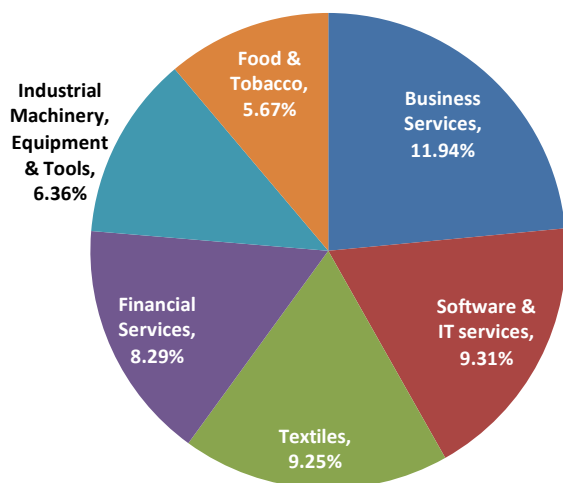
FDI in Colombia by Non Traditional Sectors 2009 – 2012-II



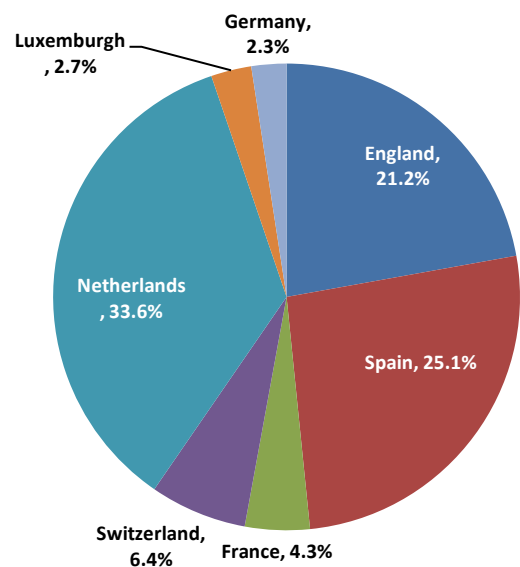
% Share by total FDI of positive flows by origin country, without reinvesting profit and not including the petroleum and mining sector.
Source: Colombia Central Bank

- The main investing countries in Colombia are United States (12.6 % share), England (6.6% share), Spain (4.5% share) and Mexico (0.9%share).⁶
- From European countries, the main investing countries were Netherlands and England and the main investing sectors were Business services and Software & IT services.

FDI from Europe to Colombia by Sector



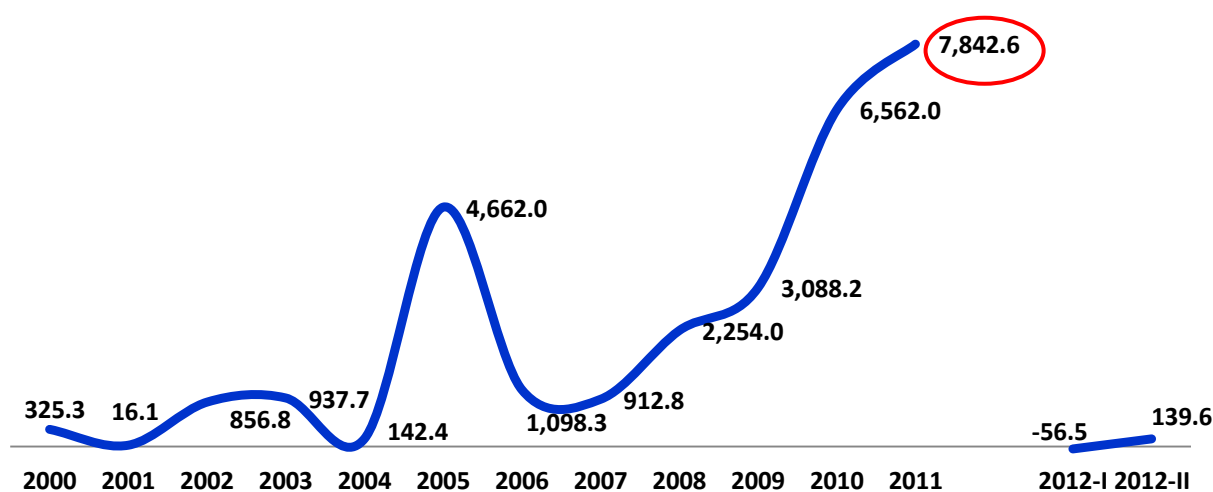
FDI from Europe to Colombia by Country



Source: Colombia Central Bank; Proexport Colombia

⁶ Source: Colombia Central Bank – Balance of Payments

FDI from Colombia* – 2011 US\$ Million

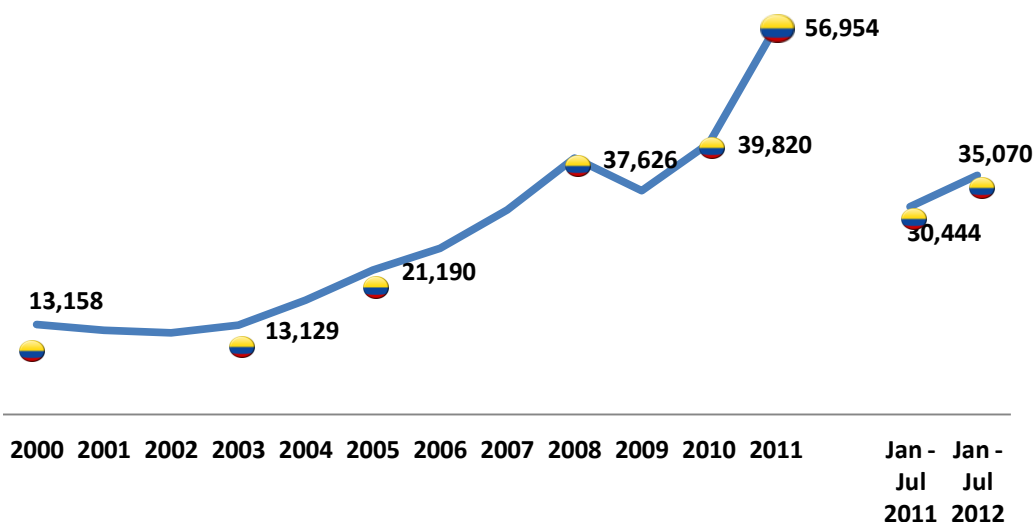


Recent investments in Colombia

3. TRADE AND COMMERCIAL RELATIONS

- From January to July 2012, Colombia's total exports grew 15.2% compared to the same period of 2011.⁷

Exports 2000 – July 2012 US \$ Million⁸



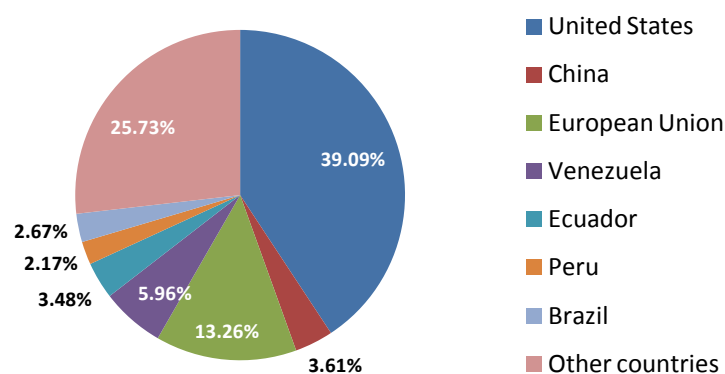
Source: DANE, Proexport Colombia. August 2012

- United States was the main destination of Colombian exports in the seven months of 2012, with 33.8% share in the total exports, followed in order by, China (5.9%), Spain (5.5%), Venezuela (4.2%), Chile (3.5%) and Netherlands (3.5%).

⁷ Source: DANE

⁸ Source: DANE

Main Export Destinations



Source: DANE, Proexport Colombia. August 2012

- Colombia has 11 FTA in force with emerging and developed economies. The countries are: United States, Canada, Mexico, Guatemala, Honduras, El Salvador, Ecuador, Peru, Bolivia, Chile, Argentina, Brazil, Uruguay, Paraguay, Liechtenstein, and Switzerland. Signed Colombia has 4 FTA with European Union, Iceland, Venezuela and Norway. Currently Colombia is negotiating FTA with Costa Rica, Japan, Panama, Turkey, South Korea and Israel.

Colombia's, total exports by sector, 2010-2012⁹. US \$ Billion FOB

Sector	2010	Part (%)	2011	Part (%)	2012*	Part (%)
Total Exports	39,820	100.00	56,954	100.00	39,874	100.00
Agriculture, hunting and forestry	2,147	6.09	2,264	3.98	1,789	4.49
Mining sector	19,147	33.69	31,260	54.89	22,365	56.09
Industry	18,446	59.92	23,276	40.87	15,649	39.25
Other sectors	80	0.30	154	0.27	71	0.18

Source: DIAN- DANE. Calculations DANE August 2012

- The main exported product was Mineral fuels and oils with exports of US \$ 9684 million followed by machinery and transport equipment with US \$ 1403 million and food product and live animals with US \$ 1171 million.
- Manufactured products exports grew 25.8 % compared with the same period of 2011, mainly due to higher exports of transport machinery (24.47%) and miscellaneous manufactured articles (47.95%).
- Exports of agricultural products showed a decrease of 15.4%, decreasing from U.S. \$ 2261 million in August 2011 to U.S. \$ 1912 million in August 2012; this behaviour is explained by a reduction in exports of Oils and animal fats (-20.20%), and a decline in exports of drinks and tobacco (-18.10%). On the other hand the group of products with the highest growth was Commodities and transactions not classified with a growth of 69.33%.

⁹ Source: http://www.dane.gov.co/index.php?option=com_content&view=article&id=76&Itemid=56

4. TOURISM

- According to the World Tourism Organization, world tourism in 2011 grew by 4.4%. The growth of foreign tourism in Colombia was over three percentage points higher than the world trend (7.3%).
- South Americans are the largest tourist source for Colombia. They accounted for 42.8% of total arrivals in 2011 and 43.8% in 2012 (as of May).
- During the first seven months of the year, international tourism in Colombia showed an increase of 4.3%, receiving 961.895 visitors, compared to 922.323 foreign tourists who entered the country between January and July 2011.

Rank	Nationality	2012 (Jan – July)	%Part 2012 (Jan – July)	VAR %2012/2011
1	United States	188.941	19.6%	-2.2%
2	Venezuela	129.495	13.5%	5.4%
3	Argentina	66.672	6.9%	17.0%
4	Ecuador	62.487	6.5%	-0.6%
5	Brazil	52.492	5.5%	-5.3%
6	Peru	50.696	5.4%	4.9%
16	UK	13.568	1.4%	-12.2%

Source: Proexport