



INVESTMENT ENVIROMENT AND BUSINESS OPPORTUNITIES IN COLOMBIA

2019



**GOBIERNO
DE COLOMBIA**



MINCIT



PROCOLOMBIA
EXPORTACIONES TURISMO INVERSIÓN MARCA PAÍS





COLOMBIA OFFERS:

A dynamic and stable economy.

A trade platform with over 16 Trade Agreements enabling investors to reach third markets with preferential access.

A growing pool of qualified Colombian companies able to partner with international investors to reach out to regional markets.

A growing market located strategically to facilitate business transactions with the region.

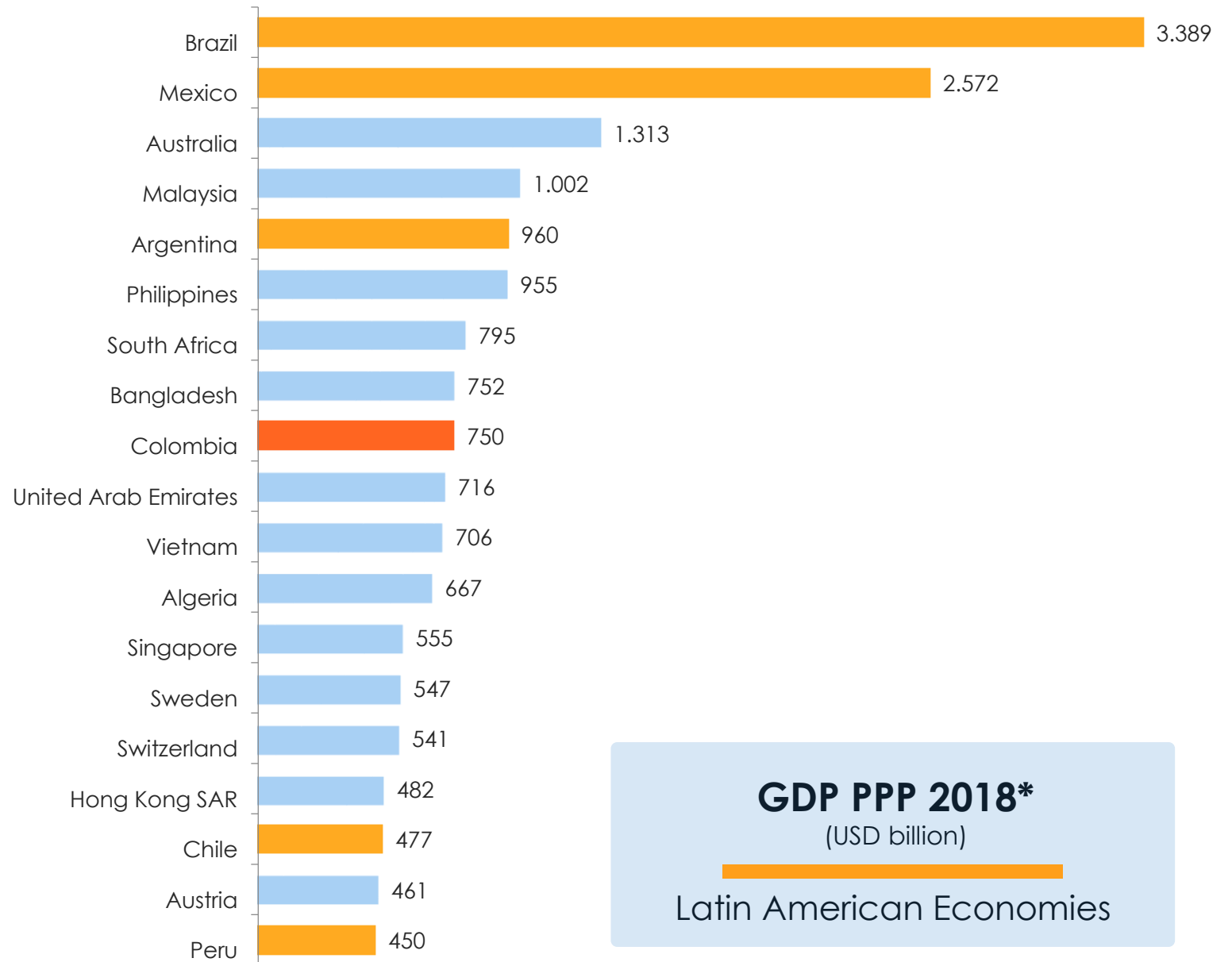
Multiple development centers and regions coupled with a growing middle class securing a greater demand in products and services.

Diverse investment opportunities in a wide variety of sectors



COLOMBIA

Is the **32nd**
largest economy
in the world and
the **4th** in **Latin
America**



GDP PPP 2018*
(USD billion)
Latin American Economies

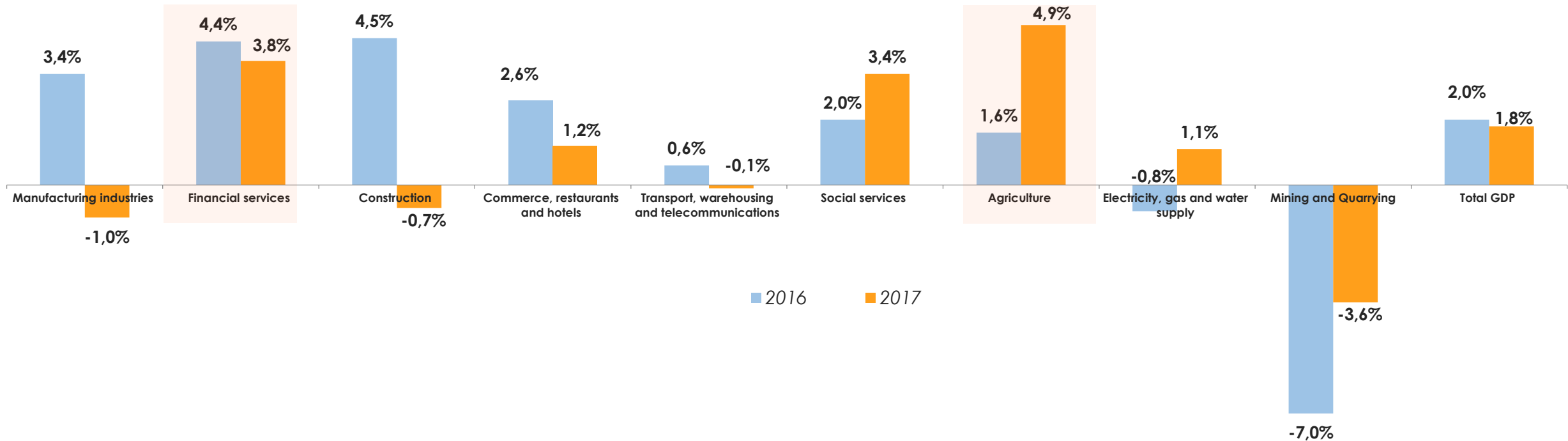


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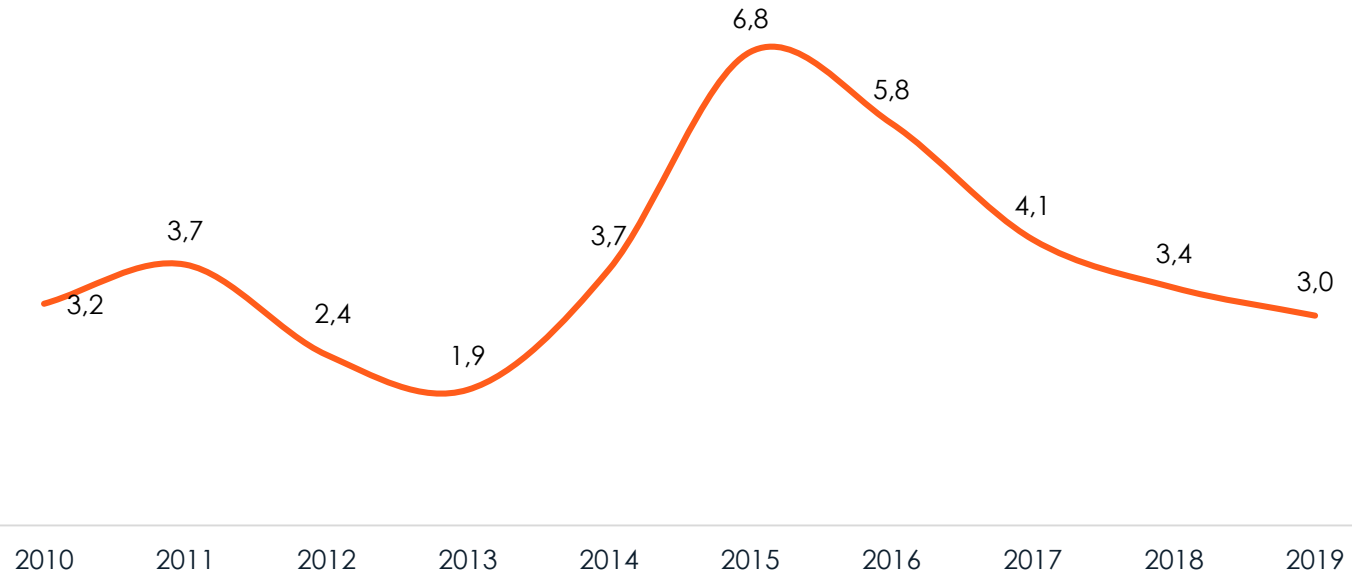
Dynamic growth driven by its agriculture and financial services





Inflation continues an uninterrupted decelerating trend **since 2015.**

**Inflation Rate (%)
2010 – 2019 est.**

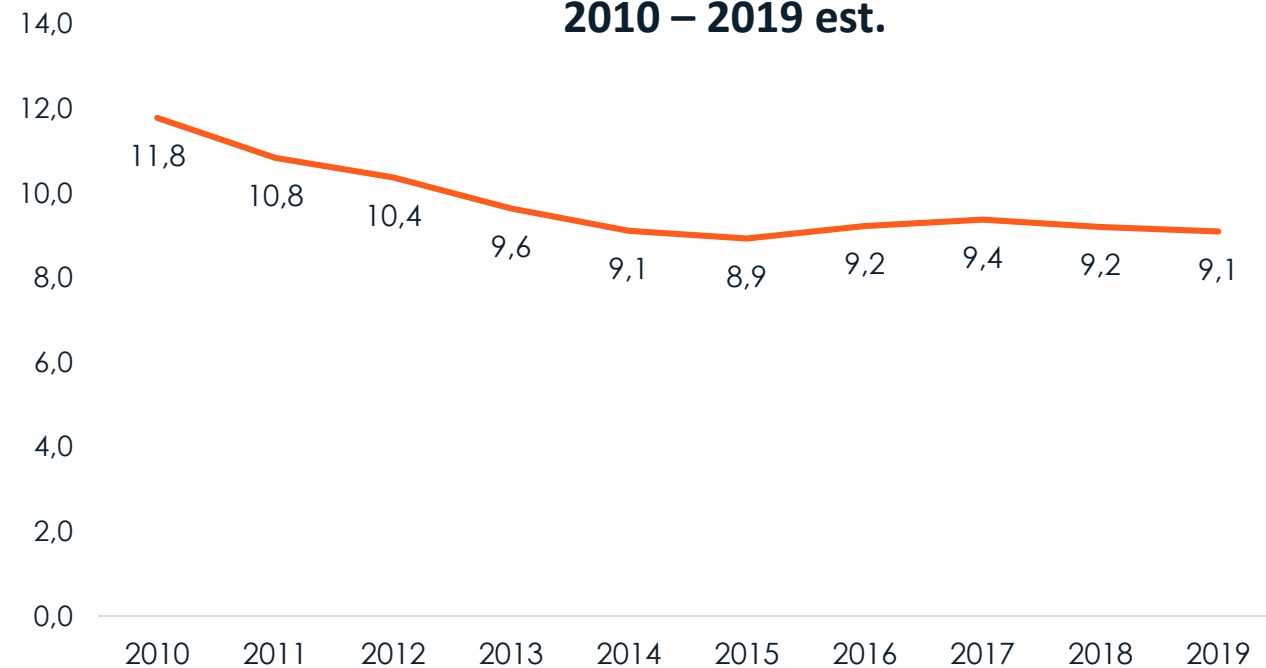


In **2018 y 2019**, inflation is expected to reach the target rate set by the national bank (2% - 4%).



Since 2013
unemployment
rate has
remained at a
single-digit
level.

**Unemployment rate (%)
2010 – 2019 est.**



It is expected that, in 2018 and 2019, unemployment rate will continue to be at a one - digit level; with a **slight decrease** from 2017.



Doing Business* 2018 ranking



#1

In obtaining credit,
in protecting minority investors.

#3

In registering property,
in resolving insolvency

Source: World Bank. Doing Business 2018.

According to Doing Business,
within the Latin American and
Caribbean region, Colombia is:

Macroeconomic Stability index

World ranking 2017-2018

	37
	43
	62
	91
	95
	124

Source: Global competitiveness Index , 2017.



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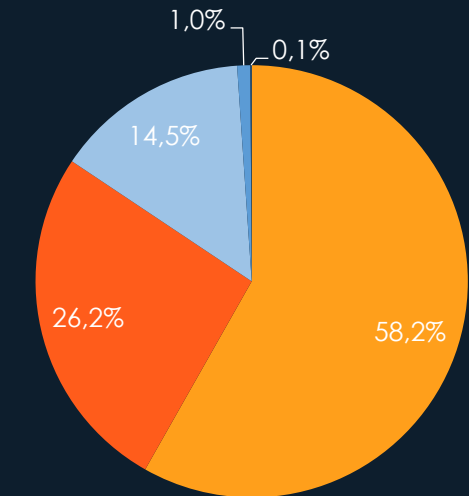


With a constant gross fixed capital formation, companies are most willing to **invest in fixed capital.**

Gross fixed capital formation (Investment as GDP %)



Investment sources 2017 (%)*



- Companies
- Households
- Government
- Banks
- Non-profit organizations

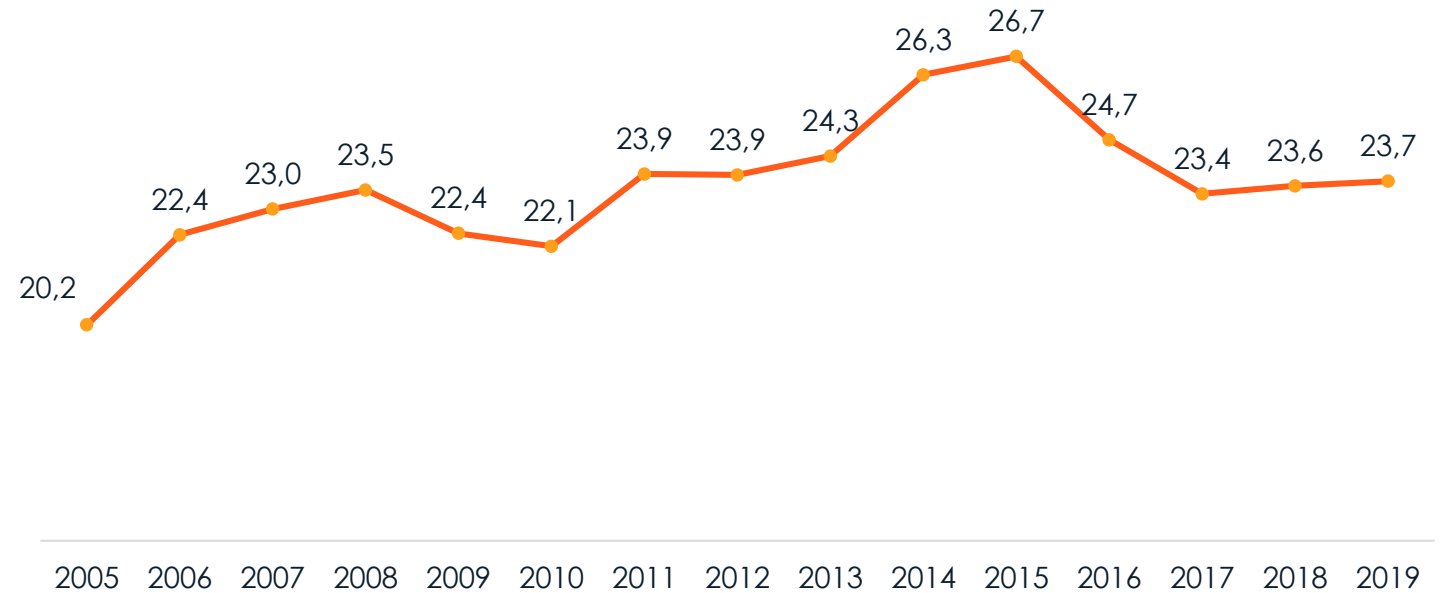
Gross fixed capital formation 2017
USD \$71 billion

Source: DANE, Most recent data available.
*Procolombia's estimates



Investment as a percentage of **GDP** has a share of about a quarter of the **Colombian economy**.

**Total Investment* (% of GDP)
2010 – 2019 est.**



In **2018 and 2019**, It is expected to be higher than 2017

Source: IMF, WEO 2018, April. Estimates from 2017 to 2019.
* Includes gross fixed capital formation and inventory variation.



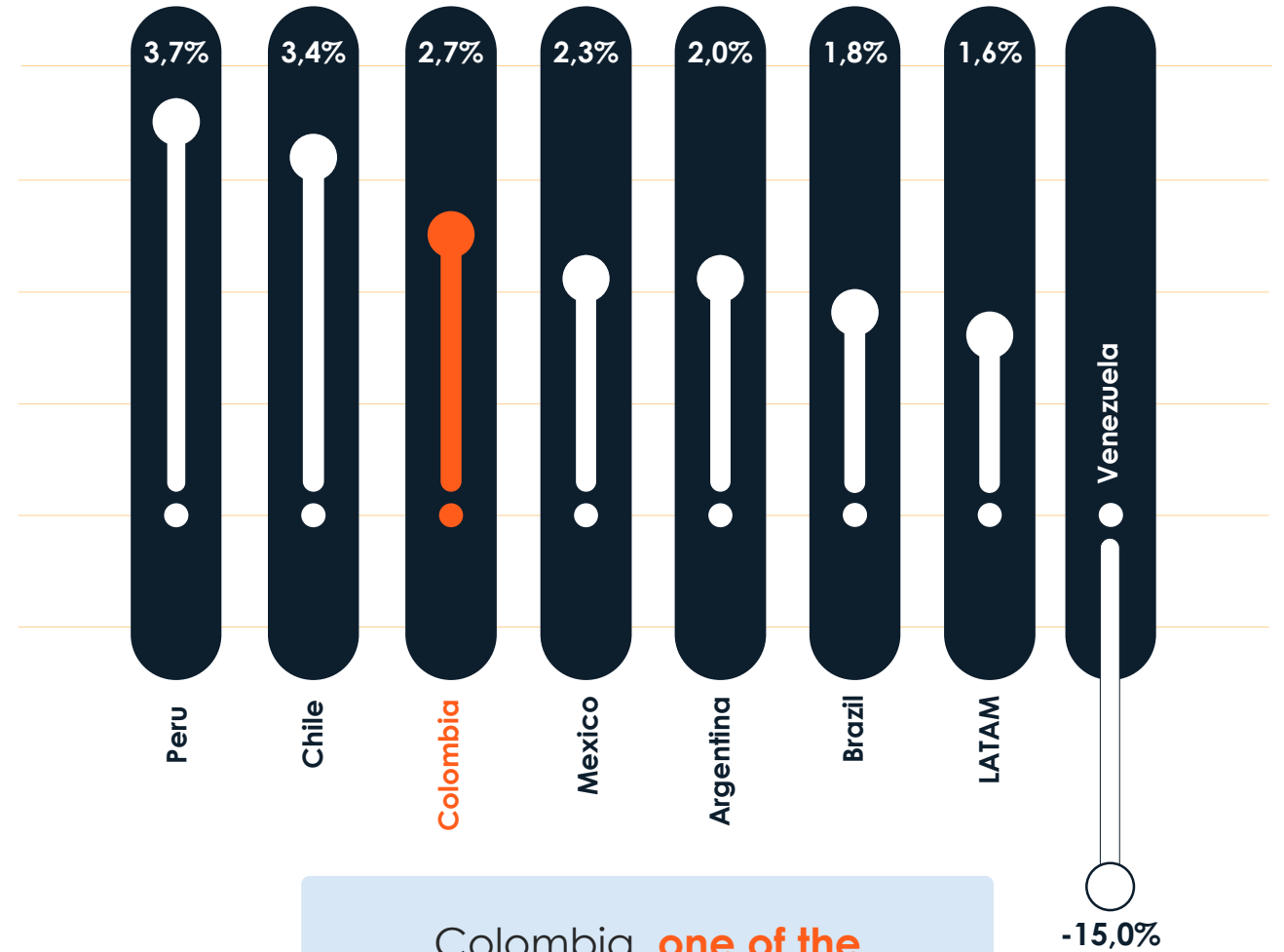
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GROSS DOMESTIC PRODUCT

Estimated growth 2018



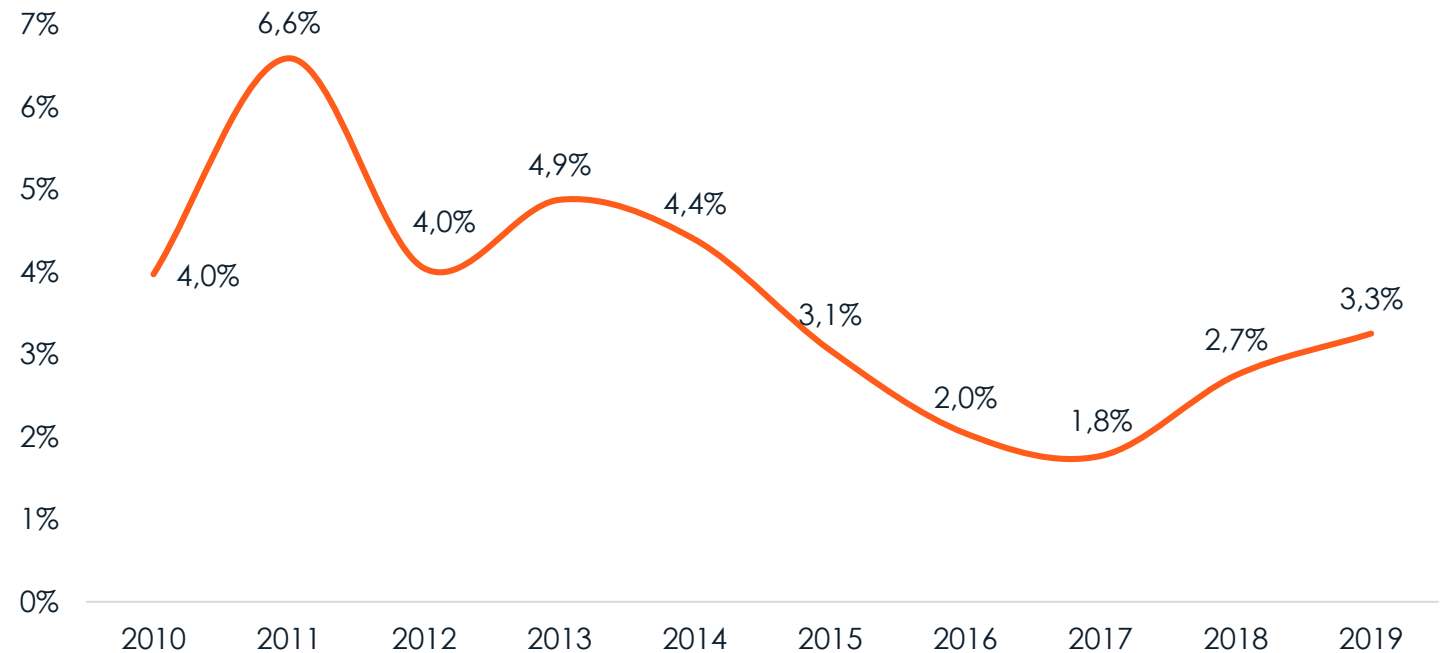
Colombia, **one of the top growing economies in 2018** in Latam



The Colombian economy is on the path of recovery and **will expand by about 3-3.3% in 2018-2019**

Source: IMF, WEO 2018, April.

GDP constant prices
(percent change, %)



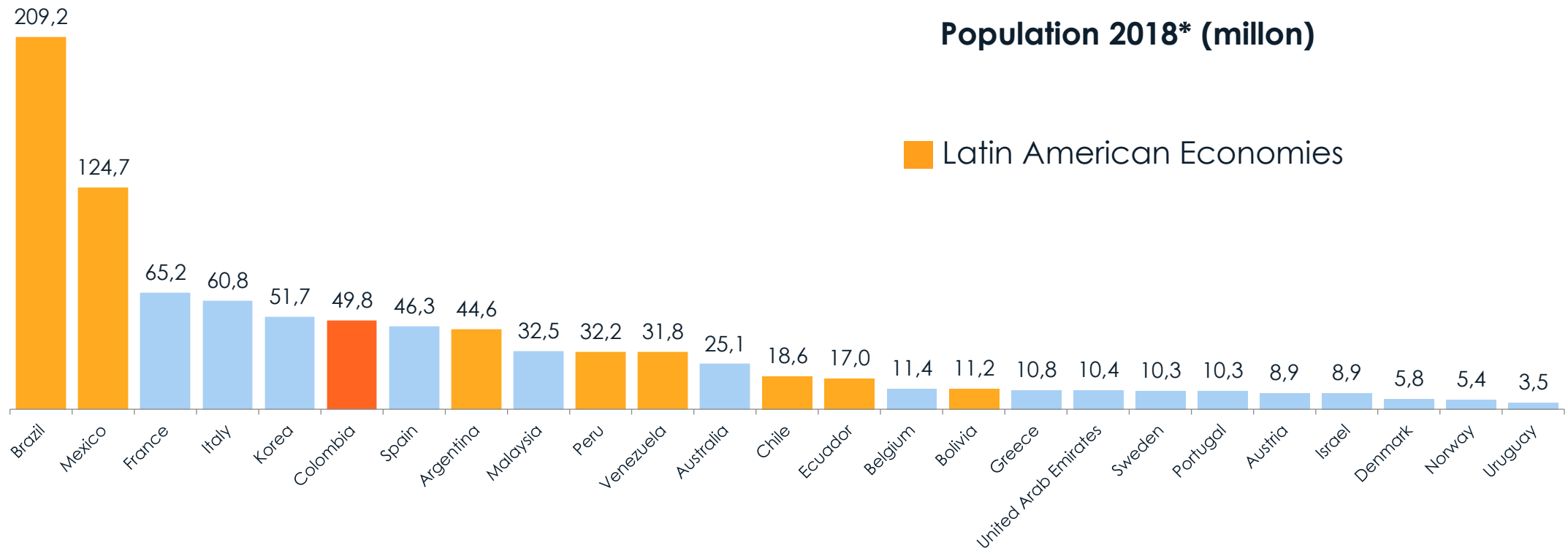
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COLOMBIA IS THE 28th

most populated country in the world
and the 3rd in Latin America

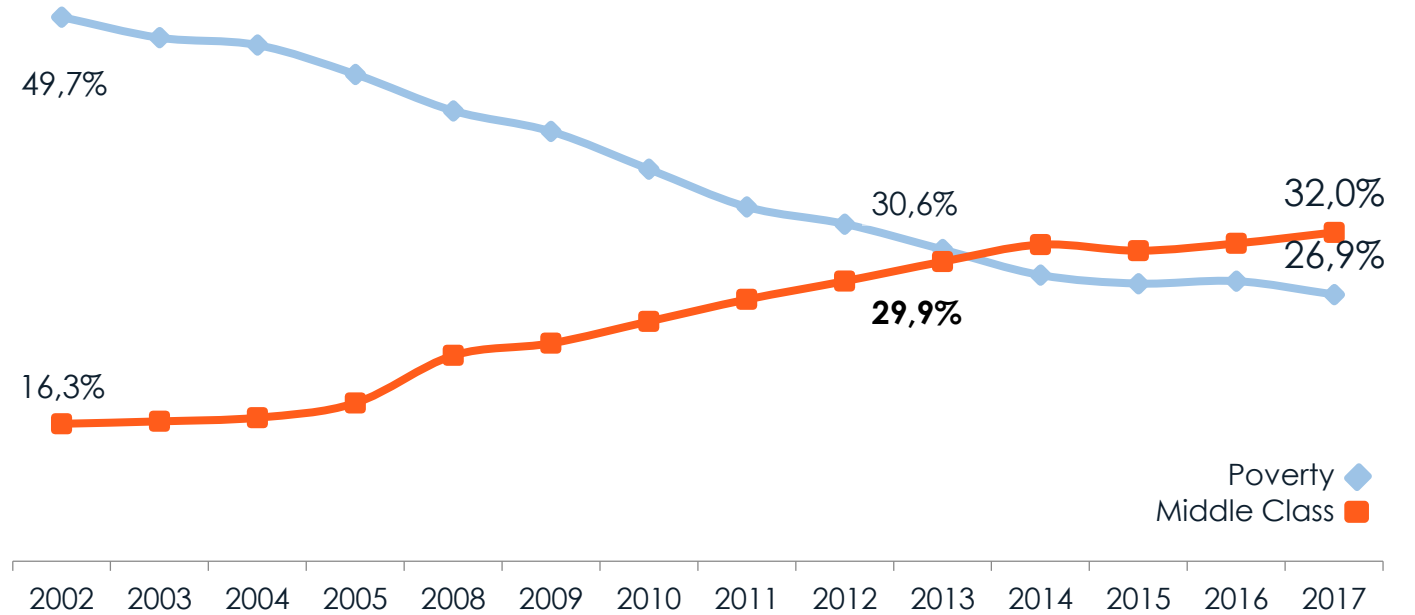


*Estimated.
Source: IMF, 2018



Remarkable reduction in poverty rates and a rapidly growing Middle class

Percentage of people in poverty
2002 – 2017



Colombia has continuously decreased its poverty levels.

Source: Poverty: National Administrative Department of Statistics – DANE
Middle class: The gained decade: the evolution of the middle class in Colombia between 2002 and 2011. Document CEDE # 50. Universidad de los Andes. And RADDAR for 2013 data.
*Middle class 2016: Estimates calculated by ProColombia



COLOMBIA

an investment grade country

STANDARD & POOR S

FitchRatings

MOODY'S

Term	Long Term – Foreign currency	Long Term – Foreign currency	Long Term – Foreign currency
Ranking	BBB-	BBB	Baa2

In July 2014, Moody's was the last rating agency in improving Colombia's rating due to two key drivers:

1. Positive growth forecast thanks to 4G infrastructure.
2. A sound fiscal management that will continue in the future.

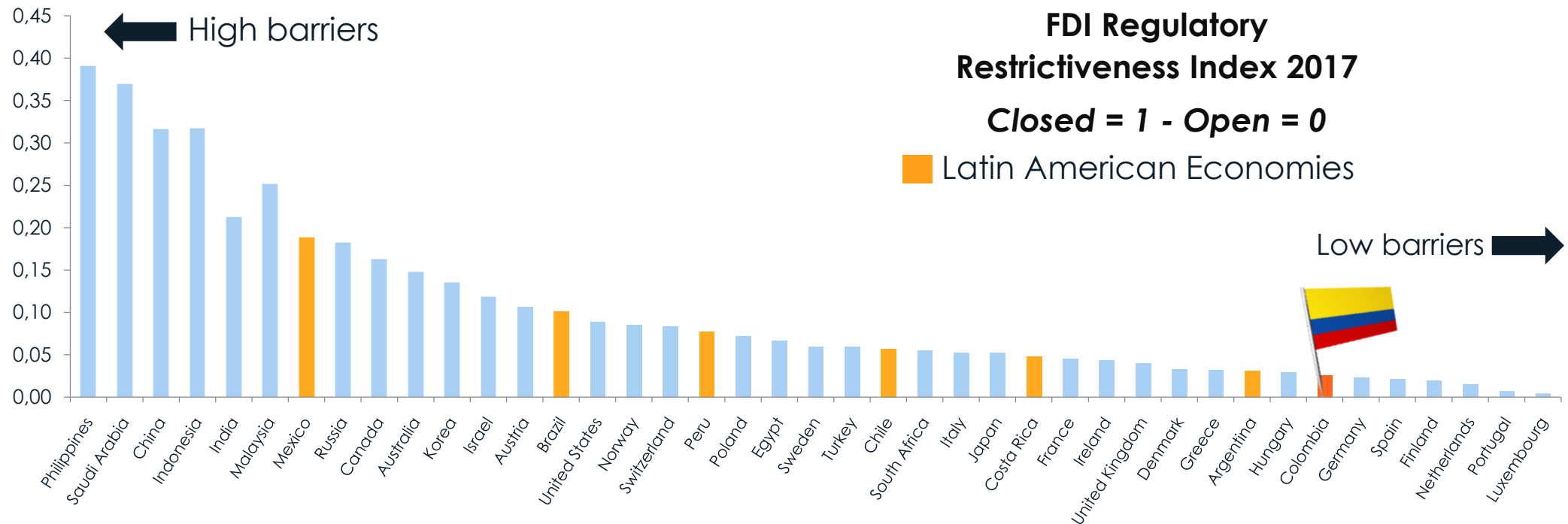
In March 2017, Fitch Ratings* **improved Colombia's rating outlook:** from Negative to Stable





COLOMBIA

Low barriers to FDI



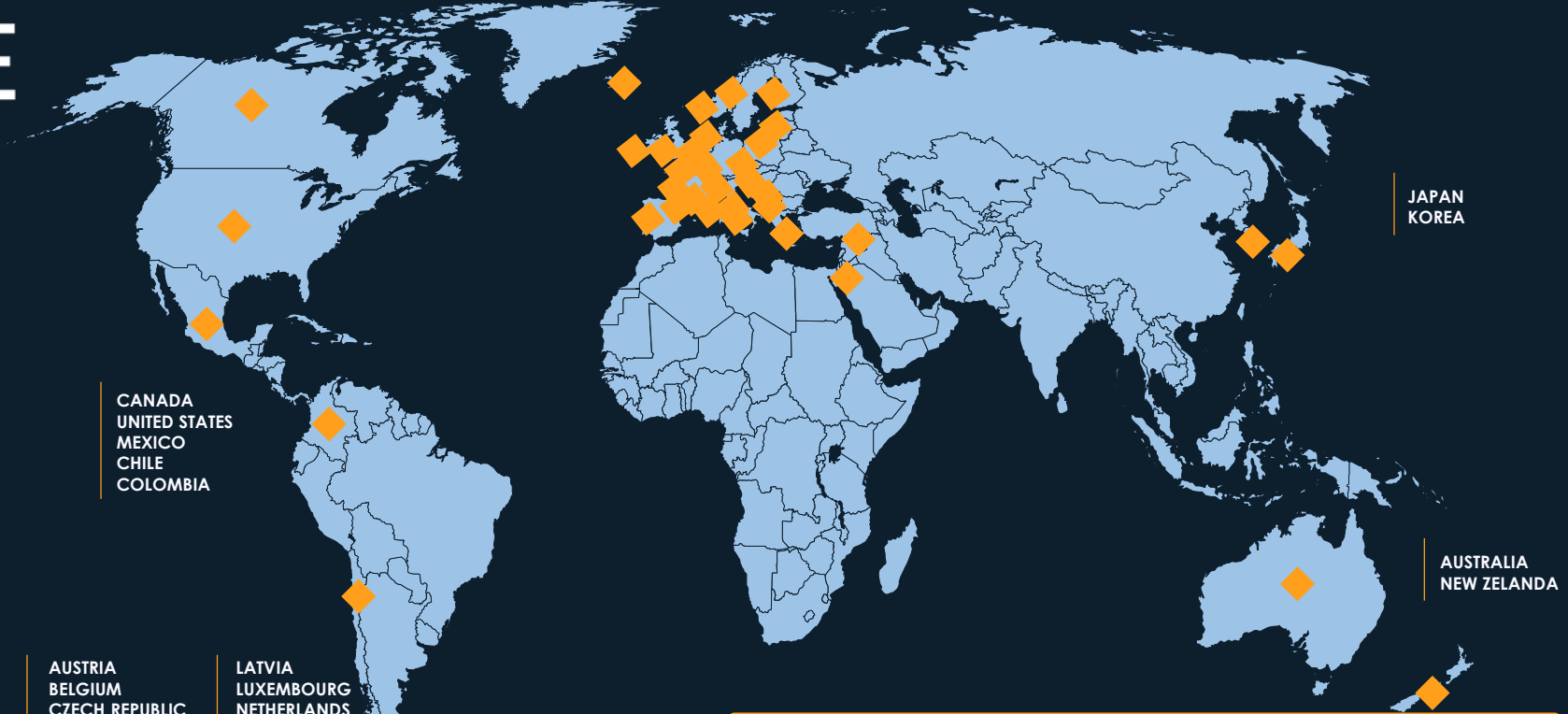
Source: OECD, 2017.



BEING PART OF THE OECD COUNTRIES MEANS THAT PUBLIC INSTITUTIONS IN COLOMBIA
WILL MEET STANDARDS OF THE DEVELOPED WORLD
 MORE CONFIDENCE FOR INVESTORS



COLOMBIA
 IS THE 37TH
 MEMBER OF
 THE OECD



CANADA
 UNITED STATES
 MEXICO
 CHILE
 COLOMBIA

JAPAN
 KOREA

AUSTRALIA
 NEW ZELANDA

AUSTRIA
 BELGIUM
 CZECH REPUBLIC
 DENMARK
 ESTONIA
 FINLAND
 FRANCE
 GERMANY
 GREECE
 HUNGARY
 ICELAND
 IRELAND
 ISRAËL
 ITALY

LATVIA
 LUXEMBOURG
 NETHERLANDS
 NORWAY
 POLAND
 PORTUGAL
 SLOVAK REPUBLIC
 SLOVENIA
 SPAIN
 SWEDEN
 SWITZERLAND
 TURKEY
 UNITED KINGDOM

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



COLOMBIA IN THE OCDE

Being part of an organization such as the OECD is a sign of economic stability, transparency and government discipline

OECD gives guidelines to improve trade and investment barriers, allowing Colombia to be in a process of continuous improvement, peer evaluation and institutional strengthening

Thanks to the recommendations made by the OECD, the national government has promoted concrete reforms for the facilitation of trade.

The OECD provides a seal of quality for direct foreign investment: by having to meet public policy standards to become a member, these improve. This results in increased confidence of foreign investors

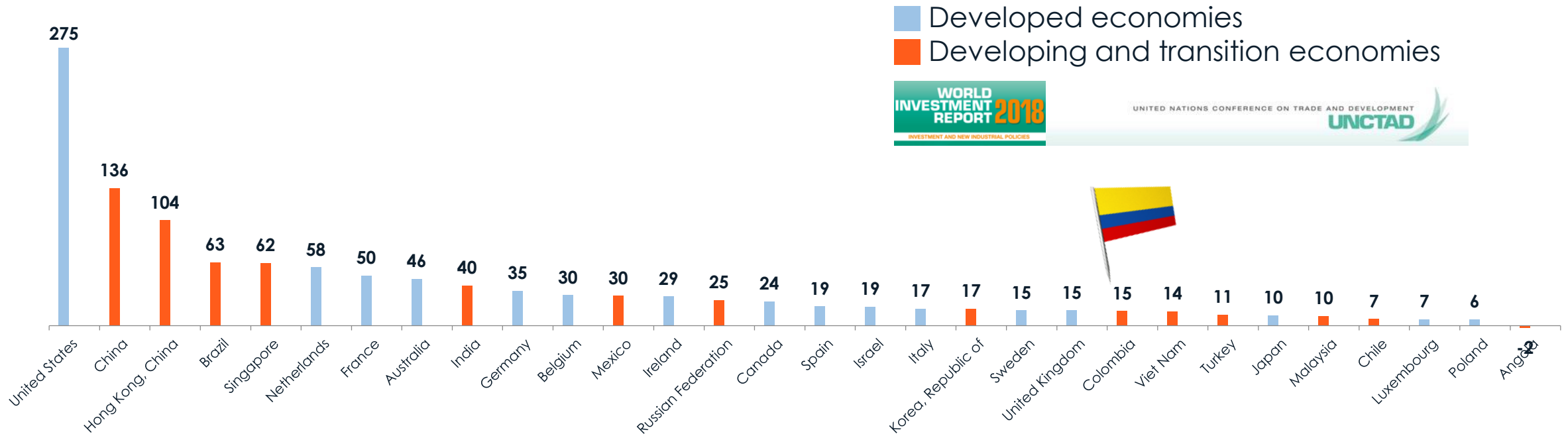


COLOMBIA

Colombia is part of the top 30 destinations for FDI

Top 30 host economies in 2017

(USD billion)



UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT



Source: UNCTAD – World Investment Report 2017



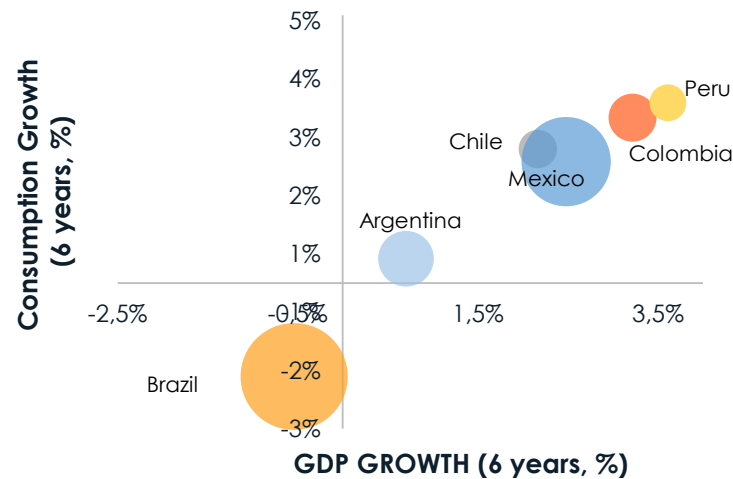
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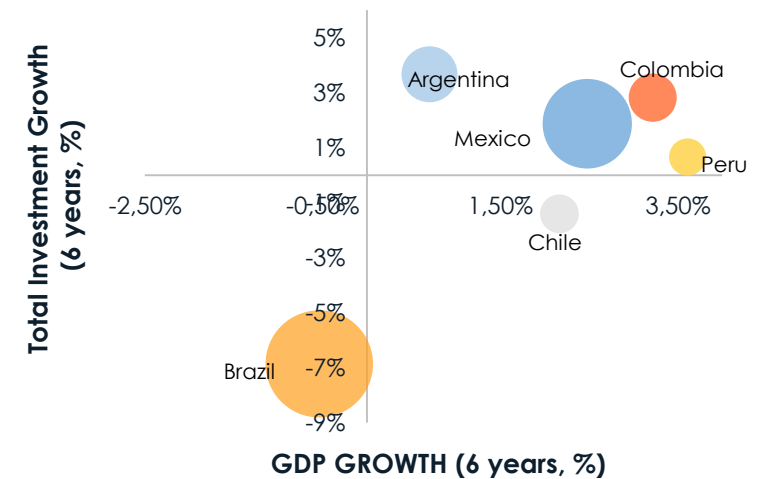


COLOMBIA
is leading a sustainable growth in the region

GDP GROWTH VS. CONSUMPTION 2012-2017 - (%)



GDP GROWTH VS. INVESTMENT 2012-2017 - (%)

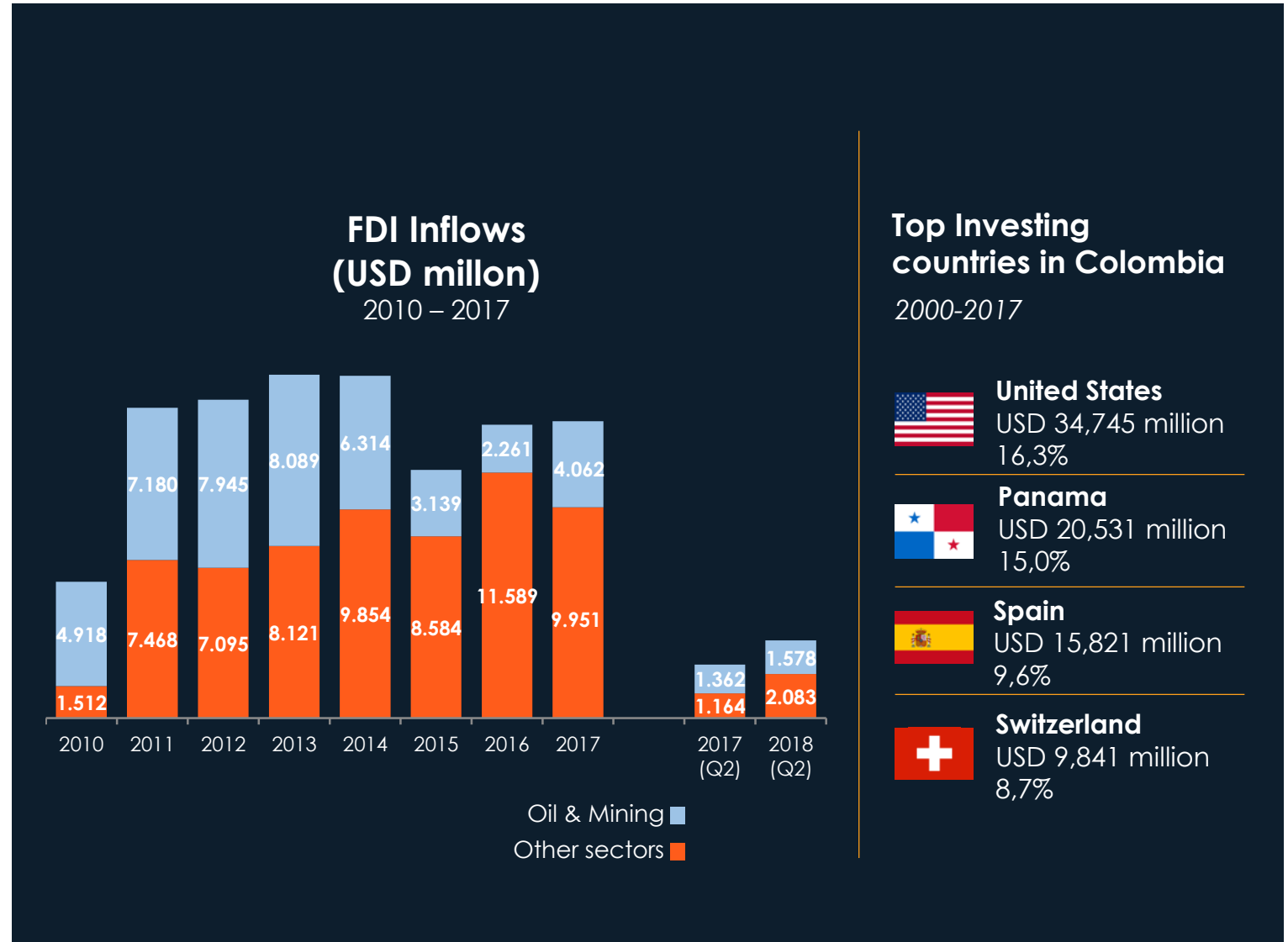


Source: ProColombia based on World Bank data and Canadean Travel and Tourism. Bubble sizing corresponds to the size of the economy.



FDI has been largely driven by **non-mining** sectors over the last 2 years

Source: Balance of Payments - Banco de la Republica.
 Share of all countries with positive cumulative investment, The information includes reinvested profits or investments in the oil sector
 Note: the list of the top countries investing in Colombia does not include Panama.



Top Investing countries in Colombia 2000-2017

- 
United States
 USD 34,745 million
 16,3%

- 
Panama
 USD 20,531 million
 15,0%

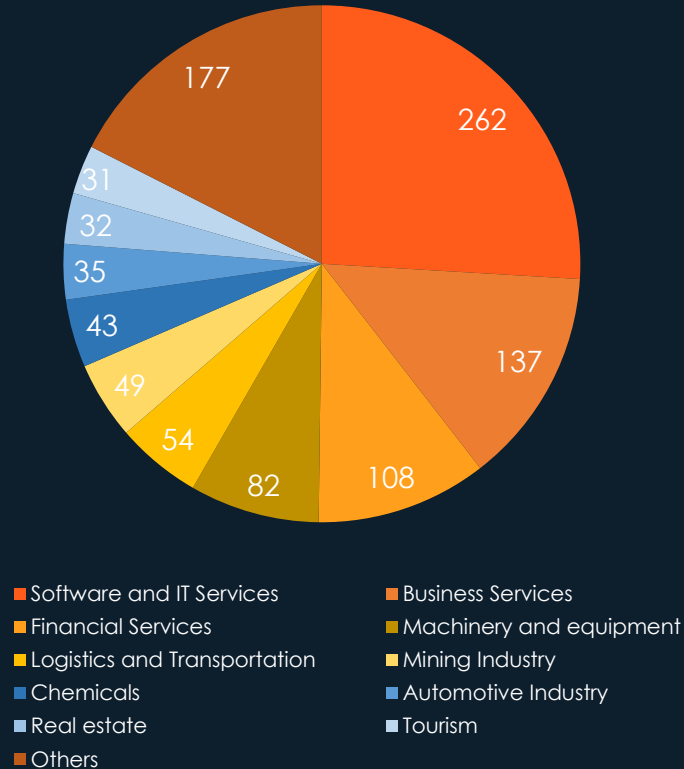
- 
Spain
 USD 15,821 million
 9,6%

- 
Switzerland
 USD 9,841 million
 8,7%



MAIN GLOBAL INVESTMENT PROJECTS in Colombia

Investment Projects from the world to Colombia by Industry Sector
2007 - 2017



Total projects : 1.010

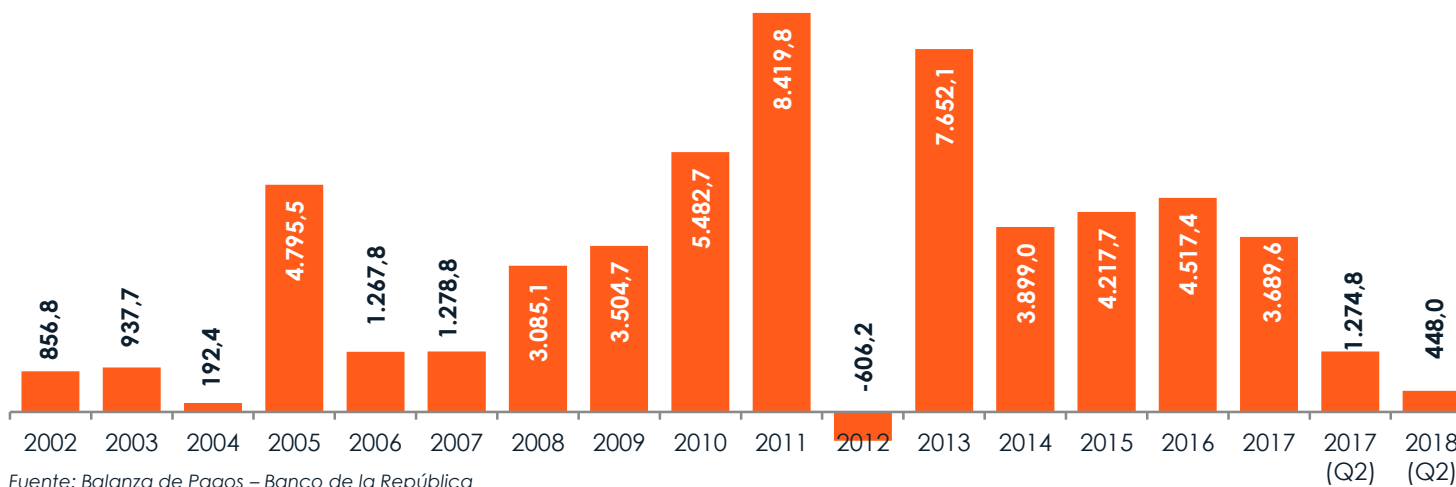
Sector	Jobs generated
Real estate*	23.812
Software and IT Services	22.999
Mining industry	12.115
Logistics and transportation	11.231
Tourism	9.024
Agroindustry	8.714
Financial services	8.108
Construction materials	7.740
Automotive industry	5.242
Energy	470
Others	53.027
Total	162.482

Fuente: fDi Markets. *Incluye construcción y servicios profesionales. Grupo casino y Parque Arauco registran el mayor número de empleos.



In the first quarter 2018, Colombian outward investment flows grew 55% over the same period of 2017.

Stock of outward FDI (USD millions)
2002 – 2017



Fuente: Balanza de Pagos – Banco de la República

Top Latin American investors
to the world, 2017
(USD billions)



Chile
USD 5,1



Mexico
USD 5,1



Colombia
USD 3,6



Argentina
USD 1,1

Source: Balance of Payments - Banco de la República. UNCTAD, 2017.

FDI Outward Flow
Main countries
2000 – 2017



Panama
USD 46.408 million
17%



United States
USD 7.745 million
13%



Spain
USD 5.886 million
10%



Chile
USD 4.752 millones
9%



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Reduced income tax and VAT Exemptions allowing access to local market

No import duties. VAT exemption for goods sold from Colombia to FTZ.

Benefit from international trade agreements.

Free trade zones for different investor styles.

Allows sales to the local market.

Number of Special Standing Single enterprise:

66

Total number Free Trade Zones:

105

Number of permanent Free Trade Zones:

39



COLOMBIA

is the Latin American country with the **most Free Trade Zones**

Number of FTZ in 2018



The new world trade dynamic allows Colombia to take advantage of different opportunities, such as:

- Access to demanding and sophisticated markets,**
- Increase the quantity and diversity of exports,**
- Transfer of technology,**
- Improve the quality of production.**



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COLOMBIA

Free Trade Zones represent an important opportunity for third countries to take advantage of the country's Trade Agreements

Free Trade Zones have a high potential for generating productive chains

-  **Mexico**
Cables and wires -
Batteries and accumulators -
Electrical Parts -
Flats laminated with steel or iron-
-  **United States**
Accessories and Auto Parts -
Electrical equipment -
Cotton Yarn -
Plastic Resins -
-  **Japan**
Aromatic products -
Glasses -
Flats laminated with steel or iron -
Vehicle parts & accessories -
-  **Perú**
Cotton yarns-



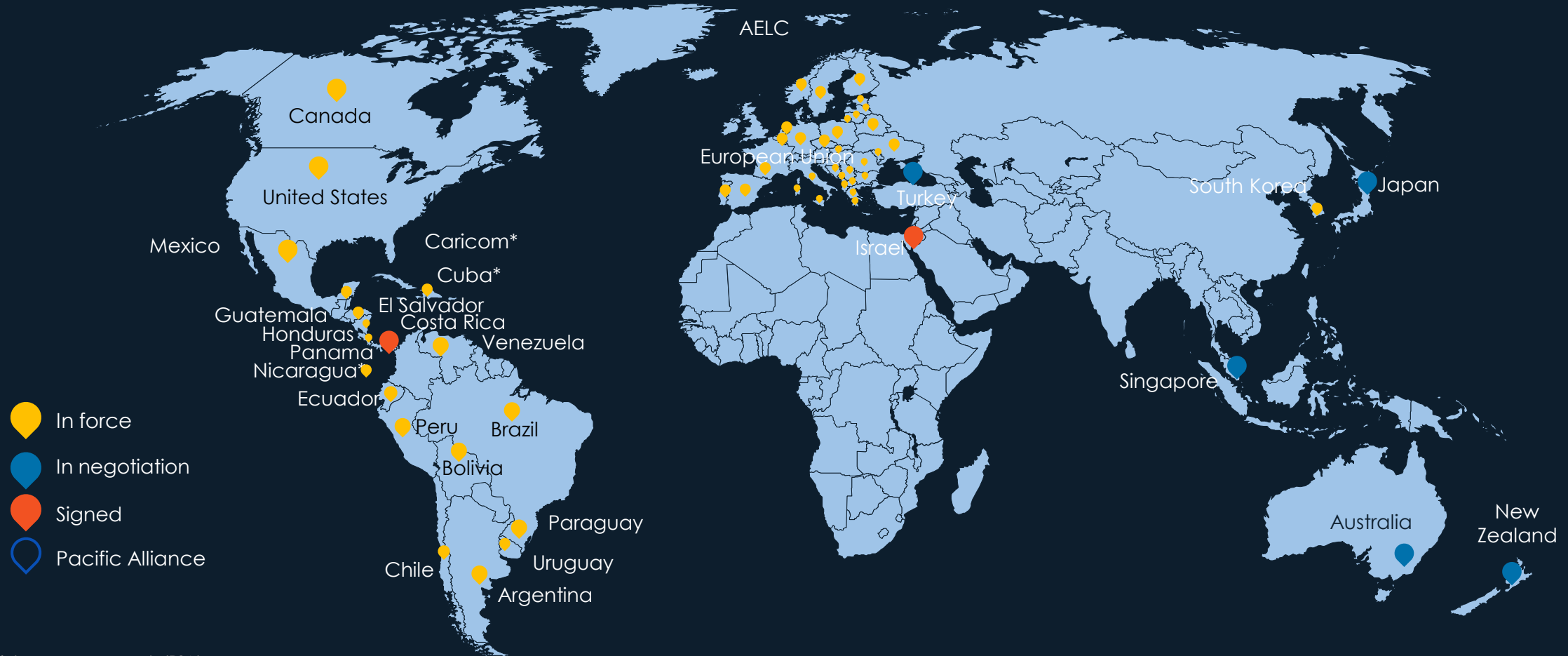
- Plastic packaging for the beverage and the cosmetics industry
- Automotive assembly
- Home appliances
- Clothing
- Processed foods
- Aeronautics
- Medical devices

Source: High impact Free Trade Zone-2016, CLG



COLOMBIA

has access to 60 countries and more than 1.5 billion consumers through its network of trade agreements



* Partial scope agreements (PSA)
 --- Blue line shows Pacific Alliance's member countries others than Colombia –(Chile, Peru and Mexico).
 - Source: Chamber of Commerce, Industry and Tourism, Colombia, 2017



COLOMBIA

Member state of the Pacific Alliance



▶ At the XII Summit of the Pacific Alliance (October 2017) the creation of the Associate members category was announced and negotiations were started to grant this status to Australia, Canada, New Zealand and Singapore

▶ This figure seeks to strengthen trade, regional and free trade integration, as well as benefit from regional platforms and promote trade agreement negotiations.



COLOMBIA

Less than 6 hours away by airplane from **main cities** in the americas



1.109
international
direct
frequencies per
week.

**More than
5.600**
domestic
frequencies per
week.

* This information takes into account the routes departing from international airports in Barranquilla, Bogotá, Cali, and Medellín. Source: Routes and Tariffs - Tools for the Colombian Exporter, processed by ProColombia.



COLOMBIA

with more than 4,500 maritime export routes and access to 680 ports around the world.



Source: Routes and Tariffs - Tools for the Colombian Exporter, processed by ProColombia.



Eldorado Airport located in Bogota is among the top airports in the world

According to Airhelp scores 2017, El Dorado International Airport is:



#1
IN LATIN
AMERICA



#11
WORLDWIDE

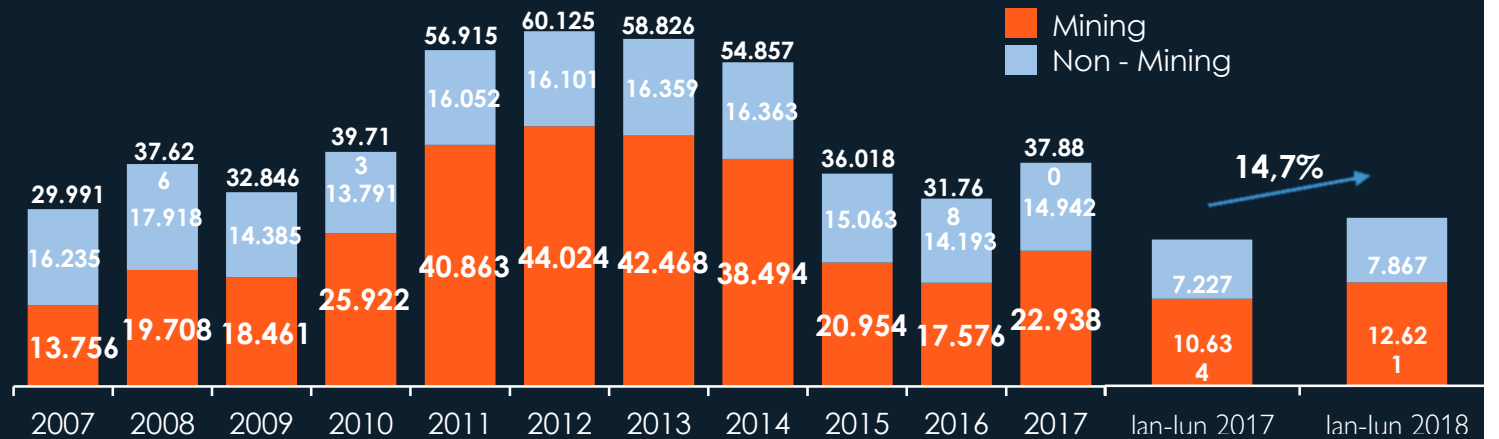


Source: Airhelp Scores , Airport Worldwide Rankings 2017



Colombian exports increased 19% in 2017 compared to the previous year

Evolution of Colombian Exports, 2007 – 2017
January-June 2018 (USD million)



Agroindustry and Metalworking sectors were the top performers in exports dynamics during 2017.

Source: DANE.DIAN, 2018.

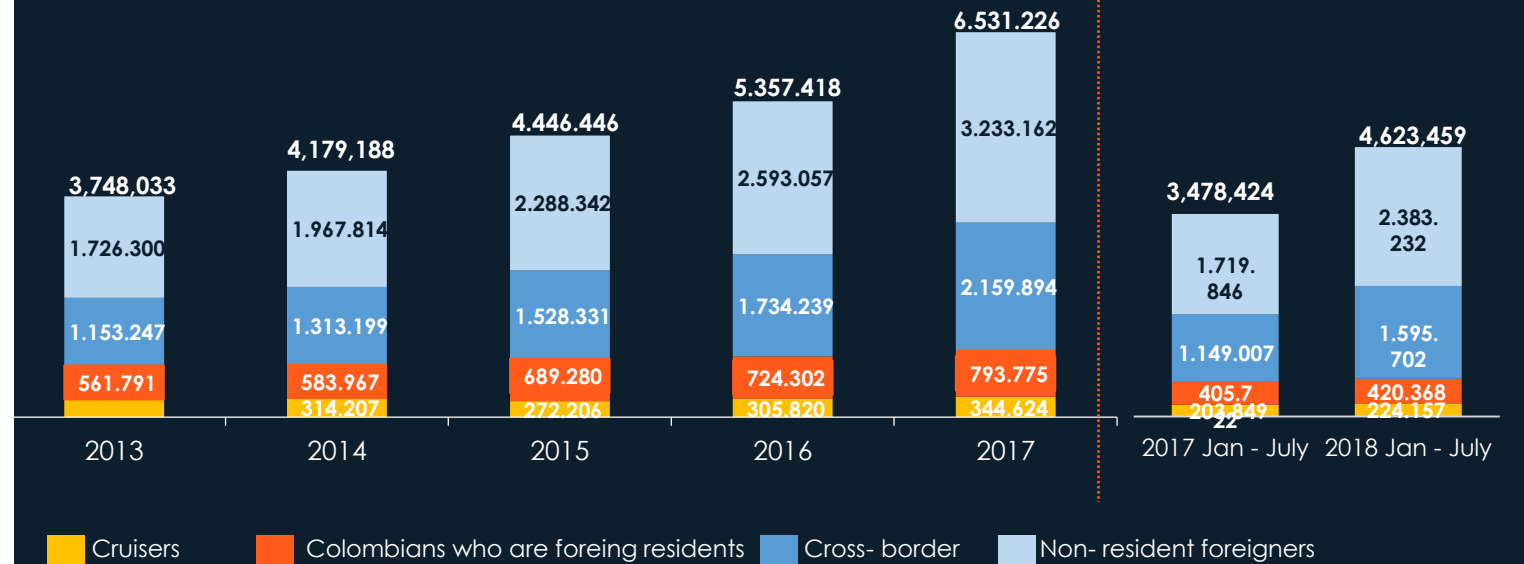


Between January and July of 2018, **receptive tourism grew 32,9%** over the same period of 2017

Arrival of foreign travelers to Colombia

2013 – 2017

Jan – Jun 2018 (USD million)

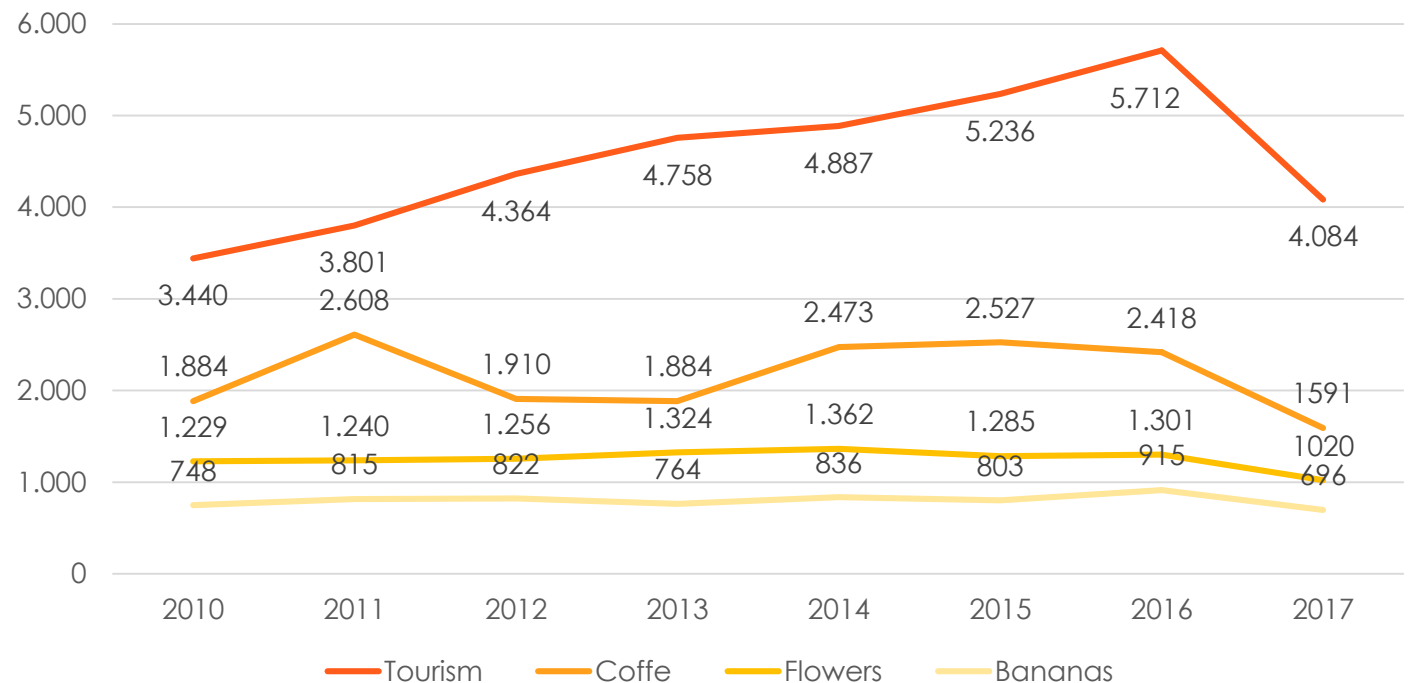


Source: Migration Colombia. Elaborated by ProColombia



The upward trend in tourism figures has had an important effect on the national generation of foreign income

Foreign income generated by sector 2010-2017 (USD Million)



According to figures from the Colombian National Bank, tourism was the second foreign income generator in 2017, surpassing traditional products such as coffee, flowers and bananas.

In 2017, foreign income generated by tourism was USD 5,788, which represented an increase of 5.4% compared to the same period of the previous year.

Source: BanRep-DANE. * Includes passengers transport and travel accounts. Preliminary data



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COLOMBIA

is one of the countries with the greatest potential for expansion in agricultural land

- ▶ Colombia, with multiple **thermal floors**, is able to **offer different agricultural products throughout the year.**
- ▶ Colombia ranked **13th worldwide and 1st in Latin America in the food sustainability index.**
- ▶ “**Plan Colombia Siembra**” seeks to **increase the agricultural production with 1,000,000 new hectares.**
- ▶ The **availability of water resources in Colombia is one of the highest in the world (FAO*)**. The country ranked fourth worldwide in sustainable agriculture.

Source: FAO, Food Sustainability Index, 2017





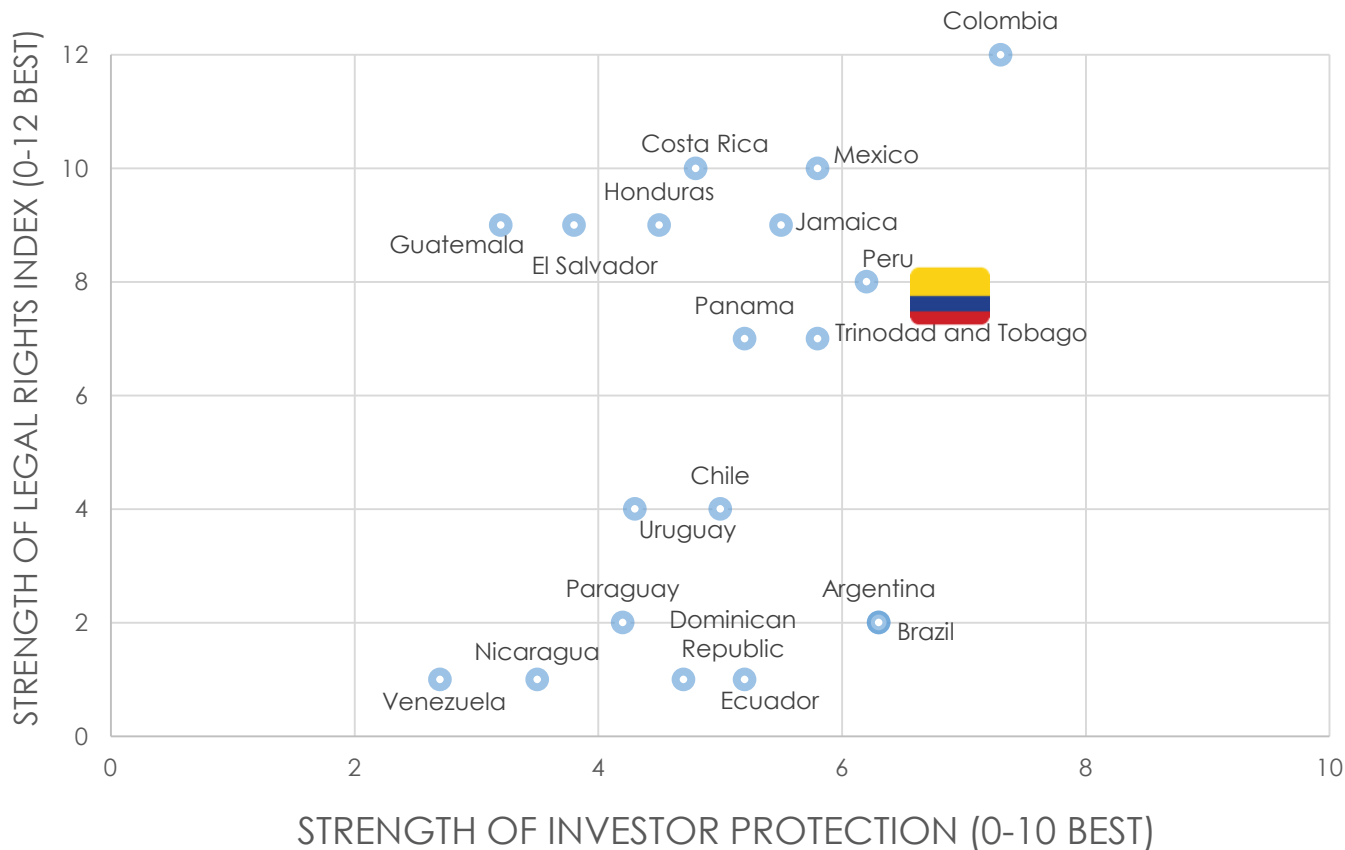
COLOMBIA
compared
to...





COLOMBIA

first destination for safe investment



COLOMBIA RANKS:

-  First in the Legal rights index (Worldwide)
-  First in the strength of investor protection Index (LAC region)

Source: Global competitiveness Index , 2017.

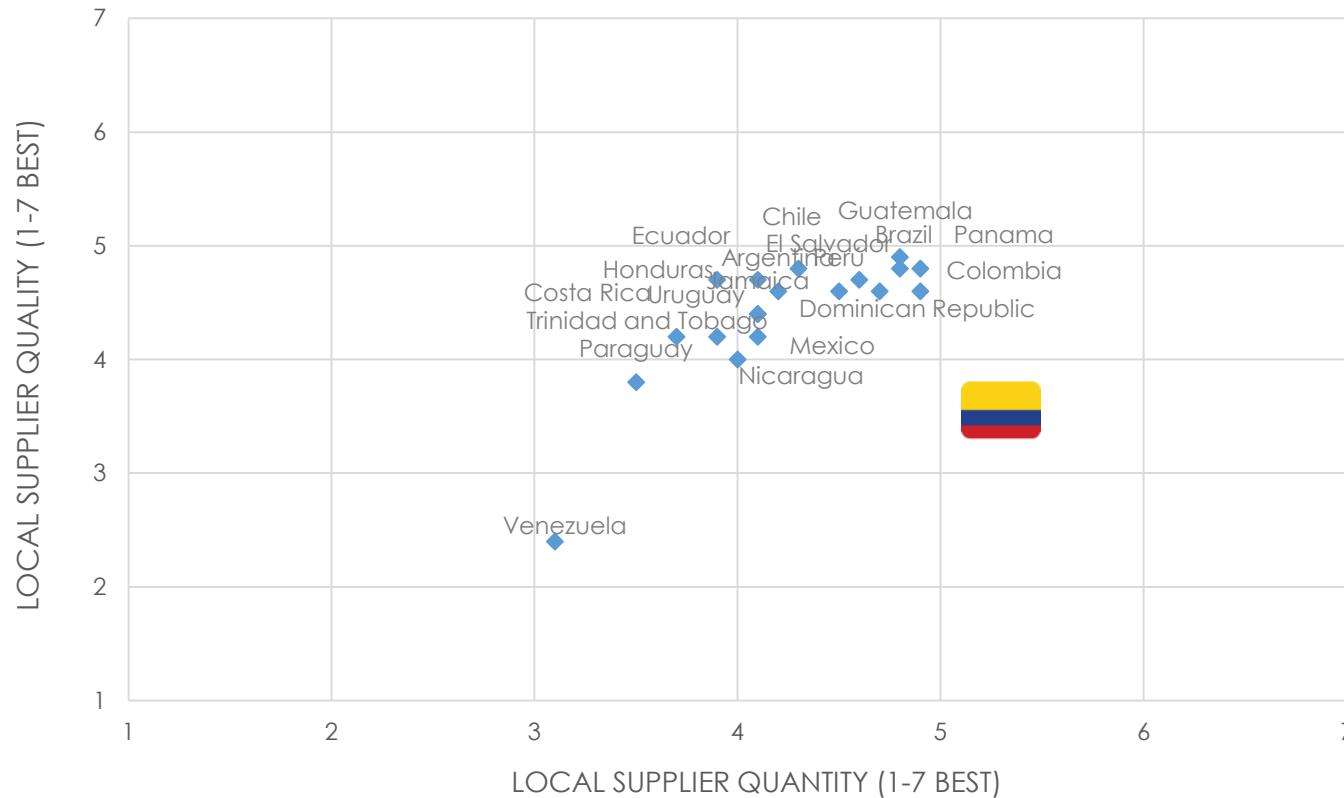




COLOMBIA

A destination with outstanding local suppliers in the LAC region

Investor protection index (0-10) 2007 - 2017



COLOMBIA:



#1

Local Supplier Quantity



#3

Local supplier quality

Source: Global competitiveness Index, 2017.



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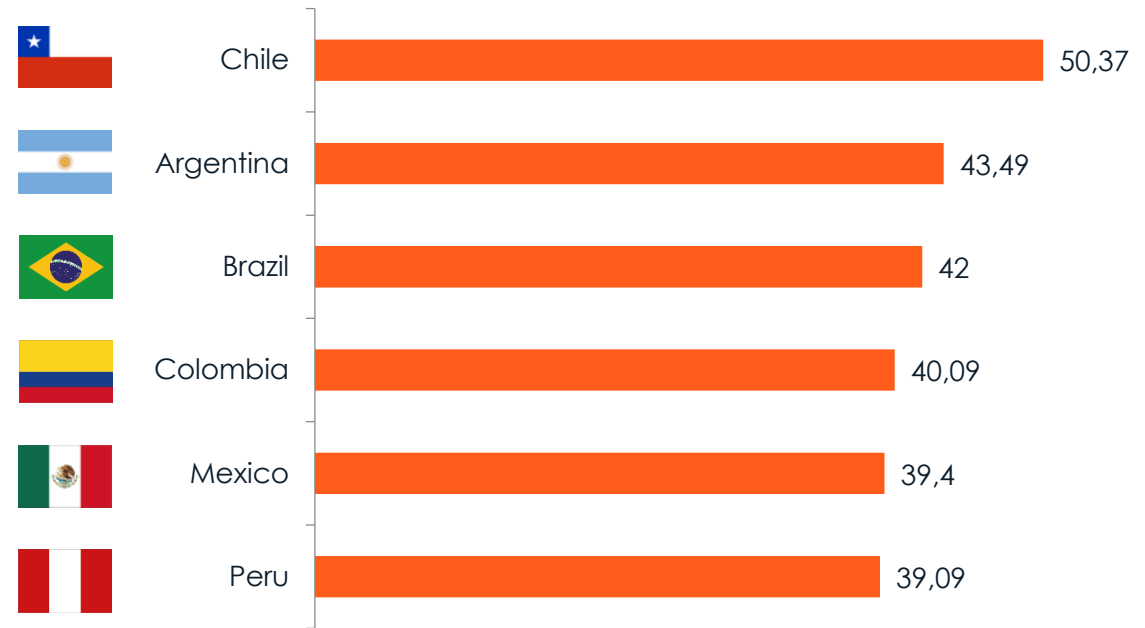




COLOMBIA

Committed to
invest in human
capital

World Talent Ranking 2017 (0-100 Best)



**Colombia was ranked fourth
in Latin America by
the Human Talent Report**

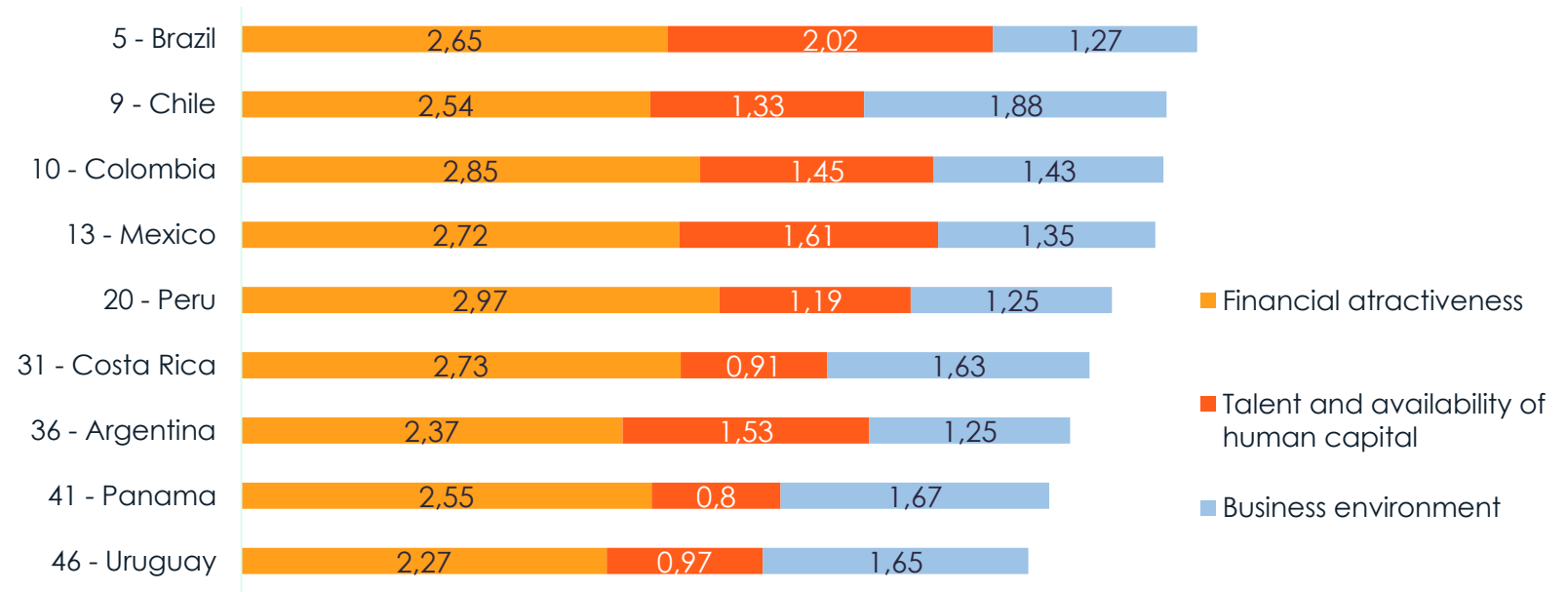


COLOMBIA

ranked 3rd in Latin America in the Services location indicator by A.T. Kearney

Source: A.T. Kearney, 2017

Global Services Location Index- 2017



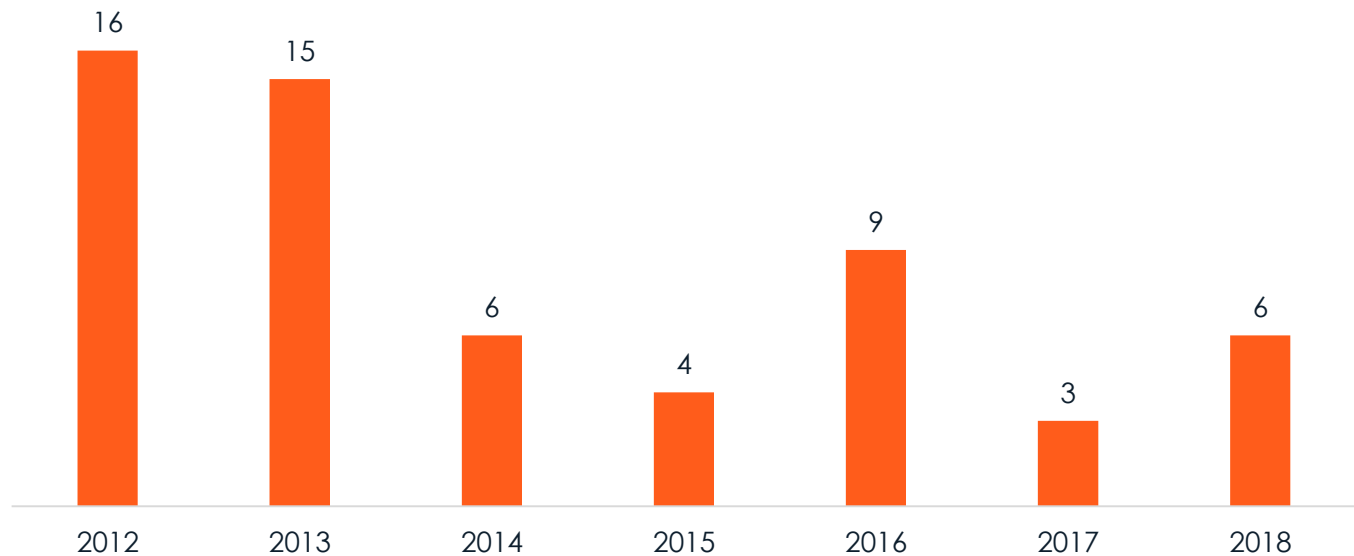
"Colombia registered a significant improvement in this year's position, rising 10 places to the 10th position."

Between 2011 and 2015, Colombia contributed with the 12% of the new BPO centers and Shared Service Centers in Latin America and the Caribbean."



79 INVESTMENT PROJECTS in creative industries

Number of investment projects in creative industries
2012 – 2018 (June)



Jobs created
(2006 – 2018)

7.656

Capital invested
(2003 – 2018)

USD 869
millon



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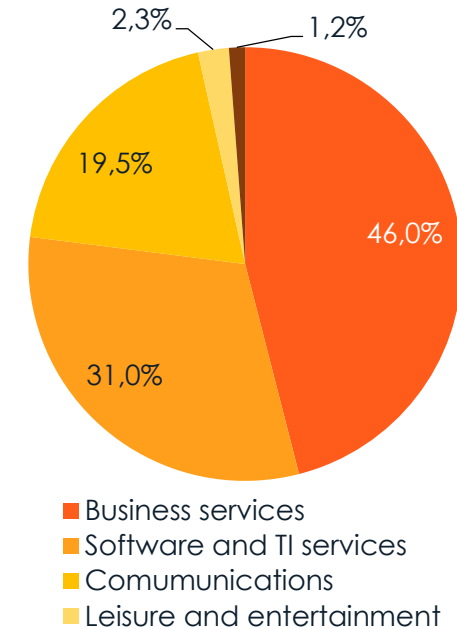


CREATIVE INDUSTRIES in Colombia

OVERVIEW OF THE INVESTMENT PROJECTS IN CREATIVE INDUSTRIES, COLOMBIA 2003 – 2018 (JUNE)

Number of projects	87
Jobs created	8.079
Average of Jobs created per project	92
Capital invested(USD million)	USD 895,1
Average capital invested per project(USD million)	USD 10,3

INVESTMENT PROJECTS IN CREATIVE INDUSTRIES, SECTORS 2003 – 2018 (JUNE)



SOME INVESTMENT SUCCESS STORIES



Capital invested:
USD 250 million
Jobs created:
3.000
Venezuela



Capital invested:
USD 146,5 million
Jobs created:
129
United States







Capital invested:
USD 130 million
Jobs created:
505
Mexico



COLOMBIA

Highest
enrolment rates
in education

				
Working age population rate (15-64) years	68,8%	66,3%	69,6%	65,4%
Enrolment secondary education	98,1%	97,3%	99,7%*	98,0%
Enrollment tertiary education	58,7%	36,9%	50,6%*	34,3%**



Major
multinational
corporations
have chosen
**Colombia as an
investment
project
destination**





INFRASTRUCTURE

A major driver for growth

Some niches with opportunities:



- ▶ **USD \$5.6 billion** in rehabilitation, expansion and modernization of **31 airports** (2015 – 2018).
- ▶ **The Fluvial National Plan** consists of 13 river projects with an investment of **USD \$2.9 billion**.
- ▶ By 2035, **USD \$17 billion will be invested** to increase road infrastructure:
 - 7,000 kms of new highways**
 - 1,370 kms of double lane highways**
 - 141 tunnels**
 - 1,300 viaducts**
- ▶ **USD \$3.3 million** investment to recover more than **1,769 kms of railways network**.

Source: Intermodal Transport Master Plan 2015-2035 (PMTI), Ministry of Transport - Exchange rate: USD = COP\$3,000



SUCCESS STORIES - INFRASTRUCTURE:

*A major driver for
growth*



S P A I N

In 2014, Iridium awarded two road concession projects in the government's "highway concession program (4G)". Those projects represent 78Km.



A U S T R I A

Strabag will be in charge of 75 Km new highways, and the modernization of a 65 km section.



I S R A E L

Shikun & Binui awarded the project "Corredor Perimetral de Oriente de Cundinamarca = 153 km length "



C H I N A

HEC will build "The Mar 2 highway" that will improve northeast logistics development. Total project length: 246 km.







Source: ProColombia con base en prensa nacional



SECTORS OF OPPORTUNITY - ENERGY:

A diversified resource base and a strategic location in the Americas

Some niche opportunities

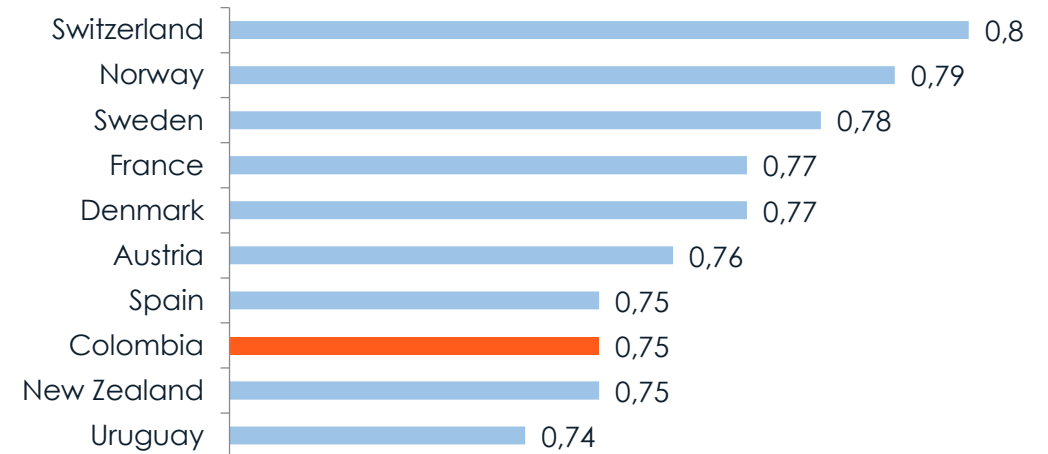
 THERMAL	 PCH	 SOLAR
 WIND	 BIOMASS	 TRANSMISSION NETWORK

Source: World Economic Forum 2016 and UPME / * UPME (Colombian Planning Unit of Mines and Energy). MW approx.. **Bids open by UPME

Colombia ranked 1st in Latin America and 8th in the world according to the “Energy Architecture Performance Index 2017”. WEF, 2017.

- ▶ 546 power generation projects registered in different stages: Installed capacity up to 15,940*
- ▶ 22 Open public bids for power transmission projects in Colombia**
- ▶ High potential in Biofuels and alternative energies.
- ▶ Projects focused on renewable energy will have special VAT exemptions, deduction from taxable income and customs exemptions – Law 1715

The Global Energy Architecture Performance Index 2017





SUCCESS STORIES - ENERGY:

A diversified resource base and a strategic location in the Americas

endesa



SPAIN

Endesa, the subsidiary of the Italian group Enel, acquired participation in Emgesa and Betania power generation companies with 2,895 MW of installed capacity.

enel



ITALY

Between 2017 and 2019, the Italian multinational Enel will invest about USD 561 million in energy projects in Colombia.

 **AES**
we are the energy



UNITED STATES

Colombian subsidiary of AES Corporation (Applied Energy Services). Chivor is one of the country's largest power generator with a total effective installed capacity of 1,000 MW.

steag



GERMANY

The low-grade thermal coal plant, Termopaipa located in Paipa, was the first power plant planned overseas, financed and built by Steag.

Source: Procolombia based on national press



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INVESTMENT PROJECT IN ENERGY



COMPANY INFORMATION

COMPANY NAME : Energia de los Andes S.A.S E.S.P



PROJECT INFORMATION

NAME OF THE PROJECT: : Proyecto Hidroeléctrico del Río Ambeima

LOCATION OF THE PROJECT: Chaparral, Tolima.

INSTALLED CAPACITY: 45 MW



TYPE OF PROJECT

OIL AND GAS

WIND

SOLAR

GEO THERM
AL

HYDRO

THERMA
L

OTHER:
XXXXXXXXX
X

REGISTRATION IN UPME

YE
S

N
O

STATUS: Stage 2



INVESTMENT OF THE PROJECT

TOTAL INVESTMENT OF THE PROJECT **Approx. USD\$ 145 MM**



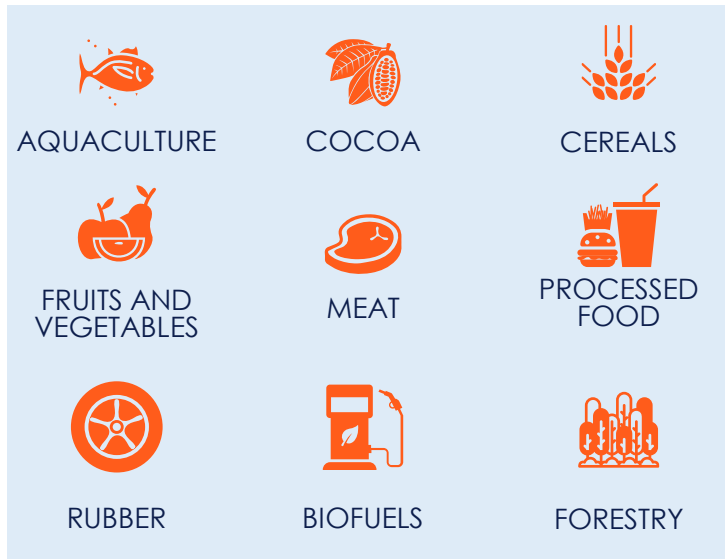
ADDITIONAL COMMENTS

The Project is located in Chaparral, Tolima, a municipality considered a ZOMAC (most affected area by the armed conflict). Companies established in ZOMAC municipalities have corporate tax incentives. The investment required is for the construction and operational start-up of a power plant with a waterborne catchment system and the construction of the connection to the Grid line of 15 km to Tuluní Substation.



SECTORS OF OPPORTUNITY – AGRIBUSINESS

Some niche opportunities



Investment opportunities

- ▶ Expansion of cultivated areas with a high global demand of agricultural products, construction of collection centers and assembly of processing plants (IQF, pulps, jams).
- ▶ Construction of cocoa processing plants for cocoa butter, cocoa liquor and chocolate products.
- ▶ Colombia has the fourth dairy herd and largest dairy production in the region, which guarantees easy access to raw materials for the subsequent transformation of dairy products.
- ▶ Build specialized industrial facilities to transform natural rubber into value-added elements.



COMPANY NAME: WOLF & WOLF LATIN AMERICA

SECTOR : FRUITS AND
VEGETABLES



COMPANY
DESCRIPTION

WOLF & WOLF LATIN AMERICA has a wide experience exporting fruits & vegetables worldwide since 2000 and is involved in the exports of Hass Avocados and other agriproducts. The company has a wide portfolio of products that are exported from Colombia, Peru, and Costa Rica. The main markets of WOLF & WOLF are Europe, USA, Canada, The Caribbean and recently Asia.

PROJECT NAME: EXPORT PROGRAM OF FRUITS & VEGETABLES



PROJECT
DESCRIPTION

Cash flow for an investment to growth directly 500 hectares in Hass Avocados. Now is the time to invest in buying lands in Colombia. The principal reasons are that the lands are not so expensive in comparison with the cost per hectare in places like California, Michoacán, Peru or Chile. Since the last 4 years, the value of the field in Colombia has been increasing but it is possible to acquire good lands for a reasonable price.

LOCATION OF PROYECT:



USE OF FUNDS

HIRE EMPLOYEES : _____% ENTER NEWMARKETS: _____% OTHERS _____% TOTAL % FUNDS 100%



ENTER NEW MARKETS YES : _____ NO : _____ WHICH : _____

AMOUNT OF THE INVESTMENT REQUIRED: EUR 8million IRR : _____

SALES	2016: _____	2017 : _____	2018 : _____
EBITDA	2016 : _____	2017 : _____	2018 : _____



COMPANY NAME: COMPANÍA COLOMBIANA DE CACAO (CCC)

SECTOR : COCOA



COMPANY
DESCRIPTION

Compañía Colombiana de Cacao S.A.S. ("CCC") is a company dedicated to the plantation and commercialization of cocoa. The Company arises from an association between Agrow Asset Management ("Agrow") and Ultraserfinco, through their Private Equity Fund (PE) Ultraserfinco Agronegocios. The Company uses a professional management model which generates high efficiencies and productivities leveraging on the superior characteristics of the cocoa trees.

PROJECT NAME: GROWTH AND COMMERCIALIZATION OF COCOA PROJECT



PROJECT
DESCRIPTION

CCC's strategy is based on selling its product directly to the bean to bar markets. This business model allows higher price premiums by setting a series of differentiation factors. In order to accelerate the Company's business plan, CCC is inviting private investors to capitalize the Company with USD ~7M for a 30% stake and an estimated IRR of ~20%.

LOCATION OF PROYECT: CIMITARRA ,SANTANDER, COLOMBIA



USE OF FUNDS

HIRE EMPLOYEES : _____%

ENTER NEWMARKETS: _____%

OTHERS _____%

TOTAL % FUNDS 100%



ENTER NEW MARKETS

YES : _____

NO : X _____

WHICH : _____

AMOUNT OF THE INVESTMENT REQUIRED: USD 7,000,000

IRR : 20%



COMPANY NAME: CASA LUKER

SECTOR : COCOA



COMPANY
DESCRIPTION

Casa Luker is a Colombian family-owned company with a broad portfolio of food products for the Colombian market and international. Their added value in it's ingredients business is the quality of *Cacao Fino de Aroma*, one of the best ingredients in their portfolio. Casa luker has presence in Peru, Panama and Belgium, and distributes it's products to other 21 countries.

PROJECT NAME: GREENFIELD PLANTATIONS DEVELOPMENT OF FINE FLAVOUR COCOA



PROJECT
DESCRIPTION

Greenfield Plantations Development of Fine Flavour on lease lands in Colombia, in partnership with Casa Luker, a leading Colombian Cocoa processor. Casa Luker committed to provide support in the plantation set-up, management and operations as well as executing an offtake agreement for a portion of the production. Am's length (transparent) contractual terms. The project is expected to have positive cashflow in five years after the plantation and the project life time is more than 35 years.

LOCATION OF PROYECT: NECOCLÍ, ANTIOQUÍA, MONTELIBANO, CÓRDOBA.



USE OF FUNDS: Up to US\$ 65 Million (\$12,500-\$13,500 per ha) in Agrocapex;
Up to 5,000 ha in 2-4 regional clusters of 700-1,500 ha each.

HIRE EMPLOYEES : _____%

ENTER NEWMARKETS: _____%

OTHERS _____%

TOTAL % FUNDS 100%



ENTER NEW MARKETS

YES : _____

NO : X _____

WHICH : _____

AMOUNT OF THE INVESTMENT REQUIRED: Up to \$65MM

IRR : 15%-17% (Real Terms)

SALES	2016: _____	2017: _____	2018: _____
EBITDA	2016: _____	2017: _____	2018: _____



COMPANY NAME: COLOMBIAN TIMBER S.A.S.

SECTOR : FORESTRY



COMPANY DESCRIPTION Colombian Timber is an agro-industrial investment opportunity offered by Gutierrez Group to investors willing to diversify into an industry that per its nature and high volume of cash requirements is usually only available to big private and institutional investors. Colombian Timber S.A.S. owns the land and the tree farm where the first Colombian timber project was developed. However, today the group is in its eight projects, each of them owned by a different company.

PROJECT NAME: COLOMBIAN TIMBER



PROJECT DESCRIPTION Large-scale forestry developments in the eastern plains of Colombia. The project consists in buying land, minimum 1.000 hectares per year, and plant it with fast-growing species (Acacia Mangium and Eucalyptus Pelita), with the intention of harvesting in 7 years, convert the wood to fiber biomass in the form of chips, and export it to Europe and/or Asia for energy generation purposes.

LOCATION OF PROYECT: VICHADA, COLOMBIA



USE OF FUNDS

HIRE EMPLOYEES : _____% ENTER NEWMARKETS: _____% OTHERS: Buy Land 100% TOTAL % FUNDS 100%



ENTER NEW MARKETS YES : NO : WHICH : Asia

AMOUNT OF THE INVESTMENT REQUIRED: USD \$3 MM - USD \$20 MM IRR : 16%

SALES	2016: _____	2017 : _____	2018 : _____
EBITDA	2016 : _____	2017 : _____	2018 : _____

Sales will start in 2021


 COMPANY NAME: CORPOCAMPO

 SECTOR : AGROINDUSTRY - FRUITS


COMPANY DESCRIPTION

CorpoCampo was founded in 2003 in Bogotá, Colombia. The company engages its activities in the sustainable production of acai berries and palm hearts. Through its activities, it has substituted, **3,000ha. of illegal crops**. The company employs **240 women breadwinner** and associates with **1,200 smallholders**, afro-Colombians and indigenous communities to sustainably produce its agriproducts in territories greatly affected by the country's internal conflict. Its vision is to become the gateway of Amazon products to the world.

 PROJECT NAME: The Açai Dream


PROJECT DESCRIPTION

CorpoCampo will focus on developing and commercializing value added açai-based products. To achieve this, it will increase fruit transformation capacity, improve processing facilities, strengthen the team an invest in new product development. Simultaneously it will ensure fruit availability by reforesting 400ha. of land and implementing and inclusive agroforestry system. It will support Ecosystem Development by providing seedlings, fertilizers and technical training to 1,000 smallholders and 300 members of indigenous communities.

LOCATION OF PROJECT: PUTUMAYO, COLOMBIA



USE OF FUNDS

AGROFORESTRY MODEL: 25%		STRENGTHEN COMPANY'S CAPABILITIES:		ECOSYSTEM DEVELOPMENT: 33.4%	
Land 20%	Equipment 13%	41.6Machinery 24%	Working Capital 20%	Infrastructure 10%	Plantation 27%
Seedlings 18%	Labour 2%	Civil Works 21%	Others 20%	Seedlings 14%	Labour 25%
Infrastructure 26%	Others 21%	Team 15%		Technical Training 10%	Others 14%


 ENTER NEW MARKETS YES : X NO : WHICH JAPAN, BELGIUM

 AMOUNT OF THE INVESTMENT REQUIRED: USD 12 MM

 IRR : 22%

SALES	2016: USD \$ 4 MM	2017: USD \$3.8 MM	2018: USD \$4.3 MM
EBITDA	2016: USD \$ 0.27 MM	2017: USD \$0.34 MM	2018 :USD \$0.55 MM



COMPANY NAME: PALNORTE S.A.S

SECTOR : PALM OIL



COMPANY
DESCRIPTION

PALNORTE promotes the palm sector in the Catatumbo area, creating productive alliances with farmers, organizing them through an associative scheme, and ensuring the commercialization of their production. The company provides accompaniment with comprehensive technical assistance of crops and business management.

PROJECT NAME: EXPANSION OF PALNORTE'S OPERATION



PROJECT
DESCRIPTION

The expansion of the operation of the company consists in the acquisition of 5000 hectares for the cultivation of oil palms, recomposition of the financial liabilities, Expansion of the production capacity from 40 TON / hour to 45 TON / hour and finally the generation project of energy: Lagoons with liquid effluents from the extraction process: they are adapted to capture gas, turbines are installed in order to generate fuel for power generation. To comply with the strategy, the company requests an investment of USD 30 million.

LOCATION OF PROYECT: CATATUMBO, COLOMBIA



USE OF FUNDS

HIRE EMPLOYEES : _____% ENTER NEWMARKETS: _____% OTHERS _____% TOTAL % FUNDS 100%



ENTER NEW MARKETS YES : _____ NO : X _____ WHICH : _____

AMOUNT OF THE INVESTMENT REQUIRED: USD 30 Million

IRR : _____

SALES	2016: _____	2017 : _____	2018 : _____
EBITDA	2016 : _____	2017 : _____	2018 : _____



COMPANY NAME: **EQUILIBRIA AGRO S.A.S.**

SECTOR : FRUITS AND
VEGETABLES



COMPANY
DESCRIPTION

The company engages its activities in the growth and commercialization of diversified species of lime. The orchards of the company are located in the south western of Antioquia.

PROJECT NAME: PERSIAN LIME



PROJECT
DESCRIPTION

The company is in the second stage of its plan of production of Persian lime. The second stage is composed by the acquisition of 5000 acres and the operative costs of the crops. The forecasted investment required is USD 26 million.

LOCATION OF PROYECT: SOUTHWEST ANQTIOQUIA, COLOMBIA



USE OF FUNDS

HIRE EMPLOYEES : _____%

ENTER NEWMARKETS: _____%

OTHERS _____%

TOTAL % FUNDS 100%



ENTER NEW MARKETS

YES : _____

NO : _____

WHICH : _____

AMOUNT OF THE INVESTMENT REQUIRED: **USD 26 Million**

IRR : 27.93%

SALES	2016: _____	2017 : _____	2018 : _____
EBITDA	2016 : _____	2017 : _____	2018 : _____



COMPANY NAME: HEINCKE

SECTOR : AGROINDUSTRY - PANELA



COMPANY
DESCRIPTION

Heincke was founded in 2018 in Bogotá, Colombia. The company and its founders have an extensive experience commercializing panela and value-added products in foreign markets. Due to its reputation and the critical client base, they have built abroad, Heincke has created strong links with local communities that supply Panela in different forms, where organic and fair-trade products are its highlights. The company develops and empowers communities affected by the conflict, as well as smallholders and indigenous communities. At the same time, Heincke offers a healthy alternative for sweeteners.

PROJECT NAME: PANELA AS A DRIVER OF DEVELOPMENT



PROJECT
DESCRIPTION

With the objective of keeping on growing at a rate larger than 30% per year as well as the creation and sharing of value with local communities, Heincke has established 3 strategic initiatives under one cornerstone: quality. 1) A Honey Homogenization Facility in Quipile, a town severely affected by conflict, to create economies of scale that increase the profitability perceived by the local communities, and that will improve the quality of Panela, 2) A quality assurance facility, to identify the panela suitable for the international markets, and 3) an organizational upscale that will allow the company to increase its working capital and expand its team.

LOCATION OF PROJECT: ANDEAN AND CARIBBEAN REGIONS OF COLOMBIA



USE OF FUNDS

HIRE EMPLOYEES :30%

ENTER NEW MARKETS:70%

OTHERS ____%

TOTAL % FUNDS 100%



ENTER NEW MARKETS

YES :X

NO : ____

WHICH :ASIA AND NORTH AMERICA

AMOUNT OF THE INVESTMENT REQUIRED: USD 1 MM – USD 3 MM

IRR : 18%

SALES	2016: ____	2018 : 200,000 USD	2019E : 600,000 USD
EBITDA	2016 : ____	2018 : 30,000 USD	2019E : 90,000 USD



SUCCESS STORIES - AGRIBUSINESS



UNITED
STATES

The American investment fund specialized in the agribusiness sector, invested in the company, "Cacao de Colombia", by setting up a second production plant in Popayán.

Minerva Foods



BRAZIL

Brazilian company dedicated to the production and commercialization of beef, leather, live animals and its byproducts. The company acquired freezers from Red Carnica S.A.S located in Cordoba.

CCU



CHILE

Alliance between CCU and Postobon: Construction of a production plant with the aim of boosting the beer market sector through production, commercialization and distribution of beer and non-alcoholic beverages based on malt.

Source: Procolombia based on national press



SECTORS OF OPPORTUNITY – METALWORKING AND OTHER INDUSTRIES

Colombia, a sustainable destination.

Some niches of opportunity:



AUTOMOTIVE
AND AUTO PARTS



METALWORKING



CONSTRUCTION
MATE

- ▶ Setting up assembly lines to produce commercial vehicles (buses), cargo vehicles and motorcycles to serve both local and international markets using Colombia as an export platform.

Colombia has specialized in the production of vehicles and motorcycles to meet local and international demand **as well in the auto parts market that allow it to respond to the needs of assemblers and the aftermarket.**

- ▶ Setting up factories that transform iron and steel products with the aim of meeting other industries demand.

The development of sectors such as construction, automotive, shipyards and metallurgy opens a huge investment potential in the manufacture of metal structures, tools and machinery.

- ▶ Establishment of cement, ceramic and prefabricated production plants to supply local and international markets.

Colombia has a portfolio of projects for the construction of housing, road infrastructure and air transport, which makes it an attractive destination for companies in the sector.



PROCOLOMBIA
EXPORTACIONES TURISMO INVERSION MARCA PAIS





SUCCESS STORIES – METALWORKING AND OTHER INDUSTRIES

*Colombia,
a sustainable
destination*



The company invested in a float glass production plant to supply the national market and export to countries in the Andean region.



The Japanese company of continuous casting and production of high precision parts, decided to open a plant to serve the American market.



Foton invested more than US \$ 12 million in a new assembly plant for SUV and 4x4 models.



Whirlpool and the Colombian company Haceb, signed an alliance to produce washing machines in a plant of US \$ 70 million.

Source: Procolombia based on national press



SECTORS OF OPPORTUNITY - CHEMICALS AND LIFE SCIENCES

*Colombia, a sustainable
destination*

Some niche opportunities



FERTILIZERS



NATURAL
INGREDIENTS
FOR COSMETICS



PLASTIC
PACKAGING

- ▶ Setting up agrochemicals formulation and production plants to serve the growing local market.

Colombia is the second country in the region with the highest fertilizer consumption per hectare. In Latin America, Colombia is 5.5 times above the average.

- ▶ Setting up research centers on development of cosmetics based on natural ingredients. Taking advantage of the Colombian biological and flower diversity; and the tax incentives provided by the National Government for R&D projects.

The country has positioned itself as a hub for the production of cosmetics and toiletries at a regional level. It is the fourth manufacturing industry with the highest exports in the country

- ▶ Assembly of plastic packaging production plants to meet the needs of the LAC region.

Colombia counts with high quality raw materials for packaging with highly technical control equipment.



SUCCESS STORIES - CHEMICALS AND LIFE SCIENCES



The new factory set up in Colombia is one of its three most modern factories in the world, thanks to its cutting-edge technology and ecofriendly facilities.



Started its production operations in 2013, after the acquisition of Abocol, the most important agrochemical company in Colombia.



The Indian group inaugurated a new production plant in Villa Rica (Cauca), from which it manufactures 180 million laminated plastic tubes for consumer products.



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Source: Procolombia based on national press



SECTORS OF OPPORTUNITY – SERVICES: : *IT, BPO, ITO, Shared Services, Apps*

Some sectors with opportunities:



BPO BACK OFFICE – FINANCE



BPO - TELEMEDICINE



BIG DATA ANALYTICS



SHARED SERVICE CENTERS



DATA CENTERS



FINTECH



SMART CITIES

Colombia is one the three major providers of IT services in the region.

- ▶ Between 2001 and 2015, **3,405,211** graduates in different levels of education,
- ▶ **1.3 million** bilingual people in Colombia in 2016.
- ▶ **1st** place in South Americaa in labor qualifications, according to IMD (**2015**)
- ▶ **6th** place in the region in level of English in companies in 2016.
- ▶ Colombia has **10 submarine cables**, with eight exits through the Caribbean Sea and one through the Pacific Ocean.

Source: MinTic and IDC



PROCOLOMBIA
EXPORTACIONES TURISMO INVERSION MARCA PAIS





SUCCESS STORIES – SERVICES

IT, BPO, ITO, Shared Services, Apps



IBM opened its third Data Center in Colombia offering a processing power of 5 petabytes. It's one of the most advanced centers for Cloud Computing and Big Data Analytics companies in the country.



It has two operations centers in Bogota where it manages a diversified portfolio of blue ribbon clients, with the capacity for up to a thousand positions.



AT&T acquired DirecTV Colombia and it'll increase the telecoms offer Colombia through new services and packages.



an NTT DATA Company



Its BPO operation currently has more than 1,400 credit processes, customer service, and document management active positions.

Source: Procolombia based on national press



SECTORS OF OPPORTUNITY – FASHION INDUSTRY:

Industry with a diversified basket of products

Some niche opportunities:



TEXTILES



GARMENTS

- ▶ **Local industry currently supplied with imported materials.** Textile imports have increased in the last 10 years; it is necessary to supply the increasing demand of raw materials with local production.
- ▶ **Colombia as an export platform,** the country holds a strategic location, high industrial capacity and more than 16 free trade agreements.
- ▶ **Strategic alliances.** There are qualified Colombian companies able to associate with foreign investors in order to reach regional and international markets.



SUCCESS STORIES – FASHION INDUSTRY:

Industry with a diversified basket of products



This company has operated in Colombia for more than fifty years as a Coats chain in the city of Pereira, Risaralda.



PARKDALE



Operates with the company Colombiana de Hilados, with a manufacturing plant in the Free Trade Zone of Rionegro, Antioquia. The plant has the capacity to produce carded open-end and combed ring-spun.



Polymer Group: It has a manufacturing plant in the Pacific Free Trade Zone in Cali, Valle del Cauca.



Acquired shareholding in the Colombian company Coltejer.

Source: Procolombia based on national press



SECTORS OF OPPORTUNITY – TOURISM

Infrastructure, real estate and retail

Some niche opportunities



NATURE & ADVENTURE



WELLNESS

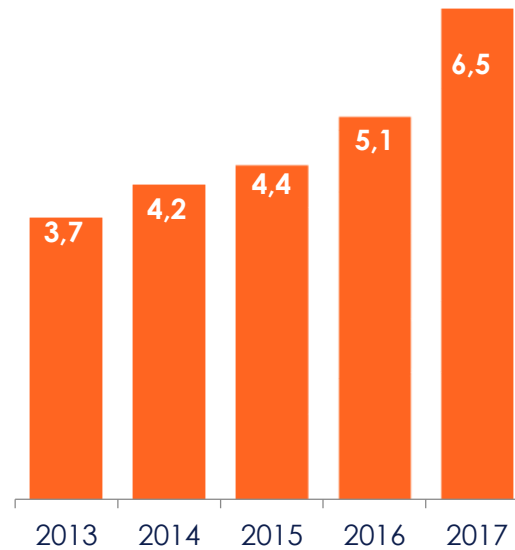


ENTERTAINMENT



CITY HOTELS

Inbound tourists*
2012 – 2015
(million of people)



*Inbound tourist includes: resident Colombians abroad, foreign non resident in Colombia, special cross borders, and cruise visitors.
Source: Migration Colombia and MinCIT. ProColombia calculations.

Investment Opportunities in:

- ▶ Colombia ranks 25th in the ICCA ranking (International Congress and Convention Association)
- ▶ Luxury and wellness hotels can take advantage of the Colombian biodiversity to offer high quality services.
- ▶ Corporate Tax Exemption for hotels with more than 61% of their building by December 2017
- ▶ VAT exemption for health tourism services



SUCCESS STORIES TOURISM INFRASTRUCTURE, *real estate and retail*



This American chain has 15 hotels in Colombia with more than 1,850 rooms



Holiday Inn hotels opened in Bogota and Cartagena, totaling 331 rooms.



NH Hotels has 15 hotels in Colombia, with more than 1,600 rooms



This luxury chain has 2 hotels in Bogota with 126 rooms in the more exclusive locations in the city









Source: Procolombia based on national press



SECTORS OF OPPORTUNITY-SERVICES, CAPITAL FUNDS

Colombia, a sustainable destination

Some niches with opportunity

 REAL ESTATE	 HEALTH	 BANKING
 ICT	 BIOTECHNOLOGY	 ENERGY
 AGRIBUSINESS	 INFRASTRUCTURE	

Colombia offers several benefits to invest in capital funds.

- ▶ **Colombia was ranked fourth in Latin America and the Caribbean** thanks to its favorable conditions for development of the PEF industry.
- ▶ **19 International General Partners** in Colombia.
- ▶ Capital funds such as Advent International and Victoria Capital **have chosen the country as a hub to service other countries in the region**

Source: MinTic and I



SECTORS OF OPPORTUNITY- SERVICES, CAPITAL FUNDS

Colombia, a Sustainable destination

Brookfield



Investments mainly in the sectors of infrastructure, energy and real estate.
Investments in Colombian power company ISA as part of its expansion plan in the region.



Latin American fund that invested more than US \$ 20 million for the development of three cancer treatment centers in Colombia.

DARBY
PRIVATE EQUITY
FRANKLIN TEMPLETON
INVESTMENTS



Mainly infrastructure investments.
In Colombia focused in companies such as Intertug and Ocesa

Source: Procolombia based on national press



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Madrid

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Panama)

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Caracas

BRAZIL

Sao Paulo

ARGENTINA

Buenos Aires

BELGIUM

NETHERLANDS

GERMANY

RUSSIA

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INDIA

New Delhi

INDONESIA

Yakarta

JAPAN

Tokyo

SOUTH KOREA

Seoul

CHINA

Beijing,
Shanghai.

SINGAPORE

32
COUNTRIES



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