

COMMERCIAL OPPORTUNITIES COLOMBIA - ISRAEL

VICEPRESIDENCY OF INTERNATIONAL AFFAIRS AND COOPERATION

AUGUST 2020

#SOYEMPRESARIO



Autonomous institution

Legal and non-profit status

3 working axes: business strengthening, legal security and an environment conducive to business

Resources of a public nature (registration fee) and private

Administration of public records: management of 9 public records

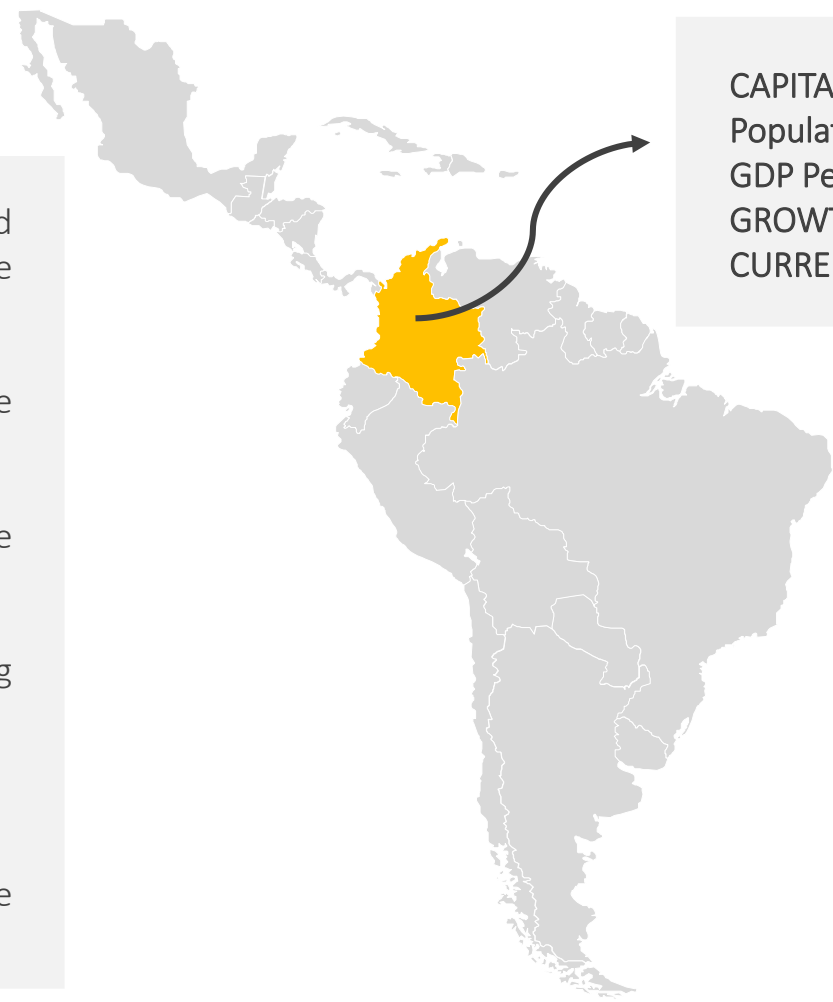
764.639 registered companies and trade establishments

Leadership, for 15 years, in the development of cultural and creative industries







8 macrosectors and 17 prioritized sectors

7 subsidiaries: Corferias, Ágora Bogotá, Invest in Bogotá, CAEM, Certicámara, Corparques y Uniempresarial

COLOMBIA – GENERAL INFORMATION



CAPITAL: Bogotá
Population 2019: 48 million
GDP Per Capita 2019: 15,541,2 USD
GROWTH REAL PIB (2019): 3,3%
CURRENCY: Colombian peso

-  A responsible government committed to public health and economic reactivation, which allows the country to capitalize on 50 years of economic growth to overcome the crisis
-  Its economic performance translates into a growing middle class with high purchasing capability
-  Colombia is committed to competitiveness, to continue improving the country's economy
-  The above conditions allow the country to welcome Foreign Direct Investment
-  The country is becoming into an export platform
-  Colombia has a government committed to the growth of the private sector

COLOMBIA – GENERAL INFORMATION

Colombia is a full member of the  OCDE
It improves its image of political and economic stability

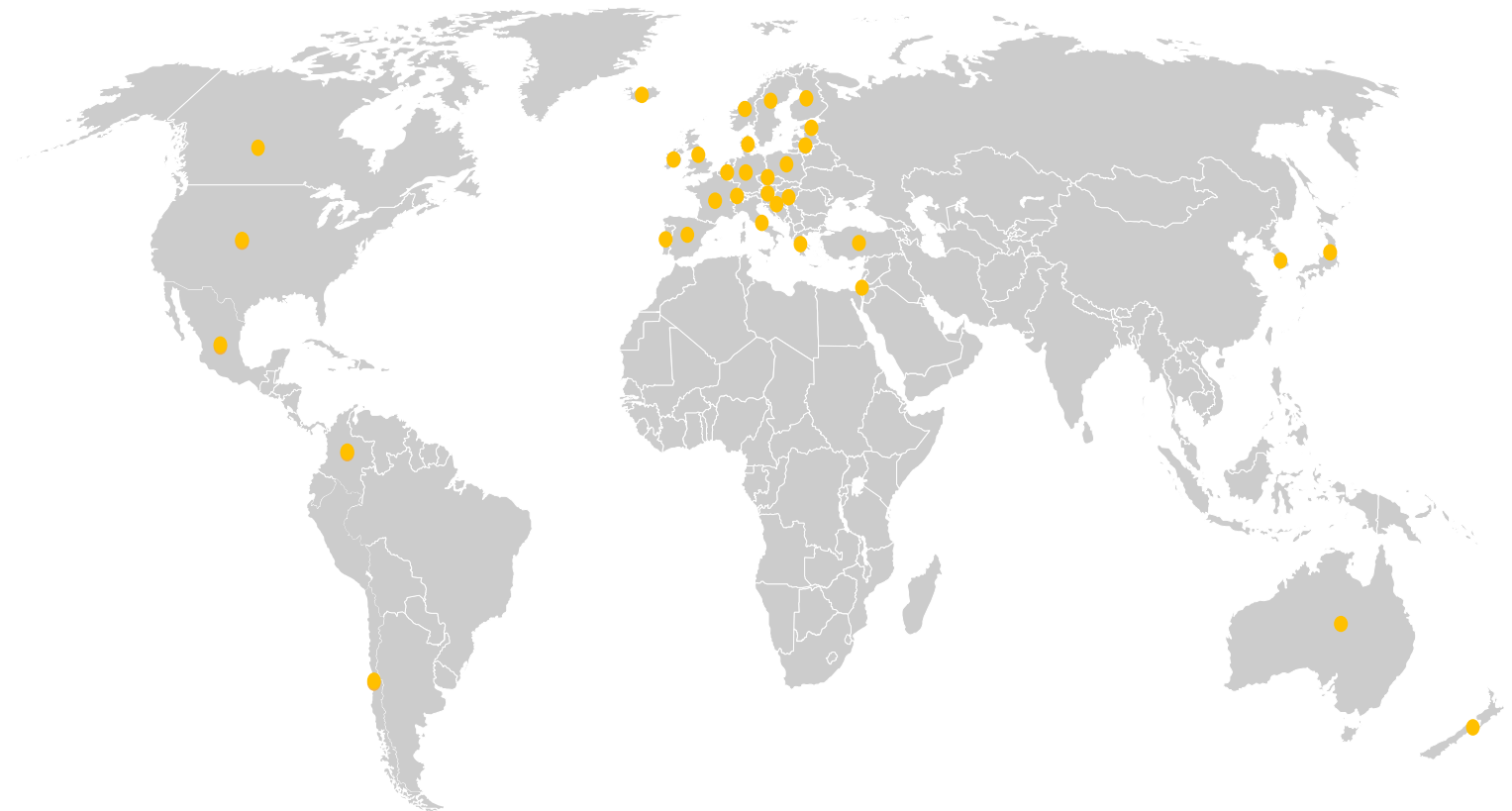
CANADÁ
ESTADOS UNIDOS
MÉXICO
CHILE
COLOMBIA

AUSTRIA
BÉLGICA
REPÚBLICA CHECA
DINAMARCA
ESTONIA
FINLANDIA
FRANCIA
ALEMANIA
GRECIA
HUNGRÍA
ISLANDIA
IRLANDA
ISRAEL
ITALIA

JAPÓN
COREA DEL SUR

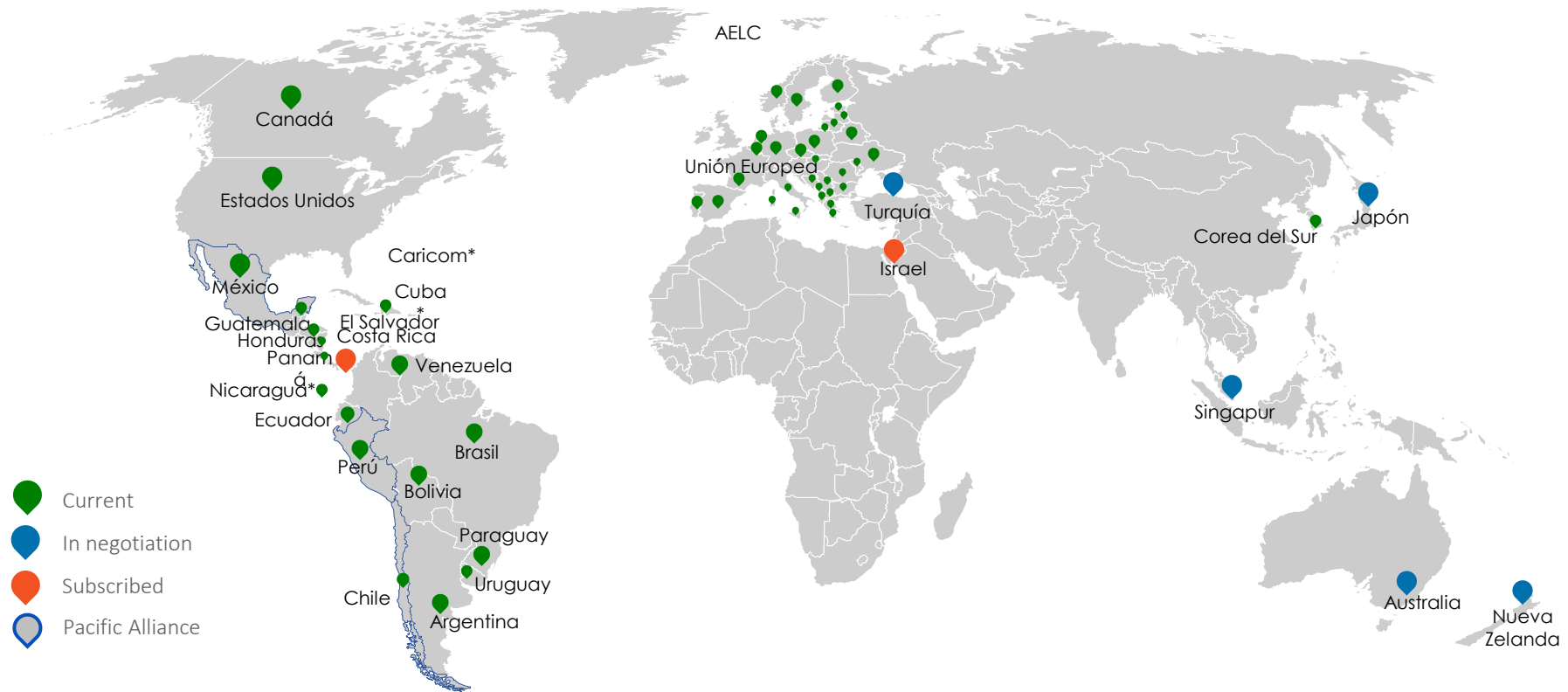
LITUANIA
LETONIA
LUXEMBURGO
PAÍSES BAJOS
NORUEGA
POLONIA
PORTUGAL
ESLOVAQUIA
ESLOVENIA
ESPAÑA
SUECIA
SUIZA
TURQUÍA
REINO UNIDO

AUSTRALIA
NUEVA ZELANDA



COLOMBIA – GENERAL INFORMATION

Colombia has Access to 60 countries with more than 1,500 million consumers, through its network of free trade agreements, Access facilities with zero tariffs

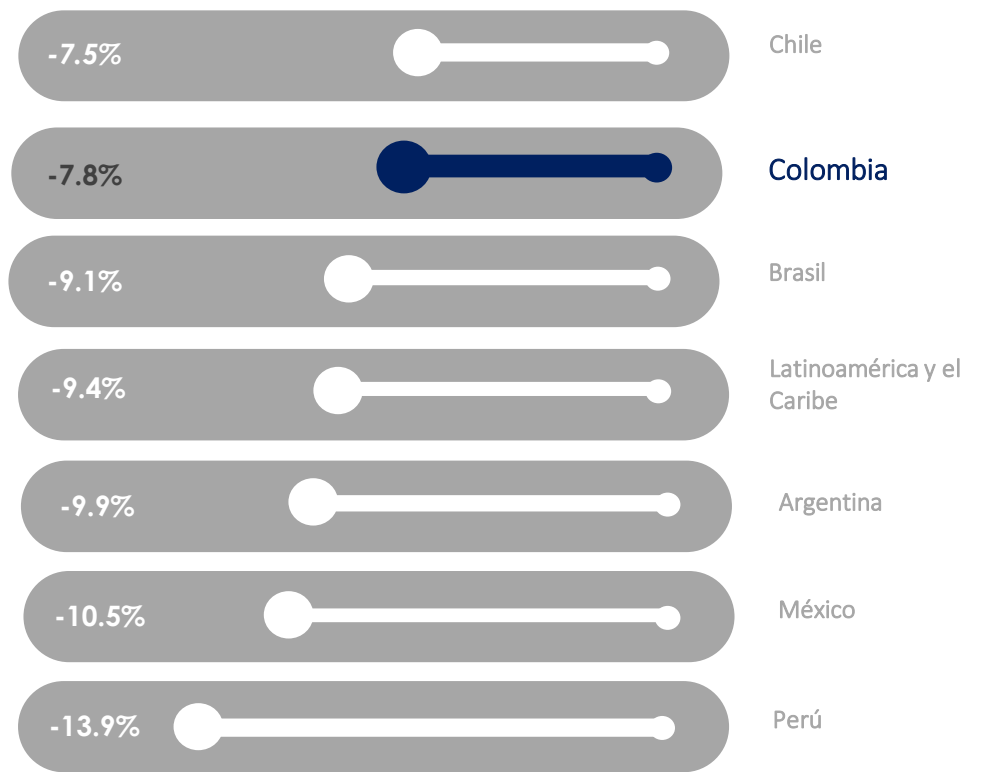


ECONOMIC PROJECTION - COLOMBIA

Colombia has become a resilient country and will be one of the economies that will best withstand the crisis in 2020

- In 2019, Colombia's GDP grew above the average for Latin America and the Caribbean. While the country grew 3.3%, the región grew 0.1%
- The IMF, World Bank and ECLAC estimate that the Colombian economy will be one of the least contracting in 2020 in Latin America

Estimated GDP growth in 2020



ECONOMIC PROJECTION - COLOMBIA

The dynamism of its economy will allow the country to continue to have outstanding indicators, despite the global economic impact caused by Covid-19

4.0% y 3.6%

It will be the estimated growth of the Colombian economy in 2021, according to international organizations such as the IMF and the World Bank, respectively

US \$2,486 million

Received in non-mining-energy FDI between January and March 2020

22.7% more

Compared to the same 2019 period

3.2%

Inflation, 2020
Inflation will remain within the target range in 2020 (2%-4%)

ECONOMIC PROJECTION - COLOMBIA

ECONOMIC PROSPECTS 2020-2021

- The GDP of the Latin American and Caribbean area will fall by 9.4% at the end of 2020, while that of Colombia will do so by 7.8%
- The net prices of the products that Colombia trades with the rest of the world will fall this year between 34% and 40%
- Exports will decrease by 23%

Five proposals:

- Basic emergency income for 6 months to the entire population in poverty, supplemented with a bonus against hunger
- Universal, progressive and disruptive social policies
- Extension of terms and grace periods in loans to MiPymes
- Expansive fiscal and monetary policies that sustain a longer period of spending with unconventional instruments
- Access to financing under favorable conditions for middle-income countries

BUSINESS OPPORTUNITIES – COMPETITIVE ADVANTAGES

- Colombia is the second country in Latin America with the highest number of Free Zones: 114
- Air and maritime logistics advantages, with more than 4,500 maritime export routes and Access to 680 ports in the world
- Less than 6 hours from the main cities in the Americas to send goods
- Finish cargo with most movement in the region
- Its location in the middle of the continent allows to access the main ports of America in a short time
- Country with the best tax regime for investors in the region

COLOMBIA - ISRAEL

TRADE AGREEMENT COLOMBIA - ISRAEL

FREE TRADE AGREEMENT COLOMBIA – ISRAEL (2013)

Relevant aspects by sector:

- **Agricultural goods:**
 - 227 tariff lines of Colombian export interest were negotiated, where immediate access was obtained for 63% of these products
 - 3% have deduction periods between 3 and 5 years: for bakery products and refined palm oils
 - The remaining 35% is treated under quotas and tariff preferences
- **Industrial goods:**
 - It was agreed that 99% of Colombia’s industrial exports to Israel will be duty-free immediately and the remaining 1% in 5 years.
 - The agreement allows Colombian exporters, with a presence in the Israeli, market to increase their sales in petrochemicals, cosmetics, cleaning utensils, textiles, clothing, jewelry and auto parts
 - Interesting opportunities are also opening up for products that do not yet have a presence in that market, such as: medicines, petroleum oils, tires, ceramic plates and tiles, iron or steel laminates, furniture and toys.

COLOMBIA - ISRAEL

TRADE AGREEMENT COLOMBIA - ISRAEL

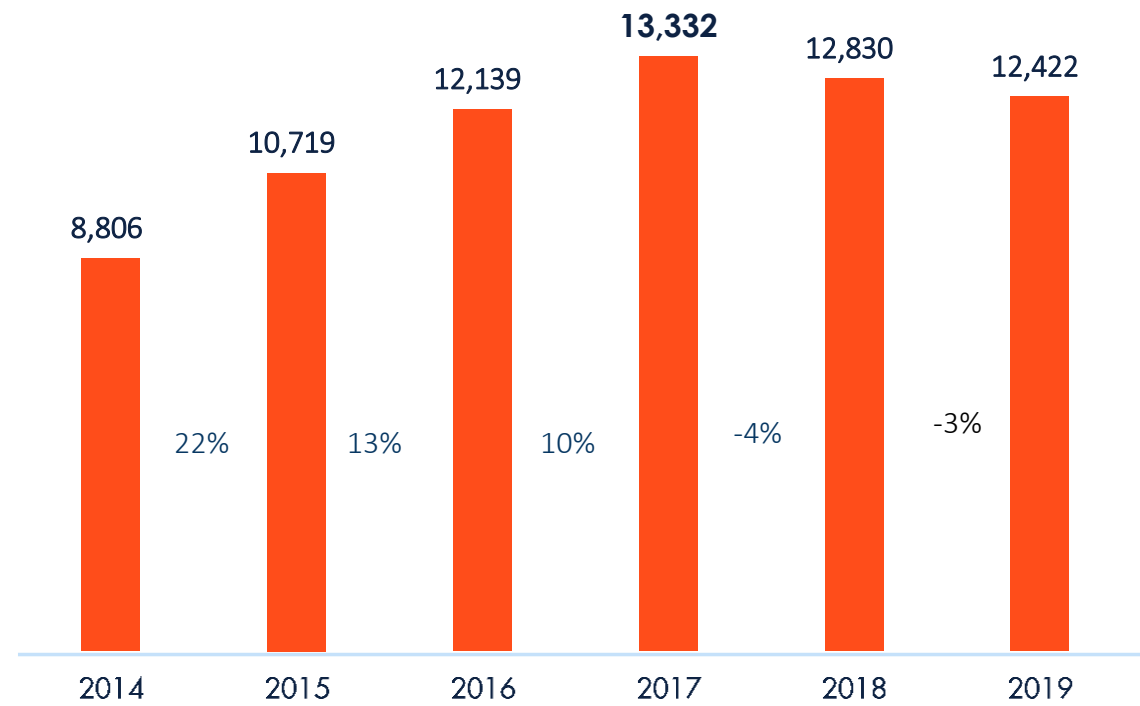
- **Agro-industrial:**
 - Agribusiness is one of the winners of this negotiation in products such as confectionery, processed fruits and vegetables, and specialty coffees, which are currently exported to that market.
 - Grants immediate tariff preferences for these products: confectionery without cocoa, extracts, essences and concentrates made from coffee, chewing gums, and compotes, jellies and jams.
- **Chemists and Life Sciences:**
 - ✓ Israel immediately deduct 94% of the chain's tariff positions, including chemicals, packaging and medical devices.
- **Fashion system:**
 - ✓ 97% of the products of the fashion system chain will enter Israel with zero tariffs
- **Metalworking and other industries:**
 - ✓ More than 50% of the products immediately deducted correspond to the metalworking chain, of which 27% corresponds to the sectors of construction materials and household items.

COLOMBIA - ISRAEL

- Israel is the main emitter of travelers from the Middle East to Colombia and the second in Asia, only surpassed by China, which in 2019 registered close to 18,000 travelers entering the country
- The Composite Annual Growth Rate between 2014 and 2019 of Israeli travelers who entered Colombia was **7.1%**, this country being one of the countries with the highest potential and growth for inbound tourism in Colombia
- More than half of the travelers from Israel who entered Colombia in 2019 were between 21 and 30 years old (57%)
- 82% enter Colombia for vacations, recreation and leisure; 13% do so for business, work and events, and the remaining 4% enter for other reasons

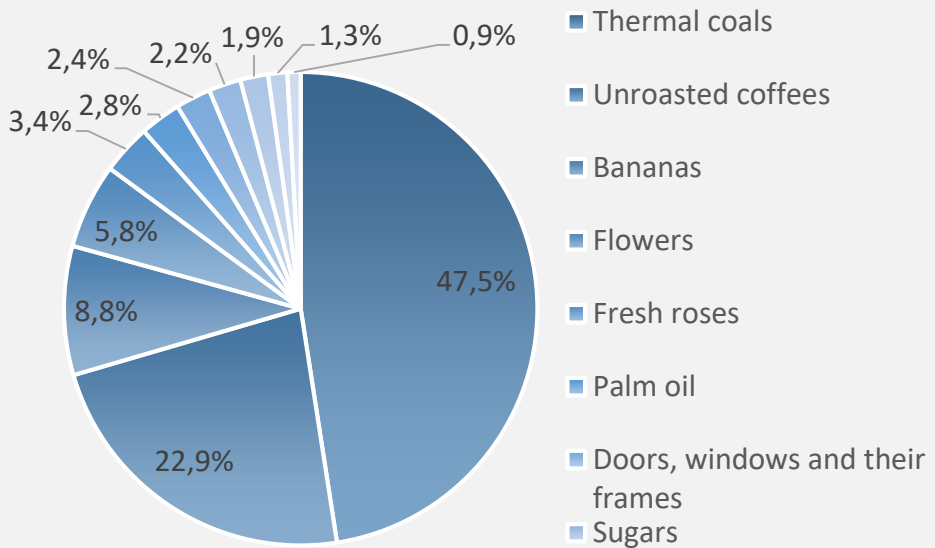
Arrival of visitors residing in Israel to Colombia

(2014-2019)



FOREIGN TRADE - COLOMBIA

EXPORTS Main products



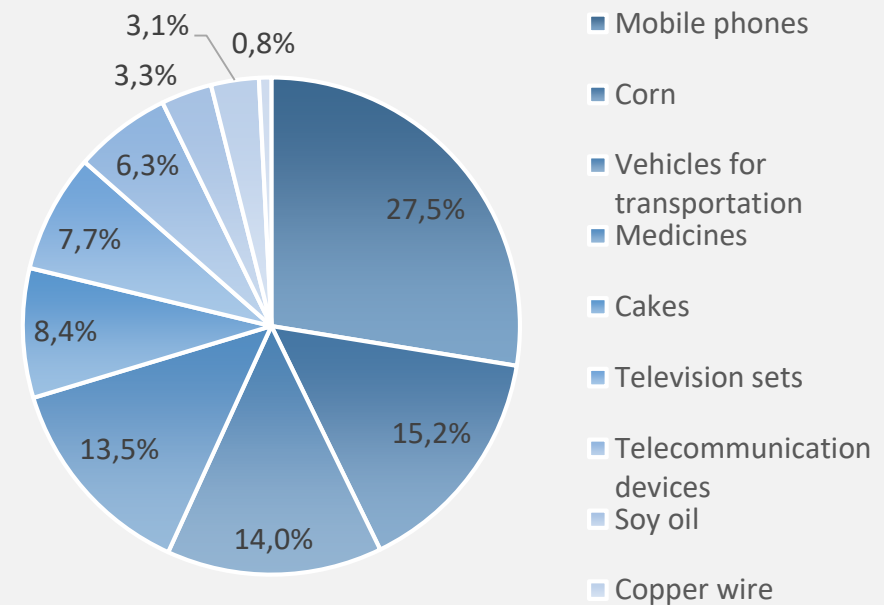
Total exports Colombia in 2019: 39,489.2 million dollars
Israel represented 0,09% of Colombia's total exports

Colombia main export markets:



- | | |
|------------------|------------------|
| 1. EE. UU: 29.2% | 4. Ecuador: 4.9% |
| 2. China: 11.6% | 5. Brasil: 3.7% |
| 3. Panama: 6.0% | 6. México: 3.6% |

IMPORTS Main products



Total imports Colombia in 2019: 52,702.6 million dollars
Israel represented 0,02% of Colombia's total imports

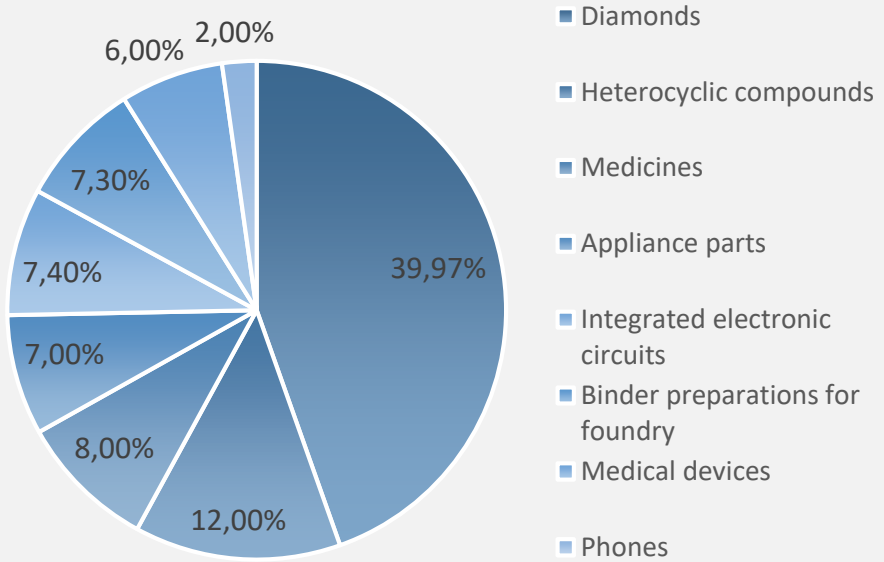
Colombia main import markets:



- | | |
|------------------|------------------|
| 1. EE. UU: 25.2% | 4. Brasil: 6.0% |
| 2. China: 20.8% | 5. Germany: 4.1% |
| 3. México: 7.4% | 6. France: 2.7% |

FOREIGN TRADE - ISRAEL

EXPORTS Main products



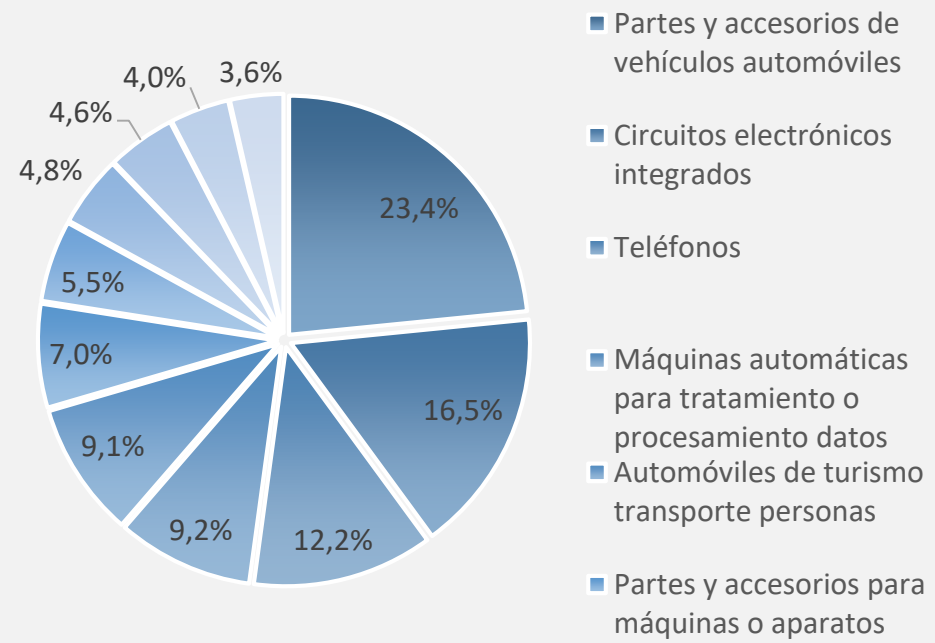
Total exports Israel in 2019: 58,488.5 million dollars
Colombia represented the 0.148% of total exports of Israel

Israel main export markets:



- 1. EEUU: 27,3%
- 2. United Kingdom : 8,5%
- 3. China: 7,6%
- 4. Hong Kong: 5,2%
- 5 . Netherlands: 3,7%

IMPORTS Main products



Total imports Israel in 2019: 76,578.6 million dollars
Colombia represented the 0.03% of the total imports of Israel

Israel main import markets:

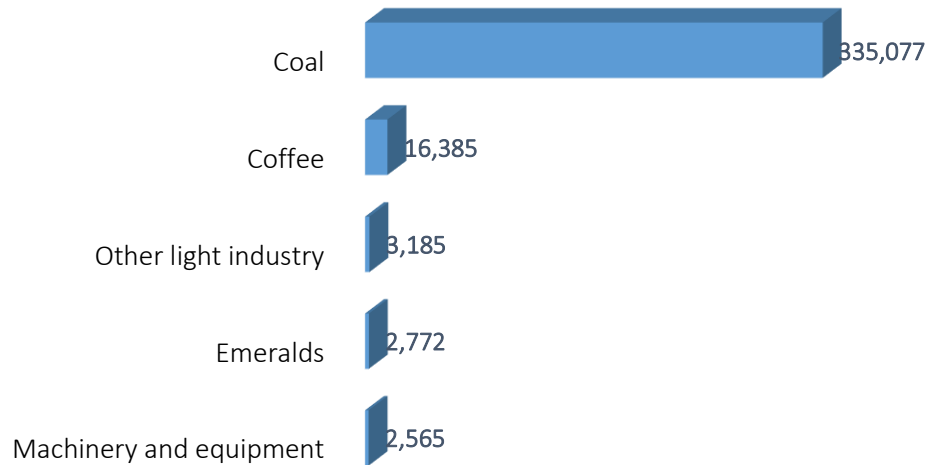


- 1. EEUU: 16,7%
- 2. China: 13,4%
- 3. Germany: 6,3%
- 4. Turkey: 5,2%
- 5 Italy: 3,9%

BILATERAL TRADE COLOMBIA - ISRAEL

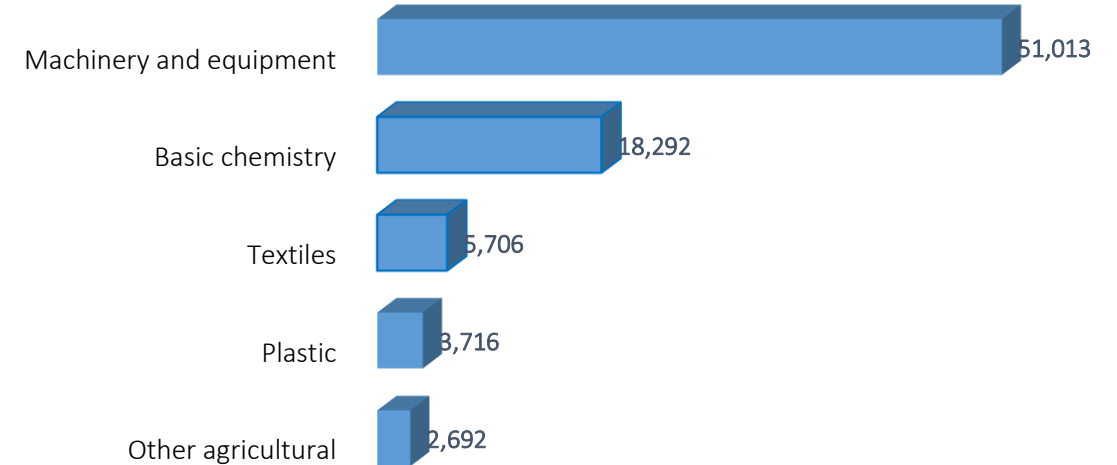
In 2019, Colombia exported a total of \$365,993 USD to Israel:

Main exported products

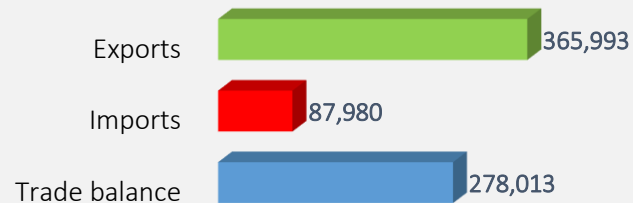


In 2019, Colombia imported a total of \$87.980 USD from Israel:

Main imported products



Trade Balance Colombia - Israel



Exports from Colombia to Israel in agricultural items , such as flowers, have increased their market share by more than 50% in the last five years
Imports from Israel are characterized by being almost entirely industrial goods, mainly those related to aircraft parts, communications instruments and hospital supplies
Imports of some products from the chemical industry, as well as plastic in primary forms and fertilizers, have grown substantially

POTENTIAL OPPORTUNITIES COLOMBIA - ISRAEL




AGROINDUSTRY

- Beef
- Fresh flowers
- Sugar confectionery



METALLURGY AND OTHER INDUSTRIES

- Household, office, hotel and industrial items
- Construction materials
- Auto parts



CHEMISTS AND LIFE SCIENCES

- Supplies for pharmaceutical products
- Acrylic teeth



INDUSTRIES 4.0

- Audiovisual industry
- Strategic alliances for the development of sectors such as Agritech, Fintech and Telemedicine

POTENTIAL OPPORTUNITIES COLOMBIA - ISRAEL



AGROINDUSTRY

BEEF:

- Beef is the second most consumed protein in Israel
- Colombia has the fourth largest cattle herd in Latin America

FRESH FLOWERS:

- Fresh flower imports into Israel reached USD 960,000 in 2019. This International demand is concentrated in chrysanthemums (68%)
- Colombia is one of the countries with the greatest diversity of flowers in the world and exports 1,400 varieties (chrysanthemums, roses, carnations, hydrangeas, etc.), being the second most exporting country

SUGAR CONFECTIONERY:

- Kosher certified candies are in high demand, however, in the market there are very few imported products with this seal
- The Colombian confectionery industry has significant experience and a developed global supply chain that allows it to reach more than 100 countries. Part of the national offer is Kosher certified

POTENTIAL OPPORTUNITIES COLOMBIA - ISRAEL



METALLURGY AND OTHER INDUSTRIES

HOME, HOTEL AND INDUSTRIAL OFFICE ITEMS:

- Free import instructions from the Ministry of Economy and the Israel Standards Institute apply for the import of products from this sector
- The Colombian offer of these items includes products of various materials and a varied catalog of household appliances

CONSTRUCTION MATERIALS:

- A strong overview for economic growth, a government policy committed to increasing the housing supply, and strong demographic trends will drive demand for new commercial, industrial, and residential buildings in the coming years, requiring a variety of construction materials.
- The Colombian offer of construction materials is made up of a wide variety of products: windows, ceramics, glass, etc.

AUTOPARTS:

- Free import instructions from the Ministry of Economy and the Israel Standards Institute apply for the import of products from this sector
- The Colombian offer of auto parts includes brakes and their parts, wheels and tires, electric accumulators, damping systems, etc.

POTENTIAL OPPORTUNITIES COLOMBIA - ISRAEL



CHEMIST AND LIFE SCIENCES

SUPPLIES FOR PHARMACEUTICAL PRODUCTS:

- Pharmaceutical production in Israel has shown a growth rate of 42% during the last 6 years, which has increased the demand for inputs for this category of products, such as hard and soft capsules.
- Colombian companies that manufacture this type of products have begun to serve the Israeli market since 2017, offering products based on natural inputs of excellent quality, which are highly demanded by consumers in that market

ACRYLIC TEETH:

- The dental market in Israel is projected to grow 6.6% between 2019-2024
- Two thirds of the dental products market in Israel is supplied by imports, specifically in the category of dental instruments and supplies

POTENTIAL OPPORTUNITIES COLOMBIA - ISRAEL



INDUSTRIES 4.0

AUDIOVISUAL:

- The recognition of Colombian productions, their competitive costs and the growing national industry, open the possibility of co-production with the Israeli industry both to produce directly and to offer post-production services or sale of rights. Major companies such as Netflix and Amazon have a growing list of original Colombian productions and a ongoing commitment to produce in the market. Which reflects the high creative and cultural potential that Colombia represents.

STRATEGIC ALLIANCES FOR KNOWLEDGE TRANSFER AND INCREASE OF EXPORTS IN SERVICES:

- In recent years, Israeli business accelerators have begun to bet on entrepreneurs and companies from different countries, for the development of technology, software and applications focused on health, telemedicine, commerce and entertainment issues. For this reason, some partnership opportunities are in sectors such as:
 - ✓ Agritech
 - ✓ Fintech
 - ✓ Telemedicine
 - ✓ Specialized software such as cybersecurity



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