



**PROCOLOMBIA**

EXPORTS TOURISM INVESTMENT COUNTRY BRAND



# Business opportunities for Korean companies in Colombia



March 31<sup>st</sup>, 2016

# About Colombia

# Colombia Offers:



*A dynamic and stable  
and economy*



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



*A trade platform with over  
13 Trade Agreements  
enabling investors to reach  
third markets with  
preferential access*



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



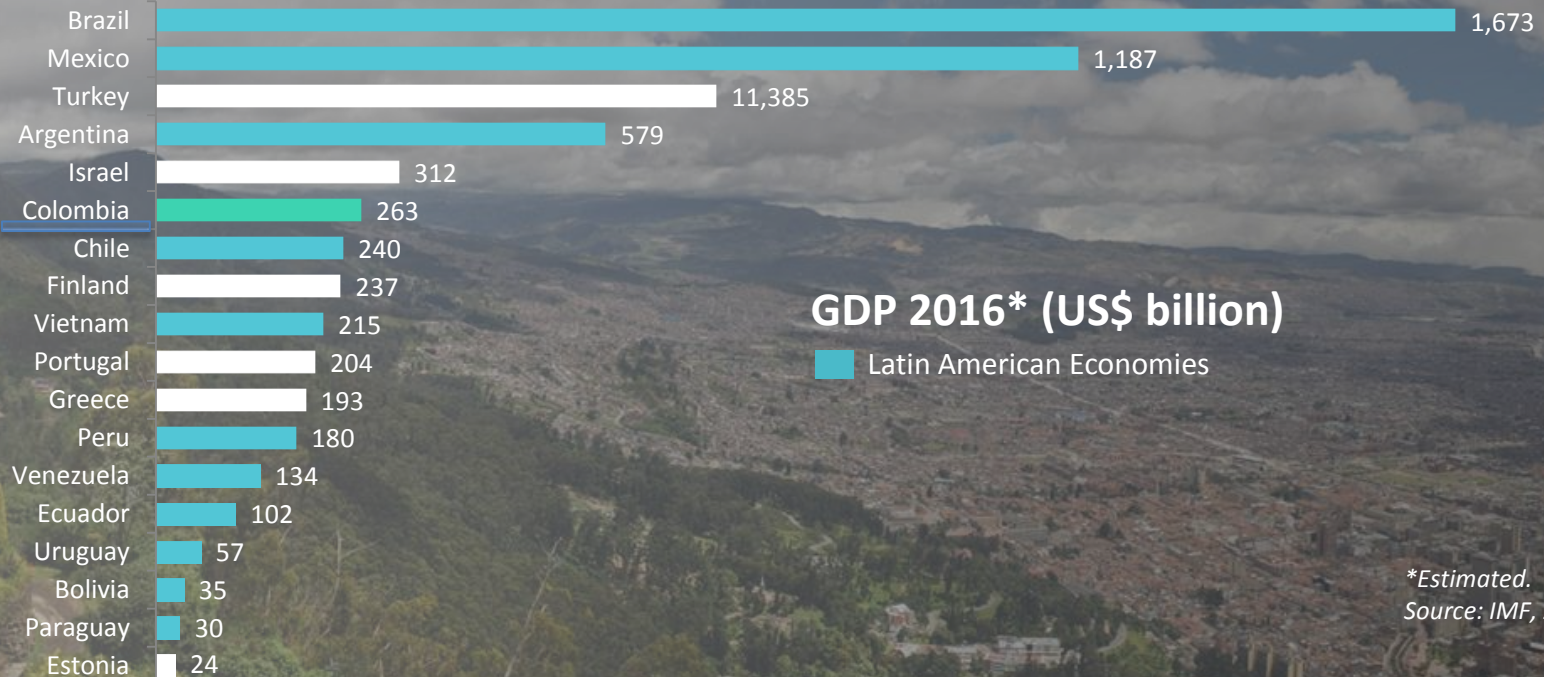
*A growing pool of qualified  
Colombian companies able  
to partner with international  
investors to reach out to  
regional markets.*



*Diverse Opportunities  
for investment in a  
wide variety of sectors*



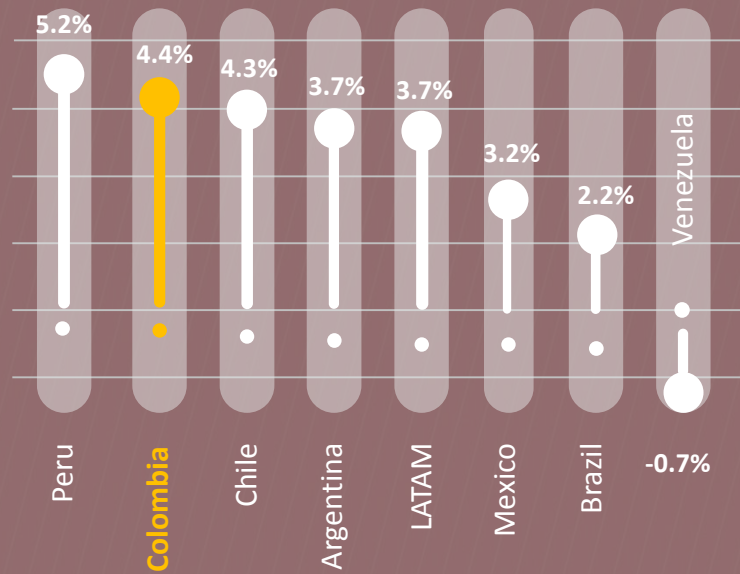
# Colombia is the 38<sup>th</sup> largest economy in the world and the 2<sup>nd</sup> within the Pacific Alliance



\*Estimated.  
Source: IMF, 2015



## Gross Domestic Product, average growth 2010 – 2015 (e)



Source: IMF, 2015.

# In the past five years, Colombia

ranked second in terms of economic growth among the largest countries in the region.

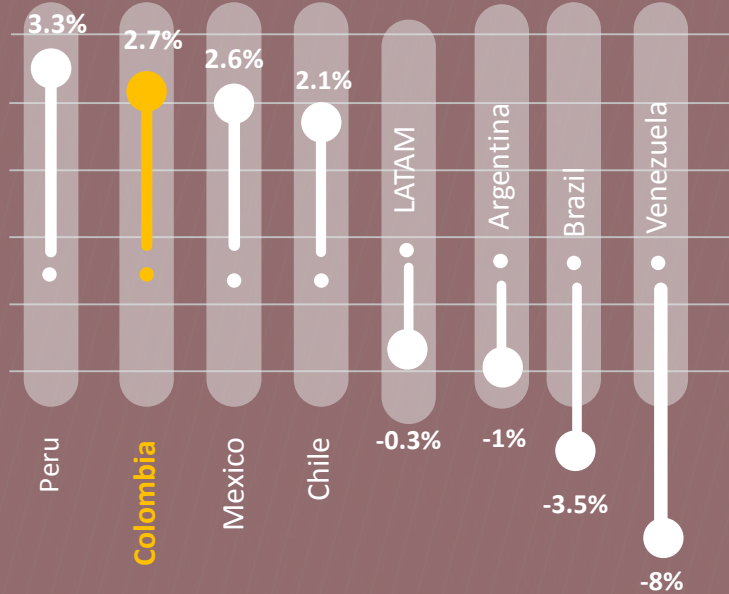
Colombian growth drivers according to OECD

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



## Gross Domestic Product

Estimated growth 2016



Source: IMF, 2016.

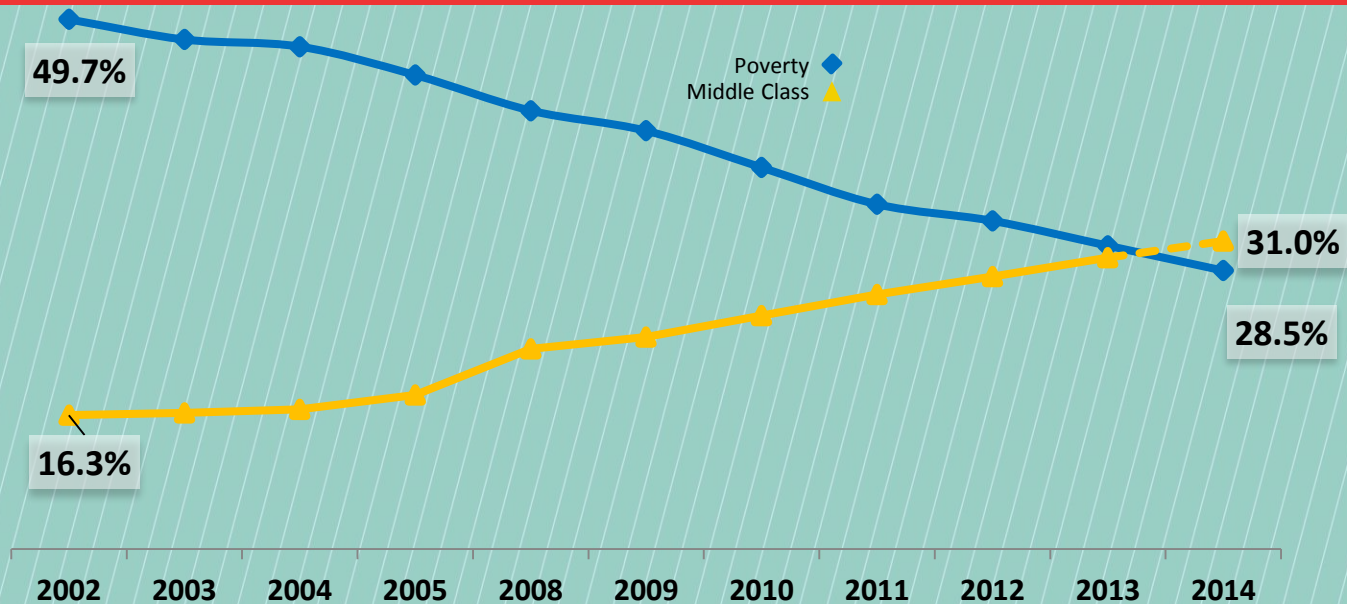
Colombia,  
one of the top  
growing economies  
in 2016 among the  
largest Latin  
American  
countries



# A growing middle class

## Evolution of the middle class

2002 – 2014

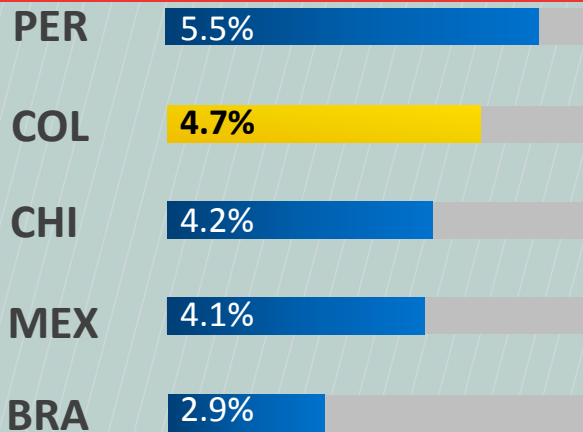


Source: Poverty: National Administrative Department of Statistics – DANE  
Middle class: The gained decade: the evolution of the middle class in Colombia between 2002 and 2011. Documento CEDE # 50. Universidad de los Andes. And RADDAR for 2013 data.

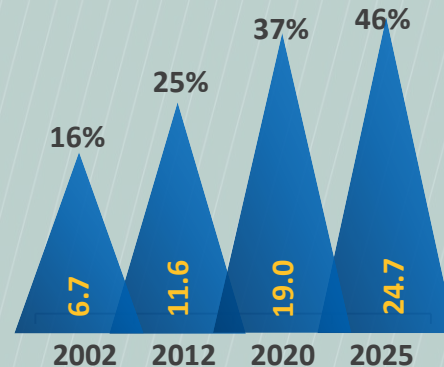


# HALF OF THE POPULATION will become middle class in 2025

Average real growth of consumer expenditure  
2014 – 2018



Middle class\* in Colombia as a percentage of total population  
(Millions inhabitants)



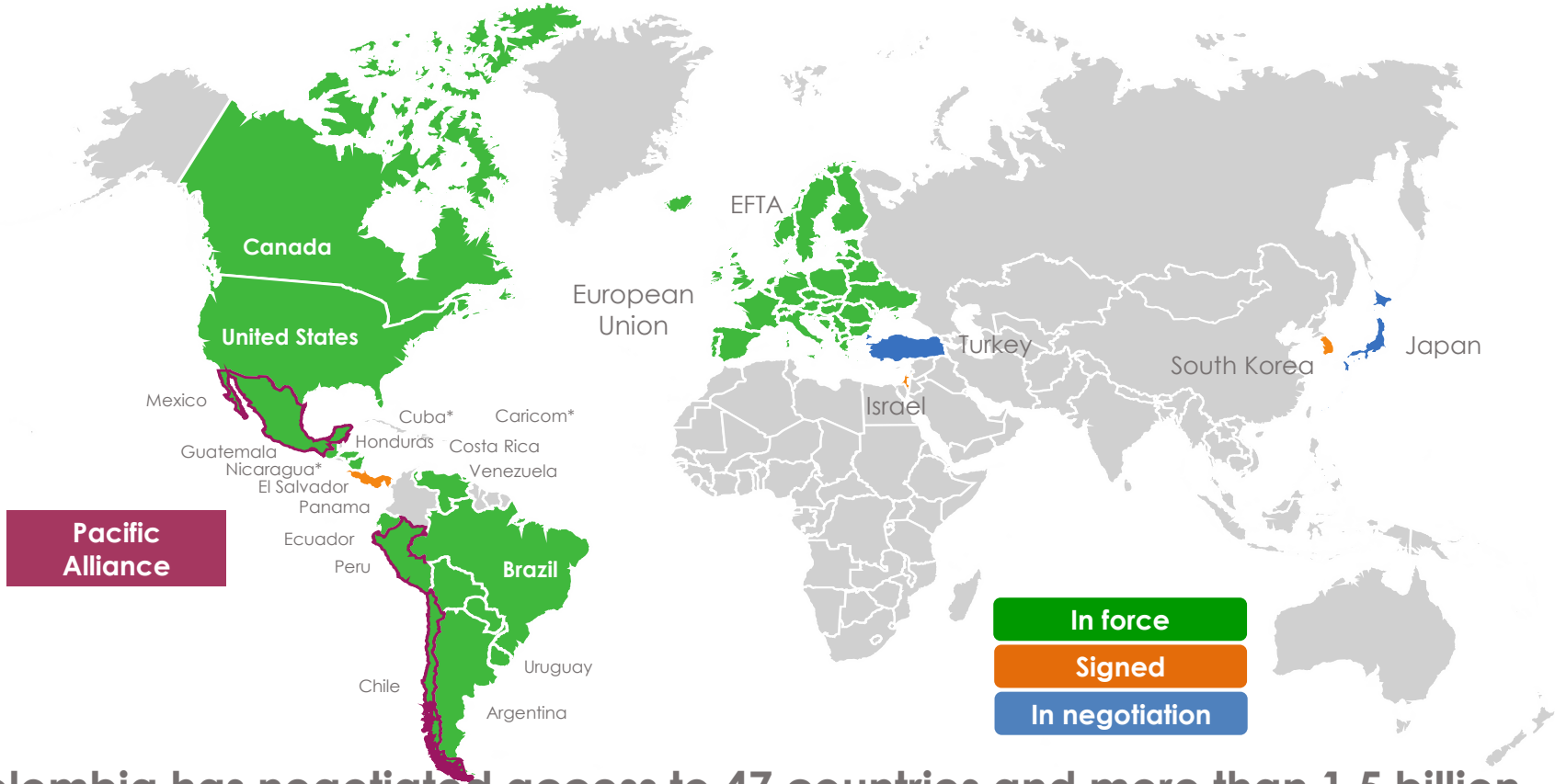
\* Based on a 4.6% GDP growth

Middle class: Monthly household income between 3.2MW and 13MW  
(MW) Minimum wage in Colombia 2014: USD 320.

Source: Fedesarrollo (2013) and Euromonitor

Image: [http://www.sen-soyle.com/g/1modern\\_wall\\_texture\\_30.jpg](http://www.sen-soyle.com/g/1modern_wall_texture_30.jpg)





**Colombia has negotiated access to 47 countries and more than 1.5 billion consumers through its network of trade agreements**

\* Partial Scope Agreements (PSA)

-- The dotted line refers to member countries of The Pacific Alliance other than Colombia. – Chile, Peru and México.

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Source: Colombian Department of Commerce, Industry and Tourism. 2015.



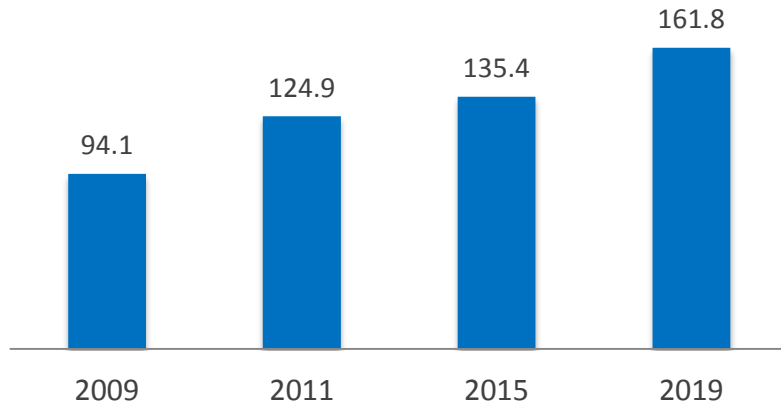
# Cosmetic and Personal Care Sector in Colombia



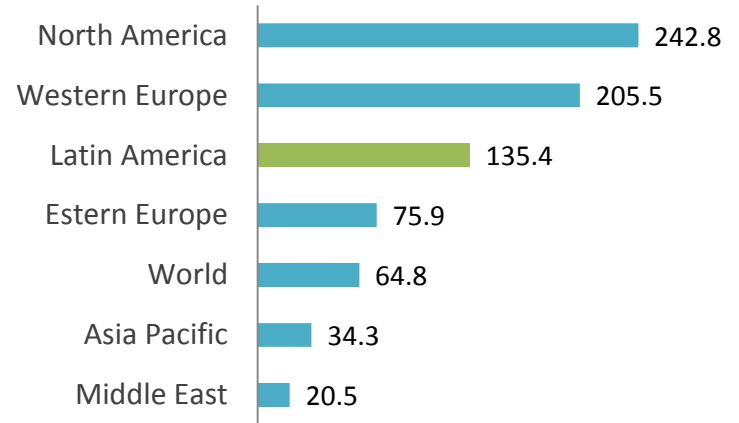
# Consumption in Latin American for the cosmetic and personal care sector is higher than world's average

- The region's per capita consumption has shown an annual growth rate of **6%** since 2009
- According to Euromonitor estimations, the average annual growth to 2019 will be **5%**, reaching **USD 161,8**

*Per capita consumption of cosmetics and personal care in Latin America USD*

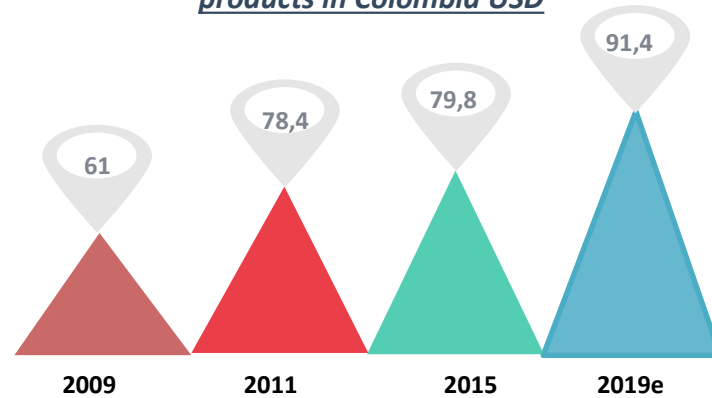


*Per capita consumption of cosmetics and personal care by region USD/year*



Colombian per capita consumption of cosmetics and personal care products is expected to grow of **4% annually** to 2019, according to Euromonitor International

Per capita consumption of cosmetics and personal care products in Colombia USD



Per capita consumption of cosmetics and personal care products in reference countries



USD 251,1



USD 243,2



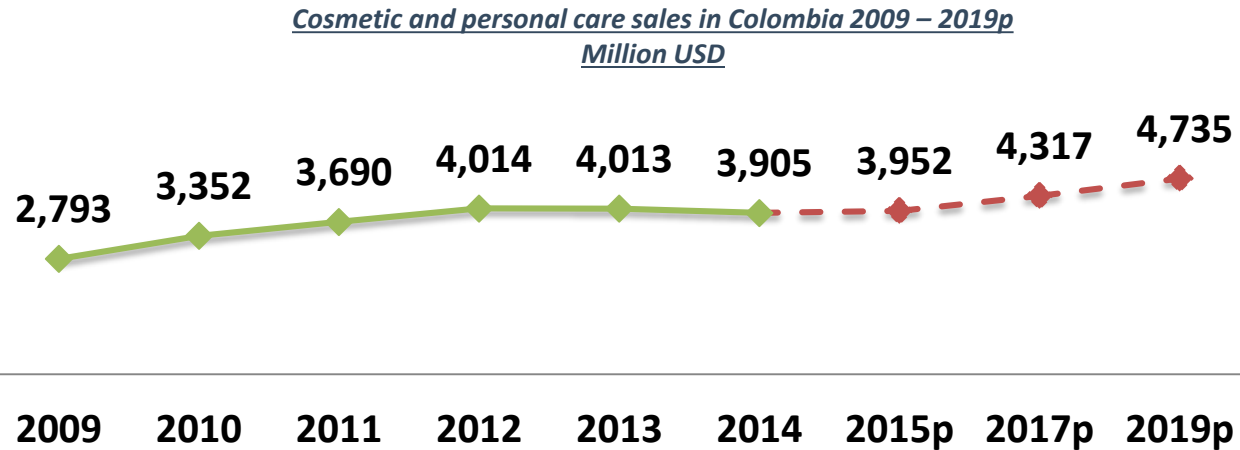
USD 79,8



USD 74,9

## Cosmetics and personal care: a market of USD 4,7 billion to 2019

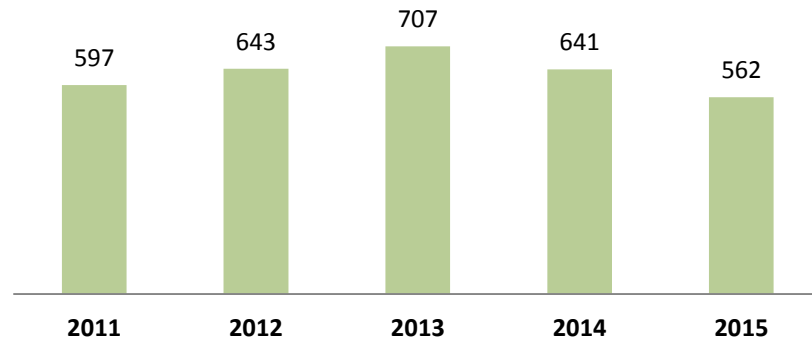
- Sales of **USD 3,9 billion** in 2014 with an average annual growth of **7%**
- According to Euromonitor International, the market will grow **4%** reaching sales for **USD 4,7 billion** in 2019



\*  estimated

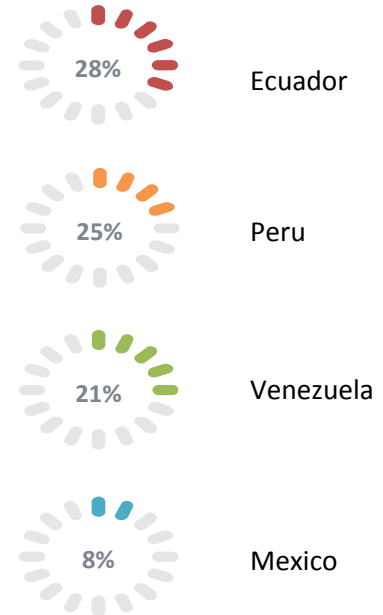
# Cosmetics, and personal care sectors are the second larger manufacturer exporters in Colombia

*Colombian exports of cosmetics and personal care  
(Million USD)*



- An average **USD 630 million** exports in the last five years, mainly to Latin American countries.
- Markets such as Japan and India are demanding cosmetics made with Colombian natural ingredients

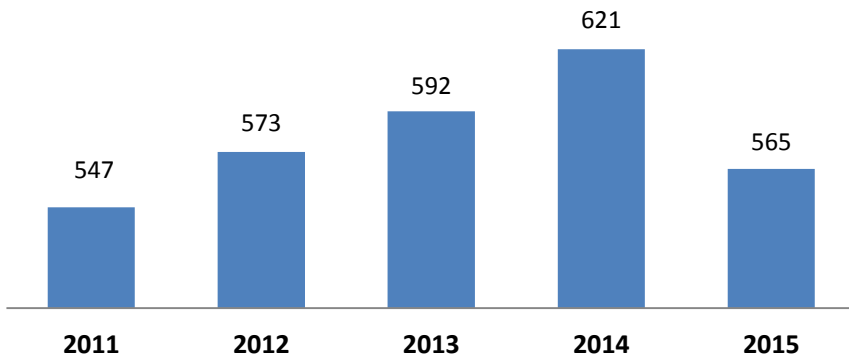
*Main destination of Colombian exports of cosmetics and  
Personal Care*



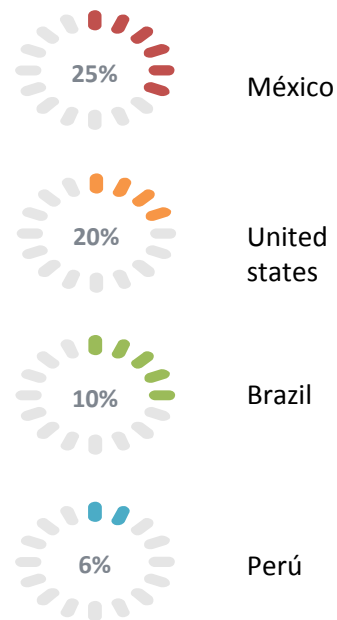
# Cosmetics and personal care products and raw materials imports in Colombia

## Main source of imports cosmetics and Personal Care products

Colombian imports of cosmetics and personal care  
(Million USD)

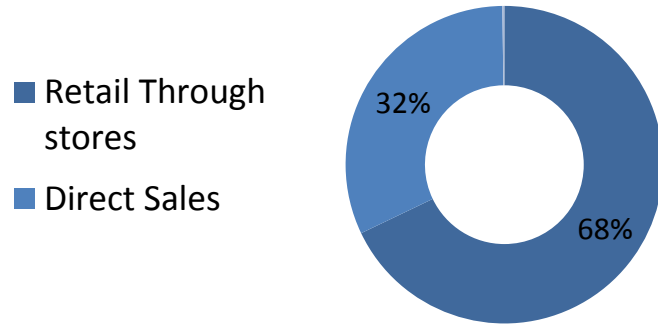


- Colombia reduced imports of cosmetics and personal care products and raw materials by **10%** in 2015



# Colombia has consolidated distribution channels for the cosmetics and toiletries sector

Distribution channels of cosmetics in Colombia



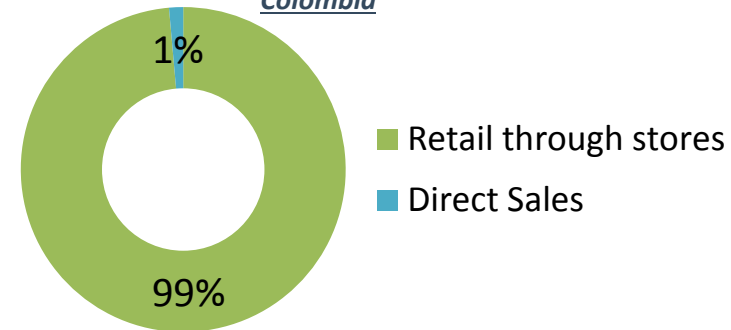
**Retail through stores:** 51,4% in supermarkets, 14,5% in specialized beauty and pharmaceutical stores and 2% on department stores.

**Direct Sales:** 31,7% in direct sales and 0,2% by internet.

**Retail through stores:** 95,2% in supermarkets, 3,4% in specialized beauty and pharma stores.

**Direct sales:** 1,4% in direct sales.

Distribution channels for personal care products in Colombia



# A regional platform for **manufacturing activities with high standards of productivity**

**L'ORÉAL**  
PARIS

France

The French cosmetic producer acquired the Colombian company “*Laboratorios Cósmeticos Vogue*” in 2013, and positioned its brand both locally and regionally.



**Unilever**

Netherlands &  
United Kingdom

Its new detergents production facility is one of the most modern in the world, due to its competitiveness and care for the environment.

**P&G**

United States

The company established a detergent production plant in Antioquia. P&G has also opened a distribution center to serve the region



**Kimberly-Clark**

United States

The American personal care corporation has opened four production plants in Colombia, where it produces absorbents, kitchen napkins, dippers and among other toiletries





*“Between 2007 and 2014 the market grew at an annual rate of 7% reaching \$6.9bn in 2013, according to data from Business Monitor International, Which forecasts a total market size of \$9.9bn by 2018”*  
By Oxford Cosmetics

*“Colombians spent on average, just over \$62 on personal care in 2014”*

By Oxford Cosmetics

*“More than one million Colombian base their livelihood directly on the beauty and personal care industry”*  
By Euromonitor International

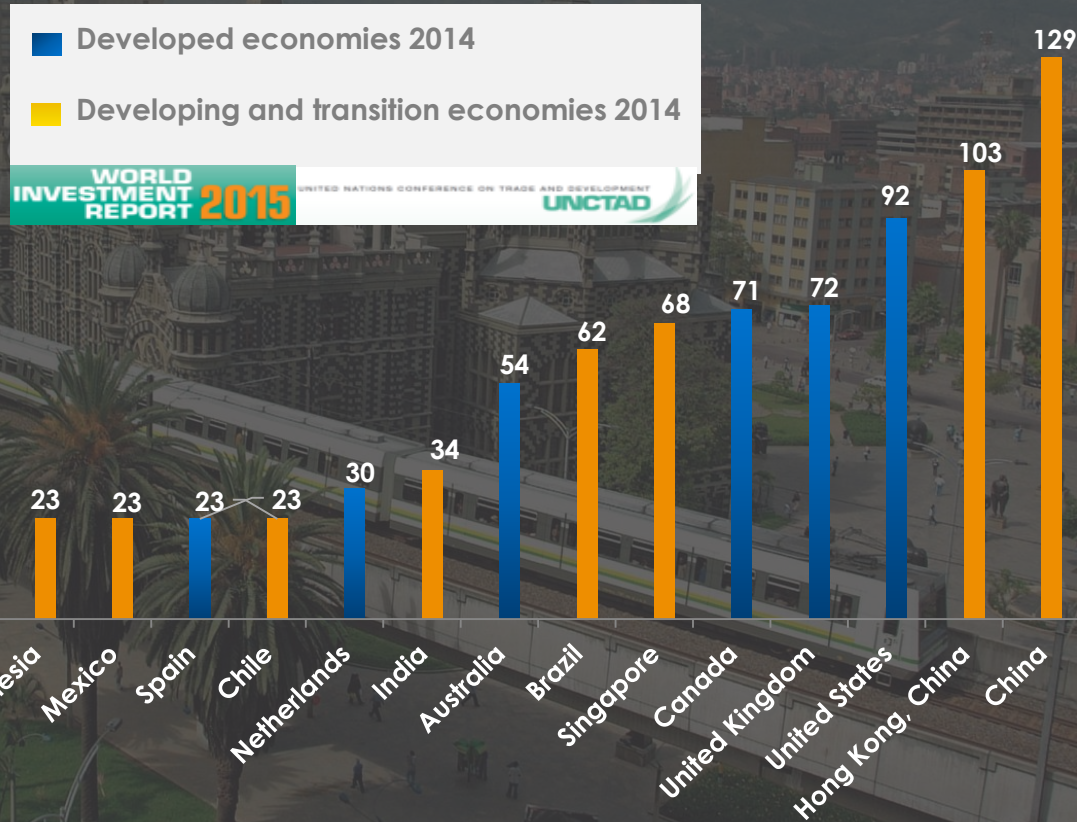
*“Consumer interest in men’s grooming continues to evolve, demonstrating that this is still a very promising category despite the fact that many local men still stick to traditional grooming techniques”*

By Euromonitor International

# Why Colombia

# Colombia remains one of the top 20 destinations for FDI

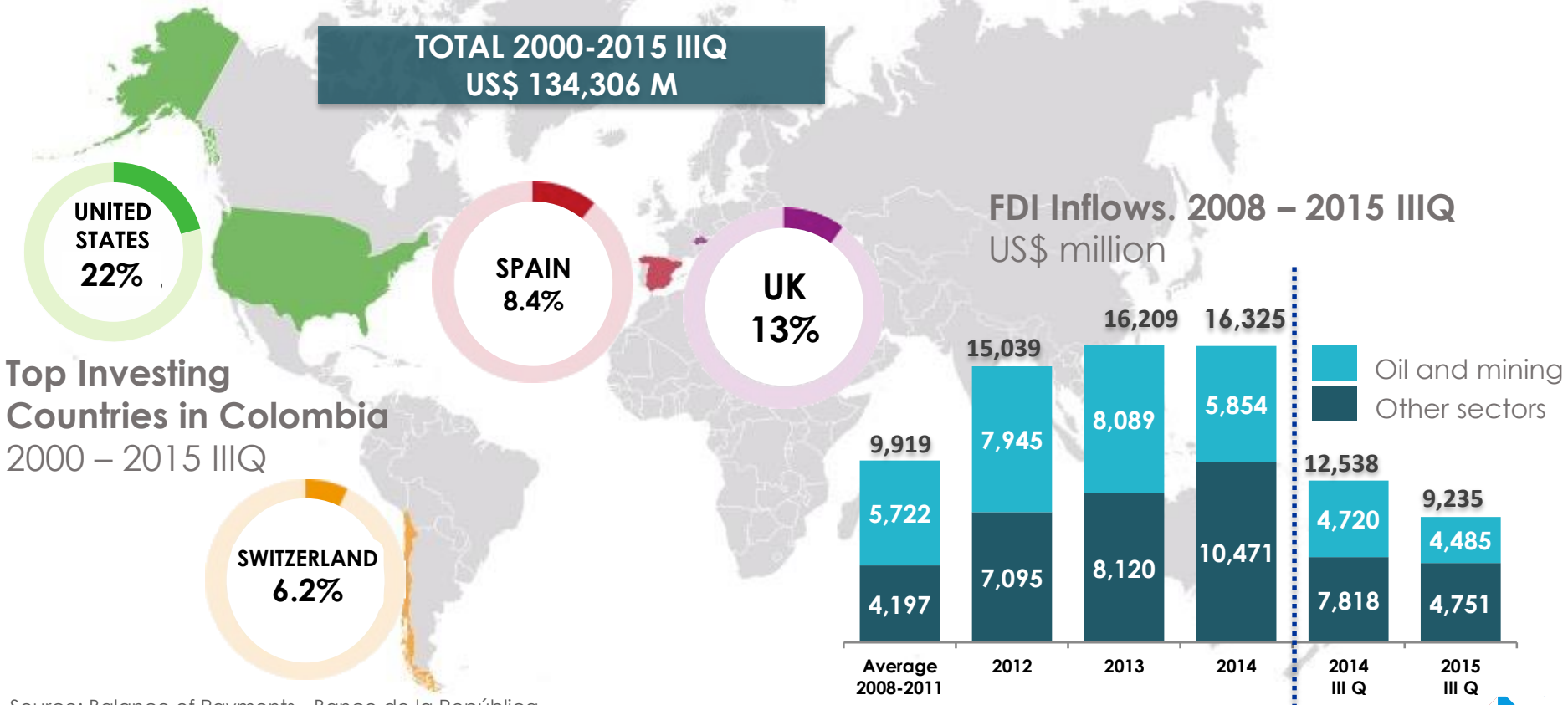
Top 20 host economies in  
2014  
(USD billion)



Source: UNCTAD – World Investment Report 2013 and 2014



# FDI IS LARGELY DRIVEN BY OTHER SECTORS APART FROM OIL AND MINING



Source: Balance of Payments - Banco de la República.

Share of all countries with positive cumulative investment, The information includes reinvested profits or investments in the oil sector

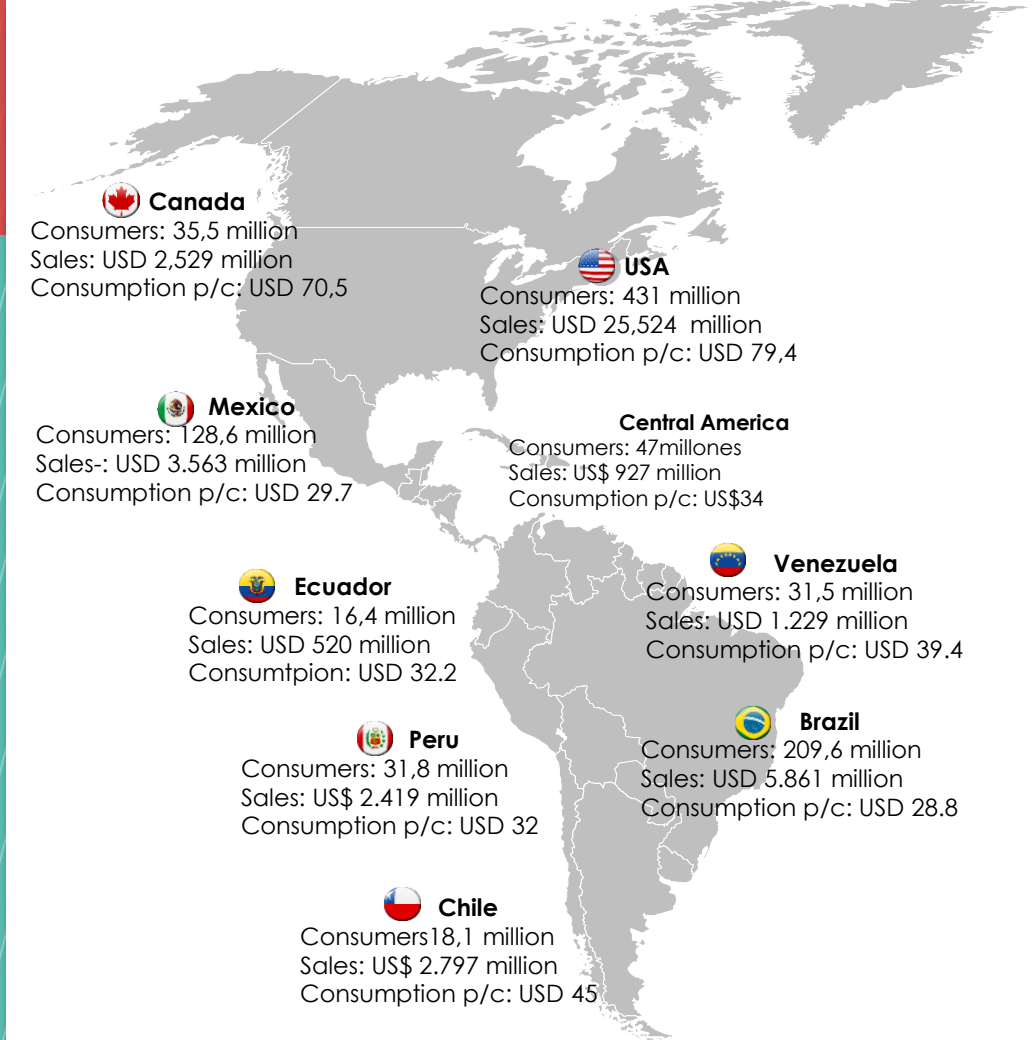
Note: the list of the top countries investing in Colombia does not include Panama.



Colombia has an expanded market of nearly 1 billion consumers for home care products

Potential market size of  
**USD 46 Billion**

Average consumption:  
**USD 45 p/c**



Source: Euromonitor International, 2016

# Buenaventura Port located in the Pacific Coast offers faster and competitive transportation to America



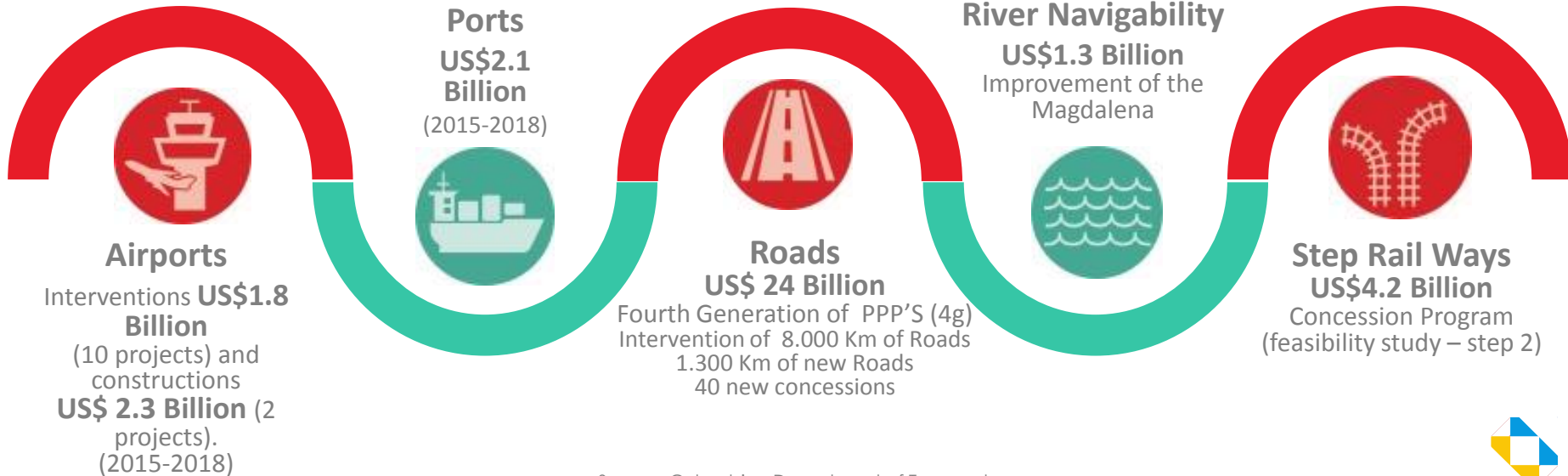
- From Colombia you connect faster with United States (**12 days**) compared with Perú (**14 days**) and Chile (**20 days**).
- From Colombia you connect faster with México (**6 days**) compared with Perú (**7 days**) and Chile (**19 days**).
- From Colombia you connect faster with Perú (**5 days**) compared with México (**5 days**) and United States (**17 days**).
- From Colombia you connect faster with Chile (**8,5 days**) compared with México (**21 days**) and United States (**27 days**).

*\*For Chile the days are an average of the sum of the days needed to arrived to Valparaíso and San Antonio Port.*

*Source: Maersk líneas.*



# An ambitious infrastructure plan that will reduce transport times and costs

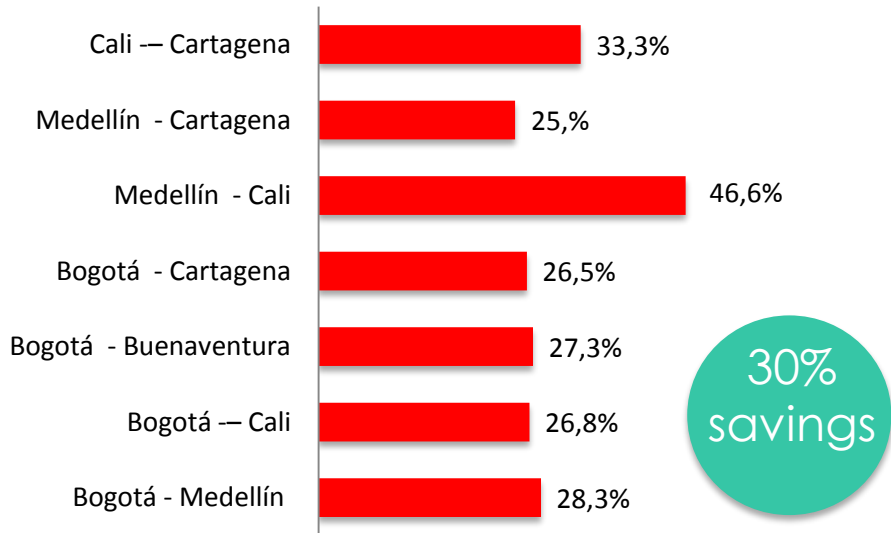


Source: Colombian Department of Transport

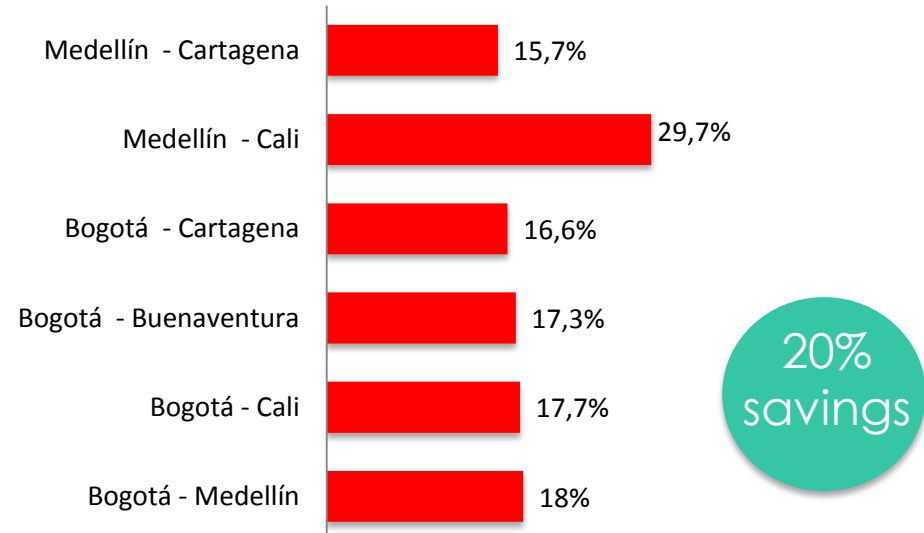


... which will have a positive impact on the industrial sector

### Travel time savings



### Vehicle operating cost savings



# Reduced income tax. Goods may be sold in the 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.

## Free Trade Zones (102)

“Special Standing  
Unipresarial”  
(FTZ) (62)

Permanent Free  
Trade Zone  
(40)



# Supporting entities



**PROCOLOMBIA**  
EXPORTACIONES TURISMO INVERSIÓN MARCA PAÍS



**Cluster  
de Cosméticos**  

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Bogotá





# PROCOLOMBIA

ready to assist you in assessing  
**investment opportunities**





**PROCOLOMBIA**

EXPORTACIONES TURISMO INVERSIÓN MARCA PAÍS

**We  
promote  
exports**



**We  
promote  
investment**  
and industrial  
expansion for  
internationalization



**We  
promote  
tourism**



**We  
promote  
country  
brand**



# ProColombia around the world

United States / Canada / Mexico / Guatemala / Costa Rica / Caribbean / Venezuela / Brazil / Ecuador / Chile / Peru / Argentina / Spain / Germany / Portugal / United Kingdom / France / Turkey / United Arab Emirates / India / China / South Korea / Russia / Japan / Singapore / Indonesia

MERCI THANK YOU OBRIGADO DANKE 감사합니다 СПАСИБО 谢谢 TEŞEKKÜRLER  
ありがとう TERIMA KASIH DZIĘKUJĘ GRACIAS MERCI THANK YOU OBRIGADO  
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THANK YOU



**PROCOLOMBIA**  
EXPORTACIONES TURISMO INVERSIÓN MARCA PAÍS



MINCOMERCIO  
INDUSTRIA Y TURISMO



**TODOS POR UN  
NUEVO PAÍS**  
PAZ EQUIDAD EDUCACIÓN