

Bogotá Overview

Bogotá is the capital city of Colombia. As Colombia's largest economic center, Bogota is home to most domestic companies' headquarters. With a population of 7.7 million people and a GDP of USD 83 billion (2019), Bogotá is becoming an attractive investment market. Bogotá offers a variety of opportunities to do business and engage in domestic and foreign trade. More than 70 shopping centers are located in the city, and Bogotá has the biggest shopping center in the country and second-largest in Latin America.

In 2019, the Bogota region's imports reached USD 27.1 billion, accounting for 50% of total Colombian imports. It reported exports of USD 2.94 billion, accounting for 7.8% of total Colombian exports. Bogota's principal exports are flowers, medicines, and coffee, and imports are refined oil, telephones, and aircraft.

The Bogota Airport is the principal air cargo hub of Latin America, mobilizing nearly 700 tons in 2017. This is 70% of the total air cargo mobilized in the country. Plus, the Airport is the third-largest terminal in the region for passenger traffic, mobilizing 40 million passengers in 2017 to more than 70 domestic and international destinations. Overall, El Dorado International Airport provides 48% of total domestic flights in Colombia and 76.7% of passenger mobilization through international flights, cataloging this Airport as an influential terminal in the region.

Cataloged as a diverse and cosmopolitan city, Bogotá offers many cultural activities, including more than 40 museums. Plus, a variety of theaters, exhibitions, festivals, and artistic displays. The city is also known for its restaurants, offering a wide range of options. Defining Bogota as one of the greatest gastronomic cities in Latin America. Additionally, Bogota offers nightlife activities for all tastes.

Bogotá in a Glance

- Average temperature: 19° C
- Population in Cundinamarca as of 2020 (not including Bogotá): 2.887.005 citizens
- Bogotá population as of 2020: 7,743,955 citizens
- Cundinamarca's GDP as of 2019: USD \$19.52 billion
- Bogotá's GDP as of 2019: USD \$82.53 billion
- Cundinamarca's GDP per capita as of 2019: USD \$7.333
- Bogotá's GDP per capita as of 2019: USD \$9.057
- Cundinamarca area: 22,337.2 km²
- Bogotá area: 1,636.59 km²

Why the Bogotá region?

Bogotá accounts for 25.5% of Colombia's GDP with an average economic growth of 3.4% over the last ten years. It is also one of the most important centers for foreign trade in Colombia, in 2019 making up 32.6% of the total value of transactions in foreign trade (exports plus imports). The city holds 33% of the country's enterprises 384,000 companies. Also, more than half of the total mid-size and large national and international companies in the country are located in Bogota and its surrounding area. Currently, more than 1,500 foreign companies are located in Bogota, such as 3M, Danone, PEPSICO Inc., Pfizer, SABMiller, Siemens, and TATA Motors, among others.

The Bogotá region has four Free Trade Zones (FTZs). Some of these benefits include preferential income tax of 15%, machinery, and raw material's duty-free importation, the capability to purchase raw materials and capital goods and services with no VAT, and the possibility of selling to the Colombian market. Furthermore, Bogota has more than 50 industrial parks.

Bogotá is also an international center for business and exhibitions. The City is known as the biggest exhibition center in Colombia, hosting 30 international and national fairs annually. The center of business and exhibitions-CORFERIAS-is also the principal Latin American partner of the Global Association of the Exhibition Industry (UFI) and a founding member of the Latin American Exhibitions Association (AFIDA).

Finally, the city is also well known for its high human capital citizens mostly bilingual. Bogotá has 5 of the 100 best universities in Latin America, according to QS Intelligence Unit. In addition, it is also the largest labor market in the country and the main generator of employment; one in every four jobs in Colombia is created in this region.

Potential Sectors

Automotive Industry

Five of the eight assembly facilities in Colombia are based in Bogotá. The city is Colombia's principal automobile market, accounting for 44.1% of all new vehicles registered in Colombia.

Biotechnology

Colombia has obtained 5,429 patents along with five other countries in Latin America. Bogotá accounts for 57% of Colombia's patents.

140,000 active researchers are based in Bogotá, that is, up to 42% of all researchers in Colombia in the field.

BPO Industry

The high quality of Bogotá's human capital, competitiveness, connectivity, and government support, among other factors, have made the city an important player in this sector for all of Latin America.

Additionally, due to program training and English language certifications offered by national and local governments, Bogotá is the largest city offering bilingual professionals in the Colombian labor market.

Cosmetics and Personal Care

This sector is one of strategic value for Colombia and especially for the Bogotá region. The city accounts for 61% of all national sales. Furthermore, 35% of all national graduates with degrees related to this field come from Bogotá.

The city has taken advantage of Colombia's biodiversity and its technological and innovative resources for the sector, positioning itself as one of the most important cities in this area nationwide.

Energy Sector

Colombia has not recently developed new sources of energy. For this reason, the country relies on weather conditions for hydroelectric power plants.

There is a significant need to diversify energy supply sources to help stabilize energy prices and guarantee a continuous energy supply at the national level.

Creative Industries

Comprising different activities such as audiovisual production and artistic activities, the creative industries represent more than 1.7% of the country's GDP.

Most national companies and human resources from this sector are located in Bogotá. Currently, the city accounts for 48.4% of all national graduates with degrees in this field.

Food and Beverage Industry

Bogotá is the principal food and beverages market, accounting for 42% of total industry sales in Colombia. It is the principal production center, housing 41 of the 100 leading companies in the sector.

The Food & beverage industry is important for the national economy because the consumption of processed food is expected to increase by 51.5% over the upcoming years.

Infrastructure

The majority of international infrastructure companies are based in Bogotá. No other city in Colombia has greater or more relevant mega-infrastructure projects.

Due to its strategic location and daily flight connections, Bogotá serves regional markets for many foreign companies.

IT Sector

73% of PhDs and 51% of MScs in the Colombian IT industry come from Bogotá. Furthermore, 65% of Colombian software companies are located in Bogotá, generating 48% of total employment in Colombia's IT sector.

The city is developing and improving its IT infrastructure. It offers attractive opportunities like the tech-park project; a new project incentive for companies to settle in the city.

Pharmaceuticals and Healthcare

Bogotá plays an important role in this sector, accounting for 51% of sales at the national level. Additionally, more than 60% of the pharmaceutical companies in Colombia have their headquarters in Bogotá.

The potential opportunities in this sector include the development of bio similar and generics industries and the improvement of preclinical and clinical studies.

Challenges

Although Bogota continues to develop new projects and sectors, it still faces some major challenges as it tries to consolidate and strengthen progress in economic areas. The city and region's strategy focuses on promoting prosperity, sustainability, and inclusion.

Some of the biggest challenges the city is facing are:

1. To achieve economic growth of at least 7%, which would allow it to expand opportunities for new jobs, higher incomes, and better conditions overall, including greater sustainability, prosperity, inclusion, and improvement of life quality measures.
2. To promote the development of capacities such as human capital, infrastructure, connectivity, and innovation to consolidate productive sectors.
3. To maintain Bogota as an ideal business environment that promotes investment and sets up companies to operate legally. To simplify the tax code and companies' administrative procedures to reduce time and money to a small-sized- business.
4. To plan a labor policy, to integrate into the labor market, former combatants of armed-illicit groups and Venezuelan refugees.

5. To develop the action plan Smart Specialization for the Bogota Region with collective regional vision and innovation as the main driving forces.

Tips for success

1. It is recommended that American companies consider finding a local representative in order to take advantage of his/her expertise, connections, and understanding of the Colombian market.
2. U.S. companies are encouraged to contact the main AmCham Colombia office, located in Bogotá, and the U.S. Commercial Service at the U.S. Embassy to obtain a market briefing and request assistance in arranging appointments during a business trip to the city.
3. Identifying a legal partner early on will help with executing contracts and understanding Colombian laws and regulations. Having reputable local legal representation not only gives you security but also improves your reputation in the market, increasing your chances of success.
4. The investors should be familiar with national guidelines regarding foreign investment protection, corporate structures, and immigration, tax, labor and environmental laws, among others.

Contact Us Today!

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