

Doing Business in Medellin

Medellín is a city that people want to know and return to; a city that impresses with its climate, its landscapes, its people and its history; a city that has reinvented itself and, in recent years, has undergone a process of transformation that has led it to become world leader and model for innovation.

The city is the heart of Colombia's textile industry, home to major regional trade fairs, and the capital of the commercial flower growing region and innovation district. Today's Medellin is widely regarded in Colombia as a clean, well-organized, and robust economic community.

International Position

- 2013. "Resilient City" Awarded by Rockefeller Foundation.
- 2013." Most innovative city in the world". Awarded by Wall Street Journal, Citigroup, and Urban Land Institute.
- 2014. "Best city to live in Latin America". Awarded by Indra.
- 2015. "Inter-American Award for Innovation in Effective Public Management". Awarded by The Organization of American States.
- 2015. "City with the best initiatives regarding sustainable mobility". Awarded by ICLEI Eco Mobility.
- 2016. "Lee Kuan Yew World City Prize". Awarded by Urban Redevelopment Authority Singapore. Centre for Livable Cities, Singapore.
- 2016. "Transformational City of the Year". Awarded by BRAVO Business Awards.
- 2017. "Medellin, a Learning City" awarded by: UNESCO

Economic Indicators

Population: 2.5 million (Medellín and its Metropolitan Area)¹.

GDP: USD 43.078 million².

National GDP %: 14.5%³

Inflation: 6,82 % (National average 6,77%)⁴.

¹ Source: ACI

² Source: DANE

³ Source: DANE

⁴ Source: DANE

Total Exports in Antioquia: USD 5,055.838 million FOB, 20,1% of all national exports in 2020 (not including Oil)⁵.

Total Imports in Antioquia: USD 5,634.168 million CIF, 14,3% of all national imports in 2020⁶.

F.D.I.: Second among FDI targets in Colombia⁷.

Unemployment: 21,6 % (2020)⁸.

Reasons to Locate in Medellin

- Medellín is the industrial, technological and sports capital of Colombia. Its geographically strategic location and public service infrastructure, hotels, and places for holding academic and social events have made this city an ideal destination for convention in Latin America and the world.
- Colombia's Second largest Metropolitan area, comprised of Medellín and other 9 municipalities; Medellin is the only city in the country with a Plan for Science, Technology and Innovation (CT+I) as a public policy with a budget of \$ 240 million by 2021.
- Development of the unique technology district of Colombia, called MEDELLINNOVATION, with an area of 3 km² where national and international companies may be installed. Companies which wish are to be at the heart of the innovation ecosystem of the city.
- City with the highest value Multilatinas in the Colombian Stock Exchange.
- Ranks 10th in the Latin American cities for the attraction of external investment ranking. (2014).

Outstanding Business Opportunities

Energy

In Antioquia, about 30% of the country's electricity is generated and the 55% of total generation is managed. By December 2014, there were 989 companies related to the energy Cluster with assets of nearly USD 30,500 million dollars.

This Cluster represents 31,4% of Antioquia's GDP (USD 15,220 millions). It also represents 36% of all industrial exports in Antioquia (excluding gold).

⁵ Source: DANE

⁶ Source: DANE

⁷ Source: ACI

⁸ Source: [Medellin Como Vamos](#)

Health

The city is known for being home of leading institutions of healthcare services in Latin America and also stands out for its high value-added in terms of quality, service, technology, human talent, prices, geographic location, climate and tourism. With the purpose of promoting these qualities and strengths at an international level, the Medical Services Cluster “*Medellin Health City*” was created in 2008 with the private sector leadership and the support of the Medellin City Hall and the Medellin Chamber of Commerce.

Colombia has 24 of the top 58 clinics and hospitals in Latin America, according to a study in late 2019 by America Economia. Nine of these best hospitals in Latin America are located in Medellín.

Construction

The construction sector and building activity in Antioquia is confirmed as one of the engines of the economy. The 22,775 new housing units sold in 2019 represented a volume of 5.8 billion pesos in the region, 2.4% higher than the 5.6 billion pesos in 2018.

The supply of new housing in the department registers an annual increase of 10%, at the beginning of 2020, having 24,181 housing units available for the sale, distributed in 29 municipalities of Valle de Aburrá and Antioquia.

Software and IT services

Medellín is the only city in Colombia with a Science, Technology and Innovation public policy with a budget USD 240 million to run until 2021, focused on the ICT, Energy and Health sectors.

It has a public corporation named Ruta N running a municipal innovation policy and has a center for the 4 Industrial Revolution.

Cinema

Medellín created the first local film commission in the country to offer advice on procedures and production permits, images bank to assess potential filming locations, directions on technical personnel required in production and additional incentives according to Law 1556 of 2012, In 2019, the film industry in Colombia released 371 films of which 45 were local productions. In the last 8 years, the cinema infrastructure in Colombia has grown by 58%.

Textile and Fashion

One of the strategic clusters of the city is the Textile / Making, Design and Fashion. The sector exported \$ 8,974 billion pesos in 2018, accounting for 42,1% of the total sector in Colombia.

Medellín has become a city of world-class fairs and fashion events, performing Colombiamoda, in 2019 gathers approximately 478 different brands in the trade show and 106 more in Textiles2.

Other

Some other industry opportunities are in tourism and hospitality infrastructure, Aircraft, and automotive.

Medellin Imports from the U.S.

- Per capita (2019) US\$ 1.110.4
- CIF (2020) US\$ 5.634.168

Medellin Exports to U.S.

- Per capita (2019) US\$ 691.0
- FOB (2020) US\$ 5.055.838

Antioquia, with approximately one fifth of the country's exports, is considered as one of the most exporting regions of Colombia.

The United States is consolidated as the main trading partner with approximately one third of the Antioquia exports.

Outstanding Business Opportunities

6 of the 10 best positioned companies on the Colombian Stock Exchange are headquartered in Medellín.

- ISA
- Grupo Argos
- Grupo Bancolombia
- Grupo Éxito
- Grupo de Inversiones Suramericana
- Grupo EPM

Of the 5 most important companies in the country, 4 were born and have their main headquarters in Medellín

- Grupo Éxito #1
- Grupo Sura #3
- Grupo EPM #4
- Grupo Argos #5

According to the Agency for Cooperation and Investment of Medellín and the metropolitan area (ACI) during 2019 and so far in 2020, 48 foreign investment projects have arrived in the region.

The entity considers that the main investing countries in 2020 were Peru with US \$ 300 million; United States, US \$ 32.69 million; Mexico, US \$ 13.8 million; and Spain, US \$ 12.5 million.

National and Foreign Investment:

+2.700 million dollars raised in foreign investment in the city and the department in 258 projects from more than 35 countries between 2008 and 2020.

Trade Shows

- Colombiatex-Inexmoda
- ColombiaModa
- FeriaAérea
- EmprenderExpo
- ExpoTransporte
- Feria EJE
- Feria de las 2 ruedas
- Expo Belleza
- Expo Automotriz
- Feria Sport Games
- Medellín Health City
- Congreso internacional de Otolmología Clofan
- Feria Autopartes
- Expo Agrofuturo
- Expo Infraestructura
- Expo metálica

Center for the Fourth Industrial Revolution

The new Center for the Fourth Industrial Revolution located in Medellín - Colombia, is a space to co-create, test and refine protocols, regulatory frameworks and policies that allow us to maximize the benefits and reduce the risks of Industry 4.0 technologies, such as Artificial Intelligence, Blockchain and distributed ledger, Internet of things, robotics and smart cities.

The Center for the Fourth Industrial Revolution - Colombia (C4IR.CO) affiliated with the World Economic Forum (WEF) was born as an initiative of the National Government of Colombia, through the Ministry of Commerce, Industry and Tourism and the Mayor's Office of Medellín in order to join efforts to maximize the benefits of the technologies of the Fourth Industrial Revolution for society and promote inclusive growth, sustainable development and well-being in the country and the region.

The C4IR.CO is part of the Network of Centers for the Fourth Industrial Revolution, has 13 centers in different parts of the world with which it maintains a close collaboration on projects and initiatives.

Challenges

Economy: Medellín seeks to continue consolidating itself as a city of IT services, with its Software Valley strategy, supported by organizations such as Ruta N and the Center for the Fourth Industrial Revolution.

Postconflict: The City needs to be preparing to absorb displaced individuals by developing social acceptance and inclusive policies. Through very vigorous reinsertion programs as well as the collaboration of private sector incorporating these individuals into their business structures the city will achieve great results in this matter.

Education: Medellín has to continue improving its educational models, mainly to improve its levels of bilingualism, especially in English. It is necessary to improve the quality of teaching English in public schools.

Mobility: Although Medellín is pioneer in this sector within Colombia, the city seeks to reconvert its public transport using more environmentally friendly technologies. Its greatest challenge is the control and reconversion of an old automobile fleet.

Health: The City has three mayor challenges in this regard; it needs to continue

improvement the service quality process, achieve better coverage in order to assist more people in further locations and take advantage of the current medical infrastructure. The biggest challenge is in increasing the capacity of intensive care units due to the Covid19 pandemic, and the vaccination of the most vulnerable population.

Tips for Success

- U.S. companies should consider appointing a local representative to investigate marketing opportunities and establish sales networks. Medellin is very relationship based and building a network of potential customers through a local representative is the best way to enter the market. U.S. exporters are encouraged to contact AmCham Medellin 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 Medellin.
- Given the competition for lowest-cost manufacturers, U.S. firms need to capitalize on the quality of their goods and their ability to provide post-sale services and support.
- Identifying a legal partner early on will help with executing contracts and give the business a mild step up. Contract law, while extensive, is difficult to enforce, and having a reputable, local legal representation gives you the best chance of success.

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