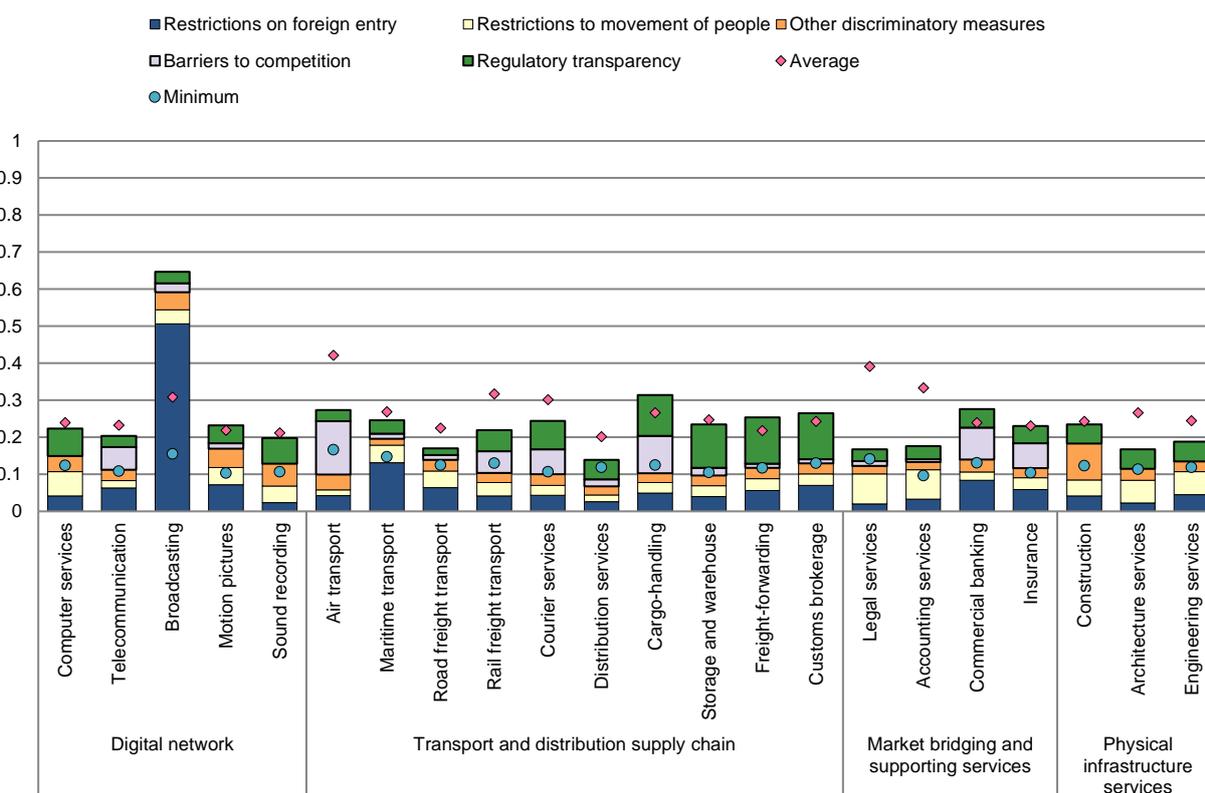


OECD Services Trade Restrictiveness Index (STRI): Colombia 2019

Colombia exported services worth over USD 9.5 billion (0.2% of world services exports) and its services imports amounted to about USD 13 billion (0.2% of world services imports) in 2018. Travel and personal services are the largest services exporting and importing sectors. Colombia's score on the STRI in the 22 sectors is shown below, along with the average and the lowest score among the 46 countries included in the STRI database for each sector. Colombia has a lower score on the STRI than the average in 16 out of 22 sectors, a fact explained both by general regulations affecting all sectors and by sector-specific rules.

STRI by sector and policy area (2019)



Note: The STRI indices take values between zero and one, one being the most restrictive. They are calculated on the basis of the STRI regulatory database which contains information on regulation for the 36 OECD Members, Brazil, China, Colombia, Costa Rica, India, Indonesia, Malaysia, Russia, South Africa and Thailand. The STRI database records measures on a Most Favoured Nations basis. Preferential trade agreements are not taken into account. Air transport and road freight cover only commercial establishment (with accompanying movement of people). The indices are based on laws and regulations in force on 31 October 2019.

Horizontal policy measures

There are some limitations to the movement of natural persons seeking to provide services on a temporary basis. For instance, contractual services suppliers may only stay in the country for 6 months on their first entry permit. Colombia maintains restrictions to the acquisition of land and real estate by foreigners along the coast and frontier areas. Cross-border transfer of personal data is allowed when the receiving country offers an adequate level of protection in accordance with Colombian standards, or guarantees special safeguards (such as the written consent of the data-owner). In addition, in the public procurement market, there are preferential margins for bids using Colombian goods and personnel; national firms, particularly local SMEs, are also favoured over foreign firms in public tenders.

The sectors with the relatively lowest STRI scores

Legal services, accounting and architectural services are the three sectors with the lowest score relative to the average STRI score across all countries. In legal services, a license to practice domestic law requires domicile in the country. No temporary licensing system is in place for foreign lawyers. Furthermore, fees are regulated and there are restrictions on advertising. Accounting services cover also auditing. Auditing is a regulated profession while accounting is not. Auditors must register in the national association of auditors, which requires three years domicile prior to registration and one year of local practice. No temporary licensing system in place for auditors either and there are equity restrictions for not licensed individuals, e.g. 80% of shares of auditing firms must be owned by accredited auditors. In architectural services, foreign professionals can participate in the planning, design and construction of infrastructure (buildings, houses, bridges, roads, airports, etc.) in a percentage that does not exceed 20% of a firm's workforce dedicated to such activities. The remaining 80% must be composed of national professionals.

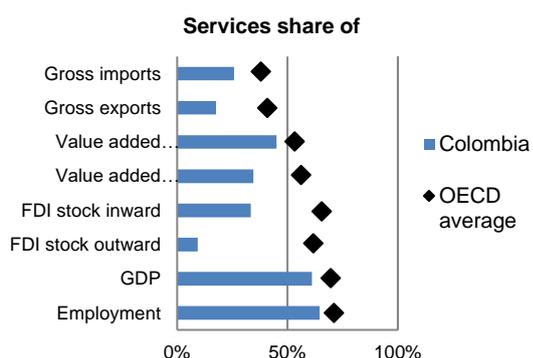
The sectors with the relatively highest STRI scores

Broadcasting, logistics freight forwarding and cargo-handling services are the three sectors with the highest score relative to the average STRI across all countries. In broadcasting, Colombia allows foreign investment in broadcasting companies based on reciprocity and only up to 40% of equity shares. Colombian legislation also reserves 70% of screen time for local production in prime time and 50% at other times, and Colombian films get a minimum of 10% of television airtime. In freight forwarding, a local presence is required to provide such services across the border other than for members of the Andean Community. Furthermore, business operations might be impacted by lengthy customs procedures and the inability of releasing goods from customs authorities based on a warranty. In cargo-handling services, contracts for service provision are awarded through competitive bidding, and one of the major operators in this sector is a state-owned-enterprise. Finally, a special registration is required in order to be able to provide cargo-handling and freight forwarding services in Colombia.

Recent policy changes

In 2016, the *New Customs Statute (Nuevo Estatuto Aduanero)* introduced a *de minimis* regime, imposed minimum warehouse surface for postal operators and introduced an obligation for courier services operators to be available 24/7. In 2017, Colombia passed an immigration reform, which aimed at streamlining the immigration process. The reform prolonged the duration of stay of certain visa categories but not others – such as Intra-Corporate Transferees, which according to the new “V” type visa can now only stay up to two years (down from three years).

Efficient services sectors matter



Services account for only 18% of Colombia's gross exports, 35% of value added exports and one-third of inward FDI. Nevertheless, services share of export is lower than average. Services account for around 61% of GDP and 65% of employment. The information and communication technology revolution opens new opportunities for inclusive growth in a services economy like Colombia. Innovation and adoption of technology relies on access to knowledge and to the networks, people, goods and services that carry the knowledge around the world. In this context, Colombia could benefit from more open markets for services trade.

More information

- » Access all of the country notes, sector notes and interactive STRI tools on the OECD website at <http://oe.cd/stri>
- » Read more about services trade policies and their impacts in this publication: [Services Trade Policies and the Global Economy](#)
- » Contact the OECD Trade and Agriculture Directorate with your questions at stri.contact@oecd.org