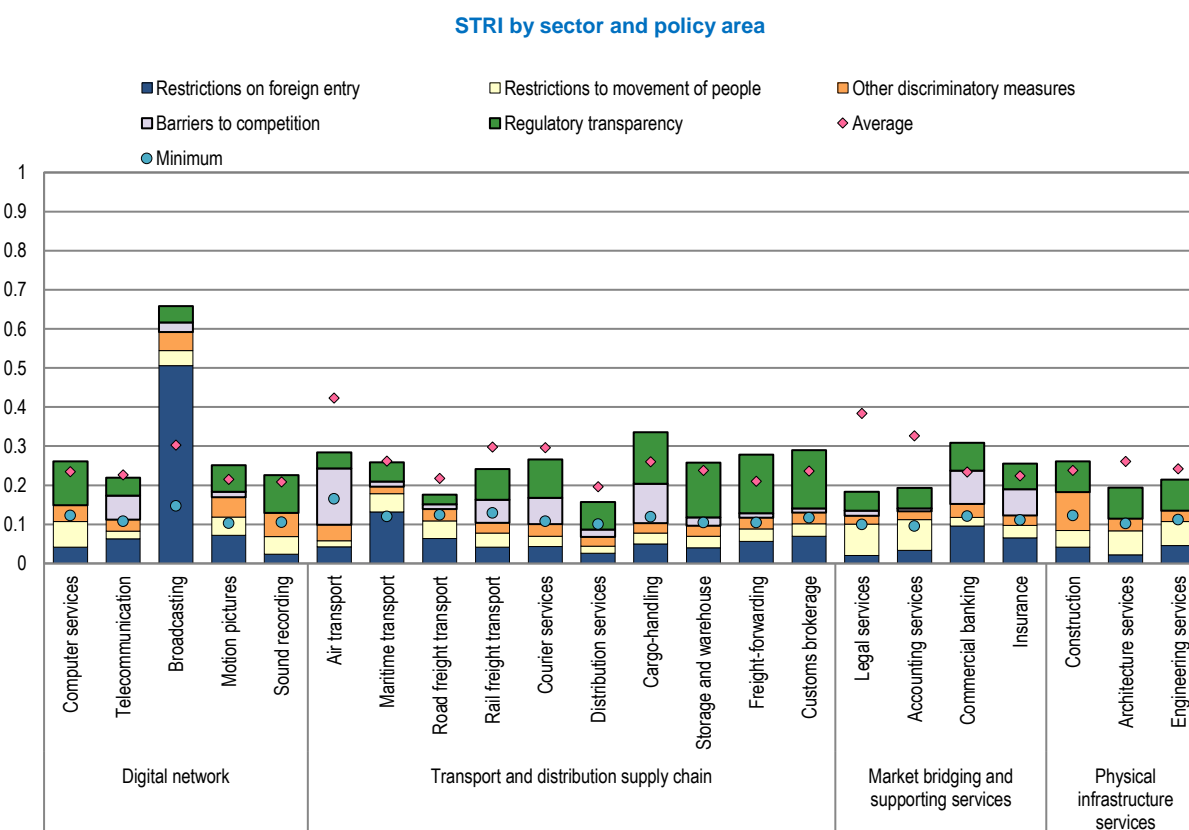


OECD Services Trade Restrictiveness Index (STRI): Colombia

Colombia exported services worth over USD 8 billion and its services imports amounted to about USD 12 billion in 2017. Travel 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 45 countries included in the STRI database for each sector.



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 and South Africa. 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).

Horizontal policy measures

Colombia has a lower score on the STRI than the average in 11 out of 22 sectors, a fact explained both by general regulations affecting all sectors and by sector-specific rules. 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. Lastly, there is no general obligation to publish laws and regulations nor an adequate public comment procedure open to interested persons before the legislation enters into force.

The sectors with the relatively lowest STRI scores

Legal services, accounting and air transport are the three sectors with the lowest score relative to the average STRI score across all countries. In order to obtain a license to practice domestic law domicile in the country is required and there is no temporary licensing system 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 to not licensed individuals, e.g. 80% of shares of auditing firms must be owned by accredited auditors. In air transport services, Colombia imposes limitations to foreign participation in air carriers only for state-owned *SATENA*. Other restrictions are related to the allocation of landing and take-off slots, which does not follow competitive best practices.

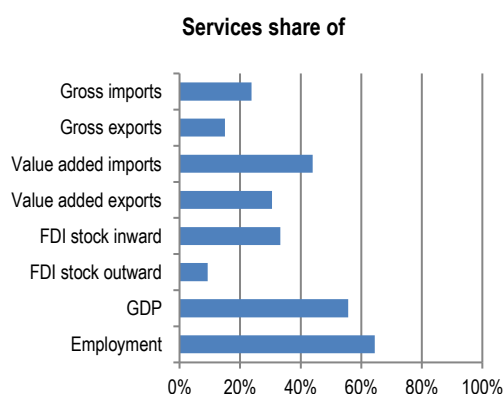
The sectors with the relatively highest STRI scores

Broadcasting, logistics freight forwarding and commercial banking 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, restrictions on temporary movement of crewmembers influence business operations as well as a lengthy customs clearance and the inability of releasing goods from customs based on a warranty. In commercial banking, as in most countries, foreign banks have to establish locally to provide the full range of financial services. There are also restrictions on foreign branches and prior approval is required for new financial products. Finally, the Government has a discretionary power of intervention over the decisions made or to be made by the supervisor.

Recent policy changes

In 2015, the Financial Superintendence has gained financial autonomy. 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 15% of Colombia’s gross exports, 30% of value added exports and one-third of inward FDI. Nevertheless, services share of export is lower than average. Services account for around 56% of GDP and 65% of employment, which implies that earnings and aggregate demand depends crucially on the productivity of the services sectors. 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