

DOING BUSINESS IN MEDELLIN

Medellín



ECONOMIC INDICATORS

Population: 3.6 million (Medellin and its Metropolitan Area).¹

GDP: USD 30.137 million.²

% National GDP: 7.9%.²

Inflation: 6,82 % (National average 6,77%).²

Total Exports in Antioquia: USD 4,311.73 million FOB, 20,1% of all national exports in 2015 (not including Oil).³

Total Imports in Antioquia: USD 7,159.2 million CIF, 14,3% of all national imports in 2015.³

F.D.I.: Second among FDI targets in Colombia.¹

Unemployment: 10,6 % (2015).²

1 Source: ACI

2 Source: DANE

3 Source: Quintero Hermanos Ltda.

Medellin 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 a 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 Medellín is widely regarded in Colombia as a clean, well-organized, and robust economic community.

In 2006 Medellín started the strategy of specializing its economy in 6 different clusters:

- ◆ Electric Energy Cluster. (2006)
- ◆ Textile / Garment manufacturing / Design and Fashion Cluster. (2007)
- ◆ Business Tourism, Trade Shows and Conventions Cluster. (2007)
- ◆ Construction Cluster. (2007)
- ◆ Medical and Dental Services Cluster. (2007)
- ◆ Information, Communication and Technology Cluster. (2011)

In 2013, the Wall Street Journal, the Urban Land Institute, and Citi Group recognized Medellín as the most innovative city in the world as part of their city of the year competition.

Projects such as the escalators in the 13th Commune, the Library Parks, and the Integrated Public Transport System are a sample of the city's transformation process.

In 2014, the Rockefeller Foundation included Medellín among its list of the 33 most resilient cities in the world. This distinction demonstrates that Medellín and its inhabitants have managed to overcome a past marked by violence and transform themselves into a world leader of innovation.

REASONS TO LOCATE IN MEDELLIN

Medellin 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 conventions in Latin America and the world.

- ◆ Colombia's second largest Metropolitan area, comprised of Medellín and other 9 municipalities; Medellín 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 USD 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 install themselves 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).

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OUTSTANDING BUSINESS OPPORTUNITIES

Energy

In Antioquia, about 30% of the country's electricity is generated and 55% of total generation is managed. By December 2014, there were 989 companies related to the Energy Cluster with assets of nearly USD 30.5 billion.

This Cluster represents 31.4% of Antioquia's GDP (USD 15.22 billion). It also represents 36% of all industrial exports in Antioquia (excluding gold).

Health

The city is known for being home to leading institutions of healthcare services in Latin America and also stands out for its high value-additions 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 private sector leadership and the support of the Medellin City Hall and the Medellin Chamber of Commerce.

In 2014, 18 hospitals from Colombia were included in the ranking of the 45 Best Hospitals of Latin America, **8 of them from Medellin.**

Construction

The construction sector accounts for more than 8% of Antioquia, with a base of more than 11,400 companies and over USD 15.5 billion in assets.

Medellin has the Construction Sector Cluster, consisting of the most relevant sector entities such as CAMACOL, Real State Association of Medellin and Antioquia, and the Colombian Chamber of Infrastructure, among others.

Software and IT Services

Medellin 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 plans to develop a technology district called Medellininnovation and has a public corporation named Ruta N running a municipal innovation policy.

Cinema

Medellin created the first local film commission in the country to offer advice on procedures and production permits, an images bank to assess potential filming locations, directions on technical personnel required in production and additional incentives according to Law 1556 of 2012, for the return of up to 15% in logistics and filming costs generated in the city.

In 2014, 12 film shootings took place. This represented an increase of 223% over the previous year.

Textile and Fashion

One of the strategic clusters of the city is the Textile / Making, Design and Fashion. The sector exported USD 484 million in 2013, accounting for 48.7% of the total sector in Colombia.

Medellin has become a city of world-class fairs and fashion events, performing Colombiamoda with business expectations for around USD 308 million in 2014.

Other

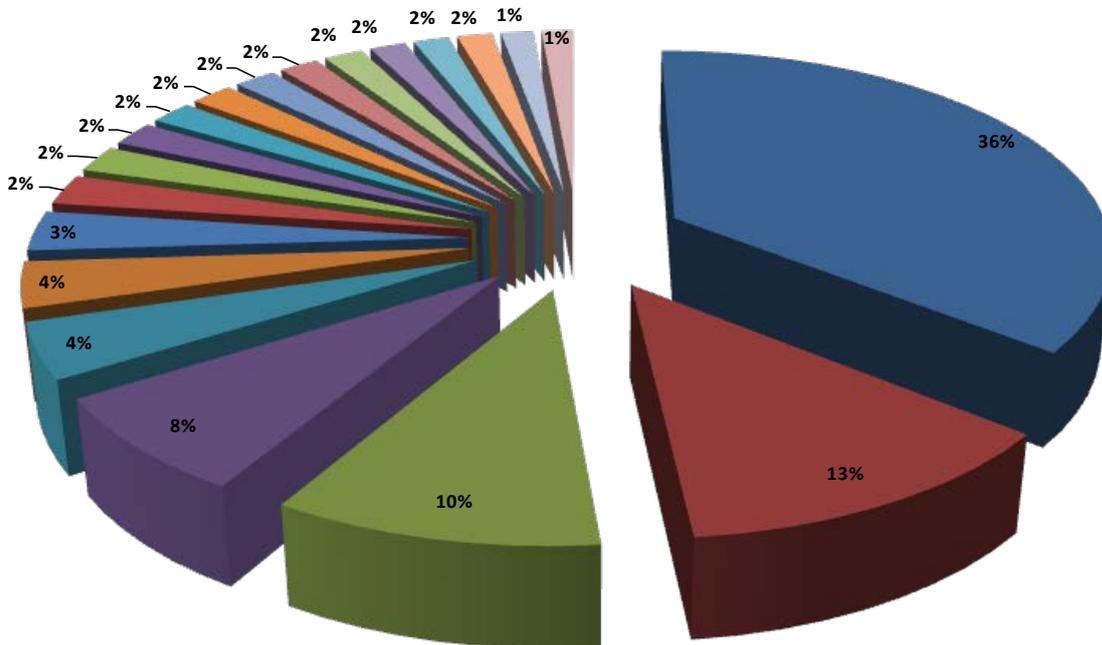
Some other industry opportunities are **in tourism and hospitality infrastructure, aircraft, and automotive.**

Sources:



MEDELLIN IMPORTS FROM U.S. 2015

TOP 20 of Imports from U.S. to Antioquia in 2015



- THE CORN OTHER 36%
- OTHER CAKE AND SOLID WASTE REMOVAL OF SOYBEAN OIL EVEN GROUND OR IN PELLETS 13%
- OTHER BEANS BEANS-BEAN-BEANS SOY SOY - EVEN BROKEN 10%
- THE OTHER-WHEAT AND MESLIN 8%
- WOOD PULP QCA SEMI-BLEACHED OR BLEACHED D D CONIFERS. THE SODA SODA OR SULPHATE. EXCEPT DISSOLVING GRADES 4%
- COTTON NOT CARDED OR COMBED. 4%
- WASTE INDUSTRY STARCH AND SIMILAR RESIDUES. 3%
- LEE AND WASTE BREWING OR DISTILLING. 2%
- RICE MILLED OR WHOLLY MILLED. NOT POLISHED OR GLAZED. 2%
- DENSITY POLYETHYLENE OR MORE 0.94. 2%
- OTHER ETHYLENE POLYMERS IN PRIMARY FORMS 2%
- THE KRAFT PAPER AND PAPERBOARD OTHER. A WEIGHT 150 GM2 BUT A A 225 GM2. UNCOATED. IN ROLLS OR SHEETS. 2%
- THE FROZEN MEAT-OTHER-SWINE. 2%
- THE OTHERS PREPARATIONS USED IN ANIMAL FEEDING. 2%
- METHIONINE. 2%
- THE OTHERS PETROLEUM OILS OBTAINED FROM BITUMINOUS MINERALS. 2%
- AIRCRAFT AND AIRCRAFT OTHER. DRY WEIGHT EXCEEDING 2000 KG BUT NOT EXCEEDING 15000 KG 2%
- POLYETHYLENE DENSITY LESS THAN 0.94. 2%
- PIGMENTS AND PREPARATIONS CONTAINING TITANIUM DIOXIDE D TO 80 BY WEIGHT. CALCULATED ON THE DRY MATTER. 1%
- PARTS OF GAS TURBINE OTHER 1%

Source: Quintero Hermanos Ltda.

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CHALLENGES

ECONOMY:

Medellin must follow the next steps in order to keep its position as Colombia's Innovation and Technology City and to continue with its economic growth. Ruta N is a platform from which Medellin can transform into Latin America's Innovation and Technology Capital.

POSTCONFLICT:

The City needs to prepare to absorb displaced individuals by developing social acceptance and inclusive policies. Through very vigorous reinsertion programs and the collaboration of the private sector to incorporate these individuals into their business structures the city will achieve positive results in this matter.

EDUCATION:

Medellin has to continue improving its educational models. The city must foster education through diverse programs in order to achieve better quality in its educational system.

MOBILITY:

Although Medellin is a pioneer in this sector within Colombia, the city needs an efficient public transport system; it must increase its promotion of its public transport system and find more ways to offer a faster, safer, and more comfortable and efficient integrated public transport system.

HEALTH:

The City has three mayor challenges in this regard; it needs to continue to improve the service quality process, achieve better coverage in order to assist more people in further locations and must take advantage of the current medical infrastructure.

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 step up. Contract law, while extensive, is difficult to enforce, and having reputable, local legal representation gives you the best chance of success.

AIR CONNECTIVITY

AIRLINES FLYING TO MEDELLIN:



Destination City	Hometown	Weekly Flights
MEDELLIN	Panama City	48
	Miami	22
	Fort Lauderdale	12
	New York	7
	México City	7
	Atlanta	7
	San Salvador	7
	Lima	7
	Valencia	6
	Madrid	5
	Balboa	3
	Curazao	2
	Aruba	2

➔ 13 AIRLINES

➔ 135 WEEKLY FLIGHTS

➔ Medellín (MDE) has the second most air connections of any city in Colombia.

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