

COUNTRY PROFILE REPORT OF ITJ DIVISION, DGCI&S INDIA-COLOMBIA BILATERAL TRADE RELATIONS

INTRODUCTION & BRIEF ECONOMIC OVERVIEW

The Republic of Colombia lies in the northwest of South America, with the Caribbean Sea to the north and the Pacific Ocean to the west. Its continental neighbours are Venezuela and Brazil to the east, and Peru and Ecuador to the south, while Panama connects it with Central America. Colombia is a member of the UN, WTO, OAS, Inter-American Development Bank, the Andean Group, ALADI/LAIA, ACS, IOM and the Antarctic Treaty.

2. Historically an agrarian economy, Colombia urbanized rapidly in the 20th century, by the end of which just 15.8% of the workforce were employed in agriculture, generating just 6.6% of GDP; 20% of the workforce were employed in industry and 65% in services, responsible for 33% and 60% of GDP respectively. The country's economic production is dominated by its strong domestic demand. Consumption expenditure by households is the largest component of GDP. IMF Executive Board Concludes 2024 Article IV Consultation with Colombia March 28, 2024 that, “With the sharp growth slowdown in 2023 from an overheated post-pandemic position, the Colombian economy has reached more sustainable levels of economic activity and domestic demand. This has been underpinned by appropriately tight macroeconomic policies over the last two years, which have supported an impressive reduction in domestic and external imbalances built up during 2021-22. The Colombian economy is set to continue its transition toward a more sustainable level of demand and economic activity with domestic imbalances continuing to narrow further in 2024. Real GDP is expected to expand by 1.1 percent and inflation to gradually fall to around 5 percent (y/y) by end-2024 on the back of prudent macroeconomic policies. Meanwhile, the current account deficit is projected to stabilize around 3.0 percent of GDP this year”.

A snapshot of Colombia’s select economic indicators is as under.

TABLE 1

Table 1. Colombia: Selected Economic and Financial Indicators, 2020-29										
				Est. ^{1/}	Projections					
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
	(In percentage change, unless otherwise indicated)									
National Income and Prices										
Real GDP	-7.2	10.8	7.3	0.6	1.1	2.5	3.0	3.0	3.0	3.0
Potential GDP	-1.1	4.8	4.6	2.4	2.3	2.0	2.2	3.0	3.0	3.0
Output Gap	-6.4	-1.0	1.6	-0.2	-1.3	-0.8	0.0	0.0	0.0	0.0
GDP deflator	1.5	7.8	14.9	6.3	5.6	3.0	3.0	3.0	3.0	3.0
Consumer prices (average)	2.5	3.5	10.2	11.7	6.4	3.6	3.0	3.0	3.0	3.0
Consumer prices, end of period (eop)	1.6	5.7	13.2	9.3	5.3	3.0	3.0	3.0	3.0	3.0
External Sector										
Exports (f.o.b.)	-20.5	32.3	39.2	-11.7	-2.3	0.5	2.5	2.3	3.2	3.6

Share of ST debt at remaining maturity + CA deficit	106	89	103	101	95	89	85.9	82.8	85.3	84.0
CG primary expenditures (in percent of GDP)	20.2	19.7	17.2	19.1	19.5	18.9	18.6	18.6	18.8	18.8
CPS primary expenditures (in percent of GDP)	30.6	31.1	29.7	30.8	29.2	28.5	28.2	28.2	28.3	28.4
Sources: Colombian authorities; UNDP Human Development Report; World Development Indicators; and IMF staff estimates.										
1/ Estimate for monetary sector variables and fiscal sector variables (consolidated public sector-CPS) .										
2/ Multilateral real effective exchange rate. Annual variation (average).										
3/ For 2021 excludes privatization receipts worth 1.1 percent of GDP that, under GFSM 1986 which is used by the authorities, produces a headline deficit of -7 percent of GDP.										
4/ IMF staff estimate, excludes one-off recognition of arrears.										
5/ Includes the quasi-fiscal balance of Banco de la República, sales of assets, phone licenses, and statistical discrepancy. For 2021 excludes privatization receipts, see 3/ above.										
6/ To control for valuation effects, it excludes changes in Social Security balances.										
7/ Includes Ecopetrol, Fogafin, and Finagro.										
8/ Includes foreign holdings of TES; does not include Banco de la República's outstanding external debt.										
9/ Excludes Colombia's contribution to FLAR; includes valuation changes of reserves denominated in currencies other than U.S. dollars.										

Source: IMF Executive Board Concludes 2024 Article IV Consultation with Colombia Mar 28, 2024.

FOREIGN TRADE

3. As per recent available inputs on WITS (World Integrated Trade Solution), the five major merchandise export partners of Colombia are United States, China, Panama, India and Brazil. On the other hand, five major import partners of Colombia are China, United States, Brazil and Germany. Major five exported goods of Colombia are (i) Petroleum oils and oils obtained from bituminous (ii) Bituminous coal, not agglomerated (iii) Coffee, not roasted or decaffeinated (iv) Gold in unwrought forms non-monetary and (v) Petroleum oils, etc, (excl. crude); preparation. On the other hand, major five imported goods of Colombia are (i) Petroleum oils, etc, (excl. crude); preparation (ii) Transmission apparatus, for radioteleph incorpo (iii) Maize (excl. seed) (iv) Other medicaments of mixed or unmixed products and (v) Automobiles with reciprocating piston engine.

4. Colombia's total exports in 2019 were of the order of US\$ 39,489 million. It has scaled up to US\$ 49,769 million in 2023. During the period 2019 to 2023, Exports from Colombia had increased maximum by 33.28% in the year 2021 followed by another 37.50% increase in 2022. During the period from 2019 to 2023, the annual average compound rate of growth of exports was 5.95%.

5. Colombia's total imports in 2019 were of the order of US\$ 52,696 million and which has touched US\$ 62,781 million mark in 2023. Imports of Colombia had jumped by 40.50% in 2021 in comparison with 2020 just after facing a 17.48% decline in FY2020. During the period from 2019 to 2023, the annual average compound rate of growth of imports was 4.48%.

6. Colombia runs an overall Balance of Trade deficit from 2019 to 2023 that has scaled up to USD - 13,012 million in 2023. During the period from 2019 to 2023, the annual average compound rate of growth of total volume of trade was 5.12%.

A snapshot of India's merchandise trade statistics w.r.t. Colombia is presented in **Table 2 Fig 1**.
A snapshot of Colombia's overall Trade Statistics is presented in **Table 3 and Figure 2** below.

BILATERAL TRADE WITH INDIA

Merchandise Trade

7. In 2022-2023, bilateral trade stood at USD 4.34 billion, increasing by over 50% from that in the preceding period. In 2023-24, bilateral trade stood at USD 4.31 billion, with exports from India to Colombia at USD 1.22 billion and imports from Colombia to India at USD 3.1 billion. India had exported to Colombia almost 0.28% of its total export value in FY2023-24. In the same financial year imports from Colombia was 0.46% of India's total import value. Almost 0.38% of India's total international trade value of goods was between India and Colombia as has been recorded in DGCI&S data base for FY 2023-24. Colombia was the 42nd major trading partner of India in FY 2023-24.

8. Indo- Colombia total volume of bilateral trade in FY 2019-20 was of the order of US\$ 1,853.42 million. It has scaled up to US\$ 4,305.09 million in FY 2023-24. The annual compound growth rate of total volume of trade during the period from 2019-20 to 2023-24 has been of the order of 23.45%.

9. It appears from the available figures that between 2019-20 and 2023-24, India has had a mixed Balance of Trade with Colombia. India enjoyed a surplus balance of trade in FY2020-21 to FY2023-24. Exports from India to Colombia increased by 59.15% in FY2021-22. The annual average compound rate of growth of Exports was 3.96%. On the other hand, imports from Colombia to India remarkably increased by 111.19% in FY 2021-22 just after 73.29% increase in FY 2020-21. During the period from 2019-20 to 2023-24, the annual average compound rate of growth of imports was 39.71%.

10. Additionally, from **Tables 4 & 5** presented below the following are stated:

a. **Two And Three Wheelers, Drug Formulations Biologicals and Cotton Yarn**, had occupied the top three slots in India's exports to Colombia in the year 2023-24. **Two And Three Wheelers** had occupied 18.40% share of India's total exports to Colombia in FY2023-24.

b. **Petroleum Crude, Gold and Coal-Coke And Briquettes Etc.** were the three major commodities in India's imports list from Colombia in the year 2023-24, India imports **Petroleum Crude** from Colombia with a share of 63.62% of total imports from Colombia recorded in 2023-24.

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TABLE - 2
COLOMBIA'S TOTAL EXPORTS AND IMPORTS, VOLUME OF TRADE AND BALANCE OF TRADE
BETWEEN 2019- 2023

(Figures in USD Million)

Year	Exports	Percentage Growth in Exports	Imports	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2019	39489		52696		92,185		-13207
2020	31056	-21.36	43487	-17.48	74,543	-19.14	-12431
2021	41390	33.28	61098	40.50	102,488	37.49	-19708
2022	56910	37.50	77410	26.70	134,320	31.06	-20500
2023	49769	-12.55	62781	-18.90	112,550	-16.21	-13012
Annual Growth Rate	Compound	5.95	4.48	5.12			

NOTE : Figures relate to calendar year (January to December)

SOURCE: UN COMTRADE PUBLICATION

Figure – 1

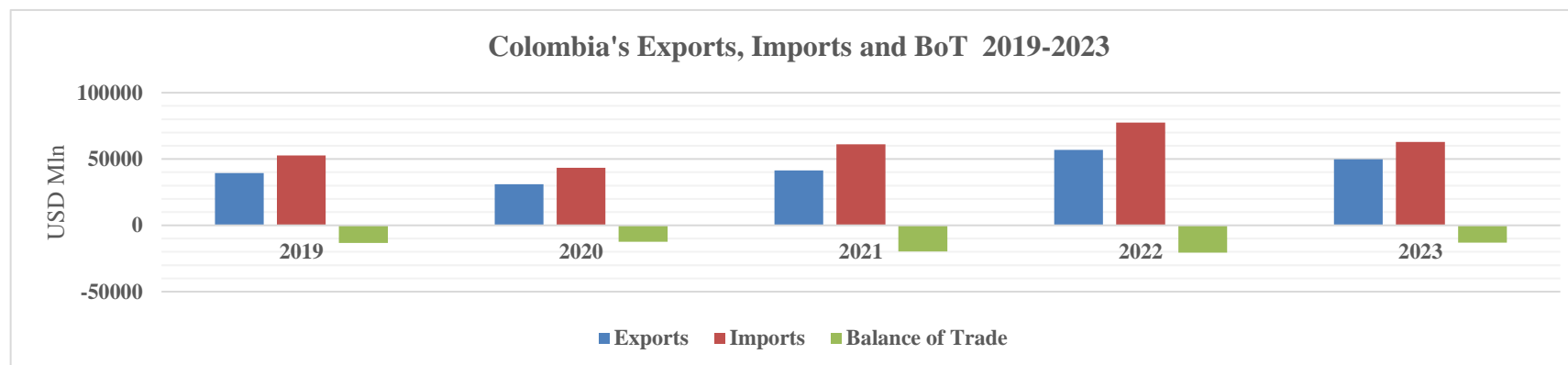


TABLE-4
INDIA'S MAJOR ITEMS OF MERCHANDISE EXPORTS TO COLOMBIA
2019-2020 TO 2023-2024 AND THEIR GROWTH RATES

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Exports					Annual Growth Rates			
		2019-20	2020-21	2021-22	2022-23	2023-24	20-21 over 2019-20	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23
1	Two And Three Wheelers	228.31	190.06	309.25	307.85	224.22	-16.75	62.71	-0.45	-27.17
	Share in total export	21.88	21.97	22.46	21.26	18.40				
2	Drug Formulations Biologicals	64.05	66.88	102.10	116.31	128.57	4.42	52.66	13.92	10.54
	Share in total export	6.14	7.73	7.42	8.03	10.55				
3	Cotton Yarn	56.60	62.67	92.68	48.06	69.04	10.72	47.89	-48.14	43.65
	Share in total export	5.42	7.24	6.73	3.32	5.66				
4	Agro Chemicals	25.89	35.55	71.05	80.12	69.03	37.31	99.86	12.77	-13.84
	Share in total export	2.48	4.11	5.16	5.53	5.66				
5	Motor Vehicle/Cars	39.78	19.62	83.06	120.66	66.62	-50.68	323.34	45.27	-44.79
	Share in total export	3.81	2.27	6.03	8.33	5.47				
6	Auto Components/ Parts	79.53	39.88	51.17	58.94	42.15	-49.86	28.31	15.18	-28.49
	Share in total export	7.62	4.61	3.72	4.07	3.46				
7	Manmade Yarn Fabrics Madeups Etc.	35.65	30.56	34.73	29.41	37.90	-14.28	13.65	-15.32	28.87
	Share in total export	3.42	3.53	2.52	2.03	3.11				
8	Cotton fabrics Madeups Etc.	61.00	40.65	113.55	48.79	37.81	-33.36	179.34	-57.03	-22.50
	Share in total export	5.85	4.70	8.25	3.37	3.10				
9	Iron And Steel	25.15	18.06	36.59	27.61	36.65	-28.19	102.60	-24.54	32.74
	Share in total export	2.41	2.09	2.66	1.91	3.01				
10	Bulk Drugs, Drugs Intermediates	29.27	36.50	44.39	37.42	34.69	24.70	21.62	-15.70	-7.30
	Share in total export	2.81	4.22	3.22	2.58	2.85				
	Total export to COLOMBIA	1043.42	865.04	1376.75	1447.96	1218.90	-17.10	59.15	5.17	-15.82

NOTE : Figures relate to each Financial Year (April to March)

SOURCE: DGCI&S, M/o C&I

TABLE -5

INDIA'S MAJOR ITEMS OF MERCHANDISE IMPORTS FROM COLOMBIA

2019-2020 TO 2023-2024 AND THEIR GROWTH RATES

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Exports					Annual Growth Rates			
		2019-20	2020-21	2021-22	2022-23	2023-24	19-20 over 2018-19	20-21 over 2019-20	21-22 over 2020-21	23-24 over 2022-23
1	Petroleum Crude	56.22	673.72	2141.43	1609.77	1963.50	1098.36	217.85	-24.83	21.97
	Share in total import	6.93	48.00	72.24	98.51	63.62				
2	Gold	419.01	378.42	547.80	672.72	731.22	-9.69	44.76	22.80	8.70
	Share in total import	51.67	26.96	18.48	41.17	23.69				
3	Coal, Coke And Briquettes Etc.	233.05	269.36	177.41	173.11	162.16	15.58	-34.14	-2.42	-6.33
	Share in total import	28.74	19.19	5.98	10.59	5.25				
4	Bulk Minerals And Ores		0.36	31.34	95.52	114.97		8605.56	204.79	20.36
	Share in total import		0.03	1.06	5.85	3.73				
5	Copper, Products Made Of Copper	2.27	2.24	1.09	6.31	35.88	-1.32	-51.34	478.90	468.62
	Share in total import	0.28	0.16	0.04	0.39	1.16				
6	Iron And Steel	4.61	5.11	18.43	11.26	22.15	10.85	260.67	-38.90	96.71
	Share in total import	0.57	0.36	0.62	0.69	0.72				
7	Other Wood And Wood Products	14.85	12.46	16.81	15.04	16.88	-16.09	34.91	-10.53	12.23
	Share in total import	1.83	0.89	0.57	0.92	0.55				
8	Plastic Raw Materials	54.91	44.18	8.05	22.60	9.87	-19.54	-81.78	180.75	-56.33
	Share in total import	6.77	3.15	0.27	1.38	0.32				
9	Aluminium Prod. Made Of Aluminium	6.70	5.06	10.45	10.14	8.37	-24.48	106.52	-2.97	-17.46
	Share in total import	0.83	0.36	0.35	0.62	0.27				
10	Pearl, Precs. Sem-iprecs Stones	1.39	0.02	0.52	2.27	5.75	-98.56	2500.00	336.54	153.30
	Share in total import	0.17	0.00	0.02	0.14	0.19				
	Total export to COLOMBIA	810.95	1403.61	2964.29	1634.19	3086.19	73.08	111.19	-44.87	88.85

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I