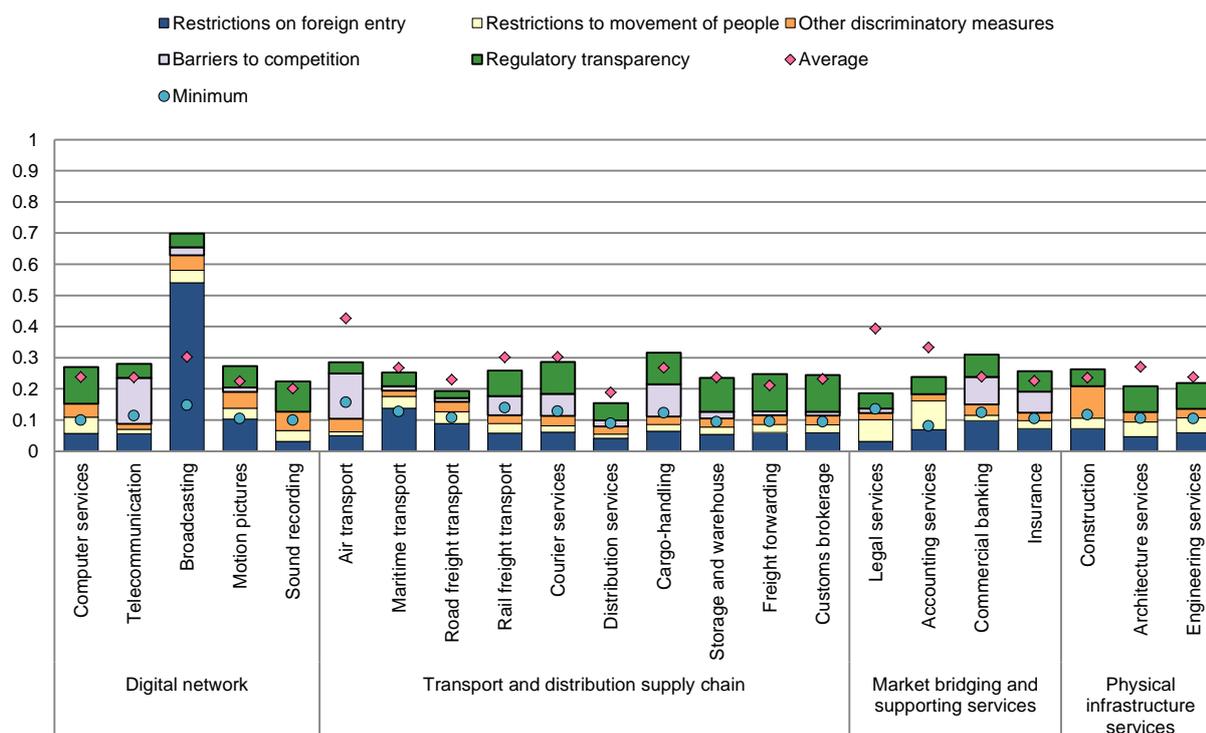


OECD Services Trade Restrictiveness Index (STRI): Colombia

Colombia exported services worth over USD 8 billion and its services imports amounted to about USD 11 billion in 2016. 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 44 countries included in the STRI database for each sector.

STRI by sector and policy area, 2017



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 35 OECD Members, Brazil, China, Colombia, Costa Rica, India, Indonesia, Lithuania, 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 STRI score than the sample average in 11 out of 22 sectors. Natural persons seeking to provide services in the country on a temporary basis as contractual services suppliers may stay in the country for 6 months and independent services suppliers may stay up to 12 months on their first entry permit. In some sectors, a minimum amount of capital must be deposited in a bank or with a notary in order to register a limited liability company. Colombia also 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, when the transfer falls under a permitted exception, or when the Superintendence of Industry and Commerce issued a declaration of conformity for that transfer. In addition, in the public procurement market, there are preferential margins for bids using Colombian goods and personnel, and national firms, particularly local SMEs, are favoured over foreign firms in public tenders. Lastly, there is no general obligation to publish laws and regulations before they enter into force.

The sectors with the relatively lowest STRI scores

Legal services, accounting/auditing and air transport are the three sectors with the lowest score relative to the average STRI across all countries. Colombia has one of the lowest score in the sample of 44 countries in legal services. Nevertheless, domicile is required to obtain a license to practice and there is no temporary licensing system for foreign lawyers. Furthermore, fees are regulated and there are restrictions on advertising. 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. 80% of shares of auditing firms must be owned by locally-licensed auditors. Ownership limitations are accompanied by a requirement that 80% of board members and the managers of auditing firms must be locally licensed 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 is not according to competitive best practices.

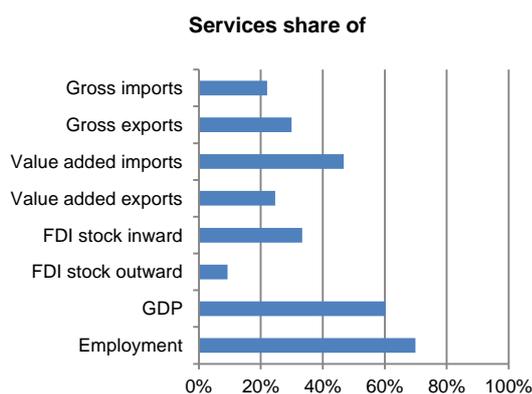
The sectors with the relatively highest STRI scores

Broadcasting, motion pictures and commercial banking are the three sectors with the highest score relative to the average STRI across all countries. In broadcasting, Colombia maintains a 40% foreign equity limit for public broadcasters and foreign investment is only allowed on the basis of reciprocity. Colombian legislation also reserves 70% of screen time for local production in prime time and 50% at other times, and a minimum of 10% of television airtime has to be dedicated to Colombian films. Furthermore, licenses for (domestic and foreign) broadcasters are subject to economic needs tests. In motion picture, there is an import duty of 5% on films foreign owned companies do not have the same access to tax rebates as local production companies. On-screen movie theatre advertising ads should be exclusively or partially of domestic production. 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

Since 2015, the Financial Superintendence has been financially autonomous. 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.

Efficient services sectors matter



Services account for 30% of Colombia's gross exports, 25% of value added exports and one-third of inward FDI. Nevertheless, services share of export is lower than average. Services account for around 60% of GDP and 70% 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