



COLOMBIA – 2022

Key findings

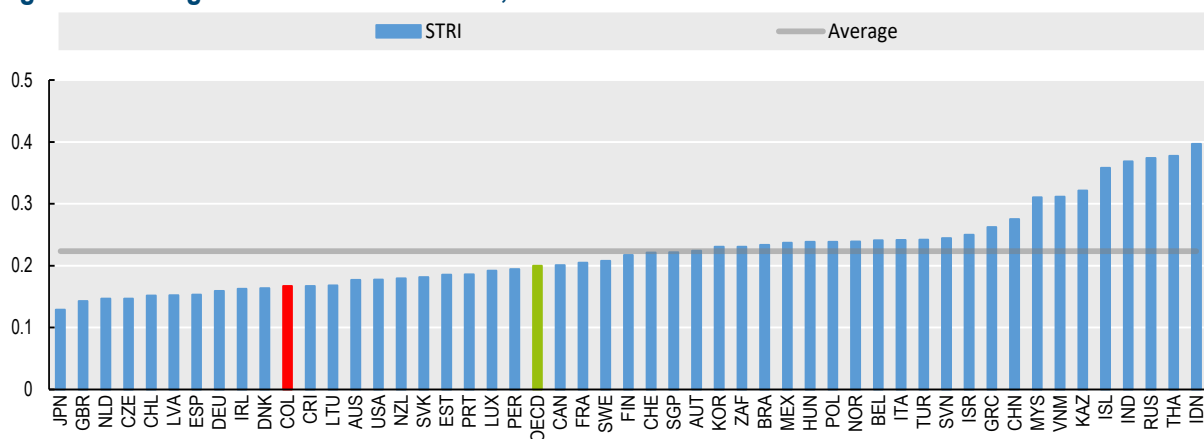
- The 2022 STRI of Colombia is below the OECD average and low compared to all countries in the STRI sample. The index remains unchanged since 2021.
- Colombia's regulatory environment for services was relatively stable over the past years. Legal services, accounting services, air transport and rail freight transport are the most open services sectors in Colombia relative to the average STRI across all countries.
- Despite the overall favourable environment for services trade, restrictions remain in some sectors such as commercial banking services and broadcasting services.

Recommendation

- Open and well-regulated services markets are essential to facilitate economic recovery, strengthen resilience to future shocks, and promote a more sustainable trading system. To ensure that the benefits of open markets and a rules-based international trading system are preserved, policy makers should focus on minimising barriers that increase trade costs for services providers, weaken the gains from digital transformation and undermine competitiveness.

The 2022 STRI of Colombia is relatively low compared to the average STRI sample (Figure 1).

Figure 1. Average STRI across countries, 2022



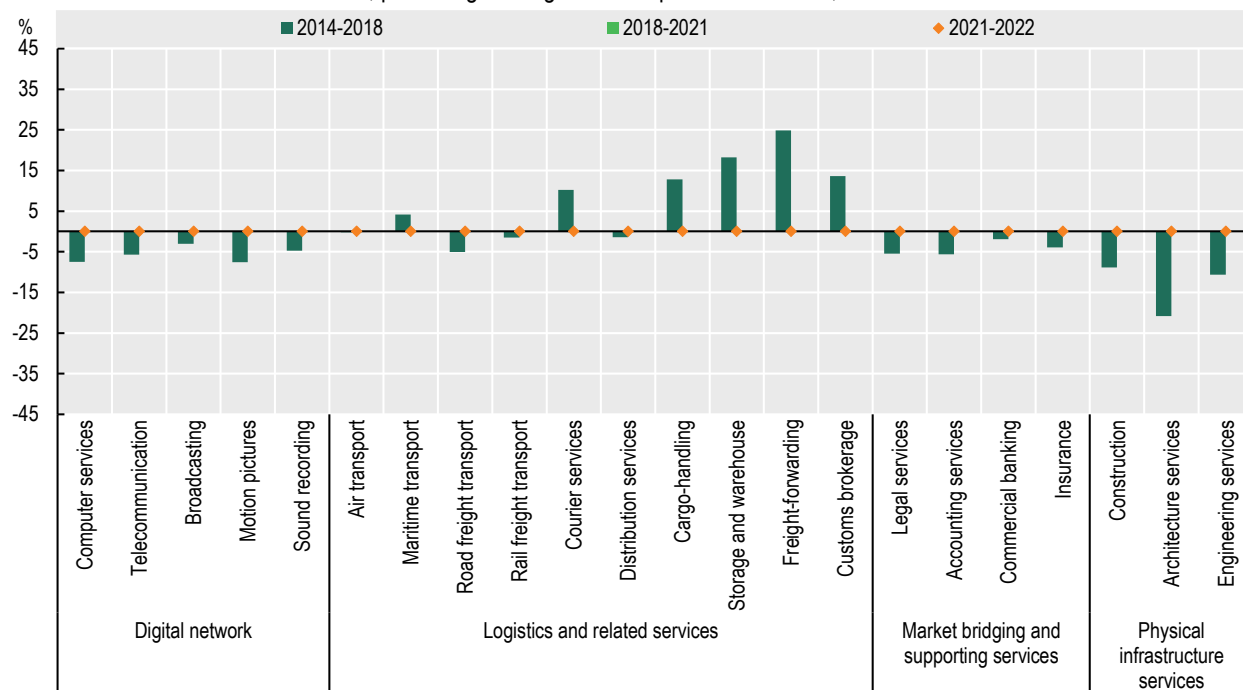
Note: The STRI indices take values between zero and one, one being the most restrictive. The STRI database records measures on a Most Favoured Nation basis. Air transport and road freight cover only commercial establishment (with accompanying movement of people). The indices are based on laws and regulations in force on 31 October 2022. The STRI regulatory database covers the 38 OECD Members, Brazil, China, India, Indonesia, Kazakhstan, Malaysia, Peru, Russia, Singapore, South Africa, Thailand and Viet Nam. The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law. Source: OECD (2022). STRI and TiVA databases.

Colombia has few economy-wide restrictive regulations, in particular for professional services. There are some limitations to the movement of natural persons seeking to provide services on a temporary basis, however Colombia does not require quotas or labour market tests for foreign providers. Colombia maintains restrictions to the acquisition of land and real estate by foreigners along the coast and frontier areas. Foreign suppliers are only allowed to participate in public tenders based on reciprocity and 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 when equal terms apply.

Colombia introduced some restrictions between 2014-2018 in sectors such as logistics services and courier services while some liberalising measures were introduced in several other sectors during the same period (Figure 2). The regulatory environment has been stable since 2019.

Figure 2. Evolution of STRI indices by sector in Colombia

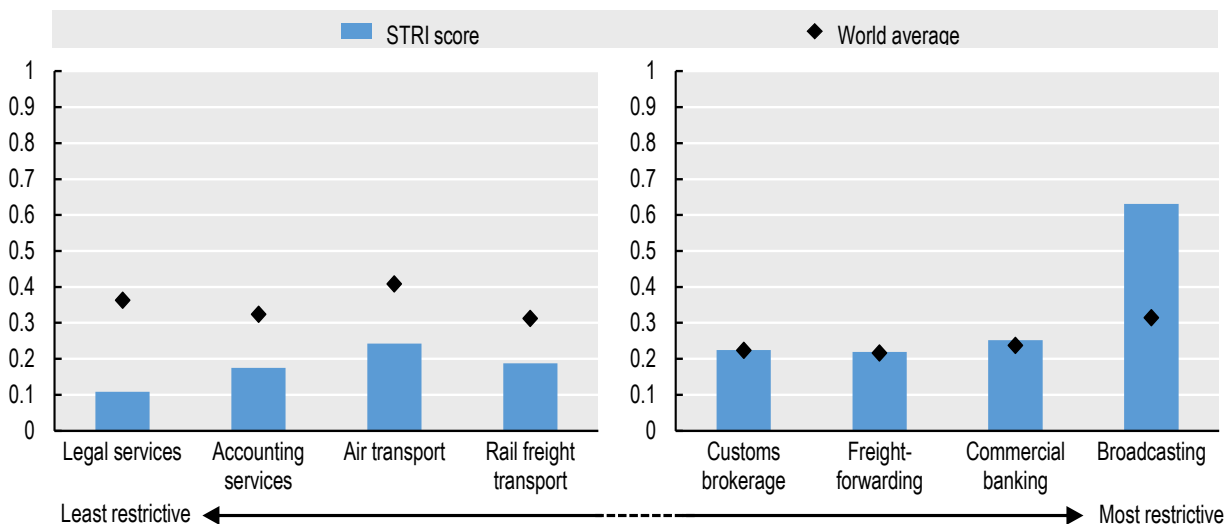
Services Trade Restrictiveness Index, percentage change over the period 2014-2018, 2018-2021 and 2021-2022



OECD (2022). STRI database.

Legal services, accounting services, air transport and rail freight transport are the sectors with the lowest score relative to the average STRI across all countries (Figure 3). Logistics customs brokerage, logistics freight-forwarding, commercial banking and broadcasting are the sectors with the highest score relative to the average STRI across all countries.

Figure 3. Sectoral breakdown - The least and most restricted sectors in Colombia



Note: Selection was made based on how far the sectors' score were from the world average score, as a percentage difference

i.e. $(STR I_{country, sector} - STR I_{world average, sector}) / STR I_{world average, sector}$

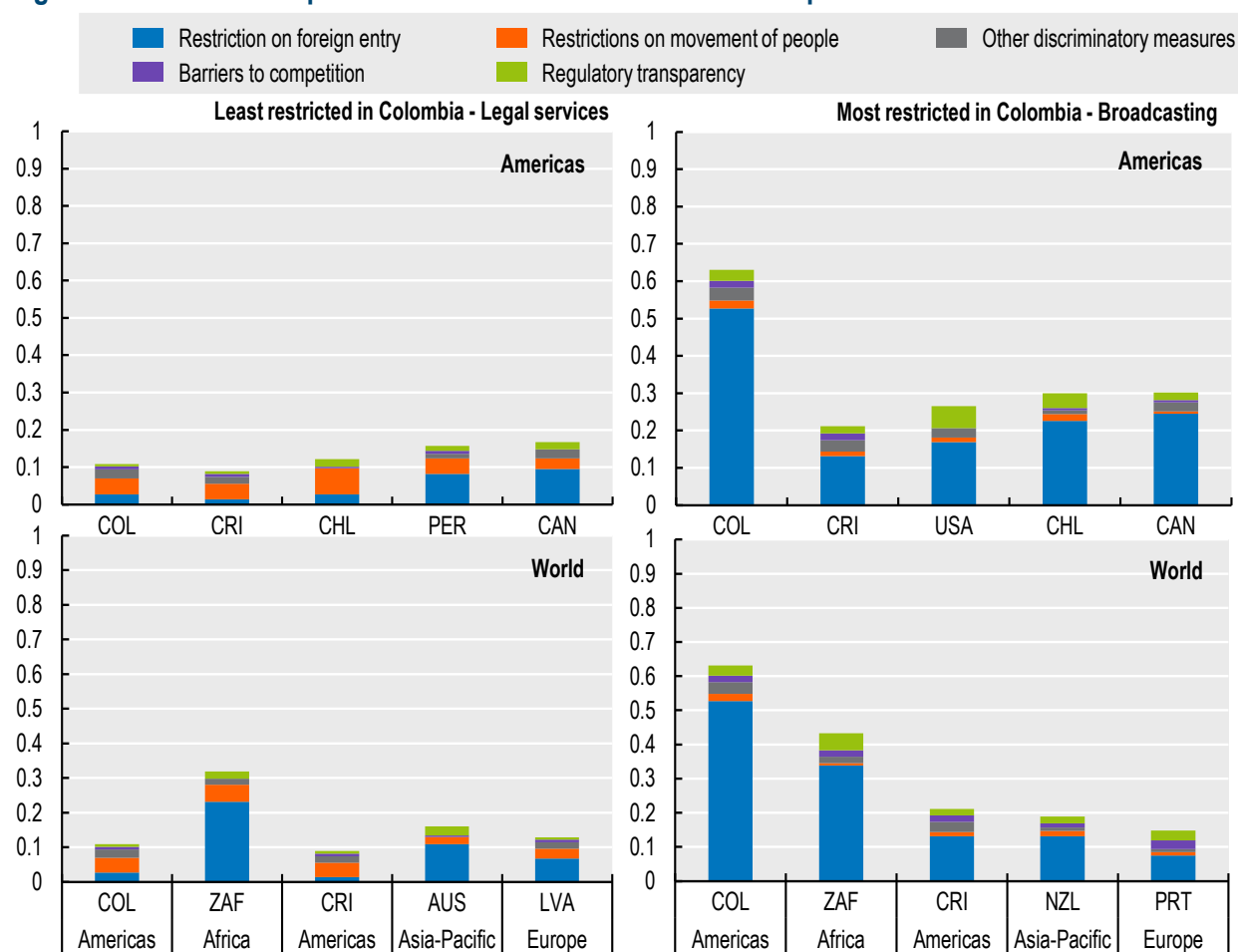
Source: OECD (2022). STRI database.

Legal services are the least restricted in Colombia compared to the Americas. There are few barriers affecting this sector and the exercise of legal profession is largely accessible to foreigners. Nonetheless, economy-wide measures such as limits on the duration of stay of contractual services suppliers, access to public procurement and limits to the acquisition of land and real estate by foreigners still contribute

to the score in this sector.

Broadcasting is the most restricted services sector in Colombia. Restrictions on foreign entry are significant compared to best performers. Some of the measures that contribute the most to the score include limits to foreign equity shares in broadcasting firms, airtime quotas for local films and local programs, technology transfer requirements, as well as limits to the proportion of shares that can be acquired by foreign investors in publicly-controlled firms (Figure 4).

Figure 4. Colombia compared to the Americas and World's best performers



Source: OECD (2022). STRI database.

Recent policy changes

Since 2021, the *de minimis* internal tax regime that applied to goods imported via postal traffic, urgent shipments or fast delivery was narrowed to apply only to goods originating from countries with which Colombia has a trade agreement and where such *de minimis* thresholds are expressly provided for.

More information

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

