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# STAYING ON TOP OF ITS GAME

The fourth-largest economy in Latin America, Colombia has consistently risen in the rankings of the region in terms of economic performance. The COVID-19 pandemic notwithstanding, millions of Colombians are confident that the economy has achieved fundamental strength over the past decade and will survive the current health crisis.

As the armed conflict between government forces and a handful of rebel groups came to an end, the country witnessed dramatic growth in various industries at the turn of the century. Among them are electronics, construction, mining, aviation, automobile manufacturing and tourism.

Thanks to its central location in South America, as well as its access to the Pacific and Atlantic oceans, Colombia possesses the ideal conditions to become a cost-effective export platform in the region and the rest of the Americas. Also, the domestic market is made up of over 50 million consumers and an expanding middle class.

A confirmation of its rising global status, in May 2018, the country was admitted as the 37th and newest member of the Organisation for Economic Co-operation and Development. Chile is the only other South American member of the Paris-based group.

This year, Colombia also celebrates 112 years of diplomatic relations with Japan, the largest foreign investor in the country. Seeing the benefit of stronger ties, the two countries are working on a comprehensive partnership agreement.

**Ambassador of Japan Keiichiro Morishita** also underlines the importance of this relationship: "The government of the Republic of Colombia describes Japan as its longest standing partner in Asia. President Ivan Duque of the Republic of Colombia attaches a special importance to Asia as a new market. Colombia's stable political situation is without a doubt another reason to consider the country as a home for potential Japanese investments."

On the other hand, **Oscar Romero**, the executive director of the Colombian-Japanese Chamber of Commerce and Industry pointed out: "The economic partnership agreement is much more than a free trade agreement because it includes topics like cooperation, culture and education. Hopefully, it will be finished soon."

"If we can complete this triangle of agreements, I am sure we will achieve the objectives that we set as a chamber: To improve Colombia's trade balance with Japan, increase investment from Japan to and

from Colombia to Japan and make the cultures of both our countries more known to each other," Romero added.

But in the meantime, investors from Japan and Colombia can enjoy the benefits of a tax treaty signed in December 2018. By eliminating the added costs of double taxation, the agreement is meant to foster more foreign investment between the two countries and increase bilateral trade. The results are promising so far.

This year, Japanese companies in Colombia have given a 72 percent approval rating of the domestic market.

"The number of Japanese investors has been increasing compared to two decades ago, when I used to work in Colombia. And if the EPA negotiations are concluded, this will rise sharply as well," **Japan International Cooperation Agency Director General Naoki Kamijo** said.

As of this year, more than 100 Japanese enterprises are operating in Colombia.

"When they visit, Japanese investors will find a country with modern information technology that is integrated with artificial intelligence. This will allow them to easily find the workers they need so they can grow their businesses and their economic activities," **Deputy Minister of Labor Carlos Alberto Baena Lopez** said. ■



Flying the flag for Latin America: Having ended a long-running armed conflict and achieving consistent economic growth over the last two decades, Colombia is now globally recognized as one of the most stable and viable markets in the region. The continent's fourth-largest economy was admitted as the second South American nation into the Paris-based Organisation for Economic Co-operation and Development in 2018.



Ambassador of Japan to the Republic of Colombia Keiichiro Morishita



Colombian-Japanese Chamber of Commerce and Industry Executive Director Oscar Romero

## SERRANO MARTINEZ: YOUR ALLY IN COLOMBIA



Serrano Martinez Partners Felipe Serrano (left) and Juan Diego Martinez (right)

Serrano Martinez, a law firm that specializes in corporate law, M&A, competition law and data protection, has built an impressive reputation quickly and has become one of the most sought-after law firms in Colombia. Led by **Juan Diego Martinez** and **Felipe Serrano**, the law firm has also gained the trust of several international clients seeking to establish their businesses in Colombia.

"International clients can find their best ally to start and develop their business in Colombia in Serrano Martinez. We advise our international clients in all the legal matters necessary to start operations in Colombia in an agile, efficient and smooth way," Martinez said.

Having worked with Asian clients, the law firm wants to expand more into that region.

"The business opportunities and incentives offered by Colombia, together with its political stability, have increased the interest of Japan and Asian investors in Colombia. In this regard, the firm is focused on providing its legal services to Japanese and Asian clients so that they can take full advantage of the incentives offered by Colombia," Serrano said.

While Colombia experienced turmoil in the past, it is steadily climbing the competitiveness rankings in Latin America.

"International clients seeking to enter the Latin American market should definitely consider Colombia as their possible hub in the region. Incentives, like the Colombian Holding Company Regime and government support for international investments, make Colombia one of the best places to be for foreign investors. For those looking into investing in the country, Serrano Martinez is here to be your ally," Martinez said. ■

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# TOYOTA: A WELL-MADE JAPANESE ICON

Since first appearing on the roads of Colombia in 1959, Toyota vehicles have become iconic symbols of Japanese heritage in the country.

More than 60 years later, with consumer demand rising and prosperity growing, the Japanese car giant launched its high-end SUV Land Cruiser this year, a clear vote of confidence in the domestic market prospects.

It was in 1967 when the world's second-largest vehicle maker selected Bogota-based Distoyota to become its exclusive distributor in Colombia. Adapting to global economic changes and

industry trends, Toyota has lived up to its reputation for producing durable vehicles fitted with the latest technology.

Following the acquisition of a 23 percent stake in state-owned carmaker Sofasa in 1989, Toyota rolled out locally assembled models in 1992 until the end of that partnership in 2008, when the Japanese giant formed Toyota de Colombia as the second authorized distributor in the country. Then, in another shift in strategy, it went into a joint venture with Distoyota called **Automotores Toyota Colombia**.

"My role as president of ATC goes beyond just strengthening Toyota's presence in the country. It also involves acquiring deep knowledge of the local culture and a clear understanding of the Colombian market in order for us to implement the necessary actions to satisfy discriminating customers," said **ATC President Edge Egashira**, a longtime employee of Toyota first sent to the country in 1991 to oversee its local production.

"The Colombian market for Toyota is very important because it is one of the brand's oldest business partners in

the region. In fact, Japan is the largest source of foreign investment from Asia-Pacific. The two countries hope to finalize and sign a free trade agreement before 2023," added Egashira, who pointed out that the elimination of tariffs will make Japanese vehicles more affordable for the local consumer.

Following numerous assignments around the world, the Toyota executive returned to Colombia in 2017 on a mission to grow this market of 50 million consumers, majority of them happy to leave behind a tumultuous history and optimistic about

the country's long-term prospects.

Since starting the new position nearly three years ago, Egashira has seen sales nearly double and market share grow from 3.7 percent to 6.1 percent within one year. Toyota has become the most popular car brand among vehicle dealers across the country.

"Toyota's dominance in all segments can only get better," said Egashira, who plans to launch more accessible models, customer loyalty programs and corporate social responsibility activities in Colombia. ■

→ [www.toyota.com.co](http://www.toyota.com.co)



The compact crossover SUV RAV4 is among Toyota's best-selling and most iconic models around the world.



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**Automotores Toyota Colombia President Edge Egashira**



Mariana Pajon. Two-time Olympic gold medalist and BMX World Champion

Mauricio Valencia. Javelin Paralympic Medalist