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COLOMBIA AS A BUSINESS PLATFORM FOR THE UNITED KINGDOM IN THE AMERICAS

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WELCOME LETTER

This study was carried out by the team at Araújo Ibarra in coordination with the British Chamber of Commerce in Colombia. This study was completed over a period of more than six months in which the competitive advantages offered by Colombia as a business and export platform for the United Kingdom (UK) in America were explored in depth.

Among the most significant findings, we found more than fifty products in which Colombia is more competitive in terms of tariff costs and market dynamism than the UK, and that based on this information, British companies could establish themselves in the country to serve the regional market.

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We hope that this study has a transformative effect in attracting companies from the UK to Colombia. We also hope that it serves as an input for the discussion of public policy on international trade and the promotion and attraction of investment.



Martin Ibarra
CEO of Araújo Ibarra International Consultants

2. INTRODUCTION: THE TRANSFORMATION OF INTERNATIONAL TRADE AND REGLOBALISATION IN THE 21ST CENTURY

Global trade has been impacted by various phenomena of the global environment. This means that countries need to think about transforming their economies, giving way to new forms of doing business, new sectors of development, generation of relevant employment and rethinking the ways in which they relate to their commercial partners.

Since the creation of the General Agreement on Tariffs and Trade (GATT), the world trade volume index is 40 times that recorded since the first days of GATT, increasing from 100 in 1950 to 4,100 in 2020 (OMC, 2022). Additionally, according to the report on global trade by the World Trade Organisation (WTO) in 2022, 25% of global GDP is currently generated through international trade and 70% of global trade comes from multinational companies, which generate the largest foreign direct investment (FDI) flows in the world.

Whilst Colombia has made a great effort to insert itself into the global value chain, it is a long way from being a leading player in global and regional trade, since it is the Organisation for Economic Cooperation and Development (OECD) country with the lowest level of per capita exports. Whilst the value of global per capita exports is USD \$2,801, the average for the OECD is USD \$8,834. In Latin America and the Caribbean it is only USD \$1,816. The per capita exports of Colombia (Trademap, 2021) are only USD \$790, which are considerably lower than those of countries such as Chile, Mexico and Costa Rica. Exports of goods and services as a proportion of GDP have remained practically stagnant for decade in Colombia, maintaining a level close to 20% of GDP. This is the lowest level among the largest economies of Latin America (such as Peru, Chile Ecuador, Brazil and Argentina)

¹ Organización Mundial del Comercio (S.F). Evolución del comercio en el marco de la OMC: Estadísticas útiles. Disponible en: https://www.wto.org/spanish/res_s/statis_s/trade_evolution_s/evolution_trade_wto_s.htm (Consultado el 1 de febrero de 2023)

² Organización Mundial del Comercio (2023). Informe sobre el comercio mundial 2022. Disponible en: https://www.wto.org/spanish/res_s/booksp_s/wtr22_s/wtr22_s.pdf (Consultado el 1 de febrero de 2023).

Table 1. Analysis of Exports: World, OECD and Latin American Countries

| COUNTRY | EXPORTS (USD MILLIONS) | PER CAPITA EXPORTS |
|--------------------|---------------------------|-----------------------|
| World | \$21,953,101 | \$2,801 |
| OECD | \$12,154,305 | \$8,834 |
| Latin America | \$1,195,371 | \$1,816 |
| Chile | \$92,888 | \$4,835 |
| Mexico | \$494,596 | \$3,797 |
| Costa Rica | \$14,345 | \$2,791 |
| Argentina | \$77,839 | \$1,699 |
| Peru | \$56,260 | \$1,686 |
| Brazil | \$280,815 | \$1,312 |
| Dominican Republic | \$11,832 | \$1,080 |
| Guatemala | \$13,594 | \$795 |
| Colombia | \$40,489 | \$790 |
| Honduras | \$4,976 | \$494 |
| Ecuador | \$26,269 | \$128 |

Source: Calculations by Araújo Ibarra with data from Trademap

With the data presented above, it should be considered imperative by Colombia's authorities of international trade and its business network that the country reaches the average level of per capita exports in Latin America.

1.1 THE 8 MILESTONES THAT MARKED THE BEGINNING AND DEVELOPMENT OF REGLOBALISATION

The recovery of world trade has been driven by the regionalisation of value chains, the easing of restrictions imposed during the pandemic and the disbursement of economic stimulus packages. This

recovery, which the following milestones have been integral to, has been transforming and imposing new challenges that will continue to impact the exchange of goods and services globally:

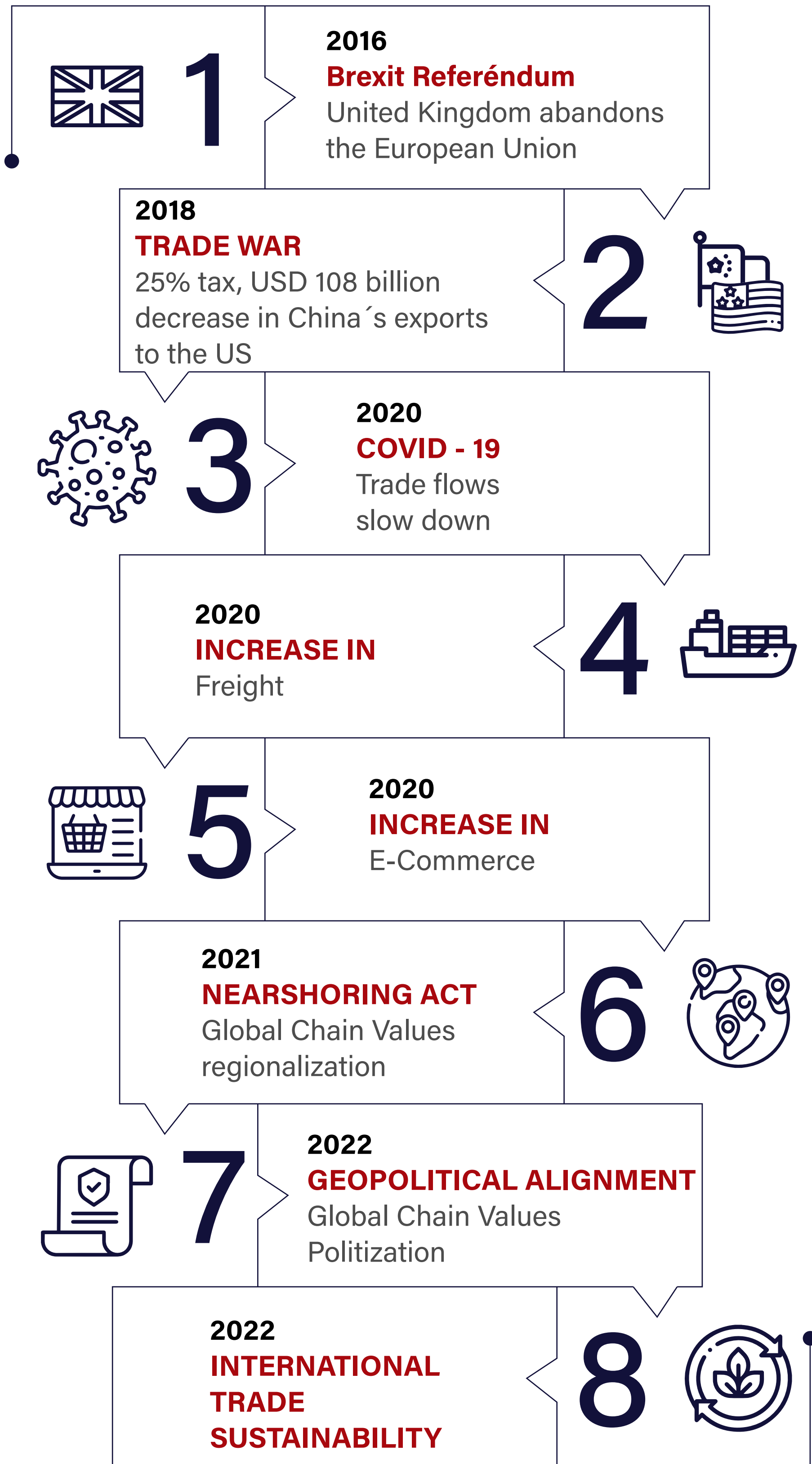


Illustration 1. 8 Milestones of Reglobalisation

- **UK exit from the European Union (Brexit Referendum):** The UK called in to question the principle of free flow of capital, business and people by withdrawing from the European. It has had one of the highest inflation rates in the world since. It has generated a new era in bilateral trade exchange, providing opportunities for countries such as Colombia to negotiate more flexible conditions.

- **The trade war between the United States (U.S.) and China:** The trade war between the two largest economies in the world, the U.S. and China, has had global consequences. Not only was the trade of goods affected, but there were also disruptions in the exchange of services and even in intellectual property issues.

China reduced its exports to the U.S. by USD \$120 billion in 2021 and as a consequence, 30 countries replaced this trade, increasing their exports towards to the U.S. by USD \$85 billion . The major winners have been Vietnam, Mexico, Taiwan and France. Colombia is called to participate in this major reengineering of U.S. import structure, taking advantage of the free trade agreement with the U.S. and its favourable conditions.

- **COVID - 19:** Without doubt, the pandemic generated major ruptures in global value chains. It highlighted to multinationals their vulnerability by concentrating their supply in a single region such as China, which alone accounts for 15% of global exports. However, nowadays, costs and efficiency, although key, are no longer the determining factors when defining suppliers. Factors such as proximity and flexibility in supply, as well as diversification of risk and political and cultural affinity come into play.

As a result, the concentration of global value chains at a regional level rose. Colombia should play an active role in becoming a favourable destination for manufacturing with the destination of markets such as the U.S., promoting the advantages of each of its regions.

- **Increase in freight rates:** Port congestion caused by various factors in recent years has led to a sustained increase in international freight rate, which have risen by up to 408%, such as rates from China to the U.S. in 2021. The rise in logistics costs impacts international competitiveness and generates opportunities for countries such as Colombia with a privileged strategic location in the Americas.

- **E-Commerce:** In 5 years it is expected that e-commerce will account for 35% of world trade. China has 120 e-commerce free trade zones following the global trend towards demand for products through digital channels.

If the U.S. eliminated the De minimis clause for Chinese products, which is currently USD \$800, a great opportunity for Colombia would arise as the country would be able to bring domestic products to the U.S. market without tax under the De minimis clause.

- **Nearshoring:** As of 2021 the President Joe Biden introduced an executive order promoting resilient supply chains, beneficial biomedical products, electrical circuits, state of the art technology and nearshoring. The Interamerican Development Bank (IDB) estimates that nearshoring will bring at least USD \$78 billion to Latin America.

- **Geopolitical alignment of value chains:** From the beginning of the war between Russia and Ukraine, the U.S., along with its European allies, has promoted the economic inclination to trade with countries that share the same political principals and regimes. This can be seen as an evolution of democratic peace theory from the field of international relations, applied to world trade.

- **Decarbonisation of international trade:** The Sustainable Development Goals (SDG´s), have led countries to include new measurement indicators, as well as restrictions or new taxes that enable them to get closer to the goals proposed for 2030.

One of the phenomena that has the greatest impacts on carbon footprint is the production and distribution of products, which the maritime industry is seeking reduce double-track journeys which contaminate goods through the use of pollutant-based fuels in ships.

Finally, in 2022, a continuation of alignment of global value chains has been observed, meaning that there is a tendency to trade with countries that share the same political principals and regimes. The Ruso-Ukrainian war and the effects of global warming point to environmentally sustainable products, where hydrogen will play a fundamental role in the decarbonisation of the planet, as both a fuel and as an industrial raw material.

The events described show that companies must have more manoeuvrability, resilience and robustness in their supply chains to cope with violent external shocks.

In response to these phenomena, UNCTAD identified in their report 'A decade of transformation (2020 -2030) , four behavioural trends that companies and FDI in general are following:

- **Relocalisation:** : Shorter and less fragmented value chains, greater geographic concentration of value added
- **Diversification:** Duplication of suppliers, especially strategically important ones, differentiating geographical origin of suppliers
- **Regionalisation:** Formation of production chains that are concentrated in a geographically limited area.
- **Replication:** Replication of standardised production centres with similar characteristics in proximity with relevant markets

In the case of each strategy, the principal objective is to diversify the risk underlying the distant supply chains. Consequently, companies' investment strategies will revolve, varying in proportion, around expanding their network of suppliers from different locations, and locating closer to their key markets.

As a result, Latin American countries that are aware of the importance of FDI contributing to their economic growth and employment generation have implemented policies and strategies that continuously improve their business climate, aimed at reducing, facilitating and streamlining the procedures that companies interested in operating in Latin America must carry out.

2. THE UNITED KINGDOM IN INTERNATIONAL TRADE AFTER ITS EXIT FROM THE EUROPEAN UNION

The UK's exit from the European Union (EU) began in 2015 with a referendum approved by the British parliament through the 'European Union Referendum Act'. This referendum would allow for a vote on the UK's membership of the EU in 2016.

One year later, the referendum took place in the UK. The results of the vote surprised the country and the world, with 51.9% of voters deciding to leave the EU and 48.1% deciding to remain.

⁴ UNCTAD (2020). Transformar el comercio y el desarrollo en un fracturado mundo pospandémico.

Disponible en: https://unctad.org/system/files/official-document/osg2020d2_es.pdf (Consultado el 14 de abril de 2023).

As well as being a political and economic milestone, Brexit was the beginning of reglobalisation. If one observes the event from a historical point of view, it is surprising that the UK, being the cradle of capitalism and free trade and the originator of concepts such as competitive advantage and the law of competition by economists such as Adam Smith and David Ricardo, should decide to withdraw from an organization that promulgates these values.

2.1 THE UNITED KINGDOM'S AGREEMENT ON TRADE AND COOPERATION WITH THE EUROPEAN UNION

With the provisional application of the Trade and Cooperation Agreement between the EU and the UK on January 1st, 2021 and its entry into force on May 1st, 2021, the UK ceased to be a member state of the EU and became a third state. Thus, the country ceased to enjoy the rights and obligations it had as an EU member state. This led to the development of barriers to trade in goods and services and to cross-border mobility and exchanges that had not existed until then.

For the UK's withdrawal from the EU, a withdrawal agreement was signed that established a transition deadline of December 30, 2020.

The withdrawal agreement was intended to provide stability during the negotiation of an agreement on the future relationship between the EU and UK. These negotiations culminated with the ratification of an agreement on trade and cooperation, an agreement on security of information and an agreement relating to cooperation on the peaceful

use of nuclear energy between the EU and the UK. The three agreements entered into force on the 1st May 2021.

The agreement on trade and cooperation between the EU and the UK covers the trade in goods, services, investment, public contracts, intellectual property rights, road and air transport, energy and sustainability, fishing and social security coordination.

Trade and investment rules are based on global commitments to a level playing field and sustainable development.

The agreement:

- Establishes tariff and quota exemption for all goods that meet the appropriate rules of origin.
- Establishes a level playing field for EU investors already established or wishing to establish themselves.

- Contains a chapter on SMEs aimed at promoting SME participation in the agreement.
- Commits both parties to: environmental protection; combating climate change and carbon pricing; social and labour rights; fiscal transparency and state aid. There is also binding dispute settlement mechanism with the possibility for both parties to take remedial action.

However, when comparing the benefits of being a member of the EU versus having a cooperation and trade

Table 2. Benefits as a Third State vs. Member State of the EU

| ANÁLISIS COMPARADO DE BENEFICIOS COMO TERCER ESTADO VS. ESTADO MIEMBRO DE LA UE | | |
|--|--|--------------------------|
| Description of Benefits Item | UK-EU Trade and Cooperation Agreement | EU Member Country |
| Elimination of border controls | X | ✓ |
| Passports for pets | X | ✓ |
| Visa-free travel (90 days in a 180-day period) | ✓ | ✓ |
| Visa free travel (more than 90 days) | X | ✓ |
| Right to work, study, live in another EU country | O | ✓ |
| Elimination of roaming charges | X | ✓ |
| Trade of goods | | |
| Frictionless trade | X | ✓ |
| Zero tariffs or quotas | ✓ | ✓ |
| Zero customs formalities | O | ✓ |
| Zero SPS controls | X | ✓ |
| Zero rules of origin procedures | O | ✓ |
| Fisheries agreement | O | ✓ |
| Benefit from EU international agreements | X | ✓ |
| Trade services | | |
| Financial services passport | X | ✓ |
| Easy recognition of professional qualifications | X | ✓ |
| Air transportation | | |
| Single aviation area, full freedoms | X | ✓ |
| Fifth bilateral freedoms for extra-EU air cargo | O | ✓ |

| COMPARATIVE ANALYSIS OF BENEFITS AS A THIRD COUNTRY VS. EU MEMBER STATE | | |
|---|---------------------------------------|-------------------|
| Description of Benefits Item | UK-EU Trade and Cooperation Agreement | EU Member Country |
| Air transportation | | |
| Single aviation area, full freedoms | X | ✓ |
| Fifth bilateral freedoms for extra-EU air cargo | O | ✓ |
| Road transportation | | |
| Single internal transport market for hauliers | X | ✓ |
| Cross trade operations | O | ✓ |
| Energy | | |
| Single internal transport market for carriers | X | ✓ |
| Cross trade operations | O | ✓ |
| EU Programs | | |
| Access to Erasmus | X | ✓ |
| Access to NextGenerationEU, SURE | X | ✓ |
| Galileo encrypted military signal | X | ✓ |
| Access to Horizon Europe | O | ✓ |

Source: Prepared by Araújo Ibarra based on the Maastricht Treaty and the United Kingdom-European Union Trade and Cooperation Agreement.

✓= OK, X = NO, O: Specific conditions related to the United Kingdom-European Union trade and cooperation agreement.

3. THE UNITED KINGDOM IN INTERNATIONAL TRADE

3.2 THE UNITED KINGDOM'S COMMERCIAL RELATIONSHIP WITH THE WORLD

Despite the UK being the country of origin of free trade and the epicentre of the industrial revolution in 18th and 19th centuries, now in the 21st century it has a trade balance of goods in deficit and a trade balance of services in surplus.

The UK has undergone a large macroeconomic and trade transition over the last 20 years and its balance of trade in goods has not been in surplus since the 1990s. Although UK companies such as AstraZeneca, Diageo and British Petroleum are vital to the world economy, today its main exports that

contribute significantly to the balance of trade and payments are services companies such as Deloitte, Price Waterhouse Cooper and Vodafone Group.

With reference to the above, whilst the import of goods grew by an average of 5% yearly between 2018 and 2022, exports only grew 1.8%. In services, the situation is the opposite. Between 2018 and 2022 the balance of trade has always been positive, which reflects a transition in the UK's trade in goods and services.

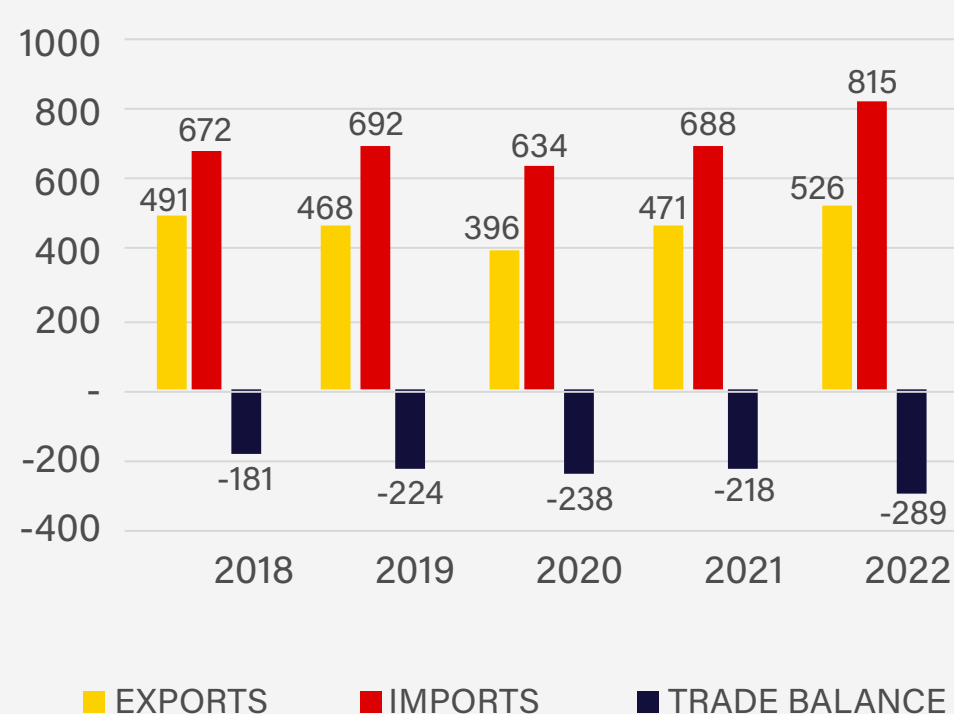


Illustration 2: Goods Trade Balance
(Thousands of millions USD)

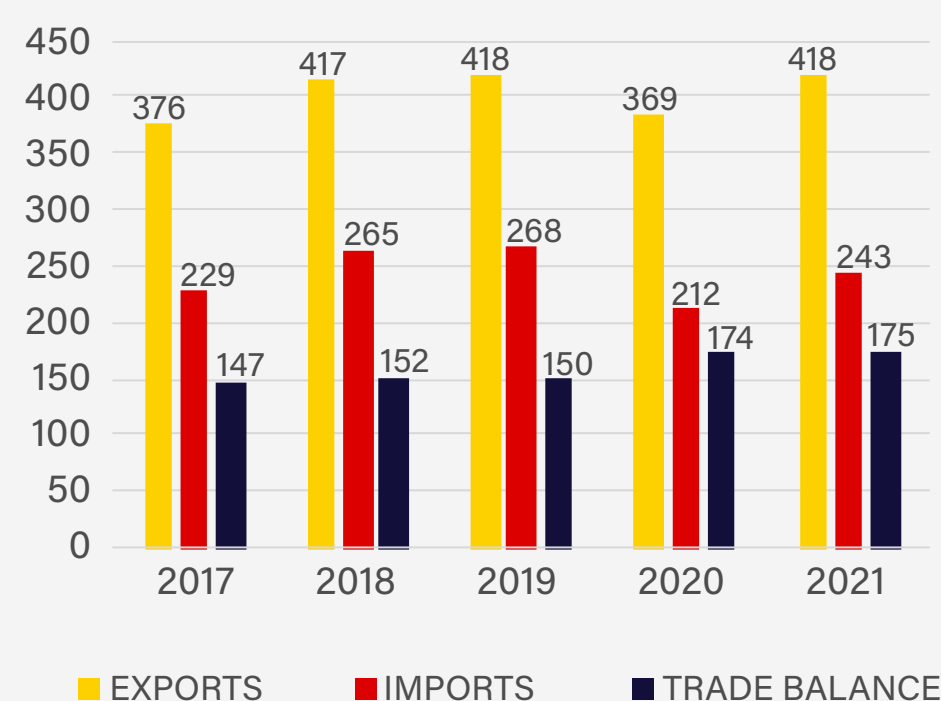
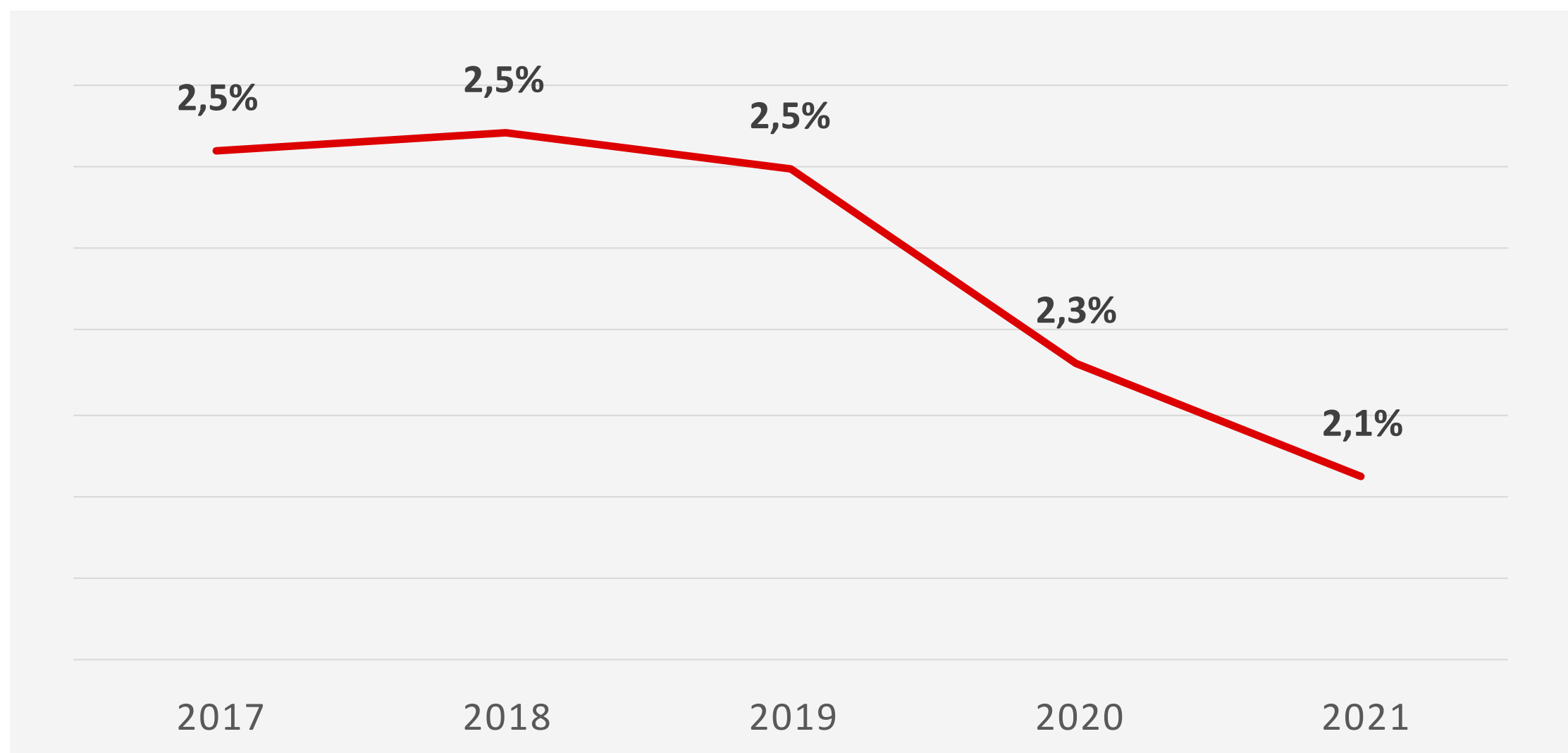


Illustration 3: Services Trade Balance
(Thousands of millions USD)

Source: Calculations by Araújo Ibarra with data from Trademap.

It is also observed that the UK's share of world trade in goods reduced from 2.5% in 2018 to 2.1% in 2021.

Illustration 4. Participation of the UK in the Global Export of Goods (%)



Source: Calculations by Araújo Ibarra with data from Trademap

The U.S., the Netherlands and Germany are the main destinations for UK exports. It is observed that UK exports to the U.S. and Germany have shown negative growth between 2018 and 2022. Similarly, other important destinations for UK exports such as France, Italy and Spain have also shown negative growth.

The UK registers the largest trade deficit with the following countries.

Table 3. Countries With Which the UK Has the Largest Trade Deficit (Thousands of USD)

| COUNTRIES WITH WHICH THE UK HAS THE LARGEST TRADE DEFICIT (THOUSANDS USD) | | | |
|--|---------|---------|-----------------------|
| COUNTRY | EXPORTS | IMPORTS | TRADE BALANCE 2022 |
| China | 34.378 | 102.114 | -67.737 |
| Norway | 4.238 | 53.371 | -49.133 |
| U.S. | 63.385 | 97.347 | -33.962 |
| Germany | 41.234 | 71.278 | -30.044 |
| Italy | 11.340 | 30.566 | -19.225 |
| Spain | 11.869 | 23.509 | -11.640 |
| Poland | 7.002 | 17.283 | -10.281 |
| Canada | 7.645 | 16.967 | -9.322 |
| Vietnam | 864 | 8.866 | -8.001 |
| Kazakhstan | 303 | 7.679 | -7.376 |

Source: Calculations by Araújo Ibarra with data from Trademap

The following are the products with which the UK records the largest trade deficit and the country that contributes most to this deficit.

Table 4. High Deficit Products in the UK's Trade Balance

| HIGHLY DEFICIENT PRODUCTS OF UK'S TRADE BALANCE (USD MILLION) | | | | | |
|---|--------------------------------------|---------|---------|--------------------|------------------------------|
| TARIFF ITEM | PRODUCT | EXPORTS | IMPORTS | TRADE BALANCE 2022 | COUNTRY WITH LARGEST DEFICIT |
| '271111 | Natural gas, liquefied | 0 | 29.048 | -29.048 | Qatar |
| '271121 | Natural gas, gaseous | 8.833 | 30.303 | -21.470 | Norway |
| '270900 | Crude petroleum oils | 21.124 | 39.531 | -18.407 | Norway |
| '271019 | Medium petroleum oils | 8.725 | 25.422 | -16.697 | Saudi Arabia |
| '870380 | Passenger cars | 1.829 | 10.802 | -8.973 | Germany |
| '870421 | Vehicles for transportation of goods | 756 | 6.905 | -6.149 | Turkey |
| '851713 | Smartphones for wireless networks | 1.246 | 6.912 | -5.666 | China |
| '851762 | Conversation machines | 2.521 | 7.875 | -5.354 | China |

Source: Calculations by Araújo Ibarra with data from Trademap

3.3 THE UNITED KINGDOM'S INTERNATIONAL TRADE WITH THE EUROPEAN UNION

The UK's balance of trade in goods with the EU was also negative between 2018 and 2022. However, the negative balance reduced by 12% during the time period analysed.

There was also a reduction in the share of exports to the EU market, falling from 46.4% to 44.2%.

Illustration 5. Trade Balance of UK with the EU (Thousands USD)

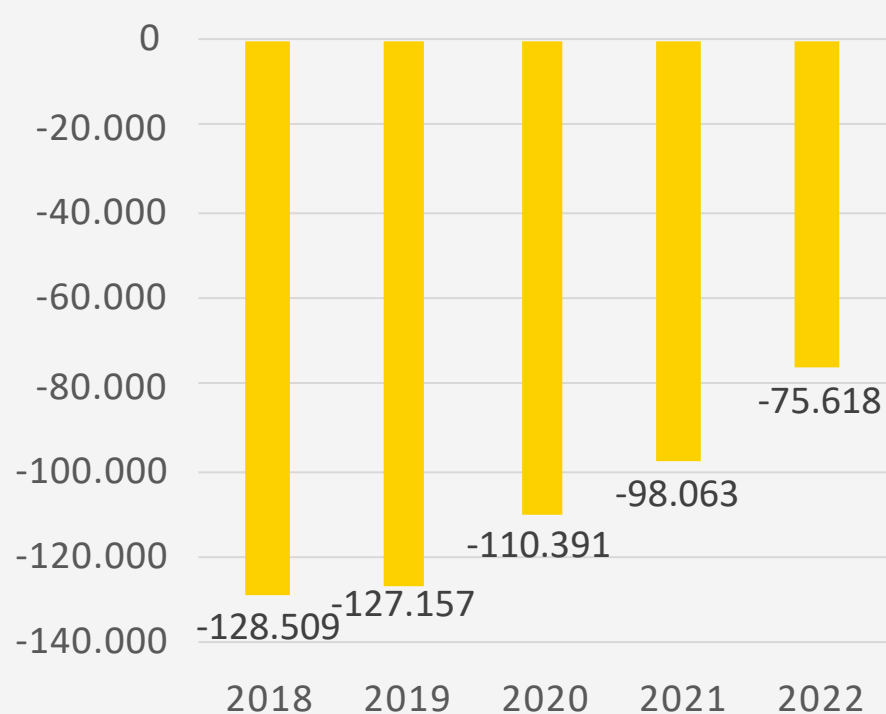
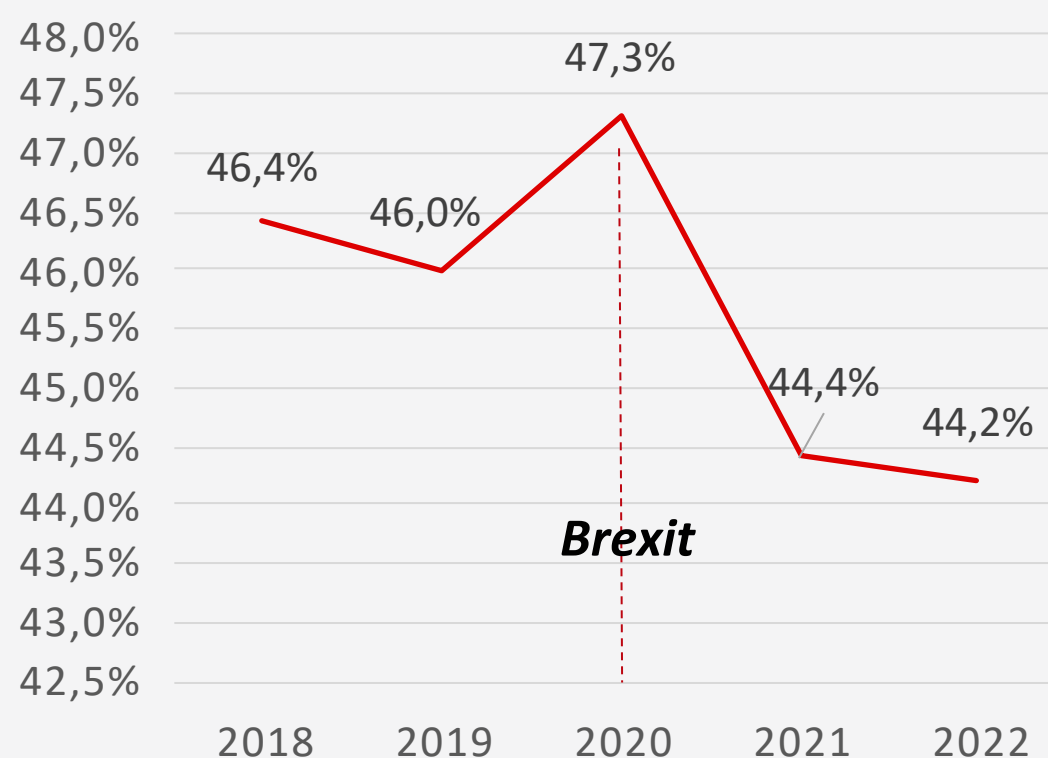


Illustration 6. Trade Balance of UK with the EU (Thousands USD)



Source: Calculations by Araújo Ibarra with data from Trademap

The sectors with the largest trade deficits in the UK and the country that contributes the most to these deficits are shown below.

Table 5. Sectors With the Greatest Trade Deficit in the United Kingdom

| SECTOR | BALANCE 2022 (THOUSANDS OF USD) | COUNTRY WITH LARGEST DEFICIT |
|---|------------------------------------|---------------------------------|
| Motor vehicles | -33.930.015 | Germany |
| Pharmaceuticals | - 5.712.693 | Germany |
| Wood, charcoal and articles of wood | - 5.067.133 | Sweden |
| Plastics and plastic products | -4.956.373 | Germany |
| Paper and cardboard | -4.368.907 | Germany |
| Electrical machinery, apparatus and equipment | -3.947.022 | Polonia |
| Furniture; medical and surgical furniture; bedding, mattresses and similar furnishings | -3.889.478 | Italy |
| Products based on cereals, flour, starch, meal, or milk | -3.782.072 | Italy |
| Meat and edible meat offal | -3.478.038 | Netherlands |
| Products containing of vegetables, fruits, nuts, fruit, nuts or other parts of plants | -3.297.394 | Italy |

Source: Calculations by Araújo Ibarra with data from Trademap

3.4 THE UNITED KINGDOM'S INTERNATIONAL TRADE WITH COLOMBIA

The UK's balance of trade in goods with Colombia is negative. However, there was a reduction in the deficit between 2021 and 2022 of 1.69% and a slight increase in Colombia's market share in the UK (0.11% to 0.15%).

87% of UK imports from Colombia are made up of fuel, fruit, coffee and flowers. Significant growth in Colombia's sales to the UK has been observed in the following products, but the value exported does not exceed USD \$15 million.

Table 6. UK Imports from Colombia

| UK IMPORTS FROM COLOMBIA (MILLIONS USD) | | | |
|---|------------|------------|------------|
| PRODUCT DESCRIPTION | IVAR 18/22 | IVAR 18/22 | SHARE 2022 |
| All products | 784 | 8% | 100% |
| Mineral fuels, mineral oils and products of their distillation; bituminous materials | 274 | 15% | 35% |
| Edible fruits and nuts | 221 | -3% | 28% |
| Coffee, tea, yerba mate and spices | 100 | 11% | 13% |
| Live plants and floriculture products | 82 | 13% | 11% |
| Miscellaneous food preparations | 14 | 17% | 2% |
| Foundry, iron and steel | 14 | 78% | 2% |
| Plastics and articles thereof | 8 | 32% | 1% |
| Preparations of vegetables, fruits or other fruits or other parts of plants | 7.496 | 14% | 1% |
| Inorganic chemical products, inorganic or organic compounds of precious metals, elements, etc. | 6 | 46% | 1% |
| Animal or vegetable fats and oils and their cleavage products; edible fats and oils and their cleavage products | 6 | 27% | 1% |

Source: Calculations y Araújo Ibarra with data from Trademap

Similarly, looking at Colombia´s imports from the UK there is evidence of an average growth of 12% in the last 5 years (2018-2022) and a high concentration in the import basket from the first 4 products. Thus, cocoa, tea, alcoholic beverages and clothing account for 41% of imports

Table 7. Colombian Imports from the UK

| COLOMBIAN IMPORTS FROM THE UK (MILLIONS USD) COLOMBIAN IM- | | | |
|--|---------------|------------|------------|
| PRODUCT DESCRIPTION | VALUE IN 2022 | IVAR 18/22 | SHARE 2022 |
| All products | 765 | 8% | 100% |
| Mineral fuels, mineral oils and products of their distillation | 282 | 19% | 37% |
| Beverages, alcoholic liquids and vinegar | 125 | 23% | 16% |
| Pharmaceutical products | 66 | 5% | 9% |
| Machinery, apparatus and mechanical appliances | 60 | -6% | 8% |
| Motor vehicles | 47 | -5% | 6% |
| Miscellaneous chemical products | 31 | 2% | 4% |
| Optical, photographic, cinematographic, measuring, checking, control or precision instruments and appliances | 26 | -3% | 4% |
| Electrical machinery, apparatus and equipment and parts thereof; apparatus for recording or reproduction | 19 | 10% | 2% |
| Plastics and articles thereof | 14 | 2% | 2% |
| Organic chemical products | 11 | -4% | 2% |



TO SEE UK INTERNATIONAL TRADE DATA IN POWER BI, SCAN THIS QR CODE

4. COLOMBIA AS A UNITED KINGDOM TRADE HUB FOR THE UNITED STATES

Colombia today has one of the best trade agreements with the U.S. which is the main importer and generator of international demand for goods and services. This can be seen in that 95% of products are not tariffed and in the coming years the group of sensitive products in the agricultural sector will also achieve total tariff elimination. It should also be borne in mind that specific origin requirements were agreed in the trade agreement with the U.S. and Colombia. These requirements are more flexible for most of the goods in the industrial sector than those agreed by the U.S. with other trading partners, allowing the incorporation of inputs and raw

materials from third countries.

In addition, due to its strategic geographical location only 3 hours from Miami by air and 3 days by sea from the Caribbean, Colombia has one of the lowest air and sea freight rates, offering competitiveness to products exported from the country.

The following section identifies a group of products that the UK can export to the U.S. from Colombia without paying tariffs, with more competitive freight and delivery times.

4.1 THE COMMERCIAL RELATIONSHIP BETWEEN THE UNITED KINGDOM AND THE UNITED STATES

The United States is the main destination for exports from the UK. However, between 2018 and 2022 the U.S.'s share in the UK export market fell.

Illustration 7. Share of UK Goods Exports in the U.S. market



Source: Calculations by Araújo Ibarra with data from Trademap

The UK exported just over USD \$63.385 billion worth of goods to the U.S. in 2022. Between 2018 to 2022 UK exports to the U.S. demonstrated an average negative annual growth of 0.1% and in 2012 they represented 12% of total exports to the U.S.

The main products exported to the U.S. by the UK belong to the following sectors:

- Machinery, mechanical appliances and apparatus, nuclear reactors, boilers and parts thereof (18%)
- Motor vehicles, tractors, cycles and other land vehicles, and parts and accessories thereof (14%)
- Pharmaceutical products (9%)
- Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus; parts and accessories thereof (7%)
- Organic chemical products (7%)

Of these, the export of vehicles and pharmaceuticals decreased from 2018 to 2022, while all other goods increased above the average growth of total UK exports to the US.

Other UK exports which registered negative growth in the U.S. market were:

- **Beverages, alcoholic drinks and vinegar**
- **Furniture**
- **Cast iron and Steel products**
- **Rubber and rubber products**

On the other hand, the UK imported just over USD \$9.7347 billion worth of products from the U.S. in 2022, with an average annual growth of 11% from 2018 to 2022. The U.S. is the second largest exporter to the UK, followed by China, which accounts for 12% of the UK's goods import market.

4.2 LOGISTICAL COSTS TO EXPORT TO THE U.S

It is notable that in the U.S., the UK competes especially with products made in China which despite the trade war, maintain a significant share in the North American market. It also highlights the growing importance of trade between the U.S. and its NAFTA trading partners, in particular Mexico, which in recent years has become a more important supplier to the NAFTA market.

Table 8. Major U.S. Suppliers, Including the UK and Colombia

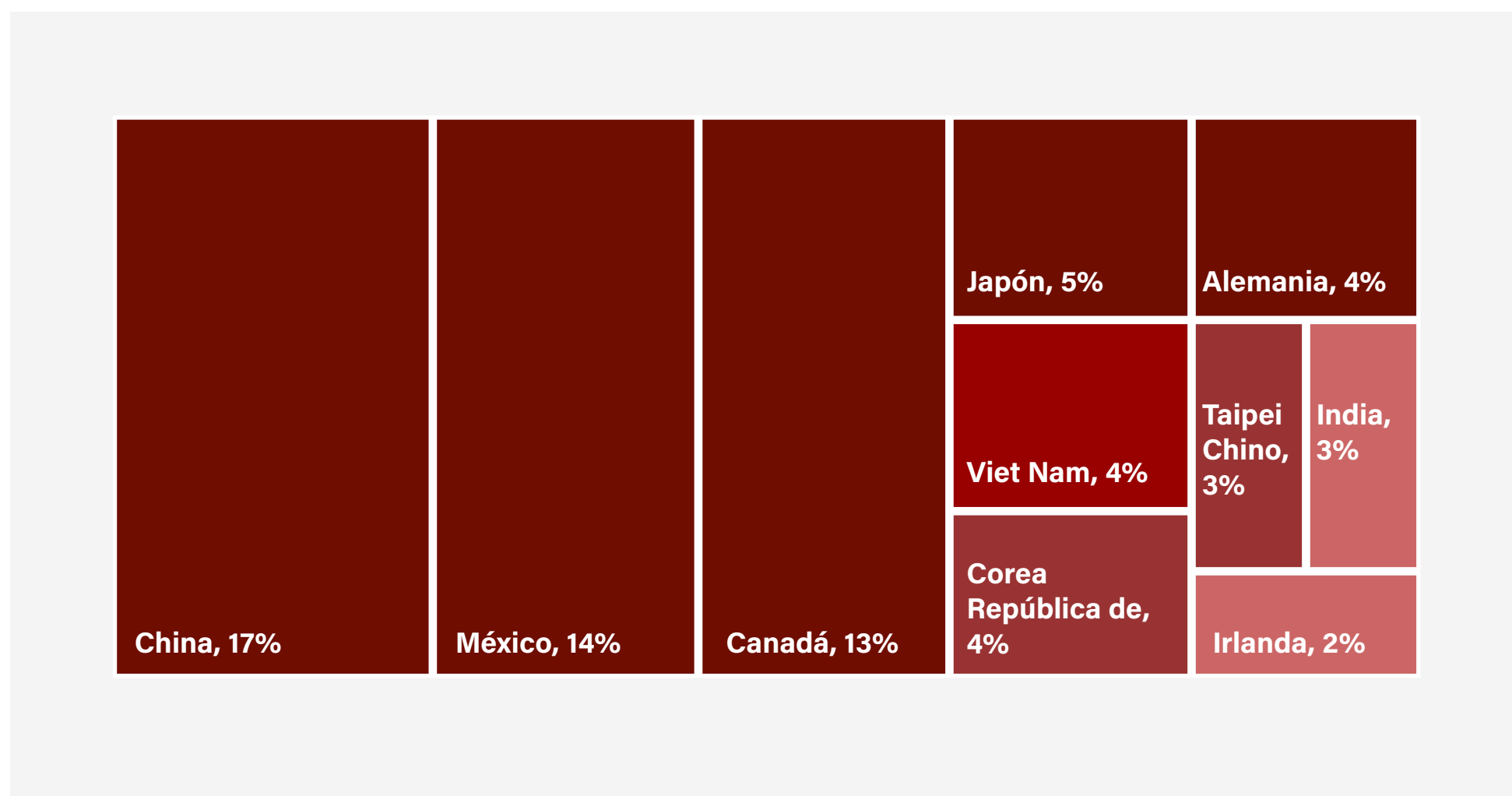


Table 9. Major U.S. Suppliers, Including the UK and Colombia

| MAJOR U.S. SUPPLIERS, INCLUDING THE UK AND COLOMBIA | | | | |
|---|---------------|---------------------------|----------------|---------------------------|
| COUNTRY | %SHARE BY AIR | AIR FREIGHT CHARGE USD/KG | % SHARE BY SEA | SEA FREIGHT CHARGE USD/KG |
| Total | 28,46% | 3,7 | 44,20% | 0,11 |
| China | 31,63% | 4,5 | 62,65% | 0,40 |
| Japan | 27,70% | 5,0 | 67,87% | 0,24 |
| Germany | 42,70% | 2,7 | 49,30% | 0,17 |
| UK | 49,34% | 2,8 | 44,92% | 0,07 |
| Colombia | 25,90% | 1,2 | 69,61% | 0,02 |

Source: Calculations by Araújo Ibarra with data from Trademap

As can be observed in the above table, the average air freight cost for products exported from Colombia to the U.S. is USD \$1.2 and the maritime freight charge is USD \$0.02, which is much lower than the freight rates paid by the main suppliers to the U.S. market.

It is also worth briefly highlighting that the majority of products exported from the UK to Colombia are

exported by air. This is interesting considering that 44.2% of U.S. imports are transported by sea and that the trend in world trade in goods is to transport products by sea. Taking this into account, and as mentioned above, UK exports to the U.S. are perishable products such as pharmaceuticals and high value products such as machinery and equipment.

4.3 PRIORIZACIÓN DE PRODUCTOS

In order to identify the products that the UK exports to the U.S. market paying high taxes and freight, which could be manufactured in Colombia and then exported with lower taxes and freight costs and more competitive delivery times, the following methodology was applied:

Established Stars

Refers to products with an average growth in demand taking into account that UK exports have slightly decreased. The selection criteria are:

1. U.S. imports per product are more than USD \$500 million.
2. Average rise in U.S. imports averages more than 10%
3. Export contraction less than 1%
4. Products from the UK that pay a tariff greater than 2.9% in the U.S. and that originate in Colombia, have a tariff of 0%

Rising Stars

Refers to products which have a highly dynamic demand but with an average market value. They are considered to be rising precisely because of their high rate of growth and the average market value. The criteria are:

1. U.S. imports of the product are less than USD \$500 million
2. Average growth in U.S. imports greater than 10%
3. Contraction in exports greater than 1%.
4. Products from the UK that pay a tariff of more than 2.9% in the U.S. and that originate in Colombia, have a tariff of 0%.

Stars to be developed

Refers to stars that have a low demand in terms of imported value. They are considered for development because of the high contraction in UK exports to the U.S., and given this, British companies can manufacture from Colombia instead. The criteria are:

As a first step, the U.S. import basket (6-digit products) was analysed and products were classified into three (3) categories: established stars, rising stars and stars to be developed.

1. U.S. imports of each product are greater than USD \$550 million.
2. Average rise in imports greater than 10%.
3. Contraction in U.S. imports greater than 7%.
4. Products from the UK that pay a tariff of more than 2.9% in the U.S. and that originate in Colombia, have a tariff of 0%.

By applying this methodology, 30 products were identified, with a U.S. market total of USD \$64 billion and an average annual growth of 15.1% between 2018 and 2022.

Table 10. Summary of Prioritised Products by Category (Millions USD)

| CATEGORIES | # PTS | UK EXPORTS TO THE WORLD | | U.S. IMPORTS FROM THE WORLD | |
|-----------------------|-------|-------------------------|-------------------|-----------------------------|-------------------|
| | | 2022 | VAR % 2018 A 2022 | 2022 | VAR % 2018 A 2022 |
| Total | 30 | 3.354 | -5,1% | 63.958 | 15,1% |
| Established stars | 9 | 2.305 | -0,4% | 36.784 | 13,7% |
| Rising stars | 8 | 614 | -7,8% | 15.773 | 20,5% |
| Stars to be developed | 13 | 435 | -7,2% | 11.401 | 10,9% |

Source: Calculations by Araújo Ibarra with data from Trademap and USITC

Similarly, the products identified were classified into products that are transported by air and products that are mostly transported by sea.

Table 11. Mode of Transport of Prioritised Products

| Mode of Transport of Prioritised Products | | |
|---|----------------------------|-----------------------------|
| | Products Transporte by Air | Products Transported by Sea |
| Share in 2022 (%) | 29% | 44% |
| Average freight greater than | 1,2 USD/kg | 0,07 |

The prioritised products are listed below by category and sector:

Table 12. Products Prioritised by Market Size and Dynamism (Thousands of USD)

| Sectors | Product Code | Product Description | UK Exports to the World | | U.S. Imports From the World | |
|---|--------------|--|-------------------------|--------------------|-----------------------------|--------------------|
| | | | 2022 | Var % 2018 to 2022 | 2022 | Var % 2018 to 2022 |
| | | | 2.305.021 | -0,4% | 36.783.607 | 13,7% |
| Plastics, rubber and manufactures thereof | 401110 | New rubber tires, used on automobiles. | 219,707 | -18.4% | 10,419,415 | 6.5% |
| Plastics, rubber and manufactures thereof | 401120 | New rubber tires, used on buses and coaches | 121,663 | -11.7% | 7,790,700 | 13.2% |
| Plastics, rubber and manufactures thereof | 392062 | Plates, sheets, film, foil and strip, of non-cellular, non-stressed polyethylene terephthalate | 160,495 | 6.0% | 1,411,443 | 13.8% |

| Sectors | Product Code | Product Description | UK Exports to the World | | U.S. Imports From the World | |
|--------------------------|--------------|---|-------------------------|--------------------|-----------------------------|--------------------|
| | | | 2022 | Var % 2018 to 2022 | 2022 | Var % 2018 to 2022 |
| | | | 2.305.021 | -0,4% | 36.783.607 | 13,7% |
| Chemicals | 293499 | Nucleic acids and their salts | 476,158 | -13.4% | 9,848,174 | 25.0% |
| Chemicals | 382600 | Biodiesel and blends thereof | 678,248 | 66.4% | 1,447,627 | 28.7% |
| Machinery and equipment | 854460 | Electrical conductors, for a voltage > 1,000 V, (not included elsewhere). | 136,758 | 10.4% | 1,359,671 | 24.3% |
| Machinery and equipment | 848790 | Parts of machinery or apparatus, not put to specific uses | 154,567 | -2.3% | 548,340 | 7.5% |
| Vehicles | 871690 | Parts of trailers and semi-trailers and of other non-automotive vehicles | 114,398 | -4.5% | 1,766,193 | 11.8% |
| Glass and glass products | 701090 | Cylinders, bottles, flasks, jars, tubular containers and other glass containers | 243,027 | 7.2% | 2,192,044 | 7.9% |

Source: Calculations by Araújo Ibarra with data from Trademap and USITC

Table 13. Prioritised Products by Sector, Tariff and Rules of Origin

| Sectors | Product Code | Product Description | Origin | Effective Tariff for UK in the USA |
|---|--------------|--|--|------------------------------------|
| Machinery and equipment | 8544601000 | Electric conductors, for a voltage > 1.000 V, (not included elsewhere) | A change to this subheading from any other subheading, provided there is a regional value content of not less than: | 3.5% |
| Machinery and equipment | 8487901000 | Parts of machinery or apparatus, for non-specific uses | (a) 35 percent under the increased value method, or, | 3.9% |
| Plastics, rubber and manufactures thereof | 4011101000 | New rubber tires, used on motor vehicles | (b) 45 percent under the value reduction method. | 4.0% |
| Plastics, rubber and manufactures thereof | 4011200000 | New rubber tires, used on buses and coaches | Change of heading | 4.0% |
| Plastics, rubber and manufactures thereof | 3920620020 | Plates, sheets, film, foil and strip, of non-cellular, non-cellular, non-stressed polyethylene terephthalate | Change of heading | 4.2% |
| Chemicals | 2934991000 | Nucleic acids and their salts | Change of heading | 5.9% |
| Chemicals | 3826000000 | Biodiesel and blends thereof | Change of heading | De 4.6% a 6.5% |
| Vehicles | 8716100000 | Parts of trailers and semi-trailers and of other non-automotive vehicles | A change to this subheading from any other subheading; or a change to vulcanized fibres of subheading 3920.79 from any other good of subheading 3920.79 or from any other subheading; or No change in tariff classification is required, provided that a regional value content of not less than: (a) 35% under the value increase method, or, (b) 45 % under the value decrease method. | 4.0% |
| Glass and glass products | 7010904000 | Cylinders, bottles, flasks, jars, jars, tubular containers and other containers of glass | Change of subheading | 2.7% |

Table 14. Prioritised Products by Sector, Air or Sea Freight Charges (2022).

| Code | Product description | % by air | Air freight USD/Kg | % by sea | Sea freight USD/Kg |
|----------------|--|--------------|--------------------|--------------|--------------------|
| Average | | 14.6% | 3.8 | 54.7% | 0.3 |
| 854460 | Electrical conductors, for a voltage > 1.000 V, (not included elsewhere). | 0.2% | 4.5 | 71.8% | 0.3 |
| 848790 | Parts of machinery or apparatus, for non-specific uses. | 87.1% | 3.8 | 11.5% | 0.4 |
| 401110 | New rubber tires, used on motor vehicles. | 0.0% | 5.3 | 76.8% | 0.4 |
| 401120 | New rubber tires, used on buses and coaches | 4.4% | 2.1 | 59.1% | 0.1 |
| 392062 | Plates, sheets, film, foil and strip, of non-cellular, non-stressed polyethylene terephthalate | 0.8% | 3.4 | 66.4% | 0.3 |
| 293499 | Nucleic acids and their salts | 0.0% | 2.9 | 46.0% | 0.0 |
| 382600 | Biodiesel and blends thereof | 4.2% | 4.8 | 72.2% | 0.2 |
| 871690 | Parts of trailers and semi-trailers and of other non-automotive vehicles | 5.9% | 4.2 | 55.8% | 0.3 |
| 701090 | Cylinders, bottles, flasks, jars, tubular containers and other glass containers | 28.5% | 3.4 | 32.8% | 0.4 |

Source: Calculations by Araújo Ibarra, with data from USITC

Rising Stars: 8 products

Table 15. Prioritised Products by Sector, Size and Market Dynamism

| Sectors | Product Code | Product description | UK Exports to the World | | U.S. Imports From the World | |
|---|--------------|---|-------------------------|--------------------|-----------------------------|--------------------|
| | | | 2022 | Var % 2018 to 2022 | 2022 | Var % 2018 to 2022 |
| | | | 613,695 | -7.8% | 15,772,796 | 20.5% |
| Plastics, rubber and manufactures thereof | 392410 | Tableware and kitchenware | 70,183 | -22.5% | 5,749,725 | 16.1% |
| Machinery and equipment | 850790 | Plates, separators and other parts of electric accumulators, (not included elsewhere) | 89,943 | 0.0% | 5,641,267 | 36.3% |
| Chemicals | 293090 | Organic sulphur compounds | 75,782 | -4.6% | 1,027,765 | 10.2% |
| Chemicals | 291590 | Acyclic monocarboxylic acids, their anhydrides, halides, peroxides and peroxyacids | 82,882 | -3.0% | 937,326 | 34.0% |
| Copper products | 741220 | Copper alloy fittings, elbows, elbow fittings, sleeves and other tube and pipe fittings, of copper alloys | 66,101 | -1.4% | 822,088 | 10.3% |
| Base metals and manufactures thereof | 820559 | Hand tools, incl. glazier's diamonds | 75,166 | -10.5% | 792,906 | 7.5% |
| Glass and glass products | 700910 | Framed or unframed rear-view mirrors, incl. rear-view mirrors, whether or not framed | 92,486 | -0.1% | 445,749 | 9.9% |
| Chemicals | 392043 | Plates, sheets, film, foil and strip, of polymers of vinyl chloride, non-cellular | 61,152 | -11.0% | 355,970 | 10.4% |

Note: The tariff for these products is 0% if the product is of Colombian origin
 Source: Calculations by Araujo Ibarra with data from Trademap and USITC.

Table 16. Prioritised Products by Sector, Tariffs and Rules of Origin

| Sectors | Product Code | Product Description | Origin | Effective Tariff for UK in the USA |
|---|--------------|--|---|------------------------------------|
| Plastics, rubber and manufactures thereof | 3924109000 | Tableware and kitchenware | A change to heading 3922 through 3926 from any other heading. | 3.57% |
| Machinery and equipment | 8507903000 | Plates, separators and other parts of electric accumulators, (not included elsewhere) | A change to subheading 8507.10 from any other heading; or subheading, provided that the regional content is 35%. | 3.42% |
| Chemicals | 2915902000 | Acyclic monocarboxylic acids, their anhydrides, halides, peroxides and peroxyacids | A change to subheading 8507.10 from any other subheading, whether or not there is a change from any other heading, provided that the regional content is 35%. | 3.88% |
| Manufactures of copper | 7412200000 | Copper alloy fittings, elbows, elbow fittings, sleeves and other tube or pipe fittings | A change to subheading 2914.11 through 2918.90 from any other subheading, | 3.00% |
| Manufactures of base metals | 8205599100 | Hand tools, incl. glazier's diamonds | A change to heading 7411 through 7419 from any other heading. | 4.38% |
| Glass and glass products | 7009100000 | Framed or unframed rear-view mirrors | A change to heading 8201 to 8206 from any other chapter. | 3.90% |
| Chemicals | 3920430000 | Plates, sheets, film, foil and strip, of polymers of vinyl chloride, non-cellular | A change to subheading 7009.10 from any other heading; or | 4.18% |

Note: The tariff for these products is 0% if the product is of Colombian origin
 Fuente: FTA Colombia United States

Table 17. Prioritised Products by Sector, Air or Sea Freight

| Sectors | Product Code | Product Description | % by air | Air Freight USD/Kg | % by sea | Sea Freight USD/Kg |
|---|--------------|---|----------|--------------------|----------|--------------------|
| | | | 6.5% | 3.3 | 75.2% | 0.3 |
| Plastics, rubber and manufactures thereof | 392410 | Tableware and kitchenware | 0.7% | 2.6 | 89.9% | 0.5 |
| Machinery and equipment | 850790 | Plates, separators and other parts of electric accumulators | 3.4% | 2.3 | 83.6% | 0.1 |
| Chemicals | 293090 | Organic sulphur compounds | 13.6% | 5.1 | 81.3% | 0.2 |
| Chemicals | 291590 | Acyclic monocarboxylic acids, their anhydrides, halides, peroxides and peroxyacids | 3.6% | 3.7 | 93.8% | 0.2 |
| Copper Products | 741220 | Copper alloy fittings, elbows, elbow fittings, sleeves and other tube and pipe fittings, of copper alloys | 8.6% | 3.4 | 75.3% | 0.5 |

| Sectors | Product Code | Product Description | % by air | Air Freight USD/Kg | % by sea | Sea Freight USD/Kg |
|----------------------------------|--------------|--|----------|--------------------|----------|--------------------|
| | | | 6.5% | 3.3 | 75.2% | 0.3 |
| Base metals and articles thereof | 820559 | Hand tools, incl. glazier's diamonds | 10.9% | 3.1 | 75.7% | 0.3 |
| Glass and glass products | 700910 | Framed or unframed rear-view mirrors | 3.0% | 3.5 | 57.4% | 0.5 |
| Chemicals | 392043 | Plates, sheets, film, foil and strip, of polymers of non-cellular vinyl chloride, containing by weight | 3.1% | 1.6 | 76.0% | 0.3 |

Source: Calculations made by Araujo Ibarra with USITC

Stars to be developed: 13

Table 18. Products Prioritised by Sector, Size and Market Dynamism (Thousands USD)

| Sectors | Product Code | Product Description | UK Exports to the World | | USA Imports From the World | |
|---|--------------|---|-------------------------|--------------------|----------------------------|--------------------|
| | | | 2022 | Var % 2018 to 2022 | 2022 | Var % 2018 to 2022 |
| | | Total | 435,444 | -7.2% | 11,401,206 | 10.9% |
| Plastics, rubber and articles thereof | 392530 | Shutters, blinds, incl. Venetian blinds, and similar articles and parts thereof | 30,866 | -4.43% | 1,100,197 | 7.61% |
| Plastics, rubber and manufactures thereof | 392610 | Office and school supplies | 41,864 | -9.89% | 586,375 | 12.03% |
| Plastics, rubber and manufactures thereof | 390330 | Acrylonitrile-butadiene-styrene (ABS) copolymers in primary forms. | 30,422 | 12.22% | 596,450 | 10.21% |
| Plastics, rubber and manufactures thereof | 390740 | Polycarbonates, in primary forms | 26,361 | 10.97% | 548,035 | 14.38% |
| Plastics, rubber and manufactures thereof | 390410 | Polyvinyl chloride, in primary forms, not mixed with other substances | 39,810 | -21.73% | 521,692 | 17.56% |
| Machinery and equipment | 846610 | Portable electric lamps for machine tools and for hand tools of any kind. | 34,626 | -8.29% | 1,144,623 | 7.60% |
| Machinery and equipment | 851310 | Portable electric lamps designed to operate on their own source of energy | 26,838 | -10.32% | 1,073,677 | 7.05% |
| Wood and wood products | 442199 | Wooden articles, (not included elsewhere) | 29,091 | -1.99% | 1,822,678 | 11.02% |
| Aluminium products | 761010 | Doors, windows, frames and thresholds | 48,923 | 0.52% | 1,273,477 | 16.71% |
| Vehicles | 871680 | Hand-held and other non-automotive vehicles | 28,596 | -4.44% | 1,053,286 | 11.85% |
| Agro-food | 200799 | Jams, fruit jellies, marmalades, fruit or nut purée and fruit or nut pastes | 26,019 | -9.20% | 568,289 | 16.94% |
| Agro-food | 200599 | Vegetables and vegetable mixtures, prepared or preserved without vinegar, not frozen | 38,065 | -2.81% | 826,821 | 8.04% |
| Footwear | 640420 | Footwear with outer soles of leather or composition leather and uppers of textile materials | 33,963 | -12.69% | 285,606 | 9.59% |

Source: Calculations by Araujo Ibarra with data from Trademap and USITC

Table 19. Products Prioritised by Sector, Tariffs and Norms of Origin

| Sectors | Product Code | Product Description | Origin | Effective Tariff for UK in the USA |
|---|--------------|--|---|------------------------------------|
| Agro-food | 2007991100 | Jams, fruit jellies, marmalades, fruit or nut purée and fruit or nut pastes | A change from any other chapter | 4.3% |
| Agro-food | 2005999000 | Vegetables and vegetable mixtures, prepared or preserved without vinegar, not frozen | A change to heading 2005 from any other chapter, except that goods that have been prepared by packing (including canning) in water, brine or natural juices (including processing incidental to packing) shall be originating only if the fresh goods were wholly obtained or produced entirely in the territory of one or more of the Parties. | 12.7% |
| Footwear | 6404200000 | Footwear with outer soles of leather or composition leather and uppers of textile materials (excl. footwear ...) | A change to subheading 6401.10 or 6401.91, tariff item numbers (2) 6401.92. aa, 6401.99. aa, 6401.99.bb, 6401.99.cc, 6402.30. aa, 6402.30.bb, 6402.30.cc, 6402.91. aa, 6402.91.bb, 6402.91.cc, 6402.99. aa, 6402.99.bb, 6402.99.cc, 6404. 11.aa or 6404.19.aa. from any other heading outside of heading 64.01 through 64.05, except from subheading 6406.10, provided there is a regional value content of not less than 55 percent under the increased value method; or | 12.0% |
| Wood and wood products | 4421999000 | Wooden articles, (not included elsewhere) | A change to heading 4401 through 4421 from any other heading. | 3.3% |
| Aluminium products | 7610100000 | Doors, windows and their frames, trimmings and thresholds (excl. trimmings) | A change to heading 7610 through 7615 from any other heading. | 5.7% |
| Machinery and equipment | 8466100000 | Tool holders for machine tools and for hand tools of all kinds; portable electrical ... | A change to heading 8466 from any other heading, provided there is a regional value content of not less than: 35 percent | 3.9% |
| Machinery and equipment | 8513109000 | Portable electric lamps designed to operate from their own power source | A change to subheading 8513.10 from any other heading; or | 4.5% |
| Plastics, rubber and manufactures thereof | 3925300000 | Shutters, blinds, shutters (incl. Venetian blinds) and similar articles and parts thereof | A change to subheading 8513.10 from subheading 8513.90, whether or not there is a change from any other heading, provided there is a regional value content of not less than: 35 percent under the increased value method. | 4.2% |
| Plastics, rubber and manufactures thereof | 3926100000 | Office and school supplies, of plastics, (not included elsewhere) | A change to heading 3922 through 3926 from any other heading. | 5.3% |
| Plastics, rubber and manufactures thereof | 3903300000 | Acrylonitrile-butadiene-styrene (ABS) copolymers, in primary forms | A change to heading 3901 through 3915 from any other heading, provided that the content of originating polymers is not less than 50 percent by weight of the total polymer content. | 6.5% |

| Sectors | Product Code | Product Description | Origin | Effective Tariff for UK in the USA |
|---|--------------|---|--|------------------------------------|
| Plastics, rubber and manufactures thereof | 3907400000 | Polycarbonates, in primary forms | A change to heading 3901 to 3915 from any other heading, provided that the content of originating polymers is not less than 50 percent by weight of the total polymer content. | 5.8% |
| Plastics, rubber and manufactures thereof | 3904101000 | Polyvinyl chloride, in primary forms, not mixed with other substances | A change to heading 3901 to 3915 from any other heading, provided that the content of originating polymers is not less than 50 percent by weight of the total polymer content. | 6.5% |
| Vehicles | 8716809000 | Hand-held vehicles and other non-automotive vehicles (excl. trailers for any vehicle) | A change to subheading 8716.10 through 8716.80 from any other heading; or | 3.2% |

Source: FTA Colombia United States

Table 20. Products Prioritised by Sector, Air Freight Cost and Sea Freight Cost

| Sectors | Product Code | Product Description | % by air | Air Freight USD/Kg | % by sea | Sea Freight USD/Kg |
|------------------------|--------------|---|--------------|--------------------|--------------|--------------------|
| Average | | | 10.5% | 2.2 | 68.4% | 0.3 |
| Agro-food | 200799 | Jams. fruit jellies. marmalades. fruit or nut purée and fruit or nut pastes | 0.1% | 1.8 | 80.7% | 0.1 |
| Agro-food | 200599 | Vegetables and vegetable mixtures. prepared or preserved without vinegar. not frozen | 0.1% | 1.7 | 80.5% | 0.2 |
| Footwear | 640420 | Footwear with outer soles of leather or composition leather and uppers of textile materials | 72.3% | 2.0 | 27.1% | 0.8 |
| Wood and wood products | 442199 | Wooden articles. (not included elsewhere) | 1.0% | 1.2 | 70.9% | 0.2 |

| Sectors | Product Code | Product Description | % by air | Air Freight USD/Kg | % by sea | Sea Freight USD/Kg |
|---|--------------|--|--------------|--------------------|--------------|--------------------|
| Average | | | 10.5% | 2.2 | 68.4% | 0.3 |
| Aluminium products | 761010 | Doors. windows and their frames. casings and thresholds | 1.5% | 2.5 | 72.8% | 0.3 |
| Machinery and equipment | 846610 | Tool holders for machine tools and for hand tools of all kinds; appliances | 42.1% | 3.7 | 53.9% | 0.3 |
| Machinery and equipment | 851310 | Portable electric lamps designed to operate from their own power source | 5.8% | 2.1 | 89.2% | 0.6 |
| Plastics, rubber and articles thereof | 392530 | Shutters. blinds. (incl. Venetian blinds) and similar articles and parts thereof | 2.2% | 0.7 | 70.1% | 0.2 |
| Plastics, rubber and manufactures thereof | 392610 | Office and school supplies. (not included elsewhere) | 4.6% | 3.0 | 85.2% | 0.4 |
| Plastics, rubber and manufactures thereof | 390330 | Acrylonitrile-butadiene-styrene (ABS) copolymers. in primary forms | 1.0% | 2.7 | 75.3% | 0.3 |
| Plastics, rubber and manufactures thereof | 390740 | Polycarbonates. in primary forms | 3.3% | 2.4 | 77.7% | 0.3 |
| Plastics, rubber and manufactures thereof | 390410 | Polyvinyl chloride in primary forms. not mixed with other substances | 0.3% | 2.6 | 35.5% | 0.1 |
| | 871680 | Hand-held and other non-automotive vehicles | 2.4% | 2.4 | 70.2% | 0.4 |

Source: Calculations by Araujo Ibarra, with USITC data.

5. THE OPENING AND IMPROVEMENT OF COLOMBIA-VENEZUELA RELATIONS AS AN OPPORTUNITY FOR THE UNITED KINGDOM

In September 2022, the official reopening of the Colombian-Venezuelan border took place at the Atanasio Girardot international bridge. After months of talks between the delegates of the heads of state Gustavo Petro and Nicolás Maduro, an important step was taken towards regional reintegration, rehabilitating land trade routes that, prior to the

breakdown of trade relations between Colombia and Venezuela, accounted for a high percentage of the transport of goods and passengers in the region. Following this initiative, new agreements have been established between Colombia and Venezuela to encourage trade relations in the region. These are composed of:

5.1 COLOMBIA-VENEZUELA PARTIAL SCOPE AGREEMENT (AAP – 28)

Currently the trade relationship between the two countries is governed by the Partial Scope Agreement signed between the Republic of Colombia and the Bolivarian Republic of Venezuela on 28th November 2011 in the city of Caracas. On 16th February 2023, Decision No. 001 - First Additional Protocol to the Partial Scope Agreement No. 28 between Colombia and Venezuela was signed, which amended the agreement which had been in force since 2012.

The aforementioned deepening of relations entered into force under Decree 0609 of 26 April 2023, where Appendices A and B of Annex I were amended to include new products that enjoy tariff preferences, as well as the exclusion of certain sensitive products for importation into the national territory. On the other hand, a new introductory note to Appendix I on the Specific Origin Requirements of the Agricultural

Sector was included, which is presented in Annex II of the Decision.

You can consult Decree 0609 which was signed on the 26th April 2023 with the changes of inclusion and exclusion of products to Appendices A and B of the deepening of Partial Scope Agreement No. 28 in the attached QR code.



5.2 RELATIVE AGREEMENT ON THE PROMOTION AND RECIPROCAL PROTECTION OF INVESTMENTS

Venezuela has adopted the strategy of implementing investment agreements with different countries in the region and the world in order to re-establish the confidence of investors in Venezuela and provide them with a series of benefits and protection guarantees that would encourage direct investment in the reopening process of their economy.

On the 4 February 2023, the Bolivarian Republic of Venezuela and the Republic of Colombia signed an investment protection agreement named the 'Agreement on the Promotion and Reciprocal Protection of Investments' with the aim of promoting greater cross-border economic cooperation between the two countries, particularly with regard to direct investment.

The agreement is valid for 10 years and is based on a

series of benefits to solidify investment promotion between the two parties, the main one being to give investors from the other party the same treatment it grants to its own investors with respect to the acquisition of land, real estate and rights, in accordance with its national legal system.

Of particular note is Article 8 on compensation for losses. This article states that investors of either party whose investments suffer losses in the territory of the other party due to war, insurrection, civil disturbance, a state of national emergency or other events, shall be accorded restitution, indemnification, compensation or other settlement treatment no less favourable than that which the host party would accord to its own investors or to investors of any non-party third State.

Similarly, article 12 of the agreement on dispute settlement between a Party and Investors of the other Party. This article describes the resolution path which should be applied in the event of a dispute arising within the framework of the agreement. If an amicable solution between the parties is not possible after six months of written notification, the affected investor may choose between the competent tribunal of the party in whose territory the investment was made or an ad hoc arbitral tribunal

established under the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL). It may also be agreed that the administration of arbitrary disputes can be carried out by a bi-national arbitration centre, which would take into account that arbitral awards are final and binding to all parties involved in the dispute as stipulated in the Agreement.

The complete text of the document can be found at:

<https://www.tlc.gov.co/getattachment/acuerdos/a-internacional-de-inversion/contenido/acuerdos-internacionales-de-inversion-suscritos-1/venezuela/acuerdo-inversion-colombia-venezuela-febrero-2023.pdf.aspx>

5.3 AGREEMENT ON TRANSPORT BETWEEN COLOMBIA AND VENEZUELA

In April 2023, the Second Commission of the House of Representatives approved the bill, ratifying the International Road Freight and Passenger Transport Agreement between Colombia and Venezuela as a legal framework which regulates the transport of people and goods after the reopening of the land bridges at the border.

It is hoped that with the implementation of the agreement, trade relations in the region will continue to develop and be facilitated with the goal of

returning to the level of movement and transport between the two countries that existed prior to the rupture of political relations.

The agreed regulation includes requirements that must be followed for movement by land from one country to another, including the use of a valid passport or migration card. The objective of the agreement is to encourage regional trade by restoring confidence and security in land border transport.

5.4 CONSTITUTIONAL LAW ON PRODUCTIVE FOREIGN INVESTMENT

On the 29th of December 2017, the National Constituent Assembly published the Constitutional Law on Productive Foreign Investment, which aims to establish the principles, policies and procedures regulating productive foreign investment in goods and services.

In order to obtain the registration of a foreign investment, the contributions must be made at the official exchange rate in force, for a minimum amount of eight hundred thousand euros (€800,000) or its equivalent in another foreign currency. The governing body may establish a minimum amount for the constitution of the foreign investment, which may not be less than ten percent (10%) of the amount described in this article, taking into account the sectoral interest, the promotion of small and

medium-sized industry, and other organisational forms of productive economic character. Foreign investors who meet the above-mentioned amount will have access to a number of benefits such as:

- Tax credits.
- Accelerated amortization.
- Purchase of goods by public sector bodies.
- Tax rebates.
- Tariff exemptions.
- Tax exemptions.
- Special credit conditions.
- Special rates on public services
- Preferential access to inputs and/or raw materials administered by the State.
- Duration of tax stability

5.5 SPECIAL ECONOMIC ZONES (SEZ)

In 2022, the Constitutional Law of Special Economic Zones in Venezuela was published, which seeks to develop a new productive national model that promotes national and foreign productive economic activity in Venezuelan territory. It also seeks to diversify and increase exports, innovation, production chains and participation in international markets with the aim of diversifying the economy which was previously focused on the oil sector.

According to the activity that Free Trade Zones promote, they are classified as follows :

- **Industrial:** includes goods production, manufacturing, strategic agro-industry, export and re-export and the aeronautical and energy sectors
- **Technology:** includes the setting up of technology parks for the development and production of systems, components and parts, and components for telecommunications, computing and telematics, computer applications and systems, recycling of solid and technological waste, scientific research and development activities for outer space as well as development of military science and technology.
- **Financial Services:** includes the installation of banking and financial services under a preferential tax regime.
- **Non-Financial Services:** includes the installation and production of logistics sectors for the provision and export of tourism services,

hospitality, recreation and entertainment.

- **Primary Agro-food Production:** includes primary production activities in the agricultural, livestock, fisheries and aquaculture sectors for export purposes and to achieve the country's food sovereignty.

The Exclusive Economic Zones (EEZs) are located in the Paraguaná Peninsula (Falcón state); in the Puerto Cabello - Morón corridor (Carabobo state); in La Guaira (capital of the state of La Guaira); on Margarita Island (Nueva Esparta state) and on La Tortuga Island (Federal Dependencies).

In conclusion, during the last year, progress has been made in strengthening the legal and trade policy instruments that provide greater security and confidence to entrepreneurs and other commercial actors in relation to doing business with Venezuela. It is expected that under the recent implementation of the Deepening of the Partial Scope Agreement - PPA No. 28 and the implementation of the Investment Protection Agreement, trade relations between Colombia and Venezuela will continue to improve, promoting trade within the region.

5.6 BACKGROUND AND DEVELOPMENT OF SANCTIONS

The OFAC (Office of Foreign Assets Control) division of the U.S. Treasury Department publishes the OFAC list of individuals and companies owned by or acting on behalf of countries that pose a national security threat to the US. It also lists individuals, groups and

entities, such as terrorists and drug traffickers. Collectively, such individuals and companies are called "Specially Designated Nationals" (SDN's). Their assets are blocked and U.S. citizens are prohibited from doing business with them.

In the OFAC list there are different types of filters depending on the search you want to perform. It is possible to search by the country to which sanctions are applied or more specifically by the name of the individual or entity.

Individuals or entities will be sanctioned if they carry out:

- Any transaction involving the Venezuelan government or a sanctioned person or entity (the making or receipt of any contribution or provision of funds, goods or services to such persons)
- Any transaction with Venezuela or a resident of a country that is subject to comprehensive sanctions or with a designated blocked person.
- Purchase of any debt of the government of Venezuela, including accounts receivable
- Any indebtedness to the government of Venezuela that has been pledged as collateral after the effective date of the underwritten order, including accounts receivable

- Sale, transfer, assignment or pledge as collateral for the Government of Venezuela of any equity interest in any entity in which the Government of Venezuela has an equity interest of fifty per cent or more

The following is a brief explanation of each type of sanction applied

5.7 CURRENT SANCTIONS AGAINST VENEZUELA

5.7.1 Revoking of Visa's and Sanctions Pertaining to Individuals Involved in the Maduro Government

As of January 2023, 186 members were identified on the OFAC list, of which 136 are SDN's with sea, land and air travel restrictions.

In March 2015, the first Executive Order 13692 was issued, which blocks the ownership, transfer or payment of property, possession or control of assets, including donations, and prohibits the entry into the U.S. of members of the Venezuelan government,

unless authorised by the Secretary of State. It also prohibits the entry of any person who has taken part directly or indirectly in political actions that undermine democratic processes, engage in human rights abuses or limit freedom of expression.

5.7.2 Trade Sanctions

The most well-known economic sanction against Venezuela was the blockade of the Venezuelan state oil company Petróleos de Venezuela (PDVSA,) blocking its access to U.S. financial markets under Executive Order 13808 of 24th March 2017. This also prohibits transactions by individuals or companies in the U.S. with PDVSA, the purchase of bonds and the payment of profits or dividends directly or indirectly to the Venezuelan government.

order responded to the creation of digital currency by the Venezuelan government and described it as an attempt by the Venezuelan government to evade the previously imposed sanctions. For this reason, it prohibits provision, transaction and financing with this digital currency by U.S. persons or persons in the U.S..

Based on the previous Order, the third Executive Order 13827 of March 19th 2018 was issued. This

The sanctions focus heavily on limiting Venezuela's oil sector in order to cut off the government's largest source of revenue, PDVSA. The measures prevented PDVSA from receiving support from Citgo, its US-based subsidiary. In addition, it was added to the OFAC list, prohibiting any U.S. citizen or entity, and allies, from doing business with the oil company.

5.7.3 Financial Sanctions

The fourth Executive Order 13835 of the 1st May 2018 prohibited transactions or financing related to the purchase of any debt owed to the Government of Venezuela. The order also prohibited the sale, transfer, assignment or pledge of collateral to the Government of Venezuela and any equity interest in any entity in which the Government of Venezuela has a 50% or greater ownership interest.

The fifth Executive Order, number 13850 of the 1st November, 2018, blocks transactions related to property in the U.S. and operating in the gold sector in Venezuela. It also blocks transactions related to deceptive practices and corruption and projects or programmes managed by the Venezuelan government.

The sixth Executive Order 13857 of the 25th January 2019, clarifies that for the purposes of the orders previously issued, the Government of Venezuela shall mean the State of Venezuela and any political

5.7.4 Sanctions Related to Terrorism

Under Executive Order 13224, any individual or entity found to be financing so-called terrorist groups is sanctioned.

Since 2006, the U.S. Secretary of State has made an annual finding that Venezuela is not "cooperating fully with United States counterterrorism efforts" pursuant to Section 40A of the Arms Export Control Act (22 U.S. Congress 2781). The most recent determination was made in May 2022 when the U.S.

5.7.5 Sanctions Related to Drug Trafficking

Since 2005, in accordance with the procedures in the Foreign Relations Authorization Act, Fiscal Year 2003 (P.L. 107-228, §706; 22 U.S.C.2291j), the sitting President has made an annual finding that Venezuela

Under the tight trade restrictions, PDVSA was forced to look to Asia as a new destination for export.

subdivision, agency, the Central Bank of Venezuela and PDVSA and any person that is part of or controlled directly or indirectly by the Maduro regime.

The latest Executive Order 13884 of the 5th August 2019 orders the blocking of all properties and interests of the Government of Venezuela in the U.S. It also blocks members of the Government of Venezuela from entering the U.S. in the future and prohibits any transactions with them.

In September 2022, Venezuela's foreign minister, Carlos Faría Tortosa, told the UN General Assembly that Europe and the U.S. had stolen 31 tonnes of gold reserves deposited in the Bank of England by Venezuela, the value of which reached USD \$1.3 billion according to the financial sanctions applied to the withholding of assets.

banned all U.S. commercial transactions (sales and transfers) of arms to Venezuela.

In 2008, financial sanctions were imposed on two individuals and two travel agencies in Venezuela that were found to be financially supporting the radical Islamic organisation Hezbollah in Lebanon.

has demonstrably failed to adhere to its obligations under international narcotics agreements.

The U.S. has imposed economic sanctions on at least 22 individuals with connections to Venezuela and 27 companies by designating them as 'Specially Designated Narcotics Traffickers' under the Foreign

Narcotics Act and the Kingpin Designation Act (P.L. 106-120, Title VIII; 21 USC 1901 et seq.)

5.7.6 Multilateral Sanctions

The EU implemented sanctions against Nicolas Maduro's government on the 13th November 2017. EU sanctions are currently focused on:

- An embargo on all weapons or equipment used for repression within Venezuelan national territory.
- A travel ban and freezing of assets and accounts for 55 government officials responsible for human rights violations against the civilian population.

agreement leading to 'free and fair' elections in 2024. EU, Canadian and UK sanctions currently remain in place.

In September 2022, Venezuela's foreign minister, Carlos Faría Tortosa, told the UN General Assembly that the Venezuelan nation was subject to 913 international sanctions that have caused more than \$150 billion in losses in recent years.

The EU, the U.S., the UK and Canada have historically led sanctions initiatives against Venezuela. A joint communiqué was recently issued to Venezuelan negotiators in Mexico City showing a willingness to act 'in good faith' towards a comprehensive

5.8 LATESTS DEVELOPMENTS

5.8.1 CHEVRON TENDER

Joe Biden's administration responded to the willingness of Nicolás Maduro's government to negotiate an easing of its oil restrictions against Venezuela by authorising the energy company Chevron to partially resume its oil extraction activities in the country.

principles of democracy in the upcoming elections in 2024.

The authorisation to resume economic activities in Venezuelan territory was granted by the U.S. Treasury Department on 26th November 2022, on the condition that no income from oil sales would be attributed to the state-owned oil company PDVSA, which means that the Venezuelan government will not obtain profits that could be reinvested in oil fields where Chevron is not involved. It was also stipulated that the barrels of oil extracted can only be traded with the U.S. and that the profits from the economic activity will be used to pay off Venezuela's creditors in the U.S.

This opens a new opportunity for a definitive or extended lifting of the sanctions imposed by the U.S. If the Venezuelan government succeeds in extending Chevron's licence, new companies will apply to reopen economic ties with Venezuela.}

Initially, the extended licence granted to Chevron has a review date of 25th May 2023, with the possibility of an extension if the current Venezuelan government shows progress in improving national conditions or makes a commitment to respect the

On the 20th April, The President of the U.S. Joe Biden and the President of Colombia Gustavo Petro met in Washington D.C. to discuss issues of shared interest such as climate change, the fight against drug trafficking and the strengthening of their respective national economies. Under the framework of the meeting, the importance of addressing the gradual and progressive lifting of trade and financial sanctions on Venezuela while addressing the requirements stipulated by the U.S. for democratically guaranteed elections in 2024 was discussed.

5.8.2 Great Summit on Venezuela

On 25 April 2023, the "Great Summit on Venezuela" will take place to facilitate continued political dialogue between the Republic of Colombia and the Bolivarian Republic of Venezuela. It is estimated that delegates from more than 15 countries, including the U.S., Canada and countries belonging to the EU will participate. The importance of the attendance of these delegations lies in the fact that historically it has been North America and the EU countries that have led the way in imposing sanctions on Venezuela.

The aim of the summit in Bogotá is to emphasise the importance of lifting the sanctions on Venezuela due to their repercussions on neighbouring countries. The sanctions have a particularly limiting effect on Colombia's trade as it shares a 2,219-kilometer border with Venezuela and hosts nearly 3 million

Venezuelan migrants.

During the summit, the need for an electoral calendar in Venezuela which would contribute to the lifting or easing of sanctions was highlighted as a necessary incentive on the part of the international community.

Whether the summit will be successful in relaxing or reaching an agreement to lift sanctions on Venezuela depends on whether the government of Nicolás Maduro is able to guarantee the respect for democracy and free elections that the U.S. and its allies have been demanding since the beginning of the talks in Mexico.

5.9 HOW TO EFFICIENTLY MANAGE RISK WHEN DOING BUSINESS WITH VENEZUELA?

It is important to draw attention to the key aspects that any Colombian company should take into account when carrying out transactions with companies with Venezuelan capital or ownership. Although Colombia does not directly apply sanctions to Venezuela, it is part of the international system to combat money laundering and transnational crimes which obliges legal representatives, administrators and attorneys of companies to fully comply with the applicable regulations on prevention and control of money laundering and terrorist financing (ML/TF). Colombia has implemented the policies, procedures and mechanisms for the prevention and control of ML/TF that derive from these legal provisions.

Likewise, each company must ensure that neither its shareholders, associates or partners, their legal representatives, administrators nor members of their corporate bodies are registered on the international lists binding Colombia in accordance with international law (United Nations lists) or on the OFAC lists.

The OFAC list, commonly known as the "Clinton List", is a consultation tool of OFAC used to verify that companies and individuals with whom they do business are not related to activities or money from drug trafficking, terrorism or money laundering.

As explained above, the U.S. Treasury Department has already placed a large group of Venezuelan persons and entities on the list of SDN's and Blocked Persons. As a result of these actions, all property and assets of such persons and entities, which are in the U.S. or in the possession or control of U.S. persons, will be blocked and must be reported to OFAC.

In addition, any entity where 50 percent or more is owned by one or more blocked persons, whether directly or indirectly, is also blocked. All transactions by U.S. persons or persons within or in transit through the U.S. involving the property or interests in the property of designated or otherwise blocked persons are prohibited, unless authorized by a general or specific license issued by OFAC, or unless the person is exempt. These prohibitions include the contribution or provision of funds, goods or services by, to or for the benefit of any blocked person and the receipt of any funds, goods or services from any such person .

The OFAC list lists all persons whose money laundering activities affect the U.S. Treasury. However, it extends to all subsidiaries of U.S. companies around the world, so this situation obliges companies to terminate their business relationships with those who appear on it.

In Colombia, progress has been made in the implementation of instruments for Self-Control and Integral ML/FT/FPWMD . Risk Management, such as the SAGRILAFI, which seeks to enable commercial companies, branches of foreign companies and sole proprietorships to prevent operational, legal, reputational and contagion risks in situations such as money laundering, financing of terrorism and financing of the proliferation of weapons of mass destruction.

Likewise, the validation of customers and suppliers in the OFAC list is considered to be a necessary step for foreign trade operations (imports and exports). This is because it enables identification of the legitimacy and legality of the companies and persons with whom business is conducted. This is done in order to avoid sanctions or commercial exclusion in international negotiations due to commercial relations with companies that are on the

OFAC list and are related to activities or money from drug trafficking, terrorism or money laundering.

5.9.1 With whom Should I Do business?

- **Validate the other party's identity:** Who are they, where are they from, what do they do, with whom did they start a business or commercial relationship? All data is relevant when proving and validating the identity of an individual or entity.
- **Consult previously available information:** There are a series of binding lists, public data bases, social networks and web pages belonging to the Comptroller's Office, Prosecutor's Office and National Police where you can check whether the individual or entity in question has a criminal record.
- It doesn't matter if you are an investor, advertiser, contractor, employee, supplier. Everyone is susceptible to being used directly or indirectly by criminal schemes that can cause legal problems and reputational problems for individuals, companies, industries and even countries.
- Apply due diligence and know who is behind all the legal structures that make up a company or entity before starting a business relationship.

5.9.2 Where Does the Money Involved in a Transaction Come From?

The suspicious provenance of money in business transaction can cause legal problems for the recipient, even if the recipient was unaware of the illegality of the funds.

It is important to validate questions such as:

- What is the economic activity carried out by the potential business partner?
- With which individuals or sectors is the potential business partner related?
- What is the potential business partner's financial activity?
- Is potential business partner on a national or international list or credit bureau?

5.9.3 Reporting Suspicious Activity

It is important to keep in mind that an individual or a company can have legal problems if they identify suspicious activity and fail to report it to the competent authorities. It is imperative that we inform ourselves, denounce illegal activities and work with authorities such as the Public Prosecutors Office and Information and Financial Analysis Unit (UIAF).

5.9.4 Binding Compliance Lists for Colombia

1. Sub numeral 1.18 of Part I, Title IV, Chapter IV of the CBJ.
2. Circular Letter 11, 10th February 2020, issued by the SFC
3. Lists of the United Nations
4. U.S. terrorist lists
5. EU list of terrorist organisations
6. EU list of people designated as terrorists
7. OFAC

5.10 UK OPPORTUNITIES IN COLOMBIA IN RELATION TO THE OPENING OF TRADE WITH VENEZUELA

The government of President Gustavo Petro, in his official government plan, expressed great interest in consolidating economic, trade and investment relations with Venezuela. Because of this, the following chapter identifies and prioritizes the commercial opportunities for U.K. companies to

competitively enter the Venezuelan market through Colombia, taking advantage of the geographical proximity and preferential access in light of the Partial Scope Agreement No. 28.

5.10.1 Prioritised Products

Considering that it has not been possible to obtain official information on Venezuela's international trade since 2013, this analysis has been carried out using "mirror data", i.e., by consulting exports from other countries to Venezuela, for the tariff universe imported by that country from 2017 to 2021. Likewise, the year 2012 is used as a reference of the potential of the Venezuelan market, since it was the time of greatest imported value according to available official statistics.

Based on this exercise, commercial opportunities have been identified and prioritised based on Venezuela's imports in 2012.

The parameters considered for the identification and prioritisation of products were:

- Products whose exports to the world from the UK are greater than or equal to USD \$25 million in 2021.
- Products whose total imports from Venezuela are greater than or equal to USD \$5 million in 2021.
- Imports from Venezuela that show dynamism, i.e., those whose imported value between 2020 and 2021 increased by a percentage greater than the average growth of the customs tariff section to which it belongs.
- Products whose total exports from the UK decreased between 2020 and 2021.

By applying the above parameters, 50 products were identified by 6-digit customs tariff codes. These products had a market value in Venezuela of USD \$958 million in 2021, with an average annual growth of 169.6% between 2020 and 2021. It should be noted that in 2012 the value of these imported products in Venezuela registered a value of USD \$2.71 billion. In contrast, the export of these products from the UK to the world decreased by 19.4% and in 2021 recorded a value of USD \$13.937 billion.

The products prioritised by sector are:

Table 21. Prioritised Products for All Sectors

| Sector/Code 6 dig | N° Products | Imports From Venezuela - Thousands USD | | | | | | Exports UK - Thousands USD | | |
|--------------------------------------|-------------|--|----------------|----------------|----------------|----------------|----------------|----------------------------|-------------------|----------------|
| | | 2012 | 2017 | 2018 | 2019 | 2020 | 2021 | Var% 2020/2021 | 2021 | Var% 2020/2021 |
| Grand total | 50 | 2,709,777 | 587,115 | 432,552 | 423,705 | 441,823 | 958,301 | 169.6% | 13,937,198 | -19.4% |
| Agro-food | 9 | 1,019,910 | 278,437 | 216,506 | 119,806 | 168,210 | 325,130 | 157.1% | 1,616,055 | -15.6% |
| Machinery and equipment | 12 | 704,215 | 150,457 | 98,562 | 71,648 | 105,010 | 231,021 | 164.3% | 4,843,979 | -14.9% |
| Vehicles and parts | 3 | 160,472 | 8,281 | 4,318 | 16,296 | 43,141 | 76,177 | 66.5% | 3,543,572 | -11.5% |
| Textiles and apparel | 5 | 112,703 | 21,777 | 14,946 | 40,276 | 22,713 | 62,203 | 183.7% | 592,296 | -23.9% |
| Pharmacist | 2 | 189,029 | 20,877 | 17,874 | 21,586 | 9,586 | 59,860 | 435.1% | 663,167 | -43.9% |
| Footwear | 3 | 112,891 | 21,749 | 12,856 | 30,884 | 21,782 | 44,874 | 117.6% | 620,686 | -37.5% |
| Plastics, rubber and rubber products | 3 | 55,546 | 6,519 | 9,748 | 12,481 | 19,896 | 42,005 | 119.2% | 286,959 | -18.8% |
| Cleanliness and beauty | 2 | 110,264 | 15,184 | 9,779 | 17,710 | 21,236 | 33,775 | 60.4% | 495,231 | -11.1% |
| Chemicals | 3 | 21,686 | 23,140 | 19,527 | 43,786 | 8,222 | 23,532 | 204.0% | 457,833 | -23.9% |
| Iron and steel products | 3 | 42,703 | 8,831 | 5,297 | 3,023 | 5,446 | 22,288 | 311.5% | 174,233 | -27.9% |
| Medical-surgical and measurement | 2 | 126,192 | 26,072 | 16,047 | 39,505 | 7,656 | 16,800 | 152.6% | 313,528 | -24.3% |
| Furniture and lighting | 1 | 21,759 | 1,542 | 1,217 | 3,239 | 4,266 | 8,399 | 96.9% | 92,605 | -5.2% |
| Base metal fabrications | 1 | 27,801 | 3,171 | 4,967 | 1,701 | 2,279 | 6,132 | 169.1% | 188,413 | -1.1% |
| Paper, cardboard | 1 | 4,606 | 1,078 | 908 | 1,764 | 2,380 | 6,105 | 156.5% | 48,641 | -7.3% |

Source: Calculations with data from Trademap

Agro-food: Venezuela imported USD \$9.387 billion of Agro-food products in 2012 and USD \$2.621 billion in 2021, with a growth of 29% between 2020 and 2021. The UK exported USD \$558,526 of agro-food products of with an average annual growth of 1.7% between 2018 and 2022.

and a potential market reflected in the imported value of USD \$1.02 billion in 2012. This market had an average growth of 157.1% between 2020 and 2021.

For this sector, 9 products were prioritised with a total market of USD \$325 million in Venezuela in 2021

Table 22. Sectors Prioritised within the Agro-food Sector

| Sector/Code 6 dig | Product | Imports From Venezuela - Thousands USD | | | | | | | Exports UK - Thousands USD | |
|----------------------|--|--|----------------|----------------|----------------|----------------|----------------|------------------|-------------------------------|------------------|
| | | 2012 | 2017 | 2018 | 2019 | 2020 | 2021 | Var 2020/2021 | 2021 | Var 2020/2021 |
| | Agro-food (9) | 1,019,910 | 278,437 | 216,506 | 119,806 | 168,210 | 325,130 | 157.1% | 1,616,055 | -15,6% |
| 100199 | Wheat and meslin (excl, seed for sowing, and durum wheat) | 0 | 163,794 | 160,241 | 78,667 | 84,057 | 148,458 | 76.6% | 86,478 | -20.2% |
| 190120 | Mixes and doughs of flour, groats, meal, starch, or malt extract, not containing cocoa | 464 | 7,364 | 1,624 | 15,102 | 35,930 | 57,554 | 60.2% | 132,893 | -8.8% |
| 190531 | Sweet biscuits (with added sweetener) | 20,133 | 6,612 | 1,614 | 2,986 | 12,108 | 30,129 | 148.8% | 364,345 | -7.1% |
| 170490 | Non-cocoa confectionery, incl, white chocolate (excl, chewing gum) | 150,102 | 31,169 | 19,630 | 3,883 | 12,761 | 26,847 | 110.4% | 211,374 | -2.9% |
| 220710 | Undenatured ethyl alcohol with alcoholic strength by volume >= 80% vol, | 695 | 8 | 137 | 2 | 4,575 | 17,024 | 272.1% | 125,054 | -14.5% |
| 190532 | Wafers including filled "gaufrettes, wafers" and waffles | 12,113 | 5,883 | 615 | 1,228 | 8,371 | 16,961 | 102.6% | 76,318 | -8.8% |
| 40221 | Milk and cream, in powder, granules or other solid forms, | 817,684 | 61,492 | 31,081 | 15,104 | 2,487 | 15,224 | 512.1% | 107,582 | -16.4% |
| 210610 | Protein concentrates and textured protein substances | 12,210 | 1,667 | 1,350 | 1,456 | 5,023 | 7,894 | 57.2% | 126,800 | -45.7% |
| 230910 | Dog or cat food, packaged for retail | 6,509 | 448 | 214 | 1,378 | 2,898 | 5,039 | 73.9% | 385,211 | -16.0% |

Source: Calculations with data from Trademap

Machinery and equipment: Venezuela imported USD \$17.88 billion of machinery and equipment in 2012 and USD \$1.5866 billion in 2021, with a growth of 20% between 2020 and 2021. The UK exported USD \$102,322 of machinery and equipment with an average annual growth of 0.3% between 2018 and 2022.

total market in of USD 231 million Venezuela in 2021 and with a potential market reflected in the imported value of USD 704 million in 2012. This market had an average growth of 164.3% between 2020 and 2021.

For this sector, 12 products were prioritised with a

Table 23. Prioritised Products within the Machinery and Equipment Sector

| Sector/Code 6 dig | Product | Imports From Venezuela - Thousands USD | | | | | | | Exports UK - Thousands USD | |
|-------------------------------------|---|--|----------------|---------------|---------------|----------------|----------------|------------------|-------------------------------|------------------|
| | | 2012 | 2017 | 2018 | 2019 | 2020 | 2021 | Var 2020/2021 | 2021 | Var 2020/2021 |
| Machinery and Equipment (12) | | 704,215 | 150,457 | 98,562 | 71,648 | 105,010 | 231,021 | 164.3% | 4.843.979 | -14.9% |
| 851762 | Machines for the reception and transmission of speech, or regeneration of voice and images | 0 | 42,563 | 19,568 | 18,225 | 26,696 | 69.500 | 160.3% | 2.317.598 | -2.3% |
| 853950 | LED lamps and tubes | 0 | 4,022 | 3,235 | 10,843 | 20,665 | 41.320 | 100.0% | 37.225 | -18.5% |
| 850980 | Electromechanical appliances with built-in electric motor, for household use (exc, vacuum cleaners) | 7,157 | 684 | 1,629 | 5,579 | 17,039 | 24.571 | 44.2% | 47.033 | -2.9% |
| 841810 | Combined refrigerator-freezers, with independent doors or outside drawers, or combinations | 176,455 | 38,298 | 28,782 | 7,203 | 9,801 | 16.534 | 68.7% | 31.114 | -24.2% |
| 841850 | Cabinets, chests, display cabinets, counters and similar furniture | 70,833 | 2,016 | 1,185 | 2,984 | 4,581 | 12.866 | 180.9% | 44.775 | -27.4% |
| 852352 | Cards equipped with an electronic integrated circuit smart card | 0 | 19,889 | 15,099 | 6,946 | 4,871 | 11.715 | 140.5% | 51.917 | -15.1% |
| 851821 | Loudspeakers | 15,537 | 621 | 261 | 1,453 | 3,065 | 11.149 | 263.8% | 53.912 | -16.1% |
| 841330 | Fuel, oil or coolant pumps, for spark or compression ignition engines | 56,265 | 9,216 | 3,366 | 5,362 | 6,173 | 10.913 | 76.8% | 184.015 | -9.2% |
| 844399 | Parts and accessories for printers, photocopiers and fax machines, (not included elsewhere) | 0 | 10,051 | 7,755 | 5,126 | 2,107 | 10.602 | 403.2% | 779.183 | -10.7% |
| 850610 | Cells and manganese dioxide cell batteries | 28,870 | 1,221 | 829 | 2,094 | 1,775 | 8.000 | 350.7% | 29.322 | -38.5% |
| 847330 | Parts and accessories for automatic data processing | 331,168 | 17,377 | 15,752 | 4,311 | 5,731 | 7.571 | 32.1% | 836.139 | -7.6% |
| 853669 | Plugs and sockets, for a voltage of <= 1,000 V (excl, lamp holders) | 17,930 | 4,499 | 1,101 | 1,522 | 2,506 | 6.280 | 150.6% | 431.746 | -5.7% |

Source: Calculations with data from Trademap

Vehicles and parts: Venezuela imported USD \$2.156 billion of vehicles and parts in 2012 and USD \$380 million in 2021, with a growth of 20% between 2020 and 2021. The UK exported USD \$40.594 billion of vehicles and parts with an average annual growth of 7.2% between 2018 and 2022.

Three products were prioritised for this sector, with a total market of USD \$77 million in Venezuela in 2021 and a potential market reflected in the imported value of USD \$160 million in 2012. This market had an average growth of 66.5% between 2020 and 2021.

Table 24. Prioritised Products within the Vehicles and Parts Sector

| Sector/Code 6 dig | Product | Imports From Venezuela - Thousands USD | | | | | | | Exports UK - Thousands USD | |
|-------------------------------|---|--|--------------|--------------|---------------|---------------|---------------|------------------|-------------------------------|------------------|
| | | 2012 | 2017 | 2018 | 2019 | 2020 | 2021 | Var 2020/2021 | 2021 | Var 2020/2021 |
| Vehicles and Parts (3) | | 160,472 | 8,281 | 4,318 | 16,296 | 43,141 | 76,177 | 66.5% | 3,543,572 | -11.5% |
| 871410 | Parts and accessories of vehicles of headings 8711 to 8713, including motorcycles | 0 | 5,119 | 2,359 | 9,625 | 25,259 | 51,174 | 102.6% | 113,464 | -1.8% |
| 871200 | Bicycles and similar vehicles, including delivery tricycles, not motor-driven | 35,277 | 714 | 761 | 2,743 | 13,974 | 18,596 | 33.1% | 110,138 | -19.1% |
| 870322 | Passenger cars, incl, station wagons | 125,195 | 2,448 | 1,198 | 3,928 | 3,908 | 6,407 | 63.9% | 3,319,970 | -13.6% |

Source: Calculations with data from Trademap

Textiles and apparel: Venezuela imported USD \$2.027 billion of textiles and apparel in 2012 and USD \$527 million in 2021, with a growth of 116% between 2020 and 2021. The UK exported USD \$7.715 billion of textiles and apparel in 2022 with an average annual growth of 11.8% between 2018 and 2022.

Five products were prioritised for this sector, with a total market of USD \$62 million in Venezuela in 2021 and a potential market reflected in the imported value of USD \$113 million in 2012. This market had an average growth of 183.7% between 2020 and 2021.

Table 25. Prioritised Sectors Within the Textiles and Apparel Sector

| Sector/Code 6 dig | Product | Imports From Venezuela - Thousands USD | | | | | | | Exports UK - Thousands USD | |
|---------------------------------|--|--|---------------|---------------|---------------|---------------|---------------|------------------|-------------------------------|------------------|
| | | 2012 | 2017 | 2018 | 2019 | 2020 | 2021 | Var 2020/2021 | 2021 | Var 2020/2021 |
| Textiles and apparel (5) | | 112,703 | 21,777 | 14,946 | 40,276 | 22,713 | 62,203 | 183,7% | 592,296 | -23,9% |
| 620462 | Trousers, dungarees, shorts, long johns, and shorts made of cotton | 58,902 | 9,086 | 6,092 | 20,896 | 9,240 | 23,269 | 151,8% | 150,437 | -49.8% |
| 620469 | Trousers, dungarees, shorts, long johns, and shorts made of cotton | 10,345 | 5,086 | 3,007 | 9,876 | 4,846 | 14,527 | 199,8% | 60,109 | -11.4% |
| 540752 | Woven fabrics with a content of textured polyester filaments: 85% by weight | 10,737 | 4,186 | 2,454 | 3,302 | 3,753 | 10,159 | 170,7% | 46,860 | -11.4% |
| 611020 | Sweaters, pullovers, cardigans, vests and similar articles, knitted or crocheted | 28,031 | 1,988 | 1,724 | 3,028 | 3,181 | 8,877 | 179.1% | 309,624 | -34.0% |
| 620690 | Women's or girls' blouses, shirts and shirt-blouses, of textile materials (excl. silk) | 4,688 | 1,431 | 1,669 | 3,174 | 1,693 | 5,371 | 217.2% | 25,266 | -12.8% |

Source: Calculations with data from Trademap

Pharmaceuticals: Venezuela imported USD \$3.487 billion of pharmaceuticals in 2012 and USD \$288 million in 2021, with a growth of 48% between 2020 and 2021. The UK exported USD \$27.77 billion of pharmaceuticals in 2022 with an average annual growth of 2% between 2018 and 2022.

For this sector, 2 products were prioritised with a total market of USD \$60 million in Venezuela in 2021 and a potential market reflected in the imported value of USD \$189 million in 2012. This market had an average growth of 435.1% between 2020 and 2021.

Table 26. Prioritised Products Within the Pharmaceutical Sector

| Sector/Code 6 dig | Product | Imports From Venezuela - Thousands USD | | | | | | | Exports UK - Thousands USD | |
|----------------------|--|--|---------------|---------------|---------------|--------------|---------------|------------------|----------------------------|---------------|
| | | 2012 | 2017 | 2018 | 2019 | 2020 | 2021 | Var 2020/2021 | 2021 | Var 2020/2021 |
| | Pharmacist (2) | 189,029 | 20,877 | 17,874 | 21,586 | 9,586 | 59,860 | 435.1% | 663,167 | -43.9% |
| 300220 | Vaccines for humans | 34,260 | 14,728 | 14,250 | 19,803 | 5,988 | 53,506 | 793.6% | 618,000 | -37.0% |
| 300450 | Medication containing: provitamins, vitamins, incl. natural concentrates | 154,769 | 6,149 | 3,624 | 1,783 | 3,598 | 6,354 | 76.6% | 45,167 | -50.7% |

Source: Calculations with data from Trademap

Footwear: Venezuela imported USD \$485million of footwear in 2012 and USD \$194 million in 2021, with a growth of 19% between 2020 and 2021. The UK exported USD \$985 million of footwear with an average annual growth of 20% between 2018 and 2022.

3 products were prioritised for this sector with a total market of USD \$45 million in Venezuela in 2021 and a potential market reflected in the imported vale of USD \$113 million in 2012. This market had an average growth of 117.6% between 2020 and 2021.

Table 27. Prioritised Products Within the Footwear Sector

| Sector/Code 6 dig | Product | Imports From Venezuela - Thousands USD | | | | | | | Exports UK - Thousands USD | |
|----------------------|---|--|---------------|---------------|---------------|---------------|---------------|------------------|----------------------------|------------------|
| | | 2012 | 2017 | 2018 | 2019 | 2020 | 2021 | Var 2020/2021 | 2021 | Var 2020/2021 |
| | Footwear (3) | 112,891 | 21,749 | 12,856 | 30,884 | 21,782 | 44,874 | 117.6% | 620,686 | -37.5% |
| 640411 | Sports footwear, incl, tennis shoes, basketball shoes, gym shoes, training shoes and general footwear | 44,536 | 8,601 | 5,147 | 12,638 | 10,579 | 19,353 | 82.9% | 319,455 | -29.7% |
| 640399 | Footwear with rubber, plastic and regenerated leather soles and natural leather uppers | 63,459 | 6,743 | 2,708 | 11,924 | 7,245 | 15,253 | 110.5% | 266,928 | -46.8% |
| 640291 | Footwear with rubber or plastic soles and uppers, with protective metal toecaps | 4,896 | 6,405 | 5,001 | 6,322 | 3,958 | 10,268 | 159.4% | 34,303 | -35.8% |

Source: Calculations with data from Trademap

Plastic, rubber, and their manufactures: Venezuela imported USD \$485 million of plastic, rubber, and their manufactures in 2012 and USD \$194 million in 2021, with a growth of 19% between 2020 and 2021. The UK exported USD \$958 million of plastic, rubber, and their manufactures in 2022 with an average annual growth of 20% between 2018 and 2022.

3 products were prioritised for this sector with a total market of USD \$42 million in Venezuela in 2021 and a potential market reflected in the imported value of USD \$55 million in 2012. The market had an average growth of 119.2% between 2020 and 2021.

Table 28. Prioritised Products Within the Plastic and Rubber Sectors

| Sector/Code 6 dig | Product | Imports From Venezuela - Thousands USD | | | | | | | Exports UK - Thousands USD | |
|---|---|--|--------------|--------------|---------------|---------------|---------------|------------------|-------------------------------|------------------|
| | | 2012 | 2017 | 2018 | 2019 | 2020 | 2021 | Var 2020/2021 | 2021 | Var 2020/2021 |
| Plastics, rubber and rubber products (3) | | 55,546 | 6,519 | 9,748 | 12,481 | 19,896 | 42,005 | 119.2% | 286,959 | -18.8% |
| 392490 | Household products and toilet products (excl, crockery, cutlery, pots, pans, dishes and other plastic products) | 22,117 | 1,936 | 1,435 | 4,401 | 9,046 | 17,537 | 93.9% | 129,122 | -15.9% |
| 392410 | Tableware and kitchenware | 25,051 | 3,301 | 3,136 | 4,643 | 6,963 | 14,583 | 109.4% | 80,941 | -40.2% |
| 390230 | Propylene copolymers, in primary forms | 8,378 | 1,282 | 5,177 | 3,437 | 3,887 | 9,885 | 154.3% | 76,896 | -0.2% |

Source: Calculations with data from Trademap

Cleanliness and beauty products: Venezuela imported USD \$1.017 billion of cleaning and beauty products in 2012 and USD \$212 million in 2021, with a growth of 19% between 2020 and 2021. The UK exported USD \$8.17 billion of cleaning and beauty products in 2022 with an average annual growth of 0.6% between 2018 and 2022.

2 products were prioritised for this sector with a total market of USD 34 million in Venezuela in 2021 and a potential market reflected in the imported value of USD 110 million in 2012. This market had an average growth of 60% between 2020 and 2021.

Table 29. Prioritised Products Within the Cleanliness and Beauty industry

| Sector/Code 6 dig | Product | Imports From Venezuela - Thousands USD | | | | | | | Exports UK - Thousands USD | |
|-----------------------------------|---|--|---------------|--------------|---------------|---------------|---------------|------------------|-------------------------------|------------------|
| | | 2012 | 2017 | 2018 | 2019 | 2020 | 2021 | Var 2020/2021 | 2021 | Var 2020/2021 |
| Cleanliness and beauty (2) | | 110,264 | 15,184 | 9,779 | 17,710 | 21,236 | 33,775 | 60.4% | 495,231 | -11.1% |
| 340111 | Soap, organic surfactant products and products used as soap | 61,514 | 11,001 | 7,402 | 13,818 | 16,895 | 26,709 | 58.1% | 110,978 | -12.8% |
| 330720 | Body deodorants and antiperspirants | 48,750 | 4,183 | 2,377 | 3,892 | 4,341 | 7,066 | 62.8% | 384,253 | -9.4% |

Source: Calculations with data from Trademap

Chemicals: Venezuela imported USD \$860 million of chemical products in 2012 and USD \$111 million in 2021, with a growth of 45% between 2020 and 2021. The UK exported USD \$7.947 billion of chemical products in 2022 with an average annual growth of 3.5% between 2018 and 2022.

For this sector, 3 products were prioritised with a total market value in Venezuela in 2021 of USD \$24 million and an average growth of 204% from 2020 to 2021, exceeding the value imported in 2012.

Table 30. Products Prioritised Within the Chemical Sector

| Sector/Code 6 dig | Product | Imports From Venezuela - Thousands USD | | | | | | | Exports UK - Thousands USD | |
|----------------------|--|--|---------------|---------------|---------------|--------------|---------------|------------------|-------------------------------|------------------|
| | | 2012 | 2017 | 2018 | 2019 | 2020 | 2021 | Var 2020/2021 | 2021 | Var 2020/2021 |
| | Chemicals (3) | 21,686 | 23,140 | 19,527 | 43,786 | 8,222 | 23,532 | 204.0% | 457,833 | -23.9% |
| 380893 | Herbicides, germination inhibitors, and plant growth regulators | 0 | 12,335 | 11,192 | 33,655 | 2,118 | 9,123 | 330.7% | 273,756 | -13.0% |
| 381600 | Cements, mortars, concretes and similar compositions, fireproof material, incl. dolomite mixture | 21,686 | 7,745 | 4,353 | 795 | 2,675 | 7,416 | 177.2% | 93,999 | -3.4% |
| 380891 | Insecticides for retail, as concentrates or packaged | 0 | 3,060 | 3,982 | 9,336 | 3,429 | 6,993 | 103.9% | 90,078 | -55.1% |

Source: Calculations with data from Trademap

Iron and steel products: Venezuela imported USD \$3.529 billion of iron and steel products in 2012 and USD \$152 million in 2021, with a growth of 71% between 2020 and 2021. The UK exported USD \$15.56 billion of iron and steel products in 2022 with an average annual growth of 3.5% between 2018 and 2022.

market of USD \$22 million in Venezuela in 2021 and a potential market reflected in the imported value of USD \$43 million 2012. This market had an average growth of 311.5% between 2020 and 2021.

For this sector, 3 products were prioritised with a total

Table 31. Prioritised Products in the Iron and Steel Sector

| Sector/Code 6 dig | Product | Imports From Venezuela - Thousands USD | | | | | | | Exports UK - Thousands USD | |
|----------------------|---|--|--------------|--------------|--------------|--------------|---------------|------------------|-------------------------------|------------------|
| | | 2012 | 2017 | 2018 | 2019 | 2020 | 2021 | Var 2020/2021 | 2021 | Var 2020/2021 |
| | Iron and Steel products (3) | 42,703 | 8,831 | 5,297 | 3,023 | 5,446 | 22,288 | 311.5% | 174,233 | -27.9% |
| 721050 | Flat products of iron or non-alloy steel, width >= 600 mm, cold-rolled | 15,676 | 7,592 | 4,595 | 1,841 | 1,884 | 9,895 | 425.2% | 50,523 | -47.4% |
| 731021 | Cans or tins of cast iron, iron or steel, of capacity < 50, To be closed by welding | 3,095 | 327 | 309 | 263 | 1,645 | 7,271 | 342.0% | 83,278 | -0.1% |
| 732393 | Tableware, kitchenware, or household articles and parts thereof, of stainless steel | 23,932 | 912 | 393 | 919 | 1,917 | 5,122 | 167.2% | 40,432 | -36.3% |

Source: Calculations with data from Trademap

Medical, surgical, and measuring tools: Venezuela imported USD \$1.885 billion of medical, surgical, and measuring tools in 2012 and USD \$99 million in 2021, with a growth of 26% between 2020 and 2021. The UK exported USD \$20.21 billion of medical, surgical, and measuring tools with an average annual growth of 1.4%

between 2018 and 2022

For this sector, 2 products were prioritised with a total market of USD \$17 million in Venezuela in 2021 and a potential market reflected in the imported value of USD \$126 million 2012. This market had an average growth of

Table 32. Prioritised Products in the Medical, Surgical and Measuring Tools Sector

| Sector/Code 6 dig | Product | Imports From Venezuela - Thousands USD | | | | | | | Exports UK - Thousands USD | |
|---|---|--|---------------|---------------|---------------|--------------|---------------|------------------|-------------------------------|------------------|
| | | 2012 | 2017 | 2018 | 2019 | 2020 | 2021 | Var 2020/2021 | 2021 | Var 2020/2021 |
| Medical-surgical and measuring tools (2) | | 126,192 | 26,072 | 16,047 | 39,505 | 7,656 | 16,800 | 152.6% | 313,528 | -24.3% |
| 901831 | Syringes, incl, with needles, For medical use | 19,392 | 7,333 | 5,337 | 11,484 | 2,801 | 10,536 | 276.2% | 110,560 | -24.8% |
| 901839 | Needles, catheters, cannulae and similar instruments, for medical use (excl, syringes and tubular needles) | 106,800 | 18,739 | 10,710 | 28,021 | 4,855 | 6,264 | 29.0% | 202,968 | -23.7% |

Source: Calculations with data from Trademap

Furniture and lighting: Venezuela imported USD \$1.272 billion of furniture and lighting in 2012 and USD \$152 million in 2021, with a growth of 82% between 2020 and 2021. The UK exported USD \$3.47 billion of furniture and lighting in 2022 with an average annual growth of -3.8% between 2018 and 2022.

For this sector, 1 product was prioritised with a total market of USD \$8 million in Venezuela in 2021 and a potential market reflected in the imported value of USD \$22 million in 2012. This market had an average growth of 96.9% between 2020 and 2021.

Table 33. Prioritised Products in the Furniture and Lighting Sector

| Sector/Code 6 dig | Product | Imports From Venezuela - Thousands USD | | | | | | | Exports UK - Thousands USD | |
|-------------------------------|--|--|--------------|--------------|--------------|--------------|--------------|------------------|-------------------------------|------------------|
| | | 2012 | 2017 | 2018 | 2019 | 2020 | 2021 | Var 2020/2021 | 2021 | Var 2020/2021 |
| Furniture and lighting | | 21,759 | 1,542 | 1,217 | 3,239 | 4,266 | 8,399 | 96.9% | 92,605 | -5.2% |
| 940161 | Seats with wooden frame, with upholstery (excl, those convertible into beds) | 21,759 | 1,542 | 1,217 | 3,239 | 4,266 | 8,399 | 96.9% | 92,605 | -5.2% |

Source: Calculations with data from Trademap

Base metal products: Venezuela imported USD \$205 million of base metal products in 2012 and USD \$34million in 2021, with a growth of 63% between 2020 and 2021. The UK exported USD \$1.244 billion of base metal products with an average annual growth of 0.3% between 2018 and 2022.

For this sector, 1 product was prioritised with a total market of USD \$6 million in Venezuela in 2021 and a potential market reflected in the imported value of USD \$28 million in 2012. This market had an average growth of 169.1% between 2020 and 2021.

Table 34. Prioritised Products in the Base Metal Fabrications Sector

| Sector/Code 6 dig | Products | Imports From Venezuela - Thousands USD | | | | | | | Exports UK - Thousands USD | |
|--------------------------------|---|--|--------------|--------------|--------------|--------------|--------------|------------------|-------------------------------|------------------|
| | | 2012 | 2017 | 2018 | 2019 | 2020 | 2021 | Var 2020/2021 | 2021 | Var 2020/2021 |
| Base metal fabrications | | 27,801 | 3,171 | 4,967 | 1,701 | 2,279 | 6,132 | 169.1% | 188,413 | -1.1% |
| 830990 | Stoppers, caps, incl, screw caps and pourer caps, bottle capsules | 27,801 | 3,171 | 4,967 | 1,701 | 2,279 | 6,132 | 169.1% | 188,413 | -1.1% |

Source: Calculations with data from Trademap

Paper and cardboard: Venezuela imported USD \$981 million of paper and cardboard in 2012 and USD \$89 million in 2021, with a growth of -4% between 2020 and 2021. The UK exported USD \$3.164 billion of paper and cardboard in 2021 with an average annual growth of -0.9% between 2018 and 2022.

For this sector, 1 product was prioritised with a total market value of USD \$6 million in 2021 Venezuela. This product had an average growth of 156.5% between 2020 and 2021 exceeding the value imported in 2012.

Table 35. Prioritised Products in the Paper and Cardboard Sector

| Sector/Code 6 dig | Product | Imports From Venezuela - Thousands USD | | | | | | | Exports UK - Thousands USD | |
|-------------------------|--|--|--------------|------------|--------------|--------------|--------------|------------------|-------------------------------|------------------|
| | | 2012 | 2017 | 2018 | 2019 | 2020 | 2021 | Var 2020/2021 | 2021 | Var 2020/2021 |
| Paper, cardboard | | 4,606 | 1,078 | 908 | 1,764 | 2,380 | 6,105 | 156.5% | 48,641 | -7.3% |
| 482390 | Paper, paperboard, cellulose wadding and cellulose fibre webs, in strips or in rolls | 4,606 | 1,078 | 908 | 1,764 | 2,380 | 6,105 | 156.5% | 48,641 | -7.3% |

Source: Calculations with data from Trademap

Note that whilst all of the prioritised products do not yet have a significant market in Venezuela, they do show growth from 2020 to 2021 close to or above 100%.

can be found in the annex on UK opportunities in Venezuela.

More details on the market for the prioritised products

6. COMPETITIVE ADVANTAGE AND OPPORTUNITIES FOR UK INVESTORS IN COLOMBIA

Colombia has a privileged geographical location. It is the junction between Central and South America. It has 10 port areas which makes it a maritime trade hub and it is the closest country in South America to any of the main ports in Europe.

In addition, it is a country committed to climate change and energy transition and this can be observed in public policy actions such as the green hydrogen roadmap, Law 2099 of 2021, which encourages transition from traditional to renewable energies. Additionally, Decree 1476, regulates incentives for green hydrogen. The result of these public sector actions is demonstrated in the fact that Colombia has the sixth cleanest energy matrix in the world.

Additionally, Colombia has significant oil, natural gas and coal reserves which provide near self-sufficiency in fuels and could be used for the production of blue hydrogen through carbon capture, utilisation and storage (CCUS).

Colombia has sixteen Double Taxation Avoidance Agreements (DTAAs) and more than fifteen Trade Agreements that offer duty-free access to over fifty countries in the world and more than 1.5 billion potential consumers.

This section details all the advantages and benefits described above that position Colombia as a privileged, unique and competitive destination for investors from the UK and the world.

6.1 AGREEMENTS TO AVOID DOUBLE TAXATION

One of the key elements that investors evaluate to determine whether to invest in a country is related to the tax burden of two main taxes: Value Added Tax (VAT) and Income Tax. Thus, the income tax rate or the corporate tax rate is a determinant for the arrival of FDI to any country. Currently, according to its tax structure, Colombia is not very competitive

compared to its regional peers that attract similar FDI flows, as detailed in the table below.

Table 36. Tax Comparison of Colombia and Other Latin American Countries

| <u>Tax Burden</u> | <u>Colombia</u> | <u>Chile</u> | <u>Peru</u> | <u>Mexico</u> | <u>Argentina</u> | <u>Brazil</u> |
|-------------------------|-----------------|--------------|-------------|---------------|------------------|---------------|
| Income tax | 35% | 25 a 27% | 29.50% | 30% | 25% | 34% |
| VAT | 19% | 19% | 18% | 16% | 21% | 17% |
| Tax on dividends | 20% | 5% a 10% | 5% | 10% | 13% | NO |

Source: with data from PwC

Note how Colombia is the country with the highest statutory rates in income tax and dividend tax and the second highest in VAT after Argentina.

Considering the above, instruments such as the DTAA's signed by the Colombian State, are a factor that will allow the country to compete in tax matters despite the established statutory rates.

DTAAs allow investors to choose the tax rate at which they would like to be taxed; that of the country receiving the FDI (in this case Colombia) or that of the country of origin of their tax residence. In this way, DTAA's, in addition to generating a greater probability of foreign exchange income, facilitate for competitiveness and fiscal equalization. According to theory, DTAAs should positively influence the entry of FDI to the country that subscribes the agreements.

If the effect of DTAA's are evaluated for Colombia through econometric and impact evaluation methodologies, it could be established through causal inference that the signing of a DTAA increases FDI for the country.

Having made a preliminary estimate on the matter, the results of a regression estimating the impact of double taxation agreements on FDI flows for Colombia are presented below.

For this, the estimation of the present model was run with the difference-in-difference method (Dif-in-dif). The specific function is as follows:

$$IED_{it} = \beta_0 + \beta_1 (T_t \times ADT_i) + X_{it} + \varepsilon_{it}$$

Where:

- **IED:** Foreign direct investment history in Colombia by country of origin. Information from the official website of the 'Banco de la República' in millions of USD.
- **ADT:** Dummy variable identifying whether the country has a double taxation agreement. Information from the Banco de la República and the Dirección de Impuestos y Aduanas Nacionales (DIAN).
- **T:** Time variable indicating the period "t" in which the agreement becomes effective.
- **X:** Fixed effects of time

For the structuring of the treatment, control groups,

and treated groups, it is established that the treatment refers to the entry into force of double taxation agreements signed between Colombia and each country. The evaluation period is from 2007 to 2021, and it assesses the before and after timelapses effects of the treatment event.

Table 37. Double Taxation Agreements Subscribed to by Colombia

| Country | Date Entered Into Force | Law Regulating the Double Taxation Agreement |
|----------------|-------------------------|--|
| Japan | September 4 of 2022 | Law 2095 of 2021 |
| France | January 1 of 2022 | Law 2061 of 2020 |
| Italy | October 7 of 2021 | Law 2004 of 2019 |
| UK | December 13 of 2019 | Law 1939 of 2018 |
| Czech Republic | May 6 of 2015 | Law 1690 of 2013 |
| Portugal | January 30 of 2015 | Law 1692 of 2013 |
| India | July 7 of 2014 | Law 1668 of 2013 |
| South Korea | July 3 of 2014 | Law 1667 of 2013 |
| Mexico | July 11 of 2013 | Law 1578 of 2013 |
| Canada | June 12 of 2012 | Law 1459 of 2011 |
| Switzerland | January 1 of 2013 | Law 1344 of 2009 |
| Chile | December 22 of 2009 | Law 1261 of 2008 |
| Spain | October 23 of 2008 | Law 1082 of 2006 |

In this sense, the identifying assumption is:

$$E [IED]_{oi} | ADT_i=0, t=1] - E [IED]_{oi} | ADT_i=0, t=0] = E [IED]_{oi} | ADT_i=1, t=1] - E [IED]_{oi} | ADT_i=1, t=0]$$

$ADT_i = 1$ country with which Colombia has a DTAA (Treatment group)

$ADT_i = 0$ countries with which Colombia does not have a DTAA (Control group)

The results of the model are presented below:

Table 38. Results of the Regression Model of Differences in Differences (Dif in Dif)

| IED | Coef. | St.Err. | t-value | p-value | [95% Conf Interval] | Sig |
|--------------------|---------|-----------|----------------------|---------|---------------------|-----|
| ADTxT | 41.16 | 16.327 | 2.52 | .012 | 9.132 73.189 | ** |
| Constant | 101.372 | 6.435 | 15.75 | 0 | 88.749 113.995 | *** |
| Mean dependent var | | 111.867 | SD dependent var | | 241.037 | |
| R-squared | | 0.005 | Number of obs | | 1408 | |
| F-test | | 6.356 | Prob > F | | 0.000 | |
| Akaike crit. (AIC) | | 18663.620 | Bayesian crit. (BIC) | | 18674.120 | |

*** $p < .01$, ** $p < .05$, * $p < .1$

Based on the above results, it can be affirmed with 95% confidence that the implementation of a double taxation agreement increases foreign direct investment by at least USD \$41 million, ceteris paribus.

The State of Colombia and the UK signed a double taxation agreement which entered into force in 2019.

The agreement establishes clear rules on how income should be taxed and reported and it allows the investor to choose their preferential tax rate,

Colombia's or the UK's, according to their business model. As shown above, this is an investment incentive and is an example of preferential treatment for inbound investors.

6.2 AGREEMENT FOR THE PROTECTION OF INVESTMENTS BETWEEN THE UNITED KINGDOM AND COLOMBIA

The Agreement for the Promotion and Reciprocal Protection of Investments (ARPI) signed between Colombia and the UK entered into force on the 10th October 2014. The agreement seeks to promote and protect investments made by investors from both countries, establishing a clear and predictable legal framework that provides stability, legal certainty and protection to investors.

- Arbitration clause for the settlement of disputes.
- International arbitration mechanism to resolve disputes between investors and states, which gives life to a dispute settlement system.

This agreement contains provisions relating to:

- Free movement of capital.
- Protection against expropriation and nationalisation of assets.

6.3 COLOMBIA'S HYDROGEN POTENTIAL AS A FACTOR FOR COMPETITIVENESS AND INVESTMENT ATTRACTION

6.3.1 Background Regulatory framework

Colombia is committed to the decarbonisation of its economy. It has the goal of reducing greenhouse gas emissions by 51% by 2030 and achieving carbon neutrality by 2050. Today, hydrogen is considered to be one of the main tools available to the country to meet their goal of decarbonisation by 2050.

In Colombia, hydrogen is considered a non-conventional renewable energy source. Both blue hydrogen and green hydrogen are classified as non-conventional renewable energy sources. Blue hydrogen emits low emissions when obtained and green hydrogen produces zero emissions when obtained.

6.3.2 Hydrogen Roadmap in Colombia

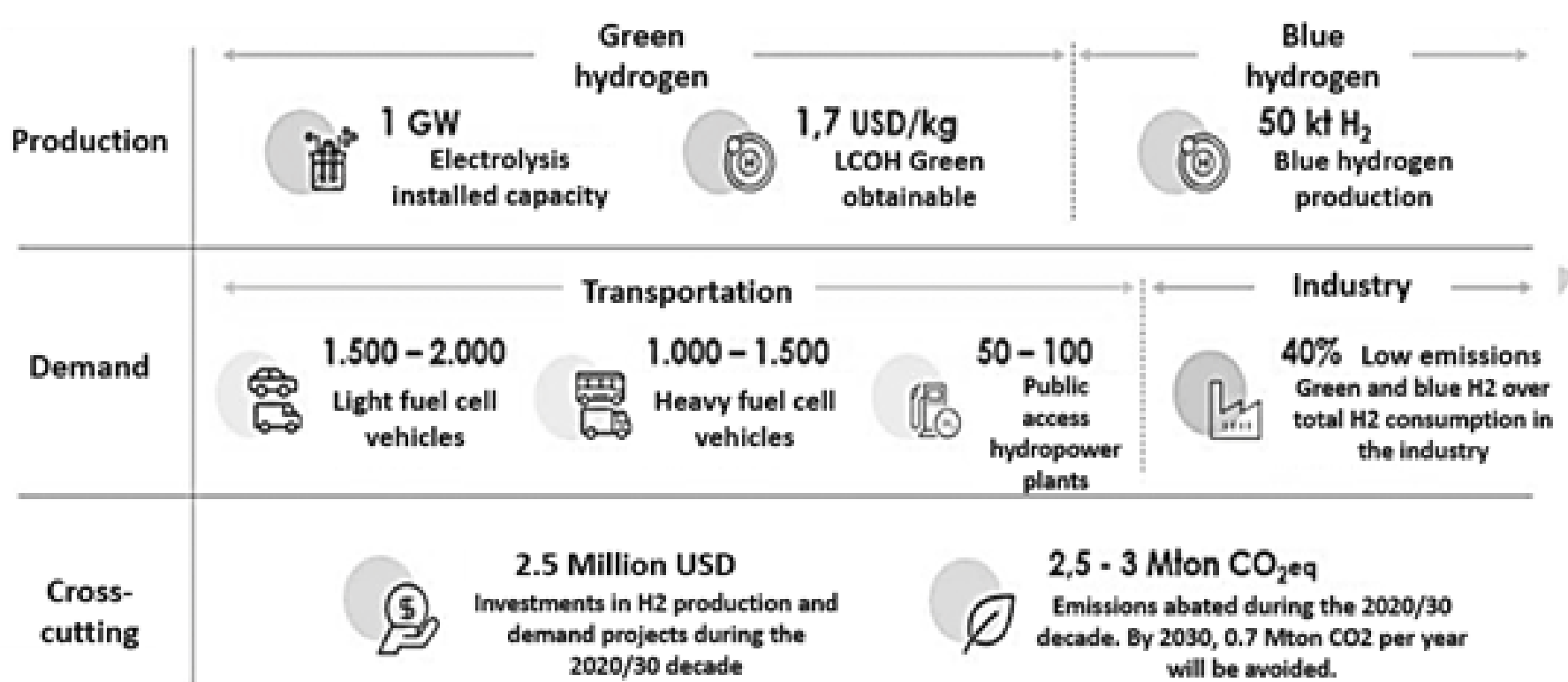
In September 2021, the Hydrogen roadmap for Colombia was published with the objective of evaluating the competitiveness of hydrogen in Colombia and to propose guidelines for the development of measures that will bring the country closer to the goal of national decarbonisation.

According to the roadmap, it is expected that green hydrogen will be produced in some regions of Colombia by 2030, reaching cost parity with blue hydrogen. In the Guajira region, it is expected that by 2027 wind hydrogen will reach price parity with blue hydrogen (by coal gasification); and it is expected to

reach the break-even point of solar hydrogen by 2037.

Between 2030 and 2040, blue and green hydrogen are expected to coexist, depending on the natural resources available for their production in each region of Colombia. The roadmap assumes that by 2040 green hydrogen will be the most competitive alternative throughout Colombia. In terms of emissions abated, the energy demand supplied by green or blue hydrogen would represent 9.6% of the total energy demand in 2050.

Ilustración 8. Metas nacionales de hidrógeno de bajas emisiones a 2030



Source: Ministerio de Minas y Energía

The roadmap projects a domestic demand in Colombia of 1.6-1.8 Megatons (Mt) of hydrogen in 2050, with solar potential in the La Guajira region alone reaching 42 Gigawatts (GW). If the maximum renewable potential can be exploited, up to 3.2 Mt or 5.8 Mt (including offshore potential) could be obtained. Therefore, there is a possibility of supplying Colombia's hydrogen demand by 2050 (approximately 525 million tons) with the potential offered by renewable energies.

Some of the industries that will drive the hydrogen economy in the country are refining, long-distance heavy transport, fertilisers, mining and steel production. Colombia is also expected to export around four million tons of low-carbon hydrogen by 2050.

6.3.3 Current Projects

Colombia currently has 2 projects producing this energy source and another 8 under development. In addition, the Non-Conventional Energy and Efficient Energy Management Fund closed a call for proposals to provide finance of more than USD \$6.5 billion to 10 projects and 9 firms for the development of green and blue hydrogen projects in the mobility, industry and electricity generation sectors.

Ecopetrol's project uses industrial water from the Cartagena refinery to produce 20 kilograms of green hydrogen daily, testing the use of this hydrogen in different processes at the refinery. For the project,

Ecopetrol installed 250 solar panels that produce the energy needed to separate the hydrogen from the oxygen in the water. The total investment in the project was USD \$1.5 million.

Moreover, the Promigas project injects green hydrogen into natural gas distribution networks, becoming the first hydrogen and natural gas blending project in the region, reducing the environmental footprint of the operation by avoiding the emission of 6 tons of CO₂ per year.

Table 39. Hydrogen Projects in Colombia

| Hydrogen Projects in Colombia | | | | |
|-------------------------------|---------------------------------|----------------|--------------|---|
| No. | Name | In development | In operation | Application |
| 1 | Proyecto Piloto- Ecopetrol | | X | Industrial feedstock, mobility |
| 2 | Proyecto Piloto- Promigas | | X | Natural gas grid injection |
| 3 | OPEX S.A.S. | | X | Mobility |
| 4 | Ecopetrol- Proyecto Piloto 1 | X | | Industrial feedstock, mobility, Natural gas grid injection |
| 5 | Ecopetrol- Proyecto Piloto 2 | X | | Industrial feedstock |
| 6 | Proyecto META | X | | Industrial feedstock |
| 7 | OCENSA | X | | Industrial feedstock, electric power generation |
| 8 | MEC H2 | X | | Industrial feedstock, e-fuels, natural gas grid injection, electric power generation, industrial heat, mobility |
| 9 | H2 acoplado a Central Eléctrica | X | | Electric power generation |
| 10 | Refinería Sebastopol | X | | Industrial feedstock, mobility |
| 11 | Proyecto Piloto- Celsia | X | | Mobility |

6.3.4 Regulatory Framework for Energy Transition in Colombia

Law 1715 – 2014: Provides benefits for investment in non-conventional energy sources such as exemption from customs duties, VAT exclusion, accelerated depreciation and income tax deduction of 50% of the investment. These are powerful support instruments which ensure the competitiveness of low-emission hydrogen projects and provide security to investors.

Law 1931 – 2018: Establishes guidelines for the management of climate change. Defines the Colombian system of tradable quotas in which it seeks to include emission quotas for blue and green hydrogen.

Law 2099 – 2021: The Energy Transition Law establishes a favourable fiscal framework for investment in non-conventional energy sources, including green hydrogen and blue hydrogen, contributing to the recovery of the economy. Likewise, it extends the scope of action of the Non-Conventional Energy and Efficient Energy

Management Fund to the financing and/or execution of viable projects with any link to the low-emission hydrogen value chain.

Law 2169 – 2021: Promotes the low carbon development of Colombia through the establishment of minimum goals and measures in terms of carbon neutrality and climate resilience.

6.4 PROPOSITION OF COLOMBIA'S HYDROGEN VALUE

Colombia has strategic advantages in terms of hydrogen because it has :

- **High availability of renewable energy sources** which can be used to produce green hydrogen in the north of the country, the main example being the La Guajira region. In Colombia the average wind speed is 9m/s (2 times the world average) as well as having a solar radiation of 4.5 kWh/m², which is higher than the world average. Colombia has more than 740,000 hydrographic basins, which places it among the top 10 countries with the highest concentration of water supply in the world.
- **Privileged geographical location for exports:** Colombia is the nexus between Central and South America and is linked by transport, distribution and trade networks with five other countries (Panama, Venezuela, Brazil, Peru and Ecuador). It is also located between two oceans and is a

maritime trade and export hub with 10 port areas. Cartagena with access to the Caribbean Sea and Buenaventura with access to the Pacific Ocean are the most important ports. Colombia also shares maritime borders with 9 countries including; Panama, Venezuela, Ecuador, Costa Rica, Nicaragua, Dominican Republic, Haiti, Jamaica and Honduras.

Additionally, considering the energy crisis in Europe caused by the war between Russia and Ukraine, the demand for renewable energy is growing exponentially. With respect to this, Colombia is the closest Latin American country to Europe when compared to countries with similar hydrogen potential, such as Brazil and Chile, (using forecasts from the International Renewable Energy Agency (IRENA)).

Table 40. Distance from Colombia and Competitor Countries to Main European Ports (Km)

| Port | Distance From Colombia | Distance From Chile | Distance From Brazil |
|----------------|------------------------|---------------------|----------------------|
| Valencia (ESP) | 8,302 | 12,041 | 8,494 |
| Amberes (BEL) | 8,820 | 12,150 | 9,076 |
| Rotterdam (NL) | 8,833 | 12,197 | 9,125 |
| Hamburgo (GER) | 9,216 | 12,608 | 9,534 |

Source: Calculations by Araújo Ibarra using distances from Google maps

- **Reserves:** Colombia has significant reserves of oil, natural gas and coal giving it a position of near fuel self-sufficiency. These fuels could be used to produce blue hydrogen through carbon capture and storage.
- **Competitive price:** IRENA indicated that Colombia had the potential to achieve the fourth lowest price for green hydrogen worldwide by 2050, which could only be beaten by China, Chile and Morocco.
- **Tax incentives:** Colombia is the only country in Latin America to date with a framework of tax incentives specifically designed for hydrogen production. These incentives are articulated through Decree 1476 of 2022.

Likewise, if these incentives are combined with existing incentives to encourage foreign trade, such as free trade zones, Colombia has a very strong fiscal value proposition.

Table 41. Colombia's Tax Incentive Framework Compared to its Regional Peers

| Tax burden | Colombia | Chile | Brasil |
|---------------|---|-----------|--------|
| Income tax | Project cost deduction up to 50% of income tax (maximum 15 years) | 25% – 27% | 15% |
| VAT | Excluded (0%) | 19% | 17% |
| Depreciation | In three years | NO | NO |
| Tariff levies | Excluded (0%) | NO | NO |

Source: Prepared by the authors based on all the tax statutes of each country.

In conclusion, compared to the other strategies published by countries in the region, the hydrogen roadmap in Colombia takes into account the production and projections of blue hydrogen as an alternative for change towards energy transition, as well as being the document published with the largest number of clean energy sources and the largest number of applicable sectors.

Table 41. Latin American Strategies - Energy Transition

| AMLAT Strategies - Ebergetic Transition | | | | | |
|--|---------------------|------------------|------------------|---|--|
| Country | Document | Publication Year | Hydrogen type | Sources | Application |
| Colombia | Roadmap | 2021 | Green and blue | Solar, wind, SHP, biomass, geothermal y tidal | Refinery, heavy haulage, green ammonia (fertilizers), light transport, mining transport, air transport, power generation, iron and steel industry and shipping |
| Argentina | N/A | N/A | N/A | N/A | N/A |
| Bolivia | Roadmap in planning | 2023 | N/A | N/A | N/A |
| Brasil | National Strategy | 2022 | Green | Solar, wind, hydroelectric and biomass | N/A |
| Chile | National Strategy | 2020 | Green | Solar, wind, CSP and hydroelectric | Buses, refinery, ammonia, mining trucks, heavy haulage, injection network, maritime transport, light transport |
| Costa Rica | National Strategy | 2022 | Green | Solar, hydroelectric, wind, geothermal power | Transport, industry and export |
| Ecuador | Roadmap in planning | 2023 | N/A | N/A | N/A |
| El Salvador | Roadmap in planning | 2023 | Green | Solar, geothermal and biomass | Transport, industry and export |
| México | N/A | N/A | N/A | N/A | N/A |
| Paraguay | Roadmap | 2021 | Green | Hydroelectric and Solar | Heavy haulage, shipping, food industry, chemical, steel, e-fuels, export, etc. |
| Perú | Roadmap in planning | 2023 | N/A | N/A | N/A |
| República Dominicana | N/A | N/A | N/A | N/A | N/A |
| Uruguay | Roadmap | 2022 | Green and yellow | Solar and wind | Heavy haulage, maritime transport and fertilizer production |

6.5 OPPORTUNITIES WITH THE UNITED KINGDOM

Hydrogen demand worldwide will have a year-on-year growth of 42% between 2030 and 2070. In 2022 Latin America will be the main exporter of hydrogen and Europe will be the main importer with a demand of more than 6 million tons.

Considering the high cost of using green hydrogen as a means of decarbonizing the economy, the use and commercialisation of blue hydrogen as a non-conventional energy source in energy transition has become popular. Blue hydrogen, because of its low emissions, continues to be a step in the right direction of energy transition without the high price

of green hydrogen. That is why countries such as Norway have adopted a blue hydrogen approach as a sustainable solution in the export of clean energy. Colombia's roadmap is the only one in Latin America that takes into account the production of blue hydrogen in development projects and investment opportunities in order to achieve their energy transition goals.

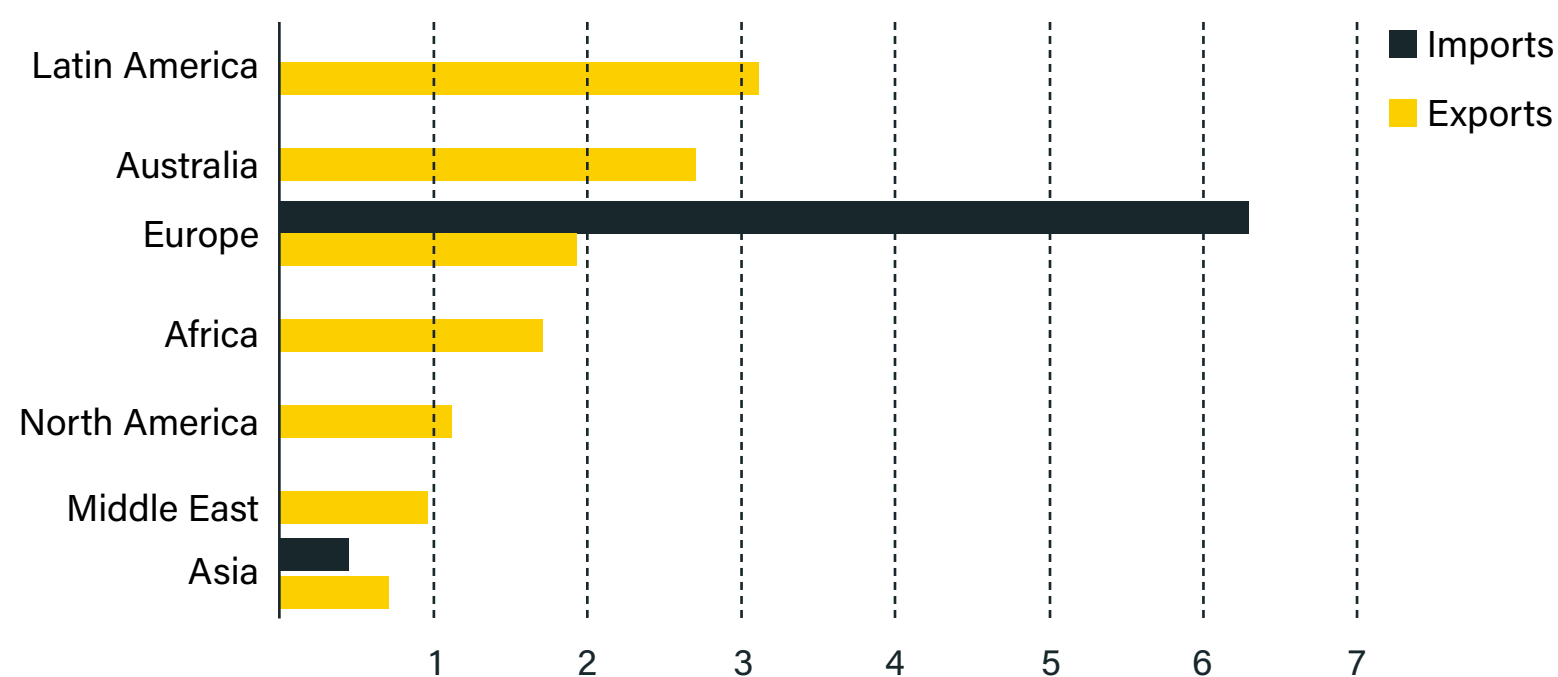


Ilustración 9. Exportaciones e importaciones de hidrógeno Fuente: IRENA

The UK Sustainable Infrastructure Program (UK SIP) was involved in the development of the hydrogen roadmap as part of the IDB investment platform. The roadmap has been key to mobilising strategic private sector investment which in turn promotes sustainable low-carbon infrastructure and meets energy efficiency and emissions reduction targets in the energy, transport and industry sectors. Technology development, technical capabilities and infrastructure sectors are highlighted for growth and investment opportunities.

Currently in Colombia there are two major groups of companies focused on hydrogen: la Cámara de Hidrógeno ANDI-NATURGAS and Hidrógeno Colombia.

La Cámara de Hidrógeno de la ANDI y NATURGAS are made up of the following members

| | | | |
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Hidrógeno Colombia is made up of the following members:

| | | | |
|---|--|---|---|
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Hydrogen demand is estimated to reach 80 to 140 Megatons in 2035. The following UK energy companies are highlighted as potential investors in Colombia:

- ITM Power
- Power Energy Group
- AFC Energy
- Ceres power

In January 2023, the UK and Colombia reaffirmed the Colombia-UK Partnership for Sustainable Growth which was first signed in 2019. The initial theme of the partnership reflected a joint agenda to address climate change, the fight against deforestation, the sustainability of sectors such as energy and transport, and the strengthening of climate change measurement systems. However, in its new version it proposes the promotion of the green economy and

sustainable infrastructure to expand the capacity for clean energy use in Colombia .

7. KEY UK COMPANIES THAT COLOMBIA COULD ATTRACT BASED ON THE PRIORITISED SECTORS

International trade is a key driver of economic growth and development in the world. Taking this into account, the identification of opportunities to attract foreign investment and companies that use Colombia as an export platform is an important strategy to boost economic growth and improve the country's competitiveness. This study has identified more than 120 companies from UK that could be attracted to Colombia for this purpose. These companies represent a great opportunity to increase foreign investment in the country and promote international trade.

Based on the more than one hundred prioritised products in roughly twenty strategic sectors in which Colombia could be an export platform for the UK, the following sample of companies was drawn up. This is based on the cross-referencing of the tariff headings of the prioritised sectors, which should be the same as those of the exports registered by these companies.

| Top 20 de compañías | | | | | |
|--|----------------------------------|---|--|-------------------------------------|--|
| Químico Orgánico | Plástico | Vehículos | Maquinaria mecánica | Maquinaria eléctrica | Manufacturas fundición de Hierro y Acero |
| Sigma-Aldrich Company Ltd | Amazon Eu Sarl | Copart Uk Ltd | Amazon Eu Sarl | Amazon Eu Sarl | Bae Systems (Operations) Ltd |
| Biosynth Limited | Costco Wholesale Uk Limited | British Car Auctions Limited | Airbus Flight Hour Services Limited | A J Walter Aviation Limited | Caterpillar Logistics (Uk) Ltd |
| Apollo Scientific Ltd | Aerospheres (Uk) Limited | Jaguar Land Rover Limited | A J Walter Aviation Limited | Airbus Flight Hour Services Limited | Bolt And Nut Manufacturing Ltd |
| R C Treatt & Co Limited | B/E Aerospace Uk Limited | Uk Motor Imports (Irl) Ltd | Aerfin Ltd | Anixter Ltd | Boeing Distribution Services Inc |
| Avocado Research Chemicals Limited | Aerospace Reliance Limited | Team Lees Limited | Allmakes Pr2 4x4 Limited | Anglia Components Plc | Baker Hughes Energy Technology Uk Limite D |
| Fisher Scientific Uk Ltd | 3m United Kingdom Plc | Emcc Solutions Limited | Aerotron Limited | Aerfin Ltd | Cummins Ltd |
| International Flavours And Fragrances Iff (Gb) Limited | Altro Limited | Car 99 Ltd | Airbus Military Uk Limited | Altway (Uk) Limited | Bulten Ltd |
| Fluorochem Limited | A.Schulman Gainsborough Ltd | Roberto Parts Ltd | Air Products Plc | Adams Aviation Supply Company Ltd | Dp Fasteners Limited |
| Tocris Cookson Ltd | British Polythene Industries Ltd | Adrian&Biggie Limited | Alexander Dennis Limited | America li Europe Limited | Canmec Limited |
| Glenthams Life Sciences Limited | Amcor Flexibles Uk Limited | Mhh International Ltd | Aggreko Uk Ltd | Aerotron Limited | Apollo Aerospace Components Limited |
| Molekula Ltd | Coba Automotive Uk Ltd | Bayerische Motoren Werke Aktiengesellschaft | Aalberts Integrated Piping System Limite D | Abb Limited | Amazon Eu Sarl |

| Top 20 de compañías | | | | | |
|--------------------------------|--|-------------------------------|--|--|--|
| Químico Orgánico | Plástico | Vehículos | Maquinaria mecánica | Maquinaria eléctrica | Manufacturas fundición de Hierro y Acero |
| Cambridge Commodities Ltd | Bae Systems (Operations) Ltd | R S D Cars Ltd | Acorn Industrial Services Ltd | Aamp Global Limited | Clarendon Specialty Fastener S Limited |
| Tilley Distribution Uk Limited | A.Schulman Thermoplastic Compounds L Imited | Arval Uk Group Limited | Aiv Europe Ltd | Adi-Gardiner Limited | Boeing Distribution Services Iii Ltd |
| Manchester Organics Limited | Colorcon Ltd | Classic Cars (Uk) Ltd | Airtanker Services Ltd | Apple Distribution International Limited | Bentley Motors Limited |
| Univar Solutions Bv | Baker Hughes Ltd | Synetiq Ltd | Apple Distribution International Limited | Airbus Military Uk Limited | Aviation & Defence Spares Limited |
| Azelis Uk Limited | A J Walter Aviation Limited | Pinnacle Corporation Ltd | Agilent Technologies Lda Uk Ltd | Aggreko Uk Ltd | Auto Fasteners Ltd |
| Lehvoss Uk Ltd | B E Aerospace (Uk) Ltd | Holding & Barnes (Ci) Limited | Alatas Uk Limited | Allmakes Pr2 4x4 Limited | Basetek Ltd |
| Augustus Oils Ltd | Basell Sales & Marketing Company Bv | Cox Automotive Uk Limited | Agco International Limited | Abb Bv | Beck Prosper Limited |
| Oqema Ltd | Bunzl Retail And Healthcare Supplies Limited | Marcus Freeman Limited | Apex Auto Parts Ltd | A C Entertainment Technologies Limited | B/E Aerospace Uk Limited |
| Nig Europe Limited | Antalis Limited | L.F. Trade Sales Limited | 3m United Kingdom Plc | Airbus Defence And Space Ltd | Apex Stainless Fasteners Limited |

8. CONCLUSIONS

In this study, the different opportunities that Colombia has to become an export platform for the UK have been presented. First, the commercial relationship between the UK and the world was analysed through the analysis of the trade balance of payments and its components. Additionally, a prioritisation of products was carried out with relation to the U.S. market, the main importer in the world, as well as the Venezuelan market.

The product prioritisation methodology was based on the alignment of demand, driven by imports from each destination market, with the export supply of Colombia and the UK, as detailed in the respective section.

The study also explored the potential and presented the business case and value proposition of Colombia as a producer of green and blue hydrogen and also established parameters of competitiveness that make the country an excellent investment destination.

We hope this study will be useful for the British-Colombo Chamber of Commerce, its institutional allies and even more, for the growth and business development of the UK and Colombia.