

SPECIAL REPORT

LOCAL PERCEPTIONS OF INDIAN INVESTMENT IN COLOMBIA

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EXECUTIVE SUMMARY

Although Colombia and India established diplomatic relations more than six decades ago, never before have there been such clear signs of India's interest in engaging with Latin America, the Caribbean, and our country. While ties between Colombia and India have historically been limited, recent high-level visits confirm that India is actively seeking partners in the region to support its economic growth. Countries like Mexico, Brazil, and Argentina have already recognized the potential to partner with India, and Colombia could capitalize on this new phase of relations between India and Latin America to strengthen trade ties and attract Indian investment.

This report highlights that Colombia is missing an unprecedented opportunity. India, currently the world's [fifth-largest economy](#) and projected to grow economically and [demographically](#), is expected to become the world's third-largest economy by [2030](#). Now is the right time to cooperate closely in different productive sectors with this Asian country, which is expected to be the fastest-growing emerging market in the next three years, [according](#) to S&P Global Ratings. Despite recently expressing interest in joining BRICS, the government of Gustavo Petro (2022-2026) is short-sighted regarding the potential of moving closer to India, which suggests that Colombia is unprepared for the challenges involved in strengthening this relationship.

In this second installment of a collaboration between Colombia Risk Analysis and Cifras & Conceptos, following "[Local Perceptions of Chinese Investment in Colombia](#)," published in 2023, we identify four main areas for Indian investment in Colombia: the extractive sector, the pharmaceutical sector, the technology sector, and the agro-industrial sector. Each of these sectors presents significant opportunities but also faces specific challenges that must be addressed to foster more effective and beneficial cooperation in the bilateral relationship.

In the **extractive sector**, India's growing demand for oil, coal, and strategic minerals through 2030 presents a significant opportunity for Colombia. However, the Petro government's energy transition policy and security threats in exploration areas will likely limit growth in this sector, making it challenging to increase trade with India.

In the **pharmaceutical sector**, India, already known as the "pharmacy of the world" for its production of generic drugs, aims to become the largest supplier of medicines globally by 2030 and projects to reach an industry [value](#) of USD 450 billion by 2047 through investment in innovation and R&D. Close collaboration with India in this sector could help alleviate future drug shortages in Colombia. However, it will be crucial for INVIMA to have the capacity to mitigate any impact on public health arising from generic drugs produced with different quality standards.

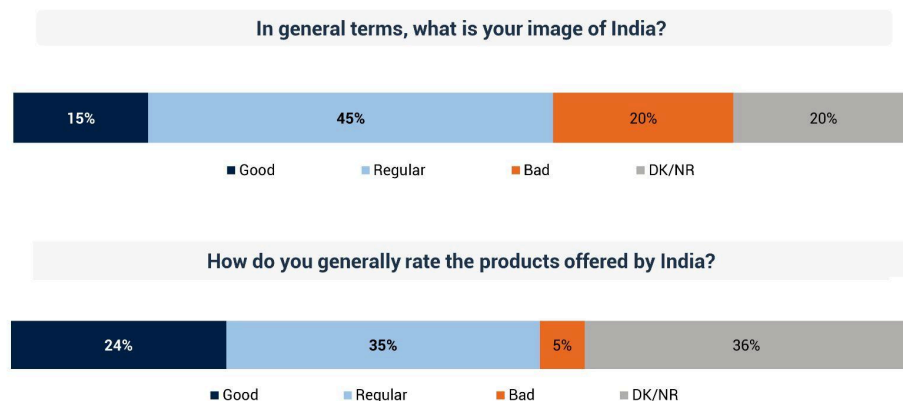
Petro's government has mostly strengthened cooperation between the two countries in the **technology sector**. Although the presence of Indian technology companies in Latin America and Colombia is already significant, Colombia must address the lack of IT talent to maximize the benefits of this investment.

Additionally, cybersecurity challenges will need to be addressed with international partners to mitigate risks.

Despite the numerous opportunities, the **agro-industrial sector** is where the relationship between Colombia and India is least developed. Although Colombian exports will continue to face difficulties in positioning themselves in the Indian market, Colombia must address the domestic risks of its agricultural sector to speed up the entry of Indian investment, especially in technology, rural security, and the optimization of agro-industrial processes.

Finally, the Cifras & Conceptos survey reveals that Colombians, in general, do not have a strong opinion about India and are open to its products, companies, and investments. Among those who are familiar with India or its companies, there is no unfavorable perception. Respondents recognize the potential for both countries to access new markets. Additionally, Colombians view Colombia's potential membership in the BRICS economic bloc favorably and have no reservations about Indian investment in strategic sectors such as mining, oil, technology, and pharmaceuticals. These results indicate significant opportunities for Indian companies to improve their perception in Colombia, which can be achieved through increased investment and presence in the Colombian market.

India Module



Source: Cifras & Conceptos (June 2024) 2024 Polimétrica Survey.

In conclusion, Colombia has a unique opportunity to strengthen its relationship with India and take advantage of investment opportunities in the aforementioned and other critical sectors of the economy. However, to maximize these benefits, the Colombian government must develop a clear, proactive, and consistent strategy that positions the country as a strategic partner of India and leverages its accelerated economic development. However, **it is unlikely that the current government, similar to its predecessors, will prioritize India in its foreign policy agenda**, considering its erratic foreign policy, lack of long-term vision, and poor record of executing international proposals.

INTRODUCTION

This report by [Colombia Risk Analysis](#) and [Cifras & Conceptos](#) identifies the main opportunities and risks of the incipient but growing relationship between Colombia and India. It analyzes the most promising economic sectors to strengthen trade between the two countries and examines Colombians' perception of India and its investments in the country.

This document is the second installment of a collaboration between Colombia Risk Analysis and Cifras & Conceptos. In April 2023, we published "[Local Perceptions of Chinese Investment in Colombia](#)," providing a detailed analysis of China's economic influence in Colombia. With this new report, we continue to explore key international dynamics, extending our focus to Colombia's relationship with India.

India's recent engagement with Latin America warrants a necessary debate on the arrival of its investment in Colombia, focusing on deciphering the potential and risks of establishing India as a significant commercial and political ally.

In the first section of the report, we detail the recent evolution of the commercial and political relationship between Colombia and India and describe India's growing role on the world stage. In the second section, we analyze the main economic sectors that present significant opportunities for investment and cooperation, along with the main challenges associated with each.

This paper concludes with a forecast on the future evolution of the bilateral relationship and includes considerations for the Colombian business sector, the national government and the general public for more informed decision making. Annex 1 contains an analysis and the results of the "India Module" from the [latest version](#) of *Polimétrica*, the Cifras & Conceptos survey, which explores public perception of India in Colombia.

METHODOLOGY AND DATA SOURCES

In preparing this report, we interviewed several sources, including current and former government officials, employees of Indian companies, diplomatic representatives, and academics. In addition to primary interviews, we drew on secondary sources and tapped into Colombia Risk Analysis' extensive knowledge base. This included reports, press articles, academic articles, databases, and public policy documents. This collaborative approach allowed us to provide a valuable assessment of the landscape of the growing trade relationship between Colombia and India, exploring the opportunities and challenges it poses for different productive sectors.

The methodology of the Cifras & Conceptos survey, included in this report, is detailed in the annex, since it was conducted entirely by that entity.

COLOMBIA - INDIA RELATIONS

In January 2024, Colombia and India celebrated 65 years since [establishing](#) diplomatic relations in 1959. However, it was in the [1970s](#) that Colombia [opened](#) its embassy in New Delhi, and India opened its embassy in Bogotá. Although Colombia and India have [maintained](#) cordial bilateral relations over the years, the relationship between the two countries has been and [will continue to be](#) primarily [commercial](#) and, to a lesser extent, focused on [cultural exchange](#). The bilateral relationship, marked in part by mutual unfamiliarity, has grown [slowly](#), reflecting a common [trend](#) in relations between Latin American countries and India during the 20th century.

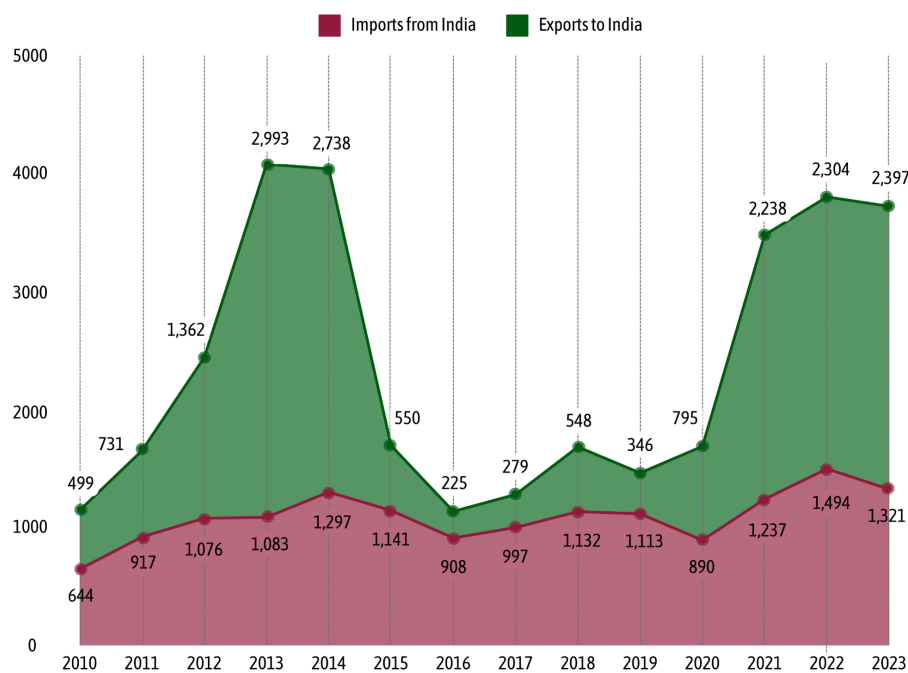
Former President Andrés Pastrana (1998-2002) made the first and only [official visit](#) of a Colombian president to India in 2001. The Mechanism for Bilateral Political Consultations between Colombia and India, [established](#) in 1995, held its [ninth](#) and most recent meeting in 2021 amid the COVID-19 pandemic. This meeting focused mainly on pharmaceutical cooperation for vaccine production and strengthening trade exchange. During Iván Duque's administration (2018-2022), the pandemic [prompted](#) Colombia and India to [significantly strengthen](#) their ties. In 2021, [visits](#) from India's Minister of State for External Affairs, Meenakshi Lekhi, to Colombia, and Colombia's then Vice President and Foreign Minister, [Marta Lucía Ramírez](#), along with then Minister of Health, Fernando Ruiz, to New Delhi marked the beginning of a new stage of diversification in bilateral relations.

Since [2023](#), India has shown increased [interest](#) in reaching out to Latin America. Some experts suggest that while India has a special relationship with a few partners in the region, specifically Brazil, Mexico, and Argentina, the increasing frequency of high-level visits indicates a "new phase" in the relationship with other countries in Latin America and the Caribbean, including Colombia. According to our conversations with experts on India's relationship with Latin America, this would be part of an overall strategy driven by External Affairs Minister Subrahmanyam Jaishankar, which seeks to correct India's absence from some areas of the world, expand its sphere of influence and diversify its trade partners.

According to a 2023 [report](#) by the Development Bank of Latin America, trade between Colombia and India exceeded USD 4 billion in 2021. That year, Colombia ranked as India's fourth largest trading partner in Latin America and the Caribbean, just after the countries mentioned above. According to the National Administrative Department of Statistics (DANE), [trade](#) between Colombia and India in 2023 was approximately USD 3.7 billion, and India is Colombia's fourth largest export destination. Colombia's main export [product](#) to India is oil, and it imports vehicles, cotton, and pharmaceuticals from India.

TRADE BETWEEN COLOMBIA AND INDIA 2010-2023

USD FOB



Source: National Administrative Department of Statistics (DANE).

COLOMBIA
RISK
ANALYSIS

The relationship between Colombia and India has continued to develop under Gustavo Petro's presidency (2022-2026) and has acquired significance in his foreign policy agenda. Evidence of this, Jaishankar's [visit](#) in April 2023 marked the first time an Indian External Affairs Minister had visited Colombia. During his [meeting](#) with then Foreign Minister Alvaro Leyva, the two countries [agreed on](#) an exchange program for 2023-2026 to foster cooperation between cultural institutions between Colombia and India.

Despite these signs of closer relations, our sources indicate that the Colombian delegation's notable lack of preparation during Jaishankar's visit created a tense atmosphere. This scenario reflects a recurring characteristic in the handling of international issues by the current government, as noted in our report "[Understanding China's Technological Footprint in Colombia](#)," published in December 2023, which highlighted the absence of a strategic plan in Colombia's approach towards China.

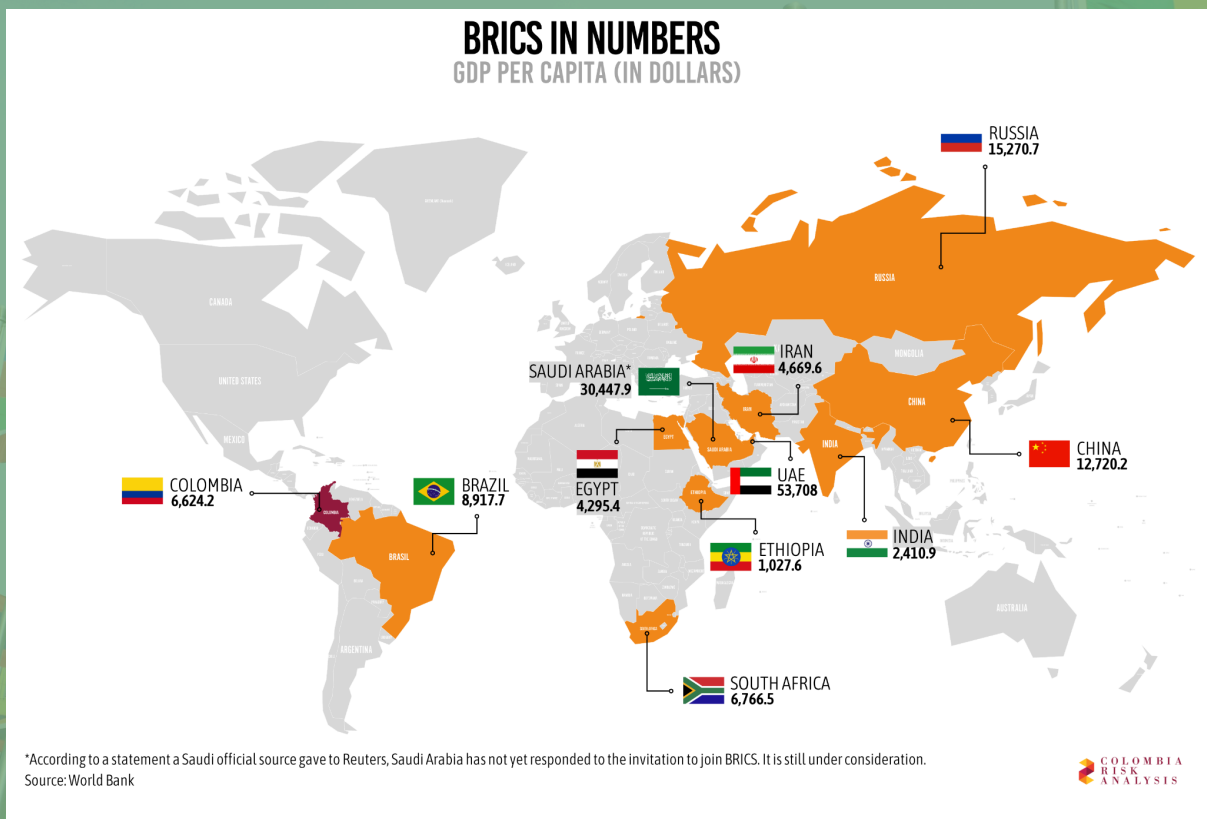
Similarly, Colombia still lacks a strategic plan to guide its relationship with India. Implementing such a plan could maximize benefits, mitigate risks, and take advantage of significant opportunities, such as the recent visit of India's External Affairs Minister. For now, experts we spoke to say that, even under Petro's government, India remains at the bottom of foreign policy priorities.

During the visit of the Indian External Affairs Minister, the then Minister of Commerce, Germán Umaña, confirmed that the Colombian government is interested in promoting Indian investment and [welcomed](#) 35 Indian companies interested in strengthening their presence in the Colombian market, particularly in the pharmaceutical, agro-industrial, and electric mobility sectors, among others. For his part, External Affairs Minister Jaishankar suggested that Indian investment in Colombia would [grow](#) and [assured](#) that

the post-pandemic supply chain challenges make the Indian industry a natural and strategic partner for Colombia.

Additionally, in September 2023, Finance Minister Ricardo Bonilla [confirmed](#) that the Colombian government was considering the possibility of joining the New Development Bank (NDB), an international financial institution created by BRICS, the economic group comprising Brazil, Russia, India, China and South Africa, among other members. This move could deepen the bilateral economic relationship. However, given the close relationship with the United States and other [international financial institutions](#) such as the World Bank, the International Monetary Fund (IMF), the Inter-American Development Bank (IDB), and the Bank of Latin America and the Caribbean (CAF), it is [unlikely](#) that Colombia will join the financial alternative created by the BRICS in the short term.

However, on April 17, 2024, Petro's government [confirmed](#) its interest in joining BRICS "as a full member as soon as possible." Luiz Inácio Lula da Silva, president of Brazil, [expressed](#) his support for Colombia's candidacy. If so, Colombia would be one of more than 40 countries [interested](#) in joining the economic bloc, which in August 2023 invited [six new members](#) for the first time in more than a decade. Egypt, Ethiopia, Iran, and the United Arab Emirates became full members in January 2024. Saudi Arabia [postponed](#) its accession, and Argentina [declined](#) the invitation in December 2023 following the election of President Javier Milei.



With the backing of Brazil, which has historically opposed BRICS expansion, Colombia has an advantage in terms of its potential membership. However, the reluctance of other members, such as [India](#), regarding the [expansion](#) plans proposed by China and [Russia](#), suggests that Colombia is unlikely to join the bloc in the short term. Moreover, according to our sources, the Colombian government has yet to initiate a formal application for candidacy with BRICS member countries.

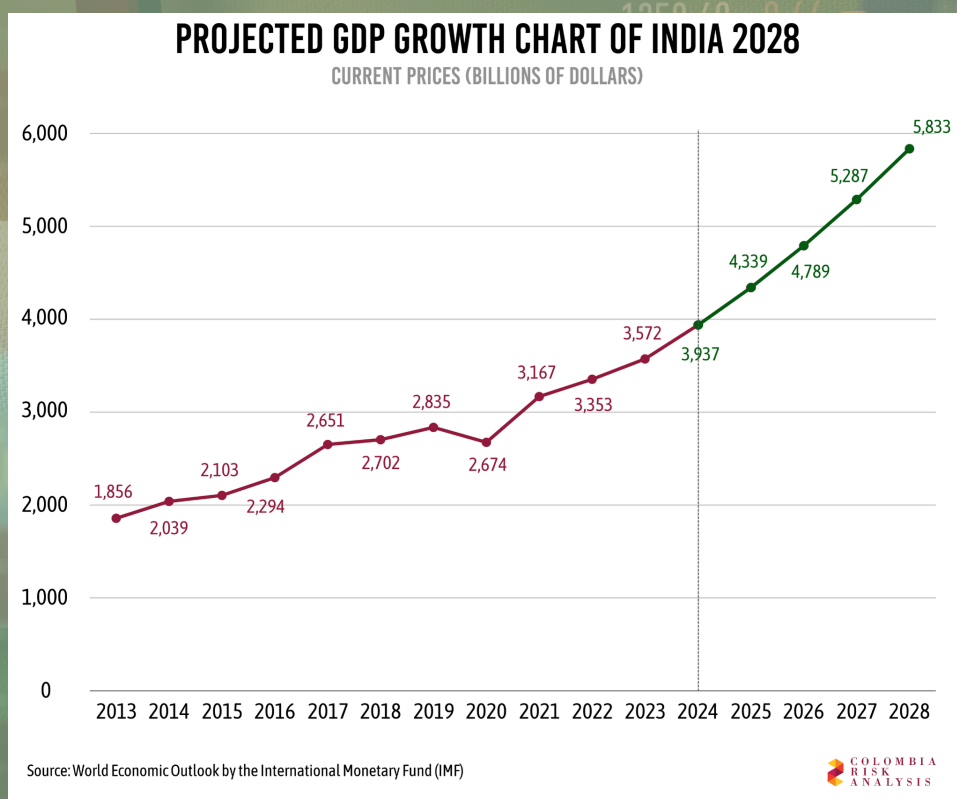
Even if Colombia is successful in its bid to join BRICS in the near future, several of the sources we interviewed agree that membership is unlikely to benefit its relationship with India. In recent years, India has distanced itself from BRICS due to its [disapproval](#) of China's vision for the bloc's expansion and direction. In light of this, experts suggest that a more effective strategy to enhance ties with India would be to strengthen the bilateral relationship and promote new diplomatic and commercial efforts.

Finally, in February 2024, Mauricio Lizcano, Minister of Information Technologies and Communications (MinTIC), [signed](#) a memorandum of understanding with the Minister of State for Electronics and Information Technology, Rajeev Chandrasekhar, to create a working group and [strengthen](#) technological cooperation between Colombia and India. Lizcano emphasized that India would be a fundamental ally for Colombia to become a regional technology production leader and advance the government's digitalization policy.

INDIA'S ROLE ON THE GLOBAL STAGE

In recent years, India has established itself as one of the [fastest-growing](#) economies globally. It is projected to become the world's [third-largest](#) economy, surpassing Japan and Germany by [2028](#). A number of factors, including economic liberalization, infrastructure investment, and growth in the services sector, have driven this growth.

Since 1990, the Indian government has driven an economic liberalization process through [reforms](#) to attract foreign investment and reduce market regulation. These favorable free-market conditions, combined with an abundant young labor force, have contributed to the development of the national industry and increased the competitiveness of the Indian economy in the international market, allowing the country to enjoy [sustained](#) economic growth over the last three decades.



However, much of India's recent success is attributed to its effective [recovery](#) from the COVID-19 pandemic, led by current Prime Minister Narendra Modi. In this context, the Modi government has [prioritized](#) public investment in infrastructure projects, particularly transportation, and plans to invest USD [134 billion](#) from the national budget for this sector during 2024-2025. Improvements in the

network of roads, ports, and railways have proven to be a [crucial axis](#) in India's economic development, improving connectivity between major industrial areas and [attracting](#) foreign direct investment.

Along with the infrastructure sector, the services sector has been one of the main [drivers](#) of India's economic growth in recent years. According to a [report](#) by the India Brand Equity Foundation, this sector, which includes information [technology](#), telecommunications, finance, and banking, attracted USD 108 billion in foreign direct investment from 2000 to 2023. On the other hand, India's manufacturing exports have achieved significant international positioning, competing with other major economies for market leadership in [electronics](#) and [pharmaceuticals](#).

India's economic growth has been bolstered by continuity in its domestic agenda, facilitated by Modi's tenure in power over the past ten years. This continuity will persist over the next five years, thanks to Modi's recent electoral [victory](#) and his reiterated commitment to [policies](#) that favor investment, employment, and fiscal stability. Although this will be Modi's first term [leading](#) a coalition government, it is unlikely to [hinder](#) the progress of his reforms and initiatives to strengthen economic growth over the medium term. On the contrary, forming a coalition government is likely to increase confidence in India's [democratic](#) institutions, which, when combined with the continuity of his domestic agenda, has the potential to attract even more investment into the country.

Despite India's accelerated economic growth, its trade [balance](#) has recorded negative values since [2020](#), reporting a [deficit](#) of USD 238.3 billion according to [data](#) from May 2024. The increase in the deficit can be attributed, in part, to increased transportation costs due to the conflict in the [Red Sea](#) and India's dependence on [oil](#) imports, primarily from Russia, the United Arab Emirates, and Saudi Arabia. As the world's third-largest [consumer](#) of fossil fuels and Asia's leading [exporter](#) of refined oil, India faces [volatility](#) in international prices and [limitations](#) in its production capacity.

India's economic rise has generated growing [interest](#) in its behavior and role as an international actor. In an increasingly multipolar world, India's foreign policy is defined by its [pragmatism](#) and defense of its national interests. Generally speaking, India does not align exclusively with any one power bloc and strives to maintain cordial relations with most countries, [prioritizing](#) its economic growth and development. Since the end of the pandemic, India has intensified its activity in [multilateral](#) forums and organizations, assuming the presidency of the G20 between 2022 and 2023, participating in G7 and Quadrilateral Security Dialogue (Quad) meetings, and promoting cooperation between countries of the global south.

Due to rising political and economic tensions between China and the United States, India has caught the attention of the United States as a [potential ally](#) to counter China's influence in the Pacific, given its geostrategic position, growing [military power](#), and expanding economy. In addition to sharing democratic values with the United States, India has demonstrated common interests in the region, such as [maritime security](#) and [counterterrorism](#). India has actively sought to diversify its economic relations and reduce its dependence on China, with whom it has a territorial [dispute](#) over the Arunachal Pradesh region, facilitating this cooperation.

Despite the United States' intentions to foster closer ties, India has shown interest in preserving its alliances with other countries. For example, in the context of the war between Russia and Ukraine, India has maintained a [neutral](#) stance, avoiding joining the economic sanctions imposed by the United States

and the European Union. According to a [CNN](#) report, Russian crude oil sales to India were estimated at USD 37 billion for 2023. Considering that India refines Russian oil and then sells it to the United States, it is likely that a significant portion of the oil consumed by the United States in 2023 was of Russian origin. Minister of External Affairs Jaishankar has [explained](#) that, despite the war, India avoided suspending the purchase of oil from Russia to protect the population and businesses from an increase in the price of this commodity. However, this decision is likely also a strategy to avoid harming its profits from oil refining.

OPPORTUNITIES AND CHALLENGES IN KEY PRODUCTIVE SECTORS

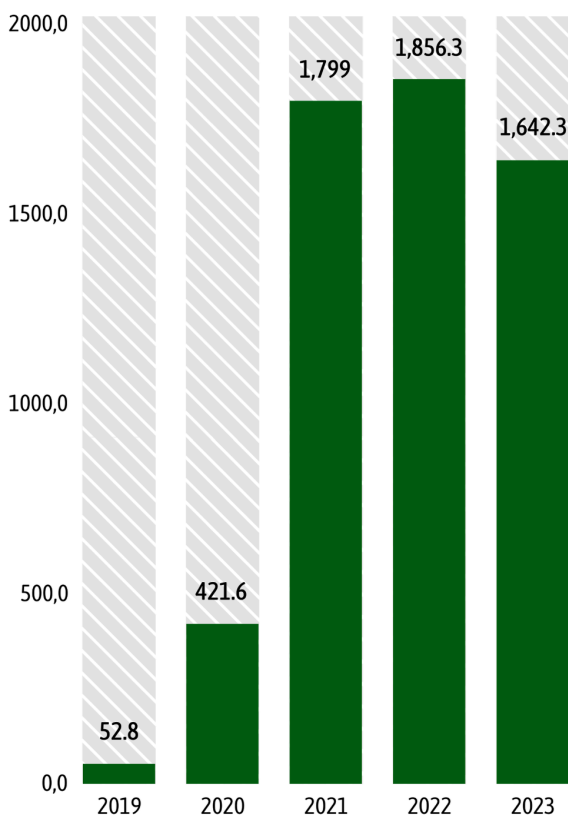


EXTRACTIVE SECTOR

According to [projections](#) by the International Energy Agency (IEA), between 2024 and 2030, India will become the country with the highest growth in oil demand due to its industrial needs and the [transition](#) of China, the current leader in oil imports, towards a less energy-intensive phase of its economy to meet its environmental goals. For this reason, India will likely strengthen its relations with oil-exporting countries in the short and medium term, paying special attention to [new partners](#) in Latin America to diversify its sources and reduce its dependence on fuels from Russia and the Middle East.

CRUDE OIL EXPORT GROWTH TO INDIA BETWEEN 2019 - 2023

USD FOB



Source: DANE

On September 11, 2008, the Governments of Colombia and India [signed](#) the *Memorandum of Cooperation in Energy Matters* to promote Indian investment and participation in hydrocarbon exploration in Colombia. Since then, the extractive sector, focused on producing and trading oil, has become a fundamental pillar in the relationship between the two countries. During the [January-February 2024 period](#) alone, DANE reported that exports to India were valued at USD 440 million FOB, of which USD 329.6 million, about 75%, corresponded to the sale of crude oil. This value represents a positive variation of 81.2% compared to the same period in 2023 when oil exports to India were USD 181.9 million. Sources we interviewed pointed out that the exponential growth in the purchase of Colombian oil by India during 2023 is probably due to the [interruption](#) of trade with Venezuela due to the trade sanctions faced by this country.

Although Colombia [would benefit](#) significantly from [increasing](#) its crude oil exports to India, the Petro government's renewable energy transition [plan](#) is likely to hamper production and affect the perceived competitiveness of Colombia's mining and energy sector internationally. If successful, the energy transition would inevitably result in a [cut](#) in oil production, preventing Colombia from reaping the full potential benefits of India's expanding demand. However, consulted experts suggested this risk will be mitigated in the short term, considering that private Indian hydrocarbon companies in Colombia concentrate most of the oil production and export process to India.

Beyond hydrocarbons, the extractive sector offers other investment and export opportunities, such as the production of [strategic minerals](#). In July 2023, the Indian government published a list of [30 minerals](#) essential for its economic growth based on its industrial needs in various sectors, including nickel, coking coal, [gold](#), and copper. The [critical need](#) to import these minerals has made India dependent on trade with China, its main supplier, making it vulnerable to geopolitical [tensions](#), price volatility, and logistical difficulties resulting from new Chinese [regulations](#). For this reason, India is likely to seek to diversify its mineral suppliers in the near term.

Sourcing some of these strategic minerals harbors great potential for Colombia. In the case of copper, according to a [report](#) by the National Mining Agency (ANM), in 2022, Colombia produced 6,918 tons of this mineral for an income of USD 54.4 million FOB from exports. Although Colombia has the potential to play an [important role](#) in the world copper supply, institutional [obstacles](#) and increasing socio-environmental concerns have prevented production from taking off.

Coking coal mining also represents a valuable [opportunity](#) for Colombia. The country has significant [reserves](#) of low-phosphorus coking coal, which only exist in the department of Norte de Santander and China. The [growth](#) of the metallurgical industry in India will generate a growing demand for metallurgical and coking coal in the medium term. Colombia is currently the [third largest exporter](#) of coking coal in the world, and the development of this industry is likely to grow in the short term due to the recent increase in [restrictions](#) on thermal coal production. As mentioned above, India will likely [prefer to](#) import Colombian metallurgical coal to avoid dependence on China, thus improving the outlook for coal production in Colombia.

Another strategic mineral in the Colombia-India relationship is [nickel](#), essential for [producing](#) electronic equipment in India. Currently, nickel mining in Colombia depends exclusively on the company Cerro Matoso. According to [data](#) from the National Mining Agency, during 2023, the total royalty-paying production volume was 63,247,916 pounds. The low development of the nickel industry in the country is mainly due to [price](#) volatility and [security](#) risks in the departments where the main nickel deposits are located.

The potential for producing strategic minerals is one of India's main investment opportunities in Colombia in the short term, aligning India's economic growth needs with the current Colombian government's [energy transition projects](#). An increase in activity in this sector would increase the nation's income through exports and the payment of mining royalties. In this regard, the Colombian government must focus on improving the security situation at exploration and mining sites and offer guarantees to new entrepreneurs and investors through regulations and management strategies that increase the extractive sector's competitiveness.

PHARMACEUTICAL SECTOR



Since the late 1990s and early 2000s, India has become known as the "[pharmacy of the world](#)" for the mass production and export of generic drugs. For over a decade, the Indian pharmaceutical industry has been [noted](#) for its [rapid growth](#), [competing](#) directly with China. Since the COVID-19 pandemic, India has also shown a [growing interest](#) in increasing its participation in Western big pharma's [medical research](#) and production of licensed drugs.

The pandemic also accelerated India's efforts to [reduce](#) its pharmaceutical industry's [dependence](#) on China, from where it imports its medical ingredients. According to a November 2023 [report](#) by EY-Parthenon and the Organization of Pharmaceutical Producers of India (OPPI), India's pharmaceutical industry produces 20% of the global generic drug supply and 60% of the global vaccine demand. Moreover, there is no [indication](#) that the pace of growth in the Indian pharmaceutical market will slow down. This market was [valued](#) at approximately USD 49 billion in 2022. [Projections](#) by the Indian Pharmaceutical Alliance (IPA) suggest that the sector [will](#) reach [USD 130 billion](#) by 2030. Additionally, according to the EY and OPPI report, the industry is projected to reach [USD 450 billion](#) by 2047.

If so, India is on track to become the world's [largest drug supplier](#) by 2030. According to IPA, to achieve its growth projections, India's pharma [strategy](#) will focus on expanding its domestic market, strengthening its presence in the United States, and "increasing exports to large and traditionally underpenetrated markets such as Japan, China, Africa, Indonesia, and Latin America" by forming "[partnerships](#) with local manufacturers and distributors." Therefore, the global leadership that India aspires to in the pharmaceutical sector will likely open the door to greater investment [opportunities](#) in the Colombian market.

A [report](#) published in 2023 by the Confederation of Indian Industry (CII) states that, in 2022, India [exported](#) approximately USD 1.44 billion worth of pharmaceuticals to Latin America and the Caribbean. Some experts, such as Hari Seshasayee, have [recognized](#) the [potential](#) of the [Latin American market](#) in this [area](#) for years and have documented the significant investment that Indian pharmaceutical companies have begun to make in the region.

According to a 2022 [report](#) by the Wilson Center's Latin America Program, 27 Indian pharmaceutical companies operate in Latin America, with 72 subsidiaries and 13 manufacturing plants in the region. The report highlights that ten of these 27 pharmaceutical companies have invested in and operate in Colombia. However, our sources assure us that the presence of pharmaceutical companies does not necessarily reflect a significant investment or a large generation of employment, as it may be limited to the appointment of a representative for Colombia or the opening of small representative offices in the country.

However, the rapid global expansion of the Indian pharmaceutical sector has not been without controversy. In early October 2022, the World Health Organization (WHO) issued an [alert](#) about four cough syrups made in India and distributed in Gambia that contained "unacceptable amounts of diethylene glycol and ethylene glycol as contaminants." According to Tedros Adhanom Ghebreyesus,

director-general of the WHO, these syrups were [possibly linked](#) to the [deaths](#) of at least 66 children in that country.

INDIAN PHARMACEUTICAL COMPANIES IN COLOMBIA

YEAR OF ESTABLISHMENT IN LATIN AMERICA | YEAR OF ESTABLISHMENT IN COLOMBIA



Source: Own construction with available information on the region from Hari Seshasayee (2022) "Latin America's Tryst with the Other Asian Giant, India". This list is not intended to be comprehensive.



A Reuters [report](#) published in September 2023 revealed that the Indian pharmaceutical industry's lapses in manufacturing standards, specifically in the production of various cough syrups, may have been linked to the deaths of at least 16 children in India and 141 children in The Gambia, Uzbekistan, and Cameroon since 2019. These poisoning cases add to a long list of [incidents](#) allegedly associated with Indian drugs with [poor quality standards](#), [especially](#) in countries with weak regulatory systems. Although these incidents have not affected India's pharmaceutical exports, the government has taken [steps](#) to improve and [monitor](#) the quality standards of its pharmaceutical industry to [repair](#) its [reputation](#).

Quality problems associated with Indian drugs have also affected Colombia. In February 2020, the *Instituto Nacional de Vigilancia de Medicamentos y Alimentos* (INVIMA) [ordered](#) the recall of contaminated batches of methotrexate, a drug to treat cancer, [produced by the Indian pharmaceutical company Naprod](#). A *Bloomberg* [investigation](#) published in December 2023 details how chemotherapy manufactured by this Indian company

could be linked to adverse reactions in at least 100 patients and the death of four children in Colombia. According to [Bloomberg](#), Naprod has not faced retaliation from Colombian authorities and continues to operate in the country.

As the Indian pharmaceutical industry seeks to [expand](#) in Colombia, the Colombian government must support these efforts, recognizing the investment opportunities offered by a growing industry that will potentially provide economic alternatives to avoid drug [shortages](#). However, regulatory authorities in Colombia, such as INVIMA, should monitor the quality of Indian drugs more closely, especially after the incidents mentioned above that reveal deficiencies in their quality standards, thus protecting Colombians' health. In addition, the government must consider other barriers [identified](#) by the CII to improve pharmaceutical trade between India and Colombia, such as language differences and legal requirements for establishing manufacturing plants.

TECHNOLOGY SECTOR



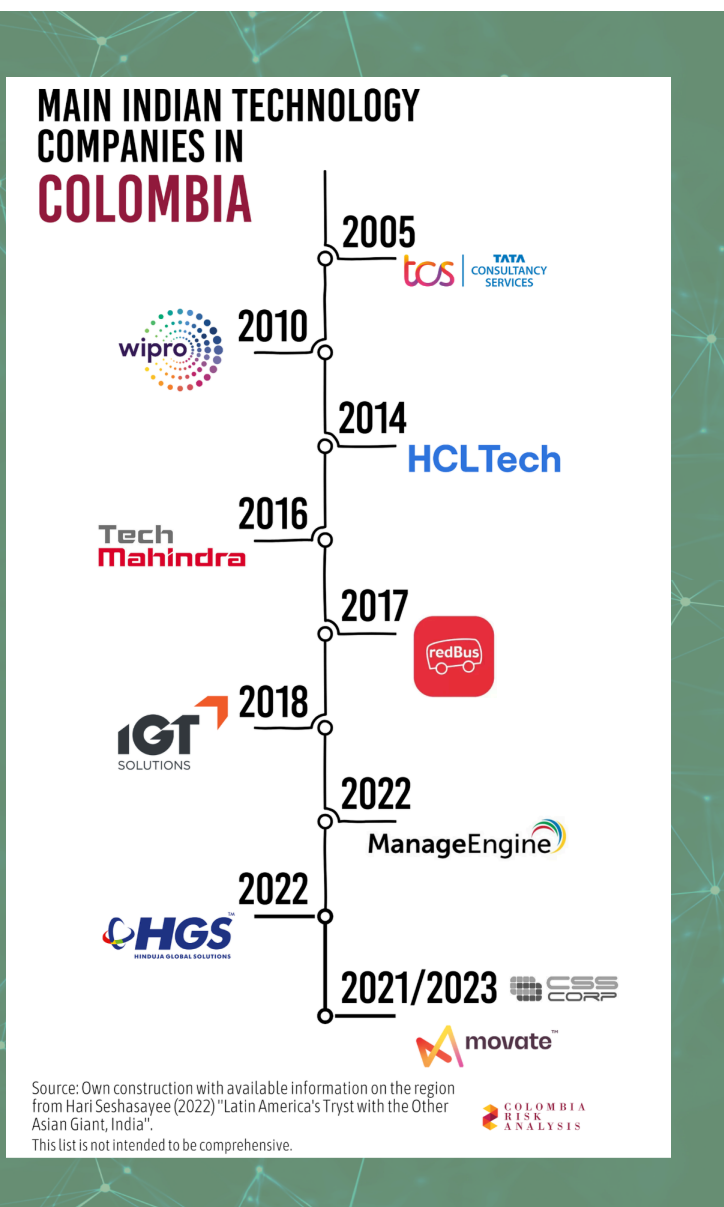
Although a February 2024 [report](#) by the National Association of Software and Service Companies (Nasscom) projects that India's technology sector will grow at a significantly slower rate in FY 2024, at [3.8%](#) compared to 8.4% in FY 2023, revenues from this industry are expected to [amount](#) to USD 254 billion, which would represent approximately [7%](#) of India's Gross Domestic Product (GDP). By 2030, these revenues are projected to reach [USD 350 billion](#). In addition, export earnings from the Indian technology industry in fiscal year 2024 are [estimated](#) to be nearly [USD 200 billion](#).

For over [two decades](#), India's promising and growing technology industry, [focused](#) on exporting information technology (IT) services and business process outsourcing (BPO), has [set its sights](#) on Latin American markets, representing significant investment and cooperation opportunities in Colombia and the rest of the region. According to a 2022 [report](#) by Seshasayee, [approximately](#) 20 Indian technology companies operate in Latin America and employ [close](#) to 40,000 people in the region; of these, seven tech companies are based in Colombia. According to Seshasayee, these companies are [interested](#) in the growing Latin American services market and the region's young talent. Some estimates are even higher; in February 2023, External Affairs Minister Jaishankar [estimated](#) that Indian IT companies employ more than 100,000 Latin Americans.

Undoubtedly, Indian companies have identified the potential to invest in Latin America. For example, Tata Consultancy Services, India's leading software services exporter, plans to focus on [expansion](#) in this region after Latin America [showed](#) the [highest revenue](#) growth. The region experienced an increase of 17.3% compared to the Indian company's sales growth of 15.3% in North America and 14.6% in India. Thus, India's interest in establishing Latin America as a new center for offering its technology services is undeniable.

In February 2024, Mauricio Lizcano, Colombia's Minister of Information Technologies and Communications, [visited](#) New Delhi to strengthen bilateral technological cooperation. He showed particular interest in topics such as artificial intelligence, the application of technology in education, and digital government, the latter being of special [export](#) interest for India.

During that visit, Colombia signed a [memorandum of understanding](#) with India to formalize a strategic alliance to help Colombia become a technology producer and train its human talent in information



technology. This final aspect represents the main challenge for Colombia in the face of the arrival of Indian investment in the technology sector, as [several studies](#) have revealed a shortage of IT talent, which has been aggravated by the rapid digitalization after the COVID-19 pandemic.

AGRICULTURAL SECTOR



In April 2023, India [overtook](#) China as the world's most populous country, with more than 1.4 billion inhabitants. This unprecedented population growth represents a crucial challenge for the Indian government: ensuring food security for the entire population. To meet this challenge, Narendra Modi's government has implemented various strategies, including [expanding](#) the free food program and [increasing](#) export [restrictions](#) on some agricultural products. Despite efforts, food security in India is still at risk due to low household [incomes](#) in the rural sector, [climate change](#), and the [displacement](#) of rural labor to urban centers due to increased investments in the manufacturing sector.

In the short term, India will likely maintain or increase export restrictions and seek to reduce its dependence on [imports](#), which is in line with its recent trend of implementing more [protectionist](#) measures. The trade figures with Colombia reflect the difficulty in accessing the Indian agricultural market: according to the Observatory of Economic Complexity ([OEC](#)), the main food and vegetable products exported from Colombia to India were chocolate and coffee, representing only 0.024% and 0.019% of trade transactions to India in 2022, respectively.

Although a [report](#) published by the Confederation of Indian Industry (CII) points to the production and marketing of vegetable oils as one of the main opportunities for cooperation between India and Latin America, India has significantly [reduced](#) the volume of imports of these products since November 2023. Imports of palm oil, one of the products with the most significant production and export [potential](#) for Colombia, have been the most [affected](#) by this cutback. Given this scenario, it is unlikely that India will focus its trade relationship with Colombia on the export potential of the agricultural sector, instead preferring cooperation and investment in the extractive and pharmaceutical sectors.

According to consulted experts, Colombia's agricultural export outlook also faces challenges from competition with other Latin American countries, some of which have managed to overtake Colombia by positioning their products in the Indian market through strengthened diplomatic and trade relations with India. However, the same experts point out that Indian investors may see Colombia as an agro-industrial production center from which they can export agricultural products to other countries, explaining the low figures reported by the OEC. For example, UPL, a world-leading Indian agricultural solutions company, has established itself in Colombia with plants in Barranquilla (Atlántico department) and Madrid (Cundinamarca department), functioning as an export hub for the region and [recognizing](#) the country's potential to become a food exporter.

Besides competition, the agricultural sector in Colombia faces several risks that reduce its appeal to Indian companies and investors. According to the findings of our “Regional Risk Index” for the [Orinoco](#), [Pacific](#), and [Caribbean](#) regions, the sector faces the challenge of a lack of adaptability to climate change, which makes crops vulnerable to climate events such as [floods](#) and [droughts](#). In addition, we have

identified a problematic lack of technology, skilled labor, and adequate road [infrastructure](#) for transporting products in Colombia. In addition, similar to the extractive sector, the presence of [armed groups](#) has compromised the security of operations in the agricultural sector in several regions of the country.

Most of the opportunities in the sector lie in attracting investment from India to optimize agro-industrial processes. India is currently on the way to revolutionizing its agricultural sector by applying new technologies, including [artificial intelligence](#) and specialized machinery for agro-industrial applications. Thanks to the potential of agriculture in Colombia, the application of [agrotechnology](#) opens up an investment opportunity for Indian companies, contributing to the modernization of this sector in the country. To capture it, Colombia should seek to offer greater tax incentives and promote proximity to India, using existing cooperation agreements more effectively.

CONCLUSIONS

Colombia currently faces a significant opportunity to strengthen its relationship with India. Through the visits of high-level officials and the signing of new agreements, India has demonstrated a strong interest in expanding its presence in Colombia, exploring new avenues for diplomatic collaboration, and promoting commercial and cultural exchanges.

However, Colombia still does not properly consider India a strategic partner, as reflected in the lack of forceful and effective actions to capitalize on this rapprochement. India has occupied a prominent place in the international political and economic arena for some time now, and Colombia risks losing the opportunity to join it in this ascent. It is unlikely that the Petro administration will break this pattern, given that its engagement with India has been as timid as in previous administrations.

The stagnation in the relationship will likely hinder the economic exploration of the strategic sectors identified in this report. For this reason, in the short term, the relationship between the two countries will remain primarily focused on oil. However, as mentioned above, the current Colombian government's energy transition project will likely affect oil production and trade. Colombia's continued adoption of a non-propositional stance will cause the country to miss opportunities in other sectors that, in the long term, stand to become crucial to strengthening the relationship with India once oil production subsides.

In addition to oil dependence, Colombia faces several challenges that make it difficult to attract Indian investment in the short and medium term. Among these challenges are security threats, especially in strategic mineral exploration areas, the shortage of skilled labor in science and technology, and [delays](#) and gaps in pharmaceutical regulation.

According to several experts we interviewed, these challenges are compounded by a lack of [tax incentives](#) for entrepreneurs, regulatory obstacles to establishing new industries, and [low economic growth](#) projections in Colombia. Although India is interested in increasing its presence in Latin America, these limitations are likely to put Colombia at a disadvantage compared to other countries in the region, especially those that have already successfully established a significant business relationship with India.

ANNEX 1

Between May 30 and June 10, 2024, Cifras & Conceptos conducted the fieldwork for the India Module of its most recent Polymetric Survey. According to the survey, Colombians generally have a neutral opinion towards India (45%), with small minorities of 15% and 20% having good or bad views, respectively. There is also no dominant opinion about the products India offers Colombia: 24% of Colombians think they are good, 35% believe they are fair, and only 5% think they are bad. Additionally, 36% of those surveyed do not know what products India offers.

The vast majority of Colombians (83%) are not aware of Indian companies operating in Colombia, which suggests both a hindrance and an excellent opportunity for improvement for Indian entrepreneurs, as well as for investment promotion agencies and the binational Chamber of Commerce. Of those who do know about Indian companies in Colombia, 50% have a good opinion, 47% think they are fair, and only 3% believe they are bad. This data indicates ample room for improvement for Indian companies. Among those who know these companies, 59% attribute the main motivation for investing in Colombia to access new markets, 14% to support national development, 13% to access natural resources, and only 7% to political influence. These results suggest that Colombians perceive the relationship between Colombia and India as mainly commercial and far removed from political considerations.

Finally, Colombians view Colombia's joining BRICS favorably, with 62% saying it is a good idea and only 28% saying it is not. Additionally, the majority (53%) have no reservations about Indian investment in strategic sectors such as mining, oil, technology, and pharmaceuticals, while only 37% believe that Colombia should prevent or limit Indian investment in these sectors.



These results suggest that there are enormous possibilities for India and its companies to improve the perception Colombians have about them, the quality of their products, and their motivations to invest in our country. Additionally, the survey indicates that, for now, the focus of the bilateral relationship is economic rather than political. This focus has the potential to be beneficial for the stability of the relationship and facilitate the work of diplomats, the private sector, and commercial agents of both countries in the medium term. The consolidation of these numbers on the part of India will depend on greater investment and exposure in the Colombian market.

2024 POLIMÉTRICA SURVEY

INSTITUTIONS | POLITICS | ECONOMY AND SOCIETY



Technical Data Sheet

-  **Objective:** To understand citizens perceptions of public opinion and social issues.
-  **Entity that conducted and commissioned the study:** Cifras & Conceptos S.A.
-  **Funding Source:** Cifras & Conceptos S.A. and subscriptions.
-  **Geographical Scope:** Urban areas of Bogotá, Medellín, Cali, and Barranquilla.
-  **Target population:** Men and women over 18 years old, active voters (those who have voted in any election in the last five years), and regular residents in the cities within the geographic scope of the study.
-  **Represented universe:** Estimated at 6,439,684 active voters.
-  **Method used from the unit selection:** The premises for selecting observation units correspond to a stage-stratified sampling design with an area framework. The area framework corresponds to the available cartographic inventory based on the latest National Population and Housing Census and current population projections sourced from Dane.
-  **Sample size:** A total of 1607 surveys were distributed as follows: Medellín: 402, Barranquilla: 331, Bogotá: 522, and Cali: 352.

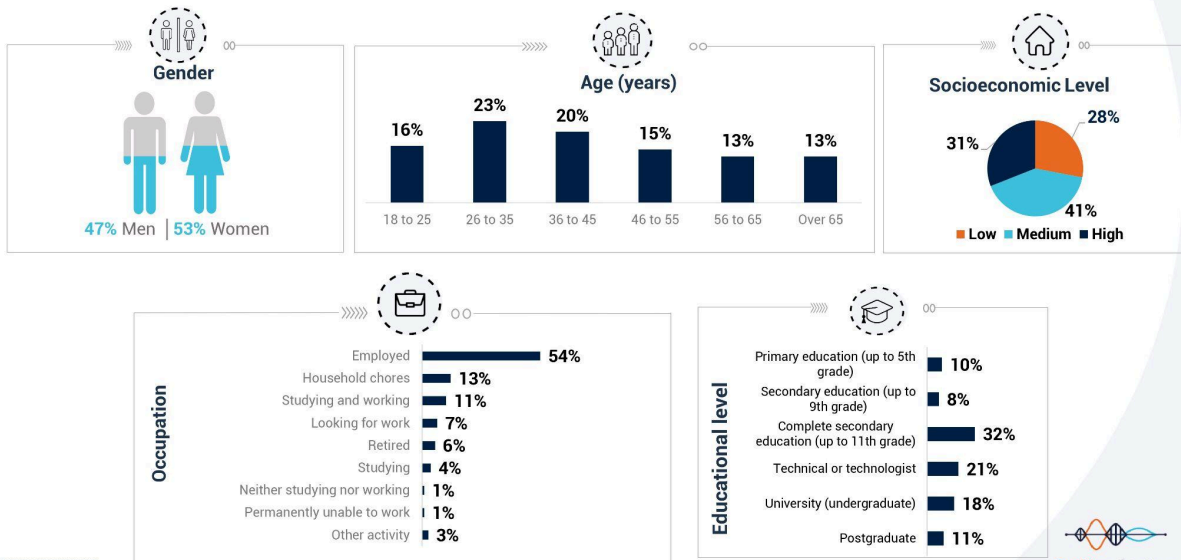
This project has complied with the International Standard ISO 20252 version 2012 guidelines.

-  **Technique used for sample selection:** In-home face-to-face survey with a structured instrument.
-  **Margin de error:** 4.6% for estimates of the total aggregate of cities with 95% confidence for phenomena observed with a frequency of at least 25%. Phenomena observed with higher frequency present a lower estimation error. By city, the margin of error is less than 5.9%, with 95% confidence for phenomena observed with a frequency of at least 50%.
-  **Number of interviewers and supervisors:** 45 interviewers, 5 supervisors, and 1 coordinator.
-  **Date carried out:** From May 30 to June 10, 2024.
-  **Topics of the form:** Sociodemographic, perception of the National and Local Government.
-  **Individuals inquired about:** Gustavo Petro y Francia Márquez, Luis Fernando Velasco, Ricardo Bonilla, Luis Gilberto Murillo, Néstor Iván Osuna, Iván Velásquez, Jhenifer Mojica Flórez, Guillermo Alfonso Jaramillo, Gloria Inés Ramírez, Omar Andrés Camacho, Aurora Vergara, María Susana Muhamad González, Catalina Velasco, Luz Cristina López and Germán Umaña.
-  **Polimétrica Coordinator:** Yennifer Pérez
Statistician: Miguel Ángel León
-  **Questionnaire questions:** Refer to the attached form: Refer to the attached form.

SOCIODEMOGRAPHIC



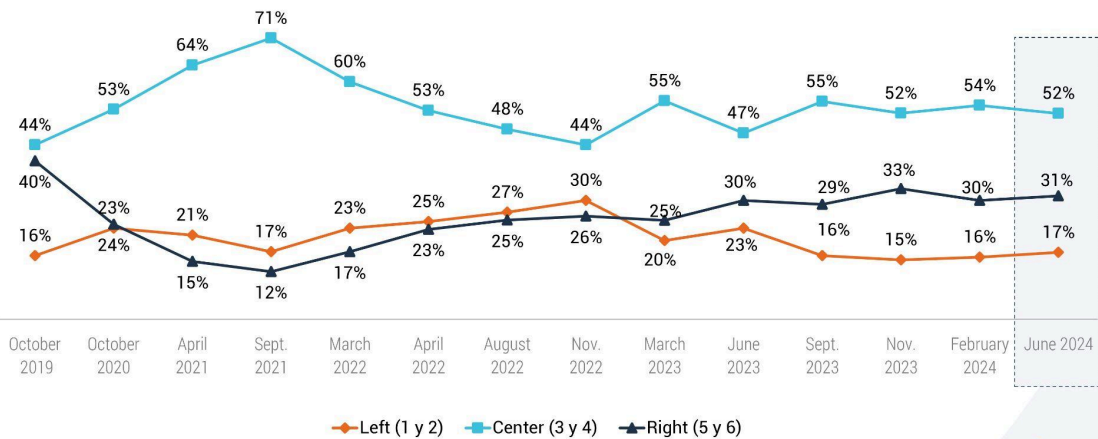
Sociodemographic



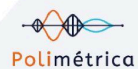
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Ideological identification

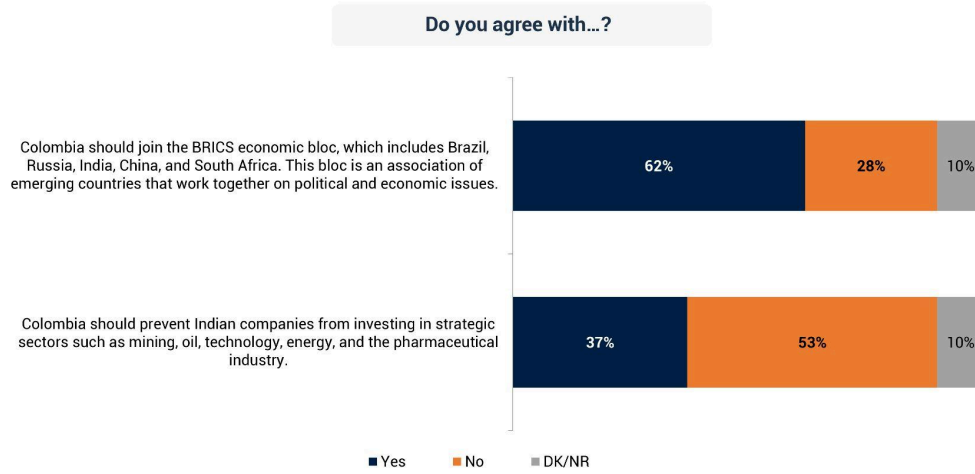


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India Module



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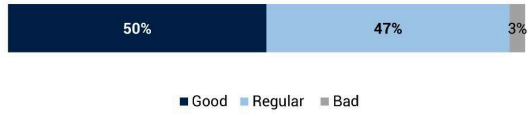


India Module



In general terms, what is your image of Indian companies in the country?

Only those who know Indian companies in Colombia



In your opinion, what is the main motivation for Indian companies to invest in Colombia?

Only those who know Indian companies in Colombia



Base: 231



India Module

In general terms, what is your image of India?



How do you generally rate the products offered by India?



Base: 1607





**ARE YOU INTERESTED IN A DETAILED
REPORT ON LOCAL PERCEPTIONS AND
COMMERCIAL AND DIPLOMATIC RELATIONS
BETWEEN COLOMBIA AND YOUR COUNTRY?**

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