

Cali: Development hub of the Colombian Pacific Region



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June 10, 2019

Outline

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- Valle del Cauca at a Glance
- Cali: Leading city from the Pacific Region
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- Business development challenges
- Prospera: Business development center
- Valle INN





COLOMBIA



New OECD member



Colombia is the 31st largest economy in the world and the 4th in Latin America¹



Growing middle class²



Best country in South America to do business with (Doing Business 2017)³



Colombia has the lowest FDI barriers in the Latin American and Caribbean region⁴



+50 million
inhabitants



Peacebuilding

Atlantic Ocean

Panama

Venezuela

Pacific Ocean

COLOMBIA

Ecuador

Peru

1. IMF, 2016.

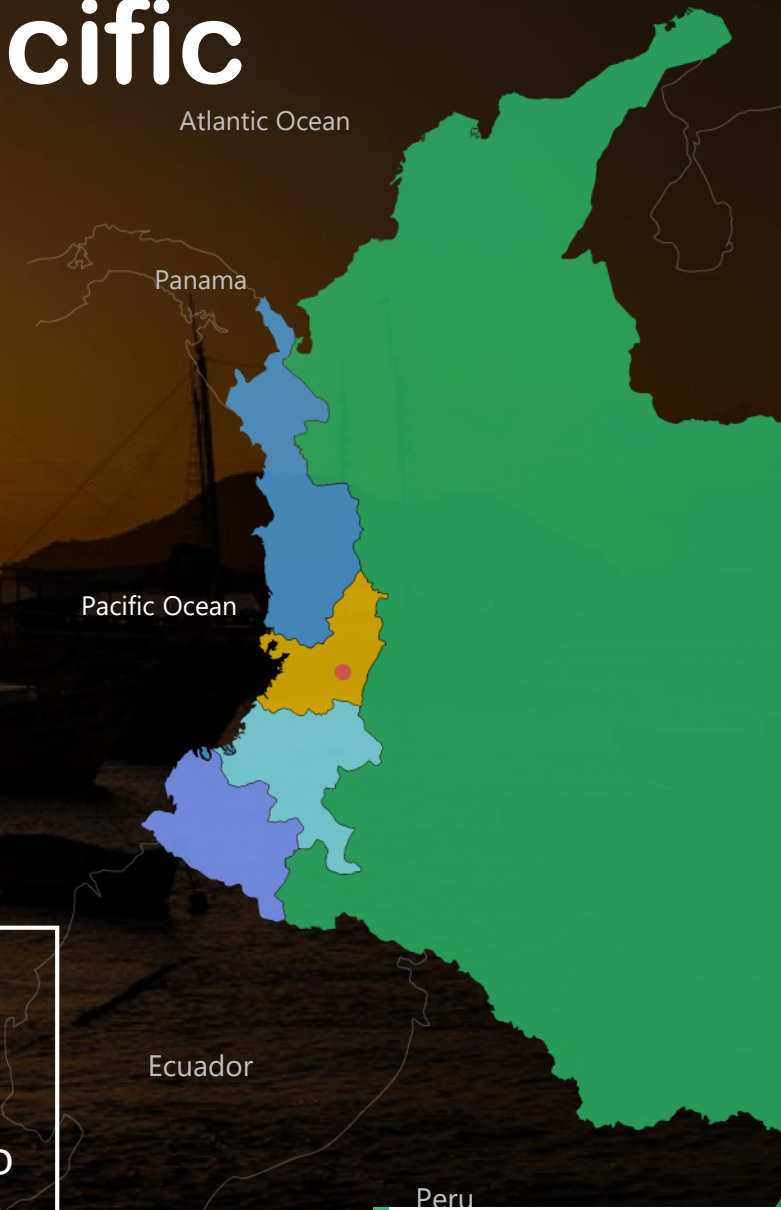
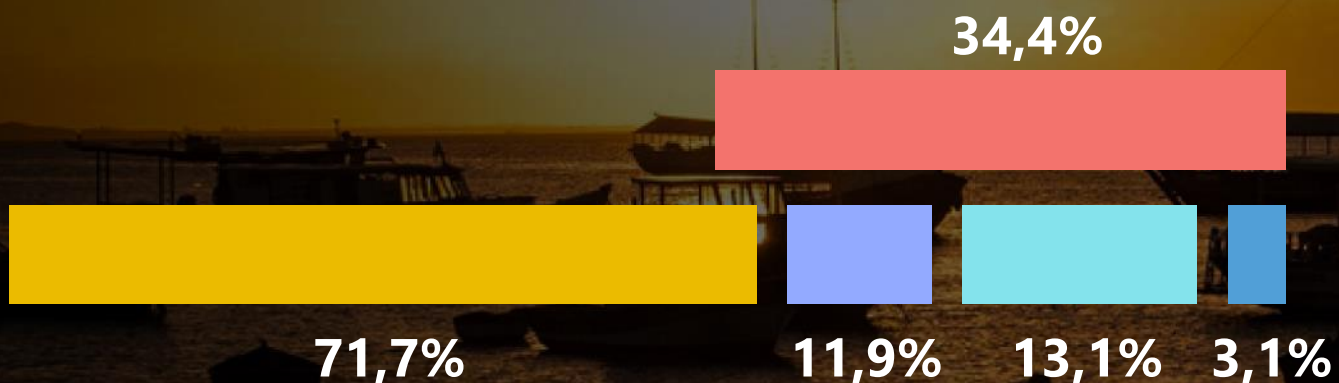
2. Procolombia

3. World Bank

4. Financial Times, 2018

Economic overview of the Pacific Region

The region accounts for 13,6% of the country's GDP.



Source: Economic Development Office of Cali based on DANE-data

Valle del Cauca at a glance

Cradle of Multinationals + 150

(as Colgate-Palmolive, Unilever, Cargill, Nestlé, Baxter, among others)

Accounts for **10% of Colombia's** GDP (2017) with a growth rate of 3,5% in 2018¹.

Colombia's main port on the Pacific Ocean.

Proximity to Colombia's internal market to address 65% of the GDP and 61% of the population: 2/3 of main cities consumption³.

The most **diversified export basket** of the Country (Agroindustry, Pharmaceutical, BPO, packing, fashion)

1. DANE and Month Economic Activity Index (IMAE).
2. DANE 2016.
3. EAMM 2016.



Cali: leading city from the Colombian Pacific region



Multidimensional poverty reduction and income distribution rates above the national average



Long history of business development: multinationals and large national companies services Centre



+30% of the population is African-descends

2nd highest concentration of afro population in Latin America



Competitive Costs

7th city in the American continent with the **best cost-efficiency for investments**¹



Competitive human capital

Six high quality universities



Zonamerica

The first free trade zone focused on services in Colombia. **USD 30 million** Initial Investment and expects to generate more than **+17.000 jobs**



Cali is the leader in **creative economy** in the country, recognized as **“World’s capital of Salsa”** and have a Festival Season.



1. Financial Times, 2018

Cali: enterprises by business size

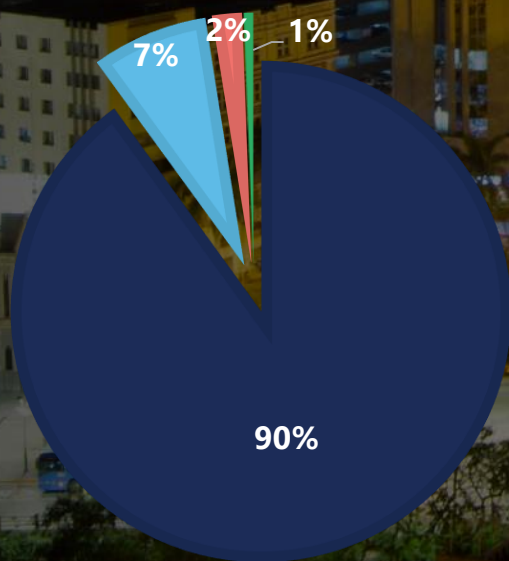
94,889

New and renewed companies registered in the Chamber of Commerce in 2018.

Three sectors represent 60% of the city's businesses¹

ENTERPRISES BY BUSINESS SIZE

Micro Small Medium Big



Commerce



Industry



accommodation and food



1. Cali Chamber of Commerce, 2018

Challenges for business development



Low inclusion and representation of **minorities and women.**



Few financing mechanisms.



Low expenditure in STI (Science, Technology and Innovation) activities. Expenditure in STI activities as a percentage of GDP: **0,44%.**



Lack of management skills in founders and c-level entrepreneurs



Human capital gaps.



Complex regulatory framework and inefficient business services.

Business Development System

Phases of business development



+ 40

Entities that support entrepreneurship in the city.

+ 50

Programs for business strengthening.



An ecosystem of business strengthening aligned from supply and demand.

- Dynamiza website
- Productive chains
- Plan Crecer
- Export Consortiums



Prospera: business development center

We work with small businesses to increase their productivity and help them connect with commercial, educational, financial and job networks.

e.g.: local shop, beauty saloon.

- The business is based on the owner's expertise.
- Low productivity levels.
- The business has not changed in years.
- It has survived the death valley.
- Gross sales between USD \$800 to USD\$5,000.
- 86% owned by women and/or minority groups (ethnic, age, education, civil conflict, poverty).

To work successfully with them it is very important to specify the "hows" and not only the "whats".

Prospera

Centro de Desarrollo Empresarial



3.719

TB with business plans



3.406

Jobs generated



14%

Sale increase



75%

TB with business plans



43%

Increased their client base



49%

Increased their sales by 41%



Valle INN



Promotes and strengthens the initiatives of entrepreneurship, business development and innovation of Valle del Cauca with innovation as a core of competitiveness.

Main services:

Business mentoring and accompaniment.

Business strengthening and linking to fairs and events and business plans.

Training in administrative issues.

\$ 1,4 Million USD

Of seed capital delivered between 2016 and 2017 generating 225 jobs in 41 companies, through the "Fondo Emprender" program.

16.389

Entrepreneurs attended
Cut-off to April 2019

40

Business fairs for promotion of products and services these entrepreneurs and business owners.

150.000 USD

Of seed capital delivered in 2018 to **42 enterprises and entrepreneurs** generating 55 jobs, through Fondo Valle INN .

1.292

People benefited
from the bankization program.

8

Valle Inn Centers in different municipalities



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