Cali: Development hub of the Colombian Pacific Region

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COLOMBIA

New OECD member

Colombia is the 31st largest economy in the world and the 4th in Latin America\(^1\)

Growing middle class\(^2\)

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 region\(^4\)

Peacebuilding

+50 million inhabitants

Growing middle class\(^2\)

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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.
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.

SIX DEFINED CLUSTERS

- Fashion
- Clinical excellence
- Wellness and personal care
- Bioenergy
- Macro snacks
- White protein
Cali: leading city from the Colombian Pacific region

- **Multidimensional poverty reduction and income distribution** rates above the national average
- **+30% of the population is African-descends**
  2nd highest concentration of afro population in Latin America
- **Competitive human capital**
  Six high quality universities
- **Long history of business development:**
  Multinationals and large national companies services Centre
- **Competitive Costs**
  7th city in the American continent with the best cost-efficiency for investments
- **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.
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 businesses:
- 39.1% Commerce
- 12.5% Manufacturing industries
- 9.0% Accommodation and food services
- 6.9% Professional and scientific act
- 5.1% Other service activities
- 4.9% Construction
- 4.2% Management services
- 3.1% Real estate activities
- 2.8% Community
- 2.6% Transport
- 2.3% Others

1. Cali Chamber of Commerce, 2018
Challenges for business development

- Low inclusion and representation of minorities and women.
- Low expenditure in STI (Science, Technology and Innovation) activities. Expenditure in STI activities as a percentage of GDP: 0.44%.
- Human capital gaps.
- Few financing mechanisms.
- Lack of management skills in founders and c-level entrepreneurs.
- Complex regulatory framework and inefficient business services.
Business Development System

Phases of business development

- Ideation
- Startup
- Growth
- Maturity

Entities that support entrepreneurship in the city.

+ 40

Programs for business strengthening.

+ 50

An ecosystem of business strengthening aligned from supply and demand.

- Dynamiza website
- Productive chains
- Plan Crecer
- Export Consortums
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”.

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.

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

- $ 1.4 Million USD
- Entrepreneurs attended
  - Cut-off to April 2019
- 16,389
- 40

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

- 150,000 USD
- People benefited
  - from the bankization program.
- 1,292
- Valle Inn Centers in different municipalities

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