Interview: Juan Gabriel Pérez – Executive Director, Invest in Bogota, Colombia

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Juan Gabriel Pérez, Executive Director of Invest in Bogota, shares his powerful message of why Bogota is an ideal investment destination, not only relative to other Colombian cities, but to Latin America as a whole. He speaks about the economic advantages of duty-free zones in the city, the untapped potential for the pharmaceutical sector, as well as fostering a strong public-private alliance to shape a brighter future for Bogota as the heart of the country.

Invest in Bogota is one of the oldest Latin American municipal investment agencies, established in 2006. As an introduction, can you please provide a brief history of the organization, as well as the scope of its coverage?

Invest in Bogota has been established in the Colombian market for over 10 years. It was founded through the Bogota Chamber of Commerce and the City Government and is tasked primarily with promoting the level of foreign direct investment into the country. Our organization is one of the key players in bringing investments into the country, especially for the industry and service sectors. The entity is oriented towards transforming and ameliorating the city of Bogota through focusing on strategic sectors and ensuring that they are equipped with the best people and the best products.

Today, the organization boasts the spearheading of 250 different investment projects in the city, with over 1.9 billion USD in foreign direct investments. In our mission to transform the city as one of the ideal investment destinations in the country, our values are aligned with the mission of the Chamber of Commerce in Colombia. We are equipped with a specialized market intelligence team tasked with strengthening the city through enticing some of the major investment players globally.

In the context of the pharmaceutical sector, how is Bogota and the country perceived as an investment destination?

The pharmaceutical sector is one of the key growth areas for the country. It is one of the prioritized sectors for the city due to its prosperous growth. Bogota is home to Biopolis events which gather some of the most important players in the biotech and life sciences industries.

Bogota is the main center of pharmaceutical and biopharmaceutical activities in Colombia. The sector boasts several multinational players and it is continually strengthened through innovation and a strong scientific community in the country. The growth in this area is also aided by strong exportation platforms. The pharmaceutical sector is one of the areas responsible for trade activities in the city. The El Dorado International Airport of Bogota is recognized as number one airport in Latin America for air freight volume, therefore we have some of the most competitive prices in terms of export activities in the country.

The pharmaceutical sector in Bogota is very attractive and it has been chosen as the HQ for Colombia and in many cases for the region by with traditional players such as Bayer, Roche and Pfizer. We are experiencing the next wave of investments that are coming from rapidly emerging economies such as India, Israel and Portugal. There is also an increasing number of mid-size European players that are interested in Colombia. Asian players that are drawn to Colombia include companies primarily from Singapore and Japan.

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Bogota has numerous multi-purpose duty free areas. Can you please explain to our executive readers the significance behind these areas and how they foster the economic growth of the city?

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Colombia is the most renowned country in the region for free-trade zones. There are 400 free-trade zones in Latin America as a whole and 108 are located in Colombia. Being home to one quarter of these zones has been a significant advantage for Colombia. Bogota has 33 percent of the free-trade zones of the country, and they can vary from having a multi-company usage or being used exclusively by one company. The free-trade zones are strategically connected to facilitate trade and are continually developed throughout the years. Having a favorable tax regime has been attractive for both national and multinational companies concentrated in these industrial parks, which facilitates the level of international mobility for the companies.

In Bogota, there are six of the most renowned multi-purpose zones in the country, mostly focused on the service and industrial sectors. There is one free-trade zone specifically focused on the pharmaceutical sector, most frequently used by companies such as Blue Pharma, Fresenius and other such strong players in the sector.

How does the healthcare infrastructure in Bogota influence the pharmaceutical activities in the city?

Bogota shares 83 percent of the sector's commercial transactions, partly driven by the fact that the national government is located in this city, with a market of about 8 million people. Bogota is home to 67 percent of pharmaceutical manufacturers and 50 percent of the medical devices industry is located in the city. Bogota is strategically connected to various international markets as well, with an infrastructure that is conducive for business for many multinational players.

The Colombian Healthcare system ranks as number one in the Latin American region and 22nd globally, with 96 percent universal coverage, according to the WHO. Approximately 46 million people are affiliated to the healthcare system. Therefore, many companies in the market are attracted to the philosophy and dynamics of the healthcare system because it promotes a larger level of access for medicine to the population. Having a robust healthcare platform enables pharmaceutical companies to commercialize and proliferate their products stronger in the market.

What is the untapped potential for investment in the sector?

Colombia is one of the most biodiverse countries in the world, ranking at number two in terms of biodiversity in the region. This presents a great potential for the pharmaceutical sector, not only in regards with biotechnology, but also with the development of a natural medicine segment. Biosimilars is a strong area that is currently growing and is being fostered with a political framework to encourage their presence in the landscape. The biosimilar decree in 2014 was put in place in order to encourage competition and promote growth in this area.

What is Invest in Bogota's role in promoting a strong public-private alliance in the sector?

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The intersection of the public and private sector is one of the main focus of the organization. Our overarching goal is to bring together players in the industry with relevant ministries and stakeholders in the sector. We also develop a close rapport with INVIMA, in order to provide support in the regulatory landscape, especially in regards with the sanitary procedures.

Invest in Bogota's mission is to open doors for both sectors in the interest of providing support to many multinational private players that are strongly committed to Bogota. We aid in several aspects of the operations from human resources, outsourcing networks, as well as any other commercial interests. Our organizational model promotes a holistic approach in order to service the companies in any way that is necessary.

As the executive director of Invest in Bogota, what is your strategic vision for the organization for the next three years?

My vision is anchored on three key drivers. The first driver is to promote growth in the service industries and encourage BPO (Business Process Outsourcing), consulting and creative activities to be increasingly available in Bogota. These types of activities will be advantageous for a variety of different sectors, such as the pharmaceutical industry.

Secondly, we need to leverage the strong human capital talent of the city. 33 percent of graduates pursue post-graduate education or opt for intensive sectors. We need to have more jobs available for them specially in the life sciences and biopharmaceutical fields.

The third theme concerns sustainability. Growth is futile when it cannot be sustained for the future. Several campaigns and programs have been implemented to encourage sustainable evolution for companies. This is particularly relevant for sectors such as biotechnology, cosmetics and the pharmaceutical industry. The latter is currently growing at a rate of 5.64 percent annually according to Business Monitor International, for which we aim to increase in a sustainable way.

What is your last message for our international investors in regards with why Bogota is an ideal investment destination for pharma?

I believe that Bogota is an attractive investment destination in Latin America primarily because it is a strategic place to conduct business. This is further strengthened by the strong connectivity of our international airport in trade activities. Moreover, Bogota has an educated talent pool that are

suited for technological and scientific fields. Ultimately, Bogota also offers a lifestyle is friendly for expatriates and multinationals; with a market infrastructure that is conducive to business success.

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