



Colombia, The hidden jewel for outsourcing in Latin America

As early as 1981, the World Bank identified Colombia as one of the first countries to profit from the international move towards outsourcing, thanks to its skilled and competitive labour costs and easy access to communications. The development of the Internet in the early 2000s opened vast new opportunities in the sector and saw a surge of Business Process Outsourcing services. By 2007, the BPO sector was key in the Colombian outsourcing and offshoring industry and while call centres accounted for 59% of the overall BPO sector, it was notorious that Colombia's outsourcing and offshoring industry was moving towards high-value, data and knowledge-based services.

Now, the BPO and KPO industries account for 3,5% of Colombia's GDP and more than 25 international multinationals from these sectors have trusted Colombia and have opened operations in the country due to the great talent and service we provide to their clients in the US, Europe and the LATAM region. The BPO sector is one of the largest employment generators in the country. Drawing on a 50-million strong population and a young, well-educated, technically skilled workforce, the sector currently accounts for more than 700,000 employees.

Why Colombia?

Colombia is internationally recognised in this sector, having accumulated extensive experience in contact centres, collections, in-house technology provision, back-office, marketing, auditing and consulting. These services are provided to a wide range of industries including banking and financial services, telecommunications, mass consumption, health, government, hydrocarbons, utilities and logistics. In 2019, more than half of the country's contact centre operations served the financial services and telecommunications sectors.

During the last 5 years, BPO and KPO exports from Colombia had an impressive annual compound growth of 18% and in 2021 they amounted to US\$1.98 billion, an increase of 26% YOY. The main services being exported include customer service (Colombians stand out for their customer service culture), advertising, market research and business consulting services. The main destinations are United States and Spain, followed by Chile and Mexico.

According to the Offshore BPO Confidence Index, Colombia is considered one of the most important destinations for the development of BPO operations in the world, mainly due to the country's technological and connectivity infrastructure, career opportunities and talent development, reliability of the public sector, hiring and staffing and economic stability. Likewise, the Latin America Semi-annual Services Tracker IDC 2021, ranked Colombia third in the Services location indicator in Latin America.

Additionally, FDI Markets details that Colombia ranks second in receiving FDI for the BPO sector in Latin America. From 2015 to 2021, Colombia reported inward investments to develop and boost the BPO sector in the country: in this period alone, more than 100 projects were executed, mainly in cities such as Bogota,



Barranquilla, Cali, Medellin and Pereira, with capital from investors in countries such as the United States (63%), France (10%) and Spain (6%).

Investors have been particularly drawn by the outstanding quality of our labour force. According to the IMD World Talent Ranking 2021, Colombia is the third country in terms of availability of skilled labour in Latin America. Among the factors assessed by IMD, Colombia is characterized for offering a variety of training alternatives to employees and for providing and facilitating different learning schemes for their development.

Sustainability is high on Colombia's agenda, which is undoubtedly a significant advantage in today's world. The country has been ranked 21st in the Earth.Org Global Sustainability Index and 1st for Energy. Also, according to BloombergNEF, Colombia is the **4th country in the world in energy transition** among 107 emerging markets and 29 developed nations. Also, Colombian companies have proven to be committed to social inclusion and poverty reduction.

Finally, the BPO sector in Colombia is a huge driver of employment, it represents 3.2% of total employment in the country; one of the key characteristics of this sector is that provides opportunities for unrepresented population for example, 56.46% of employees in the sector are women, 2.8% identify as LGTBI, 25.06% are single mothers (heads of household), 15.52% are young people with no professional experience (first job), 4.10% are migrants, 0.74% are people with disabilities, among others.

What can we do for you?

With an office in London and presence in eight other countries in Europe, at ProColombia we provide Colombian companies with support and advice through services focused on encouraging the design and execution of their internationalisation strategies, as well as facilitating business opportunities for international buyers; one example is our flagship activity [ProColombia's Business Matchmaking forum](#) taking place this year in Barranquilla, Colombia in March 22nd and 23rd where we expect to showcase around 2000 Colombian companies across different sectors (including Software and IT, BPO, advertising and digital marketing, Cybersecurity) to more than 1000 international buyers.

Keen on discussing these and other details? Don't hesitate to reach out to our Trade Advisor in London Angelica Camacho – acamacho@procolombia.co