

### Prepared by the New Zealand Embassy in Bogotá

#### Summary

- A report on Colombia's "digital landscape" by a leading private sector expert provides useful insights into capability, the telecommunications industry, regulation and public policy (including 5G), digital advertising, social media, e-commerce and entrepreneurship.
- Digital is a priority for Colombia. Connectivity is central to both Colombia's [COVID-19 Economic Recovery Plan](#) for 2021 and President Ivan Duque's [Orange Economy policy](#). Efforts to move consumers off the 2G and 3G networks to 4G via the "Transition to New Technologies Plan" show the government's commitment in this area. A series of 5G pilot projects are under way in Colombia. Although internet access continues to rise there remains a digital divide in Colombia along rural-urban lines. This is a restraint on productivity especially for the agricultural sector.
- NZTE have contracted the report's author – Alberto Pardo – in a Beachhead Advisor position to support New Zealand companies in digital commerce and the technology sector in Latin America.

#### Report

The New Zealand Embassy in Bogotá commissioned a private sector digital economy specialist, [Alberto Pardo](#), to provide a report on the "digital landscape" in Colombia to support New Zealand businesses interested in the Colombian market. The final presentation covers capability, the telecommunications industry, regulation and public policy (including 5G), digital advertising, social media, e-commerce and entrepreneurship.

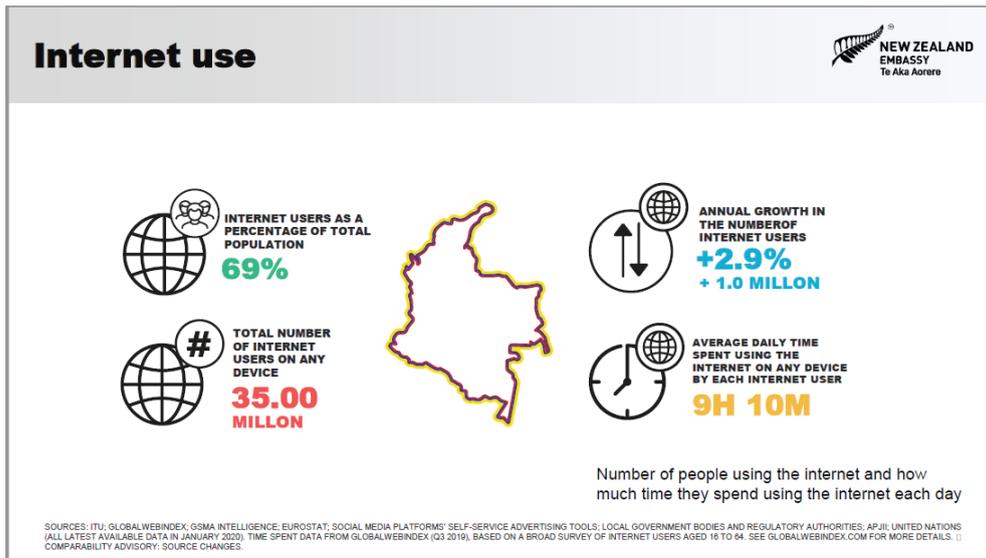
2 Colombia has been accelerating digital government initiatives and support to the tech/creative industries or "orange economy" sector, including efforts to position the city of Medellín as an innovation and technology hub. In 2019, Medellín was inaugurated as the first Latin American Centre for the Fourth Industrial Revolution – hubs for research and development on issues such as artificial intelligence, blockchain, the Internet of things, machine learning, Big Data, nanotechnology and the impacts of this revolution on the lives of people and governments (other centres include the US, India, China, Japan, UAE, South Africa, Norway and Israel). Colombian President Iván Duque has often referred to his desire to see Colombia ranked as "a Silicon Valley in Latin America" and a "start-up nation". The recent 2020 OECD Digital Government Index ranked Colombia third amongst OECD countries.

3 Key aspects of the report are summarised below (the full report is linked below):

##### 1. Connectivity in Colombia

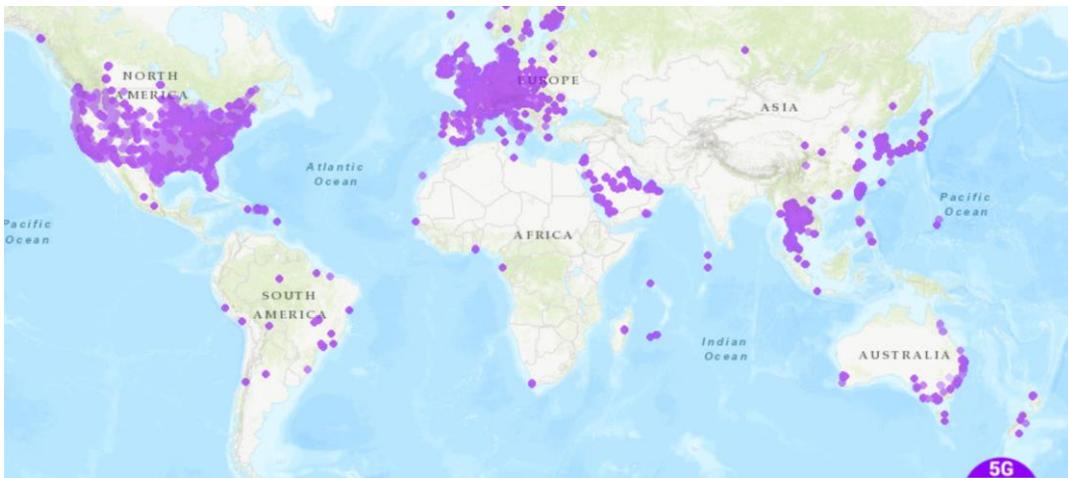
- Colombia's objective is to close the digital gap by rolling out high-speed and high quality internet nationwide at affordable prices. It is looking to connect 80% of the population and 70% of households (currently 53%) by 2022. Among the OECD countries, Colombia currently has the lowest fixed broadband dispersion.
- SMEs, schools, low-income households and rural areas are the main targets that require access to high-quality connectivity. During the COVID-19 pandemic, the digital necessity was brought to the fore, especially for the aforementioned groups.
- Investment in the telecommunications sector is crucial to expand and upgrade networks, increase access to the Internet, and improve the overall quality of the communication infrastructure.
- Smartphones are driving the digital transformation in Colombia with 92% of the population owning one.

However, mobile data and connectivity is still lagging.



## 2. Upgrade to 5G

- In December 2019, the Ministry of Technology distributed the 5G Plan which outlines public policy guidelines and strategies for the deployment of 5G technology in Colombia.
- Action in regards to radio spectrum, 5G pilots, the development of business models, digital security and reforming regulatory barriers is required.
- Although upgrading to 5G networks is important, 4G is still relevant for populations currently still on 3G or without connectivity. The government has focused on strategies that promote 4G technology.
- Colombia began its first 5G trials in late 2020.

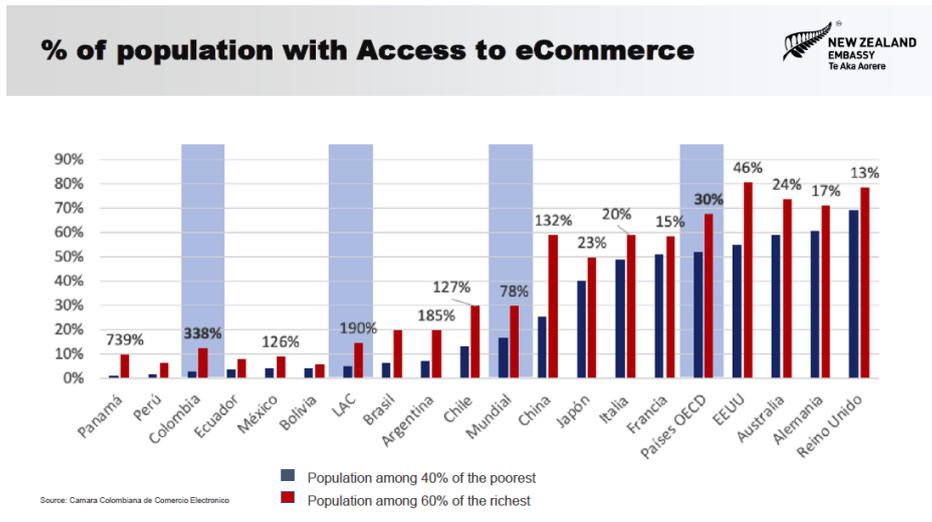


## 3. Opportunities for New Zealand

- Investment in expansion and upgrading networks, increasing internet access, and improvement of overall infrastructure quality.
- The government is highly interested in modernising its own systems. There are policies that promote e-government to foster productivity through advanced digital technologies, artificial intelligence, digital security, big data and the Internet of Things.
- Promoting productive internet use that fosters entrepreneurship such as technology-based start-ups and creative industries corresponds to the President's Orange Economy policy, also a central theme of the government's National Development Plan (2018-2022).
- Supporting the growth of the e-commerce industry by fostering digital technologies that boost trade in

goods and services for which Colombia has a comparative advantage including agriculture, mining, e-banking, logistics, and virtual education.

- Fostering investment and skills development for Industry 4.0.



4 NZTE office in Bogotá have now formally engaged the services of Pardo as a NZTE Beachhead Advisor in support of their digital trade strategy for the Latin America region. Pardo's details will soon be included on NZTE's website: <https://www.nzte.govt.nz/page/our-beachhead-advisors>

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