United States & Colombia
a comparison of two countries
Once a colony of Britain; broke apart in 1776
Originally 13 states, now 50 since 1959
Experienced the Civil War and the Great Depression
World Power after WWII, still the most powerful nation in the world
Background

- Emerged from the collapse of Gran Colombia in 1830
- Civil war between government and Revolutionary Armed Forces of Columbia (FARC) for 50 years; reached a ceasefire in 2012
- Despite conflict and security challenges, still considered a relatively strong democracy
Geography

- Spans across the vast majority of North America, with Canada to the north and Mexico to the south
- Area: 9,826,675 sq. km (slightly larger than China)
- Land use: Arable land 16.29%, Permanent Crops 0.26%, Other 83.44%
- Environment: air pollution, acid rain, water pollution, desertification
Geography

- Located in northern South America
- Area: 1,138,910 sq. km (approximately twice the size of Texas)
- Climate: tropical along coast and eastern plains; cooler in highlands
- Land use: Arable land 1.84%, Permanent Crops 1.66%, Other 96%
- Environment: deforestation, soil and water quality damage, air pollution
Conclusion

Background

• United States and Colombia were once part of larger nations, but both found independence
• Both states underwent civil war but have since recovered
• Both adhere to democratic ideals

Geography

• Colombia is a far smaller country than the United States
• Compared to the United States, Colombia has less arable land and suffers from mountainous terrain
• Both countries are strong trade partners with each other and both rely on trade
People and Society

- Literacy Rate: 99%
- Life Expectancy: 79.68 years
- Urbanization: 81.6%
- Sanitation Access: 100%
- Health Care: 17.9% GDP
- Mortality Rates
  - Maternal: 14/100,000
  - Infant: 5.87/1000
People and Society

- Literacy Rate: 94.7%
- Life Expectancy: 75.48 years
- Urbanization: 76.4%
- Sanitation Access: 81.1%
- Health Care: 6.8% GDP
- Mortality Rates
  - Maternal: 92/100,000
  - Infant: 14.58/1,000
Economy

- GDP: $16.72 trillion
- GDP/Capita: $52,800
- Debt: 71.8% GDP
- Current Account Balance: -$360.7 billion
- Labor Force: managerial, professional, technical 37.3%, sales and office 24.2%, manufacturing, extraction 20.3%
- Unemployment: 7.3%
Economy

- GDP: $526.5 trillion
- GDP/Capita: $11,100
- Debt: 39.6% GDP
- Current Account Balance: -$11.02 billion
- Labor Force: agriculture 17%, industry 21%, services 62%
- Unemployment: 9.7%
Conclusion

People & Society

• Both countries’ citizens are well educated as seen in their literacy rates
• The United States has more developed cities, based on its higher urbanization rate
• Overall, quality of life is better in the United States, as seen by its longer life span, better health care, and lower maternal and infant mortality rates

Economy

• United States labor forces are geared largely towards service industries and no longer towards industry or agriculture
• Unemployment rates are relatively low in both countries, showing that economics are strong and able to withstand the occasional decline in GDP
• Both countries’ account balances are negative, signifying the shift towards imports rather than exports
Levels of Development

Factors:
- Stable business environment
- Desirable tax benefits
- Low interest rates
- Sustainable housing
- Vast majority employed
- Extensive infrastructure
Levels of Development

Factors:
- Still somewhat rural; rate of urbanization is slow
- Sanitation is not yet universal
- Health is not yet a large emphasis
- Relatively weak infrastructure, but strengthening
Level of Development Conclusion

• Based off the factors that we discussed on the previous slide, I believe that the United States would be considered a developed nation and Colombia a developing nation

• Both nations demonstrate continued emphasis on industrial growth and have consistently growing GDPs

• Over the recent years, Columbia has increased economic freedom and reduced the rate of poverty, crime, and violence, however corruption is still widespread
Business Environment

- Home to some of the world’s most innovative R&D and boasts advanced manufacturing
- Poor economic policies make it an increasingly less attractive place to invest
- Labor factors (wage levels, skill availability, etc.) make it expensive to conduct business
- High-end activities have historically been a strong point in the economy, but are being lost to other countries
Business Environment

• One of the healthiest business environments in Latin America
• Ranked 3rd in “ease of doing business scale,” falling just behind Chile and Peru
• Experienced a huge increase in foreign direct investment in the past few years
• As a result of increase in foreign trade, output has quintupled with more open trade agreements between Colombia and other nations
Global Business Activity Conclusion

• Although the United States remains the de-facto manufacturing place for many advanced technologies, it is experiencing decreased growth due to less than satisfactory economic policies.

• Countries in Latin America, including Colombia, have reinvested in their business environment over the last decade and are beginning to reap in the rewards – the countries are experiencing the highest levels of foreign direct investment in their history.

• New companies looking to expand into the western hemisphere today have increased options: The United States remains a strong choice, but Colombia and others are increasingly good options.
Sources

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