

Keep in mind

The series Working Papers on Economics is published by the Office for Economic Studies at the *Banco de la República* (Central Bank of *Colombia*). It contributes to the dissemination and promotion of the work by researchers from the institution. This series is indexed at Research Papers in Economics (RePEc).

On multiple occasions, these works have been the result of collaborative work with individuals from other national or international institutions. The works published are provisional, and their authors are fully responsible for the opinions expressed in them, as well as for possible mistakes. The opinions expressed herein are those of the authors and do not necessarily reflect the views of Banco de la República or its Board of Directors.

AUTHOR OR EDITOR

[Peter Rowland](#)

This paper studies foreign and domestic firms in Colombia and, in particular, whether these firms behave differently. The study uses a dataset containing the 2003 balance sheets and income statements for some 7,001 firms. The dataset was obtained from the Superintendencia de Sociedades. The study concludes that foreign and domestic firms differ in a number of aspects. Foreign firms tend to have a larger total asset turnover than domestic firms; they are more leveraged than domestic firms; and they tend to have a lower net-profit margin than domestic firms. However, these results are not conclusive. When the dataset is broken down by sector, the results are much less clear. When analysing external

---

debt, foreign firms do, nevertheless, tend to hold almost four times as much external debt as domestic firms of the same size. Foreign firms also tend to import more.

La serie Borradores de Economía es una publicación de la Subgerencia de Estudios Económicos del Banco de la República. Los trabajos son de carácter provisional, las opiniones y posibles errores son responsabilidad exclusiva del autor y sus contenidos no comprometen al Banco de la República ni a su Junta Directiva.