



# Characterization of foreign direct investment in Colombia (fdi): Economic activities other than mining and oil

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Publication Date: Wednesday, 22 of March 2023 **Abstract**

Foreign direct investment (FDI) has been Colombia's largest external financing source for companies. This paper aims to characterize FDI in sectors other than mining and oil and the companies receiving this type of investment in Colombia between 2000 and 2020, when 59% of the accumulated flow of FDI arrived in these sectors. The results show that the frequency with which these firms receive resources through FDI is between 1 and 3 years. Their participation in foreign trade is more linked to imports than exports. The last could be inferred that the objective of these investments is more to supply goods and services to the local market than to scale production to co-opt regional or global markets. A large percentage of the value of FDI in these sectors is channeled primarily by large companies. Likewise, the largest firms determine each subsector's financial performance, revealing a high concentration of production in these specific activities.