



Serviap Global

Colombia Country Facts

2025



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Colombia Country Facts

Colombia is one of the most business-friendly countries in Latin America and continues to rank among the top investment destinations in the region.

The country has a consumer market of roughly 52 million people (2025 est.), with growing incomes and rising demand. Colombia's overall economic and political stability, combined with its improved infrastructure, provides a solid foundation for foreign businesses to expand.

1. Facts to Consider Before Expanding Your Business

Before building your business expansion strategy, you need to understand Colombia's economy, legal framework, and labor environment. Serviap provides high-level facts to help identify both the risks and opportunities of doing business in Colombia.

2. The Economy

Colombia has a market-oriented economy where goods and services are traded in a free-price system.

- **Regional Integration:** Colombia is a member of the Andean Community (ANCOM) alongside Bolivia, Ecuador, and Peru. It also belongs to the Pacific Alliance (with Chile, Mexico, and Peru), expanding its trade reach across Latin America and Asia.
- **Key Sectors:** The service sector is the backbone of the economy, accounting for about 58% of GDP, followed by manufacturing (24%) and agriculture (7%) (2024 data).
- **Exports:** Colombia exports oil, coal, coffee, flowers, bananas, gold, and emeralds.
- **Trade Agreements:** The country has over 16 active Free Trade Agreements (FTAs), including with the United States, the European Union, Canada, and South Korea.

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3. The Importance of Small and Medium-Sized Companies

According to the Colombian Confederation of Chambers of Commerce (Confecámaras), there are over 2.8 million SMEs in Colombia, representing about 90% of all businesses and generating around 40% of GDP.

While access to financing remains a challenge, recent government and private sector programs have improved SME access to credit. In particular, state-backed initiatives through Bancoldex and government guarantees (FNG – Fondo Nacional de Garantías) have expanded lending to SMEs.

Ongoing tax reforms (notably Law 2277 of 2022) simplified tax procedures for SMEs and aimed to encourage formalization and competitiveness.

4. Colombian Opportunities and Investments

Colombia provides attractive opportunities for foreign investors due to:

- **Stable macroeconomic environment:** Colombia has maintained average GDP growth of ~3% annually over the past decade, despite global volatility.
- **Strategic location:** Access to both the Pacific and Atlantic Oceans, making it a key logistics hub.
- **Free Trade Agreements:** Preferential access to markets in North America, Europe, and Asia.
- **Foreign Direct Investment (FDI):** Prioritized sectors include renewable energy, infrastructure, IT services, agribusiness, and tourism.



- Natural resources: Colombia has abundant reserves of oil, coal, gold, and emeralds, as well as fertile land for agriculture.

Colombia's political and economic stability, combined with its entrepreneurial ecosystem, continues to attract investors looking for a sustainable and business-friendly environment.

5. Characteristics of the Colombian Population

Colombia, like other countries in the region, is a diverse nation with nuanced consumer behavior. To succeed in this market, it is important to understand the target audience and adjust strategies accordingly.

Demographics

- As of 2025, Colombia has a population of approximately 52 million people, making it the third-most populous country in Latin America after Brazil and Mexico.
- The country has experienced steady population growth, though the pace has slowed in recent years.
- Colombia is ethnically diverse, with a heritage shaped by Indigenous peoples, Spanish and European colonists, Africans (brought during colonial times), and more recent immigration from the Middle East and Europe in the 20th century.
- Economic reforms and peace agreements have gradually improved living standards, though income inequality remains a challenge.

Geography

- Colombia has a land area of 1,141,748 km² (440,831 sq mi), making it the 25th largest country in the world and the fourth-largest in South America (after Brazil, Argentina, and Peru).
- Its diverse geography includes the Andes Mountains, Amazon rainforest, Pacific and Caribbean coastlines, and vast plains (Llanos).
- The population is unevenly distributed, with the majority concentrated in the Andean region (Bogotá, Medellín, Cali, Bucaramanga) and along the northern Caribbean coast.
- The southern and eastern regions are more sparsely populated, home to tropical rainforest, savannahs, oil and gas fields, cattle ranches, and indigenous communities.
- Colombia has significant non-renewable energy resources (oil, coal, gold) as well as fertile agricultural land.
- It ranks second in Latin America for hydroelectric potential, with most electricity generated from hydropower.

6. Consumer Preferences

- Colombia's diverse geography and climates fostered regional differences in culture and consumer behavior.



- Urban centers like Bogotá, Medellín, and Cali are hubs for modern retail, e-commerce, and services, while rural areas maintain more traditional consumer habits.
- Rising internet penetration (over 75% in 2024) and a growing middle class have accelerated demand for digital platforms, fintech services, and e-commerce.
- Food, beverages, mobile technology, and financial services are among the strongest growth markets.
- Consumers value price competitiveness, but younger generations (Millennials and Gen Z) are increasingly influenced by sustainability, brand reputation, and innovation.

7. Economic Opportunities

Workforce and Laws

- Colombia's unemployment rate fell to around 9.4% in 2024, after peaking above 15% during the COVID-19 pandemic.
- Employment is governed by the Colombian Labor Code (Código Sustantivo del Trabajo), which applies equally to domestic and international employers.
- Expanding companies must comply with strict labor, tax, and social security regulations. Partnering with a local expert (such as ServiAp) is recommended.

Technological Ecosystem

- Around 62% of the workforce is considered skilled, and nearly 60% of adults report entrepreneurial aspirations.
- Business administration, engineering, and STEM programs dominate higher education.
- Medellín is recognized as a leading innovation and tech hub in Latin America, with strong ecosystems in fintech, healthtech, and urban mobility.

Facilities for Foreign Investment

- Colombia promotes Foreign Direct Investment (FDI) in infrastructure, renewable energy, agriculture, tourism, and technology.
- Investments in Bogotá are particularly strong in finance, communications, and IT services, positioning the city as one of the most competitive business hubs in the region.
- FDI incentives include tax exemptions in Free Trade Zones, benefits for renewable energy projects, and government co-financing for R&D initiatives.

8. Colombian Culture

Like other Latin American countries, Colombia has a traditional and family-oriented society. The Roman Catholic influence has historically been strong, but today the country also embraces cultural diversity, with a blend of Indigenous, European, African, and Middle Eastern influences.

Music and Arts play a central role in Colombian culture. Cumbia and Vallenato are widely enjoyed, while modern artists such as Shakira, J Balvin, and Karol G have gained worldwide recognition. Nobel laureate Gabriel García Márquez remains a cultural icon, and Colombian art is often associated with Fernando Botero's unique style.

Colombia is also known for its large number of long weekends (public holidays often moved to Mondays), offering up to 18 long weekends per year. Regional variations and traditions enrich Colombia's cultural life, from Carnival of Barranquilla to Feria de las Flores in Medellín. Visitors and expatriates often remark on the warmth of Colombian hospitality, music, dance, and cuisine.



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General Highlights

Field	Details
Year	2025
Country	Colombia
Capital	Bogotá
Num. States / Provinces	32 Departments and 1 Capital District
Principal Cities	Bogotá, Medellín, Cali, Barranquilla, Cartagena
Language	Spanish
Local Currency	Colombian Peso (COP)
Major Religion	Catholic (with growing religious diversity)
Date Format	DD-MM-YYYY
Thousands Separator Format	999,999.00
Country Dial Code	57
Time Zone	UTC -5 (no daylight savings)
Population	~52 million (2025 est.)
Border Countries	Northwest: Panama; East: Venezuela and Brazil; South: Peru and Ecuador
Continental Surface	1,141,748 km ²
Tax Year	January 1 – December 31
VAT %	19% (standard rate)
Minimum Wage (2025)	COP \$1,300,000 per month (~USD \$330)
Taxpayer Identification Name	RUT – Registro Único Tributario (Single Tax Registration)
Current President (2025)	Gustavo Petro Urrego (since Aug 7, 2022)

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1. Laws that Regulate Labor Relationships

Laws
Political Constitution of Colombia
Substantive Labor Code (Código Sustantivo del Trabajo – CST)
Law 50 of 1990 – Amendments to the Substantive Labor Code
Law 100 of 1993 – Comprehensive Social Security System
Law 1562 of 2012 – Occupational Risk System
Law 1610 of 2013 – Labor Inspections and Formalization Agreements
Law 2277 of 2022 – Latest Tax Reform impacting employment and benefits
International conventions and treaties (e.g., ILO Conventions ratified by Colombia)

2. Key Tax and Labor Authorities

Authorities
Comptroller General (Contraloría General de la República)
Public Ministry (Ministerio Público)
Attorney General (Fiscal General de la Nación)
Attorney General's Office (Procuraduría General de la Nación)
Ministry of Finance and Public Credit (Ministerio de Hacienda y Crédito Público)
Ministry of Justice and Law (Ministerio de Justicia y del Derecho)
Ministry of Health and Social Protection (Ministerio de Salud y Protección Social)
Ministry of Labor (Ministerio del Trabajo)

3. Labor Contracts

An employment contract in Colombia is an agreement where a natural person undertakes to provide a personal service to another person (natural or legal), under conditions of continued dependence or subordination, in exchange for remuneration.



- Contracts must comply with the Colombian Substantive Labor Code (CST).
- Employers with 10 or more workers must ensure that at least 90% of their workforce consists of Colombian nationals or residents.
- Up to 10% of the workforce may be foreign employees, provided they hold valid work permits or visas.
- Written contracts are mandatory for fixed-term, part-time, apprenticeship, and remote work agreements.
- For indefinite-term contracts, while verbal agreements are legally valid, written contracts are highly recommended for compliance and clarity.

Types of Contracts

Labor relations in Colombia may be indefinite, fixed-term, for a specific project/work, or apprenticeship. Unless expressly stipulated otherwise, contracts are presumed to be indefinite-term.

Types of Employment Contracts in Colombia

Contract Type	Key Features	Legal Reference
Indefinite-Term Contract	No fixed end date. Valid as long as the cause of work continues. Employee may resign with 30 days' prior notice.	Art. 47 CST
Fixed-Term Contract	Must be in writing. Duration cannot exceed 3 years, renewable. Minimum duration: 1 month. After 3 renewals, contracts must be renewed for at least 1 year. Termination requires 30 days' notice (if >30-day contract).	Art. 46 CST
Project or Defined Work Contract	Lasts for the duration of a specific task or project. Common in construction and services. Cannot be used for permanent or routine tasks.	Art. 45 CST
Apprenticeship Contract	Special contract for training and education purposes. Provides a stipend (not full salary). Duration depends on training program.	Law 789 of 2002
Occasional/Temporary Contract	For work lasting less than 1 month that is not part of the company's regular activities.	Art. 6 CST

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4. Payroll

Statutory Benefits in Colombia

Benefit	Key Details
Salary	Compensation includes fixed, variable, and in-kind payments (bonuses, overtime, commissions). Must respect the legal minimum wage (COP \$1,300,000 in 2025) or higher if agreed. Governed by Art. 127 CST.
Vacations	Employees are entitled to 15 working days of paid vacation per year (Art. 186 CST). At least 6 consecutive days must be taken. Can be accumulated up to 2 years with agreement. Employer must notify at least 15 days in advance.
Christmas Bonus (Service Premium)	Known as Prima de Servicios. Equal to 15 days of salary every half-year. Paid in two installments: by June 30 and within the first 20 days of December. If less than 6 months worked, payment is proportional. Governed by Art. 306 CST.
Unemployment Insurance & Interest (Cesantías e Intereses)	Employers deposit 1 month of salary per year worked into the employee's Unemployment Fund (Fondo de Cesantías) by Dec 31. Employers must also pay 12% annual interest directly to the employee by Jan 31. Funds can be used for unemployment, housing, or education. Governed by Art. 99 CST & Decree 1176/1991.



Employer Contributions / Labor Cost

Employer contributions are mandatory payments that cover social security and parafiscal obligations.

Category	Details
Health (EPS)	Contributions total 12.5% of the employee's salary. The employer pays 8.5%, and the employee pays 4%.
Occupational Risk Management (ARL)	Fully covered by the employer. Rates vary according to risk classification: I. 0.522% II. 1.044% III. 2.436% IV. 4.350% V. 6.960%
Pension	Contributions equal 16% of the employee's salary. The employer pays 12%, and the employee pays 4%.
National Learning Service (SENA)	Employer contributes 2% of payroll to fund training and education programs.
Colombian Institute of Family Welfare (ICBF)	Employer contributes 3% of payroll to fund childhood protection and welfare programs.
Family Compensation Fund	Employer contributes 4% of payroll to finance subsidies and social services for employees' families.

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Overtime

- Maximum of 2 hours per day and 12 hours per week.
- Paid with surcharges as follows:
 - 25% for daytime overtime.
 - 75% for nighttime overtime.

Sundays and Holidays

- Work performed on Sundays or public holidays must be paid with a 75% surcharge over the ordinary wage.
- If Sunday work is not part of the regular schedule, the employee is entitled to a compensatory rest day during the week.

Work Schedule Table

Type of Work Day	Working Hours	Overtime	Sundays/Public Holidays
Day Shift	06:00 AM – 09:00 PM ~8 hrs/day (currently 44 hrs/week, reducing to 42 hrs in July 2026)	Max. 2 hrs/day, 12 hrs/week 25% surcharge	75% surcharge + compensatory rest day
Night Shift	09:00 PM – 06:00 AM Paid +35% surcharge Max. 36 hrs/week	Max. 2 hrs/day, 12 hrs/week 75% surcharge	75% surcharge + compensatory rest day
Mixed Shift	Combination of day and night hours	Overtime paid depending on hours	Sunday rules apply

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5. Workday, Holidays, Disabilities and Sick Days

Ordinary Workday

- According to Art. 158 CST, the standard workweek is a maximum of 44 hours per week as of July 2025 (progressively reduced from 48 hours under Law 2101 of 2021).
- By July 2026, the legal maximum will be 42 hours per week.
- Distribution of hours may be agreed between employer and employee, but cannot exceed 8–9 hours per day unless a flexible weekly schedule is established.

Night Work

- Defined as work performed between 9:00 PM and 6:00 AM.
- Paid with a 35% surcharge over the ordinary daytime wage.
- If the worker performs exclusively at night, the maximum limit is 36 hours per week.



Public Holidays in Colombia

All employees, in both public and private sectors, are entitled to paid rest on the following national civil and religious holidays.

Note: If holidays such as Epiphany (Jan 6), St. Joseph's Day (Mar 19), Saints Peter and Paul (Jun 29), Assumption of Mary (Aug 15), Columbus Day (Oct 12), All Saints' Day (Nov 1), Independence of Cartagena (Nov 11), Ascension of the Lord, Corpus Christi, and Sacred Heart of Jesus do not fall on a Monday, they are observed on the following Monday (Law 51 of 1983 – Ley Emiliani).

Date	Holiday Name
1/1/2025	New Year's Day
06/01 (observed on Monday)	Epiphany (Wise Men)
19/03 (observed on Monday)	St. Joseph's Day
Movable	Palm Sunday
Movable	Holy Thursday
Movable	Good Friday
1/5/2025	Labor Day
Movable	Ascension of the Lord
Movable	Corpus Christi
Movable	Sacred Heart of Jesus
20/07/2025	Independence Day
7/8/2025	Battle of Boyacá
15/08 (observed on Monday)	Assumption of Mary
12/10 (observed on Monday)	Columbus Day
01/11 (observed on Monday)	All Saints' Day
11/11 (observed on Monday)	Cartagena Independence
8/12/2025	Immaculate Conception Day
25/12/2025	Christmas Day

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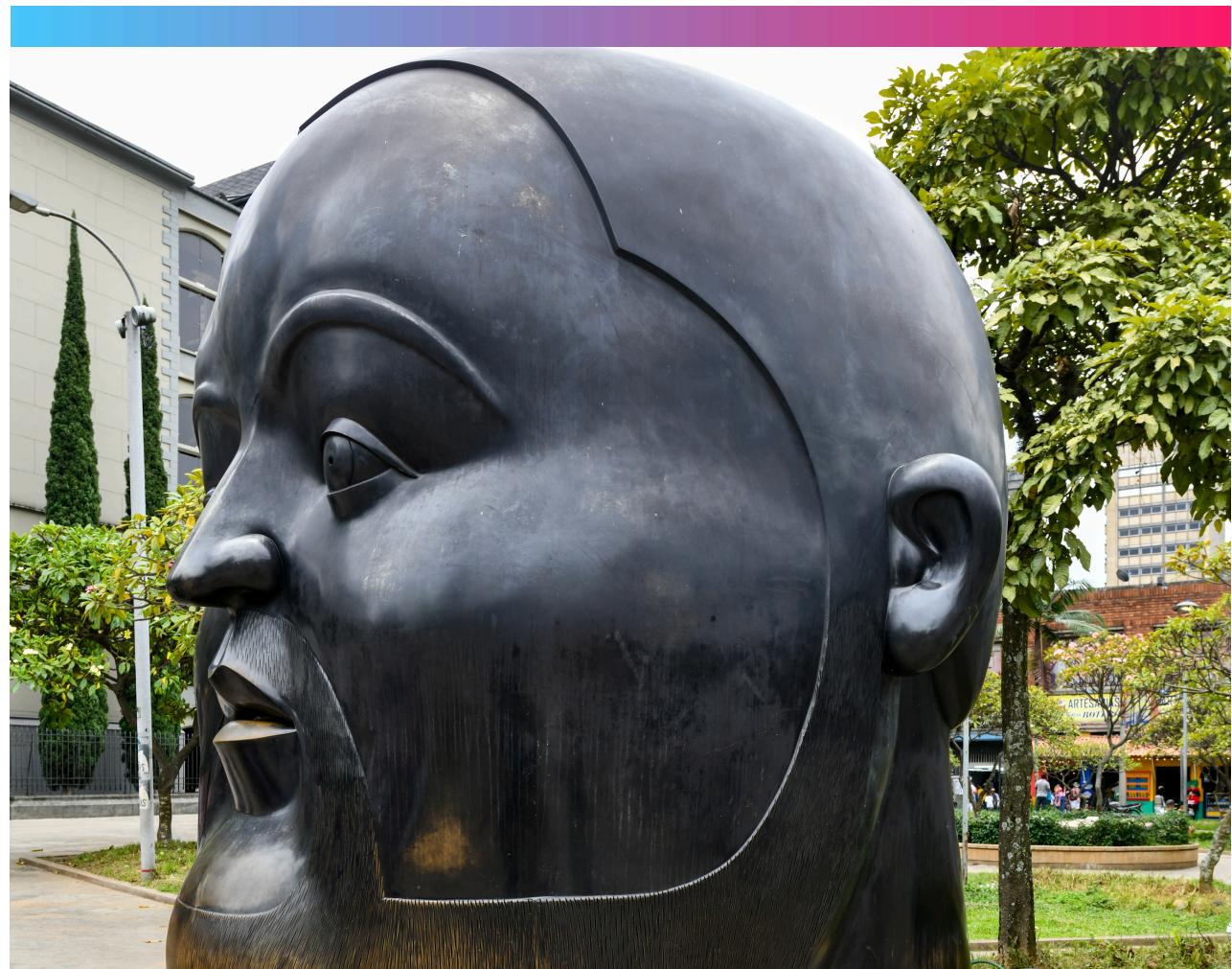
6. Employee Termination

The employment contract may be terminated under the following circumstances:

On the employer's side (Just Causes – Art. 62 CST):

1. Fraud, misrepresentation, or use of false certificates by the employee.
2. Violence, insults, mistreatment, or serious indiscipline against the employer, family members, management, or co-workers.
3. Violence or mistreatment by the worker against clients, suppliers, or third parties within the workplace.
4. Intentional material damage to property, machinery, tools, raw materials, or other assets.
5. Any immoral or criminal act by the worker at the workplace or during the performance of duties.
6. Serious breach of obligations under Articles 58 and 60 CST or breach of collective agreements, arbitration decisions, or internal regulations.
7. Preventive detention exceeding 30 days, unless acquitted, or conviction preventing fulfillment of the contract.
8. Unauthorized disclosure of technical, commercial, or trade secrets.
9. Persistent poor performance when not corrected within a reasonable time after employer's request.
10. Unjustified refusal to perform contractual or legal obligations.
11. Conduct disturbing workplace discipline.
12. Repeated refusal to follow preventive or medical instructions prescribed by a doctor or health authority.
13. Lack of aptitude or inability to perform assigned duties.
14. Recognition of a pension or permanent disability that makes the employee unable to work.
15. Chronic illness or incapacity lasting more than 180 days, duly certified, making the worker permanently unable to fulfill their duties (termination must follow legal medical procedures).

For causes listed in items 9–15, the employer must give the employee at least 15 days' prior notice.



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On the worker's side (Art. 62 CST – Just Causes):

- Fraud or deceit by the employer at hiring.
- Acts of violence, mistreatment, or serious threats by the employer or its representatives.
- Employer's failure to make timely payment of wages or benefits.
- Employer's repeated breach of contractual or legal obligations.
- Employer's demand for work exceeding legal hours or contrary to health and safety standards.

Labor Termination Settlement (Severance Pay for Unjustified Dismissal)

If the contract is terminated without just cause, the employer must pay compensation (indemnización por despido sin justa causa) as follows:

Project or Specific Work Contract

- Payment corresponds to the remaining period needed to complete the project or task.
- Compensation cannot be less than 15 days of salary.

Fixed-Term Contract

- Payment corresponds to the remaining time of the agreed term.

Indefinite-Term Contract

- Compensation depends on the employee's length of service and salary level:

A. Workers earning less than 10 monthly minimum legal wages:

- Up to 1 year of service → 30 days of salary.
- More than 1 year of service → 30 days of salary for the first year, plus 20 additional days for each subsequent year of service (or proportional fraction).

B. Workers earning 10 or more monthly minimum legal wages:

- Up to 1 year of service → 20 days of salary.
- More than 1 year of service → 20 days of salary for the first year, plus 15 additional days for each subsequent year of service (or proportional fraction).

- Legal basis: Law 789 of 2002 and Decree 2351.



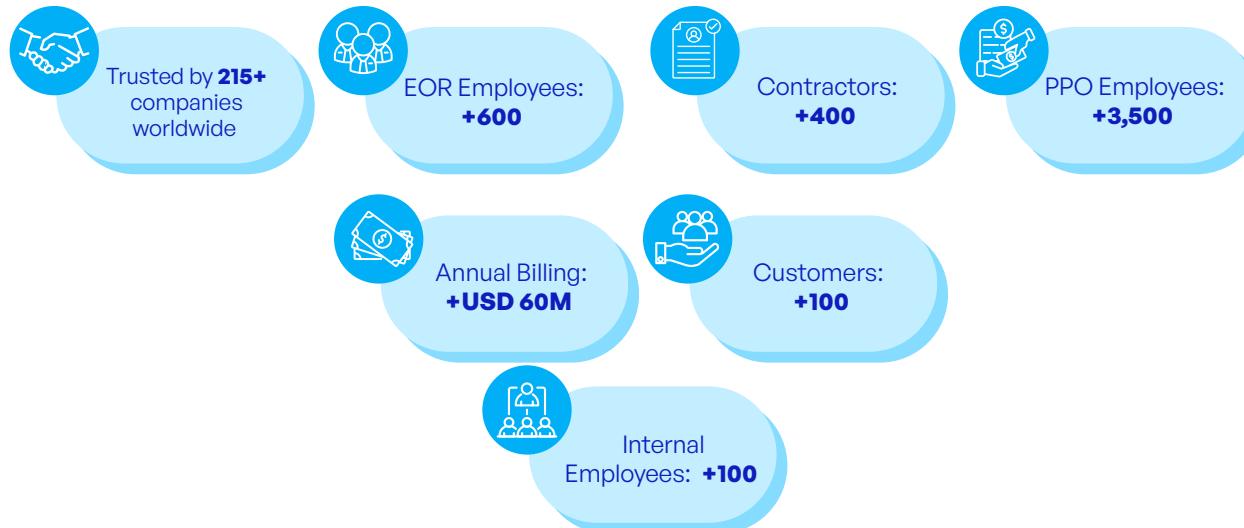


How Serviap Global Supports Your Expansion

Who we are?

Serviap Global, headquartered in Mexico City, brings over 25 years of local HR expertise and **15 years as a global Employer of Record (EOR) leader**.

With teams across the Americas, Europe, and Asia, we help companies build international teams without the complexity of foreign entities or regulations.



Our Solutions

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At Serviap Global, we provide comprehensive HR and workforce solutions to help companies expand and manage teams anywhere in the world.



How We Help You Hire and Onboard Talent

At Serviap Global, we simplify your international hiring process by managing every step, from contract creation to onboarding, ensuring full legal compliance in each country.

Below is an overview of our standard onboarding process for new hires, whether local or foreign:

Step	Description	Estimated Timeframe
1. Validate Onboarding Data	We verify candidate information and prepare the Service Order for client review.	2 business days
2. Formalize Service Order & Payment	The process begins once the Service Order is signed and advance payment is received.	2 business days (depending on client response)
3. Create Onboarding Documents	Draft job offer and employment contract.	1-2 business days
4. Send Documents to Candidate	Deliver approved documents to the candidate.	1 business day
5. Candidate Response	Candidate reviews, signs, and provides personal documentation.	2-4 business days
6. Confirm Acceptance & Finalize Onboarding	Receive signed documents and complete onboarding.	1 business day

Please note: timelines may vary depending on country-specific requirements such as background checks, pre-employment medical exams, or visa processing.

Why partner with us?

- 15+ Years of Expertise:** Proven track record in global expansions across 180+ countries.
- LATAM Specialists:** Deep local knowledge for seamless hiring in high-growth regions.
- Full Compliance & Agility:** Handle regulations so you can focus on business growth.
- Human-Centred Support:** Multilingual team provides personalized, responsive service.
- Cost-Effective Solutions:** Save on setup and operations with tailored, scalable plans.
- All-in-One Platform:** Serviap Hub for total control and visibility.
- Client-Driven Success:** 4.7/5 satisfaction, trusted by 215+ companies.
- Value Differential:** Unlike competitors, we combine tech with human expertise for faster, more reliable global expansion.



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