



**El emprendimiento
es de todos**

Minhacienda

Colombia: Economic Recovery, Fiscal Policy and Public Debt Management

César Arias
Director of Public Credit and National Treasury
Ministry of Finance and Public Credit

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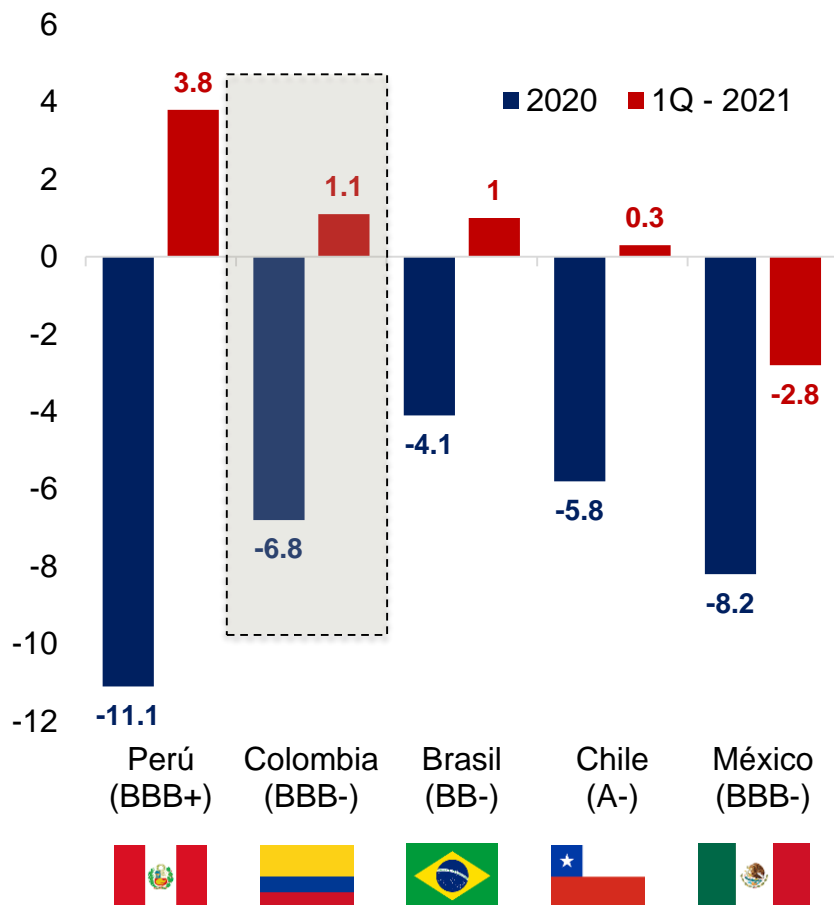


- 1. Economic recovery**
2. Fiscal and Financial Performance
3. Public Debt Management

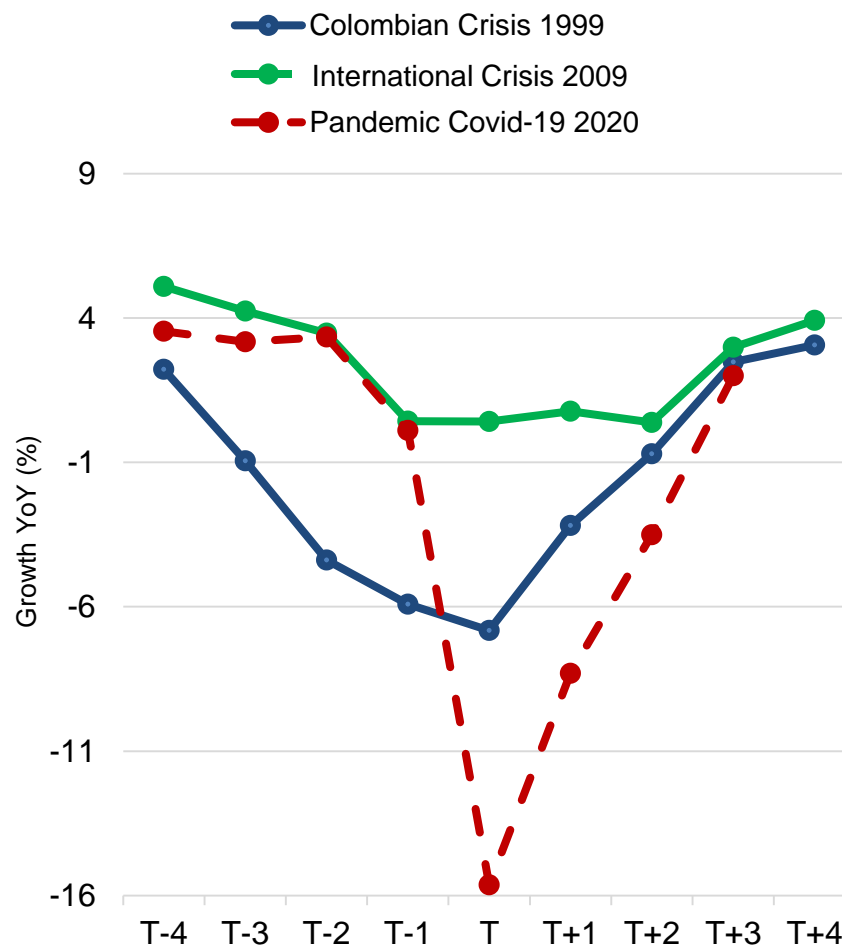


Colombian economy shows resilience and is moving towards an economic recovery

Real growth rates 2020 - 2021



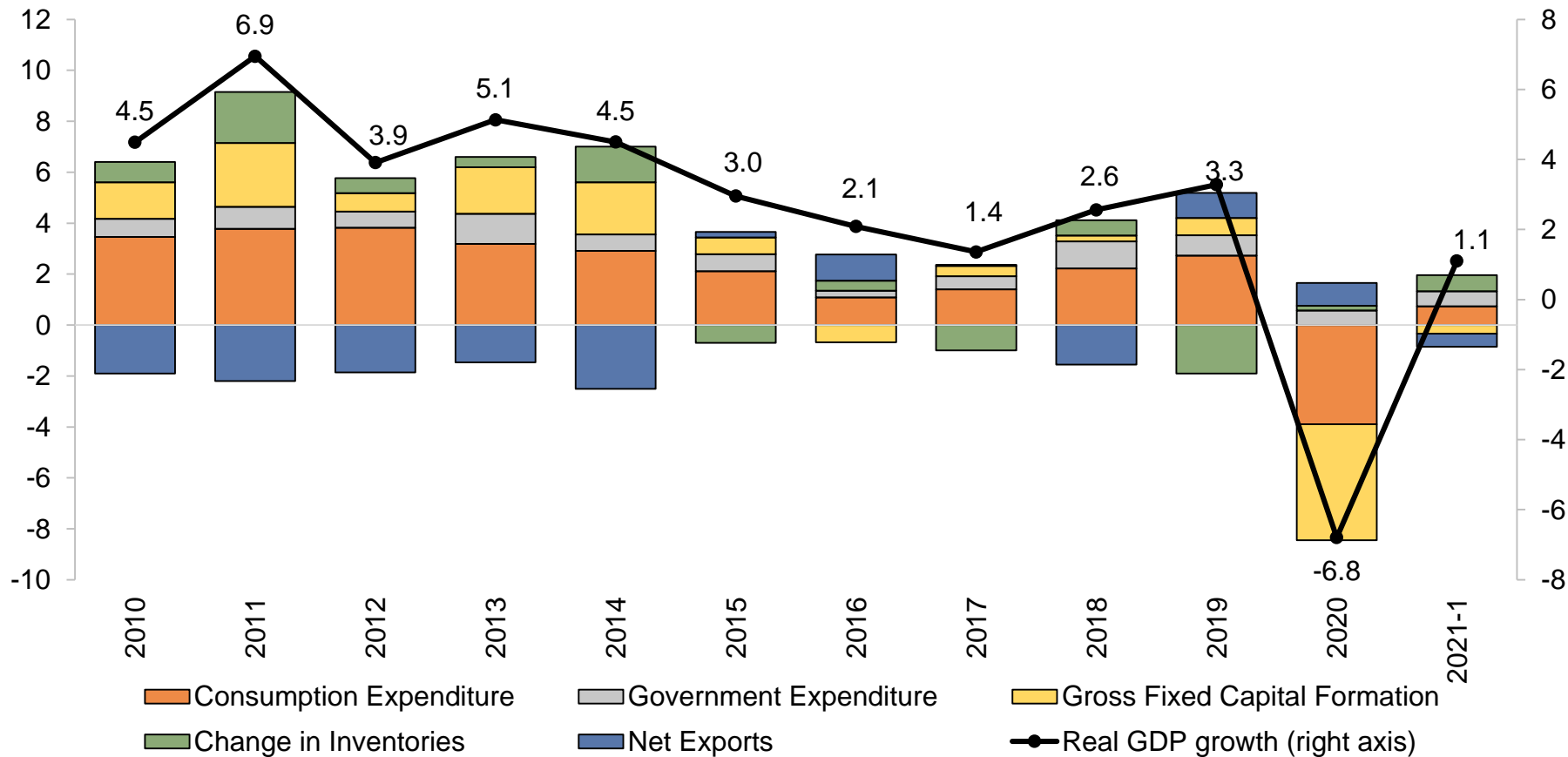
Quick rebound from economic shocks





Consumer spending and investment is leading the economic recovery

Real GDP Growth Breakdown (%)





9 of the 13 sectors of the economy show positive results in the first quarter of the year

Arts, entertainment & recreation, manufacturing, financial and insurance sectors are driving growth

	Weight Q1-2021	2019	Q1-2020	Q2-2020	Q3-2020	Q4-2020	Q1-2021
GDP Sector	100%	3.3	0.6	-15.7	-8.4	-3.6	1.1
Trade & Transportation	16.9%	3.7	1.0	-34.1	-21.2	-6.6	-0.8
Public Administration	14.0%	5.1	2.1	-2.3	0.2	2.6	3.5
Manufacturing	12.4%	1.2	-0.1	-25.0	-6.0	-0.2	7.0
Real Estate Services	9.9%	3.3	2.5	1.7	1.8	1.8	1.7
Taxes	9.3%	4.4	1.1	-14.6	-8.1	-2.6	1.6
Agriculture	6.8%	2.3	6.3	-0.2	1.9	2.4	3.3
Business and Professional Services	6.8%	3.4	2.2	-10.5	-6.1	-2.5	1.5
Construction	5.3%	-1.9	-14.6	-36.7	-26.4	-25.2	-6.0
Financial and insurance services	5.2%	6.3	2.5	1.0	2.0	3.1	4.9
Mining	4.2%	1.7	-3.4	-21.4	-19.3	-19.7	-15.0
Public utilities and services	3.1%	2.5	3.3	-8.5	-4.1	-0.9	-1.3
Arts, entertainment and recreation	3.1%	13.0	5.6	-33.7	-11.6	-6.8	7.6
Information and communications	2.9%	1.1	0.8	-5.3	-1.9	-3.6	2.6

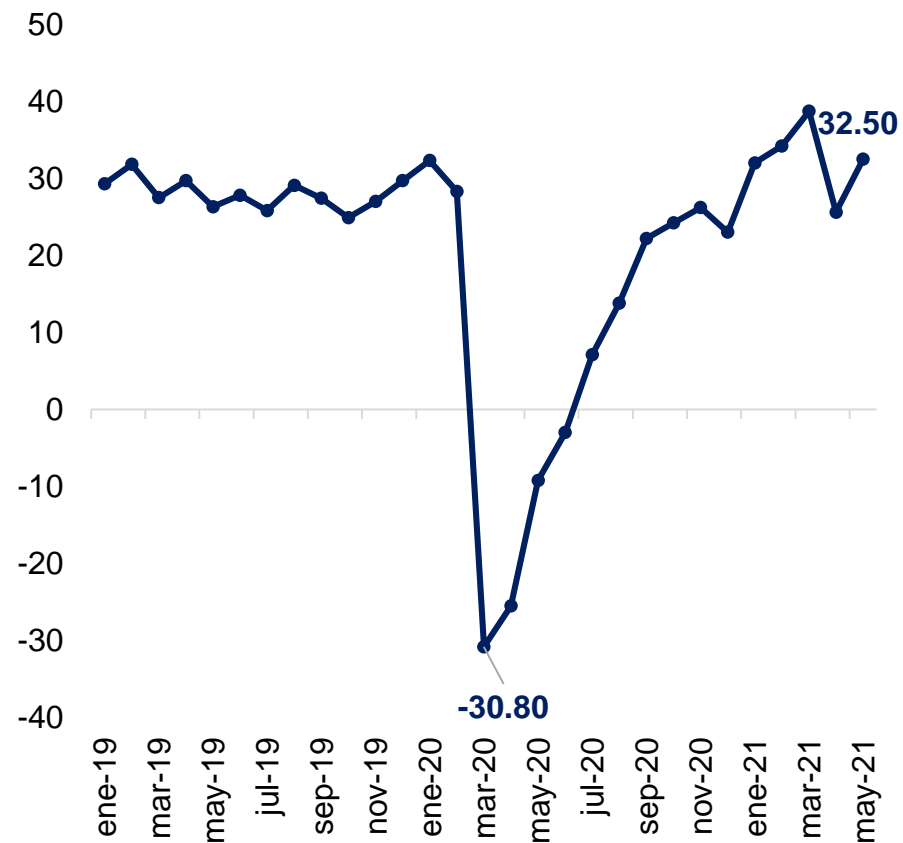


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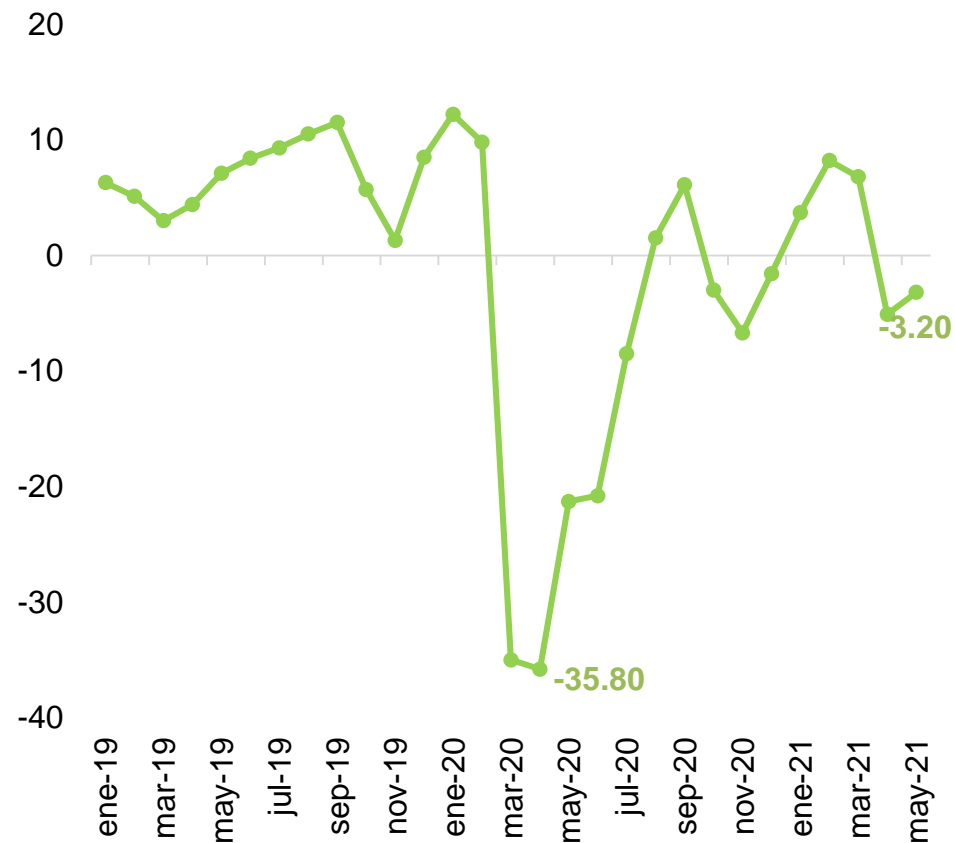
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Business Confidence is slowly bouncing back despite social challenges

Retail Confidence (ICCO)



Industrial Confidence (ICCO)



Colombia has a diversified supply of vaccines and the immunization program is moving forward

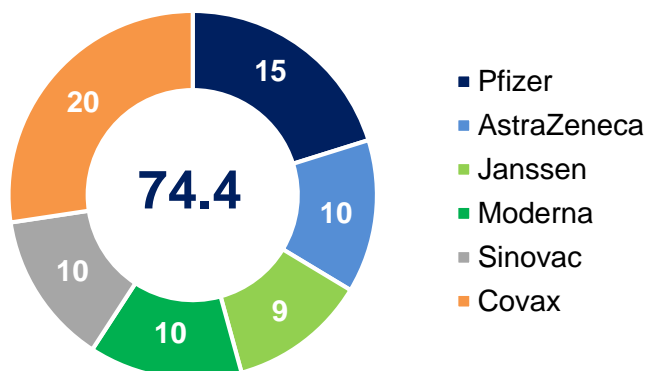


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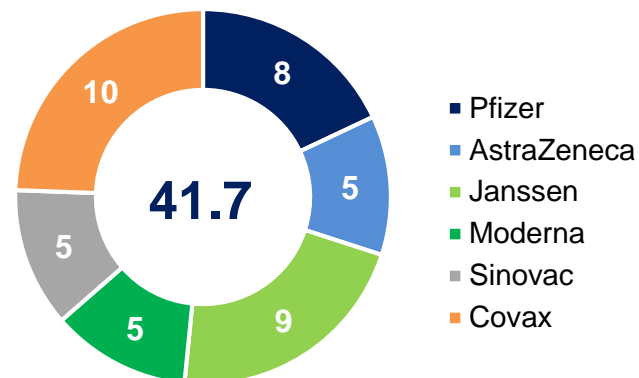
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Purchased Doses by Provider (in millions)

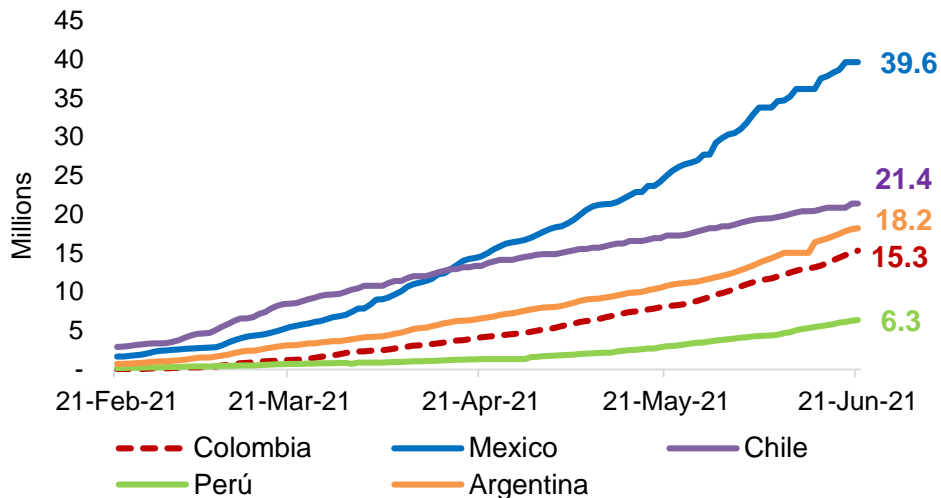


Covered People by Provider (in millions)



Fuente: Ministry of Health– May 31st, 2021

Total Doses Administrated



Vaccines rollout in Colombia (7 day avg. doses administered)

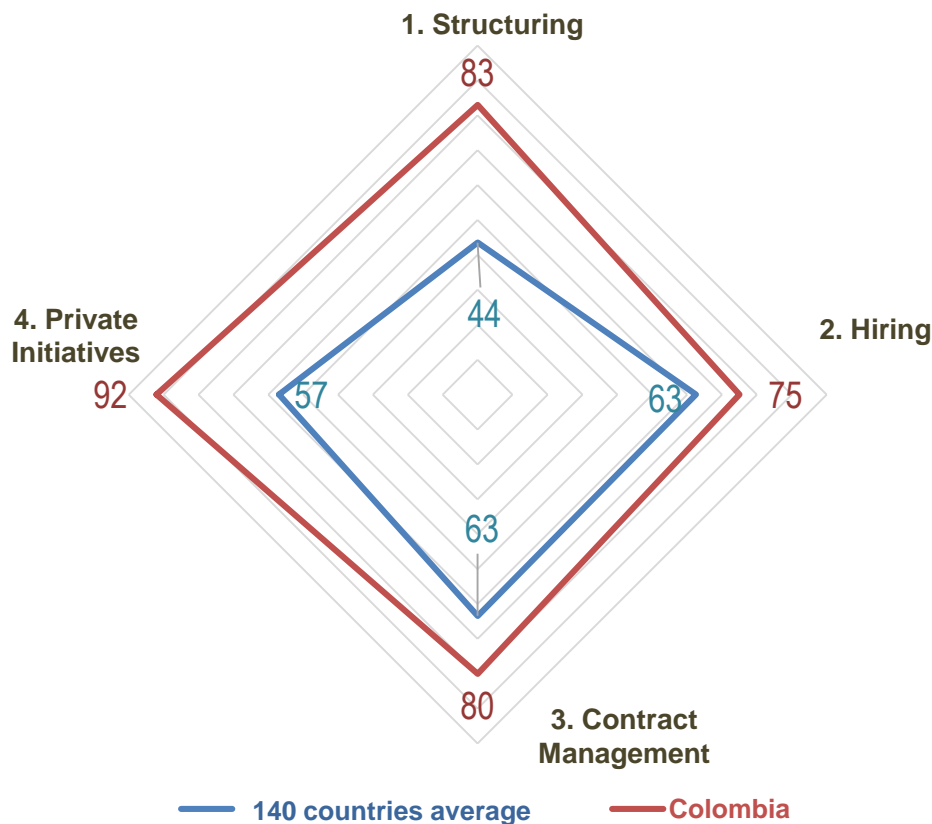


Source: Bloomberg. June 21st 2021 / Ministry of Health



Infrastructure boost improves medium-term growth outlook

Colombia is an international leader in Public-Private Partnerships



Multimodal 5G infrastructure investment - about 2% of GDP

Roads

Investment in USD
(Capex)

Alo Sur	189 mill.
Accesos Norte II	364 mill.
Accesos Cali - Palmira	331 mill.
Buga – Buenaventura	539 mill.
Pto Salgar - Barrancabermeja	553 mill.
Barrancabermeja – San Roque	460 mill.

Airports

Suroccidente	384 mill.
Cartagena	118 mill.
San Andrés	81 mill.
Cartagena II- Bayunca	765 mill.

Fluvial

Rio Magdalena	122 mill.
Canal del Dique	585 mill.

Railway

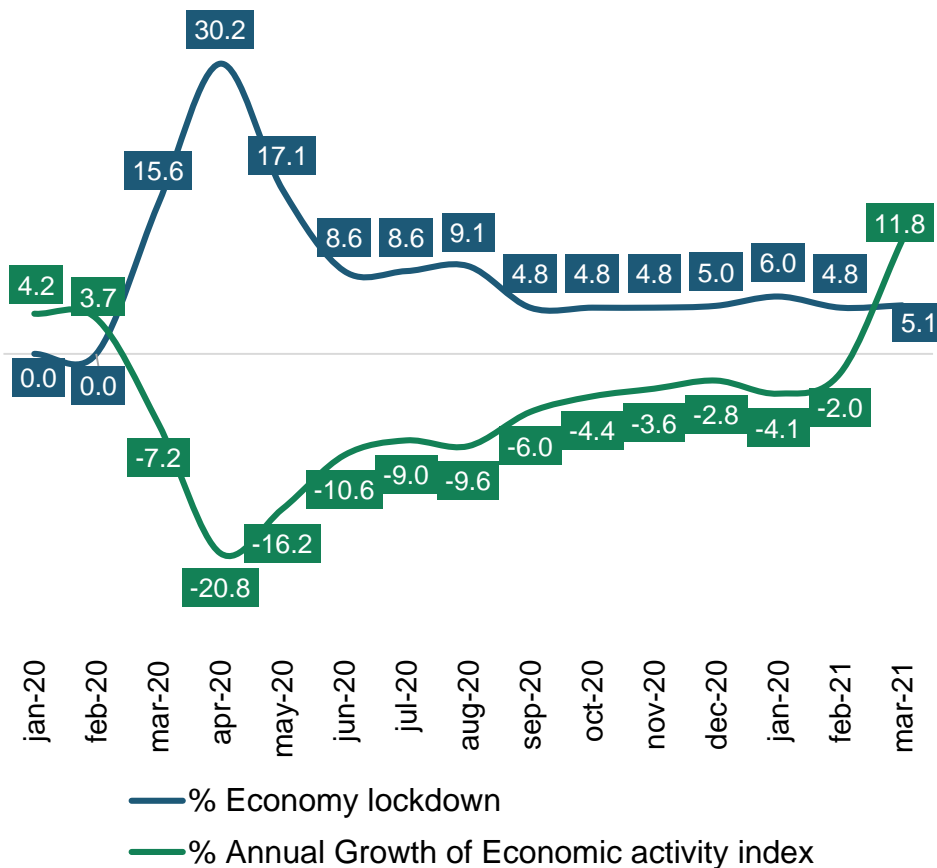
Tren carga – Dorada Chiriguana	433 mill.
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Total	USD \$4.924 Mill
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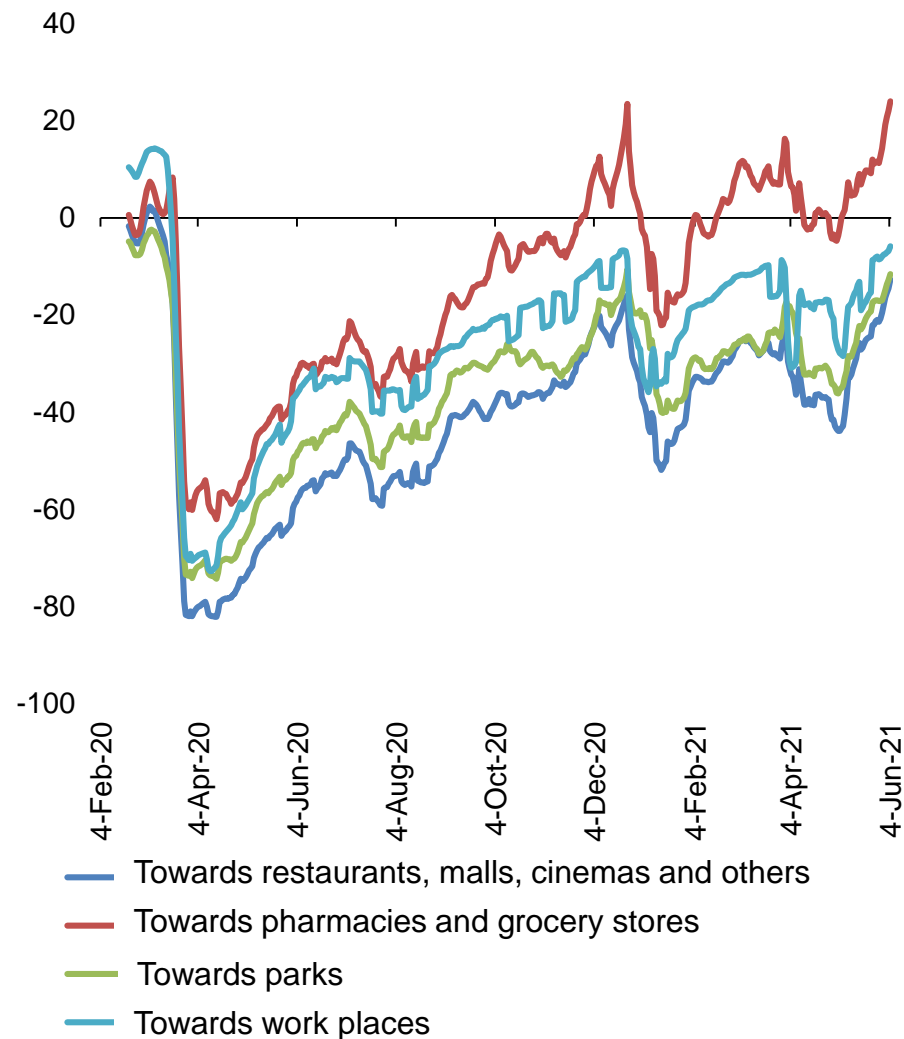


Increasing economic dynamism despite COVID-19 pandemic challenges

% Annual growth of economic activity index
vs.
% Economy lockdown



Google Mobility Index





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In 2020 fiscal deficit was lower than expected, 2021 includes more investment to reactivate the economy



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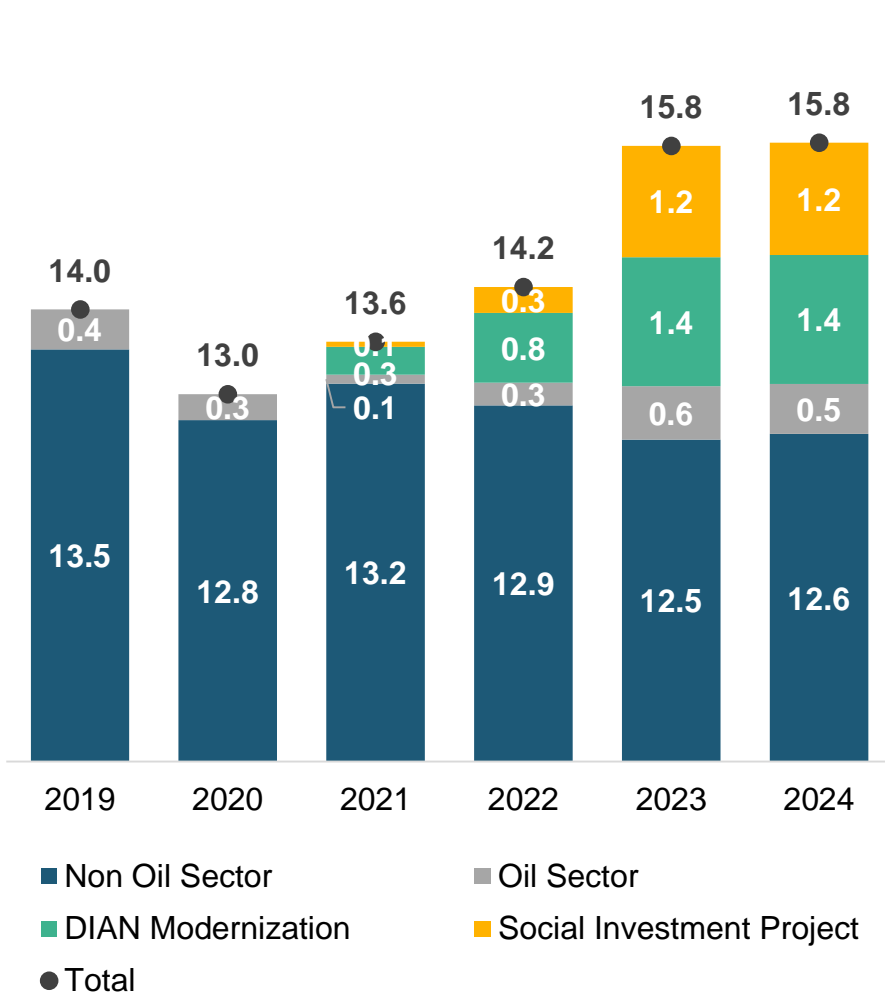
Fiscal Balance 2019 – 2022 (%GDP)

CONCEPT	2019	2020	2021	2022
Total Revenues	16.2	15.2	16.2	16.2
Tax Revenue	14.0	13.0	13.6	14.2
Others	2.2	2.2	2.5	2.0
Total Expenditures	18.7	23.0	24.8	23.2
Interests	2.9	2.8	3.3	3.5
Current expenditure + Inv	15.7	20.2	21.5	19.7
Current expenditures**	14.0	18.1	17.8	17.1
Investment**	1.7	2.0	2.7	2.1
Social Investment	0.0	0.0	1.0	0.5
Primary Balance	0.4	-4.9	-5.3	-3.5
Total Balance	-2.5	-7.8	-8.6	-7.0

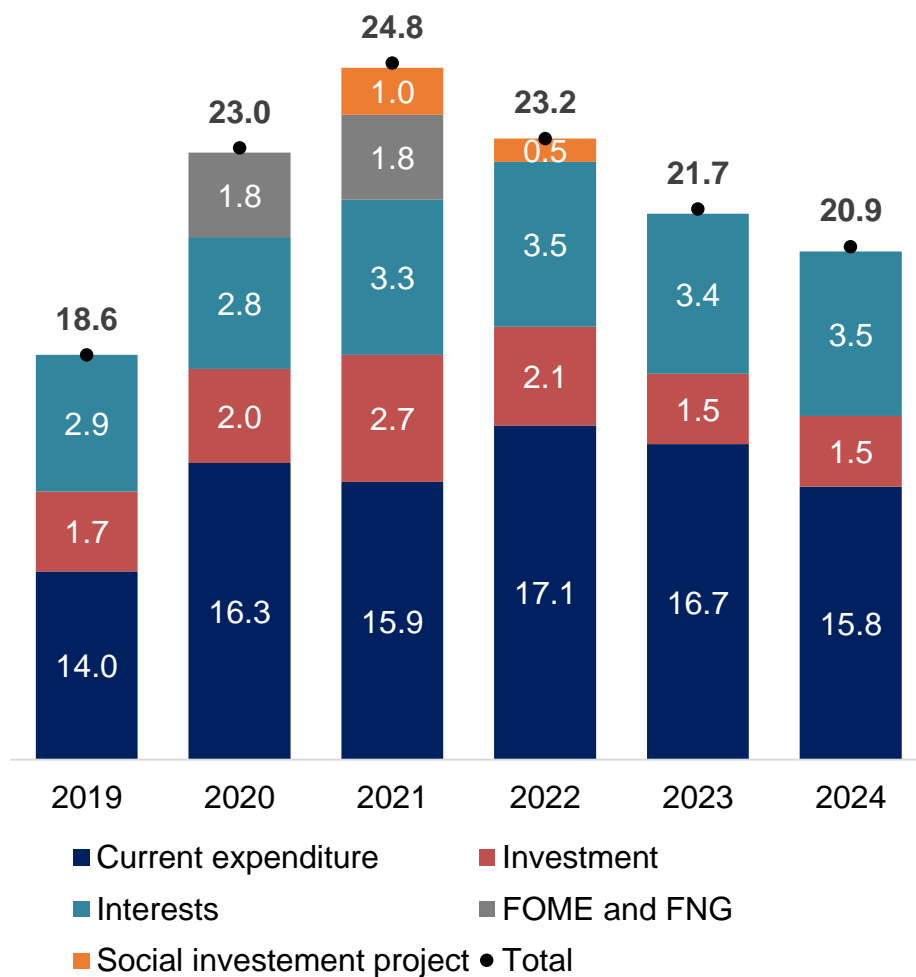


Medium term projections include an increase in tax revenue and efficiency in expenditures

Central Government Tax Revenue 2019 – 2024 (%GDP)



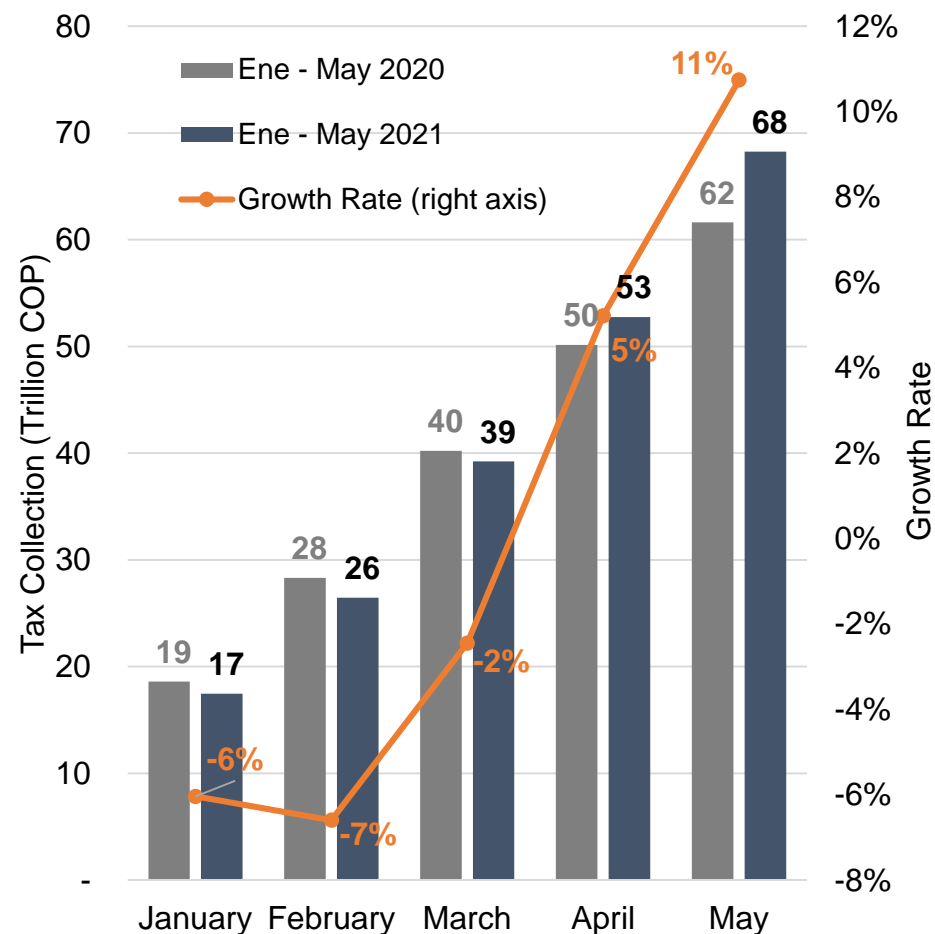
Central Government Expenditure 2019 – 2024 (%GDP)



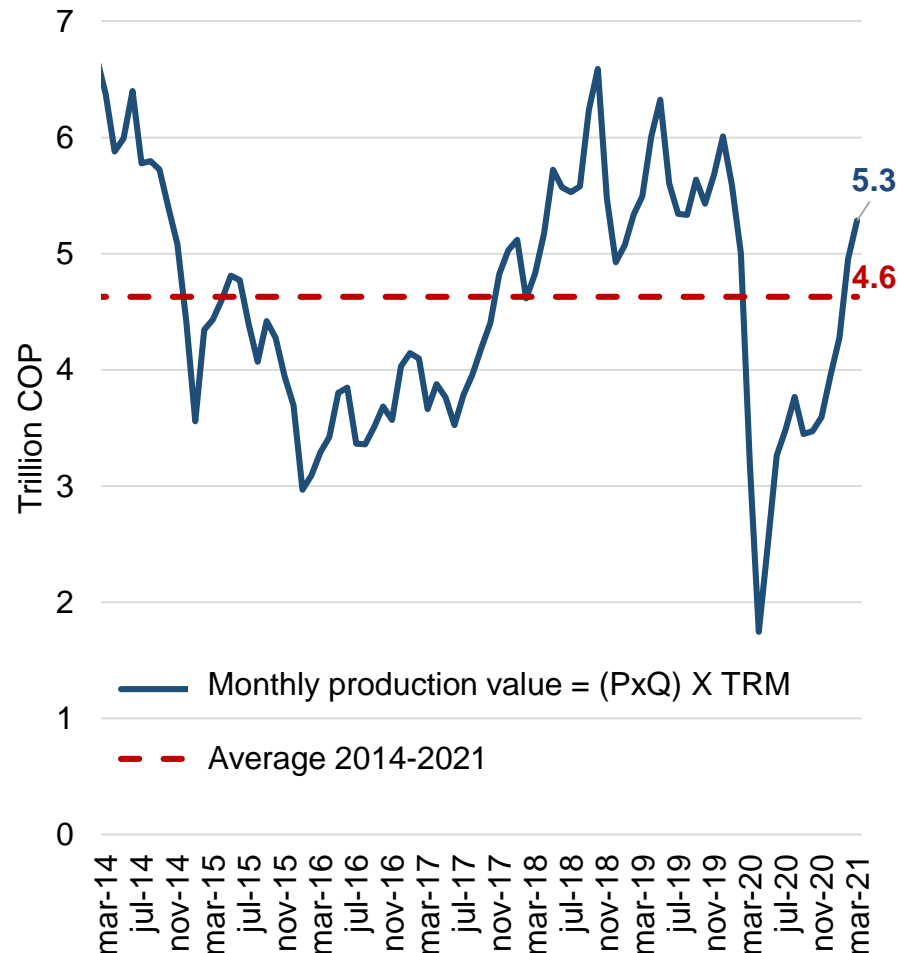


Tax collection increases in line with better economic dynamics and better performance of oil prices

Cummulative Net Tax Collection 2020 - 2021



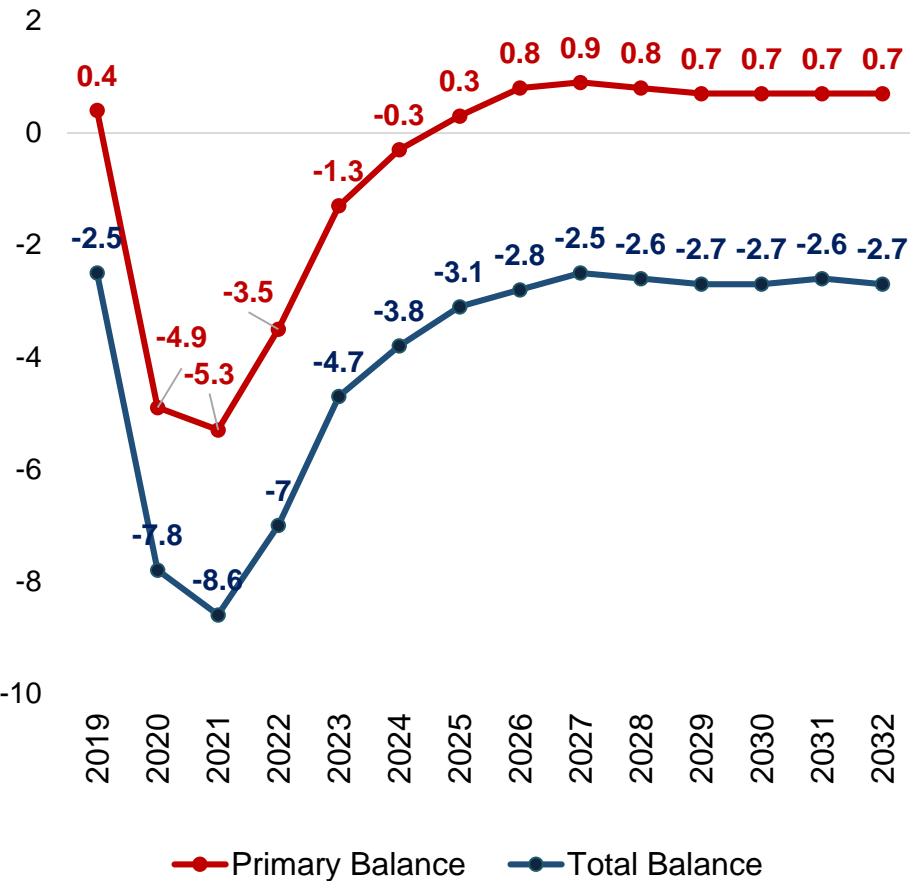
Monthly Oil Production Value in Colombia



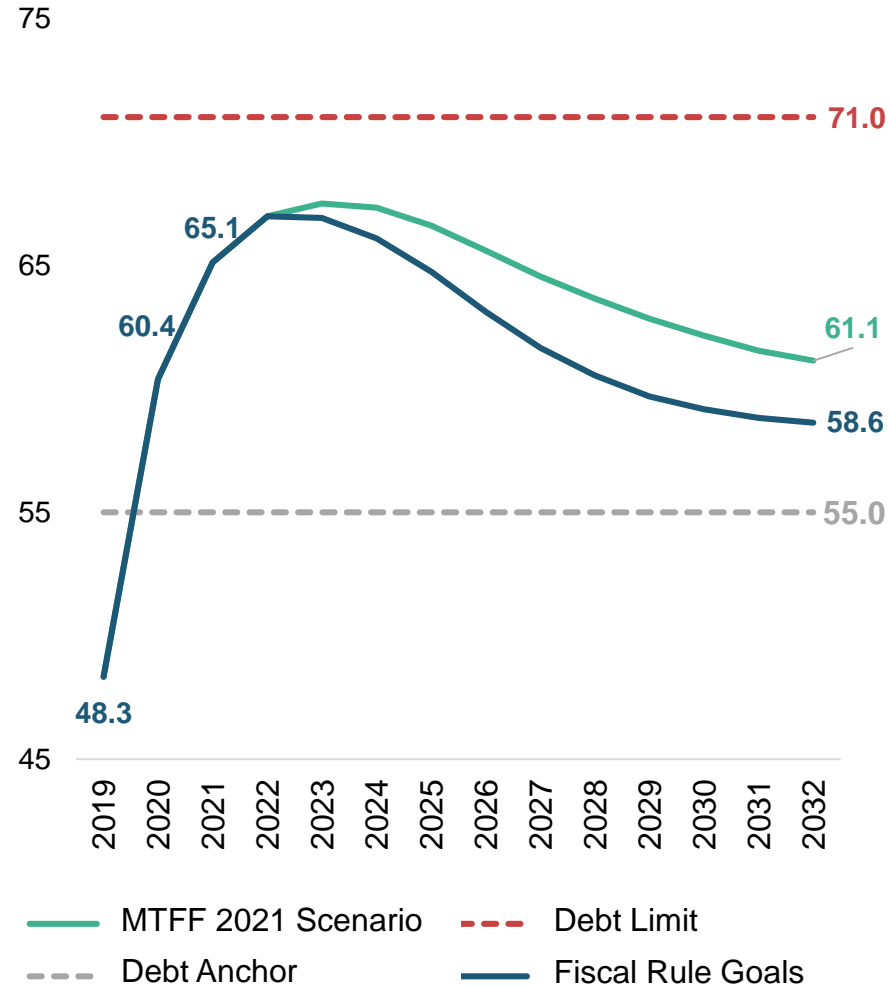


Fiscal policy combines stimulus in the short term and a debt stabilization strategy in the medium term

Total and Primary Balance 2019-2032 (%GDP)



Central Government Net Debt 2019-2032 (%GDP)



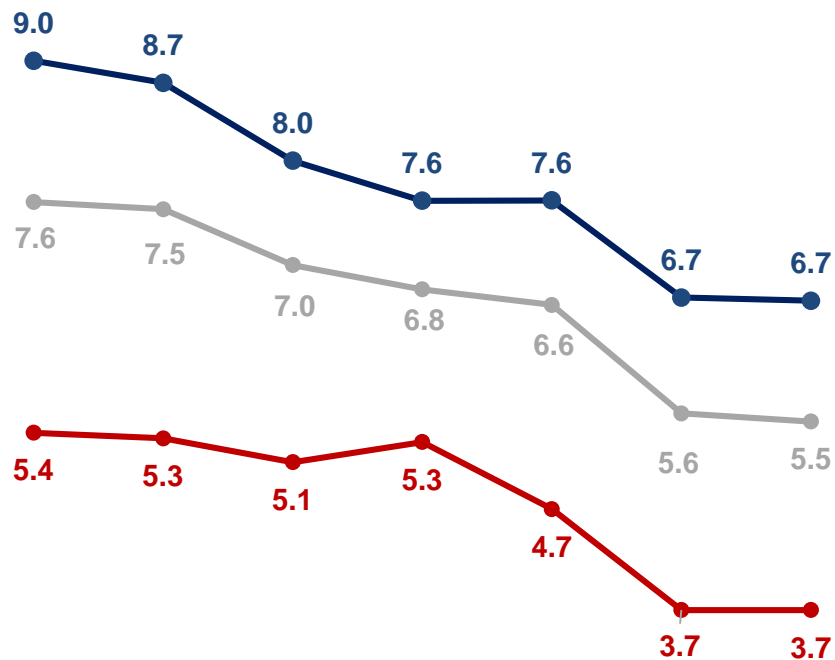


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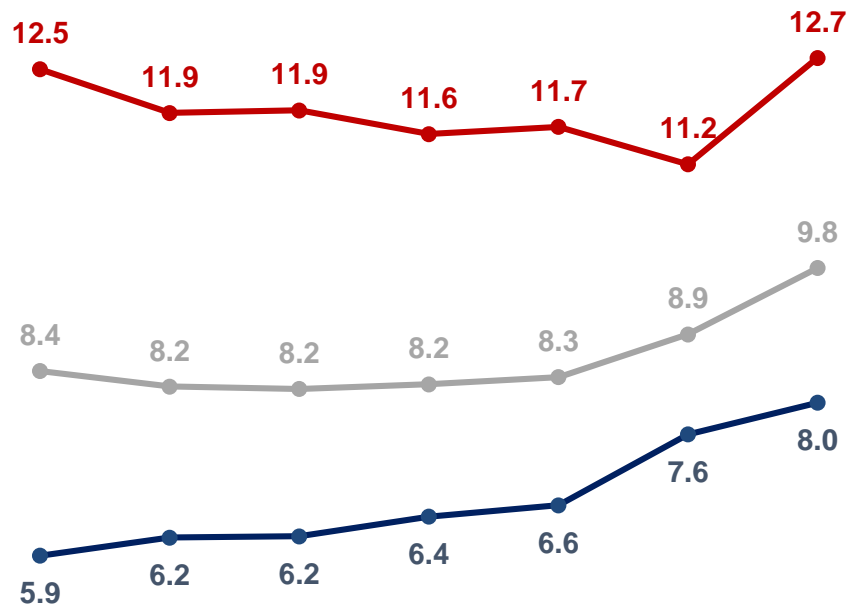
Improvement in public debt ratios of the Central Government

Average Coupon (%)



● Internal Debt (COP) ● External Debt (USD)
● Total Debt

Average Life (years)

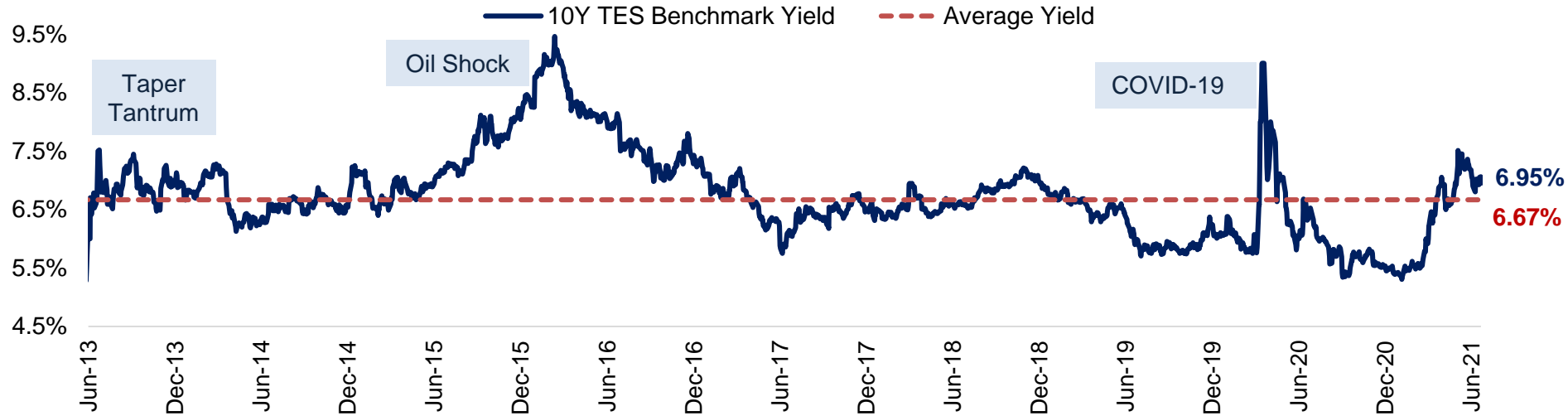


● Internal Debt ● External Debt ● Total Debt

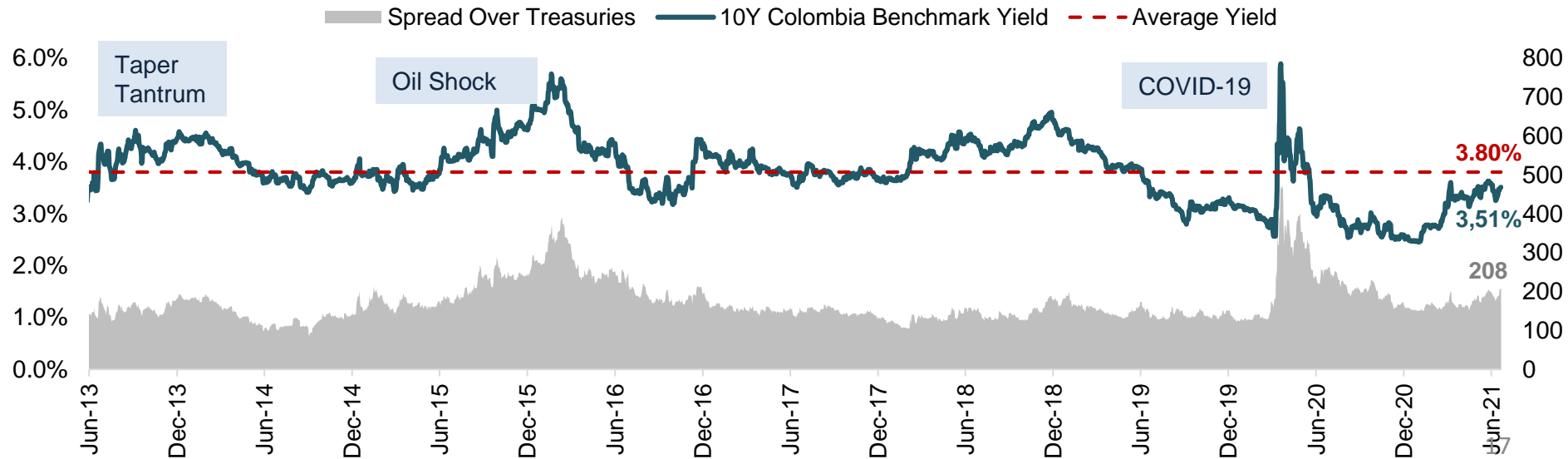


Resilience of local and external markets 10 year benchmarks

10 Year Benchmark - TES

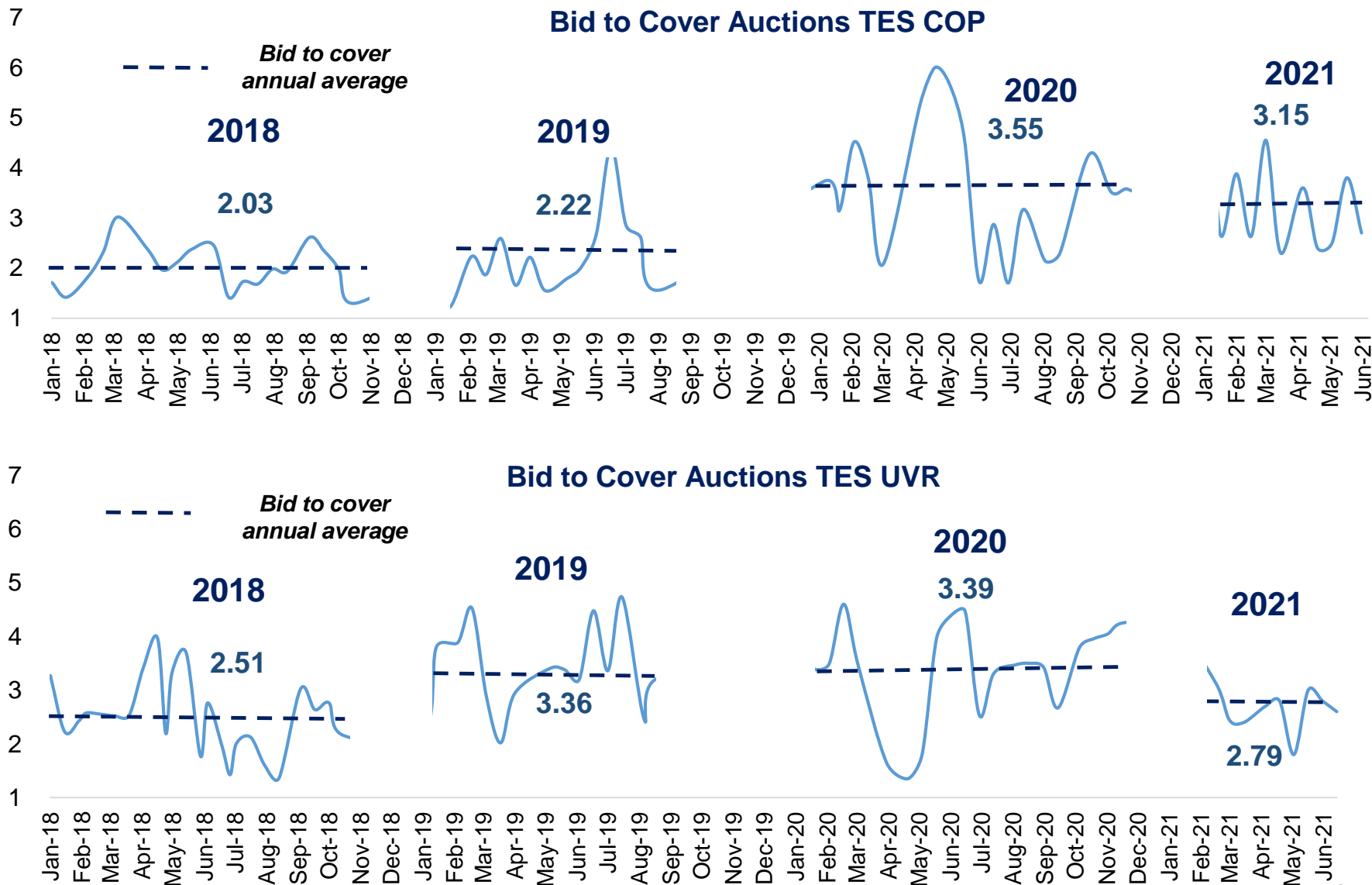


10 Year Benchmark – Global Bonds





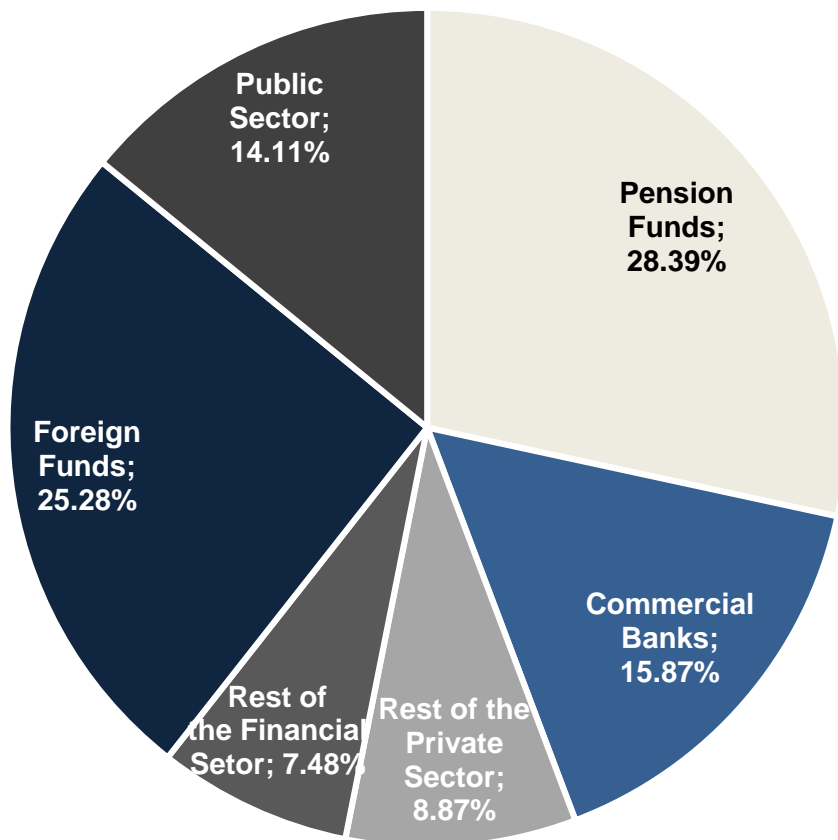
Favorable performance of bid to cover ratio in the local market





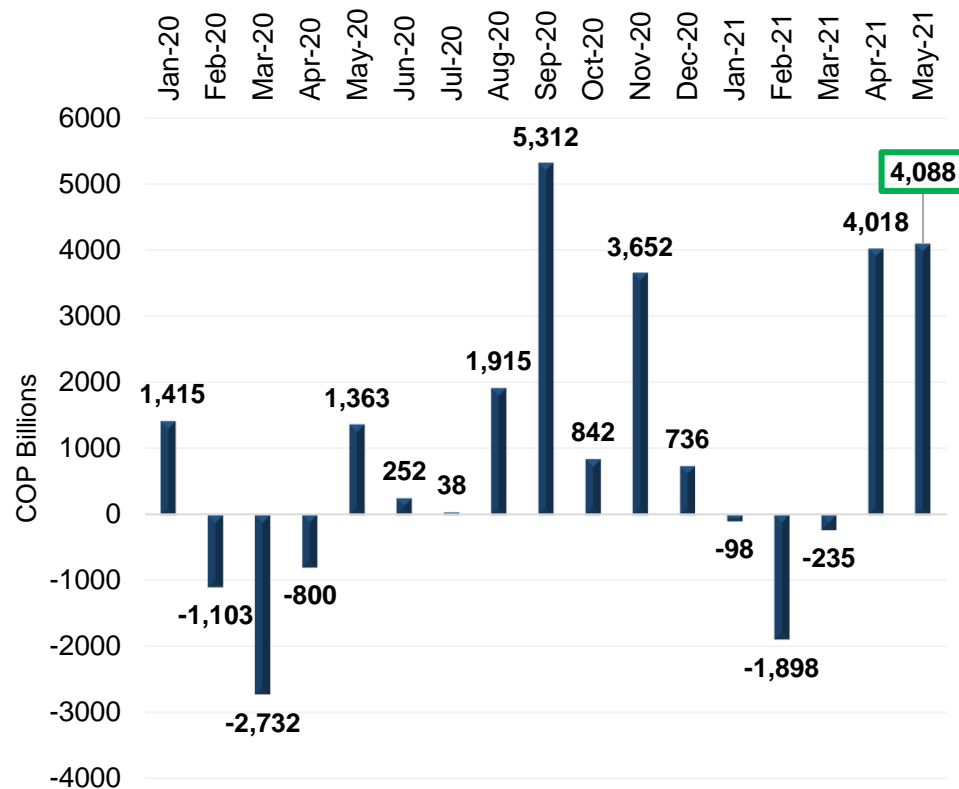
Diversified investor base supports stability of COLTES market

**A competitive market,
with no dominant holders**



Source: Ministry of Finance As of May 31th, 2021.

**Net Portfolio Flows from Foreigners into COLTES
(Cop Billion)**



Source: Ministry of Finance As of May 31th, 2021.



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Financing Plan 2021 and 2022



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2021		Act.	% GDP			Act.	% GDP
SOURCES	US\$	134,068	12.1%	USES	US\$	134,068	12.1%
Disbursements		91,634	8.3%	Déficit to Finance		95,749	8.6%
External (US\$ 10,110 mill.)		36,302	3.3%	of which:			
Internal		55,332	5.0%	Internal Interests		27,058	2.4%
				External Interest (US\$ 2,577 mill.)		9,712	0.9%
				Amortizations		18,928	1.7%
				External (US\$ 2,981 mill.)		10,937	1.0%
Other resources		9,773	0.9%	Internal		7,991	0.7%
				Contingent Liabilities (Rulings, Health, Others)		8,590	0.8%
Initial Availability		32,661	2.9%	Final Availability		10,800	1.0%

2022		MTFF	% GDP			MFMP	% GDP
SOURCES	US\$ MFMP	127,757	10.7%	USES	US\$ MTFF	127,757	10.7%
Disbursements		102,195	8.5%	Déficit to Finance		83,574	7.0%
Externals (US\$ 10,500 mill.)		39,312	3.3%	of which:			
Internals		62,883	5.3%	Internal Interests		29,645	2.5%
				External Interests (US\$ 2,996 mill.)		11,685	1.0%
				Amortizations		27,773	2.3%
				External (US\$ 1,009 mill.)		3,936	0.3%
Other Resources		14,763	1.2%	Internal		23,837	2.0%
				Contingent Liabilities (Rulings, Health, Others)		6,382	0.5%
Initial Availability		10,800	0.9%	Final Availability		10,028	0.8%