Colombia: Petro Opens the Door

Similar to what happened in Chile, Colombia was not a priority destination in the initial stage of the landing of Chinese companies in Latin America. However, investments began to intensify in the last five years with a focus on energy and transportation. This trend promises to gain more momentum given that the new focus of Chinese investments coincides in part with the agenda that President Gustavo Petro intends to carry out. “Historically, Colombia has had much less relationship with China than other countries in the region given that it maintains a close link with the United States,” says Sanborn. “However, that is changing: although investments in electric transportation and mining are motivated more by economic than political issues, under Petro’s government Colombia’s doors are more open to China.”

In renewable energy – one of the main focuses of Petro’s administration – companies such as Power Construction Corporation of China (PowerChina) and Trina Solar already have several projects in Colombia.

There is also the construction underway of Line 1 of the Bogotá metro, a project being carried out by a consortium comprised of China Harbour Engineering (CHEC) and XI'AN Rail Transportation Group. Three of the four consortiums participating in the tender for Line 2, due for award in December, involve Chinese companies. Chinese firms are also in charge of construction on the RegioTram light rail and Medellín metro projects, as well as several other large transport infrastructure works in Colombia.

In addition, investments are emerging in other areas such as those of the pharmaceutical company Sinovac, which, after abandoning the project in Chile, announced at the end of last year the construction of a vaccine factory in Bogotá in which it will invest US$300 million. "Due to the structure of the economy and its respect for the rule of law, I would not be surprised if Colombia becomes an increasingly important market for Chinese investments," says Tornero. "If the construction of the metro in the city of Bogotá ends up being a success story, Colombia could reach levels of Chinese investment similar to those of Chile in the coming years."

In any case, the approach of the Petro government to China, which was consolidated after the bilateral meeting held in Beijing with Xi Jinping last October by which the relationship between the countries was promoted to the category of "Strategic Association," raises concern regarding US diplomacy, as the country is Colombia's main commercial and military partner. "Colombia's traditional alliance with the United States is a factor to take into account, but there is Mexico's counterargument," says Tornero. "Mexico is even closer to the United States than Colombia and, however, Chinese investments there have been growing strongly, especially in manufacturing."