

MONTHLY

COLOMBIA RISK

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RISK
ANALYSIS

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THREE KEY FACTORS WILL DETERMINE PETRO'S FAVORABILITY

The stability of President Petro's favorability rating can be attributed to improvements in specific macroeconomic indicators, the decentralization of responsibility for urban security, and a shield against corruption scandals. However, given the uncertainties surrounding his legislative agenda, Petro may adopt a confrontational strategy to garner public support.

PETRO WILL FAVOR LOYALISTS OVER EXPERTS

In March 2024, high-ranking former officials from the Petro administration voiced their concerns over a noticeable pivot towards "activism" at the cost of "technocracy," emphasizing a marked preference for appointments based on political allegiance. This emerging trend poses a risk to effective budget management and the approval of social reforms.

RECENT APPOINTMENTS TO KEY GOVERNMENT POSITIONS

DEPARTMENT OF SOCIAL PROSPERITY

Gustavo Bolívar, former senator for the Historic Pact, is the new director of the Department of Social Prosperity (DPS), replacing Laura Sarabia.

NATIONAL PLANNING DEPARTMENT

Alexánder López, former senator for the Historic Pact, was appointed as director of the National Planning Department (DNP), replacing Jorge Iván González.

NATIONAL UNIT FOR DISASTER RISK MANAGEMENT

Carlos Carrillo, former councilman of Bogotá for the Polo Democrático, is the new director of the National Unit for Disaster Risk Management, replacing Olmedo López Martínez.

BUDGET DIRECTOR IN THE MINISTRY OF FINANCE

Jairo Alonso Bautista is the new budget director at the Ministry of Finance, replacing Claudia Numa. He worked in the Legislative Work Unit of former senator Gustavo Bolívar, in the SAE and the Ministry of Finance as deputy technical director of competitiveness and sustainable development of the Budget Office.

ROAD BLOCKADES WILL CONTINUE TO HAVE ECONOMIC CONSEQUENCES

Road blockades have become a frequent occurrence in Colombia, resulting in economic losses and disrupting the continuity of operations across various sectors. Despite this, the government's approach to managing these blockades will likely remain unchanged in the foreseeable future.

VENEZUELA IS NOT THE SOLUTION TO THE NATURAL GAS DEFICIT

The Government is determined to import natural gas from Venezuela to solve Colombia's deficit, even though there are no guarantees about PDVSA's capacity to supply Colombia's demand or the Antonio Ricaurte pipeline's ability to transport it. Importing gas implies energy insecurity and dependence on Venezuela and, indirectly, on the US.

IAFP
Presidential aggregate favorability index*

32.8% ↑

*Calculations by CRA

RISK TREND

APRIL

POLITICAL
SECURITY
SOCIAL
ECONOMY

Risk increase ↑
Risk likely increase ↗
Risk likely decrease ↘
Risk decrease ↓
Risk stable —

UNEMPLOYMENT

FEBRUARY 2024

11.7% ↓

INFLATION

FEBRUARY 2024

1.09% ↑

ANNUAL

7.74% ↓

GROWTH

Q4 2023

0.3% ↑

DOLLAR

27 MARCH 2024

\$ 3,865.97 ↓

BARREL WTI

27 MARCH 2024

US 81.60 ↑

BARREL BRENT

27 MARCH 2024

US 86.35 ↑

COFFEE - LB

27 MARCH 2024

US 2.14 ↑

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