

TOLIMA

According to our [2023 Subnational Risk Index](#), the greatest risk for the private sector in Tolima is security challenges, particularly in the southern region. Other risks include a shortage of skilled labor and the need for more significant innovation investment. Despite its strong agricultural, manufacturing, and renewable energy sectors, Tolima faces substantial hurdles in improving infrastructure, addressing climate impacts, and formalizing industries like mining and textiles.

SECURITY:

Tolima has a low-security risk. It had a homicide rate of [26.4 per 100,000 inhabitants](#), and it was the tenth department in the country and second in the region, after Antioquia, with the highest extortion rate ([23 extortions per 100,000 inhabitants](#)). Although the department is generally considered safe, issues related to [theft](#) and drug trafficking by criminal gangs have arisen in the capital and nearby municipalities. Southern Tolima shares a border with Valle del Cauca and Cauca, two departments facing a complex security situation. This impacts that area of the department. The presence and strengthening of criminal groups such as the [Estado Mayor Central](#), the [Comisión Sexta Comando Conjunto Central Adán Izquierdo](#), and [other illegal armed structures](#) have raised concerns.

ECONOMY:

Tolima has a moderate economic risk. In 2022, agriculture, livestock, and fishing contributed 22% to [Tolima's GDP](#), followed by commerce, hotels, and repairs (18.1%) and public administration (15.6%). It was the ninth department in the country and sixth in the region for financial inclusion, with [75.65%](#) of adults having active financial products, 12.5 percentage points above the national average of 63.15%. Additionally, it ranked as the eighth department in the Andean region for business density, with 567 companies providing formal employment per 10,000 inhabitants. [44.19%](#) of the population in Tolima has higher education, making Tolima the third department in the region with the lowest human capital. This will likely have an effect on unemployment and informality levels in the department.

INSTITUTIONALITY:

Tolima is the tenth department in the country and second in the Andean region with the highest institutional risk (moderate risk). In 2021, it was the eleventh department in the country and eighth in the region with the highest score in the [Departmental Performance Measurement](#) (70.1 out of 100). In 2022, Tolima was the seventh department in the country and the first in the region with the lowest score on the [Digital Government Index](#) (62.6 out of 100). This indicates that while authorities have a relatively good level of ICT integration, there is significant room for improvement. In the [Transparency, Access to Information, and Anti-Corruption Index](#), Tolima was the seventh department nationally and second regionally with the lowest score (69.2 out of 100). This suggests that more robust control and oversight of projects and resource management are needed in the department. According to the Secretariat of Transparency, between 2010 and 2022, [95% of crimes against public administration](#) in Tolima remain unpunished.

SOCIETY:

Tolima is the sixth department nationally and fifth regionally with the lowest social risk (low risk). In the 2023 [Multidimensional Poverty Measurement](#) (MPM), the percentage of the population in poverty increased by 2.4 percentage points, rising from 10.5% in 2022 to 12.9% in 2023. The department improved in five variables but worsened in ten. The data show declines in education, housing, and healthcare, with a concerning gap between urban and rural areas. Tolima has a high health insurance coverage rate of [97.7%](#). According to the [Multidimensional Index of Energetic Poverty](#), 20.3% of the department's population lacks adequate, quality energy sources. An essential factor in Tolima is the presence of the indigenous population. This means that the private sector must conduct prior consultations with each identified Indigenous or Afro-Colombian community in the areas where it plans to operate.

ENVIRONMENT:

The 2023 Subnational Risk Index shows Tolima has very low environmental risk. In 2022, it was eleventh nationally and fourth regionally for the fewest illegal renewable resource exploitation ([26 cases](#)) and seventh nationally and fifth for illicit mining ([7 cases](#)). [Only one](#) case was reported for damage to natural resources and environmental contamination. Deforestation increased by 110% in 2022, with 246 hectares lost. In early 2024, [increased volcanic activity](#) in Nevado del Ruiz affected 14 municipalities, prompting emergency measures, including [halting tourism](#). Illegal mining remains a challenge, with significant earnings from illicit sales contributing to deforestation, soil erosion, and water contamination.

POLITICS:

Tolima has very low political risk, with no governor resignations or dismissals from 2012 to 2022, which is favorable for business investments due to political stability. In 2022, Tolima had the fourth-lowest number of victims of constitutional and legal crimes ([3](#)) and the seventh-lowest for improper contract celebration ([11](#)). It was also the tenth for threats against human rights defenders and public officials ([296](#)) and abuse of authority ([162](#)). These results indicate some issues affecting public service but less so than other departments.

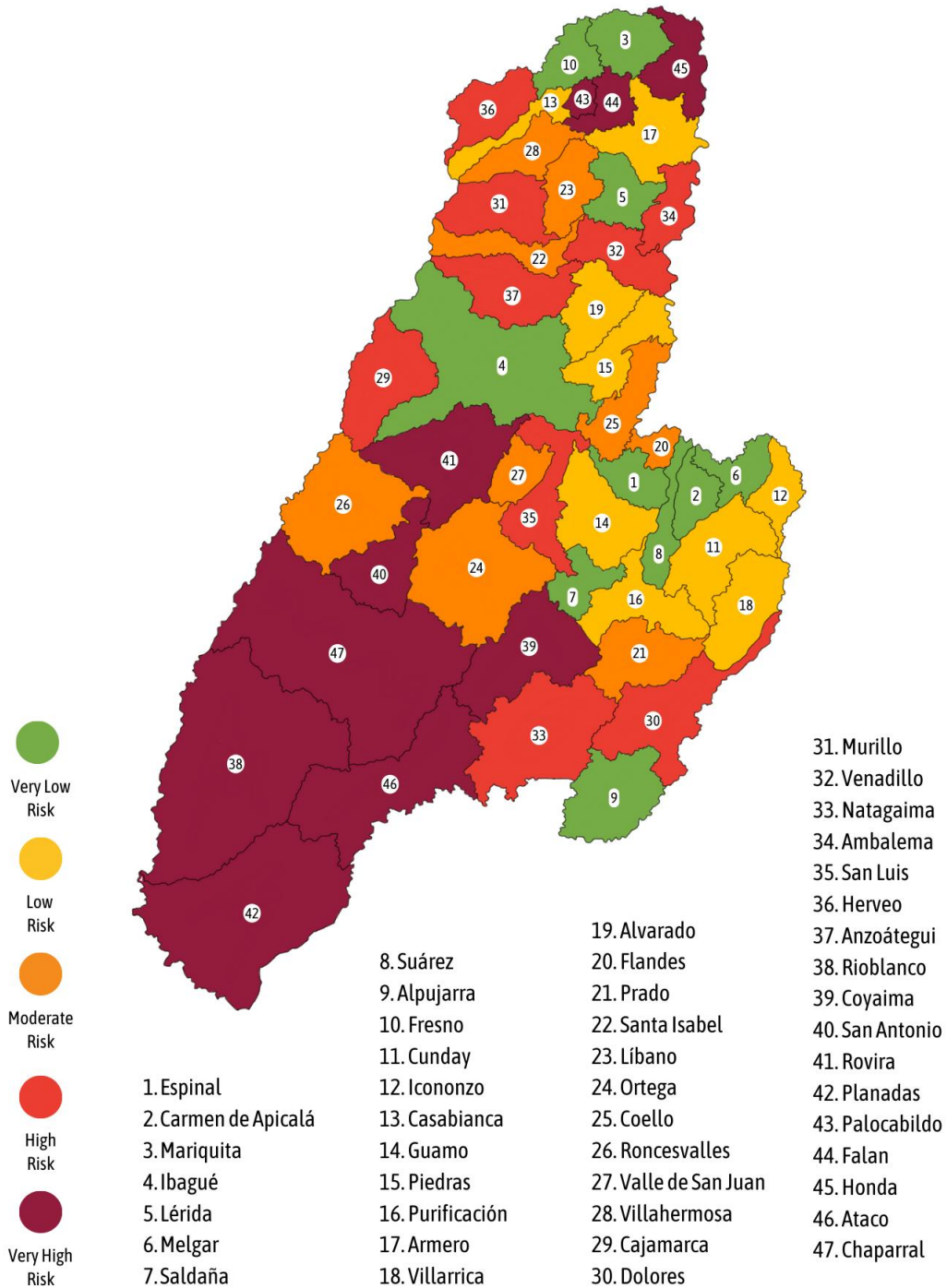
TRANSPORT INFRASTRUCTURE:

As of July 2024, the National Institute of Roads (INVÍAS) reported that Tolima has 120.58 km of primary roads, fully paved, but 42.4% are in poor condition. [The Departmental Development Plan](#) 2024-2027 includes 2,192.68 km of secondary and tertiary roads. The Tolima government invests over [COP 700 billion](#) in infrastructure projects, enhancing mobility, safety, and economic development. Former [Transport Minister](#) William Camargo announced 133 infrastructure projects worth over COP 5 trillion, including the Rovira-Roncesvalles connection to Buenaventura and the central railway corridor, enhancing regional connectivity. Additionally, Tolima is developing river transport with [16 docks](#) in 10 municipalities, improving trade and offering an alternative to deteriorated roads.

INVESTMENT SECTORS:

AGRICULTURAL SECTOR	<p>The agricultural sector was the most significant economic activity in Tolima's GDP. Initiatives like the Panela Tourist Route aim to promote tourism and develop a productive corridor around sugarcane. This exemplifies the synergy between the agricultural, commercial, and tourism sectors.</p>
LIVESTOCK SECTOR	<p>Cattle production in Tolima offers various opportunities, particularly in producing meats, sausages, and dairy products such as cheeses and yogurts. Additionally, there is significant potential in producing leather-based textiles and using them in leather goods manufacturing.</p>
EXTRACTIVE SECTOR	<p>The extractive sector in Tolima has significant development opportunities. The governor's office provides local mayors with formalization and good mining-environmental practices training, which strengthens miners' integration into the formal economy and reduces environmental impacts.</p>
TOURISM SECTOR	<p>The department has various tourist attractions, such as the hot springs in Murillo, the Nevado del Tolima, the San Juan festivals, and heritage cities of Colombia like Honda and Ibagué. The department's diversity of destinations allows it to offer nature, history, adventure, sports, and leisure vacation tourism.</p>
COMMERCE SECTOR	<p>Most of the companies in the department belong to the tertiary sector or commerce and services. One of the opportunities for the commerce sector is the celebration of the Folkloric Festival, which features various festivities and promotes local products and gastronomy.</p>
MANUFACTURE SECTOR	<p>Tolima is the second-largest rice producer in the country, making rice processing a fundamental part of the agro-industry. In addition to producing rice flour, the waste produced during rice processing has the potential to generate energy.</p>
CONSTRUCTION AND REAL ESTATE ACTIVITIES	<p>Events organized by the Ibagué Chamber of Commerce have integrated various actors in the construction value chain. This integration is positive because it facilitates the exchange of information and collaboration between private companies and government entities, improving the identification of investment opportunities.</p>
RENEWABLE ENERGY SECTOR	<p>The renewable energy sector in the department of Tolima has proven to be one of the most dynamic and promising pillars in Colombia's energy transition. Its development also has the potential to positively impact other productive sectors of the department, such as agriculture.</p>

TOLIMA 2023 RISK MAP



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