

RISARALDA

According to our [2023 Subnational Risk Index](#), the greatest risk for the private sector in Risaralda stems from climate change, infrastructure challenges, and security issues linked to narco-trafficking and extortion. While industries like agriculture, tourism, and technology show strong potential for growth, problems such as poor rural connectivity, informal employment, and rising costs in real estate pose significant obstacles to economic development and competitiveness.

SECURITY:

Risaralda has a very low security risk, ranking eighth nationally and fifth regionally. In 2022, it had the thirteenth lowest homicide rate ([23.1 per 100,000](#)) and the lowest kidnapping rate ([0.3 per 100,000](#)) and was tenth nationally and third regionally in extortion rate ([10.1 per 100,000](#)). The Risaralda's small size also aids territorial control by the security forces. However, the department faces isolated security challenges from the [ELN](#) and organized crime groups like [Los Flacos and La Nueva Alianza](#), among [22 other criminal gangs](#) vying for control of micro-trafficking, extortion, and illegal lending. This raises concerns about increasing [violence](#), including threats and damage to businesses. The illegal exploitation of minors is a significant issue, with Risaralda among the top ten departments for commercial sexual exploitation of children ([17.70%](#)), according to the National Prosecutor's Office.

ECONOMY:

Risaralda ranks fourth nationally and third in the Andean region for low economic risk. The most [crucial sector](#) for Risaralda's departmental GDP was commerce, hotels, and repairs, contributing 22%. This is followed by public administration at 14.8% and manufacturing industries in third place with 13.1%. The department had a low unemployment rate ([8.8%](#) in early 2024) and low informality ([40.2%](#)), reflecting a stable economy. It ranks fourth in business density, with 804 companies per 10,000 people (according to DANE). It saw an [8.86%](#) GDP growth in 2022, driven by diverse sectors such as commerce, industry, and agriculture, ensuring stability and resilience. In 2022, it had [76.89%](#) financial inclusion, promoting fiscal control and formal labor, making it attractive for new businesses. With [62.04%](#) of the population holding higher education degrees, Risaralda offers a skilled workforce. Risaralda's exports grew by [31.5%](#) in 2023, enhancing its competitiveness. The region's [strategic location](#) makes it a logistical hub, with the [Plataforma Logística del Eje Cafetero](#) (PLEC) project boosting trade and investment by leveraging its proximity to key transport links.

INSTITUTIONALITY:

Risaralda ranks sixth nationally and fifth regionally in low institutional risk. In 2021, it was the eighth-best department in the [Departmental Performance Measurement](#) (77.7/100), reflecting effective public spending and policy management, reducing social unrest. In 2022, it ranked ninth in the [Digital Government Index](#) (82.4/100) and seventh in [Transparency and Anti-Corruption](#) (90/100), enhancing business confidence and governance. The "[Risaralda Territorio Clúster](#)" strategy strengthens 11 business clusters, promoting economic development and attracting investment. The [RAP Eje Cafetero](#) association supports infrastructure, tourism, and agriculture, boosting regional collaboration and preserving the coffee tradition.

SOCIETY:

According to the 2023 Subnational Risk Index, Risaralda is the seventh department with the lowest social risk. Its [Multidimensional Poverty Measurement](#) (MPM) rose from 10% in 2022 to 11.8% in 2023 but remains below the national average (12.1%). Key challenges include overcrowding, poor sanitation, and limited early childhood services, affecting quality of life and productivity. The department has [full healthcare coverage](#) and [education access](#) but has high school dropout rates ([6.42%](#)). It has the third-lowest housing deficit ([17.3%](#)) and a low score on the [Multidimensional Index of Energetic Poverty](#) ([6.6%](#)). Risaralda also boasts strong public utility coverage, which enhances socioeconomic development.

ENVIRONMENT:

Risaralda has low environmental risk. In 2022, it ranked third nationally for environmental damage cases ([34](#)), with [31](#) for illegal resource use, [3](#) for pollution, and [2](#) for illegal mining, impacting ecosystems and livelihoods. Climate risks like [landslides and fires](#) disrupt businesses and harm productivity. Companies like Andi and Fenavi are investing in sustainability to mitigate these impacts. The Nevado del Ruiz volcano [remains a threat](#), with [ongoing activity](#) affecting air quality and public health. Land management is challenging as 40% of Risaralda is protected, limiting urban growth. Supporting green businesses and speeding up environmental projects are vital to balancing conservation and development.

POLITICS:

Risaralda has very low political risk, ranking third in the Andean region. Between 2012 and 2022, it had only three governors, ensuring political stability. Former governor [V́ctor Manuel Tamayo](#) was ranked eighth for best management, reflecting public trust and reducing reputational and corruption risks for businesses working with the government. In 2022, Risaralda saw minimal cases of constitutional crimes, improper contract management, and abuse of authority. However, it recorded [228](#) victims of threats against human rights defenders and public officials, and electoral fraud was a risk in [21.4%](#) of municipalities during the 2023 elections, raising concerns about social unrest. The department collaborates with neighboring regions (Caldas, Quindío, Tolima), enhancing coordination in public policies and development projects across the Coffee Axis.

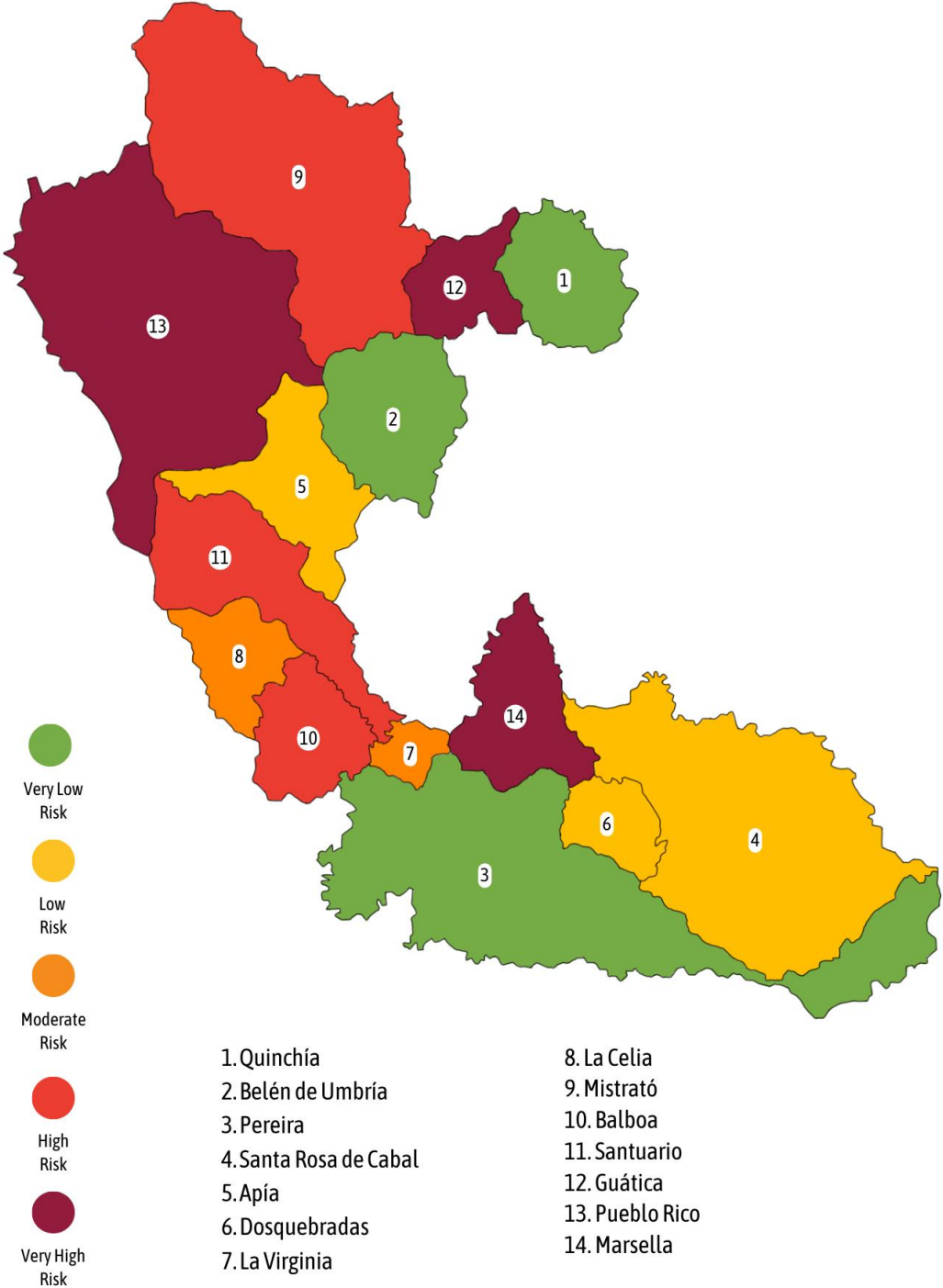
TRANSPORT INFRASTRUCTURE:

In 2023, Risaralda had 152.3 km of primary roads, 67 km of which were in poor condition, and only 10% of its 2,290 km of secondary and tertiary roads paved. Poor road conditions hinder economic sectors like tourism, agriculture, and manufacturing. In 2022, [COP 1.8 trillion](#) improved roads in 14 municipalities, including the Irra-Quinchía and Pereira-Alcalá routes, benefiting 120,000 users. Further [investments](#) improved 60 km of key roads and allocated funds for 347 km in Risaralda and Valle del Cauca. A COP 413 billion investment in the [Vías del Samán program](#) targets eight major road projects. Despite challenges, these efforts are enhancing connectivity and economic growth. [Plans for 2024-2027](#) focus on improving secondary and tertiary roads. Additionally, over [COP 5 trillion](#) was invested in 165 km of railway to boost tourism and transport, while two local ports remain unregulated and underdeveloped. In the department, there are [two docks or landings](#) for ships along the Cauca River.

INVESTMENT SECTORS:

AGRICULTURAL SECTOR	<p>Risaralda has excellent agricultural potential to meet the needs of its population and contribute to food production for the rest of the country. The main permanent crops in the department include sugarcane, plantains, avocados, coffee, and oranges, while the temporary crops include tomatoes, green onions, and corn.</p>
LIVESTOCK SECTOR	<p>The largest herd in the department of Risaralda consists of pigs. This economic activity drives the growth of the agro-industrial sector with the introduction of new products, such as processed meats, sausages, and other value-added products. It highlights the renowned chorizo Santarrosano from Santa Rosa de Cabal in Risaralda.</p>
TOURISM SECTOR	<p>The department's main economic activity was the trade, hotels, and repair sector. The department offers wellness tourism, nature tourism, birdwatching tourism, and culinary tourism. The Coffee Commuter Train project aims to improve regional connectivity between municipalities and cities and improve the tourist experience.</p>
COMMERCE SECTOR	<p>Commerce is one of the department's most important sectors. It takes place through various channels, such as retail stores, local markets, and street sales, and is primarily concentrated in Pereira and its metropolitan area. The tourism value chain presents an opportunity to strengthen commerce by generating greater demand for certain goods and services, thereby boosting employment.</p>
MANUFACTURE SECTOR	<p>The department concentrates its industrial activity on clothing manufacturing (excluding leather garments), food processing, plastic product manufacturing, fabrication of metal products and related metalworking services, coffee processing, furniture manufacturing, printing activities, related printing services, and other unclassified manufacturing industries. These industries diversify and strengthen Risaralda's productive framework.</p>
CONSTRUCTION AND REAL ESTATE ACTIVITIES	<p>Due to its geographical location, temperate climate, and stable quality of life, Risaralda has the opportunity to establish itself as a hub for investment in commercial properties and housing. Property prices in the department are competitive in the market compared to major cities like Bogotá and Medellín, where gentrification has led to an increase in real estate values.</p>
TECHNOLOGY SECTOR	<p>Currently, the Risaralda government, in collaboration with other entities, is driving initiatives that promote innovation and technological competitiveness in the department. These projects will encourage the development of advanced digital skills for businesses in the department, making it an attractive opportunity for investors.</p>

RISARALDA 2023 RISK MAP



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