

QUINDÍO

According to our [2023 Subnational Risk Index](#), Quindío poses the least risk for the private sector in Colombia. It has strong institutional coordination, a secure environment, competitive logistics, and quality-of-life advantages. However, challenges include mismatched academic offerings with labor market needs, environmental management, and labor shortages in agriculture. Opportunities exist in high-value crops, livestock products, and technology sectors, though issues like climate adaptability and infrastructure gaps remain.

SECURITY:

Quindío ranks as the 11th department with the lowest security risk (very low) and 6th in the region. In 2022, it had a homicide rate of [28.2 per 100,000](#), ranked 10th in the country for the lowest kidnapping rate ([0.18 per 100,000](#)), and recorded [19.3 extortions per 100,000](#). No [massacres](#) or [coca crops](#) were reported, but a [social leader](#) was murdered. The presence of the [Army's Fifth Division](#) likely enhances security, and the department's small size aids in territorial control. Despite this, Quindío's location in the Coffee Axis, a key trade route, attracts [armed groups](#) and [criminal gangs](#) like La Cordillera and La Oficina, intensifying violence, extortion, and micro-trafficking. Child [sexual exploitation](#) is also a concern, although it is underreported, according to sources.

ECONOMY:

Quindío ranks ninth nationally and sixth regionally for lowest economic risk (moderate risk). In 2022, [Quindío's GDP](#) was driven by commerce, hotels, and repairs (22.5%), agriculture (21.3%), and public administration (16.1%), highlighting a diversified economy less vulnerable to external shocks. Quindío has Colombia's [third largest business](#) density, with 814 companies per 10,000 inhabitants, making it attractive for business and investment due to its strategic location, infrastructure, and tax incentives. [63.06%](#) of adults had active financial products, close to the national average, indicating a developed financial system that encourages credit acquisition, business formalization, and investment. Quindío also has the second highest human capital, with [65.06%](#) of the population holding higher education degrees, offering a specialized workforce. Despite this, Quindío had the third-highest unemployment rate in 2023 ([13.7%](#)).

INSTITUTIONALITY:

Quindío is the second department in Colombia and the Andean region (after Bogotá) with the lowest institutional risk. In 2021, it ranked fourth in the [Departmental Performance Measurement](#) (85/100), reflecting efficient public resource management. In 2022, Quindío was second nationally and regionally in the [Digital Government Index](#) (86.2/100), indicating strong use of TIC in government processes, which benefits businesses. Quindío also ranked third nationally in the [Transparency, Access to Information, and Anti-Corruption Index](#) (95.8/100), highlighting effective tools against corruption and boosting trust in local contracts. Inter-institutional coordination through organizations like [RAP-Eje Cafetero](#) is vital for business and socio-economic development.

SOCIETY:

Quindío is the fifth department in Colombia and fourth in the region with the lowest social risk. In 2023, the [Multidimensional Poverty Measurement](#) (MPM) showed a 2.5% decrease in poverty, from 10% in 2022 to 7.5%, making it the fifth-lowest nationally. In 2022, [100%](#) of residents had health insurance, improving quality of life and reducing healthcare costs. [105.2%](#) of the population had access to education in 2022 due to higher enrollment than the school-age population. However, [5.97%](#) of students dropped out, limiting their job prospects. Quindío had the second-lowest housing deficit ([12.4%](#)) and the lowest score in the [Multidimensional Index of Energetic Poverty](#) (1.8%). [Public service coverage](#) is high: 82.1% have water, 89.4% natural gas, 99.5% electricity, and 72.7% sewerage. In 2024, the government will invest COP 60 billion in [water and sanitation infrastructure](#), boosting local economic development.

ENVIRONMENT:

Quindío ranks sixth in Colombia and first in its region for lowest environmental risk. In 2022, it had a few environmental crimes: [four cases](#) of illegal use of natural resources, [two](#) of environmental contamination, and [none of illegal mining](#). As the second smallest department, environmental monitoring is easier. Deforestation in Quindío decreased by 13% in 2022 (29 hectares), showing progress in ecosystem protection. The department collaborates with communities, authorities, and businesses on environmental strategies, including reforestation and [circular economy](#) initiatives. However, the Nevado del Ruiz volcano, on [orange alert](#) since 2023, poses risks to areas like Salento, requiring coordinated efforts to manage the impact. Quindío also faces challenges with water contamination due to poor wastewater management and insufficient [treatment plants](#) (only six out of 49 needed are functional).

POLITICS:

Quindío has very low political risk, ranking third nationally and first in the Andean region. From 2012 to 2022, no governors were removed or resigned during their terms, ensuring political stability. While two governors faced issues after their terms, this did not affect the analyzed period. In 2022, there were [181 cases](#) of threats against human rights defenders, [six](#) cases of authority abuse, and [three](#) of improper contract handling. No major disruptions to the public sector were noted, benefiting businesses. In the 2023 election, only [8.3%](#) of Quindío's municipalities were at high risk for electoral fraud or violence, indicating stable and transparent processes that foster business confidence.

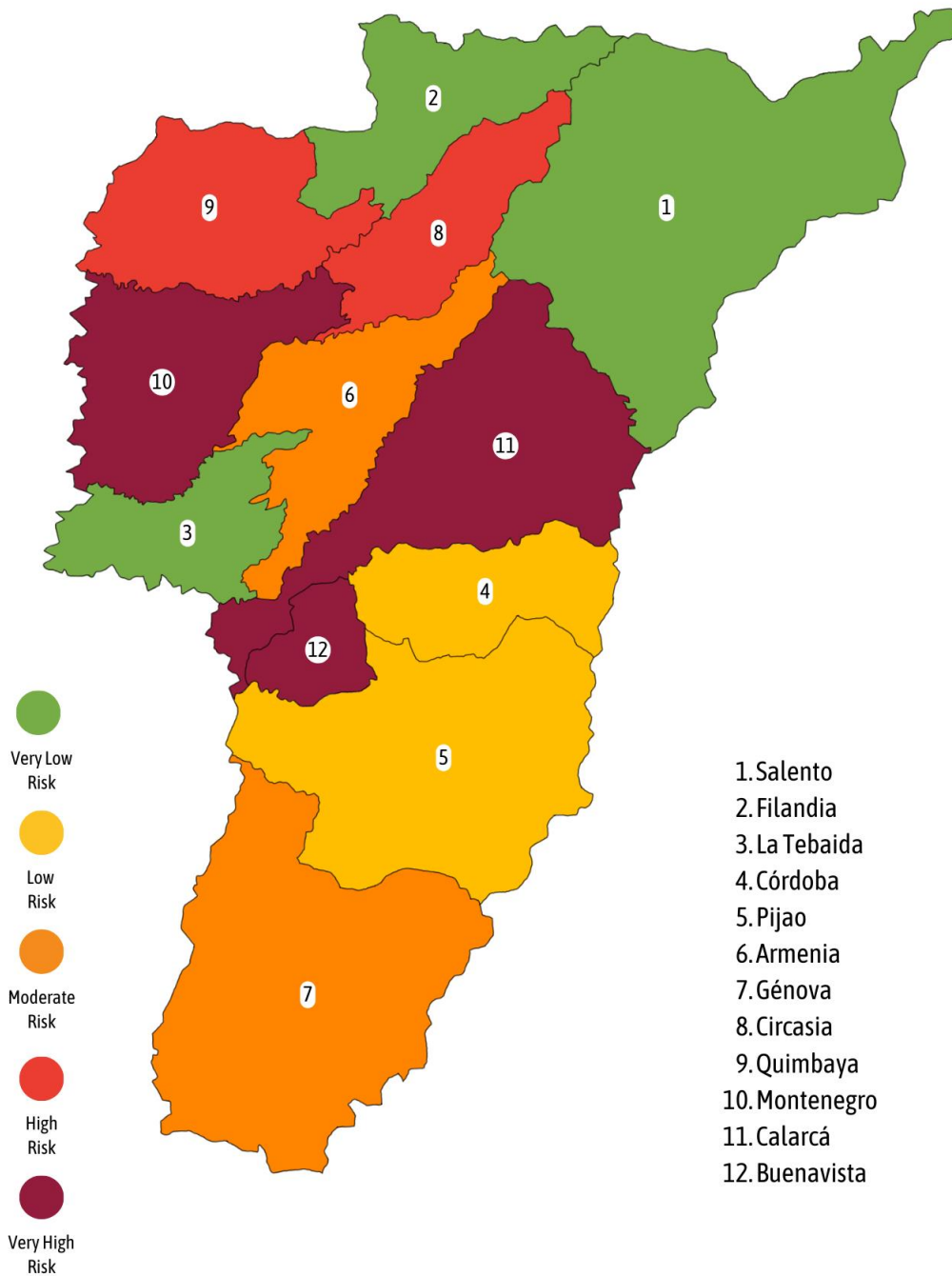
TRANSPORT INFRASTRUCTURE:

[The National Institute of Roads](#) (INVÍAS) managed 154.4 km of primary roads in Quindío, all paved, facilitating the transport of people and goods. The secondary road network covers 343.68 km (77% paved), and the tertiary network 1,640.73 km (7.74% paved). Good road conditions support economic growth by reducing transportation costs, but the poor state of tertiary roads, especially during rainy seasons, hampers trade and mobility in remote areas. Quindío has [ten strategic roads](#) connecting it with Tolima, Valle del Cauca, Risaralda, and Caldas. These roads are crucial for transporting [90%](#) of the department's cargo. Current [road projects](#) include the near-completed [Circasia-Montenegro](#) route, which improves connectivity and benefits sectors like tourism and agriculture. INVÍAS's [Rural Colombia Program](#) aims to improve 143 km of tertiary roads in Quindío by mid-2024. Additionally, the proposed reactivation of the [Pacific Railway Corridor](#), the Central Railway Corridor, and the planned [Coffee Region commuter train](#) probably further boost Quindío's economic development.

INVESTMENT SECTORS:

AGRICULTURAL SECTOR	<p>In 2022, plantains were the main permanent crop. Several opportunities have emerged around this crop, such as developing a digital application that enables traceability of the production process, facilitating the management of replacement cycles, and planning transportation and logistics.</p>
LIVESTOCK SECTOR	<p>By 2022, the Coffee Region was the fourth-largest pork-producing region in Colombia. This presents a variety of opportunities. Producing meat products and sausages offers a significant market niche, capitalizing on the quality of the local pork.</p>
TOURISM SECTOR	<p>The department has internationally recognized places, such as the Coffee Park and the Cocora Valley. Quindío offers a wide range of tourism options (coffee plantation tours, coffee tasting, vacation tourism, nature tourism, business tourism, and agritourism) that promote income diversification for the department in rural and urban areas.</p>
COMMERCE SECTOR	<p>Motor vehicle and motorcycle repair has the most significant business network in the department and is involved in wholesale and retail trade activities. Another opportunity to boost commerce in Quindío is through tourism. With a diverse range of tourism services, including transportation, guides, agencies, hotels, and restaurants, the department has become an attractive destination for investment.</p>
MANUFACTURE SECTOR	<p>Manufacturing food, beverages, and textiles was the economic activity that drove the growth of the department's manufacturing sector. The manufacturing sector is the third-largest activity regarding registered businesses in Quindío.</p>
CONSTRUCTION AND REAL ESTATE ACTIVITIES	<p>The department has the Coffee Cultural Landscape, an attraction for investments and purchasing housing or commercial projects. The landscape and the quality of life in intermediate cities like Armenia make it a destination for investment in vacation homes, farms, and apartments.</p>
TECHNOLOGY SECTOR	<p>The technology sector in the Quindío department is experiencing significant growth, driven by government interest and support from the private sector in science and technology. The department has institutions, human capital, research, infrastructure, market sophistication, and business sophistication, reinforcing its capacity to lead in the technological and scientific fields.</p>

QUINDÍO 2023 RISK MAP



LEARN MORE ABOUT QUINDÍO AT WWW.COLOMBIARISKANALYSIS.COM

Colombia Risk Analysis is a political risk consultancy. We provide decision-makers with insights, analysis, context, and projections about the political, economic, and social environment in Colombia, enabling them to make informed decisions.