

ANTIOQUIA

According to our [2023 Subnational Risk Index](#), Antioquia faces significant risks due to security issues, including armed groups and organized crime affecting both rural and urban areas. Despite its strong economic sectors and robust entrepreneurial culture, challenges such as illegal mining, drug trafficking, and violence hinder private sector development. Economic deceleration and specific sector contractions, particularly in construction and manufacturing, are notable, though tourism in Medellín is growing. Large infrastructure projects are underway to enhance connectivity and support economic growth.

SECURITY:

Despite the presence of multiple armed groups, Antioquia has an overall low-security risk. In 2022, it had [28](#) homicides and [0.5](#) kidnappings per 100,000 people. The National Army's [7th Division](#) operates in the region, ensuring some security. However, the department has at least 360 criminal groups. There is also the presence of [the three most prominent armed groups](#) of the country, Clan del Golfo, FARC dissidents, and ELN, who exploit Antioquia's strategic location for drug trafficking and illegal mining. However, this presence is largely focused on municipalities far away from Medellín, its capital. Antioquia has [16,186 hectares](#) of coca (2022) and significant illicit mining gold, posing risks to businesses and investors. A rise in micro-trafficking since 2020 has led to increased violence, especially in key coffee regions and near the airport. The department faces high levels of violence, with [12](#) massacres and [15](#) displacement events in 2023. Organized crime is rampant in Medellín and the Valle de Aburrá, with extortion heavily impacting businesses. Migrants also pass through Antioquia, contributing to a [humanitarian crisis](#) worsened by Clan del Golfo's involvement in smuggling.

ECONOMY:

Antioquia ranks second after Bogotá in low economic risk (moderate risk). In 2022, [97.52%](#) of adults had financial products, showing a developed financial system. Antioquia was the fifth department with the most businesses (751 per 10,000 residents), boosting job creation, innovation, and competitiveness. Antioquia's economy is business-driven, with [13.1%](#) of the nation's. Large companies, [8 of the top 20](#) in Colombia, have their headquarters in the department. Its economy is diversified, with key sectors like trade (18.1%) and manufacturing (15.1%) adding high value. Antioquia has a diverse export basket, led by gold (41.2%), coffee (7.3%), and bananas (6.5%). In 2022, [56.36%](#) of the population had higher education, with [71 universities](#). However, there is a mismatch between academic offerings and labor market needs, and [91%](#) of youth are not attending university, limiting skilled labor availability. Medellín's 2023 informal labor rate ([38.4%](#)) and unemployment ([9.4%](#)) are among the lowest in Colombia. Despite this, economic slowdowns have significantly reduced investment in Medellín from USD 383.6 million in 2020 to USD 92.5 million in 2023.

INSTITUTIONALITY:

Antioquia is the fifth department with the lowest institutional risk. In 2021, it ranked third nationally in the Departmental Performance Measurement ([86/100](#)), indicating efficient public spending and management. In 2022, it also ranked third in the Digital Government Index ([84.9/100](#)), reflecting the robust integration of technology in administrative processes.

Additionally, Antioquia ranked ninth in the Transparency and Anti-Corruption Index ([86.2/100](#)), showing solid capabilities to prevent corruption and manage public resources effectively.

SOCIETY:

Antioquia is the fourth department with the lowest social risk. According to the Multidimensional Poverty Measurement, its poverty rate was [9.5%](#) in 2023. In 2022, [99.4%](#) of its population had health insurance, and education access reached [104.8%](#). School dropout was 4.73%, and [24.7%](#) of housing had structural deficiencies. Only [7.9%](#) of the population lacked adequate energy. In 2018, water coverage was 81.9%, sewage 82%, and electricity 98.64%. The Internet reached [60.7%](#) of households. Improving access could boost online education and strengthen the labor market. Despite positive indicators, early 2024 saw [protests](#) over toll hikes and infrastructure issues, disrupting productivity. Around 5% of the population is foreign, primarily Venezuelan, absorbed into the labor market, contributing to economic growth despite costs in health and education.

ENVIRONMENT:

Antioquia is the second most environmentally risky territory after Bogotá (moderate risk). In 2022, it ranked eighth for environmental damage and pollution cases, with [eight cases](#) of natural resource damage and [seven cases](#) of contamination. The department is heavily impacted by illegal mining. In 2022, it had the fourth-highest number of cases of illegal exploitation of renewable resources ([91 cases](#)) and the most cases of illicit mining and material extraction ([217 cases](#)). Illegal [surface mining](#) contributes significantly to deforestation. Antioquia had the fifth-highest deforestation in 2022, with 10,290 hectares, a 5% increase from 2021. Other deforestation drivers include [coca cultivation](#), agricultural expansion, and extensive livestock farming. Alluvial gold mining is a major environmental issue, with about 45% illegal. It uses [toxic substances](#) like mercury, chrome, and cyanide, contaminating water sources and soils. Antioquia is also vulnerable to climate phenomena such as El Niño. In early 2024, livestock [losses](#) due to drought amounted to COP 56 million, and EPM started [water rationing](#) in Medellín. [Water shortages](#) affected 33 municipalities and the coffee sector.

POLITICS:

Antioquia is the third department with the highest political risk (moderate). Between 2012 and 2022, it had five governors, including the double dismissal of Aníbal Gaviria in [2020](#) and [2021](#). Despite corruption scandals, the department attracts foreign investment and has a robust private sector. In the 2023 elections, [26.4%](#) of municipalities faced electoral fraud and violence risks. In 2022, Antioquia had [high numbers](#) of victims related to constitutional and legal violations, including threats against human rights defenders and public officials, which posed reputational risks for businesses. Tensions between local leaders and the national government and [corruption investigations](#) into former Medellín mayor Daniel Quintero have affected investment and weakened collaboration between business and public sectors.

TRANSPORT INFRASTRUCTURE:

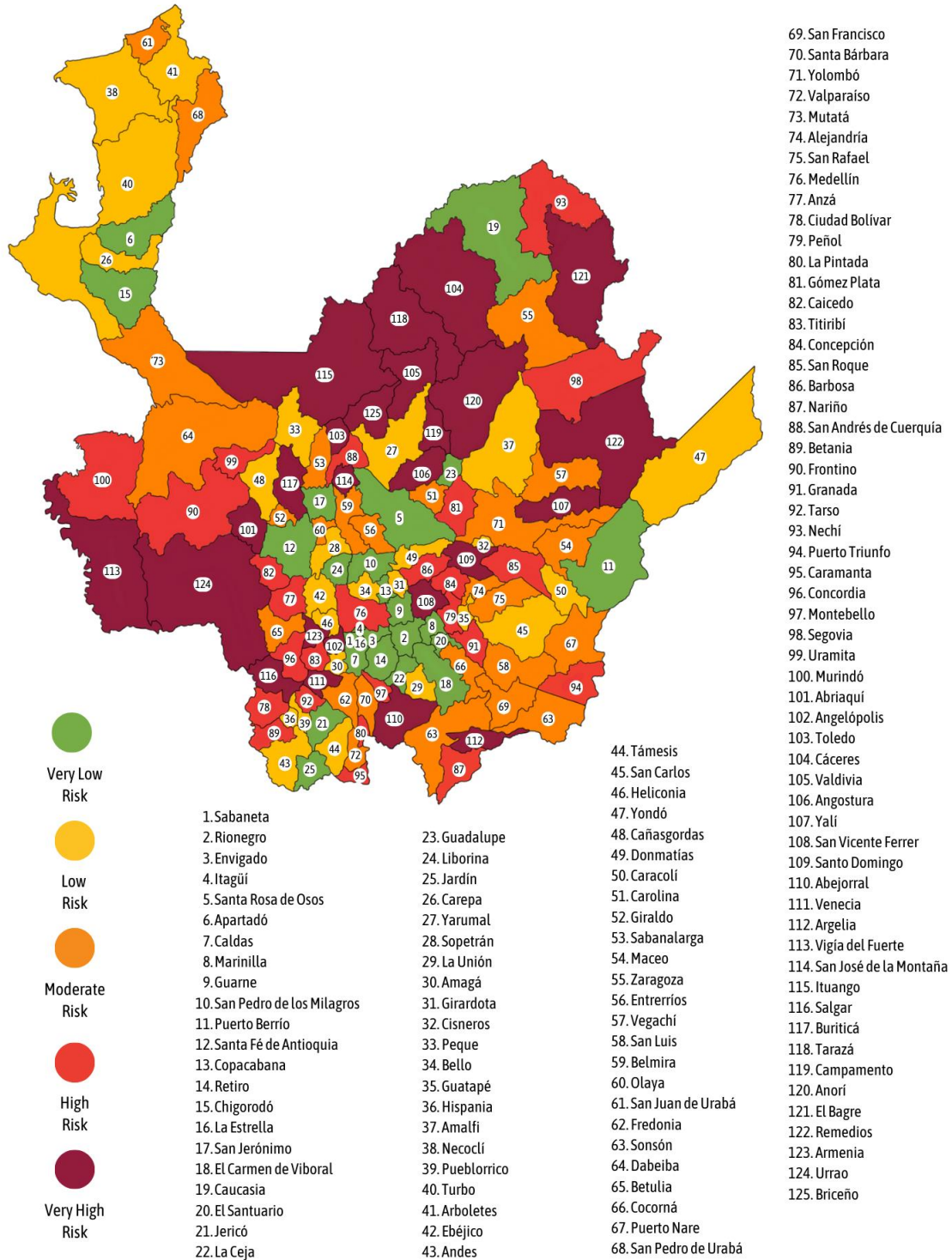
[According to the 2024-2027 Development Plan](#), as of 2023, 60% of the 5,000 km of roads under the provincial government were unpaved. Additionally, 80% of the 18,000 km of tertiary roads are in poor condition, raising transportation costs for remote communities. Key 4G [roads](#) include Pacífico 1, 2, 3; Mar 1, 2; Conexión Norte; Magdalena 2; Vías del Nus; and Antioquia—Bolívar. A [lack of funding](#) has led to disputes between the provincial and national governments, impacting infrastructure projects. These disputes between the national government and

opposition groups are more likely as President Petro's term comes to an end in 2026. This dysfunction will likely harm the local economy and logistics. Antioquia also has fluvial transport via [84](#) docks on seven rivers and seeks to develop rail transport. While cable car systems are currently inactive and railways were abandoned in 2004, there are ongoing efforts to revive them, particularly the Tren del Río project.

INVESTMENT SECTORS:

AGRICULTURAL SECTOR	Farmers cultivate sugarcane in at least 30 municipalities in Antioquia. They link the crop to the regional industry, which uses sugarcane to produce panela. Coffee and bananas are the second and third most important export products after gold.
LIVESTOCK SECTOR	Antioquia had the largest cattle and pig population. Cattle ranching in the department serves a dual purpose: breeding/raising cattle and producing milk. Ranchers use extensive practices that focus on grazing for livestock feed.
EXTRACTIVE SECTOR	Antioquia had seven oil-producing fields and seven gas-producing fields. The department also has a significant mining industry. It is the leading gold producer in the country and produces silver, zinc, lead, limestone, gravel, sand, copper, and tailings, among other things.
TOURISM SECTOR	In the last two years, Antioquia, especially Medellín, has become one of the most important tourist centers in the country. In 2022, Medellín surpassed Cartagena, Santa Marta, and San Andrés in the reception of national and international tourists.
COMMERCE SECTOR	In 2022, the trade, hotels, and repairs sector was Antioquia's most important economic sector. Antioquia has an excellent opportunity to enhance the performance of the trade sector through the department's tourism boom, as the tourism value chain can drive the growth of retail trade.
MANUFACTURE SECTOR	Manufacturing is the second most important economic sector in the department. One strategy to boost the sector involves improving logistics through rail transportation. This would facilitate the movement of the local supply chain and reduce costs. Additionally, it would connect the manufacturing industry with the ports, enhancing access to foreign trade.
CONSTRUCTION AND REAL ESTATE ACTIVITIES	The tourism boom in Medellín is the most significant opportunity for the real estate sector. The interest of foreign tourists and digital nomads in visiting the city or working remotely from there presents the ideal opportunity for investment in short- and medium-term tourist or accommodation properties.
TECHNOLOGY SECTOR	Antioquia, especially Medellín, was designated the first Special District of Science, Technology, and Innovation in the country. The sector's biggest opportunity is the significant demand from foreign investors for skilled personnel in software development.
LOGISTICS-PORT SECTOR	In addition to the department's 84 docks and landing sites, three maritime ports in the Gulf of Urabá are being developed. Once completed, these will likely facilitate the connection between Antioquia production centers, other departments in the Andean and Caribbean regions, and international trade.
RENEWABLE ENERGY SECTOR	Antioquia has a long history of generating energy from renewable sources. The most significant example is Hidroituango, Colombia's largest hydroelectric power plant.

ANTIOQUIA 2023 RISK MAP



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