

# NORTE DE SANTANDER

According to the [2023 Subnational Risk Index](#), Norte de Santander is the sixth riskiest department for investment in Colombia, primarily due to insecurity driven by drug trafficking routes and armed groups. The economy heavily relies on public administration and defense spending, reflecting weak diversification. While free trade zones and access to healthcare and education are strengths, sectors like tourism and commerce struggle with insecurity and the lingering effects of border closures. The agriculture sector has potential, particularly in sugarcane and coffee, but needs agro-industrial initiatives, limiting its competitiveness.



## SECURITY:

Norte de Santander is the department with the highest security risk in the Andean region. Its geographic position makes it a strategic place for organized [crime bands](#) and other [illegal activities](#), such as human trafficking and contraband from Venezuela. The dispute over the department's control between the various national and transnational armed groups makes it a conflict epicenter. Cases of assassinations and kidnappings of entrepreneurs and merchants, along with high extortion rates ([21.6 extortions for every 10,000 habitants](#)), have negatively impacted the private sector operating in Norte de Santander.

## ECONOMY:

This department has moderated economic risk. In [2022](#), the department's most significant economic driver was public administration and defense, with 21.8% of all economic activity. It was followed by commerce, hotels, and repairs, with 19.3%, and agriculture, livestock, and fishing, with 11.8%. This department has a high level of banking coverage, with [70.96%](#) of its adult population having financial products and 458 enterprises that generate formal employment for every 10,000 (according to the DANE). This indicates a sophisticated market and promising opportunities in the private sector. With [48.79%](#) of the population having higher education, the department has a highly qualified workforce, making it an attractive destination for enterprises looking for a specialized workforce. However, it has a high level of informal employment, with [60.9%](#) of adults believed to be in the informal economy, which hurts inequality and productivity.

## INSTITUTIONALITY:

The department scored [60.9](#) over 100 in the departmental performance measurement, indicating adequate public spending and management efficiency. However, irregularities in different projects financed by fossil fuel royalties, such as the [OCAD Paz scandal](#), have unveiled integrity risks in the administration of public resources, which affects social investment and trust.

## SOCIETY:

Even though it is one of the departments with the highest poverty rate ([20.5%](#)), Norte de Santander performs better in other living conditions areas: the medical health care system covers [100%](#) of its population, and it maintains low energy risks according to the multidimensional index of energetic poverty at [10.6%](#). The high number of migrants coming from

Venezuela (Cucuta is the third city with the most Venezuelan migrants, at 11.77% of the total) has led to a [perception of insecurity among residents](#). Still, migrants have positively impacted the economy by [increasing the demand](#) for goods and services, giving opportunities for new markets with a high base of consumers.

## ENVIRONMENT:

In 2022, the department was most affected by the illicit use of renewable natural resources, followed by illegal mining and environmental contamination ([43 cases](#)). Norte de Santander also reduced the number of deforested hectares by 40%. Despite this reduction, they are still the seventh department with the highest deforestation, and activities like illegal mining, agricultural expansion, colonization of new territories, and illegal aperture of new roads are the leading causes. The El Niño phenomenon hurt the department by drying out water sources and [affecting the economy](#), and the uncertainty generated by such climate phenomena can significantly impact the private sector.

## POLITICS:

From 2012 to 2022, the department had four governors instead of the three it should have. The current governor, William Villamizar Laguado, was [suspended](#) during his second mandate (2016-2020). The low rotation of governors shows political stability and facilitates the continuity of management and the implementation of public policies. However, this has had an impact on the quality of public services. The department has a high register of threats and crimes related to authority abuse and was the seventh department with the biggest register of offenses about authority abuse ([194 cases](#)). According to the MOE, [25% of its municipalities](#) were at risk for electoral fraud and violence, allegedly due to the presence of various political clans. The presence of these clans allegedly reduces the legitimacy of elections and the perception of meritocracy and transparency in the public sector.

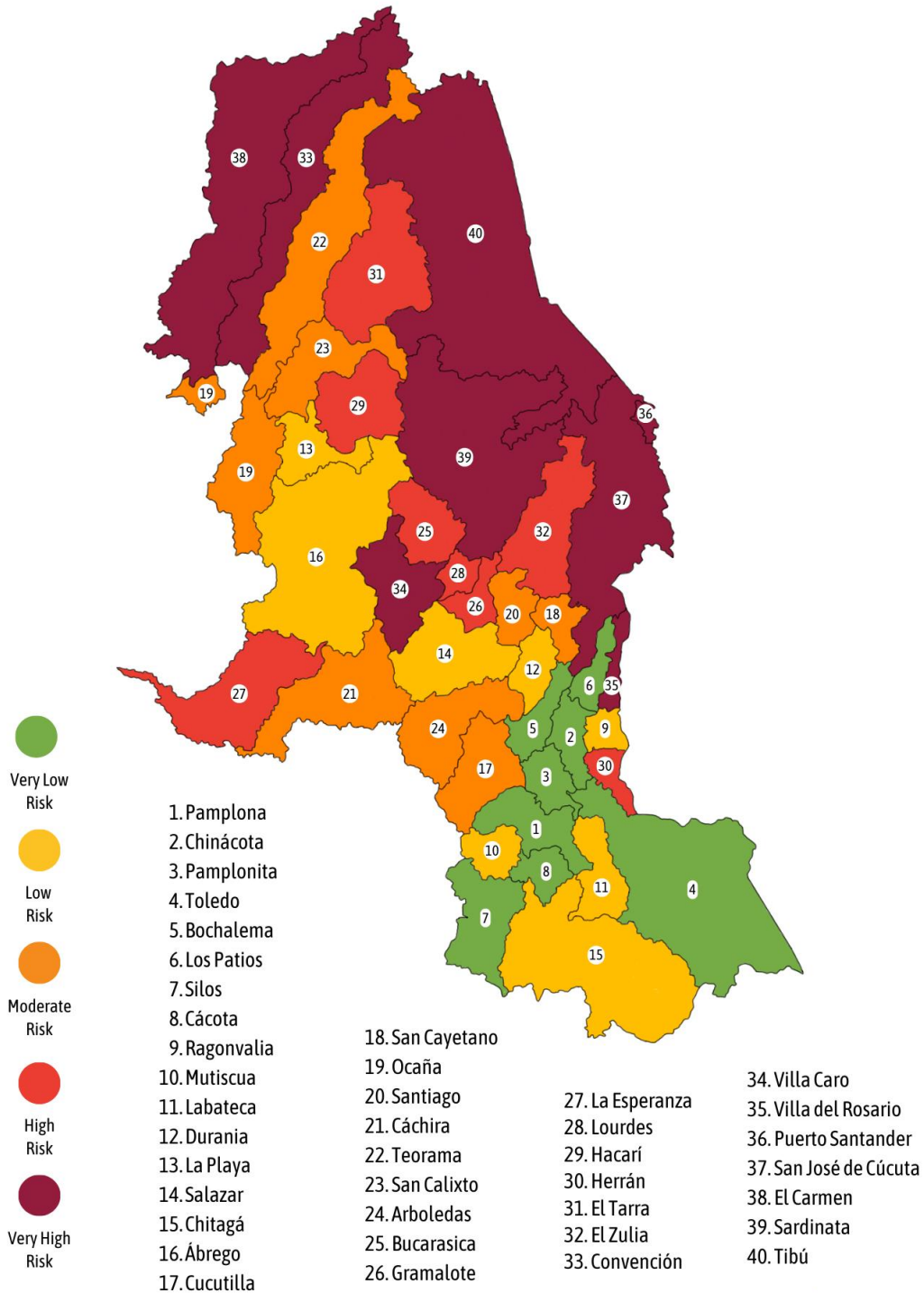
## TRANSPORT INFRASTRUCTURE:

Norte de Santander has a 2,258.79 km [road network](#), including 671.9 km of primary roads, 106.77 km of inter-municipality roads, and 1,390.12 km of tertiary roads. The poor condition of tertiary roads hinders development and is exacerbated by frequent landslides, which cause road closures and accelerate deterioration. The department also has [two piers](#) in Tibu for river transport. Several projects aim to enhance connectivity, including new road construction and paving. President Gustavo Petro's government has promoted a 250 km [railway](#) for cargo and passenger transport in the subregion.

## INVESTMENT SECTORS:

<b>AGRICULTURAL SECTOR</b>	Agriculture, livestock, and fishing were the third-largest contributors to the departmental GDP, with sugarcane and palm oil production playing a key role.
<b>LIVESTOCK SECTOR</b>	Cattle and pigs are the two most essential livestock sectors. Cattle farming in the department serves a dual purpose for milk production and meat.
<b>EXTRACTIVE SECTOR</b>	Quarry and mines were crucial players in the department's economy, especially coal production, the fourth highest in the country.
<b>TOURISM SECTOR</b>	Norte de Santander offers cultural, religious, historical, ecological, and adventure tourism. This diversity impulses foreign investment.
<b>COMMERCE SECTOR</b>	Commerce is one of the sectors that contributed the most to the departmental GDP. Since the reopening of the border, bilateral trade has grown significantly.
<b>MANUFACTURE SECTOR</b>	Manufacturing industries are the second sector with the largest business fabric in the department. The most important companies in this sector are related to agroindustry, clay, and mining.
<b>CONSTRUCTION AND REAL ESTATE ACTIVITIES</b>	Norte de Santander has opportunities due to the expansion of the construction cluster, which involves collaboration among companies, institutions, and government entities.

# NORTE DE SANTANDER 2023 RISK MAP



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