

SANTANDER

According to the [2023 Subnational Risk Index](#), the most significant risks for the private sector in Santander are political corruption, criminal activities linked to coca cultivation and illegal mining, and environmental challenges such as water contamination. While the department benefits from robust infrastructure, a skilled workforce, and agricultural potential, security threats and extractive industry tensions hinder investment. However, promising opportunities exist in developing agro-industrial products, sustainable livestock practices, tourism, and technological innovation, which is likely to significantly contribute to the region's growth.

SECURITY:

Santander has a geostrategic position for drug trafficking and other illegal economies between Colombia and the Caribbean or Venezuela. There are [disputes between El Clan del Golfo, ELN](#), and other criminal gangs for control of rural areas in the department. The presence of these criminal organizations is related to [two massacres](#) and the [killing of five social leaders](#) in 2022. Illegal mining is another challenge for the department; crimes related to it have increased by [219%](#), as extortions, threats, deforestation, and damage to the environment have increased because of it. The massive arrival of migrants impacts the perception of security, and the current mayor's order, '[Plan Candado](#),' aims to curb the entry of migrants into Bucaramanga.

ECONOMY:

In 2022, the department's [principal economic](#) activity was the manufacturing industries, which generated 18.4% of the departmental GDP. Duties and taxes were second, with 18%, followed by commerce, hotels, and repairs, with 14.3%. Banking coverage ([77.44%](#)) and a solid business base (742 enterprises generating formal employment for every 10,000 habitants, according to the DANE) indicate good opportunities for the private sector. According to The Ministry of Education, [58.78%](#) of the population has higher education, making it one of the departments with the highest human capital. The diversification of the economy and its export destinations support the idea that the department has broad opportunities in international trade. Informal employment is one of the biggest challenges; Bucaramanga registered a rate of [44.7%](#) of informal employment, leaving a big part of the population without formal benefits like social security and pensions.

INSTITUTIONALITY:

In 2021, Santander scored 70 out of 100 in the [Departmental Performance Measurement](#), suggesting good quality spending and investment in the development and management of public policies focused on closing breaches and improving the department's conditions. The department scored well in the '[2022 Digital Government Index](#)' (83,9 out of 100), which is beneficial for the integration and implementation of ICT, allowing the improvement of the efficiency of public entities. Finally, in the [Transparency, Access to Information, and Fight Against Corruption Index](#), Santander scores 90.2 out of 100, indicating that the departmental institutions can prevent and fight corruption, giving more extensive guarantees for the development of the department.

SOCIETY:

According to the [MPM](#) (Multidimensional Poverty Measurement), the poverty rate of Santander's population was reduced from 10.4% in 2022 to 9.8% in 2023; [the improvement in 11 out of 15 variables measured](#) in the index explained this. By 2022, the health insurance system covered [97.3%](#) of the population in Santander. The department maintains a low [Multidimensional Index of Energetic Poverty](#) (10.2%). Even Though Santander has a low risk of social unrest and blockades from social groups, [131 social conflicts](#) happened in 2022. Migration is one of the biggest challenges for the department, with [4.09%](#) (an estimated total of 115,998 migrants) of the total migrants coming from Venezuela; migrants face difficulties like barriers to work and education, generating socioeconomic risks.

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:

During 2012-2022, Santander had four governors instead of the three it should have had. Former governor Didier Tavera (2016-2019) received precautionary measures for alleged irregularities in the [school feeding program](#). Despite the low rotation of governors, allegations of [corruption cases](#) and the negative perception of government management can increase the distrust from the private sector. Big companies in the department have been linked with politicians and corruption allegations.

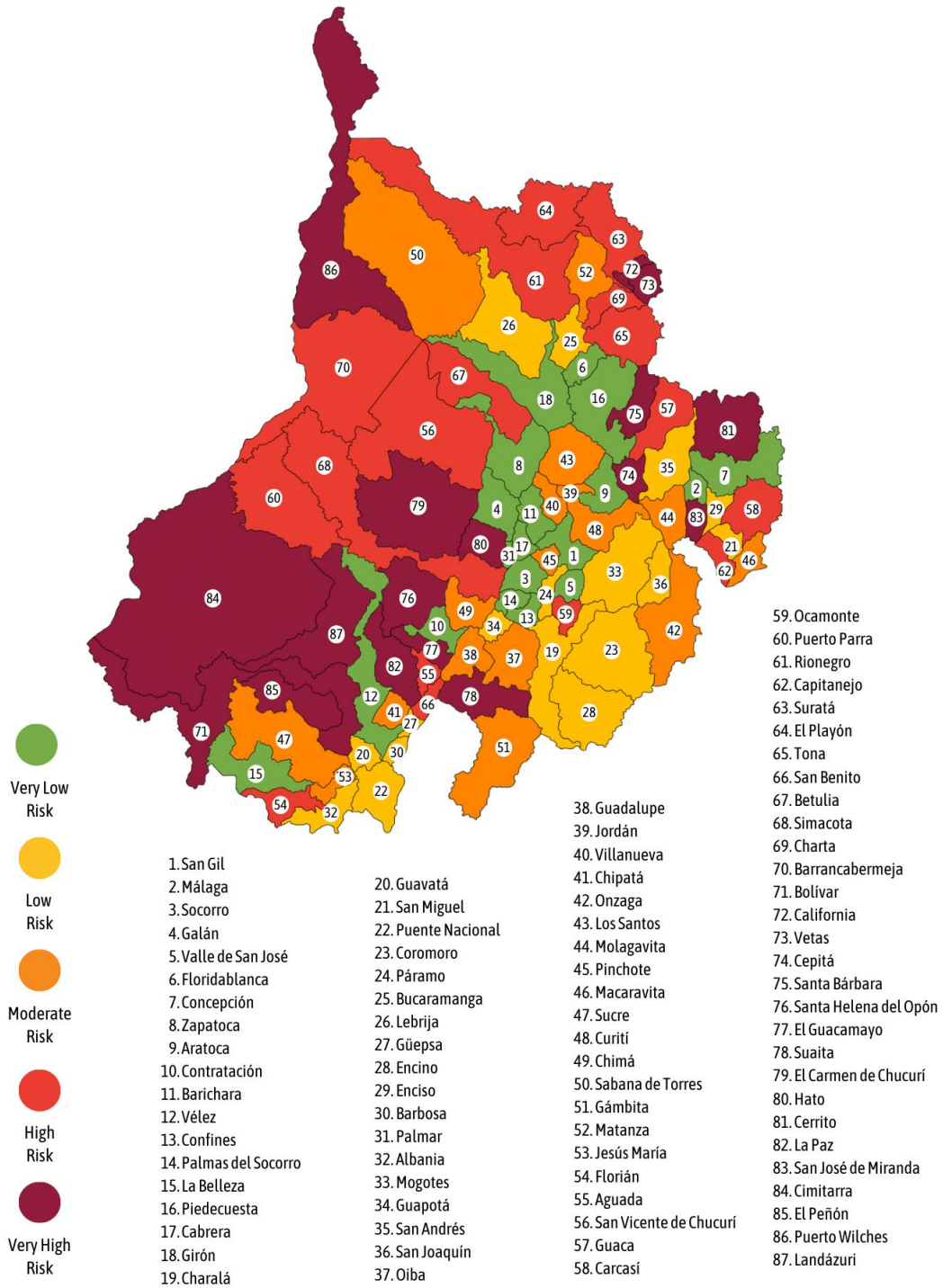
TRANSPORT INFRASTRUCTURE:

The department's [road network](#) is 11,762.35 kilometers. Of these, 1,211.53 km are primary roads, 2,364.23 km are secondary roads, and 8,186.59 km are tertiary roads. 89.7% of the department's roads are secondary and tertiary, mostly unpaved or dirt roads. The previous administration allocated approximately [COP 13 billion](#) for road construction, prioritizing this investment to improve connectivity and access to rural areas. Santander has [twelve piers](#) for river transport. The Ministry of Commerce, Industry, and Tourism is investing [COP 3,002 million](#) in building more docks in the department.

INVESTMENT SECTORS:

AGRICULTURAL SECTOR	In 2022, Santander was Colombia's third department with the highest sugarcane production. Various products derived from sugarcane, such as panela, some spirits, powdered panela, and bioethanol, exemplify the many possibilities this sector can generate.
LIVESTOCK SECTOR	Santander ranked third with the highest share in cattle slaughter, accounting for 10% of the national total, indicating intense economic activity in cattle farming.
EXTRACTIVE SECTOR	By 2023, there were 26 producing oil fields and 22 producing gas fields in Santander. The hydrocarbon industry invests in infrastructure and services, which strengthens local economies.
TOURISM SECTOR	The department has a varied tourist offer with heritage destinations (such as Giron, Barichara, and El Socorro), tourist attractions (such as the Chicamocha National Park), and an offering of nature, adventure, culture, and gastronomy.
COMMERCE SECTOR	It is the sector with the most active companies in the department. Nominal sales growth, driven by food and beverages, pharmaceuticals, and clothing, reflects this.
MANUFACTURE SECTOR	Santander has historically stood out for its leadership in the textile, footwear, and metal foundry industries. However, manufacturing sectors like agriculture, plastics, and food and beverages are growing.
CONSTRUCTION AND REAL ESTATE ACTIVITIES	Santander's market is competitive due to its high construction quality, technical capacity of the designs, solid business network, and affordable prices per square meter.
TECHNOLOGY SECTOR	Important department entities like The Bucaramanga Chamber of Commerce have strengthened the IT cluster to promote development in critical areas such as software development, artificial intelligence, and cybersecurity.
LOGISTIC-PORT SECTOR	In addition to having docks for commerce and tourism, Santander has the Barrancabermeja International Port, Colombia's main oil port.
RENEWABLE ENERGY SECTOR	The department can potentially be a reference point for promoting the energy transition. Santander is the second department with the most small-scale energy self-generation projects.

SANTANDER 2023 RISK MAP



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