Comparing the United States and Colombia
Background

**United States**
- Was once a colony of Britain; broke apart in 1776
- Originally only 13 states, but since 1959 there are 50 states
- Experienced the Civil War and the Great Depression
- World Power after WWII, still the most powerful nation in the world

**Colombia**
- Colombia emerged from the collapse of Gran Colombia in 1830
- The government and the FARC engaged in civil war for fifty years, and reached a ceasefire in 2012
- Despite conflict and security challenges, Colombia is still considered a relatively strong democracy
Geography

United States
• Occupies the vast majority of North America, with Canada to its north and Mexico to its South
• Area: 9,826,675 sq. km; half the size of Russia, slightly larger than China
• Land use: arable land: 16.29% permanent crops: 0.26% other: 83.44%
• Environment: air pollution, acid rain, water pollution, desertification

Colombia
• Located in northern South America
• Area: 1,138,910 sq km; slightly less than twice the size of Texas
• Climate: tropical along coast and eastern plains, cooler in highlands
• Land use: arable land: 1.84% permanent crops: 1.66% other: 96%
• Environment: deforestation, soil and water quality damage, air pollution
Both the United States and Colombia were once part of larger nations but came to find independence. Both states underwent civil war but have since recovered. The United States is regarded as a far more powerful state than Colombia but both adhere to democratic ideals.

Colombia is a far smaller country than the United States, and has much less arable land. It suffers from mountainous terrain and as a result is heavily reliant on trade. The United States is a strong trade partner with Colombia and also has trade connections to most of the rest of the world, including China in particular.
People and Society

United States

• Literacy Rate: 99%
• Median Age: 79.56 years
• Urbanization: 82.4% urbanized
• Sanitation: 100%
• Health Care: 17.9% GDP
• Mortality Rates
  • Maternal: 21/100,000
  • Infant: 6.17/100

Colombia

• Literacy Rate: 93.6%
• Life Expectancy: 75.25 years
• Urbanization: urban population: 75.3%
• Sanitation: 80.2%
• Health Care: 6.1% GDP
• Mortality Rates:
  • Maternal: 92/100,000
  • Infant: 15.02/100,000
Economy

**United States**
- GDP: $16.72 trillion
- GDP/Capita: $52,800
- Debt: 71.8% GDP
- Current Account Balance: -$360.7 billion
- Labor Force: managerial, professional, technical: 37.3%, sales and office: 24.2%, manufacturing, extraction: 20.3%
- Unemployment: 7.3%

**Colombia**
- GDP: $526.5 billion
- GDP/Capita: $11,100
- Debt: 39.6% GDP
- Current Account Balance: -$11.02 billion
- Labor Force: agriculture: 17%, industry: 21%, services: 62%
- Unemployment: 9.7%
The United States enjoys a higher standard of living than Colombia, as seen in its larger GDP per capita. Labor forces in both countries are geared largely towards service industries and no longer towards industry or agriculture. This is also seen in each country’s current account balance, which is negative in both countries. This signifies that both countries import more goods than they export, and is representative of the shift towards service industries.

Unemployment rates are relatively low in both countries, which signifies that the economies are strong and able to withstand the occasional decline in GDP.
Levels of Development

**United States- Developed**
- Factors include:
- Stable business environment
- Desirable tax benefits
- Low interest rates
- Sustainable housing
- Vast majority employed
- Extensive Infrastructure

**Colombia- Developing**
- Factors include:
- Still somewhat rural; rate of urbanization is slow
- Sanitation is not yet universal
- Health is not yet a large emphasis
- Relatively weak but strengthening over the last decade
Level of Development Conclusion

→ Based off the factors that we discussed on the previous slide, I believe that the United States would be considered a developed nation and Colombia a developing nation.

→ Both nations demonstrate continued emphasis on industrial growth and have consistently growing GDPs.

→ Business forecasts indicate that many companies find the United States to be a desirable place to start or grow a business.
Business Environment: United States

• The country is home to some of the world’s most innovative R&D and boasts the advanced manufacturing.

• The country is increasingly becoming a less attractive place to invest due to poor economic policies.

• Labor factors, including wage levels, skill availability, and shipping costs, make the United States a very expensive place to conduct business.

• High-end activities have historically been a strong point in the economy but these jobs are being lost to other countries.
Business Environment: Colombia

• One of the healthiest business environments in Latin America
• Colombia ranked 3rd in an “ease of doing business scale”, falling just behind Chile and Peru.
• The country has in the past few years experienced a huge increase in foreign direct investment (companies from other nations choosing to establish a base of operations in Colombia).
• Foreign trade in the last decade has increased dramatically; they’ve quintupled their output as a result of more open trade agreements between Colombia and other nations.
Global Business Activity Conclusion

→ Although the United States remains the de-facto manufacturing place for many advanced technologies, it is experiencing decreased growth due to less than satisfactory economic policies

→ Countries in Latin America, including Colombia, have reinvested in their business environment over the last decade and are beginning to reap in the rewards – the countries are experiencing the highest levels of foreign direct investment in their history

→ New companies looking to expand into the western hemisphere today have increased options: the United States remains a strong choice, but Colombia and others are increasingly good options
Sources

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