

# PRAC INSIDER EDGE

## SPOTLIGHT ON COLOMBIA



2026

# ECONOMIC OVERVIEW

March 2026

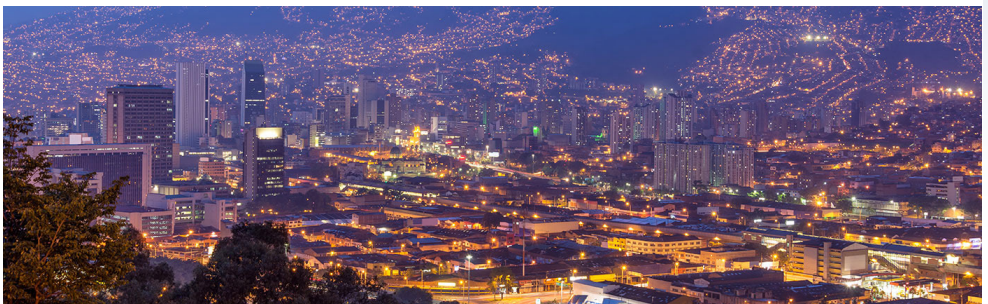
GDP Growth	Inflation	Policy Rate	Population (2025)
2.8%	6.7%	11.75%	53,057,212

All figures presented in this table reflect data available as of March 2026. Source: Banco de la República, DANE, Grupo Bancolombia

## MARKET TRENDS

### 1. Fintech & Digital Payments

Colombia ranks 2nd in Latin America with 380–420 active fintech startups and 280% growth in five years. Embedded finance, digital banking, and crypto regulation are the defining forces of 2026. Mobile commerce dominates with 89% smartphone penetration, with projected sales exceeding USD 12 billion. The 2026 roadmap prioritizes digital banking, flexible crypto regulation, and AI-driven financial services.



## **2. Nearshoring & Services Export**

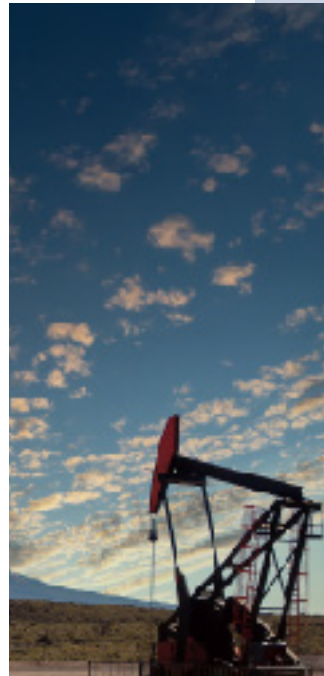
Global supply chain reconfiguration positions Colombia as a premium nearshoring hub for North American and European firms. Bilingual talent, shared US time zones, and improving digital infrastructure drive BPO, KPO, and software export growth. Latin America is consolidating its relevance in global value chains amid selective deglobalization. Non-traditional exports are expected to continue growing, aligned with the dynamism of trading partners.

## **3. Green Transition & Renewables**

Solar capacity is projected at 3,178 MW in 2026. Renewables captured 15% of FDI-supported projects in 2025. ESG traceability is becoming a prerequisite for access to global value chains and corporate procurement. Regulatory decisions on the energy transition will define the outlook for hydrocarbons, renewables, and foreign trade patterns for fuels and clean technologies.

## **4. Corporate Reform & Electoral Outlook**

A pivotal electoral cycle could usher in a more private sector-friendly administration. Investor expectations center on regulatory certainty, investment incentives, and the reactivation of infrastructure and mining projects stalled under the current government. The political cycle could represent an additional source of volatility, although it may also open a window of opportunity for domestic and foreign investors.



# KEY LEGAL TRENDS

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## **Tax & Fiscal Reform**

The 2022 tax reform revenue is exhausted. Emergency economic taxes (COP 8.3 trillion) and a widening deficit (7% of GDP) create regulatory uncertainty. Businesses face evolving tax obligations and potential new levies under the next administration. The government would need to cut close to COP 30 trillion from the 2026 National Budget to meet the fiscal target—which appears unlikely given execution trends observed in early 2026.

## **Labor & Employment Law**

The 23.7% minimum wage increase and the Labor Reform are reshaping employment costs. Higher informality (~55% of workers) and reduced statutory work hours are forcing companies to rethink hiring, outsourcing, and compliance strategies. The reduction in the statutory workweek has lowered productivity per worker, forcing firms to hire additional personnel to meet domestic demand.



## **Energy Transition Regulation**

Policy decisions on the energy transition are defining the outlook for hydrocarbons, renewables, and foreign trade. Sustainability and energy security regulations drive transformation of the national energy matrix with direct legal implications for investors. Mining is expected to remain in contractionary territory in 2026 (-4.2%), following a 6.2% decline in 2025.

## **Data Privacy & Digital Compliance**

As Colombia's fintech ecosystem matures and AI adoption accelerates, data protection, cybersecurity compliance, and digital regulation are becoming critical. Legal services demand for digital, data privacy, and IP advisory is rising sharply. Globally, 18% of organizations are looking for expertise in digital, data privacy, and cybersecurity from their legal service providers.

## **FDI & Trade Policy**

Global tariff realignment and geopolitical tensions affect trade flows. Colombia's legal framework for FDI, sector-specific regulations in mining and energy, and nearshoring contract structures are key advisory areas for cross-border transactions. Disruptions in the Strait of Hormuz have the potential to distort global goods supply and put upward pressure on international trade costs.



# SOUTH AMERICA

## LEGAL SERVICES MARKET

The South America legal services market reached a total value of USD 11.45 billion in 2024. Colombia accounted for 10.83% of the regional market, ranking as the third largest country with revenues of USD 1.24 billion, behind Brazil (USD 4.88 bn / 42.6%) and Chile (USD 1.28 bn / 11.2%).

Country	Share	Revenue (USD bn)	CAGR 2024-2029
Brazil	42.62%	4.88	7.70%
Chile	11.18%	1.28	8.11%
<b>Colombia</b>	<b>10.83%</b>	<b>1.24</b>	<b>6.26%</b>
Peru	8.12%	0.93	3.97%
Argentina	4.10%	0.47	11.77%
Others	23.14%	2.65	-

Colombia recorded a CAGR of 4.40% during 2019–2024 and is expected to grow at 6.26% during 2024–2029. While not the highest rate in the region, Colombian growth reflects sustained expansion of the legal market driven by regulatory complexity, demand for digital services, and FDI activity.

# BRIGARD URRUTIA

## IN FOCUS

### Core Areas

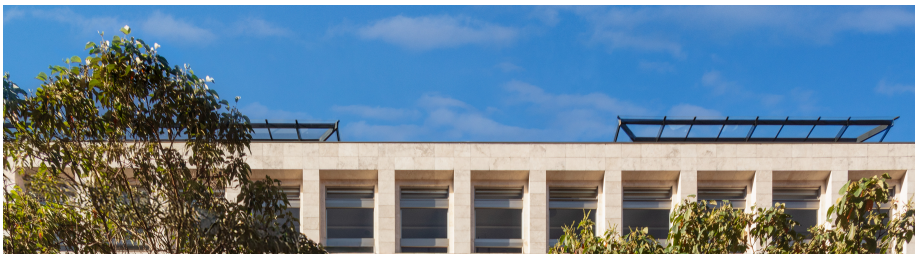
- Banking & Finance
- Capital Markets
- Corporate and M&A
- Infrastructure (Project Development and Finance)
- Dispute Resolution
- Energy and Natural Resources
- Tax
- Competition and Antitrust

### Recent Focus

- Cross-border transactions across banking & finance, capital markets, and M&A
- Infrastructure and energy project development in Colombia
- Project finance and large-scale investment structures

### Strengths

- Proven track record in complex, high-impact transactions
- Market-leading role in pioneering and innovative deals in the region
- Deep local expertise and strong industry knowledge
- Global network enabling seamless cross-border execution



# SOURCES & REFERENCES

- 1.** *The Business Research Company – South America Legal Services Market Briefing 2025: Country Comparisons, October 2025*
- 2.** *Estudio de Mercado Colombia 2026: Tendencias Comerciales Emergentes & Oportunidades Estratégicas Prioritarias, March 2026*
- 3.** *DANE – National Statistics (GDP, CPI, Labor Market)*
- 4.** *Banco de la República – Monetary Policy & Exchange Rate Data*
- 5.** *Ministry of Finance (MinHacienda) – 2026 Financial Plan & Fiscal Accounts*
- 6.** *FocusEconomics – Consensus Forecasts, March 2026*
- 7.** *EIU (Economist Intelligence Unit) – Commodity Price Projections*



Brigard  
Urrutia

**Brigard Urrutia**

[www.bu.com.co](http://www.bu.com.co)

[info@bu.com.co](mailto:info@bu.com.co)

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[www.prac.org](http://www.prac.org)

[www.prac.org@prac.org](mailto:www.prac.org@prac.org)