

## Construction Materials

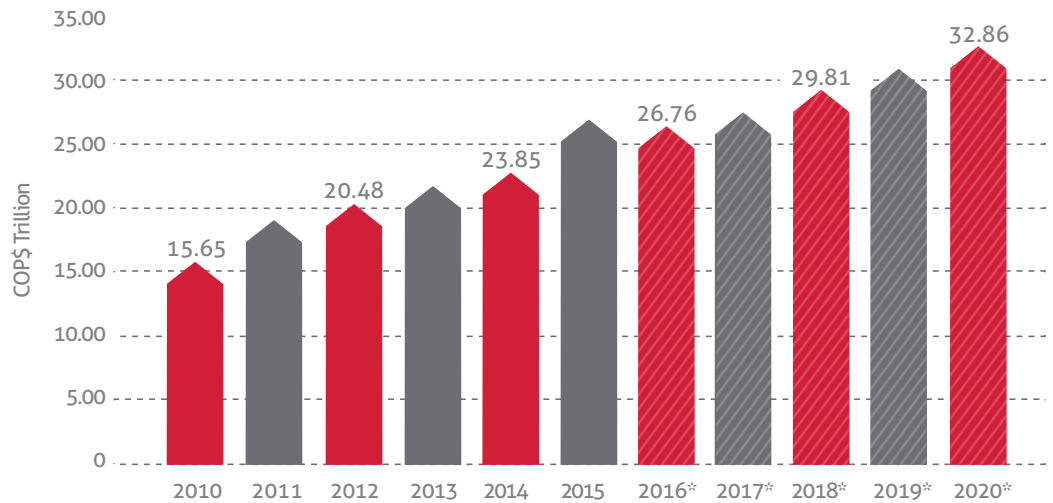
### Strong and growing demand

It is estimated that by 2021 the demand for construction materials will be around **COP\$ 34 trillion**, representing a compound annual growth rate (CAGR) of **5.8%** between 2011 and 2021.

In 10 years (2005-2015), demand for construction materials in Colombia **tripled** its value.

In 2015, production of construction materials in Colombia reached **COP\$ 20.3 trillion**, with a CAGR of **9.74%** (2005-2015).

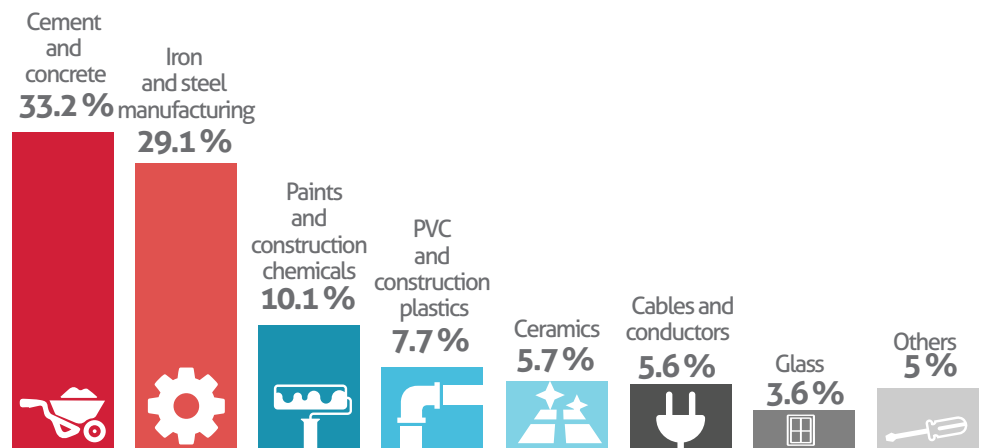
Demand for Construction Materials in Colombia (2010-2020\*)



Source: National Department of Statistics (DANE), Annual Manufacturing Survey (EAM), 2016. National Tax and Customs Office of Colombia (DIAN). Apparent consumption. Processed by Invest in Bogota. \*Forecast.

### A diverse industry with many business opportunities

Major Segments of the Construction Materials Industry in Colombia



Source: National Department of Statistics (DANE), Annual Manufacturing Survey (EAM), 2016. National Tax and Customs Office of Colombia (DIAN). Apparent consumption. Processed by Invest in Bogota.

### A robust and dynamic industry

- With a **compound annual growth rate (CAGR) of 4.9%** during 2017-2021, the Colombian construction sector will continue to be one of the most dynamic in Latin America. It is estimated that by 2021 it will stand at **COP \$129 trillion**.
- The construction industry, with a size of **COP \$77.5 trillion** (2015), is one of the branches of the economy with the highest share of Colombia's GDP, with a contribution of **9.7%**.
- The construction sector in Colombia has two main elements: residential/non-residential construction and infrastructure construction, which represent approximately **COP \$41.16 trillion** (53.1%) and **COP \$36.36 trillion** (46.9%) respectively, in size.

## Bogota region has the largest building activity in Colombia



Bogota - Cundinamarca concentrates **34% of active construction projects in the country.**

During the first quarter of 2017, 82% of activities of the construction sector in Bogota region have focused on **housing (58%), office (14%) and trade (10%)** segments.

### A national plan aimed at developing the construction industry

#### Plan to Boost Productivity and Employment (Plan de Impulso a la Productividad y el Empleo - PIPE 2.0)

Seeks to increase the country's competitiveness in various fields. Some of its main investments are aimed at:

- **Educational infrastructure:** construction of 30,680 new classrooms, expansion or construction of 1,500 schools.
- **Public highway works:** COP\$ 4 trillion to be invested in the construction of national and secondary road networks.

### Global players based in the Bogota region

**Cemex | Etex Group | Gerdau Diaco | Holcim | Mexichem  
Saint-Gobain | Sika AG**

### Major infrastructure projects in Colombia

- **Colombia's Fourth Generation (4G) Road Infrastructure Program.** An investment close to **COP\$ 47 trillion**. It involves projects spanning **more than 8,000 km** of roadway.
- Investments in seaports, railway concessions, airports and improving the navigability of the Magdalena River.

### Major infrastructure projects in Bogota

- First Line of the Bogota Metro
- El Dorado 2 Airport
- Ciudad CAN
- 6 high complexity hospitals
- Bavaria Triangle
- Fenicia Triangle
- 30 new schools
- Ciudad Río