Box 4
Colombia's Foreign Trade Basket of Goods and Services: Recent Trends

External income is fundamental to the economic development of countries, particularly for developing economies such as Colombia. These flows constitute an important component of national income and support economic growth by enabling the expansion of production, investment, the adoption of technological improvements, and increases in productivity, among other factors. Additionally, diversifying sources of external income helps ease the economy's external constraints and reduces vulnerability to different shocks.

In Colombia, external income has been characterized by a high concentration in goods exports, particularly primary commodities. However, in recent years, the composition of the goods export basket has changed. In turn, the growth of export of services has recently helped reduce the country's trade deficit. Between 2017 and 2025, the export dynamics of goods and services were characterized by four phases (Graph B4.1):

1. The pre-pandemic period was characterized by an export structure concentrated in primary commodities, particularly oil, coal, and coffee, and in travel and transport services.
2. The COVID-19 shock, a period during which Colombian exports declined significantly, was driven by the decrease in global demand and the sharp fall in oil prices. Services trade, particularly tourism and transport, experienced an even sharper contraction due to mobility restrictions.
3. The subsequent post-pandemic recovery, when exports peaked in 2022, was driven by higher volumes, a significant increase in oil and coal prices, and continued growth in services exports.
4. Since 2023, a recent phase of adjustment and rebalancing of exports has been observed, toward more moderate growth, with a greater role for services and for non-mining and non-energy exports. This occurred in the context of a slowdown in the global economy and a normalization of commodity prices.

Graph B4.1
Composition of Colombian Exports Between 2017 and 2025

A. Evolution of the Composition of Colombian Exports

B. Annual Growth Rate of Colombian Exports

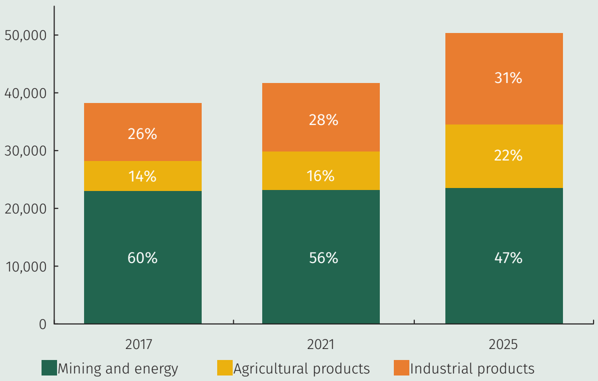
Source: Colombian Tax and Customs National Authority (DIAN in Spanish), DANE, and *Banco de la República*; calculations by *Banco de la República*.

The evolution of the goods export basket (Graph B4.2) shows a lower share of mining and energy products, which declined from 60% of total exports in 2017 to 47% in 2025, a year in which lower oil prices and moderate external demand constrained their growth. This weaker performance also reflects a significant rebalancing of the country's goods export basket, marked by a greater role for agricultural and industrial products, which gained relative share while reaching higher levels between 2021 and 2025.

This rebalancing was driven by higher exports of coffee (supported by improved prices and larger volumes), industrial products, gold, and other metallic minerals (such as copper and its derivatives). To a lesser extent, higher sales of flowers, other agricultural products, and

Graph B4.2
Goods Export Basket

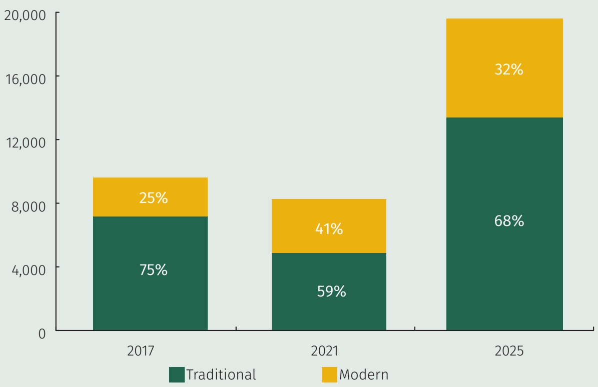
(millions of dollars)



Note: Mining and energy correspond to oil and its derivatives, coal, gold, ferronickel, and other mining products. Agricultural products include coffee, bananas, flowers, and other agricultural products.
Source: DIAN, DANE, and *Banco de la República*; calculations by *Banco de la República.*

Graph B4.3
Evolution of Services Exports

(millions of dollars)



Source: Balance of payments, *Banco de la República.*

bananas also contributed to growth. Within industrial goods, notable growth was observed in food and chemical products. The foregoing suggests progress—albeit still limited—in diversification.

Regarding services exports, the literature classifies them by increasing tradability, driven by Information and Communication Technology (ICT) and the internet. As a result, some services no longer require physical interaction between the provider and the buyer to carry out the transaction, thereby distinguishing traditional[1] from modern[2] services (Mishra, 2011; ECLAC, 2017).

In Colombia, services exports have become increasingly important in generating external income, growing at an average annual rate of 9.0% between 2017 and 2025, while goods exports grew at 3.3% over the same period. In turn, the export basket is concentrated in traditional services, mainly travel and transport, which accounted for 68% of total exports in 2025 (Graph B4.3).

Despite the importance of traditional services, it is worth noting the increasing share of modern services in Colombia, which rose from 18% of total services exports in 2005 to 25% in 2017 and 32% in 2025, driven by the ease of delivery through electronic means. Additionally, they have grown faster than traditional services between 2017 and 2025, at an average annual rate of 13%.

Modern services include a wide range of activities that add more value than traditional services and rely on a more highly skilled workforce. These include, for example, contact center services, administrative and technical consulting, computer services, advertising, legal services, among others.

The diversity and cross-cutting nature of these services have allowed them to exhibit significant dynamics and to contribute to recent changes in the structure of Colombia's export basket. The development of ICT and greater global connectivity has enabled the digital delivery of various modern services, thereby fostering greater integration of services into global trade as distance barriers are overcome (Oliver, 2023).

In Colombia's export basket, this is reflected in a higher share of modern services following the pandemic. Lockdown measures and mobility restrictions enabled services to leverage their ability to be delivered electronically and to shift toward more specialized activities, such as software and web application development, and technical support services, among others.

Likewise, international dynamics such as the relocation of services enable firms with foreign capital to participate in global trade by providing services from locations closer to their affiliates and under more attractive conditions, such as skilled labor and infrastructure, among others (A. T. Kearney Global Services Location Index, 2023).

1 Traditional services are characterized by requiring the physical presence of both the provider and the consumer for the transaction to occur, such as transport services, maintenance and repair services, travel, construction, personal, cultural, and recreational services, manufacturing services on physical inputs owned by others, and government services.

2 In these services, the use of ICT facilitates their tradability. This category includes telecommunications, computer and information services, financial services, insurance and pension services, charges for the use of intellectual property, and other business services.

To summarize, exports of goods and services have shown gradual progress in diversification and a greater contribution to external income. A higher share of agricultural goods, mainly coffee, and industrial products is observed. In turn, services exports, particularly those associated with the use of information and communication technologies, play a more prominent role. This rebalancing broadens the country's sources of external income and provides alternatives for integration into other sectors, particularly in higher-value-added activities.

References

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