

Investment treaty signed between Colombia and France to boost bilateral relationship



Bogotá, DC, July 10, 2014-. Promoting foreign direct investment is the goal of the Bilateral Investment Treaty (BIT) that was signed today by the Minister Trade, Industry, and Tourism, Santiago Rojas, and the French Ambassador in Colombia, Jean-Marc Laforet.

The negotiations for the BIT between Colombia and France concluded in November 2013, after the completion of two rounds, one in Paris and one in Bogotá. This established rules, protections, and a transparent legal framework for French investors in Colombia and Colombian investors in France.

This BIT applies international standards, such as non-discrimination among investors, the prohibition of expropriation without adequate and effective compensation, and free currency transfers so that investors can remit their profits, as well as safeguarding the regulatory powers of the respective central banks.

Minister Rojas clarified that the BIT has nothing to do with tariffs or the elimination of trade barriers. On the contrary, he explained, it provides guarantees and clear rules that encourage French investment in Colombia, which will help boost job creation.

He added that the BIT will complement the Colombia – European Union Trade Agreement and promote further French investment in various Colombian sectors, such as industry, trade, and finance.

For his part, Ambassador Laforet said that reciprocal promotion and protection are key words in this BIT. "We will make further efforts to increase the number of French companies in Colombia," said the diplomat.

The BIT will now pass for approval in the respective legislative bodies of the two countries. In the case of Colombia, this will require a final approval by the Constitutional Court. After this, the BIT shall become effective upon the last notification by the Parties that confirms that the treaty has been incorporated into domestic law and is valid for 10 years and renewable.

According to current trade figures, between 2004 and 2013, France was Colombia's fourth European investor, at roughly US\$ 1.8 billion. This investment has come via 120 French companies. Last year, Colombia received US\$ 543.3 million in investment from France. Most of this was directed to industry (69%), the financial sector (21%), and real estate (7%).

Photo: The Minister of Trade, Industry, and Tourism, Santiago Rojas, and the French Ambassador in Colombia, Jean-Marc Laforet, signed a Bilateral Investment Treaty between Colombia and France. This will complemented the Colombia - EU Trade Agreement.