

Investing in Colombia is a Strategic Opportunity

Article for the [Colombian National Hydrocarbon Agency](#) meant to attract the interest of foreign oil investors.



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Without a doubt, 2020 has put the global economy's resilience to the test, dramatically impacting many sectors and forcing them to take innovative measures to stay afloat. The hydrocarbon sector didn't escape this reality, with the stock indices and the price of gas reaching a low point not seen since 2015, due to the global crisis that followed the pandemic. It was keeping this in mind that we started a series of actions in Colombia, with the aim of reviving the hydrocarbon industry, which is -without a doubt- key in the country's recuperation within the post-Covid-19 world context.

This new action plan is backed-up by the fact that -even while emerging from a deep crisis- we have a pretty stable production level as well as exploration activity maintained with good projections into the future. In comparison to last year, there's a decrease from 895.000 barrels a day to 750.000 barrels a day, which has posed the challenge of finding new investors in order to raise the daily exploration and production numbers.

This is why the ANH works every day to constantly improve the results of the sector by opening the country to new and attractive opportunities supported by three main pillars, the first one is the Continuous Area Nomination Process (PPAA in Spanish), which after consistent results during 2019 and 2020, is getting ready to execute the fourth cycle in 2021 with an offer of 30 areas distributed in 8 onshore and offshore basins. A second pillar focuses on the efforts required to harness the potential of the unconventional deposits, this is undoubtedly the future of the hydrocarbon industry and the door that leads to high prospectivity areas whose capitalization

would turn into a great relief for the fiscal situation. The third pillar promotes offshore exploration where significant opportunities have been identified, reaching investments of over USD 1.600 million.

This course of action is fueled by the adoption of new technologies, higher geological knowledge investment, and the solidification of alliances that will allow the articulation of different entities to create a cooperative environment for the benefit of society, the State, and the industry.

In conclusion, thanks to a lot of technical and fiscal work, Colombia has turned into a trustful vitrine and a great, strategic opportunity for the hydrocarbon industry's investments, because it has demonstrated it has a robust legal system, an attractive economy, and stable contractual agreements, as well as a retribution system that's very profitable for operators.