Chapter 2

Trade Relations between Colombia and South Korea from the Signing of the Free Trade Agreement*

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Desiderio López Niño

Escuela Superior de "Guerra General Rafael Reyes Prieto"

Abstract: This chapter presents the results of research into the development of trade relations between Colombia and South Korea within the framework of the free trade agreement signed by the two nations. Its aim is to explore a Colombian institutional leap that promotes public policies leading to industrialization through international production networks, considering the relationship between cultural values and decision-making in the process of internationalizing organizations, with the goal of enhancing competitiveness as a cooperation factor between the two countries to strengthen their position in the international system. This new perspective is necessary, as it has been found that the components of trade volume between the two countries exhibit a static situation regarding the types of goods and services sold. Likewise, the inertia-driven markets have proven elusive in generating a network of dynamic processes.

Keywords: Colombia; South Korea; free trade agreement; industrialization; national culture

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Desiderio López Niño
PhD in Management, Universidad de Celaya, Mexico. Master's in Public Management, Instituto Tecnológico de Estudios Superiores de Monterrey, Mexico. Bachelor's in Economics, Universidad de América, Colombia. Lecturer, Doctorate Program in Strategic Studies, Security and Defense, Escuela Superior de Guerra "General Rafael Reyes Prieto," Colombia. Contact: **desiderio.lopez@esdeg.edu.co**; ORCID: **https://orcid.org/0000-0003-3797-0249**

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RELATIONS BETWEEN COLOMBIA AND SOUTH KOREA: AN ANALYSIS OF COLOMBIAN FOREIGN POLICY AS A GEOPOLITICAL STRATEGY IN THE ASIA PACIFIC

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Introduction

Under the research line "Lessons Learned from the Korean War" of the Escuela Superior de Guerra "General Rafael Reyes Prieto" (ESDEG), and in line with the "Covenant for Entrepreneurship, Formalization, and Productivity," which aims to capitalize on international markets, attract production investments by identifying products, services, and companies with high export potential, and enhance production efficiency in Colombian enterprises, as outlined in the 2018–2022 Development Plan "Pact for Legality" (Planeación, 2021), this chapter presents the findings of research into the development of trade relations between Colombia and South Korea within the framework of the free trade agreement (FTA) signed between the two nations.

The data representing the amounts of trade serve as the basis for analyzing the various interactions that have contributed to strengthening relations between the two countries. This analysis involves observing the potential behaviors of economic actors and exploring strategies to increase their presence in global markets. For this, we take as reference the rise of Korea's production and commercial sectors over the last 60 years, placing the Asian country among the top ten exporters in the world (Cámara de Comercio de Bogotá, 2021), as described in Chapter 3 of this book.

Research on the trade dynamics between Colombia and South Korea is based on the premise that today's world necessitates that the internal conditions of a country maintain some coherence with the international context, particularly with the countries of the Asia-Pacific. These countries are grouped in several organizations, such as the Asia-Pacific Economic Cooperation Forum (APEC) and the Association of Southeast Asian Nations (ASEAN), which represent more than half of the world's population and economy. If national institutions in any country ignore global developments, they risk falling behind, which can have adverse

effects on their diverse economic, legal, social, and political aspects. Therefore, FTAs, as facilitating mechanisms, need to be signed among countries with varying potentialities, underpinned by cooperation and complementarity. This framework led to the agreement between Colombia and South Korea, signed on February 21, 2013, although it took more than three years to come into effect on July 15, 2016. Nonetheless, it was established with the bonds of friendship between the two peoples in mind, aiming to enhance living standards and promote economic growth and stability.

According to KOTRA data, in 2016, the year the FTA agreement took effect, Korea's exports to Colombia were $853 million; by 2020, they had dropped to $487 million. Additionally, Colombia's exports to Korea in 2016 totaled $433 million, and by 2020, they had increased to $584 million; these figures are atypical due to the economic impacts of the coronavirus pandemic. It is noted that in 2016, Colombia had a negative trade balance, which turned positive by 2020. These data regarding trade amounts and volumes among countries that have signed FTAs have sparked discussions from various perspectives and, at the same time, prompted higher education institutions to investigate the relevance and practicality of these agreements (García, 2018). This process has given rise to diverse opinions and numerous academic works in Colombia, reflecting the interest in analyzing FTAs as a means to achieve better levels of development.

Empirical evidence shows that FTAs, from an economic perspective of increasing wealth through rising trade amounts and volumes, are insufficient because their purpose extends much further: to improve levels of development (García, 2018). It is important to distinguish between means and ends, ensuring that the FTA between Colombia and Korea realizes the motivations stated in the preamble of the agreement, namely, enhancing living standards and promoting economic growth (Mincit, 2018). The gap between the principles of the FTA and the actions taken to achieve them raises the question: *To what extent can the performance figures of the FTA between Colombia and South Korea inspire a Colombian institutional leap, as it did in Korea, that fosters international production networks based on the relationship between cultural values and decision-making in the process of internationalizing organizations, allowing for a greater share in the global market?*

To answer that question, we will first analyze the export and import data between the two countries for the period from 2015 to 2020. Next, we will explore public policies aimed at Colombian industrialization to "promote the competitiveness of companies in global markets" (Mincit, 2018), where production develops through economies of

scale and its production structure can diversify. In this regard, Colombia can learn a lot from Korea's experience, as detailed in Chapter 3 of this book. Furthermore, we will consider that industrialization requires encouraging interactions between public and private actors. The objective of this chapter is to explore a Colombian institutional leap that promotes international production networks based on the relationship between cultural values and decision-making in the process of internationalization of Colombian organizations, allowing for a greater share in the global market. This is another element that Colombia can learn from Korea.

Theoretical Framework

The processes involved in FTAs present several levels, defined by the elements that comprise them: from the gradual or immediate elimination of tariffs to the transfer of state powers to supranational institutions. Although the agreement signed between Colombia and Korea emphasizes the creation of a broader and safer market, the preamble highlights the promotion of the competitiveness of their organizations and the importance of creating opportunities for economic development. In this context, the study was conducted from an institutionalist perspective within the framework of the clauses of the TLC signed between Colombia and Korea, focusing on the harmonious relationship between entrepreneurs and officials. This follows Correa and Manchón (2016), who discuss how States and private actors operate with different yet interconnected logics. The former aim for the free participation of each citizen under the principle of public interest, while the latter operate under the principle of private interest, which they must defend in a politically structured market based on the right to private property (p. 9).

This chapter expands on the previous postulate, incorporating Pérez's (2009) proposals for the region regarding business and industrial development in a commercially competitive environment fostered by institutionalization, with the aim of enhancing the contribution to human development.

These pillars that promote development through trade have been discussed by treatise writers such as Moe-Lobeda and Spencer (2009), who argue that trade agreements lead to economic prosperity, political democracy, and personal liberty and even generate resources to eradicate poverty and protect democracy (p. 686).

The dynamics generated by FTAs enable the latter to mitigate disputes between States and markets, thus facilitating the construction of consensus scenarios between public and private actors, allowing their countries to gain greater influence

within the international system. This shift comes as internationalization is now more accessible and less risky, prompting an increasing number of entrepreneurs to focus on it (Tan et al., 2018). The international orientation of companies is becoming increasingly common among entrepreneurs.

The literature on FTAs highlights the development policies that countries must implement in accordance with the level of internationalization they are experiencing. For example, Jesuit and Sych (2012) argue that borders should not be a barrier to balanced development; rather, it is important that measures are adopted that favor free trade in such a way that not only trade relations are strengthened (p. 474) but also the way governance is built between private and public actors of the States that participate. In this context, the works of Conteh (2012) and Correa (2016) agree that development can be achieved not only through the use of capital and technology but also by considering the capacities of the companies and people of the countries that sign an agreement when they are summoned to participate in the design, performance, and control of FTAs. The expansion of markets creates new scenarios, actors, and competition factors in the international field; however, the environment that gives rise to the particularities of the national culture in which companies are based cannot be ignored (Castellanos & Ramírez, 2013, p. 156).

If we delve into the inquiries about the characteristics and attributes of FTAs, we will find relationships between national cultural values and decision-making in the strategic process of internationalization of Colombian organizations. This exploration enables us to demonstrate that decision-making in organizations is, in some cases, based on rational processes, while at other times, it is intuitive, with the national culture of the country where the company is established serving as a backdrop (Dimitratos et al., 2011, p. 198).

Free trade has created a space that invites diverse groups of businesses, including small and medium-sized enterprises (SMEs), to participate in addressing new challenges such as the growing consumer demand for goods and services (Pawęta & Zbierowski, 2015). Here, strategies and decisions depend not only on objective conditions but also on subjective behaviors such as the attitude, perceptions, motivation, and personality of the entrepreneur (Hutchinson et al., 2006, p. 527). All of these characteristics have marked a notable difference between Koreans and Colombians in their ventures into international markets. Their actions are determined by both national culture and the environment created by economic, political, and social institutions in each territory, which characterize the productivity and competitiveness of the goods and services that are commercialized in different

markets. These attributes frame the qualitative analysis needed to achieve the purpose of the FTA signed between Colombia and Korea.

Method

The data presented in this chapter are part of the project *Relations between Colombia and South Korea: An Analysis of the Impact of National Foreign Policy on the Economic Development and Geopolitical Projection of the Country*. Since the FTA between Colombia and Korea has been in effect for six years, including two years of the pandemic, this study is exploratory in nature. It is framed within an interpretive research paradigm. Using mixed techniques from quantitative data, qualitative interpretations are made (Hernández Sampieri & Mendoza, 2018).

The research was conducted in two phases. The initial phase was divided into three stages. During the first stage, a review of Colombia's institutional statistical data on exports and imports with Korea, as published by the Ministry of Industry, Trade, and Tourism (MinCIT), was carried out. In the second stage, the Korean student Park Zaborowski Ju Hee compiled information on trade between Colombia and Korea, using the Trade Office of the Government of Korea as a source (KOTRA, 2022). In the third stage, the data from the two sources were compared descriptively.

In the second phase, based on a review of the literature on competitiveness (the latter understood as a factor for cooperation), the State-market relationship, and the internationalization strategies of companies, courses of action were explored that allow Colombia to enter the geopolitical scenario of the Asia-Pacific project and, in this way, contribute to the positioning of the nation as a secondary regional power through economic development, in harmony with the objective of the project that guides the various chapters of the book.

Results

Colombia and Korea have strengthened their political relationship, as expressed in these chapters. Similarly, their economic relations have been revitalized over the past decade. Colombia has much to learn from Korea: the transformation of the Asian country in the last 50 years has been exemplary because it was one of the so-called "Asian Tigers," along with Taiwan, Hong Kong, and Singapore, which demonstrated

that countries other than the "developed" ones can also industrialize and achieve sustained growth levels.

Korea has transitioned from an economy reliant on labor to one focused on capital and technology, and subsequently to a knowledge-based economy. This is the path followed by countries with a market system within accumulation patterns, ranging from the classic models of the eighteenth century to the globalizing ones of the twenty-first century (Basuardo, 2019). This pathway has been forged through innovation, entrepreneurship, and the promotion of market creation and green energy industries (Cámara de Comercio de Bogotá, 2021). Additionally, this route has been traveled by various countries in the Asia Pacific, which has thus become a promising region in economic and commercial fields on a global scale, yet remains elusive for Colombian interests, as it has not been possible to enter APEC or to sign a trade agreement with any member country of ASEAN. Hence, the importance of the agreement signed by Colombia with Korea. This country represents a gateway for Colombia to that region, given the relations that Korea maintains with the countries of the Far East: not only with China and Japan but also with the American Pacific, particularly with member countries in the Alliance for the Pacific, such as Chile, Peru, and Mexico.

To observe the behavior of the agreement, data published by the MinCIT were used and compared with the data reported by KOTRA.

Exports from Colombia to Korea

In 2015, the year before the agreement's entry into force, Colombian exports to Korea reached only $229.4 million (Mincomercio, 2021), as shown in Table 1. The following year, 2016, when the agreement entered into force, there was a 75% increase, resulting in a sum of $402 million for the same item. This growth maintained an upward trend during 2017 and 2018, resuming in 2020, despite the economic consequences of the COVID-19 pandemic.

Table 1. *Colombian Exports to Korea*

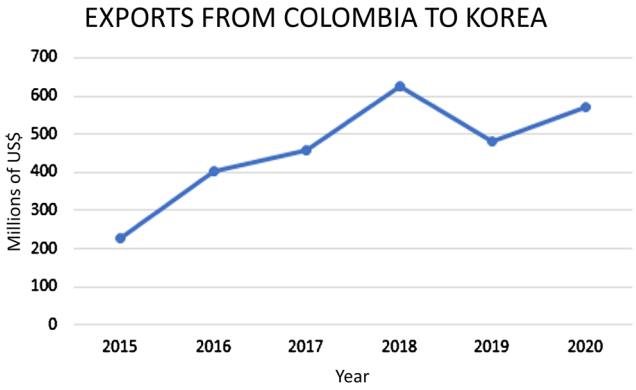
YEAR	2015	2016	2017	2018	2019	2020
Exports in millions of U.S. dollars	229.4	402.1	457	627.4	482	571.9

Source: DIAN-DANE-MinCIT (2021).

The products that represented a greater share in Colombian exports in 2015 were bituminous coal, briquette, crude oil, and bituminous crude, as well as copper waste and ferroalloys. They were followed by coffee, bananas, and flowers, as well as smaller quantities of papers, cardboards, and toys with wheels (Mincomercio, 2021).

The growing trend is observed in Figure 1. It is striking how, despite bituminous coal and briquette continuing to have a significant share, growth is primarily driven by a substantial increase in volumes of coffee, bananas, and flowers.

Figure 1. *Colombian Exports to South Korea*



Source: Own elaboration based on DIAN-DANE-MinCIT (2021).

The data reported by KOTRA (2022) on Korean imports of products from Colombia are different from those of Colombian exports to Korea, as shown in Table 2.

Table 2. *Korean Imports from Colombia*

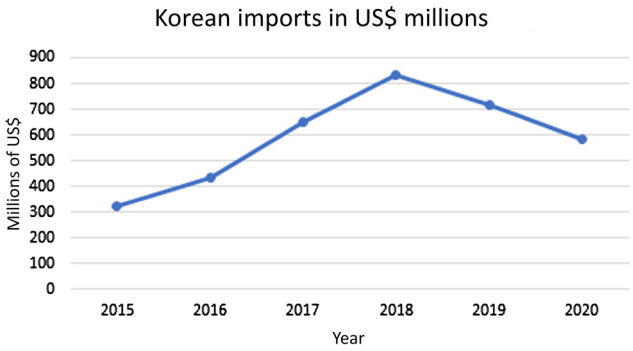
YEAR	2015	2016	2017	2018	2019	2020
Korean imports in millions of U.S. dollars	323	433	651	834	718	584

Source: KOTRA (2022).

The Korean agency reports that in 2015, the year prior to the entry into force of the FTA, Korean imports totaled $323 million, a higher figure than the $93.6 million reported by MinCIT. In 2020, the final year of the study, the difference between the two sources was less than $12.1 million (KOTRA, 2022).

When comparing Figure 1, which shows exports from Colombia to Korea, with Figure 2, depicting imports from Korea to Colombia, a growing trend is evident from 2015 to 2018. In both cases, the data for 2019 show a decline, but compared to 2020, the Colombian data indicate a slight recovery in Colombian exports. This recovery does not align with the Korean data, which records a new decrease in Korean imports of products from Colombia.

Figure 2. *Korean Imports in Millions of U.S. Dollars*



Source: Own elaboration based on KOTRA (2022).

The products accounting for the largest share of Colombian exports to Korea are the same ones that represent the greatest share of Korean imports from Colombia. These include bituminous coal, briquettes, crude oil, bituminous crude, copper waste, ferroalloys, as well as coffee, fruits, and flowers.

Imports from Colombia to Korea

In 2015, Colombia's exports to the Asian country totaled $1,085.3 million, a figure that had been declining until 2020, when imports fell to only $676.4 million (MinComercio, 2021), as shown in Table 3, according to data from Colombian public institutions that process foreign trade information.

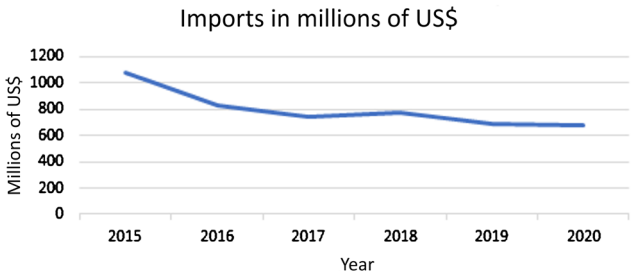
Table 3. *Imports from Colombia to Korea*

YEAR	2015	2016	2017	2018	2019	2020
Imports in millions of U.S. dollars	1,085.3	833.5	746.2	776.4	687.1	676.4

Source: DIAN-DANE-MinCIT (2021).

These data are primarily composed of purchases made by Colombia for cars used in tourism and passenger transportation, as well as polyacetals and mixtures of alkylbenzenes, tractor parts and accessories, and tires. These goods were regulated by the FTA, which presents a downward trend, as shown in Figure 3.

Figure 3. *Imports in Millions of U.S. Dollars*



Source: Own elaboration based on DIAN-DANE-MinCIT (2021).

If we compare the KOTRA data on exports to Colombian consumers presented in Table 4 with Colombian data, the figures differ, as does the data on Korean imports of Colombian goods in Table 2. In other words, the data from KOTRA and that from Colombian institutions do not match.

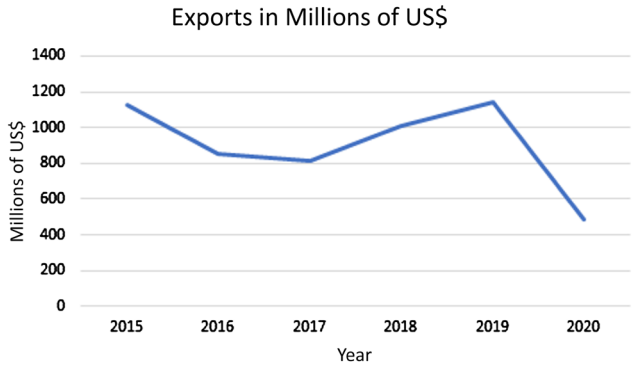
Table 4. *Korean Exports to Colombia*

YEAR	2015	2016	2017	2018	2019	2020
Exports in millions of U.S. dollars	1,129	853	814	1,012	1,143	487

Source: Kotra (2022).

While the 2015 data shows some similarities between the figures reported by Colombian agencies and the Korean agency, the same cannot be said regarding the trend: when comparing Figure 3 and Figure 4, the former shows a consistent decline in Colombian purchases, while the latter demonstrates fluctuations, and again, a decrease in the sequential analysis of imports and exports.

Figure 4. *Exports in Millions of U.S. Dollars*



Source: Own elaboration based on KOTRA (2022).

Trade Balance

What can be affirmed from Mincomercio (2021) and Park (KONTRA, 2022), the two sources of information used in this chapter, is that since the FTA between Colombia and Korea came into force, the trade balance between the two countries tends to be favorable for Colombia over time, as shown in Table 5. The trade deficit in 2015 was $855.9 million, the highest for Colombia, while in 2020, the last year under study, the deficit was only $104.5 million, representing a decrease of $751.4 million in the initial five years of the FTA.

Table 5. *Trade Balance Viewed from Colombia*

YEAR	2015	2016	2017	2018	2019	2020
Exports	229.4	402.1	457	627.4	482	571.9
Imports	1,085.3	833.5	746.2	776.4	687.1	676.4
Trade balance	-855.9	-431.4	-289.2	-149	-205.1	-104.5

Source: DIAN-DANE-MinCIT (2021).

It also aligns with the data provided by KOTRA: the trade balance tends to be favorable for Colombia, although differences between the figures remain evident, according to the source, as shown in Table 6. Nevertheless, the period under study begins with a surplus for Korea of $806 million, and by 2020, it has a $97 million deficit.

Table 6. *Trade Balance Viewed from Korea*

YEAR	2015	2016	2017	2018	2019	2020
Exports	1,129	853	814	1,012	1,143	487
Imports	323	433	651	834	718	584
Trade balance	806	420	163	178	425	-97

Source: KOTRA (2022).

The data for 2020—among those provided by Colombian institutions, which show a Colombian deficit of $104.5 million, and the figures supplied by Park (KOTRA) for the same year, indicating a Korean deficit of $97 million—raise questions about the techniques used to measure trade volumes, which could be a focus of future research.

Aside from the data from 2020, which reflects an unusual situation in the world economy due to the coronavirus pandemic, the period under study shows a growing trend in the transaction values resulting from trade between the two countries. In 2015, these transactions reached $1,452 million, and by 2019, the total had grown to $1,861 million, representing an increase of $409 million, or a 28% rise in trade figures.

In the literature review, three fields were identified as fundamental issues for analyzing the presence of nations in the international system, particularly during the stage of globalization. These include competitiveness (as a factor for cooperation), the State-market relationship, and the internationalization strategies of companies.

Competitiveness (Cooperation Factor)

The components of the trade volume between the two countries under study indicate a static situation regarding the types of goods and services being commercialized: primarily, bituminous coal, briquettes, crude oil, bituminous crude, copper waste and ferroalloys, followed by coffee, bananas, and flowers, with a smaller amount of paper and cardboard (Cámara de Comercio de Bogotá, 2021). Colombia does not seem to be promoting its competitiveness to encourage cooperation. Companies and markets continue to follow traditional paths and use the same management tools, which have not allowed for the integration of complexity that could generate strengths for organizations trading with Korea.

State-Market Relationship

Similarly, markets move through inertia and have been elusive in creating network and dynamic systems, where the strategic model aims to foster change while acknowledging that the dynamics between the market and the State are not always linear, but continually adapt to new environments and remain flexible. Competitiveness now has a new, necessary companion: *flexibility* in pursuit of being a component of cooperation. It is crucial to remember that the advantages that once led to an organization's success can vanish in a new context (Brown & Eisenhardt, 2002).

Internationalization Strategies of Companies

The type of product that characterizes the trade relationship between Colombia and Korea has been constant; there are no strategic lines within the policies implemented that allow for the internationalization of companies or products. Innovation has been elusive; the participation of science or technological development is not perceived as a means to diversify the scientific relationships that systematically solve problems and improve the processes and products exchanged.

Discussion

A data analysis of exports and imports between Colombia and Korea from 2015 to 2020 confirms the necessity of implementing public policies that create value in the national economy, promoting Colombian industrialization. This approach involves developing production through economies of scale, thus diversifying its production structure. It is essential to recognize that industrialization requires fostering interactions between public and private actors, facilitating an institutional leap that encourages the development of international production networks. This acknowledges the close relationship between cultural values and decision-making in the internationalization process of Colombian organizations, allowing for the diversification and enhancement of commercial exchanges between Colombia and Korea.

Colombian industrialization must be characterized by innovation, as Korea did, because the success of modern companies increasingly depends on their ability to innovate, which serves as an engine for market share and survival (Stojcic et al., 2018). In this regard, business innovation is a crucial variable for creating value.

Consequently, industrialization leads to the innovation of production systems, as well as the development of new product lines and processes, which enable organizations to create and preserve value. *Business innovation,* as defined in the Oslo Manual (OECD, 2018) in its fourth edition, refers to new and improved innovations of business products and processes (or a combination thereof) that have been introduced into the market or have been put into use by the company, differing from bituminous coal, briquette, crude oil, bituminous crude, copper waste, and ferroalloys.

Along these lines, research and development (R&D) are fundamental components of the industrialization process in the Colombian production system. This process requires addressing the complexities arising from the interrelationships among the various stages, ranging from the State's promotion of public policies in this area and entrepreneurs' decisions to innovate, to investment in R&D, the emergence of creative ideas that enhance the market, and the technological challenges encountered, to the translation of innovations into improved performance and international competitiveness (Stojcic et al., 2018). Thus, multiple factors and elements are evident that merit consideration in Colombian industrialization.

R&D, as Korea did at the time, ensures the development of human resources, the management of innovation, and the achievement of national strategic objectives (Castellanos, 2003). All of these factors lead to new knowledge and equip us to tackle the challenges posed by the implementation of FTAs within a framework of complementarity and cooperation among the signatory countries.

Industrialization involves creating international production networks that encompass the supply of raw materials to the manufacturing and sale of final products. Therefore, it is crucial to develop public policies that promote connections among small, medium, and large distributors, linking suppliers with marketers (Kotler et al., 2013), to motivate Colombian entrepreneurs to enhance their interactions with Korean organizations, taking into account the behavior of nationals in the decision-making processes they undertake in internationalization projects.

The results of this research align with several studies on entrepreneurial decisions regarding the internationalization of trade operations, emphasizing the significance of the entrepreneur's behavior in their organization's participation in international business. These studies agree that knowledge, experience, and the development of business networks impact the decision to engage in trade operations abroad; however, there are notable differences between the literature

reviewed for the Colombian case and the findings of studies in other countries. The culture of each entrepreneur's place of origin influences their decision to internationalize operations.

Decisions stem from the behavior of the entrepreneur or manager. Several authors (Andersson & Evers, 2015; Francioni et al., 2015; Pauluzzo & Shen, 2018b; Tan et al., 2018) note that individuals have diverse international experiences, which yield varied perceptions of market opportunities, as well as the relative risks and benefits. This diversity generates multiple decisions that align with the experiences of entrepreneurs and their behavioral traits. Pauluzzo and Shen (2018ª) claim that entrepreneurs "mold their environment" according to their experiences, competencies, and skills, all of which must be considered in the negotiation scenarios based on Colombian industrialization designed to enhance relations between Colombia and Korea, aiming for complementarity and mutual benefit for both countries.

The literature review confirmed that discussions about the advantages and disadvantages of FTAs extend indefinitely. Regarding the former, defenders (Andersson & Evers, 2015; Francioni et al., 2015; Pauluzzo & Shen, 2018b; Tan et al., 2018) argue that possibilities for new business lines are expanding, thereby creating more options for finding investor partners. On the other hand, some (Basualdo, 2019; García, 2018) believe that national governments have adopted public policies recommended by multinational organizations without considering the peculiarities of SMEs. Nevertheless, some entrepreneurs have reported an increase in the production of the goods they sell, as they gain greater access to capital goods, raw materials, and supplies that contribute to their production processes, thereby enhancing their market share nationally; they also experience an uptick in their trade operations abroad. However, other entrepreneurs contend that these agreements have negatively impacted them, as the Colombian market has become saturated with goods produced abroad, and they feel displaced, leading to a trade creation effect, as described by Balassa (1980). In the case of Colombia-Korea, the automotive sector is one that makes such a statement (Cámara de Comercio, 2021).

These market variations, arising from FTAs, lead entrepreneurs to structure their actions in specific ways. Their behavior is influenced by three determining factors: 1) *cross-cutting* factors, which encompass cultural patterns rooted in the core structures of the human spirit of ancestors, beliefs, and perceptions of globalization, as noted by Pauluzzo and Shen (2018a), confirming earlier

assertions by Dimitratos et al. (2011); 2) *rational* factors, including argumentation, cognition, experience, and intuition, following the research of Francioni et al. (2015) and Hutchinson et al. (2006); and 2) *emotional* factors, which encompass various motivations, feelings, and desires learned by both men and women engaged in international business, as discussed in studies by Collinson and Holden (2005) and Hanlon (2011).

Thus, the institutional leap required by Colombia to promote international production networks should consider the relationship between cultural values and decision-making in the internationalization process of Colombian organizations to achieve a greater share in the global market. The industrialization described here to strengthen relations with Korea—and, more broadly, with the countries of the Asia Pacific—must take into account the attitudes, cognitive competencies, management skills, expertise in international business, and the personality of national entrepreneurs. This identification allows for determining the extent to which they can overcome the difficulties of negotiating with individuals from different cultures, characterized by diverse norms, customs, and ways of thinking and acting, both socioculturally and organizationally. As stated by Hofstede (2011), "culture is the collective programming of the mind that distinguishes the members of one human group or category from another" (p. 13). Therefore, organizations in each nation are distinguished by specific value systems, which influence the types of strategies they adopt to strengthen their operations in international markets. Korea serves as an example of this. The strategic processes they developed generated behavioral patterns that have led them to hold a significant share in global trade.

Conclusions

This research presents an interesting examination of the strategies that allow Colombia to strengthen its presence in global markets. Guided by our allied nation, Korea, the proposed path has already been traveled: a Colombian institutional leap, achieved through public industrialization policies that foster international production networks. It is not about simply adapting the Korean strategies and policies of the past. Rather, the proposal focuses on understanding that only through a national identity, which embodies the relationship between cultural values and decision-making in the process of internationalizing organizations, can greater participation in increasingly diverse markets be achieved.

This research needs to be complemented with empirical evidence through interviews with Colombian and Korean entrepreneurs. The former helps identify the elements that constitute national identity, its cultural values, and the components necessary to develop industrialization policies that align with the thinking of Colombian entrepreneurs. Meanwhile, the experiences of Korean entrepreneurs provide valuable knowledge and insights that facilitate the development of strategies tailored to a world characterized by uncertainty, volatility, complexity, and ambiguity.

The trade behavior between Colombia and Korea, as demonstrated by the signed FTA, indicates that Colombia requires an institutional leap that promotes international production networks, similar to what Korea achieved in the 1960s, as detailed in Chapter 3 of this book. The proposed institutional modernization is based on Colombian industrialization, considering the strengthening of interactions between public and private actors of all sizes, that is, small, medium, and large entrepreneurs.

To learn from the Korean experience, it would be beneficial to initiate research on various topics. The first topic compares the extent to which a Korean entrepreneur adapts to the cultural environment of a specific market and the resulting economic performance achieved in that market, with the adaptation of a Colombian entrepreneur to the same cultural environment and their economic performance in that market. The second topic involves the existence of multiple preferential systems among entrepreneurs, where each entrepreneur has their own cognitive process and, as a result, assigns different importance to argumentation, cognition, experience, and intuition as behavioral factors concerning participation in the markets between the two nations. The third topic is the emotional harmony of the entrepreneur, achieved through a continuous observation of their feelings, desires, and needs, as well as their social connections, which allows for adjustments to both their motivations for and aversions to commercial activities between Colombia and Korea.

With these studies, the outcomes of the FTA between Colombia and Korea would be enhanced, as complementary points could be identified in future strategies that benefit the two nations in the face of globalization and regionalization.

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