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Colombia—May 29 Presidential Elections Preview

- Six candidates are vying for the presidential office, though according to the latest polls only three are in contention to move on to the runoff election.
- The leftist candidate, Gustavo Petro, has consistently led in the polls, but lacks the support needed to win a first-round victory.
- Whoever wins the presidency will have to work with a divided Congress in which no party is dominant and in which the majority of seats are held by market-friendly parties.

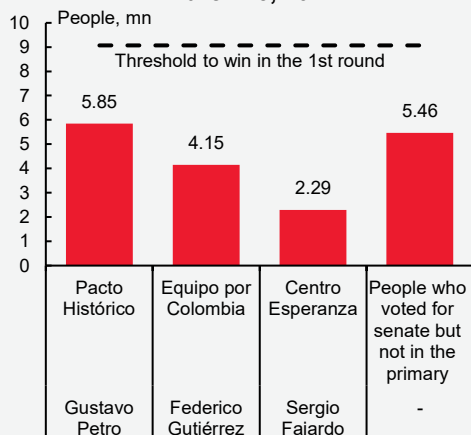
On Sunday, May 29, Colombia will hold the first round of the presidential elections, with six candidates running for the presidency (tables 1 & 2)—though, according to the latest polls, only three are in contention to move to the runoff election. The leftist candidate, Gustavo Petro, has consistently led the polls, but without sufficient support to win the election in the first round. Meanwhile, the candidate for the centre-right, Federico Gutiérrez, gained momentum after the primary elections, but his support (measured by voter intention) stagnated in recent weeks. In third place, the independent candidate, Rodolfo Hernández, suddenly spiked in the latest polls and now has a strong chance to move to the run-off election.

Key points to consider ahead of Sunday’s vote include:

- **The March 13 primary elections to choose the candidates of each coalition helped us get some sense of voting trends ahead of the first round (chart 1).** In particular, of voters who voted for senate (17.7 million people), the leftist coalition led by Gustavo Petro secured 5.85 million votes (33%), the centre-right coalition led by Federico Gutiérrez got 4.15 million votes (23.4%), and the centre-left coalition led by Sergio Fajardo garnered 2.29 million (12.9%). Interesting to note that there were 5.5 million people who didn’t vote for any coalition, representing 30.8%.
- **The turnout for the congressional elections was 46.5%.** For Sunday’s election, the electoral census identifies 39 million eligible voters. With a similar turnout to that observed in the congressional vote, which is comparable to the historical turnout, a candidate would need more than 9.1 million votes to win in the first round.
- **What happened in the 2018 presidential election?** Iván Duque led the first round getting 7.6 million votes (39.3%), while Gustavo Petro got 4.9 million votes (25.1%). These results were similar to survey results, which showed Duque leading with 41.5% and Petro with 29.5% of voter intentions. The big surprise came from Sergio Fajardo, who despite his 16% of voter intentions showing in the polls got 4.6 million votes, very close to Gustavo Petro. In the runoff, Petro increased his voters to 8.1 million (41.8%), while Duque garnered 10.4 million votes.
- **What is different this time?** Voter intention surveys consistently show Gustavo Petro in the lead, but without the support needed to win a first-round victory. Federico Gutiérrez and Rodolfo Hernández are running neck and neck for the runoff position, so that a “photo finish” in the race to be the second candidate in the runoff is likely.
- **In Sunday’s vote, it is key to see the distance between the first and the second candidate, since it will give some sense of potential leadership in the runoff.** We learned from the 2018 elections, that if Gustavo Petro gets more than 40% of vote intention, he would be a more solid candidate to get the presidency.

Chart 1

Colombia: Results of the Primary Vote
March 13, 2022



Sources: Scotiabank Economics, Registraduría Nacional Colombia.

Regardless of who competes in the final round, we emphasize that the Congressional vote showed that the next president will need to be pragmatic and capable of negotiating with a divided Congress in which no political party is dominant and in which a majority of seats are held by traditional (market-friendly) political forces.

Table 1: Colombia—Candidates at a Glance

	Gustavo Petro	Federico Gutiérrez	Rodolfo Hernández	Sergio Fajardo	Enrique Gómez	John Milton Rodríguez
Did you support the nationwide protest?	Yes	No	Yes	Yes	No	No
Do you support the current government?	No	Yes	No	No	Yes	Yes
What was your vote for the peace plebiscite?	Yes	Yes	No	Yes	No	No
Experience in the public sector?	Mayor	Mayor	Mayor	Mayor		Senator
Agree with a Church tax?	No			Yes	No	No
Agree with increasing the pension age?	No	No		No	Yes	No
Do you support free abortion?	Yes	No	No	Yes	No	No

Sources: Scotiabank Economics, La Silla Vacía.

Table 2: Colombia—Economic Policy Topics of Leading Candidates' Programs

	Gustavo Petro	Federico Gutiérrez	Rodolfo Hernández	Sergio Fajardo
Tax Reform and Taxes	<ul style="list-style-type: none"> -Progressive reform with green taxes. -Reduce income tax on companies, while increasing tax burden on people. -Companies: Gradual dismantling of benefits and exemptions and reduction of income tax rate. -People: Progressive taxes + dividends + equity. -Eliminate rents classification and implement the same rate for all rents. -Do not extend VAT to all of the consumption basket. 	<ul style="list-style-type: none"> -Tax reform is not ruled out, but if it exists it will not harm the middle and vulnerable class. -Compliance with the tax rule. -Elimination of exemptions and use of progressive taxes. -Modernization of DIAN (the tax collector entity). -Austerity and efficiency of spending. 	<ul style="list-style-type: none"> -The main source of fiscal income is the reduction of corruption. -General non-discountable VAT rate of 10% on the current basket. -Eliminate taxes on capital goods. -Elimination of the 4x1000 (tax for financial transactions). -Fight against corruption and simplification of taxes. 	<ul style="list-style-type: none"> -Increasing fees for wealth and income taxes for high-income individuals. -Increase in the tax on dividends. -Elimination of exemptions. -Eliminate benefits to companies (mega investments and discounts of ICA payment). -Green taxes. -Progressive taxes and the fight against evasion.
Monetary Policy	<ul style="list-style-type: none"> -Monetary policy based on growth and employment, with the participation of society. -Respect the independence of the Central Bank. 	<ul style="list-style-type: none"> -Respect the independence of the Central Bank. 	<ul style="list-style-type: none"> -Respect the independence of the Central Bank. 	<ul style="list-style-type: none"> -Respect the independence of the Central Bank.
Foreign Trade	<ul style="list-style-type: none"> -Smart tariffs on agricultural goods and inputs. -Tariffs as trade defense mechanisms. -FTAs should be reviewed and renegotiated if necessary. -Foreign trade leading to higher domestic production. -Tariff protection. 	<ul style="list-style-type: none"> -To promote the internationalization of the economy and export diversification, taking advantage of the current FTAs. -Strengthen trade ties with Latin America. 	<ul style="list-style-type: none"> -Review FTA: do not import goods with sufficient domestic supply. -Trade protection of the manufacturing and agricultural sector. -Tariff protection and export promotion. 	<ul style="list-style-type: none"> -Export promotion. -Fight against unfair competition through tariff protection. -Using FTAs to expand exports and review when they hurt domestic supply. -Export and defense of domestic production.
Mining	<ul style="list-style-type: none"> -Mining companies will be responsible for the costs of environmental studies and environmental liabilities for the rehabilitation and recovery of intervened areas at imminent risk. -Protection of ancestral and artisanal mining, as well as subsistence and small-scale mining. 	<ul style="list-style-type: none"> -Harmonizing mining with planning and land use: clarity on potential land use. -Support for informal miners for their formalization. -Increase investment in exploration to diversify the mineral basket. -Encourage linkages around mining. 	<ul style="list-style-type: none"> -Forcing mining multinationals to the same environmental treatment they have in their countries of origin. 	<ul style="list-style-type: none"> -Great mining-energy agreement, will promote the formalization of small mining. -Compared to medium-scale mining, communication mechanisms and consultation between companies and communities.

Sources: Scotiabank Economics, Fedesarrollo, Mauricio Reina.

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