

As protests in Colombia [continue to develop](#), there has been growing concern among other Latin American countries over the impacts the economies may face in the long term.

FreshFruitPortal spoke to economists who have analyzed the impacts of the country's crisis on its local economy as well as on Latin America.

"Lately the political and regional unrest has been growing tenser and there is increasing concern throughout Latin America," Felipe Ruiz, Senior Economist at Banco Bci said.

"The financial markets feel this tension and it is causing rising interest rates in Colombia as the perception of risk rises. What can be understood is that financing conditions for Colombia have been lengthening, the same way we saw in Peru and Chile, which suggests greater political tension is developing."

Amid the unrest, over 1.8 million jobs are at risk and more than 1.2 million tons of foodstuffs have been lost in different parts of the country. According to the [Ministry of Agriculture of Colombia](#), US\$3.6 billion has been lost due to the difficulties faced in transporting the products.

The crisis also affects the Colombian peso, which plays a part in this tension and has been reflected in its depreciation.

"Despite the fact that the rest of the currencies in the world are recovering, Chile and Colombia have been hit the hardest from the exchange side," he said.

The crisis is "bad news because the country is linked to other countries in the region", the Director of the Center for Studies in Economics and Business at the University of Development, Cristian Echeverria said.

"For Chile, it doesn't have much of an impact on the import and export side, but in the investment sector, especially with the retail area, it has an impact on foreign companies that are located in Colombia."

"The crisis creates depreciation of the country's peso and capital outflow. Internally, there is less economic activity, a drop in investment and an increase in unemployment."

It has immediate and also long-term consequences like uncertainty, which is the worst because investing requires certainty, he said. "Chile is experiencing the same, our country has investments on hold."

Effects on Latin America

The uncertainty that Colombia is experiencing creates changes with its commercial partners as well.

Ruiz said that he sees two potential impacts with the first being that in the short term, these social conflicts could generate problems in production and shipping, which can create problems in the supply chain and exports, causing the country's exports to cost more for the rest of the world.

"In the medium term, the impact is related to financing costs. This political crisis creates macroeconomic impacts from now on which may have an impact on the long-term vision for the economy."

As is the case of Chile and Latin America, what is being experienced in Colombia may have important impacts that are not quantifiable now, but must be looked at closely when considering the future, he said.