



Presidential candidates talk about the industry and the peace process

During the Colombian Association of Petroleum Engineers' (Acipet) 17th Oil and Gas Congress, four of the presidential candidates for next year's elections spoke about their proposals for the development of the industry, parallel to the implementation of the peace accords.

Acipet invited all the candidates to participate in the panel, but only four of them attended the event.

Presidential precandidates for the Democratic Center party, Carlos Holmes Trujillo and Iván Duque, Presidential Precandidate for the Conservative party, Rubén Darío Lizarralde, and Alejandro Ordoñez, former Inspector General and Independent Presidential Precandidate spoke about their initiatives for the future of the industry in Colombia.

Since their political stances are similar and there were neither left nor center-left candidates in the debate, their proposals were quite similar.

Carlos Holmes and Iván Duque agreed on the fact that people should not fall into the false dilemma of 'environment or oil', but should believe in an industry that operates with the highest standards and coexists with the environment.

Holmes said that the axis of his administration would be to achieve an economic growth of 7%, which is ambitious "but we should think big and create ambitious goals, not try and achieve a mediocre growth like the one set during Santos' presidency."

He added that one of the biggest problems that the industry faces is the lack of presidential leadership to support and provide legal security for companies.

He spoke of discounts for fixed assets and variable rates of between 8% and 25% in royalties as tax incentives, and about the creation of government entities that assure more efficient procedures for companies.

Duque said that popular consultations are for communities to have a legal mechanism in case they see themselves affected by oil activities, and not to slow down the development of projects and the national economic growth, as the industry represents 35% of the FDI.

He criticized Santos for supposedly splurging the money from the 'oil boom' because "he thought Colombia is an oil producing country and oil prices would always be at US\$100."

He added that the General System of Regalities (SGR) should be changed to a 50% -50% scheme to restore confidence in producing regions, and that transportation costs should be improved.

Ordoñez said that popular consultations cannot be used as a weapon of political extortion, and added that the empowerment of local authorities has become a threat to the industry, calling Hupecol's case 'shameful' since 48 hours after granting the firm a license, president Santos revoked it via Twitter. (HCC: Actually, it was on national TV. Not sure if that is better or worse.)

He emphasized the need to regulate offshore exploration and fracking to increase reserves, and all the candidates agreed with him.

Lizarralde said it was "a pity" that opposition candidates had not attended the debate because the audience was listening to the same proposals over and over again, and like the other participants, said that if elected president he would guarantee legal certainty to companies.

He added that it is necessary to review the agrarian subject of the peace agreements because it could become an obstacle to the development of the industry in the territories.

Bottom-line: We wonder why central-left candidates did not attend the event. Maybe because they thought there were few votes to be gained in front of a room full of industry entrepreneurs?

Unfortunately, the lack of resulting debate meant the industry missed an opportunity to see how the candidates perform when they disagree. Agreement makes for a boring debate and, here, did not serve to distinguish the candidates. Duque and Holmes Trujillo were in [the previous ACP debate](#) (a much livelier affair). Lizarralde is a known figure to the industry from his time in Campetrol but this was Ordoñez's first public exposure to the sector.

All candidates criticized Santos' government lack of support to the industry, and we wonder why...

An issue that the next president will have to work on, besides assuring legal security and fiscal incentives, is the [lack of coordination between public entities](#) because it is definitely sending investors the wrong message.