



## **Colombia's Minimum Wage Increase: Implications for the Floriculture Industry**

Dear valued customers,

We would like to share with you important context regarding recent labor policy decisions in Colombia that will have a meaningful impact on the country's productive sectors, including floriculture.

Last Monday evening, President Gustavo Petro announced a minimum wage increase of 23.7%, effective January 1, 2026. This represents the largest increase in recent history and is nearly four times what would have resulted from the traditional formula based on inflation and labor productivity.

The current Colombian government will complete its term in August 2026 and is actively focused on the elections scheduled for the end of the first semester of that year. Each December, Colombia follows a formal process to establish the minimum wage for the following year through negotiations among the private sector, labor unions, and the government. If no agreement is reached by mid-December, the President has the authority to decree the increase.

Traditionally, this process has been guided by technical criteria, primarily inflation, changes in labor productivity, and occasionally a modest additional adjustment. This year, with inflation close to 5% and labor productivity at approximately 0.9%, the private sector proposed a 7.2% increase, while labor unions requested 16%. As no consensus was achieved, the final decision rested with the President.

This decision is widely viewed as political in nature and lacks technical support, with limited consideration of the broader economic consequences. Its impact will be felt across the economy, particularly in exporting industries such as floriculture, which are already facing challenges from currency appreciation in recent months.

For flower growers, the effect is especially significant, as labor represents between 50% and 60% of total production costs. Such a sharp and unexpected adjustment introduces additional pressure on operations while the industry continues to meet high standards in quality, sustainability, and social responsibility for international markets.

Despite these challenges, the Colombian floriculture industry has a long history of resilience. Once again, we will have to adapt to this new reality, confident that through collaboration, efficiency, and long-term partnerships, we will continue to serve our customers reliably.

We sincerely appreciate your continued trust and partnership. We wish you and your families a happy New Year and our very best wishes for a successful 2026.

Sincerely,

Augusto Solano  
President  
ASOCOLFLORES