

COUNTRY PROFILE: COLOMBIA

December 2004

COUNTRY

Formal Name: Republic of Colombia (República de Colombia).

Short Form: Colombia.

Term for Citizen(s): Colombian(s).

Capital: Bogotá (Bogota).

Major Cities: Bogotá (4,300,000; Greater Bogotá, 6,080,000), Medellín (3,290,000), Cali (1,870,000), Barranquilla (1,358,800 population), and Cartagena (925,600).

Independence: July 20, 1810, from Spain.

Public Holidays: Año Nuevo (New Year's Day) (January 1), Día de los Reyes Magos (Epiphany) (January 6*), Día de San José (St. Joseph's Day) (March 19), Jueves Santo (Holy Thursday) and Viernes Santo (Holy Friday) (variable dates in March or April), Primero de Mayo (Labor Day) (May 1), Ascension (May 20*), Corpus Christi (June 10*), Sagrado Corazón (Sacred Heart) (June 18*), San Pedro y San Pablo (Saint Peter and Saint Paul) (June 29*), Independence Day (July 20), Battle of Boyacá (August 7), La Asunción (Assumption) (August 15*), Día de la Raza (Columbus Day) (October 12), All Saints' Day (November 1*), Independence of Cartagena City (November 11*), La Inmaculada Concepción (Immaculate Conception) (December 8), and Navidad (Christmas Day) (December 25). Note: * Movable holiday: when they do not fall on a Monday, these holidays are observed the following Monday.

Flag:

Three horizontal bands of yellow (top, double-width), blue, and red.

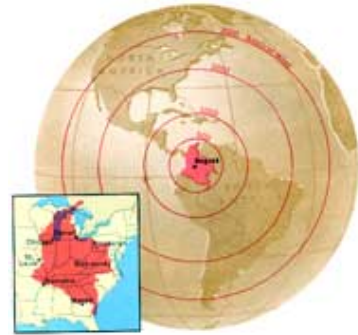


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HISTORICAL BACKGROUND

Early History and Colonial Era: Colombia's pre-Columbian history began well over 13,000 years ago, which is roughly the date of the earliest evidence of human occupation. Chibcha, sub-Andean, and Caribbean peoples—most of whom lived in organized, agriculturally based communities—inhabited the area. By the early colonial period in the 1500s, the Chibcha had become the most advanced of the indigenous peoples.

A Spanish expedition first visited the Guajira Peninsula of what is now Colombia in 1499. Colonists founded the first permanent settlement, Santa María la Antigua de Darién (what is now Acandí on the Gulf of Urabá), in 1510. The Spanish founded Santa Fe de Bogotá—now called



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Bogotá, the present-day capital of Colombia—in 1538, and it became the capital of the Viceroyalty of New Granada in 1717. The Viceroyalty included present-day Venezuela, Ecuador, and Panama. The outbreak of war in Europe pushed Spain to increase taxation of the colonists in 1778 in order to fund the war. In 1781 anger over the taxation led to the Revolt of the Comuneros (citizens organized to defend their rights against the arbitrary encroachment of government) of New Granada, an historic uprising that foreshadowed the revolution.

Independence: On July 20, 1810, revolutionary leaders took part in an uprising in Bogotá that deposed the Spanish viceroy and created a governing council made up of criollos (persons of Spanish descent born in the New World). With the formation of their own governing body, the people of the region began favoring a complete break with Spain. On August 7, 1819, General Simón Bolívar (president, 1819–30) defeated the Spanish at the Battle of Boyacá, allowing the colonists to sever ties with Spain and form the Republic of Greater Colombia (Gran Colombia), which included all territories under the jurisdiction of the Viceroyalty of New Granada. By 1822, when Ecuador joined, Gran Colombia included present-day Colombia, Ecuador, Panama, and Venezuela, but Gran Colombia dissolved when Ecuador and Venezuela seceded in 1830; what was left emerged as the Republic of New Granada.

Bolívar headed the government of Gran Colombia as president, with fellow liberator General Francisco de Paula Santander as his vice president. Conflicting political goals divided the followers of both leaders, however, and set the stage for the country's long history of political violence. Bolívar's supporters favored an authoritarian and centralized government, an alliance with the Roman Catholic Church, continuing slavery (despite his personal opposition to slavery), and a limited franchise. In contrast, the followers of Santander (who became president of New Granada, 1832–37) came to advocate a decentralized—and ultimately a federalist—government, anticlericalism, and less restrictive suffrage.

After their official establishment in about 1850, the Conservative Party (Partido Conservador—PC) and the Liberal Party (Partido Liberal—PL) solidified the early ideological split between followers of Bolívar and Santander. For most of the time since then, these two traditional political parties have dominated Colombian politics. Until 1886, Colombia oscillated between a liberal republic and a more centralized, authoritarian government under several different constitutions. During periods of Liberal dominance, the governments sought to reduce the power of the Roman Catholic Church, but those efforts met with insurrection.

The Republic of Colombia: The adoption of the 1886 constitution renamed the country the Republic of Colombia—it had been called the United States of Colombia since 1863—reversed the federalist trend, and brought the country under 45 years of Conservative Party rule, during which time power was again centralized and church influence restored. Factionalism within the two main political parties and political and economic instability characterized the inaptly named Regeneration period from 1878 to 1900. These events led to the catastrophic War of a Thousand Days (La Guerra de los Mil Días, 1899–1902) between the Liberals and the Conservatives—a war that devastated the country and cost an estimated 100,000 lives. Panama seceded from the Republic in 1903 and declared independence.

In 1946 fighting again broke out following a change of parties in power, and in April 1948 the assassination of the popular Liberal leader Jorge Eliécer Gaitán led to a major outburst of rioting in Bogotá itself. The countrywide violence called “La Violencia,” in which as many as 300,000 people may have been killed, raged for more than 10 years. In 1958 the Conservatives and Liberals banded together to form the National Front, which helped to greatly reduce the violence in the early 1960s. However, the pact excluded other political forces, thereby contributing to the emergence of guerrilla groups in the mid-1960s. In 1965 the pro-Cuban National Liberation Army (Ejército de Liberación Nacional—ELN) and the Maoist People’s Liberation Army (Ejército de Liberación Popular—EPL) were founded; the next year, the pro-Soviet Revolutionary Armed Forces of Colombia (Fuerzas Armadas Revolucionarias de Colombia—FARC) was founded and quickly became the largest guerrilla group. Although the National Front arrangement ended in 1974, the tradition of presidents inviting opposition figures to hold cabinet positions continued throughout the 1990s.

As Colombia became a world leader in production and trafficking of illegal drugs in the 1970s and 1980s, the large drug cartels, such as the Medellín Cartel and the Cali Cartel, gained wide power in the country through terror and corruption. In 1984 the government stepped up its campaign against drug traffickers following the assassination of a justice minister who favored the extradition of drug traffickers. Support for the extradition policy diminished, however, following the takeover of the Palace of Justice on November 6–7, 1985, by members of a leftwing guerrilla group, the 19th of April Movement (Movimiento 19 de April—M-19), and the disastrous counterattack by the Armed Forces of Colombia (Fuerzas Armadas de Colombia). Drug cartel-sponsored assassinations of three presidential candidates in 1989–90, particularly Luis Carlos Galán Sarmiento, who was a leading contender for the PL presidential nomination in 1990, and the bombing of an Avianca airliner on November 27, 1989, also undermined support for an extradition treaty. Colombia’s present constitution, adopted on July 5, 1991, initially prohibited the extradition of Colombians wanted for trial in other countries, but this provision subsequently was changed by amendment.

In September 1989, the M-19 became the best known of the rebel groups to abandon “armed struggle” in favor of democratic party politics. One EPL faction also laid down its arms in favor of participation in the political system, but another EPL faction continued with its insurgency. Although the government broke up the Medellín Cartel in 1993 and later undermined the Cali Cartel by arrests of key leaders, drug traffickers operating in smaller organizations have continued to wield significant power.

Strengthened by income from the drug trade, the ELN and FARC extended their territorial presence in Colombia in 1996–98. As a concession in exchange for beginning peace talks, President Andrés Pastrana granted the FARC a 51,000-square-kilometer demilitarized zone (DMZ) in south-central Colombia during the November 1998 to 2002 period. However, this arrangement collapsed along with the peace talks in early 2002. Both the FARC and ELN have continued their campaigns of guerrilla and terrorist attacks.

For their part, the paramilitary groups that emerged in the early 1990s, including the United Self-Defense Forces of Colombia (Autodefensas Unidas de Colombia—AUC), which is the country’s largest paramilitary organization, have continued to fight the guerrilla groups and to terrorize

peasants and human rights workers suspected of supporting or sympathizing with them. These paramilitary groups are sometimes in the pay of drug cartels and landowners and backed by elements in the army and the police.

GEOGRAPHY

Location: Colombia lies in the northwestern part of South America, bordered by the Caribbean Sea to the north and the North Pacific Ocean to the west.

Size: At 1,138,910 square kilometers, including insular possessions—Isla de Malpelo, Roncador Cay, Serrana Bank, and Serranilla Bank—Colombia is the fourth largest country in South America. Of the above total, land constitutes 1,038,700 square kilometers and water, 100,210 square kilometers.



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Land Boundaries: Colombia's continental neighbors are Ecuador and Peru to the south; Brazil and Venezuela to the east; and the isthmus of Panama to the west, connecting to Central America. Borders with neighboring countries total 6,004 kilometers, as follows: Ecuador, 590 kilometers; Peru, 1,496 kilometers (estimated); Brazil, 1,643 kilometers; Venezuela, 2,050 kilometers; and Panama, 225 kilometers.

Disputed Territory: Unresolved territorial disputes persist with Nicaragua and Venezuela. The issue of Nicaragua's alleged sovereignty rights over the Colombian islands of San Andrés y Providencia lying off the Caribbean coast of Nicaragua occasionally produces diplomatic disputes. Nicaragua revived the issue in 2002 by asking the International Court of Justice at The Hague to validate its claim. Colombia's dispute with Venezuela over substantial maritime territory lying off the Guajira Peninsula and in the Golfo de Venezuela (Gulf of Venezuela), an area popularly referred to by Colombians as the Golfo de Coquibacoa, is being resolved through bilateral negotiations, although elements of national prestige continue to make it a national issue in both countries.

Length of Coastline: The only South American country bordering both the Caribbean Sea and the Pacific Ocean, Colombia has a total of 3,208 kilometers of coastline—1,448 kilometers on the Pacific Ocean to the west and 1,760 kilometers on the Caribbean Sea to the north.

Maritime Claims: Colombia claims a 200-nautical mile exclusive economic zone, a 12-nautical mile territorial sea, and jurisdiction over the continental shelf to a 200-meter depth or to the depth of resource exploitation.

Topography: The mainland territory is divided into four major geographic regions: two are the Pacific and Caribbean lowlands, which rise abruptly to the central highlands and then to the Andean highlands, which are composed of three rugged parallel mountain ranges (the Eastern Cordillera, the Central Cordillera, and the Western Cordillera). The highest mountain is the Pico Cristóbal Colón (5,800 meters). The Andean Cordillera range is situated in the west-central part

of the country and stretches from north to south, along almost the whole length of the country. Between the Cordilleras are high plateaus and fertile valleys that are crossed by the country's major river systems. These dominating highlands, which constitute the third region, separate the Caribbean and Pacific lowland regions from the fourth region—the llanos (lowland plains), which are flat grasslands, and the tropical rainforest of eastern Colombia.

Principal Rivers: The main rivers are the Magdalena, 1,540 kilometers; the Putumayo, 1,500 kilometers; and the Cauca, 1,014 kilometers. The Cauca and Magdalena, which flow northward, separate the three principal Andean mountain ranges and join after emerging from the mountains and descending through marshy lowlands to the Caribbean. A total of 18,140 kilometers are navigable by riverboats.

Climate: Mainly as a result of differences in elevation, Colombia has a striking variety in temperatures, with little seasonal variation. The habitable areas of the country are divided into three climatic zones: hot (*tierra caliente*; below 900 meters in elevation), temperate (*tierra templada*; between 900 and 1,980 meters), and cold (*tierra fría*; from 2,000 meters to about 3,500 meters). The hottest month is March, and the coldest months are July and August. Precipitation is generally moderate to heavy, with highest levels in the Pacific lowlands and in parts of eastern Colombia. Considerable year-to-year variations are recorded, but generally most of the country has two main wet seasons with heavy daily rainfall (from March to May and September to November), and one or two dry seasons with little or no rainfall (from December to February and June to August), except in the northern plains where there is only one long wet season from May through October. The wettest month is October, and the driest month is February. Average temperature ranges in Bogotá, which has an elevation of 2,560 meters, are from 10° C to 18° C in July to 9° C to 20° C in February.

Natural Resources: Colombia is well endowed with agricultural export products, energy resources, and minerals. These resources include coal, coffee, copper, emeralds, flowers, fruits, gas, gold, hydropower, iron ore, natural nickel (also known as millerite), petroleum, platinum, and silver. The country has the largest coal reserves in Latin America and is second only to Brazil in hydroelectric potential. Colombia has immense hydrocarbons potential, but only 20 percent of its potential reserves are currently in production. Natural gas reserves are estimated to be the fourth highest in Latin America. Potential reserves in offshore basins along the Caribbean Coast are estimated to cover 150 to 200 years of consumption.

Land Use: In 2001 an estimated 2.42 percent of Colombia's land area was classified as arable, and 1.67 percent was planted to permanent crops. According to a 1998 estimate, 8,500 square kilometers were irrigated.

Environmental Factors: The 1991 constitution codifies new environmental protection legislation, including the creation of specially protected zones, of which more than 200 were created in the early 1990s, mostly in forest areas and national parks. As a result of this charter, the Ministry of the Environment was established in 1993, but merged with the housing and drinking water division of the Ministry of Economic Development, Housing, and Potable Water in 2003. Natural hazards include highlands subject to volcanic eruptions, occasional earthquakes, and periodic droughts. Current issues include deforestation resulting from lumber exploitation in

the jungles of the Amazon and the region of Chocó; illicit drug crops grown by peasants in the national parks of Sierra de la Macarena and Sierra Nevada de Santa Marta; soil erosion; soil and water quality damage from contamination by the use of chemicals in the coca-refining process, spillage of crude oil into the local rivers as a result of guerrilla sabotage of pipelines, and overuse of pesticides; air pollution (especially in Bogotá) from vehicle emissions; and preservation of wildlife.

Time Zone: Colombia Standard Time is five hours behind Greenwich Mean Time (GMT-5).

SOCIETY

Population: The third most populous country in Latin America (after Brazil and Mexico), Colombia had an estimated population of 42,310,775 in July 2004. Other estimates range from 44.2 to 44.6 million in 2003. Colombia's annual population growth rate in 2004 was an estimated 1.53 percent. Based on an estimated annual population growth rate of 1.59 percent for 2000 to 2005, the United Nations (UN) projected the population to reach 52,190,000 in 2015. Overall population density in 2002 was 39 per square kilometer, but population distribution throughout the country is very skewed; about 95 percent of the population resides in the mountainous western half of the country. The net migration rate was an estimated -0.31 migrant(s) per 1,000 population in 2004. Migration from rural to urban areas has been prevalent. By 2000, the urban population had increased from 57 percent of the total population in 1951 to approximately 74 percent. The move to urban areas reflects not only a shift away from agriculture but also a flight from guerrilla and paramilitary violence. The UN estimated the urban population growth rate for 2000 to 2005 at 2.2 percent.

Owing to problems of security and unemployment, a total of 1.2 million Colombians abandoned the country legally during the 1997-2001 period and have not returned. The Ministry of Foreign Affairs has stated that 3.4 million Colombians were living abroad in November 2002. According to other estimates, the actual figure may exceed four million, or almost 10 percent of the country's population.

Demography: About 80 percent of the population is under age 45. The median age in 2004 was estimated at 25.8 years (24.9 for males and 26.7 for females). That same year, life expectancy at birth was estimated to be 71.4 or 71.8 years (65.0 or 67.6 for males and 75.4 or 76.0 for females), depending on the source, compared with 57.0 years in 1960. The greater number of male murder victims accounts for the significant gap in life expectancy for men and women. Also according to 2004 estimates, the birthrate was 21.2 births per 1,000 population; the death rate was 5.6 deaths per 1,000; and infant mortality totaled 21.7 deaths per 1,000 live births (25.7 for males and 17.6 for females). The estimated total fertility rate in 2004 was 2.5 children born per woman.

Official Language: Spanish.

Ethnic Groups and Languages: Mestizos (mixed white and Amerindian ancestry), constitute about 58 percent of Colombia's total population, including almost all of the urban business and political elite. Approximately 20 percent of Colombians are of unmixed white ancestry. The

remaining racial composition includes mulattoes (mixed black and white ancestry), 14 percent; blacks, 4 percent; those of mixed black and Amerindian ancestry, 3 percent; and Amerindians, 1 percent. The country has as many as 98 languages, of which 78 are living and 20 extinct. There are about 500,000 speakers of Amerindian languages, but their numbers are rapidly diminishing. Blacks and mulattoes live mainly in the coastal regions and tropical valleys. The remaining Amerindians live in barren and inaccessible regions.

Religion: Article 19 of the 1991 constitution, building on the Concordat of 1973, gives Colombians the right to freely practice their religion on an equal basis with Roman Catholicism, which was traditionally the country's official religion. The government generally respects this right in practice. Nevertheless, the Roman Catholic Church retains a de facto privileged status. Roman Catholics generally account for about 90 percent of Colombians. The remainder are primarily members of various Protestant groups. A 2001 poll commissioned by *El Tiempo* [Bogotá] found that only 81 percent of the people profess Roman Catholicism. Of the remaining respondents, 10 percent identified themselves as "Christians" and 3.5 percent as "evangelicals." Another 1.9 percent professed no religious beliefs. An estimated 60 percent of respondents to the *El Tiempo* poll reported that they do not practice their faith actively.

Education and Literacy: Approximately 80 percent of Colombian children enter school. The school year extends from February to November. Primary education is free and compulsory for nine years for children between 6 and 12 years of age. The net primary enrollment (percentage of relevant age-group) in 2001 was 86.7 percent. The completion rate (percentage of age-group) for children attending elementary school (*primaria*) in 2001 totaled 89.5 percent. In many rural areas, teachers are poorly qualified, and only five years of primary school are offered. Secondary education (*educación media*) begins at age 11 and lasts up to six years, without any opportunity for vocational training. Secondary-school graduates are awarded the *bachillerato* (high-school diploma). Net secondary enrollment in 2001 was 53.5 percent. School life expectancy in 2001 was 11.1 years. Total public spending as a percentage of gross domestic product (GDP) in 2001 was 4.4 percent—one of the highest rates in Latin America—as compared with 2.5 percent at the end of the 1980s. Government expenditures on education in 1999 totaled 19.7 percent of total government spending. The ratio of pupils to teachers in 2001 in primary school was 26:1 and in secondary school, 19:2. Colombia has 24 public universities. A total of 92.5 percent of the population is literate (male: 92.4 percent; female: 92.6 percent), according to a 2003 estimate. Literacy is 93 percent in urban areas, but only 67 percent in rural areas.

Health: Although health standards in Colombia have improved greatly since the 1980s, the public health-care system has been estimated to cover less than half of the population; the private sector, 16 percent; the para-governmental sector, 12 percent; and other social security organizations, about 6 percent. A 1993 reform transformed the structure of public health-care funding by shifting the burden of subsidy from providers to users. Employees are obligated to pay into health plans, to which employers also contribute. This new system has widened access to care from 21 percent (pre-1993) to 56 percent in 2002. That figure may be on the high side, however, because only 52 percent of patients were served adequately by the system in 2000. In 1997 there were only 1.2 physicians per 1,000 head; hospital beds (per 1,000 head) totaled only 1.5 in 1996. Moreover, disparities persist, with the poor continuing to suffer relatively high mortality rates; and the health sector is plagued by rampant corruption, including misallocation

of funds and evasion of health-fund contributions. Per capita expenditures on health in 2001 at an average exchange rate were US\$105. Social security expenditures on health as a percentage of general government expenditures on health in 2001 were 25.0 percent, as compared with 19.6 percent in 2000. Total expenditures on health as a percentage of GDP in 2001 were 5.5 percent. Colombia has one of the world's highest murder rates: more than 60 per 100,000 inhabitants in 2001–02. Other than homicide, heart disease is the main cause of premature death, followed by strokes, respiratory diseases, road accidents, and diabetes. The number of reported cases of acquired immune deficiency syndrome (AIDS) at the end of 2000 totaled 22,441, an incidence of 1.1 per 1,000 people. However, the actual figure is estimated to be more than twice as large. According to Colombia's National Health Institute data reported in 2003, nearly 240,000 people—mostly women and displaced people—or 0.6 percent of the population, had been infected with the virus since AIDS arrived in Colombia in October 1983; AIDS is the fifth leading cause of death in the working-age population. The number of AIDS and hepatitis B cases has been rising. Water-borne diseases are more common in rural areas, where only 30 percent to 50 percent of the population has access to piped water, compared with about 80 percent of the urban population. In the main cities, 97 percent of the population has adequate water supplies, and 92 percent has sanitation. Diseases such as cerebral malaria and leishmaniasis remain endemic in lowland and coastal areas. Child immunization for measles in 2002 as a percentage of children less than 12 months of age was 89.0 percent.

Welfare: Pension liabilities have been rising in Colombia as a result of corruption and the government's failure to pay into the system as originally planned and to readjust contributions. The Social Security Institute is one of Colombia's largest state companies and is the principal agency involved in the social security field, with responsibilities for health, pensions, and professional risks. A pension reform enacted at the end of 2003 was expected to increase the revenues of the Pension Fund Administrators by reducing their commissions and increasing compulsory contributions beginning in 2004. However, a Constitutional Court ruling on pensions in August 2004 struck down the pension reform. As a result, the number of retirees in the system starting in 2008 is expected to increase from 819,000 to 955,000. The minister of finance estimated that the cost of pensions might equal 17 percent of gross domestic product (GDP) as a result of the court ruling. From 2009 on, the government will have to bear the increased cost of allowing women to retire at age 55 and men to retire at age 60 with 75 percent of the final basic wage, if they had paid in 1,000 weeks, or 90 percent if they had paid in 1,250 weeks by that date.

Social Problems: Serious social problems include violence and extensive societal discrimination against women, child abuse, and child prostitution; trafficking in women and girls for the purpose of sexual exploitation; widespread child labor; extensive societal discrimination against indigenous people and minorities; drug addiction; poverty; and displacement of the rural population. During the 1995–2001 period, an estimated 2 million refugees, including 800,000 children, migrated from the countryside to urban centers to escape the armed conflict. Although poverty fell sharply in the first half of the 1990s, it rose slightly in 1998–2000 as a consequence of the economic recession and reduced social expenditures. After having reached a low of 50 percent in 1997, the proportion of the population living below the poverty line exceeded 60 percent in 2002. The proportion living in extreme poverty rose from 18 percent in 1997 to 26 percent in 2002, with an incidence of more than 40 percent in rural areas.

ECONOMY

Overview: Between 1970 and 1995, Colombia enjoyed the second-highest economic growth rate in Latin America. Under the new constitution of 1991, the economy was liberalized. Since then, the government has sought to facilitate the gradual transition from a highly regulated economy to a free-market economy through measures such as tariff reductions, financial deregulation, privatization of state-owned enterprises, and adoption of a more liberal foreign-exchange rate. However, the economy became mired in a recession in 1998–99 as a result of external shocks and monetary tightening to curb inflation, which was fueled by currency depreciation and deterioration in the public finances. Despite continued economic stagnation and depreciation of the peso, the economy did not suffer any dramatic collapses. It continues to suffer from weak domestic and foreign demand, austere government budgets, and serious internal armed conflict. Nevertheless, confidence in the political and economic strategy of Álvaro Uribe Vélez (president, 2002–) brought a rebound in investment and growth in 2003. The Uribe government's plan for 2004–05 is to pursue an export-oriented strategy.

Gross Domestic Product (GDP): Overall GDP increased in real terms by an average of 2.5 percent a year from 1990 to 2002. Real GDP growth in 2003 was 3.7 percent. The government predicted a GDP growth rate of 4 percent in 2004. In 2003 total GDP at market prices was US\$77.6 billion, lower than in 2002 (US\$80.6 billion). Per capita GDP in 2003 was projected to be US\$1,709, as compared with US\$1,820 in 2002. GDP per capita increased in real terms by an average of 0.6 percent a year from 1990 to 2002.

Government Budget: Colombia's public solvency ratios have deteriorated sharply since 1997 as a result of factors such as slow growth, large fiscal deficits, a costly security build-up, and a falling currency. During the period from 1998 to 2003, the public debt/gross domestic product (GDP) ratio rose from 22 percent to 52 percent. Thus, under its arrangement with the International Monetary Fund (IMF), the government's priorities are to make the fiscal adjustments needed to stabilize this ratio, lower inflation, and strengthen the financial sector. Fiscal reforms allowed the government to meet its revised (IMF) target of a combined public-sector deficit of 2.8 percent of GDP in 2003 (US\$2.2 billion), down from 3.6 percent of GDP in 2002. President Uribe has struggled to bring Colombia's public finances under control, and his government hopes to improve the combined public-sector deficit to 2.5 percent of GDP in 2004.

Inflation: During 1990–2002, the inflation rate averaged 18.1 percent. The inflation rate (consumer price index) in 2003 was 6.5 percent, as compared with 6.3 percent in 2002 and 8.0 percent in 2001. By May 2004, the 12-month rate was down to 5.4 percent, the lowest in decades. Inflation was projected to continue to ease during 2005.

Agriculture, Forestry, and Fishing: Agriculture accounted for 13.7 percent of gross domestic product (GDP) in 2003 and 13.9 percent of GDP in 2002, when it employed about 21 percent of the labor force. Agriculture's share of GDP has declined significantly since 1987, when it was almost 21 percent of GDP. During 1990–2001, its share of GDP decreased at an average annual rate of 1.1 percent. A diverse climate and topography allow cultivation of a wide variety of crops. Products include bananas, beef, cassava, cocoa, coffee, corn, cotton, cut flowers, livestock, potatoes, rice, soybeans, sugarcane, timber, and tobacco. In 2003 the cultivated area expanded by

4 percent. Crops with the largest increases in area under cultivation in 2003, not including illicit crops, were cotton, rice, yellow corn, and palm oil.

Colombia has between 53 million hectares and 58 million hectares of forest and woodland, of which only 3 million hectares are dedicated to commercial exploitation. The government is offering incentives to increase forest and woodland by 1.5 million hectares between 2002 and 2025, of which 80,000 hectares would be grown in 2003–06.

Low fish consumption and rudimentary fishing techniques apparently account for the relatively marginal performance of the fishing industry, despite a huge potential for both aquaculture and sea fishing along Colombia's 3,208 kilometers of coastline. Authorized and unauthorized foreign ships commonly fish in Colombian waters.

Industry and Manufacturing: Industry, including manufacturing, mining and quarrying, construction, and power, accounted for 30.1 percent of gross domestic product (GDP) in 2002 and 32.1 percent in 2003 and employed 19.3 percent of the labor force in 2002. In 2000 mining accounted for about 6.4 percent of GDP. Construction was the fastest-growing subsector in 2003, growing by 11.6 percent. Manufacturing accounted for 15.4 percent of GDP in 2002 and employed 13.2 percent of the labor force. Major manufactured products include beverages, cardboard containers, cement, chemicals, electrical equipment, machinery, metal products, pharmaceuticals, plastic resins and manufactures, textiles and garments, transport equipment, and wood products. The four major industrial centers are Bogotá, Medellín, Cali, and Barranquilla.

Energy: Proven oil reserves totaled 1.6 billion barrels at the end of 2002, but had increased to 1.8 billion barrels as of January 1, 2004. Total crude oil production estimates range from 560,206 barrels/day (bbl/d) to 620,000 bbl/d, of which 184,000 bbl/d are exported. Some refined products, especially gasoline and fuel oils, must be imported owing to the country's limited refining capacity. Natural gas proven reserves in 2002 totaled 132 billion cubic meters; production totaled an estimated 5.7 billion cubic meters in 2001. More than 60 percent of natural gas demand comes from the Atlantic coastal region, where industry and the electricity sector are the main users. Colombia has well over 7 billion tons of proven coal reserves; annual coal production in 2000–02 totaled almost 40 million tons, making Colombia the fifth largest producer in Latin America. About 90 percent of domestic coal production, which is entirely handled by foreign companies, is exported. Electricity generating capacity has remained at nearly 13,500 megawatts since the mid-1990s. Of that total, 65 percent is hydroelectric and 34 percent thermal.

Services: The services sector accounted for 56 percent of gross domestic product (GDP) in 2002 and 55.2 percent in 2003. By occupation, the services sector employs about 56 percent of the labor force, if this sector includes commerce; communications; electricity, gas, and water; financial services; tourism; and transportation. Financial services, representing nearly 18 percent of GDP, are centered in Bogotá, Medellín, and, to a lesser extent, Cali. Banking ownership is highly concentrated, with two financial groups—Sarmiento and Aval—owning 34 percent of banks' assets; three state-owned banks account for 25 percent, and a group of foreign banks holds 22 percent. Growth of tourism, which accounts for just 2 percent of GDP, has been slow because of the country's reputation for violence and robbery. Occupancy rates in the hotel

industry, which has substantial foreign participation, are recovering slowly and rose to an annual average of more than 46 percent in 2000–02. The government has been promoting road travel and providing incentives for hotel construction and tourist projects in natural parks and ecological sites, such as the Amazon and the coffee zone.

Clandestine Economic Activity: Colombia is Latin America's largest exporter of illegal drugs. Accounting for more than US\$5 billion a year, trafficking in processed cocaine and other illicit drugs represents between 2.0 percent and 2.5 percent of gross domestic product (GDP) a year. Only an estimated half of these illicit revenues return to Colombia. The main illicit industries after drug trafficking are contraband, forgery (principally of clothing, books, CDs, and audio- and video-cassettes) and, more recently, theft of gasoline. A significant amount of foreign exchange is believed to be from illegal trade in gold and emeralds, in addition to drugs. In 1999 the value of contraband in Colombia increased to US\$2.2 billion, more than doubling in a decade and accounting for about 25 percent of total imports and 50 percent of total exports.

Labor: In 2003 Colombia's labor force totaled 20.3 million, as compared with an estimated 18.3 million in 1999. According to official Colombian government household survey data for 2000, the percentages of the employed population involved in the various economic activities were as follows: agriculture, 20.9 percent; industry, 12.7 percent; construction, 4.5 percent; commerce, 22.5 percent; transport, 5.5 percent; financial services, 4.0 percent; services, 27.5 percent; other activities, including mining, electricity, gas, and water, 2.3 percent; and not specified, 0.1 percent.

Non-skilled labor wages are protected from declining in real terms by strict minimum-wage regulation. However, businesses have reduced skilled labor wages and increased lay-offs. Trade union militancy has declined as a result of high unemployment, the loss of prestige of the unions, and paramilitary attacks on union members.

In April 2004, the national unemployment rate was 14.7 percent. This rate is little changed from 2003, when estimates ranged from 13.6 percent to 14.8 percent. It was lower than in 2002, however, when the national unemployment rate reached 15.7 percent by year's end. Since 2001, the government has calculated unemployment rates based on the percentage of the labor force out of work in 13 major cities instead of only 7 major cities. Agriculture, which created 282,000 new jobs, was the sector enjoying the greatest employment increase in 2003. Underemployment, which has been more than 30 percent since 2001, is also a major problem.

Foreign Economic Relations: The United States has long been Colombia's most important trading partner, accounting for about 45 percent of Colombian exports and 30 percent of imports. A free-trade agreement between the United States and the Andean countries of Colombia, Ecuador, and Peru is expected to come into force by the end of 2006, and bilateral Colombian-U.S. trade is expected to increase as a result. Venezuela traditionally was Colombia's second-largest trading partner, but Colombian-Venezuelan trade relations suffered a setback in 2002–3 as a result of Venezuela's imposition of capital controls. Colombian exports to the Andean countries, including Venezuela, have accounted for about 20 percent of total Colombian exports since 2000. Another principal destination for Colombian exports is the European Union, which accounted for 15 percent of the total in 2003. Both the United States and the EU grant

preferential access to Colombian exports under the Generalized Preferences System. Germany is Colombia's principal EU trading partner.

Imports: Imports of goods (free on board) totaled US\$12.079 billion in 2002 and US\$13.9 billion in 2003, for an increase of 9.4 percent. The major suppliers of imported goods in 2002 were the United States, 31.1 percent; Venezuela, 6.6 percent; Brazil, 5.8 percent; Mexico, 5.1 percent; Japan, 5.1 percent, and Germany, 4.2 percent. Colombia's principal imports include machinery, industrial and oil and gas industry equipment, grains, chemicals, transportation equipment, mineral products, consumer products, metal and metal products, plastic and rubber, paper products, and aircraft supplies.

Exports: Exports of goods (free on board) in 2002 totaled US\$12.832 billion and in 2003, US\$13.523 billion; in 2002 exports represented 19.8 percent of the total gross domestic product (GDP). Traditional exports—oil, coal, coffee, and nickel—reached US\$6 billion in 2003, an increase of 13.1 percent over 2002. In 2003 these products earned the following revenues: oil, US\$3.383 billion; coal, US\$1.421 billion; coffee, US\$806 million; and nickel, US\$394 million, for a total of US\$6.004 billion in 2003. Although coffee represented 60 percent of exports in 1987, in 2003 it was in third place because of low international prices in recent years. Coal exports, however, surged in 2003, fueling the sharp rebound in foreign trade. Other significant, nontraditional exports included agricultural products—cut flowers, bananas, and sugar; mining products—ferronickel, gold, cement, and emeralds; and industrial products—textiles and apparel, chemicals, pharmaceuticals, cardboard containers, printed material, plastic resins, and manufactures. The main destinations of exports in 2002 were the United States, 44.7 percent; Venezuela, 9.4 percent; Ecuador, 6.8 percent; and Peru, 2.9 percent.

Balance of Payments: The actual current-account balance in 2002 was –US\$1.5 billion; estimates for 2003, 2004, and 2005 were –US\$1.4 billion, –US\$2.1 billion, and –US\$2.6 billion, respectively. The current-account deficit is expected to widen in 2005 as a result of a rising import bill and higher debt interest payments.

External Debt: The estimated external debt at the end of 2003 was US\$38.2 billion, or the equivalent of 49.3 percent of gross domestic product (GDP). This was an increase over 2002, when the external debt stood at US\$37.3 billion.

Foreign Investment: In 1991–92 the government passed laws to stimulate foreign investment in nearly all sectors of the economy by eliminating restrictions on foreign inflows, creating a privatization program, and opening foreign investment in the oil industry. As a result, foreign investment grew strongly in the 1990s. Since 1998, however, foreign direct investment (FDI) has leveled off in response to slow economic growth, investor uncertainty, and stepped-up guerrilla activity, such as sabotage of oil pipelines and extortion of companies operating in the country. The Central Bank reported that FDI fell to a low of US\$1.5 billion in 1999, but rose to US\$2 billion in 2002, while total foreign investment in Colombia reached US\$22.6 billion by the end of 2002. The government further liberalized its regulatory controls on foreign investment in 2002. The United States has continued to hold the largest share of FDI, followed by the European Union (EU), primarily Spain and the United Kingdom; and Latin America, mainly Venezuela and Ecuador. Petroleum, natural gas and coal mining, and chemical and

manufacturing industries attract the greatest U.S. investment interest. Areas closed to FDI include defense and national security, disposal of hazardous wastes, and real estate.

Currency and Exchange Rate: Colombia's currency is the peso (pl. pesos), abbreviated informally as Ps. Peso banknotes are issued in the following denominations: 1,000, 2,000, 5,000, 10,000, 20,000, and 50,000 pesos. In early November 2004, 2,542.4 pesos equaled one U.S. dollar, as compared with an average of 2,087.9 pesos in 2000. The peso was projected to end 2004 at Ps2,800=US\$1 and to end 2005 at around Ps2,850=US\$1.

Fiscal Year: Calendar year.

TRANSPORTATION AND TELECOMMUNICATIONS

Overview: Road travel is the main means of transport, with almost 70 percent of cargo being transported by road, as compared with 27 percent by railroad, 3 percent by internal waterways, and 1 percent by air. Nevertheless, Colombia has one of the lowest ratios of paved roads per inhabitant in Latin America. The country has well-developed air and waterway routes. The only means of transportation in 40 percent of the country is via waterways, but guerrilla groups control the waterways in the south and southeast.

Roads: Estimates of the length of Colombia's road system in 2004 ranged from 115,000 kilometers to 145,000 kilometers, of which less than 15 percent were paved. The main highways are the Caribbean, Eastern, and Central Trunk Highways. President Uribe has vowed to pave more than 2,500 kilometers of roads during his administration, and about 5,000 kilometers of new secondary roads are being built in the 2003–06 period. These plans include a Jungle Edge Highway to give access to the interior; linking the road connecting Turbo, a town on the Golfo de Urabá in Córdoba Department, with Bahía Solano, a town on the Pacific Coast of Chocó Department, and the city of Medellín, located about 250 kilometers to the east of Bahía Solano in Antioquia Department; linking Bogotá and Villavicencio, located about 135 kilometers to the southeast in Meta Department; and completing the short section of the Pan-American Highway between Panama and Colombia.

Railroads: The national railroad system, once the country's main mode of transport for freight, has been neglected in favor of road development and now accounts for only 27 percent of freight transport. Colombia has 3,034 kilometers of rail lines, of which 150 kilometers are 1.435-meter gauge and 3,154 kilometers are 0.914-meter gauge. Refurbishment of approximately 2,000 kilometers of the country's rail lines is expected to be completed between 2004 and 2006. This upgrade involves two main projects: the 1,484-kilometer line linking Bogotá to the Caribbean Coast; and the 499-kilometer Pacific coastal network that links the industrial city of Cali and the surrounding coffee-growing region to the port of Buenaventura. Passenger-rail use was suspended in 1992 and resumed at the end of the 1990s. Fewer than 165,000 passenger journeys were made in 1999, as compared with more than 5 million in 1972.

Ports: Seaports handle around 80 percent of international cargo. Colombia's most important ocean terminals are: Barranquilla, Cartagena, and Santa Marta on the Caribbean Coast; and

Buenaventura and Tumaco on the Pacific Coast. Exports mostly pass through the Caribbean ports of Cartagena and Santa Marta, while 65 percent of imports arrive at the port of Buenaventura. Other important ports and harbors are: Bahía de Portete, Leticia, Puerto Bolívar, San Andrés, Santa Marta, Tumaco, and Turbo. Since privatization was implemented in 1993, the efficiency of port handling has increased greatly. There are plans to construct a deep-water port at Bahía Solano.

Inland Waterways: The main inland waterways total 18,140 kilometers, of which 11,000 kilometers are navigable. A well-developed and important form of transport for both cargo and passengers, inland waterways transport approximately 3.8 million tons of freight and more than 5.5 million passengers annually. The government plans an ambitious program to more fully utilize the main rivers for transport. Main inland waterways are the Magdalena-Cauca River system, which is navigable for 1,500 kilometers; the Atrato, which is navigable for 687 kilometers; the Orinoco system of more than five navigable rivers, which total more than 4,000 kilometers of potential navigation (mainly through Venezuela); and the Amazonas system, which has four main rivers totaling 3,000 navigable kilometers (mainly through Brazil). There are plans to connect the Arauca with the Meta, and the Putumayo with the Amazon, and also to construct an Atrato-Truando inter-oceanic canal.

Merchant Marine: The merchant marine totals 13 ships (1,000 GRT or over), including four bulk, five cargo, one container, one liquefied gas, and two petroleum tanker ships. In 2003 Colombia had 16 ships registered in other countries.

Civil Aviation and Airports: Colombia has well-developed air routes and an estimated total of 980 airports. Of this total, 100 have paved runways. Two are more than 3,047 meters in length, nine are between 2,438 and 3,047 meters, 39 are between 1,524 and 2,437 meters, 38 are between 914 and 1,523 meters, 12 are less than 914 meters, and 880 have unpaved runways. The approximately 100 sizable or paved airports include 11 international airports—Bogotá (El Dorado International), Medellín, Cali, Barranquilla, Bucaramanga, Cartagena, Cucutá, Leticia, Pereira, San Andrés, and Santa Marta—and 40 regional airports. Of the 74 main airports, 20 can accommodate jet aircraft. In addition, Colombia has one heliport. The country's largest airline, the National Airlines Company of Colombia (Compañía Aerovías Nacionales de Colombia S.A.—Avianca), is experiencing financial difficulties, and the second largest airline, Central Airlines of Colombia (Aerolíneas Centrales de Colombia—Aces), closed down as a result of bankruptcy. The U.S. Federal Aviation Administration restored Colombia's safety rating in November 1999, after downgrading it in 1995 and preventing Colombian airlines from adding new routes to the United States.

Pipelines: In 2003 Colombia had 4,350 kilometers of gas pipelines, 6,134 kilometers of oil pipelines, and 3,140 kilometers of refined-products pipelines.

Telecommunications: As a result of being liberalized in the 1990s, Colombia has a modern telephone system that serves primarily larger towns and cities. In 2002 the number of main telephone lines in use totaled 7.8 million. Telephone density in 2001 was 17.1 per 100 inhabitants, but this rate is still only the seventh highest in Latin America. The number of fixed lines and mobile telephones per 1,000 people totaled 285.6 in 2002, as compared with 248.5 in

2001. In 2002 Colombia had 4,596,600 mobile cellular phone subscribers. Cell-phone density in 2001 was 7.38 per 100 inhabitants. Bogotá, Medellín, and Cali account for about 50 percent of telephone lines in use.

There are approximately 500 radio stations, of which 454 are AM; 34, FM; and 27, shortwave. The country has about 60 television stations, including 7 low-power stations. In 2000 the population had 11,936,000 television receivers in use. In 2002 the country had 55,626 Internet hosts, 18 Internet service providers, and 2 million Internet users. A total of 1.8 million personal computers were in use in 2001, or 42.1 per 1,000 people. In 2002 the number of personal computers per 1,000 people increased to 49.3, a rate still below that in other large Latin American economies. The government estimates that the number of Internet users exceeded 2.5 million by mid-2003, putting Internet penetration per 100 inhabitants at 4.5, above the level in Chile, but below that in Peru or Venezuela.

GOVERNMENT AND POLITICS

Government Overview: The Republic of Colombia is a constitutional, multiparty democracy under the constitution of July 1991. As a unitary republic with a presidential regime, the national government has executive, legislative, and judicial branches established with separation of powers and with check and balances.

Executive Branch: As chief of state and head of government, the president has executive power and strong policy-making authority. The president is elected for a nonrenewable four-year term. The 1991 constitution reestablishes the position of vice president, who is elected on the same ticket as the president. By law, the vice president will succeed in the event of the president's resignation, illness, or death. The president is assisted by a cabinet, which is headed by the president.

Legislative Branch: The bicameral Congress consists of a 102-member Senate (Senado) and a 161-member House of Representatives (Cámara de Representantes) popularly elected for a four-year term. Senators are elected by nationwide ballot; representatives are elected in multimember districts colocated within the national departments. The Congress meets semi-annually, and the president has the power to call it into special session, if required.

Judicial Branch: The judicial branch's general structure encompasses four distinct jurisdictions (civil, administrative, constitutional, and special). Colombia's highest judicial bodies include the coequal Supreme Court of Justice (Corte Suprema de Justicia), Council of State (Consejo de Estado), Constitutional Court (Corte Constitucional), and Superior Judicial Council (Consejo Superior Judicial). This quadripartite division sometimes leads to conflicting opinions because there is no court that has clear authority over the decisions of the other three. The 24-member Supreme Court rules on civil, criminal, and labor appeals and on constitutional procedure and administers various district superior, circuit, municipal, and lower courts. The 10-member Council of State supervises a system of administrative courts that scrutinize acts and decrees issued by executive and decentralized agencies. The nine-judge Constitutional Court is responsible for guarding the integrity and supremacy of the national constitution, constitutional

control of draft laws, and international treaties. The 13-judge Superior Judicial Council administers and disciplines the civilian justice system. Specialized circuit courts within the civil jurisdiction try cases involving particularly sensitive crimes such as narcotics trafficking and terrorism. Although the judicial branch is largely independent of the executive and legislative branches, Congress elects senior judges on the basis of nominations made by judicial bodies or the president. Serious problems include the suborning and intimidation of judges, prosecutors, and witnesses and a judiciary that remains extremely overburdened, inefficient, and subject to intimidation and corruption by terrorist groups and common criminals, especially drug traffickers

Administrative Divisions: The 1991 constitution converted Colombia's four intendancies (*intendencias*) and five commissaryships (*comisarías*) into administrative departments (*departamentos administrativos*), thereby increasing the number of departments to 32. They are: Amazonas, Antioquia, Arauca, Atlántico, Bolívar, Boyacá, Caldas, Caquetá, Casanaré, Cauca, César, Choco, Córdoba, Cundinamarca, Guainiá, Guaviare, Huila, La Guajira, Magdalena, Meta, Nariño, Norte de Santander, Putumayo, Quindío, Risaralda, San Andrés y Providencia, Santander, Sucre, Tolima, Valle del Cauca, Vaupes, and Vichada. These departments are divided into municipalities (*municipios*), each headed by a mayor (*alcalde*). Colombia had 1,061 municipalities in the 1993 census, but that number has grown to nearly 1,100. The charter also allows the creation of indigenous territories as self-governing territorial entities. Departments, districts, municipalities, and indigenous territories are all defined as territories. The country's capital, Bogotá, is a separate district (Distrito Capital de Bogotá).

Provincial and Local Government: Under the new constitution (Article 260), governors, deputies, mayors, municipal and district councils, and members of local administrative boards are elected directly by citizens. Department governors are popularly elected for a four-year term and may not serve the subsequent term (Article 303). Each department has a popularly elected Departmental Assembly and a popularly elected corporation (Corporación); the latter oversees the actions of the governors (Article 299). Each municipality has a popularly elected mayor and an administrative corporation; both are elected for four-year terms and may not be re-elected for the following term (Article 314). Article 105 allows governors and mayors to hold popular consultations on issues within their purview. Departmental, district, and municipal comptrollers exercise, within their jurisdiction, functions similar to those of the comptroller general of the republic, that is, oversight of fiscal matters. As a separate district, Bogotá elects its own representatives, who may be re-elected indefinitely.

Legal System: The 1991 constitution strengthens the administration of justice by providing for introduction of an oral, accusatory system that will ultimately replace the Napoleonic Code. The legal system is based on Spanish law; a new criminal code, modeled after U.S. procedures, was enacted in 1992–93. The constitution also expands citizens' basic rights, including that of *tutela* (writs of protection of fundamental rights), under which an immediate court action can be requested by an individual, if he/she feels that his/her constitutional rights are being violated, and there is no other legal recourse. Two investigative and prosecutorial offices are: the Office of the Prosecutor General (Fiscalía), which is headed by an independent attorney general (*fiscal*), who is elected for a four-year term by the Congress and is tasked with investigating criminal offenses and prosecuting the accused; and the Office of the Inspector General (Procuraduría), also known

as the Public Ministry, which investigates allegations of misconduct by public employees, including members of the state security forces.

As part of the Ministry of Defense, the military justice system falls under the executive branch. The director of the military criminal justice system reports directly to the civilian minister of defense. The military justice system consists of the Supreme Military Tribunal, which serves as the court of appeals for all cases tried in military courts, and 40 military trial courts. The civilian Supreme Court serves as a second court of appeals for cases in which sentences of six or more years in prison are imposed. However, authorities rarely have brought to trial high-ranking officers of the security forces charged with human rights offenses. The military judiciary may investigate and prosecute active-duty military and police personnel for crimes "related to acts of military service." Under new antiterrorist legislation adopted in late 2004, the army was set to gain some judicial powers.

Electoral System: Colombia has a democratically elected representative system with universal adult suffrage; the minimum voting age is 18. The constitution allows citizens to directly elect, at the national level, the president and vice president of the republic as well as senators and representatives. At the departmental and local levels, the constitution allows for citizens to directly elect governors, deputies, mayors, municipal and district council members (*concejales municipales y distritales*), members of local administrative juntas (*juntas administradoras locales*), members of the Constituent Assembly (Asamblea Constituyente), and other authorities and officials as the constitution may indicate. Congressional elections were held in March 2002, and presidential elections were held in May 2002; the next elections are scheduled for 2006.

Political Parties: Political institutions have been dominated since the mid-nineteenth century by rival Liberals and Conservatives, specifically the Liberal Party (Partido Liberal—PL) and the Social Conservative Party (Partido Social Conservador—PSC), until July 1986 known as the Conservative Party (Partido Conservador). However, independent political forces have been gaining influence as the credibility of the two main parties has been tarnished by corruption and distinctions between the two have been weakened. Political parties generally operate freely and without government interference. In order to be recognized by the National Electoral Commission (Comisión Nacional Electoral—CNE), a party must garner at least 2 percent of the vote in elections for the House of Representatives or the Senate. If a recognized party fails to gain at least 50,000 votes in a general election, it is dissolved automatically but may reincorporate at any time by presenting 50,000 signatures to the CNE.

Colombia has about 60 formally recognized political parties, most of them small political movements allied with one or the other major party. A relatively recent example of this alliance building among small parties is the Independent Democratic Party (Polo Democrático Independiente—PDI), which was formed in August 2003 by representatives of several small, center-left parties. Most of these minor parties do not have a presence in either house of Congress. Other minor parties include the Conservative National Movement (Movimiento Nacional Conservador—MNC), Progressive National Movement (Movimiento Nacional Progresista—MNP), Citizens' Defense Movement (Movimiento Defensa Ciudadana—MDC), and Democratic Alternative Movement (Movimiento Alternativa Democrática—AD). An electoral reform introduced in 2003 is designed to consolidate the party system. It bans

membership of more than one political organization and, from 2006 onwards, increases the minimum number of votes needed to gain a seat in Congress.

Politics: Ernesto Samper assumed office as president in August 1994. A political crisis related to large-scale contributions to Samper's campaign from drug traffickers diverted attention from governance programs, slowing progress on the nation's domestic reform agenda. On August 7, 1998, Andrés Pastrana Arango, a PSC member, became president. His administration was marked by high unemployment, increased countrywide attacks by the guerrilla groups, widespread drug production, and expansion of paramilitary groups. Álvaro Uribe Vélez, an independent, was elected president on May 26, 2002, by pledging to use military force more aggressively to defeat the rebels. He assumed office that August with a strong electoral mandate and a working majority in Congress. In order to address the need for a long-term national security strategy and to reinstate the rule of law and regain control over the country, the Uribe administration developed a "Democratic Security and Defense Policy." In addition to focusing on security and military aspects of the security situation, the Uribe government has been spending time on international trade, supporting alternate means of development, and reforming the judicial system. President Uribe's high popularity rating in October 2004 suggested that his hard-line approach to tackling the guerrillas had helped to improve public security and confidence in his government.

Mass Media: Major international wire services, newspapers, and television networks have a presence in the country and generally operate free of government interference. Media ownership remains concentrated in the hands of wealthy families, large national conglomerates, or groups associated with one or the other of the two dominant political parties. The first foreign media owner in the country is the Spanish media conglomerate Prisa, which acquired majority ownership of the country's largest radio network. There are public TV and radio networks and two news agencies (Ciep–El País and Colprensa).

Colombia has many national and regional television channels. The National Television Commission oversees television programming. Television stations include Inravisión, a government-owned station that operates two commercial stations and one educational station; Cadena Uno; Telecaribe; RCN TV, which is operated by Radio Cadena Nacional; and Caracol TV, a private commercial network.

The country has two major national radio networks: Radiodifusora Nacional de Colombia, a state-run national radio; and Radio Cadena Nacional (RCN Radio), a medium-wave (AM) network with many affiliates. There are nine other principal networks, including Cadena Super, which includes Radio Super and Super Stereo FM; and Caracol, which runs several stations, including the flagship station Caracol Colombia. Many hundreds of radio stations are registered with the Ministry of Communications.

Several major newspapers and news magazines circulate nationally, and there are many influential regional publications. The press includes five main newspapers in Bogotá: *El Espacio*, an evening daily; *El Espectador*, a daily; *El Nuevo Siglo*, a Conservative daily; *La República*, a business daily; and *El Tiempo*, a Liberal Party national daily. Other popular papers include Cali's

El País and Medellín's *El Colombiano*, both Conservative dailies. Weekly news magazines published in Bogotá include *Cromos* and *Semana*.

Foreign Relations: Colombia has generally adopted a low profile, relying on international law and regional and international security organizations. The country traditionally has had good relations with the United States. Although relations were strained during the presidency of Ernesto Samper Pizano (1994–98) because of his alleged drug connections, relations have been excellent since the Pastrana administration in 1998–2002. In January 2000, the Clinton administration pledged more than US\$1 billion of mainly military assistance to Colombia to assist the antidrug component of President Pastrana's peace strategy known as Plan Colombia. Relations with the United States are the foreign policy priority of the Uribe administration, and President Uribe is an important ally in President George W. Bush's "war on terrorism." In March 2002, in response to a request from President Bush, the U.S. Congress lifted restrictions on U.S. assistance to Colombia to allow it to be used for counterinsurgency in addition to antidrug operations. U.S. support for Colombia's antidrug-trafficking efforts included slightly more than US\$2.5 billion between 2000 and 2004, as compared with only about US\$300 million in 1998. In addition to the challenge posed to the United States by Colombian drug trafficking, illegal Colombian immigrants in the United States are an issue in U.S.-Colombian relations. An estimated one million illegal Colombian immigrants were in the United States by 1999. In early 2003, Colombia ranked among the top seven countries in the world exporting illegal aliens to the United States.

Regional relations remain good despite occasional issues with neighbors, especially regarding spillover from Colombia's civil conflict, including cross-border guerrilla crossings, the flow of refugees, and the spread of drug crops. These issues are of particular concern to the bordering countries of Brazil, Ecuador, Panama, Peru, and Venezuela. For example, Ecuador has closed its main border crossing with Colombia every night since August 2002, when evidence emerged that Colombian guerrillas and paramilitaries were asserting control over Ecuador's border communities. On May 1, 2004, Ecuador placed further stringent visa restrictions on Colombians seeking to enter Ecuador. Relations with Nicaragua and Venezuela have been strained over territorial disputes. Bilateral committees are negotiating the dispute with Venezuela over waters in the Gulf of Venezuela. Other issues with Venezuela include the ambivalent stance of the Venezuelan president, Hugo Chávez, toward the Colombian guerrillas, the presence of undocumented Colombians in Venezuela, and activities of Colombian narcotics traffickers.

Under the Uribe administration, Colombia's relations with the European Union (EU) have been cool, and the EU has become increasingly critical of President Uribe's hard-line antiguerrilla strategy. The EU is particularly concerned that President Uribe's approach increases the potential for human rights abuses within Colombia. In 2004 the EU withheld its support of the Uribe government's peace initiative with paramilitaries for lack of a credible and comprehensive peace strategy. EU aid to Colombia has been limited to social investment. The replacement of Spanish right-wing Prime Minister José María Aznar by left-wing José Luis Rodríguez Zapatero in March 2004 prompted Spain to adopt a cool stance toward Colombia.

Membership in International Organizations: The major organizations in which Colombia is a member include: the Agency for the Prohibition of Nuclear Weapons in Latin America and the

Caribbean, Andean Pact, Caribbean Development Bank, Economic Commission for Latin America and the Caribbean, Food and Agriculture Organization of the United Nations, Group of 3, Group of 11, Group of 24, Group of 77, Inter-American Development Bank, International Atomic Energy Agency, International Bank for Reconstruction and Development, International Chamber of Commerce, International Civil Aviation Organization, International Confederation of Free Trade Unions, International Criminal Police Organization, International Development Association, International Finance Corporation, International Fund for Agricultural Development, International Labour Organization, International Maritime Organization, International Maritime Satellite Organization, International Monetary Fund (IMF), International Olympic Committee, International Organization for Migration, International Organization for Standardization, International Telecommunication Union, International Telecommunications Satellite Organization, Latin American Economic System, Latin American Integration Association, Non-Aligned Movement, Organization of American States (OAS), Permanent Court of Arbitration, Rio Group, United Nations (UN), UN Conference on Trade and Development, UN Educational, Scientific and Cultural Organization, UN Industrial Development Organization, UN Office of the High Commissioner for Refugees, Universal Postal Union, World Confederation of Labor, World Federation Of Trade Unions, World Health Organization, World Intellectual Property Organization, World Meteorological Organization, World Tourism Organization, and World Trade Organization. An OAS observer has monitored the government's peace process with the paramilitaries, lending the negotiations much-needed international credibility. The United States helps Colombia secure favorable treatment from the IMF.

Major International Treaties: Defense treaties to which Colombia is a party include the Inter-American Treaty of Reciprocal Assistance of 1947 (the Rio Treaty). Regional treaties include the Andean Pact, now known as the Andean Community, which also includes Bolivia, Ecuador, Peru, and Venezuela and the bodies and institutions making up the Andean Integration System (AIS). Colombia has signed free-trade agreements with Chile, Mexico, and Venezuela. The country has a strong bilateral trade agreement with Venezuela. The Uribe administration strongly favors extending these bilateral trade agreements across the hemisphere. Trade agreements include the Agreement on Trade, Economic, and Technical Cooperation Between the Caribbean Community and Common Market (Caricom) and the Government of the Republic of Colombia.

Colombia has also signed and ratified 105 international treaties or agreements relating to the environment. These include the Antarctic Treaty and Nuclear Test Ban Treaty and conventions on Biodiversity, Climate Change, Desertification, Endangered Species, Hazardous Wastes, Marine Life Conservation, Ozone Layer Protection, Ship Pollution, Tropical Timber 83, Tropical Timber 94, and Wetlands. It has signed, but not ratified, the Antarctic-Environmental Protocol and conventions on Law of the Sea and Marine Dumping. Colombia also has signed the Treaty on the Non-Proliferation of Nuclear Weapons and the Tlatelolco Treaty. By 1975 signatories to the 1974 Declaration of Ayacucho, of which Colombia was one, had decided on limitations to nuclear, biological, and chemical weapons.

NATIONAL SECURITY

Armed Forces Overview: The president is commander in chief of the Armed Forces of Colombia (Fuerzas Armadas de Colombia—FAC). The civilian-led Ministry of Defense is responsible for internal and external security and oversees both the police and the armed forces, including the army, air force, and navy. Under the Uribe administration, the minister of defense has only administrative duties because the president has assumed personal command of the military. The FAC consist of the army (Ejército Nacional); navy (Armada Nacional), including naval aviation, marines, and coast guard; air force (Fuerza Aérea Colombiana); and paramilitary National Police (Policía Nacional—PN). The commanders of the three services (army, navy, and air force) are responsible to the commander general of the armed forces, who reports directly to the Ministry of Defense. The president is advised by the Superior Council of Defense and Security (Consejo Superior de Defensa y Seguridad—CSDS). The FAC are responsible for maintaining order and security in rural areas and support the PN in urban areas when called upon. In 2004 the active armed forces totaled 207,000, including about 74,700 conscripts. The armed forces strength by service was as follows: army 178,000, including 63,800 conscripts; navy 22,000, including 100 naval aviation, 14,000 marines, and 7,000 conscripts; and air force 7,000, including some 3,900 conscripts. In 2004 the Uribe government's goal was to increase the number of military and security forces to 850,000 over the next four years.

Foreign Military Relations: Many Colombian military personnel have received training in the United States or U.S. training in Colombia; the United States has provided equipment to the Colombian military and police through the military assistance program, foreign military sales, and the international narcotics control program. In 1999–2001, the U.S. government approved a US\$1.3 billion aid package called Plan Colombia, most of which is earmarked for military hardware for antidrug efforts. The US\$574.6 million U.S. government assistance package to Colombia, which was approved by the U.S. Congress in late January 2004, includes funds to strengthen the armed forces. This expansion includes the establishment of a new commando battalion and an increase in joint security operations with neighboring countries. U.S. military aid is devoted primarily to training units of the Special Forces and Rapid Deployment Force. In 2004, 320 U.S. military trainers and about 400 U.S. civilian contractors were in Colombia helping the Colombian armed forces to develop commando squads dedicated to capturing or killing rebel commanders.

External Threat: Colombia does not face any known foreign threats. The only neighbor that might pose a potential military challenge over as-yet unresolved territorial disputes relating to the maritime boundary, where there may be oilfields, would be Venezuela. The largely state-controlled Venezuelan media portray Colombia as an external aggressor with U.S. backing. However, the two countries have not allowed the occasional security incidents involving Colombian guerrillas and paramilitaries along their long common border to escalate into a serious issue since both nations concluded a bilateral free-trade agreement in 1991. The already strong cross-border trade links between Colombia and Venezuela were solidified in July 2004 with an agreement to build a US\$200 million natural gas pipeline between the two countries. As a friendly gesture on that occasion, President Uribe cancelled the planned purchase of AMX-30 tanks from Spain and their deployment on the border with Venezuela.

Defense Budget: This budget as a share of gross domestic product (GDP) has been expanding during the 2000–04 period (from 3.2 percent in 2000 and 3.4 percent in 2001 and 2002). The Uribe government has committed Colombia to increasing defense expenditures from the 2004 level of 3.6 percent of GDP to 5 percent of GDP by 2005 and 6 percent of GDP by 2006.

Major Military Units: The army is organized into six divisions consisting of 17 brigades (6 mechanized, 2 air-portable, and 9 infantry), the Army Aviation Brigade, the Antinarcotics Brigade, the Special Forces Brigade, the Training Brigade, and two artillery battalions. The infantry includes 46 infantry battalions, 20 counterinsurgency battalions, 4 jungle battalions, 4 high-mountain battalions, 4 military police battalions, and 3 antinarcotics battalions. The navy is organized into four fleet commands (including five marine battalions), a coast guard, and a naval air arm. The 14,000-member Colombian Marine Corps is organized into a single division with two brigades (one amphibious assault brigade and one riverine brigade), each with two battalions. The air force is organized into an air combat command with two fighter squadrons, a tactical air support command, a utility/armed helicopter command, a military air transport command, and an air training command.

Major Military Equipment: The army inventory includes 12 light tanks, 135 reconnaissance vehicles, about 200 armored personnel carriers, 20 antitank-guided weapons, and about 100 helicopters. The navy has 4 submarines, 8 principal surface combatants, 27 patrol and coastal combatants, 5 offshore patrol vessels, 9 coastal/inshore patrol vessels, and 13 riverine patrol boats. The air force inventory includes 57 combat aircraft and 23 armed helicopters. The paramilitary National Police force has 28 aircraft and 10 helicopters. In mid-2004, the air force was planning to make a major purchase of 24 new units by the end of the year. The main competition was between the favored Brazilian Embraer EMB-314 Super Tucano and the Raytheon AT-6B Texas II. The latter is the new attack version of the T-6A, used in the United States as a trainer.

In 2004 the state arms manufacturer, Military Industry (Industria Militar—Indumil), in an attempt to make Colombia self-sufficient in small arms and munitions, was planning a large expansion in production to include automatic pistols, mortars, grenade launchers, and a light machine gun.

Military Service: At 18, every non-student male must present himself for military service of one to two years (normally 24 months). However, those from well-off families can buy their way out of serving, and those with high-school diplomas are exempt from combat. In effect, mostly the poor with little education actually serve. After completing active service, conscripts become part of the reserve. In 2004 an estimated 11,252,027 males age 15 to 49 were available, while an estimated 7,495,462 males age 15 to 49 were deemed fit for military service.

Military Forces Abroad: Colombia has one infantry battalion in Egypt in support of the Multinational Force and Observers (MFO), an independent international peacekeeping organization established by Egypt and Israel to monitor the security arrangements of their 1979 Treaty of Peace. The paramilitary National Police deployed personnel to serve with United Nations peacekeeping forces in Croatia and El Salvador.

Security Forces: In 2004 the security forces totaled 129,000 personnel, including 121,000 members of the paramilitary National Police (Policía Nacional—PN) and 8,000 members of the rural militia. Although the PN and the military forces are formally independent institutions, with their own budgets and personnel, the members of the PN fall under the jurisdiction of the Ministry of Defense. The PN shares law enforcement duties, with the exception of investigative functions, with the Administrative Department of Security (Departamento Administrativo de Seguridad—DAS) and the Prosecutor General's Corps of Technical Investigators. The highly trained Groups of Unified Action for Personal Freedom (Grupos de Acción Unificada por la Libertad Personal—Gaula) have long enjoyed U.S. support and have a fleet of Blackhawk helicopters and aircraft for the tasks of drug crop eradication and antikidnapping and urban hostage-rescue operations.

Internal Threat: Despite endemic violence stemming from left-wing guerrilla activity, paramilitary groups, and drug traffickers, constitutional order and institutional stability have prevailed. Nevertheless, the country's political and social foundations have been undermined by the violence and corruption associated with the enormous wealth created by the drug cartels. Most Colombian government institutions have a reputation for inefficient, corrupt, and bureaucratic management, with the notable exceptions of the Central Bank, Ministry of Finance, and some other agencies responsible for economic policy formulation.

Common crime is rampant and often carried out with impunity. Officially registered homicides in Colombia reached a historic record of 28,837 in 2002, but declined by 20 percent in 2003 to 23,013. The high homicide rate is also fueled by high unemployment, growing poverty, the ready availability of guns, and the growth of drug trafficking and organized crime. Criminal bands specializing in kidnapping, extortion, and robbery target businesses and civilians. Kidnapping exceeded a record 3,700 reported cases in 2000, but subsequently declined to 2,986 cases in 2002 as a result of improved law enforcement; the figure projected for 2003 was between 2,500 and 2,700. Guerrilla and paramilitary groups are responsible for about 68 percent of kidnappings and organized crime, about 32 percent.

Activities by foreign terrorist or drug-trafficking groups in Colombia have been minimal, consisting mostly of criminal activities involving Maicao-based Hezbollah members or international crime groups, such as the Russian Mafia, which was last reported to have supplied the Revolutionary Armed Forces of Colombia (Fuerzas Armadas Revolucionarias de Colombia—FARC) with sophisticated weapons in 2000. In 1998 an Islamic terrorist was deported for engaging in illegal transactions with the FARC.

Narcotics Production and Trafficking: The country's principal organized crime activity involves the production and smuggling of illicit drugs, mainly cocaine and heroin, and this activity has also involved the guerrilla and paramilitary forces. Colombia is the world's leading supplier of refined cocaine and a growing source for heroin; more than 90 percent of cocaine that enters the United States is produced, processed, or transshipped in Colombia. The United States provides military and financial support for the government's war on drugs. Despite an active aerial eradication program, coca cultivation more than doubled between 1995 and 1999. Despite a 15 percent decline since 2001, Colombia remains the world's leading coca cultivator.

During the narcoterrorist era (1983–93), narcotics traffickers sponsored assassinations of numerous government officials and politicians. Narco-terrorists assassinated three presidential candidates before César Gaviria Trujillo was elected president in 1990, but since then they have favored low-profile bribery and intimidation over high-profile acts of terrorism because the latter resulted in government crack-downs and dismantlement of the large drug cartels, including the Cali Cartel and the Medellín Cartel. Although extradition was banned in 1991, drug traffickers have again been subject to extradition to the United States since 1997. By December 2004, the Uribe government had extradited more than 170 drug-trafficking suspects to the United States. Seeing an opportunity to be part of an immunity program for the paramilitary groups, in 2004 Colombian drug traffickers were joining or buying their way into the paramilitary militias.

Insurgency and Terrorism: Two major guerrilla organizations, the Revolutionary Armed Forces of Colombia (Fuerzas Armadas Revolucionarias de Colombia—FARC) and the National Liberation Army (Ejército de Liberación Nacional—ELN), plus a smaller People’s Liberation Army (Ejército de Liberación Popular—EPL) group continue to be active. In 1996–98 the FARC and ELN extended their presence in the national territory and scored some strategic gains against the poorly led armed forces by besieging and easily overrunning isolated military garrisons. The Pastrana government responded in November 1998 by granting the FARC a 51,000-square-kilometer demilitarized zone (DMZ) in southeast Colombia as a concession in exchange for beginning peace talks. However, the FARC used the DMZ as a haven to increase illicit drug crops, transport military equipment and provisions, and negotiate kidnappings and extortions. After peace negotiations collapsed in early 2002, security forces retook the DMZ on February 20. Until 2002, the armed conflict was fought primarily in the countryside. Since then, the FARC, having honed its remote-control bombing techniques with the aid of Europe-based terrorist groups, has expanded its operations to include occasional indiscriminate terrorist bombings and other attacks in Bogotá. One FARC car bombing at one of Bogotá’s most exclusive social clubs, El Nogal, on February 9, 2003, killed 36 people, including 6 children, and wounded more than 173 others.

With the support of the United States, the administration of President Uribe has sought to professionalize the armed forces and to engage them more fully in the counterinsurgency war; as a result, the armed groups have suffered a series of setbacks. The president’s plan includes the formation of platoons of “peasant soldiers,” or locally recruited men, to provide guard duty around previously unguarded municipalities in support of the police and regular troops. By August 2004, more than 8,000 peasant soldiers had been recruited and trained, and plans called for increasing that number to 15,000 across the country by 2006.

In 2003 the FARC had an estimated force of as many as 18,000 active members plus a 5,000-member urban militia; the ELN had an estimated 3,500 members plus an urban militia; and the EPL had an estimated 500 members. In August 2003, under increasing pressure by the armed forces, the FARC and the ELN announced an alliance. This partnership had already been a reality in certain parts of the country where ELN and FARC units fought side by side, and has been broadened to include the whole country. The alliance has not made any significant difference yet, but in the long term the two groups pose a much greater threat jointly than they do separately, as the military power of the FARC and the political strength of the ELN complement each other.

The Uribe government has rejected the guerrilla demands for prisoner exchanges and demilitarized zones as a precondition for peace talks. By 2004 stepped-up government actions against the guerrillas with the help of significant U.S. military aid had kept the guerrillas mostly withdrawn into the countryside, while government efforts to improve the economy and reduce cocaine production were showing results. Although it is generally believed that the left-wing guerrillas have little chance of taking power in Colombia, they and the right-wing paramilitary forces control as much as half of the country. Analysts believe that it would take years for the armed forces to make any significant progress in reducing the territory held by the armed groups. The main guerrilla groups remain well funded and well equipped and are capable of carrying out an occasional act of urban terrorism in Bogotá.

Right-Wing Illegal Paramilitary Forces: The largest paramilitary organization, the United Self-Defense Forces of Colombia (Autodefensas Unidas de Colombia—AUC), has an estimated 10,600 members. It operates as a loose confederation of disparate paramilitary groups, the largest of which is the Peasant Self-Defense Forces of Córdoba and Urabá (Autodefensas Campesinas de Córdoba y Urabá—ACCU). Other important paramilitary organizations include the Cacique Nutibara Bloc (Bloque Cacique Nutibara—BCN), the Central Bolívar Bloc (Bloque Central Bolívar—BCB), and the Middle Magdalena Bloc (Bloque del Magdalena Medio—BMM). These groups are all involved in battling the guerrillas and terrorizing their supporters or sympathizers among the civilian population.

The Uribe administration opened formal negotiations with the AUC in July 2003 with the goal of demobilization of the AUC by late 2005. Obstacles include immunity from prosecution for their crimes and U.S. extradition warrants for AUC leaders, several of whom have been indicted for drug trafficking. Nevertheless, at the start of October 2004 the AUC announced unilaterally a partial disarmament, with 3,000 of its fighters located along the border with Venezuela disarming by the end of the year.

Human Rights: According to the U.S. Department of State's 2003 human rights report, Colombia's human rights record, despite significant improvements by police and military forces in some areas, remained poor. Although an increasingly small percentage of total human rights abuses reported were attributed to security forces, some members continued to commit serious abuses, including unlawful and extrajudicial killings. Some members collaborated with the AUC paramilitary terrorist group, which has committed serious abuses. Allegations of forced disappearances and kidnappings remained. In 2003 there were allegations of arbitrary arrests and detentions, and prolonged pretrial detention remained a fundamental problem. Impunity remained at the core of the country's human rights problems.

The constitution provides for freedom of speech and the press, and the government generally respects these rights in practice. Individuals criticize the government both publicly and in private, and the media express a wide spectrum of political viewpoints and often sharply criticize the government, all without fear of government reprisal. However, journalists practice self-censorship to avoid retaliation and harassment by criminals and members of illegal armed groups. Colombia is one of the most dangerous countries in which to practice the profession of journalism; a number of journalists are killed almost every year, and journalists continue to work in an atmosphere of threats and intimidation, in some instances from corrupt local officials in

collaboration with paramilitary groups, but primarily from terrorist groups. A key component of the government's "Democratic Security Strategy" to combat terrorism and restore order throughout the country is a network of civilian informants who are paid to identify terrorist activists and sympathizers. Many national and international human rights groups have criticized the network as vulnerable to abuse and as a threat to privacy and other civil liberties.

The National Penitentiary Institute (Instituto Nacional Penitenciario y Carcelario—INPEC) is in charge of the prison system. Many of INPEC's 8,756 prison guards are poorly trained or corrupt. Police, prison guards, and military forces routinely mistreat detainees. Conditions in the severely overcrowded and under-funded prisons are harsh, especially for prisoners without significant outside support, and prisoners frequently rely on bribes for favorable treatment. The government does not hold political prisoners, although in 2003 it held approximately 6,800 prisoners accused of terrorism, rebellion, or aiding and abetting insurgency.