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COLOMBIA

This preliminary version of the Economic Survey of Latin America, 1979, is being distributed in 27 separate parts: an Introduction of a general nature, bearing the symbol E/CEPAL/R.227, and 26 Addenda to this document, each containing a study of the economic development of a country of the region. These Addenda will not appear in alphabetical order, but in order of completion. The complete Survey will be published in the usual printed version when the comments arising out of this preliminary version have been collected.

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COLOMBIA

1. Recent economic trends: Introduction and summary

In general, the evolution of the Colombian economy during 1979 was less favourable than in the preceding year, since overall production grew at a much lower rate than in 1978, the rate of inflation accelerated markedly, there was an interruption in the decline in the rate of unemployment, and the increase in real salaries and wages in industry and, especially, in agriculture was much less marked than in 1978. On the other hand, during 1979 the external sector of the economy continued to grow stronger, and notable increases were recorded in exports, in the balance of payments current account surplus, and, especially, in the international reserves.

The gross domestic product grew by 5.3% in 1979 after an unprecedented increase of around 9% in 1978. This slackening in growth was due to a decline in the rate of increase of the production of all the main sectors of the economy and to drops in absolute terms in the output of the construction and mining sectors. As in 1979, the terms of trade deteriorated significantly, and the rate of growth of gross income was not even 4%, which was appreciably less than in the three preceding years (see table 1).

Because of the more moderate expansion of the economy, the rate of open unemployment ceased to decline as it had been doing in preceding years and stabilized at slightly less than 9% in the seven principal cities of the country. However, this relative stabilization of the rate of unemployment was the result of widely differing changes in the employment position of the various urban centres surveyed. Thus, while the rate of unemployment continued to drop in Bogotá and, especially, in Barranquilla, it reached an unusually high level in Medellín.

In contrast with the less favourable evolution of production and employment, the external position of the country continued to improve in 1979. Although the price actually received for coffee exports fell by around 17%, external sales of goods grew by 26%, marking the eighth year

of a period of accelerated expansion during which the total value of exports of goods has grown more than fivefold.

During 1979 the value of imports also grew markedly, although at a rate considerably lower than in the preceding year and also lower than the rate of growth of exports. As a result of this and of a further fall in net payments of profits and interest on foreign capital, the balance-of-payments current account closed with an unprecedented surplus of almost US\$ 525 million - nearly twice the average surplus obtained in the three preceding years. Since at the same time the net inflow of foreign capital increased considerably, the total balance-of-payments surplus was even higher - US\$ 1,260 million, the largest amount yet recorded (see table 1). Thanks to this, the gross international reserves continued the rapid rise they have been displaying since the middle of 1975, and at the end of the year for the first time they exceeded US\$ 4,100 million, or enough to cover the value of imports of goods and services for almost twelve months.

In 1979 the position with regard to hydrocarbons continued to deteriorate. The amount of crude petroleum pumped fell by slightly over 4%, thus continuing the uninterrupted decline which had begun in 1970. Since at the same time there was an increase in consumption of both crude oil and refined petroleum products, it was necessary to import a great deal more petroleum and fuels and the value of such imports rose to US\$ 665 million, an increase of 74% over the value of such imports in 1978 and over four times their value only three years previously.

On the other hand, during the year the petroleum industry stepped up its exploration activities, drilling 37 new wells compared with 27 in 1978 and an average of less than 15 a year during the decade 1967-1977. In addition, to alleviate the demand for petroleum products, steps were taken to promote the substitution of natural gas for liquid fuel in the thermal power stations of the coastal electric power network and in the industrial plants of that area. At the same time, measures continued to be pursued to promote the construction of hydroelectric power stations and to strengthen the programme of interlinking the country's electric power networks, while incentives were provided to seek and develop other sources of energy. Finally, at the end of the year the Barranca Bermeja plant, with

a daily production capacity of 17,700 barrels of gasoline, 22,000 barrels of fuel oil and 8,000 barrels of liquefied gas, went into operation.

In 1979 there was also a serious worsening in the inflationary process. The consumer price index for manual workers rose by almost 30%, which was higher than in any previous year except 1963. This appreciable increase occurred in spite of the fact that in 1979 the monetary authorities succeeded in securing a further reduction in the rate of increase of the means of payment, which, in contrast to what had happened the four preceding years, decreased in real terms (see table 1).

However, the lessening of demand pressures implicit in this change was counteracted by rises in costs caused by a variety of factors, one of them being the substantial increase in the domestic price of fuels, which in turn was due to large new increases in the international price of petroleum set by the OPEC countries and to the policy of gradually bringing the domestic price of fuels up to their price on the world market. The impact of higher petroleum prices on costs was heightened by the increase in the cost of most imported products caused by the acceleration of the inflationary process in the industrialized countries. In addition to these factors of external origin there were others of a domestic nature. Thus, during 1979 there was a rise in interest rates, as also in the prices of electricity and other public services, and at the beginning of the year the minimum legal wages in urban centres and rural areas were raised by between 30 and 43%.

Despite this substantial increase in minimum legal wages, average real wages in industry, and especially in agriculture, grew at much lower rates than during the previous year. Thus, after having risen at rates of about 10% in 1977 and 1978, average real daily wages in the agricultural sector rose by only between 1% and 2.5% in the cold (upland) areas, while they fell marginally in hot (lowland) areas. The rate of increase of average real wages in industry, for its part, dropped from 4% in 1978 to 2% in 1979 for non-manual workers and from slightly more than 11% to less than 8% for manual workers.

Finally, three decisions of importance for the development strategy and the future economic evolution of the country were adopted in 1979.

/The first

The first of these was the signing of the Cartagena Mandate (the name given to the agreement signed in May by the Presidents of the Andean Group countries), in which emphasis is laid on the ideological and political content of this subregional integration scheme and the economic provisions of the original treaty are further expanded.

The second important measure was the decision that Colombia should become a permanent full member of the General Agreement on Tariffs and Trade (GATT). This decision, which was taken in December, marked the culmination of the negotiations which had been embarked upon with GATT in 1968 but on which little headway had been made until 1975, when the Governing Council of GATT approved the provisional accession of Colombia to the Agreement.^{1/} However, Colombia is not yet a full Party to the Agreement, since part II of the General Agreement will apply to it only "to the extent compatible with Colombia's current legislation on the date of this protocol" (the protocol of accession).

^{1/} The government based its decision to adhere to GATT on the following main considerations: (a) with the growth of the national economy, exports have expanded and diversified in terms both of their structure and of their destination; (b) the number of export products whose prices are competitive on the markets of the developed countries has also increased; (c) world trade conditions are such that the country would profit not only by increasing but also by giving a more permanent nature to its exports to industrialized countries which are Contracting Parties, through the undertaking entered into by the latter within the terms of the Agreement that they will not raise the duties negotiated nor infringe them by establishing non-tariff barriers; (d) in the undertakings it assumes as a Contracting Party under the Agreement, Colombia will still retain the flexibility needed for its development; (e) the safeguards envisaged in the Agreement for all member countries or specifically for developing countries will permit Colombia, if necessary, to modify the concessions granted and, in case of controversy in this connexion, to hold discussions with the Contracting Parties; (f) the formal validity of all the foregoing considerations is all the greater because of the compatibility of Colombian legislation on foreign trade with the regulations contained in the General Agreement, as recognized by the Working Group established by GATT to examine the question of Colombia's permanent membership. In this connexion, see INCOMEX, Comercio exterior, Bogotá, 1979, Vol. II, Nos. 10 and 11.

/Finally, in

Finally, in April the general lines of the economic and social development plan which will be put into effect during the current administration were made known.^{2/}

The points of departure of this plan, known as the National Integration Plan (Plan de Integración Nacional - PIN) are the identification of the "economic growth potential" and the recognition of the positive results so far achieved under the historic model of Colombian development as far as the distribution and geographical concentration of productive activities are concerned. At the same time, it is maintained, this model has evolved to the point where it seems to be encountering within itself serious limitations on the further exploitation of the possibilities of expansion and the comparative advantages of the regions in which economic activity has been concentrating. To surmount these stumbling blocks and limitations, strengthen decentralized development and raise the efficiency of production at the regional and national levels, it will be necessary, in addition to following a policy providing for adequate fiscal and financial incentives, to bring about the total integration of the domestic market, which cannot be done unless the country has the best possible highway and communications network.

The achievement of these objectives will also depend on the solution of the difficulties facing the energy sector. To this end, a realistic price and tariff policy will be put into effect and recourse will be had to international financing and foreign investment for the exploration, exploitation and export of energy resources.

The plan will be implemented within the framework of policies of income redistribution and public spending designed to solve the problems of urban and rural employment, income, living conditions and the modernization of society. Programmes with a social content which are already in course of execution, including the integrated rural development programme, the food and nutrition programme, and those in the fields of health and education, will be maintained and strengthened.

^{2/} See Julio César Turbay Ayala, Planeación, descentralización y desarrollo 1978-1982, Bogotá, April 1979.

Steps will be taken to ensure that there is a functional mutual relationship between the plan and economic policy and that its goals are compatible with economic policies relating to money; foreign exchange, financing and co-operation; domestic savings, and the public budget at the national, departmental and municipal levels.

As a concrete example of the priority investment programmes provided for under the development plan, the Government submitted to the Advisory Group requests for financing in the amount of US\$ 6 billion for a series of projects to be executed between 1979 and 1982. Rather more than one-third of this financing (US\$ 2,100 million) will be earmarked for projects relating to energy, 20% for transport projects, 16% for industry and mining, 13% for the agricultural sector, and the remaining 16% for communications, regional and urban development, health, education and the construction of sewerage and water supply systems.

2. Recent economic trends

(a) Total supply and demand

Total supply grew by 5% in 1979: barely half the exceptionally high rate recorded in 1978. This drop was due both to the slackening in the growth of the gross domestic product and to the sharp drop in the growth rate of the volume of total imports, which decreased from almost 21% in 1978 to only a little over 3% in 1979 (see table 2).

Of the main components of total demand, exports were by far the most dynamic. Their volume increased by 24% which, although similar to the rate recorded in 1978, was more significant because it represented a substantial recovery after the marked drop in the volume of exports in 1977.

Domestic demand, on the other hand, rose by less than 3% after two years of very rapid expansion. Although figures for its components are not available, it is probable that this slower growth was largely attributable to the evolution of investment, particularly investment in construction, which was limited both by the stagnation of general government

/investment in

investment in real terms and by the decline of almost 24% in the area of new residential construction in the country's ten principal cities taken together.

(b) Growth of the main sectors

After having grown at the unprecedented rate of almost 9% in 1978, the gross domestic product expanded by only a little over 5% during 1979. Although some sectors, including the electricity, gas and water sector and commerce, showed substantial growth, the growth rate of all the activities taken together was considerably lower in 1979 than in the previous year.

The slowdown was especially apparent in the goods-producing sectors and in transport, storage and communications, whose growth is closely linked with the evolution of goods production. Thus, agricultural output, which grew at the exceptionally high rate of 9% in 1978, increased a little under 5% in 1979. At the same time, the rate of growth of the industrial sector fell from around 9% to less than 6%, while the increase in the value added in the mining sector dropped by 1.5% and that of the construction sector by 4% (see table 3).

(i) The agricultural sector. In 1979 agricultural production increased by 4.5%: considerably less than the rate of around 9% recorded in 1978, but double the average rate of increase during the period 1976-1977.

The major reason for this drop in the growth rate was the sharp drop in the rate of growth of crop production, which, after rising by more than 9% in 1978, increased by only 4% in 1979 (see table 4).

Two factors were largely responsible for the decline in the vitality of crop production, the first being the much slower growth of the coffee sector. The production of coffee beans, which alone accounts for almost a quarter of the total value of crop production, increased by only 5% in 1979, whereas in 1978 it had increased by over 16% because the high-yield caturra species planted in 1975 and 1976 ^{3/} began to produce in that year. The

^{3/} In this period, 38,000 hectares of coffee plants were replaced and 22,000 hectares were planted for the first time, both largely with the species in question. In the three-year period 1977-1979, 86,000 hectares were replanted and 69,000 hectares were planted for the first time.

second reason why crop production fell in 1979 was the drop of over 100,000 hectares in the area planted with 24 other important crops from the 1978 figure of 3.3 million hectares.

Among these crops, cereals production exceeded 3.4 million metric tons in 1979, representing a 6% increase over 1978. The main contributor to this increase was rice, output of which increased by 13% to the record yield of somewhat more than 1.9 million tons. Sorghum production, in contrast, fell by 45,000 tons, making it necessary to import US\$ 19 million worth of sorghum whereas during the preceding year no sorghum purchases had been made abroad. The stagnation of wheat production and the increase in its international price also meant that the value of imports of this grain rose from US\$ 61 million in 1978 to over US\$ 100 million in 1979.

Although the production of sesame, soya and African palm increased by 50%, 5% and 27%, respectively, the total production of oils and oilseeds fell by nearly 5% as a result of the marked decline in the output of cotton (see table 4). As in 1978, the main cause of this drop was the sudden decrease in the amount of land given over to cotton-growing, which, after falling from 377,000 hectares in the crop year 1976/1977 to 328,000 hectares in 1977/1978, suffered a further decline to only 186,000 hectares in the 1978/1979 season. On the other hand, sugar output increased substantially for the second year running, exceeding 1.1 million tons.

In the stockraising sector, the problems encountered since 1976 in exporting livestock products to Venezuela became more acute in 1979. The value of these exports had been falling year by year from US\$ 52 million in 1975 to only US\$ 6 million in 1979, and moreover, towards the end of the year there were serious outbreaks of foot-and-mouth disease in the Bogotá plain. Nevertheless, due to the increase in the consumption of beef and pork and in the production of poultry and eggs, the product of the livestock sector grew by 4.5%.

/During 1979

During 1979 official support to the agricultural sector through the Agricultural and Finance Fund continued to increase. Thus, financing allocated by the Fund amounted to 16,850 million pesos, which was 40% higher than that provided during the preceding year. Around 60% of this amount went to crop farming, 23% to stockraising, almost 10% to infrastructure development and land reclamation and the remaining 7% to the purchase of farm equipment and machinery.

(ii) Mining. During 1979 the product of the mining sector fell by 1.5%, thus continuing the downward trend begun in 1974, which had only registered a temporary break in 1978.

As in previous years, the evolution of the mining sector was greatly affected by the decline in the production of petroleum, which, after reaching the record figure of 80 million barrels in 1970, had dropped thereafter year by year, suffering a new decline of rather more than 4% in 1979 (see table 5). As a result, production was 44% lower than in 1970, and since the consumption of crude increased by around 3% in 1979, the percentage of consumption accounted for by imports rose to the unprecedented figure of 17%.

The decline in petroleum production was, however, accompanied by a new increase in the number of wells drilled, which in 1979 amounted to 37, surpassing the figure of 29 wells drilled the preceding year and far exceeding the average of barely 14.5 recorded during the decade 1967-1977, when the inadequate exploratory activity created the conditions which led to the steady decline in the production of crude throughout the 1970s.

In 1979 the drop in production of iron ore also continued for the fourth consecutive year. This time, however, the decrease (nearly 17%) was far greater than those of the three preceding years. This drop in production was partly due to slackening in the demand of the Paz del Río steelworks, whose operations were affected at the beginning of the year by labour disputes.

/On the

On the other hand the production of gold, which had also declined systematically in the preceding three years, rose by 3% in 1979 under the stimulus of the higher international price of this metal. The production of silver was also stimulated by higher international prices and rose by 19% although it failed to match the record level of 1976 (see table 5).

(iii) Manufacturing. During 1979 the industrial product grew by almost 6%, although this compared unfavourably with the 9% increase recorded the previous year. The expansion of the manufacturing sector was also reflected in the increase in industrial consumption of electricity, which was 12% higher for the period January-September 1979 than for the same period of 1978, and in the increase in exports of manufactures, whose value rose by 50%, and imports of intermediate and capital goods for industry, which rose by 38% and 36% respectively.

The biggest increases were achieved by the industries producing beverages, paper, leather, chemicals and electrical machinery. Other branches which contributed to the rise in manufacturing were motor vehicles, cement and sugar refining, although their production increased at a rate which was considerably lower than that achieved in 1978. The production of other goods, however, declined sharply. Thus, decreases were recorded in the cases of caustic soda and carbonates, which fell by 25% and 20%, respectively, as a result of the restrictions adopted for ecological reasons and the decline in the external demand, and in steel, production of which fell by 12% owing to the labour disputes affecting the Paz del Río steelmill (see table 6). During the year there were also appreciable reductions in the output of the basic metals industries, textiles, printing and publishing, and, to a lesser extent, tobacco, wood and furniture.

(iv) Construction.

(iv) Construction. In 1979 the building sector continued its irregular growth pattern. Thus, after declining by about 18% during the biennium 1975-1976 and making a partial recovery in the following two years, its product fell again in 1979 by approximately 4%, thereby finishing the decade at about the same level as that achieved in 1971.

This unfavourable result was partly due to the policy adopted by the Government on investment expenditure, which led to a rise of less than 24% in nominal terms, representing a slight decline in investment in real terms in view of the average increase in prices during the year. Moreover, the total area of construction for which permits were approved in the ten principal cities of the country fell by 16% in comparison with the preceding year. This sizeable drop was entirely due to the decrease in residential building, which dropped by around 24% whereas the area of non-residential construction increased by 20%. The biggest reductions in the construction of dwellings occurred in Cúcuta (54%), Barranquilla (41%), and Bogotá and Medellín (31% in both cases), while residential construction rose by 6% in Cali and by considerably higher rates in smaller cities such as Cartagena, Neiva and Pasto (see table 7).

(c) The evolution of employment

During 1979 the basic aspects of the employment situation were similar to those observed in 1978. Thus, in the seven cities in which the National Bureau of Statistics (DANE) carries out employment and unemployment surveys twice a year, the average rate of open unemployment remained at about 9%. Moreover, as in the preceding year, the proportion of the labour force without employment was much lower in December than at the end of the first quarter, although in 1979 this decline was considerably less marked than in 1978 (see table 8).

The continuation of the same rate of open unemployment was accompanied by two positive changes, one of which was that underemployment fell from an average of 14.2% in 1978 to 13.2% in 1979, while the other was that the rate of participation increased from 36.5% in 1978 to almost 39% in 1979, thus following the favourable trend observed in connexion with this variable since the middle of the decade.

The relative stability of the percentage of the labour force unemployed in the cities surveyed taken as a whole was, however, the result of opposite trends in the level of unemployment in some of them. Thus, by comparison with 1978, the rate of open unemployment declined markedly in Barranquilla and moderately in Bogotá, Bucaramanga, Manizales and Pasto, while it rose slightly in Cali and sharply in Medellín, where unemployment affected one out of every seven members of the labour force during the year, with this proportion rising even higher in December. On the other hand, in Bogotá the average rate of unemployment fell for the fourth consecutive year: a trend which was also followed, but much more markedly, in Barranquilla, where although the rate of unemployment in October 1975 had stood at over 15% (higher than in any other urban centre surveyed), at the end of 1979 the number of unemployed amounted to only 4.5% of the labour force. However, the improvement observed in the unemployment situation in Barranquilla in 1979 was to some extent offset by quite a considerable decline in the rate of participation. In Medellín and Cali, on the other hand, the reverse was the case and the rate of participation increased significantly (see table 8).

3. The external sector

(a) External trade

(i) Exports. During 1979 exports of goods continued the vigorous expansion recorded since 1972, as a result of which the value of external sales of goods increased more than five times over in the short space of these eight years, rising from US\$ 750 million in 1971 to US\$ 4,060 million in 1979.

As in 1978, but in sharp contrast with what happened in the 1976-1977 biennium, the 26% increase in the value of exports of goods in 1979 was due exclusively to the increase in the volume exported, which, after having already risen by 38% in the preceding year, showed an increase of almost one-third in 1979. This notable expansion in the volume of exports was, however, accompanied by a further drop in their unit value, although this decline was a good deal less marked than in 1978 (see table 9).

/As always,

As always, the evolution of the volume and unit value of total exports was largely a reflection of the changes which occurred in the volume and average price of coffee exports. After having risen by almost 70% in 1978, the volume of coffee beans exported increased again, this time by more than 22%, to the record figure of more than 11 million bags.

However, the benefit derived from this substantial increase in the volume exported was to a large extent nullified by the decline in the international price of coffee. Although the average price of Colombian mild coffee on the New York commodities exchange fell only slightly, from US\$ 1.85 a pound in 1978 to US\$ 1.82 a pound in 1979, the price actually received by Colombian exporters fell during the same period from US\$ 1.80 a pound to US\$ 1.50 a pound, according to the records of the Colombian Foreign Trade Institute (INCOMEX). The substantial difference between these two decreases probably reflected the increase in price rebates granted to importers in 1979 and meant that despite the sharp rise in the volume of coffee exports, the income derived from them increased by only 4% (see table 10).

The evolution of external coffee prices in the course of the year forced the economic authorities to take action to control their repercussions on the domestic economy. From the end of 1978 through the first few months of 1979, the external price of coffee declined markedly, suggesting that the long boom in coffee prices which had begun in the middle of 1975 as a result of the severe frost damage to the Brazilian plantations was nearing its end. In these circumstances, the Government lowered the percentage of production obligatorily kept in stock and eliminated the system of discounts applied to the advance refund of exchange certificates issued in respect of foreign exchange income from coffee sales. This was intended to keep both the domestic price of coffee beans and payments for coffee exports constant; however, since the international price continued to decline, in the end the domestic price and the payments for exports had to be adjusted downwards. On the other hand, the recurrence of frost damage in Brazil helped to reverse the decline in coffee prices and resulted in an increase in the price paid for exports from US\$ 188 per 70-kilo bag (the price received as from February) to US\$ 202 in the middle of April and US\$ 251 from June /onwards. The

onwards. The domestic price of coffee beans, for its part, rose on four occasions during the second half of the year to reach 8,300 pesos per load of 125 kilos of "diploma" coffee: 30% higher than the price in March.

Since the rise in prices coincided with an increase in the volume exported, in June the system of applying discounts to foreign currency earnings from the export of coffee was re-established. In the same month, the National Coffee-Growers' Federation assumed a monopoly of the export of coffee in order to control the external supply and unify the coffee exchange certificate market. This caused the Federation's share in total coffee exports, which had already risen from 21% in 1976 to 63% in 1978, to climb to 90% in 1979.

The scant increase in the value of coffee exports led to a decrease in the relative share of this commodity in total exports of goods,^{4/} so that after having risen for four consecutive years it fell to a little less than 57% in 1979. Even so, although this figure was considerably lower than the 65% share recorded in 1979, it was still much higher than the 44% recorded in 1974, the year before the beginning of the coffee boom.

However, the decrease in the relative share of coffee in total exports was also partly due to the marked expansion in the sales of other export products in 1979. Thus, according to export permits the value of exports of goods other than coffee rose by more than 46%, thereby easily surpassing the growth rates achieved in the three preceding years. The expansion of external sales was especially vigorous in the case of clothing, which became the second most important export after coffee, its value in 1979 being three times what it had been only three years previously. Exports of flowers also trebled in value in 1976. Exports of cement and sugar, which had fallen off sharply in 1977, also continued to increase in 1979, and sales of bananas again expanded appreciably, with the result that their value in 1979 was double what it had been in 1976 (see table 11).

^{4/} Because of the kind of statistics available, the following analysis of the structure of exports is based on data from export permits, the total amount of which differs from the figures for exports actually carried out, which are given in other tables in this section.

/In contrast,

In contrast, sales of cotton, which had been the second most important export product up till 1977, declined sharply for the second year running, and sales of live cattle continued their systematic decline because of the increasing difficulties experienced in placing this product on the Venezuelan market.

The increase in exports other than coffee occurred in spite of the fact that in 1979, as in the four preceding years, the real exchange rate fell once again. It is a well known fact that since coffee prices began to soar around the middle of 1975, the monetary authorities have had to face up to the problem of an expanding money supply due to the accumulation of international reserves. One of the measures designed to keep this phenomenon from having an inflationary effect was to devalue the peso more slowly and gradually against the dollar. As a consequence of this policy, the average exchange rate rose by 38% between 1975 and 1979, and since the wholesale price index rose by 134% during this same period, the real exchange rate fell by 41%. However, since the external rate of inflation also accelerated during this period, the deterioration in the real exchange rate adjusted in accordance with the rise in external prices was considerably less. Thus, for example, when the wholesale price rise in the United States is taken into account the drop in the adjusted real exchange rate during the period 1975-1979 comes to 20%, and the drop in 1979 was slightly less than 3% (see table 12).

As in past years, the authorities managed to neutralize the probable negative effects of the foreign exchange policy on exports by granting export credits through the Export Promotion Fund (PROEXPO). The value of these credits increased by 29% in local currency, while post-shipment loans came to US\$ 31 million - slightly less than the previous year. In addition, PROEXPO continued to acquire exchange certificates issued for exports of goods without charging discounts on them, and from February onwards this concession was extended to certificates for external sales of coffee, meat and cattle, cotton, flowers, and precious stones and metals, which did not enjoy this privilege previously. On the other hand, in May the discount system was extended to cover exchange certificates issued in respect of exports of shoes; leather travel goods and clothing; yarns, fabrics and outerwear for men and /children manufactured

children manufactured with artificial or synthetic fibres; pearls and precious metals, both worked and unworked, and wooden furniture.

Finally, the authorities sought to neutralize the adverse effect of the drop in the real exchange rate on exports by increasing the bonus granted to exporters in the form of tax certificates.

(ii) Imports of goods. In 1979 imports of goods continued to rise rapidly for the fourth consecutive year and their value, which had nearly doubled during the preceding three years, rose by a further 18%. In contrast with what had happened in the previous two years, the rise in the value of external purchases was due first and foremost to the rise in their average price, since their volume rose by only 4.5% (see table 9).

Three factors were of decisive importance in this expansion of imports.

The first of these was the growth of the domestic economy, which although less intense than in 1978 nevertheless helped to raise the demand for imports.

The second factor was the economic policy, whose three goals of checking inflationary pressures, promoting the investment process and stimulating the efficiency of domestic activities by introducing foreign competition favoured the inflow of foreign merchandise. To this end, over six hundred items for which import licenses had previously been required were placed on the free import list, which now includes 70% of the customs headings. In addition, the tariffs were lowered on imports of some motor vehicles, chassis and cabs, certain goods produced by the chemicals, iron and steel and electrical goods industries, and a considerable number of agricultural products. Moreover, the measure lowering the tariff on imports of capital goods to 5% was extended to June 1980, and at the same time customs formalities were simplified.^{5/} Imports also continued to be favoured by the policy of devaluing the peso at a considerably lower rate than the growth rate of domestic prices and by the facilities for paying for imported merchandise with exchange certificates acquired on the stock exchange for less than their nominal value.

^{5/} Now, by merely drawing up a document, an importer can secure the release of imported merchandise within two days, thereby avoiding the high costs and risks involved when a shipment remains in the customs warehouses for a long period of time.

Finally, a

Finally, a third reason for the increase in the value of imports was the rise in their average price. Most imports cost more, because of the resurgence of the inflation in the industrialized countries, but the rise was particularly marked in the case of fuels, because of the successive substantial increases in petroleum prices agreed upon by the OPEC countries.

These increases, together with the above-mentioned decline in the domestic production of crude, resulted in a 74% rise in the value of purchases of petroleum and fuels. As a result of this, and of the very substantial increases in petroleum imports in the previous four years, the value of petroleum exports rose from barely US\$ 7 million in 1974 to US\$ 665 million in 1979.

Nevertheless, the highest rate of growth was recorded in imports of consumer goods and especially of consumer durables, whose value nearly trebled (see table 13).

On the other hand, the total value of purchases of capital goods increased by less than 15% as a result of the very uneven evolution of acquisitions of capital goods for agriculture and transport equipment on the one hand and purchases of such goods for construction and industry on the other. While the former fell by 42% and 11% respectively from the very high levels which they had reached in 1978, purchases of building materials trebled and purchases of machinery and equipment for industry rose by 36%. All in all the value of imports of capital goods for the manufacturing sector amounted to nearly US\$ 1 billion: well over three times the figure recorded only four years previously (see table 13).

(iii) The terms of trade. Owing to the 5% decrease in the unit value of exports and the rise of nearly 13% in the average price of imports, the terms of trade fell by 16%. Since they had suffered an even bigger drop in 1978, the terms of trade index fell to a level which was one-third lower than that for 1977, when - thanks mainly to the exceptional rise in the price of coffee - this index had reached a level unprecedented in the past 50 years.^{6/}

^{6/} The terms of trade index was 31% higher in 1977 than in 1954, the year in which the previous coffee boom ended. On the other hand, it was only slightly higher than in 1928, the year preceding the onset of the Great Depression of the 1930s. See in this connexion CEPAL, América Latina: Relación de precios del intercambio, 1928-1976 (E/CEPAL/1040), a mimeographed document issued in August 1977.

Thanks to the healthy growth of the volume exported, however, the purchasing power of exports rose by nearly 12% in spite of the unfavourable evolution of the terms of trade, thus continuing the steady expansion recorded in the previous four years (see table 9). Because of this rise and the very sizeable increases recorded in 1972 and 1973, the purchasing power of exports in 1979 was more than double what it had been at the beginning of the decade.

(b) The balance of payments

In 1979 merchandise trade showed a favourable balance for the fifth consecutive year, turning in a record surplus of almost US\$ 815 million. At the same time, the deficit on services lessened slightly, so that the overall surplus on trade in goods and services came to US\$ 715 million, double the figure for the previous year (see table 14).

Moreover, in 1979 net payments of profits and interest on foreign capital continued the downward trend they have been displaying since 1976. The main determinant of this trend was the decline in payments of interest, which, in net terms, had been falling steadily for the past four years as a consequence of the income obtained from the investment of part of the big international reserves accumulated since the middle of 1975.

As a result of these changes and of a net inflow of over US\$ 50 million in private transfer payments, the balance-of-payments current account closed with a record surplus of nearly US\$ 525 million, which, added to the positive balances achieved in the three preceding years, brings the total surplus on current account achieved by the country during the coffee boom, to close on US\$ 1,340 million (see table 14).

During 1979 the net inflow of non-compensatory capital also increased to nearly US\$ 740 million, or twice the net inflow in 1978. This increase stemmed from the substantial increase in long-term credits obtained by the private sector and from the even greater increase in the long- and medium-term loans secured by the public sector, the value of which was seven times higher than the corresponding figure for the preceding year.

Thanks to the combined effect of the higher surplus on current account and the increase in capital inflows, the balance-of-payments surplus rose to a little over US\$ 1,260 million, more than twice the average value of the

/surpluses obtained

surpluses obtained in the three previous years. Thus, during the period of the boom in coffee prices, the country achieved a total balance-of-payments surplus of more than US\$ 3,100 million.

This surplus was naturally reflected in a spectacular and continuous increase in the gross international reserves, which increased more than tenfold between the middle of 1975 and December 1979, when they amounted to more than US\$ 4,100 million, or enough to cover almost twelve months of imports of goods and services (see table 15).

(c) The external debt

At the end of 1979 the total public and State-guaranteed debt came to US\$ 3,440 million, almost US\$ 480 million higher than the balance recorded a year before (see table 16). This increase exceeded the total increase in the debt during the three preceding years, a period in which the authorities had sought to restrict the contracting of new debts abroad with a view to limiting the growth of international reserves and the inflationary pressures arising therefrom.

On the other hand, the servicing of the debt rose at a considerably lower rate than in the two preceding years, so that, taking into account the sharp increase in exports, debt servicing payments in 1979 amounted to barely 9% of the value of exports: a ratio which is not only very low in comparative international terms but also substantially below the 17% recorded in 1974, the year preceding the rise in coffee prices (see table 16).

4. Prices and wages

(a) Prices

The rate of inflation accelerated markedly in 1979. Thus, between December 1978 and December 1979 the consumer price index for manual workers rose by 29.8%, a rate which was not only the highest recorded in the whole decade, but also very nearly equalled the 29.9% rise in 1963, the year in which inflation in Colombia reached an all-time high. The increases in prices and their growth rates in comparison with 1978 were also substantial, although somewhat less so, in the consumer price index for non-manual workers and in the wholesale price index, whose rates of growth rose from about 20% in 1978 to approximately 27% in 1979. On the other hand, the variation in the index
/of construction

of construction costs was slightly lower in 1979 than during the preceding year, although it once again exceeded the increases in consumer and wholesale prices (see table 17).

As in the seven preceding years, with the sole exception of 1978, the component of the consumer price index which showed the greatest increase was food, whose average price rose by 32%: a rate which in the years since 1963 had been surpassed only in 1977, when very adverse climatic conditions had a strong impact on agricultural production.

As for wholesale prices, the main factor in their increase was the rise of nearly 29% in the prices of domestic products, which was well above the increase of rather more than 20% in those of imported products.

Among domestic products, the price increases were especially marked in the case of manufactures, prices of which were on average exactly one-third higher than in 1978. This increase also marked the interruption of the significant and steady trend to an improvement in the terms of trade of the agricultural sector which had begun in 1974 (see table 17).

The group of products whose prices rose most sharply, however, was that consisting of fuels. As a consequence of the marked increase in the international price of petroleum and of the policy of gradually bringing the domestic prices of fuels closer to their international prices, the price of fuels and lubricants included in the wholesale price index rose by 63% while the price of petroleum products climbed by 73% and the transport and communications component of the consumer price index rose by 47%.

Not only was inflation more severe in 1979, but it also followed a very different pattern from that observed in 1978. Thus, as may be seen from table 18, in 1978 the annual rate of inflation fell sharply and steadily for the first seven months of the year, dropping from about 28% in January to a little over 11% in July, but beginning to climb month by month from August onwards. This upward trend was maintained almost uninterruptedly throughout 1979, with the result that the growth rate of consumer prices rose from 21% in January to nearly 30% in December.

(b) Wages and salaries

In January 1979 the minimum legal wages were readjusted by about 34% in the metropolitan area and in large cities, by over 30% in the smaller towns, and by almost 43% in the primary activities. This made the purchasing power of the minimum wages much higher during the initial months of the year than in the same period in 1978. However, since in nominal terms the minimum wages remained constant throughout 1979, their real purchasing power was gradually eroded by the relentless rise in prices. Even so, the annual average values of the minimum wages rose by substantial amounts varying from about 8% in the smaller towns to almost 19% in the rural sector. These increases, along with those which had occurred in the preceding two years, meant that in 1979 real minimum legal wages were between 30% and 38% higher than in 1976, when they had fallen to very low levels (see table 19).

In spite of the sharp rise in minimum legal wages decreed in 1979, the increase in average real wages was considerably less than in 1978. In agriculture, average real daily wages, after having risen very markedly in the two preceding years, rose by barely 1% to 2.5% in the cold (upland) areas and dropped by 1% in the hot (lowland) areas (see table 20).

The evolution of average wages and salaries was more favourable in the industrial sector, especially for manual workers, whose wages rose by almost 8% in real terms in 1979, so that, when this was added to the increase of over 11% which had occurred in 1978, the purchasing power of manual workers in the manufacturing sector rose by one-fifth over those two years, thus easily outweighing the decrease they had suffered in 1976. The wages of non-manual workers in the industrial sector, on the other hand, barely managed to recover their mid-decade purchasing power in 1979, since after rising by 4% in 1978, they increased by less than 2% in real terms in 1979, which was only just enough to compensate for the losses suffered in 1976 and 1977 (see table 21).

In the light of these developments and of the fact that agriculture and manufacturing together comprise the largest sources of employment in the economy, and also considering that during 1979 the rate of open unemployment

/remained practically

remained practically constant, it may be concluded that the share of wages and salaries in national income probably fell in 1979, after having made significant progress in 1978.

5. Monetary and fiscal policy

(a) Monetary policy

In 1979 the authorities continued to be guided by the same broad principles governing monetary policy formulated in 1976, whose main objective has been to check the high rate of expansion of the means of payment, which was tending to generate a rapid accumulation of international reserves deriving mainly from the coffee boom and, to a lesser extent, from the improved performance of other exports and the increases in certain extralegal activities.

After having more than doubled in the previous two years, the net international reserves in the Banco de la República rose by a further 76% in 1979 (see table 22). In absolute terms this rise was equivalent to slightly more than 70% of the monetary base as it stood at the end of the preceding year, a figure which adequately illustrates the enormous challenge facing the authorities in their attempts to keep the increase in the means of payment within acceptable limits.

With this in mind, they adopted a large number of measures, some designed to limit the increase in the monetary base and others to reduce the secondary expansion of money through the commercial banks.

In the first category of measures, those which had the greatest restrictive effect were the ones designed to increase the net deposits of the public sector in the Banco de la República and to promote transactions in the open market. Net public deposits rose by almost 23 billion pesos, thereby constituting for the second year running the prime factor in the contraction of the monetary base and offsetting nearly one-third of the expansionary effect of the rise in international reserves.

Through its operations on the open market, in 1979 the Banco de la República managed to take means of payment amounting to nearly 8,600 million pesos out of circulation - a far greater amount than the approximately 55 million pesos it had secured through such transactions in 1978 and equal to 12% of the increase in the net international reserves.

/The restrictive

The restrictive effect of the transactions on the open market was heightened primarily by investment in government bonds, whose issue had begun in 1974 but which had all but vanished from the market in 1977 and 1978. These bonds became more attractive to investors after a number of their basic features were modified in September 1979, with the result that their liquidity and yield were substantially increased. Thus, their periods of maturity, which used to be 2, 4 and 6 months, were shortened to 15, 30, 60 and 90 days, and it was decided that the interest payable at the time of their repurchase, if this occurred prior to the date of maturity, would be proportional to the time they had been held, whereas before a 2% penalty had been imposed.

During 1979 there was also a sharp increase in funds collected through the sale of securities which can be traded for exchange certificates.^{7/} On the other hand, for the second year running there was a decline in the total value of exchange certificates held by the public. These certificates were established in 1977 to moderate and defer the issue of means of payment generated by the purchase by the Banco de la República of the exceptional amount of foreign currency brought in by the coffee boom, and that year they did more to restrict the monetary base than any other factor (see table 22).

Thus, in spite of the extraordinary expansion of international reserves and as a consequence of the increased net deposits by the public sector, the expansion of operations on the open market, and the fact that for the first time the net transactions of the Banco de la República with promotion bodies had a restrictive effect, the authorities managed to reduce the growth rate of the monetary base for the third successive year, so that this base, which had grown by about 40% in 1976 and 1977 and by 35% in 1978, increased by only 30% between the end of 1978 and December 1979 - a rate which was nearly equal to the growth rate of prices during this period (see tables 17 and 22).

^{7/} However, some of this increase was due to the fact that commercial banks and financial corporations were authorized to make investments in these securities with part of the reserves they are required to keep in order to back up their time deposit certificates.

As in past years, the efforts made to limit the growth of the monetary base were supplemented by measures designed to reduce the secondary expansion of money. For this purpose, the requirement laid down in February 1977 that marginal cash reserves of 100% must be maintained for increases in sight and time deposits was kept in being, and higher percentages of cash reserves were demanded in respect of other liabilities of financial institutions. In practice, these measures led to a rise from 20% to 25% for the bank reserves on time-deposit certificates, while the reserves of financial corporations in respect of all types of deposits rose by a similar amount.^{8/} Moreover, stricter and more detailed rules were adopted regarding the accounting and control aspects of all transactions for which reserves are required, and the penalties on banks, financial corporations and savings and the housing entities for every day during which the reserves fall below the legal minimum were made more severe. In addition, the proportion of their receipts which the financial intermediaries are required to spend on the acquisition of investment bonds issued by the Banco de la República was increased from 20% to 25%, and finally, in February the deposits of State-owned entities in time and savings accounts in banks and financial corporations were transferred to the Banco de la República.^{9/}

As a result of these and other measures, the monetary multiplier was lower for the fourth consecutive year, so that the growth rate of the means of payment (24%) was once again a good deal lower than the growth rate of the monetary base (30%). During the year, the growth rates of quasi-money and the extended money supply also dropped (see table 23). The increment in the extended money supply was also lower in 1979 than the rise in prices, which was the increase of what had happened the previous year, when this money supply grew almost twice as fast as consumer prices.

^{8/} However, private banks were allowed to invest all these reserves in securities which can be converted into exchange certificates, while corporations were allowed to invest 40% of their reserves in these securities and the remaining 60% in bonds issued by the Agricultural Finance Fund.

^{9/} At the request of these entities, the funds transferred may be invested in economic development bonds, exchange certificates and agro-industrial bonds.

/In addition

In addition to the measures adopted to moderate the increase in the means of payment, in 1979 the monetary authorities also took a number of decisions in connexion with interest rates with a view to reducing their spread and strengthening the development funds of the Banco de la República.

Thus, throughout the year, the rates paid by banks, corporations and financial intermediaries on time deposits were all brought to the same level of 23%, while the rates charged by all such institutions on loans of their resources were set at 27%. This measure was also aimed at making this type of savings more competitive with the financial transactions effected outside banking circles, where very high interest rates are demanded and paid. Moreover, as already noted, the annual interest payable on bonds which can be traded for exchange certificates was raised from 9% to 14%.

With a view to giving the development funds of the Banco de la República more stability and independence, this Bank issued agro-industrial bonds with a total value of 5 billion pesos, 4,300 million pesos of which had been subscribed by the end of the year. To strengthen the Agricultural Finance Fund, in February the rediscount rates applicable to loans to the stock-raising sector were raised from 7% to 12.65% in the case of loans for less than 700,000 pesos and to 14.4% for amounts between that figure and 2.2 million pesos. At the same time the interest rates paid to those making use of such loans were raised from 10% to 15% in the first case and from 10% to 17% in the second. Similarly, the interest rate on credits which can be rediscounted in the agricultural fund and are granted for the cultivation of cotton and sugar cane was raised to 18%, while the interest on credits to promote the planting of crops with short growing seasons, tubers, fruit trees, sugar cane for the production of coarse sugar, tobacco, bananas and permanent pastures was raised from 12% to 17%. The rates applicable to loans to finance agricultural infrastructure investments and to those for the purchase of equipment were likewise raised, from 12% and 15% to 18%, while the interest rate on credits for the promotion of meat and dairy cattle farming rose from 13% to 17%. During the year the interest and rediscount rates on loans to promote the cultivation of semi-annual crops, such as sesame, cotton, rice, barley, beans, maize, potatoes, sorghum, soya and wheat, were also raised. However, the policy of readjusting the interest rates payable on

/credits granted

credits granted to the agricultural sector did not affect subsistence farming and reafforestation, and the interest rates on loans for those activities remained at 8% and 12%, respectively.

Interest on industrial credits for medium-sized and small enterprises in cities with less than 1 million inhabitants also rose, from 19% to 22%, while the rates on loans for enterprises in cities with larger populations rose from 22% to 24%.

The decisions designed to strengthen the financial funds of the Banco de la República also applied to the funds for electricity development, export promotion and industrial development. As regards the industrial sector, the financial capacity of the Institute for Industrial Promotion (IFI) was strengthened through the use of the so-called "limbo capital", (profits generated by foreign-owned enterprises which may not be reinvested or remitted abroad).^{10/} For this purpose, an order was made that the National Planning Department can approve the use of such profits as foreign investments if their recipients set aside at least 50% of them for the purchase, within a given period, of IFI bonds. This measure opened the way for the productive use of capital which had previously been frozen, and it is hoped that this will increase the financial capacity of IFI by nearly 1,300 million pesos.

In addition, substantial changes were introduced in the constant value system, with a view to restoring its competitive position vis-à-vis other systems of savings. With this in mind, the monetary correction was raised to 19% (1 point higher than before), the interest on sight deposits in savings accounts to 5% (also one point higher) and the interest on 6-month deposits to 6% (likewise one point higher). At the same time, the interest charged on loans by corporations for construction was set at 9% and that on loans for the purchase of housing at 7.5%. It was also decided that the corporations should invest 90% of their holdings in loans of those types, and the amount of each individual credit granted was limited to 10,000 constant-value units. With the aim of democratizing the credit granted by such institutions and ensuring

^{10/} This capital derives from the application of the rules contained in Decision 103 of the Cartagena Agreement, which lays down that not more than 20% of the net profits may be remitted abroad and that not more than 7% of such profits may be reinvested.

that it is applied to housing projects, 50% of such placements must take the form of individual loans not exceeding 5,000 constant-value units, and at least half of these loans must not exceed 2,000 constant-value units. With the same end in mind, the Territorial Credit Institute was authorized to issue 10-year bonds for a total of 1 billion pesos, the yield from which must be used for the construction of low-cost housing.

(b) Fiscal policy

Preliminary information on the Government's financial performance indicates that in 1979 the restrictive effect of fiscal policy diminished, since total expenditure increased by over 39%, while current income rose by little more than 36%. As a result, the fiscal surplus fell marginally in nominal values but by more than 20% in real terms (see table 24).

In contrast with what happened in 1978, when current income rose much faster than the gross domestic product at current prices, in 1979 the relative growth of both indicators was very similar. This was primarily due to the reduction in the growth rate of revenues from sales taxes and custom duties as a result of the prolonged strike of employees of the Ministry of Finance. The yield from gasoline taxes rose markedly, however, as did the income derived from the special foreign exchange account owing to the increase in the interest obtained on the time deposits maintained by the Government abroad.

On the expenditure side, current expenditure rose by more than 44% - almost twice as fast as investment expenditure. Indeed, the nominal increase in the latter was probably only enough to compensate for the effect of inflation.^{11/} The real effects were also reduced by the fact that there was a disproportionate concentration of investment expenditure in the last months of the year.^{12/}

^{11/} Unfortunately, no price index suitable for deflating the Government's investment was available. In nominal terms, such investment increased by 23.7% - slightly less than the 24.8% increase in the consumer price index.

^{12/} In fact, 26% of the investment expenditure was concentrated in the last two months of the year.

/Finally, another

Finally, another important change was that which took place in connexion with the external financing of the Government. Unlike the previous four years, when the Government reduced its foreign indebtedness, in 1979 the income of the Government was increased by external credit obtained from the foreign banking system (see table 24).

Table 1

COLOMBIA: MAIN ECONOMIC INDICATORS

	1974	1975	1976	1977	1978	1979(a)
A. Basic economic indicators						
Gross domestic product at factor cost (millions of dollars at 1970 prices)	14 673	15 299	15 939	16 687	18 156	19 110
Population (millions of inhabitants)	23.3	23.8	24.4	25.0	25.6	26.2
Per capita gross domestic product (dollars at 1970 prices)	630	642	653	667	709	728
B. Short-run economic indicators						
<u>Growth rates</u>						
Gross domestic product at factor cost	6.5	4.3	4.2	4.7	8.8	5.3
Per capita gross domestic product	4.1	1.9	1.7	2.2	6.2	2.7
Gross income (b)	5.0	1.8	9.1	8.7	6.7	3.8
Terms of trade (goods)	-9.4	-15.0	44.9	44.8	-21.6	-15.9
Current value of exports of goods and services	20.4	16.3	28.8	22.8	16.1	23.4
Current value of imports of goods and services	45.6	-2.1	14.5	18.9	31.0	16.1
Consumer price index (c)						
December - December	26.9	17.9	25.9	29.3	17.8	29.8
Variation between annual averages	15.2	12.3	14.3	22.3	9.4	17.0
Money	19.6	27.8	34.7	30.4	30.3	24.3
Wages and salaries (d)	-5.3	-2.2	2.4	-5.6	11.4	7.8
Rate of unemployment (e)	...	...	10.3	9.3	8.5	8.8
Current income of government	29.4	46.5	27.0	29.9	32.6	36.3
Total expenditure of government	25.9	35.6	12.6	29.9	35.0	39.3
Fiscal deficit/total expenditure of government (f)	9.5	2.3	10.2(g)	10.1(g)	7.8(g)	5.5(g)
<u>Millions of dollars</u>						
C. External sector						
Trade balance (goods and services)	-210	139	471	669	362	715
Balance on current account	-382	-97	205	448	160	524
Variation in net international reserves	-95	112	627	586	528	1 262
External debt (h)	2 272	2 540	2 636	2 842	2 962	3 440

Source: CEPAL, on the basis of official data.

(a) Preliminary figures.

(b) Gross domestic product plus terms-of-trade effect.

(c) National index for manual workers.

(d) Real wages of manual workers in manufacturing.

(e) Annual average rate for Bogotá.

(f) Percentage.

(g) Surplus.

(h) Total disbursed Public and State-guaranteed external debt.

Table 2

COLOMBIA: TOTAL SUPPLY AND DEMAND

	Billions of pesos at 1970 prices			Percentage breakdown		Growth rates		
	1977	1978(a)	1979(a)	1970	1979(a)	1977	1978(a)	1979(a)
Total supply	218.3	240.6	252.7	115.8	114.8	5.3	10.2	5.0
Gross domestic product at market prices	192.1	209.0	220.1	100.0	100.0	4.8(b)	8.8	5.3
Imports of goods and services (c)	26.2	31.6	32.6	15.8	14.8	9.0	20.7	3.3
Total demand	218.3	240.6	252.7	115.8	114.8	5.3	10.2	5.0
Domestic demand	196.9	213.7	219.4	101.6	99.7	8.2	8.6	2.6
Gross domestic investment	43.3	...	...	22.0	...	17.7	...	...
Gross fixed investment	36.0	...	...	20.3	...	9.8	...	...
Construction	15.4	...	...	10.6	...	7.3	...	...
Machinery	20.6	...	...	9.7	...	11.8	...	...
Changes in stocks	7.3	...	...	1.7	...	-	...	...
Total consumption (d)	153.6	...	...	79.6	...	5.7	...	...
General government	14.0	...	...	7.6	...	3.6	...	...
Private	139.6	...	...	72.0	...	6.0	...	...
Exports of goods and services (c)	21.4	26.9	33.3	14.2	15.1	-15.3	25.6	24.1

Source: 1970-1977: Banco de la República; 1978 and 1979: CEPAL estimates on the basis of official data.

- (a) Preliminary figures.
 (b) The difference between this rate and that shown in tables 1 and 3 is due to the fact that they involve different concepts of the product, factor cost being used in the two tables in question and market prices in the present table.
 (c) The figures for exports and imports of goods and services were taken from balance-of-payments data expressed in dollars at current prices, which were converted to constant 1970 values using price indexes calculated by CEPAL for the purpose.
 (d) Changes in stocks are included in current consumption.

Table 3

COLOMBIA: GROSS DOMESTIC PRODUCT, BY KIND OF ECONOMIC ACTIVITY, AT FACTOR COST

	Billions of pesos at 1970 prices			Percentage breakdown		Growth rates		
	1977	1978	1979(a)	1970	1979(a)	1977	1978	1979(a)
Agriculture, forestry, hunting and fishing	46.0	50.2	52.6	28.6	25.8	2.5	9.0	4.8
Mining	2.1	2.2	2.1	2.1	1.0	-3.8	4.4	-1.5
Manufacturing	33.4	36.2	38.3	17.5	18.8	4.2	8.4	5.8
Construction	7.1	7.2	6.9	5.5	3.4	5.7	1.9	-4.0
Subtotal goods	88.6	95.7	99.9	53.7	49.0	3.3	8.1	4.4
Electricity, gas and water	3.1	3.4	3.6	1.5	1.8	2.3	8.1	6.5
Transport, storage and communications	16.2	18.1	19.1	7.4	9.4	7.4	12.1	5.3
Subtotal basic services	19.3	21.5	22.7	8.9	11.2	6.5	11.5	5.5
Commerce and finance	33.7	37.7	40.1	17.3	19.6	6.3	11.8	6.5
Real estate (b)	10.3	11.0	41.4	5.6	20.2	5.8	6.7	6.1
Community, social and personal services (c)	26.4	28.0		14.5		5.9	6.2	
Subtotal other services	70.3	76.7	81.5	37.4	39.8	6.1	9.0	6.3
Total gross domestic product	178.2	193.9	204.1	100.0	100.0	4.7	8.8	5.3

Source: 1970-1978: CEPAL calculations on the basis of figures supplied by the Banco de la República; 1979: CEPAL estimates.

- (a) Preliminary figures.
 (b) Refers to ownership of dwellings only.
 (c) Also includes restaurants, hotels and business services.

Table 4

COLOMBIA: INDICATORS OF AGRICULTURAL PRODUCTION

	1976	1977	1978	1979(a)	Growth rates			
					1976	1977	1978	1979(a)
<u>Index of agricultural production (1970=100)</u>	132.2	135.2	147.1	151.0	2.0	2.3	8.8	4.5
Crop farming	134.1	139.2	152.1	158.3	2.4	3.8	9.3	5.1
Stock-raising	135.5	137.2	144.2	150.6	4.2	1.2	5.1	4.5
<u>Production of the main crops(b)</u>								
(thousands of tons)								
Rice	1 560	1 307	1 715	1 932	-3.3	-16.2	31.2	12.7
Maize	884	753	862	870	22.3	-14.3	14.5	0.9
Sorghum	428	406	517	472	27.7	-5.1	27.3	-8.7
Wheat	45	39	38	38	16.4	-13.3	-2.6	-
Raw cotton	409	480	330	281	1.9	17.4	-31.3	-14.8
Sesame	20	13	14	21	-1.9	-35.0	7.7	50.0
Soya	75	103	131	137	-55.5	37.3	27.2	4.6
African palm (c)(d)	39	43	49	62	...	10.3	14.0	26.5
Common beans	64	72	75	73	2.3	12.5	4.2	-2.7
Potatoes	1 516	1 609	1 995	2 066	14.8	6.1	24.0	3.6
Yuca (c)	1 846	1 973	2 044	2 081	-8.7	6.9	3.6	1.8
Refined cane sugar (c)	935	854	1 026	1 113	-3.6	-8.7	20.1	8.5
Unrefined cane sugar (panela) (c)	834	838	912	936	3.5	0.5	8.8	2.6
Coffee (e)	470	532	618	648	-5.9	13.2	16.1	4.9
Bananas (c)	522	593	719	802	-6.7	13.6	21.2	11.5
Tobacco (c)	39	58	46(a)	68	-31.6	48.7	-20.6	47.8
<u>Stock-raising production</u>								
(thousands of head of cattle)								
Number of livestock (f)	28 838	29 640	30 808	31 677	2.8	2.8	3.9	2.8
Number of animals slaughtered	2 511	2 329	2 480	2 698	6.9	-7.3	6.5	4.2
Total production (g)	4 503	4 346	4 553	4 971	6.4	-3.5	4.7	9.2

Source: CEPAL, on the basis of data supplied by the Ministry of Agriculture, the Banco de la República and the National Federation of Coffee-Growers.

- (a) Preliminary figures.
 (b) Agricultural year.
 (c) Calendar year.
 (d) Production of oil pulp.
 (e) Coffee-growing year, 1 September to 31 August.
 (f) Stock at the beginning of the year, plus calves born during the year.
 (g) Includes slaughtering, registered live exports, deaths, and non-registered slaughtering.

Table 5

COLOMBIA: INDICATORS OF MINING PRODUCTION

	1976	1977	1978	1979(a)	Growth rates			
					1976	1977	1978	1979(a)
Petroleum (b)	53.4	50.2	47.7	45.3	-6.7	-6.8	-5.0	-4.2
Iron ore (c)	497.8	459.9	453.5	378.0	-7.4	-7.6	-1.4	-16.6
Gold (d)	300.3	263.4	257.6	265.6	-3.5	-12.2	-2.2	3.1
Silver (d)	106.8	91.4	83.4	99.3	21.8	-14.4	-8.7	19.1
Platinum (d)	16.8	17.3	14.9	12.9	-24.1	3.2	-13.9	-13.4
Salt (e)	1 111.6	922.3	950.6	...	20.0	-17.0	3.1	...

Source: CEPAL, on the basis of data supplied by the Ministry of Mining and Energy and the Banco de la República.

- (a) Preliminary figures.
 (b) Millions of 42-gallon barrels.
 (c) Thousands of tons.
 (d) Thousands of troy ounces.
 (e) Tons.

Table 6

COLOMBIA: INDICATORS OF MANUFACTURING PRODUCTION AND GENERATION OF ELECTRICITY

	Thousands of tons				Growth rates			
	1976	1977	1978	1979(a)	1976	1977	1978	1979
Sugar	936	872	1 027	1 083	-3.5	-6.8	17.8	5.4
Cement	3 612	3 298	4 152	4 312	10.9	-8.7	25.9	3.9
Steel ingots	252	209	265	234	-4.9	-17.1	26.8	-11.7
Metallurgical coke	266	210	244	221	40.7	-21.1	16.2	-9.4
Caustic soda	56	36	32	24	-3.4	-35.7	-11.5	-25.0
Carbonates	149	141	167	133	-15.3	-5.4	18.4	-20.4
Motor vehicles (b)	36.4(c)	37.0	44.5	48.8	29.1	1.5	20.3	9.7
Motor cars	25.1	28.1	32.3	32.8	20.8	18.9	15.1	1.7
Chassis	9.5	8.9	12.2	16.0	46.5	-6.0	36.7	31.1
Petroleum products (d)	59	60	57	57	2.4	2.2	-5.0	-
Consumption of electricity by industry (millions of KWH)	3 663	3 730	4 146	4 158(e)	12.7	1.8	11.1	6.2
Total amount of electricity generated (millions of KWH)	13 598	13 424	13 104	14 967	11.1	-1.3	-2.4	14.2

Source: CEPAL, on the basis of data supplied by the Banco de la República and the National Bureau of Statistics (DANE).

(a) Preliminary figures.

(b) Thousands of units.

(c) The total does not correspond to the sum of the parts because the latter does not include the assembly of 1 853 utility vehicles.

(d) Billions of barrels.

(e) Excluding consumption in Cartagena.

Table 7

COLOMBIA: CONSTRUCTION PERMITS APPROVED

	Thousands of square metres				Growth rates			
	1976	1977	1978	1979(a)	1976	1977	1978	1979(a)
Total area	5 128	6 404	7 126	...	5.9	24.9	11.3	...
Ten principal cities	3 928	4 663	5 493	4 546	4.8	18.7	17.8	-15.9
Bogotá	1 944	2 422	2 457	1 991	-7.6	24.6	1.4	-19.0
Barranquilla	326	333	460	345	38.1	2.1	38.1	-25.0
Bucaramanga	171	203	261	210	-29.9	18.7	28.6	-19.5
Cali	606	519	716	724	31.5	-14.4	38.0	1.1
Cartagena	100	125	67	85	66.7	25.0	-46.4	26.9
Cúcuta	72	94	154	75	6.5	30.6	63.8	-51.3
Manizales	98	146	255	237	-12.6	50.5	74.6	-7.0
Medellín	511	673	1 009	697	42.3	31.7	49.9	-30.9
Neiva	8	56	39	121	-82.4	600.0	-30.4	210.3
Pasto	93	91	74	58	63.1	-2.2	-18.7	-21.6
46 other cities	1 200	1 741	1 633	...	9.3	45.0	-6.2	...
Total area of new housing	3 928	5 011	5 941	...	8.0	27.6	18.6	...
Ten principal cities	3 029	3 584	4 695	3 584	8.8	18.3	31.0	-23.7
Bogotá	1 547	1 852	2 176	1 496	4.3	19.7	17.5	-31.3
Barranquilla	241	230	417	243	87.5	-4.2	81.3	-41.2
Bucaramanga	145	173	212	185	-35.0	19.3	22.5	-12.7
Cali	463	424	619	656	42.9	-8.4	46.0	6.0
Cartagena	48	84	51	61	45.5	75.0	-39.3	19.6
Cúcuta	55	57	125	58	23.9	3.6	119.3	-53.6
Manizales	92	138	220	192	-7.1	51.6	59.4	-12.7
Medellín	376	514	784	539	54.7	36.7	52.5	-31.3
Neiva	8	50	24	110	-71.4	525.0	-52.0	358.3
Pasto	55	62	67	44	17.2	12.7	8.1	34.3
46 other cities	899	1 428	1 247	...	5.4	58.8	-12.7	...

Source: CEPAL, on the basis of data supplied by the National Bureau of Statistics (DANE).

(a) Preliminary figures.

Table 8

COLOMBIA: EVOLUTION OF EMPLOYMENT AND UNEMPLOYMENT

	1976(a)	1977(a)	1978				1979			
			April	June (b)	September	December	March	June	September	December
<u>Rates of unemployment</u>	10.3	9.3	9.7	7.6	8.2	8.4	9.2	8.5	8.9	8.6
Bogotá	8.7	7.6	8.2	7.4	6.7	6.3	6.5	6.1	7.5	6.3
Barranquilla	10.8	8.8	9.0	...	6.9	7.1	8.6	6.2	5.8	4.5
Medellín	13.3	13.3	12.7	...	12.4	12.9	15.6	13.9	12.6	15.4
Cali	11.2	10.5	10.6	...	9.1	9.6	11.8	10.4	11.0	9.6
Bucaramanga	...	...	6.2	...	6.5	...	6.2	...	5.8	...
Manizales	...	...	8.8	...	6.0	...	6.1	...	9.5	...
Pasto	...	...	11.9	...	10.0	...	9.2	...	10.5	...
<u>Rates of underemployment</u>	16.6	4.0	14.6	12.5	13.3	16.5	13.0	10.2	14.7	14.7
<u>Rates of participation</u>	36.1	36.4	36.7	34.3	37.6	37.5	37.9	38.1	38.8	40.2
Bogotá	36.7	36.6	36.8	39.3	37.9	38.8	38.5	37.9	39.3	40.3
Barranquilla	34.5	32.4	33.7	...	33.2	37.0	32.8	33.5	32.8	32.7
Medellín	34.6	36.5	37.6	...	37.8	40.2	39.7	39.5	39.7	40.7
Cali	37.0	38.2	38.5	...	40.4	33.7	39.7	40.0	42.1	44.2
Bucaramanga	...	...	36.5	...	35.8	...	33.7	...	35.3	...
Manizales	...	...	31.6	...	33.8	...	32.3	...	35.3	...
Pasto	...	...	37.1	...	39.0	...	36.7	...	38.1	...

Source: CEPAL, on the basis of data supplied by the National Bureau of Statistics (DANE).

(a) Annual averages.

(b) Data for the whole country.

Table 9

COLOMBIA: MAIN FOREIGN TRADE INDICATORS

	1974	1975	1976	1977	1978	1979
<u>Growth rates</u>						
<u>Exports of goods</u>						
Value	18.4	16.8	29.1	21.0	18.1	26.1
Volume	-1.3	24.0	-11.9	-24.1	38.2	32.7
Unit value	19.9	-5.8	46.6	59.4	-14.5	-5.0
<u>Imports of goods</u>						
Value	53.8	-5.7	16.9	18.9	39.1	18.0
Volume	16.1	-15.0	15.6	8.0	27.6	4.5
Unit value	32.4	10.9	1.1	10.0	9.0	12.9
<u>Terms of trade</u>	-9.4	-15.0	44.9	44.8	-21.6	-15.9
<u>Indexes (1970 = 100)</u>						
Terms of trade	101.1	85.9	124.5	180.4	141.5	119.0
Purchasing power of exports of goods	120.5	127.0	162.1	178.2	193.1	215.5
Purchasing power of exports of goods and services	123.7	130.6	162.4	182.5	194.9	214.4

Source: CEPAL, on the basis of official data.

Table 10

COLOMBIA: INDICATORS OF COFFEE EXPORTS

	Average international price (dollars per pound)	Volume exported (thousands of 60 kg bags)	Export receipts (a) (millions of dollars)
1974	0.78	6 906	543
1975	0.81	8 175	635
1976	1.58	6 290	918
1977	2.40	5 324	1 447
1978	1.85	9 034	1 703
1979	1.83	11 067	1 774
1979			
January	1.66	929	149
February	1.39	1 063	75
March	1.35	1 165	46
April	1.42	680	141
May	1.53	867	169
June	1.97	939	146
July	2.11	952	101
August	2.09	1 003	137
September	2.21	875	177
October	2.14	1 037	178
November	2.11	761	207
December	1.98	794	243

Source: CEPAL, on the basis of data supplied by the Banco de la República.

(a) Foreign currency earnings from coffee exports changed in the Banco de la República.

Table 11

COLOMBIA: EXPORTS OF GOODS, FOB

	Millions of dollars				Percentage breakdown		Growth rates		
	1976	1977	1978	1979(a)	1970	1979(a)	1977	1978	1979(a)
Agricultural	1 311	1 838	2 326	2 339	81.0	66.2	40.2	26.6	0.5
Coffee	996	1 513	2 012	2 005	68.4	56.8	51.9	33.0	-0.3
Beef	26	34	49	31	1.5	0.9	30.8	44.1	-36.7
Live cattle	39	22	15	6	2.3	0.1	-43.6	-31.8	-60.0
Frozen shrimps	16	13	13	19	...	0.5	-18.7	-	46.1
Tobacco	27	24	27	25	1.1	0.7	-11.5	12.5	-7.4
Flowers	27	39	53	79	...	2.2	44.4	35.9	49.1
Beans	6	19	6	6	...	0.1	216.7	-68.4	-
Uncarded cotton	91	117	73	52	5.1	1.5	28.6	-35.9	-28.8
Milled rice	42	-	3	32	...	0.9	-	-	-
Bananas	41	57	75	84	2.6	2.4	39.0	31.6	12.0
Industrial	208	172	230	346	4.4	9.8	-16.7	33.7	50.4
Raw sugar	22	-	21	47	2.1	1.3	-100.0	-	123.8
Cement (common and Portland)	35	27	36	58	0.6	1.6	-22.7	40.7	52.6
Cotton yarn	31	29	29	36	0.5	1.0	-6.5	-	24.1
Corrugated cardboard boxes	26	29	26	31	0.9	0.9	11.5	-10.3	19.2
Cotton textiles	42	22	28	36	0.3	1.0	-46.7	27.3	28.6
Outerwear	29	35	49	91	...	2.6	20.7	40.0	85.7
Leather goods	9	17	20	20	...	0.6	88.9	23.5	-
Medicaments	8	6	6	7	...	0.2	-25.0	-	16.7
Books	6	7	13	20	...	0.6	16.7	85.7	53.8
Others	367	445	533	847	14.6	24.0	21.2	19.8	58.9
Total	1 886	2 455	3 089	3 532	100.0	100.0	30.2	25.8	14.3
Adjustments due to changes (b)	-92	-143	-147	-168					
Total, adjusted	1 794	2 312	2 942	3 364			28.9	27.2	14.4
Total, adjusted, excluding coffee	778	800	915	1 339			2.8	14.4	46.4

Source: CEPAL, on the basis of data supplied by the Colombian Foreign Trade Institute (INCOMEX).

(a) Preliminary figures.

(b) Permits issued but not taken up by exporters.

Table 12

COLOMBIA: EVOLUTION OF EXCHANGE RATE AND PRICES

	Indexes (1975 = 100)					
	Exchange rate	Index of	Wholesale	Index of	Wholesale	Index of
	(pesos per dollar)	nominal	price	real	price	adjusted
	(a)	exchange rate	index for Colombia	exchange rate (2)/(3)	index for United States	real exchange rate (4) X (5) (6)
	(1)	(2)	(3)	(4)	(5)	(6)
1975	30.93	100.0	100.0	100.0	100.0	100.0
1976	34.70	112.1	122.9	91.3	104.6	95.5
1977	36.78	118.9	155.7	76.4	111.0	84.8
1978	39.10	126.4	183.2	69.0	119.7	82.6
1979	42.55	137.6	234.1	59.3	134.7	79.9
December 1978	40.81	131.9	199.1	66.2	124.3	82.3
1979						
January	41.14	133.0	206.6	64.4	126.2	81.2
February	41.43	133.9	211.4	63.3	128.6	81.4
March	41.79	135.1	217.2	62.2	129.4	80.5
April	42.21	136.5	222.9	61.2	131.3	80.4
May	42.56	137.6	228.9	60.1	133.4	79.6
June	42.69	138.0	232.9	59.3	133.3	79.0
July	42.74	138.2	237.6	58.2	135.3	78.7
August	42.79	138.3	243.9	56.7	136.1	77.2
September	42.90	138.7	247.3	56.1	138.2	77.5
October	43.14	139.5	250.6	55.7	140.2	78.1
November	43.37	140.3	253.7	55.3	141.2	78.1
December	43.80	141.6	256.7	55.2	142.8	78.8

Source: CEPAL, on the basis of data supplied by the Banco de la República.

(a) Average for the period.

Table 13

COLOMBIA: IMPORTS OF GOODS, FOB

	Millions of dollars				Percentage breakdown		Growth rates		
	1976	1977	1978	1979(a)	1970	1979(a)	1977	1978	1979(a)
Consumer goods	221	380	298	536	10.6	11.6	71.4	-21.6	80.0
Non-durable	125	214	198	251	4.9	5.4	71.3	-7.3	26.8
Durable	96	165	99	284	5.7	6.2	71.6	-39.8	186.9
Intermediate goods	985	1 369	1 640	2 384	41.2	51.5	39.1	19.8	45.4
Petroleum and fuels	156	251	383	665	0.4	14.4	61.4	52.6	73.6
For agriculture	24	99	89	110	1.2	2.4	306.3	-10.1	23.6
For industry	804	1 019	1 168	1 609	39.6	34.7	26.7	14.6	37.8
Capital goods	785	912	1 457	1 669	47.4	36.0	16.2	59.8	14.6
Building materials	40	36	35	104	3.0	2.2	-11.6	-2.8	197.1
For agriculture	30	58	107	62	1.2	1.3	94.3	84.4	-42.1
For industry	419	539	704	958	25.7	20.7	28.6	30.6	36.1
Transport equipment	296	279	611	545	15.3	11.8	-5.5	119.0	-10.8
Total (b)	1 991	2 666	3 413	4 630	100.0	100.0	33.9	28.0	35.7

Source: CEPAL, on the basis of data supplied by the Colombian Foreign Trade Institute (INCOMEX) and the Banco de la República.

(a) Preliminary figures.

(b) Owing to the diversity of the sources used, the figures differ from those for the balance of payments.

Table 14

COLOMBIA: BALANCE OF PAYMENTS
(Millions of dollars)

	1974	1975	1976	1977	1978	1979(a)
Current account						
Exports of goods and services	1 881	2 187	2 816	3 457	4 013	4 952
Goods FOB (b)	1 495	1 746	2 255	2 727	3 221	4 062
Services	386	441	561	730	792	890
Transport	177	175	261	291	309	340
Travel	128	164	188	245	296	345
Imports of goods and services	2 091	2 048	2 345	2 788	3 651	4 237
Goods FOB (b)	1 510	1 424	1 665	1 979	2 753	3 248
Services	581	624	680	809	898	989
Transport	260	277	329	383	430	485
Travel	147	154	174	200	228	241
Net payments of profits and interest on foreign capital	-191	-262	-313	-273	-260	-244
Profits	-55	-68	-109	-86	-114	-103
Interest	-136	-194	-204	-187	-146	-141
Net private transfer payments	19	26	47	52	58	53
Balance on current account	-382	-97	205	448	160	524
Capital account						
Net external financing (a+b+c+d+e)	382	97	-205	-448	-160	-524
a) Long-term capital	231	296	101	231	40	902
Direct investment (net)	41	40	25	64	75	124
Private sector	104	84	72	157	-23	383
Loans	254	260	239	333	}	468
Amortizations payments	-144	-171	-155	-155		-85
Other liabilities and assets (net)	-6	-5	-12	-21	-15	...
Official sector	76	149	-6	-3	-36	395
Loans	196	205	58	75	110	802
Amortization payments	-113	-50	-59	-77	-131	-407
Other liabilities and assets (net)	-7	-6	-5	-1	-15	...
Monetary authorities (net)	10	23	10	13	24	...
b) Short-term capital (net)	24	-104	308	-99	322	-188
Private sector	25	-95	72	-253	154	147
Official sector	-	-	-	-	-	-
Monetary authorities	18	-18	21	-4	33	47
Errors and omissions	-19	9	215	158	135	-382
c) Allocations of Special Drawing Rights (SDRs)	-	-	-	-	-	24
d) Official transfer payments (net)	32	17	13	6	6	...
e) International reserves (minus sign indicates an increase)	95	-112	-627	-586	-528	-1 262
Use made of IMF credit	-	-	-	-	-	...
Other liabilities	6	-4	6	-	-	...
Monetary gold	-	-29	-13	-13	-56	...
Special Drawing Rights	-1	5	-5	-1	-15	...
IMF reserve position	-	-	-7	-37	9	...
Foreign exchange and other assets	90	-84	-608	-535	-466	...

Source: 1974-1978: International Monetary Fund, *Balance of Payments Yearbook*, vol.30; 1979: CEPAL, on the basis of official data.

(a) Preliminary figures

(b) Including non-monetary gold.

Table 15

COLOMBIA: GROSS INTERNATIONAL RESERVES
(Millions of dollars)

	1975	1976	1977	1978	1979(a)
January	418	602	1 262	1 857	2 598
February	391	630	1 347	1 929	2 654
March	386	627	1 468	1 978	2 659
April	351	689	1 606	2 030	2 812
May	350	722	1 675	2 076	2 927
June	396	813	1 583	2 112	3 401
July	378	831	1 707	2 122	3 472
August	413	873	1 739	2 140	3 563
September	405	857	1 736	2 144	3 629
October	411	918	1 735	2 242	3 743
November	489	1 039	1 783	2 356	3 872
December	533	1 172	1 836	2 493	4 113

Source: CEPAL, on the basis of data supplied by the Banco de la República.

(a) Preliminary figures.

Table 16

COLOMBIA: INDICATORS OF EXTERNAL INDEBTEDNESS
(Millions of dollars)

	1974	1975	1976	1977	1978	1979(a)
Public and State-guaranteed debt:						
Total outstanding debt (b)	2 272	2 540	2 636	2 842	2 962	3 440
Balance not yet taken up (c)	710	649	966	1 105	1 550	1 811
Servicing of debt:	320	270	237	325	401	452
Payments of interest and commission	101	118	113	140	164	138
Amortization payments	219	169	124	185	237	314
Servicing of debt as a percentage of exports of goods and services (d)	17.0	12.3	8.4	9.4	10.0	9.1

Source: CEPAL, on the basis of data supplied by the Banco de la República.

(a) Preliminary figures.

(b) Outstanding balance.

(c) Undisbursed balance of contracted debts.

(d) Percentage.

Table 17

COLOMBIA: EVOLUTION OF DOMESTIC PRICES
(Percentages)

	1974	1975	1976	1977	1978	1979
<u>Variation December - December</u>						
<u>Consumer price index (a)</u>						
<u>Total, for manual workers</u>	26.9	17.9	25.9	29.3	17.8	29.8
Food	30.8	19.7	27.8	35.0	11.9	32.1
Housing	18.1	15.2	22.6	18.9	26.8	27.5
Clothing	24.0	12.9	22.5	22.8	26.8	25.5
Miscellaneous	25.4	16.8	25.1	22.5	27.5	26.9
<u>Total, for non-manual workers</u>	25.2	17.5	25.4	27.5	19.7	26.5
Food	30.3	19.3	28.0	34.4	14.1	32.1
Housing	17.6	16.1	22.3	18.5	23.4	20.8
Clothing	23.2	13.3	22.6	23.7	27.4	25.1
Miscellaneous	22.6	16.5	24.2	20.2	27.3	24.6
<u>Wholesale price index</u>	36.2	19.6	27.3	19.7	21.6	27.4
Imported products	37.9	20.2	14.2	11.7	21.2	20.6
Domestic products	36.8	21.1	35.6	21.8	20.7	28.7
Agricultural products	45.5	25.5	37.8	26.4	21.7	28.3
Manufactures	36.5	17.0	24.0	18.2	19.7	33.3
<u>Residential building cost index</u>						
Whole country	39.3	13.8	18.9	22.3	32.7	30.0
Bogotá	43.1	15.7	18.9	18.6	36.4	29.7
<u>Variation between annual averages</u>						
<u>Consumer price index</u>						
Total, manual workers	25.2	23.6	20.0	34.8	16.7	24.8
Food, manual workers	29.2	27.2	20.2	43.2	12.6	22.7
Total, non-manual workers	23.3	22.1	20.5	31.3	18.9	...

Source: CEPAL, on the basis of data supplied by the national Bureau of Statistics (DANE) and the Banco de la República.

(a) National average.

Table 18

COLOMBIA: EVOLUTION OF CONSUMER PRICES FOR FAMILIES OF MANUAL WORKERS, 1978 AND 1979
(Percentage variations)

	Total index				Food			
	Monthly variation	Accumulated variation	Variation over 12 months		Monthly variation	Accumulated variation	Variation over 12 months	
			1978	1979			1978	1979
January	3.5	3.5	27.6	20.9	4.5	4.5	31.9	16.2
February	1.8	5.3	24.3	21.3	1.5	6.1	27.3	17.6
March	4.1	9.6	23.3	22.3	3.8	10.1	24.6	18.5
April	2.0	11.8	16.5	22.7	3.4	13.8	13.4	20.2
May	2.3	14.4	14.0	22.7	2.1	16.2	9.3	19.2
June	1.8	16.5	13.1	21.9	2.2	18.8	6.9	19.0
July	1.1	17.8	11.4	23.7	-0.8	18.7	4.3	21.0
August	1.9	20.0	12.1	26.1	1.8	20.8	5.0	24.5
September	2.2	22.6	12.6	28.4	2.0	23.2	5.9	27.5
October	1.5	24.5	15.5	27.7	1.8	25.4	9.9	26.9
November	2.7	27.8	17.0	29.2	3.1	29.3	11.2	30.1
December	1.6	29.8	17.8	29.8	2.2	32.1	11.9	32.1

Source: CEPAL, on the basis of data supplied by the National Bureau of Statistics (DANE).

Table 19

COLOMBIA: AVERAGE MINIMUM DAILY LEGAL WAGES
(Averages)

	Pesos				Growth rates of real wages (a)			
	1976	1977	1978	1979	1976	1977	1978	1979
Rural sector (b)	39.0	53.6	71.3	105	-4.7	2.6	13.7	18.7
Urban sector (c)								
High (d)	46.0	62.9	83.3	115	-6.9	4.8	13.1	11.3
Low (e)	42.5	58.8	78.0	105	-7.0	5.9	13.4	8.6

Source: CEPAL, on the basis of data supplied by the Banco de la República and the National Bureau of Statistics (DANE).

- (a) Deflated by the consumer price index for low-income groups (manual workers).
 (b) Crop farming, stock-raising, forestry, hunting and fishing.
 (c) The remaining economic activities.
 (d) In the capital cities of departments and adjacent municipios.
 (e) In the remaining municipios.

Table 20

COLOMBIA: AVERAGE DAILY WAGES IN AGRICULTURE

	Pesos			Growth rates of real wages (b)		
	1977	1978	1979(a)	1977	1978	1979(c)
<u>Crop farming</u>						
Cold (upland) areas						
With food	57.0	75.8	91.7	20.1	13.7	2.3
Without food	87.5	113.5	138.0	12.5	10.9	2.4
Hot (lowland) areas						
With food	66.5	85.5	102.3	18.3	10.1	0.7
Without food	99.3	124.8	147.3	12.1	7.6	-0.9
<u>Stock-raising</u>						
Cold (upland) areas						
With food	56.5	76.5	93.3	16.3	16.0	0.8
Without food	86.5	113.0	138.3	9.7	10.0	1.2
Hot (lowland) areas						
With food	69.3	91.3	108.3	16.6	12.8	-0.3
Without food	102.8	129.8	153.7	11.3	8.1	-0.9

Source: CEPAL, on the basis of data supplied by the National Bureau of Statistics (DANE).

- (a) January-September.
 (b) Obtained by deflating nominal daily wages by the consumer price index for manual workers.
 (c) Variation between the period January-September 1978 and the same period in 1979.

Table 21

COLOMBIA: EVOLUTION OF MONTHLY WAGES AND SALARIES IN MANUFACTURING

	Pesos				Growth rates of real wages			
	1976	1977	1978	1979(a)	1976	1977	1978	1979(b)
Non-manual workers	7 458	9 174	11 407	14 046	-0.3	-6.0	4.1	1.9
Manual workers	3 283	4 169	5 440	7 084	2.4	-5.6	11.4	7.8

Source: CEPAL, on the basis of data supplied by the National Bureau of Statistics (DANE).

- (a) January-October.
 (b) January-October in relation to the same period in 1978.

Table 22

COLOMBIA: MONETARY POSITION OF THE BANCO DE LA REPUBLICA

	End-year balance (millions of pesos)				Growth rates		
	1976	1977	1978	1979(a)	1977	1978	1979
Assets (adjusted) (a)	79 873	123 753	159 912	212 680	54.9	29.2	33.0
Net international reserves	39 945	65 692	94 935	167 282	64.4	44.5	76.2
Net credit to the public sector	6 310	4 037	-237	-23 212	-36.0	...	...
Credit to the public	32 713	52 606	63 474	67 037	60.8	20.7	5.6
Commercial banks	7 318	13 780	13 399	13 677	88.3	-2.8	2.1
Development institutions	22 745	35 218	45 662	48 115	54.8	29.7	5.4
Private sector	2 650	3 608	4 413	5 245	36.2	22.3	18.9
Other assets	905	1 418	1 740	1 573	56.7	22.7	-9.6
Non-monetary liabilities (adjusted) (a)	27 030	49 683	59 631	81 857	83.8	20.0	37.3
Commercial banks	570	420	483	648	-26.3	15.0	34.2
Development institutions	14 030	18 600	25 628	33 514	32.6	37.8	30.8
Private sector	3 009	8 821	10 059	14 107	193.2	14.2	40.2
Advance deposits	912	5 304	5 941	10 138	481.6	12.0	70.6
Swap and other liabilities	1 971	3 678	4 414	546	86.6	20.0	-87.6
Other	126	-161	-296	3 423	...	...	...
Open market operations	4 821	16 057	16 413	24 990	233.1	2.2	52.3
Participation bonds	840	-	-	7 066	...	...	...
Exchangeable bonds	3 981	2 917	3 416	5 759	-26.7	17.1	68.6
Exchange certificates	296	13 140	12 911	12 165	...	-1.8	-5.8
Other liabilities and holdings	4 600	5 786	7 048	8 598	25.8	22.0	22.1
Treasury money	583	747	973	1 173	28.1	30.3	20.6
Monetary base	53 426	74 817	101 254	131 996	40.0	35.3	30.4
Cash	28 943	40 745	53 698	...	40.8	31.8	...
Bank reserves	24 483	34 073	47 556	...	39.2	39.6	...

Source: CEPAL, on the basis of data supplied by the Banco de la República.

(a) All the assets and liabilities accounts wholly or partially involving transactions in foreign currencies have been adjusted to express the difference between the exchange rate at which they were computed in the monetary position and the average rate at which they were acquired.

Table 23

COLOMBIA: EVOLUTION OF THE MEANS OF PAYMENT AND THE MONEY SUPPLY

	End-year balance (billions of pesos)				Growth rates		
	1976	1977	1978	1979(a)	1977	1978	1979(a)
Means of payments	79.4	103.5	134.9	167.6	30.4	30.3	24.3
Quasi-money	46.4	61.4	84.8	112.6	32.4	38.2	32.7
Extended money supply	125.8	164.9	219.7	280.2	31.1	33.3	27.5
Deposits in housing corporations	20.3	24.4	35.0	53.0	32.4	38.2	32.7
UPAC (b)	19.4	22.4	29.8	50.0	15.5	33.0	67.8
Ordinary deposits	6.9	1.9	5.2	3.0	111.1	173.6	-43.4
Savings deposits	16.9	24.2	33.7	46.0	42.9	39.2	36.6
Time deposit certificates	9.1	13.0	16.2	13.6	40.4	26.9	16.1

Source: CEPAL, on the basis of data supplied by the Banco de la República.

(a) Preliminary figures.

(b) Units of constant purchasing power for housing.

Table 24

COLOMBIA: CENTRAL GOVERNMENT INCOME AND EXPENDITURE

	Millions of pesos				Growth rates			
	1976	1977	1978	1979(a)	1976	1977	1979	1979(a)
<u>Current income</u>	<u>48 832</u>	<u>63 417</u>	<u>84 065</u>	<u>114 580</u>	<u>27.0</u>	<u>29.9</u>	<u>32.6</u>	<u>36.3</u>
Tax revenue	47 742	62 172	81 965	84 530(b)	27.4	30.2	31.8	26.9(c)
Income and complementary taxes	20 631	23 938	30 396	30 168(b)	14.2	16.0	27.0	25.1(c)
Sales taxes	10 169	12 552	17 511	17 396(b)	30.3	23.4	39.5	22.0(c)
Customs duties and surcharges	6 806	9 410	13 359	13 177(b)	25.8	38.2	42.0	20.4(c)
Profits on exchange operations	5 500	8 800	10 900	13 800(b)	51.0	60.0	23.9	46.8(c)
Gasoline taxes	3 208	4 464	5 848	6 796(b)	85.9	39.2	31.0	45.5(c)
Others	1 428	3 008	3 951	3 193(b)	63.9	110.6	31.0	-0.4(c)
Non-tax revenue	1 090	1 245	2 100	1 576(b)	11.7	14.2	68.7	-7.5(c)
<u>Current expenditure</u>	<u>32 012</u>	<u>41 374</u>	<u>57 220</u>	<u>82 637</u>	<u>22.3</u>	<u>29.2</u>	<u>38.3</u>	<u>44.4</u>
Surplus on current account	16 819	22 043	27 077	31 943	37.2	31.1	22.8	18.0
Investment	12 315	16 223	20 978	25 955	-6.5	31.7	29.3	23.7
<u>Total expenditure</u>	<u>44 327</u>	<u>57 597</u>	<u>77 966</u>	<u>108 592</u>	<u>12.6</u>	<u>29.9</u>	<u>35.0</u>	<u>39.3</u>
<u>Fiscal deficit (or surplus)</u>	<u>4 505</u>	<u>5 820</u>	<u>6 099</u>	<u>5 988</u>	<u>...</u>	<u>29.2</u>	<u>4.8</u>	<u>-1.8</u>
Financing of deficit								
External credit		-1 631	-2 150	1 391(b)	...	...	...	...
Domestic credit		-4 223	-4 179	-4 749(b)	...	...	...	...
Others		34	230	...	...	...	...	...

Source: CEPAL, on the basis of data supplied by the Banco de la República.

(a) Preliminary figures.

(b) January-October.

(c) Variation between the period January-October 1978 and the same period in 1979.