

## REGIONAL REPORT – COLOMBIA



## Something Good is Happening in Colombia!

*By Ana María Rodríguez*

During the last few weeks I visited my home country Colombia, after more than two years since my last visit. Although I was aware that the situation in the country was much better now, I was truly amazed with the positive changes I found in Colombia! I stayed most of the time in Bogotá and also travelled to towns close to it, and everywhere it was evident that the country is growing, projects are being developed everywhere. This is a complete different situation from the one from past years when the growth of guerrilla blocked the growth of the country. I have to say that something good is happening in Colombia, mainly due to the effort of its president Alvaro Uribe.

Alvaro Uribe was first elected as president of Colombia in 2002; then, the country was covered by fear due to the high levels of violence from guerrillas and paramilitary groups. The economy was having a minimum growth, unemployment was reaching 17% of the population, 10% of the population had emigrated. Very little foreign investment was present in the country, and beautiful places like the Caribbean beaches or the Amazon Jungle have been pulled out of all tourist plans for overseas visitors; Colombian citizens were also scared of travelling through their country. This was all due to the critical security issues and to the very high levels of kidnapping. The national self-esteem was destroyed.

Uribe's main proposal since its presidential campaign was based on strengthening the power of national government and of military presence. The growth of violence was based for decades on the weak or total lack of presence from the national government in large areas of the country, where drug plantations were expanding protected by guerrillas. Uribe was determined to recover the citizens' confidence in the government, and to recover the country from the hands of violence. From the very first moments of his government, positive results were visible, and the country enthusiastically welcomed his achievements: kidnapping, killings and violence have been dramatically reduced, the economy is growing, investment grew more than 300% since 2002, and unemployment has been reduced to less than 10%.

Foreign investors, overseas tourists and, most important, Colombian citizens that left the country during the difficult years are returning, with plenty of plans for the country. Although the violence and drugs situation has not been solved yet and guerrillas and paramilitary groups are still strong in the country, Uribe has obtained undeniable achievements that are visible everywhere. 70% of the population supports his government. Hence, during 2006 he was re-elected for a new 4-years period of government.

The improvement in the political and security picture of the country has translated into a growth in projects. I was surprised visiting my hometown Bogotá, finding very large new neighbourhoods that have been developed during the last years. New streets, bridges, malls and schools are accompanying this growth of the city. The modern passenger transport system, Transmilenio, crosses most of the city offering to citizens a fast and cheap way to

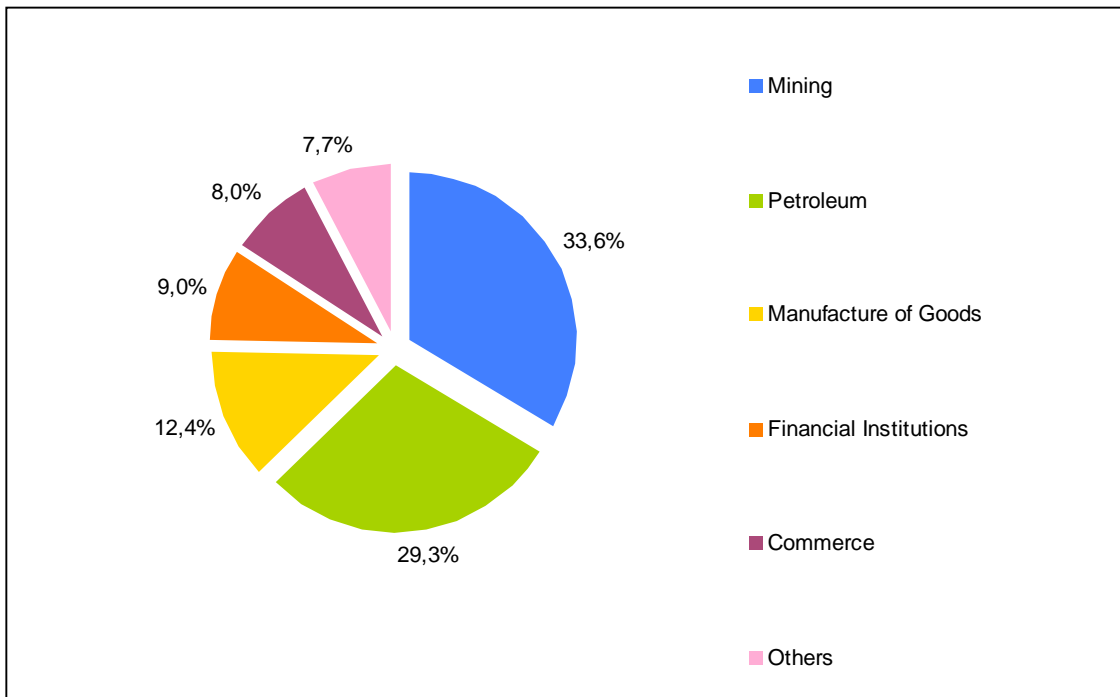
commute. Very modern facilities have been built by multinational companies in the city. Professionals are having great job opportunities, and young people are no longer looking for better opportunities outside the country, as happened to my generation when we finished college at a very difficult time in Colombia.

Outside Bogotá the picture is also improving. Although the guerrilla and paramilitary groups still dominate important areas of the country, government is slowly recovering its presence everywhere. New roads are being built reaching towns that have been for decades forgotten by national government, and military presence everywhere is strong. This is leading to the growth of projects in the petroleum and mining industries in the country, which leads to an important growth of the economy. Rural workers are returning to their lands, increasing also the production of farm products such as bananas, flowers, sugar and cotton, with high impact on the export levels of the country.



Transmilenio

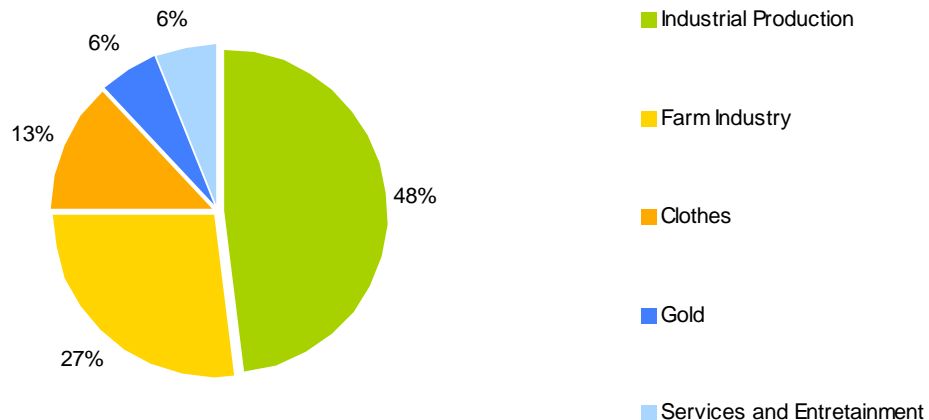
The growth of the country is the result of a strong security politic but also to the reduction of taxes and support to investment offered by the government in most industries. In the petroleum industry for example, the government is strongly supporting drillings of foreign companies, opposing the tendency of other Latin American countries. Uribe's government is willing to cooperate with all companies interested in investing in the country as a means to support the growth of the economy and to improve job opportunities for Colombian citizens. Colombia is actually negotiating an important free trade agreement with the United States, which is pending approval by congresses in both countries. The perspective of better conditions for exports to the United States has also increased investment in traditional and non-traditional industries in the country.



Foreign Investment in Colombia

Although Uribe's approach is constantly questioned by opposing parties, economic data demonstrates that his government is reaching positive results:

- The Colombian economy grew 6% during 2006, mainly as a result of growth in the construction industry (17%), commerce, restaurants and hotels (9%), transport and communications (10%), and industrial production (7%)
- Inflation is being maintained under 6%. This represents an enormous achievement, comparing to the 20% annual rate of the mid 90's.
- Foreign investment in the country has increased by almost 40% per year since 2002. During 2006, this investment reached 6,300 million dollars, mainly in the petroleum and mining industries.
- During 2006, Colombia exported goods for more than 24,000 million dollars; this represents an increase of 15% in exports against 2005. The growth has been constant since 2002. Almost 50% of the 2006 exports included industrial production such as steel, plastics, iron, vehicles, petroleum. Farm products include sugar, bananas, sea products, flowers and of course, coffee. Main destinies for exports are the United States, Venezuela and Ecuador.



### Colombian Exports - 2006

The positive changes of the country have also resulted in the return to Colombia of foreign tourists. Being Colombia a country full of natural resources and beautiful landscapes, it is not rare to observe that with better security tourists are returning. During February 2006, the US State Department travel warning for Colombia was dismissed. Important press Medias are recommending Colombia as a vacation destiny: Lonely Planet included it as one of the 10 recommended places to visit during 2006; Forbes included Choncho Island as one of the 10<sup>th</sup> most beautiful beaches in the world; New York Times has recommended visiting the Coffee region of the country. Cruises are again arriving to the Caribbean beaches of the country. As a result, almost 1million foreign tourists visited Colombia during 2006, leaving revenues for 1,900 million dollars. For 2007 it is expected a 25% growth in these numbers. Some of the most famous visitors of the country during the last months included US president George W. Bush, former president Bill Clinton, Microsoft Owner Bill Gates, and the King and Queen of Spain.

It is undeniable: Something good is happening in Colombia. The country is growing, and Colombians are full of hope. Projects are blossoming in every corner. Yes, big challenges are still pending to be solved by the Colombian Government: Political concerns related to paramilitary groups and guerrillas are still valid, violence is still ruling in some regions of the

country, and social inequity is visible almost everywhere. Following these concerns, President Uribe is renegotiating the support received by the country from the United States, commonly known as Plan Colombia. The original plan was negotiated by former presidents Andres Pastrana (Colombia), and Bill Clinton (United States), mainly designed as a means to strength Colombian military institutions and reduce drug growths. Now a new Plan Colombia has been designed, with important social issues included. Other countries are also supporting the Colombian effort to reduce the effects of drug wars in the country.

Although the United States is still the main political and economical supporter of this policy, Spain, Germany, Japan, Canada and others are also contributing to the government's policies of replacement of drug growths, development of social and educational plans, strengthening of government institutions, and in brief, policies that intent to offer better opportunities to the citizens that would weaken the presence of the drug business and its related violence. We Colombians are keeping our faith on a better future, and we expect the world community to support the country effort to overcome violence and reach peace.

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*Ana Maria Rodriguez*  
*International Correspondent, Argentina*



*Ms. Ana Maria Rodriguez is an International Correspondent for [www.pmforum.org](http://www.pmforum.org), based in Rosario, Argentina. Ms. Rodriguez manages CDS Project, a division of NETCDS, a leading IT, project and business services company in Argentina, and is an adjunct professor of project management at the Universidad Nacional de Rosario. She is actively engaged in teaching and promoting project management best practices in Argentina. Ms. Rodriguez is also an active member of PMI in Argentina. Additional information about Ms. Rodriguez can be found at [www.pmforum.org/pm\\_forum\\_team](http://www.pmforum.org/pm_forum_team). Ms. Rodriguez welcomes contact at [arodriguez@netcds.com.ar](mailto:arodriguez@netcds.com.ar).*