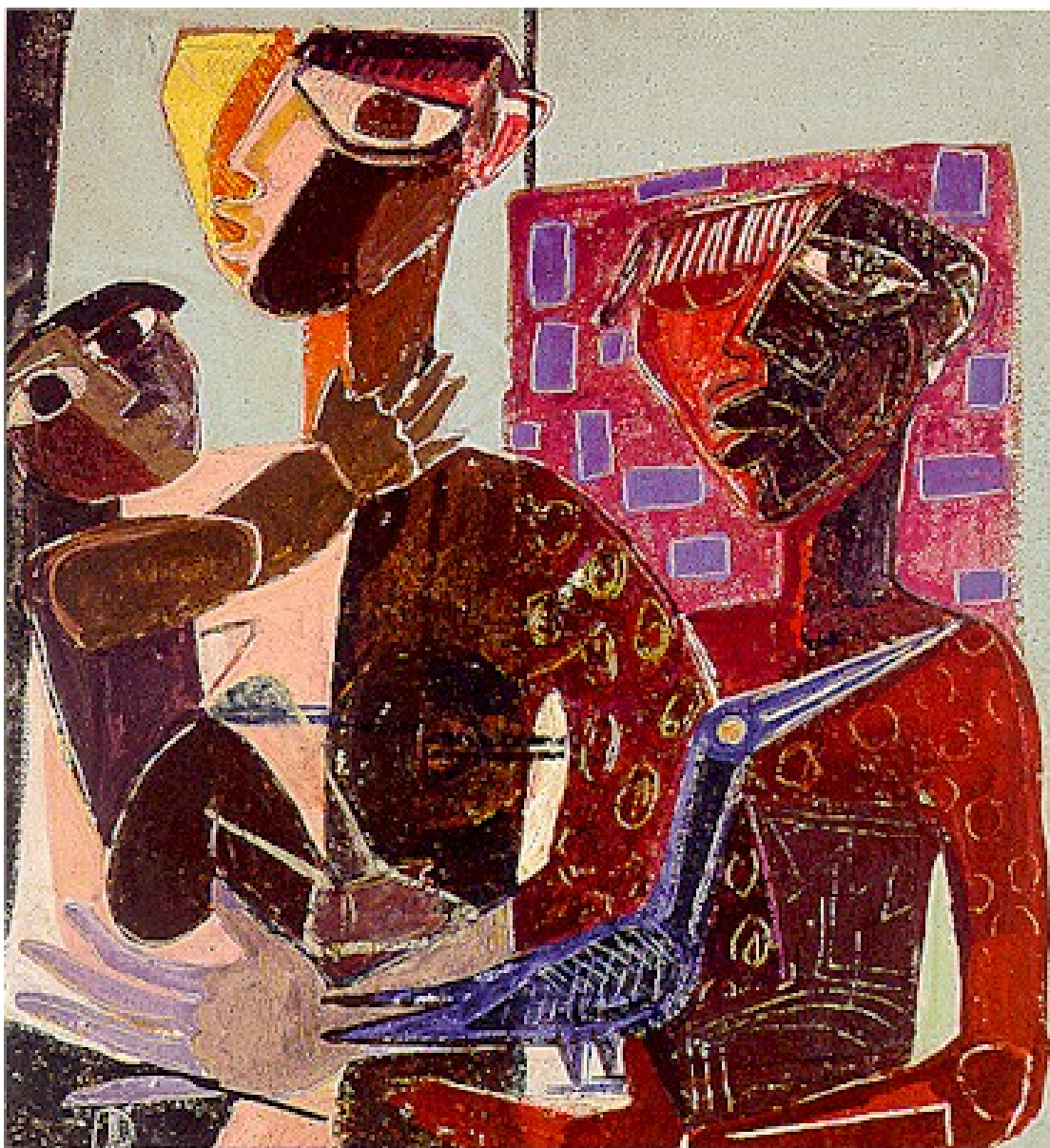


# ECONOMIC INDICATORS

First quarter of 1999



*Banco de la República*  
*Colombia*

**FRONT PAGE**  
**LEOPOLDO RICHTER**

Family with blue bird  
Oil and casein on canvas  
96 x 49 cm.

1957

BANCO DE LA REPÚBLICA COLLECTION

## Review of the economy during the first quarter of 1999

In the first quarter of 1999, the Colombian economy continued displaying recessionary symptoms. In this period, Gross Domestic Product grew at a rate of -4.8%. Symptoms of a sharp economic slowdown are confirmed by an unemployment rate of 19.5% in March, the highest level recorded since this statistic is officially calculated. However, inflation as measured by growth in the Consumer Price Index fell from 16.7% to 13.5% between December of 1998 and March of 1999. The exchange rate at the end of March was \$1,533.51 pesos per dollar, implying an annual devaluation of 12.9%. It is expected that the current account deficit of the balance of payments will fall from -5.7% of GDP at the end of 1998 to -3.9% by December of 1999.

### REVIEW OF THE ECONOMY

YEARS	GROWTH			UNEMPLOYMENT RATE (%)	CURRENT ACCOUNT (% of GDP)	INTERNATIONAL RESERVES (Months of imports of goods and services)
	GDP(%)	CPI(%)	PPI(%)			
1990	4.3	32.4	29.9	10.6	1.3	5.9
1991	2.0	26.8	23.1	9.4	5.5	8.9
1992	4.0	25.1	17.8	9.8	1.8	8.8
1993	5.4	22.6	13.2	7.8	-4.0	6.9
1994*	5.8	22.6	20.7	8.0	-4,4 p	7.0
1995	5.8	19.5	15.4	9.5	-5,0 p	6.3
1996	2,1 pr	21.6	14.5	11.3	-4,8 p	7.2
1997	2,8 p	17.7	17.5	12.0	-5,4 p	6,5 p
1998	0,6 p	16.7	13.5	15.6	-5,7 pr	6,0 pr
1999 first quarter	-4,8 e	13.5	9.4	19,5 p	-3,9 pro	6,0 pro

**e** : Estimated by National Planning Department (NPD).

**p** : Provisional.

**pr**: Preliminary.

**pro**: Projected.

\* Since 1994, the statistics correspond to the new Balance of Payment measure, according with the Balance of Payment Methodology of the International Monetary Fund Balance of Payment Manual 5th Edition.

**Source** : National Administrative Department of Statistics(NADS) and National Planning Department (NPD).

## Gross domestic product growth

For the first quarter of 1999, Gross Domestic Product estimates from the National Planning Department (DNP) shows a 4.8% reduction. This is the largest contraction since GDP quarterly figures exist (1977), and it is the first time that negative growth has been registered in three consecutive quarters. The lowest growth rates sectors are manufacturing (-16.8%), construction (-15.9%), trade, restaurants and hotels (-6.3%), financial sector including housing (-4.2%). Sectors that showed a positive rate of growth were mining (5.4%) and agriculture (5.2%). On the other hand, the electricity gas and water sector contracted by 2.5% while social services, commons and personals sector increased by 1.9%.

### REAL GDP GROWTH BY SECTOR %

SECTOR	1990	1991	1992	1993	1994	1995	1996pr	1997p	1998p	1999 e first quarter
<b>AGRICULTURE and CATTLE, FISHERY, FORESTRY and HUNTING</b>	<b>7.46</b>	<b>2.85</b>	<b>0.75</b>	<b>0.67</b>	<b>-0.28</b>	<b>2.56</b>	<b>0.87</b>	<b>-0.10</b>	<b>0.83</b>	<b>5.20</b>
a. Roasted non-decaffeinated coffee <sup>1/</sup>	24.72	3.45	9.96	-16.10	-11.64	1.09	-6.35	-3.25	12.48	5.00
b. Agriculture and Cattle without coffee	3.28	2.54	-2.10	6.59	2.92	3.19	2.94	0.24	-0.63	6.80
c. Fishery, forestry and hunting	3.85	5.50	1.30	-2.41	-3.05	-4.49	-10.10	2.81	-4.39	-35.00
MINING AND QUARRY EXPLOITATION	5.92	-0.64	-3.88	-1.66	1.62	21.68	7.69	2.78	10.01	5.40
ELECTRICITY, GAS AND WATER	3.77	3.06	-5.80	14.03	6.16	5.08	2.84	4.43	1.22	-2.50
MANUFACTURING <sup>2/</sup>	1.95	2.06	1.90	4.78	3.20	3.81	-3.84	2.52	-0.49	-16.80
CONSTRUCTION	-13.07	0.25	7.26	18.20	19.23	4.21	-0.48	-3.08	-14.37	-15.90
TRADE, REPAIRS, RESTAURANTS AND HOTELS	2.82	0.43	2.55	9.14	6.08	8.23	-0.33	3.96	0.89	-6.30
TRANSPORT, STORAGE AND COMMUNICATION	3.74	3.44	5.33	4.35	5.80	4.74	4.51	5.59	3.73	-2.30
Transport	1.74	2.42	5.78	4.45	5.54	3.53	3.60	0.94	1.46	-5.50
Mail Services and telecommunications	11.99	7.25	3.72	3.96	6.78	9.13	7.65	18.14	8.76	3.90
FINANCIAL, INSURANCE, REAL STATE AND SERVICE INSTITUTIONS	6.20	4.94	3.54	5.29	13.02	8.32	4.73	2.48	-2.64	-4.20
Finance and services <sup>3/</sup>	9.29	6.18	4.07	6.38	18.77	13.01	5.75	1.78	-11.51	-14.00
Housing	2.90	3.53	2.92	4.00	6.10	2.00	3.20	2.73	2.66	2.50
SOCIAL SERVICES, COMMONS AND PERSONALS <sup>4/</sup>	2.75	1.03	8.51	1.05	3.81	6.86	9.44	4.02	0.98	1.90
Domestic	2.00	2.00	2.00	2.40	2.39	2.40	1.80	-1.76	-1.74	-1.20
Public administration services (Government)	2.85	-0.32	12.52	0.20	2.74	7.67	10.90	4.56	0.88	2.50
Minus: Imputedo banking services	-3.36	9.30	-3.61	13.80	16.20	20.06	9.20	2.85	-14.13	-14.00
Value added subtotal	4.13	2.10	3.10	3.75	4.71	5.52	2.00	2.58	0.71	-3.90

Plus taxes except IVA	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	1.53	-0.29	-2.50
Minus : Subventions	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	12.05	6.89	6.00
Plus non deductible IVA	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	5.60	-0.62	-8.50
Plus: Duties and taxes on imports	9.76	- 1.35	36.68	48.19	25.99	10.64	2.80	11.61	0.54	-38.00
<b>GROSS DOMESTIC PRODUCT</b>	<b>4.28</b>	<b>2.00</b>	<b>4.05</b>	<b>5.39</b>	<b>5.81</b>	<b>5.83</b>	<b>2.05</b>	<b>2.76</b>	<b>0.60</b>	<b>-4.80</b>

**n.a.:** Not available.

**pr:** Preliminary.

**p :** Provisional.

**e :** Estimated by National Planning Department (DNP). Correspond to the first quarter 1999

**1/** Include parchment coffee and coffee thrashing.

**2/** Without coffee thrashing.

**3/** Until 1996, included services, non financial and non real state institutions.

**4/** Include learning , social and health services.

**Source:** National Administrative Department of Statistics(DANE).

---

## Balance of payments

In 1998, the Colombian economy registered a current account deficit of US\$5.9 billion (6.5% of GDP), which was financed by US\$4.7 billion (5.2% of GDP) in net capital inflows and by a reduction of international reserves of US\$1.5 billion. Of the external capital flows, the resources of direct investment and long term indebtedness stand out. On the other hand, the short term financial movements registered a net inflow of US\$146 million despite of US\$1.7 billion outflow. Forecast show a US\$3.7 billion (3.9% of GDP) current account deficit for 1999, which will be financed by US\$2.8 billion (2.9% of GDP) net capital inflows.

### BALANCE OF PAYMENTS 1/ (US\$ millions)

	1994 p	1995 p	1996 p	1997 p	1998 pr	1999 pro
<b>I. CURRENT ACCOUNT</b>	<b>3,594.0</b>	<b>4,623.8</b>	<b>4,758.2</b>	<b>5,891.7</b>	<b>5,869.0</b>	<b>-3,717.0</b>
Trade balance	2,238.4	2,639.1	2,142.5	2,713.8	2,635.9	-4.7
Services	-985.0	1,126.0	1,131.7	1,446.9	1,346.0	-1,488.0
Net income receipts	1,460.6	1,616.2	2,102.5	2,371.0	2,363.6	-2,717.0
Current transfers	1,090.0	757.5	618.5	640.0	476.5	536.0
<b>II. CAPITAL AND FINANCIAL ACCOUNT</b>	<b>3,419.5</b>	<b>4,684.0</b>	<b>6,715.1</b>	<b>6,699.1</b>	<b>4,670.6</b>	<b>2,814.0</b>
<b>Long-term financial flows</b>	<b>3,346.7</b>	<b>2,775.1</b>	<b>7,185.3</b>	<b>8,439.1</b>	<b>4,525.0</b>	<b>3,067.0</b>
Net direct investment	1,295.5	712.2	2,794.9	4,891.8	2,453.9	1,636.0
External debt 2/	2,051.2	2,062.9	4,390.4	3,570.5	2,085.6	1,446.0
Other long-term movements	0.0	0.0	0.0	-23.2	-14.5	-15.0
<b>Short-term financial flows</b>	<b>72.8</b>	<b>1,908.9</b>	<b>-470.2</b>	<b>1,740.0</b>	<b>145.6</b>	<b>-253.0</b>
Portfolio investment	-902.2	559.2	-293.7	-445.9	536.0	481.0
Other short-term movements 3/	975.0	1,349.7	-176.5	1,294.1	-390.4	-733.0
<b>III. OTHERS</b>	<b>368.2</b>	<b>-59.5</b>	<b>-234.8</b>	<b>-596.2</b>	<b>-253.3</b>	<b>0.0</b>
<b>IV. CHANGE IN NET INTERNATIONAL RESERVES</b>	<b>193.7</b>	<b>0.7</b>	<b>1,722.1</b>	<b>211.2</b>	<b>1,451.7</b>	<b>-902.0</b>

<b>V. CURRENT ACCOUNT / GDP (%)</b>	<b>-5.1</b>	<b>-5.7</b>	<b>-5.5</b>	<b>-6.2</b>	<b>-6.5</b>	<b>-4.1</b>
-------------------------------------	-------------	-------------	-------------	-------------	-------------	-------------

**p** : Provisional.

**pr** : Preliminary.

**pro** : Projection.

**1/** The statistics correspond to the new Balance of Payment measure, according with the Balance of Payment Methodology of the International Monetary Fund Balance of Payment Manual 5th Edition.

**2/** Includes loans, commercial credit and financial lease and bonus.

**3/** Includes loans and commercial credit.

**Source:** Banco de la República - Economic Studies Department.

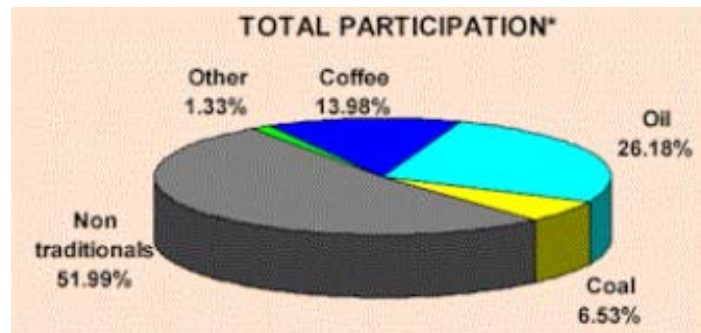
---

## Foreign trade - Exports

At the end of the first quarter of 1999, Colombian exports reached US\$2.4 billion, 6.7% less than that in March 1998. Traditional exports fell by 8.7% (US\$111 million), while non traditional exports decreased by 4.8% (US\$64 million). The reduction in traditional goods sales was due to the fall in the sales of coffee (US\$152 million), coal (US\$12 million), gold (US\$7 million) and nickel (US\$1 million), primarily, as a result of low international prices. On the other hand, lower non-traditional exports is the result of the falling of industrial goods which fell by US\$137 million in which lower exports of food, beverages and tobacco, transport, machinery and equipment played an important role. On the contrary, agricultural exports grew by US\$69 million, particularly, flowers and bananas. External sales of mining goods grew by US\$3 million. The United States was the main destination for Colombian exports, purchasing 45.9% of the total, followed by the European Union with 18.4% and the Andean Group with 14.0%. For 1999, exports are expected to grow by 5.5%.

### EXPORTS

EXPORTS	1999* %
U.S.A.	45.9
EUROPEAN UNION	18.4
ANDEAN GROUP	14.0
JAPAN	2.7
REST	21.8



\* Up to March



US\$ Millions FOB

<b>YEARS</b>	<b>Total exports</b>	<b>Variation %</b>	<b>Non traditional exports</b>	<b>Variation %</b>	<b>Traditional exports</b>	<b>Variation %</b>
<b>1987</b>	5,254.4	-1.4	1,556.3	14.2	3,698.1	-6.8
<b>1988</b>	5,342.7	1.7	1,855.9	19.3	3,486.8	-5.7
<b>1989</b>	6,031.8	12.9	2,144.8	15.6	3,887.0	11.5
<b>1990</b>	7,079.4	17.4	2,663.7	24.2	4,415.7	13.6
<b>1991</b>	7,507.4	6.0	3,541.1	32.9	3,966.3	-10.2
<b>1992</b>	7,263.2	-3.3	3,564.7	0.7	3,698.5	-6.8
<b>1993</b>	7,428.5	2.3	3,984.3	11.8	3,444.2	-6.9
<b>1994</b>	8,546.0	15.0	4,539.0	13.9	4,007.0	16.3
<b>1995</b>	10,095.0	18.1	5,129.0	13.0	4,966.0	23.9
<b>1996</b>	10,524.0	4.2	4,831.0	-5.8	5,693.0	14.6
<b>1997</b>	11,529.0	7.2	5,333.0	6.9	6,196.0	7.4
<b>1998 p</b>	10,852.0	-5.9	5,594.4	4.9	5,257.6	-15.1
<b>1998 p*</b>	2,601.9	7.1	1,325.5	23.4	1,276.4	-5.9
<b>1999 p*</b>	2,427.9	-6.7	1,262.2	-4.8	1,165.7	-8.7

p: Provisional.  
\* Up to March.

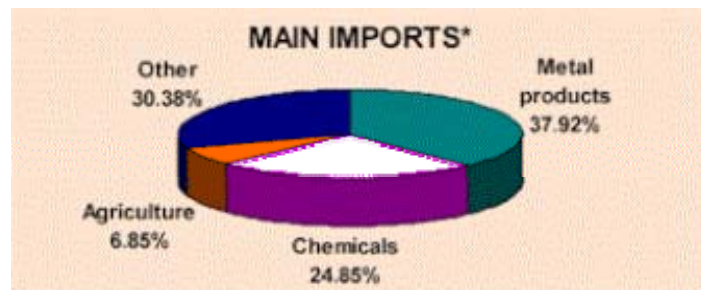
Source: National Administrative Department of Statistics(DANE).

## Foreign trade - Imports

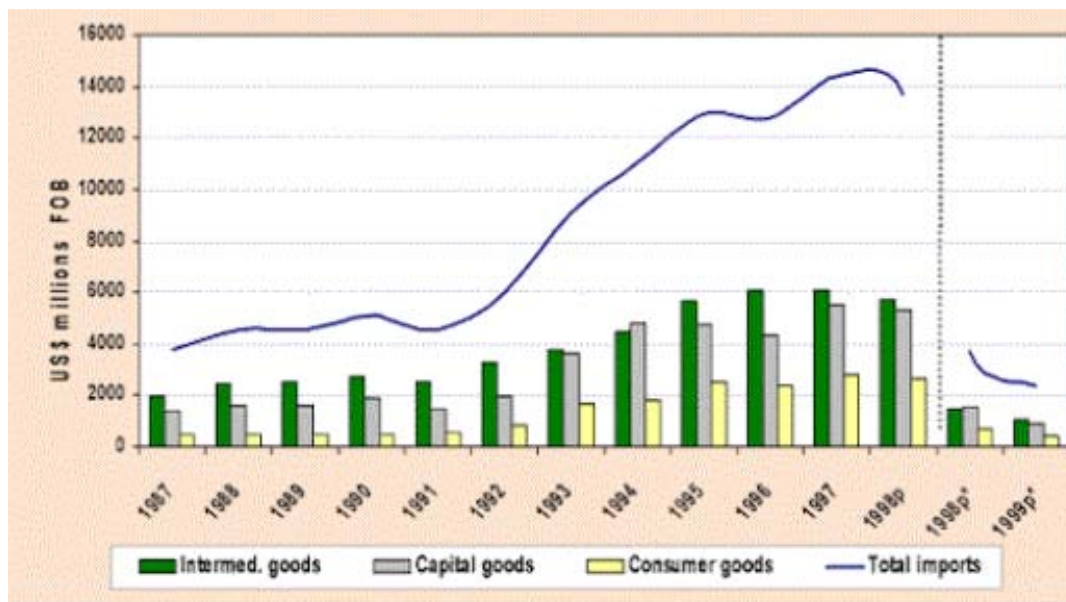
During the first quarter of 1999, Colombian FOB imports reached US\$2.4 billion, a 36.8% (US\$1.4 billion) lower than the same period of the previous year. This behavior is due to the fall in capital (US\$686 million), intermediate (US\$420 million) and consumer goods (US\$242 million) imports. The largest reductions were detected in the external purchases of capital and intermediate goods, industry, transport equipment and in durable consumer goods. By area of origin, imports were led by the United States (43.3% of the total value), followed by the European Union (18.1%) and the Andean Group (11.2%). It is estimated that the value of imports will decrease by 14% in 1999.

### IMPORTS

IMPORTS	1999* %
U.S.A.	43.3
EUROPEAN UNION	18.1
ANDEAN GROUP	11.2
JAPAN	4.2
REST	23.2



\* Up to march



US\$ Millions FOB

<b>YEARS</b>	<b>Total imports</b>	<b>Variation %</b>	<b>Intermed. goods</b>	<b>Variation %</b>	<b>Consumer goods</b>	<b>Variation %</b>	<b>Capital goods</b>	<b>Variation %</b>
<b>1987</b>	3,793.5	11.3	1,924.6	7.9	488.2	28.5	1,380.7	10.9
<b>1988</b>	4,515.3	19.0	2,413.2	25.4	514.8	5.4	1,587.3	15.0
<b>1989</b>	4,557.8	0.9	2,492.4	3.3	470.4	-8.6	1,595.0	0.5
<b>1990</b>	5,107.9	12.1	2,706.7	8.6	520.0	10.5	1,881.2	17.9
<b>1991</b>	4,548.0	-11.0	2,522.3	-6.8	570.4	9.7	1,455.3	-22.6
<b>1992</b>	6,029.1	32.6	3,258.9	29.2	825.3	44.7	1,944.9	33.6
<b>1993</b>	9,085.7	50.7	3,797.1	16.5	1,665.7	101.8	3,622.9	86.3
<b>1994</b>	11,072.0	21.9	4,456.0	17.4	1,818.0	9.1	4,798.0	32.4
<b>1995</b>	12,922.5	16.7	5,670.0	27.2	2,485.5	36.7	4,767.0	-0.6
<b>1996</b>	12,784.0	-1.1	6,057.0	6.8	2,381.0	-4.2	4,346.0	-8.8
<b>1997</b>	14,371.0	12.4	6,086.0	0.5	2,763.0	16.0	5,522.0	27.1
<b>1998 p</b>	13,726.2	-4.5	5,743.2	-5.6	2,646.4	-4.2	5,336.6	-3.4
<b>1998p*</b>	3,717.8	26.4	1,468.5	9.1	689.7	35.1	1,559.6	43.9
<b>1999p*</b>	2,350.0	-36.8	1,048.0	-28.6	427.9	-38.0	874.1	-44.0

p: Provisional.  
\* Up to march.

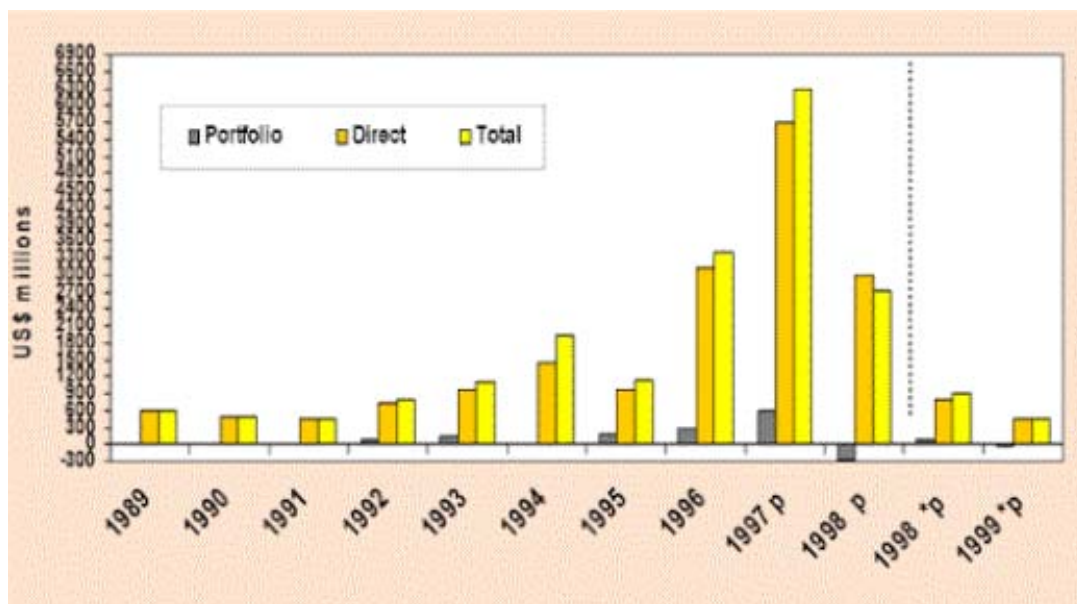
Source: National Administrative Department of Statistics(DANE) and National Customs and Taxes Authority. (DIAN).

## Foreign investment

---

During the first quarter of 1999, foreign investment flows to Colombia reached US\$443 million, US\$446 million lower than in the same period of 1998. This reduction is explained by the lower net direct investment revenues which decreased by US\$338 million, especially those going to the communication and financial sectors. Direct investments was channeled primarily to the mining sector, particularly to coal projects, to the manufacturing sector and to the financial system. Portfolio investment registered a net outflow of US\$15 million during the first quarter of 1999, in the same period of 1998 portfolio investment registered a net inflow of US\$93 million.

### FOREIGN INVESTMENT



Foreign Investment 1/ US\$ millions

<b>FOREIGN INVESTMENT</b>	<b>1989</b>	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>
<b>Total</b>	576.2	500.5	456.9	794.7	1,104.7	1,922.5
<b>Direct</b>	576.2	500.5	456.9	728.7	959.7	1,444.5
Oil	359.5	269.6	264.1	439.6	557.3	132.7
Other sectors	216.7	230.9	192.8	289.1	402.4	1,311.8
<b>Portfolio</b>	-	-	-	66.0	145.0	478.0
<b>FOREIGN INVESTMENT</b>	<b>1995</b>	<b>1996</b>	<b>1997 p</b>	<b>1998 p</b>	<b>1998*p</b>	<b>1999*p</b>
<b>Total</b>	1,133.0	3,415.0	6,293.7	2,717.6	888.8	443.0
<b>Direct</b>	968.3	3,122.8	5,701.2	2,982.6	795.8	458.0
Oil	151.3	789.4	380.4	-41.9	74.4	79.0
Other sectors	817.0	2,333.4	5,320.8	3,024.5	721.4	379.0
<b>Portfolio</b>	164.7	292.2	592.5	-265.0	93.0	-15.0

p: Provisional.

\* Up to first quarter.

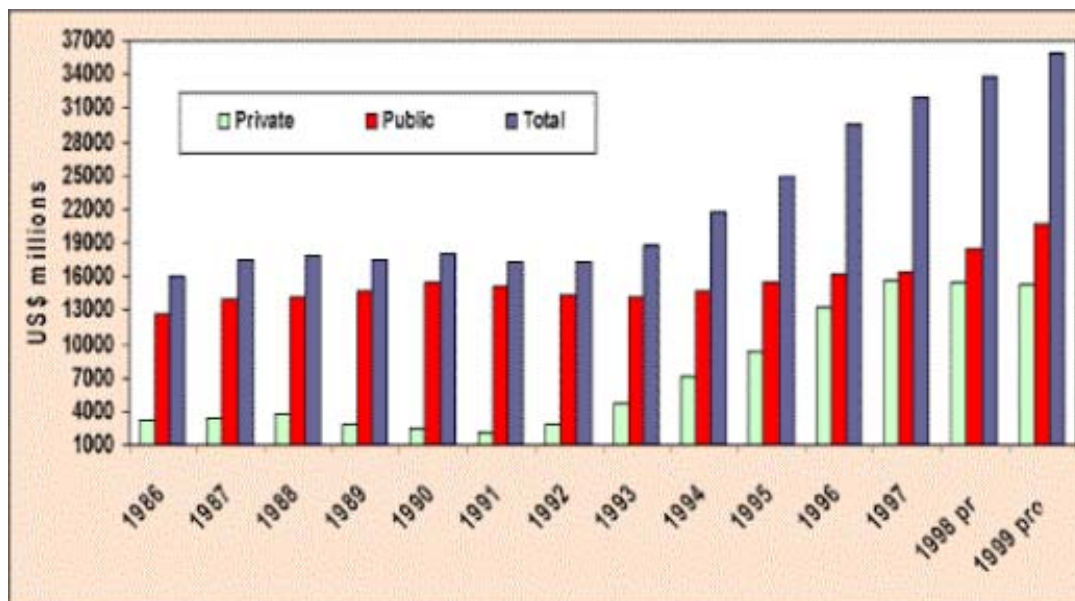
1/ Since 1994, the statistics correspond to the new Balance of Payment measure, according with the Balance of Payment Methodology of the International Monetary Fund Balance of Payment Manual 5th Edition.

Source: Banco de la República - International Exchange and Economic Studies Department.

## Outstanding foreign debt

In 1998, Colombian foreign indebtedness was US\$33.9 billion (338% of GDP), 5.8% higher than in 1997. Of this amount, US\$18.4 billion (54.1%) corresponds to the public sector, while private foreign indebtedness was US\$15.5 billion (45.8%). At the end of December 1999, it is estimated that the outstanding foreign debt will stand at US\$35.4 billion (36.1% of GDP), US\$1.5 billion (4.6%) higher than in 1998. Of this amount, 56.9% (US\$20.2 billion) will be held by the public sector, while 43.1% (US\$15.3 billion) will correspond to the private sector. It should be noted that 96.9% of outstanding public sector is long term debt, and 3.1% is short term. In the private sector, these percentages are 77.1% and 22.8% respectively.

### OUTSTANDING FOREIGN DEBT



External debt 1/ US\$ millions

<b>YEAR</b>	<b>TOTAL</b>	<b>% GDP</b>	<b>PUBLIC</b>	<b>% GDP</b>	<b>PRIVATE</b>	<b>% GDP</b>
<b>1986</b>	16,100	46.1	12,782	36.6	3,318	9.5
<b>1987</b>	17,512	48.1	14,068	38.7	3,444	9.5
<b>1988</b>	17,935	45.7	14,134	36.0	3,801	9.7
<b>1989</b>	17,588	44.5	14,815	37.5	2,772	7.0
<b>1990</b>	17,992	44.7	15,471	38.4	2,522	6.3
<b>1991</b>	17,335	40.8	15,171	35.7	2,165	5.1
<b>1992</b>	17,278	35.1	14,416	29.3	2,862	5.8
<b>1993</b>	18,888	33.8	14,254	25.5	4,634	8.3
<b>1994</b>	21,840	26.7	14,718	18.0	7,122	8.7
<b>1995</b>	24,912	26.9	15,540	16.8	9,372	10.1
<b>1996</b>	29,512	29.7	16,251	16.4	13,262	13.4
<b>1997</b>	32,013	29.3	16,423	15.0	15,591	14.2
<b>1998 pr</b>	33,884	33.0	18,360	17.9	15,524	15.1
<b>1999 pro</b>	35,429	37.0	20,164	21.0	15,265	15.9

**pr:** Preliminary.

**pro:** Projected.

1/ Since 1994, the statistics correspond to the new Balance of Payment measure, according with the Balance of Payment Methodology of the International Monetary Fund Balance of Payment Manual 5th Edition.

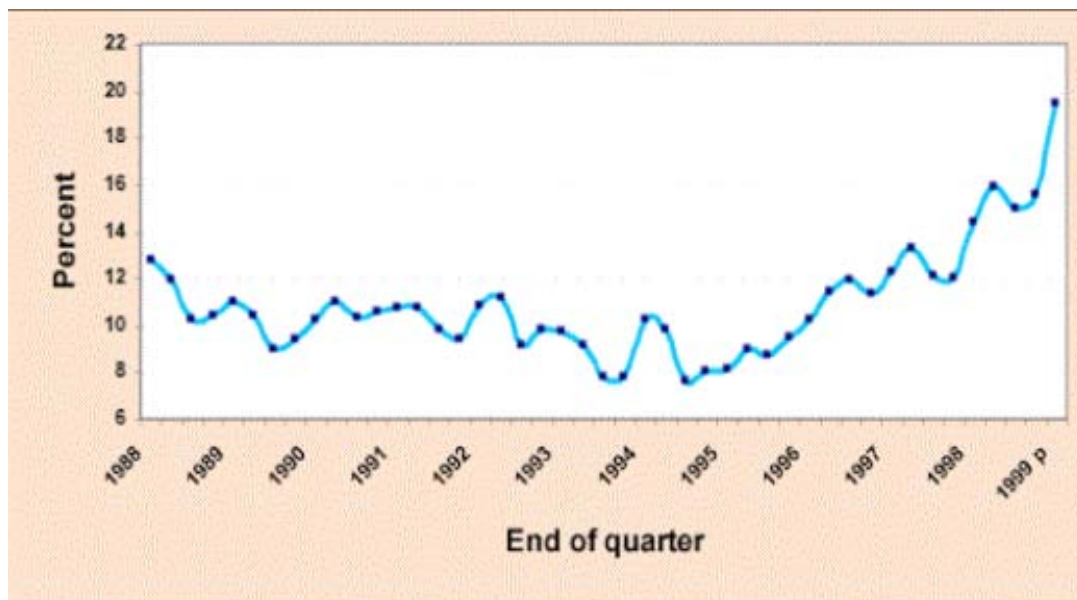
**Source:** Banco de la República - Economic Studies and International Exchange Department.

---

## Unemployment rate

In March 1999, the unemployment rate for the seven metropolitan areas was 19.5%, 5.1 percentage points higher than the rate registered in March of 1998 (14.4%). This is the highest unemployment rate registered these statistics are kept in the country history. Between March 1998 and March 1999, the number of unemployment persons for the seven main metropolitan areas grew by 363,254. Medellín, Cali and Manizales presented the highest rates of unemployment. On the other hand, the total participation rate for the seven major metropolitan areas registered a moderate decrease from 62.7% in the last quarter of 1998, to 62.2% in March 1999. The occupation rate also declined from 52.9% to 50.1% in the same period. The number of occupied persons decreased 4.3%, a loss of 250,748 jobs between March 1998 and March 1999.

**UNEMPLOYMENT**  
**Seven Cities and its Metropolitan Areas**



**UNEMPLOYMENT RATE %**

END OF QUARTER	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999 p
1	12.8	11.0	10.1	10.7	10.8	9.7	10.2	8.1	10.2	12.3	14.4	19.5
2	11.9	10.3	10.9	10.7	11.2	9.1	9.8	9.0	11.4	13.3	15.9	
3	10.2	9.0	10.2	9.8	9.1	7.8	7.6	8.7	11.9	12.1	15.0	
4	10.4	9.4	10.6	9.4	9.8	7.8	8.0	9.5	11.3	12.0	15.6	

**p:** Provisional.

**Source:** National Administrative Department of statistics (DANE).

---

## Money growth

At the end of the first quarter of 1999, the money supply was Col. \$8,712 billion, 1,7% lower than a year before. This is explained by a significant reduction in the current account deposits, 14.5% and by the increase of cash holdings 20.4%. During 1999, the reduction in the money supply is 17.2%, as a result of falling current account deposits and currency holdings, 18.9% and 15.0% respectively.

**MONEY GROWTH (M1)**  
Annual Variation



**MONEY GROWTH**  
(Annual Variation %)

END OF QUARTER	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999 pr
1	25.8	28.1	24.1	33.7	34.0	37.4	19.4	19.3	14.9	12.2	-1.7
2	27.3	26.0	25.5	44.1	30.4	30.4	17.9	15.6	22.5	2.2	
3	26.0	29.4	29.7	35.5	36.6	30.0	13.1	15.3	20.4	0.9	
4	28.9	25.2	31.7	41.0	30.0	25.3	20.2	16.5	21.7	-3.9	

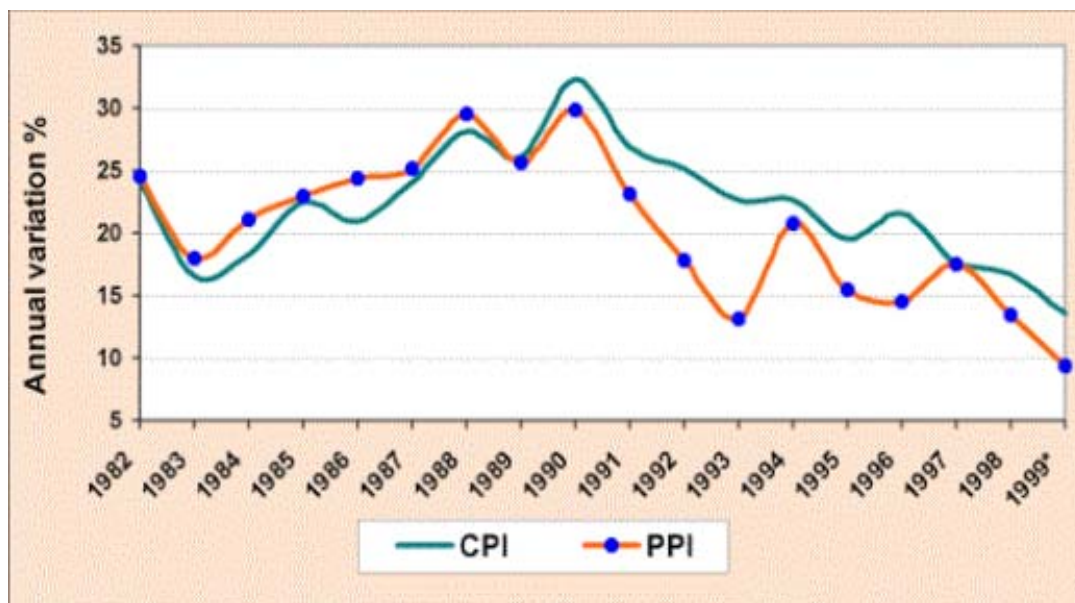
pr: Preliminary.

Source: Banco de la República - Economic studies.

## Consumer and producer price indices

In March 1999, the annual variation of the Consumer Price Index (CPI) was 13.5%, 5.7 percentage points lower than in 1998. This decline is explained by the decrease in goods and services prices, primarily in food (11.7% in 1999, 23.1% in 1998), housing (14.0% in 1999, 17.2% in 1998) and transport (14.2% in 1999, 21.6% in 1998). On the other hand, the annual variation of the Producer Price Index (PPI) stood at 9.4%, 9.2 percentage points lower than that presented in the same period in 1998. It is outstanding the reductions in agricultural prices (2.5% in 1999, 23.2% in 1998) and mining prices (-6.2% in 1999, 8.7% in 1998).

### CONSUMER AND PRODUCER PRICES INDEX %



### PRICE INCREASES Annual variation %

END OF PERIOD	CPI	PPI	END OF PERIOD	CPI	PPI
1982	24.03	24.59	1991	26.82	23.06
1983	16.64	17.96	1992	25.14	17.88
1984	18.28	21.19	1993	22.61	13.19
1985	22.45	22.98	1994	22.60	20.73
1986	20.95	24.38	1995	19.47	15.43
1987	24.02	25.17	1996	21.64	14.54
1988	28.12	29.52	1997	17.68	17.49
1989	26.12	25.62	1998	16.70	13.50

<b>1990</b>	32.37	29.90	<b>1999*</b>	13.51	9.44
-------------	-------	-------	--------------	-------	------

\* Annual variation in March

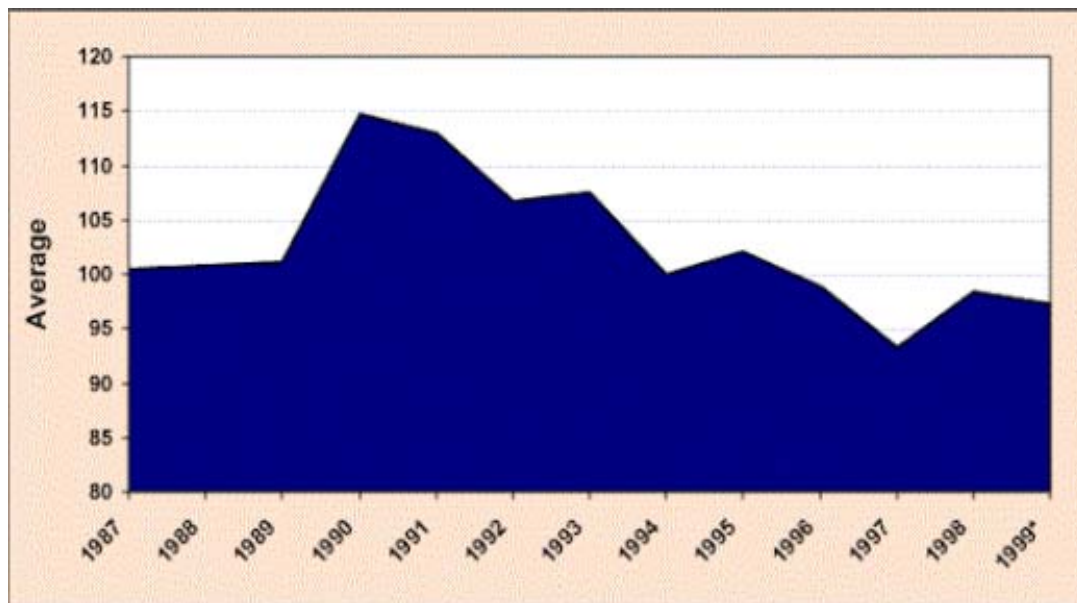
**Source :** CPI National Administrative Department of Statistics (DANE).  
PPI Banco de la República - Economic Studies.

---

## Exchange rate

At the end of March 1999, the Market Exchange Rate stood at Col \$1,533.51 per US dollar. The annual devaluation reached 12.9%, 15.2 percentage points lower than that presented in March 1998. On the other hand, the Real Exchange Rate Index stood at 97.3, indicating a real appreciation of 6.3% in the first quarter of 1999. This result is explained by the devaluations of Colombia's main commercial partners and by the relationship between domestic inflation (PPI) and domestic nominal devaluation.

### REAL EXCHANGE RATE INDEX



**REAL EXCHANGE RATE INDEX**  
No Traditional Trade  
Goemetrical Average 1994 = 100

**NOMINAL**  
**EXCHANGE RATE DEVALUATION %**

PERIOD	AVERAGE	PERIOD	AVERAGE
1987	100.42	1994	100.00
1988	100.85	1995	102.08
1989	101.12	1996	98.90
1990	114.76	1997	93.31
1991	113.00	1998	98.42
1992	106.74	1999*	97.27
1993	107.46		

END OF PERIOD	ANNUAL VARIATION	END OF PERIOD	ANNUAL VARIATION
1987	20.41	1994	3.35
1988	27.36	1995	18.81
1989	29.20	1996	1.79
1990	31.07	1997	28.67
1991	12.29	1998	19.21
1992	15.56	1999**	12.92
1993	8.99		

\* Average January - March.

\*\* Annual variation in March.

**Source:** Banco de la República - Economic Studies.

---

## Public sector

During the first quarter of 1999, the non-financial public sector registered a surplus of Col. \$415 billion, 0.25% of GDP. The National Government presented the greatest fiscal imbalance equivalent to 0.74% of GDP. The Social Security Fund continued displaying the largest surpluses, 0.52% of GDP. The National Coffee Fund and Ecopetrol registered surpluses of 0.03% and 0.15% of GDP, respectively.

### NON FINANCIAL PUBLIC SECTOR REVENUES, EXPENDITURES AND DEFICIT

Billon of pesos

ENTITIES	1998				1999 1/			
	REVENUES 2/	EXPENDITURES 3/	DEFICIT(-) SURPLUS(+)	DEFICIT(-) SURPLUS(+) (% OF GDP)	REVENUES 2/	EXPENDITURES 3/	DEFICIT(-) SURPLUS(+)	DEFICIT(-) SURPLUS(+) (% OF GDP)
Electric sector	4,091.0	4,864.0	(773.0)	(0.53)	795.0	847.0	(52.0)	(0.03)
Ecopetrol	5,231.5	5,102.0	129.5	0.09	1,263.0	1,013.0	250.0	0.15
Carbocol	447.0	330.0	117.0	0.08	115.0	83.0	32.0	0.02
Telecom	1,403.0	1,197.0	206.0	0.14	373.0	251.0	122.0	0.07
Medellín Metro	102.0	25.0	77.0	0.05	25.0	15.0	10.0	0.01
Other entities	4,455.0	4,198.0	257.0	0.18	1,149.0	842.0	307.0	0.19
Social security	11,270.0	9,128.0	2,142.0	1.46	2,369.0	1,516.0	853.0	0.52
Local and regional entities 4/	16,673.0	16,761.0	(88.0)	(0.06)	4,936.0	4,874.0	62.0	0.04
National Coffee Fund	1,508.0	1,476.0	32.0	0.02	337.0	284.0	53.0	0.03
National Government	16,880.0	23,821.0	(6,941.0)	(4.73)	5,183.0	6,405.0	(1,222.0)	(0.75)

1/ Correspond to the first quarter of 1999.

2/ Do not include privatization revenues. For 1998 the privatization total is \$752 billion of pesos.

3/ Includes net loans.

4/ For 1999, correspond to the National Royalties Fund (FNR).

Source: Council for Fiscal Policy (CONFIS) and National Planning Department - (DNP).