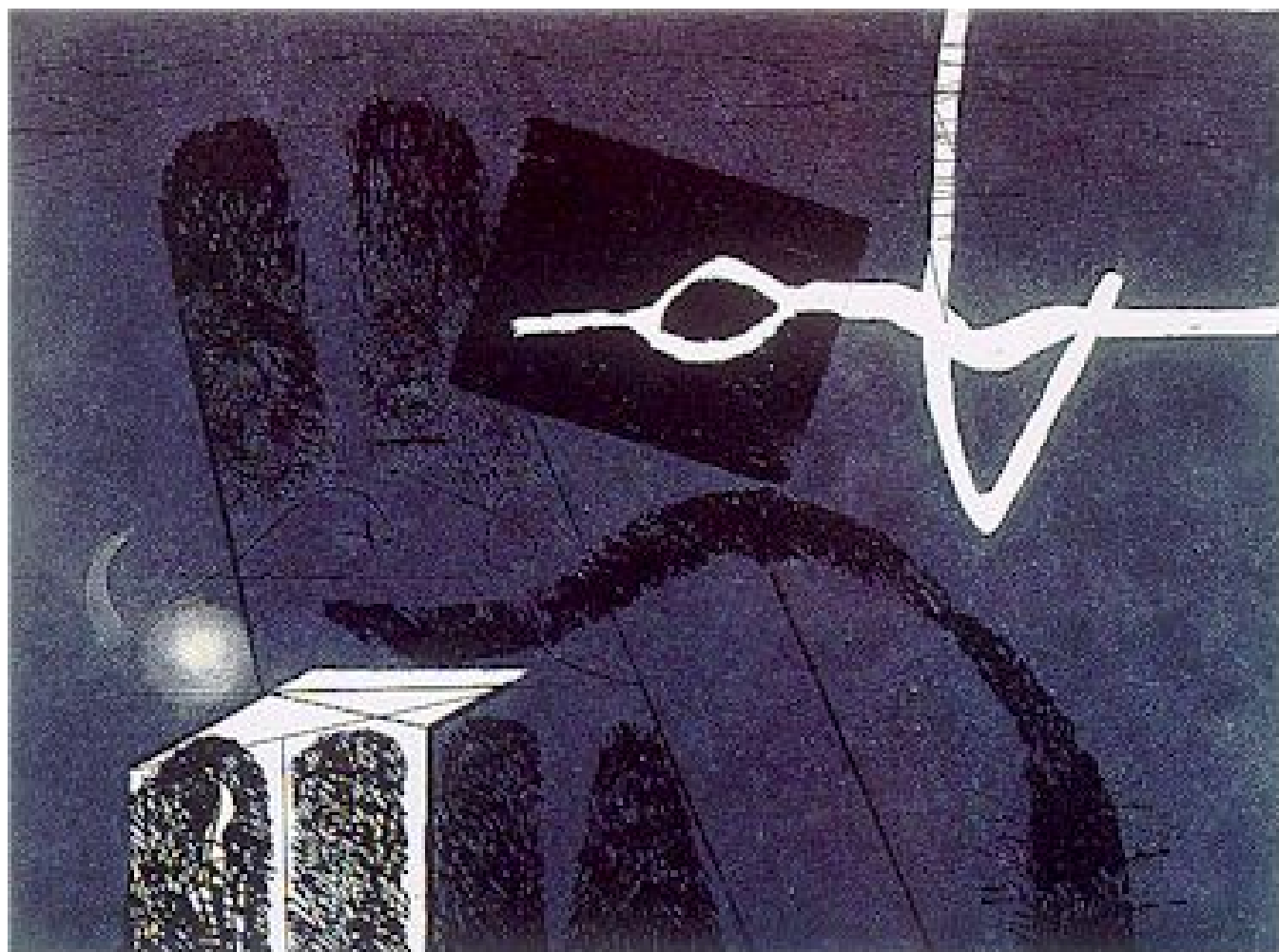


# ECONOMIC INDICATORS

Third quarter of 1999



*Banco de la República*  
*Colombia*

**FRONT PAGE**  
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BANCO DE LA REPÚBLICA COLLECTION

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

Up to the third quarter of 1999, economic activity displayed a strong contraction, showing a 4.6% GDP reduction compared to the same period 1998 rates. This has been closely followed by an increase in the unemployment rate, which registered a high of 20.1%; a contraction of the current account deficit (-1.3% of GDP), and a reduction of inflation (9.3%). The real interest rate reduction, the real exchange rate devaluation and the commitment of fiscal adjustment obtained with the IMF agreement, contributes to the expectation of economic for the year 2000.

### REVIEW OF THE ECONOMY

YEARS	GROWTH			UNEMPLOYMENT RATE	CURRENT ACCOUNT	INTERNATIONAL RESERVES
	GDP (%)	CPI (%)	PPI (%)	(%)	(% of GDP)	(Months of imports of goods and services)
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	4.1	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	-4.5	7.0
1995	5.8	19.5	15.4	9.5	-5.1	6.3
1996	2,1 pr	21.6	14.5	11.3	-5.0	7.2
1997	3,2 p	17.7	17.5	12.0	-5,6 p	6,5 p
1998	0,4 p	16.7	13.5	15.6	-5,3 p	6,0 p
1999	-4,6 p*	9,3 *	10,9 *	20,1 p*	-1,3 pro	7,4 pro

\*: Up to the third quarter.

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(DANE) and National Planning Department (DNP).

## Gross domestic product growth

In the third quarter of 1999, the Colombian economy registered a decreased in its fall started in 1998. According to preliminary estimates by the National Planning Department (DNP), Gross Domestic Product decreased by 4.6% from the rates showed in the same period of 1998. This decrease is primarily due to the behavior of the construction (-19.53%), manufacturing (-12.45%), trade, restaurants and hotels (-7.83%), finance and services (-7.581%), electricity, gas and water (-2.77%) and the agricultural (-3.10%) sectors. Sectors that showed a positive rate of growth were mining and quarry exploitation (3.86%) and social services, common and personals (2.94%). Taxes registered a negative behavior as a result of the downturn in economic activity. Duties and taxes on imports decreased by 23.91%, IVA by 11.81% and taxes except IVA by 11.68%.

### REAL GDP GROWTH BY SECTOR %

SECTOR	1995	1996	1997	1998 p	1999 p First Quarter	1999 p Second Quarter	1999 p Third Quarter
AGRICULTURE and CATTLE, FISHERY, FORESTRY and HUNTING	3.73	(1.24)	0.65	0.60	0.98	(5.37)	(3.10)
MINING AND QUARRY EXPLOITATION	14.57	7.29	3.69	6.66	12.21	8.42	3.86
ELECTRICITY, GAS AND WATER	2.58	4.90	0.96	0.86	(5.55)	(5.12)	(2.77)
MANUFACTURING	5.91	(1.85)	0.42	(0.83)	(18.32)	(17.28)	(12.45)
CONSTRUCTION	1.90	(12.94)	2.18	(11.98)	(19.65)	(27.54)	(19.53)
TRADE, REPAIRS, RESTAURANTS AND HOTELS	3.37	(0.32)	1.80	0.46	(9.04)	(10.72)	(7.83)
TRANSPORT, STORAGE AND COMMUNICATION	6.51	3.83	5.82	3.47	(3.79)	(3.73)	(1.55)
FINANCIAL, INSURANCE, REAL STATE AND SERVICE INSTITUTIONS	8.63	5.17	4.92	(2.56)	(7.78)	(7.88)	(7.58)
SOCIAL SERVICES, COMMON AND PERSONALS	8.96	16.18	7.19	1.68	1.59	2.80	2.94
Minus: Imputed banking services	26.00	16.74	2.72	(14.81)	(24.02)	(20.84)	(25.68)
Value added subtotal	5.20	2.15	3.47	0.67	(4.84)	(6.32)	(3.82)
Plus taxes except IVA	1.41	3.16	(4.28)	(1.23)	(8.42)	(13.77)	(11.68)

Minus : Subventions	(0.87)	8.00	9.14	5.03	1.45	(2.36)	(0.49)
Plus non deductible IVA	5.26	(0.04)	5.84	(2.57)	(16.38)	(17.47)	(11.81)
Plus: Duties and taxes on imports	12.06	0.90	10.60	0.86	(25.69)	(25.73)	(23.91)
<b>GROSS DOMESTIC PRODUCT</b>	<b>5.20</b>	<b>2.06</b>	<b>3.43</b>	<b>0.48</b>	<b>(5.73)</b>	<b>(7.25)</b>	<b>(4.61)</b>

p : Provisional.

Source: National Administrative Department of Statistics(DANE).

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## Balance of payments

During 1998, the Colombian balance of payments registered a current account deficit of US\$5.3 billion (5.3% of GDP), which was financed by a surplus of US\$4.5 billion (4.5% of GDP) in net capital inflows and by a reduction of international reserves of US\$1.4 billion. Of the external capital flows, the resources of direct investment and long term indebtedness stand out. During 1999, the current account deficit shows a substantial decrease registering a significant adjustment to US\$ 86 million in the third quarter, the lowest level of the last years. This adjustment is due to the imports reduction as a consequence of the deceleration economic activity. In the third quarter of 1999, the capital and financial account registered net inflows of US\$339 million, which contrast with a net inflow of US\$1.1 billion presented in the third quarter of 1998. At the end of the third quarter, international reserves stood at US\$7.9 billion, a reduction of US\$909 million in comparison with the end of 1998. For 1999, a US\$1.2 billion (1.3% of GDP) deficit in the current account is expected which will be financed by US\$750 million of international reserves and by US\$330 million of capital inflows coming from foreign investment and from external public sector long term indebtedness.

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

	1995 p	1996 p	1997 p	1998 pr	1999 pr I Quarter	1999 pr II Quarter	1999 pr III Quarter	1999 pro
<b>I. CURRENT ACCOUNT</b>	- 4,693.3	- 4,827.5	- 5,957.4	- 5,293.0	-629.1	-223.9	-85.7	- 1,158.0
Trade balance	- 2,633.9	- 2,140.5	- 2,712.0	- 2,549.8	134.3	471.2	718.1	2,541.9
Services	- 1,181.7	- 1,188.3	- 1,498.5	- 1,460.3	-335.4	-344.8	-344.4	- 1,627.6
Net income receipts	- 1,606.8	- 2,089.9	- 2,356.6	- 1,728.7	-725.9	-582.6	-624.5	- 2,616.8
Current transfers	729.2	591.2	609.7	445.8	297.9	232.4	165.1	544.6
<b>II. CAPITAL AND FINANCIAL ACCOUNT</b>	4,683.8	6,704.1	7,091.6	4,454.0	664.1	164.2	-339.2	330.3
<b>Long-term financial flows</b>	2,775.0	7,174.2	8,377.0	4,465.4	1,012.9	901.6	-284.3	1,585.1
Net direct investment	712.2	2,783.7	4,829.6	2,378.5	451.5	451.3	131.7	249.1
External debt 2/	2,062.9	4,390.5	3,570.6	2,101.4	565.4	450.4	-400.2	1,350.5
Other long-term movements	0.0	0.0	-23.2	-14.5	-4.0	0.0	-15.8	-14.5
<b>Short-term financial flows</b>	1,908.7	-470.1	- 1,285.4	-11.5	-348.8	-737.5	-55.0	- 1,254.8

Portfolio investment	559.2	-293.7	-23.7	394.1	-470.6	-148.4	-125.7	-451.0
Other short-term movements <b>3/</b>	1,349.6	-176.4	1,261.7	-405.5	121.8	-589.1	70.7	-803.9
<b>III. OTHERS</b>	5.1	-149.9	-856.8	-551.1	130.0	-153.1	-173.6	78.0
<b>IV. CHANGE IN NET INTERNATIONAL RESERVES</b>	-4.5	1,726.6	277.4	1,390.1	165.0	-212.7	-598.5	-749.8
<b>V. CURRENT ACCOUNT / GDP (%)</b>	-5.1	-5.0	-5.6	-5.3	n.d	n.d	n.d	-1.3

**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.

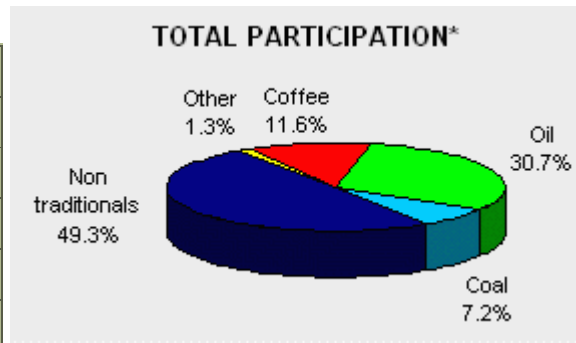
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## Foreign trade - Exports

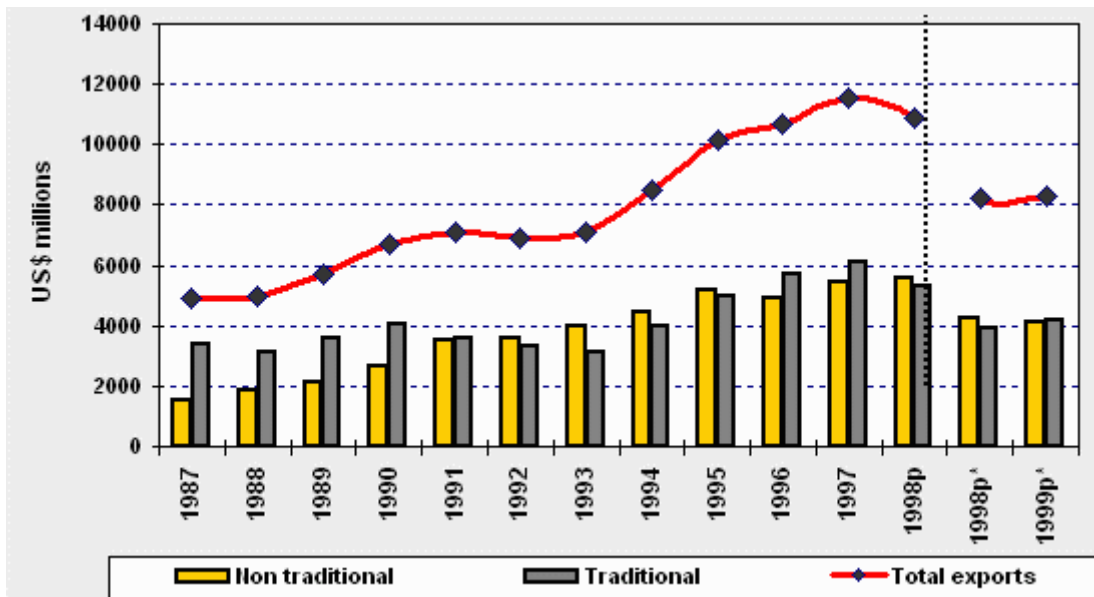
At the end of the third quarter of 1999, Colombian exports reached US\$8.3 billion, an 1.2% increase as compared with the same period in 1998. This behavior is primarily explained by an increase in traditional exports (US\$278 million ,7.1%), particularly petroleum, emeralds and nickel. The increase in petroleum sales (US\$865 million) was due to the rise in international prices. This recovery contrast with the falling of coffee (US\$462 million), coal (US\$117 million), gold (US\$16 million). On the other hand, non-traditional exports fell by 4.1% (US\$4.1 billion). The reduction in exports of non-traditional goods was due to the decline in the sales of industrial goods, especially food, beverages and tobacco, transport, machinery and equipment. On the contrary, agricultural exports grew as compared with the same period of 1998. The United States was the main destination for Colombian exports, purchasing 47.9% of the total, followed by the European Union with 15.9% and the Andean Group with 14.4%. For 1999, exports are expected to grow by 8,9%.

### EXPORTS

EXPORTS	1999* %
U.S.A.	47.9
EUROPEAN UNION	15.9
ANDEAN GROUP	14.4
JAPAN	2.2
REST	21.8



\* Up to September



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>	4,914.5	-2.9	1,555.7	14.4	3,358.8	-9.2
<b>1988</b>	4,964.9	1.0	1,870.9	20.3	3,094.0	-7.9
<b>1989</b>	5,710.9	15.0	2,147.8	14.8	3,563.1	15.2
<b>1990</b>	6,720.6	17.7	2,664.3	24.0	4,056.3	13.8
<b>1991</b>	7,113.8	5.9	3,543.2	33.0	3,570.6	-12.0
<b>1992</b>	6,900.0	-3.0	3,564.6	0.6	3,335.4	-6.6
<b>1993</b>	7,115.9	3.1	3,984.4	11.8	3,131.5	-6.1
<b>1994</b>	8,478.8	19.2	4,469.2	12.2	4,009.6	28.0
<b>1995</b>	10,125.9	19.4	5,160.2	15.5	4,965.7	23.8
<b>1996</b>	10,653.8	5.2	4,905.5	-4.9	5,690.8	14.6
<b>1997</b>	11,556.2	7.2	5,463.8	6.9	6,092.4	7.4
<b>1998 p</b>	10,890.2	-5.8	5,596.4	2.4	5,293.8	-13.1
<b>1998 p*</b>	8,197.0	-3.6	4,264.3	5.4	3,932.7	-11.8
<b>1999 p*</b>	8,298.6	1.2	4,087.6	-4.1	4,211.1	7.1

p: Provisional.

\* Up to september.

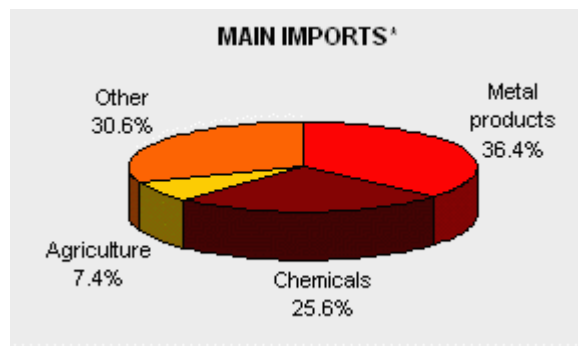
Source: National Administrative Department of Statistics(DANE).

## Foreign trade - Imports

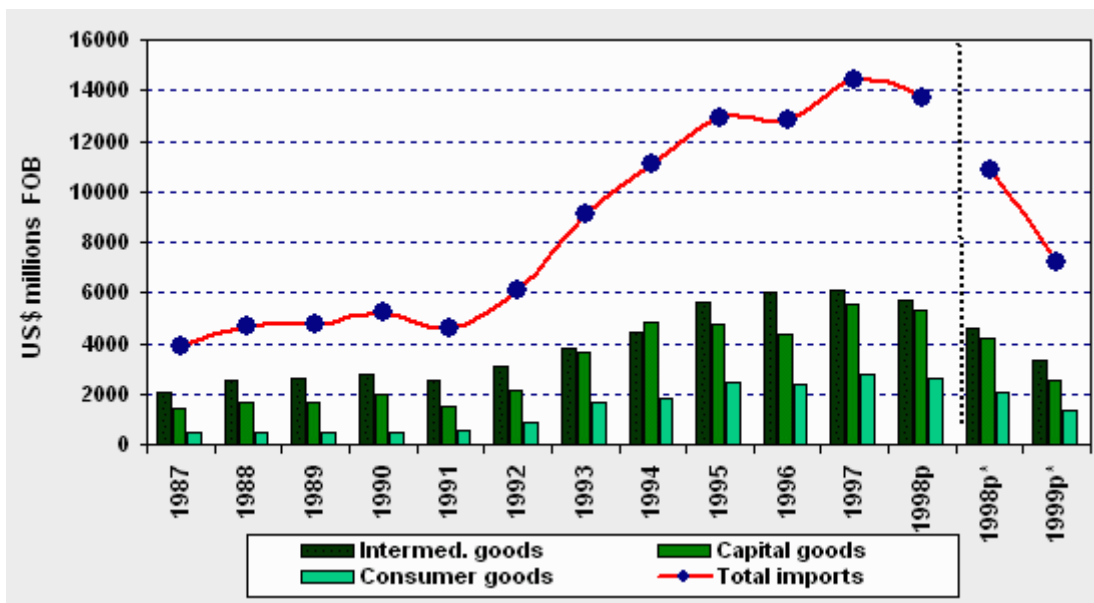
During January-September of 1999, Colombian FOB imports reached US\$7.2 billion, a US\$3.7 billion decrease equivalent to 34.1%. This behavior is due to the fall in capital (US\$1.7 billion, 40.9%), intermediate (US\$1.3 billion, 27.9%) and consumer goods (US\$700 million, 33.8%) imports. The largest reductions were detected in capital goods and raw material, US\$1.3 billion and US\$1.2 billion respectively. By area of origin, imports were led by the United States 41.2%, the European Union 16.9% and the Andean Group 12%. It is estimated that the value of imports will decrease by 29.8% during 1999.

### IMPORTS

IMPORTS	1999* %
U.S.A.	41.2
EUROPEAN UNION	16.9
ANDEAN GROUP	12.0
JAPAN	3.9
REST	26.0



\* Up to september



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>	3,919.3	7.2	2,020.7	6.1	473.5	20.3	1,425.1	4.9
<b>1988</b>	4,703.5	20.0	2,520.7	24.7	497.8	5.1	1,685.0	18.2
<b>1989</b>	4,731.4	0.6	2,601.5	3.2	481.9	-3.2	1,648.0	-2.2
<b>1990</b>	5,266.8	11.3	2,805.4	7.8	514.4	6.7	1,947.0	18.1
<b>1991</b>	4,564.8	-13.3	2,523.1	-10.1	569.9	10.8	1,471.7	-24.4
<b>1992</b>	6,111.7	33.9	3,113.3	23.4	867.0	52.1	2,131.4	44.8
<b>1993</b>	9,085.7	48.7	3,797.1	22.0	1,665.7	92.1	3,622.9	70.0
<b>1994</b>	11,080.3	22.0	4,448.8	17.2	1,818.6	9.2	4,812.9	32.8
<b>1995</b>	12,921.2	16.6	5,657.5	27.2	2,486.0	36.7	4,777.6	-0.7
<b>1996</b>	12,793.6	-1.0	6,045.4	6.8	2,384.3	-4.1	4,363.9	-8.7
<b>1997</b>	14,409.3	12.6	6,076.6	0.5	2,770.1	16.2	5,562.6	27.5
<b>1998 p</b>	13,726.2	-4.7	5,742.1	-5.5	2,646.1	-4.5	5,338.1	-4.0
<b>1998 p*</b>	10,877.3	5.7	4,585.5	0.7	2,068.9	5.5	4,222.9	8.8
<b>1999 p*</b>	7,171.7	-34.1	3,305.8	-27.9	1,369.4	-33.8	2,496.5	-40.9

p: Provisional.

\* Up to september.

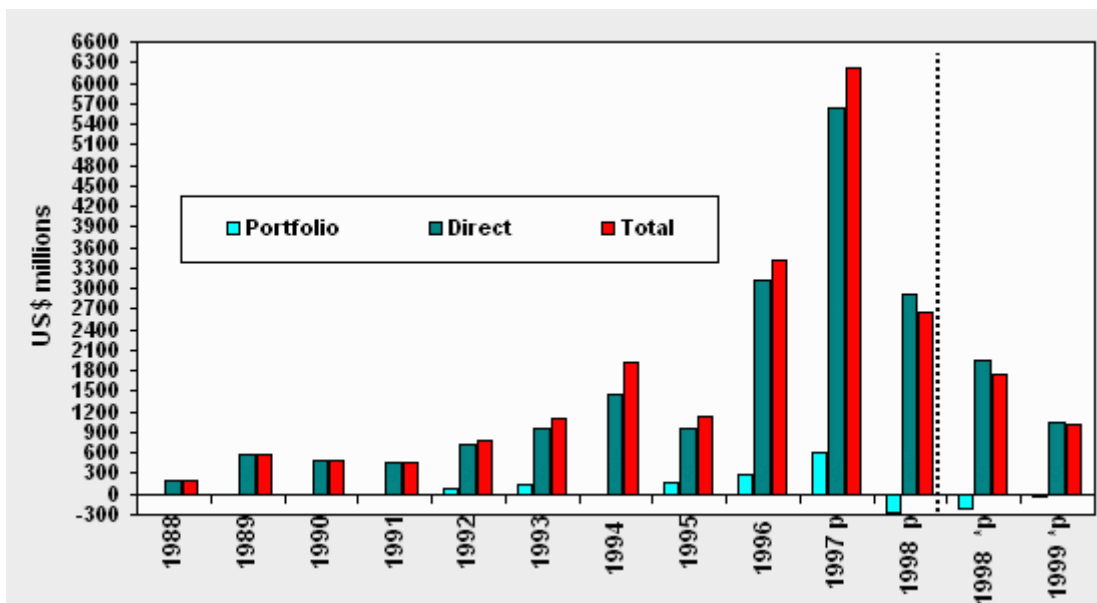
Source: National Administrative Department of Statistics(DANE) and National Customs and Taxes Authority. (DIAN).

## Foreign investment

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During January-September of 1999, net capital revenues of foreign investment to Colombia stood at US\$1.0 billion, US\$737 million (42.1%) lower than in the same period of 1998. This reduction is explained by the lower net direct investment revenues, US\$912 million, especially those going to the communication, financial and electric sectors and to petroleum related activities. Direct foreign investments was channeled primarily to the manufacturing sector, to the trade sector, to the mining sector, and to the services sector which together reached 80% of the total. On the other hand, portfolio investment registered a net outflow of US\$35 million during January-September of 1999. During 1999 a US\$ 1.3 billion foreign investment inflow is expected.

### 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
<b>Oil</b>	359.5	269.6	264.1	439.6	557.3	132.7
<b>Other sectors</b>	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	3,404.0	6,231.8	2,642.0	1,749.0	1,012.0
<b>Direct</b>	968.3	3,111.8	5,639.3	2,907.0	1,959.0	1,047.0
<b>Oil</b>	151.3	778.4	382.3	120.0	181.0	-489.0
<b>Other sectors</b>	817.0	2,333.4	5,257.0	2,787.0	1,778.0	1,536.0
<b>Portfolio</b>	164.7	292.2	592.5	-265.0	-210.0	-35.0

p: Provisional.

\* Up to first quarter.

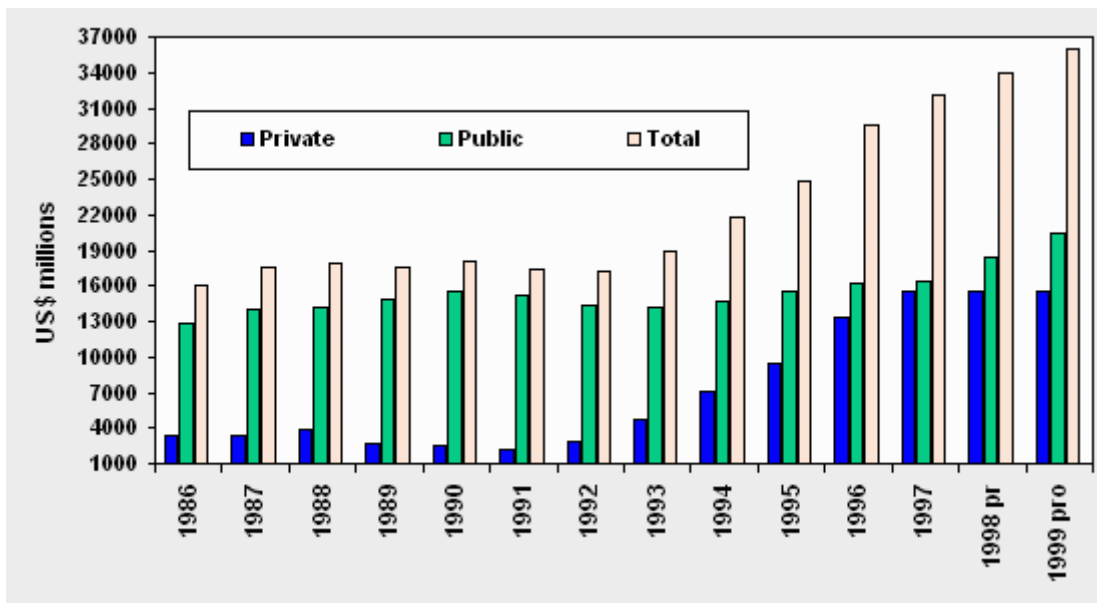
1/ Since 1994, the statistics correspond to the new Balance of Payment measure, according with the Balance of Payment Methodology of the International Monetary Fund Balance of Payment Manual 5th Edition.

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

## Outstanding foreign debt

At the end of 1998, Colombian foreign indebtedness stood at US\$33.9 billion (33.9% of GDP), with a variation of US\$1.9 billion, equivalent to 5.9% of GDP. Of this amount, 54.3% corresponds to the public sector, while private sector was 45.7%. At the end of 1999, it is estimated that the outstanding foreign debt will stand at US\$36.1 billion (41.3% of GDP), US\$265 million higher, explained by an increase in public debt (US\$1.7 billion, 8.8%) and by a fall of the private sector (US\$1.4 billion, 8.2%). Of this amount, 56.8% (US\$20.5 billion) will be held by the public sector, while 43.2% (US\$15.6 billion) will correspond to the private sector. It should be noted that 96.7% of outstanding public sector is long term debt, and 3.3% is short term. In the private sector, these percentages are 78.5% and 21.5%, respectively.

### OUTSTANDING FOREIGN DEBT



External debt 1/ US\$ millions

YEAR	TOTAL	% GDP	PUBLIC	% GDP	PRIVATE	% GDP
1986	16,100	46.1	12,782	36.6	3,318	9.5
1987	17,512	48.1	14,068	38.7	3,444	9.5
1988	17,935	45.7	14,134	36.0	3,801	9.7
1989	17,588	44.5	14,815	37.5	2,772	7.0
1990	17,992	44.7	15,471	38.4	2,522	6.3
1991	17,335	40.8	15,171	35.7	2,165	5.1
1992	17,278	35.1	14,416	29.3	2,862	5.8
1993	18,888	33.8	14,254	25.5	4,634	8.3
1994	21,839	26.7	14,718	18.0	7,121	8.7
1995	24,913	26.9	15,541	16.8	9,372	10.1
1996	29,512	30.4	16,251	16.7	13,262	13.7
1997	32,046	30.0	16,455	15.4	15,591	14.6
1998 <b>pr</b>	33,923	33.9	18,427	18.4	15,496	15.5
1999 <b>pro</b>	36,059	41.3	20,490	23.5	15,569	17.8

**pr:** Preliminary.

**pro:** Projected.

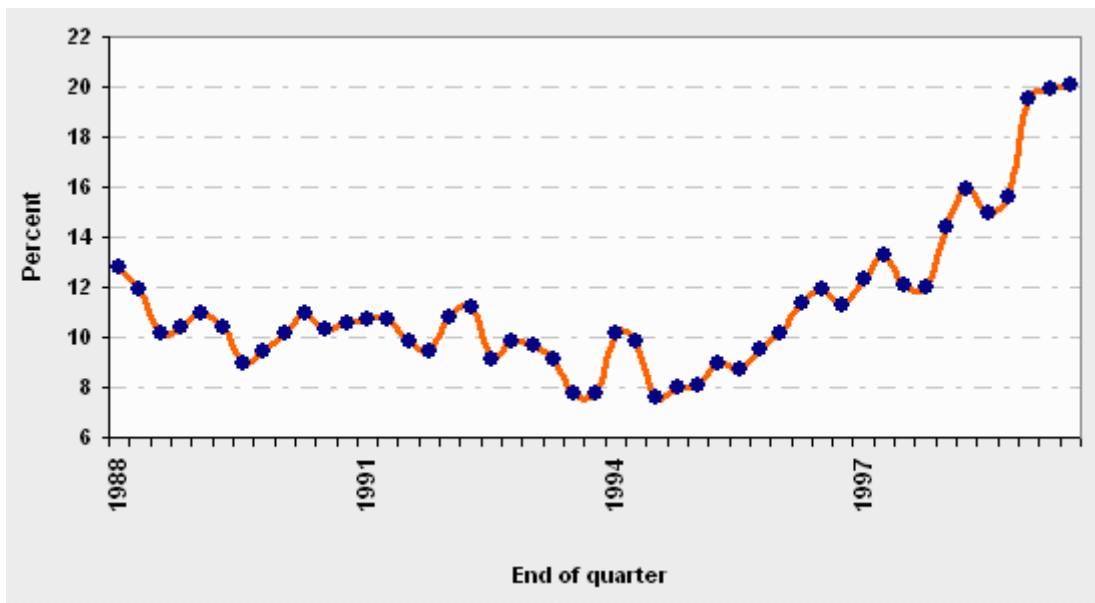
1/ Since 1994, the statistics correspond to the new Balance of Payment measure, according with the Balance of Payment Methodology of the International Monetary Fund Balance of Payment Manual 5th Edition.

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

## Unemployment rate

The unemployment rate for the seven metropolitan areas (Santafé de Bogotá, Barranquilla, Cali, Medellín, Bucaramanga, Manizales and Pasto) was 20.1% in September 1999, 5.1 points higher than in September 1998, (15.0%). The graphic shows the unemployment growth rate trend since 1996 until the highest level ever reached. Medellín, Cali, Pasto and Manizales were the cities that showed the major unemployment rates, reaching levels above 20%. Between September 1998 and September 1999 the unemployed population increased by 422,051. On the other hand, the global participation rate increased from 62.9% in the second quarter of 1999 to 63.3% in the third. The occupation rate also presented a light increase from 50.4% to 50.6% over the same period.

**UNEMPLOYMENT**  
Seven Cities and its Metropolitan Areas



**UNEMPLOYMENT RATE %**

END OF QUARTER	1988	1989	1990	1991	1992	1993
1	12.8	11.0	10.1	10.7	10.8	9.7
2	11.9	10.3	10.9	10.7	11.2	9.1
3	10.2	9.0	10.2	9.8	9.1	7.8
4	10.4	9.4	10.6	9.4	9.8	7.8
END OF QUARTER	1994	1995	1996	1997	1998	1999 p

<b>1</b>	10.2	8.1	10.2	12.3	14.4	19.5
<b>2</b>	9.8	9.0	11.4	13.3	15.9	19.9
<b>3</b>	7.6	8.7	11.9	12.1	15.0	20.1
<b>4</b>	8.0	9.5	11.3	12.0	15.6	

p: Provisional.

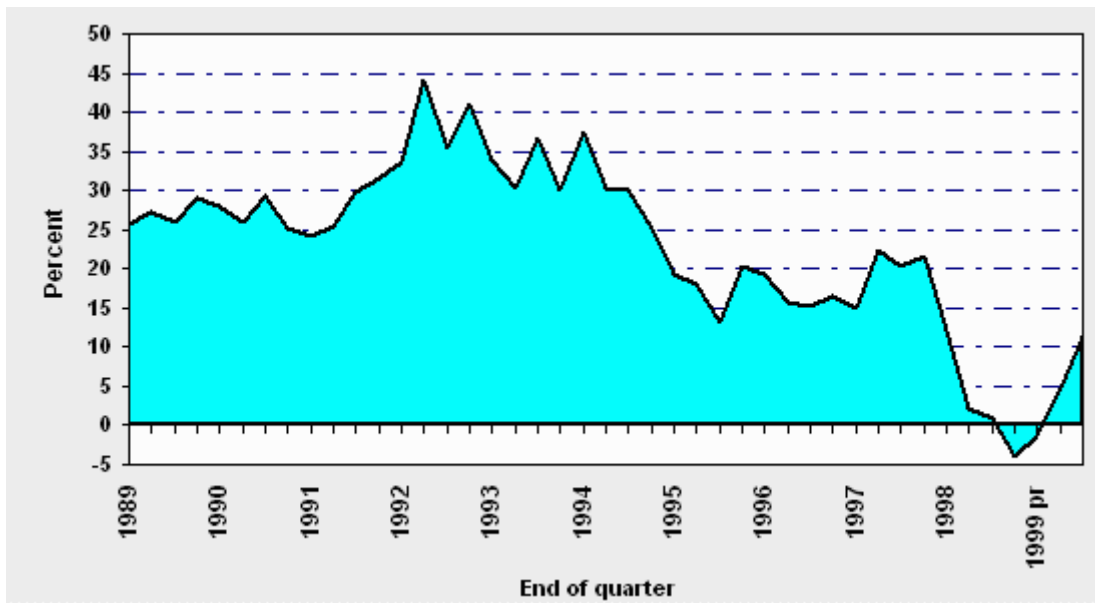
Source: National Administrative Department of statistics (DANE).

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## Money growth

At the end of the third quarter of 1999, the money supply was Col. \$9,419 billion, with an annual variation of 11.3%. Of this amount, \$4,435 correspond to cash holdings, 27.5% of annual variation, and \$4.984 correspond to deposits on current account with 0.1% of annual variation. During the year, the money supply registered a 10.5% fall, explained by a fall in current account deposits and cash holdings of 15.7% and 3.6% respectively.

**MONEY GROWTH (M1)  
Annual Variation**



**MONEY GROWTH  
(Annual Variation %)**

END OF QUARTER	1989	1990	1991	1992	1993	1994
1	25.8	28.1	24.1	33.7	34.0	37.4
2	27.3	26.0	25.5	44.1	30.4	30.4
3	26.0	29.4	29.7	35.5	36.6	30.0
4	28.9	25.2	31.7	41.0	30.0	25.3
END OF QUARTER	1995	1996	1997	1998	1999 pr	
1	19.4	19.3	14.9	12.2	-1.4	
2	17.9	15.6	22.5	2.2	4.8	

<b>3</b>	13.1	15.3	20.4	0.9	11.3	
<b>4</b>	20.2	16.5	21.7	-3.9		

pr: Preliminary.

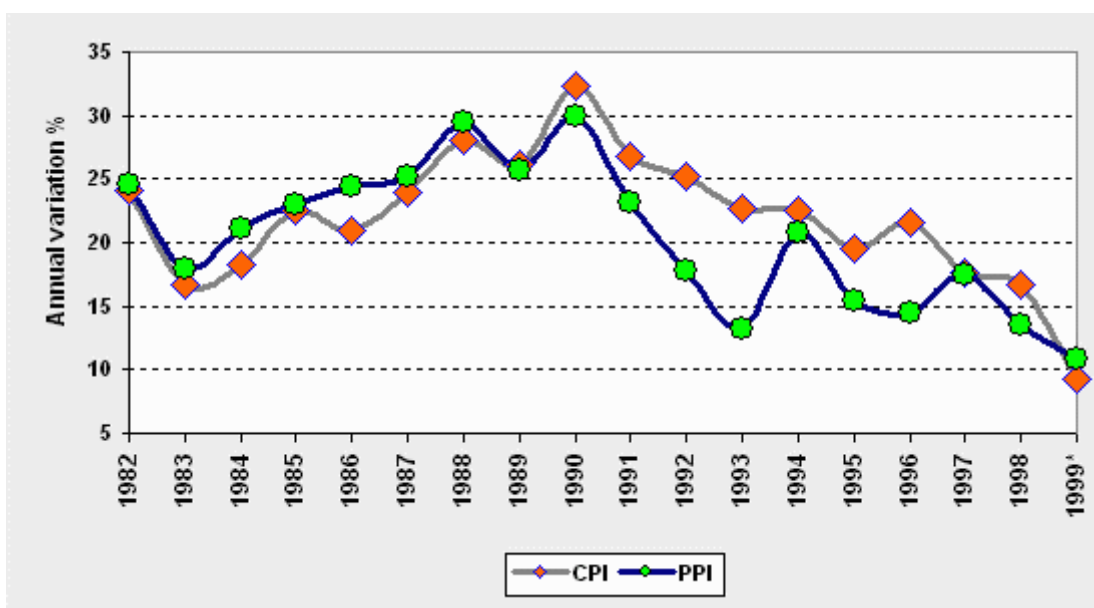
Source: Banco de la República - Economic studies.

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## Consumer and producer price indices

The consumer price index (CPI) showed an annual variation of 9.3% in September 1999, 8.5 percentage points lower than in 1998. The sectors that registered good behavior were food 4.2%, clothes 4.4% and housing 8.6%. Health, education, transport and others exhibited an annual variation (15.3%) higher than the average. On the other hand, the annual variation of the producer price index (PPI) stood at 10.9%. Prices of imported goods increased 21.2%, while those for domestic goods increased 10.9%.

**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

<b>1989</b>	26.12	25.62	<b>1998</b>	16.70	13.50
<b>1990</b>	32.37	29.90	<b>1999*</b>	9,33	10,91

\* Annual variation in september

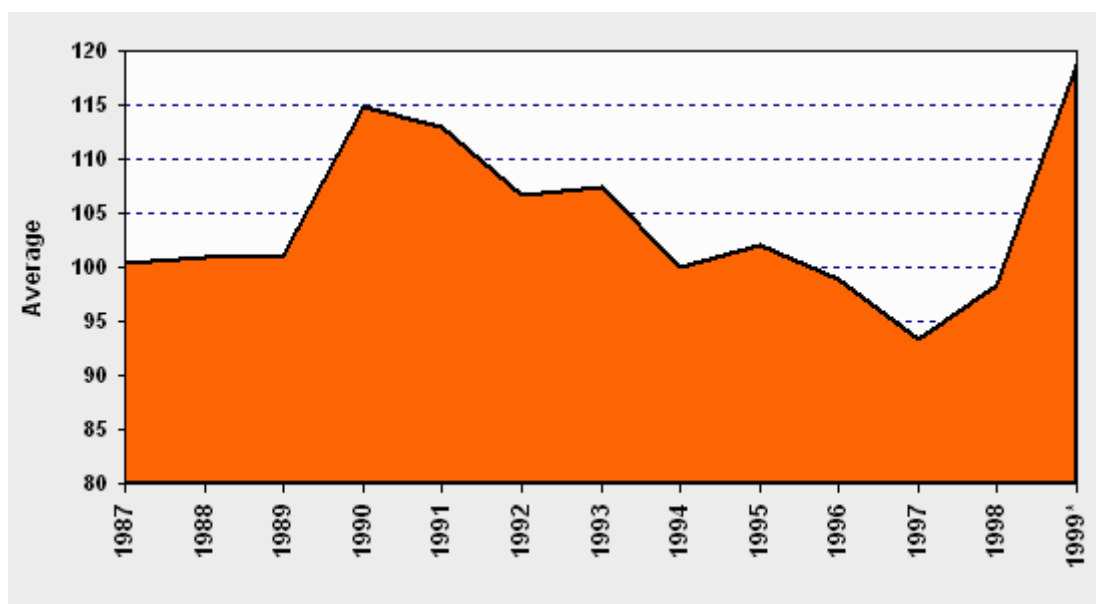
**Source** : CPI National Administrative Department of Statistics (DANE).  
PPI Banco de la República - Economic Studies.

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## Exchange rate

At the end of September 1999, the market exchange rate stood at Col. \$2,017.27 per US dollar, . Annual devaluation reached 29.6%, 4.7 percentage points higher than in September 1998. The Real Exchange Rate Index stood at 118.70, indicating a real appreciation of 14.6% during the year. This result is due both to the higher nominal devaluation and the fall of the domestic inflation.

### 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	98.40
1992	106.74	1999*	118.70
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**	29.63
1993	8.99		

\* Average January - September.

\*\* Annual variation in September.

Source: Banco de la República - Economic Studies.

## Public sector

During the first semester of 1999, the non-financial public sector registered a deficit of Col. \$1.5 billion, equal to 0.98% of GDP. Respect to the Government annual goal, the observed deficit amounts to 20% of the goal. It is worth mentioning that some public entities execute a large share of their expenditures during the second semester of the year which permits them to have temporary surpluses in the first months. During the first semester, the National Government presented a fiscal imbalance equivalent to 2.2% of GDP, and it is expected that at the end of the year the deficit will grow to 5.7% of GDP. The Social Security Fund registered surpluses by 0.54% of GDP. Finally, the financial results of other agencies such as Ecopetrol and The National Coffee Fund registered surpluses of 0.64% and 0.02% of GDP, respectively.

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

Billion 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	-0.5	2,102.0	2,493.0	-391.0	-0.3
Ecopetrol	5,231.5	5,102.0	129.5	0.1	3,111.0	2,124.0	987.0	0.6
Carbocol	447.0	330.0	117.0	0.1	224.0	81.0	143.0	0.1
Telecom	1,403.0	1,197.0	206.0	0.1	826.0	727.0	99.0	0.1
Medellín Metro	102.0	25.0	77.0	0.1	68.0	32.0	36.0	0.0
Other entities	4,455.0	4,198.0	257.0	0.2	3,073.0	3,143.0	-70.0	-0.0
Social security	11,270.0	9,128.0	2,142.0	1.5	9,234.0	8,401.0	833.0	0.5
Local and regional entities	16,673.0	16,761.0	-88.0	-0.1	10,432.0	10,161.0	271.0	0.2
National Coffee Fund	1,508.0	1,476.0	32.0	0.0	732.0	767.0	-35.0	-0.0
National Government	16,880.0	23,821.0	-6,941.0	-4.9	9,916.0	13,289.0	-3,373.0	-2.2
TOTAL	62,060.5	66,902.0	-4,841.5	-3.4	39,718.0	41,218.0	-1,500.0	-1.0

1/ Correspond to the first semester of 1999.

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

**3/** Includes net loans.

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