

General Economic Remarks

Let me expose the results that I find to be the most telling:

- Positive economic growth has been regained, reaching a 2.8% level for year 2000 after the GDP's -4.3% contraction in 1999.
- Most importantly growth was driven by the private sector with its production exhibiting a 3.6% growth, while the government exhibited a contraction in its consumption for the first time in almost a decade.
- The latter displays both the response of private investors to a renewed economic environment and the government's commitment to the fiscal adjustment policy.

- It is important to highlight the efforts aimed at the recovery of the financial sector, through both capitalization and prudential supervision. The restructuring of this system has been crucial in conceding new dynamism to the granting of credits, through the reestablishment of trust in the system, and in this way promoting private investment.
- Furthermore, economic growth was boosted by the export sector. As soon as interest rates, and the exchange rate were at reasonable levels, non traditional exports grew 17%, becoming the main force of the recovery. Our potential as an exporting nation is undeniable, and we are committed to realize this potential

- Additionally, my government has sustained a commitment to promote our insertion in international markets, enhancing foreign trade and investment.
- Currently, foreign investors have equal opportunity to invest in Colombia as national investors, being free to invest in practically every economic sector (except for national defense and security and processing and disposal of toxic wastes), without requiring prior government authorization for foreign capital entrance.
- Investors are free to remit capital and profits to foreign countries and, in order to reduce uncertainty, a constitutional amendment has guaranteed full compensation in case of expropriation.

- In terms of the oil sector in particular, a new policy has been implemented granting greater profitability to investment. The State share in associative contracts was reduced from 50% to 30%, while royalties are now proportional to the size of the discovery.
- Additionally, trade policy aims towards further integration to international markets. A strategic export plan is being implemented, searching to exploit Colombia's possibilities as an export platform.
- In particular, the country has special regulations for 12 free trade zones, where exports are exempted from income tax and import duties on their imports.

- Besides, our country has created Special Economic Export Zones in certain economically depressed regions, aiming to attract investment through incentives such as tax exemptions on exports, duty free access to inputs and capital equipment, and a special labor regime.
- Colombia has preferential access to over 845 million consumers in US, Latin America and Europe as a result of trade agreements and unilateral trade preferences.
- To invest in Colombia is highly profitable business. You can ask the entrepreneurs who have come to our country with the vision and spirit to do business.

Connectivity Agenda

- My government considers massifying the use of information technologies and communications is a top priority to support growth and enhance competitiveness, ensuring our productive sectors access to international markets and thus reinforcing the job creation policy.
- I am a firm believer in the potential of information technologies to achieve a more egalitarian society in the world and also in my country.
- Based on this conviction my government designed the so called “Connectivity Agenda”, a State policy aimed at massifying the use of information technologies and in so doing increase the productive sectors’ competitiveness,

modernize State agencies and government institutions, and socialize access to information.

- My government structured and consolidated this plan with clear objectives in mind:
- We want to avail ourselves of the opportunities offered by information technologies and thus take a leap in our development, and close the gap that separate us from more developed countries.
- We also want to close this existing gap between Colombian citizens by guaranteeing access to information, and in so doing offer new education and information opportunities to our youth.

- We want to promote the Colombian business sectors' integration into the new economic model created by the society of knowledge.
- We want to foster an environment that motivates foreign investment and fosters the establishment of local companies that offer goods and services connected to information technologies.
- And finally we wish to create a new State model that delivers better services, through transparent management and with adequate citizen control.
- In short, the Connectivity Agenda is the Colombian Government's response to the need to offer an attractive

economic environment and to actively participate as world-class player in this new economy of knowledge.

- We are working in all fronts: both in the elimination of barriers to guarantee access to information technologies, as well as in education and in supporting the business sector so that it may join the new economy.
- I want my government's legacy to be a changed country, not only in the subject of peace, but also for having taken that leap that will project us with great force into the future. Therefore, the Connectivity Agenda, which we have come to call "The Leap to Internet", is one of my government's priority programs and is being coordinated directly by the Presidency of the Republic.

- Thanks to the development of the Connectivity Agenda, undertaken and with the support of national and international advisors, we are convinced more than ever before of my country's potential to develop a sound, world class industry around software development, related services and other businesses that stem from information technology, as is the case with the so called "Call Centers", telesurveillance, and other similar services.
- We would like to enhance the important exchange of experiences with India. We are presently working with an Indian advisor on the design of a very intense training and certification program for specialized software developers. We also welcome alliances between Colombian and Indian companies having more to offer than just specialized training services. We also want to set up

software factories with you, which must clearly target international markets.

- This is the reason why we attach great importance to this visit. We think we have a lot to learn from the excellent Indian experience and I wanted to see it first hand together with my closest advisors in this field.
- This is an ideal occasion to strengthen our business ties and to create new alliances that will allow us to make the best use of the overwhelming opportunities one finds in the information technology market.