

**ADDRESS BY THE PRESIDENT OF THE REPUBLIC OF
COLOMBIA, MR. ANDRES PASTRANA, DURING THE
MEETING WITH NORWEGIAN INVESTORS**

Oslo, April 24th, 2001

Dear friends:

Colombia is a country known in Latin America and the world for having a long-standing and stable economy and for the seriousness with which it honors its international commitments.

In spite of this, we suffered, like many other Latin American economies, as a consequence of the international financial crisis, among other reasons, a recession that peaked in 1999 and that we have fortunately overcome thanks to a serious and responsible economic policy.

Today we have a single digit inflation rate, the lowest in the last 30 years; we have reduced interest rates by over 30 points; we have reduced our fiscal deficit significantly; we have exchange stability; we have put an end to uncertainty in the financial sector; we recovered the legal security yearned by investors, and we have made our customs systems more agile. The pillars

of our economy, the foundations on which we can build skyscrapers, have received the reinforcement they required.

These processes required taking risky and somewhat unpopular measures. These measures included declaring a state of economic emergency to avoid the collapse of the financial system, the reduction of public expenditure, and the implementation of a policy of austerity for the operational expenses of regional institutions to clean up State finances. However, and in spite of the scope of the difficulties we confronted, we are seeing heartening results and better effects.

Now that the recession is something of the past, industry is growing at a 10% rate, and sectors such as the textile industry have grown at a 20% rate. Non-traditional exports have increased by 17%. Even the agricultural sector, after a prolonged period of stagnation, has grown about 5%. Likewise, the financial system has enhanced the quality of its portfolio and has managed to reactivate a continuous flow of credit lines to entrepreneurs. In short, the outlook is very encouraging.

The fiscal adjustment implemented to date and the good performance of macro economic variables allows us to foresee

a growth rate of at least 4% this year. This is more than one point higher than the 2.8% growth rate registered last year, and acquires greater importance when we remember that the 1999 growth rate was a negative 4.3%. There is no doubt, my dear entrepreneurs and investors of Norway: Favorable winds blow across the Colombian economy!

Thanks to this, we are recovering the attractive environment of stability and growth that has traditionally characterized Colombia in the community of Latin American countries.

To this we must add the efforts deployed by the national government to consolidate peace in the country, a process that I have personally led during these last two and a half years.

The road to peace demands patience and perseverance, yet we have moved forward decidedly with the unanimous support of all the social and political forces of Colombia and the international community, included Norway.

We are ready now to consolidate reactivation by attracting foreign investment, and targeting international markets to ensure sound and sustainable long-term growth.

Today I would like to invite you to walk the road to Colombia, and I do so for good reasons, as many of you already know:

Colombia has entered into free trade agreements and has tariff preferences with most of the countries of the region and the world. Thanks to this, our products have preferential access to over 800 million consumers in Europe, United States, Mexico and the Andean community.

We are self reliant in gas, power, and natural resources. We have a privileged geographical position that makes us the best corner of the Americas: we have coast lines on both the Atlantic and Pacific oceans, and direct contact with Central America, the Caribbean islands and the rest of South America.

We have a modern and simplified customs regime and long-standing and well-known democratic stability.

We offer very profitable investment opportunities in telecommunications, mining and gas, oil, transport, manufacturing, and agriculture.

We reformed the Constitution to eliminate the figure of expropriation without compensation, which used to represent a serious risk for investors. In so doing we have guaranteed ownership over your investments, and, furthermore, we have entered into and are about to sign agreements for the promotion and protection of investments with several countries of the world.

But the best reason to invest in Colombia is very simple: because it is a highly profitable business!

I am here today, talking to you in Oslo, because I want to propose, my dear friends, that you choose a new and challenging road: the road to Colombia!

Thank you very much