2.5. Exchange Regulations

Law 9 of 1991, which modified the Exchange Regulations in force since 1967, rendered foreign currency transactions much more flexible by means of the official exchange certificates market. Although the exchange rate continues to be governed by the monetary authorities, the new measures are designed to expedite transactions with foreign countries, to facilitate the ownership and handling of foreign currency for those people involved in foreign trade, to permit the use of modern financial mechanisms, and to give the market a more significant role regarding the establishment of the level of the foreign currency assets required by the national economy.

The official control of foreign exchange transactions is the responsibility of the Central Bank's Exchange Office (Oficina de Cambios del Banco de la República) and by the Exchange Control Superintendency (Superintendencia de Control de Cambios).

2.6. Foreign Trade

Historically, Colombia's unstable foreign trade has been greatly attributable to the variations of the world economy and the international price of coffee. However, recent advances in import substitution and export diversification have led to a less uncertain situation in terms of foreign revenues. This progress has been partially due to the increases in exports of mining products and to the wise exchange policies adopted in recent years with the purpose of promoting foreign trade.

The Foreign Trade Law (Law 1 of 1991) establishes the overall criteria governing policies in this field. These criteria are based on the promotion of the free trade of goods and services, freedom of competition and private initiative, greater modernization and efficiency, and support to international integration processes.

Regarding imports, the government has implemented a policy to reduce tariffs and administrative requirements such as the prior importation licenses. So far as exports are concerned, the government is committed to the goal of simplifying paperwork and financing in order to promote growth of actual rates.

Total Colombian goods exported in 1990 amounted to US$7.04 billion and the commercial surplus was equal to US$1.9 billion according to balance of payments data.