

contracts. Additionally, Colombia has allowed the opening of bids for exploratory rights in some regions that had been reserved for direct exploration by Ecopetrol. The new policies have encouraged exploration activity that may lead to the discovery of new major fields. Canadian firms should be alert for the opportunities that the Colombian oil and gas sector market will offer for their products and services.

Natural Gas Mass Distribution Program

Colombia has traditionally been a modest user consumer of natural gas.

Residential use of natural gas only started in 1986 with a gas pipeline between Ballenas and the cities of Barranquilla and Cartagena on the Northern coast. In 1991, natural gas represented only 5% of total energy consumption in Colombia. A Government decision to increase energy efficiency has facilitated a plan for a gas mass distribution program including an expansion in this service for household, industrial, commercial and electric generation use in cities of Santafé de Bogotá, Medellín and Cali.

The "gas massification program" is a major component of the Government's energy policy. A priority for the Government is to enhance international private participation in the development and operation of the natural gas infrastructure. Urban/regional distribution networks are in the advanced planning stage. An important tender has already been issued which will service some 50 municipalities in the centre of the country. The larger cities are also planning their network through their public utility companies during 1997 and 1998. These projects offer Canadian utilities an opportunity for investment and for equipment and material suppliers a significant opportunity for export sales.

Investments in oil and gas transportation alone have been estimated at a total of about US\$3.5 billion for the next 10 years. Four major pipeline projects, covering most of the country and awarded to private investors under the BOMT (build-operate-maintain-transfer) systems, will help increase the number of user-households from the 600,000 families currently served to 2 million subscribers in the year 2000.

Aerospace and Defence

Because of the inaccessibility of much of the country, aviation is one of the most important modes of transportation in Colombia, particularly for passenger transport. Colombian air routes are well-developed.

Canada's aviation technology is well-known in Colombia as five Bombardier Dash 8s are operated by Aires Airlines along with nine Twin Otters flown by Aces