

## Privatization

Colombian investment law, which is designed to encourage foreign investment and repatriation of profits, majority foreign positions and a minimal governmental approval system, provides a very favourable climate for investment. The country's privatization policy also remains on track and offers significant investment opportunities in power plants, railways, mining, banking and other infrastructure projects.

The Colombian Government initiated an ambitious privatization plan in 1991. Since then, the nation's ports, portions of its railway system, cellular telephone service and domestic long-distance service, six banks, eight chemical companies, three shipbuilding companies, six agro-industry enterprises, a fishing company, and a retail gasoline chain, among others, have been sold to private operators.

Two hydroelectric plants and South America's largest nickel plant were privatized in 1996. More state-owned financial institutions, power plants, highways, railways and airports will be privatized in 1997.

The private sector is awaiting anxiously the privatization of Telecom, the state-owned telecommunications enterprise, and shortly afterwards, the opening of the international long-distance telephony sector.

The participation of the private sector in privatization projects is regulated by law 80 of 1993 "General Statute of Public Contracting" which opens public contracts to foreign bidders, and law 226 of 1995 "Law of State Owned Stocks Alienation" which regulates the privatization of state-owned enterprises.