

1. COLOMBIA: GEOPOLITICAL AND ECONOMIC DESCRIPTION

1.1. Overview

Within the group of the Latin American nations, the Republic of Colombia occupies an intermediate position on the region's scale of power. It is the fourth largest country in terms of size and population, the fifth in terms of Gross Domestic Product and the ninth in terms of per capita product.

Because of its strategic geographic location and the size of its economy, Colombia plays an important role within the Andean Group market, an economic integration process in which it participates together with Venezuela, Ecuador, Perú and Bolivia. Within the larger context of Latin America, Colombia is also an important exporter of energy products together with Mexico and Venezuela but, in general terms, it is second to the greater economic and political power of Brazil, Mexico, Argentina and Venezuela.

Throughout the Twentieth century, the country's policies in the fields of foreign affairs, security, trade and economic development have evolved on the basis of its close bonds with the United States of America. This friendly and loyal relationship in the field of international politics and economics continues to be a decisive factor in Colombia's foreign affairs, despite its various relationships with the rest of the world.

For decades, Colombia's economic activity was centered around the production and merchandising of coffee for export, in which the country has now become the second world producer after Brazil. However, during the past 30 years, the country's contribution to world supply has been growing and diversifying into other fields such as flowers, bananas, sugar, coal, oil, ferronickel, precious metals, emeralds, garments and other manufactured goods.

Colombia's economic and social development indicators have shown a constant improvement since the 1950's, despite the negative effects caused by the domestic conflicts which have prevented the country from achieving better production levels and from making a more effective use of its substantial natural resources.

On the other hand, given the intermediate level of development which the domestic industry has reached, the country will continue to be dependent on North America, Europe and, to a lesser degree, on Japan for technology, capital goods, external financing and investments.