

RAILWAY TRANSPORT

Colombia's rail system is modest in scale -- a mere 3,408 km of track -- and has largely been supplanted by highways as the chief means of freight transport. The narrow gauge track in use in Colombia is poorly suited for bulk heavy cargo shipments or rapid passenger service. The only railway in Colombia that is not narrow gauge is the line which links the El Cerrejón open-pit coal mine to Puerto Bolívar on the Caribbean coast.

After decades of neglect and deterioration, the Colombian government finally decided to rescue the system by means of a thorough reorganization. A Canadian firm assisted in the preparation of the reorganization plans. In July 1989 the government issued a series of decrees to liquidate the existing National Railways Company over three years and to replace it with two new entities to be headquartered in Bogotá: the Empresa Colombiana de Vías Férreas (FERROVIAS) and the Sociedad Colombiana de Transporte Ferroviario S.A. (STF).

The rehabilitation program will be a large and long-term undertaking. At least US \$110 million will be required in 1989-1992 to attend minimal requirements of the reorganization. The government expects most of these resources to be provided by supplier credits, concessional financing and private sector investors in STF.

■ Phase One of the program will begin in 1991. It will require investments of US \$243 million to upgrade 2,256 km of track (the Santa Marta-Salgar-Medellín, Medellín-Puerto Berrio and Cali-Yumbo-Zarzal portions of the network). Phase Two will cover the remaining trackage and is estimated to cost US \$68 million. A US \$ 30 million communications and signalling system will also be required.

In mid-1989 Brazil offered a US \$150 million line of credit to rehabilitate over three years the railway line between the Boyaca coalfields, the city of Bogotá and the port of Santa Marta. Colombia would be expected to put up the remaining US \$69 million required for the project, and to repay the Brazilian loan with coal.

KEY PLAYERS:

**FERROCARRILES NACIONALES DE COLOMBIA (EN LIQUIDACION)**

In 1988, in its last full year of operation, the National Railways Company transported only 934,000 tons of cargo, the lowest figure since 1954.