

## Political and legal system

The Republic of Colombia was created by the Constitution of 1863. It has a democratic and decentralized form of Government, with public power divided into three branches: the executive; the legislative and the judiciary. Today, Colombia is divided for administrative purposes into 32 departamentos (states) each headed by a Governor. The departamentos are, in turn, subdivided into 1,024 municipalities, each headed by a mayor and city council.

## The Presidency

The executive branch of the Government consists of the President, his cabinet, the heads of the administrative departments and a number of autonomous agencies. The President, Ernesto Samper, is the head of the state, of the Government and of the armed forces, as well as the supreme administrative authority. The President is elected by popular vote at elections held every four years and cannot be re-elected. The President appoints his cabinet, currently consisting of fifteen ministers. The President also appoints top Government employees who are not in the civil service. Consequently, every election causes a change of almost all important positions at the ministries and other Government institutions. Usually this also mean new directions, policies and approaches.

The next Presidential elections will be held in May, 1998. As President Samper enters the last year of his mandate, it appears he has survived the controversies that dogged him during his first two years in office.

## Economic Policy

A supporter of hemispheric free trade, Colombia continues to aggressively expand its trade relations and is reaping the free trade benefits of agreements with neighbouring Latin American countries. The country, as a member of the Andean Pact with Venezuela, Ecuador, Peru and Bolivia, makes up part of a 60 million member consumer market. It has also joined Venezuela and Mexico in the G-3 and has negotiated similar agreements with Chile and the Caribbean. Average customs duties for imports, which stood at over 40% in 1992, are now less than 11.5%.

Colombia and its Andean Pact partners established a Common External Tariff (CET) beginning on February 1, 1995. The CET has a four tier structure, with levels of 5, 10, 15 and 20 % for most products. In accordance with the Andean Pact CET, Colombia harmonized its four tier tariff schedule with Venezuela and Ecuador, with some exceptions by each country. (Bolivia retained its two tier tariff structure of 5 and 10 %, and Peru, which is still on temporary self suspension from the Andean Pact, maintains a two tier tariff structure of 15 and 20 %.)