

ECONOMIC INDICATORS

The third quarter of 2002



Banco de la República
Colombia

Information about the Cover and its Author

COVER

GERMÁN LONDOÑO

Cazadores contemplando una escultura

190 x 235 cm.

1995

Oil on canvas

BANCO DE LA REPÚBLICA COLLECTION

Germán Londoño is born in Medellín in 1961. He made his studies in Florence Italy, in the International School of graphical art Il Bisonte and also in the Zuluátegui's free Workshop in Medellín, Colombia. He takes part in numerous and important individual exhibitions in the Modern Art Museum of Bogotá and in diverse galleries of Colombia, Italy and the United States, as well as in collective exhibitions in Paris, Portugal, Spain in company of recognized national and international artists.





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ECONOMIC PERFORMANCE IN THE THIRD QUARTER OF 2002

In the third quarter of 2002, the Colombian economy continued recovering gradually, with a 1.9% annual growth, higher to the growth average showed the first quarter (1.35%). The biggest economic growth has been based on the construction and the recovery of the domestic consumption. This recovery allowed increasing the occupation rate, but the increase in the labor supply maintained the unemployment rate in the same level of the second quarter of 2001. To September the annual inflation rate was 6%, continuing its decrease tendency of the last years. On the other hand, in the third quarter the current account deficit stood in a similar level to which had in 2002 (1.8% of GDP). The level of net international reserves is equivalent to 8.5 months of imports of goods and services, the larger value of the indicator since 1992.

ECONOMIC PERFORMANCE IN THE THIRD QUARTER OF 2002 ^{1/}

YEARS	GROWTH			UNEMPLOYMENT RATE (%)	CURRENT ACCOUNT (% of GDP) (average)	NET INTERNATIONAL RESERVES (Months of imports of goods and services)
	GDP (%)	CPI (%)	PPI (%)			
1990	4.3	32.4	29.9	10.6	1.2	7.6
1991	2.0	26.8	23.1	9.4	4.9	11.6
1992	4.1	25.1	17.9	9.8	1.5	11.2
1993	5.4	22.6	13.2	7.8	-3.4	8.1
1994	5.8	22.6	20.7	8.0	-4.5	7.0
1995	5.2	19.5	15.4	9.5	-4.9	6.3
1996	2.1	21.6	14.5	11.3	-4.8	7.2
1997	3.4	17.7	17.5	12.0	-5.4	6.5
1998	0.6	16.7	13.5	15.6	-4.9	6.0
1999	-4.2 p	9.2	12.7	18.0	0.8	7.3
2000	2.7 p	8.8	11.0	19.5	0.7 pr	7.5
2001	1.4 p	7.7	6.9	16.8	-1.7 pr	7.7
2002 *	1.91 **p	6.0	6.8	18.0	-1.8 p ^{2/}	8.5

* : Up to September.

** : Annual growth.

p : Provisional.

pr : Preliminar.

^{1/} Since 1994, the statistics correspond to the new measurement of the Balance of Payment, according to the Balance of Payment Methodology of the 5th International Edition of the Monetary Fund Balance of Payment Manual.

^{2/} This indicator is calculated over quarter nominal GDP in pesos, accrued to September 2001 and published by National Administrative Department of Statistics (DANE).

Source: DANE, National Planning Department (DNP) and Banco de la República.

GROSS DOMESTIC PRODUCT GROWTH

According to the National Administrative Department of Statistics (DANE), the GDP annual variation for the third quarter of 2002 was 1.9% and 1.6% year to month. The Colombian economy was 1.2 percentage point higher than in the same quarter of 2001 and 0.4 percentage points lower than the one showed the previous quarter. By economic sectors, the most dynamic is construction, 6.3 %, followed by electricity 3.2%, transport 2.8%, manufacturing industry 2.4%, the agricultural sector 1.7%, commerce 2.0%, financial institutions 1.3%, and social services 1.2%. On the other hand, the mining exploitation registered a negative annual variation by -9.6.0%.



* : Third Quarter 2002.

REAL GDP GROWTH BY SECTOR %

SECTOR	1999 p	2000 p	2001 p	2002 Variations p*								
				Annual growth			Quarterly growth			Accrued during the year		
				I Quar.	II Quar.	III Quar.	I Quar.	II Quar.	III Quar.	I Quar.	II Quar.	III Quar.
AGRICULTURE AND LIVESTOCK, FISHING, FORESTRY AND HUNTING	-0.05	5.03	0.10	0.65	5.59	1.72	-0.03	2.55	-3.03	0.65	3.09	2.64
MINING AND QUARRY EXPLOITATION	18.47	-10.04	-2.23	-4.42	-8.06	-9.55	-0.43	-4.50	2.74	-4.42	-6.23	-7.37
ELECTRICITY, GAS AND WATER	-4.18	0.70	1.86	3.29	2.59	3.21	1.38	0.79	0.88	3.29	2.94	3.03
MANUFACTURING INDUSTRY	-8.55	9.72	-0.76	-3.57	1.26	2.42	-0.49	3.58	0.26	-3.57	-1.17	0.01
CONSTRUCTION	-27.00	-2.85	3.17	2.92	8.74	6.33	-9.77	9.43	3.32	2.92	5.88	6.04
COMMERCE, REPAIRS, RESTAURANTS AND HOTELS	-15.44	10.46	1.88	0.87	-0.46	1.98	1.13	-1.39	1.44	0.87	0.20	0.79
TRANSPORTATION, STORAGE AND COMMUNICATIONS	-1.92	2.23	3.36	2.71	3.28	2.79	1.00	1.37	-0.39	2.71	3.00	2.93
FINANCIAL, INSURANCE, REAL STATE AND SERVICE INSTITUTIONS	-4.94	1.15	0.24	0.12	3.50	1.34	0.75	1.39	-0.72	0.12	1.79	1.64
SOCIAL SERVICES, COMMUNAL AND PERSONAL	3.25	-0.92	1.45	0.70	2.92	1.16	-1.50	1.69	0.16	0.70	1.81	1.59
Minus: Imputed banking services	-19.54	0.29	-6.14	-10.39	4.44	-10.98	-3.08	3.06	-10.13	-10.39	-3.43	-5.93
Subtotal value added	-3.31	2.76	1.16	0.59	2.43	1.99	-0.34	1.59	0.35	0.59	1.51	1.67
Taxes minus subventions on products and imports	-15.41	2.46	4.88	-1.21	0.71	0.71	-4.05	2.76	-2.11	-1.21	-0.25	0.07
GROSS DOMESTIC PRODUCT	-4.20	2.74	1.40	0.47	2.31	1.91	-0.60	1.66	0.19	0.47	1.39	1.56

p : Provisional.

Annual variation = actual quarter / same quarter of the previous year.

Quarterly variation = actual quarter / previous quarter.

Accrued variation during the year = Current accrued during the year / previous accrued same period during the year.

Source: DANE.

BALANCE OF PAYMENTS

At the end of September 2002, the Colombian current account showed a US\$1.1 billion deficit, (1.8% of the GDP accrued to September 2002), US\$43 million less than the observed in the same period of 2001. This result is explained by the deficits of the non-factorial services and by the external debt interest payments. In 2002, the current account deficit grew as a GDP percentage, from 0.8% to 2.5% between the first and third quarter due to a minor trade balance surplus, by the increase of the non-factorial services deficits, and by the major factor income expenditures. On the other hand, during January-September, the financial account registered net incomes by US\$565 million, US\$935 million less than the one obtained in the same period of 2001. The capital inflow are explained by short-term capital flows, which grew US\$2.1 billion, offsetting long-term capital outflows, by US\$1.5 billion. At September 30 of 2002, international reserves stood at US\$10.7 billion, equivalent to 10.9 months of goods imports, and 8.5 months of goods and services.

BALANCE OF PAYMENTS ^{1/}								
US\$ millions								
	2001 pr I Quar.	2001 pr II Quar.	2001 pr III Quar.	2001 pr IV Quar.	2001 pr	2002 pr I Quar.	2002 pr II Quar.	2002 pr III Quar.
I. CURRENT ACCOUNT	-564	-376	-133	-340	-1,414	-178	-445	-493
Trade balance	37	37	321	115	510	258	70	-3
Non-factorial services	-312	-341	-358	-384	-1,396	-339	-324	-398
Factorial income	-697	-672	-625	-619	-2,613	-627	-722	-680
Current transfers	408	601	528	548	2,085	530	531	588
II. CAPITAL AND FINANCIAL ACCOUNT	721	404	376	726	2,226	167	415	-16
Long-term financial flows	1,086	1,907	565	1,313	4,871	-425	-869	-195
Net direct investment	481	891	438	523	2,333	771	410	-429
External debt ^{2/}	611	1,017	152	795	2,574	-1,197	-1,279	260
Other long-term movements	-5	0	-25	-5	-35	0	0	-26
Short-term financial flows	-365	-1,504	-190	-587	-2,646	592	1,283	179
Portfolio investment	-413	-1,508	-546	-1,033	-3,500	148	905	468
Other short-term movements ^{3/}	48	4	357	446	855	444	378	-289
III. OTHERS	160	39	-42	196	354	164	291	266
IV. CHANGE IN NET INTERNATIONAL RESERVES	317	67	201	581	1,166	152	260	-244
V. CURRENT ACCOUNT / GDP (%) ^{4/}	-2.8	-1.9	-0.6	-1.6	-1.7	-0.8	-2.0	-2.5

pr : Preliminar.

^{1/} The statistics correspond to the new measurement of the Balance of Payments, according to the Balance of Payments Methodology of the 5th Edition International Monetary Fund *Balance of Payments Manual*.

^{2/} Includes loans, commercial credit, leases and bonds.

^{3/} Includes loans and commercial credit.

^{4/} This indicator is published by (DANE) and calculated according to the quarterly nominal GDP in pesos.

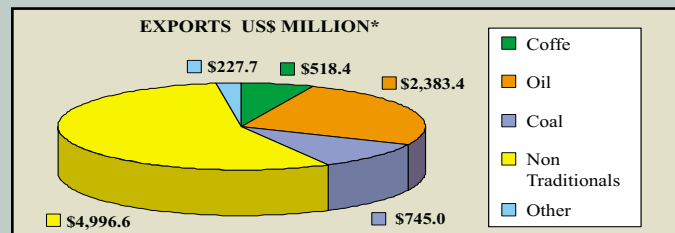
Source: Banco de la República, Economic Studies.

FOREIGN TRADE - Exports

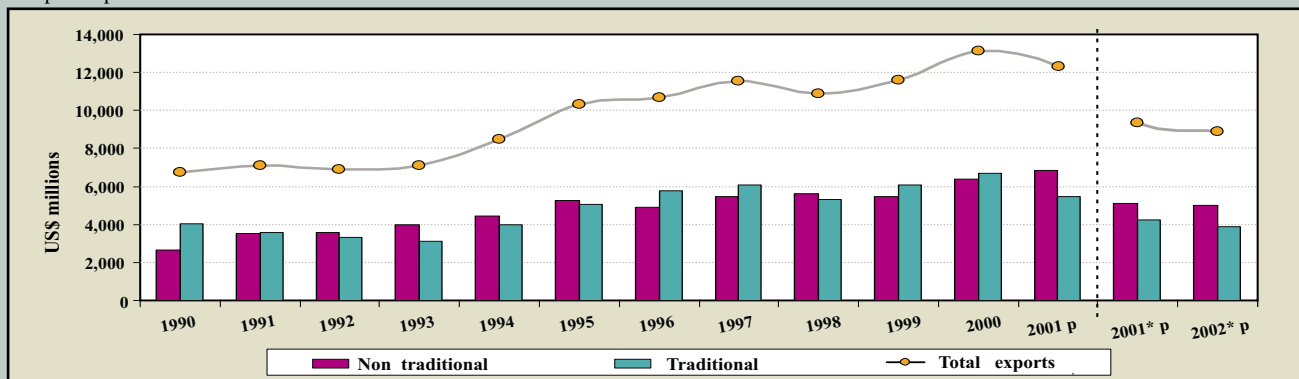
Between January-September of 2002, exports totaled US\$8.9 billion, US\$487 million (m) lower than the observed value in the same period of 2001. Lower external sales were the result of a decrease in exports of traditional goods particularly due to the fall of oil sales (US\$264 m) and coal, (US\$161 m). The volumes and prices exports reduction (5.1% and 20.5% respectively), explained this fall. Thus, non-traditional export that totaled US\$5.0 billion, felled by US\$105 million due to the minor industrial sector export, which decreased by US\$181 million and couldn't be compensate by the agricultural and mining sector increase which together grew by US\$76 million. The destiny of Colombian exports centered in the United States (42.4%), followed by the Andean Group (20.4%), the European Union (12.9%) and Japan (1.6%).

EXPORTS

DESTINY	2002* %
U.S.A.	42.4
ANDEAN GROUP	20.4
EUROPEAN UNION	12.9
JAPAN	1.6
REST	22.7



* : Up to September.



US\$ millions FOB

YEARS	Total exports	Variation %	Non traditional exports	Variation %	Traditional exports	Variation %
1990	6,720.6	17.7	2,664.3	24.0	4,056.3	13.8
1991	7,113.8	5.9	3,543.2	33.0	3,570.6	-12.0
1992	6,900.0	-3.0	3,564.6	0.6	3,335.4	-6.6
1993	7,115.9	3.1	3,984.4	11.8	3,131.5	-6.1
1994	8,478.8	19.2	4,469.2	12.2	4,009.6	28.0
1995	10,298.3	21.5	5,238.3	17.2	5,060.0	26.2
1996	10,671.5	3.6	4,905.5	-6.4	5,766.0	14.0
1997	11,554.7	8.3	5,463.8	11.4	6,090.9	5.6
1998	10,890.2	-5.8	5,596.4	2.4	5,293.8	-13.1
1999	11,576.3	6.3	5,492.1	-1.9	6,084.2	14.9
2000	13,121.1	13.3	6,410.5	16.7	6,710.6	10.3
2001 p	12,309.1	-6.2	6,842.6	6.7	5,466.5	-18.5
2001* p	9,358.5	-3.7	5102.0	8.1	4,265.5	-14.9
2002* p	8,871.1	-5.2	4,996.6	-2.1	3,874.5	-9.0

* : Up to September.

p : Provisional.

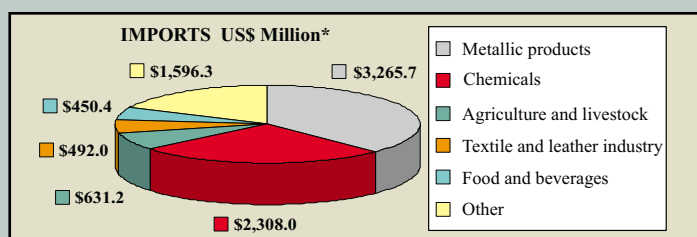
Source: DANE.

FOREIGN TRADE - Imports

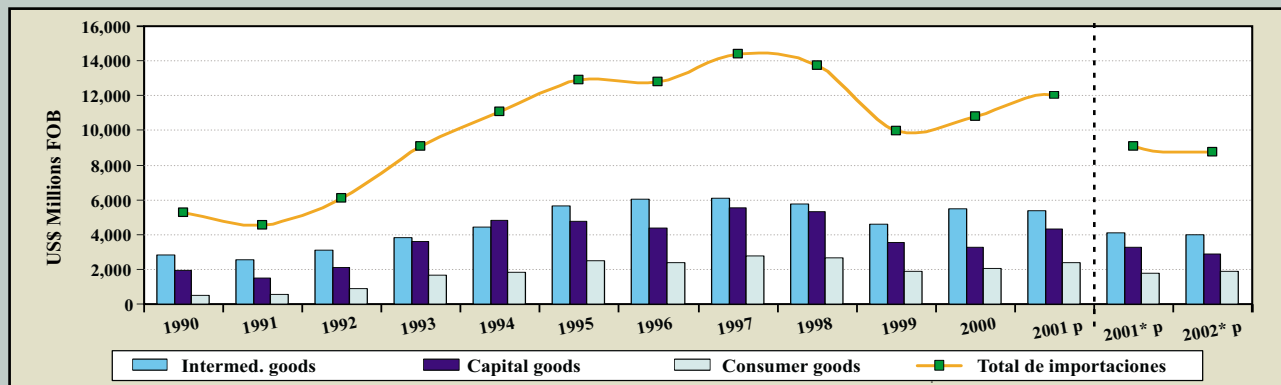
During January-September of 2002, FOB imports grew to US\$8.7 billions, US\$ 351 million (m) lower than the level registered in the same 2001 period. This behavior was primarily due to lower external purchases of industrial goods (US\$324 m), especially metallic products, machinery and equipment, and leather manufacturing. In a lesser extent, the agricultural and mining external purchases which amounted US\$22 m. By economic use and allocation, the reduction in imports was explained by a decrease in external capital goods purchases (US\$357 m), mainly those for industrial use and transport equipment. The intermediate goods purchases diminished in US\$113 m while consumer goods grew by US\$119 m. According to geographical origin, the Colombian imports were attended principally by the United States (31.6%), the European Union (13.5%), the Andean Community (11.4%) and Japan (4.9%).

IMPORTACIONES

ORIGIN	2002 * %
U.S.A.	31.6
EUROPEAN UNION	13.5
ANDEAN GROUP	11.4
JAPAN	4.9
REST	38.6



* : Up to September.



US\$ million FOB

YEAR	Total imports	Variation %	Intermed. goods	Variation %	Consumer goods	Variation %	Capital goods	Variation %
1990	5,266.8	11.3	2,805.4	7.8	514.4	6.7	1,947.0	18.1
1991	4,564.8	-13.3	2,523.1	-10.1	569.9	10.8	1,471.7	-24.4
1992	6,111.7	33.9	3,113.3	23.4	867.0	52.1	2,131.4	44.8
1993	9,085.7	48.7	3,797.1	22.0	1,665.7	92.1	3,622.9	70.0
1994	11,080.2	22.0	4,448.8	17.2	1,818.6	9.2	4,812.9	32.8
1995	12,921.2	16.6	5,657.5	27.2	2,486.0	36.7	4,777.6	-0.7
1996	12,793.6	-1.0	6,045.4	6.9	2,384.3	-4.1	4,363.9	-8.7
1997	14,409.3	12.6	6,076.6	0.5	2,770.1	16.2	5,562.6	27.5
1998	13,726.2	-4.7	5,742.1	-5.5	2,646.1	-4.5	5,338.1	-4.0
1999	9,990.1	-27.2	4,589.8	-20.1	1,878.2	-29.0	3,522.1	-34.0
2000	10,783.8	7.9	5,458.4	18.9	2,035.2	8.4	3,290.1	-6.6
2001 p	12,009.8	11.4	5,356.0	-1.9	2,359.6	15.9	4,294.2	30.5
2001* p	9,094.9	13.7	4,105.0	-0.3	1,745.7	18.0	3,244.1	35.0
2002* p	8,743.6	-3.9	3,992.0	-2.8	1,864.7	6.8	2,886.9	-11.0

* : Up to September.

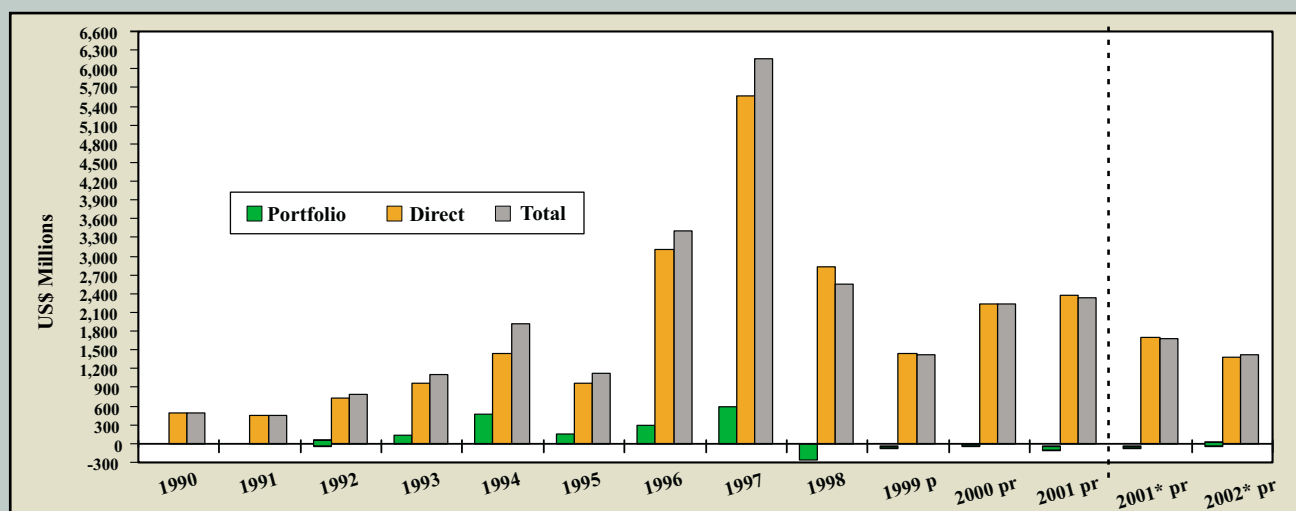
p : Provisional.

Source: DANE and National Customs and Taxes Authority (DIAN).

FOREIGN INVESTMENT

Between January-September of 2002, foreign investment net capital flows in Colombia reached US\$1.4 billions, with a US\$264 million (m) decrease with respect to the same period of 2001. This result is due to the direct investment behavior, which amounted US\$1.4 billion between January-September of 2002, over, US\$1.7 billion registered in the same period of 2001. This trend is due to the minor net incomes destined to the financial, trade and petroleum sectors. On the contrary, portfolio investment registered net capital inflows of US\$31 m, over US\$14 million outflows observed in the same period of 2001.

FOREIGN INVESTMENT



Foreign investment 1/ US\$ millions

FOREIGN INVESTMENT	1990	1991	1992	1993	1994	1995	1996
Total	500.5	456.9	794.7	1,104.7	1,924.5	1,133.0	3,403.8
Direct	500.5	456.9	728.7	959.7	1,446.5	968.4	3,111.7
Oil	269.6	264.1	439.6	557.3	134.7	151.3	778.3
Other sectors	230.9	192.8	289.1	402.4	1,311.8	817.0	2,333.4
Portfolio	-	-	66.0	145.0	478.0	164.7	292.2
FOREIGN INVESTMENT	1997	1998	1999 p	2000 pr	2001 pr	2001 * pr	2002 * pr
Total	6,154.7	2,562.9	1,424.9	2,247.3	2,333.4	1,686.9	1,422.8
Direct	5,562.2	2,827.8	1,451.8	2,230.2	2,374.0	1,701.2	1,391.4
Oil	382.2	90.5	-567.1	-548.5	358.0	280.9	165.4
Other sectors	5,180.1	2,737.3	2,018.9	2,778.7	2,016.0	1,420.3	1,226.0
Portfolio	592.5	-264.9	-26.9	17.1	-40.7	-14.3	31.4

* : Up to September. p : Provisional. pr : Preliminar.

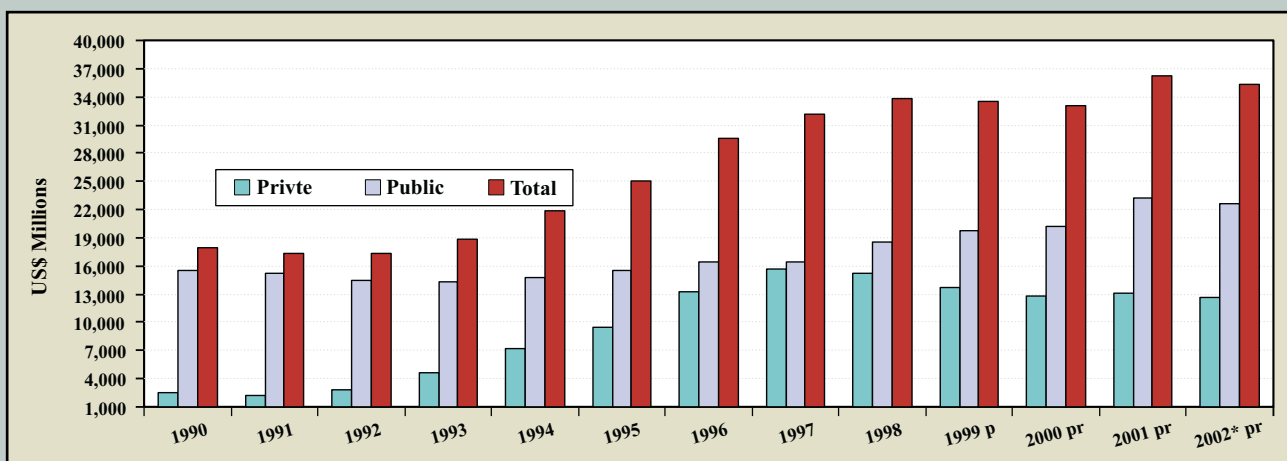
1/ Since 1994, the statistics correspond to the new measurement of the Balance of Payments, according to the Balance of Payments Methodology of the 5th Edition International Monetary Fund *Balance of Payments Manual*.

Source: Banco de la República, International Exchange Department and Economic Studies.

OUTSTANDING FOREIGN DEBT

At the end of September 2002, Colombian foreign debt stood at US\$35.3 billion (43.4% of projected GDP for 2002) a US\$982 million less than the level registered in December 2001. Nevertheless, the net payments totalled US\$1.3 billion that correspond to US\$989 m of public sector payments and of US\$356 m of private sector¹. Of the total foreign debt, 64.0% corresponded to the public sector and 36,0% to the private agents. In terms of maturity, US\$31.6 billion (89.6%) is long term debt, and US\$3.7 billion (10.4%) correspond to short term obligations.

SALDO DE LA DEUDA EXTERNA



External debt 2/ ** US\$ millions

YEAR	TOTAL	% GDP	PUBLIC	% GDP	PRIVATE	% GDP
1990	17,993	38.4	15,471	33.0	2,522	5.4
1991	17,335	36.1	15,171	31.6	2,165	4.5
1992	17,278	30.1	14,416	25.1	2,862	5.0
1993	18,887	29.1	14,254	21.9	4,634	7.1
1994	21,912	26.8	14,718	18.0	7,194	8.8
1995	25,059	27.1	15,540	16.8	9,519	10.3
1996	29,555	30.4	16,376	16.9	13,179	13.6
1997	32,073	30.1	16,455	15.4	15,618	14.6
1998	33,749	34.3	18,468	18.8	15,281	15.5
1999 p	33,461	38.8	19,753	22.9	13,708	15.9
2000 pr	33,055	39.7	20,250	24.3	12,805	15.4
2001 pr	36,293	44.0	23,232	28.2	13,061	15.8
2002 * pr	35,311	43.3	22,605	27.7	12,706	15.6

* : Up to September. ** : Does not include leasing and securitization. p : Provisional. pr : Preliminar.

1/ The total external foreign debt balance decrease (US\$982 million), doesn't coincide with the observed net payments (US\$1.345 million). This is mainly due to the exchange rate effect by the devaluation that presented the dollar over the different currencies in which is denominated the public sector foreign debt (US\$346 m).

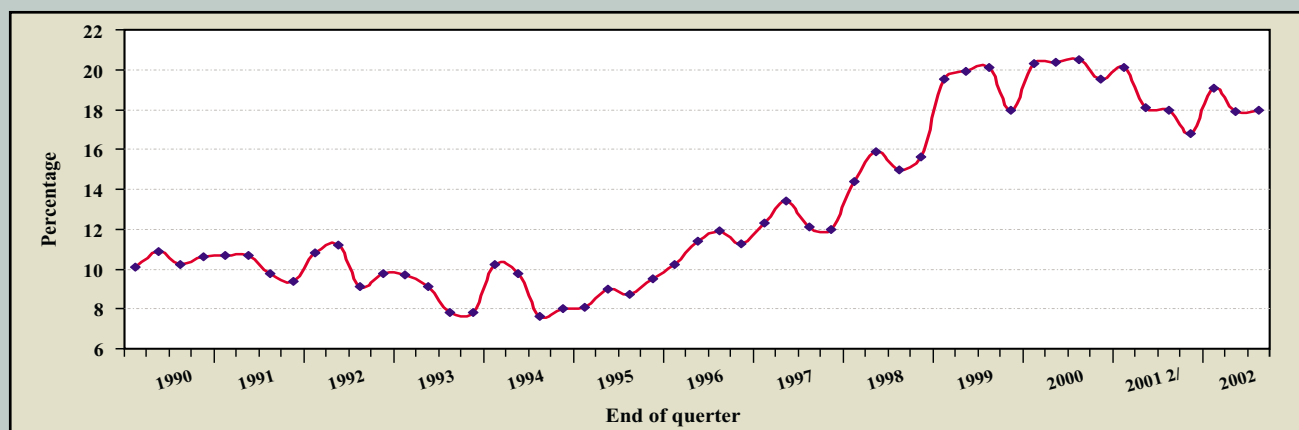
2/ Since 1994, the statistics correspond to the new measurement of the Balance of Payments, according to the Balance of Payments Methodology of the 5th Edition International Monetary Fund Balance of Payments Manual.

Source: Banco de la República, Economic Studies and International Exchange Department.

UNEMPLOYMENT

According to the National Household Survey (NHS) of the National Administrative Department of Statistics (DANE) the unemployment rate for the seven main metropolitan areas stood at 18%, the same level observed in the same quarter of 2001. The percentage of unemployed is basically explained by the lay-offs growth, in relation with the economic active population increase which annual growth rates were 3.7% and 3.5% respectively. On the other hand, the occupation rate was 52.8% in September of 2002, 0.6 percentage points higher than the observed the same period of the previous year. The number of occupied increased by 3.5% registering an annual rise by 209 thousand urban payroll employments. In the third quarter of 2002, the Global Participation Rate (GPR) for the seven main metropolitan areas, was 64.4%, 0.7 percentage points higher than the observed in the same period of 2001. This GPR level in September is explained by the economic active population annual growth over the population in working age, 2.4%. The metropolitan areas that registered the major rates of unemployment are Bucaramanga (20,6%), Manizales (18,8%), Bogotá 18.5%, Pasto (18.2%), Barranquilla (18.2%) and Medellín (17.4%). On the contrary, the cities that presented minor unemployment rates were Pasto (16.8%) and Cali with (16.1%).

UNEMPLOYMENT RATE
Seven cities and their metropolitan areas



UNEMPLOYMENT RATE % 1/

END OF QUARTER	1990	1991	1992	1993	1994	1995	1996
1	10.1	10.7	10.8	9.7	10.2	8.1	10.2
2	10.9	10.7	11.2	9.1	9.8	9.0	11.4
3	10.2	9.8	9.1	7.8	7.6	8.7	11.9
4	10.6	9.4	9.8	7.8	8.0	9.5	11.3
END OF QUARTER	1997	1998	1999	2000	2001 2/	2002	
1	12.3	14.4	19.5	20.3	20.1	19.1	
2	13.4	15.9	19.9	20.4	18.1	17.9	
3	12.1	15.0	20.1	20.5	18.0	18.0	
4	12.0	15.6	18.0	19.5	16.8		

1/ The unemployment rate is the percentage relation between the number of unoccupied persons and the economically active population.

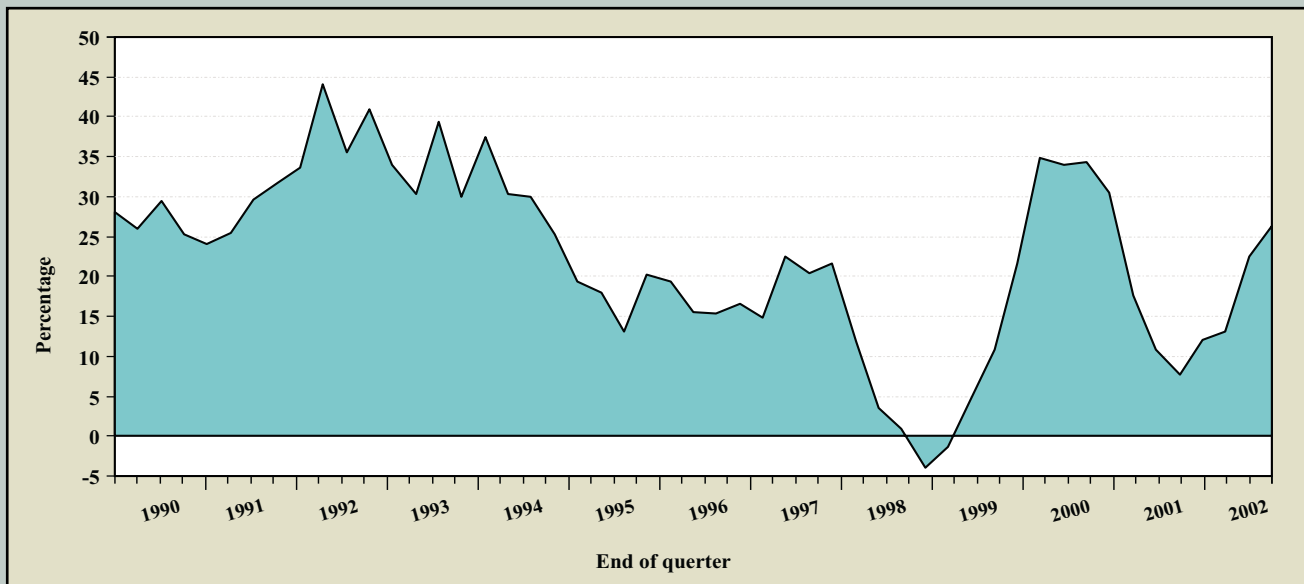
2/ In the 2000 the National Administrative Department of Statistics revised and actualized the National Household Survey methodology now called Continued Household Survey (CHS), which embody among others, the new concepts of occupied and unoccupied variables. Since January 2001, in the CHS, the population's data come from the demography projections of the Work Age Population, estimated on the 1993 census results, instead of using the Total Population projection. Wherefore, since this date, the figures are not comparable and the Banco de la República calculates the data of the seven metropolitan areas (Bogotá, Barranquilla, Cali, Medellín, Bucaramanga, Manizales and Pasto).

Source: DANE.

MONEY GROWTH

At the end of the third quarter of 2002, the money supply reached Col. \$17.2 trillion with an annual variation of 26.3%. This behavior is explained by the cash holdings and cash deposits recovery, which registered a 29.8% and 23.3% annual growth respectively.

MONEY GROWTH (M1)
Annual variation %



MONEY GROWTH
(Annual variation %)

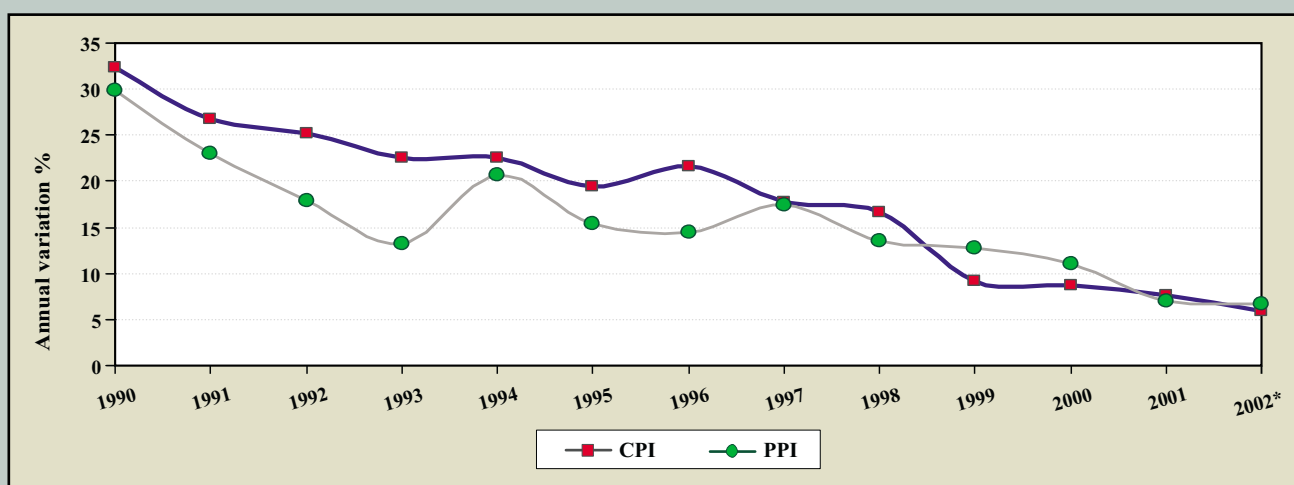
END OF QUARTER	1990	1991	1992	1993	1994	1995	1996
1	28.1	24.1	33.7	34.0	37.4	19.4	19.3
2	26.0	25.5	44.1	30.4	30.4	17.9	15.6
3	29.4	29.7	35.5	36.6	30.0	13.1	15.3
4	25.2	31.7	41.0	30.0	25.3	20.2	16.5
END OF QUARTER	1997	1998	1999	2000	2001	2002	
1	14.9	12.2	-1.7	35.4	17.6	13.1	
2	22.5	2.2	6.3	34.1	10.9	22.5	
3	20.4	0.9	11.3	34.4	7.7	26.3	
4	21.7	-3.9	22.1	30.4	12.1		

Source: Banco de la República, Economic Studies.

CONSUMER AND PRODUCER PRICE INDICES

In September of 2002, annual consumer inflation was 6.0%, 2 percentage points lower than the one observed in September of the previous year. Year to the month, the price variation was 5.3%. The groups of major contribution to the total annual inflation were health 8.9%, followed by food with 8.6%, other expenditures 7.7%, education 6.4%, transports 5.1%, housing 3.8% and wardrobe 0.9%. On the other hand, the Producer Price Index (PPI) showed an annual growth by 6.8%, 1.3 percentage points lower than the registered in June of 2002. The PPI growth by economic activity was led by mining and exploitation 22.4%, agricultural 6.8%, industrial good 6.3%. By origin the produced and consumed domestic goods grew by 10.7% and imported goods by 5.5%. By economic use and allocation, capital goods prices grew by 10.8%, construction material by 6.4%, final goods by 6.3% and intermediate goods by 6.2%.

CONSUMER AND PRODUCER PRICE INDICES %



PRICE INCREMENT Annual variation %

END OF QUARTER	CPI	PPI	END OF QUARTER	CPI	PPI
1990	32.37	29.90	1997	17.68	17.49
1991	26.82	23.06	1998	16.70	13.50
1992	25.14	17.88	1999	9.23	12.71
1993	22.61	13.19	2000	8.75	11.04
1994	22.60	20.73	2001	7.65	6.93
1995	19.47	15.43	2002 *	5.97	6.75
1996	21.64	14.54	-	-	-

* : Annual variation to September.

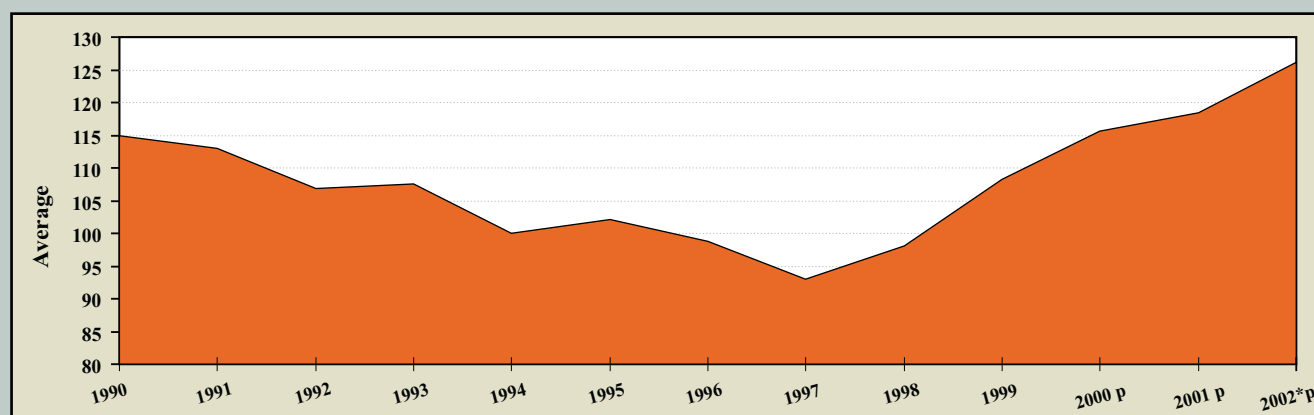
Source: CPI: DANE.

PPI: Banco de la República - Economic Studies.

EXCHANGE RATE

In September 2002, the Market Exchange Rate (MER) stood at 2,751.23 pesos per dollar, registering a nominal annual devaluation of 18.2%, 13 percentage points higher than in the same month of 2001. Year to month, the nominal devaluation stood at 19.3%. The Real Exchange Rate Index (RERI**) (1994=100) stood at a historical level of 126.2 in September 2002, presenting a real annual depreciation of 6.2%, and 9.5 year to month. The level of the RERI in September is mainly explained by a nominal devaluation (19.3%), over the one presented by the main country partners 10.8%. An other reason that contributed to the increase of RERI year to month was the high external inflation 8.9%, 1.9 percentage points higher than the observed in Colombia. Those are the country partners that registered large devaluation's year to month: Ecuador (7.5%), Venezuela (45.5%) and Argentina (118.0%).

REAL EXCHANGE RATE INDEX



REAL EXCHANGE RATE INDEX

Non traditional trade
Geometric Average 1994 = 100

PERIOD	AVERAGE	PERIOD	AVERAGE
1990	114.87	1997	93.07
1991	113.04	1998	98.12
1992	106.77	1999	108.23
1993	107.46	2000 p	115.59
1994	100.00	2001 p	118.43
1995	102.03	2002 *p	126.20
1996	98.83	-	-

NOMINAL

EXCHANGE RATE DEVALUATION %

AVERAGE TO DECEMBER	RATE	ANNUAL VARIATION	AVERAGE TO DECEMBER	RATE	ANNUAL VARIATION
1990	563.38	31.23	1997	1,296.70	29.57
1991	630.38	11.89	1998	1,524.56	17.57
1992	733.42	16.35	1999	1,888.46	23.87
1993	803.56	9.56	2000	2,186.21	15.77
1994	829.37	3.21	2001	2,306.90	5.52
1995	988.15	19.14	2002 *	2,751.23	18.17
1996	1,000.79	1.28	-	-	-

* : Average to September.

** : The RERI includes the exchange rates and inflations wholesalers of Colombia and the 20 main pondered commercial partners according to the bilateral non traditional trade of Colombia with this partners. See you in this respect "Índice de la tasa de cambio real del peso colombiano. Revisión de ponderaciones y cambio de base". Revista del Banco de la República, August of 1998, No.850. and also in "Tasa de cambio real (TCR): definición y metodología de cálculo en Colombia" in Reportes del Emisor, September of 2002, No. 40.

p : Provisional.

Source: Banco de la República, Economic Studies.

PUBLIC SECTOR

Preliminary numbers show that during the third quarter of 2002, the Colombian non-financial public sector registered a deficit of \$4.3 trillion (2.1 % of GDP). The Central Government presented the highest financial disequilibrium (\$7.9 trillion deficit, 3.9% of GDP), while the decentralized sector registered surpluses, of 3.6 trillion. This last numbers includes social security surplus by \$624.7 billion, as well as Ecopetrol surplus by \$865.9 billion.

NON-FINANCIAL PUBLIC SECTOR REVENUES, EXPENDITURES AND DEFICIT

Billions of pesos

ENTITIES	2001					Accrued to the third quarter of 2002 pr				
	REVENUES 1/	EXPENDI- TURES 2/	ACTUARIAL ADJUSTMENTS 3/	DEFICIT (-) SURPLUS (+)	DÉFICIT (-) SURPLUS(+) (% of GDP)	REVENUES 1/	EXPENDI- TURES 2/	ACTUARIAL ADJUSTMENTS 3/	DEFICIT (-) SURPLUS (+)	DÉFICIT (-) SURPLUS(+) (% of GDP)
Electric sector	4,689.7	4,398.6	-21.0	270.2	0.1	3,735.7	3,563.7	-31.6	140.3	0.1
Ecopetrol	9,287.3	8,769.0	260.4	778.7	0.4	7,585.1	6,535.9	-183.3	865.9	0.4
Telecom	1,324.0	1,249.1	280.4	355.2	0.2	1,005.1	802.7	0.7	203.1	0.1
Other entities 4/	7,425.4	6,047.1	-169.6	1,208.7	0.6	5,026.4	4,313.9	23.8	736.2	0.4
Social security	14,581.4	13,659.2	166.4	1,088.6	0.6	11,456.5	11,056.8	225.1	624.7	0.3
Local and regional entities	22,801.6	22,690.8	-87.1	23.6	0.0	18,761.5	17,906.2	267.8	1,123.1	0.6
National Coffee Fund	1,023.9	1,100.8	0.0	-76.8	0.0	504.2	555.2	0.0	-51.1	0.0
National Government	27,489.0	39,043.6	779.6	-10,774.9	-5.8	23,199.8	30,352.9	-784.5	-7,937.7	-3.9
TOTAL	88,622.4	96,958.2	1,209.0	-7,126.8	-3.8	71,274.1	75,087.4	-482.1	-4,295.4	-2.1

pr : Preliminary.

1/ Does not include privatization revenues.

2/ Includes net loans.

3/ Includes, among others, crude oil securitization revenues and floating debt variation for the National Government and principal enterprises.

4/ Includes the Petroleum Saving and Stabilization Fund.

Source: Council for Fiscal Policy (CONFIS) and DNP.

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