

**January 16, 2008 investment announcements total 41.6 trillion pesos (US\$ 20.8 billion). USA multinational companies are denoted in blue.**

The Mexican company Cinépolis will build a 9 theater complex in the Los Hayuelos shopping center. The awarding of a third TV channel license, the coming on line of more biofuel plants and the sale of state properties are part of the active economic panorama of the next few months.

These figures include those projects that will be signed or begun this year by national or foreign companies and include expansions, contract bids and privatizations.

Based on this panorama, the minister of finance, Óscar Iván Zuluaga, has assured that economic growth is not threatened because it will be based on investments and international confidence.

According to the minister, at the beginning of this administration (2002), investment accounted for 13% of GNP, while in 2007 it accounted for 28% and will maintain that level in 2008.

If Phase III of the TransMilenio is contracted, 1.5 trillion more pesos (US\$ 750 million) will be included, for a total of 42.9 trillion pesos (US\$ 21.45 billion).

#### HIGH VOLTAGE SALES

It is expected that in the first half of 2008 the government will put in place a new bidding system for awarding hydro and thermo power generation projects to the private sector for Colombia's energy requirements of the next decade. The investments are estimated at 10 trillion pesos (US\$ 5 billion).

Next month will determine the block sale of the electric utilities of Cundinamarca, Boyacá (Ebsa), Santander, Norte de Santander and Meta. The deal has a minimum value of one trillion pesos (US\$ 500 million) and there are five interested parties: Codensa, EPM, Comercializar, Enertolima y Vergel y Castellanos S.A.

#### LARGE INVESTMENTS IN FUELS AND PETROCHEMICALS

Among the biofuel projects is Etanol Caribe Colombiano with three plants (Bolívar, Córdoba y Sucre) at a cost of 684 billion pesos (US\$ 340 million). The project is being promoted by the Colombian and US governments, OIM, the

Ethanol Consortium Board and Controlsud Internacional Group. Campos Chilenos and Colombian partners have announced investments in the sector for 540 billion pesos (US\$270 million).

In the petrochemical sector, an agreement to sell Propileno del Caribe (Propilco) of the Sanford Group to Ecopetrol for 1.34 trillion pesos (US\$ 670 million) was reached at the end of 2007 and should be finalized this year.

The expansion of the Cartagena petroleum refinery, which will cost 4 trillion pesos (US\$ 2 billion) and will begin this year, will double production, increasing from 75,000 barrels a day to 150,000.

Another infrastructure project which will begin will be the construction of a 230 kilometer oil pipeline from the Rubiales and Pirirí (Meta) oil fields. It will be constructed by Ecopetrol and Petrorubiales at a cost of 600 billion pesos (US\$ 300 million).

## 210 BILLION FOR TV

The big event for 2008 will be the awarding of a license for a third private national TV channel. Expected to participate in the bidding are Grupo Prisa (España), Grupo Ángel González (México), EL TIEMPO-Planeta (Colombia-España), Televisa (México), Grupo Cisneros (Venezuela) and RTI-Telemundo. The initial calculations by the National Commission for Television indicate that the interested parties should count on 210 billion pesos (US\$ 105 million) to enter the bidding. Of this, 64 billion pesos (US\$ 32 million) would be for the license.

## FIVE STAR PROJECTS

Tourism will be one of the most dynamic sectors in 2008. Hotel chains including Sonesta, **Hyatt, Marriott, Hilton** and NH will begin construction of hotels.

The Spanish firm Fronpeca will open offices in Bogotá, where it will build two five star hotels- 90 billion pesos each (US\$ 45 million)- and a shopping center on the road to La Calera. This entry will push Colombian hotels to improve their infrastructure.

It is estimated that investments in hotel project investments, national and foreign, will be close to 4 trillion pesos (US\$ 2 billion).

## INFRASTRUCTURE

This year, the concession for the Sun Route (Ruta del Sol) from Bogotá to Santa Marta, will be extended by 1000 kilometers at a cost of 5 trillion pesos (US\$ 2.5 billion). As well, the operation of 6 airports, including Medellín's, will be awarded for 500 billion pesos (US\$ 250 million).

2008 will also be the year of the Free Zones, led by those of the biofuels, petrochemicals and concrete, such as that of Argos.

**General Electric, which is considering investments of 2 trillion pesos (US\$ one billion), does not rule out entering as a partner in the Logistics center Porta, in Bogotá, which will cost 300 billion pesos (US\$ 150 million).**

These projects will be accompanied by new flights by US and European airlines, which will increase their frequencies to various Colombian cities.

#### OTHER DEALS FOR 2008

Termocandelaria will change owners, with one of the interested parties the Chilean group Solari.

EPM Bogotá will invest 35 billion pesos (US\$ 17.5 million) in infrastructure expansion.

Electrificadora del Meta (Emsa) plans investments of 19.2 billion pesos (US\$ 9.6 million).

Much activity is expected in the dairy sector, with national companies buying regional brands. This is related to the arrival of the French multinational Danone.

The government hopes to finalize the sale of its participation in Banco Popular (12.4%), in three warehouses and in some transport terminals.

Source: El Tiempo

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