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## **Colombia: Government Offers Economic Assistance To Companies Targeted By Rebel Attacks**

by Barbara Khol

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On Feb. 27, the Development Ministry reported that since Jan. 1, rebel attacks had caused about \$375 million in material damage to economic infrastructure, and private sector real estate and equipment. The government's "salvage plan" includes increased spending for military and police protection (financed in part by "war taxes" expected to increase public revenues by \$100 million per year), peace talks with rebel groups, and compensation programs for firms and industries (e.g., oil, transport and communications, hydroelectricity) targeted by rebel sabotage. The ministry reported \$68 million in material damage for the oil industry, excluding financial losses resulting from failure to export 50,000 barrels of crude when the Cano Limon- Covenas pipeline was shut down for repairs. Repairs to the pipeline have thus far cost about \$590,000, and cleanup efforts in areas affected by crude spills total about \$1.3 million. According to Defense Ministry figures, in the first 45 days of 1991, the rebels launched 37 attacks on oil pipelines, 22 targeting the Cano Limon-Covenas. In the same period, rebels destroyed by fire 70 passenger buses and 81 trucks, for a total \$17 million in damages. Damage to bridges and highways caused by rebel sabotage contributes another \$1.7 million to the total, and repairs as of Feb. 27 cost \$518,000. In early February, rebels set fire to four US fishing vessels. Sabotage of the Jaguas hydroelectric plant (Antioquia department) caused damages estimated at \$5.1 million. Nine attacks on electricity towers caused \$1.5 million in damages. The government has offered to reduce insurance policy costs for private domestic and foreign companies targeted by rebel sabotage via its company, La Previsora. Equipment imports to replace capital goods damaged in rebel attacks will be subject to tariff exemption or reduction. The government has also promised to offer special credit lines for replacement of equipment damaged in rebel attacks. To qualify for the special credit and tariff exemptions/reductions, companies must demonstrate that damage caused by rebel sabotage cannot be repaired, at least in the short term. (Basic data from EFE, AFP, 02/27/91)

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