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Barbara Khol

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Colombia: World Bank Approves $200 Million For Industrial Restructuring & Development

by Barbara Khol
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On May 3 in Washington, the World Bank announced approval of a $200 million loan for the Colombian government, earmarked for financing industrial development and restructuring. Private companies will receive loans for capital investment and technical consulting aimed at cost reduction and quality improvement projects. At a total cost of $500 million, the program includes public sector support for labor code reform, environmental regulation, and supervision of project implementation. The World Bank loan is to be disbursed over a seven-year period. Loan terms are 17 years, a five-year grace period, a variable interest rate (currently at 7.73% per annum), and an annual commission of 0.25% on the non-disbursed loan balance. In March 1989, the World Bank approved an $80 million loan earmarked for small- and medium-scale businesses. In December 1990, the Bank approved a $304 million dedicated to public sector reforms, including restructuring of state-run companies and administrative departments. (Basic data from AFP, 05/03/91)

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