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## Colombia

**Post:** Bogota

### **Colombian Truckers Association on strike is affecting trade**

**Report Categories:**

Agricultural Situation

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**Report Highlights:**

The Colombian Truckers' Association is striking in protest of the government's efforts to eliminate their freight rate table which will make transportation more efficient and affordable. An estimated 43,000 trucks have been out of circulation, which will affect over 100,000 MT of goods, both domestic and imported, and has had a moderate impact on food prices. Port logistics will also be affected and delays are expected as a result

**General Information:**

The Colombian Truckers Association has been on strike since February 2, 2011, due to a Government of Colombia decision to lift the fixed freight rates that have been operating for 15 years. The fixed freight rates were established when freight trucks rates were undermined due to an oversupply of trucking, which affected the income of stakeholders at the transportation industry.

Under the current situation, the fixing of minimum prices in the transport sector alters the competitive market forces and discourages its efficiency because users are forced to pay a higher price than the market provides. Colombia is the most expensive country in the region for road freight transport per kilometer. In fact, the Colombian cereal growers' federation (Fenalce) estimates that the cost of local transportation (approximately \$90/ton) exceeds 3 times the cost of transportation from the U.S. to Colombia.

**Situation at the local Ports**

According to the General Manager of Buenaventura Port, the flow of trucks has reduced by 20 percent and the storage capacity of the port is around 50 percent, which will make it possible to receive cargo for two more weeks. However, importers are saying that the estimated number of trucks at the ports was reduced to 10 percent since last weekend, and there are delays in unloading vessels. Also, they consider that storage facilities for grains have reached their capacity, whereas the container storage site can still receive more cargo.

**Roads**

National association of road freight companies (Asecarga) representatives are estimating that around 43,000 trucks are currently on the strike and it would affect the transportation of 100,000 MT of goods including oil derivatives. The Association expressed that they are on a pacific protest and they will be open to negotiate with the government. After eight days on the strike, the Association estimate loses over \$145 million compared with regular activities.

**Agricultural Supply Centers**

Since the fifth day of the strike, main agricultural supply centers from Bogota, Medellin and Cali have suffered an increase in prices for fruits and vegetables. The few trucks that are arriving at the centers are charging expensive rates, using the argument that they are facing certain risk when there are demonstrators on the roads that are attacking the trucks in operation.