

**THE EFFECTS OF TERRORISM ON FOREIGN DIRECT INVESTMENT IN AN ANDEAN NATION: COLOMBIA.** E. Maria Del Valle <sup>a</sup>, Dr. S. Luxmore<sup>\*b</sup>, E. Sierra-Torres\*, [elm1221@rit.edu](mailto:elm1221@rit.edu); [sluxmore@saunders.rit.edu](mailto:sluxmore@saunders.rit.edu); extgpt@rit.edu.

<sup>a</sup> McNair Scholars Program at Rochester Institute of Technology Rochester, NY14623

<sup>b</sup> Marketing, Management and International Business Department, Saunders College of Business Rochester, NY 14623

This research assesses the effects of terrorism on Foreign Direct Investment (FDI) in Colombia by studying historical and recent guerrilla's attacks through an exploratory qualitative approach. Moreover, this study focuses on the most controversial rebel group in Colombia, the Fuerzas Armadas Revolucionarias de Colombia (FARC, Armed Forces of the Colombian Revolution); it analyzes how the presence of this group and its incessant threats of kidnapping was one of the major deterrents for foreign investors. Furthermore, it examines new security policies in Colombia and how foreign investors have responded to these anti-guerrilla strategies implemented by the President Alvaro Uribe. Finally, this research shows that while the number of combatants in the FARC is declining the inflow of capital through (FDI) has shown continuous growth for the past five years and is projected to continue grow in the future. For the achievement of these conclusions, a number of governmental and non governmental publications have been reviewed as well as historical and recent economic statistics.