

LATINFOCUS CONSENSUSFORECAST

Bolivia • April 2023

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Bolivia



Outlook stable

- The economy is likely to have slowed further in Q4 as higher average inflation probably crimped private spending. So far in 2023, news has been mixed. On the one hand, inflation was lower on average in Q1 compared to Q4, boding well for private spending. On the other hand, the currency peg came under significant pressure in early March. Excluding gold, international reserves stood at just USD 0.9 billion as of 8 February, the latest date for which data is available. That figure has likely fallen since, with the Central Bank forced to sell several millions of dollars in recent weeks to defend the peg. Pressure on the currency has since abated, but the damage to the fiscal outlook is already done: Fitch and Moody's downgraded Bolivia's credit rating in March as interest rates on dollar bonds have soared as a result of the currency run.
- GDP growth is expected to fall further below its pre-pandemic average this year. A tougher base effect and weaker global economic activity will knock momentum. Commodity prices are a key factor to watch, with the recent decline in natural gas prices boding poorly for the external and fiscal balances. Social unrest and pressure on the currency peg pose downside risks. FocusEconomics panelists see the economy growing 2.9% in 2023, which is down 0.1 percentage points from last month's forecast, and 2.8% in 2024.
- Inflation moderated to 2.5% in March (February: 2.6%). The currency peg and government support have restrained inflation in recent months. Our panelists expect Bolivia to maintain one of the region's lowest inflation rates in 2023. Key factors to monitor include changes to the currency peg, government subsidies and export controls. Our panel forecasts inflation to average 2.4% in 2023, which is down 0.1 percentage points from last month's estimate, and 2.9% in 2024.

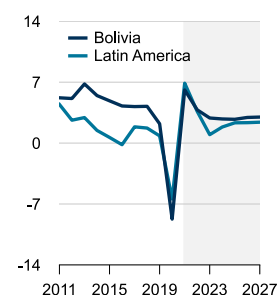
LONG-TERM TRENDS | 3-year averages

	2019-21	2022-24	2025-27
Population (million):	11.6	12.1	12.6
GDP (USD bn):	39.3	46.0	53.1
GDP per capita (USD):	3,380	3,793	4,201
GDP growth (%):	-0.1	3.2	2.9
Fiscal Balance (% of GDP):	-9.8	-6.7	-5.4
Public Debt (% of GDP):	72.9	84.3	86.8
Inflation (%):	1.2	2.4	3.2
Current Account (% of GDP):	-0.4	-0.4	-1.4
External Debt (% of GDP):	38.9	44.8	50.7

Matthew Cunningham

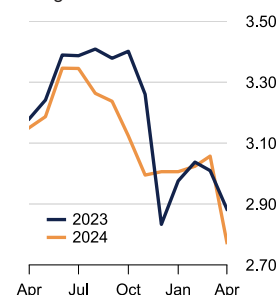
Economist

Economic Growth



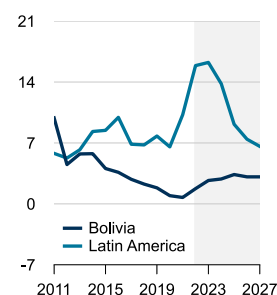
GDP, annual variation in %. Source: Instituto Nacional de Estadística (INE).

Change in GDP forecasts



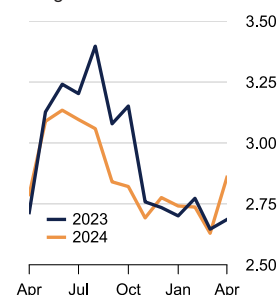
GDP, evolution of 2023 and 2024 forecasts during the last 12 months.

Inflation



Consumer Price Index (CPI), annual variation in %. Source: INE.

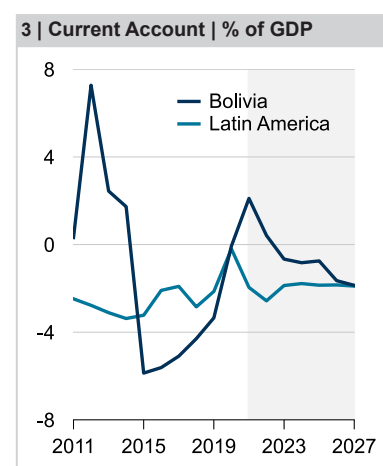
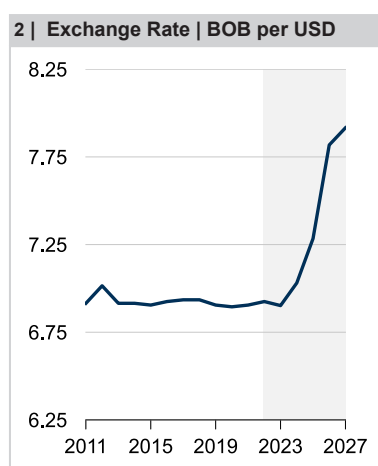
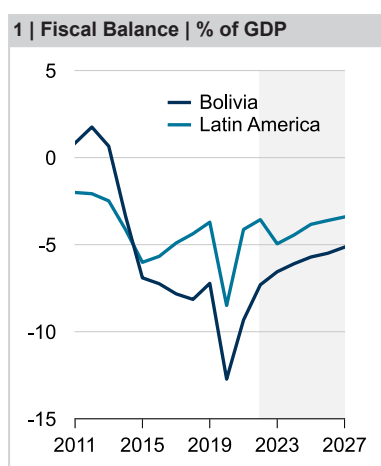
Change in inflation forecasts



Inflation, evolution of 2023 and 2024 forecasts during the last 12 months.

Economic Indicators | 2018 - 2027

Annual Data	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Real Sector										
Population (million)	11.3	11.5	11.6	11.8	12.0	12.1	12.3	12.5	12.6	12.8
GDP per capita (USD)	3,552	3,559	3,153	3,428	3,649	3,784	3,945	4,122	4,162	4,320
GDP (USD bn)	40.2	40.8	36.7	40.4	43.6	45.9	48.5	51.3	52.6	55.4
GDP (BOB bn)	278	283	253	279	301	317	338	367	397	436
Economic Growth (Nominal GDP, ann. var. %)	7.4	1.5	-10.4	10.3	7.8	5.4	6.4	8.8	8.1	9.7
Economic Growth (GDP, ann. var. %)	4.2	2.2	-8.7	6.1	3.8	2.9	2.8	2.7	2.9	3.0
Private Consumption (ann. var. %)	4.3	3.7	-7.9	5.3	3.8	3.7	3.1	3.1	3.1	3.1
Government Consumption (ann. var. %)	5.1	3.8	-2.8	5.4	1.9	3.1	1.9	1.9	2.7	-
Fixed Investment (ann. var. %)	3.2	-3.5	-25.9	11.9	5.3	1.8	2.1	2.3	4.0	-
Exports (G&S, ann. var. %)	5.2	-1.8	-18.8	15.4	7.9	4.7	4.9	4.8	5.9	-
Imports (G&S, ann. var. %)	1.9	1.5	-25.0	15.7	9.5	4.4	3.9	3.9	4.7	-
Fiscal Balance (% of GDP)	-8.1	-7.2	-12.7	-9.3	-7.3	-6.6	-6.1	-5.7	-5.5	-5.1
Public Debt (% of GDP)	53.1	59.3	78.0	81.4	82.6	84.2	86.0	86.9	86.7	86.7
Monetary and Financial Sector										
Money (ann. var. of M2 %)	5.4	-7.5	14.1	6.6	-	-	-	-	-	-
Inflation (CPI, ann. var. %, eop)	1.5	1.5	0.7	0.9	3.1	2.4	2.9	3.3	3.1	3.1
Inflation (CPI, ann. var. %, aop)	2.3	1.8	0.9	0.7	1.7	2.7	2.9	3.4	3.1	3.1
Prime Lending Rate (% eop)	8.04	8.40	7.59	8.02	7.76	9.16	9.26	8.91	-	-
Exchange Rate (BOB per USD, eop)	6.93	6.91	6.89	6.91	6.93	6.90	7.03	7.28	7.82	7.92
Exchange Rate (BOB per USD, aop)	6.93	6.92	6.90	6.90	6.90	6.91	6.97	7.16	7.55	7.87
External Sector										
Current Account Balance (% of GDP)	-4.3	-3.3	-0.1	2.1	0.4	-0.7	-0.8	-0.7	-1.6	-1.9
Current Account Balance (USD bn)	-1.7	-1.4	0.0	0.9	0.2	-0.3	-0.4	-0.4	-0.9	-1.0
Merchandise Trade Balance (USD bn)	-0.4	-0.3	0.6	2.2	2.3	1.9	2.3	1.7	1.3	1.0
Merchandise Exports (USD bn)	8.9	8.8	7.0	11.0	13.5	13.2	13.5	13.3	12.9	13.3
Merchandise Imports (USD bn)	9.3	9.1	6.4	8.8	11.3	11.3	11.3	11.6	11.6	12.2
Merchandise Exports (ann. var. %)	9.9	-1.3	-20.6	56.4	23.2	-2.0	2.2	-1.7	-3.1	2.9
Merchandise Imports (ann. var. %)	7.0	-2.1	-29.8	37.0	28.0	0.6	-0.6	3.2	0.1	5.1
Foreign Direct Investment (USD bn)	0.3	-0.2	-1.1	0.6	-	-	-	-	-	-
International Reserves (USD bn)	7.2	4.4	2.7	2.2	1.3	1.8	2.1	2.4	2.6	-
International Reserves (months of imports)	9.2	5.7	5.0	3.1	1.4	1.9	2.3	2.5	2.7	-
External Debt (USD bn)	13.2	14.3	15.4	16.0	19.0	20.6	22.3	24.3	26.8	29.9
External Debt (% of GDP)	33.0	35.0	42.1	39.5	43.6	44.8	46.0	47.4	50.9	53.9



Notes and sources

Note: FocusEconomics Consensus Forecasts are highlighted in grey.

General: Long-term chart period from 2011 to 2027 unless otherwise stated. The Latin America regional aggregate excludes Venezuela. All data are from the Central Bank (BCB, *Banco Central de Bolivia*), the International Monetary Fund (IMF) and Refinitiv. See below for details. Forecasts based on LatinFocus Consensus Forecast.

1 General government balance as % of GDP. Source: IMF.

2 Exchange rate, BOB per USD (eop). Source: Refinitiv.

3 Current account as % of GDP. Source: BCB.

Fact Sheet

General Data

Official name:	Plurinational State of Bolivia
Capital (Administrative):	La Paz (1.8 m)
Capital (Judicial):	Sucre (0.2 m)
Other cities:	Cochabamba (1.2 m)
Area (km2):	1,098,581
Population (million, 2019 est.):	11.8
Population density (per km2, 2019):	10.7
Population growth rate (% , 2019 est.):	1.4
Life expectancy (years, 2019 est.):	70.4
Illiteracy rate (% , 2015):	7.5
Language:	Spanish, Quechua and Aymara
Measures:	Metric system
Time:	GMT-4

Economic Infrastructure

Telecommunication (2018)

Telephones - main lines (per 100 inhabitants):	6.3
Telephones - mobile cellular (per 100 inhabit.):	100.8
Internet Users (per 100 inhabitants):	44.3
Broadband Subscriptions (per 100 inhabitants):	4.4

Energy (2017)

Primary Energy Production (trillion Btu):	852
Primary Energy Consumption (trillion Btu):	343
Electricity Generation (billion kW-h):	9.5
Electricity Consumption (billion kW-h):	8.3
Oil Supply (thousand bpd):	77.3
Oil Consumption (thousand bpd):	102.3
CO2 Emissions (million metric tons):	21.7

Transportation (2018)

Airports:	855
Railways (km):	3,960
Roadways (km):	90,568
Waterways (km):	10,000
Chief Ports:	Puerto Aguirre

Political Data

President:	Luis Arce
Last elections:	18 October 2020
Next elections:	October 2025
Central Bank President:	Roger Edwin Rojas Ulo

Long-term Foreign Currency Ratings

Agency	Rating	Outlook
Moody's:	Caa1	Under Review
S&P Global Ratings:	B	Negative Watch
Fitch Ratings:	B-	Negative

Strengths

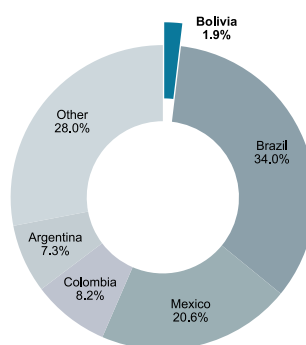
- Rich in natural resources
- Tourism potential
- Exchange rate and price stability

Weaknesses

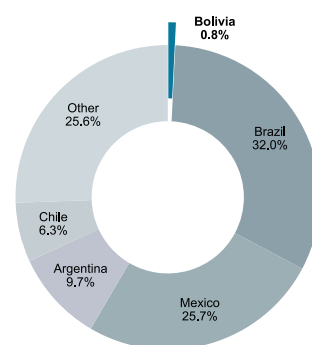
- Landlocked country
- Highly dependent on the hydrocarbon sector
- Elevated levels of poverty

Bolivia in the Region

Population | %-share in Latin America

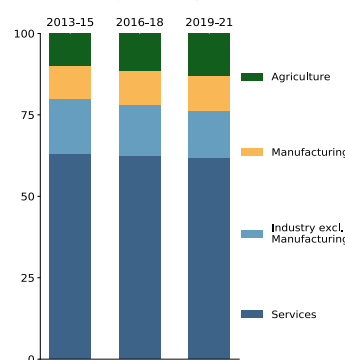


GDP | %-share in Latin America

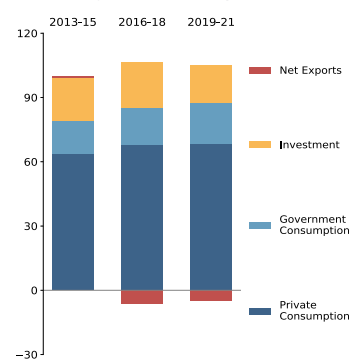


Economic Structure

GDP by Sector | share in %

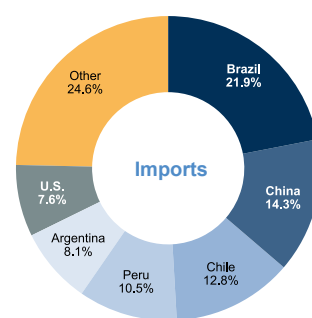
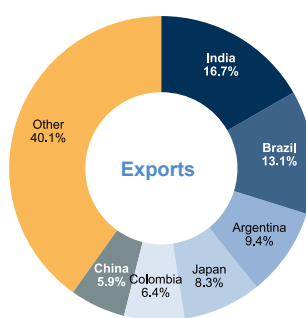


GDP by Expenditure | share in %

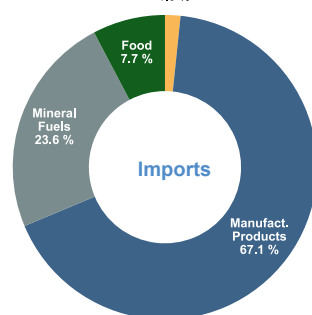
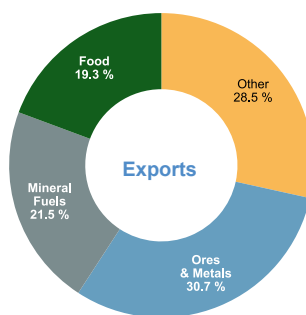


Trade Structure

Primary markets | share in %



Primary products | share in %



Economic Release Calendar

Date	Country	Event
17 April	Brazil	February Economic Activity
18 April	Colombia	February Economic Activity
19 April	Uruguay	Central Bank Meeting
20 April	Argentina	March Merchandise Trade
	Argentina	April Consumer Confidence (E)
21 April	Argentina	February Economic Activity
	Peru	February Economic Activity
24 April	Brazil	March Balance of Payments
25 April	Mexico	February Economic Activity
26 April	Brazil	April Economic Sentiment (E)
27 April	Mexico	March Merchandise Trade
28 April	Colombia	Central Bank Meeting
	Mexico	Q1 2023 National Accounts (P)
1 May	Chile	April Business Confidence (E)
2 May	Brazil	April S&P Global Manufacturing PMI
	Colombia	April Davivienda Manufacturing PMI
	Mexico	April IMEF PMI
3 May	Brazil	Central Bank Meeting
	Chile	March Economic Activity
4 May	Brazil	April S&P Global Services PMI
	Mexico	April Consumer Confidence
	Uruguay	April Consumer Prices
5 May	Argentina	March Industrial Production
	Colombia	April Consumer Prices
	Colombia	March Merchandise Trade (E)
	Ecuador	April Consumer Prices
	Peru	April Consumer Prices
7 May	Colombia	April Consumer Confidence
8 May	Chile	April Consumer Prices
9 May	Mexico	April Consumer Prices
12 May	Argentina	April Consumer Prices
	Brazil	April Consumer Prices
	Chile	Central Bank Meeting
	Peru	Central Bank Meeting
	Peru	April Merchandise Trade
	Uruguay	March Industrial Production

(P) Preliminary estimate. (E) Approximate date.

Notes and Statements

PUBLICATION NOTE

Consensus forecasts are mean averages of projections of economic forecasters surveyed by FocusEconomics for our monthly publication. Quarterly averages may not correspond to the annual figures due to different forecast panels.

The GDP-weighted averages for the regional aggregates and the world refer to economies surveyed by FocusEconomics on a monthly basis. Weights are based on Consensus Forecasts for nominal GDP (USD billion).

The regional aggregates include the following countries:

Latin America (23 countries): Argentina, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Puerto Rico, Trinidad and Tobago and Uruguay.

Andean Community (4 countries): Bolivia, Colombia, Ecuador and Peru.

Central America and Caribbean (13 countries): Belize, Costa Rica, Cuba, Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, Jamaica, Nicaragua, Panama, Puerto Rico and Trinidad and Tobago.

Mercosur (4 countries): Argentina, Brazil, Paraguay and Uruguay.

World: 131 countries, comprising around 98% of global output.

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ECONOMIC FORECASTS FOR KEY INDICATORS IN 132 COUNTRIES IN 12 REGIONS

MAJOR ECONOMIES & SWITZERLAND G7 countries (United States, Canada, Japan, United Kingdom, Euro area, France, Germany & Italy), Switzerland and overview of the BRIC countries

EURO AREA Austria, Belgium, Croatia, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Portugal, Slovakia, Slovenia and Spain

NORDIC ECONOMIES Denmark, Finland, Iceland, Norway and Sweden

CENTRAL & EASTERN EUROPE Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia

CIS PLUS COUNTRIES Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan

SOUTH-EASTERN EUROPE Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Greece, Kosovo, North Macedonia, Montenegro, Romania, Serbia and Turkey

EAST & SOUTH ASIA Bangladesh, China, Hong Kong, India, Korea, Mongolia, Pakistan, Sri Lanka, Taiwan, Australia and New Zealand

ASEAN ECONOMIES Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, Vietnam, Australia and New Zealand

LATIN AMERICA Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay and Venezuela

CENTRAL AMERICA & THE CARIBBEAN Belize, Costa Rica, Cuba, Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, Jamaica, Nicaragua, Panama, Puerto Rico and Trinidad and Tobago

MIDDLE EAST & NORTH AFRICA Algeria, Bahrain, Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Morocco, Oman, Qatar, Saudi Arabia, Tunisia, United Arab Emirates and Yemen

SUB-SAHARAN AFRICA Angola, Botswana, Cameroon, Côte d'Ivoire, DR Congo, Ethiopia, Ghana, Kenya, Mozambique, Nigeria, Rwanda, Senegal, South Africa, Tanzania, Uganda, Zambia and Zimbabwe.

REAL SECTOR GDP per capita, Economic Growth, Consumption, Investment, Industrial Production, Unemployment Rate, Fiscal Balance and Public Debt

MONETARY & FINANCIAL SECTOR Money, Inflation Rate, Policy Interest Rate, 10-Year Bond Yield and Exchange Rate

EXTERNAL SECTOR Current Account, Trade Balance, Exports, Imports, International Reserves and External Debt

PRICE FORECASTS FOR 35 COMMODITIES IN 4 MAIN GROUPS

ENERGY Brent Crude Oil, WTI Crude Oil, Coking Coal, Gasoil (European market), Gasoline (U.S. benchmark), Natural Gas (Europe), Natural Gas (U.S.), Thermal Coal and Uranium

BASE METALS Alumina, Aluminium, Cobalt, Copper, Iron Ore, Lead, Molybdenum, Nickel, Steel (European and U.S. markets), Tin and Zinc

PRECIOUS METALS Gold, Silver, Palladium and Platinum

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