

LATINFOCUS CONSENSUSFORECAST

Bolivia • August 2023

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Bolivia



Outlook stable

- After growing 3.5% last year—equaling the average of the preceding decade—the economy should have slowed in 2023 so far. Hard data bear out this conclusion: In January–May, cement output grew at a weaker year-on-year rate of 2.3% (2022: +7.8% yoy), and natural gas production tanked at a slightly speedier pace of 11.4% (2022: -9.2% yoy). Cement output is a proxy for the construction industry, potentially indicating that higher inflation and interest rates this year have stymied building work. Meanwhile, the decline in natural gas production largely reflects a recent lack of government investment in exploration wells. More positively, the unemployment rate remained close to a series low in Q1. In other news, Bolivia said in July that its lithium resources were estimated at 23 million tons, up 2 million tons from the previous estimate, boding well for investment in the mining sector ahead.
- Bolivia’s GDP is projected to expand less in 2023 than in 2022 as the base effect toughens, global GDP growth softens and gas output falls. Commodity prices are a key factor to watch; the sharp fall in natural gas prices since late last year bodes poorly for the external and fiscal balances. Social unrest and renewed pressure on the currency peg are downside risks. FocusEconomics panelists see GDP expanding 2.2% in 2023, which is unchanged from one month ago, and expanding 2.4% in 2024.
- Inflation eased to 2.7% in June (May: 2.9%). The currency peg and government subsidies have kept a lid on inflation in recent years. Our panelists expect Bolivia to continue to have one of the region’s lowest inflation rates in 2023 and 2024. Key factors to monitor include changes to the currency peg, government subsidies, export controls and the El Niño weather pattern. FocusEconomics panelists see consumer prices rising 2.9% on average in 2023, which is unchanged from one month ago, and rising 3.9% on average in 2024.

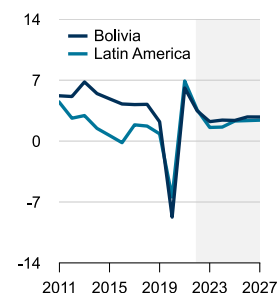
LONG-TERM TRENDS | 3-year averages

	2019-21	2022-24	2025-27
Population (million):	11.6	12.1	12.6
GDP (USD bn):	39.3	46.2	52.3
GDP per capita (USD):	3,380	3,806	4,141
GDP growth (%):	-0.1	2.7	2.6
Fiscal Balance (% of GDP):	-9.8	-6.6	-5.4
Public Debt (% of GDP):	72.9	83.7	86.0
Inflation (%):	1.2	2.9	3.4
Current Account (% of GDP):	-0.4	-1.4	-2.4
External Debt (% of GDP):	38.9	43.8	51.0

Matthew Cunningham

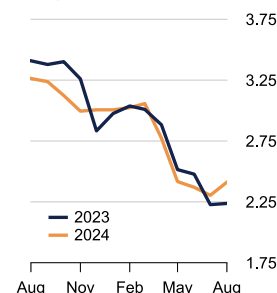
Economist

Economic Growth



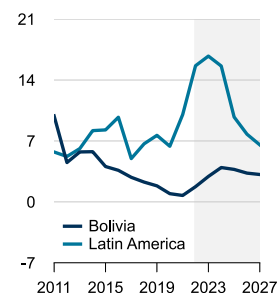
GDP, annual variation in %. Source: Instituto Nacional de Estadística (INE).

Change in GDP forecasts



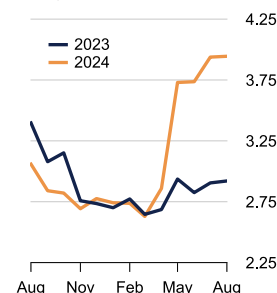
GDP, evolution of 2023 and 2024 forecasts during the last 12 months.

Inflation



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

Change in inflation forecasts

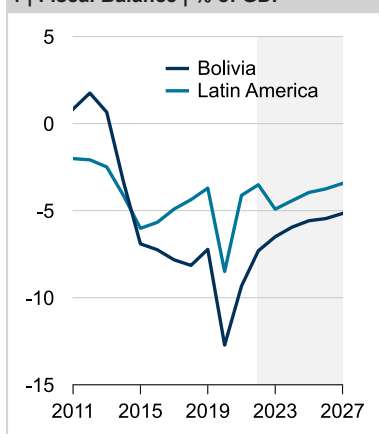


Inflation, evolution of 2023 and 2024 forecasts during the last 12 months.

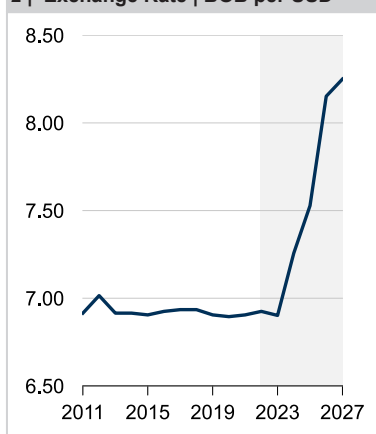
Economic Indicators | 2018 - 2027

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	3,560	3,153	3,428	3,685	3,811	3,923	4,064	4,106	4,254
GDP (USD bn)	40.2	40.8	36.7	40.4	44.1	46.2	48.2	50.6	51.9	54.5
GDP (BOB bn)	278	283	253	279	304	320	341	374	407	447
Economic Growth (Nominal GDP, ann. var. %)	7.4	1.5	-10.4	10.3	8.9	5.1	6.8	9.6	8.7	10.0
Economic Growth (GDP, ann. var. %)	4.2	2.2	-8.7	6.1	3.5	2.2	2.4	2.4	2.8	2.8
Private Consumption (ann. var. %)	4.3	3.7	-7.9	5.3	4.2	2.4	1.7	2.4	2.5	2.7
Government Consumption (ann. var. %)	5.1	3.8	-2.8	5.4	4.0	1.7	0.4	1.1	1.6	1.8
Fixed Investment (ann. var. %)	3.2	-3.5	-25.9	11.9	6.5	1.4	0.6	1.6	-	-
Exports (G&S, ann. var. %)	5.2	-1.8	-18.8	15.4	15.6	-0.8	1.4	2.7	-	-
Imports (G&S, ann. var. %)	1.9	1.5	-25.0	15.7	7.6	2.4	0.7	2.7	-	-
Fiscal Balance (% of GDP)	-8.1	-7.2	-12.7	-9.3	-7.3	-6.5	-5.9	-5.6	-5.5	-5.2
Public Debt (% of GDP)	53.1	59.3	78.0	81.4	82.6	83.0	85.5	86.2	85.8	85.9
Monetary and Financial Sector										
Money (ann. var. of M2 %)	5.4	-7.5	14.1	6.6	4.0	-	-	-	-	-
Inflation (CPI, ann. var. %, eop)	1.5	1.5	0.7	0.9	3.1	3.2	4.4	3.7	3.2	3.1
Inflation (CPI, ann. var. %, aop)	2.3	1.8	0.9	0.7	1.7	2.9	3.9	3.7	3.3	3.1
Prime Lending Rate (% eop)	8.04	8.40	7.59	8.02	7.76	-	-	-	-	-
Exchange Rate (BOB per USD, eop)	6.93	6.91	6.89	6.91	6.93	6.90	7.26	7.53	8.15	8.25
Exchange Rate (BOB per USD, aop)	6.93	6.92	6.90	6.90	6.90	6.91	7.08	7.39	7.84	8.20
External Sector										
Current Account Balance (% of GDP)	-4.3	-3.3	-0.1	2.2	-0.4	-1.7	-2.1	-2.0	-2.8	-2.6
Current Account Balance (USD bn)	-1.7	-1.4	0.0	0.9	-0.2	-0.8	-1.0	-1.0	-1.4	-1.4
Merchandise Trade Balance (USD bn)	-0.4	-0.3	0.6	2.2	1.6	1.1	1.2	0.8	0.6	0.7
Merchandise Exports (USD bn)	8.9	8.8	7.0	11.0	13.5	12.5	13.1	12.9	13.2	13.7
Merchandise Imports (USD bn)	9.3	9.1	6.4	8.8	11.9	11.5	11.9	12.1	12.6	13.1
Merchandise Exports (ann. var. %)	9.9	-1.3	-20.6	56.4	23.5	-7.5	4.4	-1.1	1.7	4.4
Merchandise Imports (ann. var. %)	7.0	-2.1	-29.8	37.0	35.6	-3.9	3.5	2.0	3.8	4.1
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	-	-	-	-	-
International Reserves (months of imports)	9.2	5.7	5.0	3.1	1.3	-	-	-	-	-
External Debt (USD bn)	13.2	14.3	15.4	16.0	18.6	20.2	21.9	24.1	26.6	29.6
External Debt (% of GDP)	33.0	35.0	42.1	39.5	42.2	43.7	45.5	47.6	51.2	54.3

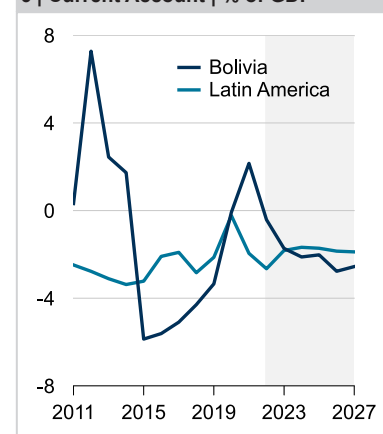
1 | Fiscal Balance | % of GDP



2 | Exchange Rate | BOB per USD



3 | Current Account | % of GDP



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 Macrobond Financial AB. 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: Macrobond Financial AB.
- 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	Negative
S&P Global Ratings:	B-	Negative
Fitch Ratings:	B-	Negative

Strengths

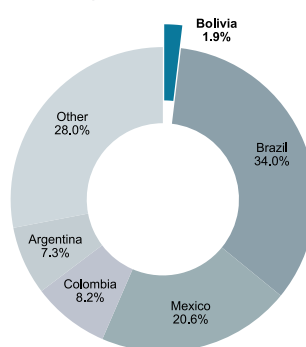
- Rich in natural resources
- Tourism potential
- Exchange rate and price stability

Weaknesses

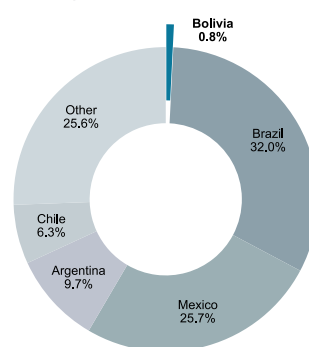
- Landlocked country
- Highly dependent on the hydrocarbon sector
- Elevated levels of poverty

Bolivia in the Region

Population | %-share in Latin America

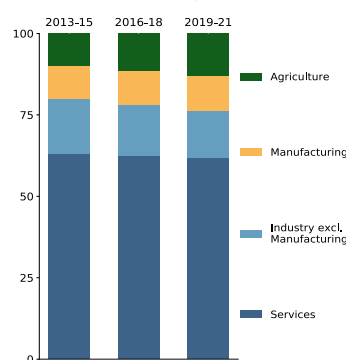


GDP | %-share in Latin America

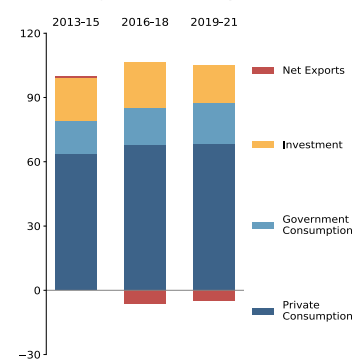


Economic Structure

GDP by Sector | share in %

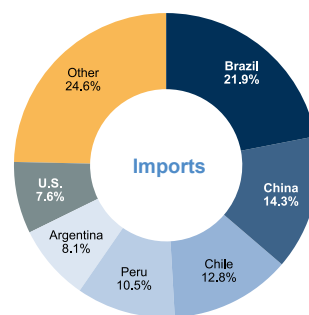
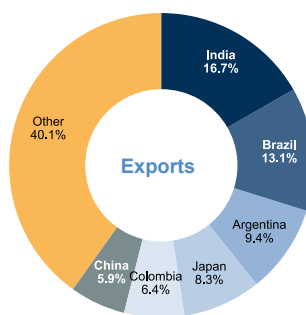


GDP by Expenditure | share in %

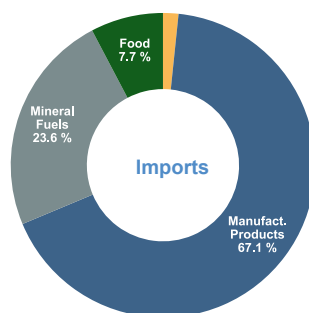
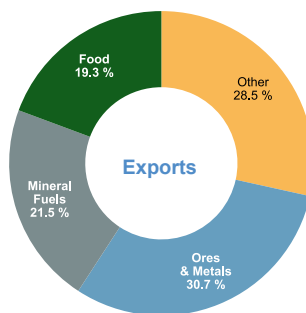


Trade Structure

Primary markets | share in %



Primary products | share in %



Economic Release Calendar

Date	Country	Event
7 August	Colombia	July Consumer Confidence
	Mexico	July Consumer Confidence
8 August	Chile	July Consumer Prices
9 August	Argentina	June Industrial Production
	Mexico	July Consumer Prices
10 August	Mexico	Central Bank Meeting
11 August	Argentina	July Consumer Prices
	Brazil	July Consumer Prices
	Peru	Central Bank Meeting
	Peru	July Merchandise Trade
	Uruguay	June Industrial Production
15 August	Colombia	Q2 2023 National Accounts
	Colombia	June Economic Activity
	Uruguay	Central Bank Meeting
16 August	Ecuador	June Economic Activity
	Peru	Q2 2023 National Accounts
17 August	Brazil	June Economic Activity
18 August	Chile	Q2 2023 National Accounts
	Peru	June Economic Activity
20 August	Argentina	August Consumer Confidence (E)
22 August	Argentina	July Merchandise Trade
23 August	Argentina	June Economic Activity
25 August	Brazil	July Balance of Payments
28 August	Brazil	August Economic Sentiment (E)
	Mexico	July Merchandise Trade
	Brazil	August S&P Global Manufacturing PMI
1 September	Brazil	Q2 2023 National Accounts
	Chile	July Economic Activity
	Chile	August Business Confidence (E)
	Colombia	August Davivienda Manufacturing PMI
	Mexico	August IMEF PMI
	Peru	August Consumer Prices
	Brazil	August S&P Global Services PMI
	Chile	Central Bank Meeting
5 September	Colombia	August Consumer Prices
	Colombia	August Merchandise Trade (E)
	Mexico	August Consumer Confidence
	Uruguay	August Consumer Prices
	Ecuador	August Consumer Prices
6 September	Ecuador	August Consumer Prices
	Argentina	July Industrial Production
7 September	Colombia	August Consumer Confidence
	Mexico	August Consumer Prices
8 September	Chile	August Consumer Prices

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

Economic Release Calendar

Date	Country	Event
8 September	Peru	August Merchandise Trade
	Peru	Central Bank Meeting

(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

AGRICULTURAL Cocoa, Coffee, Corn, Cotton, Palm oil, Soybeans, Sugar, Rice, Wheat and Wool

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