

LATINFOCUS CONSENSUSFORECAST

Bolivia • December 2022

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Bolivia



Outlook deteriorates

- Growth picked up in Q2. Private consumption strengthened, boosted by government subsidies for fuel and food. Faster growth of government spending, fixed investment and exports further supported activity, while a sharp drop in inventories restrained it. Turning to H2, available data has been negative. Compared to Q2, annual export growth slowed in July–August, and inflation accelerated in July–October. In other news, weeks-long strikes in Santa Cruz came to an end in late November. Over USD 1 billion of damages were caused, according to the government. The strikes were sparked by the government’s decision to postpone the next census, a move which means electoral districts will not be adjusted in time for the next general election in 2025. Critics say that this decision will favor the ruling MAS party, given that the bulk of its support is concentrated among the relatively slow-growing rural population.
- GDP growth is expected to drop further below the pre-pandemic average in 2023. Momentum will be capped by a tougher base effect and a slowing global economy. That said, still-elevated commodity prices will buttress the external and fiscal balances. Social unrest, pressure on the currency peg and volatile commodity prices cloud the outlook. FocusEconomics panelists see the economy growing 2.8% in 2023, which is down 0.5 percentage points from last month’s forecast, and 3.0% in 2024.
- Inflation rose to 2.9% in October (September: 1.9%), largely driven by a faster increase in food prices. The currency peg and government support have kept inflation relatively muted. Our panelists expect Bolivia to maintain one of the region’s lowest inflation rates in 2023. Key factors to watch include changes to government subsidies and export controls. Our panel forecasts inflation to end 2023 at 2.6%, which is down 0.2 percentage points from last month’s estimate, and 2024 at 2.7%.

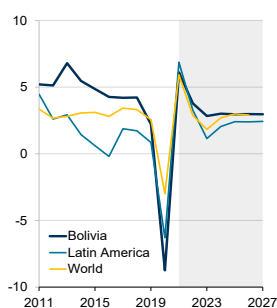
LONG-TERM TRENDS | 3-year averages

	2019-21	2022-24	2025-27
Population (million):	11.6	12.1	12.6
GDP (USD bn):	39.3	46.2	53.4
GDP per capita (USD):	3,380	3,806	4,226
GDP growth (%):	-0.1	3.2	3.0
Fiscal Balance (% of GDP):	-9.8	-6.6	-5.7
Public Debt (% of GDP):	72.6	83.4	84.1
Inflation (%):	1.2	2.4	3.2
Current Account (% of GDP):	-0.7	0.7	-1.1
External Debt (% of GDP):	40.2	43.7	48.0

Matthew Cunningham

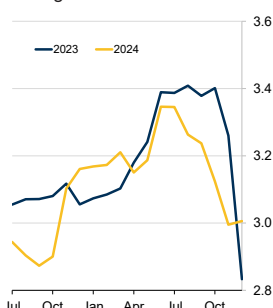
Economist

Economic Growth



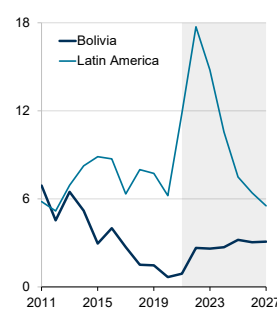
GDP, annual variation in %.
Source: Instituto Nacional de Estadística (INE).

Change in GDP forecasts



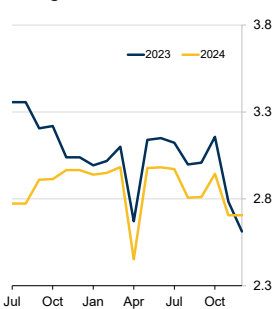
GDP, evolution of 2023 and 2024 forecasts during the last 18 months.

Inflation



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

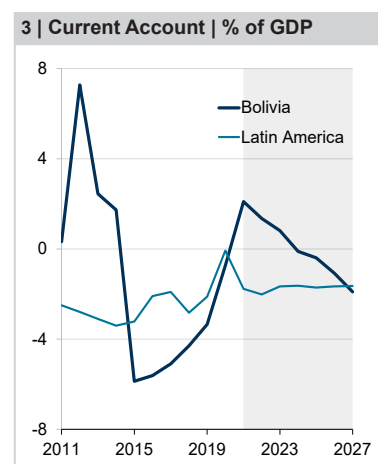
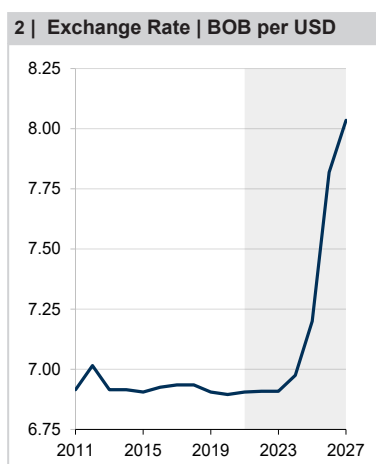
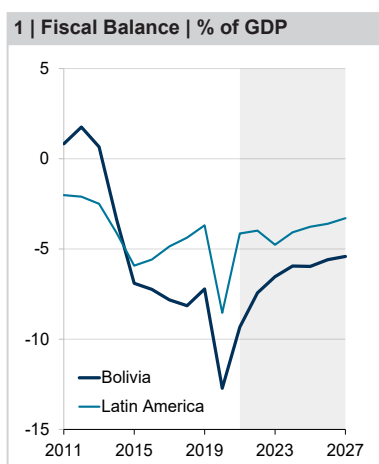
Change in inflation forecasts



Inflation, evolution of 2023 and 2024 forecasts during the last 18 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	3,640	3,798	3,980	4,175	4,191	4,312
GDP (USD bn)	40.2	40.8	36.7	40.4	43.5	46.1	48.9	52.0	53.0	55.3
GDP (BOB bn)	278	283	253	279	301	318	340	368	398	438
Economic Growth (Nominal GDP, ann. var. %)	7.4	1.5	-10.4	10.3	7.7	5.9	6.7	8.5	7.9	10.2
Economic Growth (GDP, ann. var. %)	4.2	2.2	-8.7	6.1	3.8	2.8	3.0	3.0	3.0	3.0
Private Consumption (ann. var. %)	4.3	3.7	-7.9	5.3	4.0	3.4	3.3	3.4	3.2	3.1
Government Consumption (ann. var. %)	5.1	3.8	-2.8	5.4	3.7	2.1	1.7	2.8	2.7	-
Fixed Investment (ann. var. %)	3.2	-3.5	-25.9	11.9	4.7	3.6	3.5	3.9	3.7	-
Exports (G&S, ann. var. %)	5.2	-1.8	-18.8	15.4	6.6	4.9	4.6	5.3	5.2	-
Imports (G&S, ann. var. %)	1.9	1.5	-25.0	15.7	7.3	4.8	4.2	4.8	4.6	-
Fiscal Balance (% of GDP)	-8.1	-7.2	-12.7	-9.3	-7.4	-6.5	-5.9	-6.0	-5.6	-5.4
Public Debt (% of GDP)	53.1	59.3	78.0	80.5	82.4	83.3	84.4	83.4	84.0	84.9
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	2.7	2.6	2.7	3.2	3.0	3.1
Inflation (CPI, ann. var. %, aop)	2.3	1.8	0.9	0.7	1.8	2.7	2.8	3.2	3.1	3.2
Prime Lending Rate (% eop)	8.04	8.40	7.59	8.02	9.08	9.61	9.74	9.51	-	-
Exchange Rate (BOB per USD, eop)	6.93	6.91	6.89	6.91	6.91	6.91	6.97	7.20	7.82	8.03
Exchange Rate (BOB per USD, aop)	6.93	6.92	6.90	6.90	6.91	6.91	6.94	7.09	7.51	7.93
External Sector										
Current Account Balance (% of GDP)	-4.3	-3.3	-0.7	2.1	1.3	0.8	-0.1	-0.4	-1.1	-1.9
Current Account Balance (USD bn)	-1.7	-1.4	-0.3	0.8	0.6	0.4	-0.1	-0.2	-0.6	-1.1
Merchandise Trade Balance (USD bn)	-0.4	-0.3	0.4	2.2	2.3	2.1	1.8	1.7	1.4	1.1
Merchandise Exports (USD bn)	8.9	8.8	7.0	11.0	13.2	13.0	12.8	12.9	12.5	12.6
Merchandise Imports (USD bn)	9.3	9.1	6.6	8.8	10.9	11.0	10.9	11.2	11.1	11.5
Merchandise Exports (ann. var. %)	9.9	-1.3	-21.2	57.7	20.0	-0.9	-2.3	1.1	-3.0	0.8
Merchandise Imports (ann. var. %)	7.0	-2.1	-27.7	33.2	23.6	0.9	-0.5	2.5	-1.0	4.0
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	1.8	1.6	1.4	1.4	1.3	-
International Reserves (months of imports)	9.2	5.7	4.8	3.1	2.0	1.8	1.6	1.5	1.4	-
External Debt (USD bn)	13.2	14.3	15.4	17.6	19.0	20.1	21.3	23.2	25.4	28.4
External Debt (% of GDP)	33.0	35.0	42.1	43.5	43.7	43.6	43.6	44.6	48.0	51.4



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:	B2	Negative
S&P Global Ratings:	B+	Negative
Fitch Ratings:	B	Stable

Strengths

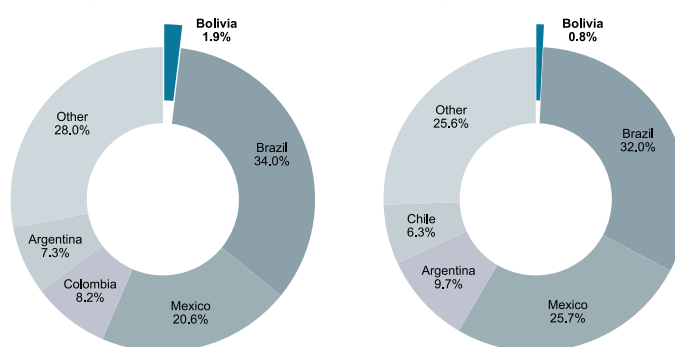
- Rich in natural resources
- Tourism potential
- Exchange rate and price stability

Weaknesses

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

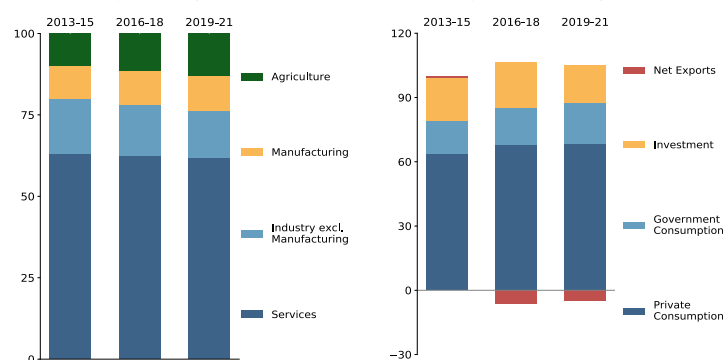
Bolivia in the Region

Population | %-share in Latin America GDP | %-share in Latin America



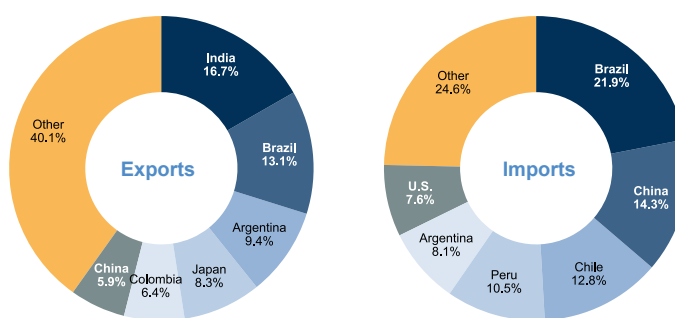
Economic Structure

GDP by Sector | share in % GDP by Expenditure | share in %

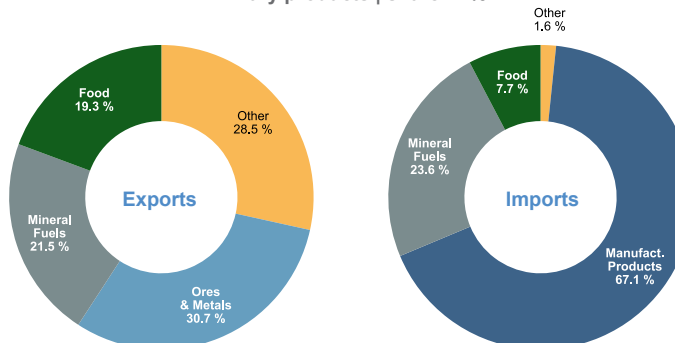


Trade Structure

Primary markets | share in %



Primary products | share in %



Economic Release Calendar

Date	Country	Event	
5 December	Colombia	October Merchandise Trade	
	Colombia	November Consumer Prices	
	Mexico	November Consumer Confidence	
	Uruguay	November Consumer Prices	
6 December	Chile	Central Bank Meeting	
	Ecuador	November Consumer Prices	
7 December	Argentina	October Industrial Production	
	Brazil	Central Bank Meeting	
	Chile	November Consumer Prices	
	Colombia	November Consumer Confidence	
	Peru	Central Bank Meeting	
8 December	Brazil	October Retail Sales	
	Peru	November Merchandise Trade	
9 December	Brazil	November Consumer Prices	
11 December	Mexico	November Consumer Prices	
12 December	Uruguay	October Industrial Production	
14 December	Brazil	October Economic Activity	
15 December	Argentina	November Consumer Prices	
	Argentina	Q3 2022 National Accounts	
	Chile	November Consumer Confidence (E)	
	Colombia	October Manufacturing Production	
	Mexico	Central Bank Meeting	
	Peru	October Economic Activity	
	Uruguay	Q3 2022 National Accounts	
	16 December	Colombia	Central Bank Meeting
	19 December	Argentina	November Merchandise Trade
Ecuador		October Economic Activity	
20 December	Argentina	December Consumer Confidence (E)	
21 December	Argentina	October Economic Activity	
	Mexico	Q3 2022 National Accounts (by expenditure)	
23 December	Brazil	December Business Confidence (E)	
	Brazil	December Consumer Confidence (E)	
	Mexico	November Merchandise Trade	
	Mexico	October Economic Activity	
24 December	Brazil	November Balance of Payments	
30 December	Colombia	November Merchandise Trade	
	Ecuador	Q3 2022 National Accounts (E)	
	Uruguay	Central Bank Meeting	
2 January	Brazil	December Manufacturing PMI	
	Colombia	December Davivienda Manufacturing PMI	
	Mexico	December IMEF PMI	
5 January	Brazil	November Industrial Production	
10 January	Brazil	December Consumer Prices	

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

Economic Release Calendar

Date	Country	Event
11 January	Brazil	November Retail Sales

(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, 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

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