

LATINFOCUS CONSENSUS FORECAST

Bolivia • February 2023

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Outlook stable

- Year-on-year GDP growth slowed in Q3 to 4.3% (Q2: 4.5%). Fixed investment and private and public spending all grew at weaker rates. Meanwhile, exports grew at a faster pace. The slowdown in private spending was likely linked to higher average inflation in the period relative to Q2. Our panelists expect GDP growth to have slowed further in Q4. Average inflation was 1.3 percentage points higher in the quarter than in Q3, boding poorly for consumer spending. In other news, on 20 January, the state-owned lithium firm signed contracts with a consortium of Chinese companies for the construction and equipping of two lithium extraction plants. Bolivia has the world's largest lithium reserves, but extracting the brine requires heavy investment to be commercially viable. The agreement should boost long-term growth, with downside risks posed by government regulation or even future nationalization.
- GDP growth is expected to fall further below its pre-pandemic average this year. A tougher base effect and a slowing global economy will hurt activity. Nonetheless, high commodity prices will bolster 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 3.0% in 2023, which is unchanged from last month's forecast, and 3.0% in 2024.
- Inflation was stable at 3.1% in January. The currency peg and government support have kept inflation relatively low in recent months. 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 up 0.1 percentage points from last month's estimate, and 2024 at 2.7%.

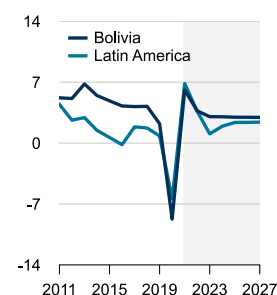
LONG-TERM TRENDS | 3-year averages

	2019-21	2022-24	2025-27
Population (million):	11.6	12.1	12.6
GDP (USD bn):	39.3	46.2	53.5
GDP per capita (USD):	3,380	3,807	4,231
GDP growth (%):	-0.1	3.3	3.0
Fiscal Balance (% of GDP):	-9.8	-6.6	-5.6
Public Debt (% of GDP):	72.6	80.8	83.5
Inflation (%):	1.2	2.4	3.2
Current Account (% of GDP):	-0.4	0.3	-1.0
External Debt (% of GDP):	38.9	43.8	48.8

Matthew Cunningham

Economist

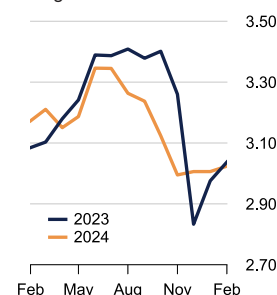
Economic Growth



GDP, annual variation in %.

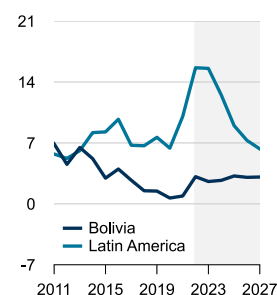
Source: Instituto Nacional de Estadística (INE).

Change in GDP forecasts



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

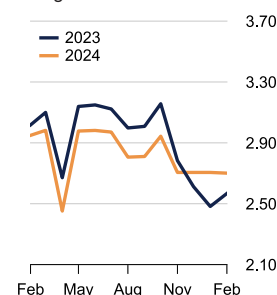
Inflation



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

Source: INE.

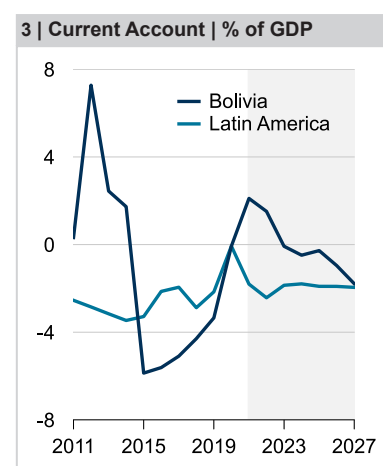
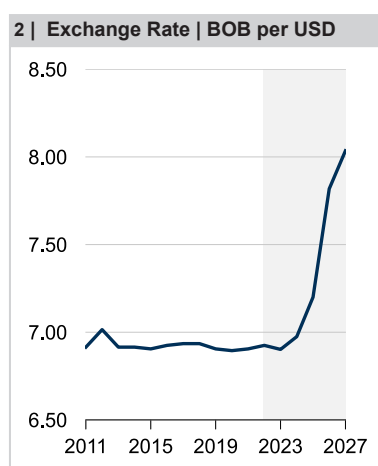
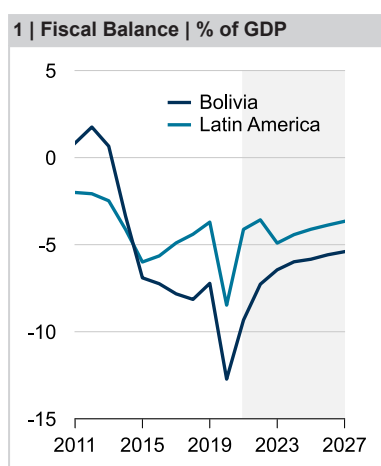
Change in inflation forecasts



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	3,651	3,794	3,975	4,170	4,203	4,322
GDP (USD bn)	40.2	40.8	36.7	40.4	43.7	46.0	48.9	51.9	53.1	55.4
GDP (BOB bn)	278	283	253	279	301	318	339	368	399	439
Economic Growth (Nominal GDP, ann. var. %)	7.4	1.5	-10.4	10.3	7.9	5.6	6.5	8.5	8.4	10.1
Economic Growth (GDP, ann. var. %)	4.2	2.2	-8.7	6.1	3.7	3.0	3.0	3.0	3.0	3.0
Private Consumption (ann. var. %)	4.3	3.7	-7.9	5.3	4.0	3.5	3.2	3.3	3.1	3.1
Government Consumption (ann. var. %)	5.1	3.8	-2.8	5.4	3.7	2.5	1.7	2.8	2.7	-
Fixed Investment (ann. var. %)	3.2	-3.5	-25.9	11.9	4.7	3.3	3.5	3.9	3.7	-
Exports (G&S, ann. var. %)	5.2	-1.8	-18.8	15.4	6.6	3.8	4.6	5.2	5.2	-
Imports (G&S, ann. var. %)	1.9	1.5	-25.0	15.7	7.3	4.1	4.2	4.8	4.6	-
Fiscal Balance (% of GDP)	-8.1	-7.2	-12.7	-9.3	-7.3	-6.4	-6.0	-5.8	-5.6	-5.4
Public Debt (% of GDP)	53.1	59.3	78.0	80.5	80.5	80.9	81.1	79.1	85.2	86.2
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	2.6	2.7	3.2	3.0	3.1
Inflation (CPI, ann. var. %, aop)	2.3	1.8	0.9	0.7	1.7	2.8	2.7	3.2	3.1	3.2
Prime Lending Rate (% eop)	8.04	8.40	7.59	8.02	8.10	9.61	9.74	9.51	-	-
Exchange Rate (BOB per USD, eop)	6.93	6.91	6.89	6.91	6.93	6.90	6.97	7.20	7.82	8.03
Exchange Rate (BOB per USD, aop)	6.93	6.92	6.90	6.90	6.90	6.91	6.94	7.09	7.51	7.93
External Sector										
Current Account Balance (% of GDP)	-4.3	-3.3	-0.1	2.1	1.5	-0.1	-0.5	-0.3	-1.0	-1.8
Current Account Balance (USD bn)	-1.7	-1.4	0.0	0.9	0.7	0.0	-0.2	-0.1	-0.5	-1.0
Merchandise Trade Balance (USD bn)	-0.4	-0.3	0.6	2.2	2.5	1.8	1.8	1.8	1.5	1.2
Merchandise Exports (USD bn)	8.9	8.8	7.0	11.0	13.7	13.1	13.0	13.8	13.5	13.6
Merchandise Imports (USD bn)	9.3	9.1	6.4	8.8	11.2	11.3	11.2	12.0	11.9	12.5
Merchandise Exports (ann. var. %)	9.9	-1.3	-20.6	56.4	24.8	-4.4	-0.8	6.2	-2.4	1.2
Merchandise Imports (ann. var. %)	7.0	-2.1	-29.8	37.0	27.0	1.4	-0.8	6.8	-0.4	4.3
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	1.6	1.6	1.6	1.6	-
International Reserves (months of imports)	9.2	5.7	5.0	3.1	1.4	1.7	1.7	1.6	1.6	-
External Debt (USD bn)	13.2	14.3	15.4	16.0	19.0	20.1	21.6	23.5	25.9	29.0
External Debt (% of GDP)	33.0	35.0	42.1	39.5	43.4	43.8	44.2	45.4	48.7	52.3



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	Stable
Fitch Ratings:	B	Stable

Strengths

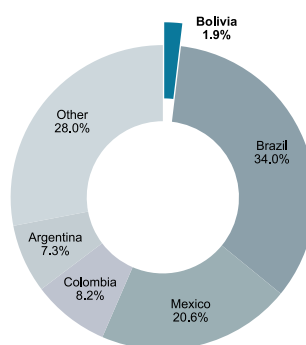
- Rich in natural resources
- Tourism potential
- Exchange rate and price stability

Weaknesses

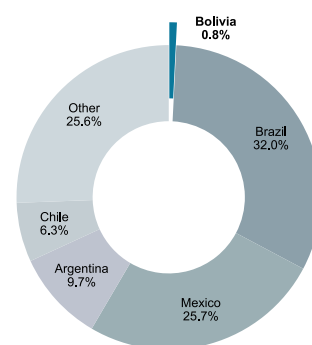
- Landlocked country
- Highly dependent on the hydrocarbon sector
- Elevated levels of poverty

Bolivia in the Region

Population | %-share in Latin America

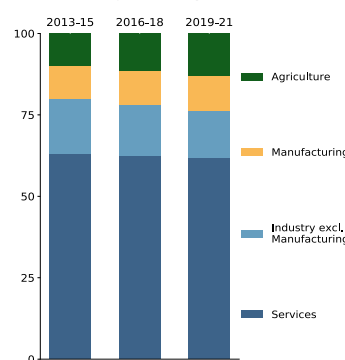


GDP | %-share in Latin America

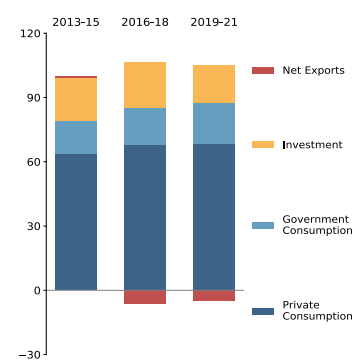


Economic Structure

GDP by Sector | share in %

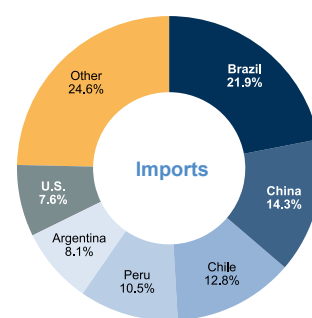
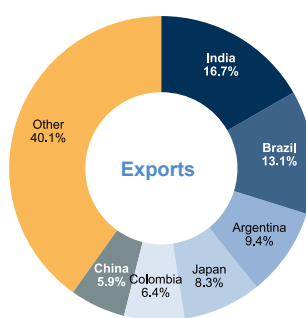


GDP by Expenditure | share in %

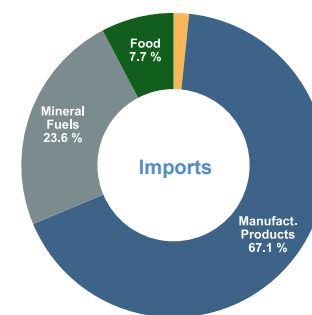
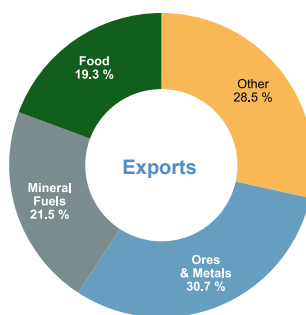


Trade Structure

Primary markets | share in %



Primary products | share in %



Economic Release Calendar

Date	Country	Event
13 February	Uruguay	December Industrial Production
14 February	Colombia	December Manufacturing Production
15 February	Argentina	January Consumer Prices
	Colombia	Q4 2022 National Accounts
	Colombia	December Economic Activity
	Ecuador	December Economic Activity
	Uruguay	Central Bank Meeting
16 February	Brazil	December Economic Activity
17 February	Peru	Q4 2022 National Accounts
	Peru	December Economic Activity
22 February	Argentina	January Merchandise Trade
23 February	Argentina	December Economic Activity
24 February	Brazil	January Balance of Payments
25 February	Brazil	February Consumer Confidence (E)
26 February	Brazil	February Business Confidence (E)
27 February	Mexico	January Merchandise Trade
1 March	Brazil	February S&P Global Manufacturing PMI
	Chile	January Economic Activity
	Chile	February Business Confidence (E)
	Colombia	February Davivienda Manufacturing PMI
	Mexico	February IMEF PMI
2 March	Brazil	Q4 2022 National Accounts
3 March	Peru	February Consumer Prices
	Uruguay	February Consumer Prices
4 March	Colombia	February Consumer Prices
5 March	Colombia	January Merchandise Trade (E)
6 March	Ecuador	February Consumer Prices
7 March	Colombia	February Consumer Confidence
	Mexico	February Consumer Confidence
8 March	Chile	February Consumer Prices
9 March	Argentina	January Industrial Production
	Mexico	February Consumer Prices
10 March	Brazil	February Consumer Prices
	Peru	Central Bank Meeting
	Peru	February Merchandise Trade

(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

PRECIOUS METALS Gold, Silver, Palladium and Platinum

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

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