

# LATINFOCUS CONSENSUSFORECAST

Bolivia • January 2023

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# Bolivia



## Outlook improves

- Economic activity improved in Q2 2022, spearheaded by private consumption, which was bolstered by government subsidies for food and fuel. Government spending, fixed investment and exports also boosted activity. In contrast, a sharp drop in inventories constrained growth. Turning to H2 2022, available data was downbeat. Compared to Q2, annual export growth more than halved in Q3, and inflation accelerated in July–December. In other news, legislators approved the government’s budget for 2023 in December. The government projects the fiscal deficit to decline to 7.5% from the 8.0% projected in the 2022 budget, based on the assumptions that GDP growth will be 4.9% and inflation will be 3.6%. Government spending is to rise by 5.8% and tax revenue by 6.7%.
- GDP growth is expected to decline further below its pre-pandemic average in 2023. A tougher base effect and a slowing global economy will hit momentum. That said, 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 up 0.2 percentage points from last month’s forecast, and 3.0% in 2024.

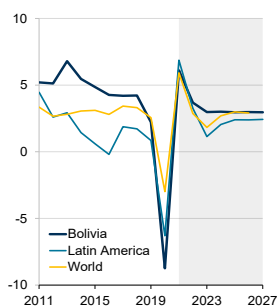
### LONG-TERM TRENDS | 3-year averages

	2019-21	2022-24	2025-27
Population (million):	11.6	12.1	12.6
GDP (USD bn):	39.3	46.1	53.4
GDP per capita (USD):	3,380	3,803	4,229
GDP growth (%):	-0.1	3.2	3.0
Fiscal Balance (% of GDP):	-9.8	-6.6	-5.6
Public Debt (% of GDP):	72.6	80.3	81.5
Inflation (%):	1.2	2.4	3.2
Current Account (% of GDP):	-0.7	0.7	-1.1
External Debt (% of GDP):	38.9	43.6	48.4

Matthew Cunningham

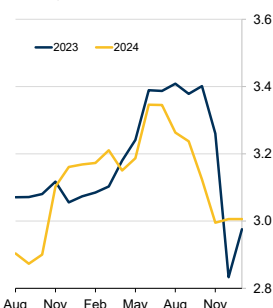
Economist

Economic Growth



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

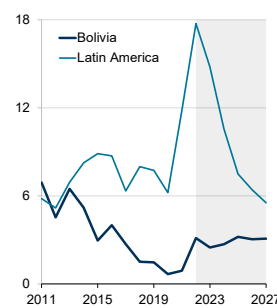
Change in GDP forecasts



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

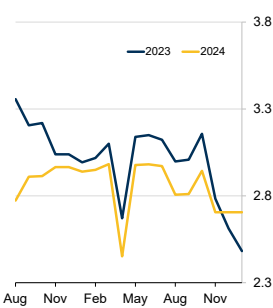
- After rising for four months, inflation fell to 3.1% in December (November: 3.2%). The currency peg and government support kept inflation relatively low in 2022. Our panelists expect Bolivia to maintain one of the region’s lowest inflation rates this year. Key factors to watch include changes to government subsidies and export controls. Our panel forecasts inflation to end 2023 at 2.5%, which is down 0.1 percentage points from last month’s estimate, and 2024 at 2.7%.

Inflation



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

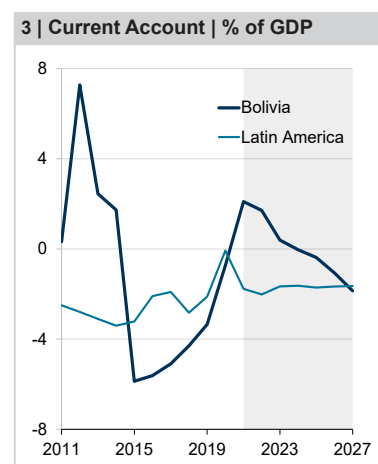
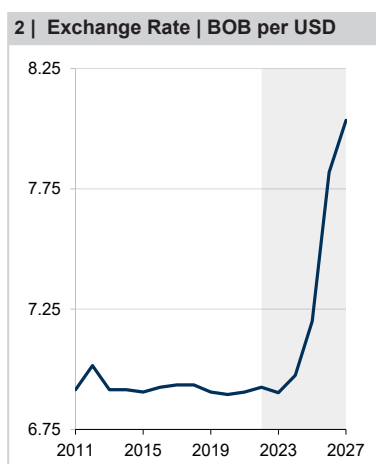
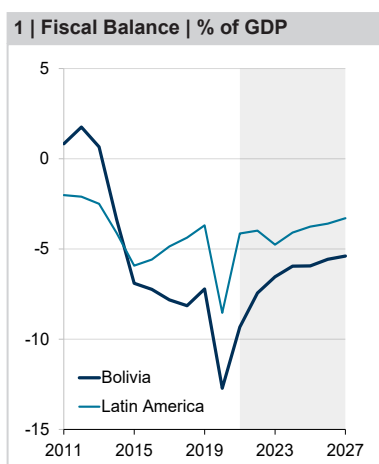
Change in inflation forecasts



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
<b>Real Sector</b>										
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	3,644	3,793	3,974	4,167	4,200	4,320
GDP (USD bn)	40.2	40.8	36.7	40.4	43.6	46.0	48.8	51.9	53.1	55.4
GDP (BOB bn)	278	283	253	279	301	318	339	368	398	439
Economic Growth (Nominal GDP, ann. var. %)	7.4	1.5	-10.4	10.3	7.7	5.8	6.5	8.5	8.4	10.2
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	3.4	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	-6.0	-5.9	-5.6	-5.4
Public Debt (% of GDP)	53.1	59.3	78.0	80.5	80.8	80.2	80.0	76.7	83.5	84.3
<b>Monetary and Financial Sector</b>										
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	2.5	2.7	3.2	3.0	3.1
Inflation (CPI, ann. var. %, aop)	2.3	1.8	0.9	0.7	1.7	2.7	2.7	3.2	3.1	3.2
Prime Lending Rate (% eop)	8.04	8.40	7.59	8.02	7.71	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
<b>External Sector</b>										
Current Account Balance (% of GDP)	-4.3	-3.3	-0.7	2.1	1.7	0.4	0.0	-0.4	-1.1	-1.9
Current Account Balance (USD bn)	-1.7	-1.4	-0.3	0.8	0.7	0.2	0.0	-0.2	-0.6	-1.0
Merchandise Trade Balance (USD bn)	-0.4	-0.3	0.6	2.2	2.5	1.9	1.9	1.7	1.5	1.1
Merchandise Exports (USD bn)	8.9	8.8	7.0	11.0	13.4	12.8	12.8	12.9	12.5	12.6
Merchandise Imports (USD bn)	9.3	9.1	6.4	8.8	10.9	10.9	10.9	11.2	11.0	11.5
Merchandise Exports (ann. var. %)	9.9	-1.3	-20.6	56.4	22.0	-4.2	-0.2	0.6	-2.9	1.1
Merchandise Imports (ann. var. %)	7.0	-2.1	-29.8	37.0	23.5	0.8	-0.5	2.3	-0.9	4.2
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	5.0	3.1	2.0	1.8	1.6	1.5	1.4	-
External Debt (USD bn)	13.2	14.3	15.4	16.0	19.0	20.1	21.4	23.3	25.6	28.8
External Debt (% of GDP)	33.0	35.0	42.1	39.5	43.5	43.6	43.7	44.9	48.3	51.9



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

Strengths

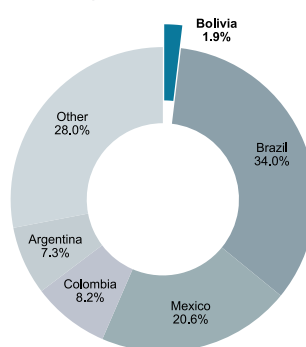
- Rich in natural resources
- Tourism potential
- Exchange rate and price stability

Weaknesses

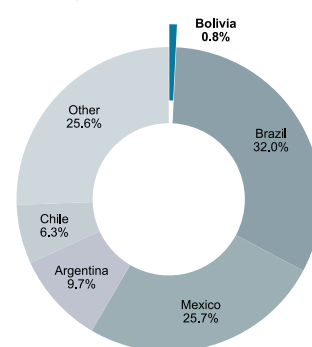
- Landlocked country
- Highly dependent on the hydrocarbon sector
- Elevated levels of poverty

Bolivia in the Region

Population | %-share in Latin America

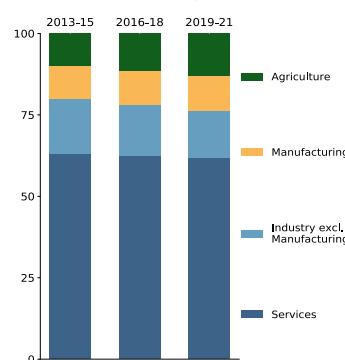


GDP | %-share in Latin America

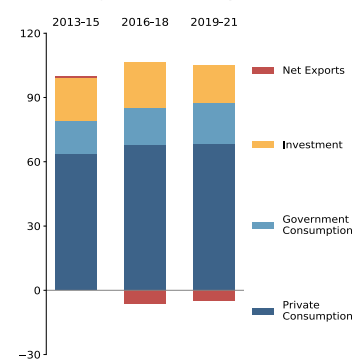


Economic Structure

GDP by Sector | share in %

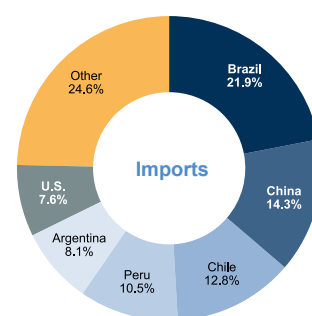
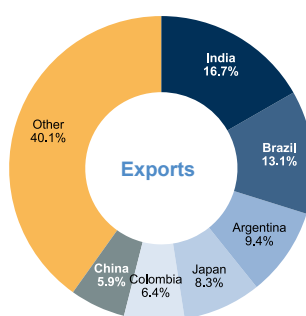


GDP by Expenditure | share in %

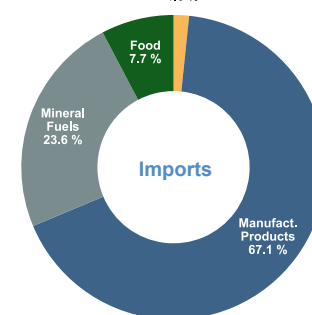
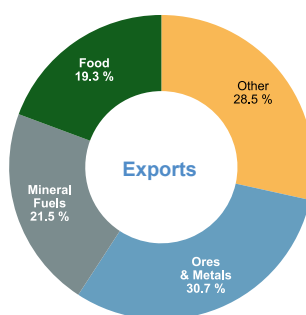


Trade Structure

Primary markets | share in %



Primary products | share in %



Economic Release Calendar

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