

LATINFOCUS CONSENSUS FORECAST

Bolivia • July 2023

BOLIVIA	2
CALENDAR	5
NOTES	6

PUBLICATION DATE 11 July 2023
FORECASTS COLLECTED 4 July - 9 July 2023
INFORMATION AVAILABLE Up to and including 9 July 2023
NEXT EDITION 8 August 2023

Contributors

OLIVER REYNOLDS
LATIN AMERICA SENIOR ECONOMIST

ARNE POHLMAN
Chief Economist

THOMAS FENGE
Head of Data Solutions

JOAN ARGILAGÓS
Head of Data Analysis

MASSIMO BASSETTI
Senior Economist

HANNAH TAYLOR
Editor

MARTA OLIVA
Junior Data Analyst

ALMANAS STANAPEDIS
Senior Economist

BENCE VÁRADI
Development Team Lead

ALEXANDER RITUERTO
Junior Data Analyst

MARTA CASANOVAS
Economist

MAR LOBATO
Data Quality Coordinator

INÉS DRAAIJER
Research Assistant

MATTHEW CUNNINGHAM
Economist

PAOLA TIRANZONI
Data Solutions Specialist

ARNAU RODRÍGUEZ-RODA
Research Assistant

ALEJANDRO LÓPEZ
Economist

ÒSCAR BUSQUETS
Junior Data Scientist

PAU ROMERO
Research Assistant

STEFAN POSEA
Economist

JAN LEYVA
Junior Data Scientist

BORJA VALERO
Research Assistant

MAGDALENA PRESHLENOVA
Economist

ALBERT NAVARRO
Junior Data Scientist

ALINA PETRYK
Partnerships Manager

ADRIÀ SOLANES
Economist

CRISTINA ALONSO
Junior Data Analyst

Bolivia



Outlook deteriorates

- The economy grew 3.5% in 2022, equaling the average of the preceding 10 years. Available data suggests a more mixed picture for 2023 to date. In the first quarter, inflation fell, and the unemployment rate remained at series lows, bolstering private spending. However, in January–April, cement output grew at a softer year-on-year rate of 1.2% (2022: +7.8% yoy), and natural gas production tanked at a slightly faster pace of 9.6% (2022: -9.2% yoy). In addition, the risk of a balance of payments crisis has risen after the currency peg came under heavy pressure in early March, leading all major credit rating agencies to downgrade the sovereign’s debt rating. In other news, in June, a Chinese-led consortium said it planned to invest USD 1.4 billion in two facilities to extract lithium, with a combined production capacity of approximately 200,000 tons a year, boding well for investment.
- The economy is projected to expand less this year as the base effect toughens, global GDP growth softens and natural gas output falls. Commodity prices are a key factor to monitor; the recent fall in natural gas prices 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 down by 0.3 percentage points from one month ago, and expanding 2.3% in 2024.
- Inflation eased to 2.7% in June (May: 2.9%). The currency peg and government subsidies have contained inflation in recent years. Our panelists expect Bolivia to retain one of the region’s lowest inflation rates in 2023 and 2024. Key factors to watch include changes to the currency peg, government subsidies and export controls. FocusEconomics panelists see consumer prices rising 2.9% on average in 2023, which is up by 0.1 percentage points from one month ago, and rising 3.9% on average in 2024.

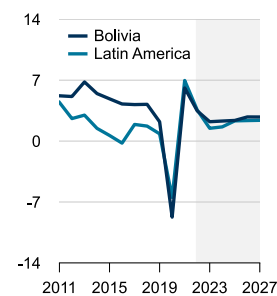
LONG-TERM TRENDS | 3-year averages

	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	3,808	4,141
GDP growth (%):	-0.1	2.7	2.6
Fiscal Balance (% of GDP):	-9.8	-6.5	-5.4
Public Debt (% of GDP):	72.9	83.8	86.1
Inflation (%):	1.2	2.9	3.4
Current Account (% of GDP):	-0.4	-1.3	-2.5
External Debt (% of GDP):	38.9	43.3	50.2

Matthew Cunningham

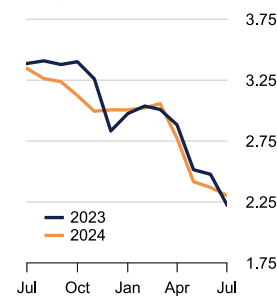
Economist

Economic Growth



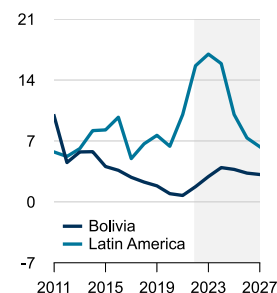
GDP, annual variation in %. Source: Instituto Nacional de Estadística (INE).

Change in GDP forecasts



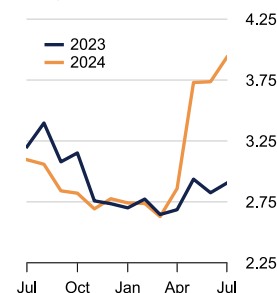
GDP, evolution of 2023 and 2024 forecasts during the last 12 months.

Inflation



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

Change in inflation forecasts

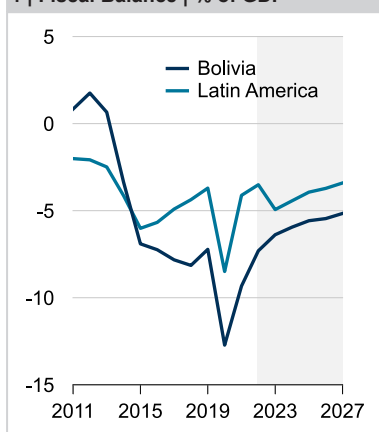


Inflation, evolution of 2023 and 2024 forecasts during the last 12 months.

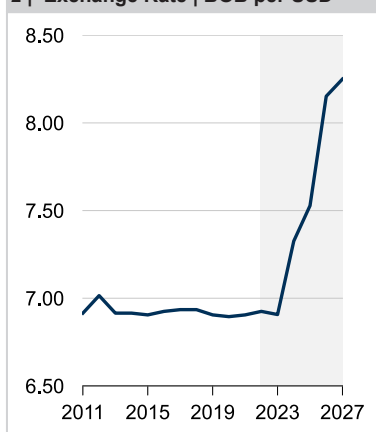
Economic Indicators | 2018 - 2027

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	3,817	3,923	4,064	4,106	4,254
GDP (USD bn)	40.2	40.8	36.7	40.4	44.1	46.3	48.2	50.6	51.9	54.5
GDP (BOB bn)	278	283	253	279	304	320	343	376	407	447
Economic Growth (Nominal GDP, ann. var. %)	7.4	1.5	-10.4	10.3	8.9	5.3	7.1	9.5	8.2	10.0
Economic Growth (GDP, ann. var. %)	4.2	2.2	-8.7	6.1	3.5	2.2	2.3	2.4	2.8	2.8
Private Consumption (ann. var. %)	4.3	3.7	-7.9	5.3	4.2	2.6	2.4	2.6	2.7	2.8
Government Consumption (ann. var. %)	5.1	3.8	-2.8	5.4	4.0	1.5	0.8	1.2	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	-6.4	-5.9	-5.6	-5.5	-5.2
Public Debt (% of GDP)	53.1	59.3	78.0	81.4	82.6	83.1	85.6	86.3	85.9	86.0
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	4.3	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	6.91	7.33	7.53	8.15	8.25
Exchange Rate (BOB per USD, aop)	6.93	6.92	6.90	6.90	6.90	6.92	7.12	7.43	7.84	8.20
External Sector										
Current Account Balance (% of GDP)	-4.3	-3.3	0.0	2.2	-0.3	-1.6	-1.9	-1.8	-2.8	-2.8
Current Account Balance (USD bn)	-1.7	-1.4	0.0	0.9	-0.2	-0.8	-0.9	-0.9	-1.4	-1.5
Merchandise Trade Balance (USD bn)	-0.4	-0.3	0.6	2.2	1.5	0.7	1.3	0.8	0.4	0.3
Merchandise Exports (USD bn)	8.9	8.8	7.0	11.0	13.5	12.8	13.1	12.8	12.8	13.3
Merchandise Imports (USD bn)	9.3	9.1	6.4	8.8	11.9	12.1	11.9	12.0	12.4	13.0
Merchandise Exports (ann. var. %)	9.9	-1.3	-20.6	56.4	22.7	-4.6	2.3	-2.5	-0.1	3.7
Merchandise Imports (ann. var. %)	7.0	-2.1	-29.8	37.0	35.6	1.8	-2.1	0.9	3.3	4.9
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	18.5	20.0	21.6	23.6	26.1	29.2
External Debt (% of GDP)	33.0	35.0	42.1	39.5	42.0	43.2	44.7	46.7	50.3	53.5

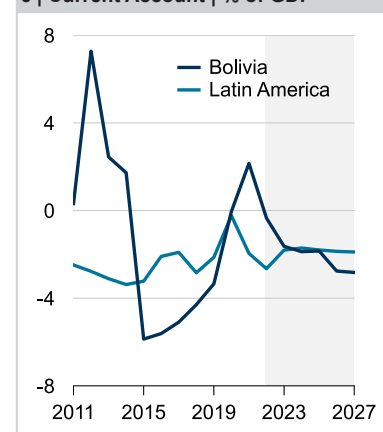
1 | Fiscal Balance | % of GDP



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

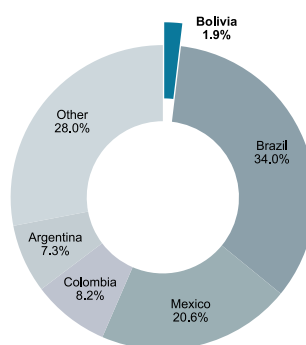
- Rich in natural resources
- Tourism potential
- Exchange rate and price stability

Weaknesses

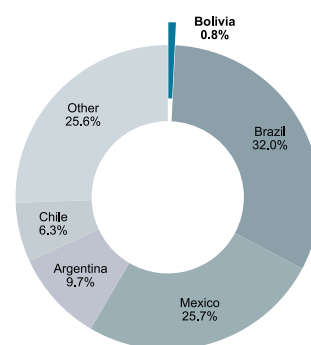
- Landlocked country
- Highly dependent on the hydrocarbon sector
- Elevated levels of poverty

Bolivia in the Region

Population | %-share in Latin America

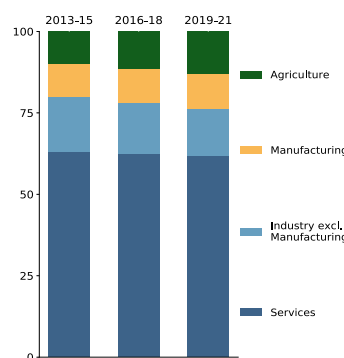


GDP | %-share in Latin America

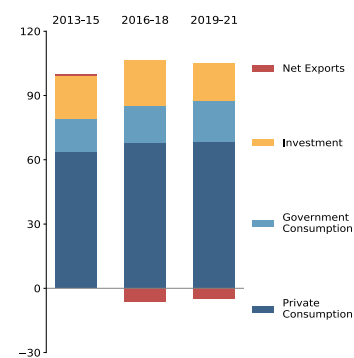


Economic Structure

GDP by Sector | share in %

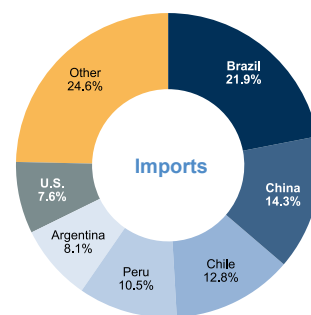
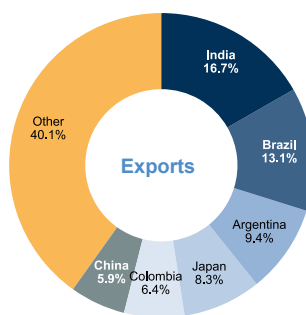


GDP by Expenditure | share in %

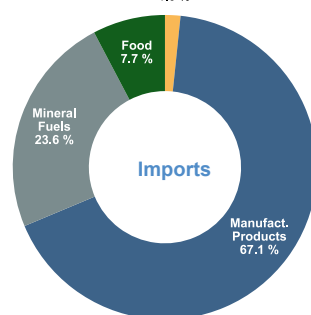
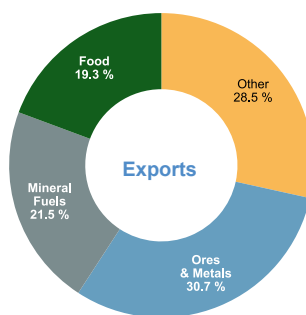


Trade Structure

Primary markets | share in %



Primary products | share in %



Economic Release Calendar

Date	Country	Event
11 July	Brazil	June Consumer Prices
12 July	Uruguay	May Industrial Production
14 July	Argentina	June Consumer Prices
	Peru	June Merchandise Trade
17 July	Brazil	May Economic Activity
	Ecuador	May Economic Activity
18 July	Colombia	May Economic Activity
20 July	Argentina	July Consumer Confidence (E)
	Argentina	May Economic Activity
	Argentina	June Merchandise Trade
21 July	Peru	May Economic Activity
25 July	Mexico	May Economic Activity
27 July	Brazil	June Balance of Payments
	Mexico	June Merchandise Trade
28 July	Brazil	July Economic Sentiment (E)
	Colombia	Central Bank Meeting
31 July	Mexico	Q2 2023 National Accounts (P)
1 August	Brazil	July S&P Global Manufacturing PMI
	Chile	June Economic Activity
	Chile	July Business Confidence (E)
	Colombia	July Davivienda Manufacturing PMI
	Mexico	July IMEF PMI
2 August	Brazil	Central Bank Meeting
3 August	Brazil	July S&P Global Services PMI
	Uruguay	July Consumer Prices
4 August	Ecuador	July Consumer Prices
	Peru	July Consumer Prices
5 August	Colombia	July Consumer Prices
	Colombia	July Merchandise Trade (E)

(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.

COPYRIGHT NOTE

© Copyright 2023 FocusEconomics S.L.U. Duplication, reproduction, transmission, publication or redistribution in any form or by any means electronic, mechanical, or otherwise without prior written consent of FocusEconomics S.L. is strictly prohibited. Please cite source when quoting. All rights reserved under International Copyright Conventions.

The LatinFocus Consensus Forecast is a monthly publication of FocusEconomics. Communications to the Editor or FocusEconomics in general should be addressed as follows:

FocusEconomics S.L.U.
Gran Via 657
E-08010 Barcelona
Spain
tel: +34 932 651 040
fax: +34 932 650 804
e-mail: info@focus-economics.com
web: <http://www.focus-economics.com>

DISCLOSURE STATEMENT

The LatinFocus Consensus Forecast ("Forecast") is based on information obtained from sources believed to be reliable. FocusEconomics and the participating panelists ("Information Providers") do not guarantee that the information supplied in the Forecast is accurate, complete or timely. The Information Providers do not make any warranties with regard to the results obtained from the Forecast. The Information Providers are not responsible for any errors or omissions, or for any injuries or damages resulting from the use of this information, including incidental and consequential damages. Recipients should not regard the Forecast as a substitute for the exercise of their own judgement. The recommendations made in the Forecast may be unsuitable for investors depending on their specific investment objectives and financial position. The Forecast has been prepared solely for informational purposes and is not a solicitation of any transaction or an offer to enter into any transaction. Any opinions expressed in this report are subject to change without notice and the Information Providers are under no obligation to update the information contained herein.

FocusEconomics reports are designed to give you fast access to the data and insight you need so that you can make the right decisions for your business. Our reports provide hundreds of economic and commodities price forecasts from our network of more than 1200 of the most reputable economic analysts in the world.

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

SUBSCRIPTION & PRICING INFORMATION

For information on how to subscribe or to purchase individual reports, contact us at:



info@focus-economics.com

+34 932 651 040

