

LATINFOCUS CONSENSUSFORECAST

Bolivia • March 2023

BOLIVIA	2
CALENDAR	5
NOTES	6

PUBLICATION DATE 14 March 2023
FORECASTS COLLECTED 7 March - 12 March 2023
INFORMATION AVAILABLE Up to and including 12 March 2023
NEXT EDITION 18 April 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
Senior Data Analyst

ALEXANDER RITUERTO
Junior Data Analyst

MARTA CASANOVAS
Economist

MAR LOBATO
Data Quality Coordinator

PAOLA TIRANZONI
Junior Data Analyst

MATTHEW CUNNINGHAM
Economist

YULIANNA VALENCIA
Data Analyst

INÉS DRAAIJER
Research Assistant

JACQUES LE CHEVALLIER
Economist

CRISTÓBAL BASCUÑÁN
Junior Data Scientist

ARNAU RODRÍGUEZ-RODA
Research Assistant

ALEJANDRO LÓPEZ
Economist

ÒSCAR BUSQUETS
Junior Data Scientist

BORJA VALERO
Research Assistant

STEFAN POSEA
Economist

JAN LEYVA
Junior Data Scientist

OLGA COSCODAN
Partnerships Manager

MAGDALENA PRESHLENOVA
Economist

ALBERT NAVARRO
Junior Data Scientist

ADRIÀ SOLANES
Economist

CRISTINA ALONSO
Junior Data Analyst

Bolivia



Outlook stable

- GDP growth weakened slightly in Q3 compared to Q2 due to softer growth of total consumption and fixed investment. Our panelists expect GDP growth to have slowed further in Q4 amid higher average inflation. Heading into the new year, developments have been mixed. On the one hand, average inflation in January–February fell compared to Q4, boding well for private spending. On the other hand, the risk of a run on the currency has grown over the past few weeks. International reserves—excluding gold—fell from USD 1.3 billion at the end of 2022 to just USD 0.9 billion as of 8 February. That figure has probably fallen since; the Central Bank of Bolivia sold several million dollars in just a few days in early March, after announcing that it would sell dollars directly to Bolivians at the official pegged rate of BOB 6.96 per USD to calm fears of a dollar shortage.
- GDP growth is expected to dip further below its pre-pandemic average in 2023. A tougher base effect and flagging global economic activity will hurt the economy. That said, solid commodity prices will buttress the external and fiscal balances. Social unrest, pressure on the currency peg and unforeseen volatility in commodity prices cloud the outlook. FocusEconomics panelists see the economy growing 3.0% in 2023, which is unchanged from last month's forecast, and 3.1% in 2024.
- Inflation moderated to 2.6% in February (January: 3.1%). The currency peg and government support kept a lid on inflation 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 the currency peg, government subsidies and export controls. Our panel forecasts inflation to average 2.6% in 2023, which is down 0.2 percentage points from last month's estimate, and 2.6% in 2024.

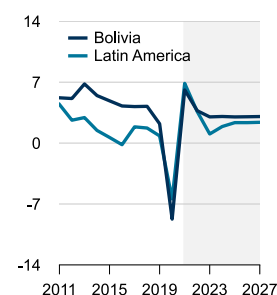
LONG-TERM TRENDS | 3-year averages

	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	3,801	4,222
GDP growth (%):	-0.1	3.3	3.0
Fiscal Balance (% of GDP):	-9.8	-6.6	-5.6
Public Debt (% of GDP):	72.6	80.3	84.0
Inflation (%):	1.2	2.3	3.2
Current Account (% of GDP):	-0.4	0.1	-1.6
External Debt (% of GDP):	38.9	44.6	50.4

Matthew Cunningham

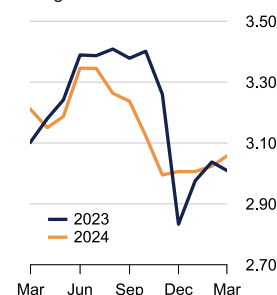
Economist

Economic Growth



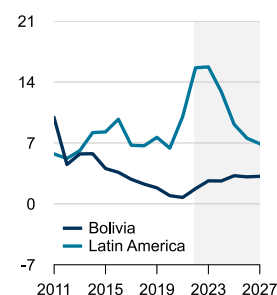
GDP, annual variation in %. Source: Instituto Nacional de Estadística (INE).

Change in GDP forecasts



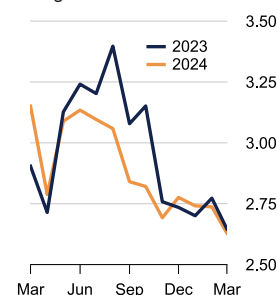
GDP, evolution of 2023 and 2024 forecasts during the last 12 months.

Inflation



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

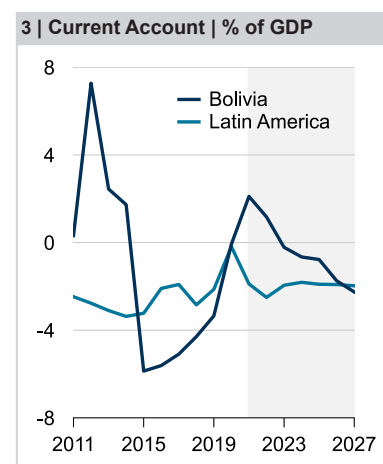
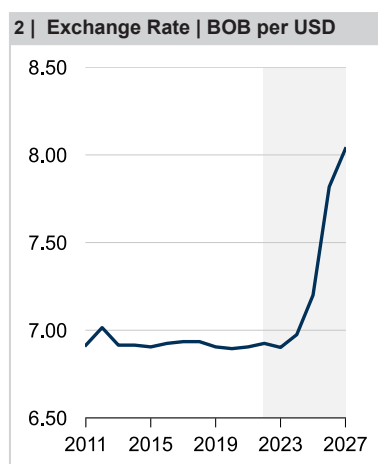
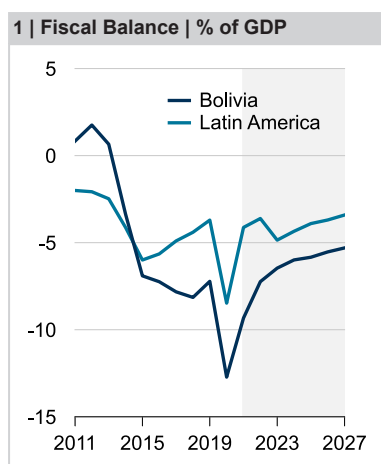
Change in inflation forecasts



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	3,648	3,787	3,967	4,160	4,192	4,314
GDP (USD bn)	40.2	40.8	36.7	40.4	43.6	45.9	48.8	51.8	53.0	55.3
GDP (BOB bn)	278	283	253	279	301	318	338	367	398	438
Economic Growth (Nominal GDP, ann. var. %)	7.4	1.5	-10.4	10.3	7.8	5.5	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	3.1	3.0	3.0	3.1
Private Consumption (ann. var. %)	4.3	3.7	-7.9	5.3	3.8	3.8	3.2	3.3	3.1	3.1
Government Consumption (ann. var. %)	5.1	3.8	-2.8	5.4	2.3	4.1	2.7	2.8	2.7	-
Fixed Investment (ann. var. %)	3.2	-3.5	-25.9	11.9	4.7	3.5	4.3	4.2	4.1	-
Exports (G&S, ann. var. %)	5.2	-1.8	-18.8	15.4	7.7	4.5	5.7	5.5	5.7	-
Imports (G&S, ann. var. %)	1.9	1.5	-25.0	15.7	8.5	5.0	5.0	4.9	4.7	-
Fiscal Balance (% of GDP)	-8.1	-7.2	-12.7	-9.3	-7.2	-6.5	-6.0	-5.8	-5.5	-5.3
Public Debt (% of GDP)	53.1	59.3	78.0	80.5	80.5	80.3	80.1	79.6	85.8	86.7
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	2.5	2.7	3.2	3.0	3.1
Inflation (CPI, ann. var. %, aop)	2.3	1.8	0.9	0.7	1.7	2.6	2.6	3.2	3.1	3.2
Prime Lending Rate (% eop)	8.04	8.40	7.59	8.02	7.76	9.16	9.26	8.91	-	-
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	1.2	-0.2	-0.7	-0.8	-1.7	-2.3
Current Account Balance (USD bn)	-1.7	-1.4	0.0	0.9	0.5	-0.1	-0.3	-0.4	-0.9	-1.2
Merchandise Trade Balance (USD bn)	-0.4	-0.3	0.6	2.2	2.5	2.1	2.3	1.5	1.1	0.8
Merchandise Exports (USD bn)	8.9	8.8	7.0	11.0	13.8	13.4	13.6	13.2	12.8	13.2
Merchandise Imports (USD bn)	9.3	9.1	6.4	8.8	11.2	11.3	11.3	11.7	11.8	12.4
Merchandise Exports (ann. var. %)	9.9	-1.3	-20.6	56.4	25.4	-2.3	0.9	-2.7	-2.8	3.2
Merchandise Imports (ann. var. %)	7.0	-2.1	-29.8	37.0	27.8	0.6	-0.3	4.0	0.4	5.3
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	1.4	1.5	1.6	1.6	-
International Reserves (months of imports)	9.2	5.7	5.0	3.1	1.4	1.5	1.6	1.6	1.6	-
External Debt (USD bn)	13.2	14.3	15.4	16.0	19.3	20.4	22.0	24.1	26.7	30.0
External Debt (% of GDP)	33.0	35.0	42.1	39.5	44.2	44.5	45.1	46.5	50.4	54.2



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

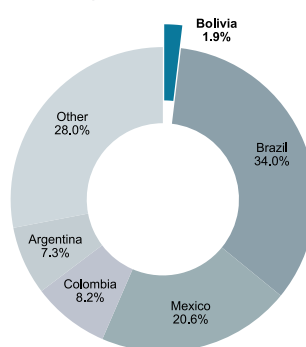
- Rich in natural resources
- Tourism potential
- Exchange rate and price stability

Weaknesses

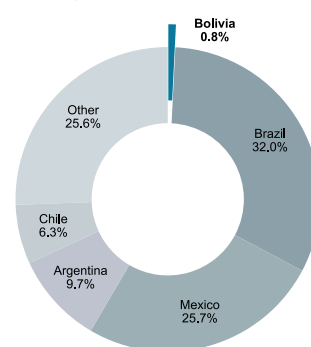
- Landlocked country
- Highly dependent on the hydrocarbon sector
- Elevated levels of poverty

Bolivia in the Region

Population | %-share in Latin America

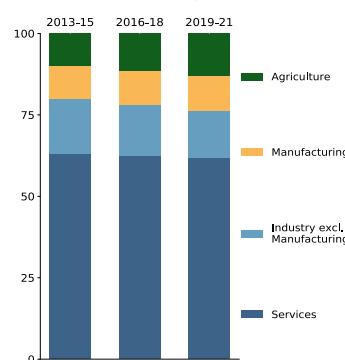


GDP | %-share in Latin America

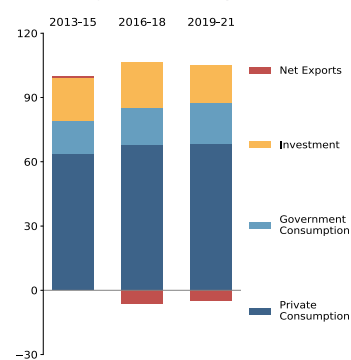


Economic Structure

GDP by Sector | share in %

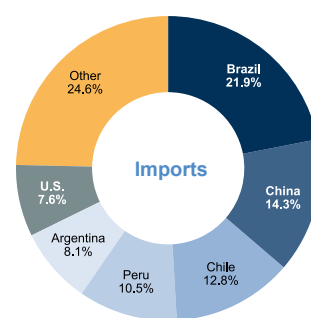
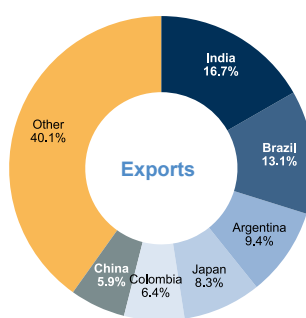


GDP by Expenditure | share in %

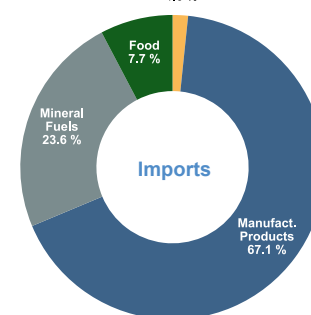
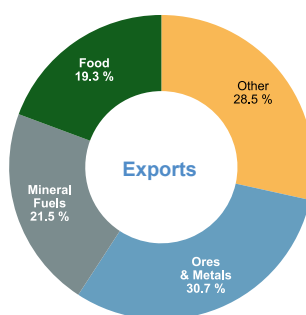


Trade Structure

Primary markets | share in %



Primary products | share in %



Economic Release Calendar

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

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, 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

