

LATINFOCUS CONSENSUSFORECAST

Bolivia • November 2023

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Bolivia

GDP growth to remain weak in 2024

Bolivia



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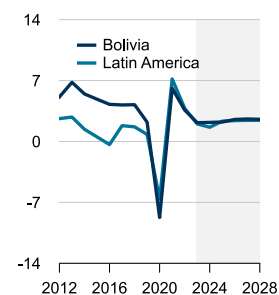
LONG-TERM TRENDS | 3-year averages

	2020-22	2023-25	2026-28
GDP growth (%):	0.3	2.2	2.6
Fiscal Balance (% of GDP):	-9.7	-6.4	-5.4
Public Debt (% of GDP):	79.8	83.9	86.5
Inflation (%):	1.1	3.5	3.6
Current Account (% of GDP):	0.6	-2.5	-2.8

Economic overview: GDP growth picked up in Q2 to 2.8% from 2.3% in Q1. A surge in inventories continued to flatter the reading; excluding them, GDP marginally decreased. Public spending grew more, and exports fell less than in Q1, while private spending and investment expanded less. Turning to Q3, high-frequency data paints a mixed picture. On the one hand, after contracting in Q2, cement production rose 1.4% in July–August, suggesting construction output may have recovered in Q3. On the other hand, in the same period, natural gas production tanked 17.4%, an even sharper fall than in Q2, continuing to suffer from a lack of state investment. Meanwhile, the risk of a balance of payments crisis has continued to rise after the President was ejected from the ruling party in early October. The price of 2028 dollar bonds is down around 10% since, and the boliviano has weakened on the black market.

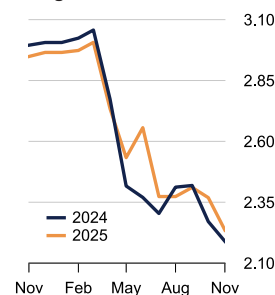
GDP outlook: GDP growth is set to remain stable in 2024 from 2023, below the past decade’s average of 3.3%. While private and public spending and fixed investment are set to grow less, exports are set to roughly stabilize after declining this year. Political instability is a downside risk, while natural gas prices are a key factor to watch. FocusEconomics panelists see GDP expanding 2.2% in 2024, which is down by 0.1 percentage points from one month ago, and expanding 2.2% in 2025.

Economic Growth



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

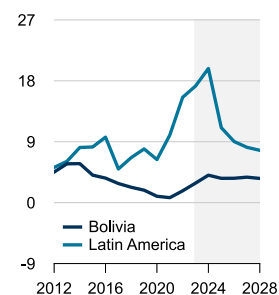
Change in GDP forecasts



GDP, evolution of 2024 and 2025 forecasts during the last 12 months.

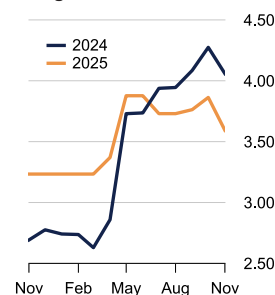
Inflation: Inflation fell to 2.8% in September (August: 3.1%). In 2024, inflation should rise from 2023 due to high oil and food prices. A key upside risk is the government modifying or removing the currency peg and government subsidies; both have kept price pressures low relative to neighbors this year but have become increasingly unsustainable amid shrinking international reserves. FocusEconomics panelists see consumer prices rising 4.1% on average in 2024, which is down by 0.2 percentage points from one month ago, and rising 3.6% on average in 2025.

Inflation



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

Change in inflation forecasts



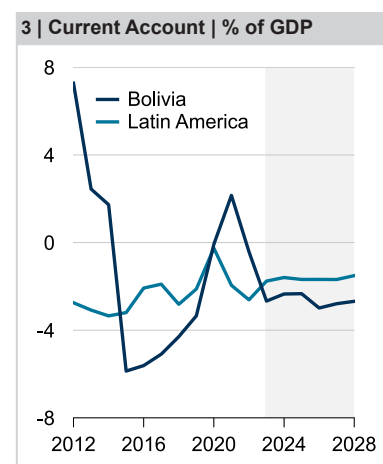
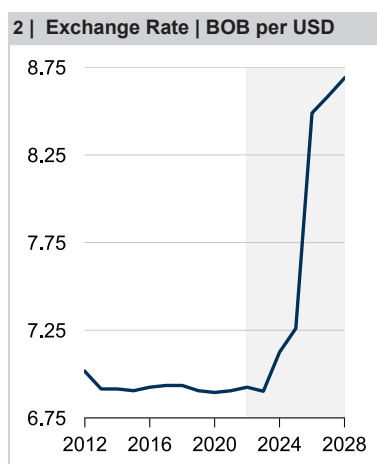
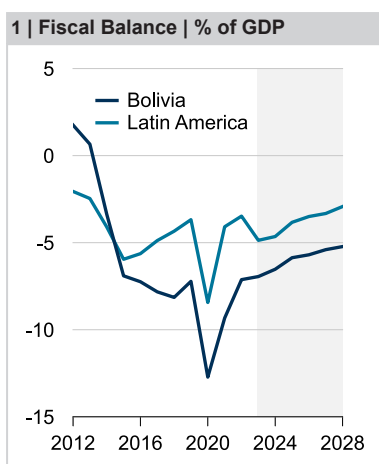
Inflation, evolution of 2024 and 2025 forecasts during the last 12 months.

Monetary policy: The top priority of the Central Bank is to maintain the boliviano’s USD peg. To do this, the Bank sets a target growth rate for domestic credit and alters interest rates to achieve its goal. In line with this, the growth rate of credit issued by banks to companies has eased from 6.1% in March 2022—when the U.S. Fed started hiking—to minus 0.2% in July 2023.

Currency: The boliviano has been pegged at around BOB 6.9 per USD since 2011. Recently falling FX reserves have made the peg vulnerable to short traders; the currency trades near BOB 7.50 per USD on the black market. The U.S. dollar index traded at 105 on 3 November, depreciating 1.9% month on month. Our panelists see the currency being devalued from current levels in 2024. FocusEconomics panelists see the boliviano ending 2024 at BOB 7.12 per USD and ending 2025 at BOB 7.26 per USD.

Economic Indicators | 2019 - 2028

Annual Data	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Real Sector										
Population (million)	11.5	11.6	11.8	12.0	12.1	12.3	12.4	12.6	12.8	13.0
GDP per capita (USD)	3,560	3,153	3,428	3,686	3,817	3,926	4,142	4,070	4,217	4,398
GDP (USD bn)	40.8	36.7	40.4	44.1	46.3	48.3	51.6	51.4	54.1	57.2
GDP (BOB bn)	283	253	279	304	321	337	371	405	462	494
Economic Growth (Nominal GDP, ann. var. %)	1.5	-10.4	10.3	8.9	5.4	5.3	9.9	9.2	14.0	7.1
Economic Growth (GDP, ann. var. %)	2.2	-8.7	6.1	3.6	2.2	2.2	2.2	2.5	2.6	2.5
Private Consumption (ann. var. %)	3.7	-7.9	5.3	3.4	2.3	1.1	2.4	2.2	2.4	2.6
Government Consumption (ann. var. %)	3.8	-2.8	5.4	3.7	1.7	0.1	0.9	1.2	1.4	2.0
Fixed Investment (ann. var. %)	-3.5	-25.9	11.9	5.6	1.7	1.5	2.0	-	-	-
Exports (G&S, ann. var. %)	-1.8	-18.8	15.4	15.1	-4.0	-0.4	1.1	-	-	-
Imports (G&S, ann. var. %)	1.5	-25.0	15.7	8.8	0.4	1.2	2.8	-	-	-
Unemployment (% of active population, aop)	5.0	8.3	6.9	4.7	4.8	5.0	-	-	-	-
Fiscal Balance (% of GDP)	-7.2	-12.7	-9.3	-7.1	-6.9	-6.5	-5.9	-5.7	-5.4	-5.2
Public Debt (% of GDP)	59.3	78.0	81.4	80.0	82.4	84.0	85.1	87.1	86.8	85.6
Monetary and Financial Sector										
Money (ann. var. of M2 %)	-7.5	14.1	6.6	4.0	-	-	-	-	-	-
Inflation (CPI, ann. var. %, eop)	1.5	0.7	0.9	3.1	3.1	4.4	3.4	4.1	3.7	3.6
Inflation (CPI, ann. var. %, aop)	1.8	0.9	0.7	1.7	2.9	4.1	3.6	3.6	3.8	3.6
Prime Lending Rate (% eop)	8.40	7.59	8.02	7.76	-	-	-	-	-	-
Exchange Rate (BOB per USD, eop)	6.91	6.89	6.91	6.93	6.90	7.12	7.26	8.49	8.59	8.69
Exchange Rate (BOB per USD, aop)	6.92	6.90	6.90	6.90	6.92	6.99	7.19	7.87	8.54	8.64
External Sector										
Current Account Balance (% of GDP)	-3.3	-0.1	2.2	-0.4	-2.7	-2.3	-2.3	-3.0	-2.8	-2.7
Current Account Balance (USD bn)	-1.4	0.0	0.9	-0.2	-1.2	-1.1	-1.2	-1.5	-1.5	-1.5
Merchandise Trade Balance (USD bn)	-0.3	0.6	2.2	1.6	0.5	0.7	0.8	0.6	0.6	0.8
Merchandise Exports (USD bn)	8.8	7.0	11.0	13.5	11.8	12.4	12.7	12.8	13.4	14.0
Merchandise Imports (USD bn)	9.1	6.4	8.8	11.9	11.3	11.7	12.0	12.3	12.7	13.2
Merchandise Exports (ann. var. %)	-1.3	-20.6	56.4	23.5	-12.6	4.4	2.9	1.0	4.0	5.0
Merchandise Imports (ann. var. %)	-2.1	-29.8	37.0	35.6	-5.0	3.2	2.4	2.5	3.9	3.6
Foreign Direct Investment (USD bn)	-0.2	-1.1	0.6	0.0	-	-	-	-	-	-
International Reserves (USD bn)	4.4	2.7	2.2	1.3	-	-	-	-	-	-
International Reserves (months of imports)	5.7	5.0	3.1	1.3	-	-	-	-	-	-
External Debt (USD bn)	14.3	15.4	16.0	18.3	19.6	21.9	24.8	27.2	30.2	34.0
External Debt (% of GDP)	35.0	42.1	39.5	41.5	42.4	45.5	48.1	52.9	55.8	59.4
Monthly Data										
	Jan 23	Feb 23	Mar 23	Apr 23	May 23	Jun 23	Jul 23	Aug 23	Sep 23	Oct 23
Inflation (CPI, mom var. %)	0.33	-0.44	-0.08	0.18	0.57	0.22	0.37	0.39	-0.06	-
Inflation (CPI, ann. var. %, eop)	3.1	2.6	2.5	2.7	2.9	2.7	2.7	3.1	2.8	-
Exchange Rate (BOB per USD, eop)	6.93	6.92	6.93	6.93	6.92	6.93	6.92	6.91	6.92	6.91



Notes and sources

Note: FocusEconomics Consensus Forecasts are highlighted in grey.

General: Long-term chart period from 2012 to 2028 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

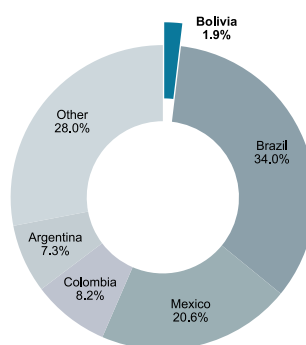
- Rich in natural resources
- Tourism potential
- Exchange rate and price stability

Weaknesses

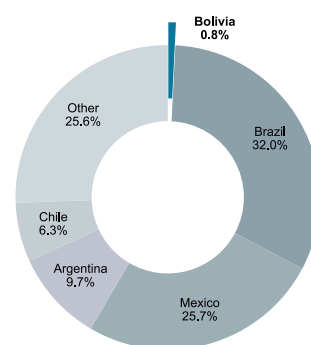
- Landlocked country
- Highly dependent on the hydrocarbon sector
- Elevated levels of poverty

Bolivia in the Region

Population | %-share in Latin America

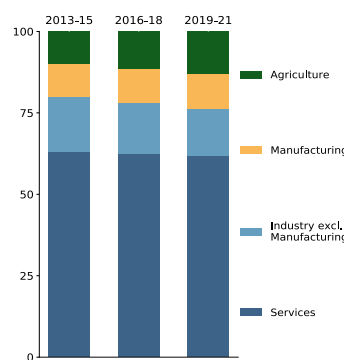


GDP | %-share in Latin America

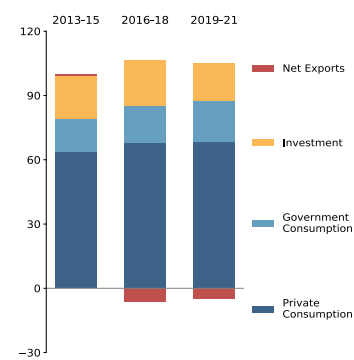


Economic Structure

GDP by Sector | share in %

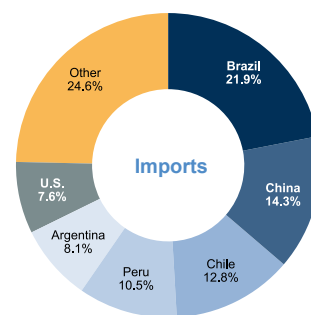
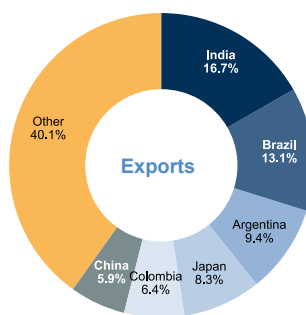


GDP by Expenditure | share in %

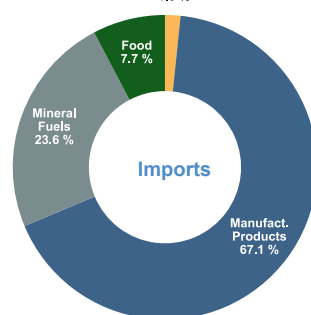
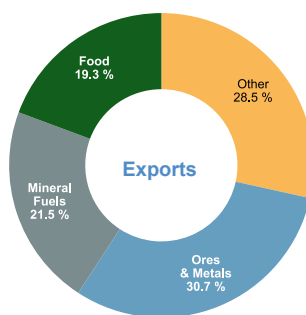


Trade Structure

Primary markets | share in %



Primary products | share in %



Economic Release Calendar

Date	Country	Event
6 November	Brazil	October S&P Global Services PMI
	Brazil	September Balance of Payments
7 November	Colombia	October Consumer Confidence
8 November	Argentina	September Industrial Production
	Chile	October Consumer Prices
	Ecuador	October Consumer Prices
9 November	Mexico	Central Bank Meeting
	Mexico	October Consumer Prices
10 November	Brazil	October Consumer Prices
	Peru	Central Bank Meeting
	Peru	September Merchandise Trade
	Uruguay	September Manufacturing Production
15 November	Argentina	October Consumer Prices
	Colombia	Q3 2023 National Accounts
	Colombia	September Economic Activity
16 November	Uruguay	Central Bank Meeting
17 November	Brazil	September Economic Activity
	Ecuador	September Economic Activity
	Peru	Q3 2023 National Accounts
	Peru	September Economic Activity
	Argentina	November Consumer Confidence (E)
20 November	Chile	Q3 2023 National Accounts
	Argentina	October Merchandise Trade
22 November	Argentina	September Economic Activity
23 November	Argentina	September Economic Activity
27 November	Brazil	October Balance of Payments
	Mexico	October Merchandise Trade
28 November	Brazil	November Economic Sentiment (E)
1 December	Brazil	November S&P Global Manufacturing PMI
	Chile	October Economic Activity
	Chile	November Business Confidence (E)
	Colombia	November Davivienda Manufacturing PMI
	Mexico	November IMEF PMI
	Peru	November Consumer Prices

(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, 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

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