

LATINFOCUS CONSENSUS FORECAST

Bolivia • October 2023

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Bolivia



Outlook moderates

- GDP growth weakened to 2.3% in Q1 as private and government spending slowed and exports slumped. In the following periods, high-frequency data pointed to continued economic weakness. Cement output fell slightly in Q2 and then more sharply in July, while natural gas production dropped 14% in Q2 and then 16% in July. Cement is a proxy for the construction industry; its drop indicates that higher input costs and interest rates this year have deterred building work. Meanwhile, the decline in natural gas production is mostly due to a recent lack of government funding for exploration wells. In other news, on 4 October, former President Evo Morales was unexpectedly selected as the presidential candidate for the 2025 elections by the ruling party, which also booted out current President Luis Arce at the same time. The political uncertainty created by the move could deter investment ahead.
- GDP growth this year and next is projected to be below the 10-year average of 3.5% on weaker global GDP growth and declining natural gas output. Natural gas prices are a key factor to monitor; their recent decline has strained 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 0.1 percentage points from one month ago, and expanding 2.3% in 2024.
- Inflation eased to 2.8% in September from 3.0% in August. The currency peg and government subsidies have kept a lid on inflation in recent years. Our panelists see Bolivia keeping one of the region's lowest inflation rates in 2023 and 2024. Key factors to watch include changes to the currency peg, government subsidies, export controls and the El Niño weather pattern. FocusEconomics panelists see consumer prices rising 2.9% on average in 2023, which is unchanged from one month ago, and rising 4.3% 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	45.9	51.6
GDP per capita (USD):	3,380	3,784	4,082
GDP growth (%):	-0.1	2.7	2.7
Fiscal Balance (% of GDP):	-9.7	-7.1	-5.9
Public Debt (% of GDP):	72.9	84.6	86.9
Inflation (%):	1.1	3.0	3.4
Current Account (% of GDP):	-0.4	-1.7	-2.3

Matthew Cunningham

Economist

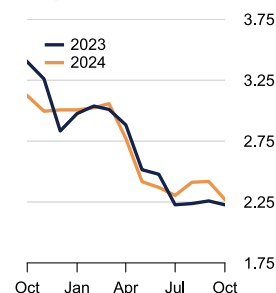
Economic Growth



GDP, annual variation in %.

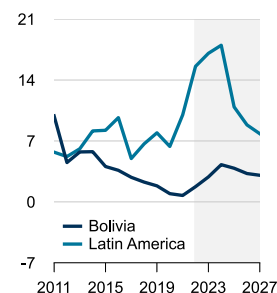
Source: Instituto Nacional de Estadística (INE).

Change in GDP forecasts



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

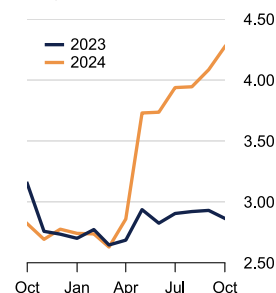
Inflation



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

Source: INE.

Change in inflation forecasts

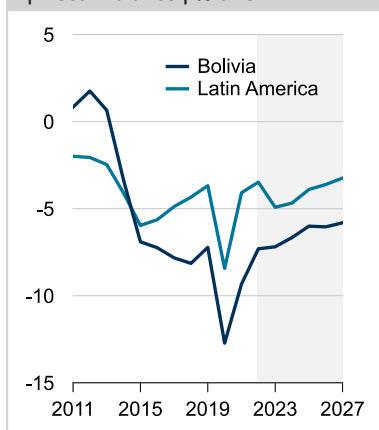


Inflation, evolution of 2023 and 2024 forecasts during the last 12 months.

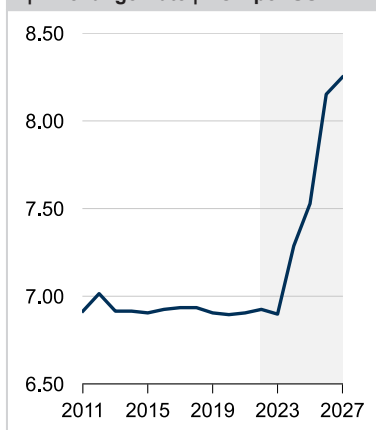
Economic Indicators | 2018 - 2027

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	12.4	12.6	12.8
GDP per capita (USD)	3,552	3,560	3,153	3,428	3,685	3,809	3,857	4,039	4,034	4,174
GDP (USD bn)	40.2	40.8	36.7	40.4	44.1	46.2	47.4	50.3	51.0	53.5
GDP (BOB bn)	278	283	253	279	304	319	336	373	400	439
Economic Growth (Nominal GDP, ann. var. %)	7.4	1.5	-10.4	10.3	8.9	5.0	5.3	10.8	7.3	9.9
Economic Growth (GDP, ann. var. %)	4.2	2.2	-8.7	6.1	3.5	2.2	2.3	2.4	2.9	2.9
Private Consumption (ann. var. %)	4.3	3.7	-7.9	5.3	4.2	2.2	0.8	2.3	2.4	2.7
Government Consumption (ann. var. %)	5.1	3.8	-2.8	5.4	4.0	1.5	-0.5	0.6	1.6	1.8
Fixed Investment (ann. var. %)	3.2	-3.5	-25.9	11.9	6.5	1.2	0.6	1.5	-	-
Exports (G&S, ann. var. %)	5.2	-1.8	-18.8	15.4	15.6	-3.6	1.3	2.9	-	-
Imports (G&S, ann. var. %)	1.9	1.5	-25.0	15.7	7.6	-0.5	0.1	2.5	-	-
Fiscal Balance (% of GDP)	-8.1	-7.2	-12.7	-9.3	-7.3	-7.2	-6.7	-6.0	-6.0	-5.8
Public Debt (% of GDP)	53.1	59.3	78.0	81.4	82.6	84.1	87.2	87.2	86.9	86.6
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	3.0	5.1	3.6	3.1	2.8
Inflation (CPI, ann. var. %, aop)	2.3	1.8	0.9	0.7	1.7	2.9	4.3	3.9	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	6.90	7.29	7.53	8.15	8.25
Exchange Rate (BOB per USD, aop)	6.93	6.92	6.90	6.90	6.90	6.91	7.09	7.41	7.84	8.20
External Sector										
Current Account Balance (% of GDP)	-4.3	-3.3	-0.1	2.2	-0.4	-2.4	-2.2	-2.1	-2.6	-2.3
Current Account Balance (USD bn)	-1.7	-1.4	0.0	0.9	-0.2	-1.1	-1.0	-1.0	-1.3	-1.2
Merchandise Trade Balance (USD bn)	-0.4	-0.3	0.6	2.2	1.6	0.6	0.5	0.8	0.6	0.7
Merchandise Exports (USD bn)	8.9	8.8	7.0	11.0	13.5	12.0	12.4	12.8	13.0	13.6
Merchandise Imports (USD bn)	9.3	9.1	6.4	8.8	11.9	11.4	11.9	12.0	12.4	12.9
Merchandise Exports (ann. var. %)	9.9	-1.3	-20.6	56.4	23.5	-11.6	3.8	3.3	1.5	4.3
Merchandise Imports (ann. var. %)	7.0	-2.1	-29.8	37.0	35.6	-4.7	4.5	0.9	3.5	4.1
Foreign Direct Investment (USD bn)	0.3	-0.2	-1.1	0.6	0.0	-	-	-	-	-
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	18.6	20.3	22.1	24.2	26.7	29.7
External Debt (% of GDP)	33.0	35.0	42.1	39.5	42.2	44.0	46.6	48.2	52.4	55.5

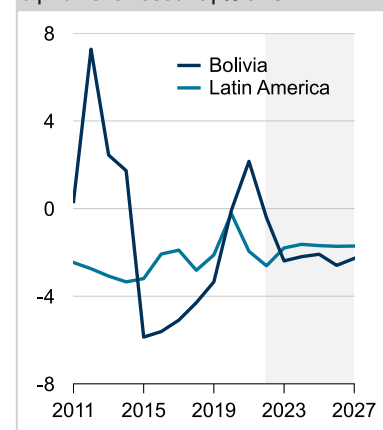
1 | Fiscal Balance | % of GDP



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

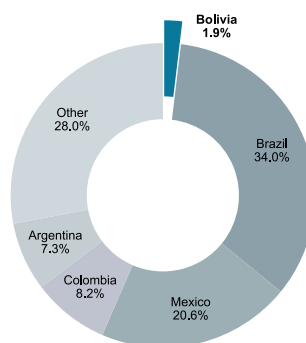
- Rich in natural resources
- Tourism potential
- Exchange rate and price stability

Weaknesses

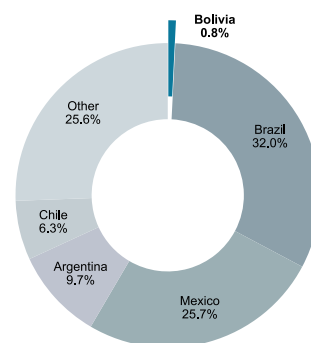
- Landlocked country
- Highly dependent on the hydrocarbon sector
- Elevated levels of poverty

Bolivia in the Region

Population | %-share in Latin America

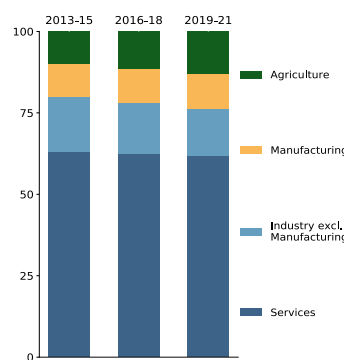


GDP | %-share in Latin America

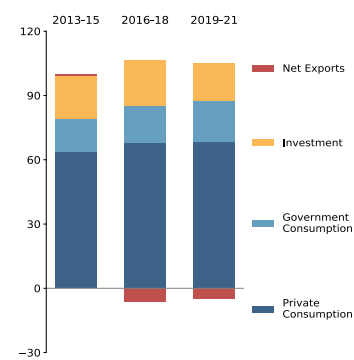


Economic Structure

GDP by Sector | share in %

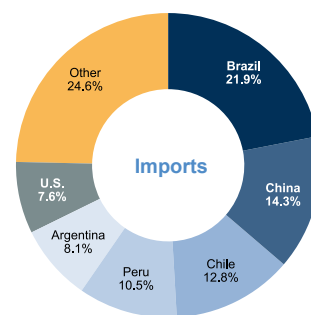
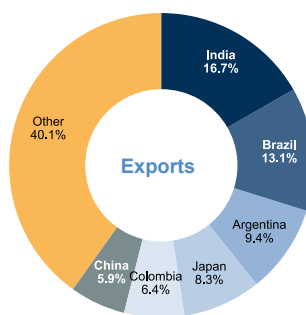


GDP by Expenditure | share in %

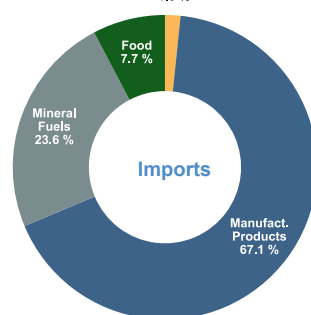
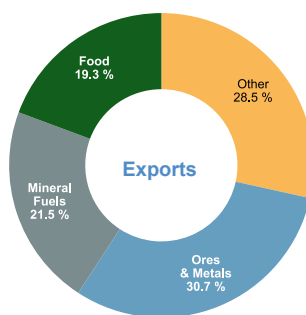


Trade Structure

Primary markets | share in %



Primary products | share in %



Economic Release Calendar

Date	Country	Event
9 October	Mexico	September Consumer Prices
11 October	Brazil	September Consumer Prices
12 October	Uruguay	August Manufacturing Production
14 October	Argentina	September Consumer Prices
17 October	Brazil	August Economic Activity
	Ecuador	August Economic Activity
18 October	Colombia	August Economic Activity
20 October	Argentina	October Consumer Confidence (E)
	Argentina	August Economic Activity
	Argentina	September Merchandise Trade
	Peru	August Economic Activity
23 October	Mexico	August Economic Activity
26 October	Brazil	September Balance of Payments
	Chile	Central Bank Meeting
27 October	Colombia	Central Bank Meeting
	Mexico	September Merchandise Trade
28 October	Brazil	October Economic Sentiment (E)
31 October	Mexico	Q3 2023 National Accounts (P)
1 November	Brazil	October S&P Global Manufacturing PMI
	Brazil	Central Bank Meeting
	Chile	October Business Confidence (E)
	Colombia	October Davivienda Manufacturing PMI
	Mexico	October IMEF PMI
2 November	Chile	September Economic Activity
3 November	Peru	October Consumer Prices
	Uruguay	October Consumer Prices
4 November	Colombia	October 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

PRECIOUS METALS Gold, Silver, Palladium and Platinum

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

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