

# LATINFOCUS CONSENSUSFORECAST

Bolivia • September 2023

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# Bolivia

## Outlook improves

- GDP growth was 3.5% last year, equaling the average of the prior 10 years. Recent data shows GDP growth weakened to 2.3% in Q1 of this year due to slowing private and government spending and a slump in exports. The slowdown was expected given earlier high-frequency data. Looking ahead, high-frequency data suggests that the economy likely remained weak in Q2. In Q2, cement output fell slightly year on year (Q1: +3.2% yoy), and natural gas production dropped 14% (Q1: -10% yoy). Cement output is a proxy for the construction industry, and its drop potentially indicates that higher input costs and interest rates this year have discouraged building work. Meanwhile, the fall in natural gas production largely reflects a recent lack of government funding for exploration wells. In other news, in August, the government said it hoped for upgrades to its credit ratings after paying the last installment of a USD 500 million loan.
- The economy is seen expanding less this year than last year as the base effect toughens, global GDP growth weakens and gas output declines. Commodity prices are a key factor to monitor, as the plummet in natural gas prices since late last year will likely strain the external and fiscal balances. Social unrest and renewed pressure on the currency peg are downside risks. FocusEconomics panelists see GDP expanding 2.3% in 2023, which is up by 0.1 percentage points from one month ago, and expanding 2.4% in 2024.
- Inflation was stable at 2.7% in July. The currency peg and government subsidies have contained inflation in recent years. Our panelists see Bolivia maintaining one of the region's lowest inflation rates this year and next. 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 4.1% on average in 2024.



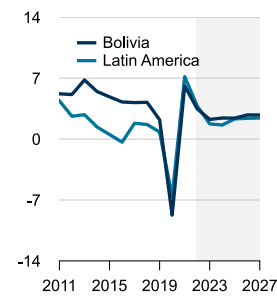
### LONG-TERM TRENDS | 3-year averages

	2019-21	2022-24	2025-27
Population (million):	11.6	12.1	12.6
GDP (USD bn):	39.3	46.2	52.4
GDP per capita (USD):	3,380	3,806	4,147
GDP growth (%):	-0.1	2.7	2.7
Fiscal Balance (% of GDP):	-9.8	-6.7	-5.7
Public Debt (% of GDP):	72.9	83.5	86.0
Inflation (%):	1.2	2.9	3.4
Current Account (% of GDP):	-0.4	-1.6	-2.5
External Debt (% of GDP):	38.9	44.0	51.3

Matthew Cunningham

Economist

Economic Growth



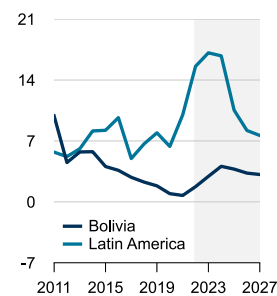
GDP, annual variation in %. Source: Instituto Nacional de Estadística (INE).

Change in GDP forecasts



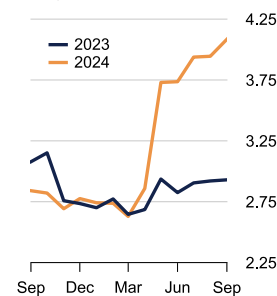
GDP, evolution of 2023 and 2024 forecasts during the last 12 months.

Inflation



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

Change in inflation forecasts

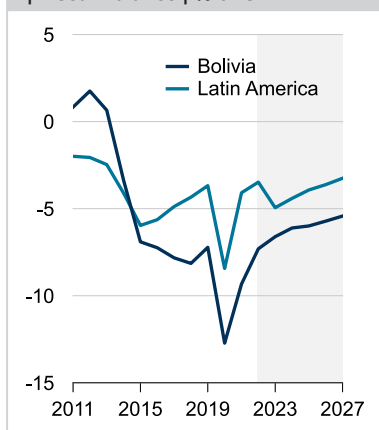


Inflation, evolution of 2023 and 2024 forecasts during the last 12 months.

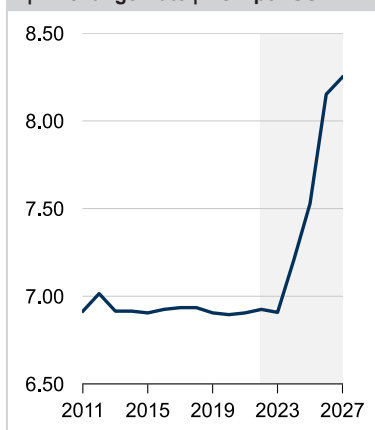
Economic Indicators | 2018 - 2027

Annual Data	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
<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	3,560	3,153	3,428	3,685	3,810	3,924	4,069	4,113	4,261
GDP (USD bn)	40.2	40.8	36.7	40.4	44.1	46.2	48.2	50.7	52.0	54.6
GDP (BOB bn)	278	283	253	279	304	320	340	373	407	448
Economic Growth (Nominal GDP, ann. var. %)	7.4	1.5	-10.4	10.3	8.9	5.1	6.5	9.7	9.2	10.0
Economic Growth (GDP, ann. var. %)	4.2	2.2	-8.7	6.1	3.5	2.3	2.4	2.4	2.8	2.8
Private Consumption (ann. var. %)	4.3	3.7	-7.9	5.3	4.2	2.4	1.4	2.4	2.4	2.7
Government Consumption (ann. var. %)	5.1	3.8	-2.8	5.4	4.0	1.8	0.4	1.4	1.6	1.8
Fixed Investment (ann. var. %)	3.2	-3.5	-25.9	11.9	6.5	2.7	1.9	3.1	-	-
Exports (G&S, ann. var. %)	5.2	-1.8	-18.8	15.4	15.6	-4.0	0.7	2.6	-	-
Imports (G&S, ann. var. %)	1.9	1.5	-25.0	15.7	7.6	2.0	-0.1	3.1	-	-
Fiscal Balance (% of GDP)	-8.1	-7.2	-12.7	-9.3	-7.3	-6.6	-6.1	-6.0	-5.7	-5.4
Public Debt (% of GDP)	53.1	59.3	78.0	81.4	82.6	82.7	85.1	85.8	86.1	86.2
<b>Monetary and Financial Sector</b>										
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	3.3	4.4	3.7	3.2	3.1
Inflation (CPI, ann. var. %, aop)	2.3	1.8	0.9	0.7	1.7	2.9	4.1	3.8	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	7.21	7.53	8.15	8.25
Exchange Rate (BOB per USD, aop)	6.93	6.92	6.90	6.90	6.90	6.92	7.06	7.37	7.84	8.20
<b>External Sector</b>										
Current Account Balance (% of GDP)	-4.3	-3.3	-0.1	2.2	-0.4	-2.1	-2.4	-2.3	-2.8	-2.6
Current Account Balance (USD bn)	-1.7	-1.4	0.0	0.9	-0.2	-1.0	-1.1	-1.1	-1.4	-1.4
Merchandise Trade Balance (USD bn)	-0.4	-0.3	0.6	2.2	1.6	1.0	1.0	0.9	0.6	0.6
Merchandise Exports (USD bn)	8.9	8.8	7.0	11.0	13.5	12.4	13.0	12.9	13.1	13.6
Merchandise Imports (USD bn)	9.3	9.1	6.4	8.8	11.9	11.4	11.9	12.0	12.5	13.0
Merchandise Exports (ann. var. %)	9.9	-1.3	-20.6	56.4	23.5	-8.7	4.9	-0.6	1.3	4.2
Merchandise Imports (ann. var. %)	7.0	-2.1	-29.8	37.0	35.6	-4.5	4.7	1.0	3.5	4.0
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	24.3	26.7	29.8
External Debt (% of GDP)	33.0	35.0	42.1	39.5	42.2	44.0	45.8	47.9	51.4	54.5

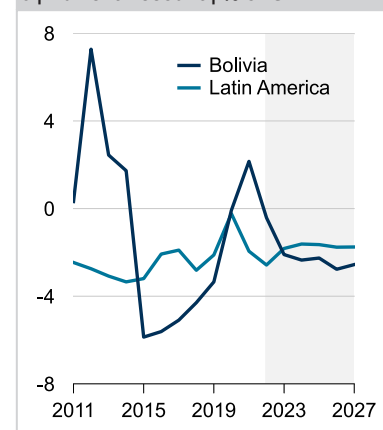
1 | Fiscal Balance | % of GDP



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

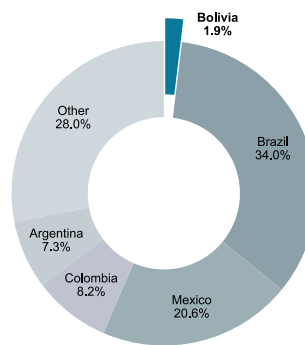
- Rich in natural resources
- Tourism potential
- Exchange rate and price stability

Weaknesses

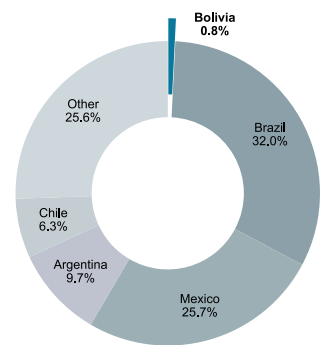
- Landlocked country
- Highly dependent on the hydrocarbon sector
- Elevated levels of poverty

Bolivia in the Region

Population | %-share in Latin America

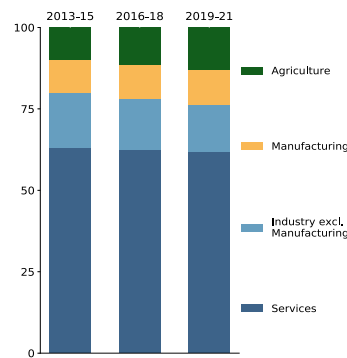


GDP | %-share in Latin America

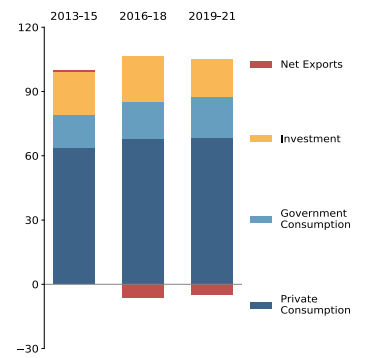


Economic Structure

GDP by Sector | share in %

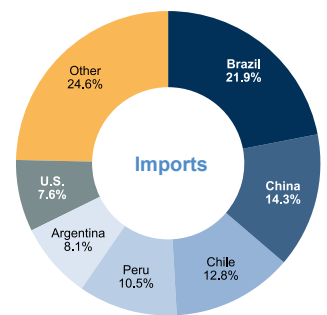
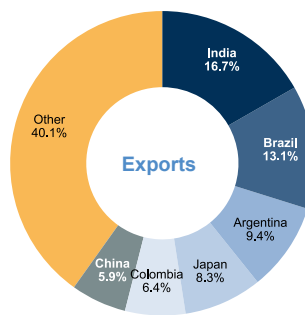


GDP by Expenditure | share in %

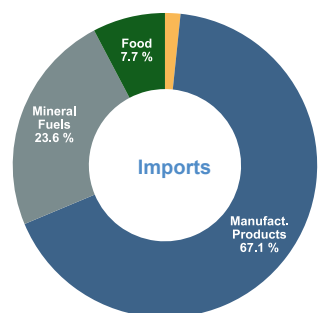
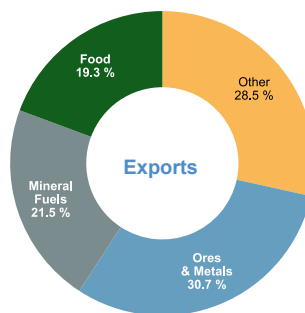


Trade Structure

Primary markets | share in %



Primary products | share in %





Economic Release Calendar

Date	Country	Event
8 September	Chile	August Consumer Prices
	Peru	August Merchandise Trade
11 September	Uruguay	July Industrial Production
12 September	Brazil	August Consumer Prices
	Peru	Central Bank Meeting
14 September	Argentina	August Consumer Prices
	Uruguay	Q2 2023 National Accounts
15 September	Ecuador	July Economic Activity
	Peru	July Economic Activity
18 September	Brazil	July Economic Activity
	Colombia	July Economic Activity
	Mexico	Q2 2023 National Accounts (by expenditure)
20 September	Argentina	September Consumer Confidence (E)
	Argentina	Q2 2023 National Accounts
	Brazil	Central Bank Meeting
21 September	Argentina	August Merchandise Trade
22 September	Mexico	July Economic Activity
25 September	Brazil	August Balance of Payments
26 September	Argentina	July Economic Activity
27 September	Mexico	August Merchandise Trade
28 September	Brazil	September Economic Sentiment (E)
	Mexico	Central Bank Meeting
29 September	Colombia	Central Bank Meeting
	Ecuador	Q2 2023 National Accounts
1 October	Chile	September Business Confidence (E)
2 October	Brazil	September S&P Global Manufacturing PMI
	Chile	August Economic Activity
	Colombia	September Davivienda Manufacturing PMI
	Mexico	September IMEF PMI
4 October	Brazil	September S&P Global Services PMI
5 October	Colombia	September Consumer Prices
	Colombia	September Merchandise Trade (E)
	Ecuador	September Consumer Prices
	Mexico	September Consumer Confidence
	Uruguay	Central Bank Meeting
6 October	Uruguay	September Consumer Prices
	Argentina	August Industrial Production
	Chile	September Consumer Prices
	Peru	Central Bank Meeting
	Peru	September Consumer Prices
7 October	Colombia	September Consumer Confidence

(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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