

Introduction

Bolivia is a landlocked country in South America that borders the countries of Argentina, Brazil, Chile, Paraguay, and Peru. The country is located in the rugged Andes Mountain with a highland plateau and lowland plains of the Amazon basin. Bolivia shares control of Lago Titicaca, the world's highest lake navigable to large vessels, at 12,500 feet above sea level.

The government system is a republic; the new constitution defines Bolivia as a "Social Unitarian State." The chief of state and head of government is the president. Bolivia has a mixed economic system that includes a variety of private freedom combined with centralized economic planning and government regulation. In addition, Bolivia is a member of the Andean Community (ANCOM).



Location: South America

Capital City: La Paz (-4 GMT)

Chief of State: President Luis Alberto Arce Catacora

Head of Govt.: President Luis Alberto Arce Catacora

Currency: Bolivian boliviano (BOB)

Major Languages: Spanish (official) 60.7%, Quechua (official) 21.2%, Aymara (official) 14.6%, Guarani (official) 0.6%, other native languages 0.4%, foreign languages 2.4%, none 0.1%; note - Bolivia's 2009 constitution designates Spanish and all indigenous languages as official; 36 indigenous languages are specified, including a few that are extinct (2001 est.)

Primary Religions: Roman Catholic 70%, Evangelical 14.5%, Adventist 2.5%, Mormon 1.2%, agnostic 0.3%, atheist 0.8%, other 3.5%, none 6.6%, unspecified 0.6% (2018 est.)

Calling Code: 591

Voltage: 220/230

Key Websites

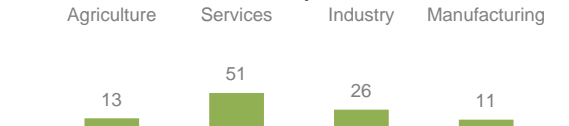
Main Government Page: mingobierno.gob.bo

Commerce Ministry: economiyfinanzas.gob.bo

Key Economic Facts

Income Level (by per capita GNI):	Lower Middle Income
Level of Development:	Developing
GDP, PPP (current international \$):	\$118.37 billion (2022)
GDP growth (annual %):	3.07% (2022)
GDP per capita, PPP (current international \$):	\$9,683.62 (2022)
External debt stocks, total (DOD, current US\$):	\$15,964,123,524.00 (2021)
Manufacturing, value added (% of GDP):	10.73% (2021)
Current account balance (BoP, current US\$):	-\$0.15 billion (2022)
Inflation, consumer prices (annual %):	1.75% (2022)
Labor force, total:	5,863,110 (2022)
Unemployment, total (% of total labor force) (modeled ILO estimate):	4.42% (2022)
Imports of goods and services (current US\$):	\$12.61 billion (2021)
Exports of goods and services (current US\$):	\$11.24 billion (2021)

GDP Composition %



**Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.*

Rankings

Index	Rank
Corruption Perceptions Index	126 / 178
Global Competitiveness Index	107 / 141
Global Enabling Trade Index	112 / 136
Index of Economic Freedom	167 / 176
International Logistics Performance Index (LPI)	131 / 160
Inward FDI Potential Index	89 / 139
KOF Index of Globalization	98 / 185
Networked Readiness Index (NRI)	111 / 139
Open Budget Index	95 / 114

Risk Assessment (Provided by Coface)

Country rating: D - A high-risk political and economic situation and an often very difficult business environment can have a very significant impact on corporate payment behavior. Corporate default probability is very high.

Business Climate rating: B - The business environment is mediocre. The availability and the reliability of corporate financial information vary widely. Debt collection can sometimes be difficult. The institutional framework has a few troublesome weaknesses. Intercompany transactions run appreciable risks in the unstable, largely inefficient environments rated B.

Strengths

- Important mineral resources (natural gas, gold, zinc, silver, tin, lead, lithium reserves) and agricultural resources (soy, quinoa)
- Tourism potential
- Member of the Andean Community and soon to be a full member of Mercosur
- Boliviano pegged to the U.S. dollar
- Mainly multilateral and bilateral external debt, with concessional financing

Weaknesses

- Economy with low diversification, reliant on imports of fuels and capital goods, and vulnerable to commodity price fluctuations
- Depletion of gas reserves and lack of investment in new ones
- Limited development of the private sector and heavy reliance on the public sector, with credit directed and subsidised
- Risk of balance of payments and/or debt crisis due to low foreign exchange reserves and lack of confidence in the Bolivian boliviano, despite exchange controls and multilateral/bilateral financing
- Poor business environment, insecurity, drug trafficking, and corruption
- Significant informal sector (3/4 of businesses and 60% of households), especially in mining, leading to environmental damage and smuggling
- Potential for social unrest, with the country politically and regionally polarized

U.S. Embassy

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