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Chapter 1: Doing Business In Bolivia

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Market Overview

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nominal GDP</td>
<td>$27.2 billion</td>
<td>$30.8 billion</td>
</tr>
<tr>
<td>GDP Real Annual Growth Rate</td>
<td>5.2%</td>
<td>6.8%</td>
</tr>
<tr>
<td>GDP per capita (PPP)</td>
<td>$5,200</td>
<td>$5,500</td>
</tr>
<tr>
<td>GDP per capita</td>
<td>$2,716</td>
<td>$3,021</td>
</tr>
<tr>
<td>Exports</td>
<td>$11.7 billion</td>
<td>$12.2 billion</td>
</tr>
<tr>
<td>Imports</td>
<td>$8.2 billion</td>
<td>$9.3 billion</td>
</tr>
<tr>
<td>Total Imports from the U.S.</td>
<td>$890 million</td>
<td>$1.7 billion</td>
</tr>
<tr>
<td>Inflation</td>
<td>4.5%</td>
<td>6.5%</td>
</tr>
</tbody>
</table>

*Source: National Bureau of Statistics (INE) and International Monetary Fund*

For the two year period from 2012 through 2013 Bolivia's economy grew at an average yearly rate of 6.0%. This compares favorably to the 4.7% average yearly growth experienced from 2010 through 2011. The 2013 increase in GDP is a result of a 14% growth in oil and gas production; 10% in construction; 9.4% growth in public services; 6.7% growth in transport and communications; 6.5% growth in financial services; 6.1% growth in manufacturing and; 5.1% growth in electricity, water and gas distribution. The sector that experienced the slowest growth was mining, which registered 2.9% growth.

- Accumulated inflation for 2013 was 6.5%, 1.9 percentage points (pp) above the 2012 figure. The increase was due to higher inflationary pressure on food prices. Non-food items registered an overall decrease of 0.5% from 4.1% in 2012 to 3.6% in 2014. The Central Bank estimates roughly 5% inflation for 2014.

- Total investment in Bolivia increased in 2013, as a percentage of GDP from 18.2% in 2012 to 19.2%. Public investment rose from $4.5 billion in 2012 to $5.6 billion in 2013, primarily due to road construction and increases in investment in state-run companies. Private investment, both domestic and foreign direct investment (FDI), increased from $1.5 billion in 2012 to $2.1 billion in 2013, due to investments in hydrocarbons, construction, and mining.
Exports rose by more than 1.6% in 2013, reaching $12.2 billion. 2013 top export sectors were: hydrocarbons (53% of total exports), manufactured goods (23%), minerals (16%), and agricultural products (6%). The top exports by individual product were: natural gas (50.4% of total exports), soy (7.0%), silver (6.8%), zinc (6.2%), fuels (3.4%), and tin (2.8%).

Bolivia’s top export markets in 2012 were Brazil (33.1%), Argentina (20.0%), United States (10.0%), Colombia (5.3%), Peru (5.1%), Japan (3.4%), South Korea (3.3%), China (2.5%), and Belgium (2%).

From 2012 to 2013, Bolivian imports rose by 12.1% to $9.3 billion. 29% of Bolivia's total imports were industrial supplies and inputs (for example, replacement parts, chemicals, and other production items). Other major imports are: capital goods (23.3%), fuel (13%), consumption goods (10%), and food (7%) others. Top import products within these categories were machinery and mechanical appliances (19.3% of total imports), chemical products (14.2%), fuels and oils (14.2%), vehicles (12.1%), minerals (7.4%), and food (6%). Bolivia also imports significant quantities of steel, electrical machinery equipment and parts, and plastics and plastic products.

Exports to the U.S. decreased 30.6% from $1.76 billion in 2012 to $1.25 million in 2013, mainly due to the reduction of amalgamated gold, while imports from the U.S. rose 38.5% from $0.91 billion in 2012 to $1.17 billion in 2012. The U.S. supplied 12.6% of Bolivia's imports and received 10.0% of its exports. In 2013, Bolivia had a total trade surplus of $2.9 billion, of which the U.S. accounted for $80 million.

Market Challenges

As South America’s poorest and least industrialized country, Bolivia remains a challenging place to do business. The Movimiento al Socialismo (MAS) party-led government, elected in 2005, advances an economic policy focused on productive development and in which the state plays a key role in economic activity. In January 2009, Bolivians approved a new constitution, which emphasizes state involvement in the economy, particularly in the management of natural resources. Since his January 2006 inauguration, President Evo Morales has nationalized companies in the hydrocarbons, telecommunications, electricity and mining sectors as well as a cement plant, an airport management company, and the pension administration system. In December 2009, Morales was reelected and the MAS won a commanding majority in the legislature. The government continues to focus on increasing state control over natural resources and strategic sectors. There will be presidential elections in October of 2014. The political climate has been stable overall since Morales became president.

Bolivia is generally open to foreign investment, but weak judicial security, a complicated regulatory environment, cumbersome bureaucratic procedures, and political pressure to abrogate contracts may adversely affect companies’ operations. Because of all of the
difficulties setting up foreign companies’ operations in Bolivia, many foreign companies choose to sell products through a local representative without fully setting up shop in Bolivia. Many American companies have made sales using this type of arrangement and were quite satisfied with the outcome.

Bolivian commercial legislation does not have any significant technical barriers or tariffs that substantially affect commerce with other countries. The export of certain edible products requires licenses (for example in the cases of sugar, vegetable oils, soy, sunflower flour, and meat), and in some cases export is not allowed (for example, export of wheat is currently prohibited as the GOB often restricts export based on supplying local markets first).

**Market Opportunities**

According to the Bolivian National Statistics Institute (Instituto Nacional de Estadísticas, or INE), prospects for U.S. exports of non-agricultural products to Bolivia include the following sectors:

1. Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included (as defined by the U.S. International Trade Commission Database), containing by weight 70% or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations; waste oils.
2. Motor cars and other motor vehicles principally designed for the transport of persons ranging from station wagons to race cars (other than those under the category 8702, defined as motor vehicles for the transport of 10 or more persons including the driver).
4. Bars and rods of iron or non-alloy steel, not further worked than forged, hot-rolled, hot-drawn or hot-extruded, but including those twisted after rolling.
5. Self-propelled devices, angle-dozers, graders, levelers, scrapers, mechanical shovels, excavators, shovel loaders, tamping machines, and road rollers.
6. Insecticides, rodenticides, fungicides, herbicides, anti-sprouting products and plant-growth regulators, disinfectants, and similar products.
7. Packing material for retail sale, or as preparations or articles (for example, sulfur-treated bands, wicks and candles, and flypaper).
8. Tractors (other than tractors of heading 8709, defined as: work trucks, self propelled, not fitted with lifting or handling equipment, of the types used in factories, warehouses, dock areas or airports for short distance transportation of goods; tractors of the type used on railway station platforms, etc.).
10. Additionally, though not part of the INE list, machinery and mechanical appliances have significant potential as U.S. exports.
Market Entry Strategy

Companies considering doing business in Bolivia should carefully weigh the advantages and risks of potential investments, conduct extensive due diligence before committing funds, and retain competent Bolivian legal and outside counsel. U.S. companies are also advised to make considerable effort upfront in identifying the right partner, agent, distributor, or representative prior to entering the market.

Bolivia has many regional trade events that can be used to promote products or to test market interest. The largest of these is Expocruz, an international multi-sector trade show that takes place every September in Santa Cruz. (http://www.fexpocruz.com.bo/en/f_somos.aspx?idf=61) As Univision and Expocruz organizers reported last year, the U.S. Pavilion is one of the most sought-after pavilions for exhibitors. It is a good opportunity to enter the Bolivian market, contact Bolivian importers and representatives, and market products. Over 24 countries participated in the 2013 fair, and business transactions totaled approximately $91.9 million. The second most attended trade fair in Bolivia is the "Feria Internacional de Cochabamba," a multi-sector trade show that takes place annually in Cochabamba (http://www.feicobol.com.bo/en). Over 20 countries participated in the 2013 fair, and business transactions totaled approximately $62.4 million.

U.S. companies often find it advisable to appoint local representatives to investigate market opportunities and to establish sales networks. Retention of local legal counsel is often required to successfully navigate Bolivia’s informal business practices and bureaucracy. U.S. exporters may wish to contact the Commercial Office at the Embassy to obtain a market briefing, assistance in locating an agent, distributor, partner, or for help arranging appointments during business trips to Bolivia. Please contact commercelapaz@state.gov for information about the Embassy's commercial assistance services.

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Chapter 2: Political and Economic Environment

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

http://www.state.gov/r/pa/ei/bgn/35751.htm
Chapter 3: Selling U.S. Products and Services

- Using an Agent or Distributor
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Using an Agent or Distributor

Bolivia is considered a small market, where few international companies operate directly. Foreign firms typically sign agreements with local agents or distributors, which often have offices in one or more of the major cities of Bolivia (La Paz, Santa Cruz and/or Cochabamba). When appointing a distributor, it is important for businesses to seek counsel from a Bolivian law firm in order to ensure appropriate protection. Even though the Bolivian constitution does not recognize international arbitration for Government-owned companies, it is advisable to include an arbitration clause as a means of resolving any disputes that may arise between private companies.

The designation of an Agent or Distributor in Bolivian territory is regulated by the Commercial Code (Law 14379) in articles 1248 through 1259. Under the Bolivian Law the agent or distributor “Assumes, by independent and established means, the duty of promoting and exploiting business opportunities in a specific sector and predetermined region of the country, as an intermediary between national or international businesses, with freedom to develop other commercial activity.”

Government tenders, when not international, require local representation. According to the Bolivian Civil Code (art.492), agents must register with Bolivia’s National Chamber of Commerce, the Internal Revenue Service, the Vice Ministry of Industry and Commerce, FUNDEMPRESA (Fundación para el Desarrollo Empresarial), and the local municipality.
To register a representative, agents must present a letter or agreement to the National Chamber of Commerce confirming their appointment. The document must clearly indicate the contract’s validity period, the agent’s sales area (national or regional), the agreement’s financial terms, and whether the foreign firm has the right to appoint other agents in other areas of Bolivia.

The Bolivian Commercial Code (art. 1251) also establishes that all the contracts for distribution or agency signed outside of Bolivian territory but with execution in Bolivia are subject to Bolivian laws without restriction.

The U.S. Department of Commerce does not have an official Commercial Service representation in Bolivia, but the U.S. Embassy has a Commercial Office that can provide similar services. U.S. companies are invited to make full use of the wide range of market entry and partner search services offered by the Commercial Office.

Establishing an Office

Bolivia’s current Commercial Code defines the following business entities and outlines procedures for establishing each:

- **Stock Company or Corporation** (*Sociedad Anonima S.A.*): a company in which common capital consists of transferable shares and in which each stockholder’s liability is limited to the number of shares held. Management is the responsibility of the corporation’s board of directors, which is comprised of three to twelve individuals (who may be shareholders) elected by stockholders. Business may be conducted by one or more shareholders, or by third parties appointed for this purpose for a limited period as indicated in company by-laws.

- **Partially State-Owned Corporation** (*Sociedad Anonima Mixta S.A.M.*): similar to a Stock Company or Corporation, but with participation of the Bolivian Government as a share owner.

- **Limited Liability Company** (*Sociedad de Responsabilidad Limitada S.R.L.*): a company in which each partner’s liability is limited to the amount invested. The firm may have between two to 25 partners. Capital shares must be paid in full at the time of incorporation.

- **General Partnership** (*Sociedad Colectiva S.C.*): a company in which partners have both joint and individual liability.

- **Limited Partnership** (*Sociedad en Comandita Simple*): a company consisting of one or more general partners, jointly responsible as ordinary partners, and one or more limited partners who are not liable for the partnership’s debts beyond the sum contributed as capital to common stock.

- **Joint Stock Company** (*Sociedad en Comandita por Acciones*): a company whose partners are liable for obligations as ordinary partners, while limited partners incur no liability beyond the number of shares held.
Temporary Association for commercial purposes without formal partnership (Asociación Accidental): a short-term agreement in which two or more persons unite for one or more transitory or specific operations.

Individually Owned Company (Empresa unipersonal): a company whose only owner is a natural person.

Branch of a foreign company/sole proprietorship: a wholly-owned subsidiary of a foreign firm.

Foreign firms wishing to establish a subsidiary should allow one to two months to complete the basic processes, which are the following:

Registration Procedures:

- Check uniqueness of name at the Registry of Commerce in FUNDEMPRESA.
- Retain an attorney to draw up the articles of incorporation, bylaws, and constitution act and appoint a provisory board.
- Notarize the articles of incorporation “Escritura de Constitución.”
- Publish the company deed “Título de Constitución” in a national newspaper.
- An accredited accountant prepares the opening balance sheet “Balance de Apertura.”
- The opening balance sheet should have a seal administered by the Association of Accountants (Colegio de Contadores).
- Register at the National Tax Service to obtain the Tax Identification Number (Número de Identificación Tributaria, NIT).
- Obtain a municipal business license and a municipal registration card (Padrón Municipal) from the municipality where the business is located.
- Municipal Government inspects the technical and environmental characteristics of the venue.
- Obtain evidence of a bank deposit equivalent to at least 25% of subscribed and no less than 50% of authorized capital.
- Register company deed “Matricula de Comercio” with FUNDEMPRESA and obtain legal capacity.
- Register at the appropriate Chamber of Commerce or Industry (optional).
- Register for national health insurance and short-term disability coverage.
- Register at the Ministry of Labor; enroll in the national health insurance (Caja Nacional de Salud).
- Register employees with the pension fund managers (Administradora de Fondos de Pensiones / AFPs).
• Register the company's name at the National Services of Intellectual Property (Servicio Nacional de Propiedad Intelectual - SENAPI).

There is a draft of a new Commercial Code that has not yet been approved, but the above information is not expected to change significantly in the new code.

**Franchising**

Bolivia has no specific legislation governing franchising. A foreign firm wishing to grant a franchise must first register the brand name with Bolivia’s National Intellectual Property Service (SENAPI), after which it may grant a franchise to a local company. The lack of specific legislation governing franchising in Bolivia gives those entering the franchise agreement the opportunity to determine their own conditions for the contract as long as the contract respects the Bolivian Commercial and Civil Codes.

Franchise operations have become more popular in the last few years, mostly in fast food, delivery services, and clothing. International franchises are still relatively expensive given the size of the Bolivian market, but fast growing cities with high acquisition power – like the city of Santa Cruz – have motivated Bolivian businessmen to acquire new franchises demanded by the consumers.

Unsuccessful food franchise experiences (e.g., McDonalds and Domino’s Pizza) in the late 90s and early 2000s stopped the investment in franchises throughout the last decade, but the success of new franchises that adapted their services and products to the requirements and characteristics of the Bolivian consumer started a new wave of investments in the past several years. It is important to mention that like any other company established in Bolivia, franchises (especially those pertaining to food and consumer goods) have to compete directly with the informal sector and contraband, which offer lower prices for pirated similar products.

There are a number of newly-opened franchises in Santa Cruz such as Hard Rock Cafe, TGI Fridays, KFC, Cinnabon, and Sbarro. Other franchises such as Burger King and Subway are present in Cochabamba and La Paz, as well as Santa Cruz.

**Direct Marketing**

Most of the Bolivian population lives in urban areas, meaning that companies focus their marketing efforts in cities. The biggest markets for foreign products and services are La Paz, El Alto, Santa Cruz, and Cochabamba. The rest of the departmental capitals in Bolivia are also important, but the market share and size in these cities are smaller.

Catalog and online sales are not generally used by the average Bolivian consumer, but such sales are growing rapidly among the middle to upper classes, young teens, and internet users.
The cosmetics and clothing sectors have grown because of the success of catalog sales among the middle and upper classes of Bolivian consumers. However, other sectors have not had success in this type of marketing, in large part because there is a high degree of suspicion of the quality of products and difficulty in obtaining warranty support.

Many Bolivian consumers prefer to browse in shops instead of purchasing goods through catalogs. This gives them the opportunity to bargain for lower prices, a common practice in Bolivia. Customers also prefer stores that can provide after sales service or address problems that might arise. The exchange of products in Bolivia is complex due to the Value Added Tax (Impuesto al Valor Agregado, IVA). Most store policies will provide store credit, rather than cash refunds.

Commercial information can be obtained through local chambers of commerce, local trade associations, and the U.S. Embassy’s Commercial Office.

### Joint Ventures/Licensing

A new Investment Promotion Law (Law 516, 2014) was signed by Bolivian President Evo Morales in April 2014. This new legislation recognizes nine different types of investment through commercial companies, public enterprises, joint ventures in which the state is the majority shareholder, and other kind of contracts.

The law also states that all renegotiated treaties concerning foreign investments shall meet the standards of the Bolivian Constitution and the new investment law. Implicitly, this means that the Bolivian legislature intends to emphasize that the Bilateral Investment Treaty (BIT) will be renegotiated one way or another by the Bolivian state and/or other countries.

A new arbitration law will be drafted this year. However, until the new standard for conciliation and arbitration dispute is improved, the parties to the conflict shall apply the provisions of Law 1770 of Arbitration and Conciliation.

### Selling to the Government

Government expenditures account for a significant portion of Bolivia’s Gross Domestic Product (approximately 34% in 2012, according to the Ministry of Economics and Public Finance). The central, state, and local governments and other public entities are important buyers of machinery, equipment, materials, and other goods and services. Information about government procurement can be found in the Government's Procurement System (Sistema de Contrataciones Estatales SICOES), web: [http://www.sicoes.gob.bo](http://www.sicoes.gob.bo), and also on the websites of all public companies (Electricity: [http://www.ende.bo](http://www.ende.bo); Hydrocarbons: [http://www.ypfb.gob.bo](http://www.ypfb.gob.bo); Mining: [http://www.comibol.gob.bo](http://www.comibol.gob.bo)). Bolivia is not a signatory to the WTO Agreement on Government Procurement.

In an effort to encourage local production, the Bolivian government changed its procurement and contracting of services rules in July 2007 (Supreme Decree 29190,
dated July 11, 2007) and again in June 2009 (Supreme Decree 0181, dated June 28, 2009). Under these new rules, government procurement under $100,000 must give priority to the small business or small enterprise sector, micro-producer associations, and peasant associations. Vendors that fall under these categories are required to provide fewer guarantees and prerequisites than the rest of the business sector. U.S. companies hoping to participate in these processes should have a Bolivian partner.

Bolivian companies and local providers (both of which can be representatives of foreign companies legally established in Bolivia) are given priority for government procurement bids from $142,000 to $5.7 million. Importers of foreign goods can participate in these procurements only when locally manufactured products and service providers are unavailable, or when the Bolivian government does not select a domestic supplier; in such cases, the government can call for international bids. International public bids are called for when purchases exceed $5.7 million.

Article 30 of Supreme Decree No. 0181 of 28 June 2009 (or the Basic Standards Management System of Goods and Services) determines the margin of preference for domestic products that contain domestic inputs. Suppliers must comply with the prerequisites established in the bidding documents, which are exclusive to each purchase. Bid specifications containing technical and commercial requirements are available through either the GOB tenders website or the relevant GOB office controlling the tender. Tenders are also available at times through local newspapers. The head of the ministry or entity that issued the request for bids determines qualifying procedures and makes award decisions. To encourage local industrial development, the GOB gives domestic bidders a 10 to 25% preference, depending on the bid. Officials consider both price and quality when awarding contracts. The Ministry of Defense and the Ministry of Government are allowed to make purchases for unlimited amounts. The government may issue tenders for national security purchases, for the armed forces, or for goods and services of national interest with no limit in value.

If the requirements for an international tender are not met in the process of reviewing the proposals, then a direct contract with the government is allowed to be signed without a tender.

Distribution and Sales Channels

Because Bolivia is landlocked, merchandise must be delivered by air or transported overland from Chilean, Peruvian, or Argentine seaports. Seasonal bad weather, roadblocks, and port congestion can complicate overland delivery, and may make air transportation preferable even for heavy items.

The most common method of distribution of goods is through the appointment of a qualified representative. Appointing an agent or distributor is advisable for companies seeking to develop a market on a sustained basis. Wholesalers (distributors) often import directly, and then distribute goods through urban retail outlets, frequently making use of small, often family-owned operations, street vendors, and other informal distribution channels. An alternative approach to distribution is to establish a local subsidiary or
branch office. To distribute goods, many firms establish offices in La Paz, Cochabamba or Santa Cruz, with sales agents in other major cities.

It is very common, especially in the case of machinery and industrial supplies, for Bolivian buyers to contact producers directly. Bolivian buyers often prefer direct purchases in order to eliminate additional costs associated with using distributors. Direct buyers generally already have a means of covering the transportation and importation paperwork.

In 2010, the Bolivian government authorized the operation of nine commercial/industrial free trade zones (FTZs), including zones in the main cities of El Alto, Cochabamba, Santa Cruz, Oruro, Puerto Aguirre, and Desaguadero. The National Council on Free Trade Zones (Concejo Nacional de Zonas Francas or CONZOF) oversees all industrial and commercial FTZs and authorizes operations.

### Selling Factors/Techniques

While price remains the most important factor in most purchasing decisions, considerations of quality, durability, technology, customer support, and availability of service also influence purchasing decisions, with the order of importance depending on the industry, the customer, and the use. For practical rather than legal reasons, U.S. firms selling high-tech products should provide training and maintenance support to their distributors and agents. Companies with a complicated product or service use this method because it allows for effective after-sales service and more aggressive promotion of their products.

To be effective, all manuals, advertising, and sales materials should be in Spanish, since most Bolivians do not speak English.

### Electronic Commerce

Bolivia has yet to implement a new Commercial Code (as is required by the new constitution), nor have all of the regulations for the new Telecommunications Law been drafted. Further, Bolivia has yet to improve regulation through rules or other controls on the operations of electronic commerce. Bolivia's internet connectivity requires substantial improvement. The GOB has prioritized the extension of the telecommunications network to rural areas, as coverage is still unreliable in many locations; however this is expected to change with the new satellite, which will focus on providing Wi-Fi internet to rural areas, and the important investment in rural telearceters which are expected to become hubs of a local communications network. The Bolivian government has implemented a program of “coverage for all,” but has faced a number of setbacks to meet deadlines. Furthermore, internet access in many areas is limited due to a lack of bandwidth. The Telecommunications Law and general Commercial Code serve as the legal framework for electronic commerce, but the lack of implementing regulations leaves many rules open to interpretation.
The ADSIB (*Agencia para el Desarrollo de la Sociedad de la Información en Bolivia*) was created by Supreme Decree 26553 on March 19, 2002, as a public institution under the direction of the Vice-Presidency of the Republic of Bolivia. ADSIB is in charge of formulation and implementation of policies and actions aimed at reducing the digital gap in Bolivia, through distribution of information and communication technology. It is also the administrator of the ".BO" domain.

The Bolivian Telecommunications Law (Law 164, Chapter IV), approved August 8, 2011, includes four articles on the offer of goods and services, validity of e-contracts, value determination, and controversies.

To read the law, see: Ley N 164 [http://bolivia.infoleyes.com/shownorm.php?id=3175](http://bolivia.infoleyes.com/shownorm.php?id=3175)

**Trade Promotion and Advertising**

The GOB enacted the Telecommunications, Information Technology and Communication Law (Law 164) in August 2011. This law provides the legal framework for all operations in the communications sector. There is no media or broadcasting specific legislation in Bolivia, the only regulatory framework in this sector is the Press Law (Supreme Decree of January 19, 1925). The Bolivian Government is considering creating a media law, but Bolivian media companies are concerned that this new law would detrimentally affect freedom of expression.

There are two institutions in charge of the Telecommunication Sector in Bolivia. The first one is the Vice-ministry of Telecommunications that determines the national strategy and politics of the sector. The second one is the Telecommunications and Transportation Authority that is in charge of enforcing the existing telecommunications regulations in the country and supervises the activities of the sector.

Five advertising agencies belong to the La Paz Chamber of Advertising Agencies (*Cámara Paceña de Empresas Publicitarias – CAPEP*): GRAMMA, Nexus, SMART (McCann-Erickson), MAGNA Group, and J. Walter Thompson Bolivia. Advertising agencies generally charge a 15% commission, but this commission can be negotiated.

**Radio**

Radio is Bolivia’s most effective promotion medium. Bolivia’s nearly 900 radio stations have broad coverage throughout the country, including isolated areas where electricity is often unavailable. Radio is particularly effective in reaching rural populations, as many programs are broadcast in Spanish as well as in the two dominant indigenous languages, Aymara and Quechua.

The GOB operates a national and international radio network, *Red Radio Patria Nueva*, which transmits in FM, AM, and on shortwave. The network connects through 30 transmitters across the country.
In November 2012, the Viceministry of Telecomunications enacted the National Frequency Plan (Ministerial Resolution #294) that obligates all the FM radio operators in the country to change their frequencies in order to give space to new radio stations, giving priority to the ones owned by social organizations and indigenous groups.

**Television**

Television is increasingly available in rural areas and can be found in almost all urban homes. Television stations are privately owned, with the exception of one government-owned station and several belonging to major government universities. While several networks broadcast throughout the country, only the government station is considered truly “national” since it is the only one that broadcasts to all areas.

Access to cable television is still limited, but growth is considerable in Bolivia. Companies offer packages of South American feeds from major world networks (CNN, BBC, MTV, Nickelodeon, and others) and Latin American, European, and U.S. programming. The most important channels and networks are:

- **ATB Red Nacional**
- **Universal de Televisión**
  - [http://www.unitel.tv](http://www.unitel.tv)
- **Red Bolivisión**
  - [http://www.redbolivision.tv.bo](http://www.redbolivision.tv.bo)
- **Red Uno**
- **Red de Periodistas Asociados de Televisión**
  - [http://www.redpat.tv](http://www.redpat.tv)
- **Radio y Televisión Popular**
  - [http://www.rtpbolivia.com](http://www.rtpbolivia.com)
- **Bolivia TV (state owned)**
  - [http://www.boliviatv.bo](http://www.boliviatv.bo)
- **Cadena A**
  - [http://cadenaa.tv](http://cadenaa.tv)

**Newspapers**

The combined daily circulation of all of the La Paz newspapers is between 30,000 and 80,000. The principal La Paz newspapers are: La Razón, Pagina Siete, La Prensa, and El Diario; those in Santa Cruz are: *El Deber, El Mundo* and *El Día*; Cochabamba's principal newspapers are: *Los Tiempos* and *Opinión*. In January 2009, the government launched its own newspaper, called *Cambio*.

**La Paz**

- **El Diario**
  - [http://www.eldiario.net](http://www.eldiario.net)
- **La Razón**
  - [http://www.la-raazon.com](http://www.la-raazon.com)
- **La Prensa**
- **Cambio**
  - [http://www.cambio.bo](http://www.cambio.bo)
- **Página Siete**
  - [http://www.paginasiete.bo](http://www.paginasiete.bo)

**Cochabamba**

- **Los Tiempos**
  - [http://www.lostiempes.com](http://www.lostiempes.com)
- **Opinión**
Market Research

In addition to PricewaterhouseCoopers, Ernest and Young, and KPMG (represented by Ruiz Mier in Bolivia), several foreign market research firms operate locally. All market research and consulting companies must register with the National Chamber of Consulting Companies:

Cámara Nacional de Consultoría (CANEC)
Calle Landaeta 221
Edificio Gamarra, Piso 3
La Paz, Bolivia
Phone: 591-2-241-2138
Fax: 591-2-231-5004
canec@entelnet.bo

The U.S. Embassy’s Commercial Office offers Custom Market Research reports that may help U.S. firms learn more about specific sectors in Bolivia.

Pricing

Except in limited circumstances, markets determine prices. Some product prices -- like hydrocarbons, sugar, maize, natural oils, and bread -- are regulated by the Bolivian Government. The National Authority of Hydrocarbons and the Ministry of Productive Development and Plural Economy regulate the sale and price determination of the above-mentioned products and issue a certificate ensuring sufficient internal supply and a "fair" price of the goods prior to any export. The "fair" price is the GOB-defined price for any good or service.

Municipal governments determine the price of garbage collection services, and through the Authority of Basic Services (Autoridad de Fiscalización y Control Social de Agua Potable y Saneamiento), the price of water.

Bolivia does not generally subsidize agricultural exports. Rather, the country limits agricultural exports until producers can demonstrate that internal demand has been met at "fair prices." Supreme Decree 348 (issued October 2009) limited sugar and meat prices to what the government determined was a "fair price," but the GOB is currently struggling with enforcement. At any point if internal prices rise above what the government determines is a "fair price," due to weather conditions or other causes, the government can prohibit the export of agricultural goods in order to protect internal supply and prices. Exporters must request a certificate of internal sufficiency of supply (particularly in the
aforementioned sales of natural oils, rice, and sugar) and a "fair" price before being permitted to sell abroad. The Bolivian government buys soy from small farmers at preferential prices. Oilseed producers thus encounter artificially higher prices when buying on the spot market.

The Bolivian tax system is regulated under the Law of Taxing Reform (Law 843). This law specifies all taxes applied by the GOB and the characteristics of each tax. A value added tax is applied to all transactions of goods and services inside Bolivian territory and on imported goods. The value added tax rate in Bolivia is 14.94% (13% nominal).

Sales Service/Customer Support

U.S. products often enjoy competitive advantages in terms of price, quality, reputation, use of innovative technology, and customer support. Customer service and technical and maintenance support often exceed the services provided by Bolivian firms. Any product that requires operator training or needs after-sales technical service should have a qualified local company ready and able to assist the customer.

Protecting Your Intellectual Property

Intellectual property rights protection falls short of U.S. and international standards, and enforcement is inconsistent. For additional information, please see Chapter 6.

Protecting Your Intellectual Property in Bolivia:

Several general principles are important for effective management of intellectual property ("IP") rights in Bolivia. First, it is important to have an overall strategy to protect your IP. Second, IP is protected differently in Bolivia than in the U.S. Third, rights must be registered and enforced in Bolivia, under local laws. Your U.S. trademark and patent registrations will not protect you in Bolivia. There is no such thing as an “international copyright” that will automatically protect intellectual property. Protection against unauthorized use in a particular country depends on the national laws of that country. However, most countries do offer copyright protection to foreign works under certain conditions, and these conditions have been greatly simplified by international copyright treaties and conventions.

Registration of patents and trademarks is on a first-in-time, first-in-right basis, so you should consider applying for trademark and patent protection even before selling your products or services in the Bolivian market. It is vital that companies understand that intellectual property is primarily a private right and that the US government generally cannot enforce rights for private individuals in Bolivia. It is the responsibility of the rights holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Bolivian law. The U.S. Commercial Service can
provide a list of local lawyers upon request, and there is also a list available on the Embassy La Paz website: http://bolivia.usembassy.gov/service/information-on-translators-lawyers-and-physicians.html.

While the U.S. Government stands ready to assist, there is little we can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights in a mistaken belief that the U.S. Government can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, latches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should U.S. Government advice be seen as a substitute for the obligation of a rights holder to promptly pursue its case. This would even be seen as counterproductive, since the Bolivian government would see this as intrusion in internal affairs.

It is always advisable to conduct due diligence on potential partners. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of potentially bad actors. Projects and sales in Bolivia require constant attention. Work with legal counsel familiar with Bolivian laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

It is also recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both Bolivia or U.S.-based. These include:

- The U.S. Chamber and local American Chambers of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)

**IP Resources**

Information on protecting IP is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:
- For information about patent, trademark, or copyright issues -- including enforcement issues in the US and other countries -- call the STOP! Hotline: 1-866-999-HALT or register at www.StopFakes.gov.

- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the US Patent and Trademark Office (USPTO) at: 1-800-786-9199.

- For more information about registering for copyright protection in the US, contact the US Copyright Office at: 1-202-707-5959.

- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, a free online training program is available at www.stopfakes.gov.

- For US small and medium-size companies, the Department of Commerce offers a "SME IP Advisory Program" available through the American Bar Association that provides one hour of free IP legal advice for companies with concerns in Brazil, China, Egypt, India, and Russia. For details and to register, visit: http://www.abanet.org/intlaw/intlproj/iprprogram_consultation.html

- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: www.StopFakes.gov This site is linked to the USPTO website for registering trademarks and patents (both in the U.S. as well as in foreign countries), the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs in blocking imports of IP-infringing products) and allows you to register for Webinars on protecting IP.

**Due Diligence**

U.S. businesses considering investing in Bolivia should investigate potential clients, associates, and partners before entering into agreements. The U.S. Embassy’s Commercial Office offers International Company Profiles (ICP) that may help U.S. firms verify the reliability of potential clients or partners.

**Local Professional Services**

Local legal counsel is highly recommended, particularly when establishing a local subsidiary or registering brand names. A complete list of general, patent, and commercial attorneys is available through the U.S. Embassy’s Commercial Office at: http://bolivia.usembassy.gov/ldal.html.
The use of a professional translator is also recommended for business meetings, conferences or formal documents interpretation. A list of translators is available through the U.S. Embassy’s web page at: http://bolivia.usembassy.gov/listoftrans.html

Web Resources

Below are the web addresses for the above-mentioned institutions and resources:

Agency for the Development of the Information Society in Bolivia (Agencia para el Desarrollo de la Sociedad de la Información en Bolivia - ADSIB):
http://www.adsib.gob.bo

Bolivia’s Commercial Code:

Bolivia’s Civil Code:
http://photos.state.gov/libraries/bolivia/337500/pdfs/Codigo-civil.pdf

Starting a Business in Bolivia:

Telecommunications, Information Technology and Communication Law
http://photos.state.gov/libraries/bolivia/337500/pdfs/Ley-General-de-Telecomunicaciones-Tecnologias-de-Informacion-y-Comunicacion.pdf

Autoridad de Fiscalización y Control Social de Telecomunicaciones y Transportes
http://att.gob.bo/

National Tax Service
http://www.impuestos.gob.bo/

FUNDENMPRESA
http://www.fundempresa.org.bo

Servicio Nacional de Propiedad Intelectual – SENAPI
http://www.senapi.gob.bo/index.asp

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Chapter 4: Leading Sectors for U.S. Export and Investment

Commercial Sectors

- Hydrocarbons
- Mining
- Electricity
# Hydrocarbons

## Overview

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<th>2012</th>
<th>2013</th>
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*Total Market Size = (Total Local Production + Total Imports) – (Total Exports)*

*Data Sources: National Oil Company YPFB.*

Total Local Production: 58 millions of m³/d

Bolivia possesses approximately 19.9 trillion cubic feet (TCF) of natural gas reserves (both proven and probable). In 2009 the total proven reserves equaled 9.9TCF. This proven reserves number reflects a sharp decrease in exploration activities in Bolivia as well as changes in the methodology for calculating reserves. Hence, from 2005 to 2011 Bolivia’s proven reserves fell from second to sixth in South America. Bolivia has more than 505 million barrels of proven and probable crude oil reserves. On September 2014 a new international gas certification will be available by the Canadian JLG Petroleum Consultants.

In the hydrocarbons sector, Bolivia currently produces an average of 58 million cubic meters a day (mm³/d), using 9.1 mm³/d for domestic consumption, exporting 32.9 mm³/d to Brazil and 15.1 mm³/d to Argentina. Under the current contract, gas exports to Argentina will continue increasing until they reach 27.7 mm³/d in 2026. Hydrocarbons exports amounted to $4.06 billion in 2011, $5.74 billion in 2012 and $6.1 billion in 2012 which account for nearly 50% of total exports.

The state hydrocarbons company, Yacimientos Petroliferos Fiscales Bolivianos (YPFB), generally forms joint ventures (55-45) for a limited period (typically 40 years) with private companies for extraction services. YPFB also administers a gas sales agreement with Brazil’s state-owned oil company, Petrobras, and another with Argentina. In 2012, YPFB tendered a study for the technical and economic feasibility of exporting gas to Uruguay and Paraguay; the results were negative but the Uruguayan Government has
been in conversations with Bolivia to persuade them to use its LNG plant for exporting purposes and to provide 5 mm$^3$/d a day to Uruguay.

The Hydrocarbons Law 3058 that was passed in May 2005, and a subsequent Supreme Decree, passed in May 2006, require companies to sell all hydrocarbons to YPFB and that the domestic market be met before exporting. Furthermore, these laws transferred the entire transport and sales chain over to state control. Hydrocarbon companies were required to sign new contracts with YPFB, agreeing to pay 50% in taxes and royalties, on top of YPFB’s share ranging from zero to 32%.

Companies should note that for any future investments in this sector, the Constitution requires the state to have a majority share. However, because of the lack of investment in the sector (especially in exploration) and a reduction in the levels of proven reserves, the government has been issuing incentives and exemptions to encourage investment. For example, the GOB will pay a full reimbursement of exploration costs (and other investment costs associated with exploration) if the private company finds oil and/or gas. Other incentives are expected to be approved after the elections in October 2014. The GOB would then create a joint venture between the company which found the deposit and YPFB for purposes of exploitation.

Sub-Sector Best Prospects

The best sales prospects involve natural gas-related machinery, equipment, and production techniques.

Opportunities

The decline of Bolivia’s proven natural gas reserves may present several investment opportunities for foreign firms, since the government needs to demonstrate that they can fulfill current contracts and still increase exports. Among these opportunities are:

- **Exploration/drilling/production:** Exploration and drilling for natural gas have been a top priority of the GOB since 2011, and will continue to be in the next several years. Exploration is especially important for the GOB since the release of the Ryder Scott report in 2011, which showed a decrease in proven reserves up to 2009, compared to previous estimates and raised doubts about the capacity of Bolivia to fulfill both current external contracts and satisfy increasing internal demand. (Ryder Scott Petroleum Consultants did a study of the oil and natural gas reserves in Bolivia, available here: [http://www.ryderscott.com/Experience/Recent-Landmark-Projects.php](http://www.ryderscott.com/Experience/Recent-Landmark-Projects.php). Since Bolivia signed an agreement with Argentina in 2006, it has been focusing increasingly on production. Under the agreement, Bolivia agreed to progressively increase gas exports to 27.7 mm$^3$/d by 2026, which may conflict with growing internal demand. The state-owned YPFB Corporation and private companies are planning to invest $2.5 billion in 2012 in exploration and development.

- **Petrochemicals:** At the end of 2011, the Bolivian government hired an engineering company for the study and design of two "turn-key" petrochemical plants (Ethylene
and Polyethylene). So far, the results of the study and design have not been released, but both plants are expected to be released for the bidding and tender process at an estimated value of over $6 billion later in 2014 and mid-2015.

**Web Resources**

State Owned Enterprise: [http://www.ypfb.gob.bo](http://www.ypfb.gob.bo)
Hydrocarbons Regulator: [http://www.anh.gob.bo](http://www.anh.gob.bo)
Ministry of Hydrocarbons: [http://www.hidrocarburos.gob.bo](http://www.hidrocarburos.gob.bo)
Private Chamber of Hydrocarbons: [http://www.cbh.org.bo](http://www.cbh.org.bo)
Mining

Overview

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<thead>
<tr>
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<th>2012</th>
<th>2013</th>
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Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources: Bolivian Bureau of Statistics (INE)

Total Local Production: 503,60 Fine Metric Tons

Mining remains one of Bolivia’s most important economic activities. Despite more than 500 years of mining, estimates suggest that only 10% of Bolivia’s mineral resources have been extracted. Principal metals and industrial minerals include gold, silver, zinc, lead, tin, copper, tungsten, sulfur, potassium, lithium, borax, and semi-precious stones. Mining accounts for approximately 16% of Bolivia’s exports at $1.9 billion in 2013. There is one large U.S. firm working at a major silver mine.

Bolivia began opening the mining industry to private investment in the 1980s. Lands previously held by the state-owned Bolivian Mining Corporation (Corporación Minera de Bolivia, COMIBOL) are open to joint venture or leasing contracts. The constitution states that all mines should operate as joint ventures with COMIBOL, but legislation has not yet been approved to make this effective.

Thus far in the Morales administration there have been a number of nationalizations of mines and smelter plants. The government is currently running four mines and two smelter plants.

After three years of negotiation between the Government and mining companies, punctuated by several weeks of violent confrontations in April 2014, president Morales signed the new Mining bill on May 28, 2014. The conflicts started because the final draft of the law prohibited contracts between cooperatives and private companies (either Bolivian or international). The cooperative miners were concerned that they would not have access to sufficient capital or technology without the support of private companies. After a month of negotiations with the Bolivian government, the miners finally accepted this prohibition. The law establishes that there will be no more mining concessions, only contracts will be signed between private companies and COMIBOL (the Government
mining company). It appears that current companies will need to switch to this new type of contract although the process for migration has not been clarified. The law does not discuss important issues such as taxes, water use, or consultation with indigenous communities. These themes will be dealt with in separate additional laws.

### Sub-Sector Best Prospects

The best sales prospects involve machinery and equipment and other technologies for medium-sized open pit mines and small- and medium-sized alluvial gold mining operations.

For medium-sized open pit operations, the best prospects include drills, crushers, pulverizing machines, conveyors, compressors, front-loaders, bulldozers, 15- to 30-ton heavy-duty trucks, gravimetric or flotation concentrators, and pumps.

In the small-scale sector, the best prospects include small jack-leg drills, front-loaders, crushers, concentration tables, flotation concentrators, hand tools, and explosives.

### Opportunities

It is estimated that Bolivia has half of the world’s lithium deposits. Bolivia is looking to capitalize on its large in-ground lithium supply by producing lithium-ion batteries (LIB) by 2018. The GOB’s goals include making lithium carbonate on a commercial scale in the near future, and possibly an electric car factory after. In December 2009, the state-owned Empresa de Recursos Evaporiticos (under COMIBOL), responsible for lithium extraction and refining, announced that during 2014 tenders will be posted for the provision of supplies, machinery, and inputs.

In 2012, the Indian company Jindal and the government of Bolivia terminated a contract for the production of iron at the Mutun mine. After an array of controversies regarding the amount that Jindal should have invested in the 4 years previous to the termination (about $2.1 billion), the Bolivian government terminated the contract and now continues with the project on its own. It is expected that the state-owned Mutun Steel Company will generate a high demand for specialized machinery for the extraction and future industrialization of the iron.

### Web Resources

State-owned enterprise:  [http://www.comibol.gob.bo](http://www.comibol.gob.bo)
Ministry of Mining:  [http://www.mineria.gob.bo](http://www.mineria.gob.bo)
Electricity

Overview

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(*): Bolivia neither imports nor exports electricity. However it imports a lot of machinery related to the generation of electricity and transmission lines. Unfortunately, there is no information at this level.

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources: Bolivian Bureau of Statistics (INE)

Total Local Production: 7,347,750 MWh

In 2010, the GOB began re-nationalization negotiations with electric companies that were privatized in the 1990s. In 2010, Bolivia nationalized the three biggest generation companies, Corani (French), Guarachi (U.K.), and Valle Hermoso (Bolivian Generating Group – Bolivian). These nationalizations represent about 80% of total generation capacity. A distribution company was also nationalized. All of these companies were put into the hands of ENDE (the National Electricity Company).

During 2012, the electricity transport company (TDE), which has a near 80% share in the transport of electricity in Bolivia, was nationalized. Additionally, at the end of 2012 two distribution companies were nationalized. These two distribution companies, along with an additional company that was nationalized in 2010, account for 51% of the distribution market.

Bolivia has developed long-term plans to increase electrical production in support of major industrialization plans, and to eventually export electricity in the long run, but implementation has been slow. The plans call for $5.7 billion in investments in the sector over the next ten years.

However, in 2010, due to continued delays and in order to minimize the risk of sustained rationing, the Bolivian government implemented a $175 million emergency plan to construct five small generation facilities, with a projected total capacity of 160MW. All generators were bought from American companies.

Sub-Sector Best Prospects

Return to top
Best prospects in the industry are power generating turbines, both hydro and thermoelectric, machinery, and supplies related to transmission lines.

**Opportunities**

The increasing demand for electricity, which has been growing over 7% for the last three years, will require investment in generation capacity. The Bolivian government is trying to focus more on hydroelectricity, and is planning to publish tenders for new hydroelectric plants.

Forthcoming projects include the Rositas hydroelectric plant, which recently underwent a feasibility study, completed by the Chinese company Hydro China Corporation. With a capacity of 600MW and estimated cost of nearly $1billion, the plant is expected to be operational in 8 years.

The San José hydroelectric plant is expected to be operational in 2020, with a potential capacity of 120MW. The engineering designs and feasibility studies will be put out to tender in 2014. Estimated cost for this project is $80 million.

Miguillas hydroelectric plant is also expected to be operational by 2020, with a capacity of 167MW, the investment for this project is estimated at $270 million. The engineering designs and feasibility studies will be put out to tender in 2015.

ENDE has announced that it is going to carry out additional transmission line projects and tenders for the provision of machines and supplies are expected in the near future.

Any delay in implementation of the identified projects will require additional thermal units installed as part of a new emergency plan, which will lead to tenders for these units.

**Web Resources**

National Electric Company ENDE: [http://www.ende.bo](http://www.ende.bo)
Electricity regulator: [http://www.ae.gob.bo](http://www.ae.gob.bo)
National Committee for the Dispatch of Cargo: [http://www.cndc.bo](http://www.cndc.bo)
Chapter 5: Trade Regulations, Customs, and Standards

- Import Tariffs
- Trade Barriers
- Import Requirements and Documentation
- U.S. Export Controls
- Temporary Entry
- Labeling and Marking Requirements
- Prohibited and Restricted Imports
- Customs Regulations and Contact Information
- Standards
- Trade Agreements
- Web Resources

Import Tariffs

Supreme Decree 29349 of November 2007 established tariff rate categories of 0 percent, 5 percent, 10 percent, 15 percent and 20 percent, to be applied to imports of goods into Bolivia. Supreme Decree 125 of November 2007 creates a 35 percent tariff. Supreme Decree 1272 of June 2012 amended both previous decrees to permit the imposition of tariffs of 30 percent and 40 percent to goods imported into Bolivia which compete against sensitive local products, including textiles and leather products. Bolivia’s simple average applied tariff is 11.2 percent.

Bolivia is a member of the Andean Community regional trade group. The other members of the Andean Community are Colombia, Ecuador, and Peru. In Bolivia, Andean Community countries receive 100% exemption on import taxes. MERCOSUR, Cuba, and Mexico also receive 100% exemption. Chile receives 100% exemption on 90% of products.

In February 2008, Bolivia established by decree a zero percent import tariff for live bovine animals, fresh bovine meat, fresh, frozen and refrigerated chicken meat, wheat and wheat flour, corn, rice, and vegetable oil. The decree also prohibits the export of these products, with the exception of vegetable oils and oilseeds. The decree has been modified several times to establish export quotas and certificates in order to ensure adequate domestic supply and control domestic prices for specific commodities.

The export of certain edible products, including sugar, vegetable oils, soy, and sunflower flour requires export licenses. Sometimes the Bolivian government completely bans exports of staples such as wheat in order to ensure an adequate supply of these staples to local markets. To complement the “Productive Revolution Law,” on August 2, 2011, the Bolivian government temporarily (until 2016) suspended import duties on products typically used for purposes of agricultural production (Supreme Decree 943). These
products include seeds, salt for cattle feeding, animal vaccines, animal drugs, and machinery that might be used for agricultural purposes.

**Trade Barriers**

The Bolivian government generally does not apply specific restrictions, such as permits or import licenses, to trade in industrial and commercial goods. However, since December 2008, Supreme Decree 28963 has gradually reduced the age of vehicles that may be imported. Since January 2011, the maximum age of cars permitted for import is three years old. Additionally, Bolivia has prohibited the importation of diesel vehicles with engine displacement smaller than 4,000 cubic centimeters, all vehicles that use liquefied petroleum gas, and cars with right side steering. The import prohibition on cars with right side steering has led to increased demand for U.S. vehicles.

Since October 2008, the importation of guns and ammunition for civilian use (Supreme Decree 29747) has been prohibited. Bolivia banned all used clothing imports in April 2007.

**Agricultural Products**

In February 2008, Bolivia established a 0% import tariff for live bovine animals, fresh bovine meat, fresh, frozen and refrigerated chicken meat, wheat and wheat flour, corn, rice, and vegetable oil. The decree prohibits the export of all above-mentioned products, excluding vegetable oils and oilseeds. The relevant decree has been modified several times, resulting in the establishment of quotas and certificates that ensure internal supply and control prices.

In May 2009, the Andean Community of Nations (Comunidad Andiana de Naciones, CAN), of which Bolivia is a member, published a proposed regulation with the requirement that only live animals under 24 months of age would be allowed to be imported. CAN's Administrative Resolution 1314 enacted in 2010, allows signatory countries to determine their own restrictions regarding imports of cattle from the U.S.

**Used Clothing**

In January 2004, the Government of Bolivia banned the importation of certain types of used clothing, including old or damaged apparel articles; used bedding and intimate apparel; old shoes; and certain damaged textile articles, including rags, cords, string, and rope. In June 2006, a new ruling renewed these prohibitions and banned all used clothing imports after April 20, 2007.

**Used Cars**

Since December 2008, Supreme Decree 28963 has gradually reduced the age of vehicles that may be imported. Since January 2011, the maximum age of cars permitted for import is three years old.
**Guns and Ammunition**

On September 18, 2013 GOB passed a new law pertaining to the control of firearms, munitions, explosives, or other related materials. The objective of the law is to establish norms, regulations, and control over the fabrication, import, export, and commercialization.

Article 13 of the law gives the Ministry of Government Administration the responsibility of authorization, registration, financial oversight, import, export, commerce, transfer of ownership, donation, transport, transit, final destination, storage, armories, possession, manipulation, packaging, employment, or other activities related with firearms, ammunition, explosives, explosive material, fireworks or pyrotechnics.

**Import Requirements and Documentation**

Imports must have the following documentation:

- Document description form (Form 135 / Bolivian Custom Office)
- Invoice (unless a commercial sample under $25 in value)
- Ocean bill of lading, inland bill of lading, Through bill of lading, air waybill, (when applicable)
- Proof of insurance
- Certificate of pre-shipment inspection (when applicable)
- Port expenditures (when applicable)
- Transportation invoice
- Packing list
- Certificate of origin (when applicable)
- Other certificates (as needed)

Air cargo shipments require airway bills instead of bills of lading. Exporters should follow IATA or ICAO rules governing labeling and packaging of dangerous and restricted goods and check with air carriers for further information and appropriate forms. Authorized customs brokers must intervene for parcel post shipments valued at over $1000 (D.S. 708). Individuals may receive parcel post shipments of lesser values by filling out a customs form at a Bolivian post office. Goods imported from the Andean Community (Bolivia, Colombia, Peru, and Ecuador) must have certificates of origin to qualify for tariff preferences.

The following additional requirements apply to specific products:

**Cotton Fiber**
In September 2009, the government of Bolivia removed a previous fumigation requirement for cotton fiber (not carded or combed) imported from the United States (Resolution 162). The current requirements are that importers must register with the National Service for Agricultural Health and Food Safety (Servicio Nacional de Sanidad Agropecuaria e Inocuidad or SENASAG) and receive a Phytosanitary Import Permit from the U.S. Phytosanitary Protection Organization that shows that the shipment is free of Anthonomus Grandis Boheman 1843 (boll weevil). In addition, packaging must be new and include required labels and seals.

**Insecticides**

Insecticide imports must have sanitary certificates issued by the National Institute of Occupational Health, along with sale permit certificates from the Vice Ministry of Rural Development, Agriculture, and Livestock; and the National Service for Food Safety and Security (Servicio Nacional de Seguridad Alimentaria y Agropecuaria - SENASAG) Pest and Fertilizer Division.

**Tobacco and Tobacco Products**

Imports of tobacco and tobacco products must have import licenses issued by SENASAG and the Ministry of Health.

**Livestock**

Bolivia's national animal and plant health agency continues to ban U.S. live cattle, beef, and beef products based on Bovine Spongiform Encephalopathy (BSE) restrictions that are inconsistent with the May 2007 World Organization for Animal Health (Organisation Mondiale de la Santé Animal or OIE) classification of the United States as a "controlled risk" country for BSE. OIE standards specify that trade in live cattle, and in beef and beef products of a "controlled risk" country, should be permitted provided the appropriate specified risk materials are removed from the beef. U.S. officials continue to engage Bolivia’s authorities in pursuit of science-based import requirements for cattle products. Bolivia, along with Ecuador, Peru, Colombia and a representative from the Andean Community (CAN), participated in an August 2008 trip organized by USDA to evaluate the U.S. live cattle system in hopes of improving access for U.S. live cattle to these nations. In May 2009, the CAN published a proposed regulation with the requirement that only live animals under 24 months of age would be allowed to be imported. USDA's Animal and Plant Health Inspection Service (APHIS) submitted technical comments on the draft in July 2009. Several other countries have also requested that CAN open the market, but these proposals remain under discussion and review. CAN's Administrative Resolution 1314 of 2010 allows signatory countries to determine their own restrictions regarding imports of cattle from the United States.

**Seeds (Treated and Non-Treated) and Plants**
All products of vegetable origin must have SENASAG certificates in addition to phytosanitary certificates issued by agricultural authorities in the country of origin and certified by a Bolivian consulate. Importers must inform Bolivian customs authorities of the arrival of seeds at least one week in advance and arrange for storage in an adequate warehouse prior to inspection. All seeds must comply with the quality and phytosanitary requirements of SENASAG and the National Seed Program.

**Pharmaceuticals**

All pharmaceutical products, including generic, brand name, and over-the-counter, must have sanitary registrations as established by the Pharmaceutical Law (Law 1737) and related regulations. Products must be registered with the Ministry of Health and Sports and approved by the ministry’s National Pharmacology Directorate (Unidad de Medicamentos y Acreditación de Laboratorios, or UNIMED). UNIMED grants sale permits to products approved by the U.S Food and Drug Administration.

UNIMED requires a detailed description (monografía farmacológica, or monograph, as defined by the U.S. Food and Drug Administration) of each new product, with the exception of essential pharmaceutical products. The monograph must include the quantitative formula (specifying active ingredients), the pharmaceutical formula, the recommended dosage, expected product benefits, and possible side effects. Three samples of the product must also be provided to the National Laboratory (Instituto Nacional de Laboratorios de Salud or INLASA) so that specialists can verify content. UNIMED requires that products comply with World Health Organization (WHO) and Pan-American Health Organization guidelines. For imported products, UNIMED requires a certificate issued by the relevant authorities of the country of origin in the WHO format for the certification of pharmaceutical products subjected to international trade.

UNIMED takes an average of six to twelve months to review new products and one month to review essential products. Its full address is as follows:

Ministerio de Salud y Deportes  
Dirección Nacional de Medicamentos  
Capitán Ravelo No. 2199  
La Paz, Bolivia  
Phone/Fax: 591-2-244-0122  
http://www.sns.gob.bo

The regulation of the Pharmaceutical Law (Supreme Decree 25235) provides specific details about drugs registration process in Bolivia  
http://apps.who.int/medicinedocs/documents/s18833es/s18833es.pdf

If pharmaceutical products contain drugs covered by the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, importers must obtain special import permits from the Ministry of Health and Sports.
To import, manufacture, or distribute pharmaceuticals, companies must register with the Ministry of Health and Sports, a process that requires between ten and 30 days. Imported products may be sold through established agents or distributors, or through subsidiaries. Given their direct access to UNIMED, it may be easier to market products through agents or representatives. If the latter register pharmaceutical imports, they must have exclusive rights to import and be qualified to act as legal representatives. Pharmaceutical brand names must also be registered with the National Intellectual Property Service (SENAPI) at the following address:

Servicio Nacional de Propiedad Intelectual (SENAPI)
Av. Arce, esquina Gozalvez No. 228
La Paz, Bolivia
Phone/Fax: 591-2-211-5700
E-mail: http://www.senapi.gob.bo

U.S. firms should note that Bolivia does not have a law prohibiting brand infringement or other forms of copycat registration of pharmaceutical products. Firms may experience difficulties protecting their intellectual property rights and should not expect chemical information to remain confidential (see additional information on intellectual property protection in the section on "Protection of Property Rights”).

**Fishery Products**

Imports of perishable items, such as seafood products, must have sanitary health certificates and comply with product specification, labeling, and marking standards. Sanitary regulations are available through SENASAG.

**Food Products**

Food imports must have sanitary certificates issued by the appropriate authorities in the exporting country, e.g., from the U.S. Department of Agriculture (USDA) for goods exported from the United States. Foodstuffs may be subject to analysis by an official entity in Bolivia, and most food and beverage labels must be registered with the SENASAG office in Bolivia. Exporters to Bolivia are encouraged to check with local importers regarding relevant policies prior to shipment.

**U.S. Export Controls**

Most exports do not require specific approval in the form of licenses from the U.S. Government. In fact, a relatively small percentage of all U.S. export transactions require licenses from the U.S. government. It is up to the exporter to determine whether the product requires a license and to research the end use of the product, in other words, to perform “due diligence” regarding the transaction.

Exports of defense equipment, materials, technologies (e.g. certain high performance computers, precision industrial machinery, latest generation night vision equipment,
polygraphs, etc.), and some chemicals (e.g. sodium cyanide) must comply with the provisions of the U.S. Arms Export Control Act.

U.S. exporters should verify applicable export controls by reviewing information from the U.S. Department of Commerce, U.S. Department of State and other U.S government agencies. For more information please see: http://export.gov/regulation/eg_main_018219.asp

For information on export license application procedures, please contact the Bureau of Industry and Security via: http://www.bis.doc.gov

Temporary Entry

Established companies can be incorporated into the Temporary Importation for Export Regime (RITEX), which allows the duty-free importation of raw materials and intermediate goods for use in manufacturing products for export. Companies wishing to participate must have the following:

- Registration with the National Commerce Registration Service (Servicio Nacional de Registro de Comercio, SENAREC)
- Taxpayer Identification Number (Numero de Identificación Tributaria, NIT)
- Exporter Identification Number (Registro Único de Exportadores, RUE)
- Power of attorney that specifies the name of the legal representative of the company
- Productive Process Diagram
- Fiscal solvency certificate issued by the General Controller of the Republic
- Technical coefficients specifications
- Warehouses and/or processing units locations

Labeling and Marking Requirements

Supreme Decree 26510 (issued in 2003) established food product labeling requirements. Products normally retain their original labels, but they must have complementary labeling showing the importer or distributor’s name and address, taxpayer identification number (NIT), country of origin sanitary registration number, and a translation of ingredients.

Prohibited and Restricted Imports

Any entrance through customs of the following merchandise into national territory is prohibited (Supreme Decree 572):

a) Harmful merchandise that may damage the environment, human health or life, or damage the preservation of animal or plant life.
- Decomposing or contaminated edible products.
- Animals or vegetables affected by illness or plague.
- Waste from radioactive substances or other residuals, or other dangerous waste.
- Ozone damaging substances.

b) Edible food items and agricultural products (including pesticides and veterinary medicines) that have not been registered previously with the National Service of Agricultural and Nutritional Sanitation.

c) Pharmaceutical products and formulas that have not been registered previously with the Ministry of Health and Sports.

d) Merchandise that threatens the security of the Bolivian State and/or the financial-economic system (e.g. foreign lottery tickets; arms, munitions, and explosives; used clothing and accessories, including shoes and other products considered unhygienic). Exceptions to this prohibition are the items that are authorized for importation by the express permission of the relevant authority.

e) Vehicles, and parts and accessories for vehicles, whether used or new, which other regulations prohibit from importation.

**Previous Authorizations**

Previous authorizations are the legal requirements for the completion of importation paperwork. The previous authorization (for import) should be issued by the relevant authority within ten working days after the date of receipt of application.

a) The previous authorization should be obtained prior to the shipment of the merchandise from the country of origin or shipment.

b) The previous authorization should be valid at the moment of the product’s entrance into national territory.

c) The previous authorization (granted by the relevant national entity and that corresponds to the Authorization granted in the country of origin) constitutes the supporting document for the customs process.

d) The entrance of merchandise that does not comply with the requirements will merit confiscation and other legal sanctions that apply.

e) It is necessary to check the following website to see if the product requires authorization: [http://www.aduana.gob.bo/aduana7/arancel2014v](http://www.aduana.gob.bo/aduana7/arancel2014v)

**Certification for Customs Dispatch**

a) A "Certification for Customs Process" form should be obtained prior to the presentation of the Declaration of Merchandise, including prior completion of the requirements established by each relevant entity and submission to the officially designated entities.

b) The Certification should be valid when the Declaration of Merchandise is processed.
Bolivian import charges, including domestic taxes (most of which are creditable to the Bolivia Tax Authority) and private fees, range from 30 to 45%, making effective costs considerably higher than the stated zero to 20% tariffs.

Landed costs generally include the following:

- Cost, Insurance, and Freight (CIF) value at the border.
- Currently the import tariffs are 0%, 5%, 10%, 20%, 30%, 35% and 40% (the 30%, 35% and 40% are only for textiles as delineated in the Bolivian tariff schedule, called the NANDINA in Latin America).
- Warehouse fees: customs warehouses are privately owned. Rates vary according to volume.
- Internal Revenue Service fees: the value-added tax is 13.3%. Added customs fees bring the effective rate to 14.94%, which is charged on an accumulated base.
- Specific Consumption Tax (ICE): the ICE is levied on luxury goods like automobiles, perfumes, cosmetics, liquors, cigarettes, and beer.
- Customs broker fees: the following customs broker fees are applied to CIF for land shipments and to CIF airport value for air cargo:

<table>
<thead>
<tr>
<th>From (USD)</th>
<th>To (USD)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1</td>
<td>$10,000</td>
<td>2.00%</td>
</tr>
<tr>
<td>$10,001</td>
<td>$20,000</td>
<td>1.50%</td>
</tr>
<tr>
<td>$20,001</td>
<td>$30,000</td>
<td>1.25%</td>
</tr>
<tr>
<td>$30,001</td>
<td>$50,000</td>
<td>1.00%</td>
</tr>
<tr>
<td>$50,001</td>
<td>$100,000</td>
<td>0.75%</td>
</tr>
<tr>
<td>$100,001</td>
<td>and above</td>
<td>0.50%</td>
</tr>
</tbody>
</table>

- The value added tax (VAT) paid by the importer reduces the importer’s tax liability when goods are resold, ultimately reducing actual costs.

**Entry and Warehousing**

Bolivia benefits from free transit arrangements with Argentine, Brazilian, Chilean, Paraguayan, and Peruvian ports. The Chilean ports of Arica and Iquique are generally considered the best port of entry in terms of cost and logistics.

Bolivian customs officials maintain warehouses in each port and allow storage of incoming goods for up to 90 days, with fees levied at 0.5% of CIF for each 30-day period or fraction thereof. Once clearing documents are signed, goods must be removed from storage within eight days to avoid an additional charge of 2% of CIF.

Imported, stored merchandise may be considered abandoned by explicit request or by failure to claim the goods within the required 90 days. By law, such goods are subject to...
public auction; proceeds (after expenses) go to the interested party (the original owner of the merchandise). However, if the products are perishable, the law is to incinerate them.

If importers wish to remove their merchandise from a customs warehouse after the 90-day period but before the auction takes place, they must pay a 5% charge over the customs tariff plus 2% of CIF.

For additional information, interested parties may contact the following:

Aduana Nacional
Calle Av. 20 de Octubre No. 2038
Phone: 591-2-2152901 or 215-2904
Fax: 591-2-215-2904
Web: http://www.aduana.gob.bo

Technical regulations are developed in Bolivia by the agencies with the specific expertise required for each area. Supreme Decree No. 24,226 of February 8, 1996 ratified the contents of Decision 376 of the Cartagena Agreement Commission, which instituted the "Andean Standardization, Accreditation, Testing, Certification, Technical Regulations and Metrology System."

Decree No. 24,498 of February 17, 1997 created the Bolivian System of Standards, Metrology, Accreditation and Certification (NMAC System), in order to establish operational guidelines for the activities of standardization, metrology, accreditation, testing, certification and all aspects related to quality of products, processes, and services.

Manufacturers or importers and service providers must demonstrate compliance with relevant technical regulations prior to marketing the good or service. This can be done with the certificate of conformity issued by an accreditation body certified by the NMAC System. The manufacturer or importer must submit these certificates to the purchaser or distributor.
In terms of technical standards, four institutions are responsible for the approval of technical standards, metrology and accreditation: the National Quality Council, the Bolivian Institute of Standardization and Quality (*Instituto Boliviano de Normas y Calidad, IBNORCA*), the Bolivian Institute of Metrology (*Instituto Boliviano de Metrología, IBMETRO*), and the Bolivian Accreditation Direction (*Dirección Boliviana de Acreditación, DTA*).

The National Certification and Standardization Organization, IBNORCA, is responsible for developing and performing technical standardization and the certification of products and quality systems. It is a private, non-profit organization established in 1997. IBNORCA, as the national body for standardization, represents Bolivia in all relevant international organizations. It is a correspondent member of International Organization for Standardization (ISO) (correspondent members do not take an active part in the technical and policy development work, but are entitled to be kept fully informed about the work of interest to them), a member of the International Electrotechnical Commission (IEC), a member of the Pan-American Standards Commission (COPANT), and of the Mercosur Committee for Standardization (CMN). It is also a member of the Andean Committee for Standardization of the Andean Group (CAN), and abides by its decisions.

### Standards Organizations

The following is a list of the IBNORCA’s committees working with standards issues:

- Food Products
- Energy
- Packing and Packaging
- Health and Security
- Environment
- Oil, Gas, and Derivatives
- Textiles and Leather
- Forestry
- Construction
- Electricity and Electronics
- Mining
- Mechanical
- Services
- Information Technology
- Transportation
- Agriculture
- Domestic and commercial equipment

**National Institute of Standards and Technology Notify U.S. Service**
Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. Notify U.S. is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at: http://www.nist.gov/notifyus/

Conformity Assessment

The Bolivian Metrological Institute (IBMETRO) is responsible for the custody and maintenance of national measurement standards, traceability of them to the International System of Units (SI), and the dissemination of accurate patterns through their services (traceability is used to refer to the unbroken chain of comparisons between an instrument’s measurements and a known standard). In addition to these functions, the IBMETRO is responsible for:

- representing Bolivia at international outreach activities;
- improving the technical competence and capabilities of institutions involved in conformity assessment implementation;
- government policies to support scientific and technological development;
- developing and strengthening a national system of metrology, in line with international practices.

IBMETRO headquarters is in the city of La Paz where their reference laboratories are located. The reference laboratories are where metrology and calibration proceedings are carried out, and where the prototype meter, kilogram, and other standards are stored. IBMETRO has two regional offices, one in the city of Santa Cruz, and one in the city of Cochabamba. Regional offices are in charge of providing services in the area of legal metrology to the public.

Product Certification

Products coming from the United States will not have problems if suppliers receive in advance all information regarding the products' composition and components. The National Certification and Standardization Organization (NMAC) works according to a regulatory framework similar to that of the United States.

Under the NMAC system, products or services, which fall under a specific technical regulation, must meet its standards, whether they are produced in Bolivia or are imported. In the absence of national technical regulations, the products or services must comply with the technical rules of the country of origin.

Accreditation

The Technical Directorate for Accreditation (Dirección Técnica de Acreditación, DTA) of IBMETRO was created by Supreme Decree No. 28243 of July 15, 2005 and assumes
all duties and responsibilities of the former National Accreditation Organism (OBA). Supreme Decree No. 26095 of March 2, 2001 regulates DTAs operations. They can be contacted at 591-2-2372046.

The DTA is a public body under the Ministry of Productive Development and Plural Economy, and is responsible for managing accreditation of conformity assessments throughout the country.

The National Institute of Health Laboratories (Instituto Nacional de Laboratorios de Salud - INLASA) in La Paz coordinates the quality assessment program for the Bolivian laboratory service network. INLASA also standardizes technical procedures for laboratory diagnosis during the preparation of biological products (vaccines, PPD, etc.).

Publication of Technical Regulations

The Bolivian Institute of Normalization and Quality (Instituto Boliviano de Normalización y Calidad- IBNORCA) is the office responsible for publishing voluntary standards and notifying private and public organizations of those standards. Mandatory standards are issued by supreme decrees and are published in the official GOB gazette (http://gaceta.presidencia.gob.bo).

Labeling and Marking

Supreme Decree No. 26,510 of February 2002 sets labeling requirements for prepackaged foods. Among other data, labels must contain the identification number of the importer or distributor (Numero de Identidad Tributaria, NIT), sanitary registration number, and the Spanish translation of the ingredients in the product. In general, the products retain their original labels, but must have additional labeling as required.

There are more specific regulations regarding the required components of labeling and packaging, the most important of which are:

- **Food products**: Emergency Rule No.1/78. Ministry of Industry, Trade and Tourism, Supreme Decree No. 26510 of 21/02/02.

- **Products packaged and unpackaged**: Emergency Rule No.2/78. Ministry of Industry, Trade and Tourism.

- **Wines, wine alcohol and other end products of wine production, for example: pomace, grape seeds, lees, etc.**: Supreme Decree 24777 of 30/07/97, Decree No. 25569 of 15/11/99.

- **Cigarette packs, packages, and crates; boxes of cigars (cigars); and snuff pipe bags**: Supreme Decree No. 27053 of 26/V/03.
Servicio Nacional de Seguridad Alimentaria y Agropecuaria - SENASAG  
National Service for Food Safety and Security  
Av. Busch entre Hans Kundt y Honduras #430  
La Paz  
Phone: 591-2-222-9935  
http://www.senasag.gob.bo

Unidad de Medicamentos y Acreditación de Laboratorios - UNIMED  
National Pharmacology Directorate  
Plaza del Estudiante, esquina Cañada Strongest  
La Paz  
Phone: 591-2-249-0554  
http://unimed.sns.gob.bo/reg-far/13_presentacion.htm

Instituto Nacional de Laboratorios de Salud - INLASA  
The National Institute of Health Laboratories  
Pasaje Zubieta No. 1889  
Miraflores  
La Paz  
Phone: 591-2-222-6670

Instituto Boliviano de Normalización y Calidad – IBNORCA  
The National Certification and Standardization Organization  
Calle 7 de Obrajes No. 545  
Casi Esquina 14 de Septiembre  
La Paz  
Phone: 591-2-2783628  
591-2-2788368  
e-mail: info@ibnorca.org  
http://www.ibnorca.org

Servicio Nacional de Propiedad Intelectual  
Calle Potosí esq. Colón  
Edif. Atalaya, P. 3  
(frente al Edif. Tobias)  
La Paz  
Bolivia Phone/Fax: 591-2- 211-5700  
senapi@ceibo.entelnet.bo  
http://www.senapi.gob.bo

Animal and Plant Health Inspection Service (APHIS)  
U.S. Department of Agriculture  
4700 River Road  
River Dale, MD 20737  
Phone: (301) 734-8073 (Emergency Services)  
Phone: (301) 734-8097 (Veterinary Services)  
Phone: (301) 734-8447 (Plant Inspection)
Bolivia’s accession to the General Agreement on Tariffs and Trade (GATT) was ratified in September 1990, with ratification of Bolivia’s membership in the World Trade Organization (WTO) following in 1995.

Bolivia is a member of the CAN with Colombia, Ecuador, and Peru. The CAN agreement has significantly reduced most internal trade barriers between these countries.

Along with Chile, Colombia, Ecuador, and Peru, Bolivia is also an associate member of the Common Market of the South (Mercado Común del Sur or MERCOSUR) group, Bolivian government subscribed in December 2012 to the Mercosur incorporation protocol, which makes it the sixth member of the regional group. The full membership will take place once the legislative bodies of the other full members ratify the protocol.

The full members include Argentina, Brazil, Paraguay, Venezuela, and Uruguay. MERCOSUR has virtually eliminated tariff and non-tariff barriers on most intra-regional trade between members with the implementation of a Common External Tariff (CET) system. Associate members enjoy tariff reductions, but are not subject to the CET system.

Since 1993, Bolivia has had a "complementary agreement" with Chile (Acuerdo de Complementación Económica, commonly referred to as ACE 22). Since 2010, Bolivia has also had a complimentary agreement with Mexico (Acuerdo de Complementación Económica or ACE 66). These agreements eliminate or reduce tariffs on explicit lists of products.
Bolivia is also a member of the April 2006 "Peoples’ Trade Agreement" (Alternativa Bolivariana para los pueblos de América or ALBA). Through the agreement, member countries give each other preferential treatment in specific sectors. In reality, little trade has actually been transacted under this agreement, in part because of bureaucratic obstacles.

Bolivia is no longer an Andean Trade Promotion Act/Andean Trade Promotion and Drug Eradication Act (ATPA/ATPDEA) beneficiary. As of September 2008, Bolivia was removed from this program due to its failure to meet international counter–narcotics obligations. This has decreased investor interest in trade with Bolivia in ATPDEA-dependent industries such as textiles and apparel.

The European Union, Japan, Switzerland, Russia, Canada, Australia, New Zealand, Norway, and the United States allow many Bolivian exports to enter duty-free or at reduced duty rates under the Generalized System of Preferences (GSP).

Web Resources

Servicio Nacional de Seguridad Alimentaria y Agropecuaria - SENASAG
http://www.senasag.gob.bo

Instituto Boliviano de Normalización y Calidad – IBNORCA
The National Certification and Standardization Organization
http://www.ibnorca.org

Servicio Nacional de Propiedad Intelectual
http://www.senapi.gob.bo

RITEX Legislation
http://www.camexbolivia.com/CAMEX_LEGISLATIVA/2_ritex/DS_N25706_REGLAMENTO_RITEX.pdf

Animal and Plant Health Inspection Service (APHIS)
http://www.aphis.usda.gov

Technical Office for International Trade
U.S. Department of Agriculture
http://www.usda.gov

Aduana Nacional
http://www.aduana.gob.bo

General System of Preferences:
Asociación Latinoamericana de Integración (ALADI): http://www.aladi.org

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Openness to Foreign Investment

Bolivia remains generally open to foreign direct investment. The new investment law guarantees equal treatment for national and foreign firms, however it also stipulates that public investment has priority over private (both national and foreign) and that the public sector will define in which sector private investment is required.

U.S. companies interested in investing in Bolivia should note that Bolivia has abrogated the Bilateral Investment Treaties (BIT) it signed with the United States and a number of other countries. The Bolivian Government claimed the abrogation of the BIT was necessary to come into compliance with its new constitution. Companies that invested under the U.S. BIT will be covered until June 10, 2022, but investments made after June 10, 2012 are not covered.

An important change in the Constitution that directly affects possible foreign investments is that Bolivia no longer recognizes international arbitration forums (Article 320). In case of controversy, the parties cannot settle the dispute in an international court. However, the legal standard of implementation is still uncertain because there is no implementing law to accompany the Constitutional framework.
Article 320 of the Bolivian Constitution states the following regarding foreign investments in Bolivia:

Bolivian investment takes priority over foreign investment. Every foreign investment will be subject to Bolivian jurisdiction, laws, and authorities, and no one may invoke a situation for exception, nor appeal to diplomatic claims to obtain more favorable treatment.

Economic relations with foreign states or enterprises shall be conducted under conditions of independence, mutual respect and equity. More favorable conditions may not be granted to foreign states or enterprises than those established for Bolivians.

The state acts independently in all decisions on internal economic policy, and will not accept demands or conditions imposed on this policy by states, banks or Bolivian or foreign financial institutions, multilateral entities or transnational enterprises.

Public policies will promote internal consumption of products made in Bolivia.

Article 262 of the Constitution states the following regarding foreign investments near the border:

"The fifty kilometers from the borderline constitute the zone of border security. No foreign person, individual, or company may acquire property in this space, directly or indirectly, nor possess any property right in the waters, soil or subsoil, except in the case of state necessity declared by express law approved by two thirds of the Plurinational Legislative Assembly. The property or the possession affected in case of non-compliance with this prohibition will pass to the benefit of the state, without any indemnity."

Part of the stated purpose of the Bolivian judicial system is to uphold the sanctity of contracts. In practice, however, the judicial system faces a huge backlog of cases, is short staffed, and has problems with corruption. Swift resolution of cases, either initiated by investors or against them, is unlikely. Also, the Marcela Quiroga Anti-Corruption law of 2010 makes companies and their signatories criminally liable for breach of contract with the GOB, and can be applied retroactively. Authorities can use this threat of criminal prosecution to force settlement of disputes. Commercial disputes can often lead to criminal charges. Cases are processed slowly, and suspects can be held legally for 18 months without formal charge as a case is investigated and for 36 months before their case is resolved by a judge. Foreigners are more likely to be deemed a flight risk than Bolivian nationals and, as such, may not receive bail in lieu of pretrial incarceration. Foreigners considering investing in Bolivia would do well to review our Human Rights Report as background on the judicial system, labor rights and other important issues.

With the exception of the broadcasting sector, there is no requirement that Bolivian nationals own shares of companies, or that foreign equity be reduced over time. There are some areas where investors may judge that special treatment is being given to their Bolivian competitors, for example in key sectors where private companies compete with
state owned enterprises. Additionally, foreign investment is not allowed in matters relating directly to national security, and only the GOB can own natural resources.

The Constitution specifies that all hydrocarbon resources are the property of the Bolivian people and that the state will assume control over their exploration, exploitation, industrialization, transport, and marketing (Articles 348 and 351). The state-owned and operated company, Yacimientos Petrolíferos Fiscales Bolivianos (YPFB) manages hydrocarbons transport and sales and is responsible for ensuring that the domestic market demand is satisfied at prices set by the hydrocarbons regulator before allowing any hydrocarbon exports. YPFB benefitted from government action in 2006 that required operators to turn over all of their production to it and to sign new contracts that gave YPFB control over the distribution of gasoline, diesel, and liquid petroleum gas (LPG) to gas stations. The law allows YPFB to enter into joint venture contracts for limited periods with national or foreign individuals or companies wishing to exploit or trade hydrocarbons or their derivatives. For companies working in the industry, contracts are negotiated on a service contract basis and there are no restrictions on ownership percentages of the companies providing the services.

The Constitution (Article 366) also specifies that every foreign enterprise that conducts activities in the hydrocarbons production chain representing Bolivia will submit to the sovereignty of the state, and to the laws and authority of the state. No foreign court case or foreign jurisdiction will be recognized, and foreign investors may not invoke any exceptional situation for international arbitration, nor appeal to diplomatic claims.

According to the Constitution, no concessions or contracts may transfer the ownership of natural resources or other strategic industries to private interests. The GOB needs to renegotiate more than 10,500 commercial agreements related to forestry, mining, telecommunications, electricity, and water services in order to comply with these regulations. Since the new mining law and other sector laws that would outline the associated requirements have not yet been approved, the government issued Supreme Decree 726 in December 2010, which allows private companies temporary authorization to exploit natural resources under the old regulations until new laws are enacted.

The Telecommunications, Technology and Communications General Law (Law 164, Article 28) stipulates that the licenses for radio broadcasts will not be given to foreign persons or entities. Further, in the case of broadcasting associations, the share of foreign investors cannot exceed 25% of the total investment, except in those cases approved by the state or by international treaties.

Table 1

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<td><a href="http://cpi.transparency.org/cpi2013/results/">http://cpi.transparency.org/cpi2013/results/</a></td>
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<td><a href="http://www.heritage.org/index/ranking">http://www.heritage.org/index/ranking</a></td>
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</table>
The Millennium Challenge Corporation, a U.S. Government entity charged with delivering development grants to countries that have demonstrated a commitment to reform, produced scorecards for countries with a 2012 per capita gross national income (GNI) of $4,085 or less.

A list of countries/economies with MCC scorecards and links to those scorecards is available here: http://www.mcc.gov/pages/selection/scorecards.

Details on each of the MCC’s indicators and a guide to reading the scorecards are available here: http://www.mcc.gov/documents/reports/reference-2013001142401-fy14-guide-to-the-indicators.pdf.”

### Conversion and Transfer Policies

Currency is freely convertible at Bolivian banks and exchange houses. The official exchange system is described as an “incomplete crawling peg." Under this system, the exchange rate is fixed, but undergoes micro-readjustments which are not pre-announced to the public. There is a spread of ten basis points between the exchange rate for buying and selling US dollars. The Peso Boliviano (Bs) has remained fixed at 6.96 Bs/$1 for selling and 6.86 Bs/$1 for buying since October 2011. The parallel rate closely tracks the official rate, suggesting the market finds the Central Bank’s policy acceptable. In order to avoid distortions in the exchange rate market, the Central Bank requires all currency exchange to occur at the official rate ±1 basis point.

The banking law (#1488, 1993) establishes regulations for foreign currency hedging and authorizes banks to maintain accounts in foreign currencies. A significant, but dropping, percentage of deposits are denominated in U.S. dollars (currently less than 30% of total deposits). Bolivian law currently allows repatriation of profits, with a 12.5% withholding tax. However, a provision of the 2009 Constitution (Article 351.2) requires reinvestment within Bolivia of private profits from natural resources. Until specific implementing legislation is passed, it is unclear how this provision will be applied. In addition, all bank transfers in U.S. dollars within the financial system and leaving the country must pay a
Financial Transaction Tax (ITF) of .03%. This tax applies to foreign transactions for U.S. dollars leaving Bolivia, not to money transferred internally.

Any banking transaction above $10,000 in one operation or in total in three consecutive days requires a form stating the source of funds. In addition, any hard currency cash transfer from or to Bolivia equal to or greater than $10,000 must be registered with the customs office. Amounts between $50,000 and $500,000 require authorization by the Central Bank and quantities above $500,000 require authorization by the Ministry of the Economy and Public Finance. The fine for underreporting any cash transaction is equal to 30% of the difference between the declared amount and the quantity of money found. The reporting standard is international, but many private companies in Bolivia find the application cumbersome due to the requirement of the GOB for detailed transaction breakdowns rather than allowing for blanket transaction reporting.

Administrative Resolution 398/10 approved in June 2010 forces Bolivian banks to reduce their investments and/or assets outside the country to an amount that does not exceed 50% of the value of their net equity.

The Central Bank charges a fee for different kinds of international transactions related to banking and trade. The current list of fees and the details can be found at http://www.bcb.gob.bo/webdocs/2011/Normativa/Resoluciones/resolucion159.pdf

Of the less favorable laws for foreign investments, the Tax Reform (Law 843) is the one that directly affects the transfer of all money to foreign countries. All companies are charged 25% tax on profits under the Tax Reform Law, but when a company sends money abroad, the presumption of the Bolivian Tax Authority is that 50% of all money transmitted is profit. Under this presumption, the 25% tax is applied to half of all money transferred abroad, whether actual or only presumed profit. In practical terms it means there is a payment of 12.5% as a transfer tax.

**Expropriation and Compensation**

The Bolivian Constitution allows the government to expropriate property for the public good or when the property does not fulfill a “social purpose" (Article 57). In the case of land, this social purpose is understood as "sustainable land use to develop productive activities, according to its best use capacity, for the benefit of society, the collective interest and its owner.” In all other cases where this article has been applied, the Bolivian government has no official definition of collective interest and makes decisions on a case-by-case basis. Noncompliance with the social function of land, tax evasion, or the holding of large acreage is cause for reversion, at which point the land passes to "the Bolivian people" (Article 401). In cases where the expropriation of land is deemed the necessity of the state or for the public good, such as when building road or laying electricity lines, payment of just indemnification is required, and the GOB has paid for the land taken in such cases. However, in cases where there is non-compliance, or accusations of such, the GOB is not required to pay for the land because the land title reverts to the state.
The Constitution also gives workers the right to reactivate and reorganize companies in the process of bankruptcy, insolvency, or liquidation, or those closed in an unjust manner, into employee-owned cooperatives (Article 54). The mining code of 1997 (last updated in 2007) and hydrocarbons law of 2005 both outline procedures for expropriating land to develop underlying concessions.

The Bolivian government has signaled its intent to nationalize all companies that were previously privatized in the 1990s under the process of capitalization. In this process, state-owned companies were privatized up to a 50% interest (the state controlled the other 50% interest). Thus far, the government nationalized all of hydrocarbons transport and sales (private and foreign state owned firms remain in production and services), a majority of the electricity sector, the biggest telecommunications company, a tin smelting plant, and a cement plant. To take control of these companies the government forced private entities to sell shares to the government, but often at below market prices. Some of the affected companies have cases pending with international arbitration bodies.

There are still some former state companies that are under private control, including the railroad, and some electricity transport and distribution companies. The first company not previously owned by the government was nationalized in December of 2012. The nationalization process has not discriminated by country; some of the countries affected were the United States, France, the UK, Spain, Argentina, and Chile, amongst others. In numerous cases the Government of Bolivia has nationalized private interests in order to appease social groups protesting within Bolivia. Although the 2014 investment law does not prohibit nationalization of companies, President Morales has signaled in the press that the new law will curb future nationalizations.

Dispute Settlement

Property and contractual rights are enforced in Bolivian courts, but the legal process is time consuming and may be subject to political influence and corruption. Although many of its provisions have been modified and supplanted by more specific legislation, Bolivia’s Commercial Code (Law 14379, 1977) continues to provide general guidance for commercial activities. Still, the Commercial Code is irregularly applied and may soon be irrelevant since a new code may be drafted during 2014 that could significantly change the business environment in Bolivia. The Constitution has precedence over international law and treaties (Article 410), and stipulates that the state will be directly involved in resolving conflicts between employers and employees (Article 50).

The status of international arbitration is unclear due to conflicting Bolivian law. Previous investment contracts between the government of Bolivia and the international companies granted the right to pursue international arbitration in all sectors and states that international agreements, such as the Convention on the Settlement of Investment Disputes between States and Nationals of Other States and the New York Convention of 1958 on the Recognition and Enforcement of Foreign Arbitral Awards, must be honored. It also mandates the recognition of foreign decisions and awards and establishes procedures for the Supreme Court’s execution of decisions. However, these rights
conflict with the new Constitution issued in 2009, which states (Article 366) that arbitration is not recognized in any case and cannot proceed under any diplomatic claim, and specifically limits foreign companies' access to international arbitration in the case of conflicts with the government. It also states that all bilateral investment treaties must be renegotiated to incorporate relevant provisions of the new Constitution. The Investment Law of 2014 states that arbitration provisions must be drafted within three months, as of this time they have not been completed.

In November 2007, Bolivia became the first country ever to withdraw from the International Center for the Settlement of Investment Disputes (ICSID). In August 2010, the Bolivian Minister of Legal Defense of the State said that the Bolivian government would not accept ICSID rulings in the cases brought against them by the Chilean company Quiborax and Italian company Euro Telecom. However, the government of Bolivia agreed to pay $100 million to Euro Telecom as the result of a negotiation due to the nationalization of the Italian company, and this agreement was ratified by Supreme Decree 692 on November 3, 2010. Additionally, a British company that owned the biggest electric generation plant in Bolivia (Guaracachi) won an arbitration case against Bolivia for 41 million dollars.

In another case, a Canadian mining company with significant U.S. interests failed to complete an investment required by its contract with the state-owned mining company. The foreign company asserts it could not complete the project because the state mining company did not deliver required property rights. The foreign company entered into national arbitration (their contract does not allow for international arbitration) and in January 2011 the parties announced a settlement of $750,000, which the company says will be used to pay taxes, employee benefits, and pending debts -- essentially leaving them without compensation for the $5 million investment they had made. They also retained responsibility for future liabilities.

Regarding bankruptcy, the average time to complete the procedures to close a business in Bolivia is 20 months. The Bolivian Commercial Code includes (Article 1654) three different categories of bankruptcy:

1. No Fault Bankruptcy - when the owner of the company is not directly responsible for its inability to pay its obligations.
2. At-Fault Bankruptcy - when the owner is guilty or liable due to the lack of due diligence to avoid harm to the company.
3. Bankruptcy due to Fraud - when the owner intentionally tries to cause harm to the company.

If a company declares bankruptcy, the company must pay employee benefits before other obligations.

In general, the application of laws related to commercial and bankruptcy are inconsistently applied and charges of corruption are common. Foreign creditors often have little redress beyond Bolivian courts, and judgments are generally more favorable to
local claimants versus international ones. Workers have broad-ranging rights to recover pay and benefits from foreign firms in bankruptcy, and criminal actions can be taken against individuals the Bolivian government deems responsible for failure to pay in these matters.

Performance Requirements and Incentives

Article 14 of the new investment law requires technology transfer from foreign companies operating in Bolivia to Bolivian workers and institutions. The law specifies that Bolivians should work in operational, administrative, and executive offices of investing companies. Also, a company investing in Bolivia should donate equipment and machinery to universities and technical schools in the same area as the investment, and that the investing company should conduct research activities that will find solutions that contribute to public welfare.

Article 21 of the investment law stipulates that the government can incentivize investment in certain sectors that contribute to the economic and social development of the country.

It is important to note that Bolivia is a member of the World Trade Organization and has not registered any objections to the Trade Related Investment Measures under WTO agreements. With regard to requirements:

- Bolivian labor law requires businesses to limit foreign employees to 15% of their total work force and requires that such foreign hires be part of the technical staff. These workers require a work visa that can be obtained in any Bolivian consulate, and in the event that they work for a Bolivian company, both should also contribute to the Bolivian Pension System (Pension Law Article 104.1)

- Supreme Decree 27328 regulates national and local level government procurement, which give priority to national sourcing. If an item required is not produced in Bolivia, buying decisions are made based on price. Supreme Decree 28271 (Article 10), establishes the following preference margins for sourcing with Bolivian products:
  
  o Except for national tenders, 10% preference margin for Bolivian products regardless of the origin of materials.
  o For national public tenders, if the cost of Bolivian materials represents more than 50% of the total cost of the product, the producers receive a 10% preference margin over other sellers.
  o In national and international public tenders, if Bolivian inputs and labor represent more than the 50% of the total cost of the product, the seller receives a 25% preference margin over other sellers. If the Bolivian inputs and labor represent between 30% and 50% of the total cost of the product, the seller receives a 15% preference margin over other sellers.
Under the Bolivian Criminal Code (Article 226), it is a crime punishable by six months to three years in prison to raise or lower the price of a product based on false information, interests, or actions. It is also a crime to hoard or conceal products in order to raise prices. The Bolivian government has aggressively applied these provisions in a number of cases, applying regulations that allow them to request accounting records and audit companies’ financial actions looking for evidence of speculation.

The Constitution (Article 41) states that the Bolivian state will guarantee access to prescription drugs and that property and commercial rights cannot restrict this right. Although this provision has not yet been written into law, it is likely to affect Intellectual Property Rights. At present, registration of prescription drugs is regulated by law (#1737), which establishes control over the production, importation, commercialization, quality control, selection, purchase, distribution, prescription, and sale of medicines through an obligatory sanitary registry, which is valid for five years. After five years, renewed registration of a drug can be requested from the Ministry of Health through DINAMED (the Dirección de Medicamentos y Tecnología en Salud). The registry can be canceled or suspended if the requirements and technical standards mentioned above are not fulfilled.

Regarding granting visas to business executives and investors, Bolivian legislation has no restrictions and the delineated cost is $1000. However, the process is in no way transparent and is subject to long delays, lack of information, and corruption.

**Right to Private Ownership and Establishment**

The Constitution recognizes the right for both foreign and domestic private entities to establish and own business enterprises. Article 52, Paragraphs I-II states:

I. The right to free business association is recognized and guaranteed.

II. The state guarantees the acknowledgement of the legal personality of business associations, as well as of the democratic organizational business forms, in accordance with their own by-laws.

There are several markets that have restrictions on foreign investment. For example, the Telecommunications, Technology and Communications General Law (Law 164, Article 28) stipulates that the licenses for radio broadcasts will not be given to foreign persons or entities. Further, in the case of broadcasting associations, the share of foreign investors cannot exceed 25% of the total investment, except in those cases approved by the state or by international treaties.

The right of private entities to freely establish, acquire, and dispose of interest in business enterprises is recognized by the Bolivian Commercial Code (Article 6.3) that states that the purchase or sale of a mercantile company or commercial establishment of shares, quotas, or any parts of interest of equity are considered part of the commercial process.
Protection of Property Rights

The Constitution stipulates the right to private property as long as it serves a social function and is not against the collective interest (Articles 56 and 57). The Constitution specifically allows expropriation in cases of public necessity, or where property is not serving a public function. Revisions that were made to the Agrarian Law (#1715, 1996) in November 2006 reflect this concept. The law was modified (#3545) to stipulate that property deemed unproductive in bi-annual reviews by the National Institute of Agrarian Reform (Instituto Nacional de Reforma Agraria, or INRA) will revert to the state; the modification placed limits on landowners’ legal recourse in such cases. This modification has limited banking interest in long term agricultural investments due to uncertainty over possible future confiscation. In early December, the lower house of the Bolivian congress approved a law granting a five year hiatus for INRA reviews; although expected to be approved the law has yet to be passed by the Senate or signed into law by President Morales.

The Constitution also grants formal, collective land titles to indigenous communities (Article 394.3) that originally owned those lands and states that public land will be granted to indigenous farmers, intercultural indigenous communities, Afro-Bolivians, and farmer communities which do not possess them or for whom lands are insufficient (Article 395). Under law 3545, passed in 2006 and still valid, the Government will not grant public lands to non-indigenous people or agriculture companies. The Mother Earth Integral Development Law to Live Well (Mother Earth Law, or Law #300) passed in October 2012 and specifies that the State controls access to natural resources, particularly with regards to foreign use. In action, the law limits access to land, forest, water and other natural resources by foreigners in Bolivia. The law, though signed, is likely to be reviewed before implementing regulations are enacted.

The Office of Property Registry oversees the acquisition and disposition of land, real estate, and mortgages. Mortgages are easy to obtain. It takes at most 60 days to obtain a standard loan. However, Bolivia lacks an adequate system of title verification and challenges to land titles are common. Competing claims to land titles and the absence of a reliable dispute resolution process create risk and uncertainty in real property acquisition. Illegal occupation of rural private property is an ongoing problem and a 52 land invasions were reported by the Association of Oilseed Producers (ANAPO) in 2012.

The Mother Earth Law recognizes the intellectual property rights of indigenous peoples, the Afro-Bolivian community, and Bolivian migratory groups related to ancestral knowledge and biodiversity. Included in these rights are those related to the medicinal properties of plants and animals found in the Bolivian Amazon and other regions within Bolivia.
Bolivian copyright law (#1322, 1992) protects the rights of Bolivian authors, foreign authors domiciled in Bolivia, and foreign authors published for the first time in Bolivia. Foreigners not domiciled in Bolivia enjoy protection to the extent provided in international conventions and treaties to which Bolivia is a party. International copyrights are respected even when they have not been registered in Bolivia. Protection extends to literary, artistic, and scientific works for the lifetime of the author plus 50 years and includes the exclusive right to copy or reproduce works; to revise, adapt, or prepare derivative works; to distribute copies of works; and to publicly communicate works. Although the exclusive right to translate works is not explicitly granted, the law does prevent unauthorized adaptation, transformation, modification, and editing. The law also provides protection for software and databases. The film and video law (#1302, 1991) contains elements of IPR protection, establishing a National Movie Council (CONACINE) to oversee the domestic film industry and requiring that all films and videos shown or distributed in Bolivia be registered with the organization.

Additionally, as a member of the Andean Community (CAN), a customs union comprising Bolivia, Colombia, Ecuador and Peru, Bolivia is also a party to several legally binding agreements signed by the customs union, called "Decisions." In Bolivia, only the Constitution takes supremacy to CAN Decisions. CAN Decision 351 grants copyright protection to "the authors of and other owners of rights in intellectual works in the literary, artistic or scientific field, whatever their nature or form of expression and regardless of their literary or artistic merit or purpose."

While the Constitution specifies that the state will register and protect intellectual property, including "collective intellectual property rights," it also explicitly states that "the right to access to medicines may not be restricted by intellectual property rights" (Article 41.2). International patents are not respected in Bolivia unless the patent is separately registered locally. However, The National Intellectual Property Service (SENAPI) takes international patents into consideration during the registration process.

The existing copyright law recognizes copyright infringement as a public offense and the Bolivian Criminal Code provides for the criminal prosecution of IPR violations. However, the enforcement of intellectual property rights remains insufficient, and Bolivia remains on the U.S. Trade Representative’s Special 301 Watch List. Video, music, and software piracy rates are among the highest in Latin America, with the International Intellectual Property Alliance estimating that piracy levels have reached 100% for motion pictures and over 90% for recorded music.

In 2013 Bolivia passed a law requiring Bolivian institutions to use only open source software. Government agencies need to get special permission to acquire any branded software.

Bolivia belongs to the World Intellectual Property Organization and is a signatory to the Nice Agreement and the Paris, Bern, and Geneva Conventions. SENAPI reviews patent registrations for form and substance and publishes notices of proposed registrations in the Official Gazette. If there are no objections within 30 working days, the organization
grants patents for a period of 20 years. The registration of trademarks parallels that of patents. Once obtained, a trademark is valid for a 10-year renewable period. It can be cancelled if not used within three years of the date of grant.

Bolivia has no laws protecting trade secrets. However, Bolivia respects international conventions and they are still in effect and protect foreigners. Additionally, it has signed an Andean Community (CAN) agreement, Decision 486, which deals with industrial property (trade secrets) and is legally binding in Bolivia. The most relevant sections of Decision 486 are:

I. Each Member Country shall accord the nationals of other members of the Andean Community, the World Trade Organization, and the Paris Convention for the Protection of Industrial Property, treatment no less favorable than it accords to its own nationals with regard to the protection of intellectual property, subject to the exceptions already provided in articles 3 and 5 of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) and in article 2 of the Paris Convention for the Protection of Industrial Property.

Member Countries may also accord such treatment to the nationals of a third country under the terms of their respective domestic legislation.

The protection granted by this Decision shall accrue to all literary, artistic and scientific works that may be reproduced or disclosed by any known or future means.

**Transparency of Regulatory System**

The lack of new implementing laws to the 2009 Constitution creates legal discrepancies between constitutional guarantees and the dated policies currently enforced. All of this creates an uncertain investment climate. Adding to the uncertainty, the political agenda can determine what laws will be issued according to the needs of the moment.

The tax code has not changed, and will probably not change in the near future; however, the government may establish new taxes for what it considers strategic sectors. The government is also in discussions regarding a tax increase on profits, focusing on financial institutions that generate very high profits.

Environmental regulations can slow projects due to the constitutional requirement of "prior consultation" for any projects that could affect local communities. This has affected projects related to the exploitation of natural resources, both renewable and nonrenewable, as well as public works projects. Issuance of environmental licenses has been slow and subject to corruption.

In 2010, the new pension fund was enacted; it increased the contributions that companies have to pay from 1.71% of payroll to 4.71% total.
Formal bureaucratic procedures are lengthy, difficult to manage and navigate, and considered by some debilitating. Many firms complain that a lack of administrative infrastructure, corruption, and political motives impede their ability to perform easily. The one exception is when registering a new company in Bolivia. Once a company submits all of the necessary documentation to FUNDEMPRESA, the Bolivian entity charged with registration of new enterprises, the process takes between 2-4 working days.

There is no established public comment process allowing social, political, and economic interests to provide advice and comment on new laws and decrees. However, the government generally -- but not always -- discusses the draft of a law with the relevant sector. For example, for the proposed mining law the government set up a committee, which includes representatives of the Ministry of Mining, the private sector and representatives of the state companies. By contrast, laws such as the enacted pension law were not publicized until the government issued a final version.

Most accounting regulations follow international principles, but they do not always fully conform to international standards. Only the biggest private companies and a few government institutions such as the Central Bank and the Banking Supervision Authority have transparent and consistent accounting systems.

Article 308 of the Constitution establishes that the state recognizes, respects, and protects private initiatives that contribute to economic and social development and the strengthening of the economic independence of the country. In addition, as mentioned in the section on "Right to Private Ownership and Establishment," the Constitution guarantees free enterprise and full exercise of business activities as regulated by law.

**Efficient Capital Markets and Portfolio Investment**

Bolivian banks have developed the capacity to adjudicate credit risk and evaluate expected rates of return in line with international norms. The banking sector is stable and healthy with delinquency rates at less than 2%.

On 2013 the financial services bill was signed into law. This new law enacted major changes to the banking sector, including deposit rate floors and lending rate ceilings, mandatory lending allocations to certain sectors of the economy and an upgrade of banks' solvency requirements in line with the international Basel standards. The law also requires banks to spend more on improving consumer protection, as well as providing increased access to financing in rural parts of the country.

Credit is now allocated on government established rates for productive activities, but foreign investors may find it difficult to qualify for loans from local banks due to the requirement that domestic loans be issued exclusively against domestic collateral. Since commercial credit is generally extended on a short-term basis, most foreign investors prefer to obtain credit abroad. Most Bolivian borrowers are small- and medium-sized enterprises (SMEs).
Established Bolivian firms may issue short- or medium-term debt in local capital markets, which act primarily as secondary markets for fixed-return securities. Bolivian capital markets have sought to expand their handling of local corporate bond issues and equity instruments. Over the last few years, several Bolivian companies and some foreign firms have been able to raise funds through local capital markets. However, the stock exchange is small and is highly concentrated in bonds and debt instruments (more than 95% of transactions). The amount of total transactions per year is generally one-third of the GDP.

Since 2008, the financial markets show a high level of liquidity, which has led to historically low interest rates. This situation is expected to continue for the near future, despite the strains in the international financial markets. The Bolivian financial system is not well integrated with the international system and the presence of foreign banks is very low, with only one external bank amongst the top ten banks of Bolivia.

In October 2012 Bolivia returned to global credit markets for the first time in nearly a century, selling $500 million worth of 10-year bonds at the New York stock exchange. The sovereign bonds were offered with an interest rate of 4.875% and demand for the bonds well surpassed the offer, reaching $1.5 billion. U.S. financial companies Bank of America, Merrill Lynch, and Goldman Sachs were the lead managers of the deal. In 2013 Bolivia sold another $500 million at 5.95% for ten years. HSBC, Bank of America, and Merrill Lynch were the lead managers of the deal. According to the Ministry of Economy, the resources gained from the sales will be used to finance infrastructure projects.

The Bolivian banking system is small, composed of 12 banks, 5 private financial funds, and 33 savings and credit cooperatives. Of the total number of personal deposits made in Bolivia through December 2013 ($15.4 billion), the banking sector accounted for 81%. Similarly, of the total loans and credits made to private individuals ($12.4 billion) through December 2013, 78% were made by the banking sector, while private financial funds and the savings and credit cooperatives accounted for the other 22%.

In September 2010, the Bolivian government bought the local private bank Banco Union as part of a plan to gain control of part of the financial market. Banco Union is medium-sized, with a share of 9% in total national credits and 11% of the total deposits; its principal activity is managing public sector and GOB accounts. The ownership of Banco Union by the Bolivian government was illegal until December 2012, when the GOB enacted the State Bank Law, allowing for state participation in the banking sector.

In 2007, the government created a Productive Development Bank to boost the production of small, medium-sized and family-run businesses. The bank was created to provide loans to credit institutions who meet specific development conditions and goals, for example by giving out loans to farmers, small businesses, and other development focused investors. The loans are long term and have lower interest rates than private banks can offer in order to allow for growth of investments and poverty reduction.
There is no strong evidence of "cross-shareholding" and "stable shareholding" arrangements used by private firms to restrict foreign investment, and the new Constitution forbids monopolies and supports antitrust measures. In addition, there is no evidence of hostile takeovers (other than GOB nationalizations).

**Competition from State Owned Enterprises**

The Bolivian government is actively expanding the state’s role in the economy. Actions include re-nationalization in key sectors, establishment of state-owned enterprises (SOEs), and passage of laws and regulations that stipulate state ownership of natural resources.

In recent years, the Bolivian government has re-nationalized, by obtaining a controlling stake, a number of private entities that were formerly public enterprises prior to the 1990s. These include Bolivia's largest tin mine, a smelting plant, the largest telecommunications company, the gas production and transport industry, hydroelectric and thermoelectric plants, and a cement company.

Rather than sweeping nationalizations, the GOB has set up companies in sectors it considers vital to the national interest and social well-being, and has stated that it plans to do so in every sector it considers strategic or where there is either a monopoly or oligopoly. Areas possibly affected in the next year include the cement industry, banking sector (due to the 2010 acquisition of Banco Union), and road construction (in 2012 a GOB controlled construction company was created and is run by the Bolivian military). Many of these public companies are less efficient than their private counterparts.

At present, the Bolivian government owns and operates more than fifty businesses including a sugar factory, an airline, a supermarket chain, a packaging plant, a cement plant, a construction company, paper and cardboard factories, and milk and nut factories. In 2005, income from state-owned business in Bolivia represented only a fraction of a percent of Gross Domestic Product (GDP). As of 2013, public sector contribution to GDP (including SOEs, investments, and consumption of goods and services) has risen to near 40% of GDP.

Each state-owned company is run by a government-appointed Board of Directors. Each director represents a ministry, and some are informally obligated to consult with government officials for decision-making purposes. The general manager is usually appointed by Supreme Resolution. Private sector entities complain that public companies generate subsidized, unfair competition with the existing private sector. There is currently no law specifying preferential treatment for state-owned businesses, though industry experts anticipate a law on public enterprises that clarifies roles within the coming year.

Due to the lack of a specific law defining how state-owned companies are managed, some nationalized companies in key sectors like hydrocarbons, electricity, and communications, continue to function as private companies. This allows these firms to...
pay higher salaries to technicians and executives, avoiding the GOB limitations for public institutions, and to avoid bureaucracy in the procurement process because they do not have to comply with Government public tendering requirements.

The largest SOEs are able to acquire credit from the Central Bank at very low interest rates and convenient terms. Some private companies complain that it is impossible for them to compete with this financial subsidy. Moreover, SOEs appear to benefit from easier access to licenses, supplies, materials and land; however, there is no law specifically providing SOEs with preferential treatment in this regard.

Budget constraints have not been a problem for SOEs. GOB budget surpluses over the past six years, as well as financing from the Central Bank, have enabled public companies to have large budgets. Many SOEs have difficulty implementing their budgets, with the implementation rate around 70% for 2011. According to the Constitution, all SOEs are required to publish an annual report and are subject to financial audits. Additionally, SOEs are required to present an annual testimony in front of civil society and social movements, a practice known as social control.

Bolivia does not have a sovereign wealth fund.

Corporate Social Responsibility

While there is a general awareness of corporate social responsibility amongst both producers and consumers in Bolivia, consumer decisions are rarely made based on corporate practices or social benefits. Because the Bolivian Constitution stipulates that economic activity cannot damage the collective good (Article 47), CSR activities are generally looked upon favorably by the government of Bolivia.

Though Bolivia is not part of the OECD, it has participated in several Latin American Corporate Governance Roundtables since 2000. Neither the government of Bolivia nor its organizations use the OECD Guidelines for CSR. Instead, Bolivian companies and organizations are focused on trying to accomplish the UN's Millennium Development Goals, and they use the Global Reporting Initiative (GRI) methodology in order to show economic, social and environmental results. While the Bolivian government, private companies, and non-profits are focused on following the UN's Millennium Development Goals, only a few private companies and NGOs focus on following the UN standard ISO 26000 guidelines and methodologies. Another methodology with wide acceptance in Bolivia is the one developed by ETHOS Institute, which provides measurable indicators accepted by PLARSE (Programa Latinoamericano de Responsabilidad Social Corporativa, the Latin American Program for CSR).

Bolivia has laws that regulate aspects related to CSR practices, but they are rarely enforced by the Bolivian authorities. Article 8 of the Bolivian constitution promotes a nation of “common well-being, responsibility, social justice, distribution and redistribution of the products and social assets, to live well”, but even the GOB does not fulfill the regulations focused on accomplishing these objectives.
The 1942 General Labor Law is the basis for employment rights in Bolivia, but this law has been modified more than 2,000 times via 60 supreme decrees made since 1942. As a result of these modifications, the General Labor Law has become a complex web of regulations that is difficult to enforce. An example of the lack of enforcement is the Comprehensive System for Protection of the Disabled (Law 25689) which stipulates that at least 4% of the total work force in public institutions, state owned enterprises, and private companies should be disabled. Neither the public nor private sectors are close to fulfilling this requirement, and most buildings lack even basic access modifications to allow for disabled workers.

In support of consumer protection rights, the Vice-Ministry of Defense of User and Consumer Rights was created in 2009 (Supreme Decree 29894) under the supervision of the Ministry of Justice. This same year the Consumer Protection Law (Supreme Decree 0065) was enacted, which gave the newly created Vice-Ministry the authority to request information, verify and follow up on consumer complaints. Though the Vice-Ministry has yet to report on its activities, an example of its work can be seen in local airports and bus stations, where customers can make a complaint on service or other matters to a representative of the Vice-Ministry and receive compensation from the transport company if deemed appropriate.

The new Mother Earth Law (Law 071) approved in October of 2012, promotes CSR elements as part of its principles (Article 2), such as collective good, harmony, respect and defense of rights. The Ministry of Environment and Water is in charge of overseeing the implementation of this law, but the implementing regulations and creation of new institutions to enforce this law are still in process.

Despite Bolivia promoting the development of CSR practices in its laws, the government gives no advantage to businesses that implement these practices. Instead, businesses implement CSRs in order to gain the public support necessary to pass the prior consultation requirements or strengthen their support when mounting a legal defense against claims that they are not using land to fulfill a socially valuable purpose, as defined in the Community Land Reform laws (# 1775 and #3545).

In April 2009, the Bolivian government reorganized the supervisory agencies of the government (formerly Superintendencias) to include social groups, thus creating the “Authorities of Supervision and Social Control” (Supreme Decree 0071). This new authority now controls and supervises the following sectors: telecommunications and transportation; water and sanitation; forests and land; pensions; electricity; and enterprises. Each sector has an Authority of Supervision and Social Control assigned to its oversight, and each Authority has the right to audit the activities in the aforementioned sectors and the right to request the public disclosure of information, ranging from financial disclosures to investigation of management decisions.

There are a large number of organizations working in CSR, ranging from those focusing on education and training, to clean technology promotion, to fair labor practices. Additionally, individual sectors have undertaken CSR initiatives, most notably in mining
and forestry. For example, miners developed a working partnership focused on education, infrastructure, and environmental issues with local communities, and communities now exhibit a relatively higher level of awareness of CSR practices than in the past. Since 1996, the Bolivian forestry sector certified almost 2 million hectares of forest. Although the government has an aversion to carbon credits and other programs considered by them to be the "commoditization of nature," the forestry certification program remains one of the strongest in the region. The Forestry Association (Cámara Forestal de Bolivia) supports a certification fund that provides economic assistance to any forestry operator that wishes to certify.

Additionally, a leading trade think tank, the Instituto Boliviano de Comercio Exterior (IBCE) developed a certification called the "Triple Sello" (triple stamp) that will certify that a business that receives the stamp is free from child labor, discriminatory practices, and forced labor. The "Triple Sello" certification is currently coordinated with the IBNORCA (Bolivian Institute of Quality Normalization) and is expected to be implemented soon.

Political Violence

Bolivia is prone to social unrest that includes violence. Given the country's reliance on a few key thoroughfares, conflict often disrupts transportation and distribution networks. The majority of civil disturbances are related to domestic issues, usually workers pressuring the government for concessions by marching or closing major transportation arteries. Over the past year, there has been little to no political violence targeted towards foreigners.

The rate of conflict grew substantially in 2013 due to protests over government infrastructure projects, salary increases or the second yearly bonus, and the draft of the new mining law. While protests and blockades are frequent, they only periodically affect commerce. Less than a half-dozen conflicts in La Paz directly affected distribution of essential services or travel in and out of the city for periods greater than 24 hours during 2013.

Corruption

Corruption continues to be a serious problem in Bolivia. Transparency International ranked Bolivia 106 out of 177 countries in its 2013 Corruption Perceptions Index. Thirty percent of Bolivians surveyed by Transparency International reported paying at least one bribe in 2010, the most recent year surveyed for this indicator. An August 6, 2012 Captura Consulting poll found 28 percent of citizens noted corruption as the country’s main problem.

The Ministry of Institutional Transparency and the Fight Against Corruption, created in 2009 by Supreme Decree (#29894), is in charge of promoting policies against corruption and is empowered to investigate corruption cases at any level in any branch of government. In March 2010, the Bolivian Congress approved a "Fight Against Corruption, Illicit Enrichment, and Wealth Investigation" law (#004). This law gives the
Bolivian government wide-ranging authority to investigate possible cases of corruption in the private and public sectors. However, due to an over-burdened judicial system dealing with corruption issues itself, most corrupt officials operated with impunity. On August 17, 2012, Transparency Minister Nardy Suxo stated that of 8,000 corruption cases, only 100 people had been sentenced, which she attributed to poor coordination in the Attorney General’s Office.

Cases involving allegations of corruption against the president and vice president require congressional approval before prosecutors may initiate legal proceedings. The law requires public officials to report potential personal and financial conflicts of interest and to declare their income and assets. The law mandates that elected and appointed officials disclose their financial information to the Auditor General, but the declaration is not available to the public. Noncompliance shall result in internal sanctions, including dismissal. If criminal activity is detected, the Auditor General must refer the case to the Office of the Attorney General.

Bribery is a criminal offense in Bolivia. Bolivia signed the UN Anticorruption Convention in December 2003 and ratified it in December 2005. Bolivia is not a signatory of the OECD Convention on Combating Bribery of Foreign Public Officials. Bolivia is part of the Organization of American States’ Inter-American Convention against Corruption and the follow-up mechanism for its implementation. There is an Ombudsman appointed by Congress and charged with protecting human rights and guarding against government abuse. In his 2012 annual report, the Ombudsman cited the judicial system, the attorney general’s office, and the police as the most persistent violators of human rights due to widespread inefficiencies and corruption. Public opinion reflected the Ombudsman’s statements. The Transparency International poll found that Bolivian citizens believe the most corrupt institutions in Bolivia are the judiciary, political parties, public officials, and the Bolivian Police.

**Bilateral Investment Agreements**

Government policy changes stemming in part from the adoption of a new constitution in February 2009 have raised concerns among foreign investors. Although the new Constitution has yet to be fully implemented, one of its most troubling provisions calls for a limit on foreign companies’ access to international arbitration in cases of conflicts with the government. It also states that all bilateral investment treaties (BIT) must be renegotiated to adjust to this and other new constitutional provisions. Citing these provisions, the government of Bolivia terminated the BIT with the U.S. in June 2012. Existing investors in Bolivia at the time of termination continue to be protected by the U.S. BIT’s provisions for 10 years. The BIT with Bolivia was the first to be terminated by a U.S. treaty partner. In a related action, in October 2007, Bolivia became the first country to withdraw from the World Bank’s International Centre for Settlement of Investment Disputes (ICSID).

**OPIC and Other Investment Insurance Programs**
The 1985 U.S.-Bolivia Investment Insurance Agreement provides for a full range of Overseas Private Investment Corporation (OPIC) programs, including political risk insurance and loan financing. OPIC provides financing assistance to U.S. firms through direct loans and guarantees issued by U.S. financial institutions. The International Bank for Reconstruction and Development’s (IBRD) Multilateral Investment Guarantee Agency (MIGA) has offered a complete line of investment guarantees to foreign investors in Bolivia since October 1991. MIGA has one active project in Bolivia at this time. In December 2011, it issued a guarantee of $10.8 million to cover an investment made by a Germany-based holding company in its Bolivian subsidiary. The coverage is for a period of up to 10 years against the risk of expropriation of the mandatory reserves held by the subsidiary in the central bank of Bolivia. Past guarantees included assurances for the financing and investment of the Santa Cruz-to-Brazil gas pipeline, and financial guarantees for a Peruvian bank's mandatory reserves held by the Bolivian Central Bank against expropriation.

**Labor**

Approximately two-thirds of Bolivia’s population of 10.4 million is considered “economically active.” Bolivian labor law restricts child labor and provides for worker safety. Overall, between 60 and 65% of workers participate in the informal economy, where no contractual employer-employee relationship exists. Relatively low education and literacy levels tend to limit labor productivity, a fact reflected in wage rates. Unskilled labor is readily available, but skilled workers are often harder to find.

The 2009 Constitution specifies that unjustified firing from jobs is forbidden and that the state will resolve conflicts between employers and employees (Articles 49.3 and 50). Bolivian labor law guarantees workers the right of association and the right to organize and bargain collectively. Most companies are unionized, and nearly all unions belong to the Confederation of Bolivian Workers (COB).

In December 2012, the Bolivian Government enacted Law 316 decriminalizing labor demonstrations and strikes, and protects the right to organize labor unions. The new law also protects workers' and union leaders' right to enter and occupy a factory, agricultural, or mining company in defense of workers' interests as long as their actions are non-violent. The new law does not decriminalize violent or destructive labor demonstrations. The legal code stipulates that anyone who prevents or hinders the normal course of work or production; invades or occupies industrial, agricultural, or mining areas; and/or causes damage to the machines, supplies, equipment or instruments existing in them; shall be punished with imprisonment of one to eight years.

**Foreign-Trade Zones/Free Ports**

There are nine free trade zones in Bolivia, more than half of which are in cities along the Bolivian borders. The free trade zones were created to facilitate commercial and industrial operations for national and international companies. Any transaction that takes place inside a free trade zone is exempt from tariffs and national taxes. Private
companies with 40-year contracts administer the free trade zones, which are located in the cities of El Alto, Cochabamba, Santa Cruz, Oruro, Puerto Aguirre, Cobija, Guayaramerin, Yacuiba, and Desaguadero. The National Council on Free Trade Zones (CONZOF) oversees all industrial and commercial free trade zones and authorizes operations.

**Foreign Direct Investment Statistics**

According to Bolivian Central Bank statistics, the stock of FDI in 2013 was $8.8 billion. The total flow of FDI into Bolivia in 2013 was $2.0 billion, 35% higher than in 2012 ($1.5 billion). During recent years, the majority of FDI has been directed to the hydrocarbon and mining sectors, accounting for 76% of total FDI in 2013.

In 2008, Bolivia changed its Net International Investment Position (NIIP), from being a net debtor to being a net creditor. In 2013, the NIIP reached $4.2 billion or 14% of GDP.

**Table 2: Stock and Flow of FDI and Net International Investment Position**

(In millions of $ and percentages over GDP)

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Source: Central Bank of Bolivia

Until 2009, the United States was the biggest investor in Bolivia. In 2013, the United States invested $61 million in Bolivia, making it the 8th largest investor for the year,
behind Spain ($676 million), Sweden ($347 million), United kingdom ($309 million), France ($220 million), Peru ($102 million), The Caiman Island ($84 million) and Brazil ($77 million).

The information regarding the stock and flow of FDI is collected and processed by the Bolivian Central Bank based on the Foreign Private Capital (FPC) semiannual survey. The information corresponds to effective amounts of investment made by different companies. Although overall FDI by country is accurate, the disaggregated information by sector is an internal Central Bank estimate and not official.

Table 3: FDI by Country

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<th>(In millions of $)</th>
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<th>2010</th>
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<td>Construction</td>
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<td></td>
</tr>
<tr>
<td>Transport, Storage and</td>
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<td>6.5</td>
<td>1.2</td>
<td>5.0</td>
<td>2.5</td>
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<td>3.0</td>
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<td>4.3</td>
<td>4.1</td>
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<td>6.3</td>
<td>5.1</td>
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<th>12</th>
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<th>22</th>
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<th>84</th>
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<td>0.6</td>
<td>6.6</td>
<td>9.5</td>
<td>13.2</td>
<td>12.7</td>
<td></td>
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<td>0.1</td>
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<td>0.0</td>
<td>0.0</td>
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<td>0.7</td>
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<td>85  76  89</td>
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<td>122  130  193</td>
<td>11.7  5.8</td>
<td>6.5  6.5</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>165  155</td>
<td>-0.6  0.1</td>
<td>12.0  1.2</td>
<td></td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td></td>
<td>Other sectors</td>
<td>Construction</td>
<td>Construction</td>
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<tr>
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<td>23.2  39.8  45.9</td>
<td>6.5  2.4  6.5</td>
<td>6.5  6.5</td>
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<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td></td>
<td>23.9  9.3  5.1</td>
<td>11.7  5.8  11.7</td>
<td>11.7  5.8</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>10.1  1.0  1.0</td>
<td>-0.6  0.1  0.1</td>
<td>-0.6  0.1</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total FDI</td>
<td>582  953  2  687</td>
<td>936  3  5  0</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>
Bolivian direct investment in the rest of the world is very low and mainly includes banking deposits and small amount of investment in foreign stocks. No detailed information (e.g. by sector, by country) is available. During the last three years, the flows were zero reflecting the low size of investments abroad.

Table 4: Stock and Flow of FDI from Bolivia to the Rest of the World

<table>
<thead>
<tr>
<th>Year</th>
<th>Stock of FDI as % of GDP</th>
<th>Flow FDI as % of GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>90.2%</td>
<td>3.0%</td>
</tr>
<tr>
<td>2007</td>
<td>94.2%</td>
<td>4.0%</td>
</tr>
<tr>
<td>2008</td>
<td>63.8%</td>
<td>-30.3%</td>
</tr>
<tr>
<td>2009</td>
<td>49.5%</td>
<td>-14.3%</td>
</tr>
<tr>
<td>2010</td>
<td>7.7%</td>
<td>-41.8%</td>
</tr>
<tr>
<td>2011</td>
<td>0.0%</td>
<td>-7.7%</td>
</tr>
<tr>
<td>2012</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>2013</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

Source: Central Bank of Bolivia

TABLE 5: Key Macroeconomic data, U.S. FDI in Bolivia

<table>
<thead>
<tr>
<th>Economic Data</th>
<th>Bolivian Statistical source*</th>
<th>USG or international statistical source</th>
<th>USG or international Source of Data: BEA; IMF; Eurostat; UNCTAD, Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign Direct Investment</td>
<td>Bolivian Statistical source</td>
<td>USG or international statistical source</td>
<td>BEA</td>
</tr>
<tr>
<td>U.S. FDI in Bolivia (Millions U.S. Dollars, stock positions)</td>
<td>Central Bank of Bolivia</td>
<td>BEA</td>
<td>(BEA) click selections to reach.</td>
</tr>
</tbody>
</table>
Bolivia’s FDI in the United States  
(*Millions U.S. Dollars, stock positions*)

| 2012 | $0 | 2012 | -$17 |

**Table 6: Sources and Destination of FDI**

**Bolivia, 2012**

<table>
<thead>
<tr>
<th>Direct Investment from/in Counterpart Economy Data</th>
<th>Inward Direct Investment</th>
<th>Outward Direct Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>From Top Five Sources/To Top Five Destinations (US Dollars, Millions)</strong></td>
<td><strong>Total Inward</strong></td>
<td><strong>Spain</strong></td>
</tr>
<tr>
<td><strong>Total Inward</strong></td>
<td>8,809</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Spain</strong></td>
<td>2,722</td>
<td>31%</td>
</tr>
<tr>
<td><strong>Brazil</strong></td>
<td>1,059</td>
<td>12%</td>
</tr>
<tr>
<td><strong>United Kingdom</strong></td>
<td>941</td>
<td>11%</td>
</tr>
<tr>
<td><strong>United States</strong></td>
<td>868</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Sweden</strong></td>
<td>694</td>
<td>8%</td>
</tr>
</tbody>
</table>

"0" reflects amounts rounded to +/- USD 500,000.

Source: [cdis.imf.org](http://cdis.imf.org)
TABLE 7: Sources of Portfolio Investment

**Bolivia, 2012**

<table>
<thead>
<tr>
<th>Portfolio Investment Assets</th>
<th>Top Five Partners (Millions, US Dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
</tr>
<tr>
<td>World</td>
<td>869</td>
</tr>
<tr>
<td>United States</td>
<td>239</td>
</tr>
<tr>
<td>France</td>
<td>170</td>
</tr>
<tr>
<td>Germany</td>
<td>89</td>
</tr>
<tr>
<td>Netherlands</td>
<td>82</td>
</tr>
<tr>
<td>Sweden</td>
<td>65</td>
</tr>
</tbody>
</table>

Chapter 7: Trade and Project Financing

- How Do I Get Paid? (Methods of Payment)
- How Does the Banking System Operate?
- Foreign-Exchange Controls
- U.S. Banks and Local Correspondent Banks
- Project Financing
- Web Resources

How Do I Get Paid? (Methods of Payment)

Letters of credit are the most common form of payment, but the Bolivian banking system offers other payment methods as well. The following are methods and risks associated:

- An "open account" transaction gives security to the buyer and represents the greatest risk for sellers. The exporter ships the goods as soon as the order is received and then invoices the purchaser for payment within 30, 60, or 90 days.

- Using "documentary collection" a bank in the importer's country acts on behalf of an exporter for collecting and remitting payment for a shipment. The exporter presents the shipping and collection documents to his or her bank (in his or her own country) which sends the documents to the bank’s correspondent bank in the importer's country. The foreign bank (called the presenting bank) hands over shipping and title documents (required for taking delivery of the shipment) to the importer in exchange for cash payment (in case of "documents against payment" instructions) or a firm commitment to pay on a fixed date (in case of "documents against acceptance" instructions).

- Letters of Credit are written commitments to pay, by a buyer's or importer's bank (called the issuing bank) to the seller's or exporter's bank (called the accepting bank, negotiating bank, or paying bank). A letter of credit guarantees payment of a specified sum in a specified currency, provided the seller meets precisely defined conditions and submits the prescribed documents within a fixed timeframe. These documents usually include a clean bill of lading or air waybill, commercial invoice, and certificate of origin. To establish a letter of credit in favor of the seller or exporter (called the beneficiary) the buyer (called the applicant or account party) either pays the specified sum (plus service charges) up front to the issuing bank, or negotiates credit. Letters of credit are formal trade instruments, and are usually used where the seller is unwilling to extend credit to the buyer. The guarantee of payment thus gives the exporter confidence that the importer is able to pay for the goods while assuring the importer that payment will be made only after the terms outlined in the letter have been met.
There are no credit rating agencies to rate individual credit in Bolivia. The Financial Services Supervisory Authority (Autoridad de Supervisión del Sistema Financiera or ASFI) is responsible for monitoring credit ratings.

**How Does the Banking System Operate?**

Bolivia’s banking system includes the Central Bank and 52 privately-owned institutions. Twelve are commercial banks, and the remaining are savings and loan organizations, credit unions, and other financial institutions. As of December 2013, deposits totaled an estimated $15.4 billion, of which nearly 23% were U.S. dollar-denominated deposits.

In 2013 the government enacted the new Law of Financial Services. The Act was renamed from the Law of Banks and Financial Institutions (FIs). This change was made to show that the new law is more oriented to the financial consumer and not to financial institutions. The key objectives of the new law are: protect and meet the needs of financial consumers, promote universal access to services, ensure the stability and solvency of the financial system, protect the savings of the people, and promote greater transparency.

The new Act promotes a high degree of state intervention in the management of FIs not only as a regulator but with the active participation in financial intermediation (through Banco Union and Productive Development Bank) and also imposing the participation of state agents in the board meetings of bank shareholder meetings.

The new act seeks to promote economic growth from the FI. This will be done through directing credit to sectors that the Bolivian government considers appropriate with the establishment of minimum levels of portfolio of credits directed to each sectors and also fixing the maximum interest rates to be charged. Additionally, the State will determine grace periods, determining the type of collateral that can be used, and emphasizing unconventional guarantees such as: machinery, animals, stored production, etc.

The law has highly punitive instruments for FIs; it can reach banks officers and executives with the involvement of their personal assets.

The Act creates the Financial Stability Board, consisting of: Ministry of Economy and Public Finance, Ministry of Planning and Development, Banco Central de Bolivia, Supervisory Authority Financial System (ASFI), and Supervision and Control Authority Pension and Insurance.

This council will be responsible for issuing the decrees and resolutions to regulate the sector, leaving the current regulator (ASFI) with only the tasks of monitoring and supervising and not as a regulator as it was under the former law.

There are new two taxes that businesses should know about. The first is an additional 12.5% on top of the current 25% profit tax. The other tax affects the process of buying and selling dollars. It is estimated that this tax reduces profits in money exchange by 50%.
According to the 2009 constitution (Art 366), the monetary and exchange rate policy is determined by the Ministry of Economics and Public Finance in coordination with the Central Bank of Bolivia. Additional laws authorize the creation of private financial funds, savings and loan cooperatives, and non-governmental organizations to improve access to credit and other financial services.

In December 2012, the Bolivian government enacted Law N331 creating a state bank to compete with private banks. This new bank absorbed the Banco Unión, bought by the state in 2010 which had already been operating as a private bank. The new financial institution is the administrator of the resources of all subsidiaries of the State, and is also allowed to carry out savings and credit operations with the public.

All bank transfers in U.S. dollars within and leaving the country must pay a Financial Transaction Tax (ITF) of .03%. Any banking transaction above $10,000 in one operation or transactions totaling $10,000 over three consecutive days requires the filing of a form stating the source of funds. Any hard-currency cash transfer from and to Bolivia equal to or greater than $10,000 must be registered with the customs office. For amounts between $50,000 and $500,000 the transaction must be authorized by the Central Bank, and for quantities above $500,000 it must be authorized by the Ministry of Economics and Public Finance through a ministerial resolution. The fine for underreporting any fiscal cash transaction is equal to 30% of the difference between the declared amount and the actual quantity of money.

The Central Bank also charges a fee for different kinds of international transactions related to banking and trade, as well as others. The current list of fees and the details can be found in the following link:
http://www.bcb.gob.bo/webdocs/2013/Normativa/Resoluciones/175%202013.PDF

Foreign-Exchange Controls

As stated in the Conversion and Transfer Policies section, currency is freely convertible at Bolivian banks and exchange houses. The official exchange system is described as an “incomplete crawling peg.” Under this system, the exchange rate is fixed, but undergoes micro-readjustments that are not pre-announced to the public. There is a spread of ten basis points between the exchange rate for buying and selling U.S. dollars. The Boliviano (Bs) has remained fixed, at 6.96 Bs/$1 for selling and 6.86 Bs/$1 for buying, since October 2011. The parallel rate closely tracks the official rate, suggesting the market finds the Central Bank’s policy acceptable. In order to avoid distortion in the exchange rate market, the Central Bank requires, through a Resolution of its board, all currency exchange to occur at the official rate ±1 basis point.

Traveler’s checks, dollars, and major currencies may be exchanged in banks, exchange houses, and major hotels. Most automated teller machines (ATMs) in large cities offer cash withdrawals in either Bolivian currency or U.S. dollars.

U.S. Banks and Local Correspondent Banks
There are no U.S. Banks operating in Bolivia. Citibank, which opened its offices in 1997, closed operation in 2010 and left the country in 2011.

All commercial banks provide regular banking services. They accept deposits for both checking and savings accounts, and offer short- and medium-term loans. Local banks are authorized to hold U.S. dollar-denominated deposits. The following banks have correspondent banking arrangements with U.S. banks:

- Banco de Crédito de Bolivia S.A.
- Banco do Brasil S. A.
- Banco Económico S. A.
- Banco Ganadero S.A.
- Banco Industrial S.A. (BISA)
- Banco Mercantil Santa Cruz S. A.
- Banco Nacional de Bolivia
- Banco Solidario S. A.
- Banco Unión S.A.
- Banco Los Andes S.A.
- Banco de La Nación Argentina
- Banco FIE S.A.
- Banco Fortaleza S.A.

For additional information, interested parties should contact the National Association of Banks (ASOBAN) at the following address:

Asociación de Bancos Privados de Bolivia (ASOBAN)
Edificio Cámara Nacional de Comercio, Piso 15
La Paz, Bolivia
Phone: 591-2- 236-1308
Fax: 591-2-239-1093
E-mail: info@asoban.bo
http://www.asoban.bo

Credit is generally difficult to obtain without using unencumbered local assets as collateral. Interest rates are influenced by the Central Bank’s monetary policy, as well as by high administrative costs resulting from general operational inefficiency (as measured by overhead costs) among local banks. Still, the impact of the Central Bank's monetary policy is moderate due to the dollarization of the economy (approximately 35% of deposits and 32% of credits are denominated in U.S. dollars). Although there are no formal restrictions on foreign companies borrowing locally, few large investors do so because of the financial system’s limited capacity.

Credit is allocated on market terms, but foreign investors may find it difficult to qualify for loans from local banks due to the requirement that domestic loans be issued exclusively against domestic collateral. Since commercial credit is generally extended on
a short-term basis at high interest rates, most foreign investors prefer to obtain credit abroad. Most Bolivian borrowers are small- and medium-sized enterprises (SMEs).

Established Bolivian firms may issue short- or medium-term debt in local capital markets, which act primarily as secondary markets for fixed-return securities. Bolivian capital markets have sought to expand their handling of local corporate bond issues and equity instruments. With greater frequency since 2009, several Bolivian companies and some foreign firms have been able to raise funding through local capital markets. The stock exchange is small, with the amount of total transactions a year hovering around one third of the GDP, and highly concentrated in bonds and debt instruments (more than 95% of transactions). Most companies do not issue stocks.

Since 2008, the financial markets have shown a high level of liquidity, which has led to historically low interest rates. These rates are expected to continue for the near future.

International and bilateral financial institutions such as the Inter-American Development Bank (IADB), the World Bank, and the Andean Development Corporation (CAF) may provide credit lines for Bolivian exporters at below-market interest rates. The credit lines are usually channeled through the Bolivian Central Bank to local private banks, who then make loans with the money to the public.

The Overseas Private Investment Corporation (OPIC) and the U.S. Export-Import Bank (EXIM) may offer insurance and/or financing to the private sector when U.S. exports are part of a project and, in the latter case, when financing arrangements eliminate or externalize country risks.

Web Resources


OPIC: http://www.opic.gov


SBA’s Office of International Trade: http://www.sba.gov/oit/

USDA Commodity Credit Corporation: http://www.fsa.usda.gov/FSA/webapp?area=about&subject=landing&topic=sao-cc


Inter-American Development Bank: http://www.iadb.org/
World Bank: http://www.worldbank.org/

Andean Development Corporation: http://www.caf.com/

Central Bank of Bolivia: http://www.bcb.gob.bo

Banking Regulatory Authority (ASFI): https://www.asfi.gob.bo

Private Banking Association in Bolivia http://http://www.asoban.bo

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Chapter 8: Business Travel

- Business Customs
- Travel Advisory
- Visa Requirements
- Telecommunications
- Transportation
- Language
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- Local Time, Business Hours and Holidays
- Temporary Entry of Materials and Personal Belongings
- Web Resources

Business Customs

Many members of Bolivia’s private sector have had direct exposure to U.S. and European business customs and practices. The exchange of business cards is a common practice at the beginning of the meetings, and can be initiated by any of the participants. Business dress is conservative, especially in the cities of La Paz and Cochabamba. Due to its warmer climate, Santa Cruz business dress is more casual. Punctuality for social engagements is not strictly observed, and should not be expected. Hosting a meal is a good business practice, and company logo gifts are very common and welcomed.

Foreign firms should be prepared to deal with government officials and occasionally complicated bureaucratic procedures. The importance of occasional personal visits from U.S. executives, as well as prompt, responsive handling of communications, cannot be overstated. This is especially true given the crucial role of local agents and representatives in business in Bolivia. After establishing a relationship, local representatives generally expect to visit the parent company’s facilities and headquarters to become better acquainted with the company’s personnel and operating techniques.

Travel Advisory

To access the U.S. Department of State, Bureau of Consular Affairs, Country Specific Information Sheet, please go to http://travel.state.gov/travel/cis_pa_tw/cis/cis_1069.html.

Visa Requirements

Beginning on December 1, 2007, the immigration authorities of Bolivia require U.S. citizens traveling to Bolivia to obtain a visa. The most up to date information can be found at http://www.boliviawdc.com/.
The Bolivian visa application can be submitted by mail or in person at any Bolivian Consulate. To apply by mail, the user must send all required documents, along with a pre-paid postage envelope with the return address of the Consulate's Office. The consulate is not responsible for the application and passport while they are in transit with a courier.

Bolivians who have acquired U.S. citizenship are exempt from the visa requirement, provided they can provide evidence of their status as a Bolivian with any of the following current or expired documents: identity card, birth certificate, family book, Military Service Book, Bolivian passport or Bolivian National Single Registry (RUN). A United States passport that states that the Place of Birth is BOLIVIA will suffice.

If an applicant is traveling to visit friends or relatives in Bolivia, a letter of invitation specifying the host's address meets the invitation letter requirements.

Bolivia has three main non-immigrant visa categories:

1. Tourist Visas: U.S. citizens traveling to Bolivia require tourist visas. U.S. citizens may apply for a visa in Bolivian consulates or at the time of arrival. Generally, visas are issued within seven (7) days after receipt of the application in any consulate or immediately at the time of arrival. The tourist visa for U.S. citizens is valid for five (5) years from the date of issue. A U.S. citizen tourist visa holder may use a tourist visa for up to three (3) entries per year for a total of ninety days per year. Other nationalities are issued a single 30 days stay entry tourist visa.

   The Bolivian immigration authorities may extend the visa period in cases where the applicant shows justifiable cause at the "Servicio Nacional de Migración" in Bolivia.

Tourist Visa Application Requirements:

- Complete the sworn statement for the visa application. (You must paste a full color passport size picture to the form; 80% of the image must be of the face without use of glasses. Further information is available on the web page of the Ministry http://www.ree.gob.bo/; link "Servicios Consulares").
- A current American passport. (Please note that it must be valid for at least six (6) months beyond the date of travel, as per the Instruction (02/2007) of the Ministry of Foreign Affairs.)
- A copy of the hotel reservation or invitation letter from Bolivian friends or relatives indicating the host's address.
- A round trip ticket or copy of travel itinerary.
- A bank statement or equivalent that shows economic solvency. (A copy of a credit card - front side- will also be accepted. Please note that the validity of the document should be for at least the travel period). A parent or legal guardian's economic solvency documents are accepted for underage applicants.
- Yellow Fever Vaccination Card
Visa fee: $135.00 to be paid by bank deposit receipt from the Bank of America, Account No. 001924872630, or money order paid to the order of the CONSULADO DE BOLIVIA.

2. Specific Purpose Visas: Those who wish to travel to Bolivia for any purpose other than tourism require specific purpose visas. The specific purpose visa for all nationalities is valid for 30 days from the date of entry, with an additional 60-day extension available.

Those who intend to engage in business, education, paid work, to get married according to Bolivian law, and any other legal activities not related to tourism require a specific purpose visa.

When applying for a specific purpose visa, the applicant must present an introduction letter that should state the specific purpose of the travel and the dates of travel. For business executives, film crews, missionaries, voluntary workers, etc. the introduction letter must also state that the expenses will be furnished by the sending or hosting company or institution.

Authorization from the Immigration authorities in Bolivia is required for a specific purpose visa, and the application process takes longer than the process for a tourist visa. Those seeking specific purpose visas should start the process at least 3 weeks prior to departure.

Requirements:

- A completed application form. (Further information is available on the web page of the Ministry http://www.ree.gob.bo/; link "Servicios Consulares."
- A valid passport or travel document with a minimum validity of 6 months.
- One passport size photograph.
- Fee of $85.00 to be paid by bank deposit receipt from the Bank of America Account No. 001924872630 or money order paid to order of Consulado de Bolivia.
- A letter of introduction.
- Photocopy of ticket or itinerary.

If you are traveling to Bolivia through a religious institution, you will also be required to have:

- A letter from the local religious group or branch indicating that it is a member of a religious group or branch registered with the Ministry of Foreign Affairs.
- A notarized certificate of membership issued by the religious institution or organization to which you belong, properly translated and notarized in the applicant’s country of origin. The notarized certificate should be sent in and accompanied by $43.00.
3. Temporary Residence Visas: temporary residence visas are valid for one to two years, and may be extended to immediate family. Visas may be obtained through the National Immigration Service. The process costs approximately $190 for one year and $290 for two years and generally requires 10 business days. Applicants must present the following documents:

- A passport valid for at least six months with a valid specific objective visa (for any purpose other than tourism).
- Photocopies of passport, specific purpose visa, the last entry stamp and pages of parentage.
- A change of visa type request form (even for first-time visa requests).
- A legal petition addressed to the Director General of Immigration requesting temporary residence.
- A temporary residence request, form RC-04 (to be obtained in the Bolivian Immigration Office).
- A work contract certified by the Ministry of Labor specifying the duration of the contract (if relevant).
- A certificate from the entity for which the applicant expects to work (or for students, a certificate of studies).
- A security clearance issued by the Bolivian National Police.
- A legal address registered with the National Police.
- In case the applicant is married to a Bolivian citizen or has Bolivian children, the applicant should submit the marriage certificate and the original birth certificates of the children. (This requirement exempts the presentation of previous work requirements).

Bolivia also offers permanent residence permits. To obtain them, applicants must have had two-year temporary residence visas. Applicants must pay a $565 fee and present the following documents:

- A passport valid for at least six months with a valid specific objective visa (for any purpose other than tourism).
- Photocopies of passport, specific purpose visa, the last entry stamp, and pages of parentage.
- A change of visa type request form (even for first-time visa requests).
- A legal petition addressed to the Director General of Immigration requesting permanent residence.
- An indefinite residence request form (to be obtained in the Bolivian Immigration Office).
- If the applicant changed either personal status (married or divorced, for example) and/or activity (new job, etc.) he or she must submit new documents, as required by the RC-04 form.
- A work contract certified by the Ministry of Labor specifying the duration of the contract.
A certificate from the entity for which the applicant expects to work (or for students, a certificate of studies).

A security clearance issued by the Bolivian National Police.

A legal address registered with the National Police.

In case the applicant is married to a Bolivian citizen or has Bolivian children, the applicant should submit the marriage certificate and the original birth certificates of the children. (This requirement exempts the presentation of previous work requirements).

Temporary residence visas and permanent residence permits cover principals, managers, and trained and specially qualified employees involved in a foreign firm’s operations. No special qualifications are required for entry, and individuals are not limited in the type of work they can perform after receiving visas. The visa holder’s spouse and children may enter Bolivia with the visa holder provided their names are included in the legal petition presented to the Director General of Immigration. The Bolivian government reserves the right to accept or deny requests for indefinite residence.

For additional information, please contact:

Servicio Nacional de Migración
Ministerio de Gobierno
La Paz, Bolivia
Phone:  591-2-211-0960
Fax:    591-2-211-0955
Web:    http://www.migracion.gob.bo

U.S. Companies that require travel of foreign businesspersons to the United States should be advised that security evaluations are handled via an interagency process. Visa applicants should go to the following links.

State Department Visa Website: http://travel.state.gov/visa/

U.S. Embassy consular section: http://bolivia.usembassy.gov/visas.html

Telecommunications

Several firms offer local, long-distance, and international telephone services, including two U.S. companies: AXS Communications (previously owned by AES Corporation) and Nuevatel/Viva (Trilogy International).

Cellular phones are popular in the major cities and towns. Coverage is good in the larger cities, but can be poor in rural areas. Aggressive competition has led to some of the lowest prices in the hemisphere. The three service providers include Entel (State-run), Telecel/Tigo (Millicom), Nuevatel/Viva (Trilogy International).
When planning to use your own cell phone, you must check with your service provider about coverage areas and international plans. Cell phones on GSM technology, such as AT&T or T-Mobile will usually work in the larger cities. CDMA technology from Sprint and Verizon may not work.

You may also purchase a compatible SIM card from one of the local companies (ENTEL, Viva, or Tigo) for between $3-5. Pre-paid airtime cards for these SIM cards are available in the provider's offices, kiosks, and through street vendors. Phones must be unlocked and should be registered at a cell-phone company if you are planning to use them for more than 3 days, after this period of time the service will be suspended until the device is registered. Keep in mind that unlocking the phone may be a violation of the contract with your U.S. carrier.

All telephone service providers in the major cities provide long distance service in addition to local service. According to the Transport and Telecommunications Authority, of the private companies that offer long distance service, the most competitive prices are from ENTEL, Boliviatel, Únete, and Hablando Todos.

Internet service is becoming increasingly more prevalent and is available throughout Bolivia, but is generally still limited to the larger cities. Internet cafés are widely available, and there is often 4G service where cell phone coverage is available. Although coverage and bandwidth have increased recently, according to the CEPAL (Economic Commission for Latin America and the Caribbean) Bolivia has one of the most expensive and slowest internet services in the region.

**Transportation**

Travelers can fly directly to Bolivia from the United States via only two airlines: American Airlines and Boliviana de Aviación (BOA). LAN and TACA also offer service through Lima, Peru and Avianca offers flights through Bogota, Colombia. BOA, TAM (property of the Bolivian Air Force), Amaszonas, and Aerocon provide services to more remote onward domestic destinations. A variety of airlines offer flights to neighboring countries, most on a daily basis.

Within country, travel is at times difficult. Poor infrastructure hinders transportation. Of Bolivia’s 80,488 km total of roads, fewer than 6,847 km are paved. Another 31,088 km are gravel, and 42,552 km are dirt. Paved roads connect La Paz to Desaguadero (on the Peruvian border), Arica (in northern Chile), Óruro, Potosí, Cochabamba, Santa Cruz, and Trinidad. Other roads, including those to Brazil, are often impassable or extremely slow-going due to seasonal rains and poor maintenance.

The Bolivian railroad system has a total of 3,960 km of track, divided into two non-connecting segments. The western segment is 2,500 km long and connects La Paz to the Pacific ports of Arica and Antofagasta (both in Chile), the lake port of Guaqui, and major cities in the altiplano and Andean valleys. However, much of the western segment is in
disrepair and is no longer operational. Maintenance has been more regular on the eastern segment and it is thus operational. It links Santa Cruz to Brazil and Argentina.

Within local jurisdictions, taxis are available and are generally inexpensive. However, it is important to be cautious about taxis in Bolivia. For safety, travelers should use a radio taxi as opposed to a shared taxi. At night, it is best to only take taxis that you have called for. Taxi fares from the El Alto airport to La Paz range from 60Bs to 80Bs ($8.50 to $11.75). Within the city, fares generally range from $1.25 to $5.00, depending on the length of the trip. Rental cars are also available, but are expensive since some companies require clients to hire drivers. Other types of public transportation such as buses and "trufis" (shared cars), though cheap at $0.20 to $0.45, can be dangerous and are not recommended for visitors.

Language

Bolivia has 37 official languages, including Spanish; the other 36 are indigenous languages, the most prevalent being Aymara and Quechua. Many business officials who work with international partners speak English, but use of English should not be expected. A list of translators is available at the U.S. Embassy's web page: http://bolivia.usembassy.gov/listoftrans.html.

Health

All of the major cities in Bolivia are between 1,330 and 13,600 feet above sea level. El Alto International Airport (La Paz) is the highest international airport in the world, at 13,325 feet above sea level. This altitude poses risks of illness, hospitalization, and even death, regardless of whether or not travelers have medical conditions that affect blood circulation or breathing. The risk is especially great when travelers land at the La Paz airport without acclimatization at a lower altitude. Approximately 75% of people experience an unpleasant period of acclimatization after they arrive in La Paz. This usually persists for a few days, until the body adjusts to the altitude, but it takes up to 40 days for the body to completely adjust. Symptoms of adjustment may include headache, nausea, vomiting, and insomnia. These symptoms occur equally in males and females but may occur more frequently or be more pronounced in children and teenagers. There seems to be a genetic predisposition to slow adjustment to altitude, but it is unpredictable. Those who have had previous difficulties are likely to have similar problems each time they go to altitudes above 8-10,000 feet. Persons with pre-existing medical problems and/or respiratory infections such as bronchitis or pneumonia should delay travel until fully recovered. Pregnant women should delay travel to altitude until after delivery due to the high risk of miscarriage, pre-eclampsia and preterm labor. Individuals with hypertension, diabetes, angina pectoris, heart disease, anemia, hemoglobinopathies (e.g., sickle cell disease and trait), and significant obesity, are at particular risk of potentially life-threatening complications.
All adults visiting La Paz or any other high altitude Bolivian city should consider taking Diamox (Acetazolamide) 125 milligrams (or 1/2 tablet of 250 mg) by mouth twice a day, beginning on the day of the flight and continuing for three (3) days after arrival until improved. Children over the age of five should take 5mg/Kg of body weight every 12 hours. Diamox significantly reduces, and in most cases prevents, the symptoms of high altitude sickness. The medication inhibits the enzyme carbonic anhydrase, has a slight diuretic effect, and stimulates respiration. In the United States, it is available only by prescription. In Bolivia, visitors can purchase Diamox at a local pharmacy under the name "Acetazolamida." Common side effects include numbness and tingling of hands and feet and frequent urination. These symptoms are minor, short-lived, and will disappear once you stop taking the medication. Pregnant women, nursing mothers, and those with severe allergies to sulfa drugs cannot take Diamox. Please discuss the use of Diamox with your health care provider PRIOR to arrival in Bolivia.

Avoid drinking alcoholic and caffeinated beverages during transit and within the first week of arrival at high altitude. Instead, drink plenty of water, juices and other non-alcoholic and non-caffeinated beverages.

The sensations experienced on arrival, such as increased respiration, a pounding heart, and some lightheadedness are all normal adaptive processes to high altitude. Many of the symptoms can be attributed to dehydration. Considerably more fluids are needed (in the form of water, juices, broths, Gatorade, herbal teas, and similar drinks.) Should you consume alcohol, avoid alcoholic drinks for the first week, and then proceed with caution to moderate intake. Limiting carbonated drinks helps with the bloating associated with altitude.

Limit your activities for the first few days. Children and young athletic adults are more likely to develop serious complications, so guard them against over-activity until they are well adapted, especially for the first 72 hours after arrival. On the other hand, the advice that is often given to lie down during the initial hours in altitude can actually increase the severity of headaches.

Sanitary conditions are such that travelers and residents generally consume only bottled water, refuse ice, and wash fresh fruits and vegetables with special disinfectants or bleaches. Even the best restaurants may inadvertently serve tainted food. Americans have been victims of e-coli, typhoid, salmonella, and other diseases. Hepatitis and rabies are common, but with proper vaccinations, both can usually be avoided. Malaria, Dengue fever, leishmaniasis, and yellow fever are present in the jungles in Bolivia’s northern and eastern regions, and leprosy and yellow fever are sometimes found in the Yungas region of La Paz. Tuberculosis is endemic throughout Bolivia.

Office hours vary somewhat from city to city. In La Paz and Cochabamba, office hours are generally 09:00 to 12:30 and 14:30 to 18:30. In Santa Cruz, office hours are generally 08:30 to 18:30 with a two-hour lunch break. Almost all banks in Bolivia operate from 9:00 to 16:00, but a few of them extend their services until 18:00. Some government offices also work from 8:30 to 16:30 without stopping. It is important to verify the opening hours of each institution before preparing a schedule.

2014-2015 Holidays

<table>
<thead>
<tr>
<th>Holiday</th>
<th>Date</th>
<th>Day</th>
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</thead>
<tbody>
<tr>
<td>Corpus Christi Day</td>
<td>June 19</td>
<td>Thursday</td>
</tr>
<tr>
<td>Winter Solstice/Aymara New Year</td>
<td>June 21</td>
<td>Saturday</td>
</tr>
<tr>
<td>La Paz Day (Only in La Paz)</td>
<td>July 16</td>
<td>Wednesday</td>
</tr>
<tr>
<td>Bolivia Independence Day</td>
<td>August 6</td>
<td>Wednesday</td>
</tr>
<tr>
<td>Cochabamba Day (Only in Cbba)</td>
<td>September 14</td>
<td>Saturday****</td>
</tr>
<tr>
<td>Santa Cruz Day (Only in Santa Cruz)</td>
<td>September 24</td>
<td>Tuesday</td>
</tr>
<tr>
<td>All Saints Day</td>
<td>November 2</td>
<td>Sunday****</td>
</tr>
<tr>
<td>Christmas Day</td>
<td>December 25</td>
<td>Thursday</td>
</tr>
<tr>
<td>New Year’s Day</td>
<td>January 1</td>
<td>Thursday</td>
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<tr>
<td>Plurinacional State Foundation Day</td>
<td>January 22</td>
<td>Thursday</td>
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<tr>
<td>Carnival</td>
<td>February 16</td>
<td>Monday</td>
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<tr>
<td>Carnival/Shrove Tuesday</td>
<td>February 17</td>
<td>Tuesday</td>
</tr>
<tr>
<td>Good Friday</td>
<td>April 3</td>
<td>Friday</td>
</tr>
<tr>
<td>Labor Day/May Day</td>
<td>May 1</td>
<td>Friday</td>
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</tbody>
</table>

****When a Bolivian holiday falls on Saturday or Sunday, the Bolivian government may designate Friday or Monday as a day off at its discretion.

Departmental Holidays 2014-2015

<table>
<thead>
<tr>
<th>Holiday</th>
<th>Date</th>
<th>Day</th>
</tr>
</thead>
<tbody>
<tr>
<td>La Paz Day</td>
<td>July 16</td>
<td>Wednesday</td>
</tr>
<tr>
<td>Cochabamba Day</td>
<td>September 14</td>
<td>Sunday****</td>
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<td>Santa Cruz Day</td>
<td>September 24</td>
<td>Wednesday</td>
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<tr>
<td>Pando Day</td>
<td>October 11</td>
<td>Saturday****</td>
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<tr>
<td>Potosí Day</td>
<td>November 10</td>
<td>Monday</td>
</tr>
<tr>
<td>Beni Day</td>
<td>November 18</td>
<td>Tuesday</td>
</tr>
<tr>
<td>Oruro Day</td>
<td>February 10, 2015</td>
<td>Tuesday</td>
</tr>
<tr>
<td>Tarija Day</td>
<td>April 15, 2015</td>
<td>Wednesday</td>
</tr>
<tr>
<td>Sucre Day</td>
<td>May 25, 2015</td>
<td>Monday</td>
</tr>
</tbody>
</table>

Temporary Entry of Materials and Personal Belongings

Personal effects not exceeding $1,000 are exempt from duties.

Web Resources
U.S. Department of State’s Consular Information http://travel.state.gov/


State Department Visa Website: http://travel.state.gov/content/visas/english.html
U.S. Embassy consular section: http://bolivia.usembassy.gov/consular.html

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## Chapter 9: Contacts, Market Research and Trade Events

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- Market Research
- Trade Events

### Contacts

All addresses are in La Paz unless noted. “Casilla” means P.O. Box.

#### Government Ministries

<table>
<thead>
<tr>
<th>Ministry of the Presidency</th>
<th>Ministry of Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>Palacio de Gobierno</td>
<td>Av. Arce 2409 esq. Belisario</td>
</tr>
<tr>
<td>Plaza Murillo - La Paz</td>
<td>Salinas - La Paz</td>
</tr>
<tr>
<td>Phone: (591-2) 220-2331</td>
<td>Phone: (591-2) 2440466</td>
</tr>
<tr>
<td>Ministry’s Secretary: (591-2) 215-3975</td>
<td>(591-2) 2120002</td>
</tr>
<tr>
<td>Cabinet Advisor: (591-2) 215-3866</td>
<td>(591-2) 2120003</td>
</tr>
<tr>
<td>Fax: (591-2) 215-3870</td>
<td>Ministry’s Secretary: (591-2) 212-0004</td>
</tr>
<tr>
<td>Casilla: 7832</td>
<td>Ministry’s Phone: (591-2) 244-0114</td>
</tr>
<tr>
<td>Email: <a href="mailto:correo@presidencia.gob.bo">correo@presidencia.gob.bo</a></td>
<td>Fax: (591-2) 244-2225</td>
</tr>
<tr>
<td></td>
<td>Email: <a href="mailto:mail@mingobierno.gob.bo">mail@mingobierno.gob.bo</a></td>
</tr>
<tr>
<td></td>
<td>Web: <a href="http://www.mingobierno.gob.bo/">http://www.mingobierno.gob.bo/</a></td>
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<table>
<thead>
<tr>
<th>Ministry of Foreign Relations and Worship</th>
<th>Ministry of Defense</th>
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<tbody>
<tr>
<td>Calle Junín esq. Ingavi, Plaza Murillo La Paz</td>
<td>Av. 20 de Octubre 2502 esq. Calle Pedro Salazar - La Paz</td>
</tr>
<tr>
<td>Phone: (591-2) 240-8900</td>
<td>Phone: (591-2) 2432525</td>
</tr>
<tr>
<td>(591-2) 240-8921</td>
<td>Ministry’s Phone: (591-2) 243-4249</td>
</tr>
<tr>
<td>(591-2) 240-8559</td>
<td>(591-2) 261-0428</td>
</tr>
<tr>
<td>Ministry’s Phone: (591-2) 240-8293</td>
<td>Fax: (591-2) 243-3159</td>
</tr>
<tr>
<td>Fax: (591-2) 240-8642</td>
<td>Email: <a href="mailto:utransparencia@mindef.gob.bo">utransparencia@mindef.gob.bo</a></td>
</tr>
<tr>
<td>(591-2) 211-3204</td>
<td>Web: <a href="http://www.mindef.gob.bo/">http://www.mindef.gob.bo/</a></td>
</tr>
<tr>
<td>Email: <a href="mailto:mreuno@rree.gob.bo">mreuno@rree.gob.bo</a></td>
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<tr>
<td>Web: <a href="http://www.rree.gob.bo/">http://www.rree.gob.bo/</a></td>
<td></td>
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</tbody>
</table>
Ministry of Economy and Public Finance
Av. Mariscal Santa Cruz,
Palacio de Comunicaciones, Piso 19
La Paz
Phone: (591-2) 220-3434
(591-2) 239-2220
(591-2) 239-2779
Ministry’s Phone: (591-2) 239-2220
Fax: (591-2) 235-9955
Email: ministro_web@economiayfinanzas.gob.bo
Web: http://www.economiayfinanzas.gob.bo

Ministry of Economic Development and Plural Economy
Av. Mariscal Santa Cruz
Palacio de Comunicaciones, Piso 20
La Paz
Phone: (591-2) 236-7463
Ministry’s Phone: (591-2) 212-9213
Fax: (591-2) 239-2779
Email: despacho@produccion.gob.bo; contacto@produccion.gob.bo
Web: http://www.produccion.gob.bo

Ministry of Public Works, Services and Housing
Av. Mariscal Santa Cruz Esq. Calle Oruro,
Palacio de Comunicaciones 5to piso - La Paz
Phone: (591-2) 211-9999
Ministry’s Phone: (591-2) 211-9988
Fax: (591-2) 215-6620
Email: oopp@oopp.gob.bo
Web: http://www.oopp.gob.bo

Ministry of Hydrocarbons and Energy
Av. Mariscal Santa Cruz Esq. Calle Oruro
Palacio de Comunicaciones
Piso 12 – La Paz
Phone: (591-2) 237-4050
Ministry’s Phone: (591-2) 214-1280
Fax: (591-2) 214-1307
Email: hidrocarburos@hidrocarburos.gob.bo
Web: http://www.hidrocarburos.gob.bo

Ministry of Mining and Metallurgy
Av. Mariscal Santa Cruz Esq. Calle Oruro
Palacio de Comunicaciones
Piso 14 – La Paz
Phone : (591-2) 231-2912
Ministry’s Phone: (591-2) 237-1165
Fax: (591-2) 231-0846
Casilla: 8686
Email: mineria@mineria.gob.bo
Web : http://www.mineria.gob.bo

Ministry of Rural Development and Land
Av. Camacho 1471 - La Paz
Phone: (591-2) 211-1103
(591-2) 220-0919
Ministry’s Phone: (591-2) 211-3013
Fax: (591-2) 211-1067

Ministry of Development and Planning
Mariscal Santa Cruz 1092 esq. Oruro
Edificio Ex-Comibol, Piso 5 - La Paz
Phone: (591-2) 211-6000
Ministry’s Phone: (591-2) 231-0774
Fax: (591-2) 231-2641
Casilla: 12814
Email: comunicacion@planificacion.gob.bo
sistemas@planificacion.gob.bo
Web: http://www.planificacion.gob.bo/

Ministry of Autonomies
Av. Mariscal Santa Cruz 1392, Edificio Cámara de Comercio Piso 11 – La Paz
Phone : (591-2) 211-0930
Ministry’s Phone: (591-2) 211-0927
Fax: (591-2) 211-3613
Casilla: 1397
Email: despacho@agrobolivia.gob.bo
Web: http://www.agrobolivia.gob.bo/

Ministry of Health and Sports
Plaza del Estudiante esq. Cañada
Strongest s/n - La Paz
Phone : (591-2) 249-0554
(591-2) 237-1379
(591-2) 249-2724
Fax: (591-2) 249-2900
Email: info@sns.gob.bo
Web: http://www.sns.gob.bo/

Ministry of Culture
Calle Potosí s/n esq. Ayacucho, Palacio Chico – La Paz
Phone : (591-2) 220-0910
Ministry’s Phone: (591-2) 220-0946
Fax: (591-2) 220-2628
Casilla: 7846
Email: webmaster@mincultur.gob.bo
Web: http://www.minculturas.gob.bo

Ministry of Labor, Employment and Social Prevision
Calle Yanacocha esq. Mercado s/n
Piso 2 - La Paz
Phone: (591-2) 240-8606
(591-2) 240-8575
Ministry’s Office: (591-2) 240-6788
Fax : (591-2) 240-9578
Email: despacho@mintrabajo.gob.bo
Web: http://www.mintrabajo.gob.bo/

Ministry of Education
Av. Arce 2147 - La Paz
Phone: (591-2) 244-1200
Ministry’s Phone: (591-2) 244-2145
Fax: (591-2) 244-0864
Web: http://www.minedu.gob.bo/

Ministry of Environment and Water
Capitán Castrillo 434 - La Paz
Phone: (591-2) 211-6132
(591-2) 211-5571
Ministry’s Phone: (591-2) 211-6583
Fax: (591-2) 211-5582
Web: http://www.mmaya.gob.bo/

Ministry of Justice
Av. 16 de Julio 1769, Prado
La Paz
Phone: (591-2) 231-3838
(591-2) 215-8900
Ministry’s Phone: (591-2) 231-5468
Fax: (591-2) 215-8921
Email: ministerio@justicia.gob.bo
Web: http://www.justicia.gob.bo/

Ministry of Institutional Transparency and Fight Against Corruption
Calle Capitán Ravelo, Edificio Capitán Ravelo 2101 esq. Montevideo Pisos 3-9
La Paz
Phone: (591-2) 215-3084
(591-2) 215-3085
Ministry’s Phone: (591-2) 211-5773
Fax: (591-2) 215-3084
Web: http://www.transparencia.gob.bo/
OTHER GOVERNMENT CONTACTS

Bolivian Central Bank
Ayacucho esq. Mercado - La Paz
Phone: (591-2) 240-9090
Fax: (591-2) 240-7950
(591-2) 240 6614
Casilla: 3118
Web: http://www.bcb.gob.bo

National Customs Service
Calle Av. 20 de Octubre No. 2038
Casilla 13058 - La Paz
Phone: (591-2) 212-8008
(591-2) 215-2862
Fax: (591-2) 215-2904
Email: jlarce@aduana.gob.bo
Web: http://www.aduana.gob.bo/

TRADE ASSOCIATIONS/CHAMBERS
OF COMMERCE

Private Businessmen’s Confederation
(Confederación de Empresarios Privados de Bolivia)
Calle Méndez Arcos 117, Plaza España
La Paz
Phone: (591-2) 242-0999
Fax: (591-2) 242-1272
Casilla 4239
Email: cepb@cepb.org.bo
Web: http://www.cepb.org.bo

National Chamber of Commerce
(Cámara Nacional de Comercio)
Av. Mariscal Santa Cruz 1392
Edificio Cámara Nacional de Comercio
Pisos 1 y 2 - La Paz
Phone: (591-2) 237-8606
(591-2) 233-3232
Fax: (591-2) 239-1004
E-mail: cnc@boliviacomercio.org.bo
Web: http://www.boliviacomercio.org.bo

National Chamber of Commerce
(Confederación de Empresarios
Privados de Bolivia)
Calle Méndez Arcos 117, Plaza España
La Paz
Phone: (591-2) 242-0999
Fax: (591-2) 242-1272
Casilla 4239
Email: cepb@cepb.org.bo
Web: http://www.cepb.org.bo

National Chamber of Industry
(Cámara Nacional de Industria)
Av. Mariscal Santa Cruz 1392
Edificio Cámara Nacional de Comercio
Piso 14 – La Paz
Phone: (591-2) 237-4477
Fax: (591-2) 236-2766
E-mail: cni@entelnet.bo
Web: http://www.bolivia-industry.com

National Chamber of Exporters
Av. Arce 2017 esq. calle Goitia - La Paz
Phone: (591-2) 244-0943
Fax: (591-2) 244-1491
E-mail: secretaria@caneb.org.bo
Web: http://www.caneb.com

American Chamber of Commerce of Bolivia (AMCHAM)
Av. 6 de Agosto 2455, Edificio Hilda Piso 2 Oficina 204 – La Paz
Phone: (591-2) 244-3939
Fax: (591-2) 244-3972
Casilla: 8268
Email: amchambo@entelnet.bo
Web: http://www.amchambolivia.com

Bolivian-American Chamber of Commerce
30 Vesey Street, Suite 506
New York, NY 10007-2914
Phone: 1 212 729 1665
Fax: 1 917 546 6915
E-mail: info@bolivia-us.org
Web: http://www.bolivia-us.org
Santa Cruz Chamber of Industry, Commerce, Services, and Tourism (CAINCO) (Cámara de Industria, Comercio, Servicios y Turismo de Santa Cruz)
Las Américas 7 esq. Av. Saavedra
Santa Cruz
Phone: (591-3) 333-4555
Fax: (591-3) 334-2353
Casilla: 180
Email: contactcenter@cainco.org.bo
Web Page: http://www.cainco.org.bo

Bolivian Private Bankers Association (Asociación de Bancos Privados de Bolivia)
Av. Mariscal Santa Cruz 1392
Edificio Cámara Nacional de Comercio
Piso 15 - La Paz
Phone: (591-2) 233-4794
Fax: (591-2) 237-6164
Casilla: 5822
E-mail: info@asoban.bo
Web: http://www.asoban.bo

Bolivian Chamber of Construction Companies (Cámara Boliviana de la Construcción)
Av. 20 de Octubre 1948 Edificio Terranova - La Paz
Phone: (591-2) 242-3134
(591-2) 242-3139
Fax: (591-2) 251-0938
Casilla: 3215
Email: caboco.bo@gmail.com
Web Page: http://www.caboco.org.bo

Eastern Bolivian Agricultural Chamber (CAO)
Av. Roca y Coronado
Predios de Fexpocruz - Santa Cruz
Phone: (591-3) 352-2200
Fax: (591-3) 352-2621
Casilla: 116
Email: cao@cotas.com.bo

National Association of Medium Sized Mining Firms
Calle Pedro Salazar No. 600, Sopocachi
La Paz
Phone: (591-2) 241-7522
Fax: (591-2) 241-4123
Email: anmm@acelerate.com

National Chamber of Mining
Av. Villazon Pasaje Iturralde y Bernardo Trigo 429 – La Paz
Phone: (591-2) 244-1651
Fax: (591-2) 244-1651
Casilla: 2022
Email: canalmin@latinmail.com

Forestry Chamber of Bolivia
Calle Manuel Ignacio Salvatierra 1055
Santa Cruz
Phone: (591-3) 333-2699
Fax: (591 3) 333-1456
Casilla 346
E-mail: camaraforestal@cfb.org.bo
Web: http://www.cfb.org.bo
COMMERCIAL BANKS

Banco de Crédito Bolivia S.A.
Calle Colón 1308 - La Paz
Phone: (591-2) 239-1722
Fax: (591-2) 239-1722
Email: callcenterbolivia@bancred.com.bo
Web: http://bancodecredito.com.bo

Banco Los Andes
Av. 16 de Julio 1486 - La Paz
Phone: (591-2) 231-3133
Fax: (591-2) 231-3147
Email: contactanos@losandesprocredit.com.bo
Web: http://www.losandesprocredit.com.bo

Banco Económico S.A.
Calle Ayacucho 166 - Santa Cruz
Phone: (591-3) 315-5500
Fax: (591-3) 336-1184
Casilla: 5603
E-mail: baneco@baneco.com.bo
Web: http://www.baneco.com.bo

Banco Ganadero S.A.
Calle Bolivia esq. Beni
Santa Cruz
Phone: (591-3) 336-1616
Fax: (591-3) 336-1617
Casilla: 4492
Web: http://www.bg.com.bo

Banco Industrial S.A. (BISA)
Av. 16 de Julio (El Prado) 1628
La Paz
Phone: (591-2) 231-7272
(591-2) 235-9471
Fax: (591-2) 239-0033
Email: bancobisa@grupobisa.com
Web: http://www.bisa.com

Banco Nacional de Bolivia S.A.
Av. Camacho esq. Colon 1296
La Paz
Phone: (591-2) 233-2323
(591-2) 231-3231
Fax: (591-2) 233-2323
E-mail: info@bnb.com.bo
Web: http://www.bnb.com.bo/

Banco Mercantil Santa Cruz S.A.
Calle Ayacucho esq. Mercado 295
La Paz
Phone: (591-2) 240-9040
Fax: (591-2) 240-9362
Casilla 423

Banco Solidario S.A.
Nicolas Acosta No. 289, San Pedro
La Paz
Phone: (591-2) 248-4242
(591-2) 248-6603
Fax: (591-2) 248-6533
Casilla: 13176
E-mail: info@bancosol.com.bo
Web: http://www.bancosol.com.bo

Banco Unión
Calle Libertad No. 156 - Santa Cruz
Phone: (591-3) 336-6869
Fax: (591-3) 334-6869
Email: info@bancounion.com.bo
Web: http://www.bancounion.com.bo
MULTILATERAL DEVELOPMENT BANKS

World Bank
Calle Fernando Guachalla No. 342
Edificio Victor, Piso 9 – La Paz
Phone: (591-2) 215-3344
Fax: (591-2) 215-3300

Inter-American Development Bank (IADB)
Av.16 de Julio (El Prado), Piso 5 Edificio
BISA - La Paz
Phone: (591-2) 235-1221
Fax: (591-2) 239-1089
Casilla: 5872
Email: bidbolivia@iadb.org
Web: http://www.iadb.org

Andean Development Corporation (CAF)
Av. Arce 2915, Zona San Jorge
La Paz
Phone: (591-2) 243-3333
Fax: (591-2) 243-3304
Email: bolivia@caf.com
Web: http://www.caf.com
**U.S. Embassy Personnel**

Peter Brennan  
Chargé d'Affaires

Gabriel Escobar  
Deputy Chief of Mission

Don Titus  
Political/Economic Section Head

Katharine Beamer  
Political/Economic Counselor

Don Frerichs  
Economic Officer

Todd Anderson  
Political Officer

Leah Pillsbury  
Economic/Commercial Officer

Mark Redmond  
Political Officer

**Embody personnel may be reached at**  
commercelapaz@state.gov.

Emiko Purdy, Agricultural Attaché  
U.S. Embassy Lima, Peru

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**Washington-Based U.S. Government Contacts**

**Trade Information Center**  
U.S. Department of Commerce  
Phone: (800) USA-TRADE  
Email: tic@ita.doc.gov

**U.S. Department of Commerce**  
Bolivia and Colombia Desk Officer  
Phone: (202) 482-0057  
Fax: (202) 482-4726  
Email: Matthew_Gaisford@ita.doc.gov

**U.S. Department of State**  
Office of the Coordinator for Business Affairs  
2201 C Street, NW, Room 6828  
Washington, DC 20520  
Phone: (202) 647-5973  
Fax: (202) 647-5713  
E-mail: ebweb@state.gov

**Trade Assistance and Promotion Office**  
Foreign Agricultural Service  
U.S. Department of Agriculture  
Phone: (202) 720-7420  
Fax: (202) 690-4374  
http://www.fas.usda.gov
Bolivian Government Representation in the United States

Embassy

Freddy Bersatti, Ministro Consejero
3014 Massachusetts Av. NW
Washington, D.C. 20008
Phone: (202) 483-4410
Fax: (202) 328-3712
E-mail: webmaster@bolivia-usa.org
Web: http://www.bolivia-usa.org

Consulates/Consuls

Marcelo Martínez C.
4420 Connecticut Avenue NW, Suite 2
Washington, D.C. 20008
Phone: (202) 232 4828/27
Fax: (202) 232 8017
E-mail: consulgeneral@bolivia-usa.org
Web: http://www.bolivia-usa.org

Maria Eugenia Osinaga Hernanni
211 East 43rd St, Suite 1004
New York, NY 10017
Phone: (212) 687 0530 or 68
Fax: (212) 687-0532
Email: consuladobolivianony@hotmail.com;
consulado.bolivia.ny@gmail.com

Natalia Campero
Airport Financial Center – 700 S.
Royal Poinciana Boulevard, Suite 505
Miami, Springs, Florida 33166
Phone: (305) 358 6303/04 ext. 0
Fax: (305) 358 6305
E-mail: generalconsulate@bellsouth.net
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Marco Antonio Cuba Mariño
3701 Wilshire Boulevard, Suite 1065
Los Angeles, CA 90010
Phone: (213) 388 0475/0957
Fax: (213) 384 6272
E-mail: cbolivia@sbcglobal.net;
mcriba@colivian-la.com
Web: http://www.boliviala.org

Hugh Alanson Andrews
1409 Lucchetti Street
San Juan, PR 00914
Phone: (787) 722 5449/3504
Fax: (787) 723 8457
Web: http://www.bolivia-usa.org/

Market Research

To view market research reports produced by the U.S. Commercial Service please go to the following website: http://www.export.gov/mrktresearch/index.asp and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required and is free.
Please click on the link below for information on upcoming trade events.

http://www.export.gov/tradeevents/index.asp

http://www.portalferias.com/ferias-bolivia/p51/
Please also see refer to the following trade shows in Bolivia:

EXPOCRUZ (Exhibition Fair of Santa Cruz)
Description: Expocruz is the largest business event in the country. During the 10 days of the exhibition this event moves about $270 million dollars ($190 million dollars of potential business and $80 million in commercial activity inside the event). One of the highlights of this event is the parallel Business Roundtable that congregates not only Bolivian companies but also international ones willing to do business in the country
Event Frequency: Annual
Number of exhibitors: Almost 2300 companies
Exhibiting countries: 21 countries
Direct and indirect Visitors: 500,000 visitors, including entrepreneurs, managers, technicians, people interested in establishing trade links, and the general public
Contact: Victor Hugo (Buby) Suarez Castedo – Commercial Manager
Av. Roca y Coronado (Campo Ferial)
Tel: (591-3) 353-3535
vhsuerez@fexpocruz.com.bo

FEICOBOL (International Fair of Cochabamba)
Description: The International Fair of Cochabamba is the second largest business event in the country. As a multiple-sector fair, it presents good opportunities to establish business contacts at local and national levels. The visit is a good example of the success of the fair's activity.
Event Frequency: Annual
Number of exhibitors: Almost 1000 companies
Exhibiting countries: 28 countries
Direct and indirect Visitors: 350,000 visitors, including entrepreneurs, managers, technicians, people interested in establishing trade links, and the general public
Contact: Eunice Achá Ferrel – General Manager
Campo Ferial – Laguna Alalay
Tel. (591-4) 421-8880 / 421-8881 / 475-0943
eacha@feicobol.com.bo

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Chapter 10: Guide to Our Services

The President’s National Export Initiative aims to double exports over five years by marshaling Federal agencies to prepare U.S. companies to export successfully, connect them with trade opportunities, and support them once they do have exporting opportunities.

The U.S. Commercial Service offers customized solutions to help U.S. exporters, particularly small and medium sized businesses, successfully expand exports to new markets. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers
- Gain access to the full range of U.S. government trade promotion agencies and their services, including export training and potential trade financing sources

To learn more about the Federal Government’s trade promotion resources for new and experienced exporters, please click on the following link: www.export.gov

U.S. companies are invited to make full use of the wide range of market entry and partner search services offered by U.S. Embassy La Paz’s Political and Economic section’s commercial office.

SERVICES OFFERED AT THE U.S. EMBASSY IN LA PAZ

**Company Background Report**

| Cost: | US $600-US $900 plus travel cost for trips outside of La Paz |
| Delivery: | 10 workdays from receipt of payment (expedited service can be completed in 5 workdays for an additional fee) |

The commercial office will provide a detailed, confidential background report on a single Bolivian company. The report will include detailed company history, management, and financial information.

**Potential Partner Search**

| Cost: | US $1,000 – US $1,500 |
| Delivery: | 15 workdays |
| Description: | Upon receipt of payment and company literature, the commercial office will search for potential local partners and provide a pre-screened list of companies with their contact information. |

**Customized Partner Service**

| Cost: | US $750 – US $2,300 |
Delivery: 15 workdays  
Description: The commercial office will provide customized market and industry briefings and arrange a unique program that includes five to six appointments per day with pre-screened companies ($750 for the first day, additional costs incurred for each additional day up to a total of 4 days. Beyond 4 days a price will be determined between the company and the commercial office). If requested, the section will also provide assistance with travel, accommodation, and translation services.

**Customized Market Research**
Cost: US $700 – US $1,500  
Delivery: 15 workdays  
Description: The commercial office will provide customized market and industry based on a company’s needs. Companies should keep in mind that market data is less readily available in Bolivia than in the United States. However, the commercial office maintains good contacts with companies in most major sectors and will generally be able to produce a qualitative report with useful information even where official statistics do not exist. The price depends on the scope of research needed and the amount of travel required for the research.

**Payments for Services**
Payments should be made by check or bank transfer to the American Embassy:

<table>
<thead>
<tr>
<th>Check to the U.S. Embassy</th>
<th>Bank transfer</th>
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<td>La Paz – Bolivia</td>
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<tr>
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<td></td>
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<tr>
<td>SWIFT of IBAN # BANIBOLX</td>
<td></td>
</tr>
</tbody>
</table>

Payments, brochures and literature should be sent to one of the following addresses:

**In the U.S.:**  
Commercial Office  
Unit 3220  
DPO, AA 34032

**In Bolivia:**  
Embajada de los Estados Unidos  
Oficina Comercial  
Avenida Arce 2780  
La Paz - Bolivia

For more information, please contact Mr. Jose Ribero at (591-2) 216-8195 or email CommerceLaPaz@state.gov.
U.S. exporters seeking general export information/assistance or country-specific commercial information can also contact the U.S. Department of Commerce's Trade Information Center at (800) USA-TRAD(E).

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, The Department of Commerce does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. The Department of Commerce can assist companies in these endeavors.

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