



Doing Business in Bolivia: 2015 Country

Commercial Guide for U.S. Companies

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Chapter 1: Doing Business in Bolivia

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Market Overview

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Top Five Reasons to Consider Bolivia

- **The Bolivian economy is growing.** For the past ten years, the economy has grown by over 4%. This has led to a dramatic increase in the size and spending power of the middle class.
- **Bolivians like American products.** Made in USA generally signals quality and innovation. Bolivians who can afford to are often interested in buying American products for the status that they confer. For larger local government purchases, governments know that U.S. products may come with more reliable warranties or maintenance plans than those of other countries. In one case, the Embassy has even heard that a local government gave outright preference to U.S. products for this reason.
- **Bolivia is rich in non-renewable natural resources.** Mining and hydrocarbons are some of Bolivia's largest export sectors, and there is still room to grow. In addition to presently mined minerals such as gold, silver, and tin, Bolivia boasts the largest lithium deposits in the world, which are as of yet untapped.
- **Bolivia's agriculture sector will grow astronomically in the next ten years.** The Bolivian government and agriculture producers plan to triple Bolivia's agriculture gross domestic product (GDP) from \$3 to \$10 billion by 2025. In order to do so, Bolivians will need new technology in everything from irrigation to farm equipment. The Bolivian government is also considering allowing the use of bioengineered crops in order to increase production.
- **The Bolivian government wants to promote Foreign Direct Investment (FDI).** President Morales' new cabinet and advisors know that FDI will be a key to sustaining the Bolivian economy's growth. At almost every Embassy meeting with government officials, they mention the importance of encouraging investment from the United States. Last year the government passed a new investment law and is currently working on drafts of arbitration and industrial property laws.

Market Statistics

For the three year period from 2012 through 2014 Bolivia's economy grew at an average yearly rate of 5.8%. This compares favorably to the 4.7% average yearly growth experienced from 2010 through 2011. The 2014 increase in GDP is a result of a 7.8% growth in construction and 7% in public services; 6.4% growth in electricity, water and gas distribution; mining and financial services growth of 6% and transportation and oil and gas production; 10% in construction; 9.4% growth in public services; and 6.7% growth in transport..

Indicator	2013	2014
Nominal GDP	\$30.8 billion	\$34.0 billion
GDP Real Annual Growth Rate	6.82%	5.4%
GDP per capita (PPP)	\$6,131	\$6,221
GDP per capita	\$2,757	\$2,922
Exports	\$12.2 billion	\$13.0 billion
Imports	\$9.3 billion	\$10.5 billion
Total Imports from the U.S.	\$1.17 billion	\$1.23 billion
Inflation	6.5%	5.2%

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

- Accumulated inflation for 2014 was 5.2%, 1.3 percentage points below the 2013 figure. The decrease was due to higher inflationary pressure on food prices, mainly internal. Non-food items registered an overall increase of 0.6% from 3.6% in 2013 to 4.1 in 2014. The Central Bank estimates that the rate of inflation for 2015 will be around 5%.
- Total investment in Bolivia increased in 2014, from \$7.6 billion to \$8.1 billion. Public investment rose from \$5.6 billion in 2013 to \$6.7 billion in 2014, due mostly to road construction and increases in investment in state-run companies. Net foreign direct investment (FDI), decreased from \$1.7 billion in 2013 to \$648 million in 2014, mainly because of the nationalization of Transierra, a Brazilian company that managed one of the most important export pipelines, but it also reflects a general trend to depend more on public versus private investment.
- Exports rose by nearly 7% in 2014, reaching \$13.0 billion. 2014 top export sectors were: hydrocarbons (51% of total exports), manufactured goods (28%), minerals (16%), and agricultural products (5%). The top exports by individual product were: natural gas (46% of total exports), gold (10.4%), soy (7.6%), zinc (7.5%), silver (5.4%), fuels (4.5%), and tin (2.7%).
- Bolivia's top export markets in 2014 (latest year of data available) were Brazil (29.4%), Argentina (19.5%), United States (15.5%), Colombia (5.2%), Peru (4.0%), South Korea (3.8%), Japan and China (both 3.3%), and Belgium (1.7%).
- From 2013 to 2014, Bolivian imports rose by 13% to \$10.5 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 (24.5%), transport equipment and parts (17.7%), fuel (13%), consumable goods (10%), and food (7%). Top import products within these categories were machinery and mechanical appliances (20.7% of total imports), chemical products (12.9%), fuels and oils (11.7%), vehicles (11.1%), minerals (7.8%), 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. increased 64% from \$1.25 billion in 2013 to \$2.04 billion in 2014, mainly due to the increase of gold, while imports from the U.S. rose 5.5% from \$1.17 billion in 2013 to \$1.23 billion in 2014. In 2014, The U.S. supplied 11.7% of Bolivia's imports and received 15.7% of its exports. In 2014, Bolivia had a total trade surplus of \$2.5 billion, of which the U.S. accounted for \$814 million, or 33% of the total surplus.

Market Challenges

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Although the Bolivian economy continues to grow, 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 that 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, a cement plant, an airport management company, and the pension administration system. President Morales has been reelected twice: in December 2009 and October 2014. In January 2015, he began his third term as president even though the constitution only allows for two terms (Morales was allowed to run for a third term under the current constitution because his first term from 2006-2010 was deemed by a Morales-friendly Constitutional Court to have been held under the pre-2009 constitution.) Morales' current term lasts until 2020. The government continues to focus on increasing state control over natural resources and strategic sectors. Since Morales first took office, the political climate has been generally stable.

Bolivia claims to be open to foreign investment, but weak judicial security, complicated regulatory decisions, cumbersome bureaucratic procedures, and political pressure to abrogate contracts may adversely affect companies' operations.

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 Bolivian government often restricts export based on supplying local markets first).

Market Opportunities

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According to the Bolivian National Bureau of Statistics (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).
 3. Motor vehicles for the transport of goods.
 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.).
 9. Turbojets, turbo propellers, and other gas turbines.
 10. Additionally, though not part of the INE list, machinery and mechanical appliances have significant potential as U.S. exports.

The best prospects for U.S. agricultural products include:

1. HTS Category 21061000.--Protein concentrates and textured protein substances (top imports for 2011), and
2. HTS Category 21069022.--Butter substitutes, 10% by weight of milk solids, 45% butterfat.

Market Entry Strategy

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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 770 foreigners from 23 countries participated in the 2014 fair, and business transactions totaled approximately \$95 million.

The second most attended trade fair in Bolivia is the "Feria Internacional de Cochabamba," ([Feicobol](http://www.feicobol.com.bo/en)) a multi-sector trade show that takes place annually in Cochabamba (<http://www.feicobol.com.bo/en>). Over 20 countries participated in the 2014 ([this already happened in 2015 do we have stats?](#)) fair, including several European Union countries and the United States.

La Paz also has a multi-sector trade show called Fipaz (<http://www.fipaz.com.bo/>), held every year in late October and early November. Although smaller than the Cochabamba and Santa Cruz fairs, the trade show is expected to grow now that La Paz has a dedicated exposition center. The 2014 Fipaz had double the number of visitors as the 2013 version, and generated \$38 million in business transactions.

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>

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Using an Agent or Distributor

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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 government is currently drafting a new arbitration law which may further limit the possibility of international arbitration for commercial disputes.

The designation of an Agent or Distributor in Bolivian territory is regulated by the Commercial Code (Law 14379) in articles 1248 through 1259. Under 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 can be national or international. Tenders must be opened to international companies when the total amount is over \$5.7 million. If an international company would like to be considered for a national tender, it can partner with a local company or representative agent. According to the Bolivian Civil Code (art.492), agents must register with Bolivia's National Chamber of Commerce, the Bolivian National Tax

Service (*Servicio de Impuestos Internos*), 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 (Article 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.

As of June 2015, the U.S. Embassy in La Paz became an official Commercial Partner Post with the U.S. Department of Commerce. The Embassy will offer the full range of Commercial Services at the same prices as other Partner Posts. More information can be found on our website or by contacting us at commercelapaz@state.gov.

Establishing an Office

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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 (*Asociación Accidental*): a short-term agreement for commercial purposes without formal partnership 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 person.

If a foreign firm would like to establish a wholly owned subsidiary in Bolivia, there is a separate registration process from registering a local company. 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

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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, clothing, and hotels. 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.

There are a number of newly-opened franchises in Santa Cruz such as Hard Rock Cafe, TGI Fridays (also in Cochabamba), KFC, and Cinnabon, and Sbarro (also in La Paz). More established franchises, such as Burger King and Subway, are present in Cochabamba and La Paz, as well as in Santa Cruz. These franchises are popular with Bolivian consumers who enjoy an American experience. The concept of having a foreign experience through interaction with a franchise is a relatively new one in Bolivia, but one that the Bolivian elite continue to embrace.

Bolivian businesspeople continue to be interested in bringing new franchises to Bolivia. The newly created National Franchise Chamber has fourteen members and continues to grow rapidly. Anecdotally, the Embassy has also seen a growing appetite for franchises from businesspeople that travel to the International Franchise Expo in New York each June.

Direct Marketing

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Most companies focus their marketing in cities. The biggest markets for foreign products and services are Santa Cruz, La Paz, El Alto, and Cochabamba. The rest of the departmental capitals in Bolivia are also important, but the market share and size in these cities are smaller. With the rise of websites such as Bolivia Rural (<http://www.boliviarrural.org/>) and Redesma (<http://www.redesma.org/>), it is also possible to reach rural constituencies in a targeted manner.

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 been successful with this type of marketing, largely 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 or online. Shopping in stores gives consumers 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

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President Morales signed a new Investment Promotion Law (Law 516, 2014) 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.

Based on the Investment Promotion Law, the Bolivian legislature should renegotiate all investment treaties to make them comply with the Bolivian Constitution. This implies that Bilateral Investment Treaties (BITs) will be renegotiated, but this is not expected to happen in the near future.

The government has circulated a draft of a new arbitration law and plans to pass it into law sometime in 2015. However, until the new standard for conciliation and arbitration dispute takes effect, the parties to the conflict shall apply the provisions of Law 1770 of Arbitration and Conciliation.

Selling to the Government

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Government expenditures account for a significant portion of Bolivia's Gross Domestic Product. 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>, and also on the websites of all public companies (Electricity: <http://www.ende.bo>; Hydrocarbons: <http://www.ypfb.gob.bo>; Mining: <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, July 11, 2007), in June 2009 (Supreme Decree 0181, June 28, 2009), and again in February 2013 (Supreme Decree 1497, February 20, 2013). Under these new rules, government procurements under \$145,000 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 \$145,000 to \$10 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 tenders are required for when purchases exceed \$10 million.

Article 30 of Supreme Decree No. 0181 -June 28, 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 government tenders website or the relevant 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 government 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.

Multilateral Development Banks (World Bank, Inter-American Development Bank)

The Commercial Service maintains Commercial Liaison Offices in each of the main Multilateral Development Banks, including the World Bank and the Inter-American Development Bank. These institutions lend billions of dollars in developing countries on projects aimed at accelerating economic growth and social development by reducing poverty and inequality, improving health and education, and advancing infrastructure development. The Commercial Liaison Offices help American businesses learn how to get involved in bank-funded projects, and advocate on behalf of American bidders. Learn more by contacting the Commercial Liaison Offices to the World Bank (<http://export.gov/worldbank>) and to the Inter-American Development Bank (<http://export.gov/idb>).

Distribution and Sales Channels

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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.

Selling Factors/Techniques

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While price remains the most important factor in most purchasing decisions, considerations of quality, durability, technology, customer support, and availability of service are also important. U.S. products are thought of as having higher quality technology and greater durability than other countries' products.

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

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The Bolivian Telecommunications Law (Law 164, Chapter IV), approved on 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>

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 government has prioritized the extension of the telecommunications network to rural areas, as coverage is still unreliable in many locations. The government hopes to address the problem with its new satellite to provide Wi-Fi internet to rural areas and investment in rural telecenters, which are expected to become hubs of a local communications network. The 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.

Trade Promotion and Advertising

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The Bolivian government 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 (enacted in 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 policies 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 government 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 Telecommunications enacted the National Frequency Plan (Ministerial Resolution 294) that obligates all 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	http://www.atb.com.bo
Universal de Televisión	http://www.unitel.tv
Red Bolivisión	http://www.redbolivision.tv.bo
Red Uno	http://www.reduno.com.bo
Red de Periodistas Asociados de Televisión	http://www.redpat.tv
Radio y Televisión Popular	http://www.rtpbolivia.com
Bolivia TV (state owned)	http://www.boliviavt.bo
Cadena A	http://cadenaatv.com.bo

Newspapers

The combined daily circulation of all newspapers in Bolivia is over 300,000. The principal La Paz newspapers are: *La Razón*, *Página 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

<i>El Diario</i>	http://www.eldiario.net
<i>La Razón</i>	http://www.la-razon.com
<i>La Prensa</i>	http://www.laprensa.com.bo
<i>Cambio</i>	http://www.cambio.bo
<i>Página Siete</i>	http://www.paginasiete.bo

Cochabamba

<i>Los Tiempos</i>	http://www.lostiempos.com
<i>Opinión</i>	http://www.opinion.com.bo

Santa Cruz

<i>El Deber</i>	http://www.eldeber.com.bo
<i>El Mundo</i>	http://www.elmundo.com.bo
<i>El Día</i>	http://www.eldia.com.bo

Internet and Social Media

As of December 2014, over 46% of Bolivians had access to Internet through a fixed or mobile connection according to the Authority for Regulation and Fiscalization of Telecommunications and Transport (ATT). Many young Bolivians use the Internet to access Facebook; as of 2014, 1.3 million Bolivians aged 18-24 were using Facebook out of a total of 3.3 million Bolivians who used the social network.

Market Research

In addition to PricewaterhouseCoopers, Ernst 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

Pricing

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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 government-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 in October 2009) limited sugar and meat prices to what the government determined was a "fair price," but the Bolivian government is currently struggling with enforcement. 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 government 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

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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

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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 U.S. 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, laches, 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 taking into consideration 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 such as:

- 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

A wealth of 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 visit www.STOPfakes.gov.
- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the U.S. Patent and Trademark Office (USPTO) at: **1-800-786-9199**, or visit <http://www.uspto.gov/>.
- For more information about registering for copyright protection in the United States, contact the U.S. Copyright Office at: **1-202-707-5959**, or visit <http://www.copyright.gov/>.
- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, please visit the "Resources" section of the STOPfakes website at <http://www.stopfakes.gov/resources>.
- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: www.stopfakes.gov/businesss-tools/country-ipr-toolkits. The toolkits contain detailed information on protecting and enforcing IP in specific markets and also contain contact information for local IPR offices abroad and U.S. government officials available to assist SMEs.
- The U.S. Department of Commerce has positioned IP attachés in key markets around the world. Here is the contact information for the IP attaché who covers Bolivia:

CORRESPONDENCE ADDRESS

Albert Keyack

U.S. Consulate General - Rio de Janeiro
Unit 3501
APO AA 34030
OFFICE LOCATION
US Consulate General
Av. President Wilson, 147, 4th floor
20030-200 - Rio de Janeiro
Brazil
OFFICE PHONE
55-21-3823-2499
EMAIL:
albert.keyack@trade.gov

Due Diligence

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U.S. businesses considering investing in Bolivia should investigate potential clients, associates, and partners before entering into agreements. The U.S. Embassy does offer a due diligence service for U.S. companies wishing to investigate more about a potential partner.

Local Professional Services

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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>.

Web Resources

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Below are the web addresses for the above-mentioned institutions and resources (In Spanish unless otherwise specified):

Bolivian Intellectual Property Service: *Servicio Nacional de Propiedad Intelectual – SENAPI*
<http://www.senapi.gob.bo/index.asp>

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:
<http://bolivia.infoleyes.com/shownorm.php?id+1379>

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

Starting a Business in Bolivia (In English):

<http://www.doingbusiness.org/exploreTopics/StartingBusiness/Details.aspx?economyid=25>

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/>

FUNDEMPRESA

<http://www.fundempresa.org.bo>

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

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Agricultural Sectors

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Hydrocarbons

Overview

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Unit: USD thousands

	2013	2014	2015* (estimated)	2016* (estimated)
Total Market Size	3,778,323	-	-	-
Total Local Production	9,096,893	-	-	-
Total Exports	6,680,968.37	6,672,238.52	-	-
Total Imports	1,237,040	1,176,980	-	-
Imports from the U.S.	134,714.89	154,959.96	-	-
Exchange Rate: 1 USD	6.86 Bs	6.86 Bs		

**The Bolivian government does not provide estimates.*

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

Data Source: Bolivian National Oil Company (YPFB)

According to the latest international certification of potential gas reserves in 2009, Bolivia possesses approximately 19.9 trillion cubic feet (TCF) of natural gas reserves (both proven and probable). Of this amount 9.9TCF are proven reserves.

Bolivia has more than 211.45 million barrels of proven crude oil reserves. In addition, the government estimates another 72.25 million barrels of probable reserves and another 80.37 million barrels of possible reserves.

In the hydrocarbons sector, Bolivia currently produces an average of 65 million cubic meters of gas a day (mm^3/d), using $9.1\text{mm}^3/\text{d}$ for domestic consumption, exporting $32.9\text{mm}^3/\text{d}$ to Brazil, and $15.1\text{mm}^3/\text{d}$ to Argentina. Under the current contract, gas exports to Argentina will continue increasing until they reach $27.7\text{mm}^3/\text{d}$ in 2026.

The state hydrocarbons company, Yacimientos Petroliferos Fiscales Bolivianos (YPFB), generally forms joint ventures (55-45% sharing, with the state owning the majority share) for a limited period of 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 agreement with Argentina.

The Hydrocarbons law (Law 3058, May 2005) and a subsequent Supreme Decree (May 2006) require companies to sell all hydrocarbons to YPFB and that domestic market demand be met before exporting hydrocarbons. Furthermore, these laws transfer the entire transport and sales chain over to state control. After the law was enacted, 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%.

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 government will pay a full reimbursement of exploration costs and other investment costs associated with exploration if the private company finds oil and/or gas. The government would then create a joint venture between the company that found the deposit and YPFB for purposes of exploitation.

Sub-Sector Best Prospects

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The best sales prospects in hydrocarbons are natural gas-related machinery, equipment, and production techniques. Several U.S. companies have been successful selling supporting machinery and equipment to Bolivia.

Opportunities

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

- **Exploration/drilling/production:** Exploration and drilling for natural gas has been a top government priority since 2011. Exploration is especially important for the government 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>). Production is also important to the government since the signing of the October 2006 agreement with Argentina. Under the agreement, Bolivia agreed to progressively increase gas exports to 27.7m³/day by 2026, which may conflict with growing internal demand. The state-owned YPFB Corporation and private companies are planning to invest \$12.1 billion from 2015 to 2019 in exploration and development.
- **Petrochemicals:** Bolivia is constructing two petrochemical plants. The plant in Bulo Bulu (Cochabamba) is for urea and the plant in Yacuiba (Tarija) is for ammonia. In September 2014, President Morales announced that the government will build another petrochemical plant in Santa Cruz.

Web Resources

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State Owned Enterprise: <http://www.ypfb.gob.bo>

Hydrocarbons Regulator: <http://www.anh.gob.bo>

Ministry of Hydrocarbons: <http://www.hidrocarburos.gob.bo>

Private Chamber of Hydrocarbons: <http://www.cbh.org.bo>

Mining

Overview

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Unit: USD thousands

	2013	2014*	2015** (estimated)	2016** (estimated)
Total Market Size	1,589,842	-	-	-
Total Local Production	3,491,723	-	-	-
Total Exports	1,916,454.84	1,983,375.6	-	-
Total Imports	1,876	774.95	-	-
Imports from the U.S.	7.189	10.27	-	-
Exchange Rate: 1 USD	6.86 Bs	6.86 Bs		

* As of June 2015, INE had not released official 2014 statistics for Total Local Production

**The Bolivian government does not provide estimates.

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

Data Source: Bolivian National Statistics Bureau (INE)

Mining remains one of Bolivia's most important economic activities. Despite more than 500 years of continuous mining in Bolivia, 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 or \$1.9 billion in 2013. There is one large U.S. firm operating a major silver mine in Potosi.

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.

During 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 Law on May 28, 2014. The conflicts over the law started because the final draft of the law prohibited contracts between cooperatives and private companies (either Bolivian or international). According to the miners, this would have been problematic since cooperative miners do not have capital, technology, or access to the export market. After a month of negotiations with the 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 migrate 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

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The best sales prospects in the mining sector are 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 are 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 mining sector, the best prospects are small jack-leg drills, front-loaders, crushers, concentration tables, flotation concentrators, hand tools, and explosives.

Opportunities

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Bolivia is looking to capitalize on its large in-ground lithium supply, but has yet to find a company willing to partner on the government's terms. Bolivia has the largest lithium deposits of any country and its deposits are estimated to be about half of the world's supply, however they are located in the Uyuni salt flats, one of Bolivia's great natural treasures. The government has already started a pilot project to produce lithium batteries in La Palca (Potosi). It has invested \$2 million, and has yet to see results from that investment.

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. Jindal won an international arbitration case it brought against the government, but that award is being appealed. It is expected that the state-owned Mutun Steel Company will eventually generate a high demand for specialized machinery for the extraction and future industrialization of the iron.

Web Resources

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State-owned enterprise: <http://www.comibol.gob.bo>
Ministry of Mining: <http://www.mineria.gob.bo>

Electricity

Overview

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Unit: USD thousands

	2013	2014**	2015*** (estimated)	2016*** (estimated)
Total Market Size	598,901	-	-	-
Total Local Production	773,058	-	-	-
Total Exports*	0	0	-	-
Total Imports *	0	0	-	-
Imports from the U.S.*	0	0	-	-
Exchange Rate: 1 USD	6.86 Bs	6.86 Bs		

* Although it plans to export electricity in the future, at present 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 of detail.

** As of June 2015, INE had not released official 2014 statistics for Total Local Production

***The Bolivian government does not provide estimates.

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)
Data Source: Bolivian National Statistics Bureau (INE)

In 2010, the government began re-nationalization negotiations with electric companies that were privatized in the 1990s. That year, the Bolivian government nationalized the three biggest electricity generation companies, Corani (French), Guarachi (U.K.), and Valle Hermoso (Bolivian Generating Group – Bolivian). These nationalizations represent about 80% of total generation capacity. An electricity 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.

The Bolivian government has long-term plans to increase electrical production in support of major industrialization plans, and to eventually export electricity, but implementation has been slow. The plans call for \$5.7 billion in investments in the sector by 2025.

In 2010, due to continued delays and in order to minimize the risk of sustained rationing, Bolivia implemented a \$175 million emergency plan to construct five small generation facilities, with a projected total capacity of 160 Megawatts (MW). The generators for those facilities were bought from American companies.

Sub-Sector Best Prospects

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

Opportunities

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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 the near future. Estimated cost for this project is \$80 million.

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

Almost all tenders on hydroelectric generation are on hold while the government completes environmental impact assessments.

In 2014, the Ministry of Hydrocarbons and Energy announced that Bolivian power plants had satisfied internal demand for electricity and would begin to export excess electricity to neighboring countries, although it has yet to do so. Bolivia has already signed an agreement to export electricity to Argentina, and continues to build new hydroelectric, wind, solar, and thermoelectric plants in order to boost production. Although Ministry of Planning officials comment to the Embassy that they are interested in investing more in renewable energy sources, they still find them cost prohibitive in comparison to traditional energy sources.

Web Resources

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National Electric Company ENDE: <http://www.ende.bo>

Electricity regulator: <http://www.ae.gob.bo>

National Committee for the Dispatch of Cargo: <http://www.cndc.bo>

Overland Transportation

Overview

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Unit: USD thousands

	2013	2014	2015* (estimated)	2016* (estimated)
Total Market Size	891,529.83	926,544.97	-	-
Total Local Production	0	0	-	-
Total Exports	0	0	-	-
Total Imports	891,529.83	926,544.97	-	-
Imports from the U.S.	109,178.53	871,783.42	-	-
Exchange Rate: 1 USD	6.86 Bs	6.86 Bs		

**The Bolivian government does not provide estimates.*

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

Data Source: Bolivian National Statistics Bureau (INE). The government does not provide future estimates.

The transportation sector in Bolivia is growing fast. At the end of 2014, a total of 1.45 million vehicles were registered in Bolivia, up 9.77% from the year before, and increased three-fold in the past ten years. Much of the new growth is in personal vehicles and trucks, but there is also increased interest in buses, and other heavy vehicles.

As of December 31, 2014, the government only authorizes the importation of vehicles one year old or newer. This means that the Bolivian fleet is extremely divided between brand new vehicles and significantly older ones.

Bolivia has 3,504 kilometers (2,177 miles) of rail track, but the railway does not connect main cities or play a major role in overland transportation.

Sub-Sector Best Prospects

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Cars, trucks, and buses and their associated maintenance equipment and spare parts are all markets that are growing.

Opportunities

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U.S. companies can export new vehicles, as well as vehicle related services, maintenance, and spare parts for much older models.

There are also opportunities to export equipment for road construction. According to the World Bank Logistics Performance Index, Bolivia ranks 92 out of 130 countries for the quality of its transportation infrastructure.

Only about 6,000 kilometers (3,728 miles) of Bolivia's 81,000 kilometers (50,331 miles) of highways and secondary roads are paved. By 2025, Bolivia plans to invest approximately \$10 billion in highway construction, and has 16 projects underway or planned for in 2015. This investment will create the need for subsequent road maintenance which requires significant investments in inputs and machinery.

Because of the varied topography, road construction in Bolivia is one of the most expensive in the region, generally costing the government between \$1 million and \$1.5 million per kilometer. The recently finished La Paz-Oruro highway that is 203 kilometers (126 miles) long cost the government \$312.5 million. At least one U.S. company is beginning to see success selling road construction technology to Bolivia. Bolivia imports almost all of its road construction equipment and materials.

Web Resources

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Bolivian Authority of Transport and Telecoms (in Spanish): <http://att.gob.bo>

Bolivian Highway Administration (in Spanish): <http://www.abc.gob.bo>

Bolivian Ministry of Public Works <http://www.oopp.gob.bo/>

Vias Bolivia <http://www.viasbolivia.gob.bo/>

Health Care Equipment

Overview

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Unit: USD thousands

	2013	2014	2015* (estimated)	2016* (estimated)
Total Market Size	18,192.03	28,660.77	-	-
Total Local Production	0	0	-	-
Total Exports	0	0	-	-
Total Imports	18,192.03	28,660.77	-	-
Imports from the U.S.	5,531.91	11,765.21	-	-
Exchange Rate: 1 USD	6.86 Bs	6.86 Bs		

**The Bolivian government does not provide estimates.*

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

Data Source: Bolivian National Statistics Bureau (INE)

The Bolivian government prioritizes that all citizens have access to proper health services and medicines. Paragraphs I and II of Article 41 of the Bolivian Constitution stipulate that the state guarantee public access to medicines and prioritize generic drugs by promoting domestic production.

Bolivia does not produce medical equipment and products. The country produces a limited amount of pharmaceutical products, mainly for internal consumption. Since Bolivia's production does not satisfy Bolivian demand for pharmaceuticals, and there is virtually no local production of medical devices, the import of those products is still required. Multiple companies exist whose sole function is to import medical equipment to Bolivia.

Bolivia allows the importation of medical devices and pharmaceutical products. All importers of such products must comply with the regular importation duties and taxes, as well as the proper registration process. To learn more about the importation process companies may review the Bolivian customs medical imports guide, the link is available below in the web resources section (in Spanish).

Sub-Sector Best Prospects

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Multiple hospitals have approached the Embassy to express interest in buying American medical equipment. To date, the Embassy has not facilitated any specific deals, but has encouraged U.S. companies to include Bolivia in their promotion efforts.

Since the national government transferred the responsibility to manage third tier hospitals (complete general hospitals with all specialties as opposed to first and second tier village and regional health centers) to departmental (i.e. state) governments in 2012, each department is responsible for its own procurement. Departments often buy large

quantities of equipment and supplies at the same time and are often favorably disposed to U.S. products. Several departmental governments are in the process of investing substantial resources to their third tier hospitals that are long overdue for expansion and updates.

Non-communicable diseases are becoming the most important threat to Bolivian health. There is an increasing demand for hemodialysis equipment as well as breast cancer scanners and equipment to detect and the treatment of cervical cancer.

Opportunities

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After the 2014 and 2015 national and regional elections, the Bolivian government agreed with departmental governors to invest millions of dollars in new hospitals and equipment. The national government purchases its medical devices from several sources, including China. However, after complaints on the quality of this equipment, the national government is rethinking its purchasing processes. In 2014, the Bolivian government invested around \$50 million on new hospitals and equipment.

Regional and municipal governments are also purchasing medical devices. The Department of Santa Cruz spent \$33.38 million in 2013 on new medical equipment and hospital supplies. The investments included purchases for blood bank infrastructure, cancer treatment equipment, including a new linear accelerator, a new state-of-the-art hospital wing with more than 100 beds, and digital x-ray equipment. After negative experiences with Chinese equipment, the Department of Santa Cruz has a list of countries that it prefers to buy medical equipment from and the U.S. is on this list.

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Bolivian customs medical imports guide (In Spanish):
<http://apad2.aduana.gob.bo/docs/salud/GuiaImpMed.pdf>

Healthcare Resource Guide: Bolivia
<http://export.gov/industry/health/healthcareresourceguide/bolivia084172.asp>

Health Ministry:
www.sns.gob.bo

Agriculture: Tractors and Agriculture Machinery

Overview

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Unit: USD thousands

	2013	2014	2015* (estimated)	2016* (estimated)
Total Market Size	84337.33	109,945.28	-	-
Total Local Production	0	0	-	-
Total Exports	1,344.27	2,420.81	-	-
Total Imports	85,681.6	112,366.09	-	-
Imports from the U.S.	6,697.21	7,174.99	-	-
Exchange Rate: 1 USD	6.86 Bs	6.86 Bs		

**The Bolivian government does not provide estimates.*

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

Data Source: Bolivian National Statistics Bureau (INE)

Bolivia does not produce agriculture machinery. Bolivia imports most machinery from the United States, China, Argentina and Brazil.

Most commercial agriculture (farms operating on 50-5000 hectares) is carried out in the department of Santa Cruz, in the eastern lowlands of Bolivia. Agriculture in the western highlands is mainly carried out by small farmers (50 hectares or less). Although agriculture is more developed and mechanized in Santa Cruz, the use of modern agriculture technologies in Santa Cruz and in Bolivia in general is very restricted. When compared with other countries, Bolivian agriculture yields are among the lowest in the region. Farmers and the Bolivian government are attempting to improve the Bolivian agriculture sector and increase agricultural yields.

The Bolivian government, social movements (including coca unions, the confederation of rural workers' unions, indigenous women's groups, and the Unity Pact—a confederation of several indigenous organizations), and the private agriculture sector represented by industry, exporter, forestry, and agriculture business associations participated in an agriculture summit in April 2015. The summit's announced aims were to triple Bolivia's agriculture gross domestic product (GDP) from \$3 to \$10 billion as part of the government's efforts to make up Bolivia's lost revenue from the fall in natural gas prices, and increase domestic food production. Irrigation infrastructure and agriculture machinery were identified as key elements for the success of these goals.

Sub-Sector Best Prospects

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ExpoCruz, Santa Cruz's multi-sector trade fair is the best opportunity to show agriculture machinery and equipment to medium/large Bolivian farming companies.

The best sub-sector prospects would be new and used agriculture machinery, including:

- Tractors
- Soil cultivation equipment such as:

- Cultipackers
- Chisel plows
- Harrows (e.g. Spike harrow, Drag harrow, Disk harrow).
- Plows, etc.
- Planting equipment and machinery, and no-till seeding equipment
- Harvesting machinery and equipment:
 - Harvestors (Soybean, Combine—grain—harvester / Stripper, Corn, Forage or silage, Cane harvester)
 - Grain cart (with built in Grain Auger)
 - Conveyor belts
 - Farm trucks
 - Grain dryers
 - Wagons (and variations of Gravity wagons, Trailers—e.g. Silage trailers, grain hopper trailers and lighter, two-wheeled Carts)
- Irrigation systems:
 - Drip irrigation/micro spray heads.
 - Localized irrigation sprinkler systems
 - Center pivot systems

Opportunities

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Farmers' recent requests at the 2015 agriculture summit that the Bolivian government improve current infrastructure and agriculture technology were well received by the government. The requests included construction and maintenance of roads, as well as more government programs to improve the Bolivian agriculture sector with new technologies including new machinery, tractors and its implements.

The farmers also prioritized irrigation improvement, and the government agreed to declare 2015 - 2025 as the "irrigation decade" and promised significant investment in irrigation systems. The Bolivian Vice President stated that the government will use all available resources in an effort to reach one million hectares of irrigated crop land, a personal goal of President Morales. Irrigation efforts will require several inputs, from pumps and machinery to dig channels, to more advanced techniques such as center pivot irrigation, localized irrigation sprinkler systems and efficient drip irrigation systems.

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Bolivian Vice-ministry for Rural Development (In Spanish):
<http://vdra.agrobolivia.gob.bo/index.php?variable=71&indice=0>

Oilseed and Wheat Producers Association of Bolivia (ANAPO), In Spanish:
<http://www.anapobolivia.org/memoria.aspx>

Agriculture: Pesticides

Overview

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Unit: USD thousands

	2013	2014	2015* (estimated)	2016* (estimated)
Total Market Size	24,589.42	24,127.15	-	-
Total Local Production	0	0	-	-
Total Exports	0	0	-	-
Total Imports	24,589.42	24,127.15	-	-
Imports from the U.S.	6,659.61	5,949.56	-	-
Exchange Rate: 1 USD	6.86 Bs	6.86 Bs		

*The Bolivian government does not provide estimates.

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

Data Source: Bolivian National Statistics Bureau (INE)

Bolivia does not produce pesticides and instead imports them from neighboring Latin American countries as well as from China and the United States.

Despite the differences in the cultivated land size and mechanization of agriculture between the eastern and western regions of Bolivia, the use of pesticides is widespread throughout the country. Larger farmers tend to use better integrated plague management techniques.

The Bolivian government and farmers agreed during the agriculture summit of April 2015 that in order to achieve the goal to triple Bolivia's agriculture gross domestic product (GDP) from \$3 to \$10 billion, the availability of affordable and reliable agrochemicals is essential.

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- Herbicides for soybean crops, mainly Glyphosate
- Herbicides for other crops, mainly Paraquat.
- Pesticides to control plagues in soybean crops: white fly (*Bemisia tabaci*), soy mites (*Tetranychus sp.*) and soy thrips (Order Thysanoptera)
- Pesticides to control worm (Order Lepidoptera) plagues in corn
- Pesticides to control ticks in cattle and fungicides for rice
- Other pesticides: Emamectin Benzoate

Opportunities

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The Oilseed and Wheat Producers Association of Bolivia (ANAPO) represents the largest farmer companies in Bolivia. ANAPO can help identify individual sector needs and demands for agro-chemicals.

The Bolivian Association for Importers of Agro-chemicals represents most of the legal importers of pesticides in Bolivia. This organization has a well-established network in the sector and can help find distributors for new products.

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Bolivian National Service for Agriculture Sanitation:

Registry of agro-chemicals:

<http://www.senasag.gob.bo/egp/productossv1.html>

Database of imported agro-chemicals by country:

<http://200.87.133.131/egp/volumenes.html>

Oilseed and Wheat Producers Association of Bolivia (ANAPO), In Spanish:

<http://www.anapobolivia.org/memoria.aspx>

Bolivian National Statistics Institute (INE), In Spanish:

<http://www.ine.gob.bo/>

The Bolivian Association for Importers of Agro-chemicals (In Spanish):

<http://www.apia-bolivia.org/>

Agriculture: Soybean

Overview

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Unit: USD thousands

	2013	2014	2015* (estimated)	2016* (estimated)
Total Market Size	312,721	305,428	324,300	-
Total Local Production	1,515,495	1,396,244	1,405,300	-
Total Exports	1,202,774	1,090,816	1,081,000	-
Total Imports	0	0	0	-
Imports from the U.S.	0	0	0	-
Exchange Rate: 1 USD	6.86 Bs	6.86 Bs		

**In May 2015, the Vice-minister of Rural Development estimated a gradual increase in domestic consumption of soybean from 20% of total production in 2010 to 30% of total production in 2015. Figures are U.S. Embassy calculations based on an estimated 26% consumption in 2013, 28% in 2014, and 30% in 2015.*

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

Data Source: Association for Oilseed Producers (ANAPO)

Soybean products are Bolivia's largest agricultural export. After hydrocarbons and minerals, soy exports are one of Bolivia's largest exports overall. In 2014, total soy exports were \$1.1 billion. Soybean meal exports reached 1.55 million metric tons (MMT) in 2014, and are expected to reach 1.7 MMT in 2015. The Andean countries (Chile, Colombia, Ecuador, Peru and Venezuela) are the largest market for Bolivian soybean products.

The harvested soybean area in 2015 is estimated at 1.28 million hectares, accounting for 45 percent of the total agricultural land nationwide and 55 percent of the agricultural land in Santa Cruz. Soybeans also account for 3 percent of Bolivia's GDP, 10 percent of total exports, and the sector employs 45,000 workers and generates 65,000 indirect jobs.

Bolivian soybean production in calendar year 2015 is estimated at 3.1 MMT. An intense drought that affected the production area at the beginning of 2015 affected 12% of the one million hectares planted in the summer, reducing production by about 280,000 metric tons (MT).

Domestic demand for soybeans in 2015 is estimated at 800,000 MT of bean equivalent. The soybean equivalent includes soybean meal, oil, and other byproducts used both for export and in the domestic market that may have different weights due to added/removed water content and waste. Soybeans are mostly produced in the Santa Cruz region, Bolivia's economic and agricultural powerhouse. There are two annual crops.

- Summer: Planting during November-December and harvest in March-April. This is the most important season accounting for about 70% of the annual crop. This year's summer crop will be affected by a drought during the planting season. Reportedly, 120,000 soybean hectares were lost, reducing the summer crop by 12%. Summer production in 2015 is estimated at 2.45 MMT
- Winter: Planting in June-July and harvest in October-December. The U.S. Foreign Agricultural Service office based in Lima estimates harvested area for the 2015 winter crop at 280,000 hectares and production at 650,000 MT.

Soybean yields vary considerably, between 1.8 and 2.3 MT per hectare, depending on efficiency and technical know-how of producers. Average yields in the 2014 winter crop were 2.3 MT per hectare.

Total crushing capacity in Bolivia is 7,500 MT per day, enough to process the entire crop. The largest crushing companies are ADM-SAO with about 35% of the market, Fino and Rico with about 25% of the market each, and several small companies share the other 15% of the market. About 80% of the country's storage capacity is owned by processing companies and 20% by independent intermediaries.

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The cost of production per hectare is about \$280, of which about \$110 is used for pesticides.

Producers in Bolivia face three main constraints: lack of technology, expensive credits (15 to 19% interest rates), and steep transportation costs.

The Association for Oilseed Producers (ANAPO) negotiates import duties for inputs or export permits with the Bolivian government, provides seeds and other inputs, and also assists producers with technical guidance. ANAPO is the natural partner for any U.S. company desiring to enter into commercial ventures related to soybean, and would also be able to introduce U.S. companies to any other local companies that they might want to work with directly.

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Agricultural producers requested that the government approve the use of biotechnology to increase productivity and reduce costs that will allow them to be at the same efficiency level as their competitors. Currently, the only genetically engineered seed that is approved for planting in Bolivia is glyphosate-resistant soybean. Producers are requesting the use of other events (an "event" is a specific genetic modification in a specific species), including stack events, for soybean and other crops. Despite some opposition from small farmers in the western part of the country, the Bolivian government is interested in approving the use of other events for soybean.

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Oilseed and Wheat Producers Association of Bolivia (ANAPO), In Spanish:
<http://www.anapobolivia.org/memoria.aspx>

Bolivian National Statistics Institute (INE), In Spanish:

<http://www.ine.gob.bo/>

USDA's Global Agricultural Information Network Reports for Soybean in Bolivia:
http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Bolivian%20Soybean%20Update_Lima_Bolivia_4-13-2015.pdf

Agriculture: Wheat

Overview

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Unit: USD thousands

	2013	2014	2015* (estimated)	2016* (estimated)
Total Market Size	82,278	179,444	-	
Total Local Production	53,031	129,628	-	-
Total Exports	1.92	1.47	-	-
Total Imports	29,249	49,818	-	-
Imports from the U.S.	25,853	45,330	-	-
Exchange Rate: 1 USD	6.86 Bs	6.86 Bs		

**The Bolivian government does not provide estimates.*

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

Data Source:

Total Local Production: ANAPO

Total Exports, Imports, Imports from U.S.: Bolivian National Statistics Bureau (INE)

Most Bolivian households consume wheat bread at least two times a day. Despite its importance as a staple food, and the government's efforts to produce wheat, Bolivia has not been able to produce enough wheat to satisfy domestic demand. Today wheat is one of the most important food imports in Bolivia. U.S. wheat imports pass through Peru and the country of origin is sometimes mislabeled. Although it is hard to find accurate data about the quantity of American wheat entering Bolivia, it is estimated that 90% of total imports are from the U.S.

Bolivian wheat production in calendar year 2014 is estimated to have been 281,800 MT. This is a significant increase over 115,285 MT produced in 2013. The Oilseeds and Wheat Producers Association (ANAPO) claim that the increase is due to improved agriculture practices and better climatic conditions.

Food sovereignty is a main pillar for the national government's National Development Plan, and President Morales reinforced this concept at the Cochabamba June 2012 OAS meeting whose theme was "Food Security with Sovereignty". In April 2015, the Bolivian government met with the largest Farmers Association of Bolivia (CAO) to discuss ways of increasing farmland from 3.5 to 10 million hectares in the short term, focusing on staple crops like wheat.

Sub-Sector Best Prospects

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The United States remains the largest source of wheat in Bolivia, surpassing even neighboring wheat producing countries such as Argentina and Uruguay. Flour producers explain that the U.S. wheat has better properties for Bolivian bread, and Argentina

imposed exports restrictions in recent years making it more difficult for Bolivian importers. In addition to importing whole wheat, Bolivia also imports flour.

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Wheat and wheat flour importation to Bolivia are both opportunities for U.S. companies.

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Oilseed and Wheat Producers Association of Bolivia (ANAPO), In Spanish:
<http://www.anapobolivia.org/memoria.aspx>

Bolivian National Statistics Institute (INE), In Spanish:
<http://www.ine.gob.bo/>

Agriculture: Corn

Overview

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Unit: USD thousands

	2013	2014	2015 (estimated)	2016 (estimated)
Total Market Size	91,722.68	155,013.59	-	-
Total Local Production*	86,204.40	141,600.21	-	-
Total Exports	11,728.28	6,468.24	-	-
Total Imports	17,246.56	19,881.63	-	-
Imports from the U.S.	1,079.16	1,093.79		
Exchange Rate: 1 USD	6.86 Bs	6.86 Bs		

**Taken from the Agriculture Chamber of East Bolivia's (CAO) reported production of 463,450 MT and a price of 186.01 USD/MT in 2013 and a reported production of 735,892 MT and a price of 192.42 USD/MT in 2014.*

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

Data Sources:

Local Production: CAO

Market Size, Import, Export, Imports from the U.S.: Bolivian National Statistics Bureau (INE)

In 2013 Bolivia produced 909.542 MT of corn. According to the Bolivian Productive Revolution Law (Law 144), corn is a strategic staple crop. The Bolivian Foreign Commerce Institute (IBCE) estimates that Bolivia requires 750,000 tons per year; 57% is for the poultry industry, 17% for human consumption, 20% for cattle ranching and 6% for exports.

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The Bolivian Enterprise to Support the Production of Food (EMAPA) is an important Bolivian government institution which imports staples, including corn, when shortages occur in Bolivia. ANAPO groups most of the corn producers, since they intercalate crops (soybean, corn, sunflower, etc.). There is a high demand for corn seeds resistant to plagues.

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No exact figures are available, but CAO estimates that 20 - 30% of the Bolivian produced corn is from bioengineered seeds, and that in 2010 Bolivia imported 100,000 tons of bioengineered corn from Argentina to save the poultry industry from low local harvests. At a meeting with Embassy officials, the president of CAO at the time said that bioengineered seeds would allow Bolivia to be competitive in corn production. The Bolivian constitution states that bioengineered seeds will be regulated by law. Law 144 allows the use of GMO (spell out)s for crops which are not native or do not have their

diversity center in Bolivia (i.e. regions of the world which are the original centers for the domestication and diversity of plants, for example there are several varieties of native corn and potato in Bolivia). The Mother Earth Framework Integral Law to Live Well, Law 300 approved in October 2012, orders the Bolivian government to take actions to gradually eliminate bioengineered crops.

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EMAPA: <http://www.emapa.gob.bo/>

Oilseed and Wheat Producers Association of Bolivia (ANAPO), In Spanish:

<http://www.anapobolivia.org/memoria.aspx>

Bolivian National Statistics Institute (INE), In Spanish:

<http://www.ine.gob.bo/>

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Chapter 5: Trade Regulations, Customs and Standards

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Import Tariffs

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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 of the Cost, Insurance, and Freight (CIF) value. 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. There are separate taxes applied to luxury goods such as energy drinks, wine, beer, and hard alcohol. Automobiles are also subject to a specific tax regime. More information on taxes for specific products can be found at: <http://www.aduana.gob.bo/aduana7/arancel2015>.

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 a 100% exemption. Chile receives a 100% exemption on 90% of its 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 soy oil which requires special authorization. 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, animal vaccines, animal drugs, and machinery that might be used for agricultural purposes.

Trade Barriers

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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 December 2014, the maximum age of cars permitted for import is one year 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, because right-side steering cars had often been imported and converted to left-side steering in the past.

Since October 2008, the importation of guns and ammunition for civilian use (Supreme Decree 29747) has been prohibited. Bolivia officially 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 United States.

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. Though, in reality, the practice widely persists.

Used Cars

Since December 2008, Supreme Decree 28963 has gradually reduced the age of vehicles that may be imported. Since January 2015, the maximum age of cars permitted for import is one year old.

Guns and Ammunition

On September 18, 2013 Bolivia 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 of those materials.

Article 13 of the law gives the Ministry of Government 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 to firearms, ammunition, explosives, explosive material, fireworks or pyrotechnics.

Import Requirements and Documentation

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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 (Supreme Decree 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 from 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, Swine and Poultry

In May 2015 and after three years of negotiations with the government of Bolivia, the United States Department of Agriculture (USDA) Animal and Plant Health Inspection Service (APHIS) signed an agreement with SENASAG Bolivia to approve export health certificates for live animals, products, by-products and genetics. Five certificates were finalized and significant positive progress was made on other certificates for eggs, processed meats, live animals, and genetics. The finalized certificates include the Egg Product Inspection and Grading, the Veterinary Health Certificate for Live Cattle, and the Sanitary Certificate for Dairy Exports.

Negotiations still continue for the products considered by Bolivian regulations to be in risk categories 1 and 2 (fresh meat and poultry meat), however SENASAG is considering changing its own regulations to approve the certificates for fresh meat and poultry meat, as well as casings eliminating the need for in-situ inspection of plants. SENASAG is concerned about porcine coronavirus in U.S. farms so it plans to change its requirements to only allow importations of pork that is certified free of porcine coronavirus. Because of the current risk of highly pathogenic avian influenza, SENASAG is only allowing Bolivia to import processed poultry products at this time. SENASAG is willing to revisit expanding poultry imports from the U.S. once avian influenza is less of a threat. USDA APHIS and Bolivia have agreed to continue dialogue to finalize the pending certificates for meat and meat products.

Bolivia, along with representatives from Ecuador, Peru, Colombia and 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.

Wheat

In July 2013, SENASAG established phytosanitary requirements for the importation of wheat (*Triticum aestivum*) for flour production. Certificates are now required to specify: "wheat in this shipment has been inspected according to official procedures and is considered free of *Sitophilus granarius* and *Trogoderma granarium* and that they come from areas where karnal bunt (KB) is not present."

The new regulations also change the limits of phosphine fumigation dosage and duration of treatment to be in line with United States Environmental Protection Agency regulations to use no more than 66 gms/1,000 cubic feet for a minimum period of not more than 240 hours.

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>

A list that consolidates eleven export screening lists of the Departments of Commerce, State and the Treasury into a single search as an aid to industry in conducting electronic screens of potential parties to regulated transactions is available here:

<http://developer.trade.gov/consolidated-screening-list.html>.

Temporary Entry

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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 (Número 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

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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

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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>

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.

Customs Regulations and Contact Information

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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.
- Bolivian National Tax Service (*Servicio de Impuestos Internos*) 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:

From (USD)	To (USD)	Percentage
\$1	\$10,000	2.00%
\$10,001	\$20,000	1.50%
\$20,001	\$30,000	1.25%
\$30,001	\$50,000	1.00%
\$50,001	\$100,000	0.75%
\$100,001	and above	0.50%

- 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 requires their incineration

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>

Standards

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Overview

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In Bolivia, each agency develops technical regulations for the products in the areas that it oversees. 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, 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

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The following is a list of the IBNORCA's committees working on 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

NIST's 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 Internet URL:

<http://www.nist.gov/notifyus/>

Conformity Assessment

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The Bolivian Institute of Metrology (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.

The 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

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Products coming from the United States will not have problems entering Bolivia if suppliers receive all information regarding the products' composition and components in advance. 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

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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 DTA operations. DTA 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

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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 Bolivian government gazette (<http://gaceta.presidencia.gob.bo>).

Labeling and Marking

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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.

Contacts

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)
<http://www.aphis.usda.gov>

Technical Office for International Trade
U.S. Department of Agriculture
Building 005, Barc-West
Beltsville, MD 20705
Phone: (301) 504 5605

<http://www.usda.gov>

Aduana Nacional
Calle Av. 20 de Octubre No. 2038
Phone: (591-2) 2152901 or 215-2904
Fax: (591-2) 215-2904
<http://www.aduana.gob.bo/aduana7/>

IBMETRO and DTA
Av. Camacho No 1488
Phone: 592-2-2372046,
Fax: 591-2-2147945
<http://www.ibmetro.gob.bo/>

Trade Agreements

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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. The Bolivian government subscribed in December 2012 to the Mercosur incorporation protocol, which makes it the sixth member of the regional group. Its full membership will take effect 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 complementary 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

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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_REGLAMEN TO_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:
<http://www.ustr.gov/trade-topics/trade-development/preference-programs/generalized-system-preference-gsp>

Asociación Latinoamericana de Integración (ALADI):
<http://www.aladi.org>

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Chapter 6: Investment Climate

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Openness to Foreign Investment

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Attitude toward Foreign Direct Investment

In general terms, Bolivia remains open to foreign direct investment. The 2014 investment law guarantees equal treatment for national and foreign firms, however it also stipulates that public investment has priority over private investment (both national and foreign) and that the Bolivian government will determine which sectors require private investment.

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 for Bolivia to comply with the 2009 Constitution. Companies that invested under the U.S. –Bolivia BIT will be covered until June 10, 2022, but investments made after June 10, 2012 are not covered.

Other Investment Policy Reviews

There have been no other investment policy reviews of Bolivia in the past three years.

Laws/Regulations of Foreign Direct Investment

Article 320 of the 2009 Constitution directly affects potential foreign investments because Bolivia no longer recognizes international arbitration forums. 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. According to the Bolivian government, the Arbitration Law will be passed in 2015, and it is currently being debated in Congress.

Article 320 of the Bolivian Constitution states the following regarding foreign investments in Bolivia:

- I. Bolivian investment takes priority over foreign investment.
- II. 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.
- III. 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.
- IV. The state makes all decisions on internal economic policy independently 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.
- V. 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, lacks resources, and has problems with corruption. Swift resolution of cases, either initiated by investors or against them, is unlikely. Also, the Marcelo Quiroga Anti-Corruption law of 2010 makes companies and their signatories criminally liable for breach of contract with the government, and the law 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.

Industrial Promotion

Although the Bolivian government frequently mentions that it would like to attract new foreign direct investment (FDI), it has done little to do so. There are no active campaigns to recruit foreign companies at this time. The ruling government often criticizes capitalism and neoliberal policies.

Limits on Foreign Control

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 government 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. Instead temporary authorizations to use these resources may be requested at the pertinent ministry (mining, water and environment, public works, etc.). The Bolivian Government is still renegotiating commercial agreements related to forestry, mining, telecommunications, electricity, and water services in order to comply with these regulations

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.

Privatization Program

There are currently no privatization programs in Bolivia.

Screening of FDI

According to the new investment law, any investment will be monitored by the ministry related to the particular sector. For example, the Mining Ministry is in charge of overseeing all public and private mining investments. Each Ministry should assess industry compliance with the incentive objectives. The Central Bank of Bolivia is responsible for registering all foreign investments.

Competition Law

Bolivia does not have a competition law. However, Article 314 of the 2009 Constitution prohibits private monopolies. Based on this article, in 2009 the Bolivian government created an office to supervise and control private companies (<http://www.autoridadempresas.gob.bo/>). Among its most important goals are: regulating, promoting, and protecting free competition; trade relations between traders; implementing control mechanisms and social projects, and voluntary corporate responsibility; corporate restructuring, supervising, verifying and monitoring companies with economic activities in the country in the field of commercial registration and seeking compliance with legal and financial development of its activities; and qualifying institutional management efficiency, timeliness, transparency and social commitment to contribute to the achievement of corporate goals.

Investment Trends

At 16%, the investment rate as percentage of GDP in Bolivia is fairly low. The average in South America is 20% and reaches 22% on average in Colombia, Chile and Peru. There has also been a shift from private to public investment. In recent years private investment was particularly low because of the deterioration of the business environment since the beginning of the nationalization process in 2006. From 2006 to 2014, private investment, including local and foreign investment, averaged 7.5% of GDP. In previous years it was above 11%. From 2006 to the present, public investment grew significantly, reaching an annual average of 10% of GDP. Prior to 2006 public investment averaged 6% of GDP.

Foreign Direct Investment (FDI) is highly concentrated in natural resources, especially hydrocarbons and mining, which account for nearly two-thirds of FDI. Since 2006 the net flow of FDI averaged 3% of GDP. Before 2006 it averaged around 8% of GDP.

In an effort to attract more investment, the government enacted an investment law in 2014, which says that each Ministry will provide incentives for sector-specific investment. To date no Ministry has provided any such incentives. The law notes that dispute resolution will be codified in a separate law. The Bolivian government has said that it is currently working on this law and will enact it during 2015.

Table 1

Measure	Year	Index or Rank	Website Address
TI Corruption Perceptions	2014	(103 of	http://cpi.transparency.org/cpi2013/

index		174)	results/
Heritage Foundation's Economic Freedom index	2014	(163 of 178)	http://www.heritage.org/index/ranking
World Bank's Doing Business Report "Ease of Doing Business"	2015	(157 of 189)	http://doingbusiness.org/rankings
Global Innovation Index	2014	(111 of 143)	http://www.globalinnovationindex.org/content.aspx?page=gii-full-report-2013#pdfopener
World Bank GNI per capita	2013	\$2,550.00	http://data.worldbank.org/indicator/NY.GNP.PCAP.CD

Millennium Challenge Corporation Country Scorecard

The Millennium Challenge Corporation Scorecard for Bolivia is mixed. Bolivia received "red" grades on regulatory quality, gender in the economy, access to credit, and business start-up in the economic freedom category. In terms of investing in people indicators, girls' secondary education enrollment, child health, rule of law, and control of corruption, all received red scores. The full results can be found at: <https://assets.mcc.gov/scorecards/score-fy15-english-bolivia.pdf>

Conversion and Transfer Policies

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Foreign Exchange

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 U.S. 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 (#393, 2013) 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 20% 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 over 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 government requirement 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/2014/Normativa/Resoluciones/175%202014.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.

Remittance Policies

The Bolivian government has a lax remittance policy. Each remittance transaction from Bolivia to other countries has a \$2,500 limit per transaction, but there is no limit to the number of transactions that an individual can remit. The volume of remittances sent to and from Bolivia has increased considerably in the past five years, and the central bank and banking regulator are currently analyzing whether to impose more regulations sometime in the future. Foreign investors are theoretically able to remit through a legal parallel market utilizing convertible, negotiable instruments, but, in practice, the availability of these financial instruments is limited in Bolivia. For example, the Bolivian government mainly issues bonds in Bolivianos and the majority of corporate bonds are also issued in Bolivianos.

The official exchange rate between Bolivianos and dollars is the same as the rate on the street. The government allows account holders to maintain bank accounts in Bolivianos or dollars and make transfers freely between them. Business travelers may bring up to \$10,000 in cash into the country. For amounts greater than \$10,000, government permission is needed.

Bolivia is a member of the Financial Action Task Force of Latin America (GAFILAT). GAFILAT works toward developing and implementing a comprehensive global strategy to combat money laundering and terrorist financing.

Since November 2011, Bolivia officially has a fixed exchange rate and the government does not engage in currency manipulation.

Expropriation and Compensation

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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 (FES) 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 Bolivian government has paid for the land taken in such cases. However, in cases where there is non-compliance, or accusations of such, the Bolivian government is not required to pay for the land and 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.

Between 2006 and 2014, the Bolivian government nationalized companies that were previously privatized in the 1990s. The government nationalized all of the hydrocarbons, transport, and sales companies (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 Bolivian government 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 Bolivian government 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

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Legal System, Specialized Courts, Judicial Independence, Judgments of Foreign Courts

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 2015 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).

Bankruptcy

In the case of 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 disputes 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 than 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.

Investment Disputes

A variety of companies of varying nationality were affected by the government's nationalization policy between 2006 and 2014. In 2014, the government passed a new investment law, and President Morales announced there would be no more nationalizations. The same year, one Brazilian company was nationalized but that had been previously agreed to with the owner under the previous nationalization policy.

Since 2006, there have been five known investment dispute cases between the government and U.S. companies or citizens. Three of the cases were settled outside of the courts before going to international arbitration. One of these three cases was submitted to an international arbitration court, but it was never heard because both parties kept delaying the start date of the hearing. After seven years of delays, the parties settled outside of court. Two American families had large farms that were taken by the government after accusations of unfair labor practices and misuse of land that did not comply with the economic and social function (FES) law wherein all farms must produce for the social benefit of Bolivians.

International Arbitration

Conflicting Bolivian law makes international arbitration murky. Previous investment contracts between the Government of Bolivia and the international companies granted the right to pursue international arbitration in all sectors and stated 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. Current Bolivian law 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 2009 Constitution, which states (Articles 320 and 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. The 2009 Constitution 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 the new arbitration provisions must be drafted within three months; as of June 2015, they have not been completed.

ICSID Convention and New York Convention

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 for its nationalization; this agreement was ratified by a Supreme Decree 692 on November 3, 2010. Additionally, in 2014, a British company that owned the biggest electric generation plant in Bolivia (Guaracachi) won an arbitration case against Bolivia for \$41 million. In 2014, an Indian company won a \$22.5 million international arbitration award in a dispute over the development of an iron ore project. The Bolivian government has appealed that award.

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 the 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.

Duration of Dispute Resolution

Since companies choose to resolve disputes with the government before going to formal international arbitration, there is no data on the length of a complete dispute resolution in international courts. The one case that did attempt to go to international arbitration took seven years before reaching agreement and receiving government payment outside of the arbitration system. Other cases have been resolved outside of arbitration in one to two years.

WTO/TRIMS

Bolivia is a member of the World Trade Organization and has not registered any objections to the Trade Related Investment Measures under WTO agreements.

Investment Incentives

Article 14 of the 2014 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 foreign companies. Also, companies investing in Bolivia should donate equipment and machinery to universities and technical schools in the same area as the investment, and 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.

Research and Development

There are very few government financed research and development programs. Any company can participate in research if they receive the appropriate permission from the government. There is a de facto practice to reject U.S. companies and NGOs from research and development projects.

Performance 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 case that they work for a Bolivian company, both the company and the workers 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 to raise or lower the price of a product based on false information, interests, or actions. For those caught doing so, punishment is six months to three years in prison. 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.

Data Storage

Bolivian legislation does not specify requirements for foreign information technology providers to turn over source code. Also, the Bolivian government does not follow forced localization policies. Information technology providers are only required to provide access to surveillance with a court order.

Article 14 of the 2014 Investment Law requires companies investing in Bolivia to invest in research to improve industrial processes and the general well-being of the public.

Right to Private Ownership and Establishment

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The Constitution recognizes the right for both foreign and domestic private entities to establish and own business enterprises. Article 52, Paragraphs 1-2 state:

- 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.

For more information on opening a business in Bolivia, see the World Bank Doing Business report at <http://www.doingbusiness.org/data/exploreeconomies/bolivia/>.

Protection of Property Rights

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Real Property

The Bolivian Constitution stipulates the right to private property as long as it serves a social function and is not against the collective/public interest (Articles 56 and 57). The constitution specifically allows expropriation in cases of public necessity, or where property is not serving an economic/social 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 of the landowners' property. In January 2013, Congress passed a law to provide an amnesty to landowners with plots being reverted to the state due to unauthorized forest clearings. The Bolivian private sector considered this a government move to improve the conditions for the agricultural sector. Farmers are still waiting for a promised law that would grant them a seven year hiatus from INRA reviews, but at a national agriculture summit in April 2015, the Bolivian government agreed to reduce the frequency of land inspections to every five years.

The constitution also grants formal, collective land titles to indigenous communities, in order to restore their former territories (Article 394.3), stating that public land will be granted to indigenous farmers, migrant indigenous communities, Afro-Bolivians, and small farmer communities that do not possess or have insufficient land (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 specifies that the state controls access to natural resources, particularly when foreign use is involved. 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. Nevertheless, illegal occupation of rural private property is decreasing since the government passed law 477 to combat land seizures. While some properties are still occupied or disputed, some illegal occupants have already been tried and jailed.

Intellectual Property Rights

The Mother Earth Law recognizes the intellectual property rights (IPR) of indigenous peoples, the Afro-Bolivian community, and Bolivian migrant groups related to ancestral knowledge and biodiversity. The medicinal properties of plants and animals found in the Bolivian Amazon and other regions within Bolivia are included in these rights.

The Bolivian Intellectual Property Body SENAPI (Servicio Nacional de Propiedad Intelectual), has recently published a complete set of regulations related to IPR. This list is available on SENAPI's webpage at:
<http://www.senapi.gob.bo/MarcoLegal.asp?lang=ES>.

Bolivia does not have a specific industrial property law, only a 1916 industrial privileges law is currently in force. However, Bolivia belongs to the World Intellectual Property Organization (WIPO) and is a signatory to the Nice Agreement and the Paris, Bern, and Geneva Conventions on intellectual property. As a member of the Andean Community (CAN), it has pledged to abide by the intellectual property decisions of the CAN. Last year SENAPI finished a draft law on industrial property expected to be presented to Congress in 2015.

Bolivia has no laws protecting trade secrets. However, Bolivia respects related international conventions, including with respect to protection of foreigners. CAN Decision 486 is legally binding in Bolivia and deals with industrial property (trade secrets). 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.

IV. 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.

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's copyright law (Law 1322) predates the international standards established under the WTO Agreement on Trade-Related Aspects of Intellectual Property (TRIPS). It also falls short of obligations under the World Intellectual Property Organization (WIPO) Copyright Treaty and the WIPO Performances and Phonograms Treaty.

Existing Bolivian copyright law protects literary, artistic and scientific works for the lifetime of the author plus 50 years. Bolivian copyright protection includes the exclusive right to copy or reproduce works; to revise, adapt, or prepare derivative works; to distribute copies of works; and to publicly share works. Although the law does not explicitly grant the exclusive right to translate works, the law does prevent unauthorized adaptation, transformation, modification, and editing. The law also provides protection for software and databases.

The copyright law 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 are protected to the extent provided in international conventions and treaties to which Bolivia is a party.

The film and video law (#1302, 1991) also contains elements of IPR protection but its implementation is lacking. The law established a National Movie Council (CONACINE)

to oversee the domestic film industry and required that all locally produced films and videos shown or distributed in Bolivia be registered with that organization. Between 2011 and 2012 CONACINE tried to reach agreements with street vendors' associations, in an effort to have them sell legal copies of movies; however this effort failed because street vendors continued to make illegal copies of the legal copy provided by the registered owners.

The 2009 Constitution provides for protection of all domestic genetic resources, and locally available microorganisms, as well as the knowledge associated with their use and exploitation. The Bolivian government plans to protect these resources through a registration system managed by the Genetic Resources Conservation National Center of the Agriculture and Forestry Innovation Center. Article 381 of the Constitution says Bolivia will establish procedures for the protection of all microorganisms and genetic resources even if they are not registered, but as of May, 2015 the government had not written the implementing regulations.

The "Mother Earth Law" (2012) states that the Bolivian government will take actions to avoid the commoditization of genetic resources, bio-piracy, and the participation of monopolies in the production of seeds. Nevertheless, it does not specify which actions the government will take. This law targets companies that bioengineer seeds and that would normally rely on IPR to protect their products.

Indigenous intellectual property rights are highly protected by the Bolivian legal system. Article 100 of the Constitution stipulates that the Bolivian government will protect the learning and knowledge of indigenous people through intellectual property registration. The Constitution acknowledges the right of indigenous nations and people to "the collective intellectual property of their intelligence, sciences, and knowledge, as well as the right to indigenous intellectual property's regained and appreciative value, use, promotion, and development" (Article 30). Article 304 further specifies that indigenous people can safeguard, through registration, collective intellectual property related to knowledge of genetic resources, traditional medicine, and germ plasma. There are not yet any regulations governing the implementation of these constitutional provisions.

The Constitution specifically limits IPR related to medicines in Article 41, which specifies that the right of access to medicines cannot be restricted by intellectual property or trade rights. The Bolivian intellectual property body SENAPI coordinates with the Medicines and Health Technologies Unit UNIMED (Unidad de Medicamentos y Tecnología en Salud) on the regulation of medicine patents.

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. However government institutions are still using branded software, with the use of legal versions of these programs on the rise (pirated copies can still be found though).

The 2009 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.

Resources for Rights Holders

For questions regarding Intellectual Property issues, contact:

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Transparency of Regulatory System

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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. The government is also discussing 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%.

Formal bureaucratic procedures are lengthy, difficult to manage and navigate, and considered by some to be debilitating. Many firms complain that a lack of administrative infrastructure, corruption, and political motives impede their ability to perform. The one exception is when registering a new company in Bolivia. Once a company submits all documents required to the Bolivian entity charged with registration of new enterprises (FUNDEMPRESA) 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 proposed law with the relevant sector.

Most accounting regulations follow international principles, but they do not always fully conform to international standards. Only the largest 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 the full exercise of business activities as regulated by law.

Efficient Capital Markets and Portfolio Investment

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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 generally hovers around one-third of the GDP.

Since 2008, the financial markets have experienced high 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.

Money and Banking System, Hostile Takeovers

The Bolivian banking system is small, composed of 13 banks, 3 private financial funds, and 34 savings and credit cooperatives. Of the total number of personal deposits made in Bolivia through December 2014 (\$18.0 billion), the banking sector accounted for 80%. Similarly, of the total loans and credits made to private individuals (\$14.4 billion) through December 2014, 78% were made by the banking sector, while private financial funds and the savings and credit cooperatives accounted for the other 22%.

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%.

In 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).

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% of total national credits and 11% of the total deposits; its principal activity is managing public sector accounts. Bolivian government ownership of Banco Union was illegal until December 2012, when the government 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 which 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 2009 Constitution forbids monopolies and supports antitrust measures. In addition, there is no evidence of hostile takeovers (other than government nationalizations).

The Financial sector is regulated by ASFI (Supervising Authority of Financial Institutions), a decentralized institution that is under the Ministry of Economy. The Central Bank of Bolivia (CBB) oversees all financial institutions, provides liquidity when necessary, and acts as lender of last resort. The CBB is the only monetary authority and is in charge of managing the payment system, international reserves, and the exchange rate.

Competition from State Owned Enterprises

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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 Bolivian government 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 and the banking sector. 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 brazil nut processing factories. In 2005, income from state-owned business in Bolivia represented only a fraction of a percent of Gross Domestic Product (GDP). As of 2014, public sector contribution to GDP (including SOEs, investments, and consumption of goods and services) has risen to nearly 41% 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 may be on the near horizon.

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. Government budget surpluses over the past six years, as well as financing from the Central Bank, have enabled public companies to have large budgets. According to the 2009 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.

OECD Guidelines on Corporate Governance of SOEs

N/A

Sovereign Wealth Funds

All legally established companies are required to present auditing and financial statements to the tax office annually. This requirement is for private and public companies. Financial institutions must present financial statements quarterly.

Although Bolivia is a commodity exporter, it does not have any kind of sovereign wealth fund for any commodity.

Both producers and consumers in Bolivia are generally aware of corporate social responsibility, but consumer decisions are ultimately based on price and quality. 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. However, during pre-electoral periods, government officials occasionally accuse companies of using CSR practices as political tools against the government and suggest that the government pioneer tighter CSR regulations.

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 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 widely accepted in Bolivia is the one developed by the 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 government 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 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 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.

Even though Bolivia promotes 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 some 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.

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 in 2014 the first Bolivian company, Guabira, was awarded the triple seal.

OECD Guidelines for Multinational Enterprises

The Bolivian government does not require companies to adhere to the OECD Guidelines for Multinational Enterprises.

Political Violence

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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 no political violence that targeted foreigners.

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 2014. However, numerous others caused businesses to close for short periods or impeded business operations.

Corruption

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Corruption, including bribery, raises the costs and risks of doing business. Corruption has a corrosive impact on both market opportunities overseas for U.S. companies and the broader business climate. It also deters international investment, stifles economic growth and development, distorts prices, and undermines the rule of law.

It is important for U.S. companies, irrespective of their size, to assess the business climate in the relevant market in which they will be operating or investing, and to have an effective compliance program or measures to prevent and detect corruption, including foreign bribery. U.S. individuals and firms operating or investing in foreign markets should take the time to become familiar with the relevant anticorruption laws of both the foreign country and the United States in order to properly comply with them, and where appropriate, they should seek the advice of legal counsel.

The U.S. government seeks to level the global playing field for U.S. businesses by encouraging other countries to take steps to criminalize their own companies' acts of corruption, including bribery of foreign public officials, by requiring them to uphold their obligations under relevant international conventions. A U. S. firm that believes a competitor is seeking to use bribery of a foreign public official in international business, for example to secure a contract, should bring this to the attention of appropriate U.S. agencies, as noted below.

U.S. Foreign Corrupt Practices Act: In 1977, the United States enacted the Foreign Corrupt Practices Act (FCPA), which generally makes it unlawful for U.S. persons and businesses (domestic concerns), and U.S. and foreign public companies listed on stock exchanges in the United States or which must file periodic reports with the Securities and Exchange Commission (issuers), to offer, promise or make a corrupt payment or anything of value to foreign officials to obtain or retain business. The FCPA also applies to foreign firms and persons who take any act in furtherance of such a corrupt payment while in the United States. In addition to the anti-bribery provisions, the FCPA contains accounting provisions applicable to public companies. The accounting provisions require issuers to make and keep accurate books and records and to devise and maintain an adequate system of internal accounting controls. The accounting provisions also prohibit individuals and businesses from knowingly falsifying books or records or knowingly circumventing or failing to implement a system of internal controls. In order to provide more information and guidance on the statute, the Department of Justice and the Securities and Exchange Commission published *A Resource Guide to the U.S. Foreign Corrupt Practices Act*, available in PDF at:

<http://www.justice.gov/criminal/fraud/fcpa/guidance/>. For more detailed information on the FCPA generally, see the Department of Justice FCPA website at: <http://www.justice.gov/criminal/fraud/fcpa/>.

Other Instruments: It is U.S. Government policy to promote good governance, including host country implementation and enforcement of anti-corruption laws and policies pursuant to their obligations under international agreements. Since enactment of the FCPA, the United States has been instrumental to the expansion of the international

framework to fight corruption. Several significant components of this framework are the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (negotiated under the auspices of the OECD), the United Nations Convention against Corruption (UN Convention), the Inter-American Convention against Corruption (OAS Convention), the Council of Europe Criminal and Civil Law Conventions, and a growing list of U.S. free trade agreements. Bribery is a criminal offence in Bolivia and Bolivia is party to the UN Anticorruption Convention and the OAS Inter-American Convention against Corruption.

OECD Antibribery Convention: The Antibribery Convention entered into force in February 1999. As of January 2015, there are 41 parties to the Convention, including the United States (see <http://www.oecd.org/corruption/oecdantibriberyconvention.htm>). Major exporters China and India are not parties, although the U.S. Government strongly endorses their eventual accession to the Antibribery Convention. The Antibribery Convention obligates the Parties to criminalize bribery of foreign public officials in international business transactions, which the United States has done under U.S. FCPA. Bolivia is not a signatory of the OECD Convention on Combating Bribery of Foreign Public Officials.

UN Convention: The UN Convention entered into force on December 14, 2005, and there are 174 parties to it as of March 2015 (see <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>). The UN Convention requires countries to establish criminal and other offences to cover a wide range of acts of corruption, from basic forms of corruption such as bribery and solicitation, embezzlement, and trading in influence to the concealment and laundering of the proceeds of corruption. The Convention contains transnational business bribery provisions that are functionally similar to those in the OECD Antibribery Convention and contains provisions on private sector auditing and books and records requirements. Other provisions address matters such as prevention, international cooperation, and asset recovery. Bolivia signed the UN Anticorruption Convention in December 2003 and ratified it in December 2005.

OAS Convention: In 1996, the Member States of the Organization of American States (OAS) adopted the first international anticorruption legal instrument, the Inter-American Convention against Corruption (OAS Convention), which entered into force in March 1997. The OAS Convention, among other things, establishes a set of preventive measures against corruption, provides for the criminalization of certain acts of corruption, including transnational bribery and illicit enrichment, and contains a series of provisions to strengthen the cooperation between its States Parties in areas such as mutual legal assistance and technical cooperation. As of January 2015, the OAS Convention has 34 parties (see <http://www.oas.org/juridico/english/Sigs/b-58.html>) and the follow-up mechanism created in 2001 (MESICIC) has 31 members (see http://www.oas.org/juridico/english/mesicic_intro_en.htm).

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 2014 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 2014 Transparency International

corruption perception index found that Bolivian citizens believe the most corrupt institutions in Bolivia are the judiciary, political parties, public officials, and the Bolivian Police.

Council of Europe Criminal Law and Civil Law Conventions on Corruption: Many European countries are parties to either the Council of Europe (CoE) Criminal Law Convention on Corruption, the Civil Law Convention on Corruption, or both. The Criminal Law Convention requires criminalization of a wide range of national and transnational conduct, including bribery, money-laundering, and accounting offenses. It also incorporates provisions on liability of legal persons and witness protection. The Civil Law Convention includes provisions on whistleblower protection, compensation for damage relating to corrupt acts, and nullification of a contract providing for or influenced by corruption, inter alia. The Group of States against Corruption (GRECO) was established in 1999 by the CoE to monitor compliance with these and related anti-corruption standards. Currently, GRECO comprises 49 member States (48 European countries and the United States). See

http://www.coe.int/t/dghl/monitoring/greco/general/about_en.asp. As of January 2015, the Criminal Law Convention has 44 parties and the Civil Law Convention has 35 (see <http://conventions.coe.int/Treaty/Commun/QueVoulezVous.asp?CL=ENG&NT=173>; <http://conventions.coe.int/Treaty/Commun/QueVoulezVous.asp?CL=ENG&NT=174>).

Free Trade Agreements: While it is U.S. Government policy to include anticorruption provisions in free trade agreements (FTAs) that it negotiates with its trading partners, the anticorruption provisions have evolved over time. The most recent FTAs negotiated now require trading partners to criminalize “active bribery” of public officials (offering bribes to any public official must be made a criminal offense, both domestically and trans-nationally) as well as domestic “passive bribery” (solicitation of a bribe by a domestic official). All U.S. FTAs may be found at the U.S. Trade Representative Website: <http://www.ustr.gov/trade-agreements/free-trade-agreements>. Bolivia does not have a free trade agreement with the United States.

Local Laws: U.S. firms should familiarize themselves with local anticorruption laws, and, where appropriate, seek legal counsel. While the U.S. Department of Commerce cannot provide legal advice on local laws, the Department’s U.S. and Foreign Commercial Service can provide assistance with navigating the host country’s legal system and obtaining a list of local legal counsel.

Assistance for U.S. Businesses: The U.S. Department of Commerce offers several services to aid U.S. businesses seeking to address business-related corruption issues. For example, the U.S. and Foreign Commercial Service can provide services that may assist U.S. companies in conducting their due diligence as part of the company’s overarching compliance program when choosing business partners or agents overseas. The U.S. and Foreign Commercial Service can be reached directly through its offices in every major U.S. and foreign city, or through its website at www.trade.gov/cs.

The United States provides commercial advocacy on behalf of exporters of U.S. goods and services bidding on public sector contracts with foreign governments and government agencies. An applicant for advocacy must complete a questionnaire concerning its background, the relevant contract, and the requested U.S. Government assistance. The applicant must also certify that it is in compliance with applicable U.S. law, that it and its affiliates have not and will not engage in bribery of foreign public

officials in connection with the foreign project, and that it and its affiliates maintain and enforce a policy that prohibits bribery of foreign public officials. Problems, including alleged corruption by foreign governments or competitors, encountered by U.S. companies in seeking such foreign business opportunities can be brought to the attention of appropriate U.S. government officials, including local embassy personnel, and reported through the Department of Commerce Trade Compliance Center "Report a Trade Barrier" Website at tcc.export.gov/Report_a_Barrier/index.asp. Potential violations of the FCPA can be reported to the Department of Justice via email to FCPA.Fraud@usdoj.gov.

Guidance on the U.S. FCPA: The Department of Justice's (DOJ) FCPA Opinion Procedure enables U.S. firms and individuals and issuers to request a statement of the Justice Department's present enforcement intentions under the anti-bribery provisions of the FCPA regarding actual, prospective business conduct. The details of the opinion procedure are available on DOJ's Fraud Section Website at www.justice.gov/criminal/fraud/fcpa and general information is contained in Chapter 9 of the publication *A Resource Guide to the U.S. Foreign Corrupt Practices Act*, at <http://www.justice.gov/criminal/fraud/fcpa/guidance/>. Although the Department of Commerce has no enforcement role with respect to the FCPA, it supplies general information to U.S. exporters who have questions about the FCPA and about international developments concerning the FCPA. For further information, see the Office of the General Counsel, U.S. Department of Commerce, website, at <http://www.commerce.gov/os/ogc/transparency-and-anti-bribery-initiatives>. More general information on the FCPA is available at the websites listed below.

Exporters and investors should be aware that generally all countries prohibit the bribery of their public officials, and prohibit their officials from soliciting bribes under domestic laws. Most countries are required to criminalize such bribery and other acts of corruption by virtue of being parties to various international conventions discussed above.

Corruption in Bolivia

Bolivian law stipulates criminal penalties for corruption by officials, but the government does not implement the law effectively, and officials often engage in corrupt practices with impunity. In 2014, there were numerous reports of government corruption, not all of which were investigated.

According to the World Bank's 2011 worldwide governance indicators, government corruption and lack of transparency remained serious problems. According to Transparency International's 2013 Global Corruption Barometer, 86 percent of citizens believed the police were corrupt or extremely corrupt, and 76 percent labeled the country's judiciary as corrupt or extremely corrupt.

Police corruption remains a significant problem. In March 2014, U.S. authorities convicted police officer Fabricio Ormachea Aliga in Miami on two counts of extortion. Ormachea, an investigator in the police anticorruption unit, allegedly promised to suspend a pending investigation involving a Bolivian living in Miami in exchange for approximately 205,000 bolivianos (\$30,000). There is also widespread corruption in the country's judiciary.

The Ministry of Anticorruption and Transparency and the Prosecutor's Office are both responsible for combating corruption, but most corrupt officials operate with impunity. In September 2014, former Transparency Minister Nardy Suxo reported that the Ministry was investigating 388 complaints against public servants. The Ministry has obtained 97 convictions since 2006. Cases involving allegations of corruption against the president and vice president require congressional approval before prosecutors may initiate legal proceedings, and cases against pro-government public officials are rarely allowed to proceed. Despite the fact that the courts found that the awarding of immunity for corruption charges is unconstitutional, their rulings against immunity were ignored by the government.

Anti-Corruption Resources

Some useful resources for individuals and companies regarding combating corruption in global markets include the following:

- Information about the U.S. Foreign Corrupt Practices Act (FCPA), including *A Resource Guide to the U.S. Foreign Corrupt Practices Act*, translations of the statute into numerous languages, documents from FCPA related prosecutions and resolutions, and press releases are available at the U.S. Department of Justice's Website at: <http://www.justice.gov/criminal/fraud/fcpa> and <http://www.justice.gov/criminal/fraud/fcpa/guidance/>
- The U.S. Securities and Exchange Commission FCPA Unit also maintains an FCPA website, at: <https://www.sec.gov/spotlight/fcpa.shtml>. The website, which is updated regularly, provides general information about the FCPA, links to all SEC enforcement actions involving the FCPA, and contains other useful information.
- General information about anticorruption and transparency initiatives, relevant conventions and the FCPA, is available at the Department of Commerce Office of the General Counsel website: <http://www.commerce.gov/os/ogc/transparency-and-anti-bribery-initiatives>
- The Trade Compliance Center hosts a website with anti-bribery resources, at <http://tcc.export.gov/Bribery>. This website contains an online form through which U.S. companies can report allegations of foreign bribery by foreign competitors in international business transactions
- Additional country information related to corruption can be found in the U.S. State Department's annual *Human Rights Report* available at <http://www.state.gov/g/drl/rls/hrrpt/>.
- Information about the OECD Antibribery Convention including links to national implementing legislation and country monitoring reports is available at: <http://www.oecd.org/corruption/oecdantibriberyconvention.htm> See also Antibribery Recommendation <http://www.oecd.org/daf/anti-bribery/oecdantibriberyrecommendation2009.htm> and Good Practice Guidance Annex for companies: <http://www.oecd.org/daf/anti-bribery/44884389.pdf>.

- GRECO monitoring reports can be found at:
http://www.coe.int/t/dghl/monitoring/greco/evaluations/index_en.asp
- MESICIC monitoring reports can be found at:
http://www.oas.org/juridico/english/mesicic_intro_en.htm
- The Asia Pacific Economic Cooperation (APEC) Leaders have also recognized the problem of corruption and APEC Member Economies have developed anticorruption and ethics resources in several working groups, including the Small and Medium Enterprises Working Group, at <http://businessethics.apec.org/>, and the APEC Anti-Corruption and Transparency Working Group, at <http://www.apec.org/Groups/SOM-Steering-Committee-on-Economic-and-Technical-Cooperation/Working-Groups/Anti-Corruption-and-Transparency.aspx>. For more information on APEC generally, <http://www.apec.org/>.

There are many other publicly available anticorruption resources which may be useful, some of which are listed below without prejudice to other sources of information that have not been included. (The listing of resources below does not necessarily constitute U.S. Government endorsement of their findings.)

- Transparency International (TI) publishes an annual Corruption Perceptions Index (CPI). The CPI measures the perceived level of public-sector corruption in approximately 180 countries and territories around the world. The CPI is available at: <http://www.transparency.org/research/cpi/overview>. TI also publishes an annual *Global Corruption Report* which provides a systematic evaluation of the state of corruption around the world. It includes an in-depth analysis of a focal theme, a series of country reports that document major corruption related events and developments from all continents, and an overview of the latest research findings on anti-corruption diagnostics and tools. See <http://www.transparency.org/research/gcr>.
- The World Bank Institute's Worldwide Governance Indicators (WGI) project reports aggregate and individual governance indicators for 215 economies over the period 1996-2013, for six dimensions of governance (Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law, and Control of Corruption). See <http://info.worldbank.org/governance/wgi/index.aspx#home>. The World Bank Business Environment and Enterprise Performance Surveys may also be of interest and are available at: <http://data.worldbank.org/data-catalog/BEEPS>. See also the World Bank Group *Doing Business* reports, a series of annual reports measuring regulations affecting business activity, available at: <http://www.doingbusiness.org/>
- The World Economic Forum publishes every two years the *Global Enabling Trade Report*, which assesses the quality of institutions, policies and services facilitating the free flow of goods over borders and to their destinations. At the core of the report, the Enabling Trade Index benchmarks the performance of 138 economies in four areas: market access; border administration; transport and communications infrastructure; and regulatory and business environment. See <http://www.weforum.org/reports/global-enabling-trade-report-2014>.

- Global Integrity, a nonprofit organization, publishes its annual *Global Integrity Report*, which typically assesses anti-corruption and good governance mechanisms in diverse countries. (The 2012 and 2013 reports covered a small number of countries as the organization focused on re-launching a modernized methodology in mid-2014.) For more information on the report, see <https://www.globalintegrity.org/global-report/what-is-gi-report/>.

Resources to Report Corruption in Bolivia

Contact at government agency or agencies are responsible for combating corruption:

Lenny Tatiana Valdivia Bautista

Transparency Minister

Ministry of Institutional Transparency and the Fight against Corruption

Calle Capitan Ravelo, esq. Montevideo, Edificio Capitan Ravelo Piso 3 – 9, La Paz

Bolivia

591-2-2115773, 591-800-10-9988

No email address available, but the Ministry does have a webpage, Facebook page, and Twitter account

Reports of corruption can also be made to Transparency International, but the organization does not have a physical presence within Bolivia.

Bilateral Investment Agreements

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Government policy changes stemming in part from the adoption of the 2009 Constitution have raised concerns among foreign investors. Although the new Constitution has yet to be fully implemented, it has a provision to limit 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 United States 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

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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 German holding company by 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

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Approximately two-thirds of Bolivia's population is considered "economically active." 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).

The law, including related regulations and statutory instruments, provides for the freedom of association, the right to strike, and the right to organize and bargain collectively. The law prohibits antiunion discrimination and requires reinstatement of workers fired for union activity. The law does not require government approval for strikes and allows peaceful strikers to occupy business or government offices. General and solidarity strikes are protected by the constitution, as is the right of any working individual to join a union.

Workers may form a union in any private company of 20 or more employees, but the law requires that at least 50 percent of the workforce be in favor of forming a union. The law requires prior government authorization to establish a union and confirm its elected leadership, permits only one union per enterprise, and allows the government to dissolve unions by administrative fiat. The law also requires that members of union executive boards be Bolivian by birth. The labor code prohibits most public employees from forming unions, but some public-sector workers (including teachers, transportation workers, and health-care workers) were legally unionized and actively participated as members of the Bolivian Workers' Union without penalty.

The National Labor Court handles complaints of antiunion discrimination, but rulings generally take a year or more. In some cases, the court rules in favor of discharged workers and requires their reinstatement. Union leaders state that problems are often resolved or are no longer relevant by the time the court rules. For this reason, government remedies and penalties are often ineffective and insufficient to deter violations.

Freedom of association is limited by the government and under-resourced labor courts. Moreover, the 20-worker threshold for forming a union proved an onerous restriction, as an estimated 72% of enterprises had fewer than 20 employees. Labor inspectors may attend union meetings and monitor union activities. Collective bargaining and voluntary direct negotiations between employers and workers without government participation

was limited. Most collective bargaining agreements were restricted to addressing wages.

Violence during labor demonstrations continues to be a serious problem. In March 2014, two miners, Johnny Huisa Condori and Jaime Cachiaca, were shot and killed during a conflict between miners and police on the Oruro-Cochabamba highway; another 50 miners were injured. In the same incident, 43 police officers were taken hostage by miners; all were eventually released with minor injuries. Despite President Morales' 2012 executive order outlawing the use of dynamite during public protests, the practice continues.

In July 2014, Vice President Garcia Linera signed a new child and adolescent code that permits children as young as 10 to work legally. The law states that the minimum working age is 14; however, the Child and Adolescent Ombudsman's Office may permit children as young as 10 to work if the child chooses to do so voluntarily and he or she works independently or with the family. The child must also obtain permission from his or her parent(s). Children as young as 12 can work for outside employers provided the same permissions are obtained. The law states that work should not interfere with a child's right to education and should not be dangerous or unhealthy, which includes work in sugar cane and brazil nut harvest, mining, brick making, hospital cleaning, selling alcoholic beverages, and working after 10PM, among other conditions. A request to the ombudsman must be answered within 72 hours. The Ministry of Labor is responsible for authorizing work activity for adolescents over 14 years of age who work for a third-party employer. The new code establishes that the Ministry of Justice, rather than the Ministry of Labor, is responsible for enforcing child labor laws, including laws pertaining to the minimum age and maximum hours for child workers, school completion requirements, and health and safety conditions for children in the workplace.

Foreign-Trade Zones/Free Ports

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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

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According to Bolivian Central Bank statistics, the stock of FDI in 2014 was \$10.6 billion. The total flow of FDI into Bolivia in 2014 was \$2.1 billion, slightly higher than in 2013 (\$2.0 billion), without accounting for inflation. During recent years, the majority of FDI has been directed to the hydrocarbon and mining sectors, accounting for 74% of total FDI in 2014.

In 2008, Bolivia changed its Net International Investment Position (NIIP), from being a net debtor to being a net creditor. In 2014, the NIIP reached \$4.8 billion or 14% of GDP.

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

(In millions of USD and percentages over GDP)

	2008	2009	2010	2011	2012	2013	2014
Total Stock of FDI	5,998	6,421	6,869	7,749	8,809	10,558	11,410
As % of GDP	36%	37%	35%	32%	32%	34%	34%
Total flows of FDI	1,302	687	936	1,033	1,505	2,030	2,113
As % of GDP	8%	4%	5%	4%	6%	7%	6%
Hydrocarbons	376	325	310	384	946	1,399	1,351
Mining	478	92	220	238	219	151	207
Industry	102	49	280	217	108	306	426
Electricity	52	25	-7	23	12	11	-36
Commerce and Services	294	196	132	171	221	162	165
Net International Investment Position	2,163	3,261	3,328	4,159	5,125	4,293	4,888
As % of GDP	13%	19%	17%	17%	19%	14%	14%

Source: Central Bank of Bolivia

Until 2009, the United States was the biggest investor in Bolivia. In 2014, the United States invested \$140 million in Bolivia, making it the 5th largest investor for the year, behind Spain (\$537 million), the United Kingdom (\$442 million), Peru (\$442 million), and France (\$200 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

(In millions of USD)

	2008	2009	2010	2011	2012	2013	2014
Spain	25	145	271	246	364	676	537
United Kingdom	48	70	11	2	111	309	442
Peru	26	40	82	12	56	102	442
France	36	22	89	55	73	220	200
United States	295	162	85	76	89	61	140
Brazil	155	96	77	124	286	77	123
Sweden	339	23	169	280	178	347	15
Caiman Island	85	9	22	45	184	84	0.9
Other Countries	293	122	130	193	165	155	214

Total FDI	1,302	687	936	1,033	1,505	2,030	2,113
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Source: Central Bank of Bolivia

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

	(In millions of \$ and percentages over GDP)						
	2008	2009	2010	2011	2012	2013	2014
Stock of FDI	63.8	49.5	7.7	0.0	0.0	0.0	0.0
As % of GDP	0.38%	0.28%	0.04%	0.00%	0.00%	0.00%	0.00%
Flow FDI	-30.3	-14.3	-41.8	-7.7	0.0	0.0	0.0
As % of GDP	-	-	-	-	0.00%	0.00%	0.00%

Source: Central Bank of Bolivia

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

	Bolivian Statistical source*		USG or international statistical source		USG or international Source of Data:
	National Bureau of Statistics		International Monetary Fund		BEA; IMF; Eurostat; UNCTAD, Other
Economic Data	Year	Amount	Year	Amount	
Bolivian Gross Domestic Product (GDP) (Millions U.S. Dollars)	2014	\$ 34,044,485	2014	\$33,616	http://www.imf.org/external/pubs/ft/weo/2014/01/weodata/index.aspx
Foreign Direct Investment	Bolivian Statistical source Central Bank of Bolivia		USG or international statistical source BEA		USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other
U.S. FDI in Bolivia (Millions U.S. Dollars, stock positions)	2012	\$897	2013	\$617	(BEA) click selections to reach.

Bolivia's FDI in the United States (Millions U.S. Dollars, stock positions)	2014	\$0	2013	D	(BEA) click selections to reach
Total inbound stock of FDI as % Bolivian GDP (calculate)	34%	2014	34%	2014	International Monetary Fund

Sources: National Bureau of Statistics and Central Bank of Bolivia

Contact Point at Post

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Chapter 7: Trade and Project Financing

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How Do I Get Paid (Methods of Payment)

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There are several ways that Bolivians can pay international sellers; letters of credit are the most common. Here are all of the methods of payment authorized by the Bolivian banking system:

- 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 own country) which sends them to its 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 from 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.
- Bolivians can make purchases abroad using Bolivian credit cards or PayPal. Foreign card holders can make credit card purchases within Bolivia depending on the

regulations of their home bank. Bolivian companies cannot charge foreign buyers using PayPal or other Internet transfer methods.

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

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Bolivia's banking system is comprised of the Central Bank, a state bank, and 51 privately-owned institutions. Twelve of the 52 privately-owned institutions are commercial banks, and the remaining are savings and loan organizations, credit unions, and other financial institutions. As of December 2014, deposits totaled an estimated \$17.15 billion.

In 2013, the government enacted the new Financial Services Law. The key objectives of the law are to: 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 law creates the Financial Stability Board consisting of: Ministry of Economy and Public Finance, Ministry of Planning and Development, the Central Bank of Bolivia, Supervisory Authority Financial System (ASFI), Supervision and Control Authority of Pension and Insurance. This new Financial Stability Board is responsible for issuing the decrees and resolutions to regulate the banking sector, leaving the prior regulator (ASFI) with the tasks of monitoring and supervising.

The Financial Services Law requires and encourages a high degree of state intervention in the management of financial institutions. The state is expected to be a regulatory authority, an active participant in financial intermediation (through Banco Union and Productive Development Bank), and state agents should attend banks' board meetings and shareholder meetings.

The Financial Services Law establishes a system wherein the state directs financial institutions in such a way as to encourage economic growth. The state can instruct financial institutions to offer credit to sectors as the state considers appropriate. In addition the state fixes the maximum interest rates that banks can charge, determines loan repayment grace periods and the type of collateral that can be used against a loan. Government policy allows for unconventional loan guarantees such as: machinery, animals, stored production, etc.

The law allows the government to seek punitive punishment for financial institutions that do not comply. Punishment can be meted on specific individuals within an institution to include the personal assets of officers and executives.

According to the 2009 Constitution (Article 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 loans cooperatives, and non-governmental organizations to improve access to credit and other financial services.

In 2012, the government enacted Supreme Decree 1423, which created a tax on US dollar exchanges in banks and exchange houses. This tax does not affect the people or companies that use dollars, but rather diminishes financial institution profits generated by the difference between the exchange rate for buying and selling US dollars.

Supreme Decree 28999 (dated January 1, 2007) created a new state-owned financial institution (Productive Development Bank or BDP) to provide low-rate credit to small businesses for development activities.

All bank transfers in U.S. dollars within and leaving the country must pay a Financial Transaction Tax (ITF) of 0.03%. Any banking transaction above \$10,000 in one operation or transactions totaling \$10,000 in three consecutive days requires the filing of a form stating the source of funds. Any hard-currency cash transfer from and to Bolivia equal 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, trade, as well as other transactions. The current list of fees and the details can be found in the following link:

https://www.bcb.gob.bo/webdocs/01_resoluciones/022%202015.PDF

Foreign-Exchange Controls

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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

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There are no U.S. Banks operating in Bolivia. Citibank, which opened its offices in 1997, closed operations 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>

Project Financing

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Credit is generally difficult to obtain locally 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 of 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.

EXIM does not currently have any projects in Bolivia, but the bank is allowed to finance projects with a total term of up to seven years duration. For more information, interested parties can contact the Regional Director for America/Eastern Europe Global Business Development at

811 Vermont Ave, N.W.
Washington, D.C. 20571
www.exim.gov

EXIM Bank support for private sector transactions is typically limited to transactions with a commercial bank as obligor or guarantor. EXIM Bank will consider transactions without a bank undertaking on a case-by-case basis. Regarding the latter, EXIM Bank may consider corporate entities that are able to provide detailed financial information sufficient to enable EXIM Bank to reach a credit conclusion. Such information should include financial statements audited by an affiliate of an international accounting firm and prepared in accordance with International Financial Reporting Standards (IFRS), and the statements should reflect material bank borrowings.

Coverage under the Working Capital Guarantee Program (WCGP) for private sector transactions requires that the transaction be supported by an irrevocable Letter of Credit. Exceptions may be made for private sector transactions that are insured for comprehensive political and commercial risk. EXIM Bank support for public sector transactions is typically limited to transactions which commit the full faith and credit of the government.

Multilateral Development Banks (World Bank, Inter-American Development Bank)

The Commercial Service maintains Commercial Liaison Offices in each of the main Multilateral Development Banks, including the World Bank and the Inter-American Development Bank. These institutions lend billions of dollars in developing countries on projects aimed at accelerating economic growth and social development by reducing poverty and inequality, improving health and education, and advancing infrastructure development. The Commercial Liaison Offices help American businesses learn how to

get involved in bank-funded projects, and advocate on behalf of American bidders. Learn more by contacting the Commercial Liaison Offices to the World Bank (<http://export.gov/worldbank>) and to the Inter-American Development Bank (<http://export.gov/idb>).

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Trade Finance Guide: A Quick Reference for U.S. Exporters, published by the International Trade Administration's Industry & Analysis team:
<http://www.export.gov/tradefinanceguide/index.asp>

Export-Import Bank of the United States: <http://www.exim.gov>

Country Limitation Schedule: http://www.exim.gov/tools/country/country_limits.html

OPIC: <http://www.opic.gov>

Trade and Development Agency: <http://www.tda.gov/>

SBA's Office of International Trade: <http://www.sba.gov/oit/>

USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/cc/default.htm>

U.S. Agency for International Development: <http://www.usaid.gov>

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): <http://www.asfi.gob.bo>

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

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Chapter 8: Business Travel

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Business Customs

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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.

Punctuality for social engagements is not strictly observed, and should not be expected. Normally meetings need to be confirmed multiple times before they occur. Do not be surprised if Bolivian counterparts call several times to confirm and then change the time at the last minute. If you are hosting the meeting, it is recommended to call and email your counterparts to confirm the day before as well as a few hours before the meeting. Hosting a meal is a good business practice, and may lead to a more fruitful discussion than a quick meeting.

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. 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

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To access the U.S. Department of State, Bureau of Consular Affairs, Country Specific Information Sheet for Bolivia, please go to <http://travel.state.gov/content/passports/english/country/bolivia.html>

Visa Requirements

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U.S. Citizens traveling to Bolivia need a visa. The exact requirements change frequently and 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, or visitors can apply for a visa upon arrival to Bolivia.

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 several non-immigrant visa categories:

1. **Tourist Visas:** U.S. citizens visiting Bolivia require tourist visas. U.S. citizens may apply for a visa in Bolivian consulates or at the time of arrival. As of May 2015, the tourist visa for U.S. citizens is valid for ten years from the date of issue. A U.S. citizen tourist visa holder may use a tourist visa for up to three (3) entries of 30 days each per year for a total of ninety days per year.

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.

2. **Specific Purpose Visas:** Those who wish to travel to Bolivia to live in Bolivia, work in Bolivia, or retire in Bolivia require specific purpose visas ("visa de objeto determinado" in Spanish). You must apply for a specific purpose visa before entering Bolivia. Because the Immigration authority must authorize all specific purpose visas, it is recommended to apply at least one month prior to visiting Bolivia.
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 in Bolivia. The process costs approximately \$200 for one year and \$300 for two years and generally requires 10 business days.
4. Bolivia also offers permanent residence permits. To obtain them, applicants must have had two-year temporary residence visas.

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

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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 to non-existent in rural areas. Aggressive competition has led to some of the lowest prices in the hemisphere. The four 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, Unete, 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 some 4G service where cell phone coverage is available. Although coverage and bandwidth are increasing, Bolivia still has one of the most expensive and slowest internet services in the region.

Transportation

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Travelers can fly directly to Bolivia from the United States via American Airlines or the Bolivian national airline Boliviana de Aviación (BoA). LAN and TACA also offer service through Lima, Peru, Avianca offers flights through Bogota, Colombia, Gol has flights via Sao Paulo, and Aerolineas Argentinas flies via Buenos Aires. In addition travelers can fly to Bolivia from Sao Paulo or Buenos Aires via BoA. BoA, TAM, and Amazonas provide services to more remote onward domestic destinations. A variety of airlines offer flights to neighboring countries, most on a daily basis.

Travel within Bolivia is sometimes difficult as poor infrastructure hinders overland 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), Oruro, 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 120Bs (\$8.50 to \$18). 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, are harder to navigate and are therefore not recommended for visitors.

Language

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Bolivia has 37 official languages including Spanish and 36 indigenous languages. The most prevalent of the indigenous languages are 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>.

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 acclimation 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, hemaglobinopathies (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 two (2) 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, chikungunya, 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.

More information about medical care is detailed in the Embassy's following link:
<http://bolivia.usembassy.gov/mcib.html>.

Local Time, Business Hours, and Holidays

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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 Bolivian 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.

2015-2016 Holidays

	2015	2016
La Paz Day (Only in La Paz)	July 16	July 16
Bolivia Independence Day	August 6	August 6
Cochabamba Day (Only in Cbba)	September 14	September 14
Santa Cruz Day (Only in Santa Cruz)	September 24	September 24
All Saints Day	November 2	November 2
Christmas Day	December 25	December 25
New Year's Day	January 1	January 1
Plurinacional State Day	January 22	January 22
Carnival	February 16	February 8
Carnival/Shrove Tuesday	February 17	February 9
Good Friday	April 3	March 25
Labor Day/May Day	May 1	May 1
Corpus Christi Day	June 4	May 26
Winter Solstice/Aymara New Year	June 21	June 21

Temporary Entry of Materials and Personal Belongings

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

Web Resources

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U.S. Department of State's Consular Information <http://travel.state.gov/>

Bolivian Embassy – Washington, D.C. <http://www.bolivia-usa.org>

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

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Note: "Casilla" means P.O. Box.

Government Ministries

Ministry of the Presidency

Palacio de Gobierno
Plaza Murillo - La Paz
Phone: (591-2) 220-2331
Ministry's Secretary: (591-2) 215-3975
Cabinet Advisor: (591-2) 215-3866
Fax: (591-2) 215-3870
Casilla: 7832
Email: correo@presidencia.gob.bo
Web: <http://www.presidencia.gob.bo/>

Ministry of Government

Av. Arce 2409 esq. Belisario
Salinas - La Paz
Phone: (591-2) 2440466
(591-2) 2120002
(591-2) 2120003
Ministry's Secretary: (591-2) 212-0004
Ministry's Phone: (591-2) 244-0114
(591-2) 244-2578
Fax: (591-2) 244-2225
Casilla: 7110
Email: mail@mingobierno.gob.bo
Web: <http://www.mingobierno.gob.bo/>

Ministry of Foreign Relations and Worship

Calle Junín esq. Ingavi, Plaza Murillo
La Paz
Phone: (591-2) 240-8900
(591-2) 240-8921
(591-2) 240-8559
Ministry's Phone: (591-2) 240-8293
Fax: (591-2) 240-8642
(591-2) 211-3204
Email: mreuno@rree.gob.bo
Web: <http://www.rree.gob.bo/>

Ministry of Defense

Av. 20 de Octubre 2502 esq. Calle
Pedro Salazar - La Paz
Phone: (591-2) 2432525
Ministry's Phone: (591-2) 243-4249
(591-2) 261-0428
Fax: (591-2) 243-3159
Email: utransparencia@mindef.gob.bo
Web: <http://www.mindef.gob.bo/>

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@economiyfinanzas.gob.bo

Web: <http://www.economiyfinanzas.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: ooppp@ooppp.gob.bo
Web: <http://www.ooppp.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 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

Email: despacho@agrobolivia.gob.bo
Web: <http://www.agrobolivia.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) 212-4933

Email: despacho@produccion.gob.bo;
contacto@produccion.gob.bo
Web: <http://www.produccion.gob.bo>

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 Mining and Metallurgy

Av. Mariscal Santa Cruz Esq. Calle
Oruro Palacio de Comunicaciones
Piso 14 – La Paz

Phone : (591-2) 231-2912
(591-2) 237-1165
Ministry's Phone: (591-2) 231-0846
(591-2) 231-2784

Fax: (591-2) 239-1241
Casilla: 8686
Email: mineria@mineria.gob.bo
Web : <http://http://www.mineria.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: prensa@autonomia.gob.bo
Web: <http://www.autonomia.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 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 Enviroment 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 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/>

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@minculturass.gob.bo

Web: <http://www.minculturass.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 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/>

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: jarce@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 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 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>

**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

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>

**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
(591-2) 237-6164
Fax: (591-2) 239-1093
Casilla: 5822
E-mail: info@asoban.bo
Web: <http://www.asoban.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 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

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 Bolívar 99 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
Web: <https://http://www.bmsc.com.bo>

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
(591-2) 215-3300
Fax: (591-2) 215-3305
Web Page: <http://www.worldbank.org>

**Inter-American Development Bank
(IADB)**

Av. 6 de Agosto No. 2818
San Jorge
Phone: (591-2) 217-7700
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

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

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/Commercial Officer

Leah Pillsbury
Economic/Commercial Officer

Casey Bean, Agricultural Attaché
U.S. Embassy Lima, Peru

**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 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
consuladodeboliviamiami@hotmail.com

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;
mcuba@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

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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.

Trade Events

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Please click on the link below for information on upcoming trade events.

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

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 \$293 million dollars (\$201 million dollars of potential business and \$92 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: 2300 companies

Exhibiting countries: 23 countries

Direct and indirect Visitors: 515,661 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

vhsuarez@fexpocruz.com.bo

http://www.fexpocruz.com.bo/en/f_somos.aspx?idf=61

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 1500 companies

Exhibiting countries: 42 countries

Direct and indirect Visitors: 400,000 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

<http://www.feicobol.com.bo/en>

FIPAZ (International Fair of La Paz)

La Paz's multi-sector trade show called Fipaz is held every year in late October and early November. Although smaller than the Cochabamba and Santa Cruz fairs, the trade show is expected to grow now that La Paz has a dedicated exposition center. The 2014 Fipaz had double the number of visitors as the 2013 version, and generated \$38 million in business transactions.

Event Frequency: Annual

Number of exhibitors: Over 600 companies

Exhibiting countries: mainly regional

Visitors: over 140,000

Tel: +591 2-2141477

<http://www.fipaz.com.bo/>

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Chapter 10: Guide to Our Services

The U.S. Commercial Service offers customized solutions to help your business enter and succeed in markets worldwide. 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

For more information on the services the U.S. Commercial Service offers U.S. businesses, please click on the link below.

<http://www.export.gov/>

SelectUSA

SelectUSA was created by President Obama in June 2011 through Executive Order 13577, as the U.S. government-wide program to promote and facilitate business investment into the United States, including foreign direct investment (FDI) and reshoring.

The program is housed within the Commerce Department and coordinates investment-related resources across more than 20 federal agencies through the Interagency Investment Working Group (IIWG).

SelectUSA provides services to two types of clients: investors and U.S. economic development organizations at the state and local level. Services include:

Information Assistance:

- SelectUSA provides information to investors on the benefits of establishing operations in the United States, as well as the information needed to move investments forward. Investors can access facts, data and local contacts for the U.S. market.
- SelectUSA also works closely with state, local and regional economic developers to provide counseling on strategy, best practices, and on-the-ground intelligence from the Foreign Commercial Service network across more than 70 foreign markets.

Ombudsman Services: SelectUSA coordinates federal agencies to address investor concerns relating to a wide range of federal regulatory issues – helping them to navigate an unfamiliar system.

Investment Advocacy: U.S. state and local governments often find themselves competing with a foreign location for a project. SelectUSA can coordinate senior U.S. government officials to advocate to the investor to bring those jobs to the United States.

Promotional Platform: SelectUSA brings the power of the “USA” brand to high-profile events, such as the upcoming 2015 Investment Summit, to attract investors to learn about our nation’s investment opportunities. SelectUSA organizes international Road Shows and missions to trade fairs, while also offering tailored on-the-ground assistance in more than 70 markets.

Note: SelectUSA exercises strict geographic neutrality, and represents the entire United States. The program does not promote one U.S. location over another U.S. location.

For more information on SelectUSA and services provided for investors and economic development organizations please click on the following link:
<http://selectusa.commerce.gov/>

National Export Initiative

The President's National Export Initiative/NEXT marshals Federal agencies to provide customer service-driven services and actionable information resources that ensure American businesses are able to capitalize on expanded opportunities to sell their goods and services abroad.

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

For more information on the services the U.S. Commercial Service offers to U.S. exporters, please click on the following link: (Insert link to Products and Services section of local buyusa.gov website here.)

U.S. exporters seeking general export information/assistance or country-specific commercial information can also contact **(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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