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Bolivia

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Doing Business in Bolivia

Market Overview

Top Five Reasons to Consider Bolivia

The Bolivian economy is still growing. For the past ten years, the economy has grown by over 4% and Bolivia's growth rates have led South America for each of the past three years. 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.

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 in the next ten years. 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.

Market Statistics

For the four year period from 2013 through 2016 Bolivia's economy grew at an average yearly rate of 5.3%. This compares favorably to the 4.5% average yearly growth experienced from 2009 through 2012. The 2016 increase in GDP is a result of a 7.8% growth in financial services; 8.5% growth in construction; 6.2% growth in manufacturing; 5.7% growth in transport and telecommunications; and 5.3% growth in electricity, water, and gas distribution.

Indicator	2015	2016
Nominal GDP	\$33.3 billion	\$34.1 billion
GDP Real Annual Growth Rate	4.8%	4.3%
GDP per capita (PPP)	\$6,954	\$7,218
GDP per capita	\$3,071	\$3,092
Exports	\$8.9 billion	\$7.2 billion
Imports	\$9.7 billion	\$8.4 billion
Total Imports from the U.S.	\$1.1 billion	\$0.8 billion
Inflation	3.0%	4.0%

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

Accumulated inflation for 2016 was 4.0%, one percent above the 2015 figure. The increase was due to inflationary pressure on food prices. Non-food items registered an overall decrease of 0.5% from 2.9% in 2015 to 2.4 in 2016. The Central Bank estimates that the rate of inflation for 2017 will be around 5%.

Total investment in Bolivia increased in 2016, from \$8.6 billion to \$8.9 billion. Private domestic investment rose to \$1.7 billion in 2016. Public investment increased from \$6.5 billion in 2015 to \$6.8 billion in 2016, due mostly to increases in investment in state-run companies, particularly in the energy sector. Also, net foreign direct investment (FDI), decreased from \$0.5 billion in 2015 to \$0.4 billion

in 2016, reflecting a general trend to depend more on public versus private investment.

Due to the decline in commodity prices (affecting Bolivia's natural gas exports in particular), total Bolivian exports decreased by nearly 19% in 2016, reaching \$7.2 billion, after exports reached \$13 billion in 2014. 2016 top export sectors were: manufactured goods (37%), hydrocarbons (29%), minerals (26%), and agricultural products (6%). The top exports by individual product were: natural gas (28% of total exports), zinc (13.6%), soy (11.8%), gold (10.8%), silver (8.6%), and tin (4.1%). Bolivia's top export markets in 2016 were Brazil (18.9%), United States (13.4%), Argentina (11.2%), Colombia (8.7%), China (6.6%), Japan (5.8%), South Korea (5.3%), Peru (4.7%), and Belgium (4.5%).

From 2015 to 2016, Bolivian imports declined by 13.0% to \$9.6 billion. 31% 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 (22%), transport equipment and parts (17.6%), consumable goods (13%), fuel (8.5%), and food (7.5%). Top import products within these categories were machinery and mechanical appliances (15.8% of total imports), chemical products (14.2%), vehicles (12.8%), fuels and oils (8.9%), food (7.1%), and minerals (6.1%). Bolivia also imports significant quantities of steel, electrical machinery equipment and parts, and plastics and plastic products.

Exports to the U.S. decreased 8.8% from \$1.1 billion in 2015 to \$1.0 billion in 2016, mainly due to the decrease of gold and food, while imports from the U.S. decreased 20.0% from \$1.0 billion in 2015 to \$0.8 billion in 2016. In 2016, the U.S. supplied 9.7% of Bolivia's imports and received 14.0% of its exports. In 2016, Bolivia had a total trade deficit of \$1.2 billion.

Market Challenges

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 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 exports to supply prioritized domestic markets first).

Market Opportunities

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:

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.

Turbojets, turbo propellers, and other gas turbines.

Gold, including unwrought or semi-finished gold or powdered gold.

Motor cars and other motor vehicles principally designed for the transport of persons, except for those under heading 87.02, including station wagons and racing cars.

Bulldozers, angledozers, scrapers, mechanical shovels, excavators, loaders, compactors and tamping machines.

Food preparations not elsewhere specified or included.

Other aircraft, for example: helicopters and airplanes. Space vehicles including satellites and their launch vehicles and suborbital vehicles.

Machines and mechanical appliances having individual functions, not specified or included elsewhere in this chapter.

Wheat or meslin flour.

Motor vehicles for the transport of goods.

The most important agricultural product imported by Bolivia in 2016:

Description	Value FOB (\$USD)
Wheat flour.	83,207,653
Malt of barley or other cereals, whether or not roasted.	26,989,232
Wheat.	21,663,924
Corn.	19,882,635
Extracts, essences and concentrates of coffee, tea, and preparations with a basis of these products or with a basis of coffee, tea; Essences and concentrates.	16,571,017

Market Entry Strategy

Companies considering doing business in Bolivia should carefully weigh the advantages and risks of potential investments, conduct extensive due diligence before committing funds, and retain competent Bolivian legal and outside counsel. U.S. companies are also advised to make considerable effort upfront in identifying the right partner, agent, distributor, or representative prior to entering the market. Bolivia has many regional trade events that can be used to promote products or to test market interest. The largest of these is Expocruz, an international multi-sector trade show that takes place every September in Santa Cruz. Expocruz organizers reported last year, that 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 2016 fair, and business transactions totaled approximately \$306.6 million.

The second most attended trade fair in Bolivia is the "[Feria Internacional de Cochabamba](#)," (Feicobol) a multi-sector trade show that takes place annually in Cochabamba. Over 40 countries participated in the 2016 fair, including several European Union countries and the United States.

La Paz also has a multi-sector trade show called [Fipaz](#), 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 2016 Fipaz had 140,000 visitors, and generated \$42 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, or 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.

Political Environment

Political Environment

For background information on the political and economic environment of the country, please click on the link to the [U.S. Department of State Background Notes](#).

Selling US Products & Services

Using an Agent to Sell US Products and Services

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 Cochabamba). When appointing a distributor, it is important for businesses to seek counsel from a Bolivian law firm in order to ensure appropriate protection and that any contracts include an arbitration clause as a means of resolving any disputes that may arise between private companies.

The designation of an Agent or Distributor in Bolivian territory is regulated by the Commercial Code (Law 14379) in articles 1248 through 1259. Under 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 (Article 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 offers 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](#).

Establishing an Office

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

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

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

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

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

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

Joint Stock Company (*Sociedad en Comandita por Acciones*): a company whose partners are liable for obligations as ordinary partners, while limited partners incur no liability beyond the number of shares held.

Temporary Association (*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

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, Cinnabon, Papa John's 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

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

Catalog and online sales are not generally used by the average Bolivian consumer, but such sales are growing rapidly among the middle to upper classes, young teens,

and internet users. The cosmetics and clothing sectors have grown because of the success of catalog sales among the middle and lower 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

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.

Selling to the Government

Many governments finance public works projects through borrowing from the Multilateral Development Banks. Please refer to "*Project Financing*" Section in "*Trade and Project Financing*" for more information.

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](#)), and also on the websites of all public companies ([Electricity](#); [Hydrocarbons](#); [Mining](#)). 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](#) and to the [Inter-American Development Bank](#).

Distribution & Sales Channels

Because Bolivia is landlocked, merchandise must be delivered by air or transported overland from Chilean, Peruvian or Argentine seaports.

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, Santa Cruz or Cochabamba, 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

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.

eCommerce

Overview

The eCommerce market in Bolivia is still relatively small. Currently, the aviation industry within Bolivia is using eCommerce to reach customers looking to book flight reservations, but the overall eCommerce market is growing slowly. As of December 2016, over 64% 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).

Current Market Trends

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](#).

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. Although internet access in many areas is still limited due to a lack of bandwidth, the number of Bolivians with internet access has increased, most of them through the use of smartphones. The Telecommunications Law and general Commercial Code serve as the legal framework for electronic commerce, but the lack of implementing regulations leaves many rules open to interpretation.

The ADSIB (*Agencia para el Desarrollo de la Sociedad de la Información en Bolivia*) was created by Supreme Decree 26553 on March 19, 2002 as a public institution under the direction of the Vice Presidency of the Republic of Bolivia. ADSIB is in charge of formulation and implementation of policies and actions aimed at reducing the digital gap in Bolivia, through distribution of information and communication technology. It is also the administrator of the ".BO" domain.

The Bolivian Government (GOB) issued Supreme Decree 2514 on September 9, 2015. The Decree reorganized the management of all Information and Communications

Technology (ICT) and electronic governance related issues within the GOB by creating the Agency for Electronic Government Information and Communications Technology (AGETIC), an autonomous institution which is controlled by the Ministry of the Presidency. The AGETIC will coordinate the implementation of ICT and electronic government policies, develop electronic governance programs, implement ICT technologies, and simplify procedures. This rearrangement supersedes all former government efforts on ICT and cyber security. AGETIC has also prioritized the promotion of electronic commerce in Bolivia.

Domestic eCommerce (B2C)

Domestic eCommerce is currently being utilized primarily for air transport. Customers are able to make flight reservations and purchase tickets through websites for both Boliviana de Aviacion and Amazonas.

Social Media

Many young Bolivians use the Internet to access Facebook. Facebook had 5,500,000 Bolivian users as of December 2016, a 51.1% penetration rate.

Trade Promotion & Advertising

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 for 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 supervising the activities of the sector.

There are many advertising agencies in Bolivia, some of which specialize in working with international companies and large Bolivian companies.

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 Vice Ministry 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 stations owned by social organizations and indigenous groups.

Television

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

Access to cable television is still limited, but growth is considerable in Bolivia. Companies offer packages of South American feeds from major world networks

(CNN, BBC, MTV, Nickelodeon, and others) and Latin American, European, and U.S. programming. The most important channels and networks are:

- [ATB Red Nacional](#)
- [Universal de Televisión](#)
- [Red Bolivisión](#)
- [Red Uno](#)
- [Red de Periodistas Asociados de Televisión](#)
- [Radio y Televisión Popular](#)
- [Bolivia TV \(state owned\)](#)
- [Cadena A](#)

Newspapers

The combined daily circulation of all newspapers in Bolivia is over 300,000. The principal La Paz newspapers include *La Razón*, *Página Siete*, and *El Diario*; those in Santa Cruz include *El Deber*, *El Mundo* and *El Día*; Cochabamba's principal newspapers include *Los Tiempos* and *Opinión*. In January 2009, the government launched its own newspaper, called *Cambio*.

La Paz

- [El Diario](#)
- [La Razón](#)
- [Cambio](#)
- [Página Siete](#)

Cochabamba

- [Los Tiempos](#)
- [Opinión](#)

Santa Cruz

- [El Deber](#)
- [El Mundo](#)

- [El Día](#)

Internet and Social Media

As of December 2016, over 64% 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. Facebook had 5,500,000 Bolivian users as of December 2016, a 51.1% penetration rate.

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)

Av. Héctor Ormachea Nº 10 – Esq. Calle 14 Obrajes

La Paz, Bolivia

Phone: 591-2-2500331

[Email](#)

Pricing

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

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 Intellectual Property

In any foreign market companies should consider several general principles for effective management of their intellectual property. For background on these principles please link to our article on [Protecting Intellectual Property](#) and also [Corruption](#).

IP Attaché Contact For Bolivia

Ann Chaitovitz

3230 Lima Place, Washington DC 20521-3230

+51 1618-2173

[Email](#)

Due Diligence

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

Local Professional Services

Local legal counsel is highly recommended, particularly when establishing a local subsidiary or registering brand names. A complete list of general, patent, and commercial attorneys is available through the [U.S. Embassy's Commercial Office](#).

Principle Business Associations

CHAMBERS IN BOLIVIA

The chambers in Bolivia are non-political organizations that represent specific interests or groups. Usually the members of the chambers are different kinds of private companies interested in getting information and guidance related with a specific sector of the Bolivian economy. It is common for a Bolivian company to be a

member of more than one chamber, since all of them have different goals and fields of action.

It is important to mention that though some of these groups are not named "Cámara," but "Confederación" or "Asociación" instead; however, their principles of operation are practically the same. They all work as associations of companies, which have more power when representing the interests of the sector and negotiating with the government.

The American Chamber of Commerce of Bolivia (AMCHAM) was legally established in 1975 and currently has approximately 150 members. AMCHAM's goals include:
Promoting understanding and cooperation between the United States and Bolivia.
Encourage trade and investment between the United States and Bolivia.

Cooperate with other chambers of commerce, associations and federations to promote to promote AMCHAM's objectives.

Promote the interest of AMCHAM and its members before national authorities and international organizations.

AMCHAM has offices in La Paz and Santa Cruz. For more information, please refer to their [website](#) or write an [email](#).

Below is a list of the other most important chambers in Bolivia. Where the national chamber represents local chambers, only the national chamber contact information is listed.

Confederación de Empresarios Privados de Bolivia / CEPB
Calle Méndez Arcos #117
La Paz
Phone: 591-2-2420999

[Website](#)

FOCUS: Private Business

Currently the CEPB has 28 chambers affiliated to it:

- Asociación Boliviana de Agentes en Valores
- Asociación Boliviana de Aseguradores
- Asociación de Bancos Privados de Bolivia
- Asociación Nacional de Mineros Medianos
- Bolsa Boliviana de Valores S.A.
- Cámara Americana de Comercio de Bolivia
- Cámara Boliviana de Fabricantes de Cerveza
- Cámara Boliviana de la Construcción
- Cámara Boliviana de la Electricidad
- Cámara Boliviana del Medicamento
- Cámara de la Industria Farmacéutica Boliviana
- Cámara de Telecomunicaciones de Bolivia
- Cámara Forestal de Bolivia
- Cámara Nacional de Comercializadores de Minerales Y Metales
- Cámara Nacional de Comercio
- Cámara Nacional de Consultoría
- Cámara Nacional de Despachantes de Aduana
- Cámara Nacional de Exportadores De Bolivia
- Cámara Nacional de Industrias
- Cámara Oficial Española de Comercio e Industria En Bolivia
- Federación de Empresarios Privados de Chuquisaca
- Federación de Empresarios Privados de La Paz
- Federación de Empresarios Privados de Oruro
- Federación de Empresarios Privados de Pando
- Federación de Empresarios Privados de Potosí
- Federación de Empresarios Privados del Beni
- Federación de Entidades Empresariales Privadas de Cochabamba

- Unión Boliviana de Entidades Financieras de Ahorro y Préstamo para La Vivienda

Cámara Nacional de Comercio / CNC

Av. Mariscal Santa Cruz No. 1392

Edificio Cámara Nacional de Comercio pisos 1 y 2

La Paz

Phone: 591-2-2378606

[Website](#)

Focus: Bolivian Commerce (Importers and Investors)

The local affiliates of this chamber are:

- Cámara Departamental de Comercio La Paz
- Cámara Departamental de Comercio Beni
- Cámara de Industria, Comercio, Servicios y Turismo de Chuquisaca (CAINCO Chuquisaca)
- Cámara de Comercio y Servicios Cochabamba
- Cámara de Comercio Oruro
- Cámara de Industria, Comercio, Servicios y Turismo de Pando (CICPANDO)
- Cámara Departamental de Comercio e Industria de Potosí
- Cámara de Industria, Comercio y Servicios de Tarija (CAINCOTAR)
- Cámara de Industria, Comercio, Servicios y Turismo de Santa Cruz (CAINCO)
- Cámara Oficial Española de Comercio e Industria en Bolivia

The binational chambers affiliated to this chamber are:

- Cámara de Comercio e Industria Boliviano Alemana
- Cámara Nacional Boliviano – Chilena de Comercio
- Cámara de Comercio Boliviano Mexicana
- Cámara de Comercio e Industria Boliviano – Peruana

Other associations affiliated to this chamber are:

- Cámara Boliviana del Libro
- Asociación de Representantes, Importadores y Distribuidores de Fármacos "ASOFAR"
- Cámara Nacional de Empresarios Cinematográficos
- Asociación Boliviana de Agencias de Viaje y Turismo – ABAVYT
- Asociación de Importadores y Fabricantes de Dispositivos Médicos – Asinfadime

Cámara Nacional de Exportadores de Bolivia / CANEB

Av. Arce No 2017 esq. c. Goitia

La Paz

Tel: (591-2) 2443529 – 2440863 -2440943

[Website](#)

Focus: Bolivian Exporters

The members of this Chamber are:

- Cámara de Exportadores de La Paz
- Cámara de Exportadores de Chuquisaca
- Cámara de Exportadores de Potosí
- Cámara de Exportadores de Cochabamba
- Cámara de Exportadores de Oruro
- Cámara de Exportadores de Santa Cruz
- Cámara de Exportadores de Tarija
- Cámara de Exportadores del Norte

Cámara Nacional de Industrias / CNI

Edif. Cámara Nacional de Industrias

Calacoto, Calle 9 #7898, Pisos 7 y 8

La Paz

Phone: 591 – 2– 2776321

[Website](#)

Focus: Bolivian Exporters

The members of this Chamber are:

- CÁMARAS DEPARTAMENTALES
- Cámara Departamental de Industrias de La Paz (CADINPAZ).
- Cámara Departamental de Industria de Cochabamba.
- Cámara de Industria, Comercio, Servicios y Turismo de Santa Cruz (CAINCO).
- Cámara de Industria, Comercio, Servicios y Turismo de Chuquisaca.
- Cámara de Industria, Comercio y Servicios de Tarija (CAINCOTAR).
- Cámara Departamental de Industrias de Oruro.
- Cámara de Comercio e Industria de Potosí.
- Cámara de Comercio e Industria de Pando.

ASOCIACIONES SECTORIALES

- Asociación de Industriales Molineros (ADIM)
- Cámara de la Industria Farmacéutica Boliviana
- Asociación de Industriales de Cosmética (ASINCOS)
- Federación Boliviana de Bienes de Capital (FEBOBICA)
- Cámara Boliviana de la Industria Gráfica (CABINGRAF)
- Asociación de Embotelladores de Bebidas Gaseosas

Cámara Boliviana de Fabricantes de Cerveza

Cámara Agropecuaria del Oriente / CAO

AV. Roca y Coronado s/n (Predios de EXPOCRUZ)

Santa Cruz

Phone: 591-3-3522200

[Website](#)

Focus: Farm Production

The members of this Chamber are:

- Asociación Departamental de Avicultores (ADA)
- Asociación de Productores de Algodón (ADEPA)

- Asociación Departamental de Porcicultores (ADEPOR)
- Productores de Oleaginosas y Trigo (ANAPO)
- Asociación de Cañeros (ASOCAÑA)
- Asociación de Horticultores y Fruticultores (ASOHFRUT)
- Asociación de Productores de Arroz (ASPAR)
- Federación de Cañeros Santa Cruz (F.C.S.C.)
- Federación Departamental de Productores de Leche (FEDEPLE)
- Federación Nacional de Cooperativas Arroceras (FENCA)
- Ingenio Azucarero Guabirá
- Federación de Ganaderos de Santa Cruz (FEGASACRUZ)
- Asociación de Productores de Maíz, Sorgo y Frejol (PROMASOR)
- Asociación de Productores Cañeros (SOCA)
- Ingenio Azucarero Roberto Barbery Paz (UNAGRO)
- Unión de Cañeros Guabirá (U.C.G.)

Asociacion de Bancos Privados de Bolivia / ASOBAN

Av. Mariscal Santa Cruz N°1392

Ed. Cámara Nacional de Comercio Piso 15

La Paz

Phone: 591-2-2376164

[Website](#)

Focus: Banking

The members of this Chamber are:

- Banco Económico
- Banco de Crédito
- Banco Solidario

- Banco Bisa
- Banco Fortaleza
- Banco de la Nación Argentina
- Banco Mercantil Santa Cruz
- Banco Ganadero
- Banco Nacional de Bolivia

Asociacion de Entidades Financieras Especializadas en Micro Finanzas de Bolivia /
Asofin

Av. 6 de Agosto N° 2700, esq. Campos,
Edificio Torre Empresarial CADECO, piso 11, Oficina 1102,
La Paz

Phone 591-2-243 0080/81

[Website](#)

Focus: Financial Entities Specialized in Microfinance

The members of this Chamber are:

- Banco FIE
- Banco Fortaleza
- Banco Solidario
- Banco de la Comunidad
- ECOFUTURO
- PRODEM

La Asociación de Instituciones Financieras de Desarrollo /FINRURAL

Av. Arce esq. Montevideo, Piso 3

La Paz

Phone 591-2-2441326 - 2121005

[Website](#)

Focus: Financial services to the rural, urban and peri-urban population

The members of this Chamber are:

- CIDRE
- CRECER
- DIACONÍA-FRIF
- EMPRENDER
- FONDECO
- FUBODE
- IDEPRO
- IMPRO
- PRO MUJER
- SEMBRAR SARTAWI

Cámara de Hidrocarburos y Energía / CBHE

Radial 17 1/2 y 6to. Anillo - Zona Oeste

Santa Cruz

Phone: 591-3 - 3538799

[Website](#)

Focus: A representational institution for the energy sector; it covers all companies throughout the production chain.

The members of this Chamber are:

- 11 companies in the Group: Exploration and / or Exploitation of Hydrocarbons
- 2 companies in the Group: Industry, Transport and Distribution of Hydrocarbons and Energy
- 39 companies in the Group: Specialized Services and Supplies
- 18 companies in the Group: Auxiliary Services

Asociación de Mineros Medianos

Plaza Isabela Católica N 1489, Edif. Mendieta P 3

La Paz

Phone: 591-2 - 2442330

Focus: A representational institution for the private mining sector

Limitations on Selling US Products and Services

There is a right for foreign and domestic private entities to establish and own business enterprises and engage in remunerative activity.

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.

Web Resources

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*](#)
- Agency for the Development of the Information Society in Bolivia ([*Agencia para el Desarrollo de la Sociedad de la Información en Bolivia - ADSIB*](#))
- [*Starting a Business in Bolivia*](#) (In English)
- [*Autoridad de Fiscalización y Control Social de Telecomunicaciones y Transportes*](#)
- [*National Tax Service*](#)
- [*FUNDEMPRESA*](#)

Leading Sectors for US Exports & Investments

Hydrocarbons

Overview

Unit: USD thousands

	2015	2016	2017* (estimate d)	2018* (estimate d)
Total Market Size	2,337,280	3,792,534	NA	NA
Total Local Production	5,224,020	5,151,507	NA	NA
Total Exports	3,972,242	2,119,108	NA	NA
Total Imports	1,085,502	760,135	NA	NA
Imports from the U.S.	136,592	135,814	NA	NA
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 2013, Bolivia possesses approximately 18.1 trillion cubic feet (TCF) of natural gas reserves (both proven and probable). Of this amount, 10.45 TCF 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 57.8 million cubic meters of gas per day (mm³/d), using 14.7 mm³/d for domestic consumption, while exporting 27.7 mm³/d to Brazil and 15.4 mm³/d to Argentina. Under the

current contract, gas exports to Argentina will continue increasing until they reach 27.7mm³/d from 2021 to 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% of gross production in taxes and royalties.

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.

Sub-Sector Best Prospects

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

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 export contracts and meet increasing domestic demand. 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](#). 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 2021, 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. In 2019, Bolivia will be seeking to sign a new natural gas export contract with Brazil, but future export volumes are in question due to doubts regarding Bolivia's reserves and other possible alternatives for Brazil.

Web Resources

- [State Owned Enterprise](#)
- [Hydrocarbons Regulator](#)
- [Ministry of Hydrocarbons](#)
- [Private Chamber of Hydrocarbons](#)

Mining Overview

Unit: USD thousands

	2015	2016	2017** (estimate d)	2018** (estimate d)
Total Market Size	2,486,454	2,376,163	NA	NA
Total Local Production	3,209,681	3,378,793	NA	NA
Total Exports	1,735,819	1.898.634	NA	NA
Total Imports	1,012,592	896,004	NA	NA
Imports from the U.S.	177,276	166,146	NA	NA
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)

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 26% of Bolivia's exports or \$1.9 billion in 2016. 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. COMIBOL could form joint ventures, 55%-45%, with the state owning the majority share.

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 which 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

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

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 released a tender for a lithium plant which could be a business opportunity for U.S. technology and equipment suppliers.

Web Resources

- [State-owned enterprise](#)
- [Ministry of Mining](#)

Electricity Overview

Unit: USD thousands

	2015	2016	2017*** (estimated)	2018*** (estimated)
Total Market Size	746,856	786,273	NA	NA
Total Local Production	746,856	786,273	NA	NA
Total Exports*	0	0	NA	NA
Total Imports *	0	0	NA	NA
Imports from the U.S.*	0	0	NA	NA
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.

***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.

In early 2017, President Morales created a new Ministry of Energy to support Bolivia's efforts to export electricity. 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 \$27 billion in investments in the sector by 2025.

Bolivia's current installed capacity is approximately 2,000 megawatts (MW). Experts believe that Bolivia could add an additional 9,000 MW through various hydroelectric projects. Bolivia signed a memorandum of understanding with Argentina in 2015 covering electricity exports, and Bolivia hopes to begin exporting small amounts of electricity by the end of 2018.

Sub-Sector Best Prospects

The best sales prospects in the electricity sector include machinery (mainly thermo and hydro turbines), equipment, and other technology for thermoelectric and hydroelectric projects. Products related to renewables, including solar and wind, may also find a market in Bolivia.

Opportunities

Approximately 850 MW in hydroelectric projects are currently under construction, including Misicuni (120 MW), San Jose (124 MW), Miguillas (203 MW), and Rositas (400 MW). All of these projects are focused on increasing Bolivia's installed capacity in order to free up excess capacity for export. Furthermore, Bolivia has dozens of electricity generation projects currently under study (26 hydroelectric, six wind, five solar, three combined cycle, two biomass, and one geothermic).

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

Web Resources

- [National Electric Company ENDE](#)
- [Electricity regulator](#)
- [National Committee for the Dispatch of Cargo](#)

Road Vehicles Overview

Unit: USD

	2015	2016	2017* (estimated)	2018* (estimated)
Total Market Size	1,276,568,804	1,111,190,808	NA	NA
Total Local Production	0	0	NA	NA
Total Exports	0	0	NA	NA
Total Imports	1,276,568,804	1,111,190,808	NA	NA
Imports from the U.S.	81,110,066	60,520,014	NA	NA
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.

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.

Sub-Sector Best Prospects

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

Opportunities

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. 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

- [Bolivian Authority of Transport and Telecoms](#) (in Spanish)
- [Bolivian Highway Administration](#) (in Spanish)
- [Bolivian Ministry of Public Works](#)
- [Vias Bolivia](#)

Medical and Surgical Equipment and Orthopedic Appliances Overview

Unit: USD

	2015	2016	2017* (estimated)	2018* (estimated)
Total Market Size	81,502,395	83,303,209	NA	NA
Total Local Production	0	0	NA	NA
Total Exports	0	0	NA	NA
Total Imports	81,502,395	83,303,209	NA	NA
Imports from the U.S.	18,623,120	19,436,401	NA	NA
Exchange Rate: 1 USD	6.86 Bs	6.86 Bs	NA	NA

**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

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

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.

Web Resources

- [Bolivian customs medical imports guide](#) (In Spanish)
- [Healthcare Resource Guide: Bolivia](#)
- [Health Ministry](#)

Agricultural Machinery (Excluding Tractors) and Parts Thereof Overview

Unit: USD

	2015	2016	2016* (estimated)	2017* (estimated)
Total Market Size	99,700,919	58,566,594	NA	NA
Total Local Production	0	0	NA	NA
Total Exports	0	0	NA	NA
Total Imports	99,700,919	58,566,594	NA	NA
Imports from the U.S.	23,409,982	7,418,912	NA	NA
Exchange Rate: 1 USD	6.86 Bs	6.86 Bs	NA	NA

**The Bolivian government does not provide estimates.*

Note: The values in the chart include agricultural equipment, tractors, and replacement parts.

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, but progress towards these goals has been limited thus far.

Sub-Sector Best Prospects

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

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.

Web Resources

- [Bolivian Vice-ministry for Rural Development](#) (In Spanish)
- [Oilseed and Wheat Producers Association of Bolivia \(ANAPO\)](#), In Spanish

Agriculture: Pesticides and Other Agricultural Chemicals

Overview

Unit: USD

	2015	2016	2017* (estimated)	2018* (estimated)
Total Market Size	136,099,979	123,526,135	NA	NA
Total Local Production	0	0	NA	NA
Total Exports	0	0	NA	NA
Total Imports	136,099,979	123,526,135	NA	NA
Imports from the U.S.	4,159,646	3,111,528	NA	NA
Exchange Rate: 1 USD	6.86 Bs	6.86 Bs	NA	NA

**The Bolivian government does not provide estimates.*

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

Data Source: Bolivian National Statistics Bureau (INE)

Note: The values in the chart include insecticides, herbicides, rat and rodent poisons and related products.

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.

Sub-Sector Best Prospects

- 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

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.

Web Resources

- Bolivian National Service for Agriculture Sanitation:
- [Registry of agro-chemicals](#)
- [Database of imported agro-chemicals by country](#)
- [Oilseed and Wheat Producers Association of Bolivia \(ANAPO\)](#), In Spanish
- [Bolivian National Statistics Institute \(INE\)](#), In Spanish
- [The Bolivian Association for Importers of Agro-chemicals](#) (In Spanish)

Customs, Regulations & Trade

Trade Barriers

The Bolivian government generally does not apply specific restrictions, such as permits or import licenses, to trade in industrial and commercial goods. However, since December 2008, Supreme Decree 28963 has gradually reduced the age of vehicles that may be imported. Since 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 eliminated import tariffs 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.

In May 2015, the National Service for Agricultural Health and Food Safety (SENASAG) recognized the United States as a country of negligible risk for Bovine Spongiform Encephalopathy (BSE) and approved the import of live bovine animals from the United States.

In May 2016 the Bolivian Government issued Supreme Decree 2751 that orders the SENASAG to issue prior authorizations (instead of import permits) for the introduction of foods and beverages, and SENASAG has 30 days to determine if they approve them. More than 50 products are affected by this determination including soy oil, sunflower oil, sugar (from cane), fruit juices, mineral water, other sorts of water with or without sugar and its derivatives. This regulation in practice delays the import of some agricultural products up to a month.

In September 2016, SENASAG was recognized by law (Law 830) as the only Bolivian institution responsible for certifying food safety and animal and plant health at the national and international levels.

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 importation of used clothing widely persists.

The Bolivian Government decided to protect the Bolivian clothing industry with regulations that in practice delay the import of some goods to Bolivia. Supreme Decree 27652 issued on May 1, 2016 affects the import of almost 400 products by

increasing to 60 days the time limit to process and authorize imports. The products affected are mostly clothing and shoes and in practice delays the import of these products up to two months.

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, commercialization, acquisition, and possession of those materials.

Article 13 of the law gives the Ministry of Government and the Ministry of Defense 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 Tariff

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 on 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 [here](#).

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.

Import Requirements & Documentation

Imports must have the following documentation:

- 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. Individuals may receive parcel post shipments valued at less than \$5,000 by filling out a customs form at a Bolivian post office

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* - 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 (SENASAG) Pest and Fertilizer Division.

Pesticides

The import of pesticides for agricultural use is regulated by SENASAG. SENASAG registers companies seeking to import pesticides as well as the pesticides themselves, issuing import permits as required.

Tobacco and Tobacco Products

Imports of tobacco and tobacco products must have import licenses issued by SENASAG and the Ministry of Health. Supreme decree 27053 issued on May 26, 2003 specifies regulations related to packaging and labeling.

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). 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. 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.

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.

Seeds must also comply with the minimum quality and genetic purity requirements established in Supreme Decree 23069 issued on February 28, 1992.

Pharmaceuticals

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.

All pharmaceutical products, including generics, brand name, and over-the-counter medicines, must have sanitary registrations as established by the Pharmaceutical Law (Law 1737) and related regulations.

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
[Website](#)

The regulation of the Pharmaceutical Law ([Supreme Decree 25235](#)) provides specific details about drugs registration process in Bolivia.

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. This may also include an authorization from the National Controlled Substances office with the Ministry of Government. Their [webpage](#) (in Spanish).

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](#)

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 issued in the country of origin of the product 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 grams/1,000 cubic feet for a minimum period of not more than 240 hours.

U.S. Export Controls

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

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

U.S. exporters should verify applicable export controls by reviewing information from the U.S. Department of Commerce, U.S. Department of State and other U.S. government agencies. For more information please click [here](#).

For information on export license application procedures, please contact the [Bureau of Industry and Security](#).

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](#).

Temporary Entry

Established companies can be incorporated into the Temporary Importation for Export Regime (RITEX), which allows the duty-free importation of raw materials

and intermediate goods for use in manufacturing products for export. Companies wishing to participate must have the following:

- Registration with the National Commerce Registration Service (Servicio Nacional de Registro de Comercio, SENAREC)
- Taxpayer Identification Number (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/Marking Requirements

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

Supreme Decree No. 26510 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.

Labeling products to comply with the Act to Promote Healthy Eating

On December 2, 2015, Bolivia's Plurinational Legislative Assembly approved Bill 222, the "Act to Promote Healthy Eating." The bill encourages healthy eating habits and exercise among Bolivians and imposes additional regulations of marketing and labeling of processed foods and nonalcoholic beverages. Among other things the law states that:

- All processed foods and nonalcoholic beverages must now be labelled with a chart that lists the levels of saturated fats, added sugars, and sodium. The Act also introduces a color-coded labelling system, by which consumers will easily be able to determine whether a product is "very high in," "contains a moderate amount of" or is "low in" saturated fats, added sugars and/or sodium. (The Ministry will annually review the quantitative parameters for high, medium and low content. After publishing the parameters, food producers will have 12 months to begin complying with the updated labeling requirements).
- Processed food packaging must also display one of the following messages: "consume iodized salt, sugar and fats with moderation;" "the consumption of fruits and vegetables improves your health;" "perform at least 30 minutes of daily physical activity;" or "drink ten glasses of water per day."

- Products containing trans fats must display an additional warning. The Act specifies that the warning must contain the words “contains trans fats” inside a red hexagon.
- Foods and nonalcoholic beverages in their natural state such as raw sugar, salt, and oil are excluded from these labeling requirements.
- The packaging of products for human consumption must list all ingredients and nutritional information.

Labeling of Bioengineered Products

On July 15, 2015, the GOB issued Supreme Decree No. 2452 mandating that all food which includes genetically modified organisms (GMOs) must be labeled with a symbol and a warning that it contains transgenic food. Article Four of the decree states: “All foods that are produced, manufactured, imported and commercialized inside the country which contain or are derived from GMOs are obligated to show a notice that they were transformed.” The symbol that will be shown in the food’s package would be a red triangle with the letters GMO and the text genetically modified organism. Below the label should have this legend: “This product contains genetically modified materials.”

Labelling of processed foods will begin on January 2, 2016, until December 31, 2017, and primary produced foods (crops) should be labeled from January 2, 2017, until December 31, 2019.

SENASAG is in charge of controlling national and imported food, and the Health Ministry is in charge of controlling products destined for children younger than two years and groups in risk.

Prohibited & Restricted Imports

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

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

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

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

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.

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

It is necessary to check the following [website](#) to see if the product requires authorization.

Certification for Customs Dispatch

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.

The Certification should be valid when the Declaration of Merchandise is processed.

Customs Regulations

Bolivian import charges include domestic taxes (most of which are creditable to the Bolivia Tax Authority) and private fees, making effective costs considerably higher than the stated 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 most important ports of entry in terms of logistics.

Bolivian customs officials maintain warehouses in Chilean ports 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. Note that products transiting through Chilean ports may experience occasional delays due to strikes or other disputes.

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.

For additional information, interested parties may contact the following:

Aduana Nacional

Calle Av. 20 de Octubre No. 2038

La Paz, Bolivia

Phone: 591-2-212-7860 or 212-8008

Fax: 591-2-215-2904

[Web](#)

Standards for Trade

Overview

In Bolivia, each agency develops technical regulations for the products in the areas that it oversees. Supreme Decree No. 24226 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. 24498 of February 17, 1997 created the Bolivian System of Standards, Metrology, Accreditation and Certification (NMAC System) in order to establish operational guidelines for the activities of standardization, metrology, accreditation, testing, certification, and all aspects related to quality of products, processes, and services.

Manufacturers or importers and service providers must demonstrate compliance with relevant technical regulations prior to marketing the good or service. This can be done with the certificate of conformity issued by an accreditation body certified by the NMAC System. The manufacturer or importer must submit these certificates to the purchaser or distributor.

In terms of technical standards, four institutions are responsible for the approval of technical standards, metrology and accreditation: the National Quality Council, the Bolivian Institute of Standardization and Quality (*Instituto Boliviano de Normas y Calidad*, IBNORCA), the Bolivian Institute of Metrology (*Instituto Boliviano de Metrología*, IBMETRO), and the Bolivian Accreditation Direction (*Dirección Boliviana de Acreditación*, DTA).

The National Certification and Standardization Organization, IBNORCA, is responsible for developing and performing technical standardization and the certification of products and quality systems. It is a private, non-profit organization established in 1997. IBNORCA, as the national body for standardization, represents Bolivia in all relevant international organizations. It is a correspondent member of International Organization for Standardization (ISO) (correspondent members do not take an active part in the technical and policy development work, but are entitled to be kept fully informed about the work of

interest to them), a member of the International Electrotechnical Commission (IEC), a member of the Pan-American Standards Commission (COPANT), and of the Mercosur Committee for Standardization (CMN). It is also a member of the Andean Committee for Standardization of the Andean Group (CAN), and abides by its decisions.

Standards

Testing, inspection and certification

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.

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.

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:

Av. Camacho No. 1488 - Edificio Anexo
La Paz, Bolivia
Phone: 591 2 2372046, 2310037, 2147945

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

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

Publication of technical regulations

The Bolivian Institute of Normalization and Quality (*Instituto Boliviano de Normalización y Calidad*- IBNORCA) is the office responsible for publishing voluntary standards and notifying private and public organizations of those standards. Mandatory standards are issued by supreme decrees and are published in the official [Bolivian government gazette](#).

Contact Information

Servicio Nacional de Seguridad Alimentaria y Agropecuaria - SENASAG

[National Service for Food Safety and Security](#)

Unidad de Medicamentos y Acreditación de Laboratorios - UNIMED

National Pharmacology Directorate

Plaza del Estudiante, esquina Cañada Strongest

La Paz

Phone: 591-2-249-0554

[Web](#)

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](#)

[Web](#)

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

[Email](#)

[Web](#)

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)

[Web](#)

Technical Office for International Trade

U.S. Department of Agriculture

Building 005, Barc-West

Beltsville, MD 20705

Phone: (301) 504 5605

[Web](#)

Aduana Nacional

Calle Av. 20 de Octubre No. 2038

Phone: (591-2) 2152901 or 215-2904

Fax: (591-2) 215-2904

[Web](#)

IBMETRO and DTA

Av. Camacho No 1488

Phone: 592-2-2372046,

Fax: 591-2-2147945

[Web](#)

Trade Agreements

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 Andean Community (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.

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).

Licensing Requirements for Professional Services

Bolivia has not formally recognized Module Four of the World Trade Organization that permits the transfer of professional licenses from one country to another. However, residents of the member countries of Mercosur and the Andean Community are able to transfer their licenses after completing a validation process.

Web Resources

- [Servicio Nacional de Seguridad Alimentaria y Agropecuaria – SENASAG](#)
- [Instituto Boliviano de Normalización y Calidad – IBNORCA](#)
- The National Certification and Standardization Organization
- [Servicio Nacional de Propiedad Intelectual](#)
- [Animal and Plant Health Inspection Service](#) (APHIS)
- Technical Office for International Trade
- [U.S. Department of Agriculture](#)

- [Aduana Nacional](#)
- [General System of Preferences](#)
- [Asociación Latinoamericana de Integración](#) (ALADI)

Investment Climate Statement

Executive Summary

In general, Bolivia is open to foreign direct investment (FDI). 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 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.

Bolivia’s investment climate has remained relatively steady over the past five years. Lack of legal security, corruption, and unclear international arbitration measures are all significant impediments to investment in Bolivia. At the moment, there is no significant foreign direct investment from the United States in Bolivia, and there are no initiatives designed specifically to encourage U.S. investment. Although the Bolivian Government frequently mentions that it would like to attract new foreign direct investment, it has done little to do so. But Bolivia’s macroeconomic stability, abundant natural resources, and strategic location in the heart of South America make it a country to watch.

Table 1

Measure	Year	Index/Rank	Website Address
TI Corruption Perceptions Index	2016	113 of 176	http://www.transparency.org/research/cpi/overview
World Bank’s Doing Business Report	2017	149 of 190	doingbusiness.org/rankings

“Ease of Doing Business”			
Global Innovation Index	2016	109 of 128	https://www.globalinnovationindex.org/analysis-indicator
U.S. FDI in Partner Country (\$M USD, stock positions)	2015	\$489M	http://www.bea.gov/international/factsheet/
World Bank GNI per capita	2015	\$3,000	http://data.worldbank.org/indicator/NY.GNP.PCAP.CD

The investment rate as percentage of GDP (21 percent) is in line with regional averages. The average rate in South America is 20 percent and is 22 percent 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 2015, private investment, including local and foreign investment, averaged 8.2 percent of GDP. From 2006 to the present, public investment grew significantly, reaching an annual average of 12.5 percent of GDP in 2015. Prior to 2006 public investment averaged 6.5 percent of GDP.

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 percent of GDP. Before 2006 it averaged around 8 percent of GDP.

Openness to and Restrictions upon Foreign Investment

Policies Toward Foreign Direct Investment

In general, 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 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.

Pursuant to Article 320 of the 2009 Constitution, Bolivia no longer recognizes international arbitration forums. The parties also cannot settle the dispute in an international court. However, the implementation of this Article is still uncertain.

Specifically, Article 320 of the Bolivian Constitution states:

- 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 fifty kilometers from the borderline constitute the zone of border security. No foreign person, individual, or company may acquire property in this space."

Article 129 of the Bolivian Arbitration Law No. 708, established that all controversies and disputes that arise regarding investment in Bolivia will have to be addressed inside Bolivia under Bolivian Laws. Consequently, international arbitration is not allowed. See Section 3 on the Legal Regime.

Bolivia does not currently have an investment promotion agency to facilitate foreign investment. However, the government said that it is working to create an investment promotion agency in order to attract investment in the non-traditional and industrial sectors. The government does maintain ongoing dialogue with the private sector through several working groups, one of which addresses the investment climate.

Limits on Foreign Control and Right to Private Ownership and Establishment

There is a right for foreign and domestic private entities to establish and own business enterprises and engage in remunerative activity.

There are some areas where investors may judge that special treatment is 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 their production to YPFB 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) specifies that every foreign enterprise that conducts activities in the hydrocarbons production chain 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 25percent of the total investment, except in those cases approved by the state or by international treaties.

The Central Bank of Bolivia is responsible for registering all foreign investments. According to the 2014 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. To date, only the Ministry of Hydrocarbons and Energy has enacted a Law (N 767) to incentivize the exploration and production of hydrocarbons.

Other Investment Policy Reviews

The government has not undergone any third-party investment policy reviews during the past three years.

Business Facilitation

According to the World Bank's Doing Business rankings, Bolivia ranks 149 out of 190 countries on the ease of doing business, much lower than most countries in the region. Bolivia ranks 177 out of 190 on the ease of starting a business.

Fundempresa is a mixed public/private organization authorized by the central government to register and certify new businesses. Its [website](#) and the business registration process is laid out clearly within the tab labeled "processes, requirements and forms," however the registration cannot be completed entirely online. A user can download the required forms from the site and can fill them out online, but would then have to mail the completed forms or deliver them to the relevant offices. A foreign applicant would be able to use the registration forms. The forms do ask for a "cedula de identidad," which is a national identification document; however foreign users instead usually enter the data for their passports.

The steps to register a business are: (1) register and receive a certificate from Fundempresa; (2) register with the Bolivian Internal Revenue institution and receive a tax identification number; (3) register and receive authorization to operate from the municipal government in which the company will be established; (4) if the company has employees, it must register with the national health insurance service and the national retirement pension agency in order to contribute on the employees' behalf; and (5) if the company has employees, it must register with the Ministry of Labor. According to Fundempresa, the process should take 30 days from start to finish. All steps are required and there is no simplified business creation regime.

Outward Investment

The Bolivian Government does not promote or incentivize outward investment. Nor does the government restrict domestic investors from investing abroad.

Bilateral Investment Agreements and Taxation Treaties

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 limits 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 Bolivian Government 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 ten 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). Bolivia has had a signed BIT with Peru since 1993.

Bolivia does not have a bilateral taxation treaty with the United States. According to Bolivia's Tax Service, Bolivia subscribed to the Andean Community's taxation decision (No. 578). Bolivia also has bilateral tax agreements with Argentina,

Germany, the United Kingdom, Sweden, France, and Spain. The Bolivian Government recently raised taxes on the banking sector by three percent, increasing the tax burden on bank profits to 50 percent.

Legal Regime

Transparency of the Regulatory System

Bolivia has no laws or policies that directly foster competition on a non-discriminatory basis. However, Article 66 of the Commercial Code states that unfair competition, such as maintaining an import, production, or distribution monopoly, should be penalized according to criminal law. There are no informal regulatory processes managed by nongovernmental organizations or private sector associations.

Regulatory authority regarding investment exists at the national level in Bolivia.

The Commercial Code requires that all companies keep adequate accounting records and legal records for transparency. However, there is a large informal sector that does not follow these practices. Most accounting regulations follow international principles, but the regulations do not always conform to international standards. Large private companies and some government institutions, such as the Central Bank and the Banking Supervision Authority, have transparent and consistent accounting systems.

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. The lack of laws to implement the 2009 Constitution creates legal discrepancies between constitutional guarantees and the dated policies currently enforced and an uncertain investment climate. Draft text or summaries are usually published on the National Assembly's website.

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 political influence and corruption.

In 2010, the new pension fund was enacted; it increased the contributions that companies have to pay from 1.71 percent of payroll to 4.71 percent.

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. 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. See the U.S. Human Rights Report as background on the judicial system, labor rights and other important issues.

International Regulatory Considerations

Bolivia is a full member of the Andean Community of Nations (CAN), comprised of Bolivia, Colombia, Ecuador, and Peru. Bolivia is also in the process of joining the Southern Common Market (MERCOSUR) as a full member. The CAN's norms are considered supranational in character and have automatic application in the regional economic block's member countries. The government notifies the World Trade Organization (WTO) Committee on Technical Barriers to Trade regarding draft technical regulations.

Legal System and Judicial Independence

Property and contractual rights are enforced in Bolivian courts under a civil law system, but the legal process is time consuming and may be subject to political influence and corruption. Although many of its provisions were 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. 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). There are allegations of corruption within the judiciary in high profile cases.

Laws and Regulations on Foreign Direct Investment

No major laws, regulations, or judicial decisions impacting foreign investment came out in the past year. There is no primary one-stop-shop for investment that provides all the relevant information to investors.

Competition and Anti-Trust Laws

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. 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.

Expropriation and Compensation

The Bolivian Constitution allows the central government or local governments 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 is 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 a 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 that are 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 the hydrocarbons sector, the majority of the electricity sector, some mining companies (some mines and 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, and often at below market prices. Some of the affected companies have cases pending with international arbitration bodies. All outsourcing private contracts were canceled and assigned to public companies (such as airport administration and water provision).

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. Government nationalizations did not discriminate by country; some of the countries affected were the United States, France, the United Kingdom, 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.

Dispute Settlement

ICSID Convention and New York Convention

On May 1, 2007, Bolivia sent the World Bank a written notice of denunciation of the Convention on the Settlement of Investment Dispute between States and Nationals of Other

States (the ICSID Convention). Bolivia acted pursuant to Article 71 of the ICSID Convention. The denunciation took effect six months after receipt of the notice.

In August 2010, the Bolivian Minister of Legal Defense of the State said that the Bolivian Government would not accept International Centre for Settlement of Investment Disputes (ICSID) rulings in the cases brought against Bolivia by the Chilean company Quiborax and Italian company Euro Telecom. However, the Bolivian Government agreed to pay USD 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 USD 41 million. In 2014, an Indian company won a USD 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 USD 750,000, which the company says will be used to pay taxes, employee benefits, and pending debts -- essentially leaving them without compensation for the USD 5 million investment they had made. They also retained responsibility for future liabilities.

Investor-State Dispute Settlement

Conflicting Bolivian law makes international arbitration challenging. Previous investment contracts between the Bolivian Government and the international companies granted the right to pursue international arbitration in all sectors and stated that international agreements, such as ICSID and the New York Convention of 1958 on the Recognition and Enforcement of Foreign Arbitral Awards, must be honored. However, these rights conflict with the 2009 Constitution, which states (Articles 320 and 366) that international 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 was enacted in late 2015. Under the 2015 Arbitration Law (Law 708), international arbitration is not permitted when the dispute is against the government or a state-owned company.

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

International Commercial Arbitration and Foreign Courts

In Bolivia, two institutions have arbitration bodies: the National Chamber of Commerce and the Chamber of Industry and Commerce of Santa Cruz (CAINCO). In order to utilize these domestic arbitration bodies, private parties must include arbitration within their contracts. Depending on the contract between the parties, The United Nations Commission on International Trade Law (UNCITRAL) model law or Bolivia's Arbitration Law (No. 708) may be used. Local courts recognize and enforce foreign arbitral awards and judgments, however, the judgments can be appealed in Bolivian court. There are no statistics available regarding SOE involvement in investment disputes.

Bankruptcy Regulations

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

No Fault Bankruptcy – when the owner of the company is not directly responsible for its inability to pay its obligations.

At- Fault Bankruptcy – when the owner is guilty or liable due to the lack of due diligence to avoid harm to the company.

Bankruptcy due to Fraud - when the owner intentionally tries to cause harm to the company.

In general, the application of laws related to commercial disputes and bankruptcy are inconsistently applied and allegations 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. If a company declares bankruptcy, the company must pay employee benefits before other obligations. 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.

Industrial Policies

Investment Incentives

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.

Article 14 of the 2014 investment law requires technology transfer from foreign companies operating in Bolivia to Bolivian workers and institutions. The law also specifies that Bolivians should work in operational, administrative, and executive offices of foreign companies. In addition, 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.

Law 767 from 2015 aims to promote investments in the exploration and exploitation of hydrocarbons. However, many companies considered this regulation as skewed to production and insufficient to incentivize new exploration. In 2016, Supreme Decree

2830 was issued, providing a 12percent reduction in the payment of the direct tax on hydrocarbons and other incentives in order to better incentive exploration.

Foreign Trade Zones/Free Ports/Trade Facilitation

There are eleven 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. The National Council on Free Trade Zones (CONZOF) oversees all industrial and commercial free trade zones and authorizes operations. Currently, free trade zones and free industrial zones are located in La Paz, Santa Cruz, and Oruro.

In 2016, Supreme Decree 2779 was enacted, approving regulations for a new system of free trade zones in Bolivia. The decree establishes a period of one year for existing free trade zones to transform into free industrial zones.

Performance and Data Localization 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 at 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:

Except for national tenders, ten percent preference margin for Bolivian products regardless of the origin of materials.

For national public tenders, if the cost of Bolivian materials represents more than 50 percent of the total cost of the product, the producers receive a ten percent preference margin over other sellers.

In national and international public tenders, if Bolivian inputs and labor represent more than the 50 percent of the total cost of the product, the seller receives a 25 percent preference margin over other sellers. If the Bolivian inputs and labor represent between 30 percent and 50 percent of the total cost of the product, the seller receives a 15 percent 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.

Protection of Property Rights

Real Property

Property rights are legally protected and registered in the Real Estate Office, where titles or deeds are recorded and mortgages/liens are registered. The recording system is reliable, although there are complaints regarding the amount of time required to register a property.

The Office of Property Registry oversees the acquisition and disposition of land, real estate, and mortgages. Mortgages are easy to obtain, taking usually no more than 60 days to obtain a standard loan. However, challenges to land titles are common due to bureaucratic delays encountered while registering properties, especially in rural areas. 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 passage of Law 477 combatting land seizures.

The Bolivian Constitution grants citizens and foreigners the right to private property but stipulates that the property must serve a social or economic function. If the government determines that a given property is not sufficiently useful (according to its own unclear criteria), the constitution allows the property to be expropriated. The agricultural sector has been most hard hit by this policy due to uncertainty from year to year about whether farm land would be productive. In 2013, the government granted amnesty from the productive requirement to farmers who were impacted by forest fires; and in 2015, the government agreed to do away with the annual productivity inspections and reduce their frequency from every two to every five years, though the Congress has yet to pass these modifications. There are other laws that limit access to land, forest, water and other natural resources by foreigners in Bolivia.

The constitution 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 who have insufficient land (Article 395). Under law 3545, passed in 2006, 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.

Intellectual Property Rights

The Bolivian Intellectual Property Service (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.

The existing copyright law recognizes copyright infringement as a public offense and the 2001 Bolivian Criminal Procedures Code provides for the criminal prosecution of IPR violations. However, the enforcement of intellectual property rights remains insufficient. Prosecutors rarely file criminal charges, and civil suits, if pursued, face long delays. Criminal penalties carry a maximum of five years in jail, and civil penalties are restricted to the recovery of direct economic damages. SENAPI has established a conciliation process to solve IPR controversies in order to prevent parties from going to trial.

Bolivia does not have an area of civil law specifically related to industrial property, but has a century-old industrial privileges law still in force. Bolivia is a signatory of the Agreement on Trade-Related Aspects of Intellectual Property (TRIPS). SENAPI is aware of Bolivia's obligations under the TRIPS Agreement and it sets out the minimum standards of IPR protection in compliance with this agreement. SENAPI sustains its position that Bolivia complies with the substantive obligations of the main conventions of the World Intellectual Property Organization (WIPO), the Paris Convention for the Protection of Industrial Property (Paris Convention), and the Berne Convention for the Protection of Literary and Artistic Works (Berne Convention) in their most recent versions. According to SENAPI, Bolivia complies with WTO's dispute settlement procedures in accordance with its TRIPS obligations. However, Bolivia falls short on the implementation of domestic procedures and providing legal remedies for the enforcement of intellectual property rights.

Bolivia is a signatory country of the 1996 WIPO Copyright Treaty, and the WIPO Performances and Phonograms Treaty; however, it did not ratify any of those treaties domestically. Bolivia is not a member of the Madrid Protocol on Trademarks, the Hague Agreement Concerning the International Registration of Industrial Designs, or the Patent Law Treaty.

Bolivia is a signatory of Andean Community (CAN) Decision 486, which deals with industrial property and trade secrets and is legally binding in Bolivia. Decision 486 states that each member country shall accord the Andean Community countries, 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. Besides its international obligations, Bolivia has not passed any domestic laws protecting trade secrets.

In 2015, SENAPI put forward a bill to modernize industrial property legislation which has not yet been approved by the legislature. SENAPI maintains and regularly updates a complete set of IPR regulations currently in force. This list is available on [SENAPI's](#) webpage.

Bolivian customs authorities continue to try to intercept counterfeit goods shipments at international borders, but the customs service lacks the human and financial resources needed to be effective. Rather than incorporating IPR engagement into its normal routine, Bolivian customs usually acts on these matters as a result of complaints filed by industries trying to protect their brands from counterfeit imports. Additionally, importers seem to be unaware that counterfeit products are illegal and that the payment of customs fees does not "legalize" the sale of pirated goods. Moreover, there is a sense of unregulated capitalism with regard to the sale of goods in the informal sector. That is, sellers either do not know about or do not take into consideration intellectual property rights, particularly in the textile, electrical appliances, and CD/DVD/Blu-ray markets. For example, large quantities of misbranded electrical appliances imported from China with labels denoting "Sony," "Panasonic," and "General Electric" are available for purchase in local markets. While most counterfeit items come with the illegal brand already attached, brands and logos are available for purchase on the street and can easily be affixed to goods.

Although court actions against those infringing upon IPR are infrequent, there have been some significant cases. The Industrial Property Director at SENAPI reported that the number of indictments related to counterfeit products increased steadily over the years. In 2010 there were only 20 such cases. In 2011 they increased to 27. In 2012, 48 cases were reported. In 2013, cases dipped slightly to 43, sharply rose to 60 in 2014 and then to 65 in 2015 (2016 data has not yet been released). According to SENAPI's director, this does not necessarily represent an increase in counterfeit products. Rather, the increase in indictments is due to SENAPI's increased enforcement efforts and the public's greater awareness of IPR rights. Bolivian customs did not report to the press any major seizing of counterfeit products in 2016, but the Chilean and Peruvian customs did report large confiscations of containers with counterfeit clothes, sport shoes, cigarettes, and toys destined for the Bolivian market. SENAPI reported 41 requests from private stakeholders for "border measures," ten times more requests than requests registered in 2011. Border measures are actions taken by customs and police to stop the transit of counterfeit products.

Bolivia is listed in the 2016 USTR's Special 301 report's watch list. Bolivia is not listed in the 2016 notorious market report.

For additional information about national laws and points of contact at local IP offices, please see [WIPO's](#) country profiles.

Financial Sector

Capital Markets and Portfolio Investment

The government's general attitude toward foreign portfolio investment is neutral. 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 percent of transactions). The amount of total transactions per year generally hovers at around one-third of GDP.

Since 2008, the financial markets experienced high liquidity, which led to historically low interest rates. The Bolivian financial system is not well integrated with the international system and there is only one foreign bank among the top ten banks of Bolivia.

In October 2012, Bolivia returned to global credit markets for the first time in nearly a century, selling USD 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 percent and demand for the bonds well surpassed the offer, reaching USD 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 USD 500 million at 5.95 percent for ten years. HSBC, Bank of America, and Merrill Lynch were the lead managers of the deal. In 2017, Bolivia sold another USD one billion at 4.5 percent for ten years, with Bank of America and JP Morgan managing the deal. According to the Ministry of Economy, the resources gained from the sales will be used to finance infrastructure projects.

The government and central bank respect their obligations under IMF Article VIII, as the exchange system is free of restrictions on payments and transfers for international transactions.

Foreign investors legally established in Bolivia are able to get credits on the local market. However, due to the size of the market, large credits are rare and may require operations involving several banks. Credit access through other financial instruments is limited to bond issuances in the capital market. A recent financial services law directs credit towards the productive sectors and caps interest rates.

Money and Banking System

The Bolivian banking system is small, composed of 12 banks, three private financial funds, and 34 savings and credit cooperatives. Of the total number of personal deposits made in Bolivia through December 2016 (USD 22.5 billion), the banking sector accounted for 80 percent of the total financial system. Similarly, of the total loans and credits made to private individuals (USD 19.9 billion) through December 2016, 80 percent were made by the banking sector, while private financial funds and the savings and credit cooperatives accounted for the other 20 percent.

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 three percent.

In 2013, the financial services bill became a 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 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.

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 one of the largest banks, with a share of 17.5 percent of total national credits and 16 percent of the total deposits; one of its principal activities 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.

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

Foreign Exchange and Remittances

Foreign Exchange

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 16 percent of total deposits). Bolivian law currently allows repatriation of profits, with a 12.5 percent

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 percent. This tax applies to foreign transactions for U.S. dollars leaving Bolivia, not to money transferred internally.

Any banking transaction above USD10,000 (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 USD 10,000 must be registered with the customs office. Amounts between USD 50,000 and USD 500,000 require authorization by the Central Bank and quantities above USD 500,000 require authorization by the Ministry of the Economy and Public Finance. The fine for underreporting any cash transaction is equal to 30 percent 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 percent 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 [here](#).

Of the less favorable laws for foreign investments, Law 843 on tax reform directly affects the transfer of all money to foreign countries. All companies are charged 25 percent tax, except for banks which can be charged 37.5 percent, on profits under the Tax Reform Law, but when a company sends money abroad, the presumption of the Bolivian Tax Authority is that 50 percent of all money transmitted is profit. Under this presumption, the 25 percent 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 percent as a transfer tax.

Currency is freely convertible at Bolivian banks and exchange houses. The Bolivian Government describes its official exchange system 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 to the USD for selling and 6.86 Bs to the USD 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.

Remittance Policies

The Bolivian Government has a lax remittance policy. Each remittance transaction from Bolivia to other countries has a USD 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.

Bolivia utilizes a single exchange rate which does not allow room for a parallel market. 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 USD 10,000 in cash into the country. For amounts greater than USD 10,000, government permission is needed.

Sovereign Wealth Funds

Neither the Bolivian Government nor any government-affiliated entity maintains a sovereign wealth fund.

State-Owned Enterprises

The Bolivian Government set up companies in sectors it considers vital to the national interest and social well-being, and stated that it plans to do so in every

sector it considers strategic or where there is either a monopoly or oligopoly. Many of these public companies are less efficient than their private counterparts.

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, paper and cardboard factories, and milk and Brazil nut processing factories. In 2005, income from state-owned business in Bolivia other than gas exports represented only a fraction of a percent of Gross Domestic Product (GDP). As of 2015, public sector contribution to GDP (including SOEs, investments, and consumption of goods and services) has risen to over 40 percent of GDP.

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. The government registered budget surpluses from 2006 until 2013, but recently began experiencing budget deficits. SOE budgets remain largely unaffected. 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.

Privatization Program

There are currently no privatization programs in Bolivia.

Responsible Business Conduct

Bolivia has laws that regulate aspects related to corporate social responsibility (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.

Both producers and consumers in Bolivia are generally aware of RBC, 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), RBC activities are generally looked upon favorably by the Bolivian Government. However, during pre-electoral periods, government officials occasionally accuse companies of using RBC practices as political tools against the government and suggest that the government pioneer tighter RBC regulations.

Though Bolivia is not part of the Organization for Economic Cooperation and Development (OECD), it has participated in several Latin American Corporate Governance Roundtables since 2000. Neither the Bolivian Government nor its organizations use the OECD Guidelines for RBC and corporate social responsibility (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).

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 four percent 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, 2012 promotes some RBC 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 new institutions needed to enforce this law are still incomplete.

Even though Bolivia promotes the development of RBC 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.

Corruption

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. Governmental lack of transparency, and police and judicial corruption remain significant problems. The Ministry of Anticorruption and Transparency and the Prosecutor’s Office are both responsible for combating corruption. 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 were ignored by the government.

Police corruption remains a significant problem. In March 2014, U.S. authorities convicted police officer Fabricio Ormachea Aliaga 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 (USD 30,000). There is also widespread corruption in the country’s judiciary.

There is an Ombudsman appointed by Congress 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 2015 Transparency International Corruption Perception Index found that Bolivian citizens believe the most corrupt institutions in Bolivia are the judiciary, political parties, parliament and legislature, and the police.

Bolivia signed the UN Anticorruption Convention in December 2003 and ratified it in December 2005. Bolivia is also a party to the Organization of American States Inter-American Convention against Corruption. Bolivia is not a signatory of the OECD Convention on Combating Bribery of Foreign Public Officials.

Resources to Report Corruption

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

Gonzalo Trigoso

Vice Minister of Justice and the Fight Against Corruption

[Ministry of Justice](#)

Calle Capitán Ravelo 2101, La Paz

+591-2-115773

Political and Security Environment

Bolivia is prone to social unrest that includes violence such as road blockades, demonstrations and marches that sometimes damage public and private property in 2016, a Vice Minister was beaten to death after being kidnapped by a group of protesting miners. 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 was no political violence that targeted foreigners. While protests and blockades are frequent, they only periodically affect commerce. Less than a half-dozen conflicts in the capital La Paz directly affected distribution of essential services or travel in and out of the city for periods greater than 24 hours during 2016. However, numerous others caused businesses to close for short periods or impeded business operations.

Labor Policies and Practices

Approximately two-thirds of Bolivia's population is considered "economically active." Between 60 percent and 70 percent of workers participate in the informal economy, where no contractual employer-employee relationship exists. Relatively low education and literacy levels limit labor productivity, a fact reflected in wage rates. Unskilled labor is readily available, but skilled workers are often harder to find.

Article 3 of the Labor Code limits the number of foreign nationals that can be employed by any business to 15 percent. Due to the limited number of labor inspectors, enforcement of the law is uneven.

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).

Labor laws, including related regulations and statutory instruments, provide 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.

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 percent 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.

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.

Violence during labor demonstrations continues to be a serious problem. In August 2016, striking miners kidnapped and murdered Vice Minister Rodolfo Illanes during a conflict between miners and the government on the La Paz-Oruro highway. Several miners were also shot and killed.

In 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 Office may permit children as

young as ten 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 10 P.M., among other conditions. A request to the Child Office 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 is responsible for organizing a committee to enforce 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.

OPIC and Other Investment Insurance Programs

OPIC's programs are not currently available in Bolivia.

Foreign Direct Investment and Foreign Portfolio Investment Statistics

Table 2: Key Macroeconomic Data, U.S. FDI in Host Country/Economy

	Host Country Statistical Source*		USG or International Statistical Source		USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
Economic Data	Year	Amount	Year	Amount	
Host Country Gross Domestic Product (GDP) (\$M USD)	2014	\$32,996	2015	\$32,998	www.worldbank.org/en/country
Foreign Direct Investment	Host Country Statistical Source*		USG or International Statistical Source		USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
U.S. FDI in partner country (\$M USD, stock positions)	2014	\$497	2015	\$489	BEA data available at http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm
Host country's FDI in the United States (\$M USD, stock positions)	2014	N/A	2015	\$16	BEA data available at http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm
Total inbound stock of FDI as % host GDP	2014	1.5%	2015	1.5%	N/A

*Source: National Bureau of Statistics INE

Table 3: Sources and Destination of FDI

Direct Investment from/in Counterpart Economy Data					
From Top Five Sources/To Top Five Destinations (US Dollars, Millions)					
Inward Direct Investment			Outward Direct Investment		
Total Inward	Amount	Percent	Total Outward	Amount	Percent
Spain	3,947	33.7%	N/A	N/A	N/A
Sweden	1,085	9.3%	N/A	N/A	N/A
Brazil	1,073	9.2%	N/A	N/A	N/A
United Kingdom	1,029	8.8%	N/A	N/A	N/A
France	850	7.3%	N/A	N/A	N/A

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

Source: International Monetary Fund

Table 4: Sources of Portfolio Investment

Portfolio Investment Assets								
Top Five Partners (Millions, US Dollars)								
Total			Equity Securities			Total Debt Securities		
All Countries	Amount	Percent	All Countries	Amount	Percent	All Countries	Amount	Percent
France	895	20.5%	Cayman Islands	386	60.2%	France	895	24.4%
United States	877	20.1%	United States	45	7.0%	United States	832	22.4%
Cayman Islands	386	8.9%	Peru	5	0.7%	Netherlands	297	8.0%
Netherlands	297	6.8%	Luxemburg	4	0.6%	Germany	176	4.7%
Germany	176	4.0%				Sweden	166	4.5%

Source: International Monetary Fund

Contact for More Information

Brent Corby
 Economic and Commercial Officer
 Av. Arce 2780, Casilla 425, La Paz, Bolivia
 +591-2-216-8210
[Commerce LaPaz](http://CommerceLaPaz.com)

Trade & Project Financing

Methods of Payment

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.

Banking Systems

Bolivia's banking system is comprised of the Central Bank, a state bank, and 51 privately-owned institutions. Thirteen of the 51 privately-owned institutions are commercial banks, and the remaining are savings and loan organizations, credit unions, and other financial institutions. As of December 2016, deposits totaled an estimated \$25.5 billion.

In 2013, the government enacted the new Financial Services Law. The key objectives of the law include: protecting and meeting the needs of financial consumers, promoting universal access to services, ensuring the stability and solvency of the financial system, protecting the savings of the people, and promoting greater transparency.

The law creates the Financial Stability Board consisting of: the Ministry of Economy and Public Finance, the Ministry of Planning and Development, the Central Bank of Bolivia, the Supervisory Authority Financial System (ASFI), and the 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 U.S. 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 U.S. dollars.

In 2016, the government increased by 3% the tax on bank profits (current taxes could reach 50% in total). For a foreign bank looking to remit profits, a 12.5% remittance tax is applied, increasing the tax rate to above 60%.

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](#).

Foreign Exchange Controls

As stated in the Conversion and Transfer Policies section, currency is freely convertible at Bolivian banks and exchange houses. The official exchange system is described as an “incomplete crawling peg.” Under this system, the exchange rate is fixed, but undergoes micro-readjustments that are not pre-announced to the public. There is a spread of ten basis points between the exchange rate for buying and selling U.S. dollars. The Boliviano (Bs) has remained fixed, at 6.96 Bs/\$1 for selling and 6.86 Bs/\$1 for buying, since October 2011. The parallel rate closely tracks the

official rate, suggesting the market finds the Central Bank's policy acceptable. In order to avoid distortion in the exchange rate market, the Central Bank requires, through a Resolution of its board, all currency exchange to occur at the official rate ± 1 basis point.

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

US Banks & Local Correspondent Banks

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 Fomento a Iniciativas Económicas 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](#)

[Web](#)

Project Financing

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 18% of deposits and 5% 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.

The Overseas Private Investment Corporation (OPIC) and U.S. Export-Import Bank (EXIM) do not currently operate in Bolivia.

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](#) and to the [Inter-American Development Bank](#).

Web Resources

Trade Finance Guide: A Quick Reference for U.S. Exporters, published by the International [Trade Administration's Industry & Analysis team](#)

- [Trade and Development Agency](#)
- [SBA's Office of International Trade](#)
- [USDA Commodity Credit Corporation](#)
- [U.S. Agency for International Development](#)
- [Inter-American Development Bank](#)
- [World Bank](#)

- [Andean Development Corporation](#)
- [Central Bank of Bolivia](#)
- [Banking Regulatory Authority \(ASFI\)](#)
- [Private Banking Association in Bolivia](#)

Business Travel

Business Customs

Many members of Bolivia's private sector have had direct exposure to U.S. and European business customs and practices. The exchange of business cards is a common practice at the beginning of the meetings, and can be initiated by any of the participants.

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

To access the U.S. Department of State, Bureau of Consular Affairs, Country Specific Information Sheet for Bolivia, please go [here](#).

Visa Requirements

U.S. Citizens traveling to Bolivia need a visa. The exact requirements change frequently and the most up to date information can be found [here](#). 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:

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.

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.

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.

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](#)

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](#)

[U.S. Embassy consular section](#)

Currency

The local currency is the Boliviano (B). It is freely convertible to other currencies, mainly U.S. dollars, at Bolivian banks and exchange houses. The exchange rate has remained fixed, at 6.96 Bs/\$1 for selling and 6.86 Bs/\$1 for buying, since October 2011.

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.

Telecommunications/Electric

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 three service providers include Entel (State-run), Telecel/Tigo (Millicom), and 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 three 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

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 90,568 kilometers (km) total of roads, fewer than 9,792 km are paved. Another 34,840 km are gravel, and 45,936 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 70Bs to 130Bs (\$8.50 to \$18). Within the city, fares generally range from \$1.50 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

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](#).

Health

All of the major cities in Bolivia are between 1,330 and 13,600 feet above sea level. El Alto International Airport (La Paz) is the highest international airport in the world, at 13,325 feet above sea level. This altitude poses risks of illness, hospitalization, and even death, regardless of whether or not travelers have medical conditions that

affect blood circulation or breathing. The risk is especially great when travelers land at the La Paz airport without 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 8,000-10,000 feet. Persons with pre-existing medical problems and/or respiratory infections such as bronchitis or pneumonia should delay travel until fully recovered. Pregnant women should delay travel to altitude until after delivery due to the high risk of miscarriage, pre-eclampsia and preterm labor. Individuals with hypertension, diabetes, angina pectoris, heart disease, anemia, hemoglobinopathies (e.g., sickle cell disease and trait), and significant obesity, are at particular risk of potentially life-threatening complications.

All adults visiting La Paz or any other high altitude Bolivian city should consider taking Diamox (Acetazolamide) 125 milligrams (or 1/2 tablet of 250 mg) by mouth twice a day, beginning on the day of the flight and continuing for 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](#).

Local Time, Business Hours and Holidays

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.

2017-2018 Holidays

	2017	2018
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 26	February 12
Carnival/Shrove Tuesday	February 27	February 13
Good Friday	April 14	March 30
Labor Day/May Day	May 1	May 1
Corpus Christi Day	May 26	May 31
Winter Solstice/Aymara New Year	June 21	June 21

Temporary Entry of Materials or Personal Belongings

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

Web Resources

[U.S. Department of State's Consular Information](#)

[Bolivian Embassy – Washington, D.C.](#)

[State Department Visa Website](#)

[U.S. Embassy consular section](#)