COUNTRY COMMERCIAL GUIDE
BOLIVIA

Fiscal Year 2004

Prepared by
U.S. Embassy La Paz
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1. EXECUTIVE SUMMARY

This Country Commercial Guide (CCG) presents a comprehensive look at Bolivia's commercial environment, using economic, political and market analyses. The CCGs were established by recommendation of the Trade Promotion Coordinating Committee (TPCC, a multi-agency task force) to consolidate various reporting documents prepared for the U.S. business community. Country Commercial Guides are prepared annually at U.S. Embassies through the combined efforts of several U.S. Government agencies.

The commitment of Bolivia's successive governments to the free-market economic system for the last 18 years – following the trauma of hyperinflation in the early 1980s – has created conditions that have led to a period of steady economic growth up to 1999. This growth has been largely non-inflationary, thanks to the Bolivian Central Bank's strict control of money supply growth. The rate of economic growth over the last several years has been disappointing, and its distribution has been uneven across the population. Bolivia remains the poorest country in South America, with a significant portion of its population participating only marginally in the formal economy.

Bolivia has a relatively low level of industrialization and remains highly dependent on imports – especially of capital and consumer goods – and foreign direct investment (FDI). The United States is Bolivia's largest trading partner: in 2002, the United States exported goods worth USD 283 million to Bolivia and imported goods worth USD 162 million. The U.S. is also the single largest investor in Bolivia, with a stock of investment of about USD 2.1 billion at the end of 2002, which represents approximately 37% of total FDI.

The Government projects that Bolivia's GDP will grow by between 2.5 and 3.0% for 2003, with nominal GDP equaling roughly USD 7.5 billion. Bolivia's engine of growth in recent years has been the hydrocarbons and telecommunications sectors, though investment in both sectors has begun to fall. Investments in the hydrocarbons sector were spurred by the opening in August 1999 of the gas pipeline to Brazil, which was expected to absorb significant amounts of Bolivia's natural gas production. Inflation in consumer prices continues to be low, increasing in 2002 by 3.0%, and in 2001 less than 1.0%.

Bolivia welcomes foreign direct investment throughout its economy, with very few restrictions. The Investment Law guarantees national treatment and the free convertibility of currency; a U.S.-Bolivia Bilateral Investment Treaty that came into effect on June 7, 2001, provides the means for U.S. investors to defend these rights. Nonetheless, public cries for changes to laws – most recently to the Hydrocarbons Law – are frequent, most often opposing political entities, but also from Government coalition partners.

Potential investors should also note that Bolivia's judicial system lacks transparency and enforcing contracts through the courts can be difficult. Incidents of corruption are also not uncommon among low-level officials of the executive branch. The Sanchez de Lozada administration, which took office on August 6, 2002, recognizes this deficiency and has begun to address this and other corruption issues.

The United States and Bolivia have had a long-standing cooperative relationship in the promotion of the country's social and economic development, the strengthening of its democratic institutions, the eradication of illegal coca production and the interdiction of the trade in cocaine and related products. The new administration has committed to continue Bolivia's good relations with the United States.

The best prospects for U.S. trade and investment in the coming years are in the hydrocarbons, manufacturing, and telecommunications sectors. The Andean Trade Promotion and Drug Eradication Act (ATPDEA) of August 2002 opened up new possibilities for investment in the area of textiles, which now enjoy duty-free access to the U.S. market, subject to an annual regional cap. In April 2003, the Bolivian Government announced a plan to take greater advantage of ATPDEA, especially in the textile and wood products industries, that should begin to be implemented by late 2003.

In sum, Bolivia offers potentially lucrative investment and business opportunities, and many U.S. and other foreign companies have successfully operated and prospered here. While the rewards can be great, so can the risks, including a lack of judicial security, corruption among public officials, arbitrary decisions by regulators and government officials, and cumbersome bureaucratic procedures. Companies looking to invest and do business in Bolivia should have their eyes wide open, weighing carefully all advantages and risks, conducting thorough due diligence, and retaining competent local legal and other counsel.

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2. ECONOMIC TRENDS AND OUTLOOK

Major Trends and Outlook

After twelve years of moderate economic growth, the Bolivian economy has faced an economic slowdown since 1999. The country's economic growth rate dropped from an average of 4.5% annually to only 2.3% in 2000, around 1.2% in 2001 and 2.5% in 2002. Factors contributing to the slowdown include lower export prices, unfortunate weather conditions and an international financial crisis in the region. GDP per capita for the last three years also declined. GDP per capita for 2001 was estimated at USD 977, with an even slightly lower per capita GDP – USD 953 – in 2002. This downward trend is expected to continue through 2003.

Bolivia's capitalization program (a variation of privatization), carried out in 1996-1997 by the first Sanchez de Lozada administration, effectively turned over operation of the five largest state-run enterprises to private hands, with the Bolivian Government retaining a 50%, non-operational share in each newly capitalized company. The introduction of foreign companies as "strategic partners" in the capitalized companies resulted in almost USD 1.7 billion in new investment in the country's transportation, energy, hydrocarbons, and communications infrastructure.

Capitalization provided needed investment and introduced new technology and management skills to these key companies. The program has been criticized, however, for having created few jobs outside the capitalized sectors and for having eliminated some jobs from the over-staffed state corporations. It is expected that the introduction of greater efficiencies through continuing investment in these sectors will have a positive impact across the entire economy. In particular, the development of the country's infrastructure should create an environment far more conducive to unrelated investments, which should lead eventually to the job-creation needed to spread the benefits of the capitalization program more widely across the economy.

Under the terms of its agreements with international donors, the present administration plans to use its limited public investment resources to develop programs such as road construction, housing, irrigation, rural electrification and domestic connections to natural gas lines. These sectors should, therefore, be more attractive as well in the coming years to U.S.-based providers of goods and services. The Government has committed itself to improving social indicators over time. After nearly a year in office, however, the administration has yet to make much progress on its "Works with Jobs" ("obras con empleos") program, much of which is focused on road construction.

Bolivia's successive administrations since the hyperinflationary period of the early 1980s have maintained fiscal and monetary discipline and thereby successfully avoided recurrences of the scourge of uncontrolled inflation. By 1993-94, the government was able to bring inflation in consumer prices down to single digits.

While Bolivia was able in the mid-1990s to reduce significantly its fiscal deficit, pension reforms in 1998, as well as poor performance of the economy as a whole, caused the fiscal deficit to rise in 2001 to 6.5% of GDP. In 2002, the deficit stood at 8.7% of GDP, with expectations for the next year of a lower, more sustainable deficit very high. In 1998, the Government renewed its commitments to the International Monetary fund (IMF) under an Enhanced Structural Adjustment Facility (ESAF), and the debt relief program under the Highly Indebted Poor Country

(HIPC) program came into force. Due to consequent international borrowing constraints, the Government of Bolivia has relied increasingly on the issuance of domestic bonds in order to finance the deficit. In early April 2003, the Government qualified for a standby agreement with the International Monetary Fund (IMF) and is in the process of negotiating a three-year Poverty Reduction and Growth Facility (PRGF), which it hopes to have in place by the end of calendar year 2003.

Bolivia's chronic poverty and public indebtedness remain daunting challenges. A large percentage (estimates range between 65 and 85%) of the population lives outside the formal economy, while many more face the grinding reality of securing a livelihood through small-scale agriculture. Successive Bolivian administrations have worked with international financial institutions (IFIs) and bilateral donor agencies to improve the lives of Bolivia's poorest citizens.

As of the end of 2002, Bolivian mid-term and long-term foreign debt was USD 4.3 billion, of which USD 0.76 billion was owed to governments (bilateral debt), USD 3.45 billion to multilateral institutions, and USD 5.5 million to private banks. Bolivia's inclusion in the HIPC Initiative provided significant debt relief by both bilateral and multilateral creditors during 2000 and 2001. The HIPC initiative included a strategy of social policies with respective social indicator targets to gauge their effectiveness. USD 79.7 million was allocated to public investment during 2000, and USD 97.4 million in 2001, targeted toward rural health and education, among other areas. In 2002, all debt relief schemes have contributed with approximately USD 160 million.

Principal Growth Sectors

The three major sectors of the Bolivian economy are energy, mining, and agriculture. Bolivia has the second-largest gas reserves in South America and is actively seeking new markets. The country exports gas to Sao Paulo, Brazil, via the Bolivia-Brazil Pipeline, and to Cuiaba, Brazil, via a smaller pipeline. Both pipelines should allow gas exports to increase eventually, though the terms of export are currently being renegotiated by the two countries. The overall level of gas exports to Brazil has been disappointing. A consortium of international companies is exploring the possibility of exporting Bolivian gas through a liquefied natural gas (LNG) project to California.

Companies from the United States, the United Kingdom, France, Brazil, Argentina and Spain have been exploring for hydrocarbons, investing a total of USD 330 million in 2000 and USD 404.7 million in 2001 in exploration and development activities, and approximately USD 463 million in 2002. As a result of exploration activities conducted mainly by Total Fina Elf (TFE) and Petrobras, Bolivia has dramatically increased its natural gas reserves to approximately 54.8 trillion cubic feet (TCF) as of January 2003.

Although mining remains an important economic sector, mining investment has been sluggish due to low world prices for metals, registering USD 28 million in 2000, USD 32.3 million in 2001 and USD 11.5 million in 2002. As a result of new technologies employed by international mining firms, significant new silver and zinc deposits have been discovered in Potosi, home of the famed "Cerro Rico" ("Rich Hill") that fueled Spanish colonization efforts in the 16th Century. The mining sector continues to be an important source of employment for many poor Bolivians. While companies continue to discover and upgrade ore reserves, the rebound of the mining sector will depend largely on higher world prices.

The agricultural sector has experienced impressive growth as land in the Department of Santa Cruz is being shifted increasingly to the production of soy, sunflower seed, and sugar. Bolivia exports soy and oilseed products, principally to Colombia and Venezuela under the Andean Community tariff regime. However, the past year was a difficult year for farmers as poor weather conditions and a drop in soy prices slowed agricultural growth. The agricultural sector – principally in the Santa Cruz region – enjoyed annual growth rates of over 9% between 1994 and 1998, but dropped to less than 1.5% growth during 1999 and 2001. In 2002 the sector grew by 0.6 percent. Bolivian farmers have faced a credit crunch in recent years, causing some farmers to resort to pre-selling crops to processing facilities as a form of quasi-financing, a situation exacerbated by economic stagnation since 1999, with yearly financing estimates running as high as USD 50 million. New investments and new technologies in this sector could greatly boost future production.

In April 2003, the Government announced a new strategy to take advantage of its benefits under the Andean Trade Preference and Drug Eradication Act (ATPDEA). The new plan will focus exports in the areas of textiles, wood, leather and gold jewelry.

Government Role in the Economy

Total government expenditure accounted for 33% of GDP in 2002, of which about 8.5% was spent on investment. The public deficit was around 8.7% of GDP in 2002. The capitalization program of 1996-97 significantly reduced the Government's presence as an economic player. The current administration has taken a more active role in the economy than the previous with its Works with Jobs ("obras con empleos") program. Though slow to start, the infrastructure-driven program has been presented as a job-creation program. Also on the agenda is the Maquicentro plan, which should link small-scale textile producers with large exporters, thus creating a means for the public to work and to feel the benefits of international trade.

The Government has pledge to reduce the fiscal deficit to 6.5% of GDP during 2003. While Bolivia will still have to contend with significant current payments to finance pension reform, the non-pension deficit may improve if revenue collection improves. Fiscal austerity will be a major issue for negotiations with international financial institutions.

In 1994, the first Sanchez de Lozada Administration launched the "Popular Participation Program," which requires that a fixed percentage of federal revenues be passed with relatively few conditions to the country's 314 municipalities. This program gave municipalities much more flexibility in directing government expenditures toward the most relevant needs of their respective communities. The challenge remains to develop the managerial skills of the municipalities so that they are able to handle finances effectively and to provide good governance to their citizens. The national government has created programs and oversight mechanisms to assist municipalities in these efforts.

Balance of Payments Situation

The trade deficit rose from USD 422.9 million in 2001 to USD 460 million in 2002, an increase of 8.7%. According to the Bolivian Central Bank (BCB), imports increased by 4% in 2002; exports, on the other hand, increased slightly by about 1.9% that year. Although Foreign Direct Investment (FDI) has been waning for the last few years, the capital account was still buoyed by continued FDI flows. While gross FDI increased by 18.6% in 2002, net FDI slightly declined by 1% in 2002. Bolivia had a large negative balance of payments during 2002, resulting in the significant loss of international reserves of USD 275.4 million. International reserves were pressured by uncertainty surrounding the June 2002 election and the political violence of

February 2003. Though some reserves lost during that time have returned to the country, overall net reserves remain around USD 780 million.

Bolivian exports increased by only 2% in 2002, despite the significant rise in hydrocarbons exports (22 %). Mineral exports decreased by 3% over the previous year, and non-traditional exports (soy and other cooking oils) increased by 6%, though 2003 may show an increase thanks to a particularly good soy crop. At the same time, manufactured goods exports have remained stagnant.

As previously mentioned, the total medium- and long-term debt of the Bolivian government as of December 2002 stood at USD 4.3 billion. The Bolivian Treasury is responsible for about 79% of this total, with another 7% owed by the Central Bank. The National Rural Development Fund is responsible for another 3.5%, with private companies and municipalities owing the remaining 10.5%. As a result of the capitalization process, about USD 150 million of public debt was transferred to private companies.

Infrastructure

Bolivia's deficient infrastructure – particularly its lack of adequate transportation links – figures prominently among the obstacles the country faces to further its development.

There are various road projects under development or construction, principally in the Departments of Beni, Santa Cruz, Potosí, La Paz and Tarija, which total an estimated USD 1 billion. The Bolivian Government passed a law in 1998 authorizing concessions for public works, with an eye principally to creating non-traditional means to finance new road projects. Concessions are granted to local or foreign contractors for up to 40 years. Although the Government has awarded several contracts to international and domestic private companies, most concessions were not fulfilled or applied to manage existing roadways. In an effort to reform Bolivia's National Road Service (SNC), the Government of Bolivia institutionalized the SNC in 2001, mandating an SNC President and board of directors appointed by the President of Bolivia and approved by Congress, as well as a professional staff. The new administration has placed priority on building several new highways, most notably, a highway linking Santa Cruz to Puerto Suarez on the Brazilian border.

Bolivia is currently experiencing a surplus in electricity generating capacity. Bolivia has approximately 1000 megawatts (MW) in generating capacity, with a demand of only about 623 MW as of December 2002. ENDE – the former parastatal generating company – had an installed generating capacity of 497 MW, all of which was purchased in 1995 through the capitalization program by three U.S. consortia. Energy Initiatives and GPU International purchased the Guaracachi thermo-plant (248 MW) located in Santa Cruz for USD 447 million. Dominion Energy purchased the Corani (54 MW) and Santa Isabel (72 MW) hydroelectric plants, both located in Cochabamba, for USD 59 million. Duke Energy bought Dominion Energy shares in Corani S.A. in April 2000. Constellation Energy purchased the Valle Hermoso thermo-plant (87 MW) located in Cochabamba for USD 34 million. U.S.-based NRG owns the Bolivian Power Company (COBEE), which supplies the La Paz area and has 160 MW installed generating capacity. Since its initial entrance into the Bolivian market, U.S. energy firm GPU International expanded its generating capacity by 144 MW with the opening of the new Carrasco Plant in Santa Cruz in June 1999. In May 2002, the U.S. company Tenaska opened its 50 MW hydroelectric plant in La Paz Department through its local subsidiary, Hidroelectrica Boliviana, S.A.

There are several companies that offer long-distance and international telephone services. Prior to November 2001, these were monopoly markets controlled by ENTEL, the former state telephone company that was capitalized by an Italian telecommunications company in 1996. Supreme Decree 26005, dated November 30, 2001, opened the telecommunications market to competition in national and international long distance services. As a result of competition in the market, rates have declined. Two of the four current market participants have U.S. investors: AES Communications Bolivia, of AES Corporation, and Teledata, which received an investment from ITXC of New Jersey.

Cellular phones have proven to be very popular in Bolivia, as aggressive competition has resulted in consumers enjoying some of the lowest prices offered in the hemisphere. There are currently three cell phone providers in Bolivia: Entel (Italia Telecom), Telecel (Millicom), and Nuevatel/Viva (U.S.-based Western Wireless).

While ENTEL has invested in fairly sophisticated switching systems, the local telephone cooperatives generally have not been able to modernize their systems, due to lack of financing. The three largest cooperatives (COTAS, COMTECO, and COTEL, in Santa Cruz, Cochabamba and La Paz, respectively) control almost 85% of the country's local telephony. To facilitate market access, it is a common practice for a foreign investor to make a "strategic alliance" with one of the cooperatives. Teledata has an alliance with COTAS, and Western Wireless with COMTECO.

Two airlines – American Airlines and Lloyd Aereo Boliviano (LAB) – offer non-stop service to Miami. The Brazilian Airline VASP purchased half of LAB in 1995 during the capitalization process. Financial troubles rocked the airline in 2001, however, resulting in a takeover by a Bolivian company. Financial difficulties continued through 2002, with LAB reporting record losses for the year. A second domestic carrier is Aerosur and, during the first half of 2001, a third carrier, Amazonas, began operations. UPS Air Cargo also services Bolivia. A variety of foreign airlines offer flights to neighboring countries, most on a daily basis.

The national railroad system has two distinct parts separated by the eastern Andes. The western system, called Andina, connects the cities of La Paz, Cochabamba, Oruro and Uyuni with the Chilean ports of Arica and Antofagasta. Its primary customers are in the mining sector. The eastern line, called the Oriental, connects the city of Santa Cruz with Brazil and northern Argentina and, with the barge service on Paraguay-Parana River system, reaching Uruguay and Argentine ports. Oriental's primary customers are in the soy, petrochemical and construction materials sectors. Both systems were placed under private control in 1996. The Andina line is operated by a Chilean concern, while the Oriental line is operated by Genessee & Wyoming of Connecticut. The Oriental line has received significant investment over the last five years in order to meet the needs of its customers, and has become a profitable company.

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3. POLITICAL ENVIRONMENT

Nature of the Political Relationship with the United States

The United States remains Bolivia's largest bilateral provider of foreign aid, its principal trading partner and the largest source of foreign investment. The United States today enjoys influence at nearly all levels of the Bolivian economy, society and culture. There is an active "anti-neoliberalism" and "anti-globalization" movement in Bolivia that rejects U.S. influence. Although internally divided and a minority among politically active Bolivians, this group has in the recent past interfered with U.S. and other foreign investments.

U.S.-Bolivian relations are very good and the two governments collaborate closely in promoting democracy and sustainable economic growth, fighting terrorism, and combating drug trafficking. Regular high-level visits help maintain strong ties between the leaders of both governments.

Major Political Issues Affecting the Business Climate

Counter-narcotics has been the dominant issue in the U.S.-Bolivia relationship over the past six years, although substantial U.S. assistance aimed at economic development, health, protection of the environment and strengthening democracy has long been a foundation of our ties. The Government of Gonzalo Sanchez de Lozada (MNR), which assumed office on August 6, 2002, for a five-year term, has maintained the policy of the late-President Hugo Banzer (1997-2001) and President Jorge Quiroga (2001-2002), of forcibly eradicating illegal coca grown in the Chapare region of Cochabamba. This policy has been a success, eliminating over 90 percent of what was once a major source crop for cocaine; the cost, unfortunately, is continued violent protests and roadblocks by the radical minority committed to maintaining their illegal earnings. The U.S. Government has provided extensive technical support to drug crop eradication and drug traffic interdiction efforts, as well as substantial assistance to promoting alternative economic activities in former coca-producing regions.

The Movement Toward Socialism (MAS) party, led by illegal coca advocate Evo Morales but incorporating as well a range of community-based indigenous leaders, took second place in the June 30, 2002, national election. The first-place finisher, centrist Sanchez de Lozada, easily won the congressional run-off to become president, but the MAS and minor allies on the far left comprise almost one-third of the seats in both houses of Congress. The MAS espouses reflexively anti-U.S., anti-market views, and its strength in Congress has complicated the MNR-led government's legislative agenda. Sanchez de Lozada, who was President from 1993 to 1997, governs through a coalition comprised of his Nationalist Revolutionary Movement (MNR) party, the Movement of the Revolutionary Left (MIR) of former President Jaime Paz, and two minor coalition partners. Internal coalition politics also appear to interfere at times with government responsiveness.

In 2001-2002, Bolivia held leadership of the Andean Community, a symbol of Bolivia's active participation in various regional and multilateral organizations, including MERCOSUR (as an associate member) and the World Trade Organization (since 1995). Bolivia is generally supportive of U.S. goals on international trade and political issues.

Bolivia qualified for a second major reduction of its outstanding multilateral debt in 2001 through the Enhanced Heavily Indebted Poor Countries (HIPC II) Initiative. The debt treatment was contingent on the development of an anti-poverty program in consultation with civil society. Savings on debt service produced by HIPC II are to be directed toward education, health and other social investments by the GOB, operating largely through municipalities. The U.S. Agency for International Development (USAID) has long maintained an important development assistance program in Bolivia. Major ongoing efforts include programs focused on child, maternal and reproductive health, sustainable forestry, micro-finance and economic opportunities, and democratic strengthening.

Through USAID, the Embassy provided assistance to Bolivia in establishing a new Code of Criminal Procedures that is transforming the justice system to improve transparency, accountability and efficiency. Improved administration of justice is crucial to diminishing corruption and regulatory inconsistency in the Bolivian business climate. Bolivia and the United States signed a Bilateral Investment Treaty in 2001 that provides additional protections to U.S. investors in Bolivia (see Section 7).

Synopsis of Political System

Bolivia held free and fair presidential elections on June 30, 2002. President Gonzalo “Goni” Sanchez de Lozada and Vice President Carlos Mesa (MNR) polled 22.46% of the popular vote in a field of eleven candidates. Sanchez de Lozada won a congressional run-off on August 4, 2002, with support from three other political parties, and he took office two days later. This was Bolivia’s sixth successive democratic transfer of power, a clear indication of the maturity of the country’s democratic institutions. Once known for political instability and a dizzying string of military coups, Bolivia has been among South America’s leaders in building democratic political institutions and a sustained system of market-oriented economic policies. At the same time, the strain of four-years of economic stagnation has diminished popular support for the political-economic system, and the Government's ongoing fiscal deficits have forced it to limit wages and benefits to many sectors. In February 2003, some elements of one sector, the National Police, staged a strike that soon became a mutiny, with the police and army eventually exchanging live fire in front of the Presidential Palace. Several soldiers and police were killed, and many government buildings and stores were looted and burned.

Bolivia’s electoral system mixes proportional representation of parties in Congress with direct, district-based elections of other representatives. The system encourages participation by multiple parties and makes it difficult for any one party to gain a legislative majority. Consequently, coalition governments are the rule.

Outline of the Political System

Executive

The Cabinet includes the President, Vice President and 13 Ministers, as well as two Presidential Delegates, one in charge of reviewing the Capitalization process and another tasked with coordination within the Justice System. The President and Vice President are elected to a five-year term, either with a straight popular majority or, much more likely, in a second-round run-off between the top two candidates in the Congress. Although elected by Congress, the President does not need to maintain a congressional majority to stay in power, as in a parliamentary system.

The Bolivian Cabinet as of July 2003:

President	Gonzalo Sanchez de Lozada (MNR)
Vice President	Carlos Mesa Gisbert (IND)
Foreign Minister	Carlos Saavedra Bruno (MIR)
Minister of Government	Yerko Kukoc del Carpio (MNR)
Minister of Defense	Carlos Sanchez Berzain (MNR)
Minister of the Presidency	José Guillermo Justiniano (MNR)
Minister of Finance	Javier Comboni Salinas (IND)
Minister of Economic Development	Jorge Torres Obleas (MIR)
Minister of Education	Hugo Carvajal Donoso (MIR)
Minister of Health and Sports	Javier Torres-Goitia Caballero (MNR)
Minister of Labor	Adalberto Kuajara Arandia (NFR)
Minister of Indigenous Affairs & Agriculture	Guido Añez Moscoso (NFR)
Minister of Services and Public Works	Carlos Morales Landívar (MNR)
Minister of Sustainable Development	Erik Reyes Villa Bacigalupi (NFR)
Minister of Energy and Hydrocarbons	Jorge Berindoague Alcócer (IND)
Minister of Popular Participation	Mirtha Quevedo Acalinovic (MNR)
Minister of Financial Services	Dante Pino Archondo (NFR)

Legislative

A two-chamber Congress includes a 27-member Senate (chosen by party slate; three per department) and a 130-member Chamber of Deputies (half-elected directly, and half from party slates; apportioned roughly by population). Senators and deputies serve five-year terms and may be re-elected consecutively.

The Major Parties Currently Represented in Congress are:

Governing Coalition	MNR:	Nationalist Revolutionary Movement (centrist)
	MIR:	Movement of the Revolutionary Left (center-left)
	NFR:	New Republican Force (center)
	UCS:	Civic Solidarity Movement (populist)
The Opposition	MAS:	Movement Toward Socialism (leftist)
	MIP:	Pachakuti Indigenous Movement (leftist)
	PS:	Socialist Party (leftist)
	ADN:	National Democratic Action (center-right, not formally part of the Government but supportive of the Government)

Judiciary

The judicial system has four court levels: investigative, trial, superior court, and Supreme Court or Constitutional Court appellate review. The twelve Supreme Court Justices are nominated by the Judicial Council and elected by the Congress (with two-thirds approval); they serve one ten-year term. The Attorney General is independent from the executive branch; he is also appointed by the President, confirmed by the Congress and serves one ten-year term.

Suffrage is universal and compulsory at age 18. An estimated three million people voted in the 2002 elections. The next national elections will be held in June 2007, and nation-wide municipal elections will be held in December 2004.

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4. MARKETING U.S. PRODUCTS AND SERVICES

Distribution and Sales Channels

The population of Bolivia is now majority urban, with 69% of all inhabitants living in the cities of La Paz/El Alto (29%), Santa Cruz (22%) and Cochabamba (18%). Many companies locate in La Paz, with sales agents in the other two major cities. However, Santa Cruz, Bolivia's fastest growing city and the country's economic center, may prove to be an attractive base from which to market in Bolivia for many companies.

The most common method of distribution is the appointment of a representative. Distribution through the establishment of a local subsidiary or branch office has also become very popular.

Transportation is an important factor that should be taken into account in a marketing strategy. Because Bolivia is landlocked, merchandise must be delivered through seaports in Chile, Peru, Brazil or Argentina or by air. Occasional bad weather, roadblocks and port congestion are possible complications that may be encountered when using ports in these cities. As a result, air cargo transportation may be preferable even for heavy items.

Use of Agents and Distributors - Finding a Partner

Bolivian law does not require the use of local distributors for private sector commercial sales. However, most government purchases call for local agents. Agents are required to have a minimum paid-in capital of USD 2,000 to initiate a business transaction in Bolivia. Agents must also meet certain other requirements and register with the National Chamber of Commerce, the Internal Revenue Service, the Vice Ministry of Industry and Commerce, the National Directory of Commerce and the Municipality in which they are based. To register, agents and representatives require a letter or agreement from a firm appointing them as its agent or representative. This document should clearly indicate the contract's period of validity, the sales area covered by the agent (be it national or regional), the financial terms and whether the exporting firm has the right to appoint other agents in other areas of the country. Legal counsel is recommended in drawing up the contract, which enables the agent to act on behalf of the foreign firm in government tenders.

It is important to be thorough in the selection of an agent or representative; companies may therefore wish to take advantage of U.S. Department of Commerce services by contacting the nearest Commercial Service Export Assistance Center (EAC) in the United States. Services offered by EACs and the U.S. Embassy in La Paz include the International Partner Search (IPS), which helps identify interested agents and distributors; the Gold Key Service (GKS), which identifies potential distributors and arranges meetings with them; and the International Company Profile (ICP), which reports on the credit and business history of individual companies.

It is important to take into account Bolivia's informal economy, in which hundreds of thousands of Bolivians are engaged in merchandising, usually in small facilities or as street vendors. Although many goods are available through legitimate wholesalers, a significant percentage still enters the country as contraband. Many wholesalers import directly and then distribute goods through their own retail outlets in major cities and through these informal channels. A great majority of the retail establishments are small operations, often family-owned.

Franchising

Bolivia has no specific legislation regarding franchising; however, there are clear rules governing its operation. A foreign-based company wanting to grant a specific franchise in Bolivia must first register the brand name with the office of National Intellectual Property Service (SENAPI). Once the brand name is registered, the foreign company may grant the local company a franchise through a contract specifying the terms of mutual agreement.

Franchise operations have become popular during the last five years, mostly in fast food services, delivery services, language centers, and clothing and drug stores.

Direct Marketing

Direct marketing among financial institutions is fairly well established in Bolivia. Databases for direct marketing are not freely available. Commercial information can be obtained through the local chambers of commerce, trade associations and the Commercial Section of the Embassy in La Paz.

Joint Ventures/Licensing

A joint venture in Bolivia is defined as a specific business venture carried out by two or more parties with separate legal licenses. Once the objectives are clearly defined, a contract is signed between the parties, and each party becomes liable for debts according to the percentage each owns. The separate business interests of any party are not affected by the joint venture's activities unless specifically stated. Corporations and/or individuals (foreign or domestic) may enter into joint venture agreements. While foreign companies are not required to possess a local legal license in advance, they must be able to demonstrate their legal status in their country of origin. The Investment Law governs the operations of joint ventures and its implementing regulations are laid out in Supreme Decree 22526 (June 13, 1990).

Steps to Establishing an Office

Foreign investments are welcome in Bolivia. Although there are specific laws designed to minimize the bureaucratic hurdles to establishing an office in Bolivia, we strongly suggest that companies hire the services of a local attorney to avoid unnecessary delays and pitfalls. Under Bolivia's Commercial Code, business can be conducted under the following types of business entities:

> *Stock Company or Corporation (S.A):*
> A company in which common capital consists of transferable shares. The liability of each stockholder is limited to the number of shares he has taken. The management of a corporation is the responsibility of its Board of Directors, which is made up of three to twelve directors (which may be shareholders) elected by the stockholders. Business may be conducted by one or more shareholders, or by third parties appointed for this purpose for a limited period of time as indicated in the company by-laws.

Limited Liability Company (S.R.L.):
A company in which liability of each partner is limited to the amount invested. There may be between two and 25 partners. Common capital is divided into shares, which in no case may represent ownership. Capital shares must be paid in full at the time of incorporation of the company.

General Partnership (S.C.):
Participants are partners who have both joint and individual liability.

Limited Partnership (Comandite):
A partnership consisting of one or more general partners, jointly and severally responsible as ordinary partners, and one or more limited partners who are not liable for the debts of the partnership beyond the sum contributed as capital to common stock.

Joint Stock Companies
Partners are liable for obligations as ordinary partners, whereas limited partners incur no liability beyond the number of shares subscribed.

Temporary Association for Commercial Purposes without Formal Partnership
An association in which two or more persons take interest in one or more transitory or particular operation.

Branch of a Foreign Company

Sole Proprietorship

The corporation, private company and branch are the most common vehicles for foreign investment.

Taxation on foreign companies is similar to that applied to local companies. Since 1995 all companies face a tax equal to 25% of profits. U.S. companies can use the tax paid in Bolivia as a tax credit in the United States under the worldwide income taxation system. Companies should consult a knowledgeable accounting firm in Bolivia for more detailed information.

Selling Factors/Techniques

Price competitive products from Asian countries such as Taiwan and Korea are very popular in Bolivia. Because of this, price is an important selling factor. Quality is, however, an important factor in capital goods, electronics and construction machinery. Most representatives in La Paz have small regional offices in Santa Cruz and Cochabamba. The rest of Bolivia is under-populated and does not offer an attractive market for many imported goods.

Advertising and Trade Promotion

The Bolivian advertising industry has become increasingly professional and competitive. The tremendous increase in private television ownership in recent years has prompted the industry to devote special attention to television commercial spots. La Paz remains the principal advertising center. Nine advertising agencies operate in La Paz, of which GRAMMA Ltda.; Nexus; Leo Burnett-Acresis; SMART (McCann-Ericsson), Ltda.; and J. Walter Thompson are the leaders. All nine are members of the Chamber of Advertising Agencies. The Chamber can be contacted at:

Cámara Paceña de Empresas de Publicidad, CAPEP
Calle Lisímaco Gutierrez 513
La Paz, Bolivia
Contact: Javier Garcia G. Presidente
Tel / Fax: (591-2) 241-4151
capep@mail.megalink.com

Advertising agencies usually charge a 15% commission, although this percentage is negotiable.

Radio

Radio has the largest audience of all communications media in Bolivia, reaching even the most isolated areas where electricity is not available. Radio stations are effective in reaching rural populations, particularly given the proliferation of programs in the two dominant native languages, Aymara and Quechua. Bolivia has approximately 477 radio stations.

Newspapers

Newspapers have the second largest audience of all communications media in Bolivia. The five newspapers in La Paz have a combined daily circulation of between 30,000 and 80,000 copies. The major La Paz newspapers are: *La Razon*, *La Prensa* and *El Diario*, all of which circulate nationally. The major newspapers from Santa Cruz, *El Deber* and *El Mundo*, and from Cochabamba, *Los Tiempos*, are also sold nationally.

Television

Television has become increasingly available to rural audiences. All TV stations are in private hands except for one government-owned national broadcasting station and those belonging to the major state universities. While several networks of stations broadcast common programming throughout the country, only the government station is considered to be truly “national” since it alone transmits to all areas of Bolivia. The regional television stations owned by universities and the private sector rent an interconnection system from ENTEL to broadcast nationally.

Access to cable television is still limited, serving approximately 30,000 homes in different areas of Bolivia. The two major companies are Supercanal and Multivisión. Their packages include CNN, major U.S. networks and programming from other Latin American and European countries.

The Superintendent of Telecommunications regulates the industry. The Superintendent controls the hours of broadcasting but sets no price controls on commercial time.

Market Research

Bolivia’s two major market research firms are Price Waterhouse/Lybrand and KPMG; another ten Bolivian market research firms represent other foreign consulting companies. Most of these firms also provide engineering and industry feasibility studies. All market research and consulting companies are required to register with the National Chamber of Consulting Companies. All correspondence to the association may be addressed as follows:

Cámara Nacional de Empresas Consultoras (CANEC)
Casilla 8560
Avenida 6 de Agosto 2464
Edificio Los Jardines, Oficina 5D
La Paz, Bolivia
Contact: Fernando De La Barra, President
Tel: (591-2) 244-3819; Fax: (591-2) 2443819

Pricing Products

Bolivia enjoys an open market, with the Government of Bolivia imposing price controls only on petroleum products, the price of which is set by the Superintendent of Hydrocarbons. Municipal governments set prices of some basic consumer goods, such as bread, meat, and vegetables.

Sales Service/Customer Support

The competitive advantage of U.S. products against similar European and Japanese products is in price, quality, reputation and customer support. Service and maintenance provided by local agents of U.S. companies are probably the most important competitive factor. U.S. suppliers have traditionally provided after-sales service by training their local agents.

Selling to the Government

Since 1999, the control of the most significant entities once owned by the Bolivian Government has been in private (mostly foreign) hands. Government expenditures, however, still account for a significant portion of Bolivia's GDP. The central government, the regional governments (the prefectures and municipal governments) and other government agencies remain important buyers of machinery, equipment and materials, as well as of other products and services. They are legally required to call for bids when proposed purchases are above USD 8,000. Although any local or foreign firm can present proposals for government bids, only those firms legally established under Bolivian law may sign contracts for government purchases. Bolivian regulations require that all public entities purchasing goods or contracting services must utilize the following bid methods for selection, based on the amount of the transaction:

<u>Small Purchases</u>: Each institution may purchase through a direct invitation without calling for bids if the purchase does not exceed USD 8,000.

<u>Public Bid</u>: When the purchase exceeds USD 8,000.

<u>Exceptional Contracts</u>: Purchases of national security items for the armed forces or any other products or services of national interest, with no limit in value.

Bid specifications containing technical and commercial requirements are made available through the relevant government entity and are published in the local media and at www.sicoes.gov.bo. The qualifying procedure and the awarding decision are entirely in the hands of the chief executive officer of the public entity involved. Domestic goods and services receive a 10% preference in any bidding to encourage local industrial development. Both the price and the quality of the product/service will be considered when awarding the contract.

In cases involving World Bank or Inter-American Development Bank (IDB) project, bids follow the specific rules of those institutions.

Protecting Against IPR Infringement

A foreign company wishing to protect its product, trademark or name in Bolivia must first register with the National Industrial Property Service (SENAPI, see Appendix E). Protection of intellectual property rights (IPR) in Bolivia falls short of U.S. and international standards. IPR enforcement is inconsistent at best; companies should be prepared to defend their IPR aggressively.

Need for a Local Attorney

You will need a local attorney to establish a company in Bolivia or to register a brand name with SENAPI; local legal counsel is always highly recommended when doing business in Bolivia. A complete list of patent and commercial attorneys, as well as of general practice attorneys, is available in the Commercial Library of the U.S. Embassy in La Paz and on the Embassy website at http://www.megalink.com/usemblapaz.

Performing Due Diligence/Checking Bona Fides

U.S. businesses considering exporting to or investing in Bolivia are recommended to perform due diligence on their potential clients, associates or partners. The International Company Profile (ICP) program of the U.S. Commercial Service can provide a background check on the reliability of potential clients or partners. The ICP report includes information on the company's owners, year established, size, sales, financial information and reputation in the market.

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5. LEADING SECTORS FOR U.S. EXPORTS AND INVESTMENTS

Best Prospects Non-Agricultural Goods and Services

Rank 1 -Hydrocarbons Sector (OGS)

Bolivia's natural gas reserves have increased more than ten-fold in the last five years to 60 trillion cubic feet (TCF), the second largest in South America. In addition, there are more than 477 million barrels of crude oil in proven reserves. Increased activity in the hydrocarbons sector is due to three principal events: passage of progressive hydrocarbons legislation in 1996; the capitalization/privatization of Yacimientos Petrolíferos Fiscales Bolivianos (YPFB), the state-run hydrocarbons company; and, completion of the Bolivia-Brazil pipeline in 1999. Under the new law, YPFB enters joint venture contracts for a limited period of time with private companies. YPFB also administers a General Sales Agreement (GSA) with Brazil's state-run oil company Petrobras, which calls for the sale of 7.3 TCF to Brazil through 2019, but which is currently being renegotiated.

The discovery of massive natural gas reserves in a country with very little consumption has led to the development of several interesting projects aimed at monetizing Bolivian gas. Among these projects are:

Pacific LNG
Repsol-YPF, British Gas, and British Petroleum have formed a consortium to explore the possible export of liquefied natural gas (LNG) via a Pacific port to southern California. The USD 5 billion project has the potential to project Bolivia into the world energy market. Pacific LNG hopes to deliver gas to California markets, via a re-gasification plant in Mexico, beginning in 2007.

Gas-to-liquids (GTL)
Several foreign companies have expressed interest in deploying as-yet unproven gas-to-liquids technologies to produce synthetic diesel fuel. Proposals range from a 10,000 barrel per day (bpd) plant to feed domestic demand to 50,000-100,000 bpd plants for export. Bolivian gas is uniquely suited to GTL applications due its extremely low sulfur content. Investments in GTL plants are costly, ranging between USD 400 million and 1 billion.

Petrochemicals
Brazilian oil company Petrobras has been studying the possibility of a USD 1.4 billion petrochemicals plant in Bolivia. If built, the plant would have the capacity to produce 100,000 tons of polyethylene for the Bolivian market and 500,000 tons for export to Brazil.

Fertilizers
Two groups are considering the construction of a Urea fertilizer plant on the Bolivia-Brazil border. Brazil and Bolivia are potential markets for such fertilizers.

Exploration/Drilling/Production
If new markets can be found for Bolivian natural gas, exploration and drilling will continue to be an important part of the Bolivian economy. These activities would increase demand for pipeline and drilling services.

Rank 2 - Mining Sector (MIN)

Mining remains one of Bolivia's most important sectors for development. It is estimated that only 10% of Bolivia's mineral resources have been exploited. The principal metals and industrial minerals are: gold, silver, nickel, antimony, copper, zinc, lead, tin, sulfur, potassium, lithium, borax and semi-precious stones. Mining still generates about one-fourth of Bolivia's foreign exchange (approximately USD 340 million), and some U.S. companies are either engaged in or contemplating major projects to exploit recently discovered silver, gold and zinc deposits.

The mining industry was dominated by the state for hundreds of years until the sector was opened to private investment starting in the 1980s. Lands previously held by the Bolivian Mining Corporation (COMIBOL) are open to joint venture contracts with private companies. In response to an international mining scandal, the Government of Bolivia passed Law 2400 in July 2002. This law states that judicial intervention is permitted in joint venture contracts in cases involving "bankruptcy, fraudulent bankruptcy, incompetence, or non-compliance with a contract." It is not yet known how this new law will affect private investment in the mining sector.

Historically, the Government was the main purchaser of mining equipment. Today, the private sector buys virtually all imports of mining equipment. The best immediate sales prospects for mining equipment are in supplying the needs of medium-sized open pit mines and heap leaching operations and small-/medium-sized alluvial gold mining cooperatives. For medium-sized open pit operations, the best prospects include drills used in open pit production, crushers and pulverizers, conveyors, compressors, front-loaders, bulldozers, 15- to 30-ton heavy-duty trucks, gravimetric or flotation concentrators and pumps. In the small-scale sector, the best prospects include small jack-leg drills, front-loaders, crushers, concentration tables, flotation concentrators, hand tools and explosives. New developments – particularly in southern Potosí – are promising and could lead to significant new imports of mining equipment.

Rank 3 – Textiles

Textile industries are expected to grow significantly in the next few years as a consequence of the preferential tariff treatment that was granted to textiles under the Andean Trade Program and Drug Eradication Act (ATPDEA) in August 2002. Under the program, apparel made from regional fabric may enter duty-free to the United States, subject to a cap of 2% of the volume of apparel imports into the United States. Products made from alpaca, vicuña, and llama are also exempted. ATPDEA is expected to have the effect of lowering prices of Bolivian products in the U.S. market by 17 to 20%.

A combination of high quality raw materials – such as cotton, alpaca, angora and llama fiber – coupled with low labor costs, have made Bolivian products very competitive in the international market. As this sector continues to develop, there are investment prospects for laundry, stamping, transfer and packaging machinery; synthetic fibers and threads and decorative accessories; laboratory and packaging supplies; and, equipment and design software.

Rank 4 – Forestry and wood manufactures

Half of Bolivia is covered by forests. Of the 53 million hectares of forest, only 6.9 million hectares are used under the forest concessions system. An estimated 16 million hectares of permanent forest production are expected by the year 2005. Bolivia is a leader in sustainable (or renewable) forestry, having the largest certified tropical forest in the world.

Bolivia has more than 200 varieties of wood, 172 of which are considered fine or exotic, such as moradillo, rosewood and jacaranda. Mahogany represents 77% of the total wood production, followed by oak at 8%. As mahogany is not sustainable, the Government, with the assistance of USAID, is looking into other woods that might be better exploited.

Exports have grown in recent years and currently consist mainly of furniture and parts and pieces made of wood, rather than sawn timber. Bolivian producers have a great deal of experience in finished products made of mahogany wood. In recent years, the wood industry has introduced new technology into the sawing and drying processes by acquiring modern equipment and machinery and techniques.

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6. TRADE REGULATIONS AND STANDARDS

Trade Barriers, Including Tariffs and Import Taxes

The following list describes the charges imposed on imports in Bolivia, including tariffs, domestic taxes and customs fees. Bolivian import charges, including domestic taxes (most of which are creditable) and fees, range from 30 - 45%, making the effective cost of imports considerably higher than the stated zero to 10% tariff.

The various components of the landed cost of an import to Bolivia include:

1. Cost, Insurance and Freight (CIF): the value at the border of the imported product.

2. Inspection Company Fees: As of July 1, 2003, The Bolivian Customs Office (Aduana Nacional de Bolivia) is in charge of all verifications at point of destination according to guidelines of the World Trade Organization. There is no cost for this verification; however, this might be revised in the future. Point of origin verifications are no longer required by the Bolivian Government.

3. Custom Tariff: A 10% flat rate is applied to CIF unless the product is classified as a "capital good," in which case the rate is 0% or 5%; books and publications pay only 2%. The Government of Bolivia (GOB) implemented on March 23, 2001, a new customs regulation (Supreme Decree 26110) by which all turnkey imports of equipment and machinery from countries outside the Andean region have (0) zero duty.

4. Custom Warehouse Fee: Customs warehouses are privately owned. Rates vary depending on volume.

5. Internal Revenue Service Fees: The value-added tax (IVA) is 13%; added customs fees bring the effective rate to 14.94%, which is charged on the accumulated base (items 1+2+3+4+7+8+9). This tax can later be offset against the importer's value-added tax liability upon resale. (See example under Customs Valuation).

6. Specific Consumption Tax (ICE): The ICE is charged at an additional percentage rate on the accumulated base (items 1+2+3+4+7+8+9) if the product is defined as a "luxury good." This affects such product lines as automobiles, perfumes, cosmetics, liquors, cigarettes and beer. Tax rates may be obtained at www.sidunea.aduana.gov.bo.

7. Customs Forms and Fees: There are no customs fees related to forms. The new customs entry procedures and payment of duties are performed via the Automated System Customs Data (ASYCUDA), which allows brokers and exporters to submit via Internet the customs declaration. This cost of this service is USD 1.50.

8. Customs Broker Charges: The following rates are applied to CIF for land cargo and CIF airport value for air cargo, as customs broker fees:

From USD:	1	to	10,000	–	2.00%
	10,001	to	20,000	–	1.50%
	20,001	to	30,000	–	1.25%
	30,001	to	50,000	–	1.00%
	50,001	to	100,0000	–	0.75%
	100,001	and	above	–	0.50%

In addition, customs brokers charge 17.65% on the value of their total bill to cover their own IVA tax liability.

9. Trade and Industry Associations: Such groups as the Chambers of Commerce, Industry and Construction charge an additional fee of between 0.03 and 0.04% of CIF.

Customs Valuation

The Bolivian Customs Authority has been reformed and modernized over the last several years, with help from international donors. As a result, customs procedures are almost completely automated. Local customs tariff rates may be found at the following website: www.sidunea.aduana.gov.bo.

The following is a practical example of how Bolivia import charges are imposed on an automobile with a FOB price of USD 9,000 and a CIF border value of USD 10,000:

Structure of Import Charges	
CIF border value	USD 10,000.00
Custom Tariff = 10% of USD 10,000	USD 1,000.00
Customs Warehouse = 0.5% of USD 10,000	USD 50.00
Specific Consumption Tax (ICE), Gasoline 21% of 10,338.30	USD 2,171.04
Value-added tax (VAT - 13.33%) plus fees = 14.94% of USD 10,338.30 ($10000+$1000+ $50+$50+$200+$35.30+$3)	USD 1,544.54
Customs forms	USD 50.00
Customs Broker fee = 2% of USD 10,000	USD 200.00
Customs Broker charge = 17.65% of USD 200	USD 35.30
Specific Chambers = .03% of USD 10,000	USD 30.00
Total Tariff, taxes and fees to withdraw car from customs	USD 5,080.88 (or 51% of CIF value)

The USD 1,719.75 in VAT paid by the importer reduces the importer's tax liability when the car is resold. Subtracting that amount means the actual import tariff and fees amount to USD 3,928.43 or 39.28% of the CIF value.

The Economic/Commercial Section of the U.S. Embassy in La Paz can provide a list of reliable customs brokers who can handle the related paperwork.

Import Licenses

Products requiring import licenses are firearms, munitions and explosives imported by private persons and chemical precursors that are applicable to cocaine production. A complete list of these products may be found at www.sidunea.aduana.gov.bo

Import/Export Documentation Requirements

The following documents are required for imports:

- Document Description Form (Form 135)
- Invoice
- Bill of Lading (when applicable)
- Proof of insurance
- Certificate of inspection done prior to shipment (when applicable)
- Port expenditures (when applicable)
- Transportation invoice
- Packing list
- Certificate of origin (when applicable)
- Certificates (when applicable)

If the product is imported from the Andean Community (Colombia, Venezuela, Peru and Ecuador), a certificate of origin is required to qualify for tariff preferences.

Temporary Entry

Legally established companies in Bolivia can be incorporated to the Temporary Importation for Exports Regime (RITEX) that allows the entry without import tariffs of raw materials and intermediate goods to Bolivia for their exclusive use in manufacturing processes that make products for export.

The requirements to have access to this regime are the following:

- Registration number of the commerce register issued by the National Commerce Registration Service (SENAREC)
- RUC (taxpayer) number “Registro Unico de Contribuyentes”
- RUE (taxpayer) number “Registro Unico de Exportadores”
- Original fiscal solvency certificate, emitted by the General Controller of the Republic
- Maximum percentage of raw materials and temporarily admitted food leftovers and waste
- Technical coefficients specifications, granted through experts reports
- Warehouses and/or processing units location

Labeling Requirements

Labeling requirements for food products were established in 2002. Although products normally retain their original labels, complementary labeling showing the importer or distributor’s taxpayer identification number (RUC) and translation of ingredients into the Spanish language is now required.

Standards

The Government has no specific standards required for imports. The National Certification and Standardization Organization (IBNORCA) is in charge of developing Bolivian product standards. Only specific products such as gas bottles, gasoline, etc. must comply with certain standard requirements.

Military and Other Restricted Material

A ministerial resolution from the National Defense Ministry is required to import the following: firearms, munitions, explosives, chemical precursors (applicable to cocaine production), and other chemical products. Importing firms must be registered at the Ministry of Defense.

Imports of Insecticide Products

There is no production of insecticides in Bolivia; all are imported. Major suppliers of insecticides are Argentina, Brazil, Colombia, France and the United States. Bolivia's most developed agroindustry area is located in Santa Cruz (eastern region). Prior to import or sale, all insecticide products must have a sale permit certificate granted by SENASAG (Bolivia's sanitary/phytosanitary authority) Pest and Fertilizer Division and a sanitary certificate, approved by the National Institute of Occupational Health. Both certificates will allow foreign insecticides to be freely sold in the local market.

Import Requirements and Restrictions For Tobacco and Tobacco Products

Bolivia does not impose any restrictions for the importation of tobacco and tobacco products. However, an import license is required from the Ministry of Health and the National Service for Food Safety and Security (SENASAG). The import permit must be obtained prior to shipping. Tobacco and tobacco products are also considered luxury items, which means the specific consumption tax (ICE) is applied as well as an additional import tax of 50% *ad valorem*.

Import Regulations for Used/Refurbished Medical Equipment

The Government of Bolivia does not impose restrictions on the importation of any kind of used/refurbished equipment into Bolivia. All imports of used equipment are treated the same as new.

Products pay the respective customs tariff, as if new, which is 10% of the CIF price, plus other taxes and duties, which amounts to about 28% of the CIF value. Products that are classified as a "capital good" pay a duty rate of only 5%. While most industrial equipment falls into this category, medical equipment does not.

The market for used medical equipment has always been open for U.S. products. In fact, a number of small businesses are looking for suppliers of used/refurbished equipment because they find U.S products more attractive for reasons of quality, easy access to spare parts and quick maintenance if required.

Public health institutions can buy used or refurbished medical devices. To do so, they normally call for public bids with a deadline of 30 to 45 days to present proposals. Consequently, it is advantageous for U.S. companies to have a local representative to keep them abreast of new projects in the public sector.

There have been special preferences for used/refurbished medical equipment, such as medical diagnostic systems, optical instruments, anesthesia apparatus, operating room furniture, patient room furniture, other hospital furniture, and surgical instruments and apparatus.

Import Regulations In Bolivia Concerning Seeds Either Treated Or Non-Treated

All products or sub-products of vegetable origin must obtain a certificate granted by the National Service for Food Safety and Security (SENASAG). The imported seed must, whatever the variety, have a phytosanitary certificate issued by the agricultural authorities of the country of origin. The Bolivian importer must present the phytosanitary certificate of the country of origin, certified by a Bolivian Consulate. This certificate must be presented before the customs authorities at the port of entry. The importer must inform the customs authorities of the arrival date of the seeds at least one week in advance. The seeds must be placed in an adequate warehouse for inspection by Bolivian agricultural authorities. The inspection must take place before the seeds are sold or used directly by the importer. The seeds must comply with the required quality and phytosanitary requirements of the National Seed Program and SENASAG respectively before the seeds can be marketed.

Used Clothing

Import permits from the Vice Ministry of Industry and Commerce are required for used clothing and rags. There are restrictions for used clothing without a sanitary certificate (fumigation) from the proper health authorities in the exporting country (except in personal baggage). And there is a total prohibition for the importation of used hats, shoes, underwear and lingerie. The permit must be obtained prior to shipping.

There are no other special non-tariff requirements that affect the import of used goods. The import of “transformed” cars (modified to make them left-hand drive) from Japan and other right-hand drive countries was banned as of 1998.

Bolivian Registration Requirements for Pharmaceuticals

Pharmaceutical products must be approved under World Health Organization guidelines and registered with the Vice Ministry of Health. The Bolivian pharmaceutical market is open to imports and domestic production. However, prior to fabrication, importation, exportation, or sale and marketing locally, all pharmaceutical products, both generic and brand name, including over-the-counter drugs, must have a sanitary registration, as established by Pharmaceutical Law 1737 and its regulations. Also, pharmaceutical products must be approved by the National Pharmacology Directorate of the National Secretariat of Health. The Secretariat will grant a sale permit certificate to foreign products that are FDA approved in the U.S. We recommend including FDA permission, if available, in the application package.

The Pharmacology Directorate requires a copy of the monograph for each new product, except for essential pharmaceutical products. This monograph must include the quantitative formula specifying active ingredients, pharmaceutical formula, recommended dosage, expected product benefits and possible side effects. Three samples of the product, as sold to the public, must be provided so the National Laboratory (INLASA) can verify its contents. The Directorate requires that products comply with regulations of the World Health Organization and the Pan-American Health Organization.

The Directorate takes an average 6 to 12 months to review new products and only one month for essential products. Its full address is as follows:

Ministerio de Salud y Deportes
Direccion Nacional de Medicamentos
Capitan Ravelo 2199
La Paz, Bolivia
Tel.: (591-2) 2440122
Fax: (591-2) 2440122
www.sns.gov.bo

If the product contains drugs that are covered by the Vienna Convention, a special import permit must be obtained from the Ministry of Health. An imported product can be sold via established agents or distributors or through a subsidiary. It is easier to market the product through an agent or representative because they normally have easier access to the Directorate for Registration. If registration is done by an agent or representative, it is mandated by law that they have the exclusive right to import and they become the legal representative in Bolivia.

Establishing a subsidiary can prove to be a difficult process taking four to eight months. The company's statutes must be notarized and then published in a local newspaper. Approval to operate must then be obtained from the Internal Revenue Office, the Secretary of Industry and Commerce, and the local municipality.

In order to import, produce or distribute pharmaceuticals, the company must also be registered with the Secretariat of Health. Registration fees are 5,000 bolivianos (or Bs., approx. USD 690) for manufacturers and importers and Bs.1,000 (approx. USD 138) for distributors. This registration process takes from 10 days to one month after the subsidiary has been established.

Brand names must also be registered with the National Intellectual Property Service at the following address:

Servicio Nacional de Propiedad Intelectual
Av. Camacho esq. Bueno, No. 1488
La Paz, Bolivia
Tel.: 591-2-237-2047; Fax: 2372047
www.senapi.gov.bo
senapi@ceibo.entelnet.bo

US firms should note that Bolivia does not currently have a law prohibiting copycat registration of pharmaceutical products, though one is in development. As such, firms may experience difficulties protecting their intellectual property rights on these products.

Import Requirements for Fishery Products

A sanitary health certificate is required for entry of imports of perishable products, such as seafood products. There are other technical requirements, such as product specification standards and labeling and marking standards. The competent authority in Bolivia to contact for public health concerns of imported fishery products is:

Ministerio de Asuntos Campesinos, Indígenas y Agropecuarios
Dirección General de Agricultura, Ganadería, Acuicultura y Pesca
Contact: Lic. Juan José Castro
Tel.: (591-2) 2129739; Fax: (591-2) 2203185
E-mail: jcastro@acelerate.com or jjcastroguzman@hotmail.com

Current sanitary importation regulations for fishery products are available from the following office divisions of the above Ministry:

Servicio Nacional de Sanidad Agropecuaria e
Inocuidad Alimentaria (SENASAG)
Trinidad
Contact: Dr. Eduardo Alí Jimenez
Tel.: (591-3) 462-8107; Fax: (591-3) 465-2177
E-mail: senasagdir@hotmail.com

La Paz
Contact: Edgar García
Tel./Fax: (591-2) 214-1266

Duties/Taxes and Customs Procedures for Information Technology Products

Any information technology product in Bolivia has a flat tariff rate of 10% *ad valorem*; however, VAT taxes and others increase the value of the total duty to 28% of the total value of the product. Whether a personal computer is purchased as a system or as individual components, duties/taxes are assessed the same for both. Business travelers may enter a portable computer into Bolivia as a tool of trade without payment of duties/ taxes, and the computer may contain encrypted software. This item must be declared in the Customs Form submitted to Customs upon arrival to the country.

Duties and taxes on software are assessed on the commercial invoice.

If updates are sent at a later date, duty and taxes must be paid by the purchaser based on the price of the updates only. Consequently, only the price of the update should be shown in the commercial invoice. Duties and taxes are levied on the *ad valorem* price. No withholding or other taxes are applied on software licenses. Services related to the sale of software are taxed at 16% value added tax and 3% transaction tax making a total of 19% on the total income.

U.S. information technology providers are permitted to send personnel into Bolivia to set up hardware/software related items. No special work visas or professional certifications are required if the residence will not exceed three months.

No import duties and taxes are applied, for the time being, to software delivered to the end-user over the Internet. It is expected, however, that this issue will be included in the IPR legislation pending before the Bolivian Congress.

If software is sent to a distributor, duties and taxes must be applied. This generally makes the product more expensive because the distributor's commission will be included in the price. Duties and taxes will then be applied on the combination of the medium and the intellectual property.

Customs Procedures

The tangible importation of software are requires documentation as follows: (1) commercial invoice and (2) freight and insurance costs. For the time being, no document requirements apply to the import of digital products over the Internet.

The importation of remanufactured parts for photocopiers, fax machines, laser printers and toner cartridges is permitted. When any of the above is refurbished, it requires a special label stating that the equipment has been refurbished. The real value should be shown in the invoice, and duties and taxes are assessed on the *ad valorem* price.

Duties and taxes on the re-import of repaired computer equipment are assessed on the repair or refurbished price. The commercial invoice should show only the repair or refurbished price.

Export Controls

To become a legal exporter from Bolivia, the interested company must obtain a legal solicitorship. Once the solicitorship is obtained, the local company must register with SIVEX (Sistema de Ventanilla Unica del Exportador), the Exporter's "one-stop" system at the Vice Ministry of Industry and Commerce and Exports of the Ministry of Economic Development.

In order to export, the exporter must first present the following documents: a commercial invoice and a packing list. Next, Customs issues an exporter's bond. If the exported product is animal or vegetable, a sanitary certificate must be obtained from the Vice Ministry of Agriculture and Livestock.

SIVEX then grants the certificate of origin, which makes the exporter eligible for duty-free treatment in countries offering Bolivia duty-free benefits.

Special Documentation

- *Sanitary and Purity Certificates for Livestock*: Certificates of origin indicating the livestock's state of health are required for the import of live animals. Purebred livestock imported for breeding purposes also require a pedigree certificate. Live plants and all seeds require sanitary certificates.

- *Certificate of Analysis for Pharmaceutical Products*: Pharmaceuticals are subject to strict quality control regulations. A certificate of analysis in Spanish, which may be issued by a reliable manufacturer, must accompany imports. This certificate must include expiration dates. The FDA certificate fulfills the requirements of Bolivian authorities.

- *Product Labels for Pharmaceutical Products*: Labels on pharmaceutical products should be in Spanish. In addition, pharmaceuticals must be registered with the Vice Ministry of Health before they are imported.

- *Sale Permit Certificate for Insecticides*: Prior to import or sale, all insecticides must be approved by the Viceministry of Agriculture and Livestock (VMAG). The VMAG will issue a sale permit certificate for products previously approved in their country of origin.

- *Sanitary Certificate for Food Products*: Food shipments require a sanitary certificate issued by the pertinent authority of the exporting country – e.g., from the U.S. Department of Agriculture. Foodstuffs may be subject to analysis by an official entity in Bolivia, and most food and beverage labels must be registered in Bolivia. Exporters are encouraged to check with importers regarding relevant policies prior to shipment.

For specific information regarding existing foreign agricultural standards and testing, packaging, and certification systems, please contact:

Technical Office for International Trade
U.S. Department of Agriculture
Building 1072, Barc-East
Beltsville, MD 20705
Tel: 301/344-2651

For more information on procedures relating to animals and plants, and their by-products, please contact:

Animal and Plant Health Inspection Service (APHIS)
U.S. Department of Agriculture
6505 Beltcrest Road
Hyattsville, MD 20782
Tel: 301/436-8590 (Veterinary Services); 301/436-8537 (Plant Inspection)

APHIS maintains a service office in the U.S. Embassy in Santiago, Chile (Tel: 56-2-330-3480); Fax: 56-2-335-6442).

Air Cargo

Air cargo shipments require airway bills instead of bills of lading. Follow IATA or ICAO rules governing labeling and packaging of dangerous and restricted goods. Check with your air carrier for further information and the appropriate forms.

Parcel Post

An authorized customs broker must intervene for parcel post shipments valued at over USD 100. A private person may receive parcel post valued up to USD 100 without the intervention of a customs broker just by filling out a customs form at the post office.

Entry and Warehousing

Bolivia is a landlocked country that uses ports of entry in Chile, Peru, Brazil, Argentina, Paraguay and Uruguay (by river) through free transit agreements with these countries. Arica (Chile) is generally considered to be the best port of entry. Other main ports are Antofagasta (Chile); Matarani and Ilo (Peru); Santos (Brazil); and Rosario (Argentina). Bolivian customs maintains warehousing facilities in each of these ports, where incoming goods may be stored for 90 days. The charge for customs storage is 0.5% of CIF for each 30-day period or fraction thereof. Once clearing documents are signed, goods must be removed from storage within eight days to avoid an additional charge of 2% of CIF.

Imported merchandise may be considered abandoned either by an explicit request or by failure to claim it within the required 90 days. By law such goods are subject to public auction, the proceeds of which go to the interested party after expenses are deducted.

If importers wish to remove their merchandise after the 90-day period but before the auction takes place, they must pay a 5% charge over the customs tariff plus 2% of CIF. Due to the expense and time involved in reshipment, U.S. exporters usually prefer to sell refused goods in Bolivia.

Prohibited Imports

Prohibited items for import include:

- Firearms and other weapons without special permission from the Ministry of Defense;
- Pharmaceuticals and drugs not registered in the country;
- Spoiled or adulterated beverages and food products, or products that contain noxious substances;
- Selected liquors, such as pisco and similar products;
- Diseased animals;
- Plants, fruits, seeds and other vegetables that contain parasites and germs or plants that are declared harmful by the Vice Ministry of Agriculture;
- Foreign lottery bills;
- Advertisements imitating money or bank certificates, postage stamps and other government-valued papers;
- Pornographic books, booklets, paintings, engravings, figures and other obscene objects;
- Roulette machines and devices used for gambling;
- Merchandise with the same registered trademark as a product made in Bolivia;
- Used clothing without a sanitary certificate from the country of origin (except in personal baggage);
- Used hats, shoes and lingerie (except in personal baggage);
- Vicuña skins, hair and products; and
- Certain chemical products without the proper import permit.

Free Trade Zones/Warehouses

Bolivia has established nine Free Trade Zones (FTZ), six of which are now in full operation:

1. El Alto (serving La Paz)
2. Puerto Aguirre (near Puerto Suarez, on the border with Brazil)
3. Cochabamba
4. Santa Cruz
5. Oruro
6. Desaguadero (near La Paz, on the border with Peru)

Two others – in San Matias in the Department of Santa Cruz and Guayaramerin in the Department of Beni – are not yet fully operational. Another – Cobija, in northern Bolivia – has not proven to be attractive to investors because of the lack of roads and other basic infrastructure.

Bolivian FTZs are regulated by the National Council of Free Trade Zones (CONZOF), which was created by the 1990 Investment Law. FTZs are operated by private companies selected by the Government through public bids. There are special procedures that must be followed to obtain approval to operate in these zones. Export processing zones have up to 180 days duty-free treatment (RITEX) to assemble kits and produce parts for re-export.

Special Import Provisions

Samples and advertising materials are usually subject to regular duty rates, except those articles specifically prepared as samples – for example, shoes cut in half, small patches of fabric and pharmaceutical products and liquors contained in small bottles clearly marked “free sample” (“muestra gratuita”). If commercial samples do not exceed USD 25 in value, they do not require commercial invoices.

Duty Exemptions and Reductions

Either exemptions or reductions in duties are permitted for:

- Imports made under current international agreements and government contracts;
- Imports under intra-regional agreements that specifically provide for duty exemptions;
- Imports made by the diplomatic and consular corps;
- Travelers’ personal effects not exceeding USD 300; and,
- Imports of gold, except jewelry.

Membership in Free Trade Arrangements

Bolivia signed a Free Trade Agreement with MERCOSUR (Brazil, Argentina, Paraguay, Uruguay and Chile), which became effective on March 1, 1997. Under the Agreement, Bolivia became an associate member of MERCOSUR, just as Chile is. In March 1997 more than 30% of all products traded between Bolivia and the four full MERCOSUR members became tariff-free, and the vast majority of the remainder will enjoy zero tariffs after ten years. (Some sensitive products will not become tariff free for up to 18 years.)

Bolivia is also a member of the Andean Community (with Colombia, Venezuela, Ecuador and Peru), which has reduced significantly most internal trade barriers. Bolivia has signed Bilateral Trade Agreements with some South American countries that eliminate or reduce tariffs on explicit lists of products. Bolivia signed a free trade agreement with Mexico in September 1994. The European Union, Japan and the United States allow most Bolivian exports to enter their markets at either duty-free or reduced duty rates. Bolivia acceded to the GATT in 1989 and ratified its membership in September 1990. The Bolivian Congress subsequently ratified Bolivia’s membership in the World Trade Organization (WTO) in 1995.

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7. INVESTMENT CLIMATE

Openness to Foreign Investment

Once macroeconomic stability was achieved in 1986, five successive Bolivian governments have avidly sought to attract foreign investors to augment the country's asset base. These governments have been aware that large infusions of foreign direct investment are necessary – but not sufficient – if Bolivia is to achieve significant per capita growth. The Capitalization Program (Bolivia's version of privatization) was the centerpiece of the investment strategy of the Sanchez de Lozada administration (1993-1997). During the last decade, investments in hydrocarbons and, to a lesser extent, telecommunications have been the main areas of concentration.

Foreign ownership is allowed virtually throughout the economy, with no requirement to register foreign direct investment separately. The Bolivian Constitution restricts investments by foreigners in operations along the border areas, unless the investment or project is declared of national interest. Foreign investment is neither screened nor treated in a discriminatory manner. There are no registration requirements for foreign direct investors in Bolivia or any special incentives for domestic or foreign investment.

Since 1990 successive governments have passed laws that set clear "rules of the game" governing private investment of all types and sectors, though opposition groups frequently call for often radical changes to laws affecting investors. In addition, investments often do not receive the full protection offered by law due to sometimes inconsistent and arbitrary decisions by regulators, an easily corrupted and influenced justice system that can deny legal due process, and arbitrarily unfavorable interpretations of laws and regulations by government officials.

The Investment Law (Law 1182, 1990) guarantees foreign investors will receive national treatment, have access to free currency conversion, and enjoy unrestricted remittances the right to international arbitration in most industries.

Laws governing activities in the mining (Law 1777, 1997) and hydrocarbon (Law 1689, 1996) sectors authorized joint ventures with state-owned corporations and modified the tax system to allow foreign firms paying taxes in Bolivia to obtain foreign tax credits in their home countries. The Mining Law also allows foreign firms to operate within 50 kilometers of international borders through joint ventures or service contracts with the Bolivian Mining Corporation (COMIBOL), with the exception of firms that are residents of the country adjacent to the affected border. The Hydrocarbons Law mandates settlement of disputes through arbitration. The Arbitration and Conciliation Law (Law 1770, 1997) provided procedures and enforcement mechanisms for international arbitration.

The Banking Law (Law 1488, 1993) established regulations for new activities such as factoring, leasing and foreign currency hedging. It also authorized banks to maintain accounts in foreign currencies, clearly a popular development as over 96 percent of all deposits in the Bolivian banking system today are denominated in U.S. dollars or held in dollar-pegged accounts. The Banking Law also clarified the roles of the Central Bank and the Superintendent of Banks and redefined capital and reserve requirements.

Bolivia has no laws that directly regulate competition, such as anti-trust laws in the United States. Instead, articles regulating unfair competition are scattered throughout the country's laws governing activity in the various economic sectors. Although, the capitalization program created five temporary monopolies under private control in the hydrocarbons, transportation and electricity sectors, the last of these administrative contracts expired by the end of 2002.

The Government of Bolivia created the Sectoral Regulatory System (SIRESE) to balance the potential market power of the mentioned monopolies. SIRESE is an autonomous regulatory body made up of a General Superintendent and five Superintendents, who regulate many aspects of business in the telecommunications, electricity, transport, hydrocarbons and water sectors. Prices of most public utilities are reviewed and approved by the respective Superintendent. Market forces largely set prices, though where necessary a regulated price is established through relatively transparent procedures and formulas. The exception to this is potable water and garbage collection, where municipalities set the local rates.

Most hydrocarbons exploration activity is carried out via joint venture contracts, which is administered by Yacimientos Petroliferos Fiscales Bolivianos (YPFB, the Bolivian state hydrocarbons company). Although most of the mines currently owned by the state-run Bolivian Mining Corporation (COMIBOL) cannot be purchased outright, as stipulated by the Bolivian Constitution, they can be operated by private operators in a joint venture or under a leasing contract with COMIBOL.

The Agrarian Law (Law 1715, 1996) set out the rights and obligations of land ownership; incorporated the concept of sustainable development; established a new institutional framework for the development of land use; and created an independent Agrarian Superintendent to administer the law's provisions. A definitive registry of land titles – essential to the provision of credit – continues to be compiled.

Foreign firms are able to participate in government research programs, although few if any programs exist. Work permit, visa and residence requirements are non-discriminatory.

The government sets a minimum monthly wage each year; currently it is about USD 60, although nearly all workers in the formal private sector earn more than the minimum wage. On average, factory workers earn the equivalent of USD 100 per month plus benefits. The hydrocarbons sector has the highest paying jobs at USD 400 monthly.

Although some bureaucratic procedures have been reduced, plenty of red tape and archaic policies remain at all levels of the Bolivian Government. The last two administrations worked to "de-bureaucratize" the government, with modest success at best. Public sector corruption also remains a major challenge, with firms sometimes asked for bribes by public officials to speed up bureaucratic procedures or to avoid unpleasant, adverse actions.

Conversion and Transfer Policies

There is free currency conversion at local banks and exchange houses. The official exchange rate is set by a daily auction of dollars managed by the Central Bank. The Central Bank offers a given amount of U.S. dollars each day but sets an undisclosed minimum floor price. In this way, the Central Bank has, since 1985, managed a steady depreciation of the local currency, the Boliviano, in line with the rate of inflation and competitive devaluations of trade partners. The parallel rate has tracked the official rate closely, suggesting that the market finds the Central

Bank's policy acceptable. Over last five years, the Central Bank has tried to further encourage greater use of domestic currency in the banking system, with only limited success. Nevertheless, there are no restrictions on any kind of remittances or currency transfers.

Expropriation and Compensation

Article 22 of the Bolivian Constitution provides that property may be expropriated for the public good or when the property does not fulfill a "social purpose;" it also stipulates that just compensation must be provided. The Mining and Hydrocarbons Laws provide the means to expropriate land needed to develop the underlying concession.

A significant expropriation in Bolivia occurred in 1969, when the Government nationalized petroleum concessions granted to the local branch of Gulf Oil. Although the compensation agreement allowed for a 30-year payment period, the entire compensation due to Gulf Oil was paid off in seven years.

An additional incident occurred in 2000 that involved the cancellation by the GOB of a water concession in the city of Cochabamba, an action that meets the definition of an expropriation. In 1997, the GOB issued an international bidding process to call for tenders to privatize Cochabamba's water company (SEMAPA). Although the concession contract was awarded in April 1999 to Aguas del Tunari – an international consortium lead by International Water Limited/Bechtel – the water regulator revoked the contract after violent protests in Cochabamba during March and April of 2000. In early 2002, Bechtel and GOB submitted the case to the International Center for Settlement of Investment Disputes (ICSID) in New York, where arbitration procedures continue.

Dispute Settlement

Property and contractual rights may be enforced in Bolivian courts, but the legal process at best is time-consuming and at worst can be subject to political influences and pervasive corruption. For that reason, the National Chamber of Commerce – with assistance from the U.S. Agency for International Development – has established a local Arbitration Tribunal. The Investment Law provides that investors may submit their differences to arbitration in accordance with the constitution and international norms. The U.S.-Bolivia Bilateral Investment Treaty (BIT) signed on June 7, 2001 extended these rights even further for U.S. investors.

The Bolivian Government accepts binding international arbitration in all sectors. The 1997 Arbitration and Conciliation Law created an alternative means by which businesses can resolve commercial legal disputes and provided a more comprehensive framework for national and international arbitration. This law stated that international agreements, such as the New York Convention of 1958 on the Recognition and Enforcement of Foreign Arbitrage Awards, must be honored. It also mandated the recognition of foreign decisions and awards and established procedures for the Supreme Court to execute any such decision/award.

There are a number of efforts under way to reform and improve Bolivia's justice system, which are beginning to bear fruit in some regional courts. However, entrenched interests continue to resist the implementation of many reforms. We note that the decisions of the Supreme Court in the past have been influenced by outside factors, throwing into doubt any ability to enforce these decisions effectively.

Nevertheless, the Bolivian Supreme Court has rendered decisions that have been fair and have benefited U.S. companies. However, neither Bolivian nor foreign companies can yet rely on the judicial system to enforce contracts or administer other forms of fair and impartial justice. It is highly recommended that U.S. companies include an international arbitration clause in all contracts with Bolivian private and public entities.

Bolivia has a Commercial Code (Decree Law 14379, 1977) whose roots date from 1939. Although many of its provisions have been modified and supplanted by other specific laws, the Commercial Code continues to serve as general regulation for commercial activities. Bolivia has no Bankruptcy Law although the new administration has submitted a corporate restructuring and bankruptcy regulation bills to the Bolivian Congress in 2003.

Performance Requirements/Incentives

The Bolivian Government does not impose any performance requirements as conditions for establishing, maintaining or expanding business establishment. Nor does it provide tax or investment incentives that discriminate against foreign investors.

Right to Private Ownership and Establishment

Foreign and domestic entities share the same rights to establish, acquire and dispose of interests in business enterprises, as well as to engage in remunerative activity. All private enterprises enjoy the same access to markets, credit, licenses and supplies as public enterprises, given the exceptions noted above regarding the legal sanctioning of temporary monopolies.

Protection of Property Rights

In general, Bolivian law guarantees property rights. Both chattel and real property rights are recognized, though not consistently enforced. The Office of Property Registry provides a means to protect and facilitate acquisition and disposition of property rights for land, real estate and mortgages. Mortgages exist and can be obtained through the local financial system.

Successive administrations have sought to improve the enforcement of private property rights with varying degrees of success. The first Sanchez de Lozada Administration (1993-1997) enacted the Agrarian Law to reform the National Service of Agrarian Reform and the Institute of Colonization, both of which handled land registry. Despite these reform efforts, challenges to land titles are common and an adequate system for title searches is lacking. Competing claims to land titles and the absence of a reliable legal process to resolve land title disputes creates risk and uncertainty in real property acquisition. By 2002, there were several allegations of corruption against the National Institute of Land Reform (INRA), the land-titling agency. Illegal squatting on private, rural properties is an ongoing, serious problem.

Intellectual Property Rights

Bolivia’s existing legislation governing protection of intellectual property rights (IPR) is insufficient, and enforcement efforts have been sporadic and largely ineffective. Piracy rates of videos, sound recordings, and software remain among the highest in Latin America. The only way one can currently attempt effective protection of trademarks or other intellectual property is to hire a local attorney to initiate a civil court action against offenders. The 1992 Copyright Law recognizes copyright infringement as a public offense, and in May 2001 the new Bolivian

Criminal Procedures Code began to provide for the criminal prosecution of IPR violations. However, laws are largely not enforced and U.S. firms have had little success in getting justice in this area from Bolivian courts.

The Government is undertaking halting steps to modernize both its legislation and its enforcement capabilities regarding the protection of IPR. During 2000-2001, the Ministry of Justice completed a draft IPR reform law that was submitted to Congress for ratification. However, as of July 2003, the Congress has yet to approve it. As Bolivia is a member of the Andean Community (CAN), CAN decisions – specifically CAN Decision 486 on IPR – should take legal precedence over Bolivia's national IPR-related laws. As of July 2003, the Bolivian Senate has not yet ratified the Patent Cooperation Treaty (PCT), a worldwide treaty that provides reciprocal treatment for patents.

In early 1999, the Bolivian Government established an independent National Intellectual Property Rights Service (SENAPI), uniting under one authority the previously disparate offices in charge of enforcing industrial property rights and copyrights. In May 1998, the Government enacted Supreme Decree 25055, which establishes general guidelines for SENAPI. This effort has brought new coherency to government efforts to protect IPR effectively. Bolivia has joined the World Intellectual Property Organization, and Congress approved accession to the Paris, Geneva and Bern Conventions.

The Bolivian Copyright Law (Law 1322, 1992) provides IPR protection for literary, artistic and scientific works for the lifetime of the author plus 50 years. It protects the rights of Bolivian authors, of foreign authors domiciled in Bolivia, and of foreign authors published for the first time in Bolivia. Foreigners not domiciled in Bolivia enjoy protection under the Copyright Law to the extent provided in international conventions and treaties to which Bolivia is a party. Bolivian copyright protection includes the exclusive right to copy or reproduce work; to revise, adapt or prepare derivative works; to distribute copies of the work; and to communicate the work publicly.

Although the exclusive right to translate the work is not explicitly granted in the law, it does prevent unauthorized adaptation, transformation, modification and editing. The law also provides protection for software and databases.

The Bolivian Film and Video Law (Law 1302,1991) also contains elements of IPR protection. The law created the National Movie Council (CONACINE) in order to coordinate, control and carry out various activities related to the movie industry. The law also requires that all films and videos shown or distributed in Bolivia be registered with CONACINE.

Television stations have been among the worst IPR violators in Bolivia, often not paying rights to broadcast TV programs. The Superintendent of Telecommunications has implemented some measures designed to ensure that only licensed material is televised, but these actions have been limited, and TV piracy continues to thrive.

Presently, patent registration applications are reviewed by clerks for form rather than for substance. A notice of the proposed patent registration is then published in the Official Gazette. If there are no objections within 50 days, a patent is granted for a period of 15 years. The patent must be used in Bolivia within two years to preserve its validity.

The registration of trademarks parallels that of patents, except that the period for objections to a trademark registration is 18 months after publication. Once obtained, a trademark is valid for a 10-year period and is renewable. It becomes null if not used over an 18-month period.

While there had been a significant backlog in patent and trademark registrations until February 2002, with some applications dating back to as far as 1996, SENAPI made quick progress in 2002 with under a new director, registering about 5600 trademarks. Nevertheless, SENAPI still lacks qualified technical personnel, and lacks the institutional capacity to effectively enforce IPR laws and regulations. During 2003, USAID, through its competitiveness program, is supporting the non-political process of SENAPI's institutionalization for its development and improvement.

There are presently no laws protecting trade secrets.

Transparency of the Regulatory System

The Sectoral Regulation System (SIRESE) was established in October 1994 to control and supervise the activities pertaining to electricity, telecommunications, hydrocarbons, transportation and water sectors. A group of individual laws formed the legal framework for the capitalization of various formerly state-owned entities. The Electricity Law (Law 1604, 1994), the Telecommunications Law (Law 1632, 1995) and the Hydrocarbons Law (Law 1689, 1996) defined the characteristics and functions of their respective superintendents.

The five superintendencies, each headed by a separate superintendent, are autonomous institutions whose activities are financed through the assessment of percentage fees on firms operating in their respective sectors. The General Superintendent, whose office is empowered to hear appeals of any decision by a superintendent, heads SIRESE. Concessions of public services and licenses are granted by administrative resolution issued by the respective superintendent.

The SIRESE Law (Law 1600, 1994) establishes general principles governing anti-competitive practices. Specifically, companies engaged in regulated activities are forbidden from participating in agreements, contracts, decisions and/or practices whose purpose or effect is to hinder, restrict or distort free competition.

A similar system has just been created for the financial sector. However, several laws have changed its structure over last five years. Most recently, the "Bonosol Law" and Supreme Decree 27026, enacted on May 6, 2003, had re-established attributions for the General Superintendent of SIREFI and its Superintendencies.

The Bolivian Congress approved in April 2002 a new Administrative Procedures Law (Law 2341, 2002) designed to enhance public participation in the rulemaking process and strengthen the administration of public agencies. Although important provisions of the original bill were deleted in the final law, it represents a step forward in improving Bolivia's administrative system.

Efficient Capital Markets and Portfolio Investment

Historically, Bolivian commercial banks were closely held operations that lent only to persons or firms well known to the bank. Banks today are under increasing pressure from new foreign entrants to the market to reform their in-house procedures. As a result, Bolivian bankers are slowly developing in-house capabilities to adjudicate credit risk and to evaluate expected rates of return according to international norms.

In the interim, foreign investors may find it difficult to qualify for loans from local banks due to the requirement that domestic loans be made only against domestic collateral. However, the

Superintendency of Banks issued new regulations designed to facilitate bank lending to companies based on a cash flow analysis. Since commercial credit is generally extended on a short-term basis at high interest rates, most foreign investors prefer to obtain credit from foreign sources.

Another option available to established Bolivian companies is the issuance of short- or medium-term debt in the local stock market. Currently, the principal activity of the exchange is to provide a secondary market for Central Bank certificates of deposit. The Bolivian stock market seeks, however, to increase its handling of local corporate bond issues, and the passage of the Securities Law (Law 1834, 1998) provides the groundwork for creating a truly modern exchange. The Securities Law also established a securities commission that has already approved the establishment of several Bolivian mutual funds. Several Bolivian companies and some foreign companies have been able to raise significant amounts of funding from the Bolivian capital market over the last three years.

Unfortunately, few local companies issue stock, making the choices for these funds quite limited. Although most accounting regulation follows international principles, Bolivian accounting procedures and reports do not yet conform to world standards. It is common for Bolivian firms to maintain various sets of books: one set for the tax authorities; another for its bankers; and another for the management's own use.

The Banking Law (Law 1488,1993) was a first step towards modernizing the Bolivian banking system. This law addresses such emerging areas as establishing rules governing factoring and leasing and set parameters for bank holding companies. The Central Bank Law (Law 1670, 1995) refined the Central Bank's authority over the banking sector, setting higher reserve requirements and eliminating the insider lending that has led to the collapse of many Bolivian banks.

After the Banzer/Quiroga Administration (1997-2002) enacted additional changes to the regulatory financial framework such as the Law of Property and Popular Credit (Law 1834, 1998), the new Sanchez de Lozada Administration enacted the "Bonosol Law" (Law 2427, 2002) and the Supreme Decree 27026, which partially modified the regulatory system governing the banking and financial regulatory framework.

Commercial banks dominate the Bolivian financial system, though the largest bank – with total equity of approximately USD 100 million as of December 2002 – is not large by international standards.

As a result of the economic downturn, most bank indicators worsened over last four years. Banks' portfolios significantly decreased from USD 4,053 million in 1999 to USD 2,642 million as of May 2003. Deposits have fallen by USD 494 million so far during 2002, from USD 3,621 million to USD 3,127 million as of December 2002 and to USD 3,024 as of May 2003. Liabilities with foreign creditors decreased from USD 358.2 million in December 2001 to USD 289.1 million as of December 2002 and to USD 127 million as of May 2003.

The portfolio of loans in arrears increased significantly from around 11.6 percent at the end of 2000 to 19.9 percent as of May 2003. During 1999 and 2001 the economic crisis was reflected in rising indebtedness rates. As a result, bank managers have reacted by conducting financial operations more carefully and closely following strict and prudential norms. Private Corporations have bitterly complained about prudential regulations and forced the last two administrations to easy credit eligibility and establish debt-restructuring schemes.

Nevertheless there is a body of financial regulation that establishes some limits in order to promote stability for shareholders and prevent conflicts of interest. Regulations also restrict financial transactions for managers and senior managers.

The securities regulator is in the process of drafting several regulations that will prevent hostile takeovers and to protect minority shareholders. There are no regulations that limit foreign investment or participation in or control of domestic enterprises.

Political Violence

Bolivia is prone to periods of social unrest that can often turn violent and disrupt the transportation of people and goods on the country's principal highways. In March-April 2000, violent protests against foreign investment in the municipal water system of Cochabamba ultimately spread throughout the country in the form of roadblocks and demonstrations. Roadblocks were even more serious in September/October 2000, when rural indigenous groups, illegal coca growers, and a variety of labor and social movements coalesced in opposition to Government of Bolivia policies. Concessions by the Government ended those protests, but not before the roadblocks had caused serious economic hardship and disrupted Bolivian exports. Less serious but also disruptive and violent social protests occurred in July and October-November 2001 and January-February 2002.

Under the current Sanchez de Lozada administration, violent roadblocks led by illegal coca growers in the Chapare region in January 2003 were eventually controlled. In the most serious recent threat to democracy, units of the National Police mutinied against the Government in February 2003. Spurred on by a Government proposal to create an income tax, mutinous police units fought loyal military units, and, with the police absent, rioters subsequently looted and burned various government buildings and private businesses. Though order was restored within 36-hours with minimal damage to U.S.-linked companies, the death toll in La Paz was over 30.

The Movement Toward Socialism (MAS), a political movement based on the illegal-coca farmers in Cochabamba Department, gained 21 percent of the national vote in June 2002 national elections; this same movement often foregoes representative politics to pursue its demands through violent protest, such as the aforementioned roadblocks.

Corruption

Bolivia has a significant corruption problem in both the public sector and in many other non-governmental institutions. This corruption misuses resources originally allocated to fight poverty and holds back economic development. Since officials accused of acts of corruption are almost never punished, the public's distrust of the political system is high. In an attempt to control the root causes of corruption, the Bolivian Government during the last decades has implemented several reforms and measures to modernize the State, improve existing legislation, and increase citizen participation within the framework of a new state/society relationship of mutual responsibility.

Within this context, several laws were passed, including the Financial Administration and Control Law (SAFCO) law, the State Employees Statute Act, and the Sworn Declaration of Property and Income Law *(Declaración Jurada de Bienes y Rentas)*. In order to stimulate the institutionalization of public administration and in order to provide a structural answer to the corruption problem, institutions such as the Judiciary Council *(Consejo de la Judicatura*), Human Rights Ombudsman *(Defensor del Pueblo)*, Constitutional Court, and the Civil Service Superintendency were created. The Government's National Integrity Plan intends to widen the structural response to the problem of corruption through judicial reform and modernization of the state. Under the Plan's Project of Institutional Reform (PRI), the Customs Service, the National Revenue Service, the National Road Service and the Ministries of Housing, Education and Agriculture have been institutionalized.

In order to reduce existing corruption, the current Sanchez de Lozada administration reaffirmed Bolivia's commitment to fight against corruption by reinforcing the important role played by the Presidency of the Congress/Vice Presidency of the Republic. Towards this end, the Vice President created the Secretariat of the Fight Against Corruption and Special Policies *(Secretaría de Lucha contra la Corrupción y Políticas Especiales* or *SLCC*) to promote and coordinate policies and actions to prevent and combat corruption.

With international assistance, the last several governments have worked to overhaul the highly corrupt National Customs Service. The new Customs Reform Law was enacted in August of 1999 and implemented over a 36-month period. Under the leadership of a dynamic customs director, the National Customs Service greatly reduced corruption and made a significant dent against contraband imports flowing into Bolivia during 1999-2000, though continued progress is a challenge due to new floods of contraband from neighboring countries that have experienced currency devaluations.

Bilateral Investment Agreements

Bolivia has signed bilateral investment agreements (BITs) with Argentina, Belgium/Luxembourg, China, France, Germany, Italy, Mexico, the Netherlands, Peru, Romania, Spain, Switzerland, the United Kingdom and the United States (1997). The U.S.-Bolivia BIT was fully implemented on June 7, 2001.

There are six basic reciprocal provisions of the U.S.-Bolivia BIT:

- U.S. investors are entitled to the better of national treatment or most favored nation (MFN) treatment when they seek to initiate investment and throughout the life of that investment, subject to certain limited and specifically described exceptions listed in annexes or protocols to the treaties.

- Expropriation can occur only in accordance with standards put forth in international law, that is, for a public purpose, in a nondiscriminatory manner, under due process of law, and accompanied by prompt, adequate, and effective compensation.

- BITs provide U.S. investors the right to transfer funds into and out of the host country without delay using a market rate of exchange. This covers all transfers related to an investment, including interest, proceeds from liquidation, repatriated profits and infusions of additional financial resources after the initial investment has been made.

- Limits the ability of either government to require investors to adopt inefficient and trade distorting practices. For example, performance requirements, such as local content or export quotas, are prohibited.

- Gives investors the right to submit an investment dispute with the treaty partner's government to international arbitration. There is no requirement to use that country's domestic courts.

- Gives investors the right to engage the top managerial personnel of their choice, regardless of nationality.

OPIC and Other Investment Insurance Programs

An Investment Insurance Agreement signed in 1985 by Bolivia and the U.S. Overseas Private Investment Corporation (OPIC) provides for a full range of OPIC programs, including insurance, financing and use of OPIC's Opportunity Bank. OPIC provides financing assistance through direct loans and through guarantees of loans by private U.S. financial institutions for investments by U.S.-based firms in Bolivia. OPIC has worked with a growing number of new investors – particularly in providing project loans, insurance against inconvertibility, expropriation and political risk – and is open to doing more business in Bolivia.

The IBRD's Multilateral Investment Guarantee Agency (MIGA) has offered a complete line of investment guarantees to foreign investors in Bolivia since October 1991.

The U.S. Export-Import Bank (EXIM) also hopes to expand its as yet limited operations in Bolivia. It has offered credit guarantee facilities to local banks, with terms of up to five years. EXIM is also willing to work directly with qualified private companies in providing loans and insurance. EXIM will also consider individual transactions with Bolivian banks that do not yet have sufficient net worth to qualify for the establishment of a credit guarantee facility.

Labor

About half of Bolivia's population of 8.3 million is considered "economically active" (working at least one hour a week), a figure that includes early teenagers and as well as children who are formally prohibited from working by law. Official unemployment in the year 2002 was 8.7 percent, and of those employed only one-third were working 40 hours a week. The liberal definition of an "economically active" or employed person masks substantial underemployment and subsistence-level "informal" economic work.

As of June 2003, the official minimum wage has not been changed from the amount set a year ago that was approximately USD 60 per month. General economic stagnation over the last five years has resulted in slipping nominal wages, with the average in formal, urban employment at just USD 70 per month. Bolivia's still substantial rural population, often self-employed in subsistence agriculture, makes less. Overall, between 60 and 65% of working Bolivians are considered to be participants in the "informal economy," where no contractual employee-employer relationship exists.

Foreign investors have found the labor force to be stable, with low rates of turnover and high levels of manual dexterity. The country's generally low levels of education and literacy tend to limit the productivity of Bolivia's labor, in line with its low cost. There is abundant manpower readily available for foreign as well as domestic investors, although skilled manpower is harder to find.

The average wage for a factory worker is about USD 90 per month. Benefits -- including a Christmas bonus “aguinaldo” equal to one month’s salary, as well as retirement payments -- can add another 30% to the wage bill.

Bolivian Labor Law guarantees workers the right to organize and bargain collectively. Most companies are unionized. Nearly all unions belong to the Confederation of Bolivian Workers (COB), a militant organization whose calls for strikes often go unheeded. In fact, extensive labor unrest in the private sector is uncommon in Bolivia, and most foreign firms active here enjoy positive relations between labor and management.

Bolivian Labor Law guarantees workers the right of association, restricts child labor and provides for worker safety. Effective enforcement, however, often proves to be lacking.

Foreign Trade Zones/Free Ports

The Bolivian government created free trade zones (FTZs) by way of two Supreme Decrees (D.S. 22410 and D.S. 22526). All FTZ operations must be authorized by the National Council on Free Trade Zones (CONZOF), which coordinates, sets and controls all industrial and commercial free zones. Currently FTZs exist in the cities of El Alto (the Department of La Paz), Santa Cruz, Cochabamba, Puerto Aguirre (Santa Cruz on Bolivia’s eastern border with Brazil), Oruro, and Desaguadero (La Paz on the Peruvian border). One other – in Guayaramerin in the Department of Beni – is not yet fully operational. Another -- in Cobija, in northern Bolivia -- has not proven to be attractive to investors because of the lack of roads and other basic infrastructure. All Bolivian labor laws apply in FTZs.

Foreign Direct Investment

The Ministry of Foreign Trade and Investment and the National Statistic Institute reported that U.S. companies as a group were the largest source of Foreign Direct Investment (FDI) in Bolivia in 2002, totaling USD 289 million or 28 percent of the approximately gross investment of USD 979.3 million invested. Both institutions have mentioned that intra-companies out-flows have significantly increased from USD 163 million in 2001 to approximately USD 322 million in 2003.

Most foreign direct investment is in the mining, telecommunications, electricity and hydrocarbons sectors. Of total FDI that went into Bolivia in 2002, USD 462.8 million went to the hydrocarbons sector, USD 282.9 million to construction, USD 11.5 million to mining, and USD 91.1 million to industry and USD 54.9 million to financial institutions. Details of total investment are given in the table below:

Private Gross FDI Flows for 2002:
(in USD millions)

Hydrocarbons	462.8
Mining	11.5
Industry	91.1
Construction	282.9
Financial Services	54.9
Others	31.1
Total	979.3

Source: Ministry of International Trade and Investment and the National Statistics Institute.

There are no registration requirements for foreign direct investors in Bolivia. Also, there have been investments made recently throughout the economy by investors from Spain, Brazil, Argentina, France and United Kingdom.

Bolivian FDI by Major Country

(In USD millions)	2001	2002(p)
United States	351.1	288.7
Argentina	99.8	31.1
Italy	63.3	26.9
Chile	4.8	5.0
Brazil	72.0	181.9
Canada	5.1	0.6
France	34.8	60.2
Spain	58.8	267.6
Peru	5.7	5.9
United Kingdom	56.1	50.3

(p)Preliminary

Source: Ministry of International Trade and Investment

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8. TRADE AND PROJECT FINANCING

Description of the Banking System

The Central Bank and 13 privately owned banks comprise Bolivia's banking system. Commercial banks account for over 85% of the deposits and loan portfolio of the formal Bolivian financial system. The remaining 15% have been concentrated in savings and loans, credit unions and other financial institutions. As of December 2002, total deposits in the banking system were USD 3.1 billion, of which over 96% were in U.S. dollar-denominated deposits.

Citibank is presently the only U.S. Bank with an interest in a local bank. This bank, formerly known as BHN/Multibanco, was renamed "Citibank, S.A.," and is now 100% owned by Citibank. The purchase of BHN has caused a number of problems for Citibank. During 1999, Citibank began to offer mortgage loans with very competitive conditions for the Bolivian financial market. However, Citibank sold all its retail business to domestic banks and announced that it was going to concentrate in corporate banking after 2001.

All commercial banks provide regular banking services, accepting deposits for both checking and savings accounts and offering short- and medium-term loans. Local banks are authorized to hold U.S. dollar-denominated time deposits.

The 1993 Banking Law was a first step towards modernizing the Bolivian banking system. The new law addressed such emerging areas as establishing rules governing factoring and leasing and set parameters for bank holding companies. The 1995 Central Bank Law refined the Central Bank's controls over the banking sector, setting higher reserve requirements and eliminating the insider lending that has been the bane of Bolivian banks and has led to the collapse of many.

The Banzer Administration enacted additional changes to the regulatory financial framework. The Law of Property and Popular Credit (1998) modified the regulatory system governing the non-banking financial system. It created a Prudential Norms Financial Committee (CONFIP) to issue financial regulations for the whole financial system without interfering in currency exchange and monetary policies, which remain the purview of the Central Bank. The law also created the Superintendency of Appeals that forms the first instance of appeal to decisions made by the Superintendency of Pension, Insurance and Securities. The new law also authorized the creation of private financial funds, savings and loans cooperatives and non-governmental organizations that can grant credit, in an effort to promote better access to credit and other financial services throughout the country, much of which has no banks.

Foreign Exchange Controls Affecting Trade

Bolivia places no controls on foreign exchange transactions, beyond those intended to curb money laundering. (See the section entitled "Conversion and Transfer Policies" for more details.)

The Boliviano ("Bs") is divided into units of 100 centavos (cents), although coins in denominations of less than 50 centavos are rarely used. Traveler's checks, dollars and other major currencies can be readily exchanged in exchange houses, banks and major hotels. Most automatic teller machines (ATM's) in major cities offer cash withdrawals in Bolivianos and U.S.

Dollars with many U.S. bank or credit cards, including those that operate on the “PLUS” and “Honor” networks. ATM’s are nonexistent outside major cities. It can be difficult for non-residents to cash personal checks in Bolivia. The Boliviano is freely convertible for all transactions; the U.S. Dollar can also be used as legal tender in the country. As of mid-July 2003, the exchange rate was around Bs 7.63 per USD 1.

Several money exchange houses legally operating in Bolivia offer prompt conversion of several currencies at legal rates, in addition to providing transfers.

General Financing Availability

Credit is generally difficult to obtain in Bolivia without using unencumbered local assets as collateral. Collateral requirements for all but the most valued clients are very high. Interest rates are influenced by the Central Bank’s certificate of deposit rates, as well as by high administrative costs resulting from the general operational inefficiency seen throughout the local banking system. Although there are no formal restrictions on foreign companies borrowing through the local financial system, few do so because of the small size of the Bolivian financial system.

Available Export Financing and Insurance

International and bilateral financial institutions provide some credit lines at lower-than-market interest rates. These lines are granted by the IDB, the World Bank and the Andean Development Corporation (CAF) and are usually channeled through the Central Bank for lending via private Bolivian banks. OPIC and EXIM Bank also offer insurance and/or financing products to the private sector.

Project Financing

Interested parties should consult the IDB, IBRD and CAF. OPIC, EXIM and the U.S. Trade and Development Agency (TDA) can also be consulted.

List of Banks with Correspondent U.S. Banking Arrangements

The following banks have correspondent banking arrangements with U.S. Banks:

Banco Do Brasil S. A.
Banco de Credito de Bolivia S.A.
Banco de la Union S.A.
Banco Economico S. A.
Banco Ganadero S.A.
Banco Industrial S.A. (BISA)
Banco Mercantil S.A.
Banco Nacional de Bolivia
Banco Solidario S. A.
Banco Santa Cruz S.A.
Citibank S.A.

Interested parties should contact the National Association of Banks (ASOBAN), for the most up-to-date information on activities in this sector at the following address:

Asociación de Bancos Privados de Bolivia (ASOBAN)
Edif. Cámara Nacional de Comercio Piso 15
Tel.: (591-2) 2361308
Fax: (591-2) 2391093
E-mail: info@asoban.bo
Website: www.asoban.bo

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9. BUSINESS TRAVEL

Business Customs

Many members of Bolivia's private sector are experienced, with ample direct exposure to U.S. and European business customs and procedures. Visiting U.S. travelers will find that their Bolivian counterparts for the most part are adept in their respective field of interest.

The local representative is a vital component in the successful operation of foreign-based firms. A local representative is required by law in the case of investment contracts, direct sales for major projects, and all government agency purchases.

Bolivia's small market requires that most agents represent more than one line of merchandise with regard to product promotion and distribution. The amount of effort given to promoting a particular product line is determined in part by the interest and support expressed by the supplier, as well as by the agent's ability and interest.

The importance of occasional personal visits from company representatives, as well as prompt, responsive handling of communications, cannot be overstated, given the key role played by local representatives. After a business relationship has been established, local distributors and agents generally expect to receive an offer to visit the foreign company's plant facilities and head offices in order to become better acquainted with the company's personnel and its operating techniques.

Although capitalization and privatization have placed most of the former government-owned enterprises in private hands, Bolivia's economy still remains highly influenced by decisions taken in the public sector. Businesses should be prepared to deal with government officials and their sometimes-convoluted procedures. U.S. exporters or shippers should adhere closely to the instructions of the Bolivian importer, as well as to the instructions laid out in the "trade regulations" section of this report, regarding shipment of goods in order to avoid difficulties and customs fines.

Regrettably, business practices in Bolivia in both the governmental and local business sectors can involve different sets of standards than are common in the United States and some that might be illegal or unethical under U.S. law. U.S. companies should exercise the utmost care and discretion in their business dealings and come to the Embassy for advice on how to proceed if confronted with corrupt practices.

Travel Advisory and Visas

Any foreigner wishing to work in Bolivia must first obtain a permit ("Carnet Laboral") from the Ministry of Labor. To obtain this permit, the foreigner must file an application with the Ministry of Labor and have a passport with a valid visa; this paperwork takes from three weeks to one month. Bolivia has three different non-immigrant visa categories:

Tourist Visa
A tourist visa is not required for U.S. citizens traveling to Bolivia. However, travelers planning to stay in Bolivia for over 90 days must obtain an extension from the National Immigration Service valid for an additional 30 days, upon payment of a USD 25 fee.

Temporary Residence Visa
A temporary residence visa is valid for up to one year and may be obtained from the National Immigration Service for a fee of USD 254. To obtain a temporary residence visa, the applicant must present the following documents to the National Immigration Service:

- valid passport containing a specific-purpose visa (for any purpose other than tourism);
- legal petition addressed to the Director General of Immigration requesting temporary residence;
- work contract certified by the Ministry of Labor specifying the duration of the contract;
- certificate from the institution for which the person is going to work (or for students, a certificate of studies);
- police security clearance issued by the Bolivian National Police;
- legal address registered with the National Police; and
- temporary residence request form; and,
- a change of visa request form (required even if this is a first time visa request).

Permanent Residence Permits
To obtain a permanent residence permit the applicant must pay a fee of USD 422 and present the following documents to the Immigration Service:

- valid passport containing a two-year temporary residence visa;
- legal petition addressed to the Director General of Immigration requesting indefinite residence;
- medical certificate issued by the National Institute of Employment Health;
- security clearance issued by Bolivian National Police;
- legal address registered with the Bolivian National Police;
- birth certificate legalized by a Bolivian Consulate;
- police security clearance issued in the country of origin and legalized by a Bolivian Consulate;
- indefinite visa request form;
- change of visa request form; and,
- work contract certified by the Ministry of Labor.

The Bolivian Government reserves the right to accept or deny the indefinite residence of foreigners in Bolivia.

Temporary and permanent resident visas cover principals, managers and trained and specially qualified employees who are involved in the company's operations. No special qualifications are required for entry into Bolivia. The individual is not limited in the type of work that can be performed once a visa is granted. There are no requirements on the amount of money invested to qualify for entry.

There are no specific restrictions on an investor wishing to live and work in Bolivia once a residence visa is granted. The spouse and children of the visa holder are entitled to enter the country with the visa holder provided their names are included in the legal petition presented to the Director General of Immigration.

For additional information please contact:

Arq. Manuel Melgar Suárez
Servicio Nacional de Migracion
Ministerio de Gobierno, La Paz
Tel: 591-2/2110960; Fax: 591-2/2110960

Visa information may also be obtained on the Internet at
http://www.bolivia.gov.bo/paginas/visas.htm

Holidays

National Holidays

New Year's Day	January 1
Carnival	varies, usually in February or March
Good Friday	varies, March or April
Labor Day	May 1
Corpus Christi	varies, usually in late June
Independence Day	August 6
All Saints Day	November 1
Christmas Day	December 25

*Departmental Holidays**

Oruro Day	February 10
Tarija Day	April 15
Sucre Day	May 25
La Paz Day	July 16
Cochabamba Day	September 14
Santa Cruz Day	September 24
Pando Day	October 11
Potosi Day	November 10
Beni Day	November 18

*Supreme Decree 26597, dated April 26, 2002, modifies all the Departmental holidays, changing them to either the previous or next Monday.

Business Infrastructure

Transportation is hindered by a lack of developed infrastructure. Bolivia has 60,282 km of roads, of which only 4,101 km are paved, 18,302 are gravel, and 37,878 are dirt roads. There are paved roads from La Paz all the way to Desaguadero (at the Peruvian border on Lake Titicaca), Arica (Chile), Cochabamba and Oruro. Except for a crucial 30-km stretch, the "new" road between Cochabamba and Santa Cruz is also paved. A new paved road from Santa Cruz to Trinidad (580 km), was recently inaugurated. Other roads, including all those to Brazil, are often impassable or extremely slow from time to time due to regularly occurring rain coupled with poor maintenance. For instance, during the rainy season, the 400-mile road from Santa Cruz to the Argentine border is less accessible than at other times of year.

The Bolivian national 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 serves the Pacific ports of Arica and Antofagasta (Chile), as well as the lake port of Guaqui and the major cities in the Altiplano and the Andean valleys. Much of the western segment of the rail system is in disrepair. The eastern segment is 1,460 km long and links Santa Cruz with Brazil and Argentina.

There are airline connections to other Latin American countries and to Miami out of La Paz and Santa Cruz. (See also the "Infrastructure Section" for more information.)

Utilities throughout the country are good, with reliable electric power in the major cities. Residential current in La Paz is 110 and 220 volts, 50 cycles. Cochabamba, Santa Cruz and most other cities operate on 220 volts, 50 cycles. Water shortages may occur in the dry season in various parts of the country, including La Paz and Cochabamba. Water is not potable by U.S. standards in any Bolivian city, although the major cities have improved the quality of their water supply systems in recent years.

Spanish is both the official language and the language of commerce in Bolivia. Although Aymara and Quechua are also spoken extensively, Spanish is understood in all but the most remote parts of Bolivia. English is also widely spoken among business leaders and public officials, though most prefer to speak Spanish.

Office hours are the same throughout the year but vary somewhat from city to city. In La Paz and Cochabamba, office hours are generally from 9 a.m. to 12 noon and from 2:30 p.m. to 6:30 or 7 p.m., except for government offices which are from 8:00 a.m. to 4:00 p.m. with no break at lunch time. In Santa Cruz, the tropical climate demands that work begins and ends earlier, beginning at 8 a.m. and ending about 6:30 p.m., with a two-hour lunch break in the middle of the day.

National and international telephone services are available in La Paz and even in rural towns, but cost much more than in neighboring countries. Direct dialing is available throughout the country. Most business establishments have fax and telex machines, with electronic mail becoming increasingly popular. The Internet has been operational in Bolivia since 1996.

Taxi fares from the El Alto Airport to La Paz generally run 50 Bs (approximately USD 6.50). Within the city, fares average between 6 and 12 Bs, depending on the length of the trip, with small additional charges for extra passengers and for travel after 10 p.m. Rental cars are also available but are expensive; some companies oblige you to hire a driver as well. U.S. drivers licenses need to be revalidated for 90 days after arrival, a process that takes 48 hours.

All of Bolivia experiences a rainy season during the summer months (December-March). In La Paz the average daytime temperature is 60 degrees Fahrenheit for most of the year, with temperatures dropping quite a bit after darkness falls. Santa Cruz is a tropical city, generally hot and humid, while Cochabamba has a climate similar to and slightly warmer than that of La Paz.

There are several good, comfortable hotels in La Paz, where single rooms range between USD 50 and USD 150 a night, including taxes and breakfast. The better hotels include the Radisson Plaza, the Hotel Plaza, the Europa and Hotel Presidente, as well as such apartment/hotels as the Ritz Apart-Hotel, the Camino Real Apart-Hotel, Hacienda Villa El Sol and Casa Grande. There are also several good hotels in Santa Cruz (including Los Tajibos, Camino Real, Buganvillas, Yotau and La Quinta, Casa Blanca, Las Americas, Continental, Puerta Hierro), and in Cochabamba (Hotel Portales, Gran Hotel Cochabamba, Aranjuez, and Santa Rita and Diplomat).

Health Concerns

The altitude of La Paz's El Alto airport is 13,300 feet above sea level. The altitude alone poses a serious risk of illness, hospitalization, and even death, whether or not you have a medical condition that affects blood circulation or breathing. Even healthy individuals have problems. It is a good idea to consult a doctor before visiting. Recent arrivals are advised to limit their activities and refrain from consuming alcoholic beverages until they acclimate, which can take between a few hours to several days.

To help prevent complications caused by the high altitude, some travelers to La Paz take acetazolamide (diamox) 125 mg twice a day, beginning two days before arrival in La Paz, on the day of the trip, and two to three days after arriving at high altitude. This medication inhibits the enzyme carbonic anhydrase, has a slight diuretic effect, and stimulates respiration. It is available only by prescription in the U.S. Pregnant women and nursing mothers cannot take Diamox. If you have a severe allergy to sulfa drugs, you may not be able to take Diamox.

Sanitary conditions throughout the country are such that it is advisable to boil water at least 20 minutes or to consume only bottled water, refuse ice, and wash fresh fruits and vegetables with a special disinfectant or bleach. Even the best restaurants in the major cities may inadvertently serve tainted food. Americans also have been victims of e-coli and typhoid. Hepatitis and rabies are common in Bolivia, although with proper vaccinations both can usually be avoided. Malaria, leishmanioses, and yellow fever are found in the jungles in Bolivia's northern and eastern regions, and white leprosy and yellow fever are sometimes found in the Yungas Region of La Paz.

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10. ECONOMIC AND TRADE STATISTICS

Appendix A - Country Data

Population (a):	1992	6,420,792 (census)
	2001	8,274,325 (census)
	2002	8,501,041 (estimated)
	2005	9,231,671 (projected)

Self-declared indigenous population: 62% (2001 census)

Population Growth Rate 1992-2001 (a): 2.74%.

Distribution: Roughly 62 percent of the population lives in urban areas.

Religion: Catholicism is the dominant religion; freedom of religion exists.

Government System: Representative democracy. Executive, legislative and judicial branches are separate. The President is elected every five years; the upper and lower houses of the bicameral Congress are elected every five years; the judiciary is appointed by executive branch, with Supreme Court judges appointed for ten years.

Languages: Spanish (official), Aymara, Quechua and other native tongues.

Business Week: Monday through Friday, 8:30 a.m.-12:30, 2:30 p.m. - 6:30 p.m. See "Business Customs" above for more detailed information.

Source: (a) *National Institute of Statistics* (INE).

Appendix B - Domestic Economy	**2001**	**2002**	**2003** (projected)
GDP (USD million)	7981	7960	7549
GDP growth (%)	1.2	2.5	3.0
GDP per capita (USD)	977	953	918
Government spending as pct of GDP	32.7	33.4	33.6
Inflation (consumer prices; pct)	0.9	2.4	2.8
Unemployment rate (b)	8.0	8.5	8.7
Public sector external debt (USD billion)	4.4	4.5	4.8
Debt service/exports ratio (c)	14.0	19.0	20.0
Debt service/GDP ratio	2.1	3.0	3.3
U.S. assistance to Bolivia (USD million)	183.5	173.9	159.0

Notes: (b) based on surveys of urban areas; data does not consider underemployment (c) Includes Foreign Exchange adjustments and Debt Relief.
Sources: National Institute of Statistics (INE); Central Bank of Bolivia; U.S. Embassy, La Paz.

Appendix C – Trade

(in USD million)	**2001**	**2002**	**2003**
Bolivian exports FOB	1284.0	1320.0	1435.0
Bolivian imports CIF	1707.2	1746.0	1779.0
Exports to U.S.	157.2	162.0	175.0
Imports from U.S.	281.7	283.0	295.0

Source: Central Bank of Bolivia and INE. 2003 figures are estimates.

Appendix D - Investment Statistics

	2001	**2002**	**2003**
Foreign Investment (USD million)	825.6	979.3	860
Foreign Investment (as % GDP)	10.0	12.0	12.0
U.S Foreign Investment	351.1	288.7	260

Source: Central Bank of Bolivia and INE. 2003 figures are estimates.

Appendix E - Reports on Commercial and Economic Conditions in Bolivia

Below is a current list of selected reports available from various sources:

Reports of the Department of Commerce and those of the Department of State are generally available through the U.S. Government Printing Office (Tel: 202/512-0376) and website: www.access.gpo.gov. The reports are also available on the National Trade Data Bank (NTDB, Tel: 202/377-1986), which may be accessed at most local or university libraries. In addition, there are a number of valuable reference works and periodicals, the most important of which are listed below. The best way to obtain guidance on using these information resources is to contact the Bolivia Desk Officer, U.S. Department of Commerce, Washington D.C. 20230, Tel: (202) 482-0428 or the website: www.mac.doc.gov. Another good website to get information on statistics is www.export.gov.

To get information on publications from the Department of Commerce, please contact the following website: www.mac.doc.gov.

U.S. Department of State Publications:

Background Notes: Bolivia, available periodically from the Department of State, Office of Public Communications, Bureau of Public Affairs, Washington D.C.20520. Background Notes provides political and other background information on Bolivia. (Annual subscriptions to the Background Notes series may be purchased by contacting the Superintendent of Documents, Government Printing Office, Washington D.C. 20402.)

Area Handbook for Bolivia; periodic

The Commercial Section of the U.S. Embassy in La Paz (Tel: (591-2) 2430251; Fax: (591-2) 2433710) can provide a list of publications related to Bolivia, including those published in Bolivia.

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11. U.S. AND COUNTRY CONTACTS

Ministry of Foreign Relations and Worship

Lic. Carlos Saavedra Bruno
Minister
Plaza Murillo esq. Ingavi
Tel.: (591-2) 2408293, 2408189
Fax: (591-2) 2408293

Ministry of Government

Dr. Yerko Kukoc del Carpio
Minister
Av. Arce esq. Belisario Salinas
Tel: (591-2) 2440213 2440114
Fax: (591-2) 2442589

Ministry of National Defense

Dr. Carlos Sánchez Berzain
Minister
Plaza Abaroa
Tel: (591-2) 2431183 - 2430130
Fax (591-2) 2433159

Ministry of Indigenous Affairs and Agriculture

Dr. Guido Añez Moscoso
Minister
Av. Camacho, 1471 – Piso 2
Tel: (591-2) 2203980 2367968
Fax: (591-2) 2375919

Ministry of Finance

Dr. Javier Comboni Salinas
Minister
Palacio de Comunicaciones Piso 19
Tel: (591-2) 2392220, 2392779
Fax: (591-2) 2359955

Dr. Bruno Guissani
President, National Customs Service
Calle Potosi, 940
Tel: (591-2) 2419307
Fax: (591-2) 2419341

Ministry of Economic Development

Lic. Jorge Torres Obleas
Minister
Palacio de Comunicaciones, Piso 20
Tel: (591-2) 2368789, 2375000
Fax: (591-2) 2360534

Ministry of Mining and Hydrocarbons

Ing. Jorge Berindoague Alcócer
Minister
Palacio de Comunicaciones, Piso 12
Tel: (591-2) 2391354; Fax: (591-2) 2392758

Ministry of the Presidency

Lic. Jose Guillermo Justiniano.
Minister
Palacio de Gobierno
Casilla 7832
Tel; (591-2) 22034039; 2202321;
Fax: (591-2) 2203588

Ministry of Education

Dr. Hugo Carvajal Donoso
Minister
Arce 2147
Casilla 3116
Tel: (591-2) 2440160
Fax: (591-2) 2440376

Ministry of Health and Sports

Dr. Javier Torres-Goitia Caballero
Minister
Plaza del Estudiante
Tel: (591-2) 2371379
Fax: (591-2) 2492900

Ministry of Popular Participation

Lic. Mirtha Quevedo Acalinovic
Minister

Financial Services

Lic. Dante Pino Archondo
Minister
Palacio de Comunicaciones Piso 19
Tel: (591-2) 2336593
Fax: (591-2) 2391752

Ministry of Labor

Lic. Adalberto Kuajara Arandia
Minister
Yanachocha esq. Mercado
Tel: (591-2) 2407740
Fax: (591-2) 2406988

Ministry of Sustainable Development

Dr. Erick Reyes Villa Bacigalupi
Minister
Edif. Ex-Comibol
Mariscal Santa Cruz esq. Oruro
Casilla 12814
Tel: (591-2) 2330704
Fax: (591-2) 2213257

Ministry of Basis Services and Public Works

Ing. Carlos Morales Landivar
Minister
Palacio de Comunicaciones, Piso 5
Tel: (591-2) 248770
Fax: (591-2) 2422799

Please contact the Commercial Library of the U.S. Embassy in La Paz for a complete list of ranking officials. All phone/fax numbers use the country and city codes for La Paz (591-2) unless noted. All addresses are in La Paz unless noted. "Casilla" means P.O. Box.

Other Important Contacts

Empresa Nacional de Television Boliviana
(Bolivian National Television Company)
Sra.Veronica Rivas, General Manager
Av.Camacho Edif. La Urbana Piso 6,
Casilla 900
Tel: (591-2) 2203404; Fax: (591-2) 2203414/15

Banco Central de Bolivia
(Central Bank of Bolivia)
Dr Juan Antonio Morales Anaya,President
Ayacucho esq. Mercado, Casilla 3118
Tel: (591-2) 2409090; 2406280
Fax: (591-2) 2406598
Website: www.bcb.gov.bo

Country Trade Associations/ Chambers of Commerce

Camara Americana de Comercio de Bolivia
(American Chamber of Commerce of Bolivia, AMCHAM)
Richard Ades, President
Ana Maria Galindo de Paz, General Manager
Av. 6 de Agosto, Edif. Hilda Piso 2; Casilla 8268
Tel: (591-2) 2443939
Fax: (591-2) 2443972
Website: www.bolivianet.com/amcham

Confederacion de Empresarios Privados de Bolivia
(Confederation of Private Entrepreneurs)
Lic. Carlos Calvo, President
Calle Mendez Arcos 117, Casilla 4239
Tel.: (591-2) 2420999; Fax: (591-2) 2421272
Website: www.cepb.org

Camara Nacional de Comercio
(National Chamber of Commerce)
Guillermo Morales, President
Av. Mariscal Santa Cruz Edif. Camara Nacional de Comercio, Casilla 7
Tel.: (591-2 2378606
Fax: (591-2 2391004
Website: www.boliviacomercio.org.bo

Camara Nacional de Indusria
(National Chamber of Industry)
Viktor de los Heros, President
Av. Mariscal Santa Cruz 1392, Piso 14, Casilla 611
Tel: (591-2)2374476; Fax: (591-2) 2362766
Website: www.bolivia-industry.com

Camara Boliviana de la Construcción
(Bolivian Chamber of Construction Companies)
Ing. Roberto Torres Ponce de Leon, President
Av 20 de Ooctubre,1948 Edif. Terranova, Casilla 3215
Tel: (591-2) 2423139; Fax: (591-2) 28117530
Website:
www.mweb.unete.com.bo/caboco

Camara Nacional de Mineria
(National Chamber of Small Mining Firms)
Dr. Grover Simbron, President
Av. Villazon Pasaje Bernardo Trigo, 429
Casilla 2022
Tel: (591-2) 2441651; Fax: (591-2) 2441651

Asociación Nacional de Mineros Medianos
(National Association of Medium-sized Mining Firms)
Dr. Oscar Bonifaz, President
Calle Pedro Salazar, 600, Casilla 6190
Tel: (591-2) 2412232; Fax: (591-2) 2414123

Camara Agropecuaria del Oriente (CAO)
(Eastern Agricultural Chamber)
Lic. Armando Antelo, President
Casilla 116, Santa Cruz
Tel: (591-3) 3522200; Fax: (591-3) 3522621
Website: www.cao.bo.org

Asociación de Bancos Privados de Bolivia
(Bolivian Private Bankers Association, ASOBAN)
Lic. Marcelo Montero, Executive Secretary
Casilla 5822
Tel: (591-2) 2334794; Fax: (591-2) 2391093
Website: www.asoban.bo

Country Market Research Firms

All market research and consulting companies are required to register with:

National Chamber of Consulting Companies
Ing. Fernando de la Barra, President
Edificio Los Jardines, Piso 5 Of. 5D Casilla 8560
Tel: (591-2) 2443819; Fax: (591-2) 2443819
Website:www. canec.cpm.bo

Commercial Banks

Banco de Santa Cruz S. A.
Junin 154,Casilla 865
Santa Cruz, Bolivia
Tel: (591-3) 3369911; Fax: (591-3)3350114
e-mail: bancruz@mail.bsc.com.bo

Banco Mercantil S. A.
Calle Ayacucho esq. Mercado, 277
Casilla 423
La Paz, Bolivia
Tel: (591-2) 2315131; Fax: (591-2) 2311324
e-mail: eunzueta@bancomercantil.com.bo

Banco Nacional de Bolivia S.A.
Av. Camacho, esq. Colon 1312; Casilla 360
La Paz, Bolivia
Tel: (591-2) 2313232; Fax: (591-2) 2331418
e-mail: info@bnb.com.bo

Banco Ganadero S.A.
24 de Septiembre, 110
Santa Cruz, Bolivia
Tel: (591-3) 3361616; Fax: (591-3) 3332567
e-mail: pcaceres@bancoganadero.com.bo

Banco Industrial S. A..(BISA)
Av. 16 de Julio, 1628
La Paz, Bolivia
Tel: (591-2) 2365625; Fax: (591-2) 2390033
e-mail: rfgonzales@grupobisa.com.bo

Banco de Credito Bolivia S.A.
Calle Colon, 1308; Casilla 907
La Paz, Bolivia
Tel: (591-2) 2391722; Fax: (591-2) 2332203
e-mail: dcaba@bancred.com

Citibank N.A.
Av. Ballivian – Torres Ketal; Piso 15
Casilla 250
La Paz, Bolivia
Tel: (591-2) 2792256; Fax: (591-2) 2790011
e-mail: agustin.davalos@citicorp.com

Banco Económico S.A.
Ayacucho 166
Santa Cruz, Bolivia
Tel: (591-3) 3361169; Fax: (591-3) 2112745
e-mail: baneco@baneco.com.bo

Banco Union
Calle Libertad 156
Santa Cruz, Bolivia
Tel: (591-3) 3366869; Fax: (591-3) 3312777
e-mail: miyoshida@bancounion.com.bo

Banco Do Brasil
Av. 16 de Julio 1642
La Paz, Bolivia
Tel:(591-2) 2310909;Fax: (591-2) 2311788
e-mail: lapaz@bancodobrasil.com.br

Banco Solidario S.A.
Nicolas Acosta 289
La Paz, Bolivia
Tel: 591-2) 2484242; Fax: (591-2) 2486533
e-mail: info@bancosol.com.bo

Multilateral Development Banks

World Bank (IBRD)
John Newmann, Representative
Fernando Guachall 342
Edif. Victor P. 9
Tel: (591-2) 2442645; Fax: (591-2) 2129880
Website: www.bancomundial.org.bo

Inter-American Development Bank (IADB)
Carlos Melo, Representative
BISA Building, El Prado, Piso 5
Tel: (591-2) 2351221; Fax: (591-2) 2391089
Website: www.iadb.org

Corporacion Andina de Fomento (CAF)
(Andean Development Corporation)
Dr. Jose Carrera E., Representative
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12. MARKET RESEARCH REPORTS

Computers and Peripherals Sector, April 1995
Telecommunications Industry Sub-Sector Analysis, July 1999
Environmental Legislation, June 1997
Environmental Monitoring and Pollution Control Equipment, June 1997
Power Generation Sector, August 1999
Hydrocarbons Industrial Sector Analysis, 2002
Mining Industrial Sector Analysis, 2002

Reports are available from the Commercial Library at the U.S. Embassy in La Paz.

13. TRADE EVENT SCHEDULE

"Expocruz" - Santa Cruz International Trade Fair - September 18– 28, 2003

"FIC" Cochabamba International Trade Fair – April 15-25, 2004