

Special  
Report  
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# Bolivia

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La Paz, Bolivia | Photo by Jack Prommel - unsplash |

## Bolivia: Broadening Horizons for a Stronger Economy

Despite recent challenges, Bolivia is ready to diversify its economy into value-added mining, green energy, pharmaceuticals and agribusiness to reduce its dependence on fossil fuels, position itself as a strategic regional partner, and generate growth and shared wealth.

**S**ince colonial times, Bolivia has been renowned for its extraordinary natural resources. From the spectacular silver riches of Potosí, which produced around 60% of all the silver mined in the world during the 16th century and is considered the cradle of capitalism, to the prosperous tin mining of the 20th century, to the natural gas boom of the early 2000s, the exploitation of natural resources, particularly mining, has been a dominant feature of the Bolivian economy. Today, when recent economic woes have highlighted the need for diversification, infrastructure development and foreign direct investment, Bolivia is ready to redefine itself.

In energy matters, the country is eager to develop its potential with the exploitation of both traditional and alternative sources. Although natural gas production began to decline since 2014 due to lack of exploration, rising world prices and increased local demand, last July the government announced the discovery of a vast 1.7 trillion cubic feet mega field north of La Paz that could completely reverse this trend and start producing as early as 2026. However, to avoid past dependence on a single mining product, Bolivia intends to diversify with other minerals such as lithium and its derivatives, as well as copper, iron ore, steel and rare earth elements (REE), especially given the particularly large reserves of these technological minerals (with an estimated 23 million tons, Bolivia has the largest lithium reserves in the world) and their growing demand in international markets. On the other hand, the country aims to dramatically increase its share of renewables to 79% by 2030 by investing on photovoltaic plants, wind farms and hydroelectric projects, for which the



Uyuni, Bolivia | Photo by Paul Berthelon Bravo - unsplash |

government has already earmarked more than Bb. 3.3 billion and is looking for private partners to continue their development.

Bolivian agribusiness has also experienced significant growth in recent years, with an increase in the production of staple foods such as potatoes, cocoa, soybeans and their

derivatives, the latter of 3.5 million metric tons in 2022, mostly for export; and new industries such as Amazonian fruits like açai and copoazú. In the medium and long term, Bolivia expects the sector to focus mainly on technological innovation, greater infrastructure to make transportation and marketing

logistics viable, and the creation of an agrofuels industry, particularly biodiesel plants that could even recycle household cooking oil into motor fuel and replace up to 60% of Bolivia's diesel consumption by the end of 2026, according to government projections. Another sector that is experiencing a major boost is the pharmaceutical industry. Last year, the Bolivian government invested US\$ 478 million in the construction of the state-owned company Laboratorio Industrial Farmacéutica Boliviana (LIFAB), which is currently developing the implementation of 13 new pharmaceutical industry plants (9 chemical-based industrial plants in the Santibañez industrial park, and 4 based on natural plants in the municipality of Sacaba), as part of the government's import substitution industrialization process.

Furthermore, in terms of international relations, Bolivia reached an important milestone last October with the acceptance of its accession to the BRICS as an associate state. This achievement, undoubtedly the country's most important foreign policy achievement globally, is the second foreign policy milestone following Bolivia's accession to the Southern Common Market (Mercosur) in July of this year. However, while these achievements are expected to translate into future trade opportunities for the country, it is undeniable that the country currently needs to consider important structural reforms aimed at attracting investment in the hydrocarbon, mining, renewables and forestry sectors, such as the elimination of price controls, credit quotas and interest rate caps, to stimulate the supply of goods and services and the flow of credit.

Amid the recent crises that have plagued the country, Bolivia is fighting hard to be on the cusp of a turnaround. The country's vast, largely untapped natural resource potential could be the solution, provided it is accompanied by significant investments in technology and value-added infrastructure to be able to extract and process its resources at an industrial level and create more skilled jobs; as well as diversify into other traditionally neglected sectors such as tourism, for example, which has great potential thanks to Bolivia's spectacular diversity of natural landscapes and historical sites. Only in this way will Bolivia be able to live up to past glories, but this time developing a sustainable and profitable economic environment for all involved. ■

### Untapped natural and strategic potential

Bolivia's strategic advantage stems from its abundant natural resources and geographical diversity, from the rugged Andes Mountains' highland plateau to the lowland plains of the Amazon Basin, and its borders with five South American countries.

#### MAIN DATA

**Capital:** La Paz (Administrative); Sucre (Constitutional)  
**Population:** 12,341,000 (2024 est.)  
**Area:** 1,098,581 sq km  
**Currency:** Boliviano (Bs)  
**Natural Resources:** lithium, tin, natural gas, petroleum, zinc, tungsten, antimony, silver, iron, lead, gold, timber, hydropower  
**GDP:** \$125.428 billion (2023 est.)  
**Real GDP Growth:** 2.44% (2023 est.)  
**Exports:** \$11.975 billion (2023 est.)  
**Inflation Rate:** 2.58% (2023 est.)  
**Unemployment Rate:** 3.08% (2023 est.)



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# Finance



5.32% growth in financial services in Q2 2024.



Foreign Direct Investment: \$10.1 billion, around 23.4% of the GDP.



U.S. Foreign Direct Investment: \$430 million (U.S. Department of State).

# A Solid Financial Institution Committed to Bolivia

Banco Mercantil Santa Cruz is known as the largest private bank in the country. Over more than a century, it has played a crucial role in Bolivia's development, maintaining significant accounts across all sectors of the national economy.

**T**hroughout its 118-year history, Banco Mercantil Santa Cruz (BMSC) has navigated numerous political and economic changes in the country, evolving alongside them and undergoing various transformations that have positioned it as a leader in its sector in terms of solidity, solvency, and long-term commitment.

In 2006, Banco Mercantil acquired Banco Santa Cruz, creating Banco Mercantil Santa Cruz (BMSC). This merger, the most significant in the Bolivian financial system, positioned BMSC as the leading private financial institution in the country. It not only bolstered BMSC market dominance but also enriched its technological capabilities and risk management expertise, further strengthening its operations. BMSC gained significant market share in Santa Cruz, Bolivia's largest city, particularly in agricultural lending for key national industries such as soybeans.

Later, in 2016, BMSC continued its growth by acquiring the client and deposit portfolios of Mutual La Paz, one of the most important mutual funds in the country. That same year, the bank merged with Banco Los Andes ProCredit, marking its entry into the MSME (Micro, Small, and Medium Enterprises) sector. These strategic developments have enabled BMSC to broaden its reach across all sectors of the Bolivian economy. Today, after three generations, BMSC continues to uphold its legacy of solvency and unwavering commitment.

As Mr. Darko Zuazo, Chairman of Banco Mercantil Santa Cruz, states, "We do not aspire to be the most profitable, but the most solid in terms of credit, liquidity, and deposit policies. We aim to be synonymous with reliability and long-term stability."

## About the Financial Group

Beyond its core financial activities, the Mercantil Santa Cruz Group has strategically diversified into other sectors like real estate and hospitality. In 2020, MSCG unveiled the Mercantil Santa

Cruz Business Tower, a US\$55 million investment in the heart of Santa Cruz de la Sierra. This 28-story building, designed to the highest standards of quality, state-of-the-art technology, and energy efficiency, stands as a true architectural landmark. It is the first mixed-use building in Bolivia, housing the bank's facilities, commercial spaces, office floors for rent and the city's first private heliport.

Certainly, the MSCG growth doesn't stop here. As Mr. Zuazo asserts: "We will keep investing and expanding our operations in Bolivia", demonstrating how this diversification aligns with the bank's philosophy of building trust with its clients.

BMSC's commitment to Bolivia is further demonstrated through its Corporate Social Responsibility Program, "Fundación Mercantil Santa Cruz - Puedes Creer", which focuses on the pillars of education, sports, and health. The program's initiatives include:

- **Programa Becas**, which promotes an entrepreneurial culture among young people by supporting them throughout their university education. The program helps students develop their own businesses through technical studies, provides guidance during their university journey and assists with creative and innovative projects after graduation.
- **Programa Manitos**, which offers hand surgeries to children with congenital malformations, burns, and severe trauma;
- **Programa Entrenando Valores**, which operates five socio-sports schools and aims to include and reintegrate vulnerable children and adolescents into society through football;
- **Programa Davosan**, which established a 12-bed hemodialysis center to assist patients with kidney failure and provides daily medication to people with limited resources;
- **Programa Centavoluntario**, a cross-sectional initiative, which allows bank customers and users to donate small amounts to fund all of these programs benefiting those in greatest need.

Whether through its extensive financial services and products, strategic investments in key economic sectors, or community-focused social programs, Ban-



**DARKO ZUAZO**  
CHAIRMAN OF THE BOARD

co Mercantil Santa Cruz has demonstrated its commitment to Bolivia's economic growth and well-being of its people. As Mr. Zuazo puts it, "Our confidence in Bolivia is long-term and we are committed to growing alongside the country's economy."

Banco Mercantil Santa Cruz is recognized as the top choice for individuals, companies, and corporations seeking financial services. This privileged reputation is the result of its technological innovation, broad range of products, and the commitment of over 2,000 employees across the country.

"We will strive to be the leading private bank in Bolivia's financial system, maintaining the largest market share in both public deposits and loans to individuals and companies. We will also focus on continuously improving the quality and experience of service, offering comprehensive financial solutions with added value to the different segments of Bolivian society, while simultaneously advancing the digitalization of all our services," said Darko Zuazo.

## Mercantil Santa Cruz Financial Group Data

The Mercantil Santa Cruz Group has consistently upheld its high standards of service and financial stability. This enduring excellence is the result of rigorous risk management practices implemented across all its subsidiaries, supported

by an independent Financial Holding Company.

• **Banco Mercantil Santa Cruz S.A. (BMSC):** With 118 years of operation, BMSC has evolved through various phases to become a benchmark in the industry, renowned for its solidity, solvency, and leadership. It is the second largest bank in the system by loans, deposits and assets, with a nationwide presence in 587 financial service points, 2,211 employees, and 1,047,696 customers.

• **Mercantil Santa Cruz Agencia de Bolsa S.A. (MSCAB):** With 30 years of experience in the securities market, MSCAB delivers timely, efficient and customized solutions. As one of the leading agencies in the market, it manages a portfolio of US\$979 million, operating within the group's framework and reflecting the same level of seriousness and professionalism.

• **Sociedad Administradora de Fondos de Inversión Mercantil Santa Cruz S.A. (SAFI MSC):** With over 21 years in the national and international stock markets, SAFI MSC offers personalized service and competitive returns. It manages nine investment funds, seven open and two closed, in both USD and Bolivianos. It has one of the five largest managed portfolios in the system and balances risk and return prudently, reinforcing its reputation as a solid market player.

• **Mercantil Santa Cruz Seguros y Reaseguros Generales S.A. (MSCSyRG):** The youngest company of the group, it specialized in general insurance and has been a part of the Group since 2022. It offers a competitive alternative supported by the financial stability and backing of the Mercantil Santa Cruz Group. MSCSyRG aims to deliver excellent service and aligns with its clients expectations and needs. Since its inception, it has been continuously increasing its market share.

• **Universal Brokers Corredores y Consultores S.A. (UNIBROSA):** With 29 years of market experience, UNIBROSA offers insurance brokerage and advisory services to individual and corporate clients, in the public and private sectors. The company has seen significant growth in recent years and is now ranked among the top three brokerages in the market.

• **Universal Brokers RE Corredores de Reaseguros S.A. (UNIBROSA RE):** With 12 years of experience, UNIBROSA RE operates in the international reinsurance market. It leverages the support and strength of the group, enhancing capabilities and market presence.

• **Mercantil Santa Cruz Almacenes Generales de Depósito (Wamsa):** With over 37 years of experience, WAMSA is a general warehousing specializing in the storage, preservation and custody of third-party goods. It has the authority to issue Certificates of Deposit on these goods, facilitating financing by allowing them to be used as collateral. ■

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## Mining



23 million tons of estimated lithium reserves.



35,000 metric tons of lithium a year: expected production of two new plants projected by Chinese consortium CBC.



Top mineral exports in 2023: gold, petroleum gas, zinc, silver &amp; tin.

# Towards a Diversified and Competitive Mining Industry

With an emphasis on diversification and new policies aimed at attracting private investment and encouraging new technologies, Bolivia strives to develop its outstanding mining potential.

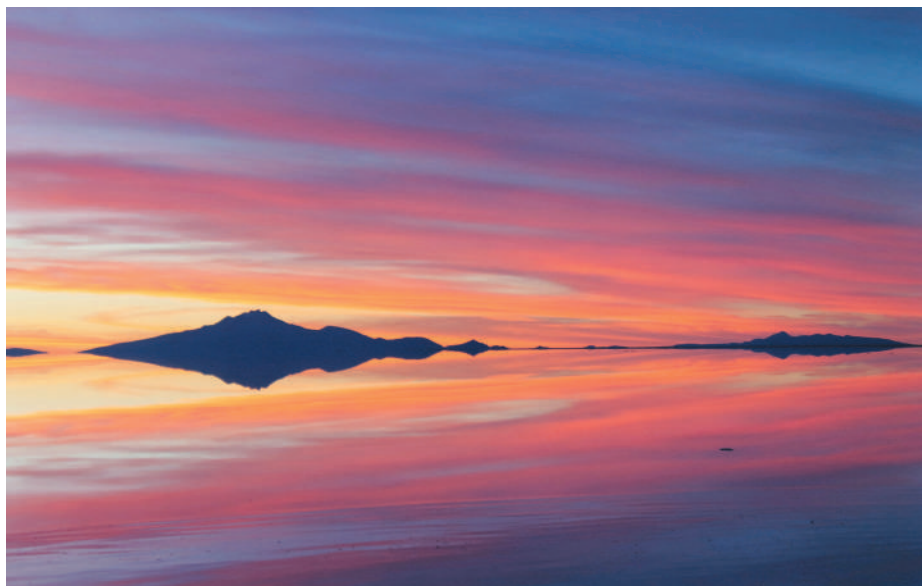
**M**ining has always been a staple of the Bolivian economy. From the extraction of silver in colonial times, through tin production in the 20th century, to the more recent exploitation of zinc, lead and gold, minerals have been a dominant feature of Bolivia's economic development. However, since 2023 the country has seen a reduction in the export of traditional minerals such as zinc, cobalt, antimony and gold, a situation that has led it to consider diversifying its mining production beyond traditional minerals, especially considering that Bolivia has significant reserves of technological minerals and rare earth elements, REE, for which the international market is in great demand as they are necessary components of high-tech consumer products.

For this reason, Bolivia is placing special emphasis on exploiting minerals such as battery-grade lithium and adding value through its derivatives. As is well known, Bolivia has the largest lithium reserves in the world, with an estimated 23 million tons located in the Uyuni (21 tons) and Coipasa (2 tons) salt flats. As it is an essential mineral for the manufacture of batteries for electric vehicles, cell phones and other electronic devices, the Bolivian Ministry of Economy considers that the extraction and industrialization of lithium "will generate significant revenues and position Bolivia as a key player in the global green energy transformation". In 2023, 15 years after its discovery, Bolivia finally inaugurated its first industrial lithium carbonate plant with direct lithium extraction (DLE) technology in the Uyuni salt flats. With an investment of more than US\$970 million and a production capacity of up to 14,000 tons of high-purity, battery-grade lithium carbonate, the plant will be completed in approximately 30



«Lithium will generate significant revenues and position Bolivia as a key player in the global green energy transformation.»

MARCELO MONTENEGRO



Uyuni Salt Flat, Bolivia | Photo by Karla Robinson - unsplash |

months and will be managed by the state-owned company Yacimientos del Litio Bolivianos (YLB) and the Russian Uranium One Group. In this way, the Bolivian government hopes to boost the long-delayed industrialization of the mineral and extend its production to other deposits, especially since it has also signed agreements with two Chinese companies, CBC and Citic Guoan, to install four more plants that will increase the country's production capacity to 100,000 tons with a total investment of US\$2.8 billion.

Furthermore, YLB is also in charge of the production of potassium chloride, the highest potassium concentration fertilizer on the market, highly sought after for allowing greater crop efficiency. In recent years, the country's production and export of potassium chloride has become a key growth sector, with Brazil (73%) and Chile (27%) being the main destination markets. In 2022 alone, YLB's lithium carbonate and potassium chloride sales reached US\$79,6 million, breaking its own record for a second year in a row. Moreover, Bolivia is producing

fertilizers (including granulated urea) at its recently inaugurated and state-owned Nitrogen-Phosphorous and Potassium plant (NPK), with a 60,000 tonnes-per-year capacity; and the government is invested in further diversifying other traditional mining industries, such as zinc. Therefore, in Oruro and Potosí they started developing zinc refining and separation plants with private and foreign partners, which will allow them to generate higher value-added products; and they are also exploring projects to develop the country's large copper and iron reserves that, as Minister Montenegro assures "have not yet been exploited but represent an enormous potential for the Bolivian economy."

On the other hand, Bolivia has taken important steps towards the exploration and industrial production of rare earths. In 2023, the Government created the Management of Technological Minerals and Rare Earths and incorporated it into COMIBOL, the Bolivian Mining Corporation, to focus on prospecting projects in the areas of Santa Cruz, Potosí and Cochabamba; and



Uyuni Salt Flat, Bolivia | Photo by Amy Rollo |

earlier this year, the Ministry of Mining and Metallurgy reported that Bolivia has more than 17 varieties of rare earths in these areas. So far, Chinese and Canadian companies have submitted projects for the extraction of rare earths in the country, and although these proposals have not yet received an official answer, there is no doubt that if an agreement is reached, it will represent an important milestone for Bolivia's entry into the rare earths industry. However, while the country has recognized the importance of rare earths and has adopted some policies to develop them, without foreign investment and high quality technology Bolivia will not be able to make significant progress in their development. Therefore, the biggest challenge now lies in promoting economic and mining policies that are attractive to investors, and ensuring the competitiveness and sustainability of investment projects in these metals. Given Bolivia's enormous potential and its awareness and desire to diversify, the time seems ripe to finally develop a competitive mining industry that can benefit both local and international interests. ■



«Copper and iron have not yet been exploited but represent an enormous potential for the Bolivian economy.»

MARCELO MONTENEGRO

## Leading Responsible and Sustainable Mining in Bolivia

With 50 years of experience in the mining industry, Sinchi Wayra is recognized for its operational excellence and its high commitment to Bolivia's environmental and social sustainability.

«Since the beginning of the group's operations, we have taken on the challenge of having the highest standards in the industry; but we do not stop there, we seek to be good neighbors and contributors to the local communities,» confidently states Mr. Eduardo Torrecillas, president of Sinchi Wayra Mining Group, one of the most important economic players in Bolivia, operating the largest underground mines in the country: five mines and three plants that produce zinc and lead concentrates with silver content, located in the departments of Oruro and Potosí. Indeed, since its early days in 2005, the company has positioned itself as one of the leaders in the national mining industry due to its international standards on production and safety, and its long-term

commitment to Bolivian society and the environment. This commitment was further enhanced in 2022, when Sinchi Wayra was acquired by Santacruz Silver Mining, a Canadian company that operates mines in both Mexico and Bolivia, which is recognized for its technical expertise, financial backing, and, most importantly, an unwavering commitment to responsible mining. As Mr. Torrecillas explains, since it is a company listed on the Canadian stock exchange, "this has obliged us not only to comply with local regulations in Bolivia, but also with Canadian regulations, generating high standards that must be met by our company, such as the International Financial Reporting Standards (IFRS) and the UN Global Compact and its SDGs."

Furthermore, Sinchi Wayra's commitment to sustainability is also expressed in its auton-

omous local management model. Since Santacruz Silver Mining took over, the company is now made up of 100% Bolivian executives who understand the local context and needs and have more autonomy in decision making, which in turn has led to greater operational efficiency with a 27-30% increase in production in the last two years. "The Canadian investors from Santacruz have bet big on Bolivia," states Mr. Torrecillas, "and we have shown them that we are up to the task through the productivity standards we are achieving." On the other hand, their goals go well beyond increasing productivity, as they are actively committed to being "good neighbors" by engaging in initiatives that have a crucial impact on the lives of the communities where they operate. For example, at their Bolivar site, since the main source of water in the area is located inside the mine, they have prioritized an effective and sustainable management of water resources not only by minimizing the use of fresh wa-

ter in their processes but by improving water quality and guaranteeing access to the entire community with a new water treatment plant. They have also financed road improvements and key infrastructure projects and have supported local women by funding their micro-enterprise and entrepreneurship activities. "We want people to see us more as a partner, as an integral part of the area, not as a company that comes in, settles in, preys, and leaves. That is what we are trying to change," assures Mr. Torrecillas. And while these efforts have started getting recognition — they were awarded the 2023 Resilience Award in the categories of gender and solidarity for generating positive socioeconomic impact in their surrounding communities — Sinchi Wayra is aware that their sustainable mining vision can only be achieved in the long term. As its president says, "our bet is on the future, so our intention is to stay in Bolivia another 50 years; that is our vision." ■

EDUARDO TORRECILLAS  
EXECUTIVE  
PRESIDENT OF  
SINCHI WAYRA

**RESPONSIBLE AND SUSTAINABLE MINING:**  
A FUTURE FOR COMMUNITIES,  
THE ENVIRONMENT AND THE INDUSTRY

GRUPO MINERO  
SINCHI WAYRA

# Energy



Electricity generation August 2023 - July 2024: 67.2% gas, 23.8% hydropower, 4.8% wind, 3% solar, 1.2% biofuels.



US\$125 million in financing from the World Bank to expand electrification in rural areas.



Per capita energy consumption 2022: 0.8 toe (770 kWh of electricity), 39% below the average for Latin America.

# Transitioning Towards a Sustainable Energy Matrix



With largely untapped hydropower resources, a commitment to increasing renewables, exemplary local initiatives and key U.S. partnerships, Bolivia's electricity sector is addressing the challenges of the past and evolving with the times.

**Whether traditional or alternative energy sources, Bolivia is poised to tap its significant energy potential and reduce its dependence on fossil fuels.** Historically, hydrocarbon exploitation has been both the country's main revenue generator and its main energy source, with oil and natural gas accounting for 48% and 37% of its total energy supply in 2022. As Bolivia's natural gas reserves and production have been falling steadily since 2015 due to insufficient exploration, this resulted in a significant drop in the country's revenues, an increase in diesel and gasoline imports, and the subsidization of all these fuels for the domestic market, all of which consequently led to a fiscal deficit. This critical situation has had a direct impact on the country's electricity sector, which for the last two decades has depended mainly on hydrocarbons — particularly natural gas —, making it a priority to replace gas-fired generation with renewable generation, for both environmental and economic reasons.

Therefore, the Bolivian electricity sector is undergoing an important transition process, focused on sustainable energy diversification. On the one hand, Bolivia has a significant hydroelectric potential of 126 TWh/year, of which 50



La Paz Bolivia | Photo by Jack Prommel Unsplash.

TWh/year is considered economically exploitable and only 6.5% is being used. Currently, Bolivia's Empresa Nacional de Electricidad (ENDE) is in the final phase of its Ivirizu hydroelectric project, which is expected to contribute some 290 MW to the National Interconnected System (SIN) starting in the first quarter of 2025. In addition, ENDE has a portfolio of 19 hydroelectric projects throughout the country, with a power generation potential of 6,376 MW, of which it expects to reach 2,000 MW by 2025. These include the Rositas project in the department of

Santa Cruz, which will have a capacity of 600 MW and already has a final design study; the La Pesca, Cañahuecal and Icona projects between Cochabamba and Chuquisaca, with a capacity of 460 MW, 380 MW and 342 MW respectively; and the Peña Blanca project between Chuquisaca and Santa Cruz, with 380 MW.

According to the IEA, approximately 36.6% of the electricity currently generated in Bolivia comes from renewable energy, of which 78% is hydroelectric, 12% wind and 9.8% solar. As Bolivia has committed to increase its share of renewables to 79% by 2030, the government has invested more than Bs. 3.3 billion to reactivate and complete electricity generation, transmission and electrification projects focused on renewables. Among them, the second phase of the Oruro Photovoltaic Solar Plant added another 50 MW to the SIN, reaching an installed power of 100 MW; while the inauguration of the Warnes, San Julián and El Dorado wind farms contributed another 108 MW. Furthermore, although these state-funded initiatives are pushing the Bolivian electricity sector in the right direction, it is imperative to expand its scope with private investment. One of the most promising areas is the development of a green hydrogen industry, for which the Bolivian government, with support from the Inter-American Development Bank (IDB), is currently formulating a strategic plan. Other key opportunities lie in the provision of machinery and supplies for current and future government energy projects, mainly thermal and hydraulic turbines, equipment and other technologies for thermo-

**Approximately 36.6% of the electricity currently generated in Bolivia comes from renewable energy, of which 78% is hydroelectric, 12% wind and 9.8% solar.**

electric, hydroelectric, solar and wind projects.

Bolivia's community energy initiatives are also encouraging. A notable example has been the Cooperativa Rural de Electrificación de Santa Cruz, CRE, which over the past 62 years has become a national and international benchmark for cooperative action by bringing electricity to underserved areas and promoting economic development and community well-being. Recognized as the largest electric cooperative in the world, CRE owes its success to both local tenacity and key partnerships with U.S. USAID, which provided initial funding of \$10 million, and NRECA, the National Rural Electric Cooperative Association, responsible for strategic technical support that has resulted in a strong and fruitful relationship to this day.

Given the number of opportunities on the table, the next few years look set to be decisive for Bolivia's electricity sector. And although there is a long way to go, Bolivia's outstanding energy potential, its successful experiences of international collaboration and its recent openness to investment promise to turn the challenges of the past into powerful opportunities. ■



## Powering Santa Cruz for Generations to Come

For over 60 years, Cooperativa Rural de Electrificación (CRE) has been at the heart of Santa Cruz's transformation, bringing electricity to one of Bolivia's most underserved regions.

**Founded in 1962, CRE has played a pivotal role in transforming Santa Cruz, Bolivia, from a marginalized region with limited access to electricity into a thriving hub of development.** What began as a collective effort to bring power to rural communities has grown into a success story of innovation, inclusion, and progress.

"Bringing electricity to Santa Cruz wasn't just about powering homes—it was about giving people the tools to improve their quality of life," says General Manager Mario Carmelo Paz. Initially supported by USAID and the National Rural Electric Cooperative Association (NRECA), CRE embarked on an ambitious mission to electrify the entire department of Santa Cruz. Over the course of 62 years, the cooperative has achieved remarkable success, reaching 95% coverage in a region that once struggled to access basic services.

In the early years, CRE focused on expanding the regional electric grid by utilizing natural gas. More recently, the cooperative has embraced renewable energy sources, ensuring long-term sustainability. "We're committed to using technology that not only benefits the people of Santa Cruz but also protects the environment," adds Paz.

A key factor in CRE's success has been its single-tariff system, ensuring that rural and urban customers pay the same rates. This approach has helped the cooperative expand its reach across remote provinces, bringing much-needed power to the most isolated areas.

Beyond electricity, CRE's dedication to social responsibility has made it a pillar of the community. The cooperative invests in education,



**«Bringing electricity to Santa Cruz wasn't just about powering homes—it was about giving people the tools to improve their quality of life.»**

MARIO CARMELO PAZ

health, and development initiatives, including university scholarships, school programs, and community training projects. "At CRE, we don't focus on capital; we focus on people," Paz explains proudly. These initiatives include everything from providing scholarships to students to supporting a cooperative medical center.

Looking forward, CRE has ambitious plans to continue its development mission. Over the next four years, the cooperative plans to invest \$150 million into expanding renewable energy projects, improving infrastructure, and meeting the growing energy demand in the Santa Cruz region. "Our goal is to generate up to 120 megawatts of electricity by 2028, focusing on solar energy and hybrid systems," says Paz. This investment will also fund the modernization of the grid to ensure continued reliability and efficiency as the population grows. "Santa Cruz doesn't stop growing, and neither can we," Paz concludes, "and as long as we keep the cooperative effort that makes us unique, the future will be bright for all of us." ■



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# Telecom



\$2.1 billion revenues in telecom services in 2023.



With 9.14 million internet users, internet penetration is at 73.3% in 2024.



13.66 million cellular mobile connections in early 2024, equivalent to 109.5% of the total population.

## A Promising Sector Promoting Inclusivity and Innovation

Although Bolivia's telecommunications sector has historically faced considerable geographic and economic challenges, in recent decades its remarkable efforts to improve the quality and coverage of services and promote digital skills are beginning to yield results.

**L**andlocked between the Andes and the Amazon, with a widespread rural population, and an economy traditionally focused on natural resources, Bolivia's geographical and socioeconomic conditions had made telecommunications traditionally challenging. However, both the government's and the private sector's recent efforts to improve its infrastructure and overall services are radically transforming the country's telecommunications and impacting positively other sectors like commerce, education and services.

On the one hand, there have been significant state investments in fiber optic networks and satellite technologies, such as the Túpac Katari 1 satellite, launched in 2013 by the Bolivian



Space Agency (ABE), and the 2,000 km cable that connects Bolivia to the Pacific via Peru and was inaugurated in 2020 by the state-owned telecommunications company Entel. These investments have been crucial to increase capacity, reduce end-user prices and promote greater dig-

ital inclusion by bringing telecommunications and Internet services to remote and traditionally underserved areas. Similarly, private companies such as Viva and Tigo have also been instrumental in implementing advanced technologies and expanding urban and rural network coverage.

One area that has grown considerably is mobile connectivity, which has reached 12 million mobile lines this year and has improved greatly since the arrival of 4G technology (with 5G on the way). In turn, this expansion has dragged internet penetration, growing significantly from 4% in 2006 to 73.3% at the beginning of 2024, especially as almost 92% of internet accesses are made through smartphones. In addition, Entel installed 500 free Wi-Fi points in urban and rural municipalities. Nevertheless, compared to its Latin American neighbors, Bolivia is still lagging behind in the expansion of broadband Internet connections, especially in rural areas. As a result, an investment of BOB\$125 million has been committed to resume Entel's network expansion projects in these areas, and Bolivia's space agency confirmed plans to boost satellite Internet provision to remote communities.

While there is still much room for expansion, Bolivia's recent increase in Internet users and overall improvements in the telecommunications sector have begun to benefit its business and education landscape, with a significant increase in e-commerce, digital education and online services, and could have a greater impact on its healthcare, agriculture and digital government services, among many others. For now, one thing seems certain: as Bolivia continues to move forward, its isolated days are a thing of the past. ■

## Transforming Bolivia's Telecommunications Landscape

As the leading telecom company in Bolivia, VIVA is revolutionizing the local market by emphasizing trust, community engagement, and innovative technology.

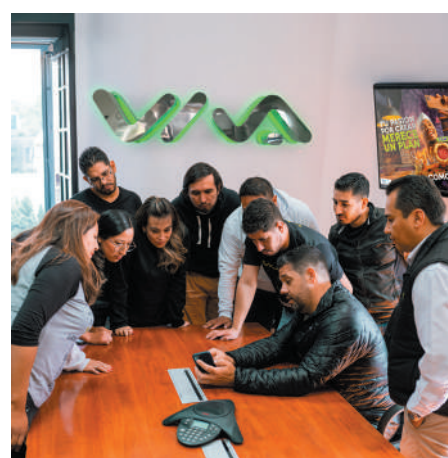
**V**IVA is making waves in Bolivia's telecommunications sector with its local-first strategy, combining innovative technology with strong community engagement. By focusing on the needs of small businesses and street vendors, VIVA has designed its services according to the specificities of the Bolivian market. "A vast majority of business is conducted in the streets, in little bodegas, in markets all over the cities," explains Alvarez, CEO of the company, "and so we focused on connecting them to the economy, bringing QR and other types of payment capabilities, inventory management, advertising, etc."

This was accomplished through the ALVA super app, developed in Bolivia to integrate various services and monopolize user time on the app. This app is zero-rated, meaning usage does not count against data limits, which aids the transition to free services. "ALVA is a super app made here in Bolivia by our team," Alvarez notes. "It supports QR payments, inventory management, and local advertising, making it a versatile tool for local entrepreneurs."

The ALVA super app represents a significant technological advancement for VIVA. By offering a platform that bundles multiple services, the company aims to provide convenience and



Viva Store.



Viva.

efficiency to its users. "Our ultimate idea is to make cell phone service free. Instead of customers paying for their phone service, we as a company are going to generate money through advertising," explains Alvarez. This innovative model reflects a shift from traditional telecom revenue streams to a more sustainable and customer-friendly approach.

Rebuilding trust and infrastructure has been a cornerstone of VIVA's strategy since acquiring the company from previous owners. "Prior to our acquisition, there had not been much investment made in the company. We have a lot of rebuilding to do trust-wise and

a lot of infrastructure that we're in the process of building as well," says Alvarez. Ensuring excellent service is critical to the success of VIVA's innovative business model, which is why the company is focusing on reliability and customer satisfaction, to reestablish its reputation and build long-term relationships with its customers.

VIVA is also committed to social responsibility through the VIVA Foundation, which focuses on access to digital means, development of rural areas, and fostering entrepreneurship. "The foundation has three main pillars: bridging the digital divide, supporting rural com-



RYAN ALVAREZ  
CEO OF VIVA

**«This hands-on approach is how we nurture local talent and encourage innovation in Bolivia; it's how we take this country to the next level worldwide.»**

RYAN ALVAREZ

munities, and running a startup incubator," Alvarez explains. One notable initiative is providing internet access and digital tools to rural areas, helping to connect underserved populations. Additionally, VIVA runs a startup incubator in partnership with Solydes, offering mentorship and resources to young entrepreneurs. "We actually mentor them; I work with two or three companies myself, focusing on marketing because that's my specialty," says Alvarez. "This hands-on approach is how we nurture local talent and encourage innovation in Bolivia; it's how we take this country to the next level worldwide." ■

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# Telecom



450,000 new social media users (+6.3%) between early 2023 and the beginning of 2024.



Internet speed average: 10.27 Mbps for mobile & 32.50 Mbps for fixed connections.



Telecom market size growth estimated at 3% CAGR during 2023-2028, primarily fixed broadband and mobile data.

## Leading the Telecom Revolution with Cutting-Edge Technology

Offering state-of-the-art internet services and a customer-first approach, AXS Bolivia is changing telecommunications for good.

Since its founding in 1999, AXS Bolivia has become a leader in the country's telecommunications sector, renowned for its pioneering use of fiber-optic technology and customer-centric approach. The company's early strategy as a "carrier of carriers" allowed it to build a robust fiber-optic network across Bolivia, introducing innovations such as DWDM technology, which significantly enhanced bandwidth capacity for businesses. "From the

start, our strategy was to implement the technology solutions that could transform Bolivia's



telecommunications landscape," says Giovanni Ortuño, CEO of AXS Bolivia.

First to introduce services like DSL, Carrier Ethernet, GPON and Streaming TV to the Bolivian market, the company has stayed ahead of the competition through innovation. This innovative drive led AXS to launch Bolivia's first FTTH (Fiber to the Home) network, revolutionizing internet connectivity for residential and corporate clients alike. "Our goal has always been to stay at least six months ahead of the competition in terms of technology," Ortuño adds.

Today, AXS is focused on delivering fast, low-latency internet across Bolivia, with a network infrastructure that boasts the lowest latency in the country. This is achieved through strategic connections, including partnerships with international providers like Spain's Telefónica and a direct link to the NAP of the Americas and others in Latin America. "Our network's low latency and high quality set us apart in Bolivia," Ortuño says proudly.



GIOVANNI ORTUÑO  
CEO OF AXS  
BOLIVIA

As AXS expands, it remains committed to innovation and sustainability, supporting rural education and adhering to international standards of corporate responsibility. "We have elevated the standard of telecommunications in Bolivia," Ortuño adds, "and we intend on continuing to do so".

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# Tourism



Almost 1.2 million international tourists in 2023, a 51.4% increase from 2022, with revenues of \$803 million.



In 2024, 1.3 million tourists are expected, 10% more than last year.



Most international tourists come from Argentina, Peru, Brazil, Chile and the USA.

## A New Day for Bolivia's Tourism

With key investments and alliances to support infrastructure, training and promotion programs, Bolivia aims to develop its exceptional natural and cultural potential and consolidate as an international tourism destination.

Home to some of the most diverse and spectacular landscapes in South America, from high-altitude salt flats to virgin jungles and world-renowned historical sites, Bolivia has always had enormous — though often overlooked — tourism potential. In recent years, realizing the strategic relevance that tourism has begun to play in Bolivia's economy, the days of tourism as a neglected sector are finally over. In 2019, with almost 1.2 million international visitors and revenues of US\$837.3 million, foreign exchange generated by international tourism accounted for 9.4% of the total value of exports, doubling that of agriculture, livestock, forestry and fisheries combined. Furthermore, according to government statistics and projections, close to 1.3 million foreign tourists are expected to have arrived in the country by the end of 2024, surpassing pre-pandemic figures. Nevertheless, Bolivia's tourism performance continues to lag behind the region, so the public and private sectors are working together to improve the country's tourism offer and its visibility both locally and internationally.

Earlier this year, the government announced that it will allocate over Bs 200 million to execute more than 20 tourism projects aimed at strengthening and promoting "Destination Bolivia", with special emphasis on cultural, adventure and ecotourism. These projects, which are structured in four programs financed by the IDB (Inter-American Development Bank), the Italian Cooperation, the CAF (Development Bank of Latin America and the Caribbean) and the General Treasury of the Nation (TGN), seek to develop sustainable tourism through the recovery of historical and cultural sites, the training of guides and tour operators, the construction and upgrading of Tourist Information Centers (INFOTURS) and interpretive trails, the digital promotion of the country's diverse tourism offerings, and the implementation of service quality standards and responsible practices through SIRETUR, a formalization system that seeks to categorize and certify tourism service providers.

These initiatives are concentrated in two main areas: on the one hand, already consolidated destinations such as the Salar de Uyuni,



La Paz, Bolivia | Photo by Jack Prommel-unsplash |



Uyuni, Bolivia | Photo by Jeison Higuaita -unsplash |



Oruro, Bolivia | Photo by Cristhian Guzmán-unsplash |



Sajama National Park and Natural Integrated Management Area, Tomarapi, Bolivia.

**«The government announced that it will allocate over Bs 200 million to execute more than 20 tourism projects aimed at strengthening and promoting "Destination Bolivia", with special emphasis on cultural, adventure and ecotourism.»**

the largest salt flat in the world; Lake Titicaca, the world's highest navigable lake; the North Yungas Highway, better known as the "Death Road", a 64 km cycling route linking the city of La Paz with the Amazon jungle; or the historic cities declared World Heritage Sites by UNESCO such as Potosí, Sucre, Samaipata and the Jesuit missions of Chiquitos; and on the other hand, the emerging municipalities with a tourist vocation, where community-based tourism is being developed. In addition, in the framework of the celebrations of the second bicentennial of independence that will take place in 2025, Bolivia has created a National Strategic Plan that seeks, among other objectives, to promote tourism and national culture through a commemorative country brand and a series of initiatives to encourage visits to the country's historical and cultural sites, such as the "Sucre Tourist Museum Route", to explore the city's rich historical heritage; Memorial Houses in the departments of La Paz, Chuquisaca, Santa Cruz, Cochabamba and Oruro to preserve the memory of the people and their struggle for democracy; or the "Free Ticket" initiative, which will allow visitors to visit three museums every first Friday of the month until August 6, 2025.

To become an international tourist destination, however, Bolivia still faces some major challenges, in particular providing monetary security to the sector (related to recent political instability and rising gas prices) and improving its air connectivity, which remains the lowest in the Andean region and explains why most international travelers arrive by land. And while there is still a long way to go, Bolivia's recent efforts have undoubtedly begun to put the country on the road to realizing its long-awaited tourism potential.

# Tourism



Since October 2024, 52 countries (like Canada, Mexico, Australia, Japan and the USA) do not require visa.



6 airlines traveling to Bolivia: Avianca, Copa, Latam, Boliviana de Aviacion, Gol and Air Europa.



Top tourist attractions: Salar de Uyuni, Titicaca Lake, La Paz, Tiwanaku, Potosí and Madidi Natural Parc.

## Visiting Bolivia's Highlights

Home to a stunning variety of landscapes, fauna, flora and historical sites, Bolivia is becoming one of the most sought-after destinations in South America. Here are some of its highlights:

### La Paz

One of the country's two capitals, La Paz is the highest capital city in the world at 3,650 m (11,975 ft). Nestled in a scenic Andes mountain location, it offers attractions such as historic Old Town and Murillo Square; spectacular views from the world's highest urban cable car; or curious places like the famous Witches' Market.

### Salar de Uyuni

The world's highest flat salt pan, the Salar de Uyuni is located at 3,656 m (11,995 ft) and occupies an impressive 10,582 km<sup>2</sup>. Globally renowned for its surreal views, for a few weeks in the rainy season the surface water turns the salt flats into the world's largest mirror, while in the dry season it becomes an endless white landscape.

### Lake Titicaca and Isla del Sol

Lake Titicaca, Bolivia's largest lake and the world's highest navigable lake at 3,805 m (12,483 ft), is one of the country's top destinations. Visitors can enjoy ancient Inca ruins, breathtaking views and great hikes at Isla del Sol, the biggest island in the lake, or around the shore town of Copacabana. Lake Titicaca is considered sacred to many Bolivians, as the Incas believed it to be the birthplace of the Sun.

### Sucre

This beautiful historic city is the constitutional capital of Bolivia. Known for being the place where independence from Spain was proclaimed, Sucre is home to numerous well-preserved churches, such as the Templo de San Felipe Neri, a masterpiece completed in 1800, and outstanding colonial white stone architecture.

### Tiwananku

A pre-Columbian archaeological site south of Lake Titicaca, it is one of the largest in South America and existed before the Inca civilization, around the 12th century BC. Among its remains, it has temples, a pyramid, large carved doors such as the impressive "Puerta del Sol" and monoliths.

### Potosí

A UNESCO World Heritage Site, Potosí is famous for being one of the highest cities in the world at 4,090 m (13,420 ft), home to the Spanish colonial silver mint and, in the 16th century, the world's largest industrial complex. The city has amazingly well-preserved colonial architecture and lies at the foot of Cerro Rico, popularly conceived as "made of" silver ore and for centuries the main silver supply of the Spanish Empire.

### Madidi National Park

Located in the upper Amazon basin, it covers a huge area of 18,958 km<sup>2</sup> and is one of the largest protected areas in the world, stretching from the Andes Mountains to the rainforests of the Tuichi River. In 2018 it was recognized as the world's most biologically diverse national park by the Wildlife Conservation Society, as it is home to 272 known species of mammals, some endemic to the area such as the "titi monkey"; 1,254 species of birds, about 14% of the world's total; and more than 8,000 documented species of vascular plants, among several others.



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# Tourism



Asian tourist arrivals doubled between 2022 and 2023, mostly from Japan, Korea and China.



Travel & tourism market projected to reach US\$525.60 m by 2024, with an expected annual growth rate of 5.44%.



Largest market is Package Holidays market, with a projected volume of US\$327.10m by 2024.



Lobby - Hotel Mitru Sur.

## Where Quality, Warmth and Social Commitment Meet to Provide an Exceptional Stay

Its perfect location, top-quality features, unique services and warm ambiance make Hotel Mitru Sur an exceptional destination for both leisure and business travelers. And its strong social engagement takes their uniqueness to a whole different level.

**R**ecently recognized as the best business hotel in Bolivia by the prestigious World Travel Awards and as Bolivian Company of the Year 2024 in the special nomination “The Hospitality Awards 2024,” granted exclusively to the hotel sector by the Latin American Quality Institute, Hotel Mitru Sur has undoubtedly earned its place among the most distinguished and luxurious accommodations in the country. However, it is not just luxury that makes it special. What truly sets Hotel Mitru Sur apart is its unique blend of quality and warmth, its desire to ensure that guests receive an excellent product, exceptional service, and, at the same time, feel very comfortable, without the rigidity that many five-star hotels often have. To achieve this unique balance, Hotel Mitru Sur has chosen to do things in its own, carefully thought-out, and mindful way. First and foremost, by selecting the best location La Paz has to offer, the Calacoto area, it guarantees guests not only a stay in a quiet and safe neighborhood but also one with privileged access to all kinds of shops and services due to its proximity to San Miguel, one of the city’s most distinguished and economically active areas. Additionally, being near one of the city’s main cable car stations allows guests to easily access the city center and all tourist sites without the hassle of heavy traffic.

Another special feature of Hotel Mitru Sur is the care it has taken in selecting top-quality materials and services. While its modern and sophisticated decor is certainly a highlight, it has gone beyond appearances by using the best materials to ensure the most comfortable experience for guests. These include rock wool to insulate noise from neighboring walls, thermopane windows to regulate temperature and block outside sounds, three different types of heating in addition to air conditioning, and two different internet providers to guarantee the fastest and most reliable connection. The hotel also offers a unique range of services that allow it to fully satisfy all types of guests, from business travelers to tourists and families. With features such as a heated pool, dry and steam sauna, game room, cinema room, children’s play area, two event halls, a café, a rooftop sky bar with spectacular views of the city, and an elegant restaurant offering the best of Bolivian and international cuisine, Hotel Mitru Sur has gone all out to ensure the hotel has absolutely everything its guests need.

Additionally, Hotel Mitru Sur’s commitment to quality and comfort extends



Hotel Mitru Sur.



7th Floor - Hotel Mitru Sur.



Piano - Hotel Mitru Sur.



Kallawaya Women’s hands - Hotel Mitru Sur.



Hammock Zone - Hotel Mitru Sur.



Executive Room - Hotel Mitru Sur.

**With features such as a heated pool, dry and steam sauna, game room, cinema room, children’s play area, two event halls, a café, a rooftop sky bar with spectacular views of the city, and an elegant restaurant offering the best of Bolivian and international cuisine, Hotel Mitru Sur has gone all out to ensure the hotel has absolutely everything its guests need.**

beyond the hotel itself and into its community. As a recent signatory of the United

Nations Global Compact, the hotel has begun developing a strategy to implement the SDGs focused on gender equality. Moreover, through the Munasin Kullakita Foundation, they provide training to their staff to promote responsible tourism for the benefit of Bolivian women, to prevent sexual exploitation and the trafficking of women and girls. They have also established monitoring and surveillance mechanisms to detect and prevent human rights violations. These efforts have been endorsed by “The Code” certification, which ensures that the hotel is a space free from CSEC-CT (Commercial Sexual Exploitation of Children and Adolescents through Travel and Tourism).

Through their own sub-brand, “Yanay,” and with the support of Kallawaya crafts-

women, they have created their own line of jewelry to promote four-stake weaving, allowing artisan girls and women to have a sustainable source of income and encouraging the transmission of ancestral knowledge to new generations. They recently signed an agreement with a local women’s association to contribute leftover bottles and paper for recycling initiatives. In this way, Hotel Mitru Sur demonstrates that providing top-quality services also means adhering to socially responsible and safe tourism and valuing the people and culture around them. As for the future, one thing seems clear: they will remain true to their philosophy and continue finding ways to provide exceptional experiences for their guests. ■