



WORLD RANK: **167** | REGIONAL RANK: **30**

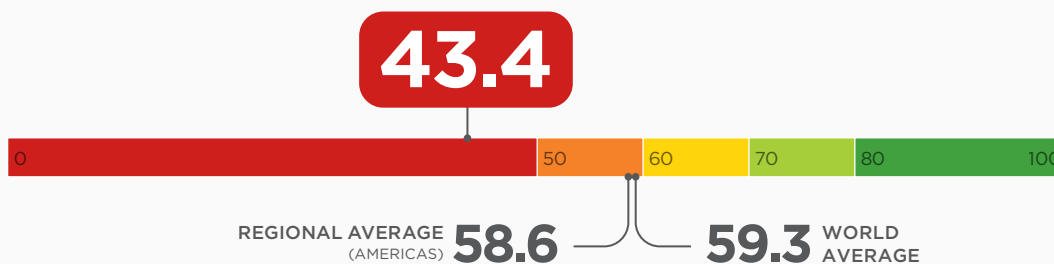
ECONOMIC FREEDOM STATUS: **REPRESSED**

BOLIVIA

Bolivia's economic freedom score is 43.4, making its economy the 167th freest in the 2023 *Index*. Its score is 0.4 point better than last year. Bolivia is ranked 22nd among 32 countries in the Americas region, and its overall score is below the regional and world averages.

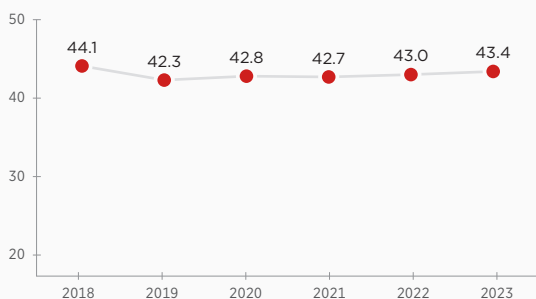
The foundations of economic freedom in Bolivia remain severely hampered by structural and institutional problems. The judicial system is vulnerable to political interference, corruption is prevalent, and the rule of law is weak. The state's growing presence in economic activity has moved the economy ever further from free-market openness.

ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -13.4

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
11.8 million

GDP (PPP):
\$106.9 billion
6.1% growth in 2021
5-year compound annual growth 1.6%
\$9,056 per capita

UNEMPLOYMENT:
7.9%

INFLATION (CPI):
0.7%

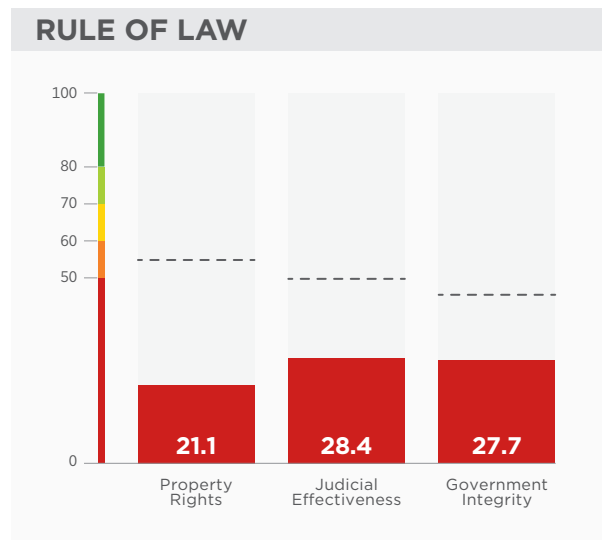
FDI INFLOW:
\$594.1 million

PUBLIC DEBT:
80.5% of GDP

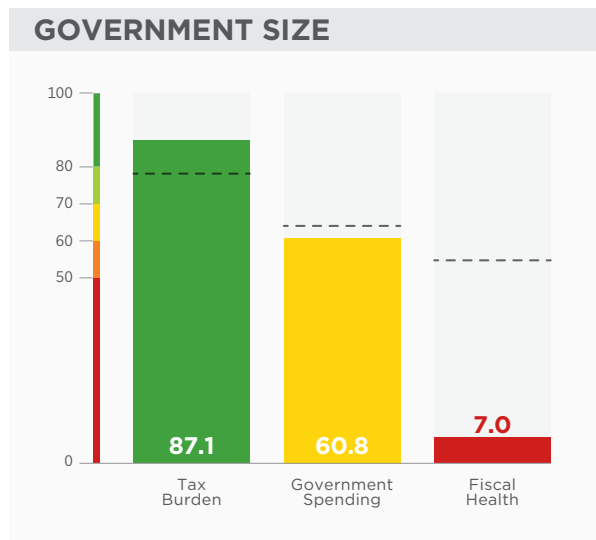
2021 data unless otherwise noted. Data compiled as of September 2022

BACKGROUND: Despite one of the world's richest lithium reserves and high natural gas exports, Bolivia remains characterized by deeply rooted poverty, illegal drug activity, and populist authoritarian tendencies. President Luis Arce was elected in 2020 following Evo Morales's resignation after nearly 14 years in power, the brief tenure of the centrist Democratic Unity coalition's Jeanine Áñez, and the return of Morales's Socialist Movement and subsequent political arrest of Áñez. Arce has continued Morales's interventionist policies, but fiscal deficits and recession may force him to be more pragmatic. Amid the global lithium rush, the presence of China, Russia, and Iran is growing.

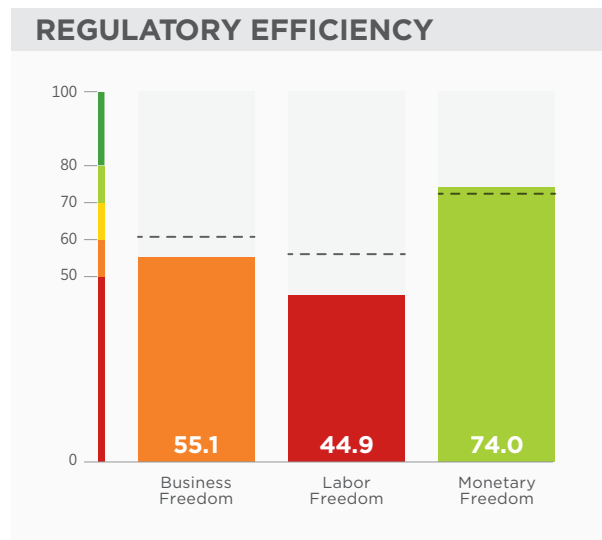
12 ECONOMIC FREEDOMS | BOLIVIA



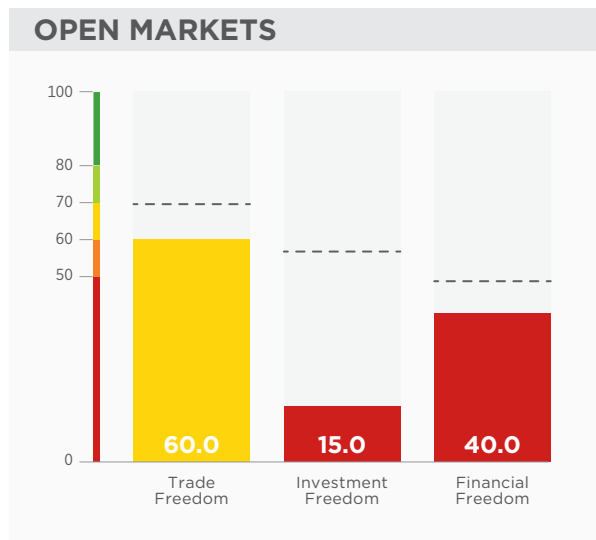
The overall rule of law is weak in Bolivia. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 13 percent and 25 percent. The tax burden equals 22.4 percent of GDP. Three-year government spending and budget balance averages are, respectively, 36.1 percent and -9.8 percent of GDP. Public debt equals 80.5 percent of GDP.



Overall business freedom remains mostly unchanged and at a low level. The labor code is outdated and burdensome. The government maintains controls on the prices of products such as sugar, maize, and bread. The most recent available inflation rate is 0.7 percent.



The trade-weighted average tariff rate is 10 percent, and four nontariff measures are in force. The overall investment framework is opaque, and the government prioritizes domestic investment over foreign investment. The financial sector is vulnerable to state interference and is not fully developed.