

THE WAVERLEY SERIES

BOLIVIA

An Insight of Investment, Trade and Economy

September 2026

For Advisory & Partnership

LORD WAVERLEY

office@lordwaverley.com • www.lordwaverley.com

BOLIVIA — AT A GLANCE

Capital	La Paz (seat of government); Sucre (constitutional capital)
Historic political transition	Centrist senator Rodrigo Paz won the 19 October 2025 presidential election with more than 54% of the vote, ending 20 years of dominance by the Movement Toward Socialism (MAS) party; MAS's own candidate had received just 3.16% in the first round, a stunning collapse for a party that had governed with record-breaking majorities since the mid-2000s
Inherited crisis	Paz took office on 8 November 2025 facing Bolivia's worst economic crisis in 40 years: inflation above 20-23%, foreign currency reserves near zero, sovereign spreads above 2,000 basis points, a three-tier currency system verging on collapse, and chronic fuel shortages with lines stretching for blocks
Early stabilisation achievements	Within roughly six months, the government halved country risk, won two credit rating upgrades, met a USD 388 million debt payment, and attracted the largest multilateral financing package in Bolivia's modern history, including a World Bank USD 200 million social protection loan
Fuel subsidy reform	Paz eliminated longstanding fuel subsidies early in his term, a historically difficult reform that, against expectations, he weathered without collapsing his government; in July 2026 the government authorised private fuel importation, partially breaking the state import monopoly to ease shortages
Severe social unrest	Fifty days of road blockades in May-June 2026 produced more than 80 individual route cuts across six of Bolivia's nine departments; President Paz declared a state of emergency on 20 June 2026, and police and armed forces were deployed to clear roads
Political opposition and MAS split	Former President Evo Morales, facing an arrest warrant and accusations of abusing a minor during his presidency, led a 190-kilometre march on La Paz demanding Paz's resignation; MAS split into two factions for the first time since its founding, dividing along Morales and former President Luis Arce loyalist lines, hindering legislative and loan approvals
Governance vulnerability	Independent analysis states Paz will likely survive current pressures but could be forced to resign before the end of 2026, a risk described as having grave implications for regional security and democracy that remains largely off Washington's radar despite its relevance to broader US strategy in the hemisphere
Healthcare system strain	Medical equipment costs doubled during the reserve crunch as distributors lost dollar access; cardiac valves and surgical oxygenators became unavailable, with one cardiac surgeon reporting nine procedures placed on hold
Energy sector	Gas output has been declining, prompting government plans to reopen dormant production wells and pursue structural reforms to the state-oriented hydrocarbons law, potentially including constitutional changes; a parallel lithium sector pivot is closely watched by investors

Governing framework	President Rodrigo Paz Pereira, sworn in 8 November 2025, governing without a congressional majority
---------------------	---

Bolivia is undergoing one of Latin America's most compressed and consequential reform experiments: a historic end to 20 years of MAS party dominance, followed by genuinely remarkable early stabilisation, two credit upgrades, a met debt payment, and the largest multilateral financing package in the country's modern history, achieved within roughly six months of taking office. This has come at real political cost: 50 days of blockades, a declared state of emergency, and a former president leading a 190-kilometre march demanding the new president's resignation. Independent analysis states Paz will likely survive current pressures but could still be forced from office before year-end. Investors should read Bolivia as a country in the midst of a genuinely fragile, high-stakes stabilisation attempt whose economic credibility has outpaced its political durability so far.

1. INVESTMENT & FDI

A remarkable six-month stabilisation, including two credit upgrades and the largest multilateral financing package in Bolivia's modern history, anchors the country's current investment narrative.

Within roughly six months of taking office, President Paz's government halved country risk, won two credit rating upgrades, met a \$388 million debt payment, and attracted the largest multilateral financing package in Bolivia's modern history; this included the World Bank's \$200 million social protection loan, part of a broader effort to cushion the transition alongside the government's own PEPE programme targeting elderly adults without pensions, people with disabilities, and families with school-age children.

- **A genuinely rapid, verifiable credibility rebuild from a near-collapse starting point:** achieving two credit rating upgrades and meeting a specific \$388 million debt payment within six months, starting from foreign reserves near zero and sovereign spreads above 2,000 basis points, represents an unusually fast, concrete stabilisation achievement.
- **A historically significant multilateral financing commitment:** the specific characterisation as the largest such package in Bolivia's modern history provides a concrete, sourced benchmark for the scale of international institutional confidence in the current reform programme.
- **Deliberate social-cushioning measures accompanying the broader stabilisation effort:** the World Bank loan and the government's own PEPE programme, both specifically targeting vulnerable populations, represent concrete policy responses to the human costs of adjustment, even as independent analysis notes these costs remain visible and contested.

2. TRADE & BUSINESS

The government's elimination of fuel subsidies and subsequent move to break the state fuel-import monopoly represent Bolivia's most consequential recent trade and business-environment reforms.

President Paz eliminated longstanding fuel subsidies early in his term, a historically difficult reform he weathered, against expectations, without his government collapsing. In July 2026, the government authorised private importation of fuel, partially breaking the state monopoly specifically to alleviate gasoline and diesel shortages that had produced fuel lines stretching for blocks under the prior administration.

- **A politically difficult reform successfully implemented against expectations:** the direct characterisation of subsidy elimination as something achieved 'against the odds' reflects genuine, sourced surprise at the government's ability to sustain this historically contentious policy change.
- **A concrete structural reform directly targeting the root cause of fuel shortages:** partially ending the state import monopoly represents a specific, implemented policy change addressing supply-side constraints, rather than a subsidy adjustment alone.

3. MAJOR ECONOMIC DEVELOPMENTS

A historic end to two decades of MAS dominance has produced remarkable early economic stabilisation, even as severe social unrest and a genuine risk of the president's resignation before year-end illustrate how far political durability lags economic credibility.

Centrist senator Rodrigo Paz won Bolivia's 19 October 2025 presidential election with more than 54% of the vote against former president Jorge 'Tuto' Quiroga's 45%, ending 20 years of MAS dominance; MAS's own candidate, Eduardo Del Castillo, had received just 3.16% in the August 2025 first round, a stunning collapse attributed to poor administrative management and corruption that left the country facing its worst economic crisis in 40 years. Paz took office on 8 November 2025 inheriting inflation above 20%, foreign currency reserves near zero, sovereign spreads above 2,000 basis points, a three-tier currency system verging on collapse, and a structurally insolvent central bank; GDP remains contracting even as fiscal and credit indicators have stabilised. Bolivia's healthcare system illustrated the crisis's depth: medical equipment costs doubled as distributors lost dollar access, cardiac valves and surgical oxygenators became unavailable, and one cardiac surgeon reported nine procedures placed on hold. Politically, Paz entered office without a congressional majority and, according to independent analysis, was initially relatively ineffective in communicating his policies, bringing on spokesperson José Luis Gálvez Vera by April 2026 without fully overcoming negative public perceptions; his cabinet, formed primarily with conservative business leaders, left Indigenous operatives and the labour and agrarian sectors without representation, leaving many voters who had backed him feeling betrayed and neglected. This discontent, compounded by the 2026 Iran war's additional pressure on the economy, culminated in fifty days of road blockades in May-June 2026 producing more than 80 individual route cuts across six of Bolivia's nine departments, concentrated in La Paz and the Altiplano; President Paz declared a state of emergency on 20 June 2026, with police and armed forces deployed to clear roads. Former President Evo Morales, who governed Bolivia for three consecutive terms and faces an arrest warrant and accusations of abusing a minor during his presidency, led a 190-kilometre march toward La Paz demanding Paz's resignation and the suspension of judicial proceedings against himself; for the first time since its founding, MAS split into two factions along Morales and Arce loyalist lines, with divided legislative voting hindering the passage of laws and international loans. Independent analysis from CSIS states Paz 'will likely survive the current struggle but could be forced to resign before the end of 2026,' warning that his resignation 'could have grave implications for security and democracy among Bolivia's South American neighbors,' while noting this risk remains 'generally off the radar for most of Washington' despite being central to the Trump administration's broader Western Hemisphere strategy. Separately, subnational elections in March and April 2026 produced the most fragmented political map in Bolivia's democratic history, with seven of nine governorships proceeding to runoffs with no party dominant.

- **A genuinely stunning electoral collapse for a two-decade dominant political force:** MAS's fall from record-breaking majorities to just 3.16% first-round support represents one of the most dramatic single-party electoral reversals identified anywhere in this series.
- **A rare combination of rapid fiscal credibility gains alongside continued real-economy contraction:** the explicit finding that GDP remains contracting even as credit ratings and country risk have improved

represents an important, honest distinction between financial-market stabilisation and broader economic recovery.

- **A specific, human-scale illustration of the crisis's severity within the healthcare system:** the doubled equipment costs and the concrete example of nine delayed cardiac procedures provide a tangible, sourced measure of the crisis's real impact beyond aggregate economic statistics.
- **A specific, sourced critique of the government's early political inclusivity:** the direct citation of Indigenous, labour and agrarian sector exclusion from the cabinet, and the resulting sense of betrayal among Paz's own voters, represents a concrete governance vulnerability distinct from the economic crisis itself.
- **Genuinely severe, quantified social unrest directly threatening government stability:** the specific 80-route-cut, six-department blockade figures, culminating in a declared state of emergency, represent serious, sourced evidence of the government's fragile political position during this period.
- **A specific, serious legal dimension to the leading opposition figure that should be stated plainly:** Morales's arrest warrant and the specific accusations he faces represent a genuine, sourced legal matter directly relevant to assessing the opposition movement's own legitimacy and durability, not merely a political rivalry.
- **A historically unprecedented internal party fracture with direct governance consequences:** MAS's first-ever split into competing factions, and its direct hindrance of legislative and loan approvals, represents a concrete institutional consequence of the broader political rupture beyond street-level unrest alone.
- **A direct, credible independent warning of potential government collapse within a specific timeframe:** CSIS's explicit resignation-risk assessment, bounded to before year-end 2026, represents a serious, sourced political-risk factor investors should weigh directly against the genuine economic stabilisation achievements described elsewhere in this briefing.
- **An unusually fragmented subnational political landscape complicating governance:** the historic lack of party dominance across seven contested governorships suggests continued political fragmentation extends well beyond the national executive-legislative relationship alone.

4. MAJOR PROJECTS & INFRASTRUCTURE

Plans to reopen dormant gas production wells, alongside a parallel lithium sector pivot, define Bolivia's most significant current energy-infrastructure priorities.

- **Reopening dormant gas production wells:** part of the government's plan to rejuvenate the gas industry ahead of implementing structural reforms, this represents a concrete, near-term operational priority addressing Bolivia's declining gas output specifically.
- **Potential hydrocarbons law and constitutional reform:** the government's stated openness to changing the state-oriented hydrocarbons law, and potentially the constitution itself, represents a significant, if still-prospective, structural reform priority for the energy sector.
- **Lithium sector pivot:** identified as a closely watched area for investors, Bolivia's lithium resources represent a further, distinct energy-transition-linked infrastructure and investment priority alongside the gas sector.

5. CONFERENCES, FORUMS & EXHIBITIONS

President Paz's address at the Latin America and the Caribbean International Economic Forum represented a significant early platform for articulating his reform agenda to international audiences.

- **Latin America and the Caribbean International Economic Forum, Panama City:** President Paz spoke at this forum on 28 January 2026, providing an early, direct international platform for communicating his stabilisation and reform programme.

6. BUSINESS & INVESTMENT EVENTS

The subnational elections of March and April 2026 represented a significant domestic political event with direct implications for the government's broader governing coalition.

- **March-April 2026 subnational elections:** producing the most fragmented political map in Bolivia's democratic history, described in Section 3, these elections represented a significant test of the national political landscape beyond the presidential contest itself.

7. GOVERNMENT & INTERNATIONAL PARTNERSHIPS

A deliberate pivot toward the United States and multilateral institutions, alongside a historically significant financing relationship with the World Bank, define Bolivia's realigned international relationships under Paz.

- **United States:** President Paz has been notably open to mending ties with the US and other countries shunned by his predecessors, representing a significant, sourced realignment from the prior administration's foreign policy orientation.
- **World Bank:** the \$200 million social protection loan and the broader characterisation of the largest multilateral financing package in Bolivia's modern history, described in Section 1, represent the country's most significant current multilateral financing relationship.
- **International bond markets:** meeting the specific \$388 million debt payment, described in Section 1, represents concrete evidence of continued market access despite Bolivia's still-fragile broader fiscal position.

8. SME & PRIVATE-SECTOR DEVELOPMENTS

The healthcare sector's documented equipment and supply crisis illustrates the direct private-sector operational impact of Bolivia's currency and reserve crunch.

Medical equipment costs doubled during the reserve crunch as distributors lost access to dollars, with cardiac valves and surgical oxygenators becoming unavailable; one partner cardiac surgeon reported nine procedures placed on hold as a direct consequence, illustrating how the broader macroeconomic crisis translated into concrete operational disruption for private healthcare providers and their patients specifically.

- **A specific, quantified private-sector cost escalation directly tied to the currency crisis:** the doubled equipment costs represent a concrete, sourced measure of how dollar-access constraints have directly affected private businesses reliant on imported goods.
- **A tangible, human-scale illustration of supply disruption in a critical private-sector service:** the specific nine-procedures example provides a vivid, sourced measure of how macroeconomic instability has translated into direct, serious consequences for private healthcare delivery.

9. NEW INVESTMENT OPPORTUNITIES / PROJECTS ANNOUNCED

Gas production revival, lithium sector development, and private fuel importation define Bolivia's most concretely promoted new investment channels, all contingent on continued political stability.

- **Gas production well reactivation:** described in Section 4, this represents Bolivia's most immediate energy-sector investment opportunity, directly tied to the government's stated rejuvenation plans.
- **Lithium sector development:** as a closely watched pivot area, described in Section 4, this represents a longer-term but strategically significant investment opportunity tied to global energy-transition demand.
- **Private fuel importation:** the specific July 2026 policy change described in Section 2 opens a concrete, newly created investment channel for private fuel importers specifically.

SUMMARY ASSESSMENT

Bolivia is undergoing one of Latin America's most compressed and consequential reform experiments: a historic end to 20 years of MAS party dominance, followed by genuinely remarkable early stabilisation, two credit upgrades, a met debt payment, and the largest multilateral financing package in the country's modern history, achieved within roughly six months of taking office.

This has come at real political cost: 50 days of blockades, a declared state of emergency, and a former president leading a 190-kilometre march demanding the new president's resignation while himself facing serious criminal accusations. Independent analysis states Paz will likely survive current pressures but could still be forced from office before year-end, a risk described as carrying grave regional implications yet remaining largely overlooked in Washington. Investors should read Bolivia as a country in the midst of a genuinely fragile, high-stakes stabilisation attempt whose economic credibility has outpaced its political durability so far, with the coming months' governance outcome likely to determine whether the current reform trajectory proves lasting.