

WAVERLEY GATEWAY GUIDE

Connecting International Capital with Emerging & Frontier Markets

BOLIVIA

America South

Dialogue | Trust | Partnership

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WHERE AND HOW TO ENTER

KEY INVESTMENT LOCATIONS

Location / Region	Strategic Importance	Priority Sectors
La Paz	Seat of government and political capital, and the center of recent reform policymaking	Financial services, government-linked services, public administration
Santa Cruz de la Sierra	Bolivia's economic capital and leading agribusiness and commercial hub	Agribusiness, commerce, light manufacturing
Salar de Uyuni (Potosí)	Home to an estimated 23 million tons of lithium reserves, among the largest in the world	Lithium extraction and processing
Tarija (San Alberto / Margarita gas fields)	Bolivia's traditional natural gas production region, now in sharp decline	Natural gas production, hydrocarbons
Cochabamba	Secondary industrial and manufacturing hub in central Bolivia	Light industry, manufacturing, agro-processing
El Alto	Major logistics and informal-economy hub adjoining La Paz	Logistics, light industry, informal commerce
Puerto Suárez (Brazil border)	Anchor point for Bolivia's long-term bi-oceanic rail corridor ambitions linking Brazil to Pacific ports	Rail and logistics infrastructure, cross-border trade

INVESTOR ENTRY ROUTES

- Lithium extraction and processing investment in the Salar de Uyuni, backed by the government's pledge to honor existing agreements and a new lithium law currently in drafting
- Hydrocarbons exploration and production investment ahead of planned 2027 bidding rounds under a new, more flexible hydrocarbons law
- Participation in Bolivia's newly floated, market-rate currency regime (effective June 2026), now open to attracting foreign-currency inflows
- Privatization-linked investment as the government moves to sell off state companies as part of its reform program
- Agribusiness and commercial investment in the Santa Cruz corridor, Bolivia's economic engine
- Logistics and infrastructure investment in the long-term bi-oceanic rail corridor linking Brazil to Pacific ports via Bolivia

MARKET-ENTRY OBSERVATION

Bolivia offers a genuinely credible reform story following the November 2025 election of centrist Rodrigo Paz, which ended two decades of Movement for Socialism (MAS) rule under a pragmatic "Capitalism for all" platform aimed at repairing relations with Washington. In June 2026 the government floated the boliviano after 15 years of a fixed exchange rate to attract foreign currency, and in January 2026 it explicitly pledged to honor all existing hydrocarbon and lithium agreements - including deals with Russian and Chinese companies - to reassure investors, while drafting a new hydrocarbons law (due in the first half of 2026) that would offer more flexible taxes and royalties, reduce the state energy company's dominance, and open exploration bidding rounds in 2027. Bolivia's roughly 23 million tons of lithium reserves, among the largest in the world, have already drawn renewed US strategic interest.

That reform story is unfolding against what analysts call Bolivia's worst economic crisis in four decades. Annual inflation reached roughly 23% in 2025, its highest since 1991; the economy contracted for the first time since 1986 (-1.58% in 2025), with multilateral forecasts projecting a further contraction of up to 3.3% in 2026. Chronic dollar and fuel shortages since 2023 led the government to eliminate roughly \$2 billion a year in fuel subsidies, triggering a seven-week road-blockade crisis in mid-2026 that required a formal state of exception to resolve. Natural gas, long Bolivia's primary export, has collapsed - production down roughly 60% and export revenue down roughly 82% (to \$1.1 billion in 2025) since 2014 - as Argentina's Vaca Muerta shale boom ended Bolivia's traditional export market, leaving the country now importing 95% of its diesel and 60% of its gasoline.

INVESTOR RISK & MARKET ACCESS

KEY ENTRY BARRIERS

Issue	Potential Impact	Possible Mitigation
Four-decade-worst economic crisis	Annual inflation near 23% (highest since 1991), the first recession since 1986, and projected further 2026 contraction of up to 3.3% create a genuinely fragile macro backdrop	Structure investment with conservative macro assumptions and monitor multilateral engagement closely
Collapsed natural gas export franchise	Gas production is down roughly 60% and export revenue down roughly 82% since 2014, as Argentina's Vaca Muerta shale boom ended Bolivia's traditional export market, leaving Bolivia a net fuel importer	Evaluate hydrocarbons investment against the new, more flexible 2026 law and 2027 bidding-round framework rather than legacy export assumptions
Recurring protest and reform-backlash risk	Fuel-subsidy removal triggered a seven-week road-blockade crisis requiring a June 2026 state of exception, and analysts warn further reforms could trigger renewed unrest	Monitor union and Indigenous/peasant-group reaction to pending reforms before committing to projects reliant on continued liberalization
Currency-float transition uncertainty	The June 2026 end of a 15-year fixed exchange rate (a roughly 40% effective devaluation) raises import costs for households and has drawn domestic criticism as a "hidden devaluation"	Monitor the floating rate's stabilization and domestic political reaction before FX-sensitive commitments
Legacy lithium/hydrocarbon deal uncertainty	The government has pledged not to tear up existing Russian and Chinese lithium and hydrocarbon agreements but has said it disagrees with how some were awarded, and a new lithium law is still being drafted	Track the pending lithium law and any renegotiation discussions with existing partners before new entry
Dependence on unresolved IMF engagement	President Paz has so far pledged to avoid an immediate IMF program, relying instead on the currency float and a tax amnesty, leaving the reform program without an external anchor	Monitor whether Bolivia eventually seeks IMF support and the terms of any future program
Large informal economy	Roughly 85% of the population works informally, constraining the formal tax base and complicating workforce-related compliance for new investors	Build realistic workforce and compliance assumptions reflecting the informal-economy backdrop

INVESTOR RISK NOTE

Waverley views Bolivia as a genuine, credible reform story - the end of 20 years of MAS rule, a pledge to honor existing resource agreements, and a new market-rate currency regime are real, investor-relevant signals - but one unfolding against the worst economic crisis in four decades and a recurring risk of reform-driven social unrest. Resource-sector investors with patience and risk tolerance may find genuine early-stage opportunity in lithium and hydrocarbons, but all entry should be sized for continued macro and political volatility.

MARKET ACCESS

Bolivia is landlocked but positioned as a potential bi-oceanic rail and logistics corridor linking Brazil to Pacific ports, operates a newly floated, market-rate currency regime since June 2026, participates in Andean Community (CAN) and ALADI trade frameworks, and holds among the world's largest lithium reserves.

WHO SHOULD THE INVESTOR MEET?

INSTITUTIONAL LANDSCAPE

Actor	Why It Matters	Waverley Engagement Angle
Ministry of Economy and Public Finance	Leads fiscal reform, the tax amnesty program and currency-float implementation	Primary point of engagement for macro-policy and privatization-linked investment
Ministry of Hydrocarbons and Energy	Leads the new hydrocarbons law and the government's investor-reassurance pledges on existing agreements	Primary channel for hydrocarbons exploration and production investment
YPFB (state energy company)	Remains in the hydrocarbons system but with reduced dominance expected under the new law	Monitor for its evolving role as the hydrocarbons law takes effect
YLB (Yacimientos de Litio Bolivianos)	State lithium company administering existing lithium deals pending the new lithium law	Primary channel for lithium extraction and processing partnerships
Central Bank of Bolivia (BCB)	Manages the new floating exchange-rate regime introduced in June 2026	Monitor for currency-stabilization developments relevant to FX-sensitive investment
Plurinational Legislative Assembly (Congress)	Must approve the pending hydrocarbons and lithium laws central to the reform program	Track legislative progress before committing to reform-dependent projects
Major union federations and Indigenous/peasant organizations	Key political actors behind the recurring protest and road-blockade risk tied to subsidy and reform measures	Monitor for social-stability signals before committing to physical infrastructure or logistics projects

CURRENT INTERNATIONAL BUSINESS CHANNELS

Most inbound capital is likely to flow through Ministry of Hydrocarbons/YPFB-coordinated channels for energy investment ahead of the 2027 bidding rounds, YLB-administered lithium partnerships subject to the pending lithium law, and direct engagement with the Ministry of Economy for privatization-linked and currency-regime matters.

INVESTOR PROFILE BEST SUITED

Best suited to resource-sector investors (lithium, hydrocarbons) with high risk tolerance and patience for Bolivia's legislative and political timeline, alongside agribusiness and logistics investors targeting the Santa Cruz corridor and bi-oceanic rail ambitions. Not suited to investors requiring near-term macro stability or low social-unrest exposure.

FROM INTELLIGENCE TO ENGAGEMENT

STEP 1: Confirm sector fit and risk tolerance

Decide between lithium, hydrocarbons, agribusiness, or logistics investment, and confirm organizational risk tolerance for the current macro environment.

STEP 2: Engage the Ministry of Hydrocarbons/YPFB or YLB directly

Open sector-specific investment discussions ahead of the pending legislative changes.

STEP 3: Monitor the pending hydrocarbons and lithium laws

Track progress through Congress before committing capital to resource-sector projects.

STEP 4: Track the floating exchange rate and IMF-engagement signals

Monitor currency stabilization and broader macro indicators before FX-sensitive commitments.

STEP 5: Assess regional protest and blockade risk

Evaluate current social-stability conditions by region before committing to physical infrastructure or logistics projects.

WAVERLEY'S ROLE

- Track the hydrocarbons and lithium laws' progress through Congress and the 2027 bidding-round framework
- Monitor the floating exchange rate, inflation and broader macro-stabilization indicators
- Coordinate introductions to the Ministry of Hydrocarbons, YPFB and YLB for sector-specific entry
- Screen lithium, hydrocarbons and agribusiness opportunities against current protest/blockade risk and legislative timelines

INVESTOR CALL TO ACTION

Waverley Gateway positions patient, risk-tolerant investors to capture Bolivia's early-stage lithium and hydrocarbons reform story while explicitly tracking its four-decade-worst economic crisis and recurring reform-backlash risk - engage now to secure early positioning ahead of the 2027 bidding rounds.

Sector screening and risk-tolerance assessment -> Legislative and social-stability due diligence -> Institutional introductions -> Closely monitored entry

WAVERLEY INVESTOR INTELLIGENCE & OPPORTUNITY PIPELINE

Near-term opportunities concentrate in lithium extraction and processing in the Salar de Uyuni pending the new lithium law, hydrocarbons exploration ahead of 2027 bidding rounds, agribusiness and commercial investment in the Santa Cruz corridor, and long-term bi-oceanic rail and logistics infrastructure linking Brazil to Pacific ports.

POSITIONING

Bolivia offers a genuinely credible reform story after 20 years of MAS rule - a pragmatic new government, a pledge to honor existing resource agreements, and a newly floated currency regime - sitting on some of the world's largest lithium reserves.

That reform story is unfolding against the worst economic crisis in four decades, a collapsed gas-export franchise, and recurring reform-driven protest risk. Waverley frames Bolivia as an early-stage, patient-capital resource opportunity best entered alongside close monitoring of the legislative and social-stability trajectory, rather than a market for near-term, low-volatility deployment.

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