

This metadata describes the compilation practices, sources and methodology in use in 2001. Please refer to the contact persons below for details of any changes that may have been introduced by the country since that time.

Bolivia:

Direct Investment Compilation Practices, Data Sources and Methodology

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Direct Investment in Bolivia

- **Balance of Payments (“Transactions Data”)**
- **International Investment Position (“Position Data”)**

Direct Investment Abroad

- **Balance of Payments (“Transactions Data”)**
- **International Investment Position (“Position Data”)**

[Glossary of Direct Investment Terms and Definitions](#)

DIRECT INVESTMENT IN BOLIVIA
BALANCE OF PAYMENTS (“TRANSACTIONS DATA”)

A. Compilation Practices and Data Sources

Data Availability: Preliminary quarterly data on (i) direct investment income (income on equity, reinvested earnings, and income on debt [interest]), and (ii) direct investment financial flows (equity capital and other capital), are disseminated with a timeliness of 2 months after the end of the reference period.

Revision Policy: The data are considered to be final one year after their first release.

Data Coverage: No major industrial sectors are excluded from the data.

Data Collection Methods: Data are collected on an aggregate basis, and reporting requirements are voluntary.

Data Sources: The data are compiled from quarterly enterprise surveys of direct investment enterprises in Bolivia. Press reports are used for cross-checking the data obtained from the surveys. A business register of enterprises involved in direct investment is maintained. This register is updated on a quarterly basis using information from (i) the international trade system's list of exporters/importers, and (ii) registers maintained by government licensing and regulatory authorities, and industry associations.

Geographic Classification: Quarterly data showing country breakdowns for direct investment financial flows (but not direct investment income) are disseminated with a timeliness of 2 months after the end of the reference period. In accordance with the international standards, the debtor/creditor principle is used as the basis for the geographic allocation of the data. Bilateral information is not used in the compilation of the data. Data are disseminated showing breakdowns of direct investment financial flows by regions or economic zones for: (i) NAFTA, (ii) CAN (Comunidad Andina, a group comprising Bolivia, Colombia, Ecuador, Peru, and Venezuela), (iii) MERCOSUR, (iv) Asia, and (v) the European Union. The five countries with the largest amount of direct investment flows into Bolivia during 2001 (ranked in descending order) were: the United States, Argentina, Brazil, Italy, and the Netherlands.

Industrial Classification: Quarterly data showing breakdowns by industrial sectors for direct investment financial flows (but not direct investment income) are disseminated with a timeliness of 2 months after the end of the reference period. The data are based on the industry of the resident direct investment enterprise. The classification broadly corresponds to the nine major divisions of the United Nations International Standard Industrial Classification of All Economic Activities (ISIC). Data showing breakdowns by (i) industrial sector/region or economic zone, and (ii) industrial sector/partner country are not compiled.

B. Methodology

Definition of Direct Investment Enterprises in Bolivia: In accordance with the international standards, the basic criterion for defining direct investment enterprises in Bolivia is 10 percent ownership by a nonresident investor, regardless of whether the investor has an effective voice in management. Enterprises in which the nonresident investor owns less than 10 percent but has an effective voice in management are not included. No value threshold is used to identify direct investment enterprises, and unincorporated enterprises are not treated differently from incorporated enterprises.

Treatment of Indirectly-Owned Direct Investment Enterprises: The “Fully Consolidated System” (FCS) recommended in the international standards is not applied. Specifically, (i) the direct investment earnings data do not include the relevant share of indirectly-owned direct investment enterprises, and (ii) the direct investment financial flows data do not include the equity and other capital transactions between resident enterprises and nonresident enterprises of the same group of related enterprises. Enterprises in Bolivia are not required by law to (i) produce consolidated accounts covering their subsidiaries and associates, either domestic or foreign, or (ii) identify all transactions with the parent company.

Measurement of Direct Investment Earnings: In accordance with the international standards, the “Current Operating Performance Concept” (COPC) is used to calculate earnings of direct investment enterprises. Specifically, (i) deductions are made for depreciation of capital, and for provisions for host-country income and corporation taxes, and (ii) realized and unrealized capital gains and losses, write-offs, and exchange rate gains

or losses are not included. Contrary to the international standards, when a direct investment enterprise makes a loss, the net loss is not recorded as negative reinvested earnings.

Treatment of Income on Equity (Dividends and Distributed Branch Profits): The data cover both incorporated enterprises and unincorporated enterprises. Contrary to the international standards, dividends and distributed branch profits are recorded (i) on the date they are paid, rather than on the date they are payable, and (ii) net, rather than gross, of any withholding taxes.

Treatment of Reinvested Earnings and Undistributed Branch Profits: The data cover both incorporated enterprises and unincorporated enterprises. In accordance with the international standards, reinvested earnings and undistributed branch profits are recorded in the period in which they are earned.

Treatment of Income on Debt (Interest): The data cover interest income from: (i) long-term loans, (ii) short-term loans, and (iii) trade credits. The data do not cover interest from bonds and money market instruments. In accordance with the international standards, the data do not include interest from: (i) financial derivatives, and (ii) deposits, loans and other claims and liabilities related to usual banking and financial intermediation activities between affiliated banks and affiliated financial intermediaries. In accordance with the international standards, the data are primarily compiled on an accrual basis, although some are compiled on a paid basis.

Treatment of Equity Capital: The data cover all types of financial flows affecting equity capital, namely, (i) listed voting stocks (shares), (ii) unlisted voting stocks, (iii) other non-voting stocks (including participating preference shares), and (iv) non-cash acquisitions of equity, such as through the provision of capital equipment. In accordance with the international standards, the data include equity transactions between affiliated banks. Contrary to the international standards, the data do not include equity transactions between affiliated financial intermediaries, as the present data source does not cover these transactions.

Treatment of Other Capital: The data cover: (i) long-term loans, (ii) short-term loans, and (iii) trade credits. The data do not cover: (i) bonds and money market instruments, (ii) financial leases, and (iii) financial derivatives. In accordance with the international standards, the data exclude (i) loans merely guaranteed by direct investors or related direct investment enterprises, (ii) changes in insurance company technical reserves, and (iii) transactions between affiliated banks and between affiliated financial intermediaries involving deposits, loans, and other claims and liabilities related to usual banking and financial intermediation activities. Contrary to the international standards, the data do not include transactions associated with permanent debt (that is, loan capital representing a permanent interest) between affiliated banks and between affiliated financial intermediaries.

Treatment of Reverse Investment: Not applicable. Equity and loan transactions involving reverse investment cannot be identified at present.

Treatment of Quasi-corporations: Not applicable. Activities of quasi-corporations involving the operation in Bolivia by nonresidents of (i) mobile equipment, such as ships, aircraft, and drilling rigs, and (ii) construction enterprises, cannot be identified at present.

Treatment of Offshore Enterprises: Contrary to the international standards, activities of offshore enterprises established in Bolivia by nonresidents are generally not included in the direct investment data.

Treatment of Special Purpose Entities (SPEs): Contrary to the international standards, activities of SPEs established in Bolivia by nonresidents are generally not included in the direct investment data.

Treatment of Land and Buildings: Not applicable. Purchases and sales of land and buildings in Bolivia by nonresident enterprises and individuals cannot be identified at present.

Treatment of Natural Resources Exploration: In accordance with the international standards, the direct investment data include expenditure related to natural resources exploration in Bolivia by nonresidents.

Exchange Rate Conversion: Data are reported by respondents to the enterprise surveys in US dollars. The exchange rates used by the individual reporting enterprises to convert foreign currencies to the unit of account varies. Some transactions are converted at the exchange rate prevailing on the day of the transactions, while others are converted using the exchange rate prevailing at the end of the reporting period, or the average for the reporting period.

DIRECT INVESTMENT IN BOLIVIA
INTERNATIONAL INVESTMENT POSITION (“POSITION DATA”)

A. Compilation Practices and Data Sources

Data Availability: Annual (calendar year) data on (i) equity capital and reinvested earnings, and (ii) other capital, are disseminated with a timeliness of 6 months after the end of the reference period.

Revision Policy: The data are revised at the end of the calendar year, and become final 12 months after they are first released.

Data Coverage: No major industrial sectors are excluded from the data.

Data Collection Methods: Reporting requirements are voluntary.

Data Sources: The data are compiled from transactions data obtained from quarterly enterprise surveys of direct investment enterprises in Bolivia using the perpetual inventory method (a method for deriving position data from transactions data), with adjustments for disinvestments during the previous year, but with no adjustments for price changes, or exchange rate changes. A business register of enterprises involved in direct investment is maintained. This register is updated on a quarterly basis using information from (i) the international trade system's list of exporters/importers, and (ii) registers maintained by government licensing and regulatory authorities, and industry associations.

Geographic Classification: Not applicable. Data showing country breakdowns or breakdowns by region or economic zone are not compiled at present.

Industrial Classification: Not applicable. Data showing breakdowns by industrial sectors are not compiled at present.

B. Methodology

Definition of Direct Investment Enterprises in Bolivia: In accordance with the international standards, the basic criterion for defining direct investment enterprises in Bolivia is 10 percent ownership by a nonresident investor, regardless of whether the investor has an effective voice in management. Enterprises in which the nonresident investor owns less than 10 percent but has an effective voice in management are not included. No value threshold is used to identify direct investment enterprises, and unincorporated enterprises are not treated differently from incorporated enterprises.

Treatment of Indirectly-Owned Direct Investment Enterprises: The “Fully Consolidated System” (FCS) recommended in the international standards is not applied. Specifically, the relevant share of indirectly-owned direct investment enterprises is not included in (i) the reinvested earnings data, and (ii) the equity and other capital position data. Enterprises in Bolivia are not required by law to (i) produce consolidated accounts covering their subsidiaries and associates, either domestic or foreign, or (ii) identify all transactions with the parent company.

Treatment of Equity Capital and Reinvested Earnings: The data cover all types of position data affecting equity capital and reinvested earnings, namely, (i) listed voting stocks (shares), (ii) unlisted voting stocks, (iii) other non-voting stocks, including participating preference shares, (iv) non-cash acquisitions of equity, such as through the provision of capital equipment, and (v) reinvested earnings. In accordance with the international standards, the data include equity positions between affiliated banks. Contrary to the international standards, the data do not include equity positions between affiliated financial intermediaries, as the present data source does not cover these positions. The reinvested earnings data cover both incorporated enterprises and unincorporated enterprises, and, in accordance with the international standards, are recorded in the period in which they are earned. (See also the section on the *Measurement of Direct Investment Earnings* in the metadata on the Balance of Payments [transactions] data on Direct Investment in Bolivia.)

Treatment of Other Capital: The data cover: (i) long-term loans, (ii) short-term loans, and (iii) trade credits. The data do not cover: (i) bonds and money market instruments, (ii) financial leases, and (iii) financial derivatives. In accordance with the international standards, the data exclude (i) loans merely guaranteed by direct investors or related direct investment enterprises, (ii) changes in insurance company technical reserves, and (iii) positions

between affiliated banks and between affiliated financial intermediaries involving deposits, loans, and other claims and liabilities related to usual banking and financial intermediation activities. Contrary to the international standards, the data do not include positions associated with permanent debt (that is, loan capital representing a permanent interest) between affiliated banks and between affiliated financial intermediaries.

Treatment of Reverse Investment: Not applicable. Equity and loan positions involving reverse investment cannot be identified at present.

Treatment of Quasi-corporations: Not applicable. Activities of quasi-corporations involving the operation in Bolivia by nonresidents of (i) mobile equipment, such as ships, aircraft, and drilling rigs, and (ii) construction enterprises, cannot be identified at present.

Treatment of Offshore Enterprises: Contrary to the international standards, activities of offshore enterprises established in Bolivia by nonresidents are generally not included in the direct investment data.

Treatment of Special Purpose Entities (SPEs): Contrary to the international standards, activities of SPEs established in Bolivia by nonresidents are generally not included in the direct investment data.

Treatment of Land and Buildings: Not applicable. Ownership of land and buildings in Bolivia by nonresident enterprises and individuals cannot be identified at present.

Treatment of Natural Resources Exploration: In accordance with the international standards, the direct investment data include expenditure related to natural resources exploration in Bolivia by nonresidents.

Valuation: Contrary to the international standards, the data are reported at book values, rather than market values. However, the book values used are generally the current market price.

Exchange Rate Conversion: The position data are derived from the transactions data, without adjustments for exchange rate changes. The transactions data, in turn, are reported by respondents to the enterprise surveys in US dollars. The exchange rates used by the individual reporting enterprises to convert foreign currencies to the unit of account varies. Some transactions are converted at the exchange rate prevailing on the day of the transactions, while others are converted using the exchange rate prevailing at the end of the reporting period, or the average for the reporting period.

BOLIVIA: DIRECT INVESTMENT ABROAD
BALANCE OF PAYMENTS (“TRANSACTIONS DATA”)

A. Compilation Practices and Data Sources

Data Availability: Preliminary quarterly data on direct investment income (income on equity, and reinvested earnings only) are disseminated with a timeliness of 2 months after the end of the reference period. Data on (i) income on debt (interest), (ii) equity capital, and (iii) other capital, are not compiled at present.

Revision Policy: The data are final when first released and are not subject to revision.

Data Coverage: No major industrial sectors are excluded from the data.

Data Collection Methods: Data are collected on an aggregate basis, and reporting requirements are voluntary.

Data Sources: The data are compiled from quarterly enterprise surveys of residents with direct investment enterprises abroad. Press reports are used for cross-checking the data obtained from the surveys. A business register of enterprises involved in direct investment is not maintained.

Geographic Classification: Not applicable. Data showing country breakdowns or breakdowns by region or economic zone are not compiled at present.

Industrial Classification: Not applicable. Data showing breakdowns by industrial sectors are not compiled at present.

B. Methodology

Definition of Direct Investors Abroad: In accordance with the international standards, the basic criterion for defining direct investors abroad is 10 percent ownership of a nonresident enterprise by a resident investor, regardless of whether the investor has an effective voice in management. Investors which own less than 10 percent of a direct investment enterprise but have an effective voice in management are not included. No value threshold is used to identify direct investors abroad, and unincorporated enterprises are not treated differently from incorporated enterprises.

Treatment of Indirectly-Owned Direct Investment Enterprises: The “Fully Consolidated System” (FCS) recommended in the international standards is not applied. Specifically the FCS, the direct investment earnings data do not include the relevant share of indirectly-owned direct investment enterprises. (Data on (i) equity capital, and (ii) other capital, are not compiled at present.) Enterprises in Bolivia are not required by law to (i) produce consolidated accounts covering their subsidiaries and associates, either domestic or foreign, or (ii) identify all transactions with the parent company.

Measurement of Direct Investment Earnings: In accordance with the international standards, the “Current Operating Performance Concept” (COPC) is used to calculate earnings of direct investment enterprises. Specifically, (i) deductions are made for depreciation of capital, and for provisions for host-country income and corporation taxes, and (ii) realized and unrealized capital gains and losses, write-offs, and exchange rate gains or losses are not included. Contrary to the international standards, when a direct investment enterprise makes a loss, the net loss is not recorded as negative reinvested earnings.

Treatment of Income on Equity (Dividends and Distributed Branch Profits): The data cover both incorporated enterprises and unincorporated enterprises. Contrary to the international standards, dividends and distributed branch profits are recorded (i) on the date they are paid, rather than on the date they are payable, and (ii) net, rather than gross, of any withholding taxes.

Treatment of Reinvested Earnings and Undistributed Branch Profits: The data cover both incorporated enterprises and unincorporated enterprises. In accordance with the international standards, reinvested earnings and undistributed branch profits are recorded in the period in which they are earned.

Treatment of Income on Debt (Interest): Not applicable. Data on income on debt (interest) are not compiled at present.

Treatment of Equity Capital: Not applicable. Data on equity capital are not compiled at present.

Treatment of Other Capital: Not applicable. Data on other capital are not compiled at present.

Treatment of Reverse Investment: Not applicable. Equity and loan transactions involving reverse investment cannot be identified at present.

Treatment of Quasi-corporations: Not applicable. Data on activities of quasi-corporations involving the operation abroad by Bolivian residents of (i) mobile equipment, such as ships, aircraft, and drilling rigs, and (ii) construction enterprises, cannot be identified at present.

Treatment of Offshore Enterprises: Not applicable. Offshore enterprises established abroad by Bolivian residents cannot be identified at present.

Treatment of Special Purpose Entities (SPEs): Not applicable. SPEs established abroad by Bolivian residents cannot be identified at present.

Treatment of Land and Buildings: Not applicable. Purchases and sales of land and buildings abroad by Bolivian resident enterprises and individuals cannot be identified at present.

Treatment of Natural Resources Exploration: In accordance with the international standards, the data include expenditure related to natural resources exploration abroad by Bolivian residents.

Exchange Rate Conversion: Data are reported by respondents to the enterprise surveys in US dollars. The exchange rates used by the individual reporting enterprises to convert foreign currencies to the unit of account varies. Some transactions are converted at the exchange rate prevailing on the day of the transactions, while others are converted using the exchange rate prevailing at the end of the reporting period, or the average for the reporting period.

BOLIVIA: DIRECT INVESTMENT ABROAD
INTERNATIONAL INVESTMENT POSITION (“POSITION DATA”)

A. Compilation Practices and Data Sources

Data Availability: Annual (calendar year) data on reinvested earnings are disseminated with a timeliness of 6 months after the end of the reference period. Position data on (i) equity capital, and (ii) other capital, are not compiled at present.

Revision Policy: The data are considered to be final 12 months after they are first released.

Data Coverage: No major industrial sectors are excluded from the data.

Data Collection Methods: Reporting requirements are voluntary.

Data Sources: The data are estimates based on transactions data obtained from quarterly enterprise surveys of direct investment enterprises in Bolivia using the perpetual inventory method (a method for deriving position data from transactions data), with no adjustments for price changes, or exchange rate changes. A business register of enterprises involved in direct investment is not maintained.

Geographic Classification: Not applicable. Data showing country breakdowns or breakdowns by region or economic zone are not compiled at present.

Industrial Classification: Not applicable. Data showing breakdowns by industrial sectors are not compiled at present.

B. Methodology

Definition of Direct Investors Abroad: In accordance with the international standards, the basic criterion for defining direct investors abroad is 10 percent ownership of a nonresident enterprise by a resident investor, regardless of whether the investor has an effective voice in management. Investors which own less than 10 percent of a direct investment enterprise but have an effective voice in management are not included. No value threshold is used to identify direct investors abroad, and unincorporated enterprises are not treated differently from incorporated enterprises.

Treatment of Indirectly-Owned Direct Investment Enterprises: The “Fully Consolidated System” (FCS) recommended in the international standards is not applied. Specifically, the relevant share of indirectly-owned direct investment enterprises is not included in the reinvested earnings data. (Data on (i) equity capital, and (ii) other capital, are not compiled at present.) Enterprises in Bolivia are not required by law to (i) produce consolidated accounts covering their subsidiaries and associates, either domestic or foreign, or (ii) identify all transactions with the parent company.

Treatment of Equity Capital and Reinvested Earnings: The data cover reinvested earnings only. Data on equity capital are not compiled at present. The reinvested earnings data cover both incorporated enterprises and unincorporated enterprises, and, in accordance with the international standards, are recorded in the period in which they are earned. (See also the section on the *Measurement of Direct Investment Earnings* in the metadata on the Balance of Payments [transactions] data on Direct Investment Abroad.)

Treatment of Other Capital: Not applicable. Data on other capital are not compiled at present.

Treatment of Reverse Investment: Not applicable. Data on equity and loan positions involving reverse investment cannot be identified at present.

Treatment of Quasi-corporations: Not applicable. Data on activities of quasi-corporations involving the operation abroad by Bolivian residents of (i) mobile equipment, such as ships, aircraft, and drilling rigs, and (ii) construction enterprises cannot be identified at present.

Treatment of Offshore Enterprises: Not applicable. Offshore enterprises established abroad by Bolivian residents cannot be identified at present.

Treatment of Special Purpose Entities (SPEs): Not applicable. SPEs established abroad by Bolivian residents cannot be identified at present.

Treatment of Land and Buildings: Not applicable. Ownership of land and buildings abroad by Bolivian resident enterprises and individuals cannot be identified at present.

Treatment of Natural Resources Exploration: In accordance with the international standards, the data include expenditure related to natural resources exploration abroad by Bolivian residents.

Valuation: Contrary to the international standards, the data are reported at book values, rather than market values. However, the book values used are generally the current market price.

Exchange Rate Conversion: The position data are derived from the transactions data, without adjustments for exchange rate changes. The transactions data, in turn, are reported by respondents to the enterprise surveys in US dollars. The exchange rates used by the individual reporting enterprises to convert foreign currencies to the unit of account varies. Some transactions are converted at the exchange rate prevailing on the day of the transactions, while others are converted using the exchange rate prevailing at the end of the reporting period, or the average for the reporting period.