

# BOLIVIA



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## SOUTH AMERICA'S SECRET JEWEL

Bolivia has become South America's most dynamic economy for several years in a row, following an impressive economic and social development between 2004 and 2014, with an average growth of 4.9% sustained mainly by high commodity prices and a prudent macroeconomic policy.

Despite the drop in commodity prices, Bolivia has registered the highest economic growth in South America for the past few years, and 2017 was no exception, at 4.2%. According to the Ministry of Economy and Public Finance of Bolivia, Mario Alberto Guillén, GDP growth will stand at 4.7% in 2018, with the financial, agriculture and construction sectors continuing to act as the main engines of growth. The favorable economic context will also continue leading to a reduction in poverty, which has fallen by a third, according to the International Monetary Fund (IMF).

One of Bolivia's most thriving sectors is banking. With a growth of 12% compared to Latin America's 4.7% average, it stands as the second with highest growth in the region. The country has also been characterized by good levels of inflation for the past few years, at 2.71% in 2017, the lowest figure since 2009.

The nation's exports reached USD 7.281 million between January and November of 2017, a 9% increase compared to the previous year. Most exports were to Brazil (18%), followed by Argentina (16%) and the US (8%). On the other hand, during the same period, imports increased 10%, reaching USD 8,408 million. These were mainly from China (22%), Brazil (17%) and Argentina (12%).

Following the Government's expanded efforts in recent years to attract international investment, Foreign Direct Investment (FDI) has boomed, reaching USD 622 million, with an increase of 52% until September 2017, compared to the previous year. The most recent investment law passed in 2015, aimed at improving the investment climate in the country, sets a precedent for this trend to continue in the years to come. Bolivia's cultural and geographical diversity, has enabled investment to flourish not only into the tourism sector, but also into agriculture and construction.

As a result of the country's good momentum, its entrepreneurial base grew 4% until November 2017, compared to the previous year. Most companies registered in the country were in wholesale, retail, vehicle and motorcycle repair, followed by construction. The two regions that hold most of these companies are La Paz (31%), and Santa Cruz (29%), followed at a lesser extent by Cochabamba, Tarija, Oruro and Potosí.

Key to the nation's continued future growth



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*Adventure and Pleasure, all in one country*

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is Bolivia's most ambitious infrastructure project in history: The Central Bi-oceanic Railway Corridor (CFBC). Aimed at connecting the Atlantic and the Pacific across South America, this USD 10,000 million investment project, will have an extension of 3.755 KM, connecting Puerto Santos in Brasil's Atlantic Ocean, with Puerto de Ilo, in Peru's Pacific Coast. The CFBC will not only enable the development, exploitation and industrialization of Bolivia's natural resources, but will also improve tremendously its communications, connecting the center of South America with the ports and easing exports to Asia.

In an effort to maintain the country's strong growth, the Government of Bolivia approved the 2016-2020 National Economic and Social Development Plan in early 2016, also aimed at assuring continued poverty reduction. With this plan, the government aims to maintain growth at an average rate of 5% between the 2016-2020 period, reducing extreme poverty from 17% to 10%. This plan includes an extensive public investment program with focus on infrastructure, hydrocarbon exploration, industrialization of natural gas and hydroelectric energy generation.

### FACT FILE

<b>OFFICIAL NAME:</b> Plurinational State of Bolivia
<b>TOTAL POPULATION:</b> 11.2 million inhabitants (INE estimate)
<b>POPULATION:</b> Aymara (25%), Quechua (31%), OTHERS (44 %)
<b>SURFACE AREA (SQ KM):</b> 1.098.581
<b>CAPITAL CITY:</b> Sucre
<b>OFFICIAL LANGUAGES:</b> Spanish, Quechua, Aymara, Guaraní and 33 other indigenous languages
<b>PRESIDENT:</b> Juan Evo Morales Ayma (Since January 22, 2006)
<b>CURRENCY:</b> Boliviano (BOB)
<b>CALLING CODE:</b> +591

## INFRASTRUCTURE

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### CONTRIBUTING TO GROWTH

With an average growth of 7.9% for the past seven years, construction has been one of the main pillars of the Bolivian economy, driven greatly by an ambitious program of public investment in infrastructure as well as private demand in housing and real estate projects.

Infrastructure projects have been a key priority for the government, with an investment of more than USD 1 billion, according to the Vice Ministry of Public Investment and External Financing.

This consistent growth has been possible in great part thanks to partnerships with the private sector, both nationally and internationally. In an interview with IGM Investments, the President of the Chamber of Construction of Santa Cruz (Cadecocruz), Rodrigo Crespo said: "We have been able to achieve this because of private entrepreneurship, thanks to them we have these figures". He expects this trend to continue in 2018 and beyond. As Crespo explained, construction is at the heart of the Bolivian economy thanks to alliances with the national and international entrepreneurship community, and highlighted the uptake of new technologies, as well as the introduction of new products, as key to

**Construction is one of the sectors that contributes significantly to employment generation in the country, hence its relevance in maintaining a stable growth in the next few years**

the development of the construction sector.

Crespo added public-private partnerships are crucial in order to increase the growth of the sector. He mentioned one of the main priorities in the Chamber's agenda is to define the mega-projects financed by foreigners, and for these to be built by Bolivian companies, "we want a partnership with equal conditions between the national and international community", he said.

Despite an expected growth of 8.1% last year, the sector experienced a fall



**Eduardo Rivero**  
President  
Fancesa

to 3%, a drop that will not only have an impact on the country's GDP, but will also affect employment levels. As the fourth source of employment in the country, construction generates 300,000 direct jobs, which represents around 10% of the national workforce. Crespo explained this drop could result in job losses for 3.454 workers due to decreased activity in the sector.

For the construction sector to pick up and maintain its more than 7% annual growth since 2012, Cadecocruz has proposed to the government a series of specific plans and actions that would favor

its development. Among these is the establishment of a construction form that tracks progress and enables the discount of resources before financial entities, generating liquidity to companies and avoiding the halt of construction works. Another important aspect that would also contribute to boost construction is the existence of an insurance policy as a guarantee, as well as a guarantee bill. Cadecocruz also highlighted the importance of foreign companies that go through tenders for contracts to partner with national firms, having at least a 30%

of the construction works.

As Crespo stated, "it's crucial to count on investors, from this country and all others, and with serious and responsible partners that want to work in Bolivia, complying with the law and the current regulation", he concluded.

An indicator that construction is set to thrive is the over-demand in building materials. In this sense, Fancesa, Bolivia's national cement factory, maintains its production capacity at 96% and is exploring the possibility of exporting, possibly to Paraguay, where they have already undertaken different actions. Fancesa, which is 100% Bolivian, takes pride of a mega project its President described as "the best in Latin America":

The reengineering of the Kawasaki oven, five years ago. The Kawasaki oven didn't produce more than 200 tons of cement at the time, but with the use of the latest technologies Fancesa managed to increase production by 400%. As Eduardo Rivero Zurita, President of Fancesa, told IGM Investments, "we saw the market was growing so we wanted to increase our offer, and we did the reengineering project with university students and with engineers from the plant". This optimization allowed the plant to produce from 200 tons of cement to 800. Fancesa also expects to double the plant that currently produces 2,800 tons. As Rivero explained, Fancesa is investing USD 220 million in a new production line for this



**Denald Chávez**  
President  
Grupo Pedrial

increase to take place, "we need to plan ahead, construction has an over demand, that's why we are increasing 2,000 tons of cement into a secure market", he said. As a step towards this expansion, the company has gone through an internal restructuring, and is also open to creating new partnerships geared towards Fancesa's prosperous future. As Rivero concluded, "we are open to strategic relations".

On the other hand, Ferrotodo plays a key role in the steel industry. Ferrotodo, which started in 1981, had welding and metallurgy at its core, but with time has completed this offer with other lines of business. Since its origins, Ferrotodo worked as a marketer and importer, but 15 years ago it started to give its services to industries with the objective of maximising efficiency, not only for their clients but also for the sector. As Diego Nishihira, Deputy General Manager of Industrias Ferrotodo explained to IGM Investments, ten years ago, the dream of the founder of the company, Juan Carlos Riera, came true, and the first steel tube factory was built. Since then, production has been increasing and has now surpassed imports. 60% of invoicing is for national production. For Nishihira, contributing to the steel industry is one of the first steps to generate a demand for that commodity. "The first step was to believe in the industry and support it with services. The second one was 10 years ago, when we decided to bet in the country with an important industrial investment and started processing steel" he said. As Nishihira concluded, he expects to expand internationally, and hopes in the medium term for Bolivia to be producing steel, "it has the conditions, and we hope that investment exists so that more national people and companies get involved in the sector, and that other countries set on the sector's development by investing" he concluded.

Another company keen to create partnerships and attract investors is Prospera, a real estate project



**Diego Nishihira**  
Assistant General Manager  
Ferrotodo

management company that started operations six years ago. As the President of Prospera, Hugo Lozano explained, the Bolivian market, projects in Santa Cruz in particular and their own projects, could be very attractive for strategic partners that want to invest in the country. "We can offer our know-how to investors; we're a company with credibility sustained by our investments and our value proposition in each one of them", he said. Among Prospera's projects, is Campo Grande one of their best renowned brands, where they are now developing a new phase of the project located in one of the fastest growing areas in the city, in Virgen de Lujan, between Santa Cruz and Cotoca. In Campo Grande, there are areas for housing as well as commercial development, and another area for the development of a cemetery. One of Prospera's main features is green spaces, as Lozano explained "we try to be as friendly as possible with people and with the environment, respecting everything we can", he said. This is also key in Faros, where their main slogan is: "Nature, your first home", since living surrounded by nature, in harmony with the environment is the main concept. This project will include meditation areas, horse riding, areas dedicated to exercise, a garden center, and everything that relates to having a lifestyle integrated with nature. Prospera is also starting a project to develop budget housing with the objective to accelerate the occupation of urbanizations, and that's where they are establishing new strategic alliances with partners and companies that want to be part of this project.



**Hugo Lozano**  
President  
Prospera, Desarrollos Inmobiliarios

And if we talk about real estate, we can't fail to mention the megaproject of Mar Adentro of Grupo Pedrial. Grupo Pedrial was initially dedicated to the real estate development in the residential area with the construction of housing

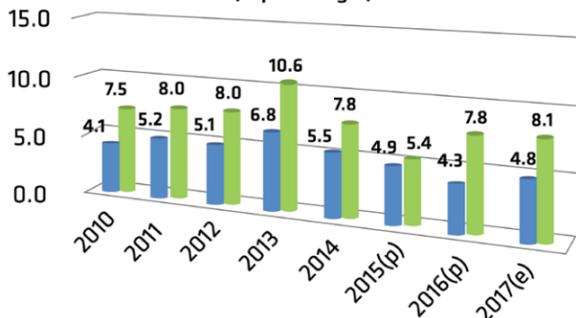
condominiums, and that has currently been diversified in the real estate business participating in the corporate and business sector. The company's projects include the Urubó Open Mall, El Portal shopping plaza and Green Office.

But definitely the most important project is Mar Adentro, which they are building together with Crystal Lagoons. "With this project we are venturing into the hotel industry, we are going to build a 5 Star hotel that will have the characteristics of a Caribbean hotel, it is a recreational project of the Caribbean Sea to have all the experience of a place like Punta Cana", said Denald Chávez, President of Grupo Pedrial.

They estimate that the first stage of the project will be completed in 2020 and the second in 2022.

They are currently in contact with companies abroad that intend to replicate this type of project in neighboring countries. "We have total openness, we are looking to venture into the international market", states Chávez.

**Graphic 1**  
GDP Construction growth vs total GDP Growth (in percentages)



Source: INE

**SUBTERRANEAN RICHNESS**

Hydrocarbons and mining are fundamental to maintain Bolivia's economic growth, with exports of natural gas, the implementation of the country's first petrochemical complex and the improvement of international prices contributing to their development.

Bolivia possesses approximately 60 trillion cubic feet of natural gas reserves, and more than 211 million barrels of proven crude oil reserves. Exploration and drilling for natural gas has been a top government priority since 2011, and with an average production of 57 million cubic meters of gas per day, Bolivia uses around 25 percent for domestic consumption, and exports the rest to Brazil and Argentina.

One of Bolivia's largest economic developments is the first petrochemical plant for ammonia and urea production, the most important project in Bolivian history. With an investment of USD 953 million, the Bulo Bulu plant will enable the country to consolidate the industrialization of gas, with a production capacity of 600,000 tons of urea; 15 percent will supply the national market, and a third will supply the demand from Matto Grosso in Brazil.

On the other hand, mining is at the heart of Bolivia's economy. Although experts



**Carlos Carrillo & Luis Mantilla**  
General Manager / Manager of the  
Business And Audit Unit  
Bolpegas

suggest that only 10 percent of the country's minerals have been extracted, mining production increased between 5%-8% last year, and its exports grew over 10%, according to Minister of Mining and Metallurgy, César Navarro, representing over one fourth of total exports in the country.

For next year, a slight increase in prices will allow to continue with a good dynamism in the mining sector, which currently generates 180,000 jobs.

The Bolivian government is investing heavily to expand the nation's industrialization of lithium that will place the country in a privileged position

internationally, as it possesses about half of the world's lithium. Salar de Uyuni salt flats in the country contain nine million tons, over a quarter of the world's known reserves, and the government has invested USD 66.6 million in a lithium plant in Potosí to maximize these resources.

As a result of Bolivia's strategy to attract investors, the country has recently signed agreements with Russia for cooperation to strengthen collaboration in hydrocarbons, exploration and exploitation of gas. These initiatives combined with the increase in international prices set the sector to thrive.

In an interview with IGM, Carlos Carrillo, GM of Bolpegas, a company that has

participated for over two decades in important projects such as the Bolivia-Brazil, or the Yacuiba-Rio Grande pipelines, highlighted the impact of the fall of international prices in Bolivia and other countries where the economy is heavily based on the exports of these commodities. Bolpegas is involved in the management and audit of projects, and also participates in engineering, such as in Gran Chaco, a processing plant among the largest in Latin America which processes up to 32.2 millions of cubic meters of natural gas a day, as well as ethane, LPG and gasoline. Bolpegas, has already executed some works in Paraguay and is also contemplating opening a branch in Brazil soon. Carrillo called for the



**Gonzalo Arze**  
General Manager  
Teccom S.R.L.



**Esteban Mamani & Nélida Janapa**  
General Manager/Assistant General Manager  
Mopetman

attention of American entrepreneurs that want to invest in Bolivia: "You will find a trustworthy company with good technical

installations 15 years ago. Today, it also works in the construction of industrial installations, it gives advice, provision

**This sector is always on the lookout to attract investors and strategic partners**

resources, experience and a connoisseur of the country's oil environment", he said. The importance of strategic partners for further expansion is something also TECCOM places a lot of importance on. TECCOM is a Bolivian construction and services company that started with gas

of equipment, and is also pioneer in the implementation of cutting edge technology in the field. TECCOM has built around one million meters of transport lines for hydrocarbons. One of their most recent important projects is the plant for Itacamba, a cement company, in Yacuses,

close to the border with Brazil. As Gonzalo Arze, General Manager of TECCOM told IGM Investments, partnerships are key especially for biogas, since it is a new technology that is not cheap in Bolivia. As he explained "we need to bring this technology, test it and depending on results we can then determine if it is applicable, and after this we can offer it to the user". Since TECCOM has worked with virtual gas pipelines in the agricultural fields, Arze said they have a good database of clients that could be potential users of biogas, which in Bolivia still doesn't exist. Arze also mentioned they are considering having branches in neighboring countries to make the most of their know how and maximize growth. When asked about the key to TECCOM's success, Arze highlighted they are always open to new challenges, and that they never say "this

can't be done", which is something that has enabled them to grow throughout the years, he concluded. Another company that aims to be a referent in Bolivia is Mopetman, an oil field equipment supplier that is also penetrating the electricity sector and has plans to open a branch in Peru. Just over a year after Mopetman initiated operations, they were Trinorma certified, which opened up more opportunities in the oil sector, and has since experienced a very important growth. As Esteban Mamani, GM of Mopetman explained to IGM Investments, the company has become a national referent in the sector and aims to be the leader, thanks to the implementation of sophisticated equipment and the development of their people.



[www.teccom-srl.com](http://www.teccom-srl.com)  
Santa Cruz de la Sierra, Bolivia

AGROINDUSTRY

**BOLIVIA'S RICHNESS**

Bolivia's agro-industry sector stands as one of the main pillars of the country's economy with an average growth of 9.2% between 2014 and 2016. Double digit growth estimates and a series of governmental incentives to encourage the further development of the sector will continue maintaining agro-industry as one of the main engines of the national economy.

With a growth of 8.6% in the first quarter of 2017 compared to the previous year, agro-industry in Bolivia remains one of the most promising sectors in the country. Estimates of 26% growth for 2017 represented record growth levels according to the Eastern Agricultural Chamber (CAO). Bolivia produced over 16 million tons of food in 2017, a figure that exceeded by far the previous year's figures, with beef, soybeans, corn, rice, cotton, chia, and wheat among the top products being produced. The Andean nation has the potential to export 15,000 tons of beef annually, and is looking at exporting to new markets like China, or to neighboring countries like Brazil.

However, these type of procedures are complex and lengthy because of the different requirements. According to the Minister of Rural Development César Cocarico, Bolivia is "in the process of exporting to China and other Latin American countries", and exports of cattle embryos to Brazil have already been concreted.

One of Bolivia's most promising commodities is sugar; its production has a surplus of at least 100,000 tons, and the government could be authorizing around half of it for exports. On the other hand, soybean exports will take place once an agreement has been made between the different actors in the productive chain



**Rodrigo Gutiérrez**  
President  
Poplar Capital

to guarantee the provision of grain to poultry, swine, and milk producers at a fair price and with adequate volumes. The same applies to sugar, where the national market has to be supplied to at a fair price as well. As for soybeans, although production decreased due to adverse climate events, there is enough to cover national demand and even for its commercialization abroad, as it produces around 2.8 million tons and only 600 thousand are needed to cover national demand.

An important factor that will contribute to the further development of the sector is how the Bolivian government has authorized to lift bans that have prevailed for over a decade; these bans affected exports of beef, soybeans, sorghum, sugar and derivate such as cane alcohol, and this initiative will have a significant impact on the country's agro-industry sector in the coming years.

One of the main markets for Bolivia's agro-industry is the U.S. For some companies like Poplar Capital, a third generation company with a key role in the country's



**Blanca Talavera**  
General Manager  
Invetsa Suc. Bolivia

sugar industry, the U.S plays a key role in their exports, as it was one of the first companies to export into this market through its brand "La Belgica", the original brand for sugar in Bolivia, over 35 years ago. For Rodrigo Gutierrez, Executive President of Poplar Capital, "the US is the entry door to the rest of the world, and we try to maintain that share Bolivia has with the U.S. because it is beneficial



**Elena Bendek**  
General Manager  
Frigorífico Santa Fé

in terms of customs and tax", he told IGM Investments. Poplar Capital is not only the owner of the factory that produces "La Belgica" sugar, but owns two of the six sugar companies in the country and also produces alcohol through "Caiman", a very well recognized product in Bolivia with over 60 years in the market. Another of Poplar Capital's lines of business is animal food, with their brands "Leva-bol",



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LEVADURA SECA LEVA-BOL

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ALCOHOL "CAIMAN"

which contains yeast and animal protein, and "Pastobol", a source of fiber. These are all composed by sub products that come from the industrialization of sugar. Poplar Capital has managed to maintain its position in the market for 60 years, evolving with the needs of the market, and is also involved in other businesses in the agriculture, cattle, transport and construction sectors. Gutierrez highlighted his positive outlook for the company, and for the sugar industry as a whole, especially following the reactivation of biofuels in the country. "At this moment in time, we are in the final stage of negotiations with the government to introduce Ethanol into fuels, something that would be very beneficial for the sector, and the country", he said. Another aspect that will also be a game changer is the incorporation of electricity to the national interconnected system, produced in the industrial factory through sugarcane bagasse burning to produce clean and renewable energy, he explained.

Other sectors that have also contributed greatly to agriculture growth in the country are the swine and poultry industries, with poultry doubling its production in the past eight years. Blanca Talavera, the GM of Invetsa in Bolivia, a corporation pioneer in the imports and commercialization of products for veterinary use with over 25 years of experience, pointed out in an interview with IGM Investments that the poultry industry will continue to expand, as proteins are something the human being will continue needing in the future. As Talavera mentioned, although the sector will probably not reach double digit growth, as this happens in markets where this activity is initiating, like it happened in Bolivia -which is now reaching maturity- the sector will continue growing and "becoming more technical, improving and offering differentiated finished goods", she said. Invetsa is looking at increasing its involvement in the food and additive segments, as that's where the big percentage of production costs for their clients. For a long time, Invetsa has been a provider of vaccines and antibiotics which represent a 3% of the cost of production, and now "we want to increase that percentage with different innovative products that help the industry to generate greater profitability", she said. Although agro-industry has undergone a consistent growth in recent years and is expected to continue flourishing, there are some important factors that could greatly contribute to its development. Elena Bendek, owner and GM of Frigorífico Santa Fe, a company that distributes its goods nationally with a stronghold in Santa Cruz, told IGM Investments one of the main issues to continue working and investing in the country is security, and highlighted its significance for companies to continue investing in the sector. Frigorífico Santa Fe's founders were of Austrian origins, and started this initiative in 1952, with cold meats that were of supreme quality. For Bendek, their main competitive advantage is the quality of their products, combined with a very competitive price. This is something



**María Laura Villalobos**  
General Manager  
Grupo Véneta

the founder of the company had at the company's core since their early days, and their supremacy in flavor and quality has been maintained throughout the years, in great part thanks to Bendek's passion and dedication in continuing with the family tradition.

**This sector is one of the engines of the country's economy, and there are excellent perspectives for it to start with exports of meat, soybeans, and sugar, among others.**

For Maria Laura Villalobos, GM of Grupo Véneta, a company that has contributed immensely to the sector and is specialized in the design, construction and implementation of infrastructure for agribusiness, there is still a great potential for growth to tap into. Grupo

improvement in seeds, a closer attention to the transgenic area and an increasing control of the environmental impact as fundamental aspects to work on, she added. Villalobos placed the support for irrigation projects as well as the greater care in green issues for a sustainable development as key elements that will contribute to the sector's long-term growth. As she put it, this will "generate a real renewable resource that will not have a negative environmental impact", avoiding the erosion of the earth, she added. As a pioneer in their sector, Grupo Véneta could be an excellent choice for investors looking for serious partners in the country, she highlighted; "we guarantee the price and the duration of the project, which has increased our delivery in the turnkey modality", she concluded.

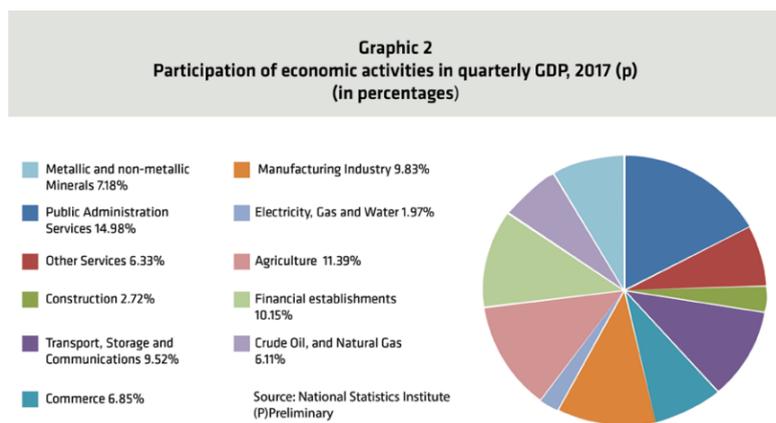
On the other hand, Hugo Centurion, General Manager at Agropartners highlighted the significance of technological support and the liberation of biotechnology as key elements to increase production in the sector. With

13 years of experience operating in the country, Agropartners' origins started with a Brazilian entrepreneur that arrived to Bolivia to develop and plant, using his own technology, with his own seeds, and also with his own machinery, to get a good harvest. Today, Agropartners offers a wide range of agricultural supplies for planting,



**Marcelo Balderrama & Carla Kelleberger**  
Latin America Director / Executive Director  
AGxplore

an important network of distributors strategically located throughout the country. As Centurion explained to IGM Investments, Agropartners' growth is constant, based on a strategy to increase current customer share, presenting them with optimal products and services; only after this is when they look for new potential producers. "We have always had new clients attracted to our work methodology", he said. He added that Agropartners provides services to producers, as it's harder for them to have access to technology and information, which is crucial to reach better results and utilities. Agropartners finances producers for them to pay back with their harvest; they provide them with supplies, technology, professionals and technicians ready to give them good advice. They also give financial support, and according to Centurion "banks should contribute a lot more in this sense". Although the agriculture sector has an important participation in Santa Cruz, for Centurion there is a lot more potential to be tapped into, and the sector will be greatly developed if the Government has the predisposition to invest, he said. With over 100 employees, Agropartners is expecting a 15% growth in agrochemical sales this year, and their medium to long-term objective is to be one of the best distributors and providers of agriculture materials and services in Bolivia, he pointed out. To achieve this objective, Centurion explained Agropartners has four pillars that act as a guide for the company: Quality, Competitiveness, Innovation and Services. For Centurion, this allows them to have a differentiated portfolio with excellent performance, constant technical capacitation, agreements with the best experts



Véneta, was born in Bolivia but also has presence in Argentina, Uruguay and Paraguay, where it provides their clients with equipment that comes mainly from Italy, Brazil, and Argentina. One of the aspects Grupo Véneta is most recognized for are its turnkey projects, where they not only design but also execute and cope from start to end with the project until it is in full operation, also taking care of the technical service. As Villalobos told IGM investments, some things must be adjusted to make agro-industry continue to thrive in the country. One important element is the access to credits, something that can happen using land as a guarantee. Another aspect Villalobos highlighted is biotechnology, with the

protecting and harvesting crops, with cash and credit purchases, financing to small and medium farmers or agricultural companies, as well as products and services for continuous technical and specialized advice, all combined with

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**Eduardo Toranzo**  
General Manager  
Chicken's Kingdom

in harvest protection, and a logistics structure that enables them to attend the needs of their clients. "As a result, clients speak highly of our services to other potential clients, to their neighbors or in their meetings, which is the best way to advertise," he added.

Quality services and products are the base of Agropartners, and continuous improvement is key, "we must have more technology, professionals and specialists prepared to give good advice to producers," he said. Technology is something the sector must count on, especially because of the country's weather and soil conditions, "we have very unique weather and soil conditions, which means this is a very big challenge for our producers. In this sector, counting on technology and knowledge since seeding to harvest is fundamental", he stated.

Centurion also mentioned the importance of their providers from the US, as they give them new knowledge, technology and information. "We have opened to new strategic partners, but we're planning on doing this more in the long-term", he clarified. Centurion also highlighted Bolivia's tremendous potential for growth, as well as his positive experience since arriving last year, and expressed the positive momentum the country is going through, emphasizing how investors should tap into it; "this is a great opportunity for all entrepreneurs to visit us as there are plenty of opportunities", he concluded.

For Cervecería Nacional Potosí, one of the country's oldest brewing companies. Bolivia is also going through a good momentum, and talking specifically about Santa Cruz, Carlos Wille, the brewing company's General Manager pointed out its perspectives for growth, and how it is a privileged region, "it's Bolivia's industrial



**Carlos Wille**  
General Manager  
Cervecería Nacional Potosí

heart, and it will continue growing to become the economic engine in the country", he said.

Cervecería Nacional Potosí was founded by German entrepreneurs over a century ago, and was then acquired by Wille's family in 1925. Although it always focused on the south of the country, especially in the area of Potosí, in recent years it has gained market share in other areas, particularly with the acquisition of Cervecería Union three years ago, something that has positioned them as a national company. But as Wille explained, the Bolivian brewery industry is monopolized, with 97% of the national beer market owned by a single company. He expressed the importance of judiciary instruments, supervision and regulation in order to allow the free development of competitors.

Wille also told IGM Investments their intention is to export to bordering countries such as Chile, Argentina and Brazil, and have already started taking actions for this to happen; they have started a process to improve production quality with the use of new technology. "I invite everyone to come to Bolivia and try Bolivian beer, as it is a good one, regardless of the brands", he said.



**Hugo Centurión**  
General Manager  
Agropartners

Another national company with international projection is Chicken's Kingdom, a quality fast food company that started in Cochabamba in 2000 with two people and now has over 300, generating around 5,000 direct employments. Chicken's Kingdom is the top fast food company in Cochabamba, with nine venues and one in Santa Cruz, and is now planning to expand to Brazil, Argentina, Colombia, Venezuela and

**As part of this effort to remain competitive and continue attracting FDI, the Chamber of Commerce, Industry and Agriculture of Panama (CCIAP)**

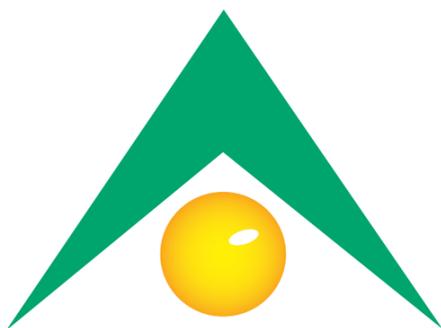
the US. According to Eduardo Toranzo, General Manager of Chicken's Kingdom, the company started with the vision to comply with the highest quality standards, and with an obsession about the product, service and personnel, something they have maintained throughout the years. Toranzo also highlighted the strategic significance of Santa Cruz, where they are also planning to expand and to diversify

their product, since it is one of the fastest growing areas in the country.

For Jorge Marcelo Balderrama, LatAm Director at AgXplore, agriculture in Santa Cruz has been one of the main engines of growth for the region, "we're optimistic and trust the sector will continue to expand in a sustainable way", he said. But this expansion will depend on multiple factors, and one of the fundamental ones is to broaden the agricultural frontier in a responsible way, and generate higher productivity in the different crops. For these objectives to be met while promoting the profitability of farmers, the public and private sectors should join forces to implement effective measures, with tangible and sustainable results, he said. AgXplore initiated in 1999, when its founders identified an opportunity to contribute to the improvement of agricultural productivity through the use of fertilizers on different crops, becoming pioneers in the introduction of such products to the Bolivian market. AgXplore aims to contribute to the agriculture growth in the country in a sustainable way, and as Balderrama explained, they have developed a platform through which they will expand their product portfolio, strengthening their fertilizers line and

adding pesticides that will give integral solutions to their clients.

The continued investment of companies into the sector combined with the government's initiatives to maximize the sector's potential and the new export markets, are setting the basis for agro-industry to continue as one of the country's pillars of economic growth with a promising future ahead.



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## ADVANCING TOWARDS THE FUTURE

Bolivia has made significant progress over the years in its education sector, and is today among the leading countries in Latin America in funds dedicated to public education, with around nine percent of its GDP invested in the sector. Since the current government came into power in 2001, illiteracy was reduced from 13.3 percent to 2.9 percent in 2016, the lowest in Bolivia's history.

However, one of the aspects that needs improvement is investigation. As Antonio Carvalho, Dean of UTEPSA, a private technology university in Santa Cruz, explained to IGM Investments, "the tuition fees we receive cover administration and teaching costs, so for some universities to have resources for investigation, it is very complicated", he said. For Carvalho, private universities need support, "it is not



**Antonio Carvalho Suárez**  
Dean  
Utepsa

about donations, but about promotion", he added, and also highlighted the importance of following other countries in the access to funds for investigation.



**Jaime Unzueta**  
President  
Alpha Systems

Andean nation. In 2017, there was a 27% growth in fixed and mobile connections to Internet, amounting to a total of 8.8 million. But although technology is gaining momentum, there is still much to be done. For Quiroga, the country needs rules, infrastructure, professionals and investment in the sector for it to really thrive, he concluded.

One of the companies that has contributed to the development of technology in the country is Alpha Systems. Created originally to participate in a bid to decide who would take over NCR in 1986, it initiated in banking charges services, following the line of NCR. Although its main business is still banking, throughout the years Alpha Systems has adapted and entered new lines of business with other brands. Some of these include Microsoft, Avaya, TMC, among others.

For Jaime Unzueta, President of Alpha Systems, their key for success has been to adapt; "among our achievements we can highlight having adapted to technology and innovating in matters



**Álvaro Taborga**  
General Manager  
Alpha Systems

related to NCR", he said. An example is the introduction of value added transactions, like cardless transactions, remittances and wire transfers through cash machines, transfers, payment of services and others, he added. Another important milestone was expanding the automation of cash deposits through cash machines, something that neighboring countries don't have yet to the extent Bolivia does. As Unzueta explained, Alpha Systems has positioned itself well because of the brands they offer and because of their clients. "We characterize ourselves for the effort we undertake in trying to be excellent", he said. Alpha Systems works closely with the US because they represent leading American brands, and although their main activity is still banking, their second vertical is telecommunications. Unzueta mentioned Alpha Systems wants to offer more solutions, become a small cloud, although not in the traditional sense of delivering virtual machines, but delivering added value services and solutions, he concluded.

### Strategic alliances with institutions abroad characterize this sector

But UTEPSA has made big efforts in this aspect, developing investigation projects that solve different problems for the Bolivian society. UTEPSA belongs to the new generation of private universities in the country, and has met the local needs for specific degrees required by the market, becoming an important driver of employment generation. UTEPSA was pioneer in developing a pedagogic model that could be implemented in Bolivia, a condensed system in undergraduate programs, that was introduced nationally in 2003. With three faculties and 24 undergraduate degrees, the university also has an extensive postgraduate offer. As Carvalho concluded, "we try to meet the three main functions of a university: Teaching, investigation, innovation and social responsibility".

Another crucial aspect in Bolivia's education landscape is technology. Areas like La Paz, with over 100km of optic fiber, stands as the cutting edge technology center in the country.

According to the Executive Director of the Federation of Private Entrepreneurs in La Paz, Jorge Quiroga "La Paz is at the vanguard in technology within all the municipalities of Bolivia, because it has online processes, its legislative government online, and very developed transport systems like the Pumas Katari, the cable car, and all this makes a smart city". In addition to this, Bolivia launched in 2013 its first satellite, the Tksat-1, financed by China's Development Bank with an investment of \$302 million. This has improved massively the quality of internet and telephone connections in the

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## TOURISM



Photography: Ministry of Tourism and Culture of Bolivia

## ADVENTURE AND PLEASURE, ALL IN ONE COUNTRY

Bolivia is one of South America's most diverse nations. Its natural landscape, rich culture and history, have increasingly attracted the attention of international visitors, something that has been encouraged further by numerous international tourism awards the country has received in recent years. This, combined with the Government's initiatives to increase international awareness of the country's vast offer, will place Bolivia as a top destination in the region.

In 2015 La Paz was named a UNESCO wonder city because of its unique

character, and two years later, the World Travel Awards chose Bolivia as the "Best Cultural Destination in the World 2017" largely driven by its material cultural richness and its 36 nationalities coexisting in an unmatched geographical space. With this recognition, Bolivia

### Bolivia has been renowned with important prizes for its territorial and cultural diversity, characteristics that make this country unique

positions itself as one of the international tourism destinations with an own cultural identity.

The government is determined to push Bolivia up in the ranking of the World Economic Forum's Travel and Tourism Competitiveness Index, and through the National Tourism Plan, aims at increasing the number of foreign visitors to 1.800.000 by 2025, as well as triple

earning generated by the sector. In an interview with IGM Investments, the Minister of Tourism and Culture of Bolivia, Wilma Alanoca, explained the importance of making Bolivia a destination where tourists stay longer and spend more. "What we want is for the tourist to stay

### Bolivia has been renowned with important prizes for its territorial and cultural diversity, characteristics that make this country unique

three days, maybe five, or more, and for Bolivia not to be a place of transit", she said.

Among Bolivia's treasures is Salar de Uyuni, at 10,580 sq. km the largest salt flats in the world. The skylines in this area are among the most pristine in the world.

At 3,810m above sea level, Lake Titicaca is one of South America's largest lakes,



**Gastón Serrano**  
Event Planner

and the highest navigable lake in the world, straddling the border between

Bolivia and Peru in the Andes Mountains. Home to numerous ruins, Titicaca is the ancestral land of the Aymaras, Quechuas, Uros, Pacajes, and Puquinas. Around the lake is Titicaca National Reserve, created in 1978 with the purpose of preserving the native flora and fauna, which has more than 60 species of birds, and over 14 species of fish and amphibians; one of the most famous is the giant frog of Titicaca, which can weigh up to 3 kg.

Near Lake Titicaca is Tiahuanaco, a ruined ancient city that sits at around two miles above sea level dominated by the Akapana pyramid and a semi-subterranean temple that has human heads carved on it. This site was one of the most significant complexes in the pre-Columbian era.

A remarkable town which has become very popular with foreign tourists in the last few years is Rurrenabaque, on the Beni River, known as a gateway to the pampas and rainforests of northern Bolivia.

Among the numerous hotels the country has, LP Columbus, situated in the centre of La Paz and just in front of the Hernando Siles Stadium, stands out not only for its strategic location, but for its minimalist architectural style and its pet friendly policy. Part of LP Hoteles, a Bolivian hotel chain with presence in La Paz and Santa Cruz de la Sierra, it received the Travellers Choice 2013 recognition by Tripadvisor for the category of best services in Bolivia. But this was not the only prize-winner hotel in the company. Another of the chain's hotels, Hotel LP Equipetrol won the Mayan Prize for best new infrastructure in 2016, and by the looks of it, there are many more to come.

But Bolivia doesn't only have beautiful scenarios and a rich culture; entertainment and events in the country have been gaining momentum in recent years. Out of the 30 malls in the country, at least six were built in the last three years. Moreover, Bolivia is increasingly attracting forums, conferences, fairs, and other internationally recognized events, and as the Andean country is becoming a central point for tourism in the continent, it is very likely this sector will continue to thrive.

An icon in the country for events organization is Gaston Serrano who is well renown nationally for events such as Bolivia Moda, or Expo Eventos Bolivia, and he is also claimed for weddings and social occasions following the highest standards. One of the most acclaimed events in the country is the show of Las Magnificas, the most popular beauty show in the country, organized by the top modeling agency in Bolivia that belongs to Pablo Manzoni, and is a mix of modeling and choreography celebrated every year, where around 40 models follow international fashion trends in a beautiful decorated stage.

Some companies have tapped into the growing entertainment sector, and one of the companies that has invested the most is Grentidem, in particular in recreational centers. It has been an icon in the industry for years, although competition in the sector has changed things. Their most recent project was Cine Center Tarija, a \$14 million project with food courts, games for kids, a bowling center, a gym and a 2,500 squared meter supermarket. In an interview with IGM Investments, Jorge Chaparro, Executive President of Grentidem, explained one of their main competitive advantages is their advanced technology, "we have always made a difference between us and the rest because technologically speaking we are very advanced, and that's something we're very proud of", he explained.

Back in 2008 they installed their first 3D cinemas, and in 2015 they installed their first "Atmos" movie theaters, two of them in Tarija, two in Santa Cruz and two in La Paz, with a Dolby projection system. Chaparro proudly explained how they have more Dolby projection systems than the rest of the world, "there are only three in the world and Bolivia has six", he said. Their cinema seats have been brought from Europe and cost around USD 250 compared to USD 60 in other cinemas, and for Grentidem this is a different, much better experience for viewers. "We try to have different qualities so our cinemas are the best, not only in Bolivia but in all South America", he added.

Grentidem has different strategies depending on the city. In Santa Cruz they have a cinema with a big food court, a cinema that has been the soul of the city for many years, while in La Paz they have a big shopping center with cinemas. Chaparro explained although they used to have 100% of the market in Santa Cruz, the entry of competitors has reduced this to 51%. Although before, everyone

wanting to get into entertainment joined Grentidem, now the picture has changed; there are three shopping malls in Cochabamba and also in La Paz. So Grentidem is now focused on maintaining the loyalty of their clients and adapting

to new trends and needs. "There is no cinema in the region as good as ours in terms of sound quality, seat comfort, and with our advanced technology, not even in the US they have something like we do", he said.

But some of Bolivia's cities still lack cinemas, and for Chaparro, this is a huge potential for foreign companies to invest in this sector. "There is a huge market that is hard to find in countries like Peru or Chile, with cities that have from 80 to 100 thousand inhabitants", he concluded.



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