

[Home](#) > [Publications](#) > News of the Americas

Research & Analysis
[Americas Quarterly](#)
[Exclusive Interviews](#)
[Hemispheric Updates](#)
[News & Views](#)
[News of the Americas](#)
[Papers & Reports](#)
[Viewpoints Americas](#)
[Weekly Roundup](#)
Program Materials
[Program Summaries](#)
[Speeches](#)
On the Record
[Articles & Op-Eds](#)
[Congressional Testimony](#)
[Congressional Updates](#)
Multimedia
[Podcasts](#)
[Webcasts](#)
AS/COA News
[Announcements](#)
[Communication Materials](#)
[In the News](#)
[Press Releases](#)

Positive Talk in Bolivia

Carlos Macias
January 15, 2008

 [Email](#)
 [Print](#)
 [Share](#)



Officials have met to address four provinces' calls for autonomy. (AP Images)

Bolivian President Evo Morales opened the year by [warning](#) that his country may fall short of meeting the energy needs carved out in contracts with Argentina and Brazil, even as 2008 will likely bring record investment in Bolivia's hydrocarbon industry. The announcement came as La Paz worked to stave off calls for autonomy by opposition leaders' in eastern states, including [gas-rich](#) Tarija and Santa Cruz.

Government officials said [investment pledges](#) from Spain, Iran, Venezuela, Argentina, and Brazil could bring in as much as \$1.5 billion in foreign investment this year. However, Iran and Venezuela have not specified investment amounts, nor will investment sufficiently boost natural gas production to meet domestic and international demand in 2008. Annual production [should hit](#) 42 million by the years end, according to Bolivian Hydrocarbons Minister Carlos Villegas, yet international demand stands at 46 million cubic meters per day. The news came days after Argentina announced a strategy to head off rising energy demands through a [daylight savings](#) plan.

The Morales administration [nationalized](#) its hydrocarbons industry in 2006, increasing state profits by a large margin and pledging to redistribute the wealth throughout Bolivia. Fund allocation has been central to disputes between La Paz and opposition leaders, with protests set off by Morales' October 2007 decision to divert a portion of hydrocarbons [tax revenues](#) from individual provinces' public projects to a national pension fund.

Division reached new levels in December 2007, when the Bolivian Constituent Assembly [approved](#) a new constitution without the presence of its opposition members, who declared the document illegal. Opposition governors in Pando, Beni, Santa Cruz, and Tarija then published declarations of autonomy to gain control over land reform, tax legislation, and, in the case of Santa Cruz, form a police force.

Although tensions ran high at year's end, January 7 brought an announcement that Morales and Vice President Álvaro García Linera meeting with governors from all nine provinces to discuss possible changes to the draft of the constitution, the autonomy statutes, and distribution of energy revenues. Reuters presents three [possible outcomes](#) for the talks: formation of a national unity pact, the failure of negotiations, or allowing the public to decide through a series of referendums.

Looming over the discussions is the question of [how to allocate](#) the tax revenues. Besides political turbulence, Morales [faces](#) rising inflation, widespread unemployment, and a poverty rate of 60 percent. Still, Bolivia's economy is growing at healthy rate of 4.5 percent in 2006—Morales first year in office.

Upcoming Programs

- Mar 11 [2008 Latin American Cities Conference: Mexico City](#)
- Mar 11 [FIEL Chief Economists: Outlook for the Argentine Economy New York](#)
- Mar 12 [FIEL Chief Economists: Outlook for the Argentine Economy Miami](#)

[Calendar and Registration](#) ▶

Past Programs

- Feb 29 [Panama City Conference: Panama and the Global Economy Panama City](#)
- Feb 19 [Brazil: Economic and Political Outlook in 2008 Miami](#)
- Feb 15 [Corporate Social Responsibility in Latin America Quebec](#)

Newsletters

AS/COA provides up-to-date analysis through *News & Views*, the monthly policy e-newsletter, and the Weekly Roundup, a summary of the latest news stories covering the Americas.

[Click here to sign up for these free newsletters.](#)

Americas Quarterly



In an interview with AS/COA, Minister Villegas stressed that Bolivia offers a favorable environment to investors. ([English version](#)) ([Spanish version](#)) AS/COA's 2007 Latin American Cities Conference in La Paz [emphasized](#) the importance of foreign investment in Bolivia.

[Publications](#) | [Programs](#) | [Groups & Committees](#)
| [Media Guide](#) | [About](#) | [Calendar](#) | [Members](#) |
[Home](#) | [Contact Us](#) | [Newsletter](#) | [Join](#) | [Site Map](#) | [Member Login](#) | [AS/COA Online](#)

[Click here for more information](#) ▶