Bolivia
Overview

Summary

Recommendations

Industry Forecast

Environmental Influences

Sales History

QA
The demand for Bolivia's exports, but the fiscal deficit and debt will remain high. The US economy picking up which will strengthen from global shutdown and increased domestic activity but is expected to pick up in 2002 with the US economy. Bolivia's GDP growth slowed in 1999 due to high government budget policies. Again in 2000 from civil disturbances during April, May, and Oct. It also in 2001.

- Market
- Free trade agreement with Mexico, member of South America Common
- Has progressed towards a market-oriented economy
- One of the poorest and least developed L.A. countries

Economy (outlook)
Economy

Imports - Capital goods, raw materials, computers, vehicles, wheat, soybeans and byproducts
Exports - Natural gas, tin, zinc, coffee, silver, tungsten, wood, gold

Income: rate 2%
Household income lowest 10% - 0.5, highest 45.7%
Population below poverty 70%
Labor force 2.5 million
GDP $9.1 billion, 51.26 billion bob
Per capita purchasing power $869, 5370 bob
Currency - Boliviano, bob 7.395 per U.S. Dollar (current)

Sources: www.state.gov, www.census.gov, and machinery
Political Environment

- US Relations with Bolivia
- Geared towards free trade, market oriented
- Stability of Government
- Opposing Radical Groups wanting change
- Source: CBS News 2002
- New President Gonzalo Sanchez de Lozada
- Last six terms Democratic
<table>
<thead>
<tr>
<th>% Change</th>
<th>% Change</th>
<th>% Change</th>
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</thead>
<tbody>
<tr>
<td>Bolivianos</td>
<td>Sales in (millions)</td>
<td>Sales US $</td>
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<tr>
<td>1.96%</td>
<td>10.98%</td>
<td>9.15%</td>
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<tr>
<td>364.49</td>
<td>315.52</td>
<td>326.52</td>
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<td>31.52</td>
<td>96.79</td>
<td>47.64</td>
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<td>1.91</td>
<td>$59.91</td>
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<td>2001</td>
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Sales History

(see handout)
products in 2000 per capita

Average of $6.27 was spent on oral hygiene

dollars

Disposable Income per Capita is $869 U$

- Up 7% of market share
- Other (Kolynow, Proctor & Gamble) make up 30% of market share
- Colgate: Brand name is "Sorriso" and makes up 63% of market share
- Unilever: Brand name is "Closeup" and

Competitors
Advertising

Newspapers and Magazines – 8% of

Television: 80% of

Radio: 7% of Advertising

Media Opportunities

Adoption of Technology

Technological Environment

Source: www.statisticj.com

35,000 Internet users
<table>
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<tr>
<th>Year</th>
<th>Bolivianos (Millions)</th>
<th>US Dollars (Millions)</th>
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<tbody>
<tr>
<td>2002</td>
<td>403.677</td>
<td>54.551</td>
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<td>2003</td>
<td>421.571</td>
<td>56.969</td>
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<td>2004</td>
<td>440.034</td>
<td>59.464</td>
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<td>2005</td>
<td>460.221</td>
<td>62.192</td>
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<tr>
<td>2006</td>
<td>480.8</td>
<td>64.973</td>
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Industry Sales Forecast (see handout)
Recommendations

• Continue to keep track of stability of government

• Buying habits

• Survey Bolivians about oral care

• Research that should be done.

• Would be too risky.

Until further research is conducted within the country, we feel that entering this market

...
• Do not Recommend Entering Market
• Need for More Research
• Strong Competition from 2 Companies
• Small Amount of Disposable Income
• Slugish Economy
• Low Growth in Sales

Summary
Thank You

Any Questions?
Works Cited


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Price Waterhouse, Doing Business in Bolivia 2/98

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Tradeport 24 October 2002 www.tradeport.org

U.S. Census 18 October 2002 <http://www.census.gov/cgi-bin/ipc/idbagg>

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Usatrade 24 October 2002 www.usatrade.gov

WEFA Industrial Monitor 2000

Workmall 20 October 2002 www.workmall.com
*Note: Sales dropped due to tight government budget policies in 99' again in 2000 from civil disturbances during Apr, Sept and Oct. Also in 2001, from global shutdown and laggard domestic activity.
*Note: Made the assumption that the average expenditure on average per capita continued to grow with the growth rate of the population of 2.5% and a increase of sales of 1.96%. We forecasted the growth rate of Bolivia’s market conservatively due to poor economic factors.
Major Competitors

Unilever Corporation

- Most Popular Brand in South America
- Had 63% market share
- 2000 total sales $32,165,664/ 221,943,082 BOB
- Source World Market Share Reporter 2001

Sorriso

- Same as Colgate-Palmolive Corporation
- Had 30% market share
- 2000 total sales 15,316,983/ 105,687,183 BOB
- Source World Market Share Reporter 2001

Other: Kolynow, Proctor & Gamble

- Had 7% market share between them
- 2000 total sales $3,573,963/ 24,660,345 BOB
- Source World Market Share Reporter 2001