

The mining business climate:

Under the guidelines of the new economic policy, the Bolivian government has started to capitalize (an imaginative way of privatization that causes less political opposition) many of its public corporations.

COMIBOL, its mining enterprise, cannot be privatized because of constitutional reasons, so it is being gradually transformed into a holding company, whose former properties are being awarded to private investors who sign with it joint venture agreements.

Private investors, local and foreign alike, have now the same treatment. There are no restrictions for the free trading of capitals and profits, which may now be repatriated without any limitations.

In simple terms, the conditions existing now in Bolivia are as open and competitive as those prevalent in any other free economy.

Attracted by the favourable business climate, several private companies have signed joint venture agreements with COMIBOL. Among them: AUSPAC (Australia), Barrick Gold (Canada), Cía. Minera La Barca (U.S.A.), COMINESA (USA), COMSUR (Bolivia), Mineracao Taboca (Brazil), SAMEX (Canada), and Silver Standard (Canada).

Mining investors are now exploring in a new and promising area: the Pre-Cambrian. Among them: COMSUR/RTZ (Bolivia/U.K.), Orvana Minerals (Canada), and many more.

The New Mining Code:

A draft of a New Mining Code has been recently submitted by the Secretary of Mining in order to update the existing legal instrument in force since 1991.

The idea is to create more favourable conditions for private investors and allow foreign firms to access to mining activities within 50 kilometers of the international borders, under certain conditions.

The new Code will include also other aspects like taxation stability, land claiming procedures and environmental control.

Environmental policy:

After many years of neglect and total disregard for the environment, the Bolivian Government is beginning to take measures to control the environmental impact of mining operations. This is the result of greater public awareness regarding the environment and also the higher standards imposed by the foreign companies that are now operating in the country.