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A LAND OF PROMISE IN SOUTH AMERICA

Not widely known by most people, Bolivia is home to a thriving Japanese community, which traces its roots back more than 60 years. Since the 1950s, these Bolivians of Japanese ancestry have contributed to the growth of the country's economy and have made their mark in their adopted land.

With financial assistance from the Japanese government, these immigrant communities established the colonies of San Juan de Ypacani, Pueblo Nissei and Colonia Okinawa (in homage to their ancestors' homeland) in the eastern lowlands of Bolivia, where they engaged in growing crops and raising livestock.

Because of the connection, Japan was among the first countries to form a partnership with Bolivia's government in its national development projects, particularly in infrastructure, technology transfers, manpower exchanges and humanitarian aid.

One example of Japanese-Bolivian cooperation is the Viru Viru International Airport in Santa Cruz, built in partnership with construction giant Nissho Iwai. And in the area of mining, Japan remains the largest investor through Sumitomo's San Cristobal project.

According to **Ambassador Kyoko Koga of Japan**: "The most relevant Japanese presence here is Minera San Cristobal. Bolivia has become the second-largest exporter of zinc to Japan and that accounts for 23.3 percent of its exports to our country. It has also become the third-largest exporter of lead to Japan, accounting for 12.6 percent of its exports to Japan."

When **Evo Morales**, Bolivia's first indigenous president, came to power in 2006, he was riding a wave of popular sentiment for systemic change and social inclusion. Since the mid 2000s, Morales' political party, Movimiento al Socialismo has implemented programs that have since lifted more people out of poverty than at any other time in the nation's history.

Of course, like any developing nation, Bolivia still faces



Ambassador Kyoko Koga of Japan



MINPRO CEO Jorge Lema Patiño

formidable challenges, such as bureaucratic inefficiency and corruption. Nevertheless, Morales' government has made gains. In Transparency International's latest global corruption index, Bolivia's ranking improved from 118 to 113 out of 183 countries.

Some issues of concern for foreign investors are Bolivia's hydrocarbon laws and the proposals to amend the constitution in favor of the nationalization of industries. However, the government has addressed those concerns.

Santiago Nishizawa, a La Paz-based lawyer who has advised on the largest Japanese investments in the country, pointed out that these new laws "apply only to companies that previously belonged to the state and are now renationalized." He continued: "New entrants to the market need not worry about talks of nationalization. This is something that's been overblown by the media."

Encouraged by the government in La Paz, the private sector is aggressively looking for joint venture partners in the oil and gas sector.

Blessed with lush forests in the east and the Salar Salt flats to the west and south, tourism has become a significant contributor to economic growth. Many Japanese tourists go to Bolivia, with many of them considering the country a bucket-list destination.

So, what is next for this landlocked South American country?

According to **Jorge Lema Patiño, CEO of MINPRO** and a former ambassador to the U.N., "Even though Bolivia's minerals exports are not as high as those of neighboring countries such as Peru, Chile and Brazil, the

country's mining potential is greater due to the fact that Bolivia is located on different geological structures and boasts a variety of mineralogical areas."

In the 1970s, these areas were studied in detail by the Japan International Cooperation Agency, and these studies remain the most comprehensive geological survey of the country, along with another conducted by the British Geological Mission.

In fact, the Cordillera Oriental mountain range in the east contains valuable minerals of wolfram, tin, as well as deposits of gold, silver, bismuth and other base metals. The country also possesses a copper belt spanning the country that has huge potential.

Bolivia's Andean region has shown presence of polymetallic minerals, already partially exploited in San Jose, Santa Fe and Garcí Mendoza in Oruro. The country's volcanic belt in the altiplano (high plateau), which spans the Cordillera Occidental from La Paz to Potosí, contains polymetallic zinc, silver, lead, indium, gallium and pyrite minerals.

Additionally, the Uyuni salt lake boasts the world's largest deposit of lithium and has also been found to be rich in boron and potassium, among other elements.

Bolivia's eastern lowlands of Santa Cruz also contain deposits of gold, nickel, silver, copper of the skarn type and rare earth elements, along with columbite, ilmenite and precious stones such as bolivianita, a unique ametrine mineral that is a mix of amatist and citrine quartz.

Finally, the southeastern part of Bolivia also holds the world's largest iron ore deposit with estimated reserves of 40 billion tons, in El Mutun near the border of Brazil. ■

QSN: THE PREFERRED LEGAL EXPERTS FOR JAPANESE INVESTORS



The Quintanilla, Soria & Nishizawa Group

Founded in 1975, **Quintanilla, Soria & Nishizawa (QSN)** is a law firm that specializes in corporate law, mergers and acquisitions, energy and natural resources, intellectual property, banking and finance and due diligence matters for foreign companies that want to do business in Bolivia.

QSN's partners have more than a century of collective experience and have obtained their degrees from Harvard and other Ivy League law schools in the U.S., as well as prestigious law schools in Europe and Japan. Aside from working with the largest multinational companies in the country, QSN has also carried out consulting work for the government.

"Our collaboration with both public and private sectors has enabled us to act as a bridge. This has helped us establish trust from all parties," said **Partner Eduardo Quintanilla**.

QSN has also built a reputation as the preferred firm by Japanese investors because one of its partners, **Santiago Atsuro Nishizawa**, is a well-regarded member of the Bolivian community with Japanese ancestry and is also the former president of the Japanese

Society of La Paz, Bolivia. Nishizawa is a fluent speaker of Japanese and very familiar with the customs and conventions of Japanese businesspeople.

"We are looking at 2017 with much optimism because the government has taken great strides in clarifying the laws and rules pertaining to the extraction of the country's hydrocarbon and mineral resources," explained Nishizawa.

Aside from addressing investor hesitation, the new framework will help ensure that the gains from oil, gas and mineral exploration are distributed equitably among all parties, namely private investors and the Bolivian government, acting on behalf of the people.

In the last period, QSN's intellectual property department led by **Julio Quintanilla** has grown sustainably and has been strengthened with specialized and experienced staff, providing high-quality service at competitive rates.

QSN is a band one law firm as classified by independent London-based Chambers & Partners, which ranks lawyers and law firms in more than 180 countries around the world. ■

→ <http://qsn.bo>

QUINTANILLA, SORIA & NISHIZAWA
ABOGADOS



A FUTURE-READY CITY IN THE HEART OF SOUTH AMERICA

Colinas del Urubo CEO Mario Foianini and Chief Commercial Officer Oscar Foianini

Colinas del Urubo is Bolivia's first planned urban development with a design and layout that caters to the 21st century lifestyle. Designed to be a community where residents live, work and enjoy in the same area, Colinas del Urubo is also a model of sustainable living, featuring cutting-edge technology, home automation, 24/7 security and worry-free managed utility services.

"Our number one value is

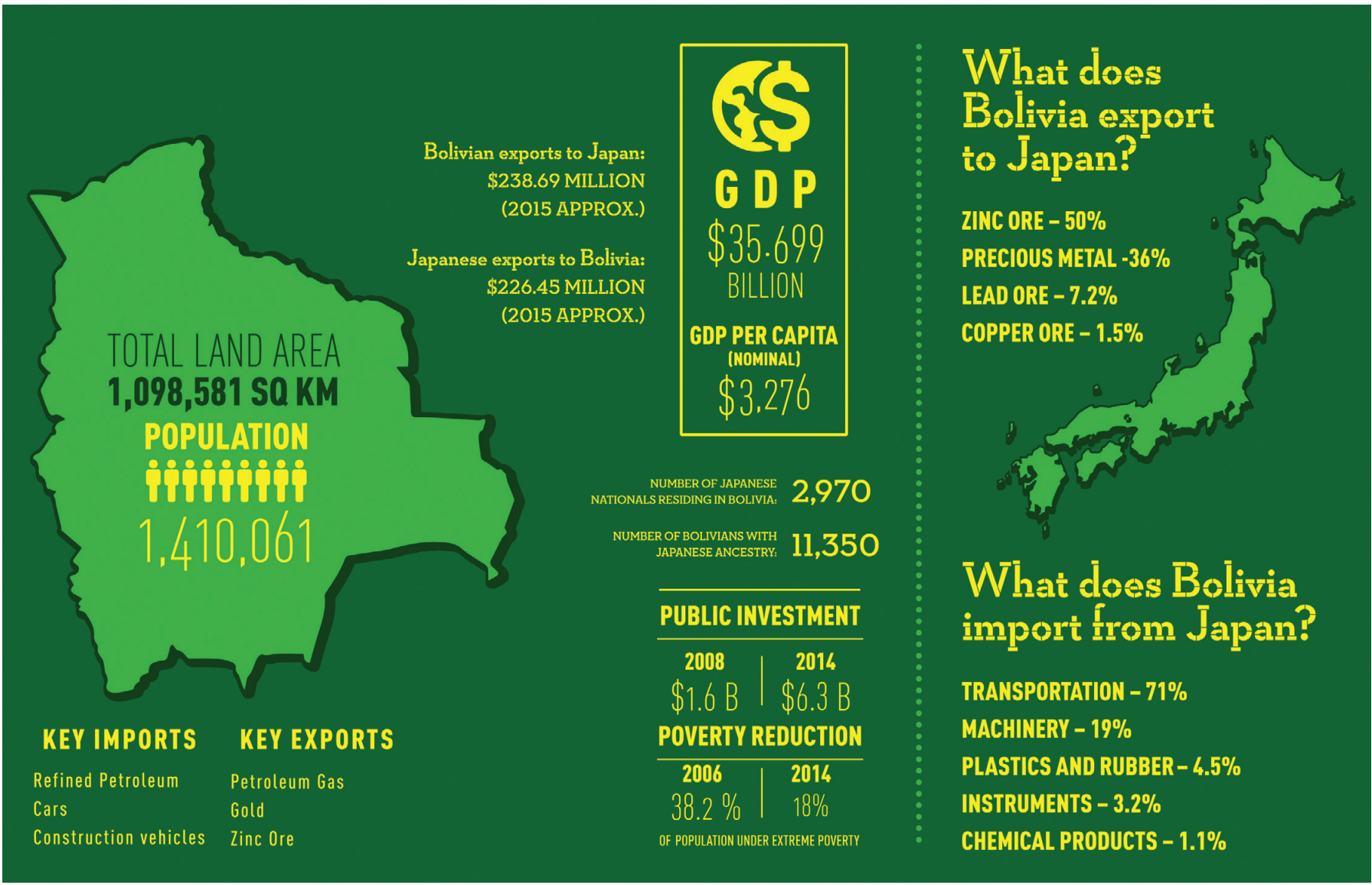
superior customer service. The clients are assured that they would never have to worry about installing power, water, or fiber-optic internet lines because these are all in place. Colinas is an example of a model city where everything works," said **Chief Commercial Officer Oscar Foianini**.

The site sits on 396 hectares of land, with generous allotments for commercial development. It will also host the

newest skyscraper to be built by the developers of the iconic World Trade Center-Santa Cruz.

"As we speak, we are actively shaping a model of the future Latin American city. We are not just selling lots. We are building a community. I'm proud to say Colinas is a preview of Bolivia that's ready for the future," said **Chief Executive Officer Mario Foianini**. ■

→ www.colinasdelurubo.com.bo



An aerial view of Colinas del Urubo in Santa Cruz

WHY INVEST IN BOLIVIA?



- Claudia Cronenbold, President, Bolivian Chamber of Hydrocarbons and Energy

"Bolivia is one of the main producers and exporters of natural gas in South America. It produces 60 million cubic meters of natural gas every day, 75 percent of which is exported to Brazil and Argentina. Bolivia presents a lot of opportunities in the hydrocarbon area, as those two markets will continue to require Bolivian energy to sustain their development."



- Angela Ayllon, Charge d' Affaires and Head of Mission, Embassy of the Plurinational State of Bolivia in Tokyo

"In the past years, Bolivia has improved its conditions to become an interesting place to invest. In 2014, the Government of the Plurinational State of Bolivia enacted a law to promote investment in the exploration of hydrocarbons. (This) guarantees foreign or domestic private investment in various economic sectors. It also offers varied commercial opportunities that guarantee private property, a clear tax environment, customs agility and tariff facility. Likewise, the government grants general and specific incentives for investment."



- Alonso Indacochea, Partner, Alonso Indacochea Abogados

"According to data from the Economic Commission for America and the Caribbean - Cepal, Bolivia has been showing favorable levels of development and stabilization in Latin America, positioning itself as the country with the highest percentage of growth in the region. These projections should also be reflected in 2017 where foreign investment growth is estimated due to the diversification of the economy in sectors such as agriculture, construction, industrial, gas and oil and services in general."



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