

## International uncertainty and shock transmission in Bolivia

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### Abstract

The purpose of this document is to evaluate the magnitude, severity and persistence of international economic and financial uncertainty, and shocks transmission for the Bolivian economy. Global Economic Policy Uncertainty Index (GEPU) and two alternative measures of international financial volatility (VXO and VIX) were applied, whereby terms of trade as transmission channel and their impacts and consequences on real sector, as well as on fiscal and external sectors, were considered and assessed. For this, a model of structural autoregressive vectors (SVAR) for the quarterly period 2000Q1-2018Q2 was estimated. The results reflect that international economic and financial disturbances generate major negative and significant effects, on real GDP growth (-0,3; -0,9%), fiscal balance (-0,4; -3%) and current account (-0,1; -1%) in a consistent way.

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