



Commercial Office of Ecuador in Milan



Ministerio de Producción,
Comercio Exterior, Inversiones y Pesca



Doing Business with Ecuador

Athens
October 2021

Ministerio de Producción,
Comercio Exterior, Inversiones y Pesca



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lo logramos



Ecuador: Land of Opportunities

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**Gobierno**
del Encuentro

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1. PROFILE OF ECUADOR

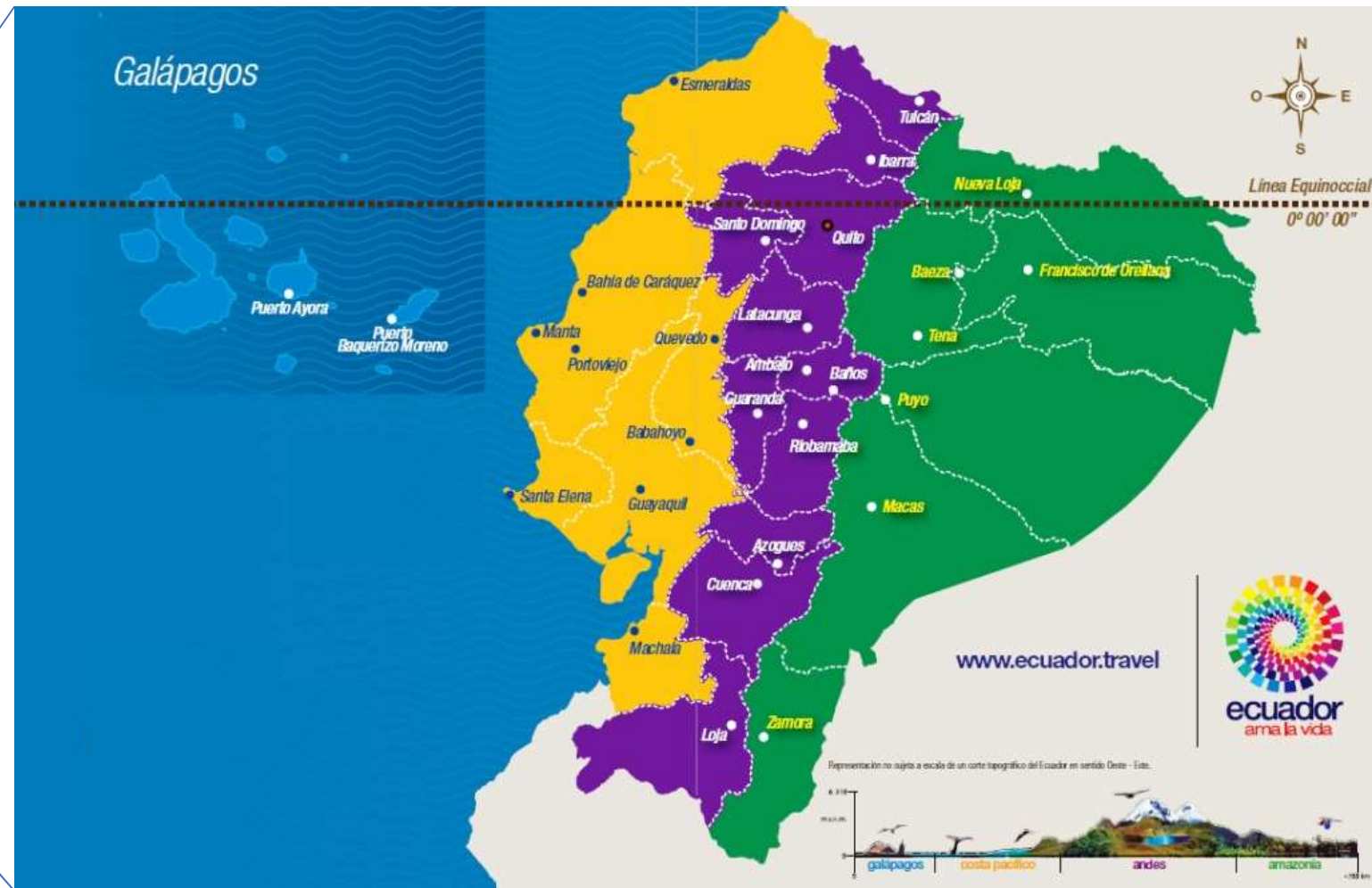
1.1. General information

- **Capital:** Quito
- **Extension:** 256.370 Km²
- **Language:** Spanish
- **Time Zone:** GMT-5 hours
- **Population:** 17.6 million inhabitants
- **Currency:** US Dollar
- **Literacy rate:** 93.6%
- **Real GDP:** USD \$66,308 MM (2020)
- **Real GDP growth:** -7.8% (2019-2020)
- **Annual inflation:** -0.07%
- **GDP per capita:** USD \$5,643 (2020)

SOURCE: Central Bank of Ecuador (BCE), National Institute of Statistics and Censuses (INEC)

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Ecuador has it all!!

Hydrocarbons



Mining



Strategic Location



Four Regions and Microclimates



Good Weather



Dollarized Economy



Hardworking People



Agriculture



Aquaculture and Fishery



90% Renewable Energy



Water Sources



Excellent Infrastructure (Roads, ports and airports)



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Policy Objectives:



**Export
Diversification**



**Investment
Attraction**



**Strengthening
Trade Relations**



**Opening Up
Markets**

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Opening up to the world!

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*Quality focused Products and services

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TOURISM

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TOURISM:



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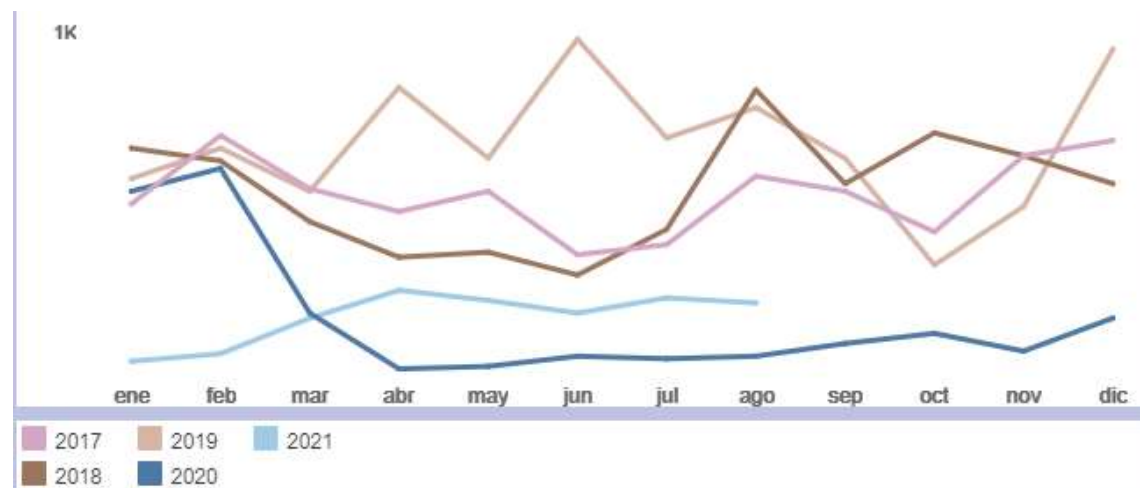
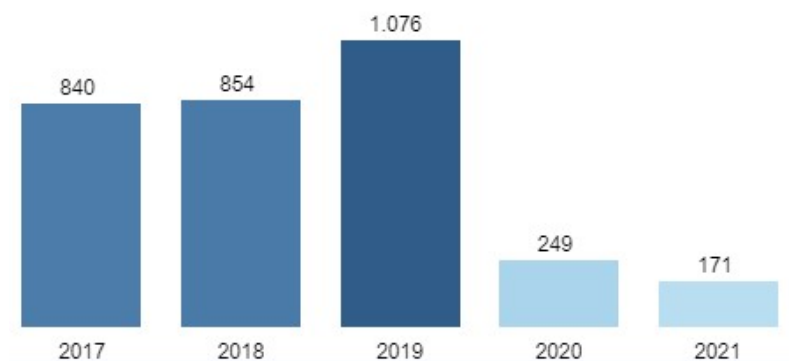
TOURISM:



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TOURISM: MAIN NUMBERS



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EXPORTS

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EXPORTS: OUR STRATEGIC PARTNERS



Potential Customers

Around
7,500 million
inhabitants

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EXPORTS: OUR MAIN PRODUCTS



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EXPORTS: ADDED VALUE PRODUCTS



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del Ecuador

EXPORTS:

PRODUCT	2017 FOB	2018 FOB	2019 FOB	2020 FOB
BANANA	49.882,96	59.613,66	72.974,65	110.332,94
SHRIMPS	12.022,45	12.772,42	15.365,71	15.429,57
BANANA ORGANIC	1.924,18	3.510,67	4.495,35	11.076,69
TUNA	1.597,26	2.448,19	3.626,47	3.485,16
COPPER RESIDUALS	215,97	00,00	834,87	1.907,30
BANABA BABY	159,45	1.619,62	418,01	432,27
LEAD	1.121,63	3.181,63	521,82	195,71
BANANA PURE	120,00	100,80	144,00	93,60
PAJA TOQUILLA (Panama) Hats	38,39	59,29	58,76	46,29
ROSES	83,15	96,93	95,68	27,55
Others	926,39	255,06	332,67	15,74
TOTAL	68.091,82	83.658,25	98.867,99	143.042,81

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EXPORTS: JANUARY TO AUGUST

DESCRIPTION	2019 FOB	2020 FOB	2021 FOB
BANANA	52.543,12	94.719,80	38.970,12
SHRIMPS	12.027,74	9.653,44	19.451,91
BANANA ORGANIC	3.416,13	8.995,36	3.562,33
TUNA	3.203,71	2.933,17	3.094,10
COPPER	489,81	1.386,91	683,27
PINEAPPLE	00,00	00,00	290,51
LEAD	521,82	00,00	207,67
BANANA ORITO	162,96	371,32	195,14
BANANA PURE	108,00	64,80	75,32
PAJA TOQUILLA (Panama) HATS	44,91	46,29	10,21
ROSES	69,16	25,55	03,60
Others	217,15	15,74	1.004,97
TOTAL	72.587,37	118.196,64	66.544,19

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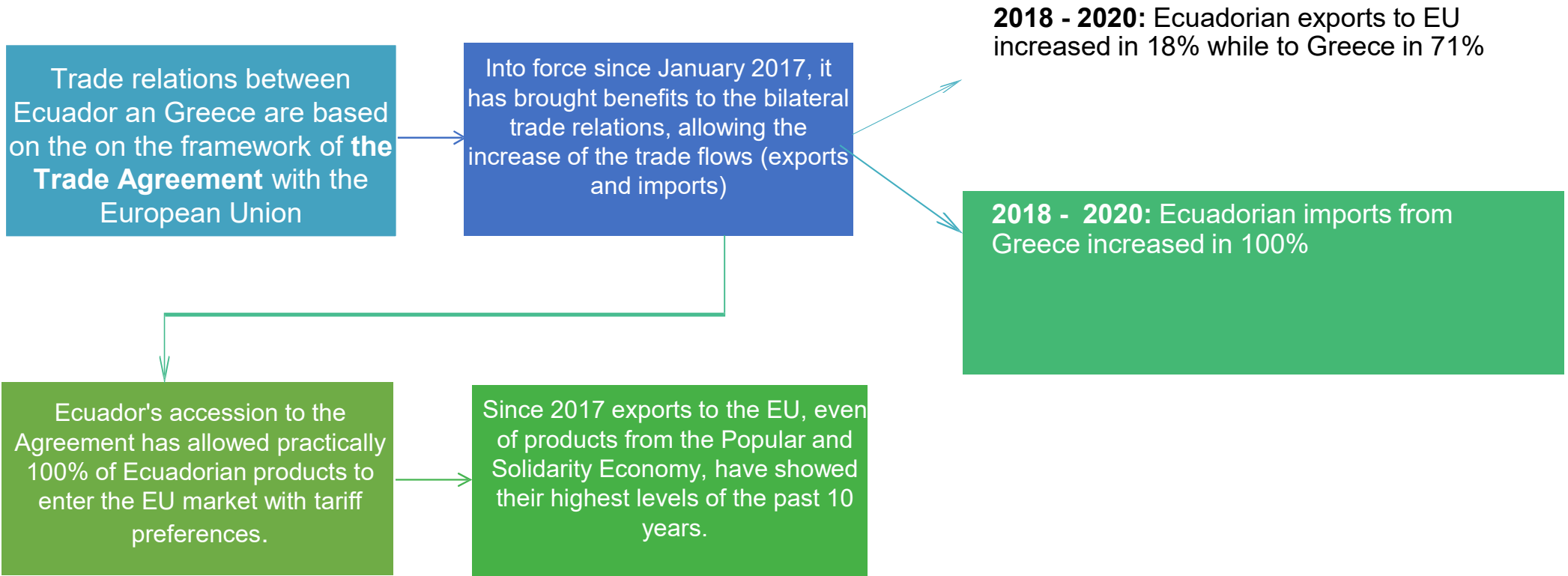
IMPORTS: GENERAL NUMBERS

DESCRIPTION	2017 FOB	2018 FOB	2019 FOB	2020 FOB
CANNED PEACH IN WATER WITH SUGAR	798,11	2.216,65	3.938,77	5.990,12
THE OTHER NCOP WATER FILTER APPLIANCES	00,00	00,00	00,00	1.974,60
MIXTURES for food	00,00	243,95	256,94	1.067,09
OTHER PLATES, ETHYLENE POLYMER SHEETS	205,13	224,48	541,95	465,26
KNIVES AND SHAVERS	3.335,99	134,22	281,39	363,91
MARBLE, TRAVERTINOS AND ALABASTRO; SIMPLY CARVED OR SAW	95,24	290,40	227,71	322,93
OTHER LIFTS AND MOTORLOADS	569,28	265,89	145,33	208,06
STAINLESS STEEL WIRE. - STAINLESS STEEL WIRE.	00,00	00,00	00,00	100,08
THE OTHER PREMIXES FOR ANIMAL FEEDING	00,00	00,00	120,65	61,79
OTHER BOOKS, BROCHURES AND THE LIKE, ON LOOSE SHEETS	880,67	229,43	81,31	53,35
Olives	00,00	40,44	39,73	51,71
THE OTHER ENZYMES AND THEIR CONCENTRATES	00,00	00,00	02,40	48,55
RAZOR BLADES, INCLUDING STRIPED OUTLINES	24,51	140,56	10,85	47,16
OF NYLON OR OTHER POLYAMIDES	07,12	30,09	00,00	42,88
CATS: - HOISTS; LATHES AND WINCHES; - FIXED ELEVATORS FOR AL	00,00	27,95	124,23	39,14
CALCIUM CARBONATE	00,00	00,00	00,00	29,31
MACHINES AND APPARATUS FOR THE DAIRY INDUSTRY	3.798,55	76,66	00,00	27,69
PREFABRICATED ELEMENTS FOR CONSTRUCTION OR CIVIL ENGINE	11,14	22,05	57,66	25,39
CONNECTION DEVICES FOR MAXIMUM VOLTAGE AT 260 V AND M	553,08	72,25	16,54	22,64
OTHER FUSES AND FUSE SHORT CIRCUITS	116,42	37,34	25,72	21,15
OTHER DRUGS FOR HUMAN USE, CONTAINING OTHER ANTIBIOTICS	00,00	00,00	21,44	20,10
OTHER STONES OF CARVING OR CONSTRUCTION WORKED: MARBLE, TRAVERTINOS AND ALABASTRO	48.140,13	03,73	13,39	16,46
Others	6.140,88	1.369,63	1.892,38	177,64
TOTAL	64.676,25	5.425,71	7.798,40	11.177,01

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TRADE AGREEMENT



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INVEST IN ECUADOR: A country of opportunities

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INVESTMENT: WHAT DO WE SEEK?



**Economic Boost and
Growth**



Job Creation

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Why invest in Ecuador?



- ✓ Dollarized economy (economic stability and low inflation)
- ✓ Political and fiscal stability
- ✓ Developed infrastructure (new roads, ports, airports, clean energy generation, telecommunications, education, health, among others)
- ✓ Logistics advantage (short distances between regions in Ecuador)
- ✓ Highly qualified human talent
- ✓ Country rich in natural resources (mining, hydrocarbons, water, agriculture, aquaculture, among others)
- ✓ Country with tax incentives

Economic Stability

ECONOMIC INDICATORS



FDI

34%, Average growth
2009- 2020



UNEMPLOYMENT INDEX

5.7%, Among the
lowest in the region -
Feb. 2021



GDP PER CAPITA

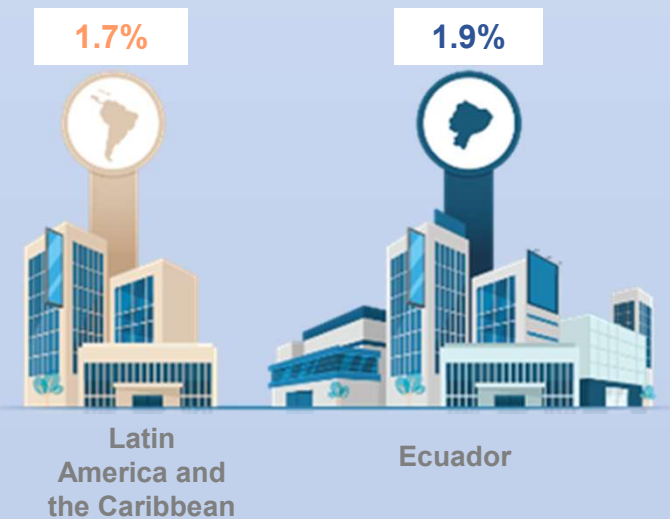
USD 5,316 - 2020



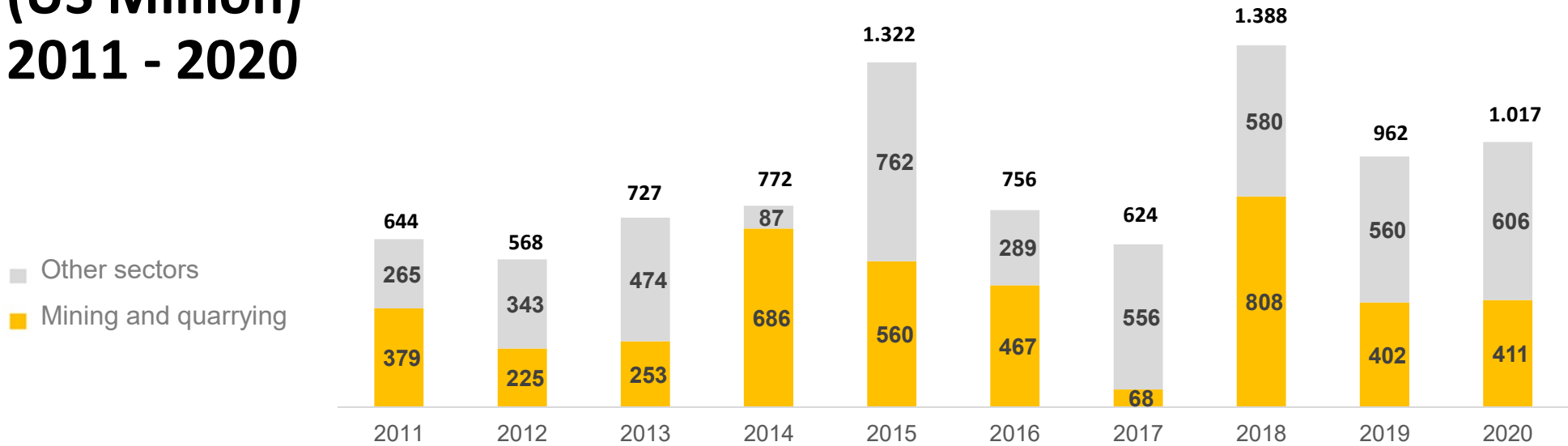
ANNUAL INFLATION RATE

-0.83%, Second
lowest in the region –
Mar. 2021

AVERAGE GDP GROWTH 2010-2020



FDI Flows in Ecuador (US Million) 2011 - 2020

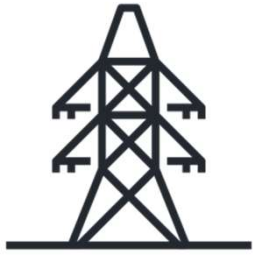


Top countries investing in Ecuador, 2016 -2020

Country	Investment (\$)	Percentage
Spain	\$ 807,367.06	17%
The Netherlands	\$ 639,169.47	13%
Canada	\$ 596,726.71	13%
USA	\$ 342,112.91	7%
China	\$ 294,489.97	6%

During 2016-2020, 5 countries generated 56% of FDI in Ecuador

Developed infrastructure



90% of energy production comes from renewable sources

71,000 km of optical fiber nation wide

4LTE Technology



2nd country with the best infrastructure in the region:
Roads, ports, airports



Open economy

CURRENT TRADE AGREEMENTS

Cartagena Agreement (CAN), EU, EFTA, MERCOSUR, PSA Mexico, Guatemala, Chile, Cuba, Nicaragua, El Salvador, United Kingdom



AGREEMENTS IN AN INITIAL STAGE OF NEGOTIATION

Pacific Alliance, India, Panama, USA, Mexico

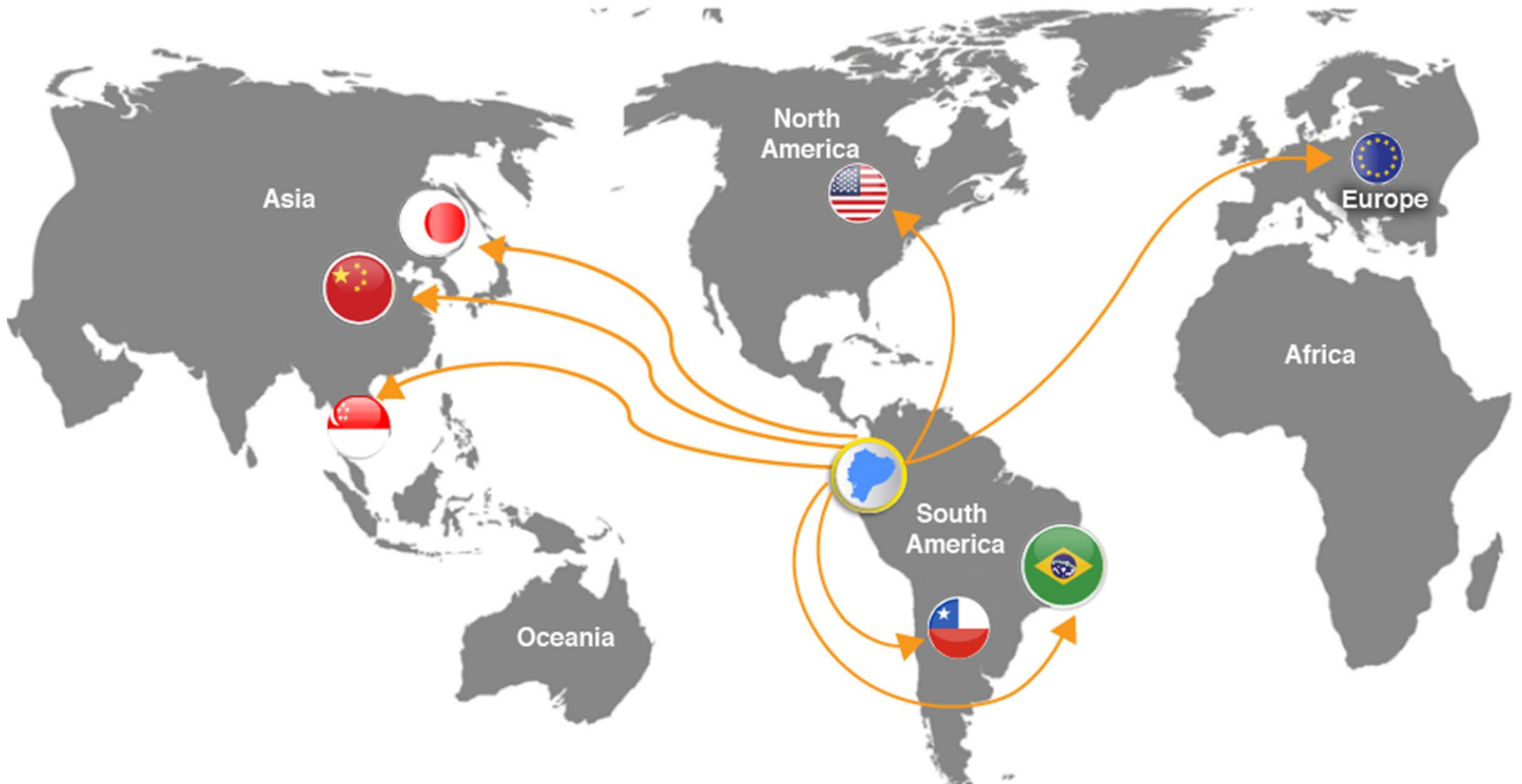


DOUBLE TAX TREATIES

**21
Treaties**

Germany, Argentina, Belarus, Belgium, Brazil, Canada, Chile, China, South Korea, Spain, France, Japan, Italy, Mexico, Qatar, Romania, Russia, Singapore, Switzerland, Uruguay, Andean Community (Bolivia, Colombia, Peru)

Ecuador is strategically located for global trade



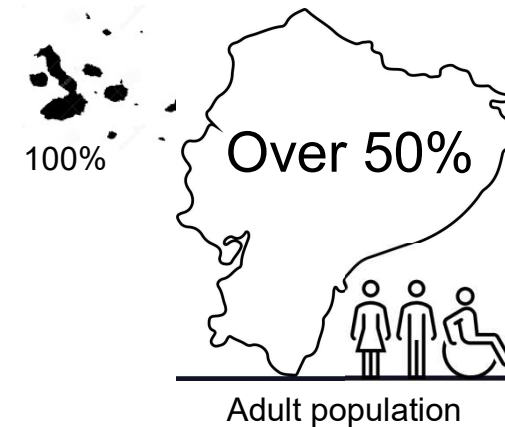
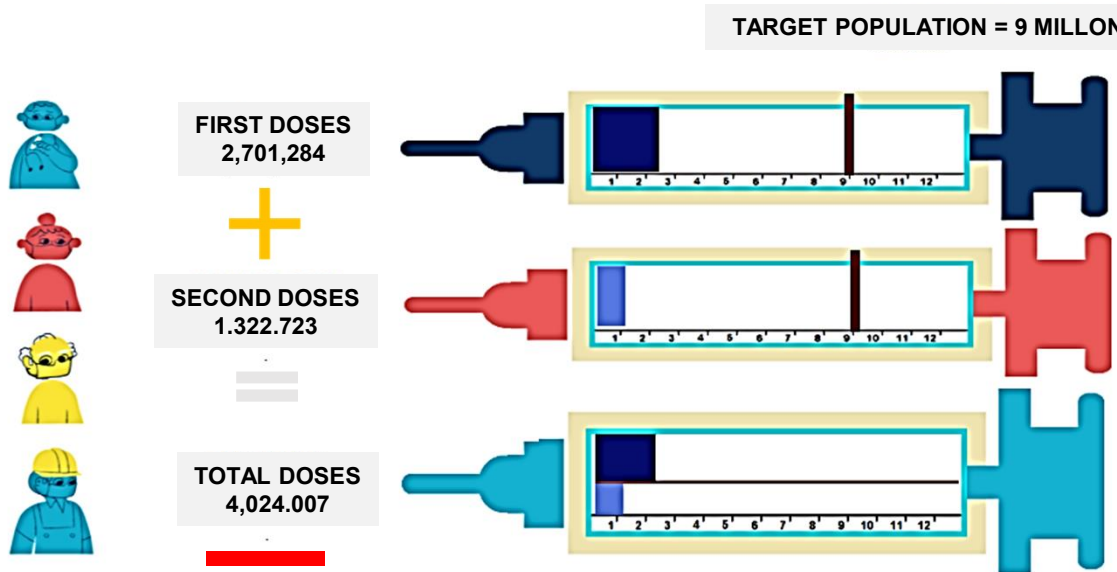
Steady Progress to Vaccinate All

to boost our economy and Foreign Direct Investments



APLICACIÓN DE DOSIS POR TIPO DE VACUNA

ASTRAZENECA	PFIZER	SINOVAC
1,143,486	1,402,051	1,478,470



COVAX Initiative +
Bilateral Mechanisms

Source: Ministry of Public Health [Microsoft Power BI](#) 2021-06-29

Investment Contracts

SCOPE:

Contract: Provides stability over tax incentives established in the Production Code (COPCI) and the Law for Productive Development.

Investment: More than USD \$1 million, USD \$250,000 in the first year; it must generate jobs.

Duration: Up to 15 years, renewable for the initial period approved.

Economic Sectors: All productive sectors, prioritized sectors, basic industries, strategic sectors and commercial activities that generate added value.

BENEFITS:

In addition to the stability of the incentives stated in COPCI and the Law for Productive Development, the investor can request:

- ✓ Foreign Exchange Outflow Tax (FEOU) exemption for payments made abroad for the import of capital goods and raw materials and for dividends distributed to national or foreign companies domiciled in Ecuador.
- ✓ National and International Arbitration.



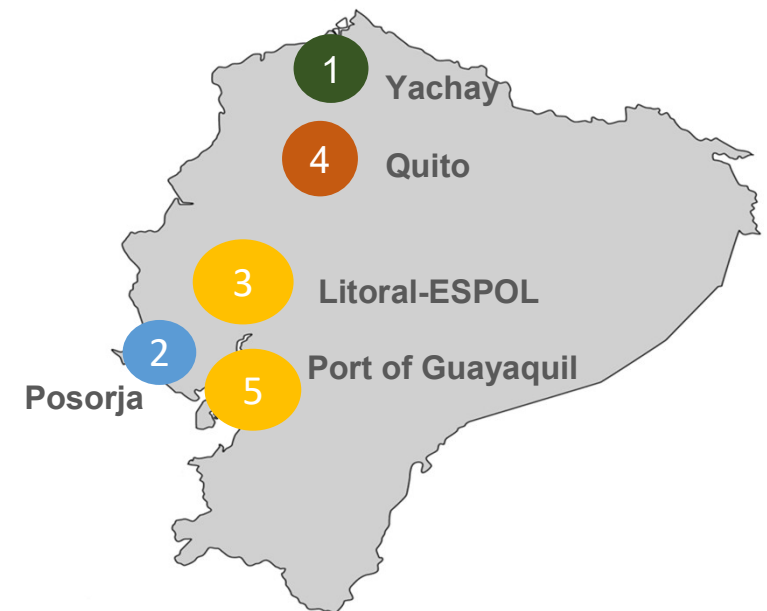
Special Economic Development Zones - SEDZ

The Special Economic Development Zones (SEDZs) are defined as delimited geographical areas of the national territory, customs destinations, which seek to attract investment through tax incentives, financial and customs benefits.

Types:

- ✓ Transfer and disaggregation of technology and innovation.
- ✓ Industrial diversification.
- ✓ Logistic services.
- ✓ Tourism

SEDZ APPROVED IN ECUADOR



Public-Private Partnerships (PPP)

The PPPs consist of a legal-financial scheme, agreed between a public institution and a private entity for the provision of goods, works or services for the central and local governments. Once the project is approved, it will benefit from the incentives established by Law, according to the provisions of the agreement entered by the parties.

Strategic sectors

- Energy in all its forms
- Telecommunications
- Non-renewable natural resources
- Transportation and refining of hydrocarbons
 - Biodiversity and genetic heritage
 - Radio electric spectrum
 - Water

DP WORLD 



LATINCO
LATINOAMERICANA DE
CONSTRUCCIONES S.A.


 **YILPORT**
HOLDING INC.


FOPECA S.A.
Construcciones


Prioritized sectors and Basic Industries

PRIORITIZED SECTORS

 Agricultural sector; production of fresh, frozen, and industrialized foods


 Agroforestry chain and processed products

 Metalworking


 Petrochemical and oleochemistry

 Pharmaceutical

 Tourism, cinematography and audiovisual; and, international events


 Renewable energies

 Foreign Trade logistic services


 Biotechnology and applied software

 Hospital infrastructure services


 Export Services

 Development and software services, production and development of technological hardware, digital infrastructure, computer security, products and digital content, and online services


 Energy Efficiency

 Industries of materials and sustainable construction technologies


 Industrial, agro-industrial and agri-social associative

 Sectors of strategic import substitution and export promotion, decreed by the President

 Educational services

 Cultural and artistic services

BASICS INDUSTRIES


 Smelting and refining of copper and / or aluminum

 Metallurgy and flat steel production

 Hydrocarbons refining

 Petrochemical industry

 Cellulose industry

 Construction and repair of maritime vessels

Incentives for new investments

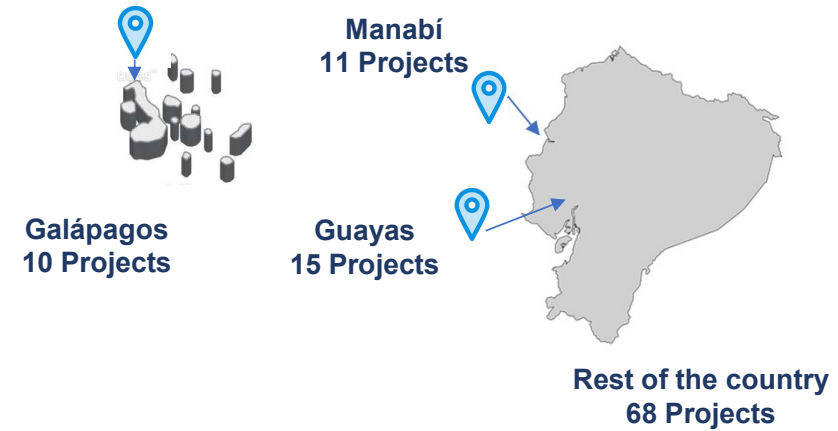
Types



Summary

Tax	Exemption Years	Sectors	Location
IT	12	Prioritized (COPCI)	Outside the urban areas of UIO & GYE
IT	8	Prioritized (COPCI)	Urban area of UIO & GYE
IT	15	Industrial, agro industrial and agro associative	Border Cantons
IT	10	Industrial, logistics, tourism and technology/innovation	Inside Special Economic Development Zones
FEOT	Contract validity	New Productive Investment	Nationwide

Investment Portfolio



104 projects available

SUCCESSFUL CASES

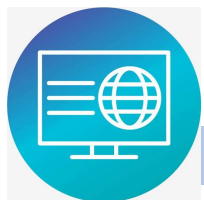


USD \$1,192 Millions

Economic Sectors



- Energy
- Infrastructure
- Transport



<https://sites.google.com/view/inversiones-ec/ingl%C3%A9s/investment-portfolio>

Why invest in Acuicultura?



Ecuador pioneered shrimp farming throughout the continent. The white shrimp or *Litopenaeus vannamei* benefits from great weather conditions, greater productive development per hectare, and up to 3.5 harvest cycles per year.

Due to its physical characteristics, flavor, and texture, Ecuadorian shrimp is known as a gourmet product all over the world.

In 2020, **with 218,350 hectares of crops**, aquaculture and harvesting of shrimp generated **USD \$ 689,307 million**, a **contribution of 0.7% to the Gross Domestic Product**.

Ecuador is the second largest shrimp exporter in the world



Shrimp is the main product of export in the aquaculture sector in Ecuador.



The National Chamber of Aquaculture estimates the shrimp sector creates more than **260,000 direct and indirect jobs** throughout its value chain.

INVESTMENT



Why invest in Agro Industry?

Located in the middle of the world, Ecuador enjoys varied micro-climates, abundant water, highly productive lands, 12 hours of sunlight year-round, which allows for productive harvests every year.

Of the 8,81 million hectares of agricultural use, Ecuador has 4,2 million hectares available for planting and growing various crops.⁽¹⁾

The agricultural produce sector is key to the Ecuadorian economy, contributing 8% to Gross Domestic Product in 2020.



Ecuador's top 5 exports include 3 agricultural products totaling USD 5,209 million in exports in 2020. The main agricultural export items were:



Agricultural activity accounts for 28% of national employment with more than 2.2 million jobs in 2020.

Agricultural Production

Ecuador enjoys one of the greatest biodiverse lands per square kilometer in the world. With a total area of 248,360 square kilometers, Ecuador's agricultural territory occupies 22.2% of the total territory or 55,160 Sq. Km.

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 República del Ecuador

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Why invest in Energy?



Ecuador intends to generate 93% of its energy from clean and renewable sources, taking advantage of the potential of hydric, solar and wind resources, and to gradually withdraw the production of polluting energy.

The central planning instruments for the Ecuadorian electricity sector are:

- 1) The Electric Energy Master Plan 2021-2031
- 2) The National Energy Efficiency Plan

With the decision to expand the scope of The Electricity Master Plan until 2031, Ecuador expects to attract private capital for about **USD 2,200 million in non-conventional renewable energies** from photovoltaic, wind, geothermal, biomass and other projects.

Figures from the energy sector

 Gross electricity generation: 31,238.85 GWh	 Secondary networks length: 100,117.56 km
 Power demand: 4.09 GW	 Number of luminaires: 1,704,297
 Import: 250.80 GWh	 Power installed in luminaires: 275,814.40 kW
 Export: 1,340.63 GWh	 Number of meters: 5,361,621
 Installed generation capacity: 8,712.29 MW	 Number of clients⁽¹⁾: 5,368,697
 Length of transmission and sub-transmission lines: 12,481.19 km	 Commercialized energy: 20,095.49 GWh
 Number of substations:⁽¹⁾ 545	 Electric power loss index: 12.79%
 Installed capacity in substations: 26,759.69 MVA	 Electric service coverage (2019)⁽²⁾: 97.06%
 Length of medium voltage networks: 106,658.75 km	 Headcount of professionals in electric energy sector: 16,110
 Number of medium voltage transformers: 344,178	Notes:
 Installed capacity in medium voltage transformers: 3,315.71 MVA	(1) Includes lifting, reducing and sectioning substations
	(2) Includes regulated and unregulated clients
	(3) Data available to date is published, the MERNHR is analyzing the values for 2020

Elaboration: MERNHR | Source: Annual and multi-year statistics of the Ecuadorian electricity sector 2020

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Why invest in Infrastructure?



Competitive Infrastructure

Ecuador has consolidated a national multimodal transportation system, where the State formulates, implements and evaluates policies, regulations, plans, programs and projects for a competitive and safe transportation network with minimal environmental impact.

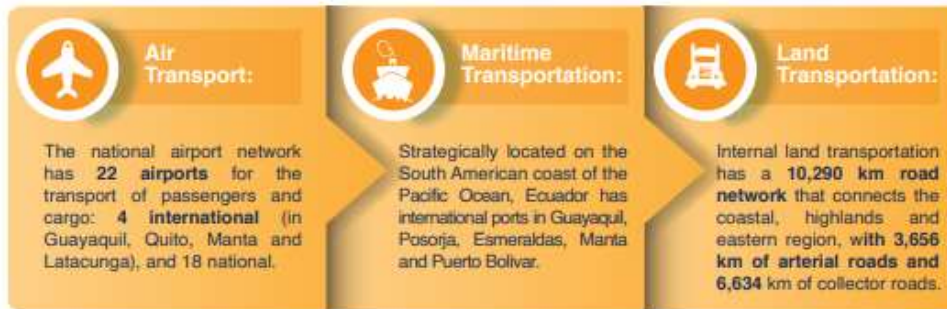
With one of the best infrastructures in the region, when it comes to airports, highways and ports, Ecuador occupies the following places in South America:



Source: Global Economy Ranking



Industry potential



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Why invest in Fishing?



Since 1940, Ecuador has exercised the fishing activity in all its phases, based on sustainable management. During the 2018-2020 period, the fishing sector generated exports for more than **USD \$1,300 million** annually in all its processing phases.

Fish growing exports offer an attractive scenario for business and investment, in five segments of the cluster:

1. Technologies for the management, monitoring and traceability of fishery products;
2. Fisheries research in association with national companies;
3. Updating of fleets / vessels;
4. Modernization of procedures; and,
5. Eco certifications

Exports during 2020



The 2 fishing subsectors



The activities in the sector generate around **250,000** direct and indirect jobs; **50%** occupied by women.

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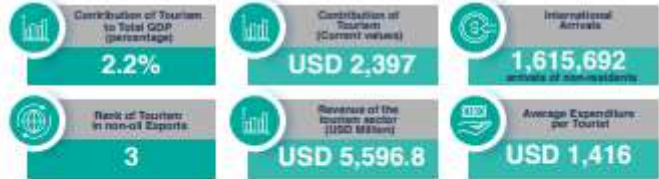
INVESTMENT

Why invest in Tourism?



Ecuador has made significant investments in roads, connectivity, hydroelectric generation, and multipurpose projects to ensure quality of life for its constituents and visitors from all over the world. With only 283,561 square kilometers (0.2% of the Earth's mass), Ecuador is one of the most mega diverse countries in the world per square meter.

Tourism in numbers 2019



Advantages and Infrastructure

Due to its geographic size, travelers can visit Ecuador regions in a short period of time with a competitive connectivity system of **4 international and 18 local airports**. The international ports located in the cities of Manta, Guayaquil, Puerto Bolivar and Esmeraldas are the **gateway of the most important cruise lines every year**.



Tourism activity in accommodation, food and beverage services generated **477,382 jobs in 2019**.



In 2019, travelers to Ecuador arrived mainly from: **United States 30.2%, Colombia 17.2%, Spain 9%, Peru 8.9%, Chile 3.4%**.

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Why invest in Mining?



The great mining potential in Ecuador lays in its sizeable reserves of gold, silver and copper, as well as a varied availability of mining products. According to the mining registry, legal mining **activities extend over 1.55% of the national territory** as of July 1, 2021. Mining is divided into large-scale mines and several small-scale mines.

Mineral exports are expected to exceed **USD 1,600 million** in 2021 due to the rise in production of two large-scale mining projects: Fruta del Norte (from 3,500 ton/day to 4,200 ton/day), and Mirador (from 30,000 to 60,000 tons/day).



Exports

In 2021, **Ecuador exported USD 705.50 million** of mining products from January to June, ranking fourth of all products **with 5.70% of total exports**, according to Central Bank's data.



Medium and large-scale mining projects **generated 26,792 jobs**.

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INVESTMENT

Investors Guide

<https://drive.google.com/drive/folders/11SrwKw4pd1QMEDAUKMxZQiquH-J-fjL?usp=sharing>

Investment portafolio: Public and Private projects

<https://sites.google.com/view/inversiones-ec/ingl%C3%A9s/investment-portfolio?authuser=0>

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Commercial Office of Ecuador in Milano

- Commercial Opportunities
- Investment Opportunities
- Commercial and Investment Missions
- FAM Trips
- Participation on fairs
- Market Research

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Contact us



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