



INVESTOR'S GUIDE



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ECUADOR *más*
COMPETITIVO

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PRESENTATION

The Government Plan of President Guillermo Lasso has prioritised attracting Foreign Direct Investment (FDI) as one of the mainstays for the economic and productive reactivation of the country; as a result, in Executive Decree No. 68, of the 9th June 2021, the promotion and attraction of investment was declared an imperative public policy.

The Ministry of Production, Foreign Trade, Investment and Fisheries (MPCEIP) is committed to strengthen the favourable investment climate that Ecuador offers for the FDI and promote "More of the world in Ecuador". This Investor's Guide, 2021 edition, has been prepared with the objective of making Ecuador known as a country of opportunities, with safe public policies and a solid legal and institutional framework for investment.

Ecuador has been recognised for having the greatest biodiversity per square kilometre in the world. It is a country with privileged fauna, climate, and flora, abundant natural resources, and qualified human resources. Its official currency is the US dollar, which makes it one of the most stable economies in Latin America.

In 2020, the country's real GDP decreased by 7.8% due to the COVID-19 health emergency, reaching USD \$66,308 million. However, for 2021 a growth of 2.8% is estimated, which represents a value of USD \$68,135 million. On the other hand, in the last 5 years, Ecuador's non-oil exports grew by 7.2%, and despite the global crisis caused by the pandemic, they grew by 9.7% between 2019 and 2020.

Finally, this guide will allow an investor to know the economic situation of the country, the competitive advantages, the opportunities, the incentives and the legal security that Ecuador offers to investment.

For these and many other reasons, Ecuador is the ideal destination for your investment!



1. PROFILE OF ECUADOR

1.1. General information

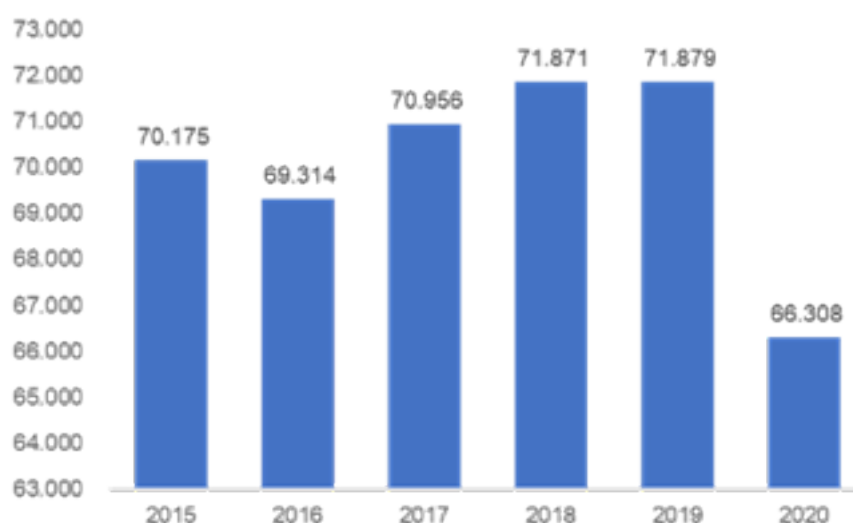
- **Capital:** Quito
- **Extension:** 256.370 Km²
- **Language:** Spanish
- **Time Zone:** GMT-5 hours
- **Population:** 17.6 million inhabitants
- **Currency:** US Dollar
- **Literacy rate:** 93.6%
- **Real GDP:** USD \$66,308 MM (2020)
- **Real GDP growth:** -7.8% (2019-2020)
- **Annual inflation:**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

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

1.2. Economic situation

In 2020, due to the strong economic and health crisis caused by the Covid-19 pandemic, in real terms, Ecuador's GDP decreased by 7.8% compared to the previous year. Consumption fell by 6.8%, but non-oil exports grew by 9.7%.












GROSS DOMESTIC PRODUCT (GDP)
Millions of constant dollars



SOURCE: BCE



The main economic activities that made up Ecuador's GDP in 2020 were:

	Economic activity	% share in the 2020 GDP
	Manufacturing (except oil refining)	12%
	Commerce	10%
	Oil and mines	9%
	Teaching, Health and Social Services	9%
	Agriculture, livestock, hunting and forestry	8%
	Building	8%
	Transport	7%
	Public administration, defence; mandatory social security plans	7%
	Professional, technical and administrative activities	6%
	Other services (*)	6%
	Financial services activities	4%

Source: BCE

(*) Includes: Real estate activities and entertainment, recreation and other service activities



Average GDP Growth in Latin America 2010-2020



Ecuador 1.9%



LAC 1.7%

Source: International Monetary Fund (IMF)

1.3. Connectivity

During the last decade, the Government invested in road, maritime and airport projects. These investments have facilitated the mobility of goods and services in a safe and timely manner.



USD \$667 MM

4 ports: Guayaquil, Puerto Bolívar, Esmeraldas and Manta.

Private investment of **USD \$ 1,200 MM** in the new deep-water port of Posorja.



USD \$374 MM

4 international airports. 2 cross-border airports. 7 national airports Cargo transportation capacity: 246 M Ton.

Passenger transport capacity: **10.03 MM** per year. Second place in the region in airport infrastructure.



USD \$9,955 MM

Public investment in road network.

9,997.90 km of road network.

Source: Accountability Report of the Ministry of Transport and Public Works (MTO)



1.4. Qualified Human Resources

The Ecuadorian Government is committed to higher education. For this reason, it has offered international scholarships (masters, PhDs and medical specialties) to Ecuadorian students at foreign universities of academic excellence. **From 2007 to 2019, approximately 31,668 scholarships have been awarded in the following study areas:**

- Information and communication technologies (ICT).
- Natural sciences, mathematics and statistics.
- Engineering, industry and construction.
- Agriculture, forestry, fishing and veterinary medicine.
- Health and wellness.
- Transportation services.
- Arts and humanities.

Furthermore, in 2020, the National Government opted for the innovation of higher education processes, generating 111,190 spots to access university studies in virtual modality, and, in this way, to better cope with the health crisis, without the need to stop the higher education of students from universities, polytechnic schools and technical and technological institutes.

1.5. Opening to the World

Ecuador is a country of great opportunities!

Ecuador has access to a market of **800 million consumers**, thanks to the validity of trade agreements and double taxation agreements with its main commercial partners.



On 21st June 2021, Ecuador signed the Convention on the Settlement of Investment Disputes between States and Nationals of Other States, also known as ICSID. This establishes the institutional and legal framework for the settlement of disputes related to international investments.

Currently, bilateral investment treaties are being negotiated with several countries.



2. HOW TO DO BUSINESS IN ECUADOR?

2.1. Taxes

Ecuador offers clear regulations on tax, corporate and labour regime, which are key elements for doing business in the country.






General structure. - In Ecuador, the Internal Revenue Service (SRI) is responsible for collecting the internal taxes established by law.



Tax system. - The tax system in Ecuador includes state and local tax. The state tax is allocated by the central government and local tax is set by the Autonomous Decentralized Governments (GADS).

o State Tax

Corporate Income Tax (IR) for companies. The following rates will be applied to the tax base *:

% of IT Rate on taxable base	DESCRIPTION
22% 	For micro and small companies or exporters.
25% 	For companies incorporated in Ecuador, as well as for the branches of foreign companies based in the country, and the permanent establishments of foreign companies not based in the country. When the company has shareholders, partners, participants, constituents, beneficiaries or similar, resident or established in tax havens or lower tax regimes with a direct or indirect participation, it must report on their participation, in accordance with current tax regulations.
28% 	In the case of those that do not comply with the principle of transparency, companies must pay an IT rate of 3 additional points, in accordance with current tax regulations.

*Taxable base.- Returns, discounts, costs, expenses and deductions, attributable to such income, will be subtracted from all taxable income.

For more information:

<https://www.sri.gob.ec/impuesto-%20renta#%C2%BFcu%C3%A1-es>



o Value Added Tax (VAT)

It is a tax that is levied on the value of local transfers or imports of movable goods, in all their commercialization stages and on the value of the services provided.

All persons and companies that provide services and/or carry out transfers or imports of goods must pay VAT. Current VAT rate is 0% and 12%.

There is also the exemption and refund of VAT for the purchase of raw materials and services, related to productive activities.

For more information:

<https://www.sri.gob.ec/impuesto-al-valor-%20agregado-iva#%C2%BFcu%C3%A1-es>

o Goods that tax a 0% VAT rate:

Raw materials and inputs imported or acquired in the domestic market for the agricultural, aquiculture and fishing sectors.

 <p>Machinery, parts and pieces for agricultural, aquaculture and fishing use.</p>	 <p>New construction of fishing boats from shipyard.</p>
 <p>Electric vehicles for private use, public transport and cargo.</p>	 <p>Solar panels and plants for wastewater treatment.</p>
 <p>Batteries, chargers and chargers for electric vehicle charging stations.</p>	 <p>Lease of land for agricultural use.</p>
 <p>Low-income housing construction service in projects qualified by the MIDUVI.</p>	 <p>Credit relief insurance in different segments and prepaid medicine services. Health and life insurance and reinsurance, medical assistance, personal accidents, and those required for traffic and agropecuary accidents.</p>

o Tax on Special Consumption (ICE)

It is the tax levied on the consumption of certain goods (local or imported) and services considered luxury, detailed in the Law of Internal Tax Regime, in article 82. According to the tax base, the corresponding rate is applied.

For more information: <https://www.sri.gob.ec/impuesto-consumos-especiales>



ICE must be paid by:



People and companies that manufacture goods subject to this tax.



Taxpayers who import goods subject to this tax.



Taxpayers who provide taxed services.

To pay the ICE, the taxable base of the products or services that appear in the web portal must be determined:

[http://www.sri.gob.ec/web/guest/impuesto-consumos-especiales#%C2%BFcu%C3%A1l-es, opción “tarifa”](http://www.sri.gob.ec/web/guest/impuesto-consumos-especiales#%C2%BFcu%C3%A1l-es,opción%20tarifa).

o Foreign Currency Outflow Tax (ISD)

This tax is paid for the transfer or shipment abroad of foreign currency, be it in cash or through order of checks, bank transfers, withdrawals or payments of any nature. The current rate of 5% is applied to the amount of the currency transfer.



Foreign Currency Outflow Tax (ISD) exemption when companies reinvest 50% of their profits in new productive assets.

ISD refund for purchase of supplies for export of services.

ISD refund for purchase of inputs for export of goods.

The Reform Law for Tax Equity in Ecuador, in its Art. 159, provides exemptions in the payment of Foreign Currency Outflow Tax (ISD) in the following cases:



Ecuadorian citizens and foreigners who leave the country carrying cash up to a basic fraction deducted from personal income tax.



Transfers made abroad of up to USD \$1,000.



The amortization of capital and interest generated on credits granted by international financial institutions.



Payments made abroad by administrators and operators of the Special Economic Development Zones (ZEDE), for imports of goods and services related to their authorized activity.



Payments made abroad, for dividends distributed by national or foreign companies based in Ecuador, after payment of income tax.





Payments made abroad from the financial returns, capital gains and capital of those external investments that have entered exclusively the Ecuadorian stock market to carry out this transaction.



Payments made abroad, from financial returns, capital gains and capital from investment made abroad, in securities issued by legal entities domiciled in Ecuador.

o Local taxes - set by municipalities.



* The values of the rates to be applied are determined from the taxable base of the products or services.

2.2. Incorporation of a Company in Ecuador

In accordance with the provisions of article 2 of the Companies Law, there are 6 types of commercial companies. However, since the reform carried out in 2020, the Simplified Stock Company (SAS) was created, which allows a more agile and automatic process to be carried out for the incorporation of a company in Ecuador.

o Constitution of a SAS

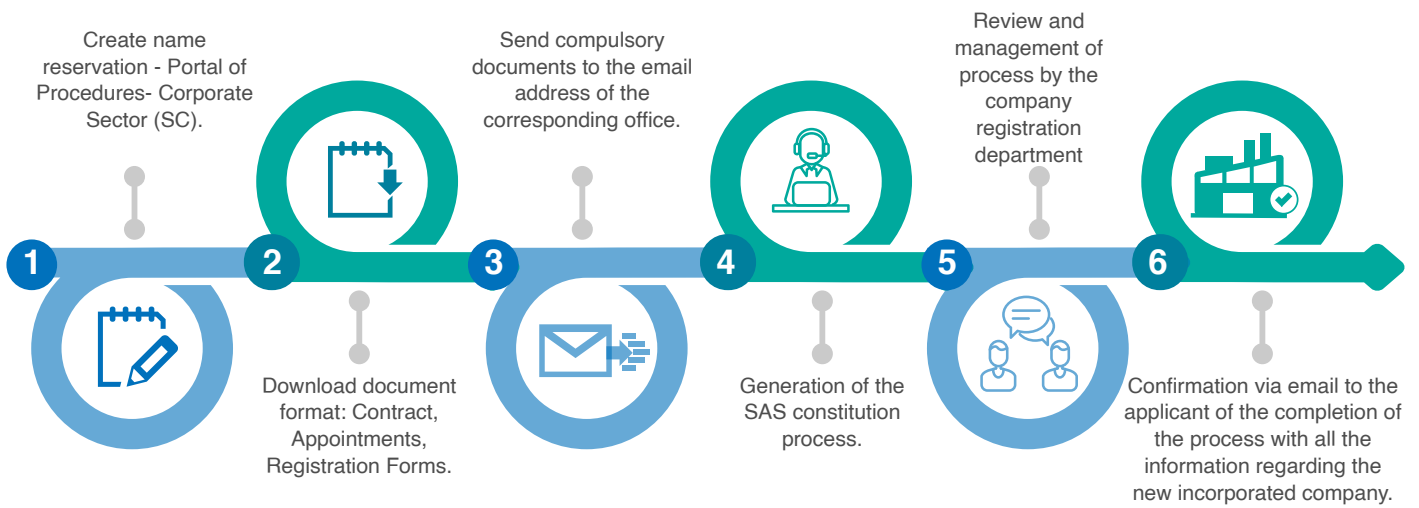
It is a type of company that is constituted by one or more natural or legal persons, through a simplified procedure, at no cost. Its objective is to boost the economy through the formalisation of enterprises, making them credit subjects and thereby expanding their production processes.

If you have an electronic signature, the constitution could be done in 2 to 3 days.

It should be noted that the shares issued by the SAS may not be registered in the Public Stock Market Cadastre or be traded on the stock market.

o Process of Incorporation of a SAS:





* For more information: <https://portal.supercias.gob.ec/images/SAS.pdf>

2.3. Labour System and Social Security

a. Labour code

The Labour Code is the norm that regulates the working relationship between employers and employees, and the different forms and conditions of work.

The Ministry of Labour is the governing Institution for public labour and employment policies, which regulates and controls compliance with labour obligations.

For more information: <https://www.trabajo.gob.ec/>

RELEVANT INFORMATION ON EMPLOYMENT CONTRACTS IN ECUADOR	
Unified Basic Salary (SBU)	USD \$ 400 (2021 update)
Sectoral minimum wages	https://www.trabajo.gob.ec/wp-content/uploads/2020/12/ANEXO-1%E2%80%9C Estructuras-ocupacionales-%E2%80%93salarios-m%C3%ADnimos-sectoriales-y-tarifas-sa.pdf?x42051
Workday	<ul style="list-style-type: none"> ● Maximum Working Hours: It has a maximum of 8 hours per day. ● Special Workday: They are regulated by the sector and labour commissions. ● Night shift: usually is referred to a work scheduled between 7pm and 6am-next day. This remuneration increases by 25%.
Additional benefits for employees	<ul style="list-style-type: none"> ● Thirteenth salary: All payment contributions done during a year are divided into the number of months worked in the year. ● Fourteenth remuneration: A Minimum wage salary paid after the employee has worked for a year. ● Pension Scheme: 8.33% of salary received. ● Compulsory Holidays: From 1st to 5th year of work, employees have 15 days; after the 5th year onwards it is 1 additional day per year. ● Profit distribution: 10% paid to employees and an additional 5% paid to employees in proportion to the number of household dependents.

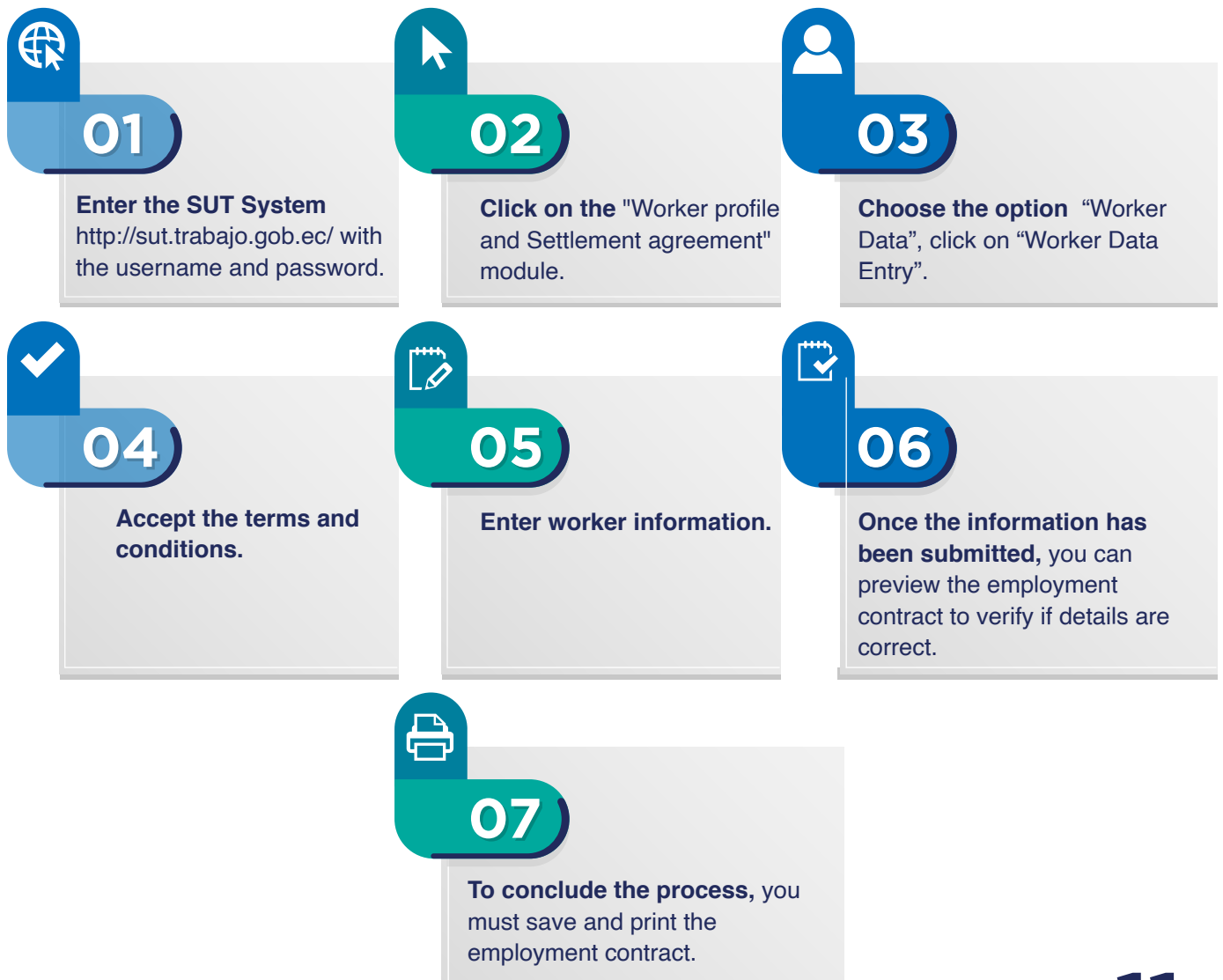


TYPES OF CONTRACTS

In the Single System of Workers Platform (SUT), the following employment contracts are generated automatically:

1. Indefinite
2. Certain Work
3. Permanent Part Time
4. Eventual Continuous
5. Eventual Discontinuous
6. Seasonal
7. Learning
8. Of Piecework
9. Between Craftsmen and Operators
10. Domestic Service
11. By Work or Service Determined within the business line
12. By Task
13. Agricultural
14. At Home
15. Occasional
16. Banana
17. Floriculture
18. Maquila
19. Transportation
20. For Adolescents
21. Free Zone

o Process for generating and registering a contract:



b. Social Security Law

All workers must be affiliated to the Ecuadorian Social Security Institute (IESS), entity in charge of applying the Compulsory General Insurance System, to all people who work with or without a dependency relationship (contract).

The affiliation is made by the employer on the IESS website (www.iess.gob.ec). Likewise, contributions must be paid up to the 15th of each month.

SOCIAL SECURITY	DESCRIPTION
IESS contributions	Workers under a dependency relationship: <ul style="list-style-type: none"> • Employer Contribution: 11.15% • Personal contribution: 9.45%
Employers' system	The employer is obliged, under their responsibility and without the need for a counterclaim, to register the worker or server as a member of the Compulsory General Insurance, from the first day of work, and to send the entry notice addressed to IESS, within the first fifteen (15) days. The employer will notify IESS in the event of salary modification, dismissal from work, or any other relevant event for the affiliated employee work history, within a time frame of three (3) days after the occurrence of the event.
Employer Registry in the Labour History System: (password request for Employer)	Enter the IESS website: www.iess.gob.ec . <ul style="list-style-type: none"> • Select the option "employer" - register new employer. • Enter the RUC, or identification number and choose the sector that fits the profile (private, public or domestic). • Enter the mandatory data marked with an asterisk. • Complete the employer registration, print the password request and the privacy information agreement. • Contact IESS agencies at the Universal Service Centers ("Centros de Atención Universal"), carrying the documents that have been requested, to obtain the employer password.

c. Organic Law of Humanitarian Support



Purpose.- Establish humanitarian support measures to face health crisis effects caused by COVID-19.



Scope of the Law.- The provisions of this Law are of public interest, of application and mandatory observance throughout the national territory, both in the public and private spheres.

In the framework of the health emergency and economic crisis caused by the effects of COVID-19, on 15th May 2020, the National Assembly approved the Humanitarian Support Law proposed by the President.

This regulation introduces the following measures for the Labour Sector:





Preservation agreements

Work source preservation agreements in order to maintain work sources and guarantee stability to workers.



Emerging special contract

Emerging special contract.- Individual work contract for a defined time that is celebrated for the sustainability of production and sources of income in emergent situations.



Emerging working hours reduction

Emerging working hours reduction. - Due to force majeure or duly justified acts of God, the employer may reduce working hours, up to a maximum of 50%.



Teleworking (working from home)

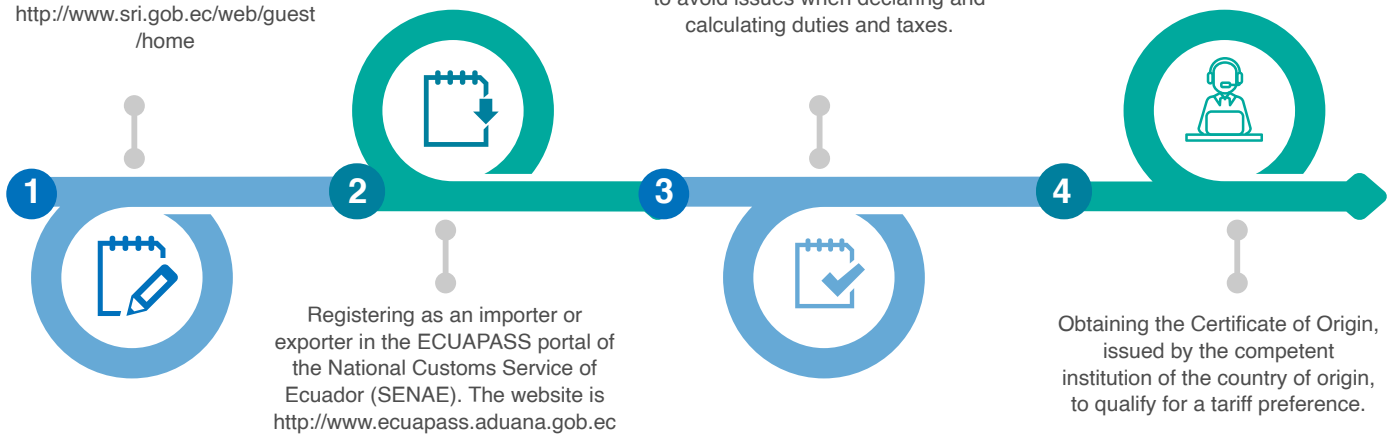
Teleworking (working from home). - It is a form of labour organisation, which contemplates the performance of remunerated activities or professional services using IT as a support, without requiring the physical presence of the worker in a specific workplace.

2.4. How to Import and Export from Ecuador?

To import or export from Ecuador, you must previously consider:

Obtaining the Single Taxpayer Registry (RUC) in the Internal Revenue System (SRI) website: <http://www.sri.gob.ec/web/guest/home>

Verifying the tariff nomenclature of products to be imported or exported, to avoid issues when declaring and calculating duties and taxes.



The National Customs Service of Ecuador (SENAE) is the responsible authority in customs matters, for facilitating international trade and exercising control of the entry and exit of goods, cargo units and means of transportation across borders and customs offices.



SENAE determines and collects the customs obligations generated by the import and export of merchandise. For more information on the requirements and procedures to import and export click in the following links: <https://www.aduana.gob.ec/para-exportar/> or <https://www.aduana.gob.ec/para-importar/>



2.5. How to register intellectual property assets in Ecuador?

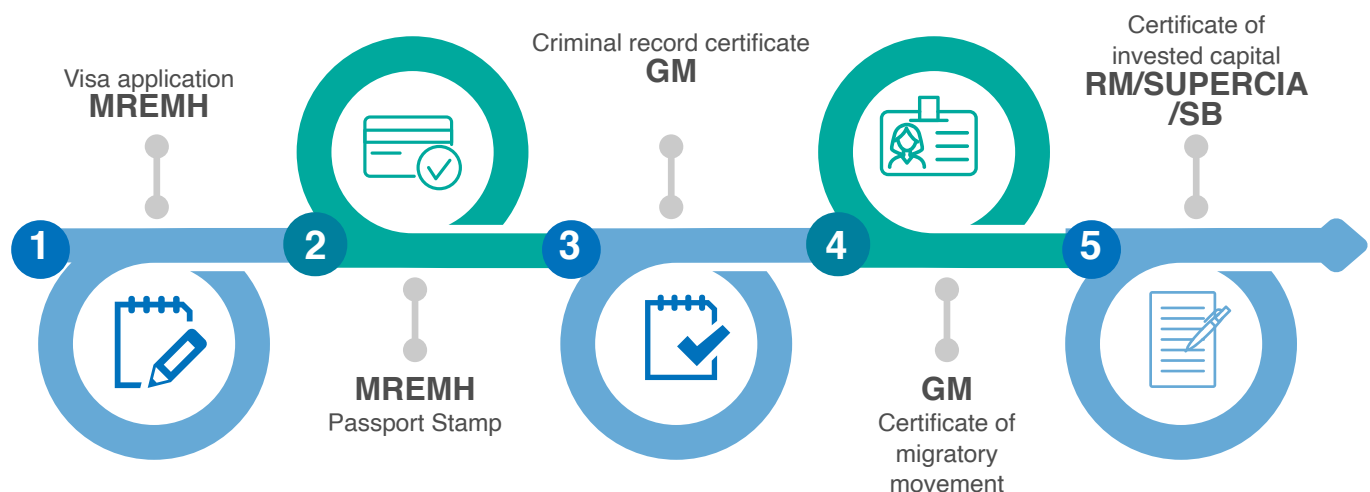
The National Service for Intellectual Rights (SENADI) is the body in charge of protecting, promoting, disseminating and conducting the proper use of Intellectual Property in three different areas: Industrial Property, Copyright and Plant Varieties.

- 1 Requirement for the registration of works:**
https://www.derechosintelectuales.gob.ec/wp-content/uploads/PDF/Instructivo_Registro_Derecho_Autor_y_Conexos.pdf
- 2 Requirements for trademark registrations:**
<https://www.derechosintelectuales.gob.ec/como-registro-una-marca/>
- 3 Requirements for patent registration:**
https://www.derechosintelectuales.gob.ec/wp-content/uploads/PDF/Instructivo_Solicitud_Patente_de_Invención_y_Modelo_de_Utilidad.pdf

2.6. Visa for Foreign Investors

The Ministry for Foreign Affairs and Human Mobility (MREMH) regulates the immigration status and foreign citizens' stay, for those who have assets and economic resources of legal origin to carry out productive or commercial activities. The term of the visa is indefinite.

The process of obtaining an Investor Visa consists of:



Abbreviations

- **GM:** Government Ministry.
- **RM:** Commercial Registry.
- **SUPERCIA:** Superintendency of Company, Securities and Insurance
- **SB:** Superintendence of Banks.

* Document that reflects or proves the existence of the investment funds in a policy, title or certificate of deposit in an authorised credit institution by the Ecuadorian system, property or owned business. For more information: <https://www.cancilleria.gob.ec/2020/04/14/visas/>

3. WHY INVEST IN ECUADOR?



Ecuador is a country that offers great opportunities to invest. National legislation offers a series of incentives for investment and guarantees investors' rights. Executive Decree No. 252, issued in January 2018, established a state policy for the attraction and promotion of investment, aligned with the objectives of development, employment generation strategies and inflow of foreign currency. This policy was strengthened with the issuance of the Executive Decree No. 68, on 9th June 2021, through which the attraction and promotion of investment was declared as a public policy priority.

3.1. Investment Regulatory Framework

Since the late 1990s, Ecuador has been working on a series of regulations with tax and customs incentives, creating an ideal scenario for the investor, thus offering stability, legal foreseeability, tax incentives and safe mechanisms for investment dispute settlement.

The regulatory framework for investments in Ecuador is as follows:

01

Organic Code of Production, Trade and Investment (COPCI)

02

Organic Law for Productive promotion, investment attraction, employment generation, and Fiscal Stability and Balance ("Development Law")

03

Law of Internal Tax Regime ("LRTI")

04

Organic Law of Incentives for Public Private Associations



3.2. Investment Contracts

Ecuador, through its investment contracts, offers private investors a series of optional agreements to guarantee their new investment and the creation of direct employment.

BENEFITS:



Stability on tax incentives, for up to 15 years, renewable for an additional period of time (maximum validity for 30 years).



You can apply for an investment contract if the amount of the investment is more than USD \$1 million and if it creates new jobs.



It establishes a dispute settlement mechanism: national and international arbitration.



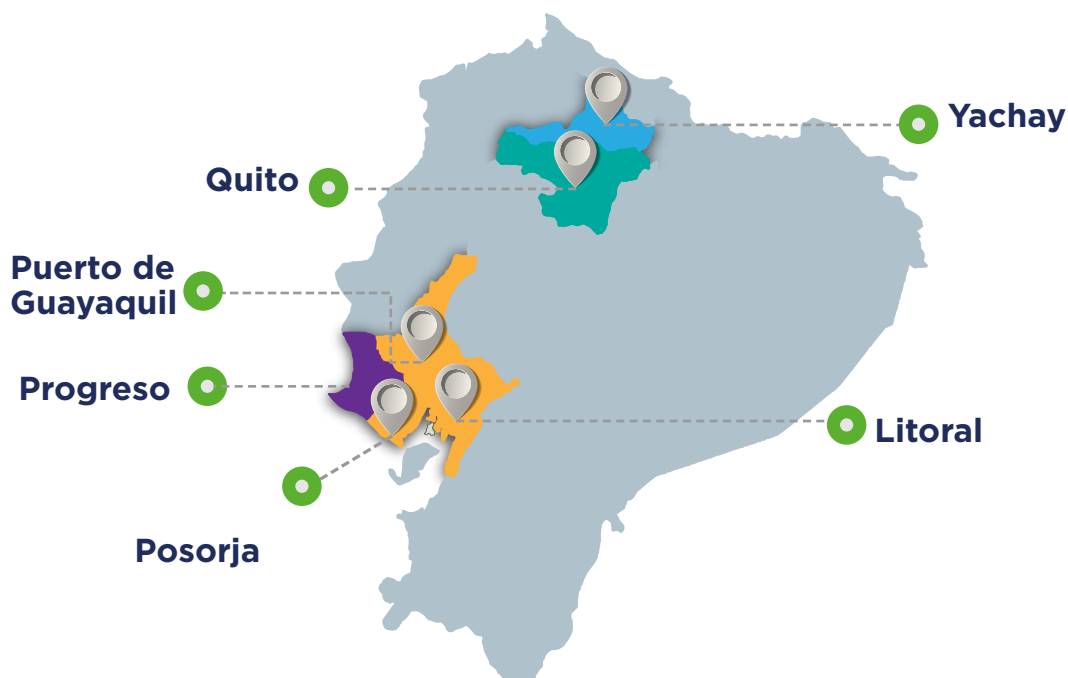
Foreign Currency Outflow Tax (ISD) Exemption for payments made abroad for capital goods and imported raw materials, as well as dividends distributed to national or foreign companies domiciled in Ecuador.

3.3. Special Economic Development Zones (ZEDE)

ZEDE is a designated area in Ecuador's territory, with a special customs regime that helps the development of new investment in: a) transfer and disaggregation of technology and innovation, b) industrial diversification, c) logistics services, and d) tourism services. It facilitates productive chains and export diversification, through the exemption of import duties and taxes.

The Economic and Productive Industry Council is the body that authorises the location of ZEDE establishments.

Currently, there are 6 ZEDEs in Ecuador: Yachay, Litoral-Espol, Posorja, Progreso, Quito and Puerto Guayaquil.



3.4. Public-Private Partnership

PPPs are an investment mechanism that allows private companies to take part in public projects, accessing unique benefits, incentives and conditions. For projects under this format, the responsible public entity submits its project to the PPP Committee, for its approval. When approved, it will benefit from the established incentives detailed in the Law of PPPs Incentives.

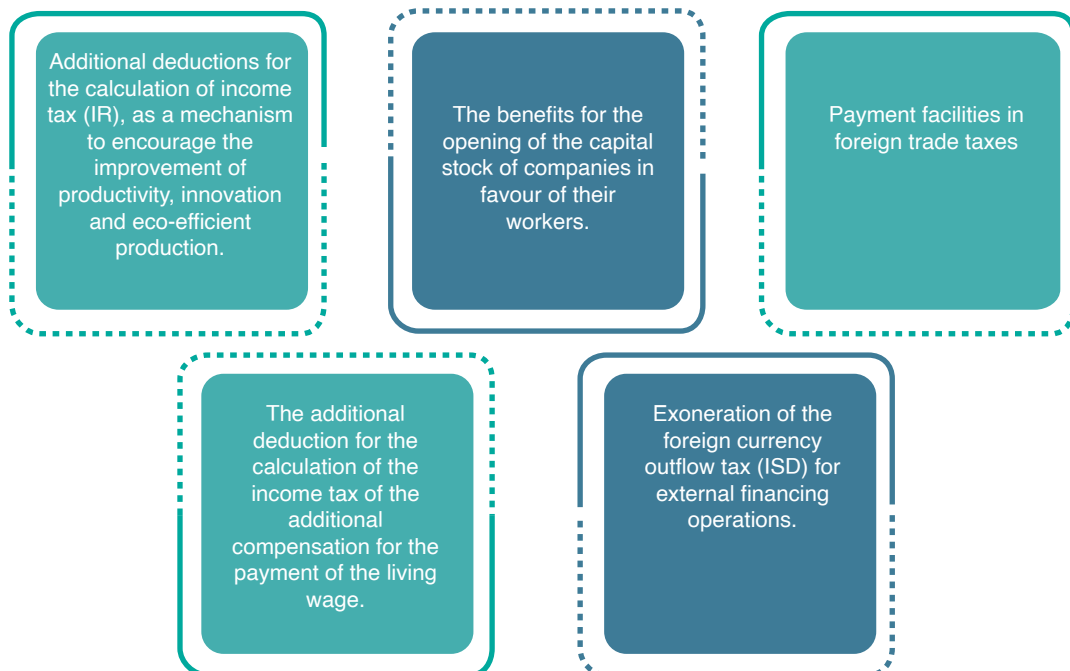
PPP Strategic sectors:



3.5. Incentives for investing in Ecuador

Most of the incentives to attract investments are detailed in the Organic Code for Production Commerce and Investment (COPCI in Spanish), Incentives for Public Private Partnership Law, and the Productive Development Law. Incentives are classified as:







a. General Incentives. - For all new and productive investment.









b. Incentives in Prioritized Sectors. - For new and productive investments:

-  Income Tax Exemption for 12 years.
-  Income Tax Exemption for 8 years for investments within the urban perimeter of Guayaquil and Quito.
-  Income tax exemption for 15 years for new investments in the prioritized industrial, agro-industrial and agro-association sectors and, within the border cantons.
-  Income Tax Exemption for 20 years for new investments in the tourism sector for SMEs in community and / or associative tourism.
-  Double deduction of the annual depreciation expenses for 5 years for investments in new and productive fixed assets.

PRIORITIZED SECTORS


 Agricultural sector; production of fresh, frozen and industrialized food.	 Exports services.
 Metalworking.	 Energy efficiency.
 Petrochemical and oleochemical.	 Materials and technologies for sustainable construction.
 Pharmaceutical.	 Industrial, agro-industrial and agro-associative sector.
 Tourism, cinematography and audio-visuals; and, international events.	 Sectors for strategic import substitution and export promotion, decreed by the President.
 Renewable energy.	 Hospital infrastructure services.
 International trade logistics services.	 Educational services.
 Biotechnology and applied software.	 Cultural and artistic services under the terms and conditions provided within the regulation.
 Software development and services, production and development of hardware technology, digital infrastructure, cyber security, digital products and content, and online services.	

c. Incentives for SEDZ (ZEDE). - For new investments located in SEDZ (ZEDE):






-  Income tax exemption for 10 years.
-  Reduction of 10 percentage points in Income Tax IR for the following 10 years.
-  Foreign Currency Outflow Tax (ISD) exemption on machinery and raw materials imports.
-  Exemption from VAT on imports of machinery and raw materials.
-  VAT tax credit on national purchases of machinery and raw materials.
-  Tariffs on imported goods exemption.

d. Territorial Incentives

For new and productive investments in depressed and border areas, the following benefit is contemplated:

-  Additional deduction of 100% of the cost of hiring new workers, for five years from the execution of the new investment.

e. PPP incentives

-  10 year Income Tax exemption, from the first year of operation.
-  Foreign currency outflow tax (ISD) exemption on imports, financing and dividend payments.
-  Import duties exemption, related to the project.
-  VAT exemption on imports related to the project.
-  Legal stability on the essential aspects of investment development and applicable incentives.



3.6. Investment Project Portfolio

The Government has created a portfolio of projects to guide national and international investors and financial institutions, on public and private investment opportunities that Ecuador offers:

<https://sites.google.com/view/inversiones-ec/espa%C3%B1ol/portafolio-de-inversiones?authuser=0>

The projects are classified according to their management model in:

- 1 Public-Private Investment
- 2 Private Investment

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Why invest in Acuiculture?



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



Ecuador exported



677,800 tons of shrimp valued at USD 3.6 million in 2020.

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

70%

of shrimp farms are in private hands

30%

in concession by the Ecuadorian government.



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



Investment Opportunities

Ecuador presents an attractive scenario for business and investment. Marine concessions are available to raise and farm species such as the Pacific oyster *Crassostrea gigas* and cobia *Rachycentron canadum*.

Investors are invited to meet the needs in all segments of the aquaculture production chain from inputs to feed biomass in farms, equipment, materials, to logistics and other links in the chain, such as:

- Aerators for various systems
- Automatic feeders and harvesters
- Electric generators
- Electric motors
- Formulated foodstuffs, inputs
- Improvement and maintenance of equipment
- Monitoring equipment in aquaculture farms
- Pumps for water suction
- Refrigeration equipment
- Software & Technology
- Solar panels



Other aquaculture products

Tilapia, trout, chame, cachama, paiche, oysters, among others.



Legal Instruments

- ① Aquaculture activities are regulated in accordance with the Ecuadorian legal framework
- ② Organic Law for the Development of Aquaculture and Fisheries 2020
- ③ General Regulations to the Fisheries and Fisheries Development Law (In force)

Investments
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AGRO INDUSTRY

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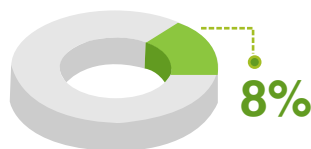
Why invest in Agro Industry?



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:



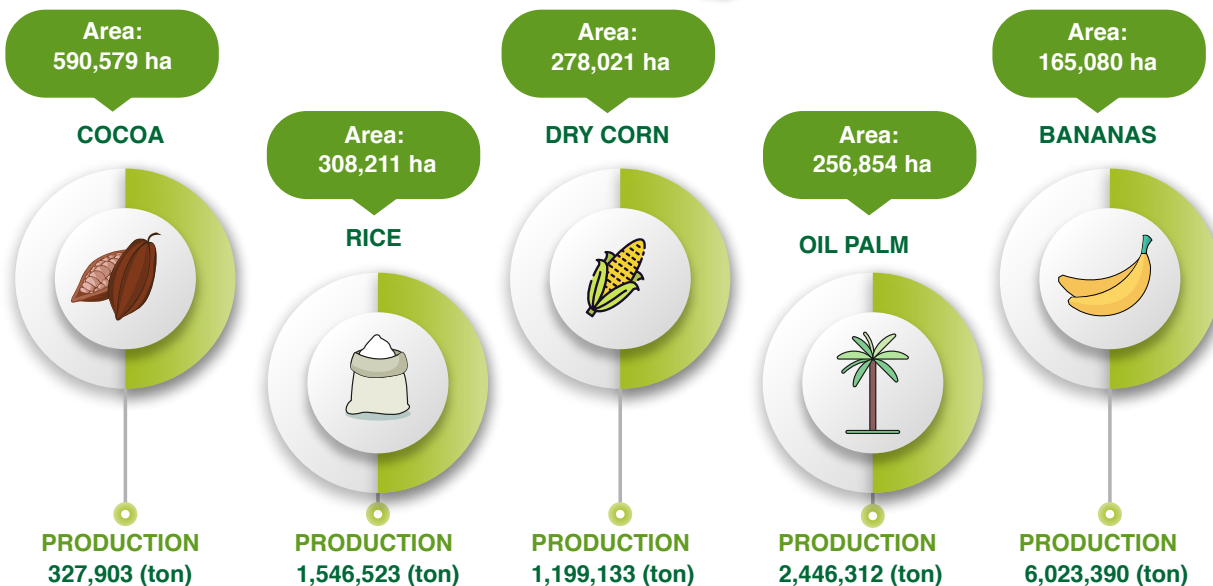
Agricultural activity accounts for **28% of national employment with more than 2.2 million jobs in 2020**.



Agricultural Production

Ecuador enjoys one 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.

Main crops in 2020 :



Source: National Census Bureau Statistics – MAG, Agrocalidad.



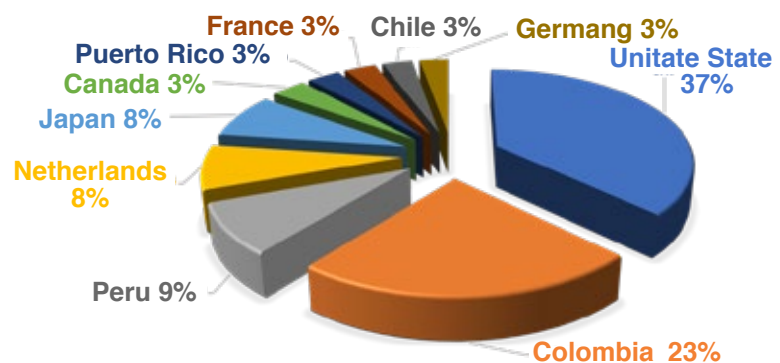
The main agro-industrial items that accounted for the Gross Value Added in 2020 were:



Agri-food exports

Each region in Ecuador produces a variety of agri-foods for export. In 2020, export items totaled **USD 874 million, a growth of 4.2% compared to 2019**. The main products are fresh/frozen vegetables, snacks, preserves, oilseeds, purees, animal feed, cereals, beverages, liquors and preserved vegetables.

Figura 1. Top 10 Export Markets for Ecuador's Agri-food Products, 2020



Source: Undersecretary of Exports – MPCEIP

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ENERGY

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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
	Power demand: 4.09 GW
	Import: 250.80 GWh
	Export: 1,340.63 GWh
	Installed generation capacity: 8,712.29 MW
	Length of transmission and sub-transmission lines: 12,481.19 km
	Number of substations:⁽¹⁾ 545
	Installed capacity in substations: 26,759.69 MVA
	Length of medium voltage networks: 106,658.75 km
	Number of medium voltage transformers: 344,178
	Installed capacity in medium voltage transformers: 3,315.71 MVA

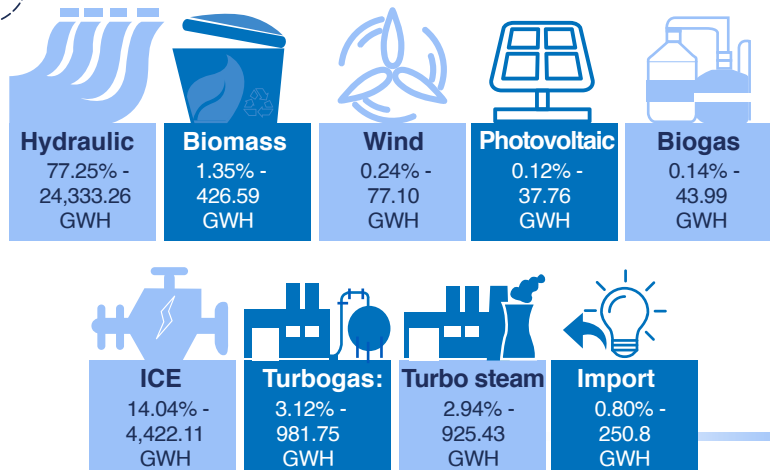
	Secondary networks length: 100,117.56 km
	Number of luminaires: 1,704.297
	Power installed in luminaires: 275,814.40 kW
	Number of meters: 5,361.621
	Number of clients⁽²⁾: 5,368.697
	Commercialized energy: 20,095.49 GWh
	Electric power loss index: 12.79%
	Electric service coverage (2019)⁽³⁾: 97.09%
	Headcount of professionals in electric energy sector: 16,110

Notes:
 (1) Includes lifting, reducing and sectioning substations
 (2) Includes regulated and unregulated clients
 (3) Data available to date is published, the MERNNR is analyzing the values for 2020

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



Energy Production



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INFRASTRUCTURE

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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



Air Transport:

The national airport network has **22 airports** for the transport of passengers and cargo: **4 international** (in Guayaquil, Quito, Manta and Latacunga), and 18 national.



Maritime Transportation:

Strategically located on the South American coast of the Pacific Ocean, Ecuador has international ports in Guayaquil, Posorja, Esmeraldas, Manta and Puerto Bolivar.



Land Transportation:

Internal land transportation has a **10,290 km road network** that connects the coastal, highlands and eastern region, with **3,656 km of arterial roads** and **6,634 km of collector roads**.



Map: Main airports, ports and roads



Infrastructure Opportunities

Ecuador has a sustainable management model for the administration of the recovery, construction and maintenance of infrastructure. The Ministry of Transport and Public Works structures several airport, rail, maritime and road projects of public and private initiative, to be managed through delegation. Being a dynamic process, the model takes into consideration the evolution of commercial, productive and tourist activities that directly affect changes in mobility patterns in Ecuador.

Investments Portfolio:





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MINING

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República
del Ecuador



Gobierno
del Encuentro

Juntos
lo logramos

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.



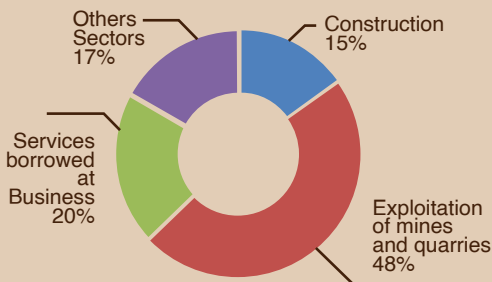
Medium and large-scale mining projects **generated 26,792 jobs**.



Investment

In 2020, with investments off more than USD 567,9 million, mining activities attracted 48% of Foreign Direct Investment FDI inflows to Ecuador.

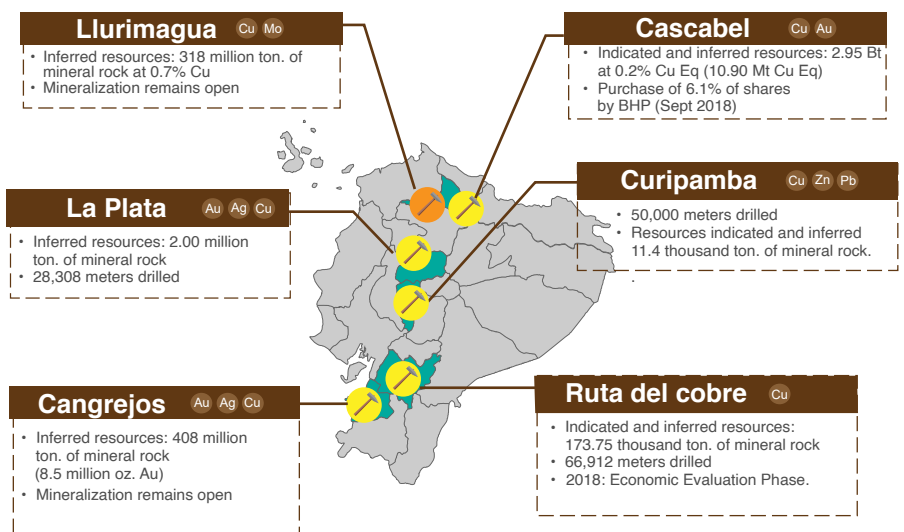
% FDI by Sector, 2020



Investment Opportunities

Ecuador promotes no less than 5 projects as world-class mineral deposits. Another 4 mining projects are in initial exploration phase.

Mining Concessions in Advanced Exploration:



- Private Investment
- National Mining Co. ENAMI



Portafolio Inversiones:





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FISHING

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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.

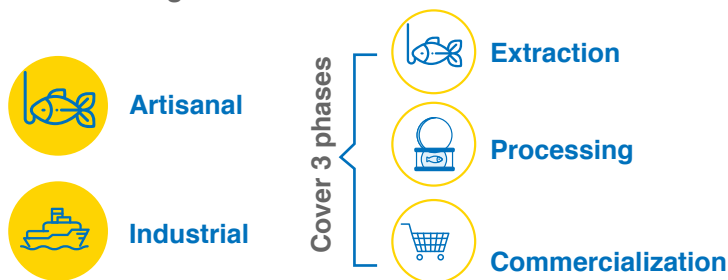
Fish growing exports offer an attractive scenario for business and investment, in five segments of the cluster:

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.**



Fishing facilities

The State has led the improvements in regulations, a control and certification scheme for its fisheries, facilitating the opening of new export markets for shipowners and processing companies.

Ecuador ensures the traceability and control of fishery products from capture to marketing, in accordance with the requirements of the export market niches.

Currently, 513 fishing companies are registered nationwide; and there are docks and terminals designated to facilitate commercial transactions of fishery products originating in Ecuador and destined for international markets.

5,300 fish farms, in 3 regions:

- **Amazon:**
4,139 (78%)
- **Inter andean:**
781 (15%)
- **Coast:**
380 (7%)



Sector regulation

In the governance and legislation of the sector, the following stand out:

- Organic Law for the Development of Aquaculture and Fisheries (LODAP, 2020)
- The Integrated Aquaculture and Fisheries System SIAP (in implementation)

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TOURISM

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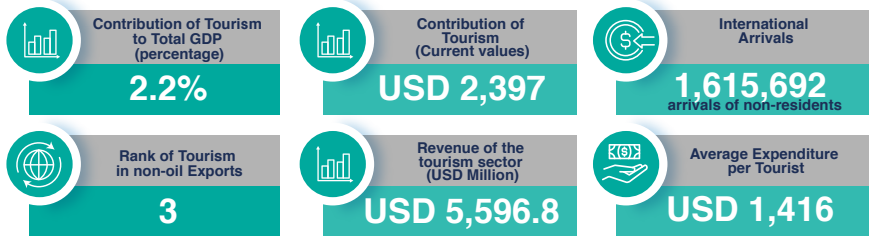


Why invest in Tourism?



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 Bolívar 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**.



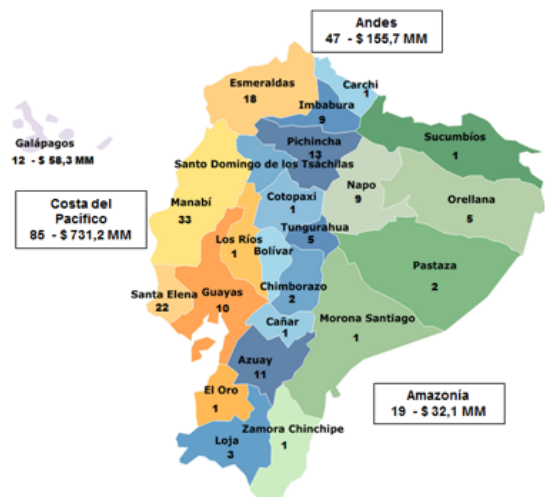
In 2019, travelers to Ecuador arrived mainly from: **United States 30.2%, Colombia 17.2%, Spain 9%, Peru 8.9%, Chile 3.4%**.



Investment Opportunities

In Ecuador, the Ministry of Tourism's "Investment Opportunities Portfolio" offers 4 different investment lines:

- ① Tourism projects
- ② Infrastructure projects
- ③ Land and properties
- ④ Entrepreneurship and innovation



Investments Portfolio





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