

**Voluntary Report** – Voluntary - Public Distribution

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**Report Name:** Retail Foods

**Country:** Ecuador

**Post:** Quito

**Report Category:** Retail Foods

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**Report Highlights:**

The retail industry is an important component of Ecuador's economy. The 2022 forecasts for retail food sales is \$24.9 billion and for consumer expenditures on food, beverages, and tobacco is \$15.9 billion. Excellent sales prospects exist for U.S. food products to supply this sector. This report provides a road map for exporters wishing to enter the market. It provides information on the key channels of distribution for consumer-oriented food products and highlights growing product segments including processed foods, beverages, and meats.

**Market Fact Sheet: Ecuador**

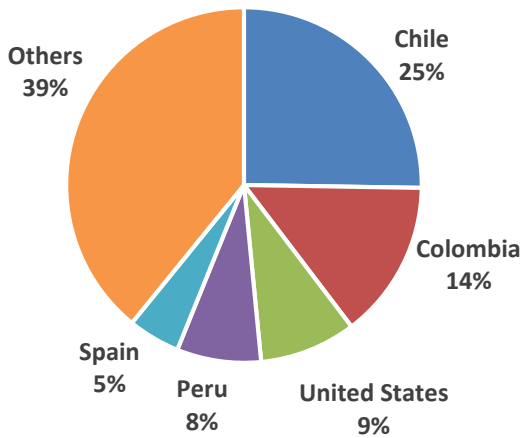
**Executive Summary**

The food retail sector is a significant component of Ecuador’s economy. Retail sector sales in Ecuador are estimated at \$40 billion, of which food accounts for 62 percent. Excellent prospects exist for U.S. food ingredient products to supply this industry.

**Imports of Consumer-Oriented Products**

Imports of consumer-oriented food and agricultural products in 2021 reached \$950 million. Major suppliers included Chile, Colombia, and the United States.

**Imports of Consumer-Oriented Products (US\$ million)**



**Food Processing Industry**

Food processing is one of the strongest performing sectors in Ecuador’s economy. It accounts for 45 percent of the manufacturing sector’s contribution to gross domestic product (GDP). In 2021, the food-processing sector represented 12 percent of Ecuador’s \$18.1 billion in non-oil export earnings.

**Food Retail Industry**

The Economist Intelligence Unit forecasts retail food sales for 2022 at \$24.9 billion and consumer expenditures for food, beverages, and tobacco at \$15.9 billion. Retail food sales have grown over the past five years at an average rate of 0.7 percent.

Most of the consumer-oriented products imported into Ecuador are sold through the main supermarket chains in country and specialty stores. The retail sector is a formal sector, well established, and financially healthy.

**Quick Facts CY2020 –CY2021**

Imports of agricultural and food-related products in 2021: \$3.5 billion

Top Imported Consumer-Oriented Products Categories to Ecuador:

Food Preparations	Dairy Products
Condiments & Sauces	Bakery Goods, Cereals & Pasta
Chocolate & Cocoa Products	Distilled Spirits
Deciduous Fruits	Beef & Beef Products

2020 Food and Agriculture Product Contribution to GDP: \$16.4 billion

Top 5 Ecuador Food Processors:

- Procesadora Nacional de Alimentos C.A. (PRONACA)
- La Fabril S.A.
- Cervecería Nacional
- Sociedad Agricola e Industrial San Carlos S.A.
- Gisis. S.A.

Top 5 Ecuador Retailers:

- Corporación Favorita (Supermaxi, Megamaxi, Aki)
- Corporación El Rosado (Mi Comisariato)
- Supermercados TIA
- Hypermercados Coral
- Supermercados Santa Maria

GDP/Population

- Population: 18,113,361 (2021 est.)
- Nominal GDP: \$98.9 billion (2021 est.)
- GDP per capita: \$11,654 (2021 est. at PPP)

Total Food & Beverage Processors in country: 1,360

Sources: Ecuadorian Central Bank, CIA Factbook, The Economist Intelligence Unit, Ecuador Central Bank, Trade Data Monitor, and FAS Quito research

**Strengths/Weaknesses/Opportunities/Challenges**

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• U.S.-origin products are well regarded for their high quality and value.</li> <li>• The United States remains Ecuador’s main agricultural trading partner.</li> </ul>	<ul style="list-style-type: none"> <li>• U.S. food and agricultural products are disadvantaged by the absence of a trade agreement with Ecuador.</li> <li>• U.S.-origin products tend not to be as price competitive as those from neighboring countries and China.</li> </ul>
Opportunities	Challenges
<ul style="list-style-type: none"> <li>• New opportunities are developing for exporters of consumer-oriented products.</li> <li>• Local food processing industry struggles to offer high-quality and innovative products.</li> <li>• The U.S. Dollar is local currency in Ecuador.</li> </ul>	<ul style="list-style-type: none"> <li>• Slow economic growth in Ecuador.</li> <li>• Ecuador’s import procedures are cumbersome.</li> <li>• U.S. foodstuffs exporters are less aggressive than other trading partners (e.g., Chile) in seeking Ecuadorian sales.</li> </ul>

## SECTION I. MARKET SUMMARY

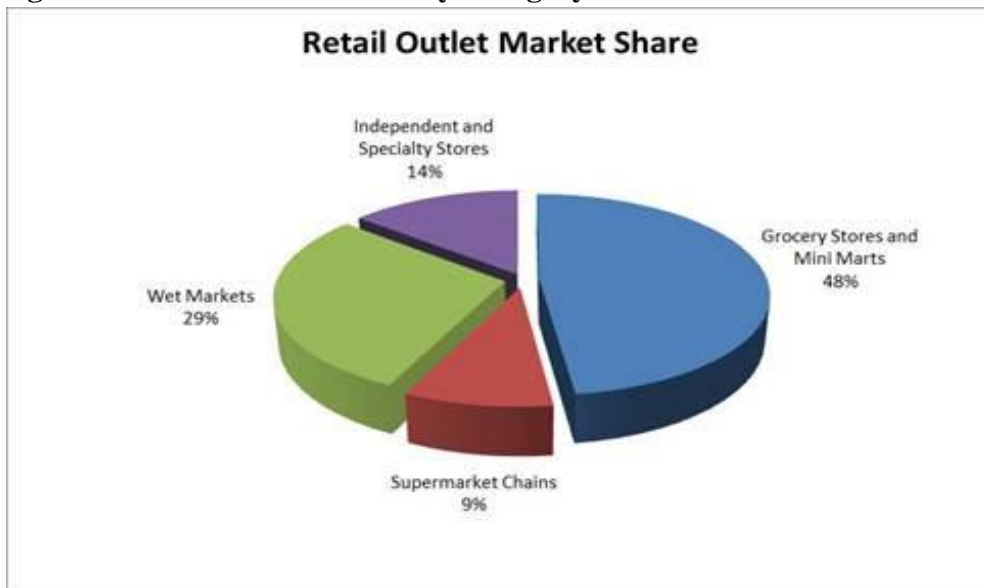
Ecuador offers U.S. food and agricultural product exporters a number of excellent possibilities, particularly for the retail sector. This is despite slow economic growth, forecasted at 1.8 percent for 2022. The food-retail sector is one of the strongest performing sectors in Ecuador’s economy and is a major component of the overall retail sector, accounting for roughly 62 percent of total retail sales. This is high when compared with developed countries, where the ratio is usually below 50 percent. Spurring the sector’s growth is a growth in the acceptance and consumption of processed food products, which are now a well-established part of the national food culture due to the changing lifestyles of new generations. The Economist Intelligence Unit forecasts retail food sales for 2022 at \$24.9 billion and consumer expenditures for food, beverages, and tobacco at \$15.9 billion.

Ecuador’s retail food sector is divided into five main categories: supermarket chains, open or wet markets, independent groceries, small food stores, and convenience stores (i.e., mini marts). Retailers are known to request lower prices from suppliers in order to obtain higher sales margins. Alternatively, retailers can be enticed with offers of promotional cost sharing.

An estimated 48 percent of Ecuadorians purchase their food at local grocery stores. Monthly food expenditures average \$250 per household. Most middle- to high-income consumers (36 percent of Ecuadorians) purchase food products in modern supermarkets. Supermarket store sales are trending upwards due to the stores’ cleaner, more organized format and greater imported product availability. Most chains have stores in large/medium cities and operate under different names in small towns. Around 400 U.S. food items are offered by local supermarket chains.

While supermarkets on average allocate about 18 percent of store shelf space to imports (e.g., fruits and vegetables, beverages, snacks, and frozen foods), mini marts specialize in supplying items such as liquors, snacks, and soft drinks. Store sales spike during the holidays, especially at Christmas, Valentine’s Day, Carnival, Mother’s Day, and Father’s Day. Demand for consumer-ready products also peaks during the tourist season (June-September).

**Figure 1: Retail Market Share by Category**



Source: Instituto Nacional de Estadísticas y Censos, 2012

**Table 1: Ecuador, Retail Sales, and Consumer Expenditure, (\$ billions), 2019-2023**

	2019	2020 (estimate)	2021 (forecast)	2022 (forecast)	2023 (forecast)
Retail Food Sales (\$ billion)	\$ 24.4	\$ 23.1	\$ 24.2	\$ 24.9	\$25.4
Food, Beverage, and Tobacco (Consumer expenditure; \$ billion)	\$ 14.9	\$ 15.4	\$ 15.5	\$ 15.9	\$16.3

Source: Economist Intelligence Unit.

**Table 2: U.S. Supplier Advantages and Challenges in Ecuador**

Advantages	Challenges
<ul style="list-style-type: none"> <li>• New opportunities are developing for exporters of consumer-oriented products due to higher demand for quality imported products</li> <li>• The United States remains Ecuador’s main agricultural trading partner.</li> <li>• U.S.-origin products are well regarded for their high quality and value.</li> <li>• Local food processing industry struggles to offer innovative products.</li> <li>• The U.S. dollar is local currency in Ecuador</li> </ul>	<ul style="list-style-type: none"> <li>• U.S. agricultural products (including consumer oriented) are disadvantaged by the absence of a free trade agreement with Ecuador.</li> <li>• Slow economic growth in the near-term.</li> <li>• Ecuador’s cumbersome import procedures.</li> <li>• U.S. foodstuffs exporters are less aggressive than other regional trade partners (e.g., Chile) in tracking Ecuadorian sales.</li> <li>• A quarter of the population is below the poverty line.</li> <li>• U.S.-origin products tend not to be as price competitive as other countries in the market.</li> </ul>

## SECTION II. ROAD MAP FOR MARKET ENTRY

### A. Entry Strategy

- U.S. consumer-oriented food producers and exporters seeking to enter the Ecuadorian market should contact local food importers directly or work with representatives, agents, or distributors to define the application and product type best suited to meet end user needs. Large retailers usually import directly from foreign suppliers. Small and medium-sized enterprises, lacking the ability to purchase large volumes, deal primarily with a representative or distributor. In the case of large volumes, the establishment of a local subsidiary to guarantee services and quality to clients is often advisable.
- U.S. consumer-oriented products are well regarded for their high quality and value. To compete with local competitors, U.S. exporters need to offer a combination of quality, competitive pricing, and additional services (i.e., warranties and packaging suited to the local market’s standards).
- U.S. exporters should build relationships with importers and distributors through visits to Ecuador. Constant monitoring, support, and ongoing communications with the importer can help offset the freight and tariff advantages of neighboring country exporters.
- Creditworthiness is always a concern. U.S. exporters are advised to avoid offering direct credit lines until their client’s creditworthiness is well established. If letters-of-credit are utilized, it is advisable that these be confirmed and that they are irrevocable letters-of-credit.

FAS Quito can provide U.S. exporters with valuable market information, key import contacts, and local legal and business information. Exporters contemplating sales to Ecuador should contact FAS Quito (contact information in Section V) and review our [Exporter Guide](#).

## B. Import Procedure

In order to export consumer-oriented food products to Ecuador, the first step is to identify possible importers (general importer or directly to a retail chain). The second step is to determine if the products need sanitary notifications prior to importation (most consumer-oriented products do require a sanitary notification issued by the National Sanitary Agency (ARCSA)). Depending on the classification, the importer needs to obtain an import permit. Once the import permit is issued, the product can be shipped and proceed through the Ecuadorian Customs process. For more information, please review our [Exporter Guide](#), [Food and Agricultural Import Regulations and Standards \(FAIRS\) Country Report](#), and [Food and Agricultural Import Regulations and Standards Export Certificate Report](#).

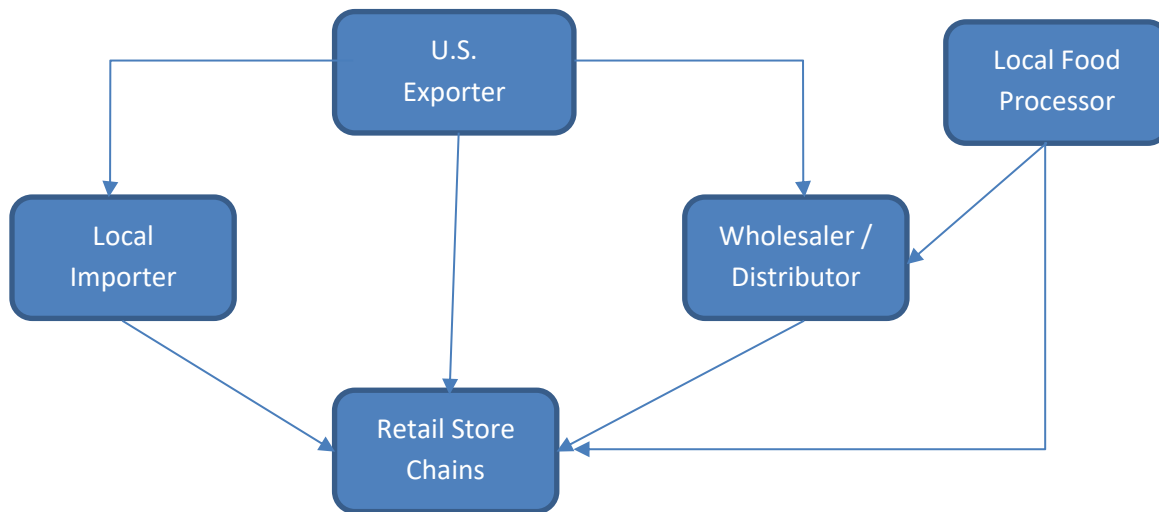
## C. Distribution Channels

One way for new market entrants to build sales in Ecuador is by offering a combination of competitive pricing along with profit sharing, promotion cost support, and engaging in joint product promotions. If it is not possible to penetrate existing distribution channels, exporters can attempt to establish their own. Distribution channels in Ecuador will vary between those for domestic and imported products.

The main supermarket chains in Ecuador, based on sales (60 percent of the market), are *La Favorita (Supermaxi)*, and *El Rosado (Mi Comisariato)*. Three others, *Tiendas Industriales Asociadas*, *Mega Santa Maria*, and *Hipermercados Coral*, are fast growing, medium-sized supermarket chains. These same supermarket chains sell imported food products targeting middle- and high-income consumers.

## D. Market Structure

**Figure 2: Market Participant and Relationship Matrix**



## E. Company Profiles & Top Country Retailers

Ecuador's retail sector is one of the most successful components of the national economy. The sector benefits from stable, consistent demand for its products. Food and beverage companies are ramping up sales in response to increased product demand driven by population and income growth.

According to the latest information, this is the distribution of Ecuador’s largest food retailers:

- Corporación La Favorita:
  - Supermaxi (45 locations)
  - Megamaxi (14 locations)
  - Akí (46 locations)
  - Gran Akí (20 locations)
  - Súper Akí (24 locations)
  - Aki Vecino (4 locations in Quito)
  - Titan (9 locations)
- Corporación El Rosado:
  - Mi Comisariato (46 locations)
  - Hipermarket (26 locations)
  - Mini (20 locations in Guayaquil)
- Tía SA:
  - Tía (158 locations)
- Corporación Gerardo Ortiz operates:
  - Hypermercados Coral (12 locations)
- Mega Santa Maria SA
  - Supermercados Mega Santa Maria (20 locations)
- Grupo Liris
  - Del Portal (6 locations)
- Corporación GPF (FEMSA Comercio)
  - Oki Doki (29 locations)

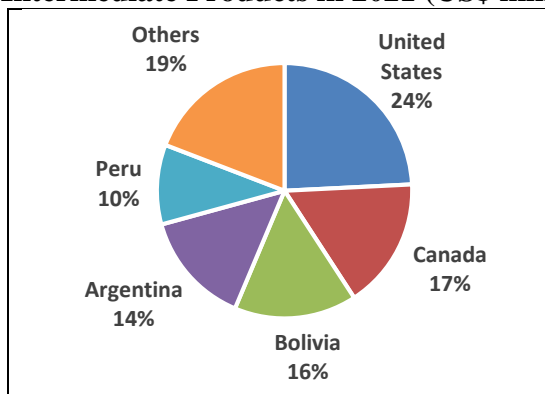
### F. Sector Trends

Ecuador’s larger food and beverage retailers have achieved a high degree of technical sophistication to manage their supply chain. Small stores rely primarily on large distributors and credit to include an imported product in their stores. Exchange rate fluctuations between the U.S. dollar and neighboring currencies often result in Ecuadorian importers sourcing products from more affordable origins such as Colombia, Chile, Peru, and Mexico. The best U.S. product prospects include food preparations, condiments & sauces, chocolate & cocoa products, deciduous fruits, dairy products, bakery goods, cereals & pasta, distilled spirits, and beef & beef products. Even though these categories show great opportunities, the fastest growing category of U.S. food products in 2022 is the beer and wine segment.

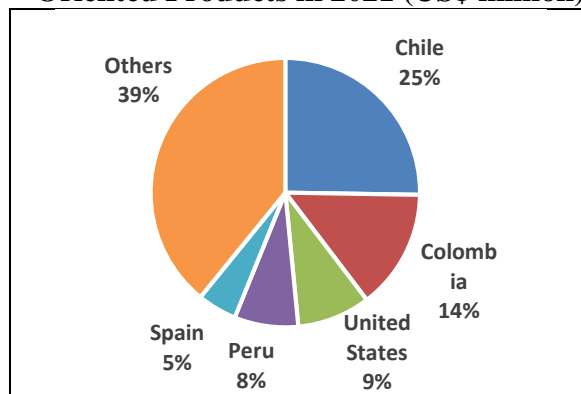
### SECTION III. COMPETITION

U.S. consumer-oriented food products face strong competition from Latin American and European producers. Exports from neighboring countries are more competitive due to lower shipping costs. Import tariffs levied on U.S. consumer-oriented products are higher than those levied against neighboring countries and European products that benefit from free trade agreements. Local processing companies also are attempting to capitalize on the growing retail sector by lobbying the government for support at the expense of imported processed products.

**Figure 3: Ecuadorian Imports of Bulk and Intermediate Products in 2021 (US\$ million)**



**Figure 4: Ecuadorian Imports of Consumer Oriented Products in 2021 (US\$ million)**



Source: FAS Quito research and Trade Data Monitor

**Table 3: Competitive Situation Facing U.S. Suppliers**

<b>Product Category</b>	<b>Major Import Supply Sources in 2021</b>	<b>Strengths of Key Supply Countries</b>	<b>Advantages and Disadvantages of Local Suppliers</b>
<b>Food Preparations</b> Net imports: 16,030 MT US\$ 239.8 million	Chile: 29% United States: 13% Colombia: 11%	Suppliers produce products that do not exist in the country.	National production is small and deficient, but many times cheaper.
<b>Deciduous Fruits</b> Net imports: 111,672 MT US\$ 111.1 million	Chile: 77% United States: 7% Italy: 5%	Lower tariffs thanks to free trade agreements	Low quality and quantity of local products
<b>Bakery Goods, Cereals, &amp; Pasta</b> Net imports: 34,240 MT US\$ 73.6 million	Peru: 33% Colombia: 31% United States: 7%	Lower transport cost and lower tariffs.	Even though there is a presence of large millers in country, the cost of production is high.
<b>Dairy Products</b> Net imports: 12,696 MT US\$ 60.2 million	Mexico: 31% Argentina: 10% Chile: 9%	Main suppliers of baby formula in the region.	Protected sector with a law that promotes local production despite high production cost.
<b>Chocolate &amp; Cocoa Products</b> Net imports: 9,948 MT US\$ 47.8 million	Colombia: 32% United States: 16% Brazil: 10%	Consumers demand well-known brands.	Local growth in premium categories but not in compound chocolate.
<b>Processed Vegetables</b> Net imports: 37,471 MT US\$ 38 million	Peru: 21% Netherlands: 11% Chile: 9%	Variety of products.	Lower prices but lack of diversified production.
<b>Processed Fruit</b> Net imports: 23,226 MT US\$ 37 million	Chile: 46% Greece: 26% Peru: 6%	Variety of products.	Lower prices but lack of diversified production
<b>Confectionary</b> Net imports: 13,270 MT US\$ 34.7 million	Colombia: 52% China: 9% Mexico: 7%	Lower production costs	Distribution coverage and strong brands.
<b>Distilled Spirits</b> Net imports: 7,300 LT US\$ 34 million	United Kingdom: 64% Colombia: 10% Mexico: 8%	Large producers. Free trade agreements with lower tariffs.	Small production but at a lower price. Strong brands.
<b>Wine &amp; Related Products</b> Net imports: 13,772 LT US\$ 32.7 million	Chile: 42% Argentina: 21% Spain: 17%	Lower tariffs and proximity.	Few producers with limited amount of raw material.
<b>Beer</b> Net imports: 25,063 LT US\$ 24.4 million	Belgium: 27% Mexico: 21% Colombia: 19%	Variety and a growing niche market for craft beer.	Strong preference for local brands. High cost of imported beers.
<b>Tree Nuts</b> Net imports: 4,193 MT US\$ 24.4 million	Chile: 74% United States: 11% Mexico: 3%	Lack of strong local production.	High cost of production.
<b>Fresh Vegetables</b> Net imports: 19,695 MT US\$ 21.7 million	China: 84% Peru: 14% Colombia: 0.5%	Mainly this represents imports of garlic.	Low local production of garlic

<b>Condiments &amp; Sauces</b> Net imports: 6,006 MT US\$ 16.6 million	United States: 29% Mexico: 18% Peru: 17%	Variety of products and world-wide recognized brands	Lack of innovation and high cost of production.
<b>Pet Food</b> Net imports: 9,834 MT US\$ 16.3 million	Colombia: 29% France: 24% Brazil: 13%	Lower cost of production	Strong brands and distribution logistics
<b>Non-Alcoholic Beverages</b> Net imports: 15,153 LT US\$ 15.6 million	Colombia: 30% Mexico: 25% Austria: 15%	Large diversity of products and presentations	Lack of raw materials to diversify production. Well-known brands.
<b>Beef &amp; Beef Products</b> Net imports: 2,255 MT US\$ 13.6 million	Bolivia: 36% Uruguay: 29% United States: 21%	High-quality products	Strong sector but low quality of products. Low price advantage.
<b>Pork &amp; Pork Products</b> Net imports: 3,637 MT US\$ 7.9 million	Chile: 58% Spain: 19% United States: 19%	Production quantity and price competitiveness	High cost of production. Local policy support.
<b>Fruit &amp; Vegetable Juices</b> Net imports: 1,926 LT US\$ 4.1 million	United States: 29% Mexico: 27% Peru: 11%	Availability, large portfolio, and competitive prices	Lack of raw materials to diversify production. Sector tends to import in bulk and pack locally.
<b>Poultry Meat &amp; Products</b> Net imports: 581 MT US\$ 1.8 million	United States: 97% Spain: 2% China: 1%	Production quantity and prices competitiveness	High cost of production. Local policy support.

**Table 4: Products Present in the Market which have Good Sales Potential**

<b>Product Category</b>	<b>2021 Imports (US\$ Millions)</b>	<b>5-Yr. Avg. Annual Import Growth</b>	<b>Import Tariff Rate</b>	<b>Key Constraints for Market Development</b>	<b>Market Attractiveness for the United States</b>
<b>Food Preparations</b>	\$239.8	12%	10% - 30%	Colombia and Peru dominate imports. Products require sanitary notification	Domestic production is limited; opportunities exist for high quality U.S. products.
Processed vegetables	\$4.1	12%	30%	Frozen french fries are the main product in this category. Difficult to compete with countries that have free trade agreements and face lower tariffs. Some products may require a sanitary notification.	Domestic production is slow to launch new brands; local production costs are high, so most companies import bulk to bottle locally.
Meats and meat products (beef, pork and poultry)	\$27.3	25%	20% - 85%	Import licenses are required. Some products may require sanitary notification.	U.S. products are recognized for their quality. Many products are commonly used in the deli meats industry.



Dairy products	\$60.2	2%	25% - 30%	National production is promoted. Regional suppliers are primary. Some products may require sanitary notification	Specialty U.S. products are not available in the region.
Spirits	\$34	24%	1% + \$0.25 for each alcoholic grade by liter: 10% to 30% when product is in bulk	Lack of free trade agreement makes it harder to compete with countries that have lower tariffs. High local taxes for alcoholic beverages.	Consumers look for more options and have started to develop a demand for bourbon.
Beer	\$24.4	41%	1% + \$0.25 for each alcoholic grade by liter	Lack of free trade agreement makes it harder to compete with countries that have lower tariffs. High local taxes high for alcoholic beverages.	U.S. products are recognized for their quality. Large variety of beers in the United States.
Non-Alcoholic Beverages	\$15.6	30%	30%	Lack of free trade agreement makes it harder to compete with countries that have lower tariffs. Some products may require sanitary notification	Local bottlers are always looking for beverages in bulk that can be packaged in country under private label.

**Table 5: Products Not Present in Significant Quantities, but with Good Sales Potential**

<b>Product Category</b>	<b>Import Tariff Rate</b>	<b>Key Constraints for Market Development</b>	<b>Market Attractiveness for the United States</b>
Crude and refined oil and fat	0% - 20%	Domestic manufacturing is diversified. Some products may require sanitary notification.	Consumers are increasingly demanding healthier corn and canola oil; Ecuador mainly produces palm oil.
Seeds and dry fruits	0% - 10%	Chile is major supplier that benefits from competitive pricing and shipping cost advantages. Some products may require sanitary notification.	Importers prefer U.S. products based on taste preferences.

**Table 6: Product Not Present Because They Face Significant Barriers**

<b>Product Category</b>	<b>Import Tariff Rate</b>	<b>Key Constraints for Market Development</b>	<b>Market Attractiveness for the United States</b>
Cheeses	20%-25%	Dairy sector is protected and import licenses are usually denied.	Local cheese production is not diversified.
Whey	5%-30%	Dairy sector is protected and import licenses are usually denied.	Small local production.
Poultry Meat	45%-85%	Poultry sector is protected and import licenses are usually denied.	Local production cost high.

## **SECTION V. KEY CONTACTS AND FURTHER INFORMATION**

For additional information, see [www.fas.usda.gov](http://www.fas.usda.gov) or e-mail the Foreign Agricultural Service (FAS) Office of Agricultural Affairs in Quito at: [agquito@fas.usda.gov](mailto:agquito@fas.usda.gov). See also the [Exporter Guide](#), [Food and Agricultural Import Regulations and Standards \(FAIRS\) Country Report](#), and [Food and Agricultural Import Regulations and Standards Export Certificate Report](#) for Ecuador, where you will find contact information for Ecuador's regulatory agencies, a list of ministries responsible for food policies, a graph of import policies, and other valuable contact information.

### **Attachments:**

No Attachments.