

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Ecuador

Exporter Guide

A Road Map to Exporting to Ecuador

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Report Highlights:

This report serves as a road map for U.S. companies exporting to Ecuador. While Ecuador is a challenging market for U.S. food and agricultural products, it is also one of opportunity. Domestic production cannot meet consumer demand, necessitating continued imports. Additionally, younger, lower and middle-income consumers' purchasing power and appetite for imports continues to strengthen. The Ecuador-EU Free Trade Agreement threatens the United States' market share in processed and fresh products.

Post:

Quito

SECTION I. MARKET OVERVIEW

Ecuador's real gross domestic product (GDP) is forecast to expand modestly in 2018, reaching the same growth rate as in 2017, about one percent. Economic growth is expected to recover in 2020-22, averaging about 3.3 percent per year. Ecuador faces short-term difficulties due to government debt and liquidity problems linked to its dependency on petroleum extraction and foreign debt (China is its largest creditor). Ecuador remains a dollarized economy.

The country, however, continues to offer U.S. food and agricultural product exporters a number of possibilities. Many U.S. agricultural and value added products are price competitive and in many cases when U.S. food and agricultural product prices are higher consumers still prefer them due to quality. Also there is a growing demand for specialty products (functional foods) and local producers are not able to supply these products creating, a niche market.

Ecuador's population of 16.2 million inhabitants (Central Intelligence Agency, July 2017 estimate) with a median age of 27.7 years continues growing at just under 1.3 percent per annum. These younger and lower to middle income consumers' purchasing power and appetite for imports remains strong despite the economic slowdown. Unemployment averages around 4.1 percent and will remain at this level through 2018. Ecuador's underemployment rate is around 45 percent. This underemployment in the national workforce of 8.2 million is limiting further consumption. The government is seeking to improve consumption through a combination of private and public-sector salary increases and some cash transfer programs. Household consumption will remain moderate in the short to medium-term. Local production is not keeping up with domestic demand, necessitating continued imports. Despite measures to restrict import growth to control the outflow of dollars, Ecuador remains dependent on food and other essential goods imports. FAS Quito forecast's this demand to continue expanding in real terms, making Ecuador vulnerable to external price fluctuations.

Table 1: Main Economic Indicators, Ecuador, Expenditure of GDP (Percentage)

	2015 Actual	2016 Actual	2017 Forecast	2018 Forecast	2019 Forecast
Nominal GDP (\$ billions)	99.3	98.6	97.2	96.6	99.0
Real GDP Growth	0.1	-1.6	1.1	1.0	0.8
Consumer Price Inflation	3.5	1.0	0.3	1.2	1.8
Imports of Goods (\$ billions FOB)	20.7	15.8	19.1	21.1	21.2
Private Consumption (% real change)	-0.1	-3.6	3.6	1.4	1.7
Public Sector Consumption (% real change)	2.1	-1.7	1.5	-0.1	1.0
Exports of Goods (\$ billions FOB)	19.1	17.4	18.1	18.2	19.9
Unemployment Rate	4.8	5.5	4.8	4.7	4.8
Short-term Interest Rate	8.3	8.8	8.0	7.9	8.5

Sources: Economist Intelligence Unit, Central Intelligence Agency, FAS Quito office research.

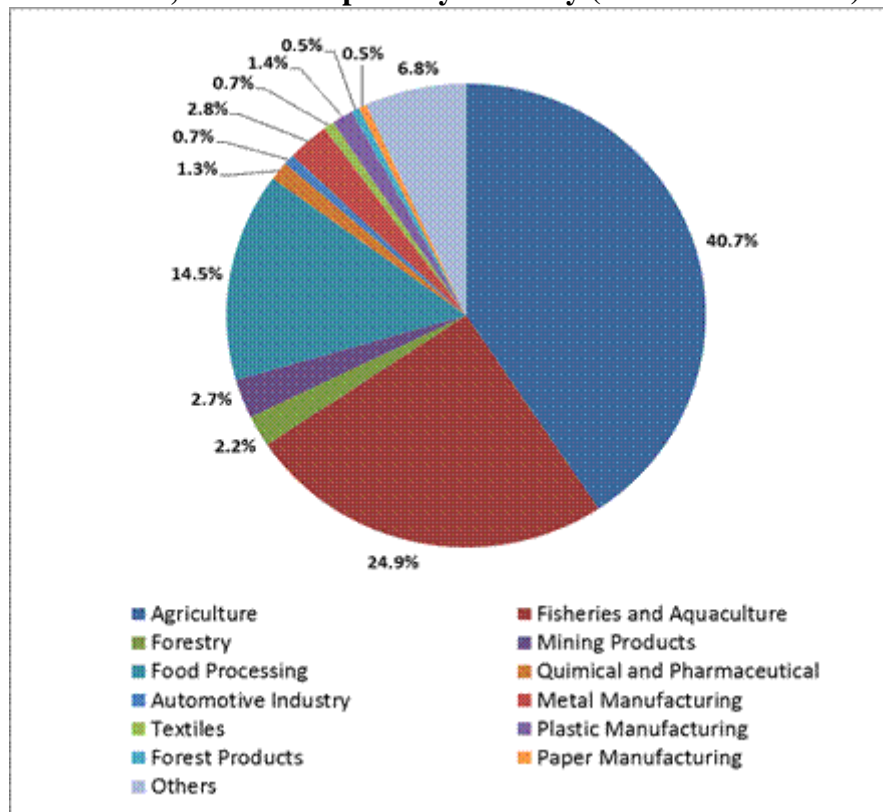
General and Agricultural Export-Import Trade Situation

U.S.-Ecuador bilateral agricultural trade from January to September 2017 totaled \$1.6 billion, down \$151.7 million or 8.5 percent compared to the same period in 2016. During the same period, the U.S. agricultural trade deficit with Ecuador totaled \$1.2 billion an improvement by 8 percent compared to 2016.

U.S. exports of food and agricultural products to Ecuador through September 2017 totaled \$232.87 million, down \$24 million or 9.7 percent compared to the same period last year. FAS Quito forecasts that U.S. exports to Ecuador in 2017 will reach \$290 million, driven by Ecuadorian demand for U.S. bulk (e.g., wheat) and intermediate products (e.g., soybean meal).

Ecuador is a major exporter of agricultural and fishery products. Exports include bananas, shrimp, cut flowers, and cacao. With \$2 billion in exports in 2016 to the United States, Ecuador's exports are down \$111.3 million or five percent compared to 2015. FAS Quito forecasts U.S. bound agricultural exports in 2017 to total about \$1.9 billion.

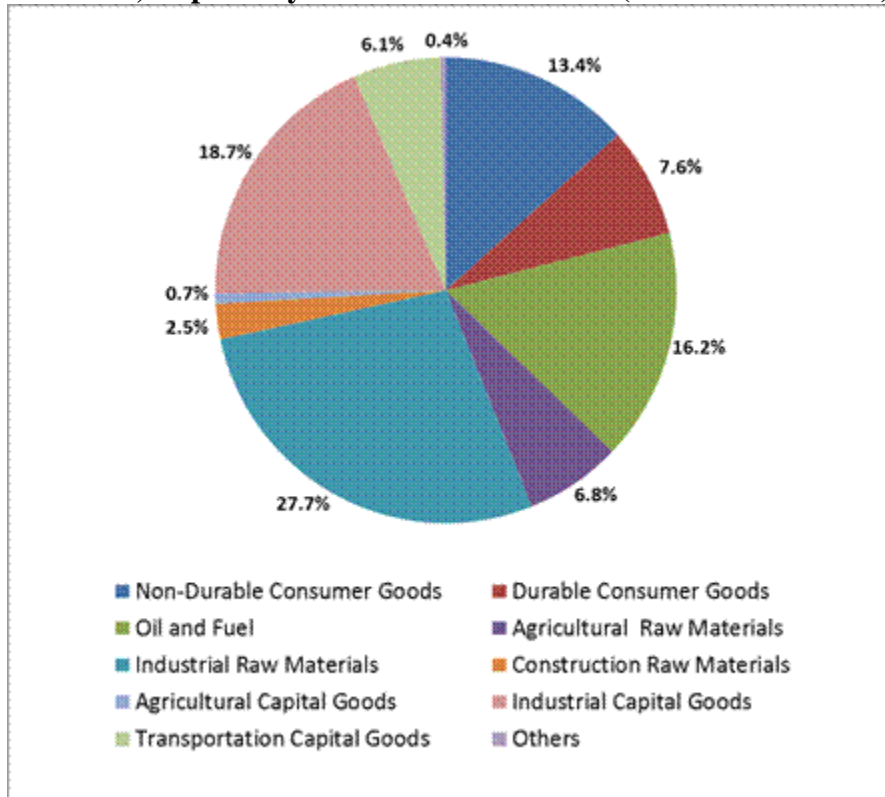
Ecuador, Non-Oil Exports by Industry (FOB Value – 2016)



Latest full calendar year data 2016(January-December).

Sources: Central Bank of Ecuador (Banco Central del Ecuador), FAS Quito office research.

Ecuador, Imports by Economic Destination (FOB Value – 2016)



Latest full calendar year data 2016 (January-December).

Sources: Central Bank of Ecuador (Banco Central del Ecuador), FAS Quito office research.

Table 2: U.S. Supplier Advantages and Challenges

ADVANTAGES	CHALLENGES
<ul style="list-style-type: none"> Appreciation for U.S. food quality and culture. 	<ul style="list-style-type: none"> Import tariffs have increased for several consumer-oriented food products.
<ul style="list-style-type: none"> Dollarization has brought a measure of economic stability for importers and improved consumer purchasing power. 	<ul style="list-style-type: none"> New Customs Control Service Fee continues to create distortions, leading to the risk of upward price pressures. Consumption of more expensive imported food and beverage products may slow.
<ul style="list-style-type: none"> Local food processing industry is challenged to offer competitive market prices. 	<ul style="list-style-type: none"> Ecuador is a relatively small market, a constraining factor for U.S. exporters seeking large volume contracts.
<ul style="list-style-type: none"> Consumers are increasing fast food consumption and grocery store 	<ul style="list-style-type: none"> Import restrictive measures.

purchases.	
<ul style="list-style-type: none"> Ecuadorians often adopt foreign tastes while residing overseas. Products are introduced to families back in Ecuador, creating niche markets for imported (U.S.) food products. 	<ul style="list-style-type: none"> U.S. exports are losing market share to Peru, Colombia and Chile, due to more favorable exchange rates and trade agreements.
<ul style="list-style-type: none"> The tourism sector is growing, creating HRI opportunities for U.S. food products. 	<ul style="list-style-type: none"> Food product smuggling.

SECTION II. EXPORTER BUSINESS TIPS

Supermarket chains are the main channel for imported food products. These target mainly middle and upper income consumers. FAS Quito recommends that exporters of U.S. food and agricultural products contact large importers, wholesalers/distributors, or supermarkets directly. The main supermarket chains, accounting for 60 percent of total food sales, include *La Favorita* (SUPERMAXI and MEGAMAXI) and El Rosado (MI COMISARIATO). *Tiendas Industriales Asociadas*, *Mega Santa Maria*, and *Supermercados Coral* are expanding medium-sized supermarket chains.

Importers require that the exporter obtains all necessary export permits and licenses, and arranges for logistics to the U.S. shipping port. Imports in Ecuador are handled at the individual level or by a company. An import permit (DAI – Customs Import Declaration) is required. Certain imports require Ministries of Agriculture, Ministry of Aquaculture and Fisheries or the Ministry of Public Health import authorization.

Importers purchase based on price and quality. There are niche markets for high value products for upper income consumers, where pricing is not necessarily a concern. The use of point-of-purchase (POP) material is recommended, as well as promotional campaigns and samplings.

Ecuadorian eating habits have changed over the years. With more women working outside of the home and commute times and distances getting longer, consumers are increasingly turning to fast foods and processed food products. Strategic alliances with producers are allowing local supermarkets to carry a growing number of store branded products. Competition is fierce. To seize market share, distributors will often discount products 10-20 percent in stores to build product awareness and demand.

Road Map for Market Entry

FAS Quito recommends that U.S. exporters consider the following steps:

- Identify the distribution channel that best fits a company's market strategy.
- Depending of the channel chosen, identify a strategic partner that will import the product.
- Obtain the sanitary notification or sanitary certification depending of the product either directly

- or through a local partner.
- Request import permits when required.
- Forward the importer copies of customs clearance documentation prior to shipment.
- Provide ongoing support to the importer to help build consumer demand.

SECTION III. IMPORT FOOD STANDARDS & REGULATIONS AND IMPORT PROCEDURES

Sanitary/Phytosanitary (SPS) Regulations

Sanitary inspection, food registration, packaging, and control regulations for food and beverages are regulated by the Ministry of Health and the National Sanitary Control and Regulation Agency (ARCSA). The latter is Ecuador's version of the Food and Drug Administration (FDA) regarding sanitary supervision and registration of food and beverages. AGROCALIDAD (national sanitary authority) is part of the Ministry of Agriculture. Like specialized agencies within the U.S. Department of Agriculture (USDA), AGROCALIDAD oversees the development of sanitary and phytosanitary regulations and the inspection of products of animal and plant origin. The National Institute for Standardization and Norms (INEN) is the agency responsible for labeling standards, labeling control, and trademarks.

Import and Inspection Procedures and Documentation

Ecuador's Customs Authority (SENAE) requires that food and agricultural product imports be accompanied by the following documents:

- Import Customs Declaration (DAI) form
- Commercial invoice
- An airway bill or bill of lading
- Packing list
- Insurance letter
- Certificate of origin
- An ARCSA food sanitary registration for processed food products OR a health certificate for animal, plant, or by-products that meet AGROCALIDAD's import requirements.
- Customs Control Service Fee

Once the customs agent transmits the DAI, SENAE assigns an inspection control channel. Control channel inspections range from simple documentation review to the physical inspection of products. Any discrepancies between the DAI and shipment will lead to delays and possible shipment confiscation. SENAE does permit the re-export of products. Exporters should not send samples or extra promotional items not included on the DAI and the commercial invoice.

Food and Beverage Sanitary Notification

All imported processed food products need a sanitary notification number prior to entry into the country. The sanitary notification for imported products is granted by confirmation (or equivalence) by product or line of production. The sanitary registration petition can either be filed by the manufacturer

or by its Ecuadorian legal representative. In either case, the registration belongs to and is issued on behalf of the manufacturer unless specifically requested otherwise. The sanitary notification by product is valid for five years from the date of issue or in the case of line of production while the equivalent certification of the good manufacturing practices accepted is valid.

Applications must be electronically filed with the ECUPASS system and include: 1) the name and address of the person or entity under whose name the sanitary registration is requested; 2) name, phone, and full address of the manufacturer; 3) product name in full, including brand name; 4) product description; 5) an ingredient list or composition formula (in percentages) used in the product (including additives) declared by the manufacturer in descending order; 6) production code interpretation; 7) shelf life; 8) packaging information declaring the type of container and content expressed in International Measurement System (SI) units and conservation conditions, and; 9) the signatures of legal representative of the company and technical expert.

Additional Documents:

- The manufacturer's certification or the product owner's authorization granting the importer permission to register the product.
- A certificate of free sale, sanitary and phytosanitary certificate, or an export certificate issued by the competent authority in the country of export.
- A technical report describing the product's general processing procedures.
- Description and interpretation of the batch code.
- Physical and chemical specification of the packaging/container material in any format issued by the packaging manufacturer or distributor.
- An original product label and the project label in Spanish that meets INEN technical standards and related regulation.
- A sworn statement signed by a technical expert attesting that the product meets relevant national technical standards. In the absence of a national technical norm, the importer must declare that the product meets international standards or manufacturer specifications.
- A phytosanitary certificate is required for: 1) walnuts without shell; 2) almonds; 3) hazelnuts; 4) raisins; 5) prunes, and; 6) pine nuts for human consumption that have not undergone a transformation process.
- Organic products must be accompanied by corresponding organic certification.

Prior to requesting a sanitary notification, an importer/distributor will need to obtain from the Ministry of Health a sanitary certificate for the storage facility where imports will be warehoused. A new sanitary notification permit is needed when a product's composition, conservation process, nature of its container, or manufacturer changes. A new permit is also required whenever there is a substantial modification of: 1) colorings; 2) flavorings; 3) sweeteners; 4) conservation agents; and 5) nutritional additives. Non-Spanish language documents must be translated. Foreign documentation must be authenticated/ legalized by the Ecuadorian consulate of jurisdiction or have an [*apostille*](#) affixed.

At FAS Quito, we understand that the sanitary notification regulation provides a registration exemption for food products and ingredients that are utilized by local food manufacturers in final products that have their own sanitary notification. To be eligible to import product under this provision, the product must have prior authorization from the Office of the Director of General Health. Obtaining approval is

highly cumbersome, requiring proof that the product or ingredient will not be commercialized prior to undergoing substantive transformation.

Certificates for Animals, Plants, and By-Products

To import animal, plant, or their derived products, the importer must request an import permit from AGROCALIDAD prior to shipment. The exporter must provide the importer with the official country of origin health certificate. For U.S. origin animal and plant, and their derived products, Ecuador only accepts health certificates issued by USDA's Animal and Plant Health Inspection Service (APHIS). It only accepts USDA's Food Safety and Inspection Service (FSIS) certification for meat and meat products.

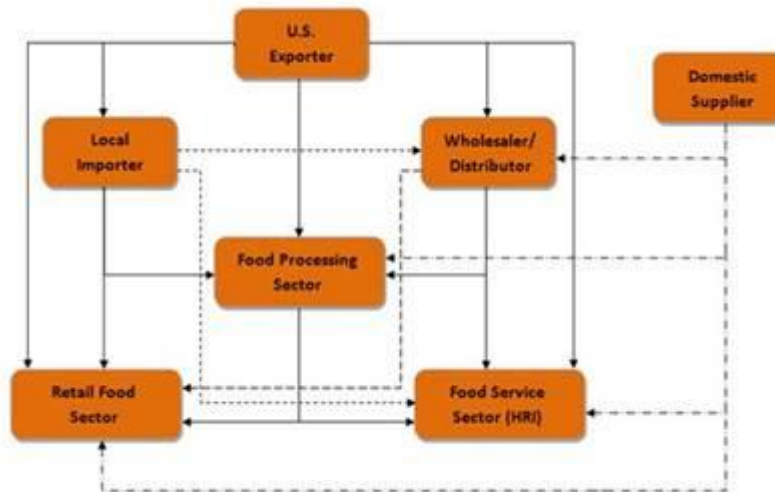
Labeling Requirements

Imported packaged foods must carry a separate adhesive label before reaching the point of sale. A Spanish language translation of the label must include all information required by technical standard norms [NTE INEN 1334-1:2011](#), [NTE INEN 1334-2:2011](#), and [NTE INEN 1334-3:2011](#), and meet the requirements of the Ministry of Health's (Executive Agreement 4522) food labeling regulation. The latter requires that all processed foods need to include a clearly visible traffic light symbol for sugar, fat, and salt on each individual packaging label. See FAS Quito's FAIRS Narrative 2017 for additional information on current labeling requirements.

SECTION IV. MARKET SECTOR STRUCTURE AND TRENDS

Market Structure

- Supermarket chains are the main means for reaching middle and upper income consumers.
- Exporters should directly contact importers, wholesalers/distributors, or supermarkets.
- U.S. exporters can approach gas marts, grocery, and convenience stores through major local suppliers (wholesalers/distributors).
- Be diligent when selecting a partner (an agent or a representative). Personal visits/meetings are highly recommended. Conduct a background check of the prospective partner before signing permanent contractual arrangements.
- The local partner will provide updated information on consumer trends, as well as identify niche markets, possible market development activities, and business practices.
- Major supermarket chains are forceful negotiators.
- Supermarket suppliers supply a wide range of products.
- Major food importers/distributors supply all major supermarket chains and provincial retailers. Major supermarket chains will request product exclusivity.
- Food products are often imported in consolidated containers.
- Major supermarket chains import high-end products directly to earn higher margins.
- Distributors and wholesalers conduct frequent in-store promotional activities, assigning their own support personnel in each store.

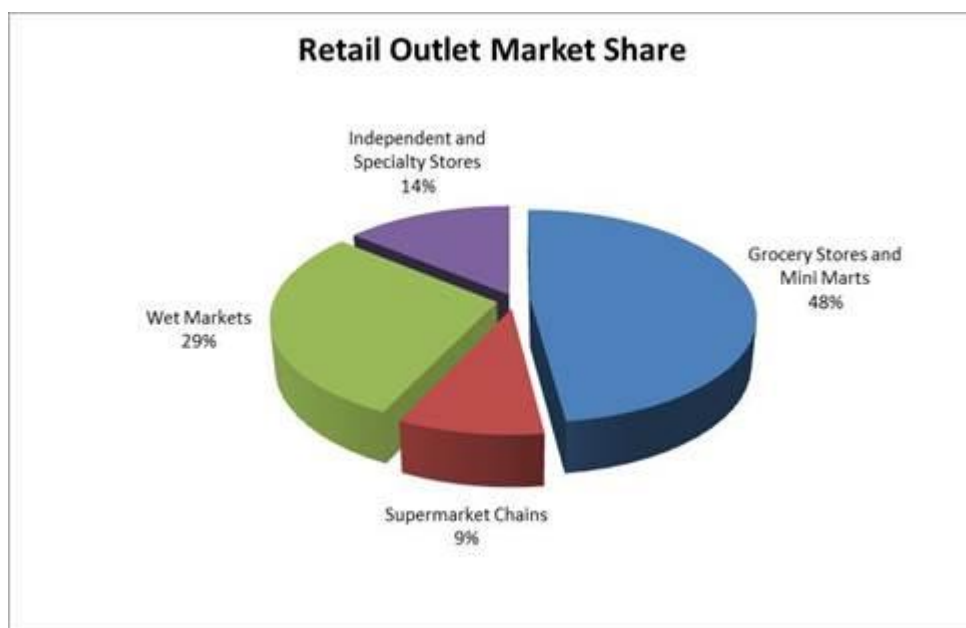


Distribution channels vary between locally sourced products and imports. Retail food companies will seek to import directly to bypass brokers and lower costs. Retailers nonetheless continue to purchase significant volumes from local importers/distributors, especially for high demand items. The local food processing companies usually have their own distribution chain which will contain wholesalers, self-service, traditional retailers, and to a lesser extent Hotel, Restaurant, and Institutional (HRI) caterers.

Retail Food Sector

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.

Forty-eight percent of Ecuadorians are reported to purchase their food and grocery items at local grocery stores. Monthly food expenditures are roughly \$250 on average. Most middle to upper income consumers (36 percent of Ecuadorians) purchase food products in modern supermarkets. Supermarket store sales are trending upwards in part due to the stores' cleaner, more organized format and greater imported product availability. Most supermarket chains have stores in the largest cities and in the moderate size cities, and in many small cities they operate with different names.



Sources: Instituto Nacional de Estadísticas y Censos (Encuesta Nacional de Ingresos y Gastos 2012)

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. Stores sales spike during holidays, especially for 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).

Ecuador, Retail Sales and Consumer Expenditure, (\$ billions), 2015-19

	2015	2016 (estimate)	2017 (forecast)	2018 (forecast)	2019 (forecast)
Retail Food Sales (\$ billion)	\$23.8	\$23.5	\$24.7	\$25.4	\$26.4
Food, Beverage and Tobacco (consumer expenditure; \$ billion)	\$14.2	\$14.6	\$15.1	\$15.4	\$16.1

Source: Economist Intelligence Unit.

Food sales accounted for an estimated 62 percent of Ecuador’s total retail sales in 2016. This is high when compared with developed countries, where the ratio is usually below 50%, as well as with other Latin America Countries

Food Processing Sector

Ecuadorian food processors tend to favor sourcing food ingredients from Chile and Mexico, as well as neighboring Colombia due to favorable exchange rates. Importers remain keen on importing processed sugar, concentrated ingredient flavors, juice concentrates and mixes, colorants, cereals, meats, flour, and extracts.

At FAS Quito, we continue to see good opportunities for food ingredients, especially for seasonings used in the manufacture of pre-cooked and easy-to-prepare meals. Food processors are increasingly diversifying their product offerings in these product segments. For example, one fish processor is now manufacturing soups and seafood dishes. For more information about the Food Processing Sector please review our Food Processing Ingredients GAIN Report.

Hotel, Restaurant, and Institutional Food Service Sector

Although commencing from a low base, consumer spending in restaurants is expected to stay stable over the next couple of years. HRI expenses represent 7.7 percent of household expenditures. Most restaurants will continue to be supplied by a combination of local producers and importers. Large, international hotel chains will continue to import directly through their agents.

Tourism is driving HRI growth. Tourist numbers in 2016 are estimated at 1.4 million. However, an increase of 2 percent is anticipated in 2017. Products with the greatest demand include meat, shell-fish, salmon, mussels, squid, wine, beer, liquor, olive oil, truffles, canned tomatoes, confectioneries, sausages, pre-cooked frozen potatoes, cheese products, and spices.

Domestic demand for fast food is also growing. Most of the major US fast food chains are represented in Ecuador, although they are concentrated in the large urban centers. Franchises operating in Ecuador include KFC, Pizza Hut, Burger King, McDonald's, Dunkin Donuts, Domino's Pizza, Papa Johns, Baskin Robbins, Subway, Taco Bell, TGI Fridays, Tony Roma's, Chili's, American Deli, Crepes & Waffles, Tropi Burger, Pollo Tropical, and Little Caesars.

Products used by franchise restaurants are largely imported. Key imports include mayonnaise, ketchup, mustard, beef, poultry, spices, special ingredients, cheese, pepperoni, bacon, olives, corn oil, frozen french fries, ice cream, and yogurt mixes.

Wine is an increasingly important product for the HRI sector. Chile and Argentina, followed by, the European Union, the United States, and Australia are Ecuador's major suppliers. Chilean, Argentine, and European Union wines face lower import tariffs compared to wines from other origins.

Agricultural, Consumer Food and Edible Fishery Product Imports (\$ million)

HS Code	Description	Imports from the world			Imports from the United States			U.S Share 2016
		2014	2015	2016	2014	2015	2016	
23	Food Industry Residues & Waste; Prep Animal Feed	628.4	596.7	596.6	210.4	205.5	184.8	31%
10	Cereals	360.6	314.6	285.6	107.5	85.1	69.5	24%
21	Miscellaneous Edible Preparations	220.0	202.1	174.8	31.4	26.5	21.0	12%
15	Animal Or Vegetable Fats, Oils Etc. & Waxes	162.9	145.0	128.2	1.0	0.6	1.2	1%
19	Prep Cereal, Flour, Starch Or Milk; Bakers Wares	102.0	102.6	83.9	4.3	4.1	3.7	4%
03	Fish, Crustaceans & Aquatic Invertebrates	124.5	83.4	78.7	3.9	3.2	0.4	1%
08	Edible Fruit & Nuts; Citrus Fruit Or Melon Peel	149.6	104.0	73.5	14.2	8.5	5.8	8%
17	Sugars And Sugar Confectionary	70.6	68.5	59.0	3.5	2.4	1.7	3%
07	Edible Vegetables & Certain Roots & Tubers	48.1	43.2	47.8	0.9	1.5	1.1	2%
20	Prep Vegetables, Fruit, Nuts Or Other Plant Parts	53.2	45.7	33.9	4.4	4.1	1.9	5%
11	Milling Products; Malt; Starch; Inulin; Wht Gluten	37.2	31.0	29.7	0.1	0.5	0.1	0%
01	Live Animals	18.7	24.6	26.2	2.8	2.7	1.1	4%
18	Cocoa And Cocoa Preparations	40.8	29.6	26.1	7.4	4.3	4.3	16%
22	Beverages, Spirits And Vinegar	41.6	32.9	26.0	2.2	1.7	1.7	7%
12	Oil Seeds Etc.; Misc Grain, Seed, Fruit, Plant Etc	28.2	25.2	24.2	10.0	8.4	7.1	29%
05	Products Of Animal Origin, Nesoi	21.6	18.4	20.2	10.4	7.9	10.6	52%
04	Dairy Prods; Birds Eggs; Honey; Ed Animal Pr Nesoi	30.9	20.6	16.4	1.5	0.9	0.1	1%
06	Live Trees, Plants,	15.0	13.4	15.6	1.2	0.7	0.6	4%

	Bulbs Etc.; Cut Flowers Etc.							
09	Coffee, Tea, Mate & Spices	10.8	12.6	15.4	0.2	0.3	0.1	1%
13	Lac; Gums, Resins & Other Vegetable Sap & Extract	8.3	8.9	7.0	2.3	2.6	1.3	19%
02	Meat And Edible Meat Offal	21.2	12.6	5.8	7.2	6.5	1.3	23%
16	Edible Preparations Of Meat, Fish, Crustaceans Etc	9.8	5.5	5.1	1.3	1.2	1.2	25%
14	Vegetable Plaiting Materials & Products Nesoi	1.0	0.7	0.6	0.1	0.1	0.0	3%
	Grand Total	2205	1941	1780	428	379	320	18%

Latest full calendar year data 2016 (January-December). NESOI = Not Elsewhere Specified or Indicated.

Source: Ecuadorian Central Bank information accessed through Global Trade Atlas (HS 2-digit).

Ecuador, Top 15 Suppliers, Consumer Foods (\$ millions) Partner Country

Partner Country	2014	2015	2016	% Share 2016	% Change 2016/2015
Chile	\$219	\$195	\$160	30.1%	-17.7%
Colombia	\$135	\$99	\$71	13.4%	-27.9%
Peru	\$130	\$89	\$66	12.4%	-26.2%
United States	\$79	\$63	\$45	8.4%	-28.7%
Mexico	\$29	\$35	\$36	6.7%	3.1%
Netherlands	\$21	\$16	\$20	3.8%	30.0%
China	\$23	\$23	\$20	3.7%	-13.1%
Brazil	\$23	\$17	\$15	2.8%	-13.8%
Spain	\$23	\$16	\$14	2.7%	-11.9%
Belgium	\$9	\$11	\$10	1.9%	-8.3%
Argentina	\$11	\$12	\$10	1.8%	-20.8%
Germany	\$7	\$6	\$9	1.6%	43.4%
Sri Lanka	\$5	\$5	\$8	1.6%	62.5%
Italy	\$10	\$10	\$6	1.1%	-38.7%
Uruguay	\$5	\$6	\$5	0.9%	-23.2%
Total top 15	\$728	\$603	\$495	93.0%	-17.9%

Latest full calendar year data 2016 (January-December).

Source: Ecuadorian Central Bank information accessed through Global Trade Atlas (Consumer-Oriented Agricultural Total, Group 32).

SECTION V: Agricultural and Food Imports

BEST HIGH-VALUE PRODUCT PROSPECTS

Best Consumer-Oriented Product Prospects

Product Category	2016 Market Size Import Volume	2016 Import Sales	5-Yr. Avg. Annual Import Growth Volume	Import Tariff Rate	Key Constraints Over Market Development	Market Attractiveness for USA
Fresh Fruits	83,620 MT	\$ 60.9 million	-5.7% per annum	Apples = 17% Pears = 17% Grapes = 15% Others = 25%	Chile benefits from lower tariffs and shipping proximity.	Demand for fresh fruits is rising. U.S. export window of opportunity is during Chile's off season.
Dried Fruits and Nuts	3.729 MT	\$ 12.6 million	-1.8% per annum	15-25%	Chilean suppliers benefit from long established relationships with local importers.	Demand is growing. Importers are interested in different types of nuts.
Chocolate	5614 MT	\$ 26.1 million	1.1% per annum	30%	Local production, especially of dark chocolate is up.	Unmet demand for product diversity. U.S. brands are well known.
Sugar Confectionery Products	10,394MT	\$23.2 million	-4.7% per annum	20%	Colombia benefits from competitive prices and shipping proximity.	Growing demand for elaborate confectionary products. Local sugar prices are

						high.
Bakery Products, noodles and pasta	28,421 MT	\$ 83.9 million	-4.15% per annum	20-30%	Competitors include CAN and EU countries; benefit from trade agreements	Demand for specialized products that do not exist in the region.
Teas and infusions	125 MT	\$ 1.2 million	3.9% per annum	30%	Strong local and EU competition.	The United States is a traditional supplier of teas and infusions.
Frozen Produce	9005 MT	\$ 7.9 million	2.9% per annum Market	25%	Lack of cold chain infrastructure. Quality misperceptions.	Shipping proximity. Nascent demand.
Precooked, ready-to-eat frozen meals	N/A	N/A	Immature Market	No specific HS tariff code. 20% when listed as 2106.90.99	Local production increasing. Quality misperceptions.	Demand for greater product diversity and shipping proximity. Nascent demand.
Specialty Beers	2.5 million liters	\$ 3.1 million	-11.9% per annum	Varies by alcohol content	Local production. Government aims to limit consumption. EU benefits from trade agreement.	Strong importer interest for alternative, non-pilsner beer styles.
Spirits and Liqueurs	1.6 million liters	\$5.3 million	-17.9% per annum	Varies by alcohol content	UK brands are well established. Government aims to limit consumption. EU benefits from trade agreement.	Strong demand for spirits. Shipping proximity. Strong interest in importing as bulk; product can be bottled

						locally at a lower tariff and tax rate.
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Latest full calendar year data 2016 (January-December).

Source: Ecuadorian Central Bank information accessed through Global Trade Atlas, FAS Quito office research.

SECTION VI.: KEY CONTACTS AND FURTHER INFORMATION

U.S. Embassy Quito, Foreign Agricultural Service (FAS) Office of Agricultural Affairs

Physical Location: Avda. Avigiras E12-170 y Ave. Ely Alfaro, Quito, Ecuador

Mailing Address: FAS OAA Quito, Unit 3420, Box 200, DPO, AA 34039-0200

Phone: (593-2) 398-5323 | Fax: (593-2) 398-5031 | E-mail: agquito@fas.usda.gov

For additional information, see www.fas.usda.gov. See also to our Exporter Guide, Food and Agricultural Import Regulations and Standards (FAIRS), FAIRS Export Certificate, and Food Processing Ingredients Sector GAIN reports.

Central Bank of Ecuador (Banco Central del Ecuador)

Website: www.bce.fin.ec

Instituto Nacional de Estadísticas y Censo

Website: www.inec.gob.ec

Ministerio de Agricultura y Ganadería

Website: www.agricultura.gob.ec

AGROCALIDAD

Website: www.agrocalidad.gob.ec

Ministerio de Acuicultura y Pesca

Website: www.acuaculturaypesca.gob.ec

Agencia Nacional de Regulación, Control y Vigilancia Sanitaria (ARCSA)

Website: www.controlsanitario.gob.ec/

INEN

Website: www.normalizacion.gob.ec/

APPENDIX - STATISTICS

Table A: Key Trade and Demographic Information

Agricultural Imports From All Countries (\$) / U.S. Market Share (%) ^{1/}	\$1.8 billion/ 18.2%
Consumer Food Imports From All Countries (\$Mil) / U.S. Market Share	\$532.5 million/ 8.39%

(%) ^{1/}	
Edible Fishery Imports From All Countries (\$Mil) / U.S. Market Share (%) ^{1/}	\$79.5 million/ 1.2%
Total Population (Millions) / Annual Growth Rate (%)	16.3 million/ 1.3%
Urban Population (Millions) / Annual Growth Rate (%)	64.2% / 1.8%
Number of Major Metropolitan Areas	Guayaquil 2.7 million Quito (capital) 1.7 million
Size of the Middle Class (Millions) / Growth Rate (%)	3.6 million/ 22.8%
Per Capita Gross Domestic Product (U.S. Dollars)	\$11,458 PPP
Unemployment Rate (%)	5.2%
Per Capita Food Expenditures (U.S. Dollars)	\$930.2
Percentage of household spending on Food	23.7%
Percent of Female Population Employed	51.1%
Exchange Rate (US\$1 = US\$1)	\$1.00

Sources: (1) FAS – UNTrade. Economist Intelligence Unit, Gallup, Central Intelligence Agency, USDA-ERS, FAS Quito office research.