

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY
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POLICY

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Ecuador

Exporter Guide

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Report Highlights:

Ecuador's population of 15 million offers export opportunities for agricultural and food products principally because Ecuador's society is thriving from a vibrant petroleum-led and export led economy. Consumers have increased purchasing power in the lower and middle classes and consumers favor imported products.

Post:
Quito

Author Defined:

SECTION I. MARKET OVERVIEW

With 14.9 million people, Ecuador offers significant export opportunities for U.S. food and agricultural products, as the purchasing power of the lower and middle class has noticeably increased in the past few years, leading to higher consumption and a higher demand for processed products. This increase in purchasing power by a large segment of the population also promotes the participation of local food processors in the market and increases competition for imported goods. However, political uncertainty remains, as the National Assembly is looking at laws to see whether they conform to a new constitution. This reality means that it is important to have updated information and work with a good distributor who takes into consideration new procedures for getting products into this market.

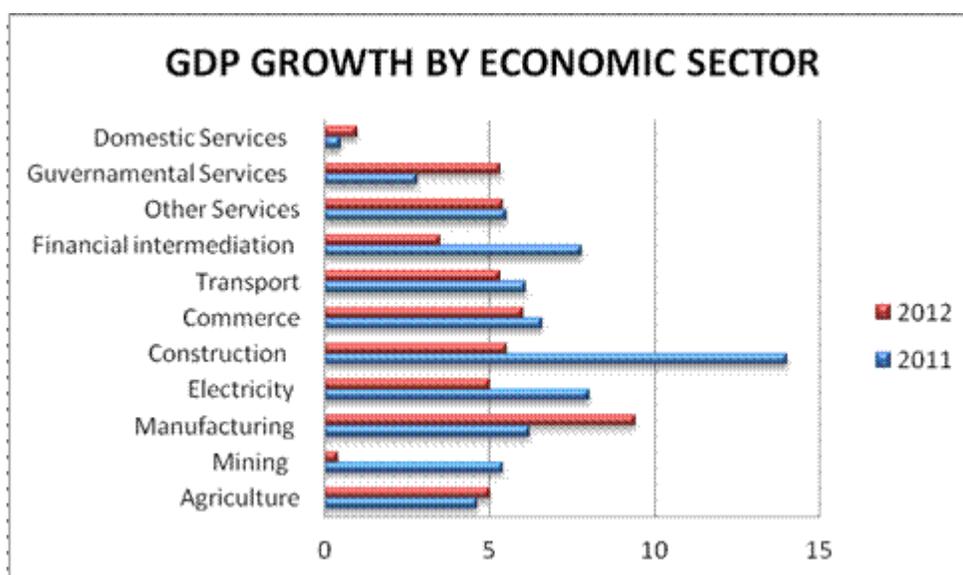
The Ecuadorian economy is based on petroleum and agricultural exports (bananas, shrimp, cut flowers, coffee and cacao). Inflation increased from 3.33 to 5.41 percent in 2011. While the official rate of unemployment is 5.07 percent, underemployment is measured at 44.20 percent (December 2011).

ECUADOR'S ECONOMIC INDICATORS

	2005	2006	2007	2008	2009	2010*	2011
Nominal GDP (\$ Billion)	36.94	41.71	45.50	54.21	52.02	57.98	65.95
Real GDP Growth (%)	5.74	4.75	2.04	7.24	0.36	3.58	7.78
GDP per capita (nominal \$)	\$ 2,795	\$ 3,110	\$ 3,345	\$ 3,961	\$3,715	\$4,013	\$4,554
Inflation (%)	2.12	3.30	2.28	8.40	4.31	3.33	5.41
Central Govt. Spending (% GDP)	23.88	23.77	27.42	40.40	N/A	35.23	33.81
Foreign Exchange Reserves (\$ Million)	2,147	2,023	3,521	4,473	3,792	2,622	2.957.6

* Projection based on the 2010 estimates by the Ecuadorian Central Bank.

In the first semester of 2012, some sectors had a positive growth. The agricultural sector grew 0.5 percent, manufacturing showed a growth of 3.2 percent, the construction sector decrease 8.5 percent, commerce decrease in a 0.6 percent, governmental and domestic services grew by 2.5 percent and 0.5 percent respectively. All the remaining sectors showed a decrease. The quantities are calculated as provisional estimates through the end of the year.



Source: Banco Central del Ecuador

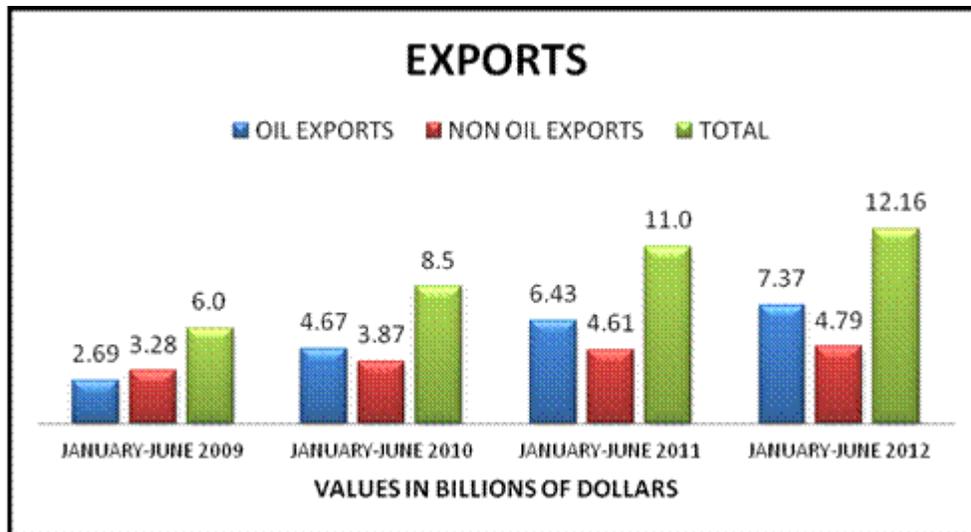
GENERAL AND AGRICULTURAL TRADE SITUATION

In 2011, Ecuadorian exports of all goods to the United States were \$9.77 billion, accounting for approximately 43 percent of its total exports, which reached \$22.29 billion in 2011. Crude Oil exports were at the top of the list, accounting for approximately 57 percent of total exports. Agricultural products such as bananas, shrimp, cut flowers and cacao were among the top exports. Ecuador's total agricultural exports to the world in 2011 according to the Ecuadorian Central Bank, including raw products and processed products, were \$5.74 billion, representing 26 percent of total exports.

Imports into Ecuador accounted in 2011 for \$22.95 billion. U.S. exports of all goods to Ecuador in 2011 were \$6.11 billion. The total trade balance in 2011 was negative at \$717 million. However, between Ecuador and the United States Ecuador enjoyed a positive trade balance of \$3.66 billion in the same year.

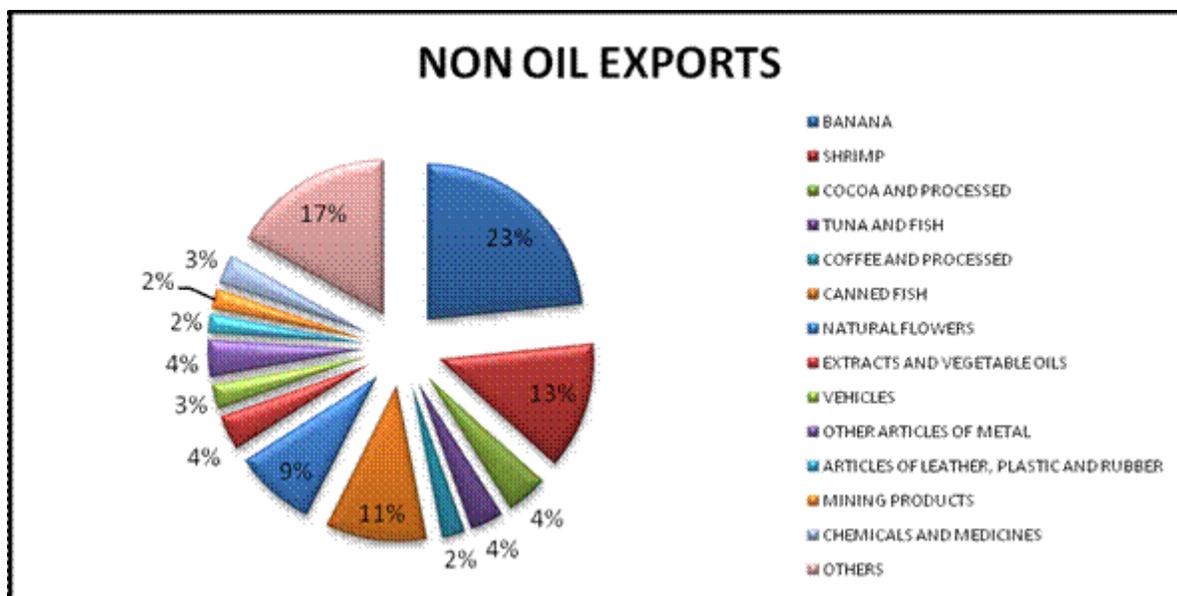
Exports in 2012

Total exports during the period January through June 2012 were \$12.15 billion, accounting for an increase of 10 percent compared with foreign sales recorded during the same period of 2011, which were \$11 billion.



Source: Banco Central del Ecuador

Non-oil exports registered a total of \$4.79 billion (FOB) for the first 6 months of 2012 and showed a little increase with respect to non-oil exports registered in the same period in 2011, which were \$4.61 Billion. Within this group of products, volume and unit prices increased by 3.8 percent and 6.8 percent respectively.

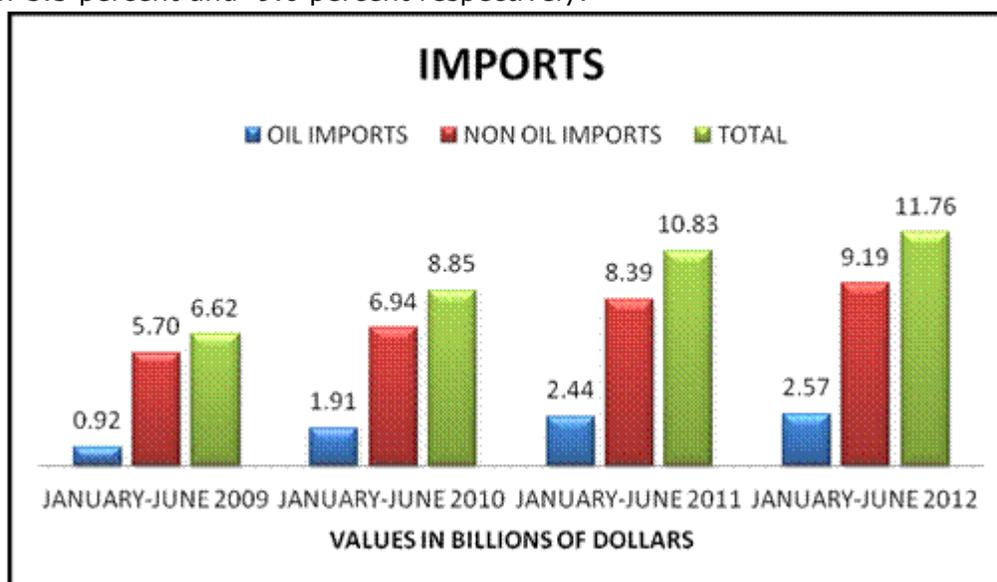


Source: Banco Central del Ecuador

Ninety nine percent of Ecuador's exports to the United States receive tariff preferences under ATPDEA and/or GSP regimes. ATPDEA was renewed in October 2011 and will be effective until July 2013.

Imports in 2012

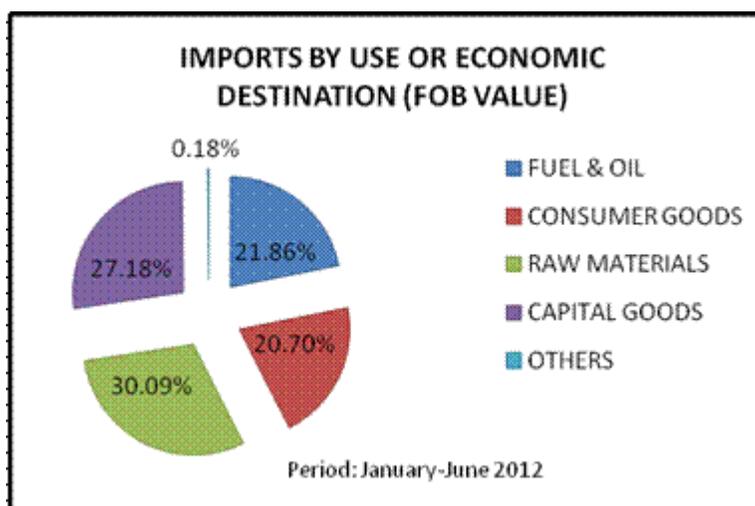
At the end of the first half of 2012, Ecuador's total imports of all goods reached \$11.77 billion, up nine percent compared with the same period in 2010 (\$10.80 billion). Both oil imports and non-oil imports grew 5.5 percent and 9.6 percent respectively.



Source: Banco Central del Ecuador [1]

Imports By Use Or Economic Destination

The total participation of imports by use or economic destination in FOB values from January to June 2012 were: raw materials 30.1 percent, capital goods 27.18 percent, fuel and oil 21.86 percent, consumer goods 20.70 percent and others 0.18 percent.



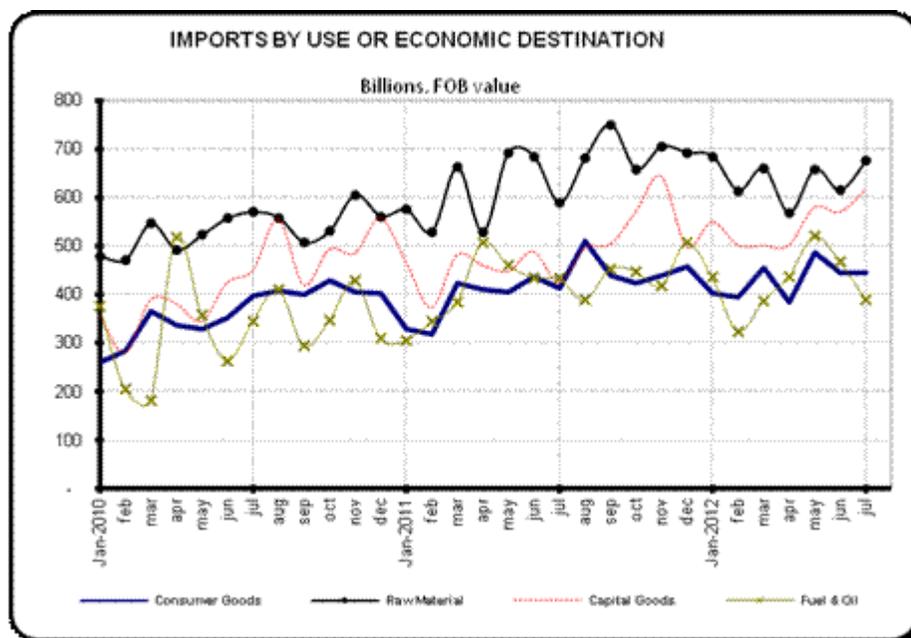
Source: Banco Central del Ecuador

The total participation of imports by use or economic destination in volume from January to June 2012 were: raw materials 51.69 percent, capital goods 3.92 percent, fuel and oil 36.14 percent, consumer goods 8.23 percent and others 0.03 percent.

Between January and June 2012 imports base on value of capital goods increased by 17.9 percent while those of consumer goods increased by 10.7 percent. Import of fuels and lubricants and raw materials increased by 5.5 percent and 3.3 percent, respectively.

Regarding prices, there was an increase in all import groups in the following order: capital goods up 3.9 percent, consumer goods up 8.2 percent, fuels and lubricants up 6.1 percent, raw materials up 2.7 percent, and various products up 22.3 percent.

Imports by volume changed as follows: capital goods up 7 percent, consumer goods down 3.8 percent, fuels and lubricants down 0.6 percent, raw materials up 0.6 percent, and various products down 10.6 percent.



Source: Banco Central del Ecuador, Monthly Statistics

Imports of non-durable consumer goods between January and June 2012 had an FOB value of \$1.37 billion representing 11.7 percent of total FOB imports, and an increase in value of 7.9 percent compared to the same period in 2011.

Imports of durable consumer goods reached an FOB value of \$1.05 billion representing 9 percent of total FOB imports, and an increase in value of 14.6 percent compare to the same period on 2011.

Table 1
Imports Evolution: Consumer Goods
Value, Quantity and Unit Price
January-June 2012

%Market Share	Share	Increase (+) / Decrease (-)		
		Value	Volume	Unit Value
20.70%	Totals	10.70%	-3.8%	15.2%
11.7%	Consumer Goods	7.90%	-7.50%	16.6%
9%	Non-Durable Consumer Goods	14.60%	8.90%	5.3%
	Durable Consumer Goods			

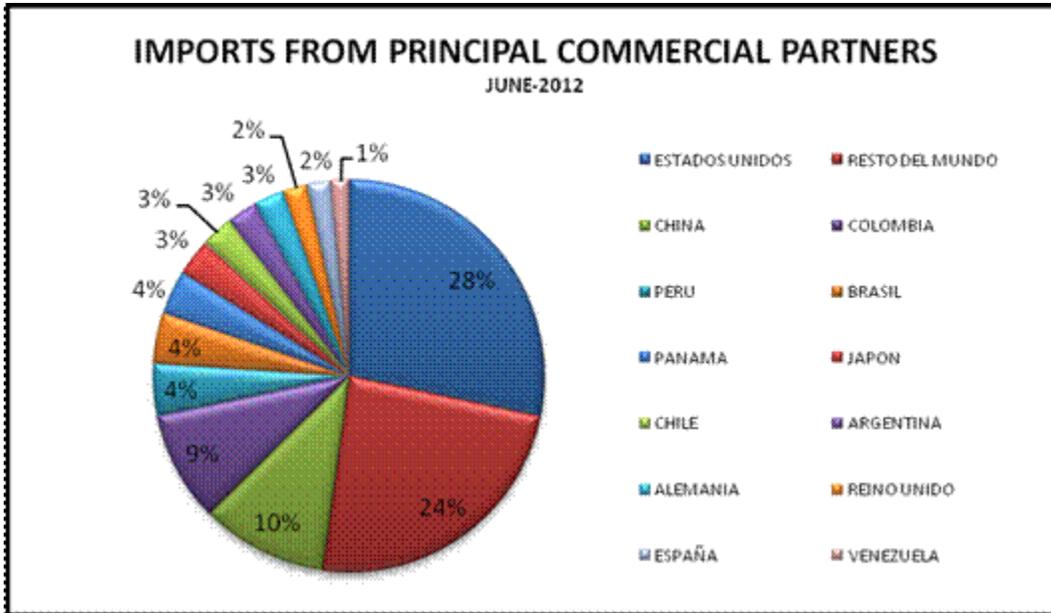
Imports by Country and Commercial Partners

Between January and June 2012, \$ 1.58 billion of Ecuador's imports came from the Andean Community of Nations (CAN) Members (Colombia \$1.07 billion, Peru \$505.4 million, and Bolivia \$5.1 million). This represents a decrease of 4 percent compared to the same period in 2011.

Between January and June 2012 \$3.75 billion of Ecuador's imports came from Latin American Trade Integration Association (ALADI) while in the same period in 2011 the value of imports was \$3.4 billion. Colombia is the largest supplier followed by Peru, Panama and Brazil among ALADI member countries.

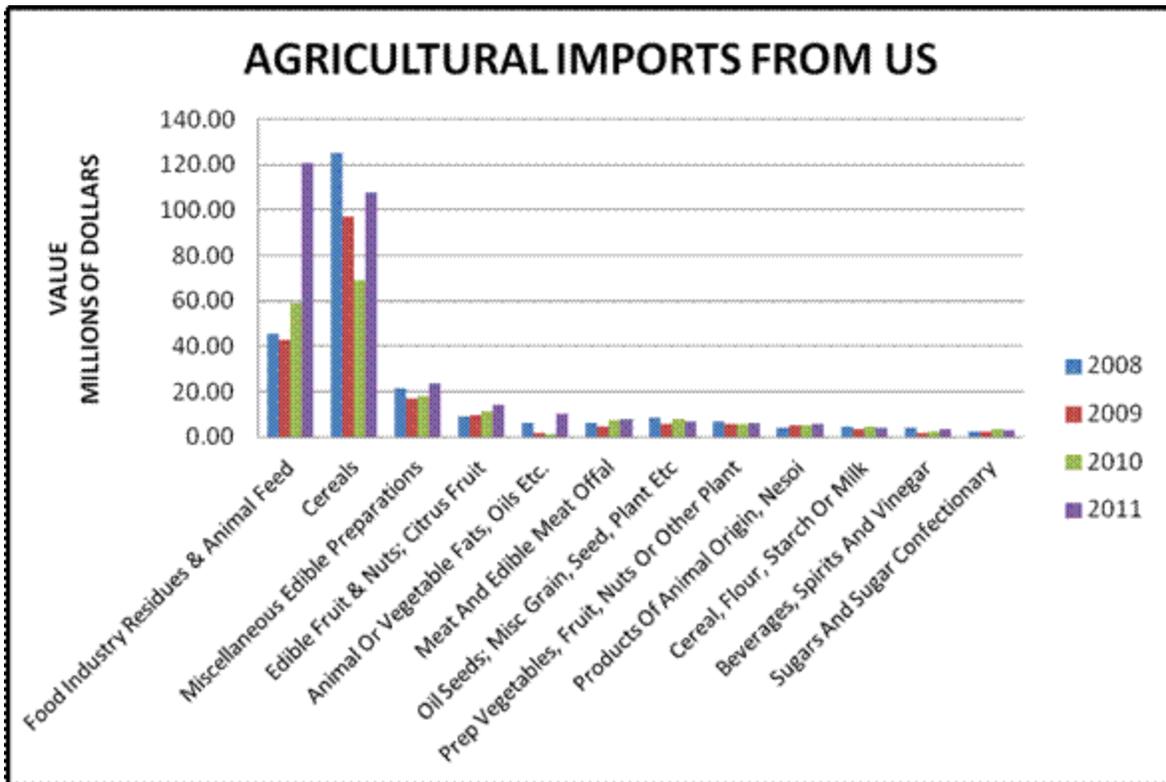
ALADI has 14 country members including Ecuador; Panama was accepted as a member as of this year.

For the first 6 months of 2012, Ecuador's imports of all goods from the United States added up to \$3.33 billion, accounting for 28 percent of the country's total imports. During the same timeframe, Ecuador imported from China \$1.2 billion (equivalent to 10 percent of the market share), from Colombia \$1.07 billion (equivalent to 9 percent of the market share) and from Peru \$505 million (equivalent to 4 percent of the market share).



Source: Banco Central del Ecuador
Data from monthly report: IMPORTS, JUNE 2012 [2]

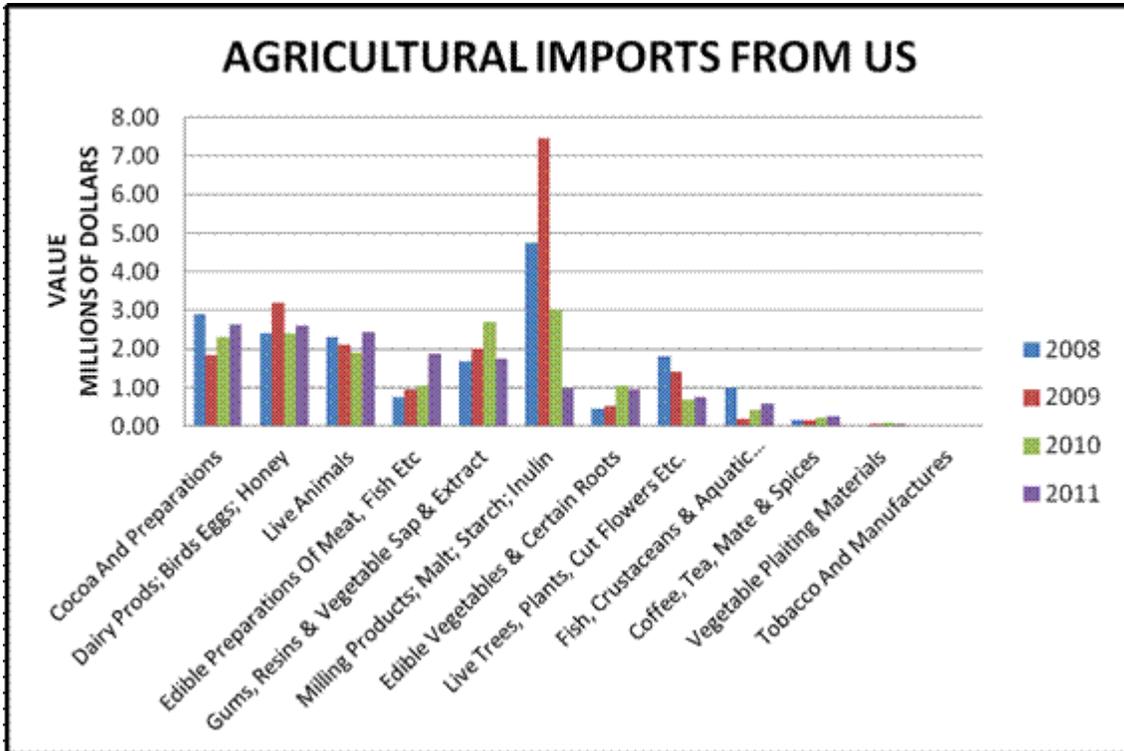
AGRICULTURAL IMPORTS FROM US AND THE WORLD



Source: Global Trade Atlas

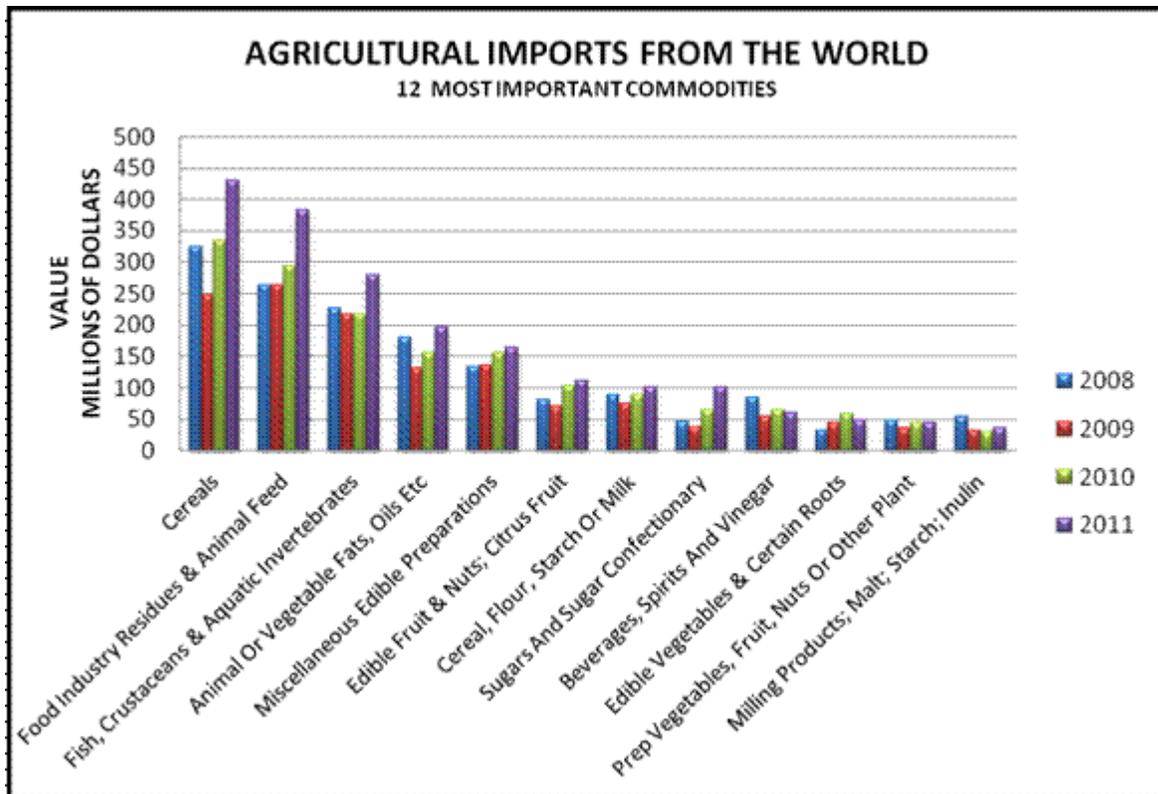
In the graph above we observe a general low level of imports from the United States during 2011

that does not vary much from 2010 imports. Food Industry Residues and Cereals products remain the most important imported products between 2008 and 2011. For these two commodity groups, imports have considerably increased between 2010 and 2011 thanks to corn and soy bean meal imports. For the other commodities, import levels remain stable between these dates.



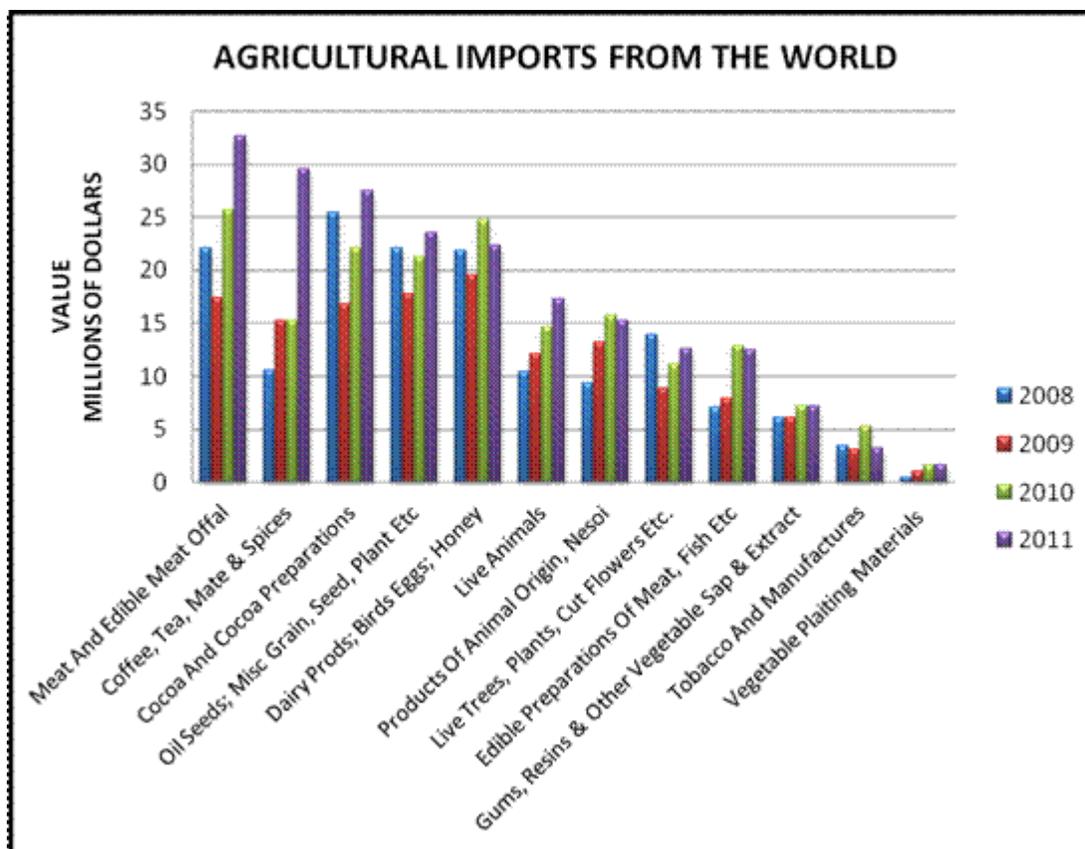
Source: Global Trade Atlas, USDA

Cocoa and cocoa products remain important imported products. It is also, along with Dairy Products and Live animals, are stable commodity, whose import level did not suffer any major changes between 2009 and 2011. However, the milling products (ex. malt) are the commodities that suffered the biggest changes in import levels, during 2011 with an important decrease of almost 6 million dollars.



Source: Global Trade Atlas, USDA

The graph shows 12 classes of most imported products by Ecuador from the world. Generally speaking, commodities had a positive value of imports during 2011. For commodities like Cereals, Food Industry Residues, Fish & Crustaceans and Animal or Vegetable, imports have considerably increased between 2010 and 2011. For the other commodities, import levels remain stable between these dates. Only Beverages and Edible Vegetables have a lower level of import in relation to the previous year, however this level does not vary much from 2010 imports.



Source: Global Trade Atlas, USDA

In the graph above, we observe the next 12 most imported products by Ecuador from the world. Although one may observe a more irregular level of imports from 2008 to 2011, 2011 was a generally positive year for imports. After a relatively average import level, coffee, tea and mate are the commodities that register one of highest increases of groups of imports in 2011 while also registering sustained growth since 2008. The class of goods "Meat and Edible Meat" have the most significant level of increase in 2011. As for the products with a decreasing import level in 2011, we find Products of Animal Origin, Edible Preparations, and Gums & Resins. However these commodities' import levels do not vary much from 2010 imports.

The table below summarizes key advantages and challenges facing U.S. products in Ecuador:

ADVANTAGES	CHALLENGES
Appreciation for US food quality and culture.	Tariffs have increased for several consumer goods.
Having a U.S. Dollar as the country's currency creates economic stability for importers and gives higher purchasing power to consumers.	Due to the redistribution of resources, there has been a decrease in income for the middle high and high income groups of the Ecuadorian population, which will eventually slow the growth in consumption of imported food and beverages.
Local food processing industries do not have competitive prices for the market.	The Ecuadorian market is relatively small and a constraint for U.S. exporters seeking large volume

	contracts.
Consumers are increasingly changing their habits and becoming more oriented toward fast food consumption and grocery store purchases.	The weak dollar causes an increase in price for most products.
Ecuadorian emigrants have adopted foreign consumption tendencies, which have been transmitted to their families in Ecuador, creating niche markets for imported products.	U.S. companies have lost market share to companies from Peru, Colombia and Chile that have benefited from favorable exchange rates and trade agreements
Growth of tourism creates outstanding opportunities for the HRI sector, which has been growing in recent years.	Smuggling continues to affect the market for legally imported products.

SECTION II. EXPORTER BUSINESS TIPS

- Supermarket chains are considered the main market for imported food products whose target customers are high and middle-income consumers. U.S. exporters should contact large importers, wholesalers/distributors or supermarkets directly.
- U.S. exporters can approach Gas Marts, grocery and mom-and-pop stores through major local suppliers (wholesalers/distributors).
- Be diligent when selecting a partner (an agent or a representative) in Ecuador. Personal visits/meetings are highly recommended. Conduct a background check of the prospective partner before signing permanent contractual arrangement.
- The local partner should be able to provide updated information on consumer trends to identify niche markets, current market development (merchandising, point of sale and promotion activities), and business practices.
- Negotiating power of major supermarkets towards food suppliers is strong.
- Suppliers to major supermarkets have wide range of distribution channels ranging from those for fancy foods to those for foods for mass consumption.
- Major food importers/distributors supply all major supermarket chains and provincial retailers. It should be noted that major supermarket chains usually request product exclusivity to new suppliers.
- Food is primarily imported in mixed containers.

- Major supermarket chains prefer to import expensive high-end products directly in order to earn higher margins.
- Distributors and wholesalers make constant in-store promotional activities. They count with support personnel in every store and all distribution channels.
- Research information by product with shipping consolidators and with U.S. ports statistics. This information will show the preferences of Ecuadorian consumers.
- Ecuadorian supermarket chains prefer to import directly from producers. However, U.S. companies that want to export for the first time should contact brokers/local importers to facilitate the process.
- The food sector in Ecuador at the retail level can be divided into five categories: supermarket chains, open or wet markets, independent groceries, small food stores, and convenience stores known as mini-marts.
- Importers for the supermarket chains require that U.S. exporters have all permits and licenses needed as well as the logistic arrangements necessary for products at the port of departure.
- Any person or company that wants to import in Ecuador must obtain an import permit (DUI or Unique Document for Imports), and, if applicable, the importer must have authorization from the Ministry of Agriculture or the Ministry of Public Health.
- Importers usually search for competitive conditions in prices and quality. However prices are not always constrained as there are niche markets for many high value products for high-level income consumers.
- Brand loyalty is common in Ecuador. Therefore, exporters seeking to enter new markets in Ecuador will need to demonstrate the strengths of the new product through advertisement. The use of point-of-purchase (POP) material is recommended as well as promotional campaigns and samplings.
- Ecuadorian eating habits have changed dramatically in recent years: there are more women working outside of the home and commute times/distances are longer, causing more consumers to choose fast food or processed food.
- There is fierce competition among distributors for new consumers. In order to gain market share, some distributors permanently place new products in discount stores where prices usually are between a 10 percent and 20 percent lower.
- A new tendency that has appeared in supermarkets, due to strategic alliances with producing companies, is supermarket branded products. This allows the stores to offer more competitive prices.
- Based on sales, the main supermarket chains in Ecuador, representing approximately 60 percent of the sector, are La Favorita (Supermaxi), and El Rosado (Mi Comisariato). Tiendas Industriales Asociadas, Mega Santa Maria, Supermercados Coral and Magda Espinosa are medium-sized supermarket chains that are growing fast and obtaining an important market

share.

Road Map for Market Entry

In order to enter the market there are few things that should be taken in consideration:

- First identify the channel of distribution that will best fit the company strategy to enter in the market.
- Depending of the channel chosen, identify a strategic partner that will import the product.
- Obtain the sanitary registration, if needed, either directly or through the local partner.
- Request import permits when product require.
- Make sure to send a copy of all the documentation required to clear customs to importer prior to the shipment for review.
- Provide support to local partner to push consumer demand of the product.

Standards and Regulations

Sanitary inspection, food registration, packaging and control regulations for food and beverages are under the competency of the Ministry of Health and the National Hygiene Institute (INH), a rough equivalent to the Food and Drug Administration (FDA) regarding sanitary supervision and registration of food and beverages. AGROCALIDAD, part of the Ministry of Agriculture, is the local counterpart to the U.S. Department of Agriculture (USDA) concerning the development of sanitary and phytosanitary regulations and the inspection of animal and plant origin products. The National Institute for Standardization and Norms is the agency in charge of labeling standards, labeling control, and trademarks.

Import and Inspection Procedures

In order to clear Customs (SENAE) imports must have a Unique Customs Declaration (DAU), a commercial invoice, an airway bill or bill of lading, a packing list, an insurance letter, certificate of origin, and a food sanitary registry from INH for food processed products or a health certificate for animals, plants or their by-products that complies with AGROCALIDAD's import requirements.

When the customs agent transmits the DAU physically and electronically, SENAE will determine the type of control for the merchandise within one of the 5 channels established which could include just a paper procedure or an inspection of all the product imported .

If the products don't match the description on the DAU these can be confiscated, although many times SENAE gives the option to re-export the product. The exporter should be cautious about this because sending samples or extra promotional products in the shipment will fall under this and can cause problems for nationalizing all the products.

Food and beverage sanitary registration

All the food products imported need to have obtained a sanitary registration number prior to entry into the country. This procedure can be a little bit complicated and can take some time, or even quite a long time. The sanitary registration for imported products is granted by confirmation (or equivalence). The sanitary registration petition can either be filed by the manufacturer or by its Ecuadorian legal representative. In both cases, the registration belongs and will be issued to the name of the manufacturer, unless specifically requested otherwise. Prior to submit the request for sanitary registration of any product the manufacturer or representative needs to be register in the national sanitary registration electronic system. The Sanitary Registration will be valid for five years from the date of issue

Currently the application must include the following documents:

- Request form (filled at the national sanitary registration electronic system web page).
- A copy of the identification document (in the case of a natural person), or a certificate of company registration accompanied by the legal representative's appointment (in the case of a company).
- The Certificate of Free Sale issued by a competent health authority in the exporting country. This document must list the products to be registered and must state that the products are authorized for free sale and consumption in the country of origin. In the United States, this document can be obtained at the Health Services Department of the state where the manufacture plant is located.
- Stability Study which justifies the product's shelf life or maximum consumption time accompanied by the signature of the responsible technician (Stability Card).
- Chemical specifications of the container/packaging.
- Product's original label and draft of the tag that complies with the requests of the corresponding INEN Technical Regulation.
- Certificate that the product comes from an authorized manufacturer or distributor, except when the manufacturer is requesting the registration.
- Invoice of registration fees payment (approximately US\$620.00 per item).

Notes:

- All documents and certificates written in languages other than Spanish must be translated.
- All official certificates and documents must be either legalized by the Consul of Ecuador in the exporting country or have proof of authenticity through an Apostille certificate
- It is recommended that Sanitary Registrations are filed in the INH offices in Quito rather than

in Guayaquil, due to administrative and compliance problems the INH-Guayaquil.

- A new Sanitary Permit will be necessary in the following events:
 - If there is a change in the product composition.
 - The product needs a different conservation process.
 - There is a substantial modification of the following additives: colorings, flavorings, sweeteners, conservation agents, and nutritional additives.
 - Changes in the nature of the container
 - Change of manufacturer.

Certificates for animals, plants, and their by-products

Before the product is shipped, the importer must request an import permit from AGROCALIDAD. The exporter must provide to the importer the corresponding official country of origin health certificate, including the specific certification requirements of AGROCALIDAD.

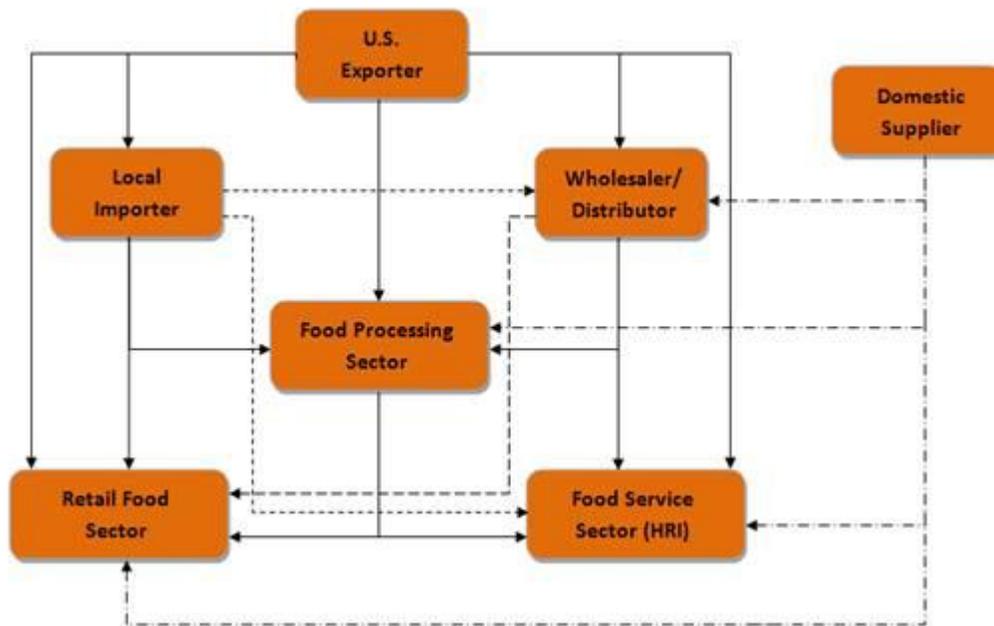
USDA agencies that issue health certificates accepted by Ecuador are the Animal and Plant Health Inspection Service (APHIS) for animals and plants and their derived products, and the Food Safety and Inspection Service (FSIS) for meats and their by-products.

Labeling requirements

Imported packaged foods must carry a separate adhesive label before reaching the point of sale. A Spanish translation of the label must include all the information requested at the technical standard norms NTE INEN 1334-1:2011, NTE INEN 1334-2:2011, and NTE INEN 1334-3:2011.

SECTION III. MARKET SECTOR STRUCTURE AND TRENDS

Market Structure



To the extent that the distribution channels for a product are well established, new entrants must focus on the retail sector and seek to convince retailers to accept their products through lower prices and increased profit margins, sharing costs of promotion, engaging in joint promotional efforts at the point of sale, among others. When it is not possible to penetrate the existing distribution channels, the new company acquires its own cost of distribution structure and can still create new marketing systems and seize market share.

Distribution channels can be different between local and imported products and are changing all the time. In general, food retail companies are always looking at importing directly and not through brokers, so they reach economies of scale and maximize profits. However, retailers do buy from local importers, that represent one or more foreign suppliers, when the products offered are attractive and have a growing demand.

Companies with low sales volume, who import directly, face high costs as the conditions and procedures for importing can be difficult. Therefore it is better to use a local wholesaler to make the import process easier and fulfill all the required procedures.

The local food processing companies usually have their own distribution chain which contains wholesalers, self-service, traditional retailers and to a lesser extent the institutional (HRI catering). There is a small portion of companies that have outsourced the distribution to certain provinces.

Retail Food Sector



- Approximately 34 percent of Ecuadorians (4.5 million people) buy food in a grocery store, with an average monthly expenditure of \$250. The highest percentage of supermarket customers is found among the population with middle and high incomes, which combined reach approximately 36 percent of Ecuador's population.
- The two largest supermarket chains, Supermaxi, and Mi Comisariato account for the majority of food sales in this segment. On average, 18 percent of the available shelf space is dedicated to imported foods and beverages, such as fresh fruit, prepared or canned fruits and vegetables, frozen items, snacks, confectioneries, wine, juices, beer, and more recently, diet products.
- Mini-marts tend to offer imported and specialty products such as cigarettes, liquors, snacks, and soft drinks.
- The best way to enter this sector is through direct contact with supermarkets using local importers and distributors who usually require exclusive contracts, which tends to increase costs, thus making the product less competitive.
- Sales usually increase during special holidays such as Mother's Day, Christmas, Carnival, Valentine's Day, and Father's Day. Demand for most consumer-ready products usually peaks during the tourist season (June-September).
- The number of supermarkets and self-service stores are increasing as people turn to these stores in order to get a wider variety of products in a more organized and cleaner shopping environment. Such stores offer the best sale opportunities for imported products.

The following table shows different consumption levels and the market size for food and beverage products in Ecuador as well as a forecast until 2015:

Food, beverages and tobacco consumption

	2006 ^a	2007 ^a	2008 ^a	2009 ^b	2010 ^b	2011 ^c	2012 ^c	2013 ^c	2014 ^c	2015 ^c
Food, beverages & tobacco (consumer expenditure; US\$)	6,969	7,530	8,604	9,035	10,170	11,082	12,035	13,083	14,233	15,476
Food, beverages & tobacco (% of household spending)	26.0	26.0	26.0	26.0	25.9	25.9	25.7	25.4	25.2	24.9
Food, beverages & tobacco (market demand; US\$ m) ^d	43,882 ^b	45,072 ^b	50,332 ^b	53,664	60,355	65,428	71,916	79,254	87,401	96,371
Food, beverages & tobacco (market demand; % real growth) ^d	19.8 ^b	-1.5 ^b	4.5 ^b	0.8	7.1	6.0	6.8	6.2	6.1	6.1
Meat consumption (kg per head)	41.1	41.2	42.6	42.4	42.7	43.9	44.7	45.5	46.4	47.3
Fish consumption (kg per head)	4.5	4.5	4.6	4.6	4.7	4.8	4.9	5.0	5.1	5.2
Fruit consumption (kg per head)	163.0	164.8	168.5	167.7	171.9	175.5	179.2	182.5	186.0	189.5
Vegetable consumption (kg per head)	24.9	25.0	25.4	25.3	25.4	25.7	26.0	26.2	26.4	26.7
Milk consumption (liters per head)	106.9	108.2	111.1	111.5	114.0	116.6	119.0	121.3	123.6	126.0
Coffee consumption (kg per head)	4.0	4.0	4.1	4.2	4.3	4.3	4.4	4.5	4.5	4.6
Tea consumption (kg per head)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

^a Actual. ^b Economist Intelligence Unit estimates. ^c Economist Intelligence Unit forecasts. ^d Excludes retail and wholesale mark-up.

Source: Economist Intelligence Unit of The Economist.

Food Processing Sector

- Due to variations in the exchange rate between the U.S. dollar and Latin American currencies, ingredients for food processing are often imported from Colombia, Chile, and Mexico. This happens when the dollar is stronger because it is cheaper in these countries.
- The products most in demand for this sector are: processed sugar, concentrated ingredients for sugar, juice concentrates and mixtures, colorants, cereals, meats, ferments, flours, and food extracts.
- A successful sales strategy for processed food products in Ecuador is the diversification of product lines. For example, Pronaca, the leading company in this sector has a portfolio with over 800 products and 26 brands.
- The main processed food products in the market are pre-cooked or easy to prepare products for which many ingredients and seasonings are imported.
- Food producers are also beginning to diversify their products. For example, TecnoPesca de Manta, a fishing company, has begun to manufacture processed foods like soup and new seafood dishes.
- The beverage sector has focused on improved distribution channels to extend its coverage while simultaneously launching new products, as is the case of Sap Miller which owns the largest local brewery.

HRI Food Service Sector

- Consumer spending on restaurants and eating out is expected to grow rapidly. Although this will be from a low base (total spending was US\$2.5bn in Ecuador in 2010, while the figure for neighboring Colombia was US\$13.3bn), Post expects it to rise by an annual average of 8.4% in 2012-15.
- Growth in the tourism industry continues to represent a key opportunity for the HRI sector. The year 2011 began with positive results, with a total of 105,541 foreign visitors in January, accounting for an increase of 9.8 percent compare to the same month in 2010.
- Most restaurants are supplied by local producers and importers. The only exception is the big hotel chains that manage direct imports through agents in the country of origin.
- Products with the greatest demand are: meats, shell-fish, salmon, mussels, squid, wine, beer, liquor, olive oil, truffles, canned tomatoes, confectioneries, sausages, pre-cooked frozen potatoes, cheese products, and spices.
- The most important franchises in Ecuador are Pizza Hut, Burger King, McDonald's, Dunkin Donuts, Domino's Pizza, KFC, 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.
- Domestic demand for fast food is growing and all the major US fast food chains are represented in Ecuador, although they are concentrated in the large urban centers.
- Most products used by franchise restaurants are imported and include: mayonnaise, ketchup, mustard, beef, poultry, spices, special ingredients, cheese, pepperoni, bacon, olives, corn oil, frozen french fries, ice cream and yogurt mixes. However, most of these products are supplied by each franchise's global supplier.
- Wine is becoming an important product in the food and beverage sector; however, the majority of wine in Ecuador is imported. The primary exporters of wine to Ecuador are Chile and Argentina, followed by the United States, the EU, and Australia the reason being the high tariffs and lack of preference such as the ones Chile and Argentina have. As the economy grows, there is an increasing demand for wine especially since there is considerable promotion of wine culture in the larger cities.

SECTION IV: BEST HIGH-VALUE PRODUCT PROSPECTS

Based on import statistics, as well as consumer preferences and Ecuadorian market trends, U.S. export opportunities lie in the following products:

- Soybean and sub products
- Sorghum and sub products for animal feed
- Wheat and meslin
- Corn for animal feed.

- Frozen Fish
- Fresh Fruits such as apples, pears, peaches
- Bakery products and supplies for pastry
- Mineral water and other bottled waters
- Spirits and liqueurs
- Sugar confectionery including white chocolate
- Chocolate and other food preparations containing cacao
- Malt extract
- Coffee and Tea
- Fats and Oils
- Food Waste for animal feed
- Mechanically deboned meat (MDM)
- Frozen produce
- Precooked frozen meals
- Ice cream
- Pork cuts and Pork products
- Low-calorie food products
- Specialty beers
- Soft drinks
- Energy Drinks
- Wine

SECTION V: KEY CONTACTS AND FURTHER INFORMATION

For more information about this report, please do not hesitate to contact:

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