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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 opportunities. Domestic production cannot meet consumer demand, necessitating continued imports. Additionally, younger and lower to middle-income consumers' appetite for imported products continues to grow despite the economic situation. The Ecuador-EU Free Trade Agreement continues to threaten the United States' market share in processed and fresh products.

## Market Fact Sheet: ECUADOR

### Executive Summary

Opportunities exist for U.S. food and agricultural products in Ecuador, despite its continued economic stagnation linked to government debt and liquidity and the COVID-19 pandemic. Domestic production cannot meet consumer demand, necessitating continued imports. The Ecuador - European Union Free Trade Agreement threatens the United States' market share in processed and fresh agricultural products.

U.S. – Ecuador bilateral agricultural trade in 2019 totaled \$2.5 billion. Ecuador maintains an agricultural trade surplus of \$1.5 billion. U.S. exports of food and agricultural products to Ecuador in 2019 totaled \$480.9 million, up \$100 million or 26 percent compared to 2018. Ecuador's demand for U.S. bulk and intermediate products (e.g. wheat and soybean meal) drove this increase.

### Food Processing Industry

Ecuadorian food processors tend to favor sourcing food ingredients from Chile, Mexico, and Colombia due to favorable exchange rates.

FAS Quito sees 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.

### Food Retail Industry

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).

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. Supermarket 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 large and medium size cities. In many small cities they operate with different names.

### Quick Facts CY 2017

#### Top Imported Products in Ecuador

1. Food Industry Residues; Prep Animal Feed
2. Cereals
3. Fats and oils
4. Edible Fruit & Nuts
5. Prepared Cereal products
6. Sugar and Sugar Confectionery

#### Key Trade and Demographic Information

Agricultural Imports from All Countries (\$) / U.S. Market Share (%)	\$2.5 billion/ 20%
Consumer Food Imports from All Countries (\$Mil) / U.S. Market Share (%)	\$787.2 million/ 11.6%
Total Population (Millions) / Annual Growth Rate (%)	17.6 million/ 1.7%
Number of Major Metropolitan Areas (millions)	Quito (capital) -2.8 Guayaquil - 2.7
Per Capita Gross Domestic Product (U.S. Dollars)	\$10,912 PPP
Per Capita Food Expenditures (U.S. Dollars)	\$937.5
Percentage of household spending on Food	23.8%
Exchange Rate (US\$1 = US\$1)	\$1.00

#### Strengths/Weakness

Strengths	Weakness
Appreciation for U.S. food quality and culture.	Price of U.S. products can tend to be higher due to tariffs.
Opportunities	Challenges
Consumers are increasing fast food consumption and grocery store purchases.	Consumption of more expensive imported food and beverage products may slow due to weakened economy.

Data and information sources: FAS Quito  
Contact: FAS Quito

## SECTION I. DETAILED MARKET OVERVIEW

Ecuador's real gross domestic product (GDP) is forecast to decrease roughly 7.4 percent in 2020, reaching the same level as in 2016. Economic growth is expected to recover slightly in 2021-23, averaging two percent per year. Ecuador faces short-term difficulties due to government debt and liquidity problems combined with the COVID situation. 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. There is also a growing demand for specialty products and functional foods that local producers are not able to supply, creating a niche market for these types of imports.

Ecuador's population of 17.6 million inhabitants with a median age of 28.1 years continues to grow at just under 1.7 percent per year. These younger and lower to middle income consumers' purchasing power and appetite for imports remains strong despite the economic slowdown in recent years. Unemployment is hovering around 8.8 percent and is forecast to remain at this level through 2021. Ecuador's underemployment rate is around 48.1 percent. This underemployment in the national workforce of 7.9 million limits further consumption. The government is seeking to maintain its level of employment by implementing measures to reduce salaries for up to two years due to the COVID-19 situation. 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 the import of food and other essential goods. FAS Quito forecasts that this demand will continue expanding slowly, making Ecuador vulnerable to external price fluctuations.

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

	2017	2018	2019 Estimate	2020 Forecast	2021 Forecast
<b>Nominal GDP (\$ billions)</b>	104.3	107.6	107.4	99.9	100.8
<b>Real GDP Growth (%)</b>	2.4	1.3	0.1	-7.4	3
<b>Consumer Price Inflation (%)</b>	-0.2	0.3	0.0	-1.3	1.1
<b>Private Consumption (% real change)</b>	3.7	2.1	1.5	-6.8	2.4
<b>Public Sector Consumption (% real change)</b>	3.2	3.5	-2.4	-6.1	-1.0

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

### General and Agricultural Export-Import Trade Situation

U.S. – Ecuador bilateral agricultural trade in 2019 totaled \$2.5 billion. Ecuador maintains an agricultural trade surplus of \$1.5 billion. U.S. exports of food and agricultural products to Ecuador in 2019 totaled \$480.9 million, up \$100 million or 26 percent compared to 2018. In 2020, from January to August, U.S. exports of food and agricultural products to Ecuador have increased 7.2 percent compared with the same period last year. This growth is driven by Ecuadorian demand for U.S. bulk and intermediate products (e.g. wheat and soybean meal). Imports of U.S. consumer-oriented products is down 7 percent in 2020 due to the COVID-19 situation.

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

<b>ADVANTAGES</b>	<b>CHALLENGES</b>
Appreciation for U.S. food quality and culture.	Consumption of more expensive imported food and beverage products may slow as the economy is still weak.
Dollarization has brought a measure of economic stability for importers and improved consumer purchasing power.	Ecuador is a relatively small market, a constraining factor for U.S. exporters seeking large volume contracts.
Local food processing industry is not always able to offer competitive market prices.	Import restrictive measures.
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.	U.S. exports are losing market share to Peru, Colombia, and Chile, due to more favorable exchange rates and trade agreements.
Consumers are increasing fast food consumption and grocery store purchases.	Food product smuggling.
Recognition of U.S. brands in the market.	Ecuador's free trade agreement with the European Union (EU) enables consumer-oriented food products from EU member countries to enter with reduced import tariffs.

## **SECTION II. EXPORTER BUSINESS TIPS**

Supermarket chains are the main channel for imported food products. They target mainly middle to high-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 import authorization from the Ministry of Agriculture, the Ministry of Production, Foreign Trade, Investments, and Fisheries and/or the Ministry of Public Health.

Importers purchase based on price and quality. There are niche markets for high value products for high-income consumers, for whom 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 dual income households on the rise and commute times and distances getting longer, consumers are increasingly turning to fast food 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 on the channel chosen, identify a strategic partner that will import the product.
- Obtain the sanitary notification or sanitary certification depending on if selling the product 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/ IMPORT PROCEDURES**

This section provides a brief overview of Ecuador's import procedures and requirements. For more detailed information please refer to FAS Quito's FAIRS Narrative and FAIRS Certificate reports.

### **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) that oversees sanitary supervision and registration of processed food and beverages. AGROCALIDAD (national sanitary authority) is part of the Ministry of Agriculture. Like specialized agencies within the 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. SENA E 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. In the case of food supplements or products that claim a specific nutritional characteristic, there are additional import requirements. For further information refer to the FAS Quito FAIRS Country and FAIRS Certificate reports.

### **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 agencies. For animal and plant products and by-products the certificate must come from the Animal and Plant Health Inspection Service (APHIS). For meat and meat products the Food Safety and Inspection Service (FSIS) should issue the certificate. A certificate issued by the Agricultural Marketing Service (AMS) must accompany dairy products. For feed and pet food, an FDA export certificate is also accepted.

### **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 include a clearly visible traffic light symbol for sugar, fat, and salt on each individual packaging label.

### **Registration of Plants and Farms**

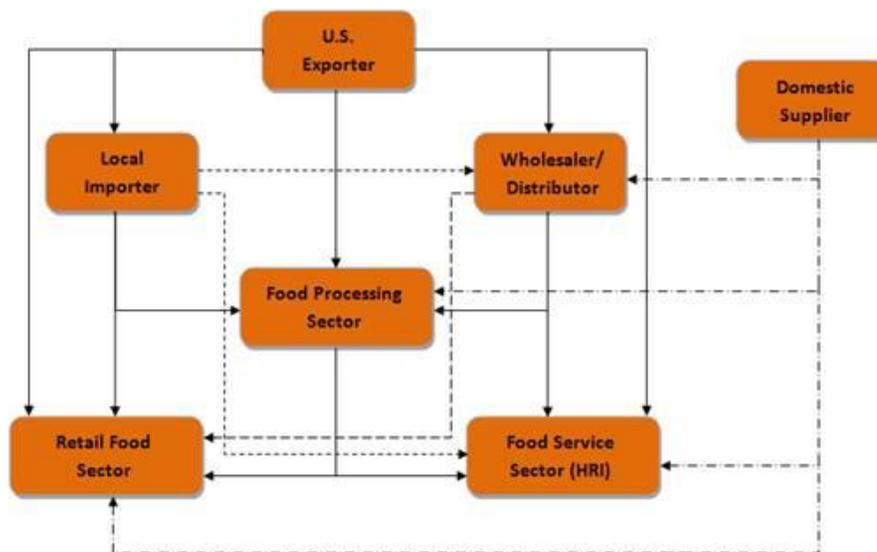
To import livestock, animal by products, or products for animal consumption, AGROCALIDAD requires the registration of the farm or plant from where the products originate. This is an importer lead process that requires information from the exporter and farm or plant of production. For further information about Registration of Plants and Farms please refer to an FAS Quito FAIRS Country report.

## **SECTION IV. MARKET SECTOR STRUCTURE AND TRENDS**

### **Market Structure**

- Supermarket chains are the main means for reaching middle to high-income consumers.
- Exporters should directly contact importers, wholesalers/distributors, or supermarkets.
- U.S. exporters can approach gas marts, grocery stores, 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.



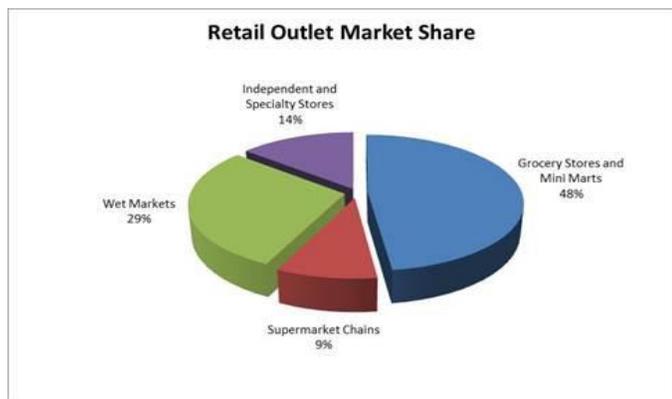
Distribution channels vary between locally sourced products and imports. Retail food companies will seek to import directly to bypass brokers and lower costs. Retailers nonetheless continue to purchase significant volumes from local importers/distributors, especially for high demand items. Local food 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 at local grocery stores. Monthly food expenditures are \$250 on average. 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.



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).

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

### Ecuador, Retail Sales and Consumer Expenditure, (\$ billions), 2017-2021

	2017	2018	2019 (estimate)	2020 (forecast)	2021 (forecast)
Retail Food Sales (\$ billion)	\$ 23.9	\$ 24.3	\$ 24.1	\$ 24.4	\$ 24.9
Food, Beverage, and Tobacco (consumer expenditure; \$ billion)	\$ 14.4	\$ 15.1	\$ 15.5	\$ 16.5	\$ 16.5

Source: Economist Intelligence Unit.

Food sales accounted for an estimated 60 percent of Ecuador's total retail sales in 2018. This is high when compared with developed countries, where the ratio is usually below 50 percent.

### Food Processing Sector

Ecuadorian food processors tend to favor sourcing food ingredients from Chile, Mexico, and 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, particularly 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 ready to eat 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 due to the COVID-19 circumstances in 2020, consumer spending in restaurants is expected to stay stable over the next couple of years. HRI expenses represent 7.7 percent of household expenditures in past years. Most restaurants will continue to be supplied by a combination of local producers and importers. Large, international chains will continue to import directly through their agents.

Tourism usually drives HRI growth. Tourist numbers in 2019 reached 1.5 million, showing an increase of 4 percent compared to 2018. This growth level is expected to continue once the COVID-19 situation improves sufficiently for tourism to fully resume. A decrease of 78 percent in tourist visitors is anticipated in 2020. Products with the greatest demand include meat, shellfish, 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 U.S. fast food chains are represented in Ecuador, although they are concentrated in the large urban centers. During 2020, Ecuadorians increased consumption of fast food chains with delivery options. Franchises operating in Ecuador include KFC, Pizza Hut, Burger King, McDonald’s, Wendy’s, Carl’s Jr, Dunkin Donuts, Domino’s Pizza, Papa Johns, Baskin Robbins, Subway, Taco Bell, TGI Fridays, Tony Roma’s, Chili’s, Red Lobster, IHOP, American Deli, Crepes & Waffles, Tropi Burger, Pollo Tropical, and Little Caesars.

Products used by franchise restaurants are largely imported. Key imports include beef, poultry, spices, special ingredients, sauces, 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.

## SECTION V: AGRICULTURAL AND FOOD IMPORTS

The tables in this section reflect import categories by importance based on value, market share of consumer-oriented products imports by country, and what FAS Quito considers the best consumer-oriented product prospects based on conversations with local importers. Please see addendum A for more import categories.

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

HS Code	Description	Ecuador Imports from World			Ecuador Imports from United States			U.S. Share 2019
		2017	2018	2019	2017	2018	2019	
23	Residues and Waste from the Food Industries; Prepared Animal Feed	\$663	\$838	\$825	\$110	\$203	\$266	32.24%
10	Cereals	\$347	\$375	\$383	\$75	\$55	\$115	30.01%
21	Miscellaneous Edible Preparations	\$204	\$225	\$235	\$27	\$31	\$32	13.69%
15	Animal or Vegetable Fats and Oils and Their Cleavage Products; Prepared Edible Fats; Animal or Vegetable Waxes	\$145	\$139	\$147	\$2	\$2	\$2	1.42%

08	Edible Fruit and Nuts; Peel of Citrus Fruit or Melons	\$105	\$122	\$134	\$14	\$12	\$15	11.15%
03	Fish and Crustaceans, Mollusks and Other Aquatic Invertebrates	\$82	\$111	\$131	\$0	\$0	\$1	1.11%
19	Preparations of Cereals, Flour, Starch or Milk; Bakers' Wares	\$103	\$108	\$119	\$5	\$6	\$7	5.87%
22	Beverages, Spirits, and Vinegar	\$52	\$83	\$98	\$2	\$2	\$2	1.76%
17	Sugars and Sugar Confectionary	\$91	\$75	\$68	\$2	\$2	\$2	2.96%
20	Preparations of Vegetables, Fruit, Nuts, or Other Parts of Plants	\$46	\$47	\$48	\$2	\$3	\$2	5.09%
18	Cocoa and Cocoa Preparations	\$33	\$41	\$45	\$5	\$6	\$8	17.26%
07	Edible Vegetables and Certain Roots and Tubers	\$49	\$40	\$40	\$2	\$1	\$1	2.47%
11	Milling Industry Products; Malt; Starches; Inulin; Wheat Gluten	\$31	\$33	\$36	\$0	\$0	\$0	0.34%
05	Products of Animal Origin, NESOI	\$26	\$37	\$34	\$15	\$22	\$14	<b>40.39%</b>
12	Oil Seeds and Oleaginous Fruits; Miscellaneous Grains, Seeds and Fruits; Industrial or Medicinal Plants; Straw and Fodder	\$29	\$30	\$33	\$9	\$9	\$10	<b>32.25%</b>
01	Live Animals	\$23	\$25	\$25	\$2	\$4	\$5	<b>21.76%</b>
06	Live Trees and Other Plants; Bulbs, Roots and the like; Cut Flowers and Ornamental Foliage	\$19	\$21	\$21	\$1	\$1	\$1	5.58%
09	Coffee, Tea, Mate, and Spices	\$15	\$22	\$17	\$0	\$0	\$0	1.55%
13	Lac; Gums; Resins and Other Vegetable Saps and Extracts	\$8	\$8	\$9	\$2	\$2	\$2	19.23%
02	Meat and Edible Meat Offal	\$7	\$7	\$9	\$3	\$3	\$3	<b>35.37%</b>
16	Edible Preparations of Meat, Fish, Crustaceans, Mollusks or Other Aquatic Invertebrates	\$6	\$8	\$9	\$2	\$1	\$2	18.88%
04	Dairy Produce; Birds' Eggs; Natural Honey; Edible Products of Animal Origin, NESOI	\$12	\$8	\$8	\$0	\$0	\$1	8.47%
14	Vegetable Plaiting Materials and Vegetable Products, NESOI	\$1	\$0	\$0	\$0	\$0	\$0	2.65%
	<b>Grand Total</b>	<b>\$2,096</b>	<b>\$2,404</b>	<b>\$2,474</b>	<b>\$279</b>	<b>\$367</b>	<b>\$492</b>	<b>19.88%</b>

Latest full calendar year data 2019 (January-December).

Market Shares in Bold Represent Significant U.S. Share

NESOI = Not Elsewhere Specified or Indicated.

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

### Ecuador, Top 10 Suppliers, Consumer Foods (\$ millions) Partner Country

Partner Country	2017	2018	2019	% Share 2019	% Change 2018/2019
Chile	\$ 207	\$ 214	\$ 209	26.57%	-2.36%
Colombia	\$ 95	\$ 106	\$ 116	14.74%	9.54%
<b>United States</b>	<b>\$ 82</b>	<b>\$ 94</b>	<b>\$ 92</b>	<b>11.68%</b>	<b>-2.03%</b>
Peru	\$ 61	\$ 64	\$ 71	9.02%	10.84%
Mexico	\$ 48	\$ 54	\$ 52	6.62%	-2.80%
Spain	\$ 26	\$ 29	\$ 32	4.11%	9.84%
Netherlands	\$ 22	\$ 24	\$ 32	4.05%	31.69%
China	\$ 18	\$ 16	\$ 21	2.69%	29.46%
Brazil	\$ 15	\$ 15	\$ 20	2.51%	29.08%
Argentina	\$ 12	\$ 16	\$ 19	2.45%	18.96%
<b>Total to 10</b>	<b>\$ 584</b>	<b>\$ 633</b>	<b>\$ 665</b>	<b>84.45%</b>	<b>4.97%</b>

Latest full calendar year data 2019 (January-December).

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

### BEST HIGH-VALUE PRODUCT PROSPECTS

#### Best Consumer-Oriented Product Prospects

Product Category	2019 Market Size Import Volume	2019 Import Sales	5-Yr. Avg. Annual Import Growth Volume	Import Tariff Rate	Key Constraints Over Market Development	Market Attractiveness for USA
<b>Fresh Fruits</b>	117,407 MT	\$ 109.8 million	2% 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.
<b>Processed Fruits and Nuts</b>	27,744 MT	\$ 48.6 million	10% 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.
<b>Chocolate</b>	9,166 MT	\$ 44.4 million	11% per annum	30%	Local production, especially of dark chocolate is up.	Un-met demand for product diversity. U.S. brands are well known.

<b>Sugar Confectionery Products</b>	15,305 MT	\$39.6 million	5% per annum	20%	Colombia benefits from competitive prices and shipping proximity.	Growing demand for elaborate confectionery products. Local sugar prices are high.
<b>Bakery Products, Noodles, and Pasta</b>	40,639 MT	\$ 119.4 million	5% per annum	20-30%	Competitors include Andean Community and EU countries; benefit from trade agreements	Demand for specialized products that do not exist in the region.
<b>Teas and Infusions</b>	260 MT	\$ 3.8	11% per annum	30%	Strong local and EU competition.	The United States is a traditional supplier of teas and infusions.
<b>Processed Produce (mainly frozen)</b>	29,846 MT	\$ 26.4 million	7% per annum	25%	Lack of cold chain infrastructure. Quality misperceptions.	Shipping proximity. Nascent demand.
<b>Condiments and Sauces</b>	5,372 MT	\$ 13.9 million	14% per annum	30%	Local competition at lower price	Quality and diversity of U.S. products
<b>Precooked, ready-to-eat frozen meals</b>	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.
<b>Specialty Beers</b>	16 Million liters	\$ 15.3 million	46.6% 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.
<b>Spirits and Liqueurs</b>	11.7 million liters	\$38.6 million	25% 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.

Latest full calendar year data 2019 (January-December).

Source: Ecuadorian Central Bank information accessed through Trade Data Monitor, 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](mailto:agquito@fas.usda.gov)

For additional information, see [www.fas.usda.gov](http://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):** [www.bce.fin.ec](http://www.bce.fin.ec)

**Instituto Nacional de Estadísticas y Censo:** [www.inec.gob.ec](http://www.inec.gob.ec)

**Ministerio de Agricultura y Ganadería:** [www.agricultura.gob.ec](http://www.agricultura.gob.ec)

**AGROCALIDAD:** [www.agrocalidad.gob.ec](http://www.agrocalidad.gob.ec)

**Agencia Nacional de Regulación, Control y Vigilancia Sanitaria (ARCSA):**  
[www.controlsanitario.gob.ec/](http://www.controlsanitario.gob.ec/)

**INEN:** [www.normalizacion.gob.ec/](http://www.normalizacion.gob.ec/)

### **Attachments:**

No Attachments