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## **Ecuador**

### **Exporter Guide**

### **A Road Map to Exporting to Ecuador**

**Approved By:**

Kirsten Luxbacher - Agricultural Attaché

**Prepared By:**

FAS Quito Staff

**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 and lower to middle-income consumers' purchasing power and appetite for imports continues to grow. The Ecuador-EU Free Trade Agreement threatens the United States' market share in processed and fresh products.

**Post:**

Quito

## Market Fact Sheet: ECUADOR

### Executive Summary

While Ecuador continues to face economic stagnation linked to government debt and liquidity, opportunities exist for food and agricultural products. Domestic production cannot meet consumer demand, necessitating continued imports. Additionally, younger and lower to middle-income consumers' purchasing power and appetite for imports continues to grow. The Ecuador-EU Free Trade Agreement threatens the United States' market share in processed and fresh products.

U.S.-Ecuador bilateral agricultural trade in 2018 totaled \$2.4 billion. Ecuador maintains an agricultural trade surplus of \$1.6 billion. U.S. exports of food and agricultural products to Ecuador in 2018 totaled \$380.7 million, up \$83 million or 28 percent compared to the same period last year. This increase was driven by Ecuadorian demand for U.S. intermediate products (e.g. soybean meal) and consumer oriented products (e.g. meats and prepared food).

### Food Processing Industry

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, 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 ready to eat soups and seafood dishes.

### 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 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. 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 (%)	\$2.1 billion/ 13%
Consumer Food Imports From All Countries (\$Mil) / U.S. Market Share (%)	\$671.4 million/ 12.3%
Edible Fishery Imports From All Countries (\$Mil) / U.S. Market Share (%)	\$83.2 million/ 1.2%
Total Population (Millions) / Annual Growth Rate (%)	16.4 million/ 1.3%
Number of Major Metropolitan Areas (millions)	Guayaquil - 2.9 Quito (capital) -1.8
Per Capita Gross Domestic Product (U.S. Dollars)	\$11,500 PPP
Per Capita Food Expenditures (U.S. Dollars)	\$849.4
Percentage of household spending on Food	23.1%
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 as economy is still weak.

Data and information sources: FAS Quito

Contact: FAS Quito

## SECTION I. MARKET OVERVIEW

Ecuador’s real gross domestic product (GDP) is forecast to expand modestly in 2019, reaching the same growth rate as in 2018, about one percent. Economic growth is expected to recover some in 2021-23, averaging about two 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. 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 16.5 million inhabitants (Central Intelligence Agency, July 2018 estimate) with a median age of 28.1 years continues growing at just under 1.3 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 averages around 4.2 percent and will remain at this level through 2019. Ecuador’s underemployment rate is around 45 percent. This underemployment in the national workforce of 8.2 million limits further consumption. The government is seeking to increase 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 the import of food and other essential goods. FAS Quito forecasts that this demand will continue expanding in real terms, making Ecuador vulnerable to external price fluctuations.

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

	2016	2017	2018 Estimate	2019 Forecast	2020 Forecast
<b>Nominal GDP (\$ billions)</b>	99.9	104.2	104.2	107.9	108.4
<b>Real GDP Growth</b>	-1.2	2.4	1.4	1.6	0.7
<b>Consumer Price Inflation</b>	1.0	0.3	0.2	1.5	2.1
<b>Private Consumption (% real change)</b>	-2.4	3.7	1.8	2.2	0.4
<b>Public Sector Consumption (% real change)</b>	-0.2	3.2	1.6	0.5	0.3

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 2018 totaled \$2.4 billion. Ecuador maintains an agricultural trade surplus of \$1.6 billion. U.S. exports of food and agricultural products to Ecuador in 2018 totaled \$80.7 million, up \$83 million or 28 percent compared to the same period last year. This growth is driven by Ecuadorian demand for U.S. intermediate products (e.g. soybean meal) and consumer oriented products (e.g. meats and prepared food).

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

ADVANTAGES	CHALLENGES
Appreciation for U.S. food quality and culture.	Ecuador’s free trade agreement with the European Union enables consumer oriented food products from EU member countries to enter with reduced import tariffs.
Dollarization has brought a measure of economic stability for importers and improved consumer purchasing power.	Consumption of more expensive imported food and beverage products may slow as the economy is still weak.
Local food processing industry is not always able to offer competitive market prices.	Ecuador is a relatively small market, a constraining factor for U.S. exporters seeking large volume contracts.
Consumers are increasing fast food consumption and grocery store purchases.	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.
The tourism sector is growing, creating HRI opportunities for U.S. food products.	Food product smuggling.

## SECTION II. EXPORTER BUSINESS TIPS

Supermarket chains are the main channel for imported food products. These 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, Ministry of Aquaculture and Fisheries and/or 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 of the channel chosen, identify a strategic partner that will import the product.
- Obtain the sanitary notification or sanitary certification depending of 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 AND 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) regarding 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 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, SENA E 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 about Sanitary Notification please refer to on FAS Quito FAIRS report

### **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 animals 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.

### **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.

## **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.

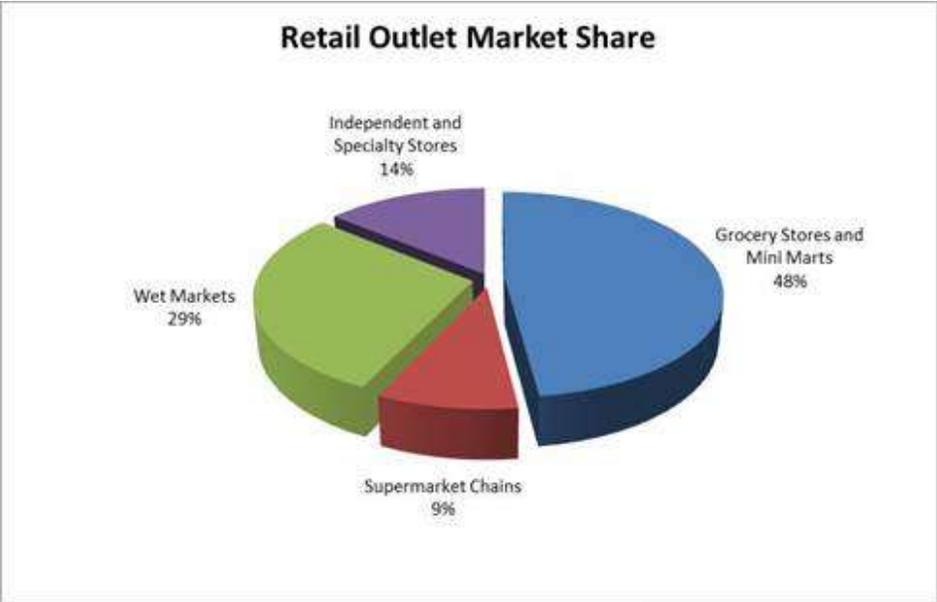
- The local partner will provide updated information on consumer trends, as well as identify niche markets, possible market development activities, and business practices.
- Major supermarket chains are forceful negotiators.
- Supermarket suppliers supply a wide range of products.
- Major food importers/distributors 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 roughly \$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 in part due to the stores' cleaner, more organized format and greater imported product availability. Most supermarket chains have stores in the large and medium cities and in many small cities they operate under 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 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).

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

	2016	2017	2018	2019 (estimate)	2020 (forecast)
Retail Food Sales (\$ billion)	\$ 23.4	\$ 23.9	\$ 24.6	\$ 25.5	\$ 26.4
Food, Beverage and Tobacco (consumer expenditure; \$ billion)	\$ 13.8	\$ 14.4	\$ 14.8	\$ 15.4	\$ 16.2

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, 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 2018 reached 2.4 million showing an increase of 51 percent compared to 2017. An increase of 10 percent is anticipated in 2019. 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 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.

### **SECTION V: Agricultural and Food Imports**

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

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

HS Code	Description	Imports from the world			Imports from the United States			U.S Share 2017
		2015	2016	2017	2015	2016	2017	
23	Food Industry Residues & Waste; Prep Animal Feed	596.7	596.6	666.2	205.5	184.8	110.1	17%
10	Cereals	314.6	285.6	348.6	85.1	69.5	75.1	22%
21	Miscellaneous Edible Preparations	202.1	174.8	204.7	26.5	21.0	27.2	13%
15	Animal Or Vegetable Fats, Oils Etc. & Waxes	144.9	128.2	147.2	0.6	1.2	1.5	1%
08	Edible Fruit & Nuts; Citrus Fruit Or Melon Peel	104.0	73.5	106.3	8.5	5.8	13.6	13%
19	Prep Cereal, Flour, Starch Or Milk; Bakers Wares	102.6	83.9	104.5	4.1	3.7	5.0	5%
17	Sugars And Sugar Confectionary	68.3	59.0	91.7	2.4	1.7	2.1	2%
03	Fish, Crustaceans & Aquatic Invertebrates	83.4	78.7	82.3	3.2	0.4	0.3	0%
22	Beverages, Spirits And Vinegar	32.9	26.0	52.7	1.7	1.7	2.4	5%
07	Edible Vegetables & Certain Roots & Tubers	43.2	47.8	48.9	1.5	1.1	2.3	5%
20	Prep Vegetables, Fruit, Nuts Or Other Plant Parts	45.4	33.9	46.0	4.1	1.9	2.1	5%
18	Cocoa And Cocoa Preparations	29.6	26.1	33.0	4.3	4.3	4.9	15%
11	Milling Products; Malt; Starch; Inulin; Wht Gluten	31.0	29.7	30.7	0.5	0.1	0.0	0%
12	Oil Seeds Etc.; Misc Grain, Seed, Fruit, Plant Etc	25.0	24.2	28.8	8.4	7.1	8.8	31%
05	Products Of Animal Origin, Nesoi	18.4	20.2	25.5	7.9	10.6	14.9	58%
01	Live Animals	26.1	26.2	23.4	2.7	1.1	2.1	9%
06	Live Trees, Plants, Bulbs Etc.; Cut Flowers Etc.	13.4	15.6	19.0	0.7	0.6	1.0	5%
09	Coffee, Tea, Mate & Spices	12.6	15.4	15.1	0.3	0.1	0.2	1%

04	Dairy Prods; Birds Eggs; Honey; Ed Animal Pr Nesoi	20.6	16.4	12.4	0.9	0.1	0.2	2%
13	Lac; Gums, Resins & Other Vegetable Sap & Extract	8.9	7.0	8.0	2.6	1.3	1.8	23%
02	Meat And Edible Meat Offal	12.6	5.8	6.9	6.5	1.3	2.7	39%
16	Edible Preparations Of Meat, Fish, Crustaceans Etc	5.5	5.1	6.5	1.2	1.2	1.5	23%
14	Vegetable Plaiting Materials & Products Nesoi	0.7	0.6	1.3	0.1	0.0	0.0	0%
24	Tobacco And Manufactured Tobacco Substitutes	2.0	0.4	0.4	0.0	0.0	0.0	0%
	<b>Grand Total</b>	<b>1945</b>	<b>1781</b>	<b>2110</b>	<b>379</b>	<b>321</b>	<b>280</b>	<b>13%</b>

Latest full calendar year data 2017 (January-December). NESOI = Not Elsewhere Specified or Indicated.

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

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

Partner Country	2015	2016	2017	% Share 2017	% Change 2017/2016
Chile	\$196	\$162	\$208	31.00%	29%
Colombia	\$94	\$68	\$95	14.20%	41%
<b>United States</b>	\$90	\$64	\$83	12.30%	28%
Peru	\$87	\$63	\$61	9.10%	-3%
Mexico	\$34	\$36	\$49	7.20%	37%
Spain	\$29	\$21	\$26	3.90%	22%
Netherlands	\$15	\$19	\$22	3.20%	16%
China	\$21	\$18	\$18	2.60%	-1%
Brazil	\$15	\$13	\$15	2.20%	15%
Italy	\$15	\$9	\$13	1.90%	42%
<b>Total top 10</b>	<b>\$596</b>	<b>\$473</b>	<b>\$590</b>	<b>87.60%</b>	<b>25%</b>

Latest full calendar year data 2017 (January-December).

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

## BEST HIGH-VALUE PRODUCT PROSPECTS

### Best Consumer-Oriented Product Prospects

Product Category	2017 Market Size Import Volume	2017 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>	107,673 MT	\$ 87.8 million	-0.2% 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>Dried Fruits and Nuts</b>	5,038 MT	\$ 21.3 million	3.4% 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>	7,027 MT	\$ 32.8 million	3% 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>	14,414MT	\$33.1 million	0.5% per annum	20%	Colombia benefits from competitive prices and shipping proximity.	Growing demand for elaborate confectionary products. Local sugar prices are high.
<b>Bakery Products, noodles and pasta</b>	34,310 MT	\$ 104.5 million	0.3% 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>	135 MT	\$ 819,536	9.5% per annum	30%	Strong local and EU competition.	The United States is a traditional supplier of teas and infusions.
<b>Frozen Produce</b>	9,715 MT	\$ 8.7 million	4.5% per annum Market	25%	Lack of cold chain infrastructure. Quality misperceptions.	Shipping proximity. Nascent demand.
<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>	7.3 million liters	\$ 6.7 million	20.5% 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>	3.6 million liters	\$16.4 million	10.3% 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 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](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/)