

**Multi-year Expert Meeting  
Enhancing the Enabling Economic Environment  
at all Levels in Support of Inclusive and  
Sustainable Development, and the Promotion of  
Economic Integration and Cooperation**

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**Enhancing the Enabling Economic Environment at All Levels in  
Support of Inclusive and Sustainable Development, and the  
Promotion of Economic Integration and Cooperation**

Paper submitted by

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Minister of Industry and Productivity of Ecuador



Ministerio  
de **Industrias**  
y **Productividad**

## Enhancing the Enabling Economic Environment at All Levels in Support of Inclusive and Sustainable Development, and the Promotion of Economic Integration and Cooperation

**Econ. Eva García Fabre**  
Minister of Industry and Productivity of Ecuador

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# Ecuador: Advantages



## Geographical conditions

Unique place for diverse and permanent resources supply.  
Mega environmental, climate and ethnic diversity.



## Strategic Infrastructure

High level, connected and in the middle of the world



## Development model

Aligned to the Millennium development goals.  
Focus on the development of talent and knowledge.  
Economic growth with significant reduction of poverty and social inequity.



## Productive Ethics

Occupational and environment

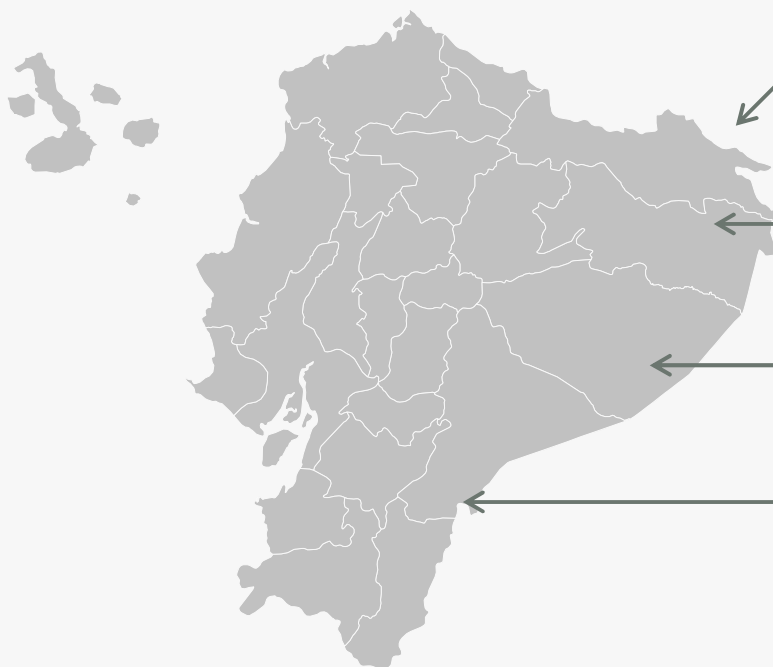


## Investment opportunities

Constitutional and institutional security.  
One of the lower tax rates for businesses in the region.  
Investment attraction regulations

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## Ecuador: General information



### **Population of Ecuador:**

16,6 million people.

### **Economic and active population:**

8,2 million people.

### **GDP:**

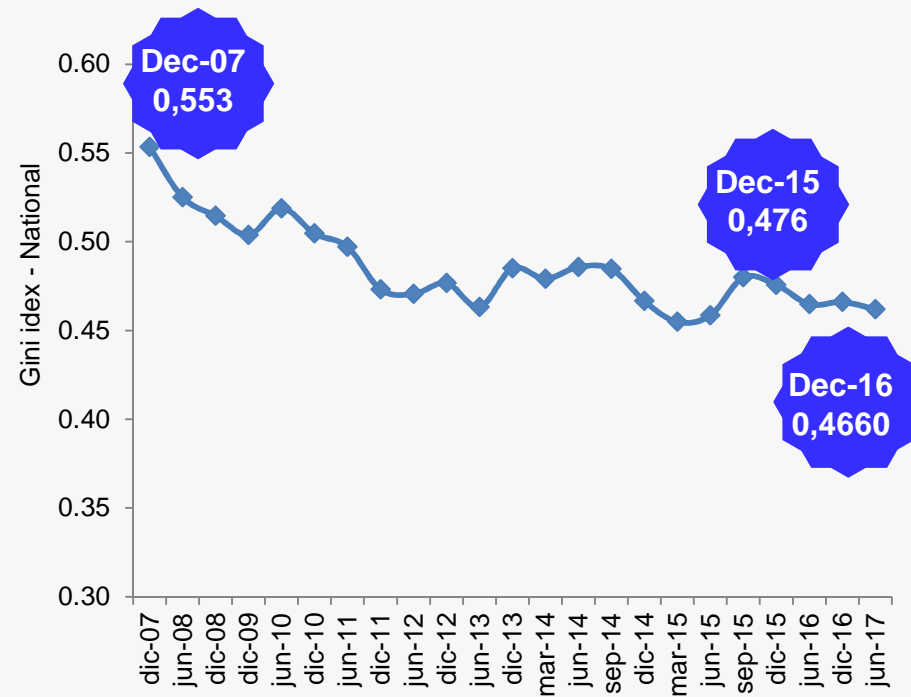
USD 5.969 in 2016 (World Bank)

### **Human development Index :**

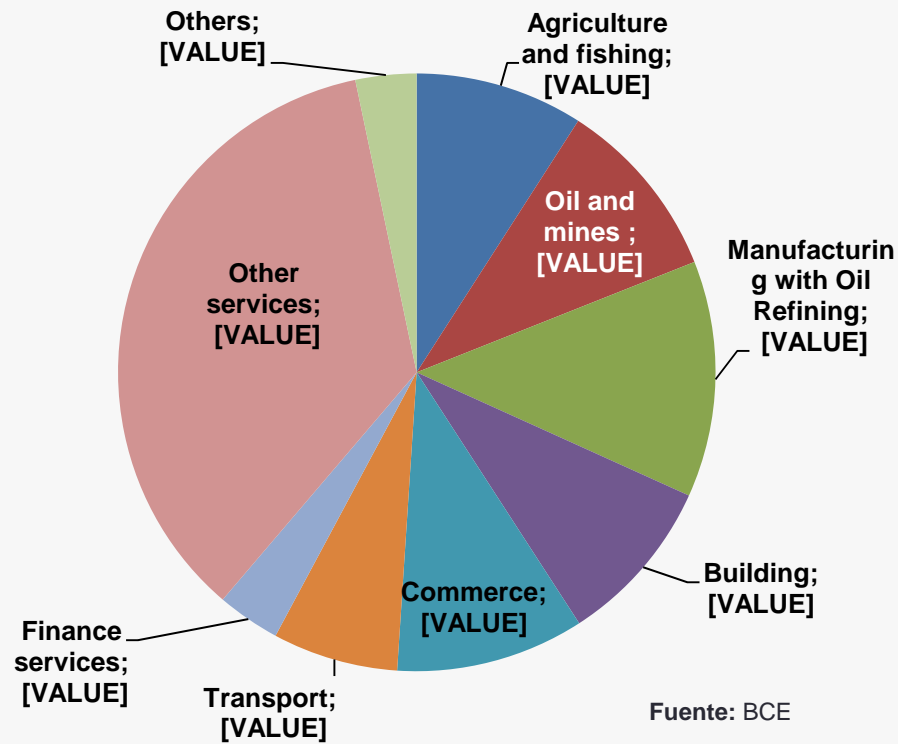
High position, place 89 (UN)

# Ecuador: Poverty and Inequality indicators

Gini Index for National income



# Ecuador: Productive structure (year 2016)

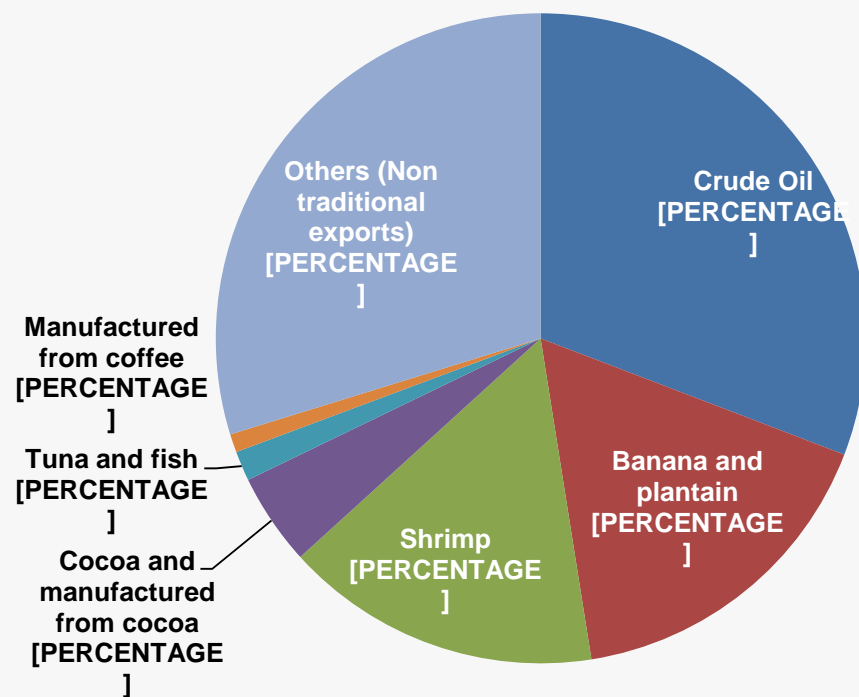


**Total GDP: USD 69.3**  
thousand millions (base year  
2007)

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# Ecuador: Export structure (year 2016)

Total exports: USD 16.800  
Millions



Fuente: BCE

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# Ecuador: New platform for systematic competitiveness



## Multi-purpose Project



- ✓ 182 thousand hectares for water irrigation
- ✓ 142 thousand hectares for floods control

## Telecommunications



- ✓ Conectivity forty times faster than the year 2006.
- ✓ Optical fiber (public-private) extended from 2174 miles (3500 km) to 37195 miles (59861 km).
- ✓ 1 from each 2 ecuadorians has access to Internet

## Markets



- ✓ Force and negotiating trade agreements correspond to 57% of exports of industrial goods.
- ✓ Creation of PROECUADOR for promotion of exportable goods and services, and attraction of investments.

## Human capital



- ✓ Investment of 2% from GDP for higher education.
- ✓ Improvement of quality in universities
- ✓ 20 thousands scholarships given to ecuadorians for studies in foreign countries.

## Logistic



- ✓ 94% the road network in good condition
- ✓ New ports, airports and craft

## Energy



- ✓ Ecuador has incremented twice its installed capacity in generating clean energies for the industries, from 4.070 MW to 8.569 MW (from 2006 to 2017).

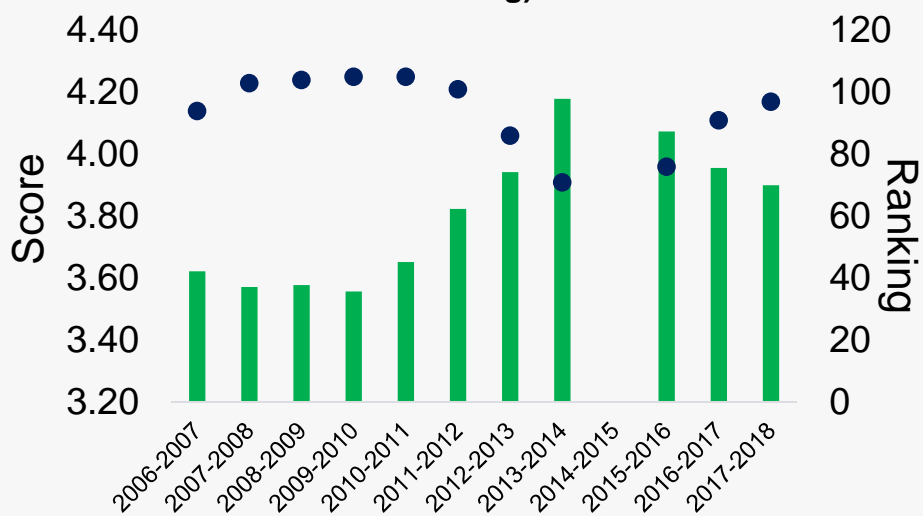
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# Ecuador: Global Competitiveness Index



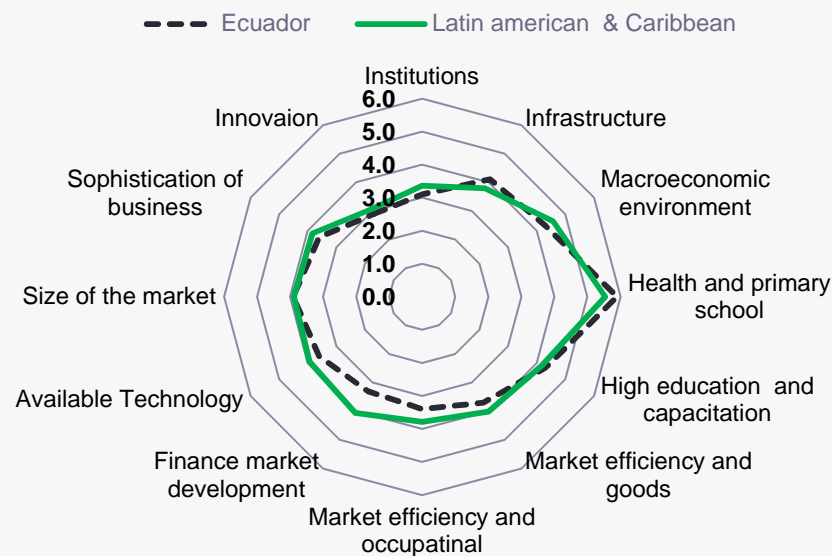
**Ecuador: Global Competitiveness Index (Score & ranking)**



■ Score ● Ranking

Source: World Economic Forum - Global Competitiveness Report - 2017

**Score ICG 2017-2018: Comparison Ecuador against to the region**



Fuente: Global Competitiveness Report - 2017

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# Ecuador: Insertion into global value chains

## Gourmet Coffe



## Chocolate TOAK



## Shrimp



## Software



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# Industrial Policy of Ecuador

**VISION:** In 2025, Ecuadorian production diversifies, differentiates and is inserted into the world with higher value-added manufacturing and services, through innovative, competitive companies with world-class standards and maximizing the platform for systemic competitiveness generated.

Entrepreneurship  
and innovation

Quality

Productivity

Investment

Market

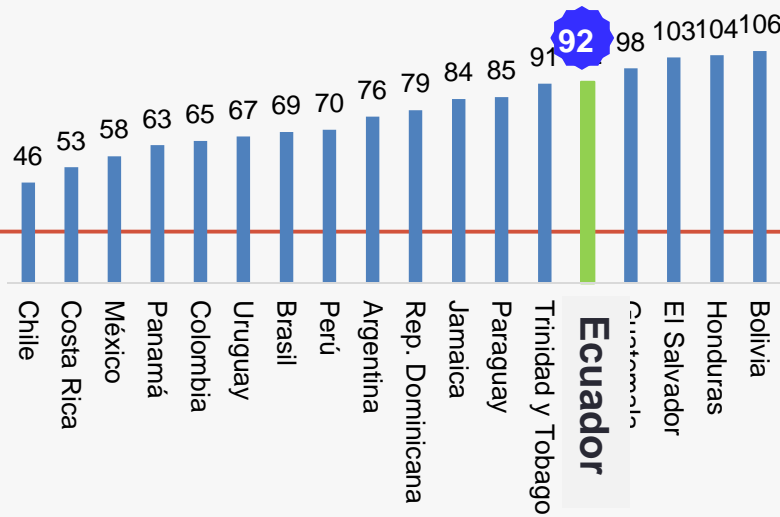
Promoting Ecuadorian production

# Entrepreneurship and Innovation

Ecuador is located at the 92 position between 127 countries according to the Global Innovation Index.

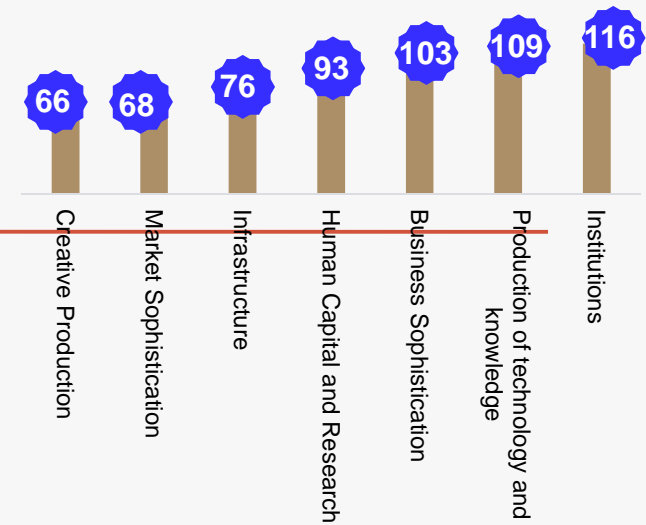
Its main weaknesses lie in the dimensions of institutions and production of technology and knowledge.

Latin America and the Caribbean:  
Ranking of the Global Innovation index\*



Source: Global Innovation Index Report, 2017.  
\* With respect to 127 countries

66 Ecuador: Ranking between Global innovation Index components (127 countries)

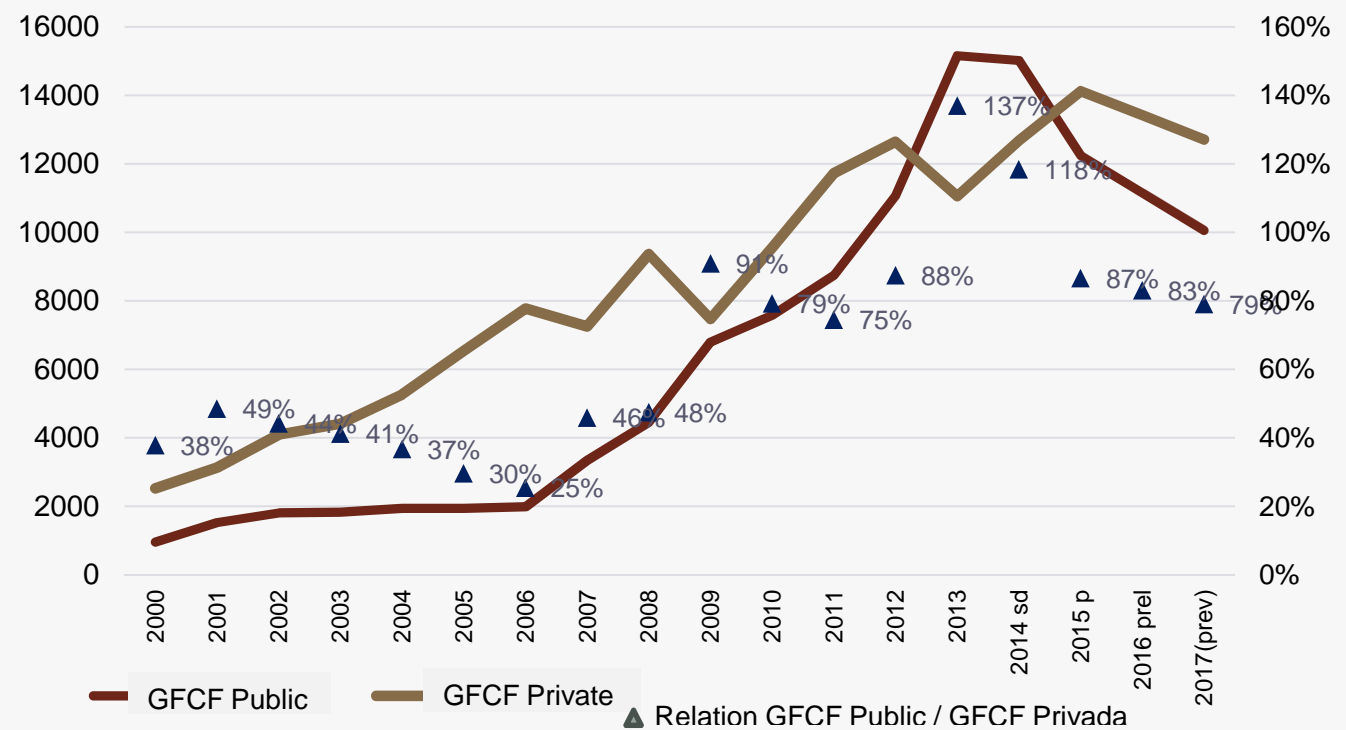


Source: Global Innovation Index Report, 2017.

# Investment

- Private and investment have increased in recent years.
- However, public investment grew in greater magnitude than private investment specially for the years 2013 and 2014.

**Ecuador: Public-private Gross fixed-capital formation (in millions of USD)**



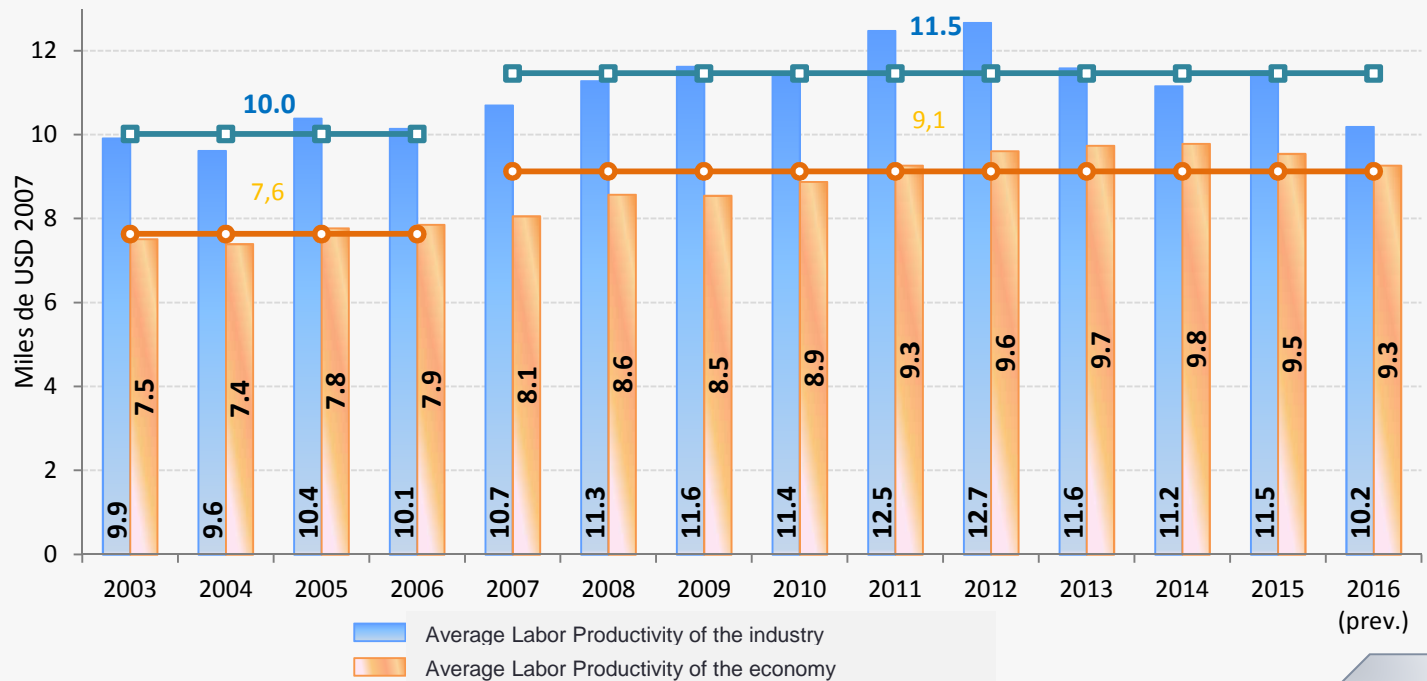
Source: BCE

# Productivity

The Average Labor Productivity of the industry has decreased since the year 2012.

The Average Labor Productivity of the economy registers two consecutive years of degrowth.

## Evolution of Average Labor Productivity



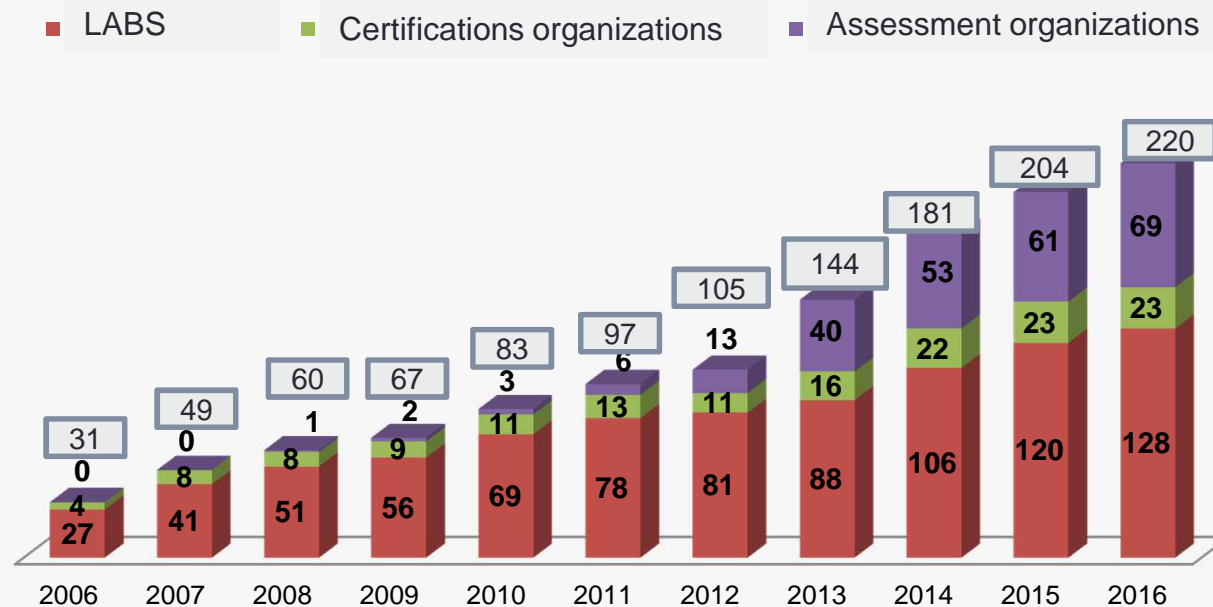
Source: Monthly Statistics Report, BCE. National Employment and Unemployment Survey, INEC

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## Quality

- 36% of the Ecuadorian technical regulations have a conformity assessment organizations that ensures compliance.
- National producers who must demonstrate the quality of their products must send abroad to carry out the required tests which raises their costs.

### Accreditations of conformity assessment organizations



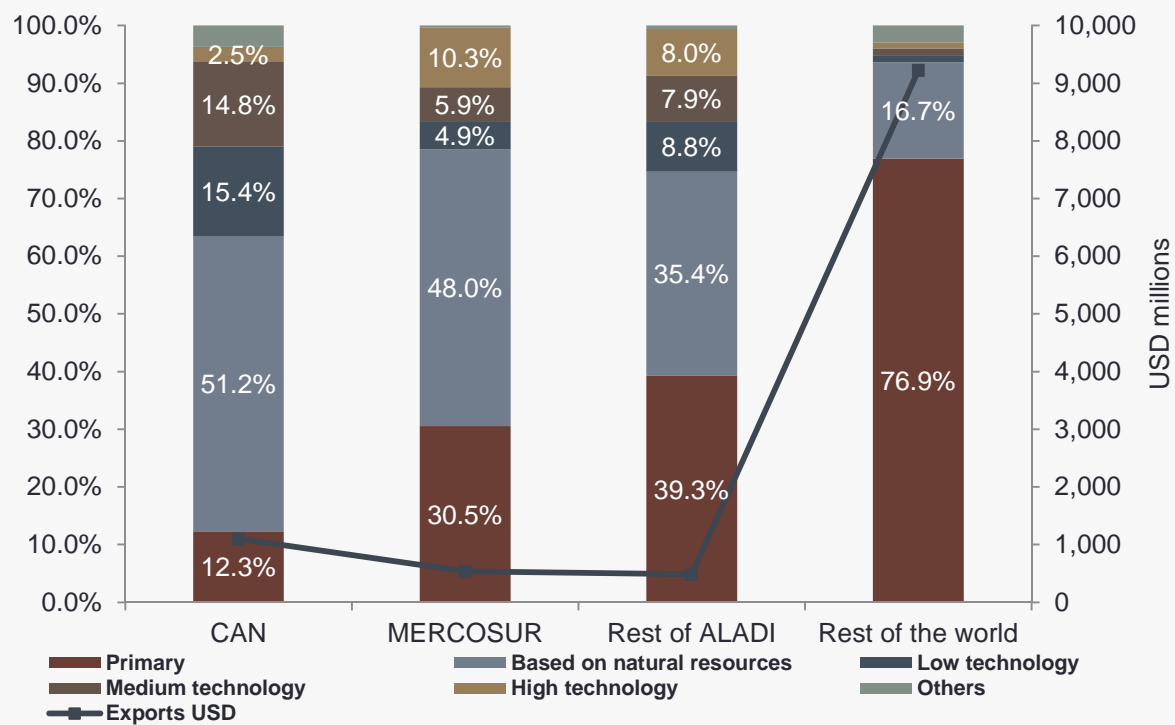
Source:SAE

## Market:

Exports mainly from primary and natural resource-based products.

Technology products are exported almost entirely towards CAN, MERCOSUR and other ALADI.

### Non-oil exports by destination and product type (year 2016)



Source: BCE

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## Industrial development intends to achieve:



### In the economy:

- Strengthen dollarization
- Increase investment
- Generate employment of quality



### In public – private relations:

- To promote a leading role in the private sector (Productive Dialogue).
- Strengthen academia-business-state relationship towards production



### In the region:

- Promote economic integration
- Promote productive complementarity



### In the production:

- Improve quality
- Diversify goods and services
- Generate innovation in the sectors
- Strengthen product chains

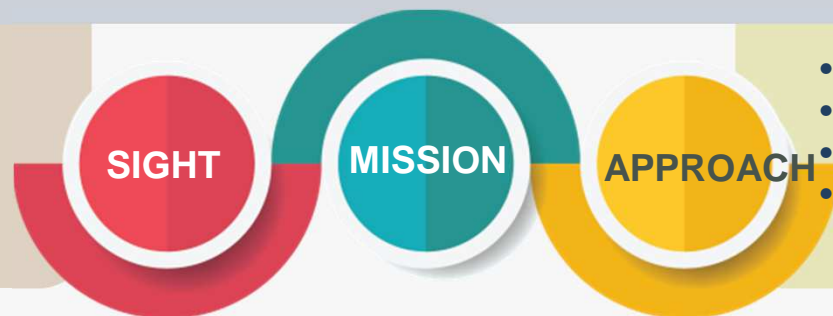
**In a framework of trust, stability and permanent dialogue**

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# Citizen Business Development Centers (CBDc)

Implementing a national network of citizen Business Development centers in coordination with the private and academic sector

To promote the territorial business development through the provision of specialized services



- Business Incubation
- Productive innovation
- Business sustainability
- Business acceleration

## STRATEGIC AXES

### 1.- Joint

Public Private  
Academy

### 2.- Service delivery

Business development  
Innovation

### 3.- Specialization

Productive  
vocations

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# Dialogue as an instrument:

## The Consultative Council Productive and Tax



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# Dialogue as an instrument:

**The National  
Agreement for the  
production and  
employment**



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# Dialogue as an instrument:

## Provincial competitiveness Workshops



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# Thank you very much

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