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

26-27 October 2017

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

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

This expert paper is reproduced by the UNCTAD secretariat in the form and language in which it has been received. The views expressed are those of the author and do not necessarily reflect the view of the United Nations.
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

Prosperidad para todos
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
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

Gini index - National

Dec-07 0,553
Dec-15 0,476
Dec-16 0,4660
Ecuador: Productive structure (year 2016)

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

Fuente: BCE
Ecuador: Export structure (year 2016)

Total exports: USD 16.800 Millions

Crude Oil
Banana and plantain
Shrimp
Cocoa and manufactured from cocoa
Tuna and fish
Manufactured from coffee
Others (Non traditional exports)

Fuente: BCE
Ecuador: New platform for systematic competitiveness

**Multi-purpose Project**
- ✔ 182 thousand hectares for water irrigation
- ✔ 142 thousand hectares for floods control

**Telecommunications**
- ✔ Connectivity 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).

**Prosperidad para todos**
Ecuador: Global Competitiveness Index

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


Fuente: Global Competitiveness Report - 2017
Ecuador: Insertion into global value chains

- Gourmet Coffee
- Chocolate TOAK
- Shrimp
- Software
**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.

Promoting Ecuadorian production
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*


* With respect to 127 countries
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.

Source: BCE
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.

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
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
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
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

**SIGHT**

**MISSION**

**APPROACH**

---

1.- Joint
Public Private Academy

2.- Service delivery
Business development Innovation

3.- Specialization
Productive vocations

**STRATEGIC AXES**

- Business Incubation
- Productive innovation
- Business sustainability
- Business aceleration

**Prosperidad para todos**
Dialogue as an instrument:

The Consultative Council Productive and Tax
Dialogue as an instrument:

The National Agreement for the production and employment
Dialogue as an instrument:

Provincial competitiveness Workshops
Thank you very much

Econ. Eva García Fabre
Minister of Industry and Productivity of Ecuador
egarcia@mipro.gob.ec