



República del Ecuador  
Representación Permanente de  
Ecuador ante la Organización Mundial  
del Comercio y otras organizaciones  
económicas en Ginebra



**United Nations Conference  
on Trade and Development**








Ministerio  
de Relaciones Exteriores  
y Movilidad Humana

# TRADE AND TRANSPORT COSTS OF ECUADOR

**PERMANENT MISSION OF ECUADOR - UNCTAD AND OTHERS  
INTERNATIONAL ECONOMIC ORGANIZATIONS**

Geneva, 12 / Nov / 2018

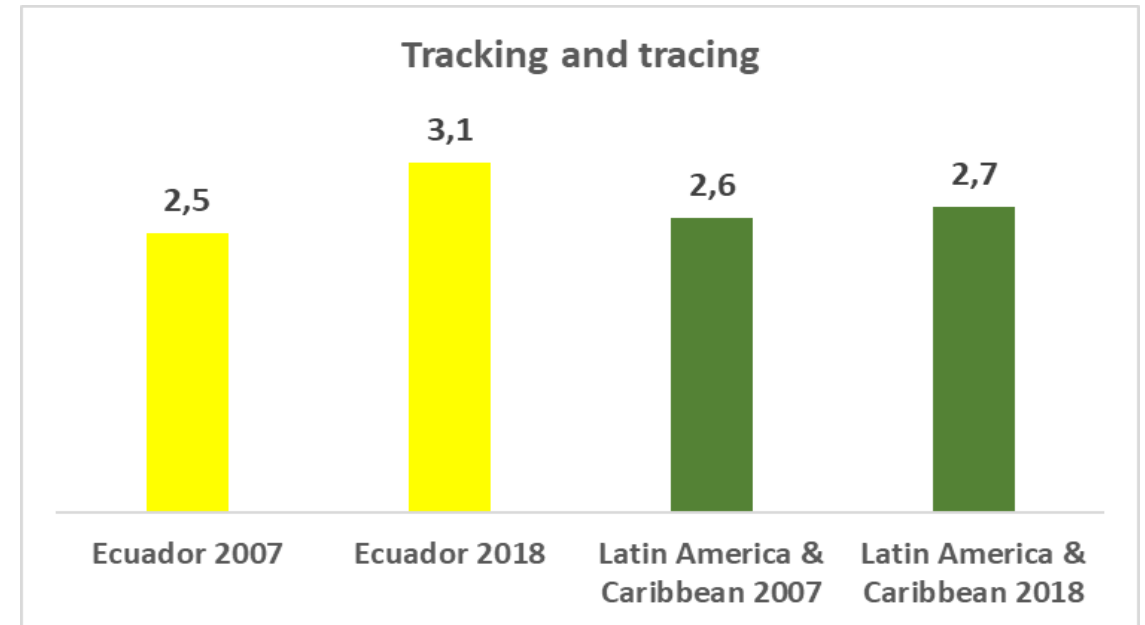
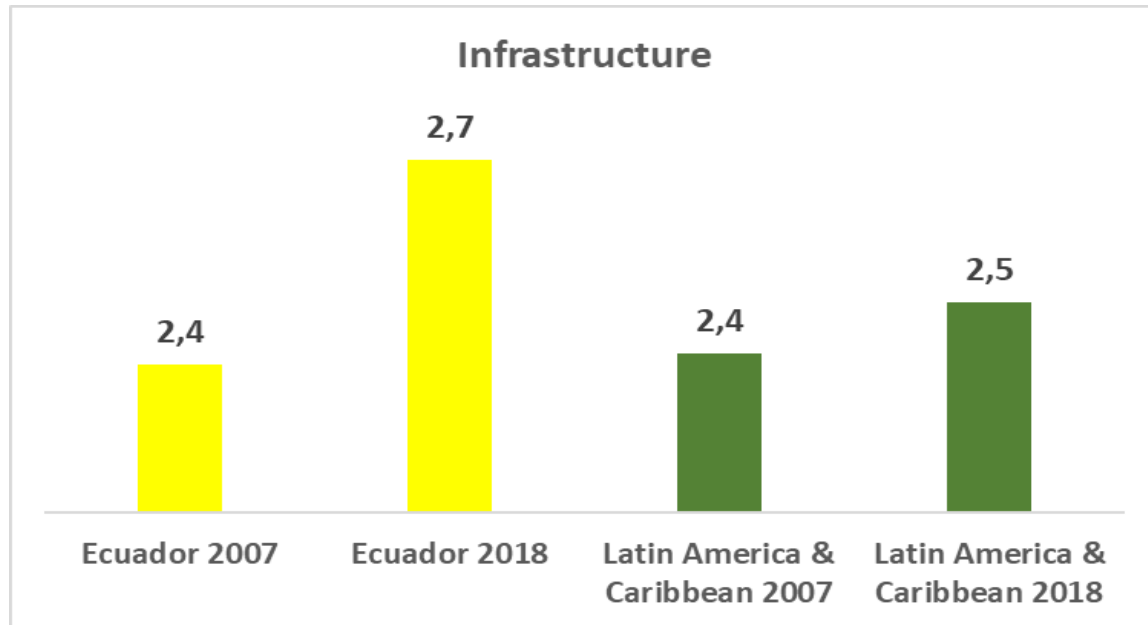
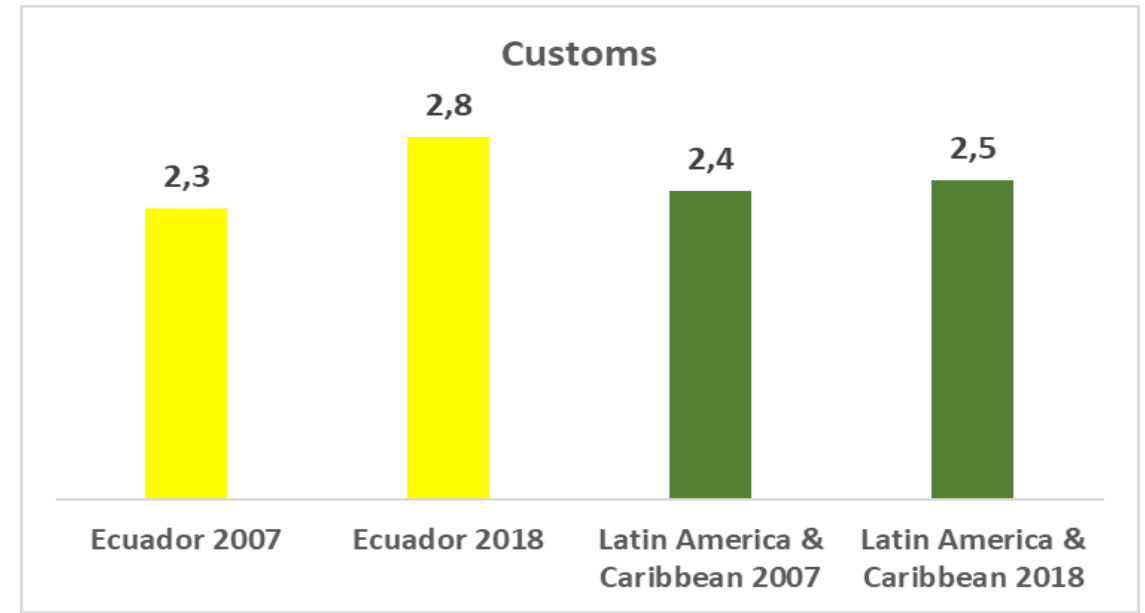
**LOGISTIC COSTS OF EXPORTS**  
**April – June 2018**

SELECTED PRODUCTS	% X	(A)	(B)	(B/A)
		GOODS VALUE CONTAINER 40 FT (THOUSAND USD)	LOGISTIC COST (THOUSAND USD)	LOGISTIC COST
 <b>BANANA</b>	24%	9,4	1,5	16%
 <b>SHRIMP</b>	25%	161,7	2,2	1%
 <b>PRESERVED TUNA</b>	9%	66,8	1,8	3%
 <b>COCOA BEANS</b>	5%	53,1	2,0	4%
 <b>FROZEN FISH</b>	2%	44,5	1,6	4%
<b>OTHERS</b>	35%		9,1	
<b>TOTAL SELECTED NON OIL EXPORTS</b>	<b>100%</b>			

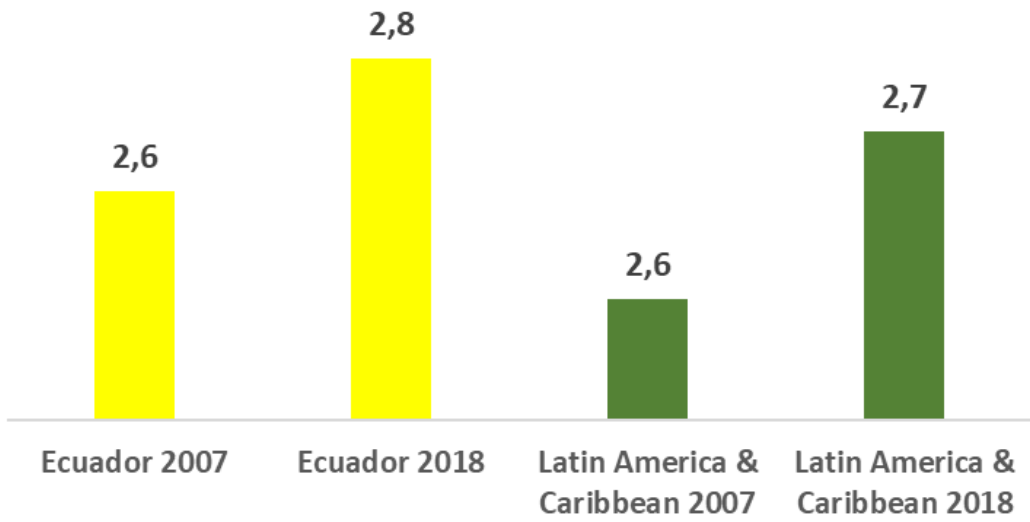
**Logistic cost has decreased 3% in the last year to 5,4%**

*(B) Not include freight cost  
 Source: Logistic Coordination of Ministry of Foreign  
 Trade and Investments - Ecuador*

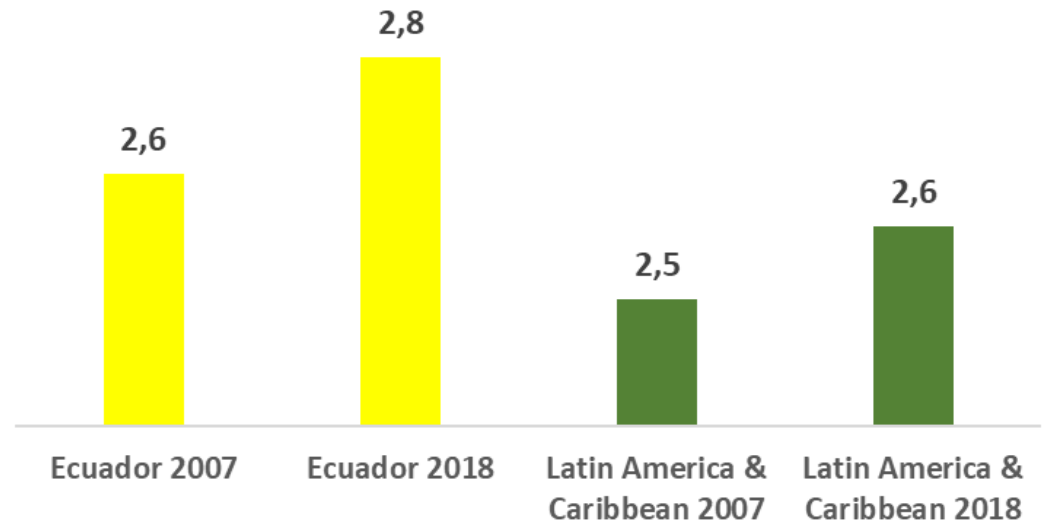
# LOGISTIC PERFORMANCE INDEX (LPI)



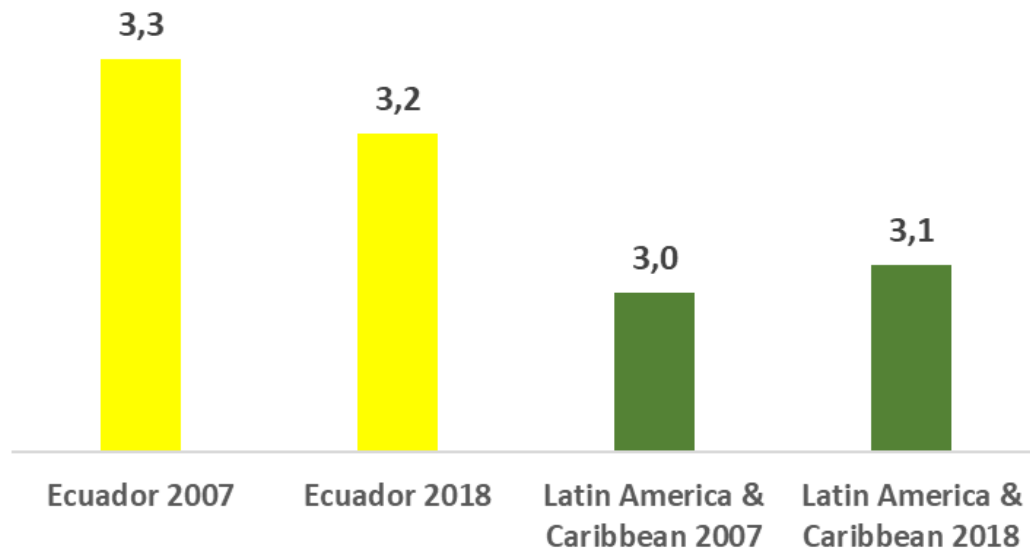
### International shipments



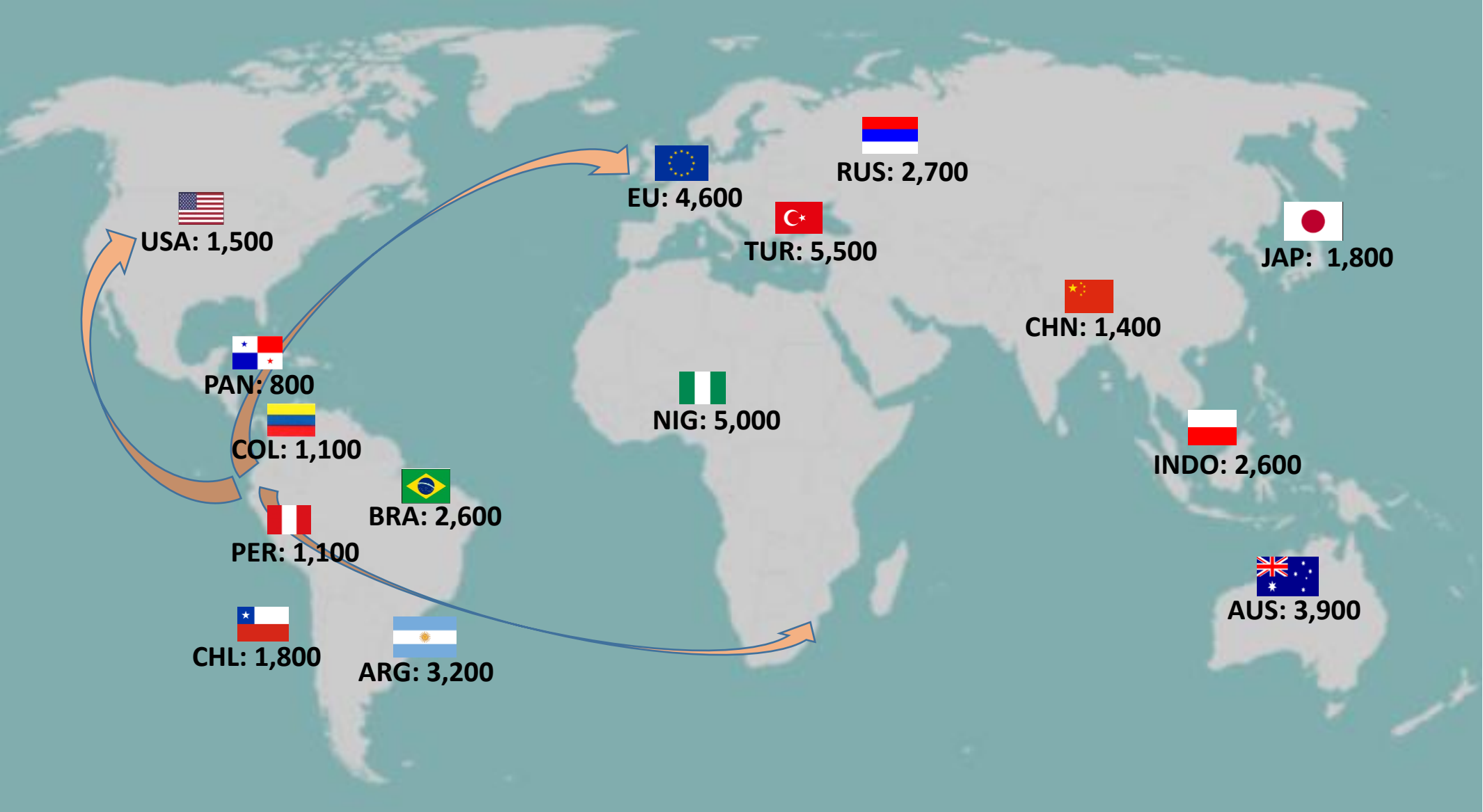
### Logistics competence



### Timeliness



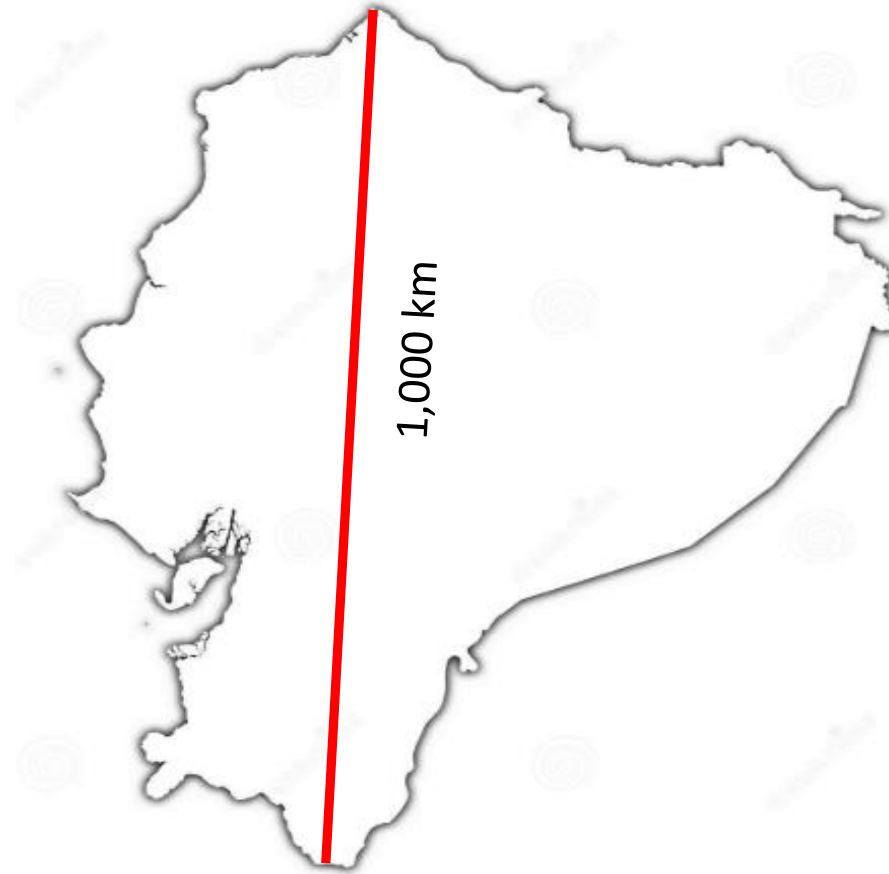
# AVERAGE LOGISTIC COST OF NON OIL EXPORTS OF ECUADOR (USD / Container 40 FT)



Source: PROECUADOR

## INTERNAL TRANSPORT COST IN ECUADOR

**GROUND COST:  
USD 1,500**



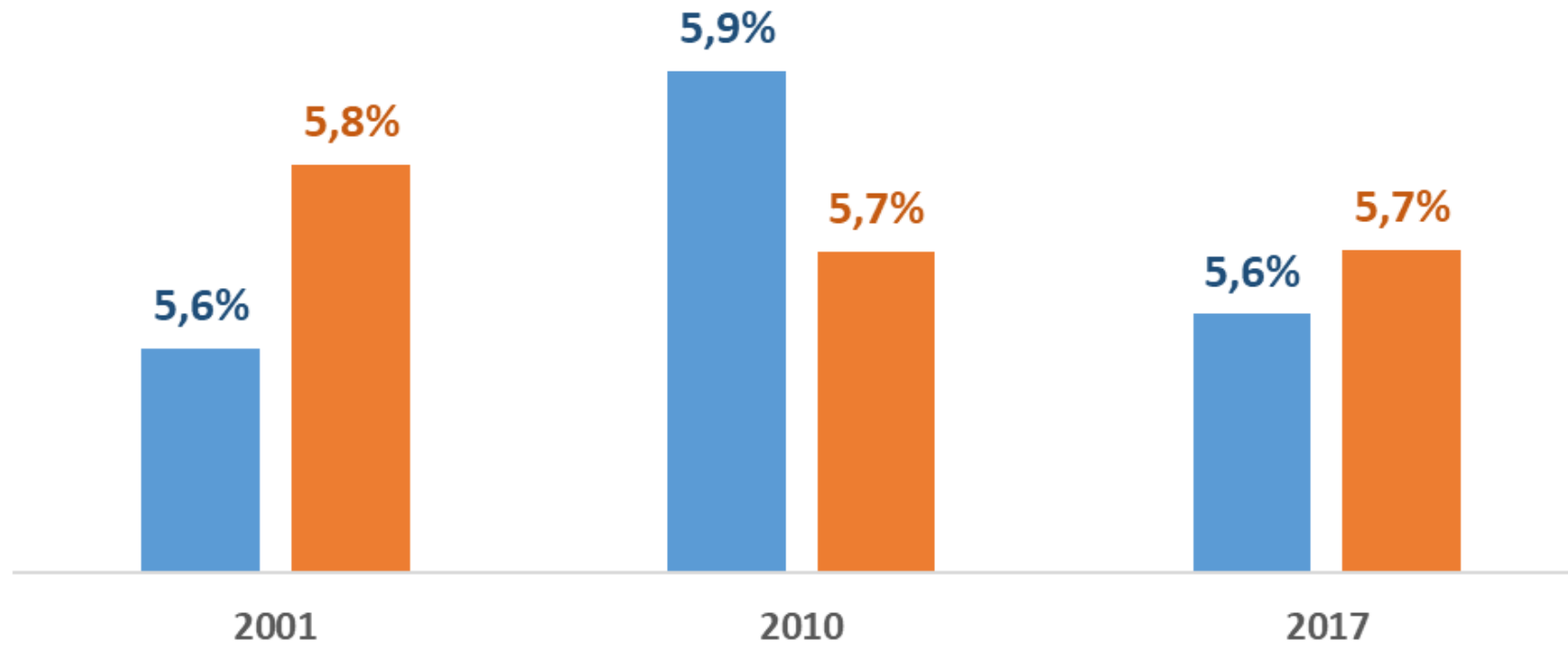
**Example for transporting 3,000 Kg a distance of 1,000 Km**

# South American Ports

- Limited potential of hubs in the region
  - Low transshipment traffic (0,5% world share)
  - There are not wide terrestrial connections nor high volumes of cargo.
  - Low volume of trade, high costs and location, the ports of the South American Atlantic are better owned.
- Ports should to integrate at regional level in order to take advantage of regional products.
- There is an increase in the export of port services between the countries of the Pacific coast
- Public investment has been made in port and land infrastructure.
- Regional coordination of transport and infrastructure investment policies is needed to enhance regional viability rather than attempting to have a logistics hub in each country.

## EXPORTS AND IMPORTS SHARE LATIN AMERICA AND CARIBBEAN

■ % EXPORTS ■ % IMPORTS





# SVE TRADE COST\*

- The use of technology reduce the trade related cost, however the biggest challenge is the rise in the technology gap between developing and developed economies.
- The implementation of tools that reduce trade costs, as the single window for customs process, requires the use of digital tools in order to be effective.
- There are several factors that determine the trade cost related to transport, they are:
  - 1) Distances
  - 2) Economies of scale
  - 3) Imbalances
  - 4) Type and value of goods
  - 5) Competition
  - 6) Port characteristics

## SVE TRADE COST 2\*

- In the practice, private administration of ports gives better results.
- It is a good idea to foster competence between ports, in some cases the alternative is to specialize them.
- Currently there is a concentration in the global container shipping industry, few companies provide most of the service. There is also a rise in the efficiency through the increase of the ships size.
- It is important policy makers follow up the changes in the shipping market to formulate adequate responses.