

## Ecuador: Bananas lead in exports to the EU

On Friday, June 30, 2017, the agreement between Ecuador and the European Union (EU) completed six months of being in force and the results so far have been positive.

According to the Ministry of Foreign Trade, exports grew by 20% in value between January and May of this year when compared to the same period in 2016.

It is still premature for exporters to say if these results are a direct effect of the agreement. However, businessmen in the sector agree that there was an increase in sales thanks to the recovery of prices and an increased demand.

The newspaper El Comercio stated the most commercialized products so far were basically foods that had already reached that market and that are part of the country's traditional offer.

Bananas, however, lead the list of products that the country sends to the EU. One of the factors that influenced the growth of exports was the reduction of the tariff that Ecuadorian bananas paid to enter the EU. Up until 2016 the country had to pay 104 euro per metric ton in tariffs, which made its bananas much more expensive than those of its competitors.

This year the value decreased to 97 euro per metric ton, that is to say, barely one euro more than the Colombian banana. The Ecuadorian fruit increased its participation in the European market, going from 29 to 35%.

According to Richard Salazar, the administrator of the Banana Marketing and Exports Association (Acorbanec), Europe is a demanding market and the exporters have adapted well to it.

This year the Association expects to increase its sales to the EU by 6 to 8%. Importers want their product because of its quality and because it responds to the requirements of the customers by countries.

According to exporters of raw and cooked vegetables, the agreement with the EU brought stability, which allowed them to achieve long-term contracts. Rafael Gomez de la Torre, head of the Association of Producers of Fruits and Vegetables (Aprofe), said that previous contracts were valid for up to one year.

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