

Ecuador: Banana exports up to October grew by 12%

Ecuadorian banana exports between January and October increased by 12%. According to Ecuador's Central Bank (BCE), in that period of 2017, Ecuador sold a total of 5,333 tons of bananas, mainly to the European Union, which was the main destination with a 35% share.

According to El Telegrafo, the five main destinations for Ecuador's fruit shipments have been the European Union, Russia, the United States, Argentina and Turkey. Russian importers stood out with 24% of the total, while US accounted for 18% of the total.

Based on this data, Eduardo Ledesma, the president of the Association of Exporters of Bananas of Ecuador (AEBE), estimated that Ecuador would have exported some 325 million boxes of bananas in 2017. Meanwhile, the Ecuadorian Banana Regional Corporation (Agroban), estimates that the country sold 300 to 315 million boxes of bananas in 2017.

According to Ledesma, despite the good figures the export activity still faces multiple obstacles, such as current regulations and procedures. In addition, he said, Mexican and Guatemalan bananas cost less than the Ecuadorian product, so they have had to reduce the product's minimum price.

Port fees

Ledesma criticized the port fees, which in his opinion are "exaggerated and affect the competitiveness of the production of the province of el Oro, which accounts for 27% of the national production." He said the fees would affect more than 100 million boxes and leave 500,000 people without direct and indirect employment, he said.

In turn, Richard Salazar, the executive director of the Banana Marketing and Export Association (Acorbanec), complained about the current general regulations. The law regulating the sector was issued 20 years ago and no longer adjusts to reality, said Salazar, who added that its reform was requested to the Productive and Tax Advisory Council, and that it was being analyzed by the Food Sovereignty Committee of the National Assembly. "We won with the agreements, but the internal measures (including the tariffs in Puerto Bolivar) leave us out of the market," he said.

Finally, the exporters ask the single tax payment be reviewed. "In our opinion, it is excessively high. It represents around 40% of the Income Tax (IR). We demand it be reviewed immediately," said Salazar.

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