



Ecuador is Open for Business!

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Ambassador of the Republic of Ecuador to Japan



Ambassador Jaime Barberis received his doctorate in Law at the Catholic University of Ecuador in 1981. He is a member of the Ecuadorian Foreign Service since 1979. He has held diplomatic posts in Austria, Switzerland, Washington, Germany, Hungary, Bulgaria, Rumania, Serbia, Greece and Croatia. He was appointed as Ambassador of the Republic of Ecuador in Japan in March 2017.

Under the premise “More Ecuador in the World and More World in Ecuador”, the Government of Ecuador, led by President Guillermo Lasso, directs national policies towards confirming Ecuador as a land of opportunities for foreign investment.

This vision is centred on the attraction of responsible investors, who are committed to contributing to the country’s development through the injection of capital, and in strict compliance with national legislation, especially in matters of the environment, labour rights and human rights, though public-private and private projects, in the fields of aquaculture, fishing, agroindustry, energy, infrastructure, mining and tourism.

The governmental actions focus on enhancing national legislation and improving processes to ease business making. The action-angle is primarily supported by creating free trade zones, supporting entrepreneurship, facilitating foreign investment, tax adjustments and fiscal sustainability.

The promotion and attraction of investment are state policies since 2018 and a priority public policy since June 2021, ensuring foreign capital flow, promoting foreign investment to achieve national development goals, maintaining an economic boost, and warrant investors’ rights. Ecuador’s financial system has shown positive enhancement in the last years, marked by a dollarized economy that ensures economic stability and low inflation. For instance, the Ecuadorian Gross Domestic Product (GDP) grew by 1.9% from 2010 to 2020, which is 0.2% higher than Latin America and the Caribbean average, and the inflation rate is currently the second-lowest in the region -0.83% (March 2021).

Complementarily, national policies safeguard and

fortify incentives for investment, which are keystones to enhance the relationship with foreign private undertakings. In this regard, through trade agreements (FTAs) and double-taxation prevention treaties (DTAs) signed with our main commercial partners, Ecuador has access to a market of 800 million people. Thus far, Ecuador is part of eleven FTAs, comprising bilateral and regional schemes such as the European Union, EFTA, the Andean Community and Mercosur, and twenty-one DTAs, including Japan.

Moreover, with the signing of the agreement on the Settlement of Investment Disputes between States and Nationals of Other States (ICSID), on June 21st, 2021, Ecuador shows its precise determination to promote a safe and trustful environment for foreign investment and to meet new commercial partners and strengthen relationships with those where alliances are already in place.

In practice, the deployed Ecuadorian strategy to promote foreign investment is based on three pillars: investment contracts, SEDZ (Special Economic Development Zones) and PPPs (Public-Private Partnerships).

Investment Contracts

Investment contracts are focused on investments of more than 1 USD million, which need to be oriented to creating new job places. The contracts establish the terms and conditions regarding a particular investment project, including the stability over tax incentives for up to 15 years.

Special Economic Development Zones

The establishment of SEDZ is oriented to increase foreign investment in technology & innovation, industry, logistics and tourism by offering tax incentives and financial and custom benefits. Those zones are presently located in the cities of Quito, Posorja and Progreso; the Port of Guayaquil; and in the Universities of Yachay and Litoral-ESPOL.

Public-Private Partnerships

PPPs represent a legal-financial scheme agreed between a public institution and a private entity to provide goods, work or services for the central and local governments. Projects can be framed in strategic sectors such as energy or telecommunications; prioritized sectors such as agroforestry or petrochemistry; and basic industries such as refining copper, metallurgy, or cellulose.

Investment Incentives

The incentives included in the Ecuadorian law cover general investment, investment in prioritized sectors, SEDZ, depressed and borderline areas, and associated with PPPs. General incentives apply for all new and productive investments and include additional deductions for calculating the Income Tax (IR), easement of payment in foreign trade taxes and the exception of the Foreign Exchange Outflow Tax (ISD). Regarding new and productive investments in prioritized sectors, investors could benefit from an IR exemption for 12 years, 8 years if the investment is within the urban perimeter of Guayaquil and Quito, 15 years for investment in industrial, agro-industrial and agricultural-associative sectors, or in frontier cities; and 20 years exemption if the investment is in tourism for SMEs or in a communitarian or associative manner.

Furthermore, foreign investment in SEDZ receives a 10 year IR and ISD exemption and the Value Added Tax (VAT) for importing machinery or raw materials. Besides, investors could receive a VAT tax credit on national purchases in acquiring machinery and raw materials and an exemption from tariffs on imported goods.

Public-Private Partnerships PPPs also receive incentives such as a 10 year exemption in IR from the first year of operation, ISD exemption on imports, financing and dividend payments, and exemption of tariffs and VAT



Port Guayaquil

on imports related to the project.

Portfolio of Investment Projects

Finally, in a complementary way, a portfolio of projects has been designed to guide investors and financial institutions, both national and international, on Ecuador's investment opportunities. These projects are classified into public-private and private investments and cover, as stated before, the areas of aquaculture, fishing, agroindustry, energy, infrastructure, mining and tourism.

Ecuador and Japan

Whereas the bilateral trade relationship between Ecuador and Japan has been based on agricultural products, agroindustry could be a possible area of primary interest for Japanese companies. Nonetheless, given their experience, other sectors such as mining, energy and infrastructure could also be in their sight and interest.

The invitation to invest in Ecuador is open. I am confident that Japanese companies would not miss seeing Ecuador as a land of investment opportunities.



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