



# Ecuador

Where **Opportunities**  
are Unfolding for  
Large Corporates

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# The Ecuadorian market

Ecuador has the eighth largest economy in Latin America, with GDP of \$106.17 billion in 2021<sup>1</sup>. The economy has delivered rapid growth over the last 20 years, from \$18 billion in 2000.

Located close to the equator on the west coast of South America, Ecuador is blessed with a diverse landscape and the most varied soils in the world, spanning an area of 109,484 square meters<sup>2</sup>. There are stretches of highly fertile volcanic and prairie soils that are rich in organic matter. That's the reason the country is a major exporter of petroleum and a tourist destination.

**The Ecuadorian economy is expected to grow by:**

**2.8% in 2022**

**2.3% in 2023**



**18.24 million**  
population<sup>3</sup>



**27.9 Years**  
median age of  
Ecuador's population<sup>4</sup>



**US dollar**  
(\$)-currency



**60%**  
internet user  
penetration<sup>5</sup>



**4.7 billion**  
internet users in  
Ecuador



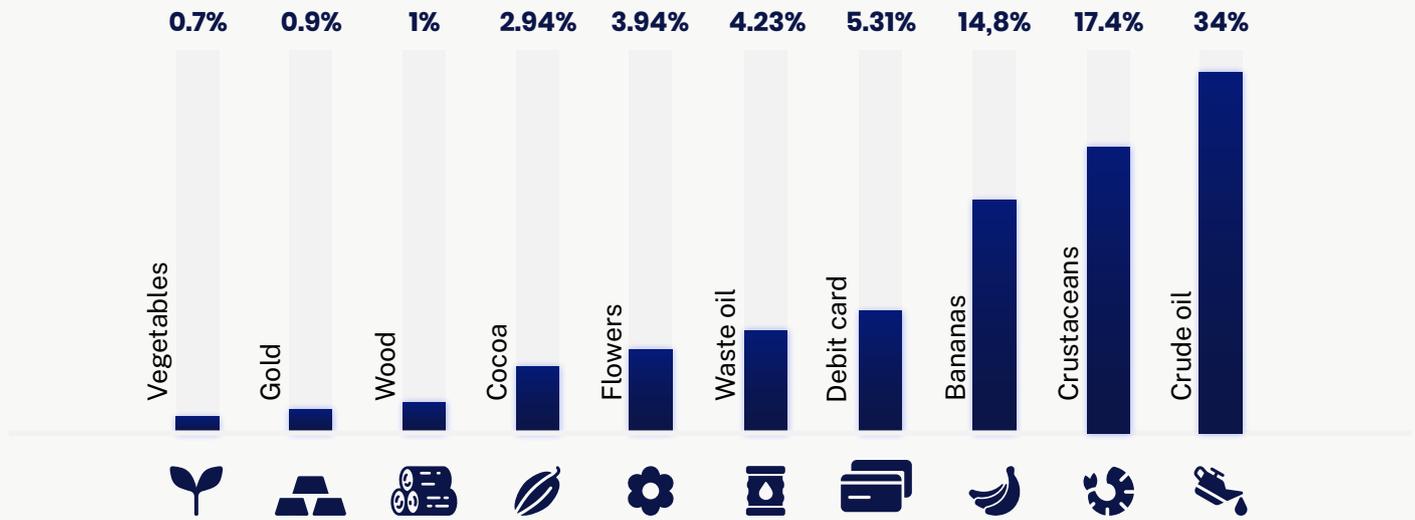
**\$7.19 billion**  
total transaction  
value in digital  
payments in 2022<sup>6</sup>

Ecuador is the 22nd largest exporter of crude petroleum in the world and its petroleum resources accounts for more than 50% of the country's export earnings<sup>7</sup>. In 2020, Ecuador exported almost \$5 billion worth of crude petroleum, mainly to Panama, the US, Chile, China, and India<sup>8</sup>.

Recent technological developments have led to the growth of textiles, processed foods, metallurgy and the services sector.

**Ecuador produces around 500,000 barrels of oil per day, of which 90% is exported**

**Ecuador’s main products as a percentage of exports are<sup>9</sup>:**



## Ecuador’s thriving services sector

The services sector has become the most important sector in Ecuador, accounting for around 53% of GDP. The sector employs more than 53% of the country’s working population<sup>11</sup>.

### Ecuador’s ecommerce market

The country’s large youth population is highly tech savvy, which has been a major factor driving ecommerce adoption. Ecommerce grew by more than 43% in 2020 and another 24% in 2021<sup>12</sup>.

### Ecommerce market in Ecuador



22.7 mn ecommerce transactions were carried out in 2020<sup>13</sup>



~36% user penetration expected by 2025



6.7 mn user base forecasted for 2025

## What do Ecuadorians shop for online?



Footwear



Apparel & accessories



Household products



Jewellery & cosmetics

88.4%

ecommerce sales projected for 2022

\$6.14 bn

ecommerce revenue expected for 2025

~17%

CAGR projected from 2022 through 2025<sup>14</sup>

84% of internet users in Ecuador are between 16 and 24 years of age<sup>15</sup>



## Ecuador's ecommerce payment mix<sup>16</sup>:

14%

eWallets

24%

Debit cards

44%

International credit card

2%

Bank transfers

12%

Cash payments

4%

Other

# The digital transformation of Ecuador

Ecuador's Ministry for Telecommunications and Information Society (Mintel) unveiled its Digital Transformation Agenda 2022-2025 with the main aim of reducing the digital divide and strengthening "the digitisation of processes, electronic commerce, security and modernity of the government<sup>18</sup>." The plan focuses on the creation of seven main pillars, including:

**6.1%  
growth in mobile  
data connections  
between 2021 and  
2022**



**88.4%**

mobile connections  
in 2022



**47%**

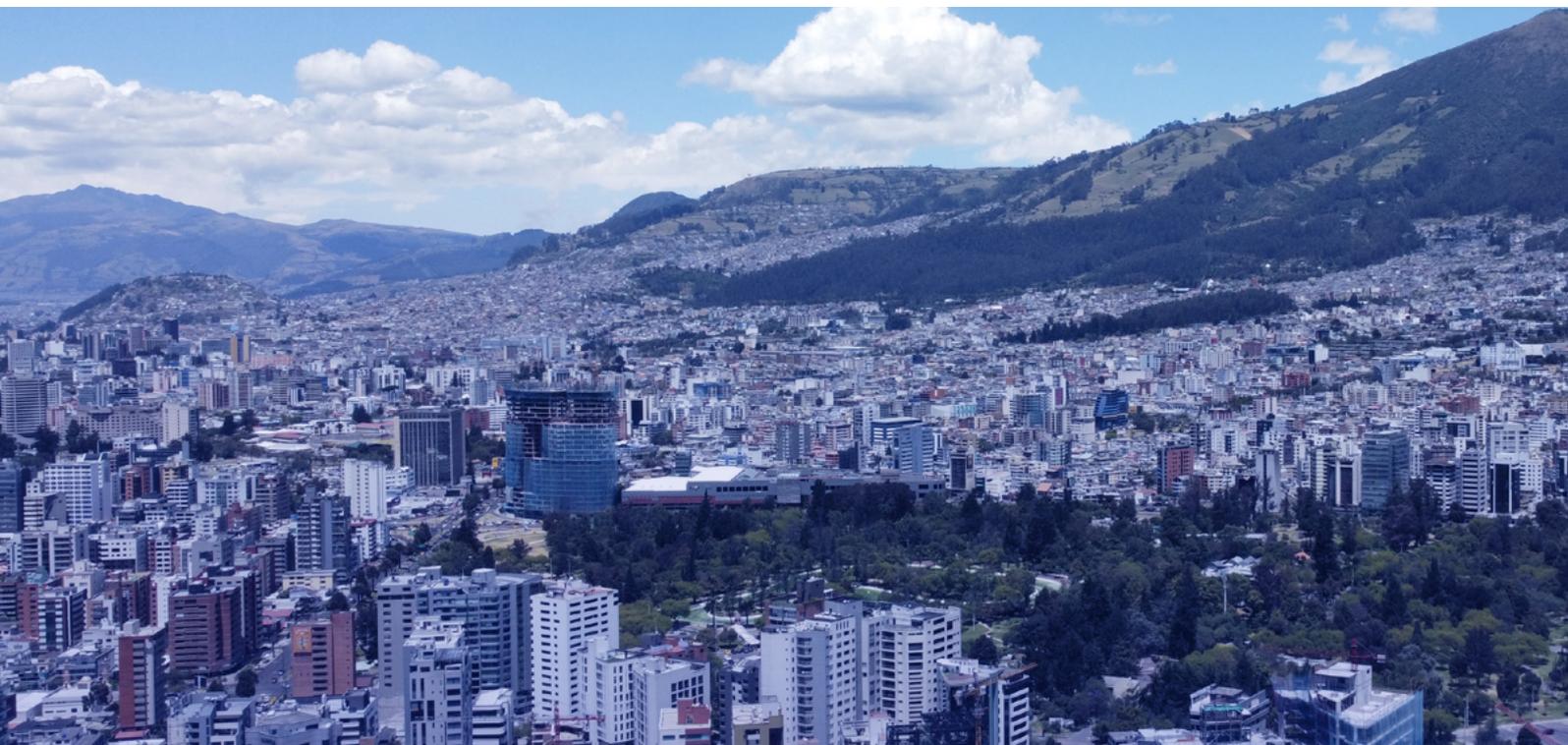
web traffic from  
mobile devices



**60%**

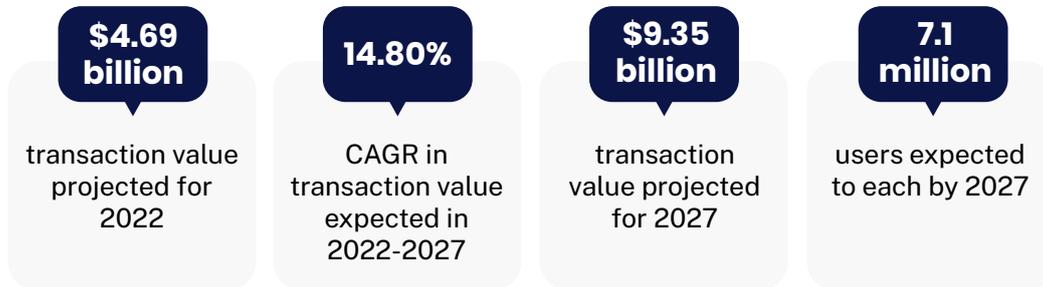
internet user  
penetration

- Digital infrastructure
- Digital government
- Digital economy
- Digital security and trust
- Culture and digital inclusion
- Interoperability and data processing
- Emerging technologies for sustainable development



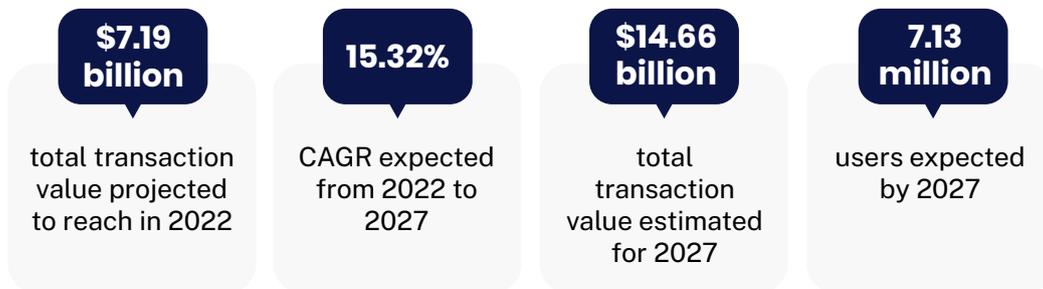
## mCommerce

### Growth of mobile commerce in Ecuador<sup>19</sup>



## Fintech

### Growth of digital payments in Ecuador<sup>20</sup>



The alternative lending segment has been growing in Ecuador. The average transaction value per user in this segment is expected to be \$34,490 in 2022. Another segment that is expanding is digital investments, which is projected to generate revenue growth of 29.6% in 2023<sup>21</sup>.

## eServices

### Growth of eservices in Ecuador<sup>22</sup>



Online food delivery is the mainstay of the eservices sector and is expected to spreadhead growth in the near term, with event tickets being another growth driver<sup>23</sup>.



# Why do business in Ecuador

## Growing economy

Ecuador's economy is expected to expand from \$106.17 billion in 2021 to \$113.00 billion by the end of 2022<sup>24</sup>. The country's GDP is projected to grow to \$119.00 billion in 2023 and to \$125.00 billion in 2024.

**3.43%**  
expected growth  
in real total GDP  
by 2025

## US dollar economy

Ecuador is the only country in Latin America that has the US dollar as its official currency. This makes it very easy for American companies, as there is no currency conversion.

**2000**  
is when the US  
dollar replaced  
sucres as the  
official currency  
of Ecuador

## Favourable government policies

Ecuador allows 100% foreign ownership of local companies<sup>25</sup>. It needs only two shareholders to form a Limited Liability Company (LLC). Moreover, the minimum share capital requirement is extremely low, making it very easy for start-ups and SMEs to begin operations.

**\$400**  
is all the share  
capital needed  
to incorporate  
an LLC

## Quito's Special Economic Development Zone (ZEDE)

The ZEDE offers a number of benefits to companies, including<sup>26</sup>:

- Tax benefits: deduction on income tax and value-added tax (VAT/IVA)
- Customs: lower foreign trade taxes are applicable
- Remittance benefits: exemption from remittance charges
- Connectivity: strategically located close to the Quito airport

**\$25.75 bn**  
total investment  
expected in  
Ecuador in 2025

# Ecuador's economic expansion

Sectors that traditionally led the growth of the Ecuadorian economy were:

- Agriculture
- Petroleum
- Forestry
- Aquaculture

More recently, sectors that have been spearheading growth are:

- Textile
- Processed
- Ecommerce
- Digital payments

## Top 4 payment methods in Ecuador



### 1. Banco Guayaquil

Established in December 1923, Banco Guayaquil offers a range of financial services to businesses and individuals. In 2008, the bank incorporated Banco Guayaquil Panama, with operations in Ecuador. With the launches of Banco del Barrio, a strategic alliance was created with a large number of small businesses across Ecuador. Banco Guayaquil has comprehensive coverage in Ecuador, offering online bank transfer and credit card services, with American Express, Mastercard and Visa.

**Banco Guayaquil has a reach of almost 99% in the country**



### 2. Banco Pichincha

Founded in April 1906, Banco Pichincha is the largest private sector bank in Ecuador, both in terms of capitalisation and by number of depositors. It belongs to the Pichincha Group. It has more than 200 branches in the country and manages more than \$4 billion in deposits. Banco Pichincha provides various financial products and services, including checking and saving accounts, debit and credit cards, loans, and investment options.

**Banco Pichincha serves 1.8 million customers in Ecuador<sup>27</sup>**



### 3. Banco VisionFund

Banco VisionFund offers a range of microfinance and insurance products to even the remotest regions of Ecuador. Established in May 1995, Microenterprise Development Fund Foundation (FODEMI) was transformed to Sociedad Financiera VisionFund in January 2015, with support of VisionFund International, a Christian microfinance network, and World Vision, a global Christian relief and development organisation. It was transformed to Banco VisionFund, after it became controlled by the Superintendency of Banks.

**There are 28 VisionFund microfinance institutions around the world<sup>28</sup>**



### 4. Western Union

Western Union allows several easy ways to send money to more than 200 countries around the world. It has expanded its reach by working through 500,000+ agent locations globally. One can transfer funds from any device and track the status of international transfers.

**Western Union has more than 2,100 agent locations in Ecuador<sup>29</sup>**

# Expand your business in Ecuador with PayRetailers

PayRetailers takes your business to Ecuador with more payment alternatives for your customers, all in a single platform.

Being able to offer flexibility in payments can empower your business to grow. With PayRetailers, you get to achieve just that from anywhere in the world to drive business growth in Latin America. We offer a fully localised solution for payment processing in the region. With a single API integration, you gain access to over 250 local payment methods.

Our payment gateway supports multi-channel and multi-currency payments, enabling you to provide unparalleled customer check-out experiences to maximise sales. With our always-available, robust and scalable payment infrastructure, you can start processing transactions within 48 hours.

## Fraud prevention & risk management

PayRetailers ensures a completely compliant solution with a focus on the highest standards of security as part of our fraud prevention solutions.

## Local collection, global settlements

Make sales in US dollar and receive US dollars, anywhere in the world. We offer unified settlement across all currencies through a 24-hour fixed forex rate in USD and EUR.

## Turnkey merchant services

With our highly scalable cloud-based solutions, you can access data quickly and easily, at any time and from anywhere.

## Localised solutions

Maximise your market reach by offering the most popular local payments methods without needing to set up a local entity.

### Online Payments



### Cash Payments



AND MORE



### Fintech associations



## Our commitment to financial inclusion & financial education

We foster business growth for your company to drive innovation in financial solutions with an aim to building financial inclusion. We believe that we can further ensure inclusion by providing knowledge and skills for people to better manage their personal finances and improve their well-being. We use our collective knowledge and industry best practices to improve financial services for everyone.

## Are you interested in the Ecuadorian market?

Our team of experts can help you:

- Understand your Ecuadorian customer and their preferences.
- Get local expertise and assistance.
- Find the reliable payment methods trusted by Ecuadorian consumers in your industry to form a local payment strategy.

**50+ leading companies trust us.**  
**Operate via a local partner, so that there is no need to set up a local entity.**

PayRetailers bridges the access gap between Latin Americans and international companies. Contact our sales expert team and discover our solutions for yourself.



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