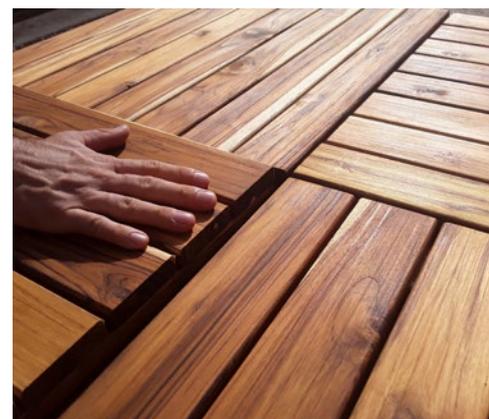
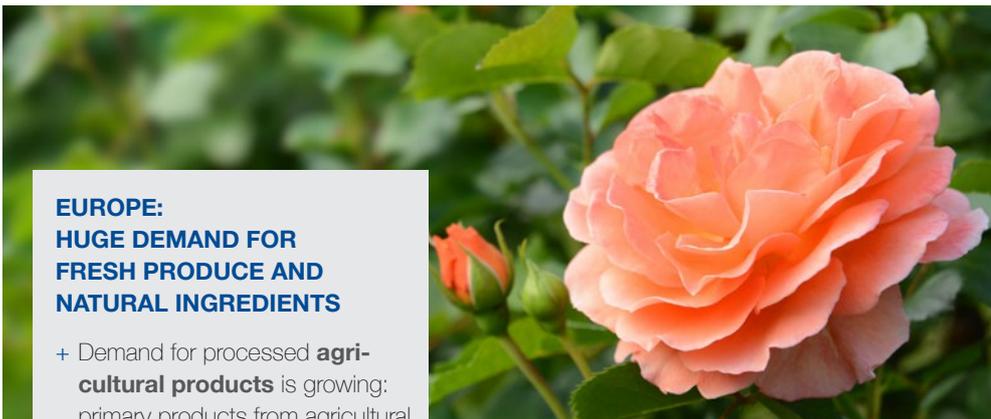




BIODIVERSITY

Top-quality agricultural products – sustainable travel offers: Market potential that can be harnessed



**EUROPE:
HUGE DEMAND FOR
FRESH PRODUCE AND
NATURAL INGREDIENTS**

- + Demand for processed **agri-cultural products** is growing: primary products from agricultural goods made up almost **97 percent** of **EU imports in 2019**
- + European importers are looking for **additional sources** to meet the high demand
- + **Popular fruit:** pineapple, avocado, granadilla, dragon fruit, maracuja
- + **Favorite natural ingredients:** vanilla, chilli, chia, quinoa, amaranth, essential oils, cocoa and cocoa products

Ecuador has one of the highest rates of biodiversity in the world. Its position on the Equator, the different climate zones of the Andes and the fertile soil in the country's coastal regions offer ideal conditions for cultivating a wide range of agricultural products and also for extended, often year-round, growing periods.

The tourism sector, too, harnesses Ecuador's natural wealth to provide a wide range of nature and active tourism destinations. The diversity of the various ecosystems is an important basis for Ecuador's economic and socio-cultural development.

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OVERVIEW: SECTORS

- + **Natural ingredients for food:** dried and processed fruit, spices (e.g. vanilla, chilli, curcuma), seeds and cereals (amaranth, quinoa, chia, etc.), sweeteners (e.g. panela, yacon, stevia) or teas like guayusa
- + **Natural ingredients for cosmetics and pharmaceuticals:** plant extracts and essential oils (e.g. moringa, guayusa, guayak, lemon verbena, palo santo)
- + **Cocoa beans and cocoa products:** focus on the internationally known bean variety "Arriba Nacional", as well as cocoa powder, nibs, butter and cocoa mass
- + **Fresh produce:** tropical fruit (e.g. pineapple, avocado, passion fruit, dragon fruit, mango, physalis) as well as curcuma, asparagus, fresh herbs
- + **Cut flowers:** e.g. roses, carnations, Calla lilies, hydrangeas
- + **Sustainable wood products:** planks and high-value floorings made of plantation teak and bamboo
- + **Sustainable Tourism:** e.g. nature and animal travel, cultural and study tours, jungle expeditions, sports tours or community-based tourism



IPD COMMITMENT IN ECUADOR

Import Promotion Desk (IPD) is active in Ecuador since 2018. IPD works with enterprises from the product groups of natural ingredients, fresh produce, sustainable wood, cut flowers, and sustainable tourism, in order to support them in accessing the European market. The agricultural sector in Ecuador – as in most Latin American countries – is of major significance. It is a very important source of income as well as providing food security. At the same time, farming also has great potential for combating poverty – both through job creation and generation of income. This is also true of tourism: as a work-intensive sector it makes an important contribution to effective economic development. The IPD is active predominantly in the rural and economically underdeveloped regions of Ecuador. Its goal is to work with small and medium-sized enterprises to harness the country's natural potential, exploit Europe as a profitable target market and find partners to establish sustainable business relationships.

CHALLENGES: INCREASING AWARENESS, FULFILLING STANDARDS

There is little awareness in Europe of the wide range of products available from Ecuador. The country is known mainly as a rose producer, but alongside the classic Ecuadorian roses, many other cut flowers are cultivated in the highlands of the country, including chrysanthemums, Calla lilies and carnations. In the wood sector, Ecuadorian enterprises supply high-class products made from plantation teak. Here again, there is little awareness of the advantages offered by these woods grown on plantations. And in terms of travel destinations, too, Ecuador has much more to offer besides the popular Galapagos Islands. Thus, a great deal of work is needed to increase awareness of the broad product range Ecuador has to offer European importers and travel providers.

On the other hand, the Ecuadorian producers must satisfy the exacting quality requirements of the European market. IPD advises small and medium-sized enterprises (SMEs) on the necessary certifications, such as GLOBALG.A.P and HACCP, as well as more complex food safety standards, like BRC and ISO22000 and even FSC and TourCert. Another challenge for SMEs is the growing demand in Europe for organic farming produce. At present conventional farming dominates the agricultural industry in Ecuador. IPD shows exporters the potential for organic products, advises them on the possibilities and certification process. Many of the small and medium-sized enterprises on which the IPD program is concentrated lack knowledge of the European market and have no direct access. The establishment of personal contact to suitable traders and travel providers in Europe – matchmaking – is a major IPD competence. The IPD uses international trade exhibitions, sourcing trips and virtual B2B meetings to bring producers and purchasers or travel providers together.





OPPORTUNITIES: THE BROAD RANGE OF OFFERS IS MEETING DEMAND

There is enormous potential for the export industry in the natural wealth of Ecuador. Thus, the range of fruit grown in Ecuador includes, for example, pineapple, dragon fruit, maracuja, mango, physalis and granadilla. These are not only sold as fresh fruit, but are also further processed – and the demand for tropical and sub-tropical fruit in Europe is huge. The range of natural ingredients includes cereals like amaranth, quinoa and chia, which have now found their way into European cuisine. In addition, there are around 3,000 species of medicinal and aromatic plants in the Amazon rainforest, only a few of which are used today, the majority has yet to be researched. This, too, represents enormous untapped potential. In the wood sector, Ecuador has something special to offer with its bamboo and, in particular, its teak wood from plantations. Ecuador's plantation teak is at least twelve years old and stands out for its unique grain patterns. It also has superior mechanical properties to classic wood varieties.

Moreover, the climatic conditions in Ecuador are ideal for the cultivation of cut flowers. There are lots of small farms producing cut flowers of outstanding quality. The many varieties, like roses, carnations, Calla lilies and hydrangeas, are very popular with European consumers. As a travel destination, too, Ecuador offers a vibrant culture, diverse landscapes and great nature. This diverse offer of outdoor, nature and cultural tourism fits perfectly with the European demand.

SUPPORT FOR EXPORTERS AND TRAVEL PROVIDERS: PREPARATION FOR THE EUROPEAN MARKET

Most of the enterprises in the IPD program have little or no experience with exporting to Europe. If they do already supply the EU, this is generally done through intermediaries. The IPD experts work closely with the Ecuadorian enterprises on site to prepare them for the specific demands of the European market, particularly in terms of the quality stipulations. Often, there is a lack of market information and knowledge on quality standards, EU regulations and certifications. In addition the IPD offers comprehensive training courses (capacity building) on, e.g. market trends and developments, intercultural communication, sales and negotiation, as well as corporate social responsibility (CSR) and sustainability.

IPD then brings the carefully prepared enterprises from the various product groups to European trade exhibitions, or organises buying mission/FAM trips to Ecuador to establish contact to interested importers or travel providers. Finally, the direct access to the EU market, i.e. the absence of intermediaries, enables the SMEs to exploit their full value-adding potential. Even during the COVID-19 pandemic IPD has continued its capacity building measures for the enterprises in the IPD program, as well as its matchmaking activities. Right at the start of the pandemic, the export promoting initiative switched to virtual formats and has consistently expanded its range of individual online B2B events, webinars and participation in virtual exhibitions.

OVERVIEW: ACTIVITIES OF IPD

- + Regular **fact finding missions** in Ecuador to select and assess small and medium-sized enterprises
- + Provision of **market information** and product fact sheets on various products
- + **Training** on topics relevant to market access (e.g. USP, product development, export market strategy, digital marketing, sustainable tourism, professional tour operations, corporate social responsibility [CSR])
- + **B2B matchmaking activities** at European trade exhibitions, e.g. ITB, WTM, Fruit Logistica, Fruit Attraction, Carrefour du Bois, interzum, Biofach, SIAL, Anuga, In-Cosmetics, IFTF
- + Organisation of **virtual B2B events** for networking with suitable importers / travel providers in Europe
- + **Workshops** and **coachings** for exporters and partner firms on representation at trade exhibitions, **sales trainings**
- + **Market orientation missions** or FAM trips and roadshows, development of business contact
- + **Improvement of existing** and **introduction of new services** in the field of trade promotion



Ministerio de Turismo



COLLABORATION WITH BSOs: SUSTAINABLE STRUCTURES FOR PROMOTING EXPORTS AND TOURISM

In Ecuador IPD is currently cooperating with three business support organisations (BSOs), i.e. national organisations and associations, and the Ministry of Tourism to establish sustainable structures for promoting exports.

IPD is working very closely with the organisations FEDEXPOR, PRO ECUADOR and CORPEI on the strategic and sustainable development of a range of services for their member companies. For example, IPD supports its partners in organising regular pre-fair workshops for enterprises. This early and meticulous preparation of the companies presenting at exhibitions in Europe is central to the establishment of successful contacts with European importers and lays the foundation for sustainable contractual negotiations. Together, the partners are also continually expanding the BSOs' capacities in the fields of market intelligence and CSR.

IPD has provided substantial support to Ecuador's Ministry of Tourism (MINTUR), very intensively in the preparations for the restart of tourism after the Corona pandemic. Together with experts, the health and hygiene concepts for the tourism sector were adapted to the relevant international standards and specific training courses developed for those involved in the industry. In addition, the IPD assists MINTUR in developing strategies to establish itself on the European market and participate successfully in important trade fairs, such as WTM in London or ITB in Berlin.

Besides the BSOs and MINTUR, IPD is also in close contact with the Ecuadorian-German Chamber of Commerce (AHK), which acts as an important disseminator in the country and supports the activities of IPD with its contacts and trade competence. In Europe the two partners cooperate on international trade exhibitions at which the AHK often organises Ecuadorian country stands on behalf of the government. IPD then provides its matchmaking services to the exhibiting exporters.



Dr. Julia Bellinghausen
Head of IPD

»Ecuador has so much to offer. We are specifically promoting the export of Ecuadorian products for which there is a demand on the European market. This enables us to ensure that small and medium-sized enterprises can establish sustainable trade partnerships.«

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