

# Import-Export Opportunities in Ecuador



**Import-Export Opportunities in Ecuador**  
**An International Living Import-Export report**  
**Designer:** Marsha Swan  
**Cover photo:** ©Suzan Haskins

© Copyright 2012. International Living Publishing Ltd., Elysium House, Ballytruckle, Waterford, Ireland.  
All rights reserved. No part of this report may be reproduced by any means without the express  
written consent of the publisher. The information contained herein is obtained from sources believed  
to be reliable, but its accuracy cannot be guaranteed. Registered in Ireland No. 285214.

# Opportunities in Ecuador

.....

**E**cuador offers wonderful opportunities for Import-Export entrepreneurs—we know many people who actually operate from here. The government has gone out of its way to encourage new business investments from offshore. Equal treatment is given to local and foreign investors, so you'll receive the same rights of entry into markets as locals. Practically all sectors are open to investors. Profits and capital can be repatriated without restriction, and business in general should continue to benefit from the increasing stability and visibility provided by dollarization.

Plus the country has:

- Multitudes of unique products
- Easy relations with craftsmen
- Good communication
- Great prices
- Excellent follow-through
- A chance to make a difference in people's lives
- Favorable import-export laws

The Spanish brought the guild system with them from Europe to the New World. This means that instead of searching all over the country, you can go directly to the one village that specializes in your interest.

.....

For leather work, go to Cotacachi. For woodcarving, San Antonio de Ibarra. For embroidery, Zuleta. For filigree jewelry, Chordeleg. For weaving, Bulcay-Ikat. Guitar makers are in San Bartolome, sweater makers are to be found in the Paute River, pottery makers in Gualaceo, and hundreds more. Plus, there's Otavalo, the greatest indigenous market in South America.

The point is, Ecuador is organized. You can go to a single village and talk with dozens of people, look at their wares, and pick the best.

## Ecuador's markets

Ecuador's markets are a great place to look for ideas for products you might like to sell or for sourcing your supply. The most famous are the markets in the towns of Cotacachi and Otavalo.

The artisan market in Otavalo is the largest in South America. The hand-crafted items you'll find in Otavalo are often of superb quality and if you're good at haggling you could get the price down by 50%. The more you buy, the more of a discount you should ask for. Don't be afraid to negotiate or ask for a discount...it is expected and the local salespeople are ready to haggle. Many of these items would be easy to sell back home (at a hefty markup).

To give you an idea of what is on offer here, take a look at this video, made by *IL*'s Panama Editor Jessica Ramesch on a recent visit to the market:

<http://internationalliving.com/2011/03/video-bargains-in-otavalo-market-ecuador/>.



©iStockPhoto.com/Holger Mette

*The market in Otavalo is one of Ecuador's best and the perfect place to start hunting for products*

## **My favorite markets in Ecuador**

by Alison Talbert

Ecuador boasts numerous indigenous markets. From livestock to vegetables to textiles, there is something for everyone.

My favorite market is located in the town of Otavalo, about two hours north of Quito. One of the largest in South America, the Otavalo market is a shopper's paradise. Vendors fill the Plaza de Ponchos and various merchants display their wares at tables lining the surrounding streets. Music is pumping, and the energy is palpable. Tantalizing aromas from local restaurants and outdoor grills fill the air. It is a bustling place any day of the week, but Saturdays draw the largest crowds. The town is just crawling with people searching for amazing finds.

Folks don't have to look too hard to find beautiful, high-quality products. The artisans come from near and far to show off their merchandise, and there is a wide variety from which to choose. Each time I visit, I see different things, a fact which keeps my visits really interesting and shakes up my inventory.

Many of my best finds from Ecuador have come from the market in Otavalo. I adore my luxurious alpaca rugs and the blankets and scarves I am able to purchase. The artwork is just incredible...I have trouble keeping my original watercolors in stock. Each time I bring them home people snap them up immediately.

The ponchos and wraps are of stunning quality, and I am always amazed by the selection of hand-knit sweaters, scarves and hats that is available. The tagua jewelry is a big hit with my clients, and I can always find plenty of unique and beautiful bracelets and necklaces to keep everyone happy. Then there's the original sterling silver jewelry, hand-embroidered linens, chess sets, purses, antiques, and the list goes on and on.



©Alison Talbert

*Bracelets like these are just one of many products Alison buys in the market in Otavalo to sell at home*

One thing I love about the market is that some of the artisans are trying to keep up with the latest fashion trends, which keeps the designs current and interesting. It's the perfect blend of tradition and modern life.

## Ecuador crafts—Buy and sell guide

by Jessica Ramesch, IL's Panama Editor

My colleague Glynna Prentice (*IL*'s Mexico Editor), models a rich brown suede jacket. She looks like a million bucks. "They even took up the sleeves for me," she says. Alterations while you wait—when was the last time your neighborhood department store offered that?

“They had me come back...they did it in half an hour,” says Glynna. I’m sure she was happy to continue shopping while the jacket was customized for her...a half-hour is a blink of an eye in shopping time.

We are in Cotacachi, Ecuador, for the day. Here, one long road I've dubbed Leather Lane makes up the main drag...as far as shopping goes, that is. The street smells heavenly—of good quality, new leather.

Looking at Glynna's new find, I can't help but think about the last time I bought a suede jacket. I paid around \$175 at Liz Claiborne, 10 years ago. I overpaid to have a brand name item, especially since no one can even see the fancy tag.

Glynna's jacket looks every bit as fancy as my Liz Claiborne and the alteration is perfect; looks like the piece was made especially for her. She paid just \$85 for everything and walked out of the store with her item in hand. In this video you can see the deal she got:

<http://internationalliving.com/2011/04/video-shopping-for-leather-in-cotacachi-ecuador/>

Glynna also picked up an elegant two-toned tote for \$69. The bag, black leather with tan trim, looks ready for a picnic in the Hamptons (where a similar bag would be well over \$300). At the same shop, a big floppy Bohemian purse, sage green with black patches, is 20% off—just \$55. The shop owner says she will take off an extra \$10 if I pay cash.

She also has handcrafted saddles from about \$480, which I am sure I could bargain down to \$450 or less. You'd pay about the same for a used saddle in the States. Here, you can commission one to suit your tastes and size—the price range stays the same. A custom-made saddle in North America, meanwhile, can cost thousands.

I salivate over leather briefcases and satchels for as little as \$75. And I stare longingly at big overnight holdalls from \$150 that look straight out of a Ralph Lauren ad (minus the logo). My favorites are the softest, creamiest beige—the kind of buttery leather that makes you want to run your hands along it.

I could find something to please every single person I know here. If I had the inclination, I could easily sell a few of these items out of my home—to friends and acquaintances—and make a tidy profit. Perhaps even make enough to pay for a vacation in Ecuador.

Anyone could make some serious money off of Cotacachi leather. There are just a few things to keep in mind. Because most items are handmade, you should think small. At a large shop, I chatted with the amiable owner. “Factories in other parts of the world, they can produce thousands, you know? But here, we are not looking to do that,” he explains. “Here we are producing in the hundreds.”

Cotacachi’s master leatherworkers hand pick tanned leather, then they lovingly wash and soften it. After drying the leather, they grease the material—often with *linaza*, or linseed oil, a shop owner tells me.

So it’s a perfect situation if you’re looking to sell hand-crafted, quality items to a small group of discerning customers...you can do this on a small scale out of your home, peddle to your neighborhood boutiques, or even set up something online. I would suggest investigating how to certify the items as “fair trade”—you could make money and help promote Cotacachi on a small scale as an environmentally friendly town with forward-thinking people.

## Fair trade, fair prices

Some Ecuadorian villagers have organized themselves into small cooperatives. Some 6,500 families have come together under the umbrella of an organization called Camari. Its aim is to promote fair trade and improve the living conditions of small agricultural and artisanal producers by assisting with production and selling methods. As Camari puts it, “For small producers, the commercialization of their wares has been the principle obstacle to their economic prosperity—there had simply always been a large number of those looking to take advantage whether they were the vendors, intermediaries, money lenders, transporters or all of the above.”

On Camari’s website, [www.camari.org](http://www.camari.org), you can click on individual cooperatives and see what they are producing—and the “fair trade” prices they are seeking. Their artisans may also be able to produce products to your own designs. Only high-quality products are sold. Although you may be paying a little more than if you were haggling with an individual, prices are still astounding.

- Christmas tree ornaments: Made in the town of Calderon, these ornaments are made using a type of bread dough mixture. These beautifully detailed figurines start at \$0.50 for individual figurines and \$6.30 for a Nativity scene of 10 pieces.

- Tapestry style purse with a long leather strap: \$14
- Tagua bracelets: These brightly colored bracelets are made from ivory palms and come in four different colors. They are priced at \$3.50 each.
- A stack of hand-woven, natural banana fiber coasters: \$0.46
- Small leather purses that come in five different designs and colors: \$3.38 each
- Hand-woven, natural, straw fiber bins in two brightly-colored designs. They also come in two different sizes: \$3.50 each
- A table CD holder made of straw and banana fibers with a metal frame to hold the CDs: \$4.13.

These are all products that would easily fit into a suitcase and would make for beautiful and unique gifts. With the low cost price of these items, it would be easy to sell these at home in the U.S., Canada, or Europe for a reasonable price and still make some profit for yourself.

## How to order through Camari

You can order through the Camari website, but it is in Spanish. If your language skills aren't up to that, here are some other websites that have more information and a section where you can order products:

- [www.tenthousandvillages.com/catalog/artisan.detail.php?artisan\\_id=105](http://www.tenthousandvillages.com/catalog/artisan.detail.php?artisan_id=105)
- [www.serrv.org/ArtisansFarmers/LatinAmericaCaribbean/Ecuador/Camari.aspx](http://www.serrv.org/ArtisansFarmers/LatinAmericaCaribbean/Ecuador/Camari.aspx)

## Some more places to source Ecuador products

If you are looking for some more Ecuador products, here are some Ecuadorian companies and websites that might be useful:

- Olga Fisch Studios; website: [www.olgafisch.com](http://www.olgafisch.com)
- Hilana (Ecuador wool cotton blend designs); website: [www.hilana.com.ec](http://www.hilana.com.ec)
- Ecuador silver jewelry; website: [www.ecuadorianhands.com/silver-jewelry-c-134.html](http://www.ecuadorianhands.com/silver-jewelry-c-134.html)
- Ecuador Leather; website: [www.alibaba.com/countrysearch/EC/leather.html](http://www.alibaba.com/countrysearch/EC/leather.html)

## **More about Alison's Ecuador business, Income from Ecuador**

How does a mother of two from Wilmington, North Carolina end up creating a profitable import business and leading amazing excursions to an exotic South American country?

When the worldwide economic crisis forced Alison Talbert and her husband reassess their financial situation, Alison's life became very stressful. She says: "It had me waking at 3 a.m. in a cold sweat. Let's just say it wasn't pretty! Or fun. And definitely not what I wanted for my life."

Alison also realized that she was now beginning to have more time on her hands as "my two children were becoming quite independent. All in all a good thing but still confounding when you have been a stay-at-home mom for 12 years."

So Alison decided that she wanted to combine her need to travel, her love of fashion and home accessories, and her desire to make money. And that is how Income From Ecuador (website: <http://incomefromecuador.com>) came to be. She began traveling to Ecuador, buying goods from the local markets and selling them to family and friends at home. Her business has gone from strength to strength as more and more people discover the wonderful, unique scarves, leather goods, and jewelry Alison brings home from Ecuador.

While continuing selling her goods to friends and family, Alison is eager to expand her business. She is getting ready to launch a retail website allowing her to sell her goods wholesale. She has also decided to teach other people how to do what she does...combine a love of travel with the desire to make some money.

With her Ecuador Import Express course, Alison hosts a four-week, quick-start coaching program designed to teach you the fastest way to set up a profitable, fun, and fashion-focused import business on your own terms. In this course Alison will give you valuable advice and tips that will help you set up for own Import-Export business, with a focus on Ecuador.

Here are just some of the things you'll hear about on The Ecuador Import Express course:

- Tips and insights on how to set up your business from scratch. Alison created her business out of a love of travel and a desire to make some money. Today she has a successful business doing what she loves...you can do the same and Alison will explain how.
- Details of some of the products Ecuador has to offer, including beautiful roses that are in high demand in the U.S., pretty tagua bracelets, silver jewelry, a host of leather goods, and much, much more.

- Practical advice on how to purchase your merchandise and do business in Ecuador. Alison has lots of experience of doing business here and she'll give you some insider tips that will ensure you make the most of your time (and money) when purchasing your products in Ecuador.
  - Information on pricing your goods to sell to your customers. Alison will share her tips for deciding how much to charge for your products, including real examples of how she prices some of her own products and also the best way to ensure that your products sell and sell well.
  - Alison will also talk about the ways you can sell your products when you get them home. She'll offer some ideas for getting a wide range of people interested in your products such as parties in your home to showcase the goods, or markets in your local area that will give you some exposure.

This is a great way to learn about how you can profit from what Ecuador has to offer. For more information on the Ecuador Import Express course and how you, as a buyer of this International Living product, can get Alison's course at a special rate, see <http://ecuadorimportexpress.com/il>.

# Ecuador's art trail

“One of the pleasures that many expats discover in their adopted country is art collecting,” says *IL*’s correspondent in Ecuador, David Morrill. “Even those who were not collectors back home take up the habit, impressed by the quality, variety, and low cost of the arts in this Andean country.

Ecuador's modern artistic tradition began with the Spanish in the early 16th century, and the country quickly became the arts center of colonial Latin America. What became known as the Quito School and, later, the Cuenca School, were founded by Spanish priests and missionaries, using native artisans to produce religious paintings and sculpture. Although the schools' early works were mostly European recreations, the Spanish soon recognized the artistry of indigenous imagery and techniques and these became widely incorporated into Ecuadorian artwork by the beginning of the 17th century.

The great Ecuadorian painters of the 20th century, including Oswaldo Guayasamín, Eduardo Kingman, and Endara Crow continued to draw on indigenous as well as European elements, their work often expressing the tensions between the two cultures. Contemporary painters maintain the tradition.

Writing in the German newspaper *Der Spiegel*, German art critic Otto Kirchner wrote:

*“Browsing the galleries in Quito and Cuenca I am struck not only by the exceptional quality but also by the low prices. Here, collectors can purchase paintings at a fraction of what they would pay for comparable work in Europe.”*

Although you'll find high quality art in all parts of Ecuador, Quito, Cuenca, and Guayaquil probably offer the best concentration of galleries, exhibitions, and art festivals. Many galleries are located in tourist areas. Several contemporary Ecuadorian artists worth checking out are Oswaldo Viteri and Ana Isabel Bustamante in Quito, Ignacio Silva in Guayaquil, and Edgar Carrasco and Ariel Dawi in Cuenca. All have international reputations and their work is widely available.



©Suzan Haskins

*Ecuador has some high-quality art work that would make great import-export products*

For the collector of sculpture, statuary, and high-end crafts, Ecuador offers a similar treasure trove...and more bargains. Among the offerings are ceramic pottery, musical instruments, woodcarvings, jewelry, ceremonial masks, religious icons, and textiles.

Small towns outside of Quito and Cuenca are fertile hunting grounds for the craft collector. In Otavalo, a two-hour drive north of Quito, you'll find a variety of carved, ceramic, woven, and painted crafts. Cotacachi, just outside of Otavalo, offers fine leather goods and wooden, polychromed religious statuary.

Further north, around the central square of San Antonio de Ibarra, you'll find dozens of shops specializing in museum-quality woodcarvings. Just south of the Colombian border, in the provinces of Imbabura and Carchi, the richly detailed ceramic masks made by descendants of African slaves are also attracting buyers.

Cuenca and surrounding towns also provide plenty of exceptional crafts. You'll find metal and ceramic sculpture, handmade dinnerware and Panama hats in Cuenca; ikat fabric art in Gualaceao; silver filigree sculpture and jewelry in Chordeleg; and ceramics and musical instruments in Sig Sig and San Bartelame.

The same rules apply to an Ecuadorian art collection as to any other. Put in the legwork and research to make sure you know what you're buying, and, if you are buying a recognized, more expensive artist, make sure you're getting the real thing and ask for a certificate of authenticity. Art professors in Quito and Cuenca will be happy to assist you in your efforts.

## **More about Ecuador...**

**Ecuador is gentle...safe...healthy...private...civil.**

Ecuador has been one of our favorite locations for overseas investment and retirement for many years. In fact, we ranked Ecuador as the world's best retirement destination in 1999, due to the amazing values. And more than a decade later we have voted Ecuador (and for the fourth year running) the top retirement haven in the world...and with good reason.

As one friend of ours put it: "It's like we are living in the U.S. in the 1950s." You're guaranteed a quality of life that just plain doesn't exist anymore in the States. Up north, violence, materialism, and increasingly intrusive government policies have whittled away the last vestiges of the American Dream. Yet here you're guaranteed a truly extraordinary lifestyle. And that makes Ecuador the perfect place to retire...or reinvent yourself. You'll find like-minded company when you do.

Ecuador also offers a high quality of life. This is no isolated backwater. It's a land of opportunity. In the major cities like Quito, Guayaquil, and Cuenca, you can enjoy all of the Western conveniences you are accustomed to. New cars abound, including several brands made in Ecuadorian factories. Everyone has cell phones, and Internet connections are just as common. World-class restaurants serve excellent meals, yet you'll be hard pressed to pay more than \$50 for a dinner for two, drinks included. It's not difficult to live in Ecuador on less than \$17,000 per year, and you don't have to live an unattractive lifestyle in order to do so.

If you're aged 65 and older and are looking for an incentive to retire to Ecuador, you've come to the right country. Ecuador's constitution guarantees foreign residents the same rights as citizens, so even though there is no official government program for expats, you can enjoy the same benefits as the locals.



From snow-capped volcanoes to dense Amazon jungle to sun-drenched Pacific beaches to the famous Galapagos Islands, Ecuador offers something for everyone. Whether you want to live, invest, vacation, retire, or simply relax in Ecuador, you'll find the perfect combination of climate, culture, and affordability to help make your dreams come true here.

## Climate

Ecuador's diverse climate varies from the cool highlands to the tropical coast. Sitting directly on the equator, the country enjoys 12 hours of daylight year-round.

Quito's elevation (9,350 feet) means that temperatures in this capital city average from 50° F at night to 70° F by day. You'll feel warm on sunny days in a short-sleeved top, but on cloudy days and in the evenings, you'll need to wrap up in a sweater or jacket.

On the coast, the weather is warm, and tropical. The southern Pacific coast is drier than the northern section. Daily highs along the coast run around 80° F to 90° F.

## **Cost of living**

The cost of living in Ecuador varies depending on where you live, and how you live, but you can live here for 60% to 70% less than in the U.S.

You'll spend more if you stick to familiar imported brands—if you can find them. Living costs are lower if you live as the locals do...buying fresh fruit and vegetables, and fresh-caught fish at the open-air markets...and many locals and expats raise their own chickens, and grow some veggies and fruit.

Owning and running a car will add significantly to your costs. However, if you live in a larger city, public transport is good enough that you may find you can live without one.

A basic Cable TV package costs around \$25 a month. Internet costs \$40 a month, and electricity costs average \$50 to \$100 a month, depending on usage. Phone bills, where you use the phone mainly for incoming calls, average \$15 a month.

## **Health care**

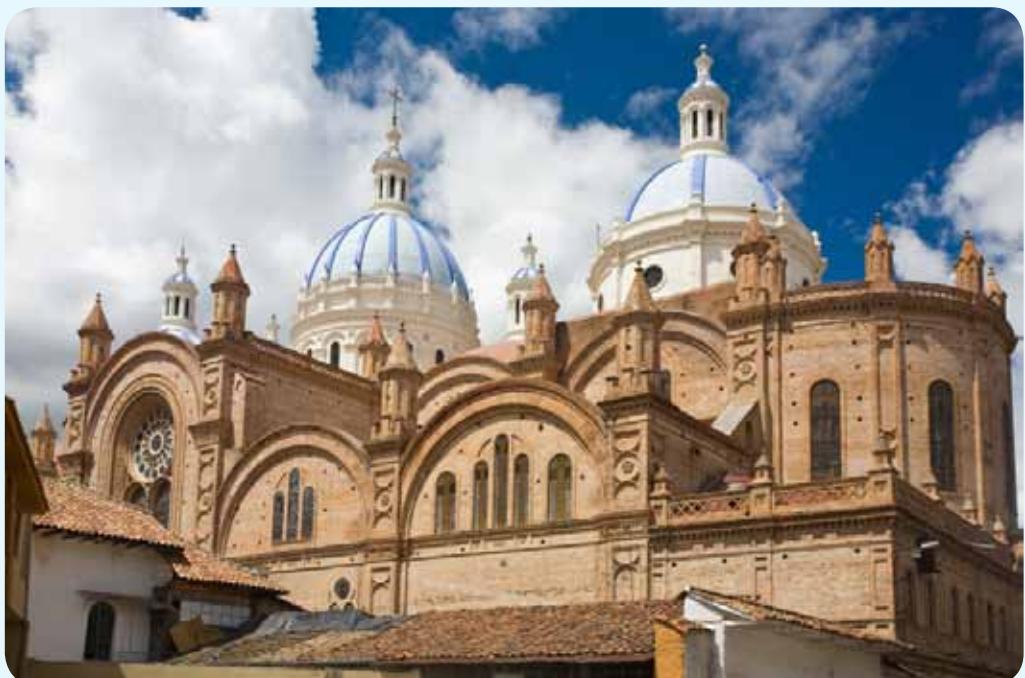
Quality health care is readily available in larger cities—Quito, Guayaquil, Cuenca, and Manta—where you'll find modern, well-equipped hospitals and private clinics. The average cost of a doctor's visit is \$25-\$30, and a visit to a specialist runs around \$30-\$40. Specialists spend longer with patients, too...up to 30 minutes per appointment.



Health care (including surgery) costs around 25% of what you'd pay in the U.S. Health insurance is significantly cheaper—a healthy 60-year-old man could pay as little as \$66 a month in Ecuador. Many Ecuadorian specialists and surgeons trained in the US and Europe, and have top-notch skills.

## **Our favorite locations in Ecuador**

## Cuenca



©iStockPhoto.com/traveler1116

Cuenca is Ecuador's third-largest city and the economic center of the southern Sierra. It has an intellectual, artistic, and philosophical tradition that matches its colonial architecture. Because of its history and state of preservation, Cuenca is one of Ecuador's three UNESCO World Heritage Trust Sites (the others are Quito and the Galapagos Islands). In 2006, an international association of urban planners voted Cuenca as one of the two "most livable" cities in Latin America, citing its culture, low crime rate, and "middle class" feel.

With the best restored colonial district in Ecuador, Cuenca is the country's cultural capital. The city has produced many of Ecuador's major writers, artists and musicians, and offers a rich program of festivals, concerts, parades, and art openings. Although the metropolitan population is 450,000, the central city has a small town feel that has proven popular with tourists and foreign students who attend language schools or one of the city's seven universities.

Referred to by one travel guide as “South America’s most European city”, Cuenca is attracting growing numbers of foreigners, many of whom have purchased modern but inexpensive apartments just outside the colonial district. Others prefer to take advantage of bargain houses and views on the hills that surround the city.

## Bahia de Caraquez

It's hard not to describe the little, coastal city of Bahia de Caraquez as a gem. For one thing, it sits on a sandy peninsula jutting out into the Pacific like a gemstone pendant at the end a necklace...but in this case the necklace is the Chone River, which winds down from the Manabi highlands and flows into the ocean in a wide estuary next to the town itself.

For another thing, the city looks like it has been worked in polished stone due to the many condo towers stretched along and in back of the beautiful seafront *malacon* (boardwalk). Once a wealthy trade and shipping port with rail connections to the rest of the country, Bahia has evolved over the years into a favorite coastal vacation and getaway spot for many Ecuadorians.

It's not hard to see why. The estuary where the Chone River meets the ocean is a spectacular expanse of water and majestic headlands. Bahia has taken advantage of both natural blessings... restaurants, parks, and shops line the banks of the Chone on the north side of town where pleasure boats and commercial crafts ply the river and crowd the docks. And on the west and south sides of town, the Pacific Ocean stretches out from the waterfront walk into the vast distance.

The town center is a hive of activity during the day, but thanks to its small population and seasonal popularity, vehicle traffic is so light as to be almost non-existent outside the town commercial center. This makes strolling the river walk and the oceanfront *malacon* a quiet and relaxing pleasure at almost any time of the day or night.

## Quito

Most likely, Quito will be your introduction to Ecuador. It's the capital city and home to the country's largest international airport. When you visit Ecuador, though, it is well worth spending some time in Quito. It's a split-personality of a city, thanks to a blend of Old World charm and modern sophistication. So no matter what type of experience you're after you're likely to find it in Quito.

Quito has been described as the most beautiful city in South America. Spanish influence here is apparent in its stately colonial architecture. Though the city has about 1.5 million residents, traffic is reasonable, except at rush hour and during major road resurfacing projects. The public

transportation system, including taxis, buses, and trams, is excellent. The area is ringed by staggering Andean peaks, providing beautiful views from many properties.

Quito's Colonial Old Town was the first location in the world to be designated as a UNESCO World Heritage Site. Wandering its winding streets and poking your head into its ornately ancient churches and other historic buildings is like a step back in time. The area has undergone a remarkable renovation in recent years and now the daytime streets are abuzz with busy professionals (the country's government offices are here) and people out to enjoy a day of conviviality among some of the world's most extraordinary historical buildings and plazas.



©Creative Commons/Walsopics

**Find out more about Ecuador**

You've probably heard Ecuador referred to as the Land of Eternal Spring...it's a peaceful place where the pace of life is slow and easy and the weather is perfect. Just some of the many reasons we chose it as our number one retirement destination this year. To learn more about our favorite country right now, see our most comprehensive guide to Ecuador; ***Ecuador: The Owner's Manual***. For further details, see:

<https://orders.internationalliving.com/EDOMUP/U120N1U9/index.htm?pageNumber=2>