

US-Ecuadorian Trade Relations



This project will attempt to illustrate US foreign trade practices through the Ecuadorian experience.

Agenda

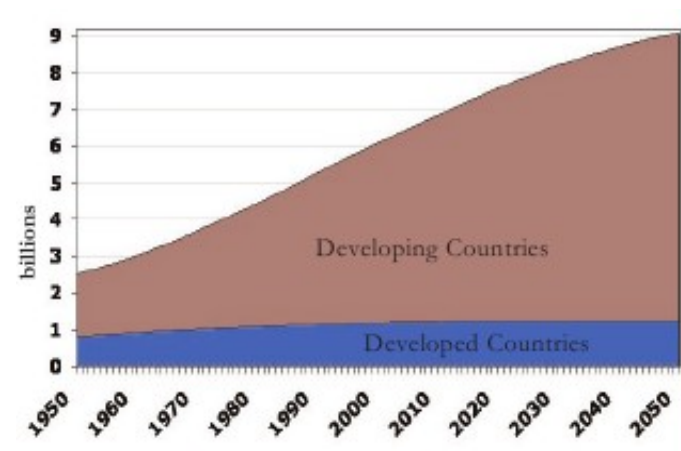
1. Introduction
2. Geographic
3. History
4. Rafael Correa
5. Economy
 1. GDP
 2. Exports
6. Economic Influences
 1. Bananas
 2. Oil
7. Conclusions



Introduction

Trade, Poverty and Human Rights

- Population Explosion
 - Exacerbates ecological degradation
 - Scarcity of resources
 - Competition vs. Cooperation
 - Efforts to curb
 - Getting women in the workplace
- Globalization
 - The rationale
 - Environmental
 - Human rights
 - Trade barriers and Poverty



Geography

Four regions

- Galapagos
 - Amazon Basin
 - Coastal
 - Andes
- Parks/Reserves
 - Mega-diverse country
 - Dense Rainforest
 - Coastal Reefs
 - Volcanoes



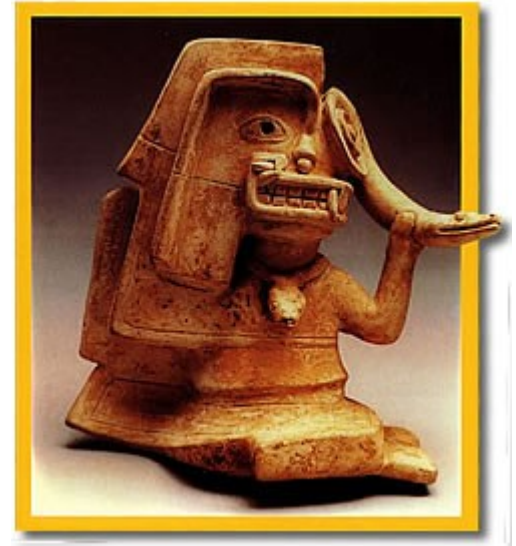
Demographics

- Ethnic Diversity (13.5 million people)
 - Mestizos 65% (9 mil)
 - Indigenous tribes 25% (3.5 mil)
 - Quichua
 - Canaris
 - Other Tribes
- Languages
 - Spanish
 - Quechua
- Religion 95% Catholic



History

- Ancient Cultures c.3500 BCE – Canari, Inca
- Spanish Colonization 1530-1800
- Independence from Spain in 1822
- 20th century government directed by wealthy landowners and plagued by instability
 -
 - 2006 Correa defeated Banana magnate and billionaire Naboa



Rafael Correa

- MA Economics from University in Belgium
- PhD Economics University Illinois -Urbana Champaign
- Speaks fluent Quechua
- Resigned from top Finance minister post to protest IMF deal
- Defeated Naboa October 2006



Economy

- Exports:
 - Oil 30-40%,
 - Bananas,
 - Minerals
 - Seafood
- Financial crisis in 1998
- GNP contraction
 - 50% inflation
 - 60% currency devaluation
 - Dollarized the currency in 2001



US-Ecuadorian Trade

- US aid for combating Illegal Drug trade (12.5 Mil)
- Military Airbase in Manta, Ecuador
- 200,000 Ecuadorians living in US (15,000 US living in Ecuador)
- Exports to US: Oil, Tuna, Bananas = 1.8 Billion
- Imports from US: 1 Billion

Banana trade

- Genetically unable to reproduce,
- Victim of disease, weak strain
- Bananas and Plantains grown all over as hunger staple
- Used similar to potatoes



Banana Trade (Continued)

Top Banana Producing Nations - 2005 (In million metric tons)	
 India	16.8
 Brazil	6.7
 China	6.4
 Ecuador	5.9
 Philippines	5.8
 Indonesia	4.5
 Costa Rica	2.2
 Mexico	2.0
 Thailand	2.0
 Colombia	1.6
 Burundi	1.6
World Total	72.5

Source: UN Food & Agriculture Organisation^[1]

- United Fruit Company
 - Legacy of influence and wealthy landowners
 - Dictatorships
 - Bay of Pigs
 - Marketing
- Majority domestic, small-scale
- Banana Republics: Ecuador, Costa Rica, Philippines and Columbia
- US-EU trade conflicts

Making Globalization Work

- IMF and World Bank
 - Concept
 - Reality
- What can be changed?
 - Public disclosure of all proceedings
 - Limits on control of natural resources
 - Distribute voting rights more evenly
 - Accountability
 - Example: Banco del Sur
- Conclusions