

# US-Ecuadorian Trade Relations



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

# Outline

1. Geography
2. Culture
3. History
4. Rafael Correa
5. Economy
  1. GDP and relative to other Latin
  2. Exports and Imports
  3. Trade with US
6. Economic Influences
  1. Description
  2. Loans
7. Conclusions
  1. Similar examples
  2. Successful?



# Geography

## Four regions

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



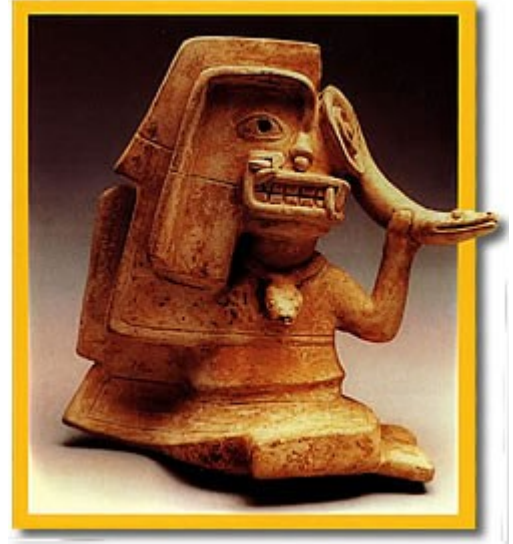
# Demographics

- 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
- Present Day - executive turnover
- 2006 - Correa



# 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
- Elected 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



# 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

# Modern Colonization

1. Loans – Predatory lending practices
2. High Interest rates
3. Unreasonable conditions
4. Guilt = favors
5. Persuasion through bribes
6. Coup if uncooperativ
7. Force with war
8. The Reasoning
9. The Media's role



# 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

# Conclusions

- Similar Examples in other countries
- Gauging Success
- Questions, Comments, Suggestions