

ECUADOR

1. General trends

In 2022, the Ecuadorian economy grew by 2.9% in real terms, following the previous year's 4.2% expansion; and per capita GDP rose by 1.6%, having dropped sharply by 9.1% in 2020. This expansion was enabled by the buoyancy of private consumption (up by 4.6%), which became the main driver of the country's economic growth. It was supported by the strong performance of oil exports, founded on the high price of this hydrocarbon on international markets and despite the difficulties that the domestic production sector continues to face.

The current account of the balance of payments maintained a surplus based on the high level of remittances received and the oil trade surplus. Higher oil revenues also stimulated public income growth along with stronger tax revenues. While non-recurrent expenditures are still the main component of fiscal adjustment, the overall non-financial public sector was almost in balance in 2022, which contributed to a primary surplus equivalent to 1.6% of GDP. This result is a first in at least a decade, and stands in contrast to the country's sluggish economic recovery.

In a context of strong global inflationary pressures in 2022, Ecuador's inflation rate closed out the year at 3.7%, driven mainly by higher prices for food and non-alcoholic beverages. Among the labour indicators, the unemployment rate fell (by 4.4%) and formal employment conditions improved, although more than half of the employed population is working in the informal sector.

Amid this backdrop, the Economic Commission for Latin America and the Caribbean (ECLAC) expects the Ecuadorian economy to grow by 2.3% in 2023, followed by a slight uptick to 2.6% in 2024. Under these circumstances, in 2023 Ecuador's real GDP should regain its 2019 pre-pandemic level. However, the course of the country's economic activity will depend on its capacity to face the challenges posed by the most critical external conditions (including weaker global growth expectations, high inflation, restrictive monetary policies and oil price volatility). It also faces domestic difficulties, including a crucial need to rebalance the contribution of consumption and investment. Although the former has driven the country's economic recovery in the short term, the latter enhances prospects for sustained and inclusive growth in the medium and long term.

2. Economic policy

(a) Fiscal policy¹

In keeping with the implementation of a budgetary austerity policy in Ecuador, the fiscal accounts were adjusted substantially in 2022, generating an overall non-financial public sector deficit of US\$ 21 million, equivalent to 0.02% of GDP and representing reductions of 1.6 and 7.1 percentage points relative to the 2021 and 2020 levels, respectively.²

¹ The figures presented in this section are expressed in nominal terms.

² In fact, a larger adjustment was anticipated for 2022 with an overall surplus of 0.9% of GDP, according to the fiscal programming (2022–2026) published by the Ministry of Economy and Finance in September 2022.

The non-financial public sector primary balance ended in positive territory (1.6% of GDP), while interest payments on debt (external and domestic) totalled US\$ 1.88 billion, up by 28% on the 2021 figure. This result partly reflects the increase in the cost of financing for the country owing to the implementation of restrictive monetary policies worldwide.

Following a robust 22.2% expansion in 2021, public income continued to strengthen in 2022, growing by 17.3%, on the basis of increases in both oil income (29%) and tax revenues (11%).

High international prices boosted oil income, although the sector's performance has been declining, owing partly to a reduction in the volume of Ecuadorian crude exports. Nonetheless, oil generated 37.3% of total public income in 2022, 3.3 percentage points more than in 2021.

The higher tax revenue, meanwhile, is explained by the rebound in income taxes (15%), after the 4% contraction in 2021, in the context of a gradual reactivation of the economy and implementation of the tax reform in 2021.³ In addition, revenue generated by value added tax (VAT) increased by 8% in 2022, following the previous year's increase of 15%; but VAT still remains the main revenue source. Meanwhile, other taxes, including the tax on foreign exchange outflows (ISD), decreased by 10% following its 25% expansion in 2021.⁴ In this context, tax revenues relative to GDP remained constant between 2021 and 2022, at around 13%; and they accounted for 34.4% of total public income in the latter year, a smaller share than that of non-recurrent (oil) income.

In 2022, total non-financial public sector expenditure increased by 12.4%, with recurrent expenditure up by 20.7%, following a contraction of 1.6% in 2021. This was offset by a 15.2% reduction in non-recurrent expenditures, continuing the 22.8% fall recorded in 2021.

Most recurrent expenditures were allocated to public consumption (30%), expanding at a rate of 38.7%, owing to the robust growth of the Petroleum Product Deficit Financing Account (CFDD).⁵ Among non-recurrent expenditures, gross fixed capital formation grew by just 2.2% and amounted to US\$ 2.326 billion (2% of GDP). It is worth noting the large share of decentralized autonomous governments, in which investment of US\$ 1.651 billion was 5.4% greater than in 2021, while that of the central government (US\$ 603 million) contracted by 11.4%.

In line with the adjustment in the fiscal accounts, in December 2022 the non-financial public sector debt relative to GDP, at 55.4%, was 3.2 percentage points lower than in the same month of 2021 and totalled US\$ 63.692 billion.⁶

The external public debt (US\$ 47.707 billion including multilateral loans of US\$ 23.839 billion) increased by 13% year-on-year and accounted for a large share of the total.⁷ By contrast, the domestic public debt (US\$ 15.985 billion) was 1.2% lower in December 2022 than a year earlier.

³ This refers to the Economic Development and Fiscal Sustainability Organic Act, which came into force in January 2022.

⁴ The share of ISD dropped from 12% of total tax revenue in 2021 to 9% in 2022, as a result of a strategy launched in 2021 to gradually deregulate capital flows. In 2022, the ISD rate was lowered from 5% to 4%, and further reductions are planned with a view to reaching 2% by the end of 2023.

⁵ CFDD includes expenses related to fuel imports, which increased by 64% in 2022. The administration of this account was transferred to Empresa Pública de Hidrocarburos del Ecuador in September 2022, whereas previously it had been included in the general State budget.

⁶ This refers to the indicator of public debt and other non-financial public sector obligations and social security, as reported by the Ministry of Economy and Finance.

⁷ In December 2022, the IMF Extended Fund Facility arrangement concluded with a final disbursement of US\$ 700 million.

The first four months of 2023 saw a year-on-year increase in public income of 6.1%, driven by items related to social security contributions (up by 14.3%) and other income (up by 37%), including income obtained from the self-management of decentralized autonomous governments. Meanwhile, oil and tax revenues declined by around 4.4%, although all income sources decreased, except for income taxes.⁸

During the same period, public spending grew by 6.7%, driven by increases in both recurrent expenditure and non-recurrent expenditure (5.1% and 16.3%, respectively), although there was a slight reduction in spending on imported fuels (0.7%). In 2023, international financial conditions and persistently high interest rates are likely to exert additional upward pressure on public debt service payments. In addition, climate change effects, such as the El Niño phenomenon affecting Ecuador, will increase the country's financing needs.

In April 2023, the public debt stood at US\$ 62.231 billion, equivalent to 51.5% of GDP. External financing through multilateral sources continues to increase, as access to financial markets and the issuance of sovereign bonds are hampered by less benign international financial conditions and high country risk.⁹ Accordingly, the current administration is persevering with its strategy of reprofiling the external debt, as exemplified by the recent debt swap and issuance of blue bonds.¹⁰

(b) Financial policy¹¹

In 2022, the money supply (M1) receded slightly (0.2%) to US\$ 30.191 billion, where currency in circulation (16.7% of GDP) continues to gain prominence, increasing at a rate of 2.9% with respect to 2021.

In addition, quasi-money grew by 13.3%, which boosted total liquidity (M2).¹² Legal reserves (6.3% of GDP) have been falling sharply (10.7%), which implies supporting a larger supply of credit.

These patterns have persisted in the first four months of 2023, as legal reserves continued to trend down and were 13% lower in April 2023 than a year earlier.

As has been the case since 2020, international reserves remain at high levels, and in 2022 amounted to US\$ 8.459 billion (7.4% of GDP).¹³ The cumulative increase between January and December of that year was US\$ 561 million, compared to US\$ 702 million in the year-earlier period. Specifically, there was a net inflow of foreign currency associated with public sector transactions (US\$ 2.201 billion), driven largely by

⁸ In January 2023, cuts were announced in various indirect taxes, including excise duty (ICE), ISD and VAT. The attendant revenue losses could be offset by a programme to tighten controls on tax evasion, in accordance with the measures adopted in 2022 for the regularization of assets held abroad.

⁹ Country risk, measured through the emerging market bond index (EMBI+), stood at 1,757 points at the end of April 2023, compared to 816 points a year earlier, according to information provided by the Central Bank of Ecuador.

¹⁰ In May 2023, the country agreed to a debt swap of approximately US\$ 1.63 billion in a private deal with Crédit Suisse bank. This involved the issuance of blue bonds, aimed at protecting marine ecosystems. A guarantee was provided by the Inter-American Development Bank (IDB), and political risk insurance was provided by the United States Agency for International Development (USAID).

¹¹ Figures are compared for the month of December each year unless otherwise indicated.

¹² Quasi-money includes savings and time deposits, repo agreements, cardholder funds and other deposits, as defined by the Central Bank of Ecuador.

¹³ The level of international reserves more than doubled from US\$ 3.397 billion in December 2019 to US\$ 7.196 billion in the same month of 2020.

the net surplus on the hydrocarbons account.¹⁴ By contrast, private sector movements generated a net foreign exchange outflow of US\$ 1.906 billion, which was 19.5% more than in January–December 2021.

In April 2023, the stock of international reserves amounted to US\$ 8.055 billion, marking a change in the process of reserve accumulation associated with foreign-exchange flows generated by the public sector. In fact, the account associated with public borrowing reported an additional net outflow of foreign exchange (US\$ 636.3 million) in January–April 2023, relative to the same period in 2022.

In the financial sector,¹⁵ credit stood at US\$ 54.071 billion (47% of GDP) in 2022, representing an increase of 17.6%, or 1.3 percentage points more than in 2021. There were vigorous expansions of consumer credit (US\$ 22.856 billion), at a rate of 20.2%, and of credit to the productive sector (US\$ 18.181 billion), at a rate of 13.3%.

Likewise, total deposits (US\$ 60.966 billion) expanded by 11.3% in 2022, with time deposits growing by 21.7% (18.1% in 2021), while demand deposits grew by 2%, which was 8.7 percentage points less than in 2021.

Against this backdrop, the current interest rate on loans dropped from 8.1% in 2021 to 7.7% on average in 2022; but lending rates have rebounded strongly since June 2022, coinciding with the successive interest rate hikes implemented by the United States Federal Reserve. The deposit rate also continued to rise, averaging 5.9% in 2022.

In the first four months of 2023, trends in the interest rate structure became more clearly defined. The lending rate rose to 9.04% in April of this year, 2 percentage points higher than in the same month of 2022, while the deposit rate gained 1.2 percentage points to 6.97%. This change reflects efforts in the banking sector to increase domestic deposits in the light of higher funding costs caused by tighter international financial conditions.

Total lending (US\$ 57.594 billion in April 2023) continued to trend up, but at a slower pace, driven by consumer credit, while credit for production tended to flatline.¹⁶

In April 2023, deposits in the financial sector grew significantly, driven by time deposits, which were up by 22.1% year-on-year. This increase represents a significant turnaround, since time deposits accounted for 53.1% of total deposits in that month, compared to 46.7% in April 2020, as the demand-deposit share has declined.

3. The main variables

(a) The external sector

¹⁴ The central bank account also recorded a net foreign-exchange inflow of US\$ 267 million in the same period (January–December 2022).

¹⁵ This includes the private, popular and solidarity-based financial sector, as defined by the Central Bank of Ecuador. The private financial sector accounted for 71% of total assets as of December 2022.

¹⁶ In 2023, the maximum interest rates in force for the corporate and business sectors were first raised in January; and another hike is expected in July following the entry into force of the resolution issued by the Financial Policy and Regulation Board, which proposes a new method for calculating the rates that financial entities can charge.

In 2022, the current account recorded a surplus for the third consecutive year, amounting to US\$ 2.114 billion (1.8% of GDP). The financial account also posted a surplus, of US\$ 2.445 billion (2.1% of GDP).

The current account surplus is explained largely by the balance of current transfers, driven by an increase in workers' remittances (8.7% year-on-year), representing 4.1% of GDP in 2022. In the first quarter of 2023, the rising trend of remittances received was maintained, with year-on-year growth of 35.7%.

By contrast, foreign trade in goods and services ended 2022 with a negative balance of US\$ 131 million, owing to a services trade deficit of US\$ 2.675 billion, which has continued to deepen since 2020. This highlights the steady rise in maritime freight costs (a service import) of 63% between 2021 and 2022, which was partially offset by the recovery of tourism and travel (a service export), which grew by 70%. Meanwhile, the goods trade balance confirmed its strong performance with a surplus of US\$ 2.544 billion in 2022, albeit US\$ 448 million smaller than in the previous year. This result was driven essentially by the oil trade surplus, which grew by 0.2% to US\$ 3.955 billion, while the non-oil trade deficit (US\$ 1.631 billion) widened by 51% relative to its 2021 level.

In 2022, total goods exports decreased by 1.3% in volume terms, but grew by a significant 22.3% in value. There were vigorous nominal increases in exports of crude oil and derivatives (35.5%),¹⁷ shrimp (22.3%), and bananas and plantains (10%), as well as mining products (8.5%). These items jointly accounted for 76% of the total value exported in 2022.

Meanwhile, total goods imports increased in 2022, both in volume terms (4.8%) and in value (27.2%) relative to 2021. By economic use or destination, all categories reported increases in value, particularly imports of fuels and lubricants (64.5%) and raw materials (18.3%).

In this context, Ecuador's real exchange rate appreciated slightly, with the aggregate index easing down from 93.7 in 2021 to 93.1 in 2022.¹⁸ Nonetheless, this conceals contrasting bilateral exchange-rate trends with respect to Ecuador's main trading partners: appreciations with respect to trade with China and the Republic of Korea, and also with Chile, Colombia and Panama; and depreciations with respect to the United States and Brazil.

On the financial account, foreign direct investment (FDI) entering the country amounted to just US\$ 788 million (0.7% of GDP) in 2022, although this represented a 21.7% increase following the 40.9% contraction in 2021. The mining and quarrying sector reported a net FDI outflow of US\$ 198 million, compared to net inflows averaging US\$ 402 million in 2016–2021. As a result, the business services sector attracted the most FDI in 2022, including an unprecedented amount of US\$ 772 million from Uruguay.

In the first quarter of 2023, the oil trade balance reported a surplus of US\$ 187 million, despite exports declining by 33.5% year-on-year. This reflected the sector's difficulties in increasing its exportable output, compounded by the lower price of oil on international markets,¹⁹ and persistent growth in oil imports (10.4%).

¹⁷ This reflects the increase in the export price of the Oriente and Napo crude oil basket, which averaged US\$ 86.13 per barrel in 2022, US\$ 24 more than in 2021. This is explained by the effect of the rise in the price of West Texas Intermediate (WTI), from US\$ 68 in 2021 to US\$ 94.4 in 2022.

¹⁸ The real exchange-rate index is calculated by the Central Bank of Ecuador (with base year 2014) on the basis of a sample of 16 countries identified as Ecuador's main trading partners; it excludes oil.

¹⁹ WTI averaged US\$ 76.1 per barrel in the first quarter of 2023, compared to US\$ 95.5 in the year-earlier period.

In the same period, non-oil trade reported a surplus (US\$ 266 million), in contrast to the deficit that has traditionally been recorded, except in the first quarter of 2020. The agenda of trade negotiations defined by the current government should contribute to improving the country's foreign trade prospects. Free trade agreements with China and Costa Rica are expected to be signed in 2023.²⁰ However, weaker growth expectations among Ecuador's main trading partners, together with the potential appreciation of the dollar and the weaker rise in international oil prices, will likely put additional pressure on the country's competitiveness and balance of payments performance.

(b) Economic growth²¹

Following its 4.2% expansion in 2021, the Ecuadorian economy grew in real terms by 2.9% in 2022, but has yet to regain the GDP level of 2019, before the onset of the pandemic. Considering the components of aggregate demand, the annual GDP growth is explained mostly, in the case of domestic demand, by private consumption (3 percentage points), followed by general government consumption (0.7 points) and gross fixed capital formation (0.5 points); and, in the case of external demand, by exports of goods and services (0.7 percentage points).

Household final consumption (66.4% of GDP) was the main driver of Ecuador's economic growth, increasing by 4.6% in 2022 (5.6 percentage points less than in 2021), in a context of higher levels of remittances received, credits, imports of consumer goods and lower inflationary pressures since the second half of 2022.

In the case of general government consumption, growth of 4.5% was stimulated mainly by fuel purchases to satisfy domestic demand, as noted above. Gross fixed capital formation (private and public) grew by just 2.5% to US\$ 14.314 billion, or US\$ 2.214 billion less than in 2019. Thus, total investment has lost GDP share over the last decade, retreating from 27% of GDP in 2013 to 20% in 2022. Lastly, after two consecutive years of decline, exports of goods and services increased by 2.5% in 2022, while imports grew by 4.5%.

Considering the different sectors of production,²² mining (up by 13.8%), accommodation and food services (up by 12.2%) and aquaculture and shrimp fishing (up by 11.8%) were among those recording the strongest expansions in 2022 relative to 2021. By contrast, annual gross value added declined in key sectors such as fishing (by 9.9%), agriculture (2.9%) and oil (0.9%). Seven branches of activity, among the 18 registered, have yet to regain their pre-pandemic levels. These include construction, oil, manufacturing and agriculture, where output is still US\$ 2.563 billion below the 2019 level, with a concomitant impact on investment and employment trends.

In the oil sector specifically, domestic crude production increased by 1.7% in 2022, following a 1.7% decrease in the previous year. However, the average number of barrels produced per day was 481,000 in 2022, compared to 531,000 in 2019. Specifically, national production of Ecuadorian crude oil declined by 2.6% in the last five-year period (2018–2022). Meanwhile, the production of derivatives by Petroecuador grew by 3.6% in 2022 relative to 2021, which signifies an improvement in the supply of fuels to meet domestic consumption needs.

²⁰ The ongoing trade negotiation with the Republic of Korea should also be completed in 2023.

²¹ In this section, real values are expressed in constant dollars at 2007 prices.

²² The classification of the 18 industries considered in this section differs from that presented by the Central Bank of Ecuador, because it distinguishes the oil sector, including oil refining, from the mining sector.

In the first quarter of 2023, Ecuadorian GDP expanded by 0.7% year-on-year, essentially because of private consumption, which grew by 1.6%, albeit decelerating since the second quarter of 2021. Gross fixed capital formation decreased at a year-on-year rate of 5.2%, which is closely related to the difficult recovery of the construction sector, in which gross value added declined by 6.5%. While non-oil gross value added remained broadly steady, with a slight increase of 0.3%, gross value added in the oil sector decreased by 1.2% in the first quarter of 2023 relative to the year-earlier period. In 2023 to date, domestic oil production is still suffering from the difficulties faced by this sector, which are compounded by the effects of natural disasters and possible social protests, in addition to the potential consequences of the plebiscite on exploitation of the Ishpingo-Tambococha-Tiputin oil block.²³

(c) Prices, wages and employment

In December 2022, the consumer price index reflected a variation of 3.7% year-on-year, compared to 1.9% in the same month a year earlier, as domestic price increases gathered pace in the second half of 2021.²⁴

Food and non-alcoholic beverages (1.6 percentage points), transport (0.45 points) and miscellaneous goods and services (0.42 points) had the greatest impact on the country's inflationary process. The food and non-alcoholic beverages sector recorded the highest increase in the consumer price index (7.6%). In April 2023, annual inflation stood at 2.4% and cumulative inflation at 0.4%. The general rise in prices in Ecuador eased as from January 2023.

At the national level, labour indicators improved slightly in 2022. Unemployment, at 4.4%, was 0.9 percentage points lower than in 2021,²⁵ although it has not yet returned to its 2019 pre-pandemic level of 4.2%. In addition, adequate or full-time employment in the formal sector expanded from 25.9% of the economically active population in 2021 to 27.9% in 2022.²⁶

By contrast, in 2022, working conditions became more precarious, with the population employed in the informal sector growing to 50.6%, compared to 49.5% in 2021 and 47.3% in 2019. By income quintile, 84.2% of the poorest 20% of the population were employed informally in 2022, compared to 21.7% of the richest 20% —increases of 2.5 and 0.7 percentage points, respectively, relative to the equivalent 2021 figures.

In terms of disparities between men and women, the unemployment gender gap narrowed by 0.5 percentage points in 2022, following a reduction of 1.5 points in 2021. In terms of adequate or full-time employment, the gap remained at around 12 percentage points. This was also reflected in a persistent wage gap, with women receiving on average 80% of the pay received by men in both 2021 and 2022. In 2022, real national average labour income increased by US\$ 11.4 to US\$ 308.5, at constant 2007 prices, relative to the previous year.

In April 2023, the unemployment rate continued to trend down, reaching 4% or 0.7 percentage points lower than in the same month of 2022. Adequate employment in the formal sector also continued to

²³ Owing to environmental concerns, a plebiscite will be held in August 2023 to decide whether or not to continue exploitation of the Ishpingo-Tambococha-Tiputin block, located in the Yasuní National Park, which was designated by UNESCO as a biosphere reserve in 1989.

²⁴ The producer price index had risen by more (6.14%) as of end-2022 (1.72% in December 2021).

²⁵ A statistically significant difference according to the National Institute of Statistics and Census (INEC).

²⁶ These values differ from the statistics presented by INEC, where formal and informal jobs are aggregated to determine the adequate employment rate.

improve, rising to 28.4% in April 2023 from 26.4% a year earlier. Informal employment also continued to increase, to account for 53.8% of the employed population, 2.1 percentage points higher than in April 2022. The unified basic wage was raised by US\$ 25 to US\$ 450 per month as from January 2023.

Table 1
ECUADOR: MAIN ECONOMIC INDICATORS

	2014	2015	2016	2017	2018	2019	2020	2021	2022 a/
	Annual growth rates b/								
Gross domestic product	3.8	0.1	-1.2	2.4	1.3	0.0	-7.8	4.2	2.9
Per capita gross domestic product	2.3	-1.4	-2.7	0.8	-0.6	-1.9	-9.1	3.0	1.8
Gross domestic product, by sector									
Agriculture, livestock, hunting, forestry and fishing	7.6	2.9	0.9	5.5	0.1	1.6	0.4	3.4	-1.0
Mining and quarrying	6.6	-2.1	1.5	-2.8	-5.9	3.2	-7.6	0.8	1.0
Manufacturing	0.2	-0.8	-0.9	3.6	0.6	-0.8	-6.3	4.2	0.2
Electricity, gas and water	6.5	9.0	0.5	9.6	3.5	9.8	-5.1	0.8	6.7
Construction	4.7	-0.8	-5.8	-4.4	0.6	-4.7	-20.0	-6.6	0.2
Wholesale and retail commerce, restaurants and hotels	3.3	-1.1	-3.5	5.5	2.3	0.0	-9.9	11.9	5.1
Transport, storage and communications	3.5	2.6	0.6	0.4	4.4	0.2	-10.8	11.9	6.5
Financial institutions, insurance, real estate and business services	5.1	0.5	-1.9	-1.1	3.0	1.8	-5.3	5.5	2.6
Community, social and personal services	4.1	2.5	0.5	2.2	2.0	-0.7	-4.8	-0.1	4.1
Gross domestic product, by type of expenditure									
Final consumption expenditure	3.5	0.3	-2.0	3.6	2.4	-0.2	-7.6	7.8	4.6
Government consumption	6.7	2.1	-0.2	3.2	3.5	-2.0	-5.1	-1.7	4.5
Private consumption	2.7	-0.1	-2.4	3.7	2.1	0.3	-8.2	10.2	4.6
Gross capital formation	3.4	-9.2	-11.5	-11.7	1.7	-3.2	-19.0	9.0	-0.4
Exports (goods and services)	6.2	-0.6	1.4	0.7	1.2	3.6	-5.4	-0.1	2.5
Imports (goods and services)	4.8	-8.2	-9.6	12.2	4.4	0.3	-13.8	13.2	4.5
Investment and saving c/	Percentages of GDP								
Gross capital formation	28.3	26.9	25.0	26.3	26.7	25.9	22.0	22.3	22.2
National saving	27.7	24.6	26.1	26.1	25.5	25.8	24.9	25.5	24.6
External saving	0.7	2.2	-1.1	0.2	1.2	0.1	-2.9	-3.2	-2.4
Balance of payments	Millions of dollars								
Current account balance	-669	-2 221	1 094	-184	-1 310	-153	2 870	3 377	2 711
Goods balance	-63	-1 650	1 553	254	-203	1 027	3 499	3 261	2 962
Exports, f.o.b.	26 596	19 049	17 413	19 549	22 157	22 774	20 591	27 236	33 451
Imports, f.o.b.	26 660	20 699	15 861	19 295	22 360	21 747	17 092	23 975	30 489
Services trade balance	-1 171	-805	-978	-747	-687	-891	-977	-2 077	-2 651
Income balance	-1 543	-1 729	-1 814	-2 317	-2 828	-3 028	-2 645	-1 665	-1 709
Net current transfers	2 108	1 963	2 333	2 627	2 409	2 739	2 993	3 858	4 110
Capital and financial balance d/	244	732	740	-2 122	1 481	869	1 276	-2 429	-2 143
Net foreign direct investment	777	1 331	764	630	1 390	979	1 095	647	788
Other capital movements	-532	-599	-25	-2 751	91	-110	181	-3 077	-2 931
Overall balance	-424	-1 489	1 834	-2 305	171	715	4 146	948	568
Variation in reserve assets e/	411	1 453	-1 834	2 305	-171	-715	-4 146	-948	-568
Other financing	13	36	0	0	0	0	0	0	0
Other external-sector indicators									
Real effective exchange rate (index: 2015=100) c/	107.6	100.0	98.0	100.3	101.1	101.0	99.7	103.7	105.8
Terms of trade for goods (index: 2018=100) f/	116.8	88.5	84.4	91.7	100.0	96.4	83.0	95.1	101.4
Net resource transfer (millions of dollars)	-1 286	-961	-1 074	-4 439	-1 348	-2 160	-1 369	-4 094	-3 852
Total gross external debt (millions of dollars)	24 112	27 933	34 181	40 323	44 239	52 668	56 893	57 752	59 936
Employment	Average annual rates								
Labour force participation rate	62.6	65.6	67.7	68.1	66.7	66.2	62.5	66.1	66.3
Unemployment rate g/	3.4	3.6	4.5	3.8	3.5	3.8	6.2	4.6	3.8
Visible underemployment rate	10.6	11.7	15.7	17.0	15.4	16.6	26.6	23.1	...

Table 1 (concluded)

	2014	2015	2016	2017	2018	2019	2020	2021	2022 a/
Prices	Annual percentages								
Variation in consumer prices (December-December)	3.7	3.4	1.1	-0.2	0.3	-0.1	-0.9	1.9	3.7
Variation in producer prices (December-December)	3.1	-0.7	1.7	1.3	-1.1	1.9	-1.5	1.7	6.1
Nominal deposit rate h/	4.9	5.3	5.7	4.9	5.1	5.9	6.3	5.6	5.9
Nominal lending rate i/	8.1	8.3	8.7	7.9	7.7	8.6	8.9	8.1	7.7
Central government	Percentages of GDP								
Total revenue	21.6	21.8	20.2	19.9	22.6	20.7	17.6	20.4	22.2
Tax revenue	14.2	16.1	14.3	13.8	14.3	13.4	12.5	12.8	13.1
Total expenditure	26.3	25.3	25.3	23.6	23.2	23.1	23.2	22.2	20.7
Current expenditure	14.6	15.1	14.8	15.2	16.1	17.8	18.0	15.2	16.2
Interest	1.4	1.8	1.9	2.4	2.8	3.0	3.3	1.8	2.1
Capital expenditure	11.6	10.2	10.6	8.4	7.1	5.3	5.2	7.0	4.5
Primary balance	-3.3	-1.7	-3.2	-1.3	2.2	0.6	-2.3	0.0	3.6
Overall balance	-4.7	-3.5	-5.2	-3.7	-0.6	-2.4	-5.6	-1.8	1.5
Central government public debt	27.5	30.9	35.7	41.3	42.2	48.2	59.0	57.0	59.7
Domestic	12.3	12.6	12.5	14.2	12.5	13.5	16.8	15.4	20.1
External	15.2	18.3	23.2	27.1	29.7	34.7	42.3	41.6	39.7
Money and credit	Percentages of GDP, end-of-year stocks								
Domestic credit	29.8	29.9	34.4	36.4	38.9	42.7	48.5	55.0	56.0
To the public sector	1.1	1.5	4.5	3.0	1.7	1.5	2.5	6.1	4.7
To the private sector	28.7	28.4	29.9	33.4	37.2	41.2	46.0	48.8	51.3
Monetary base	14.5	16.7	21.3	21.3	21.2	21.7	29.0	27.3	24.9
M2	38.3	38.4	44.5	46.9	48.2	51.8	62.4	64.3	63.6

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

a/ Preliminary figures.

b/ Based on figures in local currency at constant 2007 prices.

c/ Estimates based on figures denominated in dollars at current prices.

d/ Includes errors and omissions.

e/ A minus sign (-) indicates an increase in reserve assets.

f/ Annual average, weighted by the value of goods exports and imports.

g/ Open unemployment rate includes an adjustment for workforce figures due to exclusion of hidden unemployment.

h/ Weighted average of the system effective deposit rates.

i/ Effective benchmark lending rate for the corporate commercial segment.

Table 2
ECUADOR: MAIN QUARTERLY INDICATORS

	2021				2022				2023	
	Q.1	Q.2	Q.3	Q.4	Q.1	Q.2	Q.3	Q.4	Q.1	Q.2 a/
Gross domestic product (variation from same quarter of preceding year) b/	-4.1	11.6	5.5	4.9	3.4	1.4	2.7	4.3
Net international reserves. (millions of dollars)	6 054	5 920	5 857	7 671	8 421	8 413	8 804	7 912	8 147	8 057 c/
Real effective exchange rate (index: 2005=100) d/	102.6	103.4	103.7	104.9	105.5	107.3	106.4	105.1	106.0	...
Unemployment rate	4.7	5.0	4.5	4.2	4.4	3.8	3.7	3.4	3.4	...
Employment rate	61.6	62.5	63.1	63.6	62.6	63.8	64.3	63.2	63.0	...
Consumer prices (12-month percentage variation)	-0.8	-0.7	1.1	1.9	2.6	4.2	4.1	3.7	2.8	1.7
Wholesale prices (12-month percentage variation)	-1.6	1.2	2.3	1.7	4.8	8.5	7.4	6.1	3.3	2.0 e/
Nominal interest rates (average annualized percentages)										
Deposit rate f/	5.7	5.5	5.6	5.6	5.6	5.8	5.8	6.2	6.8	...
Lending rate g/	8.4	8.6	7.9	7.5	7.3	7.0	8.0	8.4	8.8	9.0
Interbank rate	...	1.2	...	1.0	1.0	1.3	2.1	3.5	3.9 h/	...
Sovereign bond spread, Embi + (basis points to end of period) i/	1201	776	835	869	810	1 165	1 753	1 250	1 917	1 922
International bond issues (millions of dollars)	-	-	-	-	-	-	300	-	-	656
Domestic credit (variation from same quarter of preceding year)	4.1	7.7	14.7	20.0	22.0	19.5	12.5	11.7	10.1	...

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

a/ Preliminary figures.

a/ Preliminary figures.

b/ Based on figures in local currency at constant 2007 prices.

c/ Figures as of April.

d/ Quarterly average, weighted by the value of goods exports and imports.

e/ Figures as of May.

f/ Weighted average of the system effective deposit rates.

g/ Effective benchmark lending rate for the corporate commercial segment.

h/ Figures as of February.

i/ Measured by J.P.Morgan.