DOING BUSINESS IN ECUADOR

Population 18M I GDP Growth -2% (*est. 2024) I GDP PC $14K |
Still Wine Imports 14K 9 liter cs

Security issues continue to concern and are having a direct impact in the on-premise channel. Consumption not contracting but the younger consumers are more health conscious, and affordability is a strong driver for purchase. Retailers importing wine directly putting pressure on importers and reducing available shelf space. Uncertain political and economic landscape limits US Wine Category outlook.

Wine in Ecuador

Total Addressable Market

Total Still Wine Category 1.1M 9 lt cases, imported led by Chile with 537K cs(+0.2%) followed by Italy 214K cs (+90% led by Tuti's $2.99 offering) and Spain 145K cs(-23%).
US wine imports under 1.3 K cs (-36%).

Consumption Trends

Total still wine category growing (+3%) driven by low price off premise retailers

Still Wine: Selected New World Wine Varietals

000s 9-litre Cases

Category	2024	2025	Market Share 2025	CAGR 2024–25	CAGR 2020–25
- Cabernet Sauvignon	224.96	181.48	26.9%	-19.3%	3.5%
- Merlot	129.63	117.92	17.5%	-9.0%	7.9%
- Carménère	34.30	49.27	7.3%	43.6%	13.3%
- Malbec	40.72	42.00	6.2%	3.1%	7.9%
- Sauvignon Blanc	45.10	34.64	5.1%	-23.2%	0.4%
- Chardonnay	14.14	12.25	1.8%	-13.4%	9.2%
- Pinot Noir	2.07	2.69	0.4%	30.0%	-7.6%
- Shiraz/Syrah	3.66	2.41	0.4%	-34.2%	-10.7%
- Chenin Blanc	1.56	0.62	0.1%	-60.3%	-11.3%
- Pinot Gris/Pinot Grigio	0.15	0.33	0.0%	120.0%	-
- White Zinfandel	0.00	0.00	0.0%	-	-
- Zinfandel	0.00	0.00	0.0%	-	-
- Pinotage	-	-	-	-	-
- Other Varietals	199.97	230.27	34.2%	15.2%	-8.9%

Source: IWSR

*https://openfactbook.org/

Trading Notes for Wineries

The off-premise represents 93% of wine consumption. Volume is driven by discount retailers importing wine directly. Opportunity to develop on-trade channel through wine training and education.

On-premise represents 7% of wine affected by security issues limiting on premise consumption occasions.

Market Insights

- U.S.-Ecuador Agreement on Reciprocal Trade (ART) 2026 will phase out tariffs for US agricultural products including wine.
    - Levels pricing with European and South American countries of origin.
- US dollar is the official currency – eliminates exchange rate volatility / long term pricing strategies.
- Wine culture is growing in metropolitan areas Quito (capital), Guayaquil, Cuenca.
- Target upper middle class and corporate sectors.
- While Chile alone imports half of all still wine, there is opportunity for US wines to promote premium and luxury segment through brand building and educational investments.
- Bureaucratic process to obtain Sanitary Registration (Registro Sanitario) that can take several months.
    - Any change in wine blend or composition can trigger long administrative re-evaluation of registration.

Taxes, Shipping and Terms

- After U.S.-Ecuador Agreement on Reciprocal Trade (ART) the tariff landscape is changing, but internal taxes remain high.
- One of the more complex tax structures for imported alcohol in the Andean region. Taxes are calculated sequentially, meaning each step builds a compounding tax base.
- Calculated based on the CIF (Cost, Insurance, and Freight) value of the shipment
- **A. Import Duty (Arancel) 20% Ad Valorem**
    - This will be reduced to 0% by ART
- **B. FODINFA (Child Development Fund)** .05% Ad Valorem
- **C. Special Consumption Tax (ICE)**
    - Two parts
    - 1.Specific Component $10.41 per liter of pure alcohol
    - 2. Ad Valorem 75% on excess value above a statutory limit.
    - $4.72 per liter
    - (CIF+Import Duty+FODINFA) x 1.25 factor
    - NOTE: to stimulate on premise consumption ICE Tax suspended during World Cup
- **D. Value Added Tax (VAT) 15%**
    - (CIF + Import Duty +Excise Tax + Environmental Levy) x 15%
- Terms and Capital out Flow Tax 5%
    - When importer pays suppliers via wire transfer, government charges and extra 5% putting pressure on distributor’s cash flow.
    - Require 60 60 90 days of credit or purchase in smaller, consolidated shipments to protect liquidity.

- **Regulatory Compliance and Barriers**

- Need a health/sanitary registration for the product with ARCSA (Ecuador's health regulatory agency)

- Spanish-language labeling compliant with Ecuadorian requirements,

- ICE exemption/registration filing since alcoholic beverages require specific SRI paperwork.

- Standard TTB export rules and COLA (label approval) considerations apply

Notable Importers

- Winintersa S.A.
- Plus Brand (La Guarda)
- Moderna Alimentos (Quality)
- Tomalon Import & Export S.A.
- Corporación El Rosado
- Corporación Favorita
- Importadora Dangys S.A.
- Impalcasa S.A.
- CESA S.A.
- Ecues S.A.

Pricing Guidelines for Importers

		USD	
750 ml Bottle Cost CIF 13.5 % alc		$	10.00
Import Duty (ART Preferential Phase) 0%		$	-
FODINFA: 0.5% of CIF		$	0.05
Accumulated Tax Base (CIF + DUTY + FODINFA)		$	10.05
Specific ICE			
	750ml x 13.5% alc = 0.10125 pure alchol		
	0.10125 x $10.41	$	1.05
Ad Valorem ICE 75% / $4.72 per liter			
	For a 750 ml $4.72 x 0.75		**$3.54**
	Taxable base (Excess) Ex customs price of $10.05- **$3.54**	$	6.51
	$6.51 gets taxed at 75% ($9.14 x 75%)	$	4.88
Total ICE + Ad Valorem = $1.05 + $4.88		$	5.94
IVA (VAT) 15%			
	IVA Base $10.05+$5.94	$	15.99
	$20.59 x 15%	$	2.40
Landed Cost		$	18.38
Distributor Margin 35%		$	9.90
List Price		$	28.28
Retailer Margin 30%		$	12.12
Shelf Price		$	40.41

Tables and Tax information serve as directional reference per market that are subject to changes and updated by each country throughout the year. Contact your local importer for up-to-date information.

Price Tiers

Category	2024 (000s 9L Cases)	2025 (000s 9L Cases)	Market Share	CAGR 2024–25	Price Range (USD$)
Prestige-Plus	0.12	0.20	0.0%	66.7%	Over 465.01
Prestige	0.10	0.59	0.1%	490.0%	225.01 to 465.00
Ultra-Premium					97.85 to 225.00
Super-Premium	5.14	6.37	0.6%	23.9%	62.10 to 97.84
Premium	101.83	91.35	8.1%	-10.3%	36.76 to 62.09
Standard	174.07	171.15	15.1%	-1.7%	17.65 to 36.75
Value	405.55	333.53	29.4%	-17.8%	7.70 to 17.64
Low-Price	414.35	529.50	46.7%	27.8%	7.69 and under
Still Wine	**1,101.16**	**1,132.69**	**100.0%**	**2.9%**	

Cultural Awareness and Considerations

- The new trade agreement with the US signed March 2026 will improve California wines competitiveness in the market, but overall focus needs to be on Premium and above price tiers.
- While Chile and Argentina benefit from optimized supply chains form years of business in the country, the new agreement will streamline US imports and help create efficiencies in the future.
- This strategy will rely on education and brand building that can be expensive creating a challenge for small volume brands to recover investment.
- Highly hierarchical affluent class that will relate to exclusivity and luxury positioning.
- Some American expat communities, particularly in the city of Cuenca (third largest in the country).
- Growing upscale culinary scene with high-end restaurants and boutique wines.

Contact Information

Juan Botero
Director LATAM & Caribbean
jbotero@wineinstitute.org
786.488.9116

CALIFORNIA WINES