

Poor weather conditions and farm deficiencies pulled down Ecuador's banana exports by 9% year-on-year in the first quarter, according to a national industry representative. 

Banana Exporters' Association of Ecuador (AEBE) director Eduardo Ledesma told *www.freshfruitportal.com* the sector had also been affected by a loss of market share in several countries.

"We are losing competitiveness because we have costs that are too high compared to our competitors," he said.

While Ecuador continues to dominate as a banana supplier to the European Union, shipments have been in decline in recent years, falling from 114 million cases in 2011 to 85 million cases last year.

"That is due to tariffs, which we haven't yet been able to come to an agreement with the European Union over. Fortunately, the President of the Republic was very emphatic in saying that we will negotiate with the European Union and we will sign an agreement that is beneficial for the industry," Ledesma said.

"It is not easy to replace that amount in another market, so that's why the European Union is important to us. It's vital for Ecuador, not just in bananas."

He said market share was also on the decline in the U.S.

"The U.S. is where we've lost the most share," he said, highlighting that Ecuador was losing space to Guatemalan fruit.

"The U.S. is consuming more bananas, but the point is that Ecuador was unable to meet this rise and lost out instead, because the brand that had this market has reduced its shipments of boxes."

Despite declines in these two key markets, other destinations like Russia, Africa and the Middle East have shown growth so far this year for Ecuadorian bananas.

"The Russian market has always been important for Ecuador and among the things that we have asked the Foreign Ministry is that we try to conclude a trade agreement with Russia, because for us it is tremendously important.

"With the other countries where we have grown it is also important to establish trade links, which we already have, but we have to consolidate them, despite the fact that all these

countries have higher tariffs than in other countries."

He said the current price for Ecuadorian bananas was US\$6 per kilogram.

"We have an export cost of US\$1.75. To this we must add a step increase in the Panama Canal which is US\$1.20 and US\$1.70 in additional expenses for containers, cardboard and plastic. This gives us a total of US\$10.65.

"We have almost US\$1.50-1.60 [in costs] more than our competitors and that definitely affects, because today with the crisis in the eurozone countries and the world, people tend to look for a cheaper product.

"Ecuador has to sit down to work on lowering costs in such a way that we can be more competitive than our competitors, and that way we can take some of the lost market share, consolidate and grow."

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