

From January to May of this year Ecuador has had a three percent reduction in exports, a representative from the sector has said. Richard Salazar, Executive Director of [Acorbanec](#) spoke about why the banana industry has faced challenges with exports this year.

He referred to the decrease in exports and production and the drop in the country's participation in key markets.

"There has been a fall in production year-on-year and this is due to different reasons," he said.

Challenges relating to climatic factors such as frosts and volcanic eruptions, as well as phytosanitary issues all added to the decrease.

He said there has been a five to 6 percent reduction in production.

The new Maximum Residue Limits have led the industry to stop using certain chemicals which has also affected banana production.

"Important markets, for example, countries that are traditional buyers, have stopped buying from us and instead are buying from other countries," he said.

Taking Germany as an example, the country has reduced its purchasing by 10 percent from Ecuador. Belgium has seen a 0.6 percent decrease, Slovenia a 37 percent drop, France and Italy saw a 64 and 17 percent decrease, respectively.

"Those countries that are buying from other players in Central America and Colombia, but sometimes ports change, so there is a mixture of various things."

Asia has also been complex, China is buying from its neighboring countries which also impacts Ecuador's exports, he said.

Regarding price problems which have also created challenges for Ecuador's banana sector, he said that the value of paper and consequently of cardboard has increased costs.

"At this moment, each cardboard costs US\$1.50 or \$1.55 per box, and we have had an increase from \$1.30 to \$1.55, that is, two increases and we should have had a third."

If the cost of navel transport is added and the lack of containers, both factors have influenced the purchase of fewer bananas.

Russia has reduced its purchases and expects an increase in its tariffs, which makes the value of bananas even more expensive for that market.

Salazar said that the average spot price continues to be above the fixed price set by the Ecuadorian Government, regardless of the drops in recent weeks.

"Despite the fact that low prices have been seen in recent weeks, in the overall price we are at \$6.50 a box, from 1 to 27, when the official price is \$6.25."

However, he said that there is still internal work to be done to remain competitive in the international market.

There are various organizations that are currently working with the government to strengthen Ecuador's position in the sector.