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FINDING NEW GROUND FOR GROWTH WITH JAPAN AND THE WORLD

To mark the centennial of the establishment of diplomatic ties with Japan, Ecuador's President Lenin Moreno flew to Tokyo last year accompanied by government officials, business leaders and entrepreneurs, all of them eager to build a stronger partnership with the world's third-largest economy.

Over the last several years, trade between Japan and Ecuador has grown consistently, dominated by high-quality produce and agricultural products such as bananas, plantains, cocoa, broccoli and coffee, which have satisfied the exacting standards and palates of Japanese consumers.

Meanwhile, Japanese companies have grown optimistic over prospects in Ecuador, which has seen a growing middle class whose aspirations include owning Japanese-made cars and other consumer products.

"We look forward to deepening ties with the government of Japan as we work toward an eventual bilateral free-trade agreement.

Ecuador is a relatively small market but our country has a lot to offer Japan and the world in terms of the wealth of its land and seas. And our institutions are keen to receive the best of Japanese technology to improve Ecuador's productive capacities and enhance its people's quality of life," said **Toyota del Ecuador Commercial Director Luis Baca**, who is also president of the Ecuadorian Japanese Chamber of Commerce and Industry.

Then earlier this year, as part of efforts to become more economically engaged with its neighbors, Ecuador applied to join the Pacific Alliance, a Latin American economic bloc composed of Chile, Colombia, Mexico and Peru. Its full membership is expected to receive approval next year.

"This is a new era for Ecuador as far as opening up to the international community. Ecuador is a beautiful country with open doors for foreign investments. Our new investment promotion law grants significant tax holidays

for several years on new investments. The stability of the U.S. dollar also makes us an interesting alternative," said founding partner **Miguel Macias** of Estudio Juridico Macias, a law firm based in Guayaquil.

"Our labor law is changing to promote new jobs. Our long experience with multinationals, including companies like Mitsubishi, has prepared us to become the best partner for any Japanese corporation interested in investing in the country," Macias added.

Investors from Japan can expect a warm reception among Ecuadorians, who have displayed a deep loyalty to Japanese brands. Amid an exodus of foreign companies during the hyper-inflation crisis from the 1980s until the 1990s, some Japanese companies chose to remain in the country, endearing themselves to generations of local consumers.

Toyota and its truck division, Hino Motors, was among those that stuck it out. In fact, the two companies are marking their 60th anniversary in Ecuador.

"Hino trucks have proven themselves to be extremely reliable in traversing Ecuador's diverse topographies. Our market share is second to none and Hino's success in Ecuador became a case study in how Hino distributors can win in other South American markets," said **Manuel Malo**, president of **Teojama**, Hino's main distributor of Hino trucks in the country.

Because of its location and topography, Ecuador possesses the perfect climate to grow a diverse range of quality produce and agricultural goods. As of this year, Ecuador surpassed China as the largest supplier of frozen broccoli to Japan.

The tropical climate of Ecuador also provides Ecuador's farmers with the ideal conditions to grow bananas and cacao. While bananas grown in Asia unsurprisingly dominate market share in Japan, some Japanese have developed a keen preference for Ecuadorian bananas.



Ambassador of Japan to Ecuador Yuji Sudo



JICA's Country Representative in Ecuador Takeo Ishikawa



Toyota del Ecuador Commercial Director Luis Baca



Teojama President Manuel Malo

Based in Duran, **Tropical Fruit Export S.A.** has exported plantains to Japan since 2014 and found success in the country because of its readiness to go the extra mile for its customers.

"Our point of pride is that our products have made it to Japan, which everyone knows is a gold standard for other importers. We fly out our account manager to

our warehouse, 45 minutes away from Guayaquil, to personally inspect each and every batch of produce that is bound for Japan," **Tropical Fruit Export President Edmundo Uribe** said.

Another reason Ecuadorians hold Japan in high regard is the country's contribution to improve its government and educational institutions through

programs overseen by the Japan International Cooperation Agency (JICA), which has been active in Ecuador since the 1960s.

"Our initial work in Ecuador was related to talent and student exchange programs. But at present, JICA is involved in various energy projects and provides the country with Japanese technology for tsunami detection and early warning,"

JICA's Country Representative **Takeo Ishikawa** said.

In another instance of valuable exchanges, the Universidad Central del Ecuador, the country's oldest and largest institution of higher learning, forged a partnership with a Kyoto-based robotics company to share its technical knowledge and practical application of robotics. ■

IT'S ONLY THE BEST SHRIMP FOR JAPAN

Environmental sustainability and food traceability have become increasingly important for seafood consumers and governments around the world. As Ecuador's leading shrimp exporter, **Pesquera Santa Priscila** guarantees that its products are safe, traceable and delicious.

Pesquera Santa Priscilla has its origins in the 1970s when it started building aquaculture farms (the president is a civil engineer). Over nearly half a century, the company has become not only the country's largest seafood exporter by volume but also an innovator in industry best practices.

"Ecuador's aquaculture is unique. We grow our shrimps and tilapias in low-density farms, free of antibiotics and respectful of nature and resources. The fish live

in an environment free of stress," **Pesquera Santa Priscila President Santiago Salem** said.

Pesquera Santa Priscila joined the Sustainable Shrimp Partnership, an association of exporters who adhere to not using antibiotics. The company also received certification from Aquaculture Sustainability Council, which allows it to export its products to Europe. It has also adopted the latest technology and processes to ensure the traceability of its products.

In 2018, the company exported around 76,876 metric tons of seafood products, a bulk of which was destined for the Asian market, specifically Japan, a country well-known around the world for its uncompromising standards. The company holds around a 70 percent market share in the region. For that year, its revenues



Pesquera Santa Priscila exports more than 77,000 tons of antibiotic-free shrimp to Latin America, the United States, Europe and Asia. This includes Japan and China, among other countries.

reached nearly \$700 million.

"The Japanese have been strong and stable partners ever since our commercial relationship began. We

value the serious and respectful way the Japanese approach their partners and suppliers," Salem said. ■
→ www.santa-priscila.com

COFINA: BEYOND CHOCOLATE

Lauded as one of the world's most sought after fruit crops, the cacao bean has found a natural home in Ecuador. With an abundance of fertile land, the country is an optimal place for planting cacao.

Cofina, a family-owned cacao company established in 1993, is on a mission to show that there is more to cacao than just chocolate. In fact, the company prides itself on the quality cacao byproducts they manufacture such as cacao nibs, cocoa liquor, cocoa butter and cocoa powder.

Cofina Founder and CEO Julio Zambrano is committed to produce and—maintain the quality of their products, while practicing corporate social responsibility, sustainable operations and environmentally friendly agriculture.

After more than 20 years in

the business and succeeding in how ordinary consumers view cacao, Zambrano and Cofina felt confident in venturing into personal care products. As the company continues to innovate and expand, Cofina considers Japan its top overseas market and hopes to form even more partnerships with the Japanese.

"It is always an amazing experience working with the Japanese. They are very friendly and very professional. It would be a pleasure to create more partnerships with them," Zambrano said. ■

<https://cofinacocoa.com/en/home-en/>



Cofina Founder and CEO Julio Zambrano (left) demonstrates how to extract cocoa beans from the pod. Cofina exports its products to 56 countries around the world.

PROVEFRUT: 30 BOUNTIFUL YEARS

Provefrut's founders **Alfredo Zeller** and **Francisco Correa** started the company with a clear vision in mind: To create an innovative company that promotes a culture of good values with an emphasis on social responsibility. In practice, the two entrepreneurs have nurtured the development of its partners, environmental sustainability and the efficient use of energy resources.

In commemoration of its 30th anniversary this year, Provefrut is embarking on a new chapter, starting with the unveiling of a new corporate image and relaunch of its website that presents its new outlook and branding.

CEO Alfredo Zeller is optimistic

about the growth of the company in the coming years, particularly its prospects in Japan, one of the country's top three markets. Twenty years ago, Provefrut first sold frozen broccoli, its main product, to Japan, which has since become Ecuador's largest buyer of frozen vegetables.

"We understand what Japanese customers look for, which is why we have been and we will keep on investing in quality. This partnership works because of the consistent quality we keep, the constant supply we are able to provide and the relationships we have taken care of throughout the years," Zeller said. ■

→ www.provefrut.com/en/



Among Provefrut's most sought after products are its romanesco broccolis.

UCE BRIDGES THE GAP TO JAPAN THROUGH SCIENCE

Universidad Central de Ecuador in Quito is the largest university in the country and one of the oldest in the Americas. Headed by **Fernando Sempertegui**, the university is particularly proud of its excellent research and innovation abilities and wants to forge partnerships with Japanese counterparts to maintain its excellent standing.

"We would be happy to strengthen collaborations with Japanese universities and companies in research and innovation," Sempertegui said.

UCE has excelled in robotics to develop devices for the disabled, cancer research and agriculture. Because of that reputation, Kyoto Kagaku Corp., through the Japan International Cooperation Agency, donated more than \$500,000 worth of equipment to its Medical Robotics Simulation Clinic, ranked No. 4 among robotic clinics in Latin America.

UCE's ties to Japan do not end there. To commemorate the visit of Dr. Hideyo Noguchi to Ecuador in 1918, who pioneered studies on yellow fever and other infectious diseases, the Faculty of Medical Sciences organized an international symposium named after the Japanese scientist.

The event highlighted many advances in medical science and also strengthened ties between the two countries. UCE hopes to build more partnerships with Japan because of its readiness to share its resources and expertise. ■

→ www.uce.edu.ec/



Universidad Central del Ecuador Rector Fernando Sempertegui

ECUADOR'S FIRST MOVER IN FROZEN BROCCOLI

Ecofroz is one of the finest examples of a joint-venture between a South American and Japanese company. Just one year after it was founded in 1995, the company exported its first batch of high-quality frozen broccoli to Japan. Ecofroz formed the partnership when visiting officers from Saveur, part of the Osaka-based Air Water Group, told **Ecofroz CEO Pedro Guarderas** that the frozen broccoli had a lucrative market in Japan.

Ecofroz started off with a monthly shipment of one container. Currently, it ships between 40 and 60 containers every month, which last year reached 9,000 tons of the frozen vegetable. Japan accounts for more than half of Ecofroz's business and projections show that demand for frozen broccoli in Japan will continue to grow.

"At first, we were hesitant to export to Japan as we were aware of their strict quality requirements. If our product does not meet those, they would be rejected. But, based on our current numbers, we do not regret engaging with the Japanese. We are also the only company in Ecuador that purchases Japanese-made broccoli washers," Guarderas said.

Three factors make Ecofroz broccolis successful: Ecuador's natural environment, investments in the latest machinery and hard work to control quality.

"Our broccolis are grown 3,000 meters above sea level and all-year round. Customers say they taste sweeter," Guarderas also said.

Through the partnership, Ecofroz has learned and adopted beneficial aspects of Japanese business culture. Efficiency and productivity have improved, while written procedures and protocols are now standard operating procedure. These have resulted in higher customer satisfaction and larger profits.

Ecofroz broccolis has since found its way to school cafeterias, as well as high-end hotels and restaurants. In growing its business, Ecofroz is strengthening its own-brand label in hopes to double sales by 2023 and thereafter to develop other Ecuadorian agricultural products. ■

→ www.ecofroz.com



Founded more than 25 years ago, Ecofroz has exported its frozen broccolis to Japan, a country known for its very strict quality standards.



TROPICALFRUIT EXPORT: CONNECTIONS THROUGH QUALITY

Quality and Service: These are two things that **TropicalFruit Export S.A.** never fails to emphasize. Set up in 2006, it is a young company, but it has already made a huge mark as an organization committed to do things right, in order to be the best in its field.

With a market of nine countries and counting, TropicalFruit Export does not necessarily aim to be the biggest in its field. Rather, it wants to become the best in exporting products of the highest quality.

Aside from observing the strictest quality control, its manufacturing process and system is based on social responsibility, environmental preservation, and the health and safety of fruit growers. The combination of those objectives is the reason Japan has become a long-standing, loyal market.

TropicalFruit Export President Edmundo Uribe is extremely grateful for the partnerships that have been built in Japan.

"We really appreciate our relationship with the Japanese. We are proud to open our doors to them and to have been accepted by a culture that we have also grown to love," said Uribe, who recognizes that the two countries can benefit more from each other in the years to come.

"Some countries stand out for the quantities of their exports. Ecuador, however, stands out for its quality and we hope we can maintain this with Japan," Uribe added. ■

→ www.tropicalfruitexport.com



TropicalFruit makes sure that all the bananas it exports around the world comply with strict quality standards. Their bananas undergo very close inspection.

Teojama Comercial
Since 1963

50 years with Hino in Ecuador

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www.teojama.com