



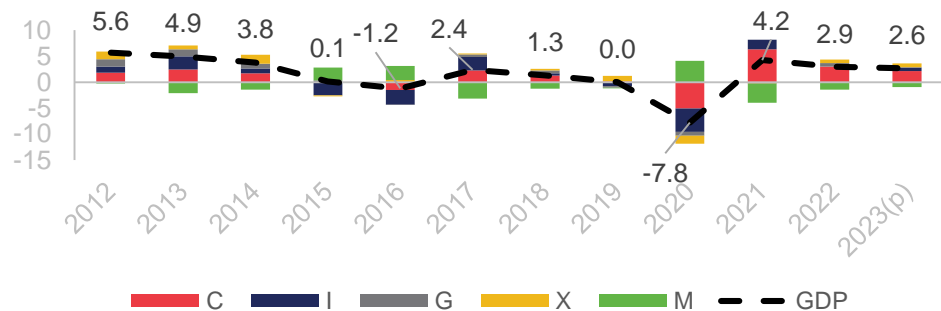
Ministerio de Economía y Finanzas

# Ecuador Macroeconomic Bulletin

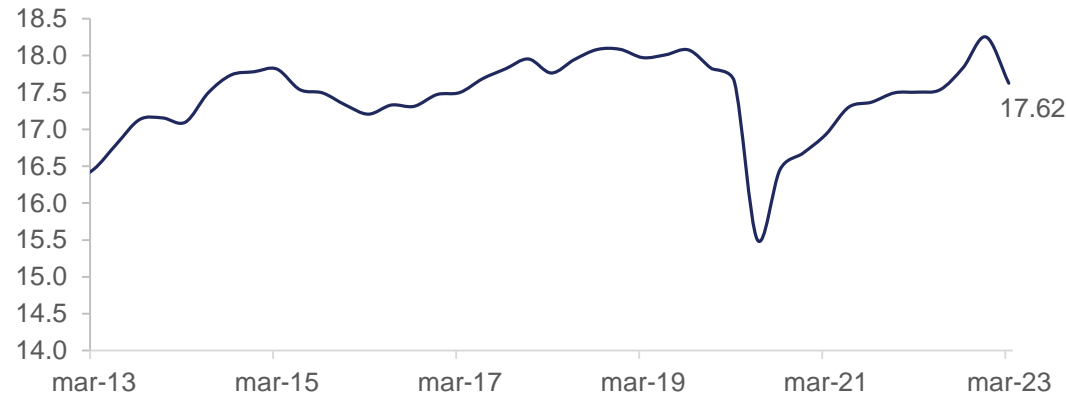
July, 2023

In 2023 the first quarter show a minimum growth yoy. Our economy is targeting 2.6% growth in 2023, but we will have to face some challenges, the political environment, the ITT referendum and El Niño.

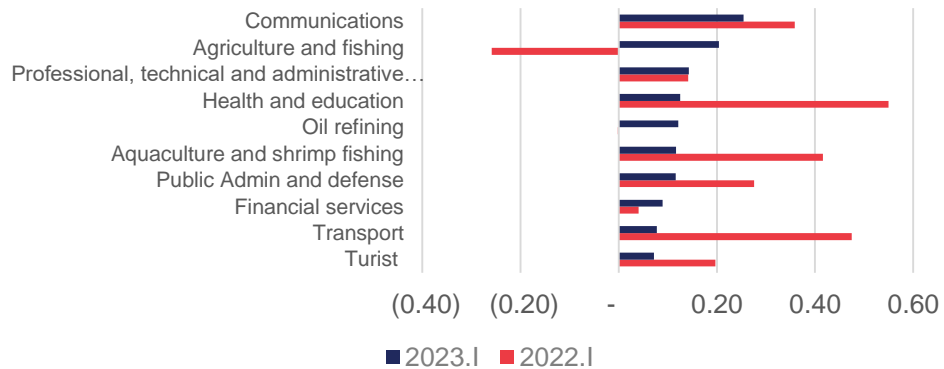
> Contributions to real annual GDP growth (%)



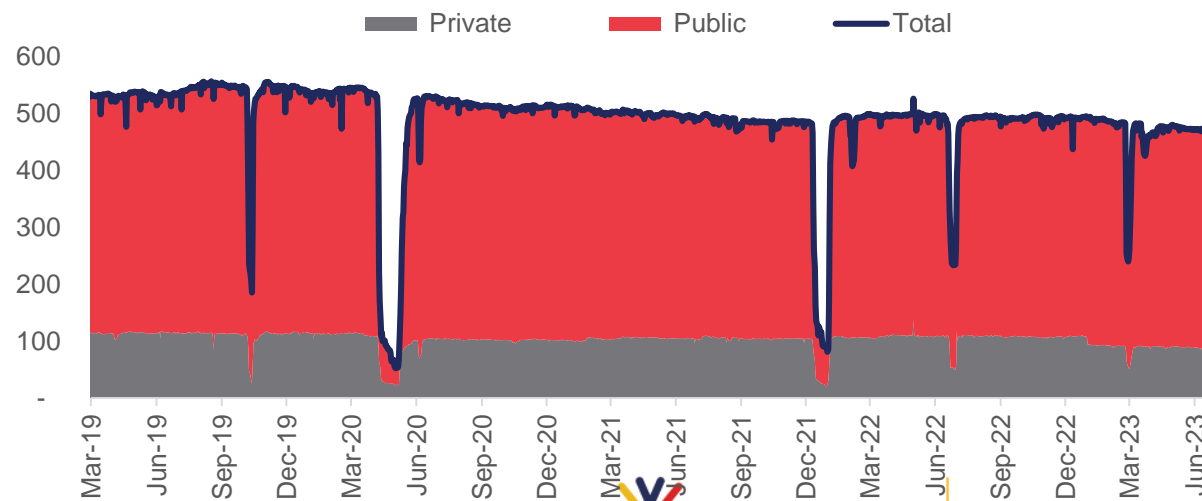
> Quarterly real GDP level, (USD billion, 2007)



> Contributions to real quarterly GDP growth of top 10 sectors (%)



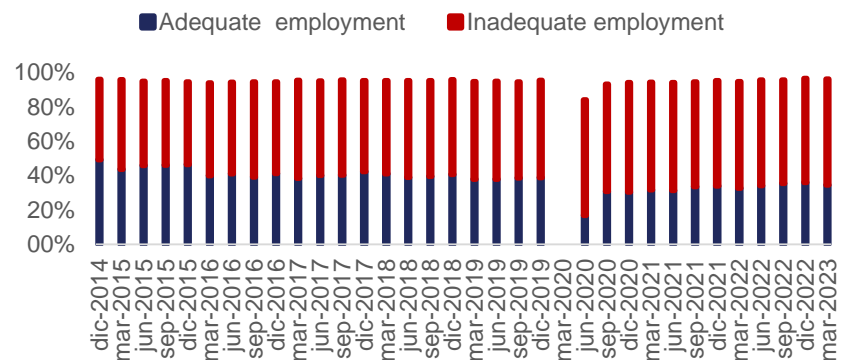
> Oil production (thousand barrels per day)



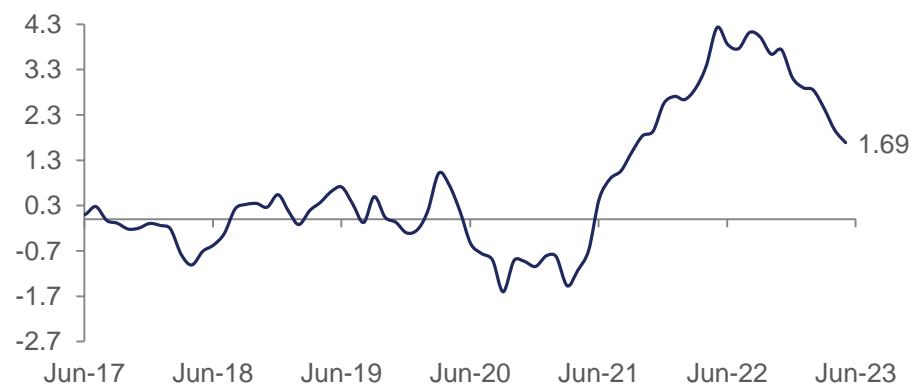
Source: BCE, MEF, MEM

# Employment levels continue to improve but a reduction in overall participation. Inflation shows an accelerated decline. Until June 2023, it is close to the most comfortable levels.

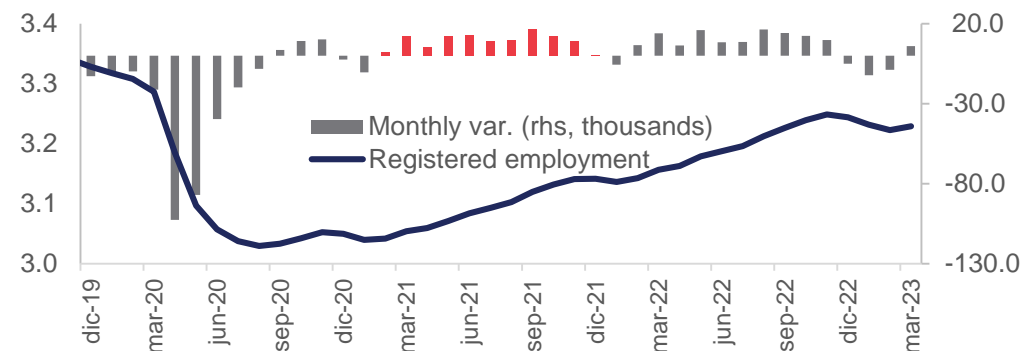
## > Quality of employment (quarterly data)



## > Annual headline inflation (%)



## > Registered employment at the Social Security (millions)



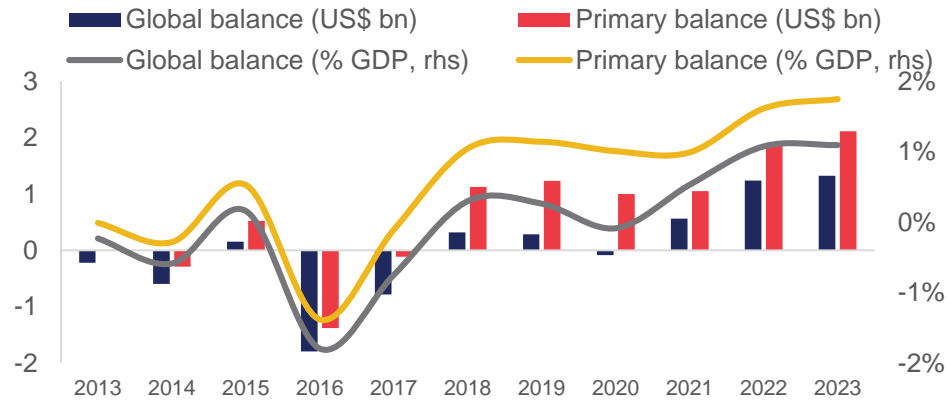
## > Total sales (% yoy)



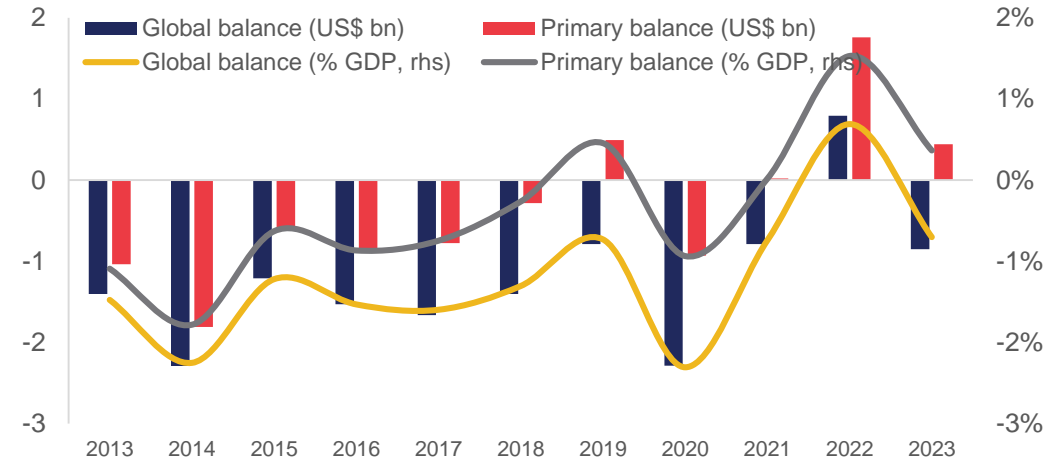
Source: BCE, MEF, IRS

# The General State Budget shows a resurgence of the fiscal deficit similar to 2021. The reduction in occasional taxes has not been fully offset by the rest of the taxes.

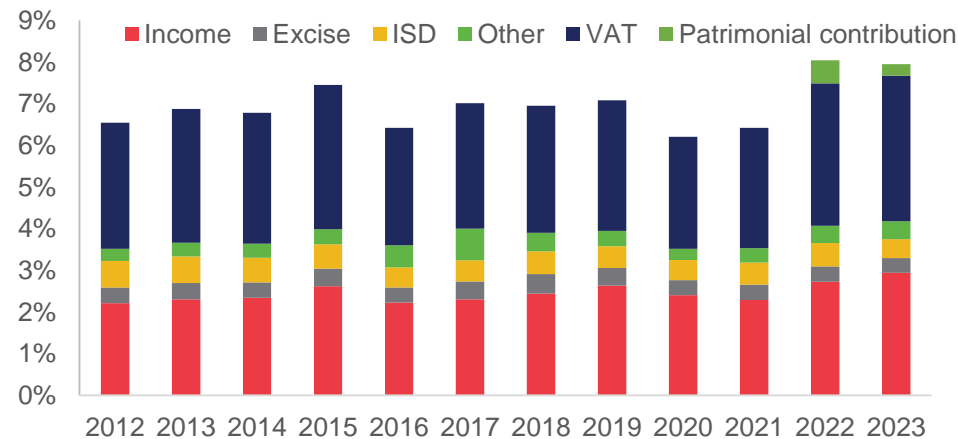
> Non-financial public sector balances (Jan – Apr)



> Central government's budget balances (Jan – May)



> Tax collection (% of GDP) Jan - Jun

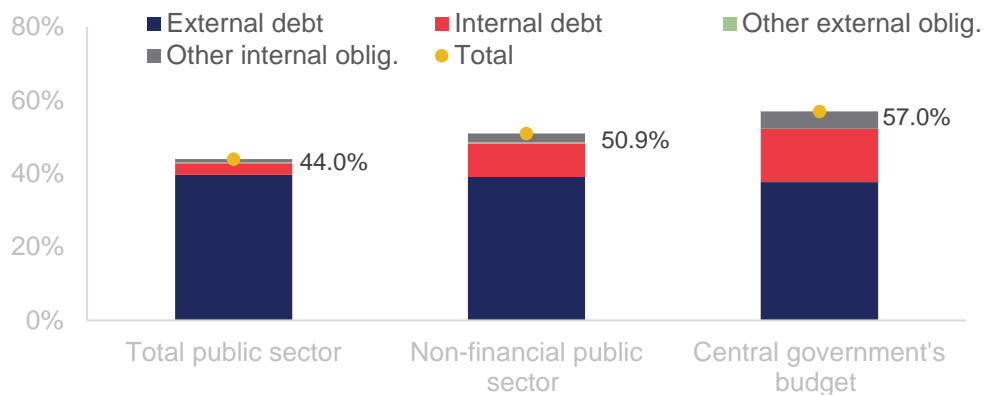


Source: MEF, IRS

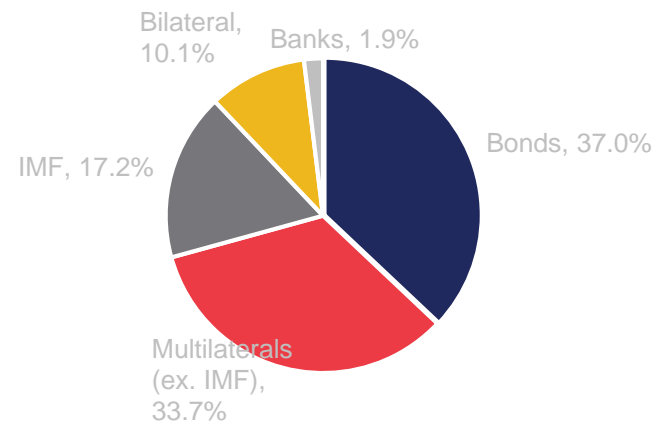
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# Ecuador's largest creditor is the multilateral sector. Ecuador's debt profile improved after the 2020 restructuring and has strengthened further as multilaterals remain the main funding source.

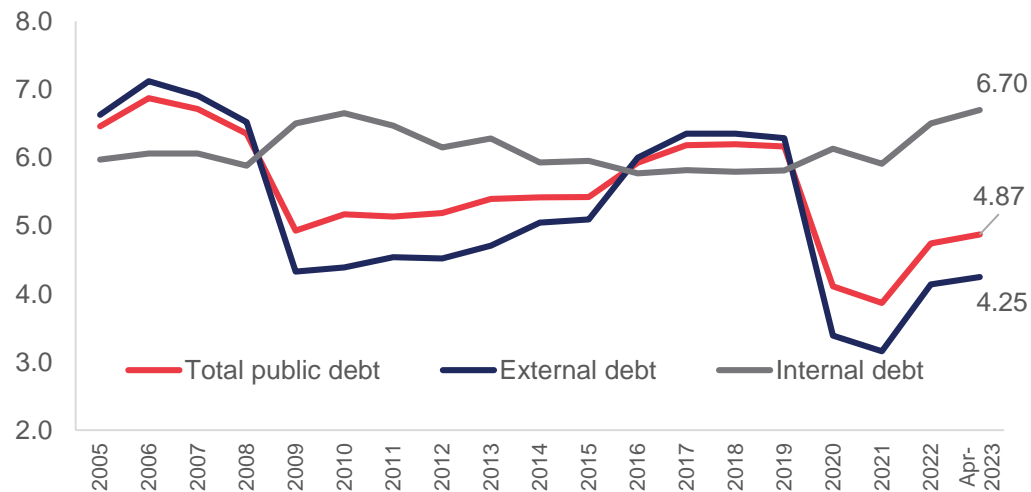
> Consolidated gross public debt (through Apr 2023, % GDP)



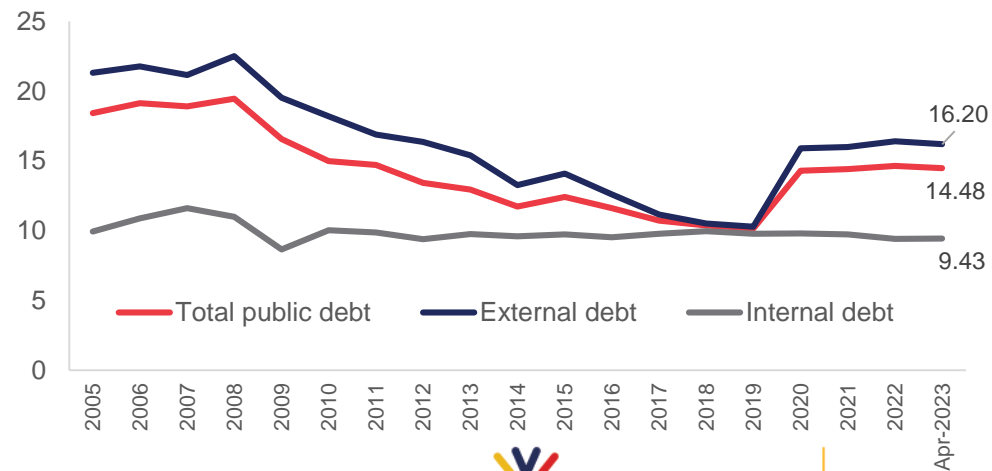
> Composition of external debt (through Apr 2023, % of total)



> Contractual weighted interest rates of public debt (%)



> Contractual weighted maturities of public debt (number of years)



# Debt Exchange - Blue Bonds

Ecuador executed a swap for three series of International Bonds of the Republic of Ecuador (Bonds 2030, 2035, and 2040) with a total nominal amount of USD 1,628.76 million, which was exchanged for the new public debt operation of USD 656.02 million.

In summary, significant advantages were attained from the debt exchange:

A noteworthy reduction of USD 973 million in the outstanding external public debt, along with a corresponding decrease of USD 1,121.54 million in debt servicing costs.

The debt service has been diversified, particularly over the period from 2031 to 2035, and the debt maturity profile has been smoothed, now extended until the year 2041.

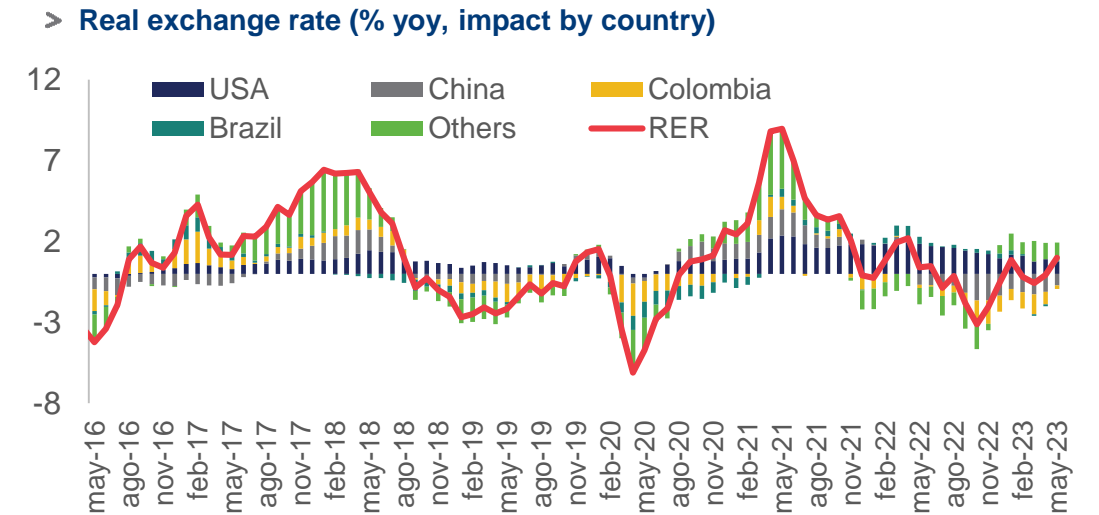
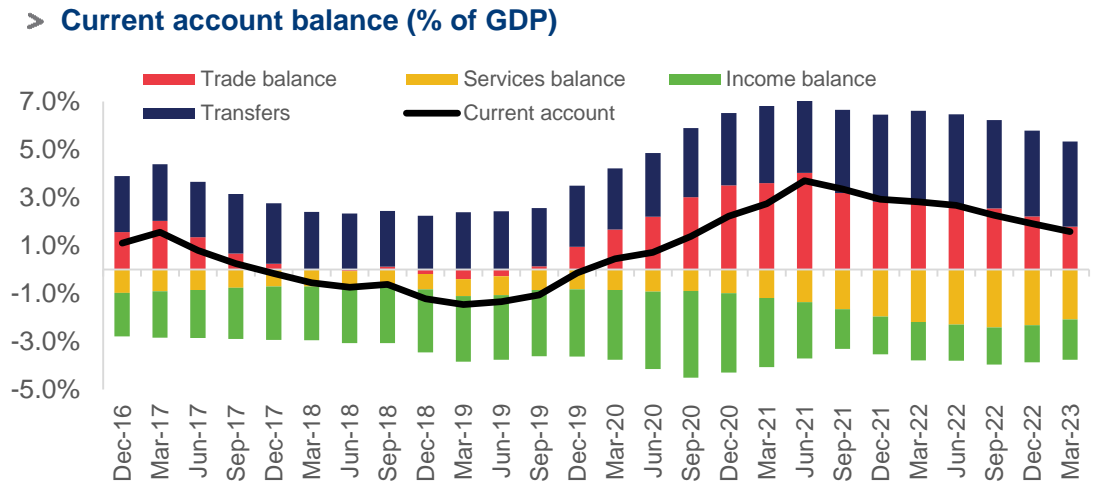
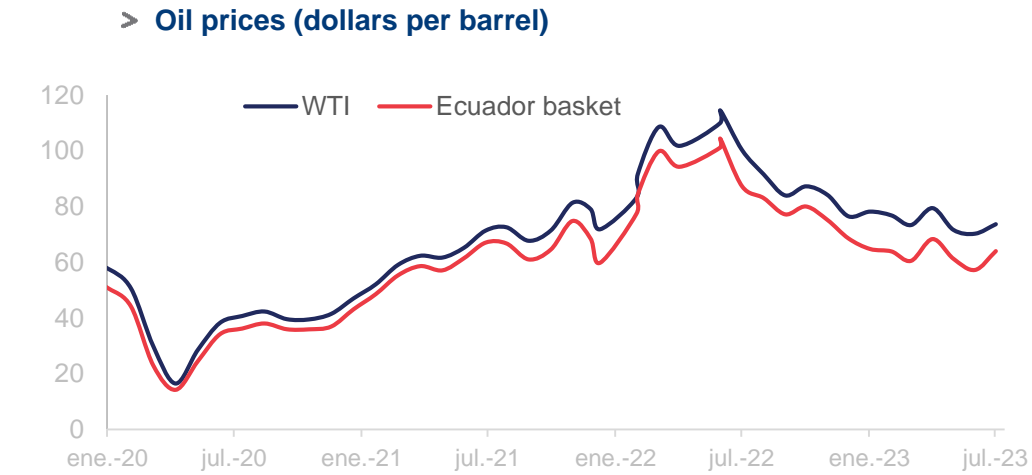
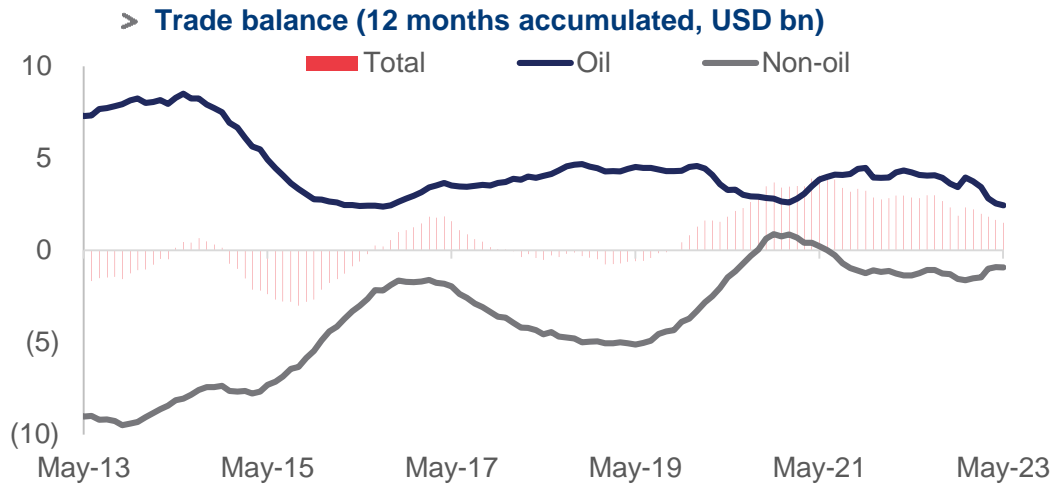
A proportion of the newly acquired debt will be allocated to financing conservation projects and activities in the Galapagos Islands for the upcoming 18.5 years, thereby facilitating the mobilization of approximately USD 450 million for this noble objective.

This initiative actively contributes to the global fight against climate change, representing a matter of paramount significance for both Ecuador and the international community.

## Borrowing operation.

Main Terms and Conditions	
Amount	USD 656.022.000,00
Term	18,5 Years
Rate	6,98%
Grace period	7,5 Years. First principal payment on November 9, 2030
Amortization	Equal quarterly payments from November 9, 2030, to November 9, 2041.
Upfront fee	USD 12.750.000,00

# The external accounts remain balanced, but their dynamics have changed. Oil exports have weakened, oil exports continue at a strong pace and imports have been reduced at higher levels than expected.



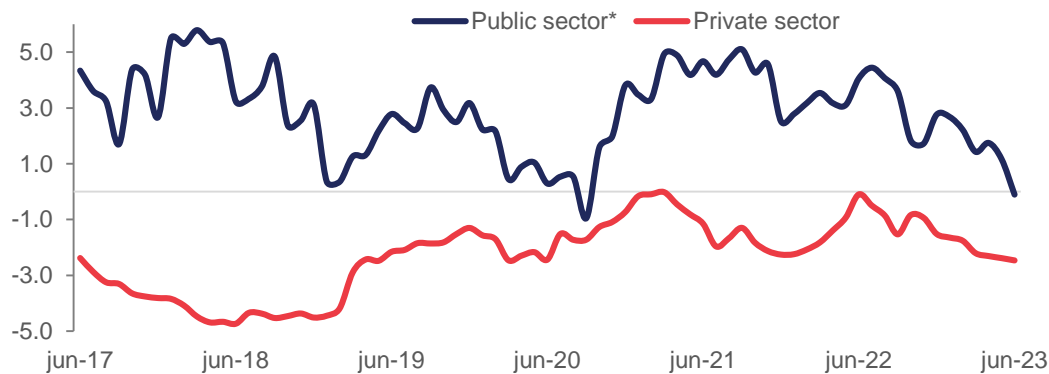
Source: BCE, Bloomberg

# International reserves in 2023 remained at the highest historical levels. Ecuador improved the endogenous capacity to sustain dollarization. The coverage of the different levels of central bank liabilities by international reserves has been maintained.

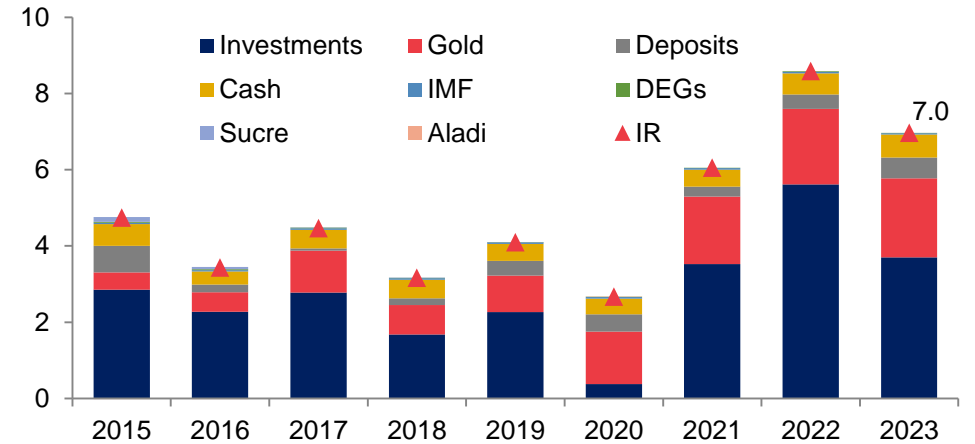
> International Reserves (USD bn, through Jul 14, 2023)



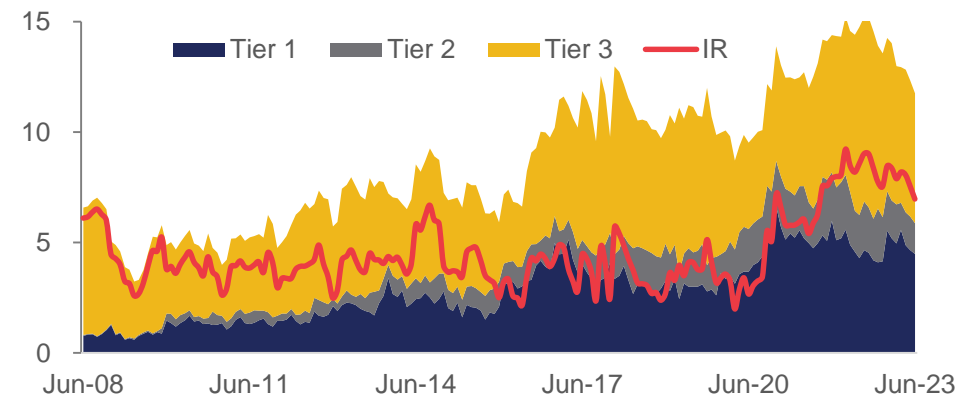
> Net contributions to international reserves by sector (12m accumulated, USD bn)



> International reserves' composition (USD bn, Jun 30, each year)



> International reserves and central bank liabilities\*\* (USD bn, through Jun 30, 2023)

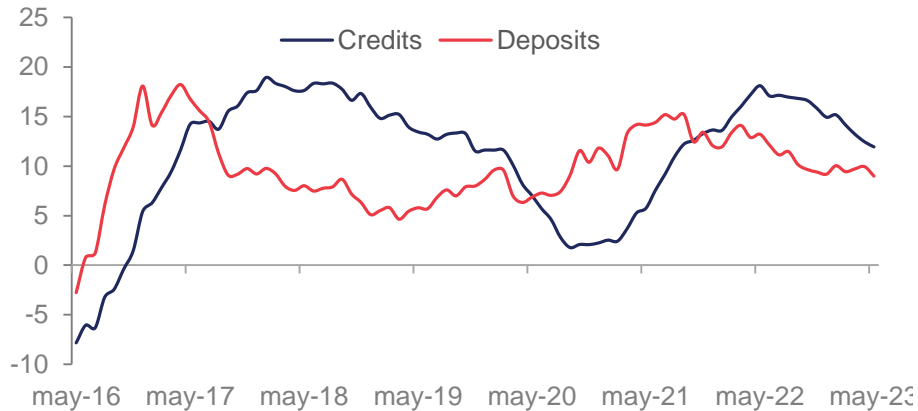


Source: BCE \*Public sector includes the hydrocarbons' sector and external debt disbursements  
 \*\*Tier 1: Deposits of Other Depository Institutions, CB titles, coin, and other private sector deposits  
 Tier 2: Deposits of Other Financial Institutions  
 Tier 3: Deposits of the non-financial public sector  
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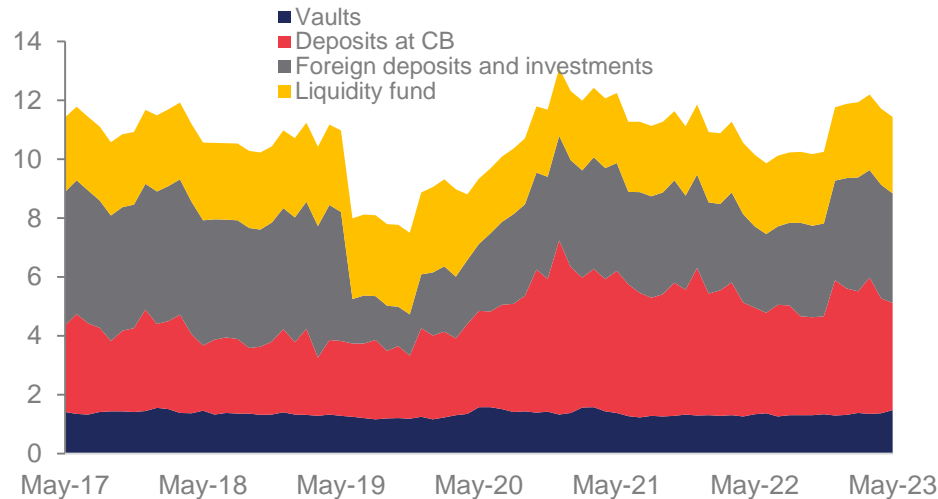


# Credit remains in positive territory but slows, allowing deposit growth continues to ensure a healthy source of funding. The financial system keeps healthy liquidity buffers.

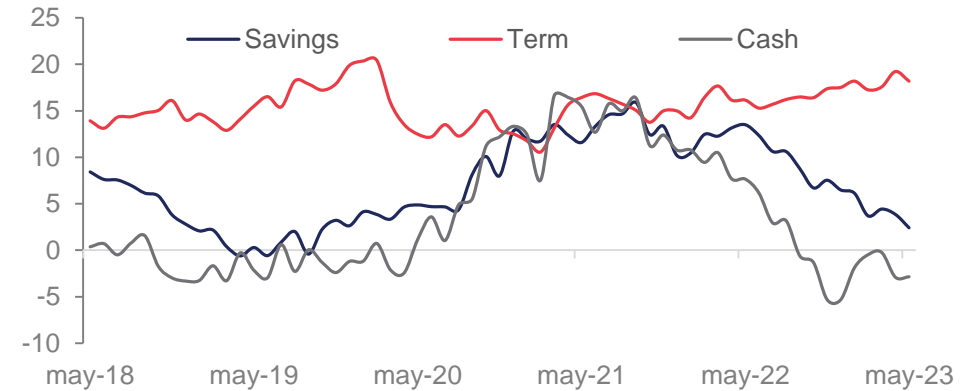
> Private financial system credit and deposits (% yoy)



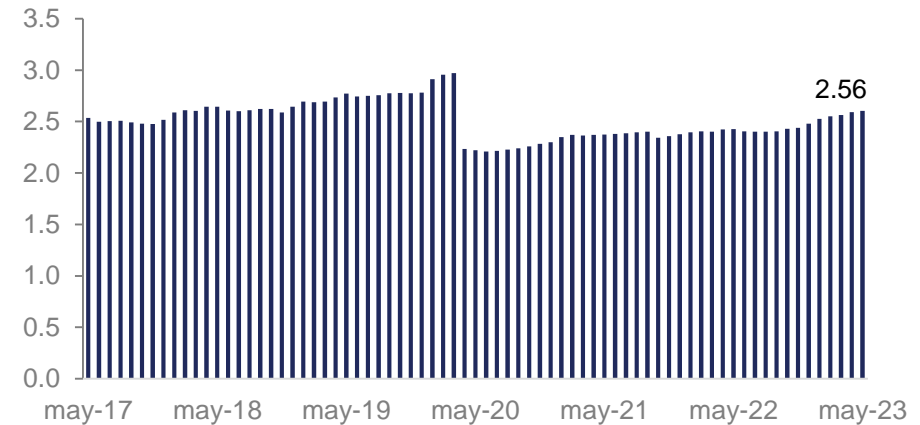
> Private financial institutions liquidity (USD bn)



> Evolution of deposits private financial system deposits (USD bn)



> Liquidity Fund (USD bn)



Source: BCE

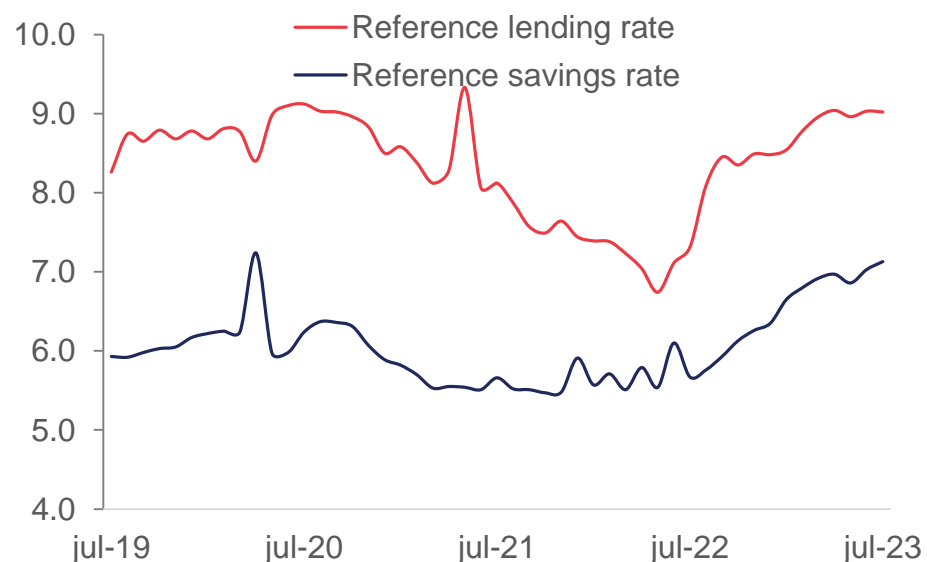
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**Gobierno  
del Ecuador**

**GUILLERMO LASSO  
PRESIDENTE**

# The tightening of monetary policy in the international arena has had a slight impact on domestic rates. The majority of credit segments register a slight increase in interest rates.

## > Reference interest rates (%)



## > Effective interest rates by segment (%)

SEGMENT	dec-19	dec-20	dec-21	dic-22	jul-22	jul-23	Var. Interannual
Corporate (over US\$5mn)	9,04	8,62	7,44	8,48	7,31	9,02	1,71
Corporate (US\$1mn - US\$5mn)	8,96	9,75	9,37	9,50	9,22	10,04	0,82
SMEs	11,37	10,02	10,63	10,23	9,90	10,66	0,76
Microcredit (US\$20K - US\$100K)	20,10	20,19	20,13	19,85	19,57	19,71	0,14
Microcredit (US\$5K - US\$20K)	23,35	23,10	20,74	20,34	20,05	20,40	0,35
Microcredit (under US\$5K)	25,18	26,14	19,80	19,46	19,32	20,56	1,24
Consumption	16,69	16,68	16,22	16,08	15,89	16,24	0,35
Education	9,44	9,43	8,87	8,92	8,72	8,61	-0,11
Social Education	6,42	6,18	5,49	5,49	5,49	5,49	0,00
Real estate	10,17	10,33	9,84	9,37	9,14	9,55	0,41
Public interest housing	4,70	4,98	4,98	4,96	4,99	4,99	0,00
Social housing	0,00	4,99	4,98	4,98	4,99	4,98	-0,01
Public investment	8,44	8,51	8,53	8,50	8,20	8,18	-0,02

Source: BCE

