Bulletin, 064

Ministry of Economy and Finance
Quito, January 30, 2026

Ecuador Achieves Successful International Strategy to Ensure Public Finance Sustainability.

The Minister of Economy and Finance, Sariha Moya, announced the completion of Ecuador's debt management strategy, which resulted in the repurchase of the 2030 and 2035 bonds. She also provided a technical explanation of the process implemented by the National Government.

The debt management strategy improves Ecuador's debt profile and generates savings in debt service.

The proceeds from the bond issuance allowed for the transparent and effective management of liabilities, eliminating the risk of default and providing the State with liquidity to finance public works and strengthen social services.

The repurchase operation totaled USD 3 billion in cash, financed in equal parts: USD 1.5 billion from readily available borrowing resources and USD 1.5 billion from the new international issuance. These resources were allocated to the repurchase of sovereign bonds maturing in 2030 and 2035.

Because some of the 2035 bonds were trading below par, the USD 3 billion invested allowed for the withdrawal of approximately USD 3.057 billion in nominal value. Simply put, the State repurchased more debt at nominal value than it paid in cash, generating an immediate reduction in the debt stock as a result of the implicit discount in market prices.

As a consequence of this repurchase, the State will no longer have to pay approximately USD 698 million in 2026, corresponding to the debt service on the repurchased bonds. This result reflects the real fiscal benefit of the operation, while confirming its central objective: to significantly alleviate short-term liquidity pressures, improve the maturity profile, and strengthen the sustainability of public debt.

One of the lowest spreads between the US Treasury rate and Ecuador's rate was achieved.

Comparing the interest rate on this year's bond issuance with the market benchmark—the current rate on US Treasury bonds plus country risk—Ecuador achieved a smaller difference compared to its previous issuance in 2019:

Ecuadorian Bond Issuance	Interest Rate	US Treasury Bond Interest Rate	Change
2019 Issuance	10.75%	2.9%	7.8 pp
2026 Issuance	8.975%	4.2%	4.7 pp

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Record interest rate reduction in a single day.

The final interest rate at which Ecuador placed sovereign bonds on Monday, January 26, of this year, was reduced by 62.5 basis points compared to the indicative rate of the bond price on that same day. This level of reduction had never been recorded worldwide since 2020.

The considerable demand for Ecuadorian bonds on trading day, Monday, January 26, which reached USD 18 billion (four times the amount issued), resulted in a reduction of the final interest rate. More than 340 high-quality global investment funds participated.

The debt-to-GDP ratio has decreased under this administration.

The national government has managed public debt responsibly. The debt-to-GDP ratio as of October 2025 was 47.76%, almost three percentage points lower than the figure recorded a year earlier, in October 2024, which was 50.72%.

Public debt reports are issued with a two-month delay due to the necessary technical data entry procedures.

Ecuador's Credit Rating Improves

Moody's raised Ecuador's credit rating by two notches in a single day, a significant achievement as the company typically raises its rating by one notch per year.

More Investment and Credit for Growth

Ecuador's economic conditions have encouraged international investors, who are ready to purchase more bonds should the country need them. However, the National Government does not currently plan any further bond issuances this year, as its financing needs are covered.

When a country is able to issue external debt, it is also a positive sign for attracting more foreign direct investment to support Ecuador's growth.

Access to external loans also allows the local financial system to allocate more of its resources to productive loans for entrepreneurs, housing, and other sectors, rather than relying on government loans. This will also help lower interest rates.

EL NUEVO ECUADOR IMPULSA