

CONSEQUENCES IN THE ECUADORIAN PRODUCTIVE SECTOR. HOW TO MITIGATE THEM?

The Russia - Ukraine conflict has resulted not only in a global economic crisis, but also in the displacement of hundreds of thousands of people from their homes as well as irreparable human losses. In the midst of this situation, we express our solidarity and call for peace for these nations.

Due to the 60% reduction in exports to Russia, our country is currently facing negative consequences, especially in the local productive sector.

Ecuador sends each week approximately 1.8 million boxes of bananas to Russia, and about 180,000 boxes to Ukraine. However, as a result of this confrontation, access to these markets have become limited.

According to the Banana Exporters Association of Ecuador (AEBE), since the banana industry is one of the main sources of employment in rural areas of our country, around 250,000 indirect jobs and 50,000 direct jobs are currently at risk.

“ The sanctions executed by the United States and some European countries have caused the devaluation of the ruble which is a detriment to the purchasing power of the consumer, thus reducing demand. In addition, the restrictions applied to shipping agencies destined for Russia have resulted in a negative effect, since the product has to be diverted to other

countries, causing an oversupply...” affirms Palacios, CEO of Corporación Palmar.

Palacios suggests finding a way to **place that surplus in new markets and to regulate the internal supply in our country, allocating the fruit to school feeding, cattle feeding, among other uses.** He also mentions that while this conflict takes place, credit lines should be enabled for producers, so that they can purchase any supplies required to keep the banana from losing its quality or its production level.

Given the situation we are currently facing, **Corporación Palmar reinforces its full commitment** to the association of producers and exporters of Ecuador, and to the associations of small producers so that we can work together to mitigate these prejudices for the good of the industry and of our country.

MORE INFORMATION

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