

Safeguards in Ecuador Strengthen National Industry



Quito, August 1 (teleSUR-RHC)- Overwhelmed by Colombian imports in the Ecuadorean market, the Indexcode factory was on the verge of closing last year. Now, with economic safeguards in place to protect domestic industry, it is stronger than ever and has increased its production output for national consumption.

Currently, 15 percent of products in national supermarkets are required to be from Ecuador's small and medium scale producers, giving them the opportunity to be featured on the shelves of some of the nation's largest chains.

The Indexcode factory is looking to expand and begin manufacturing swimsuits. The market for this product has widened, as the safeguard measure, which was implemented March 6, has resulted in a 13 percent drop in imports.

Worker at the Indexcode textile factory Lenin Montero told teleSUR, "We have been able to put this factory back on its feet when it was almost closed. It was our decision to use our knowledge of the market, and work with collaborators, to make high quality products that could enter the market, and create a lucrative income for us. We are now substituting imports."

Analysts agree that national industry has benefited on a whole from this measure, which has affected some 2,800 imported goods. The safeguards put a surcharge of between 5 and 45 percent on selected imports.

"National industry has awakened, to substitute those products that logically we did not have to import. In Ecuador we are able to manufacture these products internally, and now what we are saying is that we consume national products," said economist Jorge Rodriguez to teleSUR English. "I think these are good policies. So what we are seeing now in, for example, supermarkets is that, before, imported products were perceived as being more important. Now we see national products of magnificent quality and at a better price."

The safeguards have reduced imports by US\$874 million, and as a result have led to greater savings for the state. This measure will be in effect for the next 11 months and is expected to continue opening markets and strengthening national industry.

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