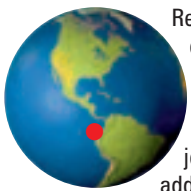


# Guayaquil

## A NEW PAGE IN THE EVOLUTION OF A CITY

Founded in 1534, Guayaquil today is reinventing itself as a global destination with a distinctly Latin flavor, as tourism and business flourish in South America's fastest growing city



Representing 20 percent of Ecuador's entire population, Guayaquil's 2.5 million inhabitants are joined each day by an additional 500,000 commuters from nearby towns who travel to the city for work.

A model of excellence in municipal government, Guayaquil is also the engine of Ecuador's economy, and has been so since colonial times.

Founded on August 15, 1534 by the Spanish, Guayaquil quickly became a major import and export hub, and was the site of the country's first banks. It was also the first South American city where the Spanish introduced cocoa, which was exported back to Spain to be used in the Drink of the Gods – hot chocolate. Ironically, it was the bourgeois and these same cocoa producers and marketers who financed the October 9 revolution in 1820, in protest against excess taxes imposed by the Spanish crown, which liberated the city from colonial rule.

The poet Jose Joaquin de Olmedo, one of the leaders of the revolution and a well-known writer, became Guayaquil's first mayor, and he succeeded in consolidating the city's autonomy. However, it has been the stability of the local government

that Guayaquil has enjoyed since 1992 that has truly revitalized the city and given birth to its reconstruction. Since then, and under the leadership of just two different mayors, local government has been successfully restructured, major investment in municipal infrastructure has been made, and Guayaquil has become a premier destination both for tourism as the gateway to the Galapagos and for domestic and foreign investment.

Guayaquil's current mayor, lawyer Jaime Nebot Saadi has launched the pro-



**JAIME NEBOT SAADI**  
Mayor of Guayaquil



The new face of Guayaquil: development and regeneration are creating a model city.

jects that have had the greatest significance for the city's economy. Since his election in 2000, Mayor Nebot has spearheaded a comprehensive urban regeneration program in the center and north of the city, and in its suburbs, he has overseen the construction of a new airport, the Terrestre Terminal and the Civil Registry, and he had a new urban transport system, Metrovia, built. Finally, Mayor Nebot has been the driving force behind Guayaquil's new leisure centers that are both major tourism destinations and an important source of municipal revenue through Admunifondos, a limited company created under corporate law and authorized to manage trusts, charter processes and investment funds, and in which the City of Guayaquil is the sole shareholder.

Within this economic landscape is the construction of the new deep-water port that will be carried out by Alinport (Alianza Internacional Portuaria S.A.) in Posorja. The project, which will begin this year, will

allow the entrance of ships with much greater capacity. Also this year, the concession of the State's marine port will also be granted to Philippine company ICTSI (International Container Terminal Services Inc.). Both projects should have a significant impact on foreign trade.

Meanwhile, the government of Guayaquil will continue to pursue its aims of boosting foreign investment, attracting higher levels of both traditional and business tourism, and contributing to the quality of life and employment prospects of the city's inhabitants. ■

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## THE PEARL OF THE PACIFIC OPENS TO THE WORLD

Ecuador's most populous city is Latin America's most up-and-coming, as investments fuel a variety of development programs

Guayaquil's autonomy was sealed in 1820, and today its local government has once more taken the city's destiny in its own hands and involved both its citizens and businessmen in turning it around. Defending the city's autonomy in creating a modern and prosperous future, Mayor Jaime Nebot has said that Guayaquil will never give up the right to the freedom to decide, the fairness to receive or the creativity to progress.

Over the past seven years and with the increasing enthusiasm and collaboration of civil society, Mayor Nebot has put together a solid plan to put Guayaquil on the global map as the region's premier business center, based on the creation of industrial clusters and a business-friendly environment, a first class transport and services infrastructure, strong public-private collaboration and an outward focus on the global market. As one local businessman said, "They say that

the country is in crisis. We've decided not to participate in that."

Last year the city inaugurated a \$30 million, award-winning public transport system and a new \$90 million international airport. This year, it will unveil a new \$5 million conference center at the Simon Bolivar airport and a deep-water port that will allow the entrance of both larger cargo ships and cruise ships. A beautification program has given the city a new face and mega-developments along its riverbanks and sea-



Guayaquil from the air: green spaces, the ocean and the city in harmony.

side are drawing record numbers of tourists. By 2003, Guayaquil was declared a model of human development by the United Nations. By 2006, it was Latin Trade Magazine's Best City for Doing Business.

Indeed, Guayaquil is the economic heart of the country, producing 25 percent of the national GDP. More than 70 percent of the country's goods pass through Guayaquil's ports and more than half of its companies are based there. Last year, nearly 20 percent of all investment made in Ecuador was destined for Guayaquil. This year, Albacora, the world's largest tuna producer, will invest \$450 million in the city, cement producer Holcim will open a \$250 million plant there and \$130 million will be invested in the Port of Guayaquil, with an additional \$700 million to come over the next twenty years.

New attractions such as the boardwalk developments of Malecon 2000 and Malecon Salado and the restored neighborhoods of Cerro Santa Ana and Las Peñas, as well as Guayaquil's eco-tourism offer and its beaches, will continue to play a significant role in boosting conventional tourism, as will the municipal government's efforts to promote the city as the gateway to the Galapagos.

"Guayaquil is a city where many positive things have occurred and are occurring," states Mayor Nebot. "We invite tourists to discover them and to enjoy our traditional hospitality and gastronomy in the safety of our city. The urban renewal process here was the biggest and most rapidly developed in the region, and the Salado Estuary and Guayas River offer the perfect background scenery." ■

## METROVIA CLEARS THE AIR

In January of this year, Mayor Nebot received the 2007 Sustainable Transport Award in Washington D.C. for Guayaquil's new public transport system, Metrovia. Part of the Transportation Research Board Annual Conference, the award selection is organized by the Institute for Transportation and Development Policy, Environmental Defense, the U.S. Transportation Research Board, the regional Clean Air Initiatives for Asia, Latin America and Africa, GTZ and the United Nations Center for Regional Development.

Inaugurated in July of 2006 and representing an investment of \$30 million, Metrovia has been one of Mayor Nebot's main projects since his election and is today one of the most modern rapid transit systems in Latin America. Comprised of an elevated transit lane for public buses along seven core routes, Metrovia can now shuttle passengers from the north of the city to the south in just 15 minutes.

The new system should have a significant impact on life in Guayaquil for its two and a half million inhabitants. Public transport services in the city have been historically poor with most residents opting to travel by car. This has resulted in growing problems with traffic congestion and air pollution in Guayaquil. Metrovia will significantly reduce the number of car users in the city, which celebrated its first Car Free Sunday last year.

The first nine and a half miles of the transit system are in operation. When completely finished in 2008, Metrovia will cover 28 miles and serve 500,000 passengers per day.

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## GUAYAQUIL GATEWAY TO THE GALAPAGOS

Already a major business tourism destination, Guayaquil is positioning itself as the gateway to the Galapagos, the Andes and the Amazon

A fresh look and newly modernized tourism infrastructure along with a strong emphasis on security and order, including a reorganized and strengthened municipal police force, are hallmarks of the new face of Guayaquil. South America's most up-and-coming city, Guayaquil has ensured that the necessary infrastructures are in place to support the charms of its natural attractions.

In the past seven years, the city has revamped its public transport system, inaugurated a new international airport, restored its historic neighborhoods and parks and constructed myriad new tourist attractions. The centerpiece of these is Malecon 2000, a two-mile boardwalk showcasing Guayaquil's riverfront district and treating visitors to exotic gardens, avant-garde architecture, shopping, entertainment and restaurants as well as a new IMAX theatre.



**GABRIELA SOMMERFELD**  
Executive President,  
Aerogal



**SERGIO ROSARIOS**  
General Manager,  
Hotel Oro Verde



**MORICE DASSUM AIVAS**  
General Manager,  
Hilton Colón Guayaquil

Other new attractions include Malecon Salado, a boardwalk entertainment complex on Guayaquil's saltwater shore with gardens, restaurants and nightclubs. The historic neighborhood of Las Peñas with its cobblestone streets offers spectacular waterfront and city views and numerous galleries, bars, cafes and restaurants. This April, Guayaquil inaugurated the first phase of Santa Ana Port, a new commercial, residential and tourism develop-

ment that has been built on former national brewery grounds on the Guayas River.

Located between the Pacific and the Guayas River, and surrounded by mangroves and lush tropical forests, the city is rich in ecotourism opportunities and is just an hour away from a number of stunning beaches such as the exclusive Salinas resort or Montanita, an international surfing Mecca. With its list of growing attractions, Guayaquil is quickly establishing

itself as the preferred stopover point for visitors en route to the Galapagos Islands.

"Guayaquil is the logical and natural place to enter not only the Galapagos Islands but to visit any place in Ecuador. The main reason is our location, the fact that we are at sea level and have a good climate. Our airport can provide service 24 hours a day, 365 days a year," says Director of Tourism, International Relations and Competitiveness Joseph Garzozzi. He adds



that talks are underway with various Caribbean cruise lines who are interested in crossing the Panama Canal to stopover in Guayaquil before continuing on to the Galapagos. This is in line with municipal efforts to establish Guayaquil as a premier cruise destination, which include deepening the channel access at Posorja Port.

With various avenues now being pursued to increase conventional tourism, Guayaquil is also working to establish itself as a major conference and trade fair destination. Business

## URBANIS BUILDS THE FUTURE

"This is a big economic and social achievement," says Isidro Romero, President of Romero Group, one of Ecuador's biggest companies. What he is referring to are two new housing projects which have been hugely successful in Guayaquil. Among its various ventures, Romero Group has delved into the housing market, and has worked to create accessible, safe accommodation for the lower income population. "Our social interest housing is truly an example for the rest of the world because we are giving people with scarce resources the opportunity to live properly," says Mr. Romero.

Enlisting the construction company Urbanis, the Villa España project was born, which is part of a scheme developed by the Municipality of Guayaquil called Mucho Lote, a development where 20,000 underprivileged families live. Villa España offers housing that ranges from \$8,000 to \$20,000 per house for the lower income market, and a financial product that

allows for easy access to credit. In fact, ten-year mortgages are available for the price of \$89 to \$200 per month.

Another undertaking called Sambocity is similar, but aimed at a higher segment of the low income market. Houses range from \$18,000 to \$30,000. Sambocity will be



**ISIDRO ROMERO**  
President of  
Romero Group

home to 5,000 houses and a total of 25,000 people. Both developments boast a plethora of amenities: schools, hospitals, sports centers, parks and shopping malls. Urbanis also builds iron and concrete houses, in seven days, using the Walltech system. These houses sell for under

\$4,000. Mr. Romero expands, "These are projects that have fulfilled the expectations of how to improve quality of life, with an integral solution that has no other competition in the market." Villa España and Sambocity are likewise examples of excellent partnerships between the municipality and private companies.

**This is the future Bus Terminal**  
that the city of Guayaquil will have in October 2007  
and the first Outlet mall with 265 stores

**TERRESTRE**  
Termina Terrestre Guayaquil

**OUTLET**



Guayaquil's impressive Malecon 2000 seafront development by night. The two-mile walkway is one of many new attractions that have raised the city's international profile as a tourist destination in its own right.

tourism, which is already flourishing in the city, will receive a significant boost with the inauguration of the city's new conference center this summer, one of the largest and most modern in South America. Sergio Rosarios, general manager of Guayaquil's Oro Verde Hotel, remarks, "Guayaquil has a privileged location on the American Continent; we are at the same distance from the North Pole than from the South Pole, so if there is an American congress in Ecuador people have the same distance to travel. It is an excellent destination for congresses and conventions."

Guayaquil's most prestigious hotel, the Oro Verde has been a member of the Leading Hotels of the World for 25 years. Recently completing a five-year renovation, the five-star Oro Verde has been recognized as South America's leading business hotel, and will soon open two new hotels in the Galapagos and Quito. "The Quito hotel is in the advanced stages now, and if all goes well, we will open in about four months. It is a new concept for the city; very luxurious,

few rooms, only 30 suites with personalized services. Galapagos is going to take us two years because we are building a 100 percent ecological hotel with 40 bungalows," adds Mr. Rosarios.

Part investor in the Quito hotel is the official Galapagos airline, Aerogal, which has been experiencing annual growth in passenger volume of 180 percent following a 2002 restructuring that saw its fleet grow from one plane to nine. Now dominating its domestic routes, the airline is ready to open new flights to Miami and New York. Executive President Gabriela Sommerfeld elaborates, "The restructuring took a year and a half and by 2003 we were starting to compete aggressively in the market. We reduced costs while improving efficiency, and we used this price strategy to penetrate the market. This is not new in the aviation industry but it is in Ecuador and has worked well here. We now have the biggest passenger volume in the markets that we operate. ■

## THE DOOR TO DARWIN'S WORLD

Guayaquil is rapidly establishing itself as the preferred stepping off point for visitors on their way to the Galapagos Islands. Located 600 miles off the Ecuadorian coast, the islands are one of the planet's most pristine natural paradises. Due to their distance from the mainland, this archipelago of 13 volcanic islands shelter one of the world's most unique eco-systems and boast animal, marine and plant life not found elsewhere on the planet. The Galapagos draw hundreds of thousands of nature lovers each year who enjoy the thrill of snorkeling side by side with

sea lions, penguins or marine iguanas. The Red Mangrove Adventure Inn on Santa Cruz Island, located near the Charles Darwin Station, organizes a range of additional adventure activities for visitors such as camping, mountain tours, mountain biking and horseback riding. Eco-tourism experts Canodros run cruises throughout the national park that in addition to first class accommodation on board include scuba diving, bird watching and guided walks.

A Galapagos land iguana, a signature attraction and one half of Darwin's theory of evolution.



## 'THERE IS NO DOUBT THAT THE CHANGES HAVE CONTRIBUTED GREATLY TO TOURISM'

Joseph Garzosi has been at the helm of Guayaquil's efforts to broaden its tourism offer since the beginning of Mayor Nebot's drive to transform the city in 2000. Here he speaks on Guayaquil's progress in its bid to become a global tourism destination and a world-class city in which to live and work.

**As Director of Tourism, International Relations and Competitiveness, can you comment on the progress Guayaquil has made in these areas?**

Guayaquil was a commercial, industrial and port city which we have successfully transformed into a city of services. People here underwent an attitude change and today the city holds a place in the world tourist market. Secondly, we have improved our international relations through a range of agreements, such as the ones we have with Houston, Shanghai, Santiago de Chile, Panama, Geneva, Barcelona and so on. These agreements have led to exchanges of all types from cultural to trade and industry.

**How has the city improved its competitiveness?**

This is the most difficult area to improve, our ability to compete in a very competitive global market, but we are working on it. An important fact is that these three areas are being worked on within the framework of our city and the globalized world.

Cities are leading the way in setting the pace of development, sometimes to a greater extent than countries do. Cities are also in closer touch with the citizens and can work more effectively.

**Guayaquil has undergone a spectacular transformation over the last few years, and little by little the international community is becoming aware of this fact.**

There is no doubt that the changes have contributed greatly to tourism. Guayaquil always had the natural resources but urban renewal and modern infrastructure was necessary to transform it and to create more beautiful areas for citizens as well as tourists. The city had never been considered a product before this.



**JOSEPH GARZOZI**  
Director of Tourism

**Guayaquil has also increased the variety of its tourism offer. What does it offer its visitors today?**

Tourists can visit historical neighborhoods, take walks and cruises along the river and the sea, visit monuments, museums, restaurants, and cafés. There are many diverse restaurants, more than 22 malls and street vendors selling products at bargain prices. We also offer a lot of sports facilities, one of the 20 largest soccer stadiums in the world, and the beach, of course. We also have a tropical dry forest and mangrove swamps filled with native birds. Tourists are always amazed to discover this in the center of the city.

## EXCELLENCE, COMFORT AT HILTON GUAYAQUIL

Guayaquil is the gateway to the Galapagos Islands, world-renowned for their beauty and diverse flora and fauna.

Guayaquil has always been Ecuador's commercial nucleus, and a new and expansive convention center has made it even more attractive for business. The five-star Hilton Colón Guayaquil is an excellent example of what a modern city can offer.

Located in the financial and commercial areas and five minutes away from the international airport, the hotel offers easy access to the downtown district. With 294 luxurious and spacious newly-renovated rooms and suites designed to meet the needs of the most demanding travelers, the Hilton offers plasma TVs, wireless internet and other amenities,



From the outdoor pool to the spa and fitness centre, the hotel has much to offer.

including five restaurants offering the best gourmet option in town. The hotel also has the largest banquet capacity in Ecuador for hosting events with several versatile meeting rooms offering flexible spaces that can be adapted for up to 1,800 people.

## MORE THAN JUST A PORT OF CALL, A DESTINATION

Developments at the Port of Guayaquil are set to increase the flow of traffic and cargo considerably over the next 20 years

As Ecuador's largest and busiest sea access point, Guayaquil is the heartbeat of the country's economic activity. The Port of Guayaquil handles some 93 percent of Ecuador's incoming and outgoing container traffic and 63 percent of the country's total volume of import and export cargo. For an economy that relies heavily on the export of primary products – particularly oil, shrimp and bananas – the importance of a world-class port cannot be underestimated. The port's geographical advantages are significant. Located on South America's western coast, within easy reach of the busy north-south shipping lanes, the Port of Guayaquil is a logistical hub for cargo ships operating from America, Europe, South America and the Far East. Open 364 days a year, the port's deep access canal allows heavy vessels to berth at high tide.

The port consists of a container terminal with three 185-meter berths and over 290,000 square feet of paved container space, a multipurpose terminal with five 185-meter berths and extensive storage facilities for general cargo, including 4,000 square feet equipped to accommodate refrigerated cargo and over 5,000 square feet for the safe storage of dangerous freight. The port's bulk terminal contains three silos, each with a capacity of 8,900 cubic meters, two warehouses of 900 metric tons each, a grain warehouse with a storage capacity of 30,000 metric tons in addition to three heavy liquid storage tanks of 9,800 metric tons apiece. Combined, the

three terminals handle 5.1 million tons of cargo and 435,000 TEUs of container traffic annually, generating revenues of \$14 billion.

Last year, a concession was granted by the Guayaquil Port Authority for a 20-year lease to manage and upgrade both the container terminal and the multipurpose terminal – the bulk terminal having been operated under concession since 1999. The successful concessionaire was International Container Terminal Services Inc., (ICTSI), a company with 20 years of experience and a global reputation for excellence in the acquisition, development and operation of maritime port facilities



**MARCELO SUÁREZ**  
Senior vice president,  
ICTSI

However, due to the lamentable state the port had been allowed to deteriorate into, many smaller ports have sprung up across the country, posing the Port of Guayaquil with many issues to resolve. Productivity had been on the wane and lengthy waiting times were discouraging vessels from berthing there.

"There is no capital investment," explains Marcelo Suárez, senior vice president of ICTSI, "this has been the case for the last ten to fifteen years."

Over the next 20 years, ICTSI plans to invest \$600 million in the Port of Guayaquil, with a particular emphasis on the expansion of the terminals and other infrastructures, and a facilities upgrade with the latest advancements in technology and machinery. Measures have also been taken to cultivate

**'OTHER CITIES HAVE TRAVELLED THE ROUTE OF PRIVATIZATION, WITH HUGELY BENEFICIAL RESULTS'**



Privatization of the Port of Guayaquil has seen an influx of development and investment which will turn Guayaquil into one of Latin America's primary entry points.

the port's international security rating, in compliance with the International Maritime Organization's ISPS regulations.

Over the last decade, average annual growth in terms of cargo tonnage at the Port of Guayaquil has hovered at around 7 percent. Over the next 10 years, ICTSI hopes to increase this ten-fold. In order to achieve this, Mr. Suárez assesses that the capacity of the port will need to be doubled over the next 15 years.

Dedicated to developing labor forces at a local level as opposed to supplementing them with overseas workers, ICTSI has a positive wider economic impact in the countries in which it operates.

"We have progressively developed our skill base as regards transferring our expertise overseas. This is based on implementing good business practices, employing state-of-the-art management systems and building the expertise of local management and labor through the application of the latest training methods," continues Mr. Suárez.

"A port is a key link within the logistical chain – an interface where one transport mode meets another – and raising the performance of a port, and key facilities within it, inevitably has a positive impact along the entire chain, increasing a country's ability to export and import at a competitive level. Key elements of this are turning vessels at a faster rate, dispatching, and receiving cargo more efficiently, both of which invariably mean a higher performance at a lower cost," elaborates Mr. Suárez, "Guayaquil remaining, up until recently, in the hands of the public sector was an exception to the rule; it is undoubtedly a good thing for the country that it has followed the path to granting a concession. Many others have traveled this route before with hugely beneficial results." ■


### ICTSI SETS ITS SIGHTS ON GLOBAL EXPANSION

International Container Terminal Services Inc. (ICTSI) is a Philippines based company that began operating at the Manila International Container Terminal in 1987. After consolidating its position, ICTSI embarked on an ambitious strategy of global expansion, buoyed by its success in Manila and recognizing the potential for implementing its unique brand of management and development internationally. Able to adapt quickly to differing environments and client necessities, ICTSI quickly won over governments with its pioneering methods and its innate ability to increase efficiency at every level, leading to the grant of privatization concessions from several countries.

Operating as a complete, integrated port facilities developer, ICTSI's ethos is to immerse itself in every aspect of port management. It is this attention to detail and top-to-tail service that has seen ICTSI lauded in its areas of operation, and led to the company being the first in the Philippine maritime industry to be awarded ISO 9002 and 14001 certification. ICTSI was recently named among the top five maritime terminal operators in the world by the Asian Development Bank.

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## MEETING GUAYAQUIL'S GROWING TRANSPORTATION NEEDS

A future deep water port, an international airport terminal and a major bus terminal are turning this city into a modern transportation center.

With its permanent population of around 2.5 million people, a further 500,000 daily commuters and a blossoming business and leisure tourism sector, Guayaquil is a city constantly on the move. As such, infrastructure development is of paramount importance if the momentum of Ecuador's commercial and industrial epicenter is to be maintained.

The development of a new deep water port at nearby Posorja is set to augment the capacity of Guayaquil to welcome deep-draft vessels, and the construction of a 600-foot mooring for cruise ships will increase the city's tourism offer. The \$80 million project is being financed by the Port of Guayaquil and is scheduled for completion in 2010. Guayaquil's equidistance from both poles presents it with a unique advantage in terms of hosting pan-American conferences, and the city's proximity to the famed Galapagos Islands makes it an ideal entry point for both busi-

nessmen and vacationers. Recognizing the potential of his city's geographical position, Mayor Jaime Nebot declared in 2005, "The globalized world demands that we have airport infrastructure that meets the challenges presented by trends in tourism and commerce."



**GUILLERMO LASSO**  
President, Fundacion  
Terminal Terrestre

The new international terminal at Guayaquil's Jose Joaquin de Olmedo Airport more than meets the Mayor's criteria. Terminal Aereo Guayaquil S.A. (TAGSA) has been granted a fifteen-year concession to construct a new passenger terminal at the airport, and the 30,000 square foot, \$70 million development has reinvented Guayaquil as a major international air access point, not only for the city itself but for South America as a whole. With capacity for three million passengers a year, the new terminal has provided a catalyst for the city's business and tourism regeneration. The old passenger terminal has been converted into an exhibition center, which will play host



The new Terminal Terrestre bus station in Guayaquil.

to the 2007 edition of the International Tourism Fair in Ecuador (FITE) in September.

In a country as topographically diverse as Ecuador, an efficient and broad-reaching bus service is a necessity. The Terrestrial Terminal of Guayaquil at the Jaime Roldos Aguilera Station in the north of the city is a three-stage development that has revolutionized domestic travel in the country. Affording visitors swift and comfortable transportation links and modern facilities, including a variety of shops, a hotel, a cinema, a medical center and a supermarket, the terminal comprises the largest commercial space in Ecuador. 81 national bus companies operate regional and national services.

"I think that the Terminal Terrestre of Guayaquil is going to be a milestone in Latin America," says Guillermo Lasso, president of Fundacion Terminal Terrestre, "this is the Mayor's wish for the city and we are working on transforming the terminal into one of the best in Latin

America." It is estimated that 50 million passengers per year will pass through the new complex.

Improvements in transport infrastructure will also be of great benefit to advancing rural areas. Cement company Holcim's Pro-Pueblo Foundation promotes the development of the communities located on the slopes of the Chongon - Colonche mountain range in Ecuador. Its main goal is

to foster the integral development of the towns in a sustainable way, meaning self-sufficient developments that improve the quality of life of the inhabitants. Also incorporated into this process are the protection and conservation of natural resources.

The Foundation's area of influence includes all the coastal provinces of northern Guayas and southern Manabi. Fifty-three communities are included in a surface area of approximately 18,500 square kilometers, with 850 direct beneficiaries and 620 indirect. In order to fulfill its goals, the Pro-Pueblo Foundation works in a progressive and chronological way. Its activities began with the implementation of fully functioning urban infrastructures for the direct benefit of the communities. Then a historical and factual analysis is undertaken about each community and the characteristics and skills of their inhabitants. This allows for the creation of beneficial and diversified economic projects that directly benefit the communities. ■

## HOME SWEET HOME FOR MANY COMPANIES

Although the first phase of construction at Parque California – the largest commercial and warehouse complex in Ecuador – was completed in 1995, its rise to prominence came courtesy of a famous deluge. During El Niño's 1997 visit to the region, Parque California was, literally, an island refuge. As the canoe temporarily replaced the car as Guayaquil's preferred method of transport, Parque California's unique design and architectural layout ensured that it remained unaffected.

Located in the heart of Guayaquil, Parque California is a mere 30 minutes from the port, 15 minutes from the airport and less than a minute from the Via Perimetral, Ecuador's main traffic artery. Coupled with its unprecedented security measures, Parque California is the location of choice in Ecuador for many multinational companies, including Kraft, Glaxo Smithkline, Bristol-Myers, BASF and Sony, among others. Fifty acres of land and 1.2 million square feet of construction – 65 percent warehousing and 35 percent com-

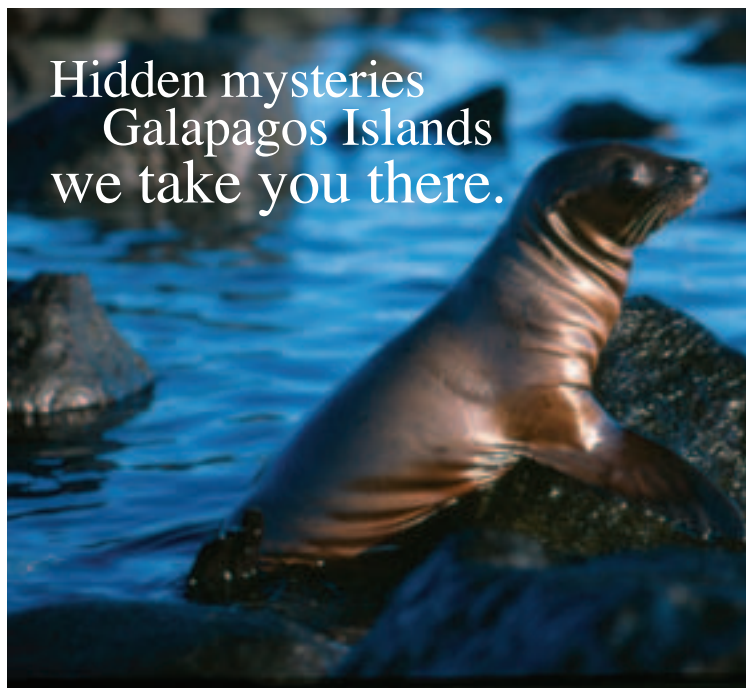
mercial property – is home to eight banks, seventy shops, four supermarkets, government offices, the national electricity company, five restaurants and two park-sponsored clinics that provide free medical care to low income families within the park's sphere. Some ten thousand people are attended to monthly.



**CARLOS BAQUERIZO**  
Project Director,  
Parque California

"We have a very special relationship with Guayaquil's mayor, Jaime Nebot," explains Carlos Baquerizo, Parque California's director, "Mr. Nebot has always been very supportive of private enterprise, and has focused on promoting the city to business people from all over the world. The attitude exists at the top to help business grow and develop in Guayaquil, and that attitude

has permeated throughout city hall. "I've been a builder all my life, I was taught to build, not destroy. Parque California has made a difference. It represents one of the many successful foreign investments in Guayaquil, innovative both in business and in terms of social awareness."



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**AeroGal**

## NATURAL BOUNTY FINDS GLOBAL FAVOR

Ecuador is the world's biggest banana exporter and a major exporter of shrimp to the U.S.

Ecuador is one of only seventeen countries in the world to be classified by Conservation International as having megadiversity. As such, the need for a balance between commerce and conservation is as acute in Ecuador as anywhere in the world. The country's extraordinary biodiversity and climatic conditions make for fertile soil and bountiful seas, which in turn provide the bedrock of Ecuador's economic activities.

The commercial, manufacturing and packaging center of the country, Guayaquil, is perfectly positioned geographically and logistically to best harness the fruits of Ecuador's agrifood sector, of which bananas and shrimp form a considerable part. The city is nestled on the Pacific coast in the west of the country within the province of Guayas – one of Ecuador's major banana producing regions.

Ecuador is the world's foremost exporter of bananas, accounting for some 50 percent of the worldwide market annually. From January to March this year, Ecuador exported over 67 million boxes of bananas across the globe. Banana exports alone account for 33 percent of Ecuador's trade, almost 4 percent of the GDP and 20 percent of total exports – with a value of approximately \$900 million.

The American Dole Food Company has been present in Ecuador since 1955, working hand-in-hand with the Unión de Bananeros

Ecuadorianos (UBESA). Controlling an estimated 36 percent of the U.S. banana market, Dole is the world's largest producer of fruit, vegetables and flowers, with revenues approaching \$6 billion in 2005. Dole views Ecuador as an integral part of its global strategy, as the



**MARIO PADILLA**  
President,  
Dole Ecuador



**XAVIER ANDRADE**  
General Manager,  
Exporklore

recent completion of the Bananapuerto packaging and processing plant in Guayaquil attests.

"We came to this country to grow bananas and tropical fruit 50 years ago," states Mario Padilla, president of Dole Ecuador, "Ecuador has exceptional soil and climate conditions in its favor, as well as an excellent labor force. Dole is proud of its relationship with Ecuador, which we hope will continue well into the future."

In 1998, UBESA became the first food crop exporter in South America to achieve ISO

14001 certification for its environmental management system, and in 2003 the affiliate's port operations arm Naportec gained ISO 9001:2000 certification.

Dole's commitment to social responsibility led to the 1998 creation of the Dale Foundation, which safeguards the rights of workers on Dole's self-owned farms, supports community development programs and upholds the living standard of its employees.

The fishing sector is another industry of significant economic importance to Ecuador.

With 25 years of experience in the aquaculture sector, the country's largest shrimp producer, Exporklore, last year exported over 3.5 million pounds of organic shrimp – fresh, cooked, breaded, seasoned, skewered and marinated - to international markets under its famous Pacific brand.

"The United States is the principal consumer of our marinated and breaded shrimp," says Xavier Andrade, president of Exporklore, "we deliver directly to restaurant chains and supermarkets, and from there to American consumers in their homes. We engage all our resources to best serve the demand in this important market."

Exporklore is a vertically integrated group that oversees the entire process of shrimp farming from the harvesting of larvae to the final stage of packaging and delivery. "In this aspect there are only advantages," continues

*Continued on page 10*

## NEW POSORJA-GUAYAQUIL SEA TERMINALS: MUCH MORE THAN A PORT

"Every day we see the same thing" observes maritime businessman Ignacio Lachaga Bengoetxea, President of the Albacora Group, "merchant ships waiting near Posorja for the tide so they can continue their way up the river to Guayaquil. What a waste of time, money, and business. We made a fishing port in Posorja and know that this site has unique natural conditions for making a large international port." Eight years earlier he had no doubt that here was an ideal place to build a logistics base. These installations now assist Grupo Albacora's tuna fishing fleet, regarded as the best in the world. The boats are registered

and controlled around the world by international fishing organizations. Nowadays, the logistics base is a large and complete industrial complex - Salica del Ecuador - which after two-and-a-half years of activity has generated over 1,600 new jobs in one of Ecuador's more economically depressed regions.

From Mr. Bengoetxea's reflections the Posorja-Guayaquil Deep Water Port Project, being built by Alinport, was born. Here, not only have the Port Terminals been planned and designed, but so has the consequent industrial and urban expansion that the port will generate. Guayaquil will benefit by directing congestion into an undeveloped area nearby.

In a few years' time Panamax ships, which cannot currently enter the port due to the shallow waters, will be able to reach the modern Container Terminal. Posorja is fundamental to Guayaquil's current port infrastructure and is essential for Ecuador's future development.

The docks and container area are



Guayaquil's location on the Pacific coast.

being built at a rhythm that matches increasing port activity, the influx of industry and the country's overall development. On August 2nd, 2006, the project was presented to the public and the country's authorities. Thanks to the cooperation of private businesses, Guayaquil City and the national government, the project has become a reality.

## FISHING FOR TUNA, NETTING ENVIRONMENTAL AWARDS

A natural phenomenon – the cold Humboldt current that sweeps up from the Antarctic and the warm, southerly El Niño current from Central America coalesce in Ecuadorian waters – makes for an



**ROBERTO AGUIRRE**  
Executive  
President, Nirsa

explosion of sea life which fisherman from Guayaquil have been netting for generations.

Tuna, in particular, flourish and represent a lucrative trade in export. One of

the country's primary fish processing and packaging companies, Nirsa, has been in operation since 1957 and exports to over 25 countries worldwide. With a plant capacity of 300 metric tons a day, sufficient storage for 11,000 metric tons of frozen fish and its own fleet of 11 tuna purse seiners, Nirsa is the second largest exporter of tuna in the country. Tuna production represents 55 percent of the company's output. Shrimp, sardines and mackerel account for the rest.

"Our main markets are here in Ecuador and across Latin America," says executive president of Nirsa, Roberto Aguirre, "We have also joined the market in Europe in a big way. In the United States our sales are not meaningful because of the tariff problems that exist today. If we someday sign the free trade agreement, we can enter the American market with tariff preferences."

A vertically integrated company that sports its own brand, Nirsa is able to supply itself by its own means. Since the 1980s the company has farmed its own shrimp. Nirsa is a dolphin-friendly company, certified by Earth Island, a non-profit organization dedicated to the protection of cetaceans.

"Our brand is really the premium of the company," continues Mr. Aguirre, "The advantage of having a brand is that we can survive in the market. As with Coca Cola or Pepsi, people buy not just the liquid, but the brand. That is important."

### A THREE-PHASE STRATEGY FOR EXPANSION

	1st phase	2nd/ 3rd phase
Operation start	2009	2014-2019
Berth length (mts)	450	900
Yard area (ha)	30	60
Capacity (million TEUs)	1,10	2,30
Investment (million USD)	280	230
Employees	500	850

## THE FRUITS OF THEIR LABOR

Bananas, unlike money, do grow on trees, but by what alchemy can green fruit be turned into gold?

This was the question that Kimtech-Le Fruit posed itself when it entered the export market 8 years ago. In a global market dominated by household names such as Del Monte, Chiquita, Dole and Bonita, a revolutionary strategy was needed for a newcomer to make any significant impact.

"Although we are not the largest exporter in Ecuador, we are the fastest growing company. To achieve this we developed a strategy of creating small alliances with certain countries and developing regional brands," explains Gonzalo Escobar, executive president of Kimtech. "The main markets for bananas are the United States, and then the EU and Russia, so we decided to concentrate on the Mediterranean, where there are many countries and no monopolies. We have a presence in northern Africa, Turkey and Iraq, as well as Europe, where we have partners in Italy and Albania." Le Fruit also exports to Russia, the Baltic States, Japan, the Black Sea region, Argentina and Iran.

The banana is the second most important facet of the Ecuadorian economy, and the country currently exports almost 50 percent of the total exportable amount of bananas worldwide – around 240 million boxes annually. Of this, Kimtech contributes 28 million boxes a year, 5.7 percent of the world market. It is estimated that there are some 800,000 Ecuadorians who rely on the banana industry for their livelihoods.

The draw of the Ecuadorian banana is its quality. As a non-essential product on world markets quality is far more



**Kimtech-Le Fruit works closely with the communities on which it relies.**

important than quantity. As a grade one producing country, Ecuador enjoys a competitive edge that other countries with larger production capacities do not have. Another factor in Kimtech's universal appeal is its Eurepgap accreditation. Eurepgap is a private, voluntary quality control system initiated by 24 of Europe's super-market chains to ensure quality, nutritional value, environmental protection and responsibility toward employee welfare. This in turn breeds a highly motivated and skilled workforce, from the planting of seeds to the point of packaging and transportation. "We do not have cheaper prices than other multinationals," concludes Mr. Escobar, "because quality prevails and the quality of the Ecuadorian banana is first class."

*Continued from page 9*

Mr. Andrade, "we can manage and control all stages of the production process, which ensures the eventual quality of all our products. We have achieved the certification of organic producers at our farms, and we produce only shrimp of the highest quality which conforms to international standards. Organic natural shrimp is the future."

Exporklore manages 1750 hectares of technologically advanced shrimp farms that utilize ozone treated water, delivers its products via refrigerated trucks, boats and light planes and operates its own packaging plant with a capacity of 180,000 pounds per day. As the company's operations are based in and around Guayaquil, this leads to job creation and provides an economic boon for the city and region.

The company's environmental blueprint for shrimp production has led to HACCP and ISO 9000 certification, as well as garnering praise from international environmental organizations Naturland and Ecocert.

Europe represents Exporklore's largest market, with 72 percent of its products eventually bound for the continent. America accounts for a further 25 percent, with Asia and other destinations contributing a little under three percent. The company's share of the domestic market is 14 percent. ■

## SUMMIT COMMUNICATIONS IN GUAYAQUIL

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## ELJURI LENDS A TOUCH OF GLAMOUR TO COMMERCE

What began as a small shop opened by a Lebanese immigrant nearly 100 years ago is now the third most important business group in Ecuador: the Eljuri Group. Already in the 1930's, one of the Eljuri sons foresaw Japan as a future provider of innovative and high-quality products, and soon he was representing over twenty Japanese corporations. Thanks to his vision, the business has since stood out as the fastest growing Ecuadorian company since 1921.

The Eljuri Group is involved in hotels, fiber optics, cable internet and TV, ceramics, perfume and cosmetics, farming equipment, local and foreign banking, communications, airlines, and automobiles. Concerning the latter two, Eljuri is quite active in invigorating the existing industries. The national airline of Ecuador is being reprivatized, and the Group is actively participating in this process in alliance with Brazil's VASP. With respect to the automotive industry, in 2006 Eljuri built the country's first - and the continent's second -



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The Eljuri Group has interests in a wide variety of sectors, from hotels to perfume and cosmetics, cable TV to farming equipment and banking services.

pre-delivery inspection (PDI) port in the Port of Manta. Going further abroad, Eljuri recently acquired 50% of Kia-Venezuela. The Group already had sole representation and distribution of these Korean vehicles locally in Ecuador as well as in Colombia.

With 3,000 people directly employed, and an additional 6,000 employees in the companies of which Eljuri is the major shareholder, the Group does not plan to stop



**JUAN DOUMET  
ELJURI**  
General Director,  
ElJuri

growing any time in the near future. However, along with growth, they are interested in improving quality and efficiency, and in implementing more modern business techniques. In 2001, Juan Doumet Eljuri attended the 20-month long MBA program at

Ann Arbor, Michigan. As the youngest student there, Mr. Eljuri shared the classroom with more experienced executives from the world's top corporations. "I have responsibilities now that I'd never had before. I want to better prepare myself for changes," says Mr. Eljuri.

## ONE SOLUTION FOR SPARING THE AMAZON

As one of the nine host countries of the Amazon rainforest, Ecuador is particularly sensitive to the effects of large-scale deforestation. Studies by National Geographic have indicated that at the current rate of deforestation, the Amazon – which accounts for no less than 50 percent of the world's remaining virgin rainforest – will be reduced in volume by more than 40 percent during the next two decades.

Ecuadorian company Balsa Sud is a pioneer in the reversal of the 'slash and burn' policy of land clearance for crops, timber and livestock propagated in the 1600s, which continues to this day in some areas of the Amazon belt. As world demand for timber rises, a natural, environmentally friendly and renewable source is of paramount importance. Balsa Sud and its business partner DIAB

are the primary proponents of ProBalsa, a material derived from the balsa plant, which is indigenous to Ecuador and reaches maturity within 4-6 years – reaching heights of up to 28 meters. The resistance of ProBalsa wood, when cut into blocks and sheets, is exceptional. Its compressive strength derives from its end grain and honeycomb structure, providing optimum performance when utilized in a variety of ways in the fields of commerce, military vehicles and transportation. The Kenworth T2000 truck and the bodywork of Corvette automobiles are both constructed from balsa wood.

"Balsa wood can be found in other



**PASCUAL  
DEL CIOPPO**  
President, Balsa Sud

places, but the typical density that we normally use for composites of balsa wood is Ecuadorian," explains Pascual Del Cioppo, director of Balsa Sud, "It is light, strong and resistant. It is the ideal raw material for composites.

"Composites are a large business. In the near future we hope to have 50 percent of our finished products made here.

"If you are looking for environmentally friendly raw materials, this is the right choice. You have all your rights guaranteed by the Guayaquil city hall and you can establish a factory and sell your products to the whole country or to our neighbors Colombia, Peru, Chile, and beyond."

## AMAZONAS EXTENDS ITS SPHERE INTO HOTEL MANAGEMENT

With 30 years of experience in the fields of banking and insurance, and through the ups and downs of Ecuador's recent economic and political history, Grupo Amazonas has grown in stature and reputation and today is regarded as one of the most important – and reliable – companies in Ecuador.

As such, Grupo Amazonas finds itself in an ideal position for branching out into other concerns – something the company has recently achieved via the acquisition of the Marriott Group franchise.

"The group undertook a very thorough market study and came to the consensus that Courtyard by Marriott, as one of the most important hotel brands in the world, had to be in Ecuador," explains executive director of Grupo

Empresarial Amazonas, Simón Parra Boyd, "We also realized that Guayaquil meets the requirements for such a hotel. The Blue Towers will be the first Marriott Hotel in South America, and we have plans to open a second Courtyard close to the new airport."

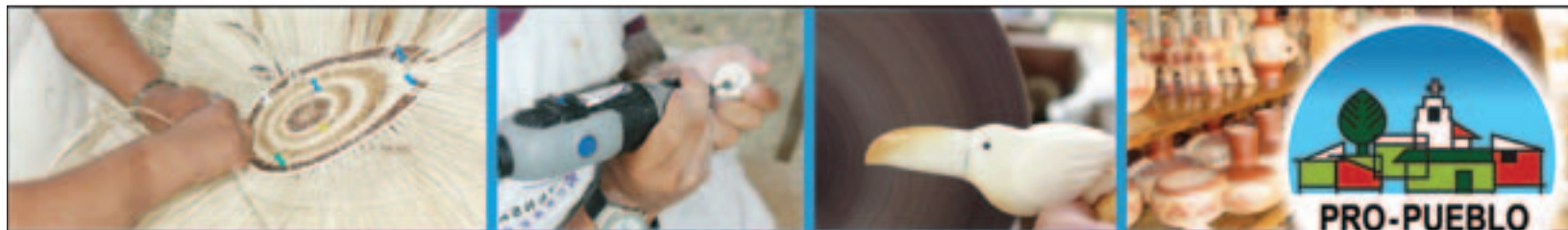
The Blue Towers Courtyard Hotel will comprise 144 rooms – 108 kings, 9 suites and 27 doubles – and a complete spa and gym with a swimming pool, located on the top terrace of the hotel with stunning city views. Also incorporated are banquet facilities, conference rooms and a ballroom, restaurant and cocktail bar and a mini-



**SIMÓN PARRA  
BOYD**  
Executive Director,  
Grupo Amazonas

market, with ample parking facilities and wheelchair access throughout the hotel. "Guayaquil has been distinguished by the United Nations as a model of development, a safe and attractive destination for tourists that is fast becoming the investment city of choice for an increasing number of international companies," continues Mr. Parra, "This is why lives are changing and bringing

prosperity with new jobs and new frontiers. Guayaquil will soon be placed as a point of reference on maps all over the world, giving the Blue Towers Marriott the opportunity to become well-known among businessmen and tourists alike."



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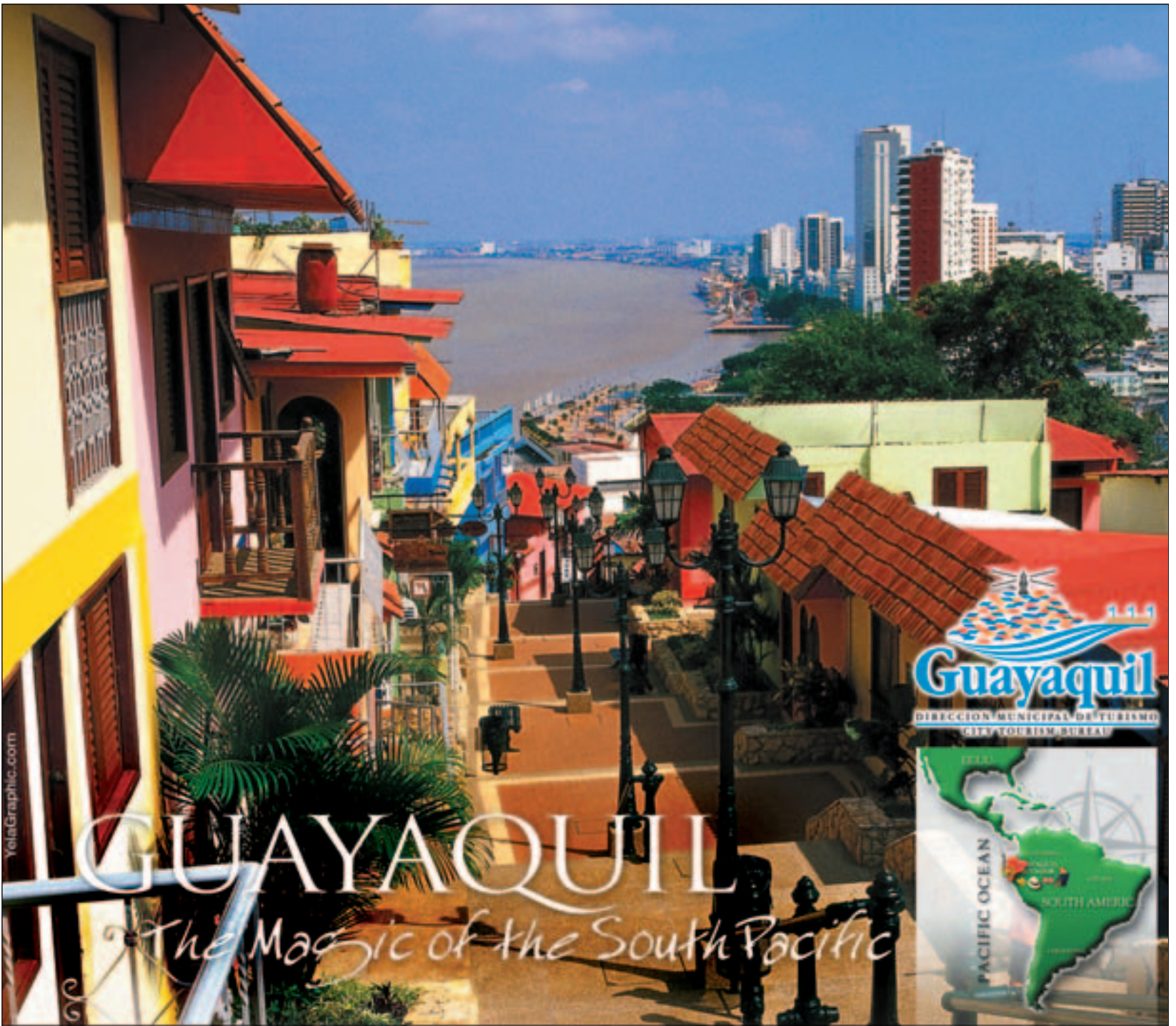
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