

# The Fastener Market of Ecuador (2019-2023)

2019-2023厄瓜多扣件市场剖析

## Overview of Ecuador's Economy

Ecuador is a developing country in South America with a diverse economy that heavily relies on petroleum, its main export, as well as agriculture and mining. In recent years, Ecuador has experienced moderate economic growth, shaped by global oil prices, domestic policies, and regional economic conditions. According to the World Bank, Ecuador's GDP growth was about 0.1% in 2019 but contracted significantly by -7.8% in 2020 due to the COVID-19 pandemic. The economy rebounded in 2021 with an estimated growth of 3.5% and continued to grow by around 2.8% in 2022. By 2023, Ecuador's GDP reached approximately US\$118.84 billion, indicating a gradual recovery and moderate growth amid ongoing global economic uncertainties.

These economic fluctuations have significantly impacted various sectors, including manufacturing and construction, which are major consumers of fasteners. However, economic reforms, fiscal consolidation, and increased public and private investments have supported the recovery, alongside favourable global oil prices and a resurgence in domestic demand.

## Manufacturing and Construction Sectors in Ecuador

The manufacturing sector in Ecuador is diverse, ranging from food and beverages to textiles, chemicals, and metal products. According to the Central Bank of Ecuador, manufacturing contributed approximately 12% to Ecuador's GDP in 2020. The construction industry, another significant consumer of fasteners, contributed about 7% to GDP in the same year. Both sectors were affected by the COVID-19 pandemic, which caused supply chain disruptions and reduced production capacities due to lockdowns and health measures.

Despite these challenges, the manufacturing sector has been gradually recovering. The construction sector also showed signs of recovery post-2021, driven by public infrastructure projects and an increase in residential building activities. The demand for fasteners in these sectors is closely tied to these economic activities.

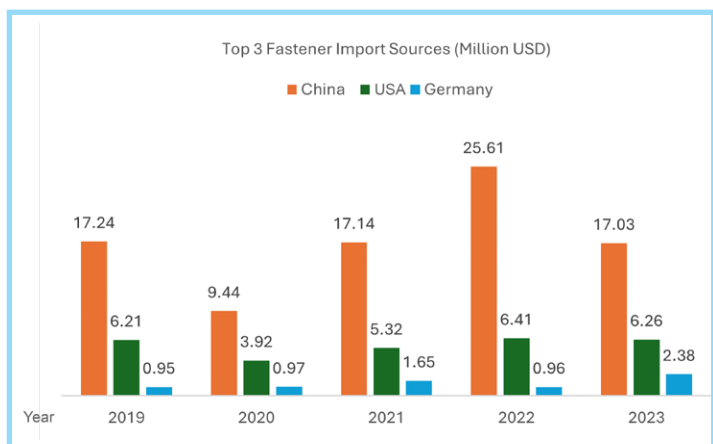


## Trade Statistics: Imports and Exports of Fasteners

The fastener market in Ecuador is primarily import-driven due to limited domestic manufacturing capabilities. The trade data for fasteners (HS Code 7318) shows significant import activity, with a diverse range of suppliers and a smaller volume of exports.

### Import Analysis

Million USD	2019	2020	2021	2022	2023
China	17.24	9.44	17.14	25.61	17.03
USA	6.21	3.92	5.32	6.41	6.26
Germany	0.95	0.97	1.65	0.96	2.38
S. Korea	0.59	0.25	1.56	1.75	1.98
Taiwan	2.02	1.59	1.94	2.25	1.91
Colombia	1.37	1.22	1.90	1.39	1.83
Brazil	0.86	0.65	0.98	1.52	1.60
Japan	1.79	1.05	1.36	1.61	1.50
Canada	1.02	0.77	1.56	1.27	1.19
Italy	1.21	1.10	1.62	1.86	1.18
Others	6.47	4.06	6.20	9.40	5.08



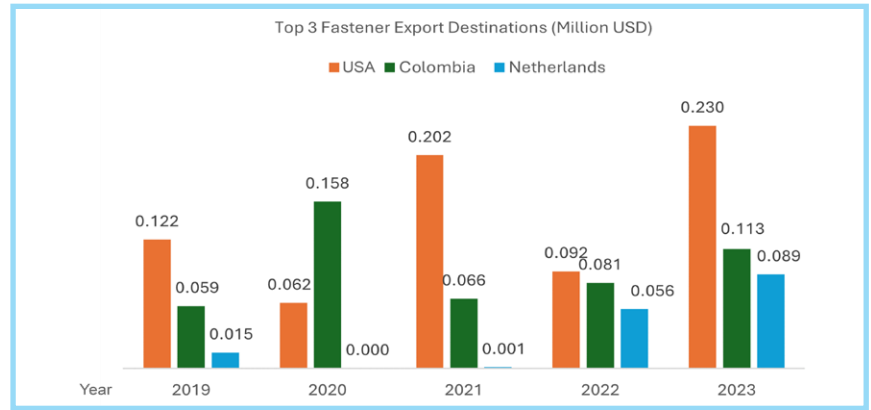
Ecuador imports a substantial amount of fasteners to meet the needs of its construction and manufacturing sectors. **The leading countries exporting fasteners to Ecuador from 2019 to 2023 are:**

- **China:** The dominant exporter, with **imports peaking at US\$25.61 million in 2022**. Despite a decline in 2023 to US\$17.03 million, China remains the largest supplier, driven by its cost-effective production and extensive product range.
- **USA:** The second-largest exporter, with **relatively stable imports averaging around US\$5-6 million per year**. In 2023, imports from the US were valued at US\$6.26 million, indicating a consistent demand for high-quality fasteners.
- **Germany:** Imports from Germany **rose significantly from US\$0.95 million in 2019 to US\$2.38 million in 2023**, suggesting increased demand for specialized, high-quality fasteners from Europe.
- **Other notable exporters:** South Korea, Taiwan, Colombia, Brazil, Japan, Canada, and Italy have also been consistent suppliers, contributing to the diverse supply chain in Ecuador. **Noteworthy is the steady growth in imports from South Korea, which increased from US\$0.59 million in 2019 to US\$1.98 million in 2023**, reflecting a growing market for Korean fastener products.

The import data shows variability in annual values, influenced by global supply chain disruptions, economic conditions, and changing demand patterns in the local market.

## Export Analysis

Million USD	2019	2020	2021	2022	2023
World (Total Exports)	0.563	0.388	0.409	0.481	0.598
USA	0.122	0.062	0.202	0.092	0.230
Colombia	0.059	0.158	0.066	0.081	0.113
Netherlands	0.015	0.000	0.001	0.056	0.089
Others	0.367	0.168	0.140	0.252	0.166



Ecuador's fastener exports are minimal, reflecting a small domestic production base focused on basic and low-technology products. **Key export destinations from 2019 to 2023 include:**

- **USA:** The largest export market, though the values remained low, **peaking at US\$0.230 million in 2023**.
- **Colombia:** The second-largest export market, **with values fluctuating between US\$0.059 million in 2019 and US\$0.113 million in 2023**.
- **Netherlands:** A smaller but growing market, **with exports increasing from near zero in 2020 to US\$0.089 million in 2023**.

Overall, Ecuador's fastener exports remain limited, constrained by a lack of high-technology production facilities and an emphasis on meeting domestic demand through imports.

## Detailed Analysis of the Fastener Market in Ecuador (2019-2023)

The Latin American industrial fasteners market was valued at US\$ 7,534 million in 2022 and is projected to reach US\$ 8,198 million by 2030, growing at a compound annual growth rate (CAGR) of 5.0% from 2023 to 2030.

However, economic challenges are anticipated to impact this growth. Ecuador, along with Brazil, Argentina, Colombia, Chile, and Bolivia, faces economic uncertainties and social instability that may affect regional economic performance. These issues have repercussions for key sectors such as automotive manufacturing, construction, and furniture and plumbing production, which experienced disruptions in 2020 and impacted the demand for industrial fasteners.

Between 2019 and 2023, the Ecuadorian fastener market was influenced by factors such as economic recovery, infrastructure development, and shifts in global trade dynamics. The market, primarily driven by imports, experienced a downturn in 2020 due to the pandemic but saw a recovery in 2021 and 2022 as construction and manufacturing activities resumed. The market is segmented into industrial and commercial fasteners, reflecting its diverse applications and recovery trajectory.

### Demand Drivers

- **Construction Sector Recovery:** The resurgence of the construction sector post-pandemic has driven demand for fasteners, particularly for infrastructure projects.
- **Automotive Industry:** Steady growth in the automotive sector has led to increased demand for automotive fasteners, such as bolts, screws, and rivets.
- **Industrial Machinery:** The need for maintenance, repair, and new machinery installations has spurred demand for industrial fasteners.



**Supply Chain and Import Dynamics**

The supply chain for fasteners in Ecuador is heavily reliant on imports. The dominance of imports from China reflects the global trend of sourcing cost-effective products from Asian manufacturers. The diversity of suppliers also indicates a strategic approach to mitigating supply chain risks and ensuring a steady supply of various types of fasteners.

**Key Players and Market Competition**

Key players in the Ecuadorian market include both international brands and local distributors. Competition is driven by price, quality, and availability, with local distributors focusing on cost-effective imports and international brands emphasizing quality and specialized products.

**Market Trends and Future Outlook**

The market is expected to continue its recovery and growth, supported by ongoing construction projects and a potential increase in local manufacturing capabilities. However, the dependency on imports and fluctuations in global trade will continue to influence market dynamics.



The fastener market in Ecuador is influenced by multiple economic, regulatory, and political factors that impact both the business environment and investment decisions. While there are opportunities for growth, particularly with the need for industrial components in manufacturing and construction, challenges persist due to Ecuador's dynamic regulatory environment and complex bureaucratic processes. Frequent changes in economic, commercial, and investment policies add uncertainty and can elevate the risks and costs associated with doing business in the country.

Despite these obstacles, there are ongoing efforts to improve transparency and public consultation in regulatory processes, as well as initiatives like the Global Procurement Initiative (GPI) to encourage best practices in procurement. However, the lack of a free trade agreement or bilateral investment treaty with key partners like the United States places Ecuador at a competitive disadvantage compared to neighbouring countries with more favourable trade agreements.

Overall, while Ecuador presents a market with potential for growth, especially in the fastener industry, businesses must navigate a challenging regulatory landscape, stay abreast of evolving policies, and manage risks associated with market entry and operation. □

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