The Need for a Strategic Partnership – Who does What?

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INTRODUCTION

In developing countries like ours, the commerce of services faces several local obstacles that must be surpassed to be able to compete in the international markets. Nevertheless, the service sector in Ecuador has experienced an important growth in the last years. Thus, there are many cases of Ecuadorian companies who have managed to export their services with a high level of professionalism and quality.

Amongst the local barriers to impel the commerce of services, we shall mention the lack of a regulatory frame, the deficiencies in the transport and telecommunications infrastructure, the absence of state support, the high cost of various basic services (energy, for example), the lack of qualified personnel, and the absence of credits for service companies. In addition, getting liable statistical information is still limited reason, which is why there isn’t a true knowledge of the potential of some services and the income that these generate.

1. Main exporting services in Ecuador

At the moment Ecuador has provided different types of exporting services in different markets.

First of all, we could mention tourism, which is a permanent source of income that has a huge growing potential. Ecuador, a small country located in the middle of the world, has one of the largest biodiversity in the world. We have been acknowledged by the designation of the Galapagos Islands and its Marine Reserve as a World Natural Heritage and two of our cities (Quito and Cuenca) are considered World Cultural Patrimony. Ecuador offers ample alternatives of tourism in each one of its regions, such as: ecotourism, community tourism, sea and river adventure tourism, birdwatch, archaeological tourism, etc.

However, Ecuador has not been able to fully benefit from this wide selection of tourist activities due to an inadequate access infrastructure (bad road transport conditions, for example), a deficiency in technological infrastructure, little coordination between the organisms that generate information tourist, among others. In addition, there is a lack of a state policy that promotes a sustainable growth of this sector.

Another important area that has developed in the last few years concerns the financing services. With the considerable migration of Ecuadorian towards some European countries and to the United States, some financial organizations have seen the opportunity to offer services to the emigrants, whose remittances have become a strong currency income. For instance, remittances have become an important “exporting product”, which only surpassed oil and banana exports in the year 2004. Thus, some National Banks offer their services to several markets, such as the United States, Spain, Colombia, Russia, and Peru.

On the other hand, in the area of the telecommunications, we have seen in Ecuador an important boom of the software industry. The supply of software in Ecuador is divided in different areas of specialization: Finance and Banking (applications include solutions for the management of trusts, banking solutions, bank withdrawals), Administration and Finance (products related to human resources, finance, accounting and commercial management) and Natural Language Processing (software in the area of computer linguistics). There are around 200 national companies that develop software in Ecuador. In spite of the internal obstacles, some companies have managed to enter in several international markets. Their main foreign clients are multinationals, nongovernmental organizations (NGOs) and cooperation organisms.

As far as professional services, we should mention consulting services made by Ecuadorian professionals in several markets, mainly in the neighbor countries (Peru, Colombia). The consultancy occurs in diverse subjects, especially in administrative matters.

Other services of export in which Ecuador has a great potential and can be increased are:

- Design Services
- Construction Services
• Express mail Services
• Specialized Services of maintenance and repair of equipment
• Educational Services
• Distribution Services
• Transport agencies

2 Search of strategic partners

The participation of strategic partners for export product development has been a fundamental element. For that reason, CORPEI uses great part of its human and economic resources in the search of international organisms and national organisms to establish alliances that allow us to obtain long term results. At national level, it is important to emphasize the alliances with governmental agencies, such as the Ministry of Foreign Affairs, with whom we are working in the diversification and opening of international markets. Within international organisms, we could highlight multilateral organisms, such as CAF, I.A.D.B., World Bank, European Union, CBI, GTZ, with whom we have established programs to impel the development of new products, the fortification of exports, the conformation of business associations, among others.

In the scope of exporting services, the search of strategic partners has equal or even greater importance given its complexity.

In the field of tourism, a strategic partner key is the government, who must lead and impel campaigns of promotion with support of the private sector. Among the national organizations we could mention the Ministry of Tourism, the Federation Tourism Chambers, Natura Foundation, Charles Darwin Foundation. CORPEI also provides training to the suppliers of tourist services. In addition the tourism is one of the strategic sectors selected by CORPEI for the attraction of direct foreign investment, reason why we are actively supporting in the elaboration of projects that promote the participation of foreign partners. Between these projects we can mention a project in the Galapagos Islands.

In the field of computer science, it is possible to establish alliances with local universities in order to have enabled professionals for the development of software. In this field, CORPEI considers that software is a service with great exporting potential, which is why also we are supporting the activities of promotion and search of alliances with international organisms.

Conclusions

In spite of the diverse obstacles that the commerce of services must face in Ecuador, there are clear examples of companies that have managed successful exports positioning themselves in the international markets. Indeed, in order to surpass these obstacles a viable alternative is the search of strategic partners. These partners with their expertise, financing support and knowledge would complement the services to be exported. Depending on the type of service we shall determine together with the strategic partner the fields of action of each one.

For CORPEI the promotion of exportable services is a new activity in which we are now beginning to undertake due to the great potential that it has.

Sources: Banco Central del Ecuador
Análisis de la capacidad en el Comercio de Servicios – Ecuador, Junio 2005. ITC