



Faculty of Law

School of International Studies

**COMPARATIVE ANALYSIS OF TRADITIONAL
EXPORTS AND ECONOMIC GROWTH,
PERIOD 2017 – 2021
CASE: ECUADOR, PERÚ AND CHILE**

**Graduation work prior to obtaining the degree of
Bachelor in International Studies**

Author:

Catherine Paulina Vallejo Suquilanda

Director:

María Gabriela Fajardo Monroy

Cuenca – Ecuador

Año 2023

DEDICATED TO

To my parents and siblings, I dedicate this achievement with all my heart. Your unconditional love, constant support, and words of encouragement have been my inspiration throughout this process. I will carry them with me always, Without you, it would not have been possible to reach this dream. I am grateful for your love and sacrifice.

To my dear grandmother Maria, although you are no longer physically with me, I know that your spirit continues to guide my path. Your image of love, strength, and wisdom will always be my source of strength and motivation to move forward.

SPECIAL THANKS

To my tutor and tribunal, for guiding me throughout
this process.

To my parents, who always supported me and
believed in me throughout my entire academic
journey.

To my lifelong friends Marley and Adriana, for
being a great support during my entire student
process.

To all my family and friends who have been part of
this way.

LIST OF CONTENTS

DEDICATED TO.....	<i>i</i>
SPECIAL THANKS.....	<i>ii</i>
LIST OF CONTENTS.....	<i>iii</i>
LIST OF FIGURES.....	<i>iv</i>
LIST OF TABLES.....	<i>iv</i>
Resumen:	<i>v</i>
Abstract:	<i>v</i>
1. Introduction.....	<i>1</i>
1.1 Objectives.....	<i>1</i>
1.1.1 General Objctive	<i>1</i>
1.1.2 Specific Objectives	<i>1</i>
1.2 Marco teórico	<i>1</i>
1.2.1 International Trade	<i>1</i>
1.2.2 Economic Growth.....	<i>2</i>
4. Literature Review.....	<i>3</i>
5. Methods.....	<i>5</i>
6. Results.....	<i>5</i>
6.1.1 Political, social and economic context.....	<i>5</i>
6.1.2 Context of the export industry structure.....	<i>7</i>
6.2.1 Evolution of exports of traditional products 2017-2021	<i>10</i>
6.3.1 Influence of exports on economic growth	<i>15</i>
7. Discussion.....	<i>20</i>
8. Conclusion	<i>21</i>
9. Referuts.....	<i>22</i>

LIST OF FIGURES

Figure 1	10
Figure 2	12
Figure 3	14
Figure 4	15
Figure 5	17
Figure 6	17
Figure 7	19

LIST OF TABLES

Table 1	10
Table 2	13
Table 3	14
Table 4	16

Resumen:

El propósito del presente estudio fue determinar la influencia de las exportaciones en el crecimiento económico de Ecuador, Perú y Chile. La investigación se realizó con una metodología descriptiva de datos históricos del comportamiento comercial en el periodo 2017-2021 del Banco Central de Ecuador, Banco Central de Reserva de Perú, Banco Central de Chile. Se realizó un enfoque cualitativo para la construcción de la base teórica y la revisión de la literatura. Los resultados obtenidos evidenciaron la influencia positiva de las exportaciones y la relación con el crecimiento económico de cada país. Como conclusión, se recalco la importancia de las exportaciones en el crecimiento económico de cada país, y como recomendación la mejora de políticas públicas, la apertura a nuevos mercados, y la promoción de la diversificación de los distintos sectores económicos.

Palabras clave: Comercio internacional, crecimiento económico, economía, exportaciones, producto interno bruto (PIB)

Abstract:

The purpose of this study was to determine the influence of exports on the economic growth of Ecuador, Peru, and Chile. The research was conducted by using a descriptive methodology, relying on historical trade data from the period 2017-2021 obtained from the databases of the Central Bank of Ecuador, Central Reserve Bank of Peru, and Central Bank of Chile. A qualitative approach was used to construct the theoretical framework and to review the literature. The obtained results demonstrated the positive influence of exports and their relationship with the economic growth of each country. In conclusion, the importance of exports in the economic growth of each country was emphasized, with recommendations to improve public policies, explore new markets, and promote diversification of different products.

Keywords: economic growth, economy, exports, gross domestic product (GDP), international trade



Este certificado se encuentra en el repositorio digital de la Universidad del Azuay, para verificar su autenticidad escanee el código QR

Este certificado consta de: 1 página

**Comparative analysis of traditional exports and economic growth,
period 2017 – 2021.
Case: Ecuador, Perú and Chile**

1. Introduction

Exports promotes economic growth worldwide and improve the economies of both developed and developing countries. It is worth mentioning that developing countries are the ones that benefit the most from product diversification. Additionally, there are fundamental determinants of this economic growth, such as labor productivity, physical and financial capital levels, and technological innovation. Other factors, like the level of external debt, also affect economic growth as the payments associated with that debt, such as interest and repayments, condition the economies' ability to generate growth. Therefore, the research motivation is to determine the influence of exports on the economic growth of Ecuador, Peru, and Chile during the period 2017-2021.

In recent decades, international trade has played a crucial role in economic development. The influence of exports on countries like Ecuador, Peru, and Chile has been positive in recent years, as they represent a significant portion of their GDP, and their main exported products are based on their competitive advantages, such as their natural resources. However, these countries have faced various difficulties in their development due to obstacles that hinder trade progress, such as trade policies, social development, demographics, lack of trade relations with developing countries, and a shortage of technology and human capital, among others.

To achieve the research objective, a descriptive method with a qualitative approach was applied, relying on historical data on the trade behavior between Ecuador, Peru, and Chile. This approach aimed to contextualize the structure of each country and the influence of exports on economic growth.

1.1 Objectives

1.1.1 General Objective

Determining the influence of exports on economic growth: Case of Ecuador, Peru, and Chile

1.1.2 Specific Objectives

1. Contextualize the industry structure of each country.
2. Determine the evolution of exports in the period 2017 – 2021.
3. Determine the influence of exports on economic growth.

1.2 Theoretical framework

1.2.1 International Trade

International trade refers to the buying and selling of goods and services between countries. It involves the exchange of products and economic resources across international borders. Trade is driven by globalization and the interconnection of economies at a global level. In addition, international trade allows countries to leverage their comparative advantages, which are the characteristics that enable them to produce certain goods or services more efficiently or at a lower cost compared to other countries.

In the context of Latin America, these countries depend significantly on the exports of primary goods, such as, oil, bananas, coffee, shrimp, cocoa, and flowers, along with the manufactured agricultural products that dominate in the dynamics of international trade an economy (Alvarado Mora et al., 2020).

Therefore, exports play a crucial role within an economy as they generate foreign exchange, which allows the acquisition of capital goods, raw materials, and inputs, contributing to the development of nations with lower growth (Morales Moreno et al., 2016).

There are different theories of international trade, which are divided into three periods: classical, neoclassical, and current theories. Classical theories, such as Adam Smith's theory of absolute advantage, also introduced the theory of international division of labor, which demonstrates the advantages of specialization and trade between countries, considering that free trade expands demand (Muñoz Vargas, 2016). The theory of comparative advantage by David Ricardo is based on the comparison of relative costs, which states that countries benefit from international trade if they specialize in producing goods a relatively lower cost (Morales Moreno et al., 2016). The neoclassical theory of trade by Heckscher - Ohlin suggests that countries can gain through free trade by producing goods in which they specialize, but with an efficient use of their resources. Modern theories support the theory of comparative advantage by identifying economies of scale as an important source of economic growth, as large-scale production can be achieved at a lower cost (Hemzawi & Umutoni, 2021).

Both internal and external economies can enhance economic growth through economies of scale. However, internal economies of scale contribute positively as a country can increase its production internally, by reducing unit production costs, improving product quality and efficiency, fostering innovation, and expanding production capacity. These benefits can contribute to economic growth by enabling countries to become more competitive and increase their market share, which in turn can boost exports and investment in the local economy.

1.2.2 Economic Growth

Economic growth refers to the increase in the value of the production of goods and services, whether it is at a regional, national, or international level, over a specific period of time. It is measured through the growth rate of Gross Domestic Product (GDP) and is calculated in real terms to eliminate the effects of inflation. Growth assumes the increase in macroeconomic variables such as public or private savings, consumption, investment, government spending, and the balance of payments, specifically exports (Enríquez Pérez, 2016).

In the field of economic theory, various approaches have analyzed the relationship between economic growth and the external sector from different perspectives. According to the classical approach, international trade plays a fundamental role in economic growth by allowing countries to benefit from comparative advantages and specialize in the production of goods and services in which they have a competitive advantage (Rodríguez & Rodrik, 2000). On the other hand, the neoclassical approach considers that the external sector has an indirect impact on growth through capital accumulation and increased productivity, as international trade can facilitate the transfer of technology and knowledge (Wacziarg & Welch, 2008). Additionally, the endogenous approach emphasizes the importance of innovation and learning as drivers of economic growth, and the external sector can promote the diffusion of ideas and knowledge, facilitating the adoption of new technologies (Hausmann, et al., 2007).

In the context of the structuralist approach, it is argued that the productive structure of a country and its relationship with the external sector are determinants of sustainable economic growth. Export diversification and the ability to add value are considered key elements to drive growth (Thirlwall, 2013). On the other hand, the human development approach highlights the importance of considering the impact of the external sector on people's well-being beyond economic growth. It focuses on aspects such as poverty reduction, equity, health, and education, and argues that international trade can generate opportunities to improve human development (Ghosh, 2012).

Lastly, the dependency approach suggests that the relationship between economic growth and the external sector can be unequal and asymmetric. Developing countries can be trapped in economic dependency relationships with more developed countries, limiting their capacity for autonomous growth (Acemoglu et al., 2001).

Theories of Economic Growth

1. Nicholas Kaldor

Nicholas Kaldor's theory is based on the idea that long-term growth depends on the expansion of effective demand rather than capital accumulation. According to Kaldor, the expansion of effective demand occurs through a series of interrelated factors, such as increased investment, productivity, exports and decreased unemployment. Furthermore, Kaldor argues that increased investment is the primary driver of long-term economic growth. This increase in investment occurs when businesses have high levels of profits, enabling them to invest in new technologies and machinery to enhance productivity. As productivity increases, production costs decrease, leading to greater competitiveness and an increase in exports. This theory highlights the importance of industrialization in driving economic growth based on specialization in production, such that the demand for manufactured goods and economies of scale in the industry will influence the pace of economic expansion (Enríquez Pérez, 2016).

2. Paul M. Romer

The theory of endogenous growth argues that economic growth depends not only on external factors such as investment in capital or technological advancement but also on internal factors such as investment in research and development, innovation, and education. It is recognized that the productivity of knowledge tends to grow indefinitely and exhibit increasing returns to scale, production increases with the accumulation of knowledge. According to Romer, economic growth is determined by the increase in the stock of knowledge or technological change, which depends on the level of human capital invested in technological research and suggests that the growth rate of output benefits from the size of markets and the expansion it can experience through trade (Enríquez Pérez, 2016).

3. Solow-Swan model

The theory proposed by Robert Solow and Trevor Swan is based on the idea that economic growth depends on three factors: investment in capital, population growth, and technological progress. Solow and Swan posit that one of the key dimensions of their model is the accumulation of physical capital, with human capital as an exogenous variable, they mention that creating new knowledge enhances the efficiency of capital, thus leading to greater economic growth (Enríquez Pérez, 2016).

4. Literature Review

Reyes (2001) investigated the role of exports during the period 1960-1995 and discussed the relationship between exports and economic growth in Latin America using Gershon Feder's model. The model is divided into three stages: the first stage addresses the classic factors of economic growth, including capital and labor; the second stage incorporates exports and the opening of economies. In the third stage, he added a set of dummy variables, the export structure, such as, petroleum, manufacturing, and the primary sector; Latin America regions like Mexico, Central America, the Caribbean, the Andes, and the Southern Cone; and positions as peripheral and semi-peripheral countries. Lastly, the analysis considered small, medium, and large economies. As a result, the author mentions that growth factors such as labor, investment, exports, and economic openness are dominant factors in the economic growth of Latin America regions during the studied period. Particularly, in Mexico and Venezuela, exports have a significant effect on growth due to their specialization in the petroleum sector.

Armijos et al. (2017) present a research study with the objective of assessing the impact of exports on the economic growth of Germany, Mexico, and Ecuador. The methodology used in this study involved econometric analysis, incorporating control variables such as savings and inflation for three countries. In addition, they relied on estimating the growth behavior controlled by exports in the economies of different countries. The model was constructed using the theory of aggregate production and exports. As a result, they indicated that exports are statistically significant and have a positive influence on the growth of all three countries. Likewise, they tested the hypothesis of growth and exports and maintain that it holds true for both developing and developed countries. The authors conclude that exports contribute significantly to

growth and recommend that economic policies should be improved, along with increased innovation and diversification of production, particularly in developing countries, in order to achieve greater wealth and consequently improve the well-being of their population.

Likewise, Cruz-Acosta et al. (2021) conducted a research study with the objective of identifying the role of exports in the economic growth of Ecuador. To achieve the expected results in their study, they employed a descriptive method to establish the relationship between exports as an independent variable and GDP as a dependent variable and a literature review using data obtained from primary sources such as books, papers, articles, and supplementary sources such as publications based on econometric models. The results indicate a direct correlation between the variables of exports and GDP, highlighting the external sector as the main source of income for the country.

Reyes & Jiménez (2013) conducted a study with the objective of analyzing the relationship between export composition and economic growth in the member countries of the Andean Community of Nations (CAN) Bolivia, Colombia, Ecuador, Peru, and Venezuela. They also sought to determine the relationship between exports and growth based on the country's environment, as it is not only important to export but also to focus on exports that drive growth. The authors present an analysis based on the Seemingly Unrelated Regression Equations (SURE) method for each country individually and collectively. As a result, they mention that exports positively contribute to GDP growth, and the export structure among these countries is divided into various types of exports, such as manufacturing industry and exports with a high technological level through the externality effect.

The research by Chamba Bernal et al. (2021), "Determining Variables in Ecuador's Economic Growth: Cobb-Douglas Function 2007-2019," examines the impact of determining variables within the Ecuadorian economy using the Cobb-Douglas production function. This approach aims to establish the explanatory power of Ecuador's economic growth and the elasticities of its components. The authors employed a methodology that involved a descriptive approach, including a literature review and analysis of various materials such as books, thesis, and scientific articles. They then proceeded to construct an econometric model to quantify the influence of variables such as Gross Fixed Capital Formation, labor force, exports, and imports on economic growth. The authors found that the variables with a positive impact on Ecuador's GDP are the labor force, Gross Fixed Capital Formation, and exports. However, they note that within the study period, their contribution was not significant compared to other variables. Therefore, they recommend that the country should improve its policies to achieve a greater impact on both the domestic and international economy.

Rodríguez et al. (2018) analyze the relationship between GDP growth and exports in the department of Boyacá during the period 1980-2015. The study presents a time series econometric model (VAR) and the results were obtained through the application of Johansen's cointegration tests and Granger causality tests. They mention that industrial exports, and to a lesser extent primary exports, contribute positively to the net export output. In conclusion, the authors highlight the significant importance of the external sector, free trade agreements, and trade policy as dynamic mechanisms for stimulating production, investment, and employment in Boyacá.

According Alavinasab (2013), the objective of his research was to investigate the effect of exports on economic growth in Iran from 1976-2010. The study employed the Ordinary Least Squares (OLS) method, and the empirical results support the hypothesis of export-driven economic growth. Moreover, it is mentioned that an increase in the export variable promotes higher performance, while a decline significantly reduces economic growth. Furthermore, he mentioned that an increase in the export variable promotes higher performance, while a decline significantly reduces economic growth. The author concludes the research by stating that Iran can expand its market by exporting products to international markets. Therefore, effective policies for promoting exports should be implemented to enhance export capacity and, consequently, improve the country's economic growth.

The research conducted by Acosta et al. (2018) focused on the relationship between foreign direct investment (FDI), exports, and economic growth in Latin America. The study utilized a multiple linear regression model (MLRM) and analyzed data from the year 2015 for the following countries: Bolivia, Brazil, Chile, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, the Dominican Republic, and Uruguay. The results showed that exports are a determinant of economic growth, and that it is the responsibility of the public sector to generate externalities that support

the sector. There is a direct correlation between exports and imports, highlighting the importance of considering that protectionist policies can affect a country's foreign trade.

Cancelo & Vázquez (2020) analyzed the impact of export growth on the economy of Galicia, using different econometric models of export-led growth based on the augmented Cobb Douglas function. As a result, they provided evidence of the positive effect and importance of exports in the short term on GDP, and indicate that the export variable was key to the country's economic recovery following the COVID-19 pandemic.

The research conducted by Guzmán-Sánchez et al. (2022) analyzed the variables influencing the economic growth of Ecuador, Peru, and Chile from 1990 to 2020. A descriptive statistical method with a quantitative approach was employed and a literature review was conducted to select variables such as exports, imports, population, gross fixed capital formation, and consumption to quantify their influence on economic growth using a logarithmic econometric model. The results indicated that in Ecuador, exports, labor force, and investment have a favorable effect on GDP. In contrast, in Peru, the labor force and gross fixed capital formation are the variables that significantly impact economic growth. Finally, in Chile, the variables with the greatest influence on GDP are gross fixed capital formation and exports.

5. Methods

To determine the impact of exports on the economic growth of Ecuador, Peru, and Chile, a descriptive research approach was employed in this study. Statistical techniques were utilized, such as variation analysis and the correlation coefficient between the variables of exports and GDP. The results were presented using bar and line graphs, which represented the commercial behavior among Ecuador, Peru, and Chile, thus providing contextualization of each country's economic structure.

Furthermore, a qualitative approach was adopted for the development of the theoretical framework and literature review, with information supported by scientific articles, journals, books, and thesis, obtained from different channels such as Dialnet, Google Scholar, and SciELO.

Additionally, data from the Central Bank of Ecuador and Chile, the Central Reserve Bank of Peru, Trade Map, and the World Bank were utilized to determine the evolution of traditional exports and GDP for each country during the period from 2017 to 2021.

6. Results

6.1.1 Political, social and economic context

Ecuador

The Republic of Ecuador is located on the northwestern coast of South America, with an approximate area of 256,370 square kilometers. It is bordered to the south and east by Peru, to the north by Colombia, and to the west by the Pacific Ocean. It has a population of 17.23 million people, and the official languages are Spanish, Quechua, and Shuar. The capital of Ecuador is the city of Quito. The country is divided into four natural regions: Coast, Sierra, Amazon, and the Insular Peninsula. Ecuador is composed of twenty-four provinces, which are further divided into different cantons (Diplomatic Information Office, 2023).

Ecuador is a constitutional state of rights and justice, social, democratic, sovereign, independent, unitary, intercultural, plurinational, and secular. It is organized as a republic and governed in a decentralized manner. Regarding the organization of power, the Constitution regulates the exercise of legislative function by the National Assembly, executive and judicial functions, indigenous justice, as well as transparency, social control, and electoral functions (Constitution of the Republic of Ecuador, 2021).

Ecuador maintains a significant level of international trade openness and has signed various agreements with other countries, which have facilitated trade. For example, Ecuador has Free Trade Agreements with the European Union, Partial Scope Agreements with Chile, Mercosur, Mexico, Cuba, Guatemala, El Salvador, and Nicaragua. Ecuador is also part of customs unions and the Andean Community (CAN) with Bolivia, Colombia, and Peru. Additionally, Ecuador has an Economic Partnership Agreement with the European Free Trade Association (EFTA). These agreements aim to promote trade, reduce trade barriers, and create favorable conditions for economic cooperation between Ecuador and its trading partners (Central Bank of Ecuador, 2019).

In recent years, Ecuador has faced various social problems such as poverty and inequality, caused by factors like unemployment, political instability, and inflation. The poverty and extreme poverty lines have remained relatively constant since 2017, as consumer prices in the Ecuadorian economy have not experienced significant variations. However, in 2021, there was an increase compared to 2020, as individuals are considered poor if their per capita income is less than USD 85 per month, and in extreme poverty if their income is below USD 48 (Central Bank of Ecuador, 2021).

Perú

The Republic of Peru is located in the central and western region of South America. It shares borders with Ecuador and Colombia to the north, Brazil to the east, Bolivia to the southeast, Chile to the south, and the Pacific Ocean to the west. It has a total area of 1,285,215 square kilometers and is divided into three regions: Coast, Sierra, and Amazon. The country has a population of approximately 32.62 million people, and its official languages are Spanish, Quechua, and Aymara. The current constitution, in effect since December 29, 1993, establishes Peru as a democratic state, organized as a democratic, social, independent, and sovereign republic. The government is divided into executive, legislative, and judicial branches (Diplomatic Information Office, 2021).

Similarly, Peru adopts a more open approach to trade compared to Ecuador, as it has entered into various Free Trade Agreements. These agreements include countries such as the United States, Canada, China, Singapore, and the European Free Trade Association (EFTA). Peru is also a member of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), which includes Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Singapore, and Vietnam. Additionally, Peru has a Trade Agreement with the United Kingdom and is a party to the World Trade Organization (WTO) Trade Facilitation Agreement, among others. These trade agreements have brought several benefits to both the country and its population, leading to greater economic growth (Ministry of Foreign Trade and Tourism, 2023).

On the other hand, the public and trade policies implemented by the government of Peru have not been sufficient to reduce poverty and inequality. In 2021, monetary poverty affected 25.9% of the country's population, a lower level compared to 30.1% in 2020, which was influenced by the COVID-19 pandemic and its impact on various economic activities. In 2019, the poverty rate was 20.2%, indicating an increase of 5.7 percentage points in 2021. Furthermore, the extreme poverty line indicates that the cost of a basic food basket in the same year amounted to 201 soles per month per person. Individuals whose monthly expenses do not cover the value of the basic basket are considered to be living in extreme poverty (National Institute of Statistics and Informatics, 2022).

Chile

The Republic of Chile, with an area of 756,945 km², it is divided into 15 regions, is bordered by Peru to the north, Bolivia and Argentina to the east, the South Pole to the south, and the Pacific Ocean to the west. According to data from the National Institute of Statistics (INEI) at the end of 2021, the country's population was approximately 19,458,000 inhabitants. The official language of the country is Spanish. According to the Political Constitution of 1980, Chile is a democratic republic, a unitary state with its territory divided into regions. It is structured into the Executive Branch, headed by the President of the Republic; the Legislative Branch, represented by the National Congress; and the Judicial Branch, led by the Supreme Court (Diplomatic Information Office, 2022).

Chile is a country with an open and stable economic model that has allowed for the strengthening of trade and investment in recent years. The country promotes free trade and actively seeks to renew and establish trade agreements with other countries and blocs. As a result, Chile maintains various trade

agreements with countries such as Argentina, Australia, Bolivia, Canada, Central America, China, Colombia, South Korea, Cuba, Ecuador, the United States, EFTA, Mercosur, the European Union, Japan, Peru, the United Kingdom, Vietnam (Subsecretary of International Economic Relations, 2023).

6.1.2 Context of the export industry structure

Ecuador

The structure of Ecuador's export industry is characterized by its diversity and the variety of products it exports. The country's exports are divided into petroleum and non-petroleum, traditional and non-traditional exports. Petroleum exports refer to crude oil, while non-petroleum exports include agricultural products, mining products, aquaculture, flowers, and others.

The petroleum industry has experienced significant changes during the period from 2017 to 2021, as oil production has shown variability with increases and decreases in different years. International oil prices have been volatile, which has affected the revenue generated from exports. As a solution to this, the country has implemented policies and trade agreements to strengthen and diversify the petroleum industry. However, the Covid-19 pandemic had a consequent impact on the demand for oil, and therefore, exports have been greatly affected.

Between the years 2017 and 2019, the price of oil fluctuated between USD 45 and USD 60 per barrel. However, during the period from December 2020 to December 2021, there was a price variation of 38.8% per barrel of oil. Due to the health crisis and the decrease in demand, in the year 2020, it reached its lowest historical level in April, dropping to USD 14.2 per barrel. From that point on, the price of oil has experienced a gradual recovery, reaching USD 59.9 per barrel in December 2021 (Central Bank Of Ecuador, 2022).

Within the export industry, the most prominent traditional products in Ecuador include bananas and plantains, representing 30% of the total; shrimp with 23%; and cocoa and its derivatives with 11%. This industry has experimented significant growth in recent decades and continues to play an important role in the Ecuadorian economy.

There are several companies in Ecuador dedicated to the production and export of these traditional products. These are some of the key companies in each sector:

- In the banana industry, Reybanpac Rey Banano del Pacífico C.A. is the leading company in this sector, located in the city of Guayaquil. The company's exports have grown from one million exported boxes to 21 million in recent years. The exported banana boxes go through an integrated process involving bananas, cardboard, plastic, fertilizers, fumigation, and shipping services.
- Industrial Pesquera Santa Priscila S.A., located in Guayaquil for over 40 years, leads the shrimp exports in Ecuador. The industry has positioned itself as the largest exporter by focusing on technological advancements, research, sustainability, and value-added products. This has allowed them to export large quantities of shrimp to destinations such as Europe, the United States, and others.
- El Café C.A is a company engaged in the manufacturing and export of a wide range of coffee products, including freeze-dried, agglomerated, and powdered coffee. The company has a presence in the international market with clients in more than 20 countries, making it a leader in the coffee industry.

Perú

The export industry in Peru includes several important sectors that contribute to the country's economic growth. The mining sector stands out with the export of minerals such as copper, gold, and zinc. The agro-industry sector plays a significant role, exporting agricultural products such as asparagus, mangoes, and coffee. The textile and apparel industry exports high-quality garments and fabrics, while the manufacturing industry exports metal-mechanical, chemical, and plastic products. These sectors represent a significant portion of Peru's exports and contribute to the diversification and strengthening of the country's economy.

During the period from 2017 to 2021, non-traditional product exports in Peru have experienced significant growth and diversification. Sectors such as agro-industry, textile and apparel, as well as other manufacturing and service sectors, have made notable progress in exporting high-quality products. This diversification has reduced reliance on commodities and has generated employment and investment in many areas. Although challenges such as global competition and the need to improve quality and innovation have been faced, the evolution of non-traditional product exports has strengthened the Peruvian economy and its position in the international market.

Peru is recognized for exporting a variety of traditional products that have been pillars of its economy. Between these products, fishmeal accounts for 6% of total exports, copper for 25%, and gold for 15%. These products are important drivers of the Peruvian economy and represent a significant portion of its exports.

There are a large number of companies dedicated to the manufacturing and export of these products, which have successfully entered the international market, showcasing the wide variety and quality of their products.

- Pesquera Diamante is the leading exporter of fishmeal in Peru. It is a fishing company and fishmeal producer with a significant presence in the industry. The company has modern processing plants in strategic locations along the Peruvian coast, allowing it to access a wide variety of fish species. The company is engaged in the capture and processing of fish to obtain high-quality fishmeal, which is then exported to different international markets, primarily for use as an ingredient in animal feed, especially in aquaculture.
- Company Minera Poderosa S.A is an important mining company in Peru that specializes in the production and export of gold and other minerals. Based in the Puno region, Poderosa operates several mines in the country, including the La Libertad gold mine, the Santa María silver mine, and the Ñacunday lead and zinc mine. The company has extensive experience in mineral exploration, extraction, and processing and has established itself as one of the leading producers and exporters of gold in Peru. Its operations are characterized by the use of advanced technologies, sustainable practices, and a strong focus on social and environmental responsibility. Through its gold exports, Poderosa contributes to the country's economic development and generates employment in the communities where it operates.

Chile

The export industry in Chile is divided into key sectors that represent the diversity of the country's economy. The mining sector stands out, with copper as the main export product. The agro-industry is also prominent, with exports of fresh and processed fruits, wines, and fishery products. Forestry and the forest industry are also relevant, along with the export of manufactured products across various sectors. Additionally, services such as tourism and financial services play an important role in Chile's exports. The export industry in Chile constantly seeks new opportunities and focuses on innovation and the development of new markets to maintain its competitiveness.

During the period from 2017 to 2021, the export of non-traditional products in Chile experienced significant growth and greater diversification. Sectors such as agro-industry, manufacturing, and services gained relevance in Chilean exports. There was an increase in the export of fresh and processed fruits, wines, fishery products, chemicals, metal products, plastic products, electronic products, and services related to tourism, engineering, and consulting. Additionally, there was geographical diversification in export destinations, with a focus on emerging and regional markets. These advancements reflect Chile's efforts to adapt to the changing demands of the global economy and add value through a differentiated offering.

Within the context of traditional product exports that influence the total exports of the country, the most representative product is copper with a 50% share, followed by iron with 15%, and grapes with 10%.

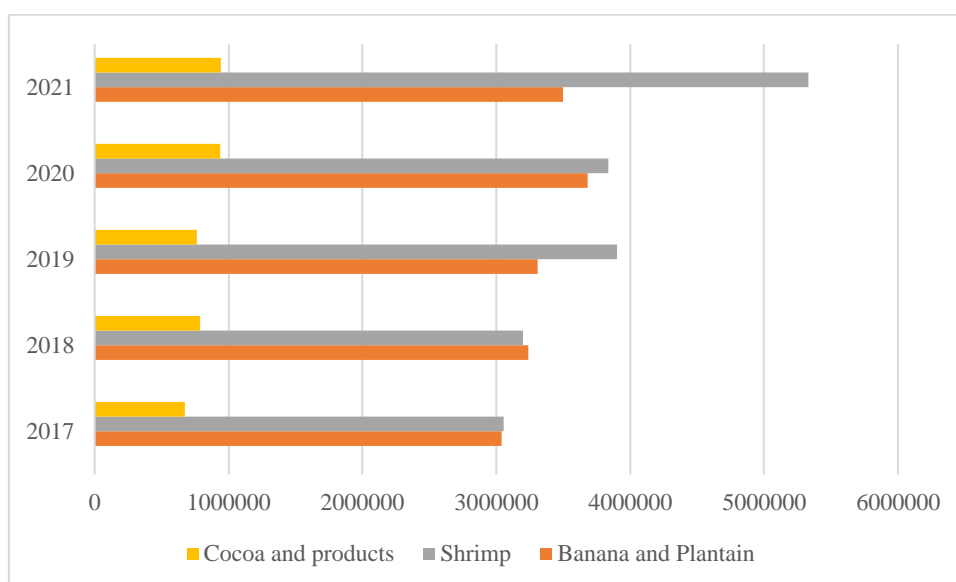
- The Chilean company that stands out as the largest exporter of copper in the country is the National Corporation of copper of Chile (CODELCO), a state-owned company and the largest copper producer worldwide. Codelco operates several copper mines in Chile, including the Chuquibambilla mine, the El Teniente mine, and the Radomiro Tomic mine, among others. The company has extensive experience in the production and export of copper concentrates and cathodes, which are used in various industries globally. The company has implemented sustainable practices in its mining operations and has made significant investments in technology and exploration to maintain its position as a leader in the copper industry.
- The largest exporter of iron in the country is Pacific Steel Company (CAP), a company with a long history in Chile's mining and steel industry. Through its subsidiary Mining Pacific, CAP is dedicated to the extraction, processing, and export of iron ore. The company operates significant iron ore deposits in the Atacama region in northern Chile. It exports iron concentrates and pellets, which are used in steel production internationally. Thanks to the quality of its products and its production capacity, CAP has consolidated its position as a leader in iron ore exports in Chile and has established solid commercial relationships in various international markets. Additionally, the company focuses on conducting its operations sustainably, respecting the environment, and contributing to the development of local communities.
- In the wine industry in Chile, one of the companies that stands out as the largest exporter of grapes is Fruit Partners Chile S.A., which specializes in the production and export of fresh fruits, including grapes. The company focuses on meeting high-quality standards, both in terms of flavor and presentation of the fruit, which has allowed it to establish itself as a reliable supplier in international markets. Fruit Partners Chile S.A. is responsible for the export of grapes to various destinations around the world, thus contributing to the recognition and positioning of Chilean grapes in the global market.

6.2.1 Evolution of exports of traditional products 2017-2021

Ecuador

Figure 1

Traditional Exports from Ecuador



Note: Central Bank of Ecuador. Millions of dollars.

Table 1

Fob value of Ecuador exports

Period	Shrimp	Banana and plantain	Cocoa and products
2017	\$ 3.052.282,90	\$ 3.038.741,50	\$ 672.425,90
2018	\$ 3.201.182,70	\$ 3.238.283,60	\$ 787.926,20
2019	\$ 3.901.558,60	\$ 3.310.588,30	\$ 763.896,90
2020	\$ 3.834.782,30	\$ 3.682.435,60	\$ 935.023,60
2021	\$ 5.331.051,80	\$ 3.500.321,00	\$ 940.043,60

Note: Central Bank of Ecuador. Millions of dollars.

In *Figure 1*, during the period 2017-2021, shrimp exports in Ecuador experienced constant and significant growth. It started in 2017 with a total of 441,780.80 metric tons of shrimp exported, with an FOB value of USD 3,052,282.90. There was a 2% decline in 2020 due to various factors, primarily the consequences of the COVID-19 pandemic such as the biosecurity protocols adopted by different international markets, as well as political and social instability in the country. In that year, 688,717.60 metric tons of shrimp were exported, representing an FOB value of USD 3,834,782.30. However, in 2021, exports increased by 39% compared to the previous year, reaching 848,264.10 metric tons and an FOB value of \$5,331,051.80. The products are exported in different presentations, with and without shells, with tail, peeled, and headless, with China, United States, Spain, France, and Italy being the main consumers.

This growth reflects the strength and competitiveness of the shrimp industry in the international market. Several factors have contributed to this growth. Firstly, the quality of the Ecuadorian product is internationally recognized, as it holds certifications. This is because producers have invested in sustainable farming practices and advanced technology, resulting in a high-quality product. Additionally, Ecuador has been able to capitalize on commercial opportunities in the global market by establishing strong trade relationships with various countries, facilitating the expansion of its exports.

However, the shrimp industry has also faced challenges such as fluctuations in international shrimp prices and competition from other producing countries like China and India. Furthermore, it is important to mention that international regulations and sanitary requirements can impact shrimp exports. Therefore, producers must maintain high-quality standards and comply with the requirements of target markets to remain competitive.

Analyzing the exports of banana and plantain, a general growth trend with some seasonal variations and external factors influencing performance can be observed. However, there has been an increase in the market share of bananas over the years. This reflects established trade policies, such as trade agreements with different countries and trade blocs, including the European Union, EFTA, among others. In this context, the main export destinations for bananas are Russia, United States, Turkey, China, and the Netherlands.

In 2017, banana exports reached 6,589,366.5 tons of bananas, represented in different varieties such as manzanillo and orito, with a FOB value of \$3,038,741.50. As can be observed in Table 1, in 2018, there was a 7% increase in the value of exports, reaching a FOB value of \$3,238,283.60. This growth was due to higher demand in international markets such as Russia, United States, Netherlands, Turkey, and Argentina, as bananas are a healthy product sought after by many consumers. In 2019, exports continued to grow, with a value of \$3,310,588.30. This increase was attributed to a combination of factors, including increased investment in agricultural technology, improvements in production systems, and the implementation of sustainable practices.

The year 2020 marked a significant milestone in banana exports. During this period, the value of exports experienced a notable 11% growth, with 7,265,065.4 tons of bananas exported, representing a FOB value of \$3,682,435.60. This growth can be attributed to several factors, including the fact that bananas are a staple in the majority of countries' diets, increased global demand for food products, Ecuador's reputation as a reliable supplier of high-quality bananas, and promotional efforts by the banana sector.

However, in 2021, there was a 5% decrease in the value of exports, with 7,026,500 tons exported and a FOB value of \$3,500,321.00. This decline can be attributed to factors such as fluctuations in international prices, logistical challenges resulting from the COVID-19 pandemic, and adverse weather conditions in the country that can affect production.

Despite annual variations, the banana sector has maintained a strong position as one of the country's main export products. Ecuador stands out in the international market for the quality of its bananas, their distinctive flavor, and its ability to meet consumer demands in different parts of the world.

Ecuador has a long history of cocoa production and has gained worldwide recognition for the exceptional quality of its fine aroma cocoa. This solid reputation has allowed Ecuadorian producers to establish themselves in the international market as suppliers of high-end cocoa, generating increased demand and, consequently, an increase in exports. Cocoa is exported in various forms, including as a plant product and as plant-based by-products such as cocoa oil, cocoa blocks, cocoa tablets, cocoa with shell, cocoa husk, chocolate, and other cocoa-containing food preparations. The main consumers of these products are United States, Malaysia, Indonesia, Mexico, Canada, Italy, Japan, China, and others.

In *Figure 1*, a constant growth in cocoa exports can be observed during the established period. In 2018, 321,912.30 tons were exported with an FOB value of USD 787,926.20. Compared to the year 2017, which saw exports of 308,267.40 tons, this represents a 17% growth in the total export value.

Similarly, despite the difficulties encountered in 2019, a significant increase of 22% was observed in the following year, with exports reaching 353,896.60 tons of cocoa and an FOB value of USD 940,043.60. Fluctuations in international cocoa prices can have a significant impact on export value as the price is subject to changes due to factors such as global supply and demand, trade policies of other cocoa-producing countries, and international economic conditions. If international prices decrease, cocoa exports may be affected as the revenue generated from exports would be lower. Conversely, if prices increase, this could result in an increase in export value.

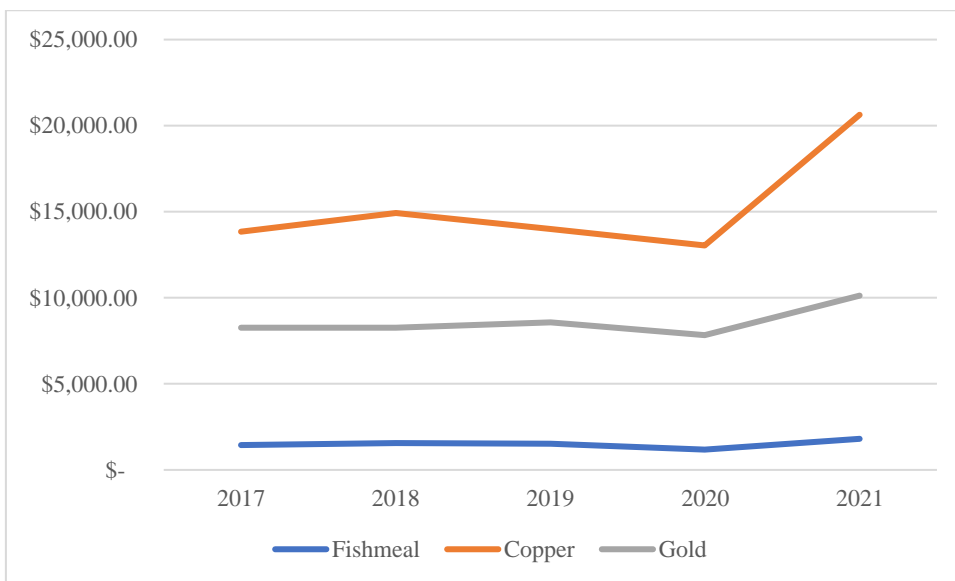
In addition, climatic conditions can also influence exports. Adverse weather events such as droughts and floods can have a negative impact on production and, therefore, exports in a specific year. These events can reduce the amount of available cocoa production for export and affect the quality of the product.

Trade policies also play a significant role in cocoa exports. Trade agreements, tariffs, and trade regulations can have positive or negative impacts on cocoa trade. For example, the imposition of tariffs or trade barriers by other countries can make it challenging for Ecuadorian cocoa exports, limiting access to certain markets. On the other hand, the signing of favorable trade agreements can facilitate access to new markets and promote export growth.

Perú

Figure 2

Traditional Peru Exports



Note: Central Reserve Bank of Peru. Millions of dollars.

Table 2*Fob value of Peru exports*

Period	Fishmeal	Copper	Gold
2017	\$ 1.458,71	\$ 13.844,06	\$ 8.270,48
2018	\$ 1.563,56	\$ 14.938,55	\$ 8.258,51
2019	\$ 1.508,89	\$ 14.000,93	\$ 8.555,12
2020	\$ 1.179,55	\$ 13.039,53	\$ 7.829,57
2021	\$ 1.805,99	\$ 20.632,83	\$ 10.124,03

Note: Central Reserve Bank of Peru. Millions of dollars.

In *Figure 2*, Peruvian exports were affected by a series of factors that impacted the country's traditional products such as fishmeal, copper, and gold. Throughout these years, significant variations in the exports of these products were observed, reflecting both global economic conditions and industry-specific factors.

Starting with fishmeal, a volatile trend in its exports was observed during the analyzed period. In 2018, there was a 7% increase, indicating a promising overview for the sector. However, in 2019, exports experienced a 3% decline, raising concerns about market stability. This decline was followed by a significant blow in 2020, with a 22% decrease due to the COVID-19 pandemic. The global demand for fishery products was negatively affected, leading to a reduction in export volumes. Nevertheless, in 2021, the sector achieved a remarkable recovery with a 53% increase in fishmeal exports. This was attributed to the reactivation of global demand and the measures taken by companies to adapt to changing market conditions.

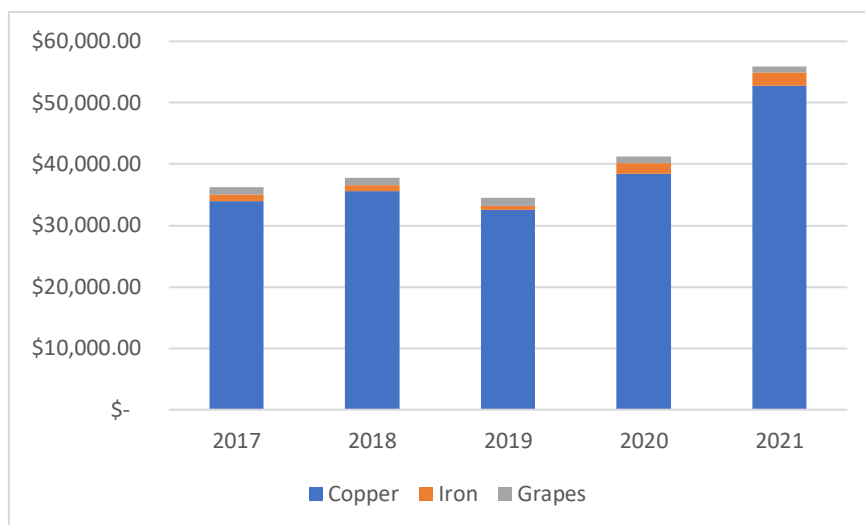
As for copper, another important export product of Peru, a steady growth was observed during the analyzed period. In 2018, copper exports increased by 8%, reflecting a solid demand in international markets. However, in 2019, there was a 6% decrease, possibly influenced by global economic slowdown. Despite these fluctuations, copper experienced significant growth in 2020 and 2021, with an increase of 7% and 58% respectively. This was largely due to the recovery of copper demand from China and other countries, as well as an increase in copper prices in international markets. The stability and sustained growth of the copper sector were key factors for the success of Peruvian exports in this area.

Similarly, gold exports had a growth, starting in 2017 with an FOB value of USD 8,270.48 and reaching a notable increase in 2021 with a 22% growth in exports, generating a total value of USD 10,124.03. The exports were affected by various factors. For example, international demand played a crucial role as economic uncertainty and geopolitical events influenced the demand for gold as a safe haven. In addition, international gold prices fluctuated due to factors such as supply and demand dynamics, currency market movements, and central bank policies. Changes in prices directly impacted on the value of exports. Global economic and political events, such as the COVID-19 pandemic, also affected exports. Restrictions and the resulting economic slowdown reduced demand for the product in sectors such as jewelry and investment. However, as the economy recovered, exports increased due to higher demand and rising prices.

Chile

Figure 3

Traditional Chilean Exports



Note: Central Bank of Chile. (Millions of dollars).

Table 3

FOB value of Chile's exports

Period	Copper	Iron	Grapes
2017	\$34.000,92	\$ 998,51	\$ 1.231,40
2018	\$35.605,20	\$ 964,63	\$ 1.228,71
2019	\$32.572,93	\$ 640,29	\$ 1.249,31
2020	\$38.467,24	\$ 1.693,71	\$ 1.030,68
2021	\$52.747,32	\$ 2.238,29	\$ 924,99

Note: Central Bank of Chile (Millions of dollars)

During the period from 2017 to 2021, the exports of Chile's traditional products such as copper, iron, and grapes experienced significant variations influenced by various economic and trade factors.

The main export product of Chile is copper, in *Figure 3*, it has demonstrated sustained growth in recent years. In 2018, copper exports increased by 5%, driven by rising international prices. However, in 2019, exports were affected by a decline in prices, resulting in a 9% decrease. This decline was attributed to factors such as global economic slowdown and trade tensions between United States and China, which impacted the demand for copper. However, in 2020 and 2021, copper exports experienced a strong rebound with increases of 18% and 37%, respectively. This was primarily due to the global economic recovery and the growing demand for copper in key sectors such as construction and renewable energies. International copper prices also played an important role in this increase as they showed an upward trend.

In the case of iron, exports followed a more volatile trajectory. In 2018, there was a 3% decrease due to the fall in international prices. However, in 2019, exports experienced a sharp contraction of 34% due to a combination of lower demand and lower prices. The demand for iron, especially from China, one of the main buyers, was affected by the global economic slowdown and environmental pollution reduction policies. However, in 2020, iron exports saw a spectacular increase of 65%, reaching their highest level in the analyzed period. This increase was primarily due to economic recovery and the reactivation of Chinese demand, as well as more favorable international prices. In 2021, exports continued their upward trend with a 32% increase, driven by growing demand.

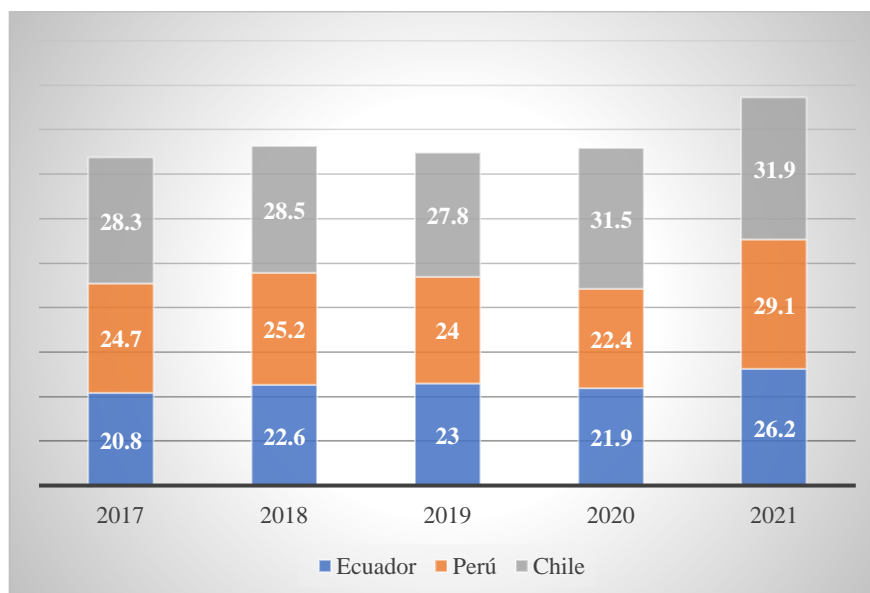
On the other hand, grape exports showed a more challenging behavior. In 2018, they remained relatively stable with a slight decrease of 0.2%. However, in 2019, exports recorded a modest increase of 2% due to higher demand in international markets. From 2020 onwards, the COVID-19 pandemic had a significant impact on grape exports. Trade restrictions, border closures, and disruptions in the supply chain affected international trade of agricultural products, including grapes. Consequently, grape exports decreased by 18% in 2020 and continued to decline by 10% in 2021. Furthermore, changes in consumption patterns due to the pandemic, such as reduced consumption of fresh produce and a preference for non-perishable foods, also affected the demand for Chilean grapes.

On the other hand, grape exports showed a more challenging behavior. In 2018, they remained relatively stable with a slight decrease of 0.2%. However, in 2019, exports recorded a modest increase of 2% due to higher demand in international markets. As of 2020, the COVID-19 pandemic had a significant impact on grape exports. Trade restrictions, border closures, and disruptions in the supply chain affected international trade of agricultural products, including grapes. Consequently, grape exports decreased by 18% in 2020 and continued to decline by 10% in 2021. Additionally, changes in consumption patterns due to the pandemic, such as reduced consumption of fresh produce and a preference for non-perishable foods, also affected the demand for Chilean grapes.

6.3.1 Influence of exports on economic growth

Figure 4

Influence of exports on GDP: Ecuador, Peru and Chile



Note: World Bank

In *Figure 4*, the significant contribution of exports to the GDP of each country is evident, and it can be observed how they have been continuously growing throughout the studied period. Despite the anomalies presented in different years, several sectors have managed to overcome any barriers in order to increase their production and exports.

Starting with Ecuador, a constant increase in the percentage of exports relative to GDP can be observed. In 2017, exports accounted for 20.8% of the GDP, and by 2021, this figure significantly increased to 26.2%. This growth demonstrates the importance of exports for the Ecuadorian economy. Ecuador has successfully diversified its export base, capitalizing on its oil, agricultural, and fishing resources. Additionally, it has implemented policies to promote foreign investment and enhance the competitiveness of its products in international markets.

Besides, Peru has shown a similar trend regarding the importance of exports in its economy. During the analyzed period, the percentage of exports relative to GDP fluctuated between 22.4% in 2020 and 29.1% in 2021. These numbers reflect a significant influence of exports on the country's economic growth. Peru has positioned itself as one of the leading exporters of products such as minerals, metals, textiles, and food. Additionally, it has sought to diversify its export base by promoting innovation and the incorporation of technology in its productive sectors.

In the case of Chile, a strong position in terms of exports stands out. During the analyzed years, the percentage of exports relative to GDP remained at relatively high levels, ranging from 27.8% in 2019 to 31.9% in 2021. This indicates that exports play a crucial role in the Chilean economy and have a significant influence on its growth. Chile is known for being one of the largest exporters of copper worldwide, but it has also diversified its export base into sectors such as agriculture, fishing, and manufacturing industry.

Indeed, exports have had a significant impact on the economic growth of Ecuador, Peru, and Chile. These countries have managed to leverage their comparative advantages and diversify their export base to drive their economic development. The consistent increase in the percentage of exports relative to GDP reflects the growing importance of this sector in their economies. Additionally, exports have promoted the attraction of foreign investment, job creation, and the transfer of knowledge and technology. Overall, these countries have demonstrated that exports are a fundamental engine for their growth and economic development.

Table 4

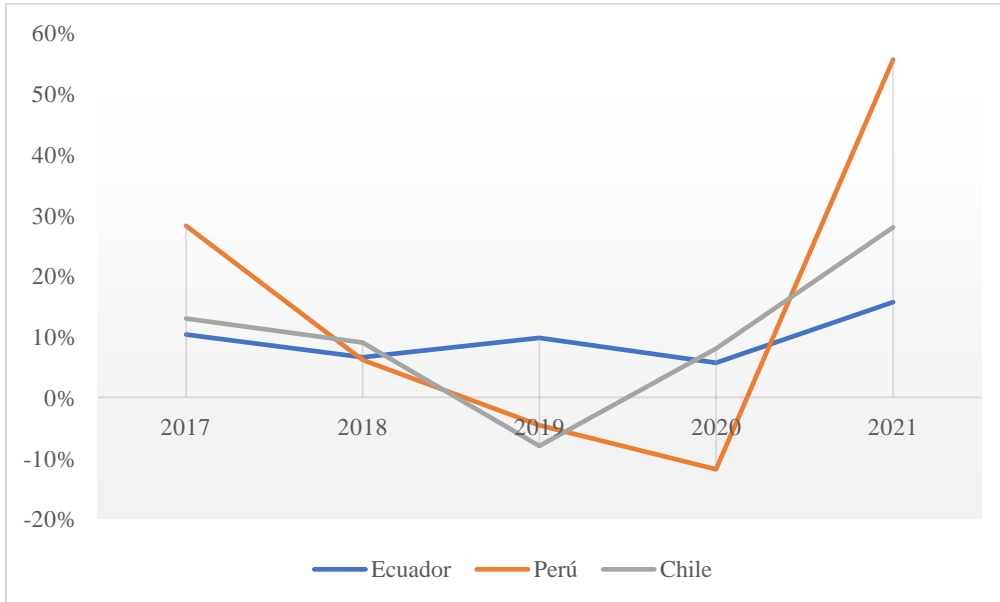
Percentage change in real GDP and Traditional exports, 2017-2021

PERIOD	Ecuador		Perú		Chile	
	GDP VARIATION	EXPORT VARIATION	GDP VARIATION	EXPORT VARIATION	GDP VARIATION	EXPORT VARIATION
2017	2,4 %	10 %	2,5 %	28 %	1,4 %	13 %
2018	1,3 %	7 %	4 %	6 %	4 %	9 %
2019	0 %	10 %	2,2 %	-5 %	0,8 %	-8 %
2020	-7,8 %	6 %	-11 %	-12 %	-6 %	8 %
2021	4,2 %	16 %	13,3 %	56 %	11,7 %	28 %

Note: World Bank

Figure 5

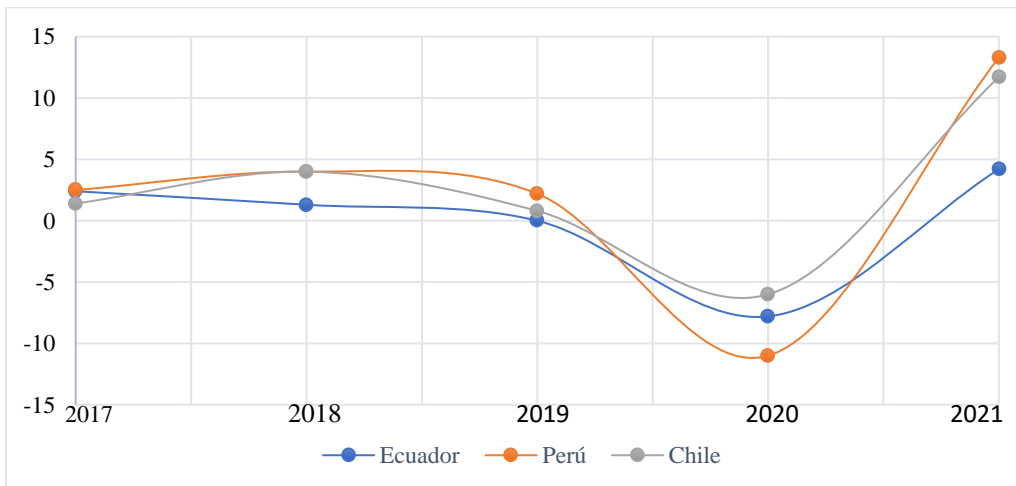
Percentage Variation Traditional Exports: Ecuador, Peru and Chile



Note: World Bank

Figure 6

Percentage Variation real GDP: Ecuador, Peru y Chile



Note: World Bank

The role of exports in the economic growth of countries is becoming increasingly relevant. At this point, according to the data from table 4, the influence of exports on the economic growth of three countries is evident in figures 5 and 6.

In the case of Ecuador, the data shows a positive variation in GDP during the analyzed period, although with some fluctuations. During the years 2017 and 2018, economic growth remained moderate, with GDP growth rates of 2.4% and 1.3%, respectively. These results were accompanied by an increase in exports, with a positive correlation of 0.73 between both variables. However, in 2019, a slowdown in economic growth was observed, with GDP practically unchanged despite the increase in exports. This

situation can be attributed to other internal factors such as economic policies, public and private investment, and macroeconomic conditions. In 2020, Ecuador experienced a significant economic contraction, with a negative GDP variation of -7.8%. This decrease is related to the effects of the COVID-19 pandemic and the restrictions imposed on international trade. However, in 2021, a notable recovery was observed, with an economic growth of 4.2% and an increase in exports due to the economic reactivation measures implemented by the government and a higher external demand for Ecuadorian products.

In contrast, the data from Peru shows consistent economic growth during the period 2017-2021. GDP experienced positive variations, with growth rates of 2.5% in 2017, 4% in 2018, 2.2% in 2019, and 13.3% in 2021. These results were accompanied by an increase in exports, with a positive correlation of 0.83 between both variables. Nonetheless, in 2020, the country faced an economic contraction, with a negative GDP variation of -11%, which can be attributed to the impacts of the pandemic and the lockdown measures implemented worldwide. Finally, in 2021, the country achieved a solid economic recovery, with a GDP growth of 13.3% and a significant increase in exports. This growth is the result of the reactivation of external demand, economic stimulus measures, and the diversification of exported products.

Similarly, in Chile, the data shows sustained economic growth, although with variations in GDP growth rates. The country experienced moderate GDP growth, with variation rates of 1.4% in 2017, 4% in 2018, and 11.7% in 2021. Despite these variations, the correlation coefficient between GDP and exports is 0.63, indicating a positive correlation, although less strong than in the other countries analyzed. In 2020, Chile recorded an economic regression of -6%, due to the impacts of the pandemic and trade restrictions. But, in the same year, exports also decreased, suggesting a decline in external demand. In contrast, in 2021, Chile experienced a notable economic recovery, driven by strong GDP growth and an increase in exports. This recovery can be attributed to the implementation of economic stimulus policies, improved prices for exported products, and increased global demand.

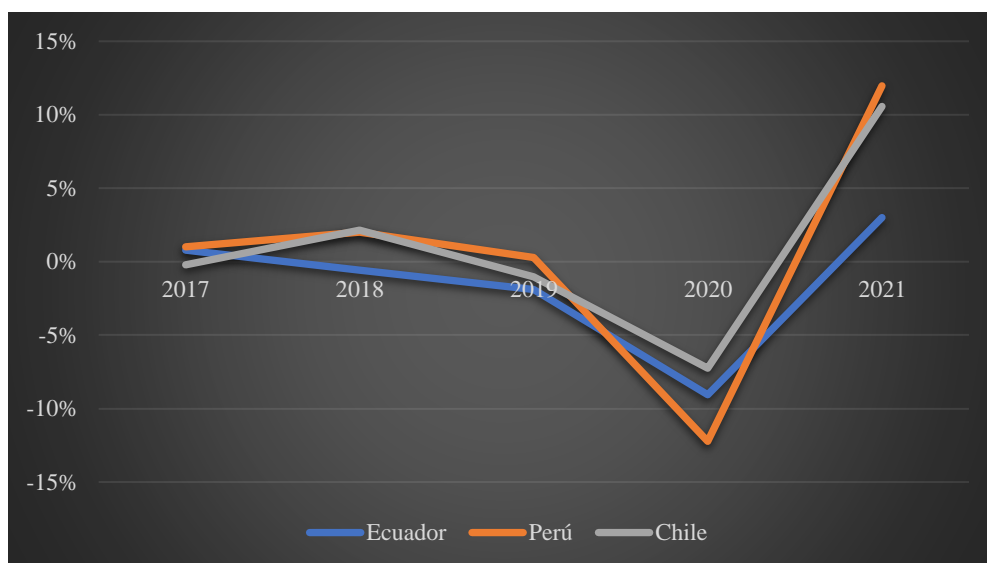
It is important to highlight that exports were not the only factors that influenced the economic growth of the three countries. The increase in GDP in Ecuador, Peru, and Chile was driven by various components. For example, in Ecuador, the increase in domestic consumption and public investment in infrastructure played an important role in economic growth. Economic policies and structural reforms also contributed to improving the business climate and promoting investment. In Peru, private investment in sectors such as construction, manufacturing, and services, along with export diversification, strengthened GDP growth. Entrepreneurial promotion policies also stimulated economic activity. Lastly, in Chile, service exports, increased investment in research and development, and open trade policies played a key role in economic growth. Additionally, the importation of capital goods played a fundamental role in all three countries by allowing the modernization and expansion of key sectors such as construction, manufacturing, and mining.

Apart from the previously mentioned factors such as domestic consumption, public investment, export diversification, and economic policies, other aspects played an important role. These include fiscal and monetary policies, strengthening of the financial sector and access to credit, political and social stability, as well as the exploitation of natural resources and the extractive sector. These factors reflect the complexity of economic growth and the influence of multiple variables on the development of each country.

The data from Ecuador, Peru, and Chile reveal the positive influence of exports on the economic growth of these countries. The positive correlation coefficients between exports and GDP suggest a significant relationship between the two variables in all three countries. However, it is important to consider that other internal and external factors also influenced economic growth, and each country faced specific conditions and challenges. Export diversification, investment in infrastructure, macroeconomic stability, and appropriate trade policies are key elements to enhance sustainable growth in each country. In a globalized and competitive world, it is crucial for these countries to continue strengthening their export and economic development strategies, promoting innovation, improving the quality of their products and services, and adapting to the changing dynamics of international trade.

Figure 7

GDP per capita percentage change: Ecuador, Peru and Chile



Note: World Bank

In *figure 7*, it can be observed that during the period from 2017 to 2021, there were various fluctuations in the per capita GDP of Ecuador, Peru, and Chile. These fluctuations were influenced by a range of economic and social factors that impacted production and the standard of living in each country.

In the case of Ecuador, a series of economic challenges were observed, reflected in the variations of the per capita GDP. In 2017, a value of USD 5965 was recorded, showing a slight growth of 1% compared to the previous year, driven by increased investment in certain sectors of the economy and macroeconomic stability. However, in the years 2018 and 2019, a contraction of 1% and 2% respectively occurred, possibly attributed to factors such as decreased foreign investment and lower export demand. In 2020, a significant decrease was experienced, reaching a value of USD 5332, representing a drastic 9% decline, as a direct result of the impacts of the COVID-19 pandemic and confinement measures that negatively affected various economic sectors. However, a partial recovery was achieved in 2021, increasing to a value of USD 5492 with a 3% growth in per capita GDP, thanks to economic reactivation and increased investment and domestic demand.

In contrast, Peru showed a different scenario in terms of variations in per capita GDP. During this period, the country mostly experienced growth. In 2017, a value of USD 6337 was recorded, representing a 1% increase in per capita GDP, because of favorable economic policies that incentivized investment and increased domestic consumption. In 2018, the growth continued with a 2% increase, reflecting a recovery in private investment and higher domestic consumption. Although there was no significant variation in 2019, this can be attributed to certain limitations in the country's economic growth. However, in 2020, Peru faced a significant decrease, reaching USD 5749, representing a 12% decline, mainly due to the devastating effects of the pandemic and confinement measures, which negatively impacted production, trade, and investment. Nevertheless, the country managed to recover in 2021, with a 12% growth in per capita GDP, surpassing even pre-crisis levels, thanks to the easing of restrictions, increased investment, and improved business confidence.

Finally, in the case of Chile, a more stable and positive trend was observed in per capita GDP variations. In 2017, it reached a value of USD 13,644, indicating economic stability. In 2018 and 2019, there were increases of 2% and 1% respectively in per capita GDP, signaling continuous expansion. However, in 2020, Chile also faced difficulties due to the pandemic, resulting in a 7% decrease. This contraction can be attributed to factors such as social protests and political tensions, which affected confidence and investment in the country. Despite this, Chile achieved a solid recovery in 2021, with an

11% growth in per capita GDP, driven by economic reactivation, investment in infrastructure, and strong domestic demand.

6 Discussion

Exports have played a crucial role in economic growth, thanks to the different measures adopted by the three countries over the years to improve the production and export of their most representative products, in which they have a competitive advantage. Each country seeks to enhance different variables that contribute to the increase in GDP, with some focusing on increasing the level of exports, investment, and innovation in technology and development in various industries.

In connection with the results obtained, it is evident that traditional exports have played a significant role in the economic growth of the three studied countries. During the analyzed period, there was a substantial increase in the value of traditional exports, which has contributed positively to the Gross Domestic Product (GDP) of each country. This growth has been reflected in the expansion of export markets and the generation of additional income for the local economies.

In the case of Ecuador, traditional exports such as oil, bananas, and shrimp have shown a positive relationship between GDP and exports. This is due to the country's ability to take its natural resources and improve its participation in international markets. Additionally, it has been observed that the increase in exports has contributed to attracting foreign investment and the development of productive infrastructure in different commercial sectors. On the other hand, Peru has experienced significant growth in its exports, especially in sectors such as mining and agricultural products. The diversification of its export products has allowed for greater stability and has generated higher income for the country. Furthermore, increased investment in infrastructure and technology has been observed as a result of the income generated by exports. In Chile, exports have been fundamental pillars of its economy. The country has positioned itself as one of the world's leading exporters of these products, which has positively contributed to its economic growth. Additionally, investment in research and development is highlighted, as well as trade liberalization policies and the promotion of free trade, which have further boosted the export sector.

In fact, the management of the different policies of the three countries is related to the factors mentioned by Kaldor, who argues that investment growth is the main driver of economic growth, allowing companies to invest in new technologies and machinery. In this case, it has been evidenced that exports have evolved thanks to the new machinery implemented in the mining, fishing, and agricultural industries, resulting in benefits such as large-scale production and improved competitiveness in international markets.

Likewise, Romer emphasizes the importance of investment in research and development, which has been proven in the study of new forms of production or care in agricultural and fishing sectors, such as the application of sustainable practices, health standards, and certifications, to export high-quality products and position themselves as major exporters of these products.

On the other hand, the Solow-Swan model is related to the management of human capital in countries, as it emphasizes the importance of workers as a basis for economic growth. Without individuals working in various industries, there would be no way to advance the production of goods. At this point, industries seek ways to train their workers, respect their rights, and provide them with the best opportunities to achieve greater stability and quality of life, aiming to obtain higher performance from them.

Similarly, when comparing the obtained results with previous research, it was found consistency with the studies conducted by Reyes (2001), who stated that exports are dominant factors in the economic growth of Latin American regions, especially in countries like Mexico and Venezuela that specialize in the petroleum sector. Likewise, Armijos et al. (2017) indicated that exports are statistically significant and positively influence the economic growth of the countries studied, both in developed and developing countries. Furthermore, the results of this study are comparable to the results of Cruz-Acosta et al. (2021) in their study on the impact of Ecuador's exports, where they found a direct correlation between exports and GDP, highlighting the role of the external sector as the main source of income for the country. These results suggest that exports play a fundamental role in the economic growth of the countries studied.

However, it is important to note that economic growth cannot be solely attributed to exports. Other factors, such as the development of effective economic policies, production diversification, and investment in innovation, also play a key role in the economic growth of the countries studied. Additional factors were also mentioned by Guzmán-Sánchez et al. (2022), stating that in Ecuador, exports, labor force, and investment have had a favorable effect on GDP, while in Peru, the economically active population (PEA) together with gross fixed capital formation (FBKF), and in Chile, gross fixed capital formation and exports have been key variables in the economic growth of each country.

Finally, this study provides evidence that traditional exports have positively influenced the economic growth of Ecuador, Peru, and Chile during the period of 2017-2021. However, it emphasizes the importance of considering other factors such as effective economic policies, production diversification, and investment in innovation to achieve sustainable long-term economic growth. These results contribute to the understanding of the relationship between exports and economic growth and suggest the need for implementing comprehensive strategies that promote both the development of the external sector and the improvement of other key aspects of the economy. Furthermore, these results support the importance of maintaining a balanced and multidimensional approach in the economic and trade policies of the countries studied. It is worth mentioning that this study has both theoretical and practical implications. From a theoretical perspective, the findings support the positive relationship between exports and economic growth as argued in the existing literature. At a practical level, the results suggest that countries should continue to promote policies that enhance the competitiveness of their exports while strengthening other aspects of their economy to achieve sustainable and diversified growth.

7 Conclusion

In conclusion, the analysis conducted in this study highlights the significant influence of traditional exports on the economic growth of Ecuador, Peru, and Chile during the period 2017-2021. It is evident that these countries have been able to take their natural resources and strengthen their productive sectors to boost exports, generating income, investments, and employment in their economies.

Exports have been fundamental drivers of economic development in Ecuador, Peru, and Chile, as the increase in export value has positively contributed to the Gross Domestic Product (GDP), enabling the development of productive infrastructure as well as the acquisition of technology and knowledge. Despite the variations observed in different years, industries have shown resilience by adapting and innovating, particularly in response to the COVID-19 pandemic and its consequences.

However, it is important to recognize that dependence on natural resources can create vulnerabilities in economies, as they are subject to fluctuations in international prices and changes in global demand. Therefore, it is crucial for the three countries to promote export diversification, encourage the incorporation of value-added in exported products, and reinforce other economic sectors to reduce exposure to external risks. Likewise, they should enhance strategic alliances with other countries and strengthen regional economic integration to access new markets and expand trade opportunities.

Moreover, it is recommended that the governments of Ecuador, Peru, and Chile focus their public policies on promoting export diversification and strengthening other economic sectors. This entails boosting investment in research and development, fostering innovation, and improving human capital formation. Additionally, implementing measures to enhance the business climate, facilitate private investment, and promote entrepreneurship will contribute to competitiveness and productivity in economic sectors, ultimately having a positive impact on long-term economic growth.

Finally, for future research, it is recommended to expand the analysis to other countries and economic sectors, consider a longer study period, and explore in greater depth the contextual and structural factors that influence economic growth. Additionally, it would be interesting to investigate the effects of non-traditional exports and services on economic growth, as well as the impact of trade policies and regional integration within different regions. These avenues of research would provide a more comprehensive understanding of the relationship between exports and economic growth, and contribute to the development of informed policies and strategies for promoting sustainable and inclusive economic development.

8 References

- Acemoglu, D., Johnson, S., & Robinson, J. A. (2001). *The Colonial Origins of Comparative Development: An Empirical Investigation*. *The American Economic Review*, 91(5).
- Acosta Palomeque, G., Pzmiño Arroyo, H., & Cerda Prado, N. (2018). *Foreign Direct investment, exports and economic growth in Latin America*
- Alavinasab, S. M. (2013). *Exports and Economic Growth: Evidence from Iran*. <https://doi.org/10.5829/idosi.mejsr.2013.18.7.11797>
- Alvarado Mora, M. A., Ullauri Martínez, N. R., & Benítez Luzuriaga, F. V. (2020). Impact of primary exports on Ecuador's economic growth: Econometric analysis from Cobb Douglas, period 2000-2017. *INNOVA Research Journal*, 5(1), 220-231. <https://doi.org/10.33890/innova.v5.n1.2020.1140>
- Armijos, Y., Ludeña, X., & Ramos, Alejandro. (2017). *The role of exports in growth: A comparison between primary-exporting and manufacturing-exporting countries*. 2, 67, 71, 72, 74.
- Central Bank of Ecuador. (2019). *Monetary and Financial Integration Newsletter* <https://contenido.bce.fin.ec/documentos/PublicacionesNotas/BOLETIN312019.pdf>
- Central Bank of Ecuador. (2021). *Poverty, Income and Inequality Newsletter*.
- Central Bank of Ecuador. (2022). Evolution of the trade balance by products <https://contenido.bce.fin.ec/documentos/Estadisticas/SectorExterno/BalanzaPagos/balanzaComercial/ebc202202.pdf>
- Cancelo, M., & Vázquez-Rozas, E. (2020). *Exports as a source of economic growth: an econometric model for Galicia 2002-2019*
- Chamba Bernal, J. L., Bermeo Cuenca, L. A., & Campuzano Vásquez, J. A. (2021). Determining variables in Ecuador's economic growth Cobb-Dougllass function 2007-2019. *Sociedad & Tecnología*, 4(2). <https://doi.org/10.51247/st.v4i2.98>
- Constitution of the Republic of Ecuador. (2021). *Constitution of the Republic of Ecuador*.
- Cruz-Acosta, J. J., Cartuche-Nagua, L. J., & León-Serrano, L. A. (2021). *Econometric model: Analysis of the impact of exports on economic growth in Ecuador, 2009-2019*. <https://doi.org/10.23857/pc.v619.3156>
- Enríquez Pérez, I. (2016). *Theories of economic growth: Critical notes to enter an unfinished debate*
- Guzmán-Sánchez, D., Piñancela-Márquez, L., & Sotomayor-Pereira, J. (2022). Determinants of economic growth in Chile, Peru and Ecuador for the period 1990 to 2020. *593 Digital Publisher CEIT*, 7(2), 43-55. <https://doi.org/10.33386/593dp.2022.2.1004>
- Ghosh, B. (2012). *International trade and economic growth: an empirical investigation of the selected SAARC countries*. *Journal of Economics and Behavioral Studies*, 4(12), 714-721.
- Hausmann, R., Hwang, J., & Rodrik, D. (2007). *What you export matters*. *Journal of Economic Growth*, 12(1), 1-25.

- Hemzawi, B. A., & Umutoni, N. (2021). *Impact of exports and imports on the economic growth*. <http://hj.diva-portal.org/smash/get/diva2:1560984/FULLTEXT01.pdf>
- National Institute of Statistics and Informatics. (2022). *Poverty affected 25,9% of the country's population in the year 2021*. <https://m.inei.gob.pe/media/MenuRecursivo/noticias/nota-de-prensa-no-072-2022-inei.pdf>
- Ministry of Foreign Trade and Tourism. (2023). *Trade agreements of Peru*. <https://www.acuerdoscomerciales.gob.pe/>
- Morales Moreno, M. E., Ramos Camacho, J. M., & Zurita, M. (2016). *Non-traditional exports and their contribution to ecuadorian economic growth 2007-2014: Comparative analysis Ecuador- Colombia*.
- Muñoz Vargas, J. A. M. (2016). *Analysis of changes in Peru exports to the U.S. market within the framework of the United States of America - Peru free trade agreement*.
- Diplomatic Information Office. (2021). *Country profile Republic of Peru* https://www.exteriores.gob.es/documents/fichaspais/peru_ficha%20pais.pdf
- Diplomatic Information Office. (2022). *Country profile Republic of Chile*. https://www.exteriores.gob.es/documents/fichaspais/chile_ficha%20pais.pdf
- Diplomatic Information Office. (2023). *Country profile Republic of Ecuador*. https://www.exteriores.gob.es/documents/fichaspais/ecuador_ficha%20pais.pdf
- Reyes, G. (2001). *Exports and economic growth in Latin America: The empirical evidence*. <http://revistas.bancomext.gob.mx/rce/magazines/30/3/reye1101.pdf>
- Reyes, S., & Jiménez, S. (2013). Export composition and economic growth in the Andean Community of Nations de las exportaciones y crecimiento económico en la Comunidad Andina de Naciones. *Readings Economics*. <https://doi.org/10.17533/udea.le.n77a14770>
- Rodríguez, W. C., Agudelo-Cely, O. I., & Tejedor-Estupiñán, R. A. (2018). Exports and economic growth in Boyaca-Colombia 1980-2016. *Apuntes del Cenes*. <https://doi.org/10.19053/01203053.v37.n65.2018.7122>
- Subsecretary of economic relations. (2023). *Economic-trade agreements in force*. <https://www.subrei.gob.cl/acuerdos-comerciales/acuerdos-comerciales-vigentes>
- Thirlwall, A. P. (2013). *Economic growth in an open developing economy: the role of structure and demand*. *Journal of Post Keynesian Economics*, 35(3), 427-448.
- Wacziarg, R., & Welch, K. H. (2008). *Trade liberalization and growth: new evidence*. *The World Bank Economic Review*, 22(2), 187-231.