



Faculty of Legal Sciences

International Studies Career

**CULTURE AND INTERNATIONAL
BUSINESS. CASE STUDY ECUADOR VS.
CHINA, PERIOD 2017 – 2021**

**Degree dissertation prior to obtaining the
degree of Bachelor of Arts in International
Studies.**

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Dedication.

I dedicate this dissertation to my parents, who were a fundamental pillar for me in good and bad times, to my mother Marcia Arce who has supported me unconditionally, for having been by my side at all times and reminding me how capable I am. Thank you for raising me in values and teaching me to never give up and for making me believe that I will always achieve what I set out to do. To encourage me to be a person with dreams that has big wings to fly.

I would also like to thank my grandparents Lizardo Arce and Beatriz Espinoza, for teaching me how important it is to be an honest, caring and a fair person in life. Thank you for all the love you have given me, the support in this process and for celebrating each of my achievements.

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Resumen:

Este estudio analiza los factores culturales influyentes en las negociaciones internacionales, tomando como ejemplo la relación comercial entre Ecuador y China. China, un país culturalmente diverso, con una fuerte influencia económica e ideológica, y es uno de los principales socios comerciales de Ecuador. El objetivo es identificar los elementos culturales que deben tenerse en cuenta para lograr resultados positivos en las negociaciones. El análisis está dado mediante enfoques cuantitativos y cualitativos. Se examinará la balanza comercial de los últimos años para comprender la relación comercial entre ambos países. Además, se realizará una revisión bibliográfica de fuentes relevantes sobre interculturalidad en el contexto de los negocios, para obtener estrategias que puedan aplicarse durante las negociaciones. Asimismo, se llevaron a cabo entrevistas que proporcionaron información valiosa para desarrollar un modelo de acción efectivo. Considerando esto, se espera mejorar el desempeño de las negociaciones fortaleciendo la relación comercial de los dos países.

Palabras clave: balanza comercial, cultura, globalización, guanxi, interculturalidad, negociación.

Abstract:

This study analyzes the cultural factors influencing international negotiations, taking as an example the trade relationship between Ecuador and China. China, a culturally diverse country, with strong economic and ideological influence, and is one of Ecuador's main trading partners. The objective is to identify the cultural elements that must be taken into account to achieve positive results in negotiations. The analysis is given through quantitative and qualitative approaches. The trade balance of recent years will be examined to understand the trade relationship between the two countries. In addition, a literature review of relevant sources on interculturality in the business context will be conducted to obtain strategies that can be applied during negotiations. Interviews were also conducted to provide valuable information for developing an effective action model. With this in mind, it is hoped to improve the performance of the negotiations by strengthening the commercial relationship between the two countries.

Keywords: balance of trade, culture, globalization, guanxi, interculturality, negotiation.



Culture and international business. Case study Ecuador vs China, period 2017 - 2021.

1. Introduction

The motivation of the research is given by the analysis in the context of international negotiation and how cultural factors are determinant at the time of negotiation. In search that the negotiation is conducted under equitable terms, in a fluid and respectful manner so that it has positive results. In the investigation, the two lines of the career will work, that is to say, business and international relations. By these means it has been analyzed if there is a problem in the cultural scopes at the time of closing a negotiation of international character. The question we have answered is: Are there factors that explain whether interculturality affects the closing of an international negotiation?

1.1 Objectives

The general objective is to analyze interculturality as a determining factor in the closing process of an international negotiation, taking as a reference the practical case of Ecuador vs. China, period 2017 - 2021.

The specific objectives on which we have focused are:

1. To examine the theoretical framework of culture within international business processes.
2. To evaluate the impact of cultural factors at the time of closing an international negotiation.
3. To build an action model for better decision making in closing a cross-cultural negotiation.

1.2 Theoretical Framework

Ecuador has sought ought to have economic and diplomatic relations with the government of the People's Republic of China since 1968. The relationship with the Asian giant and Ecuador began with the export of raw materials that started with the production of bananas, coffee and shrimp. Twelve years later, in 1980, the diplomatic relationship between the countries had an important event in which, during the government of Jaime Roldós the embassy of the People's Republic of China arrived in the capital of Ecuador, while the Embassy of Ecuador was established in Beijing (Vanessa Alejandra Pulgar Montero, 2020).

Ecuador maintained a relationship that was not very close with China, as was needed for the country to stabilize. The controversial closeness of the Asian giant with Ecuador, was born during the government of former President Rafael Correa, called "Citizen Revolution". Correa was in power for 10 years in the period 2007-2017 (Eduardo Enríquez Arévalo, 2017). The purpose of the rapprochement with China was the main objective of the party, the desire that the Citizen Revolution had was to create a change in terms of the poor living conditions in which the majority of the population was in. In order to meet this objective, Ecuador needed new strategic allies and commercial partners that were empathetic to the government's ideology. Since 2007, the government has been looking for ways to resume official relations and rapprochement with China.

Ecuador's ideology is characterized by its neoliberal model that has been in place since the 1960s, which had its beginnings in the implementation of a development model that was focused on policies that encouraged industrialization by import substitution. Measures were taken to protect national industry, in addition to strengthening it. They did not have to wait long to take the first steps for a rapprochement, which happened in 2007, when the first visit of Chinese government authorities to Ecuador took place (Ministry of Foreign Affairs of the People's Republic of China, 2007). In subsequent years, Vice Minister Hui Liangyu arrived in Ecuador to proceed with the review of credits granted by the Asian giant, especially for infrastructure projects (Vanessa Alejandra Pulgar Montero, 2020).

The credit amounted to a value of USD 4.3 billion, which was destined to construction and hydroelectric plants. In 2009, the current government sought a way to strengthen the diplomatic and commercial relationship with China. In order to achieve this, multiple visits and official meetings had to be held for several years. Seven years later in 2016, bilateral visits had reached a total of fifteen. The visits of the Chinese delegations were focused on reaching cooperation and investment agreements. The amount and type of project to be worked on was defined. An example of this is the construction of hydroelectric plants as the most important projects (Gavilánez Intriago et al., 2022). It was important to focus on financial cooperation in infrastructure projects, but technical cooperation was also needed. The meetings and agreements reached by the two countries were fruitful. The presidents of both countries stated that the process of bilateral relations had obtained satisfactory results in their last meeting in 2015. For this year, the objective was to sign trade agreements for the tariff liberalization of approximately 200 items of primary products in order to strengthen and enhance cooperation in social projects in Ecuador (Vanessa Alejandra Pulgar Montero, 2020).

According to the Chinese Foreign Minister in 2003, the Asian giant does not consider donations to be cooperation because they are subject to financial conditions set for the countries. On the other hand, Vice Minister of Economy Liu Xing maintains that China seeks to withhold and promote mutual cooperation, that is to say that mutual benefits must be given and received in order to achieve "guanxi". The Ecuador-China trade exchange is based on the economic model that seeks to break the traditional trade exchange, where the country only focused on being a producer and exported primary-extractives without receiving any type of benefit to grow, develop or have investment funds. This is why Ecuador first made a proposal for a change in the productive matrix, which seeks to have a knowledge society and the production of value-added products. Alliances with politically similar markets would be the way to reach equitable and fair development; in this case China had the same conviction and thanks to this agreement Ecuador and China strengthened trade (Vanessa Alejandra Pulgar Montero, 2020).

An important year was 2008, when China announced policy guidelines for the Latin American and Caribbean region, especially in order to create ties of friendship and cooperation with countries in the South. In order to create these ties, they were based on five basic principles: peaceful coexistence, the principles of cooperation and the promotion of an integral and stable development relationship. The high-level exchange, in addition to the exchange between the legislature and political parties. China is interested in Ecuador, since 1993 the giant created an interdependence due to globalization between nations, which was a determining factor for the growth and success of trade and international relations between countries, it sought to become the best and largest. Being a country with a large labor force and with high levels of technological development, which have caused a potential growth economically speaking. Deng

Xiaoping created reforms to reinforce the productive capacities of his nation, in order to promote exports. In 2002, this same government implemented the policy of eliminating the payment of Value Added Tax to its producers. Another measure it took was the devaluation of its national currency in order to increase exports of its products and make them cheaper in the world market compared to the prices of its competitors. Thanks to these measures, in less than 20 years it became the world's main manufacturer and distributor of consumer goods (Vanessa Alejandra Pulgar Montero, 2020).

In Ecuador's cooperation agreements with China, it was determined that the giant could not sell Ecuadorian oil to the markets to which Ecuador was already exporting. This condition was omitted from the second round of negotiations. During the period from 2011 to 2014 the price of a barrel of oil exceeded 100 dollars, however, the price established in the negotiation contract with China was well below this value. A year later for 2015 the price of oil fell. Nevertheless, the value previously established in the contract with China was higher, this factor helped the country to cover the monthly installments with its commitments (Vanessa Alejandra Pulgar Montero, 2020).

According to the Ministry of Commerce of the People's Republic of China, during the period of analysis, Ecuador and China signed 7 agreements in total, which focused on cooperation, trade and security. The agreements were not partial trade agreements that promoted Ecuador's productive capacity. In terms of treaties or trade agreements between the two countries, none were officially signed. In fact, the trade relationship was maintained thanks to exports with China, which were within the WHO agreements in force, specifically with the Most Favored Nation clause. In February 2007, Ecuador, in the Ecuador-China Joint Commission for Economic and Commercial Cooperation, raised the possibility of creating an action plan to strengthen bilateral trade between the two countries. In 2009 the cooperation agreement was signed; it should be noted that this agreement did not include the relief of tariff items. The agreement signed was mainly focused on the opening of a line of credit for 50 million-yuan, equivalent to US\$722,958.80. The credit would be used only for the trade and production of agricultural products and the purchase of agricultural machinery (Vanessa Alejandra Pulgar Montero, 2020).

Ecuador is a country that obtains its greatest income from oil exports, however, thanks to its privileged geographical location it has several products and natural resources, which is why they can trade in exports of raw materials such as bananas, coffee, cocoa, shrimp, and flowers, in which the country is considered a specialist (Cabrera Suárez & Maldonado Carrera, 2022). As China is Ecuador's second largest trading partner, representing 13.80% of the country's total trade in the period, it is worth the analysis. The Asian giant's interest in Ecuador is due to the fact that Ecuador has the capacity to provide raw materials for the giant's industry. In exchange, Ecuador receives credits and loans in order to be able to execute the country's economic and social plans (Masaquiza Chango & Moreno López, 2022).

Bilateral trade between Ecuador and China has a very important factor, which is the culture and history of the two countries. As seen above, there are already successful cases of negotiations (Dagoberto Páramo Morales, 2010). However, it is important to mention how cultural factors have been part of this process. The West has a somewhat erroneous manner of thinking when it comes to negotiations with China. Like all countries in the world, China also needs to sell, and this is where cultural differences come into play, in this case in relation to Westerners' thinking. The Chinese have a prejudiced

thinking regarding Western businessmen, within their beliefs that Western businessmen are aggressive and distrustful (Castell, 2014).

International negotiations have been affected by the phenomenon of globalization. Countries have had repercussions in terms of economic and political development. Nation-states are directly involved in international competition, which is why they seek to protect national industry by imposing limits on imports or subsidizing exports (Krugman and Obstfeld (Humberto SPAR and Rada, 2010). After analyzing the importance of the study of the basic concepts of international business around globalization, it is concluded that countries have benefited from the opening to international markets (Ortiz Velásquez, 2019).

The main activity of contemporary international diplomacy is international negotiation. Negotiation for mutual benefit focuses on solving common problems and international conflicts through formal multilateral negotiation or formal bilateral exchanges (Harem H. Alsaqqa, 2020). The contemporary perspective of international negotiations focuses on the fact that negotiation does not seek victory for one country or another, on the contrary, it seeks to be a means to solve problems or needs (Hopmann, 1990). Ecuadorian foreign trade throughout history has been a creditor of experience in this activity, but it is considered that despite this, it has not been able to exploit its full potential compared to its neighboring countries (Molina, 2011).

Two basic concepts are negotiation which in itself is a conflict of interests and is presumed to exist since man had to find a way to survive (Ana Isabel Tamayo-Medina & Andrea Katherine Canal-Pérez, 2019). With the passage of time this conflict of interests has taken on greater importance in the global business environment; so multicultural factors become part of this process (Katia Ruiz Molina & Holger Enderica Rodríguez, 2016). While culture according to Schein (1997) and Satorost (1998), *"is a pattern of basic and shared assumptions in a society according to national, organizational, regional, ethical, religious, linguistic and social characteristics."*

According to the Royal Spanish Academy, the term culture, from the Latin *Cultūra*, *"means the body of knowledge that allows someone to develop his critical judgment"*. In addition to being the set of ways of life and customs, knowledge and degree of artistic, scientific, industrial development, in an era, social group, etc.

For the UN (United Nations), *"the term culture is that which defines how people relate to nature and their physical environment. The earth and the cosmos, and what attitude they express towards other forms of life, both animal and plant"*.

An interesting definition is that of Marvin Harris 1927-2001: *"the learned set of traditions and lifestyles, socially acquired, of the members of a society, including their patterned and repetitive ways of thinking, feeling and acting (i.e., their behavior)"*.

Barbash and Taylor (1997) define *"culture as including religion, gender, language, class, ethnicity, and sexual orientation. From subcultures, cultures and supercultures, they merge and evolve, transforming the concept of culture, making it less limited and more varied."*

Now, culture has one of the main roles in international business for the literature, and this is why through cross-cultural studies that have been conducted as negotiations, the results have reflected the importance of language, thought patterns, feelings, and behavioral patterns in the style of negotiation (Mauricio Ortiz Velásquez et al., 2019).

Cultural understanding in the negotiation is fundamental, this implies that the negotiating parties to be focused on their cultural values, should handle well the differences that may exist, for this should be sought in the negotiation cooperation between the parties. That's it each must understand and respect the reasoning and seek in the convenience of persuading the other and to accept the conditions that are put into the negotiation (Ofelia Patricia Castro Castell, 2015). It is here where strategies come into play on the part of negotiators in which they will have to put cultural bases first, here is the obstacle of the language of business, referring not only to the language factor, but of expression, communication and body language. This is why Tang and Lv (2009) define that in the negotiation process "the essence of the negotiation is found, because it is the presentation of the human relationship, so habits, language and psychology must be based on the specific culture of each negotiator" (María Alejandra Calle Saldarriaga, 2008).

A negotiation usually starts by e-mail or through the companies' contact systems such as websites. Considering the time difference with the giant in addition to the language factor there are certain guidelines that will help to write emails in a better way. An example of this is to avoid using technicalities or paraphrasing. Commonly in the West it is thought that the more words and formality the better, because in this case it is not so because you have to reach the customer with the clearest and most direct message possible (Edison Javier Zúñiga Goveo et al., 2020).

We want to identify which may be the factors around the culture of the countries under study that can become determinants at the time of closing an international negotiation. In addition to analyzing whether or not these factors are important to know.

It is considered that for a negotiation to be successful we must first take into account the good or service to be negotiated, since it is necessary to take into account the cultural factors of the destination country such as religion and customs.

To know the key points that promote international economic and diplomatic relations with the Asian giant. The negotiation process in China is totally different from what we know as Western countries. This is why the knowledge and good management of *guanxi* is relevant (Javier Simón Pascual, 2019). The *guanxi* concept has existed for more than 2,500 years, which was developed as a codification of relationships by Confucius and is deeply integrated into Chinese culture. Lun So and Walker argue that, "*guanxi represents the relationship in its full breadth between two people and that it is impossible to differentiate the affective aspect of friendship between two people from the utilitarian aspect of the business relationship.*" When one aspect ends, so does the other (Ofelia Patricia Castro Castell, 2015). In Chinese society, personal relationships dominate and are not usually separated from business relationships.

If we talk about interculturality we have to take into account one of the largest and most important references in the world, which is China. It has the historical evolution of any other people on the planet (Karen Dayana Maldonado Cañón, 2007). The West vs. China negotiation is prolonged by the psychological and physical trickery used by the Chinese. Their way of negotiating is imposed by establishing their own rules of the game from the beginning, in order to place great value on harmony. This is why if a dispute arises over a contract, they will seek to resolve it through friendly conciliatory conversations (Bastidas & Luna, 2022). As for personal relationships in business, they feel an affinity towards old friends; this is why the negotiating party seeks to maintain close relationships with their Chinese counterparts (Humberto Sparano Rada, 2010).

Guanxi often involves moral obligations, as well as an exchange of favors (José Martín de Bernardo Galiana, 2017). This is why it is possible to establish an initial relationship prior to the development of the negotiations that generates trust between the parties and allows the negotiations to develop fruitfully. In addition, for them to be carried out satisfactorily, it will be necessary to know the protocol aspects that completely differentiate it from the negotiations to which we are accustomed, since, for the Chinese, the protocol aspect defines the polite way in which people should behave (Javier Simón Pascual, 2019). Therefore, success will depend on the ability of people to adapt to Chinese ways of acting. It comes to see that the literature also states that culture plays a major role in international business; cross-cultural studies on negotiations reflect the importance of language, thought patterns, sentiment, and behavioral patterns in negotiation styles (Ofelia Patricia Castro Castell, 2015).

2. Literature review

Understanding cultural negotiation is fundamental. This implies that the negotiating parties have their own defined cultural values, but they must manage the differences that may exist. When you want to be part of a new business or you are interested in exporting and importing, you should pursue cooperation in negotiation i.e. each one should understand and respect the reasoning of the other party and seek in the interaction the way to persuade the other and be able to accept the conditions that are put in the negotiation (Rodríguez, 2017).

This is where the negotiators' strategies come into play in the face of the cultural variables they will have to deal with. There are obstacles that must be taken into account in the context of negotiation, such as the language of business, which does not refer only to the language factor, on the contrary, it refers to the form of expression, communication and body language (Javier Simón Pascual, 2019). Whether this is verbal or written, it occupies the largest percentage of the negotiating activity. The ability of an individual to be able to communicate what he/she wants in the process in the cultural context will determine the scope it will have. Among the cultural signs that have communicative relevance are physical appearance, such as facial features, skin color, and the use of artifacts, for example: accessories, clothing, cosmetics. And finally, another factor is the environment, which refers to furniture, objectives, temperature and architecture (Gary P. Ferraro & Elizabeth K. Briody, 2017).

The cultural variables to which most attention should be paid are customs. Negotiators should be aware of the characteristic customs to have an idea about which parameters are acceptable and which are not. The values that negotiators have will depend on morals and religious beliefs, which can have infinite variables. The essential thing in this case is to identify the values that are present in the culture, and also focus on the values that could undergo changes over time to be able to take it as a motivation (María Teresa de la Garza-Carranza et al., 2009). Now the variable called time consciousness, this is one of the most controversial because there have been many misunderstandings because of this variable; for example, Chinese society is usually very punctual, they tend to arrive a little before the established time. The importance they give to time and how they manage it is due to the fact that time means money. They must comply with the chronograms both in schedules and dates. On the contrary, in Latin American cultures this structuralism of time is usually seen as an obsessive, aggressive and somewhat dehumanized behavior. The dress to go to a negotiation is important because all the

culture is present in this variable. In Asian culture for example, it tends to be more conservative and formal. For them informality can be taken as a lack of respect and disinterest towards the negotiation.

The political and legal framework is the variable in which the political stability of the country should be analyzed because political stability can favor commercial activity; on the contrary, if there is a lack of stability, negotiations can be hindered and investors will refuse to invest. The exchange rate, treaties, agreements that have been signed, taxes or import charges with the country. Here comes into play one of the most controversial variables, the technological environment. This is an appealing tool to do business, and that everyone should be at the same technological level. However, this is not always the case, the lack of resources can cause inefficiency in the negotiation or data processing. As for gender, the role of a man and a woman in some countries is not always the same. For example, in China and India there is a strong preference for the male gender, which is given by multiple internal factors such as governmental and economic restrictions that have been imposed on families. Religion is the one aspect that encompasses the beliefs within a society and is considered a transcendent cultural variable, it is a combination of morality with economic norms, religion can come to play an important role in the negotiation when its presence is deeply rooted in society, but there can also be scenarios in which religion is not so important (Jannina Alexandra Montalván Espinoza et al., 2017). But regardless of this, it is necessary to know about the religion with which we will interact, and to be familiarized with the main religions that exist in the world such as: Christianity, Judaism, Islam, Buddhism, Hinduism, animism, among others (Castro & Abreu. J, 2008).

The Latin American negotiator is characterized by being a haggler, i.e. he has the ability to discuss the price of a merchandise trying to get the price as low as possible (Olegario Llamazares García-Lomas, 2015). He is also considered friendly so he can become somewhat informal. As for the negotiation they prefer to carry out are those between friends. One of the characteristic traits is distrust, as a consequence of this they do not like to sacrifice the short term, so they seek to see results in the short term. Punctuality in terms of negotiators on this side of the world is clearly not a virtue, which is why it is said that negotiations become somewhat unpredictable, this is because the origins are from a chronic poly culture (Gavilánez Intriago et al., 2022; Iliana Aguilar Rodriguez et al., 2017).

The Western negotiator often does not understand how important personal relationships are to successful negotiation in China. In order to gain trust and succeed in negotiation, the foreign company must develop *guanxi*. The concept encompasses a complex set of values, and developing it takes an extended period of time and vast commitment (José Martín de Bernardo Galiana, 2017). For the good development of *guanxi*, the humility shown by the foreign negotiator in this case Ecuador is indispensable since he cannot arrive in China and pretend to teach the Chinese how to do business; on the contrary, he must show himself open to suggestions, be receptive and show interest; otherwise, the negotiation process is doomed to failure (Ofelia Patricia Castro Castell, 2015).

Good *guanxi* depends on a strict system of reciprocity known as *hui bao* that occurs over the long term (Luisa María García González, 2020). Disregarding reciprocity sells the negotiator or the company out of future business and is even seen as immoral. Reciprocal favor is a strong social norm and is morally binding for Chinese society. Those who do not return favors received are considered people without credibility, disloyal or

without social distinction (Antonio José Domenech del Río, 2017). As already discussed, guanxi building is a process that takes time. The parties will probably start exchanges or business in small quantities and, as time passes and a solid guanxi is established, the quantities will increase. This is a sensible strategy to examine the reliability of the other company, not only for business with China, but for any type of negotiation (María José Borja Acurio & Cristian Mejía, 2022).

3. Methods

The scope of this research is descriptive. The research was based on the analytical method, because elements and behaviors of Ecuador-China bilateral relations were studied in order to know and observe the causes of such behaviors and the repercussions they have on the country. A mixed approach was used, since qualitative and quantitative data were investigated, the objective of using this type of approach sought to reach a broader and deeper perspective on the subject under study (Roberto Hernández Sampieri et al., 2014). Written documents, opinion articles, and books were studied and analyzed. Various platforms such as Trademap, Central Bank, and indexed journals such as Scielo, Scoopus, etc. were also used.

An analysis will be presented based on a historical review that reflects interculturality as a function of negotiation. The reason why this is considered is because these study factors will allow making the right decisions at the time of negotiation.

The comparability between interculturality between Ecuador and China will respond to the construction of a model of action, immersed in a sociocultural aspect. The pretension of contributing to foreign trade as a model that allows the identification and treatment of quantitative variables that influence the negotiation of international closing.

The present work is an explanatory comparative study. It exposes an analysis based on the indexed bibliographic review in order to reflect the cultural factors immersed in an international negotiation, this work is of a documentary nature. For this reason, the present study factors revolve around a cross-cultural analysis. The intention is to contribute to a better decision making in the closing of an international negotiation, which allows to identify factors that influence such negotiation, in a context of the Ecuadorian vs. Chinese reality that determines the future of a timely decision making.

Conduct interviews were conducted with people who know and have experience in bilateral negotiation, in order to determine the different strategies that could be applied based on their expertise, in order to reach the objectives and generate the model of action in terms of decision making in a closing negotiation.

The methodological process to be applied considers developing and analyzing three sections:

- Examine the theoretical framework of the cultural process within international negotiation.
- Evaluate the relationship between Ecuador vs. China in terms of interculturality.
- Construct a business model and thus conclude and discuss the results found as a result of this research.

4. Results

Summary Trade Balance 2017-2021

In summary, Ecuador's trade balance in the period 2017-2021 had a positive result, due to the fact that four of the five years it had had a positive result in the total trade balance. The deficit value identified is during 2018 which means that there were more imports than exports. The deficit is given thanks to the fact that the price of oil increased by 14.9 dollars. A year ago, in 2017 the price was at 45.7 dollars per barrel, but for 2018 the price of oil rises to 60.6 dollars per barrel. While the positive balance of 2020 is the highest this is due to the Covid-19 pandemic that was the cause of a significant reduction in imports (Darwin Andrés Sacaquirin Bastida & Milton Manuel Armijos Luna, 2022).

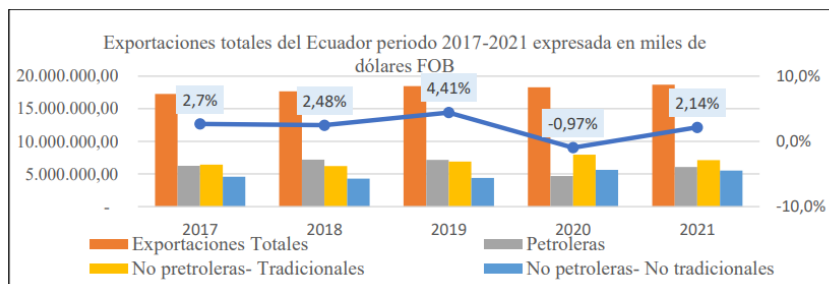
Table 1. Ecuador-China Trade Balance, in thousands of USD, period 2017-2021

Years	Exports	Imports	Trade Balance
2017	17.245.968	17.058.799	187.168
2018	17,673.124	18.233.456	-500.332
2019	18.452.755	18.245.140	207.614
2020	18.274.268	15.992.123	2.282.092
2021	18.666.170	18.350.123	316.047

Source: Adapted by author, (2023).

The next variable to analyze are the traditional non-oil exports, during the first period 2017-2019 these occupy a percentage of 24.8% of total exports. Traditional exports for the following years 2020-2021 presented an increase with a percentage of 30.2%, this is due to the fact that Ecuador increased the export of mining products by 250%. By 2020, exports of other products such as canned fish increased by 7%, flowers by 2% and metal products by 16%.

Figure 1. Total exports from Ecuador, in thousands of US\$, period 2017-2021



Source: Based on Banco Central del Ecuador, (2023).

Table 2. Main export products of Ecuador, period 2017-2021 expressed in percentages

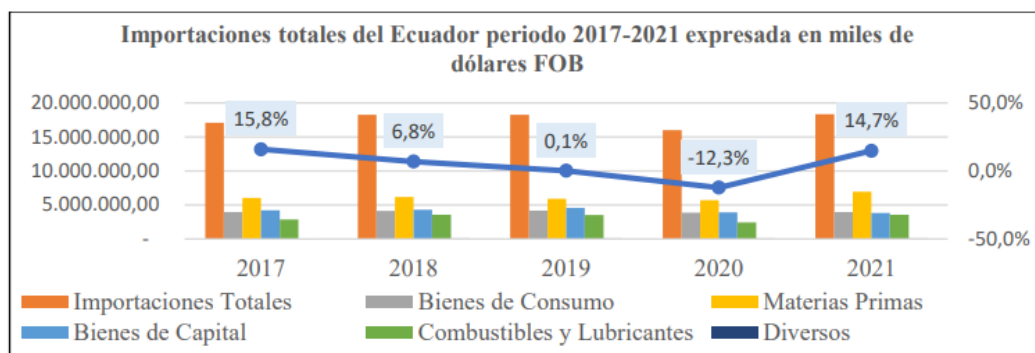
Productos	2018	2019	2020	2021
Productos petroleros				
Crudo	16%	-1%	-34	21%
Productos no petroleros tradicionales				
Camarones	-5%	23%	7%	9%
Banano	-4%	4%	21%	-25%
Cacao	6%	-1%	35%	-22%
Pescado	9%	18%	16%	-9%
Productos no petroleros no tradicionales				
Enlatados de pescado	-5%	-2%	7%	-16%
Flores	-7%	6%	2%	-13%
Otros productos mineros	-6%	17%	250%	55%
Manufactura de metal	-1%	-12%	3%	16%

Sorche: Based on Banco Central del Ecuador, (2023).

Analysis of imports

Imports are the acquisition of raw materials, goods or products that are not produced internally. It allows the improvement of the quality of production, industrialization and commercialization processes. Through this activity, the country seeks to obtain benefits for consumers, farmers, industries, and other productive areas of the country (Sanchez, 2022). This helps the country's economic growth.











Figure 2. Total imports from Ecuador, in thousands of US\$, period 2017-2021



Source: Based on Banco Central del Ecuador, (2023).

Ecuador's main import products in terms of raw materials are agricultural, industrial and construction materials, while consumer goods include durable and non-durable goods, international postal traffic and express couriers. Capital goods are agricultural, industrial and transportation equipment.

Table 3. Main import products of Ecuador, period 2017-2021 expressed in percentage

Productos	2018	2019	2020	2021
Materias primas				
Agrícolas 	11,0%	▲ -1%	▼ 10,0%	▲ 14,0%
Industriales 	0%	▲ -6%	▼ -6%	▲ 28%
Materiales de construcción 	16%	▲ 5%	▲ -27%	▼ 8%
Bienes de consumo				
Duraderos 	12%	▲ -8%	▼ -27%	▼ 18%
No duraderos 	0%	▲ 8%	▲ 5%	▼ -7%
Tráfico postal internacional y correos rápidos 	-3%	▼ 1%	▲ 33%	▲ 20%
Bienes de Capital				
Agrícolas 	6%	▲ -26%	▼ 19%	▲ 3%
Industriales 	-1%	▼ 4%	▲ -8%	▼ -5%
Equipos de transporte 	11%	▲ 16%	▲ -30%	▼ 2%
Combustibles y lubricantes				
Combustibles 	25%	▲ -1%	▼ -30%	▼ 46%
Diversos				
Diversos	38%	▲ 47%	▲ -13%	▼ 15%

Source: Based on Banco Central del Ecuador, (2023).

Analysis of exports and imports, Ecuador - China Trade Balance by years

Year 2017

In 2017, during the January-December period, China ranks in Ecuador's oil and non-oil trade balance by country, with oil exports of 1,011,830 metric tons, equivalent to USD 342.0 in FOB value. Non-oil exports are 420,751 metric tons equivalent to USD 429.9 in FOB value. On the other hand, imports with the Asian giant are lower, oil imports are 5,533 metric tons equivalent to USD 6.4 in FOB value. Non-oil imports in metric tons are 1,613,015 equivalent to USD 2,867.5 in FOB value.

Table 4. Ecuador's oil and non-oil trade balance by country in 2017

ECUADOR'S OIL AND NON-OIL TRADE BALANCE BY COUNTRY										
MT and FOB values in millions of USD										
January-December 2017										
	Exports				Imports				Balance of trade	
	Oil exports		Non-oil		oil imports		Non-oil		Oil	No Petrolera
	TM	FOB	TM	FOB	TM	FOB	TM	FOB	FOB Values	
Totals	21,315,685	6,913.6	10,214,536	12,208.9	6,247,397	3,199.7	9,460,570	15,833.4	3,713.9	-3,622.5
China	1,011,830	342.0	420,751	429.9	5,533	6.4	1,613,015	2,867.5	335.5	-2,437.6

Source: Adapted by author, (2023).

Year 2018.

In 2018, during the January-December period, China is in Ecuador's oil and non-oil trade balance, with oil exports of 1,123,976 metric tons equivalent to USD 482.2 in FOB value. Non-oil exports account for 650,996 metric tons equivalent to USD 1,012.1 in FOB value. Oil imports registered 45,343 metric tons equivalent to USD 32.5 in FOB value, while non-oil imports registered 1,702,872 metric tons equivalent to USD 3,357.9 in FOB value.

Table 5. Ecuador's oil and non-oil trade balance by country year 2018.

ECUADOR'S OIL AND NON-OIL TRADE BALANCE BY COUNTRY

MT and FOB values in millions of USD

January-December 2018



January-December 2018

	Exports				Imports				Balance of trade	
	Oil exports		Non-oil		oil imports		Non-oil		Oil	Not oil
	TM	FOB	TM	FOB	TM	FOB	TM	FOB	FOB Values	
Totals	20,504,666	8,801.7	10,503,783	12,804.4	6,730,263	4,357.7	10,275,191	17,761.2	4,444.0	-4,956.7
China	1,123,976	482.2	650,996	1,012.1	45,343	32.5	7,702,872	3,357.9	335.5	-2,345.8

Source: Adapted by author, (2023).

Year 2019

In 2019, during the January-December period, China is in Ecuador's oil and non-oil trade balance with oil exports of 672,576 metric tons equivalent to USD 261.6 in FOB values, while non-oil exports are 1,106,946 metric tons equivalent to USD 2,635.2 in FOB values. While oil imports registered 276,702 metric tons equivalent to USD 170.9 in FOB value, non-oil imports registered values of 1,710,691 metric tons equivalent to USD 3,341.1 in FOB value.

Table 6. Ecuador's oil and non-oil trade balance by country year 2019

ECUADOR'S OIL AND NON-OIL TRADE BALANCE BY COUNTRY

MT and FOB values in millions of USD

January-December 2019



January-December 2019

	Exports				Imports				Balance of trade	
	Oil exports		Non-oil		oil imports		Non-oil		Oil	Not oil
	TM	FOB	TM	FOB	TM	FOB	TM	FOB	FOB Values	
Totals	22,212,112	8,679.6	10,887,862	13,649.8	1,305,366	4,159.0	10,063,995	17,312.2	4,520.6	-3,665.4
China	672,257	261.6	1,106,946	2,635.2	276,702	170.9	1,710,691	3,341.1	90.7	-705.9

Source: Adapted by author, (2023).

Year 2020

Total exports from Ecuador to China this year had an equivalent of 7.87% of total exports. The products that during this year increased exports despite the sanitary emergency due to Covid-19 were bananas and plantains that represented 14.4% of exports. Furthermore, cocoa and processed cocoa represented 23.3% of exports (Banco Central del Ecuador, 2020).

Imports with respect to 2019 fell with 7.9%, within this percentage the products that had more demand were products focused on agriculture that despite the situation had a growth of 5.1%, crude and refined oils with 5.3% (Embassy of Ecuador in China, 2020).

Table 7. Ecuador's oil and non-oil trade balance by country year 2020

ECUADOR'S OIL AND NON-OIL TRADE BALANCE BY COUNTRY
MT and FOB values in millions of USD
Enero-Diciembre 2020



January-December 2020					
	Exports		Imports		Balance of trade
	TM	FOB	TM	FOB	FOB Values
Totals	32,502,224	20,226.6	15,539,600	16,986.8	3,239.8
China	2,559,317	3,193.7	1,606,105	2,947.6	246.1

Source: Adapted by author, (2023).

Year 2021

In 2021, during the January-December period, China is in Ecuador's oil and non-oil trade balance with oil exports of 981,545 metric tons equivalent to USD 451.5 in FOB values, while non-oil exports are 1,292,888 metric tons equivalent to USD 3,623.4 in FOB values. While oil imports registered 43,600 metric tons equivalent to USD 28.8 in FOB value, non-oil imports registered values of 2,014,280 metric tons equivalent to USD 4,373.8 in FOB value.

Table 8. Ecuador's oil and non-oil trade balance by country, year 2021

ECUADOR'S OIL AND NON-OIL TRADE BALANCE BY COUNTRY
MT and FOB values in millions of USD
January-December 2021



January-December 2021										
	Exports				Imports				Balance of trade	
	Oil exports		Non-oil		oil imports		Non-oil		Oil	Not oil
	TM	FOB	TM	FOB	TM	FOB	TM	FOB	FOB Values	FOB Values
Totals	19,732,427	8,607.3	12,719,039	18,091.9	7,213,032	4,656.2	11,166,721	19,172.3	3,951.0	-1,080.4
China	981,545	451.5	1,292,888	3,623.4	43,600	28.8	2,014,280	4,373.8	422.7	-750.4

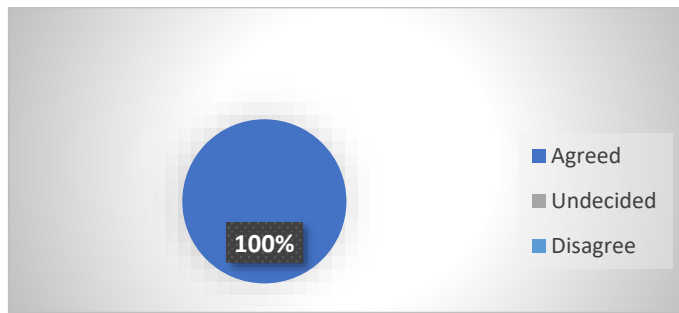
Source: Adapted by author, (2023).

Interview results.

The interviews were conducted with people who have knowledge about the negotiation and international relations with China. A total of 6 questions were asked for each interview, of which two questions were considered as the most important ones.

Of the total number of interviewees, 100% agree that having knowledge about the business culture in the international market is important to be able to be part of a successful negotiation round.

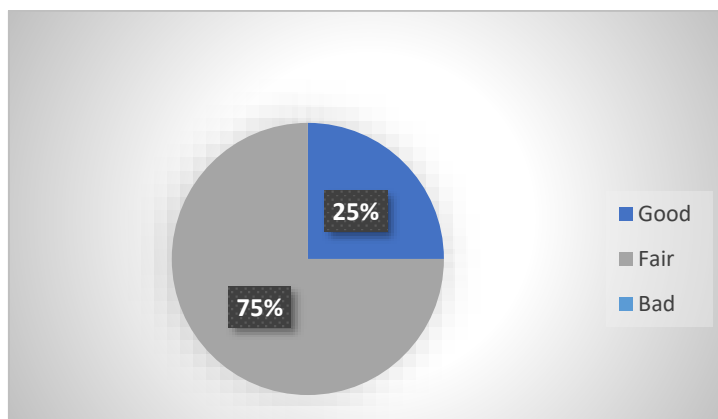
Figure 3. Do you think it is important to know the business culture in the international market?



Source: Adapted by author, (2023).

Of the total number of interviewees, 75% claim that Ecuador's negotiation culture with China is average, this is due to the fact that most of them lack knowledge about how to conduct a negotiation. On the other hand, only 25% of those interviewed said that the negotiation culture between the two countries is good, due to the fact that they are very experienced negotiators in the market.

Figure 4. How do you consider Ecuador's negotiation culture with China to be?



Source: Adapted by author, (2023).

5. Discussion and conclusion

With the interpretation of the literature research by the different authors it can be concluded that the cultural factor is important at the international level because we live in a globalized system. Culture in international business is a much more relevant factor than we imagine. Within the cultural context of China, it should be taken into account that it is a country with one of the oldest cultural histories in the world. According to the year, culture is a set of factors relevant to the functioning of a system. It is easy to agree with that because, although we are in a globalized world, each country has its own culture and way of doing business. Within the international business that has been carried out, culture has the role of seeking empathy between negotiators. This means that negotiators should seek to obtain a mutual benefit, the cultural values of each country should be taken into account, in order to understand and respect the reasoning and logistics of the negotiation. The Chinese approach to international negotiation did not just happen overnight. The Chinese culturally conduct their business in a very closed, familiar and ritualistic way. It is at this point where factors such as the language of business should be

analyzed. Language should not be taken into account. As mentioned in the interviews and I agree with it, for Spanish-speaking people it is very difficult for us to learn Mandarin and for the Chinese it is very difficult for them to learn Spanish. A common language that is easy to speak for both parties is sought and this is where English comes into play. Although it is not the native language of either country, it is the language in which negotiations are traditionally conducted. In the same context, it is important to know the expressions, the way of communicating, and the body language they use, since this will make a great difference for the negotiation to be successful. Starting the negotiation by showing interest in the customs of others will make them feel comfortable, confident and from the beginning we will already have a point in favor.

The impact that interculturality has at the time of closing an international negotiation is vast. For example, we must take into account the *guanxi*, which Confucius defines as the relationship in all its breadth between two people and that it is impossible to differentiate the affective aspect of the friendship between two people from the utilitarian aspect of the business relationship. Well, if meddling in this system of negotiating is part of what we should do as the West, but here it is important to mention that we should do it only with China. We have to be aware that as Ecuador we enter the negotiation from a disadvantageous position, this means that China imposes its own rules of the game, so that it has a harmonious environment, looking for that atmosphere of familiarity to which they are accustomed.

Religious beliefs are part of the culture, it is an important factor because even though it should not be seen as a stereotype, for them it is important to respect their religion, because it is considered a lifestyle, which is based on morals. In the case that we are the exporters, we must know how to offer our product based on their customs, traditions and gastronomy. The cultural difference that exists between the two countries is abysmal, but this does not mean that we cannot reach their market with finished products and not only with raw materials. If we offer an edible product with flavors and colors that are culturally liked by their palate such as vinegar, black pepper, cumin, cardamom, ginger; we will have a good reception of the product and even more if the packaging and marketing of the product is focused on the colors and figures that they like. There is no doubt that offering such a product will be culturally accepted, there will be no culture shock, and we will give value to our product and brand.

In the interviews conducted, many similar points of view were found, and it can be concluded that the international panorama focused on culture is of utmost importance and should continue to be studied. It is one of the factors that has hindered the growth of many countries due to lack of knowledge. In addition, it is important for the academy to teach not only how to do business, but also how to know and understand the Chinese buyer and seller in order to have more opportunities. It is necessary to possess knowledge about the culture to avoid problems such as reciprocal offenses, lack of understanding, and what can be the scope that can be reached with the negotiation. Another point that is relevant in this study is not only the commercial economic field, but also the geopolitics within this bilateral relationship, from this point of view Ecuador is a highly strategic country due to its geographic location and its small size. Although our governmental situation is not very stable, we are not at the same level as our neighbors, which makes China more interested in us.

We must know how to manage to our advantage the cultural factors that differentiate us and the tools that we have internationally. For example, the FTA that Ecuador signed with China last May 11 in Beijing. According to the Ministry of Production, Foreign Trade, Investment and Fishing, a total of 4 rounds of negotiations and several technical meetings had to be held. The first benefit is the real access of our current and potential exportable supply in better conditions to a market of 1,400 million consumers with high purchasing power. In fact, with this negotiation, 99.6% of Ecuador's current supply was granted access to China in baskets with immediate or less than 10-year tariff reductions. In addition, this agreement allows us to level the playing field with our neighboring countries (Peru, Central America) that already have an agreement with the Asian giant, as well as with other Asian countries that compete in that market. In order to take 100% advantage of this FTA and be able to do business with China, we must know the history of the trade balance that has occurred in recent years.

With the data obtained in the research, it is interpreted that Ecuador's bilateral relationship with China is positive, as can be seen in the trade balance. This is because exports to China from 2017-2021, were strengthened against foreign trade in the agricultural and agribusiness sector. Thanks to Ecuador's geographical and climatic conditions of its four regions. These factors have been the ones that have allowed the goods to be of a higher quality than those of other countries, even if they are from the same area. As a consequence, Ecuador has specialized in the production of raw materials that occur in its territory, thanks to the experience that has been obtained over time, there have been several booms (Masaquiza Chango & Moreno López, 2022).

According to the data of total exports of the ECB, from 2017-2018 there was a growth of exports by 2.48%. The percentage of exports continued to increase for 2019 and a value of 4.41% was recorded. However, the picture of exports changes for the year 2020, there was a drop in exports with a percentage of -0.97%. For the last year, 2021, exports increased, resulting in a positive balance of 2.14%. This significant increase reflects the economic reactivation of the country with respect to the world.

The 2017-2019 oil exports have an equivalent of 38.6% of total exports. In 2020-2021 oil exports reflected a deficit. The cause of the deficit value was the fall in the price of crude oil, so oil exports fell, although the percentage was not negative if it was better than the previous period, with 29.0% of total exports. Traditional oil exports from 2017-2019 represent 36.6% of total exports, the export outlook changed for the following years. The value increased with a percentage of 40.8%. For 2020-2021, the percentage increase in traditional oil exports was recorded. The increase in this variable was due to the increase in exports in 2020 of products such as shrimp with 7%, bananas with 21%, cocoa with 35%, and fish with 16%.

In the case of Ecuador, total imports for the period 2017-2021 in millions of dollars FOB positive values were recorded, in 2017 the growth was 15.8%, for 2018 the percentage decreases, but remains positive with a percentage of 6.8%, and there was a notable change for 2019 with a percentage of 0.1%. In 2020 a critical year within the analysis as we have seen previously because of the Covid-19 pandemic, caused a considerable reduction of income and foreign currency entering the country so that the country's purchasing power dropped and it could not buy goods abroad. It was here where

the percentage value of imports dropped significantly, registering a percentage of imports of -12.3%. For 2021 the situation looks a little more favorable in this context, imports increased thanks to the economic recovery that emerged after this year of health emergency and a percentage of 14.7% was recorded thanks to the post-pandemic trade reactivation.

The oil trade balance for 2017 in FOB values in millions of USD, with respect to China was positive, with a USD 335.5 in FOB value. However, as for the non-oil trade balance, a deficit of USD -2,437.6 FOB value was recorded. Meanwhile for 2018 the oil Trade Balance with respect to the Asian giant was positive with USD 449.7 in FOB value, while the non-oil Trade Balance was in deficit since values of USD -2,345.8 in FOB values are recorded. For the following year, the Oil Trade Balance in FOB values was positive with a registered value of USD 90.7, while the non-oil Trade Balance was in deficit since it registered a value of -705.9 in FOB values.

For the year 2020, a deeper analysis had to be carried out to obtain the total values of the trade balance table, since the data were not available in the official reports of the ECB as in the previous balances. For this purpose, the data for imports and exports were extracted separately. In order to know whether the balance was positive or in deficit, the necessary mathematical operation was performed and it was possible to conclude that the balance was positive. The factors that contributed to the positive outlook in spite of the Covid-19 pandemic were the main export products, which were the same as in previous years and throughout the trade history between the two countries, namely shrimp. Shrimp exports increased in terms of metric tons, but because of the pandemic, prices decreased to international levels. Other products that were in the same scenario were coffee and processed products, tuna and fish. Non-traditional products included natural flowers and canned fish.

According to the bulletin of foreign trade figures of the Ministry of Commerce of Ecuador, December 2021. In the executive summary of data from January to October 2021 Ecuador's main destination for non-oil exports was the United States, with USD 3,125 million equivalent to an increase of 16.8%. The second in the list was China with USD 2,323 million, equivalent to a deficit of -0.2%. The third destination was Russia with USD 814 million, equivalent to an increase of 8.6%. The fourth is located in the region, Colombia with non-oil exports of USD 662 million, equivalent to an increase of 1.5%. Finally, Spain exported USD 615 million to the European country, equivalent to an increase of 31.6%. The Oil Trade Balance in FOB values was positive with a registered value of USD 422.7, while the non-oil Trade Balance was in deficit since it registered a value of -705.4 in FOB values.

The last objective of this research was to be able to construct a model of action in function to improve decision-making abilities in the closing of an intercultural negotiation. For this purpose, it is important to mention some points to take into account:

- In the case of being a buyer, look for a good supplier.
- In the case of being a seller, seek to lower the price of our product without detracting from the value of the brand.

- Never improvise, create a summary of the relevant points to mention.
 - Demonstrate an empathetic and admiring attitude.
 - Know the language in which the negotiation will take place, i.e. English.
 - Be punctual, be there 10 minutes before the agreed time.
 - Learn the greeting and give it as a sign of respect.
 - Adapt to their way of negotiating, without falling into submission.
- A strategic point is to know about tea, for them to offer tea in a negotiation is a custom because it means harmony, and having knowledge of the quality and types of tea, is a sign of empathy.
- They have a very closed and direct culture, contrary to Latinos, who usually maintain extensive conversations. That is why you should be as clear and precise as possible.
- In case you are offered food, it should be received with pleasure and although for our customs it does not look good, you should chew making noise, as this means that you have loved the food.
- Dress should be appropriate, in the case of men a formal black suit would be fine and in the case of women a suit or a dress below the knee is ideal. Do not dress as people traditionally do in China at certain times and like certain peoples and cultures, because we would be disrespecting them.
- Demonstrate a confident attitude, without falling into arrogance.
 - We must have the same technological tools, for this you must have a good computer, cell phone or Tablet to support your presentation.
 - As Ecuadorians we must be open to suggestions, receptive and showing interest. Take into account what is feasible and apply it.
 - In case you do not agree, you should give the reason for the refusal and immediately present an option to solve it.

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Annexes

NOMBRE: Jhonny Tenorio

CARGO: Propietario de importadora NAHIMTEX

Encuesta

1. ¿Considera que es importante conocer la cultura de negocios en el mercado internacional?

De acuerdo

Para poder entablar una relación comercial con otro país tiene que saber algo parte de su cultura, particularmente el tema de la alimentación, la forma de saludar, sus costumbres, para que se puede adaptar e involucrar en su cultura.

En Ecuador tenemos nuestros hábitos y costumbres y si hay alguien del extranjero que nos visita y se adapta a nuestras costumbres nosotros nos sentimos cómodos y a gusto.

Indeciso

Desacuerdo

2. ¿Cómo considera que es la cultura de negociación de Ecuador con China?

Buena

Regular

Mala

Divide en dos factores

Para exportar es luego de EEUU es el mercado más importante del mundo, hay mucha liquidez y recursos.

Para las importaciones limita mucho a la producción local, en mi segmento si no hay el tema de los impuestos altos de los textiles, de la ropa, muchas personas se quedarían sin empleo particularmente en el norte y centro del país.

3. ¿Cuál considera usted que es el factor cultural que marca una diferencia de Ecuador con China?

El idioma, porque para un chino es difícil aprender español y para los que tenemos habla hispana se nos complica aprender el mandarín. Por esto para poder entablar una relación comercial interviene el inglés como una tercera lengua, que no es ninguna de las lenguas de orígenes.

4. En base a su experiencia, ¿Mencione una de las estrategias que nos podría recomendar aplicar en una negociación con China?

Aprender el idioma de ellos, lo básico, el saludo, tienen una cultura de mucho respeto hacia las personas mayores. La forma de saludar con la venia de por medio, al momento de iniciar la negociación se llega de buena manera, en China se debe de tratar de llegar con mucho carisma mucha actitud. El saludo de la venia, y dándole la una mano y la otra nos la colocamos en el pecho. Son detalles que cambian y que hacen que la negociación desde un inicio tome confianza. Por pequeño o grande que sea el ciudadano chino tiene esa cultura.

La puntualidad es importante, estar unos 10 minutos antes de la hora pactada.

Saber o estudiar sobre el té, ya que ellos son muy amantes de esto. Mostrar conocimiento acerca de esto les llama mucho la atención.

Es importante conocer, admirar, respetar esa cultura.

5. ¿Considera que conocer el panorama cultural de China para una negociación es relevante?

Si completamente de acuerdo, en una invitación en una cena ellos tienen lugares específicos de donde van a estar sentados, los clientes, su mejor amigo, sus familiares.

Saber disfrutar y agradecer de la comida es síntoma de calidez, así no sea de mi gusto, pero si nosotros demostramos interés y satisfacción con la comida les brindamos más confianza.

Las costumbres de ellos en las cenas ellos brindan un licor que se consume exclusivamente durante la cena, esto quiere decir que una vez acabe la cena, no importa que la botella está llena, se queda en la mesa y nadie lo vuelve a consumir. Tienen esa costumbre ya que ellos ponen muchos límites y desde de esta cena cada quien va a su casa, ya que al siguiente día se tiene que trabajar.

6. ¿Cual considera usted un factor poco favorable al momento de una negociación con el gigante asiático?

Porque tenemos dólares, y los negocios internacionales se hacen en dólares, por eso tenemos esa ventaja, compramos y vendemos en dólares. Así la ganancia sea de un 1% sigue siendo ganancia. No tenemos el problema de una tercera moneda. Hace la transferencia de dólares, por ejemplo, al hacer la transferencia y la ayuda del gobierno hace que 1 dólar son 6 yuanes, pero como incentivo se hace la transferencia de dólares la para 7 yuanes. Tenemos la ventaja de que no tenemos que cotizar a diario el dólar.

NAME: Anne Car

CHARGE: Professor at UDA

1. Do you think it is important to know the business culture in the international market?

Agree.

Undecided

Disagree

Because culture and business are interrelated, when you do business as other countries interact and clearly there are cultural clashes.

2. How do you consider Ecuador's negotiation culture with China?

Good

Regular

Bad

Claims not to know

3. What do you consider to be the cultural factor that makes a difference between Ecuador and China?

The capitalism that exists in China

Ecuador is involved in Capitalism

Good connection of Ecuador with China some years ago.

4. Based on your experience, could you mention one of the strategies you would recommend to apply in a negotiation with China?

Language is important

Hoofsted's theories are interesting and can be taken as a guide for negotiation.

Apart from the stereotypes they should know and be able to change them.

The negotiating team should know or have knowledge about how important it is that the person they are going to interact with is male or female.

5. Do you consider that knowing the cultural panorama of China is relevant for a negotiation?

Of course, business strategies are important, so knowing a little about the culture and history of the culture can help you improve your negotiation strategies.

6. What do you consider an unfavorable factor when negotiating with the Asian giant?

Have different cultural dimensions according to Hofstede's theories.

The language is clearly a negative factor since although in Ecuador they speak a little English, they are not educated in Mandarin, so it would be even more complicated for them to get to know the Chinese culture in a natural way.

NOMBRE: Adrián Alvarado

CARGO: Director comercial de la Cámara de Comercio de Cuenca

Encuesta

1. ¿Considera que es importante conocer la cultura de negocios en el mercado internacional?

De acuerdo

Indeciso

Desacuerdo

La cultura es de los principales obstáculos de la globalización, si las multinacionales no han logrado globalizar completamente el mercado mundial es por la cultura, por eso creería que se debe de hacer un estudio exhaustivo de las culturas internacionales, no de los estereotipos, pero sí de las líneas culturales que arraigan y que influyen a la población a comprar o tener un gusto adquirido por algo.

2. ¿Cómo considera que es la cultura de negociación de Ecuador con China?

Regular

Es una negociación improvisada por desconocimiento de las dos partes, pero el desconocimiento mayor es por parte de los ecuatorianos sobre los chinos, es vital para los ecuatorianos conocer mucho más sobre la cultura china y que haya capacitaciones cursos, no solo de cómo hacer negocios si no como conocer y entender al comprador y vendedor chino para tener más oportunidades.

3. ¿Cuál considera usted que es el factor cultural que marca una diferencia de Ecuador con China?

El idioma

4. En base a su experiencia, ¿Mencione una de las estrategias que nos podría recomendar aplicar en una negociación con China?

Conocer antes al negociador y no improvisar nada, tener un adstrac, un resumen de lo que se va a negociar y darles toda la información que ellos necesiten.

Si uno es comprador buscar un buen proveedor, ayudarse de empresas privadas que conozcan mejor que nosotros el mercado chino y asegurarnos con un buen proveedor.

Si nosotros vamos a vender a china recomiendo conocer mucho mejor al comprador, ver sus gustos, el mercado al que va y adaptarnos a su necesidad, pero eso si nosotros valorando nuestra marca, nuestro país y nuestro producto, ya que los asiáticos en si tienen a regatear todo.

5. ¿Considera que conocer el panorama cultural de China para una negociación es relevante?

Si claro para poder crear un resumen y estar bien preparados para poder dar toda la información necesaria en las rodas de negociaciones.

6. ¿Cual considera usted un factor poco favorable al momento de una negociación con el gigante asiático?

Es el idioma, la distancia, y el desconocimiento de su cultura.

Hay que aprovechar el TLC entre Ecuador y China y a eso sumarle una asesoría sobre la cultura de ellos para aprovechar este acuerdo y que no quede solo en papel si no que tengamos una buena relación con este país no solo comercial si no en todo sentido en la cooperación.