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**A SHARED TRADE FUTURE: A STRATEGIC
ASSESSMENT OF THE ECUADOR-SOUTH KOREA
TRADE AGREEMENT**

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DEDICATION

I dedicate this work to my family, to my parents, and siblings who have been my light in the darkness and my refuge in the storm. To my mommy, whose strength and resilience have been my inspiration. To her I owe my tenacity and unwavering spirit. To my father, for supporting me and teaching me the value of learning. Thank you for always being there.

I also dedicate this work to the person I have become throughout this academic journey. This achievement reflects my perseverance and commitment, I am proud of what I have achieved.

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A Shared Commercial Future: A Strategic Analysis of the Ecuador-South Korea Commercial Agreement

Abstract

The complementary economies of Ecuador and South Korea, with South Korea's prominent manufacturing export strength and Ecuador's prominence in primary goods, present a favorable context for the consolidation of bilateral agreements. South Korea emerges as an attractive trading partner for Ecuador, backed by its economic stability and high investment capacity. These factors drive the diversification of Ecuadorian exports and the attraction of greater foreign direct investment flows. This research examines the current economic, political, social, and cultural environment of both countries, evaluating the potential of their strategic trade agreement and its impact on their respective economies. The methodology employed is of a mixed nature, merging qualitative and quantitative elements. The qualitative approach is based on the PRISMA method, while the quantitative approach focuses on the collection and analysis of data from reliable sources.

Keywords: complementary economies, Ecuador, foreign trade, international relations, South Korea, strategic agreement.

Un Futuro Comercial Compartido: Análisis Estratégico del Acuerdo Comercial entre Ecuador y Corea del Sur

Resumen

Las economías complementarias de Ecuador y Corea del Sur, con la destacada fortaleza exportadora manufacturera de Corea del Sur y la prominencia de Ecuador en bienes primarios, presentan un contexto propicio para la consolidación de acuerdos bilaterales. Corea del Sur emerge como un socio comercial atractivo para Ecuador, respaldado por su estabilidad económica y su alta capacidad de inversión. Estos factores impulsan la diversificación de las exportaciones ecuatorianas y la atracción de mayores flujos de inversión extranjera directa. La presente investigación examina el entorno económico, político y social de ambos países, evaluando el potencial de su acuerdo comercial estratégico y su impacto en sus respectivas economías. La metodología empleada es de naturaleza mixta, fusionando elementos cualitativos y cuantitativos. El enfoque cualitativo se sustenta en el método PRISMA, mientras que el enfoque cuantitativo se enfoca en la recopilación y análisis de datos.

Palabras clave: acuerdo estratégico, comercio exterior, Corea del Sur, economías complementarias, Ecuador, relaciones internacionales.

A Shared Trade Future: A Strategic Analysis of the Ecuador-South Korea Trade Agreement

1. Introduction

In the current scenario of economic globalization, interactions and trade relations between countries play an essential role in the development and shared prosperity between nations. International trade facilitates the exchange of goods and services, stimulating economic growth, job creation and technology transfer. Following this context, this research is based on an exhaustive analysis of the trade dynamics between two apparently disparate actors: Ecuador and South Korea. The fundamental purpose of this paper is to thoroughly examine the impact of the Strategic Economic Cooperation Agreement (SECA), signed between Ecuador and South Korea on October 11, 2023, on their disparate economies, addressing economic, political, and social aspects. The inquiry is aimed at identifying and determining both the potential benefits and potential disadvantages that could arise once the trade agreement enters into force. The SECA seeks to enhance trade, investment and cooperation between the two countries.

Since 2016, the Ecuadorian government has seen a strengthening opportunity with the people of South Korea, leading to the crystallization of this agreement. Korea is the eleventh destination for Ecuadorian exports. Proof of this is that in the last five years, sales to this market have increased by an annual average of 38%, allowing the flow of trade and investment from Ecuador to grow. The Ecuadorian territory not only wants to attract commercial investments but also greater Korean investment in strategic sectors such as the construction of large infrastructure works such as ports, airports, shipyards or roads, the construction of transport equipment or the assembly of electronic components, the generation of renewable energy in the country, among many more. The South Korean government is not only interested in productive aspects but also geopolitical aspects, such as the country's geographical location, strengthening productive sectors, natural resources, and skilled labor.

The SECA also has political and social implications. It can strengthen diplomatic relations between Ecuador and South Korea, fostering cooperation and promoting exchange in various fields. It can also have a positive impact on the social development of both countries, creating jobs that contribute to an increase in people's quality of life and a reduction in poverty. This agreement presents both challenges and opportunities for both parties, among the main challenges are the adaptation to the new technical and phytosanitary standards, and the diversification of the exportable supply. Among the opportunities offered by the agreement are the strengthening of their economies, the diversification of their markets and the increase of foreign investment.

This research seeks to propose strategies to overcome trade barriers, identify specific opportunities and face challenges that can benefit Ecuador's business and entrepreneurial sector, providing valuable resources for decision-making that promote trade exchange and bilateral cooperation. It seeks to promote economic growth and the creation of solid trade ties on the international scene. Trade cooperation not only stimulates economic development, but also fosters mutual understanding between countries, consolidating international relations. A careful analysis of the impact of the economic partnership between Ecuador and South Korea opens up opportunities for more equitable and robust trade. Ecuador can diversify its economy, explore and access new markets and technologies, as well as generate sustainable employment. For its part, South Korea benefits by expanding its investment opportunities in an emerging market with valuable resources.

Ultimately, the SECA is presented as an important step in strengthening trade relations between Ecuador and South Korea, two nations from different regions and complementary economies. The evaluation of this thesis will help determine whether this trade partnership will be mutually beneficial, boosting the growth of both economies and strengthening trade ties between these two heterogeneous nations. Successful implementation of the SECA will require a joint effort by governments, the private sector and civil society in both countries.

1.1 Objectives

1.1.1 Overall Objective

Evaluate the impact of a trade agreement between Ecuador and South Korea, analyzing the complementarities of their economies, current trade policies, possible benefits, and potential challenges, to provide fundamental information to make strategic decisions that promote the economic and commercial growth of both countries.

1.1.2 Specific Objectives

1. Evaluate the current trade relationship between Ecuador and South Korea.
2. Assess the potential impact of the trade agreement.
3. Identify key sectors for business collaboration.
4. Determine the possible development of new business sectors.

1.2 Theoretical Framework

For this research, the theoretical framework detailed below deals with fundamental concepts in theories of international trade, including classical, neoclassical, and new theories of international trade. Along with this, the concept of international integration is addressed and various studies on trade agreements at both the regional and international levels are analyzed. Emphasizing those that are relevant to the case of the Strategic Economic Cooperation Agreement (SECA) between Ecuador and South Korea.

The origin of foreign trade theories lies in the need to answer the questions that arise in international trade. The first idea about these theories appeared in the 1550s and was called mercantilism. Years later, in 1931, Eli Heckscher expanded on this concept (J. Rojas, 2007). It is of great importance for this study to emphasize the beginnings of international trade and the theories that arise from it. To solve some of the unknowns, it is necessary to review the classical theories to the most recent studies carried out on this subject.

1.2.1 Classical Theories of International Trade:

It is essential to understand the theories of international trade that are present in this bilateral relationship. The theory of comparative advantage, proposed by David Ricardo and extended by the theory of opportunity cost proposed by G. Haberler, states that countries derive benefits by specializing in the production of those goods in which they have comparative advantages (Páez et al., 2021). This implies that economic cooperation becomes mutually beneficial by taking advantage of these disparities in productive efficiency between countries. For a country to be able to specialize in the production of a specific good, the cost must remain lower compared to other countries. This specialization leads to greater efficiency and productivity. The differences in the productions of each country translate into a greater diversification of international trade, enriching the global supply of products and services (González, 2011). In essence, economic cooperation based on productive efficiency generates a win-win scenario for the countries involved. Likewise, the Heckscher-Ohlin (H-O) model, which was developed by Eli Heckscher and Bertil Ohlin, further explores the differences in relative costs between countries, highlighting that international trade is based on diversity in the endowments of productive factors. Empirical studies have contributed to this understanding, as they confirm the complexity of trade flows and underscore the importance of a thorough assessment of the advantages and challenges that Ecuador would face in establishing a trade alliance with South Korea. These theoretical foundations provide the conceptual framework necessary to analyze in detail the impact of this economic partnership between the two countries and the possible growth of their economies (González, 2011).

1.2.2 New Theories of International Trade:

Classical theories of international trade emerged to answer the questions of their time. However, over time, the global scenario has transformed, which has given rise to new questions and the need for new, more robust theories to explain trade in its current complexity. Since 1950, various authors have proposed new perspectives for understanding international trade based on classical and neoclassical theories. One of the works to consider is that of Palmeiri, who argues that while comparative advantage theory validly explains the questions, it does not capture the diversity of factors that drive trade today. This position is based on the constant evolution and changes of the international scenario, giving rise to questions such as: What are the main reasons that drive international trade between countries? What benefits do the parties get? (Palmeiri, 2019).

One of the first studies that challenged the classical view of global trade was conducted by economist Staffan Burenstam Linder in 1961 based on product differentiation. Linder proposed that trade between nations with equal levels of development tends to be more intense than trade between countries with very different levels of development. This idea contrasts with the theory of comparative advantage, which suggests that trade was primarily based on differences in the costs of producing goods. It is in this way, Linder suggests that international trade is not only focused on supply but is also strongly influenced by demand. Consumers in countries with similar levels of development generally have similar tastes and preferences, which generates a greater demand for products among them. The evolution of theories of international trade has broadened the perspective for understanding the exchange of goods between countries. There has been a shift from a vision focused on inter-industry trade, based on differences in the cost of production, to a more holistic approach that considers various factors such as product differentiation, demand, technological innovation, institutions, and level of development. This evolution reflects the complexity of today's international trade, where multiple factors interact to determine the patterns of trade and the benefits that nations derive (Carbaugh, 2009).

1.2.3 Regional Integration Models:

Economic integration models underpin the study in question, specifically the Customs Union model and the Free Trade Area model, to examine the different levels of integration between countries. These models provide an analytical structure that allows us to evaluate the implications of a free trade agreement between South Korea and Ecuador, considering the reduction or elimination of tariffs and other trade barriers that such an association would establish for both parties. In the processes of economic integration, four crucial stages can be identified, according to the classification proposed by Balassa in 1961. The first stage, the free trade area, is characterized by the absence of national customs, allowing the entry of products from any member country without tariffs, as if they were marketed within the country of origin. The second stage, the customs union, establishes a common tariff for products from third countries, creating a single trading entity among the member countries of the agreement. The third stage, the common market, in addition to the common external tariff, implies the free mobility of productive factors such as labor and capital, necessitating the establishment of coordination, and the creation of common trade, macroeconomic, and legislative policies. Finally, economic union entails the adoption of a joint monetary policy and thus a common currency. As the process progresses, economic integration has significant political repercussions. The increase in the mobility of people and the need to harmonize internal policies lead to political controversies that go beyond the economic sphere. It is important to emphasize that regional integrative processes are always voluntary, as opposed to state unification, which are rarely voluntary (Balassa, 2011).

Integration has an interesting particularity, as it can manifest itself in a positive and negative way. Negative integration refers to the dismantling of restrictions on international trade and the distortion of competition, while positive integration implies the implementation of common policies that affect the functioning conditions of markets (Scharpf, 1998). This distinction is important because negative integration can be achieved through intergovernmental procedures, but positive integration requires supranational organizations or regulations. Because these levels of integration tend to be sequential, employing this criterion supports the position that the transition from governmental relations to supranational is a progressive process. However, it is essential to understand that progress does not imply inevitable or irreversible in this complex and dynamic context of international trade relations (Malamud, 2011).

1.2.4 Theory of International Cooperation:

This theory emerges as a fundamental context for understanding how nations can meet joint goals and overcome shared obstacles. In the specific case of the strategic agreement between South Korea and Ecuador, this theoretical approach is essential to address political, cultural, and linguistic challenges, key in the process of creating a fruitful and mutually beneficial trade relationship.

Cooperation, as an ideal means for reducing inequalities, implies the integration of state and non-state actors. However, for the process to be successful, it requires meticulously planned and executed strategic policies, tailored to the objectives of the donor and the specific circumstances of the recipient. In addition, international cooperation acts as a facilitator for the reduction of pauperism conditions at the global level, through the implementation of all available tools. It has an impact on the diplomatic sphere and on the implementation of specific strategies that promote the empowerment of the participating nations. Considering this, the collaboration between South Korea and Ecuador, following the principles of international cooperation, can overcome cultural and linguistic barriers, and eventually establish a fertile ground for mutual prosperity and the development of their economies (Ripoll & Ghotme, 2015).

1.2.5 Comparative Experiences:

The thesis analyzes case studies and similar comparative experiences, specifically focused on countries that have free trade agreements with countries with economies and cultures similar to Ecuador. These similar cases provide information, lessons, and experiences, shedding light and knowledge on the benefits and challenges that could arise with the entry into force of the strategic agreement between South Korea and Ecuador, a country suitable to carry out a similarity study of this type, is Colombia.

Colombia is very similar to Ecuador in the areas of production, economy, and culture, the signing of the Free Trade Agreement (FTA) is based on the primary interest of guaranteeing preferential access to the South Korean market for agricultural and agro-industrial products. The tariff reduction, as set out in the contract, is a key point in achieving this long-term objective. It is necessary to emphasize that, in the case of Colombia, the elimination of tariffs for highly traded products in the Asian country is immediate. However, for most products, the reduction process will be carried out progressively.

The longest tariff reduction periods are intended for the industrial sector, specifically in the automotive area and its parts. Currently, around 40.0% of Colombian imports from South Korea are related to vehicles and their parts. This trade dynamic highlights the strategic importance of carefully negotiating the terms of the trade agreement between South Korea and Ecuador, with an emphasis on key sectors such as this one, to ensure a fair and mutually beneficial trade alliance (Ariza, 2020). Just as Colombia, Peru and Chile have agreements in place with South Korea, Ecuador has economic similarities with these countries, especially with Peru. Studying the agreements established by these countries with the Asian country would serve to predict the possible results of the entry into force of the SECA agreement in Ecuador.

1.2.6 Theory of Trade Negotiation:

When analyzing the complex dynamics of trade negotiation between countries, it is necessary to apply the theory of trade negotiation. This approach involves critically examining the strategies used at the time of negotiation and the execution of diplomatic tactics; The various factors influencing decision-making from the South Korean and Ecuadorian point of view should also be studied. Painstakingly negotiating a trade agreement involves a member-by-member, product-by-product process. This method involved the submission of requests accompanied by corresponding offers, which marked a significant milestone in the shaping of the multilateral trading system (Rojas, 2018). This approach highlights the intrinsic complexity and difficulty in creating the structure of trade agreements. Moreover, the analysis of the negotiating rounds sheds light on the meticulous nature of the interactions between countries. Understanding the tactics and strategies used in negotiations makes it easier to assess developments prior to the implementation of trade agreements. In this context, the theory of trade negotiation is indispensable for interpreting and anticipating the results of the implementation of trade agreements.

2. Literature Review

A trade agreement is a formal agreement between two or more national entities, which establishes a regulatory framework that regulates trade between them. These agreements can be bilateral, involving only two countries, or they can be multilateral, involving three or more nations. The fundamental purpose of trade agreements is to reduce or eliminate barriers to international trade. These barriers may include customs tariffs, import quotas, or other regulatory restrictions. By reducing or eliminating such impediments, the flow of goods and services between the countries that signed the agreement is facilitated and expedited, thus generating a potential increase in economic efficiency and the promotion of stability and alliance among the countries involved (Vilar, 2019). Economic cooperation agreements are established with the aim of facilitating trade and promoting cooperation. These agreements cover a variety of areas, including trade measures, investment in strategic sectors, technology, education and scientific cooperation. Trade agreements foster the economic and social development of the countries involved, through measures that increase collaboration and the exchange of knowledge and resources (Narváez & Fernández, 2008). Economic cooperation agreements play a very important role on the international stage. To begin with, they contribute to the diversification of economies and stimulate the competitiveness of enterprises. The agreements also promote the development of strong bilateral relations between the countries, as they foster mutual trust, communication, collaboration and understanding. These ties between nations can facilitate conflict resolution, knowledge sharing, and cooperation in other areas, such as security, culture, and education. Economic cooperation agreements are a fundamental pillar in the progress and growth of countries' economies, promoting trade benefits and strengthening bilateral relations (Duarte & González, 2014).

More and more countries are using trade agreements to speed up trade and economic cooperation. Several authors in favor of economic cooperation agreements substantiate their position by highlighting the potential benefits that these treaties bring, such as the promotion of international trade and the attraction of foreign investment. Economist Jagdish Bhagwati is a strong proponent of free trade, citing the multiple opportunities it creates for the countries involved in the agreement, allowing nations to specialize their production of the most efficient goods and services. This author also criticizes protectionism because he believes that protectionist policies distort prices to the detriment of consumers (Bhagwati, 1995). On the other hand, Paul Krugman proposes the theory of strategic trade, which suggests that governments can establish trade policies that increase the country's competitiveness in the global market. Krugman's proposal states that countries should not only specialize and export products that have a comparative advantage, but focus on the production of those goods that have a competitive advantage (Posada & Vélez, 2008). By implementing this advantage, countries can focus their resources on products that have a lower cost of production or are of higher quality than the competition. While Krugman has taken issue with specific trade agreements, he acknowledges that in certain cases these can be beneficial to countries (Mayorga & Martínez, 2008).

Critics of trade agreements raise concerns about the potential negative impacts they may have on countries' sovereignty, asymmetric negotiating conditions, and the effect agreements have on sensitive economic sectors. The author Joseph Stiglitz proposes the theory of information asymmetry in the market, analyzing that one of the parties has more information than the other party, which can generate problems in the negotiation and development of trade agreements (Perossa & Waldman, 2014). Another point that supports Stiglitz's rejection of trade agreements is investment, such as the Investor-State Dispute Settlement (ISDS) system, as he argues that this system can give too much power to multinational corporations at the expense of governments (Edwards & Stiglitz, 2002). Likewise, the economist Dani Rodrik has focused part of his studies on analyzing the impact that globalization has on the internal politics of nations, concluding that it could create resentment and social opposition, leading governments to adopt protectionist policies (Rodrik, 2023). Rodrik argues that the neoliberal policies that make up the Washington consensus are not applicable to all countries because they can have negative consequences for their economies and trade (Moreno-Brid et al., 2004). Ha-Joon Chang, on the other hand, proposed an alternative to market-oriented development, in which the approach emphasizes state intervention as a pillar for the industrial and technological development of countries. Chang also criticizes neoliberalism, arguing that it could increase the inequality and dependence of developing countries on northern powers (Chang, 2006).

The trade relationship between Ecuador and South Korea has strengthened considerably in recent years, with significant progress being made in establishing a bilateral trade agreement. The recent technical conclusion of trade negotiations between the two countries for the Strategic Economic Cooperation Agreement (SECA) is a significant milestone. The trade alliance between Ecuador and South Korea represents a valuable opportunity for both nations to boost their economies and strengthen their trade ties. However, to fully understand the potential benefits and challenges that this agreement may bring, it is essential to examine similar cases of trade agreements between economies comparable to that of Ecuador and South Korea. Under this premise, two specific cases can be analyzed: the free trade agreement between Peru and South Korea, and the agreement between Chile and South Korea. These agreements help provide meaningful perspective on the eventual effects of the implementation of the ECAS agreement between Ecuador and South Korea.

The Free Trade Agreement (FTA) between Chile and South Korea was implemented in April 2004, this agreement stands out for being the first agreement of this nature signed by South Korea with a Latin American country. This agreement covers various sectors of goods, services, investment and economic cooperation, while significantly promoting the growth of bilateral trade between the two countries. The main products that Chile exports to South Korea are copper, fruits, timber, wine, and fishery products. While South Korea's exports to Chile are mostly automobiles, machinery, electronics, and chemicals. With the agreement, both countries have managed to facilitate the exchange of goods and services and increase foreign investment in key sectors (Muñoz et al., 2023). Analyzing this case, the importance of export diversification should be highlighted, since Chile has managed to diversify its exportable offer by expanding its range of agricultural and fishery products. It also underlines the importance of establishing a global economic integration strategy. Chile aims to sign agreements with various countries around the world to access their markets and strengthen its position within the global economy. The FTA between Chile and South Korea promotes cooperation between the two countries in areas that go beyond trade (Kim, 2008).

The Peru-South Korea FTA stands out as a significant agreement. It was signed in August 2011, marking an important step for trade relations between Andean countries. Since it came into force, the exchange of goods and services between the two countries has increased considerably. Peruvian exports of agricultural and fishery products to South Korea boomed. So did Peru's imports from South Korea. This agreement turned out to be mutually beneficial, facilitating access for Peruvian products to the South Korean market and attracting South Korean investments in relevant sectors of the Peruvian economy (Estrada & Landa, 2018). In this case, the importance of export diversification is also appreciated, the government of Peru has broadened its commercial horizon by increasing and varying its products for export (Yllescas Rodríguez et al., 2021). This FTA between Peru and South Korea serves as an example for those countries that seek to transform their trade relations by promoting cooperation and economic development.

Like Chile and Peru, Ecuador also bases its exports mainly on agricultural products. With the difference that Ecuador stands out for being a major exporter of oil and marine products such as shrimp. An analysis of the cases of Chile and Peru shows that with the entry into force of the SECA agreement, access for Ecuadorian products to the South Korean market would increase and the diversification of exports would be encouraged. Ecuador must also prepare to face the challenges brought about by the agreement. Some of the main obstacles would be the need to implement economic reforms to optimize the benefits of the agreement, the high risk of increased competition in the domestic market due to South Korean imports, and the requirement to balance economic growth with environmental protection. The experiences of Chile and Peru offer valuable lessons on the importance of defining an effective global economic integration strategy to make the most of the trade agreement with South Korea. Despite the challenges ahead, the potential for growth and development offered by this trade agreement is considerable. Ecuador has the opportunity to strengthen its economy by establishing a strong bond with South Korea if it is meticulously planned, executed effectively, and maintains a strategic vision.

3. Methods

This thesis focuses on exhaustive research that evaluates the impact of the Strategic Economic Cooperation Agreement between South Korea and Ecuador. To effectively develop the objectives of the thesis, the research adopts a mixed methodology, qualitative and quantitative.

3.1 Qualitative approach:

The qualitative approach is based on the PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) method, characterized by its rigor and transparency in the synthesis of scientific literature. This method was developed by David Moher and his team, with the aim of establishing clear and systematic guidelines for conducting systematic reviews. This method allows the analysis of the existing literature on the trade relationship between South Korea and Ecuador, using the PRISMA methodology to identify patterns, trends and knowledge gaps (Moher et al., 2009). The search for information will be carried out in academic databases, specialized journals and other relevant resources. The selection of studies will be carried out in a clear manner following pre-established criteria, ensuring the inclusion of research of high methodological quality. This systematic approach will guide every stage of the process. The steps to develop the PRISMA method are as follows:

Definition of the research question: Clear and specific formulation of the research question that will guide the review, prioritizing qualitative understanding of the topics addressed. For the development of this research, the following research question was determined: How would the Strategic Economic Cooperation Agreement impact the trade relationship between Ecuador and South Korea, and how would it translate into benefits and disadvantages for both countries in terms of economic growth, industrial development, job creation and other relevant indicators; considering the specific dynamics, particularities of the sectors involved and taking into account the economic conditions of each country?

Review Protocol Design: Development of a detailed protocol that includes the inclusion and exclusion criteria, as well as the search strategy, adapted to capture the qualitative richness of the literature. Before starting the development of the thesis, the design of the review protocol was carried out in which the general objective, specific objectives, research question, problem, state of the art, theoretical framework, hypothesis, methodology and the expected scope and results were determined.

Exhaustive Searches: Implementation of systematic searches in relevant databases, electronic libraries and other reliable sources, focusing on the identification of qualitative and quantitative studies.

Study Selection: Application of predefined criteria for the selection of studies, ensuring the inclusion of those that contribute to the qualitative understanding of the topic.

Data Extraction: Systematic collection of relevant data from selected studies, using a structured approach that highlights qualitative and contextual aspects.

Study Quality Assessment: Detailed assessment of the methodological quality of each qualitative and quantitative study included in the review.

Data Analysis and Synthesis: Organization and synthesis of the extracted data, highlighting patterns, trends or qualitative nuances observed in the reviewed literature.

Assessment of Heterogeneity and Bias: Analysis of variability between studies and the possible presence of qualitative bias, providing a critical assessment of the robustness of qualitative results.

3.2 Quantitative approach:

Definition of variables: Identification of the relevant quantitative variables to answer the research question, considering aspects such as trade flow, foreign direct investment, and impact on certain specific sectors.

Data Collection: Collection of secondary data from reliable sources such as the World Bank, World Integrated Trade Solution (WITS), World Trade Organization (WTO), Central Bank of Ecuador, and other relevant entities.

Interpretation of results: Interpretation of the statistical results in the context of the study, considering the limitations of the data and the methodology used.

3.3 Triangulation of methods:

Integration of qualitative and quantitative findings: Comparison and contrast of qualitative and quantitative results to gain a more complete understanding of the trade relationship between South Korea and Ecuador, as well as the potential impact of SECA.

Validation and reliability: Implementation of strategies to ensure the validity and reliability of research, such as triangulation of methods, checking internal consistency, and searching for data saturation.

3.4 Presentation of results:

PRISMA Report: Preparation of a final report following the PRISMA guidelines, allowing the transparency and replicability of the research.

Effective communication: Presenting results clearly and concisely, using graphs, charts, and other visual resources to facilitate understanding.

The mixed qualitative and quantitative methodology, combined with the rigor of the PRISMA method, will allow for a thorough and complete investigation of the trade relationship between South Korea and Ecuador and the impact that the Strategic Economic Cooperation Agreement will have on both countries. The integration of qualitative and quantitative findings will provide a holistic understanding of the issue and contribute to informed decision-making to strengthen trade and economic relations between the two countries.

4. Results

4.1 Genesis and consolidation of the Strategic Economic Cooperation Agreement between Ecuador and South Korea:

Currently, the Republic of Korea (대한민국) and abbreviated "South Korea", stands out as a powerful economy globally and in the Asian region as the second most advanced economy. This status is based on

several significant economic indicators for the year 2022: its Gross Domestic Product (GDP) was USD 1.67 trillion, its GDP per capita reached USD 32,254, and its percentage of total unemployment rate was 2.8% of the country's total active population. In addition to this, there are other aspects that highlight the strength of the South Korean economy, such as its considerably high level of industrialization, which represents 32.4% of its GDP in 2022, and the average economic growth percentage of 2.6 in the same year (World Bank, 2022).

South Korea's stance on international trade is open and proactive, this has been demonstrated in recent years by establishing various trade agreements with a variety of countries and groups of nations, among the most notable are: The United Kingdom, China, Canada, United States, European Union, ASEAN, among others. In the Latin American and Caribbean region, South Korea has free trade agreements with Chile, Peru and Colombia. Currently, with the aim of broadening its spectrum of trade agreements, it is engaged in negotiations with MERCOSUR, Mexico and several Central American countries (World Trade Organization, 2023). South Korea's strategy is based on a number of factors, including market access, attracting investment, increasing competition and efficiency, and economic cooperation.

In the specific case of the trade relationship between South Korea and Ecuador, there have been complex advances, but of great importance for both nations. The first approach took place in 2012 with a feasibility study carried out jointly by the two countries. Three years later, in August 2015, Ecuador's Foreign Trade Committee (COMEX) issued an opinion in favor of starting negotiations for the agreement. Throughout 2016, five rounds of bilateral negotiations took place, after which the process was temporarily suspended. In 2022, between February and December, negotiations resumed with the signing of the Joint Declaration for the resumption of negotiations, which was followed by three rounds both face-to-face and virtual (Ministerio de Producción Comercio Exterior Inversiones y Pesca, 2022). Arriving in April 2023, the ninth round of negotiations was held, and in October of the same year, the technical closure of the process was announced with the pre-signing of the Strategic Economic Cooperation Agreement between Ecuador and South Korea (SECA) (Ministerio de Producción Comercio Exterior Inversiones y Pesca, 2023).

The SECA agreement has a solid and broad regulatory base, which allows the creation of a general framework capable of increasing the international cooperation of the two nations, expanding their markets, and establishing an environment conducive to investment and the creation of new companies, trades and businesses. Similarly, the binding instruments and obligations of the agreement, signed by both countries, are emphasized in the agreement (Presidencia de la República del Ecuador, 2019). During the negotiations, Ecuador safeguarded its interests in key areas for the growth of its economy, such as the continuity of the application of the Price Band System, the establishment of a Customs Committee focused on the resolution of disputes through the application of regulations, the prohibition of the import of used goods according to Ecuadorian legislation and the priority in terms of storage and clearance to those goods that are perishable. An important point to mention is that nations have the ability to take action when necessary to protect their national interests (Ministerio de Producción Comercio Exterior Inversiones y Pesca, 2023).

The agreement also seeks to boost development and innovation through the protection of brands and creations, which contributes to the country's progress. To ensure the effective implementation of what was agreed in the negotiations, a Trade Defense Committee will act as a supervisor, promoting understanding of international trade policy and legislation (Ministerio de Producción Comercio Exterior Inversiones y Pesca, 2021). To protect sensitive industries, both rights and obligations under the World Trade Organization were secured, including anti-dumping, global safeguards, and countervailing duties. The agreement established a bilateral safeguard with a transition period of ten years after the entry into force of the agreement, in the case of particularly sensitive products, the transition period is extended to the duration of the basket, plus five years.

The SECA represents the broadest and most comprehensive agreement that Ecuador has signed to date, because it covers 23 disciplines, including national treatment, initial provisions, and market access, rules, rules and procedures of origin, trade facilitation, trade defense, and digital trade, among many other aspects. Importantly, the government of Ecuador excluded around 594 tariff lines in sensitive sectors such as wood, clothing, metalworking, white goods, agriculture and footwear. These sectors will have a tariff reduction process over a transition period of 15 years (Ministerio de Producción Comercio Exterior Inversiones y Pesca, 2023). The agreement provides Ecuador with opportunities to access the South Korean market and improves the conditions to position itself in it. This strategic agreement makes it possible to establish optimal conditions for capital goods, inputs and raw materials, thanks to a tariff reduction for 98.8% of the products exported to Korea and an immediate access (0%) of 80.67% of Ecuadorian tariff lines to the Asian country. It also addresses tariff and non-tariff aspects that facilitate the access of Ecuadorian products to the South Korean market, such as, for example, the implementation of mechanisms that streamline sanitary and phytosanitary processes and

the acquisition of knowledge on new generation issues such as digital, environmental and labor trade (Ministerio de Producción Comercio Exterior Inversiones y Pesca, 2023).

Even with the progress made to date and after the pre-signing of the agreement, held on October 10, 2023 in Ecuador and October 11 in Korea, there are still certain additional procedures that need to be carried out for the agreement to enter into force (Ministerio de Producción Comercio Exterior Inversiones y Pesca, 2023). These procedures include the official translation of the agreement into Spanish and Korean, the drafting of the fiscal impact report by the Ministry of Economy and Finance, the approval by COMEX, the signing of the agreement, the ruling of the Constitutional Court, the approval of the Assembly and, finally, the entry into force of the agreement. This pact represents a significant milestone in Ecuador's international trade relations, positioning the country in a favorable scenario for economic development and the expansion of its foreign trade and international relations.

4.2 Trade interaction between Ecuador and South Korea:

Trade between Ecuador and South Korea has experienced significant advances in the last decade. It is of great importance to analyze the trade flow between the two countries, from the beginning of the negotiations of the Strategic Economic Cooperation Agreement (SECA) in 2012 until 2022. During this period, it is essential to examine both growth and changes in the composition of exports and imports.

Table 1

Percentage of main products exported between Ecuador and South Korea (2012-2022)

Year	Percentage of main products exported from South Korea to Ecuador	Percentage of main products exported from Ecuador to South Korea		
2012	Cars:	27.9%	Crustaceans:	66.3%
	Motor vehicles; Parts Accessories:	10.9%	Copper scrap:	14.4%
	Delivery Trucks:	6.75%	Fish fillets:	5.13%
2013	Cars:	24.2%	Crustaceans:	70.4%
	Motor vehicles; Parts & Accessories:	10.3%	Copper scrap:	9.8%
	Power Generation Games:	4.45%	Fish fillets:	5.46%
2014	Cars:	23.1%	Crude Oil:	80.2%
	Motor vehicles; Parts & Accessories:	10.4%	Crustaceans:	13.1%
	Power Generation Games:	3.6%	Copper scrap:	3.0%
2015	Cars:	22.5%	Crude Oil:	64.6%
	Motor vehicles; Parts & Accessories:	9.8%	Crustaceans:	24.0%
	Refined Petroleum:	10.4%	Copper scrap:	5.81%
2016	Cars:	27.9%	Crustaceans:	57.5%
	Motor vehicles; Parts & Accessories:	10.1%	Copper scrap:	17.5%
	Video Screens:	3.06%	Bananas:	15.9%
2017	Cars:	28.3%	Crustaceans:	60.2%
	Motor vehicles; Parts & Accessories:	10.3%	Bananas:	18.2%
	Video Screens:	2.7%	Copper scrap:	13.7%
2018	Cars:	30.8%	Crustaceans:	61.1%
	Motor vehicles; Parts & Accessories:	10.7%	Bananas:	21.2%
	Refined Petroleum:	9.94%	Copper scrap:	7.43%
2019	Cars:	23.0%	Crustaceans:	37.9%
	Refined Petroleum:	12.9%	Crude Oil:	32.8%
	Motor vehicles; Parts & Accessories:	10.8%	Copper scrap:	14.6%
2020	Refined Petroleum:	18.9%	Crustaceans:	64.2%
	Cars:	13.7%	Bananas:	13.6%
	Coal Tar Oil:	8.23%	Copper scrap:	13.5%
2021	Refined Petroleum:	32.8%	Crustaceans:	39.2%
	Coal Tar Oil:	28.2%	Crude Oil:	39.0%
	Cars:	7.45%	Copper scrap:	12.0%
2022	Refined Petroleum:	42.5%	Crude Oil: Crustaceans:	52.1%
	Coal Tar Oil:	16.8%	Copper scrap:	31.0%
	Cars:	7.59%		9.70%

Note: Observatory of Economic Complexity. (2022). Ecuador and South Korea Trade. Observatory of Economic Complexity. <https://oec.world/es>

In 2012, the main product exported from South Korea to Ecuador was automobiles, which accounted for 27.9% of total South Korean exports. Other significant products were motor vehicles and parts thereof (10.9%) and delivery trucks (6.75%). In contrast, Ecuador's exports to South Korea were dominated by crustaceans, which made up 66.3% of the total, followed by copper scrap (14.4%) and fish fillets (5.13%) (Observatory of Economic Complexity, 2022).

By 2013, South Korean exports to Ecuador showed greater diversification. Automobiles decreased slightly to 24.2%, motor vehicle parts and accessories to 10.3%, and electric generation sets were introduced with 4.45%. Meanwhile, in Ecuador, the share of crustacean exports increased to 70.4%, while copper scrap and fish fillets adjusted their percentages to 9.8% and 5.46%, respectively.

In 2014, the diversification of South Korea's exports to Ecuador continued with slight changes in the percentages of its main products. However, Ecuador underwent a significant change in its export structure. Crude oil emerged as the main product exported to South Korea, accounting for 80.2% of Ecuadorian exports. Crustaceans moved into second place with 13.1%, followed by copper scrap with 3.0%.

In 2015, South Korea's exports to Ecuador saw no significant change in the percentages of major products, but refined petroleum became the third most exported product, accounting for 10.4% of exports. As for Ecuadorian exports, the percentage of crude oil decreased to 64.6%, crustaceans to 24.0% and copper scrap remained in third place with 5.81%.

In 2016, the landscape changed markedly. South Korea's refined petroleum exports to Ecuador dropped sharply to 0.53%, while cars and vehicle parts recovered similar levels to 2012. Video screens emerged as the third most exported product, accounting for 3.06%. On the other hand, Ecuadorian exports also varied significantly: crude oil fell to 0.53%, crustaceans increased their share to 57.5%, copper scrap to 17.5% and bananas to 15.9%.

In 2017, South Korean exports showed slight variations in percentages, but major products maintained their order. In Ecuador, banana exports increased to 18.2%, crustaceans remained the main exported product at 60.2%, and copper scrap accounted for 13.7%.

For 2018, South Korea's exports to Ecuador saw a significant increase in refined petroleum, which reached 9.94%, second only to automobiles (30.8%) and vehicle parts (10.7%). In Ecuador, crustaceans increased slightly to 61.1%, bananas to 21.2%, while copper scrap decreased to 7.43%.

In 2019, refined petroleum became the second most exported product from South Korea to Ecuador, accounting for 12.9% of exports, while automobiles remained in first place with 23.0%, followed by vehicle parts (10.8%). Ecuadorian exports were distributed as follows: crustaceans 37.9%, crude oil 32.8%, copper scrap 14.6% and bananas 10.2%.

The year 2020 showed a reconfiguration in Korean exports: refined petroleum was positioned as the main exported product with 18.9%, followed by automobiles (13.7%) and coal tar oil (8.23%). In Ecuador, crude oil exports declined considerably, while crustaceans accounted for 64.2%, bananas 13.6%, and copper scrap 13.5%.

In 2021, South Korea's exports to Ecuador were dominated by refined petroleum (32.8%), followed by coal tar oil (28.2%) and automobiles (7.45%). Ecuadorian exports were distributed among crustaceans (39.2%), crude oil (39.0%) and copper scrap (12.0%).

Finally, in 2022, the main products exported by South Korea to Ecuador were refined petroleum (42.5%), coal tar oil (16.8%), and automobiles (7.59%). Ecuador's exports to South Korea were dominated by crude oil (52.1%), crustaceans (31.0%), copper scrap (9.70%), and bananas (3.68%).

These changes reflect not only the evolution of trade relations between the two countries, but also the adaptation to global market fluctuations and the respective economic strategies of South Korea and Ecuador. Diversification in exported and imported products and changes in percentage shares suggest an economic dynamic that responds to both domestic demands and international opportunities. These developments underscore the importance of strategic trade agreements and the need for continuous adaptation and diversification to maintain and improve competitiveness in the global marketplace.

The trade flow between Ecuador and South Korea in 2022 was characterized by a marked asymmetry reflected in the composition of exports and imports, with a notable advantage for South Korea. On the one hand, South Korea's exports to Ecuador were 1.09 billion US dollars, while Ecuador exported 205 million USD to the Asian country (Observatory of Economic Complexity, 2022). These data indicate that South Korea recorded a significant trade surplus by exporting more to Ecuador than it imported. To explain the nature of this trade asymmetry, it is necessary to highlight the high level of industrialization and the great diversification of the South Korean economy, unlike the Ecuadorian economy, which depends mainly on exports of primary products. This difference between the two nations could be explained by the different levels of technological and industrial development that each country has, South Korea having a higher level can produce goods with greater added value. Likewise, the Republic of Korea has an extensive and varied network of trade agreements that facilitates its access to international markets, in addition to being integrated into global value chains of various sectors, allowing it to access international markets and obtain greater benefits.

Identifying and understanding these causes is essential for the formulation of new public policies that allow Ecuador to improve its position in international trade with South Korea and other countries. It is essential to highlight that asymmetry can be overcome. Ecuador can take measures to reduce it, such as investing in technological development, implementing public policies that encourage research and development; the diversification of its economy, promoting the progress of productive sectors to reduce dependence on exports of primary products; strengthening their participation in global value chains, integrating into value chains in sectors with higher added value; and the expansion of its network of trade agreements, negotiating new trade agreements that facilitate access to new markets in different countries.

4.3 Tariff relief of the Strategic Economic Cooperation Agreement between Ecuador and South Korea:

The entry into force of the Strategic Economic Cooperation Agreement between Ecuador and South Korea could have a far-reaching impact on the economies of both countries. One of the crucial aspects that will determine this impact is the elimination and reduction of tariff barriers. This measure is essential because it directly influences the facilitation of bilateral trade, promoting a more efficient flow of goods between the two republics and encouraging both investment and economic growth. Thus, the application of the tariff reduction categories established in the agreement stands out as a determining factor in measuring the success and effectiveness of the agreement, by eliminating trade barriers and promoting the competitiveness of the industries of both parties. As stipulated in Article 2.4.2 of the official document detailing the content of the agreement, ten categories of tariff reduction are established. Each category has a specific implementation schedule for originating goods classified in the Tariff Schedule of Annex 2-B (Ministerio de Producción Comercio Exterior Inversiones y Pesca, 2023).

The first category is called "A" and involves the complete elimination of tariffs on goods originating on the date of entry into force of the agreement. The second category, "B", states that tariffs on originating goods will be eliminated in three equal annual stages, starting on the date of entry into force of the agreement, and goods will be duty-free from the third year onwards. Category "C" provides for the gradual elimination of customs tariffs on the originating goods provided for in it in five equal annual stages from the date of entry into force of the agreement, and the goods will be duty-free from the fifth year. Category "D" involves the progressive elimination of customs tariffs on originating goods in seven equal annual stages from the date of entry into force of the agreement, and the goods will be duty-free from the seventh year. The strategic agreement between South Korea and Ecuador includes specific provisions for categories "E" to "J", each with its tariff reduction schedule and particular conditions for the originating goods included in the tariff schedule.

Tariff relief is a crucial factor in determining the impact the agreement will have on the economies of both countries, as it allows us to assess how businesses and consumers will be affected. The business sector can analyze the established tax relief periods to organize and plan business strategies, such as diversifying its products and investing in new market sectors. Consumers can also use the information to anticipate and take advantage of changes in goods and services. Governments are other major players that use this information to estimate the impact that tariff reduction will have on the volume and composition of bilateral trade, as well as to assess the competitiveness of their industries (Chan, 2019). This aspect is crucial to understanding how the agreement will affect the economies of both countries. In addition, when assessing the economic effects of the agreement, it is essential to consider other determining factors that could influence the economic outlook of

both nations. These aspects include the promotion of foreign investment, technological development, and job creation.

4.4 Foreign direct investment:

In the specific case of foreign direct investment (FDI), Ecuador would benefit significantly from the agreement, as it would attract more FDI to the country, boosting economic growth by creating direct and indirect jobs, increasing the production of goods and services, and stimulating innovation in trade. This can translate into an improvement in the well-being of the population and a reduction in poverty. FDI through the generation of productive linkages, in other words, relations of interdependence between different sectors of the economy, would create new jobs, promote the development of local suppliers and allow the emergence of companies and enterprises in various commercial sectors.

The agreement has the potential to boost Ecuador's Gross Domestic Product (GDP) growth significantly. In this way, the country would be able to expand its productive capacity, diversify its economy and improve its competitiveness in the international market. In addition, the agreement could allow access to financing programs for the construction of key infrastructure, such as ports, airports and roads, which would enhance the country's economic development. These infrastructures are essential for the facilitation and acceleration of trade, the mobility of goods and the transport of people (González et al., 2019). FDI represents an opportunity to enhance value chains in various economic sectors. Foreign companies can share their knowledge and experience to facilitate access to international markets, helping Ecuadorian companies to increase their exports and, consequently, their competitiveness on the international stage. This competition would also encourage domestic companies to improve the quality of their production processes and their products and services to gain or maintain their place in the market. This improvement benefits consumers, who would have access to a wide range of high-quality products and services at much more competitive prices.

4.5 Technology transfer for the development of strategic sectors:

Ecuador would benefit from the transfer of technology from South Korea, a valuable resource for optimizing production processes and boosting the competitiveness of Ecuadorian companies. Technology transfer could also contribute to Ecuador's sustainable economic and social growth. Many benefits can be obtained from the transfer of technology, such as the modernization of the industrial sector, since Ecuadorian companies would increase their efficiency and the quality of their products by modernizing their production processes; which would allow them to access and compete in other markets. Innovation in the country is another benefit of technology transfer, which would be evidenced through the creation of new items and services, progress in the development of new technologies, and evolution in production processes. Innovation is one of the main drivers for the country to grow economically and socially. By having access to advanced technology, Ecuadorian companies can increase exports to various markets through the production of goods and services with higher added value. Beyond the economic benefits, the deal could also have a positive impact on the environment. The transfer of clean technologies and the adoption of sustainable business practices by Korean companies are expected to contribute to the protection of the environment in Ecuador. Along with technology transfer, Ecuador can adopt more sustainable production practices with the use of clean technologies. This change is essential for the country's development to be sustainable, reducing the impact of climate change. Additionally, the agreement seeks to strengthen political relations between Ecuador and South Korea. The trade liberalization that would be obtained with this cooperation would facilitate the access of Ecuadorian products to a market of 51 million consumers in South Korea, which would increase their competitiveness and allow the learning of international trade dynamics; This, in turn, would improve trade practices and increase domestic production in export sectors (Crivelli, 2019).

4.6 Sectors with Growth Potential

This trade agreement between South Korea and Ecuador, covering a wide range of economic sectors, presents a horizon of opportunities and challenges that require detailed analysis. In the agricultural sector, Ecuador has a rich diversity of export products, including cocoa, bananas, shrimp, tuna, and flowers. These products have high potential in the Korean market, which is known for its demand for high-quality food products. However, to fully access this market, Ecuador must comply with South Korea's strict sanitary and phytosanitary standards, which may require additional investments in infrastructure and technology. Similarly, sectoral and industrial development is another aspiration of the Ecuadorian government when establishing the

trade agreement. The SECA is expected to have a positive impact on various productive and commercial sectors of the Ecuadorian economy. The automotive, electronics and textile industries are expected to benefit particularly from reduced tariffs and access to new technologies. In the case of the automotive industry, the elimination of tariffs for the import of Korean vehicles could boost competition in the Ecuadorian market, which would translate into more accessible prices for consumers (Bavoleo, 2020).

The electronics industry, on the other hand, will be helped by the considerable increase in imports of South Korean electronic components and devices. In turn, this could drive innovation in the sector and the development of new products and the creation of new services. As for the textile industry, the reduction of tariffs for the export of Ecuadorian products to South Korea could open the door to new opportunities for domestic producers; increasing exports and jobs in the sector (Estrada & Landa, 2018). South Korea is recognized worldwide for its leadership in technology and industrial development, which offers opportunities for the export of Ecuadorian manufactured goods. Nevertheless, to compete in this demanding market, Ecuador must address challenges such as the development of infrastructure and productive capacity, as well as improve the quality and diversification of its production (Kang et al., 2022). The tourism sector is also a promising field for cooperation between the two countries. South Korea is a major source of tourists to Latin America, and Ecuador has a wide range of tourist attractions, from tropical beaches to mountainous landscapes and a rich indigenous culture. To take full advantage of this opportunity, Ecuador must develop its tourism infrastructure and effectively promote itself as a tourist destination in South Korea.

As for the services sector, there is considerable potential in areas such as financial services, telecommunications, and professional services. South Korea is a market with a high demand for high-quality services, which offers opportunities for Ecuadorian companies. However, to realize its full potential, Ecuador must strengthen its human capital and ensure the opening of the Korean market to Ecuadorian services. In the energy sector, renewable energies represent an important opportunity for cooperation between the two countries. South Korea is a major investor in renewable energy, and Ecuador possesses great potential for solar and wind energy production. However, to attract Korean investment in this sector, Ecuador must improve its regulatory framework and facilitate technology transfer (Secretaría General de Comunicación de la Presidencia, 2023). The trade agreement between South Korea and Ecuador offers a wide range of opportunities for economic growth and bilateral cooperation. However, to maximize the benefits of this agreement, both countries must address the aforementioned challenges and work together to strengthen their trade relations.

5. Discussion

The recent pre-signing of the strategic economic cooperation agreement between South Korea and Ecuador has aroused the interest and expectations of the international community, as it is expected to have a far-reaching impact on the economies of both countries. To determine and analyze this impact, it is necessary to study trade agreements between countries with economic and trade profiles similar to Ecuador and South Korea. In this way, key patterns and trends could be identified to predict the impact that the agreement will have on their economies.

The results of the research suggest that this agreement could generate great mutual benefits, similar to those observed in the trade agreements between Chile and Peru with South Korea. These cases show a notable increase in exports, an advance in the diversification of products and in the attraction of investments once the trade agreements came into force. Analyzing these agreements also identifies potential challenges, such as the potential increase in competition in Ecuador's domestic market due to increased South Korean imports.

Similarly, the findings of the research converge with the ideas of economists Jagdish Bhagwati and Paul Krugman, who emphasized the potential benefits of free trade and product specialization. Following these perspectives, the research was able to identify opportunities for Ecuador to strengthen its economy and exportable supply in the face of market fluctuations.

However, the analysis also acknowledges the concerns and criticisms raised by Joseph Stiglitz and Ha-Joon Chang about the potential negative aspects of trade agreements, such as information asymmetry during negotiations and dependence on developing countries. Like these authors, the research highlights the need to implement protective measures to mitigate these risks by ensuring that the benefits of free trade are equitably distributed among the countries involved. These results present a balanced view of free trade in which both the potential benefits and associated challenges are recognized.

Regarding the limitations of the research, one of the main ones was the availability of data, due to the lack of articles and studies on the trade relationship between Ecuador and South Korea. However, it is crucial to recognize that there are still several opportunities to study and develop new perspectives and lines of research on this bilateral trade relationship. Rather than interpreting this limitation as an insurmountable obstacle, it can be seen as a stimulus to research specific areas that contribute to the knowledge of this topic. For example, it would be useful to study the impact of South Korean imports on certain Ecuadorian economic sectors, develop strategies to mitigate the possible negative effects of the agreement, and explore alternatives to market-oriented development proposed by authors such as Ha-Joon Chang.

In short, SECA has the opportunity to significantly boost the development and economic growth of both Ecuador and South Korea. This agreement can generate new avenues of trade and collaboration that strengthen the economies of the two countries, promote innovation and sustainable growth of various factors, and foster international trade.

6. Conclusions

The Strategic Economic Cooperation Agreement between Ecuador and South Korea (SECA) marks a significant milestone in the bilateral relationship between these countries, generating a series of opportunities for the growth of trade, investments, cooperation between nations and sustainable economic development. Despite the inherent challenges that come with the agreement, its ability to transform the economies of both countries is unquestionable.

The SECA presents a promising outlook for bilateral trade between these two countries. While the agreement has not yet entered into force, it is expected to significantly boost Ecuadorian exports to South Korea, in sectors such as bananas, shrimp, flowers and cocoa. In turn, imports from South Korea of automobiles, electronic parts and components, machinery, and chemicals would also increase. Once implemented, the SECA would also attract foreign direct investment (FDI) from South Korea in strategic sectors for Ecuador, such as infrastructure, renewable energy, manufacturing, and agribusiness. FDI would also contribute to technology transfer, capacity building and capacity building, and job creation in the country. However, the scope of the SECA transcends the limits of mere commercial exchange, fostering cooperation in areas such as education, science and technology, culture and sustainable economic development. This cooperation would generate mutual benefits in knowledge sharing, joint research, and the formulation of innovative solutions to future shared challenges.

FDI together with technical cooperation can facilitate the transfer of South Korean technology to Ecuador, promoting the modernization of its industrial sector and the development of products with greater added value. Trade growth and investment will serve to generate jobs in both countries, improving the standard of living of the population in general. Competition from FDI will serve as an incentive for Ecuadorian companies to raise the quality of their products and services to maintain their position in the market. These changes would in turn benefit consumers by having access to a wide range of quality products and services at competitive prices. FDI is also expected to facilitate access to new markets for Ecuadorian companies, increasing the country's exports and improving its international competitiveness. In essence, FDI is expected to contribute significantly to Ecuador's Gross Domestic Product (GDP) growth, stimulating its productive capacity, diversifying its economic base, and contributing to the narrowing of the trade gap with South Korea.

An imperative point in this process of accessing new markets is that Ecuadorian companies adopt new rules that allow them to adapt to the standards of the Korean market to take full advantage of the opportunities offered by the agreement. It is also necessary to recognize the importance of strengthening Ecuadorian institutions to offer better support to companies and effectively manage the trade relationship with South Korea. It is of utmost importance to encourage investment in research and development (R+D) in strategic sectors: agriculture, industry, automotive, electronics, textiles, tourism, energy and the service sector. They have a high potential for growth and development. At the same time, it is necessary to modernize the country's technological and productive infrastructure to improve the efficiency and competitiveness of Ecuadorian companies. Another relevant point is technology transfer, which could be considered as an investment in education and training of the workforce to face the challenges of the labor market and meet the demands of the new market. By promoting a culture of innovation and entrepreneurship, Ecuador can generate new business opportunities and expand its productive offer.

The active participation of civil society in the implementation of the agreement is crucial to ensure that its benefits are distributed equitably and the interests of all sectors involved are safeguarded. It is essential to carry out studies and research that assess the economic impact of the agreement between the two nations once it enters into force. Having constant monitoring of the agreement will serve to ensure its effective compliance, allowing adaptations to be made as circumstances evolve.

In conclusion, the Strategic Economic Cooperation Agreement between Ecuador and South Korea would consolidate ties between Ecuador and South Korea, laying the foundation for a solid and fruitful bilateral relationship. This historic agreement is a powerful instrument that, when used strategically, can transform the bilateral relationship and generate tangible benefits. It is essential that governments maintain an open and collaborative dialogue, including the perspectives of the private sector and civil society, to optimize opportunities and address challenges along the way. Together, Ecuador and South Korea will forge a prosperous shared future full of opportunities.

7. References

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