

# Ecuador

## Economic Outlook and Government Budget

December, 2022

# Macroeconomic Outlook: higher growth expectations in GDP and oil revenues

	2022 (p)	2023 (p)
<b>Gross Domestic Product</b> (In millions of USD)	116,009.7	122,369.7
<b>Real GDP growth (%)</b>	2.7	3.1
<b>Average Annual Inflation (%)</b>	3.6	2.8
<b>Volume of oil production</b> (Million barrels)	175.7	187.9
<b>Average export price of crude oil</b> (USD/barril)	89.7	64.8

Source: Macroeconomic Forecast 2023, Central Bank of Ecuador  
Macroeconomic Programing 2022-2026  
(<https://www.finanzas.gob.ec/programacion-macroeconomica%ef%bf%bc/>)  
Undersecretary of Fiscal Policy, for Oil related information

# Revenue main drivers in 2023: higher tax collection and oil production

(In millions of U.S. dollars)

	2022	2023	Change	
	Modified*	Pro Forma	Absolute	Relative
	b	c	c-b	(c-b)/b
<b>Revenue</b>	<b>21,449</b>	<b>23,662</b>	<b>2,213</b>	<b>10%</b>
<b>Current revenue</b>	<b>17,874</b>	<b>18,615</b>	<b>740</b>	<b>4%</b>
Taxes	14,374	15,692	1,318	9%
Fees and Contributions	1,708	1,828	120	7%
Sale of Goods and Services	47	106	60	128%
Rent and Fines	470	414	(55)	-12%
Current transfers and donations	1,245	542	(704)	-57%
Other revenue	31	33	3	8%
<b>Non-current revenue</b>	<b>3,574</b>	<b>5,047</b>	<b>1,473</b>	<b>41%</b>
Sale of non-financial assets	742	1,040	298	40%
Capital transfers and investment	2,205	3,674	1,469	67%
Wealth tax for post-pandemic economic growth**	628	334	(294)	-47%

Source: Undersecretary of Budget, eSIGEF Financial Administration System, data as at September 2022.

Notes: The CFDD account is excluded from the analysis to avoid distortions in the 2022-2023 comparison.

\* Modified column shows the initial budget plus all the modifications (increases or reductions) authorized and registered in the budget.

\*\* Wealth tax for post-pandemic economic growth is considered non-permanent income due to its temporary application, during FY 2022 and FY 2023 only.

# Higher expenses required to comply with recent regulations entered into force

(In millions of U.S. dollars)

	2022	2023	Change	
	Modified*	Pro Forma	Absolute	Relative
	b	c	c-b	c-b/b
<b>Expenses</b>	<b>24,433</b>	<b>26,292</b>	<b>1,859</b>	<b>8%</b>
<b>Current expenses</b>	<b>18,107</b>	<b>20,075</b>	<b>1,969</b>	<b>11%</b>
Wages and Salaries	9,225	9,887	662	7%
Consumer goods and services	2,176	2,406	230	11%
Financial expenses	2,223	2,510	287	13%
Other current expenses	159	142	(17)	-11%
Current transfers	4,324	5,131	807	19%
IESS (social security)	1,726	2,355	629	36%
ISSFFA (army s, security)	509	529	20	4%
ISSPOL (police s, security)	169	225	56	33%
Social Transfers (bonos)	1,257	1,307	50	4%
Others	663	715	52	8%
<b>Non-current expenses</b>	<b>6,326</b>	<b>6,217</b>	<b>(109)</b>	<b>-2%</b>
Durable goods	836	648	(188)	-22%
Capital transfers	3,487	3,697	210	6%
Local governments	3,189	3,357	168	5%
Other transfers	279	340	61	22%
Public Investment Plan	2,003	1,871	(131)	-7%
<b>Primary Balance</b>	<b>(761)</b>	<b>(120)</b>		
<b>Overall Balance</b>	<b>(2,984)</b>	<b>(2,630)</b>		
<b>Overall Balance to GDP ratio</b>	<b>-2.6%</b>	<b>-2.1%</b>		

Source: Undersecretary of Budget, eSIGEF Financial Administration System, data as at September 2022,

Notes: The CFDD account is excluded from the analysis to avoid distortions in the 2022-2023 comparison,

\* Modified column shows the initial budget plus all the modifications (increases or reductions) authorized and registered in the budget,

# Total financing resources amount to USD 9.9 billion in 2023

(In millions of U.S. dollars)

## Financial Plan 2023

SOURCES		USES	
<b>Initial Balance</b>	<b>356</b>	<b>Deficit 2023</b>	<b>2,630</b>
<b>Disbursements</b>	<b>7,577</b>	<b>Amortizations</b>	<b>4,606</b>
Internal financing	3,844	Internal amortizations	2,898
External financing	3,733	External amortizations	1,708
Multilaterals	2,477	Multilaterals	879
Governments	619	Governments	636
International markets	637	International markets	192
<b>Others</b>	<b>2,050</b>	<b>Others</b>	<b>2,640</b>
		<b>Ending balance</b>	<b>109</b>
<b>Total Sources</b>	<b>9,984</b>	<b>Total Uses</b>	<b>9,984</b>

Source: Undersecretary of Budget, eSIGEF Financial Administration System

Notes: Initial and ending balances refer to registered cash balances in the Single Current Account of the National Treasury