

Ecuador

The World's
Most Affordable
Overseas Haven

A Publication of Live and Invest Overseas
www.LiveandInvestOverseas.com



Ecuador: The World's Most Affordable Overseas Haven

Published by Live and Invest Overseas

Calle Dr. Alberto Navarro, El Cangrejo, Casa #45, Panama City, Panama

Publisher: Kathleen Peddicord

Copyright © 2017 Live and Invest Overseas. All rights reserved. No part of this report may be reproduced by any means without the express written consent of the publisher. The information contained herein is obtained from sources believed to be reliable, but its accuracy cannot be guaranteed.

www.liveandinvestoverseas.com

**TABLE OF CONTENTS**

<i>Government</i>	4
<i>Economy and resources</i>	4
<i>Climate</i>	5
Quito climatological information.....	6
<i>Population and society</i>	6
<i>Infrastructure</i>	7
<i>Practical information</i>	7
<i>Special benefits for retirees</i>	8
<i>Cost of living</i>	8
<i>Cost of housing</i>	10
<i>Health care</i>	10
<i>Taxes</i>	10
Territoriality and residence.....	10
Gross income.....	11
Deductions and allowances.....	11
Tax credits.....	11
Other taxes	11
Tax authorities	11
<i>Further Reading</i>	12
<i>Recommended Resources</i>	12



National name: *República del Ecuador/Republic of Ecuador*

Area: 270,670 square kilometers (104,505 square miles)

Capital: Quito

Major towns and cities: Guayaquil, Cuenca, Machala, Portoviejo, Manta, Ambato, Santo Domingo

Major ports: Guayaquil

Physical features: coastal plain rises sharply to Andes Mountains, which are divided into a series of cultivated valleys; flat, low-lying rain forest in the east; Galapagos Islands; Cotopaxi, the world's highest active volcano; crossed by the Equator, from which it derives its name.

Government

Head of state and government: Rafael Correa Delgado (since Jan. 15, 2007)

Political system: liberal democracy

Political executive: limited presidency

Administrative divisions: 21 provinces

Political parties: Alianza PAIS, Creating Opportunities, Partido Social Cristiano, Patriotic Society Party, Pachakutik Plurinational Unity Movement – New Country, Avanza, Partido Roldosista Ecuatoriano, SUMA, ARE, IDC, MPCG.

Armed forces: 58,483 (2012)

Death penalty: abolished in 1906

Defence spending (% GDP): 0.9 (2009)

Education spending (% GDP): 1 (2001)

Economy and resources

Currency: U.S. dollar



GDP US\$84.5 billion (2014)

Real GDP growth 5.6% (2014)

GDP per capita (PPP) US\$11,160 (2010)

Consumer price inflation: 3.41% (2014 Q1)

Unemployment: 4.86% (2014)

Public debt (% GDP): 18.7 (2013)

Major trading partners: U.S., Colombia, Chile, Peru

Resources petroleum, natural gas, gold, silver, copper, zinc, antimony, iron, uranium, lead, coal

Industries: food processing, petroleum refining, cement, chemicals, textiles

Exports: petroleum and petroleum products, bananas, shrimps (a major exporter), coffee, seafood products, cocoa beans and products, cut flowers. Principal market: U.S. 37% (2012)

Imports: machinery and transport equipment, basic manufactures, chemicals, consumer goods. Principal source: U.S. 28% (2012)

Arable land: 5.71%

Agricultural products: bananas, coffee, cocoa, rice, potatoes, maize, barley, sugar cane; fishing (especially shrimp industry); forestry

Climate

Ecuador has a very varied climate. There are four main regions in Ecuador - each have contrasting climates, temperatures, and seasons:

La Costa (Coastal Lowlands) to the west of Ecuador is usually warm, with temperatures averaging 77 degrees Fahrenheit. The humid rainy season is from December to May.






La Sierra (Highlands) has a much cooler climate and temperatures vary with altitude. The average summer temperature in Quito is about 60.8 degrees Fahrenheit.

El Oriente (Amazon region) to the east of Ecuador has a humid and rainy climate. Average daytime temperatures are around 77 degrees Fahrenheit. The dry season varies

by area, but is usually November to February.

The Galapagos Islands have a warm and relatively dry climate year round, with temperatures averaging 80.6 degrees Fahrenheit.

Quito climatological information

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
 Avg. Temperature	56	56	56	56	56	56	56	57	56	57	56	56
 Avg. Max Temperature	64	65	65	65	65	65	66	67	67	67	66	65
 Avg. Min Temperature	49	49	49	50	49	48	48	48	48	49	48	49
 Avg. Rain Days	9	8	11	9	11	7	4	3	7	9	10	6
 Avg. Snow Days	0	0	0	0	0	0	0	0	0	0	0	0

Population and society

Population: 15,007,343 (2011)

Population growth rate: 1.4% (2010)

Urban population (% of total): 67 (2010)

Age distribution (% of total population): 0–14 30.1%, 15–64 63.5%, 65+ 6.4% (2010)

Ethnic groups: about 71.9% mestizo (of Spanish-American and American Indian parentage), 25% American Indian, 7.4% Montubio, 7.2% Afroecuadorian, 6.1% White,

Language: Spanish (official), Quechua, Jivaro, other indigenous languages

Religion: Roman Catholic 74%

Education (compulsory years): 9

Literacy rate: 92.3% (men); 89.7% (women) (2001)

Labor force: 27.6% agriculture, 18.8% industry, 53.6% services (2010)

Life expectancy: 72.37 (men); 78.37 (women) (2010)

Child mortality rate (under 1, per 1,000 live births): 19.6 (2010)

Internet users: 3.3 million (2009)



Infrastructure

Airports: 105 (2010)

Railways total length: 966 kilometers/600 miles

Roads total road network: 43,670, of which 6,472 kilometers paved (2006)

Road travel throughout Ecuador can be dangerous, especially at night. Many roads are poorly maintained or unmarked. Heavy rains and mudslides often close or wash out roads. Heavy fog is common in mountainous areas. Highways are often unmarked and do not have signs indicating destinations. Road safety features such as crash barriers and guardrails along steep mountainsides are rare. In the countryside, livestock are often herded along roads or graze on roadsides. Many roads are used for pedestrian and animal traffic as well as vehicular traffic. Speed bumps abound, even on major highways such as the Pan-American Highway, to slow traffic.

Practical information

Visa requirements: visa not required

Embassy in the U.S.: 2535 15th Street NW, Washington DC 20009; tel. (202) 234 7200

American embassy in Quito: Avenida Avigras E12-170 and Avenida Eloy Alfaro, Quito; tel. (593) 2398-5000

Chamber of commerce: Federación Nacional de Cámaras de Comercio del Ecuador, Avenida Amazonas and Republica, Edificio Las Camaras; tel. (593) 2244-3787

Office hours: 8 a.m.–7 p.m. Mon–Fri

Banking hours: 9 a.m.–3 p.m. Mon–Fri

Time difference: GMT -5

Chief tourist attractions: Andes Mountains; rain forests of upper Amazon basin; colonial churches and palaces of Guayaquil; Quito, the former Inca capital, with its cathedral, churches, and palaces—the old city is a designated U.N. World Heritage Site; Galapagos Islands, with marine iguanas and giant tortoises.

Major holidays: Jan. 1, May 1, May 24, June 30, July 24, Aug. 10, Oct. 9, Oct. 12, Nov. 2–3, Dec. 6, Dec. 25, Dec. 31; variable: Carnival (2 days), Good Friday, Holy Thursday.



Special benefits for retirees

Foreign retirees in Ecuador are eligible for discounts:

- 50% off all public transportation
- 50% off national and international airfares
- 50% off all cultural, sports, artistic, and recreational events
- 50% off electricity, water, and telephone service
- A special discount on property tax

As a foreign retiree you also receive relief from Ecuadorian income tax and, best of all, you never have to stand in line; seniors always go to the front.

Cost of living

In Ecuador, we believe Cuenca to be the best place for an expat to retire. It's not the cheapest, but we think it's the best quality of life for the money.

Public transportation is great, both within the city and between cities. The city buses are plentiful and inexpensive. Taxis are about US\$1.50, and a four-hour ride to Guayaquil is about US\$8. Owning a car is an unnecessary expense, and, in fact, a burden to most people. Rental cars are easily available when you're ready to explore the country off the beaten trail.

You could live in Cuenca comfortably on about US\$1,338 per month if you are renting a home. This is for two people. In the budget below, we've omitted household help, as, if budget is the primary concern, you probably won't want it. But if you do, plan on spending around US\$200 per month for a live-in maid.

Rent	US\$450	New, modern apartment of about 2,600 square feet
HOA Fees	US\$120	Often required of renters
Property Taxes	US\$0	
Car Costs	US\$0	
Auto insurance	US\$0	
Transportation	US\$50	
Gas	US\$3	Used for hot water and cooking
Electricity	US\$30	



Telephone	US\$20	
Internet	US\$35	
Cable TV	US\$30	
Household Help, fulltime	US\$0	Allow US\$200 if a full-time maid is required
Food	US\$300	
Entertainment	US\$300	
Homeowner's Insurance	US\$1,338	
TOTAL	US\$1,233	

On the other hand, you could spend as little as US\$660 per month if you're planning to own your own home (see the budget below).

Rent	US\$0	
HOA Fees	US\$0	
Property Taxes	US\$21	Based on a large house in town
Car Costs	US\$0	
Auto insurance	US\$0	
Transportation	US\$40	
Gas	US\$3	Used for hot water and cooking
Electricity	US\$30	
Telephone	US\$20	
Internet	US\$35	
Cable TV	US\$25	
Household Help, fulltime	US\$0	Allow US\$200 if a full-time maid is required
Food	US\$240	
Entertainment	US\$240	
Homeowner's Insurance	US\$0	
TOTAL	US\$654	



Cost of housing

Besides treasuring the city's rich culture and colonial charm, you can take advantage of a cost of living that's among the lowest in Latin America...real estate prices that are unheard-of in a city with such a rich quality of life... an unbeatable retiree benefit package...and a thriving expat community surrounded by a warm and welcoming people who make you feel like you really belong.

Despite the prosperity, property is still inexpensive. A brand-new, 1,161-square-foot pre-construction condo was selling for just US\$79,500... and this was right on the river, in Cuenca's best neighborhood. Or how about a two-bedroom, two-bath apartment, also on the river, for just US\$44,000...or an old colonial-style home of 2,700 square feet—ready for renovation—for only US\$88,000. For new construction, buyers can realize 15% to 20% savings by purchasing in the pre-construction or construction stages of the project.

If you're coming to try Cuenca on for size, you'll need a furnished rental. There's no better preview of what it's like to be a resident. You can expect a modern, luxury furnished rental to cost between US\$625 and US\$850 per month, varying with the size, location, and length of stay. A more modest rental apartment would cost you around US\$450.

Health care

Health care is excellent in the cities, particularly in Quito and Cuenca, which boast hospitals with state-of-the-art equipment and specialists in all fields. A visit to the doctor can cost just US\$20, and a specialist charges US\$25. An added bonus: Ecuadorian doctors spend 30 to 45 minutes with each patient. As a general rule, health care costs are 10% to 25% of those in the United States, and local in-country health insurance is available for a fraction the cost in the States.

Taxes

Territoriality and residence

Ecuador taxes resident individuals on their worldwide income. Nonresidents are taxed only on Ecuador-source income. An individual is deemed to be resident if he or she is in Ecuador for more than six months in a year.



Foreign income that has been subject to tax in another jurisdiction is not taxed in Ecuador. For resident individuals, dividends are deemed to be part of worldwide income (the income tax paid by the distributing company may be credited against the individual's income tax liability).

Gross income

Employee gross income

Employees are taxed on their income on a progressive scale, from 0% to 35%.

Capital gains and investment income

Capital gains are treated as ordinary income and taxed at the normal rate.

Deductions and allowances

Deductions are permitted up to a maximum amount of US\$12,636 for personal expenses (housing, education, food, health, clothing) and social security paid by the individual.

Tax credits

The executives in Ecuador under dependence relationship can only claim the excess of income tax, but the executive under professional fees can claim VAT, in addition to income tax.

Other Taxes

Social security taxes:

Employers are required to make monthly contributions to the social security system at a rate of 11.15% of the monthly salary.

Real property tax:

Urban property tax is levied annually by municipalities on the owner of property at progressive rates ranging from 0.025% to 0.5%.

Net wealth tax:

No

Value added tax:

12% (certain transactions are zero-rated)

Tax Authorities

Internal Revenue Service



Further Reading

We published a full report on Cuenca, which includes an overview of the real estate market and comprehensive information on what to do in the city and how much the cost of living is. [You can access it here](#). Also, watch out for the daily dispatches Kathleen Peddicord is publishing in *Overseas Opportunity Letter*. [Subscribe here](#) and you'll receive them six days a week, year-round.

Recommended Resources

Get in touch with our preferred [attorney in Ecuador here](#). To learn more about real estate opportunities, you can get in touch with our trusted agent on the ground [here](#).LINK

Taxes are one of the most complicated elements of a life abroad. For more information on taxes and internationalizing your life, try signing up for our newsletter, *Offshore Living Letter*. It's completely free. [You can go here now to learn more and sign up](#).

You will also acquire a wealth of information on this country, as well as meeting and conversing with the best experts in the areas of living, taxes, real-estate, etc. by joining our [Retire Overseas conference](#).



Free Twice-Weekly Offshore Living Letter

Totally free, *Offshore Living Letter* is sent twice a week from the desk of Live and Invest Overseas Editor Lief Simon. Lief knows more about the advantages of an international life and how to seize them than anyone you're likely to meet.

Offshore Living Letter is full of free information on tax-saving strategies, second citizenships, investment opportunities, dollar and euro alternatives, and much, much more.

What's more, when you sign up to receive *Offshore Living Letter* today, we'll send you two critical free reports that showcase and explain—in simple language—two of the most important (and easy-to-implement) tools in an expat's tax toolbox.

The reports, **How To Earn US\$204,200 A Year Tax-Free** and **The Last Tax Loopholes: Two Assets The IRS Doesn't Care About**, are both free for you today when you sign up for Lief's free service.



[Go here now to sign up for free.](#)

Free Weekly Overseas Property Alert

Our team of global property pros, with, among them, decades of experience and extensive track records of success, are right now on the ground, around the world, scouting opportunity—in crisis markets, in recovering markets, in boom markets, even in markets previously off-limits to foreign investors.

Their latest report details the 8 best places to make money while reinventing your life and saving for your retirement.

Simply sign up for our brand-new, once-a-week newsletter, *Overseas Property Alert*, and you'll receive our latest two research reports, **The Top 8 Property Investments For 2017** and **10 Things You Must Know Before Buying Property Overseas**. Both the newsletter and the reports are completely free.



[Go here now to claim your free reports.](#)

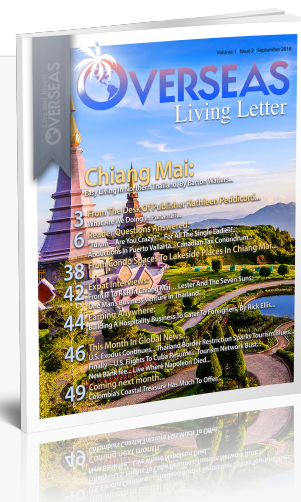


Overseas Living Letter

Top Retire Overseas Options Revealed In Full
Cheapest, safest, friendliest...best weather, best
infrastructure, best health care...most tax-advantaged and
most foreign resident-friendly...

Plus most beautiful, romantic, exotic, historic, and
adventure-filled...

[Find out more here.](#)



Overseas Retirement Circle

Members of our Overseas Retirement Circle are part of an
inner circle working together, with full support from us and
complete access to our extensive Live and Invest Overseas
resources.

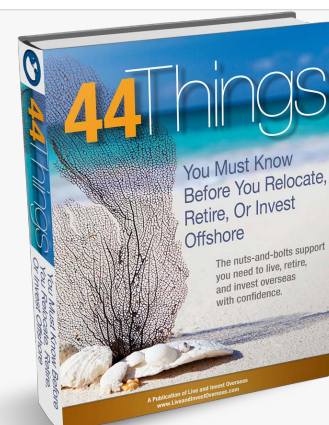
[Find out more here.](#)



44 Things You Must Know Before You Relocate, Retire, Or Invest Offshore

The nuts-and-bolts support you need to live, retire, and
invest overseas with confidence.

[Find more here.](#)



Top Health Insurance Options For The Retiree Abroad

Health insurance is a top priority for anyone considering a move overseas. Within the pages of this two-manual kit, learn the difference between local insurance and international policies.

[Find more here.](#)



Global Property Advisor

As founder of International Living's Global Real Estate Investor, Lief led his readers to a number of remarkably profitable investments in markets from Croatia to Mexico...from Argentina to the coast of Spain...from Romania to Honduras... Now he shares his unique and extensive experience with members of his *Global Property Advisor*. Before you take off for your new life in Paradise overseas, let us show you...[Find here more.](#)

