

Guayaquil

The historic port city of Guayaquil is open for business as new infrastructure projects come to fruition and generate further investment.



GUAYAQUIL

The city of Santiago de Guayaquil, set on Ecuador's Pacific coast on the bank of the Guayas River, has become synonymous with a new vision of social and urban development in Latin America. Named 'Paradigm City for Human Development' by the United Nations in 2003, an urban regeneration plan, led by Mayor Jaime Nebot, has turned this historic port city into one of the region's most important economic hubs, creating a unique form of "urban pride" among its two million inhabitants.

Guayaquil's resurgence began with the construction of the river bank promenades Malecón Simon Bolivar and Malecón del Salado, together with new port terminals, park and road renovation, public transportation, new city districts and South America's most modern international airport. These and further infrastructure projects have brought growing business and tourism sectors, as the city consolidates as the world's main access point to the South Pacific, with a strategic location 100 miles south of the Equator that connects North America, South America and Asia.

"The history, roots and culture of the people of Guayaquil make us open, agile, globalized and hard-working," says Mayor Jaime Nebot. "In short, we are more competitive." The bid to make Guayaquil even more attractive to investors has led to the application of a new investment law under which new projects can attract tax breaks of up to 100% in sectors of strategic importance.

In March 2006, Guayaquil was named 'Best City for Business' by Latin Trade magazine, reflecting not only the impact of the new tax incentives but the fact that Ecuador is a dollarized country, so investments in dollars are not subject to exchange rates and can be managed for long-term projects. Also cited were the city's legal security, its business-friendly administration, well-trained workforce and tourism potential.



Jaime Nebot, Mayor of Guayaquil

"The city authorities work as facilitators of development and investment and act as custodians of the investor's legal guarantees and benefits," says Nebot. Investment in Guayaquil continues unabated as the city's next large infrastructure project—the deep-sea port in the Gulf of Guayaquil—completes its U.S.\$ 450 million investment goal.

Other sectors covered by the city's tax incentive law are refineries, non-conventional electricity generation and natural gas extraction, as well as airlines within the new airport, and the hi-tech industry in general.

The new transfer, distribution and logistics airport, to be located in the



Joseph Garzozzi, Director of Tourism, Guayaquil Tourist Board

nearby Daular area, will further Guayaquil's goal of becoming a global transport and logistics hub. An ambitious project to consolidate air transport to and from Asia for value-added products will form part of a Special Zone there. The Special Zone will offer storage and transfer capacity and there are attractive incentives for companies choosing to locate there.

Tourism is another sector which is attracting important foreign investments, being one of the city's largest growth industries. Guayaquil is a naturally attractive destination boasting a sunny climate, lush nature, nearby beaches and almost five centuries of colonial heritage. It is Ecuador's foremost internal tourism destination, and an important

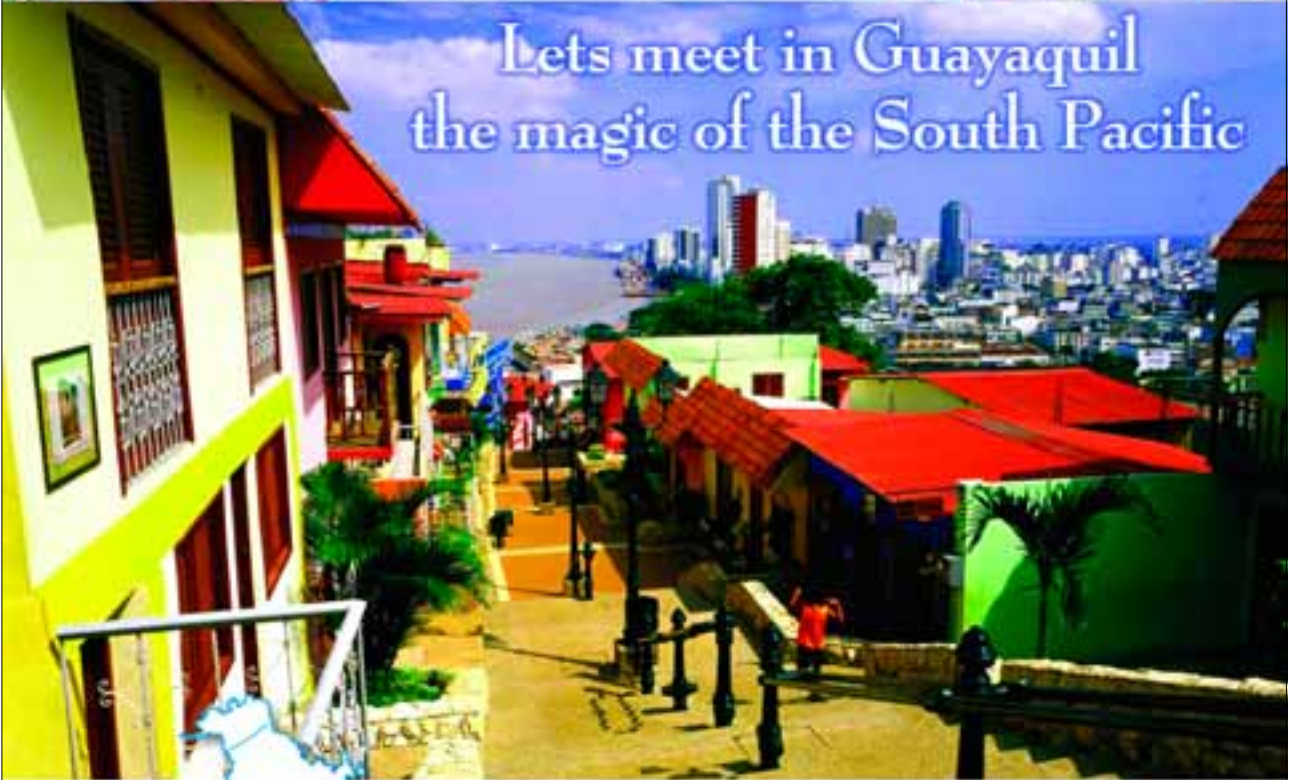
"The city's authorities work as facilitators of development and investment"

transit point for visitors to the Galapagos Islands, offering a sea-level entry point to a country whose capital city Quito lies at an altitude of 9,300 feet. The climate ranges between 80 to 100° F all year round, making Guayaquil a destination perfect for light clothing and luggage. This is what the city's director of tourism, Joseph Garzozzi, means with the term 'light destination'. He says: "Guayaquil is a visit to freedom, it frees one of protocol, it frees one of clothes and leaves one to move around light."

Lighter luggage eases airport security and makes room for shopping, one of the city's growing tourism sectors. Garzozzi hopes to see an entire network of 'light cities' offering the same advantages year-round, with the example of Guayaquil leading the way, beckoning visitors to not only enjoy the weather, but to discover the city and its variety of business and leisure options.



Gateway to the Galapagos



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Guayaquil is:

- The most aggressive urban regeneration in Latin America.
- State-of-the-art infrastructure for conference and convention hosting.
- An income tax free city for ten years for new investments.
- With a new investment law that will allow investments into the following sectors:
 - Hydroelectrics • Hydrocarbons
 - Electronics • Transport • Agriculture • Hydraulics
- An enchanting city on your way to the Galapagos Islands.
- The most complete tourist destination in Ecuador: urban tourism, beaches, ecotourism, farm tourism.



Direccion Municipalidad de Turismo / City Tourism Board

Tel/Fax: +5934-2523957 diturgye@guayaquil.gov.ec / diturgye@telconet.net www.visitaguayaquil.com / www.guayaquil.gov.ec

A city on the move

Guayaquil's capacity to transport cargo and passengers is on the grow, thanks to successful restructuring in the public and private realms

The port of Guayaquil has a long history and a high relevance to the Ecuadorian economy. Once Spain's largest shipyard in the Americas, today most of the country's import and export goods pass through its gates. As part of a far-reaching modernization project, the Guayaquil Port Authority, constituted in 1958, adopted a three-phase plan in 1995. In the first phase, all services until then provided by the port authorities were privatized, while a second complementary phase renewed legislation for the country's ports, with emphasis on reducing the red tape. The third and current phase covers the concessioning of the port's container and multi-purpose terminals.

Admiral Fernando Donoso, president of Guayaquil's Port Authority Directorate, is in charge of the concession proceedings. He says: "The State must not be directly



Admiral Fernando Donoso, President, Guayaquil Port Authority Directorate

involved in the ports, rather it must ensure that politics do not mix with the administration of such important assets. "The port of Guayaquil is a fundamental link in a larger logistic chain, and the concessions must add value to this platform. We consider our concessionaries as our partners. Our

grain terminal is already under concession, and soon the container and multipurpose terminals will be too."

In 2005, the port of Guayaquil recorded some 9 million tons of cargo movements and serviced 1,580 ships, putting it among the busiest on South America's Pacific coast. Traditional export cargo include bananas, coffee, cocoa and various other agricultural and industrial products. As the

new sea port project gains momentum, the city's fluvial port is also looking to raise U.S.\$130 million to build new docks with modern control technologies. "Guayaquil must continue expanding its cargo capacity to maintain its position as Ecuador's main port facility," says Donoso.

Taking flight

Founded in 1975, Ecuadorian airline AeroGal really took off in 2002, when the company restructured, bought a new fleet of planes, and began covering new routes. Today, AeroGal connects Guayaquil to the Galapagos, Baltra, Quito, Lima, Bogotá and Medellín. The company's focus on service and speed has earned it a 35% market share, with 72,000 passengers a month flying AeroGal.

"Our passengers have high demands because we make them feel special," says Gabriela Sommerfeld, president of AeroGal, referring to an executive VIP card and lounge, an airmiles program and prepaid ticket vouchers. The airline is also the only one in Ecuador to offer online booking.

AeroGal now plans to establish regular flights to New York and Miami and hopes to see its international destination roster increase through partnerships. "Prospects for Latin American airlines are good," says Sommerfeld. "The future is bright and many companies are expressing interest."

Travelers can enjoy the charms of the historic Hotel Oro Verde of Guayaquil, winner of the World Travel Award for best hotel in Ecuador 2005, and nominated this year for Best Business Hotel in South America. The Oro Verde was the first five-star hotel in Guayaquil when it opened in 1981, and is currently the only member of the select Leading Hotels of the World group in Ecuador. It has 242 rooms.

Get to know Ecuador and what makes us unique. **AeroGal**
www.aerogal.com.ec - guayquil@aerogal.com.ec

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9 de Octubre 414 y García Moreno PBX: 593-4 2327999 - 2522530 FAX: 593-4 2329350 Guayaquil - Ecuador
 e-mail: cv_gve@oroverdehotels.com - www.oroverdeguayaquil.com



The concession is a reality and the pacific pearl obtains all benefit.

This important process, that is in its final way, will permit Guayaquil to continue growing and giving resource.

It reinforces its title to be the bigger support of Ecuador development, such as it is the impulsion of economy and business of our country.

Thanks to consession this port city will count with cruiser piers that will attract tourism. Moreover, it's planning to regenerate the south area and planning the realization of important substructure works, like parks and other recreation areas.

The port of Guayaquil continues straight to the progress.



PORT AUTHORITY
OF GUAYAQUIL, 1958