REPORT ON THE ECUADOR OIL AND GAS SECTOR

ECUADOR IN A NUTSHELL

Ecuador is situated on the Pacific coast of South America and covers an area of 270,670 square kilometres, a little less than half the size of Alberta. One of the smallest countries in South America, Ecuador is bordered by Colombia to the north and Peru to the south. The Galapagos Islands located 1,100 km to the west in the Pacific Ocean also belong to Ecuador.

Two chains of the Andes Mountains bisect the country from north to south and thereby create three distinct geographical and climatic regions. The **Coast** (la Costa) consists of flat plains that rise gradually to the **Sierra**. This latter mountain region includes fertile valleys and plains as well as snow-covered mountains of over 4,500 metres, and represents about one-fourth of the country's total area. The tropical forests of the **Oriente** comprise one-half of Ecuador's total area and extend eastward from the slopes of the Andes to the Amazon valley. Except for petroleum production, most of this region remains undeveloped.

Ecuador's population was estimated at 9.65 million with an annual growth rate of 2.9 percent in 1986. **Quito**, population 1.2 million, is the nation's capital and the commercial centre of the highlands. **Guayaquil**, the country's largest city and principal port, has a population of almost two million and is the commercial and industrial centre of the coast. The next largest cities are Cuenca and Ambato with populations of 500,000 and 350,000 respectively.

Spanish is the official language of Ecuador although many business people and government officials possess a working knowledge of English or French.

GOVERNMENT AND POLITICS

Ecuador achieved its independence on May 24, 1822 as part of the confederation of Gran Colombia with Colombia, Panama and Venezuela. In 1830 it became an independent republic.

Ecuador is divided for administrative purposes into provinces, counties and parishes. At the national level, elected governments have alternated with military regimes (the military left power in 1979). The constitution provides for a president, a single-chamber Congress, and a judicial branch.

The current President of Ecuador, Dr. Rodrigo Borja, was elected by popular vote for a four-year term, and assumed office in August 1988. His centre-left party, Izquierda Democrática, controls Congress through a coalition with other parties. Ministers and senior civil servants are appointed by the President.