

Informativo Gerencial

Edition 6

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Disruption in 2020

2020 has been a year marked by disruption on the world stage.

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Global Powers of Luxury Goods 2020

Now, more than ever, luxury goods companies are taking advantage of digital technologies.

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Economic figures

Inflation, Interest Rates, Employment and Unemployment, Trade Balance

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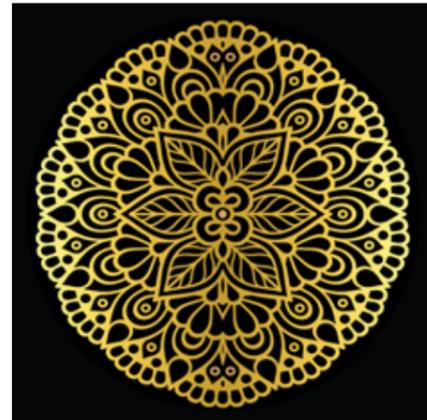
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Disruption in 2020

2020 has been a year marked by disruption on the world stage, many companies failed to withstand confinement, and others saw their incomes reduced at high levels.



This unfavorable scenario has forced organizations to reinvent their management style and challenge their traditional approaches, forcing companies and workers to accelerate the future of work that has already been announced by global trends in human resources management.

It became clear that a strong internal structure in organizations is key to stability in times of crisis.

Whether the work is done from the office, or from home, this pandemic changed the view of entrepreneurs and how they manage the achievement of their results.

This year leaves us many valuable lessons and lessons in resilience, solidarity and empowerment. And it's that everything changed, we reached a turning point that has led us to expand our horizons and rethink our conceptions about work, leadership and job management.

We have had to learn to think out of the box, being recursive and inventive to ensure the continuity of organizations. This pandemic filled us with opportunities by forcing us to expand our boundaries.

Given this scenario, it becomes essential to capitalize on the knowledge gained; analyze the successes and errors and learn how to identify gaps in the management of our teams and organizations to address the challenges ahead.

To energize teams and prepare them to thrive in the coming year, you will need to use tools that support integration. to give them a clear vision of the preparation that the leadership of the organization should have and thus generate a purpose for the collaborators.



We close an atypical year that gives us the option to identify opportunities and learn from them. Based on what we have lived, it will allow us to plan the way in which we will respond to thrive. And you, are you ready?

Enhancing learning and connection in a marked year for the challenge and disruption

COVID-19 has accelerated the future of work, leaving unintended consequences.

After a different and very challenging year for the organization, its teams and its members, we have the opportunity to learn from our experience, energize our teams and prepare to thrive in 2021, enhancing our strengths and developing our areas of opportunity.

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Global Powers of Luxury Goods 2020

Now, more than ever, luxury goods companies are leveraging digital technologies to increase the existing retail experience for their customers. They are being reinvented and redesigned in ways that were previously unimaginable.

Sustainability will play a key role as fashion and luxury companies seek to recover after the pandemic crisis. Global luxury brands have been investing significantly in "green" technologies and other measures such as carbon offsetting to fight climate change.

While this is not limited to innovations in the supply chain, adopting new values and perspectives in response to changing consumer and environmental needs can act as a game change.

Although luxury goods companies initially took a long time to adopt digital technologies, the pandemic has accelerated the shift toward consumer data analysis through artificial intelligence (AI) and augmented reality (AR) applications. However, physical stores that offer a unique customer experience will not be completely replaced by just digital, and an agile omni-channel sales approach is needed.

This will enable brands to overcome the barriers imposed by social distancing rules, so they can ensure that health and safety rules are followed, and customers can continue to enjoy the personalized in-store experience.

The world's top 100 luxury goods companies generated revenues of \$281 billion in fiscal year 2019, compared to \$247 billion a year earlier (an increase of \$34 billion). Annual growth rose to 8,5% on a currency-adjusted compound basis, below 10,8% the previous year. There were 12 "high-performing" companies in the Top 100 that reported two-digit year-on-year sales growth and a two-digit net profit margin.

The Global Powers of Luxury Goods 2020 report analyzes trends and problems that are guiding and driving the industry concerned.

It also examines how digitization is opening up new growth paths and how

At the time of writing, the COVID-19 pandemic has influenced many losses: Human, social and economic. What we are experiencing now is a moment of crisis unprecedented in modern history.

Patrizia Arienti
EMEA Fashion & Luxury Leader
Deloitte Global



sustainability can help luxury companies thrive in these unprecedented times.

It also identifies the 100 largest luxury goods companies, according to public data available for FY2019 (defined as financial years ending in 12 months, through december 2019) and assesses their performance across all geographies and product sectors.

Key findings of the report:

- In FY2019, the minimum income threshold for entry into the 'Top 100' list was \$238 million, an increase of \$20 million over FY2018.

- The top 100 luxury goods companies based in China, Japan and the United States saw their annual composite sales growth rate fall dramatically in FY2019, while Europe-based companies saw their growth rate rise, with the exception of the UK, which experienced a subtle decline.

- For the first time in FY2019, the top 10 luxury companies contributed more than half of the total luxury goods sales of the top 100 companies.

- While Italy has the largest number of luxury goods companies, France contributed the largest share (28,3%) to the total sales of the top 100 luxury goods companies.

- "Multiple Luxury Goods" was the best performing sector in fiscal year 2019 with sales growth of 12.8% and contributed more than one third of the top 100 sales of luxury items.

* Since the first Global Powers of Luxury Goods report was produced in 2014, a mid-year fiscal year has been used, i.e. for the Global Powers of Luxury Goods 2019 report, FY2017 meant fiscal year end dates from 1 July 2017 to 30 June 2018. For the Global Powers of Luxury Goods 2020 report, we have changed to a calendar year fiscal year definition, i.e. FY2019 means fiscal year end dates from 1 January to 31 December 2019. Growth calculations (CAGR and year-on-year) are also based on calendar year data for financial years FY2016 to FY2019.

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Global Marketing Trends 2020

Constant technological change and growing reliance on digital technology can leave people eager for a human connection.

Every industrial revolution was catalyzed by an important technological evolution. Today it is no different. With 90% of the world's data produced in the past two years and more than 26 billion smart devices in circulation, we are living in an era of unprecedented technological innovation, one that has stimulated the Fourth Industrial Revolution.

Our first Global Marketing Trends report is, in many ways, an answer to this Fourth Industrial Revolution. However, it is not a technological report. No matter what time we live or the technology it produces, human remains constant throughout this revolution. The objective of this report is to guide C-suite leadership in developing its strategies in this rapidly changing digital environment, maintaining the human front and center.

Through interviews with more than 80 subject matter experts worldwide, we identified seven key trends that all companies will likely have to focus on over the next 18 to 24 months to help build a

socially and humanly conscious enterprise.

Seven trends to help brands refocus on the "human"

Just as people expect brands to treat them as human and not simply as transactions, they also expect brands to act more humanely. This means that they expect the brands with which they interact to embody human qualities to be firm and transparent in their beliefs, consistent in their actions and authentic in their intentions.

1. El propósito lo es todo

Just as it is a base for a house, an orchestra conductor is for an orchestra, and a canvas is for an artist's masterpiece, a clear purpose is everything for an organization. It is the soul and identity of an organization, which provides a platform for building and a mirror to reflect its existence in the world.

Companies that lead with and build around a purpose can achieve continued loyalty, consistency, and relevance in consumer life.



2. Paying the debt of experience

We believe that the rapid pace of digital change is adding to the accumulation of these unintended consequences, which we call debt of experience. Why is this? Humans are inclined to change tomorrow's difficult choice to the easiest solution today.

If you have empathy, you can design better for human experience because you understand intimately how your stakeholders find meaning and ownership in products and services.

3. Fusion is the new business mix

With ecosystems becoming the norm in all industries, it has never been easier for companies to enter areas outside their

domains. Traditional boundaries between industries are disappearing, indicating a large merger of industries that were once disparate.

Many of the companies that succeed in this climate are having an unrestricted view of how they serve customers and are leaving their traditional industry silos

By repositioning the company's core assets to navigate better in the fusion wave, marketing specialists can develop solutions with a more effective long-term vision to address human needs, with the help of carefully selected partners.

4. Destroy or build trust?

Digital transformation has changed the

way organizations need to realize the problem of trust. Organizational trust is a bilateral relationship between companies and their customers, workforce, partners, and governments. The digital age makes trust a complex issue, plagued by countless existential threats to the business.

Businesses must struggle with another level of complexity: Build a structure that consistently builds trust by protecting customer data from both external cyber threats and the misuse of unethical internal data.

5. The amplification of consumer participation

The amplification of global participation through technology provides new opportunities for consumers, citizens and communities to participate directly in the configuration, influence, construction and co-creation of platforms, initiatives, movements and brands.

Many brands and marketers have recognized that, to keep up with the competition, they need to evolve their approach and create a dynamic two-way commitment at all stages of the consumer journey and product life cycle.

6. Value the most important asset: Talent

In this new world of talent, it is important for companies to recognize that their collective workforce often comprises people of different perspectives, experiences and objectives. Organizations that recognize and value each individual's experience place the person at the center of what they do, with the aim of creating a sustained and connected experience for all their people.

Many marketers are already taking the challenge of creating a deeper and more meaningful commitment to their people.

7. Spreading agility throughout the organization

Agility is both a theoretical framework and a mindset. It encourages organizations to

adopt immediate and novel forms of thinking, while helping them restructure in a way that allows their brand to join conversations and moments in an organic way.

To create and maintain an advantage in today's complex and demanding market, companies often need adaptable models that enable them to stay up to date with the speed of culture, conversation, and digitization.

Brands that hold on to speed up should recognize the need to adapt both the framework and the mindset across the organization. ●

Conclusions

Conducting a strategic planning exercise is good practice and becomes more relevant in times of crisis and uncertainty. In addition, incorporating flexibility and adaptability into these plans will allow us to better address the many changes we are experiencing.

This study shows the main challenges companies face, as well as their behavior during the current health crisis. Maintaining revenue, retaining customers, preserving cash flow and ensuring operation along the value chain are just a few of your concerns.

To be sure, each company has its own concerns and concerns, but rethinking the strategy, with innovation and flexibility, will allow identifying and capitalizing on opportunities that were not visible before the pandemic.

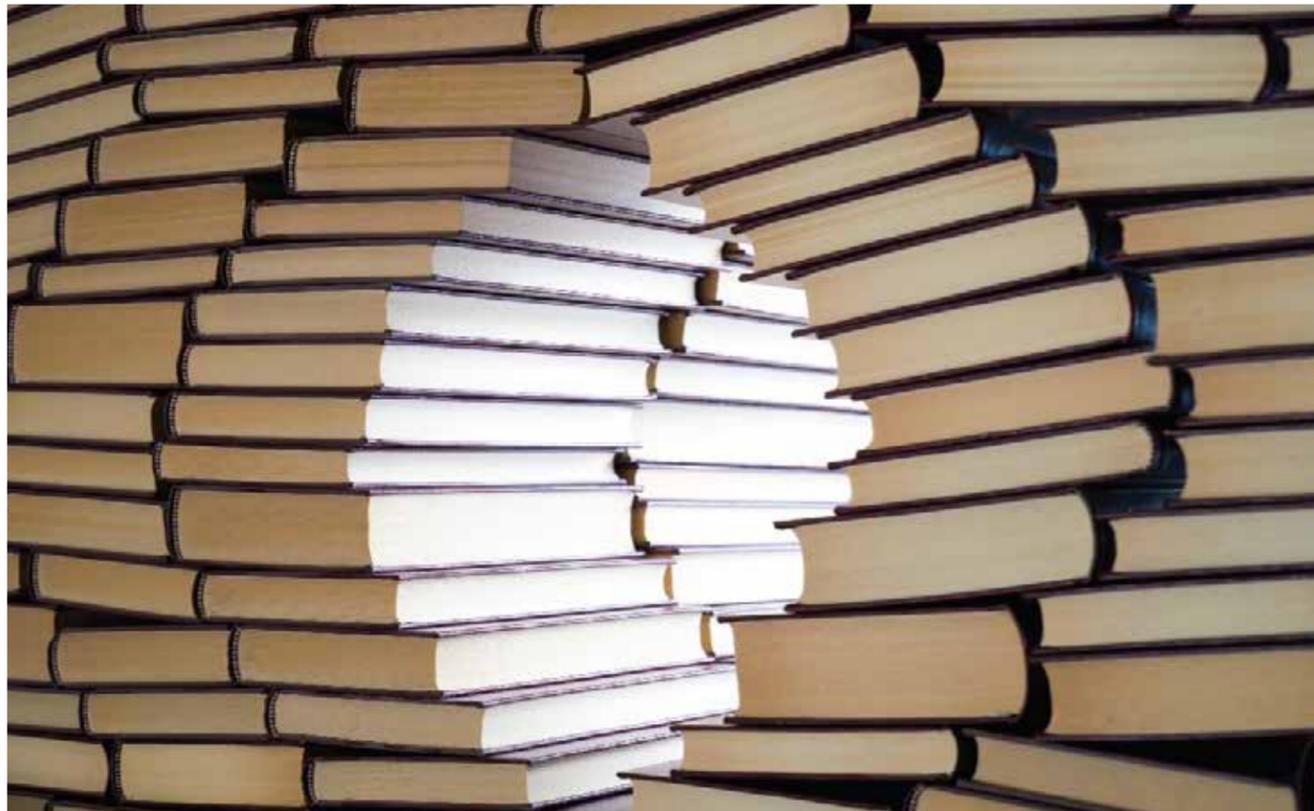
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Companies that lead with a purpose and build around it can achieve continued loyalty, consistency and relevance in consumer life.

Official gazette

Learn about the main Laws, Decrees, Resolutions and Agreements published in the Official Register.



We present the official records of the month of December:

Economic Matter

Official gazette No. 322 SUPPLEMENT, 04 NOVEMBER 2020

Executive role

The regulation on the regulation of the regulation of oil prices is amended by adjusting the system of price band to reflect the fluctuations of the international markets for diesel fuels 2, diesel premium, petrol extra, Extra ethanol for automotive, other fisheries, shrimp farming, tuna fishing segments, so that new methodologies are established for the calculation of extra gasolines and diesel type 75 RON, 85 RON.

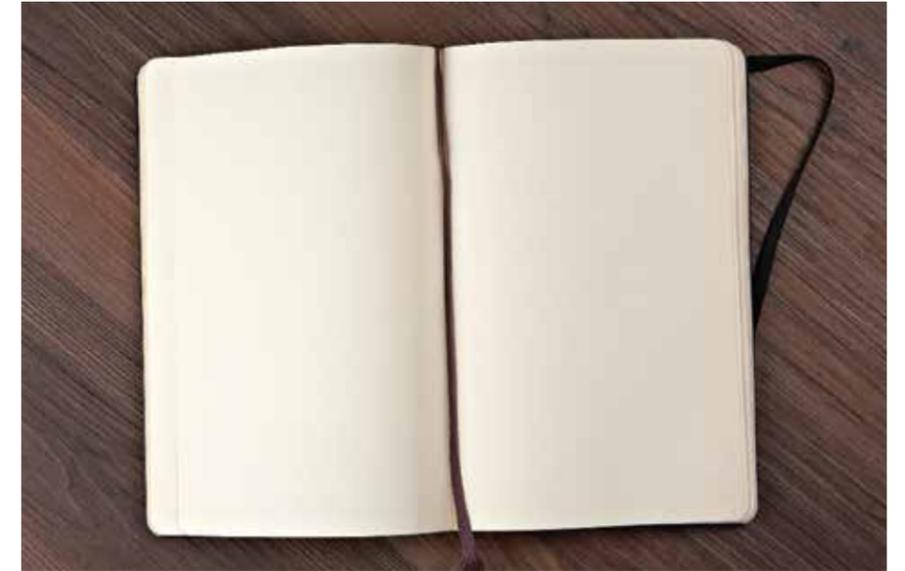
Tax Matters

Official gazette No. 1263 SPECIAL EDITION, 05 NOVEMBER 2020 SERVATION OF INTERNAL RENTS Resolution No.63

SRI Reformation Resolution No. 443 to the limits applicable for the deduction of personal expenses in the Special Regime of the Province of Galapagos (PCGEI). This Resolution states that these limits will apply only to those persons whose net income is not more than US\$ 100,000, for the case of natural persons.

Official gazette No. 1263 SPECIAL EDITION, 05 NOVEMBER 2020 INTERNAL INRENOUNCING SERVICE Resolution No. 64

The SRI establishes the procedures and requirements for verifying value added tax (VAT) paid on local purchases or imports of goods and services by international specialized agencies, non-governmental bodies and private legal persons. Applications must be made on a monthly basis and only one application may be submitted per month.



Official gazette No. 1291 SPECIAL EDITION, 11 NOVEMBER 2020 INTERNAL INRENOUNCING SERVICE Resolution No. 65

The SRI provides that microenterprises shall submit the Simplified Transactional Annex for the first half of 2020 during the month of December of the same year in accordance with the ninth digit of the RUC.

Official gazette No. 388 SUPPLEMENT 2, 26 NOVEMBER 2020 INTERNAL REVENUE SERVICE Resolution No. 67

The SRI establishes the transitional provision to Resolution No. NAC-DGERCGC 18-00000433 December 2018; notes that withholding agents may automatically apply the benefits provided for in Double Taxation Agreements from 11 March 2020 until 18 months after the declaration of a health emergency. It further mentions that the certificate of tax residence that accredits the benefits may be obtained up to 24 months after March 11.

Economic figures

We provide the economic figures for the following variables: Inflation, interest rates, Employment and unemployment, Trade Balance, Exchange Rate, among others.

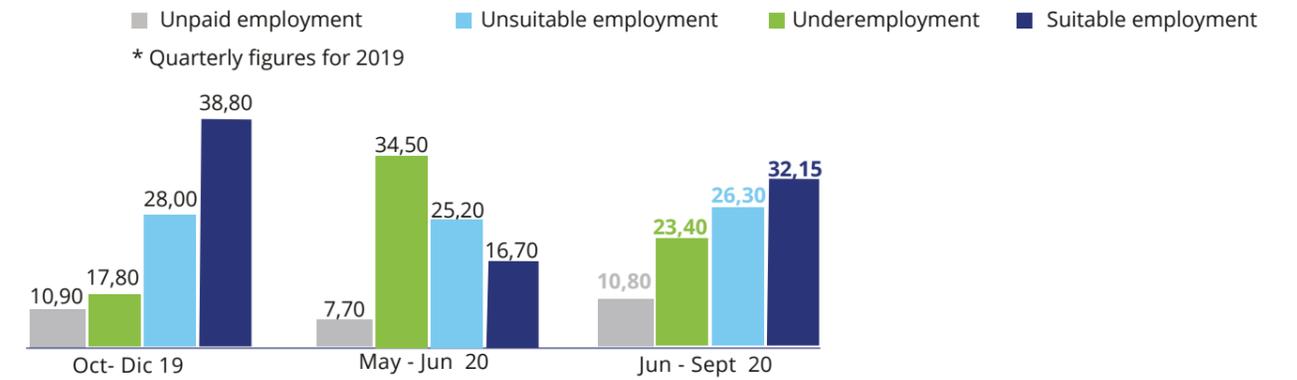
Currencie	International Price	Official Rate	Transactions	
			Buy	Sell
Bolívar soberano	1.000.000,00	100.000,00	100.000,00	100.000,00
Euro	0,83	0,83	0,83	0,83
Libra esterlina	0,74	0,70	0,70	0,70
Nuevo sol	3,61	3,61	3,61	3,61
Peso argentino	81,43	81,43	81,43	81,43
Peso boliviano	6,91	6,91	6,91	6,91
Peso chileno	760,05	760,05	760,05	760,05
Peso colombiano	3.543,00	3.571,43	3.571,43	3.571,43
Yen	104,36	104,38	104,38	104,38
Real Brasil	5,23	5,23	5,23	5,23

01

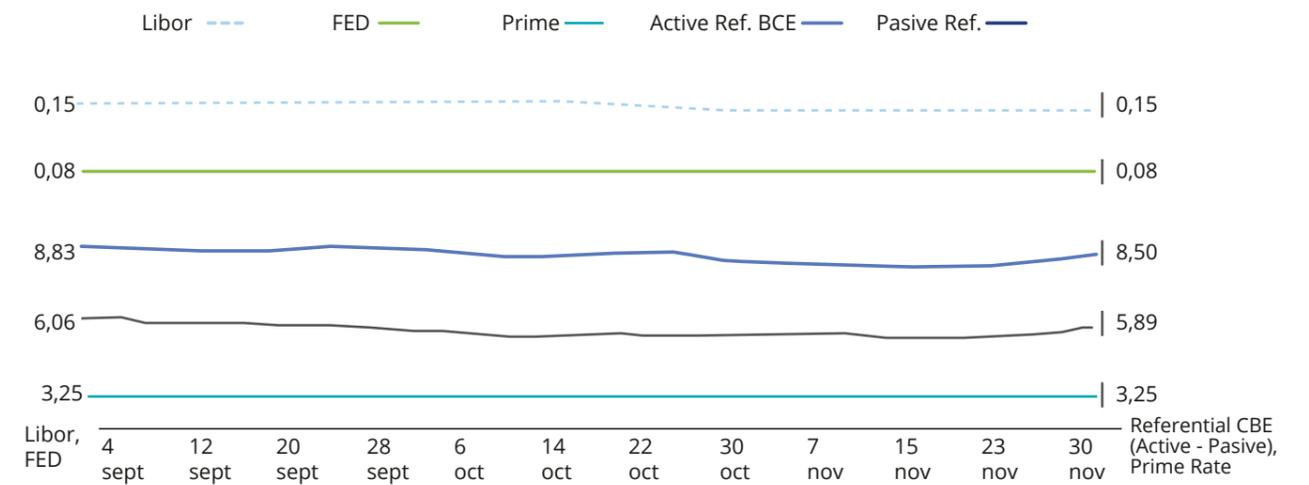
01 Values express units of each currency that are obtained by every \$1US

03 Reference rates

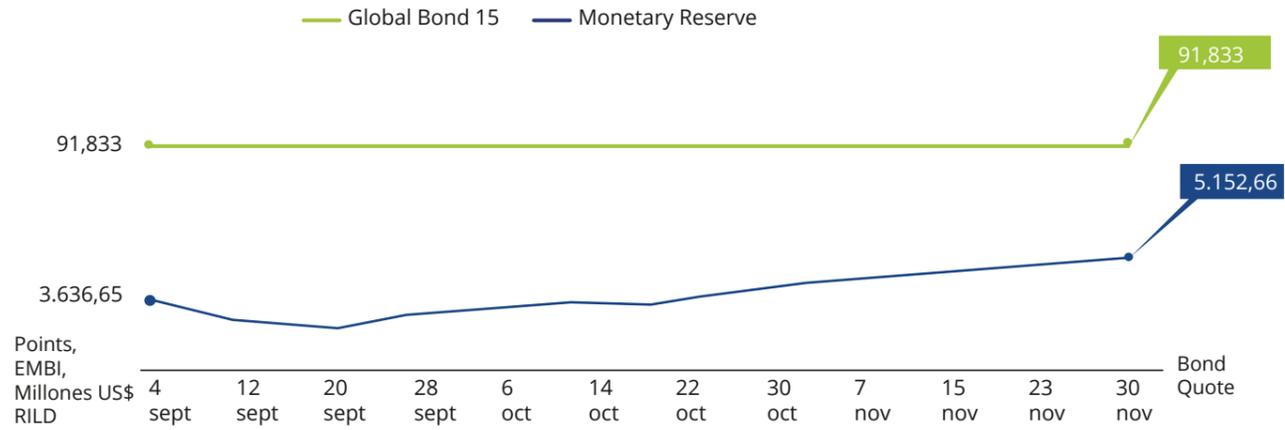
02 Evolution of indicators



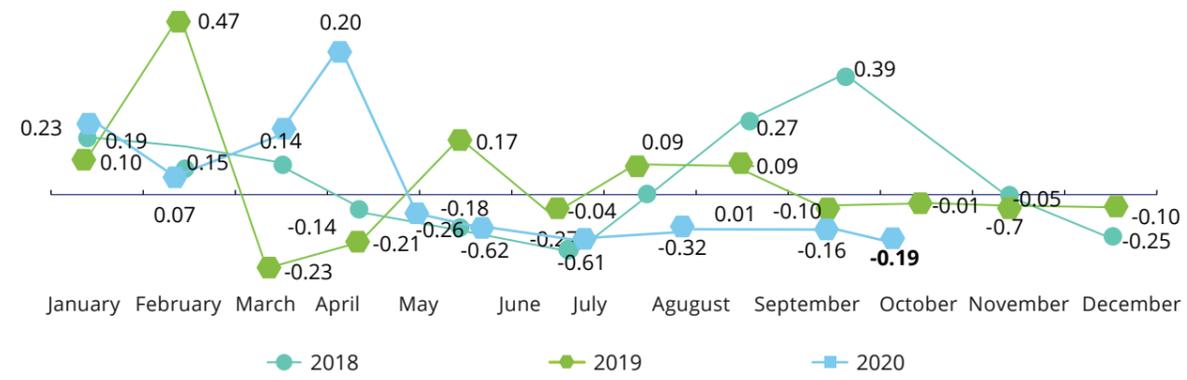
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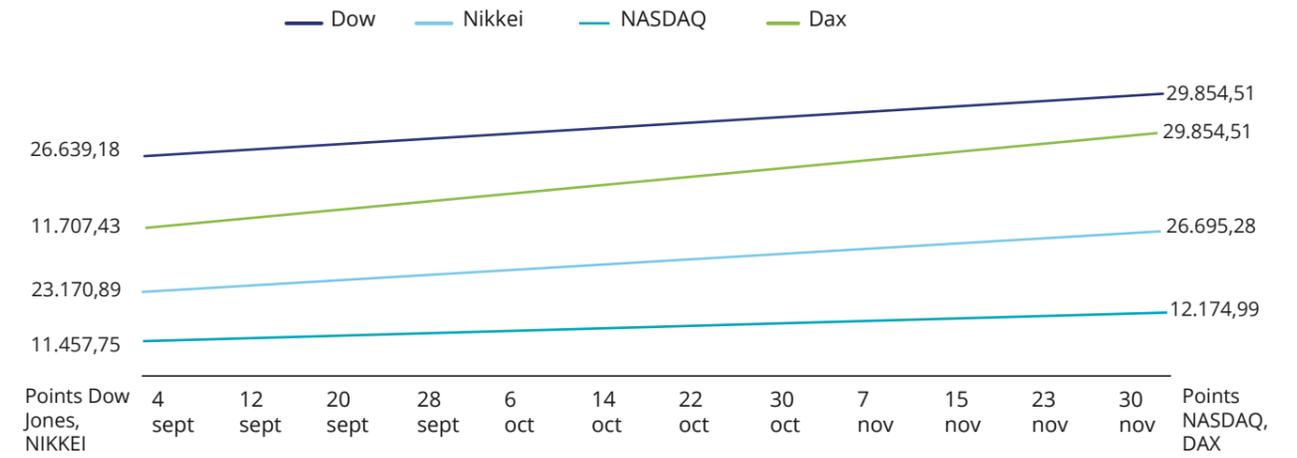
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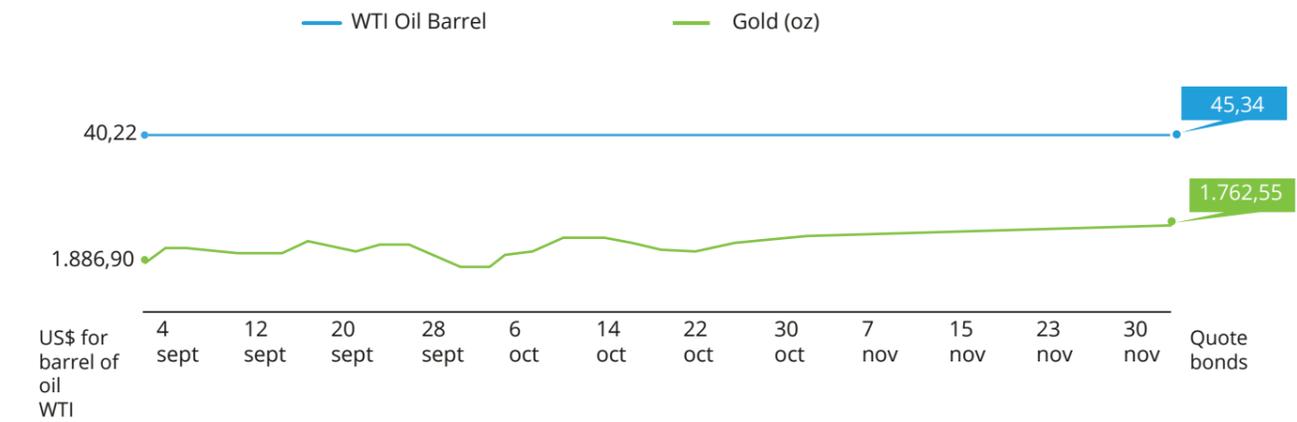
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04 Global bonds 15 and RILD

05 Inflation



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06 Stock indexes

07 Raw material

Referential interest rates				International rates					
Period	Central Bank rate	Pasive referential	Active referential	Legal	Prime NY	Libor			
						30 days	90 days	180 days	360 days
2016	0,20	5,12	8,10	8,10	3,75	0,77	1,00	1,32	1,69
2017	0,20	4,95	7,83	7,83	4,50	1,51	1,64	1,79	2,07
2018	0,20	5,43	8,69	8,69	5,25	2,48	2,79	2,87	3,05
2019	0,20	5,70	8,82	8,82	5,50	2,50	2,74	2,82	3,02
January 2020	0,20	5,70	8,82	8,82	5,50	2,48	2,66	2,69	2,87
February 2020	0,20	5,70	8,82	8,82	5,50	2,48	2,66	2,69	2,87
March 2020	0,20	5,70	8,82	8,82	5,50	2,48	2,66	2,69	2,87
April 2020	0,20	7,20	8,40	8,20	3,25	0,44	0,89	0,92	0,94
May 2020	0,20	5,07	8,98	8,98	3,25	0,17	0,36	0,59	0,71
June 2020	0,20	6,24	9,12	9,12	3,25	0,17	0,36	0,59	0,71
July 2020	0,20	6,24	9,12	9,12	3,25	0,16	0,26	0,32	0,46
August 2020	0,20	6,37	9,03	9,12	3,25	0,18	0,23	0,30	0,44
September 2020	0,20	6,31	8,96	8,96	3,25	0,16	0,23	0,26	0,36
Octubre 2020	0,20	6,07	8,83	8,83	3,25	0,15	0,21	0,24	0,33
Noviembre 2020	0,20	5,89	8,50	8,50	3,25	0,15	0,23	0,26	0,33

Effective lending rates calculated by the Central Bank

Credit segment	Product	Reference rate	Rate
		Corporate product	Reference rate
	Corporate product	Maximum rate	9,33%
	PYMES product	Reference rate	10,97%
	PYMES product	Maximum rate	11,83%
	Consumption	Reference rate	16,66%
	Consumption	Maximum rate	17,30%
	Housing	Reference rate	10,15%
	Housing	Maximum rate	11,33%
	Microcredit accumulation extended	Reference rate	20,38%
	Microcredit accumulation extended	Maximum rate	23,50%

Source: Central Bank of Ecuador

08
Interest rates

	2019					2020				
	Inflation					Inflation				
	Index	Month	Accumulated (by year)	Anual (12 months)	Anualized (Month * 12)	Index	Month	Accumulated (by year)	Anual (12 months)	Anualized (Month * 12)
January	105,77	0,47	0,47	0,54	6,58	105,45	0,23	0,23	(0,30)	2,77
February	105,53	(0,23)	0,24	0,16	(2,69)	105,29	(0,15)	0,07	(0,23)	(5,31)
March	105,31	(0,21)	0,02	(0,12)	(2,47)	105,50	0,20	0,27	0,18	2,42
April	105,49	0,17	0,19	0,19	2,07	106,56	1,00	1,28	1,01	12,75
May	105,48	(0,004)	0,19	0,37	(0,11)	105,28	(0,26)	1,01	0,75	(13,50)
June	105,45	(0,04)	0,15	0,61	(0,034)	105,62	(0,62)	0,39	0,17	(3,94)
July	105,54	0,09	0,25	0,71	1,03	104,27	(0,61)	(0,23)	(0,54)	(7,14)
August	105,54	0,09	0,25	0,61	(0,034)	104,63	(0,32)	(0,55)	(0,76)	(3,82)
September	105,54	(0,10)	0,14	0,33	(1,20)	104,47	(0,16)	(0,71)	(0,90)	(1,82)
October	105,42	(0,01)	0,13	0,70	(1,20)	104,27	(0,19)	(0,90)	(1,60)	(2,27)
November	105,22	(0,70)	(0,06)	0,04	(8,40)					
December	105,51	(0,10)	(0,07)	(0,07)	(0,11)					

**The CPI indices (Base: 2004=100) have been linked to the new CPI series (Base: 2014=100).

09
Evolution of inflation



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