



COMPETITIVE DIAGNOSTIC OF CACAO SECTOR IN ECUADOR: AN APPLICATION OF PORTER'S DIAMOND MODEL OF COMPETITIVENESS

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ABSTRACT

During the 1800, Ecuador was the greatest fine and flavour cocoa exporter. This product known as the golden bean was world wide recognized for its floral scent and excellent taste. After this a disease crisis almost finished the cocoa in Ecuador, the witches broom and monilia attacked almost all the plantations making the farmers abandon them to dedicate to other crops.

Nowadays Ecuador is no longer the greatest producer of cocoa in the world, but for the variety Fine and Flavour cocoa. Before 1993 Ecuador was recognized by the International Cocoa Council, ICCO, as a 100% fine and flavour cocoa exporter. Know 2007, Ecuador has reduced its percentage to a 75% Fine and flavour cocoa exporter, the other 25 % is considered has ordinary cocoa. Even though, Ecuadorian cocoa still be demanded in the international market.

Having this scenario, the present investigation divided in six chapters will analysed the competitiveness of the cocoa sector in Ecuador using Michael Porter Diamond Model of Competitiveness.

The present work will lead the reader to a global outlook of the cocoa world, the world production and demand, as well how is organized; passing through an analysis of the sector in Ecuador, to continue to the discussion part between efficiency and competitiveness, for later on explain Michael Porter's model, to finally apply it to find out if the cocoa sector in Ecuador is competitive or not, look at the weaknesses that the sector might have in order to improve them to gain more market share in the international market.