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TMT 2021 Predictions

All nine of our TMT Predictions topics for this year were shaped to some extent by the pandemic.

[Page 3](#)

2021 insurance outlook

Accelerating recovery from the pandemic while pivoting to thrive.

[Page 5](#)

Economic figures

Inflation, Interest Rates, Employment and Unemployment, Trade Balance

[Page 13](#)



Deloitte.

Content



Page 3



Page 5



Page 7



Page 11



Page 13

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03

TMT 2021 Predictions

We can't talk about 2021 without mentioning COVID-19. All nine of our TMT Predictions topics for this year were shaped to some extent by the pandemic.

05

2021 insurance outlook

Accelerating recovery from the pandemic while pivoting to thrive.

07

Christmas Shopping 2020

We know that the pandemic has disrupted, in different ways, much of what we assumed.

13

Economic figures

We provide you with the economic figures of the following variables: Inflation, Interest Rates, Employment and Unemployment, Trade Balance, Exchange Rates, among others.

11

Official gazette

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

TMT 2021 Predictions

We can't talk about 2021 without mentioning COVID-19. All nine of our TMT Predictions topics for this year were shaped to some extent by the pandemic.

Across multiple parts of the technology, media, and telecom (TMT) ecosystem, observers have been repeating some version of the comment, "There have been five years of change in five months due to the pandemic." COVID-19 has been a catalyst—an unwelcome one, but still a catalyst—for needed changes across the TMT landscape.

A catalyst is a substance that causes a chemical reaction to occur more rapidly than it would have without. Sometimes, only a tiny amount of catalyst can trigger a significant change. In the same way, the SARS-CoV-2 virus, which is only 100 nanometers across and weighs one trillionth of a milligram, has catalyzed considerable changes in many facets of TMT.

Some of these changes happened extremely quickly. Movements to the cloud, to video visits for medicine, and to the intelligent edge were already underway in 2019, but they have been accelerated by years or even decades because of the pandemic. We expect rapid evolution in these three areas to continue through 2021.

Medical video visit technology that works in the developed world during a lockdown will likely lead to more and better medical access in the developing world and remote areas. Greater use of the cloud, and of open or virtual radio access network (RAN) solutions, may make software and cellular service more affordable for the economically disadvantaged ... and may also do so more sustainably, helping not just people but the planet too.

Gaining an intelligent edge

Rising from decades of instrumentation, automation, and connectivity, the intelligent edge is maturing into a revolutionary set of capabilities that are already transforming some of the largest technology and communications companies on the planet. Although market estimates vary considerably, Deloitte predicts that in 2021, the global market for the intelligent edge will expand to US\$12 billion, continuing a compound annual growth rate (CAGR) of around 35%.

The cloud migration forecast

Growth in cloud computing has been a



megatrend over the last decade, with the market experiencing triple-digit annual growth as recently as 2015. Even though growth among the largest hyperscale public cloud providers had declined to “only” 31% annually by the end of 2019, and this rate had been projected to (slowly) decline further in 2020 and 2021 as the industry matures, growth in cloud continued to outpace that in many other sectors.

5G is not hazardous to your health

As 5G becomes more widespread, some have sounded alarm bells about its supposed health hazards. Two main concerns have been voiced, both related to the radiation associated with the technology. The most common perception

is that 5G causes cancer. The second fear is that 5G-emitted radiation weakens the immune system, enabling COVID-19 to spread.

The next-generation radio access network

Mobile Network Operators (MNOs) are known for their ability to build and operate massive, high-performance wireless networks. They rely on highly specialized radio access and networking equipment with tightly integrated proprietary software to deliver the cellular services that connect our cell phones, tablets, computers, and other devices. But high costs, limited flexibility, and constrained vendor choice are prompting MNOs to shift away from such systems

toward more open, standards-based, software-centric virtual platforms.

Women’s sports gets down to business

Deloitte’s TMT Predictions reports have historically required a base level of a billion dollars in revenue before an emerging industry would be considered for inclusion. On this basis, the global women’s sports industry (excluding mixed events),¹ measured by the aggregate of TV rights, sponsorship, and matchday (live-event) revenues, is unlikely to qualify in 2021.

The hyperquantified athlete

From cricket to hockey, baseball to basketball, the digital transformation of sports is in full swing. Clubs, teams, leagues, broadcasters, venue operators, and athletes increasingly see the value in analytics and are working to realize that value. Technologies such as computer vision, machine learning, advanced wireless connectivity, and wearable sensors are transforming how athletes train, compete, and manage their careers.

TV’s New Year’s resolution

If you have a 4K-resolution TV screen—and many consumers do these days—you’re used to seeing your favorite shows, movies, and videos with few visible individual pixels. But over the next few years, those images may be about to get even sharper. We predict that 8K—an upgrade and complement to 4K resolution—will generate US\$3.3 billion in global revenue in 2021, with this amount rising steadily over subsequent years.

From virtual to reality

How can a company train workers to unload hazardous materials, configure a wind turbine, or service a jet engine when a pandemic makes it impossible to teach and learn these skills in person? One way to do it is to use virtual reality (VR),

augmented reality (AR), and mixed reality (MR) to simulate those environments for workers to practice in.

Video visits go viral

Of all the activities that COVID-19 brought online, video doctor’s visits may be the one that caused the most personal trepidation. After all, how can a doctor take your blood pressure, examine your throat, or evaluate a skin tumor over Zoom or Skype? But as it turns out, many consumers (and doctors) have been quick to change their minds about video visits’ efficacy and appeal, and they are now prepared to do it that way for the long term. ●

TMT Predictions 2021: The COVID-19 catalyst

In a chemical reaction, when a catalyst is removed, the reaction returns to its slower rate. Will the postpandemic world see change, disruption, and innovation decelerate from current levels? Or will the acceleration induced by COVID-19 persist for the long term—perhaps even permanently?

i For more information, go to www.deloitte.com/ec



Sometimes, only a tiny amount of catalyst can trigger a significant change.

2021 insurance outlook

Accelerating recovery from the pandemic while pivoting to thrive.



Where do insurers stand as they enter 2021?

What a difference a year makes. Or even a few months. The COVID-19 pandemic and resulting economic fallout radically shifted consumer and employee needs, habits, and expectations, while compelling virtualization of insurer operations practically overnight. But while most of those in the industry adapted quickly, insurers are still likely facing lingering obstacles to growth and profitability in the year ahead.

A global outlook survey by Deloitte's Center for Financial Services found that many insurers know they still have their work cut out for them, even after spending most of 2020 adapting to the outbreak's impact. 48% of 200 responding insurance executives agreed the pandemic "showed how unprepared our business was to weather this economic storm," while only 25% strongly agreed their carrier had "a clear vision and action plan to maintain operational and financial resilience" during the crisis.

Expense management still front and center to free up funds for accelerated digitization

In operations across insurance organizations, expense management efforts - which began well before the pandemic hit - remain crucial, not only to offset added costs incurred to respond to the outbreak, but also to fund faster innovation, spur quicker recovery, and fuel future growth. 61% of survey respondents expect to cut costs between 11% and 20% over the next 12 - to - 18 months. Those from the Asia-Pacific region (APAC), especially Australia and Japan, anticipate more stringent reductions, with 35% expecting cuts over 20%, compared to 19% in Europe and 11% in North America.

Technology could play a crucial role, but most feel digital capabilities come up short

Technology was vital in helping insurers shift to remote work environments and in ensuring employees had the tools to conduct business while remaining connected with distributors and clients.

The COVID-19 pandemic severely disrupted insurer operations, prompting an overnight shift to remote work and virtual customer engagement while exposing gaps in digital capabilities and raising cybersecurity concerns.

2021 insurance outlook A report from the Deloitte Center for Financial Services

Even so, Deloitte's survey found 79% of respondents believe the pandemic uncovered shortcomings in their company's digital capabilities and transformation plans. That rose to 87% among respondents with operations responsibilities, who were probably the most directly impacted.

Insurers reevaluate talent strategies by balancing return-to-office plans with a hybrid workforce

The insurance workforce was not immune to COVID-19's effects. About 60% of those surveyed reported their companies had seen furloughs and layoffs. Over 50% experienced compensation reductions, limitations on raises and bonuses, and promotion freezes.

While the impact was felt across regions, respondents from North America reported being harder hit by various reductions. Looking ahead, to support operational and financial stability, 39% of respondents believe they will need further rationalization of compensation and headcount.

Finance priorities reconsidered for reporting, M&A, and taxation

Finance leaders continue to reevaluate processes and investments to optimize agility, assets, and growth heading into 2021. However, while only 25% of survey respondents strongly agreed their company had a clear vision and action plan to maintain financial resilience during the ongoing health and economic crisis, most indicated they were at least somewhat confident they are on the right track.

Insurers should keep innovating to thrive after the pandemic

There are many additional challenges facing insurers in the year ahead. For one, while disputes over pandemic-related business interruption claims are resolved, policymakers and industry leaders will likely seek public - private solutions to provide affordable coverage for future outbreaks - no easy task.

Methodology

The Deloitte Center for Financial Services conducted a global survey among 200 senior insurance executives in finance, operations, talent, and technology. Survey respondents were asked to share opinions on how their organizations have adapted to the COVID-19 pandemic's impact on their workforce, operations, technology, budget, and culture. We also asked about their plans for investment priorities and likely structural changes in the year ahead as they pivot from recovery back to growth.

i For more information, go to www.deloitte.com/ec

Christmas Shopping 2020

We know that the pandemic has disrupted, in different ways, much of what we assumed. Various activities have taken a radical turn, others have been transformed, some are suspended, and others are looking at their recomposition toward a better future.



The pandemic has changed many things, has unleashed special sensitivity to adverse situations and has focused on what really matters.

It has also upset, in different ways, much of what we assumed. Various activities have taken a radical turn, others have been transformed, some are suspended, and others are looking at their recomposition toward a better future.

Industries and various economic activities have been severely affected, causing in some of them, if not their disappearance, an atrophic paralysis that desperately calls for their reactivation.

However, certain customs or, if any, traditions, have proved to be unbeatable despite the contingency and at some point, they imprint vigor to their essence and are capable not only of losing strength, but of extending their energy everywhere.

Consumer perception in times of pandemic

Consumer views of the economic situation of their family as compared to the previous 12 months show the effects of the pandemic in a contingency-impacted environment, reversing the numbers compared to a year ago.

Christmas shopping

The responses of the majority group of participants confirm that, despite the pandemic and its effects on the economy, the habit of giving and exchanging gifts for Christmas prevails. That's why 65% of respondents said they would or had already made their Christmas purchases.

Christmas, gifts and dinner

The Christmas dinner, intrinsically linked to the family at home, had been until a year ago, the favorite choice of 30% of those interviewed when answering the survey. However, in the 2020 edition the papers are reversed and the purchase of gifts is met as the number one priority among the participants of Argentina, Colombia, Costa Rica, Mexico and Peru, leaving the clothes in a distant third place.



Making decisions. Where to start?

Despite the limitations on the capacity allowed in the physical stores resulting from the contingency, a significant number continue to opt for them. However, their expectations are now broader, as they include security aspects.

Reasoned choice

Choosing the best option to buy, is not an easy task. It is therefore so important to know that 93% of respondents confirmed that they have researched or will research on the internet before making their purchases, and the importance of knowing the different analyzes that consumers are subjected to in order to get their decisions right.

Contingency anxiety

In deepening with respondents about the anxiety caused by COVID-19, a significant number noted that they did not want to make purchases in physical stores and did not return to them until a vaccine against the virus is available.

Methodology

The findings of this research work were obtained from the results of a survey, which was carried out during the last week of November and the first week of December 2020.

The universe of participants constituted in gender parity, was made up of 1,500 people of different levels of income and ages in Mexico, Argentina, Colombia, Costa Rica and Peru, which, for the purpose of joint analysis, we called Latin America, including, in addition, the results by country.

i For more information, go to www.deloitte.com/ec

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 January:

Constitutional Matters

**Official Gazette No. 114
Constitutional Edition, 01 December 2020 - Constitutional Court
Opinion 5-20-EE/A**

The Constitutional Court declares the constitutionality of Executive Decree No. 1137 of 2 September 2020, which provides for the advance collection of income tax for the financial year 2020 for the months of January to June.

Tax Matters

**Official Gazette No. 1368,
December 03, 2020
Municipality of Guayaquil**

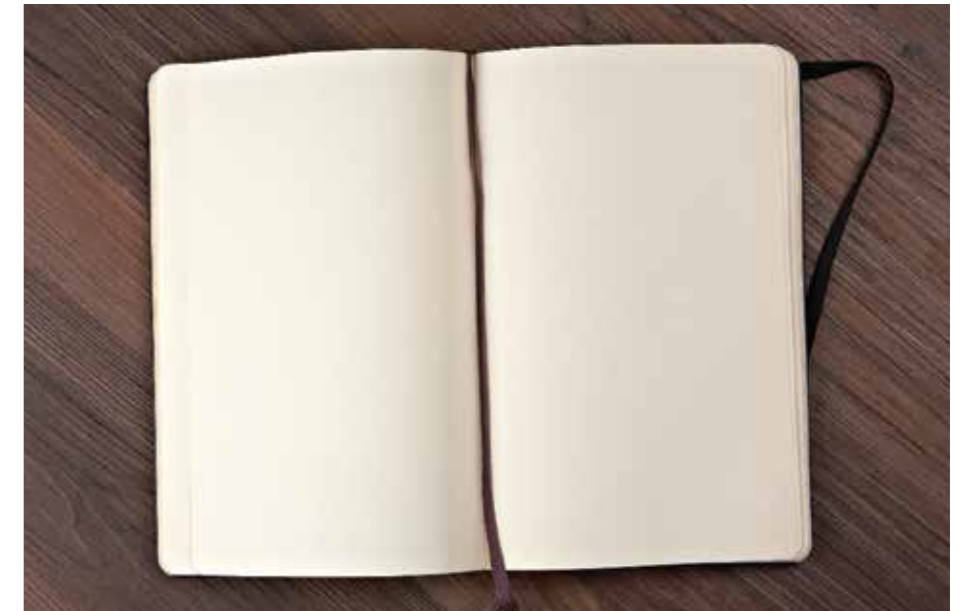
The Very Illustrious Municipality of Guayaquil sets the rates for the airport transport of the city of Guayaquil at a cost of US\$ 0.70 (common rate) in which the cost of the ticket of the bus system of feeders of Durán is included. Additionally stable as a preferential or special rate with an amount of US\$0.35 applied to seniors, school children, and all those mentioned in article 46 of the Organic Law on Land Transport, Traffic and Road Safety.

**Official Gazette No. 349
Supplement 2, December 14, 2020 -
Internal Revenue Service
Resolution No. 67**

The SRI establishes the information to be transmitted by the Agency for Regulation and Control of Road Transport, Transit and Road Safety for the registration of blockages, casualties and reactivations of vehicle records.

**Official Gazette No. 352
Supplement 3, December 17, 2020
Internal Revenue Service
Resolution No. 74**

The SRI provides for the extension of the time limit for the submission of tax declarations, annexes and reports, the payment of taxes corresponding to such DECLARATIONS and RISE quotas for passive subjects whose due date of obligations falls from 24 to 28 December 2020. The presentation of the tax



obligations will take place on January 5 to 7, 2021 according to the ninth digit of the RUC.

**Official Gazette No. 354
Supplement 3, December 21, 2020 -
National Assembly**

Trade No. AN-SG-2020-0835-O
The National Assembly publishes the Organic Law for the Rationalization, Reuse and Reduction of Single-Use Plastics where the legal framework for the generation of plastic waste is established, the progressive reduction of single-use plastics, through responsible use and consumption, the reuse and recycling of waste and where possible its replacement by packaging and products made of recyclable or biodegradable material.

Laboral Matter

**Official Gazette No. 345
Supplement 2, 8 December 2020 -
Ministry of Labor
Ministerial Agreement No.
MDT-2020-249**

The Ministry of Labor sets the unified basic wage of the general worker for the period 2021 to US\$ 400.00.

Judicial Matters

**Official Gazette No. 345
Supplement 1, 8 December 2020 -
National Assembly**

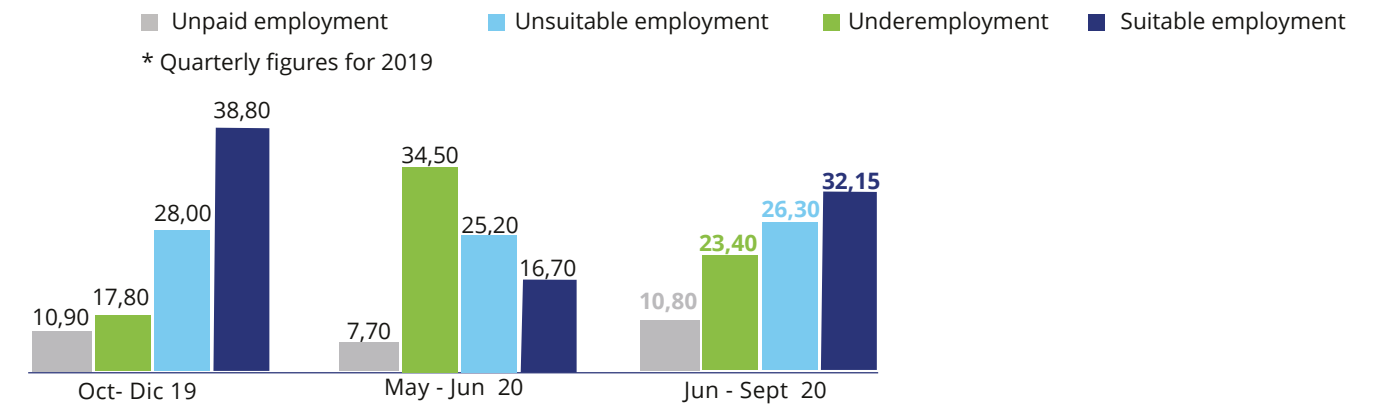
Trade No. AN-SG-2020-0789-O
The National Assembly approves the Organic Reform Law of the Organic Code of the Judicial Service related to the incorporation of judges and tribunals specialized in corruption and organized crime, and includes reforms with the possibility of prosecuting the State for an inadequate administration of justice, judicial error or unwarranted delay in cases.

**Official Gazette No. 347
Supplement 3, December 10, 2020 -
National Assembly**

Trade No. AN-SG-2020-0790-O
The National Assembly passes the Law on Modernization of the Companies Law through which multiple significant reforms were introduced to the provisions of the Companies Law. As points of particular note, it should be noted that public limited companies may survive with one (1) sole shareholder, the obligation for public limited companies to establish in the Social Statute the existence of a commissioner, among other reforms, is abolished.

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	0,81	0,81	0,81	0,81
Libra esterlina	0,74	0,74	0,74	0,74
Nuevo sol	3,63	3,63	3,63	3,63
Peso argentino	84,90	81,89	81,89	81,89
Peso boliviano	6,86	6,91	6,91	6,91
Peso chileno	698,18	699,30	699,30	699,30
Peso colombiano	3.427,00	3.448,28	3.448,28	3.448,28
Yen	103,16	103,20	103,20	103,20
Real Brasil	5,32	5,32	5,32	5,32

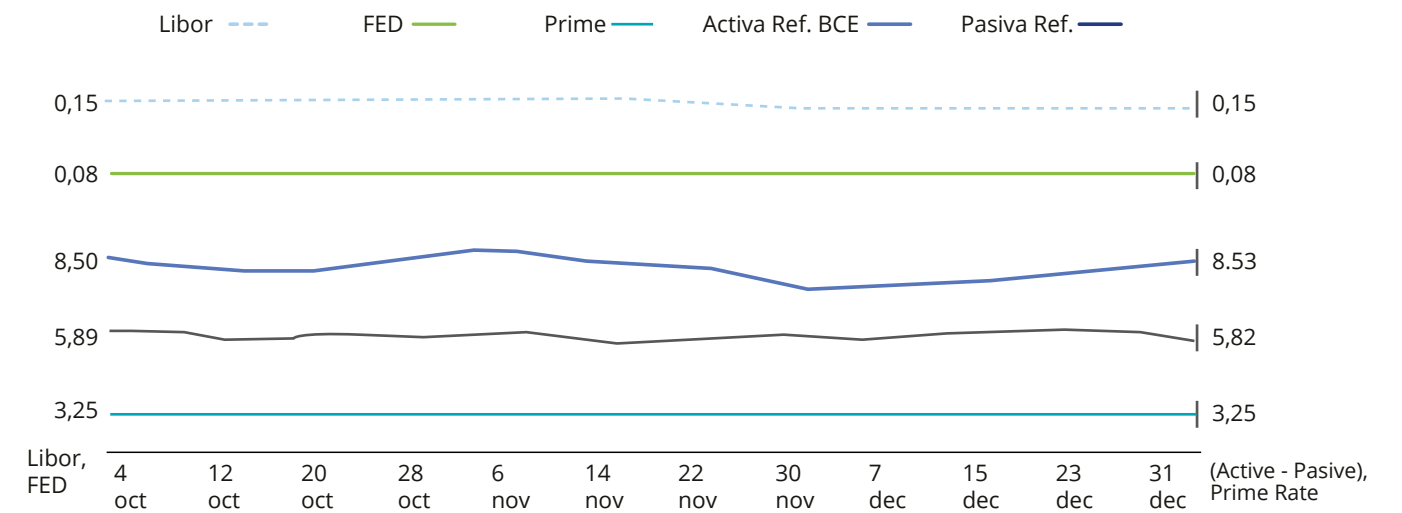
01

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

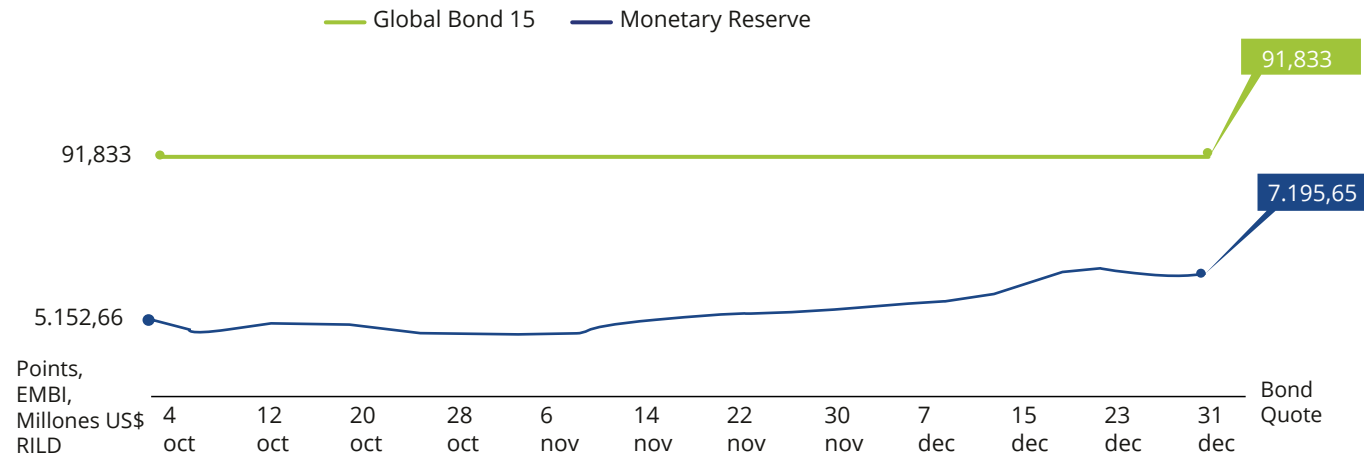
03 Reference rates

02 Evolution of indicators

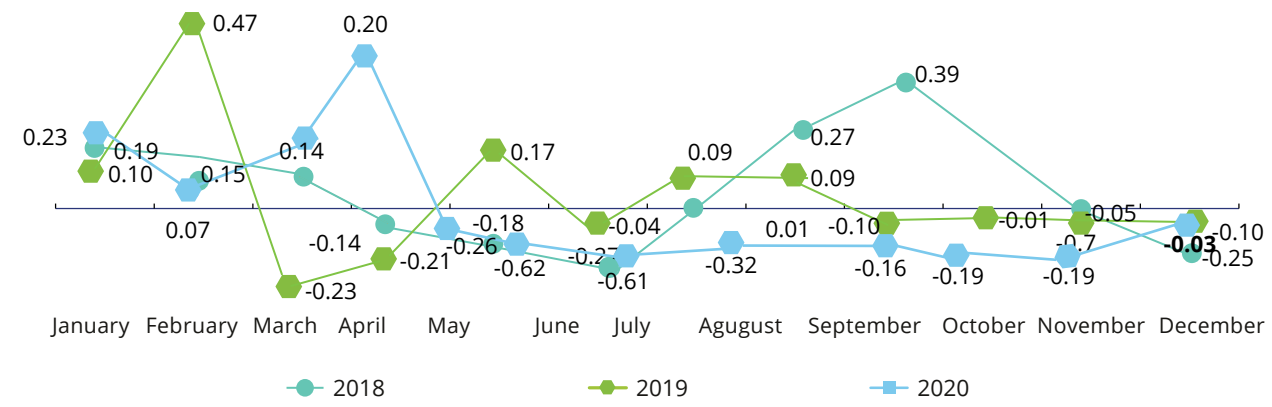
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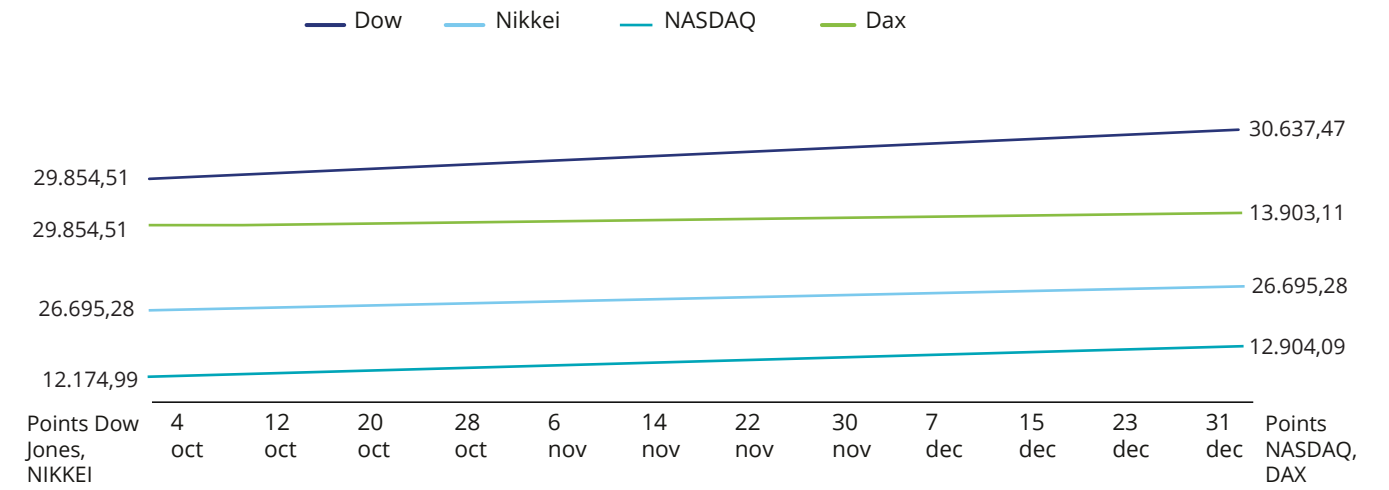
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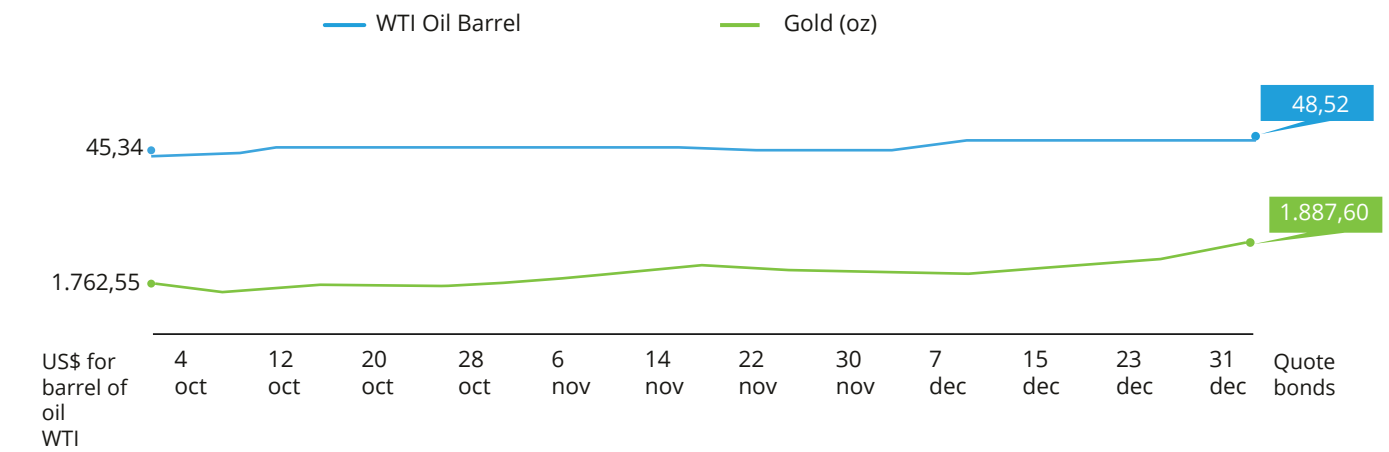
04 Global bonds 15 and RILD

05 Inflation



06

06 Stock indexes



07

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
Diciembre 2020	0,20	5,82	5,58	8,58	3,25	0,15	0,25	0,26	0,34

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	10,02%
	PYMES product	Maximum rate	11,83%
	Consumption	Reference rate	16,63%
	Consumption	Maximum rate	17,30%
	Housing	Reference rate	10,33%
	Housing	Maximum rate	11,33%
	Microcredit accumulation extended	Reference rate	20,19%
	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)	104,26	(0,19)	(0,90)	(1,60)	(0,12)
December	105,51	(0,10)	(0,07)	(0,07)	(0,11)	104,23	(0,03)	(0,93)	(0,93)	(0,34)

**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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