

Student's name: _____ Date: _____

READ AND COMPLETE USING THE CORRECT WORDS IN THE TEXTS BELOW ABOUT ECUADOR.

west - ecosystem - Brazil - Colombia - Galápagos - south

ECUADOR

Ecuador is a South American country bordered by _____ on the north, Peru on the east and _____, and by the Pacific Ocean to the _____. It is one of only two countries in South America, along with Chile, that do not have a border with _____. The country also includes the _____ Islands in the Pacific, about 965 km west of the mainland. It attained independence in 1830 following Spanish colonial rule. It recently adopted a new constitution in 2008, which is the first in the world to recognize the rights of nature or _____ rights and make them legally enforceable.

exploitation - reserves - pipeline - foreign - barrels - ports - Oriente - Mexico - remittances - crude - natural gas - offshore - refineries - production - economy - oil-bearing - Quito - foreign

Petroleum and Natural Gas

Petroleum was the single most important element in the Ecuadorian _____, accounting for over 14 percent of the GDP in 1986, two-thirds of all export **revenues** in that year, and much of the _____ **investment**. In 1987 petroleum and mining together accounted for only about 8 percent of GDP because of a significant drop in petroleum production, but estimates for 1988 indicated that petroleum _____ had risen, exceeding its 1986 level. Although Ecuador's level of production in the late 1980s ranked near the bottom of the thirteen members of OPEC, it exceeded all countries in Latin America except _____ and Venezuela.

Petroleum was first discovered in the early 1900s both on and _____ from Salinas on the Santa Elena Peninsula west of Guayaquil. More than 100 million barrels of crude petroleum were removed in six decades of exploitation; by the mid-1980s, however, Costa production had fallen to less than 1,000 _____ per day (bd). Old, expensive-to-maintain equipment produced high operating costs, making continued exploitation uncertain.

The Oriente, however, had long since eclipsed the Costa as the center of Ecuador's petroleum activity. In the late 1980s, the vast majority of Ecuador's 1.6 million barrels of proven _____ lay in the northern part of the Oriente, between the Napo River and the Colombian border. This area formed part of a rich _____ region

extending from southern Colombia through Ecuador and northeastern Peru. Indeed, analysts believed that this region represented one of the richest **oil-bearing** areas of the Western Hemisphere.

Although exploration in the _____ began in the 1920s, petroleum was not actually found until a consortium formed by the Texaco Petroleum and Gulf Oil companies discovered several rich fields near Lago Agrio (now Nueva Loja) in 1967. The success of the Texaco-Gulf exploration attracted other companies, and over the next two decades more than fifty new wells began producing commercial quantities of _____ petroleum. Production in 1989 had risen to over 1.1 billion barrels, over 99 percent from the Oriente fields.

Ecuador built the 503-kilometer Trans-Ecuadorian _____ to carry crude petroleum from the Oriente fields across the Andes to a new refinery just south of Esmeraldas. Although the pipeline was designed to carry as much as 400,000 bd, volume averaged just over 300,000 bd in the late 1980s. A landslide caused by a severe earthquake in March 1987 destroyed forty kilometers of an aboveground section east of _____. To keep exports from stopping completely, Ecuador quickly constructed a thirty-eight-kilometer spur from the Oriente fields to Colombia's pipeline. Oil was then either exported directly as crude from Colombian _____ or taken by tanker from Colombia to Ecuador's largest refinery at Esmeraldas. Although this **stopgap** measure allowed for some petroleum to be exported, production at the Oriente fields had to be **trimmed** by more than half for the five months it took to repair the TransEcuadorian Pipeline.

Unlike many of the larger OPEC countries, Ecuador refined less than half of the petroleum it produced. Most of the country's 123,000 bd refining capacity was located at two refinery complexes, one at Esmeraldas and a complex of three _____ at the Santa Elena oil fields. The Esmeraldas refinery had a 90,000 bd capacity, whereas the three older Santa Elena refineries had a combined output of 32,000 bd. Ecuador's newest refinery, completed in 1987 near Nueva Loja in the Oriente fields, had a capacity of 1,000 bd.

Control and ownership of petroleum production and refining was held by _____ oil companies, the government-owned PETROECUADOR which replaced the former Ecuadorian State Petroleum Corporation (Corporación Estatal Petrolera Ecuatoriana--CEPE), or consortia composed of both. PETROECUADOR assumed complete control of the Trans-Ecuadorian Pipeline in 1989 and announced it would take over most other foreign interest in the petroleum industry in the early 1990s.

In addition to abundant supplies of petroleum, observers estimated that the country had _____ reserves in the Oriente and offshore in the Gulf of Guayaquil totaling 400 billion cubic meters. Reserves in the Oriente were collocated with petroleum deposits. Producers flared most of the gas associated with petroleum drilling, using only small amounts as fuel. Distance from markets made _____ of the gas uneconomical, although a small plant to harness the gas as a fuel was completed near Nueva Loja in the mid-1980s. Reserves in the Gulf of Guayaquil, thought to be among the largest in Latin America, remained unexploited because of an uncertain domestic market for natural gas and a legal dispute between the government and foreign companies over ownership.

Ecuador adopted the U.S. dollar as its national currency in 2000. A small number of Chinese and East Asians have immigrated to Ecuador as well. Significant numbers of Ecuadorians have emigrated to the United States, especially to the borough of Queens in New York City.

_____ from migrants provide important support for family members left behind.

MATCH AS CORRESPOND

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| 1.- Manufacturing | A) The subsequent production of primary goods has been subject to cycles of boom. Ecuador has sought to diversify its resource exports and to seek new markets. |
| 2.- Trade of Ecuador | B) Ecuador's newest refinery was completed in 1987 near Nueva Loja in the Oriente fields. |
| 3.- Finance | C) Some industry is associated with the processing of primary products, including cement, refined sugar, chocolate bars, beer, pasta, bread, meat, fruit, and instant coffee. |
| 4.- Economy | D) Ecuador's principal export destinations are the United States, Peru, China, Chile, and Panama. |
| 5.- Petroleum and Natural Gas | E) The Central Bank is the government depository and controls the monetary system. |