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ECUADOR – UNITED STATES: Trade Relationship and New Tariff Context

Impact of the U.S. Supreme Court Ruling
and Opportunities Under the Reciprocal
Trade Agreement

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Strategic Importance of the U.S. for Ecuador

- **The United States has historically been Ecuador’s main trading partner.**
- According to the Central Bank of Ecuador (BCE), Ecuador exported USD 37 billion in goods in 2025, of which 18.4% were exported to the United States (surpassed only by the group of European Union countries covered by the Multipartes Agreement, and followed by Panama – possible initial declared destination).
- Total goods imports into Ecuador, according to the BCE, amounted to USD 30.7 billion in 2025, of which 28.1% originated from the United States, followed by China with 25.6%.
- Ecuador’s official figures reflect a trade deficit of USD 1.8 billion for Ecuador.
- The U.S. Census Bureau reports that in 2025 the United States imported USD 9 billion from Ecuador and exported USD 8.5 billion to Ecuador, resulting in a U.S. trade deficit of USD 468 million.

A Change That Does Not Necessarily Signal Stability

- On February 20, 2026, the U.S. Supreme Court ruled (6–3) that the President **may not impose tariffs under the International Emergency Economic Powers Act (IEEPA) (Learning Resources, Inc. v. Trump (No. 24-1287) and Trump v. V.O.S. Selections, Inc. (No. 25-250))**.
- The decision considered that, under the Constitution, tariffs fall within Congress’s taxing power, while the IEEPA authorizes the President to “regulate” commerce but does not mention tariffs or taxation.
- The so-called “**reciprocal” tariffs and those linked to fentanyl are eliminated.**
- There is a **possibility of recovering tariffs already paid** (if contemplated in contracts).

Relevant Even After the Supreme Court Ruling – A More Favorable Context

- The ruling establishes a **more predictable institutional framework.**
- Following the Supreme Court decision that invalidated the 2025 “reciprocal” tariffs, Trump has indicated that he will seek to reimpose them – or implement new tariffs of similar scope – using other legal authorities.
- This is particularly relevant for export sectors sensitive to tariffs (food, fisheries, agribusiness), as it offers greater stability.
- It enables negotiations for a Bilateral Investment Treaty and progress toward a Free Trade Agreement.

Should you require any additional information, please contact:

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