



U.S. Country Commercial Guides



El Salvador 2020

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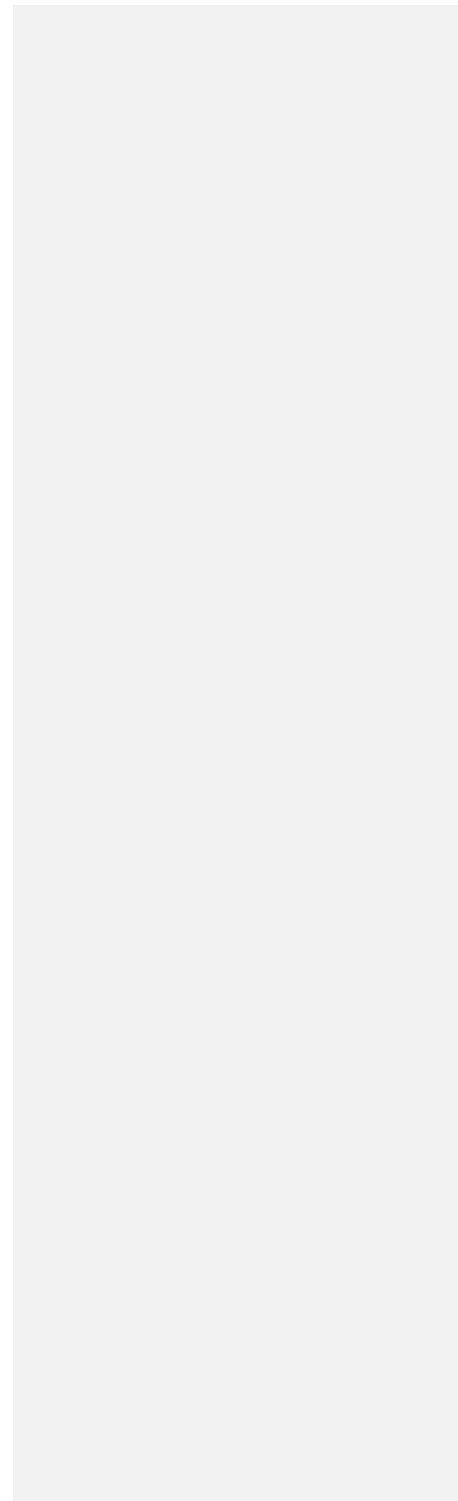
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Doing Business in El Salvador

Market Overview

The United States is El Salvador's main trading partner. In 2019, U.S. exports to El Salvador totaled about USD \$3.4 billion, similar to 2018. El Salvador's exports to the United States were USD \$2.5 billion in 2019, registering only a slight dip since 2018. Services trade with El Salvador in 2019 was USD \$1.5 billion with a services trade surplus of USD \$724 million. GDP in 2019 was USD \$27 billion. A partial list of U.S. companies with market presence includes: Abbott Laboratories, AES Corp, American Airlines, AT&T Inc., Caterpillar, Citibank, Hanesbrands, Cisco, Delta, FedEx, General Electric, General Motors, John Deere, Kimberly-Clark, Microsoft, PriceSmart, SBA Communications, United, Walmart, Xerox, 3M, and many others, as well as dozens of U.S. franchises. There are more than 345 U.S. companies with a presence in El Salvador, most as subsidiaries of U.S.-based companies.

U.S. companies exporting to El Salvador benefit from the Central America-Dominican Republic Free Trade Agreement (CAFTA-DR) with zero percent duties on U.S. consumer and industrial goods. CAFTA-DR entered into force on March 1, 2006, and has contributed to dramatic increases in the United States' bilateral trade with El Salvador and trade throughout the region. Also, El Salvador has a dollarized economy, which eliminates foreign exchange risk and lowers transaction and financial costs. El Salvador's proximity to the United States give it a strategic location and elevates its position as a regional hub for Central America. El Salvador is a highly receptive market for U.S. products and services. El Salvador's economy is predominantly services-based. GDP From Agriculture in El Salvador in 2019 was USD \$348 in the fourth quarter of 2019. Agriculture accounts for about 5% of GDP and employs 15.4% of the population. Manufacturing and industry accounts for 15% of GDP and employs 20% of the population. Prior to the onset of COVID-19 in March 2020, the service sector in El Salvador accounted for almost 65% of the GDP and employed 58% of the population.

On June 1, 2020, President Nayib Bukele's administration celebrated one year in office after winning nationwide elections under the Grand Alliance for National Unity (GANU) banner on February 3, 2018. President Bukele has remained very popular with approval rates in some polls in the 90's. His party does not enjoy a majority in the Legislative Assembly which is still largely controlled by the two major political parties whom he beat out in February. The rightist opposition National Republican Alliance (ARENA) party holds a majority in the Assembly and the leftist party, Farabundo Marti National Liberation Front (FMLN), holds a lesser number of seats. President Bukele's GANA party holds only a small minority. El Salvador will hold new Legislative Assembly elections in February 2021.

Although President Bukele has actively courted U.S. favor in the months following his election, he also maintains active relationships with other nations. Overall, the U.S. relationship with the Bukele Administration is productive and the U.S. Embassy continues to actively support President Bukele and the people of El Salvador on three main pillars of U.S. policy towards El Salvador which are: security, institutions, and prosperity.

Business Environment

El Salvador's economy remains heavily dependent on the United States.

On the prosperity front, the United States supports several whole-of-government lines of effort to help increase trade and bolster Salvadoran economic development, thereby mitigating the negative effects of high unemployment and lack of employment opportunity, especially for new entrants to the workforce. One of these ongoing programs is [Deal Team](#), an interagency effort led by the U.S. Department of Commerce to bring forward all of the U.S. tools and sources of funding to assist U.S. companies remain competitive in the region, level the playing field against other nations' companies which are often overtly supported by their governments, and ensure adequate support in areas including development of feasibility studies, export credit assistance, Government-to-Government Advocacy support, and funding. A second initiative is [América Crece](#), another whole-of-government approach including U.S. funding agencies, especially the Development Finance Corporation (DFC formerly OPIC). The initiative is intended to

increase investment in U.S. partner countries including those in Latin America and the Caribbean. Investment projects focus mainly on energy and infrastructure.

Market Challenges

El Salvador continues to struggle to attract foreign direct investment (FDI) in comparison to the rest of Central America. El Salvador ranked 91st in 2019 for ease of doing business among the 190 economies measured. Initial optimism at the inauguration of President Nayib Bukele in June 2019 has since been tempered since a confrontation with the Legislative Assembly in February 2020 and then policies enacted unilaterally in response to COVID-19 in March 2020 which severely undercut the productive sector of the country for several months. Nevertheless, the private sector continues to work with the Bukele administration on a variety of policy and regulatory issues with some successes. The Bukele administration and El Salvador still considers the United States as its closest partner.

The World Bank reported net foreign direct investment (FDI) inflows Balance of Payments (BoP) in El Salvador was USD \$724.8 million in 2019. In 2018, the United States accounted for one quarter of El Salvador's overall FDI stock (second only to Panama). U.S. textile companies are the largest private employers in the country.

Leading contributors to the lack of FDI include inconsistency in enforcing commercial law, corruption, and security concerns. Bukele administration policies complicate FDI attraction, including transparency in policy making, lack of coordination within the GOES agencies responsible for investment, and a clear investment strategy. The security situation has improved, particularly under the Bukele administration. The International Monetary Fund (IMF) reported a GDP growth rate of 2.4% in 2019 which was expected to keep improving through 2024. Since the onset of the COVID-19 pandemic, the IMF lowered its GDP forecast for 2020 by 7.7 percentage points, forecasting a 5.4% drop in GDP in April 2020. The business sector remains worried about the country's low growth rate, corruption, and security situation. Additional concerns relate to the deterioration of El Salvador's fiscal situation, with increases in public spending and borrowing precipitated by the COVID-19 pandemic and its economic and human impacts.

Corruption remains a problem in El Salvador, which scored 34 points out of 100 on the 2019 Corruption Perceptions Index reported by Transparency International, which scores countries on their perceived levels of corruption. Soliciting, offering, or accepting a bribe are considered criminal acts and U.S. companies doing business in El Salvador are subject to the United States Foreign Corrupt Practices Act (FCPA).

In terms of U.S. exports to El Salvador, market entry requirements for importing goods and services are often related to environmental controls, consumer protection, and controlled products. U.S. and local companies have complained about customs and non-tariff barriers, including customs valuation, tariff code reclassification, labeling requirements, and the inconsistent application of customs regulations. Despite this, notable improvements have occurred in 2019 including simplification of customs procedures and improvements in getting products through at some border crossings. The Bukele Administration has worked well with the private sector and retailers to expedite approval of products for sale in the local market and streamline customs procedures. Some of these improvements could become permanent.

El Salvador's procurement law calls for competitive contracts and applies to all Salvadoran public institutions. President Bukele will need to improve the perception of the competitive bidding and contracting process which tended to no bid contracts or shortlist contracts under the previous administration.

In August 2018, the FMLN Government discontinued diplomatic recognition of Taiwan in favor of the People's Republic of China (PRC). Although PRC officials in El Salvador remain and there have been announcements of donations and assistance, in 2020 PRC attempts to gain influence in El Salvador has been less frequent. Challenges remain since the assumption of power by the Bukele Administration. While GOES officials overall have been very cooperative and maintained a dialogue with the private sector and U.S. Embassy officials, progress has

slowed with the attempt to combat the onset of COVID-19 in the country. Policy gridlock and fiscal constraints remain and slow meaningful progress.

Market Opportunities

Best prospects for U.S. exports based on trade statistics, market analysis and interest from U.S. companies include: Agricultural Products, Design & Construction, Medical Equipment, Information Communications & Technology, Safety & Security Equipment, Energy, Education, Plastics, and Automotive sectors.

Additionally, the GoES has identified various infrastructure projects including roads, bridges, hospitals, waste and treatment facilities, ports and airports, logistics infrastructure and much more. The other opportunities which exist are in nine growth sectors: specialized textiles and apparel, offshore business services, tourism, aeronautics, agro-industry, medical devices, footwear manufacturing, logistic and infrastructural networks, and healthcare services.

On September 9, 2015, El Salvador's second Millennium Challenge Corporation (MCC) Compact entered into force. The five-year, USD \$277 million Compact program – including an additional USD \$88.2 million contributed by the GoES – is playing a key role in improving El Salvador's business climate, productivity, and competitiveness in international markets through targeted investments in logistical infrastructure, regulatory reform, and human capital. Specifically, investments in El Salvador's physical capital aim to reduce transportation and logistics costs while regulatory reform efforts and the availability of public-private partnerships (PPPs) look to strengthen the country's institutions to attract international investors. Simultaneously, improvements in the quality of education aim to better match students' skills with the demands of firms engaged in international trade. The MCC Compact expired in September 2020.

The current pipeline of PPPs include projects to develop and manage the international airport's Cargo Terminal, street lighting and video surveillance on the ring road around San Salvador, and a 43km toll road between a main port and the border with Guatemala. The PPPs offer U.S. companies the opportunity to compete in procurements to win concessions to finance, design, build, operate and/or maintain these projects, and/or to provide such projects with debt and/or equity financing. These include projects to develop and manage the international airport's Cargo Terminal, street lighting and video surveillance on the ring road around San Salvador, and a 43km toll road between a main port and the border with Guatemala. For additional information, companies are encouraged to consult the [MCC](#) website.

Market Entry Strategy

Agent or Distributor

Appointing an agent or distributor is recommended for U.S. companies exporting to El Salvador. One agent is usually sufficient; since commercial activity is concentrated in the capital and the country's size does not justify regional agents. Depending on the nature of the products/ services, some companies use a regional distributor/ agent for the Central American region. Once an agreement has been signed, U.S. companies should support their distributors and jointly develop strategic marketing campaigns that help establish and increase market share. Also, training the partner on the delivery of after-market service is critical for succeeding in El Salvador.

Franchising

Licensing and franchises are common business agreements used in El Salvador. Licensing is most commonly used for clothing brands. U.S. franchise concepts are common in many segments including: fitness, mailing and shipping, real estate, training, and travel. U.S. franchises for fast food and casual dining restaurants have been very successful.

Opening an Office

U.S. companies should seek legal guidance from a local attorney, preferably with in-depth knowledge of CAFTA-DR, to fully understand and take advantage of the Free Trade Agreement benefits, local laws and regulations related to taxation, customs and import procedures, local labor laws, and residence permits. According to the World Bank's Doing Business Report, El Salvador ranks 148 out of 190 in the starting a business category and it took an average of 16.5 days in 2019.

The 1999 Investment Law grants equal treatment to foreign and domestic investors. The National Investment Office, [Direccion Nacional de Inversiones \(DNI\)](#), provides business and investment advice. The DNI administers incentives and facilitates business registration.

Personal relationships are key to a successful business partnership. U.S. companies must visit their potential partners and demonstrate long term commitment to the market. Before signing any contracts, U.S. firms are recommended to check the bona fides of potential partners.

Leading Sectors for U.S. Exports and Investment

Agricultural Sector

This is a best prospect industry sector for this country. Includes a market overview and trade data.

Overview

In 2019, U.S. agriculture exports to El Salvador in the consumer-oriented product category reached a record USD \$210.8 million, approximately 20% of the total market. Pork and pork products, meat products, processed vegetables, sauces and condiments, wine and beer, dairy products, tree nuts and pet food all reached record imports in 2019. The distribution of consumer-ready foods is carried out through a number of channels. Supermarkets, such as Walmart and leading local chain Super Selectos, are the principal outlets; but a fair amount is moved through wholesalers, who may be supermarket owners themselves or distributors delivering products to smaller stores. Normally, distributors handle products on an "exclusive" basis, most often as representatives for a line of products. Direct sales are common practice; however, having a local distributor facilitates operations and supports client service. Most large importers/distributors are members of the [Salvadoran Distributors Associations \(ADES\)](#). ADES manages the relationship of its members with local retailers, wholesalers, and supermarkets.

The Salvadoran market may be significantly larger than portrayed by U.S. export data. A high percentage of El Salvador's imports of consumer-oriented products are actually registered as Guatemalan imports. This is because many containers from the United States come through Guatemala's Atlantic ports and although they are in-transit to El Salvador, customs officials may tally the products as Guatemalan imports.

It is estimated that Salvadorans spend approximately 65% of their income on food (household earning is USD \$400 to USD \$1,500 per month). There are approximately 460,000 households in this category and, as might be expected, 60% reside in urban areas. About 1.2 million people (20% of the population) are part of the country's middle class.

Consumers are increasingly purchasing groceries in supermarkets and moving away from the traditional open-air markets or mom-and-pop stores mainly due to larger product offerings, discounts and especially due to security concerns in open-air markets. It is estimated that approximately 40% of food sales are generated in supermarkets. The supermarket industry is dominated by Walmart, Super Selectos, and U.S. wholesaler PriceSmart.

Leading Sub-Sectors

Consumer-Oriented Products

- **Confectionary:** Chocolates and Cocoa Products
- **Processed Foods:** Processed Fruit and Vegetables, Breakfast Cereals, Pancake mixes, and Salad dressings
- **Animal Feed:** Pet Foods (Dog and Cat)
- **Wine:** White Zinfandel, Chardonnay, Cabernet Sauvignon, Pinot Noir
- **Tree Nuts:** Peanuts, Almonds, Walnuts, Mixed nuts
- **Dairy Products:** Aged Cheese, Processed Cheese, Whey Protein
- **Fruit and Vegetables:** Apples, Grapes, Stone Fruit (peaches, plums, cherries)
- **Meats:** Pork Cuts for Hotel/Restaurant/Institutional (HRI) and Retail, Beef Cuts for HRI and Retail, Mechanically Deboned Poultry Meat (for sausage manufacturing), Meat, Sausages, Processed Egg products, Poultry Meat

*Selection criteria are based on USDA/FAS Country Strategy Statement (CSS), market surveillance, and suggestions by industry players.

Wheat

Overview

Most of the wheat processed by Salvadoran mills comes from the United States, which accounts for almost 100% of total imports, although some Canadian wheat is imported when price is competitive for local wheat millers. Annual imports of U.S. wheat range from 230,000 to 295,000 metric tons. In 2019, U.S. wheat imports reached USD \$62.6 million.

Best Products

- Bulk Wheat – DNS, SRW and HRW varieties

Opportunities

Bakery consumption continues to increase, mainly due to the growth of fresh bakery centers in all major supermarket chains. Convention tourism is also helping boost consumption of bakery products at hotels due to the increase in business events. In addition, a high growth of coffee bars that serve desserts is helping to boost the growth of bakery product consumption.

Bakery manufacturers continue to be optimistic about free trade and believe that the Central America – Dominican Republic – United States Free Trade Agreement (CAFTA-DR) is providing growth opportunities. Ethnic bakery products, especially sweet cookies and cheese quesadillas exported to the United States are growing due to the high demand for these products by the Salvadoran community residing in the United States. U.S. wheat has no tariffs or quotas due to the benefit of free trade under CAFTA-DR.

Rice

Overview

El Salvador is not self-sufficient in rice production and must import from other countries, especially the United States, to meet demand. Actual local demand is estimated at approximately 115,000 metric tons of rough rice, of which approximately 25% is covered by local production. Typically, El Salvador imports rough rice to keep rice mills operating throughout the year. However, small quantities of imported U.S. and South American milled rice have recently reached local supermarket chains to fulfill upscale consumer demand. El Salvador has officially abolished the use of a price-band mechanism to assess import duties for basic grains. CAFTA-DR established Tariff Rate Quotas (TRQs) for rice (see Opportunities).

Members of the Salvadoran Rice Millers Association (ASALBAR) are the distributors of both imported and locally processed rice. ASALBAR continues working with the U.S. Rice Producers Association on a marketing campaign to increase local consumption of U.S. rice through the USDA Market Access Program (MAP). U.S. rice imports reached USD \$23 million in 2019.

Best Products

- Rough rice
- Milled parboiled rice

Opportunities

Rice production continues decreasing at a fast pace, not only in El Salvador but also in the rest of the region. Under CAFTA-DR, tariffs will be eliminated and TRQ established as follows: 18-year duty phase-out, initial TRQ of 61,000 metric tons (MT) for rough rice, growing by 2% per year and initial TRQ of 5,250 MT for milled rice, growing by 375 MT per year for the first five years, 1,000 MT increase in year 6, and an annual 325 MT increase thereafter.

Corn

Overview

El Salvador is an important market for U.S. yellow corn, used almost exclusively by the poultry and animal feed industries. The snack processing industry is also a major importer of hard endosperm corn. Imports of yellow corn from the United States account for 90% of local demand, estimated at 480,000 metric tons for the 2019-20 crop year.

Best Products

- Yellow corn #2 for animal feed and hard endosperm for snack manufacturing.
-

Opportunities

Snack food production is at the top of the list in the food processing sector. Yellow corn is a main ingredient in the snack manufacturing process. Products such as corn chips, salted peanuts, cheese puffs and party mixes are some of the most popular items in the local snack sector. The DIANA and Bocadeli snack brands produced in El Salvador offer respectable quality for the price and have roughly 75% of the snack market. In addition, DIANA is the largest snack producer in Central America and is already exporting products such as corn chips and nacho tortillas to ethnic markets in the United States.

The poultry, swine, and dairy sectors are also major users of yellow corn for feed mix.

CAFTA-DR provides for a yellow corn Tariff Rate Quota (TRQ) of 350,000 metric tons (MT) with 5% growth per year and a 15-year duty phase-out. A fixed part of the TRQ will be subject to a performance requirement, which will be eliminated in 2021.

White corn was also granted a TRQ of 35,000 MT under CAFTA-DR. There is also a growing market for white corn flour to make tortillas.

Soybeans

Overview

El Salvador does not produce soybean meal; thus, the total demand estimated at 179,000 metric tons in the 2019-2020 marketing year must be met with imports. The poultry, swine and livestock sectors use the product as feed. Commercial trade is growing quickly due to the high demand for poultry products. In 2019, soybean meal imports reached USD \$76.7 million. El Salvador's poultry industry is the most developed in the region and a large user of soybean meal.

Best Products

- Soybean meal

Opportunities

Dairy production is increasing due to government incentives and sanitary regulations that provide protection against contraband cheese from Nicaragua and Honduras. Soybean meal is an important ingredient used in cattle and swine feed mix. CAFTA-DR provides immediate access for U.S. soybean meal with no tariffs or quotas.

Opportunities

More than two million Salvadorans reside in the United States and annually remit more than USD \$5 billion to relatives in El Salvador, which represents approximately 20% of GDP. The remittances in turn raise the disposable income and expenditures of Salvadoran consumers. The typical consumer believes U.S. products are of superior quality and is generally willing to pay a premium price. Nevertheless, the relatively high price of U.S. products can be a constraint to increasing market share and attracting new customers.

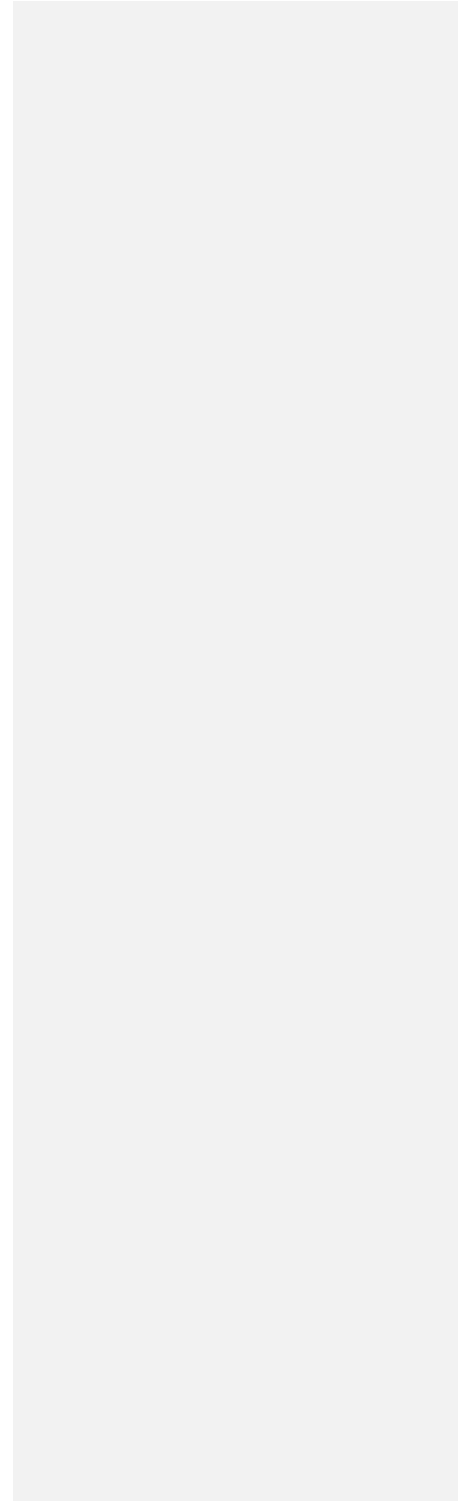
In addition, while opportunities exist for U.S. suppliers, competition from Central America, Mexico, Chile and the European Union (EU) is strong.

In summary, there are at least 1.2 million consumers, or 20% of the population, who are buying U.S. consumer-ready products. Households are continuously searching for convenience in food preparation. The affluent segment of the population is being served by boutique style supermarkets such as Super Selectos store in upscale neighborhoods in the Greater San Salvador Metropolitan area. A younger generation joining the labor force is providing growth to retail consumption and increased use of eCommerce.

Web Resources

[FAS website](#)

FAS Contact in El Salvador: Miguel.Herrera@usda.gov



Automotive Parts and Service Equipment (APS)

This is a best prospect industry sector for this country. Includes a market overview and trade data.

Overview

	2017	2018	2019	2020 estimated
Total Exports	\$9,160,082	\$10,900,254	\$12,671,843	\$8,870,290
Total Imports	\$276,117,188	\$279,638,634	\$290,862,068	\$232,689,654
Imports from the US	\$45,967,626	\$45,569,853	\$45,617,789	\$36,494,231
Total Market Size	\$266,957,106	\$268,738,380	\$278,190,225	\$223,819,364
Exchange Rates	US Dollar	US Dollar	US Dollar	US Dollar

Source: [Central Reserve Bank](#) of El Salvador and U.S. Department of Commerce, Bureau of Census, Foreign Trade Division TPIS Database: USHS Exports. Note: No reliable source for local production of autoparts.

The United States is the most significant player in El Salvador's aftermarket auto parts and accessories market. In a country with stagnant economic growth, U.S. imports in 2019 increased by 1% from the previous year. Industry leaders remain confident and expect higher growth in future years. With 30% of the total Salvadoran import market, U.S. companies enjoy a reputation for high quality products with excellent warranties.

The [Vice Minister of Transportation](#), Saul Castelar, reported that the total number of vehicles in circulation in El Salvador is 1,288,237, out of which approximately 40% are concentrated in the capital city of San Salvador. 515,754 are new vehicles and 772,483 are used.

Vehicles in circulation increased by 8% from the previous year. Additionally, due to the bad condition of roads and weather conditions, vehicles deteriorate quickly and need frequent repair and/or maintenance. Unreliable, unsafe, and inefficient public transportation influence Salvadoran's decision making when deciding to buy a car.

Vehicles are distributed by type as follows: 578,263 automobiles, 216, 859 pick-ups, 336,629 motorcycles, 41,453 heavy trucks, 34,987 light trucks, 35,845 minibuses, 7,660 buses, 11,172 truck heads and 14,017 trailers; 108 ambulances, and 11,244 other types.

61.55% of the used vehicles imported to El Salvador are between 5 and 8 years old. The government is trying to implement a new law to reduce the current used vehicle age allowed from eight years to seven for vehicles imported into the country.

The Salvadoran New Vehicle Importing Association ([ASALVE](#)) reported an increase of 6% in their sales at the end of 2019. Since the advent of COVID-19, new vehicle importers use of e-commerce marketing and online sales has increased.

Leading automotive brands present in the market include Audi, Porsche, Nissan, Honda, Hyundai, Kia, Toyota, Chevrolet, Mitsubishi Motors, BMW, Hino, Daihatsu, Chevy, Isuzu, Jeep, Ford, Dodge, Mazda, VW, and Peugeot.

Top 10 brands leading the market:

Brand	Total
TOYOTA	218,511
NISSAN	153,767
HONDA	100,417
KIA	77,750
HYUNDAI	73,302
FREEDOM	55,143
MITSUBISHI	54,120
SERPENTO	46,535
CHEVROLET	42,565
MAZDA	40,149
FORD	37,845

El Salvador's automotive auto parts sector is highly competitive and price sensitive. Asian companies have gained market share as the number of Japanese, Korean, and Chinese auto manufacturers continue to grow in El Salvador. Three countries (Colombia, Brazil and Germany) make up a third of imports but do not yet threatened the dominant position of imports held by the United States. Taiwanese companies are known for their ability to compete on price and are positioned to take a greater share of the import market. A partial list of automotive product brands currently in the market include Amalie, ArmorAll, Turtle Wax, Mobil Oil, Goodyear, Bendix, Alloy International, Die Hard, BF Goodrich, Dayco, STP, Fleetguard, Castrol, Champion Spark Plug, American Quality Lubricant, Federal Mogul, Pennzoil, Prestone, among others.

Most of the end users of auto parts and accessories are owners of mechanic and repair shops and individual vehicles. They prefer to purchase auto parts and accessories directly from the distributor/retailer. Salvadoran distributors are extremely receptive to U.S. products. Many executives speak English and are familiar with U.S. business practices. Moreover, El Salvador's geographic proximity to the United States provides greater access to U.S. companies and faster inventory delivery in comparison with Asian companies.

The breakdown of end-users is as follows:

- Freight and passenger transportation companies
- Repair and maintenance shops
- Service stations, gasoline dealers and lubrication centers
- Government agencies
- Other end-users: car rentals and cargo companies.

Companies that seek to do business in El Salvador should work closely with a local distributor. Assigning one distributor for the size and demand of the country is appropriate. A potential Salvadoran distributor may handle various products and often seeks an exclusive distributorship. After conducting exhaustive due diligence and establishing a solid business relationship with a potential partner, U.S. companies should consider using letters of credit, extending lines of credit, or the Small Business Administration ([SBA](#)) financing programs.

Breakdown of distribution channels are as follows:

- Importers and distributors of automotive parts and accessories
- Tire distributors

- Wholesalers

The aftermarket parts and accessories sector are expected to be adversely impacted in 2020. On June 1, 2020, the Government of El Salvador placed restrictions on the imports of used cars and auto parts into the country. All maintenance and car shops were closed due to the COVID-19 quarantine for four months. The Auto Parts industry has since resumed normal operations with sanitary protocols in place, but its imports are being affected by late deliveries and an increase in import shipping costs.

Leading Sub-Sectors

The top opportunities include spare and replacement parts for gasoline and diesel motors. For instance:

- Radial Tires.
- Electric accumulators; lead-acid, of a kind used for starting piston engines, including separators.
- New pneumatic tires of rubber, of a kind used on motor cars.
- Air conditioning machines; containing a motor driven fan, other than window or wall types, incorporating a refrigerating unit.
- Oil petrol-filters for internal combustion engines.
- Vehicle parts and accessories; n.e.c.¹ In heading no. 8708.
- Engines; parts, suitable for use solely or principally with spark-ignition internal combustion piston engines.
- Retreaded or used pneumatic tires of rubber; solid or cushion tires, tire treads and tire flaps, of rubber
- Suspension shock absorbers.
- Gaskets, washers and other seals of valves.
- Machinery; intake air filters for internal combustion engines.
- Fans.
- Safety products: alarms, GPS and sound systems.
- Diagnostic equipment.

Opportunities

There are no manufacturers of automotive parts and accessories in El Salvador. Import tariffs for auto parts under HTC 8708 and most vehicle accessories under HTC 8714 were automatically reduced to zero after the [CAFTA-DR](#) implementation. U.S. brands are always in high demand by Salvadoran distributors who are looking for innovation, high quality, durability, warranty, and fast delivery.

Currently, 90% of used vehicles purchased in El Salvador are imported from the United States and many are salvaged cars bought at auctions. The salvaged vehicles are then repaired and sold in the local market. Auto repair shops play a key role in influencing customers on purchasing decisions.

Service and Repair

Automotive accessories are a niche market in El Salvador. “Tune up” is now a very well-known term. Tuning up has become a way to personalize the characteristics of a vehicle to the owner's preference in order to provide better fuel economy and more power or just to change the appearance. Exterior modifications have increased the demand of accessories and parts such as: front and rear bumpers, splitters, light weight wheels and spoilers. There are no restrictions to customize vehicles in El Salvador. Consumers like to customize wheels and rims, auto sound and alarms, spoilers, LED taillights and others.

Repair shops are seeking current generation diagnostic equipment. Tools for technical maintenance include diagnostic software, scanners, electronic measure systems, and pneumatic tools, among others. Shops that handle collision repair need welding equipment, cutting tools, adhesives, glass repair kits, spray guns, batch ovens, glass protection films and other equipment related to body repair.

Public transportation (buses) and heavy-duty transportation (trucks) are the main end users of remanufactured parts. Remanufacturers also import and distribute new parts, some of which are used as replacement parts in rebuilt engines. The parts are mainly imported from the U.S., China, Mexico, and Japan. Remanufacturers explained that a good portion of their customers buy imported used engines locally and have them remanufactured.

The most common public bus brands are: Blue Bird, International, American Motors, Mercedes Benz, and Hyundai. The [Ministry of Public Transportation](#) reported that there will be an increase of new bus imports due to the requirement to replace buses older than 20 years.

Remanufactured parts and used parts are sold through new parts distributors as well as through smaller shops in the city center. The primary parts distributors which sell used and remanufactured parts in many cases do not carry them as a separate line of products, but rather in packages. For example, a brake system kit might include a remanufactured spare part. Rebuilt or remanufactured parts which are in heavy demand in the country are brake and clutch systems and engines for heavy duty transportation.

Unlike new parts, importers of used, remanufactured and rebuilt parts, do not have to show an invoice from the manufacturer to calculate the 13% tax which is estimated by the [Salvadoran Customs](#) authorities.

Electric Vehicles

The government of El Salvador has approved the reduction of taxes for the importation of electric vehicles. There are some distributors of electric vehicles (EV) and there is one official battery charging station in El Salvador. [DELSUR](#), an electricity distribution company, has started the promotion of electric mobility and has imported the first EV. There is an existing proposed law that was submitted to the [Salvadoran Legislative Assembly](#) to regulate Electric Transportation. If the proposed law is formally approved, there will be good opportunities for U.S. electric mobility companies and suppliers of smart accessories and EV components.

There are two associations that represent the interests of the automotive sector:

- Salvadoran Association of Auto Parts Importers (ASIRA)
- Salvadoran Association of Distributors of Vehicles ([ASALVE](#))

Other institution involved in the electric vehicle emerging market:

- DELSUR

A good opportunity for U.S. companies to meet Salvadoran buyers is participating at U.S. trade shows. The U.S. Commercial Service in Central America annually leads a buyer delegation to:

- The Automotive Aftermarket Industry Week (AAIW): [SEMA](#) and [AAPEX](#) shows in Las Vegas, NV, November 3-6, 2020.

U.S. Commercial Service Contact

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Design and Construction

This is a best prospect industry sector for this country, which includes a market overview and trade data.

Overview

	2017	2018	2019	2020(Estimated)
Total Local Production	0	0	0	0
Total Exports	0	0	0	0
Total Imports	109,400,000	119,900,000	147,200,000	109,400,000
Imports from the US	13,602,882	12,289,185	13,483,436	13,602,882
Total Market Size	109,400,000	119,900,000	147,200,000	109,400,000
Exchange Rates	NA	NA	NA	NA

(total market size = (total local production + imports) - exports). Information on local production not available.

Source: Central Reserve Bank of El Salvador construction capital goods import and export; NAICS 3331 U.S exports to El Salvador. Statistics in millions of U.S. dollars.

Official currency is U.S. dollar, no exchange rates apply.

The government of El Salvador has enhanced the possibility of more participation and investment by foreign companies in public works, through the execution of infrastructure projects utilizing private public partnerships, concessions, and build, operate, and transfer contracts.

The business prospects for design and construction industry are tangible as important transport infrastructure is funded by multilateral development banks which lends billions of dollars to developing countries on projects aimed at accelerating economic growth and social development. El Salvador is predominantly supported by the Interamerican Development Bank ([IDB](#)) and the Central American Bank for Economic Integration ([CABEI](#)). In 2019 IDB released a 2019 – 2030 infrastructure [Master Plan](#) for El Salvador which estimated \$8.5 billion in infrastructure investment to boost El Salvador's competitiveness. Relevant projects and recommendations are tied to transport infrastructure, energy and water; whereas CABEI, for instance, is providing funds to conduct studies for [Railroads in El Salvador and Central America](#) and roads infrastructure.

El Salvador has a Construction Chamber ([CASALCO](#)) that welcomes U.S. companies as partners. This organization was created on best practices, ethics, and standards from the industry in the United States. U.S. partners will benefit from the affinity in El Salvador for the United States that will help companies ready to do business abroad. El Salvador's local production of building materials mostly includes concrete, asphalt, and metal processing. The country does not manufacture or assemble construction transport equipment or machinery and has insufficient capacity and technical ability to support complex projects, pre-investment studies and design where U.S. companies would be a preferred partner.

There are a few hurdles for the construction industry. One is the level of red tape delaying construction permits for up to two years and negatively impacts competitiveness and growth of the sector. Another challenge is the lack of incentives such as subsidies on mortgage interest rates for social housing acquisitions and construction loans at preferential rates in the reactivation of low-income housing projects. Additionally, and like for many other sectors, new residential and nonresidential construction face short term challenges as the International Monetary Fund ([IMF](#)) forecasts over 7% of GDP contraction in 2020 in El Salvador.

Leading Sub-Sectors

Leading sub sector where U.S. companies would have the best opportunity of exporting:

- Consulting business and professional services

- Design and construction services
- Construction Equipment and Machinery

Opportunities

El Salvador's logistics infrastructure portfolio includes a series of proposed strategic transportation projects broken into different phases. Among them a new airport, a mass transportation system, and 400 kilometers of [rail](#) in the pre-investment phase. Projects at a more advanced phase include feasibility studies for border crossing infrastructure and a toll road public private partnership project that will be ready in the near term. Projects in the final phases are receiving proposals and include a public private partnership for a cargo terminal modernization ,expansion at the international airport, and a road lighting and surveillance public private partnership. Additionally, there are ongoing projects expected get underway in the near term - for example a six lane viaduct [funded by CABEL](#); road and water connectivity to improve surf sites for tourists, and the design and construction of public [hospitals](#).

Opportunities for bilingual (spanish/ english) consultants specialized in pre-investment studies such as economic, technical, financial, contract models, engineering and design studies are identified, as well as opportunities for new and refurbished construction machinery and equipment from reputable U.S. companies, ready to do business abroad and to compete with well-known international brands.

Government procurement is open to both national and foreign suppliers. Companies may participate in all modes of procurement and while El Salvador is not a signatory to the WTO Agreement on Government Procurement, it is bound by government procurement commitments under [Chapter 9 of the CAFTA-DR](#) trade agreement. Government procurements are channeled through [Comprasal](#), an online portal for competitive bidding processes. All government purchases are regulated by the Acquisition and Purchasing Law (Ley de Adquisiciones y Contrataciones –LACAP), including direct purchases often announced for special projects and technology. Calls for expression of interest open to consultants, companies or individuals, are made through [FOSEP](#), a local entity that provides funds for pre investment studies in El Salvador, where U.S. companies and individuals can register any time. The [registration](#) with FOSEP is permanently available online and is a mandatory requirement in order to prequalify and express interest. The information should be submitted in Spanish and delivered in person. Copy of documents are accepted, except the affidavit from company's legal representative which must be original. Having operations based in El Salvador can certainly be helpful to participate whether it's a separate branch of the company, an employee who can take care of El Salvador's operations, or a subcontracting relationship with local partners. Additionally, the [Commercial Liaison Offices](#) help American businesses learn how to get involved in bank-funded projects, and advocate on behalf of American bidders. Learn more by contacting the [Commercial Liaison Offices to the World Bank](#) and the [Inter-American Development Bank](#) .

Web Resources

- [Port, Airport, and Railroad Autonomous Organization \(CEPA\)](#)
- [Ministry of Public Works, Transport, Housing and Urban Development \(MOP\)](#)
- [Private Public Partnership Promotion Agency \(PROESA\)](#)
- [Potable Water and Sewage Autonomous Administration \(ANDA\)](#)
- [Ministry of Health \(MINSAL\)](#)
- [Central Reserve Bank of El Salvador \(BCR\)](#)
- [U.S. Trade Statistics](#)
- [United Nations Procurement Notices \(UNDP\)](#)
- [Inter-American Development Bank \(IADB or IDB\)](#)
- [U.S. Foreign Assistance - Millennium Challenge Corporation \(MCC\)](#)
- [Railroad Reactivation in Central America](#)
- [Road and Viaduct Loan](#)
- [Port Project - Port La Union Technical Consulting Services 2020](#)
- [Hospital Projects - Ministry of Health](#)

- [Airport Project - Aeropuerto del Pacifico](#)
- [Road Project - Viaduct Design and Construction](#)
- [Transit Project - Mass Transit System San Salvador](#)

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Energy

This is a best prospect industry sector for this country. Includes a market overview and trade data.

Overview

In 2019, El Salvador's electricity generation traded in the wholesale energy market was 6,481.7 GWh while demand was 6361.4 GWh. Total exports to other markets in Central America were 64.83 GWh and imports were 1,449.7 GWh, mainly from Guatemala. [Electrification](#) is above 99% of the population in urban areas and 100% in rural areas.

In 2019, the generation sources in the market were broken down as follows: 22.25% hydroelectric, 21.17% geothermal, 24.77% thermal, 8.55% biomass, 3.34% solar, and 19.23% imports to meet the country's requirements for electricity demand.

The electricity market in El Salvador was deregulated and utilities were restructured in the 1990s.

Subsequently, private and public companies participate as producers, retailers, energy traders and large consumers. The generation market share is divided as follows: 47% State owned, 30% multinationals, and 23% local operators. The distribution market share is divided between 97% multinationals and 3% local distributors. El Salvador's strategy is developed by the government and is primarily focused in energy efficiency and promoting participation of renewable energy (solar, wind and biogas). The market is made up of purchase power agreements (PPA) awarded in competitive auctions supervised by the regulator and the Spot Market. Transmission is State owned, and the market is regulated by the Superintendencia General de Electricidad Y Telecomunicaciones ([General Superintendent for Electricity and Telecommunication - SIGET](#)).

El Salvador's policy is to expand the country's natural resource capacity to decrease fossil fuel dependency. To this end, in 2007, the Salvadoran government passed Decree 462 which grants tax breaks to companies who develop renewable energy projects and provides for 10 years of import tax exemptions for purchases of machines and equipment. In addition, the Salvadoran Government released the 2010-2024 National Policy the purpose of which is to modernize and expand the country's natural resource capabilities in order to increase the contribution of these energy sources to the national energy supply.

Private sector companies, NGOs, and regional banks develop relationships with Salvadoran counterparts such as [SIGET](#), the Ministry of the Environment and Natural Resources ([MARN](#)), and National Energy Council ([CNE](#)) to create solar, hydroelectric, wind, thermal and biomass energy projects. To date the country has developed hydroelectric and geothermal capabilities with an installed capacity of 552.69 MW in hydroelectric power and 204.4 MW in geothermal. In addition, the government is attracting private sector companies for geothermal, solar, biomass, and wind capacities.

Challenges that companies must prepare to face and be ready to address include:

- Political decisions that impact the companies operating in the energy market such as subsidies for households and executive branch mandates to deferred payments without federal budget.
- Unmet investment levels in electricity transmission infrastructure to provide reliable electricity, congestion relief, to promote a robust wholesale market competition.
- Increase costs due to delays on land use permits, negotiations, contracts, and community relations.

Leading Sub-Sectors

The government is receptive to expanding the renewable energy sector, especially in areas that take advantage of the country's vast water sources, and large amounts of sunlight. Biomass, wind, solar, hydroelectric, and geothermal energy opportunities exist in the country. In order to facilitate these projects, organizations such as: The [Inter-American Development Bank](#), USAID, [BCIE](#), and the U.S. International Development Finance Corporation ([DFC](#), formerly Overseas Private Investment Corporation) fund major energy projects within the country.

Biomass

There are five biomass plants in El Salvador. The plants include: Izalco, Chaparrastique, El Ángel, Injiboa, and La Cabaña. In 2019, these five plants produced 551.58 MWh of electricity. In addition, the Nejapa landfill receives the solid waste from San Salvador with a total installed biogas capacity of 6.4 MW, there is the potential to increase the capacity by up to 10 MW.

El Salvador has created projects in anaerobic bio digestion as an alternative to the traditional practices of removing organic wastes. There are three installed systems including: Granja de los Hermanos Jovel (717 m³), Avícola Campestre (6,600 m³), and Agroindustrias San Julián (1,200 m³).

Wind

Wind data assessed by El Salvador's Consejo Nacional de Energia (Energy National Board, [CNE](#)) identified locations with winds reaching higher than 400 W/m² to 50 meters above the ground level as potential sites for wind farms. Fiscal incentives and purchase power agreements led to the development of the first 54 MW wind farm in El Salvador.

Solar

The central region of El Salvador receives a high level of solar radiation (5.3 kWh/m²/day). Therefore, photovoltaic systems are an opportunity to take advantage of the country's vast solar resources.

Most solar panels are installed in government buildings, schools, manufacturing plants, and universities. In 2019, 31 companies generated 489.6 MW of photovoltaic electricity, four of these companies participate in the wholesale market with a total generation of 216.8 MW.

Hydroelectric

There are four hydroelectric dams located in the Lempa River. The following plants on the Lempa include: Guajayo (19.8 MW), Cerrón Grade (172.8 MW), 5 de Noviembre (99.4 MW), 15 de Septiembre (180 MW). These plants are overseen by the Río Lempa Hydroelectricity Board ([CEL](#)). The country has a total of 20 power plants with an installed capacity of 552.6 MW. According to the [Government's Master Plan published in 2019](#), 18 sites with the potential for capacities greater than 20 MW were identified and 209 sites with capacities less than 20 MW. The total potential hydroelectric production capacity of El Salvador's sites are 2,258 MW of Hydroelectric energy is obtainable during the rainy season (May-October).

Geothermal

El Salvador has the highest level of geothermal production in Central America. The country has an installed capacity of 204.4 MW within two geothermal installations. [Report by the National Energy Council](#) (CNE) locates 12 geothermal sites in El Salvador with underground temperatures estimated above 150° C (high enthalpy), and 12 geothermal sites with underground temperatures estimated between 90 to 150° C (low enthalpy). The geothermal potential in both categories equals 791 MW in total and increases the potential generation capacity by 25.8%.

Opportunities

The Government of El Salvador is actively looking to attract investors to expand the country's renewable energy capacity, which translates into opportunities for companies that can provide for needs ranging from technology to equipment procurement to consultancy services. Electricity projects under development include 65.7

MW hydroelectric El Chaparral, a 380 MW LNG power plant, 96 MW wind farms, 4.5 MW biogas/solar/hydro project, 15 MW geothermal, and 20 MW photovoltaic. There is demand for:

- Solar cells and panels
- Generators
- Small Hydroelectric systems
- Consulting services
- Energy storage

Web Resources

[Salvadoran government's Renewable energy Master Plan](#)

[World Bank Data Access to Electricity](#)

[Renewable Energy Portal](#)

[Sustainable development NGO](#)

[Organization of Latin American Energy](#)

[The Inter-American Development Bank](#)

[Central American Bank for Economic Integration](#)

[Development Bank of El Salvador](#)

[Annual Energy Congress](#)

[Official Salvadoran Government Procurement website](#)

U.S. Commercial Service Contact

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Information and Communication Technology (ICT)

This is a best prospect industry sector for this country, which includes a market overview and trade data.

Overview

	2017	2018	2019	2020(Estimated)
Total Local Production	0	0	0	0
Total Exports	13,000,000	14,000,000	14,400,000	13,000,000
Total Imports	537,500,000	607,000,000	605,000,000	537,500,000
Imports from the US	261,806,629	265,415,368	272,245,791	261,806,629
Total Market Size	524,500,000	593,000,000	590,600,000	524,500,000
Exchange Rates	NA	NA	NA	NA

(total market size = (total local production + imports) - exports). Information on local production not available.

Source: [Central Reserve Bank of El Salvador](#), and [U.S. National State trade data](#). Statistics in millions of U.S. dollars. Trade data classification based on U.N. ITC goods and NICS 334 computer and electronic products. Official currency is U.S. dollar, no exchange rates apply.

Overall, the United States continues to be the main source of imports in El Salvador, leading about 30% of the imports market share in 2019, followed by China with 14% of market share. There is no significant local production of information and communication technology, except for capacitors used in electronic equipment produced at a free trade zone for specific clients. Import duties for information and communication technology and equipment are zero percent, subject to a 13% value added tax. End users must pay [5% tax on purchases of telecommunications](#) products and services, such as fixed and mobile telephony, pay-TV, and internet as a special contribution for citizen's security. To do business in El Salvador companies should either register an office or work with a local agent to navigate the procurement registration process and follow up on public and private opportunities, it is recommended to develop contracts between the parties using provisions in [CAFTA-DR Chapter 11](#).

In El Salvador, the ICT sector operates under a privatized legal and institutional framework since 1997, one of the most liberal ICT sectors in Latin America, encouraging competition in most areas and allowing foreign investment. The country's transition to digital transmission began in 2018 along with adaptation of the Japanese-Brazilian Digital Standard (ISDB-T). The regulatory authority with responsibility over spectrum development is the General Superintendence of Electricity and Telecommunications ([SIGET](#)). The Superintendence of competition ([SC](#)) controls the concentration of telecommunication operators.

Mobile-cellular operators began rolling out Long Term Evolution (LTE) data services in 2016. The total number of internet users in 2016 was 1,785,254 or about 29% of the population, mostly using internet for social media and for education and business. Mobile penetration is remarkably high considering El Salvador's economic indicators, being about a third higher than average for Latin America and the Caribbean. The growth in fixed-line services slowed in the face of mobile-cellular competition, fixed lines were 14 per 100 inhabitants, and mobile cellular was 148 per 100 inhabitants in 2019. The broadcast media sector of the ICT industry in El Salvador combines multiple privately owned national terrestrial TV networks, supplemented by cable TV networks that carry international channels, and hundreds of commercial radio broadcast stations.

The country was one of the last in the region to provide LTE services, mainly due to the inadequacy of suitable spectrum, but in 2019 the telecommunications regulator ([SIGET](#)) awarded more spectrum through a public tender after which LTE 4.5 has been deployed by private operators.

Leading Sub-Sectors

The following subsectors have high probability of success:

- Consulting, professional and technical services
- Software development
- Database management
- Data center operations
- Cybersecurity operations
- Computer and network hardware and software
- Telecommunication systems and products

Opportunities

The Technical and Innovation Secretariat has made comments that show an understanding of the importance of digitalization in modern societies and economies, and a firm intention to drive this process in the country. The Innovation Secretariat's [2020 - 2030 Digital Agenda](#) aims to initiate a digital transformation is developed over four pillars: 1. digital identity; 2. innovation, education, and competitiveness; 3. modernization of the government; 4. digital governance. ICT services and products to accomplish the Digital Agenda are focused on:

- Digital identity
- Digitalization of medical records at selected public hospitals
- Reduction of digital gap
- Centralized data center
- Electronic commerce, electronic signature, and electronic invoice implementation
- Biometric passport
- National registry of mobile phone numbers

Software, hardware and training for online education

Smart Cities initiatives have emerged through video surveillance to confront crime and violence. The connectivity and technology available in the market has made it possible, but also has opened up the opportunity to do more with internet of things to improve the lives of the citizens and business. El Salvador has ambitious plans to modernize ports, airports, water and sewage systems, improve and expand mass mobility, lighting and surveillance of roads. There are opportunities for water metering, smart traffic solutions, smart lighting systems, CCTV cameras, and city monitoring systems.

El Salvador's private and public sector prefer U.S. products, services, and technologies. The main buyer is the public sector and purchases are channeled through [Comprasal](#), an online portal for competitive bidding processes. All government purchases are regulated by the Acquisition and Purchasing Law (Ley de Adquisiciones y Contrataciones –LACAP), including direct purchases often announced for special projects and technology.

Main challenges facing ICT plans and agendas in El Salvador, and consequently opportunities for U.S. companies, are:

- Broadband, El Salvador does not have a radioelectric spectrum tender plan to stimulate investment in mobile broadband networks.
- Regulations and standards that promote infrastructure sharing and standardized permitting are key to increase investment in telecommunications infrastructure, antennas, repeaters, and base stations.

Web Resources

[Digital Strategy by Think Tank FUSADES](#)

[ICT Statistics El Salvador](#)

[CIA World Factbook](#)

[IDB Telecommunications Governance Toward-the-Digital-Economy.pdf](#)

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Medical Equipment

Overview

	2017	2018	2019	2020 Estimated
Total Local Production	0.0	0.0	0.0	0.0
Total Exports	3.2	3.0	4.5	4.7
Total Imports	62.9	57.4	59.9	61.7
Imports from the US	18.4	19.7	14.6	15.1
Total Market Size	59.7	54.4	55.4	57.0

(total market size = (total local production + imports) - exports)

Units: USD millions

Source: [Central Reserve Bank of El Salvador](#)

Statistics based in the HTCs: 3005.90; 3006.10; 3006.20; 3006.3010; 3006.3020; 3006.50; 3006.70; 4014.10; 4014.90; 4015.11; 4015.90; 4818.901; 9011.10; 9012.10; 9012.90; 9013.20; 9013.80; 9013.90; 9018.11; 9018.12; 9018.13; 9018.19; 9018.20; 9018.3110; 9018.3190; 9018.32; 9018.3910; 9018.3990; 9018.50; 9018.90; 9019.20; 9022.12; 9022.14; 9022.21; 9022.30; 9022.90; 9402.9010; 9402.9020; 9402.9090; 9025.11

The Bukele Administration, which was inaugurated into office June 1, 2019, quickly announced its three health priorities: resolve the shortage of medicines (which is estimated at 40% in the public sector), improve status of maintenance and poor hospital infrastructure conditions and increase accessibility of health services.

Covid-19 changed the government priorities in 2020.

Renovation, Improvement, and Expansion of El Salvador's Public Hospital Services

The Ministry of Health has been the lead coordinator since the pandemic crisis hit El Salvador. Initial measures taken by the Government of El Salvador included establishment of quarantine for travelers coming from China, South Korea, Italy, Iran and Spain. On March 21st, the Government of El Salvador (GOES) announced a nationwide quarantine that lasted 86 days. Due to the pandemic, the Ministry of Health's new priorities pivoted to focus on renovation and improvement of all 30 existing public hospitals and the construction of a new hospital to treat Covid-19 patients, Hospital El Salvador. Hospital El Salvador is located at the former site of the El Salvador Fairs and Conventions Center (CIFCO).

The new Hospital El Salvador represents a total investment of USD \$75 million and consists of three construction phases: (1) a 400 patient Covid-19 treatment area, a 105 bed Intensive Care Unit (ICU), and a 295 beds Intermediate Care Unit; (2) addition of 664 beds, and (3) construction of a new building that will accommodate 1,200 beds, including a 200 bed ICU.

Phase 1 was inaugurated by President Bukele on June 21, 2020. It represents a USD \$25 million investment.

As part of its efforts to contain and inform the country about COVID-19, the government created an official [COVID-19](#) website about the number of cases, deaths, reopening of the economy, decrees, and other topics related to the pandemic.

Overview of Healthcare in El Salvador

The Salvadoran health services in the public sector are provided by the [Ministry of Public Health and Social Assistance](#) (MINSAL), the [Salvadoran Social Security Institute](#) (ISSS), the [Salvadoran Integral Rehabilitation Institute](#) (ISRI), [Salvadoran Institute of Teachers Welfare](#) (ISBM), the [Institute of Social Prevision of the Army](#) (IPSFA), and the [Solidarity Fund for Health](#) (FOSALUD). The private health sector is made up of hospitals, clinics, and non-profit organizations. The Ministry of Health has a total of 31 hospitals, and 372 health units; and the ISSS has 11 hospitals, and 71 health units and community units. There is only one military hospital. The private system is composed of approximately 30 hospitals, and over 116 private clinics concentrated in the country's three main cities: San Salvador, Santa Ana, and San Miguel.

The Ministry of Health is responsible for the development and coordination of health policy in El Salvador. The importation and commercialization of medical devices, medical equipment, pharmaceuticals, nutritional supplements, natural, dental, and hygiene products are regulated under the Medicine Law that entered into force on April 2012. The Medicine Law is implemented by the regulatory entity [National Medicine Directorate](#) (DNM).

According to the approved 2020 El Salvador National Budget, the health budget totals USD \$757.85 million USD, from which USD \$729.28 million are government funds, USD \$27.9 million foreign loans, and USD \$688,475 donations.

However, due to COVID-19, the Ministry of Treasury provided additional funds to the Ministry of Health (MINSAL) to deal with the COVID-19 crisis. Modifications to the health budget are published in the [Transparency Portal](#). In addition, the Salvadoran government has relied and continues to rely on International Cooperation and international loans to control the pandemic. The latest reports on budgeting and fiscal measures taken by the Salvadoran Government due to COVID-19 are published at the [Ministry of Treasury](#) website.

The [2019 Multipurpose Household Survey Report](#) (EHPM) done by the [General Directorate of Statistics and Census](#) (DYGESTIC) in El Salvador, reported that 25.3% of the total population had some type of medical insurance. From the people covered, the insurance is broken out as follows: 91.9% Salvadoran Social Security Institute (ISSS), 6.0% Salvadoran Institute of Teachers Welfare (ISBM), 1.6% Institute of Social Prevision of the Army (IPSFA), and 0.4% private or other.

Importation and registration of Healthcare Equipment and Products

The public sector is the key primary purchaser of medical equipment and supplies through the Ministry of Health and the Salvadoran Social Security Institute (ISSS). Public institutions differ from private entities as they only buy new equipment. Some private hospitals occasionally acquire used or refurbished equipment. Approximately 80% of El Salvador's market is new medical equipment and 20% used or refurbished.

New and used medical equipment can be imported into El Salvador and needs to be registered at the [National Medicine Directorate](#). Used or refurbished equipment cannot be older than 10 years from the date of manufacture. In addition, U.S. exporters should be advised that the Good Manufacturer Certificate (GMC) is required when exporting new, used or refurbished equipment into El Salvador.

Other healthcare related products, such as medical devices, pharmaceuticals, nutritional supplements, natural, dental, and hygiene products, need to be registered with the DNM. Ionizing radiation devices or equipment require an import permit from the [Radiation Protection Directorate](#) at the Ministry of Health.

To enter the market a U.S. exporter needs to identify a local distributor or representative in the country. Selling to public institutions typically requires participation in a public bidding process announced through the government

procurement website [COMPRASAL](#). It is recommended that the U.S. companies work closely with their local partner to develop effective promotional strategies and maintain a continuous presence in the market. Also, it is recommended retaining a legal representative (law firm) who can assist in preparing bid offers. According to the Salvadoran Government Procurement Law (LACAP), the lower bid is usually granted.

Leading Sub-Sectors

- Respiratory equipment
- PPE Products
- Ultrasound scanning apparatus
- Magnetic Resonance Imaging equipment
- X-ray equipment
- Cardiac monitors
- Beds, lamps
- Dialysis equipment
- Disposable products

Opportunities

In 2019, El Salvador imported a total of USD \$59.9 million in medical equipment and devices, with U.S. products making up roughly 24% of the market share. US products are preferred due to quality, customer awareness and availability of spare parts and accessories. The main competitors in this sector are products from China, Germany, and Japan. There is no significant local production in El Salvador.

Post-sale service is crucial in the market as hospitals and clinics require technical support for their equipment. For example, a large German manufacturer is one of the leading suppliers in the health system as they have well established operations in El Salvador and can respond quickly to local needs. U.S. companies are encouraged to work with local distributors that can provide technical support to local clients.

The below are mid-term projects under development by the public and private sector:

- a. Public Sector – projects funded by a USD \$170 million loan from the Inter-American Development Bank. COVID-19 has affected the implementation of the projects. Announcements of future bids could be delayed due to the emergency. It is recommended that U.S. companies interested in these opportunities register at the [United Nations Development Business](#) or [COMPRASAL](#) to get the bids notifications.
 - i. North Zone Hospital: a new hospital in the northern part of San Salvador, which will provide services to the municipalities of Apopa, Nejapa, Aguilares, Tonacatepeque, Guazapa, and El Paisnal. The hospital will have approximately 100 beds and will provide surgery, pediatric, and gynecologic services. USD \$5 million will be allocated for the purchase of medical equipment. The bid for the design and construction of the hospital was published in May 2020; offers are expected to be submitted on September 10, 2020.
 - ii. Hospital Rosales: the main public hospital in El Salvador. The project contemplates the remodeling of current facilities and the construction of new towers. USD \$19 million will be allocated for the purchase of medical equipment.
- b. Private Sector
 - i. Hospital de Diagnostico: one of the main private hospitals in the country, is planning the construction of a Surgery Center and ER Unit in the city of Antigua Cuscatlán (La Libertad). The

center will require x-ray machines, a computerized axial tomography (CAT) scanner, and potentially an accelerator.

U.S Commercial Service Contact Information

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Plastics

This is a best prospect industry sector for this country. Includes a market overview and trade data.

Overview

	2017	2018	2019	2020 (est.)
Total Exports	\$371,305,989	\$366,727,202	\$405,180,282	\$283,626,197
Total Imports	\$736,879,471	\$789,108,867	\$795,281,051	\$636,224,840
Imports from the U.S.	\$200,839,142	\$190,908,889	\$189,186,989	\$151,349,591
Total Market Size	\$536,040,329	\$422,381,665	\$390,100,769	\$352,598,643
Exchange rate	U.S. Dollar	U.S. Dollar	U.S. Dollar	U.S. Dollar

Source: [Central Reserve Bank of El Salvador](#). Note: No reliable source for local production.

Although El Salvador lacks petroleum reserves, the country is the second largest supplier of plastics products in Central America after the U.S. which makes the plastics industry an important industrial sector in El Salvador. The plastics sector represents 2.8% of the manufacturing industry in El Salvador. The three largest areas of production are beverage bottles (23.7%), plastic bags (17.5%), plastic packaging (15.9%), plastic tableware (10.4%) and other plastics products (8.7%). El Salvador has become the Central American leader in exporting plastic bags, plastic beverage containers, and plastic packaging.

The United States is the largest provider of plastics products and equipment to the Salvadoran market. Main competitors of plastics machinery and equipment include: China, Guatemala, México, Canada, Colombia, Taiwan, and Brazil.

Salvadoran companies continue investing in new technologies and implementing new techniques to improve their productivity and efficiency in the plastics industry. The most exported plastic products are plastic furniture (USD \$13.8 million), polymers and other primary forms (USD \$9.8 million), plastic brooms (USD \$8.7 million) and plastic shoes (USD \$5.5 million). The leading export markets for Salvadoran companies include Guatemala, Honduras, Nicaragua, Costa Rica, and the Dominican Republic.

Top companies in the plastics industry are: Termoencogibles, S.A. DE C.V., Sigma Q, Carvajal Empaques El Salvador S.A. de C.V., Grupo Ravicorp, OPP Film El Salvador, S.A. de C.V., Smurkfit Kappa-Celpac, S.A. de C.V., Tubos y Perfiles Plásticos, S.A. de C.V., Salvaplastic, S.A. de C.V., Polybag, S.A. de C.V., and Iberplastic, S.A. de C.V.

The sector expects it will be heavily impacted in 2020 due to both slowdown in manufacturing and exporting. Some plastics manufacturing companies have also shifted production to manufacture personal protective equipment (PPE) such as: safety glasses, biohazard bags, disposable full-face shields, gowns, gloves, biosecurity footbath recipients, plastic hoods, and other products in high demand.

Leading Sub-Sectors

Leading equipment and materials in the plastics industry include resins, equipment for sacks and bags of ethylene polymers, polyethylene, ethylene-vinyl acetate copolymers, plastic tubes, pipes, plastic hoses, self-adhesive sheets, and thermoforming machines.

The sector continuously needs to invest in updated machinery if they are to continue to see an increase in exports in the coming years. It is anticipated that equipment imports needed by the industry for their products will continue to grow.

The Salvadoran Plastics Industry Association ([ASIPLASTIC](#)) with its Plastic Recycling Program “[Eco Amigos](#)” is committed to providing information to other companies on how to separate and recycle plastic and reconvert it into new products. Equipment and technology for plastic residue and disposal has strong potential in the market.

Opportunities

El Salvador represents an opportunity for U.S. exporters of equipment and materials in the plastics industry, especially in the manufacture of energy efficient plastics processing machines that save time and minimize waste. The use of bio-based plastic materials is growing in El Salvador and there is a niche for machinery that processes durable bio-based plastic products.

On December 20th, 2019, the Integral Management of Waste and Promotion of Recycling Bill was approved by the [Salvadoran Legislative Assembly](#). The implementation of this law allows recycling companies to operate and manage programs to reuse and recycle different types of waste in a responsible manner and promoting a circular economy. There will be opportunities for U.S. suppliers of plastics recycling and transforming products, grinders and shredding machines.

Following are additional opportunities for U.S. companies to meet Salvadoran potential buyers:

- [NPE 2021-The Plastics Show](#) – Orlando, Florida – May 17-21, 2021

Web Resources

Salvadoran Industrial Association ([ASI](#))

U.S. Commercial Service Contact Information

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Safety and Security Equipment

This is a best prospect industry sector for this country, which includes a market overview and trade data.

Overview

	2017	2018	2019	2020(Estimated)
Total Local Production	0	0	0	0
Total Exports	309,424,911.9	370,448,001.2	299,568,749.8	224,676,562.4
Total Imports	818,160,180.34	919,522,685.81	875,909,565.96	9,635,000,522.55
Imports from the US	81,125,188.40	71,288,296.48	70,794,829.90	74,334,571.39
Total Market Size	508,735,268.44	549,074,684.61	576,340,816.16	9,410,323,960.20
Exchange Rates	NA	NA	NA	NA

(total market size = (total local production + imports) - exports). Information on local production not available.

Source: [Central Reserve Bank of El Salvador](#); statistics in millions of U.S. dollars. Trade data constructed on products classified under HS code 85, and HS 93.

Official currency is U.S. dollar, no exchange rates apply.

Overall, the United States continues to be the main source of imports in El Salvador, leading about 30% of the imports market share in 2019, followed by China with 14% of market share. There is no significant local production of safety and security equipment in El Salvador and import duties for most security equipment and devices are zero percent, subject to a 13% value added tax. To do business in El Salvador, a U.S. company should either register an office or work with a local agent to navigate the procurement registration process and follow up on public and private opportunities. Also, the Ministry of Justice and Security must authorize private security companies and individuals providing alarm monitoring, security, private investigations, transportation of valuables, and guard services. Additionally, the Arms, Ammunition, and Explosive Law requires prior authorization of the Ministry of Defense for the importation of firearms, pepper sprays, chlorobenzylidenemalononitrile (CS) and chloroacetophenone (CN) tear gas, explosives, electrical shock protection devices, and similar products.

Safety and security equipment demand in El Salvador offers a steady market of opportunities for U.S. exporters. Even though crime rates in El Salvador have been dropping, the country is still widely viewed as insecure by its citizenry and there are real dangers that exist. Businesses and private citizens protect themselves from crimes such as extortion, assault, and robbery, and thus security is a vital factor for private companies, public institutions, Salvadorans in general, and international trade related activities.

The government of El Salvador's plan to mitigate crime and violence has included decisions that improve procedures, security, and efficiency in the criminal justice sector such as the purchase of electric monitoring bracelets, the integration of a monitoring and communication system, acquisition of new patrol vehicles, patrol vehicle equipment for the police, screening technology for prisons and airports, among others. The greatest challenge is the lack of resources to fund security plans, but the acquisition of technology, infrastructure, and police equipment is commonly through loans from international financing institutions, international cooperation, and/or a fund created by law specifically for security that imposes a 5% tax on purchases of telecommunications products, and services such as fixed and mobile telephony, pay-TV, and internet. The United States cooperation on security includes border security, violence prevention, prison reform, and other areas highlighted in the following link:

<https://www.state.gov/j/inl/regions/westernhemisphere/219166.htm>

The private sector expenditures in safety and security is mostly on guards, perimeter surveillance, and asset protection. It is common practice to hire services from private security companies for commercial and residential security, including guards, security armed patrol, and GPS tracked vehicles. In the main city of San Salvador, its and other neighboring municipalities are cooperating to increase city surveillance and municipal police as they share

responsibilities for preventing and responding to crime and violence. To sell US products and services in El Salvador, the use of an agent or distributor is recommended, as well as to develop contracts between the parties using provisions in [CAFTA-DR Chapter 11](#).

Leading Sub-Sectors

The following subsectors have a very high probability of success:

- Video surveillance system
- Intrusion detection/burglar alarm systems
- Electronic access control systems
- Door/entrance solutions
- Physical security
- Personal protection products
- IT security
- Scanning equipment
- Road and airport security
- Video security analytics
- Forensic software
- Tracking devices
- Drones

Opportunities

The new government administration announced in 2019 a three phase security plan to fight gangs which includes funds to acquire equipment to increase the number of police and soldiers in the field to retake gang territory, block out communications in areas near prisons, and to tighten conditions for inmates at all the prisons. The first phase of the plan has opened up business opportunities for meals ready to eat, bullet proof vests and helmets, boots and uniforms, and maintenance of helicopters. The second phase aimed to provide opportunities for at risk youth through technical training and improving living conditions.

For phase three, the Central American Bank for Integration approved a loan of USD109 million to obtain technology, including:

- Cameras
- Tactical drones
- Biometric and facial recognition technology

Cybersecurity is another area of opportunity, the country does not have an established national strategy or policy, but with the creation of the Technical and Innovation Secretariat technical assistance will be needed and coordinated by Technical Secretariat for other government entities including the Ministry of Justice and Security, and those responsible for cybersecurity. The Technical Secretariat's digital agenda includes the following information and telecommunication technology services and products:

- Digital identity.
- Reduction of digital gap
- Centralized data center
- Electronic commerce, signature, and electronic invoice implementation
- Biometric passport
- National registry of mobile phone numbers

El Salvador's private and public sector prefers U.S. products, services, and technologies. More efficient and sophisticated products, and training are always in demand. The main buyer is the public sector; however, most acquisitions depend on loans from multilateral development banks or grants, and donations by contributor countries.

Government purchases are channeled through [Comprasal](#), an online portal for competitive bidding processes. All government purchases are regulated by the Acquisition and Purchasing Law (Ley de Adquisiciones y Contrataciones –LACAP), including direct purchases often announced for special projects and technology.

Opportunities for residential security monitoring services and video surveillance systems are growing in a market where barbed wire, bars on windows and doors, and gated neighborhoods are prevalent.

Monitoring and surveillance systems, as well as access control technology to manage visitors and parking is also growing for use at office buildings, apartment towers, and commercial centers.

Web Resources

[IDB](#)

[Central American Bank for Economic Integration](#)

[Council of the Americas](#)

[Official Salvadoran Government Procurement website](#)

[Ministry of Defense of El Salvador](#)

[National Civil Police](#)

[Central America Economic Integration Secretariat](#)

[Central Reserve Bank of El Salvador](#)

[Oversees Security Advisor Council \(OSAC\)](#)

[Import controlled products](#)

[5% Tax on Telecommunication](#)

[El Salvador Central Bank Trade Data](#)

U.S. Commercial Service Contact

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Customs, Regulations and Standards

Trade Barriers

There are few trade barriers that affect the imports of manufactured goods, but El Salvador does maintain some barriers to services. For example, notaries must be Salvadoran and certain professionals, such as architects, must be licensed locally.

Rice and pork are both subject to import quota systems and 40% duties. Rice millers are required to buy rice locally. When there is insufficient local supply, the Ministry of Agriculture allows imports under the quota, and after the import quota has been exhausted, if there is still a need for imported rice, rough or milled rice can be freely imported, subject to a 40% duty. Pork importers face a similar arrangement, to first buy locally, then resort to imports, subject to a 40% duty. Under CAFTA-DR, El Salvador committed to a 15-year phase-out of all tariffs on pork, except for bacon and most offal, which have been eliminated. Only a fixed part of the tariff-rate quota (TRQ) will remain subject

to a performance requirement, which will be eliminated in 15 years (2021). Tariffs for rice will be eliminated in 18 years (2024), except in Costa Rica and the Dominican Republic.

El Salvador has used sanitary standards to prevent import of raw poultry and eggs. In 2009, the CAFTA-DR poultry quota was expanded to El Salvador and U.S. poultry is now imported into the country. After long discussions with officials from the Ministry of Agriculture (MAG), USDA/FAS managed to have U.S. lamb and veal accepted under the CAFTA-DR sanitary inspection system equivalence granted to U.S. pork, beef and poultry; thus, avoiding the plant-by-plant inspection requirement. USDA/FAS also has been able to get approval from MAG to accept the Agricultural Marketing Service (AMS) export certificates for products containing small quantities of egg.

The Salvadoran Government requires that rice shipments be fumigated at importers' cost unless they are accompanied by a U.S. Department of Agriculture (USDA) certificate stating that the rice is free of *Tilletia Barclayana*. However, since there is no chemical treatment that is both practical and effective against this plant pathogen, USDA cannot issue these certificates. El Salvador failed to notify the WTO, as required under CAFTA-DR, on the application of sanitary and phytosanitary (SPS) measures when it imposed this requirement. The CAFTA-DR chapter on SPS measures further states that the signatory countries accept each other's mechanisms for inspection.

In 2013 and again in 2014, the Salvadoran Legislative Assembly passed decrees allowing the government to purchase local maize and bean seeds without adhering to the Salvadoran Public Procurement Law (LACAP) and CAFTA-DR Chapter 9 government procurement commitments. In 2015, the Ministry of Agriculture reviewed their seed giveaway program to comply with CAFTA-DR. The Terms of Reference for the purchase of maize seeds were updated to accommodate non-local providers. According to the "Special and Transitory Disposals to Promote the Production of Basic Grains" decree, a committee will review all tenders and make recommendations to the Ministry of Agriculture (MAG) responsible for the final resolution. For the 2018 program, the committee reviewed all tenders and made purchase recommendations to MAG which selected only local providers. Currently MAG continues to draft technical specifications that are only met by local seeds, and continues to purchase from local providers.

Since the year 2013 the Ministry of Agriculture requires plant by plant inspections to be able to import seafood from the United States and any part of the world. In order to do plant inspections, the Salvadoran government requires an official invitation from the government of the country where the plant is operating. Since the U.S. Government does not issue official invitations to do plant-by-plant inspections, U.S. seafood companies have had great difficulties exporting seafood to El Salvador. However, bilateral efforts made by USDA/FAS and DOC/NOAA to allow the importation of U.S. seafood were successfully conducted and in the first quarter of 2019 Salvadoran health authorities decided to grant admissibility to U.S. born and raised seafood. USDA/FAS and DOC/NOAA will continue negotiating with the GOES to gain access for all seafood exported from the U.S., including third country product.

Import Tariffs

As of January 1, 2015, 100% of U.S. consumer and industrial goods enter the CAFTA-DR countries duty free (for goods that meet the country of origin requirements). Approximately 80% of these products entered duty-free when CAFTA-DR first entered into force in 2006. The remaining 20% of consumer and industrial goods were on a 5- or 10-year phased tariff reduction schedule.

CAFTA-DR provides preferential treatment for products that meet the CAFTA-DR origin rule. The Agreement allows the Salvadoran and U.S. Governments to conduct an Origin Verification Process when there is doubt regarding product origin. U.S. exporters and local importers are required to keep documentation proving origin for a period of five years.

Under CAFTA-DR, more than half of U.S. agricultural exports now enter El Salvador duty-free. In 2006, El Salvador began a process to eliminate its remaining tariffs on nearly all agricultural products within 15 years (18 years for rice and chicken leg quarters and 20 years for dairy products). For some agricultural products, TRQs will permit immediate duty-free access for specified quantities during the tariff phase-out period. El Salvador will liberalize trade in white corn, for example, through expansion of a TQR, rather than by tariff reductions.

[The complete CAFTA-DR tariff schedule](#)

The Agreement also requires transparency and efficiency in administering customs procedures, including the CAFTA-DR rules of origin. El Salvador has committed to ensuring greater procedural certainty and fairness, and all parties agreed to share information to combat the illegal transshipment of goods.

According to CAFTA-DR chapter 20, “in case of disputes, the Parties shall at all times endeavor to agree on the interpretation and application of the Agreement and shall make every attempt through cooperation and consultations to arrive at a mutually satisfactory resolution of any matter that might affect its operation.”

“Any Party may request in writing consultations with any other Party with respect to any actual or proposed measure or any other matter that it considers might affect the operation of the Agreement.”

The consulting Party may request another consulting Party to make available personnel of its government agencies or other regulatory bodies who have expertise in the matter subject to consultations.

If the Parties fail to resolve a matter through consultations, they “may also request in writing a meeting of the Commission, where consultations have been held pursuant to Article 16.6 (Cooperative Labor Consultations), Article 17.10 (Collaborative Environmental Consultations), or Article 7.8 (Committee on Technical Barriers to Trade)” of CAFTA-DR. The Commission shall consist of the cabinet-level representatives of the consulting Parties.

For countries with which El Salvador does not have a bilateral trade agreement, most of El Salvador’s tariffs do not exceed the maximum common external tariff of 15% established by the Central American Common Market (CACM) treaty, of which it is a signatory. However, there are several exceptions. Tariffs on new and used finished clothing are generally 25%, while tariffs on fabrics are 20% or more. Motor vehicles are generally assessed a duty of 25-30%. Agricultural products face the highest tariffs. Some dairy, rice, pork, and poultry products are assessed a 40% duty. Alcoholic beverages are subject to a 20% to 40% duty, as well as domestic taxes that include a specific tax based on alcohol content and an 8% ad valorem tax. In addition, all goods and services in El Salvador, regardless of origin, are charged a value-added tax (VAT) of 13%.

In November 2015, a “Special Contribution for Citizen’s Security” of 5% was imposed on the telecommunication industry. This contribution applies to all telecom devices, software, and hardware imported into El Salvador. Although in 2018, the Constitutional Court agreed to consider five challenges arguing that the 5% tax is unconstitutional as it represents double taxation ; the Court has not yet ruled and the contribution is due to expire in November 2020, unless renewed by the Assembly. [El Salvador’s tariff schedule \(for other trading partners\)](#)

Alternative Dispute Resolution

“Each Party shall, to the maximum extent possible, encourage and facilitate the use of arbitration and other means of alternative dispute resolution for the settlement of international commercial disputes between private parties in the free trade area; to this end, each Party shall provide appropriate procedures to ensure observance of agreements to arbitrate and for the recognition and enforcement of arbitral awards in such disputes.”

“The Commission may establish an Advisory Committee on Private Commercial Disputes comprising persons with expertise or experience in the resolution of private international commercial disputes.”

Import Requirements and Documentation

In most cases, Salvadoran Customs does not require import licenses and requires only a commercial invoice and bill of lading.

In December 2008, the Customs Authority added a section to its website, entitled “Tariff Online Query,” where companies can learn the import tariff, whether import permits are required, if there are import restrictions for a product, and which specific government agency is responsible for permit issuance. [The Tariff Online Query](#)

All imports of fresh food, agricultural commodities, and live animals must have a sanitary certificate from the Ministry of Agriculture and the Ministry of Public Health. Basic grains must have import licenses from the Ministry of Agriculture, while dairy products require import licenses from the Ministry of Public Health. Pharmaceutical, medical

equipment, medical devices, natural, nutritional supplements, dental, cosmetics, and hygiene products need to be registered at the [National Directorate of Medicines](#) (Direccion Nacional de Medicamentos–DNM). Food products require a Certificate of Free Sale showing approval by U.S. health authorities for public sale. At present, there is no standard regulation allowing entry of U.S.-approved products. Some U.S. processed foods which were approved in the United States were rejected after analysis in El Salvador, thereby barring their sale. USDA/FAS San Salvador has obtained access for U.S. products rejected by the Ministry of Public Health on a case-by-case basis. In addition, USDA/FAS San Salvador negotiated an exemption from the Certificate of Free Sale for U.S. meat and meat products and, instead, have local sanitary authorities from Ministries of Health and of Agriculture accept the Food Safety Inspection Service (FSIS) 9060-5 Export Certificate. Additional information can be found on [USDA's website](#) under El Salvador's Food and Agricultural Import Regulations and Standards, and Export Certificate Attaché reports. Import permits from the Ministry of Agriculture can be requested by the importer at the Ministry of Agriculture.

In 2011, the Government created a one-stop service for import applications in the [Import and Export Transaction Center](#) (CIEX) located at the Central Reserve Bank (BCR). All agencies and ministries involved in an import procedure are represented at CIEX. In January 2019, CIEX launched the importation single window for food and beverage products; the addition of other products has been gradual. By December 2020, the majority of the products handled by the Ministry of Health, Ministry of Agriculture, Ministry of Treasury, and the National Medicine Directorate should be connected in the importation single window. The Ministry of Defense should be connected in 2021.

Read more about customs regulations and rules of origin certification under [CAFTA-DR](#)

Labeling and Marking Requirements

The following requirements are included in the Consumer Protection Law, and for pharmaceuticals, in the Medicines Law:

- Retailers must display the price of the product either on the packaging or in a visible place.
- Products that are sold by weight or volume, or any other measure, must have the weight, volume, or an exact measure of the contents on the label.
- Pharmaceuticals must provide the following information on the label: the trade name; active ingredient; concentration of active ingredient; instructions for use, possible side effects; warnings; dose; manufacturing and expiration dates; formula; manufacturing lot number; and Health Registry Number, as established by the National Directorate of Medicines.
- Labels on frozen and canned foods must include an expiration date.
- Labeling must be in Spanish.

[Labeling requirements for textile products, lightings, tobacco, and consumer products](#)

New labeling requirements for alcoholic beverages entered into force in June 2014, including the following:

1. No false or misleading labeling.
2. The data to be displayed in labels must be in Spanish, clear, visible, and easy to read for the consumer.
3. No words, images, or any other representation that can lead to confusion for the consumer.
4. The height of labeling characters must be no less than 1 mm.
5. Healing and preventive indicators are not allowed on labeling.
6. Indicate the name and origin of the product.
7. Indicate the alcoholic strength on each product and net content.
8. List of ingredients and expiration date.
9. For national products: designate the name and address of the manufacturer, distributor, or exporter, as the case may be. For imported products: designate the name and address of the importer or distributor.
10. Indicate sanitary registration number and lot code.
11. Include the caption: "el consumo excesivo de bebidas alcohólicas perjudica la salud", if applicable.

12. Country of origin.

[The Technical Regulation](#)

[Labeling requirements for baby formula milk](#) were established by the Ministry of Health in 2014. Additional requirements might be implemented through the regulation to the law.

[To review the Central America Technical Regulation \(RTCA\)](#)

U.S. Export Controls

The United States imposes export controls to protect national security interests and promote foreign policy objectives related to dual-use goods through implementation of the Export Administration Regulations (EAR). The Bureau of Industry and Security (BIS) is comprised of two elements: Export Administration (EA), which is responsible for processing license applications, counselling exporters, and drafting and publishing changes to the [Export Administration Regulations](#); and Export Enforcement (EE), which is responsible for the enforcement of the EAR. BIS works closely with U.S. embassies, foreign governments, industry, and trade associations to ensure that exports from the United States are secure and comply with the EAR. BIS officials conduct site visits, known as End-Use Checks (EUCs), globally with end-users, consignees, and/or other parties to transactions involving items subject to the EAR to verify compliance.

An EUC is an on-site verification of a non-U.S. party to a transaction to determine whether the party is a reliable recipient of U.S. items. EUCs are conducted as part of BIS's licensing process, as well as its compliance program, to determine if items were exported in accordance with a valid BIS authorization or otherwise consistent with the EAR. Specifically, an EUC verifies the *bona fides* of transactions subject to the EAR, to include: confirming the legitimacy and reliability of the end use and end user; monitoring compliance with license conditions; and ensuring items are used, re-exported or transferred (in-country) in accordance with the EAR. These checks might be completed prior to the export of items pursuant to a BIS export license in the form of a Pre-License Check (PLC), or following an export from the U.S. during a Post-Shipment Verification (PSV).

BIS officials rely on EUCs to safeguard items subject to the EAR from diversion to unauthorized end uses/users. The verification of a foreign party's reliability facilitates future trade, including pursuant to BIS license reviews. If BIS is unable to verify the reliability of the company or is prevented from accomplishing an EUC, the company may receive, for example, more regulatory scrutiny during license application reviews or be designated on BIS's Unverified List or Entity List, as applicable.

BIS has developed a list of "red flags", or warning signs, and compiled "Know Your Customer" guidance intended to aid exporters in identifying possible violations of the EAR. Both of these resources are publicly available, and their dissemination to industry members is highly encouraged to help promote EAR compliance.

BIS also provides a variety of training sessions to U.S. exporters throughout the year. These sessions range from one to two-day seminars that focus on the basics of exporting to coverage of more advanced, industry specific topics. Interested parties can check [This is a best prospect industry sector for this country](#). Includes a market overview and trade data [list of upcoming seminars and webinars](#) or reference BIS provided [online training](#).

BIS and the EAR regulate transactions involving the export of "dual-use" U.S. goods, services, and technologies. For advice and regulatory requirements, exporters should consult the other U.S. Government agencies which regulate more specialized items. For example, the U.S. Department of State's Directorate of Defense Trade Controls has authority over defense articles and services, or munitions. A list of other agencies involved in export control can be found on the [BIS website](#) or in Supplement No. 3 to Part 730 of the EAR.

The EAR is available on the [BIS website](#) and on the e-CFR (Electronic Code of Federal Regulations) and is updated as needed. The [Consolidated Screening List](#) (CSL) is a list of parties for which the United States

Government maintains restrictions on certain exports, reexports or transfers of items. The CSL consolidates eleven export screening lists of the Departments of Commerce, State and the Treasury into a single data feed as an aid to industry in conducting electronic screens of parties to regulated transactions. Exporters are encouraged to classify their items prior to export, as well as consult the CSL to determine if any parties to the transaction may be subject to specific license requirements.

Temporary Entry

Customs may authorize temporary entry of foreign merchandise with temporary or partial suspension of duties for specific purposes, under the condition that the merchandise is re-exported within the time authorized and without any modification. A bond must be presented as the guarantee that the temporarily imported goods will be re-exported within the time authorized. Temporary entry of goods for transformation, manufacture, or repair is granted under laws that regulate free trade zones and services.

The temporary entry of the following merchandise is allowed provided it will be exported in the same condition in which it arrived:

- Vehicles to be used in tourism
- Merchandise to be exhibited in fairs, trade shows, and international conventions or congresses
- Equipment, vehicles, and goods that are the property of a circus or similar public show
- Merchandise to provide assistance in emergency situations caused by catastrophes or natural phenomenon, including medical, surgical, and laboratory equipment and similar materials, none of which can be for profit-making activities
- Educational, religious, and cultural merchandise to be exhibited to support an activity in this field
- Scientific equipment to support scientific research
- Machines, equipment, instruments, and tools to be used in public works
- Goods to be used by the Salvadoran government
- Commercial vehicles and parts
- Commercial goods to be used in the demonstration of products
- Other goods according to specific norms or international agreements

Each person entering the country may bring tax-free: personal goods such as clothes, handbags, and toiletries; medicines; food; medical devices; sport items; surfboards; one photography camera, one movie camera, one image record device, and one personal computer; musical instruments; working tools; sample goods; books; CDs; 500 hundred grams of tobacco; hunting and sport weapons; up to two pets (cats or dogs); and other goods valued at less than USD \$500.

Prohibited and Restricted Imports

Imports of certain high-caliber firearms are prohibited. Arms for personal defense or hunting may be imported but are strictly controlled by the police and Ministry of Defense, based on a special law that also controls sales to public and private security companies.

Cocaine, opiates, and barbiturates may be imported solely for medical use, with the permission of the National Directorate of Medicines (NDM). The NDM controls the sale of these substances to the public. Tranquilizers, sedatives, anti-depressants, and certain antibiotics were recently added to the list of prescription medicines. For a complete list of products or substances controlled by the NDM please see:

<https://www.medicamentos.gob.sv/index.php/es/servicios-m/listados/listados-farmaceuticos/lomsc>.

Items that are prohibited by the Rules of Application and Interpretation of the Central American Importation Tariff Decree are:

- Books, booklets, emblems, posters, and other articles of a subversive character or doctrines contrary to the established political, economic, and social order.
- Figures, statues, books, booklets, almanacs, magazines, engraved or lithographed articles, newspapers, lithographs, stamps, photographs, and cards of an obscene nature or any other obscene articles.

- Movies contrary to ethics and good behavior.
- Medications or equipment used to induce abortions.
- Gambling machines and tables, roulette wheels, and any other items or articles used for gambling are not prohibited, but subject to authorization by the Ministry of Finance and local municipalities.
- Opium with less than 9% morphine, scraps and opium ash, and any material used for smoking these products.
- Non-stamped paper for cigarettes, white or colored in rolls, spools, booklets, or small tubes.
- Machines and tools for making coins.
- Counterfeited coins and bills.
- Plain silver coins of less than 0.90 purity.
- Tokens of any metal or alloy that may be used as substitutes for legal coins.

Anyone considering importing these items should consult with the appropriate government regulatory agency for information on exemptions or special permits.

Some goods are subject to a “limited import prohibition”: only the government can import these goods. They include military airplanes and ships, gas masks for military use, potassium nitrate, stamped paper for making cigarettes, postage stamps, and nickel coins for legal circulation.

Customs Regulations

The Central American Uniform Customs Code ([CAUCA](#)), and its regulation known as [RECAUCA](#), are the customs procedures framework in force in Guatemala, El Salvador, Nicaragua, Honduras, and Costa Rica. CAUCA IV modernizes regional customs by implementing uniform documents, allowing electronic transmission of customs information, and permitting electronic prepayment of charges, tariffs, and taxes. CAUCA and RECAUCA are currently under review by the Central American customs authorities to simplify and modernize customs procedures.

In July 2018, El Salvador’s Legislative Assembly approved the country’s incorporation into the Customs Union established by Guatemala and Honduras in June 2017. El Salvador is moving into the operational phase, which includes working to harmonize regulations and procedures, integrate border posts, establish interconnectivity between automated systems, and train customs officials on the new procedures. Although technical-level working groups continue to meet, the Bukele administration announced in January 2020 that it would prioritize bilateral trade facilitation with Guatemala. During implementation, El Salvador is expected to periodically revise its customs rules and procedures. -

El Salvador has an Electronic Payment System ([P@GOES-DGA](#)) which allows companies to make online payments of import tariffs and related taxes of a Merchandise Declaration. The system is available 24/7, representing a reduction in time, and costs to the private sector.

The amount set forth in the commercial invoice is used to determine the tariff assessment. If there is doubt about the accuracy of the stated price, Customs assesses its own value. For valuation of used cars, Customs uses N.A.D.A., Edmund’s, and the Truck Blue Book. Currently, El Salvador is implementing the WTO Customs Valuation Agreement. However, El Salvador has not yet notified its customs valuation legislation to the World Trade Organization (WTO), and has not yet responded to the Checklist of Issues describing how El Salvador implements the Customs Valuation Agreement.

In general, the following documents are required to import products into the country: (a) customs declaration; (b) invoice; (c) transportation documents; (d) certificate of origin; (e) licenses or permits; and (f) payment of duties and taxes (which can be done electronically).

Every customs declaration should contain at least the following information:

- The requested customs regime
- Specifics of the dispatcher or consignee
- Specifics of the applicant or representative
- Type of transportation
- Cargo manifest number
- Number of the corresponding transportation document
- Country or countries of origin of the goods, and country of destination
- Description of the goods, including gross weight in kilograms
- Tariff classification of the goods and their trade description
- Customs value of the goods
- Permits (when needed)
- The applicable duties and taxes

In May 2019, El Salvador adopted the DUCA (*Declaracion Unica Centroamericana*), a single online document to replace three physical customs forms, in conjunction with other members of the Central American Economic Integration Secretariat (SIECA). SIECA manages the [DUCA online platform](#). [Salvadoran Customs offers assistance](#) with the DUCA process.

In 2018, El Salvador approved amendments to the Customs Simplification Law to reduce the timeframes of customs procedures. The reform halved the statutory time to clear goods through customs (from 48 to 24 hours), while taxpayers will have four days to pay duties and taxes. In addition, the reform introduced a 24-hour deadline to conduct non-intrusive inspections.

The commercial invoice should contain at least the following information: name and address of the seller; city and date; name and address of the buyer; description of the goods, including brand, model or style; quantity, unit, and total value of the goods; and terms of payments agreed with the seller. The Customs Authority accepts invoices either in English or Spanish.

The transportation documents should include: airway bill or bill of lading; name of the company; port of origin and destination; type, quantity, and description of product; weight; freight value; and number of the corresponding transportation document, as well as its date and place of issuance.

Goods originating in CAFTA-DR countries trans-shipped via other countries, especially via Panama, must meet certain requirements in order to receive CAFTA-DR benefits, as established in the [Salvadoran Customs Operation Manual](#). Merchandise that has been in transit or transshipment through one or more countries, whether part of the Agreement or not, will require additional documentation that proves trans-shipment took place under Customs' control. Customs will also require that Certificates of Origin be issued in the United States to receive CAFTA-DR preferences.

Under CAFTA-DR advanced rulings related to classification, value and origin of the goods can be requested. In El Salvador, Customs is the entity that provides these advanced rulings, which have to be requested before any exportation. A period of up to 90 days should be taken into consideration for these advanced rulings to be delivered by the authority.

Customs can be contacted at the address and telephone number below:

[Dirección General de Aduanas](#), Ministerio de Hacienda
Pan-American Highway Km. 11.5, San Bartolo, Ilopango,
San Salvador, El Salvador, C.A.
Tel: (503) 2244-5000/2244-3000
Fax: (503) 2244-7201

Read more on [Customs Administration and Trade Facilitation under CAFTA-DR](#)

Standards for Trade

Overview

El Salvador is a “standards taker” and not a “standards maker.” Many products made in the U.S. already meet El Salvador’s standards. The main area of difference is items for human consumption, such as pharmaceuticals and food. In El Salvador, registration and labeling requirements for these cases require U.S. exporters to follow strict local guidelines.

The United States actively serves as a resource to assist El Salvador in developing or streamlining standards. The objectives of Chapter 7 (Technical Barriers to Trade) in the CAFTA-DR agreement are to increase and facilitate trade through improvement to the Technical Barriers to Trade (TBT) agreement, eliminate unnecessary barriers, and enhance bilateral cooperation. Read more on [Technical Barriers to Trade under CAFTA-DR](#).

Standards

The Salvadoran Standardization Organization ([OSN](#)) and the Salvadoran Technical Regulation Organization ([OSARTEC](#)) are responsible for standards in El Salvador. Both institutions fall under the National Quality Council which was created in 2011 with the approval of the Quality Salvadoran System Law.

The Quality Salvadoran System Law regulates the study, development, and application of standards; accreditation, technical regulation, and metrology; develops the capacity of professionals; and strengthens the material, financial, and human resources of the entities responsible for quality topics in the country.

The head of the Quality Salvadoran System is the Quality National Council, which includes four specialized organizations: the Salvadoran Standardization Organization (OSN), Salvadoran Technical Regulation Organization (OSARTEC), Salvadoran Accreditation Organization (OSA); and Metrology Investigation Center (CIM). In addition, there is the Administrative Office of the Salvadoran Quality System (OAC).

The OSN is responsible for:

- Drafting, updating, adopting, and disseminating standards that seek the improvement of the quality of the products, processes, and services; and coordinating the drafting, adoption, and adjustment of standards through technical committees.
- Contributing to and participating in the development of national and international standards.
- Developing a national standards program that will be approved by the Quality National Council.
- Promoting the creation of standards technical committees and sub-committees for the development of standards.
- Representing El Salvador in regional or international standard organizations.
- Maintaining, updating, and making available for the public a database of standards implemented in the drafting process in El Salvador.
- Enforcing the application of technical standards in all sectors.

The OSARTEC is responsible for:

- Observing and complying with international guidelines and commitments of El Salvador on technical regulations
- Submitting comments from public or international consultations to the appropriate institution.
- Being aware of the annual plan on technical regulations of the different institutions.
- Verifying that all technical regulations go through a public or international consultation.
- Keeping an updated database of Salvadoran technical regulations approved or in process.
- Informing the WTO of any technical trade barrier and/or sanitary or phytosanitary technical regulation projects.
- Acting as the coordinator and point of contact in El Salvador at the CODEX Alimentarius Commission or any other international organization.

The CIM is responsible for:

- Acting as the scientific, industrial and legal metrology in El Salvador.
- Performing international functions assigned to the National Metrology Institute
- Organizing a national metrology system according to the International System of Units.
- Calibrating scales, volumes and temperatures.

El Salvador is a member of the WTO Agreement on Technical Barriers to Trade (TBT Agreement) and has adopted the Code of Good Practice annexed to the TBT Agreement.

There are two types of standards in Salvadoran legislation: Mandatory Salvadoran Standards (NSO), known as Technical Regulations and recommended Salvadoran Standards (NSR), known as Technical Standards. NSOs are mandatory standards, primarily for products affecting human conditions and are based on international, regional, or foreign standards. NSRs are recommended standards that follow ISO standards and are not independently created by the government of El Salvador. NSOs include the following standards: The International System of Units, standards relating to materials, procedures, products, and services that may affect human life, standards on the safety and integrity of other live organisms, environmental protection standards, product registration, labeling, manufacturing practices and standards considered by the government to be relevant to the economy or in the public interest.

The NSR process includes national consultation and only needs approval by the OSN Directive Commission.

Committees adopt international standards; consequently, local standards organizations are more “takers” than “makers.” ISO is the first reference used; others, including Pan-American Commission on Technical Standards (COPANT) and CODEX Alimentarius Commission, are also consulted. El Salvador has an agreement with the American Standards Testing and Materials (ASTM) and, since 2007, has a memorandum of understanding with the National Electrical Manufacturers Association (NEMA) to share information on standards. Representatives of related organizations in El Salvador have received training from the National Institute of Science and Technology (NIST).

Testing, inspection and certification

The process of product certification requires the establishment of a Certification Technical Committee, which includes participation or representatives of: the manufacturing sector, government, consumers, and academia. Product certification programs are in accordance with international standards/ISO certification process. For additional information, please visit the [ISO/IEC 65 Guide](#)

Publication of technical regulations

Proposed Central America Technical Regulations (RTCA's) are published in major newspapers. The WTO and Central American Secretaries for Economic Integration are notified. Final RTCA's are published in the [Official Journal](#). Summaries can be found at: <https://imprentanacional.gob.sv/#> or <http://osartec.gob.sv/>. The formation of standards drafting committees is announced in newspapers for interested parties to participate.

The Improvement Regulatory Law (IRL) entered into force in El Salvador in April 2019. The law seeks to develop clear rules, procedures and simple services; and will require government institutions to submit a regulatory agenda the first quarter of every year to the Regulatory Improvement Organism (OMR), regulatory entity within the President of El Salvador Office. The implementation of the law is gradual, the country first regulatory agenda is expected to be published by March 2020. RTCA's are excluded from the IRL as they fall within the exceptions stated in Art. 7, which includes Free Trade Agreements, international agreements, and international conventions. Nevertheless, Salvadoran technical regulations are subject to the new IRL.

OMR, along with the Institute for Access to Public Information, has launched a [public notice and comment mechanism](#) for proposed regulatory changes. The notice and comment mechanism remains voluntary for government ministries.

The Legislative Assembly does not publish draft legislation on its website and does not have a standardized means of providing notice and soliciting comments on pending legislation.

NIST Notify U.S. Service

Members of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to notify to the WTO proposed technical regulations and conformity assessment procedures that could affect trade. [Notify U. S](#) is a free, web-based e-mail registration service that captures and makes available for review and comment key information on draft regulations and conformity assessment procedures. Users receive customized e-mail alerts when new notifications are added by selected country(ies) and industry sector(s) of interest and can also request full texts of regulations. This service and its associated web site are managed and operated by the USA WTO TBT Inquiry Point housed within the National Institute of Standards and Technology, part of the U.S. Department of Commerce.

Contact Information

Consejo Nacional de Calidad
Tels. (503) 2590-5300
<http://www.cnc.gob.sv/>
Ira. Calle Poniente y Final 41 Av. Norte, No. 18. Colonia Flor Blanca. San Salvador, El Salvador, C.A.

Organismo Salvadoreño de Normalización (OSN):
Tel: (503) 2247-5321
Organismo Salvadoreño de Normalización (OSN):
Ira. Calle Poniente y Final 41 Av. Norte, No. 18. Colonia Flor Blanca. San Salvador, El Salvador, C.A.
www.osn.gob.sv

Organismo Salvadoreño de Reglamentación Técnica (OSARTEC)
Tel. (503) 2247-5331
<http://osartec.gob.sv/>
Ira. Calle Poniente y Final 41 Av. Norte, No. 18. Colonia Flor Blanca. San Salvador, El Salvador, C.A.

Organismo Salvadoreño de Acreditación (OSA)
Address: 1 Calle Poniente, Final 41 Av. Norte #18.
San Salvador, El Salvador
Tel. (503) 2247-5300
www.osa.gob.sv
Ira. Calle Poniente y Final 41 Av. Norte, No. 18. Colonia Flor Blanca. San Salvador, El Salvador, C.A.

Dirección Nacional de Medicamentos
República de El Salvador, C. A
Edificio DNM Nivel 4 y 5 Ciudad Merliot, Santa Tecla, La Libertad
Tel: (503) 2247-6000
<http://www.medicamentos.gob.sv/>

Trade Agreements

In 1995, El Salvador joined the World Trade Organization. On March 1, 2006, the U.S.-Central America-Dominican Republic Free Trade Agreement (CAFTA-DR) entered into force between El Salvador and the United States. As of

2015, all U.S. industrial and commercial goods enter El Salvador duty free. For more information, see the [CAFTA-DR Final Text](#).

The General Treaty for Central American Integration, signed December 13, 1960, created the Central American Common Market (CACM). After nearly two decades of inactivity, CACM was revived in the early 1990s. The five-member countries (Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua) have agreed on maximum tariffs harmonized 95% of tariff rates, mostly for industrial goods.

In 1999, El Salvador, together with Guatemala, Honduras, and Nicaragua, signed Free Trade Agreements with the Dominican Republic and Chile. In 2002, the region concluded agreements with Panama and Mexico. In 2007, El Salvador and Honduras signed a Free Trade Agreement with Taiwan, and the Northern Triangle (El Salvador, Guatemala, and Honduras) signed a Free Trade Agreement with Colombia. In 2010, Central America signed an Association Agreement with the European Union that includes the establishment of a Free Trade Area; the Agreement entered into force in August 2013. Central America also negotiated a Free Trade Agreement with Mexico, which entered into force in December 2011. The Central American countries signed a Free Trade Agreement with South Korea in February 2018 was pending ratification. El Salvador signed a partial scope agreement with Cuba in 2011 that entered into force in 2012, and recently concluded negotiations of a partial scope agreement with Trinidad and Tobago and Ecuador. El Salvador is also negotiating trade agreements with Bolivia, as well as renegotiating the trade agreement with Venezuela.

El Salvador's Congress ratified the World Trade Organization's (WTO) Trade Facilitation Agreement on February 4, 2016.

There is currently no date for the establishment of a complete Central American Customs Union. There has been some progress on labeling standards, but the region has yet to address other issues related to creating a complete customs union, such as customs procedures, sanitary and phytosanitary standards, standards, quota management, and intellectual property rights.

Guatemala and Honduras launched a Customs Union initiative in 2015 to facilitate trade by eliminating customs procedures at shared borders. In 2017, El Salvador entered negotiations to join the Customs Union. In July 2018, after a period of consultation with the private sector and government institutions, El Salvador's Legislative Assembly approved the Customs Union adherence protocol to the "Northern Triangle Customs Union". Currently, the three countries are working on the operational phase of the Customs Union implementation. Coffee, sugar, and goods under different rules of origin in FTAs, and those with different tariffs have been excluded from the customs union.

The [U.S. Department of Commerce's Trade Agreements Negotiations and Compliance \(TANC\)](#) is the gateway to the U.S. Department of Commerce's Trade Agreements Compliance Program, a network of U.S. Commerce Department and other U.S. Government resources working together to reduce or eliminate foreign trade barriers. Upon receiving a complaint, the TANC organizes a case-management team of U.S. government experts -- including country, industry, and trade agreement specialists, as well as Commercial Service officers at home and abroad -- to help U.S. firms facing barriers to trade in foreign markets. These experts work with foreign governments to resolve problems and ensure that they receive the benefits of all U.S. trade agreements. The TANC mission is to improve market access for U.S. workers, exporters, and investors and to seek compliance by foreign governments with U.S. trade agreements.

U.S. companies that believe they have a complaint should contact the U.S. Department of Commerce's Trade Agreements Compliance Program by submitting a [trade complaint form](#) (click on "Report a Barrier"). The TANC website also includes a checklist of common trade problems, texts of over 270 trade and related agreements, Exporter Guides with brief explanations of selected trade agreements, Market Access News, subscription to the weekly "What's New" e-mail update on trade-related news, and information on WTO standards notifications via Notify U.S.: [National Institute of Standards and Technology](#)

Contact information for the TANC:
[Trade Agreements Negotiations and Compliance Program](#)

Office of Trade Negotiations and Compliance
U.S. Department of Commerce
14th Street and Constitution Avenue, NW
Washington, DC 20230
Tel: 202-482-1191
E-mail: tanc@trade.gov

Licensing Requirements for Professional Services

The Law for Trademarks and Other Distinctive Signs includes licensing and raises protections for trademarks and distinctive signs to internationally accepted standards. This law also obliges national and foreign firms to register in the [Commerce Registry](#) and the [Intellectual Property Registry](#). To have the exclusive right of the use of commercial names and trademarks, any expression and/or advertising sign, including patents and industrial designs, a lawyer or legal representative must register the trademark at:

[Centro Nacional de Registros](#).

Selling US Products and Services

Distribution & Sales Channels

Well-known U.S. products are often imported via distributors and not directly from the manufacturer. However, a product may gain brand recognition before a formal supplier/distributor relationship is established. Owners of small stores often travel to the United States to purchase small quantities of products for resale, especially for used vehicles, auto parts, clothing, jewelry, cosmetics, and certain household goods.

Most containerized imports enter via Guatemala and Honduras and are then trucked to El Salvador. Little cargo enters through El Salvador's Pacific maritime Acajutla Port, which was built to manage bulk exports and imports. Air cargo enters via the international airport. Major distribution centers are located in free trade zones. Large distributors usually import consumer and non-consumer products and sell to wholesale distributors or directly to the retail stores. Large department stores and importers of machinery and raw materials buy directly from U.S. manufacturers, consolidate shipments and then export to El Salvador.

El Salvador follows the international commercial terms (INCOTERMS) for drafting contracts to stipulate the obligations of buyer and seller. All the INCOTERMS that apply to sea and inland waterway transport are implemented and accepted, among them: Free Alongside Ship (FAS), Free on Board (FOB), Cost and Freight (CFR), Cost, Insurance and Freight (CIF), as well as those that apply to any mode of transport, Ex Works, Free Carriers, Carriage Paid to, Carriage and Insurance Paid to, Delivered at Terminal, Deliver at Place and Delivered Duty Paid.

Using an Agent to Sell US Products and Services

The use of an agent or distributor is a proven market entry strategy for El Salvador. For most products and services, one agent for the country is sufficient as commercial activity is concentrated in San Salvador. An exclusive territorial contract is most recommended only when the business relationship has proven to be stable, professional, and profitable for both parties. U.S. companies must include CAFTA-DR provisions when drafting distributorship agreements with Salvadoran companies. The full text of CAFTA-DR Chapter 11 (Cross-Border Trade in Services) can be found in the following website: [CAFTA-DR Chapter 11](#).

U.S. companies should become familiar with Sections "B" and "C" of Chapter III, Title III of the [Salvadoran Commercial Code](#), which regulates the agent and distributor relationship. According to Article 392, an agent, representative, or distributor is a natural or juridical person who, on a permanent basis and, with or without legal representation, and through a contract, is appointed by a principal to establish a representation or distribution agency for a specific product or service in the country. The representation or distribution agency may be exclusive or not, as agreed upon by the parties. The Commercial Code also specifies causes to terminate or modify the contract. These include failure to fulfill the contract, fraud by the agent, serious negligence, and continued decrease in the sales. A representative agent revealing confidential information is also grounds for termination.

If the principal should terminate, modify or not extend the representation, agency or distribution agreement without having met any of the conditions specified in Article 398 of the Commercial Code, the agent shall be entitled to compensation for the damages. The law describes the compensation allowed.

In El Salvador, as in other countries, finding the right partner or representative is key for success. For a nominal fee, the U.S. Commercial Service offers a range of services to help U.S. companies find potential partners, agents or distributors. U.S. firms interested in these services contact the nearest [U.S. Export Assistance Center \(USEAC\)](#) or visit the [Commercial Service San Salvador web page](#).

A local lawyer plays a critical role in providing in-depth local analyses of the legal requirements regarding contracts or agreements with local partners. A lawyer can also provide valuable insights for U.S. companies wishing to participate in government tenders. As company's legal representative, a lawyer can obtain bid documents. While the U.S. Commercial Service cannot recommend a specific law firm, it can provide a list of [Business Service Providers](#) in different areas who can assist companies.

Establishing an Office

The government of El Salvador's [National Investment Office](#) (ONI - Oficina Nacional de Inversiones) operates a near "one-stop" window to help foreign companies and individuals complete the requirements needed to obtain a license to establish a business in El Salvador, as a branch, agency, office, or joint venture. It also provides assistance with labor-related issues, immigration, and information about the free trade zone law regime. Hiring a local legal representative or a lawyer to work with ONI is recommended as a way to help ensure that all steps are completed.

The Registry of Commerce Office in the [National Registry Center](#) (CNR-Centro Nacional de Registro), has created an "Integrated Services Window" so individuals can submit the requirements to open a business requested by the National Registry Center, Ministry of Finance, Ministry of Labor, and as Social Security Institute (ISSS) in one place.

Following is a list of required authorizations or licenses that can be obtained at the "Integrated Services Window":

- a. Company Registration
- b. Initial Balance Registration
- c. First time Establishment Registration
- d. Income Tax Identification Number (NIT) (Ministry of Finance)
- e. Value Added Tax Identification Number (IVA) (Ministry of Finance)
- f. Invoices Correlative Registration (Correlativo de Facturas) (Ministry of Finance)
- g. First time Employer's Identification Number (NIP) (Salvadoran Social Security Institute)
- h. Work Place Registration (Ministry of Labor)

Based on the Salvadoran Commercial Codes the minimum capital required for a business to begin operations is USD \$1,603.58.

All companies operating in El Salvador must prepare their accounting records in Spanish. The Spanish version of the accounting system must be approved by a certified public accountant. The names of the company's board of directors and administrative personnel must be provided to the Registry of Commerce Office at the National Registry Center.

Also, the U.S. company must obtain a municipal services clearance from the municipality where the company and its facilities are located and certification that the firm is properly registered in the National Industrial and Commercial Establishments Directory at the General Director of Statistics and Census (Direccion General de Estadisticas y Censos, [DIGESTYC](#)). Once the Registry of Commerce Office has issued the company's license, it must be published in a local newspaper.

Firms that sell or manufacture pharmaceuticals are required to obtain a permit from the [National Directorate of Medicines](#) (Direccion Nacional de Medicamentos – DNM). The DNM must also approve each pharmaceutical product as safe for sale in El Salvador and issues a registration certificate (per product) that has to be renewed every 5 years.

Companies in the banking and insurance sector are regulated by the [Financial System Superintendency](#) (Superintendencia del Sistema Financiero) and must register with this agency.

An environmental permit is required for many projects, including road infrastructure, activities at maritime ports, sewage systems, mining, energy transmission, dams, water development, commercial fishing, tourism services, food

processing, commercial construction and others listed in the environmental law of the Ministry of Environment and Natural Resources, [MARN](#).

Franchising

El Salvador began adopting the franchise business model in late 1970s, when McDonald's and KFC entered the market. Since then the business environment for U.S. franchises has been favorable and Salvadoran consumers have shown clear preference for U.S. franchises over local or other international franchise concepts.

El Salvador is a small and competitive market and overall there are no significant challenges for U.S. franchise firms. There are about 100 local companies operating under international franchise business models. U.S. companies dominate with 75% market share and investment varies from low cost operations up to larger investments, such as hotels.

U.S. franchise systems operate successfully in many segments, including: hotels, car rentals, accounting, fitness, mailing and shipping, real estate, training, and travel. Fast-food franchises and casual dining restaurants have been the most successful, including: Starbucks Coffee Company, Taco Bell, Domino's Pizza, Red Mango, Denny's, Ruby Tuesday, TCBY, Olive Garden, Panda Express, and Smashburger.

There is no specific law or government agency that regulates franchise operations or contracts in El Salvador. CAFTA-DR enhanced protection for U.S. brands and trademarks, removed technical barriers for U.S. exports and provided alternative dispute resolutions for U.S. companies doing business in El Salvador.

Trademark laws meet international standards to protect trademarks and distinctive signs. To get full protection, the trademarks must be registered at the Intellectual Property Registry at the [National Registry Center](#).

A highly publicized court case between a prominent U.S. franchisor and its former franchisee suggests that enforcement of franchise contracts in the courts can be difficult. Consequently, we urge franchisors to develop their business plan based on careful analysis of the business *bona fides* of their potential franchisees.

Direct Marketing

In El Salvador direct marketing is widely used. Companies use catalogs, flyers and mailers, and other modes of communication. Most often a marketing advertisement is inserted in Salvadoran newspapers or magazines. When companies hire advertising or marketing services, it usually includes a special report on TV news or in newspapers. Marketing services can also contract with local utility companies to put advertisements on utility bills. Distributing flyers at busy street corners and parking lots is also common, although this has been affected by the COVID-19 pandemic. Marketing through contact centers is aggressively used by telecommunication companies and the financial sector, particularly banks and credit card companies.

Digital direct marketing is in its nascent stage in El Salvador. Companies are just becoming comfortable using text messaging, social media (mainly Facebook, WhatsApp, and Instagram), email, electronic billboards, and blogs to reach Salvadoran consumers. One of the newer ways being used for direct advertising is the use of social influencers to create Instagram and Facebook stories for their social media channels, where they show how good a product or a service is.

Joint Ventures/Licensing

Joint ventures involving U.S. and Salvadoran companies must be legally established in a contract signed by both parties. Foreign investments, whether a joint venture, direct investment, partnership, branch or subsidiary, must be incorporated in El Salvador to operate. Once incorporated and duly registered, the investment enjoys national treatment.

The Law for Trademarks and Other Distinctive Signs includes licensing and raises protections for trademarks and distinctive signs to internationally accepted standards. This law also obliges national and foreign firms to register in the Commerce Registry and the [Intellectual Property Registry](#). To have the exclusive right of the use of commercial names and trademarks, any expression and/or advertising sign, including patents and industrial designs, a lawyer or legal representative must register the trademark at: [Centro Nacional de Registros](#)

Express Delivery

U.S. Express Delivery companies (FedEx, Transexpress, UPS) operate in the country, with daily arrivals and departures to and from El Salvador. DHL is also present in the market. Though couriers try to meet their service standards, customs procedures for express shipments are a burdensome process, which delays the release of goods and documents. Though there is a USD \$200 *de minimis* on the value of the invoice, it's not taken into consideration to speed the release, affecting not only e-commerce, but also the release of samples.

Due Diligence

The success or failure of an operation in a foreign country is often closely tied to the quality of the information a company was able to obtain about creditworthiness, *bona fides*, and business practices of the local partner. The Commercial Section strongly recommends checking the *bona fides* carefully as soon as a business relationship begins to develop. The Commercial Section offers a service known as the International Company Profile (ICP) to help a U.S. firm determine if a company is a suitable trading partner. The report includes data on the firm's management, business activities, product lines, financial conditions, credit-worthiness, and trading experience. Some private sector credit-reporting services, including Equifax and TransUnion, also provide credit reports on Salvadoran firms.

eCommerce

The Government of El Salvador continues to use the internet to convey information, promote commerce, reduce bureaucracy, and improve services to the public. For example: some import/export documents can now be processed electronically through a system administered by Customs and the Ministry of Agriculture, trade data and economic indicators can be downloaded from the Central Bank, taxes can be paid via the internet and companies can register their supply and demand of products and services.

The most current data from the International Telecommunication Union shows internet penetration of 38%, an increase of 78% from 2015. Penetration of wi-fi networks is also increasing and therefore access to internet in places like restaurants, malls, and schools is more common.

The Electronic Signature law was passed in 2015, which facilitates business and commerce through internet-based transactions. Per the legislation, the certified electronic signature is equivalent to an ink signature. The Ministry of Economy oversees the Electronic Signature Unit which regulates service providers that produce and store electronic certificates. As of now the law has not yet entered into force.

Selling Factors & Techniques

New consumer products are often introduced at a reception in an upscale hotel in conjunction with a newspaper and billboard ad campaign. As promotional competition increases, creative sales promotions, such as contests, drawings, and raffles, become more relevant. Samples of products are often handed out at supermarkets and department stores. Participation in local exhibits and sponsorship of local events and conferences is a common practice for brand positioning. A shared budget for promotional campaigns and advertising is highly appreciated by the local

importer/distributor. The availability of brochures and other promotional materials in Spanish are preferred for marketing products.

U.S. companies interested in finding representatives or distributors should look for ways of adding value to the relationship, such as supporting local marketing efforts in order to increase potential sales and providing training to the sales force or technical staff. U.S. products are highly accepted in the Salvadoran market. The key purchasing factors are price, quality, and post-sale service. However, each sector has its unique characteristics and techniques. For more information or to request a meeting to discuss specific strategies, contact the U.S. Commercial Service El Salvador Office.SanSalvador@trade.gov.

Use of e-mail, internet and social media has made great advances in recent years. The Chamber of Commerce and Industry reported that 90% of its 2,300 members use e-mail, and about half now use the internet to promote their businesses. The American Chamber of Commerce has about 312 members and reports that all of its members have e-mail and 100% use the internet and social media to promote their business. Facebook is the market leader for social media and widely used by companies.

Trade Promotion & Advertising

Advertising in El Salvador is conducted through TV, radio, and newspapers, and it is estimated that 20% of advertising is dedicated to outdoor media. Depending on the target market, nature of product, purpose of the message or marketing plan, advertising agencies will recommend the most appropriate media mix.

El Salvador has 47 television channels, which include commercial, educational, and religious channels with nationwide or specific territorial coverage. The main VHF nationwide channels are 2, 4, 6, 8, 10 and 12. The first three are part of the same business group, Telecorporación Salvadoreña. There are 28 Ultra High Frequency (UHF) channels in lower bands with limited broadcasting range, some with national coverage links, such as channel 19, Channel 21, and Channel 33. The main television channels are now transmitting their programming through the internet, targeting the audience of Salvadorans living abroad.

There are 196 FM and 71 AM radio stations in El Salvador. Statistics indicate that 70% of FM stations are primarily music, and 30% broadcast news programs, commentary, religious, sports and/or educational programs.

In terms of print media, there are six newspapers with a total daily circulation estimated at over 300,000. [El Diario de Hoy](#) and [La Prensa Gráfica](#) are the leading dailies with nationwide coverage with 65% of the total circulation, followed by [Diario El Mundo](#) and CoLatino. Both *El Diario de Hoy* and *La Prensa Grafica* have sister publications aimed at a more visual audience with stories which feature larger photos and shorter texts. *El Diario de Hoy* has sensationalist Más!, and *La Prensa Gráfica* has both El Gráfico (sports), and Mi Chero (daily news). Additionally, El Heraldo de Oriente and El Pais are smaller publications reporting news from the eastern and western part of the country.

[El Faro](#), [Revista Factum](#), [GatoEncerrado](#), [La Pagina](#) are popular web-based newspapers. In addition, the [American Chamber of Commerce](#), the [Chamber of Commerce and Industry](#), as well as other trade organizations circulate monthly magazines with paid advertising. Magazines with regional reach such as *Estrategia y Negocios*, *El Economista Regional*, SUMMA and *Central America Today* are preferred advertising vehicles for economic and business groups.

The Construction Chamber, [CASALCO](#), holds an exhibit every two years. The Salvadoran Agriculture Chamber (CAMAGRO) organizes the main agricultural products/and machinery trade show. In addition, The [Salvadoran](#)

[Association of Industry](#) (ASI) organizes a local trade show to promote different industry sectors: a regional energy congress, providing space for exhibitors, technical briefings and business to business meetings.

Salvadoran companies travel frequently to trade shows in the United States to seek new products and business partners. For a list of U.S. trade shows supported by the U.S. Commercial Service in El Salvador visit [U.S. trade shows in El Salvador](#).

The U.S. Commercial Service offers customized solutions to help U.S. exporters, particularly small and medium sized businesses, successfully expand exports to new markets. Our global network of trade specialists will work one-on-one with U.S. exporters through every step of the exporting process. To learn more about U.S. government trade promotion resources for new and experienced exporters, please visit: [U.S. trade promotion](#).

Pricing

In El Salvador, the government regulates prices for liquefied propane gas, public transportation, energy, and medicines. The government regulatory agency, the General Superintendence of Electricity and Telecommunications ([SIGET](#)) regulates electricity and telecommunications. Government ministries directly subsidize water services and establish the distribution service tariff. The Ministry of Economy and the [Consumer Protection Office](#) closely monitor retail gasoline and diesel, as well as basic food products prices.

El Salvador assesses a value-added tax (VAT) of 13 percent on most goods. Excise taxes also apply to certain goods, such as alcohol, firearms, cigarettes, and new automobiles. Imported products may be subject to duties. Import tariffs for non-CAFTA-DR goods can vary. For example, raw materials import duties typically range from 0 to 5%, intermediate goods typically range from 5 to 10%, and finished goods are charged a maximum of 30%. Textiles, agricultural products, vehicles, and a few other non-essential products are subject to higher tariffs that range from 15 to 164%. The tariffs only apply to products manufactured outside of the Central American Common Market and non-U.S. products. A comparative chart of Central American import duties can be found at the [Central American Economic Integration Secretariat website](#).

CAFTA-DR reduced tariff and non-tariff barriers for U.S. exports into the region. Duties for U.S. made products to El Salvador can be found in the [CAFTA-DR Tariff Schedule](#).

On services, a 20% withholding tax is applied to payments for services that have been provided to private or public institutions in El Salvador by foreigners, even if the service was performed entirely outside of El Salvador.

Sales Service/Customer Support

With an estimated 2.6 million Salvadorans residing in the United States, Salvadorans are familiar with U.S. products and like to receive U.S. level customer service. Sellers can gain an edge by offering good service and customer support. Consumers' and/or end users' purchasing decisions respond differently depending on the product or sector. However, in general they are price-oriented and tied to credit conditions and to after-sales service. A consumer protection initiative in El Salvador has raised consumer awareness of consumer products' quality and safety standards, becoming a preferential and differential purchasing factor.

The Consumer Protection Law was reformed in January 2013 to expand basic consumer rights. It provides the consumer with broader authority to terminate contracts and stipulates that expressed guarantees for goods or services made by the producer are legally binding. The new version of the Law also empowers the Consumer Defense Court to order monetary compensation to the consumer.

Local Professional Services

The U.S. Commercial Service often can provide contact information for professional services such as legal counsel, transportation, hotels, translators and other. For more information, visit the [Business Service Providers \(BSP\)](#).

Principal Business Associations

There are several business associations in El Salvador that play an active role in advocating for rule of law, transparency, economic growth, trade, competitiveness, and corporate social responsibility. Following is a partial list of the leading associations in El Salvador:

[American Chamber of Commerce of El Salvador](#)

[Cámara Salvadoreña de Tecnologías de Información y Comunicaciones \(CASATIC\)](#)

IT Chamber

[Asociación de Distribuidores de El Salvador \(ADES\)](#)

Distributors' Association of El Salvador

[Asociación Nacional de la Empresa Privada \(ANEP\)](#)

National Association for Private Enterprise

[Asociación Salvadoreña de Industriales \(ASI\)](#)

Salvadoran Industrial Association

[Asociación Salvadoreña de Importadores de Repuestos Automotrices \(ASIRA\)](#)

Auto-Parts Importers Association

[Cámara de Comercio e Industria de El Salvador](#)

Salvadoran Chamber of Commerce and Industry

[Cámara Salvadoreña de la Industria de la Construcción \(CASALCO\)](#)

Salvadoran Chamber of the Construction Industry

[Cámara de la Industria Textil y Confección de El Salvador \(CAMTEX\)](#)

Chamber of Textile and Apparel Industry

[Corporación de Exportadores de El Salvador \(COEXPORT\)](#)

Exporters Corporation

Limitations on Selling US Products and Services

There are no limitations on selling U.S. products and services in El Salvador. There are restrictions on land ownership. No single natural or legal person (Salvadoran or foreign) can own more than 245 hectares. Rural land cannot be owned by foreigners from countries where Salvadorans do not enjoy the same right. Land for industrial plants can be owned by foreign persons, if minority or partners are foreign and enterprise is organized under Salvadoran law. Foreign citizens and private companies can freely establish businesses in El Salvador.

Foreign-owned duty-free commercial centers or establishments in El Salvador's seaports can operate as long as the majority of its capital is owned by Salvadorans and the enterprise is organized under Salvadoran law.

CAFTA-DR, Annex 1, Schedule of El Salvador contains obligations and measures related to cross-border services and investment in the following sectors: cooperative productions societies, air services, communication services – advertising and promotional series for radio and television, television and radio broadcasting services, performing arts, circuses, construction and related engineering services, public account and public auditing, health services, legal services (notary public), teachers, customs agents, energy, road transportation services and land transport. More information: [CAFTA-DR](#)

Trade Financing

Methods of Payment

The U.S. Commercial Service discourages sending shipments without agreeing to payment terms in advance and receiving proper bank documents. Advance payment or an irrevocable letter of credit are recommended for initial commercial transactions until a well-established relationship based on prompt payment and contractual obligations is established with the Salvadoran counterpart. Letters of credit (LCs) are among the most secure instruments available to international traders. An LC is useful when reliable credit information about a foreign buyer is difficult to obtain, but the exporter is satisfied with the creditworthiness of the buyer's foreign bank. An LC also protects the buyer since no payment obligation arises until the goods have been shipped or delivered as promised.

Open account transactions among established business partners are used in El Salvador. The goods are shipped and delivered before payment is due, usually in 30 to 90 days. This payment method is the most advantageous option to the Salvadoran importer in cash flow and cost terms, but it is consequently the highest risk option for the U.S. exporter. However, with the use of one or more of the appropriate trade finance techniques, such as export working capital financing, government-guaranteed export working capital programs, export credit insurance, export factoring, etc., the U.S. exporter can offer open competitive account terms while substantially mitigating the risk of nonpayment by the foreign buyer.

Factoring is offered by most banks operating in El Salvador and few private companies, such as [Quedex](#) and [Inter Corp.](#)

Local credit-rating agencies should be authorized by the financial system supervisor (SSF), four companies have been approved to manage credit and financial history in El Salvador: [INFORED](#), [Transunion El Salvador](#), [Asociacion Protectora de Creditos](#), and [Equifax Centro America](#).

Primary credit and charge cards used in El Salvador are, in priority order, VISA, MasterCard, and American Express. According to legislation, the maximum interest rate for credit cards and loans is 1.6 times the simple average effective rate established by the Central Bank.

Collection agencies are not regulated and often times run by legal professionals. The most visible collection agency in El Salvador is [Puntual S.A. de C.V.](#) One option for U.S. companies is to work with reputable law firms that offer extra-judicial collection services.

For more information about the methods of payment or other trade finance options, please read the Trade Finance Guide available at <https://www.trade.gov/trade-finance-guide-quick-reference-us-exporters>.

Banking Systems

The Financial System Supervisor ([Superintendencia del Sistema Financiero, SSF](#)), an independent regulatory agency, authorizes and supervises all financial institutions in El Salvador. In August 2011, the Financial System Supervisor merged with the Stock Market and the Pension Supervisor in order to create a single, independent regulatory agency which is headed by a Directive Council. The Central Bank regulates the financial system, administers international

reserves, and manages the payment system and financial services, and provides services to exporters and importers (Centro de Trámites de Importaciones y Exportaciones – CIEX El Salvador).

By law, all transactions carried out in Salvadoran banks must be denominated in U.S. dollars. Interest rates and fees are set by market conditions. Private banks, branches of foreign banks, state-owned banks, and credit unions are authorized to collect funds from the public. The banking industry is competitive due to the presence of foreign banks and the openness of the banking law.

Commercial banking services in El Salvador are provided by fourteen institutions: twelve private banks and two state-owned banks. The leading private banks are: Banco Agrícola S.A. (acquired by Bancolombia); Banco Cuscatlán (formerly Citibank de El Salvador S.A.); Banco Davivienda Salvadoreño, S.A. (formerly HSBC); Scotiabank El Salvador S.A.; and Banco de América Central S.A. Together, they account for approximately 95% of the Salvadoran banking sector. Banco Hipotecario and Banco de Fomento Agropecuario are government-owned, with market share of about 4%. In addition to the aforementioned, other financial institutions are authorized to capture savings from the public, including seven cooperatives and four savings and loans associations.

Foreign Exchange Controls

There are no foreign exchange controls in El Salvador. The U.S. dollar is legal tender.

US Banks & Local Correspondent Banks

As correspondent banking relationships often change and the Salvadoran banking sector is subject to new regulations, please consult directly with each bank or the Salvadoran Bank Association ([Asociación Bancaria Salvadoreña – ABANSA](#)) for the latest information.

Banco Agrícola S.A.

Blvd. Constitución No. 100 y 1ª. Calle Pte., Plaza Las Americas
San Salvador, El Salvador, C.A.
Tel: (503)2267-9500

[Web Page](#)

Banco Azul

3a. Calle Pte. No. 3952, Col. Escalón
Tel: (503) 2555-8000
San Salvador, El Salvador, C.A.

[Web Page](#)

Banco Cuscatlán de El Salvador, S.A.

Edif. Pirámide Citibank, Km. 10, Carretera a Santa Tecla
Santa Tecla, La Libertad, El Salvador, C.A.
Tel. (503) 2212-3525

[Web Page](#)

Banco Davivienda Salvadoreño, S.A.

Centro Financiero Banco Davivienda Salvadoreño
Avenida Olímpica No. 3550 Apdo. Postal No.: (0673)
San Salvador, El Salvador, C.A.
Tel: (503) 2256-2000;

[Web Page](#)

Banco G&T Continental El Salvador, S.A.

Torre 2, 4o. Nivel, World Trade Centre, 89 Av. Norte, Col. Escalón,
San Salvador, El Salvador, C.A.

Tel: (503) 2209-8277, Fax (503) 2298-5261

[Web Page](#)

Citibank , N.A. Sucursal El Salvador

Alameda Manuel Enrique Aruajo y Calle Nueva No. 1

Edificio PALIC, Segunda Planta

San Salvador, El Salvador, C.A.

Tel: (503) 2211 - 2855, Fax (503)

[Web Page](#)

Banco Promérica, S.A.

Calle Chiltiupán, Centro Comercial La Gran Vía, Edif.

Banco Promérica, Ciudad Merliot, La Libertad, El Salvador, C.A.

Tel: (503) 2513-5015; Fax: (503) 2513-5105

[Web Page](#)

Scotiabank El Salvador, S.A.

25 Avenida Norte No.1230

San Salvador, El Salvador, C.A.

Apdo. Postal No. 237

Tel: (503) 2234-4806; Fax: (503) 2234-3434

[Web Page](#)

Banco de América Central, S.A.

Edif. Credomatic 55 Av. Sur y Alameda Roosevelt y Av. Olímpica

San Salvador, El Salvador, C.A.

Tel: (503) 2247-4453

[Web Page](#)

Banco Atlantida

Blvd. Constitución y 1a. Calle Pte. No. 3538, Colonia Escalón

San Salvador, El Salvador, C.A.

Tel: (503) 2206-9000

[Web Page](#)

Banco Azteca

65 Avenida Sur y Alameda Roosevelt, Edif E, Nivel 7

San Salvador, El Salvador, C.A.

Tel. (503) 2514-4504

[Web Page](#)

Banco Industrial, S.A.

Avenida Magnolias, Boulevard del Hipódromo, No. 144. Colonia San Benito
San Salvador, El Salvador, C.A.
Tel. (503) 2213-1717

Banco Hipotecario de El Salvador

Sucursal Senda Florida Sur, Colonia Escalón
San Salvador, El Salvador, C.A.
Tel: (503) 2250-7101;
[Web Page](#)

Banco de Fomento Agropecuario

Km. 10 ½ Carretera a La Libertad, Santa Tecla.
La Libertad, El Salvador C.A.
Tel: (503) 2241-0801, Fax (503) 2241-0815
[Web Page](#)

Protecting Intellectual Property

In any foreign market companies should consider several general principles for effective protection of their intellectual property. For general background and more information, please link to our article on [Protecting Intellectual Property](#) (<https://www.export.gov/article?id=Protecting-Intellectual-Property>) and to our IPR protection website [Stopfakes.gov](#).

Several general principles are important for effective management of intellectual property (“IP”) rights in El Salvador. First, it is important to have an overall strategy to protect your rights. Second, IP is protected differently in El Salvador than in the United States. Third, rights must be registered and enforced in El Salvador, under national legislation. For example, your U.S. trademark and patent registrations will not protect you in El Salvador. There is no such thing as an “international copyright” that will automatically protect an author’s writings throughout the entire world. Protection against unauthorized use in specific countries depends, basically, on the national laws of that country. However, most countries do offer copyright protection to foreign works in accordance with international agreements.

Registration of patents and trademarks is on a first-in-time, first-in-right basis, so you should consider applying for trademark and patent protection even before selling your products or services in the Salvadoran market. Intellectual property is primarily a private right and the U.S. government generally cannot enforce rights for private individuals in El Salvador. It is the responsibility of the rights holders to register, protect, and enforce their rights where relevant, retain their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Salvadoran law. Although a firm or individual may apply for a patent or trademark directly, most foreign firms hire local law firms specializing in intellectual property. The U.S. Commercial Service’s Business Service Provider program has a partial list of [local lawyers](#). The U.S. Embassy Consular Section also maintains a list of [local lawyers](#).

While the U.S. Government stands ready to assist, there is little we can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the U.S. Government can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should U.S. Government advice be a substitute for the obligation of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on potential partners. Negotiate with a full understanding of the position of your partner and give your partner clear incentives to honor the contract. Consider carefully, however,

whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in El Salvador require constant attention. Work with legal counsel familiar with Salvadoran laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

An overview of El Salvador's IPR regime can be found on the [WIPO website](#)

It is also recommended that small and medium-sized companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both El Salvador and U.S.-based. These include:

- U.S. Chamber of Commerce and local American Chambers of Commerce
- Salvadoran Association of Intellectual Property (ASPI)
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Pharmaceutical Security Institute (PSI)
- Biotechnology Industry Organization (BIO)
- Motion Picture Association of America (MPAA)
- Business Software Alliance (BSA)
- Recording Industry Association of America (RIAA)

IP Resources

A wealth of information on protecting IP is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the US and other countries -- call the STOP! Hotline: +1-866-999-HALT or visit www.STOPfakes.gov.
- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the U.S. Patent and Trademark Office (USPTO) at: +1-800-786-9199, or visit <http://www.uspto.gov/>.
- For more information about registering for copyright protection in the United States, contact the U.S. Copyright Office at: +1-202-707-3000, or visit <http://www.copyright.gov/>.
- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, please visit the "Resources" section of the [STOPfakes](#) website.
- For information on obtaining and enforcing intellectual property rights and market-specific visit [IP Toolkits](#). The toolkits contain detailed information on protecting and enforcing IP in specific markets and contain contact information for local IPR offices abroad and U.S. Government officials available to assist SMEs.
- An English-language overview for El Salvador's IPR regime can be found on the WIPO website <https://wipolex.wipo.int/en/legislation/profile/SV>

IP Attaché Contact for El Salvador

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Intellectual Property Rights Attaché for Mexico, Central America and the Caribbean
U.S. Trade Center
Liverpool No. 31 Col. Juarez
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Telephone: +52 55 5080 2189
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Claudia Rojas
Senior Legal Specialist for Intellectual Property
U.S. Trade Center
Liverpool No. 31 Col. Juarez
C.P. 06600 Mexico City
Telephone: +52 55 5080 2000, ext. 5222
E-mail: Claudia.rojas@trade.gov

For more information, contact ITA's Office of Intellectual Property Rights Director, Stevan Mitchell at Stevan.Mitchell@trade.gov.

Selling to the Public Sector

Selling to the Government

Many governments finance public works projects through borrowing from the Multilateral Development Banks. Please refer to "[Project Financing](#)" Section in "Trade and Project Financing" for more information.

Project Financing

Bank financing is readily available in El Salvador. Since the dollarization of the economy in 2001, interest rates for deposits and loans have dropped sharply, but are still several percentage points above U.S. levels. Banks offer 30-year mortgage loans. U.S. exports to El Salvador are usually financed by loans made by local banks to importers. Rates for loans to finance consumer goods imports average 6% for terms of less than a year. Intermediate goods are financed at even lower interest rates.

The **Foreign Agricultural Service (FAS) of the U.S. Department of Agriculture (USDA)** administers the Commodity Credit Corporation (CCC) [Export Credit Guarantee Programs](#) (GSM-102/103) for commercial financing of U.S. agricultural exports. Under these programs, the CCC does not provide financing, but guarantees payments due from foreign banks. Typically, 98% of principal and a portion of interest at an adjustable rate are covered. Two programs underwrite credit extended by the private banking sector in the U.S. or by the U.S. exporter to approved foreign banks using dollar-denominated, irrevocable letters of credit to pay for food and agricultural products sold to foreign buyers. The first, the Export Credit Guarantee Program (GSM-102), covers credit terms of up to three years. The second, the Intermediate Export Credit Guarantee Program (GSM-103), covers credit terms of up to 10 years. However, because payment is guaranteed, financial institutions in the United States can offer competitive credit terms to foreign banks, usually with interest rates based on the London Inter-Bank Offered Rate (LIBOR).

The **USDA also offers the Commodity Credit Corporation (CCC) Supplier Credit Guarantee Program (SCGP)** for the Central American region. It covers short-term financing (up to 180 days) extended directly by U.S. exporters to foreign buyers and requires that the importers sign a promissory note in case of default on the CCC-backed payment guarantee. The terms are specific: credit may be covered by the [CCC](#) only when payment is financed under a dollar-denominated irrevocable letter of credit issued in favor of an exporter by a foreign bank that has CCC approval to participate under the program. The SCGP emphasizes high-value and value-added products but may include commodities or products that also have been programmed under the GSM-102 program. Another program available is the Facility Guarantee Program (FGP) that has the primary objective of improving the facilities in emerging overseas markets that process, handle, store, or transport agricultural products imported from the U.S. The [FGP](#) provides credit

guarantees, financial devices that eliminate most of the risk of non-payment by foreign banks, to facilitate sales of manufactured goods and services.

Created through the Better Utilization of Investment Leading to Development (BUILD) Act Law signed by President Trump in 2018, the [U.S. International Development Finance Corporation \(DFC\)](#), formerly the **U.S. Overseas Private Investment Corporation (OPIC)**, provides medium- to long-term financing in the form of investment guarantees, direct loans, and loan guarantees, and now equity financing and technical development assistance. Its total investment limit of USD \$60 billion is double OPIC's USD \$29 billion investment cap. In addition, it offers political risk insurance that protects against expropriation, political violence, and inconvertibility. DFC can provide direct loans and guarantees of up to USD \$1 billion for tenures as long as 25 years targeting small and medium sized U.S. businesses. It also provides coverage of up to USD\$1 billion against losses due to currency Inconvertibility, government interference, and political violence including terrorism. Its new equity financing capabilities offers direct equity and support for investment funds and its Technical Development support includes feasibility studies and technical assistance to accelerate project identification and preparation to better attract and support investment in development outcomes.

The [Export-Import Bank of the United States \(Ex-Im Bank\)](#) offers a wide range of guarantees, insurance, and financing to U.S. exporters. Ex-Im Bank has established the Credit Guarantee Facility (CGF) Program, which sets up lines of credit between a bank in the U.S. and a foreign bank (or occasionally a large foreign buyer). Ex-Im guarantees the repayment of the foreign bank's obligations. The foreign bank then makes credit available to the end user (of the U.S. exports) and assumes the repayment risk from that local company. Financing is restricted to repayment terms of two to five years. For exporting to El Salvador, Ex-Im offers loan insurance for transactions with much less paperwork required than for other programs. The U.S.-based bank will disburse to the U.S. exporter. Since the lines are pre-approved and individual transactions do not require Ex-Im Bank's review, the process can move very quickly. Ex-Im Bank's standard guarantee coverage is available: 100% of principal and interest for up to 85% of the U.S. export value, plus Ex-Im Bank's exposure fee, if financed. The buyer must make a 15% cash payment to the exporter outside of the CGF Program.

The [U.S. Trade and Development Agency \(USTDA\)](#) facilitates partnerships between U.S. companies and infrastructure and industrial project sponsors in Latin America through the funding of project planning assistance. The agency funds various forms of technical assistance, early investment analysis, training, orientation visits, and business workshops that support the development of a modern infrastructure and a fair and open trading environment. These activities are designed to involve U.S. companies on the "ground floor" of projects.

The **Millennium Challenge Corporation (MCC)** and the Government of El Salvador signed the second five-year Compact with El Salvador on September 9, 2015 for USD \$277 million. This Compact, with its "More Investment, Less Poverty" theme, includes projects to improve the investment climate, logistical infrastructure, and human capital over the next five years. For additional information, companies are encouraged to consult the [MCC](#) or contact the MCC's resident country mission in El Salvador at Tel: (503) 2501-2498.

The [U.S. Small Business Administration \(SBA\)](#) helps Americans start, build, and grow businesses through an extensive network of field offices and partnerships with public and private organizations. SBA's Export Working Capital Program (EWCP) loans are targeted to businesses that are able to generate export sales and need additional working capital to support these sales. The SBA Export Express program provides exporters and lenders a streamlined method to obtain SBA backed-financing for loans and lines of credit up to USD \$250,000. Lenders use their own credit decision process and loan documentation; exporters get access to their funds faster. The SBA provides an expedited eligibility review and provides a response in less than 24 hours.

Multilateral Development Banks:

U.S. Commercial Service Liaison Offices at the Multilateral Development Banks (Inter-American Development Bank, World Bank)

The Commercial Service maintains Commercial Liaison Offices in each of the main Multilateral Development Banks, including the Inter-American Development Bank and the World Bank. These institutions lend billions of dollars in developing countries on projects aimed at accelerating economic growth and social development by reducing poverty and inequality, improving health and education, and advancing infrastructure development. The Commercial Liaison Offices help American businesses learn how to get involved in bank-funded projects, and advocate on behalf of American bidders. Learn more by contacting the Commercial Liaison Office to the [Inter-American Development Bank](#) or Commercial Liaison Office to the [World Bank](#)

Business Travel

Business Customs

El Salvador and the United States share strong business ties which provide Salvadorans a high level of comfort in doing business with U.S. companies. Much like the rest of Latin America, in El Salvador business is conducted after a relationship has been established. Spending time forming a personal connection before jumping into business discussions is highly recommended. Spanish is the official language in El Salvador.

The business dress code in El Salvador is conservative. A lightweight suit is the most appropriate attire for business meetings. Expect to shake hands before and after your meeting, and do not use a person's first name until a relationship has been solidified. Salvadorans commonly use titles such as Licenciado (meaning a college graduate), Ingeniero (engineering graduate), or Doctor (used both for physicians and lawyers). These are followed by the person's last name. Business cards are used, and it is important to exchange business cards during a first meeting. It is helpful to have a supply of business cards printed in Spanish. Breakfast meetings are common and begin around 7:30 a.m. Lunches and dinners can be lengthy (2-3 hours). Dinners start late by U.S. standards, frequently at 7:00 p.m. Lunch is usually at 12:30 p.m.

Travel Advisory

The Department of State warns U.S. citizens to reconsider travel to El Salvador due to COVID-19 and exercise caution because of the high crime rate. For the most updated travel information visit [The Department of State Bureau of Consular Affairs website, which](#) offers safety updates, travel advisories, and country specific information.

Prior to travelling to El Salvador, you should consider enrolling in [STEP \(Smart Traveler Enrollment Program\)](#). STEP is a free service to allow U.S. citizens travelling abroad to enroll their trip with the nearest U.S. Embassy.

For updated information about general commercial travel requirements country by country, please visit [Sherpa](#) for the latest updates.

The American Citizen Services (ACS) Unit does not handle visas or immigration information requests.

For information about ACS services, please visit [The U.S. Embassy in El Salvador website](#). For information that you cannot find on the website, please e-mail acsansal@state.gov. For after-hour emergencies, call (503) 2501-2999. This phone number is **ONLY** for emergency assistance directly affecting a [U.S. Citizen in El Salvador](#). Examples of emergencies include: death, arrest, missing persons, and child abduction.

Safety and Security Information

For the most updated safety and security information, please visit the [El Salvador Country Information page of the Department of State Bureau of Consular Affairs website](#).

The crime threat level in El Salvador is critical and the Travel Advisory warns U.S. citizens of the high rates of crime and violence.

Swimming: Strong undertows and currents make swimming at El Salvador's Pacific Coast beaches extremely dangerous even for experienced swimmers. Since 2008, 16 U.S. citizens have drowned while swimming in Salvadoran waters. Lifeguards are not always present at beaches and lakes. In addition, El Salvador's search and rescue capabilities are limited, and access to medical resources in these areas is inadequate.

Protests: Demonstrations, sit-ins, and protests may occur at any time or place, but are most frequent in and around the capital San Salvador. Avoid demonstrations. Even peaceful demonstrations may turn violent. Follow local news media reports or contact the U.S. Embassy for up-to-date information.

CRIME: El Salvador has one of the highest homicide levels in the world and crimes such as extortion, assault and robbery are common. Since January 2010, 50 U.S. citizens have been murdered in El Salvador. During the same time period, 562 U.S. citizens reported having their passports stolen, while others were victims of violent crimes.

Typical crimes in El Salvador include extortion, mugging, highway assault, home invasion, and car theft. Assaults against police officers are on the rise. Shootouts between rival criminal gangs and between police and criminal gangs are common. Home invasions and/or burglaries of residences during broad daylight occur in affluent residential neighborhoods in San Salvador. Some of these home invasions are committed by individuals posing as deliverymen or as police officers.

Exercise caution at all times and practice good personal security procedures throughout your stay.

- Always travel in groups.
- Avoid remote or isolated locations.
- Avoid displaying or carrying valuables in public places.
- Never leave passports and other important documents in vehicles.
- U.S. Embassy personnel are advised not to walk, run, or cycle in the unguarded streets and parks of El Salvador, even in groups. Exercise only in gyms and fitness centers. Do not travel on public transportation, especially buses. Use only radio-dispatched taxis or those stationed in front of major hotels.
- Be vigilant while visiting banks or using ATMs.
- Remain vigilant even in well-known restaurants, hotels, and retailers within San Salvador.
- Credit card cloning, and similar fraud is common. Do not let your credit card out of your sight.
- Armed holdups of vehicles traveling on El Salvador's roads are common.
- Drive with your doors locked and windows raised.
- Avoid travel outside of major metropolitan areas after dark and on unpaved roads at all times because of criminal assaults and lack of police and road service facilities.
- Be aware that criminals may follow travelers from the El Salvador International Airport to private residences or secluded stretches of road where they carry out assaults and robberies. Armed robbers are known to shoot if the vehicle does not come to a stop.
- Travelers with conspicuous amounts of luggage, late-model cars, or foreign license plates are particularly vulnerable to crime.

Armed robberies of climbers and hikers in El Salvador's national parks are common. Engage the services of a local guide certified by the national or local tourist authority when hiking in back-country areas and within the national parks. The tourist police force (POLITUR) provides security and assistance to tourists. Officers are in 19 tourist destinations.

Most serious crimes in El Salvador are never solved; only 7 of the 50 murders of U.S. citizens since January 2010 have resulted in convictions. The Government of El Salvador lacks sufficient resources to properly investigate and prosecute cases and to deter violent crime.

El Salvador has thousands of known gang members from several gangs including Mara Salvatrucha (MS-13) and 18th Street (M18). Gang members engage in violence or use deadly force if resisted. These "maras" concentrate on extortion, violent street crime, carjacking, narcotics and arms trafficking, and murder for hire. Extortion is a common crime in El Salvador. U.S. citizens who visit El Salvador for extended periods are at higher risk for extortion demands.

Visa Requirements

Individuals entering El Salvador on U.S. diplomatic, official or tourist passports are not required to obtain a Salvadoran visa prior to entering the country. However, holders of tourist passports should expect to pay a USD \$10.00 fee at the port of entry. Official and diplomatic passport holders are exempt.

Individuals possessing a passport from a country other than the United States should look up that [country's visa requirements](#).

U.S. Companies that require travel of foreign businesspersons to the United States are advised that security evaluations are handled via an interagency process. Visa applicants should go to the following link(s): [State Department Visa Website](#)

Immigration, Customs and Quarantine

Imports of certain high-caliber firearms are prohibited. Any exception to this rule MUST be approved in advance of arrival by the Salvadoran authorities. Arms for personal defense or hunting may be imported but are strictly controlled by the police and Ministry of Defense, based on a special law.

The importation or possession of other firearms or ammunitions while traveling to or while in El Salvador is prohibited. Travelers in possession of any firearm or ammunition are subject to arrest/detainment by Salvadoran authorities and local law.

Approval to carry a firearm on a flight from airlines departing the U.S. to El Salvador does not constitute approval from the Government of El Salvador to bear a firearm while in El Salvador.

The airport departure fee is included in the airline ticket price. Bearers of diplomatic passports are exempt from this departure fee. Travelers leaving by land do not pay exit taxes.

Visas to the United States

All Salvadoran nationals travelling to the United States must first obtain a U.S. visa. U.S. companies that require travel of foreign business partners to the United States should allow sufficient time for visa adjudication. The Consular Section of the U.S. Embassy recommends applying two months in advance of the anticipated travel date. Visa applicants should go to the following links:

[State Department Visa Application Website](#)

[U.S. Embassy in El Salvador - Consular Section Visa Unit Website](#)

In addition, some airlines may require travelers to have more than 6 months validity left on their passport; therefore the U.S. Embassy recommends that travelers with 6 months or less validity left on their passports renew their passports prior to travelling to the United States.

Interview Waiver for Non-Immigrant Applicants to the United States

The Consular Section of the U.S. Embassy in San Salvador, El Salvador, has instituted Interview Waiver procedures for qualifying individuals renewing full validity B1/B2 visas within one year of the expiration date. This policy is designed to reduce wait times and facilitate the visa application process for proven travelers. Qualifying applicants may submit their documents through the Cargo Expreso courier service without the need to physically come to the Embassy. Applicants must not have had a visa refused after the original visa was issued.

Qualified applicants can make arrangements to submit their documents through the courier service via the [website](#) or the call center (2113-3122 or 2113-3130). All applicants, including those qualifying for interview waiver, must still complete the online application (DS-160) and pay the visa fee (USD \$160). Applicants qualifying for Interview Waiver are reminded that the Consular Officer maintains the right to call any applicant for a personal interview.

Currency

The legal currency in El Salvador is the U.S. Dollar.

Credit cards are accepted by most stores and restaurants in the main cities, especially those in shopping centers. Visa is the most widely accepted card followed by Master Card and American Express. In most stores you will be asked to show an ID card when paying with a credit card.

ATMs are in shopping centers, major hotels, and convenience store at gas stations, and inside or outside banks.

There is a 13% Value Added Tax (IVA) on all purchases, which is included in most prices. A 10% tip is usually included in the invoice of restaurants. If it is not included, it is customary to leave the tip in cash.

Telecommunications/Electronics

There are no government restrictions on access to the Internet which is available in public places throughout the country; Wi-Fi is available at international hotels, airport, popular restaurants, and business areas in main cities – San Salvador, San Miguel and Santa Ana. The postal service system does not meet international standards; however, there are many private courier services, such as DHL, FedEx, and UPS, operating in the market.

[SIGET](#) (Electricity and Communications Regulator) publishes a report with statistical information grouped by its main areas (land lines, mobile, Internet and costs).

Telecommunication companies that provide fixed phone line service:

- CTE, S.A. de C.V.
- Telefónica Móviles El Salvador, S.A. de C.V.
- GCA Telecom, S.A. de C.V. (GCA)
- El Salvador Network, S.A. (SALNET)
- Telemovil El Salvador, S.A. (TIGO)
- Telecomunicaciones de America (TELECAM)
- CTE Telecom Personal (CLARO)
- I.P. Holding's S.A de C.V.
- RED 4G, S.A. de C.V.
- Digicel, S.A. de C.V.

Providers of Mobile service:

- CTE Telecom Personal (CLARO)
- Digicel, S.A. de C.V.
- Telemovil El Salvador, S.A. (TIGO)
- Telefónica Móviles El Salvador, S.A. de C.V.
- Intelfon, S.A. de C.V. (RED)

Providers of cable and satellite service:

- CTE Telecom Personal (CLARO)
- Telemovil El Salvador, S.A. (TIGO)
- SKY

Mobile phone providers offer roaming service. To avoid high roaming charges, consider purchasing a pre-paid SIM card from any of the major cell phone providers (Tigo, Movistar, Claro and Digicel). An ID card or passport is required to purchase a SIM card. There is GSM coverage in most of the country and 3G in the main cities.

Electrical plug/outlet and voltage (110-120 volts) are the same as in the U.S. The primary socket type is North American non-grounded.

Transportation

U.S. airlines with international flights to El Salvador include: American Airlines, United Airlines, Delta, and Spirit. The Colombian airline Avianca has direct flights to and from main cities in the United States and El Salvador serves as its regional hub. The low-cost airline, VOLARIS, also provides direct flights to/from the United States.

Most hotels offer airport shuttle services for their guests at rates ranging from USD \$25 - USD \$45 for a one-way trip.

Taxi services, normally provided within the perimeter of deluxe hotels, are mostly reliable. Public transit is not recommended.

Renting a car in El Salvador is an option. However, car accidents are amongst the most common causes of serious injury. Avoid driving at night, plan alternative routes, and use seat belts.

Language

Spanish is the official language. English is spoken in some business circles. Business travelers should hire an interpreter for meetings

[Business Service Providers](#)

Health

Travelers can check the latest health information with [the Centers for Disease Control and Prevention website](#). It provides the most recent health advisories, immunization recommendations or requirements, and advice on food and drinking water safety for regions and countries. A booklet entitled Health Information for International Travel (HHS publication number CDC-95-8280) is available from the U.S. Government Printing Office, Washington, DC 20402, and Telephone: (202) 512-1800. You may also reach the CDC's hotline at 1-800-CDC-INFO.

Following are some useful health tips while you are in El Salvador:

- Most well-known restaurants in El Salvador serve safe food and beverages, but lettuce, cabbage, and other uncooked ground vegetables pose a risk of bacterial dysentery and parasitic infection.
- As in any part of the world, one must use common sense. Hot food should be eaten hot and cold food should be eaten cold.
- Meat, pork, and chicken should be cooked thoroughly.
- Bottled drinks are considered safe. Tap water is not potable. Commercially available water bottled in El Salvador from the Agua Cristal, Alpina and Las Perlitas plants is considered safe for consumption, however, be sure the heat-molded seal on the bottleneck has not been broken.
- All the reputable restaurants in El Salvador use ice made from bottled water and it is considered safe.
- Insect repellent should be used liberally when outdoors. There has been a sharp rise in the occurrence of dengue fever, chikungunya and zika in Central America.
- Due to the COVID 19 situation; restaurants are closed and are only preparing food to be taken home or to be delivery through food delivery companies
- As around the world, social distance and wearing a mask is highly recommended while in El Salvador
- As per July 2020 around 17,000 cases diagnosed and total of 430 deaths due to COVID 19
- At this time COVID test is available through the Ministry of Health, and the private laboratory Analiza has been authorized to perform PCR testing

Yellow Fever Immigration Requirement for El Salvador Entry/Exit

All travelers going to, or coming from: Panama, Bolivia, Brazil, Colombia, Ecuador, French Guiana, Paraguay, Peru, Venezuela, and the continent of Africa, must show proof of vaccination against yellow fever. The vaccination must have occurred at least ten days prior to the exit/entry to El Salvador.

The requirement does not affect travelers who are transiting through El Salvador. The U.S. Embassy encourages all travelers to ensure they meet all immigration requirements before traveling. For further information on the requirements, please contact the Salvadoran Immigration Office ([DGME](#)):

Dirección General de Migración y Extranjería (DGME)

Centro de Gobierno. 9ª Calle Poniente y final 15 Avenida Norte
Edificio Ministerio de Gobernación, Centro de Gobierno, San Salvador, El Salvador
Tel.: (503) 2526-3000 or (503) 2213-7800

[Website](#)

E mail: atencion.usuarios@seguridad.gob.sv

Chikungunya, Dengue and Zika

Chikungunya, dengue and zika are present in El Salvador. Most common symptoms include: fever, rash, severe headache, joint pain, and muscle or bone pain. Prevention is important as there are no specific treatments for chikungunya or dengue and vaccines are still not available. It is recommended to use repellents, cover exposed skin, and sleep in screened or air-conditioned rooms. The *Aedes* mosquitos that carry these illnesses are primarily day biting and often live in homes and hotel rooms especially under beds, in bathrooms and closets. Malaria is now uncommon in El Salvador but travelers to rural areas in the departments of Ahuachapán, Santa Ana, and La Unión should be aware of the potential for infection by *Plasmodium vivax*. For further information on yellow fever, dengue and chikungunya, visit [the Centers for Disease Control and Prevention website](#).

Medical Services

Although many physicians in El Salvador are highly trained, hospital emergency rooms and clinics are generally not equipped and maintained to U.S. standards. Private hospitals are recommended and accept credit cards. Travelers should arrange for medical insurance and evacuation prior to arrival. [Refer to medical providers](#).

For further information on vaccinations in El Salvador, please go to [CDC](#)

Local Time, Business Hours and Holidays

Standard time zone: UTC/CMT –6 hours. El Salvador does not follow daylight savings time. Working hours in the private sector usually are from 8:00 am to 5:30 pm and in the government sector from 7:30 am to 3:30 pm.

Holidays observed in El Salvador 2020	
January 1	New Year's Day
April 18 - 21	Holy Week (Semana Santa)
May 1	Labor Day
May 10	Mother's Day
June 17	Father's Day
August 3-6*	Feast of San Salvador (Agostinos)
September 15	Independence Day
November 2	All Soul's Day
December 25*	Christmas Day

* Salvadoran government offices remain closed for an entire week during Holy Week, Feast of San Salvador Holidays (early August), and between Christmas and New Year's Eve. Many offices are closed during the period from December 15 to the end of the first week in January. U.S. firms should not visit the country for business purposes during these time periods.

Climate

The climate in San Salvador is suitable for summer clothing year-round, with an occasional need for a sweater in the evening in December and January. Climate is tropical, rainy season (May to October); dry season (November to April).

Temporary Entry of Materials or Personal Belongings

Customs may authorize temporary entry of foreign merchandise with temporary or partial suspension of duties for specific purposes under the condition that they are re-exported within the time authorized and without any modification.

Those who plan to live and work in El Salvador for an extended period will need to obtain temporary residency, renewed periodically depending on the amount of time granted in the residency permit. Under Article 11 of the Investment Law, foreign investors with investments equal to or more than 4,000 minimum monthly wages, have the right to receive "Investor's Residence" permitting them to work and stay in the country. Such residency can be requested within 30 days after the investment has been registered. The residency permit covers the investor and family and is issued for one year, subject to extension on a yearly basis. There are few restrictions on the professional and technical jobs that can be held by foreigners.

American investors seeking permanent residence in El Salvador or interested in a multiple entry visa, should review requirements and fees at the [Direction of Commerce and Investment \(DCI\) of the Ministry of Economy, website](#)

Travel Related Web Resources

[Ministry of Tourism in El Salvador \(MITUR\) and CORSATUR](#)

[Salvadoran Restaurants Association](#)

[Ministry of Economy](#)

[Travel](#)

Investment Climate Statement (ICS)

The U.S. Department of State's Investment Climate Statements provide information on the business climates of more than 170 economies and are prepared by economic officers stationed in embassies and posts around the world. They analyze a variety of economies that are or could be markets for U.S. businesses.

Topics include Openness to Investment, Legal and Regulatory systems, Dispute Resolution, Intellectual Property Rights, Transparency, Performance Requirements, State-Owned Enterprises, Responsible Business Conduct, and Corruption.

These statements highlight persistent barriers to further U.S. investment. Addressing these barriers would expand high-quality, private sector-led investment in infrastructure, further women's economic empowerment, and facilitate a healthy business environment for the digital economy. To access the ICS, visit the U.S. Department of State's [Investment Climate Statement](#) website.

Political Environment

For background information on the political and economic environment of the country, please click on the link to the U.S. Department of State Fact Sheet: [U.S. Relations with El Salvador](#)

