

Introduction

El Salvador is a country in Central America bordering Guatemala, Honduras, the Pacific Ocean, and the Gulf of Fonseca. It is the only country in Central America not on the Caribbean Sea. El Salvador is mountainous and known as the "land of volcanoes." The government system is a republic; the chief of state and head of government is the president. El Salvador has a mixed economic system which includes a variety of private freedom, combined with centralized economic planning and government regulation.



Location: Central America

Capital City: San Salvador (-6 GMT)

Chief of State: President Nayib Armando Bukele Ortez

Head of Govt.: President Nayib Armando Bukele Ortez

Currency: United States Dollar/Colon (SVC)

Major Languages: <p>Spanish (official), Nawat (among some Amerindians)</p>

Primary Religions: <p>Roman Catholic 50%, Protestant 36%, other 2%, none 12% (2014 est.)</p>

Calling Code: 503

Voltage: 115

Key Websites

Main Government Page: presidencia.gob.sv

Commerce Ministry: minec.gob.sv

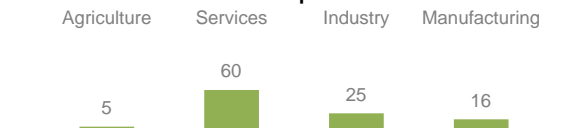
Export Promotion Agency: proesa.gob.sv

Investment Promotion Agency: proesa.gob.sv

Key Economic Facts

Income Level (by per capita GNI):	Lower Middle Income
Level of Development:	Developing
GDP, PPP (current international \$):	\$70.31 billion (2022)
GDP growth (annual %):	2.60% (2022)
GDP per capita, PPP (current international \$):	\$11,096.21 (2022)
External debt stocks, total (DOD, current US\$):	\$20,171,383,377.20 (2021)
Manufacturing, value added (% of GDP):	15.51% (2022)
Current account balance (BoP, current US\$):	-\$2.15 billion (2022)
Inflation, consumer prices (annual %):	7.20% (2022)
Labor force, total:	2,782,179 (2022)
Unemployment, total (% of total labor force) (modeled ILO estimate):	3.82% (2022)
Imports of goods and services (current US\$):	\$18.07 billion (2022)
Exports of goods and services (current US\$):	\$10.13 billion (2022)

GDP Composition %



**Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.*

Rankings

Index	Rank
Corruption Perceptions Index	114 / 178
Global Competitiveness Index	102 / 141
Global Enabling Trade Index	74 / 136
Index of Economic Freedom	114 / 176
International Logistics Performance Index (LPI)	101 / 160
Inward FDI Potential Index	103 / 139
KOF Index of Globalization	64 / 185
Networked Readiness Index (NRI)	93 / 139
Open Budget Index	70 / 114

Risk Assessment (Provided by Coface)

Country rating: D - A high-risk political and economic situation and an often very difficult business environment can have a very significant impact on corporate payment behavior. Corporate default probability is very high.

Business Climate rating: B - The business environment is mediocre. The availability and the reliability of corporate financial information vary widely. Debt collection can sometimes be difficult. The institutional framework has a few troublesome weaknesses. Intercompany transactions run appreciable risks in the unstable, largely inefficient environments rated B.

Strengths

- Relative economic diversification
- Free trade agreements with Central America, the United States, Mexico, the European Union, Guatemala, Honduras, and South Korea
- High population density

Weaknesses

- Meteorological (high exposure of the agricultural sector) and seismic vulnerability
- Inadequate public infrastructure
- Dependence on the US for investment, trade, tourism and expatriate remittances
- Lack of independent monetary policy: the USD is the primary official currency
- Limited access to multilateral financing
- Structurally weak public and external accounts
- Introduction of Bitcoin as second legal tender in 2021 has shaken market and investor confidence
- Significant inequality and poverty

U.S. Embassy

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