

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

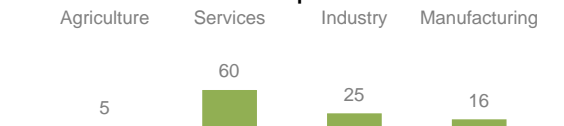
Export Promotion Agency: proesa.gob.sv

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 and the United States (CAFTA-DR), as well as with Mexico and the EU, member of the customs union with Guatemala and Honduras, and with South Korea
- Strong demographics

Weaknesses

- High crime and insecurity linked to drug trafficking
- Lack of natural resources
- Climate and seismic vulnerability
- Insufficient infrastructure and investment
- Dependence on the United States (first destination of exports and main source of expatriate remittances)
- Structural fragility of public and external accounts
- Significant inequality and poverty

U.S. Embassy

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