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### **Report Highlights:**

El Salvador's imports of agricultural products from the United States experienced an outstanding rebound of 31% during 2021, reaching a total of \$828 million. A constant influx of remittances and the gradual recovery of the hotel/restaurant sector have been determining factors contributing to a higher demand for imported foods. The liberalization of trade quotas under the CAFTA-DR trade agreement has positively impacted U.S. exports of pork and poultry meats, which during 2021 registered a remarkable increase of 88% and 48% respectively. Other categories with good performance in 2021 were: processed fruit (68%), non-alcoholic beverages (45%), Food preparations (42%), processed vegetables (38%), and bakery goods, cereals & pasta (32%).

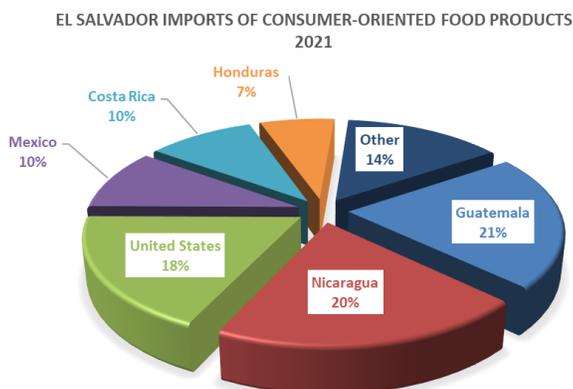
# Market Fact Sheet: El Salvador

## Executive Summary

El Salvador is the smallest country by size in Central America, with an estimated population of 6.6 million inhabitants. According to El Salvador's Central Reserve Bank, GDP grew 2.4% in the first quarter of 2022. In 2021 El Salvador's main trading partner continued to be the United States, which supplied 27 percent of total imports and received 39 percent of Salvadoran exports.

## Imports of Consumer-Oriented Food Products

In 2021 the United States was the third largest supplier of consumer-oriented products to El Salvador with exports valued at about \$267 million.



Source: Trade Data Monitor, LLC

## Food Manufacturing Industry

El Salvador reported global imports of agricultural intermediate products valued at \$566 million in 2021, a 29 percent increase from 2020. El Salvador continues to be the regional leader in the production of snacks and carbonated beverages and is a major exporter. The food manufacturing industry in El Salvador is also growing in categories such as baked goods, prepared foods, and confectionery products. The Salvadoran diaspora abroad is a main consumer, especially of the traditional sweet breads.

## Retail Food Industry

There are two leading supermarket chains in El Salvador: Super Selectos and Walmart Mexico y Centroamerica. Most consumers prefer to shop at supermarkets because of the perception that they are cleaner, safer, and have more diverse offerings than open-air markets.

### Quick Facts CY 2021

Global Consumer-Oriented imports: \$1.8 billion

El Salvador Global Ag. imports: \$2.8 billion

El Salvador Ag. imports from the U.S.: \$828 million

### Top 10 U.S. Ag Products in El Salvador

- |                      |                            |
|----------------------|----------------------------|
| 1. Corn              | 6. Meat                    |
| 2. Soybean Oilcake   | 7. Chicken cuts            |
| 3. Wheat             | 8. Sauces                  |
| 4. Food Preparations | 9. Non-alcoholic beverages |
| 5. Rice              | 10. Potatoes               |

### GDP/Population

Population: 6.6 million (2022 est.)

GDP (USD): \$27 billion (2019 est.)

GDP per capita (USD): \$8,776 (2019 est.)

2021 EL SALVADOR TOP 10 CONSUMER-ORIENTED FOOD IMPORTS FROM WORLD		
DESCRIPTION	VALUE	SHARE
Dairy products	\$ 367,561,083.00	21%
Soup & other food preparations	\$ 207,903,029.00	12%
Beef & beef products	\$ 190,240,371.00	11%
Bakery goods, cereals, & pasta	\$ 142,451,100.00	8%
Fresh fruit	\$ 115,258,135.00	6%
Fresh vegetables	\$ 91,630,027.00	5%
Non-alcoholic bev. (ex. juices, coffee, tea)	\$ 81,278,473.00	5%
Condiments & sauces	\$ 71,006,085.00	4%
Processed vegetables	\$ 55,129,745.00	3%
Poultry meat & prods. (ex. eggs)	\$ 54,116,241.00	3%

Source: Trade Data Monitor, LLC., World Bank, CIA-The World Factbook.

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## SECTION I: MARKET SUMMARY

El Salvador is the smallest country in Central America. Its population is an estimated 6.6 million inhabitants, and approximately 62 percent of people live in urban areas, with about 1.8 million living in the capital, San Salvador.

The Salvadoran economy experienced a sharp recession in 2020 due to the pandemic. However, in 2021, production levels recovered and an increase in GDP of 10.3% was registered. As expected, the rebound effect tapered off in 2022. Inflation reached 12 percent in September, and is expected to serve as a headwind for the near term.

The Economic Commission for Latin America and the Caribbean warned that in 2023 the slowdown in growth will deepen and reduced its growth projection for El Salvador further to 1.6 percent, while the host government anticipates growth between two and three percent.

As per the Central Reserve Bank's figures, remittances play a relevant role in Salvadoran economy, accounting for 25 percent of GDP. As of October 2022, El Salvador had received \$6.4 billion in remittances, which is 3.7% more than the same period in 2021. Since about 94% of remittances received come from the United States, the Central Reserve Bank and the International Organization for Migrants carried out a survey between August 8-18, 2022, that included the opinion of 1,400 people at six States where most Salvadorans live: California, Texas, Virginia, Maryland, New York and New Jersey. The survey revealed that about 80% of Salvadorans in the U.S., equivalent to 1.1 million, send remittances on a regular basis to support their families at home, and that is about 25% of Salvadoran households.

Salvadoran eating habits are highly influenced by a faster-paced lifestyle. Although teleworking is still widely used, there are many companies and institutions that have started rotating schedules, and therefore traffic has returned to pre-pandemic levels. Long commute times contribute to additional restaurant consumption.

According to the "Multi-Purpose Homes Survey" conducted in 2021 by the Ministry of Economy and the Directorate of Statistics and Census, working Salvadorans spent a monthly average of \$49.79 on lunches in restaurants/cafeterias. According to Euromonitor, in 2021, the per household-eating out expenditure of an employed Salvadoran is an average of \$1,454 or approximately \$121.17 monthly, which shows an increase of 19% compared to 2020.

Consumer-oriented products with a health benefit focus are currently selling well as Salvadorans are more concerned about their health as a result of the pandemic. Other best performing categories during 2021 were: pork, poultry, processed fruits and vegetables, food preparations, sauces and bakery/pasta products. For more information on Salvadoran food trends, please see our [Retail Foods GAIN Report](#) and the [Food Processing Ingredients GAIN Report](#).

## Advantages and Challenges for Exporting Agricultural products to El Salvador:

**Table 1**

Advantages	Challenges
U.S. agricultural and food products are sought after by El Salvador's HRI sector, as they have an excellent reputation among consumers and are known for their high quality and food safety standards.	U.S. agricultural and food products are more expensive than some regionally available food products. Guatemala, Canada, Mexico, and Chile are strong competitors.
Major retailers are developing increasingly sophisticated distribution systems, which will provide more space and better cold chain technology for high-value imports	Importers tend to buy small quantities to test the market. In general, U.S. companies are not interested in exporting small quantities.
The implementation of CAFTA-DR lowered or eliminated duties for most U.S. food products.	High marketing costs (advertising, discounts, sampling, etc.) make it difficult to promote new products.
With the recent boom in urban developments and expansion of shopping centers, new retail outlets are available to sell more U.S. food products.	Security issues along with increasing costs of distribution, limit the ability of stores to promote products at the national level.
Exposure to U.S. media as well as language, culture, and commercial ties to the United States, contributes to positive attitudes toward U.S. products.	El Salvador's high inflation rate, 7.32% by November 2022, directly affects family income, thus limiting consumption of higher value, imported food products.

## SECTION II. EXPORTER BUSINESS TIPS

Successful introduction of products into the Salvadoran market depends on local representation and personal contacts. The advantages of local representation include market knowledge, up-to-date information, guidance on business practices, import policies, sales contacts, and market development expertise.

El Salvador is a business-card society, and it is important to exchange business cards at the first meeting. Initially, Salvadoran business relationships and meetings are formal. You are expected to use proper titles, shake hands before and after your meeting, and not use a person's first name until a relationship has been solidified. Use the formal Señor (Mr.) or Señora (Mrs.) before the last name (i.e. Señor Gomez, Señora Ramirez).

It is highly recommended that U.S. exporters reach out to Salvadoran buyers that attend U.S. trade shows or Cooperators focused Trade Missions, which have started to be carried under the virtual environment with successful results.

Other considerations:

- Support local importers for in-store promotion activities and point of sale materials.
- Most importers prefer shipments from the Miami area and consolidation is the best option when shipping small volumes.
- Establish a collaborative relationship with the importer to facilitate the product registration process and subsequent entry of the product.
- Personal visits to El Salvador are highly encouraged in order to see trends and understand Salvadoran consumer preferences.

### **SECTION III. IMPORT FOOD STANDARDS & REGULATIONS AND IMPORT PROCEDURES**

- **Customs Clearance**

Usually when clearing a product through Customs, a Customs inspector, a Customs officer, and a Ministry of Health (abbreviated MINSAL in Spanish) inspector are involved in the process. English is the commercial language used on import documents. On average, it takes approximately three to five days to clear a product through customs. Most importers use a customs agent to expedite clearing procedures as much as possible. Currently, there is no appeal procedure in place for disputed product rejections.

- **Documents Generally Required by the Country Authority for Imported Food:**

The GOES requires importers to be registered with MINSAL. Importers must also register each product and size presentation that will be imported to ensure the product is fit for human consumption. Registration of a product, once granted, is valid for five years.

MINSAL has created a new procedure to request an online import permit and it is the only authorized method to request permits for food and beverages. The new system minimizes the processing time for import permits to 3 minutes or less. In general, most products are subject to lab tests performed by MINSAL when undergoing routine controls and when the product is registered. Certificates of Free Sale are also required for imported products. A Certificate of Free Sale (CFS), ideally, is a certificate from an official, public health agency stating that the product to be imported meets all health and sanitary requirements of that agency, and which is freely sold and consumed in the country of origin. However, MINSAL has recently changed the product registration norm for C Risk products and no longer requires a CFS for these products. In lieu of the CFS, MINSAL now accepts an export sanitary certificate from a Federal, State of

approved Private institution. For U.S. products, in the case of meat and meat products, the Ministry of Health accepts the Food Safety Inspection Service (FSIS) 9060-5 certificate. For other U.S. food and beverage products, the Ministry of Health will accept the Export Certificate issued by an official U.S. government institution.

See our [Food and Agricultural Imports Regulations and Standards \(FAIRS\) GAIN](#) report and our [FAIRS Export Certificate Report](#) for complete guidance on CFS and other specific import requirements.

- **Country Language Labeling Requirements**

The Salvadoran Body for Technical Regulations (OSARTEC) is working on labeling regulations based on Codex. Currently, food products with U.S. labels are common throughout the distribution chain. However, the GOES requires that a sticker in Spanish that includes a list of ingredients, manufacturing method, and expiration date be used until the requirement of Spanish/English labels is fully implemented.

For processed products, expiration dates are required. For higher value and fresh products, both the manufacturing and expiration date is required. A country of origin certificate for products coming in under a free trade agreement is required for all products imported into El Salvador.

Nutritional labeling is not required by the Ministry of Health at this time. However, the U.S. nutrition label needs to be reviewed by the Nutrition Department of the Ministry of Health to be accepted. Some locally produced products at the retail level have nutrition facts in English to comply with U.S. regulations due to expectations of exporting to the U.S. market under the Dominican Republic-Central America- United States Free Trade Agreement (CAFTA-DR). Local health officials say that since most Salvadorans do not speak English, they could be basing their opinion on the picture that is used on the label by U.S. manufacturing companies and could therefore be misled.

- **Tariffs and FTAs**

El Salvador remains committed to free markets and a diversified export-oriented economy. It is a member of the World Trade Organization (WTO) and is a signatory to [10 free trade agreements](#). On August 20, 2018, El Salvador officially joined the Guatemala-Honduras Customs Union. Except for sensitive agricultural products such as white corn, rice, poultry and dairy, most U.S. food products have duty free access to the Salvadoran market under the CAFTA-DR agreement. Sensitive products are managed under a Tariff Rate Quota (TRQ) system that is managed by the Ministry of Economy's Free Trade Administration Division (DATCO). Poultry TRQ's are managed by the U.S. and Salvadoran poultry industries under the Central America Poultry Export Quota (CAPEQ) system.

- **Trademarks and Patents Market Research**

An individual can acquire exclusive trademark rights by registering a branded product with the National Registry Center (CNR). Trademark registrations are granted for a period of 10 years and can be renewed indefinitely for similar periods.

## **SECTION IV. MARKET SECTOR STRUCTURE AND TRENDS**

The retail sector continues to be a key growth area of the Salvadoran economy, fueled by increasing purchasing power, mainly due to the constant influx of remittances and a steady expansion of consumer credit.

Given the large diaspora living in the United States, El Salvador is highly influenced by the American culture in general, which includes food preferences, such as U.S. brands for fast food restaurants, of which currently there is a good presence of franchises across the country.

There is also an increasing offer of coffee shops or small bistro-type of restaurants where many solid/large franchises compete with small, gourmet-oriented entrepreneurs that look to sell not only food but a culinary experience. Salvadorans like to get together at coffee shops or small restaurants for breakfast and a lot more for informal/business meetings. The boom in this sector brings more demand for bakery products, dairy products, cocktails, smoothies, milk shakes, fresh fruits and fruit juices.

Another trend is the opening of different shopping/commercial buildings in different areas of El Salvador. The most recent and emblematic is Millennium Plaza, that is currently the tallest building in San Salvador with 24 floors for offices and a 3-floor shopping area, with a good offer of restaurants and coffee shops. There is still pending the construction of a second phase of this project, which will include a hotel, as well as a penthouse, residential apartments, a large area for restaurants, sports court, and the main attraction: Millenium Skydeck, which will be a 110 meter, or 361 feet, tall building that will offer a 360° view of the city, along with a restaurant and lounge. All these projects represent a great venue to promote imported foods/beverages.

With the pandemic, large retailers continued their expansion plans and revamped their online stores, which allowed for increased sales and attract consumers to use the digital channels to shop and interact with them. For more details on this topic please read our special GAIN report: [“El Salvador: e-Commerce flourishes with COVID-19”](#).

### **Competitive Situation**

Other Central American countries, Mexico, and Chile are the main trade competitors for the United States regarding consumer-oriented products. Although the Salvadoran food industry is less developed than in other Central American countries, it is currently the regional leader in the production and export of snacks, juices and carbonated beverages. Generally, Salvadoran food manufacturers rely on imports of ingredients. High food safety standards, excellent quality and technical support or assistance in the development of new products all give U.S. food ingredients a competitive advantage.

## SECTION V. AGRICULTURAL AND FOOD IMPORTS

El Salvador's food and beverage market is estimated to be \$8.4 billion in size and has had a compound annual growth rate of 2% over the past 6 years. This positive trend in imports is a competitive advantage for U.S. food products, especially for niche products. In 2021, the United States exported to El Salvador over \$828 million of Agricultural products, registering higher export levels in the following categories: pork meat and products (88%), poultry meat and products (48%), processed fruit (68%), non-alcoholic beverages (45%), Food preparations (42%), processed vegetables (38%), and bakery goods, cereals & pasta (32%).

Salvadoran consumers in general are very receptive to new food brands, mainly specialty/international foods, but education on health benefits and cooking demos with tastings are key.

### **Best High Value, Consumer Oriented product prospects:**

Based on a very recent consumer-oriented study contracted by our office revealed that these are currently the Top-Ten best products prospects, which have had a Compound Annual Growth Rate (CAGR) for the past 10 years of 5 percent or higher:

**Table 2**

1. Non-Alcoholic Beverages: No-sugar juices or sodas, low sugar beverages, drinks with natural ingredients, rehydration beverages.
2. Fresh cheese including “whey” cheese and curd: fat-free cheese, cheese without artificial ingredients.
3. Frozen, boneless meat or plant based meat: meat with no fat, plant based meat for hamburgers
4. Bread, pastry, cakes, biscuits and other bakers wares: biscuits, low-carb or with no sugar, gluten-free bread, healthy snacks, portioned and convenient bakers.
5. Fresh or chilled deboned beef
6. Processed cheese, not grated or powdered
7. Preparations for sauces and prepared sauces: natural sauces, low-fat sauces, exotic flavors, convenient preparations for sauces.
8. Sweet biscuits: low sugar. natural and healthy ingredients, sustainable packages
9. Milk and cream in solid forms; food preparations of flour: fat-free brands, fortified with minerals and vitamins, Paleo Diet.
10. Malt extract; food preparations of flour, groats, meal, starch or malt extract.

**Table 3**

<b>2021 EL SALVADOR TOP 10 CONSUMER-ORIENTED FOOD IMPORTS FROM WORLD</b>		
<b>DESCRIPTION</b>	<b>VALUE</b>	<b>SHARE</b>
Dairy products	\$ 367,561,083.00	21%
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Fresh fruit	\$ 115,258,135.00	6%
Fresh vegetables	\$ 91,630,027.00	5%
Non-alcoholic bev. (ex. juices, coffee, tea)	\$ 81,278,473.00	5%
Condiments & sauces	\$ 71,006,085.00	4%
Processed vegetables	\$ 55,129,745.00	3%
Poultry meat & prods. (ex. eggs)	\$ 54,116,241.00	3%
Other	\$ 407,035,880.00	23%
<b>Total:</b>	<b>\$ 1,783,610,169.00</b>	<b>100%</b>

Source: Trade Data Monitor

## **SECTION VI. POST CONTACT AND FURTHER INFORMATION**

Office of Agricultural Affairs USDA/FAS  
 U.S. Embassy El Salvador  
 Boulevard Santa Elena Sur y Calle Conchagua  
 Antiguo Cuscatlán, La Libertad, El Salvador  
 Phones: (503) 2501-2999 extensions 3414/3412 E-mail: [agsansalvador@usda.gov](mailto:agsansalvador@usda.gov) [mailto:](mailto:agsansalvador@usda.gov)  
 Website: [www.fas.usda.gov](http://www.fas.usda.gov)

## Local Key Contacts

<b>Agency:</b>	<b>Ministerio de Salud (Ministry of Health)</b>
Division:	Departamento de Atención al Medio Ambiente (Environment Attention Office)
Contact:	Mrs. Ana Lila de Urbina
Address:	Alameda Roosevelt, Edificio Laboratorio Central Dr. Max Bloch, San Salvador.
Phone:	(503) 2594-8559 / 2205-1613
Email:	aurbina@salud.gob.sv
Web:	<a href="http://www.salud.gob.sv">www.salud.gob.sv</a>
<b>Agency:</b>	<b>Ministerio de Agricultura y Ganadería (Ministry of Agriculture and Livestock)</b>
Division:	Dirección General de Ganadería-DGG (Livestock General Direction Office)
Contact:	Néstor Avendaño, director
Address:	Final 1ª. Avenida Norte, 13 Calle Oriente y Av. Manuel Gallardo Santa Tecla, La Libertad
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Email:	<a href="mailto:nestor.avendano@mag.gob.sv">nestor.avendano@mag.gob.sv</a>
Web:	<a href="http://www.mag.gob.sv">www.mag.gob.sv</a>
<b>Agency:</b>	<b>Centro para la Defensa del Consumidor (Consumer Protection Center)</b>
Division:	Presidency
Contact:	Mr. Ricardo Salazar
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Email:	atencionalconsumidor@defensoria.gob.sv
Web:	<a href="http://www.defensoria.gob.sv">www.defensoria.gob.sv</a>

<b>Agency:</b>	<b>OIRSA – Organización Regional para Sanidad Agropecuaria (Regional Organization for Agricultural Health)</b>
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<b>Agency:</b>	<b>OSARTEC-Salvadoran Body for Technical Regulations</b>
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### Attachments:

No Attachments