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## **Report Name:** Exporter Guide

**Country:** El Salvador

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### **Report Highlights:**

In 2022, El Salvador imported \$973 million of agricultural products from the United States, out of which about \$283 million were consumer oriented. Remittances continue to play a relevant role in the Salvadoran economy as it is estimated that approximately 30 percent of the population receives monthly remittances, which contributes to a higher purchasing power. U.S. exports with good performance and high dollar value in 2022 were: dairy products, processed vegetables, condiments and sauces, chocolate/cocoa products, beer, beef and beef products and dog/cat food.

# Market Fact Sheet: El Salvador

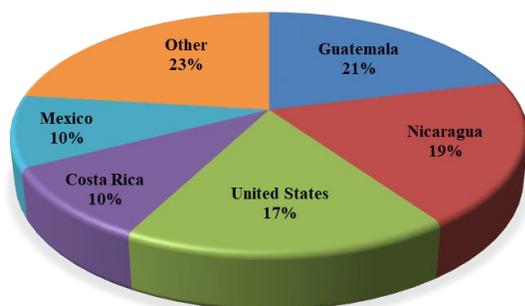
## Executive Summary

El Salvador is the smallest country by size in Central America, with an estimated population of 6.6 million inhabitants. According to latest information from the Central Reserve Bank, the forecasted GDP growth for 2023 is 2.6 percent, which is very close to the 2.8 percent estimated by the World Bank in October 2023. In 2022, El Salvador's main trading partner continued to be the United States, which supplied 29 percent of total imports and received 39 percent of Salvadoran exports.

## Imports of Consumer-Oriented Food Products

In 2022, the United States was the third largest supplier of consumer-oriented products to El Salvador with exports valued at about \$349 million.

EL SALVADOR IMPORTS OF CONSUMER-ORIENTED FOOD PRODUCTS 2022



Source: Trade Data Monitor, LLC

## Food Manufacturing Industry

El Salvador's global imports of agricultural intermediate products reached \$715 million in 2022, a 26 percent increase from 2021. The snack industry has helped El Salvador to keep its regional leadership status, as well as the production of juices and carbonated beverages. The manufacturing of sweet bread targeted to Salvadorans living abroad has positively impacted the growth of baking inputs import numbers.

## Retail Food Industry

There are two leading supermarkets chains in El Salvador: Super Selectos and Walmart Mexico y Centroamerica. Most consumers prefer to shop at supermarkets because of the perception that they provide a better and more comfortable shopping experience as well as having better offers than open-air markets.

### Quick Facts 2022

#### List of Top 10 U.S. Ag. Products exported to El Salvador:

1) Corn	6) Meat of swine
2) Soybean oilcake	7) Wheat and meslin (not durum wheat)
3) Cotton	8) Brewing or distilling dregs
4) Durum Wheat	9) Potatoes, including french fries
5) Food Preparations	10) Milk and cream

#### Trade

El Salvador Ag. Imports from the World: \$3.4 billion

Global Consumer-Oriented Imports: \$2 Billion

El Salvador Ag. Imports from the U.S.: \$973 million

#### Population/GDP Data:

Population: 6.6 million (2023 est.)

GDP (official exch. Rate: \$27 billion (2019 est.))

Real GDP Per Capita: \$9,100 (2021 est.)

Source: The CIA World Factbook, Trade Data Monitor LLC, Salvadoran Industrial Association

#### 2022 EL SALVADOR TOP 10 CONSUMER-ORIENTED FOOD IMPORTS FROM WORLD

DESCRIPTION	VALUE	SHARE
Dairy products	\$ 423,552,277	21%
Soup & other food prep.	\$ 237,551,656	12%
Beef & beef products	\$ 208,225,665	10%
Bakery goods, cereals & pasta	\$ 159,711,033	8%
Fresh fruit	\$ 112,655,012	6%
Non-alcoholic bev. (ex. juices, coffee, tea)	\$ 105,481,722	5%
Fresh vegetables	\$ 83,548,376	4%
Condiments & sauces	\$ 80,837,988	4%
Processed vegetables	\$ 69,044,216	3%
Dog & cat food	\$ 58,912,256	3%

Source: Trade Data Monitor, LLC.

**Contact:** U.S. Embassy San Salvador /Foreign Agriculture Service, Boulevard Santa Elena, Antiguo Cuscatlan, La Libertad El Salvador. Email: [agsansalvador@usda.gov](mailto:agsansalvador@usda.gov)

## 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 1.7 million living in the capital, San Salvador.

Economic growth in El Salvador has oscillated between 2 and 3 percent annually for the last two decades. During 2023, it has been forecasted that GDP would reach 2.6 percent according to an announcement by the Central Reserve Bank (CRB) in the first week of December 2023. Such forecast is close to the estimate from World Bank that last October placed economic growth of El Salvador at 2.8 percent by the end of 2023. According to CRB, increase in direct foreign investment that totaled \$262.6 by the second quarter of 2023 and international visitors that has been forecasted will close the year with a total of 3.3 million, have injected millions of dollars to national economy.

A dynamic tourism sector during 2023 has positively impacted El Salvador’s economic performance. According to statistics shared early December 2023 by the Salvadoran Corporation of Tourism (CORSATUR in Spanish), in 2022 there were 2.5 million international visitors, which represented a 96 percent recovery when compared to pre-pandemic figures in 2019. It was calculated that those visitors spent over \$2.6 billion.

In 2023, during the Miss Universe event, CORSATUR informed that a 100 percent hotel occupancy was registered in San Salvador and it’s been calculated that those visitors spent over \$177 million. In addition, remittances continue to play a relevant role in the Salvadoran economy as it is estimated that approximately 30 percent of the population receives monthly remittances. The CRB estimates that by the end of 2023, remittances would be more than \$8 billion, which is 5.4 percent growth compared to 2022.

Salvadoran eating habits are highly influenced by a faster-paced lifestyle. Although teleworking has been widely adopted, 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 Euromonitor, in 2022, the per household expenditure on food and non-alcoholic beverages of a working Salvadoran is an average of \$435.60 monthly, an increase of 12% compared to 2021.

**Table 1**

Consumer Expenditure by Economic Status of Household Head					
Category	Categorization Type	Unit	2021	2022	Monthly
Consumer Expenditure on Food and Non-Alcoholic Beverages	Employee	USD per household	\$ 4,503	\$ 5,044	\$ 420.29
	Employer and Self-Employed		\$ 4,826	\$ 5,410	\$ 450.85
	Unemployed		\$ 4,001	\$ 4,481	\$ 373.39
	Other		\$ 4,200	\$ 4,706	\$ 392.15

Source: Euromonitor/FAS El Salvador

Consumer-oriented products with a health benefit focus are best sellers as Salvadorans are more concerned about adopting a healthier life style. Other best performing categories during 2022 were: dairy, processed vegetables, condiments and sauces, chocolate and cocoa products, beer, beef and beef products as well as dog and cat food.

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 2**

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.	Increased price of basic basket makes it more difficult to reach a larger customer base for U.S. products. Recent news revealed that the price of the urban basic basket is \$257.81 and in rural areas \$193.48. Minimum salary wage is \$365.

**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 Cooperator-focused trade missions, as usually those participants are experienced buyers or have a good potential to grow their U.S. product portfolios.

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 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, or State 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 in order 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 (CAFTADR). 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**

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.

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 of 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

According to the RANKING® of Industrials Report/2023 edition, El Salvador imported \$1.4 billion of food products in 2022, which reflects a 19.4 percent increase compared to the previous year. This growth reflects the greater dynamism of these three subsectors: meat products, dairy products and fats/oils of vegetable or microbial origin. On the other hand, the beverages imported in 2022 recorded a total of \$253.3 million, which represents a 28 percent increase compared to 2021. Carbonated drinks, coffee extracts and beer are at the top of the list and account for 51 percent of total beverages imported in 2022.

This positive performance of imports is a competitive advantage for U.S. food products, especially for the Consumer-Oriented category. In 2022, the United States exported to El Salvador about \$973 million of agricultural products, out of which about \$283 million were consumer oriented.

**Table 4**

<b>TOP 10 U.S CONSUMER ORIENTED EXPORTS TO EL SALVADOR 2022</b>		
<b>CATEGORY</b>	<b>US\$ VALUE (in millions of dollars)</b>	<b>% CHANGE 2021-22</b>
Dairy products	\$ 43.5	30.3%
Processed vegetables	\$ 23.4	16.1%
Condiments and Sauces	\$ 17.7	20.8%
Chocolate & Cocoa products	\$ 15.0	21.3%
Beer	\$ 12.0	54.5%
Beef & Beef products	\$ 11.1	17.6%
Dog & Cat food	\$ 5.5	6.3%
Other Consumer oriented	\$ 4.1	21.7%
Tree nuts	\$ 3.8	10.1%
Processed fruit	\$ 3.0	21.5%

*Source: Trade Data Monitor, LLC*

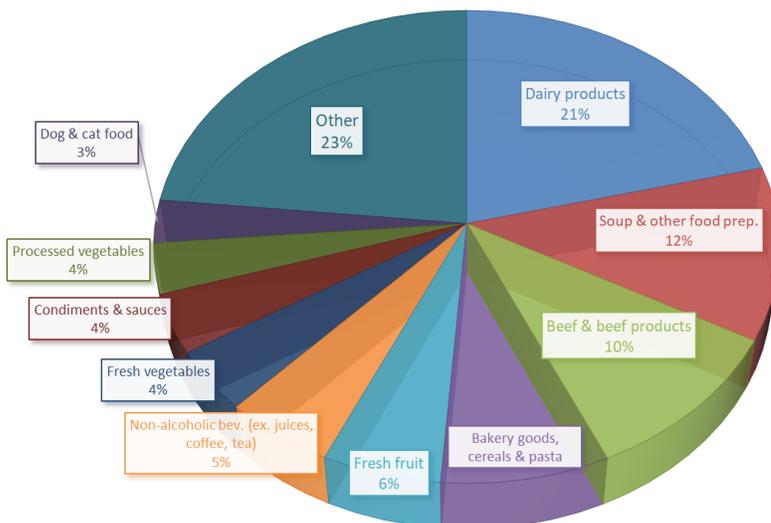
- **Best High Value, Consumer Oriented product prospects:**

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 5**

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.

**2022 EL SALVADOR TOP 10 CONSUMER-ORIENTED FOOD IMPORTS FROM WORLD**



## SECTION VI. POST CONTACT AND FURTHER INFORMATION

Office of U.S. *Source: Trade Data Monitor, LLC*

Agricultural Affairs USDA/FAS  
Embassy El Salvador

Boulevard Santa Elena y Calle Conchagua

Antiguo Cuscatlán, La Libertad, El Salvador

Telephone: (503) 2501-2999 extensions 3414/3412

E-mail: [agsansalvador@usda.gov](mailto:agsansalvador@usda.gov) [mailto:](#)

### Local Key Contacts

<b>Agency:</b>	<b>Ministerio de Salud (Ministry of Health)</b>
Division:	Departamento de Saneamiento Ambiental (Food Safety Division)
Contact:	Mrs. Ana Lila de Urbina
Address:	Alameda Roosevelt, Edificio Laboratorio Central Dr. Max Bloch, San Salvador, El Salvador
Phone:	(503) 2205-1614
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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)
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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
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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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**Attachments:**

No Attachments