

Voluntary Report – Voluntary - Public Distribution

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Report Name: El Salvador lowers tariffs and streamlines import procedures through March 2023

Country: El Salvador

Post: San Salvador

Report Category: Agricultural Situation

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Report Highlights:

This report provides initial analysis and a courtesy translation of El Salvador's Transitory Law to Combat Price Inflation in Basic Products, published March 11, 2022, with an import duties comparison added for reference. The law reduces import tariffs for a wide range of food and agricultural products and inputs and streamlines import procedures. The Salvadoran government's stated goal is to reduce costs for imported food and agricultural products. The temporary law will be in effect until March 31, 2023.

Post Analysis: Most of these tariff lines were already under a zero Tariff Rate Quota for U.S. exports thanks to the CAFTA agreement. This law may make third country products more competitive in the Salvadoran market by reducing import costs. The law is also expected to streamline the import process for all listed products. For example, the Government of El Salvador will accept export certificates from countries that demonstrate their inspection system is at least as rigorous as El Salvador's.

Advance translation of the new law (with a column added to show the previous tariff):

**TRANSITORY LAW TO COMBAT PRICE INFLATION IN BASIC PRODUCTS
MARCH 11, 2022**

Article 1.

Law Objective:

Assure the supply of basic basket essential products, to be able to be acquired at adequate prices, in a way that there is no harm to the consumers, as well as the importation of agricultural inputs and raw materials to guarantee agricultural production and food security.

Article 2.

Modify the Central American import duty, solely for El Salvador, in the following manner:

Tariff Code	Description	Product	New Tariff	Old Tariff
0401.10.00.00	With a content of fat materials lower or equal to 1% in weight	Fluid milk	0	40
0401.20.00.00	With a content of fat materials more than 1%, but less or equal to 6% in weight	Fluid Milk	0	40
0401.40.00.00	With a content of fat materials more than 6%, but less or equal to 10% in weight	Fluid milk	0	40
0401.50.00.00	With a content of fat materials more than 10% in weight	Fluid milk	0	40
0701.90.00	Others	Potatoes	0	15
0702.00.00.00	Fresh or Refrigerated Tomatoes	Tomatoes	0	15
0703.10.11.00	Yellow	Onions	0	15
0703.10.12.00	White	Onions	0	15
0703.10.13.00	Red	Onions	0	15

0703.10.19.00	Others	Onions	0	15
0704.90.00.00	Others	Cabbage	0	15
0709.60.10.00	Sweet Peppers	Pepper	0	15
0713.32.00.00	Adzuki (small red) (Phaseolus or Vigna angularis)	Small red bean	0	30
0713.33.10.00	Black	Black beans	0	30
0713.33.40.00	Red	Silk red beans	0	20
0803.10.00.00	Plantains	Plantains	0	15
0805.10.00.00	Oranges	Oranges	0	15
1005.90.20.00	Yellow Corn	Yellow corn	0	0/15 1/
1005.90.30.00	White Corn	White corn	0	0/20 2/
1006.10.90.00	Others	Rough rice	0	0/40 3/
1006.20.00.00	Brown rice	White rice	0	40
1006.30.10.00	Medium grain, fractured in one of its extremes, with a fat content range of 0.60% to 0.75%, destined for puffed rice, in 50 Kg. bags, duly identified	White rice	0	40
1006.30.20.00	Parboiled rice	White rice	0	40
1006.30.90.00	Others	White rice	0	40
1006.40.00	Broken rice	White rice	0	40
1101.00.00.00	Wheat flour	Wheat flour	0	10
1102.20.00.00	Corn flour	Corn flour	0	15
1501.90.00.00	Others	Lard	0	15
1512.19.00.00	Others	Vegetable oil	0	15
1515.29.00.00	Others	Corn oil	0	15
1517.10.00.00	Margarine, except liquid	Margarine	0	15
1517.90.90.10	Vegetable oil blends	Vegetable oil blends	0	10
1701.12.00.00	Of Beets	Sugar	0	40
1701.14.00.00	Other sugars from cane	Raw sugar from cane	0	40
1701.91.00.00	With added flavoring or colorant	White sugar with added flavoring or colorant	0	40
1701.99.00.00	Others	Refined white sugar	0	40
1904.90.10.00	Parboiled rice	Rice	0	40
2309.90.11.00	From aquarium	Animal feed	0	15
2309.90.19.00	Others	Animal feed	0	15

2309.90.20.00	Prepared poultry feed	Animal feed	0	15
2309.90.30.00	Prepared feed, with added molasses or sugar	Animal feed	0	10
3105.20.00.00	Mineral or chemical fertilizers, with the three fertilizer elements: Nitrogen, Phosphorus and Potassium	Fertilizers	0	5
3105.51.00.00	With added nitrates or phosphates	Fertilizers	0	5
3105.59.00.00	Others	Fertilizers	0	5
3105.60.00.00	Mineral or chemical fertilizers, with the two fertilizer elements: Phosphorus and Potassium	Fertilizers	0	5
3105.90.00.00	Others	Fertilizers	0	5
3808.91.90.00	Others	Insecticides	0	5
3808.93.00.00	Herbicides, germination inhibitors and plant growth regulators	Herbicides, germination inhibitors and plant growth regulators	0	5
3808.99.90.00	Others	Fertilizer	0	5

1/ El Salvador applies a 0% tariff quota for these products and 15% outside the quota.

2/ El Salvador applies a 0% tariff quota for these products and 20% outside the quota.

3/ El Salvador applies a 0% tariff quota for these products and 40% outside the quota.

Article 3.

For the products in this law, presentation of permits from competent national authorities before the importation will not be required, thus the interested party will need to present in addition to the required customs documentation needed for the definitive import regime, the information related to the food safety and quality of the products extended by the exporting country authorities.

Likewise, the interested party will need to present to the customs authority a sworn declaration in which it is stated that the product complies with the food safety and quality requirements established by Salvadoran legislation; and indicate the storage location and destination of the products, so that the competent authorities can carry out their traceability and exercise their sanitary surveillance and oversight authority in the market.

This procedure will be applied to the foreign products that are from countries with equal or superior sanitary status of that of El Salvador.

Article 4.

The competent authorities can jointly enforce their sanitary surveillance after importation of the regulated products in this Law, to guarantee that said products comply with applicable Salvadoran regulation.

The Consumer Protection Agency must take measures to monitor and supervise in the local market the products included in this Law, to guarantee that the tariff reductions are reflected in the final consumer prices.

Article 5.

The General Customs Directorate will issue the administrative provisions necessary to guarantee the correct application of this Law.

Article 6.

The Minister of Economy, in his role as Member of the Ministerial Council for Economic Integration, will notify the present modification to the Council, through the Secretariat for Central American Economic Integration (SIECA).

Article 7.

The modification of the Central American Import duty contained in this law will have a temporary effect, thus once its effective date ends, the import duties and requirements in place before this law will be re-established.

Article 8.

The current law is of special character and will prevail during its validity over any other law that contravenes it.

Article 9.

The current law will enter into force since the day of publication in the Official Gazette and will be in place until March 31st, 2023.

Attachments:

No Attachments.