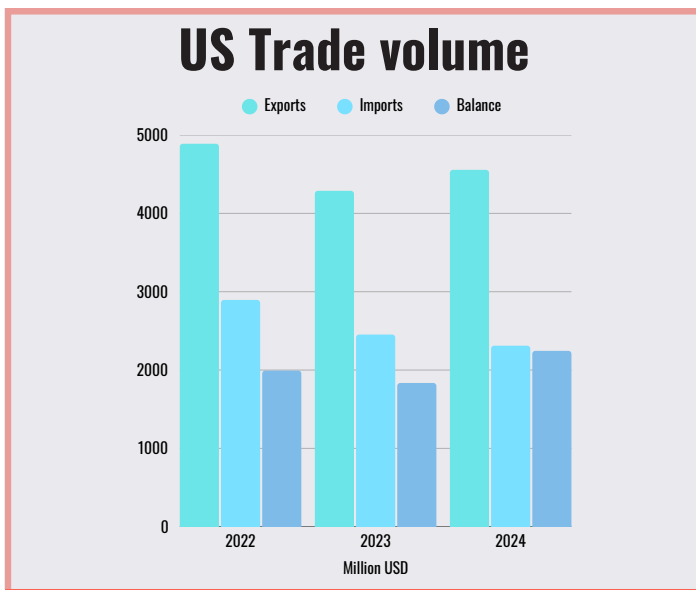


Key Takeaways

- In 2024, U.S.-El Salvador trade reached \$6.87 billion, with a \$2.25 billion U.S. surplus, reflecting strong export demand for petroleum, machinery, and agricultural goods.
- El Salvador's GDP rose to \$34.02 billion in 2023, growing 3.5% annually and showing steady recovery driven by construction, tourism, and finance.
- Tourism now contributes 14% of GDP, while financial services and construction posted double-digit growth, signaling rising investor confidence and sectoral diversification.

Trade analysis

El Salvador remains a growing U.S. trade partner in Central America, with balanced bilateral flows and expanding export opportunities.



Source: U.S. Census Bureau - Foreign trade division

A positive outlook on U.S.-El Salvador trade is grounded in the structural strength of the bilateral relationship under the **CAFTA-DR** framework, as well as El Salvador's pro-investment economic reforms.

The trade balance has consistently favored the U.S., with American exports to El Salvador reaching \$4.56 billion in 2024—up from \$4.29 billion in 2023—reflecting the country's stable demand for U.S. goods such as machinery, fuels, and agricultural products.

CAFTA-DR | Dominican Republic–Central America Free Trade Agreement
Duty-free access for exports to the U.S. and easier importation of U.S. goods

El Salvador GDP (2023)

34.02 B

GDP

▲ 6.35% YoY

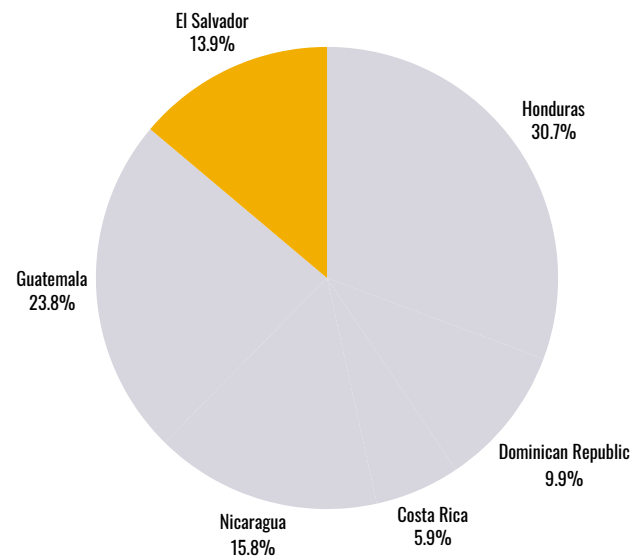
3.5%

GDP growth

▼ 0.7 points

Source: World Bank

El Salvador's economy continued its upward trajectory with GDP rising to \$34.02 billion in 2023, up from \$31.99 billion in 2022. While annual growth moderated to 3.5%, the steady expansion reflects structural resilience and improving investor sentiment, driven by growth in construction, tourism, and financial services—positioning El Salvador as a promising and increasingly stable trade partner for the United States.

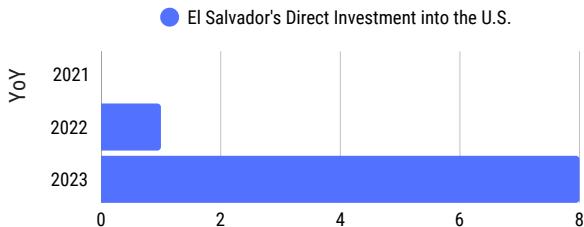


Source: U.S. Census Bureau trade data (2024)

FDI from El Salvador to the U.S.



Counties with the Largest Percent Changes in Employment YoY
(June 2024 vs June 2023)



By country of UBO only (Millions of Dollars)

Source: U.S. Bureau of Economic Analysis;
International Data

El Salvador's investment in the U.S. surged in 2023, with first-year FDI reaching \$8 million, from just \$1 million in 2022. Though modest in size, the increase reflects a strengthening economic relationship and renewed interest in U.S. sectors by Salvadoran investors. This growth signals early momentum in cross-border business engagement, particularly in light of ongoing regional development efforts and El Salvador's pursuit of stronger global investment ties.

El Salvador's Direct Investment into US

(2021 - 2023)

0

2021

1M

2022

8M

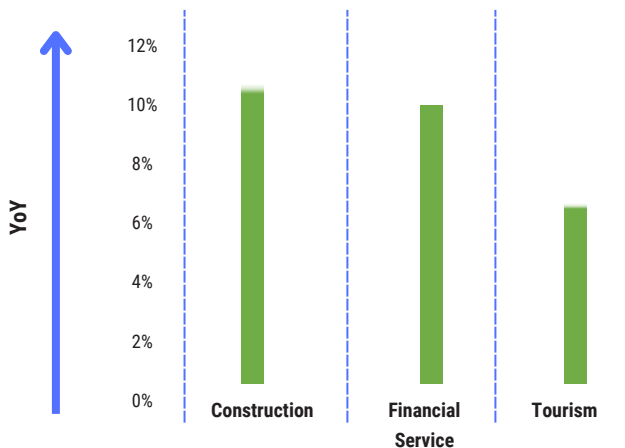
2023

Why the Gap? | This jump reflects renewed investor interest amid improving bilateral ties, Currency stability from dollarization helps reduce risk, yet broader outbound investment is still constrained by structural economic limitations.

Growing sectors



Top Growing Sectors

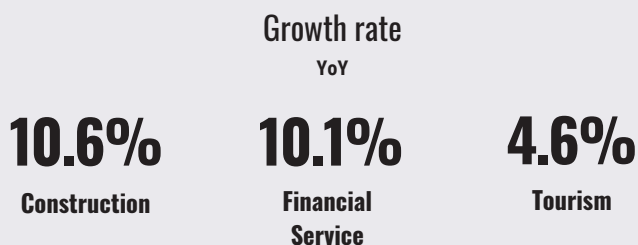


El Salvador's Economic Pivot

From Factory Floor to Innovation Powerhouse

El Salvador is emerging as a dynamic growth market, with momentum building across finance, infrastructure, tourism, and technology.

- The **financial sector** posted a 10.1% year-on-year expansion as of April 2024, fueled by rising deposits and lending. Construction followed closely, growing 10.6% through Q3 2023 thanks to infrastructure investments in malls and commercial projects.
- **Tourism** has sharply rebounded, now contributing 14% of GDP—up from 6.39% in 2019—with monthly international arrivals up 25% from 2023 levels. The country's IT sector is also expanding rapidly, supported by firms like Applaudo and Elaniin, and the government's "Digital Agenda 2020" which boosts digital exports and foreign tech investment.
- **Manufacturing** is on the rise, driven by export-focused investments such as Grupo Bimbo's \$200M plant. Meanwhile, renewable energy has become a national strength, with over 84% of electricity sourced from renewables and ongoing projects in hydro, geothermal, and solar energy enhancing capacity and sustainability.



Source: *Invest in El Salvador*

Trade / Business obstacles

Customs and Trade Facilitation Issues

U.S. businesses face unpredictable delays and administrative fines due to inconsistent and discretionary application of customs regulations.

For exports from duty-free zones, Salvadoran law requires the physical presence of both the receiving and shipping company representatives, delaying logistics.

Customs valuation of express shipments lacks transparency, complicating cost planning for U.S. exporters.

Sanitary and Phytosanitary (SPS) Barriers

Excessive testing requirements exist for imported food products. Even low-risk products must undergo lengthy testing, and only results from the Salvadoran Ministry of Health's lab are accepted.

Animal product exporters (e.g., pet food) must undergo inspection and certification by the Salvadoran Ministry of Agriculture, even though CAFTA–DR recognizes equivalency for U.S. food safety systems.

Grain shipments must be fumigated at the importer's expense unless they carry a certificate stating the grain is free of weed seeds and the kernel smut pathogen—certificates that USDA cannot issue.

Government Procurement

U.S. companies report insufficient advance notice for bidding opportunities on complex infrastructure and PPP projects.

A new Public Procurement Law (2023) created competitive and electronic procurement channels, but exemptions exist for strategic projects and subsidiaries of state-owned enterprises.

During El Salvador's ongoing State of Exception, the executive branch can bypass procurement laws, allowing direct purchasing without competitive procedures.

El Salvador is not a party or observer to the WTO Government Procurement Agreement but has obligations under CAFTA–DR.

Digital Trade Barriers

Amendments to the Credit History Law mandate data localization—requiring all credit data be stored exclusively in El Salvador.

U.S. companies argue this undermines data privacy, cloud service flexibility, and cross-border financial services.

The U.S. continues bilateral engagement to advocate for data flow freedom and consumer privacy protections

Source: United States Trade Representative 2025 NTE