EL SALVADOR
INVESTMENT CLIMATE STATEMENT
2015

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Executive Summary

El Salvador is located on the Pacific Coast of Central America. The government of El Salvador (GoES) is eager to attract greater foreign investment and is taking steps to improve its investment climate. In recent years, El Salvador has lagged behind the region in attracting foreign direct investment (FDI). Its Central Bank estimates FDI inflow was USD 275 million in 2014, significantly less compared to the USD 1 billion plus destined to other countries in the region. Political uncertainty, burdensome commercial regulations, a sometimes ineffective judicial system, and widespread violent crime are often cited as elements that impede investment in El Salvador.

In 2011, El Salvador and the United States initiated the Partnership for Growth (PFG), a new cooperative development model, to help improve El Salvador's economy and investment climate. November 2014 marked the third anniversary of the PFG implementation, and steps have been taken to foster a more favorable environment for business and investment, and improve human capital and infrastructure. For more information on PFG, please access the link on the Embassy's website at http://sansalvador.usembassy.gov/.

The Millennium Challenge Corporation signed a USD 277 million compact with the GoES. The new compact with El Salvador is designed to improve the investment climate by streamlining regulations and building capacity to develop and implement public-private partnerships in order to spur economic growth. The compact also aims to improve the quality of education for Salvadoran students by expanding access to high schools and strengthening teacher education, as well as reduce transportation and logistical costs by expanding a heavily-used section of coastal highway and easing congestion at a critical border crossing with Honduras. The Government of El Salvador is contributing an additional USD 88 million to the five-year compact for a total investment of USD 365 million.

In January 2015, President Obama announced that he will request a historic USD 1 billion to support the Alliance for Prosperity in the Northern Triangle (El Salvador, Honduras and Guatemala) as part of Fiscal Year 2015. The goal of the Alliance for Prosperity is an economically-integrated Central America that is more democratic, provides greater economic opportunities to its people and effective public institutions, ensuring the security of its citizens. The success of the Alliance for prosperity will depend greatly on the political will of the Central American governments.

CAFTA-DR, the free trade agreement among Central American countries, the Dominican Republic, and the United States, entered into force for the United States and El Salvador in 2006. El Salvador also has free trade agreements with Mexico, Chile, Panama, Colombia, and Taiwan. El Salvador, jointly with Costa Rica, Guatemala, Honduras, Nicaragua, and Panama, signed an Association Agreement with the European Union that includes the establishment of a Free Trade Area. El Salvador is also negotiating trade agreements with Canada, Peru, and Belize.

The Salvadoran Legislative Assembly has approved legislation to promote investment and facilitate commerce. These include reforms to the International Services Law and Free Trade Zone Law, the Construction Simplification Law, and the Judicial Stability Law for Investments. In September 2014, the Legislative Assembly also modified a Public-Private Partnership (PPP)

Law that was originally passed in May 2013. The law and its modification, provide a legal framework and basic incentives for the development of PPP projects. Critics note that the majority of the provisions of the new law have yet to be implemented.

1. Openness To, and Restrictions Upon, Foreign Investment

Attitude toward Foreign Direct Investment

The government of El Salvador recognizes that attracting foreign direct investment (FDI) is crucial to improving the economy. Over the past two years they have passed investment promotion legislation. However, FDI levels are still paltry and lag far behind regional neighbors. The Central Bank reported the FDI at USD 275 million in 2014. Meanwhile, in 2013 El Salvador's regional neighbors experienced increased levels of FDI, by on average attracting USD 1.4 billion per country.

Political uncertainty, inconsistent and burdensome commercial regulations, a sometimes ineffective judicial system, and widespread violent crime undermine El Salvador's investment climate. CAFTA-DR, the free trade agreement among Central American countries, the Dominican Republic, and the United States, includes an investment chapter and other provisions that have strengthened investment dispute resolution for member state companies with interests in El Salvador.

In 2011, El Salvador and the United States initiated the Partnership for Growth (PFG), a new cooperative development model, to help improve El Salvador's economy and investment climate. November 2014 marked the third anniversary of PFG implementation, and the partnership has taken steps to foster a more favorable environment for business and investment, and improve human capital and infrastructure. For more information on PFG, please access the link on the Embassy's website at http://sansalvador.usembassy.gov/.

Other Investment Policy Reviews

El Salvador has been a World Trade Organization (WTO) member since 1995. The latest trade policy review performed by the World Trade Organization (WTO) was published on 16 March 2010, document: WT/TPR/S/226/Rev.1

The latest investment policy review performed by the United Nations Conference on Trade and Development (UNCTAC) was published in 2010.
http://unctad.org/en/Docs/diaepcb200920_en.pdf

Laws/Regulations of Foreign Direct Investment

In October 2012, the GoES introduced a bill package to the local Legislature that included new regulations to help promote investment and facilitate commerce. Four out of five of these laws have been passed including reforms to the International Services Law and Free Trade Zone Law, the Construction Simplification Law, and the Judicial Stability Law for Investments. Only the proposed Electronic Signature Law has not been passed.

In September 2014, the Legislature approved reforms to address shortcomings in the country's Public-Private Partnership (PPP) Law which was originally passed in May 2013. The law and associated reforms were designed to provide a legal framework for the development of PPP projects and stimulate investment.

The existing 1999 Investment Law grants equal treatment to foreign and domestic investors. With the exception of limitations imposed on micro businesses, which are defined as having ten or fewer employees and yearly sales of USD 68,571 or less, foreign investors may freely establish any type of domestic businesses. Investors who begin operations with ten or fewer employees must present plans to increase employment to the Ministry of Economy's National Investment Office. The Investment Law provides that any mined resource is the exclusive property of the state. The state may however grant private concessions for their extraction, but there have been no new permits issued in recent years. Per the constitution, there are no special restrictions on ownership of rural land by citizens of other countries, unless Salvadoran citizens are restricted in their rural land ownership in those countries. If the rural land will be used for industrial purposes, the reciprocity requirement is lifted.

Additional statues governing foreign investment in El Salvador include the Export Reactivation Law, the International Services Law, and Free Trade Zone Law. Other statutes establishing the basic legal framework for investment include the Public Private Partnership Law, Monetary Integration Law, Banking Law, Insurance Companies Law, Securities Market Law, Competition Law, Tourism Law, intellectual property laws, and special legislation governing privatizations and credit cards.

The following organizations provide useful information for foreign investors:

The Exports and Investment Promoting Agency of El Salvador (PROESA)

PROESA was created to attract domestic and foreign private investment, promote exports of goods and services produced in the country, evaluate and monitor the business climate and drive investment and export policies. PROESA provides direct technical assistance to investors interested in starting up operations in El Salvador.
Website: http://www.proesa.gob.sv/

Miempresa

Miempresa is a platform the GoES to provide support services for new businesses in El Salvador. It involves the following institutions: the Technical Secretariat of the Presidency, the Ministry of Economy, the Ministry of Finance, the National Institute of Social Security, the Ministry of Labor, the Municipality of San Salvador, the pension funds administrators AFP Crecer and AFP Confia, the National Commission for Small and Medium Businesses (CONAMYPE) and the Innovation and Information Technology Management of the Presidency (ITIGES).
Website: https://www.miempresa.gob.sv/

El Salvador eRegulations

El Salvador eRegulations provides guidance for new investors in El Salvador, providing information on procedures, costs, entities, and regulations.
Website: http://elsalvador.eregulations.org/

Industrial Promotion

The Exports and Investment Promoting Agency of El Salvador (PROESA) promotes investment in the following nine sectors: Specialized Textiles and Apparel; Offshore Business Services; Tourism; Aeronautics; Agro-Industry; Medical Devices; Footwear Manufacturing; Logistic and Infrastructural Networks; and Healthcare Services.
Website: http://www.proesa.gob.sv/investment/sector-opportunities

The Directorate for Coordination of Productive Policies at the Ministry of Economy was created in 2009 and contains 25 initiatives aimed at strengthening El Salvador's productive sectors. The Directorate focuses on five areas: Productive Development, Capacity Building, Trade Facilitation, Taxation, and Export Promotion.
Website: http://www.minec.gob.sv/fomento/

The Productive Development Fund (FONDEPRO) provides grants to small enterprises to strengthen competitiveness.
Website: http://www.fondepro.gob.sv/

Limits on Foreign Control

No single natural or legal person – whether national or foreign – can own more than 245 hectares (605 acres). Per the State's Constitution, a principle of reciprocity is applied regarding the ownership of rural land, which states that there is no restriction on the ownership of rural land by foreigners in El Salvador, unless this restriction is applied to their nationals in the corresponding countries. If, however, the rural land will be used for industrial purposes, the reciprocity requirement is lifted. Foreign citizens and private companies can freely establish businesses in El Salvador, with some extra requirements for small business start-ups. A 2001 fishing law allows foreigners to engage in commercial fishing anywhere in Salvadoran waters providing they obtain a license from CENDEPESCA, a government entity.

Privatization Program

The process of privatization of El Salvador began in 1989 and was completed during the nineties. The government privatized the banking system, telecommunications, part of the electricity sector, and pensions. No further privatizations are anticipated in the medium term.

Screening of FDI

Foreign direct investments are not screened by the government.

Competition Law

The Competition Law entered into force in 2006 establishing the Office of the Superintendent of Competition. According to the Organization for Economic Co-operation and Development (OECD) and the Inter-American Development Bank (IDB), the Office of the Superintendent of Competition employs enforcement standards that are consistent with global best practices, and the agency has the powers that it needs to enforce the law effectively. The Competition Law provides for merger control, including pre-merger notification. Appeals of decisions made by the Office of the Superintendent of Competition are made directly to the country´s highest court, the Supreme Court.
Website: http://www.sc.gob.sv/home/

Investment Trends

Despite the adoption of additional investment promotion legislation over the last two years, El Salvador investment climate continues to suffer. The majority of the new laws remain unimplemented and the private sector contends that the Government of El Salvador (GOES) must still implement a coherent and consistent strategy that builds confidence among domestic and international investors.

Table 1

Measure	Year	Index or Rank	Website Address
TI Corruption Perceptions index	2014	80 of 175	transparency.org/cpi2014/results
World Bank's Doing Business Report "Ease of Doing Business"	2015	109 of 189	doingbusiness.org/rankings
Global Innovation Index	2014	103 of 143	globalinnovationindex.org/content.aspx?page=data-analysis
World Bank GNI per capita	2013	USD 3,720	data.worldbank.org/indicator/NY.GNP.PCAP.CD

Millennium Challenge Corporation Country Scorecard

The Millennium Challenge Corporation, a U.S. Government entity charged with delivering development grants to countries that have demonstrated a commitment to reform, produced scorecards for countries with a per capita gross national income (GNI) or USD 4,125 or less. A list of countries/economies with MCC scorecards and links to those scorecards is available here: http://www.mcc.gov/pages/selection/scorecards. Details on each of the MCC's indicators and a guide to reading the scorecards are available here: http://www.mcc.gov/pages/docs/doc/report-guide-to-the-indicators-and-the-selection-process-fy-2015.

2. Conversion and Transfer Policies

Foreign Exchange

There are no restrictions on transferring investment related funds out of the country. Foreign businesses can freely remit or reinvest profits, repatriate capital, and bring in capital for additional investment. The 1999 Investment Law allows unrestricted remittance of royalties and fees from the use of foreign patents, trademarks, technical assistance, and other services. Tax reforms introduced in 2011, however, levy a five percent tax on national or foreign shareholders' profits. Moreover, shareholders domiciled in a state, country or territory with low or no taxes or that is considered a tax haven, will instead be subject to a tax of twenty-five percent.

The Monetary Integration Law dollarized El Salvador in 2001, and the U.S. dollar now freely circulates and can be used in all transactions. One objective of dollarization was to make El Salvador more attractive to foreign investors. U.S. dollars account for nearly all currency in circulation. Salvadoran banks, in accordance with the law, must keep all accounts in dollars. Dollarization is supported by family remittances – almost all from the United States – that totaled USD 4.2 billion in 2014.

Remittance Policies

There are no restrictions placed on investment remittances. The Caribbean Financial Action Task Force report on monitoring remittances, www.cfatf-gafic.org/index.php/member-countries/d-m/el-salvador, was generally positive. El Salvador strengthened its remittances regimen, prohibiting anonymous accounts, limiting suspicious transactions, and is currently considering new legislative reforms to better regulate remittance service providers.

3. Expropriation and Compensation

The 1983 Constitution allows the government to expropriate private property for reasons of public utility or social interest, and indemnification can take place either before or after the fact. There are no recent cases of expropriation. In 1980, a rural/agricultural land reform established that no single natural or legal person could own more than 245 hectares (605 acres) of land, and the government expropriated the land of some large landholders. In 1980 private banks were suddenly nationalized but beginning in 1990, they were returned to private ownership. A 2003 amendment to the 1996 Electricity Law contains a new provision that requires energy generating companies to obtain government approval before removing fixed capital from the country. The GoES states that this provision is intended to prevent energy supply disruptions.

4. Dispute Settlement

Legal System, Specialized Courts, Judicial Independence, Judgments of Foreign Courts

Foreign investors may seek redress for commercial disputes through local domestic courts but some investors have found the slow-moving legal system to be costly and unproductive. The handling of some cases has demonstrated that the legal system may be subject to manipulation by diverse interests, and final judgments are at time difficult to enforce. The Embassy recommends that any person thinking of investing in El Salvador, carry out proper due diligence by hiring competent local legal counsel. In recent years, there have been several U.S. firms tied up in litigation associated with their investments. Local investment and commercial dispute resolution proceedings in El Salvador routinely last many years.

El Salvador's commercial law is based on the Commercial Code and its corresponding Commercial Code of Procedures. There is a specialized commercial court that resolves these disputes. In 2008, the Legislative Assembly passed several reforms to the Commercial Code and the Commerce Registry Law. The reforms were aimed at facilitating trade and investment by reducing the number of steps and requirements to register, develop, and close a business. As a result of the reforms, all documents and payments can be submitted electronically to the Commerce Registry.

Bankruptcy

The Commercial Code, the Commercial Code of Procedures, and the Banking Law all contain sections that deal with the process for declaring bankruptcy. However there is no separate bankruptcy law or court. According to data collected by the World Bank's, Doing Business, report in the category of resolving insolvency, El Salvador appears to take 3.5 years on average and costs 12.0 percent of the debtor’s estate, with the most likely outcome being that the company will be sold as piecemeal sale. The average recovery rate is 33.2 cents per U.S. dollar. El Salvador scores 2.0 out of 3 points on the commencement of proceedings index, 4.0 out of 6 points on the management of debtor’s assets index, 0.0 out of 3 points on the reorganization proceedings index, and 3.0 out of 4 points on the creditor participation index. El Salvador’s total score on the strength of insolvency framework index is 9.0 out of 16. Globally, El Salvador ranks 79 out of 189 on Ease of Resolving Insolvency.
Website:http://www.doingbusiness.org/data/exploreeconomies/~/media/giawb/doing%20business/documents/profiles/country/SLV.pdf?ver=2

Investment Disputes

An important investment dispute involves the U.S subsidiary of a Canadian mining company. In 2009, the company filed an international arbitration proceeding against the GoES alleging various violations of the obligations in Chapter Ten of the CAFTA-DR. The U.S firm alleged that the GoES unjustifiably refused to grant environmental permits necessary for their mineral extraction projects. In June 2012, the claim was dismissed because the International Centre for Settlement of Investment Disputes (ICSID) tribunal determined that the U.S. subsidiary lacked substantial business activities in the United States to qualify for the guarantees under CAFTA-DR. The tribunal did find that it had jurisdiction to proceed on an evaluation of the merits of the firm’s claims under Salvadoran investment law. The case is ongoing.

Another recent notable investment dispute involved La Geo, a geothermal company, previously a joint venture between Italian concern Enel Green Power and the GoES. New investment in La Geo had been stunted by lengthy legal disputes between the GoES and Enel. While international arbitration proceedings had ruled in favor of Enel, the Salvadoran Supreme Court ruled in 2012 that the original geothermal concession to La Geo was unconstitutional. In November 2013, the Attorney General’s office filed criminal charges against EGP and the former GOES officials alleging corruption and fraud. As part of the 2014 settlement agreement GOES agreed to indemnify Enel and drop the criminal case against the parties involved in signing the original partnership agreement.

International Arbitration

The amended Article 15 of the 1999 Investment Law limits a foreign investor's access to international dispute resolution and may obligate them to use national courts, if they foreigner comes from a country without a pre-existing trade agreement with El Salvador,. The rights of investors from CAFTA-DR countries are protected under the trade agreement's dispute settlement procedures. Submissions to national dispute panels and panel hearings are open to the public, and interested third parties have the opportunity to be heard. In 2002, the government approved a law that allowed private sector organizations to establish arbitration centers for the resolution of commercial disputes, including those involving foreign investors.

El Salvador approved the Mediation, Conciliation and Arbitration Law on July 11, 2002. However, in 2009, El Salvador modified its arbitration law to allow parties to arbitration disputes the ability to appeal a ruling to the Salvadoran courts. Investors have complained that the modification dilutes the fundamental efficacy of arbitration as an alternative method of resolving disputes. According to the Law, arbitration is performed at the Arbitration and Mediation Center which is organized as a branch of the Chamber of Commerce and Industry of El Salvador. Website: http://www.mediacionyarbitraje.com.sv/

ICSID Convention and New York Convention

In 1984, El Salvador ratified and became is a member state to the International Centre for Settlement of Investment Disputes (ICSID Convention). ICSID is included in a number of El Salvador's investment treaties as the forum available to foreign investors. Within the domestic legal framework it is also mentioned in the Investment Law, with the limitations mentioned above regarding the change to the arbitration law in 2009.

El Salvador is a signatory to the convention on the Recognition and Enforcement of Foreign Arbitral Awards (1958 New York Convention) and the Inter-American Convention on International Commercial Arbitration (The Panama Convention).

Duration of Dispute Resolution

Local investment and commercial dispute resolution proceedings in El Salvador routinely last many years. The Salvadoran Foundation for Economic and Social Development (FUSADES) characterizes domestic courts as being unwilling to enforce arbitration awards and instead opting to politicize conflicts between the government and the investors.

5. Performance Requirements and Investment Incentives

WTO/TRIMS

The February 2013 reforms to the Free Trade Zone Law made it compliant with World Trade Organization (WTO) regulations. The reforms eliminate permanent tax exemptions based on export performance and instead grant tax credits based on number of employees and investment levels. El Salvador's Investment Law does not require investors to meet export targets, transfer technology, incorporate a specific percentage of local content, or fulfill other performance criteria. Foreign investors and domestic firms are eligible for the same incentives. Exports of goods and services are levied zero value added tax.

Investment Incentives

The 1998 Free Trade Zone Law is designed to attract investment in a wide range of activities, although the vast majority of the businesses in export processing zones are clothing assembly plants. A Salvadoran partner is not needed to operate in a free trade zone and some textile operations are completely foreign-owned.

The 1998 law established rules for export processing zones (free zones) and bonded areas. The free zones are outside the nation's customs jurisdiction while the bonded areas are within its jurisdiction, but subject to special treatment. Local and foreign companies can establish themselves in a free zone to produce goods or services for export or to provide services linked to international trade. The regulations for the bonded areas are similar.

Qualifying firms located in the free zones and bonded areas may enjoy the following benefits:

a. Exemption from all duties and taxes on imports of raw materials and the machinery and equipment needed to produce for export;
b. Exemption from taxes for fuels and lubricants used for producing exports if these are not domestically produced;
c. Exemption from income tax, municipal taxes on company assets and property; the exemptions are for 15 years if the company is located in the metropolitan area of San Salvador and for 20 years if the company is located outside of the metropolitan area of San Salvador. After that, the user would still be able to obtain partial exemptions.
d. Exemption from taxes on real estate transfers for the acquisition of goods to be employed in the authorized activity.

Companies in the free zones are also allowed to sell goods or services in the Salvadoran market if they pay applicable taxes for the proportion sold locally. Additional rules apply to textile and apparel products.

Under the 1990 Export Reactivation Law, firms were able to apply for tax rebates ("drawbacks") of six percent of the FOB value of manufactured or processed exports shipped outside the Central American Common Market area. This benefit was eliminated in 2011. However, later that same year the Salvadoran government approved new regulations to support producers. The regulations include a new form of “drawback,” approved by the World Trade Organization (WTO), which consists of a refund of custom duties paid on imported inputs and intermediate goods exclusively used in the production of goods exported outside of the Central American region. The new regulations also include the creation of a Business Production Promotion Committee with the participation of the private and public sector to work on policies to strengthen the export sector, and the creation of an Export and Import Center. Since 2011, all import and export procedures are handled by the Export and Import Center. More information about the procedures can be found at: https://www.centrex.gob.sv/

The International Services Law, approved in 2007, establishes service parks and centers with incentives similar to those received by El Salvador's free trade zones. Service park developers may be exempted from income tax for 15 years, municipal taxes for ten years, and real estate transfer taxes. Service park administrators will be exempted from income tax for 15 years and from municipal taxes for ten years.

Firms located in the service parks/service centers may receive the following permanent benefits:

a. Tariff exemption for the import of capital goods, machinery, equipment, tools, supplies, accessories, furniture and other goods needed for the development of the service activities (goods and services such as food and beverages, tobacco products, alcoholic beverages, rental fees, home equipment and furniture, cleaning articles, luxury goods, transportation vehicles, and hotel services are not exempted from taxation);
b. Full and indefinite exemption from income tax and municipal taxes on company assets.

Service firms operating under the existing Free Trade Zone Law are also covered. However, if the services are provided to the Salvadoran market, they cannot receive the benefits of the International Services Law.

The following services are covered under the International Services Law: international distribution, logistical international operations, call centers, information technology, research and development, marine vessels repair and maintenance, aircraft repair and maintenance, entrepreneurial processes (i.e., business process outsourcing), hospital-medical services, international financial services, container repair and maintenance, technology equipment repair, elderly and convalescent care, telemedicine, and cinematography postproduction services.

In 2005, the government approved a tourism law to spur investment in the sector. The law establishes fiscal incentives for those who invest a minimum of USD 50,000 in tourism-related projects in El Salvador. Incentives include a ten-year income tax exemption and no duties on imports of capital and other goods, subject to some limitations. The investor also benefits from a five-year exemption from land acquisition taxes and a 50 percent break in municipal taxes. To take advantage of these incentives, the enterprise must contribute five percent of profits during the exemption period to a government-administered Tourism Promotion Fund.

Research and Development

The Government does not finance or subsidize research and development programs.

Performance Requirements

Those who plan to live and work in El Salvador for an extended period will need to obtain temporary residency, which may be renewed periodically. Under Article 11 of the Investment Law, foreigners with investments totaling more than SVC 4,000 minimum monthly wages (USD 969,600) have the right to obtain an Investor's Residency status, which allows them to work and remain in the country. This type of residency may be requested within 30 days after the investment has been registered. The residency status covers the investor, his family and is issued for a period of one year but may be extended annually.

It is customary for companies to employ local lawyer to manage the process of obtaining residency. The American Chamber of Commerce in El Salvador can also provide information regarding the process.

Current labor laws require that 90 percent of the workforce in plants and in clerical positions be given to nationals. These restrictions regarding nationality and percentages, becomes fewer with professional and technical jobs.

U.S. companies have complained of variable customs valuations and inconsistent enforcement of both customs regulations and CAFTA-DR preferential treatment for goods coming from CAFTA-DR countries aside from the United States. While advances have been made to implement a fast-track system for shipments via express courier companies, it has not been fully implemented. The clearance procedures for samples which arrive via express shipments are still an ongoing issue.

The law governing International Services establishes that to qualify for benefits, businesses must invest at least USD 150,000 during the first year of operations, including working capital and fixed assets, must hire no fewer than 10 permanent employees, and must have at least a one-year contract. For hospital/medical services, the minimum investment in fixed assets must be USD 10 million if surgical services are provided or a minimum of USD 3 million if surgical services are not provided. Hospital or medical services must be located outside of major metropolitan areas. The medical service must also be provided only to patients with insurance.

The Tourism Law establishes fiscal incentives for those who invest a minimum of USD 50,000 in tourism-related projects in El Salvador.

Data Storage

El Salvador's Investment Law does not require investors to incorporate a specific percentage of local content, to turn over source code or provide access to surveillance, or to fulfill other performance criteria.

6. Right to Private Ownership and Establishment

Private property, both non-real estate and real estate, is recognized and protected in El Salvador. Companies that plan to buy land or other real estate are advised to hire competent local legal counsel to advise them on the property's title prior to purchase.

7. Protection of Property Rights

Real Property

No single natural or legal person--whether national or foreign--can own more than 245 hectares (605 acres). Per the State's Constitution, a principle of reciprocity is applied regarding the ownership of rural land; which states that there are no restrictions on the ownership of rural land by foreigners in El Salvador, unless this restriction is applied to their nationals in the corresponding states. If however the rural land will be used for industrial purposes, the reciprocity requirement is lifted.

Real property can be transferred without government authorization. However, for title transfer to be valid vis-à-vis third parties, it needs to be properly registered. Real estate lease law tends to heavily protect the interests of tenants. For example, the law allows tenants to remain on property after their lease expires, provided they continue to pay rent. Likewise, the law limits the amount of rent that can be charged and makes eviction processes extremely difficult.

Squatters occupying private property in good faith can eventually acquire title. If the owner of the property is unknown, squatters can acquire title after 20 years of good faith possession through a judicial procedure; if the owner is known, squatters can acquire title after 30 years. Squatters may never acquire title to public land, although municipalities often grant the right of use to the squatter.

Zoning is regulated by municipal rules. Municipalities have broad power regarding the use of property within their jurisdiction. Zoning maps, if they exist, are generally not available to the public.

The ineffectiveness of the judicial system discourages investments in real estate and makes execution of real estate guarantees difficult. The real property lease law provides extensive protection to tenants, but landowners' interests often go unprotected. Securitization of real estate guarantees or titles is legally permissible but does not occur frequently in practice.

In April 2012, the Legislative Assembly passed a constitutional reform recognizing the existence and the rights of indigenous peoples. However, there are no provisions for traditional use or for indigenous peoples to share in revenue from exploitation of natural resources, as the government does not specifically demarcate any lands as belonging to indigenous communities.

According to the 2007-2008 census, agricultural land in El Salvador totals 2,283,444.48 acres, of which 1,695,653.4 acres are owned (74 percent), 478,127.32 acres are rented (21 percent), and 109,665.48 acres (5 percent) are not clearly defined. Website: http://www.censos.gob.sv/

El Salvador ranks 56th of 189 economies on the World Bank's Doing Business report in the Ease of Registering Property category. According to the collected data, registering a property takes on average of five steps over a period of 31 days and costs 3.8 percent of the reported value of the property.

Intellectual Property Rights

In 2005, El Salvador revised several laws to comply with CAFTA-DR's provisions on intellectual property rights (IPR). The Intellectual Property Promotion and Protection Law (1993, revised in 2005), Law of Trademarks and Other Distinctive Signs (2002, revised in 2005), and Penal Code establish the legal framework to protect IPR. Investors can register trademarks, patents, copyrights, and other forms of intellectual property with the National Registry Center's Intellectual Property Office. Reforms passed in 2005 extended the copyright term from 50 to 70 years. In 2008, the government enacted test data exclusivity regulations for pharmaceuticals and agrochemicals, which will be protected for 5 and 10 years respectively, and ratified an international agreement extending protection to satellite signals.

In March 2012, El Salvador passed a new Medicines Law to regulate the production, sale, and distribution of pharmaceuticals. The law created the National Directorate of Medicines to oversee implementation, including the drafting of new regulations and establishment of price controls on the sale of pharmaceuticals. The new regulations were published by the Directorate in December 2012. The National Directorate of Medicines would review maximum prices annually and released revised parameters every year in January. The revision includes the trademark name for innovative products.

On November 25, 2014, the Ministry of Economy and the National Registry Center, with support from the World Intellectual Property Organization, unveiled the National Intellectual Property Policy. The Policy recognizes protection of intellectual property rights as a key element for the future development and competitiveness of the Salvadoran economy and calls for the establishment of an Intellectual Property (IP) National Council supported by a Technical Committee. The Policy also specifically addresses geographical indicators (GIs) with an eye toward the promotion of Salvadoran products.

On February 12, 2015, the National Registry Center, in conjunction with counterpart national IP authorities in Central America and the Dominican Republic, introduced a Harmonized Trademark Manual. The main objective of the document, again with the support of the World Intellectual Property Organization, is to provide individuals and businesses, relevant governmental entities, and lawyers an overview of trademark laws and practices in the region and serve as a common reference for trademark law in order to standardize regional procedures and best practices.

On October 1st 2014, the National Registry Center inaugurated a public online non-real state (fixed asset) registry. This public registry was created as a result of the Non-Real Estate Secured Transaction Law, passed by the national Legislative Assembly in 2013. The Law was designed to facilitate credit access to micro, small, and medium businesses, allowing them to obtain loans using collateral other than real estate. The collateral can be tangible or intangible assets such as inventories, receivables, intellectual property rights, consumables, and in general, any good with an economic value. The public registry tracks the transactions and related collateral. Creditors are able to choose a preferred enforcement mechanism: arbitration, out-of-court notarized process, or the traditional judicial process.

The Software Alliance (BSA) published a study in July 2014 estimating that 80 percent of the software in El Salvador in 2013, with a value of about USD 72 million, was being used without a proper license. There has been little progress in this area, since the 2007 estimate of unlicensed software use was 81 percent.

The Attorney General's office and the National Civilian Police enforce trademark and intellectual rights by conducting raids against distributors and manufacturers of pirated CDs, cassettes, clothes, and computer software. The 2005 reforms authorize the seizure, forfeiture, and destruction of counterfeit and pirated goods and the equipment used to produce them. They also allow authorities to initiate these raids ex-officio, and piracy is now punishable by jail sentences of two to six years. However, using the criminal and mercantile courts to seek redress of a violation of intellectual property is often a slow and frustrating process.

Judiciary and regulatory enforcement continue to be the weakest pillars of intellectual property protection in El Salvador. Despite growing recognition of the importance of IPR, the piracy of optical media, and both music and video, remains a concern. Optical media imported from the United States into El Salvador are being used as duplication masters for unauthorized copies of copyrighted works. The business software industry continues to report very high piracy rates and inadequate enforcement of cable broadcast rights places legitimate providers of this service at a competitive disadvantage.

El Salvador was removed from the Special 301 Watch List in July 1996. A September 2014 “out-of-cycle” U.S. Trade Representative’s Watch List review of El Salvador determined that the country should not be put on the list again. El Salvador is not listed in the notorious market report.

El Salvador is a signatory of the Berne Convention for the Protection of Literary and Artistic Works; the Paris Convention for the Protection of Industrial Property; the Geneva Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication; the World Intellectual Property Organization (WIPO) Copyright Treaty; the WIPO Performance and Phonograms Treaty; and the Rome Convention for the Protection of Performers, Phonogram Producers, and Broadcasting Organizations.

For additional information about treaty obligations and points of contact at local IP offices, please see WIPO’s country profiles at
http://www.wipo.int/directory/en/details.jsp?country_code=SV

Embassy point of contact: san.salvador.office.box@trade.gov

Resources for Rights Holders

USG Contact:
U.S. Trade Center
Calle Liverpool # 31, Col. Juárez
Mexico City, 06600
Tel: + 52 (55) 5080-2000 ext 5207
Fax: + 52 (55) 5566-1115

Country/Economy resources:
American Chamber of Commerce of El Salvador
Office Location:
AmCham El Salvador, Edificio World Trade Center, Torre II, Nivel 3, Local 308, 89 Av. Norte, Col. Escalón, San Salvador, El Salvador
Phone: (503) 22639494,
Fax: (503) 22639393,
E-mail: amchamsal@amchamsal.com
Website: www.amchamsal.com/index.php?lang=en

List of local lawyers: http://sansalvador.usembassy.gov/local-information/list-of-attorneys.html

8. Transparency of the Regulatory System

The laws and regulations of El Salvador are relatively transparent and generally foster competition. However, the government does control the price of some goods and services, including electricity, liquid propane gas, gasoline, fares on public transport, and medicines. The government also directly subsidizes water services and sets the distribution-service tariff. Bureaucratic procedures have improved in recent years and are relatively streamlined for foreign investors. Regulatory agencies, however, are often understaffed and inexperienced, especially when dealing with complex issues. New foreign investors should review the regulatory environment carefully.

The Superintendent of Electricity and Telecommunications (SIGET) oversees electricity rates, telecommunications, and distribution of electromagnetic frequencies.

In 2003, the government amended the 1996 Electricity Law with the intention of reducing volatility in the wholesale market and thereby stabilizing retail electricity prices and encouraging new investment. The new reforms to the law allowed SIGET to develop a cost-based pricing model for the electricity sector, which they introduced to the marketplace in 2011. The new system requires the adoption of additional long-term contracts and should alleviate various market distortions. The Salvadoran Government subsidizes consumers using up to 200 kWh monthly. The electricity subsidy costs the government upwards of USD 185 million annually. Energy sector companies have warned that ever-changing subsidies and the government’s inability to pay the subsidies in a timely manner have eroded the financial stability of the power sector and discouraged needed investment in new generation capacity.

The GoES does publish online some of its draft laws and regulations for public comments, especially the ones that affect the financial sector, and some other economic laws that pertain to the Minister of Economy. However, some pending legislation such as the Fiscal Responsibility Law for the Sustainability of Public Finances and Social Development that is under study at the Legislative Assembly has not been circulated. There are also other opportunities to provide comments when the government forms committees to discuss the laws and regulations when they are being developed at the respective government agencies.

El Salvador is a member of the U.N. Conference on Trade and Development’s international network of transparent investment procedures: http://elsalvador.eregulations.org/. Foreign and national investors can find detailed information on administrative procedures applicable to investment and income generating operations including the number of steps, name and contact details of the entities and persons in charge of procedures, required documents and conditions, costs, processing time, and legal bases justifying the procedures. Accounting systems are generally consistent with international norms.

9. Efficient Capital Markets and Portfolio Investment

The Superintendent of the Financial System supervises individual and consolidated activities of banks and non-bank financial intermediaries, financial conglomerates, stock market participants, insurance companies, and pension fund administrators. Interest rates are determined by market forces and have decreased significantly since dollarization was implemented. Foreign investors may obtain credit in the local financial market under the same conditions as local investors.

In February 2013, a new Usury Law entered into force to regulate interest rates on credit cards and loans provided by banking institutions, commercial establishments, stores, credit card issuers, pawnshops, cooperatives, credit unions, and private lenders. According to the legislation, the maximum interest rate for credit cards and loans would be 1.6 times the simple average effective rate established by the Central Bank.

On August 21, 2014, the Legislative Assembly approved the Investment Funds Law which provides the legal framework for the development and offering of mutual funds in El Salvador. Reforms to three existing laws, the Stock Market Law, the Pension Savings System Law, and the Assets Securitization Law, were submitted concurrently to harmonize the current legal framework with the newly proposed law.

On September 19, 2013, the Non-Real Estate Secured Transaction Law was passed. The law was created to facilitate credit access to micro, small, and medium businesses and allows business owners to obtain loans using collateral other than real estate. The collateral can be tangible or intangible assets such as inventories, receivables, intellectual property rights, consumables, and in general, any good with an assigned economic value. The law creates a public registry to track the transactions and related collateral. Creditors are able to choose a preferred enforcement mechanism: arbitration, out-of-court notarized process, or the traditional judicial process. On October 01 2014, the National Registry Center (CNR) inaugurated the online non-real state registry.

On July 31, 2014 the Legislative Assembly approved the Financial Transactions Tax Law. The law assesses a 0.25 percent tax on many financial transactions such electronic, check or wire transfers and payments exceeding USD 1,000; loan or disbursements; and transactions between entities of the financial system. There are also several exemptions from the tax, such as end-use credit card payments; social security, pensions, and insurance payments; and transactions made by the state, NGOs, diplomats, or international organizations. The 0.25 percent withholding tax is designed to capture some revenue from the informal sector and expand the tax base. The taxes withheld are creditable against any obligation due to the tax authorities within a two-year period as of the withholding date.

The 1994 Securities Market Law established the present framework for the Salvadoran securities exchange, which opened in 1992. The Salvadoran securities exchange has played an important role in past years in the privatization of state enterprises and more recently in securitizations and facilitating foreign portfolio investment. Stocks, government and private bonds, and other financial instruments are traded on the exchange, which is regulated by the Superintendent of the Financial System.

Foreigners may buy stocks, bonds, and other instruments sold on the exchange and may have their own securities listed, once approved by the Superintendent. Companies interested in listing must first register with the National Registry Center's Registry of Commerce. Between 2013 and 2014, the exchange averaged daily trading volumes of about USD 9.8 million. Government-regulated private pension funds, Salvadoran insurance companies, and local banks are the largest buyers on the Salvadoran securities exchange.

Money and Banking System, Hostile Takeovers

El Salvador's banks are among the largest in Central America and many are owned by foreign financial institutions. The banking system is sound and generally well-managed and supervised. The banking system's total assets as of February 2015 totaled USD 15.1 billion.

Under the 1999 Banking Law, amended in 2002, there is no difference in regulations between foreign and domestic banks and foreign banks can offer all the same services as domestic banks. The law strengthened regulatory authority and provided more transparent and secure operations for customers and banks. The law also established an FDIC-like autonomous institution to insure deposits, increased minimum capital reserve requirements, and sharply limited bank lending to shareholders and directors.

The Non-Bank Financial Intermediaries Law regulates the organization, operation, and activities of financial institutions such as cooperative savings associations, nongovernmental organizations, and other microfinance institutions. The Money Laundering Law requires financial institutions to report suspicious transactions to the Attorney General and the Superintendent of the Financial System.

The 1996 Insurance Companies Law regulates the operation of both local and foreign insurance firms. Foreign firms, including U.S., Colombian, Canadian, and Spanish companies, have invested in Salvadoran insurers.

The Monetary Integration Law of January 1, 2001, made the U.S. dollar the principal legal currency by affixing the exchange rate of the Salvadoran colon (SVC) at 8.75 to every USD 1. The Central Bank focuses is on developing the regulations of the financial system, administering international reserves, managing the payments system and financial services, functioning as the financial agent of the state, providing exporters services through the Center for Export Procedures (CENTREX); and carrying out economic and financial research.

10. Competition from State-Owned Enterprises

El Salvador has successfully liberalized many sectors where the government previously exerted monopoly control, effectively limiting most forms of direct competition from state-owned enterprises. El Salvador maintains state-owned enterprises (SOEs) in energy production, water supply and sanitation, ports and airports, and the national lottery.

While energy distribution was privatized in 1999, the Salvadoran Government maintains significant energy production facilities through state-owned Rio Lempa Executive Hydroelectric Commission (CEL), a significant producer of hydro-electric and geothermal energy. The primary water service provider is the National Water and Sewer Administration (ANDA), which provides services to 40 percent of the total population of El Salvador. As an umbrella institution, ANDA defines policies, regulates and provides services. The Autonomous Executive Port Commission (CEPA) operates both the ports and the airports. All, CEL, ANDA and CEPA Board Chairman have the rank of a Ministers and report directly to the President of the Republic.

The Law on Public Administration Procurement and Contracting (LACAP) was approved on April 5, 2000. LACAP covers all procurement of goods and services by all Salvadoran public institutions, including the municipalities. Only the following are not covered by the LACAP: procurement and contracting financed with funds coming from other countries (bilateral agreements) or international bodies; those accomplished through agreements between state institutions; and the contracting of personal services by public institutions under the provisions of the Law on Salaries, Contracts and Day Work. The government has a website where tenders by government institutions are published.

Alba Petroleos (AP) is a joint-venture between a consortium of mayors from the left-leaning Farabundo Marti National Liberation Front (FMLN) party and a subsidiary of Venezuela's state-owned oil company PDVSA. AP operates dozens of gasoline service stations across the country and has expanded into a number of other industries, including energy production, food production, medicines, micro-lending, supermarket, bus transportation, and aviation. Because of its official relationship with the ruling FMLN party, critics have charged that AP receives preferential treatment from the government. Critics have also alleged that AP commercial practices, including financial reporting, are non-transparent.

OECD Guidelines on Corporate Governance of SOEs

While El Salvador does not formally adhere to the OECD Guidelines on Corporate Governance for state-owned enterprises, all State-owned enterprises have boards comprised of members from both the public and private sectors. However, the Chairman is appointed and reports directly to the President of El Salvador, with cabinet-level ranking.

Sovereign Wealth Funds

El Salvador does not have a sovereign wealth fund.

11. Corporate Social Responsibility

The private sector in El Salvador, including several prominent U.S. companies, has embraced the concept of corporate social responsibility (CSR). There are a number of local foundations that promote CSR practices, entrepreneurial values, and philanthropic initiatives. El Salvador is also a member of international institutions such as Forum Empresa (an alliance of CSR institutions in the Western Hemisphere), AccountAbility (UK), and the InterAmerican Corporate Social Responsibility Network. Businesses have created CSR programs in the workplace that provide education and training, transportation, lunch programs, and childcare. In addition, CSR programs have provided assistance to surrounding communities in areas such as health, education, senior housing, and HIV/AIDS awareness.

The Secretariat of Transparency and Corruption was launched in 2009 with the mandate to develop guidelines, strategies, and actions to promote transparency and combat corruption in government. In 2011, the Law on Access to Public Information was approved. Also in 2011, El Salvador joined the Open Government Partnership, becoming one of the first countries to do so. The Open Government Partnership promotes government commitments made jointly with civil society on transparency, accountability, citizen participation and use of new technologies.

Websites:
http://gobiernoabierto.abiertoalpublico.org/
http://www.opengovpartnership.org/country/el-salvador

El Salvador does not waive or weaken labor laws, consumer protection, or environmental regulations to attract foreign investment.

OECD Guidelines for Multinational Enterprises

The Government of El Salvador has no formal policy of encouraging foreign and local enterprises to follow the generally accepted CSR principles of the OECD Guidelines for Multinational Enterprises or the United the United Nations Guiding Principles on Business and Human Rights, endorsed by the UN Human Rights Council in 2011.

12. Political Violence

El Salvador's 12-year civil war ended in 1992 upon the signing of peace accords. Since then, there has been no political violence aimed at foreign investors, their businesses, or their property.

13. Corruption

U.S. companies operating in El Salvador are subject to the U.S. Foreign Corrupt Practices Act.

Corruption can be a challenge to investment in El Salvador. El Salvador ranks 80 out of 175 countries in Transparency International's Corruption Perceptions 2014 Index. El Salvador has laws, regulations and penalties to combat corruption, but their effectiveness is questionable. Soliciting, offering, or accepting a bribe is a criminal act in El Salvador. The Attorney General's Anticorruption and Complex Crimes Unit handles allegations of corruption against public officials. The Constitution establishes a Court of Accounts that is charged with investigating public officials and entities and, when necessary, passing such cases to the Attorney General for prosecution. In 2005, the government issued a code of ethics for the executive-branch employees, including administrative enforcement mechanisms, and it established an Ethics Tribunal in 2006.

Corruption scandals at the federal, legislative, and municipal levels are commonplace and there have been credible allegations of judicial corruption. El Salvador has an active, free press that reports on corruption.

UN Anticorruption Convention, OECD Convention on Combatting Bribery

El Salvador is not a signatory to the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. El Salvador is a signatory to the UN Anticorruption Convention and the Organization of American States' Inter-American Convention against Corruption.

Resources to Report Corruption

Contact at government agency or agencies are responsible for combating corruption:
Lizette Kuri de Mendoza
President of the Court of Government Ethics
Court of Government Ethics (Tribunal de Etica Gubernamental)
Tribunal de Etica Gubernamental, Calle Los Espliegos #30, Colonia San Francisco, San Salvador
(503) 2560-6400
http://www.teg.gob.sv/

Contact at "watchdog" organization (international, regional, local or nongovernmental organization operating in the country/economy that monitors corruption, such as Transparency International):
Roberto Rubio-Fabián
Executive Director
National Development Foundation (Fundación Nacional para el Desarrollo)
Fundación Nacional para el Desarrollo, Calle Arturo Ambrogi #411, entre 103 y 105 Avenida Norte, Colonia Escalón, San Salvador
(503) 2209-5300
direccion@funde.org
http://www.funde.org/transparency

14. Bilateral Investment Agreements

El Salvador has bilateral investment treaties in force with Argentina, Belize, BLEU (Belgium-Luxembourg Economic Union), Chile, Czech Republic, Finland, France, Germany, Israel, Republic of Korea, Morocco, the Netherlands, Paraguay, Peru, Spain, Switzerland, Taiwan Province of China, United Kingdom, and Uruguay.

The Dominican Republic-Central American Free Trade Agreement (CAFTA-DR FTA), between the United States, Central American countries and the Dominican Republic entered into force on March 1, 2006. CAFTA-DR's investment chapter provides protection to most categories of investment, including enterprises, debt, concessions, contract, and intellectual property. Under this agreement, U.S. investors enjoy the right to establish, acquire, and operate investments in El Salvador on an equal footing with local investors. Among the rights afforded to U.S. investors are due process protection and the right to receive a fair market value for property in the event of an expropriation. Investor rights are protected under CAFTA-DR by an effective, impartial procedure for dispute settlement that is fully transparent and open to the public. The Salvadoran government has not officially confirmed its position on whether the CAFTA-DR is a multilateral agreement versus a bilateral agreement with the United States.

El Salvador has free trade agreements with Mexico, Chile, Panama, Colombia, and Taiwan. El Salvador, jointly with Costa Rica, Guatemala, Honduras, Nicaragua, and Panama, signed an Association Agreement with the European Union that includes the establishment of a Free Trade Area. The agreement includes a provision for Central American countries to receive access to a wider range of EU development aid. The agreement was ratified on December 11, 2012 by the European Parliament and entered into force with El Salvador in August 2013.

The five Central American Common Market countries, which include El Salvador, have an investment treaty amongst themselves.

The free trade agreements that El Salvador has with Mexico, Chile, and Panama include investment provisions. El Salvador is also negotiating trade agreements with Canada, Peru, and Belize that will contain investment provisions. The Salvadoran government signed a Partial Scope Agreement (PSA) with Cuba in 2011 and is negotiating another with Ecuador.

Bilateral Taxation Treaties

El Salvador does not have a bilateral taxation treaty with the United States.

15. OPIC and Other Investment Insurance Programs

Overseas Private Investment Cooperation (OPIC) has an agreement with El Salvador that requires them to approve all insurance applications. This agreement is being re-negotiated and it may eliminate this requirement. In 2006, OPIC signed an agreement with the El Salvador’s National Investment and Exports Promotion Agency (PROESA) to improve outreach to U.S. small business investors in El Salvador. Because El Salvador uses the USD, full inconvertibility insurance may be unnecessary, but investors are protected against the inability to transfer funds. El Salvador is a member of the Multilateral Investment Guarantee Agency (MIGA).

16. Labor

In 2013, El Salvador had a labor force of approximately 2.8 million. While Salvadoran labor is regarded as hard working, general education and professional skill levels are low. According to many large employers, there is also a lack of middle management-level talent, which sometimes results in the necessity to bring in managers from abroad. Employers do not report labor-related difficulties in incorporating technology into their workplaces.

The constitution guarantees the right of employees in the private sector to organize into associations and unions. Employers are free to hire union or non-union labor. Closed shops are illegal. Labor laws are generally in accordance with internationally recognized standards, but are not enforced consistently by government authorities Although El Salvador has improved labor rights since the implementation of CAFTA-DR in 2005, much work still remains. The current administration has committed to promote labor rights and has linked labor rights to its efforts to increase economic productivity and boost employment. Challenges include a need to elaborate policies protecting the right to unionize in order to meet international best practices and efforts to improve regulations guaranteeing the right to a safe workplace. Work place discrimination, related specifically to disability and gender, is also a significant issue. According to labor unions, government sources, and the private sector, the Ministry of Labor (MOL) has serious budget constraints, which affect its ability to thoroughly inspect for labor violations.

17. Foreign Trade Zones/Free Ports/Trade Facilitation

There are 16 free trade zones operating in El Salvador. They host more than 200 companies operating in areas such as textiles, distribution, call centers, business process outsourcing, agribusiness, agriculture, electronics, and metallurgy. Owned primarily by Salvadoran, U.S., Taiwanese, and Korean investors, the firms employ a labor force of approximately 71,500. The section above on Performance Requirements and Incentives (Section 5) outlines the incentives available to investors in these zones.

18. Foreign Direct Investment and Foreign Portfolio Investment Statistics

Table 2: Key Macroeconomic Data, U.S. FDI in Host Country/Economy

	Host Country Statistical source*		USG or international statistical source		USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
Economic Data	**Year**	**Amount**	**Year**	**Amount**	
Host Country Gross Domestic Product (GDP) ($M USD)	2013	24,259	2013	24,259	www.worldbank.org/en/country

Foreign Direct Investment	**Host Country Statistical source***		**USG or international statistical source**		**USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other**
U.S. FDI in partner country ($M USD, stock positions)	2013	2,313	2013	2,869	BEA
Host country's FDI in the United States ($M USD, stock positions)	2013	N.A.	2013	-14	BEA
Total inbound stock of FDI as % host GDP	2013	9.5 %	2013	11.8%	

* Central Bank, El Salvador

Table 3: Sources and Destination of FDI

Direct Investment from/in Counterpart Economy Data					
From Top Five Sources/To Top Five Destinations *(US Dollars, Millions)*					
Inward Direct Investment			**Outward Direct Investment**		
Total Inward	8,225	100%	Total Outward	2	100%
United States	2,313	28%	Guatemala	1	36%
Panama	2,053	25%	Costa Rica	1	23%
Mexico	1,007	12%	Nicaragua	0	18%
Colombia	706	9%	Honduras	0	14%
Spain	401	5%	Mexico	0	5%
"0" reflects amounts rounded to +/- USD 500,000.					

Table 4: Sources of Portfolio Investment

Portfolio investment data are not available for El Salvador.

19. Contact for More Information

U.S. Embassy San Salvador
Address: Final Blvd. Santa Elena, Antiguo Cuscatlán, La Libertad, El Salvador
Email: webmasterss@state.gov
Website: http://sansalvador.usembassy.gov/index.html

To reach the U.S. Foreign Commercial Service (FCS) Office directly, please contact FCS San Salvador via email at: san.salvador.office.box@trade.gov