



EL SALVADOR

A country to discover

September 2023



REASONS TO INVEST
IN EL SALVADOR

Why El Salvador?

Young, productive and committed workforce



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Cost-effective location



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Modern infrastructure



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Proximity to key markets



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Enabling business environment



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Committed to sustainable development and digital transformation



06

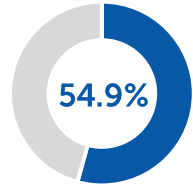


Young, productive and committed workforce

We have a young and talented workforce world-renowned for its industriousness, efficiency and work ethic



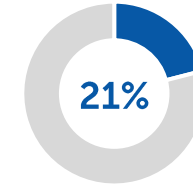
2.9 million
Labor force



54.9%
under
40 years



22,000
Technicians and professionals
join the labor force every year



21%
Engineering and
technology graduates



“We chose to invest in El Salvador to be able to repay the **trust and legal security** it offers. But the most important is our Salvadorean human capital for being **faithful and committed**”.

Malvina Romero – General Manager, Biogalenic (pharma), Est. 1967

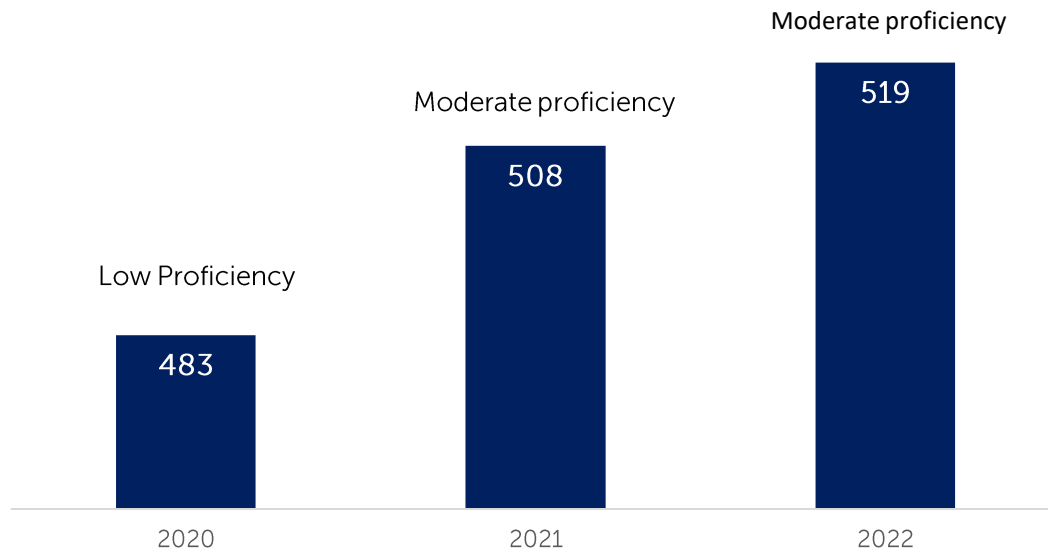


“Almost a decade ago when we were considering countries around the world, we discovered El Salvador’s potential. We have been very pleased with the **work ethic, communication skills, formal training, and soft skills** of our El Salvador employees”.

Logan McCune - People and Culture Manager, Rulesware (ITO), Est. 2006

El Salvador has seen significant improvements in English proficiency and is promoting IT skills

El Salvador's results in the English Proficiency Index -
The world's largest ranking of countries by English skills



El Salvador has consistently improved its English language proficiency over the past few years.

+1
million

computers and
tablets delivered to
students nationwide

Source: EF, EPI. Based on test results of 2m adults in 112 countries & regions. Scores based on a 800-point scale



Proximity to key markets

Our strategic location enables a short access time to major cities in America

Shipping companies operating in El Salvador



Centrans De El Salvador S.A. De C.V.

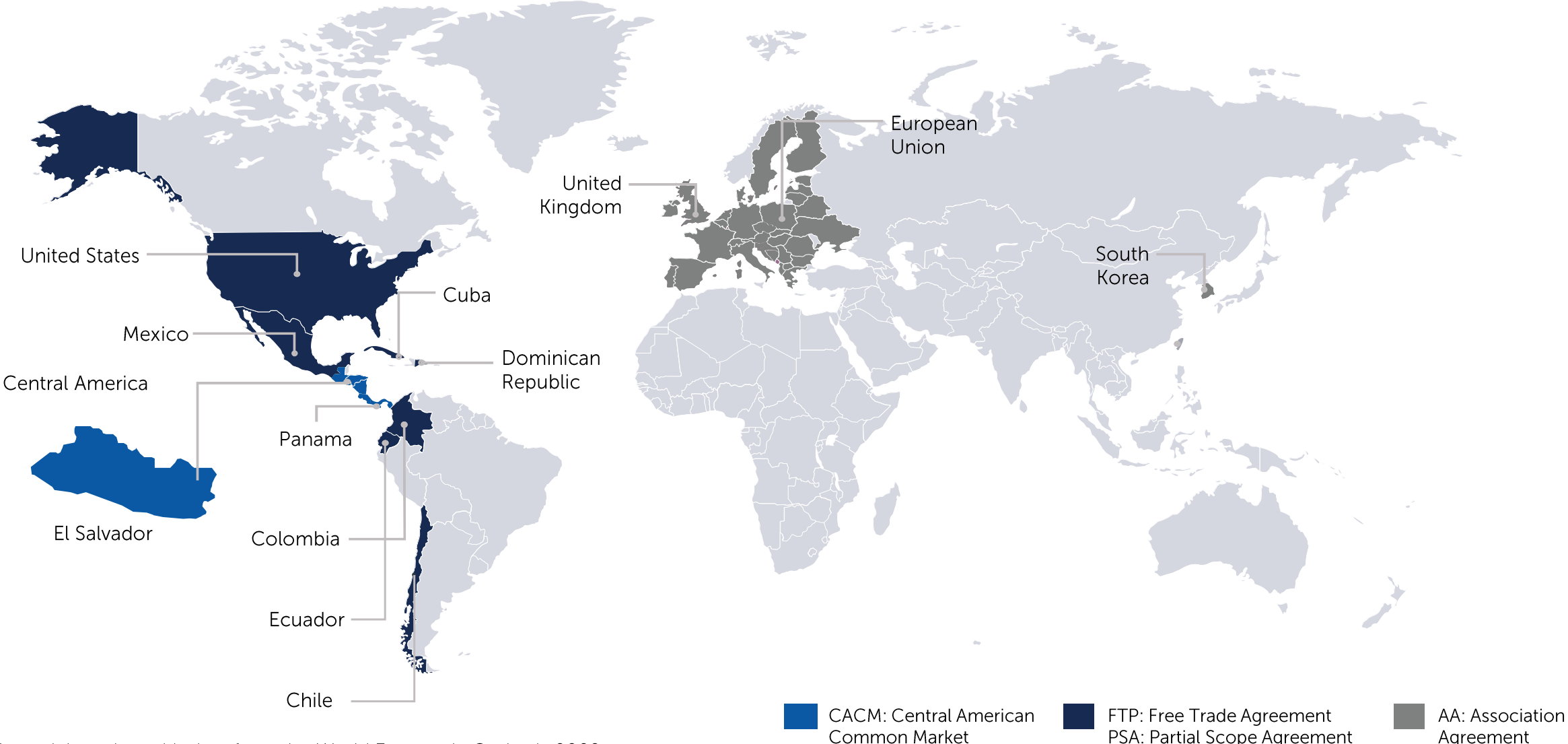
Passenger airlines operating in El Salvador



Cargo airlines operating in El Salvador



We offer preferential access to 1.2 billion consumers across 42 countries, including the United States



Source: Own elaboration with data from the World Economic Outlook, 2022.

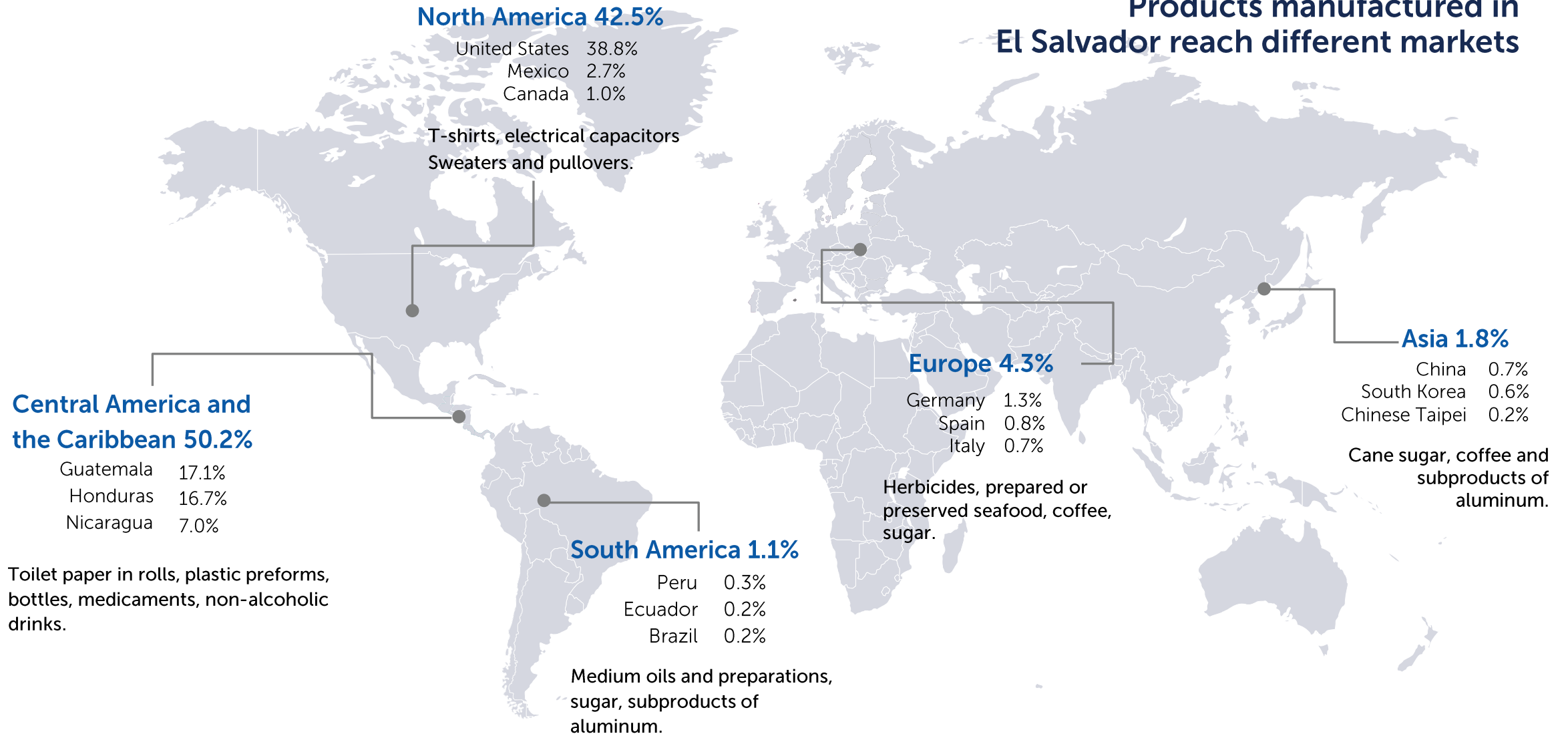
We are a platform to export a diversity of goods

\$7.1 B exports of salvadoran goods (2022)



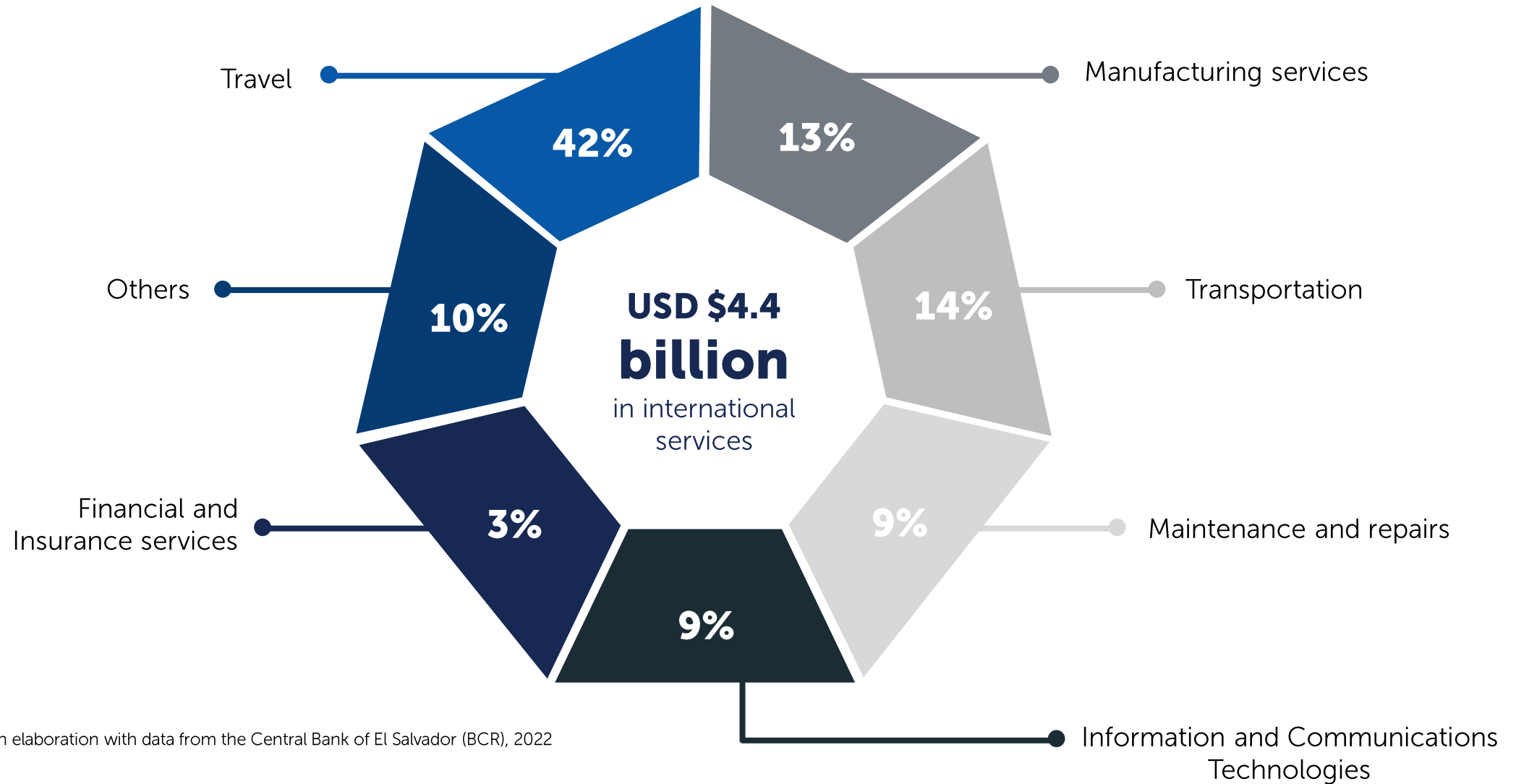
Source: Data from Central Bank of El Salvador

Products manufactured in El Salvador reach different markets



*Source: own elaboration with data from the Central Bank of El Salvador (BCR), 2022

Our services have reached international recognition



*Source: own elaboration with data from the Central Bank of El Salvador (BCR), 2022



Cost-effective location

El Salvador is the most cost-effective location in the Americas



Top 10 mid-sized American cities of the future 2021/22

Cost effectiveness ranking

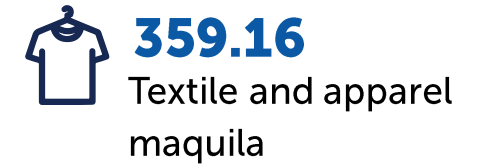
#1

in cost effectiveness in the Americas according to The Financial Times' FDI Intelligence (medium-sized cities)

Rank	City	State
1	San Salvador	San Salvador
2	Cuautitlan Izcalli	Mexico (state)
3	Celaya	Guanajuato
4	Reynosa	Tamaulipas
5	Irapuato	Guanajuato
6	São José dos Campos	São Paulo
7	Chihuahua	Chihuahua
8	Jundiai	São Paulo
9	San José	San José
10	Saltillo	Coahuila

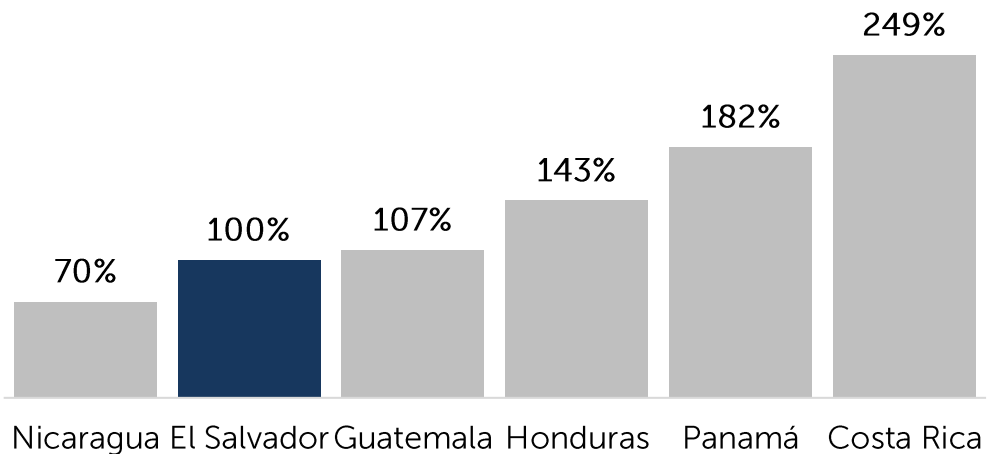
We have competitive labor costs

Minimum Wages (USD/month)

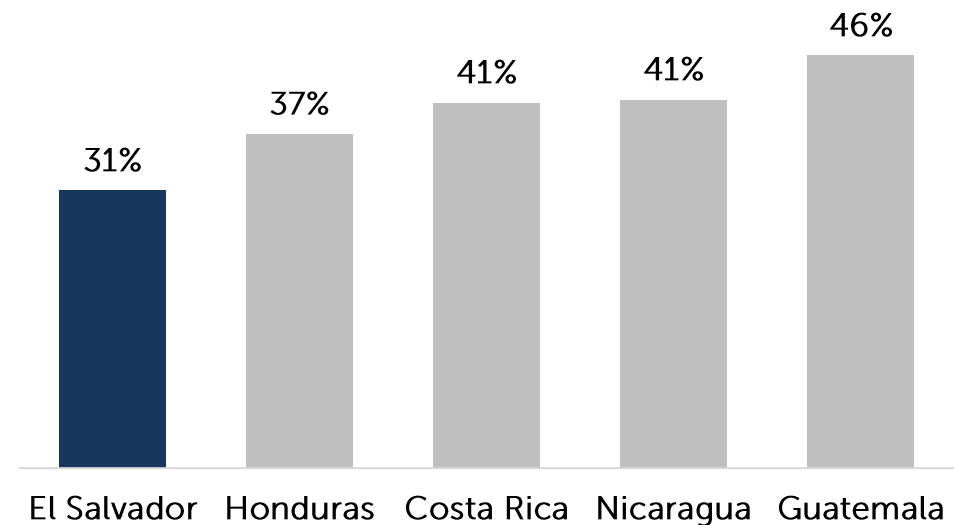


Salary comparison

Minimum wage companies
of the industrial sector
(El Salvador base=100)

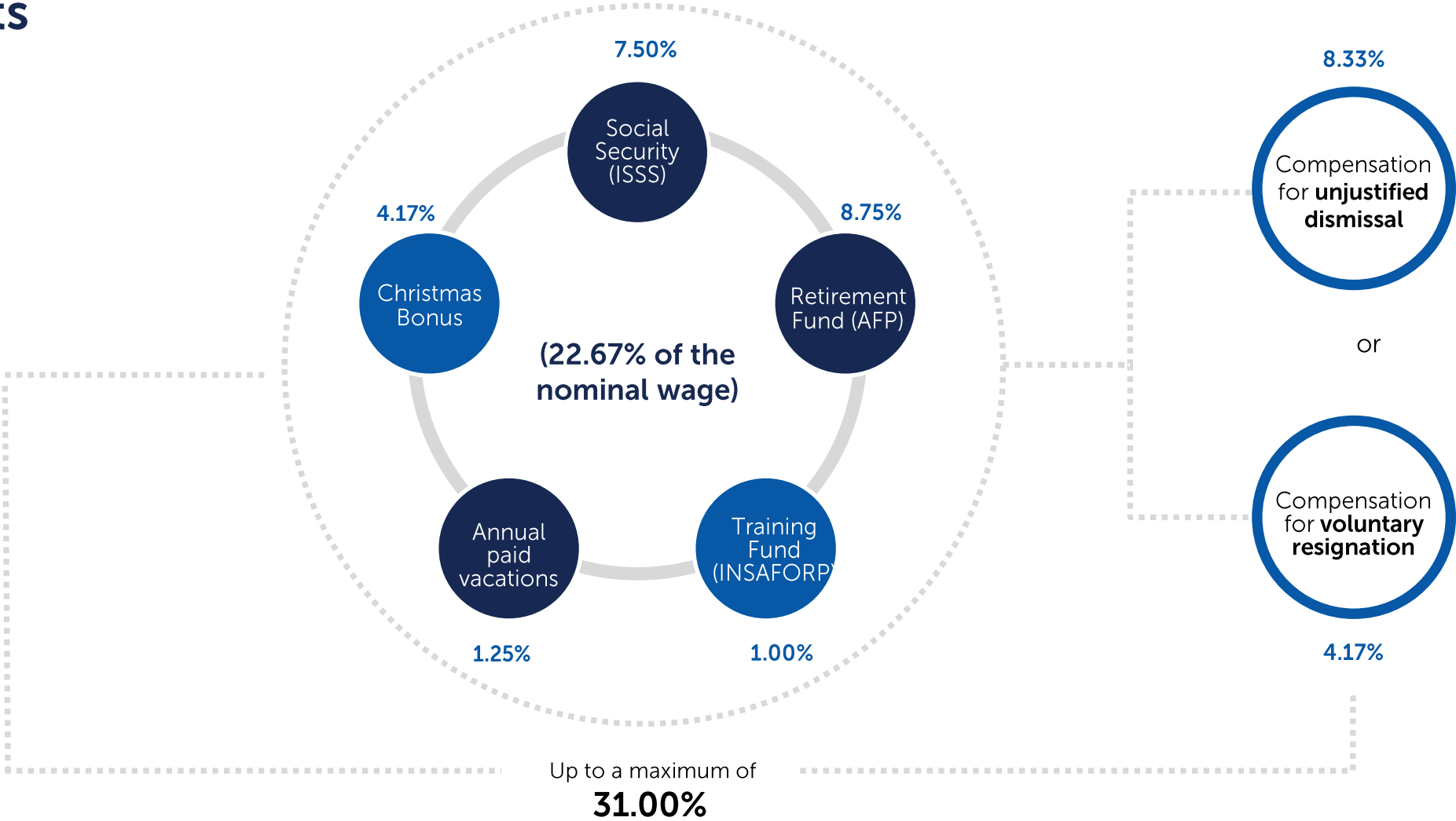


Comparison of benefits (% of nominal salary)



We have competitive labor costs

Salvadoran legislation establishes the following benefits for employees:



Total benefits paid by employer including compensation for unjustified dismissal or compensation for voluntary resignation

El Salvador has one of the lowest inflation rates in Latin America

Average inflation (%)

Latin American Countries

	Average inflation rate (2013-2022)
Panama	1.2
El Salvador	1.6
Ecuador	1.6
Costa Rica	2.9
Bolivia	3.0
Peru	3.4
Guatemala	4.2
Paraguay	4.3
Chile	4.4
Mexico	4.7
Colombia	4.7
Honduras	5.0
Nicaragua	5.4
Brazil	6.1
Uruguay	8.4

1.6%

Average inflation rate in the past decade (2013-2022)

3rd

Country with the lowest average inflation rate in the past decade

2.7%

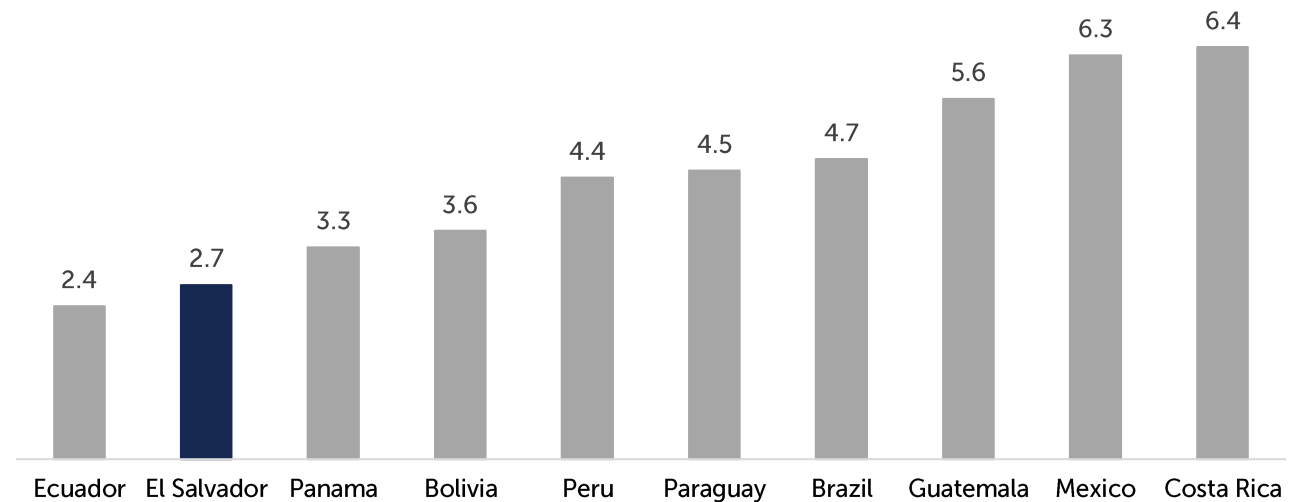
Projected inflation rate for 2023

2nd

Country with the lowest projected inflation rate for 2023

Projected inflation, 2023 (%)

Top 10 Latin American Countries with lowest projected inflation rates



Source: IMF, End-of-period inflation, average rate.



PUERTA DEL COMPARTIMIENTO
CARGA OPERADA HIDRAULICAMENTE
PARA USAR:
1. Mantener la puerta cerrada y asegurada.
2. No operar la puerta si el nivel de aceite es bajo.
3. No operar la puerta si el nivel de aceite es alto.
4. No operar la puerta si el nivel de aceite es bajo o alto.
5. No operar la puerta si el nivel de aceite es bajo o alto.



Enabling business environment

Many prestigious multinational companies have chosen to invest in El Salvador



YOUNGONE
CENTRAL AMERICA
South Korea

FUSION
POWER OF HUMAN CONNECT
India

YAZAKI
Japan

SOLUNAR
Chinese Taipei

ammcor
Australia

3M **HANES Brands Inc**
RULESWARE **FRUIT OF THE LOOM Activewear**
SYKES **ubiquity**
AVXX **W** Wallenius Wilhelmsen **CONCENTRIX** **UNIFI** **Ria**
Walmart **CROWLEY** **CBX Global**
aes **aec** **GEORGE C. MOORE**
Narrow Elastic A MOORE COMPANY
cognizant **Kimberly-Clark**
THEOFFICEGURUS CALL CENTER SOLUTIONS **Microsoft**
United States

TELUS
PERFORMATEL Canada

ATENTO **DHL** **Calvo** **tigô**
NEOEN **Teleperformance** each interaction matters
Quipu **Holcim**
DOMMEN ORANGE

BIMBO **Sigma**
Claro Mexico

DAVIVIENDA **Avianca**
DECAMERON All Inclusive Hotels & Resorts
PROCAPS **Bancolombia** **Grupo epm**
DELSUR **Colombia**

Pettinati
Centro America
Brazil

GASPRO
UASSIST.ME **TERNOVA**
ApplaudoStudios
aeroman **CMI** CORPORACION MULTI INVERSIONES
cbc **GRUPO POMA** **sigmaQ**
Central America

OppFilm EL SALVADOR **QUINICA NAVA S.A.C.**
RANSAN
Peru

SOFIS
Uruguay

El Salvador has an open and friendly business environment to achieve great stories



We offer attractive tax incentives for investors



And we also offer additional benefits

Law of Legal Stability for Investments

- Guarantees legal certainty to investors on taxes, customs and immigration issues, for a period of time of up to 20 years depending on the amount of the investment.



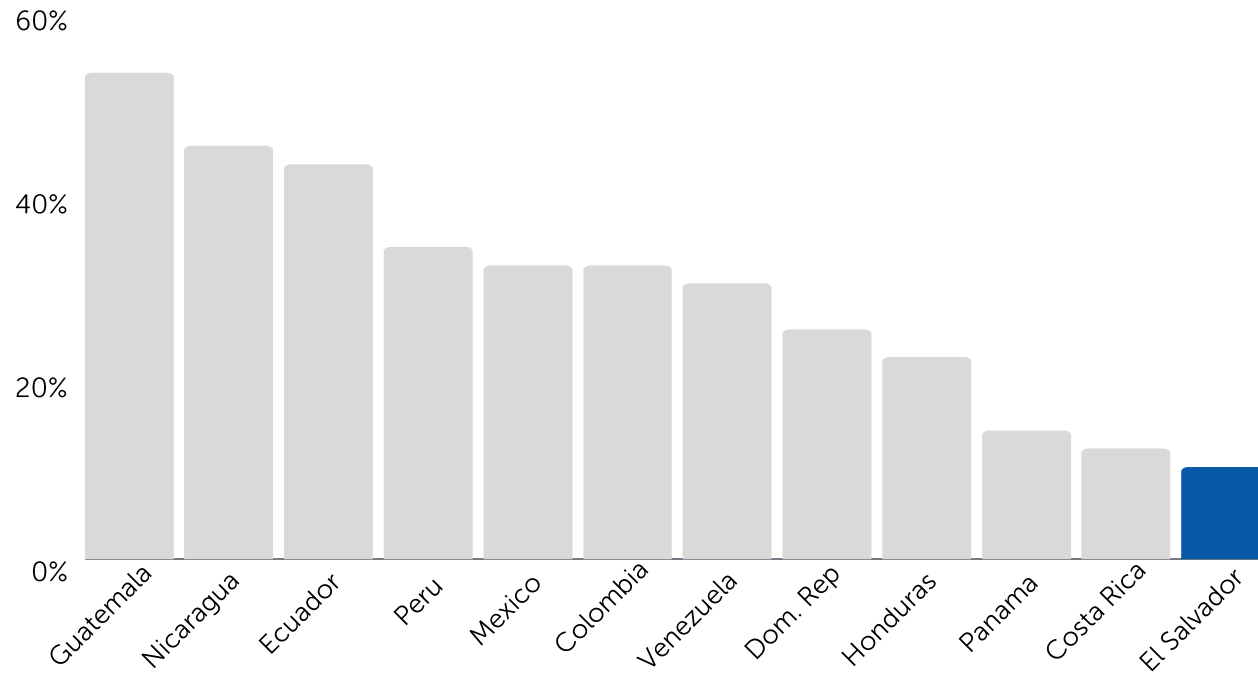
Value Added Tax exemption

- For the reactivation of productive sectors, there is also a Value Added Tax (VAT) exemption for machinery imports carried out by companies. To qualify for this benefit, the requirement is that the imported asset must be directly used in the production of goods and services not covered by Articles 46 and 174 of Value Added Tax Law.



El Salvador is now one of the safest countries in Latin America

Victims of robbery or assault (% of respondents)



According to an international survey, El Salvador is the Latin American country with the lowest rate of robberies and assaults (Aug. 2022)

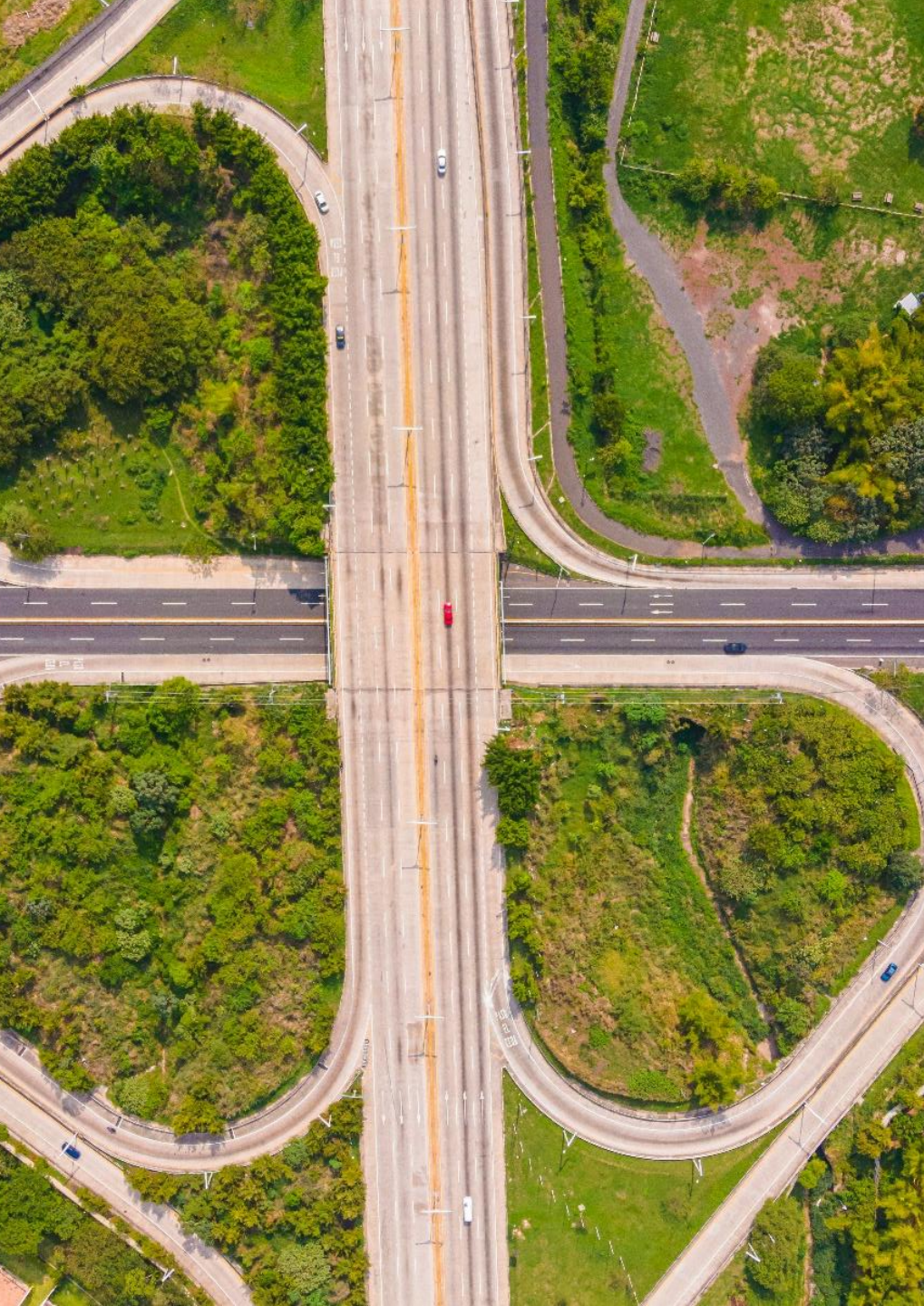
Source: CID Gallup Survey (Aug. 2022)



Modern infrastructure

Our modern infrastructure **interconnects the main cities in the region** and enables efficient logistical operations





The infrastructure of El Salvador is among the most competitive in the region

Global Competitiveness Report rankings*

*Ranking out of 141 countries (2019, latest ranking available). Source: World Economic Forum

#2
In infrastructure

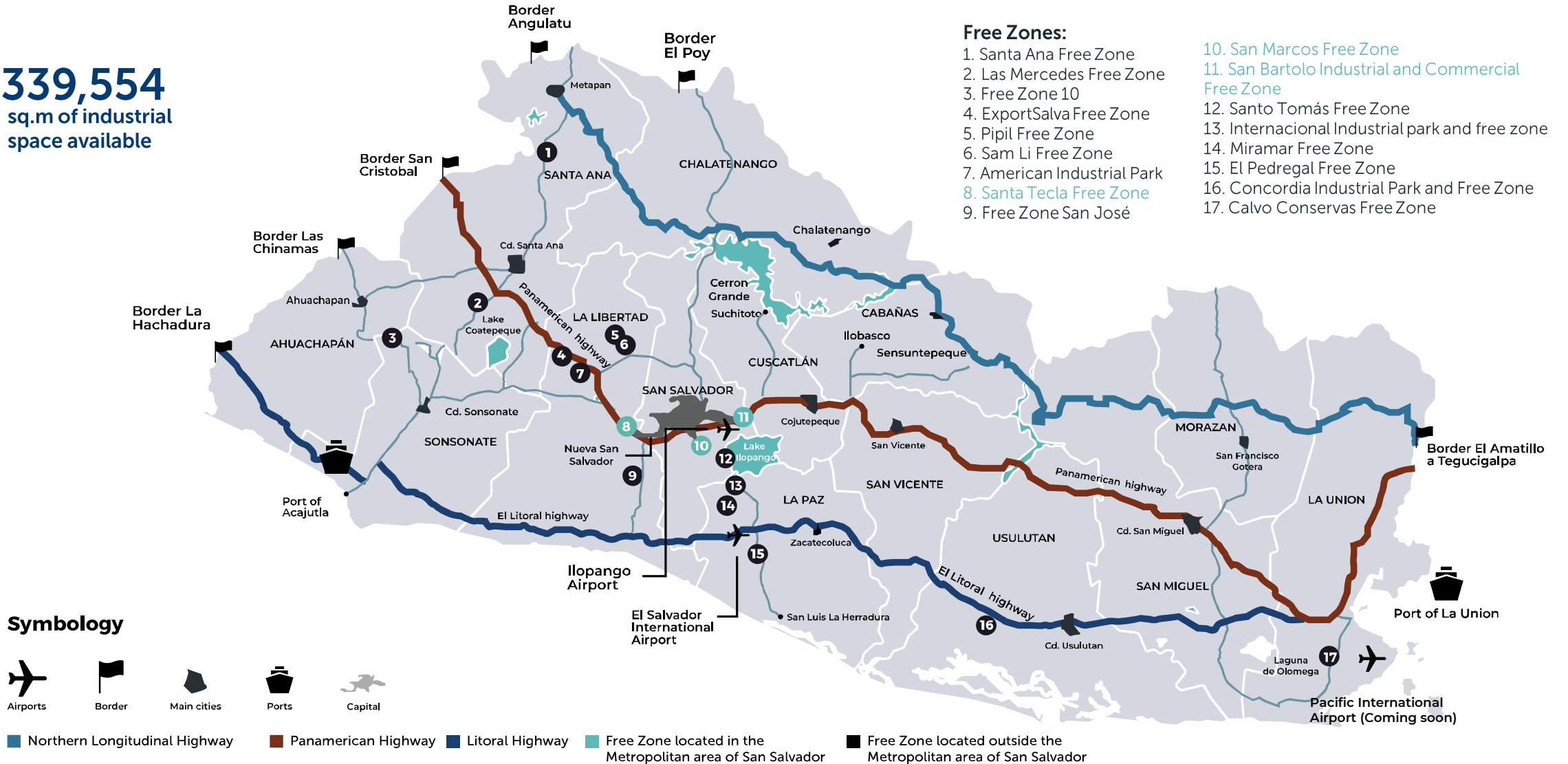
-
- 63 Costa Rica
 - 90 El Salvador**
 - 99 Honduras
 - 102 Guatemala
 - 104 Nicaragua

#1
In road connectivity index

-
- 78 El Salvador**
 - 85 Nicaragua
 - 103 Costa Rica
 - 120 Honduras
 - 134 Guatemala

We have industrial spaces that stand out for their strategic location and easy access to competitive infrastructure

339,554
sq.m of industrial
space available



El Salvador, the country of the short distances



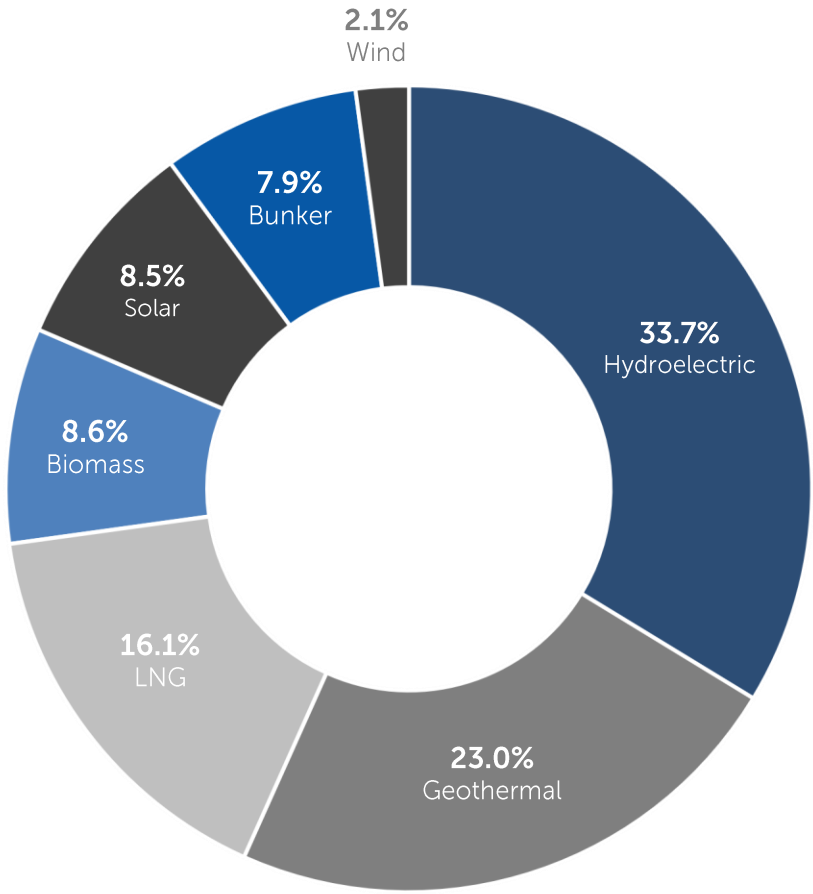
- 01.** El Salvador is a country that extends from a coastal plain to a volcanic upland in the interior.
- 02.** It offers the possibility to surf, hike, dive or visit archaeological parks or museums all in the same day.
- 03.** Excellent tropical weather with year-round activities.



Committed to sustainable development and digital transformation

El Salvador is advancing towards sustainability through renewable energy generation

Generation by resource
(% share 2022)



2,461 MW

Installed capacity of El Salvador
2022

75.9%

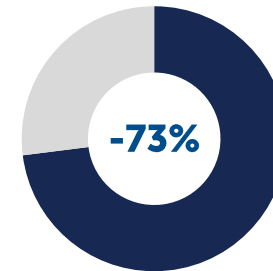
Energy generated through
renewable sources 2022

Fuente: El Salvador's National Energy Council.

El Salvador is taking giant steps towards simplification and digitalization of processes to reduce bureaucracy

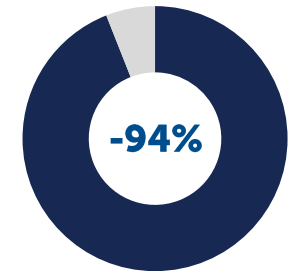


Sample of processes with reduced time
(% reduction)



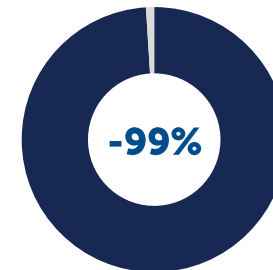
From 30 to 8 days

Time to create a company or a branch



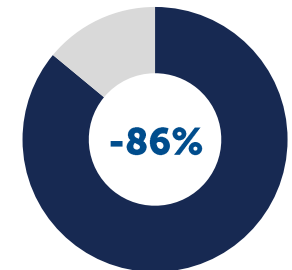
From 270 to 15 days

Authorization to start operations in free trade zone



From 40 days to 3 hours

Imports by means of simplified goods declarations



From 28 to 4 days

New pharmaceutical products registration

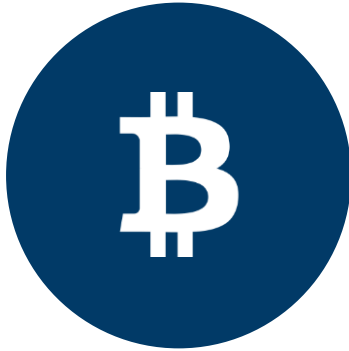


INVESTMENT
OPPORTUNITIES

Explore investment opportunities in El Salvador

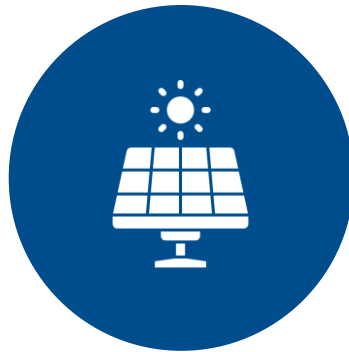


Agribusiness

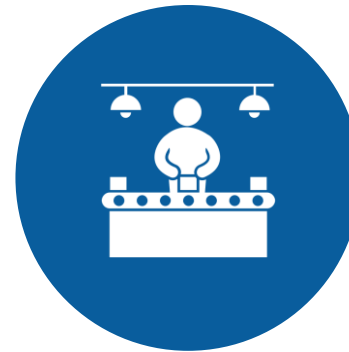


BTC, Technology & Services

- Bitcoin
- Digital Technologies and Business Processes
- Startups (fintech)
- Logistics



Energy



Manufacturing, Textile and Apparel

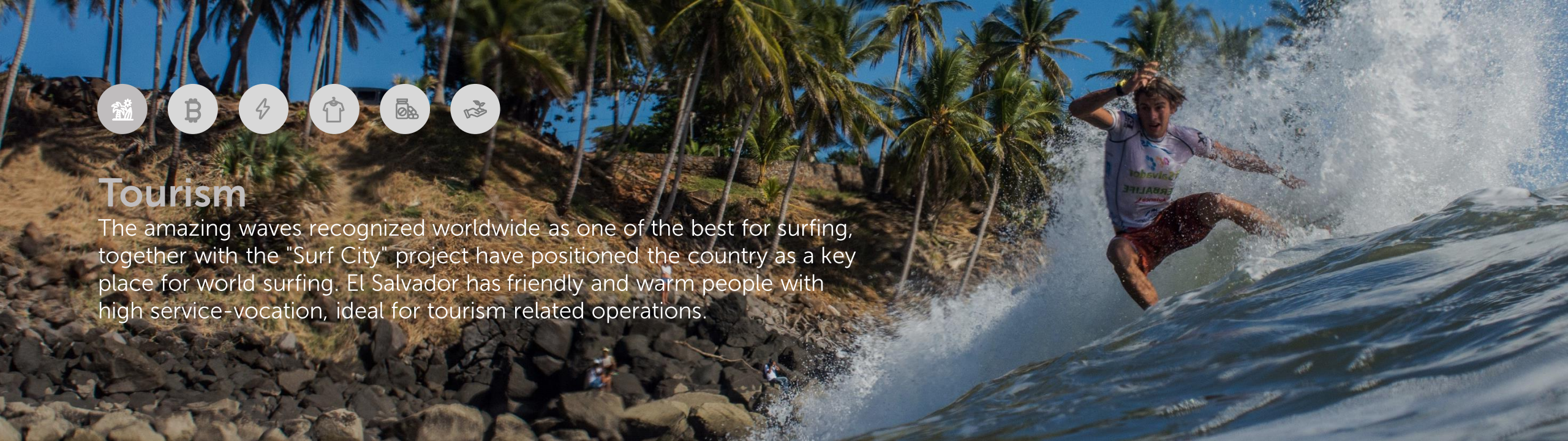
- Light manufacturing
- Medical Devices
- Textile and Apparel



Pharmaceuticals



Tourism



Tourism

The amazing waves recognized worldwide as one of the best for surfing, together with the "Surf City" project have positioned the country as a key place for world surfing. El Salvador has friendly and warm people with high service-vocation, ideal for tourism related operations.

Investment opportunities:

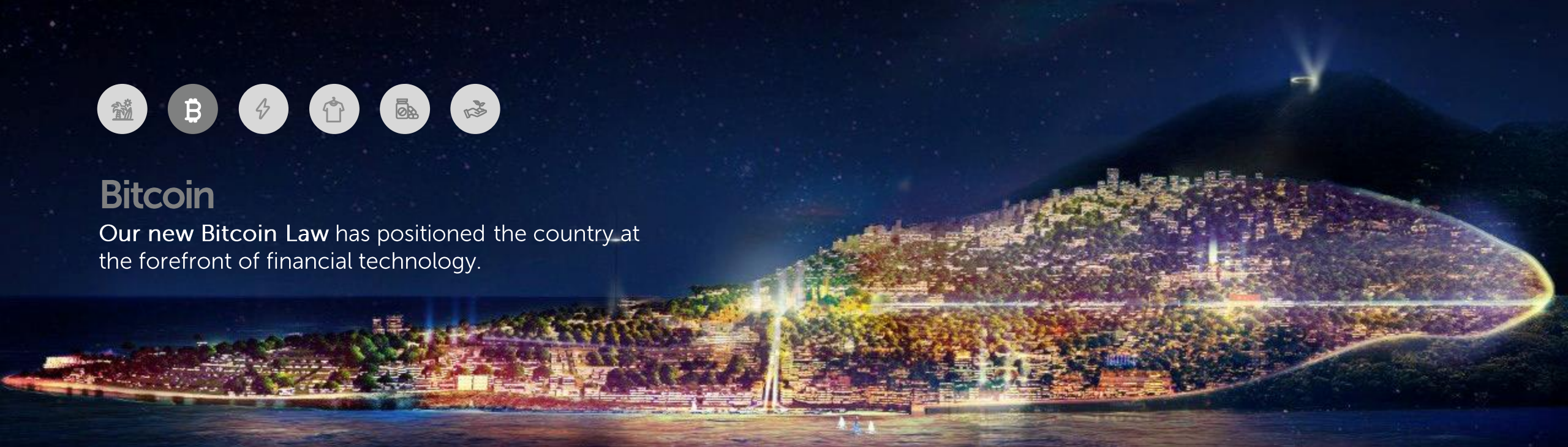
- Hotels
- Convention Centers
- Theme Parks and restaurants

- 2.5 M International visitor arrivals (2022)
- 8.3% Contribution of the tourism sector to the GDP (2022)
- 11.7% Growth of jobs in the tourism sector (2022/2021)



Bitcoin

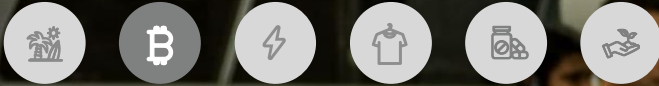
Our new Bitcoin Law has positioned the country at the forefront of financial technology.



Investment opportunities:

- Digital Wallets
- Exchange Bureau
- Bitcoin Custody
- Bitcoin service providers
- Bitcoin City

- **First country in the world** to adopt the bitcoin as legal tender to promote financial inclusion and investment
- **+4 M** Users of government-backed BTC wallet
- **54%** Of total population uses the internet



Digital technologies and Business processes

Outstanding human capital with exceptional KPIs, low turnover rates, fast learning curve and neutral accents.

Investment opportunities:

- Contact centers
- Business processing services
- IT services

■ **+41,000** Direct Jobs in call centers, BPO and IT (2022 est.)

■ **USD 597 M** Call center exports (2022)

■ **22%** Call center export growth (2022)



Logistics

El Salvador has the conditions to offer a quick response to the market, ideal attribute to be the logistics hub for international companies. It offers the possibility to capture cargo from diverse origins: regional (imports and exports), transshipment, transit and that generated by off-shore manufacturing companies.



Investment opportunities:

- Logistics center for supplying extra-regional, intra-regional and domestic trade
- Product distribution service
- Package consolidation service with a variety of products

■ USD 607 M Exports of transportation services (2022)

■ ~29,000 Total jobs in the logistics sector (2022)

■ USD 266.2 M of FDI stock in the transportation sector (I trim 2023)



Energy

Competitive market with private sector participation in the generation, distribution and commercialization of electric power.

Investment opportunities:

Power supply generation for renewable resources:

- Hydroelectric
- Geothermal
- Wind
- Solar
- Biomass and biogas

- 6,630 GWh Energy demand (2022)
- 1,067 MW Maximum power demand (2022)
- 2,461 MW Installed capacity (2022)



Manufacturing

El Salvador has a mature plastics and textile and apparel industries, with installed capacity to offer outsourcing to international companies. In the metal mechanics sector, there are computer numerical control workshops, capable of sourcing precision parts.



Investment opportunities:

- Electronic components
- Auto parts
- Plastics
- Medical Devices

- Production efficiency rates higher than **90% in Manufacturing sector**
- Turnover rates lower than **10%**
- **10th** global provider of electrical capacitors to the U.S. (2022)



Textile and apparel

The only country that has developed a full synthetic cluster in Central America

Investment opportunities:

- Manufacture of yarn and fabrics
- Manufacture of high-value and turnover garments
- Manufacture of “Simple transformation” garments

■ **US\$2.8 billion** Total exports of textile and apparel (2022)

■ **80** Export destinations (2022)

■ **15th** International provider of apparel to the U.S. (2022)



Pharmaceutical

Pharmaceutical industry with good manufacturing practices certification from the WHO



Investment opportunities:

·Pharmaceutical products

■ **US 169.4 M** Pharmaceutical exports (2022)

■ **+35** Export destinations (2022)

■ **37** Certified pharmaceutical laboratories



Agribusiness

We offer good conditions to develop agribusinesses due to its location in the tropics and diversity of micro-climates

Investment opportunities:

- Processed food
- Aquaculture
- Ornamental plants
- Crops

■ **USD 1.4 B** Exports of the agroindustry, food and beverages sector (2022)

■ **19%** Share of total exports (2022)

■ **16.8%** Export growth (2022/2021)

Invest in El Salvador

WE ARE YOUR STRATEGIC PARTNER
FOR BUSINESS AND INVESTMENT

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Investment Director
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Business opportunities



Strategic information



Advisory and technical
assistance



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