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 Invest in  
El Salvador



## El Salvador 2025

Economy | Finance | Industry & Energy | IT & Innovation | Construction & Real Estate  
Transport & Logistics | Education & Health | Tourism & Culture



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## *El Salvador 2025*

**T**he *Business Year: El Salvador 2025*, our inaugural publication on the Central American nation, comes at an important moment for the country, as it undergoes significant changes and begins to show strong growth in several key areas. This year, we have gathered insights from more than 120 top figures in El Salvador's business and government sectors to offer a clear view of the nation's economy. Their expertise highlights the progress made under the government's strategic plans, the wide range of innovations happening, and the growing influence of private companies in the national economy.

El Salvador's economy is experiencing solid growth, with several sectors playing a major role in boosting the national GDP to the 3% in 2025. In 2024, the services sector, which includes trade, transportation, finance, and insurance, contributed around 60% to the country's GDP. Tourism has become particularly important, with the sector generating over USD1.6 billion in revenue in 2023, creating growth in industries such as hospitality and transportation.

The construction and real estate sectors are also growing quickly, with investment reaching USD2.8 billion in 2023, supported by both local and foreign investments, especially from the Salvadoran diaspora. At the same time, the logistics and transport industries are being modernized, with key investments improving infra-

structure. Notably, Turkish company Yilport's USD1.62-billion investment to expand the ports will increase the country's ability to handle larger vessels, strengthening exports and trade.

The technology sector is another vital part of El Salvador's economy. Business process outsourcing (BPO) has become a major driver of growth, with the sector generating USD1.1 billion in 2023. The country's young, bilingual workforce has attracted international companies to set up operations, particularly in call centers and back-office services. This growth is backed by the government's efforts to improve the country's digital infrastructure through initiatives like Digital Agenda, which seeks to modernize public services, improve business conditions, and promote a digital economy. Additionally, the advancements in digital assets regulations have turned El Salvador into a center for financial innovation, drawing global attention and investment in the fintech sector.

*The Business Year: El Salvador 2025* is the result of months of research, offering the most up-to-date perspective on the nation's economy. This project has been enhanced through collaboration with Invest In El Salvador, the country's official investment promotion agency, and with support from the Chamber of Commerce and Industry of El Salvador (CAMARASAL), both of which have played key roles in making this possible. ✖

*This publication has been produced by The Business Year International's expert cadre of journalists, writers, editors, and designers. The content contained within is original and was compiled by our team on the ground.*

COO Carlos Martínez | Country Manager Maria Perez | Country Editor Javier Letosa Bolea



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# EXECUTIVE SUMMARY

*El Salvador is shifting from agriculture and manufacturing to a more diversified, sustainable economy by prioritizing tech, renewable energy, and tourism, with improved security and strong public-private collaboration driving growth.*

El Salvador's economy is undergoing a transformative shift, moving away from traditional reliance on agriculture and manufacturing toward a more diversified and sustainable model. The government has prioritized sectors like technology, renewable energy, and tourism to foster growth and resilience. Improved security in recent years has created a more stable environment for businesses and investors, boosting economic momentum. While challenges remain, El Salvador's future is characterized by adaptability and a strong commitment to sustainable development. Collaboration between the government, private sector, and international partners will be key to unlocking the nation's full economic potential and ensuring long-term prosperity for its citizens.

## ECONOMIC OUTLOOK

The IMF has recognized El Salvador's progress in addressing macroeconomic challenges. In December 2024, a staff-level agreement was reached on an Extended Fund Facility (EFF) arrangement. The program aims to strengthen fiscal and external stability, improve the primary balance by around 3.5% of GDP over three years, and reduce public debt, which peaked at 85% of GDP in 2024. These measures are expected to create conditions for stronger and more inclusive growth in the coming years.

## DIGITAL ASSETS AND FINANCIAL INCLUSION

El Salvador's financial sector saw 10.1% growth in 2024, driven by economic expansion, regulatory advancements, and fintech adoption. Consumer loans, which made up 52% of refinanced loans, played a significant role. Efforts to increase financial inclusion are targeting nearly 70% of unbanked Salvadorans, with innovative solutions being introduced by both traditional banks and fintechs. The National FinTech Strategy of 2023 aims to establish El Salvador as a leader in digital financial services. The country's focus on creating a secure and innovative digital assets environment highlights its growing significance in the digital financial space.

## TECHNOLOGICAL TRANSFORMATION

El Salvador's ICT sector has grown rapidly due to investments in digital infrastructure, government initiatives, and a thriving BPO industry. In 2024, a major milestone was reached with a strategic partnership to modernize public services using advanced cloud solutions. The BPO industry remains a key economic driver, contributing over 4% of GDP and employing over 36,000 professionals. Government initiatives focus on upskilling the workforce in cloud computing, AI, and cybersecurity. The inauguration of the first Tier III-certified data center has strengthened the country's technological ecosystem. El Salvador's investments in digital ser-

vices and strategic partnerships are positioning it as a Central American tech hub.

**CLEAN ENERGY**

El Salvador’s government has set an ambitious goal to achieve 99% renewable energy by 2030, aligning with sustainable development goals and reducing fossil fuel dependence. El Salvador’s energy sector has transformed, driven by modernization and sustainability initiatives. Significant investments have improved energy efficiency and integrated smart technologies, addressing challenges like energy loss and security. A shift to renewable energy, especially solar power, has seen installed PV capacity reach 633MW by 2023, comprising 21.1% of the national electricity mix. The construction of a 17MW solar park and legal frameworks support this transition, positioning El Salvador as a regional leader in clean energy.

**INFRASTRUCTURE**

El Salvador’s transport and logistics sector is evolving rapidly with significant infrastructure development and investments. Key projects like the RN-21 freeway expansion and Los Chorros upgrade enhance connectivity and trade. The ports of Acajutla and La Unión benefit from a USD1.62 billion investment to triple capacity, boosting regional trade. El Salvador International Airport remains a primary logistics hub, with plans for a new Pacific region airport promoting decentralization. Free trade zones, strategically located near transport hubs, attract foreign investment and support manufacturing and export activities, further integrating the country into global supply chains. These developments position El Salvador as a competitive player in international trade.

**REAL ESTATE AND CONSTRUCTION BOOM**

El Salvador’s construction sector is booming, driven by investments from both local and international sources. The sector is expected to reach USD2.45 billion by the end of 2025, with major urban centers seeing a surge in high-rise residential and mixed-use developments. Coastal areas are also attracting investment, especially for beachfront properties. The residential real estate market is projected to grow to USD180.9 billion by 2029, while the industrial sector thrives with 17 free trade zones. Tax exemptions and efficient regulatory processes are supporting growth, positioning El Salvador as a key player in regional development.

**INDUSTRIAL GROWTH AND NEARSHORING**

El Salvador’s industrial sector, contributing 25% of GDP, is thriving with key industries in textiles, chemicals, food processing, and light manufacturing. The textile industry, driven by duty-free access to the US market, accounts for over 35% of exports, bolstered by nearshoring trends. The food and beverage sector, notably coffee and sugar, continues to grow, with new markets like Saudi Arabia showing interest. The chemical sector focuses on sustainable production, while technology and electronics are seeing increased investment. The government supports growth through foreign direct investment incentives, positioning El Salvador as a regional industrial hub.

**MEDICAL TOURISM**

The local healthcare sector shows a positive outlook, with significant improvements in health outcomes, such as a rise in life expectancy to 72.5 years and a 30% reduction in maternal mortality. The private sector, serving 20% of the population, offers advanced medical services, driving medical tourism. The country attracts visitors for cosmetic surgery, dental care, and elective procedures due to competitive pricing and quality. Hospital El Salvador, Latin America’s largest, underscores the nation’s commitment to healthcare. Investments in AI-driven health projects further position El Salvador as a growing hub for medical tourism and a leader in regional healthcare development.

**TOURISM**

El Salvador’s tourism sector is thriving, with international arrivals reaching a record 3.9 million visitors in 2024 and projecting an 8% increase in 2025. The country is gaining recognition as a top surf destination, with several international surf tournaments held annually. Significant private investments are enhancing tourism infrastructure, particularly in Surf City and the Historic Center of San Salvador. The government’s strategic initiatives, including a five-year investment attraction plan and the creation of an investment promotion agency, are fostering a favorable environment for tourism growth, further boosting the country’s economic development. ✖

**GDP PER CAPITA (2023)**

SOURCE: WORLD BANK

USD5,391.07

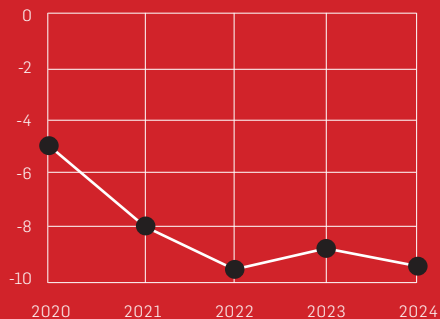
**INFLATION (2023)**

SOURCE: MACROTRENDS

4.05%

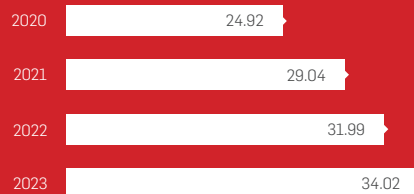
**MERCHANDISE TRADE BALANCE (USD BN)**

SOURCE: FOCUS ECONOMICS



**GDP (IN USD BILLIONS)**

SOURCE: THE WORLD BANK



**FEBRUARY 5  
2024**

President Nayib Bukele secures re-election by a landslide (over 80%), pledging to focus on economic reforms and technological advancements in his second term

**JULY 16  
2024**

President Bukele launches a six-phase economic plan to boost El Salvador's economy. The first phase, "Food," includes 30 food distribution centers and a 10-year tariff exemption for certain agricultural imports. The second phase, "Technology," involves building data centers and tech parks. The plan is expected to create around 4,000 jobs

**OCTOBER 18  
2024**

El Salvador finalizes a landmark debt conversion agreement totaling over USD1 billion aimed at conserving the Lempa River basin. This initiative is expected to generate more than USD352 million in lifetime savings, with USD350 million allocated over the next 20 years to the Rio Lempa Conservation and Restoration Program

**DECEMBER 23  
2024**

El Salvador's Congress approves a law allowing metal mining after years of prohibition. Supporters of the new law argue that reopening the sector could bring economic benefits, attract foreign investment, and create jobs

**MAY  
2024**

Google establishes a regional office in San Salvador, signaling growing confidence in the country's growing tech ecosystem. To execute this alliance, the Legislative Assembly approved the General Law for the Digital Modernization of the State, which establishes that state entities may hire the services of a "strategic partner" for seven years for an amount no less than USD500 million

**AUGUST 12  
2024**

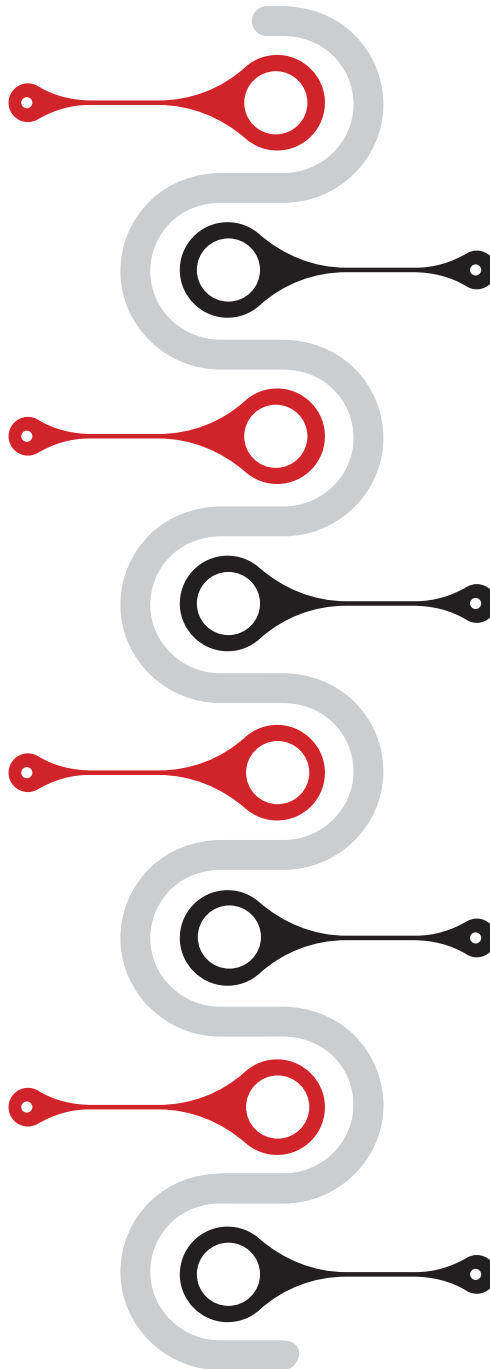
Turkish company Yilport signs a contract with the El Salvadoran government to invest approximately USD1.62 billion to expand and jointly operate the ports of Acajutla and La Unión, aiming to enhance the country's logistics capabilities

**OCTOBER 24  
2024**

The Central American Bank for Economic Integration announces a USD725-million loan to finance infrastructure projects in El Salvador, supporting the country's economic development

**JANUARY 13  
2025**

Tether, the world's largest stablecoin issuer, announces plans to relocate its headquarters to El Salvador after securing a Digital Asset Service Provider (DASP) license, aligning with the country's pro-digital assets policies



# A NATION *reborn*

El Salvador has undergone a remarkable transformation into one of the safest and most innovative nations in the Western Hemisphere—offering hope, progress, and a model of resilience.

Nayib Bukele  
PRESIDENT OF EL SALVADOR,  
79TH SESSION OF THE UN GENERAL  
ASSEMBLY

**WHEN I FIRST CAME** to the United Nations General Assembly in 2019, I know many did not know or had not heard of El Salvador. And if they did, they only had bad references. Others did not even know where it was located. Fortunately, that has changed significantly in a very short time.

In the last five years, El Salvador has been reborn. We returned the streets of our country to our people and established a thriving tourism industry, hosting international surfing, sports, and entertainment events. We gave thousands of Salvadorans who fled wars and poverty a country to return to. We turned our nation, once the homicide capital of the world, into the safest place in the Western Hemisphere.

It was the greatest challenge our nation has overcome, and though we still have a long way to go and many things to achieve, we are within reach of true independence and on the path to full freedom. The transformation of El Salvador is unparalleled, and our success is undeniable—anyone can visit El Salvador and see it for themselves.

Today, the world looks at El Salvador's example and asks: "How can a nation rise so quickly?" But perhaps that is not the question they should be asking. Maybe they should be asking another: "How is it that the world is falling so fast?"

The world has become divided, depressed, anxious, hostile, and hopeless—and it has happened at an unprecedented speed. Today, the free world is no longer free. This is not an exaggeration; tragically, we see undeniable proof of this decline every day. The threats of new wars persist.

As Salvadorans, we recognize the symptoms of decline when we see them because we have lived through them all—we experienced the stages of our nation's fall, one by one. And we are seeing a resemblance to those stages once again, but this time on a global scale.

We cannot, nor do we wish to, tell other countries

what to do. Each nation must make its own decisions and do what is best for its people. We can only offer a word of warning from a friend who has endured a dark age and fought the battle of its life to emerge from it.

In El Salvador, we prioritize the safety of our innocent citizens over the comfort of criminals. Some say we have imprisoned thousands, but the reality is we have freed millions. We want our people to thrive. That is why we foster innovation and encourage new ideas. We understand that a free and safe space is needed for new concepts to flourish. Visions must be researched, tested, and experimented with—not stifled by outdated regulations or fear of change.

In El Salvador, you will find a place to pursue your ambitions, whether in technology, finance, medicine, energy, arts, culture, music, or architecture.

A few years ago, El Salvador was one of the darkest places on Earth. But in a short time, our nation was reborn. Because we reminded ourselves that freedom is taken, not given or gifted—and like everything worth having, it requires care and maintenance.

Today, El Salvador is a safe place for progress and innovation, but also for family and the pursuit of purpose. In the new El Salvador, there is room for everyone. We offer this safe space to our people and to those who wish to share and contribute to our vision. It will not be easy. In fact, the next step is even harder. We have freed our country, but we must maintain that freedom—and we must do it in a world that is becoming less free.

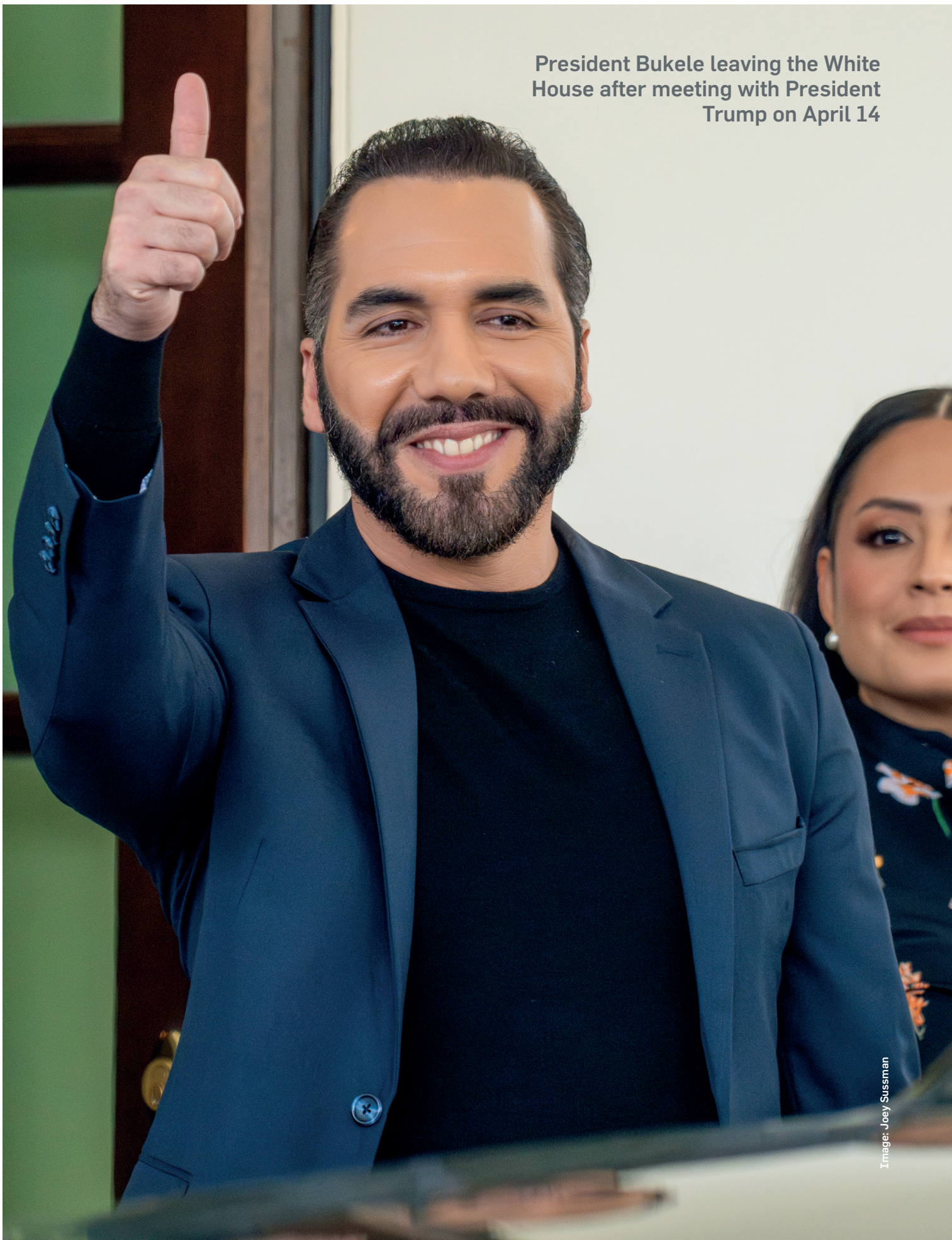
El Salvador has left its past behind, and we swear never to return to it. It may be too late to prevent the dark times our world faces today, but it is not too late to build an ark and weather the storm. ✘

*\* Excerpt of a speech given by Nayib Armando Bukele at the general debate of the 79th Session of the General Assembly of the UN in September 2024.*

## BIO

Nayib Bukele has served as President of El Salvador since 2019, following roles as Mayor of San Salvador and Nuevo Cuscatlán. He is known for his focus on security, digital innovation, and economic reform, including making El Salvador the first country to adopt Bitcoin as legal tender. His administration has prioritized infrastructure, tourism, and renewable energy to drive sustainable growth.

President Bukele leaving the White House after meeting with President Trump on April 14



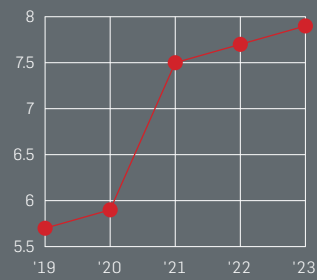
## SECTORAL CONTRIBUTION TO GDP (% OF GDP)

SOURCE: STATISTA

	Agriculture	Industry	Services
2019	5.8	34.5	59.7
2020	5.6	34.2	60.2
2021	5.7	34	60.3
2022	5.5	33.8	60.7
2023	5.4	34	60.6

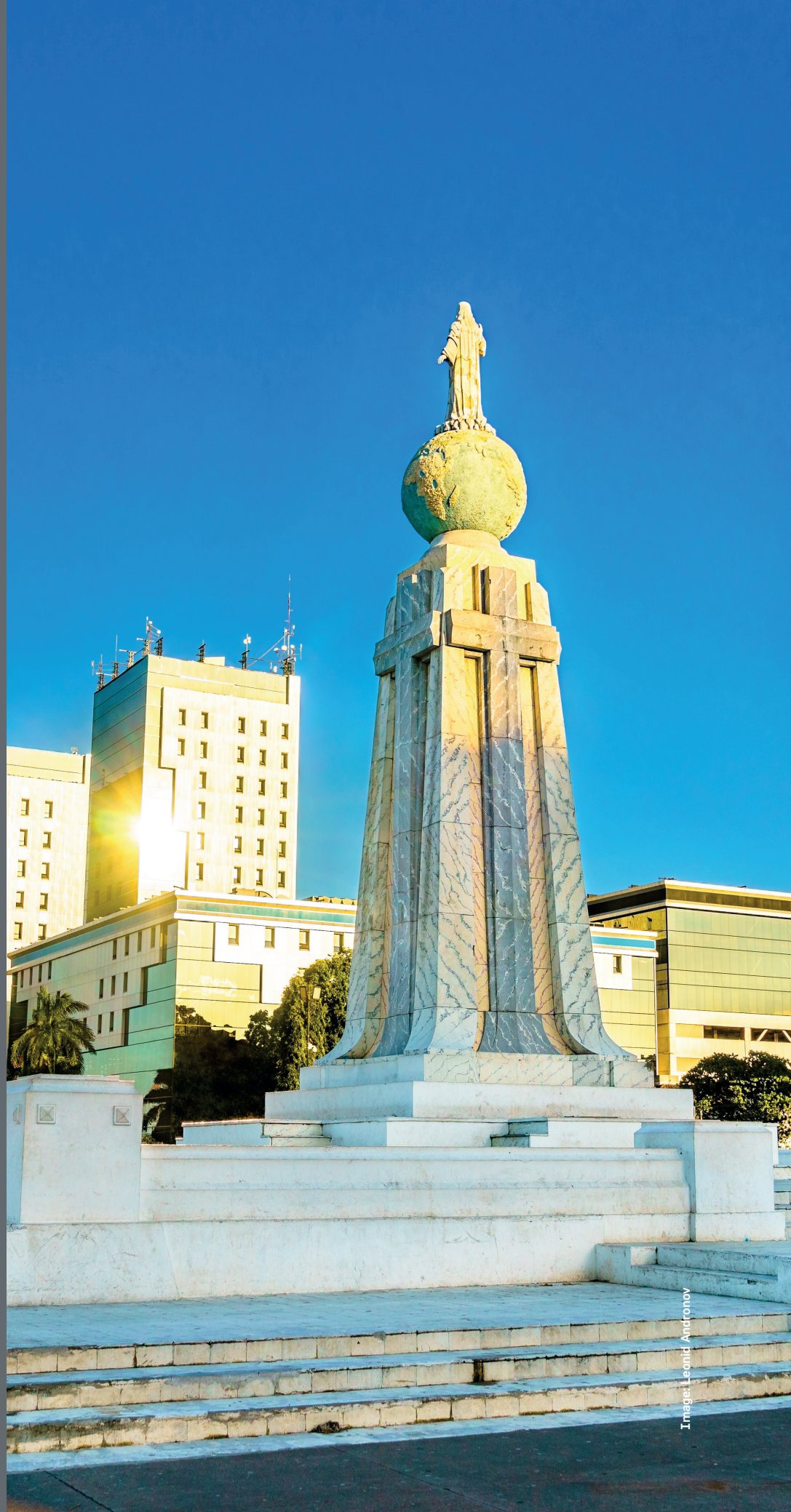
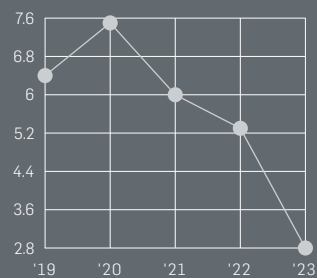
## REMITTANCES (USD BN)

SOURCE: WORLD BANK



## UNEMPLOYMENT RATE (%)

SOURCE: PAHO



# Economy

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## BUILDING BRIDGES

**E**l Salvador's economy in 2025 presents a mix of optimism and challenges, with significant strides in fiscal stability, investment growth, and sectoral expansion. In December 2024, the government secured a USD1.4-billion agreement with the IMF to reinforce fiscal discipline and reduce public debt, which stood at 85% of GDP. With a projected growth rate of 3% for 2025, the country is focused on strengthening key industries to sustain momentum and enhance investor confidence.

One of the biggest contributors to this outlook is the rise in foreign direct investment (FDI), which reached USD176.3 million in 1Q2024, marking an 8.9% increase from the previous year. This surge is closely linked to El Salvador's improved security conditions, which have attracted international interest in real estate, tourism, and infrastructure projects. The tourism industry alone has positioned the country among the top five globally in post-pandemic recovery, with El Salvador welcoming 4 million visitors in 2024.

Aligned with President Bukele's vision to open El Salvador to the world, the government has launched 23 economic councils dedicated to attracting investment, promoting Salvadoran products, and positioning the country as a tourism destination. The US remains El Salvador's most critical economic partner, accounting for nearly 20% of FDI and over 40% of its exports. Remittances, a key economic driver, totaled approximately USD8.5 billion in 2024, contributing

between 22% and 24% of GDP. As trade policies evolve under the volatile new US administration, El Salvador is working to maintain strong commercial ties and expand cooperation in investment and trade.

Beyond traditional sectors, El Salvador has emerged as a rising fintech hub, with the industry growing by more than 90% in just two years. With 27 fintech companies now operating in the country and the introduction of a regulatory sandbox, the digital economy is rapidly expanding. Google's arrival in 2024 further reinforces El Salvador's ambition to establish itself as a leader in technological innovation and financial services in the region.

Energy is another key pillar of the country's long-term strategy, with a goal of reaching 99% renewable energy by 2030. Over the next five years, the government has committed USD3 billion to developing clean energy sources, including geothermal, hydro, and solar power. These efforts aim to attract investment while addressing critical infrastructure needs in water and electricity.

With record-breaking investments, strategic infrastructure projects, and a focus on digital transformation, El Salvador is positioning itself for long-term economic success. While reforms remain necessary to unlock the country's full potential, its evolving landscape signals confidence in a future defined by resilience, diversification, and global integration. ✖

## INTERVIEW

# MINISTER *of economy*



The Ministry of Economy is focused on supporting the government's efforts to create a favorable business climate to increase public and private investment and boost exports.

María Luisa Hayem  
MINISTER OF ECONOMY

---

**Investing  
USD1.6B in new  
ports, USD320M  
in new airports,  
USD60M in new  
trade facilities**

---

**USD150M plan  
to increase  
employability**

#### BIO

María Luisa Hayem has over 18 years of experience in trade, financial inclusion, and economic development strategies. She began her career as counselor at the Permanent Mission of El Salvador to the WTO in Geneva in 2003. From 2009-2016, she worked for the IDB and later for the Consultative Group to Assist the Poor (CGAP) in Washington, DC. In 2019, she assumed the position of Minister of Economy of El Salvador. She holds a master's degree in law and diplomacy, with a focus on economic development and international business, from the Fletcher School of Law and Diplomacy at Tufts University in the US and a bachelor's degree in economics and business from Escuela Superior de Economía y Negocios (ESEN).

What do the current phases presented in the Economic Plan by President Nayib Bukele consist of?

President Bukele has prioritized the economy and affirmed that the country will focus on the macro and micro economy. The first strategy aims to protect family economies by lowering product costs through the elimination of tariffs and import taxes on key household items. The Ministry of Agriculture's efforts are aimed at ensuring access to essential inputs like vegetables and fruits while addressing intermediary abuses. To date, we have established 50 agro markets. Furthermore, we have introduced subsidies for critical products such as cooking gas, benefiting households. We are also implementing trade facilitation measures to reduce costs and improve the speed of imports, ultimately lowering consumer prices and easing the pressure on the cost of goods. The second strategy focuses on technology, creating an attractive environment for tech companies. The country has passed a law offering 15 years of fiscal incentives, providing benefits like zero income taxes, municipal taxes, and tariffs on inputs for tech products and services, including software and drone hardware. Google's arrival in El Salvador in 2024 highlights the success of this initiative, with 32 companies already benefiting from these incentives, including local Salvadoran firms. El Salvador is actively working to digitalize government services after an initial phase of simplification, making business and citizen services more accessible online. Additionally, projects are underway to train people in technology and encourage businesses to automate, making the country more competitive. El Salvador has formed alliances with 87 entities—including Meta, Microsoft, AWS, banks, and accelerators—to boost the entrepreneurial ecosystem, recognizing the role of FDI in expanding exports and driving economic growth. The third strategy is the development of our two ports: Port Acajutla, our gateway to the world; and Port La Unión. We are strengthening the infrastructure with an investment of USD1.6 billion, the biggest in the country's history, that will be developed via a government partnership with a private company, Yilport.

What projects is the Ministry of Economy working on in the next five years to achieve sustained, inclusive economic growth for El Salvador?

Primarily, we are constructing a new airport in the east of the country while also strengthening Ilopango International Airport with a USD320-million investment under different modalities of financing. Another project of note that aims to spur economic growth and attract investment is a USD150-million initiative to train more than 40,000 people for high growth in key sectors such as construction, tourism, technology, call centers, and services. Other key focus sectors include agriculture and aero maintenance. Furthermore, the ministry has three key projects planned to attract more investment, including the modernization of the customs offices, a USD60-million project underway with the Development Bank of Latin America and the Caribbean (CAF).

How is the Ministry of Economy working to support trade facilitation?

One vital step has been eliminating excessive paperwork and updating the country's regulatory framework. Several reforms have had a catalytic effect; for example, the Free Trade Zone Law was modified in order to incorporate the food and beverages sector, generating more investment in the country. Additionally, we have the International Services Law that offers incentives for as long as a company is established in the country. Other reforms have accelerated business creation; for instance, entrepreneurs can now establish companies within a week. Additionally, a new Income Tax Law exempts capital transfers to the country from taxation. These changes have been crucial in creating a favorable business environment. In 2023, 3,340 companies were established in total—an impressive figure; however, in the first nine months of 2024, there were already 3,900 new companies in the economy. In addition, the country has made great progress on intellectual property, placing us among the top countries in the World Intellectual Property Organization. El Salvador is actively working to modernize its regulatory framework, moving away from outdated laws. ✖

# SMOOTH *waters*

Adriana Mira  
DEPUTY MINISTER OF  
FOREIGN AFFAIRS



The Ministry of Foreign Affairs is prioritizing comprehensive economic diplomacy, strategic international partnerships, and diaspora engagement to position El Salvador as a global hub for investment and growth.

**What have been the ministry's main priorities in advancing cooperation agreements to boost the country's economic growth and infrastructure?**

The Ministry of Foreign Affairs, through the Vice Ministry of Foreign Affairs and its Directorate of Economic Relations, has developed a comprehensive economic diplomacy strategy, launched in December 2024. This strategy integrates both the private and public sectors, collaborating with institutions like the Ministry of Economy, the Secretariat of Commerce, and the Presidency of the Republic. Aligned with President Bukele's vision to open El Salvador to the world, it broadens the country's global partnerships. Historically limited in international relations, El Salvador is now engaging with new partners, such as Türkiye, Saudi Arabia, Norway, Portugal, the UAE, and Kuwait, through newly opened embassies. These missions focus on economic growth, with the opening of 23 economic counsels dedicated to attracting investment, promoting El Salvadoran products, and positioning the country as a tourism destination.

**How is the ministry positioning the country to maximize benefits from such partnerships?**

El Salvador's engagement with the Middle East has seen remarkable success. Historically limited to an embassy in Qatar, the country has expanded its diplomatic presence, particularly with Saudi Arabia. A key achievement includes securing over USD80 million in funding for a water purification project. Relations with Middle Eastern countries have grown rapidly, yielding tangible benefits. Economically, we have focused on increasing exports, particularly to new markets. El Salvadoran coffee, for example, has gained significant interest from Saudi Arabia, creating direct connections between producers and buyers. This marks a breakthrough and offers opportunities to diversify exports. El Salvador is increasingly viewed as a favorable investment destination. Despite challenges in banking and ease of doing business, the government is addressing these through collaboration with the private sector. Many companies setting up operations in El Salvador are also looking to use it as a distribution hub for the region, capitalizing on the

country's strong network of free trade agreements.

**What innovative programs is the ministry developing to strengthen its support for El Salvadorans living abroad?**

The El Salvadoran diaspora, particularly in the US, plays an incredibly important role in our economy. Remittances account for approximately 22-24% of El Salvador's GDP, which is significant. The government recognizes this reality, and we are working to develop programs that allow our diaspora, especially those in the US, to not only send remittances, but also invest in their homeland. This has led to the development of what we call "reverse migration" programs, which encourage El Salvadorans abroad to return and invest in local industries. We are working with various institutions, including financial entities, to address issues like banking access and the facilitation of remittances. We are also working closely with the legislative assembly to create laws that encourage investment from the diaspora. Additionally, we have launched programs like El Salvador Más Dinámico, which showcases government programs that can benefit El Salvadorans living abroad, such as tax incentives, pension funds, and other economic opportunities. In the last presidential election, El Salvadorans living abroad had one of the highest participation rates in history, and the government made sure to facilitate voting both in-person and virtually. This was a huge step forward for us in terms of involving our diaspora in the country's political future.

**What are the ministry's main objectives for 2025?**

Our long-term vision is to position El Salvador as a leading hub for innovation, economic development, and investment. We want to create an environment where both El Salvadorans and foreigners can thrive and contribute to the country's growth. Our efforts are not just about short-term success; we are laying the foundations for sustainable, long-term progress. This includes diversifying our economy, enhancing our infrastructure, and creating a more inclusive society. We are already seeing positive results, and I am confident that El Salvador's best days are ahead of us. ✖

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***New embassies  
in Türkiye, Saudi  
Arabia, and  
Kuwait***

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**23**  
***economic counsels  
established  
to promote  
investment and  
tourism***

#### BIO

Adriana Mira holds a postgraduate in security and national development from the College of Higher Strategic Studies as well as a master's in law and international business from the European University of the Atlantic and a bachelor's degree in international relations from the University of El Salvador. Before being appointed Vice Minister of Foreign Affairs in 2021, her roles at the Ministry of Foreign Affairs of El Salvador include director of economic promotion at the general directorate of economic relations (2020-2021) and minister counselor at the embassies of El Salvador in Colombia (2018-2020) and the UK (2016-2018).

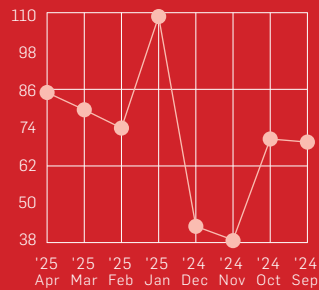
**FOCUS**

Fiscal policy and the IMF

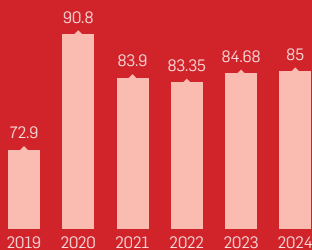
# REFORM *and growth*

*A long-awaited agreement between the IMF and El Salvador has been finalized after nearly four years of negotiations. The IMF approved a USD1.3 billion financing program in exchange for El Salvadoran fiscal reforms, including reducing the use of Bitcoin and addressing its public debt ratio.*

## BITCOIN PRICE (USD, K)



## DEBT TO GDP RATIO (%)



In one of the most bold—and controversial—moves in the digital finance world, El Salvador’s President Nayib Bukele announced a bill in 2021 to make Bitcoin legal tender in the country. A few months later, it was passed and adopted by the Legislative Assembly of El Salvador, making El Salvador the world’s first country to adopt a cryptocurrency as legal tender. By 2022, more El Salvadorans had Bitcoin Lightning wallets (known in the country as “Chivo Wallet”) than bank accounts, though many had only used the platform to collect a government-issued USD30 Bitcoin sign-up bonus. According to a survey by the Central American University, 100 days after passing of the Bitcoin Law, around 57% of respondents had downloaded the Chivo Wallet; but of those, 63% had not yet used it or used it only once. Problems ranged from limited internet penetration in the country and a lack of digital literacy, to issues related to money laundering, human trafficking, and tax evasion. And then worldwide, from late 2022 well into 2025, the worldwide crypto economies started to flail, with popped bubbles, currency devaluations, and one scandal after another rocking the markets and shaking investor confidence. In July 2021, Moody’s Investors Service downgraded the credit rating of El Salvador to Caa1, citing Bukele’s fiscal policies and the adoption of Bitcoin as a factor. Several times, the IMF urged El Salvador to cease using cryptocurrency as legal tender, eventually advising that to continue using Bitcoin would render it almost impossible for the IMF to grant El Salvador a previously-discussed loan of USD1.3 billion. In the face of such market turbulence, social and environmental concerns, and growing international pressure, El Salvador agreed to limited its involvement with the currency—including selling or closing the Chivo Wallet—as part of a deal with the IMF in December 2024.

After nearly four years of negotiations, El Salvador and the IMF’s agreement was formally accepted in February 2025. The IMF (under the Extended Fund Facility) granted El Salvador’s USD1.3 billion loan—to be disbursed over a period of 40 months—in exchange for El Salvador’s cessation of official Bitcoin usage and commitment to fiscal prudence.

But beyond simply restricting the government’s participation in cryptocurrency, the IMF is also putting the pressure on El Salvador to reform its fiscal policies in 2025, including the reduction of its debt-to-GDP ratio. The structured agreement aims to improve the primary balance to around 3.5% of GDP over three years, setting the public debt-to-GDP ratio on a firm downward path after reaching a peak of 85% in 2024—the highest in Central America. Of the USD1.3 billion going to support the government’s reform agenda, strong fiscal measures, worth 1.5% of GDP in 2025, are already included in the approved budget, such as reducing public sector payroll, spending on goods and services, and transfers to municipalities. The IMF is also expecting greater efficiency in the public service, a more sustainable pension system, and a reduction in borrowing costs. The improvement in public finances strives to be carried out in a way that strengthens support for the most vulnerable and protects priority public investment. ✖

# ATTRACTIVE *destination*

Invest in El Salvador serves as a one-stop shop for investors so that the country can successfully position itself as a competitive hub for exports, connectivity, and business growth.

Rodrigo Ayala  
PRESIDENT,  
INVEST IN EL SALVADOR



**How has El Salvador's improved security impacted foreign investment, and which sectors are seeing the most organic growth as a result?**

In the past, crime heavily affected everyday life in El Salvador. When the president took office and implemented an emergency regime in 2022 in collaboration with the Legislative Assembly, it was a pivotal moment for the country. Today, the country is nearly crime-free, with violence reduced by 93%. Regions like La Unión y Morazán, which were marred by violence, are now revealing their natural beauty, attracting both tourists and investors. The eastern zone will soon host the Pacific Airport, offering direct flights to Europe. This development will undoubtedly lead to an even greater increase in tourism, building on the current growth. Tourism is booming, with 3.4 million visitors in 2023, a 33% increase from 2022; however, hotel capacity is limited, presenting opportunities for hotel chains and related businesses. Beyond tourism, other sectors like aeronautics, technology, and manufacturing are also experiencing significant growth. The government supports these efforts, especially through incentives in the Innovation and Technological Manufacturing Law, which offers up to 15 years of tax exemptions for tech companies of all sizes. What the government does is support these initiatives that are already being driven by the private sector without needing to overhaul existing government structures or ecosystems. The government is now focused on enhancing and addressing the necessary changes to ensure a stronger, more effective impact. The Legislative Assembly recently passed the Innovation and Technological Manufacturing Law, offering up to 15 years of tax exemptions to attract both national and foreign investment in industries like technology and manufac-

turing. Key areas of focus include technology, tourism, and manufacturing, with the latter playing a critical role in job creation.

**How do international partnerships and major infrastructure projects enhance El Salvador's investment appeal, and which markets are being prioritized?**

Our primary ally is the US due to our dollarized economy, shared monetary language, and free trade agreements with both the US and Central American region. These agreements not only promote investment, but also support exports, helping local producers grow by sending their products to established markets. While the US, Mexico, and Central America are our focus, we are also exploring opportunities in emerging markets such as Asia, particularly in the beverage and food production sectors. For example, Salvadoran liquors such as Ron Cihuatán have gained traction in Asia. Regarding infrastructure, major investments are making a significant impact. The partnership with Yilport, a Turkish company, represents a USD1.645-billion investment to improve the port of Acajutla and revitalize the port of La Unión, boosting our capacity for exports. Additionally, the Pacific International Airport will further enhance connectivity, particularly to the eastern region of the country. Our goal is to ensure that when the airport opens, hotels and commercial venues are ready, creating a new hub for economic growth. These combined efforts in both partnerships and infrastructure are transforming El Salvador into a more attractive destination for global investment.

**What services does Invest in El Salvador provide to both local and international companies?**  
Invest in El Salvador serves as the one-

stop shop for investors. Our approach is simple: we accompany investors with all the paperwork, permits, and governmental studies, including environmental assessments, so that entrepreneurs can focus on growing their businesses. Importantly, we maintain a close relationship with investors even after their operations are established, providing ongoing after-care to help them with expansions or any challenges they may encounter. We also emphasize the country's low employee turnover, which is just 5%, significantly lower than in Mexico or Costa Rica. This loyal and committed workforce is a key asset for investors, and this is something we are working to highlight globally. Moving forward, our goal is to further streamline processes and create an even more attractive ecosystem for investments and expansions in El Salvador. ✖

#### BIO

Rodrigo Javier Ayala Claros holds a bachelor's degree from Texas Christian University (2014) and an MBA from EUDE Business School in Madrid (2019). Currently, he leads as president of El Salvador's Investment and Export Promotion Agency (INVEST) and serves as second vice president of the Legislative Assembly, chairing commissions on economy, technology, tourism, and investment. Previously, he advised the Minister of Governance and Development (2019-2020) and worked with the UNDP in San Salvador as a junior consultant. His early experience includes internships in economic and political analysis with Senator Wendy Davis and Fort Worth City Hall.

## INTERVIEW



Leticia Escobar  
PRESIDENT,  
CHAMBER OF COMMERCE AND  
INDUSTRY OF EL SALVADOR  
(CAMARASAL)

## HELPING *hand*

Camarasal promotes business development by supporting SMEs through sector-specific programs, training, and international partnerships while actively fostering growth in dynamic sectors.

### BIO

*Leticia Escobar founded Alpha, Equipos y Servicios, S.A. de C.V. at the age of 21. She joined Camarasal in 2015 and has actively participated in the Women Businesswomen Committee since 2017, contributing to the Escala program, which focuses on supporting female entrepreneurs. In 2019, she became the committee's president. In 2020, Escobar joined the Camarasal board of directors as a director, and in 2023, she assumed the position of second vice president of the association. She was elected president of the Chamber of Commerce and Industry of El Salvador in 2024, making her the second woman to hold the position since the institution was founded.*

**How does Camarasal promote business development in El Salvador, and what have been the main results of initiatives such as Innova Export?**

Camarasal is an association with 109 years of history, which has allowed us to accumulate experience and thoroughly understand the needs of the country's business sector. Currently, we are the largest association, with more than 220 members who find in Camarasal a strategic ally for the growth of their companies. As a Camarasal volunteer for more than eight years, and now as the second woman to assume the presidency of the association, I feel deeply proud and committed. I have witnessed the vital support we provide to companies to help them consolidate, grow sustainably, and generate a positive impact on their employees, entrepreneurs, and consequently, on the development of the country. As representatives of the business sector before government institutions, we understand the needs of entrepreneurs and advocate for their interests. Our members come from all over the country and represent diverse sectors, positioning us as a multi-sector chamber. Our key initiatives are designed to benefit our members. InnovaExport is a prominent example, a program focused on incorporating innovation into the DNA of companies. This project is supported by USAID and the European Union's INVEST program. To date, more than 40 companies have participated, achieving sales growth of over USD2.7 million in its most recent cohort. In addition to InnovaExport, we develop initiatives such as My Green Business, Escala for female entrepreneurship, and formalization programs. We also organize training activities, such as the ColectorCONNECT TOUR, led by our Tourism Committee. The tourism sector, in particular, has seen a significant boost thanks to improvements in public safety. According to the Ministry of Tourism, El Salvador will receive 3.9 million international visitors in 2024, a 17% increase compared to the previous year. Therefore, it is essential to provide our entrepreneurs with the tools and training necessary to meet this growing demand.

**How do Camarasal's programs support the de-**

**velopment of SMEs, and which sectors are currently the most dynamic?**

At Camarasal, we have nine sector committees covering industry, trade, services, logistics and transportation, exporters, finance, tourism, technology, and entrepreneurship. These committees identify the needs of their respective sectors and provide valuable feedback that helps us develop customized programs and training to address specific challenges. Some 85% of our members are micro, small, and medium-sized enterprises, while the rest are large companies. Our ability to adapt to diverse business needs is one of our greatest strengths. We have a business training center that offers training for both entrepreneurs and established business owners. In addition, we connect local companies with international opportunities and provide support to foreign entrepreneurs who wish to invest or establish operations in the country, guiding them throughout the process to ensure the success of their investments. Among the most dynamic sectors currently, tourism stands out, continuing to grow significantly. The construction sector also performed well last year and is expected to continue growing with new investments in infrastructure. Professional services, meanwhile, have gained importance due to the acceleration of digitalization and outsourcing of services, driven by the pandemic. The entrepreneurial spirit of Salvadorans is remarkable, and we are seeing new ventures emerge. However, there is a critical need to channel this enthusiasm effectively, and this is where Camarasal plays a key role by supporting and guiding companies to formalize their businesses. To foster sustainable economic growth in all sectors, it is crucial to promote domestic and foreign investment. We are seeing significant progress in sectors such as tourism, manufacturing, and technology, areas that previously lacked momentum but are now receiving substantial investment. We invite potential investors to visit our country, where they will receive a warm welcome. Camarasal is here to support you throughout the entire establishment process, providing guidance and assistance to ensure the success of your projects. ✖

# ENGINE *of development*

Founded in 2016 with the aim of strengthening trade relations between El Salvador and the UK, Britcham continues to advocate for greater trade promotion, more foreign investment, and stronger alliances.

Oscar Samour  
PRESIDENT,  
BRITCHAM EL SALVADOR



**How has trade between El Salvador and the UK evolved since Britcham's creation?**

Since its founding in 2016, Britcham has actively worked to strengthen trade ties between El Salvador and the UK. During this time, we have seen growth in Salvadoran exports to the British market, especially in sectors such as coffee, textiles, and industrial products. British companies have also shown increased interest in exploring investment opportunities in El Salvador, particularly in areas such as technology, infrastructure, and financial services. One of our most important achievements has been working hand in hand with the British Embassy in El Salvador to consolidate strategic relationships that facilitate access to information, contacts, and business opportunities for our member companies. We have also participated in trade missions for British investors in El Salvador and held events that have served as a platform for investors and entrepreneurs to establish alliances.

**Since the UK's withdrawal from the EU, how have Britcham's strategies adapted to continue promoting investment and trade relations?**

Following the UK's withdrawal from the EU, we have worked to disseminate the terms of the Association Agreement between Central America and the UK, ensuring that our companies understand and take advantage of its benefits, and maintaining and strengthening trade relations between our countries. Among the main challenges is adapting to new customs and regulatory procedures, which has required training and advisory efforts for our members; however, opportunities have also arisen, such as strengthening direct links with the British market without EU intermediation, allowing for greater flexibility in trade negotiations.

**Britcham has committees focused on key areas such as innovation, technology, sustainability, and environmental, social, and governance (ESG). What have been the most notable projects led by these committees, and how do they benefit member companies?**

Our committees have promoted key initiatives for the modernization and sustainability of the business sector in El Salvador. For example, the innovation committee has led training programs in digital transformation and new technologies, enabling local companies to adopt tools that increase their competitiveness. In terms of ESG, we have developed projects aimed at implementing responsible business practices, providing advice and networking opportunities with experts in the circular economy, energy efficiency, and, most importantly, access to water. These efforts not only strengthen companies' environmental and social commitment but also allow them to access markets that value high standards in these areas.

**What role does Britcham play in representing its members before the government and advocating for favorable regulatory frameworks?**

Britcham actively participates in the analysis and discussion of legal reforms that impact the business environment. Our contributions on issues such as the modernization of the free trade zone regime and the update of the Consumer Protection Law reflect our commitment to improving the country's investment climate. Through collaboration with our members, we seek to ensure that regulatory frameworks favor business development, encourage foreign investment, and facilitate the operation of British and Salvadoran companies in both markets.

**Britcham's institutional agenda for 2021-2024 included key objectives for the expansion of**

**its activities and membership. How does the chamber plan to continue contributing to El Salvador's economic development?**

For the coming years, Britcham's priority is expanding its membership, integrating more companies from diverse sectors that benefit from our networking, training, and trade promotion platform. We also seek to strengthen our events program, facilitating access to new investment and export opportunities. Another key objective is to consolidate strategic alliances with government and private institutions in both El Salvador and the UK, to continue promoting economic growth and the internationalization of companies. We are convinced that, through these actions, Britcham will continue to be an engine of development and a solid bridge for trade relations between the two countries. ✖

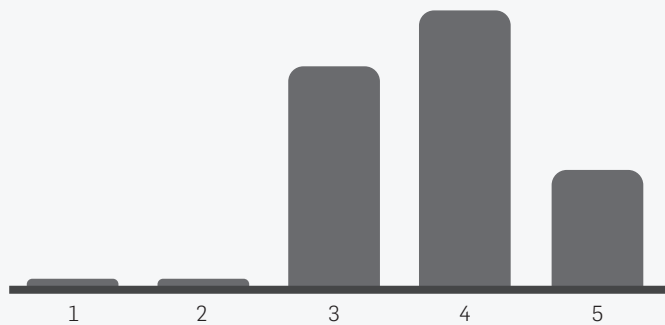
## BIO

Oscar Samour is a lawyer, partner at Consortium Legal, and the president of Britcham in El Salvador. He has nearly 20 years of experience in banking and finance, M&As, and dispute resolution. His international experience and focus on multi-jurisdictional transactions make him a leading figure in the sector. He is a Fulbright scholar and holds an LL.M. from Pepperdine University in California. He worked as an international associate at a global law firm in Washington, DC. Oscar has led landmark transactions in El Salvador and the Central American region, particularly in the financial sector. Since assuming the presidency of Britcham in 2023, Oscar has focused his efforts on growing the Chamber's membership and strengthening relations and business exchanges between entrepreneurs from the UK and El Salvador.

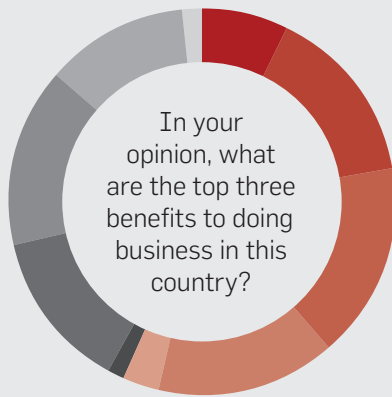
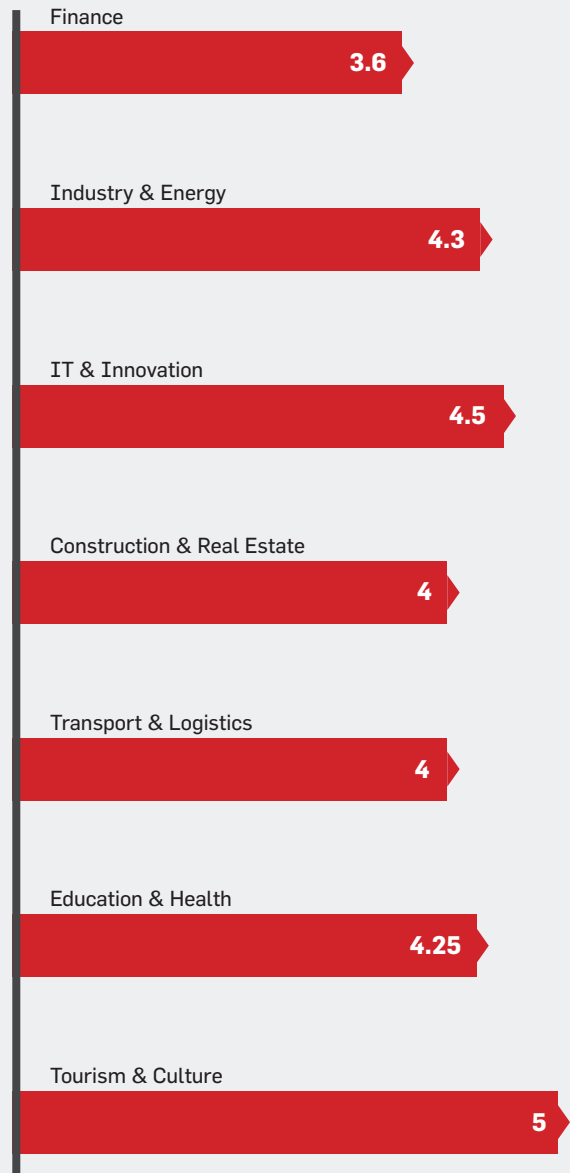
# The Business Year Analytics: BUSINESS CONFIDENCE SURVEY

The Business Year interviews dozens of business leaders across every major sector of the economy every year. Using a unique survey methodology, we gauge opinions on a range of issues. These are our *2025 El Salvador* results.

On a scale of 1 (low) to 5 (high), how positive are you about the current macro-economic environment?



On a scale of 1 (low) to 5 (high), how would you rate the current business climate in your sector?



- Tax incentives
- Dollarization
- US trade agreement
- Proximity to US & other large markets
- Strong human resources/cost of labor
- Solid infrastructure
- Robust financial sector
- Pro business investment environment
- Security, political and economic stability
- Strong economic growth
- Bitcoin adoption



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