

BUSINESS CLIMATE



EXPORT AND
INVESTMENT
PROMOTION
AGENCY OF
EL SALVADOR



6.6 million
people

53%



47%



3.0 million people build up our work force



USD 27.02 billion is our gross domestic product



USD 4,030 average annual income per capita

GDP by sector 2019 (%):



Agriculture 5.6



Industry 17.7



Services 76.7

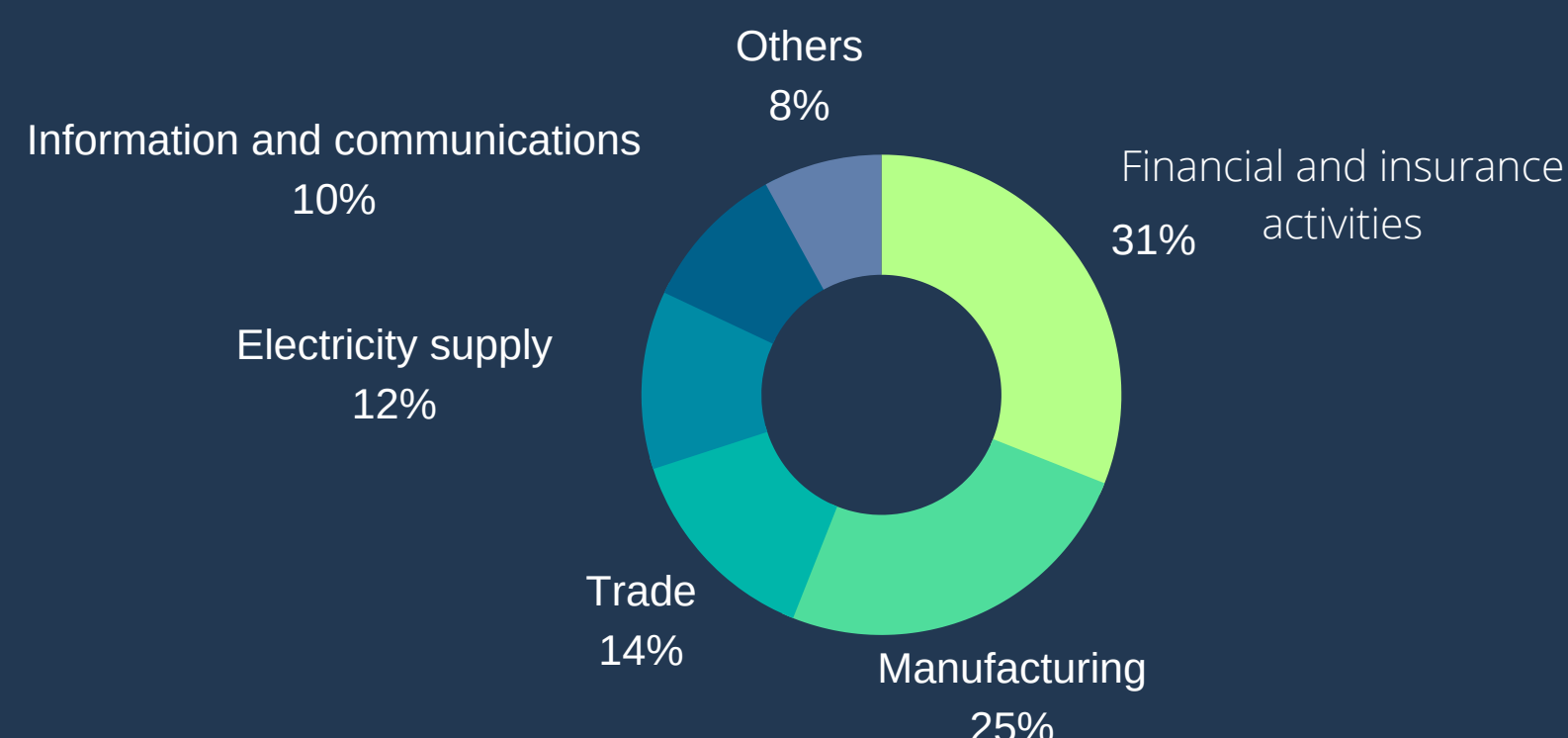
Source: Central Reserve Bank of El Salvador (BCR)

El Salvador, located in the heart of the Americas between North and South America, is an export-oriented free-market economy. The country extends from a coastal plain to a volcanic upland in the interior.

El Salvador has evolved over the last two decades. Today, it offers its business partners:

- Economic stability
- Openness to global trade and investment
- Attractive business climate

FDI stock by sector 2019 USD 10.1 billion



1. Economic stability

One of the most important policies implemented to open the country's economy to world trade and investment is the adoption of the U.S. dollar as legal tender in 2001.

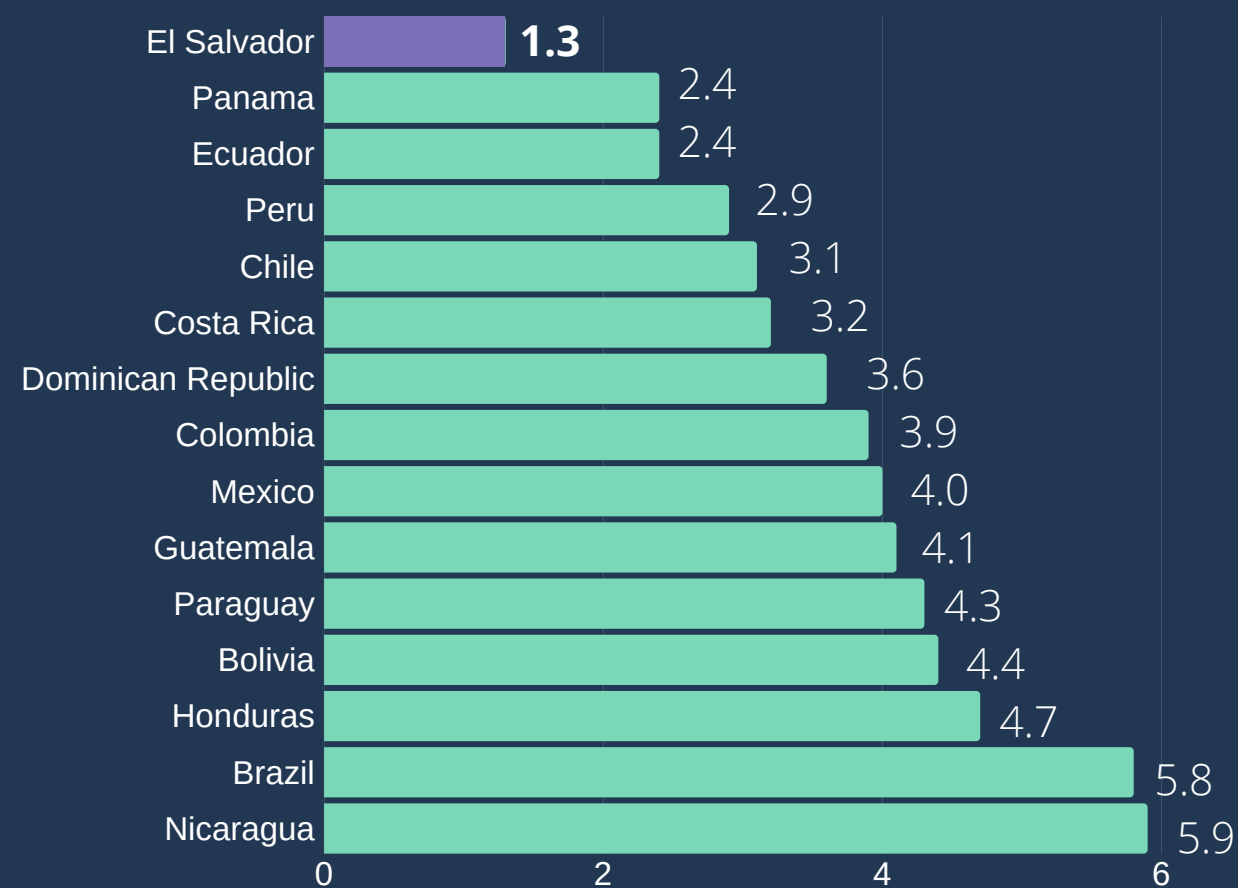
As a result, El Salvador has achieved single-digit inflation rates for over a decade, remaining below the average of the rest of the Latin American countries. Likewise, the elimination of foreign exchange risk has lowered real interest rates and provided greater certainty for investors. Companies that have invested in El Salvador benefit from lower financial and transaction costs.

BUSINESS CLIMATE



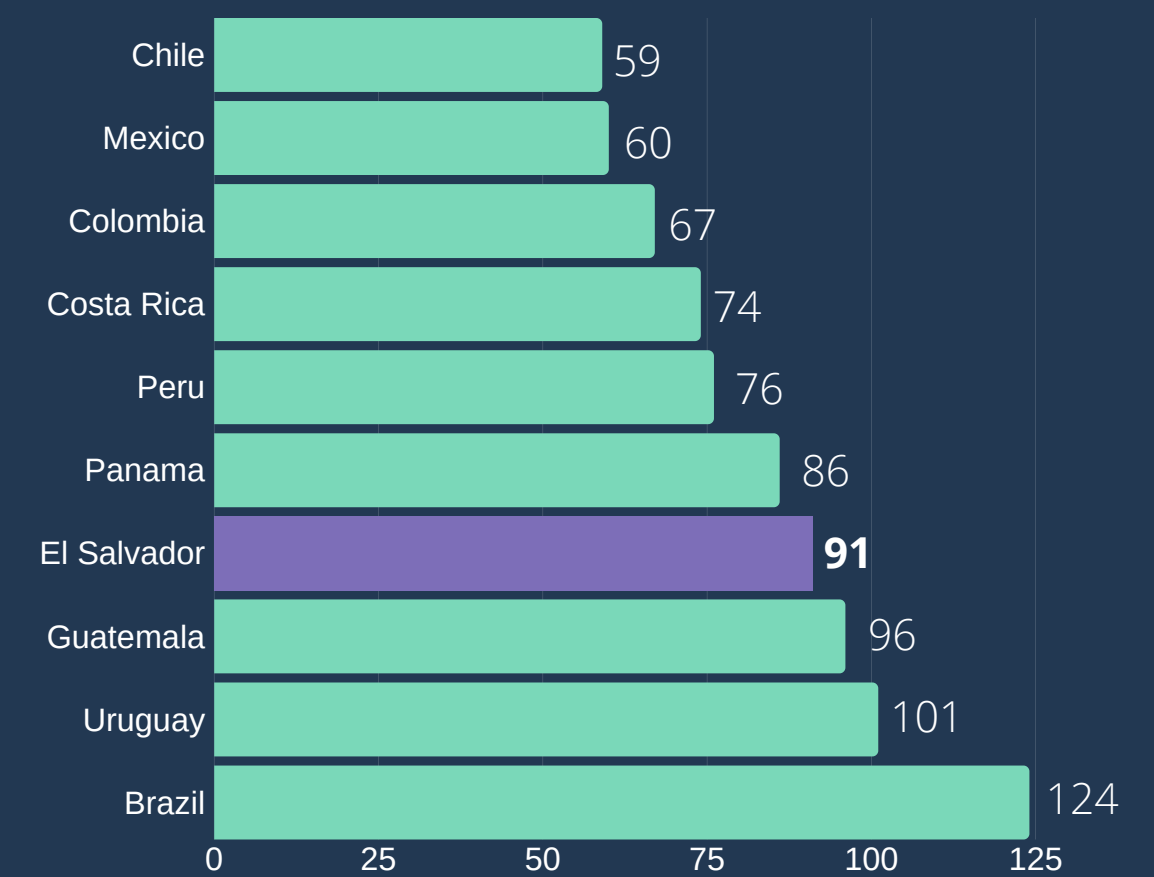
EXPORT AND INVESTMENT PROMOTION AGENCY OF EL SALVADOR

Average inflation rate (%)
2014-2019



Source: IMF

Ease of Doing Business 2020
Top 10 Latin American Countries

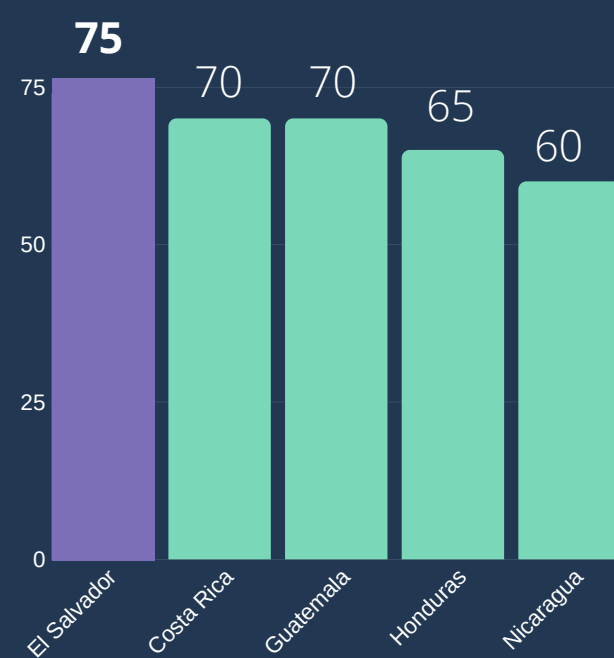


Source: World Bank Group. Ranking based on 190 countries

2. Openness to global trade and investment

According to the Index of Economic Freedom published by the Heritage Foundation in 2019, El Salvador ranks first in the Investment Freedom index of Central America. This shows the country's ability to maintain free market policies that promote investment.

Investment freedom in Central America (Score)



Source: The Heritage Foundation, factor measured by the Economic Freedom Index (2019). Score from 0 to 100. A higher score means that there are less regulatory restrictions to investment.

3. Attractive Investment Climate

El Salvador offers an attractive investment climate and constantly works in contributing actions to facilitate business. According to the ease of doing business rank 2020 of the World Bank, El Salvador is the seventh economy in Latin America that offers an appropriate climate for investment.



Ease of Doing Business ranking in Latin America

Likewise, the country stands out for enjoying wide international support of different strategic allies with which maintains cooperation agreements or support mechanisms in infrastructure, human capital, regulation improvement, business climate, among others. All these have allowed the successful execution of important projects meant to improve the country's conditions to attract investment.

This is why many important multinational companies have chosen El Salvador as an investment destination. Some of these are:

- | | | |
|-------------------|---------------|-----------------|
| Hanesbrands | Calvo | Bayer |
| Fruit of the Loom | SAB Miller | Teleperformance |
| Pettenati | Avianca | LACOSTE |
| George C. Moore | Aeroman | PUMA |
| Concentrix | OPP Film | UNIFI |
| Sykes | Yazaki | Unilever |
| Livsmart | Decameron | OSI |
| Ubiquity | Dümmen Orange | Kimberly Clark |
| Telus | Holcim | 3M |
| Youngone | AVX Kyocera | AES |