

Based on information collected up to July 2002

1. TARIFF MEASURES

Structure of the tariff schedule

El Salvador adopted in 1993, the Central American Tariff System (SAC), an eight-digit tariff, based on the Harmonized Commodity Description that replaced the Nomenclatura Arancelaria Uniforme Centroamericano II (NAUCA II). The SAC is divided into three parts:

- Part I includes duties that were harmonized among all CACM countries;
 - Part II consists of headings in the course of being harmonized;
- and the third part incorporates a small number of headings, which are free to be altered by each member country.

Tariff publications

Under the Secretaria Permanente del Tratado General de Integracion Economica Centroamericana (SIECA), the Sistema Arancelario Centroamericano (SAC) has been published on 1 of April 1993.

11 Statutory Custom Duties

Ad Valorem duty is levied on the CIF value of imported goods.

12 MFN Duties

Under the provisions of the Central American Tariff System, the following duties apply to imported goods: 0% on raw materials, intermediate goods and capital goods not produced domestically; domestically produced raw materials are subject to a 5% levy; domestically produced intermediate goods and capital goods to 10%; and finished goods to 15%.

13 Bound rates

Bound rates apply to poultry, manufacturing such as food, beverages, and tobacco; wood and wood products, and non-metallic minerals. The fishing sector also shows a high potential protection with bound rates.

14 Tariff Quota Duties

Tariff quotas exist only for those agricultural products that have been through the process of tariffication as a result of the Uruguay Round. Tariff quotas have been set on Cheddar cheese, in blocks or in bars at the rate of 20% in stead of 40% the normal rate. The opening of this tariff quota regulated by Executive Resolution No. 63 dated 4 February 2000, published in the Official Journal No. 51, Volume No. 346, of 13 March 2000, makes available for this year 647 tonnes of the tariff heading 0406.90.20 in a total of 35 lots of 18.18 tonnes and one lot of 10.46 tonnes, on a quarterly basis. For this year, global tariff quota has been allocated for the period 1 January to 31 December 2002 to cheddar cheese in blocks or in bars, under tariff

16 Temporary reduced duties

With Provisions of the Central American Agreement on the Tariff and Customs Régime (Convenio sobre el Regimen Arancelario y Aduanero Centroamericano), El Salvador grants duty exonerations on imports of raw materials and capital goods to approved industrial firms. Tariff concessions are allowed as well upon the entry of personal effects on nationals returning permanently to the country, and goods covered by economic co-operation agreements. Tariff concessions are also granted to industries producing under the free-zone and tax-free areas regimes. Are exempt from import tariffs, HIV/AIDS medicines, anti-retrovirals, anti-tuberculosis agents, and other medicines used to treat AIDS-related diseases, codified in the Salvadoran customs schedule under item 3002.90.00.

Preferential duties under trade agreements

19.1 Interregional agreements

El Salvador became member on 8 May 1961 of the General Treaty on Central American Integration (Tratado General de Integración Económica Centroamericana) that established the Central American Common Market (CACM) in 1993.

The other participating members are Costa Rica, Guatemala, Honduras and Nicaragua. The CACM was created mainly to bring a free-trade area into full operation as well as to create a customs union in respect of the five territories.

From the ratification of the General treaty, a free trade for all products originating in the Member States, was established, with a few exceptions listed in Annex A of the General Treaty.

Of the products in Annex A; only roasted coffee, alcoholic beverages and petroleum products are subject to customs duties, while the rest is subject to import controls, through Resolution No. 24-96 (COMRIEDRE IV) of 22 May 1996, as amended by Resolution 18-98 (COMIECO-VI) of 24 February 1998.

As a party to the CACM treaty, El Salvador grants duty-free treatment to most goods from other member countries.

19.2 Regional and sub-regional agreements

El Salvador and the other Central American governments and Mexico have a Multilateral Framework Agreement (Acuerdo Marco Multilateral) promoting trade liberalization among the signatories. The 1992 agreement is seen as the basis for future free trade agreement between the Central American Members and Mexico.

The multilateral framework agreement resulted into a free trade agreement signed by El Salvador, Guatemala, Honduras with Mexico, and it came into force in 15 March 2001.

On 12 February 1993, El Salvador together with the other CACM countries signed in Caracas, Venezuela, with the presidents of the "Group of Three" member countries i.e. Colombia, Mexico and Venezuela, a framework agreement applicable as of 30 June 1993, for the establishment of a free zone in the sub-region.

The Agreement provides for the elimination of import duties on most products originating from member countries; import duties on remaining products will be eliminated within one to three years with respect to Central American products and within five to ten years for Colombian and Venezuelan products. Tariff reduction between Mexico and Central American countries will be agreed on a bilateral basis.

Within the same spirit, El Salvador together with Belize, Costa Rica, Guatemala, Honduras, Nicaragua and Panama, with Mexico, launched in 2001 the PUEBLA-PANAMA PLAN, which objectives among others is to facilitate trade by promoting the elimination of non-tariff barriers and other obstacles to intra-regional commerce.

A free-trade agreement signed on 16 April 1998 by El Salvador, Costa Rica, Guatemala, Honduras, and Nicaragua with the Dominican Republic, came into force on 15 October 2001.

In December 1994, El Salvador participated in the Summit of the Americas at which, Heads of State from all countries in the western hemisphere (except Cuba) agreed on a programme for Free Trade Area for the Americas (FTAA) by the year 2005.

After a meeting of deputy foreign ministers of Central America and Chile on 17 of August 1998 in Santiago during the 2nd summit of the Americas, the presidents of El Salvador, Costa Rica, Guatemala, Honduras, Nicaragua and Chile, signed on 18 October 1999, in Guatemala city, the definitive text of the free trade agreement between Central America and Chile.

El Salvador and other 23 countries from Central America and the Caribbean area, benefit from the CBI, the Caribbean Basin Initiative in force since 1984, an US programme which grants total exemption from import tariffs until 2008 for a wide range of goods originating in the CBI area, with the exception of the following goods: clothing and textiles (for which exists a special programme guaranteeing access to the american market for clothes made in the CBI); canned tuna, petroleum and petroleum products, footwear excepted disposable articles and shoe parts, some leather rubber and plastic gloves, certain leather garments, clocks and clock parts.

Relations between CBI countries and the United States of America have been strengthened with the signature by president Clinton on 2 October 2000, of the Caribbean Basin Trade Partnership Act (CBTPA) which grants the countries of the Caribbean Basin, beneficial tariff rates and quotas in the USA, to textiles and apparel products assembled from U.S. fabrics excluded from the programme.



19.3 Bilateral agreements

On 6 of September 1996, the presidents of El Salvador and Guatemala signed in Guatemala-City, an agreement to establish according to the harmonization plan, a custom union between the 2 countries.

The parties expect not only an upswing in bilateral trade areas, but also a greater attraction for entrepreneurs to both countries.

The customs union could also give a push towards a larger integration by creating the Northern Triangle (Triangulo del Norte), i.e. El Salvador, Honduras and Guatemala.

El Salvador and Panama maintain a free trade and preferential exchange agreement administered by a permanent commission composed of representatives of both countries.

Partial-scope Agreement between El Salvador and Colombia signed on 24 May 1984.

There exists a cooperation agreement between El Salvador and the European Union.



2. PARA-TARIFF MEASURES

Additional charges

22.4 Consular invoice fee

Consular fees are currently charged directly by customs for the authentication of the commercial invoice and the bill of lading. The fee for the commercial invoice (derecho consular) is a fixed fee of US\$2; and the fee to authenticate the bill of lading (factura consular) varies according to the value of the import: US\$1 is charged for every US\$500 of value up to a maximum of US\$30.



22.9 Additional charges n.e.s.

Empty sacks and bags of synthetic fibres imported or domestically produced are subject to an 80% tax calculated on the price of sacks and bags made of natural fibres. Are exempt from this tax: synthetic bags or sacks to store domestically produced sugar, and bags and sacks used as packaging material of imported goods.



Internal taxes and charges levied on imports

23.1 General sales taxes

Most imports are subject to a 13% value-added tax by Decree No. 495 of 31 March 1993. Are exempted from this tax, essential foodstuffs such as corn, rice, beans, and fluid milk; books and medicines. Decree No. 296 exempts institutions or natural persons that have diplomatic status from the payment of the value-added tax.



23.2 Excise taxes

10% ad valorem tax, based on the price suggested by the importer, is levied on imported carbonated or sweetened non alcoholic beverages. This tax is paid by the importer at the time of importation. This fee appears on the import certificate (Poliza de importacion), and is regulated by Decree No. 641 of 22 February 1996, in Ley del Impuesto sobre las Bebidas Gaseosas Simples o Endulzadas.

Through various regulations, excise duties are levied on goods as follows: 100% on cigarillos through Decree No. 3122 of 29 of August 1960 (Impuesto al consumo del tabaco y sus derivados).

10% on mineral waters ruled by Decree No. 73 (Impuesto al consumo sobre bebidas gaseosas) of 7 of November 1978, the same decree governs the levy of 45% on beer as the Impuesto al consumo sobre cervezas. Liquors are subject to 30%, and in addition, a specific rate is charged on the alcoholic content of the beverages, through Decree No. 1312 of 17 of December 1953.



3. PRICE CONTROL MEASURES

31.1 Minimum import prices

Minimum prices are applicable to some goods for the following periods: from 7 of March 2002 to 7 of March 2003: articles of apparel under tariff lines 6101.10.00 to 6117.90, 6201.11.00 to 6217.90.00; and from 7 of March 2002 to March 2005: worn clothing and other worn articles, used televisions, footwear, used or retreaded pneumatic tyres, sacks and bags, of a kind used for the packing of goods, of jute or other textile bast fibres of heading 53.03; and used vehicles and used parts and accessories thereof of Ex Chapter 87, except ex 8703.10; ex 8709 and ex 8710.



5. AUTOMATIC LICENSING MEASURES

57 Surrender requirement

Surrender requirements on export earned foreign exchange.



6. QUANTITY CONTROL MEASURES

Non-automatic licensing

61.10 Licence with no specific ex-ante criteria

Import licenses are issued by the Ministry of the Economy, and are required for only a few items, including gasoline, kerosene, fuel oil, asphalt, propane and butane gas, cloth and jute sacks, sugar, and molasses. In addition, the import of certain food and animal products, vegetables, basic grains, and dairy products, must be authorized by the Ministry of Agriculture and Livestock.



61.6 Licence combined with or replaced by special import authorization

A requirement of import control under reciprocal basis within the CACM members, is granted for the following products:

Sugar under tariff lines 17.01, 1701.11.00, 1701.99.00, and flour 1101.00.00
Restrictions over the import of used tyres are being required by environmental organization and the Salvadoran Chamber of Commerce and Industry.



61.71 To protect human health

Any import of salt requires a licence issue by the Ministry of Public Health.

61.71 To protect human health

61.72 To protect animal health and life

A license from the Ministry of Agriculture is required for imports of vegetables and animals, certifying that the goods meet local health and sanitary regulations.

61.73 To protect plant health

Decision No. 100 of 20 October 1999, published in Official Gazette No. 197, volume 324, of 22 October 1999, regulates the importation of fresh fruit, ornamental, fruit-bearing and forest plants against the harm caused by the Mealy bug "Maconellicoccus hirsutus" (green).

61.76 To control drug abuse

Cocaine, opiates, barbiturates, tranquilizers, sedatives, anti-depressants, and certain antibiotics may be imported for medical use only under a doctor's prescription and with the authorization of the Ministry of Public Health and Social Welfare.

61.78 To ensure national security

Imports of firearms, weapons, ammunition and components, equipment to recharge ammunition, military vehicles, airplanes, boats, submarine and other military equipment, require an authorization from the police and the Ministry of Defense.

Quotas

62 Quotas

Imports of saccharine and similar products are accepted only in limited quantities or for medical use, with the permission of the Superior Council of Public Health (Consejo Superior de Salud Publica). The import permit has to be validated by the Salvadorean Commission for the Development of the Sugar Sector.

Prohibitions

63.1 Total prohibition

Import prohibitions are set on the following products: subversive materials including books, booklets, emblems, posters; items of an obscene nature, movies contrary to ethics and good behaviour, abortives, gambling machines or other items used for gambling, opium with less than 9 percent of morphine, scrapes, and opium ashes, and items used for smoking these products; non-stamped paper for cigarettes, machines and tools for making coins, counterfeit coins and bills, plain silver of less than 0.900% purity; tokens of any metal or alloys that may be used as substitutes for legal coins; coffee trees, and coffee seeds for planting.

63.40 Temporary prohibition

Temporary ban on the importation of rice seeds for sowing, in order to ensure plant protection from pest damages, by the Directorate-General of Plant and Animal Health (DGSVA), Ministry of Agriculture and Livestock.

63.71 To protect human health

An import ban is set on animals, meat, milk and milk products from Belgium.

63.72 To protect animal health and life

Prohibitions measures affect the following imports: poultry and poultry parts, products and by products from countries not recognized by the competent international organizations as free of the following diseases: Newcastle disease, velogenic, viscerotropic form; avian influenza, egg drop syndrome pullorum/typhoid disease, avian infectious laryngotracheitis. These prohibitions measures are ruled by Government Decision No.140 of 15 May 1997 concerning Agriculture and Livestock.

63.77 To ensure human safety

Used public transportation vehicles that exceed 15 years are prohibited imports.

66 Export restraint arrangements

Additional bilateral agreements with the United States have been signed in 1995 and 1996, on imports of cotton and man-made fibre underwear (categories 352/652), cotton and man-made fibre sleepwear (categories 351/651), and cotton and non-made fibre skirts (categories 342/642). These products to be exported on quota basis to the USA, are distributed by the Ministry of the Economy of El Salvador.

8. TECHNICAL MEASURES

81 Technical measures

The National Council for Science and Technology (Ley de Consejo Nacional de Ciencia y Tecnologia, CONACYT) is responsible for developing standards and norms in the Country. From Decree No.287, whereon official technical norms exist, El Salvador will apply International norms. In that context, El Salvador uses the norms established by the Central American Institute of Research and Technology (Instituto Centroamericano de Investigacion y Tecnologia, ICITI), the Codex Alimentarius established by FAO/WHO.

El Salvador is a member of the International Regional Organization of plant protection and Animal Health (Organismo Internacional Regional de Sanidad Agropecuaria-OIRSA), a regional zoo/phyto sanitary organization based in San Salvador. OISRA works to prevent the introduction of animal and plant pathogens and diseases to the region.

81.1 Product characteristics requirements

Specific standards requirements are set on the following goods: all sugar for domestic consumption must be fortified with vitamin A (15microgrammes, 50IU/G, through legislative Decree No.287. Salt for human and animal consumption must be iodized, therefore imports of salt must contain 30 to 100 milligrams of iodine per kg, by Decree No.449, Ley de Yodacion de Sal, of 27 January 1993. Imported and domestically produced wheat flour under

tariff line 1101.00.00 has to be enriched with vitamin B, iron, and folic acid.

81.11 To protect human health

Registration, sanitary and phytosanitary requirements are obligatory for the import, sale or consumption of all pharmaceutical specialities, whether for human or veterinary use; they must be registered with the Ministerio de Salud Publica (Ministry of Public Health and Social Welfare), the registration must be renewed every six months. Importers of cosmetics must obtain an import registration number for all cosmetics imported; their shipments must be visaed by the Juntade Vililancia de la Profesion Farmaceutica. Foods and beverages including alcoholic beverages must be registered with the Ministry for Agriculture and Livestock.

Mandatory standard NSO 67.18.01.01 establishes the characteristics of and specifications for packaged non-carbonated soft drinks, preserved by means of appropriate treatment, ready for consumption at the time of shipment to El Salvador. Mandatory standard NSO 67.16.01.01 establishes definition requirements for alcoholic beverages, distilled alcoholic beverages, spirits (Aguardiente). Mandatory standard NSO 67.16.02.01 sets forth the requirements that must be met to ensure that vodka is fit for human consumption. The requirements for edible fats and oils used in domestic and industrial food preparation are set in Mandatory standard NSO 67.23.01.01

81.12 To protect animal health and life

Health, zoosanitary and sanitary requirements are set on import of pigs, live bovine animals, live swine, against classic swine fever and bovine brucellosis; the same measures affect import of poultry that must be free of diseases such as avian denovirus, chicken anemia, and salmonella; and equally on live equine animals, and dogs.

Executive Decree on Agriculture and Livestock, establishing the legal framework for the prevention, control and eradication of low pathogenic avian influenza in domestic and wild fowl in the Republic of El Salvador.

81.13 To protect plant health

Sanitary certificates requirements for the imports of inedible seeds, roots, bulbs, and plants. If there is no sanitary certificate, the Ministry of Agriculture will fumigate or disinfect the products at the time of entry into the country.

A certificate of fumigation is required for the import of used sacks or bags of hemp, henequen, jute, and similar fibres.

Phytosanitary requirement also on the importation of fresh fruit and vegetables, and plants from countries with the Meal bug, the Khabra Beetle; and emergency phytosanitary measures to prevent the introduction of "lethal yellowing of coconut" into El Salvador.

Imported rice must be certified as being free of *tilletia barclayana* fungus.

Decision No.100 of 20 October 1999 establishes the phytosanitary requirements for the importation of fresh fruit and vegetables, ornamental, fruit-bearing and forest plants from countries with the mealy bug, "*Maconellicoccus hirsutus*" green, to preserve them against the harm caused by the plague.

81.14 Product characteristics requirements to protect environment

Registration requirements are set on the import of pesticides, fertilizers, weedkillers, additives and improvers, defoliants, and other chemical or biochemical products for agricultural, livestock, or veterinary use.



81.2 Marking requirements

Marking of packages may be done with stencil or brush. Marks and numbers must be shown on all commodities, however two or more packages cannot bear the same mark and number except for iron in any form without packing, lumber for construction, machinery, cement, fertilizers, flour, newsprint and all other merchandise of similar type in bulk.



81.3 Labelling requirements

Labelling requirements are regulated by the Law for the protection of the Consumer, which states that imported or domestically produced goods must bear labels indicating the ingredients used for their preparation and the price, and the expiration date. In that context the label of imported cigarettes must indicate so (importacion a El Salvador); of alcoholic beverages, the volume of alcohol, the expiration date, the number of the sanitary registry, with a warning of "Excessive consumption of this product is hazardous to health and leads to addiction, it is forbidden to sell this product to minors).

Special labelling requirements apply as well to insecticides, fungicides, repellents, herbicides, medicines, serums, vaccines and other biological products for veterinary use. The labelling information must be stated in Spanish. Labels on frozen and canned foods must include a best before date.



81.4 Packaging requirements

Imported fortified sugar must be packaged in such a way that the vitamin is protected.



81.5 Testing, inspection and quarantine requirements

Imports of products derived from petroleum require a certificate of analysis to determine the quality. The certificate of analysis apply as well to fertilizers to prevent the importation of dangerous chemicals; it applies equally to the following products to determine their purity: pure lard, wheat and rye flour, cod liver oil and alcoholic beverages, paste powder, of cake opium, for which certificates must show the percentage of opium. In the absence of a certificate of analysis, a sample of the shipment may be analysed by the customs laboratory, or any approved laboratory. In addition, the following goods must be presented for customs inspection: all live animals, fresh vegetables, beans and cereals in sacks, wine in barrels, lumber for construction, explosive and inflammable materials, and all other goods that are readily subject to decomposition or endanger the security of customs employees.

Draft regulations for developing surveillance programmes on animal health campaigns, animal health inspection, verification and certification procedures and conducting animal health risk analyses, for all animal species and the products and by-products thereof. These measures have been strengthened by executive Resolution No.132 which establishes provisions for tight controls on imports of poultry and poultry parts, products and by products.

Regulation on agricultural quarantine, establishing the provisions and procedures for the import within the national territory of plants, animals, the products and by-products thereof and agricultural inputs to prevent the introduction, establishment and spread of exotic and quarantine pests and diseases.

Temporary emergency quarantine measure on imports of rice seeds for sowing, by the Directorate-General of Plant and Animal Health (DGSVA), Ministry of Agriculture and Livestock. In addition a draft regulation is to establish statutory provisions on epidemiological diagnosis and surveillance, inspection of products of plant origin and the creation of phytosanitary programmes and campaigns and other regulatory activities related to plant health. Another regulation establishes the specifications for the production of certified seeds and plants of fruiting species and the requirements for their importation.



81.6 Information requirements

To prevent consumers from being misled, a mandatory standard NSO 65.24.01 establishes the standards for domestically produced or imported cigarette packets for sale to end-users in I Salvador.



81.9 Technical regulations n.e.s.

Effective 1 of January 1997, all new imported cars must have catalytic converters and all other cars must be retrofitted with catalytic converters; in addition all automobiles must use unleaded gasoline.

Used clothing must be fumigated before importation.



83 Special customs formalities

Execution Decree on Agriculture and Livestock, establishing checkpoints to regulate animal movement in the area designated for the control of Tuberculosis and Brucellosis.

