#### El Salvador

# 1. Industrial Strategy

El Salvador's industrial policy aims to reindustrialize the economy, promote economic growth, expand industrial investment, and boost international trade through collaboration between the government and the private sector. The government and the private sector have formed a strategic alliance that seeks to build a dynamic and resilient industrial ecosystem.<sup>1</sup>

The country's private sector has launched the **Industrial Plan 2025–2029**, coordinated through Salvadoran Association of Industrialists (ASI). The plan is based on the premise that poverty can be eradicated through production and aims to accelerate economic development and expand the the country's position in international trade. The initiative is followed by the establishment of the industrial council of EI Salvador. The plan sets out 12 objectives and promotes collaboration between the government and the private sector. It focuses on sustainable production, sustainable economic transformation, inclusive development and innovation. The Industrial plan has the following main objectives:

- Creation of innovation and technology hubs
- Strengthening the technical education system to have skilled youth that is ready for industrial jobs
- Development of infrastructure and improvement of industrial policy frameworks
- Expansion and consolidation of markets and value chains
- Accelerated production of goods and services<sup>2</sup>

The country's industrial strategy aims to diversify its economy through the development of new sectors and products.<sup>3</sup> El Salvador's **National Development Plan** focuses on sustainable and inclusive economic growth, green economy transition, infrastructure development and digital transformation.<sup>4</sup>

<sup>&</sup>lt;sup>1</sup> News 2 ES, 'El Salvador's Industrial Council Proposes Joint Growth Strategy with Government.' (*El Salvador in English*, 30 April 2025) <a href="https://elsalvadorinenglish.com/2025/04/30/el-salvadors-industrial-council-proposes-joint-growth-strategy-with-government/">https://elsalvadorinenglish.com/2025/04/30/el-salvadors-industrial-council-proposes-joint-growth-strategy-with-government/</a> accessed 3 August 2025.

<sup>&</sup>lt;sup>2</sup> News 2 ES, 'El Salvador Targets Global Trade With Strategic Industry Plan.' (*El Salvador in English*, 16 July 2025) <a href="https://elsalvadorinenglish.com/2025/07/15/el-salvador-targets-global-trade-with-strategic-industry-plan/">https://elsalvadorinenglish.com/2025/07/15/el-salvador-targets-global-trade-with-strategic-industry-plan/</a> accessed 3 August 2025.

<sup>&</sup>lt;sup>3</sup> See 'The Atlas of Economic Complexity by HarvardGrowthLab'

<sup>&</sup>lt;a href="https://atlas.hks.harvard.edu/countries/222/paths">https://atlas.hks.harvard.edu/countries/222/paths</a> accessed 3 August 2025.

<sup>&</sup>lt;sup>4</sup> OECD and others, *Latin American Economic Outlook 2024: Financing Sustainable Development* (OECD 2024) <a href="https://www.oecd.org/en/publications/latin-american-economic-outlook-2024\_c437947f-en.html">https://www.oecd.org/en/publications/latin-american-economic-outlook-2024\_c437947f-en.html</a> accessed 13 August 2025; see Steve Colantuoni, 'What Is the Bukele Economic Plan for El Salvador?' (*The Central American Group*, 3 December 2024) <a href="https://www.thecentralamericangroup.com/bukele-economic-plan-for-el-salvador/">https://www.thecentralamericangroup.com/bukele-economic-plan-for-el-salvador/</a> accessed 4 August 2025.

## 2. Digital (Development) Strategy

**Digital Agenda 2020–2030** is El Salvador's national strategy that aims to transform the country into a digital economy by boosting economic growth and competitiveness.<sup>5</sup> The main objectives of El Salvador's Digital Agenda 2020-2030 are as follows:

- Build and strengthen digital governance by establishing an institutional framework for a government that is digital, transparent, and capable of coordinating efforts across sectors.
- Promote digital identity by developing a secure and unified digital identity system for citizens, including electronic identification and signature services, to facilitate access to public services.
- Advance digital inclusion by ensuring equitable access to digital tools and services for all populations, including vulnerable groups, and promote digital literacy.
- and competitiveness to support research, technological innovation, and entrepreneurship, including the development of an innovation ecosystem, technology parks, and support for creative industries.
- Enhance connectivity and infrastructure to expand and improve telecommunications infrastructure, including broadband, mobile networks (4G and 5G), and international fiber optic links, to ensure nationwide access.
- Modernize public services, digitize government processes, implement integrated digital platforms (such as a single portal for services), and promote paperless procedures to improve efficiency and transparency.
- Strengthen cybersecurity and data protection through the development of legal frameworks and policies to safeguard data, ensure cybersecurity, and protect critical infrastructure and citizen rights online.
- Improve education and digital skills by reforming educational curricula to include digital literacy and technological skills from early childhood to higher education.
- Support financial technology (Fintech) to create a regulatory environment for fintech, promote electronic payments, and increase financial inclusion through digital financial services.

The Agenda seeks to ensure data transparency and open data, standardize data formats, and enhance transparency of public administration. It highlights the need to foster sustainable development and environmental protection through the use of technology to

<sup>&</sup>lt;sup>5</sup> 'El Salvador Digital Agenda' (Digital Development Site, 31 January 2020)

<sup>&</sup>lt;a href="https://www.digitaldevelopment.org/library/el-salvador-digital-agenda/">https://www.digitaldevelopment.org/library/el-salvador-digital-agenda/</a> accessed 4 August 2025.

monitor and protect the environment, promote renewable energy, and manage electronic waste responsibly.  $^6$ 

### 3.Main Constitutional Provisions

The Constitution of El Salvador does not explicitly reference industrial or digital policy. However, the government's authority to legislate on economic, technological, and industrial matters is derived from general constitutional provisions, including Article 101 that stablishes the obligation of the State to promote economic and social development through the increase of production and productivity. Article 102 mandates the State to promote and protect private enterprise, ensuring conditions to increase national wealth. Article 110 allows monopolies for the State or municipalities when necessary for social interest, and it promotes free enterprise while prohibiting monopolistic practices to protect consumers. It also allows the State to provide public services directly or regulate private providers, ensuring they operate within El Salvador.<sup>7</sup>

### 4. Main Regulatory Provisions and Policy Developments

Certain laws and policies have a considerable impact on industrial policy aspects surrounding digital development. These include:

- Electronic Commerce Law<sup>8</sup>
- Decree Number 722 Law for the Promotion of Technological Innovation and Manufacturing<sup>9</sup>
- Law for the Protection of Personal Data<sup>10</sup>
- Cybersecurity and Information Security Law<sup>11</sup>
- Electronic Signature Law of El Salvador<sup>12</sup>

<sup>&</sup>lt;sup>6</sup> Agenda Digital El Salvador 2020 – 2030 < <a href="https://www.digitaldevelopment.org/wp-content/uploads/2023/08/Agenda-Digital-2.pdf">https://www.digitaldevelopment.org/wp-content/uploads/2023/08/Agenda-Digital-2.pdf</a>> accessed 4 August 2025.

<sup>&</sup>lt;sup>7</sup> < https://constitutionnet.org/sites/default/files/El%20Salvador%20Constitution.pdf>.

<sup>&</sup>lt;sup>8</sup> Electronic Commerce Law < https://www.oas.org/juridico/spanish/cyb\_ecu\_ley\_comelectronico.pdf > accessed 4 August 2025.

<sup>&</sup>lt;sup>9</sup> Law for the Promotion of Technological Innovation and Manufacturing

<sup>&</sup>lt;a href="https://orbitax.com/news/country/article/El-Salvador-Enacts-Law-for-the-52760">https://orbitax.com/news/country/article/El-Salvador-Enacts-Law-for-the-52760</a> accessed 4 August 2025.

<sup>&</sup>lt;sup>10</sup> Law for the Protection of Personal Data <a href="https://central-law.com/en/el-salvador-new-personal-data-protection-law-keys-to-compliance-and-application/">https://central-law.com/en/el-salvador-new-personal-data-protection-law-keys-to-compliance-and-application/</a> accessed 14 September 2025.

To Cybersecurity and Information Security Law < <a href="https://www.trade.gov/market-intelligence/el-salvador-ict-cybersecurity-and-information-security-law">https://www.trade.gov/market-intelligence/el-salvador-ict-cybersecurity-and-information-security-law</a> accessed 14 September 2025.

<sup>&</sup>lt;sup>12</sup> Electronic Signature Law of El Salvador < <a href="https://www.trade.gov/market-intelligence/el-salvador-electronic-signatures">https://www.trade.gov/market-intelligence/el-salvador-electronic-signatures</a> accessed 14 September 2025.

- Digital Assets Issuance Law<sup>13</sup>
- Bitcoin Law<sup>14</sup>
- Digital Agenda 2020–2030<sup>15</sup>

## 5. (Regional) Economic Treaties to which El Salvador is a Signatory

El Salvador is a member of several regional and international economic agreements, which facilitate trade, investment, and economic integration. Some of the relevant ones include:

- Central America-Dominican Republic Free Trade Agreement with the United States (CAFTA-DR)
- EU Central America
- Central America-South Korea Free Trade Agreement
- UK Central America.
- Central America Common Market (CACM)<sup>16</sup>

### 6. Plurilaterals

El Salvador participates in several plurilateral initiatives and agreements, primarily through the World Trade Organization and regional groupings. Key plurilaterals include:

- WTO Information Technology Agreement (ITA)<sup>17</sup>
- WTO Joint Initiative on E-commerce<sup>18</sup>
- WTO Trade Facilitation Agreement<sup>19</sup>

<sup>&</sup>lt;sup>13</sup> Digital Assets Issuance Law < <a href="https://www.trade.gov/market-intelligence/el-salvador-ict-digital-assets-law">https://www.trade.gov/market-intelligence/el-salvador-ict-digital-assets-law</a> accessed 14 September 2025.

<sup>&</sup>lt;sup>14</sup> Bitcoin Law < <a href="https://www.jurisprudencia.gob.sv/DocumentosBoveda/D/2/2020-2029/2021/06/E75F3.PDF">https://www.jurisprudencia.gob.sv/DocumentosBoveda/D/2/2020-2029/2021/06/E75F3.PDF</a> accessed 4 August 2025.

<sup>&</sup>lt;sup>15</sup> Digital Agenda 2020–2030 < <a href="https://www.digitaldevelopment.org/wp-content/uploads/2023/08/Agenda-Digital-2.pdf">https://www.digitaldevelopment.org/wp-content/uploads/2023/08/Agenda-Digital-2.pdf</a>> accessed 4 August 2025.

<sup>16 16 &#</sup>x27;WTO | Regional Trade Agreements' <a href="http://rtais.wto.org/UI/PublicMaintainRTAHome.aspx">http://rtais.wto.org/UI/PublicMaintainRTAHome.aspx</a> accessed 6 August 2025.

<sup>&</sup>lt;sup>17</sup> 'WTO | Information Technology Agreement' <a href="https://www.wto.org/english/tratop\_e/inftec\_e/inftec\_e.htm">https://www.wto.org/english/tratop\_e/inftec\_e.htm</a> accessed 6 August 2025.

<sup>&</sup>lt;sup>18</sup> 'WTO JSI on E-Commerce' <a href="https://dig.watch/processes/wto-ecommerce">https://dig.watch/processes/wto-ecommerce</a> accessed 6 August 2025.

<sup>&</sup>lt;sup>19</sup> 'WTO | Trade Topics - Trade Facilitation - Background'

<sup>&</sup>lt;a href="https://www.wto.org/english/tratop\_e/tradfa\_e/tradfatheagreement\_e.htm">https://www.wto.org/english/tratop\_e/tradfa\_e/tradfatheagreement\_e.htm</a> accessed 6 August 2025.

7. Proceedings Initiated Against El Salvador, or by It, Before International Fora for the Adoption/Implementation of Industrial Policy Measures (e.g., Before WTO Panels, the WTO's AB)

El Salvador has been involved in some WTO proceedings such as those concerning safeguard measures on imports but has not been the direct subject of major international proceedings specifically regarding the adoption or implementation of its national industrial or digital policy measures.<sup>20</sup>

Amna Zaman (Last updated 14 September 2025)

<sup>&</sup>lt;sup>20</sup> 'WTO | Dispute Settlement - Map of Disputes between WTO Members' <a href="https://www.wto.org/english/tratop\_e/dispu\_e/dispu\_maps\_e.htm?country\_selected=PAK&sense=e">https://www.wto.org/english/tratop\_e/dispu\_e/dispu\_maps\_e.htm?country\_selected=PAK&sense=e</a> accessed 6 August 2025.