GOBIERNO DE
EL SALVADOR

SECTOR GUIDE
PHARMACEUTICAL
2026

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INTRODUCTION AND OVERVIEW

The pharmaceutical sector in El Salvador has emerged as a strategic and remarkably resilient engine of the national economy. This dynamism is a result of the modernization of industrial infrastructure, the growing regional demand for healthcare services, and a public-private ecosystem that encourages innovation. The industry has undergone significant transformation, evolving from a local manufacturing market to a hub for Foreign Direct Investment (FDI), propelled by international corporations expanding their operations within the country.

The competitiveness of the sector is founded on the following strategic advantages:

- A comprehensive and continually evolving regulatory framework, overseen by the Superintendency of Sanitary Regulation (SRS).
- Appealing tax incentives designed to enhance efficiency in the production and export of pharmaceutical products.
- A strategic geographical position that enhances supply chains and enables swift access to the markets of Central America and the Caribbean.
- Skilled human capital developed through comprehensive technical and scientific training programs.

In conclusion, El Salvador presents a cohesive and high-performance industrial platform, establishing itself as the premier destination for global enterprises aiming to broaden their presence in the region's emerging markets.

Generalities

El Salvador is at the forefront of the Central American market, having established itself as the region's pioneer in obtaining Good Manufacturing Practices (GMP) certification in accordance with World Health Organization (WHO) guidelines. This achievement underscores the robustness of its regulatory framework and its adherence to global quality standards. The local pharmaceutical industry is distinguished by its production versatility, presenting a diversified portfolio that encompasses a broad spectrum of therapeutic areas, including both prescription and over-the-counter (OTC) medications.

This operational strength is supported by a highly efficient and specialized workforce, consistently enhanced by the national academic sector. The country's faculties of chemistry and pharmacy uphold rigorous academic programs, guaranteeing investors a steady influx of professionals prepared to engage in advanced manufacturing and technical development processes.

The pharmaceutical sector includes the production of generic medications, vitamin supplements, and herbal remedies. Consequently, the foreign trade data provided in this document pertains to all products categorized under Chapter 30 of the Harmonized System, titled "Pharmaceutical Products."

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TOP STORIES
PERFORMANCE INDICATORS

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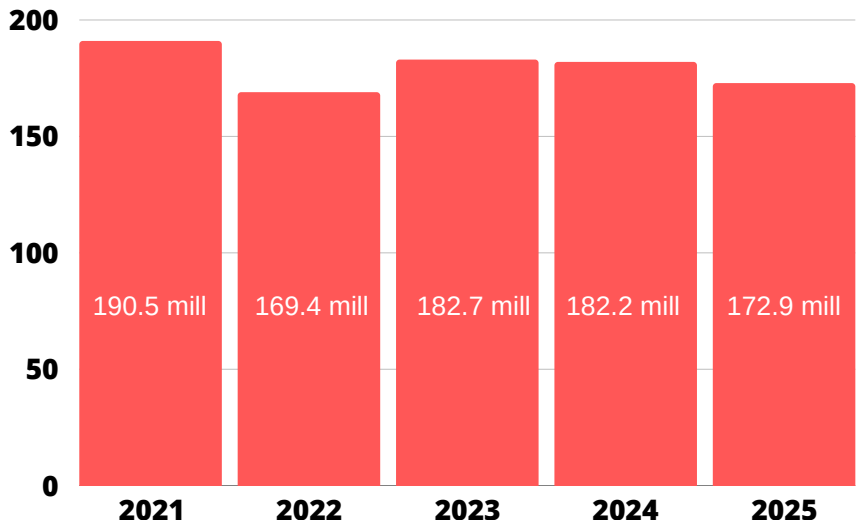
PHARMACEUTICAL INDUSTRY EXPORTS

Exports in 2025 amounted to USD 172.9 million, accounting for 2.7% of El Salvador's total exports. The sector's performance over the years has been marked by stability and consistency in the market, with annual fluctuations remaining within standard operating margins.

Evolution of Pharmaceutical Exports



Conversely, the primary destinations for products manufactured in the country are as follows: Guatemala, which accounts for 26.4% of Salvadoran goods; Honduras, receiving 19.3%; Nicaragua, with 19.1%; the United States, at 10.3%; and Panama, comprising 9.4%.

TOP 10 EXPORT DESTINATIONS 2025

The Salvadoran pharmaceutical sector stands as a leader in the Central American region, with the nation's products penetrating significant markets beyond the region, including the United States, the Dominican Republic, Algeria, and Venezuela, among others. Additionally, major laboratories and internationally recognized brands are responsible for exporting the highest volumes.

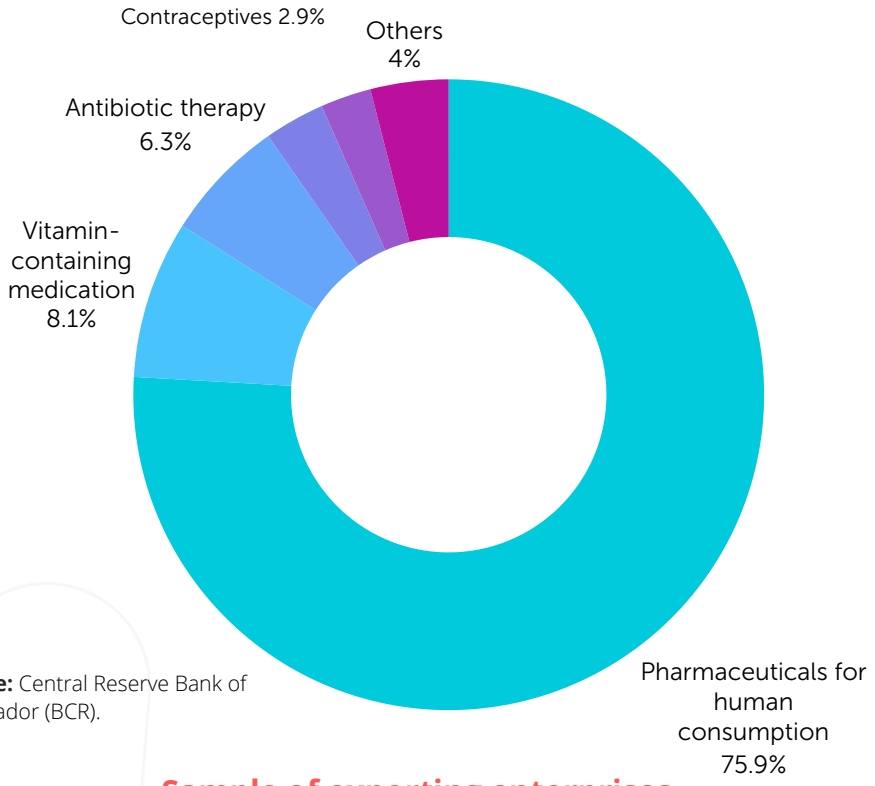
The industry gains from trade agreements that enhance access to international markets, thereby reinforcing the country's position in the global pharmaceutical sector.

Top 10 Export Destinations	Value (millions of USD)	Export participation
Guatemala	45.5	26.4%
Honduras	33.3	19.3%
Nicaragua	33.0	19.1%
USA	17.8	10.3%
Panamá	16.3	9.4%
Costa Rica	9.9	5.8%
Dominican Republic	8.2	4.8%
Belice	1.3	0.7%
Argelia	1.1	0.7%
Venezuela	1.0	0.6%

SECTOR EXPORTS CATEGORIZED BY PRODUCT TYPE

Among the products comprising the current extensive exportable supply of the pharmaceutical sector are medications for both human and veterinary use, nutritional supplements, antibiotic medications, and contraceptive chemical preparations, among others.

Percentage share of total sector exports in 2025.



Source: Central Reserve Bank of El Salvador (BCR).

Sample of exporting enterprises

Laboratorios Suizos
VIJOSA
Paill Laboratorios
Bayer
Laboratorios Cofasa
Laboratorios Biogalenic
Ancalmo Internacional
Laboratorios Pharmedic
arsal Laboratorios
Laboratorios López
Grupo Guardado
Biokemical
Gamma Laboratories
Laboratorios Teramed

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OPPORTUNITIES, BENEFITS, AND INCENTIVES FOR INVESTING IN EL SALVADOR

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ADVANTAGES OF INVESTING IN EL SALVADOR

El Salvador boasts a strategic location and efficient infrastructure, enabling a swift response to market demands—qualities that position it as an ideal logistics hub for international enterprises.

Below are several opportunities for investment and business within the pharmaceutical sector:

- Established and expanding innovative ecosystem: manufacturers, academic institutions, regulatory agencies, packaging suppliers, logistics providers, and service entities, among others.
- Academy engaged in the development of pharmaceuticals for Chagas disease, with patents secured in Brazil, Uruguay, El Salvador, Argentina, and the United States.
- Strategic location near points of interest aiming to diminish their reliance on China for the procurement of medical supplies.
- Demonstrated expertise in premium pharmaceutical products.
- Pharmaceutical industry certified in good manufacturing practices as recognized by the World Health Organization (WHO).
- Availability of qualified personnel possessing degrees in education pertinent to the field.

Availability of human talent

The Salvadoran education system provides approximately 10 degree programs associated with the chemistry and pharmacy sector, master's degrees, engineering degrees, bachelor's degrees, and specialized technical programs across educational institutions nationwide. As of 2024, approximately 8,000 students were enrolled in these programs, with notable emphasis on the Bachelor's degrees in Clinical Laboratory Science, Chemistry and Pharmacy, and Chemical Sciences.

Students enrolled in programs related to the sector

CAREER	ENROLLED IN 2024	GRADUATES OF 2024
Bachelor's degree in clinical laboratory science	3,149	399
Bachelor of Science in Chemistry and Pharmacy	1,478	195
Chemical Engineering	758	75
Bachelor of Science in Biology	668	58
Bachelor of Science in Chemistry	1,568	209
Biomedical Engineering	286	23
Biomedical Engineering Technologist	94	20
Chemical laboratory technologist	111	31
Master's degree in Biological Sciences	11	10
Master's degree in Pharmacy/Pharmacist	51	-
Total	8,174	1,020

Fuente: Ministry of Education - National Directorate for Higher Education

Institutions with sector-related academic programs

- University of El Salvador
- Dr. Andrés Bello University
- Evangelical University of El Salvador
- Don Bosco University
- ITCA-FEPADE School of Engineering Specialization
- New University of San Salvador
- Autonomous University of Santa Ana
- Catholic University of El Salvador
- Alberto Masferrer University
- University of the East
- José Simeón Cañas University
- Gerardo Barrios University

Competitive operating costs

To present an overview of compensation within the sector, examples of average and maximum salaries are outlined for the most coveted positions in the pharmaceutical industry:

POSITION	AVERAGE SALARY	SALARY (Median)
Operator	$480.00	$420.00
Production Supervisor	$1,800.00	$1,587.00
Pharmaceutical Plant Manager	$2,.200.00	$1,900.00

Salary and Benefits Study, Salary Market - Year 2025

Law on Industrial and Commercial Free Zones

Incentivized activities

Marketers can derive advantages from this law, which pertains to entities engaged in the distribution of goods to retail or wholesale sellers, or to end consumers, and that have received authorization from the Ministry of Economy.

When conducting sales within the national customs territory, trading companies are required to import the goods, remitting the applicable import duties and taxes based on the customs value.

Benefits

Complete exemption from customs duties and other import taxes on raw materials, machinery, equipment, and other goods utilized for production.

Complete exemption from taxes on real estate transfers.

Exemption from income tax and municipal taxes as detailed below:

Income tax exemption:

Location of the Free Trade Zone or Designated Port	Percentage of exemption	Exemption duration for enterprises located in free trade	Exemption duration for companies established in DPA
San Salvador Metropolitan Region	100%	For fifteen years.	For a decade.
	60%	For the subsequent ten years.	For the subsequent five years.
	40%	For the following ten years.	For the following decade.
Beyond the San Salvador Metropolitan Area	100%	For two decades.	For fifteen years.
	60%	For the subsequent 15 years.	For the subsequent ten years.
	40%	For the following ten years.	For the following ten years.

Exemption from local taxes:

Location of the Free Trade Zone or Designated Port	Percentage of exemption	Exemption duration for enterprises located in free trade	Exemption duration for companies established in DPA
San Salvador Metropolitan Region	100%	For fifteen years.	For a decade.
	90%	For the subsequent ten years.	For the subsequent 5 years.
	75%	Thereafter.	Thereafter.
Beyond the San Salvador Metropolitan Area	100%	For two decades.	For fifteen years.
	90%	For the subsequent 15 years.	For the subsequent ten years.
	40%	Thereafter.	Thereafter.

Upon the expiration of the total exemption period, companies situated in free zones will be granted an additional five years of complete exemption, provided they can demonstrate a 100% increase in their initial investment.

Certain strategic industries may gain from an extended total exemption of 5 to 10 years.

LAW FOR THE PROMOTION OF INVESTMENT EXPANSION

Scope of Application

The legal framework will be applicable to both natural and legal persons, whether national or foreign, who possess a minimum of 10 years of verifiable operations in El Salvador and who seek to expand their investments in sectors including textiles and apparel, agro-industry, food and beverages, auto parts, electronics, plastics, footwear, pharmaceuticals, construction materials, and paper and its derivatives.

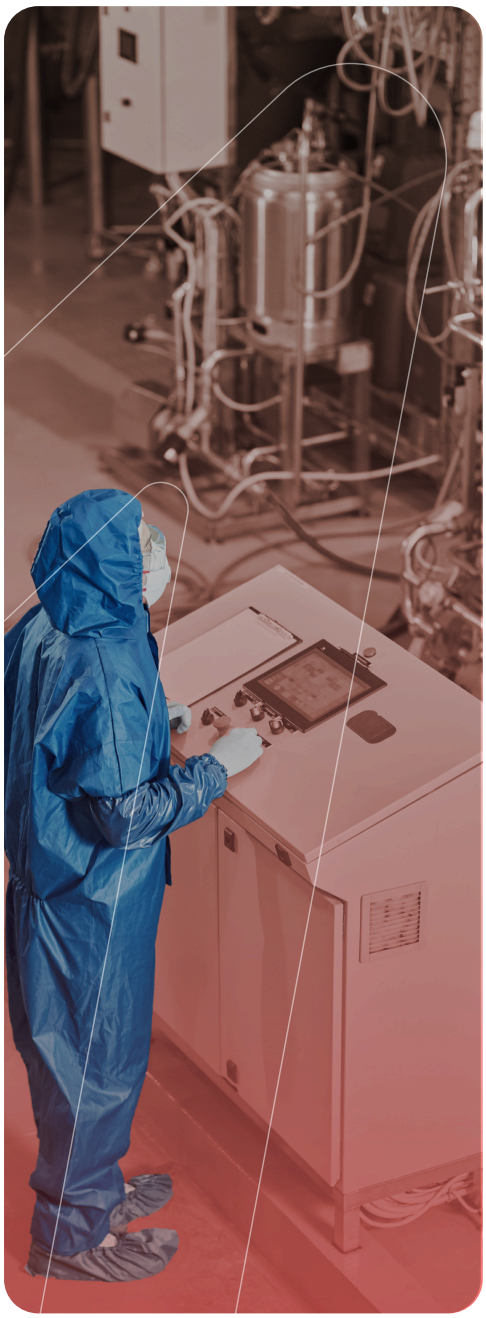
Among the eligible sectors, the law explicitly encompasses chemical-pharmaceutical products, allowing pharmaceutical companies to benefit from this regime as they expand operations, enhance production capacity, integrate new production lines, construct new facilities, acquire machinery, or develop logistics infrastructure and research centers.

Benefits

The tax incentives stipulated by the legislation vary from 10% to 30%, contingent upon the degree of growth and adherence to the specified criteria.

- The initial range delineates investments from $1,000,000 to $10,000,000, to which a 10% tax credit will be applicable.
- The second range pertains to investments ranging from $10,000,000 to $20,000,000, accompanied by a 20% credit.
- For investments surpassing $20,000,000, a 30% tax credit will be applicable.

INVESTMENT OPPORTUNITIES IN THE PHARMACEUTICAL INDUSTRY



- Establishment of pharmaceutical laboratories for the production of generics, vaccines, medications for chronic conditions, multivitamins, psychotropic substances, among others.
- Services in pharmacovigilance, protocol evaluation, registration procedures, label amendments, advertising, and web services, among others.
- Logistics center for cargo in transit (storage, consolidation, deconsolidation, repackaging, picking, transshipment, and cross-docking for goods originating from and destined for locations outside of El Salvador).
- Exclusive logistics center for the pharmaceutical sector in Central America and the Caribbean.
- Contract manufacturing.
- Regional industry suppliers.

SUCCESS STORIES
AND SUPPORT FOR INVESTORS

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LABORATORIOS

BIOGALENIC

Biogalenic Laboratories commenced its operations in El Salvador over 45 years ago. It provides the national and international markets with parenteral solutions (intravenous fluids), in addition to oral rehydration solutions and peritoneal dialysis products.

In 2016, Biogalenic commenced the export of veterinary serums to the United States. In 2017, the company allocated USD 10 million to improve the quality and processing of its products, acquiring state-of-the-art infrastructure and machinery. Its continuous research, development, and dedication to high-quality standards have facilitated Biogalenic's exports to Mexico, Central America, Panama, the Caribbean, Venezuela, and Argentina.

"We decided to invest in El Salvador to reciprocate the trust and legal security it provides. Most importantly, we appreciate our Salvadoran workforce for their loyalty and dedication."

Malvina Romero, General Manager, Biogalenic Laboratories.

INVESTOR SUPPORT SERVICES

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Strategic information
Up-to-date information on the investment climate, sectors of interest and opportunities.

Facilitating contacts
Networking with government representatives, local businesses, chambers of commerce and business associations.

Consulting
Technical advice and evaluations of investment cases.

Personal schedules
We offer a carefully selected programme of meetings and appointments tailored to your objectives.

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