

El Salvador: Selected Economic Indicators

Rank in UNDP Development Index 2013 (of 187)	115 Population (million)	6.3
Per capita income (U.S. dollars)	4,129 Life expectancy at birth in years (2014)	72
Percent of pop. below poverty line (2013)	30 Infant mortality (per 1,000 live births, 2014)	19
Gini index (2014)	38 Primary education completion rate (percent, 2013)	100

	2011	2012	2013	2014	Est. 2015	Proj. 2016 2017	
Income and Prices							
Real GDP growth (percent)	2.2	1.9	1.8	1.4	2.5	2.3	2.4
Consumer price inflation (average, percent)	5.1	1.7	0.8	1.1	-0.7	2.1	1.9
GDP deflator (percent)	5.7	1.0	0.4	1.4	0.7	1.8	1.7
Terms of trade, percent change	-2.5	0.5	-1.6	3.3	12.4	-1.6	-1.6
Real effective exchange rate (+ = appreciation)	2.6	-1.5	-0.8	0.5	0.0	...	...
External sovereign bond spread (basis points)	374	448	378	400	497	...	...
Money and Credit							
Credit to the private sector	39.8	40.2	42.5	44.1	44.9	45.1	45.3
Broad money	43.6	43.2	43.3	42.2	43.4	43.4	43.4
Interest rate (time deposits, percent)	1.8	2.5	3.4	3.8	4.2	...	...
External Sector							
Current account balance	-4.8	-5.4	-6.5	-5.2	-3.6	-3.7	-4.9
Trade balance	-20.6	-20.7	-21.7	-20.8	-19.1	-19.2	-20.2
Exports (f.o.b. excluding <i>maquila</i>)	18.3	17.8	17.8	17.0	16.9	16.5	16.7
Imports (f.o.b. excluding <i>maquila</i>)	-39.0	-38.5	-39.5	-37.8	-36.1	-35.7	-36.9
Services and income (net)	-0.7	-1.6	-1.6	-1.3	-1.4	-1.5	-1.7
Transfers (net)	16.6	16.9	16.8	16.9	16.9	17.0	16.9
Foreign direct investment	0.9	2.0	0.7	1.2	1.7	1.5	1.8
Gross international reserves (millions of U.S. dollars)	2,503	3,175	2,745	2,693	2,787	2,908	2929
Nonfinancial Public Sector							
Overall balance	-3.9	-3.9	-4.1	-3.5	-3.4	-4.0	-4.0
Primary balance	-1.7	-1.6	-1.6	-1.1	-0.9	-1.2	-1.0
<i>Of which:</i> tax revenue	13.8	14.4	15.4	15.1	15.2	15.4	15.7
Public sector debt 1/	52.2	57.3	57.6	59.2	60.6	62.2	63.7
National Savings and Investment							
Gross domestic investment	14.4	14.1	15.0	13.6	14.0	14.2	14.7
Public sector	2.4	2.5	2.5	2.1	2.1	2.5	2.5
Private sector	11.9	11.6	12.5	11.5	11.9	11.7	12.2
National savings	9.6	8.7	8.5	8.4	10.4	10.4	9.8
Public sector	-2.0	-1.2	-1.2	-0.9	-0.9	-1.0	-1.1
Private sector	11.5	9.9	9.7	9.3	11.3	11.5	10.9
Net Foreign Assets of the Financial System							
Millions of U.S. dollars	2,811	3,229	2,473	2,211	1,931	2,177	1,882
Percent of deposits	28.8	32.6	24.0	21.6	17.8	19.5	16.2
Memorandum Items:							
Nominal GDP (billions of U.S. dollars)	23.1	23.8	24.4	25.1	25.9	26.9	28.0

Sources: Central Reserve Bank of El Salvador, Ministry of Finance, and Fund staff estimates.

1/ Includes gross debt of the nonfinancial public sector and external debt of the central bank.

Table 2. El Salvador: Medium-term Baseline Scenario

	2012	2013	2014	2015	Projections					
					2016	2017	2018	2019	2020	2021
					(Annual percentage change)					
Real GDP growth	1.9	1.8	1.4	2.5	2.3	2.4	2.3	2.1	2.0	2.0
Domestic demand	1.8	2.2	0.4	2.8	3.2	3.4	2.8	2.2	2.0	2.4
Inflation (end of period)	0.8	0.8	0.5	1.0	1.9	2.0	2.0	2.0	2.0	2.0
					(Contributions to growth, percentage points)					
Private consumption	2.2	0.7	1.7	1.6	2.2	2.5	2.2	1.7	1.8	2.1
Private investment	-0.2	1.5	-0.9	1.2	0.7	1.1	0.8	0.6	0.5	0.5
Government	0.2	0.4	-0.3	0.5	0.9	0.4	0.4	0.3	0.2	0.4
Net exports	-0.3	-0.7	1.0	-0.9	-1.5	-1.6	-1.1	-0.5	-0.5	-1.0
					(Percent of GDP)					
Nonfinancial public sector balance	-3.9	-4.1	-3.5	-3.4	-4.0	-4.0	-4.5	-5.0	-5.3	-5.6
Primary balance	-1.6	-1.6	-1.1	-0.9	-1.2	-1.0	-1.1	-1.3	-1.4	-1.6
Public sector gross debt 1/	57.3	57.6	59.2	60.6	62.2	63.7	65.5	67.9	70.5	73.2
External current account balance	-5.4	-6.5	-5.2	-3.6	-3.7	-4.9	-5.3	-5.4	-5.5	-5.5
Exports of goods	17.8	17.8	17.0	16.9	16.5	16.7	16.8	16.9	17.1	17.1
Imports of goods	-38.5	-39.5	-37.8	-36.1	-35.7	-36.9	-37.3	-37.5	-37.6	-37.8
Current transfers	16.9	16.8	16.9	16.9	17.0	16.9	16.8	16.8	16.8	16.8
Gross domestic investment	14.1	15.0	13.6	14.0	14.2	14.7	15.0	15.1	15.0	15.1
Private	11.6	12.5	11.5	11.9	11.7	12.2	12.5	12.6	12.7	12.8
Public	2.5	2.5	2.1	2.1	2.5	2.5	2.5	2.5	2.3	2.3
Gross national saving	8.7	8.5	8.4	10.4	10.4	9.8	9.6	9.7	9.6	9.6
Private	9.9	9.7	9.3	11.3	11.5	10.9	11.3	11.8	12.0	12.3
Public	-1.2	-1.2	-0.9	-0.9	-1.0	-1.1	-1.6	-2.1	-2.4	-2.7
External saving	5.4	6.5	5.2	3.6	3.7	4.9	5.3	5.4	5.5	5.5

Sources: Central Reserve Bank of El Salvador, Ministry of Finance, and Fund staff estimates.

1/ Includes gross debt of the nonfinancial public sector and external debt of the central bank.

Table 3. El Salvador: Balance of Payments

	2012	2013	2014	2015	Projections					
					2016	2017	2018	2019	2020	2021
	(In millions of U.S. dollars)									
Current Account	-1,288	-1,574	-1,306	-920	-1,006	-1,386	-1,567	-1,659	-1,737	-1,821
Merchandise trade balance	-4,927	-5,295	-5,208	-4,940	-5,163	-5,667	-6,016	-6,275	-6,530	-6,863
Export of goods (f.o.b.)	4,235	4,334	4,256	4,381	4,443	4,692	4,924	5,172	5,419	5,668
Import of goods (f.o.b.)	-9,162	-9,629	-9,463	-9,321	-9,606	-10,358	-10,940	-11,447	-11,949	-12,531
Services	508	618	741	786	790	790	825	879	931	971
Exports of processing services	424	440	375	464	468	482	483	485	485	484
Income	-890	-997	-1,074	-1,137	-1,200	-1,254	-1,312	-1,399	-1,480	-1,489
Current transfers	4,021	4,100	4,234	4,372	4,567	4,745	4,936	5,135	5,343	5,559
Workers' remittances (credits)	3,894	3,954	4,133	4,270	4,484	4,672	4,868	5,073	5,286	5,508
Financial and Capital Account	2,116	1,138	766	1,163	1,127	1,406	1,571	1,774	1,854	1,950
Capital account	201	101	64	66	144	172	176	136	136	136
Public sector financial flows	912	13	788	-13	30	16	21	80	30	51
Disbursements	1,202	269	1,059	332	338	363	377	1,227	386	402
Amortization	-290	-256	-271	-345	-308	-347	-356	-1,147	-355	-351
Private sector financial flows	1,352	190	1,100	448	341	441	463	493	514	514
Foreign direct investment	484	176	311	429	400	500	521	551	571	571
Portfolio investment	868	14	789	19	-59	-59	-58	-58	-57	-57
Other 1/	-349	835	-1,186	663	612	776	910	1,063	1,173	1,249
Errors and Omissions	-177	109	508	-130	0	0	0	0	0	0
Change in Reserves (- = increase)	-651	327	33	-113	-121	-21	-4	-115	-117	-128
	(Percent of GDP)									
Current Account	-5.4	-6.5	-5.2	-3.6	-3.7	-4.9	-5.3	-5.4	-5.5	-5.5
Merchandise trade balance	-20.7	-21.7	-20.8	-19.1	-19.2	-20.2	-20.5	-20.6	-20.6	-20.7
Export of goods (f.o.b.)	17.8	17.8	17.0	16.9	16.5	16.7	16.8	16.9	17.1	17.1
Import of goods (f.o.b.)	-38.5	-39.5	-37.8	-36.1	-35.7	-36.9	-37.3	-37.5	-37.6	-37.8
Petroleum and products	-8.0	-8.1	-7.0	-5.2	-4.2	-4.9	-5.0	-5.0	-5.1	-5.1
Services	2.1	2.5	3.0	3.0	2.9	2.8	2.8	2.9	2.9	2.9
Exports of processing services	1.8	1.8	1.5	1.8	1.7	1.7	1.6	1.6	1.5	1.5
Income	-3.7	-4.1	-4.3	-4.4	-4.5	-4.5	-4.5	-4.6	-4.7	-4.5
Current transfers	16.9	16.8	16.9	16.9	17.0	16.9	16.8	16.8	16.8	16.8
Workers' remittances (credits)	16.4	16.2	16.5	16.5	16.7	16.7	16.6	16.6	16.6	16.6
Financial and Capital Account	8.9	4.7	3.1	4.5	4.2	5.0	5.4	5.8	5.8	5.9
Capital account	0.8	0.4	0.3	0.3	0.5	0.6	0.6	0.4	0.4	0.4
Public sector financial flows	3.8	0.1	3.1	-0.1	0.1	0.1	0.1	0.3	0.1	0.2
Private sector financial flows	5.7	0.8	4.4	1.7	1.3	1.6	1.6	1.6	1.6	1.6
Foreign direct investment	2.0	0.7	1.2	1.7	1.5	1.8	1.8	1.8	1.8	1.7
Portfolio investment	3.6	0.1	3.1	0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2
Other 1/	-1.5	3.4	-4.7	2.6	2.3	2.8	3.1	3.5	3.7	3.8
	(Annual percentage change)									
Merchandise Trade (f.o.b.)										
Exports (nominal)	-0.2	2.3	-1.8	2.9	1.4	5.6	5.0	5.0	4.8	4.6
Volume	-1.3	4.0	-3.3	1.0	7.0	5.5	4.8	4.6	4.6	4.6
Price	1.1	-1.6	1.5	1.9	-5.3	0.1	0.2	0.4	0.2	0.0
Imports (nominal)	1.6	5.1	-1.7	-1.5	3.1	7.8	5.6	4.6	4.4	4.9
Volume	1.0	5.0	0.0	8.6	7.1	6.0	4.7	3.7	3.6	4.3
Price	0.6	0.1	-1.7	-9.3	-3.8	1.7	0.9	0.9	0.8	0.5
Terms of trade	0.5	-1.6	3.3	12.4	-1.6	-1.6	-0.7	-0.5	-0.6	-0.5
Memorandum Items										
Gross international reserves (US\$ million) 2/	3,175	2,745	2,693	2,787	2,908	2,929	2,932	3,047	3,164	3,292
In months of imports (excluding maquila) 3/	3.4	3.0	3.0	2.9	2.8	2.6	2.5	2.5	2.5	2.5
In percent of total short-term external debt	208	148	133	138	138	132	124	120	117	114
External debt (in percent of GDP)	56.1	57.9	60.9	56.6	56.8	57.3	58.0	59.4	60.9	62.3
Of which: public sector debt	32.1	31.9	34.6	33.1	34.1	34.8	35.8	37.2	38.7	40.1
Of which: private sector debt	24.0	26.0	26.3	23.5	22.6	22.5	22.2	22.2	22.2	22.1
External public debt servicing (US\$ million)	580	582	598	779	743	812	878	1,753	974	1,043
Percent of exports of goods and services	9.5	9.1	9.2	11.6	10.3	10.5	10.8	20.6	10.9	11.2
Gross external financing requirement (US\$ million)	3,311	3,877	3,969	3,749	3,660	4,152	4,459	5,473	4,924	5,178
Percent of GDP	13.9	15.9	15.8	14.5	13.6	14.8	15.2	17.9	15.5	15.6

Sources: Central Reserve Bank of El Salvador and Fund staff estimates.

1/ Assumed to include both private and potential public sector flows, including 75 percent of the fiscal financing gap.

2/ Beginning in 2010, gold in international reserves is valued at the price determined by the London Bullion Market (resulting in a valuation gain of US\$170 million).

3/ Expressed in terms of following year's imports.

Table 4. El Salvador: Operations of the Nonfinancial Public Sector

	2012	2013	2014	2015	Projections.					
					2016	2017	2018	2019	2020	2021
	(In millions of U.S. dollars)									
Revenue and Grants	4,507	4,678	4,739	4,923	5,236	5,587	5,841	6,090	6,285	6,557
Current revenue	4,329	4,607	4,692	4,870	5,196	5,499	5,751	6,003	6,260	6,532
Tax revenue	3,434	3,745	3,772	3,918	4,155	4,410	4,613	4,817	5,026	5,245
Nontax revenue	734	756	797	836	942	982	1,026	1,069	1,113	1,161
Operating surplus of the public enterprises	162	106	124	115	98	107	112	117	122	127
Capital revenue	0	0	0	0	0	0	0	0	0	0
Official grants	178	71	46	53	41	88	91	87	25	24
Expenditure	5,427	5,665	5,626	5,799	6,323	6,707	7,159	7,623	7,962	8,412
Current expenditure	4,609	4,889	4,926	5,098	5,477	5,810	6,227	6,656	7,017	7,427
Wages and salaries	2,005	2,115	2,228	2,326	2,500	2,648	2,809	2,971	3,139	3,324
Goods and services	935	1,075	1,049	1,083	1,141	1,195	1,249	1,301	1,354	1,413
Interest	540	594	609	644	763	842	988	1,148	1,230	1,334
Current transfers	1,128	1,105	1,040	1,045	1,074	1,125	1,181	1,237	1,294	1,356
Nonpension payments	709	663	573	560	508	529	553	576	600	626
Pension payments	419	442	467	485	566	595	628	661	694	731
Capital expenditure	818	776	700	701	846	897	932	967	945	985
Primary Balance	-379	-393	-278	-233	-324	-278	-329	-386	-447	-521
Overall Balance	-919	-987	-887	-876	-1,087	-1,120	-1,317	-1,533	-1,677	-1,855
Financing	919	987	887	876	1,087	1,120	1,317	1,533	1,677	1,855
External	912	13	788	-13	30	16	21	80	30	51
Disbursements	1,202	269	1,059	332	338	363	377	1,227	386	402
Amortization	-290	-256	-271	-345	-308	-347	-356	-1,147	-355	-351
Domestic	7	975	100	889	100	511	515	531	564	401
Change in deposits at central bank (- = increase)	-737	758	-5	24	0	0	0	0	0	0
Banking system	162	-171	-557	732	-222	0	0	0	0	0
Private sector 1/	582	388	662	133	322	511	515	531	564	401
Unidentified financing	...	...	...	...	957	593	781	922	1,083	1,404
Memorandum Items:										
Current revenue minus current expenditure	-279	-282	-234	-228	-281	-311	-476	-653	-757	-894
Gross financing needs	1,877	2,180	2,244	1,628	2,412	2,102	2,336	3,360	2,712	3,087
Public sector debt (gross) 2/	13,641	14,031	14,827	15,663	16,750	17,869	19,187	20,720	22,397	24,252
	(In percent of GDP)									
Revenue and Grants	18.9	19.2	18.9	19.0	19.5	19.9	19.9	20.0	19.8	19.8
Current revenue	18.2	18.9	18.7	18.8	19.3	19.6	19.6	19.7	19.7	19.7
Tax revenue	14.4	15.4	15.1	15.2	15.4	15.7	15.7	15.8	15.8	15.8
Nontax revenue	3.1	3.1	3.2	3.2	3.5	3.5	3.5	3.5	3.5	3.5
Operating surplus of the public enterprises	0.7	0.4	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Official grants	0.7	0.3	0.2	0.2	0.2	0.3	0.3	0.3	0.1	0.1
Expenditure	22.8	23.3	22.5	22.4	23.5	23.9	24.4	25.0	25.1	25.4
Current expenditure	19.4	20.1	19.7	19.7	20.4	20.7	21.3	21.8	22.1	22.4
Wages and salaries	8.4	8.7	8.9	9.0	9.3	9.4	9.6	9.7	9.9	10.0
Goods and services	3.9	4.4	4.2	4.2	4.2	4.3	4.3	4.3	4.3	4.3
Interest	2.3	2.4	2.4	2.5	2.8	3.0	3.4	3.8	3.9	4.0
Current transfers	4.7	4.5	4.2	4.0	4.0	4.0	4.0	4.1	4.1	4.1
Nonpension payments	3.0	2.7	2.3	2.2	1.9	1.9	1.9	1.9	1.9	1.9
Pension payments	1.8	1.8	1.9	1.9	2.1	2.1	2.1	2.2	2.2	2.2
Capital expenditure	3.4	3.2	2.8	2.7	3.1	3.2	3.2	3.2	3.0	3.0
Primary Balance	-1.6	-1.6	-1.1	-0.9	-1.2	-1.0	-1.1	-1.3	-1.4	-1.6
Overall Balance	-3.9	-4.1	-3.5	-3.4	-4.0	-4.0	-4.5	-5.0	-5.3	-5.6
Memorandum Items:										
Current revenue minus current expenditure	-1.2	-1.2	-0.9	-0.9	-1.0	-1.1	-1.6	-2.1	-2.4	-2.7
Gross financing needs	7.9	9.0	9.0	6.3	9.2	8.0	8.4	11.1	8.5	9.3
Public sector debt (gross) 2/	57.3	57.6	59.2	60.6	62.2	63.7	65.5	67.9	70.5	73.2
Nominal GDP	23,814	24,351	25,054	25,850	26,908	28,034	29,293	30,521	31,774	33,148

Sources: Central Reserve Bank of El Salvador, Ministry of Finance, and Fund staff estimates

1/ Includes financing for education, health, pension trust funds, and other non-depository corporations.

2/ Includes gross debt of the nonfinancial public sector and external debt of the central bank.

	2009	2010	2011	2012	2013	2014	2015	Proj. 2016
(End of period stocks; in millions of U.S. dollars)								
I. Central Bank								
Net Foreign Assets	2,594	2,550	2,177	2,831	2,290	2,275	2,393	2,514
<i>Of which</i> : Net international reserves 1/	2,983	2,881	2,502	3,173	2,721	2,661	2,670	2,792
Net Domestic Assets	35	36	300	-450	278	309	285	309
Nonfinancial public sector (net)	219	490	688	-49	710	704	726	750
Claims	836	833	833	832	832	831	830	830
Liabilities	617	343	145	881	122	127	103	79
Rest of the financial system (net)	98	109	175	186	119	139	93	93
Nonfinancial private sector (claims)	15	1	0	0	0	0	0	0
Other items (net)	-298	-564	-563	-587	-551	-533	-534	-534
Liabilities	2,629	2,586	2,476	2,381	2,566	2,582	2,675	2,823
Base Money	2,282	2,354	2,275	2,229	2,481	2,474	2,569	2,716
Currency in circulation	33	5	5	4	4	4	4	5
Liabilities to depository corporations	2,250	2,349	2,271	2,224	2,476	2,470	2,565	2,712
Other liabilities to the public	347	232	201	152	85	109	107	107
II. Depository corporations								
Net Foreign Assets	376	697	295	-62	-417	-672	-963	-804
Net Domestic Assets	8,832	8,987	9,383	9,985	10,614	10,853	11,809	12,094
Nonfinancial public sector (net)	499	445	465	578	373	258	762	494
Claims	680	627	681	762	672	546	1,015	1,015
Liabilities	181	182	215	184	299	287	254	521
Rest of the financial system (net)	1,571	1,928	1,888	1,981	2,150	2,158	2,214	2,350
Credit to the private sector	8,572	8,559	8,984	9,332	10,078	10,539	11,028	11,535
Other items (net)	-1,809	-1,946	-1,955	-1,907	-1,988	-2,102	-2,195	-2,285
Liabilities to the Private Sector	9,209	9,683	9,678	9,923	10,196	10,181	10,846	11,290
Deposits	9,043	9,474	9,413	9,638	9,907	9,863	10,498	10,927
Securities	166	209	264	285	289	318	348	362
III. Other financial corporations 2/								
Net Foreign Assets	58	132	339	460	600	608	501	467
Net Domestic Assets	5,260	5,789	6,108	6,687	7,121	7,794	8,500	9,140
Nonfinancial public sector (net)	3,607	4,281	4,960	5,660	6,036	6,448	7,019	7,598
Rest of the financial system (net)	1,620	1,490	1,121	987	1,007	943	1,105	1,150
Credit to the private sector	166	195	215	242	279	508	569	592
Other items (net)	-133	-177	-188	-201	-201	-198	-277	-289
Liabilities to the Private Sector	5,318	5,921	6,447	7,147	7,721	8,402	9,001	9,607
Pension fund contributions	5,139	5,734	6,247	6,931	7,470	8,133	8,729	9,329
IV. Financial System								
Net Foreign Assets	3,028	3,378	2,811	3,229	2,473	2,211	1,931	2,177
Net Domestic Assets	11,878	12,463	13,519	13,997	15,533	16,484	18,027	18,831
Net claims on nonfinancial public sector	4,325	5,216	6,113	6,189	7,118	7,410	8,507	8,843
Credit to private sector	8,753	8,755	9,199	9,574	10,357	11,047	11,597	12,127
Other	-1,200	-1,508	-1,793	-1,766	-1,942	-1,973	-2,077	-2,138
Liabilities to the Private Sector	14,906	15,841	16,331	17,226	18,006	18,695	19,957	21,008
Money	2,183	2,542	2,669	2,681	2,759	2,788	3,108	3,237
Quasi-money	7,584	7,565	7,415	7,614	7,777	7,775	8,120	8,442
Pension fund contributions	5,139	5,734	6,247	6,931	7,470	8,133	8,729	9,329
(Percent changes relative to previous year's liabilities to the private sector)								
Net domestic assets	-0.8	3.9	6.7	2.9	8.9	9.0	14.6	7.2
Nonfinancial public sector	3.0	6.0	5.7	0.5	5.4	2.8	10.4	3.0
Credit to the private sector	-3.3	0.0	2.8	2.3	4.5	6.6	5.2	4.7
Liabilities to the private sector	5.0	6.3	3.1	5.5	4.5	6.5	11.9	9.4
(Percent of GDP)								
Credit to the private sector	42.4	40.9	39.8	40.2	42.5	44.1	44.9	45.1
Liabilities to the private sector	72.1	74.0	70.6	72.3	73.9	74.6	77.2	78.1
Excluding pension contributions	47.3	47.2	43.6	43.2	43.3	42.2	43.4	43.4
(Annual percentage change, unless otherwise noted)								
Credit to the private sector	-5.0	0.0	5.1	4.1	8.2	6.7	5.0	4.6
Private sector deposits in depository corporations	1.8	4.8	-0.6	2.4	2.8	-0.4	6.4	4.1
Depository corporations liquid deposits at central bank								
(In percent of total deposits)	24.9	24.8	24.1	23.1	25.0	25.0	24.4	24.8
(In percent of NIR)	75.4	81.5	90.7	70.1	91.0	92.8	96.1	97.1

Sources: Central Reserve Bank of El Salvador and Fund staff estimates.

1/ Beginning in 2010, gold in international reserves is valued at the price determined by the London Bullion Market (resulting in a valuation gain of US\$170 million).

2/ Includes private pension funds, insurance corporations, and the state Development Bank.