# Textile industry in El Salvador

The textile and apparel manufacturing industries are cornerstones of El Salvador's economy, contributing significantly to its GDP and employment. According to the Chamber of the Textile, Clothing and Free Zones Industry of El Salvador, as of 2022, this sector represented 9% of the GDP and provided direct jobs to approximately 73,700 people (57% women and 43% men). Also, these industries generated around 39% of the exports of the Country with a value of $2,751.70 million in 2022.[[1]](#footnote-2)

A key feature of El Salvador's textile industry is its export orientation, with the United States being the main market, absorbing around 70% of the country's textile exports, according to the Central Bank of El Salvador, this makes El Salvador the 15th international provider of apparel to the U.S. Other significant destinations include Honduras, Guatemala, Nicaragua, and Mexico, which together absorb around 14% of this industry’s exports. In the case of the European market, the largest importer of Salvadoran textiles is Germany which absorbs around 5% of the exports.[[2]](#footnote-3)

Given the exposure to the competition within the U.S. market the industry in El Salvador has developed a reputation for its adherence to high-quality standards. Moreover, the country's textile industry has made strides in sustainability, with some mills operating in El Salvador achieving STeP by OEKO-TEX certification for sustainable textile production.

Regarding the Finnish market, there is considerable potential. The demand for high-quality, sustainably produced textiles in Finland has been on the rise, a trend that El Salvador's industry is well-equipped to meet. Finnish consumers have demonstrated a growing preference for transparency and sustainability in their textile purchases, aligning with El Salvador's advancements in these areas. Additionally, Finland's import of textiles and apparel has steadily grown over the past five years, reaching around $2.3 billion in 2020, providing a sizable market opportunity.[[3]](#footnote-4)

Further, the geographical positioning of El Salvador, in a region with a Free Trade Agreement with the EU (Association Agreement between Central America and the European Union), makes the country a strategic partner for Finnish textile importers, allowing for preferential access and potential cost advantages.

In conclusion, El Salvador's textile and apparel manufacturing industry has a strong potential to thrive in the Finnish market, thanks to its commitment to quality, sustainability, and competitive advantages offered by regional trade agreements.

1. https://www.elsalvador.com/noticias/negocios/sector-textil-empresas-textiles-camtex-el-salvador-exportaciones-/1061784/2023/ [↑](#footnote-ref-2)
2. https://www.bcr.gob.sv/bcrsite/?cat=1012&lang=es [↑](#footnote-ref-3)
3. https://wits.worldbank.org/CountryProfile/en/Country/FIN/Year/LTST/TradeFlow/Import/Partner/by-country/Product/50-63\_TextCloth# [↑](#footnote-ref-4)