



GOBIERNO DE  
EL SALVADOR

Sector guide

# Aeronautics



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## **contact**

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# Introduction

The World Economic Forum's (WEF) Global Competitiveness Report 2016-2017 places El Salvador among the nations with best infrastructure in the world and the second in the Central American region.

## El Salvador International Airport:

- Stands out as an important regional hub and according to the WEF, El Salvador has the best airport infrastructure in the Central American region
- It's classified as Category 1 by the Federal Aviation Association (FAA)
- It's near sea level altitude (25m ASL) facilitates the safe take-off and landing of aircraft at 100% capacity
- Has land available for industrial development, especially in Aviation (167 Ha.)

## Human Capital Formation

### The country offers:

- High School specialized in Aviation Maintenance – ITEXSAL / ITCA
- High School specialized in Military Aviation – FAS (Salvadoran Air Force)
- Aircraft Technical Career and Aeronautical Engineering – UDB
- More than 8 training institutions certified by the Civil Aviation Authority of El Salvador

## Preferential Access to International Markets

El Salvador has trade agreements with 45 countries in the Americas, Europe and Asia. Together they represent a potential market of 1.2 billion consumers.

These agreements provide flexible rules of origin and major reductions in import tariffs.

## Incentives

### The Law of Industrial Free Zones and Commercialization:

#### Benefits granted by the Law:

- Income Tax exemption
- Value Added tax exemption
- Local tax exemption
- Tax Free introduction into the free zones of machinery, equipment, tools, raw material and semi manufactured and intermediate products.

## The International Services Law

### Benefits granted by the Law:

- 100% exemption from import duties on machinery and equipment
- 100% exemption from income tax
- 100% exemption from general consumption tax (VAT)
- 100% exemption from municipal taxes, among others
- Repatriation of earnings and/or dividends

## MRO Services

<b>Exports of maintenance and operations services in 2022</b>	<b>USD \$409.56 million</b>
<b>Share of total exported services in 2022</b>	<b>9.3%</b>
<b>The growth of export in maintenance and operations services in 2022</b>	<b>8.9%</b>

With over 35 years of experience, El Salvador has positioned as a global reference in the maintenance, repair, and operations of commercial aircraft. Our country provides an average of 200 MRO services to major North and Latin American airlines, with a focus on the Airbus, Boeing, and Embraer aircraft families.



## Key information

Turnaround Time (TAT)	98%
Jobs	+2,400
Staff turnover	2%
Labor cost competitiveness compared to the United States and Mexico	< 40%
AVIANCA's regional hub and a destination for major airlines from North America and Europe	#1
Airlines operating at El Salvador International Airport	14
Direct routes from and to El Salvador International Airport	35

We have specialized training for the human capital required by the MRO industry:



Specialized high school diploma in aircraft maintenance



Aircraft maintenance technician



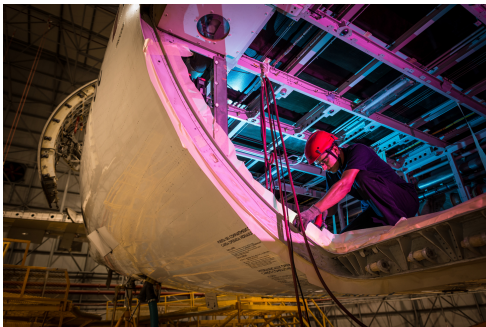
Aeronautical engineering

# Advantages of investing in El Salvador

- Aeronautical cluster with the presence of anchor companies: AEROMAN and Avianca.
- Geostrategic position thanks to our proximity to the world's largest aviation market.
- Aeronautical training opportunities for technicians and engineers, providing the necessary education to excel in this constantly growing industry.
- Accelerated learning curve that ensures rapid assimilation of essential technical knowledge for world-class operations.
- Availability of differentiated lands for various activities in the industrial zone of El Salvador International Airport and Ilopango International Airport.
- Attractive incentives for investors interested in being part of our prosperous aeronautical sector.

## Investment opportunities

- Operations of commercial aircraft maintenance services.
- Aeronautical ground services
- Helicopter maintenance and assembly operations.
- Manufacturing of LSA (Light Sport Aircraft) fuselage and components such as wing tips, engines, among others, in composite materials.
- Painting and maintenance of interiors of commercial aircraft.
- Assembly of aeronautical harness systems
- Manufacturing of plastic and mechanical metal parts.
- Subassembly of aerostructures.
- Component maintenance.
- Aeronautical parts distribution and warehousing services.





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