El Salvador

Key indicators, 2010

Population (millions) ........................................... 6.2
GDP (US$ billions) ................................................... 21.7
GDP per capita (US$) ............................................. 3,701
GDP (PPP) as share (%) of world total ................... 0.06

Global Competitiveness Index

<table>
<thead>
<tr>
<th>Rank</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>91</td>
<td>3.9</td>
</tr>
</tbody>
</table>

GCI 2011–2012 .................................................. 91......3.9
GCI 2010–2011 (out of 139) .................................... 82......4.0
GCI 2009–2010 (out of 133) ..................................... 77......4.0

Basic requirements (40.0%) ..................................... 87......4.3
Institutions ..................................................... 118......3.2
Infrastructure ................................................... 65......4.0
Macroeconomic environment ................................... 80......4.6
Health and primary education .................................. 90......5.4

Efficiency enhancers (50.0%) ................................... 96......3.7
Higher education and training ................................ 105......3.5
Goods market efficiency ........................................ 69......4.2
Labor market efficiency ......................................... 108......4.0
Financial market development ............................... 72......4.0
Technological readiness ........................................ 90......3.4
Market size ....................................................... 86......3.2

Innovation and sophistication factors (10.0%) .......... 106......3.1
Business sophistication ......................................... 74......3.8
Innovation ....................................................... 127......2.5

The most problematic factors for doing business

Crime and theft .................................................. 24.8
Policy instability ................................................ 12.7
Access to financing ............................................. 12.4
Inefficient government bureaucracy ........................ 9.6
Corruption ....................................................... 8.5
Inflation ......................................................... 6.3
Inadequately educated workforce ............................ 5.7
Tax rates ......................................................... 5.1
Tax regulations ................................................ 5.1
Poor work ethic in national labor force .................... 4.1
Inadequate supply of infrastructure ......................... 2.7
Restrictive labor regulations .................................. 1.4
Poor public health ............................................... 1.1
Government instability/coups ................................ 0.3
Foreign currency regulations ................................. 0.2

Note: From a list of 15 factors, respondents were asked to select the five most problematic for doing business in their country and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.
## The Global Competitiveness Index in detail

### 1st pillar: Institutions

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value</th>
<th>Rank/142</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.01 Property rights</td>
<td>3.8</td>
<td>96</td>
</tr>
<tr>
<td>1.02 Intellectual property protection</td>
<td>2.6</td>
<td>113</td>
</tr>
<tr>
<td>1.03 Diversion of public funds</td>
<td>2.9</td>
<td>90</td>
</tr>
<tr>
<td>1.04 Public trust of politicians</td>
<td>1.9</td>
<td>125</td>
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<tr>
<td>1.05 Irregular payments and bribes</td>
<td>3.8</td>
<td>75</td>
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<tr>
<td>1.06 Judicial independence</td>
<td>2.9</td>
<td>106</td>
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<tr>
<td>1.07 Favoritism in decisions of government officials</td>
<td>2.5</td>
<td>109</td>
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<tr>
<td>1.08 Wastefulness of government spending</td>
<td>2.8</td>
<td>99</td>
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<tr>
<td>1.09 Burden of government regulation</td>
<td>3.4</td>
<td>62</td>
</tr>
<tr>
<td>1.1 Efficiency of legal framework in settling disputes</td>
<td>3.9</td>
<td>114</td>
</tr>
<tr>
<td>1.11 Efficiency of legal framework in challenging reg.</td>
<td>2.9</td>
<td>111</td>
</tr>
<tr>
<td>1.12 Transparency of government policymaking</td>
<td>3.8</td>
<td>107</td>
</tr>
<tr>
<td>1.13 Business costs of terrorism</td>
<td>4.0</td>
<td>132</td>
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<tr>
<td>1.14 Business costs of crime and violence</td>
<td>1.9</td>
<td>141</td>
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<tr>
<td>1.15 Organized crime</td>
<td>1.9</td>
<td>142</td>
</tr>
<tr>
<td>1.16 Reliability of police services</td>
<td>3.1</td>
<td>117</td>
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<tr>
<td>1.17 Ethical behavior of firms</td>
<td>3.8</td>
<td>73</td>
</tr>
<tr>
<td>1.18 Strength of auditing and reporting standards</td>
<td>4.6</td>
<td>73</td>
</tr>
<tr>
<td>1.19 Ethics of corporate boards</td>
<td>4.8</td>
<td>44</td>
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<tr>
<td>1.20 Protection of minority shareholders’ interests</td>
<td>3.8</td>
<td>107</td>
</tr>
<tr>
<td>1.21 Strength of investor protection, 0–10 (best)*</td>
<td>4.3</td>
<td>100</td>
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### 2nd pillar: Infrastructure

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.01 Quality of overall infrastructure</td>
<td>4.6</td>
</tr>
<tr>
<td>2.02 Quality of roads</td>
<td>4.8</td>
</tr>
<tr>
<td>2.03 Quality of railroad infrastructure</td>
<td>1.4</td>
</tr>
<tr>
<td>2.04 Quality of port infrastructure</td>
<td>3.8</td>
</tr>
<tr>
<td>2.05 Quality of air transport infrastructure</td>
<td>5.5</td>
</tr>
<tr>
<td>2.06 Available airline seat kms/week, millions*</td>
<td>85.9</td>
</tr>
<tr>
<td>2.07 Quality of electricity supply</td>
<td>4.8</td>
</tr>
<tr>
<td>2.08 Fixed telephone lines/100 pop.*</td>
<td>16.2</td>
</tr>
<tr>
<td>2.09 Mobile telephone subscriptions/100 pop.*</td>
<td>124.3</td>
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</tbody>
</table>

### 3rd pillar: Macroeconomic environment

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.01 Government budget balance, % GDP*</td>
<td>-4.4</td>
</tr>
<tr>
<td>3.02 Gross national savings, % GDP*</td>
<td>10.9</td>
</tr>
<tr>
<td>3.03 Inflation, annual % change*</td>
<td>1.2</td>
</tr>
<tr>
<td>3.04 Interest rate spread, *</td>
<td>4.8</td>
</tr>
<tr>
<td>3.05 General government debt, % GDP*</td>
<td>50.8</td>
</tr>
<tr>
<td>3.06 Country credit rating, 0–100 (best)*</td>
<td>476</td>
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</tbody>
</table>

### 4th pillar: Health and primary education

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.01 Business impact of malaria</td>
<td>5.7</td>
</tr>
<tr>
<td>4.02 Malaria cases/100,000 pop.*</td>
<td>1.3</td>
</tr>
<tr>
<td>4.03 Business impact of tuberculosis</td>
<td>5.2</td>
</tr>
<tr>
<td>4.04 Tuberculosis incidence/100,000 pop.*</td>
<td>30.0</td>
</tr>
<tr>
<td>4.05 Business impact of HIV/AIDS*</td>
<td>4.7</td>
</tr>
<tr>
<td>4.06 HIV prevalence, % adult pop.*</td>
<td>0.8</td>
</tr>
<tr>
<td>4.07 Infant mortality, deaths/1,000 live births*</td>
<td>14.6</td>
</tr>
<tr>
<td>4.08 Life expectancy, years*</td>
<td>71.5</td>
</tr>
<tr>
<td>4.09 Quality of primary education</td>
<td>2.5</td>
</tr>
<tr>
<td>4.10 Primary education enrollment, net %*</td>
<td>94.0</td>
</tr>
</tbody>
</table>

### 5th pillar: Higher education and training

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.01 Secondary education enrollment, gross %*</td>
<td>63.6</td>
</tr>
<tr>
<td>5.02 Tertiary education enrollment, gross %*</td>
<td>24.6</td>
</tr>
<tr>
<td>5.03 Quality of the educational system</td>
<td>2.7</td>
</tr>
<tr>
<td>5.04 Quality of math and science education</td>
<td>2.6</td>
</tr>
<tr>
<td>5.05 Quality of management schools</td>
<td>3.9</td>
</tr>
<tr>
<td>5.06 Internet access in schools*</td>
<td>3.1</td>
</tr>
<tr>
<td>5.07 Availability of research and training services</td>
<td>3.9</td>
</tr>
<tr>
<td>5.08 Extent of staff training*</td>
<td>3.9</td>
</tr>
</tbody>
</table>

### 6th pillar: Goods market efficiency

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value</th>
<th>Rank/142</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.01 Intensity of local competition</td>
<td>5.3</td>
<td>40</td>
</tr>
<tr>
<td>6.02 Extent of market dominance</td>
<td>3.0</td>
<td>125</td>
</tr>
<tr>
<td>6.03 Effectiveness of anti-monopoly policy</td>
<td>3.5</td>
<td>102</td>
</tr>
<tr>
<td>6.04 Effect and extent of taxation</td>
<td>3.1</td>
<td>103</td>
</tr>
<tr>
<td>6.05 Total tax rate, % profits*</td>
<td>35.0</td>
<td>53</td>
</tr>
<tr>
<td>6.06 No. procedures to start a business*</td>
<td>8.0</td>
<td>78</td>
</tr>
<tr>
<td>6.07 No. days to start a business*</td>
<td>17.0</td>
<td>70</td>
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<tr>
<td>6.08 Agricultural policy costs</td>
<td>3.6</td>
<td>94</td>
</tr>
<tr>
<td>6.09 Prevalence of trade barriers</td>
<td>4.3</td>
<td>80</td>
</tr>
<tr>
<td>6.10 Trade tariffs, % duty*</td>
<td>4.3</td>
<td>50</td>
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<tr>
<td>6.11 Prevalence of foreign ownership</td>
<td>5.2</td>
<td>37</td>
</tr>
<tr>
<td>6.12 Business impact of rules on FDI</td>
<td>4.1</td>
<td>103</td>
</tr>
<tr>
<td>6.13 Burden of customs procedures</td>
<td>3.9</td>
<td>86</td>
</tr>
<tr>
<td>6.14 Imports as a percentage of GDP*</td>
<td>40.4</td>
<td>65</td>
</tr>
<tr>
<td>6.15 Degree of customer orientation</td>
<td>5.1</td>
<td>38</td>
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<tr>
<td>6.16 Buyer sophistication</td>
<td>3.3</td>
<td>82</td>
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</tbody>
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### 7th pillar: Labor market efficiency

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value</th>
<th>Rank/142</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.01 Cooperation in labor-renter relations</td>
<td>4.9</td>
<td>38</td>
</tr>
<tr>
<td>7.02 Flexibility of wage determination</td>
<td>5.7</td>
<td>23</td>
</tr>
<tr>
<td>7.03 Rigidity of employment index, 0–100</td>
<td>24.0</td>
<td>63</td>
</tr>
<tr>
<td>7.04 Hiring and firing practices</td>
<td>4.5</td>
<td>31</td>
</tr>
<tr>
<td>7.05 Redundancy costs, weeks of salary*</td>
<td>86</td>
<td>111</td>
</tr>
<tr>
<td>7.06 Pay and productivity</td>
<td>3.5</td>
<td>100</td>
</tr>
<tr>
<td>7.07 Reliance on professional management</td>
<td>3.5</td>
<td>120</td>
</tr>
<tr>
<td>7.08 Brain drain</td>
<td>2.6</td>
<td>115</td>
</tr>
<tr>
<td>7.09 Women in labor force, ratio to men*</td>
<td>0.61</td>
<td>107</td>
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</tbody>
</table>

### 8th pillar: Financial market development

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.01 Availability of financial services</td>
<td>5.1</td>
</tr>
<tr>
<td>8.02 Affordability of financial services</td>
<td>4.3</td>
</tr>
<tr>
<td>8.03 Financing through local equity market</td>
<td>3.0</td>
</tr>
<tr>
<td>8.04 Ease of access to loans</td>
<td>2.8</td>
</tr>
<tr>
<td>8.05 Venture capital availability</td>
<td>2.3</td>
</tr>
<tr>
<td>8.06 Soundness of banks</td>
<td>5.8</td>
</tr>
<tr>
<td>8.07 Regulation of securities exchanges</td>
<td>3.7</td>
</tr>
<tr>
<td>8.08 Legal rights index, 0–100 (best)*</td>
<td>5.0</td>
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### 9th pillar: Technological readiness

<table>
<thead>
<tr>
<th>Indicator</th>
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<tbody>
<tr>
<td>9.01 Availability of latest technologies</td>
<td>4.9</td>
</tr>
<tr>
<td>9.02 Firm-level technology absorption</td>
<td>4.6</td>
</tr>
<tr>
<td>9.03 FDI and technology transfer</td>
<td>4.4</td>
</tr>
<tr>
<td>9.04 Internet users/100 pop.*</td>
<td>15.0</td>
</tr>
<tr>
<td>9.05 Broadband Internet subscriptions/100 pop.*</td>
<td>3.6</td>
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<tr>
<td>9.06 Internet bandwidth, bps/capita*</td>
<td>0.2</td>
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### 10th pillar: Market size

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<tr>
<th>Indicator</th>
<th>Value</th>
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<tbody>
<tr>
<td>10.01 Domestic market size index, 1–7 (best)*</td>
<td>3.1</td>
</tr>
<tr>
<td>10.02 Foreign market size index, 1–7 (best)*</td>
<td>3.6</td>
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### 11th pillar: Business sophistication

<table>
<thead>
<tr>
<th>Indicator</th>
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</tr>
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<tbody>
<tr>
<td>11.01 Local supplier quantity</td>
<td>4.8</td>
</tr>
<tr>
<td>11.02 Local supplier quality</td>
<td>4.8</td>
</tr>
<tr>
<td>11.03 State of cluster development</td>
<td>3.3</td>
</tr>
<tr>
<td>11.04 Nature of competitive advantage</td>
<td>3.5</td>
</tr>
<tr>
<td>11.05 Value chain breadth</td>
<td>3.5</td>
</tr>
<tr>
<td>11.06 Control of international distribution</td>
<td>3.9</td>
</tr>
<tr>
<td>11.07 Production process sophistication</td>
<td>3.1</td>
</tr>
<tr>
<td>11.08 Extent of marketing</td>
<td>3.9</td>
</tr>
<tr>
<td>11.09 Willingness to delegate authority</td>
<td>3.6</td>
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</table>

### 12th pillar: Innovation

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value</th>
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</thead>
<tbody>
<tr>
<td>12.01 Capacity for innovation</td>
<td>2.5</td>
</tr>
<tr>
<td>12.02 Quality of scientific research institutions</td>
<td>2.2</td>
</tr>
<tr>
<td>12.03 Company spending on R&amp;D</td>
<td>2.5</td>
</tr>
<tr>
<td>12.04 University-industry collaboration in R&amp;D</td>
<td>3.1</td>
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<tr>
<td>12.05 Gov’t procurement of advanced tech products</td>
<td>2.9</td>
</tr>
<tr>
<td>12.06 Availability of scientists and engineers</td>
<td>2.9</td>
</tr>
<tr>
<td>12.07 Utility patents granted/million pop.*</td>
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</tbody>
</table>