

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY  
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT  
POLICY

Voluntary - Public

**Date:** 11/9/2010

**GAIN Report Number:** ES1011

## El Salvador

**Post:** San Salvador

### **Wheat flour import duty reduction**

**Report Categories:**

Trade Policy Monitoring

**Approved By:**

Robert Hoff

**Prepared By:**

Miguel Herrera

**Report Highlights:**

The Government of El Salvador (GOES) has announced the decision to eliminate the 10 percent import duty for wheat flour. Due to recent wheat price hikes, prices for bakery products have rapidly increased in the retail and HRI sector. This initiative provides an opportunity for U.S. wheat flour exporters.

**General Information:**

Due to pressure from thousands of bakery product manufacturers, the GOES has decided to eliminate the 10 % import duty imposed on wheat flour. According to the Ministry of Economy (MINEC), this measure will be in effect until March 31, 2011. According to MINEC, on November 3rd, the regional Council of Ministries of Economy (COMIECO) decided to approve the reduction to zero duty for wheat flour. This measure was published in the Official Gazette under resolution 254 and only El Salvador has decided to apply it at this time. MINEC expects that this measure will decrease the price of a hundredweight bag of wheat flour by \$2.30. The bag of wheat flour has increased 9% since the first quarter of this year reaching \$16.50 before this measure was taken.