

## INTRODUCTION

Good morning. On behalf of the Chamber for Textile, Apparel and Free Trade Zones of El Salvador we would like to thank the AAPN leadership for all their efforts in the CAFTA-Dr Region and welcome its members who honor us with their visit to our country.

We would like to express our gratitude to the Minister of Economy, Maria Luisa Hayem and the Investment Director, Federico Apostolo who will be participating in this Summit to share with you the significant strides made by our country in areas such as Trade facilitation, Investment climate and human capital development.

We believe the principle ***Closer is Better*** resonates more than ever, as all of us recognize the challenges in the supply chain and the need **to minimize risks.**

This goal unites all segments of the industry and today **we invite you to reinforce our partnership moving forward.**

During my presentation I will give an overview of our industry's progress, investments, and new product capabilities and because images speak louder than words, I will begin by sharing a brief video.

## TEXTILE INDUSTRY IN NUMBERS

**To begin my presentation, let's talk about our sector in numbers**

The textile industry in El Salvador is a key driver for social and economic development.

It contributes more than 35% of the country's total exports, has a participation of 18% in industrial GDP and generates more than 35% of industrial employment; we currently have 17 free trade zones and 5 new projects in execution, as well as a pipeline of potential investors looking at the possibility of nearshoring their operations.

The Textile Sector is a strategic sector of our economy and has our government's full support.

This sector is primed for growth, with ample capacity to diversify its offerings. Strong infrastructure, skilled labor, and a commitment to quality.

## **A PARTNERSHIP BUILT ON TRUST**

**I invite you to consider some advantages of doing business with our industry:**

**The relationship between the US industry and the companies in El Salvador is A PARTNERSHIP BUILT ON TRUST**

For over 30 years, the CAFTA-DR region has earned a reputation as a trusted partner to U.S. industry.

Our strong partnership is rooted in our **cultural affinity, shared values, aligned goals, and strategic geographic proximity—**

El Salvador is positioned among the main apparel suppliers to the U.S, position built throughout the years of cultivating **solid relations with our customers, and with a proven track record of timely delivery.**

This strategic alliance is vital for addressing supply chain challenges—from geopolitical shifts to ethical concerns around cotton production in Xinjiang, and the growing demand for social and environmental responsibility.

CAFTA-DR partnerships offer a competitive sourcing option in alignment with U.S. standards for sustainability, ethical labor and traceability.

## CLOSER IS BETTER

With its strategic location, El Salvador offers shorter lead times, rapid turnaround, and high efficiency, allowing brands and retailers to achieve essential speed-to-market.

Compared to transit times from Asia (35 to 55 days), El Salvador delivers products in just 3 to 5 days enabling companies to lessen dependence on distant suppliers.

**Closer is better and is also faster, easier and safer.**

## AN INDUSTRY THAT IS VERTICALLY INTEGRATED

The textile industry in El Salvador has grown into a diversified, and vertically integrated industry hub, that together with our regional partners in Central America conforms a robust production platform for the US market.

The country has two strong manufacturing clusters one in cotton and one in synthetics located nearby - **Offering companies a cost-effective and highly collaborative environment, backed by strong logistics and infrastructure that streamlines production and distribution.**

## **HIGH-QUALITY GARMENTS SPECIALIZED VALUE**

We are also recognized for producing a broad range of high-quality garments from cotton, polycotton and polyester blends, specializing in high-performance sportswear with advanced capabilities.

Our top export products are:

- T-shirt of cotton and synthetic fiber,
- Pullovers, jumpers of cotton and synthetic fiber; and
- Synthetic fiber sport socks.

However, statistics show that El Salvador has expanded production into other high-value segments. Examples of our growing offer are high end loungewear, healthcare uniforms, Bedding products, Babies and kid's apparel, cheerleaders uniforms, sophisticated yoga wear, among others.

The industry is continuously investing in innovative processes including advanced yarns, unique fabric types, and modern manufacturing techniques.

Let me share with you two examples:

### **El Salvador manufactures NEOLAST**

A Fiber built to withstand the demands of all types of athletic training and featuring a classic design to help athletes stay focused during workouts. NEOLAST will address key sustainability challenges of elastane, including recyclability and solvent-use.

## **Let's talk about RECOVER**

An innovative fiber regeneration process designed to transform excess raw materials into new, high-quality fibers and yarns.

This sustainable approach not only minimizes waste but also maximizes resource efficiency.

The process begins with the collection of post- industrial waste from the cutting area, which is then mechanically recycled into new dyed fibers. This eliminates the need for additional dyeing, significantly reducing chemical use and nearly eliminating water consumption.

**RECOVER establishes a virtuous cycle that supports sustainable production and protects the planet.**

With these innovations and more on the way, El Salvador is geared up to become the new **Circular Textile Hub**.

## **ENGINEERED FOR CHAMPIONS, BUILT FOR EXCELLENCE.**

**Let me give you some other examples of our production:**

High-performance athletes around the world choose our products for the most prestigious events—from the NBA and FIFA World Cup to cycling races, golf tournaments, and the NFL.

Designed with precision and advanced technology, each piece supports movement, durability, and breathability.

Our products also empower outdoor enthusiasts on every adventure—from fishing trips to mountain treks and winter trails. Our products are built for durability, warmth, and all-weather protection to face nature's toughest challenges year-round.

El Salvador is also a strong competitor in producing high-quality, ethically made kids' apparel.

This is why world-known brands recognized us for the quality of our products and the workmanship with which they are made and do business in El Salvador.

## **TRANSPARENT ORIGINS, SUSTAINABLE FUTURES**

### **Last but not least**

**Our industry is fully committed to guaranteeing the traceability and Sustainability of our production** prioritizing transparency and accountability, implementing systems that allow brands and consumers to track products throughout the entire supply chain.

The CAFTA-DR Region is working closely with CBP to support our industry by implementing capacity building programs for next year and searching for mechanisms that will foster the exchange of information among the parties.

Our companies are also part of many dynamic programs that not only meet international labor standards but also actively align with Sustainable Development Goals.

Programs like Worldly, FSLM, FEM, and the UN Global Compact showcase the region's commitment to social responsibility, meeting EU and U.S. standards for human rights in supply chains.

El Salvador's stable trade relations and dedication to improving labor standards make it an attractive option for U.S. companies looking to move production away from regions with unruly labor practices.

### **Focus on Sustainable Practices**

Committed to sustainable development, El Salvador's textile industry embraces eco-friendly innovations like Pettenati's advanced

wastewater treatment plant, which removes 85% of organic contaminants and recycles 65% of treated water back into production. Combined with energy-efficient processes, these efforts minimize environmental impact.

Our members stand out to implement successful sustainability processes. Examples such as **Repreve - Unifi**, and **EcoTech – CS Central America**, include the adoption of sustainable practices in the manufacturing of high-performance fiber, resin from recycled materials and traceable waste, and the production of recycled polyester yarn made from 100% post-consumer PET bottles.

## **CLOSING**

To finalized we hope that with this visit to El Salvador you will walk away with a clearer understanding of the opportunity that lies ahead. Our industry is ready to continue investing in technology, innovation and the training of our workforce.

We are certain that strengthening our partnership, is a **win- win** situation and will prove that without any doubt **-closer is better.**

Thank you for being part of this journey with us.