



Thumbstall on the rise

El Salvador is a small country with a big potential.

Text: Stephan Burianek



Thanks to its rich colonial heritage and the numerous galleries, Suchitoto is considered the cultural capital of El Salvador.



Left: The old town of San Salvador at night. Right: Volcanoes are part of the country's DNA.



FACTS & FIGURES

El Salvador

Official name: Republic of El Salvador

Form of government: Presidential system

Population: 6,704,000 (2019)

Capital: San Salvador

Area: 21,041 km²

Official language: Spanish

Religion:

- Roman Catholic: 44.9%
- Protestant: 37.1%
- no religion: 15.2%
- other Christian: 2.1%
- other religions: 0.7%

Ethnic groups:

- Mestizo (mixed White and Indigenous): 86.3%
- White: 12.7%
- Indigenous: 1.23%
- Black & others: 0.87%

Currency: US dollar

GDP per capita: 4,041 US dollar (nominal, 2018 estimate)



To understand a widely unexposed country like El Salvador you need to dig a bit in history. Like Costa Rica, Guatemala, Honduras, and Nicaragua the country with a size slightly larger than Lower Austria, gained its independence from Spain on September 15th, 1821 – a historic date that lives on as the national Independence Day in the aforementioned countries. With the breakup of the Federal Republic of Central America, the former province El Salvador obtained the status of a sovereign country in 1838. Due to its colonial past, El Salvador had long been an oligarchy, with only a few families owning 90 percent of the land. From 1930, El Salvador had been a military dictatorship under which most of the indigenous people were killed (known as “La Matanza” – “The Massacre”). The political situation of the pseudo democracy lost its stability in the 1970s, which led to a civil war in the 1980s. Finally, a peace treaty mediated by the Catholic Church and the United Nations was signed in Mexico City in January 1991.

From this point on, the political system of El Salvador was successfully transformed from an autocracy to a democracy. It is obvious that such a blood-soaked history cannot be surmounted overnight. In recent years, the international media predominantly reported about a high crime rate that emanated from youth gangs, so-called “Maras”, which were imported from Los Angeles by former emigrants that had fled the civil war.

But these reports only show part of the Salvadorian reality, and they overshadowed the country's success in social and educational reforms. The access to healthcare facilities and the literacy rates have increased, and the inequality, measured by the Gini coefficient, declined from 51.9 (2002) to 38.6 (2018), making El Salvador one of the most equal countries in Latin America.

Central Americans lovingly call El Salvador the



Above: El Sunzal is a surfers' hotspot and part of Surf City. Right: The president has an office at the National Palace. Tourists can visit the building's historic rooms.

Pulgarcito – the Thumbstall – of their region. Although the smallest country on the American mainland, it exports a wide range of manufactured products, such as textiles, chemicals, paper, plastics, and metallic products. The country is also a traditional exporter of sugar and coffee. Besides that, the service sector is evolving slowly but surely, especially in the medicine and in the IT sector.

Its important position in the region is underlined by the fact that the capital San Salvador houses the General Secretariat headquarters of the Central American Integration System (SICA), a political union of eight Central American countries with the target to secure peace, democracy and economic development on the continent.

El Salvador's main trading partner is the United States with more than 40 percent of the total sales, followed by Central American countries and by China. According to The Observatory of Economic Complexity (OEC) in 2018, the exports to Austria amounted 2.94 million US dollar, almost 44% of which included the sale of electrical capacitors, followed by knit clothes, honey and coffee. In the same year, the imports from Austria came to 11.5 million US dollar, mainly including machinery (industrial printers and electrical transformers), paper and flavoured water.

The strong relations between El Salvador and the USA have a long history. It is estimated that up to two million Salvadorians live in the USA, representing an exodus that started during the civil war. The expats' revenues sent to their family members back home, provide El Salvador with essential cash flows. Against this background, it seems practical that in 2001, El Salvador adopted the US dollar as its official currency, which can be considered a goody also for foreign investors, as this reduces the risk of inflation.

In fact, there is a legitimate hope that time for an enduring renewal has finally come. A hope that is personified not least by a 39-year-old business man named Nayib Bukele, a former mayor of the capital San Salvador. Since he became the state president with an absolute majority of the votes in the first ballot in June 2019, he pressed ahead with reforms that have already resulted in an impressive record within a short time. Violent crimes as well as emigration numbers have been decreased by half, and as a result of this, the US State Department lowered the country's risk assessment from level 3 to 2, putting it on an equal rank with Mexico and some European countries.





Above: The Maya ruins of San Andrés.
Middle: The sun-rich country sees its future in green energy.
Below: Besides coffee and sugar, El Salvador is known for cacao of high quality.



The vulcano El Boquerón towers over the capital San Salvador.

Regardless of the fact that his critics accuse him of hardly respecting the checks and balances, the young president enjoys a profound consent among the Salvadorian citizens who seem to respect him for doing “the right thing”. His intuition had led to an early and very strict shutdown in March due to the Covid pandemic, so far resulting in a low number of cases.

Even before President Bukele managed to reduce the homicide rate, travelling in El Salvador was not extraordinary dangerous, as long as tourists accepted to avoid certain areas. The appealing old towns, the beauty of the Salvadorian nature and the stony witnesses of indigenous culture now seem even more attractive, of course, and after the pandemic will be overcome, tourism will for sure be back on the rise again.

In San Salvador, a city beautifully surrounded by mountains, at night party people will then hang out again in the bars and restaurants of the Zona Rosa district at night, and the recently renovated old town will again be a lively place during the day. Not far from the capital, three excavation sites lead back to pre-Hispanic culture. One of them, Joya de Cerén, is

a listed World Heritage Site by the UNESCO. This former Maya village was covered with ashes from a nearby volcano, hence it is called the “Pompeii of the Americas”. Nature lovers do volcano hopping at the Los Volcanos National Park, or enjoy the scenery while dawdling through picturesque villages dating from the colonial past along the Ruta de las Flores.

Next to coffee beans that have apparently become increasingly popular also in Austrian coffeehouses, El Salvador owns another worldwide renowned asset: waves. The country’s Pacific coast is a surfer’s paradise. President Bukele has pushed forward plans to create a “Surf City”, connecting seven regional departments with a solid touristic infrastructure that accord with a contemporary hip lifestyle. In May this year, Surf City was scheduled to host the ISA World Surfing Games, but due to the worldwide pandemic they had to be shifted to 2021.

Central America’s Pulgarcito has plenty to offer, with no doubt, both for tourists as well as for investors. Evidence suggests an economic boost in the near future. It is overdue. ●



El Salvador still is a touristic insiders’ tip.

PHOTOS: MINISTERIO DE RELACIONES EXTERIORES, ADOBE STOCK



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H.E. Julia Emma Villatoro Tario

“You can really call it an insiders’ tip!”

The Ambassador of El Salvador talks about the challenges and the international potential of mainland America’s smallest country.

Interview: Stephan Burianek



H.E. JULIA EMMA VILLATORO TARIO

holds a Bachelor’s degree in Law from the Central American University “José Simeón Cañas” in San Salvador. She served in Vienna for the first time from 2009 to 2016 as Deputy Permanent Representative. Before presenting her credentials as the Ambassador of El Salvador in Austria in January 2020, she was the Ambassador to Belgium and Luxembourg. She speaks Spanish, English and German and has two daughters.

CD: The colonial history and the aftermath of the civil war still have an impact on the distribution of wealth and on the quality of life of many citizens. How does the government of El Salvador deal with this matter?

JULIA EMMA VILLATORO TARIO: The wealth gap is still a challenge in many Latin American countries. Nevertheless, I want to point out that El Salvador is a democratic country, and that we continue to work on improving this situation. One of the biggest challenges President Nayib Bukele is trying to achieve, is more equality to people and give them access they previously did not have. In that sense, one of the programmes he has implemented is called “CUBO”, which are youth developments centres which provide children and young people training in productive areas, having access to technology, teaching English as second language, and the opportunity to create ventures.

What are the main areas of interest of your work here in Austria?

Our trade relations have intensified thanks to the EU-Central America Association Agreement that was signed in 2012 and that includes the pillars trade, cooperation and political dialogue. One of our aims is to promote this agreement, and to draw the attention to El Salvador as a commercial partner. Improving economic relations with Austria and with the other members States of the European Union is very important to us. Likewise, we also seek to work hand in hand with the Austrian Development Agency in cooperation projects, mainly on development projects in the fields of social justice and environmental sustainability.

How could El Salvador profit from Austria?

Austria is a country that is highly admired in my country by all Salvadorans. In that regard, we are interested to learn more about green and sustainable energy models, as well as Austrian entrepreneurial experience in developing health and edu-



cation services. We share the vision of promoting development policies and processes in accordance with the 2030 Agenda for Sustainable Development. Its approach to economic growth as a continuous process of innovation is also an aspect that we can learn. Austria is listed as one of the five best European countries to undertake, so its experts can also teach us about this area.

Which other assets does El Salvador have to offer?

El Salvador has a very valuable asset which is the people. Not only because they welcome foreigners, but because they are a very productive workforce. Another advantage is the fact that our official currency is the US dollar, which helps foreign investors to have economic stability and avoid risks. It also offers competitive costs, suitable infrastructure, tax incentives, preferential access to international markets, strategic location, and other aspects that make it attractive for business. El Salvador is developing itself. We are currently trying to receive investments in order to improve its infrastructure and at the same time to become a prosperous, modern economy capable of generating employment, but also to create conditions for migrants who return to the country.

President Nayib Bukele plans to build a

new airport in San Salvador, and also wants to improve the train system in the country – and to implement projects, such as the Pacific Plan, which includes the modernisation of the Acajutla Port, the Pacific Train, the Pacific Airport, the improvement of road infrastructure, tourism, free zones, among others. One of the projects currently in development is the establishment of the Ferry El Salvador-Costa Rica, which will promote the transport of goods in Central America. In the same way, we have a Mobility Master Plan and emblematic projects such as the Surf City, which profits the fact that El Salvador has beaches with the best waves to surf. El Salvador really should be explored by European investors or entrepreneurs.

How will you draw attention to El Salvador on the diplomatic level?

Our new government has implemented a so-called “cultural diplomacy”. We want to present a new image of El Salvador advertising the national culture through the embassies and consulates abroad. In this regard, I think that Austria offers a valuable platform to get such cultural exchange. Furthermore, we permanently seek to strengthen our bilateral relationship with high-level meetings between the authorities of both countries to address issues of common interest.

After the actual pandemic will be overcome, would you recommend visiting El Salvador as a tourist?

Absolutely! First of all, we often hear from home coming tourists that El Salvador is a beautiful country with very hospitable people. We can’t deny that we have had certain problems with criminal activities in the past. However, since our President Nayib Bukele has implemented a very strict plan called “Control Territorial” with the target to stop these activities, the number of crimes has been reduced to a very, very significant extent. Like almost everywhere, as a tourist you are safe if you avoid certain areas. You can really call El Salvador an insiders’ tip! ●

PHOTOS: RALPH MANFREDA

H.E. Julia Emma Villatoro Tario with CD’s author Stephan Burianek during the interview at the Embassy.

