

REMARKS TO THE AMERICAN CHAMBER OF COMMERCE, SAN SALVADOR

Ambassador Ronald Douglas Johnson

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My arrival here and AmCham's 45th anniversary come at a very critical moment, a time of opportunity, but also at a strategic moment when our decisions will determine how we will move forward. Not any one man, not any one country but our decisions right now will determine what path the future holds.

So, I'd like to begin with a vision (or as some might say, with a dream). In 1963 Dr. Martin Luther King gave his famous "I Have a Dream" speech. He didn't lay out a plan, but he talked about a destination. Because, you see, one has to know where one's going before one can plan how to get there.

So, let me share with you my vision of where we are going.

My dream is that our relationship continues to evolve and to grow and develop into a "special relationship."

A relationship where we're not just partners but we're also friends - a relationship where we share a preference for each other and where we're willing to go that extra mile to support each other. A relationship where a U.S. based company will want to hire Salvadorans, or to use Salvadoran labor, or purchase Salvadoran products, because of their reputation as hard workers - yes, but also because of our proximity. And, because of our shared values of democracy, freedom, self-determination and human rights. I want to see that U.S. customer walk up to the counter in a coffee shop in Washington, DC as ask, "Do you have any Salvadoran coffee?"

I want to see talents, art, theater and musical interests grow closer.

When you think about it, we're already there:

- 30% of the people in the world who identify themselves as Salvadorans live in the U.S. and remittances from those people make up a significant part of El Salvador's GDP. [20%]
- Our native languages of Spanish and English are both growing faster than any other language in our countries.
- One can hardly walk into a restaurant or a hotel in Washington, DC without running into a Salvadoran. And as human nature has it, many Salvadorans have spouses and friends who are U.S. citizens, some have married and some have children who are U.S. citizens.

Looking forward in my vision, I'd like to see more U.S. investment, and partnerships between U.S. and Salvadoran businesses. I'd like to see the tourism industry take-off and grow as a true "destination" for U.S. tourists, not just surfers but from all walks of life.

I'd like to see more visa opportunities for Salvadoran workers, more scholarships and exchange students from both countries (can you imagine a U.S. student dreaming of coming to El Salvador to work in the tourism industry as part of their education? It's possible). I'd like to see a U.S. tourist that is just as proud of a tee-shirt with a picture of a Salvadoran volcano in the background, as they would be with a tee-shirt from Hawaii's Kilauea.

I'd like to see populations that are more mobile in legally traveling back and forth to visit the other country, to go to school, to work, and maybe to retire in the other country.

Is this a fantasy? Maybe. But, then again, so was putting a man on the moon but we dreamed that too, and then we did it.

There is a book by a friend of mine, Simon Sinek, called "Begin with Why." Simon is an inspirational speaker and a bit of a genius. In his book he lays out a model for how great leaders inspire people.

My dream explains how I begin with "Why." It's a destination. And it's actually the easy part of my job, because both El Salvador and the U.S. share in the priorities of creating a more secure and prosperous El Salvador. Simply put, it's in our best interest.

Next, we look at "How?" How do we get there? All of us... the AMCHAM organization, our governments, you and I as individuals, we all have crucial roles to play in getting us there.

Let's start with the governments. The U.S. government is already working with the Salvadoran government to help explore and implement policies that speed up the process for permits and licenses, policies that reduce red tape and bureaucracy, and policies to ensure that business competition is conducted in a transparent and fair business environment. A place where international business norms are common and where corruption at all levels, is easily discoverable and unquestionably punishable.

AmCham has already laid out plans to streamline and digitize contracting and permitting procedures, and I want to commend you on that. We want to continue to partner with you to help push those kinds of solutions forward. I have personally spoken to President Bukele about these issues and so far, I am encouraged by his actions in this regard.

This next part is where you really play an important role.

Sustainable job creation. It can only be accomplished by the private sector. Each year there are tens of thousands of new entrants into the job market. Existing businesses just can't keep pace

with the demands for jobs. It's abundantly clear that young Salvadorans are creative and talented. Their biggest impediment is the lack of opportunity.

Collectively, you, as established businesses, can help take on this challenge and broaden your networks to support downstream growth of small businesses and provide some of those missing opportunities.

Many of you already sub-contract certain aspects of your operations, like HR, marketing, social media, advertising, etc. Business models worldwide are increasing work with local SMEs for these types of support services. This allows them to focus on their core business while local experts focus on the other issues. El Salvador's technology and human capital has reached a point where investing in more local help for services, is a real possibility.

I encourage you to take a look at employing the most promising young Salvadoran entrepreneurs who can bring agility and flexibility to your business by providing you with some of those services that you're currently contracting elsewhere.

You can be leaders in driving a wide range of new Salvadoran support services by making this an area of emphasis for your businesses and you can feel good about yourselves because you'll be making a crucial contribution to the economy of El Salvador.

Notably, we have already seen an increase in interests among potential U.S. investors.

Channeling more investments into El Salvador is a priority for President Trump and he said so personally to President Bukele when they met in New York back in September. We are proud that U.S. investors and the U.S. government's development bank, OPIC, are supporting the largest private investment in the history of El Salvador, the Energía del Pacífico natural gas project. This 1 billion-dollar project will improve air quality and serve as a springboard for many other investments.

And, our development bank is committed to making more historical investments... this involves much more investment than in the past. I'm talking about billions of dollars in U.S. funding available for investment ideas, and just in El Salvador. Our goal at the Embassy is to channel as much of those billions as possible here to El Salvador. I encourage all of you to explore possibilities and develop strategies to take advantage of this available funding. Now is the time to invest in El Salvador, and we want to partner with you to support your investments.

Now, let me get to my final point. You already know this, but I have to say it: U.S. businesses hold themselves to a high standard regarding transparency and compliance. The Foreign Corrupt Practices Act is the most widely enforced anti-corruption law in the world. It requires U.S. companies worldwide to adopt business practices that maintain the highest ethical standards.

And, U.S. companies are proven, reliable partners. They comply not only with local labor and environmental laws, environmental laws, but also with international standards. U.S. companies also conduct robust social programs, they hire local employees, often with above market salaries, and they follow a model that focuses not just on short-term wins but also on long-term growth.

The United States and U.S. investors are the kind of partner that can be counted on to help ensure El Salvador's long-term development.

It gives me great pleasure that AmCham members fall into this category, whether you are U.S. businesses, franchises, or simply a responsible business. That is one of the many reasons AmCham is such a great partner here in El Salvador and around the world.

When we talk about a holistic and all-encompassing approach to growth, this is what we mean. Supporting economic growth through job creation, attracting investment, improving processes... they're all key to strengthening a business culture resistant to corrosive investment, debt traps and corruption, and they support both economic and social development. We see examples of these... big and small, already in progress.

You all know that tourism is an area that can provide immediate opportunities for investment, it contributes up to 10 percent of El Salvador's GDP. Nearly one in every ten jobs is in the tourism sector, and with the tourism sector growing by more than 10 percent each year the job opportunities will increase significantly.

El Salvador just completed an inter-national paddle board competition here with 27 countries represented. I spoke to one of the U.S. team members from Maui, Hawaii, and he complemented the quality of the surf here and the hospitality.

Just last week we had the groundbreaking of a wastewater treatment plant that supports the tourism zone in El Zonte. U.S. and Salvadoran investors are jointly supporting that 9-million-dollar project. And, along with clean water, we are also implementing an education program that will graduate students who specialize in hospitality and tourism. In total, we are opening 46 new schools here this year.

I have no doubt this will transform the coastal community, while at the same time bringing solid economic returns to the investors and the tourism sector. And I have high hopes that there will be excursions from the beach to the volcanoes, to coffee plantations, and to other historic cultural sites and art centers here in El Salvador.

Right now, we need to be thinking about a way to make it easy to go up to the top of one or more of the volcanoes (horseback, 4-wheelers, helicopters, a cable chair lift, etc.). And, we need to think

about geologist and volcanologist tours at the rim of a volcano, with seismic sensors, etc. Just ideas, but ideas that link the beach community to the rest of the country.

The private sector has an opportunity right now to influence and shape growth and development. It's time to seek a more strategic approach, one that will help develop the country as a whole and boost its economy. I respectfully ask you to position yourself strategically to work hand-in-hand with the public sector on shared priorities to improve El Salvador's prosperity through increased opportunities for trade, investment, and jobs.

Like me, you are all Ambassadors. And, I encourage you to spread the good word with your colleagues in the United States. We have to change the typical image of El Salvador from one of gangs and violence to one of a special friend - located just a few hours to the south.

Only by growing existing businesses and attracting new investments can El Salvador meet its challenges. The next time I speak to AmCham, I hope we will need a bigger room to fit its new members.

You can continue to count on the U.S. Embassy and on me for support. We believe in investing in El Salvador because we have seen the return on this investment. We will continue to promote real economic opportunities and we will continue to foster and support Salvadoran efforts to reach our shared goals of increasing security, advancing prosperity and creating jobs. We are untied with you to build this "special relationship" that I envision and to realize our dreams for El Salvador.