

Brussels, 19 July 1984

President Napoleon Duarte of El Salvador Visits the Commission

On 20 July 1984, Mr Napoleon DUARTE, President of El Salvador, will pay an official visit to the Commission where he will have talks with President Gaston E. THORN.

Major topics for discussion will be the political and economic situation in Central America and developments in the field of multilateral cooperation between the Community and Central America as a whole and El Salvador in particular.

The Framework for EC-Salvadorian Relations

Although there is no institutional link between the Community and El Salvador the Community has shown a keen interest in Central America, of which El Salvador is an important element, and has expressed on several occasions the clear wish to contribute to the economic and political development of the region.

This interest has been reflected in statements of the European Council which have repeatedly affirmed the Ten's willingness to contribute to economic and social development in Central America.

As a concrete sign of this the Community decided in 1982 to make a substantial special contribution of 30 MECU on top of the normal annual aid of 50 MECU, devoted mainly to agricultural reform programmes.

The Community is also examining the possibility of establishing contractual links with the Central American countries on a regional basis, a suggestion which has been welcomed by the authorities in the region, most recently in a meeting held on 21 May 1984 between senior representatives of the Commission and the Central American ambassadors posted in Brussels.

The Commission has also provided technical assistance, through its programme for encouraging regional integration, to the institutions of the Central American Common Market (CCMA) of which El Salvador is a member along with Guatemala, Honduras, Costa Rica and Nicaragua.

The Commission provided facilities in September 1983 for a meeting of the Ministers of Finance of the CCMA countries (plus Panama), high level representatives of the governments of the industrialised world and of international development organisations to discuss and find solutions to the economic problems of the region.

Development Cooperation

The Community has shown its solidarity with the populations of El Salvador during the troubles of recent years.

Since 1979 it has contributed 13.32 million ECU of food aid within its annual programme as well as 0.9 million ECU in emergency aid. On top of this the Community has also granted considerable sums through non-governmental organisations to help Salvadorian populations displaced by the civil war.

Trade

The trading relationship between the Community and El Salvador is non-preferential in nature based on the GATT Most Favoured Nation clause.

The Community's Generalised Scheme of Preferences is open to El Salvador on the same terms as to other developing countries. The one-sided structure of Salvadorian exports to the Community, (85% coffee) is a barrier, however, to a substantial use of the Scheme.

Structure and Development of Trade

EC imports from El Salvador are almost exclusively coffee and textile fibres which together make up 95% of EC imports from El Salvador. EC exports are mainly chemicals, fertilisers, pharmaceutical products and machinery.

Trade between the Community and El Salvador (in MECU)(*)

	1975	1978	1980	1981	1982	1983
EC Imports	122	169	236	280	195	226
EC Exports	65	106	60	83	71	91
EC Balance	- 57	- 63	-176	-197	-124	-135

Source: EUROSTAT

(*) The exchange rate ECU/dollar varies daily as the various EC currencies, which make up the ECU, vary against the dollar. One ECU was worth US\$ 1.2 in 1973, US\$ 1.37 in 1979 and US\$ 1.39 in 1980, US\$ 1.12 in 1981, US\$ 0.98 in 1982 and US\$ 0.89 in 1983.