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## **SEMINAR ON ECONOMIC-FINANCIAL CLIMATE AND SMALL AND MEDIUM ENTERPRISES INAUGURATED**

**SAN SALVADOR—** The U.S. Government, through the Promoting Economic Opportunities program of the U.S. Agency for International Development (USAID) inaugurated today a seminar entitled, “The Economic-Financial Climate and Salvadoran Small and Medium Enterprises: Challenges and Opportunities.”

Financial experts Carlos Acevedo, Luis Membreño, Fernando Esmeral and Ricardo Perdomo presented their approach on the effect of a possible recession in the United States and other factors of global and local volatility on the Salvadoran economy. Speakers pointed out how the small and medium sized enterprises (SMEs) sector is one of the most stable in lowering risk and improving profitability.

Seminar topics included the impact of the U.S. economic crisis on the Salvadoran economy, Salvadoran financial climate and potential scenarios; the importance of SMEs for the Colombian economy and financial sector lessons for El Salvador; and policies to face economic problems in the U.S.

“The SME sector represents 55 percent of the Gross Domestic Product (GDP) and 33 percent of total employment, and it will be a crucial factor for exports increase under the U.S.-Central America-Dominican Republic Free Trade Agreement (CAFTA-DR) and for job creation. We strongly believe that, thanks to its flexibility, diversity and ability to respond to changing situations, the SME sector will be able to face current economic and financial difficulties,” said USAID/El Salvador Acting Mission Director Larry Brady.

Among other topics, experts spoke on the effect a recession on remittances flow could have on loan debt, consumption decrease and GDP; the importance of directing the financial system toward more stable activities and segments such as SMEs; the role played by Colombian SMEs during the 1998-2000 economic crisis; and the need of creating economic policies to mitigate the effects of a possible recession in the United States.

The seminar was attended by the USAID Acting Mission Director; the Executive Director of the Salvadoran Banking Association (ABANSA), Carlos Cáceres; the Director of USAID Financial Services for Small and Medium Enterprises project, Michael McNertney; representatives from the Superintendents of the Financial System, Pensions, and Securities, as well as associations and projects that support SMEs.

USAID Promoting Economic Opportunities, through its Financial Services for SMEs project, supports activities directed to increasing loan access for SMEs.

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