

Intro to El Salvador



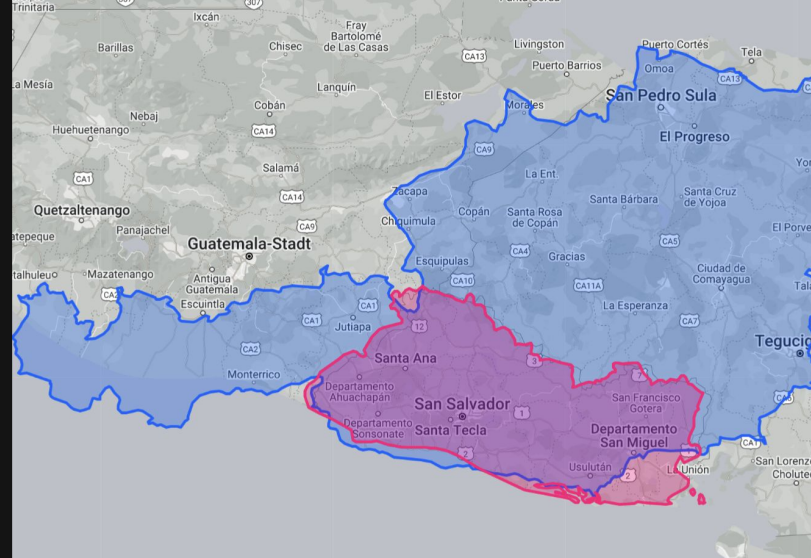
overview of a wonderful country in central america

El Salvador/Basics

- Location: Central America
- 6.5 Million inhabitants
- Size: Carinthia + East-Tyrol
- Language: Spanish (and some English)
- Weather: 1/2y sun + 1/2y rain
- Currency: USD (dominant) + BTC

The “bad”

- Human Development Index: 125th rank
 - Slightly better than neighbors
- Until 2017: leader in “violence”
- No access to the caribbean sea
- Active volcanoes & earthquakes
- Austrian’s BMEIA: Risk level 4. (of 6)



Historical context / 1

- Central America has been inhabited for at least 10.000 years.
- Maya/Aztecs first known higher civilization in that area
- Problems:
 - Rough terrain: e.g. they had no wheels and no livestock for carts → everything manual work.
Bad roads.
 - Water: had to build and maintain complex aqueducts.
 - Agriculture: jungle's have nutrient-poor soil
- Conquered by Spain in the 16th century
- 1821: declaration of independence → effective power in a hand of a few →
Feudalism

Historical context / 2

- 19th century: Export of **indigo**, replaced by chemical production, then **coffee**.
- 20th century: ruled by a few families (“oligarchs”) & military dictatorship
 - Workforce tied up in farms → didn’t join the industrial revolution
- 1980-1991: civil war → basis for being one of the most violent countries
 - Guerilla (later “FMLN” party): i.e. communists, christians, etc. on one side
 - Military (“[ARENA](#)”): supported by the USA (Reagan: test ground for cold war), on the other side
 - Many killed, atrocities, war crimes, (largest in central america), ... you name it
- 1992: “democracy” → but right wing party ruled until 2009, no actual change
- 2009: [FMLN](#), tried to tackle social problems, but corruption and gang crime
- 2017: Ban of metal mining (uses water, bad for nature, by ARENA+FMLN)

Recent history: Nayib Bukele/Nuevas Ideas

- 2015: **Mayor of San Salvador** (capital, largest city, backed by FMLN)
- 2017: FMLN expelled Bukele → he started “**Nuevas Ideas**” (free of ideology, democratic, decentralized, run by Bukele’s brother)
- 2019: Presidential candidate of “**GANA**”: small liberal party, roots in moderate side of ARENA, **Bukele has been elected as president**
- 2021: **Parliament** election, Bukele’s party won **2/3 of seats!**
- 2022: He is very popular and backed by a modern party without historical ballast and absolute power in the parliament:
 - **Security**: fight against criminal gangs, violence, ...
→ International criticism about possible abuse of power ...
 - **Economy**: jump start the country to catch up with the 21st century: Tourism, Education, etc.
 - **Policies**: groundwork for international investments
 - **Infrastructure**: e.g. as of today, only ~85% of homes have a stable power supply

Bitcoin?

- Besides USD, the second official currency
- Rollout: technical implementation first → then education
- [Chivo wallet](#): first official wallet, [Bitcoin Beach](#) second, more to come
 - It came with a small stimulus to incentivise adoption
 - Free friction less conversation to/from USD
 - Primarily solves the issue of El Salvadorians lacking a bank account
 - Compatible with other wallets, but too much friction in reality
 - Future: hopefully some competition between several wallets and point-of-sale integration
- Vehicle for marketing?
 - In 2021, tourism has risen by ~10%.
- Remittance from USA to SV?
 - Seems to be less than expected
- Bitcoin “crash” of 2022?
 - Not an issue: expose to BTC unclear, but certainly minuscule compared to the total economy

Nov. 2022: we arrived, and have no clue what's waiting for us...



El Salvador November 2022



Österreichische Delegationsreise
der Botschaft von El Salvador in Wien

Hop on, and enjoy the ride ...



Geothermal Energy: La Geo in Berlin









Finally, we saw the famous Bitcoin Mining rigs ...



Port de la Libertad



Boat tour in the South East: Puerto Barilla















Play (k)



0:02 / 2:39



Hiking a volcano ...















Official day at the Ministry of Foreign Affairs



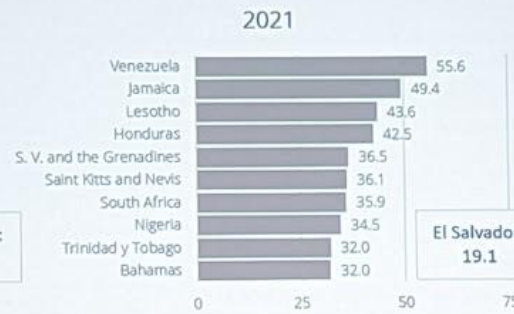
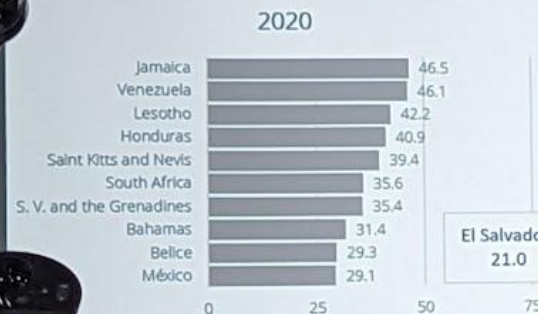
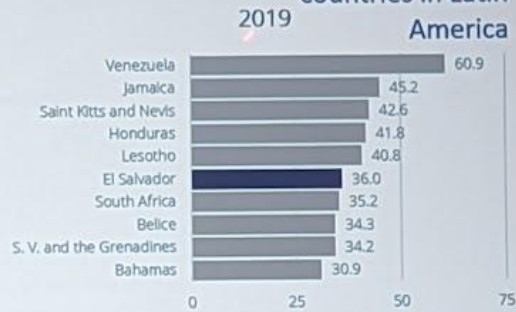
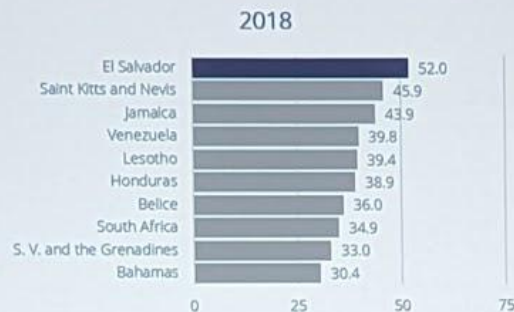
Lots of information...



El Salvador is no longer in the ranking of the most violent countries of the world

Homicide rate per 100.000 people

In 2022, El Salvador became one of the safest countries in Latin America



Year 2021 closed as the safest year on record in our country:

69% reduction in homicide rate in the last 5 years.

REGULATORY FRAMEWORK THAT ENCOURAGES INVESTMENT AND TRADE



- Modern regulatory framework
- Legal certainty
- Incentives for investment and exports

International Services Law

- Total exemption from income tax, municipal taxes and real estate transfer tax for the acquisition of real estate to be used in the authorized activity.
- Free entry of machinery, equipment, tools, spare parts, accessories and other goods necessary for the encouraged activity.

Electronic Commerce Law

- Legal framework of electronic relationships of a commercial, contractual nature, carried out by digital, electronic and technologically equivalent means

Start-ups Law

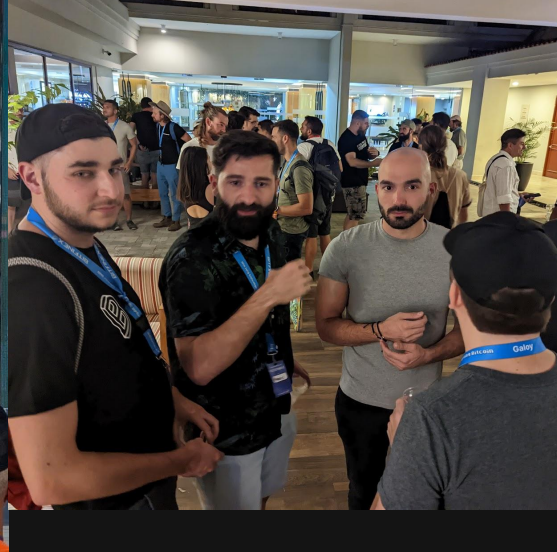
- Promote the creation, development and internationalization of start-ups; integration of incubators and accelerators to the ecosystem; provide mechanisms to encourage private investment; facilitation of procedures and controlled test environments

Adopting Bitcoin 2022: orange pilling the entire world



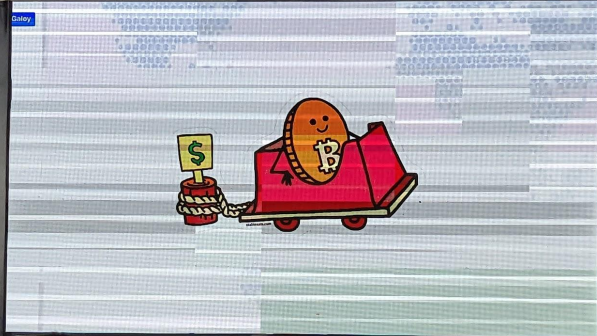
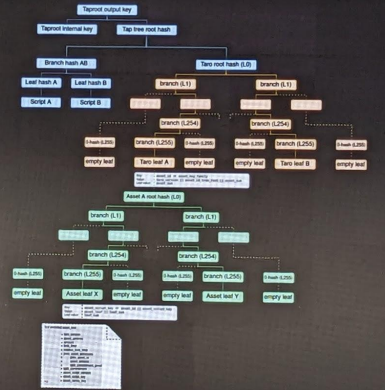
BITFINEX

Adopting Bitcoin



Taro witness data

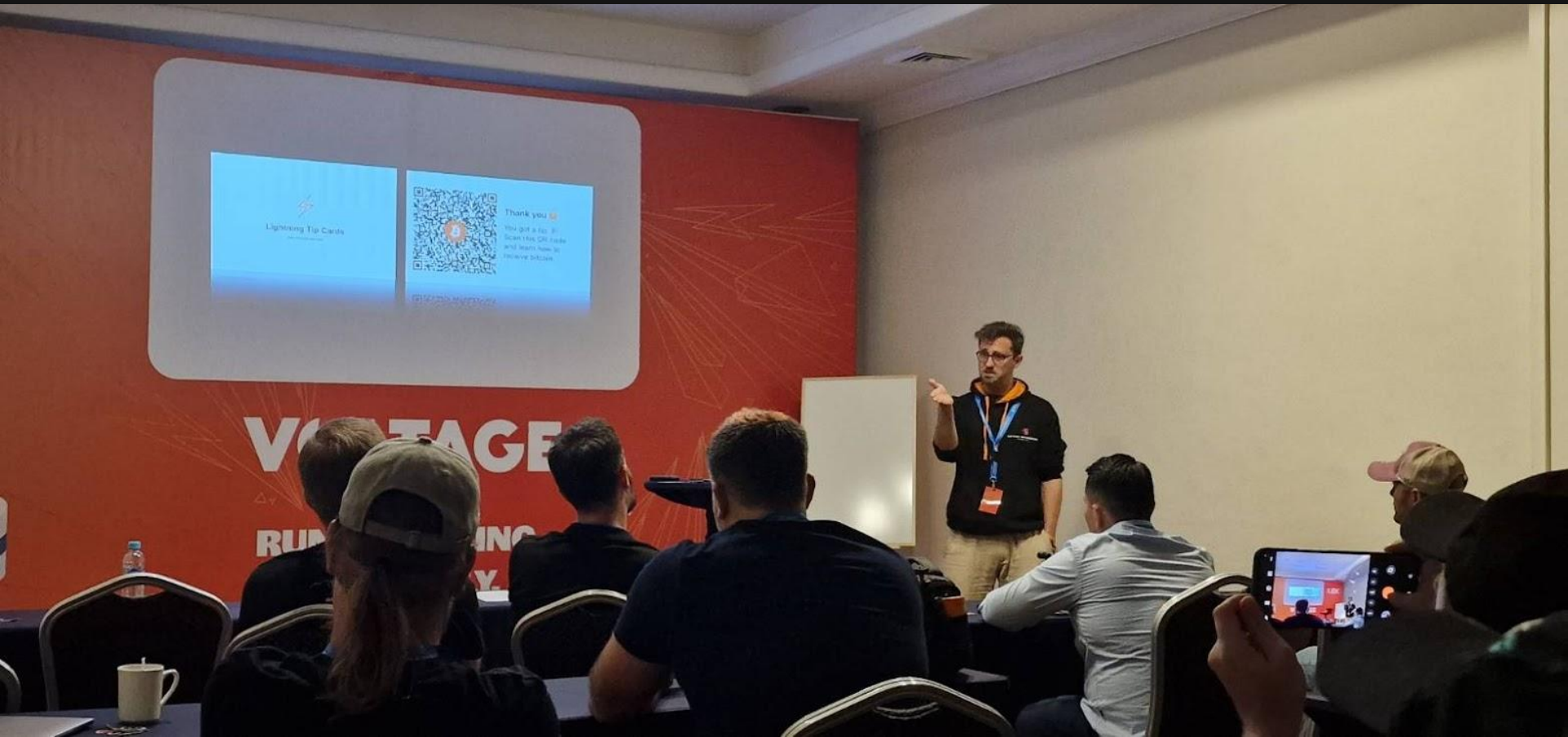
- proof of inclusion: Merkle Tree
- proof of exclusion: Sparse Merkle Tree
- proof of non-inflation: Merkle Sum Tree
- Transaction signatures



Dev Track

Dev Track

Gentle orange-pilling talk by Fil: [TipCards](#)



11:28 38.0 KB/s 49% 61%

Cashu Invoice paid

0 sats

GET ECASH PAY ECASH

Invoices Tokens History

	Amount	Date ↓	Paymer
	-3	2022-11-15 11:28:03	Inbc10
	-4	2022-11-15 11:08:31	Inbc20
	5	2022-11-15 11:06:42	Inbc50
	50	2022-11-15 10:56:56	Inbc50
	2	2022-11-15 10:45:22	Inbc20

Records per page: 5 1-5 of 5

WARNING BACKUP

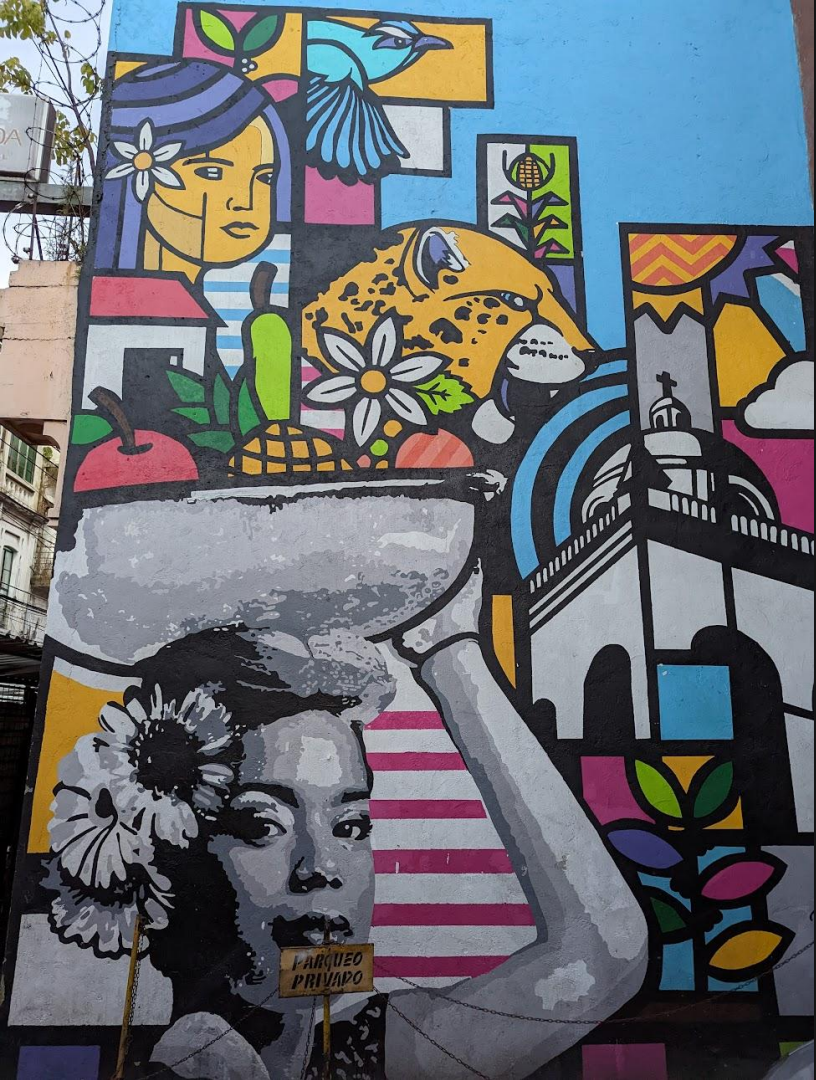
GET INVOICE PAY INVOICE

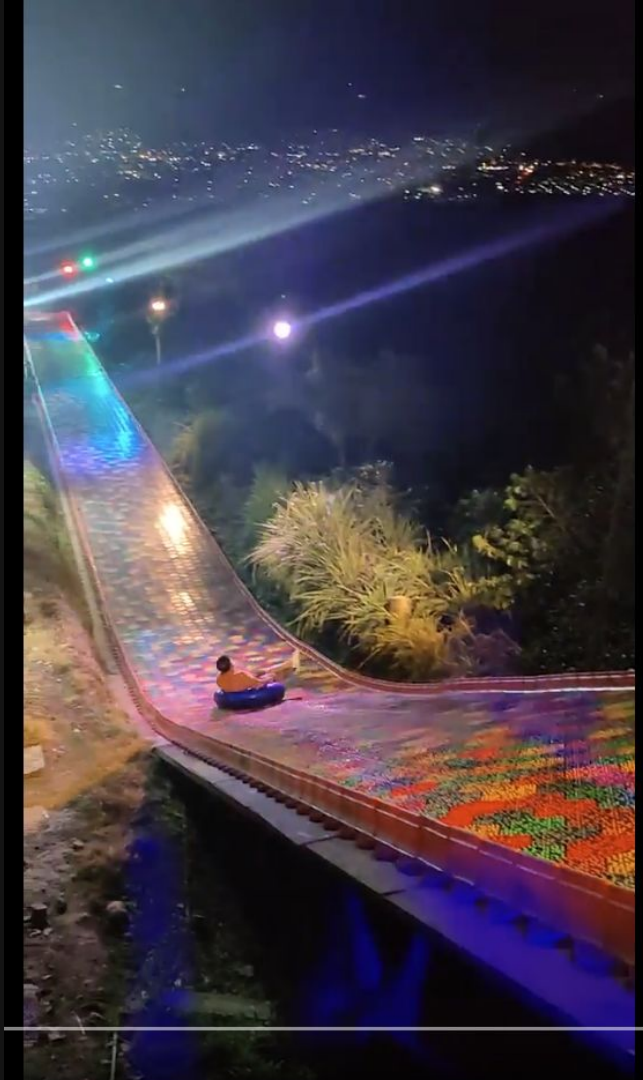
cashu.calle.wtf:5001/cas



Downtown San Salvador







El Zonte // Bitcoin Beach





PLATE: 2024-515

LA BITCOINETA
DESDE 2018

HODL

La Bitcoineta
Beach Edition

@bitcoinbeach

@labitcoineta











Wendy's: 3-on-3 hands-on Chivo wallet training



Soyapango: visiting local community, school, kindergarten





BIBLIOTECA
HEIDRUM NIETH









... and 2 weeks later: <https://orf.at/stories/3296357/>

10.000 Soldaten, Polizisten: Großstadt in El Salvador umstellt

3. Dezember 2022, 23.30 Uhr

Te

Im Kampf gegen die Bandenkriminalität in El Salvador haben rund 10.000 Soldaten und Polizisten die **Großstadt Soyapango** nahe der Hauptstadt San Salvador umstellt. Die Stadt sei „vollständig umzingelt“, gab Präsident Nayib Bukele gestern auf Twitter bekannt. Wie ein Korrespondent der Nachrichtenagentur AFP berichtete, fahndeten mit Sturmgewehren bewaffnete Soldaten und Polizisten in der Stadt nach Bandenmitgliedern. Militärfahrzeuge und Polizeiautos fuhren durch die Straßen, auch Drohnen waren im Einsatz.

... but no worries, we had our protectors!



NPH in Santa Ana – <https://www.nph.org/el-salvador/>







Magic Internet Money Donation & Q&A / Discussion

Godofredo y Antonio de Graz