



Friday, January 3rd, 2014

[Sign in](#) [Subscribe Now](#)



- [HOME](#)
- [THIS WEEK'S ARTICLES](#)
- [DIRECTORY](#)
- [CB ARCHIVES](#)
- [READ CB PAGE-BY-PAGE](#)
- [BOOK OF LISTS 2013](#)
- [ADVERTISE WITH US](#)

- [Weather](#)
- [Movies](#)
- [Business & Economy](#)
- [About Puerto Rico](#)
- [Visitor's Information](#)
- [Business Store](#)
- [Supplements](#)
- [Lifestyle](#)
- [People](#)
- [Casiano.com](#)

[Home](#) » [This Week](#) » [Front-Page Story](#) » [Economic Review 2013](#)

» [go back](#)

Issued : Thursday, December 26, 2013 12:00 AM



[Print](#)



[Email This](#)



Economic Review 2013

By : JOSÉ L. CARMONA

josec@caribbeanbusinesspr.com; cbprdigital@gmail.com

Edition: December 26, 2013 | Volume: 41 | No: 50

Puerto Rico: What kind of year was it in detail



This year, Puerto Rico entered its eighth consecutive year of economic negative growth, as the new administration of Gov. Alejandro García Padilla faced an adjusted budgetary operating deficit of \$1.38 billion (15% of revenue), when it took over the government, down from a peak budget deficit in fiscal 2009 of \$2.9 billion (37%). It also came in after President Barack Obama's American Recovery & Reinvestment Act provided \$7.4 billion in federal help to Puerto Rico, which had propped up the previous administration during its four years in office.

The new administration's fiscal team had to quickly roll up its sleeves early on to tackle not only the budget deficit, but also a very large pension-funding problem that threatened to bring the rating of the island's general obligation (GO) bonds to junk, or noninvestment grade status.

Moody's Investors Service's downgrade of Puerto Rico in late 2012 to Baa3 with a negative outlook, just above the below investment-grade level, prompted Puerto Rico bond-market yields to increase and credit spreads to widen significantly this year.

Legislation was passed to reform the government employee retirement system, with significant changes to move annual budget contributions to a manageable level (7% of budget).

The expectation now is that the pension system will remain solvent for the next 45 years. While the larger employee pension system's cash-flow challenge was dealt with, the teacher pension system funding still needs to be addressed.

The \$9.77 billion general-fund budget for fiscal 2014 is a \$688 million increase over the fiscal 2013 budget. The consolidated fiscal 2014 budget, which includes federal funds, is nearly \$29 billion.

The current fiscal 2014 budget includes significant revenue and cost-control measures to reduce the structural budget deficit to a more moderate \$820 million (8.6% of general-fund revenue, or less than 1% of gross domestic product, or GDP).

The fiscal 2014 budget contains \$1.38 billion in new revenue from a range of new taxes and collection efforts. Key ingredients were a rise in corporate taxes and expansion of the sales & use tax (IVU by its Spanish acronym), expected to produce more than a 20% increase in general-fund base revenue.

A cornerstone of the new taxes is the islandwide patente nacional, or additional tax on gross income (more commonly known as gross receipts tax). The patente nacional is expected to raise roughly \$500 million, or more than one-third of the projected new-tax revenue for fiscal 2014.

"Tax rates were increased and new taxes were enacted. An important one was the continuation of the 4% tax to nonlocal companies, which is estimated to bring in about \$1.5 billion a year. This resulted in a major growth of tax revenue, forestalling a dreaded downgrade of Puerto Rico bonds to junk," economist Vicente "Chenti" Feliciano, president of local consulting & research firm Advantage Business Consulting (ABC) told CARIBBEAN BUSINESS.

Action was also taken to approve a substantial increase in user rates and revenue for both the Puerto Rico Aqueduct & Sewer Authority (Prasa) and Puerto Rico Highways & Transportation Authority (PRHTA).

Both government-owned enterprises have historically relied on government subsidies and loans to pay operating and capital expenses. The rate increases are aimed at making these enterprises self-supporting.

"Rate increases at Prasa and new resources channeled to the PRHTA shored up the finances of these public corporations. Meanwhile, government spending has been kept in check," Feliciano added.

Heidi Calero, president of H. Calero Consulting Group Inc., said that, once again, a new administration had to focus on the island's fiscal situation.

"Tough decisions focused on the reform of the central government's pension system, which was passed last June, and the approval of the central government's budget, not to the liking of many in the business sector," Calero said. "The Legislature approved a hefty tax package, which adversely affected many small and midsize enterprises. These businesses are at the core of job creation."

NO GROWTH IN FISCAL 2013

In October, the García Padilla administration revised its fiscal 2013 contraction estimate, narrowing the projected decline to 0.3% from an initial 0.4% estimate.

In addition, the administration dropped expectations for economic growth for fiscal 2014, which began July 1.

The Planning Board is now projecting that the island's economy will shrink by 0.8% in fiscal 2014, dropping its previous forecast of razor-thin growth of 0.2%.

The revision brings the government's outlook more or less in line with what economists have been saying for months: The island's economic slide isn't over. We are now entering a ninth year of negative growth.

For economist José Joaquín Villamil, chairman of local consulting & research firm Estudios Técnicos Inc. (ETI), economic performance in 2013 isn't indicative of any new trend and there is certainly no indication

in sight of an energetic recovery in the local economy.

"Since 2011, our projection has been for an 'L-shaped' pattern, where we reached bottom and remain there for a few years. [This year] and prospects for 2014 and 2015 seem to confirm this," Villamil told CARIBBEAN BUSINESS. "However, there are risks that could worsen the contraction, such as continuing uncertainty with respect to the debt ratings and a congressional impasse on budget cuts that could impact U.S. fiscal stability and growth prospects. Should a debt downgrade occur in early 2014, obviously growth prospects would be seriously affected."

For Villamil, 2013 hasn't been too different from the first year of the previous three administrations.

In his view, the situation for the García Padilla administration is even worse because the government's room for maneuver is much less when compared with its predecessors.

The reasons include the accumulated effects of an eight-year contraction in the economy; greater concerns in rating agencies on Puerto Rico's debt; external shocks such as the Detroit bankruptcy and its impact on the island's bonds; continuing emigration that puts additional downward pressure on the economy; and very limited capacity to access financial markets.

"The key local event that affected 2013 was the approval in June of new taxes to deal with the budget deficit. The government had little choice; it had to increase revenue by some \$1.4 billion or face an immediate downgrade," Villamil explained to CARIBBEAN BUSINESS.

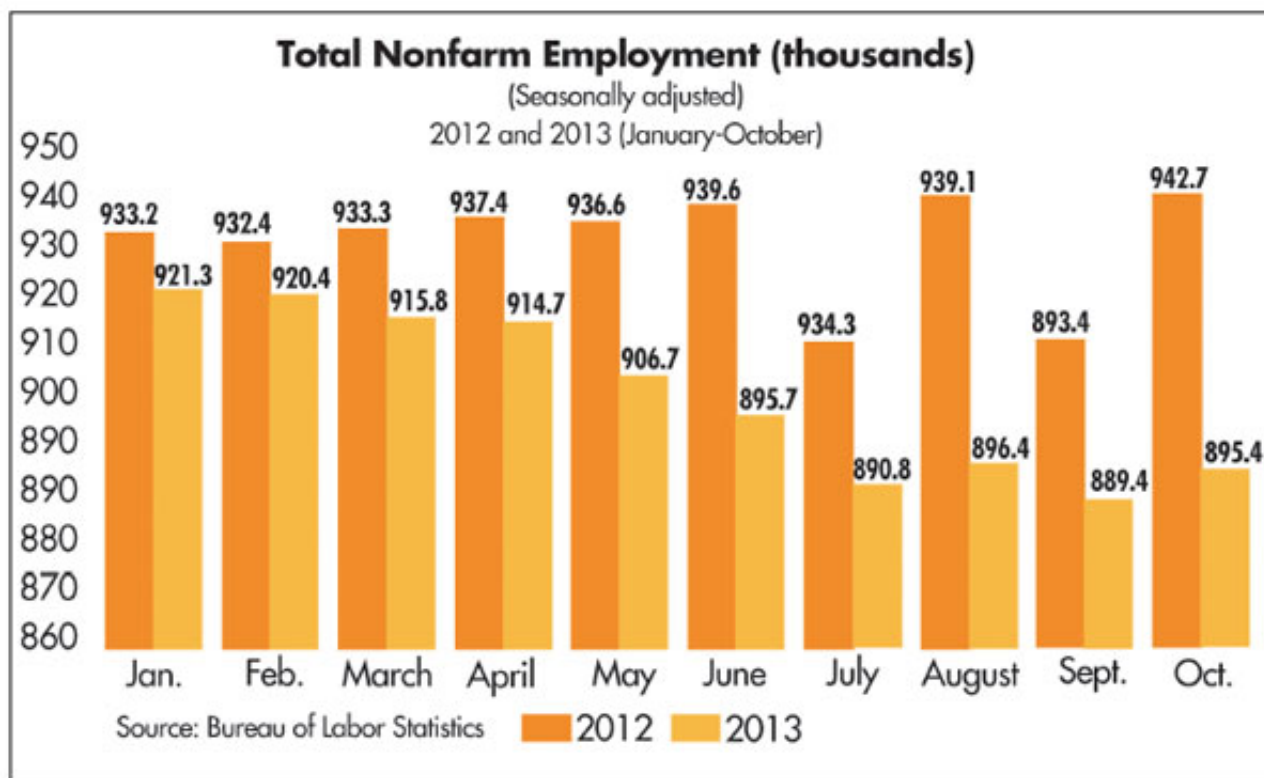
The alternative, he said, would have been to lower expenses—mainly by laying off government employees—not a sensible move given the high unemployment rate of 14.7% and a low labor-force participation rate of 41.2%.

"However, the complexity of the new taxes and the resulting high compliance costs will affect economic growth prospects, particularly in calendar 2014," he added.

Overall, the credit-rating agencies were generally pleased with the administration's fiscal revenue-raising efforts, as well as measures taken to deal with the public employees' pension system.



Vicente Feliciano, president of local consulting & research firm Advantage Business Consulting



"They insisted on these measures and are now concerned with the stagnant economic growth, which in some ways is due to these same measures," Villamil pointed out. The constant threat of a downgrade of Puerto Rico's debt culminated the second week of December, with Moody's placing the island's debt on review for a potential downgrade.

Citing concerns over Puerto Rico's liquidity, lack of strong economic development, and sputtering economy and government revenue, Moody's said it could downgrade the island's credit to junk level.

The move also affects bonds Moody's said are linked to the GO credit, mostly through guarantees, which also means that public-corporation bonds are also covered by Moody's review, which applies to \$52 billion of outstanding debt.

The rating agency said a downgrade could be sparked by failure to undertake a long-term municipal-bond issue that could create liquidity problems, enact a teachers' pension reform or show some positive economic gains.

Moody's move follows a similar action by Fitch Ratings last month, which placed a watch for potential downgrade of Puerto Rico's GOs and related credits. Both Moody's and Fitch, as well as Standard & Poor's, rate the island's credit a single level above junk.

Fitch said it would make a decision on its watch at the end of the current fiscal year, which ends June 30, 2014.

Looking at some key indicators provides a clearer picture of what transpired in Puerto Rico's economy during 2013.

NET JOBS DOWN

Total salaried, nonagricultural employment has continued to fall. Puerto Rico's unemployment rate hit 14.7% in October, while the number of people working on the island continued to fall, the U.S. Bureau of Labor Statistics (BLS) reported last week.

It was the fourth straight monthly increase in Puerto Rico's jobless rate, which climbed to 13.5% in July after five straight declines. The October jobless rate, which is more than double the current U.S. average of 7%, was higher than the 14.2% mark in the same month last year.

The labor-force participation rate fell to 41.2% in October from 41.4% during the same month a year ago, the Puerto Rico Labor Department said.

The number of people on nonfarm payrolls in Puerto Rico fell to roughly 897,700 in November, a decrease of 40,800 compared with the same month last year, and some 26,000 less since January 2013, according to BLS data.

"Intent on generating more jobs, the government has provided incentives to stimulate job creation. While a new BLS report indicated that during the period of January through March 2013, Puerto Rico posted 38,510 new jobs, it is no less true that, despite all these hard efforts, the island lost 43,762 jobs," Calero commented. "It is very challenging to generate new net job gains."

Manufacturing jobs have remained stable at about 75,000, which is below 2012 figures. In fact, from January 2012 to October 2013, manufacturing lost some 10,000 jobs. These figures are a far cry from the 165,000 jobs in manufacturing in 1996 and the 180,000 jobs in the early 1970s.

Pharmaceutical companies are planning for the end of their blockbuster- drugs patents and very few are considering bringing new drug production to the island, Calero noted.

"Since this is such an important manufacturing sector, Puerto Rico has to work hard to retain some of these big names and engage generic- drug companies that can use part of the infrastructure and plants that could be available come 2015 and onward," she indicated.

GDB-EAI DOWN FOR THE YEAR

The Government Development Bank Economic Activity Index (GDB-EAI) ticked up for two consecutive months in September and October, after 10 straight contractions, but continued to sink deeper on a year-over-year basis.

The GDB-EAI dropped 5.2% in September from the same month last year. It plunged by 5.4% in October on a year-over-year basis.

The index edged up on a month-over- month basis, climbing 1.1% in September from the previous month, and by 0.6% in October, marking the first back-to-back gains in almost a year.

The GDB-EAI—which measures four categories: employment, electric power generation, cement sales and gasoline consumption— had been on a sustained slide for 10 straight months (month-over-month) and is closing in on a full year of year-over-year decreases.

Although not an exact measure of gross national product (GNP) real growth, the GDB says its EAI has a high correlation.

Total nonfarm payroll employment for September averaged 885,000, an annual reduction of 5.4%. Furthermore, total nonfarm payroll employment showed a decrease of 4.6% so far this fiscal year.

Electric power generation for September totaled 1.895 billion kilowatt-hours, an annual decrease of 3.6%. Electricity generation for the first three months of fiscal 2014 was 3.3% less than during the same period last year.

Cement sales, a key indicator of construction activity, continues to be well below 2012 levels.

Cement sales for September 2013 totaled 1.22 million bags, registering an annual reduction of 21.3%. Sales during the first quarter of fiscal 2014 were down 17% compared with the same period in fiscal 2013. November figures continued the trend, falling 18%.

Gasoline consumption was 93.1 million gallons in September, 2.3% below September 2012. The gasoline consumption number for the first quarter of fiscal 2014 was 3.1% below the corresponding number for fiscal 2013.

AUTO SALES UP

One of the few highlights of the island's economy, new-auto sales as of November were up 1.7% for the year, with 91,610 units sold. If the current sales trend extends to December, the local auto industry will finish 2013 up 1.5%, with a projected 104,000 units sold—its third consecutive year in positive territory.

The Puerto Rico auto industry remains a significant contributor to the island's economic activity.

The local auto industry collected \$410.8 million in excise taxes and another \$63.9 million in vehicle registration fees for the government in fiscal 2013. These numbers don't include what auto dealers pay in



*Heidi Calero,
president of H. Calero
Consulting Group Inc.*



*José Joaquín Villamil,
chairman of local consulting &
research firm Estudios Técnicos Inc.*

municipal franchise fees or the amount in IVU collected from the automotive industry for parts sold and services rendered.

INFLATION CONTAINED, BANKRUPTCIES INCH UP

The consumer price index (CPI) continues to reflect very moderate inflation rates, which is very good news for the local economy. The two main influences in the CPI are energy costs and food prices, and both remained subdued during 2013.

The purchasing managers index has fluctuated during 2013, reaching its peak in March at 61.7, but subsequently remaining at or near the line separating optimism and pessimism, 50, in the sector. Any reading above 50 would indicate optimism and expansion, and the opposite below that number.

Bankruptcy filings in Puerto Rico rose in November, and this year are tracking higher than last year.

A total of 823 bankruptcies were filed on the island last month, up 20% from November 2012, according to Boletín de Puerto Rico, a local bankruptcy-data-gathering service.

The November filings pushed total bankruptcies to 9,887 so far this year, a 4.75% increase over the same 11-month period in 2012.

Commercial bankruptcies are tracking slightly lower in 2013, with 607 cases filed through October, compared with 638 during the same 10-month period last year.

GOVERNMENT REVENUE, A ROLLER-COASTER RIDE

Government tax revenue beat estimates in October, but missed them in November. However, tax revenue remains ahead of projections overall through the first five months of fiscal 2014, as the range of new tax-revenue measures take effect, including the tax increases to the formerly tax-exempt nonlocal manufacturing companies.

Combined collections for the July- November period outpaced collections from the same period last year by \$335 million, or 12.4%. Year-to-date government revenue has surpassed estimates by \$79 million, the Treasury Department said.

General-fund revenue for November totaled \$473 million, which was \$21 million less than the same month last year and below estimates for the month by \$48 million.

There is a lot riding on meeting tax targets as the administration works to avoid a credit downgrade to junk territory.

Most analysts say preserving its investment-grade rating will depend on hitting revenue targets during the current 2014 fiscal year and an improvement in the economy.

"The importance of net revenue to the general fund can't be overestimated," Villamil pointed out.

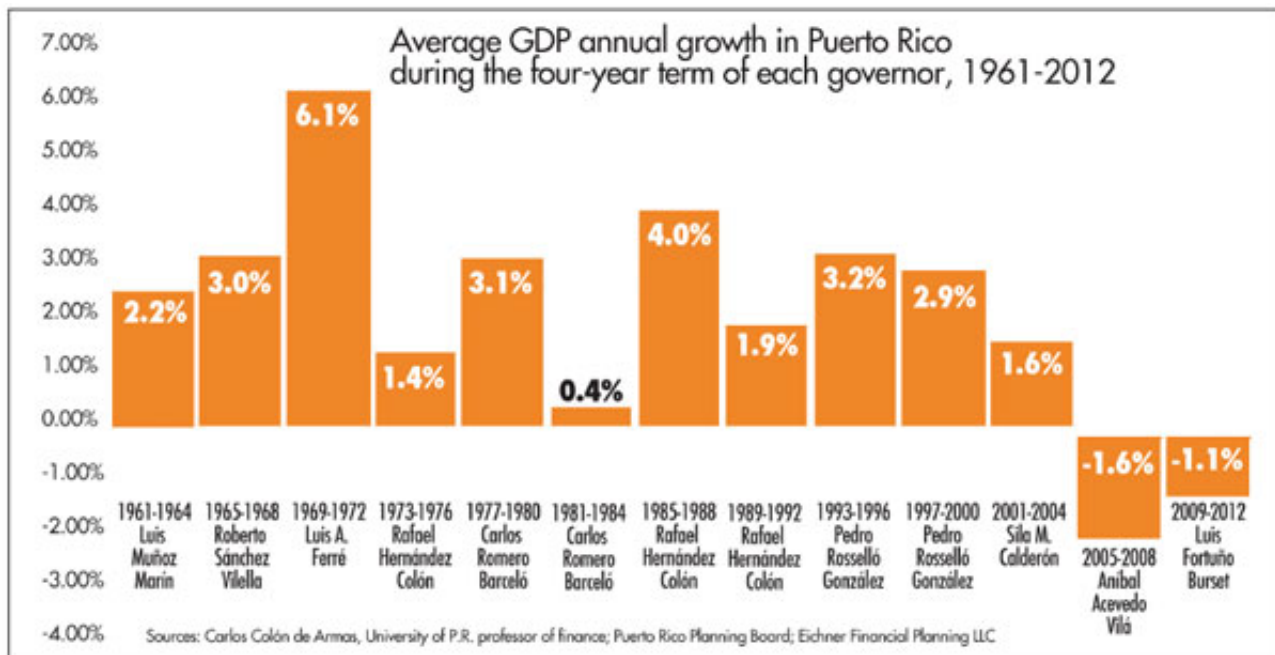
"Downgrading of the government debt hinges, to a significant extent, on whether budget projections are met. The results for September and October suggested that they would be met and the downgrade postponed. However, November figures reflect a gap of some \$21 million between projected and

realized income, raising concerns about fiscal income goals."

REAL-ESTATE MARKET REMAINS DOWN

Major real-estate investments have recently been made on the island by mainland U.S. investment groups, taking advantage of new tax-incentive laws. However, these investments have mostly been in existing assets and in residential real estate, with some commercial properties thrown in the mix. (See story on page 33.)

Although welcome, Villamil said these investments do little to stimulate growth or jobs in the aggregate economy.



Investment in construction continues to be well below levels seen at the beginning of the past decade, and sales of new housing are at historically low levels.

In 2012, housing sales reached 3,500 units and for 2013, they are projected to reach no more than 3,000 units. This is a far cry from the 13,000 units sold in 2006.

"Unless construction activity recovers, an economic upswing won't be possible," Villamil stressed.

RETAIL SECTOR STILL WEAK

In the retail sector, sales are beginning to show the accumulated effects of the seven-year contraction. Even without discounting inflation, the sector's sales showed considerable weakness in 2013, although still reflecting better performance than the overall economy. (See story on page 28.)

A major restructuring of the sector is underway, experiencing a major shift toward the "big box" type of retail stores.

In Villamil's view, Puerto Rico's economy has become a "zero sum," or market share economy, where any

new entrant into the market will simply displace an existing one in an economy that isn't growing.

"In retail, this is particularly true, and the consequences of the shift could have major economic and social effects. The closing of some 14,000 businesses in the past four years, mostly local retail establishments, is a reflection of this zero-sum condition," he noted.

HEALTHCARE SECTOR EXPERIENCES CHANGES

By the end of January 2013, García Padilla announced that it was time for another overhaul of the Mi Salud healthcare program revised under the previous administration of Gov. Luis Fortuño. (See story on page 32.)

This led to a year-long speculation on whether it would be based on a third-party administrator (TPA) model or a full-risk insurer, which government officials usually answered with a "whatever works best" approach.

In mid-December 2013, the Health Insurance Administration (ASES by its Spanish acronym) announced that by mid-2014, it would discard the TPA approach, and would be open to bids from insurance companies other than the leading ones, as well as groups of doctors of healthcare-related groups that show the ability to do so.

A few months before, in July 2013, ASES announced that Triple-S had landed new contracts to manage all eight regions of the Puerto Rico government's Mi Salud health-insurance program for some 1.6 million medically indigent beneficiaries.

Humana, which used to manage three regions, couldn't reach an agreement with the government and was out of the picture. Besides Triple-S, MC-21 would manage all pharmacy benefits, while APS Healthcare Puerto Rico would continue to handle mental-health services for the entire island.

The private healthcare sector held its own as one of the primary economic drivers on the island, while together with the public healthcare sector, faced challenges regarding local and federal healthcare reforms, especially in the area of the adoption and implementation of electronic health records and the infrastructure to connect the technology.

TOURISM SHOWS POTENTIAL

In Calero's view, the tourism sector needs more than just an aggressive advertising campaign to achieve its true potential.

"Tourism needs a five-year plan that integrates accommodations, transportation, restaurants, tour operators, languages and islandwide entertainment, with packages for three-to-10-day stays in Puerto Rico at competitive prices and targeting new markets, such as Asia and Europe," she said. "Our niche has to be different, not just sand, casinos and hotels in the San Juan metro area."

TOP LEGISLATIVE MEASURES

Three main issues that captured most of the legislative discussion in 2013 were the Jobs Now Act, changes to the government-employee retirement system and the onslaught of new taxes to balance the

Puerto Rico budget. (See story on page 24.)

The Jobs Now Act began with much fanfare, but has dwindled as the truth of its actual benefits have discouraged many from signing commitments, and others into going back on their commitments to create jobs through the incentives in the legislation.

During the first six months of the law, the Puerto Rico Trade & Export Co. reported that of the 151 jobs committed during the period of January to March, only 76 were actually created.

The tally of actual jobs created for the second trimester wasn't available, but if the trend were to remain, one could summarize that perhaps almost 50% of the 2,880 job commitments made through June would actually materialize.

Changes to the government employee retirement system turned out to be a difficult process, whereby the administration extensively reduced benefits for retirees, increased individual contributions to the system and added years of service for qualifying retirement. This was considered a good move by the administration. Throughout the years, lawmakers seeking votes had kept on giving more and more benefits and the pension system was almost bankrupt.

The other bill that seized much attention this year and garnered heavy criticism from the business sector was the added onslaught of new taxes established with the intention of balancing the fiscal 2014 Puerto Rico budget.

Many businesses claimed millions in lost revenue due to the steep increase in their governmental responsibilities that included gasoline taxes and IVU on bank transactions, among many others.

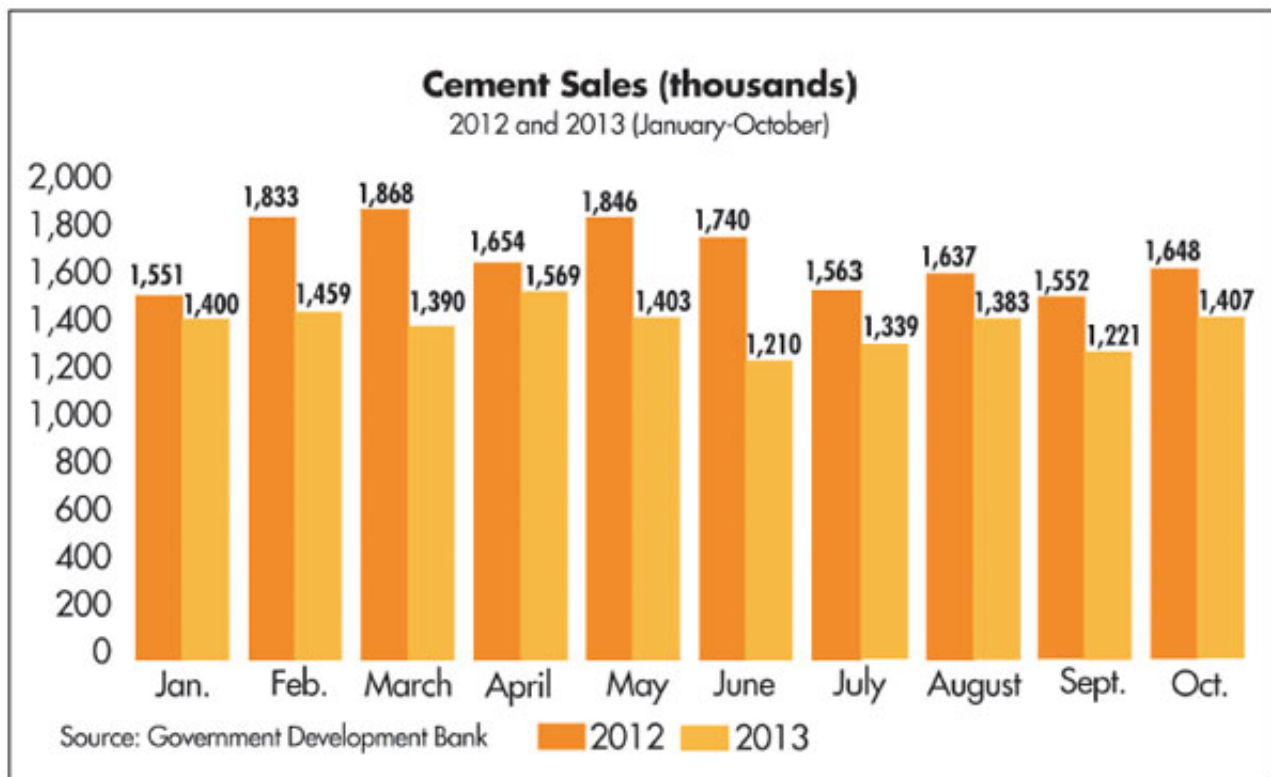
Even though an IVU reduction was approved and slated to go into effect in December, the governor postponed the reduction until February 2014. There has been recent chatter in the Legislature about amending the law and postponing the IVU reduction even further.

ENERGY COST, A KEY ISSUE

The Puerto Rico Electric Power Authority (Prepa) made almost no progress during 2013 on its natural gas-conversion plan, as citizens, politicians and business groups fed up with the high cost of electricity called for big changes at the utility. (See story on page 26.)

Prepa did complete the conversion of its Costa Sur powerplant to natural gas last summer, so that now, 100% of its units use the cheaper, cleaner fuel. The previous conversion was undertaken last year. The Costa Sur powerplant produces 1,032 megawatts of electricity.

Most of the \$63 million in annual savings, however, will go toward providing Prasa, Prepa's largest client, with a reduced power rate, which enabled it to lower the size of a planned rate hike.



The Costa Sur powerplant is adjacent to the island's only liquefied natural gas (LNG) terminal at the EcoEléctrica powerplant in Peñuelas.

Prepa officials said in December that its plan to build an offshore LNG terminal to feed its huge Aguirre powerplant remains on track to be operational by 2015, despite reports of heightened regulatory scrutiny of the project. The LNG terminal, to be constructed and operated by Texas-based Exceleerate Energy, is in the permitting process before the Federal Energy Regulatory Board.

Yet, a bidding process to determine the best way to bring natural gas to Prepa's two San Juan area plants won't take place until next year. The government utility has also shied away from inking a long-term contract of U.S.-based LNG, which offer the best rates in the world.

Critics say the delay is jeopardizing Puerto Rico's ability to reap some benefit from the shale-gas revolution in the U.S., which has bolstered inventory of natural gas and brought prices down to record lows.

Calero noted the price of electricity continues to be a challenge to make Puerto Rico competitive globally. Rates on the island are now fluctuating between 24¢ per kilowatt- hour (kWh) to 32¢ per kWh, compared with an average of 7¢ per kWh in the States.

"We have to move quickly toward natural gas and renewable energy. Prepa has to change dramatically, and if we don't have the money to make the necessary investments, then we have to attract public-private partnerships [P3s] for new construction, not just to manage existing facilities," Calero added.

EDUCATION: TUMULTUOUS YEAR FOR UPR

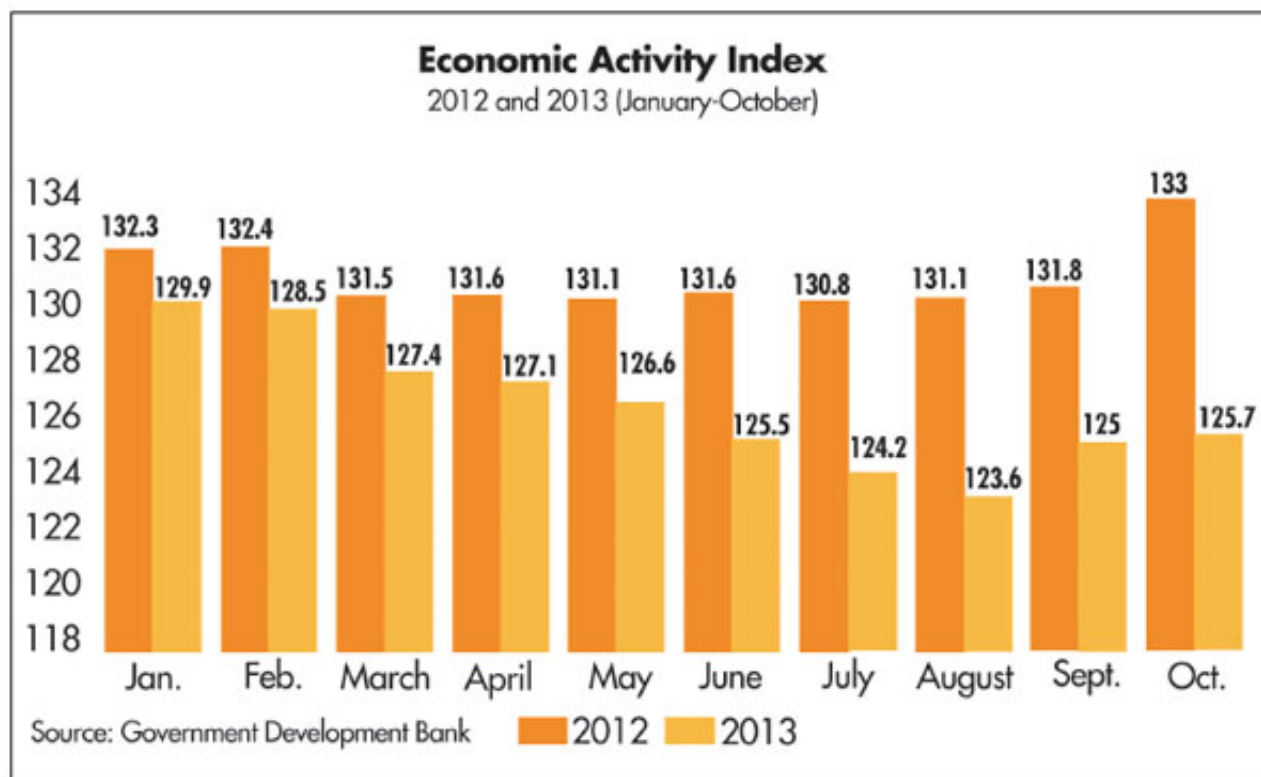
While 2013 was a tumultuous year for the University of Puerto Rico (UPR), with a shake-up at the presidency, the year ended on a positive note for the island's leading institution of higher learning. (See

story on page 30.)

In November, after freezing an estimated \$33 million in research funds for more than a year and a half because of "irregularities," the National Science Foundation (NSF) lifted the sanction and released the much-needed funds. Also in November, math professor Uroyoán Ramón Emeterio Walker was elected as the new UPR president.

A relative unknown, Walker, who taught at the Mayagüez campus, edged out four other candidates for the post. Former UPR President Miguel Muñoz gave his resignation in late April after repeated calls for him to step down because of the brouhaha caused by the NSF scandal.

Meanwhile, Puerto Rico's public school enrollment continues its steady drop as the island loses population and more parents send their children to private schools.



About 420,000 students are enrolled in Puerto Rico's roughly 1,500 public schools in the current academic year, according to the local Education Department. That is down from 441,000 students last year.

In comparison, public school attendance topped 500,000 less than a decade ago.

While Education has signaled there are no imminent plans to shutter any schools, other administration officials, such as the Office of Management & Budget Executive Director Carlos Rivas, have said they are mulling consolidating small classrooms and/or schools.

A RAY OF HOPE

Although there doesn't appear to be a clearly delineated economic strategy to "jump-start" the island's

economy and move it to a more sustained economic-development path, Villamil indicated there have been some reassuring signs from the government.

These include initiatives by the Puerto Rico Industrial Development Co. (Pridco) to promote new manufacturing activity, new efforts to promote Puerto Rico's insertion in the regional and global economy by the Puerto Rico State Department, and continued expansion of local firms abroad, particularly in emerging technologies.

In Calero's view, agriculture has great, untapped potential. "Food import substitution, as well as manufactured or fresh produce exports, is possible, and Puerto Rico has to be creative in avoiding dumping strategies from nonlocal food companies. We have to focus on high value-added niches of organic or ecofriendly products that can be sold at high prices, and this is possible," Calero said, adding that the current controversy with the two milk-processing plants and farmers could imply the end of fresh local milk as we know it in Puerto Rico.

With a legacy of having privatized the telephone, maritime transportation (Navieras) and a portion of toll-road enterprises, the government of Puerto Rico closed the concession deal to lease the Muñoz Marín airport through a P3.

As a result of the deal, the Puerto Rico Ports Authority received a significant upfront payment, which was used to pay down debt, along with committed annual capital improvements on the airport.

STRUCTURAL CHANGES NEEDED

When García Padilla was sworn in as governor in January, what he found walking into La Fortaleza wasn't too different from what his predecessors claimed to have found.

Incoming administrations have traditionally claimed to have found larger budget deficits and substantial cash deficits than previously reported. Then, they put on hold a number of the previous administration's projects because of various concerns, mostly fiscal.

Other incoming administrations, just like García Padilla's, have also found themselves facing debt downgrades due to huge appropriations debt that has been accumulating over the years.

"When the same situation is repeated over and over, it suggests that there are serious underlying and unresolved problems that have accumulated over various administrations. Politicians, particularly when in opposition, forget this and tend to blame whomever is in power at the moment," Villamil commented.

For ABC's Feliciano, the greatest achievements by far in terms of structural agenda, was the reform of the government pension system.

"While many U.S. jurisdictions grapple with the issue, Puerto Rico went ahead, changed the benefit structure, established a defined-contribution framework for new employees and shaved billions in the actuarial deficit," Feliciano said. "The teachers' retirement system is an unfinished business."

Feliciano also saw as a positive that Prepa and the cost of electricity were put on the agenda.

"They have been on the agenda during the past couple of decades and not much has come out of it.

Unfortunately, labor reform isn't even on the agenda either," he commented.

For Calero, most key monthly indicators during 2013 haven't shown an upward trend, while the bond markets remain nervous regarding the \$70 billion public debt of Puerto Rico amid the bankruptcy of Detroit and the pension difficulties in several states on the U.S. mainland.

"Too much energy, time and effort is dedicated to the fiscal situation, when Puerto Rico needs an urgent focus on how to grow the economy and attract \$12 billion in new investment annually if this economy is to grow at no less than 3% real growth," Calero said. "If we are to move forward, Puerto Rico needs to have an agreement among divisive political parties regarding its economic plan. We need continuity, irrespective of who wins the election every four years."

Senior reporters John Marino, Melinda K. Romero-Donnelly and Dennis Costa, along with reporter Mario Belaval and chief copy editor Rosario Fajardo, contributed to this story.

Tweet

0

Me gusta

7

Share

g+1

Recommend this on Google

Comments

There are no comments posted at this time. Only registered users can post comments. If you would like to register [click here](#).

Write your comments

Title :

Comments :

Send

Reset



- [Most Viewed](#)
- [Most Discussed](#)
- [Most Emailed](#)

- ▮ [Economic Review 2013](#)
- ▮ [Puerto Rico back on the world's manufacturing map](#)
- ▮ [2013 Economic Review shows NET job creation sorely lacking](#)
- ▮ [Prepa to invest \\$1 billion in new generating units during six years](#)
- ▮ [Walter Mercado Horoscopes](#)

Lead Stories

- ▮ [Urban tandem helps export Puerto Rico](#)

[talent](#)

▮ [PRIS to distribute Jobs Registry statistics](#)

▮ [Seaborne filling the void in Caribbean regional flights](#)



Copyright © 2008 - 2014 Casiano Communications Inc.

[Home](#)

[This Week](#)

[Directory](#)

[Archives](#)

[Weather](#)

[Movies](#)

[Business & Economy](#)

[About PR](#)

[Visitor's Information](#)

[Business Store](#)

[Supplements](#)

[Lifestyle](#)

[People](#)

[Advertise with US](#)

[About US](#)

[Contact Us](#)

[Privacy Policy](#)

[Subscribe Now](#)

[Casiano.com](#)