



Rescuers in  
Philippines quake  
**US & WORLD PAGES 13**

**US closes Syrian embassy**

**US & WORLD PAGE 12**

# PUERTO RICO Daily Sun

TUESDAY, FEBRUARY 7, 2012

50¢



Clooney, Pitt,  
gather for lunch  
**ARTS & LIVING PAGE 25**

## Economy turning the corner

PR Commerce secretary says we have broken free from recession



**PAGE 16-17**

Secretary of Commerce and Economic Development, José Pérez-Riera.

Daily Sun file / Vicente Vélez

OBJECTIVE REPORTING IS OUR LEGACY

0 94922 14730 1



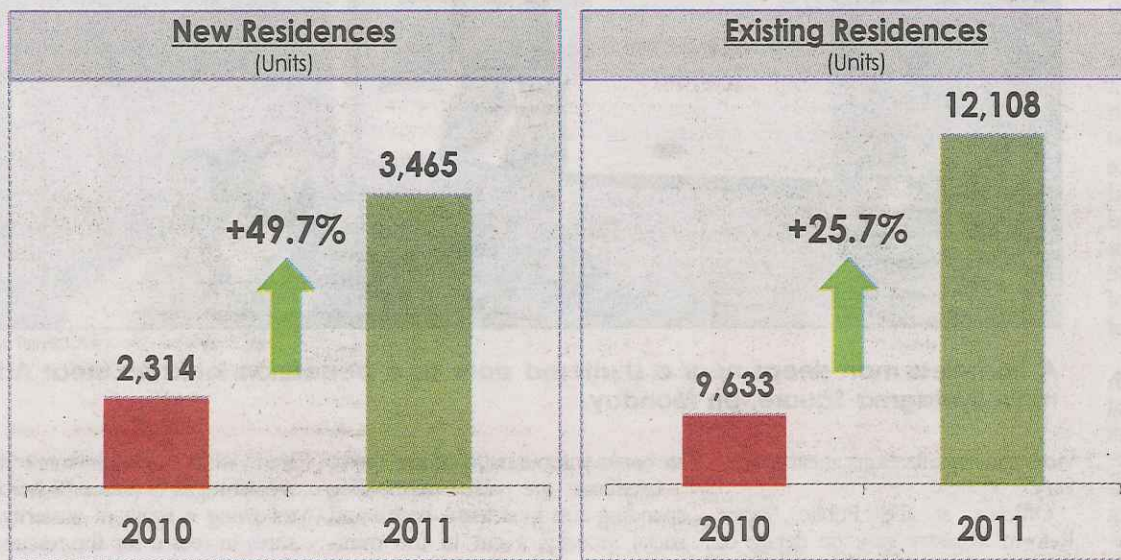


# Turning the corner on the economy



**In 2011 Home Sales totaled 15,573 new and existing residences, representing a 30.4% increase when compared to 2010**

## Home Sales (Units)



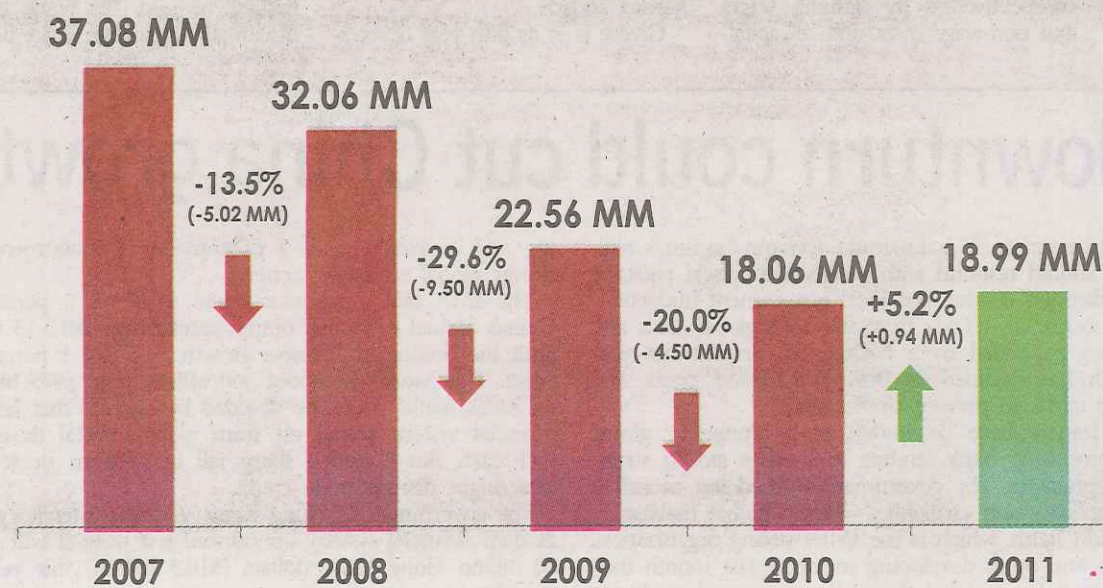
Source: Office of the Commissioner of Financial Institutions (OCIF by its Spanish Acronym)

DEPARTMENT OF ECONOMIC DEVELOPMENT AND COMMERCE | GOVERNMENT OF PUERTO RICO



**In 2011 Cement Sales increased by 5.2% when compared to 2010, first annual increase since 2005**

## Cement Sales (millions of 94 lb. bags)



Source: Government Development Bank

DEPARTMENT OF ECONOMIC DEVELOPMENT AND COMMERCE | GOVERNMENT OF PUERTO RICO

BY STEFAN ANTONMATTEI

Of the Daily Sun Staff

santonmattei@prdailynews.net

It was a good week for the secretary of Commerce and Economic Development, José Pérez-Riera, and according to data provided by him, a better year for Puerto Rico as a whole — at least, related to the island's overall economy.

In an exclusive interview with the Daily Sun, Pérez-Riera sat for a two-hour interview at the DDEC headquarters in Hato Rey.

"There are two indicators that should be highlighted — jobs and economic growth. For the first time since the recession of 2006, there has been a continuum of job creation and a positive increase in the economic indicators," said Pérez-Riera.

In a report provided to the Daily Sun titled: Strategic model for a New Economy: Growth, Competitiveness, Jobs, it indicates a small but continual growth in different sectors of the island economy.

In the December report on unemployment, year to year, the unemployment went down from 15.2 percent down to 13.2, or two whole percentage points, the very best seen since 2009.

Three of the last four months, from September to December 2011, there has been a positive increase in job creation — since 2006. According to the DDEC secretary, 28,000 full-time jobs were created this past December. Last Friday the Daily Sun reported that with the support of the government, the island had created more than 1,500 new jobs in one week: IMC will employ 1,200 people in the food industry, technology integrator Rock Solid will add 86 jobs and MM, Inc. will employ 325 new textile workers. "On the job sector, the trend indicates that we are out of the slump," said Pérez-Riera, who added, "On the job side and on the economic development side, we have broken free."

"Patterns indicate a growth phase in the economy — from recession, to stabilization, recuperation and now it is the beginning of the growth phase of the economy. We basically have come full circle to the beginning of an economic recovery."

The same pattern has been seen with the economic index that is measured by the Government Development Bank: electricity, gasoline, cement, and employment. (Please see Charts.)

Other indicators presented by the DDEC secretary included home sales and exports. For the past two years it has grown — including the 2011 record setting \$64.9 billion in exports for the year. Overall purchases in the manufacturing sector — including the pharmaceutical sector — indicate a continual growth.

Cars sales have also been in an upswing, from Hyundais and European cars, the indicators are based on number of units of cars sold.

Within the Tourism industry there is also positive news. The number of cruise ship homeport passengers (people who actually stay a night or two on the island, take taxis for tours, eat at local restaurants and purchase local goods) has increased over the past three years.

"Two things need to be highlighted within the Tourism industry: one, the number of rooms per night has gone up; and two, the cost per night has also gone up." The hotels are not necessarily lowering their per-night prices to attract tourists. The occupancy rate has gone up for the past two years above two percentage points.

One of the most impressive numbers presented by the DDEC Secretary was the number of incorporation: 14,700 new corporations were formed between December 2010 and December 2011 — the highest number ever.

Other factors that perhaps can go into the equation of a small but continual economic recovery is better managerial efficiency. Examples include the amount of money collected

PLEASE SEE "TURNING THE CORNER," PAGE 17



FROM PAGE 16

### Turning the corner

by the Treasury Department on the Sales Tax where there has been an increase in the amount of money collected at the same time there has been a more aggressive marketing and collection management of the sales tax. Other issues like migration and a generalized gloomy mood by both consumers and investors could be studied.

Pérez-Riera sees it differently. "Look at the companies that have started to establish themselves in Puerto Rico. A decision to bet on PR — they had options to go to other jurisdictions and yet decided to stay in Puerto Rico. People with money, both locally and internationally, have been seeing the positive signs way before these numbers started reflecting a positive growing economy," said Pérez-Riera.

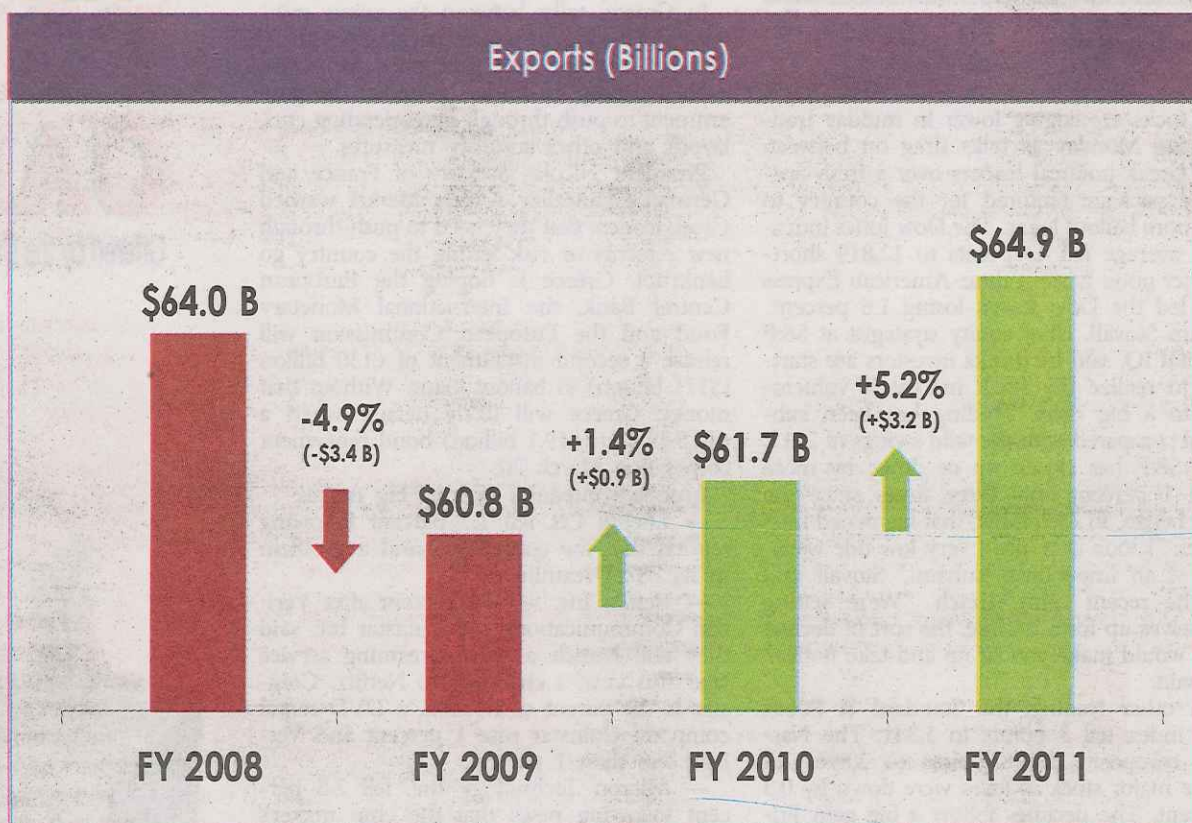
When asked what have been some of the lessons learned in the past three years the DDEC secretary pointed out to: "the integration of the economic ecosystem into the world economy, add a gradual transition into a knowledge-based economy of goods and services. One must deal with one's strengths; you cannot replicate who you are not, but Puerto Rico has proved to be, on a per-square-mile basis, one of the best places in the world to provide quality services and products worldwide. Learn the ecosystem you are working in and then maximize your strengths and modify as you along. Growth will continue but true transformation does not happen overnight, it takes at least four or five years.

On a more philosophical note, Pérez-Riera said "Don't ever let the processes become the focus of your goal — the processes are the means to reaching that goal — do not lose sight of what the goal is.

According to Pérez-Riera, the data provided to the Daily Sun uses the same methodology by the different government agencies. The Daily Sun looks forward to following up on these and other economic news in the coming weeks and months.



## In 2011 Exports totaled \$64.9 billion, the highest level of exports in the history of Puerto Rico

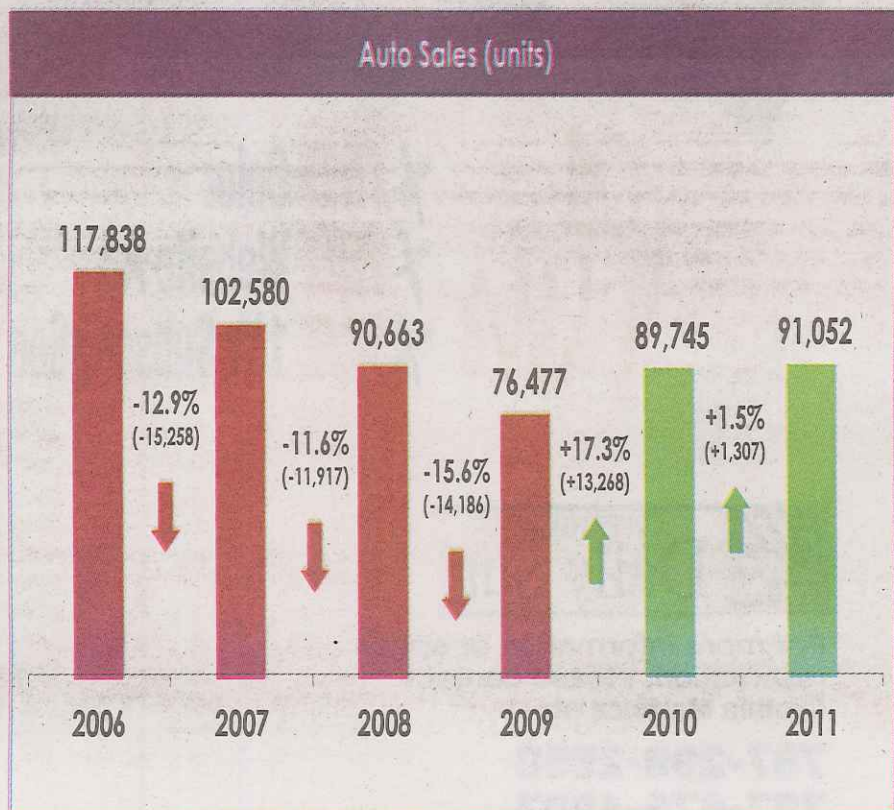


Source: Puerto Rico Planning Board

DEPARTMENT OF ECONOMIC DEVELOPMENT AND COMMERCE | GOVERNMENT OF PUERTO RICO



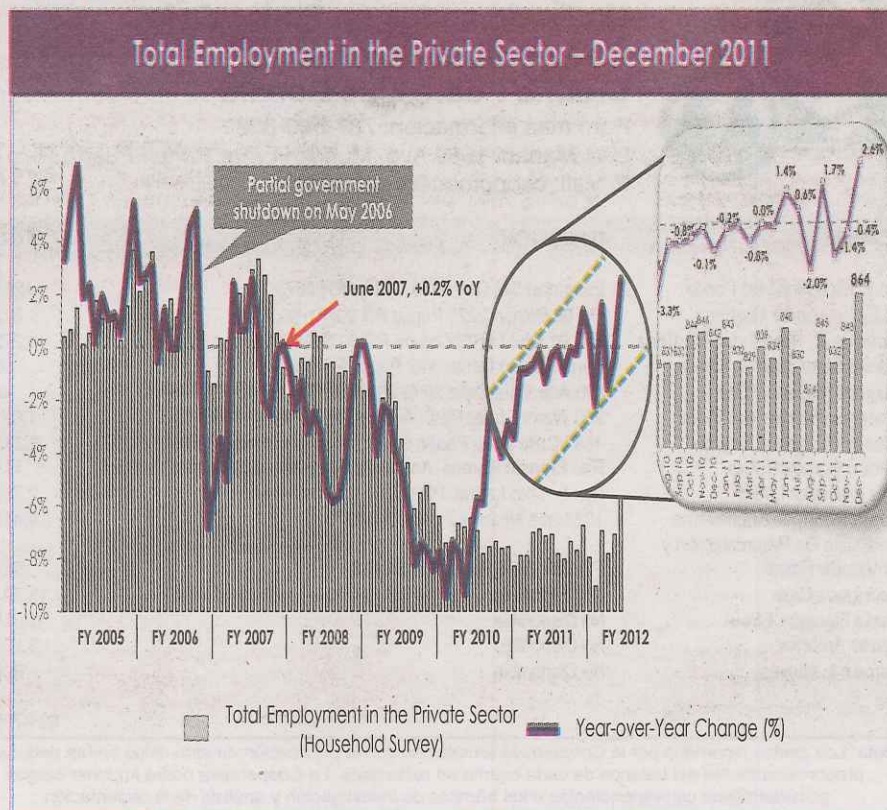
## In 2011 Auto Sales reached 91,052 units, representing an increase of 1.5% when compared to 2010



Source: Grupo Unido de Importadores de Automóviles (GUIA)



## Total Employment in the Private Sector has been in positive territory on a YoY basis for 4 of the last 7 months for the first time since June 2007 (54 months)



Source: Department of Labor and Human Resources, Household Survey

DEPARTMENT OF ECONOMIC DEVELOPMENT AND COMMERCE | GOVERNMENT OF PUERTO RICO

DEPARTMENT OF ECONOMIC DEVELOPMENT AND COMMERCE | GOVERNMENT OF PUERTO RICO