



COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY

Annual report and update
2004-2005

Investment Number: 01-85-08072

COMMONWEALTH OF PUERTO RICO
OFFICE OF THE GOVERNOR
PLANNING BOARD

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July 2005

Mr. Paul M. Raetsch
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U.S. Department of Commerce
Economic Development Administration
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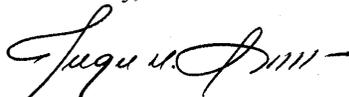
Dear Mr. Raetsch:

On behalf of the Commonwealth of Puerto Rico, the Puerto Rico Development Area, the Office of the Governor, the Planning Board of Puerto Rico (PRPB), and the **Comprehensive Economic Development Strategy** (CEDS) committee, please accept submission of the Puerto Rico CEDS Annual Report, our 2005 update of the island-wide CEDS. Please note, this document was prepared in accordance with the guidelines established by the U.S. Department of Commerce under the provisions of the Public Works and Economic Development Act of 1965, as amended; and, the comprehensive amendments by the Economic Development Administration Reform Act of 1998, (PAEDA); and, the Investment Policy Guidelines of the EDA.

As was the case last year, this year's report our **2005 CEDS Update** reflects our considerable involvement, during fiscal year 2004, in the *Puerto Rico 2025* initiative. As you may recall, said project was a major multi-sector development initiative and reflected our authentic commitment to stakeholder-led strategic development. Consequently, now more than ever, the strategies, goals and objectives articulated herein respond to the genuine strengths, weaknesses, opportunities, and threats which confront our economy and environment.

As always, we look forward to continuing our efforts to improve economic development planning in Puerto Rico, in partnership with the EDA and its distinguished Region 2 staff.

Sincerely,



Ángel D. Rodríguez

Chairman

COMPREHENSIVE ECONOMIC --- DEVELOPMENT STRATEGY

ANNUAL REPORT AND UPDATE FY 2005

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EDA Investment Number: 01-85-08072

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Puerto Rico 2025 Thanks and Acknowledgements

The development of the Puerto Rico 2025 Vision and Call to Action has depended entirely on the active participation of thousands of individuals and organizations. The individuals who have contributed their time and insights are too numerous to name, but the Puerto Rico 2025 Steering Committee has formerly recognized the following organizations and individuals who have provided significant support and resources to the project:

Community and non-profit organizations:

Fundación Comunitaria*; Fundos Unidos; Asociación de Organizaciones Comunitarias de Vivienda de Interés Social; Asociación de Pacientes y Familiares de Pacientes de Parkinson; Banco de Alimentos de PR; Boys and Girls Club; Boys Scouts of America; Concilio Caribe de Niñas Escuchas; Esperanza para la Vejez; Iniciativa Comunitaria para la Revitalización; Lucha contra el Sida; YMCA; Comité Comunitario Pro Vivienda; Corporación de Servicios de Salud y Medicina Avanzada

Aibonito: Casa Pensamiento; **Arecibo:** Oficina para el Desarrollo Humano; **Bayamón:** Centro Geriátrico El Remanso; Fundación Acción Social Refugio Eterno; Hogar de Niños Forjadores de Esperanza; Hogar Escuela Sor María Rafaela; Instituto Psicopedagógico; Sociedad Puertorriqueña de Epilepsia; **Caguas:** Centro de Envejecientes Club de Oro; Colegio Católico Notre Dame; Fundesco; Proyecto Adiós a las drogas...a Dios; Caimito: Christian Community Center; **Juncos, Canovanas:** Hogar Fuente de Vida; **Cataño:** Asociación Pro Juventud del Barrio Palmas; **Cayey:** Centro de Orientación Mujer y Familia; Centro de Respiro y Rehabilitación San Francisco; **Ceiba:** Corporación de Desarrollo Económico de, Cidra: Centro Margarita; **Cupey:** Centro de Servicios Comunitarios Vida Plena; El Hogar del Niño; **Fajardo:** Integral Community Development Corporation; **Guánica:** Instituto Especial para el Desarrollo Integral del Individuo, Familia y Comunidad; **Guaynabo:** Centro Renacer, Fundación Puertorriqueña Síndrome de Down; **Humacao:** Casa de la Bondad; Centro de Enseñanza para la Familia; Oficina para el Desarrollo; Programa de Educación Comunal de Entrega y Servicio (PECES); **Loíza:** Centro Esperanza; Centro Providencia para Personas de Mayor Edad; **Mayagüez:** Corporación de Desarrollo del Oeste; **Naranjito:** Programa del Adolescente de; **Ponce:** NHS; Instituto Pre Vocacional e Industrial; **San Germán:** Hogar Portal de Amor; Movimiento Juan XXI; **San Juan:** Casa La Providencia; Centro Joaquina Vedruna; Concilio de la Comunidad, Lloréns Torre; Colegio de Actores de Teatro de Puerto Rico; Colegio San Gabriel para Niños Sordos; Iglesia Presbiteriana, Puerto Nuevo; Instituto de Servicios Comunes, Instituto del Hogar Celia y Harris Bunker, Proyecto Península de Cantera; *Caparra Terrace, SJ:* Salvation Army; *Hato Rey, SJ:* Movimiento para Alcance de Vida Independiente (MAVI); *Puerto Nuevo, SJ:* Centro de Ayuda Social; *Río Piedras, SJ:* Centro APACEDO; Colegio de Educación Especial y Rehabilitación Integral (CODERI) Fundación Hogar Niñito Jesús; Hogares Rafaela Ybarra; *Santurce, SJ:* Fundación Dr. García Rinaldi; La Fondita de Jesús; Residencial Las Margaritas; **Toa Baja:** Corporación de Desarrollo de Vivienda de; Trujillo Alto: Fundesco; Hogar Resurrección; **Vega Alta:** Hogar Ruth.

Business organizations and professional associations:

Cámara de Comercio*; Asociación de Industriales*; Asociación de Banqueros*; Asociación de Hoteles y Turismo*; Asociación de Paradores; Asociación de Exportadores; Asociación de Productos; MIDA; Pharmaceutical Industry Association; Securities Industry Association ; Asociación de Constructores de Hogares; Asociación de Contratistas Generales ; Liga de Cooperativas ; Colegio de Médicos Cirujanos; Colegio de Ingenieros y Agrimensores; Colegio de Arquitectos y Arquitectos Paisajistas; Colegio de Contadores Públicos Autorizados; Asociación de Economistas*; Sociedad Puertorriqueña de Planificación*; Center for the New Economy; PROCOMP

Educational institutions:

Departamento de Educación*; Asociación de Educación Privada; Superintendencia de Escuelas Católicas; Universidad de Puerto Rico; Universidad del Sagrado Corazón; Universidad Interamericana; Sistema Universitario Ana G. Méndez; Carlos Albizu University; Universidad Politecnica.

Government agencies and public authorities:

Departamento de Desarrollo Económico y Comercio*; Oficina de Gerencia y Presupuesto; Administración de Fomento Económico e Industrial (PRIDCO)*; Junta de Planificación*; Departamento de Corrección y Rehabilitación; Departamento de Educación*; Departamento de Justicia; Departamento de la Familia; Departamento de Recreación y Deportes; Departamento de Recursos Naturales y Ambientales*; Departamento de Salud; Departamento del Trabajo y Recursos Humanos; Departamento de Transportación y Obras Públicas*; Departamento de Vivienda; Administración de Fomento Comercial*; Banco de Desarrollo Económico; Banco Gubernamental de Fomento (BGF)*; Administración de Familia y Niños; Administración de Seguros de Salud de PR (ASES); Administración de Servicios Médicos (ASEM); Centro Cardiovascular de PR y del Caribe; Escuela de Artes Plásticas; Oficina del Control de Drogas; Autoridad de Acueductos y Alcantarillados (AAA); Autoridad de Carreteras y Transportación*; Autoridad de Energía Eléctrica; Autoridad de los Puertos; Compañía de Turismo*; Junta de Calidad Ambiental (JCA)*; Junta Reglamentadora de Telecomunicaciones

Coordinating team:

The team of professionals from: DDEC*, PR Planning Board*, La Fortaleza, H. Calero Consulting Group, Alfredo Carrasquillo, and A.T. Kearney, who, together, have provided the day-to-day coordination of project Puerto Rico 2025.

* Indicates an organization that participates in the CEDS committee

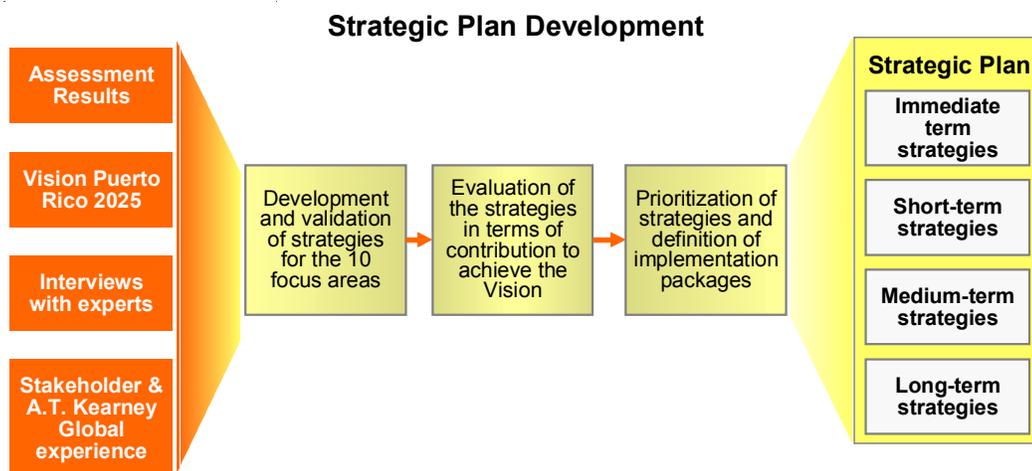
Editor's Note:

It is my great pleasure to share with you, on behalf of the Commonwealth of Puerto Rico, the Puerto Rico Development Area, the Office of the Governor, the Planning Board of Puerto Rico (PRPB), and the Comprehensive Economic Development Strategy (CEDS) committee—the 2005 Puerto Rico CEDS Annual Report, our 2005 update of the island-wide CEDS.

As was the case last year, substantive portions of this year's report the 2005 CEDS Update draw upon the deliverables of project **Puerto Rico 2025** and consequently reflects my nearly daily participation in the project during fiscal year 2004.

As you may recall, I was a member of the local contingent of the Puerto Rico 2025 project Coordination Team, I worked with professionals from Departamento de Desarrollo Económico y Comercio (DDEC), the PRPB, La Fortaleza, H. Calero Consulting Group, Alfredo Carrasquillo, and A.T. Kearney, providing day-to-day coordination and work on the project. Together we were able to help Puerto Rico complete a broad-based, non-partisan initiative to develop a long-term vision and strategic plan for Puerto Rico. Fundamentally, the project was a major multi-sector development initiative and the goals and objectives it generated reflect the collective determinations of Puerto Rican society to a greater degree than any development plan to which I have been privy.

While many of Puerto Rico's previous economic development strategies have drawn the same conclusions or made similar recommendations—after all, the problems remain largely the same—none had previously sought to stand that process in an organic, fundamentally democratic, stakeholder driven process. Consequently, as its foundation for success, the Puerto Rico 2025 initiative had a broad stakeholder coalition of community, business, and labor leaders, as well as policy-makers, academicians, opinion shapers, and decision makers. This depth of direct participation was enriched through surveys, community meetings, workshop, and many extensive sectoral consultive panel meetings. Accordingly, the input and expertise of thousands of Puerto Rico's residents, citizens, and friends of the initiative further improved the project outputs.



Source: Puerto Rico 2025

In its totality, this range of participation and the subsequent leverage of expertise and insight ensured that the project outputs of are of such a scope and breadth that they clearly exceed the ability of any one organization to accomplish or any previous initiatives' inclusiveness. While the work product of the **Puerto Rico 2025** initiative encompasses many—if not all—critical aspects of Puerto Rico's development concerns—the economic, socio-cultural, environmental (and infrastructure) development dynamics—the **2004 CEDS and now the 2005 CEDS Update**, utilizes, in particular, those outputs from the Economic and Environmental topic areas.

Jointly, these two umbrella topic areas cover all the requirements of the CEDS in their considerable discussion of *Economic Development Conditions* as well as *Land Use and Natural Resource Conditions*.

To that end, the analytical framework applied to each topic area was, and remains, twofold:

- First, during the assessment and visioning project phases, the inputs—research, literature reviews, interviews, data and panel findings—were subjected to **SWOT analysis** (or Strengths Weaknesses Opportunities and Threats) then, the outputs were validated and organized for presentation; and,
- Second, during the prioritization and implementation phases, the project the outputs were refined and enhanced through further validation, editorial clarifications. Finally, under the facilitation and leadership of *Prof. Carlos E. Bana, London School of Economics*, **MCDA protocols** (or Multi-Criteria Decision making Analysis) were used to prioritize the strategies articulated from the vision phase.

The resultant outputs of Puerto Rico 2025—the analytical content as well as the vision and strategy articulation—comprises nearly half of **Section II: Puerto Rico's Economy Today and Tomorrow; Assessment and Visioning** and nearly the entirety of **Section III: Goals and Objectives**. And, as was the case last year, it is my expectation that you will find this year's 2005 update to be an informative and rewarding guide for economic development policy and funding decisions.

Nevertheless, I would also like to underscore, that this year, we return to using many of our traditional sources of economic reporting and analysis through the inclusion of relevant analytical products and deliverables as published by the PRPB. For example, the first portion of **Section II: Puerto Rico's Economy Today and Tomorrow, Assessment and Visioning**. This Sub-Section pertains to revising reports on the performance of the economy during 2004 and, divulging preliminary data on the performance, thus far, of the economy during 2005 as well as, forecasts regarding the expected performance during 2006.

Sincerely,



Pavel De Jesús, MPP
Special Assistant of the Chairman
CEDS Committee Executive Director

SECTION I: Organization & Management; a guide for those who do not know Puerto Rico

Introduction

Accepted by voters in a referendum in **March 1952**, the Constitution that created the Commonwealth of Puerto Rico, was drafted by an elected constituent assembly, later ratified by U.S. Congress, and subsequently proclaimed on July 25, 1952. Puerto Rico's constitution defines internal government terms and processes similar to those of the U.S., for example Puerto Rico elects a two-chamber Legislature, an Executive and a Judicial Branch. Every four years at the same time that the US Presidential election is held, Puerto Ricans vote for a **Governor**, currently the **Honorable Anibal Acevedo Vila**, as well as its legislative representatives.

The primary document defining the relationship between Puerto Rico and the federal government, entitled the **Federal Relations Statute**, consists of those elements of the historically significant **Jones Act of 1917** which were not rendered null by the creation of the Commonwealth status. Under the terms of the Federal Relations Statute, the federal government exerts authority over all activities related to foreign relations and defense, as well as postal and customs services. The measure also provides that all trade between Puerto Rico and the U.S. must be carried in US flag bearing vessels.

Traditionally the three mainstays of Puerto Rico's relationship with the U.S. are a *common currency*, a *common defense* and *US citizenship*. Yet, at the same time as Puerto Ricans residing in Puerto Rico are United States citizens, they do not enjoy the right to participate in national elections. While Puerto Rico does benefit from representation in the United States House of Representatives through its **Resident Commissioner**, Puerto Ricans maintaining fulltime residency on the island neither vote in Presidential elections nor for the election of members of United States Senate as these privileges are expressly prohibited.

Please note, except on certain specified congressional committees, the Resident Commissioner does not ex-

ercise the FULL privilege of vote, yet, does exercise the privilege of voice. For further details, please view the web-site of the office of the Resident Commissioner at <http://www.house.gov/fortuno>.

The Executive Branch

During the recent past, the Executive Branch of Puerto Rico has undergone significant structural reorganization, and continues to do so, the focus of which has been downsizing government, improving efficiency and lowering operational costs. The primary means of lowering operational costs has been executed through the concept of **Umbrella Departments**—consolidation—whereby departments of the central government which share similar public policy goals and render related services have been joined under one roof or “umbrella”.

Using this structural configuration allows Puerto Rico's central government to capitalize on the capacity of diverse agencies, programs and functions to render seamless services to Puerto Rico's general public and specific client populations while, at the same time, maximizing opportunity for innovation and cost reduction at the agency level. This structure has the advantage of also retaining significant command and control capacity. Crucial in this configuration are the component elements of the greater **Office of the Governor of the Commonwealth of Puerto Rico**, they are; the *Office of the Chief of Staff*, the *Puerto Rico Planning Board (PRPB)*, the *Regulations and Permits Administration*, the *Environmental Quality Board*, the *Central Communications Office* and the *Office of Management and Budget*. In addition, created in 2001 under the Calderon Administration, a program to deal specifically with the development necessities of Puerto Rico's poor communities—termed the *Special Communities Program*—also works directly from the Governor's Office.

The Umbrella Department concept was promulgated on April 6, 1993 under the Executive Reorganization

Act of 1999, or Act Number 5, which also established the foundational umbrella departments, they are:

1. **Security** (Commission on Security and Public Protection), Prisons (Department of Correction and Rehabilitation),
2. **Natural Resources** (Department of Natural Resources and the Environment),
3. **Agricultural Activities** (Department of Agriculture),
4. **Industry, Trade and Tourism** (Department of Economic Development and Commerce),
5. **Human Resources and Employment Programs** (Department of Labor and Human Resources),
6. **Public Finance** (Department of the Treasury), and
7. **Family and Community Services** (Department of the Family).

Much of the savings garnered in the reorganization and restructuring effort were derived from the elimination of 18 public instrumentalities as well as the consolidation of several public bodies and the privatization of the Puerto Rico Maritime Shipping Authority.

Inside the Puerto Rico Planning Board

The Puerto Rico Planning Board (PRPB) is part of the Office of the Governor of the Commonwealth of Puerto Rico and was created pursuant to Act No. 213 of 1942, and later reorganized under the PRPB's Organic Law, or Law No. 75 of June 24 1975 (itself, currently under revision).

On April 30, 2001, Governor, the **Honorable Sila Maria Calderon** amended the PRPB's Organic Law with Law No. 26 in order to expand the size of the sitting board from three (3) full-time associated members to seven (7) full-time members. The Governor of Puerto Rico appoints the associated members for six-year terms and designates one (1) of the associated members as Chairperson of the entire Board. Board members must be reconfirmed at the start of any new administration. The PRPB is currently composed of this seven (7) member full-time Board and one (1) alternate member.

Currently, the full Board is comprised of:

1. **Mr. Angel D. Rodriguez, Eng. Chairman**
2. Ms. Wanda Capó Rivera, JD
Vice Chair
3. Ms. Iris C. Cuadrado Gómez, Plan.
Associated Member
4. Ms. Wanda Marrero, PhD.
Associated Member
5. Mr. Frederick Muhlach, Arq.
Associated Member
6. Vacant
Associated Member
7. Vacant
Associated Member

Long established as a meeting place for Puerto Rico's community of planners and practitioners, the PRPB has served as a natural point of coalescence among individuals involved in economic, social, and physical planning. Consequently, the PRPB is uniquely positioned to coordinate and manage the preparation and application of the Comprehensive Economic Development Strategy (CEDS).

This capacity is derived of the PRPB's ability to function as a fulcrum, where participation of the public and private sector is augmented by sound Micro and Macro analysis in strategy development. Sound data gathering, data collection, and harmonization of zoning conflicts and/or petitions form the backbone the PRPB's ability; however, the PRPB is particularly adept at both economic and demographic analysis and boasts considerable experience in organizing public participation in policy formation.

Since its inception, the PRPB has striven to serve the Commonwealth of Puerto Rico—the population of the Commonwealth, public and private entities, the government at large, and in particular, the local municipal governments (collectively our “clients”)—with distinction and honor. As one of the oldest agencies of the Commonwealth, with its antecedents in the military Governor's administrative apparatus, the PRPB has served a principal role through most of Puerto Rico's periods of crucial physical growth, significant social transformation, and economic revolution. It is for this reason that, the PRPB is uniquely prepared to manage the CEDS process.

The PRPB's interest, regarding the CEDS annual report, is to develop an efficient instrument capable of guiding targeted and effective investment of taxpayer resources. These initiatives are framed as those activities which will cultivate economic independence and solvency at the regional and local municipal levels without sacrificing responsiveness to local input, participation, and accountability.

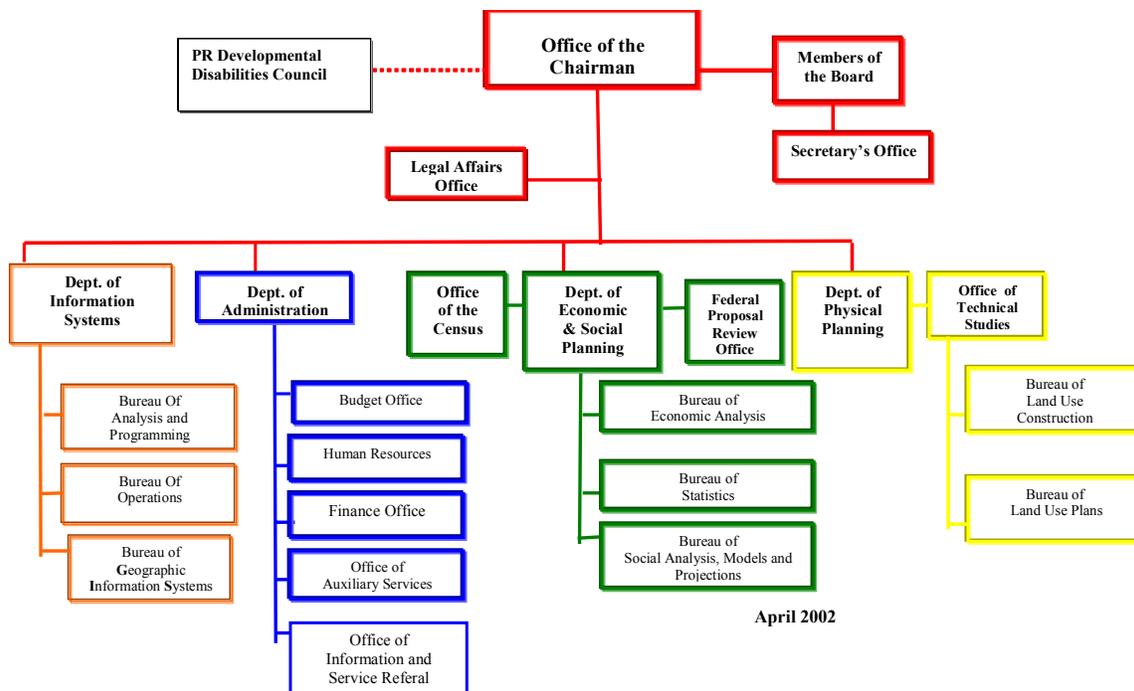
Central Goal and Principal Objectives of the PRPB

The central goal of the PRPB is to assist in the management of integrated economic, social and physical development of the Commonwealth and leverage its comparative advantage as an interdisciplinary group of planning professionals. To accomplish this central task, the PRPB adheres to eight (8) principal objectives. The objectives of the PRPB are the following:

To *maintain a descriptive profile* of the physical, economic and social resources of the island and participate in a proactive manner in the articulation and coordination of their use for the sustainable development of Puerto Rico; and,

1) To *prepare, adopt and recommend* to the Governor and the Legislative Assembly the programming of capital improvement initiatives; and,

- 2) To *make viable* the implementation of the Municipal Reform Law and the territorial ordinance plans with the purpose of promoting the decentralization of government services by means of regionalization and transfer of services to the municipalities and the private sector; and,
- 3) To *elaborate a master plan* for the development of areas of high tourism potential in order to augment the participation of this economic sector; and,
- 4) To make the evaluation process and the *granting of construction permits more agile*; and,
- 5) To *promote citizen participation* in the development of our cities and establishment of educational programs concerning the environment; and,
- 6) To *produce studies and analysis* concerning social dynamics that can help the Commonwealth of Puerto Rico in formulating public policies regarding the island's social ills; and,
- 7) To *make certain* that Federal investment in Puerto Rico advances the defined objectives for the island.



Together, these eight (8) principal objectives constitute the policy context of the PRPB's activities as it meets the responsibilities derived therein and the mandate set forth in the Organic Law, the enabling legislation.

The (8) principal objectives serve the additional purpose of reinforcing the PRPB's philosophical and practical belief in an enterprise-wide perspective, the entrepreneurial spirit, and the direct participation of citizens, experts, the public sector, and the private sector in endeavors of economic, social and physical planning. It is the perspective of the PRPB, that together these communities can plan a better, brighter, and more dynamic future for Puerto Rican society.

Instruments of Planning Policy

Since 1975, the Puerto Rico Planning Board's tasks have varied to adjust to a more comprehensive concept of planning. As a result, the Puerto Rico Planning Board is no longer required to prepare a Master Plan, with mainly physical connotations. Its principal responsibility is currently to formulate a **Comprehensive Development Plan (CDP)**. The CDP includes policies and strategies that are implemented through three distinct policy instruments; they are, a **Land Use Plan (LUP)**, a **Land Budget (LB)**, and a **Four Year Investment Program (4Year Plan)**.

The *LandUse Program* designates the distribution and allocation of land resources among competing uses. Every project scheduled for execution in Puerto Rico must conform to the official LandUse Plan, with particular emphasis placed on the Objectives and Public Policies articulated therein.

The *LandBudget* is prepared by in order to ensure the best possible use of Puerto Rico's limited land resources. The LB includes estimates of the quality and the location of land demanded, as well as a priority system to determine specific land uses during a given period.

The *Four Year Investment Plan* is a general outline of social and economic goals that the

Government strives to achieve at the end of a four year period. The 4Year Plan also serves as a tool to coordinate fixed investment by the government required to realize macroeconomic goals in specific sectors.

Traditionally the **Comprehensive Economic Development Strategy (CEDS)** is comprised, principally, of the CDP along with the CEDS Annual Report (July). However, supplemental to these items are any committee approved *needs assessments, planning studies, field visit briefs*, and in particular *specialized development strategies*—local economic development strategies or local comprehensive initiatives.

It is however, the distinct function of the CEDS annual report to:

1. Articulate the extent to which, in the judgment of the committee, said investment proposal conforms with and advances the goals and objectives of the CEDS, and in particular as articulated in the annual report; and,
2. Articulate the priority level, in terms of Puerto Rico's strategic economic development, of any given investment proposal submitted for consideration; and,
3. Articulate the extent to which, in the judgment of the committee, said investment proposal conforms to the relevant EDA investment guidelines and policies; and,
4. Articulate the extent to which, in the judgment of the committee, said investment proposal qualifies for the EDA's funding consideration pre-application process.

Eligibility and Responsibility

In view of Puerto Rico's persistent high unemployment and low family income levels, the Commonwealth is eligible as a Redevelopment Area under the provisions of the *Public Works and Economic Development Act of 1965*. The entirety of Puerto Rico's municipalities and their agencies are fully eligible to receive assistance from the United

States Department of Commerce Economic Development Administration (EDA). To this end, the PRPB has been designated the agency responsible for coordinating the Commonwealth’s economic development planning process, in this case with a specific emphasis upon the CEDS initiative.

Under the administration of the Honorable Sila Maria Calderon, a new permit process was announced, one which allows the PRPB to concentrate on several of its comparative advantages. Advantages such as:

- A) Economic, social and physical strategic planning that is grounded in sound and comprehensive analysis; and,
- B) Inter-entity coordination; and,
- C) Leverage of a long-term planning horizon in decision making.

These responsibilities encompass economic development planning and include the organization and coordination of the Comprehensive Economic Development Strategy (CEDS) as well as its committee that, in turn, serve as an advisory group to the PRPB on the matter of economic development.

PRPB Investment Analysis and the EDA Investment Policy Guidelines

As transparency is an important priority of the PRPB and the Acevedo-Vila administration, in an effort to communicate with the citizenry, the PRPB has provided, and continues to provide, the following initial response, to the new Investment Policy Guidelines promulgated by the EDA under the leadership of **David A. Sampson, U.S. Assistant Secretary of Commerce for Economic Development – EDA.**

1) Market-based: The PRPB engages the market practically by maintaining two way information flows between the PRPB and our client groups. To accomplish this, the PRPB uses a number of

instruments such as needs assessments, planning studies, field visits, as well as sustained contact with community leaders, industry leaders, and elected officials.

This method allows the PRPB to emphasize synergistic approach to problem solving. Philosophically, our central task, mission, and general objectives recognize the importance of opting for private sector (or quasi-public sector) solutions as preferable, whenever feasible. In this way, the PRPB makes market based economic development and job creation a central feature of our approach to the CEDS, and our EDA partnership.

2) Proactive Investments: The PRPB understands effective economic development planning to require proactive action, an enterprise-wide perspective, entrepreneurialism, partnership and collaboration. We aim to achieve long term capacity improvements via successful short-term investments. Building towards greater district capacity, the PRPB expects innovative uses of resources to characterize the CEDS document and the investments approved therein.

3) Economic Changes and Diversification: Besides responding to immediate economic conditions, the PRPB strives to anticipate the evolving needs of our district in light of “the state of the field” of economic analysis, development, and planning. In addition, the PRPB understands diversification, to describe achievement of a condition whereby the organic responses of the districts’ local economies are dynamic and solvent. The organic response capability sought by the PRPB is dependent upon ongoing efforts.

4) Private Capital Investment: The PRPB continues the tradition of underscoring the importance of retention and expansion of private capital investment in existing district industry, while also attracting new ventures to the district. In addition, in recognition of the relationship between private capital investment and demand for high skills (living wage earning skills), the PRPB maintains a focus on workforce development (if not transformation) among the district’s labor force.

5) High probability of success and including: a high level of local, state and private matching funds; a high degree of commitment of local political “capital” by elected officials; and a high level of commitment of human resources to project outcomes: The PRPB CEDS process, as well as the evaluation criteria derived from the strategy, reinforces the EDA’s emphasis on demonstrating robust “shareholder” communities for a given investment proposal. The CEDS benefits significantly from the PRPB’s role as a point of coalescence for Puerto Rico’s island wide community of “shareholders”.

6) Higher Paying Jobs: created improvement of the District’s average wage levels is a priority goal of the PRPB. Our CEDS process supports those proposed investment opportunities that are appropriate given the level of community investment demonstrated by proponents as well as those investment proposals which create jobs providing wages above the area average or the area median, depending upon which is higher.

7) Return on Taxpayer Investment (RTI): The PRPB provides the EDA a solid RTI by facilitating a process that targets investment opportunities compliant with the EDA’s vision of economic development. The result is clear; quality investment options of diminished risk that conform to both community needs and the plans and public policies of the Commonwealth, thereby delivering RTI for each investment selected by the EDA. In this way, investment proposals of significant impact, and interest, to the district are identified and submitted for consideration to the EDA.

The PRPB has articulated three (3) program level tasks as a guide for its work with the CEDS committee. They are as follows:

Task 1: To continue the process of comprehensive development planning, prioritizing economic stability, economic solvency and economic dynamism.

Task 2: To assess current proposals for economic development in light of the EDA’s new Investment Policy Guidelines.

Task 3: To improve the system used to assign priorities compatible with government goals at the local level.

Organizing and Staffing For Economic Development

In Puerto Rico, the work of the **Comprehensive Economic Development Strategy Committee** (formerly known as the Economic Development Evaluation Committee) or **CEDS Committee** has been assigned to the Puerto Rico Planning Board (PRPB). The entire island of Puerto Rico is classified as a “Redevelopment Area”—the **Puerto Rico Economic Development Area**—as determined by its persistent high unemployment and low family income levels as well as those guidelines established by the EDA. Therefore, the CEDS Committee is responsible for the evaluation of all **Investment Proposals** (formerly known as project proposals) for economic development seeking EDA funds that originate in Puerto Rico.

It is the principal goal of the Commonwealth of Puerto Rico, the PRPB, and the CEDS Committee, under its obligation to the EDA as a participant in the EDA’s planning assistance investment program to ensure that all investment proposals which the CEDS Committee recommends for invitation to participate in the EDA’s pre-proposal phase of EDA funding consideration have been evaluated and recommended by a body of the individuals who are representative of various sectors and groups in society which compose the community of the Puerto Rico Economic Development Area and its economy.

The decisions of the CEDS Committee are made in accordance with the public policies of The Commonwealth of Puerto Rico. The CEDS Committee works and operates independently of the daily operations of the PRPB, although, funding needs for the CEDS Committee and its activities are met through both Federal and Local funding shares. These “Shares” are provided annually by the EDA and the PRPB on competitive basis wherein the PRPB applies to maintain continued eligibility for the CEDS program.

Membership on the CEDS Committee

The CEDS Committee is composed of the designated heads (or their representatives) of the following public and private entities which represent the indicated group. Those participants identified in the Bylaws of the CEDS Committee are:

Group:	Entity:
Local Government	The Federation of Mayors (Federación de Alcaldes) The Association of Mayors (Asociación de Alcaldes)
Business	PR Chamber of Commerce (PR Camera de Comercio) PR Department of Commerce (Departamento de Comercio de PR)
Industry	Industrial Association (Asociación de Industriales) PR Industrial Development Company (Compañía de Fomento Industrial)
Finance	Association of Banks (Asociación de Bancos) Economic Development Bank (Banco de Desarrollo Económico)
Agriculture	Association of Agriculturalists (Asociación de Agricultores) PR Department of Agriculture (Departamento de Agricultura)
Professionals	Association of Economists of PR (Asociación de Economistas de PR) Puerto Rican Society of Planners (Sociedad Puertorriqueña de Planificación)
Education	One expert in the area of Education (Un asesor de educación)
Women	One women with knowledge of planning (Un mujer con conocimiento de planificación)
Tourism	PR Tourism Company (Compañía de Turismo)

Once a person is designated by the organization or representing entity, this person is considered a “permanent member” of the CEDS Committee as defined in the Bylaws. However, the CEDS Committee may always recommend changes in its composition to the Chairman of the PRPB or his/her delegate.

Although, the CEDS Committee Bylaws preserve the right of the PRPB Chairman to take action to change the composition of the CEDS Committee under several terms and conditions, functionally, the post on the CEDS committee is held by the institution representing that community. Normally, the term of the individual on the CEDS Committee coincides with the term during which the individual occupies their post in the organization.

A majority of the members who are present at the pertinent meeting, wherein the Chairman of the PRPB (or his /her delegate) presides chooses the CEDS Committee President. If a majority elects to, the CEDS Committee may also establish other positions and designate its members, properly chosen by a majority of the permanent members present at the pertinent meeting, to additional positions such as CEDS Committee Vice-president or Secretary, among others. The CEDS Committee Executive Director or Secretary may be a permanent member of the CEDS Committee, although, it is not required.

Composition of the CEDS Committee

The entire CEDS Committee is comprised of both government officials and citizens from the wider community whose participation on the CEDS Committee is stipulated in the manner detailed above. Members are invited to participate on the committee in response to the particular expertise or knowledge area their participation is expected to leverage.

The following is an updated membership roster of the CEDS Committee. This roster includes: (1) the name of each committee member, (2) each member’s professional title; and, (3) the name of each member’s organization, in both English and Spanish (addresses

are available upon request and with permission of the individual member).

Hon. José Aponte

President

Mayor's Association / *Asociación de Alcaldes*

- ♦ Edgardo Rodriguez, Alternate

Sra. Enid Toro de Baéz

President

United Retailers of Association of PR

Centro Unido de Detallistas de PR

Hon. Jorge Silvas Puras

Secretary

Department of Economic Development and

Commerce / *Departamento Desarrollo*

Económico y Comercio

Hon. Jorge Silvas Puras

Interim Executive Director

PR Industrial Development Corp. (PRIDCO)

Fomento Industrial de PR

- ♦ **Andres Gomez**, Alternate

Dr. Nelson Colón

Director

Puerto Rico Community Foundation

Fundación Comunitaria de Puerto Rico

- ♦ **Ms. Alida Rivera**, Alternate

Reynaldo Encarnación

President

Industrial Association

Asociación de Industriales

Mr. Pavel De Jesús, MPP

Special Assistant to the Chairman

Executive Director, CEDS Committee

Puerto Rico Planning Board

Junta de Planificación de Puerto Rico

Juan Santiago, Agro.

President

Agricultural Federation

Federación de Agricultores

Mr. Carlos W. López

Chairman Designate

Environmental Quality Board (EQB)

Junta de Calidad Ambiental (JCA)

- ♦ **Mr. Royston Delanoy**, Alternate

Hon. Gabriel Alcará

Secretary Designate

Department Transportation and Public Works

Departamento de Transportación y Obras

Públicas (DTOP)

Hon. Aníbal Meléndez

President

Federation of Mayors / *Federación de Alcaldes*

Ms. Lourdes Romero, Agro.

Interim Executive Director

Rural Development Administration

Administración de Desarrollo Rural

Lcdo. Fernando Bonilla

Executive Director

Ports Authority / *Autoridad de los Puertos*

- ♦ Isben Santiago, Alternate

Mr. Antonio Perez

Vice President

Economic Development Bank of PR

Banco de Desarrollo Económico de PR

- ♦ Ms. Maria Guzman, Alternate

Mr. Rafael Argunde Torres

Secretary Nominee

PR Department of Education

Departamento de Educación de PR

Luis Benítez

President

Association of Economists

Asociación de Economistas

Eng. Ángel D. Rodríguez

Chairman

Puerto Rico Planning Board

Junta de Planificación de Puerto Rico

Hon. Javier Velez
 Secretary Designate
 Department of Natural Resources
Departamento de Recursos Naturales

Hon. José O. Fabre Laboy
 Secretary Designate
 Department of Agriculture
Departamento de Agricultura

Ms. Myraine Roa Méndez
 Interim Executive Director
 Puerto Rico Developmental Disabilities Council /
*Consejo Estatal sobre Deficiencias en el
 Desarrollo*

Sr. José Vega
 Executive Director
 Economic Development Center, University of PR,
 Mayagüez Campus / *Centro de Desarrollo
 Económico UPR Recinto de Mayagüez*

Mr. Leonardo Cordero
 President
 Puerto Rico Chamber of Commerce
Cámara de Comercio de Puerto Rico

The President, or his delegate on the CEDS Committee, at the request of a majority of the members of CEDS Committee, may designate a subcommittee whose function will be to analyze any issue of interest to the members of the CEDS Committee. The CEDS Committee has established a Subcommittee for the Evaluation of Investment Proposals. Composed of members from the larger board, the Subcommittee for the Evaluation of Investment Proposals meets no less than once per year (in this specific capacity) in order to render the official recommendation of the CEDS Committee.

The principal functions of the CEDS Committee are coordinated and administered by the Executive Director who (with the approval of the EDA) is contracted, hired, or assigned to the task of Executive Director by the Chairman of the PRPB in order to supply “Staff Support” to the CEDS Committee.

Staff Support for the CEDS Committee

In order to meet the obligations of the EDA’s planning assistance investment program the PRPB is required to contract, hire, or designate an Executive Director to the CEDS Committee. In addition, the PRPB is obligated to provide a secretary for the Executive Director. Together, the CEDS Committee Executive Director and his/her secretary form the “executive staff” of the CEDS Committee.

This mechanism of the executive staff has been established in order to expedite the activities of the CEDS Committee and ensure that its work is conducted with greater effectiveness, efficiency, and in such a manner as to minimize any undue burden on any individual member of the CEDS Committee. As well as to ensure that, despite the particular logistical difficulties of any given program cycle, on an annual basis, the primary deliverable of the CEDS Committee, the CEDS document, the annual report, is completed to the satisfaction of the EDA. For this reason, the majority of the day to day procedural aspects of the work of the CEDS Committee have been delegated to the Executive Director.

Since September 17, 2001 **Mr. Pavel De Jesús, MPP** has fulfilled the position of Executive Director, and, during that same period the role of secretary to the CEDS Committee Executive Director has been fulfilled by several individuals, most recently Lucy Febus (FY 2005) has worked as secretary.

Procedures and Internal Mechanisms of the CEDS Committee

Attendance of the Permanent Members: The permanent members of the CEDS Committee, or their delegates, are required to attend all meetings of the CEDS Committee properly announced. The Executive Director is responsible for providing a calendar of six months with the necessary meetings of the period. In cases of necessity, a permanent member may

designate a civil employee, or member of the organization, or agency, to represent the permanent member on the CEDS Committee, so that he/she may attend in his/her place. A permanent member that has been absent in three (3) consecutive meetings or five (5) meetings, in four (4) months, will have to inform the CEDS Committee, by means of the President or Executive Director, as to his/her availability to continue as a permanent member of the CEDS Committee. Should the conclusion be met that it will not be possible to fulfill his/her duties to attend the meetings, then, the President of the CEDS Committee or Executive Director shall request of the Chairman of the PRPB that the Chairman make a formal request of the entity to which the permanent member in question belongs, that another person be designated to the CEDS Committee.

Quorum: A majority of the permanent members (8 of 15) constitute the committee quorum at the hour of any meeting. If committee quorum for the planned meeting is not met, another meeting can be set for fifteen minutes from that time and, a majority of those permanent members present at the new meeting shall constitute the meeting quorum for that meeting. Either finding of quorum is required to make decisions on the subjects before the CEDS Committee on the meeting agenda. Quorum is established by counting any permanent member present, or those persons representing the permanent member, at the meeting in question.

Decision Making: All decisions of the CEDS Committee are made in accordance with the public policies of The Commonwealth of Puerto Rico.

Only the permanent members of the CEDS Committee, as identified according to the Bylaws (summarized above) are be able to vote or to make decisions on matters before the CEDS Committee. In order to render a decision it is necessary that the meeting has been initiated with quorum, as identified according to the rules for establishing quorum in the Bylaws (summarized above). A simple majority of the present permanent members in the meeting as identified according to rules for establishing quorum is sufficient to decide matters on that day's agenda.

Please recall, establishment and execution of internal administrative or procedural mechanisms necessary to accomplish the principal goal of the Commonwealth

of Puerto Rico, the PRPB, and the CEDS Committee (within the guidelines proscribed by the Bylaws) regarding this program—"to ensure that all investment proposals which the CEDS Committee recommends for invitation to participate in the EDA's pre-proposal phase of EDA funding consideration have been evaluated and recommended by a body of the individuals who are representative of various sectors and groups in society which compose the community of the Puerto Rico Economic Development Area and its economy"—fall under the purview of those CEDS Committee positions described under the Bylaws of the CEDS Committee. They are, but not limited to the Chairman of the PRPB, the President of the CEDS Committee and, the CEDS Committee Executive Director.

Formulation of Goals and Objectives: Because the decisions of the CEDS Committee are made in accordance with the public policies of the Commonwealth of Puerto Rico, any Goals and Objectives are understood to be formulated or refined in like manner.

Goals and Objectives are primarily developed in accordance with and as a result of findings and policy recommendations entailed within the following:

- ✘ **Ten Year Assessment** program of The Commonwealth of Puerto Rico entitled "Project Puerto Rico (the appropriate year)". The Commonwealth of Puerto Rico began work on "**Project Puerto Rico 2025**" during FY 2003, calendar year 2002 and completed this work during FY 2005, calendar year 2004. The **CEDS Executive Director**, Mr. De Jesús, as well as many other members of the CEDS Committee participated the Puerto Rico 2025 initiative since September 2003. Please note, this CEDS update document contains sections of analysis and work product which are specifically the by product of the Puerto Rico 2025 initiative and the parties involved in its management and work product delivery.

For more information regarding Project PR 2025, please see the segment below entitled "**Program Effectiveness**" subsection *Development of Goals and Objectives* as well as the section entitled **The Economy**

of Puerto Rico and the Section Goals and Objectives.

During interim years, particularly during the latter half of the ten year period, Goals and Objectives are refined in accordance with and as a result of findings and policy recommendations entailed within:

1. The Four Year Investment “La Pica”
2. The Land Use Plans of the PRPB
3. The Land Use Budget of the PRPB
4. The Annual Economic Report to the Governor
5. The best judgment and professional expertise of the CEDS Committee.

All related decisions are rendered in accordance with the decision making procedures and provisos for establishment and execution of the principal goal of the Commonwealth of Puerto Rico, the PRPB, and the CEDS Committee as articulated within the Bylaws of the CEDS Committee (summarized above).

Investment Proposal Selection:

Investment Proposals are sought throughout the FY by; the CEDS Committee, the Executive Director, The UPR Mayagüez University Center, and EDA staff. In February (normally) of each year a specific request for submission of Investment Proposals is sent to a wide range of recipients which include; the 78 mayors of Puerto Rico’s municipalities, the municipal representatives or entities responsible for economic development in the local, and any officials working in the area of federal affairs. In 2004, the complete list approached 200 individuals.

For this proposal solicitation, in order to guarantee revision and publication in the CEDS in time for the end of Puerto Rico’s FY, the CEDS Committee observes a May 1st dead line for submissions, this year however the dead line was delayed until June 1st. Shortly thereafter, the CEDS Executive Director organizes and distributes the proposals to the Subcommittee for the Evaluation of Investment Proposals. The members of the Subcommittee then review the submissions for the express purpose of determining:

- a. The *Development Area Priority Level*: This designation relays the level of importance to the development area of each investment proposal in light of; economic trends, eco-

economic projections, and the public policy embodied in the CEDS document and, subsequently, the results of the designation of a grade reflecting said finding. The greater the concurrence of a given Investment Proposal with the specific Goals and Objectives of the CEDS program the higher the priority level assigned.

The classification used in the *Development Area Priority Level(s)* process includes the following three (3) grades: **A.** reflects *high* priority; and, **B.** reflects *intermediate* priority, and, **C.** reflects *low* priority; and, **NI** means *Not Included* in the CEDS due to reservations concerning the orientation of the investment

- b. The *Level of EDA Appropriateness*: This designation relays the level of appropriateness in light of the EDA’s investment proposal guidelines (as promulgated during the previous year) and subsequently designates a grade reflecting said compatibility. Committee members utilize an evaluation Guide (a sheet) which assigns points on the basis three primary categories: Program Requirements, Budget, and Employment Estimates.

Those projects accumulating sufficient points to be considered “more satisfactory” or “completely satisfactory” are then reconsidered among the committee members in light of the EDA’s investment proposal guidelines in a caucus review. For a sample copy of the form, see Appendix B of this report. During the caucus review, CEDS Committee members are then asked to render their final grade based on the accumulated points and subsequent discussion. The average grade designation is subsequently assigned to the project and later published in the CEDS as the official recommendation to the EDA for its consideration.

The classification used in the *Level of EDA Appropriateness* process includes the following three (3) grades: **A.** reflects a *high* level of appropriateness; and, **B.** reflects a *intermediate* level of appropriateness; and, **C.** reflects a *low* level of appropriateness.

NR. means *Not Recommended* due to eligibility concerns

In January of 2002, as part of the committee’s proposal solicitation process, the CEDS Committee deployed a “rolling review” process. Actually, by virtue of the ebb and flow of proposal submissions, this process is in fact a staggered review.

Said process is structured in the following manner:

1. Initially a firm due date (traditionally May 1st) is set in order to guarantee that any submitted proposal shall be processed in time for inclusion in the CEDS of that program cycle.
2. Any proposal received afterward is considered once a minimum of three (3) proposals have been accumulated, or at the next most convenient opportunity for the Subcommittee for the Evaluation of Investment Proposals.

Those proposals received after the due date and after the beginning of the next program cycle on July 1st (PR FY) are subject to the staggered review process and later included among those published in the CEDS of that program cycle under the same criteria above.

Program Effectiveness

Participation:

One of the principal difficulties of the CEDS Committee is orchestrating consistent participation. The following list of contributing dynamics have been identified by CEDS Committee members and associated professionals as the primary explanatory factors:

1. Turnover in the positions of permanent members of the CEDS Committee; and,
2. Lack of major development initiatives to spark and maintain interest; and,
3. Size of the P.R. Development Area; and,
4. Geographic, topographic, spatial characteristics that function as disincentives for participation; and
5. Deep rooted partisan behavior, particularly during the year prior to and just after elections.

Corrective Actions:

Step #1: In December 2001, approximately two months into the tenure of the Current Executive Director, Pavel De Jesús, MPP it was agreed that an achievable remedy for persistent poor participation might be to formalize the expectation of roughly quarterly meetings instead of simply adjourning meetings as necessary and customary in recent years. This recommendation received strong support by the **EDR, Ernesto Cruz**, who helped to promulgate the expectation among CEDS Committee members and made possible adoption of the new expectation.

Since the institution of the expectation of participation at quarterly meetings, the number of meetings held successfully each year has increased and the number of participants at each meeting has also increased consistently (see table above). Most significantly, from FY 2002 to FY 2003 we more than doubled the number of participants (12 to 33) despite succeeding in adding on only one additional meeting. Progress has been slow but steady and primarily the result of word of mouth that the CEDS Committee is doing interesting work once again. During FY 2004, the normal process of quarterly meeting was irrelevant as the preponderance of CEDS committee members who were involved in the Puerto Rico 2025 initiative was substantial and the process deployed by AT Kearney called for a different configuration of meetings.

Step #2:

The CEDS Committee Executive Director initiated general discussion and planning around the contents and procedures of the 2003 CEDS. Consensus was reached that establishment of at least two (2) additional subcommittees in the areas of Goals & Objectives as well as Measures & Milestones was a prudent addition to the established Proposal Evaluation subcommittee. However, it was decided later that these two (2) subcommittees should be combined under the single a Goals & Objectives subcommittee which would be charged with the specific task of conducting an annual review of the same titled section of the CEDS and recommending any changes deemed necessary. Moreover, during the remainder of FY 03 it proved infeasible to establish sufficient participation to pursue this option and so by the start of FY 04, “Project Puerto Rico 2025” had begun under the

management of **AT Kearney**, whose work plan and project structure called for a different organization of expertise during its various phases—thus the additional subcommittees became unnecessary.

Development of Goals and Objectives

As mentioned previously, the CEDS Goals and Objectives were primarily developed in accordance with and, as a result of, findings and policy recommendations entailed within the ten year assessment program of the Commonwealth of Puerto Rico entitled “Project Puerto Rico (the appropriate year). The Commonwealth of Puerto Rico began work on “**Project Puerto Rico 2025**” during FY 2003, calendar year 2002 and completed this work during FY 2005, calendar year 2004. The **CEDS Executive Director**, Mr. De Jesús, as well as many other members of the CEDS Committee participated the Puerto Rico 2025 initiative since September 2003. Please note, this CEDS 2005 update contains sections of analysis and work product which are specifically the by product of the Puerto Rico 2025 initiative and the parties involved in its management and work product delivery.

Complimenting the initial work stages of the PR 2025 Project was a separate but beneficial project conducted by the PRPB under the title “**Juntas con la Junta**”, a series of town hall meetings held throughout the island of Puerto Rico during 2003.

During FY 2003, CY 2002, the Commonwealth of Puerto Rico began planning and contract negotiations related to work on “Project Puerto Rico 2025”. Ultimately, by FY 2004, CY 2003, the Department of Economic Development contracted with AT Kearney for an 11-month intensive effort to develop a non-partisan, implementable vision of Puerto Rico’s future. This vision addresses the economic, social, cultural and environmental needs and hopes of Puerto Rican society, by mobilizing the active participation of the private sector, non-government organizations (NGOs) and the public at large. PR 2025 built on, but was not constrained by, relevant past analyses developed practical recommendations intended to enable a future vision for Puerto Rico based on public *consensus*, *commitment* and policy *continuity*.

The work product and outputs of PR 2025 process were largely completed in July of FY 2004, calendar

year 2004. While related findings were made public in the Spanish language during June 2004 the expected English language translations were developed for release during August 2004 and made available by the end of Fall 2004, FY 2005.

Program Cycle By Puerto Rico FY					
	2001	2002	2003	2004	2005
Num. of meetings during the year	1	2	3	+20	2
Meetings Goal	-NA-	2	4	NA	4
Results	-NA-	✓	-1	✓	-2
Num. of participants during the year	6	12	33+	+1,000	20
Participation Goal	-NA-	35	50	NA	50
Results	-NA-	-23	-17	✓	-30

NA = Not Available or Applicable

Performance During FY 2005

This year, we fell short of our meetings goal by +50% during the 2005 program cycle as well as our attendance goals largely as a direct consequence of the 2004 election cycle. Puerto Rico’s election season (pre and post) were particularly controversial and final election results were not finalized till nearly 2005. As a result of these circumstances much of Puerto Rico’s public and private sector human resources were in-flux for a prolonged period of time and our ability to establish and retain participation was thoroughly compromised.

Mitigating this unfavorable result is the fact that in terms of meetings we were, nevertheless, able to sustain committee activity at our FY 2002 levels and in terms of participation at nearly the levels of FY 2003. Therefore, we expect that FY 2006, not unlike FY 2002, will be a strong rebuilding year and that we are well positioned to recover more quickly and meet or exceed performance goals in subsequent years.

SECTION II: Puerto Rico's Economy Today and Tomorrow, Assessment and Vision

The Economy of Puerto Rico During FY 2004, And Projections for FY 2005 and FY 2006

Introduction

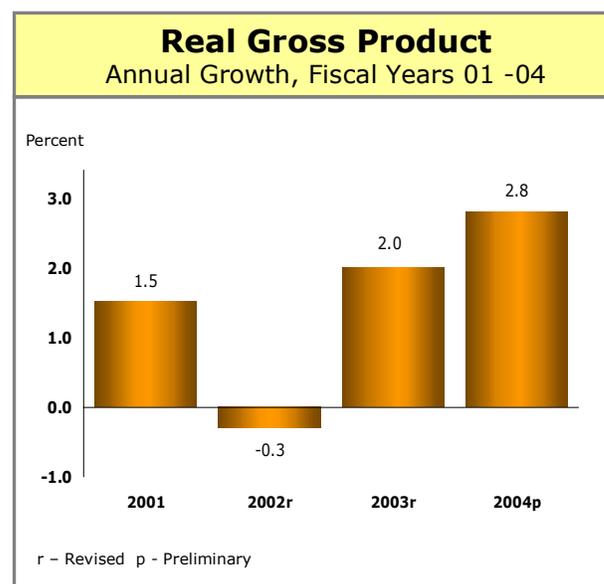
The Puerto Rico Planning Board (PRPB), in compliance with its mandate, is the agency of the Commonwealth responsible for monitoring the economy of Puerto Rico, in order to identify the pulse of the island economy. In accordance with this duty, the PRPB develops projections and analysis, which together with other policy tools, are used as the foundation of policy decisions in both the private and public sectors. The protocols and procedures for our projections and analysis are complex and subtle, and reflect an approximation, or estimation, of the actual state of the economy, and its component elements. Consequently, these predictions should not be interpreted as a precise recipe or exact diagnostic formula for making policy decisions.

Setting the Context

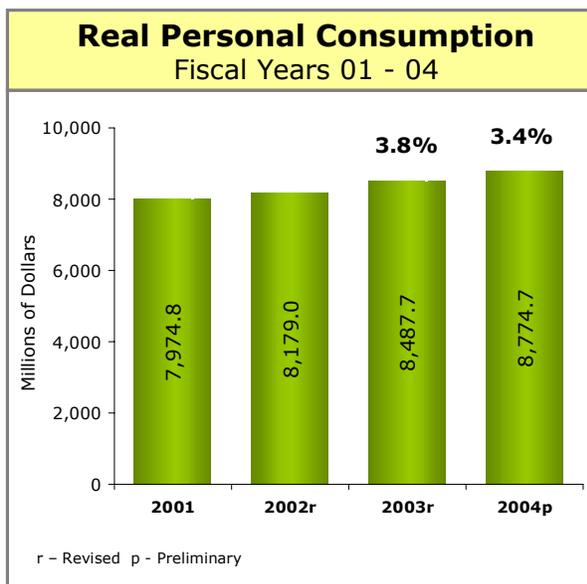
To set the framework for the synopsis that follows, in January of each year the PRPB executes a series of projections for: 1) the upcoming fiscal year (FY), in this case FY 2006; 2) the current FY, in this case FY 2005; and 3) revisions for the most recent FY for which all data has been collected, the previous FY, in this case, FY 2004. In this manner, our annual work product enables the PRPB to report on macroeconomic conditions, specifically: A) how we expect the economy to perform during the short-term, through our projections for FY 2006; B) how critical diagnostic variables suggest the economy is actually performing, through our projections for FY 2005 thus far; and, C) how the economy performed during the previous period, based on analysis of the FY 2004 data set. During FY 2004, the economy of Puerto Rico continued its recuperation, which began in FY 2003, and was consistent in performance with the economy of the United States as a whole, as well as the External Sector of the Economy in Puerto Rico.

The Economy of Puerto Rico During FY 2004; Overall Performance

During FY 2004, Gross Product (GP) rose to \$50,320.00, in current prices, for an increase of \$2,881.5, million or 6.1% over FY 2003, which had been registered at \$47,438.5 million. This increase represents the value in the market of all economic production activities of Puerto Rico's residents—its physical participants. In constant prices, the same figure equals \$6,881.5 million and reflects an increase of \$185.0 million or 2.8% over the 2003 figure. During the same period, FY 2004, Internal Demand (ID) increased by 4.8% in constant prices, from \$61,332.7 million in FY 2003 to \$64,249.6 million. In constant prices, this reflected an increase of 3.4%. Several important external (exogenous) factors aided the growth of the economy during FY 2004, such as the improved performance of the US economy and the stability of interest rates. The latter was most significant for the local economy, as stable rates spawned a favorable credit market for businesses and individual consumers, thereby permitting the Puerto Rican economy to continue at a pace of activity similar to that of previous fiscal years.

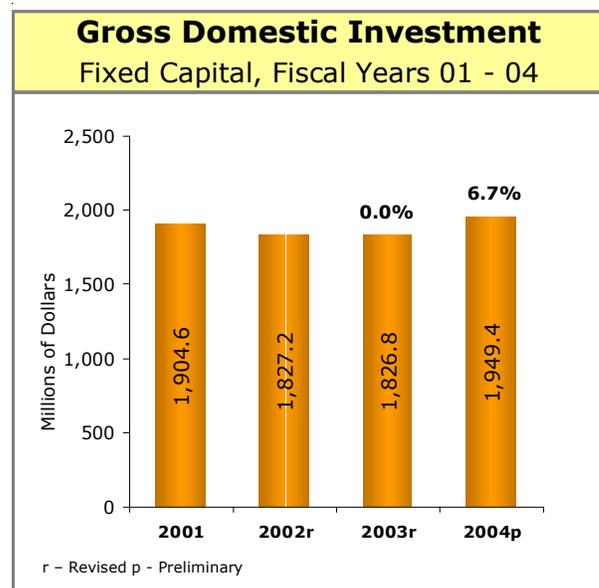


During FY 2004, Personal Consumption Expenditures (PCE) increased to \$42,905.2 million, rising \$1,925.2 million or 4.7% above the FY 2003 level of \$40,980.0 million. In constant prices, PCE was registered at \$8,774.7 million during FY 2004, reflecting an increase of 3.4% over FY 2003. The real growth achieved was \$287.0 million and was sustained by an increase of 3.7% registered in consumption expenditures for services. During the same period, the consumption of non-durable goods was of 4.1%, whereas expenditures on durable goods realized an increase of only 0.9%. It is prudent to emphasize that PCE accounted for 69.5% percent of real internal demand during FY 2004 and represents a positive circumstance that demonstrates consumer confidence and a generally positive outlook, with regard to growth of our economy.

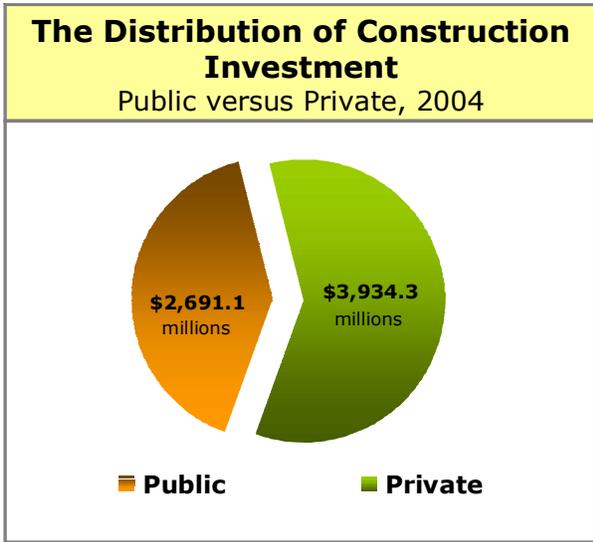


In current prices, a total of \$9,022.0 in FY 2004, Government Consumption Expenditures (GCE) of the Commonwealth of Puerto Rico, and its Municipal Counties, increased by \$288.3 million or 3.3% over the \$8,733.7 million of FY 2003. In constant prices, the same variable, GCE, realized a 0.2% expansion during FY 2004. One should note that these expenditures include the value of compensation paid to public employees, the value of merchandise, as well as other administrative services procured by public entities. In constant terms, this reflected a decrease of 0.3% in the above expenses, corresponding to the municipalities, whereas those expenses corresponding to Commonwealth of Puerto Rico saw a growth of 0.3%

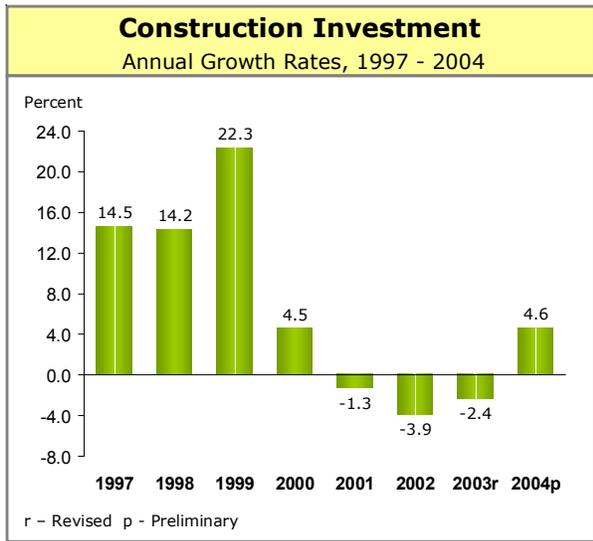
During FY 2004, in current prices, Gross Domestic Investment (GDI) registered a change of \$703.3 million or 6.1% over FY 2003, reflecting an increase from \$11,619.1 million to \$12,322.4 million. It is prudent to underscore that, in real terms, GDI was the principal internal factor which contributed to the observed growth in the Gross Product, during the same period. This component, which includes GDI of Fixed Capital and the Change in Inventories, grew 6.9%, in constant prices, during FY 2004, after having suffered two consecutive dips during FY 2002 and FY 2003. In addition, GDI of Fixed Capital, which includes the value of Put-in-Place Construction and the purchase of machinery and equipment, grew 6.7% in real terms during FY 2004. It is important to recall that investment in capital is the means by which an economy renews itself and increases its productivity in order to utilize its resources with greater efficiency and effectiveness. Consequently, during the proceeding reporting period, such changes, particularly in the investment of resources in machinery and equipment, increase the expectation of future incremental growth in both the productivity as well as the overall activity of the economy. Moreover, incremental changes in real terms are an indicator of investor confidence in the Puerto Rican economy.



During FY 2004, in Puerto Rico, the current value of private sector and public sector Put-in-Place Construction reached \$6,625.4 million and reflects an increase of \$290.8 million or 4.6% over the FY 2003 level of \$6,33.6 million.

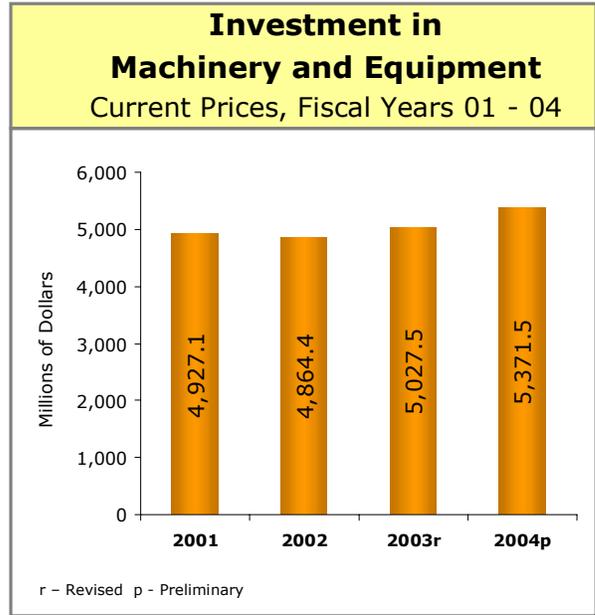


Private sector construction activity reached \$3,934.3 million for an increase of 3.3% or \$125.1 million as compared to FY 2003, when it reached \$3809.2 million. In comparison, during FY 2004, public sector construction activity reached \$2,691.0 million, reflecting an increase of 6.6% or \$167.7 million as compared to FY 2003, when it reached

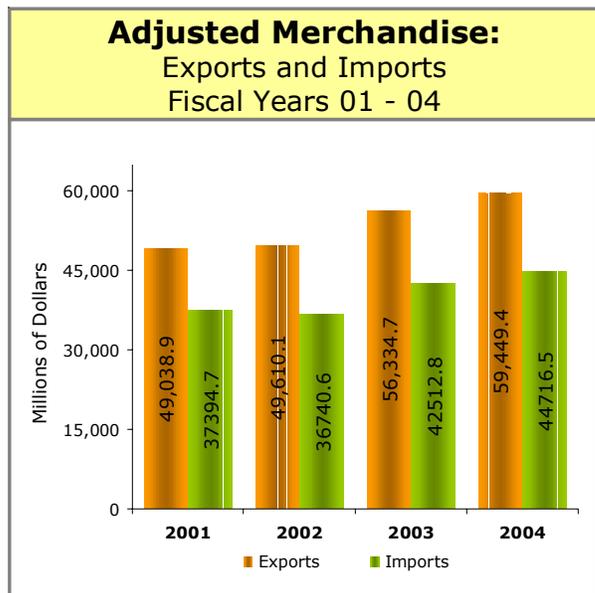


\$2525.4 million. During FY 2004, investment in public sector public works projects was characterized by \$1,601.8 million from public corporations, \$744.0 million from the government of the Commonwealth of Puerto Rico, and \$345.3 million from municipal county governments. These investments in public works denote a 1.5% increase over FY 2003. Moreover, during FY 2004, the other component of GDI Fixed Capital, purchases of equipment and machinery, rose 6.8% or \$344.0 million over FY 2003

to \$5,371.5 million. Of the total equipment and machinery investment, 94.7% was made by the private sector and represents an 11.8% increase in real terms.



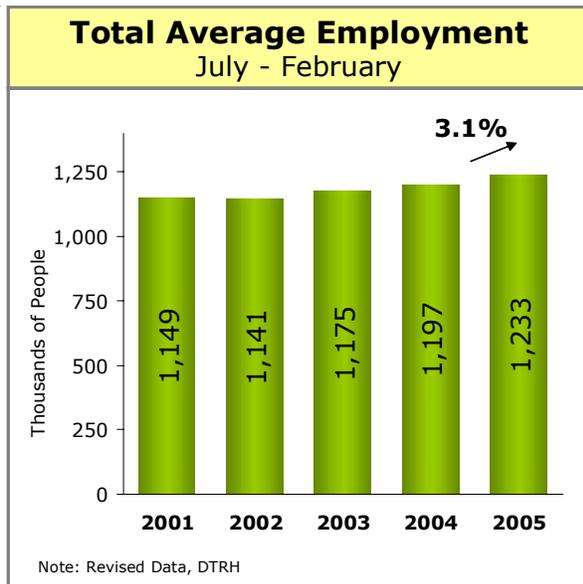
During FY 2004, exports of Good and Services was \$66,732.7 million. During that same period, adjusted exports were \$59,449.4 million, whereas imports were \$80,662.3 million. Together, this denotes a net balance of -\$13,929.6 million or an increase of 0.3% over FY 2003 when that same balance was -\$13,894.2 million. In real terms, this represents an increase of 4.3% in the negative net balance, reflecting Puerto Rico's balance of trade.



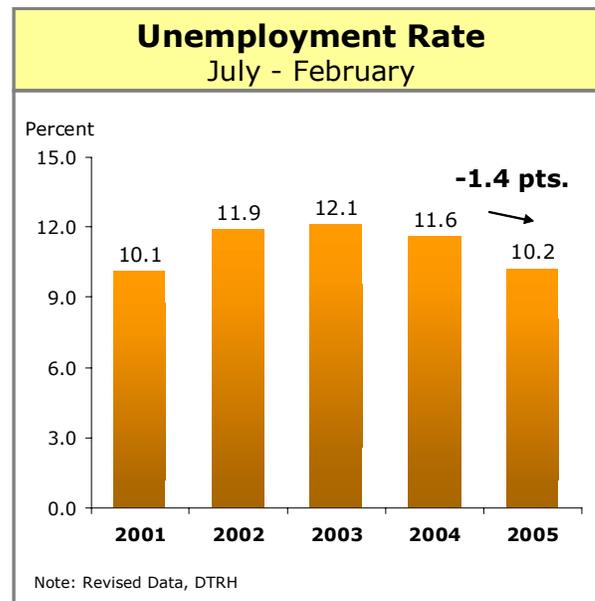
The Economy During FY 2005; The Monthly Economic Indicators

During the initial months of FY 2005, the data do not show risk in the short or medium terms. Nevertheless, it is important to recall that several indicators were affected by the impact of Tropical Storm Jeanne, which converted into a hurricane weather pattern here in Puerto Rico.

During FY 2005, according to the Housing Survey by the Puerto Rican Department of Work and Human Resources, the labor market in Puerto Rico exhibited increases during the period from July 2004 through February 2005. Please note the survey data mentioned, for the decade between 1990 and 2000, has been revised as a consequence of the Population Census of 2000. Nevertheless, during FY 2005, as compared to the previous year, Total Employment grew by 3.1% to reach 1,233,000 and the Work Force grew by 1.5% to reach 1,374,000.



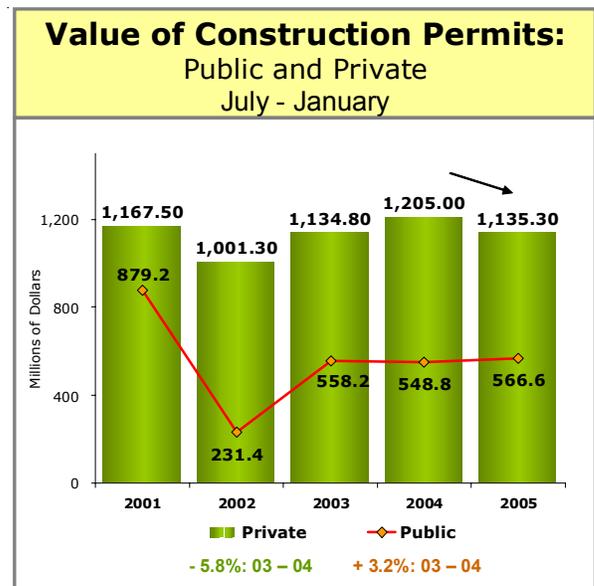
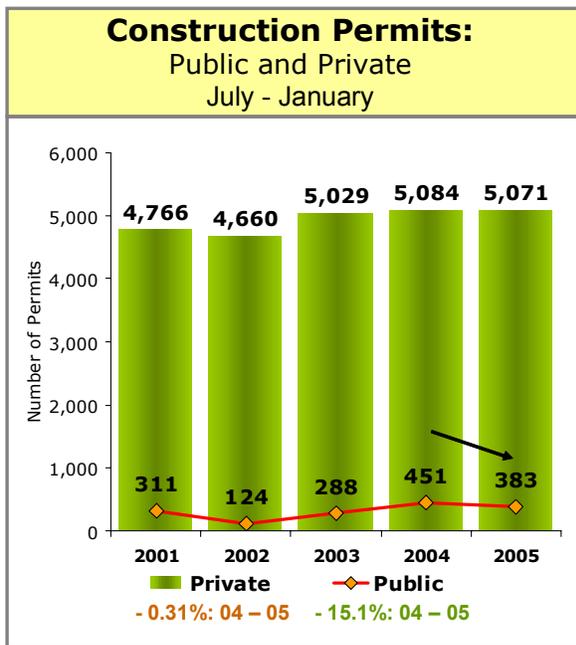
In addition, the Participation Rate was 46.7% or 0.4 percentage points above the same period during the previous year (FY 2004), when it was 46.3%. Moreover, the Unemployment Rate fell 1.4% to 10.2% as compared to FY 2004. Alternatively, as compared to FY 2004, the same data from the 2005 Establishment Survey shows that Total Non-Agricultural Employment increased 1.3% for a total of 1,042,800.



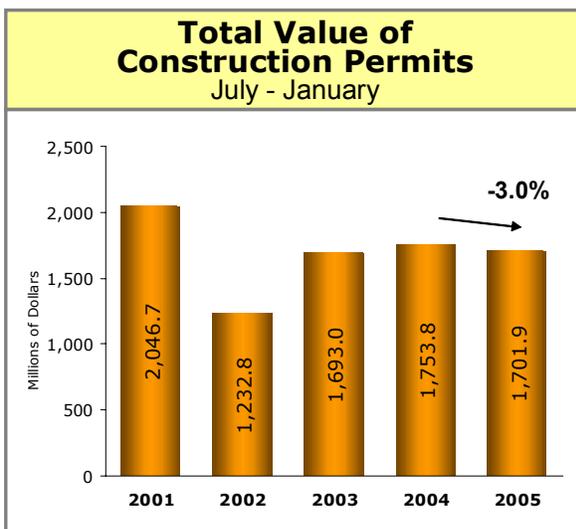
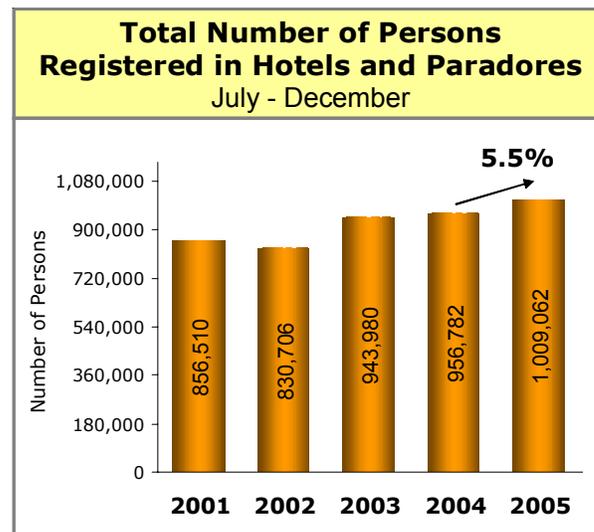
In contrast to the employment figures, during these initial months of FY 2005, the Total Number of Authorized Construction Permits approved by the Permit and Regulations Administration has decreased by 1.5% as compared to FY 2004. Here, the reduction reflects decreases in both the public sector (15.1%) and the private sector (0.3%).



Likewise, during FY 2005 a 3.0% decrease was noted in the monetary Value of Construction Permits, as compared to FY 2004, as measured in millions of dollars, during the period for which the pertinent figures are available, July to January.



However—unlike the case of Authorized Construction Permits—when we disaggregate the constituent components of the Value of Construction Permits, we see that the public and private sectors moved in opposite directions: whereas the private sector evidenced a 5.8% drop in the value of the permits rendered, the public sector showed a slight increase, of 3.2%.



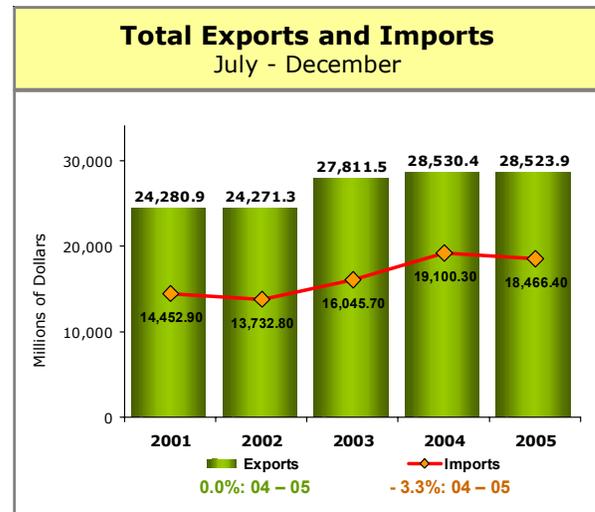
reached 1,009,062 for an increase of 5.5% over last year's data. Moreover, the Total of Non-residents Registered in Hotels and Paradores increased by 6.6% for a total of 653,186 persons, in comparison to last year's data. However, conversely, as a result of an expansion in the number of hotel rooms available, Puerto Rico's Occupation Rate in Hotels and Paradores decreased in FY 2005, compared to FY 2004, as the island's relevant establishments experienced a 0.7 percentage point reduction and fell to 65.1%.

The principal indicators for Tourism Activity in Puerto Rico during FY 2005 evidence a positive trend. The relevant data cover the period from July 2004 through the end of December 2005, and show that the Total of Persons Registered in Hotels and Paradores

In relation to the External Sector of the Economy, during the first six months of FY 2005, the Value of Exports suffered a slight decrease of 0.02% from \$28,530.4 million in FY 2004 to \$28,523.9 million.



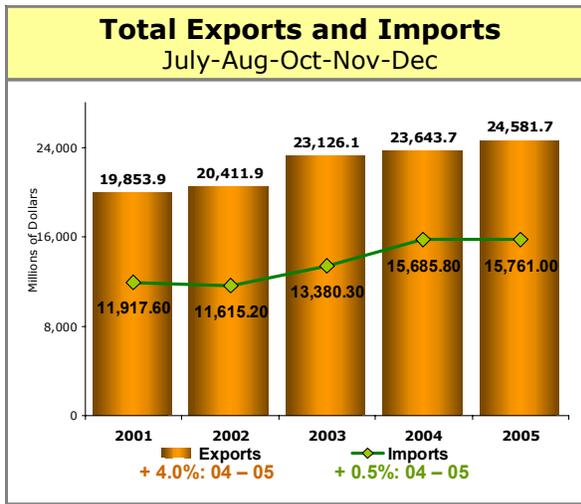
December 2004, Imports saw a decline of 3.3% from \$19,100.3 million in FY 2004 to \$18,466.4 million in FY 2005. This dip is partially attributed to a decline of \$1,712.4 million or 24.8% in Puerto Rico's Imports of chemicals, from foreign countries, as documented by ICSNA, sub-sector 325. In terms of Total Imports from the US, the US Virgin Islands and foreign countries, Puerto Rico saw a decline of \$1,582.8 million or 16.9% for this same sub-sector, as well as a \$960.6 million or 5.4% decline in the entire manufacturing sector of the Puerto Rican economy.



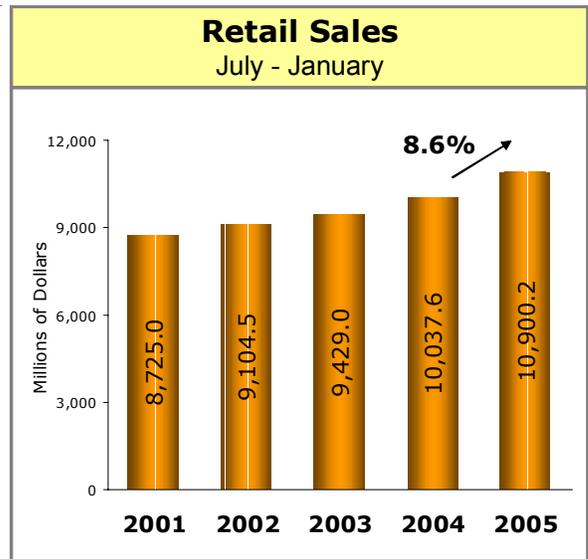
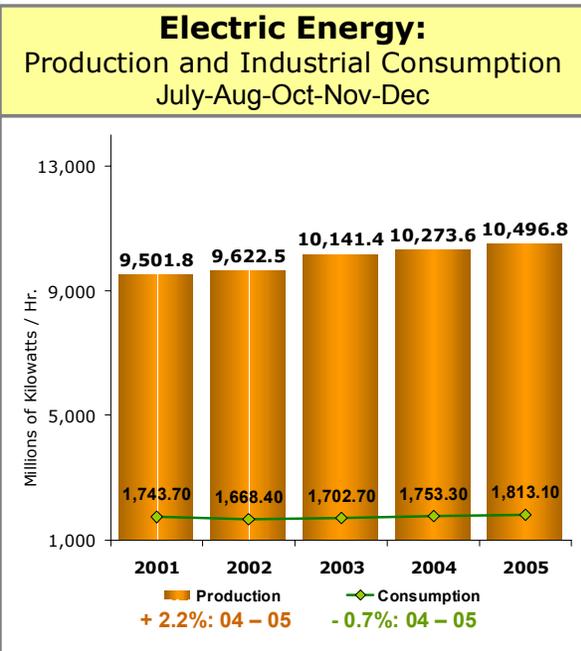
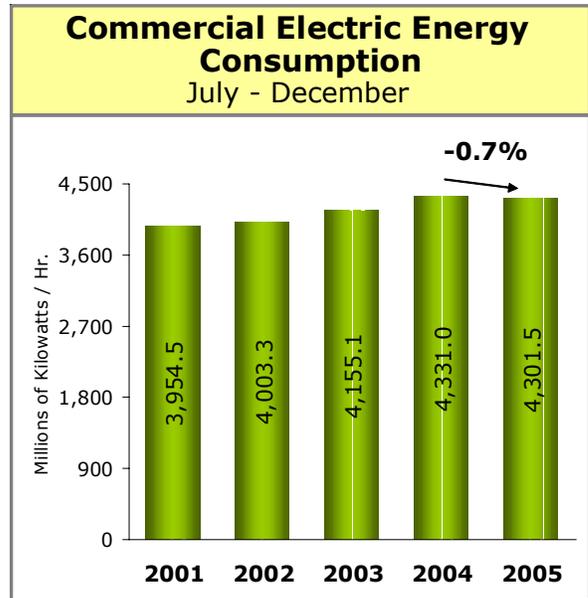
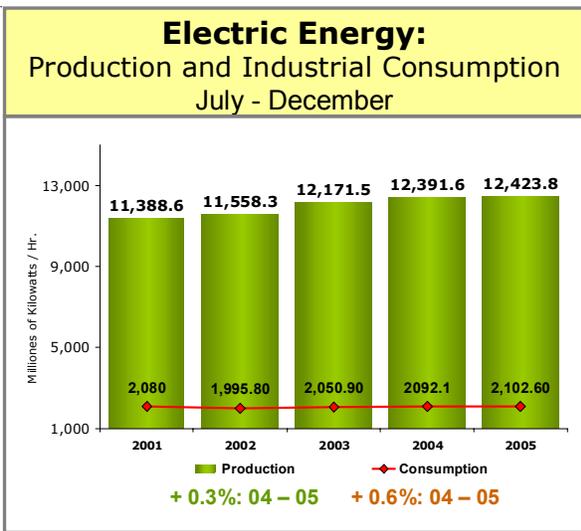
For December 2004, the Commercial Balance, or Balance of Trade, was positive at \$2,235.6 million and represents an increase of \$338.3 million or 17.8% over the same period in FY 2004. Moreover, during the period from July 2004 to December 2004, the Accumulated Balance increased by 6.7% from \$9,430.0 million in 2003 to \$10,057.6 million in 2004.

Nevertheless, as reported by the Industrial Classification System of North America (ICSNA) for sub-sector 311, we observe an increase of \$829.8 million or 102.9% in Puerto Rico's Exports of Food Stuffs to the United States during the same period. Furthermore, we also observe an expansion of \$793.2 million and 87.7% in Total Exports to the US, US Virgin Islands and foreign countries for the same sub-sector. Alternatively, in the area of Manufacturing, we observe a decrease of \$27.7 million or 0.1% for the entire sector. It is prudent to note here that the Pharmaceutical and Medicine industry, ICSNA number 3254, accounted for 63.8% of Total Exports for the period considered. On the other hand, during the period from July 2004 through

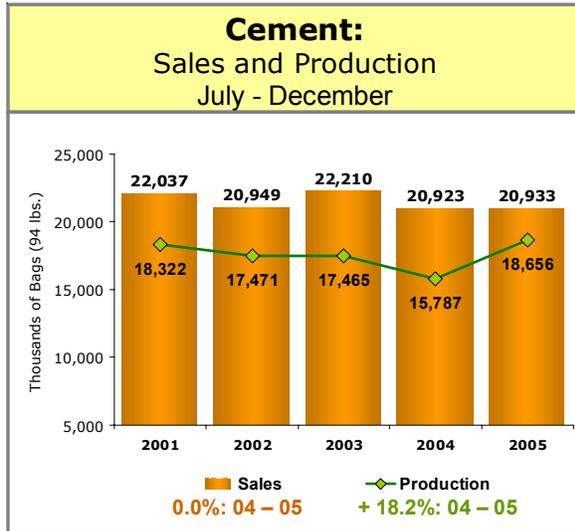
Please recall, as mentioned previously, the weather events during the month of September 2004 may have had an effect on indicators for the same period during FY 2005. Particularly those indicators which are based on monthly data, may have been affected. It can be inferred that it might be prudent to exclude the Import Export figures from the same period during FY 2004. Thus, for the five (5) month period from July through December 2004, omitting the figures for September, 2004, Puerto Rico experienced a 4.0% increase in Exports and a 0.5% increase in Imports, as well as a 10.8% increase in the Commercial Balance, the Balance of Trade.



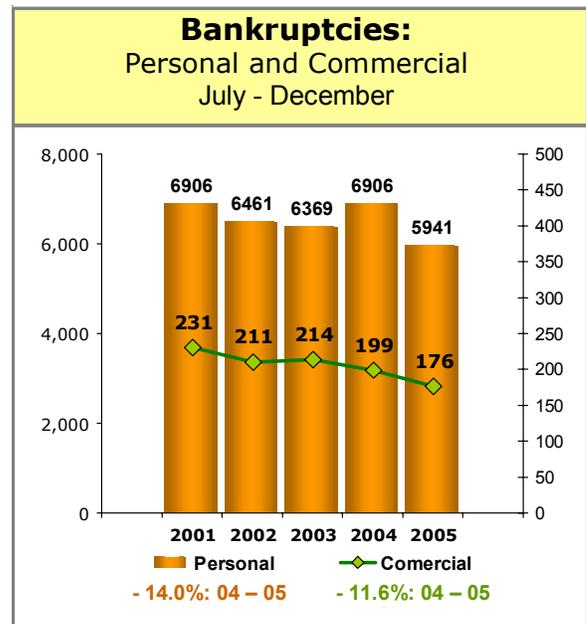
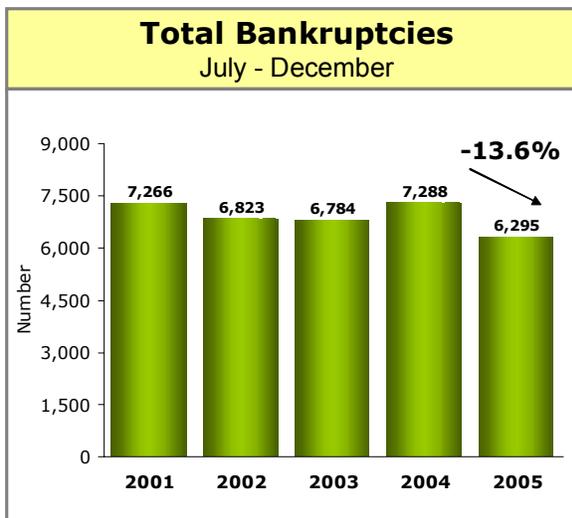
When we examine the Production of Electric Energy during the first six months of FY 2005, we observe that Puerto Rico increased its Total Production by 0.3% to 12,423.8 million kilowatt-hours; yet, if we again exclude the month of September, with the same rationale, we see that the increase in Total Electric Energy Production was 2.2%. Further, if we look at consumption figures, and specifically disaggregate Industrial Electric Energy Consumption and Commercial Electric Energy Consumption, we see a slight increase of 0.6% for Industrial Consumption and a slight decrease of 0.7% for Commercial Consumption. Again, if we exclude September, 2004, the adjusted figure for Commercial Consumption reflects an increase of 3.4%.



During the period from July, 2004, through January, 2005, Retail Sales reflected an increase of 8.6% to \$10,900.2 million, over \$10,037.6 for FY 2004. Between 1997 and the present, during the same period from July to January, the percent of Retail Sales increase has fluctuated between 2.6% and 8.6%, where this period for FY 2000 was its low point, and this period for FY 2005, was the highest.



Finally, the behavior of several other valuable monthly indicators are in accordance with the trends discussed above as well as our expectations derived from the previous year's analysis and, our emerging understanding based on current observations. For example, during the first six months of FY 2005, Concrete Production increased 18.2%, although this was not reflected in Concrete Sales, which showed no change over FY 2004. Moreover, when we look



at Total Bankruptcies, we observe a reduction of 13.6%, in which Commercial Bankruptcies decreased 11.6%, and Personal Bankruptcies declined by 14.0%.

Macroeconomic Projections For FY 2005 and FY 2006

In this section of our analysis, in accordance with its official econometric models, the Puerto Rico Planning Board (PRPB) will present a synopsis of conclusions based in its Macroeconomic Projections for both the near-term (the remainder of FY 2005) and the short-term (FY 2006). It is prudent to note that these models and projections incorporate factors for the short-term which may affect the performance of the island's economy in the foreseeable future. It is likewise critical to underscore for the reader that, in theoretical terms, Puerto Rico's economy is accurately characterized as both "small" and "highly-open". Consequently, our island economy is exceedingly susceptible to changes in the state of the economy that arise, not only from interaction with the much larger economy of the United States, but also as a result of interface with the Global Economy. Thus, for all the advantages and potential disadvantages, Puerto Rico's economy is a clear participant in our increasingly interdependent global community.

Among the primary assumptions factored into the econometric model for Puerto Rico's economy are exogenous variables, whose values are determined

outside the scope of the econometric model. Principal exogenous variables are 1) the Global Economy, 2) the U.S. Economy; 3) Exports of Adjusted Merchandise; 4) Visitors' Expenditures; 5) Investment in Construction; 6) Investment in equipment and machinery; and, 7) Federal Transfer Payment to individuals.

During calendar year 2004, to a significant extent, the recuperation of the global economy both deepened and amplified. For this year, average growth in the aggregate, has amounted to 5.0% and been sustained by strong incremental increases among industrialized countries, as well as an extraordinarily rapid expansion of emerging markets—principally China. This circumstance has been accompanied by: A) a robust increase in industrial production, as well as the flow of global commerce; B) an acceleration in the growth of Personal Consumption brought on by favorable conditions in the labor market; and, C) continued strength among investment activities, supported by the restructuring of corporate balance sheets, following the collapse of the technology bubble in the market.

Nevertheless, and despite these positive circumstances, deceleration has been observed in the growth rate during the second half of the year, even though a correction of this nature is inevitable, and perhaps desired, after four consecutive quarters of exceptionally rapid expansion, since the third quarter of 2003. The growth rate of Gross Domestic Product (GDP) for various principal driver economies, including the US, has lowered expectations. This realignment has generated concern that we may perhaps be at the beginning of a jam/recession (atolladero). Moreover, China's GDP has also decelerated, although, in China's case this change is regarded as fortuitous, since without some correction there exists the persistent risk of over heating its economy. Further, the rapid increase in the cost of petroleum has played a role in the current conditions of the global economy, specifically, to weaken global expansion during recent months, with the unfortunate probability of continued impact for several quarters during the foreseeable future. Notwithstanding this possibility, so far the "petroleum impact" has been moderate. Finally, since the end of 2003, aggregate global product has increased rapidly, and the price of merchandise has increased significantly. These increases are a consequence of inflation, although, again these changes may still be characterized as being moderate.

The United States Economy

During 2004, greater stability and solid growth of the US economy signaled a confirmation of its continued recovery, after a brief recession during 2001, and the slow and unstable recuperation of 2002 and 2003. The preliminary figures for the expansion of the economy during 2004 have registered at 4.4% and constitute the greatest expansion since 1999 when real GDP also grew at the rate of 4.4%. Nevertheless, while 2004, in general terms, was a positive year, it was not a year devoid of risk or surprise. The unexpected rise in the price of the petroleum did indeed affect all energy related costs and was a predominant feature of activity throughout the year.

Petroleum in the US, as reported by the price reference "West Texas Intermediate", reached an average price per barrel of \$41.61 during 2004, and an average price per barrel of \$33.76 when adjusted to the Puerto Rico fiscal calendar (June through July). Respectively, these figures represent increases of 33.7% and 12.9% in comparison with average corresponding prices achieved during 2003. Without a doubt, this situation, during the past year, constitutes a primary source of the relative increase in inflation. During 2004, the Consumer Price Index (CPI), one of the tools used to measure inflation, increased 2.7% over 2003, when the CPI reached 2.3%. Meanwhile, the Producer Price Index (PPI) increased 3.6%, since the 3.9% increase of 2000. In addition to these inflationary pressures, the weakness in the US Dollar, beginning in 2002, began showing a decline in relative value, as compared to other currencies.

In this environment of greater acceleration in the growth of the economy, together with the inflation rate, and continued depreciation of the US Dollar, the Open Market Committee of the Federal Reserve, reengaged restrictive monetary policies. At the same time, at its June 2004 meeting, it sought to maintain stability in prices and begin a cycle of increases in the Federal Funds rate, with a 25-percentage point increase. After this initial increase, the committee then moved to increase the rate four (4) additional times until it reached 2.25% at the close of 2004, and then increased the rate an additional 25 percentage points during its February 2005 meeting.

With regard to the relevant projections for 2005 and 2006, it is estimated that the general behavior of the economy will be similar to that of 2004, and

consequently characterized by a moderate, although a good and healthy, rhythm. Alternatively, regarding projections for real GDP through January, 2005, the consensus between “Global Insight” and the “Blue Chip Economic Indicators” is impressive. Where the former indicates growth of 3.6% and 3.3% during 2005 and 2006, the later is projecting 3.6% and 3.4% growth during the same periods. Additionally, both groups of analysts concur that, unlike previous years—where the key factors of growth were strong consumer consumption, the housing market and government spending—for this year and next, growth will be spurred by fixed capital investment and exports. Moreover, both groups expect these two factors to show significant growth in particular exports, since the devalued US Dollar is expected to stimulate additional net external demand.

These projections are, in part, explained by “Global Insight” estimates which anticipate a dip in the price of a barrel of crude oil, where average prices (WTI), during 2005, are expected to be between \$43.04 and \$40.00, and possibly as low as \$36.21, during 2006. Moreover, both “Global Insight” and “Blue Chip” indicate that during 2005, the core inflation index—which excludes food and energy prices and, is monitored by the Federal Reserve—will rise, as was the case in 2004, but this time at a greater rate, expected to be closer to 2.0%.

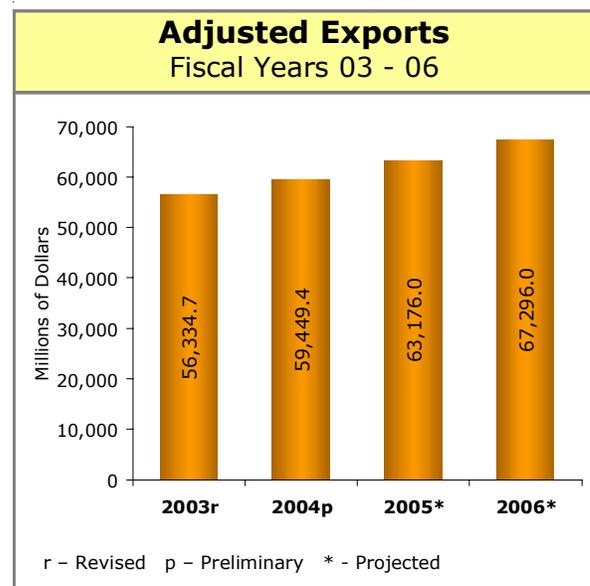
In addition, continuing the trend which began in June, 2004, the Federal Reserve maintains its trajectory of monetary policy decisions of increases in federal funds interest rates. Both “Global Insight” and “Blue Chip” agree that the greater economic growth is dictated by the historic trend, and the gradual rise in both the core and general inflation indexes. This, in addition to the fall of the dollar, allows us to anticipate that the interest rate reference (federal funds) will be increased by at least 3.5% during the current year. “Global Insight” estimates 2.97% and 3.60%, for 2005 and 2006 respectively, as the anticipated average rates.

Finally, despite the positive economic scenario presented for the US economy during 2005 and 2006, it is important not to lose sight of both the positive and negative impacts of economic decisions and related policy, which are likely to occur as a result of the existing budget deficit and balance of trade. Therefore, this period could be one of great relevance

for the highly sensitive topics of fiscal policy, as they play out in the public sphere now and in the near future: deficit reduction; reform of the tax code; and, perhaps the most controversial of all, reform of the existing social security system.

Adjusted Exports

In Puerto Rico, during FY 2004, the value of adjusted exports increased by 5.5% to \$59,449.4 million, which in absolute terms was a \$3,114.7 million increase over the previous year. Export activity is stimulated by both the projected US growth trend and the demand for goods. For FY 2005 and FY 2006, projections anticipate adjusted exports of \$63,176.0 million and \$67,296.0 million respectively or a 6.3% and 6.5% increase in growth. Moreover, growth among adjusted exports will be driven by electric machinery, non-electric machinery and scientific instruments, as well as by pharmaceuticals.



Visitor’s Expenditures

Tourism is one of the most important service activities of the economy, both for its development potential as well as its contribution to gross product. Globally, Tourism has demonstrated impressive growth. Consequently, during FY 2004, visitor’s expenditures—those of non-residents—reached \$3,024.0 million. This is 13.0% above FY 2003, when visitor’s expenditures grew by 7.6% and reached \$2,676 million. This solid trend is expected to continue into FY 2005 and FY 2006. Estimates predict a 7.3% growth, with a total of \$3,245.0 million in FY 2005,

and 7.5% growth with a total of \$3,488.0 million, in FY 2006,

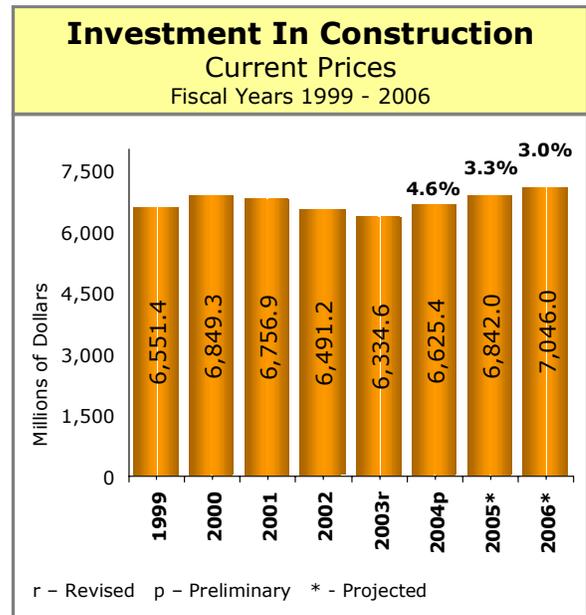


Construction Activity

Construction activity or “investment in construction” refers, specifically, to new construction realized by the private sector; the central government of the commonwealth, and municipal governments. Moreover, it is one of the most important factors in economic development of any community, country or economy. Consequently, the importance of construction activity cannot be considered lightly in terms of its short and long-term impacts, particularly, as construction activity relates to the growth of gross product. As such, every economic sector contributes to this investment in one form or another. For example, both individuals and private sector firms contribute to this investment through the acquisition of housing and property, while the government, both central and municipal, contribute via activity to develop the infrastructure.

Despite this important role in the economy, during the three years prior to FY 2004, construction activity experienced negative growth. Nevertheless, during FY 2004, construction activity experienced a real increase of 1.5%, as compared to the previous year, and registered an absolute increase of \$14.0 million for a total of \$923.0 million. In current terms, this represents an expansion in investment in construction to \$6,625.4 million for an increase of 4.6%.

For FY 2005 and FY 2006, the projections for investment in construction are conservative, as the performance of this sector of activity is dependent upon a diverse suite of factors that occur at both the local and international levels of the economy. The principal factor, in global terms, has been the incremental increase in the price of construction materials, a trend not seen in nearly 60 years. This tendency is principally a consequence of the rise in demand in China and other Asian countries for these products. In addition, the situation has been exacerbated by the rise in the global cost of metals, the reduction of imports of raw materials from Brazil and Turkey, and the new US Environmental Protection Agency (EPA) requirements and standards for the treatment of wood. This trend is strengthened by increased interest rates, higher petroleum prices, and the impact of higher gasoline prices on transportation costs.

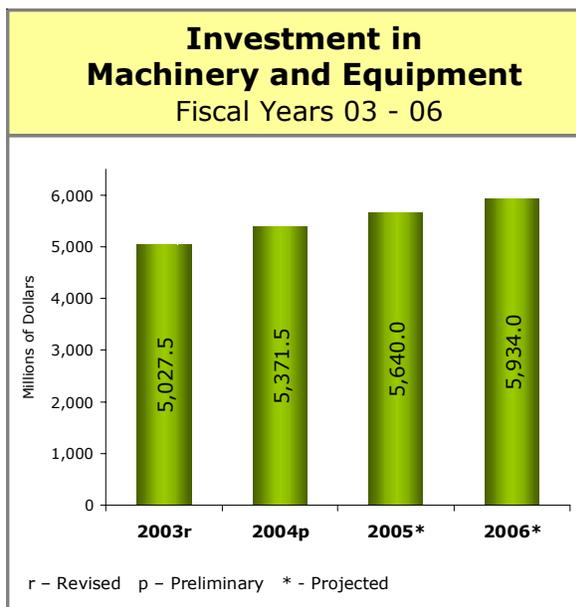


Based on these factors, the projections for FY 2005 suggest that investment in construction, in real terms, will grow by 1.3% or increase to \$935.0 million. In current prices the projection is \$6,842.0 million for an increase of 3.3%. Alternatively, for FY 2006, projections indicate, in real terms, growth of 1.3% or an increase to \$947.0 million, while in current prices the projection is \$7,046.0 million for an increase of 3.0%. These growth rates are derived from already scheduled public infrastructure projects of government agencies, and private sector development projects,

on behalf of the pharmaceutical and telecommunications industries.

Equipment and Machinery

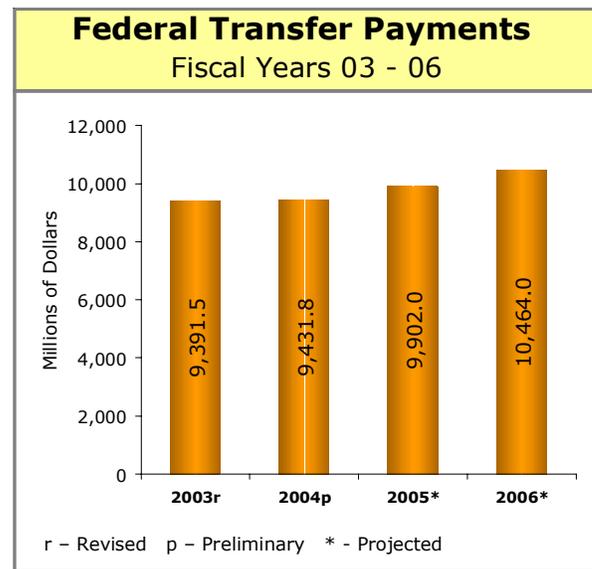
Investment(s) in equipment and machinery can be defined as the purchase of equipment and machinery, as final goods, realized by the private sector, the central government of the commonwealth and the municipal governments. Such investments are utilized in the formation of capital, although, primarily, it is private industry which accounts for the majority of this investment. Accordingly, in FY 2004, real investment in equipment and machinery represented approximately 53% of gross domestic investment (GDI) for a total of \$1,026.4 million, representing an increase of 11.8% or \$5,371.5 million in current prices for a growth rate of 6.8%. In nominal terms, for FY 2005 and FY 2006 the projections for this variable are \$5,640.0 and \$5,934.0 million, respectively, with corresponding growth rates of 5.0% and 5.2%. In constant prices, the values estimated are \$1,067.0 million and 4.0% for FY 2005, and \$1,112.0 million and 4.2% for FY 2006.



Federal Transfer Payments

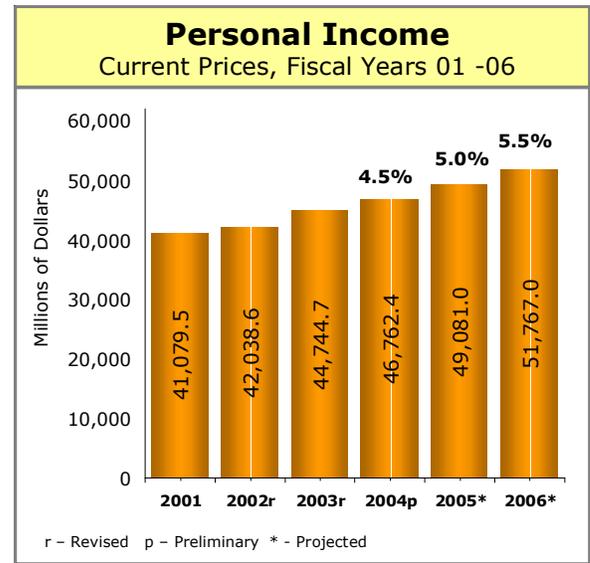
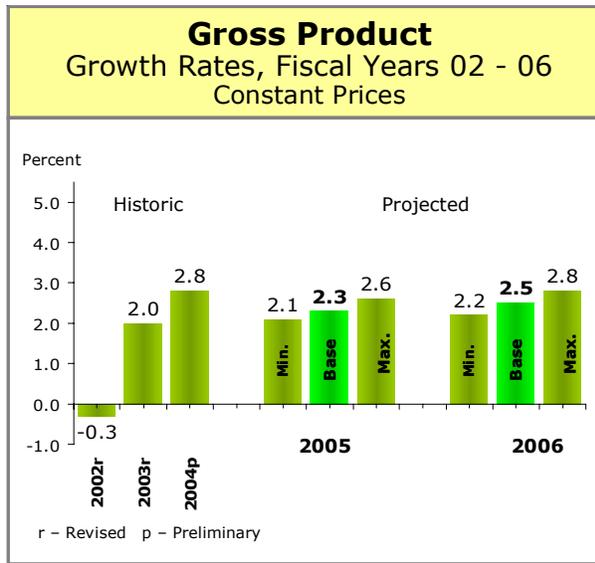
By virtue of their magnitude and nature, federal transfer payments play an important role in the economy of the island and are recognized for their importance for overall service improvement, public works projects for infrastructure development, improvement in education and, generally, quality of

life improvements. Accordingly, federal transfer payments constitute an immensely important “external” funding stream for the Puerto Rican economy. During FY 2004, payments to individuals accounted for a total of \$9,432.8 million and represented a 0.4% increase or an absolute growth of \$40.3 million. The corresponding projections for the current and upcoming fiscal years, anticipate a continued positive trend for the island economy. During FY 2005, 5.0% growth is expected for a total of \$9,902.0 and during FY 2006, a growth of 5.7% is expected for a total of \$10,464.0.



Economic Perspectives for FY 2005 and FY 2006, in the Context of Historic Trends

During FY 2004, the economy of Puerto Rico continued its positive performance and achieved real growth of 2.8%, after an increase of 2.0% in FY 2003, and a reduction of 0.3% during FY 2002. In real terms, each of the components of gross product contributed favorably to growth during FY 2004. Among the factors which influenced growth in the economy were the economic recovery of North America and the increase in personal consumption expenditures among Puerto Rican residents. In current prices gross product reached \$50,320.1 million and grew 6.1% over FY 2003.



Gross Product

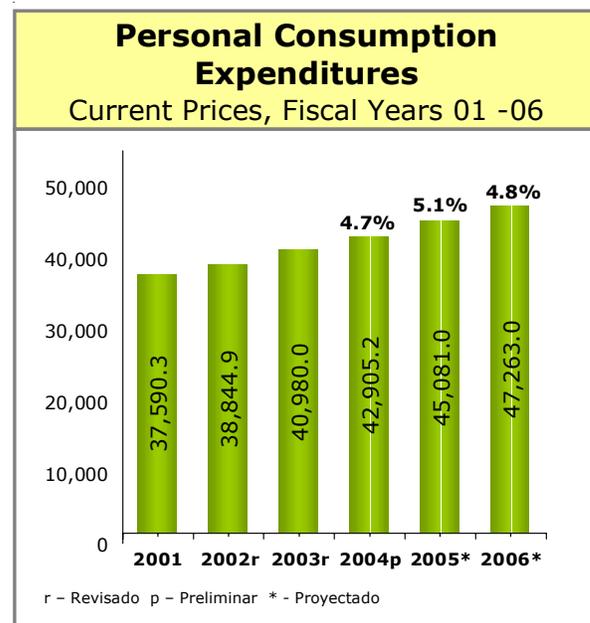
In accordance with base scenario projections, during FY 2005, the Puerto Rico Planning Board (PRPB) estimates Puerto Rico’s real gross product at \$7,042.0 million, and during FY 2006, we estimate real gross product at \$7,218.0 million, representing increases of 2.3% and 2.5%, respectively. In current prices, for 2005 and 2006, the PRPB estimates gross product values as \$53,339.0 million and \$56,486.0 million, with growth rates of 6.0% and 5.9% respectively. Given the inherent uncertainty of predicting the performance of the economy, the PRPB generates two additional scenarios: first, the minimum scenario, wherein we make a conservative estimate, and second, a maximum scenario, wherein we make an optimistic estimate. With regard to the minimum projection, the PRPB estimates conservative performance of the economy to be 2.1% growth in real gross product during FY 2005 and 2.2% during FY 2006. With regard to the maximum projection, the PRPB estimates optimistic performance of the economy to realize 2.6% growth in real gross product during FY 2005 and 2.8% during FY 2006.

Personal Income and Personal Consumption

During FY 2004, real personal income increased by 3.2% as compared to FY 2003, and reached \$9,563.5 million. Nevertheless, this increase was less than FY 2003, when real personal income increased by 4.7% over FY 2002. The PRPB projections for FY 2005 indicate that real personal income will achieve 2.6% growth, or \$9,810.0 million, whereas, projections for FY 2006 indicate 3.6% growth, at \$10,164.0 million.

In current prices, during FY 2005 and FY 2006, the estimated values are \$49,081.0 million and \$51,767.0 million, respectively, and represent a growth of 5.0% and 5.5% respectively, for each of the years considered.

During FY 2004, real personal consumption, the principal component of gross product, reached \$8,774.7 million for an equivalent of 3.4% growth, as compared to FY 2003. The PBPB estimated the value of real personal consumption for FY 2005 at \$9,010.0 million, representing a 2.7% growth. For FY 2006 PRPB projections estimate a value of \$9,280.0 million, representing 3.0% growth. In current prices,



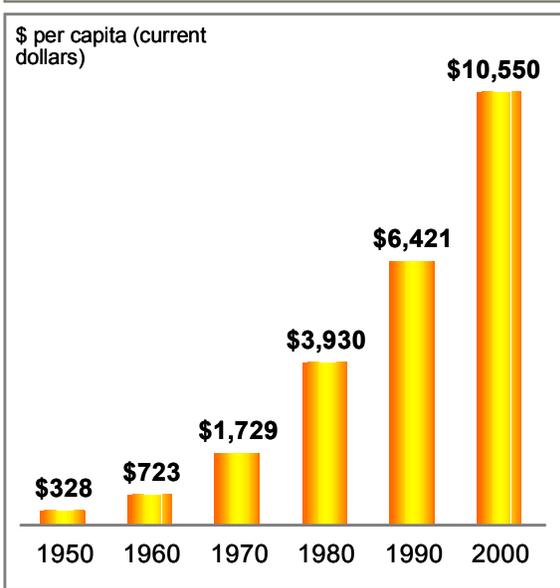
the figures estimated for the same periods are \$45,081.0 and \$47,263.0, or increases of 5.1% and 4.8%, respectively.

Finally, it is prudent at this juncture to again underscore that any economic projection, forecast, or prognostication is absolutely a function of the expected movement of exogenous factors, which underlie the same analytical process. Accordingly, any economic projection must be evaluated, particularly with reference to the anticipated, as well as unanticipated changes, which might occur, among these complex and interrelated exogenous variables.

Why Project Puerto Rico 2025?

Since the time of **Operation Bootstrap** in the 1950s, Puerto Rico has been considered one of the “models” of development – alongside such well-known success-stories as Singapore, Taiwan and Ireland. From being one of the poorest societies in the world, Puerto Rico has transformed itself into a “developed” country, enjoying higher levels of income, education, health coverage, and infrastructure provision than any other region of Latin America.

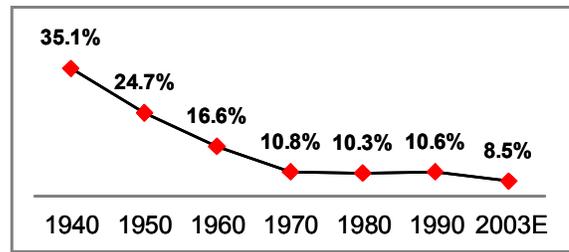
Growth of Puerto Rico’s GNP per capita



Source: **Puerto Rico 2025**; Planning Board; World Bank – World Development Indicators; A.T. Kearney Analysis

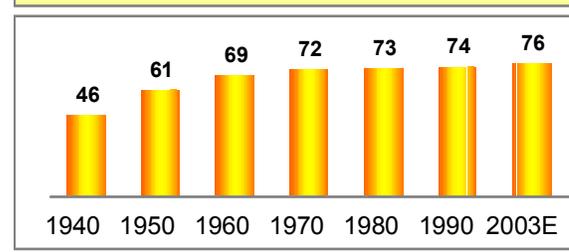
However, despite these achievements (or perhaps, because of them), Puerto Rico today faces many challenges. For example, economic growth that

Illiteracy rate % of population with 10 years old or above



Source: **Puerto Rico 2025**; Planning Board; World Bank – World Development Indicators; A.T. Kearney Analysis

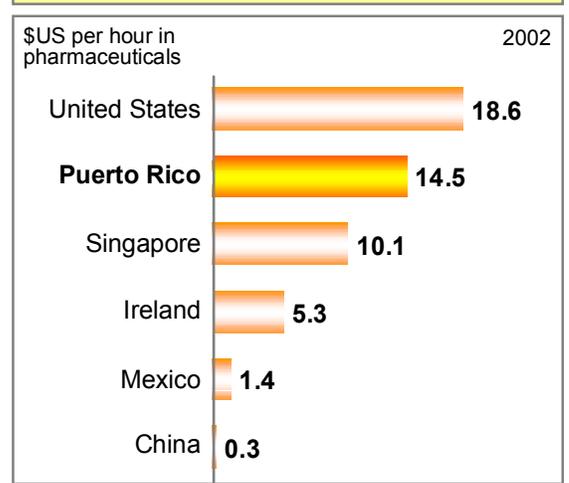
Life expectancy evolution Number of years



Source: **Puerto Rico 2025**; Planning Board; World Bank – World Development Indicators; A.T. Kearney Analysis

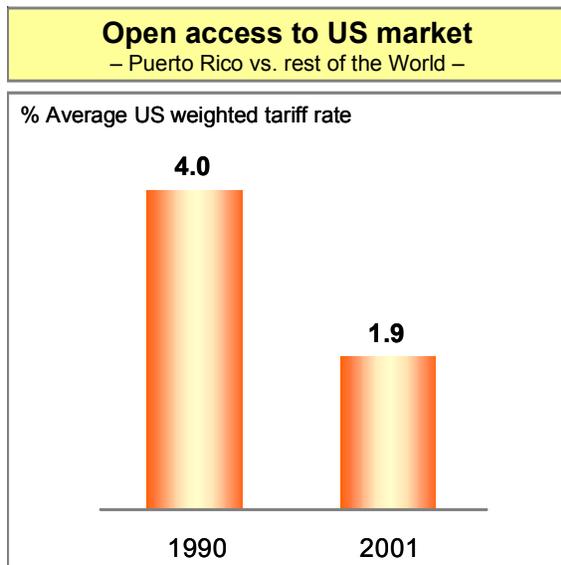
averaged in excess of 8% per year in the period 1950-1980 has declined to an average of 3-4% per year for the last 20 years. As a result, household incomes which were gradually catching up with the US average have barely kept pace with US growth rates and have been overtaken by other countries which were previously much poorer than Puerto Rico.

Labor costs – Puerto Rico vs. selected locations –



Source: **Puerto Rico 2025**; Estudios Technicos; U.S. Department of Energy; International Labour Organisation, LABORSTA database; World Trade Organization;

Moreover, while, Puerto Rico maintains a strong position in pharmaceutical and high tech manufacturing and continues to attract investment in these sectors, **Puerto Rico's traditional sources of competitive advantage** (low labor costs, tax incentives and free access to the US market) have gradually been eroded, as more low-cost countries offer similar incentives and take advantage of free trade agreements. Also, poverty and unemployment rates remain unacceptably high. Very few local companies compete in export markets or invest in innovation, and economic activity is highly dependent on personal and government consumption, partly fed by US Federal Transfers and the informal economy.

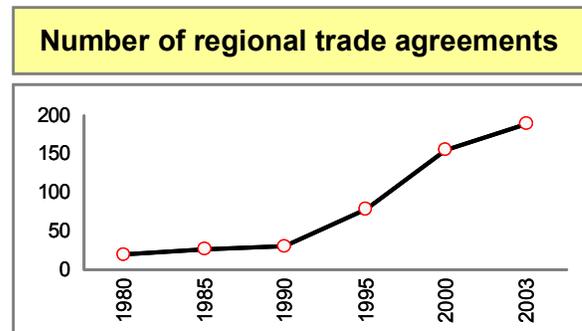
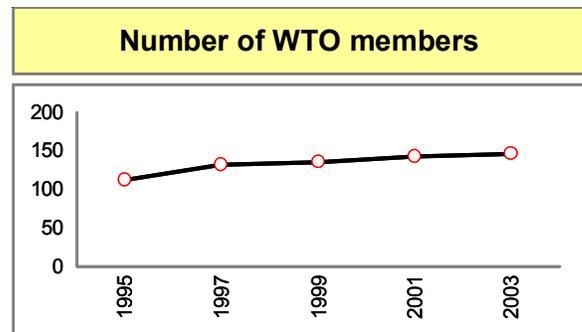


Source: **Puerto Rico 2025**; Estudios Technicos; U.S. Department of Energy; International Labour Organisation, LABORSTA database; World Trade Organization;

Alternatively, Puerto Rico boasts **near-universal education and health coverage**, with results that match or even exceed performance in many OECD countries. However, relative to their size and funding levels, the quality of output of Puerto Rico's education and health systems is disappointing. Education overhead costs are excessive, school dropout rates are high, and quality is widely perceived to be deteriorating. Increasing care costs and an aging population will further aggravate the overstretched health system. High levels of youth poverty and unemployment, combined with the prevalence of drugs result in alarming homicide levels and breakdown of family and community structures.

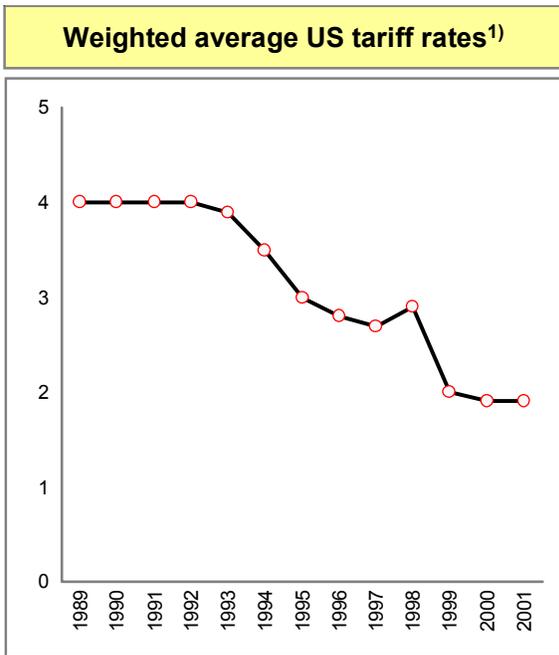
Puerto Rico's transportation, communication, and utilities infrastructure are among the best in its region and, although sometimes perceived as burdensome, effective environmental and zoning regulations ensure that Puerto Ricans enjoy better environmental protection than many similar rapidly-developing economies. However, much of Puerto Rico's infrastructure (from roads to airports and ports, from electricity and water supply to landfills and waste treatment facilities) is already near capacity and will exceed capacity within the next few years. At the same time, as a small island with high population density and finite resources, Puerto Rico clearly cannot afford the economic and environmental costs of continued infrastructure-development and resource-consumption at current rates.

Moreover, the world around Puerto Rico is changing fast, presenting new challenges. Demographic and income growth in emerging markets, particularly in Asia, are causing fundamental shifts in global markets for goods and services and in the sources of production and human talent. **Reduction in trade barriers is prompting more and more countries to compete for investment and exports.** Whole industries, from



Note: 1) Excludes agricultural and fuel products
Source: **Puerto Rico 2025**; UNCTAD, World Trade Organization (WTO)





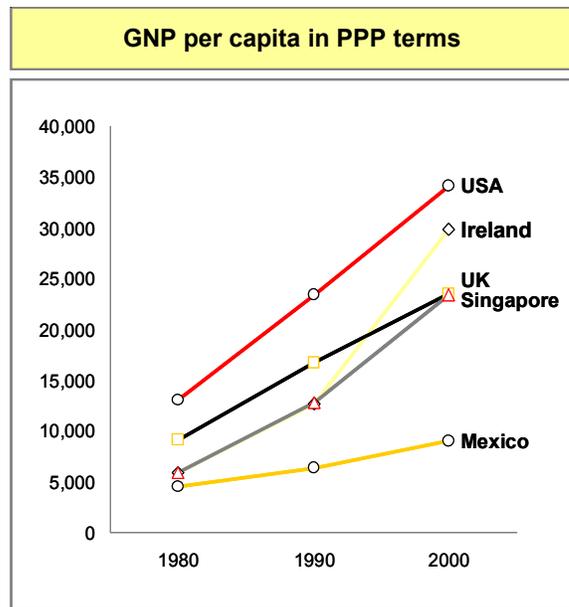
Note: 1) Excludes agricultural and fuel products
 Source: Puerto Rico 2025; UNCTAD, World Trade Organization (WTO)

manufacturing to services, are moving the bulk of their production from the Americas and Europe to Asia. Many developed countries face the same social challenges as Puerto Rico (declining education quality, escalating healthcare costs, increasing crime and social tension), and many have implemented successful innovations to tackle these issues. Increasing global demand for resources (water, energy, land) will fuel resource-shortages, tension, and heighten environmental consciousness and the search for more efficient processes. Accelerating technology innovation (in IT and communications, life sciences, and new materials) is redefining entire industries – threatening those who have sunk costs in existing technology platforms and offering opportunity to those who can leapfrog to leadership in emerging technologies. At the same time, global integration and communication technologies are empowering citizens and civil organizations – with enormous potential to enhance the participative process, but also to increase resistance to change.

In the context of these global changes and Puerto Rico’s internal challenges, Puerto Rico cannot afford to rest on its laurels or continue on the same path. Those states and countries that have enjoyed the greatest economic, social and environmental progress in recent years are those that continuously scan the external environment, adjust their strategy to reflect

the new competitive reality, and develop broad political consensus to push through these strategies.

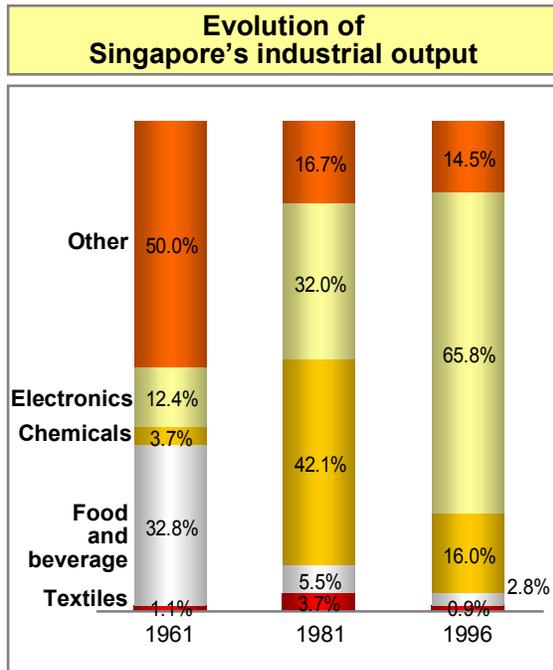
For example, in 1979, **Ireland** was one of the poorest countries in Western Europe, mired in recession and political turmoil. Since the 1980s, governments of both parties have followed a common fiscal and monetary agenda, used special incentives to promote industrial development, and instituted a series of “social contracts” with unions and employer associations to keep wages in line with productivity growth. While, today, Ireland boasts one of the highest income levels in the world (higher than Switzerland, Canada and the United Kingdom), unemployment is among the lowest, and the country draws one of the largest FDI flows as a percentage of its GDP, almost 20% in 2000.



Source: Puerto Rico 2025; World Development Indicators

Alternatively, **Singapore** has followed a similar trajectory, transforming itself from an unstable and “backward” British military base in the 1960s to the second richest country in the world today. To do so, the government has consistently emphasized *efficient and transparent government* and *tight monetary policy*, promoted FDI and free trade, and *invested in infrastructure and labor-force skills*. Through this process, Singapore has continuously reassessed its comparative advantages and refocused its economic activity; from textiles and food in the 1960s, to chemicals and electronics in the 1980s to a leading IT, services, and biotech center today. One of the structural supports for this culture of innovation, evaluation and

change has been a Board of Advisors comprising top foreign business executives which, as leaders of the business community have supported this process.



Source: **Puerto Rico 2025**; World Development Indicators

In the this context it is clear, in socio-economic and historical terms, what Puerto Rico needs to accomplish:

1. Redefine its economic policies to focus on new areas of competitive advantage; and,
2. Overhaul its social systems to ensure quality of life and opportunity for all; and,
3. Make proactive investments in technologies and techniques to preserve its environment; and,
4. Promote continuous benchmarking and outward orientation to stay ahead of the pack.

Unfortunately, Puerto Rico has not effectively nor systematically addressed these challenges: **many of Puerto Rico's institutions have the same goals and structures as in the 1950s**. Very few institutions (public or private) have invested resources in innovation or in understanding the changes happening in the world. There is little continuity in policy-making because of partisanship and pandering to narrow interest groups.

Thus, project **Puerto Rico 2025** was intended as a ground-breaking initiative to change all that – by developing *Consensus* about the changes that are needed, building *Commitment* to push through these changes, and establishing *Continuity* in policy-making to see them through toward the economy, society, culture and environment Puerto Ricans want and deserve.

Credit and What Follows

As stated previously, the development of the **Puerto Rico 2025 Vision and Call to Action** has depended entirely on the active participation of thousands of individuals and organizations. The individuals who have contributed their time, insights, significant support, and resources are too numerous to name, however, a list of those participants recognized formerly by the Puerto Rico 2025 **Steering Committee** has been included at the beginning of this document.

For the primary working group—termed the project **Coordinating Team** and composed of; **DDEC**, la Junta de Planificación de PR, La Fortaleza, H. Calero Consulting Group, Alfredo Carrasquillo, and A.T. Kearney, who have provided the day-to-day coordination of the project—the daily work began roughly in July 2003. However, for various members of the project, in particular those among the **Steering Committee** and the **Executive Committee**, the ground work for this project began as far back as the spring of 2001.

What follows are the essential analytical outputs—in the Economic and Environmental topic areas—as developed for public dissemination, of the nearly year long project. That is to say, as the CEDS by its nature and mandate is less focused on the Social and Cultural topic areas of the project, they have been largely omitted. The following text, although formatted differently, is almost identical to the relevant passages of the document published by the **Departamento de Desarrollo Económico y Comercio de PR (DDEC)** under the title **PR 2025 - A New Vision For The Future**, in June 2004.

The Stakeholder-led Approach

The objectives of Puerto Rico 2025 were to:

- Develop a holistic vision of PR that includes **economic**, social, cultural, and **environmental (and infrastructure)** development.
- The vision required needed to be **innovating** and **challenging**, while at the same time **pragmatic**.
- With practical foundations for planning and implementation in both the short and long run in order to achieve the success of the vision.
- The project, by its very design and nature, was to build the **consensus** and **compromise** of the community towards the vision. To ensure the active participation of all sectors of Puerto Rico’s society in the development of the vision; to establish strategic priorities; and to implement the plan.
- The recommendations must ensure the **continuity** in executing the plan, regardless of political transitions, instituting appropriate mechanisms for implementation that are anchored in both the private and non-government sectors. That is, to overcome incremental and occasionally contradicting policies that have hampered the development of Puerto Rico during the past twenty years.

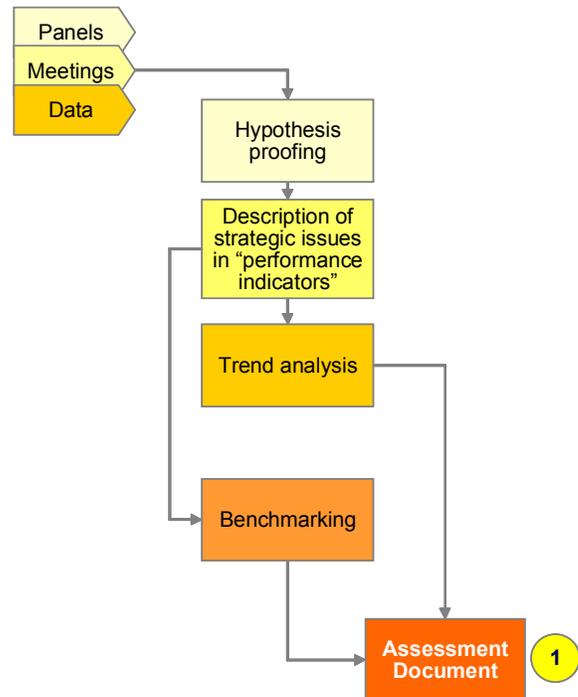
Puerto Rico 2025 is not just a new economic model, instead, it is a holistic plan for all aspects of Puerto Rico’s economic, social, cultural, and environmental development. It advances as one of its precepts that not only should social, cultural and environmental quality of life be the ultimate aim of any economic development program, but recognizes that in today’s world, social and cultural vibrancy as well as environmental quality are core determinants of economic competitiveness and attractiveness.

The Puerto Rico 2025 Work Plan

To achieve these plan objectives, the Puerto Rico 2025 initiative was composed of four phases of work:

1. An **Assessment Phase** – in order to understand where Puerto Rico stands today and establish the Case for Action.

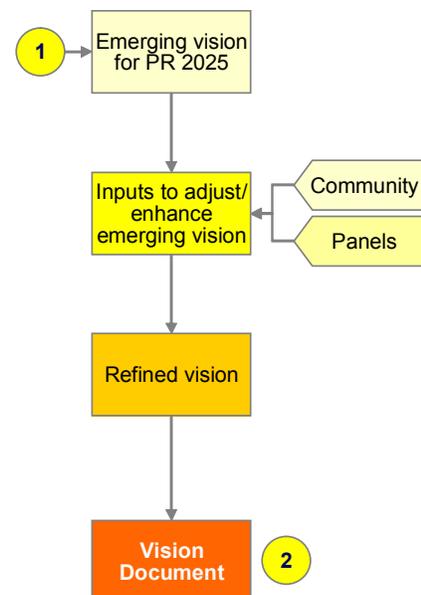
Approach — Assessment Phase



Source: Puerto Rico 2025

It is important to note the Assessment was executed using both a **SWOT analysis**

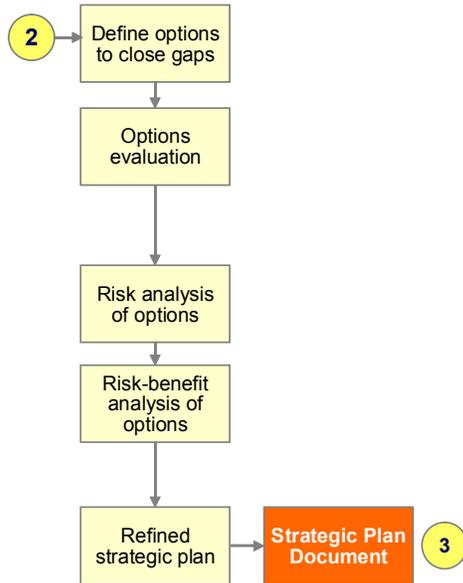
Approach — Visioning Phase



Source: Puerto Rico 2025

framework—i.e. looking at Puerto Rico’s Strengths, Weaknesses, Opportunities and, Threats (SWOT)—as well as an **Consultative Panel** framework and sought specifically to utilize prior investigations and studies rather than duplicate efforts or ignore other bodies of work.

Approach - Strategic Prioritization



Source: Puerto Rico 2025

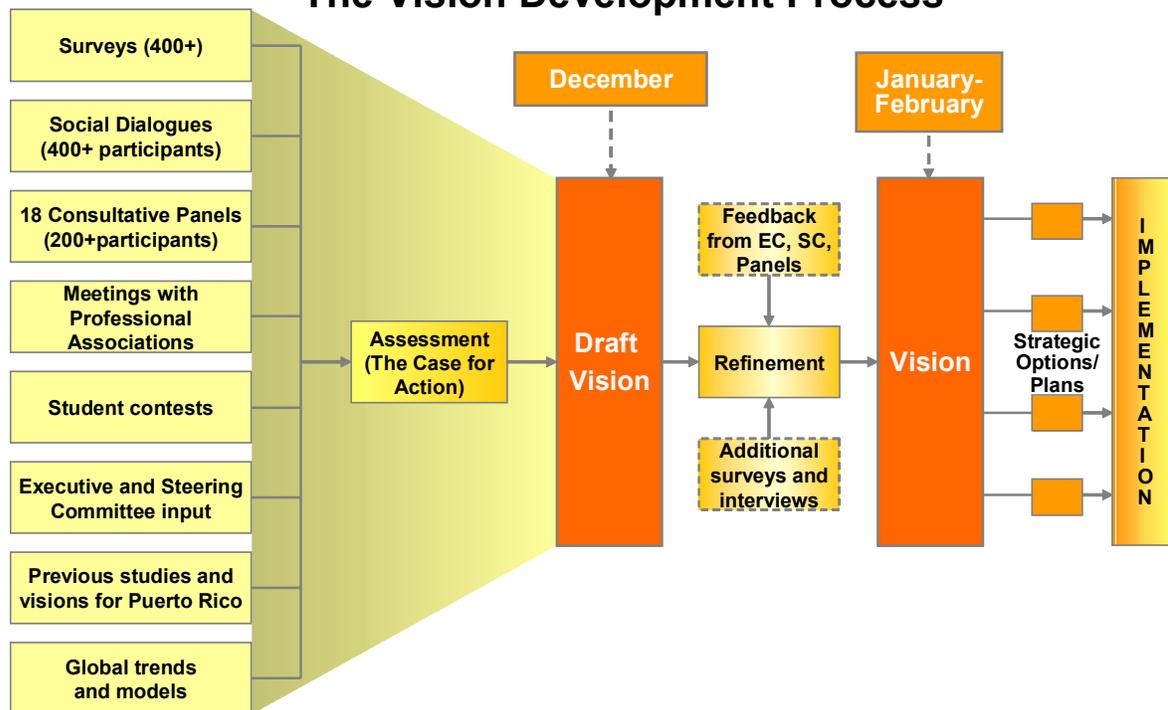
2. A **Visioning Phase** - to define a common vision for Puerto Rico’s desired future state in 2025.
3. A definition and **Prioritization (of the Strategies) Phase** - required to achieve the articulated vision which utilized an MCDA framework (Multi Criteria Decision Making Analysis) under the direction of Prof. **Carlos Bana e Costa**, London School of Economics.
4. A **Launch (Phase)** of an Implementation Entity intended to push forward these recommendations.

However, the unifying theme throughout all four phases of work, the critical component has been **stakeholder participation**.

In the **Assessment phase**, government, business and community leaders provided input to the analysis of Puerto Rico’s critical strengths, weaknesses, opportunities, and threats during extensive Consultative Panels in each of the 18 working areas. Later, utilizing outputs from the Assessment, hundreds of citizens provided input to the development of the **Vision phase** through surveys, workshops and dialogues.

Once the vision was defined an editorial committee comprising members of the Steering Committee and

The Vision Development Process



Source Puerto Rico 2025

various representatives from the Consultative Panels crafted and approved the final text presented in the official documents of the project and now appearing in this section of the 2004 CEDS.

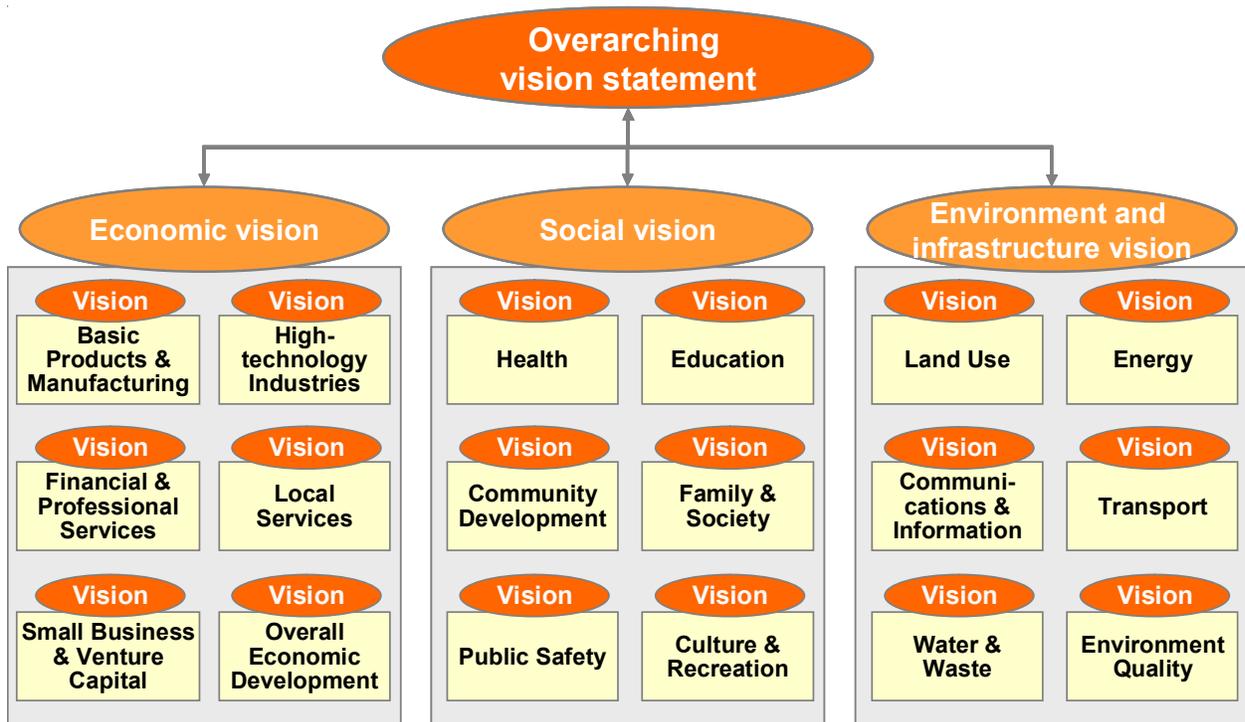
Following the visioning phase, during the **Prioritization phase**, experts and representatives in all topic areas of the project worked to prioritize the articulated strategies required to achieve this Vision using MCDA. Finally, a broad cross-section of business and community leaders were formed as part of a Board and working committees of a non-governmental entity which was established June 2004 to push forward the implementation of these strategies as the beginning of the **Launch phase**.

Participation in Puerto Rico 2025

In all, **over 1,000 citizens** have contributed their time and expertise to developing the Assessment and Vision contained in this document.

The main sources of stakeholder input were:

- Hundreds of **surveys were distributed** at public events, universities and associations to solicit broad public opinion on issues of concern and aspirations for the future.
- Hundreds of **middle-school and high-school students participated in essay, art and public speaking competitions**, describing their vision for Puerto Rico in 2025.
- Dozens of students at the University of Puerto Rico, Sacred Heart University and Interamerican University **developed communication campaigns to generate awareness and momentum** among their peers on the need for long-term thinking about the island’s future.
- **Over 400 citizens** participated in **30 social dialogues** and visioning workshops, hosted by a variety of social and community-based organizations in **35 municipalities** across the island. Participants have come from all walks of life, from school-children to retirees, from teachers to community leaders, from university professors to survivors of domestic violence, drug-addiction, and homelessness.
- More than **20 leaders of community-based organizations** have participated in a series of meetings to discuss the specific concerns of communities and the mechanisms for increasing participation of communities in defining their own future.



Source: Puerto Rico 2025

- More than **200 leading thinkers in each sector of the economy**, society, infrastructure and environment have come together in **18 Consultative Panels** to complete the assessment of Puerto Rico’s situation today and agree on future goals for each sector.
- **Leaders of the PR2025 Steering Committee** and of Puerto Rico’s **leading professional associations** have participated in meetings and workshops to share their own priorities for the future.
- **An additional 20 panels, with over 120 stakeholders participating**, in order to render the strategy prioritization.

The challenges in undertaking a project of this magnitude and ambition cannot be underestimated. However, the level of cross-society participation and momentum generated gives hope that this may indeed be a unique opportunity to break the mold of skepticism and division in Puerto Rico, and build a truly holistic, trend-breaking, and yet practical, vision for Puerto Rico’s future.

Descriptions of Economic Development Conditions; the Puerto Rico 2025 Economic Assessment and Vision

In 2025, Puerto Rico is a prosperous, productive, and innovative society, capable of generating knowledge with an entrepreneurial spirit and supported by an efficient public sector.

Globally integrated, Puerto Rico creates a fertile and dynamic environment for internal growth and provides its population with ample opportunities to reach its potential and to equitably share the benefits of such growth potential. This results from:

- **A country that fosters entrepreneurial activity;**
- **A fiscal policy that facilitates and encourages productivity, income generation, and savings;**
- **A legal framework that protects the balance between production and natural wealth;**
- **Knowledge and technology are the main drivers of the economy;**

- **An agile, accessible, and reliable public system of economic, social, and geographical information.**

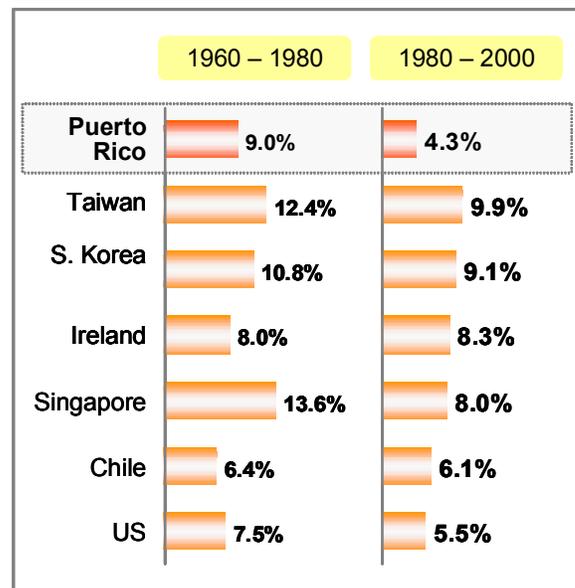
Economic development increases profits, reduces unemployment, inequality, and poverty rates, allowing all members of society to achieve their full potential using their knowledge and talent.

Puerto Rico offers workers, entrepreneurs, and investors (local and foreign) the most competitive location to generate wealth in the Americas, in terms of:

- **Human capital, knowledge and productivity;**
- **Quality of life;**
- **A natural environment capable of sustaining economic activities;**
- **A built environment and technology;**
- **Social harmony and professional ethic;**
- **Political and legal stability;**
- **Access to capital;**
- **A fair regulatory framework and fiscal policy.**

Slowing growth of per capita income

– Real PPP-adjusted GDP per capita –



Source: **Puerto Rico 2025**; Penn World Tables 6.1, Alan Heston and Robert Summers; World Bank, World Development Indicators 2002; A.T. Kearney analysis

It goes without saying that economic prosperity is a fundamental requirement for Puerto Rico’s success over the next 20 years. Increasing standards of living, reducing poverty, unemployment and crime, building schools, hospitals and infrastructure, providing the resources to protect our environment – all are dependent on maintaining and increasing Puerto Rico’s economic output.

In the modern era of globalization, more and more countries compete to attract investment and promote exports. Economic growth and prosperity are in turn dependent on increasing competitiveness and productivity. Hence, Puerto Rico will not create or attract the jobs that people want, unless it offers local and foreign workers, entrepreneurs and investors the most competitive location to do business and generate wealth.

Furthermore, in a world of accelerating technological and demographic change and increasing resource scarcity, continuous innovation and learning are the only way to stay competitive. And the best way to ensure that Puerto Rico stays innovative is to stimulate local entrepreneurs – multinationals may come and go, but innovative local businesses and workers will be the key to keeping Puerto Rico at the cutting edge of the global economy.

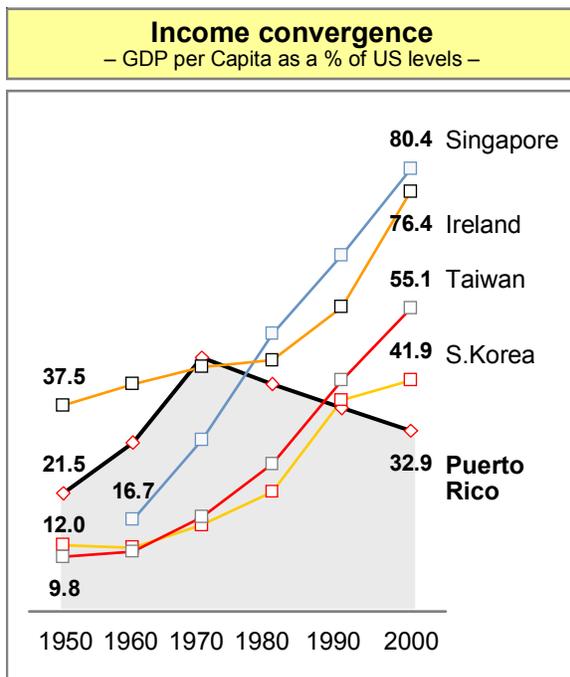
Fifty years ago, under Operation Bootstrap, Puerto Rico embraced the idea of global integration, competition and innovation, and became one of the role models of development. Today, Puerto Rico clearly ranks as the most successful society in Latin America – both in terms of income levels and by virtually every measure of human development, including life expectancy, literacy, educational attainment, and infrastructure quality, among others.

Moreover, as the focus of global competition changes from one based on production (agriculture and manufacturing) to one based on knowledge (technology and services), Puerto Rico has significant assets that many other countries would be eager to have. It has a leading position in the key high-technology and service industries (pharmaceuticals, electronics, financial services, professional services, tourism, private health and education services, etc.), a prime location at the cross-roads between Latin America and North America, high levels of tertiary education, superior infrastructure, and a very attractive location for knowledge workers – a warm island, with beautiful beaches, mountains, historic cities, and a vibrant, friendly culture.

There are many signs, however, that Puerto Rico is not taking as much advantage of these assets as it should. During the period 1950-75, Puerto Rico was one of the fastest growing economies in the world, but for the last 20-30 years, Puerto Rico’s growth rate has declined to little more than average, meaning that many countries in Asia and Europe have now surpassed Puerto Rico in economic growth.

As a result, unemployment (in excess of 10% of the workforce) and poverty rates (in excess of 40% of the population) have remained unacceptably high. While Puerto Rico has enjoyed great success in using tax-breaks and other incentives to attract pharmaceutical and electronic firms to establish manufacturing plants in the island, not enough has been done to leverage their presence and establish sophisticated local suppliers and indigenous R&D to support these industries. As other countries compete to lure these companies away with lower costs and similar incentives and access to the US market, Puerto Rico has developed few intrinsic anchors to keep these companies here.

With very few world-class export-oriented local firms, Puerto Rico has remained highly dependent on



Source: Puerto Rico 2025; Penn World Tables 6.1, Alan Heston and Robert Summers; World Bank, World Development Indicators 2002; A.T. Kearney analysis

government spending, US Federal transfers, personal consumption and the informal economy to drive economic activity. The large and cumbersome public sector in turn imposes extra costs on Puerto Rico’s businesses and threatens its competitiveness as a location.

Compared to most other regions of the world, Puerto Rico’s “glass is still more than half-full” (in terms of industry-base, skill levels, location, infrastructure, etc.), but clearly significant changes are required to maintain and improve Puerto Rico’s position and truly provide economic opportunity and justice for all Puerto Ricans.

The economic vision for 2025 addresses each of these issues, with clear emphasis on each of the factors that will ensure Puerto Rico’s economic success:

- Innovation, knowledge and technology as the drivers of the economy
- Integration into the global economy, coupled with local enterprise and locally-generated growth
- An efficient public sector, with rational fiscal and regulatory structures
- Opportunity and prosperity for all
- Competitiveness and productivity, defined not just by lower costs, but as much by Puerto Rico’s quality of life, human and financial capital, natural environment, infrastructure, social harmony and political and legal stability.

To support this overarching economic vision, the Puerto Rico 2025 Vision also defines specific visions for the components of Puerto Rico’s economy:

- Local enterprises
- High-technology industries
- Knowledge-based services
- Retail and the Travel Industry
- The New Agriculture

The following describes the specific visions for each of these five areas.

Local Businesses and Entrepreneurship

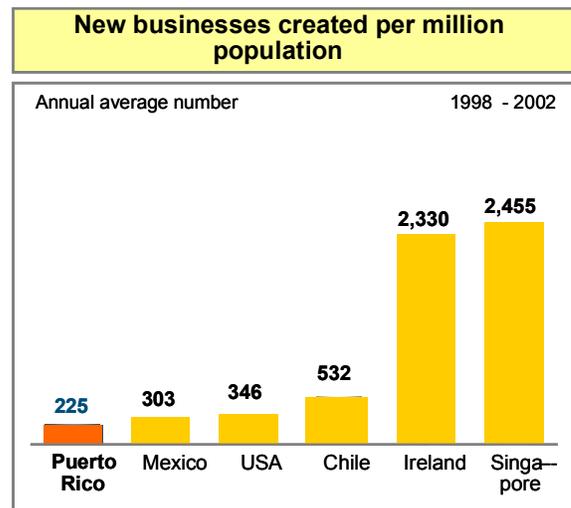
In 2025, local entrepreneurs, workers and investors are a fundamental driving force of economic development, innovation, export activity, and participation in global supply chains, given:

- **The conviction that progress entails risks;**
- **A high level of management competency and technological knowledge;**
- **Emphasis on technology transfer and Research and Development;**
- **Well developed capital markets;**

The brand “Made in Puerto Rico” is recognized as a brand of the best quality.

Why is this important?

While attracting and retaining global investors will remain critical for Puerto Rico’s economic advancement and absorption of global best practices, development of strong locally-owned enterprises will be just as important to Puerto Rico’s economic dynamism in future years. International firms bring critical know-how and capital to Puerto Rico, but in the global knowledge-economy, locally-owned



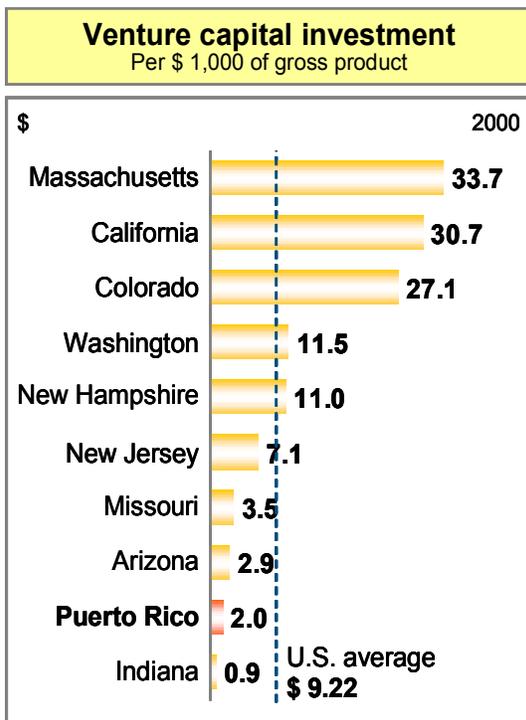
Source: Puerto Rico 2025

companies can provide a more reliable source of continuous replenishment of innovation and investment and play a critical role in refocusing investment in areas consistent with Puerto Rico’s areas of competitive advantage. As free-trade agreements and communication technologies continue to lower trade barriers, international firms will tend to relocate their production to lower-cost locations. Local firms will also exit industries that are no longer competitive in Puerto Rico, but they will tend to re-invest in new areas where Puerto Rico offers competitive advantages, thus continuously replenishing the supply of jobs, innovation, and productivity improvement (which in turn increases incomes).

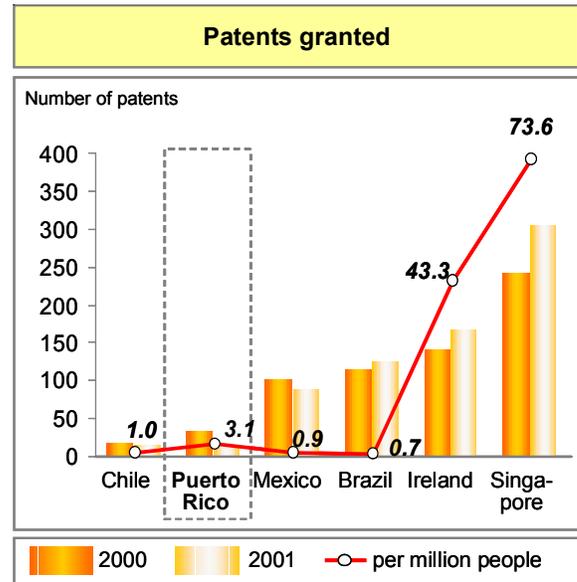
market economies, small and medium enterprises create jobs faster than large firms and tend to be a greater source of innovation and flexibility in the economy. Small business activity and self-employment also provide the best means to generate wealth and self-sufficiency in the poorest communities and among those marginalized from the formal economy.

How is Puerto Rico performing today?

Puerto Rico has a vibrant entrepreneurial sector. Local small and medium-sized businesses account for more than half of total output and generate two-thirds of new jobs in the economy. Several Puerto Rican firms have proven that they can compete in global markets – from the financial sector, to engineering and construction, to manufacturing of high-technology products, to supply of basic manufactures to major retailers, to food and beverages. Beyond the well-known local businesses, the informal sector is full of countless small firms and employs people creating legitimate businesses – albeit without the responsibilities and benefits of full access to formal financial and legal systems.



Source: Puerto Rico 2025; Guayacan Fund annual reports; Technology Administration, State Science and Technology Indicators; U.S. Patent and Trademark Office; A.T. Kearney analysis



Source: Puerto Rico 2025; Guayacan Fund annual reports; Technology Administration, State Science and Technology Indicators; U.S. Patent and Trademark Office; A.T. Kearney analysis

Developing world-class local suppliers is also the best way to keep international investors in Puerto Rico. If Puerto Rican firms develop unique capabilities and relationships as suppliers of goods and services to multinationals, the foreign firms will find it harder to relocate their production simply because another jurisdiction offers lower costs or taxes.

Nevertheless, there is a widely held perception that Puerto Rico has not done as much as it could to stimulate and support local entrepreneurs – particularly in the value-added technology and knowledge sectors that will be key drivers of economic growth: IT, life sciences, business process management, media and

Local enterprise is also critical to ensuring that economic opportunity is open to all. In successful

entertainment, among others. Both small and large enterprises complain that the regulatory and permitting process for new projects is too burdensome and slow. This manifests itself in the large number of small businesses that choose to remain in the informal sector and the fact that the rate of small business creation per capita is considerably lower than the average rate in the US, Latin America and competing economies, like Ireland and Singapore.

The rate of business failure is also consistently higher than in the US. Moreover, Puerto Rican businesses tend to be smaller in size (less than 3% have more than 100 employees, vs. almost 14% of businesses in the US) and concentrate in traditional sectors, like retail and services. Less than 1% of Puerto Rican small businesses are engaged in exports and exceedingly few receive patents or grants from the US Small Business Administration for Innovation and Technology Transfer. It seems that the reliance on foreign investment and government programs to drive economic activity has limited attention to harness the small business sector, and the protections and government contracts available to local companies in Puerto Rico limits their appetite for expansion overseas.

The lack of innovation, growth, and export orientation of local businesses is related to the low levels of R&D and technology transfer. Puerto Rico invests far less in R&D as a percentage of economic output, not just compared to the US and other OECD countries, but even compared to Latin America. Puerto Rico also attracts less than 20% of the US average in venture capital investments on a per capita basis.

Key points of the vision

The Vision for 2025 seeks to address these limitations by focusing attention on the development of local enterprise as a primary driver of innovation, exports, and global integration. Achieving this will require a fundamental shift in Puerto Rico’s economic priorities: significant investments in local R&D and technology transfer, support in helping local businesses to access the management skills, technical know-how and risk-capital they need to compete in world markets, and rationalization of the regulations and protections that limit the ability and appetite of local businesses to take risks and grow. Ultimately, building on Puerto Rico’s success as the manufacturing location of many of the

world’s best-known products (from pharma and high-tech to food and beverages), the aim must be to establish the “Made in Puerto Rico” brand as an asset for all Puerto Rican products and services.

High-Tech Industries

In 2025, Puerto Rico maintains its competitive position as one of the Top 5 technology exporters and is supported by high levels of productivity and competency in human capital.

Puerto Rico is one of the 10 leading global places in innovation and product development for biosciences and high technology, with a special emphasis on:

- **Investment in Research and Development and technology transfers;**
- **Productive alliances among academia, industry, and government;**
- **Emerging technologies;**
- **An infrastructure that supports development and research.**

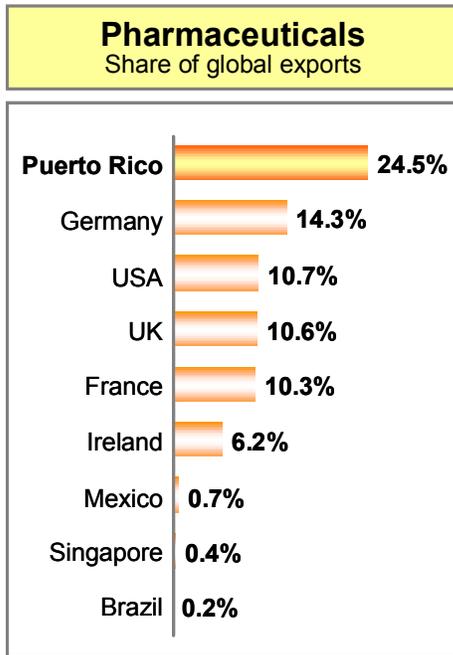
Why is this important?

High technology industries (pharmaceuticals, biotechnology, scientific instruments, electronics, IT, and communications equipment and components) are critical for Puerto Rico’s economic prosperity. Every country and region in the world is seeking to attract and foster these industries because they are the fastest growing industries in the world, generating high levels of productivity and income. Moreover, Puerto Rico has established itself as one of the world’s leading centers for high technology, and these industries account for a very large portion of Puerto Rico’s economic output and growth.

Maintaining Puerto Rico’s current position in these industries is therefore critical for Puerto Rico’s economic survival. Further leveraging Puerto Rico’s strength in these areas is also the best opportunity for Puerto Rico’s continued growth and wealth creation.

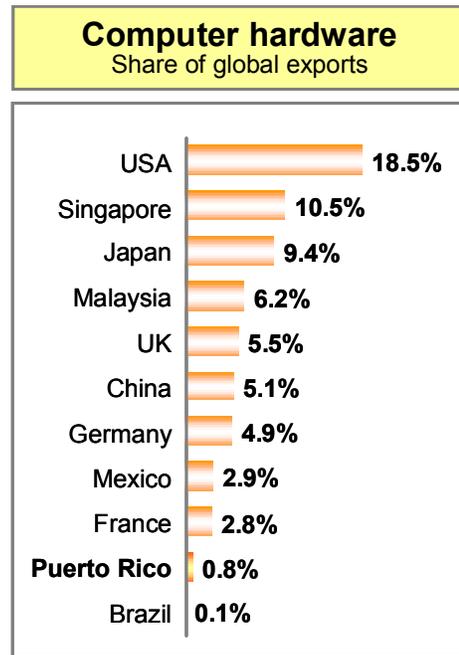
How is Puerto Rico performing today?

Manufacturing of high technology products (primarily pharmaceuticals, computers and electronics, scientific, and professional instruments) accounts for almost 40% of Puerto Rico’s total GDP. These sectors have also accounted for more than 40% of Puerto Rico’s GDP growth in the last five years.



Source: **Puerto Rico 2025**; Epsicom Pharmaceutical Markets Factbook 2003, United Nations Statistical Department; Organization of Economic Cooperation and Development; Planning Board, Statistical Appendix; A.T. Kearney analysis

Measured as a stand-alone entity, Puerto Rico ranks as the world’s fifth largest manufacturer of pharmaceutical products and the world’s largest exporter (including exports to the US). It also ranks among the world’s 10 largest exporters of scientific and professional instruments and 20 largest exporters of computer hardware. What’s more, despite the phasing out of tax benefits under Section 936 of the US federal tax code and increasing competition from lower cost locations, Puerto Rico’s output per worker in these sectors continues to be exceptionally high and Puerto Rico continues to attract significant investments, particularly in the pharmaceutical and biotechnology sectors.



Source: **Puerto Rico 2025**; Epsicom Pharmaceutical Markets Factbook 2003, United Nations Statistical Department; Organization of Economic Cooperation and Development; Planning Board, Statistical Appendix; A.T. Kearney analysis

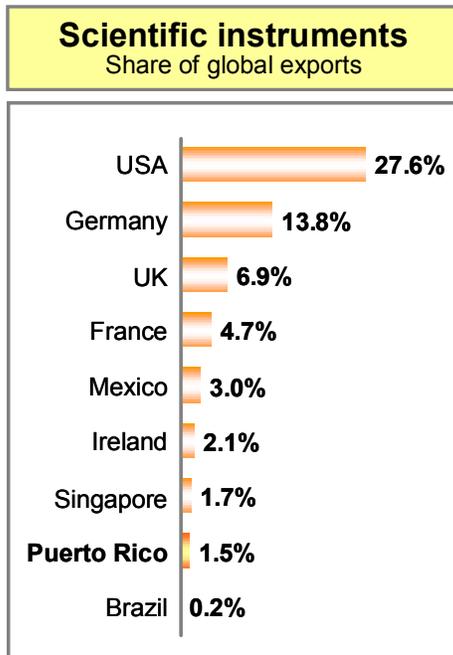
Despite these strengths, Puerto Rico’s dominant position in these industries is always under threat. As more and more countries can offer similar tax advantages and trade access to the US, Puerto Rico’s relatively high wages, high energy and waste disposal costs, and slow permitting and approval process put the island at a competitive disadvantage. More worrisome, Puerto Rico has done relatively little to develop intrinsic advantages in these industries (in terms of local suppliers, human capital and R&D) that might keep these industries in Puerto Rico even in the face of lower cost competition.

Thanks to their long presence, Puerto Rico has developed accumulated management and technical skills in these industries, but Puerto Rico today produces relatively few science and engineering graduates, invests very little in R&D compared to the OECD and Latin American averages, and has developed few local suppliers for these industries.

Key points of the vision

The Vision for 2025 addresses both the need to retain these industries in Puerto Rico and the need to leverage Puerto Rico’s strong base in these industries into

becoming a true center for high-technology R&D, not simply a high-tech manufacturing center. The first goal will be achieved through continued emphasis on increasing productivity and skills development. The second goal will require radical changes in Puerto Rico's current industrial policy: significant investments in R&D infrastructure, increased emphasis on R&D and technology transfer in the government policy, at universities and in private firms, and alliances among all three sectors to achieve the necessary scale and synergies.



Source: **Puerto Rico 2025**; Epsicom Pharmaceutical Markets Factbook 2003, United Nations Statistical Department; Organization of Economic Cooperation and Development; Planning Board, Statistical Appendix; A.T. Kearney analysis

Most importantly, Puerto Rico's promotion agencies, academic institutions, and corporations must develop proactive long-term policies to identify and foster emerging technologies. With accelerating technological change, Puerto Rico cannot simply seek to attract industries that already exist, but must invest 5-10 years ahead in the early research and development for the promising technologies of tomorrow. Absent this and despite its technology leadership today, Puerto Rico may find itself stuck in "sunset" technology sectors, as clusters based on new technologies emerge elsewhere.

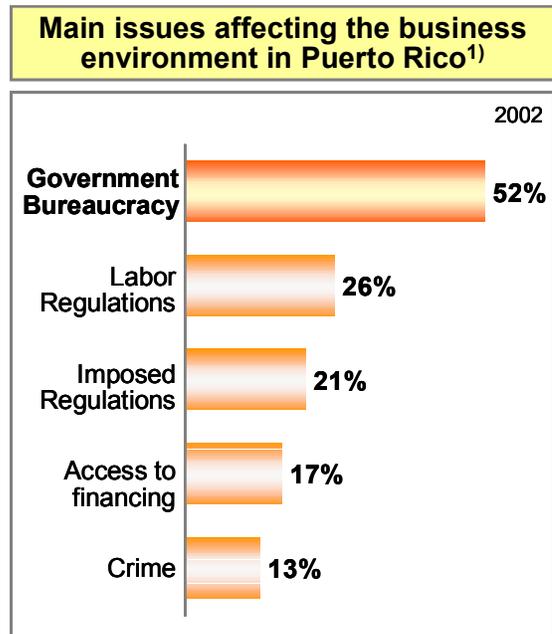
Knowledge-Based Services

In 2025, Puerto Rico produces and exports high quality services based on knowledge that support productive activities in the following areas:

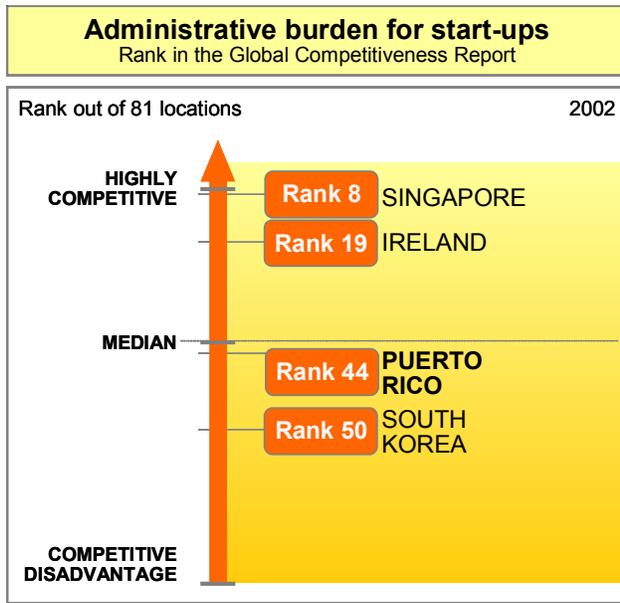
- **Finance;**
- **Education;**
- **Health;**
- **Applied Research;**
- **Information Technology;**
- **Culture and Performing Arts;**
- **Professional Services;**
- **Transportation and Logistics.**

Why is this important?

Just as the transition from agriculture to manufacturing spurred the first great increase in productivity and incomes (in Puerto Rico and elsewhere), so now the shift from manufacturing to services is a prerequisite for societies seeking to raise productivity and incomes.



¹⁾ According to a survey on competitiveness conducted by Procomp Source: **Puerto Rico 2025**; "Análisis Preliminar de Competitividad de Puerto Rico", Procomp; Global Competitiveness Report 2001-2002; A.T. Kearney analysis



¹⁾ According to a survey on competitiveness conducted by Procomp
 Source: **Puerto Rico 2025**; "Análisis Preliminar de Competitividad de Puerto Rico", Procomp; Global Competitiveness Report 2001-2002; A.T. Kearney analysis

Worldwide, service industries already account for the majority of economic output and employment, and their share of both continues to grow. In more developed countries, as manufacturing moves to lower cost locations like China and India, development of the services sector, particularly value-added knowledge-based services, is critical for continued economic prosperity and growth. Even in manufacturing enterprises, it is the service components of the value-chain (e.g. research and product development, marketing, sales, etc.) that generate the greatest value and returns.

Many countries, from low-cost locations like India, to more developed countries like Canada, Ireland and Singapore, are taking advantage of IT and communication technologies to establish themselves as hubs for “offshore” services to the US and other markets.

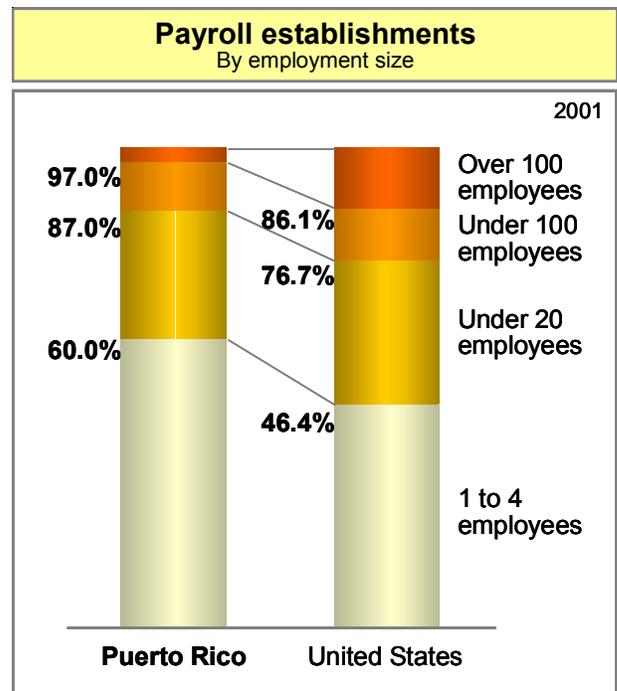
For Puerto Rico, with its attractive location, human skills base, and unique location at the geographic, cultural and linguistic crossroads between North America and Latin America, there is clearly a great opportunity to become a knowledge services hub for the region, just as Singapore, Hong Kong, and Miami act as hubs for financial and professional services in their regions.

How is Puerto Rico performing today?

Puerto Rico has a strong base in the knowledge-service sectors, particularly financial services and other professional services. Together these sectors account for roughly 10% of GDP and an even larger share of locally owned business.

Nine of Puerto Rico’s twelve publicly listed firms, including the three largest firms in Puerto Rico, are financial institutions. Puerto Rico’s banks earn a higher Return on Common Equity and Return on Assets than the US average. These banks have grown assets by roughly 10% per year for the last five years, and have captured market share from international competitors.

While smaller in size, Puerto Rico also has good potential in other professional services. With a higher proportion of university graduates than most European countries, Puerto Rico has a particularly deep talent pool in key sectors, such as law, management, accounting, computer sciences, engineering, and architecture. Several Puerto Rican professional service firms already export their services, from engineering to management consulting to IT, to other countries in the region.



Source: **Puerto Rico 2025**; U.S. Census Bureau, County Business Patterns (2003); Angel Ruiz; Planning Board, Statistical Appendix; U.S. Small Business Administration; A.T. Kearney analysis

Despite these assets, Puerto Rico has done little to nurture its position as a knowledge-services hub for the region. Until recently, Puerto Rico’s investment and promotion agencies focused exclusively on manufacturing. Most professional service firms are small in size, with limited operations or customers outside Puerto Rico. Without focus on these areas, Puerto Rico will remain in the shadow of Miami as the services hub for the region, and may even be overtaken by other countries in the region that are aggressively promoting offshore services: e.g. Costa Rica, Chile, Panama, Jamaica, and several smaller Caribbean islands. If and when the Cuban economy opens up, it will also present a major threat to Puerto Rico in these areas, given the strength of its education, health and research systems.

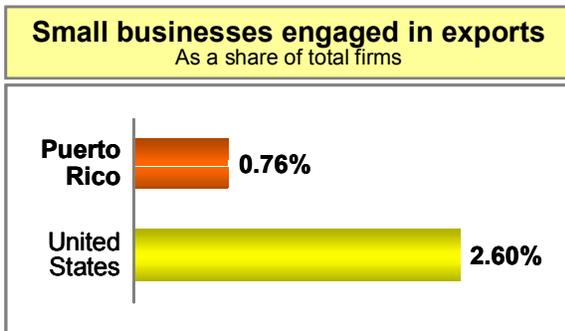
Achieving this vision will require a significant reorientation of promotion activities, to emphasize knowledge services, as much as manufacturing and tourism.

Trade and the Travel Industry

In 2025, retail trade and the travel industry provide a wide range of competitive prices with a world-class service.

The combination of natural beauty, efficient infrastructure, cultural assets, tourist services, trade, and entertainment make Puerto Rico the most attractive destination of the region.

Puerto Rico is one of the most preferred places in the Americas for conventions, large sport events and shows.



Source: **Puerto Rico 2025**; U.S. Census Bureau, County Business Patterns (2003); Angel Ruiz; Planning Board, Statistical Appendix; U.S. Small Business Administration; A.T. Kearney analysis

Key points of the vision

The Vision for 2025 envisages Puerto Rico as a hub for knowledge services in the region, leveraging its existing strengths in financial and professional services and logistics, but also promoting itself as a center for health and education services, IT, business process outsourcing and arts and entertainment content development.

Why is this important?

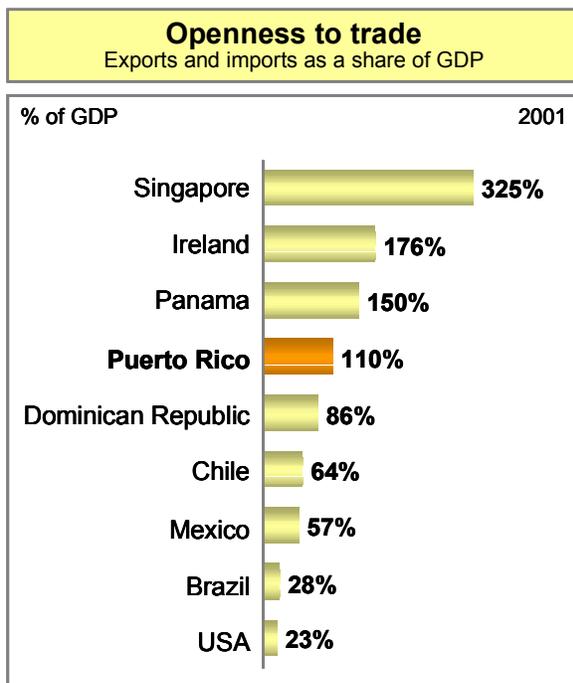
The provision of world-class, competitive local services (retail, wholesale, hotels, restaurants, entertainment, recreation, travel, etc.) is critical for the quality of life of island residents and to attract international visitors.

Wider choice, greater efficiency and better customer service in Puerto Rico’s retail, entertainment and hospitality sectors result in lower prices and better living standards for all residents. Moreover, the quality and competitiveness of these sectors will determine the island’s attractiveness not only as a tourist destination, but also as a place to live for knowledge workers, investors, students, and retirees, among others. As wealth grows worldwide, retail trade, entertainment, and tourism spending will continue to grow as a share of world output, and the quality of retail and other services will be a key determinant of the country’s attractiveness for other industries.

How is Puerto Rico performing today?

Retail, wholesale, tourism and other services (including construction) already account for 20% of Puerto Rico’s economic output and more than 25% of employment.

Puerto Rico has the largest retail sector in the Caribbean, with vigorous competition between some large local players and major international entrants. Productivity in the retail sector (in terms of sales per square foot and per employee) is lower than the US average and high-density retail markets like Singapore, but is significantly higher than the rest of Latin America and much of Europe. Nevertheless, both the retail and wholesale sectors are fragmented and dominated by small players, and employment growth has outpaced sales growth in the sector, leading to reduced sales per employee.

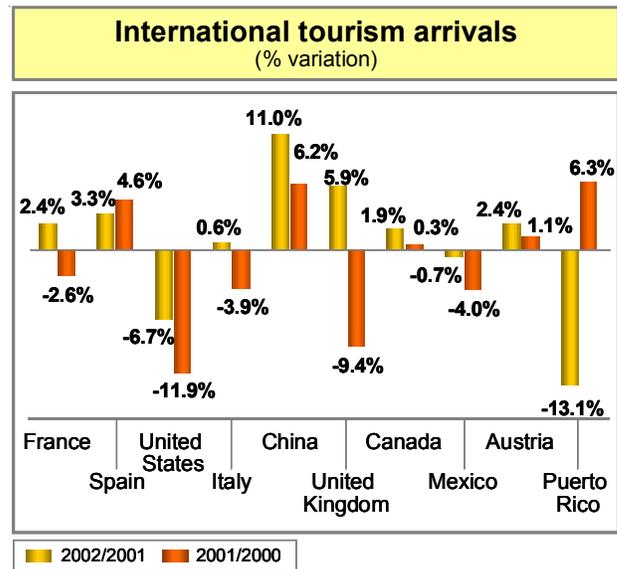


Note: Direct investment to Puerto Rico includes investment from US sources.

Source: Puerto Rico 2025; International Monetary Fund, International Financial Statistics; UNCTAD; Planning Board, Statistical Appendix; PRIDCO; A.T. Kearney analysis

Puerto Rico is also the leading tourism destination in the Caribbean, with an excellent endowment of natural assets, cultural attractions, and international transportation links. However, with a large number of overseas Puerto Ricans, cruise passengers, and business visitors included in Puerto Rico’s tourism figures, the average length of stay is low, and a large number of visitors stay outside the hotel and small inns (“parador”) system. Despite significant government promotion and incentives, tourism continues to account for only 5% of GDP, vs. a global average closer to 10% and a Caribbean average close to 20%. Puerto Rico’s position is always under threat from lower cost competitors in the region, and Puerto Rico’s share of

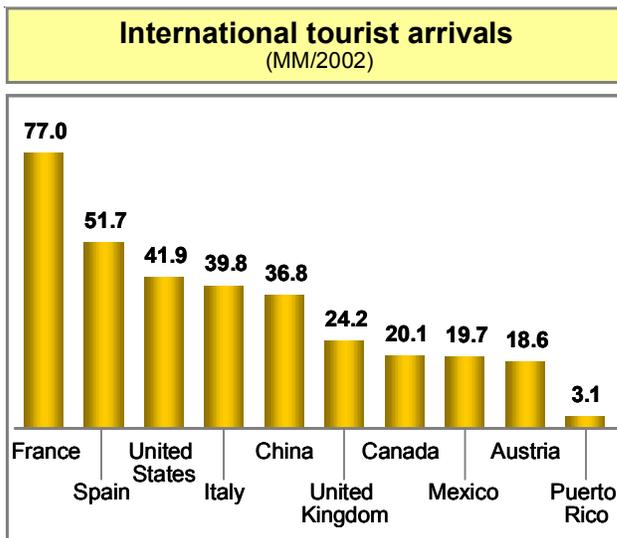
Caribbean tourism has declined from 21% in 1985 to 17% in 2000.



Source: Puerto Rico 2025; World Tourism Organization (WTO)

Key points of the vision

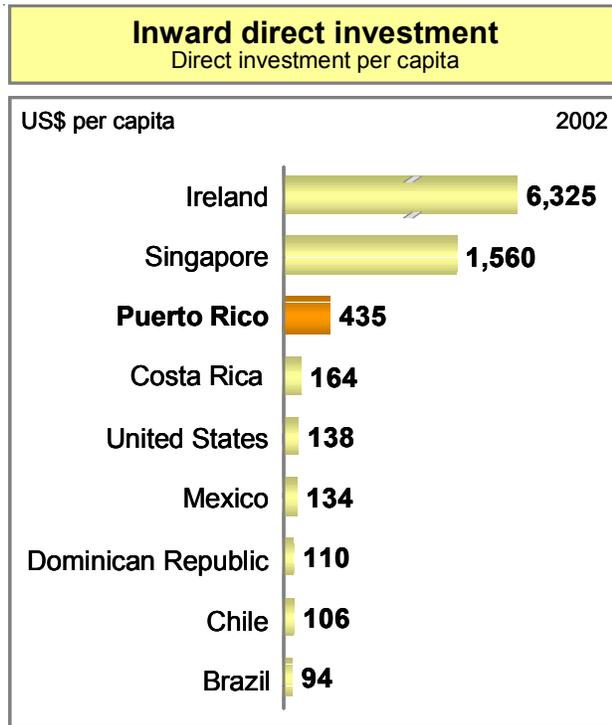
Looking forward, the Vision for 2025 envisages retail, hospitality, entertainment, recreation, and travel services as an integrated economic sector that must offer choice, competition, and quality to both residents and visitors.



Source: Puerto Rico 2025; World Tourism Organization (WTO)

As incomes continue to rise in Puerto Rico and competition from lower cost destinations intensifies, Puerto Rico must position itself not simply as a “sun and sand” destination, but as a vibrant entertainment,

convention and business center – with the added bonus of its location, climate, and topography. Like major cities in the US and Europe, or Singapore and Hong Kong, it is the combination of conventions, sporting events, cultural activities, retail, and entertainment offerings that, despite being a high-cost destination, will maximize Puerto Rico’s competitiveness and income from tourism.



Note: Direct investment to Puerto Rico includes investment from US sources.

Source: **Puerto Rico 2025**; International Monetary Fund, International Financial Statistics; UNCTAD; Planning Board, Statistical Appendix; PRIDCO; A.T. Kearney analysis

The New Agriculture

In 2025, Puerto Rico has a feasible agriculture and agribusiness sector in which leading technologies play a critical role in enhancing productivity and quality.

Agribusiness entrepreneurs identify and capitalize on those markets in which Puerto Rico has achieved a competitive advantage.

Why is this important?

In developed countries worldwide, agriculture accounts for a very small portion of economic output and employment. In the 30 countries that make up the Organization of Economic Cooperation and Development (OECD), agriculture accounts on average for less than 2% of output and less than 7% of employment.

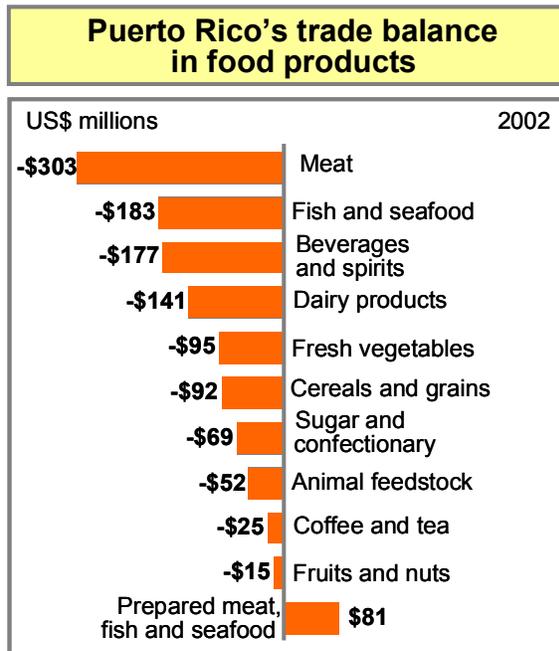
Nevertheless, even in wealthy economies, agriculture remains an important policy issue, partly for emotional and political reasons, but also because it has important impacts in segments of the economy. Agriculture generates a large number of jobs per unit of output, and those jobs tend to be concentrated among lower skilled workers and in more economically disadvantaged regions. Appropriate, productive agriculture can help to sustain the prosperity of rural communities, balance growth, and play a role in preserving non-urban, green environments. In a world of increasing tension and insecurity, many also emphasize agriculture’s role in maintaining food supply and security.

How is Puerto Rico performing today?

Primary produce industries in Puerto Rico today (agriculture, fisheries, aquaculture) account for less than 1% of total output and less than 2% of total employment. Even if one includes food and beverage manufacturers and other businesses based on agricultural products, this sector accounts for less than 5% of total output and employment. The vast majority of Puerto Rico’s food and other agricultural products are imported. As a small island with relatively high wages and other factor costs, Puerto Rico simply cannot compete with larger-scale and/or lower-cost agricultural production centers in the US, Latin America, and elsewhere.

Nevertheless, the success of several food and beverage businesses (from Puerto Rico’s well-known rum, juice and Hispanic food brands, to lesser known exporters of fruit, coffee, and other agricultural products) clearly demonstrates that Puerto Rico can compete in agribusiness niches, where established brands or unique assets provide competitive advantage. Indeed, even very high-income economies like the Netherlands and Denmark still derive almost 20% of their export

revenues from agricultural products – by focusing on branding, use of technology, and high productivity.



Source: Puerto Rico 2025.

Key points of the vision

The Vision for 2025 foresees that agriculture and agribusiness will continue to play a small, but important, role in Puerto Rico's economy, through a similar emphasis on technology deployment, productivity, quality and value-addition (through product development, marketing, branding, etc.).

Agriculture will only be viable in Puerto Rico, if local agribusinesses focus on clear market niches where Puerto Rico has competitive advantages – premium products and brands with unique local associations (rums, coffee, cigars, etc.), products and brands targeted at the Puerto Rican and broader Hispanic population living elsewhere in the Americas, and selected import-substitution opportunities for high-cost or perishable products that do not make sense to import to Puerto Rico or neighboring smaller islands.

Descriptions of Land Use and Natural Resource Conditions; the Puerto Rico 2025 Environmental Assessment and Vision

In 2025, Puerto Rico has a healthy environment capable of sustaining life in all its forms as well as social and economic activity within a framework of sustainability.

All of us are responsible for the preservation of our natural resources, for looking after an infrastructure that is adequately planned; ensuring that the natural and built environments are well maintained, and that the limits of our ecological systems are respected.

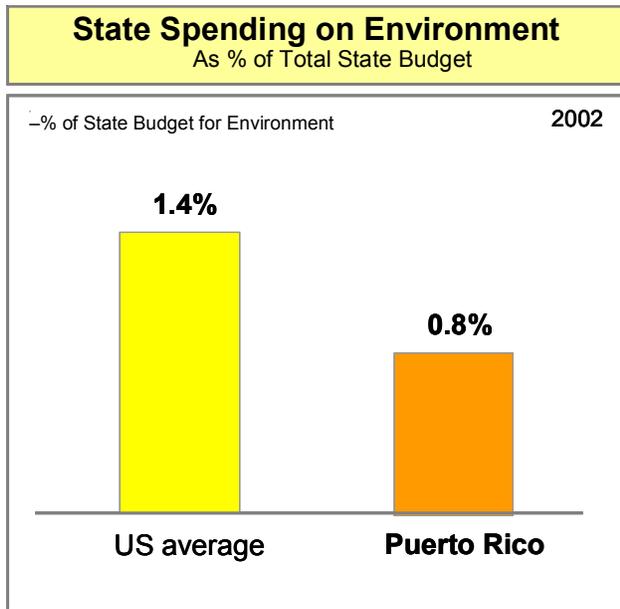
Infrastructure and environment are integral parts of the Puerto Rico 2025 vision since they are part of the goals of economic and social development for the island. The responsible and sustainable use of resources constitutes the main theme in this area. Going forward, they are needed to support Puerto Rico's competitiveness and the quality of life of its citizens.

To support this overarching vision for environment and infrastructure, the Puerto Rico 2025 Vision also defines specific visions for the components:

- Environmental quality
- Land use
- Water and Waste
- Energy
- Transportation
- Information and telecommunications infrastructure

Environmental Quality

In 2025, the principle of individual and collective respect for the essence of the environment is the basic rule that guides decision-making and planning, so that natural and built environments provide health, resources, pleasure, and guarantee the sustainable development of Puerto Rico.



Source: Puerto Rico 2025

Why is this important?

Environment is an integral part of the development challenge. At the same time that economic development has led to dramatic improvements in quality of life across the globe, environmental factors such as indoor and outdoor air pollution, waterborne diseases, and exposure to toxic chemicals threaten the health of millions of people, and natural resources - land, water, and forests - are being degraded at alarming rates in many countries. The economic costs of environmental degradation have been estimated at 4 to 8 percent of Gross Domestic Product (GDP) annually in many developing nations. Yet, dealing with

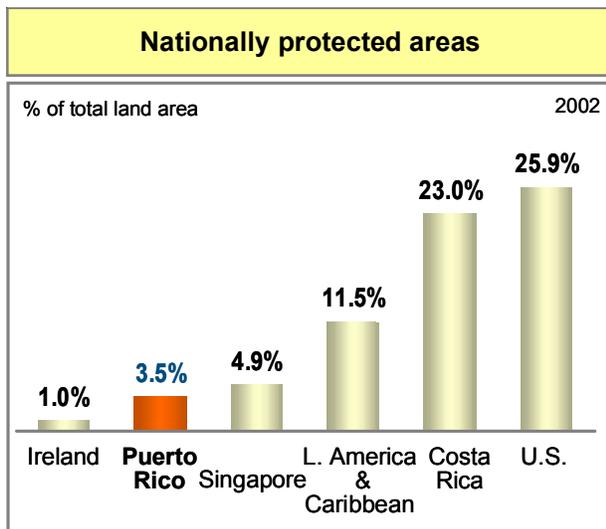
environmental problems is often difficult because of their complex characteristics, including delayed and cumulative impacts, irreversible damages, and regional and global implications, among others. In this context, the concept of sustainable development, built on a balance of economic growth, social cohesion, and environmental protection, is increasingly gaining momentum across the globe.

Puerto Rico has been facing many challenges in the preservation of its environment in the last decades. Rapid development, uncontrolled urban sprawl, high population density, high consumption, and waste generation rates have put significant stress on key natural systems in the island.

How is Puerto Rico performing today?

Although a set of comprehensive laws and institutions for environmental protection has been put in place, both at the federal and commonwealth levels, implementation and compliance remain as key problems. In this context, by many measures, environmental quality is still unacceptable: several water bodies have become polluted, and sensitive ecosystems have been impacted by rapid and ill-controlled development. This situation is aggravated when considering that the share of the Puerto Rico budget spent on environment is almost half of the average invested by the US states.

Without effective implementation and enforcement of environmental laws, coordinated resource use plans, incentives and education, then quality of life in the long term is mostly likely to be undermined, competitiveness impacted, and several critical resources lost forever.



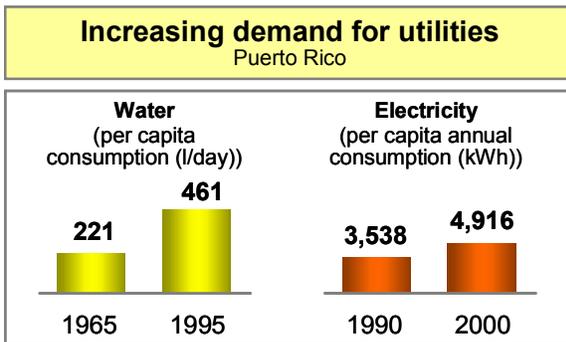
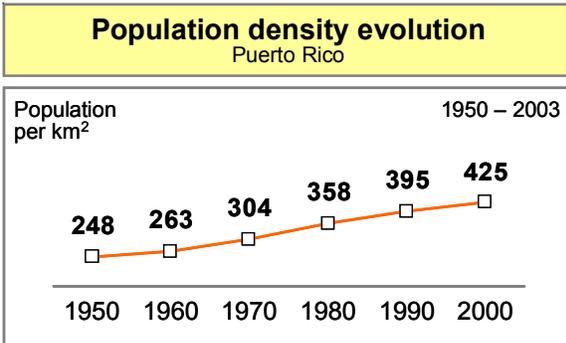
Source: Puerto Rico 2025; World Bank 2003

Key points of the vision

The Puerto Rico 2025 vision on environmental quality is aligned with the concept of sustainable development. The vision ensures the availability of needed resources to support the island’s economic development while preserving Puerto Rico’s attractiveness as a healthy place to live and enjoy. These characteristics are not only important by themselves, but as requirements for any location aspiring to be a knowledge-based society, attracting high caliber professionals.

Land Use

In 2025 and as a result of a genuine participation process, we clearly define, plan, and respect the use of land, physical space, and natural resources while simultaneously promoting the sustainable development of Puerto Rico.



Sources: **Puerto Rico 2025**; US Census Bureau; CIA World Fact book 2003; "Key information needs for the policy making process: Global environmental change and tourism", Alberto J. Beale; A.T.Kearney analysis

Why is this important?

One of the greatest challenges for rapidly growing locations is to balance urban development and environmental protection. Balancing environmental and economic objectives requires a land management strategy that protects priority resources, fosters the more efficient use of land and facilitates the land market by formulating appropriate regulations that establish flexible development standards with a minimum of administrative requirements. A more efficient land use can reduce not only the direct cost of land in projects and their relative environmental impact, but also the cost of providing and maintaining the urban infrastructure. The search for more efficient land use has been pursued in several places mainly at two different levels. First, by assessing the combined cost of existing regulations to devise a more affordable

regulatory scheme and second, by pursuing opportunities for greater efficiency at the project design level, increasing planning and enforceability.

How is Puerto Rico performing today?

On paper, planning laws and institutions do exist in Puerto Rico, but the island lacks a comprehensive land use plan. Planning and environmental assessment are done on a case-by-case basis through a lengthy and unpredictable evaluation process. The current permitting system is seen as widely inefficient, where the exceptions are the rule, significantly impacting the island competitiveness and the effectiveness of the environmental protection mechanisms.

Overall, the very low level of protected lands observed in Puerto Rico by 2002 (around 3.5%, one of the lowest percentages of protected lands compared to other locations) reflects some of the negative consequences of the current land use system in the island.

The need for planning and its enforcement, in a context of supporting the sustainable development of Puerto Rico, constitute the centerpiece of the island's vision for land use. In other words, this vision has embedded the goal of streamlining the processes associated with land use in order to make them more efficient and effective, protecting the environment, improving quality of life while increasing the island's competitiveness. The vision also places singular importance on the establishment of a truly participatory process in developing the plans and enforcing regulations. In Puerto Rico, although community involvement in land use decisions has increased in the past years, it is argued that there is still significant room for improvement. Communities still feel that their input is not considered early enough in planning and permitting processes and often having a disparate impact on disadvantaged communities.

Key points of the vision

Overall, as Puerto Rico materializes its growth targets for the future, land will increasingly gain importance as one of the island's most precious resources. In this context, seeking the objectives for land use envisioned by Puerto Rico 2025 is of paramount importance going forward to ensure the sustainable economic and social development of the island.

Water and Waste

In 2025, all residents of Puerto Rico have access to sufficient and high quality water, and these resources are used in a cost-effective manner, thereby ensuring the existence of reserves.

The production, consumption, and recycling of materials are managed and conducted in such a way that minimizes the generation of waste, which in turn is used as a resource.

Why is this important?

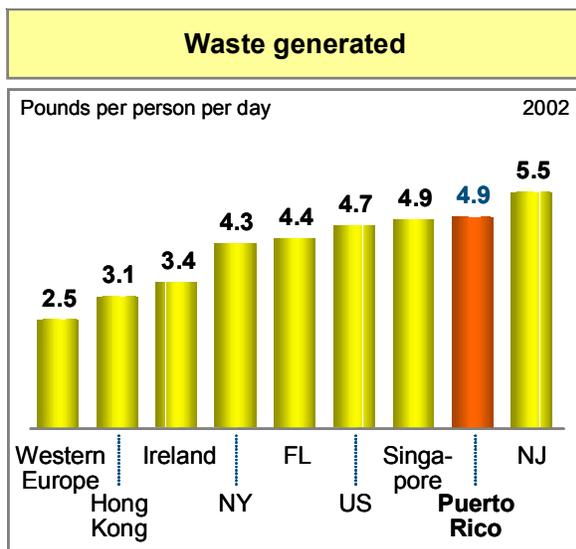
Access to water is advocated to be a fundamental universal right with significant impact on social and economic development. During the past century, while world population tripled, the use of water increased six fold and, going forward, by 2025 an estimated 4 billion people will live under conditions of severe water stress. To address this situation, governments throughout the globe have been applying more stringent regulations to preserve water bodies, besides the implementation of incentives and educational programs focused on building a more conscious mindset towards the rational use of water.

Given its potentially strong pollutant impact on the environment, not only in water sources, but also in land and air, waste management emerges as a topic for careful consideration. Globally, waste generation has

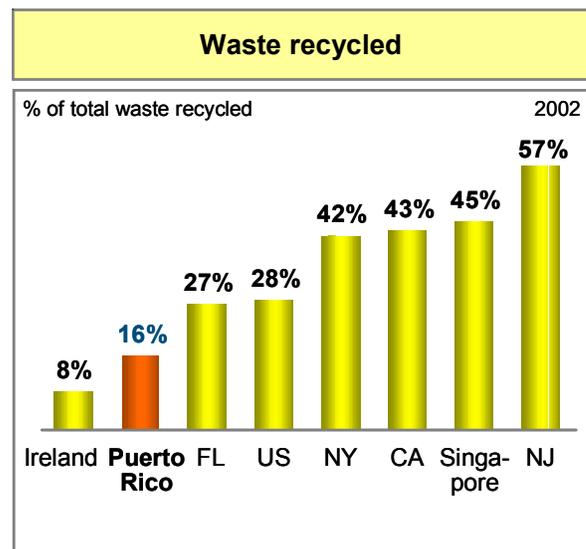
increased at a fast pace and, although expected to follow GDP growth for most developed nations until 2025, it is most likely to grow at higher rates in developing economies, mainly driven by changes in consumption patterns. Developed nations have been focusing their attention on sustainable waste management strategies that, ultimately, promote the reduction of resource inputs, maximizing their efficient use, and minimizing the final impact on land, air, and water. In these cases, recycling and innovative procedures for waste reuse have greatly contributed to the reduction of land filling and the environmental impact of waste as a whole.

How is Puerto Rico performing today?

The current situation of water and waste management in Puerto Rico demands considerable attention. The lack of a coordinated long-term plan and the inefficient management of natural resources have impacted water bodies to the extent that, today, 40% of the island's surface water does not meet quality standards. Also, Puerto Rico's excellent aquifers have shown signs of decreasing quality and capacity due to different degrees of contamination, excessive use, and poor management. Despite providing broad access, the water distribution infrastructure lacks reliability, with interruptions of supply being common in some areas. Overall, the water company presents low productivity levels, scale issues, and maintenance challenges that are reflected in a 50% distribution loss of all water produced. Moreover, less than 20 percent of the



Source: **Puerto Rico 2025**; National and state environmental agencies, SWMA; A.T.Kearney analysis



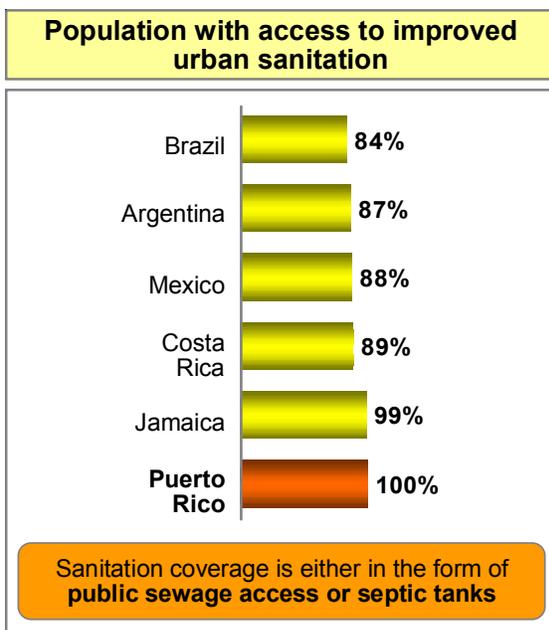
Source: **Puerto Rico 2025**; National and state environmental agencies, SWMA; A.T.Kearney analysis

population in Puerto Rico receives drinking water that meets all health-based standards.

Waste management and sanitation also represent a challenge in the island. Besides other environmental impacts, waste figures as one of the key root causes in the contamination of water sources. Direct discharge of sewage by individuals into rivers and other bodies of water and widespread use of septic tanks that fail to meet environmental standards still represent an issue. Moreover, the generation of solid waste in Puerto Rico has achieved alarming levels in the last decades, with significant impact in the natural systems.

Today, the island produces twice as much waste per capita as the average observed in Western Europe, and presents modest recycling rates. At this pace, most landfills in Puerto Rico are expected to reach capacity within the next 10 years, with most of them operating in violation of environmental standards. Moreover, Puerto Rico’s industrial waste infrastructure presents some clear deficiencies like the inexistence of an industrial sewer system and hazardous waste sites.

All these limitations in infrastructure are not only risky from environmental and social points of view, but they also impact the island’s attractiveness to investments in high value added production processes and services that are highly dependent on reliable access to quality water and proper waste management facilities.



Source: **Puerto Rico 2025**; Interviews; Paul Budde Communication; World Bank, Pan American Health Organization; A.T. Kearney analysis

Key points of the vision

In this context, the Puerto Rico 2025 vision for water and waste places emphasis on the broad access to sufficient water with the required quality, and points out the need for planned use of resources in order to minimize the waste generation and ensure the proper handling of what cannot be recycled or reused.

The vision entrusts the concept of water as a fundamental universal right, strongly reinforcing Puerto Rico’s commitment to the preservation of its water bodies and towards policies that foster the optimal use of its resources in a sustainable fashion.

The goals embedded in this vision are of paramount importance to ensure the quality of life envisioned for Puerto Rico while supporting key knowledge-based clusters that will drive the island’s economic development going forward.

Given the geographical conditions of Puerto Rico, with limited space, high population density and fragile environment, the vision for 2025 on water and waste signals the need for substantial community mobilization towards greater care for its most valuable natural resources.

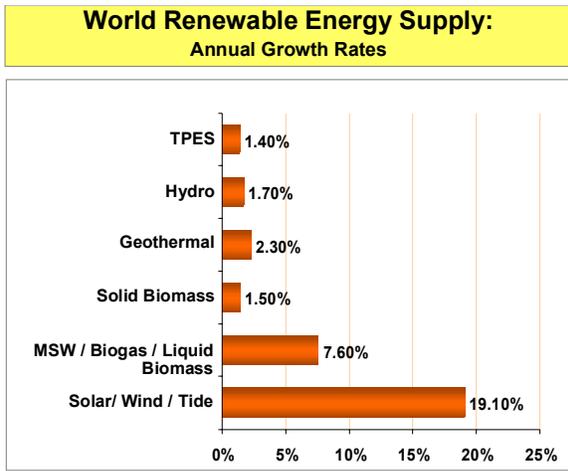
Energy

In 2025, Puerto Rico is a leader in the development and usage of renewable energy sources and clean technologies.

All of us in Puerto Rico have access to reliable energy services and resources that are economically feasible, socially acceptable, environmentally healthy, and abundant enough to achieve the sustainable development goals of Puerto Rico.

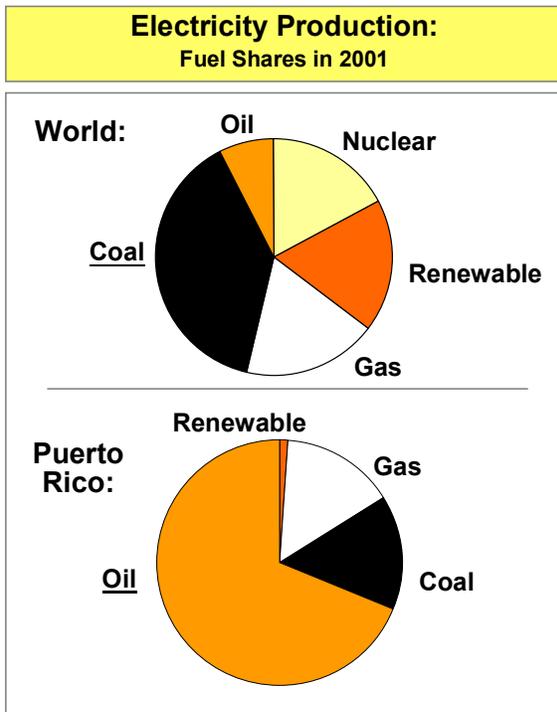
Why is this important?

Access to reliable energy resources at competitive costs and in a sustainable fashion is a fundamental concern across the globe. Energy is vital for social and economic development, supporting productive capacity and social cohesion.



Source: Puerto Rico 2025

The successful development of an economy based on knowledge clusters as envisioned by Puerto Rico is highly dependent on the availability of cost competitive and reliable power sources. Such clusters – often dependent on sophisticated electronic equipment, telecommunications networks, agile mobility, controlled production and research environments and high customer service levels – are strongly impacted by unreliable energy supplies and power outages.

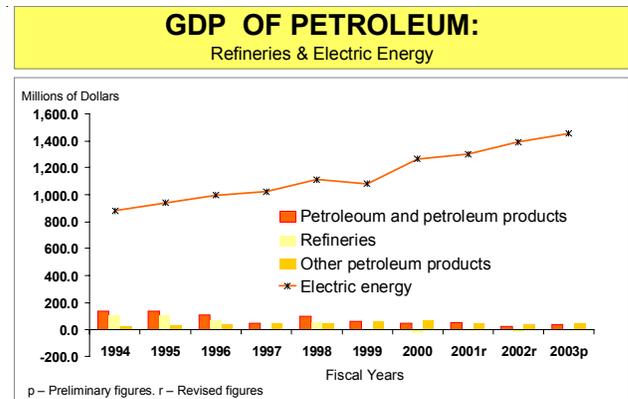


Source: Puerto Rico 2025

How is Puerto Rico performing today?

Going forward, Puerto Rico faces a major challenge in improving the competitiveness of its energy sources. The island currently faces industrial electricity costs 73% higher than the average observed in developed economies and is highly dependent on imported oil. Such high costs are influenced by outdated cross-subsidies schemes when compared to international standards and a relatively inefficient electric power utility company, characterized by low levels of productivity. Moreover, an aging infrastructure and lack of adequate maintenance lead to poor reliability and low service levels.

These characteristics significantly decrease the competitiveness of the Puerto Rican infrastructure when compared to other locations, demanding redundant private investments in individual power facilities.



Source: PR Planning Board, Economic & Social Planning Program, Economic Analysis Subprogram

In seeking constant improvements in power supply, high-income countries are rapidly modernizing their energy systems. They are creating the market rules and incentives to support the attraction of private investment while responding to public concerns and demands of tougher environmental standards imposed on energy suppliers and users. With increasing economic growth, the world's "resource-use" burden is rising faster than population growth. For this reason, the concept of promoting development through sustainable strategies is continuously gaining momentum. When envisioning the future, nations want to ensure that current generations meet their needs without compromising the ability of future generations to meet theirs. Such objectives are of fundamental

importance for Puerto Rico given the island’s fragile environment and small size.

Although by some measures the environmental impact related to energy production has improved in the last decade, Puerto Rico still faces significant challenges. The island’s efforts to implement renewable sources of energy have been immaterial so far, while the share of world production of electricity from renewable approaches 20%. Additionally, the electricity production in Puerto Rico presents low diversification towards cleaner fossil fuels, with around 70% of its electricity production depending on oil. Such electricity supply is mostly generated by old technology infrastructure, accounting for 71% of all industrial air pollution and 33% of industrial surface water discharges in the island.

Vehicular emissions are also a point of concern. The relatively low fuel prices in Puerto Rico represent a major disincentive to the use of public transportation, which is also incipient in the island. Such low prices are a direct consequence of fuel taxes around 6 times lower than the average observed in developed economies.

Key points of the vision

As a direct call for action to improve the performance of the energy sector in the island, the energy vision for Puerto Rico 2025 fully embraces the concept of sustainable development, considering that power needs are met while preserving a healthy environment. In particular, the vision drives Puerto Rico to achieve leadership in the development and application of renewable sources of energy and clean technologies. Puerto Rico 2025 recognizes the importance of significantly improving the performance of the energy sector, emphasizing broad and reliable access to cost competitive power sources in order to fully support the economic development envisioned for the future of the island.

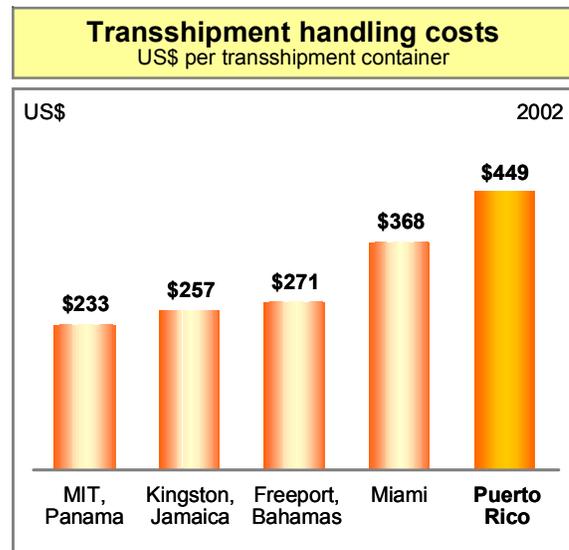
Transportation

In 2025, the needs of access and mobility of maritime, air, and ground transportation are met at the lowest possible economic, social, and environmental cost while at the same time integrating them in the planning process for land use planning and advanced technologies.

Why is this important?

Transportation is central to development. At the same time that it supports quality of life providing physical access to jobs, health, education and other amenities, it is also of paramount importance for economic development and competitiveness through the physical access to resources and markets. Efficient and effective linkages that support the mobility of goods, people, and information are major enablers of a successful knowledge-based economy. In a context of increasing globalization, and of domestic and international trade liberalization, a sustainable, well functioning transportation system is a crucial determinant of a country’s competitiveness.

Although critical for development, inappropriately designed and poorly integrated transport strategies can have significantly negative economic, social, and environmental consequences. In this context, planning and its implementation through targeted regulations and



Source: **Puerto Rico 2025**; Ocean Shipping Consultants; "Análisis Preliminar de Competitividad de Puerto Rico", Procomp; Global Competitiveness Report 2001-2002; "The Evolution of Ports in a Competitive World" – World Bank; "Measuring Port Performance" – Patrick Fourgeaud – The World Bank; A.T.Keamey analysis

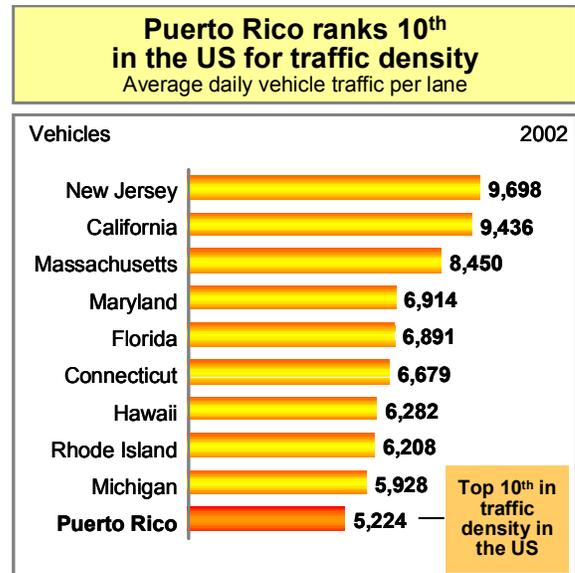


Source: **Puerto Rico 2025**; Interviews; Paul Budde Communication; World Bank, Pan American Health Organization; A.T. Kearney analysis

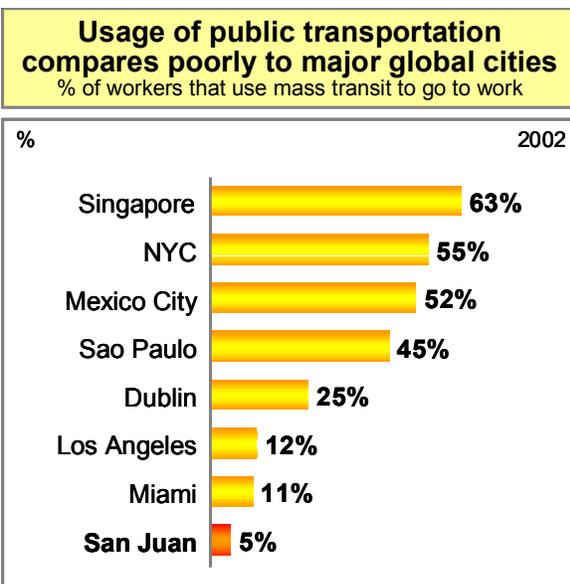
stricter demand management policies has gained significant importance. By consolidating different sets of inputs, such plans represent the most effective way to optimize the network’s investments and efficiency while minimizing environmental impact and safety concerns. The integration of transportation and land use plans is also seen as essential to define which infrastructure projects should be handled at a centralized level and which ones at a local level. This practice would represent a major improvement in the case of

Puerto Rico, where a comprehensive land use plan is still lacking.

Globally, the traditional dominance of the public sector in the operation of transport services generally resulted in several adverse effects such as high public deficits, poorly maintained infrastructure, and low service levels. This situation has led several nations throughout the World to seek more cost-effective transportation



Source: **Puerto Rico 2025**; US Census, Dublin Transportation Office, Secretaria Municipal de Transportes, Interpress Service, Singapore Department of Statistics, Federal Highway Authority; A.T.Kearney analysis



Source: **Puerto Rico 2025**; US Census, Dublin Transportation Office, Secretaria Municipal de Transportes, Interpress Service, Singapore Department of Statistics, Federal Highway Authority; A.T.Kearney analysis

strategies, driven by increasing utilization of competitive market structures involving the private sector while governments assume an enabling and supervising role. In Puerto Rico, the role of the government in transportation is still substantial, even encompassing regulated rates for trucking.

How is Puerto Rico performing today?

Overall, key efficiency issues in the island’s transportation infrastructure represent important challenges for the future. San Juan’s port operations are expensive and with low productivity compared with other ports in the Caribbean, which are driving scale and market share backed up by significant investments and the management experience of some of the largest global stevedores. Puerto Rico also faces cost disadvantages in maritime shipments to and from the

US due to the obligation of using American-flag ships as stated by the Jones Act

Moreover, while several locations in the world have been providing greater incentives to the use of public transport through efficient pricing for congestion and pollution, Puerto Rico is still lagging in this dimension.

As a consequence, high traffic density and pollutant emission in the urban areas significantly penalize the island’s quality of life and competitiveness. Such situation is driven not only by the limited availability of public transportation in Puerto Rico and the lack of a comprehensive public transportation plan, but also by very low gas prices that represent an incentive for people to drive. In this context, the development of a strategic approach to motorization in Puerto Rico is becoming increasingly critical.

Key points of the vision

The 2025 vision addresses the current transportation issues in the island by emphasizing integrated planning, cost-effective services, and transportation technologies as key principles. Given Puerto Rico’s high dependency on imports and exports and the fact that it will continue to target the international markets to support its economic development, the vision for 2025 is of fundamental importance in the consolidation of Puerto Rico as a key player in the global supply chains, fully integrated with the World. The vision also recognizes the need to optimize the economic, social, and environmental costs associated with transport in a clear reference to the concept of sustainable development.

Information and Telecommunications Infrastructure

In 2025, Puerto Rico has a state of the art telecommunications and information technology infrastructure that is widely used, is reliable, it distinguishes Puerto Rico in a global context and provides ample opportunities for all.

Why is this important?

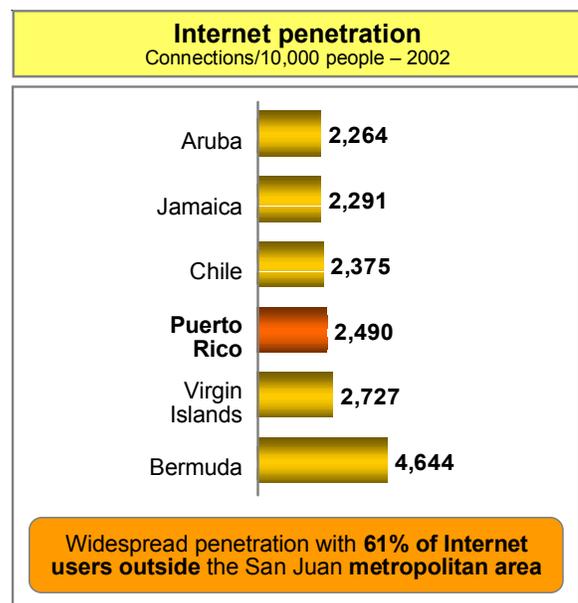
Access to information and communications technologies has become crucial to a sustainable agenda of economic and social development. In the modern

world, these technologies not only represent a key input to support economic development but they also offer opportunities for global integration, the empowerment of individuals and communities and the enhancement of the efficiency and transparency of the public sector.

In particular, the availability of state-of-the-art telecommunications and information technology infrastructure represents a major enabler for any society envisioning a development model based on knowledge clusters, since such technologies constitute the foundation for building up, disseminating and applying knowledge. Nowadays, technological innovations, economic pressures, and regulatory reforms are making access to such technologies more affordable, creating opportunities not only for substantial business development but also helping to close the digital division established in several regions of the world.

How is Puerto Rico performing today?

Despite depicting some advanced characteristics in its telecom infrastructure, such as 100% digital networks, Puerto Rico lags the level of infrastructure and accessibility of several advanced economies, presenting lower penetration rates in fixed and mobile telephony as well as Internet and broadband. In several cases, such as high speed Internet access, the infrastructure is available across the island but competition among providers is comparatively low, harming service

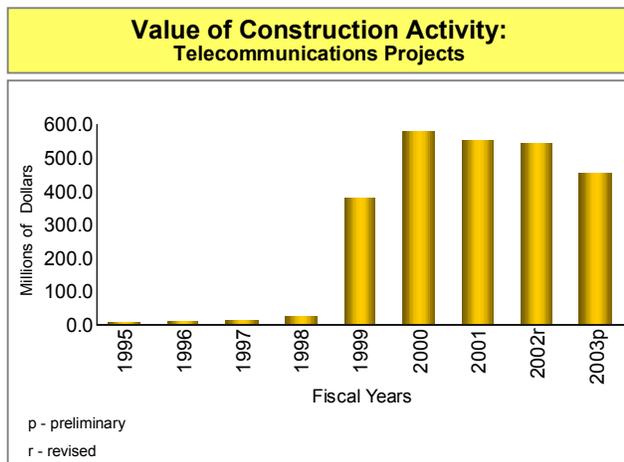


Source: Puerto Rico 2025; Interviews; Paul Budde Communication; World Bank, Pan American Health Organization; A. T. Kearney analysis

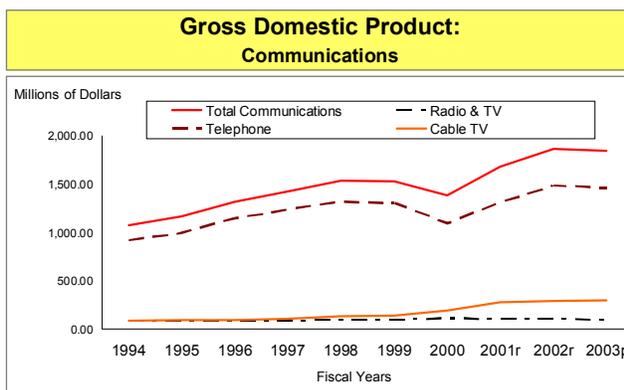
affordability. Moreover, reliability and provision of speed of advanced services are seen as key areas for improvement.

Key points of the vision

The Puerto Rico 2025 vision recognizes that a weak or expensive communications infrastructure could threaten the island’s ability to compete in fast growth, high technology markets. In this context, the vision not only calls for the deployment of the most advanced information and communications technologies available in the world, but it also targets the broad availability of affordable and reliable services to all as a key driver to support the island’s future social and economic development.



Source: Junta de Planificación, Programa de Planificación Económica y Social, Subprograma de Análisis Económico



Source: Junta de Planificación, Programa de Planificación Económica y Social, Subprograma de Análisis Económico

SECTION III: Strategies and Objectives; Charting a Course to a Dynamic Economic Future

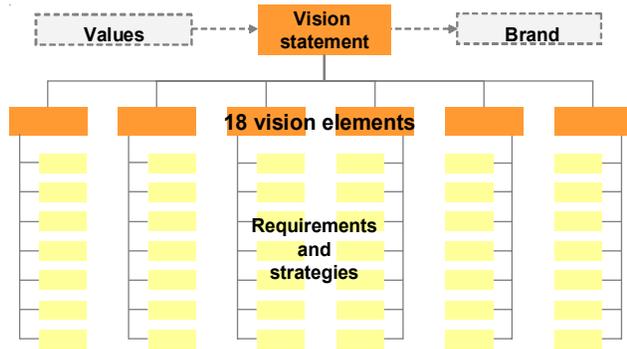
Implications of the Assessment and Vision

What became clear as a result of our work on **Project 2025**, particularly as evidenced through the **Assessment and the Vision Phases** is that the world is changing fast, and, now more than ever, Puerto Rico must respond adequately to secure a satisfactory future for its citizens and residents. This tremendous change is being driven by a host of factors such as; an ever accelerating pace of **demographic** change, expanding

globalization, exponential **technology** innovation, elemental shifts in the location of global demand, global trade, and global investment.

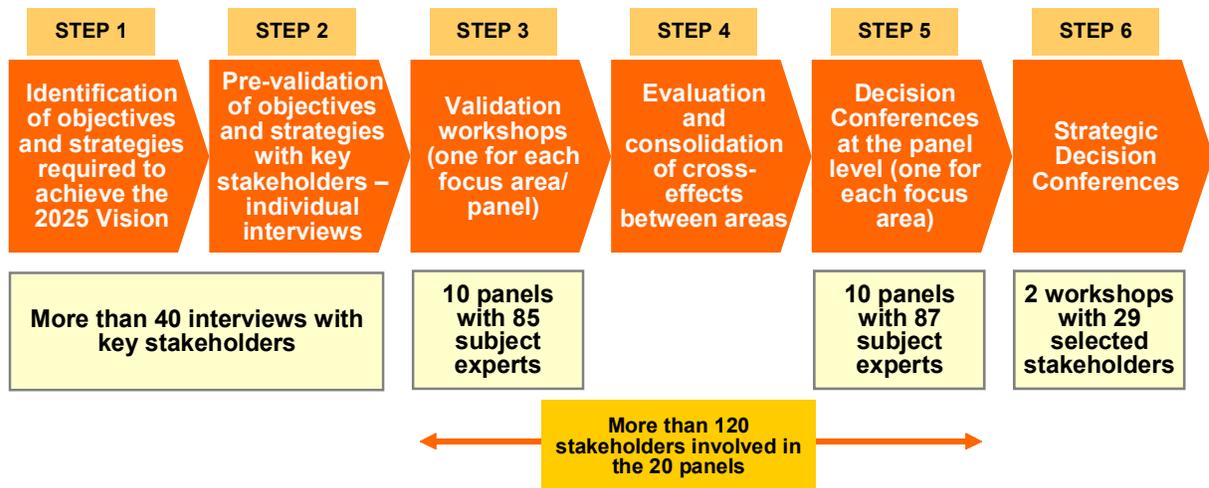
Fundamentally, Puerto Rico faces **more competitors in every field and greater challenges in meeting the terms of its social contract** as evidenced in increasing health care costs, expanding demand for adequate education which prepares people for participation in a knowledge based economy, lagging infrastructure improvements needed to facilitate efficiencies in other areas of activity, yet, all the while, controlling costs and environmental impacts.

In principle, Puerto Rico has many of the assets required to succeed in the global **knowledge economy** that is “the glass is more than half full”. Not taking advantage of these assets increases the risk that Puerto Rico will become a **victim**, not a **beneficiary**, of current global change. However, in practice, while in many respects “the glass is more than half full” Puerto Rico is burdened with significant countervailing liabilities and thoroughly mired in an institutional culture if ineffectual decision making and limited vision.



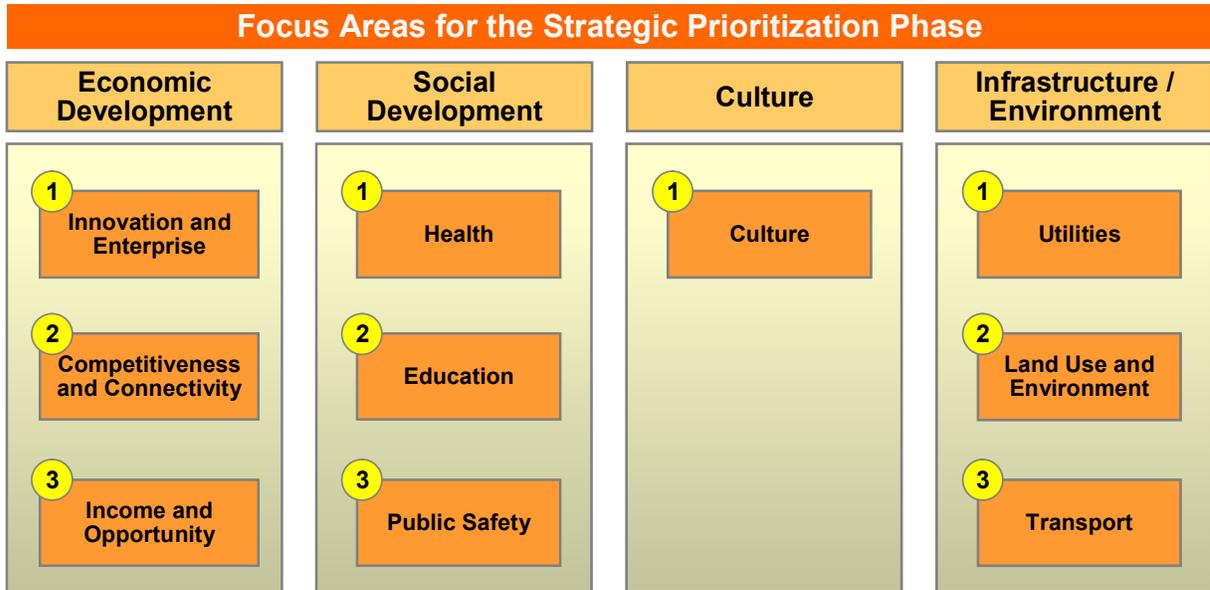
Source Puerto Rico 2025

Validation and prioritization of the strategic options for implementation



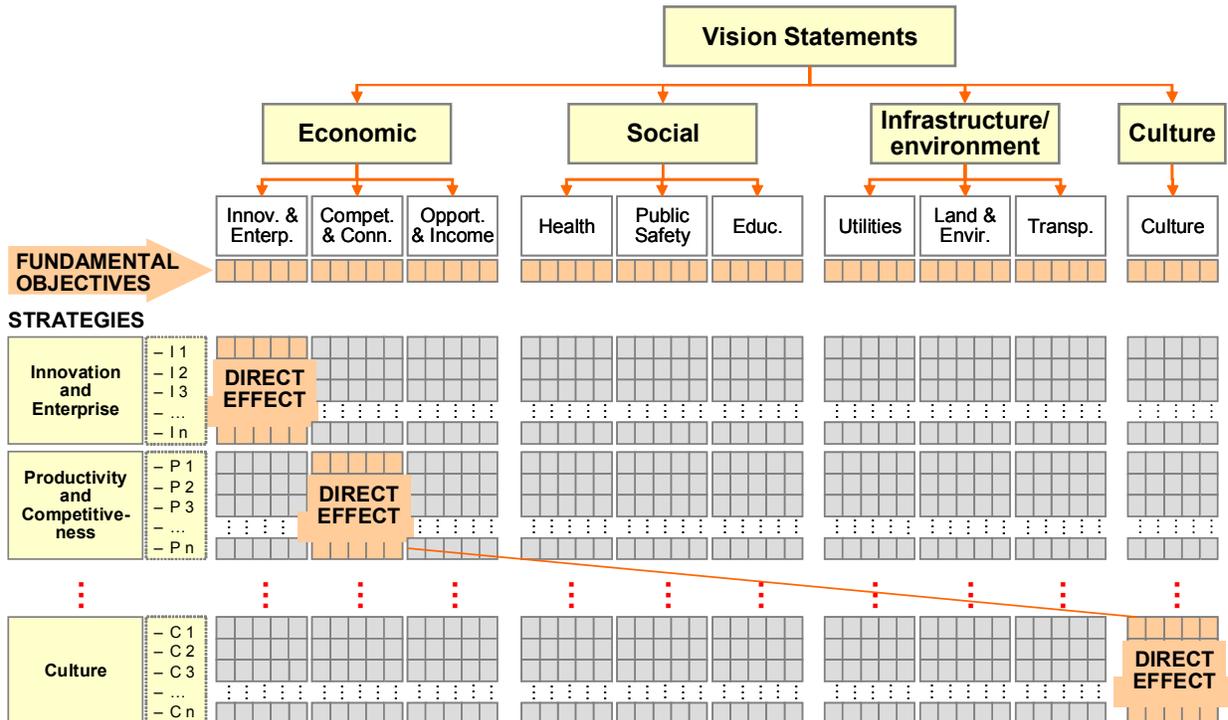
Source Puerto Rico 2025

The Output of the Assessment and Vision phases, resulted in stakeholders focusing on 10 topic areas that captured the interrelationships among the previous 18 panels



Source Puerto Rico 2025

Strategies were evaluated in terms of contribution to the Vision's objectives and the Vision's do-ability



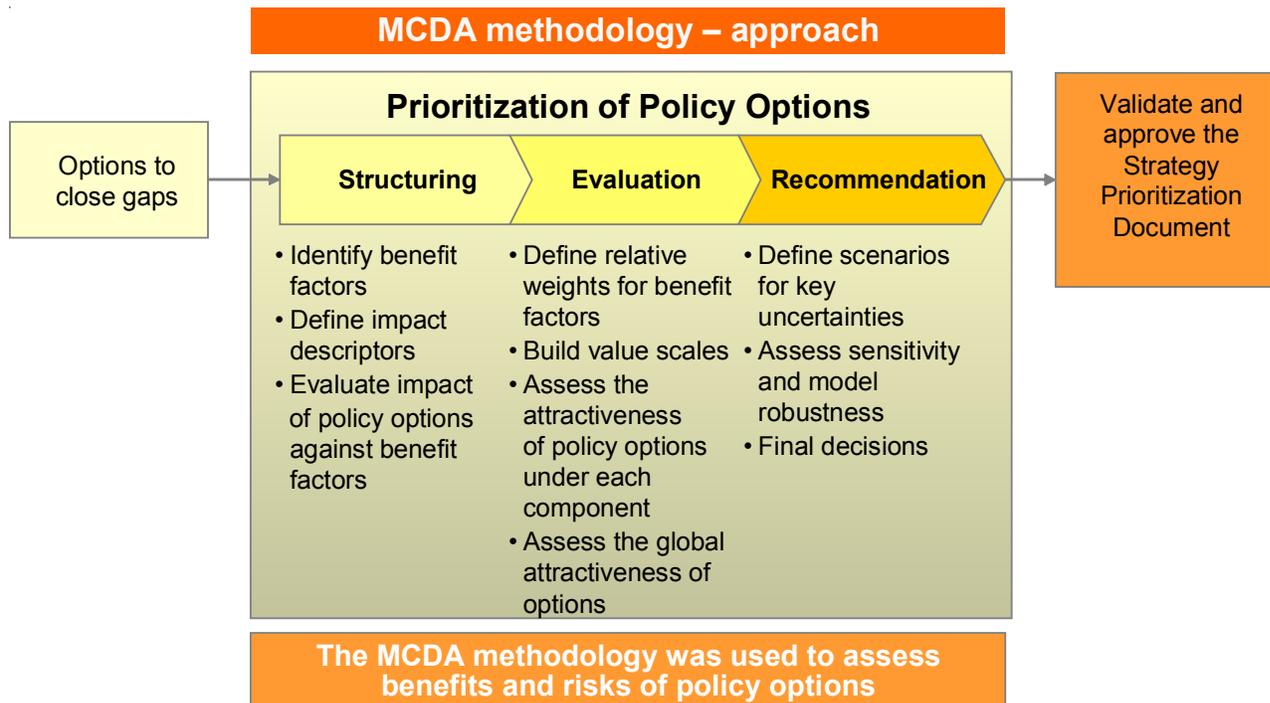
Source Puerto Rico 2025

Puerto Rico’s most significant liability is an inability of its most important social actors to reach informal accord as to the severity of its challenges and an actionable strategy to leverage its assets in the redress of its social, economic and environmental deficiencies—to initiate the requisite “paradigm shift”.

Yet, when the scope of consideration is extended beyond the borders of Puerto Rico, it is clear others—such as Ireland, Singapore, UK, Canada, North Carolina, Colorado, British Columbia—have successfully managed similar “paradigm shifts” through strategic vision and leadership initiatives.

The **Key questions** of the Strategic Prioritization Phase were:

1. What are the strategies that will contribute to reach the agreed vision, in the economic, social, environmental and infrastructure arenas?
2. How do the strategies differ in terms of their contribution to fundamental objectives?
3. How do they differ in terms of implementation risks (“doability”)?
4. Which options should be implemented first?



Thus, the primary philosophical conclusion of Project Puerto Rico 2025 is to reiterate and reaffirm that Puerto Rico needs to make a similar commitment to mechanisms—be they public, or private, or both—that support long term vision and leadership, particularly around matters dealing with the economy. Moreover, that this commitment must be the central driving force of a New Economic Model, a New Social Model, and a New Resource Model—the paradigm must shift.

Overview of the Methodology for the Strategic Prioritization Phase

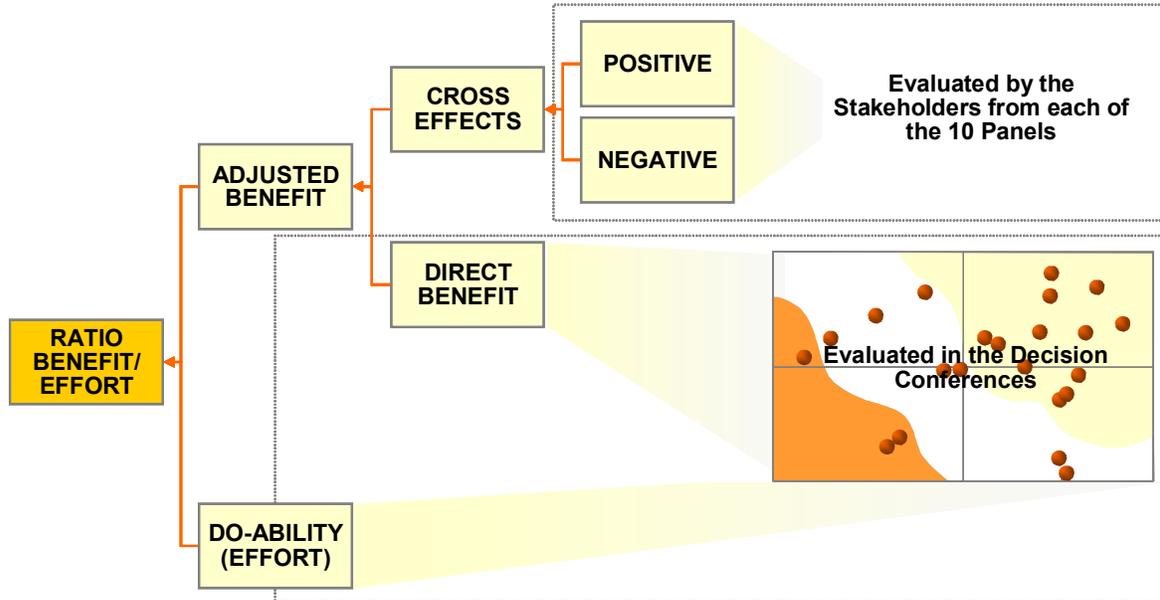
In the **Strategic Prioritization Phase**, stakeholders defined, evaluated and prioritized the strategies required to reach the approved vision for Puerto Rico.

Consequently, the **key deliverables** of the Strategic Prioritization Phase were:

- Analysis and verification of the utility of all proposed of strategies against fundamental objectives of the vision and conclusions of the assessment
- Analysis of the benefits vs. doability and subsequent incorporation into the proposed phasing of any strategy launch
- A Complete set of strategies as presented herein

Architecture of Strategy Comparisons; contribution to the Vision's objectives and the Vision's do-ability

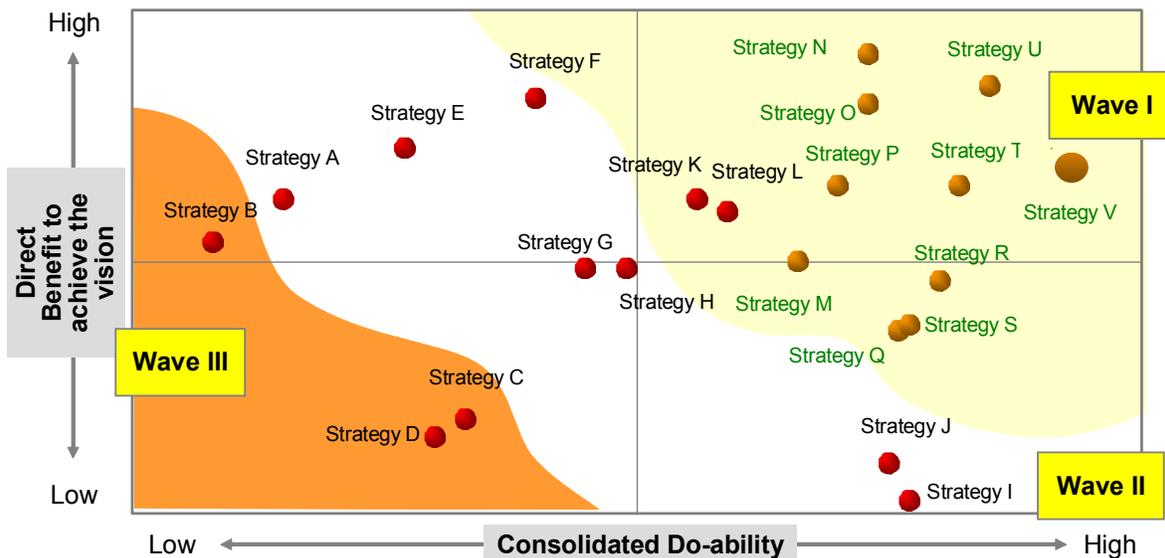
MCDCA Generation of the Benefit / Effort Ratios



Source Puerto Rico 2025

Mapping of strategies in terms of their expected benefits & their do-ability

Example of the Output Obtained in Each of the 10 Decision Conferences



Source Puerto Rico 2025

- A Strategic Plan designed for implementation through the formation of a not-for-profit organization—”Todos para Puerto Rico”.

Throughout the process, participation was critical to identify, validate and prioritize the strategic options to be implemented. During the prioritization phase more than 150 strategic initiatives were identified and evaluated under a consolidated structure that collapsed the initial 18 expert consultative panels from the assessment phase into 10 aggregate topic headings.

Consequently, on the economic front Basic Products & Manufacturing, High-technology Industries, Financial & Professional Services, Local Services, Small Business & Venture Capital, and Overall Economic Development;

Became:

- **Competitiveness & Connectivity,**
- **Income & Opportunity, and**
- **Innovation & Enterprise.**

Alternatively, on the social front Community Development, Family & Society, Culture & Recreation were incorporated among various other topic areas, although Culture became its own topic area with its own respective vision. Finally, Land Use, Energy, Communications & Information, Water & Waste, Environment Quality;

Became:

- **Transport,**
- **Utilities, and**
- **Land Use & Environment.**

Utilizing these 10 panels—Competitiveness & Connectivity, Income & Opportunity, Innovation & Enterprise, Health, Public Safety, Education, Culture, Transport, Utilities, and Land Use & Environment—the strategies were pre-validated against the findings of the assessment and the articulated vision and then, under the leadership of Prof. **Carlos Bana e Costa, London School of Economics**, the strategies of each topic area were further prioritized based on both their **direct expected benefits and doability**, as well as the expected **cross effects between areas**. Once the panel results were organized, the findings were

validated again during 2 **Strategic Decision Conferences** among a representative group of participants.

The resultant final output is a comprehensive and phased plan to address all area’s of Puerto Rico’s development; Competitiveness & Connectivity, Income & Opportunity, Innovation & Enterprise, Education, Health, Culture, Public Safety, Transport, Land Use & Environment, and Utilities and is composed of:

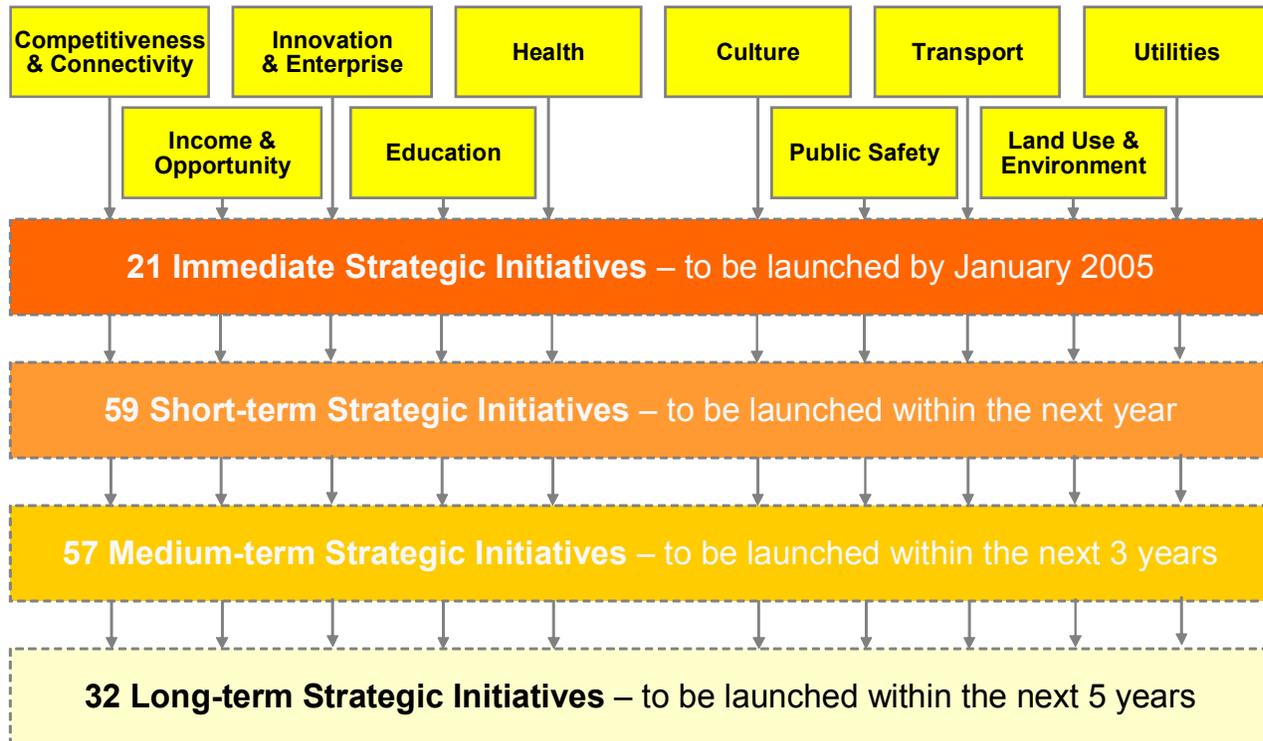
- **21 Immediate Strategic Initiatives:** to be launched by January 2005; and,
- **59 Short-term Strategic Initiatives:** to be launched within the next year; and,
- **57 Medium-term Strategic Initiatives:** to be launched within the next 3 years; and,
- **32 Long-term Strategic Initiatives:** to be launched within the next 5 years.

The New Development Paradigm

Collectively, the 169 strategies generated by the project characterize a fundamental redirection in Puerto Rico’s development path, a paradigm shift intended to return Puerto Rico to its former glories as a tiger economy, a society in positive flux, and an environmental splendor. A Puerto Rico that is prosperous, productive, and innovative. A society, capable of generating knowledge with an entrepreneurial spirit and supported by an efficient public sector; a Globally integrated place that creates a fertile and dynamic environment for internal growth; an environment that provides its population with ample opportunities to reach their potential as well as an equitably share the benefits of such growth potential.

A Puerto Rico where economic development increases profits, reduces unemployment, reduces inequality, and diminishes poverty rates. A Puerto Rico where economic development facilitates all members of society in the **achievement** their full potential using their knowledge and talent while offering workers, entrepreneurs, and investors (local and foreign) the most competitive location to generate wealth in the Americas.

The final output is a comprehensive and phased plan to address all area's of Puerto Rico's development



Source Puerto Rico 2025

To do so means the quality of **Education** improves the efficiency and financial viability of all levels society and has a special emphasis on: security and drug use, ethics and civics, technology usage, R&D, adult education, yet, ensures access to all and increases community participation. It means enhancing the overall quality of **Health** by improving, coordination, access and infrastructure, and optimizing financial resources while developing a focus on information, education and prevention, where effective special programs for central health problems and at-risk populations exist and, an upgrade in health human capital also occurs. It means the **Public Safety** of all is ensured through coordination, fairness, independence and accessibility, where specific programs exist to address the key problems of drugs, juvenile crime, domestic violence and corruption, where a focus on support and rehabilitation replaces criminality and, the role of community is effectively increased.

It means an overhaul of the **Economic Strategy**, promotion and branding, a subsequent focus on R&D and Innovation in order to stimulate local enterprise and linkages, and, promoting increases in productivity, quality and the global exposure of Puerto Rico's human

capital. It means an economy that reduces the burden of government and stimulates job creation in non-government sectors while supporting and incentivizing positive outcomes among the disenfranchised and old economy winners. It also means a **Culture** that promotes enterprise and personal responsibility while protecting heritage and strengthening the financing and autonomy of cultural institutions. It means harnessing and promoting cultural strengths: music, visual arts, sports, festivities and traditions, museums, literature, etc. while developing human capital for culture. It means acknowledging a special focus on protecting the right of expression among less popular socio-cultural and political interests.

It means a **Land-use & Environment** policy and culture that creates, communicates and enforces holistic land-use planning, restructures planning and permitting agencies and processes, reviews environmental laws and agencies, and promotes environmental sensitivity through education, incentives and improved community participation. It means a new prudence with regard to **Utilities** and the implementation of holistic water and waste plans as well as investments in infrastructure to improve

efficiency and reliability. It also means emphasis on clean technologies as well as renewable sources and renewable resources. It also means reductions in usage and waste generation while increasing independent oversight and incentives to improve performance of the Utilities sector and related industries. It requires investments in **Transportation**, at multiple levels, to first ensure capacity and efficiency of existing infrastructure and then ensure reductions in automobile, particularly car useage through rational land-use planning, collective transportation and effective incentive mechanisms. It means, promoting clean fuels and clean technologies as well as investments in new airports, maritime ports and freight systems when warranted. Vastly superior community participation must be achieved as well.

Common Themes Among the PR 2025 Strategies and Objectives

1. Increase use of technology and information
2. Increase efficiency and financial viability of institutions
3. Increase external oversight, accountability and incentives
4. Focus on quality of human capital
5. Focus on personal responsibility: ethics, awareness, usage, etc.
6. Improve community participation and access for less advantaged
7. Improve planning and coordination
8. Increase investment in targeted areas

Governor Acevedo Vila's Initiatives

What follows is a synopsis and adaptation of materials from **A)** “Plan Para Un Puerto Rico Nuevo” (Plan For A New Puerto Rico); and, **B)** the “Message on 2005-2006 Budget submitted by the Governor of the Commonwealth of Puerto Rico Hon. Anibal Acevedo-

Vilá to the Fifteenth Legislative Assembly on March 16, 2005”; and, **C)** the “State of the Commonwealth of Puerto Rico Address Honorable Anibal Acevedo-Vilá Governor Before the Fifteenth Legislative Assembly March 9th, 2005.”

The astute reader will note many of the themes, priorities and, imperatives which emerged from the **Puerto Rico 2025** process have been incorporated, to varying degrees, in the conceptual framework and implicit assessment of Puerto Rico’s current situation presented here, as extracted, reformatted and slightly edited for purposes of this document. In particular, as examples, the CEDS Executive Director would underscore the clear emphasis upon the following key issues:

- A. **A focus on personal responsibility:** ethics, awareness and, usage among all segments of the population and sectors of economic activity with a special emphasis on external oversight, accountability and incentive-ized behavior.
- B. **Improvement of the efficiency and financial viability of institutions,** particularly public sector organizations and those rendering critical services for the normal, safe and, secure and prosperous activity of the population.
- C. **The quality of human capital** and energizing the entrepreneurial spirit as well as improved community participation and access for less advantaged
- D. Increase **investment in targeted areas** and prudent use of technology and information especially to **improve planning and coordination.**

As promulgated to date, these imperatives set the underpinnings of **Governor Acevedo Vila’s** initiatives and speak directly to the policy recommendations of PR 2025.

Personal Responsibility

Under the heading of **An Era of Responsibility**, the **Acevedo Vila Administration** has identified an unemployment rate that is not acceptable; an unemployment rate that has averaged in the last

fifteen years no less than 10%, high crime rates, especially among violent crimes and crimes resulting in deaths, a 40% school drop out rate among all children that start school and, finally a deficit of over a billion dollars. Moreover, **Governor Acevedo Vila** has asserted “In simple words: the government has not solved your problems and spends more than what it has available. This is the way it has been for the last 20 years.” In acknowledgement of these circumstances Governor Acevedo Vila has called for a new sense of shared responsibility and a new era of responsibility wherein each resident of the island is called upon to participate in transforming the government into an effective instrument, into a vibrant entity and one focused on generating the results that the people want.

This call to responsibility requires the three (3) branches of the government act as part of a responsible process wherein, the fiscal and budgetary consequences of each decision are evaluated and, where no measure is to be pursued unless the cost and payment source is clearly identified. Yet, beyond the public sector, businesses, professional groups, unions, religious groups, community groups and all the citizens of the island are called upon to rethink our fiscal and civic responsibilities in light of our collective efforts to build a future that we desire.

A New Direction

Consequently, **Puerto Rico needs a New Direction**, one will take our island to new heights in development, peace and sustained progress. A direction based on the values and strengths of our community: solidarity, dignity found in honest work, optimism, our family traditions, our genius, our pride and our faith. To that end, **Governor Acevedo Vila** proposes his administration’s plan which will serve us as a guide towards a better future by encompassing tri-partisan proposals as well as multi-sector initiatives as one consolidated agenda for Puerto Rico.

The New Direction agenda is b an integrated vision of society and, aptly articulated by the concept of a “**Triangle of Success**”, a triangle where the three components of success are:

- (1) A new economy; and,
- (2) A safe and peaceful society; and,
- (3) First class education that will minimize school drop out rates.

The three components of the Triangle of Success are closely intertwined and highly interdependent and, at the same time, they speak to foundational desires for a better quality of life, with better health, and greater enjoyment as well as conservation of our environment—in sum—a first class Puerto Rico. To achieve true progress, we have to work with the whole triangle for example, a new direction in employment opportunities is needed in order to eliminate the social injustices that feed crime and a new direction in our educational system is imperative to generate the very employment opportunities that are needed. Alternatively, without a new direction, the present educational system will continue to generate high levels of school drop-outs; without a new direction, we will never succeed in the fight against crime. Therefore, Governor Acevedo Vila calls upon our Puerto Rican community to focus our energy, resources and strength to build an economy that generates more and better jobs, first class schools for our children and safety in our communities.

A New Economy

In order to accomplish these administration goals, **A New Economy** must be actively pursued, one which will be the axis of the future of Puerto Rico one which focuses on our most valuable economic resources: our people, our entrepreneurs, our professionals and our labor-force. In essence, a new direction for our economy requires that we *Support our Local Entrepreneur* as the bedrock of a new and successful economy and this direction represents an economic vision that should have been a reality a long time ago. A vision which acknowledges that this generation is capable of having the entrepreneur and the local worker as the actual central character in the story of our economic development successes.

Among other measures, Governor Acevedo Vila proposes to promote 1,000 new Puerto Rican businesses within the next four years with an initial investment of \$30 million through the program called *Key To Your Business* and will be nurtured by a joint governmental, private and academic fund. Loans and financing will be extended to enterprising Puerto Ricans with vision to enable each to start his/her new business. Yet, funding alone is insufficient to move in a new direction towards a new economy so Governor Acevedo Vila proposes that the permits and support to actually make use of the aforementioned funds will also be expedited and

decentralized, particularly where it environmental impacts are not a concern; and the training programs for other jobs and workers consolidated and reoriented towards this generation of new enterprises. In addition, in order to give these businesses some demand side support, the proposed legislation will require 15% of all purchases made by the government to originate with local businesses; but the demand side stimulation goes beyond simply purchases, because the government will pay suppliers of goods and services on time. Finally, since we desire our local entrepreneurs to become regional and then global economic actors, the governments will provide aggressive incentives to promote the export of local goods and services.

A Knowledge-based Society

When the Administration speaks of a new economy the situation Puerto Rico is facing must be understand and confronted. Which means an uncompromising commitment to a **Knowledge-based Economy and Biotechnology** so-as-to diversify Puerto Rico’s portfolio of economic activity, actors and in particular –its economic winners. Where traditionally the light-manufacturing sector has been, and still is, the central pillar of our economy, the pursuit of our desires for the future cannot depend exclusively on this sector for our development. Economic opportunity is now grounded in technology, services and the capability to compete in the Knowledge Economy. Accordingly, **Governor Acevedo Vila** will redirect efforts towards investment in biotechnology, computer sciences, telecommunications and other related sector. As part and parcel of this initiative, the government will invest in first class infrastructure and the development of Puerto Rico’s human capital. In order to accomplish this, we need private sector industries and, above all, academic institutions, to strengthen their science initiatives and biotechnology research and development. For example, this year —in collaboration with the University Of Puerto Rico (UPR) at Mayagüez Campus, a new biotechnology building will have its corner stone laid and at the UPR Río Piedras Campus the construction of the new Molecular Sciences building will begin. Furthermore, a Technology Park will be developed at the old Roosevelt Roads Military base facility, which will serve as the headquarters for new businesses dedicated to the knowledge-based economy.

Infrastructure and Planning

Despite the emphasis on a new economy, our economic development requires modern **Infrastructure and Planning for our Future**. This means adequate planning and smart investment in advanced infrastructure, the improvement of our urban surroundings and, the proactive protection of our environment. In order to meet these goals, in part, the **Acevedo Vila Administration** will focus upon:

- (1) The construction of the PORTAL TO THE FUTURE project where the old Roosevelt Roads military base is located. This plan includes the aforementioned Technology Park, areas for environmental protection, the development of the airport and maritime-port, housing, shopping centers and tourist facilities among other uses. This development will also allow Puerto Rico to have — for the first time— a properly planned modern city. Consequently, the combined investment of public and private which the project has already attracted is around at \$2.5 billion, in a little over ten years, and represents the potential to create 20,000 new jobs. To that end, the government will allocate \$500,000 to enable the Roosevelt Roads Naval Base Lands Redevelopment Authority to begin its work and direct investment.
- (2) The NETWORK(ed) CITY project, where the government will develop the areas that surround the Urban Train, particularly, at each station, with public and private funds through a well planned combination of housing, commerce, recreational areas and government buildings. Moreover, the NETWORK(ed) CITY project will establish a linear connection between the Municipal Counties of Bayamón, Guaynabo, Cupey, Río Piedras, and Hato Rey.
- (3) The INTERNATIONAL CONVENTION DISTRICT in Isla Grande, which will open its doors in November 2005, is projected to create over 3,000 jobs. By the same date the construction of a 500 room hotel will start under the administration of the Sheraton chain, as well as a housing project of 97 units. These efforts, will be further bolstered by full

integration of the International Conventions District with the Miramar area of San Juan. In order to facilitate this integration, and a profound transformation of the area, the recommendation has been accepted to move the Puerto Rico Justice Department Headquarters out of Miramar. This new zone, including the new Coliseum Building, the rebirth of the *El Condado* residential and tourism area and the possible development of the old San Juan Municipal landfill, will provide a much needed revitalization to the infrastructure of the tourist and some key residential areas that host this sector for the Island.

- (4) Completion of the ROADS PROGRAM; during his tenure as Resident Commissioner, Governor Acevedo Vila advanced this plan through the requisite subcommittees and now he is supporting the efforts of the current Resident Commissioner, Luis Fortuño, who is working in Washington DC to advance transportation projects. This \$120 million dollar increase will be used for the construction of new roads and now, includes essential projects that Resident Commissioner Fortuño is proposing.
- (5) EXTENSION OF THE URBAN TRAIN SYSTEM, to include service in and between the Municipal Counties of Carolina and Caguas. Again, both Governor Acevedo Vila and Resident Commissioner Fortuño are confident that the federal bill for highway and transportation systems will include funding for these extensions of the *Urban Train*, which, will allow for the exponential development of these existing corridors of activity as well as a reemphasis upon planning polices to increase our urban population densities.
- (6) The PORT OF THE AMERICAS, in the Municipal County of Ponce. The draining, dredging and reconstruction of the loading area will begin during this summer and, the project will be acquiring the necessary adjacent properties to maximize the contemplated usage as well as deploy the most productive version of the port development contemplated.
- (7) Development of the MAYAGÜEZ 2010 INFRASTRUCTURE [PROJECT], necessary

to host the *Central American Games* in 2010. This initiative will include the development of the Aguadilla Airport.

- (8) LEGACY 100,000 PROJECT, where, in order to preserve our natural environment, the Government is proposing to dedicate over 100,000 acres during the next 10 years for environmental [conservation] purposes. LEGACY 100,000 will begin with close to 5,000 acres that the Puerto Rico Department of Natural Resources will soon acquire and includes acreage at the former Roosevelt Roads military base, to preserve these lands as part of the Gates to the Future project.

Structural Deficits

The **Acevedo Vila Administration** will focus on achieving a budget that directly attacks our island’s fiscal problems; our structural inefficiencies and limitations, which, for years, successive governments have ignored because doing so is essential to participating in **An Era of Responsibility**. If the public sector is to take action, take leadership, in pursuit of a **New Direction**, a direction that will help us realize a **New Economy**; an economy that supports a robust and satisfying quality of life and a community where our educational and professional successes are anchored in a **Knowledge-based Economy and Biotechnology** and, our daily activity is supported by modern **Infrastructure and Planning for our Future** then the structural deficits in our government must be addressed and the requisite difficult decisions cannot be postponed.

Initially Governor Acevedo Vila seeks to eliminate the primary cause that have resulted in budget deficits such as the authorization of annual budgets that appear balanced but, in point of fact, only do so by postponing obligations until the following fiscal year. Hence, year after year Puerto Rico has accumulated huge debts that now the people of Puerto Rico must pay, somehow. Specifically, these practices include measures such as approving appropriations made to certain agencies even though they were insufficient to meet the full suit of obligations; approving laws without defining the costs that they entail nor, which recurrent sources of income will pay for such initiatives in the future. Consequently, Puerto Rico has taken loans and opened lines of credit to cover these funding insufficiencies in the operational budget

and in doing so have gone to the extreme of taking loans against future loans.

These practices have allowed, and even encouraged, administrative inefficiencies, unnecessary spending throughout the government; a lack of controls and monitoring in the use of funds; and the continued creation of new offices, agencies and more red tape. Today, the government is comprised of **144 agencies and public corporations and requires a** general fund budget, approved by the Legislative Assembly, which, reached \$8,854 million last year. This same budget included a \$550 million loan from the Puerto Rico Government Development Bank (GDB) as well as \$131 million in non-recurrent revenues. Nevertheless, despite these huge funding allocations, that same budget was insufficient for Puerto Rico's needs. As of today, it is estimated that several agencies will spend \$443 million more than what they were assigned meaning that this year's budget in fact cost \$9,297 million. Exacerbated by insufficient revenues from tax collections in the amount of roughly \$87 million, these four structural factors constitute nearly \$1,300 million in funding that are needed to cover the current budget obligations, yet, are not available for the next year.

In order to meet this shortfall, the director of the Puerto Rico Office of Management and Budget (OMB), the Puerto Rico Secretary of the Treasury and, the GDB president will be implementing serious and strict spending control measures, aggressive measures of to reduce tax evasion and austere fiscal responsibility recommendations. In order to generate revenues or achieve savings equivalent to those \$1,300 million of structural deficit, the **Acevedo Vila Administration**, needs to add nearly \$400 million to cover debts, assign funds for legislated or negotiated salary increases as well as additional appropriations. In other words, for the next fiscal year, we need to find \$1,700 million in new revenues or spending cuts.

In spite of this situation, the FY 2006 General Fund budget submitted is both balanced and real and, will allow Puerto Rico to comply with all its obligations, in the amount of \$9,684 million, yet, it will also steer the island in the **New Direction** championed by **Governor Acevedo Vila**. This has been accomplished without additional loans for operational expenses while acknowledging the limitations we face as well as the obligations we must meet. As the

GDB begins to proactively restructure and refinance Puerto Rico's existing debt, not a single new loan for operational expenses will be rendered because in our pursuit of An Era of Responsibility the public sector must lead by example.

Public Spending and Redirecting Resources

Recognizing the FY 2006 budget as a transitional budget while we implement a true tax and fiscal reform; one that accomplishes substantial reductions in assignments to several agencies and budget items, to a redirection of resources towards truly fundamental areas: education, public safety and economic development as well as health, new income sources, and aggressively fighting tax evasion—all of which, play crucial roles in the **Triangle for Success**. In order to put government to work efficiently, vacant political positions in all public agencies have been frozen, travel has been limited, and the use of cellular phones and official vehicles curtailed as fundamental controls on expenses. Yet, these measures do not go far enough to reduce the size of the government where Puerto Rico expends 2.2 million dollars per hour on the central government payroll, or \$16 million per day. Accordingly, the size of government needs reduction. Using various means, the FY 2006, transition budget, includes an **unprecedented \$370 million reduction in budget items**, including payroll and the number of agencies. It establishes strict controls in public spending and constitutes the beginning of a profound process of government reform that will provide us with a more agile, sensible and efficient government, a government that is closer to you—a truly functional and competent government.

Facing Puerto Rico's budget reality necessitates a reorganization of the government to allocate resources rationally and start solving problems. As a first phase of the FY 2006 budget, as a transitional budget as Puerto Rico moves towards a more comprehensive tax and fiscal reform. To control expenses, the following steps are necessary and require the shared responsibility of the Executive and Legislative branches for the well being of Puerto Rico.

First: consolidation, relocation and eliminations to reduce the number of offices and government agencies; through this measure the total number of agencies can be reduced by 18. **Second:** the freezing of positions as a measure to control public spending.

Third: the non-renewal of transitory and irregular contracts gradually as each contract come to term, so as allow an adjustment period and mitigate adverse impacts in essential services to the citizenry. **Fourth:** an incentive program for eligible employees to exercise the option of retirement NOW, by offering a \$2,000 bonus. **Fifth:** an incentive program for early retirement for those employees approaching standard eligibility wherein, the government has set aside \$20 million to finance the costs; this program would include the funds needed to increase the government's contribution to the Retirement System as provided for in the proposed legislation. **Sixth:** a four-day labor week, a voluntary program for employees where they would have a 15% reduction and would retain all vacation and retirement benefits. **Seventh:** the elimination of subsidies to public corporations and other entities in order to allow market pressures to promote greater efficiency and quality of service as well as the corresponding revenues for the self-sufficiency of these same organizations.

Increasing Public Revenues

Although in the immediate term the cost reductions outlined above are both necessary and prudent, the structural deficit described previously, together with the obligations required by law, is such a large burden that, by themselves, in the short term, these measures are not enough. Consequently, measures must be taken swiftly to increase revenues; primarily Tax Reform must be legislated, yet, to begin that process we can initially begin a **Head on attack on tax evasion.**

The **Acevedo Vila Administration**, through the Secretary of the Treasury, has begun implementing a multidisciplinary effort to attack tax evasion on all fronts with a particular emphasis on better detection and thus mitigation as well as, elimination of functional loopholes and other technicalities which facilitate evasion. But the department will also take action against the evasion of taxes on crude oil and its derivatives. In addition, with regard to income taxes, the Treasury Department will deploy software and techniques to detect evasion based on the consumer's consumption patterns and other activities. This measure will facilitate the capture of tax evaders who tend to be professionals, who report middle class incomes but have upper class purchasing power. Collectively, these measures should garner an additional \$95 million in the next fiscal year.

Yet even this, is not sufficient; to balance the next budget, we need to take measures that require legislative action and address our structural deficiencies. Therefore, **Governor Acevedo Vila**, proposes the following changes that start Puerto Rico off in the New Direction, and lay the foundation for robust economic, social and environmental development:

- (1) **Eliminate the exclusions from the 6.6% excise tax paid by importers.** This measure has become necessary because of the outrageous and boldfaced excise tax evasion that is increasingly common practice. The trend in Puerto Rico is that more and more articles are sold and, consumed, on our island—we are a great consumer market. However, excise tax collections have not increase along with sales. For example, from 1999, excise tax collections have been nearly constant between \$500-\$600 million per year, yet, during the same period, consumption increased from \$34,000 to \$43,000 million. Again, between 1999 and 2004, excise tax collections increased by only 3%; yet, during the same period, consumption increased by 26%. The primary source of this disjuncture, between sales and tax receipts, is that in Puerto Rico, there are *35 exclusions from this tax yet we only inspect on the order of 3% of our monthly cargo* intake. The proposed measure will produce \$639 million for priorities in the budget and will have a two-year effectiveness, which will allow us enough time to implement the Tax Reform that I will be proposing shortly
- (2) **Increasing the tax rate for financial institutions for the next two years.** Ranking third in all of Latin America after Mexico and Brazil, Puerto Rico has a highly successful financial industry. In Puerto Rico our industry offers personal banking, insurance, personal investment and credit services and the enterprises include commercial banks, brokerage agencies, insurance companies, credit agencies, lending companies and mortgage banks. Therefore, given the robust nature of this sector's activity, the **Acevedo Vila Administration**, through the Secretary of the Treasury, proposes a special tax be imposed for two (2) years as a transitory measure in

anticipation of the tax reform and as a stopgap measure until structural reforms have begun to take shape. The estimated revenues produced by this measure are estimated at \$180 million per year.

- (3) **Uniformity of the applicable rate of the capital gains tax.** According to the Internal Revenue Code, currently the applicable rate for long-term revenues, from the sale of capital assets, varies between 5% and 25%. This measure, in order to generate approximately \$60 million in recurrent revenues, seeks to set a uniform rate at 20% and will impose a measure of social justice on the system for the salaried working middle class which pays income tax rates from a minimum of 7% up to 33%, thus carrying a heavier proportional burden than those individuals who benefit from the current capital gains scheme. Again, this measure would be effective for only two (2) years, as a transitory measure, in anticipation of the tax reform initiatives required to structural reforms.
- (4) **Increase the cost of vehicle registration stickers for luxury cars.** Currently, all motor vehicles pay a flat amount for their validation stickers. The proposed measure will increase the cost of validation stickers only for cars worth \$40,000 or more. Luxury vehicle are a differentiated product and it is unfair that a middle price range vehicle requires the same amount for its validation. The proposed measure will produce an estimated \$30 million in additional revenues.

The urgent need to implement measures to reduce spending and increase government revenues, such as those outlined above, is evident when we itemize the upcoming budget. Of the **\$9,684 million** that comprise the General Fund Budget for fiscal year 2005-06, we are obligated to allocate: a nearly **\$250 million** increase, in formula allocations to the Courts, the UPR and, the municipalities; over **\$100 million** to cover previously approved laws, including salary increases; almost **\$400 million** to cover the recurrent operational deficits of particular agencies; and, just over **\$27 million** to pay central government's own debts to its own public corporations since, the government has been delinquent, even, in paying itself.

That is, from the total budget for next year, almost **\$800 million** will be absorbed by these inescapable and new debts or obligations.

Nevertheless, this circumstance is not insurmountable and, although the **Governor Acevedo Vila** cannot avoid what needs to be done; by redirecting resources and generating some stop-gap funding measures the **Acevedo Vila Administration**, will start Puerto Rico on the path in the New Direction. Consequently, the presentation funding allocations embodied in the proposed FY 2006-07 budget are important investments needed to advance Puerto Rico in the New Direction, through the Triangle for Success where we seek a New Economy, better Education, and Public Safety, and improvements in public health which protect our community. Many of these itemized allocations will be under the custody of the PR OMB which will allow for strict and professional controls, especially as related to payroll measures, so as to avoid many of the errors which caused the huge deficits in many agencies today.

Working in Concert

The Framework of interests and the action plan outlined has been the outcome of a serious exercise of economic analysis, of a frank balancing the needs of Puerto Rico against the obligations we have incurred—particularly the large debts that burden us—and significant adjustments are required to turn the tide in Puerto Rico's favor. Together, we can begin earning more than we spend by assume responsibility to spend Puerto Rico's limited funds prudently and with profound respect for our communities critical needs. Therefore, the **Acevedo Vila Administration**, calls upon all of Puerto Rico's stakeholder; the public sector, elected officials, the for-profit private sector, the not-for-profit private sector, community groups, churches and individuals citizens and residents alike to answer the call to action, to participate in An Era of Responsibility, and move Puerto Rico in a New Direction, a better direction. A way of doing business where we value the resources of the government and make wise use of existing services and our limited resources so that they we can preserve them from becoming more expensive and reaching fewer people. In particular, **Governor Acevedo Vila** invites Puerto Rico to take care and protect our public spaces especially the property in our schools, hospitals and public transportation systems so that each of us is

contributing to a culture of preservation. So that each institution is empowered to make Puerto Rico a better place. So that each organization contributes to the best use of Puerto Rico's limited resources. In addition, private enterprise, associations, civic and community based organizations are exhorted to fulfill their fiscal responsibilities, that Puerto Rico can continue to provide them with the physical infrastructure necessary to facilitate all activity and the service infrastructure to render results.

A Puerto Rico without resources has no future. A Puerto Rico country without a sense of purpose has no future. A Puerto Rico at war with itself has no future. For these reasons, the **Acevedo Vila Administration** calls upon all of Puerto Rico's stakeholders to look beyond the issues that traditionally divide us, to work collectively on the solutions and instead to put first our need to resolve critical issues; to put first our assault on social inequalities, to put first our fight against the violence in our streets, to put first the lack of educational resources in our schools. For in putting these issues first, we will have put foremost on our community agenda our children and our future. We will have put the care takers of our Puerto Rico' tomorrow foremost today. We will have put those who contribute with their work to the growth of this land and our economy foremost today. We will have put those who need and provide health services foremost today. We will have put those who need and provide protection foremost today.

If Puerto Rico strives to do this, the quality of life of our citizens will improve. The **vicious circle** of structural deficits, inefficient service and imprudent allocation of resources can be transformed into a **virtuous circle** of well rendered services, strategic and effective resource allocations and shrewd management of fiscal resources. When we put at center the well being of Puerto Rican families—better education, more safety in your streets, better job opportunities, better health conditions—there is no option but to implement the policy measures outlined by **Governor Acevedo Vila**. Personal responsibility must be assumed for our circumstances today.

The necessary decisions, no matter how difficult they may be, must be made and we must and choose correctly for the well being of our future, for our families. Puerto Rico must choose correctly for the

well being of our businesses, our churches, our forests and, our beaches. Puerto Rico must sow the seed for the future; lay the cobble stones upon the path in the New Direction. **Side by side**, Puerto Ricans must work together in An Era of Responsibility to achieve a New Economy, a knowledge-based economy and the modern infrastructure needed. **Side by side**, Puerto Ricans must work together to eliminate structural deficits and reduce spending as well as redirect resources. **Side by side**, Puerto Ricans must work together to increase public revenues and render efficiently the serves they support. **Side by side**, Puerto Rico must work hand in hand to secure a today and tomorrow we can all be proud to claim as our own.

What Follows: The Strategies

In the next portion of this section, section III, you will find **1) all the project strategies** organized and presented according to their respective implementation waves and topic area. This section includes strategies for the social and cultural areas.

Next, you will find **2) all the strategies presented by topic area**. Each topic area commences with the "Fundamental Objectives from the Vision" and then presents the strategies for each of the topic areas previously identified and are accompanied by their respective objectives. This section excludes the social and cultural topic areas and focuses exclusively upon the Economic topic area and the Infrastructure and Environment topic area.

Finally, you will find **3) a series of strategy flow charts** demonstrating graphically the relationship between each of the strategies according to their respective implementation wave. Although they are presented in Spanish, this section does include strategies for the social and cultural topic areas.

Strategies for immediate start – Economic Development

Strategies selected for immediate launch

Economic Development	Innovation and Enterprise	<ul style="list-style-type: none"> ▪ 1.5.1 – Upgrade quality of investigators and other human capital available for research and development in Puerto Rico ▪ 1.3.5 – Attract more federal and international research projects to universities
	Competitiveness and Connectivity	<ul style="list-style-type: none"> ▪ 1.3.1 – Reduce the financial cost of government on business and the economy ▪ 1.2.2 – Improve the competitiveness, quality and capacity of the physical infrastructure for the movement of information (telecom and IT)
	Income and Opportunity	<ul style="list-style-type: none"> ▪ 1.2.1 – Provide the population with the education, training and skills required to compete in the labor market ▪ 1.3.4 – Ensure that self-sufficiency and individual and community responsibility are priorities for all Puerto Ricans

Source Puerto Rico 2025

Strategies for immediate start – Culture and Social Development

Strategies selected for immediate launch

Culture	Culture	<ul style="list-style-type: none"> ▪ 2.1.2 – Protect Puerto Rico’s historic and archeological heritage and patrimony ▪ 2.3.1 – Finance cultural activities in Puerto Rico
Social Development	Education	<ul style="list-style-type: none"> ▪ 2.1.1 – Achieve Universal Primary Education - UPE ▪ 1.1.3 – Promote security and the battle against drug-use in schools
	Health	<ul style="list-style-type: none"> ▪ 1.2.1 – Promote healthy lifestyles, illness prevention and health protection ▪ 4.1.2 – Optimize the use of financial resources in promotion and prevention activities
	Public Safety	<ul style="list-style-type: none"> ▪ 3.2.2 – Promote citizen-participation in crime prevention ▪ 3.4.2 – Optimize treatment of drug-addition in Puerto Rico

Source Puerto Rico 2025

Strategies for immediate start – Environment and Infrastructure Development

Strategies selected for immediate launch

Infrastructure Development	Utilities	<ul style="list-style-type: none"> ▪ 3.2.2 – Implement and update the waste management plan ▪ 2.1.1 – Review and update the water and sewage long-term plan
	Land Use and Environment	<ul style="list-style-type: none"> ▪ 1.1.1 – Create and enact an island-wide land-use master plan, clearly defining the intended use of all land areas ▪ 1.2.2 – Communicate the land-use master plan and the permitting process to the community
	Transport	<ul style="list-style-type: none"> ▪ 3.2.3 – Create and promote efficient and reliable collective transportation ▪ 3.2.1 – Complete the highway and road network ▪ MERGED (1.1.1 - 1.2.1 - 2.1.1 - 2.2.1) – Improve the productivity and attractiveness of existing ports and airports to make them more competitive

Source Puerto Rico 2025

Strategies to be started in the short-term – Economic Development

Strategies selected for short-term launch

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Economic Development</p>	<p style="text-align: center;">Innovation and Enterprise</p>	<ul style="list-style-type: none"> ▪ 2.2.1 – Promote deeper linkages between foreign owned multinational firms and locally owned suppliers ▪ 2.3.4 – Assist small and medium enterprises in accessing special federal funds and other external funding sources ▪ 2.3.1 – Expand the availability and effectiveness of private equity funding for start-up businesses and small and medium enterprises ▪ 2.4.2 – Cultivate a widely held entrepreneurial culture in Puerto Rico ▪ 2.1.1 – Make government procurement process more favorable to local small and medium enterprises ▪ 2.4.3 – Enhance entrepreneurial "networks" to help small and medium enterprises get organized and leverage capabilities mutually ▪ 1.4.1 – Create, revise or expand financial and other incentives for private sector R&D activities ▪ 1.2.3 – Increase government indirect support and incentives for private R&D ▪ 2.2.2 – Develop a more entrepreneurial environment within large firms ▪ 2.4.1 – Improve teaching of entrepreneurial and business skills in the education system ▪ 1.1.1 – Define and implement a Puerto Rico innovation agenda to guide prioritization and policy making across government, private sector and academia ▪ 1.2.2 – Enhance direct government funding for independent R&D centers and initiatives ▪ 2.1.3 – Limit the burden of regulations and inefficiencies on small and medium enterprises
	<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Economic Development</p>	<p style="text-align: center;">Competitiveness and Connectivity</p>
<p style="text-align: center;">Income and Opportunity</p>		<ul style="list-style-type: none"> ▪ 1.1.3 – Provide public funding and other incentives for job creation in the private sector ▪ 1.1.5 – Provide support to small and medium enterprises, community businesses and cooperatives to create more job opportunities ▪ 1.1.1 – Use direct government funding to stimulate employment creation ▪ 1.2.2 – Provide direct assistance in job search and job placement

Source Puerto Rico 2025

Strategies to be started in the short-term – Culture and Social Development

Strategies selected for short-term launch

	Culture	<ul style="list-style-type: none"> ▪ 2.1.4 – Economically promote and develop the musical arts ▪ 1.1.2 – Develop and strengthen cultural activity-centers in municipalities and communities
Social Development	Education	<ul style="list-style-type: none"> ▪ 3.2.2 – Promote quality in the operation of the public and private education systems ▪ 1.1.1 – Promote ethical and civic content in curricula ▪ 3.1.2 – Evaluate and incentivize the efficiency and integration of the education system, with a focus on value-addition ▪ 1.2.1 – Optimize academic results and promote the search for excellence ▪ 3.2.3 – IT-enable the education system and promote extensive use of the Internet ▪ 2.1.2 – Enhance the viability of primary and secondary education ▪ 3.1.1 – Enhance the financial viability of the public and private education systems ▪ 2.1.3 – Enhance the viability of post-secondary education ▪ 4.1.2 – Develop R&D in collaboration with industries ▪ 1.1.2 – Promote community and family participation in the whole pre-K-to-12 learning process ▪ 4.1.1 – Develop R&D at the universities
Social Development	Health	<ul style="list-style-type: none"> ▪ 1.1.1 – Improve the collection, analysis and dissemination of information about health problems, behaviors, attitudes and knowledge in the population ▪ 2.2.1 – Incorporate preventive services into routine medical care, both public and private ▪ 2.3.1 – Develop specific action plans to tackle the main health problems in Puerto Rico ▪ 3.1.1 – Optimize the use of health data and information in Puerto Rico ▪ 3.2.3 – Provide adequate access to medical attention and rehabilitation services ▪ 2.3.2 – Promote illness-prevention in target population groups ▪ 3.2.1 – Optimize health infrastructure ▪ 3.2.2 – Promote quality in the medical attention given to patients
Social Development	Public Safety	<ul style="list-style-type: none"> ▪ 3.1.4 – Develop a plan for the ongoing study of violence ▪ 3.3.2 – Provide assistance and protection to the victims of crimes and violence ▪ 3.2.1 – Guarantee the independence of the legal justice system and the continuity of key policies ▪ 1.2.2 – Guarantee compliance with international human rights norms ▪ 3.1.3 – Coordinate crime fighting efforts at local, regional and international levels ▪ 3.3.1 – Guarantee access to justice for all citizens ▪ 1.2.1 – Substantially reduce corruption

Source Puerto Rico 2025

Strategies to be started in the short-term – Environment and Infrastructure Development

Strategies selected for short-term launch

Infrastructure Development	Utilities	<ul style="list-style-type: none"> ▪ 2.1.2 – Increase investment in water and sewage infrastructure and systems to improve efficiency and reliability and decrease pollution ▪ 5.1.3 – Promote the use of renewable sources of energy ▪ 4.2.1 – Strengthen the energy-sector regulatory body so that it becomes truly independent
	Land Use and Environment	<ul style="list-style-type: none"> ▪ 1.3.1 – Strengthen land-use enforcement mechanisms ▪ 1.1.3 – Restructure the adjudication, permitting and approval process
	Transport	<ul style="list-style-type: none"> ▪ 2.2.2 – Expand the capacity of passenger air terminals ▪ 3.2.4 – Ensure that the land use plan reduces the need for transportation ▪ 3.2.2 – Increase the efficiency and capacity of existing roads
Infrastructure Development	Utilities	<ul style="list-style-type: none"> ▪ 2.1.2 – Increase investment in water and sewage infrastructure and systems to improve efficiency and reliability and decrease pollution ▪ 5.1.3 – Promote the use of renewable sources of energy ▪ 4.2.1 – Strengthen the energy-sector regulatory body so that it becomes truly independent
	Land Use and Environment	<ul style="list-style-type: none"> ▪ 1.3.1 – Strengthen land-use enforcement mechanisms ▪ 1.1.3 – Restructure the adjudication, permitting and approval process
	Transport	<ul style="list-style-type: none"> ▪ 2.2.2 – Expand the capacity of passenger air terminals ▪ 3.2.4 – Ensure that the land use plan reduces the need for transportation ▪ 3.2.2 – Increase the efficiency and capacity of existing roads

Source Puerto Rico 2025

Strategies to be started in the medium-term – Economic Development

Strategies selected for medium-term launch

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Economic Development</p>	<p style="text-align: center;">Innovation and Enterprise</p>	<ul style="list-style-type: none"> ▪ 1.3.1 – Reform University budget and incentive structure to promote R&D and technology transfer ▪ 2.1.2 – Reduce tax burden and other financial costs that government imposes on small and medium enterprises ▪ 1.3.4 – Attract more global talent to do R&D at universities ▪ 1.4.2 – Fund major scientific infrastructure projects needed to attract more private sector R&D ▪ 2.1.4 – Improve the effectiveness of existing entities designed to promote the growth and formation of small and medium enterprises ▪ 2.3.2 – Enhance debt financing options available to small and medium enterprises ▪ 1.3.2 – Increase funding for laboratories, research centers and other R&D infrastructure at universities ▪ 1.2.1 – Create government research centers to pursue high-priority research needs
	<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Economic Development</p>	<p style="text-align: center;">Competitiveness and Connectivity</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Economic Development</p>		<p style="text-align: center;">Income and Opportunity</p>

Source Puerto Rico 2025

Strategies to be started in the medium-term – Culture and Social Development

Strategies selected for medium-term launch

Culture	Culture	<ul style="list-style-type: none"> ▪ 2.1.5 – Economically promote and develop the representative arts ▪ 2.3.2 – Develop human capital for cultural production ▪ 1.1.1 – Support and foster public and private cultural initiatives that guarantee the autonomy of cultural organizations ▪ 4.1.1 – Promote Puerto Rican festivities and traditions ▪ 1.1.3 – Facilitate access to schools specializing in art and culture ▪ 1.2.2 – Provide incentives for professional and high-competition sports in Puerto Rico ▪ 2.1.1 – Promote the development, management and coordination of museums ▪ 1.2.1 – Promote recreation and sport activities among children and youngsters in the school and university systems ▪ 2.1.3 – Economically promote and develop plastic arts ▪ 2.2.1 – Promote the development of literature and its diffusion within and outside Puerto Rico ▪ 2.2.2 – Foster reading habits ▪ 3.2.1 – Promote social responsibility in the audiovisual and printed communication media
Social Development	Education	<ul style="list-style-type: none"> ▪ 2.1.4 – Guarantee education for disadvantaged groups ▪ 2.2.1 – Guarantee education for the disabled ▪ 1.2.2 – Optimize retention and graduation rates in schools and universities ▪ 1.2.4 – Develop arts and culture ▪ 2.2.2 – Promote adult education
	Health	<ul style="list-style-type: none"> ▪ 4.1.1 – Optimize the use of financial resources for health treatment ▪ 2.1.1 – Reduce environmental risks to health ▪ 3.1.2 – Promote coordination between diverse public and private organizations for the achievement of health objectives ▪ 2.1.2 – Guarantee food assistance for higher risk groups and strengthen nutritional food surveillance systems ▪ 4.1.3 – Promote and reinforce human resource skills in the health system
	Public Safety	<ul style="list-style-type: none"> ▪ 3.1.2 – Develop a juvenile criminal justice plan ▪ 3.5.1 – Prevent and eradicate domestic violence and sexual aggression, and eliminate recurrence ▪ 3.1.1 – Expedite penal procedures ▪ 3.4.1 – Promote the habilitation and rehabilitation of the prison population

Source Puerto Rico 2025

Strategies to be started in the medium-term – Environment and Infrastructure Development

Strategies selected for medium-term launch

Infrastructure Development	Utilities	<ul style="list-style-type: none"> ▪ 3.1.1 – Promote reduced water-usage ▪ 3.2.1 – Reduce waste generation by reducing usage of materials and maximizing recycling ▪ 5.1.1 – Promote reduced energy-usage ▪ 5.1.2 – Promote cleaner use of fossil fuels for electric power generation ▪ 4.1.1 – Increase investment in electricity infrastructure and systems to improve efficiency and reliability ▪ 4.1.2 – Diversify fuel sources for electric power generation
	Land Use and Environment	<ul style="list-style-type: none"> ▪ 1.2.1 – Improve mechanisms for community participation in the land-use planning and permitting process ▪ 3.1.1 – Invest in education to foster consciousness of environmental responsibility ▪ 2.2.1 – Expand the environmental quality concept and make it applicable to physical infrastructure ▪ 2.1.3 – Redefine and ensure compliance with environmental agencies' processes ▪ 1.1.2 – Restructure the functions of government agencies to carry out the land-use planning and permitting process ▪ 2.1.4 – Establish an environmental market-based system to encourage self-administration by businesses and households
	Transport	<ul style="list-style-type: none"> ▪ 3.3.2 – Promote clean fuels and advanced technology for transportation ▪ 2.1.2 – Expand capacity of existing air cargo facilities ▪ 3.3.1 – Encourage reduction in car use

Source Puerto Rico 2025

Strategies to be started in the long-term – Economic Development

Strategies for long-term launch

Economic Development	Innovation and Enterprise	<ul style="list-style-type: none"> ▪ 2.3.3 – Enhance use of public equity funding for local enterprises
	Competitiveness and Connectivity	<ul style="list-style-type: none"> ▪ 1.1.1 – Reduce the total effective cost of human resources in Puerto Rico ▪ 1.4.1 – Remove protections and other impediments limiting competition in key economic sectors
	Income and Opportunity	<ul style="list-style-type: none"> ▪ 1.2.3 – Provide physical infrastructure which facilitates access to jobs ▪ 1.1.2 – Optimize the distribution of jobs in the public sector ▪ 1.3.3 – Improve compensation packages to make it more attractive to work ▪ 1.4.1 – Increase participation of poor and marginalized populations in formal financial networks ▪ 1.3.2 – Use direct government funds to increase the incentives for seeking employment ▪ 1.1.4 – Diminish regulations in order to stimulate job creation

Source Puerto Rico 2025

Strategies to be started in the long-term – Culture and Social Development

Strategies for long-term launch

Culture	Culture	<ul style="list-style-type: none"> ▪ 1.2.4 – Promote recreation and sports among third age (elder) individuals ▪ 2.3.3 – Promote Puerto Rican cultural production in the international environment ▪ 2.2.3 – Promote library-management and the conservation and diffusion of Puerto Rico’s documentary patrimony ▪ 1.2.3 – Promote recreation and sports among the physically and mentally disabled
Social Development	Education	▪ NO STRATEGIES FOR LONG-TERM
	Health	▪ NO STRATEGIES FOR LONG-TERM
	Public Safety	<ul style="list-style-type: none"> ▪ 3.1.5 – Guarantee the effectiveness of programs that receive public funding through external assessment

Source Puerto Rico 2025

Strategies to be started in the long-term – Environment and Infrastructure Development

Strategies for long-term launch

Infrastructure Development	Utilities	<ul style="list-style-type: none"> ▪ 2.1.3 – Redefine water and sewage pricing structure ▪ 4.1.3 – Redefine energy pricing structure ▪ 2.2.1 – Strengthen the water and waste regulatory body so that it becomes truly independent ▪ 4.2.2 – Open the electric power market to competition in all areas (generation, transmission and distribution) ▪ 2.2.2 – Open the water and sewage market to competition at all levels
	Land Use and Environment	<ul style="list-style-type: none"> ▪ 3.1.2 – Promote environmental consciousness among individuals through regulation and incentives ▪ 3.1.3 – Define community compliance goals for environment safekeeping ▪ 2.1.1 – Strengthen or modify current environmental laws, or explore new regulation schemes to ensure environmental conservation ▪ 1.3.2 – Strengthen funding mechanisms to purchase property and/or compensate owners impacted by land-use enforcements
	Transport	<ul style="list-style-type: none"> ▪ 3.4.2 – Create new mechanisms to incorporate the community in transportation planning and communication process ▪ 1.1.2 – Expand the capacity of sea ports for cargo services ▪ 2.2.3 – Increase the number and frequency of air connections for passengers ▪ 3.1.2 – Invest in new land freight systems ▪ 1.2.3 – Increase the number and frequency of maritime connections for passengers ▪ 3.1.1 – Improve the productivity of land freight services ▪ 1.2.2 – Expand capacity of passenger sea terminals ▪ 1.1.3 – Transform small and military sea ports into new ports for shipping services ▪ 2.1.3 – Transform small and military airports into new airports for cargo services

Source Puerto Rico 2025

UTILITIES – Fundamental Objectives from the Vision

OBJECTIVES	DESCRIPTION OF THE OBJECTIVES
Guarantee reliable access to all	Provide reliable access to all, with the needed technology and quality
Minimize economic cost	Maximize the efficiency and productivity of the utilities
Optimize social and environmental impact	Minimize or eliminate the utilities' negative impact on the environment and society

Source Puerto Rico 2025

UTILITIES – Strategies and their objectives

Number	Strategies	Objectives
2.1.1	Review and update the water and sewage long-term plan	<ul style="list-style-type: none"> Ensure sustainable access to water and processing of sewage, by defining long-term supply and demand, and tailoring future development in line with sustainable water resources
2.1.2	Increase investment in water and sewage infrastructure and systems to improve their efficiency and reliability and decrease pollution	<ul style="list-style-type: none"> Improve the infrastructure of the water and sewage systems, so as to maximize their reliability and efficiency and minimize losses and pollution
2.1.3	Redefine water and sewage pricing structure	<ul style="list-style-type: none"> Ensure that the water and sewage pricing is structured in such a way that it promotes efficient usage and reduces the financial debts of the authority, while maintaining social justice
2.2.1	Strengthen the water and sewage regulatory body so that it becomes truly independent	<ul style="list-style-type: none"> Ensure that the water and sewage systems are operated as efficiently and effectively as possible, by separating the regulatory and operational functions and giving the regulatory body real authority
2.2.2	Open the water and sewage market to competition at all levels	<ul style="list-style-type: none"> Ensure that the water and sewage systems are operated as efficiently and effectively as possible, by stimulating competition in the various parts of the water and sewage system

Source Puerto Rico 2025

UTILITIES – Strategies and their objectives (cont.)

Number	Strategies	Objectives
2.1.1	Review and update the water and sewage long-term plan	<ul style="list-style-type: none"> ▪ Ensure sustainable access to water and processing of sewage, by defining long-term supply and demand, and tailoring future development in line with sustainable water resources
2.1.2	Increase investment in water and sewage infrastructure and systems to improve their efficiency and reliability and decrease pollution	<ul style="list-style-type: none"> ▪ Improve the infrastructure of the water and sewage systems, so as to maximize their reliability and efficiency and minimize losses and pollution
2.1.3	Redefine water and sewage pricing structure	<ul style="list-style-type: none"> ▪ Ensure that the water and sewage pricing is structured in such a way that it promotes efficient usage and reduces the financial debts of the authority, while maintaining social justice
2.2.1	Strengthen the water and sewage regulatory body so that it becomes truly independent	<ul style="list-style-type: none"> ▪ Ensure that the water and sewage systems are operated as efficiently and effectively as possible, by separating the regulatory and operational functions and giving the regulatory body real authority
2.2.2	Open the water and sewage market to competition at all levels	<ul style="list-style-type: none"> ▪ Ensure that the water and sewage systems are operated as efficiently and effectively as possible, by stimulating competition in the various parts of the water and sewage system
3.1.1	Promote reduced water-usage	<ul style="list-style-type: none"> ▪ Use incentives, education and other means to encourage businesses and households to minimize unnecessary use of water, thereby conserving Puerto Rico’s limited water resources
3.2.1	Reduce waste generation by reducing usage of materials and maximizing recycling	<ul style="list-style-type: none"> ▪ Use incentives, education and other means to encourage businesses and households to minimize unnecessary use of materials (packaging, etc.) and maximize recycling, thereby minimizing the amount of solid-waste that needs to be processed (in landfills, etc.)
3.2.2	Implement and update the waste management plan	<ul style="list-style-type: none"> ▪ Reduce the negative impact of waste on the environment and the economy, by implementing and continuously updating the long-term waste-management plan
4.1.1	Increase investment in electricity infrastructure and systems to improve efficiency and reliability	<ul style="list-style-type: none"> ▪ Improve the infrastructure of the electric power system, so as to maximize its reliability and efficiency and minimize losses and pollution
4.1.2	Diversify fuel sources for electric power generation	<ul style="list-style-type: none"> ▪ Reduce the cost and risk associated with heavy dependency on oil, by permitting and promoting use of other fuel sources (gas, other fossil fuels, renewable energy sources, etc.)

Source Puerto Rico 2025

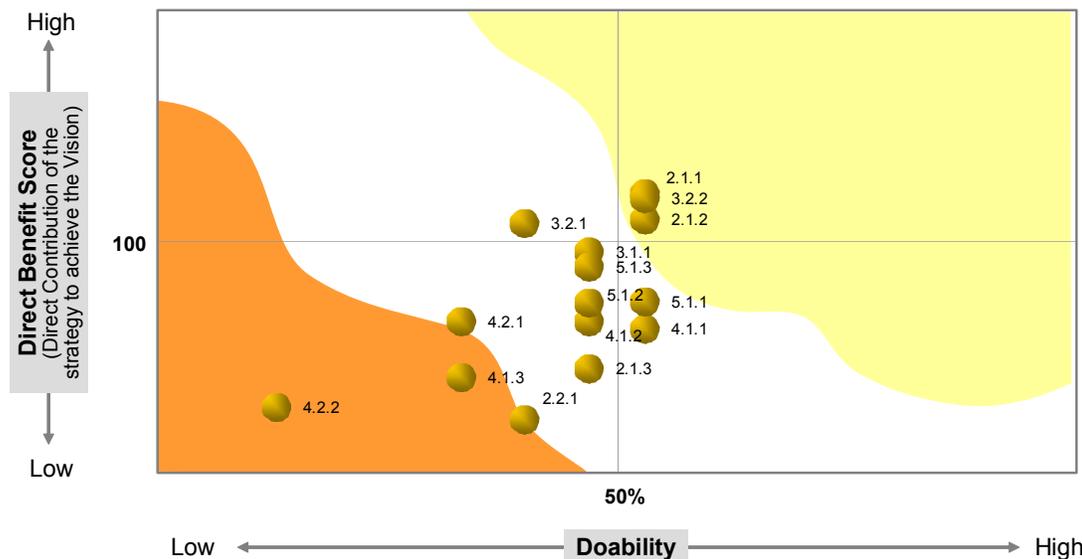
UTILITIES - Strategies and their objectives (cont.)

Number	Strategies	Objectives
4.1.3	Redefine electricity pricing structure	<ul style="list-style-type: none"> Ensure that electricity pricing is structured is such a way that it promotes efficient generation, distribution and usage and covers reinvestment needs, while maintaining social justice
4.2.1	Strengthen the electricity regulatory body so that it becomes truly independent	<ul style="list-style-type: none"> Ensure that the electricity system is operated as efficiently and effectively as possible, by separating the regulatory and operational functions and giving the regulatory body real authority
4.2.2	Open the electric power market to competition in all areas (generation, transmission and distribution)	<ul style="list-style-type: none"> Ensure that the electricity system is operated as efficiently and effectively as possible, by stimulating competition in the various parts of the generation, transmission and distribution system
5.1.1	Promote reduced energy-usage	<ul style="list-style-type: none"> Use incentives, education and other means to encourage businesses and households to minimize unnecessary use of energy, thereby reducing the burden on the economy and the environment
5.1.2	Promote cleaner use of fossil fuels for electric power generation	<ul style="list-style-type: none"> Promote the use of newer technologies and processes that minimize the environmental impact of fossil fuels used in electricity power generation
5.1.3	Promote the use of renewable sources of energy	<ul style="list-style-type: none"> Minimize environmental impact and economic costs, by permitting and promoting use of renewable fuel sources (solar, wind, geothermal, hydrogen, etc.)

Source Puerto Rico 2025

UTILITIES - Direct benefit-doability matrix from the decision conference

Result of the Experts' Evaluation during the Decision Conferences



Source Puerto Rico 2025

TRANSPORT – Fundamental Objectives from the Vision

OBJECTIVES	DESCRIPTION OF THE OBJECTIVES
Guarantee reliable access	Ensure that all have reliable access to necessary transportation infrastructure and services
Minimize economic cost	Maximize the efficiency and productivity of all transportation systems
Minimize the social and environmental impact	Reduce the negative impact of transportation systems on the environment and society

Source Puerto Rico 2025

TRANSPORT – Strategies and their objectives

Number	Strategies	Objectives
1.1.1	Improve the productivity and attractiveness of existing ports and airports to make them more competitive	<ul style="list-style-type: none"> ▪ Increase Puerto Rico’s competitiveness as a cargo and passenger hub, by focusing efforts on increasing the productivity and efficiency of existing ports and airports
1.1.2	Expand the capacity of existing sea ports for cargo services	<ul style="list-style-type: none"> ▪ Increase Puerto Rico’s competitiveness for sea cargo, by focusing efforts on expanding the capacity of existing ports
1.1.3	Transform small and military sea ports into new ports for shipping services	<ul style="list-style-type: none"> ▪ Increase Puerto Rico’s competitiveness as a shipping hub, by creating new ports to provide efficient and reliable access and trans-shipment
1.2.2	Expand capacity of passenger sea terminals	<ul style="list-style-type: none"> ▪ Increase Puerto Rico’s share of Caribbean cruise traffic, by expanding the capacity of the passenger sea terminals
1.2.3	Increase the number and frequency of maritime connections for passengers	<ul style="list-style-type: none"> ▪ Increase Puerto Rico’s share of Caribbean cruise traffic, by increasing the number and frequency of passenger services

Source Puerto Rico 2025

TRANSPORT – Strategies and their objectives (cont.)

Number	Strategies	Objectives
2.1.2	Expand capacity of existing air cargo facilities	<ul style="list-style-type: none"> ▪ Increase Puerto Rico's competitiveness for air cargo, by focusing efforts on expanding the capacity of existing air cargo facilities
2.1.3	Transform small and military airports into new airports for cargo services	<ul style="list-style-type: none"> ▪ Increase Puerto Rico's competitiveness for air cargo, by creating new cargo airports to provide efficient and reliable access and trans-shipment
2.2.2	Expand capacity of passenger air terminals	<ul style="list-style-type: none"> ▪ Increase Puerto Rico's competitiveness as a business and tourism location, by expanding the capacity of passenger air terminals
2.2.3	Increase the number and frequency of air connections for passengers	<ul style="list-style-type: none"> ▪ Increase Puerto Rico's competitiveness as a business and tourism location, by increasing the number and frequency of flights to and from Puerto Rico
3.1.1	Improve the productivity of land freight services	<ul style="list-style-type: none"> ▪ Increase the efficiency and reliability of Puerto Rico's inland freight services, by focusing on improving the productivity of existing providers and infrastructure
3.1.2	Invest in new land freight systems	<ul style="list-style-type: none"> ▪ Increase the efficiency and reliability of Puerto Rico's inland freight services, by building new land freight systems (e.g. freight rail systems)
3.2.1	Complete the highway and road network to ensure the connectivity of the transportation system	<ul style="list-style-type: none"> ▪ Ensure that residents, businesses and visitors throughout the island have efficient and safe access to services and opportunities, by completing the highway and road network
3.2.2	Increase the efficiency and capacity of existing roads	<ul style="list-style-type: none"> ▪ Provide efficient and reliable access and mobility for passengers and cargo throughout Puerto Rico by upgrading and improving the road network
3.2.3	Create and promote efficient and reliable collective transportation	<ul style="list-style-type: none"> ▪ Provide efficient and reliable access and mobility for passengers throughout Puerto Rico by creating and promoting more extensive collective transportation
3.2.4	Ensure that the land use plan reduces the need for transportation	<ul style="list-style-type: none"> ▪ Promote the utilization of mixed land use to reduce the need for transportation and make non-motorized modes more attractive and practical

Source Puerto Rico 2025

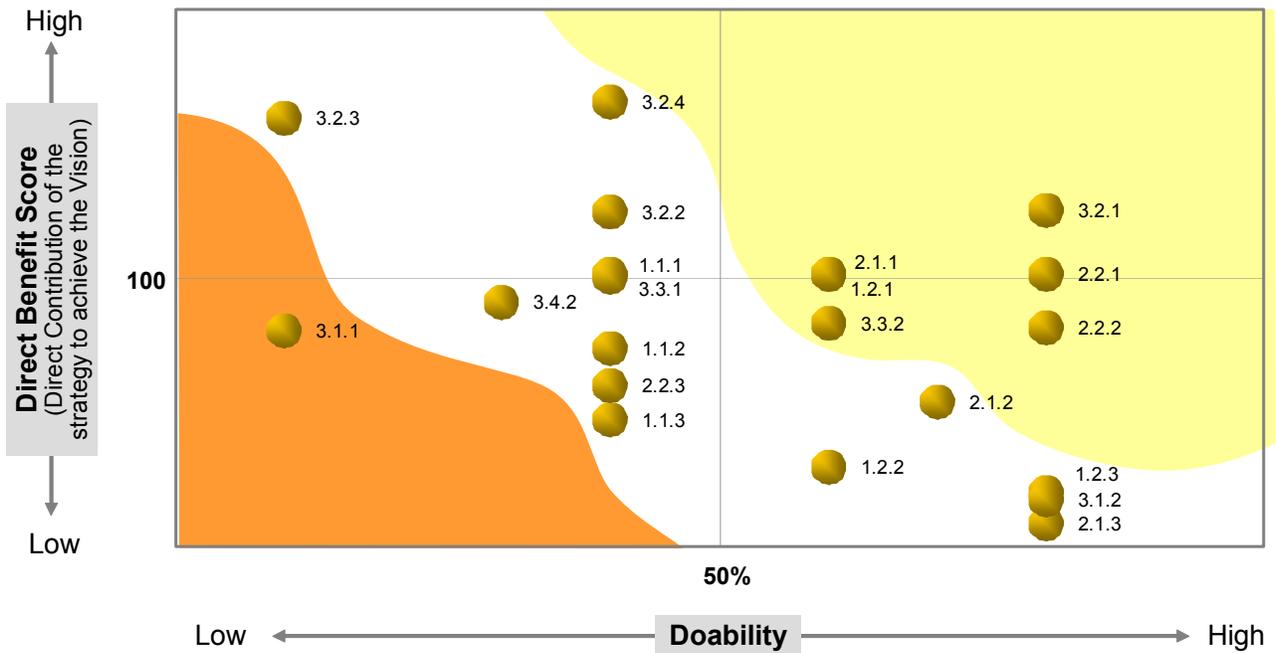
TRANSPORT – Strategies and their objectives (cont.)

Number	Strategies	Objectives
3.3.1	Encourage reduction in car use	<ul style="list-style-type: none"> Use incentives, education and other means to encourage businesses and households to minimize unnecessary use of vehicles, thereby reducing congestion, and negative economic and environmental impacts
3.3.2	Promote clean fuels and advanced technology for transportation	<ul style="list-style-type: none"> Use incentives, education and other means to encourage businesses and households to minimize environmental impact by using cleaner transport fuels and technologies
3.4.2	Create new mechanisms to incorporate the community in transportation planning and communication process	<ul style="list-style-type: none"> Improve public involvement by communities in transportation planning in order to ensure social acceptance

Source Puerto Rico 2025

TRANSPORT - Direct benefit-doability matrix from the decision conference

Result of the Experts' Evaluation during the Decision Conferences



Source Puerto Rico 2025

LAND USE AND ENVIRONMENT – Fundamental Objectives from the Vision

OBJECTIVES	DESCRIPTION OF THE OBJECTIVES
Guarantee protection of the environment	Improve protection of land, air and water resources
Facilitate economic development	Support economic development
Improve social quality	Support improvement in social quality of life by providing a safer and more healthy environment

Source Puerto Rico 2025

LAND USE/ENVIRONMENT – Strategies and their objectives

Number	Strategies	Objectives
1.1.1	Create and enact an island-wide Land-Use master plan clearly defining the intended use of all land areas	<ul style="list-style-type: none"> ▪ Increase the efficiency of the permitting process and reduce the negative impact of poorly-planned development, by creating and enacting an island-wide coordinated land-use plan that has the force of law
1.1.2	Restructure the functions of government agencies to carry out the land-use planning and permitting process	<ul style="list-style-type: none"> ▪ Increase the effectiveness and efficiency of the agencies responsible for land-use planning and permitting (JP, ARPE, municipalities, etc.), by restructuring their responsibilities and processes, where appropriate
1.1.3	Restructure the adjudication, permitting and approval process	<ul style="list-style-type: none"> ▪ Increase the speed of the permitting process and reduce the number of exceptions, by restructuring the adjudication and approval process, where necessary
1.2.1	Improve mechanisms for community participation in the land-use planning and permitting process	<ul style="list-style-type: none"> ▪ Improve public involvement by communities in the land-use planning and permitting process in order to ensure greater understanding, acceptance and compliance
1.2.2	Communicate the land-use master plan and the permitting process to the community	<ul style="list-style-type: none"> ▪ Inform the community about the land use plan and permitting processes in order to ensure greater understanding and compliance

Source Puerto Rico 2025

LAND USE/ENVIRONMENT – Strategies and their objectives (Cont.)

Number	Strategies	Objectives
1.1.1	Create and enact an island-wide Land-Use master plan clearly defining the intended use of all land areas	<ul style="list-style-type: none"> ▪ Increase the efficiency of the permitting process and reduce the negative impact of poorly-planned development, by creating and enacting an island-wide coordinated land-use plan that has the force of law
1.1.2	Restructure the functions of government agencies to carry out the land-use planning and permitting process	<ul style="list-style-type: none"> ▪ Increase the effectiveness and efficiency of the agencies responsible for land-use planning and permitting (JP, ARPE, municipalities, etc.), by restructuring their responsibilities and processes, where appropriate
1.1.3	Restructure the adjudication, permitting and approval process	<ul style="list-style-type: none"> ▪ Increase the speed of the permitting process and reduce the number of exceptions, by restructuring the adjudication and approval process, where necessary
1.2.1	Improve mechanisms for community participation in the land-use planning and permitting process	<ul style="list-style-type: none"> ▪ Improve public involvement by communities in the land-use planning and permitting process in order to ensure greater understanding, acceptance and compliance
1.3.1	Strengthen land-use enforcement mechanisms	<ul style="list-style-type: none"> ▪ Increase enforcement activities and take visible action against infractions, to increase compliance with land use plans
1.3.2	Strengthen funding mechanisms to purchase property and/or compensate owners impacted by land-use enforcements	<ul style="list-style-type: none"> ▪ Ensure that the financial resources are available to compensate owners negatively impacted by land-use requirements
2.1.1	Strengthen or modify current environmental laws, and explore new regulation schemes to ensure environmental conservation	<ul style="list-style-type: none"> ▪ Undertake regular review and updating of all environmental regulations, to ensure that the environment is being protected, while not unnecessarily constraining development
2.1.3	Redefine and ensure compliance with environmental agencies' processes	<ul style="list-style-type: none"> ▪ Undertake regular review and updating of environmental agencies and processes, to ensure that environmental regulation is being implemented as efficiently as possible
2.1.4	Establish environmental market based systems to encourage self-administration by businesses and households	<ul style="list-style-type: none"> ▪ Where appropriate, establish market-based systems (e.g. credits for lower usage, penalties for higher usage of resources) to encourage self-administration by businesses and households
2.2.1	Expand the environmental quality concept and make it applicable to physical infrastructure	<ul style="list-style-type: none"> ▪ Use incentives, education and other means to encourage businesses and households to incorporate environmental considerations into all buildings and other infrastructure

Source Puerto Rico 2025

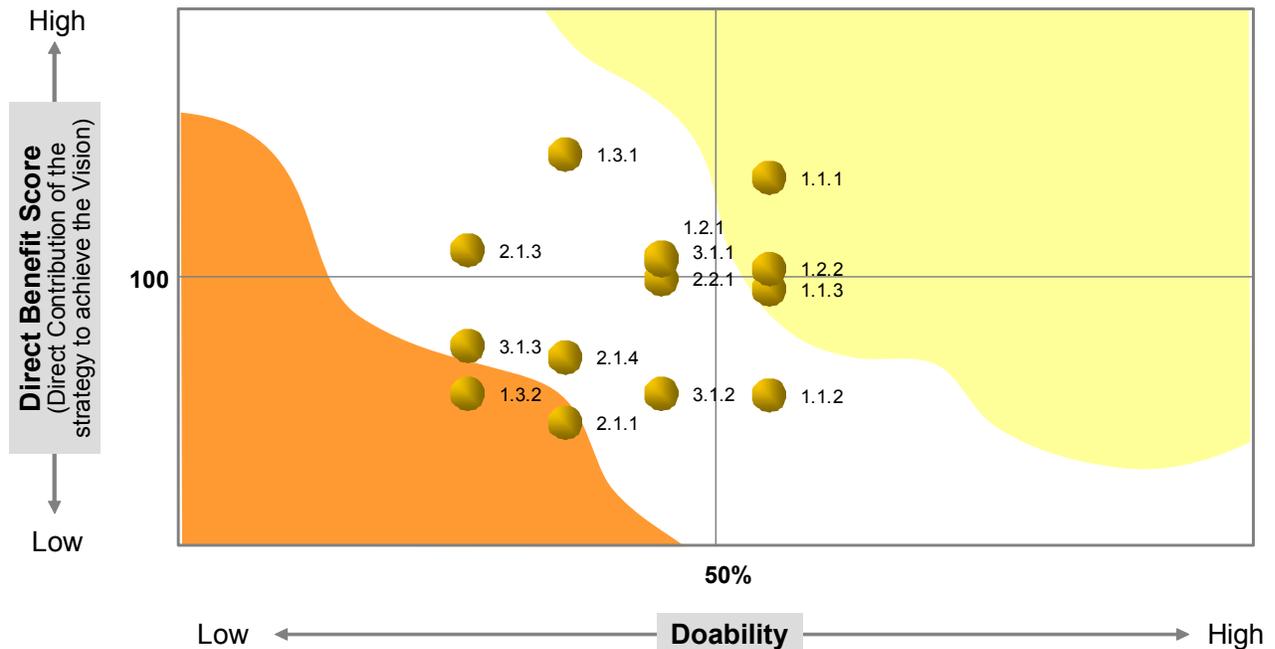
LAND USE/ENVIRONMENT – Strategies and their objectives (Cont.)

Number	Strategies	Objectives
3.1.1	Invest in education to foster consciousness of environmental responsibility	<ul style="list-style-type: none"> Promote broad-based environmental conservation, by focusing on education and community awareness campaigns
3.1.2	Promote environmental consciousness among individuals through regulation and incentives	<ul style="list-style-type: none"> Promote broad-based environmental conservation, by focusing on regulations and incentives to change individual behavior
3.1.3	Define community compliance goals for environment safekeeping	<ul style="list-style-type: none"> Promote broad-based environmental conservation, by focusing on measurement systems, whereby the environmental impact of each household and neighborhood is tracked and reported

Source Puerto Rico 2025

LAND USE AND ENVIRONMENT – Direct benefit-doability matrix from the decision conference

Result of the Experts' Evaluation during the Decision Conferences



Source Puerto Rico 2025

COMPETITIVENESS – Fundamental Objectives from the Vision

OBJECTIVES	DESCRIPTION OF THE OBJECTIVES
Maximize productivity and competitiveness	Ensure that across all industries, the Puerto Rican economy has high levels of productivity and is internationally competitive
Maximize global integration	Increase Puerto Rico’s connectivity to the world so as to facilitate exports, investment and knowledge transfer
Maximize the quality of life and attractiveness as a location to live	Establish Puerto Rico as an attractive location in which to live

Source Puerto Rico 2025

COMPETITIVENESS – Strategies and their objectives

Number	Strategies	Objectives
1.1.1	Reduce the total effective cost of human resources in Puerto Rico	Increase Puerto Rico’s competitiveness as a place to do business by decreasing the total effective cost of labor (focusing on areas like benefits, workers comp, work-days, employment taxes, etc.)
1.1.2	Increase the productivity of local human capital through training and skills programs	Increase Puerto Rico’s competitiveness as a place to do business by increasing the output-productivity of local workers through training, skills improvement and education programs
1.1.3	Increase the productivity of local human capital through increasing use of technology	Increase Puerto Rico’s competitiveness as a place to do business by increasing the use of productivity-enhancing technology in all segments of the economy: manufacturing, services, logistics, transport, government, education, health, etc.
1.1.4	Institute programs to attract more global talent to Puerto Rico	Increase Puerto Rico’s competitiveness and connectivity to the world by attracting more international talent to work in Puerto Rico: entrepreneurs, investors, knowledge-workers, researchers, professors, students, etc.
1.1.5	Deepen linkages between Puerto Rico’s people and the world	Increase the competitiveness and connectivity of Puerto Rico’s workforce by increasing their exposure to international best practices – through study-abroad, internships/exchanges, training programs, etc.

Source Puerto Rico 2025

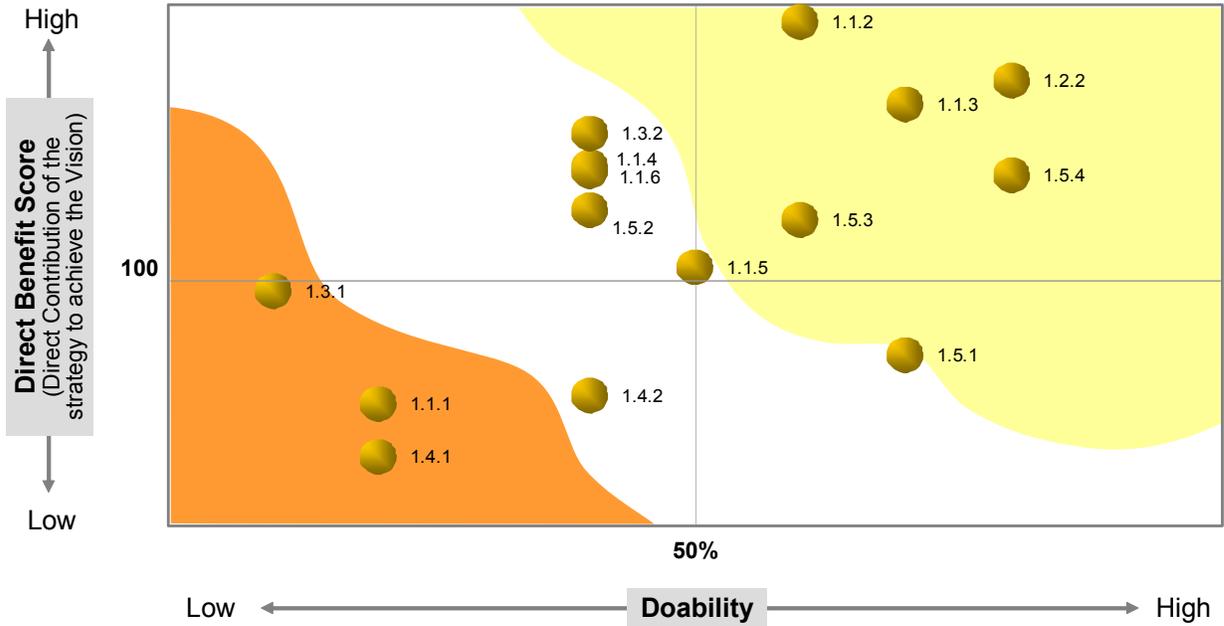
COMPETITIVENESS – Strategies and their objectives (Cont.)

Number	Strategies	Objectives
1.1.6	Promote multi-lingual abilities in all sectors of the economy	Increase Puerto Rico's competitiveness as a place to do business by promoting the learning of English and other languages
1.2.2	Improve the competitiveness, quality and capacity of the physical infrastructure for the movement of information	Establish Puerto Rico as a center for high technology industries and services by improving its telecommunications and information technology infrastructure
1.3.1	Reduce the financial cost of government on business and the economy	Reduce the financial burden that the government imposes on the economy, by reducing the cost of the government and the accumulated debt and liabilities of public authorities and pension funds
1.3.2	Reduce the regulatory inefficiencies impacting business	Make Puerto Rico a more business-friendly environment by increasing the efficiency of regulatory processes, through streamlining, process reengineering, technology-deployment, etc.
1.4.1	Remove protections and other impediments limiting competition in key economic sectors	Evaluate the benefits and costs of barriers limiting competition in certain economic sectors (e.g. certificates of need, restrictions on foreign entry, etc.) and remove barriers as appropriate
1.4.2	Rationalize unproductive subsidies distorting competition and resource allocation in key economic sectors	Evaluate the benefits and costs of subsidies promoting resource allocation in certain economic sectors and reduce/remove these subsidies as appropriate
1.5.1	Overhaul the positioning and branding of Puerto Rico by shifting the focus to tomorrow's knowledge-based industries and the island's desirability as a working and living environment	Launch a coordinated campaign to improve how Puerto Rico is perceived internationally – as an exporter of goods and services and as a destination for investors, tourists, entrepreneurs, knowledge-workers, students, etc.
1.5.2	Improve the ongoing process for defining the overall economic strategy of Puerto Rico	Institute a more structured, consolidated and forward-looking process for defining the overall economic growth strategy for Puerto Rico
1.5.3	Overhaul the systems for promoting investment in Puerto Rico	Increase the amount of inward investment in Puerto Rico by maximizing the efficiency and effectiveness of current institutions and involving more actors in attracting investment to Puerto Rico
1.5.4	Overhaul the systems for promoting exports in Puerto Rico	Increase Puerto Rico's level of exports by maximizing the efficiency and effectiveness of current institutions and involving more actors in promoting Puerto Rican exports

Source Puerto Rico 2025

COMPETITIVENESS – Direct benefit-doability matrix from the decision conference

Result of the Experts' Evaluation during the Decision Conferences



Source Puerto Rico 2025

OPPORTUNITIES AND INCOME – Fundamental Objectives from the Vision

OBJECTIVES	DESCRIPTION OF THE OBJECTIVES
Improve income levels for all	Improve income levels for all
Maximize economic opportunities for all	Create opportunities for all, particularly for people of low resources, to increase their standard of living
Maximize social equity	Ensure more equitable access for all to opportunities to grow their incomes and wealth

Source Puerto Rico 2025

OPPORTUNITIES/INCOME – Strategies and their objectives

Number	Strategies	Objectives
1.1.1	Use direct government funding to stimulate employment creation	Use government funds to finance targeted projects to help with job creation
1.1.2	Optimize the distribution of jobs in the public sector	Review and rationalize public sector employment both geographically and across agencies to optimize equitable job opportunities
1.1.3	Provide public funding and other incentives for job creation in the private sector	Give incentives to the private sector to create job opportunities across the island, especially in high unemployment areas
1.1.4	Diminish regulations in order to stimulate job creation	Review hiring and other regulations to allow for increased flexibility in the labor market
1.1.5	Provide support to small and medium enterprises , community businesses and cooperatives to create more job opportunities	Help foster small and medium enterprises and cooperatives in Puerto Rico to increase the number of job opportunities they provide

Source Puerto Rico 2025

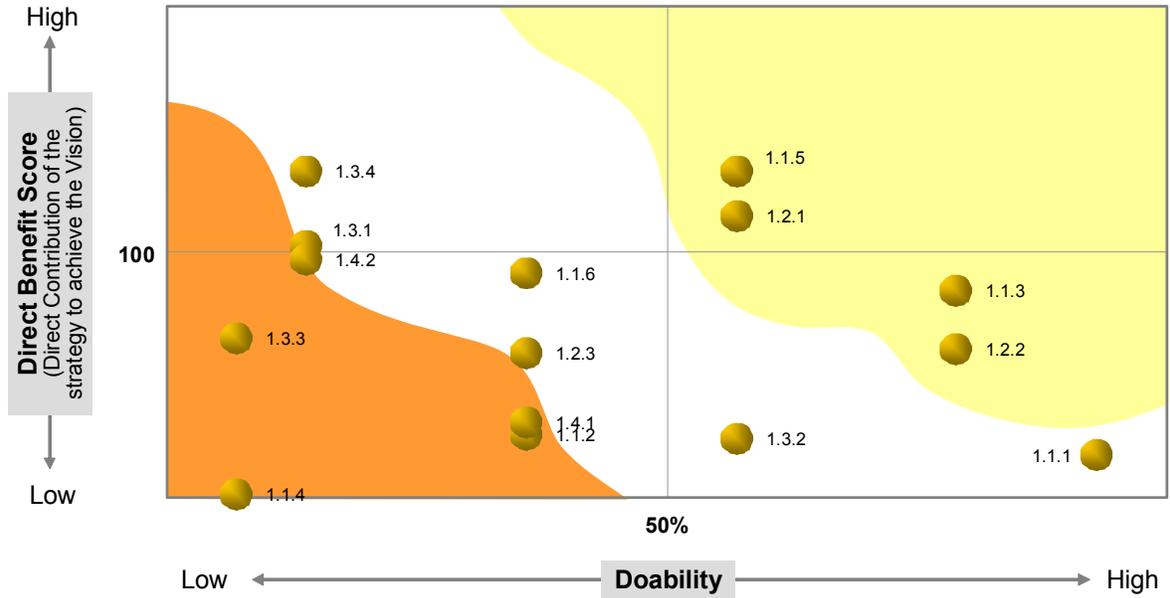
OPPORTUNITIES/INCOME – Strategies and their objectives (Cont.)

Number	Strategies	Objectives
1.1.6	Provide support and incentives to non-profit organizations to create more job opportunities	Help foster non-profit organizations to increase job opportunities across Puerto Rico
1.2.1	Provide the population with the education, training and skills required to compete in the labor market	Improve the skills and knowledge base of especially the disadvantaged population to make them more competitive in the market place
1.2.2	Provide direct assistance in job search and job placement	Organize public and private forces to provide assistance and mentoring to those that are trying to enter the labor force
1.2.3	Provide physical infrastructure which facilitates access to jobs	Put into place the physical infrastructure, (e.g. transportation, child care facilities, etc.) that will make it easier for individuals to seek employment outside their homes
1.3.1	Reform social-assistance programs to encourage gainful employment	Reform the existing social assistance programs to make gainful employment more attractive than being on social assistance
1.3.2	Use direct government funds to increase the incentives for seeking employment	Provide monetary and other incentives to make it more attractive to work than to receive social assistance
1.3.3	Improve compensation packages to make it more attractive to work	Find ways to make employment more attractive, by adjusting compensation packages and increasing the softer benefits – training, community-building, etc.
1.3.4	Ensure that self-sufficiency and individual and community responsibility are priorities for all Puerto Ricans	Instill in the population of the island a sense of pride and self-reliance
1.4.1	Raise participation of poor and marginalized populations in formal financial networks	Help bring the marginalized into the formal economy and alleviate poverty by encouraging greater use of banks and financial institutions
1.4.2	Encourage saving and asset building among poor and marginalized people	Help optimize personal wealth of poor and marginalized people by enabling them to accumulate assets

Source Puerto Rico 2025

OPPORTUNITIES AND INCOME – Direct benefit-doability matrix from the decision conference

Result of the Experts' Evaluation during the Decision Conferences



Source Puerto Rico 2025

INNOVATION – Fundamental Objectives from the Vision

OBJECTIVES	DESCRIPTION OF THE OBJECTIVES
Maximize R&D in Puerto Rico	Increase the quantity and scope of research and development conducted in Puerto Rico
Maximize Commercialization	Promote innovation by ensuring that the R&D coming out of the public, private sectors and the universities is commercialized properly
Maximize Enterprise Start-up and Growth	Establish an environment in which local enterprises can foster and grow

Source Puerto Rico 2025

INNOVATION – Strategies and their objectives

Number	Strategies	Objectives
1.1.1	Define and implement a Puerto Rico innovation agenda to guide prioritization and policy making across government, private sector and academia	Establish appropriate island-wide coordinating mechanisms between government, private sector and academia, to identify high potential R&D areas, guide policy decisions promoting R&D, and leverage expertise and resources across sectors and projects
1.2.1	Create government research centers to pursue high-priority research needs	Where appropriate, mobilize local and/or US government funding to create government research centers focused on high-priority R&D areas (e.g. like federal R&D labs in the US)
1.2.2	Enhance direct government funding for independent R&D centers and initiatives	Significantly increase the “science and technology fund” to provide direct government funding for private sector and university R&D initiatives in Puerto Rico
1.2.3	Increase government indirect support and incentives for private R&D	Increase the use of tax-incentives and other government support (subsidies, infrastructure, training etc.) to stimulate more private sector and university R&D in Puerto Rico
1.3.1	Reform University budget and incentive structure to promote R&D and technology transfer	Reform incentive systems at Puerto Rico’s universities (compensation, promotion, tenure, budget-allocation, etc.) to encourage more professors and students to engage in research and innovation

Source Puerto Rico 2025

INNOVATION – Strategies and their objectives (cont.)

Number	Strategies	Objectives
1.3.2	Increase funding for laboratories, research centers and other R&D infrastructure at universities	Attract more corporations and researchers to conduct R&D at Puerto Rico's universities, by increasing/reallocating the funding available for physical infrastructure for R&D
1.3.4	Attract more global talent to conduct R&D at universities	Attract more international researchers to conduct research at Puerto Rico's universities, by making more funding available and changing processes and attitudes towards hiring foreigners
1.3.5	Attract more federal and international research projects to universities	Launch a coordinated campaign, bringing together a number of existing initiatives, to significantly increase the amount of outside R&D investment attracted to Puerto Rico
1.4.1	Create, revise or expand financial and other incentives for private sector R&D activities	Increase the use of tax-incentives and other government support (subsidies, infrastructure, training etc.) to stimulate more private sector R&D in Puerto Rico
1.4.2	Fund major scientific infrastructure projects needed to attract more private sector R&D	Evaluate and invest as necessary in the physical infrastructure (e.g. broadband networks, laboratories, etc.) required to attract and foster increased corporate R&D in Puerto Rico
1.5.1	Upgrade quality of investigators and other human capital available for R&D in Puerto Rico	Identify the specific skills required to become a leading R&D center and expand programs to develop human resources with these skills
2.1.1	Make government procurement process more favorable to local small and medium enterprises	Evaluate all government procurement programs to ensure that they give local entrepreneurs fair opportunities to compete and grow their businesses
2.1.2	Reduce the tax burden and other financial costs that government imposes on small and medium enterprises	Review all taxes and financial costs imposed by the government on SMEs, to identify areas where the financial cost could be reduced, thereby stimulating growth and employment-generation
2.1.3	Limit the burden of regulations and inefficiencies on small and medium enterprises	Review all regulatory and process burdens imposed by the government on SMEs, to identify areas where these burdens could be reduced, thereby stimulating growth and employment-generation

Source Puerto Rico 2025

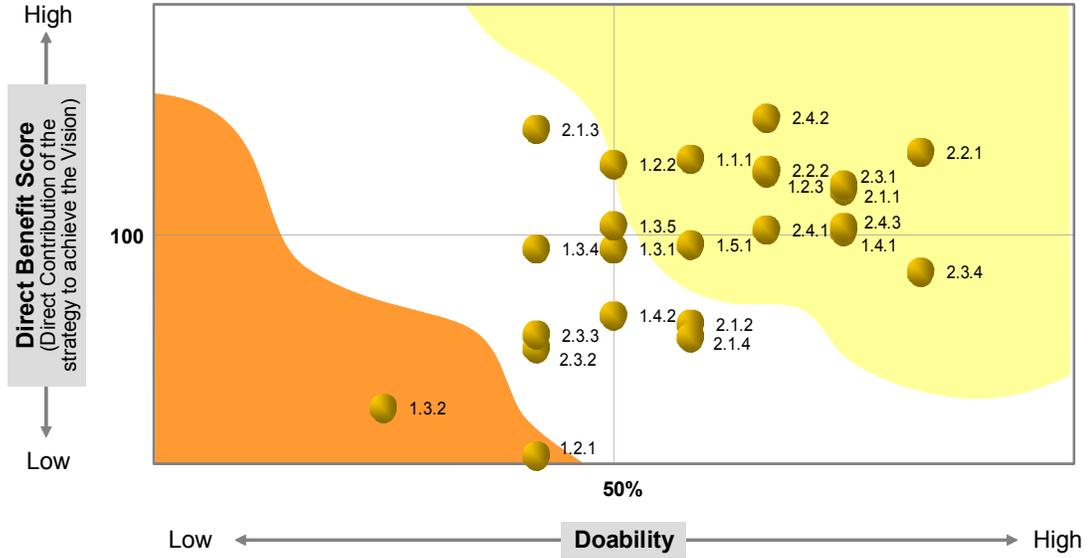
INNOVATION – Strategies and their objectives (Cont.)

Number	Strategies	Objectives
2.1.4	Improve the effectiveness of existing entities designed to promote the growth and formation of small and medium enterprises	Undertake a comprehensive review of the various entities and programs designed to help entrepreneurs (SBDCs, community business centers, etc.) to ensure their effectiveness and coordination
2.2.1	Promote deeper linkages between foreign owned multinational firms and locally owned suppliers	Deploy incentives and other tools to promote more linkages between foreign investors and local companies – e.g. more subcontracting to local suppliers, mentoring programs, technology-transfer, etc.
2.2.2	Develop a more entrepreneurial environment within large firms	Establish mechanisms (competitions, rewards, etc.) to encourage large foreign and local firms to promote intrapreneurship among their employees
2.3.1	Expand the availability and effectiveness of private equity funding for start-up businesses and small and medium enterprises	Continue to promote the development of the venture capital and angel sector in Puerto Rico, so as to increase availability of private equity funding for start-up and growth businesses
2.3.2	Enhance debt financing options available to small and medium enterprises	Continue to innovate and promote the financing options available to SMEs from banks and other debt-financing institutions
2.3.3	Enhance use of public equity funding for local enterprises	Explore ways to promote the use of public equity funding and encourage more Puerto Rican companies to go public
2.3.4	Assist small and medium enterprises in accessing special federal funds and other external funding sources	Augment the various initiatives designed to help local companies access SBA and other international funding sources for small and medium enterprises
2.4.1	Improve teaching of entrepreneurial and business skills in the education system	Review curricula at all stages of the education system, to ensure sufficient emphasis is being given to development of entrepreneurial and management skills
2.4.2	Cultivate a widely held entrepreneurial culture in Puerto Rico	Launch an island-wide communication campaign to promote the virtues of entrepreneurship at all levels of society
2.4.3	Enhance entrepreneurial "networks" to help small and medium enterprises get organized and leverage capabilities mutually	Encourage the establishment of entrepreneur support networks and associations to enable knowledge-sharing and resource-sharing between small and medium enterprises

Source Puerto Rico 2025

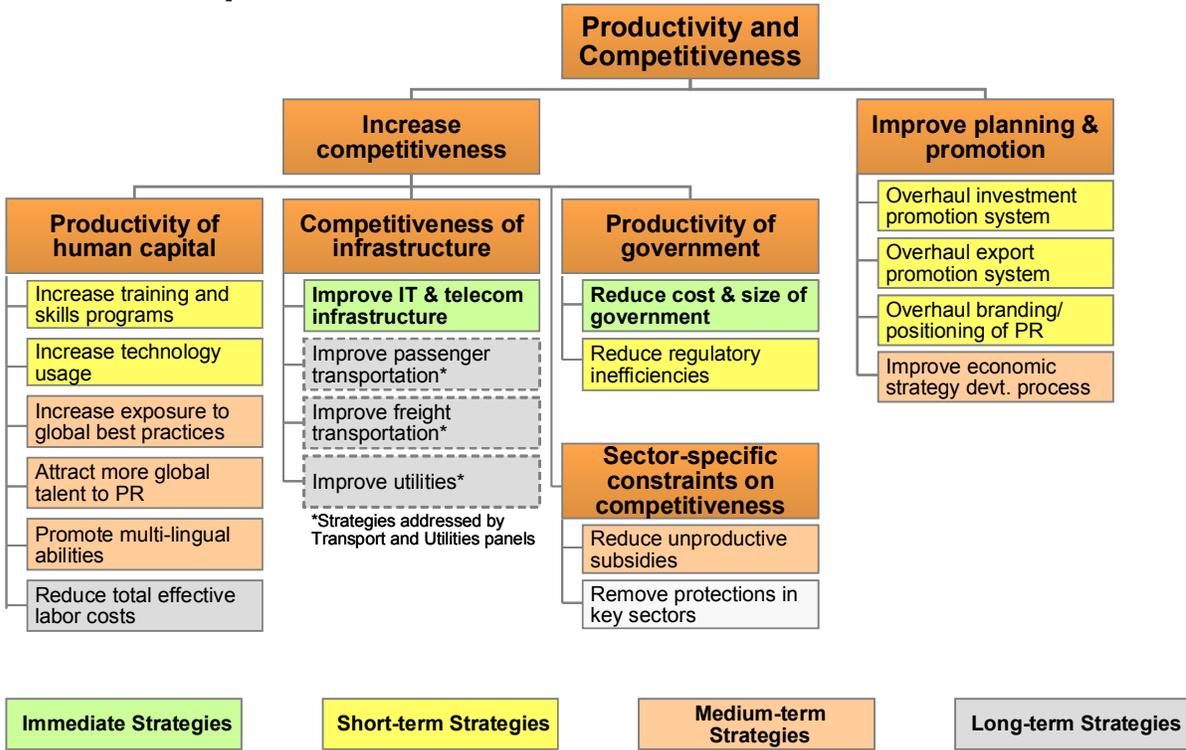
INNOVATION – Direct benefit-doability matrix from the decision conference

Result of the Experts' Evaluation during the Decision Conferences



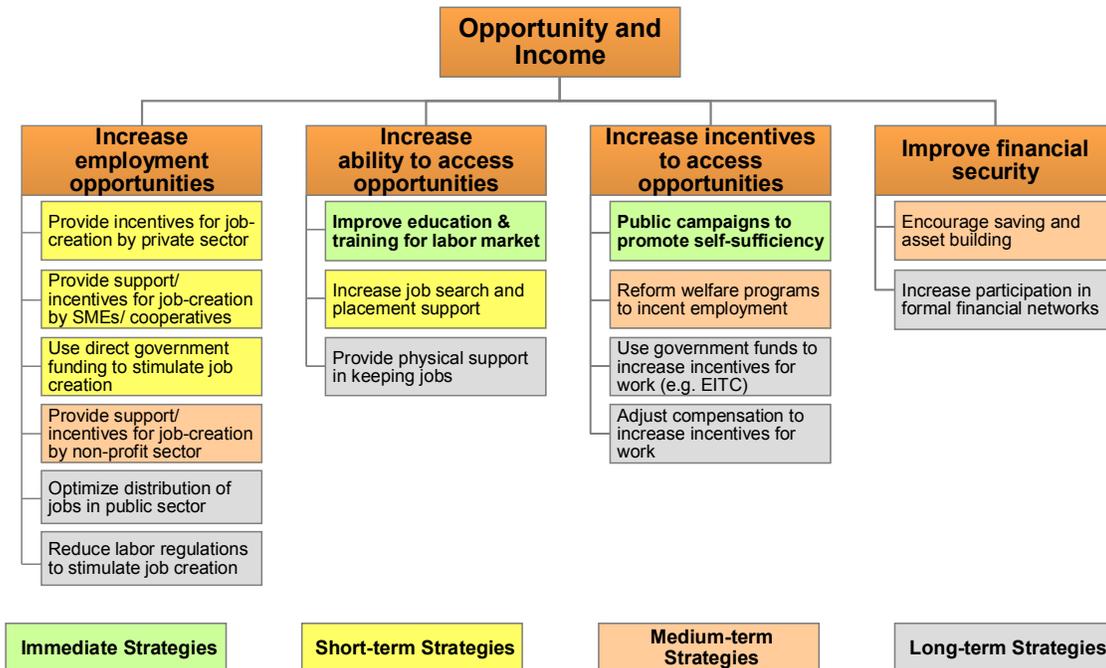
Source Puerto Rico 2025

Strategies in the Productivity and Competitiveness area have been prioritized as follows



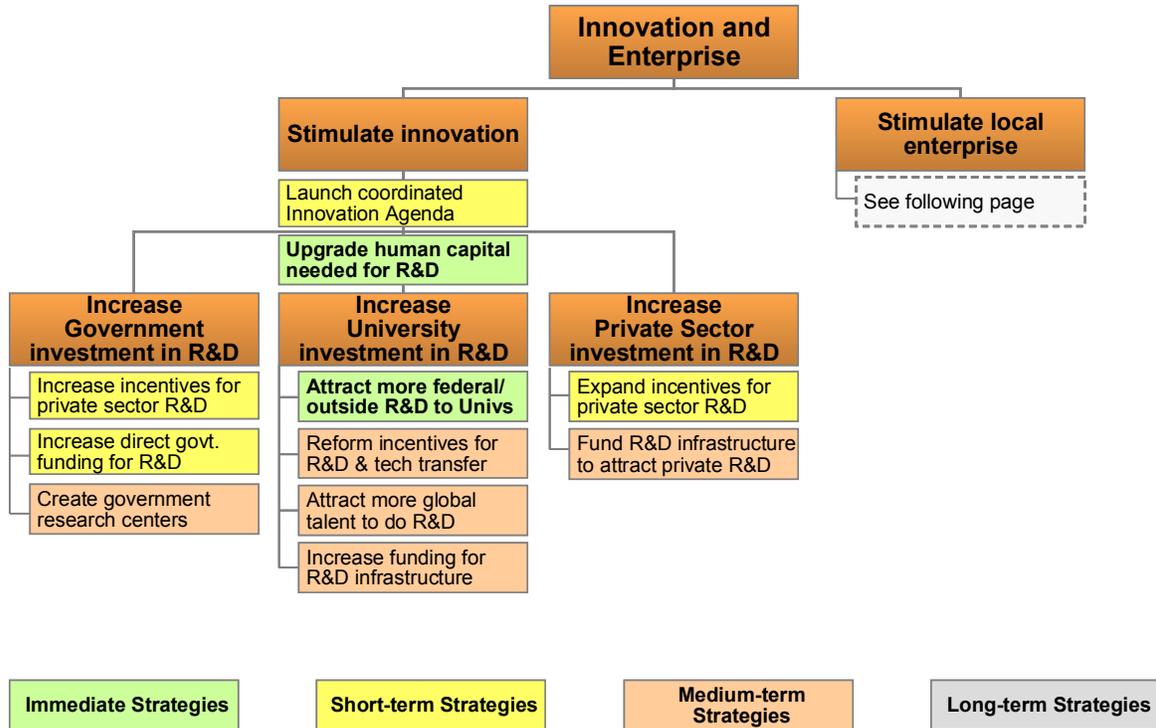
Source Puerto Rico 2025

Strategies in the Opportunity and Income area have been prioritized as follows



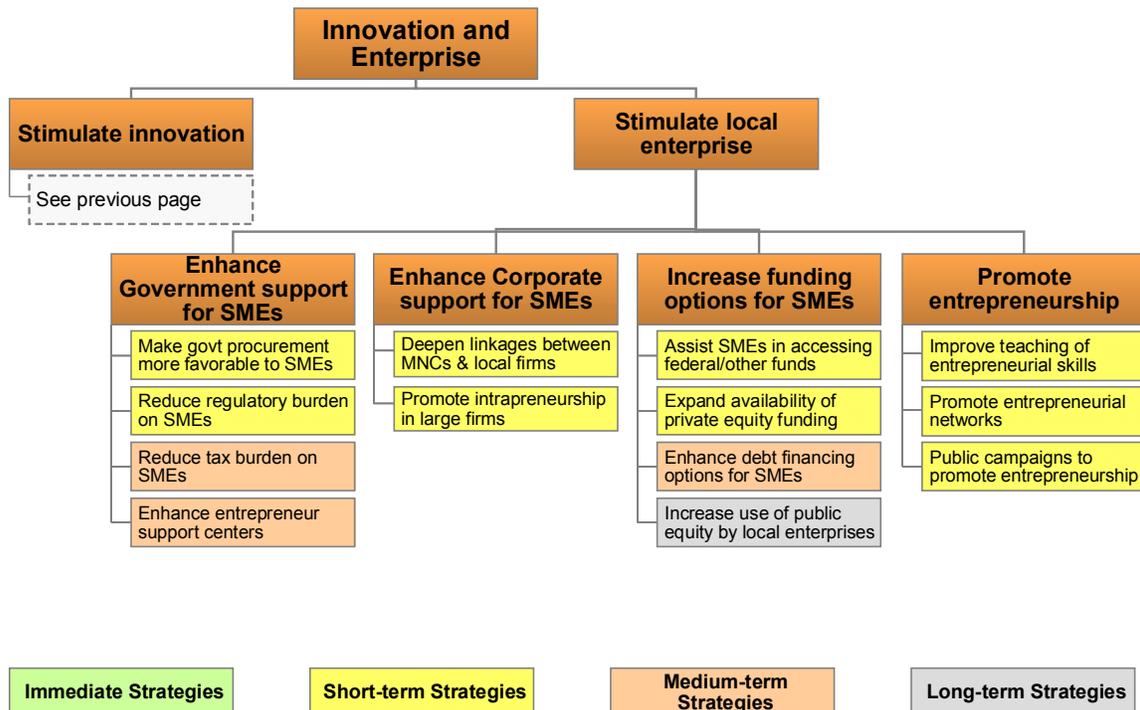
Source Puerto Rico 2025

Strategies in the Innovation area have been prioritized as follows



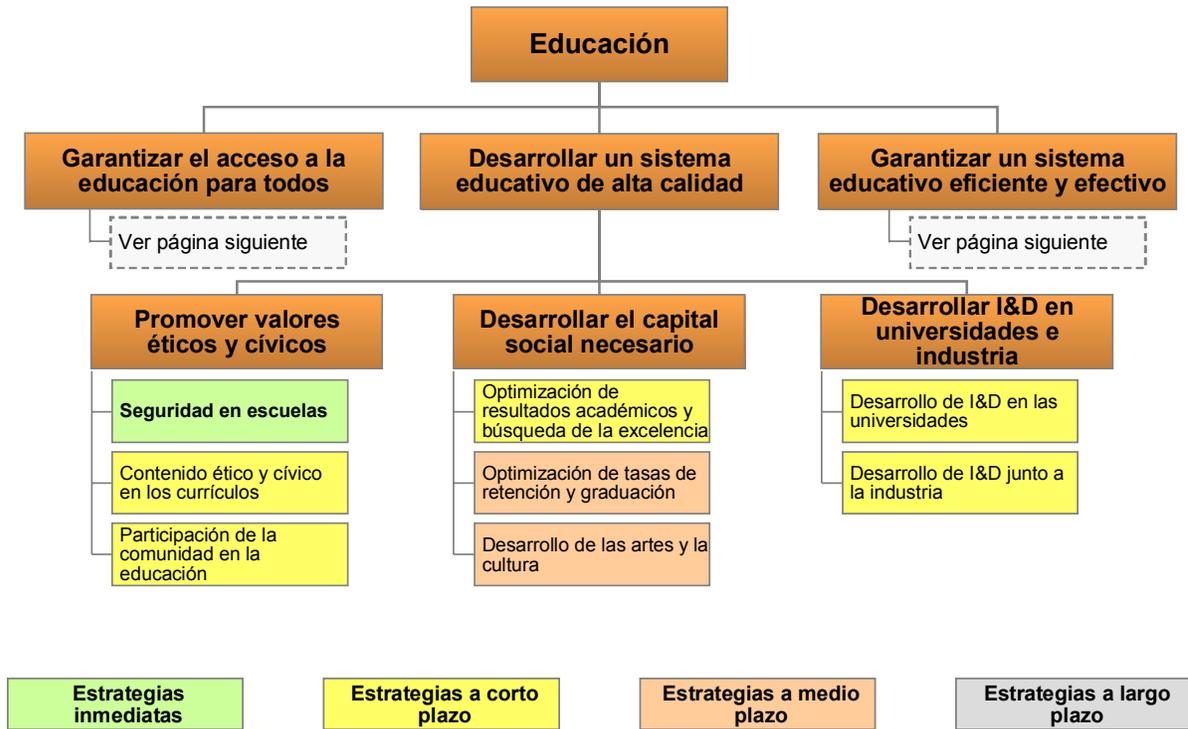
Source Puerto Rico 2025

Strategies in the Enterprise area have been prioritized as follows

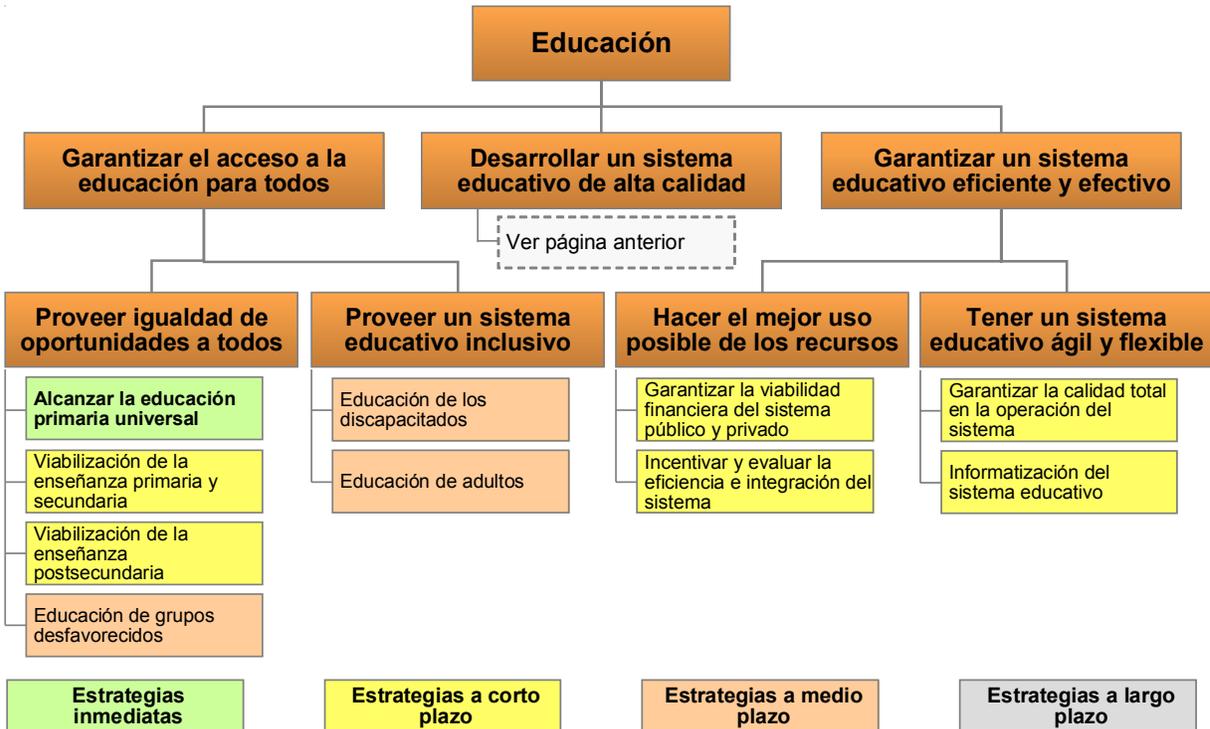


Source Puerto Rico 2025

Strategies in the Education area have been prioritized as follows



Source Puerto Rico 2025

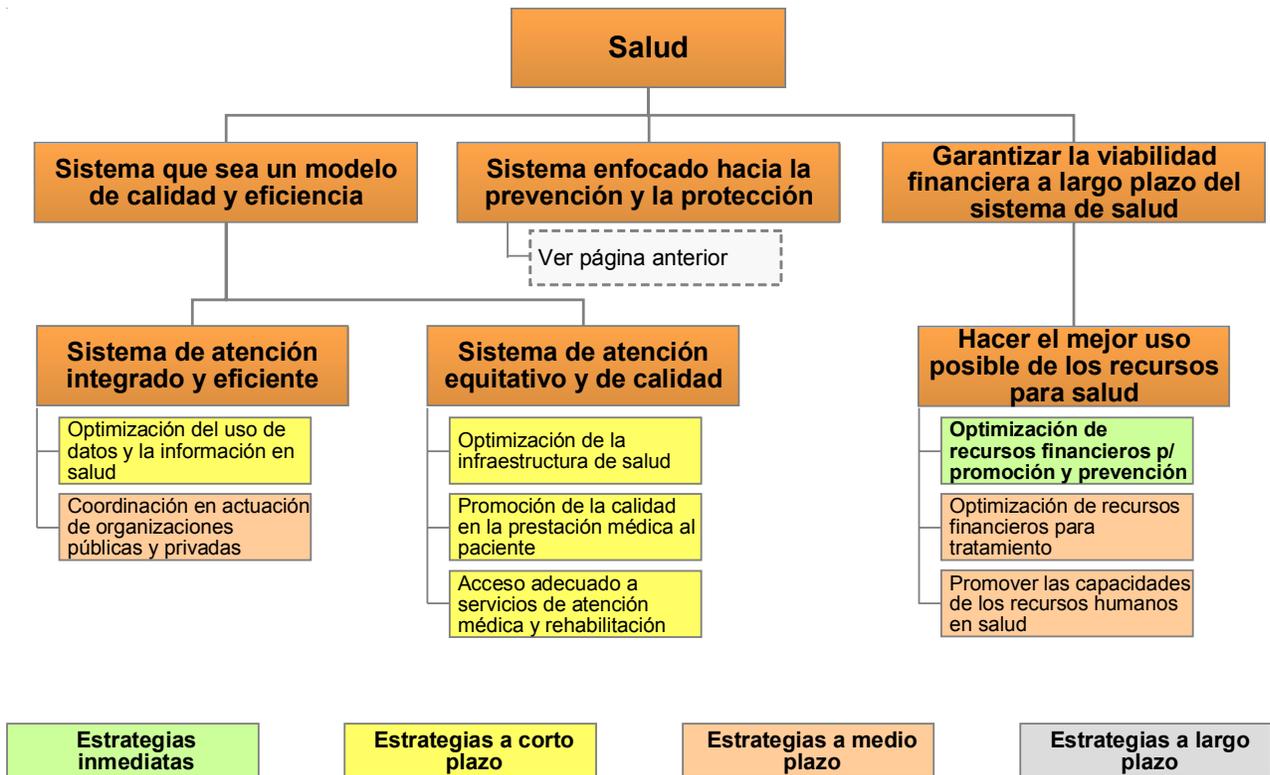


Source Puerto Rico 2025

Strategies in the Health area have been prioritized as follows

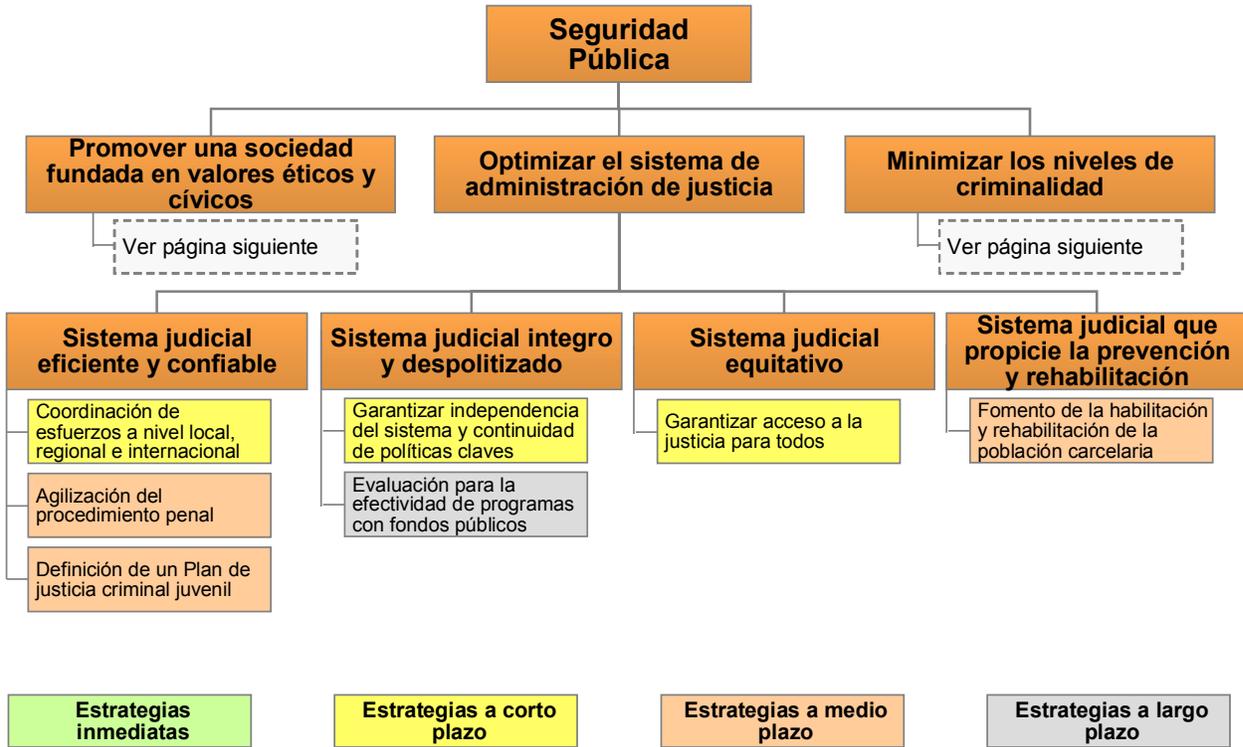


Source Puerto Rico 2025

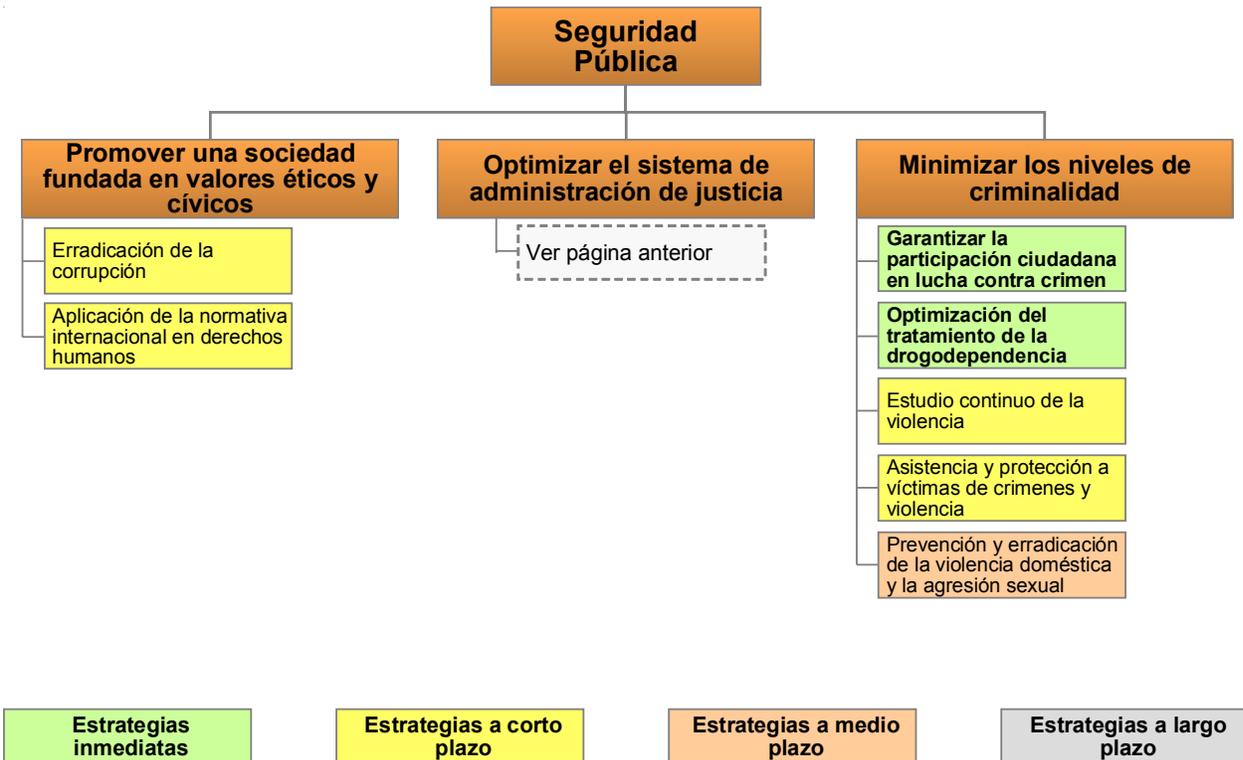


Source Puerto Rico 2025

Strategies in the Public Safety area have been prioritized as follows

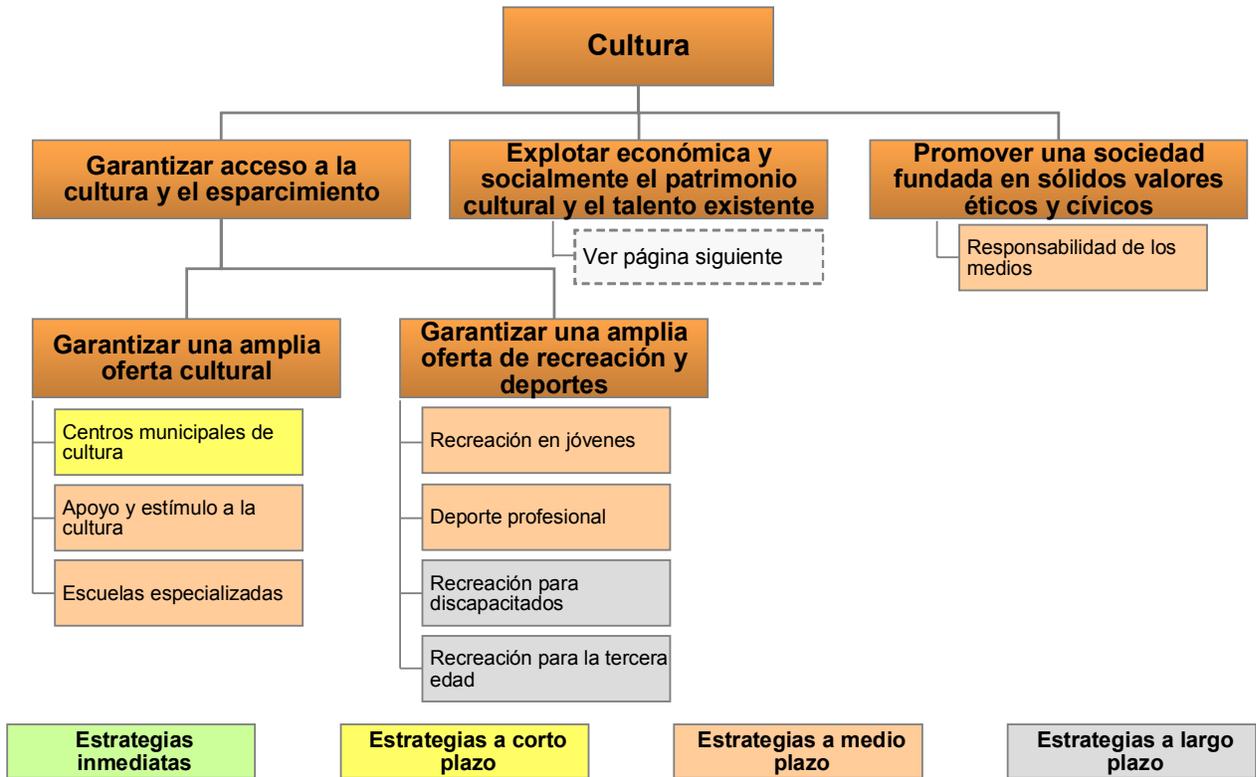


Source Puerto Rico 2025

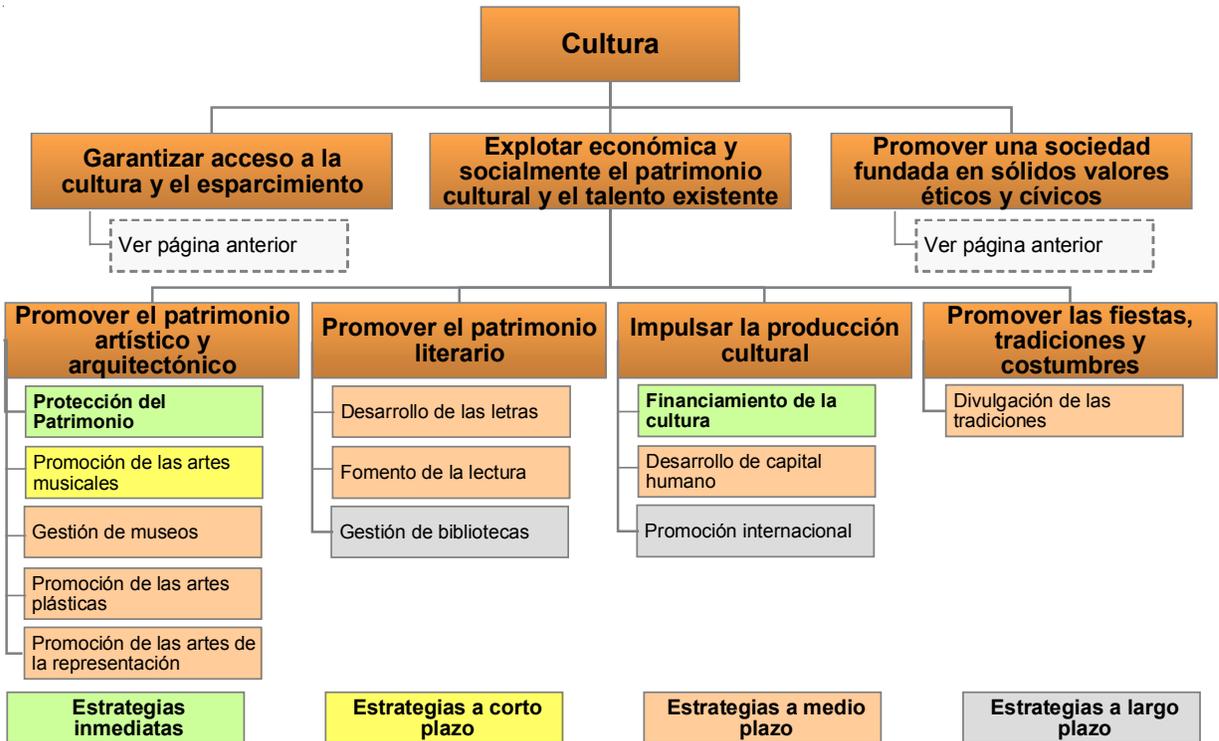


Source Puerto Rico 2025

Strategies in the Culture area have been prioritized as follows

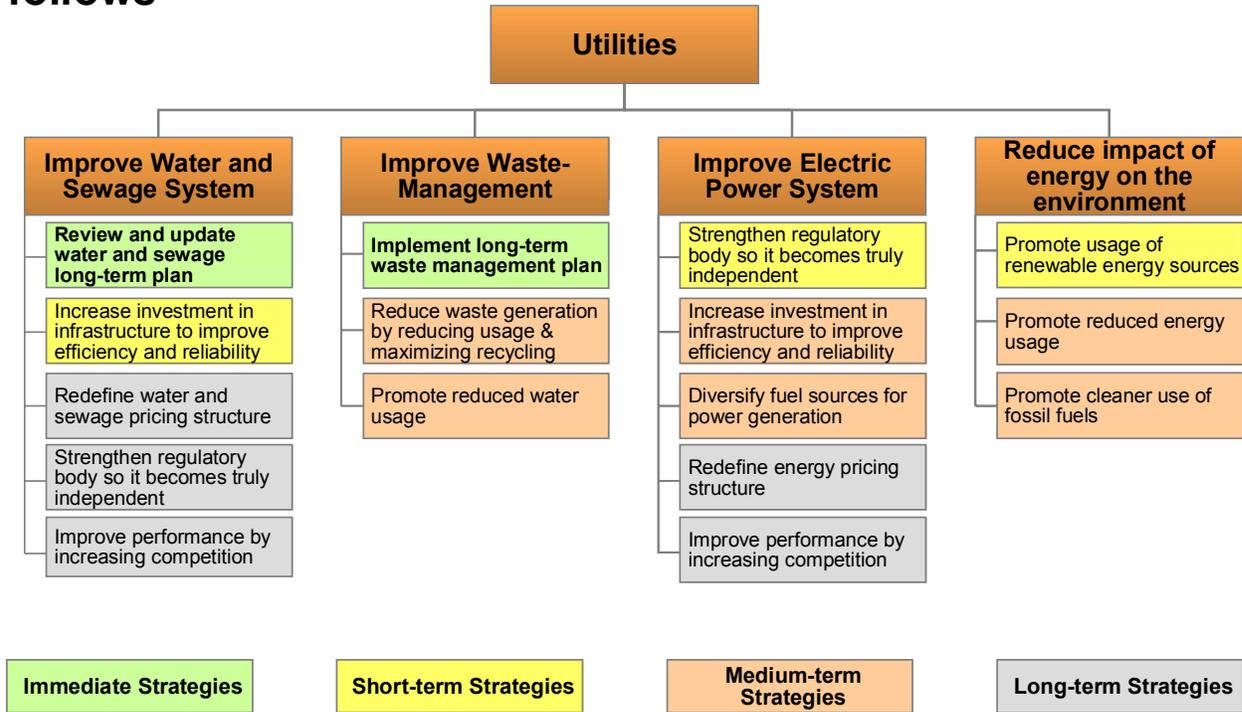


Source Puerto Rico 2025



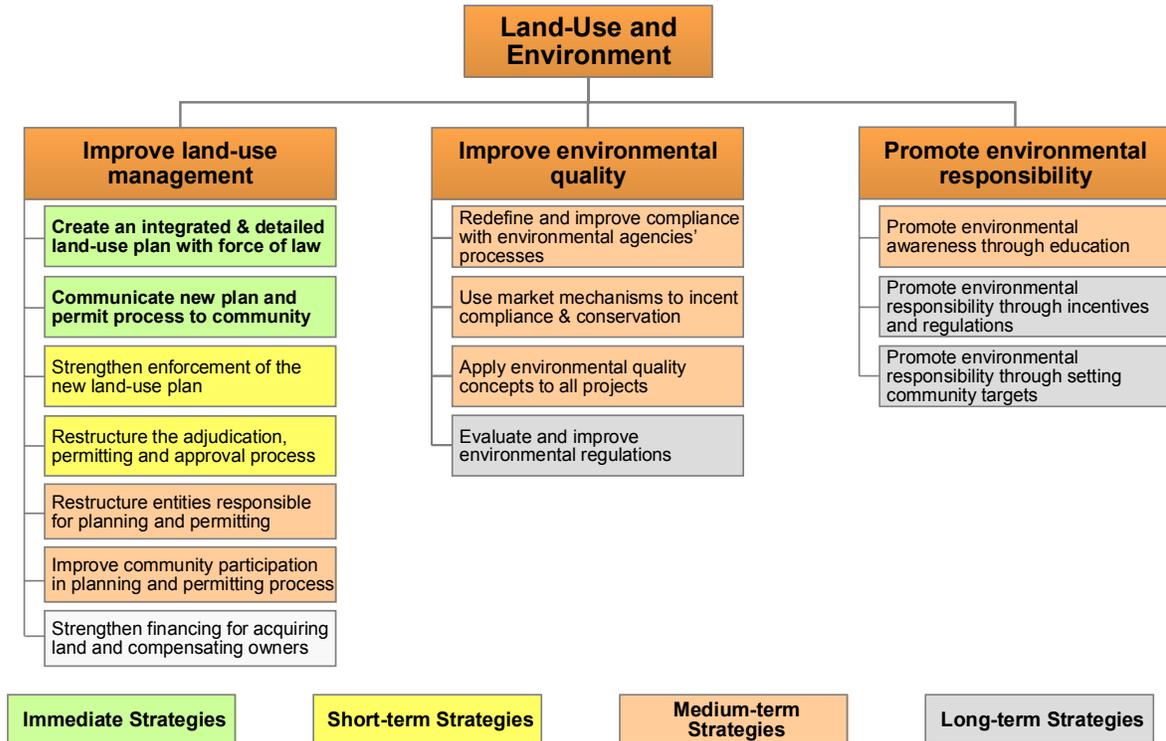
Source Puerto Rico 2025

Strategies in the Utilities area have been prioritized as follows



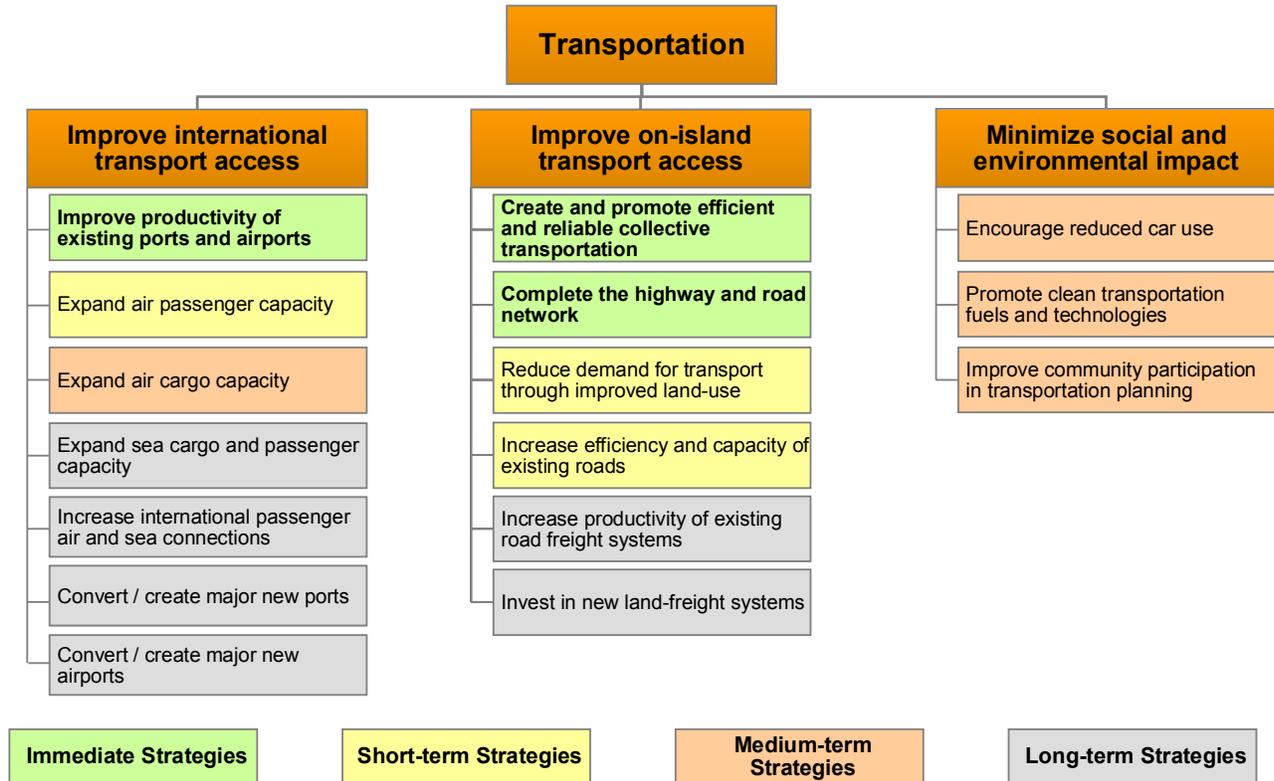
Source Puerto Rico 2025

Strategies in the Land-use and Environment area have been prioritized as follows



Source Puerto Rico 2025

Strategies in the Transport area have been prioritized as follows



SECTION IV: The Implementation Plan; Commencement and Execution

The CEDS Evaluation Process

The Comprehensive Economic Development Strategy (CEDS) committee for the Puerto Rico Development Area is responsible for the evaluation of those investment proposals submitted for its consideration.

As the entire Commonwealth of Puerto Rico qualifies as a Redevelopment Area under provisions of the *Public Works and Economic Development Act of 1965*, the entirety of Puerto Rico’s Municipalities, their agencies, and the agencies of the central government of Puerto Rico, are **fully eligible to receive assistance from the United States Department of Commerce Economic Development Administration (EDA)**. Subsequently, each proposal submitted to the committee is considered for inclusion in the CEDS under the established CEDS evaluation process.

Among the various factors considered throughout the strategy several are particularly important, and bear repeating; they are:

- ✓ The economic trends and context, as described in previous sections of this document; and,
- ✓ The probability a given proponent shall be required, by virtue of the undertaking, to carry out additional phases, at a later stage and in a specific area; and,
- ✓ The potential of the investment proposal to generate or retain **good jobs**—new jobs, permanent jobs, high skill jobs, high wage jobs, jobs paying higher than the area average wage or area median wage—solid employment opportunities; and,
- ✓ Need.

Reader’s Note: A selection of *statistical indicators*, in tabular format, and a group of *maps specifying socio-economic indicators* which are applicable to the decision making process are included in **Appendix A: Statistical Appendix**.

Phases of Evaluation

Currently, the CEDS evaluation process consists of the following phases:

1. **Identification of Investment Proposals:** Accepting, finding, and suggesting solid investment proposals and/or encouraging the transformation of good ideas into solid investment proposals; and,
2. **Evaluation of Investment Proposals:**
 - a. Determination of the *Development Area Priority Level*: This designation relays the level of importance to the development area of each investment proposal—in light of economic trends and projections, and the public policy embodied in the CEDS 2004—and subsequently results in the designation of a grade reflecting said finding; and,
 - b. Consideration of the *Level of EDA Appropriateness*: This designation relays the level of appropriateness in light of the EDA’s investment proposal guidelines (as promulgated in US FY 2002) and subsequently designates a grade reflecting said compatibility; and,
3. **Authorship of an official letter of certification and referral to the EDA for its own consideration for those investment proposals deemed both:**
 - a. Important to the economic development of the Puerto Rico Development Area; and,
 - b. Consistent with the EDA Investment Policy Guidelines

However, to be clear:

- Not every proposal submitted is included in the Comprehensive Development Strategy, the CEDS document.
- Nor is every investment proposal deemed of equal importance.

Nevertheless, having identified important investment opportunities and included them in the CEDS document it is the strong desire of the CEDS committee that, federal agencies and administrations, the government of the Commonwealth of Puerto Rico, the private sector, foundations, the not-for-profit sector, and the public shall embrace the challenge of supporting any and all proposals included in the CEDS as worthy economic development projects.

Grading System

The classification used in designating the *Development Area Priority Level(s)* includes the following three (3) grades:

- A. reflects *high* priority; and,
- B. reflects *intermediate* priority, and,
- C. reflects *low* priority.
- NI. indicates *Not Included* in the CEDS update due to reservations regarding the orientation of the investment

The classification used in the *Level of EDA Appropriateness* process includes the following three (3) grades:

- A. reflects a *high* level of appropriateness; and,
- B. reflects a *intermediate* level of appropriateness; and,
- C. reflects a *low* level of appropriateness.
- NR. means *Not Recommended* due to eligibility concerns

Again, every investment proposal submitted for **review and potential inclusion** in the Comprehensive Development Strategy, **the CEDS**

document, is carefully considered in light of the factors listed above, and throughout this document; **unfortunately, not every proposal submitted to the CEDS committee conforms with the program guidelines and requirements of the EDA’s assistance program** and therefore, to date, cannot be included in the CEDS document, in accordance with the management program designed, published, and promulgated by the **CEDS committee**.

Continued General Advisory Regarding Process Changes

As the above format represents an innovation in the evaluation process which occurred during Cycles an innovation designed to render some return on the investment of time applicants expend in preparing investment proposals for the CEDS committee evaluation process—it remains a possibility that continued and further refinements may occur during the pending program cycle PR FY 2006.

It should be understood, that said process innovations occurred as a response to the urgings of both proponents and committee members. As always, the goal of our effort was, and shall remain, to endeavor to amplify the comprehensive and strategic nature of this document and its continued functionality.

Formal Invitation to the EDA

As each proposal has been identified, to varying degrees, as appropriate in light of the Goals, Objectives, and policy priorities of the Puerto Rico Development Area, **the EDA is invited to consider any proposal included in the CEDS document**. However, only those proposals which have also received a grade regarding their appropriateness in light of the EDA’s investment policy guidelines (as promulgated during FY 2002) carry the full confidence of the CEDS committee as proposals that are ready for serious consideration under the EDA’s pre-application program and procedures.

All Investment Proposals Considered, FY 2005

The following section lists each Municipality, the title of the Investment Proposal which it submitted to the CEDS committee for evaluation. The listing also includes the priority and recommendation classifications rendered by the committee. If the Investment Proposal received a “AA” rating we have included the estimated duration of the proposal activities as well as a brief description. For further details regarding any AA – Rated Investment Proposal, please see the Appendix to that effect.

It is prudent to note here that, this year FY 2005, the CEDS committee received six (6) proposals for evaluation in comparison to the roughly 12-15 that we receive on average. It is the considered opinion of the Executive Director that this resulted from two distinct factors which bear mentioning. First, the decrease is partially due to the lag which occurs between each election cycle wherein any new administration must ramp up to full capacity and bring its people to date; and, second, a general perception that Strengthening American Communities Initiative (SACI) meant that the threshold for success would be significantly higher.

Municipal County of **Añasco** Multi-tenant Industrial Building

Priority: **B**
Recommendation: **C**

Municipal County of **Cayey** Renovation of a Downtown Commercial Building into a[n] Innovation Technology Center (CIT)

Priority: **A**
Recommendation: **A**

Comments: Cayey’s investment proposal, addresses a number of policy imperatives, both specifically and generally, articulated under “Section III: Strategies and Objectives” of the **CEDS 2005 Update**, and, are consequently pertinent in the consideration of all projects developed throughout

FY 2005 in the Commonwealth of Puerto Rico. Please observe, principally, Cayey’s investment proposal addresses those strategies and objectives as articulated under the **economic development** focus area for strategic prioritization, particularly as they relate to the themes of: **1)** increasing the use of technology and information; and, **2)** focusing on the quality of human capital; and, **3)** focusing upon personal responsibility; and, **4)** improving community participation and access for the less advantaged.

Moreover, where, this project shall enhance basic economic infrastructure in Cayey as well as make investments in long-term human capital productivity improvements (which are geared towards market demand for high-tech, knowledge economy skill sets) the Municipal County is also well prepared to execute the initiative as described in its application through its status as a primary stakeholder in **INTECO, Iniciativa Tecnológica Centro-Oriental** (or The Center-East Technology Initiative) which has the distinction of being among the most widely respected multi-sector partnerships in Puerto Rico—a partnership with tangible private sector support and input.

Accordingly, the Municipal County of Cayey has been assigned an **(A) level of importance** because of its orientation and service towards an area greater than Cayey itself; and, an **(A) as exceptionally eligible** for invitation to begin pre-proposal development activities according to the relevant and established guidelines and procedures of the EDA, as well as the existing precedents of the CEDS committee.

Municipal County of **Las Marías** Construcción de una Plaza de Mercado en el Municipio (Construction of a Market Plaza)

Priority: **C**
Recommendation: **NR**

Municipal County of **Villalba** Construcción de Edificio Multifabril (Construction of a Multi-tenant Industrial [Activity] Building)

Priority: **B**
Recommendation: **B**

Municipal County of **Yabucoa**

Comprehensive Economic Development Study of
Yabucoa’s Downtown (CEDS-YD)

Priority: **B**

Recommendation: **A**

Comments: Yabucoa’s investment proposal, addresses a number of policy imperatives, both specifically and generally, articulated under “Section III: Strategies and Objectives” of the **CEDS 2005 Update**, and, are consequently pertinent in the consideration of all projects developed throughout FY 2005 in the Commonwealth of Puerto Rico. Please observe, principally, Yabucoa’s investment proposal responds to those strategies and objectives as articulated under the **economic development**, as well as the **infrastructure/environment** focus areas for strategic prioritization particularly as they relate to the themes of: **1)** improving planning and coordination; and, **2)** increasing investment in targeted areas; and, **3)** focusing upon personal responsibility.

Nevertheless, in any subsequent development of this proposal, the committee would encourage Yabucoa and the EDA to look closely at the issue of Yabucoa’s proximity to the former **Naval Base Roosevelt Roads** and the economic development and planning activity being initiated As well as the separate issue of ensuring that the Yabucoa CEDS truly compliments its Land Use Plan as oppose to duplicating the same or similar planning activities.

Accordingly, Yabucoa has been assigned a **(B)** level of importance, because of its orientation at exclusively the municipal level; yet, notwithstanding, an **(A)** as exceptionally eligible for invitation to begin pre-proposal development activities according to the relevant and established guidelines and procedures of the EDA, as well as the existing precedents of the CEDS committee.

**Apoyo Empresarial Para la Península de
Cantera, Inc.**

Barbosa 607 – Commercial Office Project

Priority: **B**

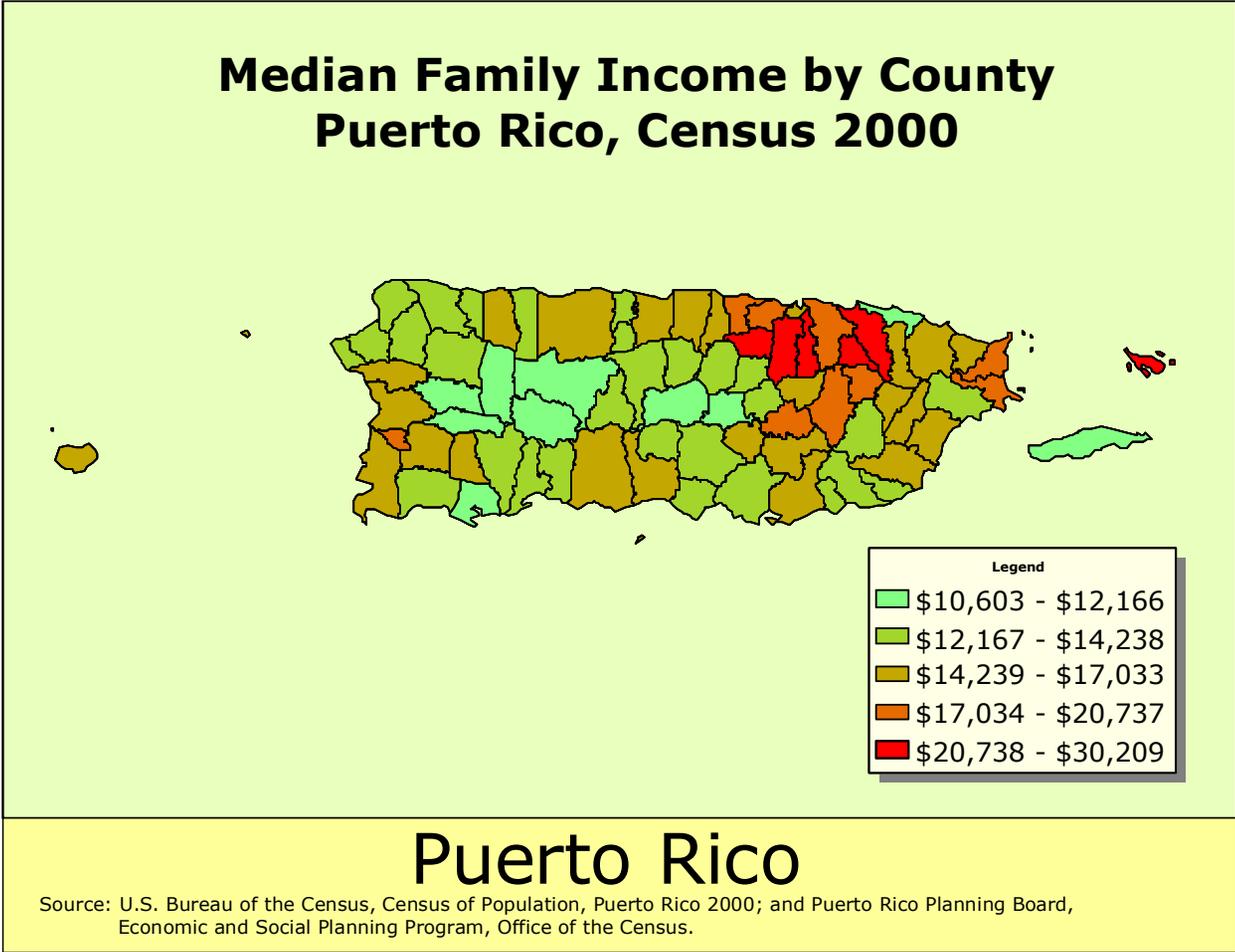
Recommendation: **B**

CEDS Consolidated Results - FY05

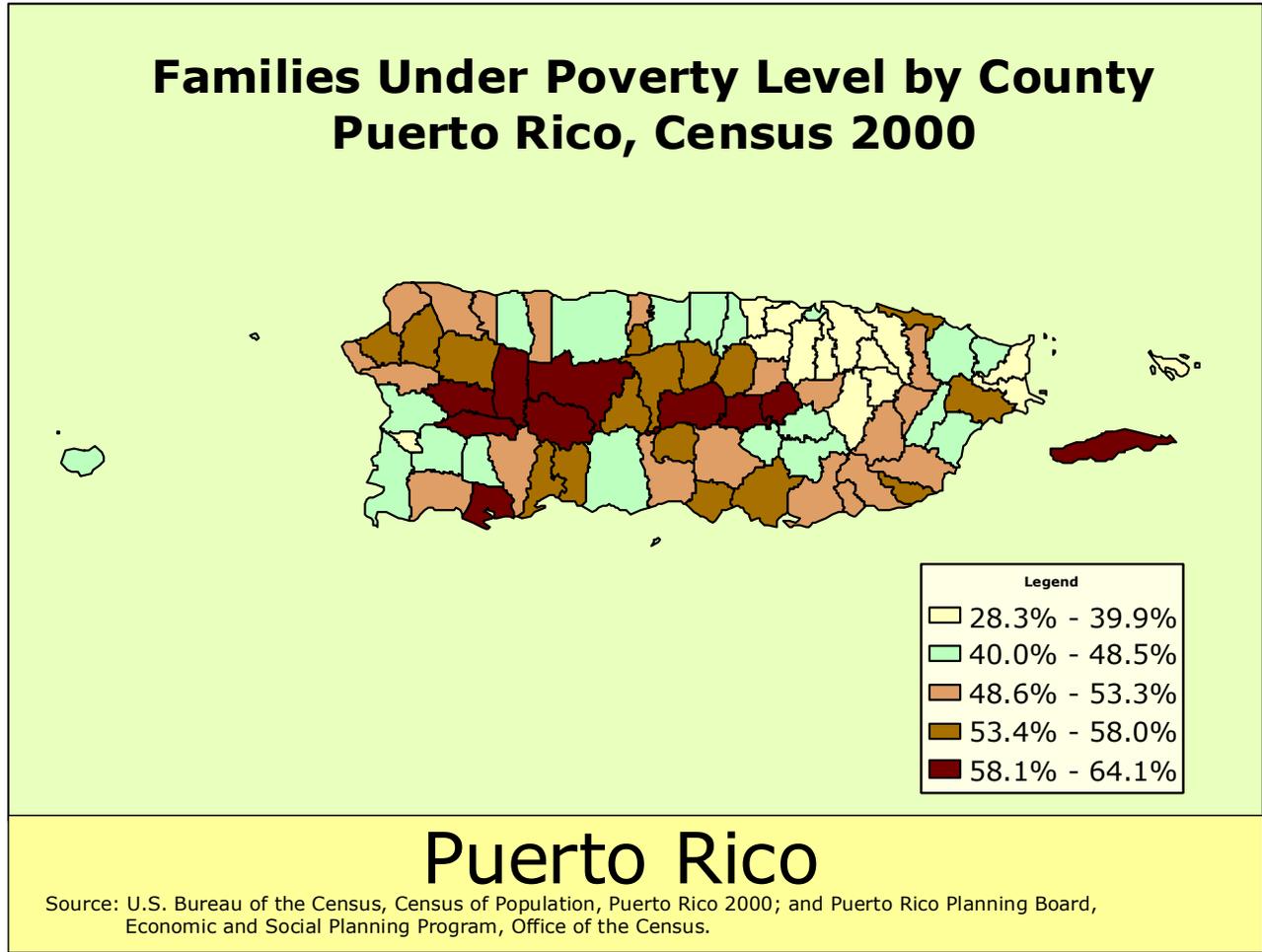
Investment Proponent	Investment Proposal Title or Descriptor	Financial Investment Breakdown				Job Creation Breakdown				Term of Investment (months)	District Priority Level	EDA Compatibility			
		Local / Other		E.D.A.		Total Investment		Temp					New		Total
		In \$	% of Total	In \$	% of Total	In \$	Check	Perm	Saved						
#1	Municipality of Añasco	\$ 463,320	20%	\$ 1,853,280	80%	\$ 2,316,888	100%	0	0	0	0	0	12	B	C
#2	Municipality of Cayey	\$ 187,420	20%	\$ 749,680	80%	\$ 937,100	100%	15	0	7	0	22	6	A	A
#3	Municipio de Las Marias	\$ 100,000	25%	\$ 300,000	75%	\$ 400,000	100%	10	0	11	0	21	18	C	NR
#4	Municipio de Villalba	\$ 500,000	50%	\$ 500,000	50%	\$ 1,000,000	100%	37	0	136	0	173	18	B	B
#5	Municipality of Yabucoa	\$ 25,000	20%	\$ 100,000	80%	\$ 125,000	100%	na	na	na	na	na	6	B	A
#6	Apoyo Empresarial para la Península de Cantera, Inc. Project	\$ 1,858,764	65%	\$ 1,000,000	35%	\$ 2,858,764	100%	31	0	32	0	63	24	B	B
NA = Not Applicable												na = Not Available (not provided in the requisite materials)			

STATISTICAL APPENDIX A:

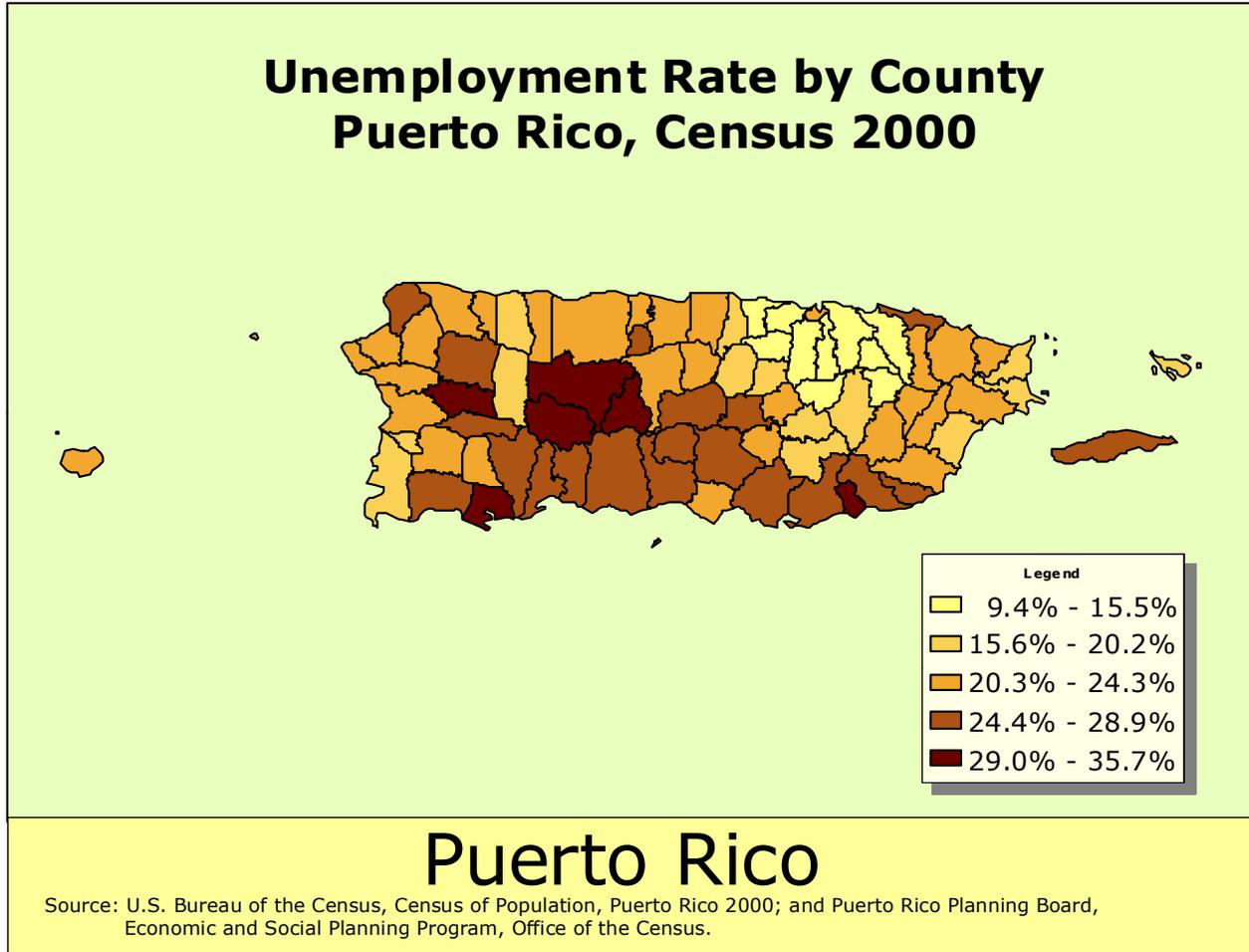
Median Family Income by County Puerto Rico, Census 2000



Families Under Poverty Level by County Puerto Rico, Census 2000



Unemployment Rate by County Puerto Rico, Census 2000



Selected Economic Characteristics by County 2000 Census

County	2000 Census		
	Unemployment Rate	Median Family Income	Families Under Poverty Level
Puerto Rico	19.2	16,543	44.6
Adjuntas	30.9	11,102	61.7
Aguada	22.1	12,869	55.6
Aguadilla	25.3	13,320	51.5
Aguas Buenas	15.5	14,662	49.8
Aibonito	23.2	14,676	48.5
Añasco	23.7	14,830	49.3
Arecibo	20.7	15,150	47.6
Arroyo	33.4	13,093	52.2
Barceloneta	23.8	13,908	51.6
Barranquitas	25.1	12,166	58.9
Bayamón	13.1	22,403	31.8
Cabo Rojo	18.5	15,852	42.7
Caguas	16.2	19,321	38.6
Camuy	20.1	14,645	48.0
Canóvanas	21.1	15,033	50.1
Carolina	12.6	23,412	30.7
Cataño	20.9	15,749	46.7
Cayey	17.9	15,939	47.4
Ceiba	18.4	18,851	37.0
Ciales	23.7	12,315	58.0
Cidra	18.6	17,262	44.2
Coamo	26.4	13,889	51.7
Comerio	22.2	12,371	59.0
Corozal	16.3	13,280	54.8
Culebra	16.8	22,600	33.0
Dorado	14.8	18,585	39.9
Fajardo	18.6	18,387	38.1
Florida	26.6	12,401	54.2
Guánica	35.7	11,209	59.9
Guayama	27.5	14,648	49.0
Guayanilla	27.3	13,187	54.9
Guaynabo	9.4	30,209	28.3
Gurabo	14.5	18,538	39.8
Hatillo	22.5	13,890	52.5
Hormigueros	19.4	19,894	33.2
Humacao	18.6	16,652	43.7

continuation

County	2000 Census		
	Unemployment Rate	Median Family Income	Families Under Poverty Level
Juncos	22.5	14,672	50.0
Lajas	26.4	12,980	52.7
Lares	20.2	10,968	61.8
Las Marías	30.2	10,707	62.8
Las Piedras	22.5	16,408	44.9
Loíza	26.8	12,043	56.9
Luquillo	23.1	15,203	46.3
Manatí	24.0	14,828	47.6
Maricao	28.9	10,603	63.0
Maunabo	26.1	12,654	54.3
Mayagüez	23.0	15,226	45.9
Moca	23.9	12,476	55.8
Morovis	23.5	13,529	55.7
Naguabo	21.5	12,957	54.1
Naranjito	17.4	13,815	53.3
Orocovis	26.0	11,010	64.1
Patillas	28.5	13,980	50.7
Peñuelas	26.3	13,686	56.1
Ponce	25.1	15,465	47.9
Quebradillas	22.8	13,845	51.2
Rincón	22.0	13,512	52.9
Rio Grande	20.4	17,033	43.2
Sabana Grande	22.3	14,685	47.8
Salinas	27.8	13,197	54.9
San Germán	23.5	16,003	44.9
San Juan	13.7	20,640	37.0
San Lorenzo	22.0	14,238	51.2
San Sebastián	25.1	12,458	54.3
Santa Isabel	23.9	13,264	53.6
Toa Alta	12.3	21,574	36.9
Toa Baja	15.1	20,737	37.2
Trujillo Alto	11.5	24,543	31.5
Utuado	30.0	11,321	60.3
Vega Alta	18.5	15,492	47.4
Vega Baja	20.8	15,708	47.1
Vieques	28.2	11,036	60.6
Villalba	28.9	13,373	57.3
Yabucoa	23.8	14,538	51.0
Yauco	25.2	13,584	52.7

Source: U.S. Bureau of the Census, Census of Population, Puerto Rico 2000;
and Puerto Rico Planning Board, Economic and Social Planning Program, Office of the Census.

OCCUPATION FOR THE EMPLOYED CIVILIAN POPULATION 16 YEARS AND OVER

Universe: Employed civilian population 16 years
Data Set: Census 2000 Summary File 3 (SF 3) - Sample Data

	Puerto Rico	Adjuntas	Aguada	Aguadilla	Aguas Buenas	Aibonito	Añasco
Total:	930,865	3,339	9,755	14,108	6,338	5,447	6,808
Management, professional, and related occupations:	255,417	927	2,007	3,532	1,502	1,315	1,247
Management, business, and financial operations occupations:	92,787	304	627	992	554	376	437
Management occupations, except farmers and farm managers	51,804	120	373	662	290	120	228
Farmers and farm managers	3,299	123	43	37	33	58	33
Business and financial operations occupations:	37,684	61	211	293	231	198	176
Business operations specialists	13,101	31	39	118	41	80	79
Financial specialists	24,583	30	172	175	190	118	97
Professional and related occupations:	162,630	623	1,380	2,540	948	939	810
Computer and mathematical occupations	6,750	9	22	77	47	10	5
Architecture and engineering occupations:	14,103	42	229	328	35	68	137
Architects, surveyors, cartographers, and engineers	9,314	36	101	176	23	53	92
Drafters, engineering, and mapping technicians	4,789	6	128	152	12	15	45
Life, physical, and social science occupations	7,078	38	46	126	24	107	29
Community and social services occupations	13,149	75	134	157	85	94	88
Legal occupations	9,003	25	49	86	33	32	11
Education, training, and library occupations	59,536	315	558	1,038	386	325	357
Arts, design, entertainment, sports, and media occupations	10,966	6	54	67	32	44	29
Healthcare practitioners and technical occupations:	42,045	113	288	661	306	259	154
Health diagnosing and treating practitioners and technical occupations	31,401	63	221	532	226	230	102
Health technologists and technicians	10,644	50	67	129	80	29	52
Service occupations:	150,657	474	1,573	2,429	1,039	826	1,107
Healthcare support occupations	10,637	49	134	107	77	63	50
Protective service occupations:	40,547	165	431	754	331	214	239
Fire fighting, prevention, and law enforcement workers, including supervisors	20,715	116	244	464	153	93	168
Other protective service workers, including supervisors	19,832	49	187	290	178	121	71
Food preparation and serving related occupations	37,793	114	489	615	237	164	259
Building and grounds cleaning and maintenance occupations	43,445	106	407	781	279	301	424
Personal care and service occupations	18,235	40	112	172	115	84	135
Sales and office occupations:	260,317	625	2,338	3,628	1,498	1,181	1,329
Sales and related occupations	118,373	297	1,173	1,603	600	449	550
Office and administrative support occupations	141,944	328	1,165	2,025	898	732	779
Farming, fishing, and forestry occupations	10,371	322	94	117	57	177	95
Construction, extraction, and maintenance occupations:	112,776	570	1,461	1,642	1,111	617	920
Construction and extraction occupations:	70,305	435	938	1,030	790	328	625
Supervisors, construction and extraction workers	5,579	37	41	51	75	7	58
Construction trades workers	64,527	398	893	970	715	321	560
Extraction workers	199	0	4	9	0	0	7
Installation, maintenance, and repair occupations	42,471	135	523	612	321	289	295
Production, transportation, and material moving occupations:	141,327	421	2,282	2,760	1,131	1,331	2,110
Production occupations	90,069	275	1,800	1,747	684	1,048	1,715
Transportation and material moving occupations:	51,258	146	482	1,013	447	283	395
Supervisors, transportation and material moving workers	1,735	13	15	56	29	0	7
Aircraft and traffic control occupations	385	0	0	11	0	0	6
Motor vehicle operators	26,777	98	254	390	259	147	172
Rail, water and other transportation occupations	3,374	10	27	72	24	9	23
Material moving workers	18,987	25	186	484	135	127	187

Source: U.S. Census Bureau, Census 2000

OCCUPATION FOR THE EMPLOYED CIVILIAN POPULATION 16 YEARS AND OVER

Universe: Employed civilian population 16 years
 Data Set: Census 2000 Summary File 3 (SF 3) - Sample Data

	Arecibo	Arroyo	Barceloneta	Barranquitas	Bayamón	Cabo Rojo
Total:	23,350	3,463	4,926	5,246	62,116	12,801
Management, professional, and related occupations:	5,859	801	867	1,365	18,570	3,113
Management, business, and financial operations occupations:	1,839	229	258	316	7,469	1,018
Management occupations, except farmers and farm managers	989	171	142	154	3,925	638
Farmers and farm managers	100	9	9	73	57	32
Business and financial operations occupations:	750	49	107	89	3,487	348
Business operations specialists	376	6	62	34	1,327	132
Financial specialists	374	43	45	55	2,160	216
Professional and related occupations:	4,020	572	609	1,049	11,101	2,095
Computer and mathematical occupations	70	13	18	24	789	45
Architecture and engineering occupations:	389	41	32	59	1,011	146
Architects, surveyors, cartographers, and engineers	212	17	20	22	557	102
Drafters, engineering, and mapping technicians	177	24	12	37	454	44
Life, physical, and social science occupations	316	33	60	41	335	132
Community and social services occupations	393	48	60	70	712	131
Legal occupations	154	14	0	18	624	79
Education, training, and library occupations	1,435	227	237	553	4,052	908
Arts, design, entertainment, sports, and media occupations	245	10	10	27	897	95
Healthcare practitioners and technical occupations:	1,018	186	192	257	2,681	559
Health diagnosing and treating practitioners and technical occupations	745	131	89	201	1,971	398
Health technologists and technicians	273	55	103	56	710	161
Service occupations:	3,700	801	717	854	8,811	2,066
Healthcare support occupations	277	37	54	92	683	99
Protective service occupations:	1,110	334	212	219	2,311	540
Fire fighting, prevention, and law enforcement workers, including supervisors	539	243	80	121	1,006	292
Other protective service workers, including supervisors	571	91	132	98	1,305	248
Food preparation and serving related occupations	892	143	186	196	2,422	680
Building and grounds cleaning and maintenance occupations	1,076	224	217	255	2,169	547
Personal care and service occupations	345	63	48	92	1,226	200
Sales and office occupations:	6,349	649	1,102	1,101	21,810	3,658
Sales and related occupations	3,153	278	455	519	9,567	1,882
Office and administrative support occupations	3,196	371	647	582	12,243	1,776
Farming, fishing, and forestry occupations	333	25	64	249	87	323
Construction, extraction, and maintenance occupations:	2,725	634	871	815	5,942	1,659
Construction and extraction occupations:	1,654	469	506	551	3,028	954
Supervisors, construction and extraction workers	124	27	30	24	333	64
Construction trades workers	1,518	437	476	527	2,678	890
Extraction workers	12	5	0	0	17	0
Installation, maintenance, and repair occupations	1,071	165	365	264	2,914	705
Production, transportation, and material moving occupations:	4,384	553	1,305	862	6,896	1,982
Production occupations	3,179	403	963	444	3,362	1,430
Transportation and material moving occupations:	1,205	150	342	418	3,534	552
Supervisors, transportation and material moving workers	31	0	0	7	170	0
Aircraft and traffic control occupations	0	0	0	0	4	5
Motor vehicle operators	619	111	186	268	1,955	324
Rail, water and other transportation occupations	58	0	0	27	151	55
Material moving workers	497	39	156	116	1,254	168

Source: U.S. Census Bureau, Census 2000

OCCUPATION FOR THE EMPLOYED CIVILIAN POPULATION 16 YEARS AND OVER

Universe: Employed civilian population 16 years
 Data Set: Census 2000 Summary File 3 (SF 3) - Sample Data

	Caguas	Camuy	Canóvanas	Carolina	Cataño	Cayey	Ceiba
Total:	38,616	8,432	9,440	57,008	6,432	11,195	4,151
Management, professional, and related occupations:	11,507	1,849	1,805	15,899	1,758	2,712	867
Management, business, and financial operations occupations:	4,248	466	541	6,734	798	924	310
Management occupations, except farmers and farm managers	2,245	258	287	3,722	435	446	213
Farmers and farm managers	57	61	48	37	7	21	0
Business and financial operations occupations:	1,946	147	206	2,975	356	457	97
Business operations specialists	466	64	103	1,023	133	164	27
Financial specialists	1,480	83	103	1,952	223	293	70
Professional and related occupations:	7,259	1,383	1,264	9,165	960	1,788	557
Computer and mathematical occupations	313	45	22	664	86	57	43
Architecture and engineering occupations:	593	55	65	819	67	188	19
Architects, surveyors, cartographers, and engineers	375	44	22	475	53	100	14
Drafters, engineering, and mapping technicians	218	11	43	344	14	88	5
Life, physical, and social science occupations	375	87	28	302	33	57	27
Community and social services occupations	756	146	120	693	89	132	72
Legal occupations	258	47	21	654	61	50	23
Education, training, and library occupations	2,601	576	541	3,119	240	751	189
Arts, design, entertainment, sports, and media occupations	415	38	105	822	84	96	54
Healthcare practitioners and technical occupations:	1,948	389	362	2,092	300	457	130
Health diagnosing and treating practitioners and technical occupations	1,478	255	244	1,508	197	356	103
Health technologists and technicians	470	134	118	584	103	101	27
Service occupations:	5,399	1,127	1,625	9,411	1,060	1,782	900
Healthcare support occupations	454	57	84	761	65	112	27
Protective service occupations:	1,355	372	432	2,433	346	359	223
Fire fighting, prevention, and law enforcement workers, including supervisors	595	216	254	953	124	142	96
Other protective service workers, including supervisors	760	156	178	1,480	222	217	127
Food preparation and serving related occupations	1,391	284	321	2,438	220	487	327
Building and grounds cleaning and maintenance occupations	1,495	324	495	2,253	357	620	183
Personal care and service occupations	704	90	293	1,526	72	204	140
Sales and office occupations:	12,052	2,136	2,742	20,056	2,011	2,980	1,276
Sales and related occupations	5,749	1,087	1,236	7,984	995	1,466	548
Office and administrative support occupations	6,303	1,049	1,506	12,072	1,016	1,514	728
Farming, fishing, and forestry occupations	106	312	32	132	65	96	17
Construction, extraction, and maintenance occupations:	4,093	1,020	1,791	5,344	744	1,496	589
Construction and extraction occupations:	2,184	595	1,225	2,681	461	975	347
Supervisors, construction and extraction workers	226	26	78	324	33	82	27
Construction trades workers	1,951	569	1,147	2,350	428	893	320
Extraction workers	7	0	0	7	0	0	0
Installation, maintenance, and repair occupations	1,909	425	566	2,663	283	521	242
Production, transportation, and material moving occupations:	5,459	1,988	1,445	6,166	794	2,129	502
Production occupations	3,162	1,545	728	2,724	471	1,502	327
Transportation and material moving occupations:	2,297	443	717	3,442	323	627	175
Supervisors, transportation and material moving workers	94	0	29	212	30	0	0
Aircraft and traffic control occupations	0	0	0	95	0	0	10
Motor vehicle operators	1,242	220	433	1,756	173	353	67
Rail, water and other transportation occupations	151	52	26	369	5	30	9
Material moving workers	810	171	229	1,010	115	244	89

Source: U.S. Census Bureau, Census 2000

OCCUPATION FOR THE EMPLOYED CIVILIAN POPULATION 16 YEARS AND OVER

Universe: Employed civilian population 16 years
 Data Set: Census 2000 Summary File 3 (SF 3) - Sample Data

	Ciales	Cidra	Coamo	Comerio	Corozal	Culebra	Dorado	Fajardo
Total:	3,423	10,040	7,515	3,436	7,190	583	8,848	10,131
Management, professional, and related occupations:	703	2,482	1,914	745	1,700	151	2,642	2,298
Management, business, and financial operations occupations:	203	858	481	226	632	63	1,087	791
Management occupations, except farmers and farm managers	103	506	241	111	316	37	644	492
Farmers and farm managers	4	0	66	25	105	0	16	5
Business and financial operations occupations:	96	352	174	90	211	26	427	294
Business operations specialists	24	106	67	40	86	26	153	94
Financial specialists	72	246	107	50	125	0	274	200
Professional and related occupations:	500	1,624	1,433	519	1,068	88	1,555	1,507
Computer and mathematical occupations	5	61	25	10	30	0	53	36
Architecture and engineering occupations:	23	140	95	26	55	0	120	94
Architects, surveyors, cartographers, and engineers	10	102	38	26	39	0	74	70
Drafters, engineering, and mapping technicians	13	38	57	0	16	0	46	24
Life, physical, and social science occupations	21	100	77	11	40	0	61	62
Community and social services occupations	24	99	117	78	63	5	88	176
Legal occupations	0	43	30	5	11	0	139	51
Education, training, and library occupations	256	612	668	250	581	44	651	548
Arts, design, entertainment, sports, and media occupations	15	80	78	12	61	25	118	105
Healthcare practitioners and technical occupations:	156	489	343	127	227	14	325	435
Health diagnosing and treating practitioners and technical occupations	131	371	252	112	136	14	215	266
Health technologists and technicians	25	118	91	15	91	0	110	169
Service occupations:	448	1,552	1,377	573	955	127	1,529	2,249
Healthcare support occupations	53	106	109	23	49	0	94	152
Protective service occupations:	103	442	513	155	296	54	296	532
Fire fighting, prevention, and law enforcement workers, including supervisors	65	309	304	69	200	40	172	252
Other protective service workers, including supervisors	38	133	209	86	96	14	124	280
Food preparation and serving related occupations	118	308	314	139	299	37	364	689
Building and grounds cleaning and maintenance occupations	134	480	281	205	184	27	550	601
Personal care and service occupations	40	216	160	51	127	9	225	275
Sales and office occupations:	790	2,409	1,693	682	2,113	104	2,011	2,602
Sales and related occupations	364	1,155	758	307	1,071	48	1,017	1,110
Office and administrative support occupations	426	1,254	935	375	1,042	56	994	1,492
Farming, fishing, and forestry occupations	75	121	215	82	101	0	66	44
Construction, extraction, and maintenance occupations:	684	1,225	848	784	1,010	102	1,065	1,315
Construction and extraction occupations:	480	731	642	609	694	97	653	812
Supervisors, construction and extraction workers	31	85	52	17	56	0	46	27
Construction trades workers	449	646	590	592	638	97	600	785
Extraction workers	0	0	0	0	0	0	7	0
Installation, maintenance, and repair occupations	204	494	206	175	316	5	412	503
Production, transportation, and material moving occupations:	723	2,251	1,468	570	1,311	99	1,535	1,623
Production occupations	526	1,536	1,046	361	732	54	857	1,036
Transportation and material moving occupations:	197	715	422	209	579	45	678	587
Supervisors, transportation and material moving workers	0	8	0	0	0	0	31	31
Aircraft and traffic control occupations	5	7	5	0	0	0	0	0
Motor vehicle operators	93	419	230	123	327	14	275	247
Rail, water and other transportation occupations	13	32	21	0	12	2	35	83
Material moving workers	86	249	166	86	240	29	337	226

Source: U.S. Census Bureau, Census 2000

OCCUPATION FOR THE EMPLOYED CIVILIAN POPULATION 16 YEARS AND OVER

Universe: Employed civilian population 16 years

Data Set: Census 2000 Summary File 3 (SF 3) - Sample Data

	Florida	Guánica	Guayama	Guayanilla	Guaynabo	Gurabo	Hatillo
Total:	2,374	3,909	8,897	4,230	32,983	9,771	8,374
Management, professional, and related occupations:	516	712	2,175	1,151	14,089	2,783	1,879
Management, business, and financial operations occupations:	90	224	632	265	6,530	1,119	648
Management occupations, except farmers and farm managers	32	143	381	105	4,059	681	345
Farmers and farm managers	13	12	20	18	12	17	69
Business and financial operations occupations:	45	69	231	142	2,459	421	234
Business operations specialists	25	28	105	43	812	112	88
Financial specialists	20	41	126	99	1,647	309	146
Professional and related occupations:	426	488	1,543	886	7,559	1,664	1,231
Computer and mathematical occupations	12	0	26	10	376	64	32
Architecture and engineering occupations:	33	33	101	72	765	221	71
Architects, surveyors, cartographers, and engineers	28	19	64	45	705	145	55
Drafters, engineering, and mapping technicians	5	14	37	27	60	76	16
Life, physical, and social science occupations	19	5	47	8	260	141	54
Community and social services occupations	34	42	202	70	358	198	122
Legal occupations	6	3	70	18	1,375	72	66
Education, training, and library occupations	175	177	668	417	1,698	477	454
Arts, design, entertainment, sports, and media occupations	41	6	82	28	701	105	34
Healthcare practitioners and technical occupations:	106	222	347	263	2,026	386	398
Health diagnosing and treating practitioners and technical occupations	76	195	231	186	1,671	292	300
Health technologists and technicians	30	27	116	77	355	94	98
Service occupations:	435	696	1,693	829	3,492	1,579	1,404
Healthcare support occupations	73	42	82	39	185	163	68
Protective service occupations:	108	174	471	339	644	470	434
Fire fighting, prevention, and law enforcement workers, including supervisors	58	117	233	251	252	284	266
Other protective service workers, including supervisors	50	57	238	88	392	186	168
Food preparation and serving related occupations	92	239	404	216	748	379	347
Building and grounds cleaning and maintenance occupations	102	185	523	137	1,361	406	399
Personal care and service occupations	60	56	213	98	554	161	156
Sales and office occupations:	422	789	2,164	830	10,069	2,504	2,173
Sales and related occupations	200	376	996	384	5,020	1,080	939
Office and administrative support occupations	222	413	1,168	446	5,049	1,424	1,234
Farming, fishing, and forestry occupations	37	94	82	79	32	111	417
Construction, extraction, and maintenance occupations:	373	745	1,210	757	2,686	1,322	926
Construction and extraction occupations:	276	540	738	548	1,687	773	588
Supervisors, construction and extraction workers	19	44	117	51	179	60	29
Construction trades workers	252	492	621	497	1,476	713	559
Extraction workers	5	4	0	0	32	0	0
Installation, maintenance, and repair occupations	97	205	472	209	999	549	338
Production, transportation, and material moving occupations:	591	873	1,573	584	2,615	1,472	1,575
Production occupations	432	621	1,028	363	1,290	928	1,046
Transportation and material moving occupations:	159	252	545	221	1,325	544	529
Supervisors, transportation and material moving workers	0	0	8	0	97	22	0
Aircraft and traffic control occupations	0	0	0	0	27	0	0
Motor vehicle operators	92	122	174	93	624	287	359
Rail, water and other transportation occupations	0	21	42	20	89	22	19
Material moving workers	67	109	321	108	488	213	151

Source: U.S. Census Bureau, Census 2000

OCCUPATION FOR THE EMPLOYED CIVILIAN POPULATION 16 YEARS AND OVER

Universe: Employed civilian population 16 years
Data Set: Census 2000 Summary File 3 (SF 3) - Sample Data

	Hormigueros	Humacao	Isabela	Jayuya	Juana Díaz	Juncos	Lajas
Total:	4,665	14,115	9,827	3,126	10,255	8,391	5,662
Management, professional, and related occupations:	1,131	3,389	2,131	738	2,286	1,849	1,230
Management, business, and financial operations occupations:	389	1,140	632	160	625	576	544
Management occupations, except farmers and farm managers	195	649	411	73	331	303	304
Farmers and farm managers	13	23	23	55	10	18	28
Business and financial operations occupations:	181	468	198	32	284	255	212
Business operations specialists	49	183	56	10	77	95	126
Financial specialists	132	285	142	22	207	160	86
Professional and related occupations:	742	2,249	1,499	578	1,661	1,273	686
Computer and mathematical occupations	19	66	43	11	19	58	26
Architecture and engineering occupations:	59	164	181	45	121	89	54
Architects, surveyors, cartographers, and engineers	30	102	88	29	69	39	20
Drafters, engineering, and mapping technicians	29	62	93	16	52	50	34
Life, physical, and social science occupations	19	195	47	51	95	65	41
Community and social services occupations	68	244	167	65	131	150	69
Legal occupations	40	54	28	7	36	34	35
Education, training, and library occupations	275	825	629	283	711	437	322
Arts, design, entertainment, sports, and media occupations	60	64	62	23	53	81	5
Healthcare practitioners and technical occupations:	202	637	342	93	495	359	134
Health diagnosing and treating practitioners and technical occupations	133	459	278	78	372	215	73
Health technologists and technicians	69	178	64	15	123	144	61
Service occupations:	684	2,278	1,852	485	1,875	1,149	932
Healthcare support occupations	75	249	144	66	191	78	31
Protective service occupations:	205	546	672	115	567	324	259
Fire fighting, prevention, and law enforcement workers, including supervisors	162	217	482	67	371	191	145
Other protective service workers, including supervisors	43	329	190	48	196	133	114
Food preparation and serving related occupations	119	508	392	144	432	306	159
Building and grounds cleaning and maintenance occupations	219	691	467	114	524	342	335
Personal care and service occupations	66	284	177	46	161	99	148
Sales and office occupations:	1,544	3,534	2,280	427	2,506	2,211	1,267
Sales and related occupations	716	1,612	1,345	223	1,219	1,008	635
Office and administrative support occupations	828	1,922	935	204	1,287	1,203	632
Farming, fishing, and forestry occupations	10	95	196	134	438	84	209
Construction, extraction, and maintenance occupations:	490	2,125	1,435	436	1,420	1,295	844
Construction and extraction occupations:	264	1,472	789	326	885	912	608
Supervisors, construction and extraction workers	6	76	56	26	62	122	64
Construction trades workers	258	1,396	727	300	823	790	544
Extraction workers	0	0	6	0	0	0	0
Installation, maintenance, and repair occupations	226	653	646	110	535	383	236
Production, transportation, and material moving occupations:	806	2,694	1,933	906	1,730	1,803	1,180
Production occupations	563	2,111	1,299	663	1,215	1,412	803
Transportation and material moving occupations:	243	583	634	243	515	391	377
Supervisors, transportation and material moving workers	5	6	22	0	11	6	0
Aircraft and traffic control occupations	0	0	0	0	0	0	0
Motor vehicle operators	152	247	275	97	231	235	153
Rail, water and other transportation occupations	17	44	58	17	49	14	47
Material moving workers	69	286	279	129	224	136	177

Source: U.S. Census Bureau, Census 2000

OCCUPATION FOR THE EMPLOYED CIVILIAN POPULATION 16 YEARS AND OVER

Universe: Employed civilian population 16 years
 Data Set: Census 2000 Summary File 3 (SF 3) - Sample Data

	Lares	Las Marías	Las Piedras	Loíza	Luquillo	Manatí	Maricao	Maunabo
Total:	7,239	2,303	8,019	5,972	4,670	9,553	1,237	2,427
Management, professional, and related occupations:	1,836	556	1,922	1,166	1,179	2,439	209	449
Management, business, and financial operations occupations:	576	204	584	338	307	827	102	75
Management occupations, except farmers and farm managers	227	71	299	126	252	441	34	29
Farmers and farm managers	194	104	41	3	13	50	41	0
Business and financial operations occupations:	155	29	244	209	42	336	27	46
Business operations specialists	30	4	82	87	5	131	10	19
Financial specialists	125	25	162	122	37	205	17	27
Professional and related occupations:	1,260	352	1,338	828	872	1,612	107	374
Computer and mathematical occupations	0	6	47	11	28	57	0	9
Architecture and engineering occupations:	64	12	141	40	76	249	6	8
Architects, surveyors, cartographers, and engineers	50	12	80	4	43	193	0	4
Drafters, engineering, and mapping technicians	14	0	61	36	33	56	6	4
Life, physical, and social science occupations	74	30	103	19	37	164	7	38
Community and social services occupations	111	44	166	88	67	135	11	76
Legal occupations	21	0	20	21	35	35	0	0
Education, training, and library occupations	607	169	532	365	384	504	50	138
Arts, design, entertainment, sports, and media occupations	38	18	54	27	56	42	0	19
Healthcare practitioners and technical occupations:	345	73	275	257	189	426	33	86
Health diagnosing and treating practitioners and technical occupations	324	59	155	138	146	345	28	59
Health technologists and technicians	21	14	120	119	43	81	5	27
Service occupations:	1,284	368	1,118	1,409	980	1,513	289	534
Healthcare support occupations	112	52	108	114	40	56	24	11
Protective service occupations:	404	128	265	335	235	459	71	206
Fire fighting, prevention, and law enforcement workers, including supervisors	257	83	180	220	88	235	28	120
Other protective service workers, including supervisors	147	45	85	115	147	224	43	86
Food preparation and serving related occupations	334	42	267	289	376	325	80	116
Building and grounds cleaning and maintenance occupations	353	87	329	479	241	512	96	164
Personal care and service occupations	81	59	149	192	88	161	18	37
Sales and office occupations:	1,440	355	1,614	1,726	1,149	2,339	134	407
Sales and related occupations	742	163	677	692	503	1,140	58	114
Office and administrative support occupations	698	192	937	1,034	646	1,199	76	293
Farming, fishing, and forestry occupations	647	226	99	20	10	123	141	75
Construction, extraction, and maintenance occupations:	852	326	1,303	991	611	1,102	178	384
Construction and extraction occupations:	546	290	787	692	424	560	145	280
Supervisors, construction and extraction workers	30	7	53	40	27	42	0	12
Construction trades workers	516	283	734	652	397	518	145	268
Extraction workers	0	0	0	0	0	0	0	0
Installation, maintenance, and repair occupations	306	36	516	299	187	542	33	104
Production, transportation, and material moving occupations:	1,180	472	1,963	660	741	2,037	286	578
Production occupations	788	344	1,476	325	549	1,515	188	393
Transportation and material moving occupations:	392	128	487	335	192	522	98	185
Supervisors, transportation and material moving workers	9	7	12	18	24	6	0	0
Aircraft and traffic control occupations	0	0	17	0	6	0	0	0
Motor vehicle operators	229	53	214	146	110	302	22	101
Rail, water and other transportation occupations	33	0	29	67	16	27	21	7
Material moving workers	121	68	215	104	36	187	55	77

Source: U.S. Census Bureau, Census 2000

OCCUPATION FOR THE EMPLOYED CIVILIAN POPULATION 16 YEARS AND OVER

Universe: Employed civilian population 16 years
 Data Set: Census 2000 Summary File 3 (SF 3) - Sample Data

	Mayagüez	Moca	Morovis	Naguabo	Naranjito	Orocovis	Patillas
Total:	22,867	9,160	5,900	5,059	6,117	3,610	3,676
Management, professional, and related occupations:	6,468	1,843	1,221	1,028	1,518	804	753
Management, business, and financial operations occupations:	1,998	539	383	296	571	249	172
Management occupations, except farmers and farm managers	1,317	245	197	156	294	90	94
Farmers and farm managers	37	95	39	9	84	105	19
Business and financial operations occupations:	644	199	147	131	193	54	59
Business operations specialists	204	60	74	45	96	0	22
Financial specialists	440	139	73	86	97	54	37
Professional and related occupations:	4,470	1,304	838	732	947	555	581
Computer and mathematical occupations	110	6	18	14	28	20	0
Architecture and engineering occupations:	433	92	46	68	77	38	42
Architects, surveyors, cartographers, and engineers	309	45	19	68	31	21	26
Drafters, engineering, and mapping technicians	124	47	27	0	46	17	16
Life, physical, and social science occupations	189	36	28	23	19	9	26
Community and social services occupations	334	101	39	43	88	30	80
Legal occupations	130	28	11	5	14	9	0
Education, training, and library occupations	1,913	593	457	322	472	315	310
Arts, design, entertainment, sports, and media occupations	228	83	38	61	23	6	22
Healthcare practitioners and technical occupations:	1,133	365	201	196	226	128	101
Health diagnosing and treating practitioners and technical occupations	858	279	160	131	161	94	83
Health technologists and technicians	275	86	41	65	65	34	18
Service occupations:	3,306	1,409	888	837	905	565	696
Healthcare support occupations	270	111	29	75	152	38	47
Protective service occupations:	642	559	278	274	230	136	296
Fire fighting, prevention, and law enforcement workers, including supervisors	317	309	127	152	102	73	244
Other protective service workers, including supervisors	325	250	151	122	128	63	52
Food preparation and serving related occupations	988	253	234	163	204	140	146
Building and grounds cleaning and maintenance occupations	957	369	250	268	241	193	147
Personal care and service occupations	449	117	97	57	78	58	60
Sales and office occupations:	6,751	2,246	1,293	1,397	1,394	704	811
Sales and related occupations	3,510	964	483	588	637	347	358
Office and administrative support occupations	3,241	1,282	810	809	757	357	453
Farming, fishing, and forestry occupations	170	133	52	46	84	200	38
Construction, extraction, and maintenance occupations:	2,268	1,436	989	996	1,312	642	679
Construction and extraction occupations:	1,471	967	730	766	911	425	484
Supervisors, construction and extraction workers	97	52	60	20	131	15	32
Construction trades workers	1,367	915	670	746	773	410	452
Extraction workers	7	0	0	0	7	0	0
Installation, maintenance, and repair occupations	797	469	259	230	401	217	195
Production, transportation, and material moving occupations:	3,904	2,093	1,457	755	904	695	699
Production occupations	2,503	1,530	1,103	493	529	495	484
Transportation and material moving occupations:	1,401	563	354	262	375	200	215
Supervisors, transportation and material moving workers	26	11	0	0	0	0	9
Aircraft and traffic control occupations	17	0	0	0	0	0	0
Motor vehicle operators	676	283	207	137	249	110	154
Rail, water and other transportation occupations	100	34	12	15	35	28	6
Material moving workers	582	235	135	110	91	62	46

Source: U.S. Census Bureau, Census 2000

OCCUPATION FOR THE EMPLOYED CIVILIAN POPULATION 16 YEARS AND OVER

Universe: Employed civilian population 16 years

Data Set: Census 2000 Summary File 3 (SF 3) - Sample Data

	Peñuelas	Ponce	Quebradillas	Rincón	Río Grande	Sabana Grande	Salinas
Total:	5,196	41,715	5,690	3,372	12,041	5,931	5,751
Management, professional, and related occupations:	1,137	12,229	1,235	774	2,734	1,345	1,279
Management, business, and financial operations occupations:	309	3,952	423	381	962	311	301
Management occupations, except farmers and farm managers	178	2,408	224	198	471	195	184
Farmers and farm managers	15	119	47	11	35	9	5
Business and financial operations occupations:	116	1,425	152	172	456	107	112
Business operations specialists	45	433	53	54	114	38	55
Financial specialists	71	992	99	118	342	69	57
Professional and related occupations:	828	8,277	812	393	1,772	1,034	978
Computer and mathematical occupations	10	168	0	6	71	24	0
Architecture and engineering occupations:	22	551	69	54	147	82	41
Architects, surveyors, cartographers, and engineers	4	290	50	35	45	68	20
Drafters, engineering, and mapping technicians	18	261	19	19	102	14	21
Life, physical, and social science occupations	23	263	74	19	32	46	37
Community and social services occupations	134	791	77	36	224	96	110
Legal occupations	16	327	5	0	25	58	19
Education, training, and library occupations	330	3,136	320	203	693	450	497
Arts, design, entertainment, sports, and media occupations	27	440	37	24	89	42	69
Healthcare practitioners and technical occupations:	266	2,601	230	51	491	236	205
Health diagnosing and treating practitioners and technical occupations	223	2,003	180	20	295	171	148
Health technologists and technicians	43	598	50	31	196	65	57
Service occupations:	937	6,910	994	678	2,409	1,112	1,114
Healthcare support occupations	69	500	78	29	221	97	45
Protective service occupations:	365	1,833	290	172	647	473	467
Fire fighting, prevention, and law enforcement workers, including supervisors	232	989	210	98	319	306	274
Other protective service workers, including supervisors	133	844	80	74	328	167	193
Food preparation and serving related occupations	209	1,736	287	146	526	205	274
Building and grounds cleaning and maintenance occupations	209	2,083	235	296	723	236	249
Personal care and service occupations	85	758	104	35	292	101	79
Sales and office occupations:	1,181	11,919	1,227	680	3,339	1,378	1,206
Sales and related occupations	549	6,049	593	284	1,353	580	628
Office and administrative support occupations	632	5,870	634	396	1,986	798	578
Farming, fishing, and forestry occupations	58	267	92	29	46	71	169
Construction, extraction, and maintenance occupations:	1,031	4,556	859	501	1,462	693	936
Construction and extraction occupations:	824	2,601	497	386	988	424	656
Supervisors, construction and extraction workers	64	213	11	25	82	26	41
Construction trades workers	760	2,378	486	361	906	398	615
Extraction workers	0	10	0	0	0	0	0
Installation, maintenance, and repair occupations	207	1,955	362	115	474	269	280
Production, transportation, and material moving occupations:	852	5,834	1,283	710	2,051	1,332	1,047
Production occupations	561	3,630	1,031	467	1,135	1,095	798
Transportation and material moving occupations:	291	2,204	252	243	916	237	249
Supervisors, transportation and material moving workers	14	73	0	0	37	12	6
Aircraft and traffic control occupations	0	0	0	0	7	0	0
Motor vehicle operators	170	1,184	153	143	516	124	151
Rail, water and other transportation occupations	28	131	14	27	51	16	10
Material moving workers	79	816	85	73	305	85	82

Source: U.S. Census Bureau, Census 2000

OCCUPATION FOR THE EMPLOYED CIVILIAN POPULATION 16 YEARS AND OVER

Universe: Employed civilian population 16 years

Data Set: Census 2000 Summary File 3 (SF 3) - Sample Data

	San Germán	San Juan	San Lorenzo	San Sebastián	Santa Isabel	Toa Alta	Toa Baja
Total:	8,624	129,630	9,541	9,591	4,628	17,835	26,094
Management, professional, and related occupations:	2,267	46,215	1,998	2,520	1,075	5,013	5,753
Management, business, and financial operations occupations:	711	18,667	692	839	299	2,040	2,531
Management occupations, except farmers and farm managers	398	10,855	311	406	150	1,184	1,298
Farmers and farm managers	53	95	108	181	41	35	0
Business and financial operations occupations:	260	7,717	273	252	108	821	1,233
Business operations specialists	103	2,740	99	110	36	320	416
Financial specialists	157	4,977	174	142	72	501	817
Professional and related occupations:	1,556	27,548	1,306	1,681	776	2,973	3,222
Computer and mathematical occupations	19	1,695	38	27	41	221	161
Architecture and engineering occupations:	128	2,676	123	145	53	213	322
Architects, surveyors, cartographers, and engineers	80	2,241	73	84	11	127	189
Drafters, engineering, and mapping technicians	48	435	50	61	42	86	133
Life, physical, and social science occupations	60	1,048	55	51	51	110	126
Community and social services occupations	138	1,691	108	120	46	228	232
Legal occupations	33	3,033	37	14	6	63	99
Education, training, and library occupations	640	7,449	540	850	293	1,124	1,174
Arts, design, entertainment, sports, and media occupations	100	3,121	44	53	34	263	268
Healthcare practitioners and technical occupations:	438	6,835	361	421	252	751	840
Health diagnosing and treating practitioners and technical occupations	334	5,371	293	328	182	490	628
Health technologists and technicians	104	1,464	68	93	70	261	212
Service occupations:	1,263	22,145	1,531	1,522	805	2,407	3,989
Healthcare support occupations	80	1,333	176	149	60	181	148
Protective service occupations:	352	3,662	371	512	369	696	1,100
Fire fighting, prevention, and law enforcement workers, including supervisors	190	1,116	230	281	240	353	394
Other protective service workers, including supervisors	162	2,546	141	231	129	343	706
Food preparation and serving related occupations	337	6,121	358	353	119	593	1,125
Building and grounds cleaning and maintenance occupations	360	7,677	460	403	163	591	1,032
Personal care and service occupations	134	3,352	166	105	94	346	584
Sales and office occupations:	2,084	39,385	2,256	1,997	922	5,719	9,359
Sales and related occupations	996	17,328	947	1,096	295	2,587	3,921
Office and administrative support occupations	1,088	22,057	1,309	901	627	3,132	5,438
Farming, fishing, and forestry occupations	140	156	110	343	222	10	47
Construction, extraction, and maintenance occupations:	1,043	12,223	1,348	1,411	556	2,063	3,160
Construction and extraction occupations:	685	7,706	973	966	341	1,088	1,698
Supervisors, construction and extraction workers	42	773	85	23	36	115	140
Construction trades workers	643	6,929	888	943	305	958	1,558
Extraction workers	0	4	0	0	0	15	0
Installation, maintenance, and repair occupations	358	4,517	375	445	215	975	1,462
Production, transportation, and material moving occupations:	1,827	9,506	2,298	1,798	1,048	2,623	3,786
Production occupations	1,470	4,699	1,544	1,240	774	1,367	1,988
Transportation and material moving occupations:	357	4,807	754	558	274	1,256	1,798
Supervisors, transportation and material moving workers	6	262	15	13	0	44	73
Aircraft and traffic control occupations	0	112	0	0	0	7	20
Motor vehicle operators	169	2,364	423	286	129	754	904
Rail, water and other transportation occupations	33	455	42	29	6	34	94
Material moving workers	149	1,614	274	230	139	417	707

Source: U.S. Census Bureau, Census 2000

OCCUPATION FOR THE EMPLOYED CIVILIAN POPULATION 16 YEARS AND OVER

Universe: Employed civilian population 16 years
 Data Set: Census 2000 Summary File 3 (SF 3) - Sample Data

	Trujillo Alto	Utuado	Vega Alta	Vega Baja	Vieques	Villalba	Yabucoa	Yauco
Total:	23,300	6,197	8,612	14,152	1,712	5,303	7,242	10,183
Management, professional, and related occupations:	7,847	1,645	1,699	3,382	381	1,184	1,591	2,527
Management, business, and financial operations occupations:	3,135	414	529	1,245	99	258	385	728
Management occupations, except farmers and farm managers	1,704	149	261	721	73	104	217	363
Farmers and farm managers	17	138	0	23	0	33	16	94
Business and financial operations occupations:	1,414	127	268	501	26	121	152	271
Business operations specialists	398	28	100	206	11	43	47	73
Financial specialists	1,016	99	168	295	15	78	105	198
Professional and related occupations:	4,712	1,231	1,170	2,137	282	926	1,206	1,799
Computer and mathematical occupations	340	39	38	71	4	21	22	39
Architecture and engineering occupations:	502	63	58	274	7	69	97	130
Architects, surveyors, cartographers, and engineers	382	35	34	184	7	30	38	91
Drafters, engineering, and mapping technicians	120	28	24	90	0	39	59	39
Life, physical, and social science occupations	170	63	17	226	7	33	98	52
Community and social services occupations	327	143	110	166	27	82	71	154
Legal occupations	362	23	32	67	5	10	16	62
Education, training, and library occupations	1,538	637	435	743	127	438	568	654
Arts, design, entertainment, sports, and media occupations	319	54	89	108	9	17	32	43
Healthcare practitioners and technical occupations:	1,154	209	391	482	96	256	302	665
Health diagnosing and treating practitioners and technical occupations	868	160	247	349	68	187	224	506
Health technologists and technicians	286	49	144	133	28	69	78	159
Service occupations:	3,067	1,207	1,390	2,191	479	1,425	1,386	1,701
Healthcare support occupations	224	65	138	181	6	64	68	132
Protective service occupations:	946	448	404	608	180	801	493	741
Fire fighting, prevention, and law enforcement workers, including supervisors	393	308	183	268	45	596	217	532
Other protective service workers, including supervisors	553	140	221	340	135	205	276	209
Food preparation and serving related occupations	722	237	347	547	118	264	280	314
Building and grounds cleaning and maintenance occupations	801	361	316	614	136	229	421	384
Personal care and service occupations	374	96	185	241	39	67	124	130
Sales and office occupations:	7,498	1,451	2,229	3,521	281	949	1,487	2,844
Sales and related occupations	3,020	664	959	1,763	134	377	525	1,575
Office and administrative support occupations	4,478	787	1,270	1,758	147	572	962	1,269
Farming, fishing, and forestry occupations	58	183	93	64	34	162	175	353
Construction, extraction, and maintenance occupations:	2,545	873	1,257	1,802	314	594	1,112	1,227
Construction and extraction occupations:	1,468	675	757	995	272	482	689	756
Supervisors, construction and extraction workers	119	77	26	55	13	18	47	38
Construction trades workers	1,328	598	718	940	259	464	642	718
Extraction workers	21	0	13	0	0	0	0	0
Installation, maintenance, and repair occupations	1,077	198	500	807	42	112	423	471
Production, transportation, and material moving occupations:	2,285	838	1,944	3,192	223	989	1,491	1,531
Production occupations	995	458	1,421	2,274	110	670	1,138	1,058
Transportation and material moving occupations:	1,290	380	523	918	113	319	353	473
Supervisors, transportation and material moving workers	58	6	0	24	14	9	0	7
Aircraft and traffic control occupations	11	0	0	0	7	6	0	0
Motor vehicle operators	773	235	312	487	66	127	170	248
Rail, water and other transportation occupations	61	32	0	25	3	18	45	35
Material moving workers	387	107	211	382	23	159	138	183

Source: U.S. Census Bureau, Census 2000

Tabla 9 Numero de Establecimientos:

Empleo Total y Trabajadores de Produccion en las Industrias manufacturas- Por Municipio -MARZO 2000

Table 9 - Number of Establishments:

Total Employment and Production Workers in the Manufacturing Industries - By Municipal County - MARCH 2000

Municipio Municipal County	Numero de Estabecimientos		Empleo Total / Total Employment				Trabajadores de Produccion	
	Number of Establishments		Ambos Sexos / Both Genders		Mujeres / Women		Production Workers	
	2000	1999	2000	1999	2000	1999	2000	1999
Puerto Rico	2,161	2,361	139,381	142,291	55,704	57,618	110,795	114,288
Adjuntas	14	14	219	255	128	173	186	226
Aguada	28	30	977	964	362	321	854	832
Aguadilla	11	44	4,863	5,304	1,954	2,270	4,094	4,371
Aguas Buenas	8	10	324	783	226	409	290	661
Aibonito	10	13	2,252	2,311	969	971	2,049	2,067
Añasco	22	21	3,233	2,864	1,773	1,259	3,042	2,607
Arecibo	48	51	4,269	4,144	1,359	1,396	3,449	3,580
Arroyo	6	6	611	521	292	256	547	451
Barceloneta	19	19	6,674	6,335	2,602	2,525	5,308	4,691
Barranquitas	8	8	79	74	20	19	48	59
Bayamón	170	195	5,631	6,015	1,278	1,464	3,231	3,688
Cabo Rojo	38	37	1,175	1,156	498	490	1,039	1,020
Caguas	116	123	5,592	5,557	2,324	2,339	4,481	4,414
Camuy	15	16	2,358	2,569	1,448	1,593	2,301	2,459
Canóvanas	24	27	1,105	1,311	319	370	804	1,006
Carolina	101	115	3,905	3,672	954	908	2,579	2,493
Cataño	43	42	1,632	1,449	341	308	792	785
Cayey	27	31	2,895	2,968	1,197	1,205	2,491	2,555
Ceiba	9	8	379	232	266	141	361	217
Ciales	10	10	801	726	327	269	738	659
Cidra	26	29	2,934	3,093	1,257	1,210	2,426	2,455
Coamo	16	17	1,376	1,525	439	440	1,156	1,299
Comerio	4	5	759	750	625	584	745	756
Corozal	17	17	970	993	711	766	846	919
Culebra	a/	a/	a/	a/	a/	a/	a/	a/
Dorado	25	23	2,041	1,862	1,210	1,233	1,697	1,546
Fajardo	11	16	1,292	1,058	646	523	1,009	802
Florida	4	1	39	44	6	9	36	40
Guánica	8	9	1,194	1,211	653	635	1,165	1,146

Tabla 9 Numero de Establecimientos: Empleo Total y Trabajadores de Produccion en las Industrias manufacturas- Por Municipio -MARZO 2000 Table 9 - Number of Establishments: Total Employment and Production Workers in the Manufacturing Industries - By Municipal County - MARCH 2000								
Municipio Municipal County	Numero de Estabecimientos		Empleo Total / Total Employment				Trabajadores de Produccion	
	Number of Establishments		Ambos Sexos / Both Genders		Mujeres / Women		Production Workers	
	2000	1999	2000	1999	2000	1999	2000	1999
Puerto Rico	2,161	2,361	139,381	142,291	55,704	57,618	110,795	114,288
Guayama	22	22	2,789	2,778	943	1,239	2,082	2,087
Guayanilla	11	9	234	138	18	18	111	62
Guaynabo	82	83	4,769	4,058	1,161	1,108	2,331	2,263
Gurabo	30	34	1,509	1,615	460	503	969	1,156
Hatillo	22	23	816	817	231	203	608	623
Hormigueros	7	7	228	262	84	93	180	193
Humacao	46	46	3,751	3,742	1,654	1,532	3,221	3,194
Isabela	22	24	1,205	1,807	424	660	1,059	1,625
Jayuya	7	7	1,262	1,123	699	637	1,148	992
Juana Díaz	22	23	1,192	583	557	190	1,058	488
Juncos	20	21	1,349	1,330	570	563	1,215	1,156
Lajas	10	13	675	722	538	526	657	678
Lares	8	9	739	880	501	572	710	831
Las Marías	6	5	39	15	14	0	28	11
Las Piedras	23	25	4,750	4,802	1,935	2,242	4,484	4,504
Loíza	5	4	291	261	22	86	69	161
Luquillo	9	10	786	839	456	496	750	776
Manatí	26	31	3,535	3,908	1,134	1,339	2,564	2,956
Maricao	a/	a/	a/	a/	a/	a/	a/	a/
Maunabo	4	4	33	34	21	19	28	25
Mayagüez	74	80	6,047	8,465	2,921	3,957	5,383	7,489
Moca	11	15	479	406	317	217	433	363
Morovis	12	14	758	1,103	600	598	719	957
Naguabo	9	10	618	675	363	349	500	532
Naranjito	17	19	120	177	55	74	98	152
Orocovis	9	9	507	468	406	354	504	450
Patillas	11	11	847	844	472	496	826	792
Peñuelas	8	8	209	169	26	15	100	123
Ponce	123	138	7,613	7,894	2,395	2,522	6,281	6,446

Tabla 9 Numero de Establecimientos: Empleo Total y Trabajadores de Produccion en las Industrias manufacturas- Por Municipio -MARZO 2000 Table 9 - Number of Establishments: Total Employment and Production Workers in the Manufacturing Industries - By Municipal County - MARCH 2000								
Municipio Municipal County	Numero de Estabecimientos		Empleo Total / Total Employment				Trabajadores de Produccion	
	Number of Establishments		Ambos Sexos / Both Genders		Mujeres / Women		Production Workers	
	2000	1999	2000	1999	2000	1999	2000	1999
Puerto Rico	2,161	2,361	139,381	142,291	55,704	57,618	110,795	114,288
Quebradillas	8	8	900	1,150	534	703	878	1,109
Rincón	4	7	170	296	55	165	157	276
Rio Grande	15	19	1,237	1,149	385	399	1,096	1,006
Sabana Grande	9	9	1,320	1,416	743	808	1,164	1,216
Salinas	16	17	584	458	183	167	319	312
San Germán	23	21	2,128	152	1,049	1,028	1,964	1,932
San Juan	266	318	7,597	6,832	1,790	1,632	3,603	3,695
San Lorenzo	19	22	1,858	1,959	909	1,008	1,677	1,754
San Sebastián	32	37	1,362	1,212	849	732	1,163	1,100
Santa Isabel	6	7	1,278	1,833	563	884	1,081	1,544
Toa Alta	21	21	653	684	206	217	477	521
Toa Baja	67	63	3,233	3,197	784	719	2,284	2,152
Trujillo Alto	33	40	899	916	207	224	639	704
Utua	8	9	300	316	166	192	276	284
Vega Alta	18	18	1,192	1,212	270	309	1,051	1,065
Vega Baja	40	39	4,675	4,361	2,136	1,878	4,215	3,730
Vieques	a/	a/	a/	a/	a/	a/	a/	a/
Villalba	7	9	489	537	258	280	403	430
Yabucoa	12	13	1,377	1,335	825	866	1,294	1,272
Yauco	30	28	543	558	87	87	393	422

TABLA 1 - SERIES SELECCIONADAS DE INGRESO Y PRODUCTO, TOTAL Y PER CAPITA: AÑOS FISCALES
 TABLE 1 - SELECTED SERIES OF INCOME AND PRODUCT, TOTAL AND PER CAPITA: FISCAL YEARS

	1995	1996	1997	1998	1999	2000	2001r	2002r	2003r	2004p	
Total a precios corrientes (En millones de dólares)											Total in current dollars (In millions of dollars)
Producto bruto	28,452.3	30,357.0	32,342.7	35,110.7	38,281.2	41,418.6	44,046.6	45,071.3	47,438.5	50,320.0	Gross product
Ingreso neto	23,653.4	24,853.9	26,968.1	28,824.4	29,907.7	32,610.4	34,581.6	35,852.9	38,480.9	41,187.8	Net income
Ingreso personal	27,377.6	29,914.1	32,663.3	34,340.2	36,614.5	38,855.7	41,079.5	42,038.6	44,744.7	46,762.4	Personal income
Ingreso personal disponible	25,590.9	27,975.9	30,607.2	32,065.8	34,041.7	36,238.6	38,405.2	39,251.3	41,648.7	43,610.1	Disposable personal income
Gastos de consumo personal	25,923.3	27,831.0	30,010.8	31,980.3	34,008.0	36,132.6	37,590.3	38,844.9	40,980.0	42,905.2	Personal consumption expenditures
Producto bruto interno	42,647.3	45,340.8	48,187.0	54,086.4	57,841.0	61,701.8	69,208.4	71,623.5	74,834.4	78,842.2	Gross domestic product
Inversión interna bruta de capital fijo	6,558.9	7,589.9	8,528.7	9,118.1	11,477.5	11,852.5	11,684.1	11,355.6	11,362.2	11,996.9	Gross fixed domestic investment
Total a precios constantes de 1954 (En millones de dólares)											Total in constant 1954 dollars (In millions of dollars)
Producto bruto	5,491.8	5,671.2	5,864.2	6,054.7	6,300.1	6,487.1	6,585.1	6,562.6	6,696.5	6,881.5	Gross product
Ingreso personal (1)	6,546.5	7,073.6	7,578.5	7,806.4	8,250.2	8,491.2	8,714.4	8,851.5	9,267.5	9,563.5	Personal income (1)
Ingreso personal disponible (1)	6,119.3	6,615.3	7,101.4	7,289.3	7,670.5	7,919.3	8,147.0	8,264.6	8,626.2	8,918.8	Disposable personal income (1)
Gastos de consumo personal	6,198.7	6,581.6	6,962.5	7,270.2	7,662.9	7,896.4	7,974.8	8,179.0	8,487.7	8,774.7	Personal consumption expenditures
Producto bruto interno	8,069.3	8,256.0	8,658.9	9,137.8	9,630.3	9,945.4	10,573.3	10,670.2	10,691.8	11,007.6	Gross domestic product
Inversión interna bruta de capital fijo	1,157.7	1,284.8	1,440.7	1,496.4	1,892.4	1,922.0	1,904.6	1,827.2	1,826.8	1,949.4	Gross fixed domestic investment
Per cápita a precios corrientes (En dólares)											Per capita in current dollars (In dollars)
Producto bruto	7,761	8,196	8,643	9,313	10,099	10,877	11,507	11,709	12,262	12,947	Gross product
Ingreso neto	6,452	6,710	7,207	7,645	7,890	8,564	9,034	9,314	9,947	10,597	Net income
Ingreso personal	7,468	8,076	8,729	9,108	9,659	10,204	10,732	10,921	11,566	12,031	Personal income
Ingreso personal disponible	6,980	7,553	8,179	8,505	8,981	9,516	10,033	10,197	10,766	11,220	Disposable personal income
Gastos de consumo personal	7,071	7,514	8,020	8,482	8,972	9,489	9,820	10,091	10,593	11,039	Personal consumption expenditures
Producto bruto interno	11,633	12,241	12,877	14,346	15,259	16,203	18,080	18,607	19,344	20,285	Gross domestic product
Per cápita a precios constantes de 1954 (En dólares)											Per capita in constant 1954 dollars (In dollars)
Producto bruto	1,498	1,531	1,567	1,606	1,662	1,704	1,720	1,705	1,731	1,771	Gross product
Ingreso personal	1,786	1,910	2,025	2,071	2,176	2,230	2,277	2,300	2,396	2,461	Personal income
Ingreso personal disponible	1,669	1,786	1,898	1,933	2,024	2,080	2,128	2,147	2,230	2,295	Disposable personal income
Gastos de consumo personal	1,691	1,777	1,861	1,928	2,022	2,074	2,083	2,125	2,194	2,258	Personal consumption expenditures
Producto bruto interno	2,201	2,229	2,314	2,424	2,541	2,612	2,762	2,772	2,764	2,832	Gross domestic product

(Continúa - Continue)

TABLA 1 - SERIES SELECCIONADAS DE INGRESO Y PRODUCTO, TOTAL Y PER CAPITA: AÑOS FISCALES (CONT.)
TABLE 1 - SELECTED SERIES OF INCOME AND PRODUCT, TOTAL AND PER CAPITA: FISCAL YEARS (CONT.)

	1995	1996	1997	1998	1999	2000	2001r	2002r	2003r	2004p	
Otras estadísticas											Other statistics
Crecimiento en el producto bruto (%)											Increase in gross product (%)
A precios corrientes	6.8	6.7	6.5	8.6	9.0	8.2	6.3	2.3	5.3	6.1	In current prices
A precios constantes	3.4	3.3	3.4	3.2	4.1	3.0	1.5	-0.3	2.0	2.8	In constant prices
Ingreso promedio por familia (2) (En dólares)											Average family income (2) (In dollars)
A precios corrientes	26,137	28,267	30,551	30,968	32,842	34,693	36,488	36,285	35,859	37,990	In current dollars
A precios constantes de 1954	6,250	6,684	7,088	7,040	7,400	7,581	7,740	7,818	7,905	8,120	In constant 1954 dollars
Número promedio de personas por familia	3.5	3.5	3.5	3.4	3.4	3.4	3.4	3.4	3.3	3.3	Average number of persons per family
Sueldos y jornales (En millones de dólares)	15,299.7	16,303.0	17,472.4	18,264.0	19,217.9	20,488.8	21,357.7	21,858.6	23,214.4	24,487.7	Salaries and wages (In millions of dollars)
Empleo, total (En miles de personas) (3)	1,051	1,092	1,128	1,137	1,147	1,159	1,158	1,170	1,211	1,234	Employment, total (In thousands of persons) (3)
Productividad (En dólares) (4)	7,678	7,560	7,676	8,037	8,396	8,581	9,131	9,120	8,829	8,920	Productivity (In dollars) (4)
Índice de precios al consumidor para todas las familias (5)	133.8	140.6	148.2	156.6	164.8	174.2	188.6	197.1	212.9	231.9	Consumer's price index for all families (5)
Tasa de inflación	4.0	5.1	5.4	5.7	5.2	5.7	8.3	4.5	8.0	8.9	Inflation Rate
Población (En miles de personas) (6)	3,666	3,704	3,742	3,770	3,791	3,808	3,828	3,849	3,869	3,887	Population (In thousands of persons) (6)

r- Cifras revisadas.

p- Cifras preliminares.

- (1) Deflacionado por el índice implícito de precios para deflacionar los gastos de consumo personal.
- (2) El número de familias aquí utilizado es producto de la división de la población total entre el promedio de personas por familia. Para propósitos del censo de población, una familia consiste de un jefe de hogar y una persona o más que viven en el mismo hogar y están emparentados con el jefe del hogar por nacimiento, matrimonio o adopción.
- (3) Departamento del Trabajo y Recursos Humanos, Negociado de Estadísticas, Encuesta de Vivienda.
- (4) Se obtiene dividiendo el producto bruto interno a precios constantes entre el empleo total.
- (5) 1984=100.
- (6) Promedio de los estimados de la población al principio y al final del año fiscal.

Fuente: Junta de Planificación, Programa de Planificación Económica y Social,
Subprograma de Análisis Económico.

r- Revised figures.

p- Preliminary figures.

- (1) Deflated by implicit price deflators for personal consumption expenditures.
- (2) The number of families used here represents the division of the total population by the average number of persons per family. For the purpose of the population census, a family consists of a householder and one or more other persons living in the same household who are related to the householder by birth, marriage or adoption.
- (3) Department of Labor and Human Resources, Bureau of Statistics, Household Survey.
- (4) Obtained from the division of gross domestic product at constant prices by total employment.
- (5) 1984=100.
- (6) Average of population estimates at the beginning and end of the fiscal year.

Source: Puerto Rico Planning Board, Program of Economic and Social Planning,
Subprogram of Economic Analysis.

TABLE 2 - PRODUCTO BRUTO: AÑOS FISCALES
TABLE 2 - GROSS PRODUCT: FISCAL YEARS
(En millones de dólares - In millions of dollars)

	1995	1996	1997	1998	1999	2000	2001	2002r	2003r	2004p	
PRODUCTO BRUTO	28,452.3	30,357.0	32,342.7	35,110.7	38,281.2	41,418.6	44,046.6	45,071.3	47,438.5	50,320.0	GROSS PRODUCT
Gastos de consumo personal	25,923.3	27,831.0	30,010.8	31,980.3	34,008.0	36,132.6	37,590.3	38,844.9	40,980.0	42,905.2	Personal consumption expenditures
Artículos duraderos	3,629.3	3,754.6	4,143.0	4,409.3	4,794.7	4,610.0	4,482.2	4,612.0	4,616.1	4,733.5	Durable goods
Artículos no duraderos	10,750.2	11,809.9	12,748.3	13,139.6	13,937.9	14,633.8	15,382.4	15,392.7	16,048.7	16,756.9	Nondurable goods
Servicios	11,543.8	12,266.5	13,119.6	14,431.4	15,275.4	16,888.8	17,725.7	18,840.2	20,315.2	21,414.8	Services
Gastos de consumo del gobierno	5,946.0	6,493.4	6,912.8	7,098.9	7,505.1	7,229.4	7,722.0	8,356.1	8,733.7	9,022.0	Government consumption expenditures
Estado Libre Asociado (1)	4,939.1	5,405.5	5,740.7	5,911.1	6,154.0	5,816.2	6,247.8	6,763.7	7,022.3	7,290.3	Commonwealth (1)
Municipios	1,006.9	1,087.9	1,172.1	1,187.7	1,351.0	1,413.2	1,474.2	1,592.4	1,711.4	1,731.8	Municipios
Inversión interna bruta, total	7,194.3	7,914.3	8,946.3	9,150.1	11,973.2	12,164.2	12,159.3	11,598.6	11,619.1	12,322.4	Gross domestic investment, total
Cambio en inventarios	635.4	324.4	417.7	32.0	495.7	311.7	475.2	243.0	256.9	325.6	Change in inventories
Inversión interna bruta de capital fijo	6,558.9	7,589.9	8,528.7	9,118.1	11,477.5	11,852.5	11,684.1	11,355.6	11,362.2	11,996.9	Gross fixed domestic investment
Construcción	3,255.4	4,095.1	4,689.8	5,355.4	6,551.4	6,849.3	6,756.9	6,491.2	6,334.6	6,625.4	Construction
Empresas privadas	1,544.2	1,820.0	1,974.0	2,485.6	3,735.8	4,254.2	4,248.9	4,087.2	3,809.2	3,934.3	Private enterprises
Empresas públicas	1,150.7	1,489.5	1,708.0	1,550.6	1,503.3	1,332.9	1,519.3	1,286.7	1,377.4	1,601.8	Public enterprises
Gobierno	560.4	785.7	1,007.8	1,319.2	1,312.3	1,262.2	988.7	1,117.4	1,148.0	1,089.3	Government
Estado Libre Asociado (1)	362.2	566.8	766.0	1,060.2	990.0	904.2	634.9	811.9	844.0	744.0	Commonwealth (1)
Municipios	198.2	218.8	241.8	259.0	322.3	358.1	353.8	305.5	304.0	345.3	Municipios
Maquinaria y equipo	3,303.5	3,494.8	3,838.9	3,762.7	4,926.1	5,003.3	4,927.1	4,864.4	5,027.5	5,371.5	Machinery and equipment
Empresas privadas	3,094.8	3,259.3	3,604.5	3,568.4	4,687.3	4,771.7	4,737.0	4,671.7	4,760.2	5,088.1	Private enterprises
Empresas públicas	68.9	95.1	89.6	57.3	80.5	94.3	51.6	61.6	57.5	66.8	Public enterprises
Gobierno	139.8	140.4	144.8	137.1	158.4	137.2	138.6	131.2	209.8	216.5	Government
Estado Libre Asociado (1)	118.4	117.2	119.8	111.5	131.2	108.6	112.0	100.6	177.5	185.2	Commonwealth (1)
Municipios	21.4	23.1	25.0	25.6	27.2	28.6	26.6	30.5	32.4	31.3	Municipios
Ventas netas al resto del mundo	(10,611.2)	(11,881.7)	(13,527.3)	(13,118.6)	(15,205.2)	(14,107.7)	(13,425.0)	(13,728.2)	(13,894.2)	(13,929.6)	Net sales to the rest of the world
Ventas al resto del mundo	31,058.1	31,026.5	32,348.0	38,161.1	42,139.4	46,428.8	55,731.2	56,103.6	62,956.7	66,732.7	Sales to the rest of the world
Gobierno federal	1,080.7	1,102.5	1,141.7	1,050.5	1,075.2	1,183.5	1,240.2	1,298.6	1,327.0	1,314.9	Federal government
Otros no residentes	29,977.5	29,924.0	31,206.3	37,110.6	41,064.2	45,245.4	54,491.0	54,805.0	61,629.7	65,417.8	Other nonresidents
Compras al resto del mundo	41,669.4	42,908.2	45,875.3	51,279.7	57,344.5	60,536.5	69,156.2	69,831.8	76,850.9	80,662.3	Purchases from the rest of the world
Gobierno federal	340.7	331.7	331.9	275.5	282.4	280.4	286.3	279.4	279.5	418.4	Federal government
Otros no residentes	41,328.7	42,576.5	45,543.3	51,004.3	57,062.1	60,256.1	68,869.8	69,552.4	76,571.4	80,243.9	Other nonresidents

r- Cifras revisadas.

p- Cifras preliminares.

() Cifras negativas.

(1) Incluye las agencias regulares, la Universidad de Puerto Rico, la Corporación del Fondo del Seguro del Estado y la Autoridad de Carreteras y Transportación.

r- Revised figures.

p- Preliminary figures.

() Negative figures.

(1) Includes regular agencies, the University of Puerto Rico, the State Insurance Fund Corporation, and the Highway and Transportation Authority.

Fuente: Junta de Planificación, Programa de Planificación Económica y Social, Subprograma de Análisis Económico.

Source: Puerto Rico Planning Board, Program of Economic and Social Planning, Subprogram of Economic Analysis.

TABLA 3 - PRODUCTO BRUTO A PRECIOS CONSTANTES DE 1954: AÑOS FISCALES
TABLE 3 - GROSS PRODUCT IN CONSTANT 1954 DOLLARS: FISCAL YEARS
 (En millones de dólares - In millions of dollars)

	1995	1996	1997	1998	1999	2000	2001	2002r	2003r	2004p	
PRODUCTO BRUTO	5,491.8	5,671.2	5,864.2	6,054.7	6,300.1	6,487.1	6,585.1	6,562.6	6,696.5	6,881.5	GROSS PRODUCT
Gastos de consumo personal	6,198.7	6,581.6	6,962.5	7,270.2	7,662.9	7,896.4	7,974.8	8,179.0	8,487.7	8,774.7	Personal consumption expenditures
Artículos duraderos	1,165.0	1,194.6	1,298.6	1,342.7	1,489.0	1,407.5	1,435.9	1,437.7	1,417.4	1,430.4	Durable goods
Artículos no duraderos	2,480.2	2,703.0	2,854.7	2,896.2	3,043.2	3,130.6	3,194.2	3,194.0	3,234.3	3,367.7	Nondurable goods
Servicios	2,553.6	2,684.1	2,809.2	3,031.4	3,130.6	3,358.4	3,369.8	3,547.3	3,836.0	3,976.6	Services
Gastos de consumo del gobierno	1,483.8	1,558.2	1,639.1	1,669.5	1,742.3	1,644.9	1,708.9	1,803.1	1,848.1	1,851.4	Government consumption expenditure
Estado Libre Asociado (1)	1,221.2	1,288.6	1,352.9	1,371.9	1,402.7	1,288.6	1,349.5	1,421.0	1,433.7	1,438.2	Commonwealth (1)
Municipios	262.6	269.7	286.2	297.6	339.6	356.3	359.4	382.1	414.4	413.2	Municipios
Inversión interna bruta, total	1,312.9	1,352.7	1,539.6	1,504.1	2,001.3	1,990.3	2,013.8	1,872.5	1,874.2	2,004.4	Gross domestic investment, total
Cambio en inventarios	155.2	67.9	98.9	7.7	108.9	68.4	109.3	45.2	47.4	55.1	Change in inventories
Inversión interna bruta de capital fijo	1,157.7	1,284.8	1,440.7	1,496.4	1,892.4	1,922.0	1,904.6	1,827.2	1,826.8	1,949.4	Gross fixed domestic investment
Construcción	527.4	649.7	728.7	811.7	971.7	1,000.5	989.7	943.8	909.0	923.0	Construction
Empresas privadas	250.2	288.8	306.7	376.7	554.1	621.4	622.4	594.3	546.6	548.1	Private enterprises
Empresas públicas	186.4	236.3	265.4	235.0	223.0	194.7	222.5	187.1	197.6	223.2	Public enterprises
Gobierno	90.8	124.7	156.6	199.9	194.6	184.4	144.8	162.5	164.7	151.8	Government
Estado Libre Asociado (1)	58.7	89.9	119.0	160.7	146.8	132.1	93.0	118.1	121.1	103.6	Commonwealth (1)
Municipios	32.1	34.7	37.6	39.3	47.8	52.3	51.8	44.4	43.6	48.1	Municipios
Maquinaria y equipo	630.3	635.1	712.0	684.7	920.7	921.5	914.8	883.4	917.8	1,026.4	Machinery and equipment
Empresas privadas	590.6	592.3	668.7	649.4	875.5	878.8	879.5	848.4	869.0	972.2	Private enterprises
Empresas públicas	13.1	17.3	16.6	10.4	15.2	17.4	9.6	11.2	10.5	12.8	Public enterprises
Gobierno	26.6	25.5	26.7	24.9	30.0	25.3	25.7	23.8	38.3	41.4	Government
Estado Libre Asociado (1)	22.5	21.3	22.1	20.3	24.8	20.0	20.8	18.3	32.4	35.4	Commonwealth (1)
Municipios	4.1	4.2	4.5	4.7	5.1	5.3	4.9	5.5	5.9	6.0	Municipios
Ventas netas al resto del mundo	(3,503.6)	(3,821.3)	(4,277.0)	(4,389.1)	(5,106.4)	(5,044.5)	(5,112.4)	(5,292.0)	(5,513.5)	(5,749.0)	Net sales to the rest of the world
Ventas al resto del mundo	4,981.4	4,712.8	4,593.8	5,133.2	5,257.0	5,620.4	6,617.6	6,450.1	7,104.4	7,407.8	Sales to the rest of the world
Gobierno federal	257.9	260.7	264.9	238.8	242.3	258.6	263.1	273.4	274.8	268.9	Federal government
Otros no residentes	4,723.5	4,452.1	4,328.9	4,894.4	5,014.7	5,361.8	6,354.5	6,176.6	6,829.5	7,138.9	Other nonresidents
Compras al resto del mundo	8,485.1	8,534.1	8,870.8	9,522.3	10,363.4	10,664.9	11,730.0	11,742.1	12,617.9	13,156.8	Purchases from the rest of the world
Gobierno federal	81.3	78.4	77.0	62.6	63.6	61.3	60.7	58.8	57.9	85.6	Federal government
Otros no residentes	8,403.7	8,455.7	8,793.8	9,459.7	10,299.8	10,603.7	11,669.3	11,683.3	12,560.0	13,071.2	Other nonresidents

r- Cifras revisadas.

p- Cifras preliminares.

() Cifras negativas.

(1) Incluye las agencias regulares, la Universidad de Puerto Rico, la Corporación del Fondo del Seguro del Estado y la Autoridad de Carreteras y Transportación.

r- Revised figures.

p- Preliminary figures.

() Negative figures.

(1) Includes regular agencies, the University of Puerto Rico, the State Insurance Fund Corporation, and the Highway and Transportation Authority.

Fuente: Junta de Planificación, Programa de Planificación Económica y Social, Subprograma de Análisis Económico.

Source: Puerto Rico Planning Board, Program of Economic and Social Planning, Subprogram of Economic Analysis.

TABLA 8 - INVERSION INTERNA BRUTA DE CAPITAL FIJO: AÑOS FISCALES
TABLE 8 - GROSS FIXED DOMESTIC INVESTMENT: FISCAL YEARS
 (En millones de dólares - In millions of dollars)

	1995	1996	1997	1998	1999	2000	2001	2002r	2003r	2004p	
TOTAL	6,558.9	7,589.9	8,528.7	9,118.1	11,477.5	11,852.5	11,684.1	11,355.6	11,362.2	11,996.9	TOTAL
Construcción (1)	3,255.4	4,095.1	4,689.8	5,355.4	6,551.4	6,849.3	6,756.9	6,491.2	6,334.6	6,625.4	Construction (1)
Vivienda	859.9	1,066.5	1,242.4	1,459.2	2,089.7	1,905.8	2,166.5	2,400.1	2,340.2	2,355.4	Housing
Privada	743.0	956.8	1,106.3	1,341.5	1,901.7	1,750.9	2,029.4	2,245.3	2,106.7	2,155.6	Private
Pública	116.9	109.7	136.1	117.7	188.0	154.9	137.1	154.8	233.5	199.8	Public
Edificios industriales y comerciales (2)	1,835.1	2,243.0	2,439.6	2,577.1	3,149.4	3,681.2	3,601.8	2,973.7	2,846.4	3,180.7	Industrial and commercial buildings (2)
Empresas privadas	801.2	863.2	867.7	1,144.2	1,834.1	2,503.3	2,219.5	1,841.9	1,702.6	1,778.7	Private enterprises
Empresas públicas	1,033.9	1,379.8	1,571.9	1,432.9	1,315.3	1,178.0	1,382.2	1,131.8	1,143.9	1,402.0	Public enterprises
Carreteras, escuelas y otras obras públicas	560.4	785.6	1,007.8	1,319.2	1,312.3	1,262.2	988.7	1,117.5	1,148.0	1,089.3	Roads, schools, and other public works
Gobierno del E.L.A.	362.2	566.8	766.0	1,060.2	990.0	904.2	634.9	811.9	844.0	744.0	Commonwealth government
Gobiernos municipales	198.2	218.8	241.8	259.0	322.3	358.1	353.8	305.5	304.0	345.3	Municipal governments
Maquinaria y equipo	3,303.5	3,494.8	3,838.9	3,762.7	4,926.1	5,003.3	4,927.1	4,864.4	5,027.5	5,371.5	Machinery and equipment
Empresas privadas	3,094.8	3,259.3	3,604.5	3,568.4	4,687.3	4,771.7	4,737.0	4,671.7	4,760.2	5,088.1	Private enterprises
Empresas públicas (3)	68.9	95.1	89.6	57.3	80.5	94.3	51.6	61.6	57.5	66.8	Public enterprises (3)
Gobierno (4)	139.8	140.4	144.8	137.1	158.4	137.2	138.6	131.2	209.8	216.5	Government (4)

r- Cifras revisadas.

p- Cifras preliminares.

(1) No incluye las inversiones de la Autoridad de las Navieras de Puerto Rico.

(2) Incluye instalaciones eléctricas y telefónicas; acueductos y alcantarillados; y refinerías.

(3) Incluye las inversiones de la Autoridad de las Navieras de Puerto Rico.

(4) Incluye gobierno del E.L.A. y municipios.

Fuente: Junta de Planificación, Programa de Planificación Económica y Social, Subprograma de Análisis Económico.

r- Revised figures.

p- Preliminary figures.

(1) Does not include investments by the Puerto Rico Maritime Shipping Authority.

(2) Includes electric and telephone installations, aqueducts and sewers, and refineries.

(3) Includes investments by the Puerto Rico Maritime Shipping Authority.

(4) Includes Commonwealth government and municipios.

Source: Puerto Rico Planning Board, Program of Economic and Social Planning, Subprogram of Economic Analysis.

TABLA 12 - INGRESO NETO INTERNO DE LA MANUFACTURA: AÑOS FISCALES
 TABLE 12 - NET MANUFACTURING DOMESTIC INCOME: FISCAL YEARS
 (En millones de dólares - In millions of dollars)

	1995	1996	1997	1998	1999	2000	2001	2002r	2003r	2004p	
TOTAL	16,684.5	17,210.9	17,969.1	21,529.3	21,661.7	22,348.3	27,389.8	29,454.0	30,624.6	32,169.3	TOTAL
Alimentos y productos relacionados	2,325.5	1,772.2	1,687.9	1,687.1	1,500.5	1,513.3	1,571.5	1,653.2	1,800.9	1,840.3	Food and kindred products
Productos de tabaco	85.3	85.0	77.4	76.8	79.3	54.7	72.5	54.6	100.6	128.0	Tobacco products
Productos textiles	38.0	43.2	41.3	37.7	30.4	18.8	30.6	30.0	5.4	6.1	Textile mill products
Ropa y productos relacionados	578.0	604.1	571.2	554.6	557.7	558.2	533.8	494.3	420.0	567.9	Apparel and related products
Muebles y artículos de madera	61.4	64.6	69.0	65.1	69.7	80.2	74.5	78.9	79.8	83.8	Furniture and wood products
Impresos y publicaciones	188.7	190.2	209.3	221.1	254.2	253.9	224.2	206.9	235.5	254.3	Printing and publishing
Productos químicos y derivados	9,347.0	9,804.9	10,639.0	13,762.0	13,302.1	13,815.5	16,909.1	18,700.8	19,013.5	20,065.7	Chemical and allied products
Productos de piedra, arcilla y cristal	157.9	171.3	190.3	180.8	204.5	191.0	197.7	187.0	194.2	190.4	Stone, clay, and glass products
Maquinaria y productos metálicos	3,139.4	3,767.9	3,777.3	4,240.3	4,978.8	5,246.4	7,230.1	7,654.6	8,294.4	8,480.1	Machinery and metal products
Productos de papel	71.8	75.8	81.7	83.1	87.6	80.6	85.7	80.7	70.4	62.7	Paper and allied products
Productos de cuero	180.3	173.2	196.3	158.9	130.3	113.3	86.5	59.7	42.6	46.7	Leather products
Otra manufactura	511.3	458.7	428.4	461.9	466.5	422.3	373.7	253.3	367.3	443.2	Other manufacturing

r - Cifras revisadas.
 p- Cifras preliminares.

r- Revised figures.
 p- Preliminary figures.

Fuente: Junta de Planificación, Programa de Planificación Económica y Social,
 Subprograma de Análisis Económico.

Source: Puerto Rico Planning Board, Program of Economic and Social Planning,
 Subprogram of Economic Analysis.

Table 1: Annual Estimates of the Population for Municipios of Puerto Rico: April 1, 2000 to July 1, 2004							
Geographic Area	Population estimates					April 1, 2000	
	July 1, 2004	July 1, 2003	July 1, 2002	July 1, 2001	July 1, 2000	Estimates base	Census
Puerto Rico	3,894,855	3,877,881	3,859,606	3,839,190	3,815,909	3,808,603	3,808,610
Adjuntas	18,970	19,014	19,056	19,097	19,135	19,143	19,143
Aguada	43,948	43,566	43,158	42,707	42,199	42,042	42,042
Aguadilla	66,277	65,959	65,620	65,243	64,817	64,685	64,685
Aguas Buenas	30,137	29,916	29,679	29,418	29,123	29,032	29,032
Aibonito	26,938	26,850	26,755	26,649	26,530	26,493	26,493
Añasco	29,292	29,103	28,902	28,678	28,426	28,348	28,348
Arecibo	102,117	101,722	101,298	100,828	100,296	100,131	100,131
Arroyo	19,176	19,164	19,152	19,138	19,122	19,117	19,117
Barceloneta	22,725	22,645	22,559	22,464	22,356	22,322	22,322
Barranquitas	29,914	29,713	29,498	29,260	28,992	28,909	28,909
Bayamón	225,121	224,907	224,678	224,424	224,134	224,044	224,044
Cabo Rojo	49,584	49,047	48,474	47,841	47,130	46,911	46,911
Caguas	142,556	142,147	141,710	141,224	140,673	140,502	140,502
Camuy	37,261	36,855	36,423	35,946	35,409	35,244	35,244
Canóvanas	45,369	44,961	44,526	44,044	43,502	43,335	43,335
Carolina	187,767	187,322	186,846	186,318	185,717	185,531	186,076
Cataño	27,763	28,333	28,897	29,443	29,960	30,071	30,071
Cayey	47,563	47,518	47,471	47,418	47,358	47,339	47,370
Ceiba	18,254	18,204	18,151	18,092	18,025	18,004	18,004
Ciales	20,326	20,224	20,114	19,992	19,854	19,811	19,811
Cidra	45,054	44,598	44,112	43,574	42,970	42,784	42,753
Coamo	38,729	38,503	38,261	37,993	37,691	37,597	37,597
Comerio	19,854	19,891	19,928	19,963	19,995	20,002	20,002
Corozal	38,004	37,777	37,534	37,265	36,961	36,867	36,867
Culebra	1,972	1,951	1,929	1,904	1,876	1,868	1,868
Dorado	34,995	34,800	34,591	34,360	34,098	34,017	34,017
Fajardo	41,860	41,631	41,386	41,114	40,807	40,712	40,712
Florida	13,655	13,394	13,115	12,810	12,471	12,367	12,367
Guánica	22,456	22,343	22,221	22,087	21,935	21,888	21,888
Guayama	45,097	44,938	44,769	44,580	44,367	44,301	44,301
Guayanilla	23,510	23,423	23,329	23,226	23,108	23,072	23,072
Guaynabo	102,169	101,748	101,296	100,796	100,229	100,053	100,053
Gurabo	39,371	38,841	38,276	37,654	36,957	36,743	36,743
Hatillo	40,879	40,487	40,069	39,606	39,085	38,925	38,925
Hormigueros	17,032	16,948	16,859	16,760	16,649	16,614	16,614
Humacao	60,161	59,937	59,697	59,431	59,129	59,035	59,035
Isabela	46,060	45,737	45,391	45,009	44,577	44,444	44,444
Jayuya	17,858	17,750	17,635	17,507	17,363	17,318	17,318
Juana Díaz	52,143	51,821	51,476	51,095	50,664	50,531	50,531
Juncos	38,287	37,919	37,526	37,091	36,603	36,452	36,452

Table 1: Annual Estimates of the Population for Municipios of Puerto Rico: April 1, 2000 to July 1, 2004							
Geographic Area	Population estimates					April 1, 2000	
	July 1, 2004	July 1, 2003	July 1, 2002	July 1, 2001	July 1, 2000	Estimates base	Census
Lajas	27,170	26,988	26,794	26,579	26,336	26,261	26,261
Lares	36,108	35,768	35,406	35,005	34,554	34,415	34,415
Las Mariás	11,612	11,501	11,383	11,253	11,106	11,061	11,061
Las Piedras	36,603	36,177	35,723	35,221	34,658	34,485	34,485
Loíza	33,509	33,315	33,107	32,877	32,617	32,537	32,537
Luquillo	20,329	20,227	20,118	19,997	19,859	19,817	19,817
Manatí	47,501	47,082	46,634	46,139	45,581	45,409	45,409
Maricao	6,519	6,505	6,490	6,474	6,455	6,449	6,449
Maunabo	12,854	12,832	12,808	12,781	12,750	12,741	12,741
Mayagüez	97,350	97,624	97,891	98,146	98,383	98,434	98,434
Moca	41,841	41,410	40,951	40,443	39,873	39,697	39,697
Morovis	31,430	31,136	30,822	30,476	30,085	29,965	29,965
Naguabo	24,082	24,017	23,947	23,869	23,780	23,753	23,753
Naranjito	30,235	30,130	30,018	29,894	29,753	29,709	29,709
Orocovis	24,660	24,497	24,322	24,129	23,911	23,844	23,844
Patillas	20,301	20,271	20,240	20,204	20,164	20,152	20,152
Peñuelas	28,037	27,773	27,490	27,178	26,827	26,719	26,719
Ponce	185,744	185,927	186,106	186,276	186,434	186,468	186,475
Quebradillas	26,713	26,460	26,189	25,890	25,554	25,450	25,450
Rincón	15,577	15,414	15,241	15,049	14,833	14,767	14,767
Río Grande	54,423	54,011	53,570	53,082	52,532	52,362	52,362
Sabana Grande	26,878	26,690	26,488	26,265	26,013	25,935	25,935
Salinas	31,943	31,778	31,600	31,404	31,182	31,113	31,113
San Germán	37,732	37,607	37,474	37,325	37,157	37,105	37,105
San Juan	433,319	433,727	434,116	434,496	434,847	434,919	434,374
San Lorenzo	42,806	42,444	42,057	41,628	41,146	40,997	40,997
San Sebastián	45,857	45,526	45,173	44,782	44,340	44,204	44,204
Santa Isabel	22,376	22,234	22,082	21,914	21,724	21,665	21,665
Toa Alta	70,950	69,524	68,006	66,342	64,492	63,929	63,929
Toa Baja	95,432	95,164	94,877	94,559	94,197	94,085	94,085
Trujillo Alto	80,431	79,485	78,476	77,362	76,112	75,728	75,728
Utuado	35,437	35,417	35,395	35,372	35,344	35,336	35,336
Vega Alta	38,911	38,711	38,497	38,261	37,993	37,910	37,910
Vega Baja	63,710	63,354	62,974	62,553	62,076	61,929	61,929
Vieques	9,253	9,224	9,193	9,158	9,118	9,106	9,106
Villalba	29,277	29,003	28,711	28,388	28,025	27,913	27,913
Yabucoa	40,061	39,899	39,725	39,532	39,314	39,246	39,246
Yauco	47,680	47,422	47,145	46,838	46,491	46,384	46,384

Note: The April 1, 2000 Population Estimates base reflects changes to the Census 2000 population from the Count Question Resolution program and geographic program revisions. Dash (-) represents zero or rounds to zero. (X) Not applicable

Suggested Citation:

Table 1: Annual Estimates of the Population for Municipios of Puerto Rico: April 1, 2000 to July 1, 2004 (PRM-EST2004-01)

Source: Population Division, U.S. Census Bureau

Release Date: April 14, 2005

TABLA 15 - INGRESO PERSONAL: AÑOS FISCALES
TABLE 15 - PERSONAL INCOME: FISCAL YEARS
 (En millones de dólares - In millions of dollars)

	1995	1996	1997	1998	1999	2000	2001	2002r	2003r	2004p	
INGRESO PERSONAL	27,377.6	29,914.1	32,663.3	34,340.2	36,614.5	38,855.7	41,079.5	42,038.6	44,744.7	46,762.4	PERSONAL INCOME
Compensación a empleados	17,773.0	18,957.9	20,261.5	21,155.8	22,098.1	23,504.0	24,389.0	25,080.4	26,726.2	28,281.7	Employees' compensation
Empresas	12,292.5	12,901.3	13,798.9	14,652.4	15,275.0	16,644.4	16,857.8	17,167.6	18,062.0	19,163.8	Business
Gobierno	4,440.3	4,841.2	5,220.1	5,251.2	5,529.6	5,477.7	5,991.9	6,302.8	7,005.8	7,388.5	Government
Personas e instituciones sin fines de lucro	377.7	465.1	478.9	488.5	512.5	497.3	614.1	634.4	673.4	753.3	Household and nonprofit institutions
Resto del mundo	662.5	750.2	763.6	763.8	781.0	884.7	925.2	975.5	985.1	976.2	Rest of the world
Menos: Aportaciones a sistemas de seguridad social	3,077.8	3,321.7	3,459.7	3,713.3	3,750.8	3,978.5	4,206.1	4,293.1	4,683.4	4,846.0	Less: Contributions for social insurance
Empleados	1,242.6	1,342.6	1,385.4	1,502.9	1,510.1	1,596.5	1,724.4	1,776.6	1,907.7	1,997.2	Employees
Patronos	1,835.2	1,979.1	2,074.3	2,210.4	2,240.7	2,382.0	2,481.7	2,516.5	2,775.8	2,848.7	Employers
Ingresos procedentes de la propiedad	4,784.9	5,432.3	5,997.5	6,357.4	6,772.1	7,594.3	8,024.6	7,615.7	8,404.4	8,762.0	Proprietors' income
Ganancia de empresas no incorporadas	1,768.0	1,953.1	2,119.0	2,130.1	2,241.4	2,306.9	2,311.2	2,301.9	2,416.5	2,655.6	Income of unincorporated enterprises
Dividendos de corporaciones locales	88.9	94.0	102.2	112.2	157.3	167.7	187.3	201.8	229.6	249.4	Dividends of domestic corporations
Ingresos misceláneos y dividendos recibidos del exterior	8.8	6.3	10.1	12.1	12.7	14.8	17.6	16.4	13.3	15.3	Miscellaneous income and dividends received from abroad
Ganancia de personas por arrendamiento	1,386.2	1,453.2	1,836.7	1,731.1	2,140.7	2,541.7	3,030.8	3,182.5	3,342.0	3,536.1	Rental income of persons
Intereses recibidos por personas	1,533.0	1,925.7	1,929.5	2,371.9	2,220.1	2,563.4	2,477.5	1,913.1	2,402.9	2,305.6	Personal interest income
Pagos de transferencia	7,897.5	8,845.6	9,863.9	10,540.3	11,495.0	11,735.9	12,871.9	13,635.6	14,297.5	14,564.5	Transfer payments
Gobierno del E.L.A. y municipios	1,392.7	1,637.8	2,065.2	2,187.4	2,395.3	2,589.2	2,988.3	3,147.4	3,116.4	3,251.4	Commonwealth government and municipios
Gobierno federal	5,676.0	6,252.6	6,777.8	7,002.6	7,684.6	7,677.3	8,216.2	8,691.4	9,391.5	9,431.8	Federal government
Gobiernos estatales de E.E.U.U.	18.0	17.0	16.7	18.1	17.2	14.5	11.2	17.1	19.1	16.4	U.S. state governments
Empresas	444.2	553.0	583.6	848.2	771.4	884.9	1,071.1	1,094.9	1,077.7	1,115.4	Business
Otros no residentes	366.6	385.1	420.6	483.9	626.6	570.0	585.2	684.8	692.9	749.4	Other nonresidents

r - Cifras revisadas.
p- Cifras preliminares.

r - Revised figures.
p- Preliminary figures.

Fuente: Junta de Planificación, Programa de Planificación Económica y Social, Subprograma de Análisis Económico.

Source: Puerto Rico Planning Board, Program of Economic and Social Planning, Subprogram of Economic Analysis.

TABLA 23 - EXPORTACIONES DE MERCANCIA REGISTRADA POR SISTEMA DE CLASIFICACION INDUSTRIAL DE AMERICA DEL NORTE (SCIAN): AÑOS FISCALES
 TABLE 23 - EXPORTS OF RECORDED MERCHANDISE BY NORTH AMERICAN INDUSTRIAL CLASSIFICATION SYSTEM (NAICS): FISCAL YEARS
 (En millones de dólares - In millions of dollars)

SCIAN / NAICS	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	
EXPORTACIONES REGISTRADAS, TOTAL	23,811.3	22,944.4	23,946.8	30,272.9	34,901.8	38,465.7	46,900.8	47,172.3	55,175.3	55,080.2	RECORDED EXPORTS, TOTAL
11 Agricultura, silvicultura, pesca y caza	89.1	69.2	85.0	84.4	71.9	89.6	66.7	70.5	36.9	40.6	Agriculture, forestry, fishing and hunting
21 Minería	13.1	9.6	11.3	59.8	33.0	39.0	7.2	5.4	4.1	2.7	Mining
31-33 Manufactura	23,326.1	22,562.5	23,567.1	29,823.3	34,480.5	37,993.1	46,442.3	46,722.9	54,690.1	54,601.7	Manufacturing
311 Alimentos	2,720.5	3,208.5	3,265.3	3,544.9	4,115.4	3,745.8	3,488.6	3,553.5	3,265.4	2,663.8	Food
312 Productos de bebidas y de tabaco	296.6	242.3	267.6	294.5	239.5	227.5	353.4	278.6	304.0	338.8	Beverage and tobacco products
313-314 Textiles	148.7	150.8	111.4	72.1	75.6	80.1	79.3	75.4	106.2	125.9	Textiles
315 Ropa	755.9	681.9	696.2	734.0	654.6	617.2	601.5	545.8	431.1	316.9	Apparel
316 Cuero y productos afines	463.9	357.9	383.0	446.1	379.4	317.7	261.5	159.7	95.6	101.9	Leather and allied products
321 Productos de madera	23.0	20.9	11.3	8.8	10.9	9.6	14.3	7.0	8.4	23.0	Wood products
322 Papel	62.1	66.9	31.2	36.5	29.2	30.4	30.2	42.8	23.8	27.0	Paper
323 Imprenta	63.0	53.2	45.9	51.2	42.6	47.3	41.6	31.3	32.8	15.5	Printing
324 Productos de petróleo y de carbón	298.5	248.4	227.3	179.0	150.0	229.7	257.3	77.3	389.7	476.2	Petroleum and coal products
325 Químicos	11,076.9	9,879.4	10,616.2	15,737.6	19,578.2	22,624.9	30,767.1	33,307.1	39,603.9	37,632.6	Chemicals
3254 Farmacéuticos y medicinas	6,058.3	6,241.1	8,927.5	13,975.9	18,097.9	21,265.6	29,096.4	31,425.9	36,645.8	35,196.7	Pharmaceuticals and medicines
326 Productos de plástico y de goma	127.2	139.2	135.4	127.3	128.1	143.1	133.0	107.5	142.7	127.4	Plastics and rubber products
327 Productos de minerales no metálicos	52.5	53.5	69.4	43.4	42.6	52.5	47.1	64.4	79.1	73.2	Nonmetallic mineral products
331 Metales primarios	30.6	19.8	22.6	48.9	27.0	32.0	205.0	78.2	78.8	75.1	Primary metals
332 Productos fabricados de metal	71.9	69.2	81.1	75.7	78.3	67.5	95.0	102.8	74.1	81.1	Fabricated metal products
333 Maquinaria	509.5	395.8	453.4	617.0	662.4	709.1	680.4	508.7	616.8	614.6	Machinery
334 Productos de computadora y electrónicos	3,458.8	4,066.9	4,218.3	4,869.8	5,193.3	6,189.4	6,094.5	4,404.7	5,686.3	7,145.9	Computer and electronic products
3341 Computadoras y equipo periférico	1,359.7	2,613.6	3,139.1	3,556.8	3,599.8	4,223.7	4,667.3	3,390.6	4,414.8	4,969.8	Computers and peripheral equipment
335 Equipos eléctricos, enseres y componentes	1,392.4	1,216.2	1,234.3	1,193.2	1,044.7	1,053.7	1,213.8	984.3	1,200.4	1,213.2	Electrical equipment, appliance, and component
336 Equipo de transportación	194.8	159.4	157.0	154.5	166.4	191.5	210.3	252.7	223.6	292.9	Transportation equipment
337 Muebles y productos relacionados	20.4	18.4	19.0	12.9	21.1	18.1	16.5	22.4	17.2	10.2	Furniture and related products
339 Manufactura miscelánea	1,559.0	1,513.9	1,521.1	1,575.8	1,841.3	1,606.0	1,851.9	2,118.9	2,310.2	3,246.5	Miscellaneous manufacturing
3391 Equipos y materiales de uso médico	1,413.7	1,413.5	1,423.6	1,493.6	1,762.5	1,504.7	1,755.9	2,068.5	2,250.7	3,165.6	Medical equipment and supplies
Otros sectores (1)	383.1	303.1	283.4	305.3	316.5	344.1	384.6	373.4	444.1	435.2	Other sectors (1)

(1) Incluye servicios de reparación y mercancía no clasificada.

(1) Includes repair services and merchandise not classified.

Nota: La clasificación de mercancía registrada de acuerdo al Sistema de Clasificación Industrial de América del Norte no equivale necesariamente a la Clasificación Industrial Uniforme.

Note: The classification of recorded merchandise according to the North American Industrial Classification System does not necessarily equals the Standard Industrial Classification.

Fuente: Junta de Planificación, Programa de Planificación Económica y Social, Subprograma de Análisis Económico.

Source: Puerto Rico Planning Board, Program of Economic and Social Planning, Subprogram of Economic Analysis.

TABLE 24 - IMPORTACIONES DE MERCANCIA REGISTRADA POR SISTEMA DE CLASIFICACION INDUSTRIAL DE AMERICA DEL NORTE (SCIAN): AÑOS FISCALES
 TABLE 24 - IMPORTS OF RECORDED MERCHANDISE BY NORTH AMERICAN INDUSTRIAL CLASSIFICATION SYSTEM (NAICS): FISCAL YEARS
 (En millones de dólares - In millions of dollars)

SCIAN / NAICS	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	
IMPORTACIONES REGISTRADAS, TOTAL	18,816.6	19,060.9	21,387.4	21,797.5	25,299.4	27,042.8	29,149.3	28,984.6	33,749.7	38,897.6	RECORDED IMPORTS, TOTAL
11 Agricultura, silvicultura, pesca y caza	411.3	544.8	553.8	587.2	525.9	448.2	517.8	503.1	446.9	460.9	Agriculture, forestry, fishing and hunting
21 Minería	629.2	528.7	356.6	152.1	97.1	490.0	225.1	315.5	800.1	945.9	Mining
31-33 Manufactura	17,173.4	17,414.5	19,869.7	20,445.4	23,830.5	25,386.5	27,679.5	27,360.2	31,608.1	36,408.6	Manufacturing
311 Alimentos	1,705.1	1,757.4	1,833.6	1,784.3	1,880.5	1,820.7	2,135.0	1,952.3	1,981.7	2,052.2	Food
312 Productos de bebidas y de tabaco	298.6	251.5	252.1	303.2	360.5	302.3	432.2	386.5	292.4	368.2	Beverage and tobacco products
313-314 Textiles	418.5	362.5	364.5	369.1	377.0	375.0	372.1	288.8	288.2	318.3	Textiles
315 Ropa	382.7	480.1	444.9	516.7	594.3	642.0	644.6	671.6	643.2	570.0	Apparel
316 Cuero y productos afines	431.8	430.5	455.7	355.2	349.1	333.2	332.8	299.6	270.6	234.6	Leather and allied products
321 Productos de madera	183.4	195.7	171.1	181.7	220.6	184.8	182.0	139.7	140.1	155.8	Wood products
322 Papel	412.7	449.5	419.5	425.1	487.9	452.6	547.0	480.7	475.5	509.9	Paper
323 Imprenta	105.9	113.0	110.5	125.8	141.5	153.8	186.5	220.2	215.8	211.3	Printing
324 Productos de petróleo y de carbón	958.5	1,141.4	1,540.2	1,557.8	1,359.9	1,931.4	2,309.3	1,592.7	1,923.1	2,070.0	Petroleum and coal products
325 Químicos	3,666.1	4,158.9	5,438.8	5,879.4	7,355.0	9,135.9	10,503.0	12,324.5	15,111.2	19,289.3	Chemicals
3251 Químicos básicos	922.4	1,221.0	1,387.4	1,182.7	1,660.9	1,849.4	2,172.6	2,796.7	3,044.6	3,285.7	Basic chemicals
3254 Farmacéuticos y medicinas	1,156.0	1,721.6	3,350.0	3,978.9	4,876.7	6,474.8	7,414.2	8,628.7	11,212.6	15,191.9	Pharmaceuticals and medicines
326 Productos de plástico y de goma	417.0	378.8	426.4	462.2	529.7	474.9	546.8	521.9	637.9	547.9	Plastics and rubber products
327 Productos de minerales no metálicos	172.8	180.1	218.0	208.9	261.8	253.7	268.3	264.1	271.2	242.6	Nonmetallic mineral products
331 Metales primarios	340.6	342.5	405.9	410.4	400.7	333.6	398.5	341.4	401.8	410.2	Primary metals
332 Productos fabricados de metal	331.5	333.9	376.9	391.5	488.1	445.9	565.5	396.5	500.1	492.0	Fabricated metal products
333 Maquinaria	826.3	941.0	999.2	1,061.0	1,353.6	1,227.6	1,280.9	1,073.6	1,153.3	1,133.5	Machinery
334 Productos de computadora y electrónicos	2,652.2	2,147.3	2,036.4	2,299.4	2,771.6	2,799.5	2,711.3	2,168.3	2,658.7	3,105.4	Computer and electronic products
335 Equipos eléctricos, enseres y componentes	1,092.5	920.0	950.3	892.3	1,047.0	970.8	796.4	721.0	773.3	776.4	Electrical equipment, appliance, and component
336 Equipo de transportación	1,853.7	1,784.8	2,272.7	2,131.7	2,695.3	2,350.0	2,160.1	2,189.7	2,345.8	2,355.5	Transportation equipment
3361 Vehículos de motor	1,637.8	1,426.2	1,750.4	1,667.1	2,100.9	2,028.6	1,820.6	1,898.7	2,043.3	2,090.2	Motor vehicles
337 Muebles y productos relacionados	166.7	180.1	233.2	245.6	288.7	247.3	255.6	257.2	271.2	275.9	Furniture and related products
339 Manufactura miscelánea	756.7	865.4	919.8	844.2	867.5	951.4	1,051.7	1,069.9	1,252.9	1,289.6	Miscellaneous manufacturing
Otros sectores (1)	602.7	572.9	607.3	612.9	846.0	718.2	726.9	805.8	894.5	1,082.2	Other sectors (1)

(1) Incluye servicios de reparación y mercancía no clasificada.

(1) Includes repair services and merchandise not classified.

Nota: La clasificación de mercancía registrada de acuerdo al Sistema de Clasificación Industrial de América del Norte no equivale necesariamente a la Clasificación Industrial Uniforme.

Note: The classification of recorded merchandise according to the North American Industrial Classification System does not necessarily equals the Standard Industrial Classification.

Fuente: Junta de Planificación, Programa de Planificación Económica y Social, Subprograma de Análisis Económico.

Source: Puerto Rico Planning Board, Program of Economic and Social Planning, Subprogram of Economic Analysis.

TABLA 25 - BALANCE COMERCIAL: AÑOS FISCALES
 TABLE 25 - TRADE BALANCE: FISCAL YEARS
 (En millones de dólares - In millions of dollars)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	
Exportaciones registradas, total	23,811.3	22,944.4	23,946.8	30,272.9	34,901.8	38,465.7	46,900.8	47,172.3	55,175.3	55,080.2	Recorded exports, total
Estados Unidos	21,106.9	20,148.6	21,187.3	27,397.4	30,535.2	33,763.6	41,367.2	41,739.7	47,647.0	45,418.7	United States
Países extranjeros	2,539.6	2,658.4	2,668.3	2,797.7	4,308.5	4,638.5	5,440.7	5,362.8	7,456.3	9,574.5	Foreign countries
Islas Vírgenes	164.8	137.3	91.3	77.9	58.1	63.7	92.9	69.7	72.0	86.9	Virgin Islands
Importaciones registradas, total	18,816.6	19,060.9	21,387.4	21,797.5	25,299.4	27,042.8	29,149.3	28,984.6	33,749.7	38,897.6	Recorded imports, total
Estados Unidos	12,158.1	11,909.3	13,317.8	13,225.9	15,136.0	15,079.7	15,586.1	14,561.3	16,503.4	17,596.2	United States
Países extranjeros	6,351.5	6,784.8	7,625.6	7,987.2	9,610.6	11,309.9	12,769.7	13,736.1	16,374.6	20,363.4	Foreign countries
Islas Vírgenes	307.0	366.8	444.1	584.5	552.8	653.2	793.5	687.2	871.7	938.1	Virgin Islands
Balance comercial	4,994.7	3,883.5	2,559.4	8,475.4	9,602.4	11,422.9	17,751.5	18,187.7	21,425.6	16,182.6	Trade balance
Estados Unidos	8,948.8	8,239.3	7,869.5	14,171.5	15,399.2	18,683.9	25,781.1	27,178.4	31,143.6	27,822.6	United States
Países extranjeros	(3,811.9)	(4,126.4)	(4,957.3)	(5,189.5)	(5,302.1)	(6,671.4)	(7,329.0)	(8,373.3)	(8,918.4)	(10,788.8)	Foreign countries
Islas Vírgenes	(142.2)	(229.5)	(352.8)	(506.6)	(494.7)	(589.5)	(700.6)	(617.5)	(799.6)	(851.2)	Virgin Islands

() Cifras negativas.

() Negative figures.

Fuente: Junta de Planificación, Programa de Planificación Económica y Social,
 Subprograma de Análisis Económico.

Source: Puerto Rico Planning Board, Program of Economic and Social Planning,
 Subprogram of Economic Analysis.

TABLA 32 - ESTADO DE EMPLEO DE LAS PERSONAS DE 16 AÑOS DE EDAD Y MAS: AÑOS FISCALES
 TABLE 32 - EMPLOYMENT STATUS OF PERSONS 16 YEARS OLD AND OVER: FISCAL YEARS
 (En miles de personas - In thousands of persons)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	
Personas de 16 años y más	2,654	2,684	2,708	2,740	2,782	2,820	2,850	2,905	2,958	2,999	Persons 16 years and over
Grupo trabajador	1,219	1,268	1,298	1,317	1,310	1,303	1,293	1,330	1,378	1,392	Labor force
Empleados	1,051	1,092	1,128	1,137	1,147	1,159	1,158	1,170	1,211	1,234	Employed
Desempleados	168	175	170	179	163	143	135	160	167	158	Unemployed
Tasa de participación	45.9	47.2	48.0	48.1	47.2	46.2	45.4	45.8	46.6	46.4	Participation rate
Tasa de desempleo	13.8	13.8	13.1	13.6	12.5	11.0	10.5	12.0	12.1	11.4	Unemployment rate

p- Cifras preliminares.

p- Preliminary figures.

Fuente: Departamento del Trabajo y Recursos Humanos,
 Negociado de Estadísticas del Trabajo, Encuesta de Vivienda.

Source: Department of Labor and Human Resources,
 Bureau of Labor Statistics, Household Survey.