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GOVERNMENT OF PUERTO RICO

2024

ECONOMIC REPORT TO THE GOVERNOR AND TO THE LEGISLATIVE ASSEMBLY





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2024

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Puerto Rico's Economy in Fiscal Year 2024-2026

PUERTO RICO'S ECONOMY IN FISCAL YEAR 2024

Puerto Rico's economy experienced significant developments during fiscal year 2024, as reflected by key macroeconomic indicators. This chapter examines these changes, highlighting their impact on the island's financial situation. Relevant data on federal funds received, recorded inflation rates, and labor market statistics are included.

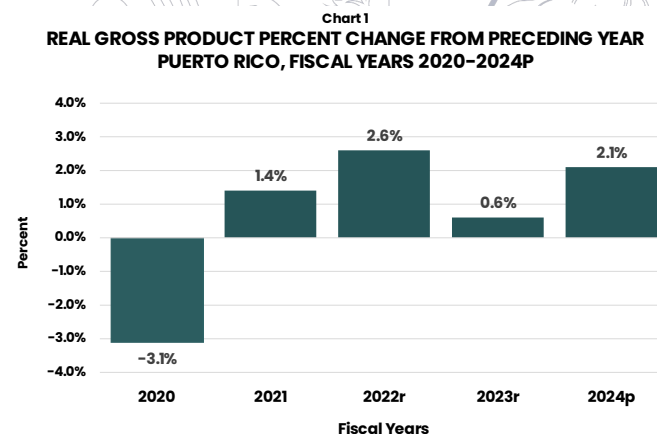
During this period, fluctuations were observed in consumer confidence indices and foreign investment levels. Statistics show the impact of public policies implemented on the business sector and the overall economy. Inflation data, along with fiscal and monetary measures, influenced interest rates, affecting economic performance. In the labor sector, employment figures and the unemployment rate reflect the results of job training programs and measures to support local businesses.

This chapter offers an analysis based on verifiable data and quantitative projections for fiscal years 2025 and 2026, with the goal of providing an informed view of Puerto Rico's economic situation. The results presented provide a useful framework for assessing future trends and considering public policy alternatives, thus contributing to decision-making based on objective and quantifiable information.

Puerto Rico's Economy 2024

Gross Product

Real gross national product (GNP) reflected a growth of \$1,444.5 million or 2.1% in fiscal year 2024, when it reached \$69,869.4 million, compared to \$68,424.9 million in fiscal year 2023. This increase is mainly driven by personal consumption expenditures, which increased 2.4%, compared to fiscal year 2023 (**Chart 1 and Table 1**). Within personal consumption, expenditures on non-durable goods and services contributed the most, with growth of 4.9 and 2.4%, respectively. Durable goods showed a drop of 7.8%, from \$9,938.5 million to \$9,159.9 million.



r - revised figures.
p - preliminary figures.

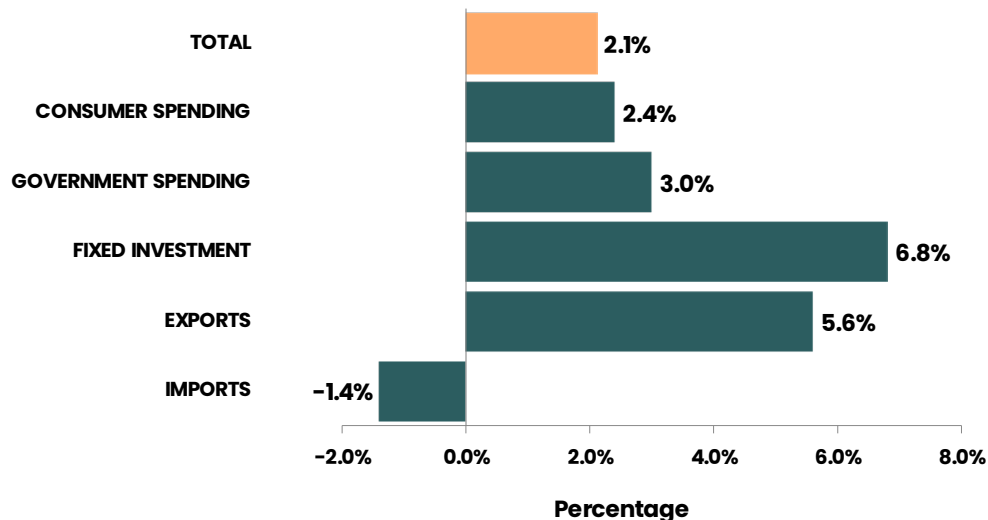
Source: Puerto Rico Planning Board.

GNP is the main indicator of the economy and the increase in fiscal year 2024 is mainly due to the combination of solid consumption and improvements in foreign trade, although qualified by some challenges in total domestic investment (**Chart 2 and Table 1**).

The revision of the GNP estimates at constant prices in fiscal years 2022 and 2023 was 2.6 and 0.6%, respectively (**Table 1**).

At current prices, the estimated GNP in fiscal year 2024 was \$85,627.2 million, which represented an increase of 4.5% compared to the previous fiscal year. The revision to the current GNP estimates for fiscal years 2022 and 2023 totaled \$78,642.1 million and \$81,928.7 million, or 7.2% and 4.2%, respectively (**Table 2**).

Chart 2
**REAL GROSS PRODUCT VARIABLES
AT CONSTANT PRICES
PUERTO RICO, FISCAL YEARS 2024p vs. 2023r**



r - revised figures.
p - preliminary figures.

Source: Puerto Rico Planning Board.

ECONOMIC REPORT TO THE GOVERNOR AND TO THE LEGISLATIVE ASSEMBLY 2024

Table 1

Real Gross National Product

Puerto Rico, fiscal years 2022r, 2023r and 2024p

million of dollars - 2017=100.0

	2022r	2023r	2024p	Change			
				Absolute		Percentage	
				2023-2022	2024-2023	2023/ 2022	2024/ 2023
Gross domestic product	99,618.3	100,114.5	103,344.9	496.2	3,230.4	0.5	3.2
Gross national product	68,041.3	68,424.9	69,869.4	383.6	1,444.5	0.6	2.1
Domestic demand for goods and services	105,096.8	102,610.4	96,842.8	(2,486.4)	(5,767.6)	(2.4)	(5.6)
Personal consumption expenditures	82,477.5	82,748.0	84,709.3	270.4	1,961.4	0.3	2.4
Durable goods	10,128.2	9,938.5	9,159.9	(189.7)	(778.6)	(1.9)	(7.8)
Non durable goods	40,088.8	39,897.7	41,862.1	(191.1)	1,964.3	(0.5)	4.9
Service	32,260.5	32,911.7	33,687.3	651.2	775.6	2.0	2.4
Government consumption expenditures	9,618.1	9,658.5	9,944.8	40.4	286.3	0.4	3.0
Central	6,866.0	6,884.6	7,183.9	18.6	299.3	0.3	4.3
Municipios	2,752.2	2,773.9	2,760.9	21.7	(13.0)	0.8	(0.5)
Gross domestic investment, total	13,001.2	10,204.0	2,188.6	(2,797.2)	(8,015.3)	(21.5)	(78.6)
Change in inventories	(81.4)	(3,175.2)	(12,105.6)	(3,093.7)	(8,930.4)	---	---
Gross domestic fixed investment	13,082.6	13,379.1	14,294.2	296.6	915.1	2.3	6.8
Construction	4,427.9	4,594.0	5,379.0	166.1	785.0	3.8	17.1
Private enterprises	3,292.1	3,043.0	3,258.7	(249.1)	215.6	(7.6)	7.1
Public enterprises	832.9	1,205.1	1,629.4	372.2	424.3	44.7	35.2
Government	302.9	345.9	491.0	43.0	145.1	14.2	41.9
Central	225.3	242.9	339.2	17.6	96.3	7.8	39.6
Municipios	77.6	103.0	151.8	25.4	48.8	32.7	47.4
Machinery and equipment	8,654.7	8,785.1	8,915.2	130.4	130.1	1.5	1.5
Private enterprises	8,389.5	8,473.4	8,504.4	84.0	30.9	1.0	0.4
Public enterprises	44.9	64.1	76.8	19.2	12.7	42.8	19.8
Government	220.3	247.6	334.1	27.3	86.5	12.4	34.9
Central	182.8	210.8	296.2	28.1	85.3	15.3	40.5
Municipios	37.5	36.7	37.9	(0.8)	1.1	(2.1)	3.1
Net sales to the rest of the world	(37,055.6)	(34,185.6)	(26,973.4)	2,870.0	7,212.1	7.7	21.1
Sales to the rest of the world	85,706.6	95,459.8	100,797.1	9,753.2	5,337.3	11.4	5.6
Goods	1,888.6	1,995.3	2,187.4	106.7	192.1	5.6	9.6
Services	83,818.0	93,464.5	98,609.6	9,646.5	5,145.2	11.5	5.5
Purchases from the rest of the world	122,762.2	129,645.4	127,770.5	6,883.2	(1,874.9)	5.6	(1.4)
Goods	277.0	290.1	320.3	13.2	30.2	4.8	10.4
Services	122,485.3	129,355.2	127,450.2	6,870.0	(1,905.0)	5.6	(1.5)

r - Revised figures.

p - Preliminary figures.

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

ECONOMIC REPORT TO THE GOVERNOR AND TO THE LEGISLATIVE ASSEMBLY 2024

Table 2

Gross National Product

Puerto Rico, fiscal years 2022r, 2023r and 2024p

million of dollars

	2022r	2023r	2024p	Cambio			
				Absolute		Percentage	
				2023-2022	2024-2023	2023/2022	2024/2023
Gross domestic product	113,843.7	118,375.0	125,841.5	4,531.3	7,466.5	4.0	6.3
Gross national product	78,642.1	81,928.7	85,627.2	3,286.6	3,698.5	4.2	4.5
Domestic demand for goods and services	113,415.6	118,247.2	124,556.0	4,831.6	6,308.8	4.3	5.3
Personal consumption expenditures	87,396.3	91,255.2	95,626.3	3,858.9	4,371.1	4.4	4.8
Durable goods	10,820.5	11,138.5	10,500.6	318.0	(637.9)	2.9	(5.7)
Non durable goods	41,928.7	43,788.6	47,124.1	1,859.9	3,335.5	4.4	7.6
Service	34,647.1	36,328.1	38,001.5	1,681.0	1,673.4	4.9	4.6
Government consumption expenditures	9,153.1	9,961.6	10,330.5	808.5	368.9	8.8	3.7
Central	6,583.9	7,274.3	7,504.0	690.4	229.7	10.5	3.2
Municipios	2,569.3	2,687.4	2,826.5	118.1	139.1	4.6	5.2
Gross domestic investment, total	16,866.2	17,030.4	18,599.2	164.2	1,568.8	1.0	9.2
Change in inventories	1,513.2	455.9	282.6	(1,057.3)	(173.3)	---	---
Gross domestic fixed investment	15,353.1	16,574.5	18,316.6	1,221.4	1,742.1	8.0	10.5
Construction	5,617.1	6,006.2	7,140.6	389.1	1,134.4	6.9	18.9
Private enterprises	4,177.7	3,977.3	4,324.3	(200.4)	347.0	(4.8)	8.7
Public enterprises	1,055.0	1,576.9	2,164.8	521.9	587.9	49.5	37.3
Government	384.4	452.1	651.5	67.7	199.4	17.6	44.1
Central	285.9	317.5	450.1	31.6	132.6	11.1	41.8
Municipios	98.5	134.6	201.4	36.1	66.9	36.6	49.7
Machinery and equipment	9,736.0	10,568.3	11,176.0	832.3	607.7	8.5	5.8
Private enterprises	9,437.6	10,193.3	10,660.8	755.7	467.5	8.0	4.6
Public enterprises	50.5	77.1	96.3	26.6	19.2	52.7	24.9
Government	247.9	297.8	418.9	49.9	121.1	20.1	40.7
Central	205.6	253.6	371.4	48.0	117.8	23.3	46.5
Municipios	42.2	44.2	47.5	2.0	3.3	4.7	7.5
Net sales to the rest of the world	(34,773.6)	(36,318.6)	(38,928.8)	(1,545.0)	(2,610.2)	(4.4)	(7.2)
Sales to the rest of the world	69,751.4	74,561.1	75,178.1	4,809.7	617.0	6.9	0.8
Goods	2,001.3	2,200.5	2,469.3	199.2	268.8	10.0	12.2
Services	67,750.2	72,360.6	72,708.8	4,610.4	348.2	6.8	0.5
Purchases from the rest of the world	104,525.0	110,879.7	114,106.9	6,354.7	3,227.2	6.1	2.9
Goods	293.6	320.0	361.6	26.4	41.6	9.0	13.0
Services	104,231.4	110,559.6	113,745.2	6,328.2	3,185.6	6.1	2.9

r - Revised figures.

p - Preliminary figures.

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

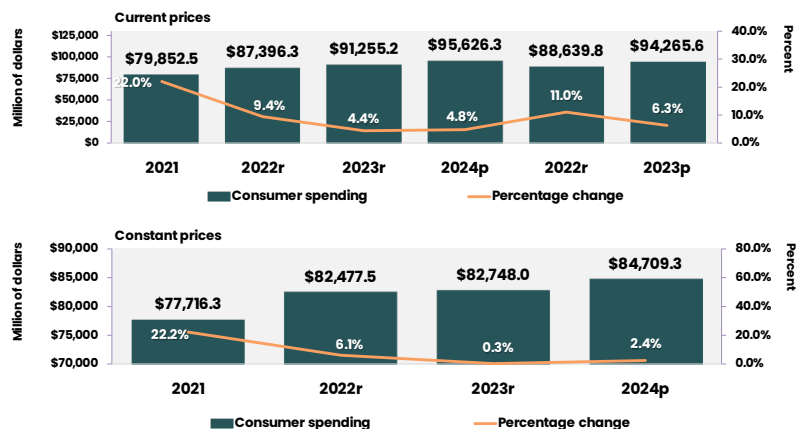
Personal consumption expenditures

Personal consumption expenditures represent the main component of domestic demand and are composed of selected product groups: durable goods, non-durable goods, and services. The goods or articles category accounts for the largest share of personal consumption expenditures.

At current prices, personal consumption expenditures in fiscal year 2024 reached \$95,626.3 million, an increase of 4.8% compared to fiscal year 2023, which reflected \$91,255.2 million. Spending on nondurable goods and services contributed the most, with growth of 7.6% and 4.6%, respectively. The increase in personal consumption expenditures on: medical and funeral services, 12.3%; housing, 6.9%; education, 5.8%; and personal care, 4.4%, had the greatest impact on total personal spending in fiscal year 2024, compared to fiscal year 2023. However, durable goods showed a drop of 5.7%, from \$11,138.5 million in fiscal year 2023 to \$10,500.6 million in fiscal year 2024 (**Chart 3 and Table 3**).

At constant prices, personal consumption expenditures in fiscal year 2024 reached \$84,709.3 million, an increase of 2.4% compared to fiscal year 2023, which reflected \$82,748.0 million. Spending on nondurable goods and services contributed the most, with growth of 4.9% and 2.4%, respectively, in fiscal year 2024. The increases in personal consumption expenditures on: medical and funeral services, 10.1%; education, 2.9%; household operations, 2.4%; and housing, 0.5% had the greatest impact on total personal spending in fiscal year 2024, compared to fiscal year 2023. Importantly, personal consumption expenditures accounted for 87.5% of real domestic demand in fiscal year 2024.

Chart 3
PERSONAL CONSUMPTION EXPENDITURES
PUERTO RICO, FISCAL YEARS 2021-2024p



r - revised figures.
p - preliminary figures.

Source: Puerto Rico Planning Board.

Table 3

Personal consumption expenditures by major type of product
Puerto Rico, fiscal years 2022r, 2023r and 2024p
million of dollars

	2022r	2023r	2024p	Change			
				Absolute		Percentage	
				2023-2022	2024-2023	2023/2022	2024/2023
PERSONAL CONSUMPTION EXPENDITURES	87,396.3	91,255.2	95,626.3	3,858.9	4,371.1	4.4	4.8
Food	11,626.7	11,903.2	11,581.5	276.5	(321.7)	2.4	(2.7)
Alcoholic beverages and tobacco products	2,268.2	2,107.8	2,046.5	(160.4)	(61.3)	(7.1)	(2.9)
Clothing and accessories	3,159.8	3,357.7	3,335.9	197.9	(21.8)	6.3	(0.6)
Personal care	1,311.1	1,452.3	1,515.5	141.2	63.2	10.8	4.4
Housing	9,860.0	10,699.0	11,437.0	839.0	738.0	8.5	6.9
Household operations	12,019.5	12,275.9	12,613.5	256.4	337.6	2.1	2.8
Medical and funeral services	29,470.3	31,686.3	35,599.1	2,216.0	3,912.8	7.5	12.3
Business services	2,244.0	2,477.2	2,408.8	233.2	(68.4)	10.4	(2.8)
Transportation	9,686.5	10,204.7	10,084.9	518.2	(119.8)	5.3	(1.2)
Recreation	6,161.3	6,480.5	6,699.6	319.2	219.1	5.2	3.4
Education	1,963.8	2,113.3	2,236.2	149.5	122.9	7.6	5.8
Religious and nonprofit organizations, not elsewhere classified	16.3	18.6	20.3	2.3	1.7	14.1	9.1
Foreign travel	1,026.0	1,185.7	1,272.5	159.7	86.8	15.6	7.3
Miscellaneous purchases	1,150.1	674.3	786.3	(475.8)	112.0	(41.4)	16.6
Total consumption expenditures							
In Puerto Rico by residents and nonresidents	91,963.5	96,636.5	101,637.7	4,673.0	5,001.2	5.1	5.2
Less: Expenditures in Puerto Rico by nonresidents	4,567.2	5,381.3	6,011.4	814.1	630.1	17.8	11.7

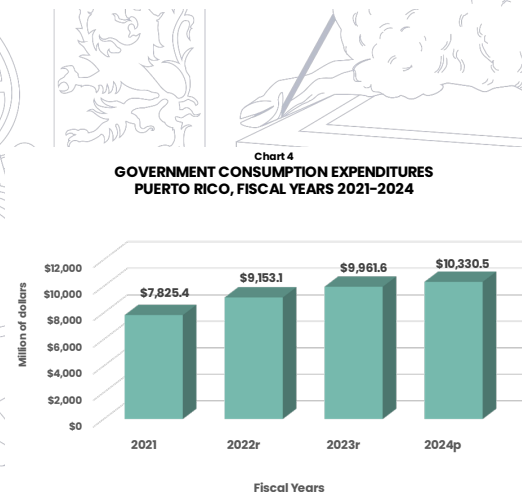
r - Revised figures.

p - Preliminary figures.

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

Government consumption expenditures

Government consumption expenditures refer to spending by government entities on goods and services to perform their functions and provide public services. These expenditures consist of employee compensation, advisory services, and net purchases of goods and services by the central government and municipalities. In fiscal year 2024, government consumption expenditures reached \$10,330.5 million at current prices, an increase of 3.7% or \$368.9 million compared to the \$9,961.6 million level in fiscal year 2023 (Chart 4). At constant prices, government consumption expenditures totaled \$9,944.8 million, an increase of 3.0% or \$286.3 million compared to \$9,658.5 million recorded in the previous fiscal year (Table 1).



r - revised figures.
p - preliminary figures.

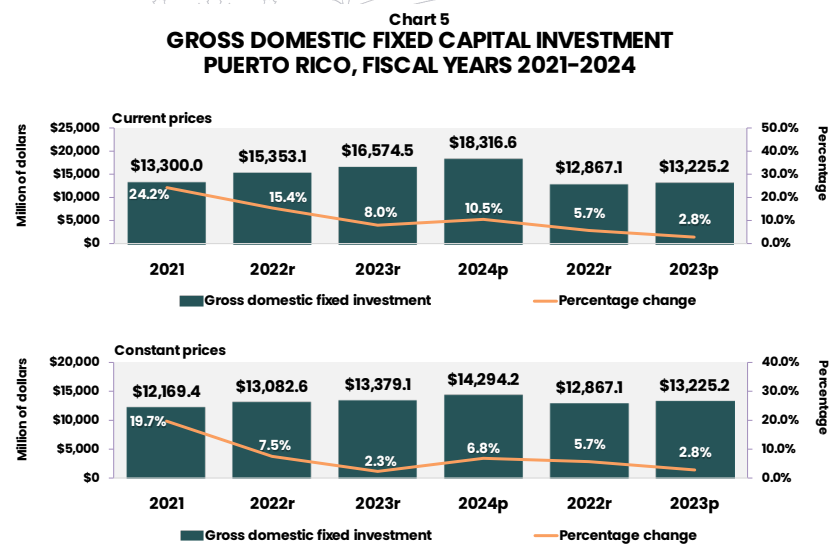
Source: Puerto Rico Planning Board.

Total gross domestic investment

Total gross domestic investment refers to the level of fixed capital investment in producing goods and services in Puerto Rico's economy. It includes both private and public sector investment. It includes investment in construction, investment in machinery and equipment, and changes in inventories.

Total gross domestic investment at current prices totaled \$18,599.2 million in fiscal year 2024.

This represented an increase of \$1,568.8 million or 9.2%, compared to \$17,030.4 million in fiscal year 2023. This performance was due to the increase in gross domestic fixed capital investment (construction, and machinery and equipment) of 10.5% in fiscal year 2024, compared to the previous fiscal year (**Table 1**). On the other hand, gross domestic fixed capital investment at constant prices grew 6.8% in fiscal year 2024. This was due to the growth in construction of 17.1% and investment in machinery and equipment of 1.5%. (**Chart 5 and Table 2**)



r - revised figures.
p - preliminary figures.

Source: Puerto Rico Planning Board.

Net sales to the rest of the world

Puerto Rico has an open economy that relies on foreign investment. The degree of openness of modern economies facilitates the participation of foreign capital in most markets. Because of this, the net balance of import and export transactions with other economies plays a significant role in Puerto Rico's Gross Domestic Product.

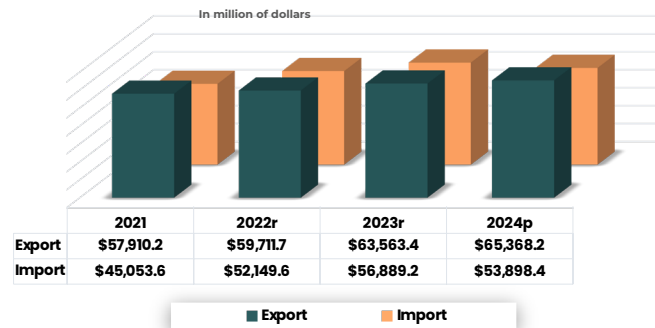
During fiscal year 2024, at constant prices, sales of goods and services worth \$100,797.1 million were recorded, for an increase of 5.6% or \$5,337.3 million, compared to \$95,459.8 million recorded in fiscal year 2023. On the other hand, purchases of goods and services reached \$127,770.5 million, which represented a decrease of \$1,874.9 million, compared to the previous fiscal year. As a result, a positive balance of 21.1% was generated in fiscal year 2024 (**Table 1**).

Foreign trade

Exports

Data from the U.S. Department of Commerce on the value of recorded exports was \$65,368.2 million. This represented an increase of \$1,804.8 million, or 2.8%, over the previous fiscal year. Nearly all exports originate from the manufacturing sector, specifically chemical products. The value of manufacturing exports in fiscal year 2024 totaled \$63,055.7 million and constituted 96.5% of the total export value. Chemical manufacturing exports totaled \$49,394.1 million (**Chart 6 and Table 2**).

Chart 6
TRANSACTIONS WITH THE REST OF THE WORLD
PUERTO RICO, FISCAL YEARS 2021-2024



r - revised figures.
p - preliminary figures.

Source: Puerto Rico Planning Board.

Imports

Registered merchandise imports, according to the U.S. Department of Commerce, totaled \$53,898.4 million in fiscal year 2024. This represented a decrease of \$2,990.8 million, or 5.3%, compared to the \$56,889.2 million recorded in fiscal year 2023.

Imports from the United States totaled \$32,346.8 million, an increase of \$ 294.3 million, or 0.9%, compared to the fiscal year 2023 level. Imports from foreign countries decreased by 12.0%, or \$2,924.0 million.

Gross domestic product

Gross domestic product (GDP) is a widely used economic measure that represents the monetary value of all final goods and services produced during a given period, usually a year. GDP is an important macroeconomic indicator for comparing economic performance, analyzing growth trends, assessing the economic well-being of the population, and informing economic policymaking.

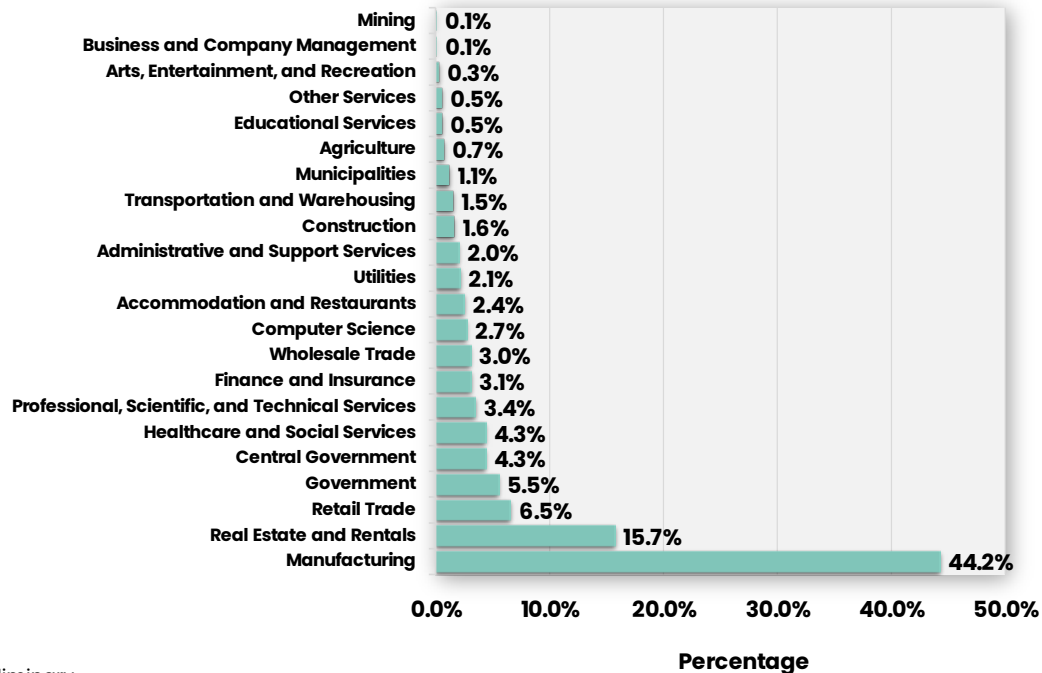
In fiscal year 2024, constant GDP closed at \$103,344.9 million, compared to \$100,114.5 million recorded in fiscal year 2023. This represented an increase of \$3,230.4 million or 3.2% (**Table 1**).

In current terms, GDP totaled \$125,841.5 billion in fiscal year 2024, an increase of \$7,466.5 billion, or 6.3%, compared to \$118,375.0 billion in the previous fiscal year **(Table 4)**. All industries saw increases except the government.

In terms of percentage growth, the following industries led the way: Arts, Entertainment, and Recreation, 13.4%; Lodging and Restaurants, 13.3%; and Construction, 10.3%. These industries are showing notable dynamism, driven by the post-pandemic recovery and increased consumer spending.

Among the GDP components, manufacturing was the industrial sector with the greatest impact on Puerto Rico's economy, followed by Real Estate and Rentals **(Chart 7)**. Manufacturing, the largest sector in Puerto Rico's economy, experienced growth from \$51,609.3 million in fiscal year 2023 to \$55,632.2 million in fiscal year 2024. This increase of \$4,022.9 million or 7.8% reflects the strength and importance of manufacturing in the local economy. The Real Estate and Rentals sector showed significant growth, from \$18,526.3 million in fiscal year 2023 to \$19,735.4 million in fiscal year 2024. This increase of \$1,209.1 million indicates sustained demand in the real estate market.

Chart 7
PERCENTAGE REPRESENTATION OF INDUSTRIES IN GDP
PUERTO RICO, FISCAL YEAR 2024p



p- preliminary

Source: Puerto Rico Planning Board.

Table 4

Gross domestic product by major industrial sector
Puerto Rico, fiscal years 2022r, 2023r and 2024p
million of dollars

	2022r	2023r	2024p	Change			
				Absolute		Percentage	
				2023-2022	2024-2023	2023/2022	2024/2023
GROSS DOMESTIC PRODUCT (GDP)	113,843.7	118,375.0	125,841.5	4,531.3	7,466.5	4.0	6.3
Agriculture	755.9	825.1	872.7	69.2	47.6	9.2	5.8
Mining	55.6	58.7	63.0	3.1	4.3	5.6	7.3
Utilities	2,337.4	2,502.9	2,671.9	165.5	169.0	7.1	6.8
Construction	1,453.7	1,815.1	2,001.2	361.4	186.1	24.9	10.3
Manufacturing	51,052.6	51,609.3	55,632.2	556.7	4,022.9	1.1	7.8
Wholesalers Trade	3,381.9	3,560.7	3,799.5	178.8	238.8	5.3	6.7
Retail Trade	7,203.4	7,763.8	8,241.9	560.4	478.1	7.8	6.2
Transportation and Warehousing	1,683.1	1,769.9	1,853.0	86.8	83.1	5.2	4.7
Information	3,221.8	3,260.3	3,385.4	38.5	125.1	1.2	3.8
Finance and Insurance	3,435.4	3,617.4	3,838.8	182.0	221.4	5.3	6.1
Real Estate and Rental	18,020.0	18,526.3	19,735.4	506.3	1,209.1	2.8	6.5
Professional, Scientific, and Technical Services	3,526.1	3,996.4	4,319.3	470.3	322.9	13.3	8.1
Management of Companies and Enterprises	103.3	81.8	86.7	(21.5)	4.9	(20.8)	6.0
Administrative Services and Support	2,299.6	2,497.4	2,501.0	197.8	3.6	8.6	0.1
Educational Services	550.8	611.8	666.6	61.0	54.8	11.1	9.0
Health Care and Social Services	4,898.2	5,243.9	5,459.8	345.7	215.9	7.1	4.1
Art, Entertainment and Recreation	237.8	290.4	329.2	52.6	38.8	22.1	13.4
Accommodation and Food Services	2,439.3	2,717.9	3,079.3	278.6	361.4	11.4	13.3
Other Services	566.0	612.6	651.1	46.6	38.5	8.2	6.3
Government	6,358.8	7,151.9	6,908.1	793.1	(243.8)	12.5	(3.4)
Central (1)	5,049.7	5,786.8	5,461.4	737.1	(325.4)	14.6	(5.6)
Municipios	1,309.1	1,365.1	1,446.7	56.0	81.6	4.3	6.0
Statistical discrepancy	263.2	(138.1)	(254.5)	(401.3)	(116.4)	(152.5)	84.3

r - Revised figures.

p - Preliminary figures.

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

Net income

Net income, a key indicator for assessing economic efficiency, profitability, and overall well-being, comprises payments to factors of production (employee compensation and property income) of a jurisdiction's residents, regardless of where they are generated. In fiscal year 2024, this totaled \$68,179.2 million, representing an increase of \$2,355.3 million, or 3.6%, compared to fiscal year 2023, when it reached \$65,823.9 million (**Chart 8 and Table 5**).

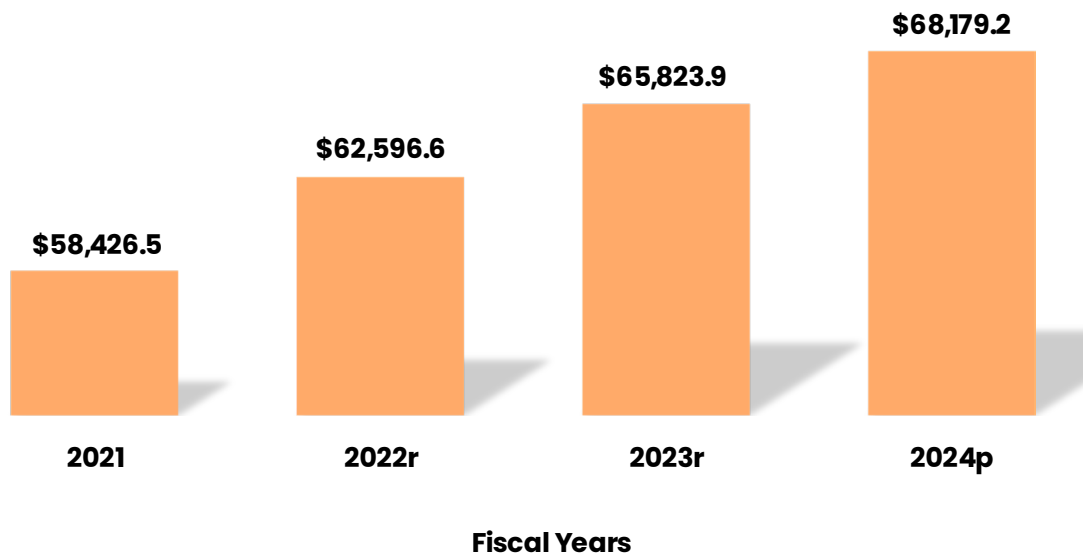
Employee compensation is the set of payments and benefits that workers receive in exchange for their work in a company or in the economy in general. It includes both wages and salaries,

as well as other forms of remuneration and benefits offered by employers. In fiscal year 2024, this totaled \$36,023.6 billion, up \$1,538.6 billion, or 4.5%, from fiscal year 2023.

The other component of net income, property income, is the income stream generated by assets owned by a person, business, or entity. This income can include various forms such as rent, interest, dividends, royalties, and capital gains. During fiscal year 2024, this income totaled \$32,155.6 million, representing an increase of \$816.7 million, or 2.6%, compared to fiscal year 2023. Its relative share of net income was 47.2% in fiscal year 2024.

Net domestic income (NDI) is an important indicator of the value added created in an economy and refers to the measure of total income generated in Puerto Rico by both residents and non-residents in a given period, once the depreciation or depletion costs of fixed assets used in production have been deducted. The NDI reached \$108,393.4 million in fiscal year 2024. This represented an increase of 6.0% compared to fiscal year 2023 (**Table 5**).

Chart 8
NET INCOME
PUERTO RICO, FISCAL YEARS 2021-2024p



In million of dollars

r - revised figures.
p - preliminary figures.

Source: Puerto Rico Planning Board.

Table 5

Functional distribution of net income by major industrial sector: fiscal years
Puerto Rico, fiscal years 2022r, 2023r and 2024p
 million of dollars

	2022r	2023r	2024p	Change			
				Absolute		Percentage	
				2023-2022	2024-2023	2023/2022	2024/2023
NET INCOME	62,596.6	65,823.9	68,179.2	3,227.3	2,355.3	5.2	3.6
Employees' compensation	31,689.7	34,485.0	36,023.6	2,795.3	1,538.6	8.8	4.5
Proprietors' income (i)	30,906.9	31,338.9	32,155.6	432.0	816.7	1.4	2.6
Less: Rest of the world	(35,201.6)	(36,446.4)	(40,214.2)	(1,244.8)	(3,767.8)	3.5	10.3
Employees' compensation	1,284.0	1,381.7	1,571.5	97.7	189.8	7.6	13.7
Proprietors' income	(36,485.6)	(37,828.1)	(41,785.7)	(1,342.5)	(3,957.6)	3.7	10.5
NET DOMESTIC INCOME	97,798.2	102,270.3	108,393.4	4,472.1	6,123.1	4.6	6.0
Employees' compensation	30,405.7	33,103.3	34,452.1	2,697.6	1,348.8	8.9	4.1
Proprietors' income	67,392.5	69,167.0	73,941.3	1,774.5	4,774.3	2.6	6.9
Agriculture	759.7	829.4	877.1	69.7	47.7	9.2	5.8
Employees' compensation	148.9	162.5	163.1	13.6	0.6	9.1	0.4
Proprietors' income	610.9	666.9	714.0	56.0	47.1	9.2	7.1
Mining	46.8	49.5	53.1	2.7	3.6	5.8	7.3
Employees' compensation	29.5	30.6	31.6	1.1	1.0	3.7	3.3
Proprietors' income	17.3	18.9	21.5	1.6	2.6	9.2	13.8
Utilities	1,674.6	2,061.2	2,231.8	386.6	170.6	23.1	8.3
Employees' compensation	590.0	677.4	744.1	87.4	66.7	14.8	9.8
Proprietors' income	1,084.6	1,383.8	1,487.7	299.2	103.9	27.6	7.5
Construction	1,300.2	1,641.5	1,813.5	341.3	172.0	26.2	10.5
Employees' compensation	886.4	1,027.6	1,132.1	141.2	104.5	15.9	10.2
Proprietors' income	413.8	613.9	681.4	200.1	67.5	48.4	11.0
Manufacturing	46,723.7	47,184.5	50,477.1	460.8	3,292.6	1.0	7.0
Employees' compensation	3,716.4	3,979.7	4,221.8	263.3	242.1	7.1	6.1
Proprietors' income	43,007.3	43,204.8	46,255.3	197.5	3,050.5	0.5	7.1
Wholesalers Trade	2,912.7	3,079.8	3,292.6	167.1	212.8	5.7	6.9
Employees' compensation	1,932.3	2,044.6	2,182.6	112.3	138.0	5.8	6.7
Proprietors' income	980.4	1,035.1	1,110.0	54.7	74.9	5.6	7.2
Retail Trade	6,451.8	6,993.5	7,435.0	541.7	441.5	8.4	6.3
Employees' compensation	3,423.8	3,551.5	3,668.9	127.7	117.4	3.7	3.3
Proprietors' income	3,028.0	3,441.9	3,766.1	413.9	324.2	13.7	9.4
Transportation and Warehousing	921.7	963.2	1,002.9	41.5	39.7	4.5	4.1
Employees' compensation	690.3	739.5	762.0	49.2	22.5	7.1	3.0
Proprietors' income	231.4	223.7	240.9	(7.7)	17.2	(3.3)	7.7

ECONOMIC REPORT TO THE GOVERNOR AND TO THE LEGISLATIVE ASSEMBLY 2024

Table 5

Functional distribution of net income by major industrial sector: fiscal years (cont.)

Puerto Rico, fiscal years 2022r, 2023r and 2024p

million of dollars

	2022r	2023r	2024p	Change			
				Absolute		Percentage	
				2023-2022	2024-2023	2023/2022	2024/2023
Information	1,490.9	1,525.3	1,591.3	34.4	66.0	2.3	4.3
Employees' compensation	767.8	789.1	815.7	21.3	26.6	2.8	3.4
Proprietors' income	723.1	736.2	775.7	13.1	39.5	1.8	5.4
Finance and Insurance	2,816.4	2,859.5	3,006.3	43.1	146.8	1.5	5.1
Employees' compensation	2,031.2	2,142.3	2,355.7	111.1	213.4	5.5	10.0
Proprietors' income	785.1	717.2	650.6	(67.9)	(66.6)	(8.6)	(9.3)
Real Estate and Rental	13,429.3	13,692.1	14,553.0	262.8	860.9	2.0	6.3
Employees' compensation	710.4	722.5	764.5	12.1	42.0	1.7	5.8
Proprietors' income	12,718.9	12,969.6	13,788.5	250.7	818.9	2.0	6.3
Professional, Scientific, and Technical Services	3,221.2	3,669.2	3,966.9	448.0	297.7	13.9	8.1
Employees' compensation	2,125.7	2,408.4	2,590.4	282.7	182.0	13.3	7.6
Proprietors' income	1,095.5	1,260.8	1,376.4	165.3	115.6	15.1	9.2
Management of Companies and Enterprises	95.4	75.0	79.5	(20.4)	4.5	(21.4)	6.0
Employees' compensation	86.4	68.2	72.1	(18.2)	3.9	(21.1)	5.7
Proprietors' income	9.0	6.8	7.4	(2.2)	0.6	(24.4)	8.8
Administrative Services and Support	2,140.9	2,329.0	2,324.9	188.1	(4.1)	8.8	(0.2)
Employees' compensation	1,780.7	1,947.3	1,927.8	166.6	(19.5)	9.4	(1.0)
Proprietors' income	360.2	381.8	397.1	21.6	15.3	6.0	4.0
Educational Services	450.7	507.2	554.4	56.5	47.2	12.5	9.3
Employees' compensation	407.4	452.8	497.5	45.4	44.7	11.1	9.9
Proprietors' income	43.3	54.4	56.8	11.1	2.4	25.6	4.4
Health Care and Social Services	4,298.6	4,616.4	4,803.3	317.8	186.9	7.4	4.0
Employees' compensation	2,759.2	2,994.8	3,098.9	235.6	104.1	8.5	3.5
Proprietors' income	1,539.4	1,621.6	1,704.4	82.2	82.8	5.3	5.1
Art, Entertainment and Recreation	182.7	223.4	252.1	40.7	28.7	22.3	12.8
Employees' compensation	108.1	136.4	159.4	28.3	23.0	26.2	16.9
Proprietors' income	74.5	87.0	92.7	12.5	5.7	16.8	6.6
Accommodation and Food Services	2,036.7	2,289.4	2,611.5	252.7	322.1	12.4	14.1
Employees' compensation	1,450.1	1,636.5	1,892.1	186.4	255.6	12.9	15.6
Proprietors' income	586.6	652.9	719.4	66.3	66.5	11.3	10.2
Other Services	485.3	529.3	559.1	44.0	29.8	9.1	5.6
Employees' compensation	402.2	439.7	463.8	37.5	24.1	9.3	5.5
Proprietors' income	83.1	89.6	95.2	6.5	5.6	7.8	6.3
Government (2)	6,358.8	7,151.9	6,908.1	793.1	(243.8)	12.5	(3.4)
Employees' compensation	6,358.8	7,151.9	6,908.1	793.1	(243.8)	12.5	(3.4)
Proprietors' income	0.0	0.0	0.0	0	0	0	0

r - Revised figures.

p - Preliminary figures.

(1) Includes net profit and net interest originated in all industrial sectors in Puerto Rico.

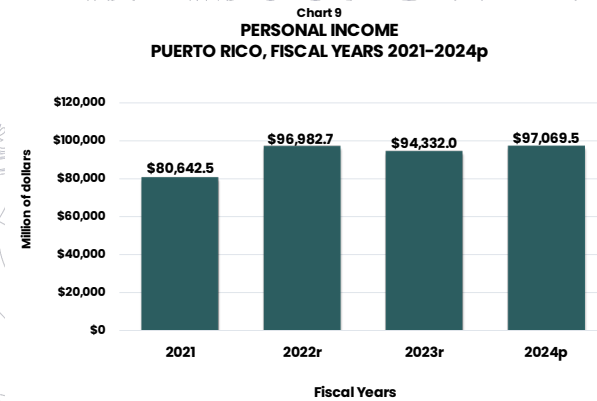
(2) Includes Central government and municipios.

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

Personal income

Personal income is defined as the total income received by individuals before taxes and deductions during a given period. It is a key measure for understanding cash flows and the level of disposable income available to individuals in an economy. Income received by individuals from productive sources consists of employee compensation and property income. Transfers are income received from non-productive sources. These include items such as scholarships, pensions, social security, and others.

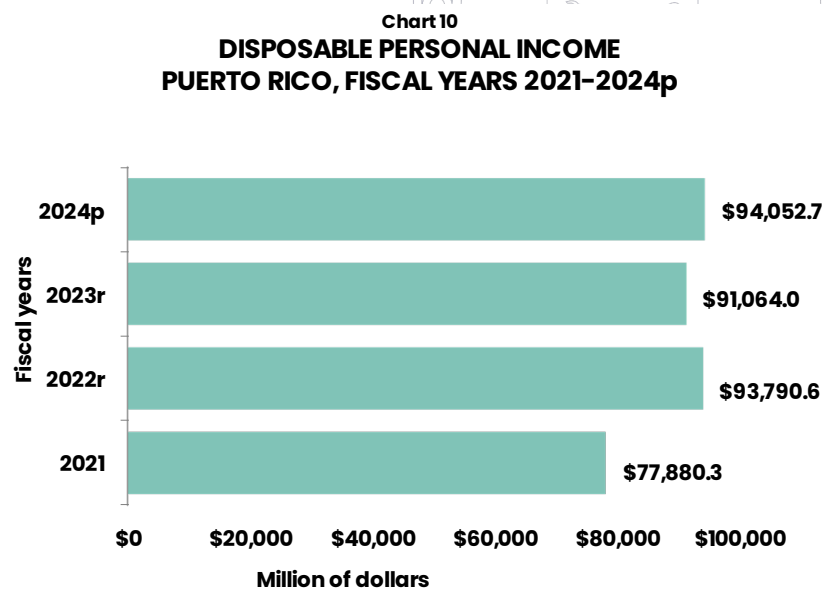
In fiscal year 2024, personal income was \$97,069.5 million, an increase of \$2,737.5 million, or 2.9%, compared to fiscal year 2023 (Chart 9). Transfer payments from the central government and municipalities increased by \$971.0 million, or 2.1%, in fiscal year 2024.



r - revised figures.
p - preliminary figures.

Source: Puerto Rico Planning Board.

Disposable personal income represents the net amount available to individuals after paying taxes for consumption or savings. In fiscal year 2024, this variable registered a value at current prices of \$94,052.7 million, reflecting an increase of \$2,988.7 million, or 3.3%, compared to fiscal year 2023 (Chart 10).



r - revised figures.
p - preliminary figures.

Source: Puerto Rico Planning Board.

Economic situation of people

Financial assets of individuals

Individual financial assets are the instruments and assets held by individuals that have economic value and can generate financial income. These assets represent the investments and stores of value that individuals hold to meet their present and future needs. In fiscal year 2024, individual financial assets totaled \$48,062.8 million, an increase of \$333.4 million, or 0.7%, compared to fiscal year 2023. Importantly, savings growth was reflected in: local cooperatives, 3.5%; savings in federal cooperatives, 2.8%; and savings in the Commonwealth Employees Association, 2.0%. Savings in local cooperatives reached \$12,010 million during fiscal year 2024 (Table 6).

Table 6

Personal financial assets

Puerto Rico, fiscal years 2022r, 2023r and 2024p

million of dollars

	2022r	2023r	2024p	Change			
				Absolute		Percentage	
				2023-2022	2024-2023	2023/2022	2024/2023
FINANCIAL ASSETS, TOTAL	47,459.1	47,729.4	48,062.8	270.3	333.4	0.6	0.7
Deposits in commercial banks 1/	31,461.9	31,505.6	31,386.8	43.8	(118.9)	0.1	(0.4)
Saving in federal saving banks 2/	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commonwealth Employees' Association	2,589.4	2,652.7	2,705.7	63.3	53.0	2.4	2.0
Savings in local cooperatives	11,450.2	11,601.0	12,010.0	150.8	409.0	1.3	3.5
Savings in federal cooperatives	975.3	1,028.4	1,057.6	53.1	29.2	5.4	2.8
Reserves in public pension funds	0.0	0.0	0.0	-	-	-	-
Reserves in life insurance companies	982.4	941.7	902.8	(40.7)	(39.0)	(4.1)	(4.1)

r - Revised figures.

p - Preliminary figures.

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

Consumer debt

Consumer debt refers to the amount of money owed by individuals, households, or families to third parties, such as financial institutions, businesses, or government entities, for loans, credit, or financing. The total amount owed by consumers to financial institutions was \$30,721.6 million in fiscal year 2024, an increase of \$1,614.0 million, or 5.5%, compared to fiscal year 2023. In fiscal year 2024, commercial banks were the largest creditor to consumers, accounting for 6.9% of total debt. Credit unions were in second place, with a 23.7% share. Total consumer debt at commercial banks increased by \$748.5 million or 10.0% compared to fiscal year 2023. Similarly,

consumer debt at local savings and credit cooperatives increased by \$554.3 million or 8.2% compared to fiscal year 2023 **(Table 7)**.

Tabla 7

Consumers' debt Puerto Rico, fiscal years 2022r, 2023r and 2024p million of dollars							
	2022r	2023r	2024p	Change			
				Absolute		Percentage	
				2023-2022	2024-2023	2023/2022	2024/2023
CONSUMERS' DEBT, TOTAL	26,937.4	29,107.6	30,721.6	2,170.1	1,614.0	8.1	5.5
Commercial banks	6,532.1	7,505.3	8,253.8	973.2	748.5	14.9	10.0
Small personal loans companies	242.6	253.7	258.0	11.1	4.3	4.6	1.7
Federal saving banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Puerto Rico Commonwealth Employees' Association	1,351.5	1,346.6	1,344.8	(4.9)	(1.9)	(0.4)	(0.1)
Local credit and saving unions	728.9	819.5	814.0	90.7	(5.6)	12.4	(0.7)
Pension public funds	5,925.1	6,724.7	7,278.9	799.6	554.2	13.5	8.2
Insurance companies	58.6	42.5	39.7	(16.1)	(2.9)	(27.5)	(6.7)
Installment sale companies	212.0	236.3	255.3	24.3	19.0	11.4	8.1
Revolving credit cards and deferred	10,090.8	10,292.6	10,498.5	201.8	205.9	2.0	2.0
Revolving credit cards and deferred installments (1)	1,229.4	1,277.3	1,327.1	47.9	49.8	3.9	3.9
Student Loan Marketing Association	566.4	609.0	651.6	42.6	42.6	7.5	7.0

r - Revised figures.

p - Preliminary figures.

1/ Does not include all credit cards.

Source: Office of the Commissioner of Financial Institutions, Puerto Rico Commonwealth Employees' Association, National Credit Union Administration, Insurance Corporation for Cooperative of Puerto Rico (COSSEC), and Employee's Retirement Systems of the Electric Power Authority, Commonwealth, Teachers, and the University of Puerto Rico.

Employment and unemployment

The Department of Labor and Human Resources' (DTRH) Workforce Survey revealed that the seasonally adjusted average estimate of the number of employed persons in Puerto Rico reached 1,144,000 during fiscal year 2024. Compared to the previous fiscal year, it registered an increase of 29,000 employees, or 2.6%. The workforce consisted of 1,214,000 people, after registering 1,186,000 people in the previous fiscal year. The labor force participation rate was 44.4%, exceeding the previous fiscal year level by 1.0 percentage point **(Table 8)**. This is the highest rate recorded since the COVID-19 pandemic in 2020.

On the other hand, the DTRH statistics, which are certified by the federal Bureau of Labor Statistics (BLS), reflected a decrease of 1,000 unemployed people, compared to the figure for

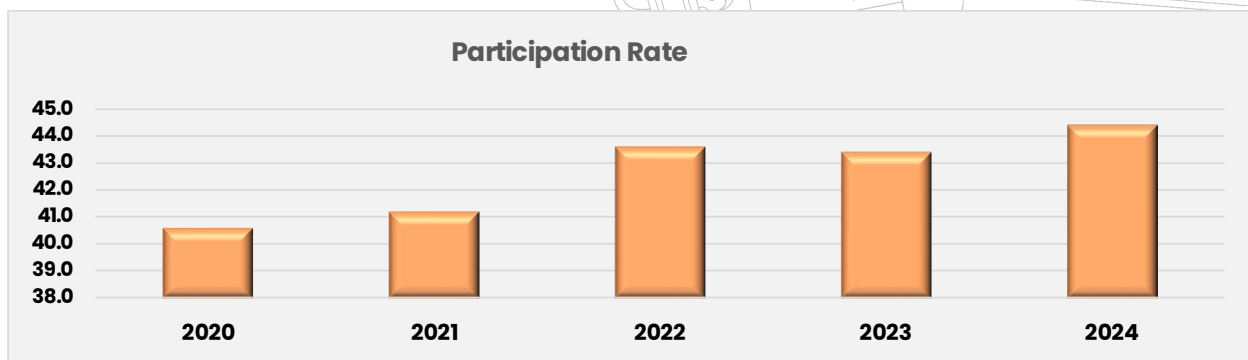
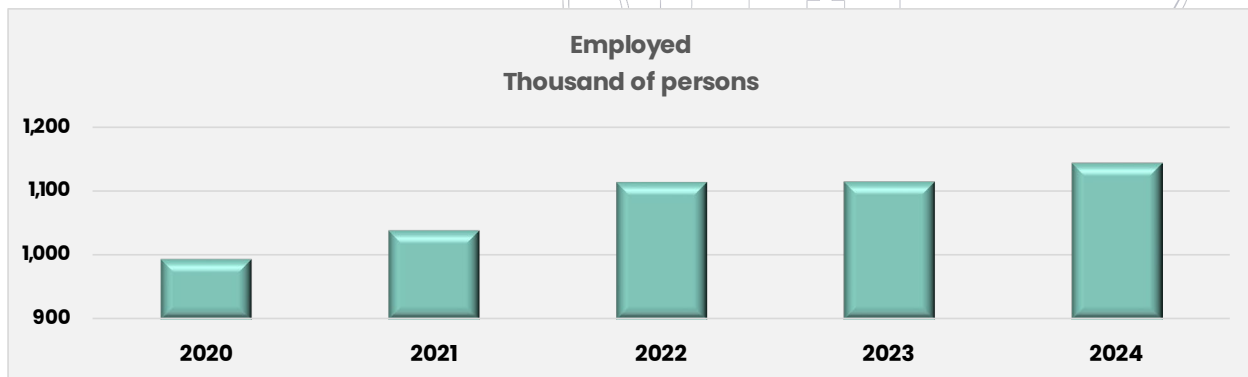
fiscal year 2023. The unemployment rate decreased 0.2 percentage points in fiscal year 2024, when it reached 5.8%, compared to fiscal year 2023. **Table 8**).

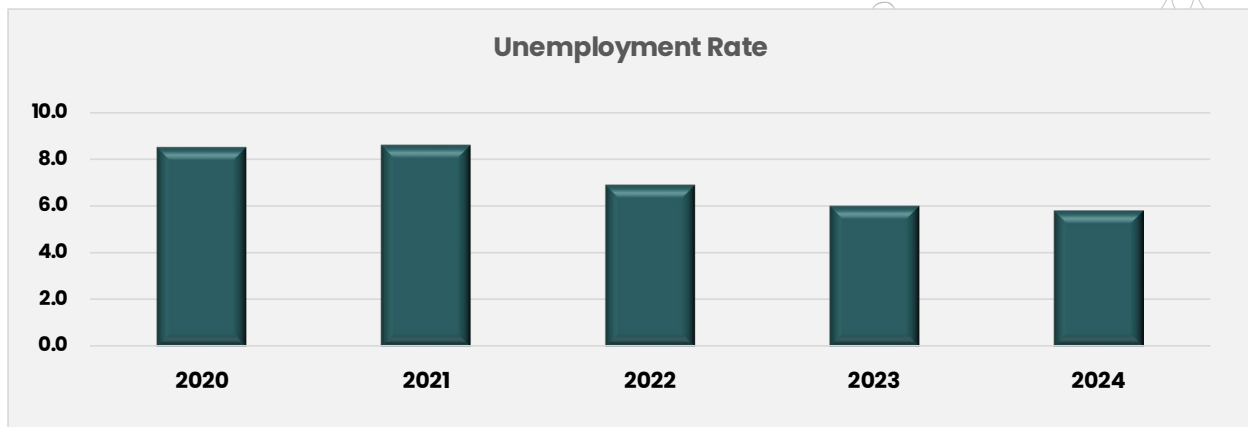
Table 8

Employment status of the non-institutional civilian population
fiscal years, thousand of persons

	2020	2021	2022	2023	2024
Persons 16 years and over	2,681	2,754	2,746	2,731	2,740
Labor force	1,086	1,136	1,196	1,186	1,214
Employed	994	1,039	1,114	1,115	1,144
Unemployed	92	97	82	71	70
Participation rate	40.6	41.2	43.6	43.4	44.4
Unemployment rate	8.5	8.6	6.9	6.0	5.8

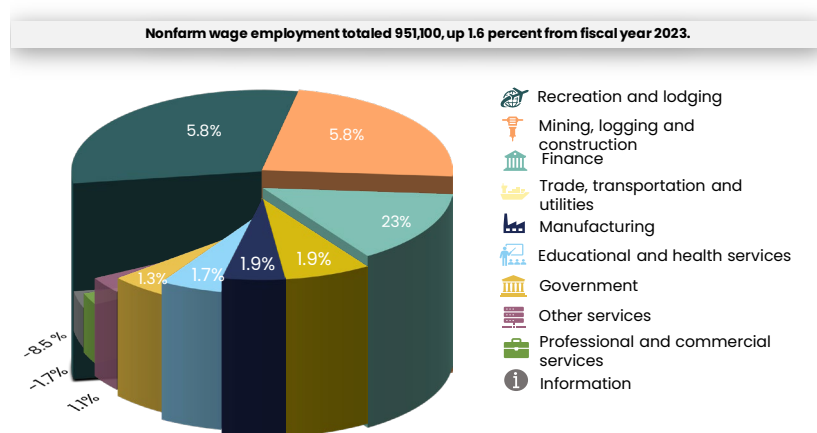
Source: Department of Labor and Human Resources, Bureau of Labor Statistics, Establishment Survey.





According to Nonfarm Wage Employment data, 951,100 wage-earning positions were registered in fiscal year 2024. This represented an increase of 14,900 wage-earning jobs, or 1.6%, compared to fiscal year 2023. This increase is distributed across the following industrial sectors: recreation and lodging, 5.8%; mining, logging, and construction, 5.8%; finance, 2.3%; trade, transportation, and utilities, 1.9%; manufacturing, 1.9%; educational and health services, 1.7%; government, 1.3%; and other services, 1.1%. On the other hand, the industrial sectors that reflected a decrease in employment were: professional and business services, 1.7%; and information, 7.8% (**Chart 11**).

Chart 11
SEASONALLY ADJUSTED ESTABLISHMENT SURVEY
PUERTO RICO, FISCAL YEAR 2024



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

Government Revenue

In Puerto Rico, revenues or income available to the treasury are identified as net periodic revenues. In fiscal year 2024, these totaled \$25,321.1 million, an increase of \$3,397.3 million or 15.5% compared to fiscal year 2023. These revenues are distributed across three types of funds: the General Fund, the Special Operating Funds, and the Debt Redemption Fund. It is important to note that the General Fund constitutes the main operating fund of the Central Government. It is funded by most revenues from taxable and nontaxable domestic sources.

Net revenues to the General Fund are subdivided into two groups: from state sources and from other sources. During fiscal year 2024, the total amount of net revenues to the General Fund was \$13,362.0 million, which reflected an increase of \$764.4 million or 6.1%, compared to fiscal year 2023 (**Table 9**). Revenues from state sources reached \$13,150.5 million, an increase of \$724.0 million or 5.8% over the same comparative period. State sources constituted 98.4% of the total. Revenues from other sources totaled \$211.5 million, an increase of \$40.4 million or 23.6%.

Tabla 9

Puerto Rico's General Fund net revenues
Puerto Rico, fiscal years 2022r, 2023r and 2024p
 million of dollars

	2022r	2023r	2024p	Change			
				Absolute		Percentage	
				2023-2022	2024-2023	2023/2022	2024/2023
TOTAL	12,801.1	12,597.6	13,362.0	(203.5)	764.4	(1.6)	6.1
From Commonwealth sources	12,519.4	12,426.5	13,150.5	(92.9)	724.0	(0.7)	5.8
Tax revenues	12,043.9	11,968.2	12,642.1	(75.7)	673.9	(0.6)	5.6
Property taxes	0.2	102.6	161.4	102.4	58.8	51,200.0	57.3
Income tax, total	6,433.9	6,977.1	7,391.2	543.2	414.1	8.4	5.9
Individuals	2,806.0	2,883.3	2,615.5	77.3	(267.8)	2.8	(9.3)
Corporations and partnerships	3,072.9	3,359.6	3,713.6	286.7	354.0	9.3	10.5
Withheld to nonresidents	492.5	662.4	985.0	169.9	322.6	34.5	48.7
Toll Gate Tax	0.0	0.0	0.0	-	-	-	-
Interest subject to 17%	7.0	10.5	11.2	3.5	0.7	50.0	6.7
10% dividends tax	55.5	61.3	65.9	5.8	4.6	10.5	7.5
Inheritance and donations taxes	1.2	1.1	1.2	(0.1)	0.1	(8.3)	9.1
Sales and use Tax	2,685.8	2,778.3	2,979.2	92.5	200.9	3.4	7.2
Excise taxes, total	2,914.1	2,023.2	1,973.9	(890.9)	(49.3)	(30.6)	(2.4)
Alcoholic beverages, total	283.1	291.7	280.0	8.6	(11.7)	3.0	(4.0)
Distilled spirits	54.0	55.0	51.0	1.0	(4.0)	1.9	(7.3)
Beer	198.7	171.8	166.1	(26.9)	(5.7)	(13.5)	(3.3)
Others	30.4	64.9	62.9	34.5	(2.0)	113.5	(3.1)
Other taxable goods, total	2,631.0	1,731.6	1,693.9	(899.4)	(37.7)	(34.2)	(2.2)
Petroleum products	1,578.8	741.8	134.2	(837.0)	(607.6)	(53.0)	(81.9)
Tobacco products	0.6	92.9	589.6	92.3	496.7	15,383.3	534.7
Motor vehicles	91.3	82.7	67.0	(8.6)	(15.7)	(9.4)	(19.0)
5% General excise tax	649.9	652.2	705.1	2.3	52.9	0.4	8.1
Petroleum import fees	0.0	0.0	0.0	-	0.0	-	-
Foreign (Act 154)	0.0	0.0	0.0	-	0.0	-	-
Others	310.4	162.0	198.0	(148.4)	36.0	(47.8)	22.2
Licenses	8.8	85.9	135.2	77.1	49.3	876.1	57.4
Motor vehicles	0.4	75.4	124.4	75.0	49.0	18,750.0	65.0
Entertainment machines and others	0.0	0.0	0.0	-	-	-	-
Alcoholic beverages and other licences	8.4	10.5	10.8	2.1	0.3	25.0	2.9

r - Revised figures.

p - Preliminary figures.

Source: Department of the Treasury, Office of Economic Affairs.

State tax revenue totaled \$ 12.64 billion for fiscal year 2024, compared to \$11.96 billion collected in fiscal year 2023, an increase of \$673.9 million, or 5.6%. Non-tax revenue totaled \$508.4 million, an increase of \$50.1 million compared to the previous fiscal year. Sales and Use Tax (SUT) totaled \$2.97 billion, an increase of \$200.9 million, or 7.2%, compared to the figure recorded in fiscal year 2023.

Sectoral activity

The analysis of sectoral activity, according to the North American Economic Classification System (NAICS), is measured by GDP and net domestic income (NDI). The top five industries in terms of GDP and NDI in fiscal year 2024 were: manufacturing, real estate and rental, retail trade, government, and healthcare.

Manufacture

The manufacturing sector has been the main driver of Puerto Rico's economy, with a relative share of 44.2% of GDP and 46.5% of net domestic income (**Chart 7 and Table 5**). During fiscal year 2024, the GDP originating in the manufacturing sector totaled \$55,632.2 million, with a growth of \$4,022.9 million, compared to \$51,609.3 million recorded in fiscal year 2023 (**Table 4**). In fiscal year 2024, the NDI originating in this sector totaled \$50,477.1 million, which represented an increase of \$3,292.6 million or 7.0% over the level of \$47,184.5 million recorded in fiscal year 2023. Within the net domestic income of the manufacturing sector, employee compensation amounted to \$4,221.8 million, an increase of \$242.1 million compared to the level of \$3,979.7 million in fiscal year 2023. Income from property, which includes gains and interest originating in the sector, totaled \$46,255.3 million in fiscal year 2024, an increase of \$3,050.5 million, compared to the level of fiscal year 2023.

Exports of manufactured products in fiscal year 2024 totaled \$63,055.7 million, an increase of \$1,833.8 million compared to fiscal year 2023. This figure represented 96.5% of total registered merchandise exports. Furthermore, this sector generated 1,600 jobs between fiscal years 2023 and 2024, after employing 84,500 people, according to data from the DTRH Establishment Survey.

Real estate and rentals

The real estate and rental sector comprises real estate, rental, and leasing services. In fiscal year 2024, this sector's GDP was \$19,735.4 million, an increase of \$1,209.1 million or 6.5% compared to fiscal year 2023. The real estate and rental sector had an NII of \$14,553.0 million in fiscal year 2024, an increase of \$860.9 million or 6.3% compared to fiscal year 2023. This sector's relative share constituted 5.7% of GDP and 13.4% of NII.

Retail trade

There are various types of retail in this sector: independent, traditional, associated businesses, chains, franchises, department stores, hypermarkets, and shopping centers. The retail sector's NII in fiscal year 2024 reached \$7,435.0 million, an increase of \$441.5 million or 6.3% compared to fiscal year 2023. Likewise, the GDP in this sector totaled \$8,241.9 million, an increase of \$478.1 million or 6.2% compared to fiscal year 2023. It is important to note that, according to data from the DTRH's Survey of Establishments, the number of people employed in retail trade increased by 1,200 jobs between fiscal years 2023 and 2024, reaching 130,700 and 131,900 employees, respectively.

Government

The government's NII, which includes compensation paid by the government of Puerto Rico and municipalities, amounted to \$6,908.1 million in fiscal year 2024. This represented a decrease of \$243.8 million or 3.4%, compared to fiscal year 2023. This included \$5,461.4 million from the Central Government, which reflected a decrease of \$325.4 million or 5.6% compared to fiscal year 2023. On the other hand, the municipalities registered \$1,446.7 million, which reflected an increase of \$81.6 million or 6.0%, in relation to the previous fiscal year.

Finance and insurance

The industries that make up this sector are the following: commercial banks, other credit agencies, securities brokers, small personal loans, conditional sales and the insurance sector

In fiscal year 2024, the GDP of the finance and insurance sector totaled \$3,838.8 million, or \$221.4 million or 6.1% above the level of fiscal year 2023, when it registered \$3,617.4 million (**Table 4**). The NII of the finance and insurance sector, which includes payments to factors of production such as employee compensation and income from property, amounted to \$3,006.3 million during fiscal year 2024. This represented an increase of \$146.8 million or 5.1%, compared to fiscal year 2023, when it registered \$2,859.5 million. The employee compensation item reached \$2,355.7 million, which was \$213.4 million or 10.0% higher than the estimate for fiscal year 2023,

where it registered \$2,142.3 million. Property revenues totaled \$650.6 million, down \$66.6 million from fiscal year 2023.

According to the DTRH Establishment Survey, the seasonally adjusted number of employees in this sector in fiscal years 2023 and 2024 was 47,900 and 49,000, respectively, representing an increase of 1,100 jobs.

Agriculture

Net agricultural domestic income amounted to \$877.1 million in fiscal year 2024, compared to \$829.4 million in fiscal year 2023, representing a growth of \$47.7 million or 5.8%. As a share of agricultural domestic income, income from property stands out at \$714.0 million, a growth of \$47.1 million or 7.1% over fiscal year 2023. The GDP generated by agriculture was \$827.7 million during fiscal year 2024, an increase of \$47.6 million or 5.8%, compared to fiscal year 2023.

On the other hand, according to the Puerto Rico Department of Labor and Human Resources' Workforce Survey, the non-seasonally adjusted number of employed people in this sector was 16,000 in fiscal year 2024. This represented a decrease of 1,000 jobs compared to the fiscal year 2023.

Public Debt Report of the Government of Puerto Rico Fiscal Year: 2025–2026

This Report presents the balance of public bonds and debt with financial institutions of the Government of Puerto Rico, its public corporations, agencies, municipalities and instrumentalities (collectively the "Government of Puerto Rico") as of the end of June 30, 2024. In the "GOs | COFINA | CVIs Debt Service" section of the Report, the contractual principal and interest payments for fiscal year 2025–2026 are presented for: (i) the Series 2022 A General Obligation Bonds and (ii) the Series 2019 A-1, Series 2019A-2, Series 2019B-1 and Series 2019B-2 bonds of the Sales Tax Fund Corporation ("COFINA").

Background

Historically, the Government of Puerto Rico, its public corporations, agencies, municipalities and instrumentalities (collectively the "Government of Puerto Rico") have issued debt for the purpose of providing resources to: (i) finance the development of permanent public improvements, (ii) cover operating expenses and finance operating deficits, and (iii) refinance existing debt. From 2000 to 2016, Puerto Rico experienced several fiscal and economic crises, affecting the financial, economic and governmental components of the Government of Puerto Rico and causing the Government of Puerto Rico to lose its investment grade credit rating in

2014 and, as a result, lose access to capital markets at reasonable rates to finance public improvements. Between 2015 and 2016, several governmental entities of the Government of Puerto Rico defaulted on the payment of principal and interest on their respective public and commercial debt.

On June 30, 2016, in the second session of the 114th Congress of the United States of America, the House of Representatives and the federal Senate approved and entered into force the federal law known as the "Puerto Rico Oversight, Management, and Economic Stability Act" ("PROMESA"), establishing the Financial Oversight and Management Board for Puerto Rico (the "FOMB"). PROMESA provides the legal vehicle and mechanisms to carry out an orderly process for the restructuring of the Government of Puerto Rico's debt. Under PROMESA, the FOMB was designated as the entity responsible for coordinating the restructuring and approval of the Government of Puerto Rico's government debt.

As part of the Government of Puerto Rico's efforts to coordinate and manage all public debt restructuring activities and operations, Act No. 2, establishing the Puerto Rico Financial Advisory Authority and Fiscal Agency ("AAFAF, as its acronym in Spanish"), was approved on January 18, 2017. The AAFAF is created as the sole entity of the Government of Puerto Rico with the authority to negotiate, structure, restructure, and/or reach an agreement with creditors on public debt, debt with commercial banks, debt with financial institutions, or any other type of debt issued (the "Debt") by the Government of Puerto Rico. Similarly, under Act No. 2, all new debt of any entity of the Government of Puerto Rico must be submitted to the AAFAF for consideration and approval, prior to being evaluated and approved by the Board, while the Board is in office.

In addition, Act No. 2 empowers and designates the AAFAF as the government entity responsible for collaboration, communication, and cooperation between the Government of Puerto Rico and the Board of Directors, while the Board is in office. In general terms, the AAFAF assumes the role of fiscal agent and financial advisor previously exercised by the Government Development Bank for Puerto Rico ("GDB").

Through PROMESA, since 2017, the Government of Puerto Rico, represented and led by the AAFAF (Association of Puerto Ricans and Affiliated Families), in collaboration with the Board, has implemented the most comprehensive and complex public debt restructuring process in the history of Puerto Rico and the United States of America. Also, in connection with the restructuring of the Puerto Rican Government's debt, since 2017, the Government of Puerto Rico has proceeded to reorganize and simplify its government operations to achieve a more efficient government focused on stimulating and incentivizing the development and growth of Puerto Rico's economy.

Information | Data submitted

The data, figures, and monetary amounts presented in this Report include audited and unaudited financial information and have not been reviewed by the external auditors and legal counsel of the Government of Puerto Rico. Where indicated, some debt balances presented do not necessarily reconcile with legal claims and/or legal balances in ongoing debt restructuring transactions.

The information presented in this Report and its potential use should be used for reference purposes only and should not be used for any type of public policy determination, financial analysis, and/or for any type of legal/transactional agreement or resolution.

Restructuring until June 30, 2024

Under the PROMESA Act and with the approvals, as applicable, of the Federal District Court for the District of Puerto Rico, the Board and the AAFAF, on behalf of the Government of Puerto Rico, have achieved the following debt restructurings:

Government Development Bank for Puerto Rico ("GDB")

(in thousand of \$000s)

Balance Sheet prior to Restructuring	Balance then to Restructuring	Balance @ 30-Jun-22	Balance @ 30-Jun-23	Balance @ 30-Jun-24
\$7,639,872.00	\$2,597,755.00	\$1,846,915.00	\$1,611,942.00	\$1,268,874.00

Effective November 29, 2018, GDB's debt was restructured through the creation of the GDB Debt Recovery Authority ("DRA") and the issuance of DRA bonds in the amount of \$2,597,754,625. As of the date of this Report, principal and interest payments on this debt are current.

Sales Tax Financing Corporation ("COFINA")

(in thousand of \$000s)

Balance Sheet prior to Restructuring	Balance then to Restructuring	Balance @ 30-Jun-22	Balance @ 30-Jun-23	Balance @ 30-Jun-24
\$17,637,107.00	\$12,021,322.00	\$12,607,202.00	\$12,749,047.00	\$12,878,846.00

Effective February 12, 2019, COFINA's debt was restructured through the issuance of new COFINA bonds (Series 2019A-1, Series 2019A-2, Series 2019B-1, and Series 2019B-2) in the amount of \$12,021,321,817.35. As of the date of this Report, COFINA is current on the principal and interest payments on its restructured debt.

General Obligation Bonds and Related Debt

Effective March 15, 2022, the General Obligation Bonds and the debt of various agencies and public corporations identified below were restructured through the effectiveness of the “Modified Eighth Title III Joint Plan of Adjustment of the Commonwealth of Puerto Rico” (“POA”). The following table presents the aggregate debt of various entities of the Government of Puerto Rico, prior to the POA and after the POA:

Entity	Balance prior to Restructuring	Balance @ 30-Jun-22	Balance @ 30-Jun-23	Balance @ 30-Jun-24
General Obligation Bonds	\$11,573,045.00	\$7,449,521.00	\$7,018,109.00	\$6,588,542.00
Contingent Value Instruments (“CVIs”)	Not applicable	\$8,716,423.00	\$8,354,617.00	\$7,965,847.00
Public Buildings Authority	\$3,991,195.73	\$0.00	\$0.00	\$0.00
Highway and Transportation Authority (2)	\$4,187,932.73	\$4,191,858.00	\$1,277,648.00	\$0.00
Highway and Transportation Authority (2)	Not applicable	\$0.00	\$359,636.00	\$0.00
Retirement System Administration	\$3,319,711.00	\$0.00	\$0.00	\$0.00
Convention Center District Authority	\$386,415.00	\$0.00	\$0.00	\$0.00
Infrastructure Financing Authority	\$1,928,595.00	\$13,465.00	\$0.00	\$0.00
Corporation for Public Financing	\$1,090,740.00	\$0.00	\$0.00	\$0.00
Total	\$26,477,634.46	\$20,371,266.00	\$17,010,010.00	\$14,554,388.00

(*) Post-restoration balance, at the end of fiscal year 2022.

1. General Obligation Bonds (“GOs”)

As of the effective date of the POA, GO bonds were issued in the amount of \$7,428,598,746, along with the issuance of \$8,716,422,674 of contingent value instruments (known as “GO CVIs” and “Clawbacks”). CVIs, and collectively, “CVIs”). CVIs are payable from the achievement of certain sales and use tax (“SUT”) collection metrics and excise taxes on the export of rum produced in Puerto Rico to the United States. Following the issuance of the GOs and CVIs, the GO bonds that existed prior to the POA, bonds of the Public Buildings Authority, part of the debt of the Highway and Transportation Authority, bonds of the Government of Puerto Rico Retirement System, bonds of the Convention Center District Authority and bonds of the Infrastructure Financing Authority, among others, were canceled.

2. Highway and Transportation Authority (“ACT”)

Effective December 6, 2022, ACT's debt was restructured through the issuance of new senior bonds, Series 2022 A, Series 2022 B, and Series 2022 C, totaling \$1,245,000,465, and subordinated debt of \$359,635,806. On December 14, 2023, all of ACT's debt was redeemed with the proceeds of the payment received by ACT upon the completion of the public-

private partnership for highways PR-66, PR-20, PR-52, and PR-53. As of June 30, 2024, ACT has no outstanding direct debt.

3. Puerto Rico Public Financing Corporation ("CFP")

Effective January 12, 2023, CFP's debt was settled in full by a single cash payment of \$13,800,000 and the issuance of bonds by the DRA for a face amount of up to \$47,000,000.

Other Completed Restructurings

Puerto Rico Tourism Development Fund ("FDT")

Effective December 21, 2023, the restructuring of the FDT's obligations was finalized through a qualified modification under Title VI of PROMESA, which eliminated \$89,946,715 in direct and indirect obligations of the FDT.

Puerto Rico Industrial Development Corporation ("CFI")

Effective December 28, 2023, the restructuring of IFC's senior obligations was completed through a qualified modification under Title VI of PROMESA. Fomento's public debt was restructured to a current balance of \$159,573,000.

At the close of fiscal year 2024, the IFC held loans with commercial banks (all current) totaling \$23,957,594.48. The IFC also owed four loans to the DRA with a principal balance, excluding accrued and unpaid interest, of \$52,860,000. This debt to the DRA is pending restructuring.

Puerto Rico Government Debt

The following chart summarizes the debt of the Government of Puerto Rico, public corporations, municipalities, and instrumentalities as of June 30, 2024. Not all detailed debt balances are audited or final financial information:

Puerto Rico Government and Municipal Debt

(in thousands)

Type of Debt	30-Jun-22	30-Jun-23	30-Jun-24
General Obligation Bonds	\$7,449,521.00	\$7,018,109.00	\$6,588,542.00
GO CVIs Bonds GO Clawback CVIs	\$8,716,423.00	\$8,354,617.00	\$7,965,847.00
COFINA	\$12,607,202.00	\$12,749,047.00	\$12,878,846.00
Agencies and Public Corporations			
Highway and Transportation Authority	\$4,191,858.00	\$1,637,284.00	\$0.00
Water and Sewer Authority	\$4,053,143.00	\$3,970,358.00	\$3,908,271.00
Industrial Development Corporation	\$179,831.00	\$176,988.00	\$183,553.00
University of Puerto Rico	\$339,710.00	\$308,440.00	\$275,605.00
Housing Finance Authority	\$191,020.00	\$160,220.00	\$127,845.00
Children's Trust	\$1,535,554.00	\$1,559,178.00	\$1,460,375.00
Agency for Municipal Financing	\$241,735.00	\$175,745.00	\$137,800.00
GDB Debt Recovery Authority	\$1,846,915.00	\$1,611,942.00	\$1,268,874.00
GDB Debt Recovery Authority	\$1,576,962.00	\$1,496,486.00	\$1,133,287.00
Infrastructure Financing Authority	\$13,465.00	\$0.00	\$0.00
Electric Power Authority	\$8,969,868.00	\$8,969,868.00	\$8,969,868.00
Total Agencies and Public Corporations	\$23,140,060.00	\$20,066,509.00	\$17,465,478.00
Municipalities	\$1,499,369.00	\$1,498,444.00	\$1,471,853.00
Total	\$53,412,575.00	\$49,686,725.00	\$46,370,566.00

General Obligation Bonds ("GOs") | CVIs | Clawback CVIs

It consists of debt issued on March 15, 2022, under the "Modified Eighth Title III Joint Plan of Adjustment of the Commonwealth of Puerto Rico" ("POA").

COFINA: Represents the debt restructured under the "Plan of Adjustment of the Puerto Rico Sales Tax Financing Corporation." The COFINA bonds were issued on February 12, 2019.

Highway and Transportation Authority ("ACT"): Includes restructured debt with an effective date of December 6, 2022. Effective December 14, 2023, ACT's restructured debt was fully repaid.

The bonds issued through the ACT known as Special Facility Revenue Refunding Bonds, 2003 Series A Bonds (Teodoro Moscoso Bridge) with a balance of \$53,980,000, are not included as direct debt of the ACT because they are an obligation of the operator of the Teodoro Moscoso Bridge, payable from the net proceeds of the bridge's operation. Under certain conditions, the ACT may be responsible for the payment of principal and interest on these bonds. These bonds are currently current in debt service under the terms of the agreement between the operator of the Teodoro Moscoso Bridge and the bondholders.

Water and Sewer Authority ("AAA"): Consists of (i) Revenue Refunding Bonds Series 2020 A, Series 2021 A & B, (ii) Taxable Revenue Refunding Bonds Series 2021 C, (iii) Revenue Refunding Bonds Series 2022 A, (iv) financing under the federal programs "Clean Toilet State Revolving

Fund " and " Drinking" Toilet State Revolving Fund " and (v) financing through USDA Rural Utilities Service .

Industrial Development Corporation ("CFI"): Consists of restructured debt with an effective date of December 28, 2023 (\$159,573,000) and various loans with commercial banks.

University of Puerto Rico ("UPR"): Consists of Series 2006 P&Q bonds and AFICA 2000 Series A bonds.

Housing Finance Authority ("AFV"): Consists of Series 2020 bonds.

Children's Trust Fund ("Trust"): Consists of Series 2002, 2005, and 2008 bonds. Municipal Finance Agency ("MFA"):

Consists of Series 2002 A and 2005 A bonds.

GDB Debt Recovery Authority ("GDB DRA"): Consists of the restructured debt of the GDB, effective November 29, 2018, and a portfolio of various GDB loans to public corporations, instrumentalities, and agencies of the Government of Puerto Rico that serve as collateral and a source of repayment for the DRA bonds.

Rico Electric Power Authority ("PREPA"): Outstanding debt to be restructured under Title III of PROMESA. Balance sheets presented are for reference only; they are not legally binding nor are they audited. Proof of claim submitted by US Bank National Association, as trustee of PREPA bonds and the permitted claim in connection with fuel purchase loans, according to the "Third Amended PREPA Title III Plan of Adjustment".

Municipalities: Consists of (i) the aggregate portfolio of loans to the municipalities of Puerto Rico granted by financial institutions and (ii) municipal loans that are part of the collateral and source of repayment of the DRA bonds.

Government Debt Service | COFINA | CVIs

The following table presents the principal and interest payment service for: (i) the general obligation bonds ("GOs") - as of June 30, 2022, (ii) the COFINA bonds, (iii) what has been paid against the CVIs and (iv) the debt service for fiscal year 2025-2026.:

Debt Service

(Current figures US\$)

Type of Debt	Fiscal Year 6/30/2022	Fiscal Year 6/30/2023	Fiscal Year 6/30/2024	Fiscal Year 6/30/2025	Projected 2025- 2026
General Obligation Bonds 2022A					
Main Current Interest Bonds:	\$90,703,750.00	\$362,955,000.00	\$362,355,000.00	\$361,380,000.00	\$359,535,000.00
Principal and Interest Capital Appreciation Bonds:	\$116,970,000.00	\$111,335,000.00	\$105,970,000.00	\$0.00	\$0.00
Interests:	\$80,366,534.00	\$302,418,350.00	\$283,363,213.00	\$263,886,631.00	\$359,535,000.00
Total (1):	\$288,040,284.00	\$776,708,350.00	\$751,688,213.00	\$625,266,631.00	\$719,070,000.00
COFINA Series 2019 A B					
Major:	\$53,140,361.00	\$54,565,877.00	\$74,225,000.00	\$94,674,754.00	\$115,941,475.00
Interests:	\$430,056,019.00	\$430,056,019.00	\$430,056,019.00	\$430,056,019.00	\$430,056,019.00
Total (2):	\$483,196,380.00	\$484,621,896.00	\$504,281,019.00	\$524,730,773.00	\$545,997,494.00
TOTAL (1) + (2):	\$771,236,664.00	\$1,261,330,246.00	\$1,255,969,232.00	\$1,149,997,404.00	\$1,265,067,494.00

Principal and interest payments on the General Obligation and COFINA Bonds are due on July 1 of each year. The amounts included under "Projected 2025-2026" correspond to the principal and interest payments for fiscal year 2025-2026 as established in the contractual agreements for the Series 2022 A General Obligation Bonds and the Series 2019 A | B COFINA Bonds.

Regarding the CVIs, the annual payment is calculated based on the performance of the IVU and rum excise collections compared to the projections of said taxes and excise taxes included in the certified fiscal plan of the Government of Puerto Rico for 2020 and 2021, respectively, as established in the POA. These CVI payments are made on November 1 following the close of the applicable fiscal year. For example, the CVI payment for fiscal year 2022 was made on November 1, 2022, and so on for other fiscal years.

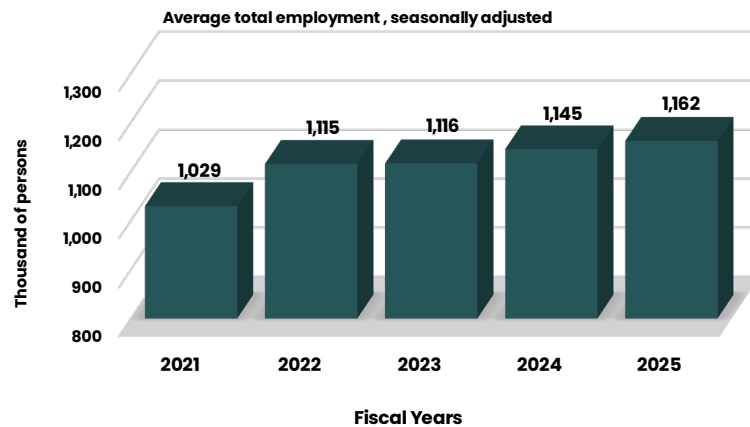
Since the effective date of the POA, payments have been made on the CVIs corresponding to fiscal years 2021-2022, 2022-2023 and 2023-2024 of \$361,805,957.52, \$388,770,073.76 and \$389,987,767.28, respectively. For fiscal year 2024-2025, the estimated amount for the payment of the CVIs according to the budget of the Government of Puerto Rico certified by the Board on June 30 of 2024 is \$381,923,000.00. For fiscal year 2025-2026, the estimated figure for the payment of CVIs according to the fiscal plan of the Government of Puerto Rico certified by the JSF on June 5, 2024, is \$379,211,111.63. These figures for fiscal years 2024-2025 and 2025-2026 are preliminary and subject to change once the corresponding CVI payment calculations are carried out, after the close of each fiscal year.

Monthly Economic Indicators

Latest available data for fiscal year 2025

Labor market

Chart 12
**LABOR MARKET: PUERTO RICO ESTABLISHMENT SURVEY
FISCAL YEARS 2021-2025
JULY TO MARCH PERIOD**



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

The Department of Labor and Human Resources' Workforce Survey reveals that the seasonally adjusted total number of employed persons averaged 1,162,000 from July to March of fiscal year 2025. This represented 17,000 more jobs than in the same period in fiscal year 2024 (**Chart 12**).

The seasonally adjusted working population increased by 1.2% from July to March of fiscal year 2025, totaling

1,229,000 people, compared to the same period of the previous fiscal year (**Table 10**). Similarly, the non-seasonally adjusted number of self-employed individuals in the July to March period of fiscal year 2025 amounted to 206,000 people, an increase of 9,000 people, compared to the same period of the previous fiscal year.

From July to March of fiscal year 2025, the seasonally adjusted number of unemployed persons was 67,000; however, for the same period in fiscal year 2024, a total of 70,000 unemployed persons were recorded. The unemployment rate remained at 5.5% during the July to March period of fiscal year 2025, maintaining its downward trend for the past four fiscal years (**Table 10**).

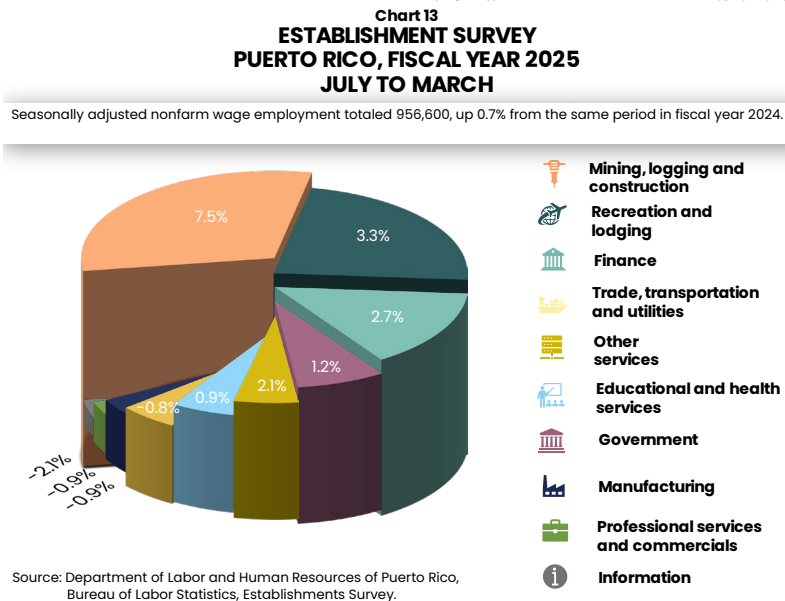
Table 10

Employment status of the non-institutional civilian population fiscal years, from July to March, thousand of persons					
	2021	2022	2023	2024	2025
Persons 16 years and over	2,753	2,749	2,730	2,738	2,751
Labor force	1,128	1,201	1,187	1,215	1,229
Employed	1,029	1,115	1,116	1,145	1,162
absolute change in thousand	39	86	1	29	17
Unemployed	98	86	71	70	67
Participation rate	40.9	43.7	43.5	44.5	44.7
change in percentage points	0.3	2.8	-0.2	1.0	0.2
Unemployment rate	8.7	7.2	6.0	5.8	5.5
change in percentage points	0.3	-1.5	-1.2	-0.2	-0.3

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

According to data from the Department of Labor and Human Resources' Establishment Survey, seasonally adjusted employment reached 951,100 people in fiscal year 2024. Compared to fiscal year 2023, nonfarm wage employment increased by 14,900. Similarly, for the cumulative period from July to March of fiscal year 2025, employment in the Establishment Survey registered an increase of 6,600 jobs, for a total of 956,600 jobs. This increase in employment is distributed across the following industrial sectors:

recreation and lodging, 3,100 or 3.3%; mining, logging, and construction, 2,700 or 7.5%; trade, transportation, and utilities, 2,200 or 1.2%; finance, 1,300 or 2.7%; Educational and health services, 900 or 0.7%; and other services, 400 or 2.1%. On the other hand, the industrial sectors that saw a decrease in employment during this period were: government, 1,500 or 0.8%; professional and commercial services, 1,300 or 0.9%; manufacturing, 800 or 0.9%; and information, 2,800 or 400 jobs (**Chart 13**).



Net income to the General Fund

Net revenue to the General Fund from July to February of fiscal year 2025 amounted to \$8,212.3 million. Collections during this period exceeded net revenue recorded during the same period of fiscal year 2024 by \$61.6 million, or 0.8% (**Table 11**).

When comparing revenue collections for the July-February period of fiscal year 2025 by revenue item with those of the same period of the previous fiscal year, it was observed that the reductions were mainly in motor vehicles, foreign (Law 154), and corporations, with \$29.9, \$23.0, and \$20.4 million, respectively. Meanwhile, the largest increases were in individuals, withholding from non-residents, and Sales and Use Tax (IVU), which reflected increases in collections of \$79.2, \$72.4, and \$54.8 million, respectively (**Table 11**). On the other hand, total net revenues to the General Fund in fiscal year 2024 totaled \$13,362.0 million, which represented \$764.4 million more or 6.1%, compared to fiscal year 2023.

In February 2025, \$837.5 million entered the General Fund, compared to \$854.2 million in the same month of the previous fiscal year, a decrease of \$16.7 million or 2.0%.

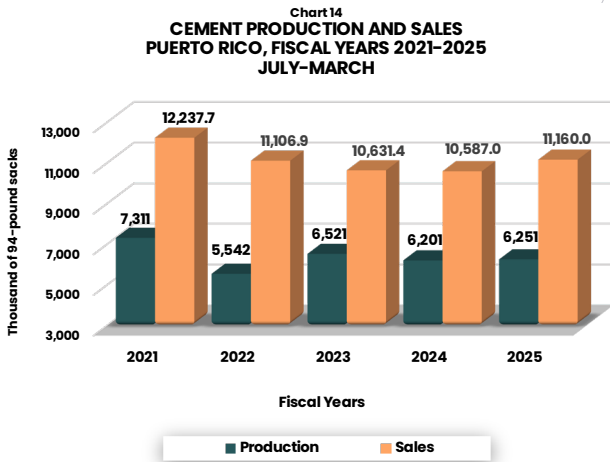
Table 11

Puerto Rico's General Fund net revenues July to December, million of dollars					
Concepts	July-December			Forecast	
	2024	2025	Absolute Change	July - December	Actual vs. Forecast
Gross total	6,803.9	7,035.8	232.0	6,681.1	354.8
Reserve	(661.3)	(818.5)	(157.2)	(593.0)	(225.54)
Net total	6,142.6	6,217.3	74.7	5,912.3	305.0
Individuals	1,180.1	1,246.7	66.6	1,151.8	95.0
Corporations and partnerships	1,618.4	1,606.8	(11.6)	1,627.1	(20.3)
Withheld to nonresidents	483.1	535.2	52.1	460.4	74.8
SUT	1,179.1	1,201.7	22.6	1,150.6	51.1
Foreign (Act 154)	68.3	56.2	(12.0)	62.9	(6.6)
Alcoholic beverages	143.8	146.3	2.5	153.7	(7.4)
Tobacco products	33.5	46.4	12.9	38.9	7.5
Petroleum products	289.8	283.4	(6.4)	239.1	44.3
Motor vehicles	368.7	336.9	(31.8)	376.6	(39.8)
Excises on Off-Shore Shipment Rum	139.6	146.5	6.9	127.3	19.2
Others	638.1	611.0	(27.1)	523.8	87.2

Source: Department of the Treasury, Office of Economic Affairs.

Cement production and sales

Cement production decreased 5.3% in fiscal year 2024, totaling 8,378,000 94-pound bags.



Source: Puerto Rico Economic Development Bank.

During March 2025, cement production totaled 782,000 94-pound bags, an increase of 21.4% compared to the same month last year.

From July to March of fiscal year 2025, cement production totaled 6,251 thousand 94-pound bags. This represented an increase of 0.8% compared to the same period in fiscal year 2024 (**Chart 14**).

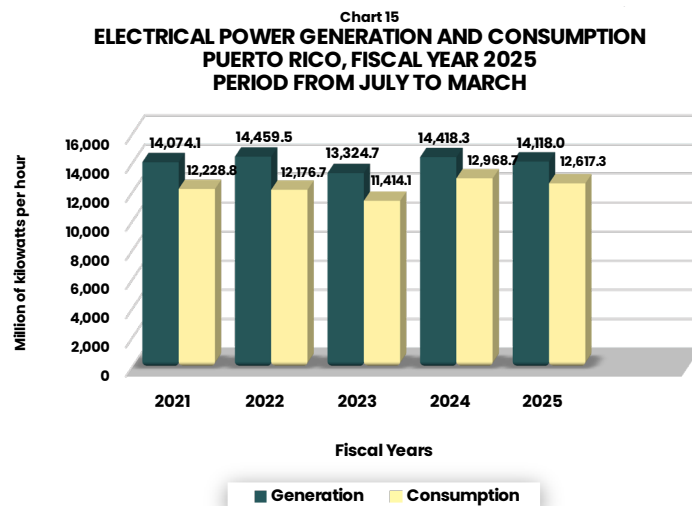
Cement sales totaled 14,355 thousand 94-pound bags in fiscal year 2024, which represented a 1.0% decrease compared to the previous fiscal year. On the other hand, in March 2025, sales reached 1,433 thousand 94-pound bags, reflecting an 18.1% increase compared to

the same month of the previous year. From July to March of fiscal year 2025, cement sales totaled 11,160 thousand 94-pound bags. This reflected a 5.4% increase compared to the same period in fiscal year 2024 (**Chart 14**).

Generation and consumption of electrical energy

Electricity generation totaled 19,358.3 million kilowatt hours (mkwh) during fiscal year 2024, an increase of 6.5%, compared to fiscal year 2023. In the accumulated period from July to March

of fiscal year 2025, generation reached 14,118.0 mkwh, for a decrease of 2.1%, compared to the same period of fiscal year 2024 (**Chart 15**).



Source: LUMA Energy.

On the other hand, during the period from July to March of fiscal year 2025, total electricity consumption fell 2.7%, reaching 12,617.3 MWh (**Chart 15**). Likewise, declines were recorded in all sectors: industrial, 9.4%; agricultural, 7.0%; commercial, 1.8%; and residential, 2.4%.

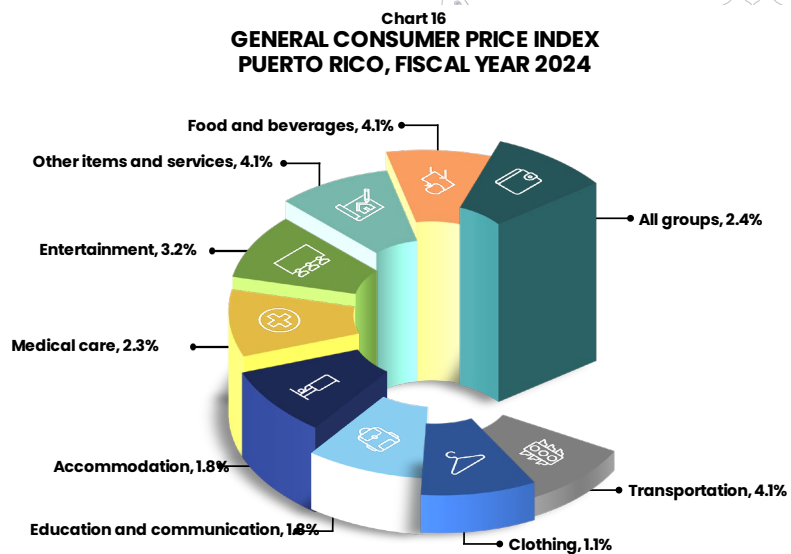
General Consumer Price Index

The General Consumer Price Index (CPI), according to the Department of Labor and Human Resources, is a statistical indicator that measures, between two specific periods, the average relative change in the retail prices of goods and services consumed by all families in Puerto Rico. Families include salaried employees, self-employed workers, retirees, unemployed individuals, as well as working-class families with no restrictions on hours worked or family income.

The CPI registered 135,125 points during fiscal year 2024. This represented a 2.4% growth in the price level compared to fiscal year 2023, which was lower than the increases in the indices registered in fiscal years 2022 (4.6%) and 2023 (5.4%). When comparing the main groups in fiscal year 2024, compared to the previous fiscal year, all reflected increases in their inflation levels: food and beverages, 4.1%; other items and services, 4.1%; entertainment, 3.2%; medical

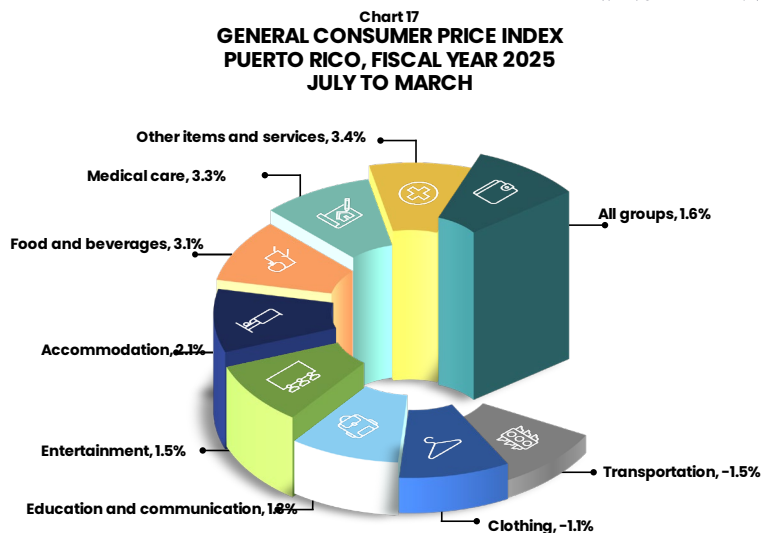
care, 2.3%; lodging, 1.8%; education and communication, 1.8%; clothing, 1.1%; and transportation, 0.6% **(Chart 16)**.

From July to March in fiscal year 2025, the CPI averaged 136,871 points. This represented a 1.6% increase compared to the same period in 2024, which was lower than the increases in the indexes recorded in the same periods of fiscal years 2022 (4.0%), 2023 (6.1%), and 2024 (2.4%).



Source: Department of Labor and Human Resources.

When comparing the major groups for the cumulative period from July to March of fiscal year 2025 with the same period in fiscal year 2024, most groups showed increases in their inflation level: other goods and services, 3.4%; medical care, 3.3%; food and beverages, 3.1%; lodging, 2.1%; entertainment, 1.5%; and education and communication, 1.3% **(Chart 17)**.



Source: Department of Labor and Human Resources.

These inflation levels are largely due to the prolonged effects of the armed conflicts between Ukraine and Russia, and Israel and Palestine, speculation about the possible implementation of new tariff levels by the United States government, among other geopolitical issues, which in turn cause disruption to the supply chain.

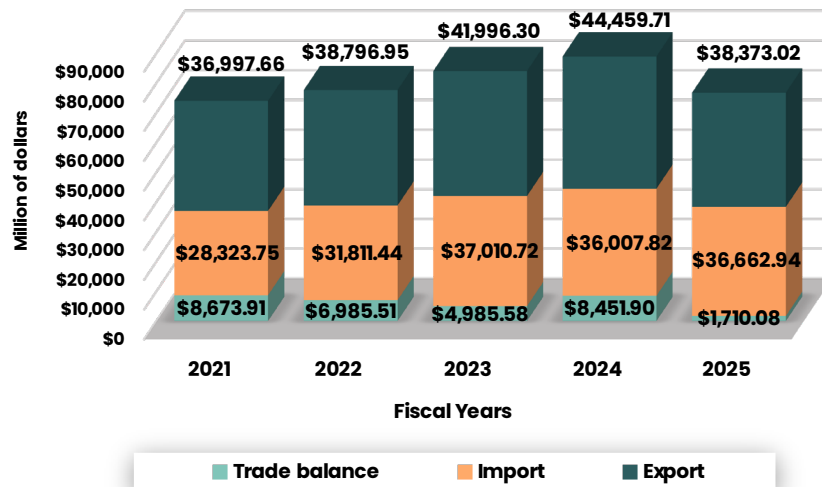
The purchasing power of the consumer dollar remained at 73 cents from December 2024 to March 2025, compared to its value of 100 cents in December 2006 (base year). This reflects the dollar's ability to purchase goods and services, compared to its value of 100 cents in the base period.

Foreign trade

The value of registered merchandise exports in February 2025 was \$4,444.8 million, a decrease of \$654.6 million or 12.8%, compared to the same month of the previous year. Likewise, during the period from July to February of fiscal year 2025, registered merchandise exports reflected a decrease of 13.7%, from \$44,459.7 million in fiscal year 2024 to \$38,373.0 million in fiscal year 2025 (**Chart 18**). However, in fiscal year 2024 they increased \$1,804.5 million or 2.8%, compared to fiscal year 2023, totaling \$65,368.2 million.

The value of registered merchandise imports in February 2025 was \$4,156.0 million, a decrease of \$105.0 million or 2.5%, compared to the same month of the previous year. In the period from July to February of fiscal year 2025, registered merchandise imports reflected an increase of 1.8%, from \$36,007.8 million in fiscal year 2024 to \$36,662.9 million in fiscal year 2025 (**Chart 18**). However, fiscal year 2024 registered a decrease of \$2,990.7 or 5.3%, compared to the previous fiscal year, when it reached \$53,898.4 million.

Chart 18
**FOREIGN TRADE: IMPORTS AND EXPORTS
PUERTO RICO, FISCAL YEARS 2021-2025
JULY TO FEBRUARY**



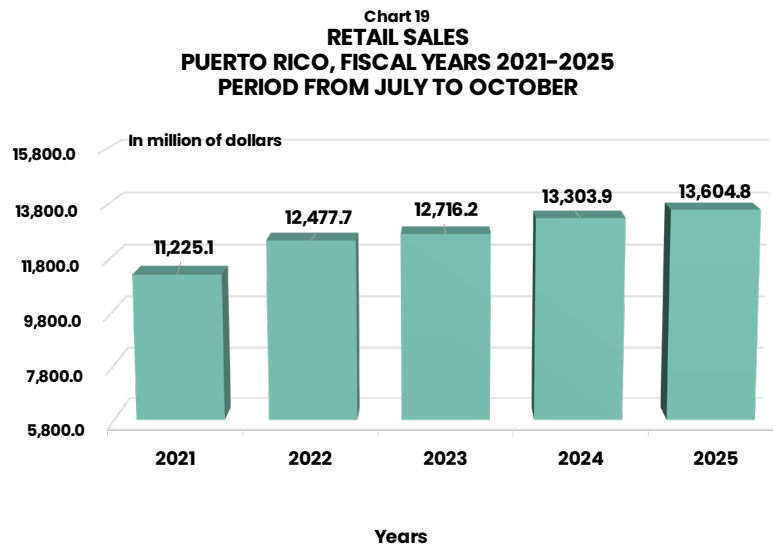
Source: U.S. Department of Commerce

The trade balance in February 2025 remained negative at \$549.3 million. During the period from July to February of fiscal year 2025, the balance decreased 79.8%, from \$8,451.9 million in fiscal year 2024 to \$1,710.0 million in fiscal year 2025 (**Chart 18**). On the other hand, in fiscal year 2024 the balance remained positive at \$11,469.8 million, 71.9% more than in fiscal year 2023.

Retail sales

In fiscal year 2024, retail sales reached \$39,628.5 million at current prices, representing a 3.7% increase compared to fiscal year 2023.

The cumulative value of sales for the July–October period in the fiscal year 2025 showed a 2.3% increase compared to the same period in fiscal year 2024. During this period, sales reached \$13,604.8 million at current prices (**Chart 19**). The sectors with the largest increases during this period were: specialty food stores (19.5%), department stores and other miscellaneous items (8.2%), clothing stores (6.8%); and cosmetics, beauty products, and perfume stores (6.1%). However, the sectors that experienced the largest decrease during this fiscal period were: electronics stores (24.9%); shoe stores (16.6%); and furniture stores (6.2%).



Source: Department of Economic Development and Commerce.

Cumulative sales of SMEs from July to October of fiscal year 2025 decreased 2.3% compared to the same period of the previous fiscal year, totaling \$3,719.4 million at current prices. Small businesses experienced a 9.3% decrease. Likewise, medium-sized businesses experienced a 1.5% decrease, reaching \$346.8 million and \$3,372.6 million at current prices, respectively. Sales of large non-chain businesses increased 14.3%, as did sales of large chains, which reflected an increase of 0.9%, totaling \$2,558.9 million and \$7,326.5 million at current prices during the same period, respectively.

In October 2024, sales totaled \$3,496.9 million at current prices, an increase of 1.7% or \$56.9 million, compared to the same month in 2023.

Jewelry, luggage, and leather goods stores rose by 14.9%. Clothing stores increased by 10%, specialty food stores by 8.1%, hardware and home improvement stores by 7.6%, and restaurants and liquor stores by 6.8%. In October 2024, shoe stores declined by 18.3% and electronics stores by 17.9%.

Retail sales by SMEs during October 2024 reached \$942.7 million at current prices, a 1.6% decrease compared to October 2023. Small businesses experienced a 6.7% decrease, while sales by medium-sized businesses decreased 0.9%, with \$97.0 million and \$845.7 million at current prices, respectively. SME sales represented 27.0% of all retail sales for the month.

However, for the same month last year, they represented 27.8%. Sales by large non-chain companies increased 4.4%, as did sales by large chains, which experienced an increase of 2.3%, with \$715.0 million and \$1,839.2 million at current prices, respectively.

Registration and occupancy in hotels and inns

The Monthly Registration and Occupancy Survey of inns endorsed by the Puerto Rico Tourism Company indicates that the number of registrations in hotels and inns during fiscal year 2024 was 2,584,553. This represented an increase of 2.3% compared to fiscal year 2023 (**Chart 20**). During June 2024, registrations in hotels and inns reached a total of 240,449 registrations, an increase of 3,112 registrations or 1.3%.

The number of nonresident registrations increased 5.9% in fiscal year 2024 compared to fiscal year 2023, totaling 1,929,174 registrations. However, resident registrations decreased 7.0% compared to the previous fiscal year, accumulating 655,379 registrations (**Chart 20**). In June 2024, the number of nonresident registrations increased 1.1%, totaling 176,447 registrations. Likewise, resident registrations increased 2.0%, totaling 64,002 registrations.

The occupancy rate across all hotels and inns was 69.4% in fiscal year 2024, while it was 70.4% in fiscal year 2023 (**Chart 21**). In June 2024, the occupancy rate was 74.8%, a decrease of 3.4 percentage points compared to the same month last year.

Bankruptcy

According to the Federal Bankruptcy Court, Puerto Rico Division, the total number of bankruptcies in fiscal year 2024 was 5,160. This represented an increase of 1,234 bankruptcies, or 31.4%, compared to fiscal year 2023.

From July to March of fiscal year 2025, 4,398 bankruptcies were filed. This represented an increase of 688, or 18.5%, compared to the total number of bankruptcies filed during the same

Chart 20
REGISTRATION IN HOTELS AND RESORTS
PUERTO RICO, FISCAL YEARS 2020–2024

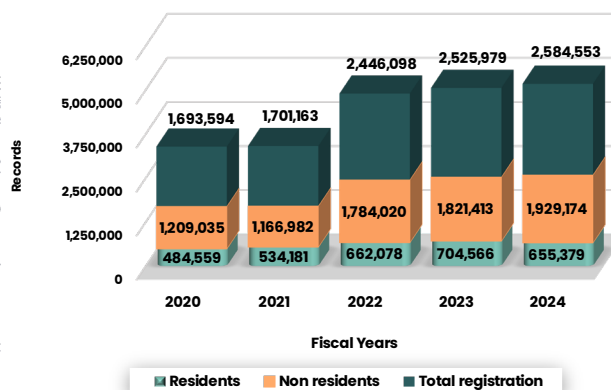
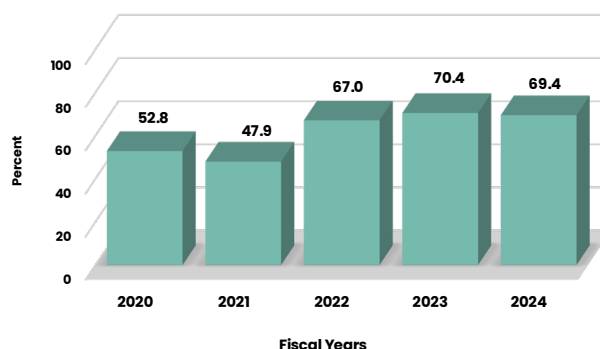


Chart 21
OCCUPANCY RATE IN HOTELS AND RESORTS
IN PUERTO RICO, FISCAL YEARS 2020–2024



period in fiscal year 2024. Filings by chapter for fiscal year 2025 are broken down as shown in **Table 12**, where increases were recorded in chapters 7 and 13. On the other hand, chapters 11 and 12 recorded decreases in filings.

Table 12

Quiebras fiscal years, from July to March				
Bankruptcies	July to March		Absolute change annually	Percentage change
	2025	2024		
Total	4,398	3,710	688	18.5
Chapter 7 - Total Liquidation	1,425	1,141	284	24.9
Chapter 11 - Reorganization	43	55	(12)	(21.8)
Chapter 12 - Farmers and Fishermen	5	6	(1)	(16.7)
Chapter 13 - Individual Adjustment of Debts	2,925	2,508	417	16.6

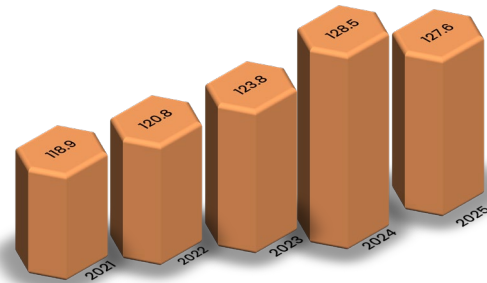
Source: Federal Bankruptcy Court, Puerto Rico Division.

Bankruptcies primarily affect restaurants, construction, agricultural, and real estate companies.

Economic Activity Index

The Economic Activity Index of the Economic Development Bank (IAE-BDE, for its acronym in Spanish) registered a level of 128.5 in fiscal year 2024, a growth of 2.9% compared to fiscal year 2023. In February 2025, the index registered 127.5 points, an increase of 0.6%, compared to January 2025, which reached 126.8 points. However, compared to February 2024, when the index registered 128.6 points, a decrease of 0.9% was recorded, marking the sixth consecutive month of decline. This was due to a seasonally adjusted decrease in gasoline consumption of 11.0%. From July to February of fiscal year 2025, the IAE-BDE decreased by 0.7%, reaching 127.6 points, while in the same period of fiscal year 2024 it reached 128.5 points (**Chart 22**). Two of the four components of the IAE-BDE decreased from July to February: seasonally adjusted gasoline consumption, by 7.2%, and seasonally adjusted electricity generation, by 1.7%. On the other hand, both cement sales and seasonally adjusted non-agricultural wage employment increased by 2.9% and 0.6% during that period, respectively.

Chart 22
ECONOMIC ACTIVITY INDEX – BDE
PUERTO RICO, FISCAL YEARS 2021-2025
PERIOD FROM JULY TO FEBRUARY



Source: Economic Development Bank for Puerto Rico.

Macroeconomic projections for fiscal years 2025 and 2026

Main assumptions

The Puerto Rico Planning Board (PRPB, for its acronym in Spanish), in its ministerial duty to prepare the government's official macroeconomic projections, develops various economic assumptions to explain the projections' behavior. All economic projections must be constructed with appropriate statistical tools. The PRPB uses an econometric model called the **Dynamic Econometric Model of the Puerto Rico Economy of the Planning Board**, which measures the level of uncertainty in the forecast. These levels of uncertainty are known in statistical language as the standard error that can occur in any economic forecast or projection. The projection estimate produces two standard error bands or limits that measure any eventuality that the economy may have in its behavior deviating from its baseline level.

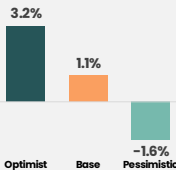
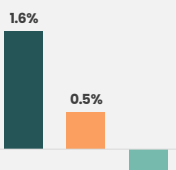
This model incorporates various economic assumptions to explain the projections. These main assumptions include the following variables: economic performance in the U.S.; oil prices; the level of investment in construction; investment in machinery and equipment; the amount of federal transfers to individuals; adjusted merchandise exports, personal consumption expenditures, visitor spending, population size, and the global economy (**Table 13**). The sources of information are: fiscal plans published by the Puerto Rico Oversight and Management Board (JSF), the Congressional Budget Office (CBO), the Census Bureau, the International Monetary Fund (IMF), and the U.S. Energy Agency. In addition, aggregates of Puerto Rico's economy are

Table 13

Short term macroeconomic projections and assumptions

Puerto Rico, constant 2017 dollars: fiscal years 2025–2026

date: February 2025.

Fiscal years	PROJECTIONS	SUMMARY OF PROJECTION ASSUMPTIONS
2025	 <p>Optimist 3.2% Base 1.1% Pessimistic -1.6%</p>	<ul style="list-style-type: none"> - US Real GNP: 2.3% CBO - US Real GDP: 2.5% CBO - U.S. Real GDP : 2.4% IMF - Interest rate: 4.6% - Oil Barrel Price: \$72.88 EIA - Oil Barrel Price: \$71.13 CBO - Population: 2,985 US CENSUS - World Economy: 3.2% IMF - Federal Disaster Relief Funds \$6,065.0 million (Fiscal Plan, June 2024). - Other federal funds \$526.0 million (Fiscal Plan, June 2024). - CDBG \$1,892.0 million, growth of 16.4% over 2024 (Fiscal Plan, June 2024). - Adjusted merchandise exports 1.4% - Visitor's spending 8.9% - Federal transfer to the persons 3.3% - Inflation: 1.8% (Fiscal Plan, June 2024). - Inflation: 1.7% CPI DLHR
2026	 <p>Optimist 1.6% Base 0.5% Pessimistic -0.4%</p>	<ul style="list-style-type: none"> - US Real GNP: 1.9% CBO - US Real GDP: 1.8% CBO - US Real GDP: 2.1% IMF - Interest rate: 3.7% FED - Oil Barrel Price: \$66.58 EIA - Oil Barrel Price: \$74.53 CBO - World Economy: 3.1% IMF - Population: 2,985 US CENSUS - Adjusted merchandise exports 1.4% - Visitor's spending 1.1% - Federal transfer to the persons 0.7%

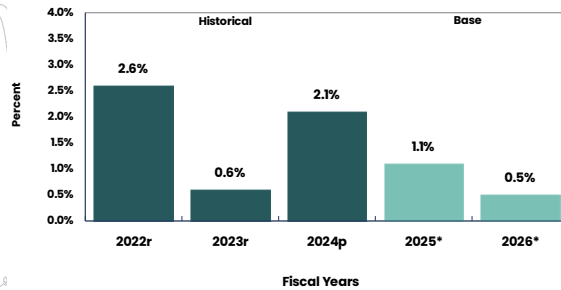
Source: Puerto Rico Planning Board, Program of Economic and Social Planning.

incorporated based on the details of the social accounting estimates for fiscal year 2024 produced by the PRPB.

For fiscal year 2025, the base-case real gross domestic product forecast shows moderate growth of 1.1%, and 0.5% for fiscal year 2026 (**Chart 23**). This represents a slowdown or deceleration in Puerto Rico's economy for the projected years. Therefore, the PRPB presents a scenario of economic deceleration, although it remains in positive territory.

The PRPB measures two alternative scenarios to the baseline scenario that explain any eventuality in the baseline forecast. These scenarios are optimistic and pessimistic scenarios. The optimistic scenario is more positive in terms of economic performance. In the pessimistic scenario, performance is smaller or negative than the baseline level.

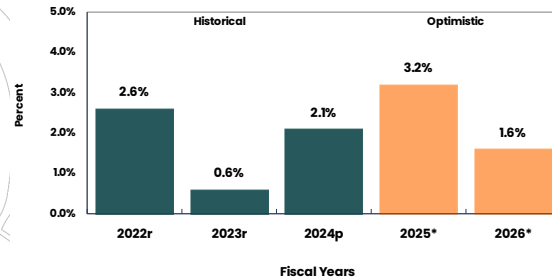
Chart 23
REAL GROSS PRODUCT PROJECTIONS
BASE SCENARIO
PUERTO RICO, FISCAL YEARS 2025-2026*



* = projections
p = preliminary figures.
r = revised figures

Source: Puerto Rico Planning Board.

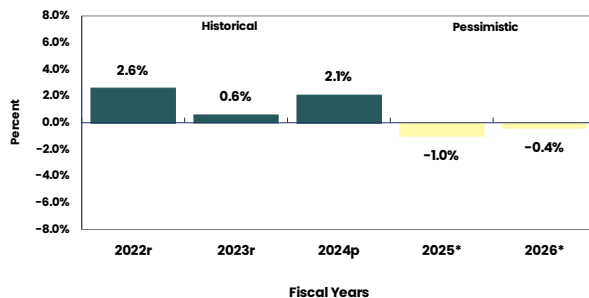
Chart 24
REAL GROSS PRODUCT PROJECTIONS
OPTIMISTIC SCENARIO
PUERTO RICO, FISCAL YEARS 2025-2026*



* = projections
p = preliminary figures.
r = revised figures

Source: Puerto Rico Planning Board.

Chart 25
REAL GROSS PRODUCT PROJECTIONS
PESSIMISTIC SCENARIO
PUERTO RICO, FISCAL YEARS 2025-2026*



* = projections
p = preliminary figures.
r = revised figures

Source: Puerto Rico Planning Board.

The optimistic scenario for fiscal year 2025 is for growth of 3.2%. For the fiscal year 2026, the projected growth is 1.6% (**Chart 24**). Meanwhile, the pessimistic scenario projection for fiscal year 2025 is -1.0%. For fiscal year 2026, the projection is -0.4 percent (**Chart 25**).

Tables 14 and 15 present the economic projections of the GNP and its components at constant and current prices.

Table 14

Projections of selected macroeconomic variables fiscal years 2025–2026 constant 2017 dollars, million of dollars						
Variables	Projections					
	2025			2026		
	Pessimistic	Base	Optimist	Pessimistic	Base	Optimist
Gross Product	69,170.7	70,637.9	72,105.2	68,894.0	70,991.1	73,258.9
<i>Annual growth rates</i>	<i>-1.0</i>	<i>1.1</i>	<i>3.2</i>	<i>-0.4</i>	<i>0.5</i>	<i>1.6</i>
Personal consumption expenditures	84,031.6	85,387.0	87,420.0	82,687.1	85,216.2	88,381.6
<i>Annual growth rates</i>	<i>-0.8</i>	<i>0.8</i>	<i>3.2</i>	<i>-1.6</i>	<i>-0.2</i>	<i>1.1</i>
Construction investment	5,384.4	5,411.3	6,320.4	5,303.6	5,378.8	6,086.5
<i>Annual growth rates</i>	<i>0.1</i>	<i>0.6</i>	<i>17.5</i>	<i>-1.5</i>	<i>-0.6</i>	<i>-3.7</i>
Machinery and equipment investment	8,754.7	9,102.4	9,450.1	8,711.0	8,911.3	9,109.9
<i>Annual growth rates</i>	<i>-1.8</i>	<i>2.1</i>	<i>6.0</i>	<i>-0.5</i>	<i>-2.1</i>	<i>-3.6</i>
Government consumption expenditures	9,924.9	10,113.9	10,302.8	9,934.9	10,164.5	10,395.6
<i>Annual growth rates</i>	<i>-0.2</i>	<i>1.7</i>	<i>3.6</i>	<i>0.1</i>	<i>0.5</i>	<i>0.9</i>

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

Table 15

Projections of selected macroeconomic variables fiscal years 2025–2026						
Variables	Projections					
	2025			2026		
	Pessimistic	Base	Optimist	Pessimistic	Base	Optimist
Gross Product	84,293.0	89,503.0	90,414.0	81,830.4	91,132.2	92,913.4
<i>Annual growth rates</i>	<i>-1.6</i>	<i>4.5</i>	<i>5.6</i>	<i>-2.9</i>	<i>1.8</i>	<i>2.8</i>
Personal consumption expenditures	93,531.1	99,032.3	100,033.7	92,740.1	101,259.1	103,868.9
<i>Annual growth rates</i>	<i>-2.2</i>	<i>3.6</i>	<i>4.6</i>	<i>-0.8</i>	<i>2.2</i>	<i>3.8</i>
Construction investment	8,506.1	8,602.6	8,649.1	8,356.2	8,468.5	8,680.8
<i>Annual growth rates</i>	<i>19.1</i>	<i>20.5</i>	<i>21.1</i>	<i>-1.8</i>	<i>-1.6</i>	<i>0.4</i>
Machinery and equipment investment	10,701.5	11,697.5	12,597.5	10,220.8	11,334.8	12,648.8
<i>Annual growth rates</i>	<i>-4.2</i>	<i>4.7</i>	<i>12.7</i>	<i>-4.5</i>	<i>-3.1</i>	<i>0.4</i>
Government consumption expenditures	10,439.9	10,724.7	10,859.5	10,475.6	10,772.0	11,768.4
<i>Annual growth rates</i>	<i>1.1</i>	<i>3.8</i>	<i>5.1</i>	<i>0.3</i>	<i>0.4</i>	<i>8.4</i>

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

It is important to note that the new economic policies promoted by US President Donald Trump could significantly impact economic projections for 2025 and 2026, as well as for the remainder of the four-year period (2025–2029). The uncertainty and speculation generated by President Trump's changes in economic policies are growing every day. Although definitive data on the

impact of his policies for the four-year period 2025-2029 are not yet available, current projections suggest that these economic measures could have significant repercussions on global growth in the coming years. As the first and second quarters of 2025 progress, emerging trends in these projections will become clearer, allowing for a more precise analysis of the policies' impact. President Trump's focus on protectionist policies, financial deregulation, and the promotion of the fossil fuel industry has the potential to disrupt international economic dynamics, generating significant changes in both advanced economies and emerging markets.

The macroeconomic projections made by the JP are based on information collected and available through **February 2025**. Therefore, the JP will review and adjust the economic projections by monitoring the information received from available economic indicators, such as: labor market conditions, where job creation has been positive and the unemployment rate has remained low; inflationary pressures related to oil barrel prices, war tensions and possible international tariffs; movements in the reference interest rate; and the behavior of our foreign trade with the implementation by the government of Puerto Rico of the concept of '**Reshoring**', with the signing of Executive Order 2025-012 by the Honorable Governor Jenniffer A. González Colón, which, together with the streamlining of the permit system, could lessen the negative effects that we could feel on our economy.

It is important to note that the accuracy of economic projections depends on the prospective movement of the underlying exogenous factors that underlie them. Therefore, all economic projections must be subject to ongoing evaluation and revision in line with changes in these factors.