



BABSON
COLLEGE



PUERTO RICO CONFERENCE

Entrepreneurship for Growth

2010

March 24, 2010 | Conrad San Juan Condado Plaza | 7:30 a.m. - 5:00 p.m.

P u e r t o R i c o C h a m b e r o f C o m m e r c e

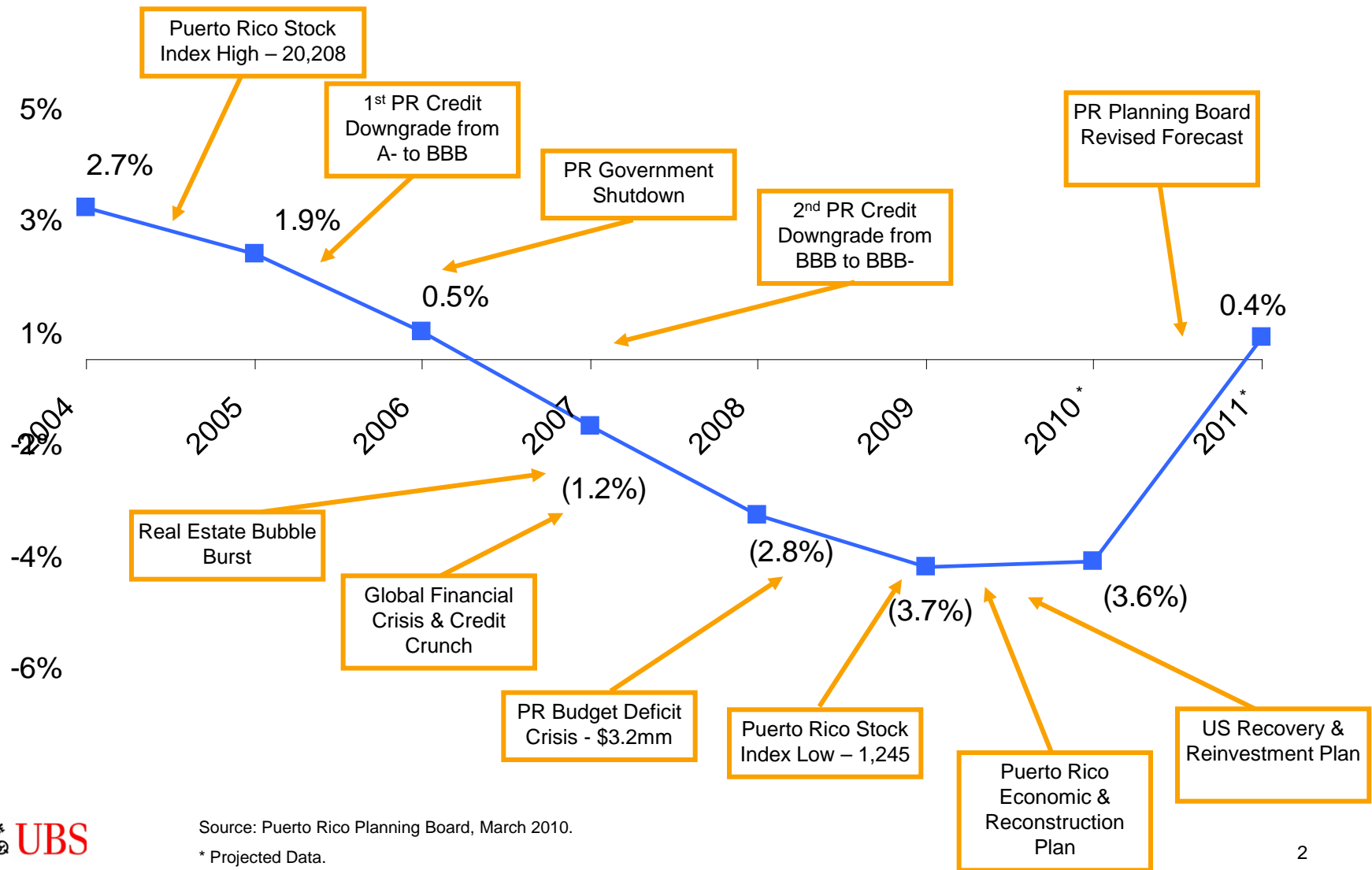
Puerto Rico's Financial Situation

Francisco Rodríguez-Castro – Managing Director
UBS Financial Services Incorporated of Puerto Rico

March 24, 2010

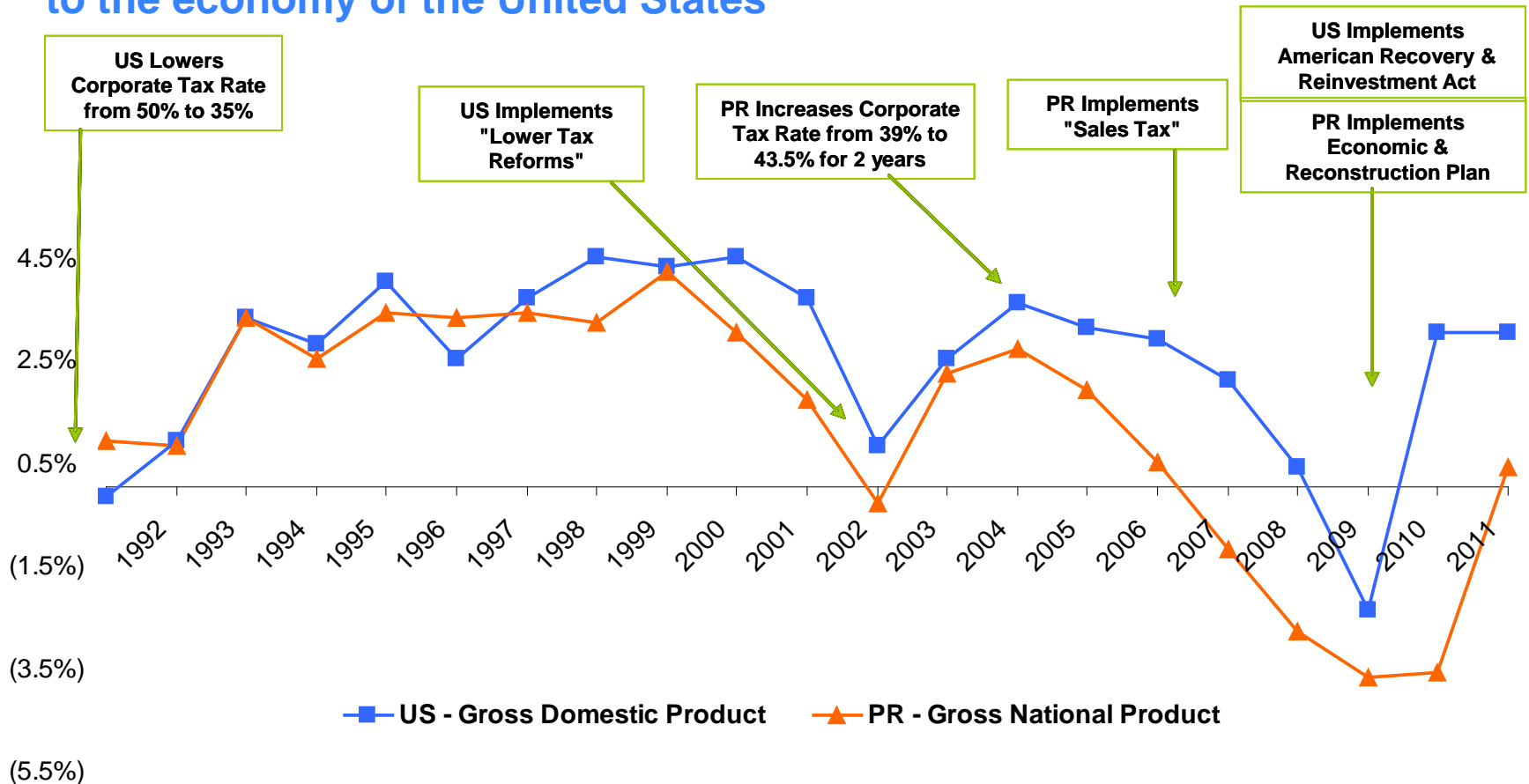
Puerto Rico's Financial Situation

Puerto Rico's Gross National Product



Puerto Rico's Financial Situation

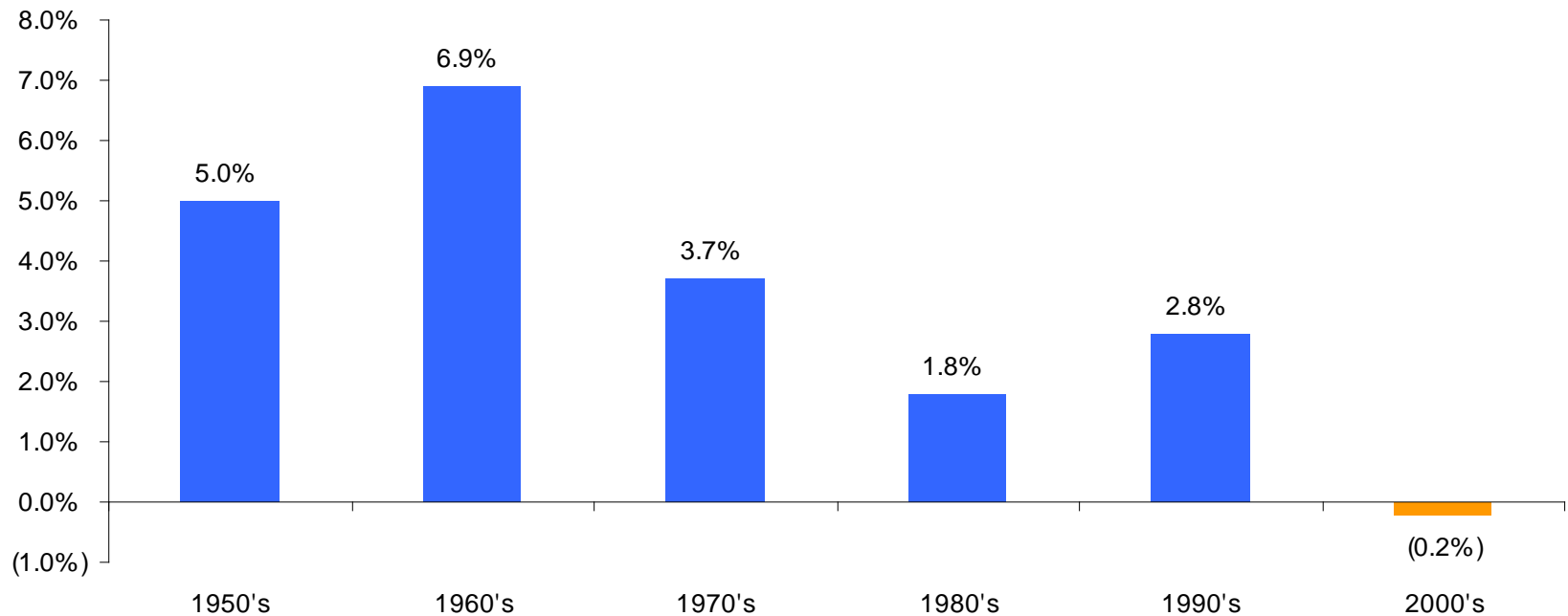
Between 1991 and 2004, Puerto Rico's economy performed very similar to the economy of the United States



Since 2005, Puerto Rico's economic performance has diverged from that of the United States

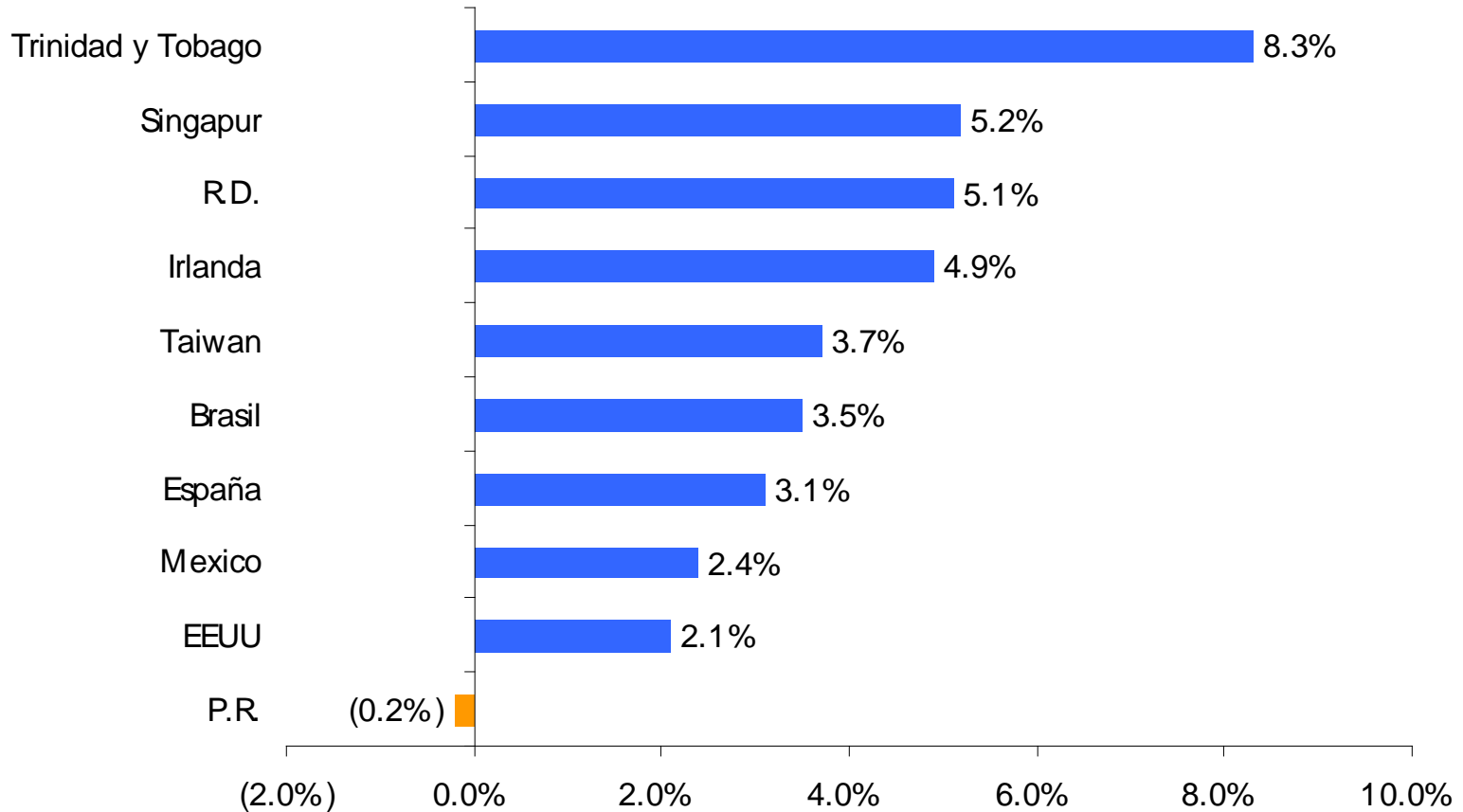
Puerto Rico's Financial Situation

National Historical Economic Growth



Puerto Rico's Financial Situation

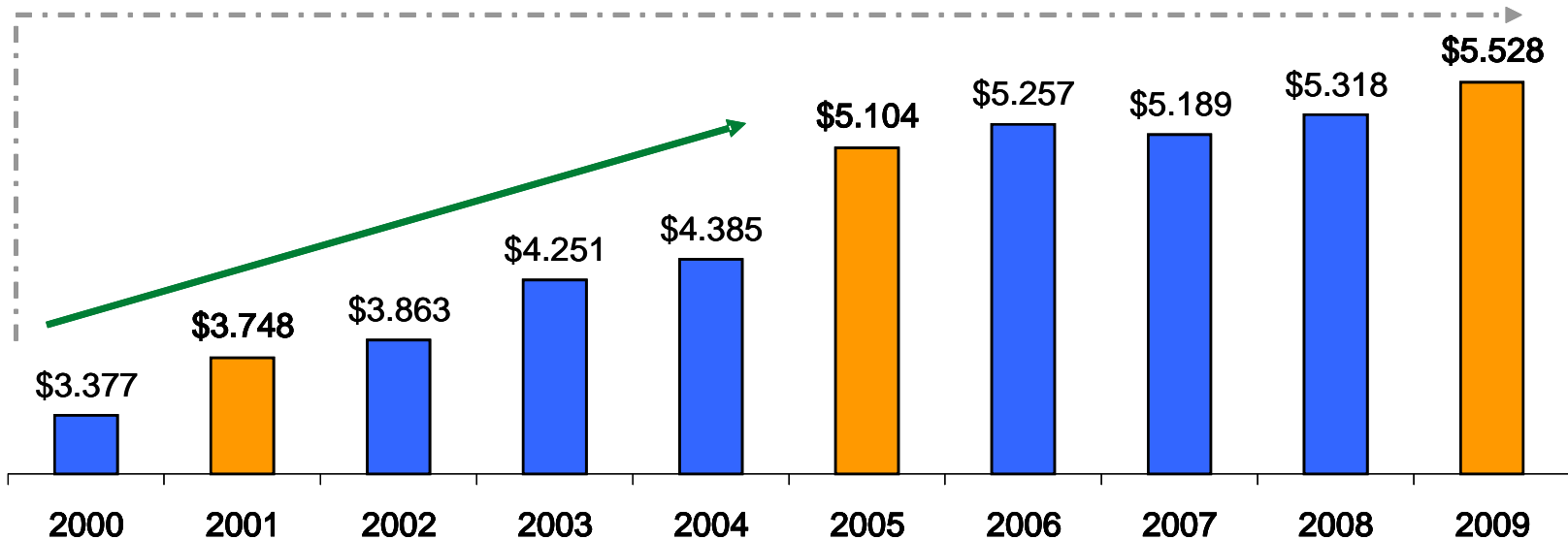
International Historical Economic Growth



Puerto Rico's Financial Situation

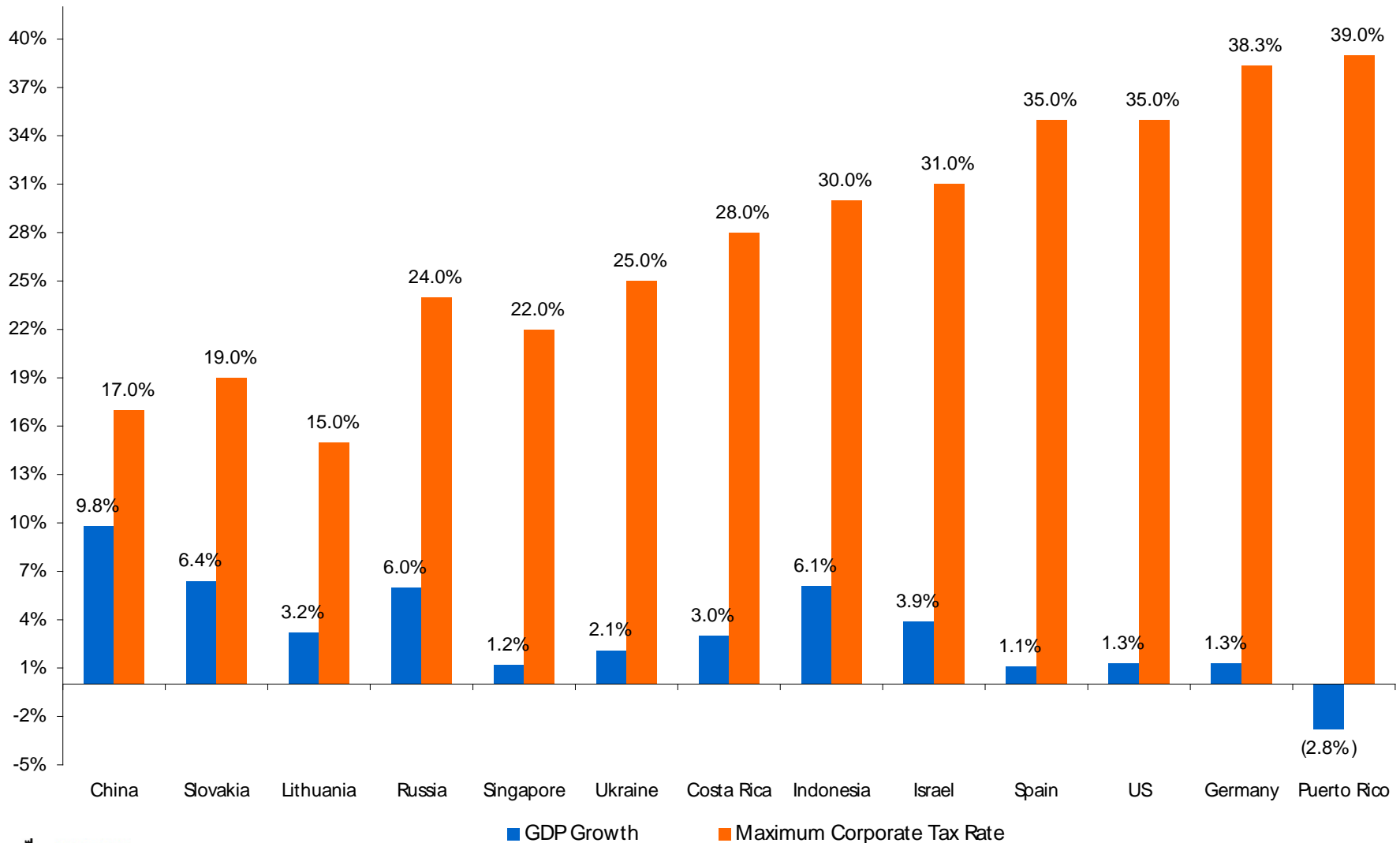
Total increase of \$2.3 billion or 6% annual increase during the last 10 years

Government Payroll



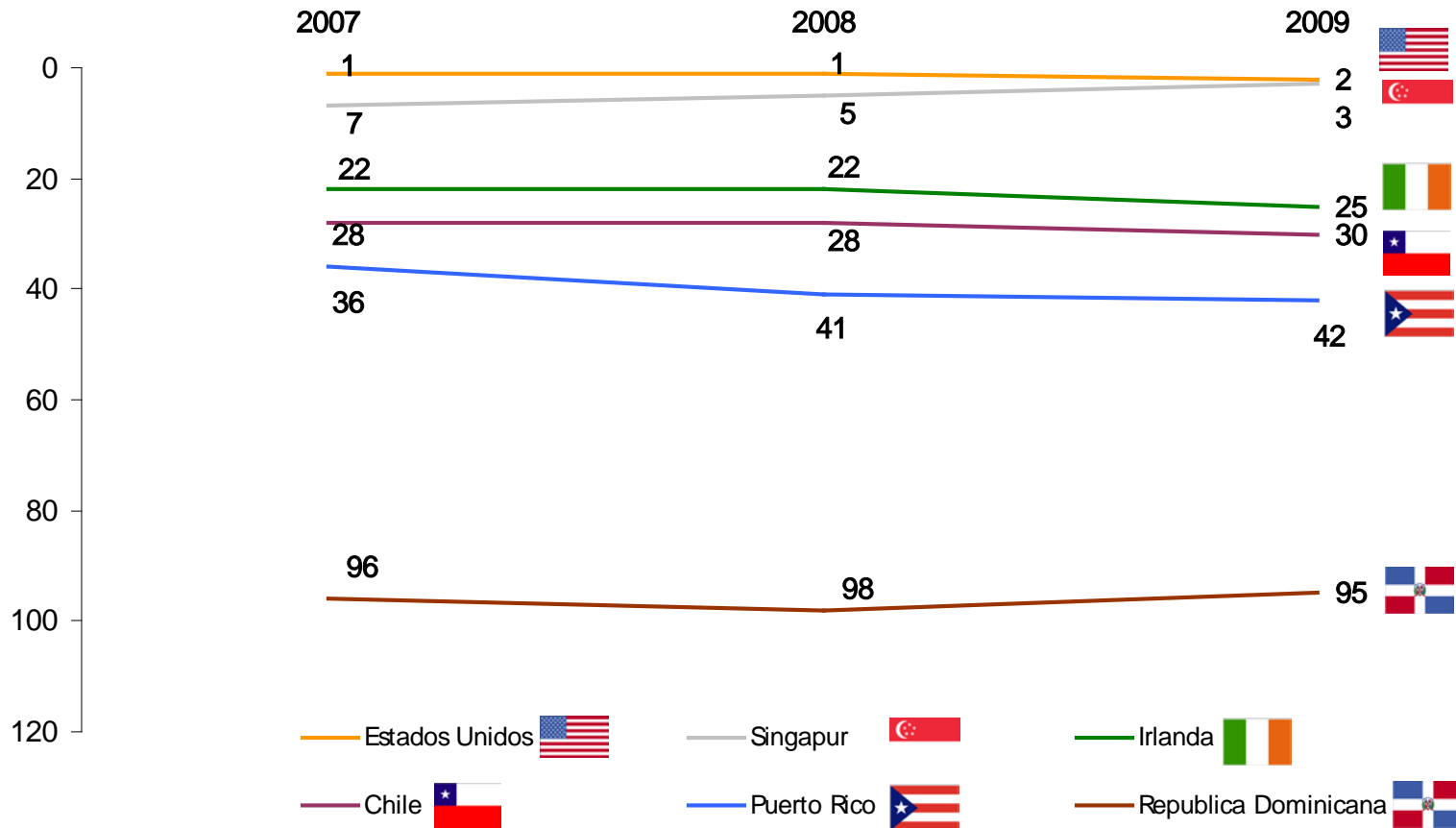
Puerto Rico's Financial Situation

2008 Growth Rates vs. Max Corporate Tax Rates



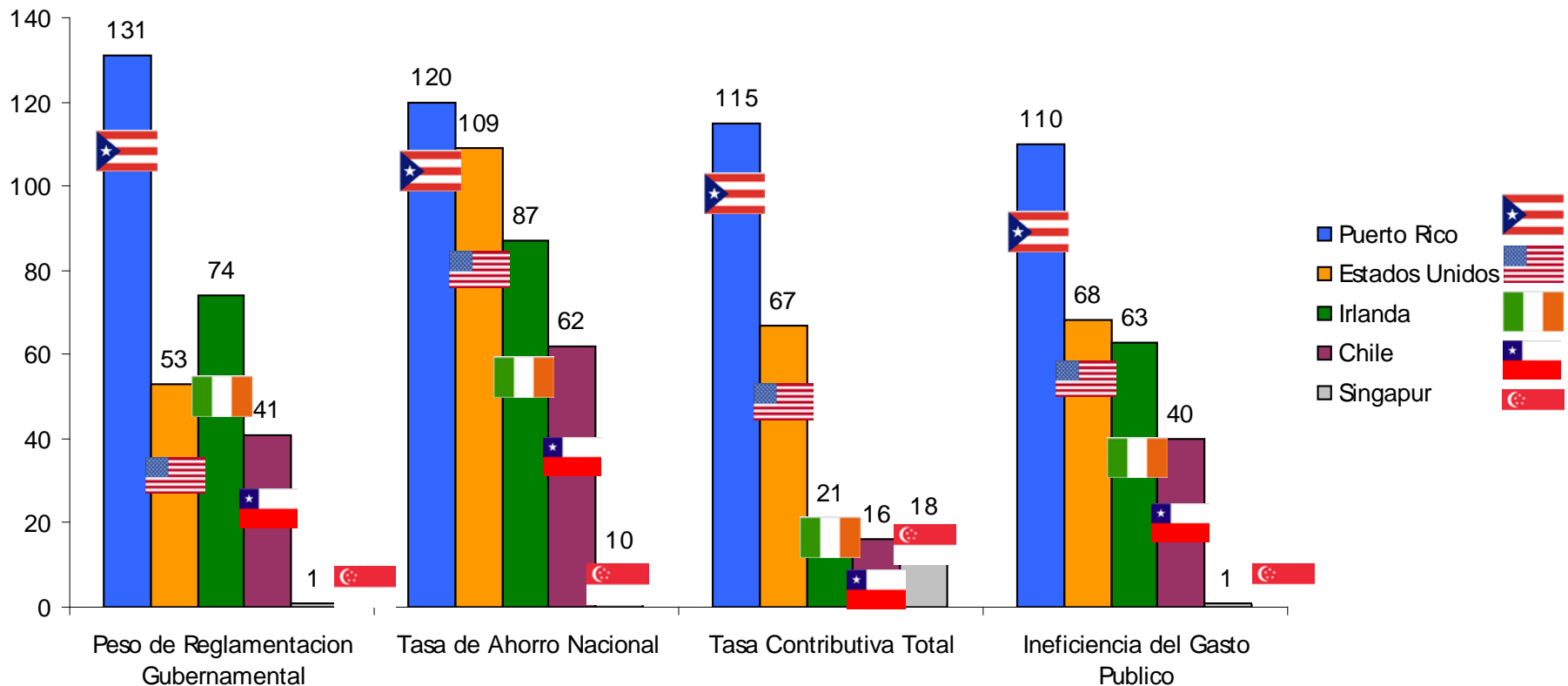
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Global Competitiveness



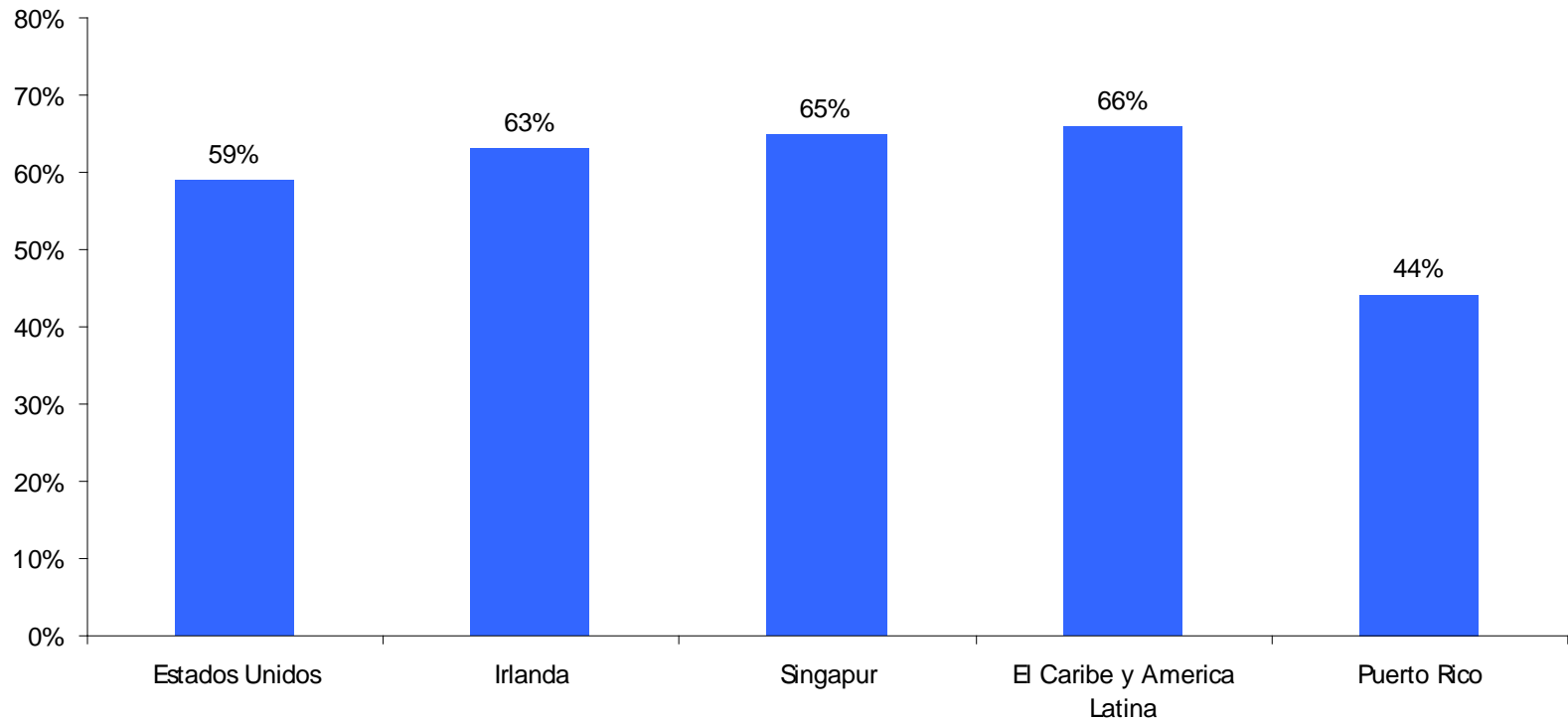
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Negative Factors of Each Economy



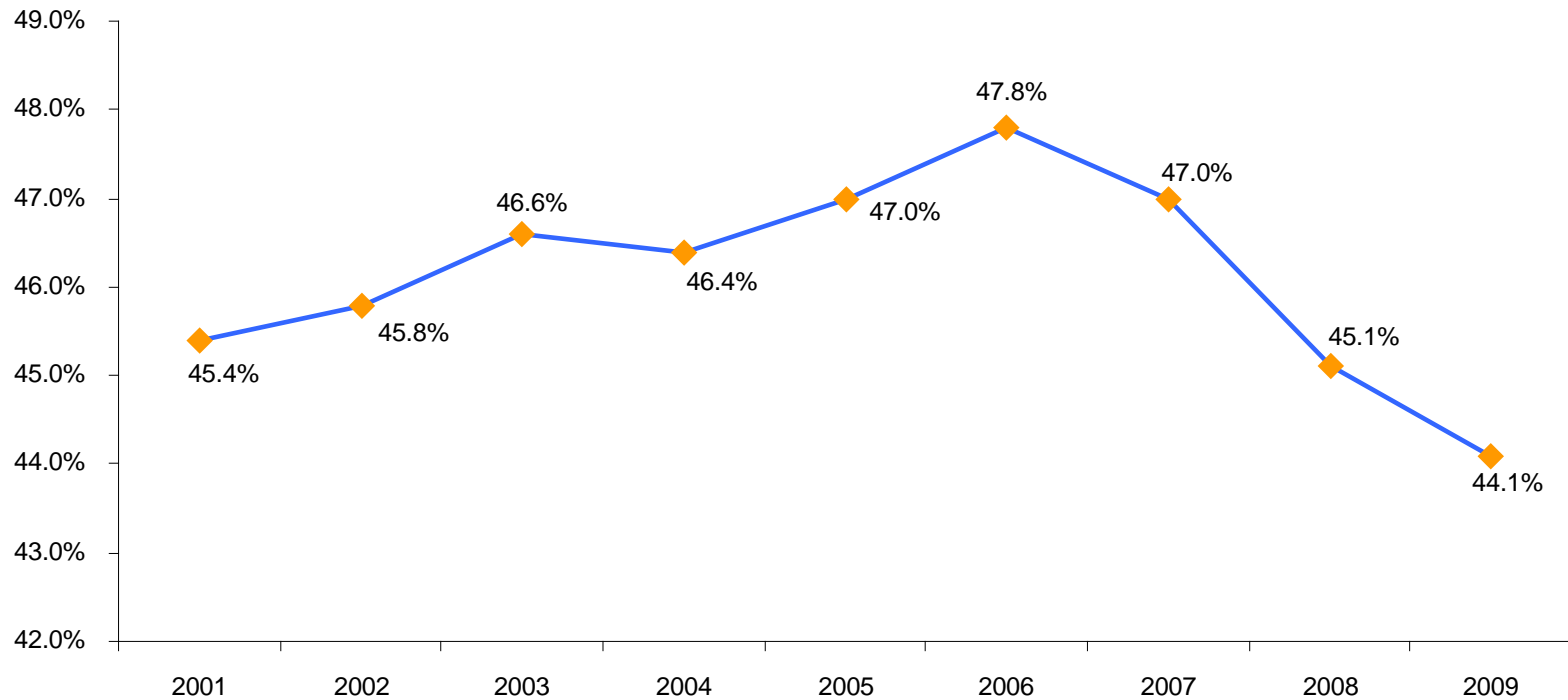
Puerto Rico's Financial Situation

Labor Force Participation: 2007-2008



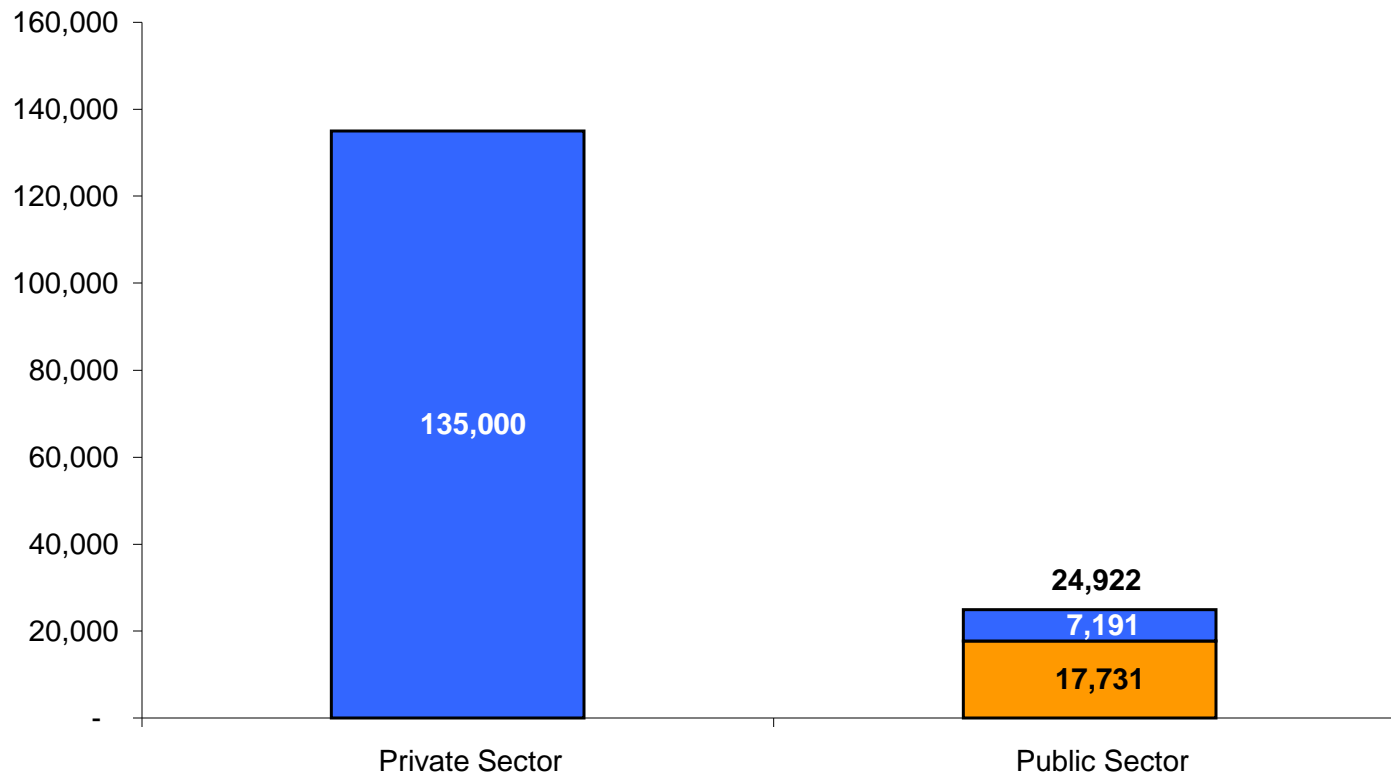
Puerto Rico's Financial Situation

Labor Force Participation in Puerto Rico 2001-2009



Puerto Rico's Financial Situation

Recent Labor Lay-offs 2006-2009



Super National Goals

- ◆ Work to achieve a sustainable economic growth of over 4.0% on an annual basis
- ◆ Create 360,000 new jobs, increasing the labor force participation to over 55%
- ◆ Increase to over 25% the total employment in the research & development industry
- ◆ Expand the private sector to 85% of total island workforce
- ◆ Reduce the business competitiveness gap between Puerto Rico and the international community

Focus Areas

- ◆ **Investment Climate**
- ◆ **Economic Incentives Law (Law 73)**
- ◆ **Labor Reform**
- ◆ **Energy Reform**
- ◆ **Reform the Permit System (Businesses, Real Estate, Developments)**

UBS Financial Services Incorporated of Puerto Rico
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