

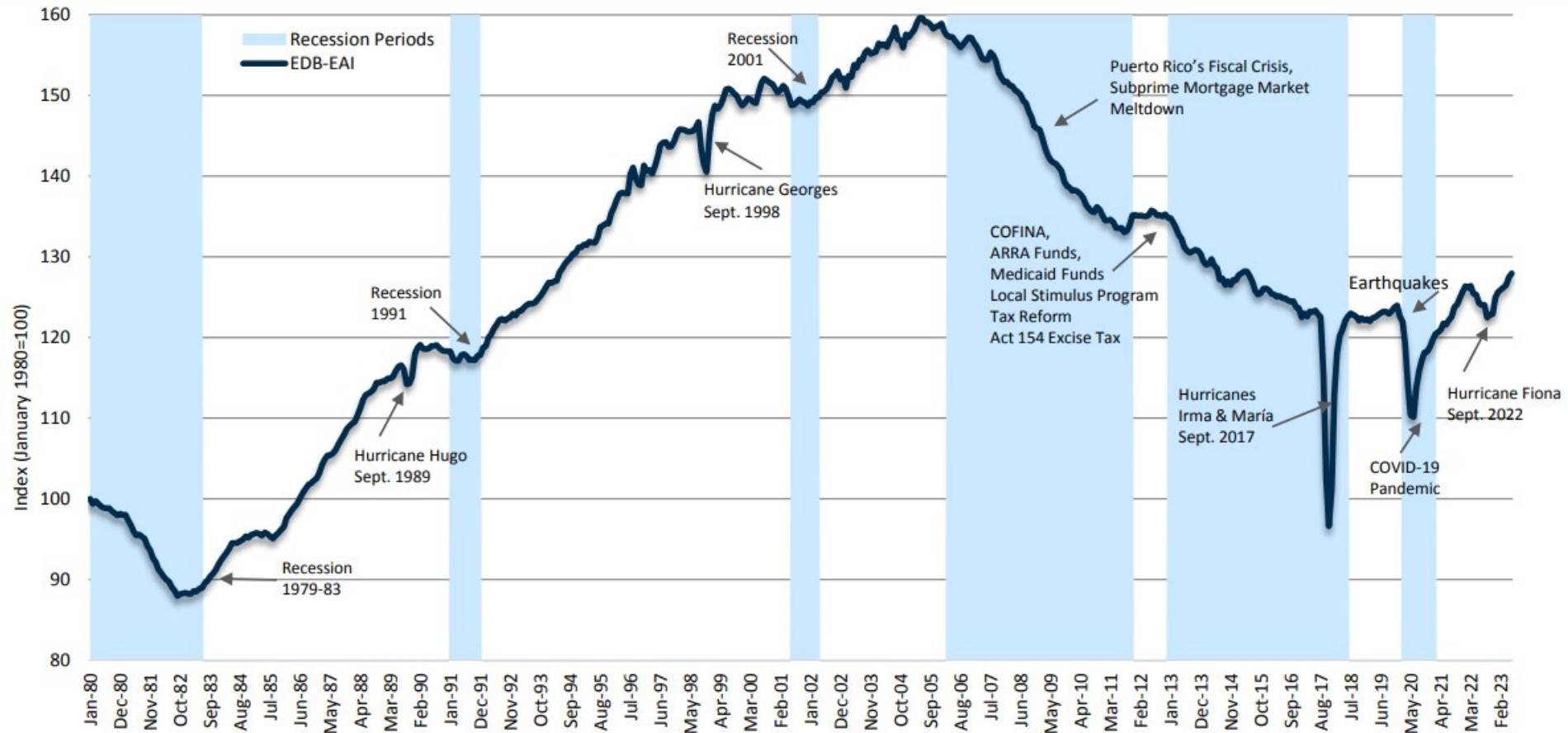


Puerto Rico Economic Profile

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ESCUELA GRADUADA DE ADMINISTRACIÓN DE EMPRESAS
UPR-RÍO PIEDRAS

EDB Economic Activity Index Historical Graph from January 1980 to May 2023 (Preliminary Estimates: 10/2022 – 6/2023)

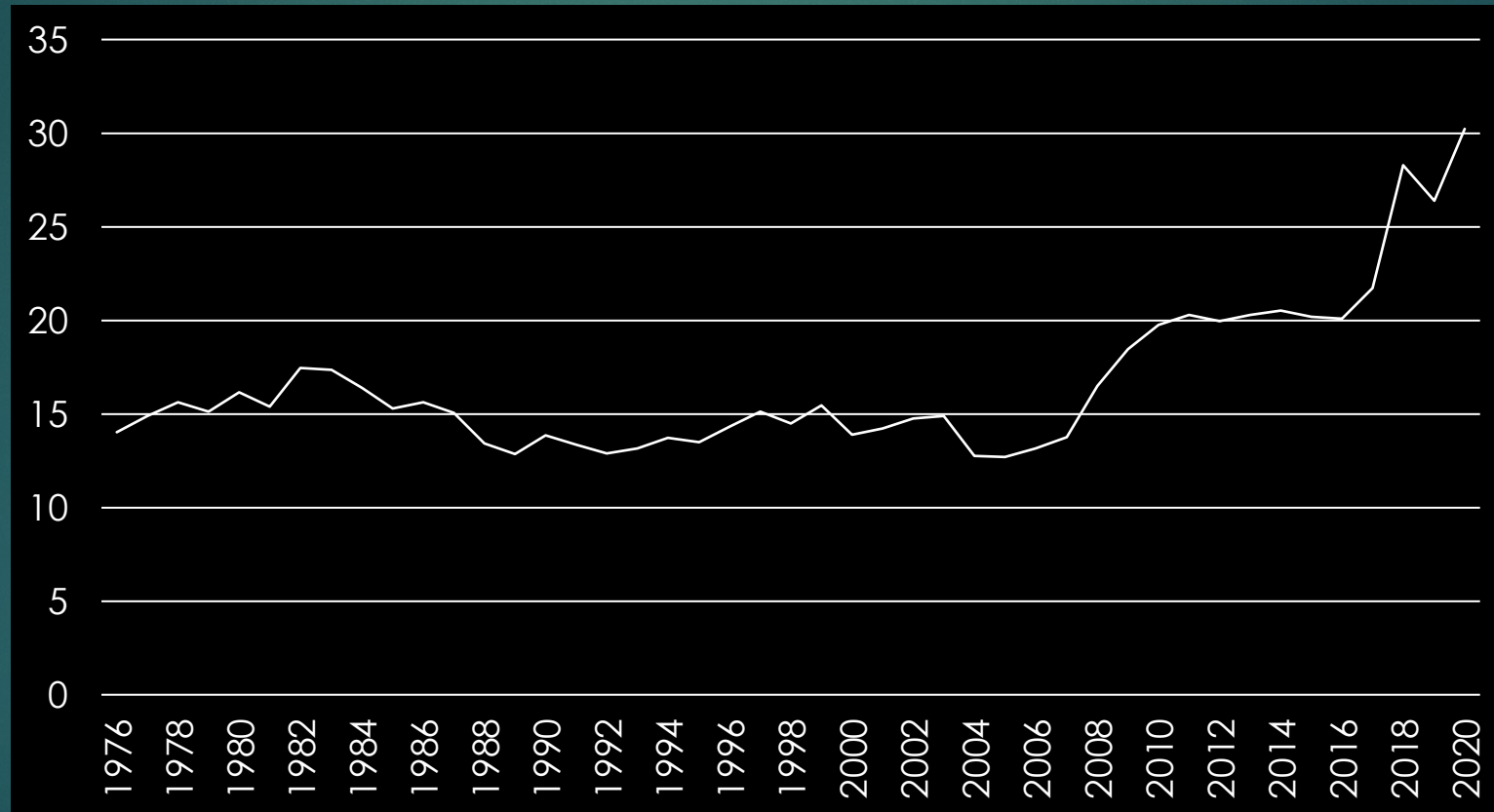
Source: EDB.



The complete series of the EAI concurs with the economic cycles of the Puerto Rico's economy. It starts in January 1980 and exhibits the recession of FY1979 to FY1983, the subsequent recuperation period, the mild recession of FY1991 with its expansion phase, and the recession of 2001. It also shows the downward path of the Index since the beginning of the 2006 recession with a recuperation episode in 2012, after which the EAI resumed its descendent trend in 2013. The collapse experienced after hurricanes Irma and Maria struck the Island in September 2017, and the subsequent effect of the recovery efforts are also displayed. The last drop corresponds to the January 7th, 2020, earthquakes and its related aftershocks, compounded by the burdens that the COVID-19 global pandemic stresses on the economic activity. Now Puerto Rico's economy is entering a recovery period that is at pre-Hurricane Irma and Maria levels.



Net federal transfer % GNP

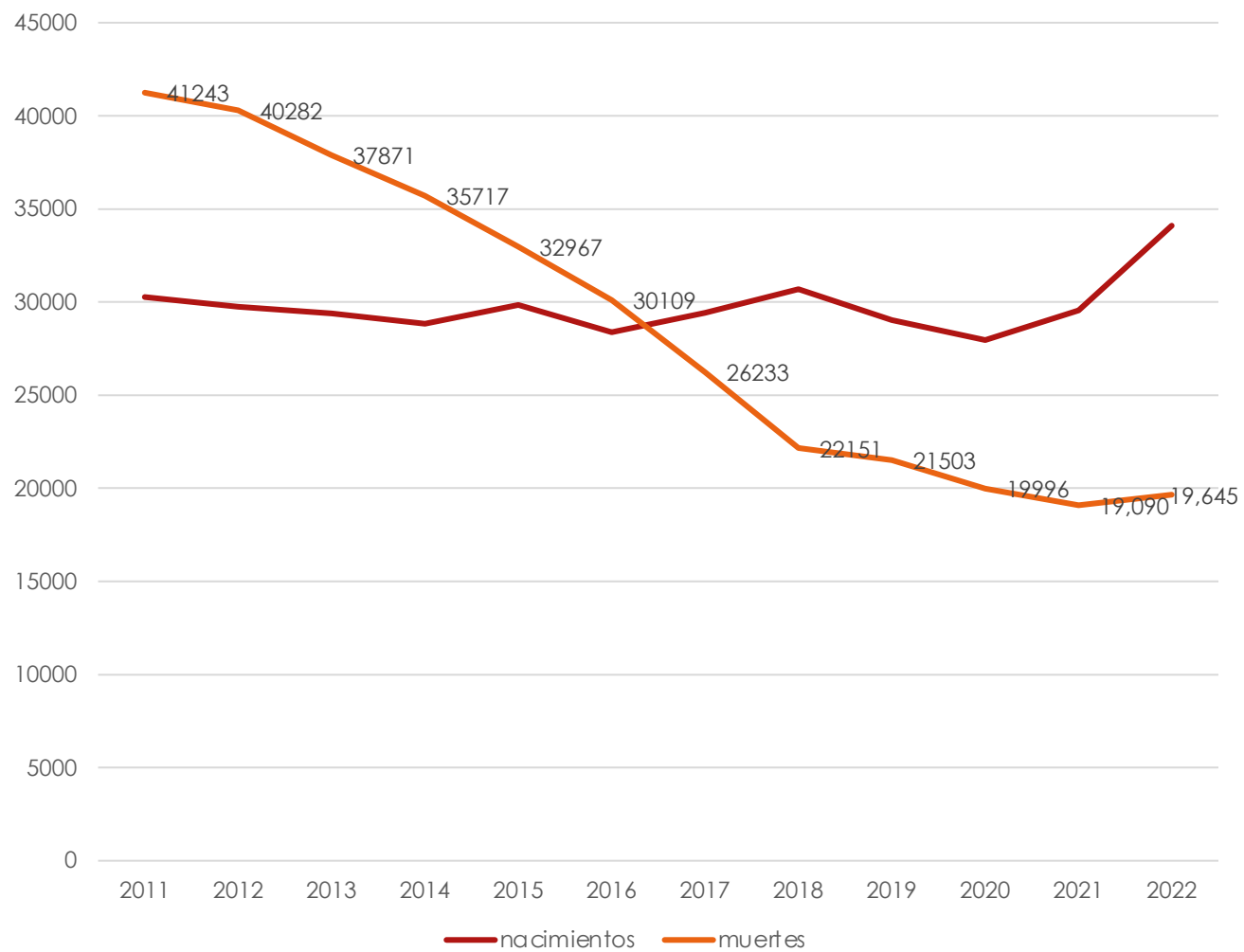


Total Population, 2010-2022



Net Outmigration





Nacimientos y muertes, 2011-2022

PR lost 11.8% inhabitant between 2010 to 2020.

Guayanilla Municipio, Puerto Rico	17,784	21,581	-3797	-17.6%
Cataño Municipio, Puerto Rico	23,155	28,140	-4985	-17.7%
Mayagüez Municipio, Puerto Rico	73,077	89,080	-16003	-18.0%
Yauco Municipio, Puerto Rico	34,172	42,043	-7871	-18.7%
Arroyo Municipio, Puerto Rico	15,843	19,575	-3732	-19.1%
Guayama Municipio, Puerto Rico	36,614	45,362	-8748	-19.3%
Yabucoa Municipio, Puerto Rico	30,426	37,941	-7515	-19.8%
Loíza Municipio, Puerto Rico	23,693	30,060	-6367	-21.2%
Maricao Municipio, Puerto Rico	4,755	6,276	-1521	-24.2%
Guánica Municipio, Puerto Rico	13,787	19,427	-5640	-29.0%

Municipalities with lowest loss

Rincón Municipio, Puerto Rico	15,187	15,200	-13	-0.1%
Culebra Municipio, Puerto Rico	1,792	1,818	-26	-1.4%
Naranjito Municipio, Puerto Rico	29,241	30,402	-1161	-3.8%
Barranquitas Municipio, Puerto Rico	28,983	30,318	-1335	-4.4%
Aibonito Municipio, Puerto Rico	24,637	25,900	-1263	-4.9%
Isabela Municipio, Puerto Rico	42,943	45,631	-2688	-5.9%
Dorado Municipio, Puerto Rico	35,879	38,165	-2286	-6.0%

Viviendas vacantes, 2020

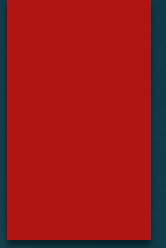
- ▶ 1,598,159 total de unidades de vivienda en todo PR.
- ▶ 257,625 vacantes o 16.1%.
- ▶ Municipios con tasas mayores:

50.2%	Culebra Municipio, Puerto Rico
35.0%	Ceiba Municipio, Puerto Rico
33.5%	Guánica Municipio, Puerto Rico
33.1%	Vieques Municipio, Puerto Rico
32.2%	Luquillo Municipio, Puerto Rico
29.1%	Rincón Municipio, Puerto Rico
29.1%	Fajardo Municipio, Puerto Rico
28.3%	Cabo Rojo Municipio, Puerto Rico
23.4%	Río Grande Municipio, Puerto Rico

Total employment, July



Labor Market



Self-employment, July



Shares of employment: María & pandemic

Sector	Junio 2017	Junio 2020
Government	16.7	15.9
Services	29.7	28.9
Transportation and Communications	4.7	3.7
FIRE	4.2	3.2
Manufacturing	7.6	8.7
Trade	19.0	19.6
Construction	2.7	4.4
Self-employment	13.5	14.9
Agriculture	1.9	0.9

Global Entrepreneurship Monitor (GEM)

- ▶ Encuesta entre octubre 2020 y febrero 2021.
- ▶ a percepción de la población adulta en relación con las buenas oportunidades para emprender en su área aumentó de 39.4% en 2019 a 60% en 2020.
- ▶ 66.5% considera que tienen la capacidad para emprender: porcentaje más alto alcanzado en este indicador desde el 2013 e incluso un poco mayor a los Estados Unidos (64.0%) en este periodo.
- ▶ Intención de emprender en los próximos tres años subió de 23.9% en 2019 a 26.1% en el 2020. Sin embargo, sólo el 31% de los encuestados considera que es fácil comenzar un emprendimiento en Puerto Rico (América Latina y el Caribe 42.2%, en promedio y Estados Unidos 68.6 %).
- ▶ “No obstante, brecha entre emprendimientos nacientes y nuevos en Puerto Rico apunta a que existen serios obstáculos en el proceso de emprender en nuestro entorno ya que un porcentaje muy alto de los esfuerzos por emprender no alcanzan la próxima fase. Esta es una situación que no se observa en ningún otro país participante.
- ▶ La tasa de empresas consolidadas – con más de 3.5 años de vida- también aumentó de 1.3% en 2019 a 2.8% en 2020. A pesar de este aumento, aún es una tasa baja en el contexto internacional: número 41 de 44 países participantes en 2020.”

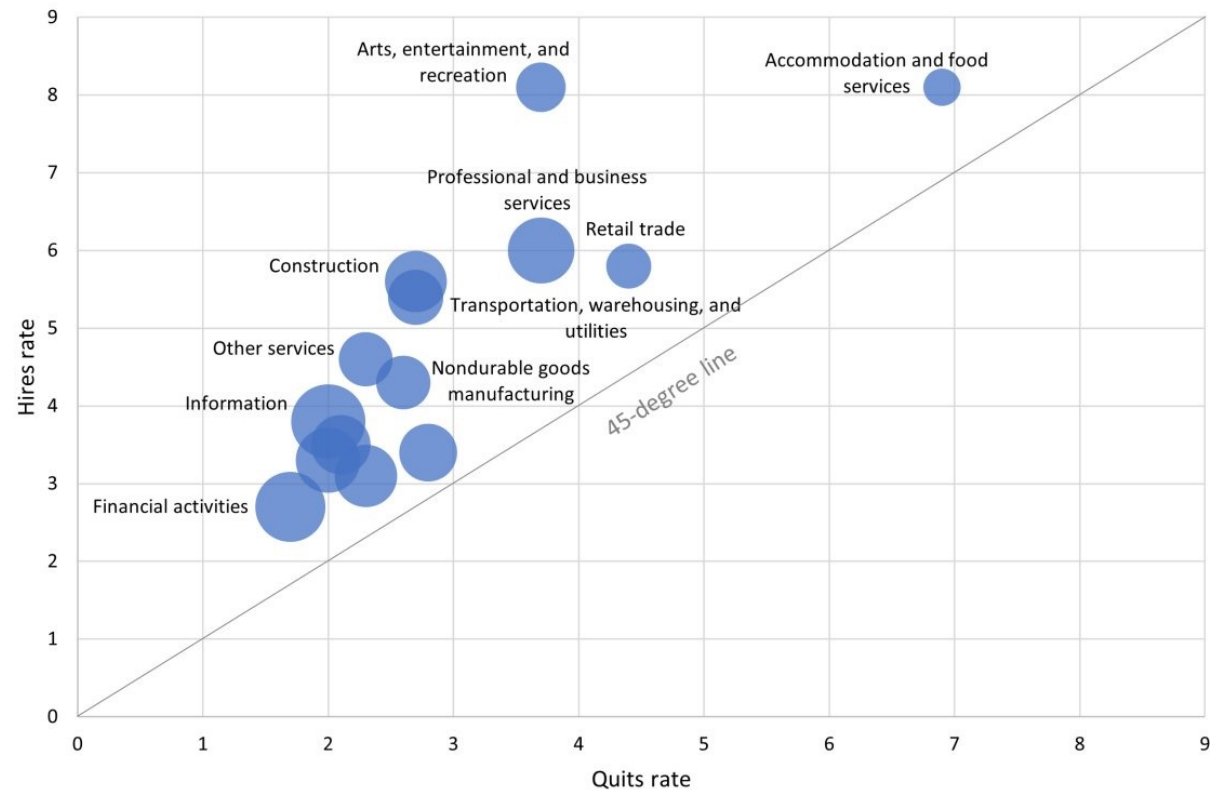


Wages, establishments and payroll employment in the pandemic

Whole private sector	quarters	establishments	employment	average weekly wage
2020	1	44,836	682,697	\$533
2020	2	43,504	604,474	526
2020	3	44,163	635,947	522
2020	4	44,979	680,039	599
2021	1	45,664	663,894	544
2021	2	45,814	677,079	546
Retail Sector	quarters	establishments	employment	average weekly wage
2020	1	8,623	123,344	\$372
2020	2	8,375	110,752	373
2020	3	8,500	118,797	397
2020	4	8,578	129,627	488
2021	1	8,717	123,895	402
2021	2	8,764	127,889	417

Hires are greater than quits in all sectors while lower wage sectors experience higher levels of quits and hires

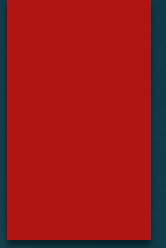
Hires and quits rates by major sector, November 2021



Notes: The private-sector hourly wage rates correspond with the size of the bubbles (the smaller the bubble, the lower the wage rate). The 45-degree line represents where hires rates are equal to quits rates.

Source: EPI analysis of Bureau of Labor Statistics Job Openings and Labor Turnover Survey and Current Employment Survey public data series.

Other data

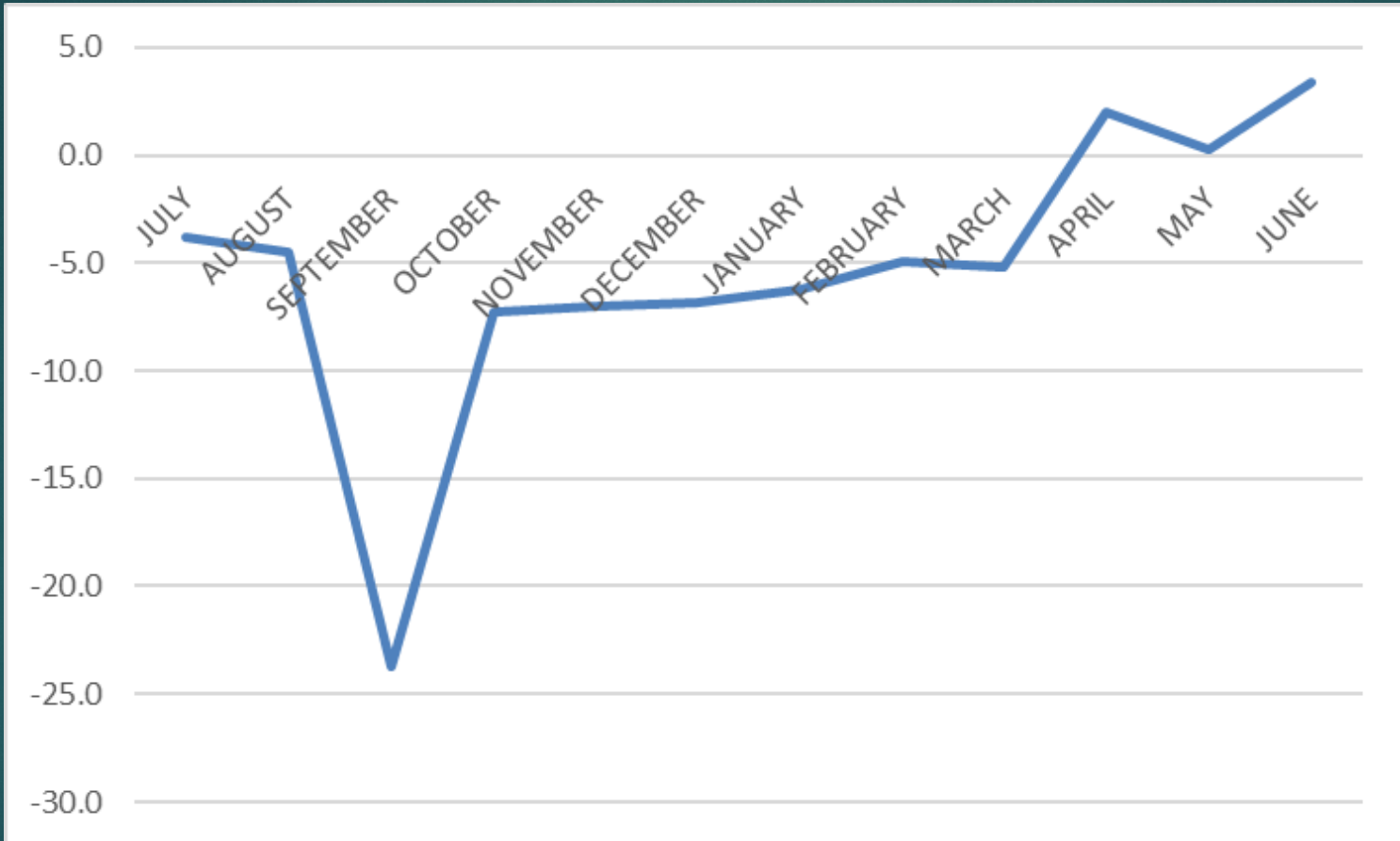


Recaudos netos al fondo general, meses junio

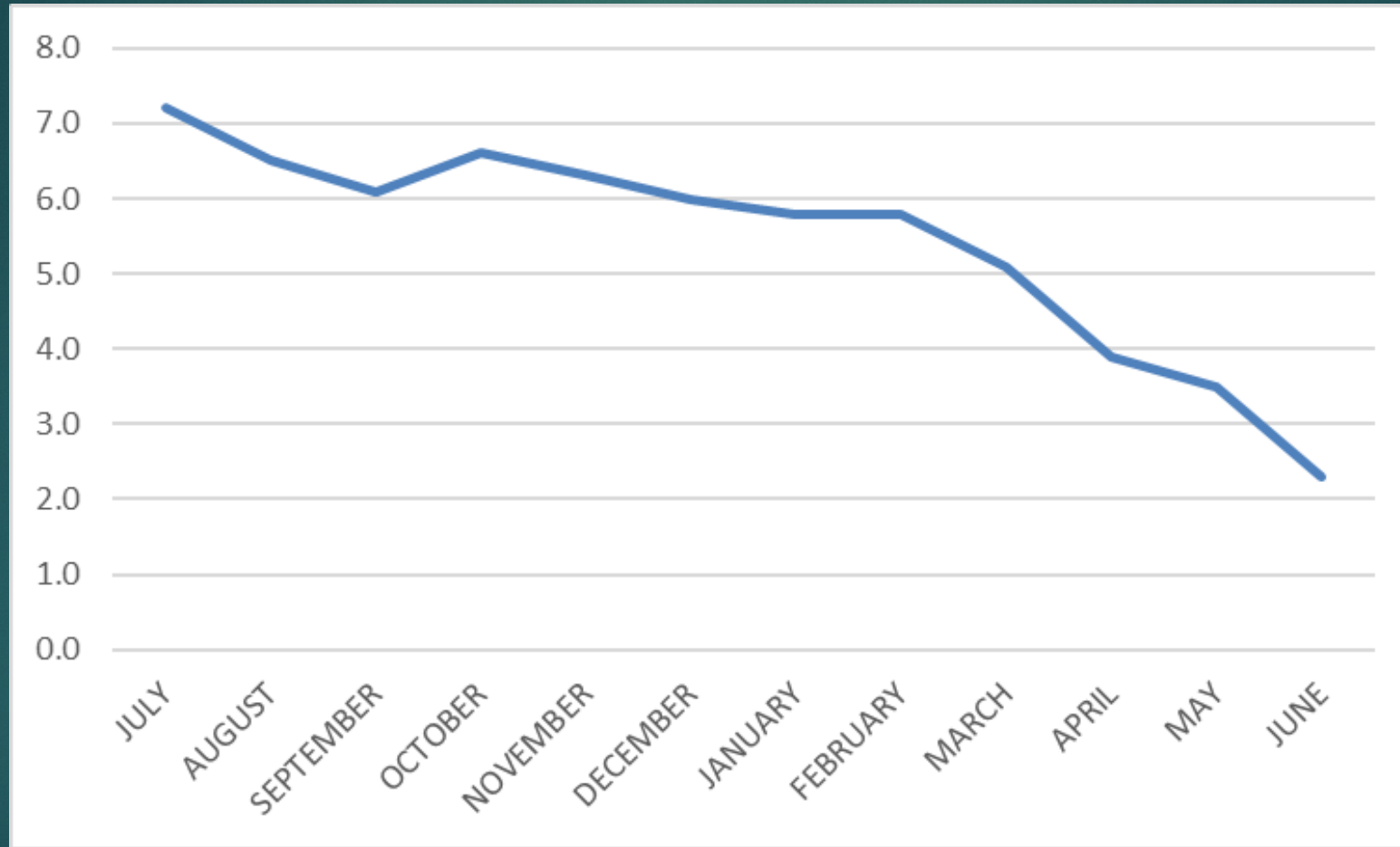


Todos
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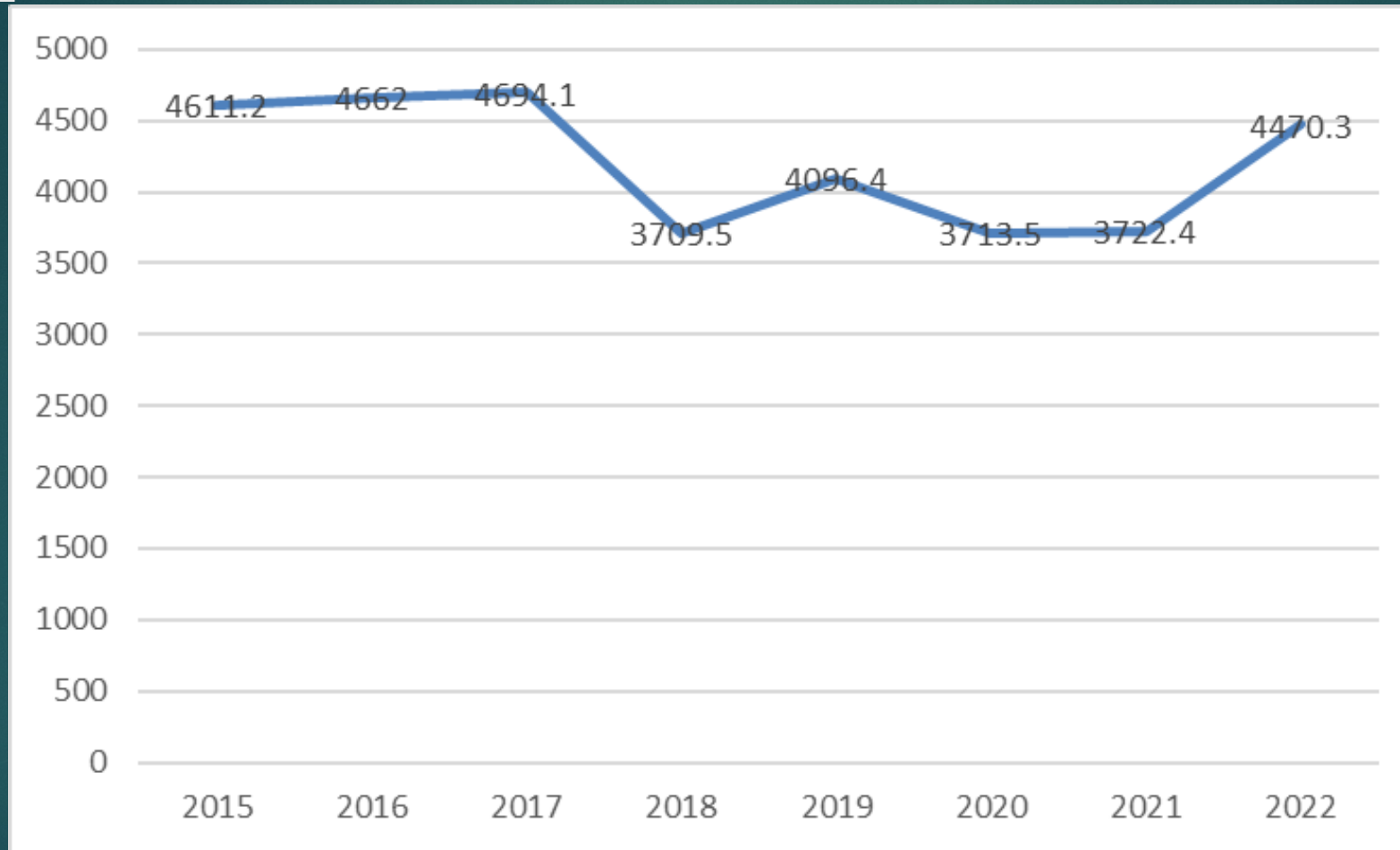
Cambio interanual en generación eléctrica, AF2023



Inflation, FY2023

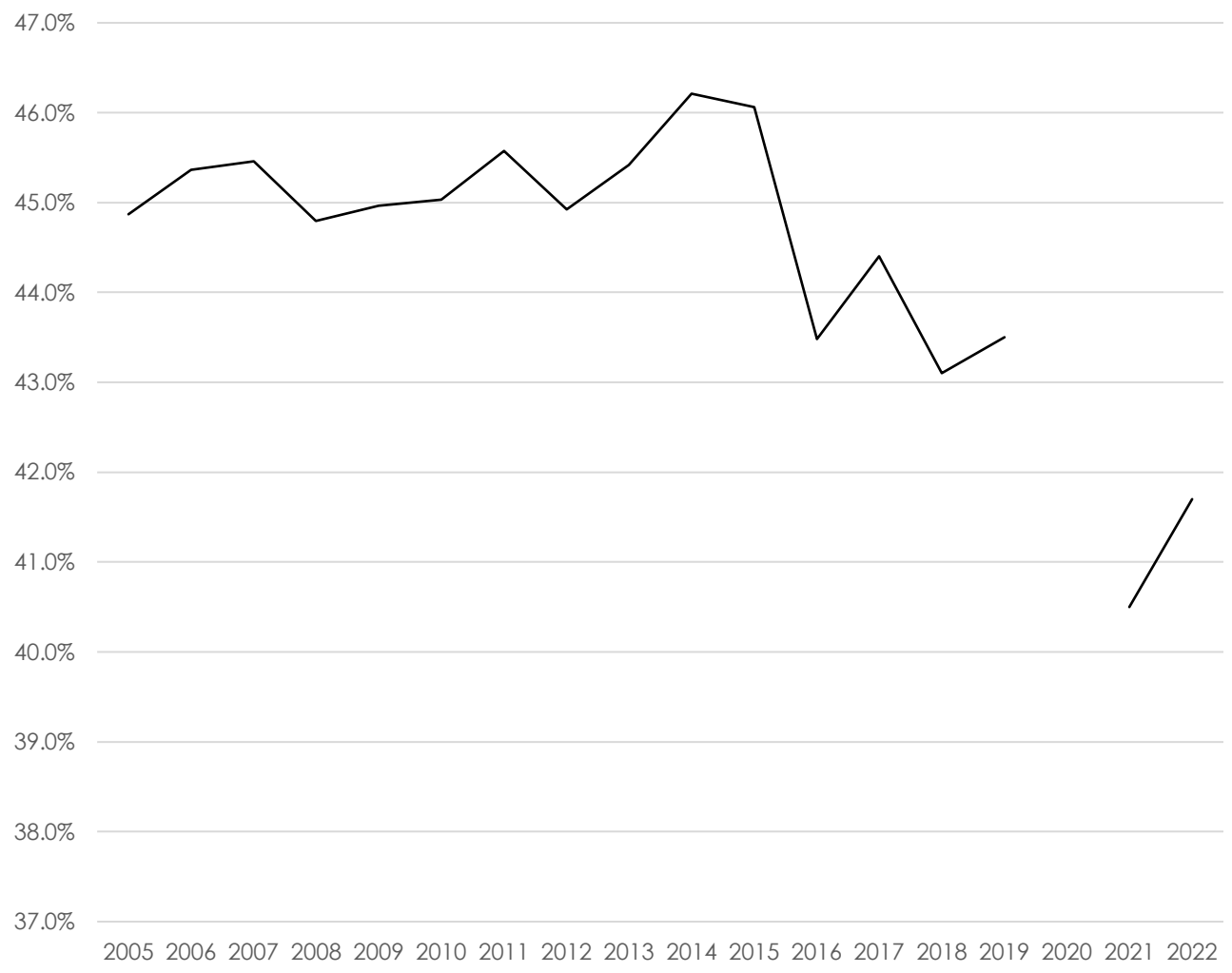


Registros en hoteles y paradores, AF2015-2022





Poverty Rates, 2005-2022



Conclusions and Recommendations

- ▶ Weak economic growth
- ▶ Exclusive economic growth
- ▶ Thus, poverty increased
- ▶ Import substitution and export
- ▶ All the sectors have profitable niches
- ▶ Let PAN & Medicaid participants work more
- ▶ Thanks