



PRESS RELEASE

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PLANNING BOARD REVISES ECONOMIC FIGURES: GNP DECLINED IN FY2009 AND FORECAST IMPROVEMENT IN FY2010

SAN JUAN (August 21, 2009) --- The Puerto Rico Planning Board (the Planning Board), released today an updated estimate of Puerto Rico's Gross National Product (GNP) for fiscal year 2009 and a revised forecast for fiscal year 2010.

The President of the Planning Board, Eng. Hector Morales, mentioned that, in contrast to the positive forecast issued by the past administration, the present revision of the GNP for the fiscal year that ended June 30, 2009 shows a contraction in the economy.

The Planning Board presented a revised estimation of GNP in constant terms for fiscal year 2009 based on three scenarios that include a minimum scenario of negative 5.5%, a base scenario of negative 4.8% and a maximum of negative 4.1%. Morales indicated that "our revisions confirm the contraction in our economy in fiscal year 2009. Contrary to the positive landscape presented by the previous administration, which estimated a positive growth of 2.1% in the GNP for fiscal year 2009".

The Planning Board revealed that preliminary analyses seem to indicate that an eventual final revision of GNP growth for fiscal year 2009 can be closer to the minimum scenario of negative 5.5%. The GNP in constant prices for fiscal year 2009 totaled \$6.37 billion for the minimum scenario and \$6.42 billion for the base scenario.

The Planning Board highlighted that the revised GNP forecast for fiscal year 2010 show signs of recovery. The base scenario for the GNP forecast in constant terms show a positive growth of 0.7% for fiscal year 2010. The GNP base forecast in constant terms reached \$6.47 billion for fiscal year 2010.

This forecast takes into account positive changes that are expected in the global and U.S. economies, local exports activity, visitor consumption, construction investment, machinery and equipment, and federal transfers.

The revised estimation and forecasts were shared with several senior private economists this morning, during a round table where they offered their observations

about the economic assumptions that were considered in the estimation and forecast of GNP for fiscal years 2009 and 2010.

“Our interest is to integrate the assessment of private economists. Since the time we arrived at the Planning Board in January, we have been conducting these round tables. These round tables enrich our work”, said the President of the Planning Board.