

P R E S S R E L E A S E

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ECONOMIC ACTIVITY INDEX STAYS POSITIVE

July 2012 ends with a 0.5% year-over-year increase

SAN JUAN, P.R.- The Government Development Bank presented today its Economic Activity Index (GDB-EAI) for the month of July 2012. During this period, the GDB-EAI registered 127.3, reflecting a year-over-year increase of 0.5%.

Cement sales registered a 9.7% year-over-year increase. Total sales for the calendar year-to-date are 9.4% above same period in calendar year 2011.

Total household survey employment continued registering significant year-over-year increases. In July, the total household survey employment amounted to 1,089,500, a 2.6% year-over-year increase. Total non-farm payroll employment amounted to 907,200, a 1.6% year-over-year reduction, excluding farm employment, self-employed individuals, business owners, volunteers, individuals working from their homes, among others. The unemployment rate continues to drop significantly and is at 13.7% (seasonally adjusted), the lowest unemployment level since January 2009.

Gasoline consumption was 94.2 million gallons, which represents a year-over-year increase of 32.8%. Average calendar year consumption through July is 86.3 million gallons.

The fourth EAI component, electric power generation, totaled 1,953.9 million kWh, reflecting a year-over-year increase of 1.2%. Total electric power generation for FY 2012 ended 1.9% below that for FY 2011, mainly as a result of higher oil prices.

“The Economic Activity Index shows that our economy is moving in the right direction for the first time in six years. At 13.7%, the July 2012 unemployment rate is at its lowest level since January 2009. We’ve also noticed a steady growth in cement sales, which is a clear reflection of increased investment and economic activity in the construction industry that was at a standstill for a long time. We remain steadfast on the right path toward a healthy and sustainable economic growth,” GDB President Juan Carlos Batlle pointed out. “It’s important to reiterate that fiscal prudence and economic development measures taken by this administration are getting the right results and this is not the moment to change the course that will lead us to prosperity,” Batlle concluded.

The Economic Activity Index is an economic indicator that summarizes the current trend and dynamics of the Puerto Rico economy. The GDB-EAI was formulated following a similar methodology as that used by the Conference Board in its coincident index. The GDB-EAI has a high correlation with Puerto Rico's real Gross National Product (GNP). The GDB publishes the EAI on a monthly basis along with a qualitative economic comment in order to provide a clear understanding of the trend and current state of the local economy.

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