

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

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ECONOMIC ACTIVITY INDEX CONTINUES ON POSITIVE TERRAIN IN 2012

January and February reflect 0.5% and 0.7% year-over-year increases

SAN JUAN, P.R.- Today, the Government Development Bank presented its Economic Activity Index (GDB-EAI) for the months of January and February 2012. January reflects a 0.5% year-over-year increase and February reflects a 0.7% year-over-year increase. The EAI for these two months was generated taking into account the Bureau of Labor Statistics' (BLS's) annual revision. The March 2012 publication of the BLS's annual revision included a review of trailing 10 years payroll employment data and resulted, in turn, in a revision of the EAI reflecting the adjustments made by the BLS.

GDB-EAI for February 2012

The EAI registered 128.7 in February 2012, which reflects a 0.7% YOY increase.

The cement sales component continued showing marked improvement. In February 2012, 1.832 million bags were sold, a 10.1% improvement compared to February 2011 sales. Total cement sales year-to-date for FY 2012 are 6.4% above the same period in FY 2011.

Total non-farm payroll employment was 921,300 in February 2012, a 0.4% increase when compared with February 2011 and the fourth month reflecting growth since March 2006.

Gasoline consumption in February 2012 reached 98.5 million gallons. Monthly average consumption during CY 2011 was 87.2 million gallons.

The only component showing a reduction in February 2012 was energy consumption, which totaled 1,297.3 million kWh, reflecting a 6.7% year-over-year reduction. Total electric power consumption YTD for FY 2012 has been 2.6% below the same period in FY 2011.

GDB-EAI for January 2012

The EAI registered 128.2 in January 2012, a 0.5% YOY increase.

The cement sales component continued on an upward trend in January 2012 totaling 1.551 million bags sold, a 10.5% increase when compared with the same period of the previous year. Total cement sales YTD for FY 2012 registered a 5.8% above the same period in FY 2011.

Total non-farm payroll employment was 917,300, reflecting a year-over-year improvement of 0.4%.

Total gasoline consumption was 86.3 million gallons. Average gasoline consumption for CY 2011 is 87.2 million gallons.

The EAI's fourth component, electric power consumption, was 1,406.9 million kWh in January, reflecting a YOY increase of 1.9%. Total electric power consumption YTD for FY 2012 is 2.0% below consumption during the same period in FY 2011.

“The upward trend of the EAI and of principal economic indicators continues to show positive signs for the Island's economy. The revision made by the BLS resulted in adjustments to historic GDB-EAI levels since 2003, but it had no impact in the trend we continue to see in EAI observations. The behavior of the EAI confirms that measures taken to date in areas of fiscal responsibility and fiscal prudence, as well as the steps taken to reactivate our economy are bearing fruit,” GDB President Juan Carlos Batlle pointed out.

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). 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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