

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

For immediate release

CONTACT: ANA MARÍA GREGORIO

Tel. (787) 728-9200 • (787) 722-2525 exts. 2013 and 2014

Cel. (787) 415-1231 • ana.m.gregorio@bgf.gobierno.pr • www.gdbpr.com



November 2, 2009

GOVERNMENT DEVELOPMENT BANK ECONOMIC ACTIVITY INDEX FOR SEPTEMBER 2009 SHOWS INITIAL SIGNS OF STABILIZATION FOR THE PUERTO RICO ECONOMY

SAN JUAN, PUERTO RICO – The Government Development Bank for Puerto Rico (“GDB”) released today its monthly Economic Activity Index (“GDB-EAI”) for the month of September 2009. The GDB-EAI recorded a positive month-over-month increase of 0.8%, the highest monthly consecutive growth since October 2006. In addition, the value of the GDB-EAI has remained above the 134 level for three months in a row, which reveals initial signs of stabilization in the economy. The GDB-EAI is available on the GDB website, at www.gdbpr.com.

“The GDB’s Economic Activity Index is in keeping with our commitment to provide greater visibility to Puerto Rico’s economic activity, and one that we expect will be valuable to all parties having an interest in the Commonwealth’s economic well being,” said Carlos M. García, President of the GDB. “The GDB-EAI has been formulated using methodology similar to that employed by the highly regarded Conference Board. Our research shows that the GDB-EAI is highly correlated to Puerto Rico’s real GNP. The GDB will release the GDB-EAI along with a qualitative economic comment on a monthly basis,” García added.

“With respect to September 2009, the GDB-EAI appears to be showing the first signs of stabilization for our economy,” García continued. “We are optimistic about the actual trend of the local economy and will continue to closely monitor the progress and direction of the GDB-EAI in the coming months”.

For the month of September 2009, the index shows the following:

- The second uptick in the last three months after 42 months of a continuous year-over-year decline starting in April 2006.
 - A reduction in the year-over-year rate of decline of the GDB-EAI for the third consecutive month, a trend not seen since April 2008.
 - The establishment of a stable support level in 134 to 135 value range of the GDB-EAI.
-

- A 0.8% increase month-over-month in September 2009, the highest monthly increment since October 2006.

“The stabilization of the index during recent months is being driven by the recent favorable trends in electric power and gas consumption, along with an uptick in payroll employment during September,” said Mr. García. “Employment increased by 7,000 persons last month, but the challenge to achieve sustainable growth remains.”

The GDB-EAI is comprised of four indicators – total payroll employment, total electric power consumption, cement sales and gas consumption. For September 2009, each showed the following trends:

- Total payroll employment, while declining 5.5% year-over-year, increased by 7,000 month-over-month in September.
- Rate of contraction of cement sales decreased by almost half in September, from 30.4% year-over-year in August, to 16.1% year-over-year in September. There was an increase in sales of 10,100 bags month-over-month.
- Gas consumption improved during September compared to the prior month, with monthly variations related mostly to inventories. Thus far, for calendar year 2009, average monthly gas consumption is 90 million gallons.
- Electric power consumption grew by 2.5% year-over-year, but declined slightly during September compared to the prior month.

###