

PRESS RELEASE

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CONTACT: ANA MARÍA GREGORIO

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

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



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ECONOMIC ACTIVITY INDEX CONTINUES ON UPWARD TREND

October 2011 cement sales increase 20% when compared to October 2010

SAN JUAN, P.R.- The GDB Economic Activity Index (GDB-EAI) reached 127.7 in October 2011 compared to 126.7 registered during September 2011, reaching the highest level since November 2010, the Government Development Bank for Puerto Rico (GDB) announced today.

According to the information published in the EAI, three out of four economic indicators reflected month-over-month improvements, and in the case of cement sales there was a substantial year-over-year (YOY) growth.

Cement sales reflected an 18% upsurge when compared to September 2011 and a 20% YOY increase. October 2011 cement sales reached 1.845 million bags. On a YOY basis, year-to-date cement sales have increased by 4.1%.

Total payroll employment reflected a slight 0.2 % increase when compared to September 2011. Total payroll employment reached 916,000 jobs, which represents a slight 0.3% fall when compared to October 2010. The service sector also stands out for its growth as 5,400 new jobs were added compared with October 2009, reflecting a 1.8% increase.

Electric power consumption was 1,638.6 million kWh in October 2011, which reflects a 1.8% month-over-month improvement. When compared to the same month in 2010, electricity consumption was 1.8% below.

On the other hand, gasoline consumption was 72.7 million gallons, which reflects a month-over-month decline. However, as explained in the report, consumption is based on the Treasury Department's monthly excise tax collections from imports and does not necessarily reflect actual monthly consumption by individuals.

“We continue to see a positive trend in the economic indicators. Cement sales stand out for their large growth this month. Last month and this month, we have seen a positive trend in terms of the total EAI, even if there are slight fluctuations in each individual indicator. Likewise, in the past months we have seen minor month-over-month fluctuations, but we have stopped the sustained fall that was reflected since 2006. These

results continue to confirm the economic stabilization and tell us that we are on the right path,” GDB President Juan Carlos Batlle stated.

The Economic Activity Index is an economic tool 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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