

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

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ECONOMIC ACTIVITY INDEX MARKS FIFTH CONSECUTIVE MONTH IN POSITIVE TERRITORY

The GDB-EAI for April 2012 registered at 128.2, a 0.1% increase compared to April 2011

SAN JUAN, P.R.- The Government Development Bank presented today the Economic Activity Index (EAI) for April 2012. The EAI registered 128.2, reflecting a 0.1% increase compared to April 2011.

The EAI for the month of April 2012 marked the fifth consecutive month of year-over-year positive growth.

“Our economy continues to move in the right direction and, for the first time since 2006, the EAI remains in positive terrain for several consecutive months,” GDB President Juan Carlos Batlle pointed out. “We see how the economy is trending in the right direction, although we recognize we still have work to do, and for this reason, continuity of our plans and the actions we’ve been taking since 2009 becomes all the more important,” Batlle concluded.

The EAI is computed using four variables that together show a high correlation with the behavior of the economy. These variables are: cement sales, gasoline consumption, total non-farm payroll employment, and electric power generation. Electric power generation substitutes electric power consumption because the generation data is more timely available, more reliable as it is subject to fewer and smaller revisions, and it has a slightly higher correlation with Puerto Rico’s GNP. This substitution has been made throughout the historical series of the index in order to maintain data consistency and reliability. For a detailed explanation of this change, please refer to Appendix I of the enclosed presentation.

Power generation totaled 1,766.8 kWh, reflecting a year-over-year reduction of 1.5%. Year-to-date electric power generation for FY 2012 is 2.6% below same period in FY 2011, mainly as a result of higher fuel prices.

Gasoline consumption during the month of April 2012 totaled 87.8 million gallons, reflecting a year-over-year increase of 13.0%.

Cement sales totaled 1.654 million bags, a 2.1% year-over-year increase. Year-to-date cement sales for FY 2012 are 4.6% above sales during same period in FY 2011.

Total non-farm payroll employment for April 2012 totaled 917,400, a slight year-over-year reduction of 0.7%. The unemployment rate decreased to 14.8% when compared to April 2011 when it reflected 16.1%.

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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