

# P R E S S   R E L E A S E

*For immediate release*

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May 24, 2010

## **GDB-EAI INCREASES FOR THE THIRD CONSECUTIVE MONTH** ***Employment increases by 12,400 during this period***

**SAN JUAN, P.R.** - The Government Development Bank for Puerto Rico (GDB) published today its Economic Activity Index (GDB-EAI) for April 2010, which increased to 130.1 during this month. In the year-over-year comparison this value represents the smallest contraction rate since December 2008, which is a sign of stabilization and of a potential forthcoming inflection point. In April 2010, the GDB-EAI showed a 0.8 percent increase compared to the previous month. The activity growth reported in April is the highest reported since October 2006. In general, the Index seems to be giving signs of stabilization in the year-over-year comparison, a necessary step prior to observing a point of inflection. The GDB-EAI is available in the GDB website at [www.gdbpr.com](http://www.gdbpr.com).

For the third consecutive month payroll employment increased. From January 2010 to April there has been a 12,400-job increase; while compared to the previous month there was a 4,300-job increase, mostly in the services area. Manufacturing has also slowed down its year-over-year negative rates, evidencing a more stable environment.

On the other hand, cement sales continue in a contracting pattern as a result of the situation confronted by the construction industry. Cement sales showed a -26.0 percent rate in April, versus a -19.6 percent in March. Gasoline consumption showed a 10.2 percent increase as compared to the prior year, in spite of the rise in the price of fuel. The average monthly consumption of gasoline in fiscal year 2010 has been approximately 90 million gallons. Likewise, electricity consumption shows an increase in the year-over-year comparison, increasing 7.5 percent versus the previous year. For the first 10 months of fiscal year 2010, electricity consumption was 3.4 percent greater than for the same period in 2009. This rising trend in gasoline consumption reflects a sound improvement in this item.

The Economic Activity Index is an economic tool that summarizes the current trend and dynamics of the Puerto Rican economy. The GDB-EAI was formulated following a similar methodology as 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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