

TOP STORIES OF PUERTO RICO

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C OF C CHIEF GALLIANO CALLS FOR UNITY AMID CRISIS



Puerto Rico Chamber of Commerce President Jorge Galliano

Puerto Rico Chamber of Commerce President Jorge Galliano called last week for business leaders, unions and the government to join forces to kick-start the island's economy, which has been mired in recession for the past

four years.

It is essential that the private sector, the unions and Gov. Luis Fortuño's administration focus their efforts in the same direction to overcome the economic crisis on the island as soon as possible, Galliano said after taking part in a meeting in San Juan titled Economic Prospects: Opportunities and Risks.

"Unions, business leaders and the government have to reach an understanding," Galliano said, adding that a shared vision among all social "partners" is needed to jump-start an economy that has been submerged in a worrying recession since 2006, two years before the slump in the U.S. mainland.

The Chamber of Commerce president said, "Dialogue is indispensable" and that representatives of the three sides must all sit down and discuss possible solutions.

Puerto Rico is going through a "crucial moment" in which what is needed above all is a sense of confidence, both within the private sector and the population as a whole, Galliano said.

He said increasing exports and attracting foreign investment are two of the keys for putting the island back on a path to economic growth, while adding that a credit crunch is another of the problems facing Puerto Rico's private sector.

AGRICULTURE AGENCY INVESTS \$4.4M IN DAIRY FARMS

The island Agriculture Department has invested more than \$4.4 million on new equipment and heifer stock to boost efficiency and production in the local dairy industry, agency officials announced last week.

"With an investment of \$2.5 million the Agriculture Department has granted incentives equivalent to 2,500 heifers as part of its agricultural investment program. This is so dairy farmers can acquire the cattle stock necessary to meet their production quotas," said Assistant Agriculture Secretary Marisol Torres Mercado.

Torres Mercado said \$1.9 million in equipment, structures and tractors has been delivered

to dairy farmers since the start of the year. Incentives for roughly another 2,500 dairy cows were being provided through Agriculture Department regional offices under the agency's breeding heifers program, she said.

The Agriculture Department official said that for the first time in many years the agency is making subsidy payments promptly to dairy farmers and ranchers. She said the payments are going out within 30 days of the end of each quarter. Torres Maldonado said the sector had received \$1.28 million in subsidy payments up to December.

157 NEW DENGUE CASES REPORTED

Health Secretary Lorenzo González issued a dengue alert last week but stopped short of declaring an epidemic after 157 new cases of the mosquito-borne disease were registered in the past week.

"The epidemic threshold for the week was 157 reported cases. To declare an epidemic, the increase in reported cases should be above the epidemic threshold for two consecutive weeks," González said.

The infection rate slowed slightly from the previous week, when 168 new cases were reported.

As part of its efforts to stem the low-season dengue outbreak, the Health Department was working to acquire 10 additional fumigation machines to deploy in the most affected areas, González said. An emergency response plan has been activated involving regional medical directors, environmental coordinators, hospitals, clinics and laboratories to improve treatment and detection of dengue.

He again called on island residents to help eradicate breeding grounds for the *aedes aegypti* mosquito, the species that transmits dengue.

"The public can help us by clearing out discarded tires and other receptacles of standing water that can serve as breeding grounds," González said.

He also reiterated a call for parents to protect children by using mosquito repellent, noting that during the most recent dengue epidemic in Puerto Rico in 2007, half of the 10,964 cases registered involved minors. There were 11 fatal cases logged that year.

The new infections brought the total to 893 in 2010, well ahead of the pace logged over the same period in 2009. There have been three confirmed



Health Secretary Lorenzo González

cases of the dangerous hemorrhagic dengue so far this year. None were fatal.

Dengue is transmitted by the bite of a mosquito infected with any one of the four dengue viruses. Symptoms appear three to 14 days after the infective bite and range from a mild fever to incapacitating high fever, with severe headache, pain behind the eyes, muscle and joint pain and rash.

FORTUÑO BLAMES LEGAL TANGLE FOR IVU-LOTO DELAY

Gov. Luis Fortuño reiterated last week his confidence in Treasury Secretary Juan Carlos Puig despite the delay in implementing programs aimed at capturing millions in uncollected taxes.

One of the biggest problem areas is in the sales & use tax (IVU by its Spanish acronym), with the government collecting only about half of the taxes it should be from island merchants. Puig has said improving that mark could bring in an additional \$400 million annually.

To improve collections, the administration proposed the creation of a weekly IVU-Loto, with the winning number based on numbers embedded in IVU receipts. The idea is to encourage residents to ask for receipts, thus ensuring merchants charge the IVU tax and send it to the Treasury. That was supposed to be launched in December.

"The frustration was not that he could not implement the IVU-Loto. The problem was that the competitors in the bidding process took one another to court, which paralyzed the process," Fortuño said. "Now we are out of court and the project will again be put out to bid shortly."

The Treasury is also working on implementing new technologies to transfer IVU funds to the public coffers when sales are made, which will also help bolster the collection rate, Puig said.

All told, the tax evasion initiatives are expected to deliver an extra \$150 million in government revenue this year. In July, the administration began a voluntary reporting program at the Treasury Department that gives businesses and private citizens the opportunity to pay off back tax debt in exchange for possible relief from fines and criminal penalties. Puig is also hiring some 500 workers to help in the effort to collect back taxes, which estimates have placed as high as \$2.5 billion. Priority in hiring is being given to displaced government workers. ■



Gov. Luis Fortuño