

CofC lobbies for law changes to spur economy

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During the first seven months as president of the Puerto Rico Chamber of Commerce, businessman Jorge Galliano has been quite busy, lobbying for changes to a number of laws he says are blocking the island's economic recovery.

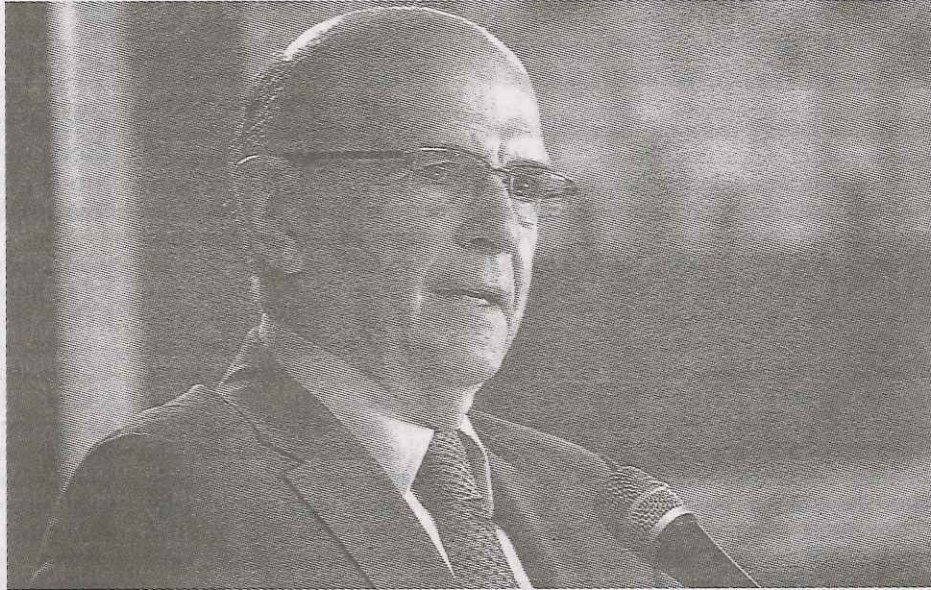
The laws address labor issues — some which have prevailed for years, and others that have taken effect more recently.

During an exclusive interview with the Daily Sun, Galliano said it is imperative that changes be made to generate better opportunities both for existing operations and new investors.

"We must make a call to all sectors to promote a labor reform. We need to analyze a number laws that need to be changed because in the end we generate fewer opportunities, higher unemployment levels and worker burnout," said Galliano, who is president of clothing retailer Gatsby Inc.

Specifically, Galliano spoke about the need to make amendments to Law 80, which addresses unfair dismissals from the workplace. This law, he said, needs a complete overhaul as it places blame on the employer when an employee is let go.

"It's the only law where the guilt of the other party is presumed and obviously has a very demoralizing effect on a business," he said. "It demoralizes the effective worker because many times, companies need to ponder over who they will hire, as it will be difficult later to prove the person is inefficient."



Daily Sun/Mauricio Pascual

Puerto Rico Chamber of Commerce President Jorge Galliano

Galliano said the CofC is lobbying with lawmakers to point out the need to change the law, "because we have to find a way to revive the value of work, and this is an important law that has to be modified to generate more employment opportunities in Puerto Rico."

To create better conditions on the island, and begin pulling it out of its nearly four-year economic funk, three strategies must be followed, he said.

"Entrepreneurship, economic activation and quality of life must be pursued to also generate jobs and wealth," he said.

That said, Galliano mentioned the need

to review another law that has weighed heavily on businesses — the Christmas bonus.

As per Law 148, all companies are required to pay the Christmas bonus. In 2007, the mandatory, per-employee bonus increased from \$300 to \$450, and increase again to \$600 in December 2008, as per legislation passed in 2005.

The exponential increase of the bonus — it was \$200 before the law was changed — coupled with other mounting operational expenses has weighed heavily on businesses that in the last three years have increasingly turned to the Labor Depart-

ment seeking exemptions. Consequently, thousands of workers have been left without the extra money for holiday expenses.

"We know the increase to the Christmas bonus was passed with the best intentions," Galliano said. "But in the last four years, we've been in a recession, the minimum wage has increased by 40 percent in the last two years and the Christmas bonus has tripled."

"We really need to find a way to balance losses and gains and realize that there is no other U.S. jurisdiction, or industrialized nation, that imposes this type of burden on businesses," he said.

The bottom line, Galliano said, is that there is a need to find ways to increase productivity.

"Puerto Rico's productivity has had very modest increases in recent years, actually it has decreased in the last decade. We're poorer now at the end of the decade, something we cannot feel good about," he said. "We need to review all of the paradigms and how they interact with the goods and services we offer."

For that to happen, however, all parties need to work together, particularly labor groups.

The CofC has been meeting with local unions to "promote dialogue" to push Puerto Rico forward.

"The positions we put on the table must be in harmony with the global reality and Puerto Rico's conditions," Galliano said. "This is the true path we must follow and we need to give ourselves the opportunity to interact and present quality solutions."

Pierluisi looks to strengthen commercial ties with Spain

BY THE DAILY SUN STAFF

Resident Commissioner Pedro Pierluisi on Friday pledged to promote a close business relationship between Puerto Rico and Spain, through his position as co-chair of the Friends of Spain Congressional Caucus.

"Our island has many opportunities for growth through the close relationship we have with our mother country. I aspire for Puerto Rico to be positioned as a logical bridge between Spain and the United States," he said, during a speech offered during an event sponsored by the Puerto Rico Spanish Chamber of Commerce.

Pierluisi co-chairs the Friends of Spain Congressional Caucus, along with Florida Congressman Mario Díaz-Balart. This group was established during the 110th Congress by now Gov. Fortuño and Congressman Xavier Becerra. Currently, the caucus is composed of 14

members of the Republican party and 20 from the Democratic party. Its main goal is to unite members of Congress from both parties to solidify the political, economic and cultural ties between the U.S. and Spain.

"During this past year, we hosted several high level meetings with Spanish dignitaries, for example, former Spanish President José María Aznar, during which we talked about their ideas of how the United States, Spain and other allies can promote economic prosperity in Latin America and throughout the hemisphere," Pierluisi said.

Puerto Rico's representative in Washington also met with Diego López, Minister for European Union Affairs for Spain's Foreign Affairs Ministry. Since January, Spain assumed the presidency of the Council of the European Union.

"These and other meetings have been very productive to highlight the importance of collaboration

between our nations," said Pierluisi.

Puerto Rico's Spanish roots and cultural history are "valuable for everyone and serve as the foundation for promoting and preserving centuries-old trade relations between Spain and Puerto Rico," he said.

"To promote good relations and economic opportunities between the United States, Spain and Puerto Rico, it is important that our island be in the best condition to be competitive, to contribute to progress and be an asset in international trade," he said. Without a doubt, many companies are successful and take advantage of benefits of doing business here."

Still, he said the island's current economic situation has presented some significant challenges to enhance these opportunities and there are issues upon which Puerto Rico needs to work. For example, he mentioned finding alternative energy sources as a significant



Courtesy

Resident Commissioner Pedro Pierluisi said Friday Puerto Rico can benefit from Spain's experience in alternative energy sources, among other things.

issue to improve the island's competitiveness.

"Spain is a leader in the field of alternative energy sources. Nationally, the issue of energy self-sufficiency and promoting renewable

energy sources are of high priority for the Obama administration. His government has promised \$150 billion for energy public policy," said Pierluisi.