

Lawmakers, private sector brainstorm to reactivate economy

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In a bid to provoke dialogue between the island's private sector and members of the Legislature, the Puerto Rico Chamber of Commerce on Wednesday sponsored the first "Comparing visions to reactivate our economy" conference, drawing significant participation from lawmakers and key executives.

The day-long event featured panel discussions by public and private-sector representatives, who discussed topics ranging from labor reform to energy matters.

However, the highlight of the gathering was possibly the presentations by House Speaker Jenniffer González and Senate President Thomas Rivera Schatz during the lunch break, as each took turns outlining how they plan to jumpstart the economy.

Private sector a priority

During his speech, Rivera Schatz simply said "capitalists, we have to put the private sector first."

"Several months ago, Economic Development and Commerce Secretary José Pérez-Riera said the private sector had to feel as if they owned Puerto Rico, because they are fundamental in lifting the economy," he said. "I feel the same way."

He noted that if the government is looking to create a climate where the private investor can feel it can place its money, "it has to organize the house first."

Among other things, he said the Fortuño administration is looking to create a "smaller, more agile government that will concentrate on establishing regulations, so that the private sector can take care of the task of creating jobs."

During his speech, Rivera Schatz echoed promises by previous administrations to eliminate barriers that hold back private companies from expanding or establishing local operations — permits; unnecessary regulations; and, energy costs.

"We agree that we have to stimulate the private sector, and we're working on all of those issues," he said.

However, he told members of the CofC that the one thing he could not agree to do was vow to eliminate the controversial Closing Law, something his counterpart at the House said she was in favor of doing.

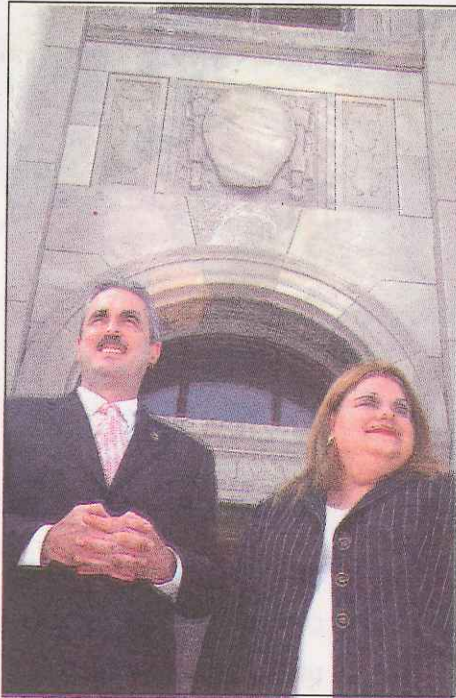
"We cannot commit to abolishing the law, but we can commit to examining it closely to

insert clauses that are fair," he said.

His statements contradicted those González made earlier, when she said to be convinced, lawmakers would "soon agree to abolish the law to promote an opening of the business climate, which is so necessary at the moment."

But for now, the House does not have the necessary votes to do away with the law that the CofC has long lobbied against, but that small businesses defend vehemently.

During her turn, González challenged the private sector to become more aggressive and "more committed."



Courtesy

Senate President Thomas Rivera Schatz and House Speaker Jenniffer González

"While it's true that there are many regulations and laws that sometimes block entrepreneurship and hold back exporting, the truth is that we need a stronger, more committed private sector."

She also said the summit that will take place today at El Conquistador Resort and Casino is important for future job creation.

CofC President Jorge Galliano urged the group of executives to "set fear aside and launch projects," to be able to preserve jobs and create new ones.

"We have to set forth projects that will possibly be difficult and painful, but we have to believe in ourselves and give Puerto Rico a vote of confidence," he said. "This is when the private sector has to be front and center."

Co-op network launched to benefit credit union members

BY ZODET NEGRON
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Various local credit unions have joined forces to create the first shared branching network called Circuito Cooperativo to offer credit union members greater access to locations where they can carry out their transactions.

"Circuito Cooperativo is a cooperative corporation we created to integrate transactions locally," said Katherine de la Cruz, chairwoman of the board.

Circuito Cooperativo is comprised of 13 credit unions and 36 branches throughout the island. The network is also connected to the Financial Service Credit Corporation, known as FSCC, which includes 6,100 credit union branches.

According to the FSCC, Circuito Cooperativo is the largest group of credit unions to adopt the shared branching concept, the first group to do so outside of the United States and the first in Latin America.

"There is a lot of interest for shared branching in Latin America, especially in countries such as Guatemala, Mexico and the Dominican Republic, and Circuito Cooperativo will be an integral part of expanding the concept," said Nathan Rogers of FSCC.

Founding members of Circuito Cooperativo include Coopaca, Cooperativa Aiboniteña, Cooperativa Cristóbal Rodríguez Hidalgo, Cooperativa Abraham Rosa, Cooperativa Saulo D, Cooperativa Abraham Rosa, Cooperativa Naguabeña and Cooperativa Rincón, among others.

All 13 credit unions represent \$1.6 billion in assets or 23 percent of the total assets in the savings and credit sector of the cooperative movement.

"Credit unions are currently more solvent than banks because shares have not decreased and their value and yield have not gone down either," said Luis López, board director.

Free services

Through Circuito Cooperativo, credit union members can make deposits and withdrawals, cash checks, pay loans and pay utilities at any participating credit union at no cost.

"Until now we had not been able to achieve an operational integration of credit unions, which serve around 820,000 people and with Circuito Cooperativo we will initially impact a fourth or



Daily Sun/César Silva

Katherine de la Cruz, who chairs the Circuito Cooperativo board

around 22 percent of that population," said López.

The founding members of Circuito Cooperativo initially invested \$745,000 to incorporate the business, acquire the programming necessary to integrate all the cooperatives into one network and a marketing and ad campaign, which kicks off today.

As other credit unions join, Circuito Cooperativo will continue to invest in marketing and promotion, added de la Cruz.

If a credit union wishes to join, they can simply contact the network, which will check with FSCC for qualification.

"With Circuito Cooperativo, credit unions can save money because in order for a single credit union to make all cash register services and transactions available, they had to open a certain amount of branches, making it very costly and with Circuito Cooperativo they can reach the entire island at little to no cost," said de la Cruz.

As a member of Circuito Cooperativo, each credit union is a shareholder making an initial contribution of \$1,000 and \$500 annually thereafter.

They pay the FSCC \$445 monthly, which is almost 50 percent less than the regular rate. The FSCC charges each credit union an exchange fee for the transactions made. Meanwhile, Circuito Cooperativo acts as an operator, charging no fees or commissions for transactions.