



The Puerto Rico Chamber of Commerce, Birling Capital Advisors, LLC
and El Nuevo Día present

3rd PROMESA Conference

Business Sector Perspective

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PERSPECTIVE FROM THE **CONSTRUCTION INDUSTRY**

Status, Challenges and Opportunities

- I. About **AGC-PR**
- II. Construction Activity in P.R: Before and After Maria
- III. Economic Impact of the **Construction Industry**
- IV. Challenges and Opportunities



ABOUT **AGC-PR**

- Founded in **1963** to be the voice of Puerto Rico's construction industry
- **AGC-PR** is affiliated to the Washington, DC-based AGC of America, the leading association for the construction industry in the United States
- **AGC-PR** members are responsible for the construction of 80% of Puerto Rico's infrastructure and for the creation of more than 30K jobs
- Members of **AGC-PR** include: General Contractors, Subcontractors, Specialty Contractors and Providers of construction related services and materials



CONSTRUCTION ACTIVITY IN PUERTO RICO: *Before Hurricane Maria*

Puerto Rico's construction industry was in its 11th year of economic contraction

Public and private investment was at an old time low

Construction jobs were below 20K

General contractors had been forced to restructure operations and seek for opportunities elsewhere



CONSTRUCTION ACTIVITY IN PUERTO RICO: *After Hurricane Maria*

Local general contractors were **FIRST RESPONDERS** to address the island-wide devastation caused by Hurricane Maria.

Local companies contributed to the **restoration of essential services** to the population

Construction activity boomed in 2018, fueled by federal recovery and reconstruction funds and private insurance payments

In 2018 employment in the construction industry doubled to **44K Jobs** and cement sales increased by **39%**



ECONOMIC IMPACT OF THE *CONSTRUCTION INDUSTRY*

Continued/sustainable growth in **construction industry** = more economic activity and consumer spending

The multiplying effect of each **\$1** invested in construction is **\$6.80**

For each \$1 million invested in construction approximately **25 direct**, indirect and induced jobs are created

The construction sector will add more than **50K** direct jobs to the economy during the next 10 years



CHALLENGES AND OPPORTUNITIES

Challenges:

- ▶ **Timely and steady** disbursement of federal funds
- ▶ **Local** contracting
- ▶ **Efficient** use of funds



CHALLENGES AND OPPORTUNITIES

Opportunities:

- ▶ **Modernization** of Puerto Rico's infrastructure
- ▶ Use of **innovation and technology**
- ▶ **Resilient** construction **according to code**
- ▶ Transformation of Puerto Rico into a **world-class investment and business destination**
- ▶ Develop a **new generation of construction professionals**, skilled labor and workers





Thank you

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