



Puerto Rico
EMPRESA

*An Island-wide Public-Private Partnership to
Advance Economic Development for Puerto Rico*

PUERTO RICO CHAMBER OF COMMERCE BOARD
OF DIRECTORS

AUGUST 25TH, 2016

COMMITTEE PRESIDENT: AISSA BETANCOURT

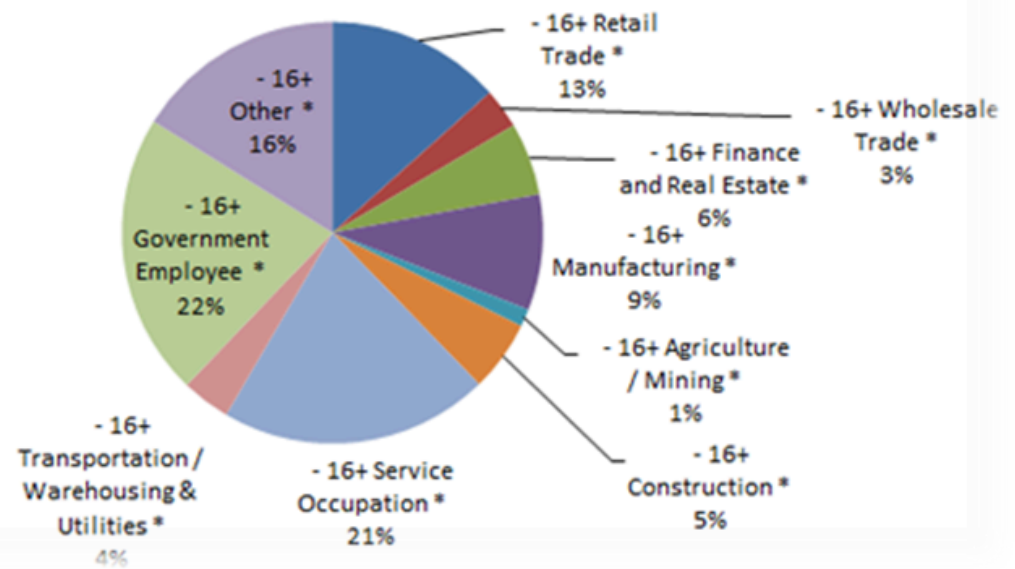
OBJECTIVE

- Our mission is to facilitate the implementation of mechanisms to diversify Puerto Rico's economy.
- Provide a tool & structure to execute a collaborative partnership between the government and the private sector to attract, retain and grow investment and innovation, advancing Puerto Rico's economic development.
- Provide a legal framework that promotes continuity and assures that medium and long-term strategies are kept going.

BACKGROUND

- Puerto Rico's economy has been experiencing a severe contraction for more than a decade.
 - ✓ The population has decreased by 9% since 2005.
 - ✓ Current unemployment rate is at 11.4% (July 2016) with labor participation rate at 40%.
- Sustained by highly politicized public policy decisions and lack of continuity in policy initiatives due to changes in government administration.
- Ever deteriorating economic situation was worsened by the accumulation of public debt used to finance operating deficits. This accumulation of debt along with increased government expenditures masked the impending crisis Puerto Rico has come to face.

LABOR FORCE BY SECTOR*



* American Community Survey via Bloomberg

PROPOSAL

- A non-profit public-private corporation created by law to be known as ***Puerto Rico Empresa, Inc.***, which will be registered, incorporated, organized, and operated in accordance with the laws of Puerto Rico, and which is not a unit or entity of the government.
- ***Puerto Rico Empresa, Inc.*** will promote, collaborate, support, complement and enhance the efforts to advance the economic development of the island, utilizing private sector and public sector expertise.
- Will focus on specific economic sectors, including: Manufacturing, Energy, Healthcare, Agriculture, Tourism, Retail/Wholesale and Advanced Services.
 - Advanced services will include but not limited to the following: construction management, engineering, financial and environmental services.
- Will enter into a performance- based contract with the Department of Economic Development and Commerce.



PROPOSAL – CONT.

- ***Puerto Rico Empresa, Inc.*** will be governed by a board of directors consisting of the number of members determined by resolution of the board of directors. No less than eleven (11) members and no more than twenty-five (25).

The board of directors shall consist of the following appointed members:

1. Governor as the Chairperson
2. The Secretary of Economic Development and Commerce designee
3. The Secretary of State or the secretary's designee.
4. Minimum eight (8) members from the private sector representatives of specific economic sectors, including; Manufacturing, Energy, Healthcare, Agriculture, Tourism, Retail/Wholesale and Advanced Services.



PROPOSAL – CONT.

- Appointments shall provide for a composition of the board of directors to reflect the diversity of Puerto Rico's business community and shall be representative of the economic development segments and respective goals.
- A Productivity Taskforce, appointed by the Board of Directors, will be charged with delineating recommendations to promote ease of doing business in Puerto Rico and transform Puerto Rico into a pro-business location for new investment. Local laws and regulations in the areas such as corporate taxes, labor laws, and permits will be part of the taskforce's review and recommendations.

CONCLUSION

- *Puerto Rico Empresa Inc.* has a single focus: to drive job creation and attract new capital investment.

