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## **ECONOMIC ACTIVITY INDEX RISES IN SEPTEMBER**

*Payroll employment reflects the first positive growth since March 2006*

SAN JUAN, P.R.- The Economic Activity Index (GDB-EAI) reached 126.7 in September 2011, a 1.2% increase compared to the previous month when it registered 125.2, the Government Development Bank for Puerto Rico (GDB) informed today.

Pursuant to the information published with the EAI, the four economic indicators reflected month-over-month improvements and in some cases year-over-year improvements as well.

Total payroll employment registered positive growth for the first time since March 2006, when the recession started in Puerto Rico, totaling 915,300 jobs, which represents a 0.4% year-over-year increase and a 0.9% month-over-month increase. Employment in the private sector continued showing a positive rhythm, since there was only a 0.7% year-over-year decrease. The service sector also stands out as 8,600 new jobs were added in that sector compared to September 2009, which means that there was a 2.9% increase.

The cement sales component also showed an increase in September 2011 as 1.563 million bags were sold. In August 2011, 1.320 bags were sold as a result of tropical storm Irene's impact. There has been a year-over-year growth of 4.6%, and year-to-date cement sales have increased 2.3% in 2011 compared to the same period in 2010.

The other two components, gasoline consumption and electric power consumption, also showed marked improvements in September 2011 compared to the previous month. Gasoline consumption was 99.3 million gallons, and electric power consumption was 1,634.7 million kWh in September 2011.

On a year-over-year basis, the GDB-EAI reflected a 0.9% decrease, the lowest year-over-year decline since October 2006.

“September 2011 proved to be a favorable month for our economy, particularly in the payroll employment area. For the first time since 2006, we see that we are beginning to move towards positive growth. The other indicators also show signs of improvement. If we add other factors that influence our economy, such as a fall in bankruptcy cases, and

house sales, among others, we can see that little by little we are moving deeper into stabilization and improvement of our economic situation,” GDB President Juan Carlos Batlle stated.

The Economic Activity Index is an economic tool that summarizes the current trend and dynamics of the Puerto Rico economy. The GDB-EAI was formulated following a similar methodology as that used by the Conference Board in its coincident index. The GDB-EAI has a high correlation of 98% with Puerto Rico’s real Gross National Product (GNP). GDB publishes the EAI on a monthly basis along with an economic comment in order to provide a clear understanding of the trend and current state of the local economy.

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