

Puerto Rico ready to return to market

With an added \$13 billion economic injection, Fortuño confident of full recovery



Gov. Luis Fortuño, flanked by Government Development Bank President Carlos García and Economic Development & Commerce Secretary José Ramón Pérez-Riera, says Puerto Rico is open for business.

BY JOHN MARINO & CARLOS MÁRQUEZ
marino@caribbeanbusinesspr.com,
cmarquez@caribbeanbusinesspr.com

Intent on jump-starting the island economy, Gov. Luis Fortuño's administration is expected to return to Wall Street to raise an additional \$1.75 billion that should drive local capital improvements and economic development projects.

The administration will raise more than \$1 billion through a Puerto Rico Sales Tax Financing Authority (Cofina by its Spanish acronym) bond issue and a new low-cost federal bond program offers the possibility of a \$750 million issue to finance school construction projects.

The money will come on top of about \$6.1 billion in federal economic-stimulus funds under the American Recovery & Reinvestment Act (ARRA), more than half of which will pour into the economy over the next 10 months, a \$500 million local economic-stimulus package and about \$2 billion the government has on hand from previous borrowing.

The administration is also in hot pursuit of billions more in federal funding, both in increased healthcare funds as well as perhaps up to \$2 billion in federal Troubled Asset Relief Program (TARP) or Legacy Loan funding, which could help an effort being designed by Government

Development Bank President Carlos García to launch a program to help local banks rid their balance sheets of troubled loans so they can return to robust lending.

"The people of Puerto Rico and the business community are looking for short-term results and the results will be there. It's my commitment," Fortuño told CARIBBEAN BUSINESS. "Puerto Rico's economic reconstruction and recovery process has begun. I have absolute confidence that we will progress, and nobody should have any doubts about it."

"I have no doubt that with the actions we have taken, our economy will improve, our people will

overcome and we now can aspire again to a future of progress and well-being," the governor added.

The governor has reason to be optimistic. Puerto Rico's economy will receive an injection of about \$13 billion, when the federal and local stimulus packages and Wall Street offerings are included.

This investment, nearly equal to the annual direct federal funding received by Puerto Rico, is expected to get the economy going again and begin creating what the administration says will be 125,000 jobs over the next four years. By 2017, the administration expects 260,000 jobs to

Continued on next page