



# Economic Activity Index

For the month of December 2012

GOVERNMENT DEVELOPMENT BANK FOR PUERTO RICO

# General Commentary - December 2012

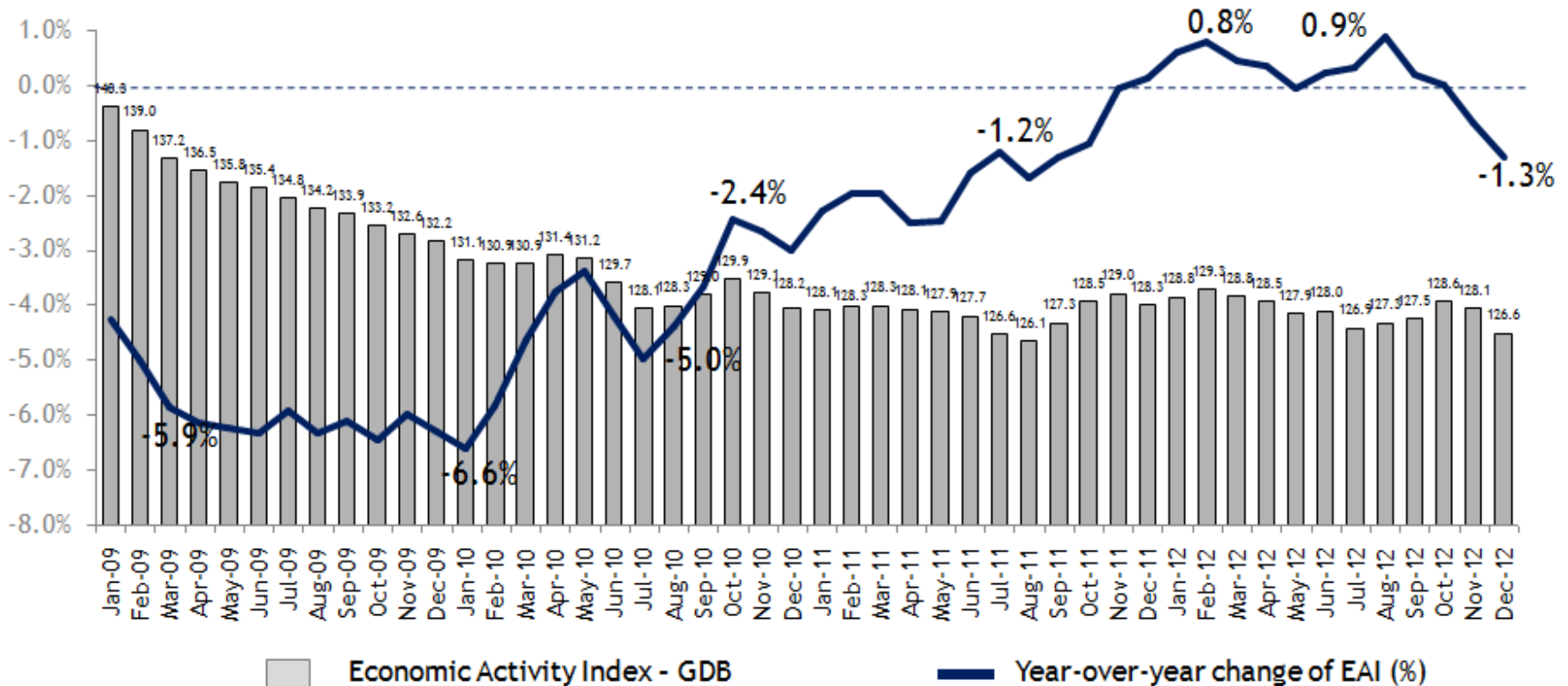
GDB-EAI for the month of December registered a 1.3% year-over-year (“YOY”) reduction

- December 2012 EAI was 126.6, a 1.3% reduction when compared to 128.3 for December 2011.
- Gasoline consumption\* was 87.9 million gallons. Average calendar year 2012 consumption was 88 million gallons.
- Total non-farm payroll employment for December 2012 totaled 922,900, a YOY reduction of 1.6%.
- Electric power generation totaled 1,780 million kWh, reflecting a YOY reduction of 0.3%. Total electric power generation for FY2013 year-to-date (“YTD”) is 1.0% above the same period of FY2012.
- Cement sales totaled 1.249 million bags, registering a year-over-year reduction of 22.8%. Total sales for FY2013 YTD are 3.5% below the same period during FY2012.

\* Estimated monthly gasoline consumption is derived from the Treasury Department’s monthly gasoline excise tax collections. These monthly collections tend to have irregular patterns as major gasoline importers have significant fluctuations in their inventories and purchases. As a result, the estimate used by GDB does not necessarily reflect actual monthly consumption by individuals.

# The GDB-EAI for the month of December 2012 reflected a year-over-year reduction of 1.3%

## GDB Economic Activity Index

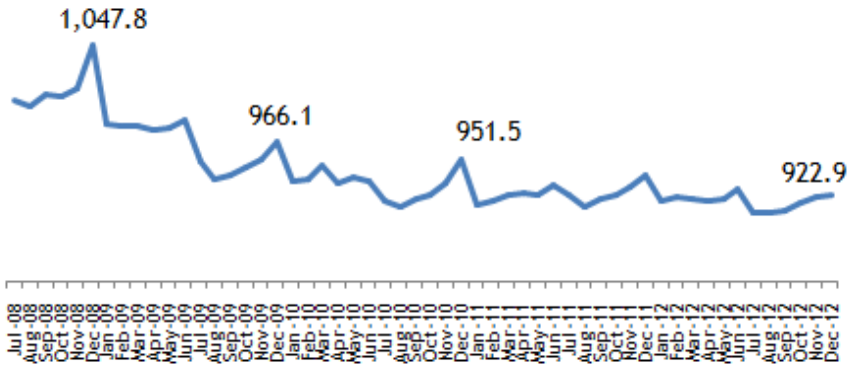


Data used for GDB-EAI is adjusted for seasonality and volatility.

# GDB Economic Activity Index Components

## Total Non-Farm Payroll Employment\*

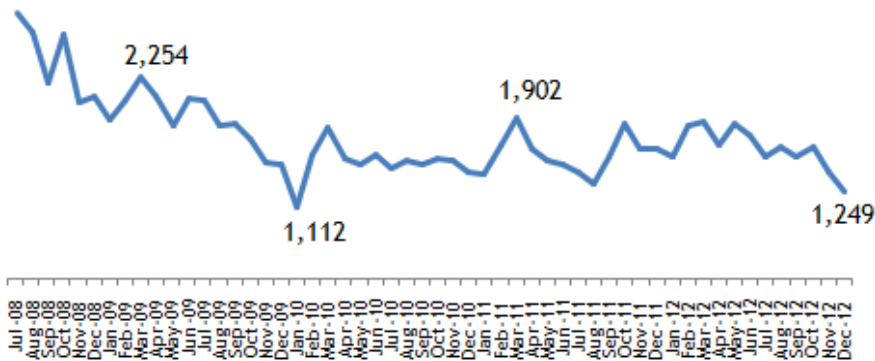
(Thousands of jobs)



- Total non-farm payroll employment for December 2012 totaled 922,900.
- When compared to December 2011, total non-farm employment registered a 1.6% reduction.

## Cement Sales

(Cement Bags sold, in thousands)



- Cement sales for the month of December 2012 totaled 1.249 million bags; a YOY reduction of 22.8%.
- Sales for calendar year 2012 ended 3.0% above same period calendar year 2011.
- Sales for FY 2012 ended 7.3% above FY 2011.

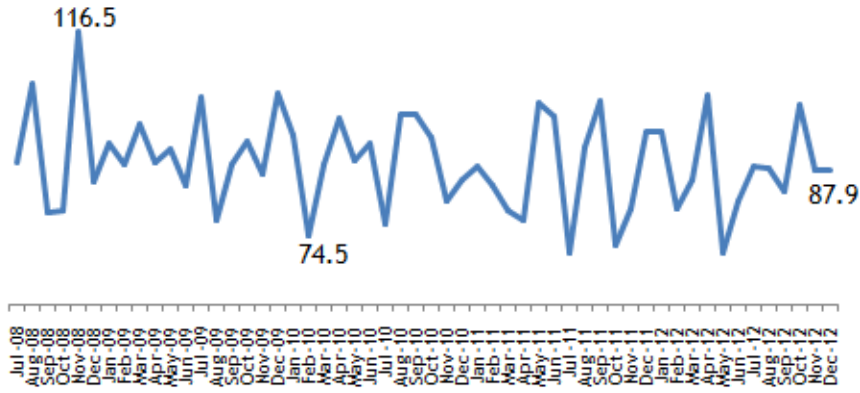
Sources: Dept. of Labor, GDB

\* Not seasonally adjusted.

# GDB Economic Activity Index Components

## Gasoline Consumption

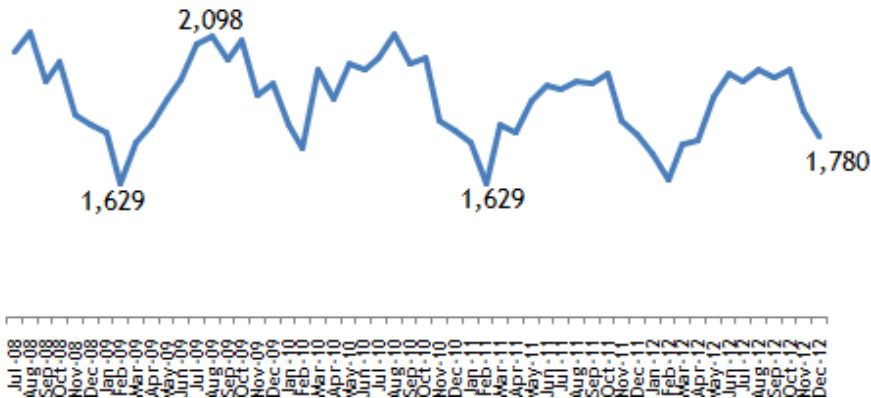
(Millions of gallons)



- Gasoline consumption for December 2012 totaled 87.9 million gallons, a YOY reduction of 8.5%.
- Estimated monthly gasoline consumption is derived from the Treasury Department's monthly gasoline excise tax collections. These monthly collections tend to have irregular patterns as major gasoline importers have significant fluctuations in their inventories and purchases. As a result, the estimate used by GDB does not necessarily reflect actual monthly consumption by individuals.

## Electric Power Generation

(Millions of kWh)

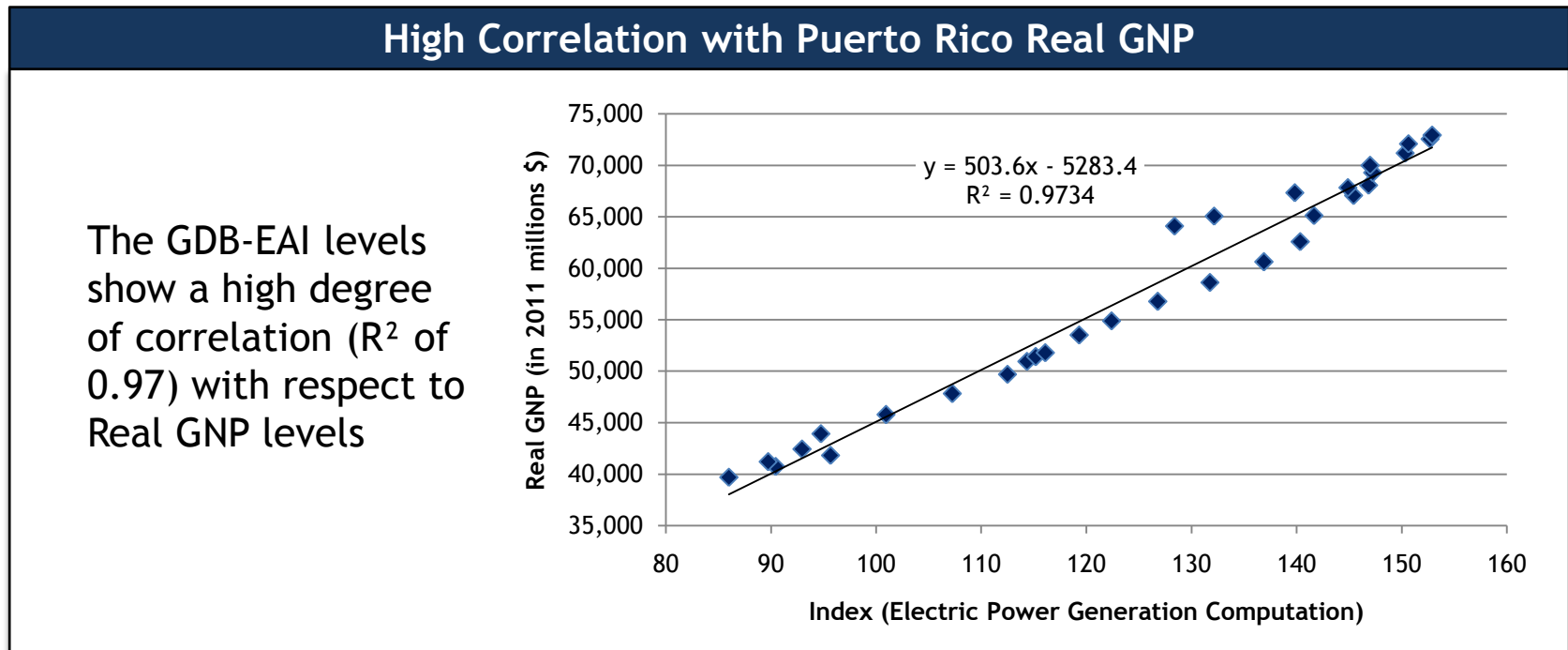


- Electric power generation for December 2012 was 1,780 million kWh, a 0.3% YOY reduction.
- Electric power generation for fiscal year 2012 ended 1.9% below FY 2011, mainly as a result of higher oil prices.

# Description of the GDB-Economic Activity Index

# Description of the GDB-EAI

- The GDB-EAI is a coincident index for the economy of Puerto Rico. It is a valuable tool that summarizes the behavior of four major monthly economic indicators.
- This index was developed following the methodology similar to that used by *The Conference Board* in their coincident index. This methodology follows a standard procedure to adjust the data for seasonality and volatility factors.



Source: GBD

# GDB-EAI Highlights and Composition

## GDB Economic Activity Index Highlights

### Advantages of the GDB-EAI:

- Readily available
- Highly correlated to Puerto Rico's real GNP
- Reliable tool to monitor actual trend of Puerto Rico economy

### The GDB-EAI is made up of 4 indicators:

- Total Payroll Employment (Establishment Survey/ Thousand of employees)
- Total Electric Power Generation (Millions of KWH)
- Cement Sales (Millions of bags)
- Gas Consumption (Millions of gallons)



# Disclaimer

The GDB-EAI and its indicators are subject to revisions. While the information comprising the GDB EAI has been obtained from sources GDB believes to be reliable, GDB is not responsible for any errors or omissions, or for the results obtained from the use of this information.