



# Economic Activity Index

For the month of July 2012

# General Commentary - July 2012

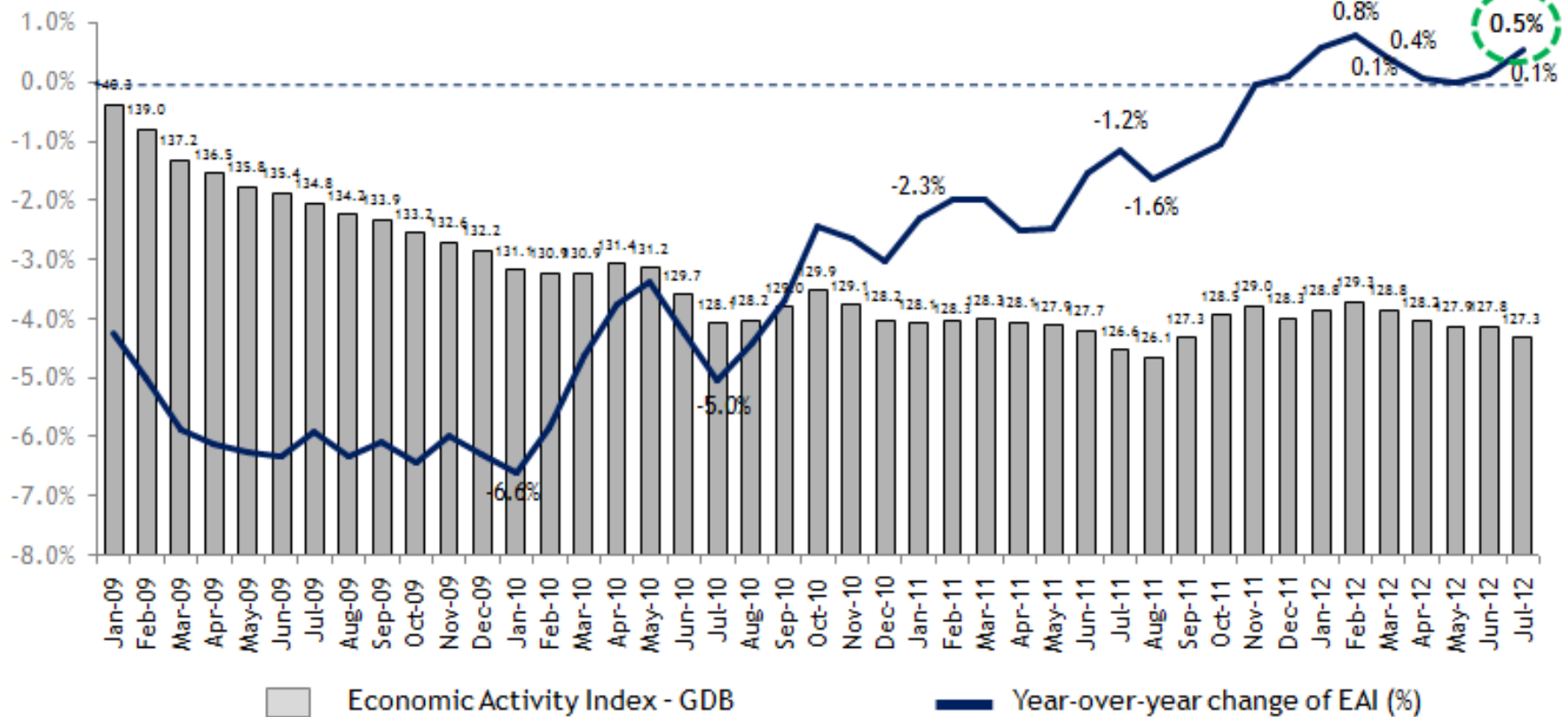
**GDB-EAI for the month of July registered a 0.5% year-over-year (“YOY”) increase, continuing a steady positive trend that started in December 2011.**

- July 2012 EAI was 127.3, a +0.5% increase when compared to 126.6 for July 2011 .
- Cement sales totaled 1.563 million bags, registering a year-over-year increase of 9.7%. Total sales for calendar year-to-date (“YTD”) are 9.4% above same period calendar year 2011.
- Unemployment rate decreased to 13.7% (seasonally adjusted) when compared to July 2011 when the unemployment rate was at 15.6% (seasonally adjusted).
- Electric power generation totaled 1,954 million kWh, reflecting a YOY increase of 1.2%. Total electric power generation for fiscal year 2012 ended 1.9% below fiscal year 2011.
- Total household employment continued its upward trend totaling 1,089,500 in July 2012, a YOY increase of 2.6%.
- Total non-farm payroll employment for July 2012 totaled 907,200, a YOY reduction of 1.6%.
- Gasoline consumption\* was 94.3 million gallons while average calendar year consumption through July is 86.3 million gallons.

\* 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.

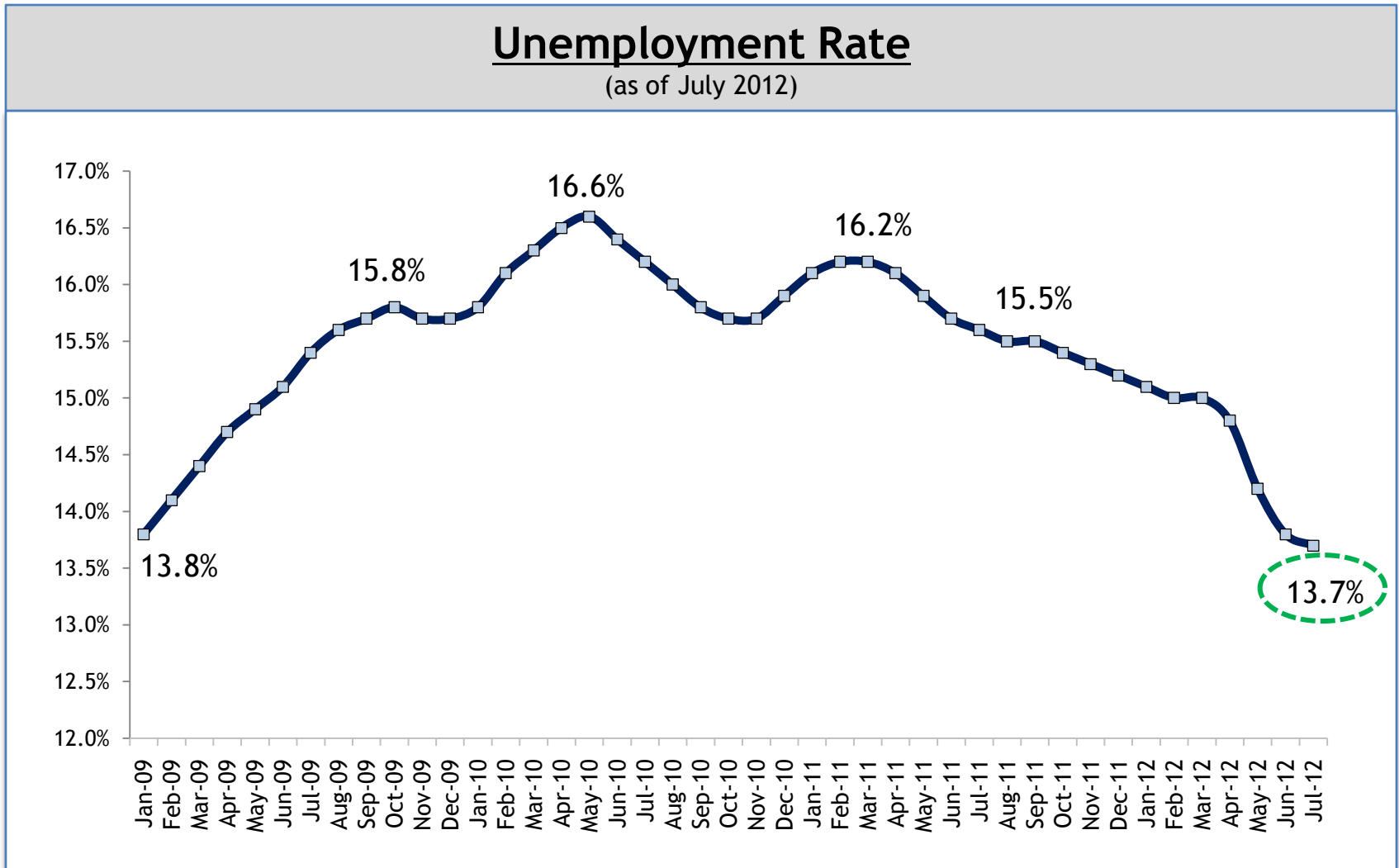
For the eighth consecutive month, the GDB-EAI continues to reflect positive YOY economic growth

### GDB Economic Activity Index



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

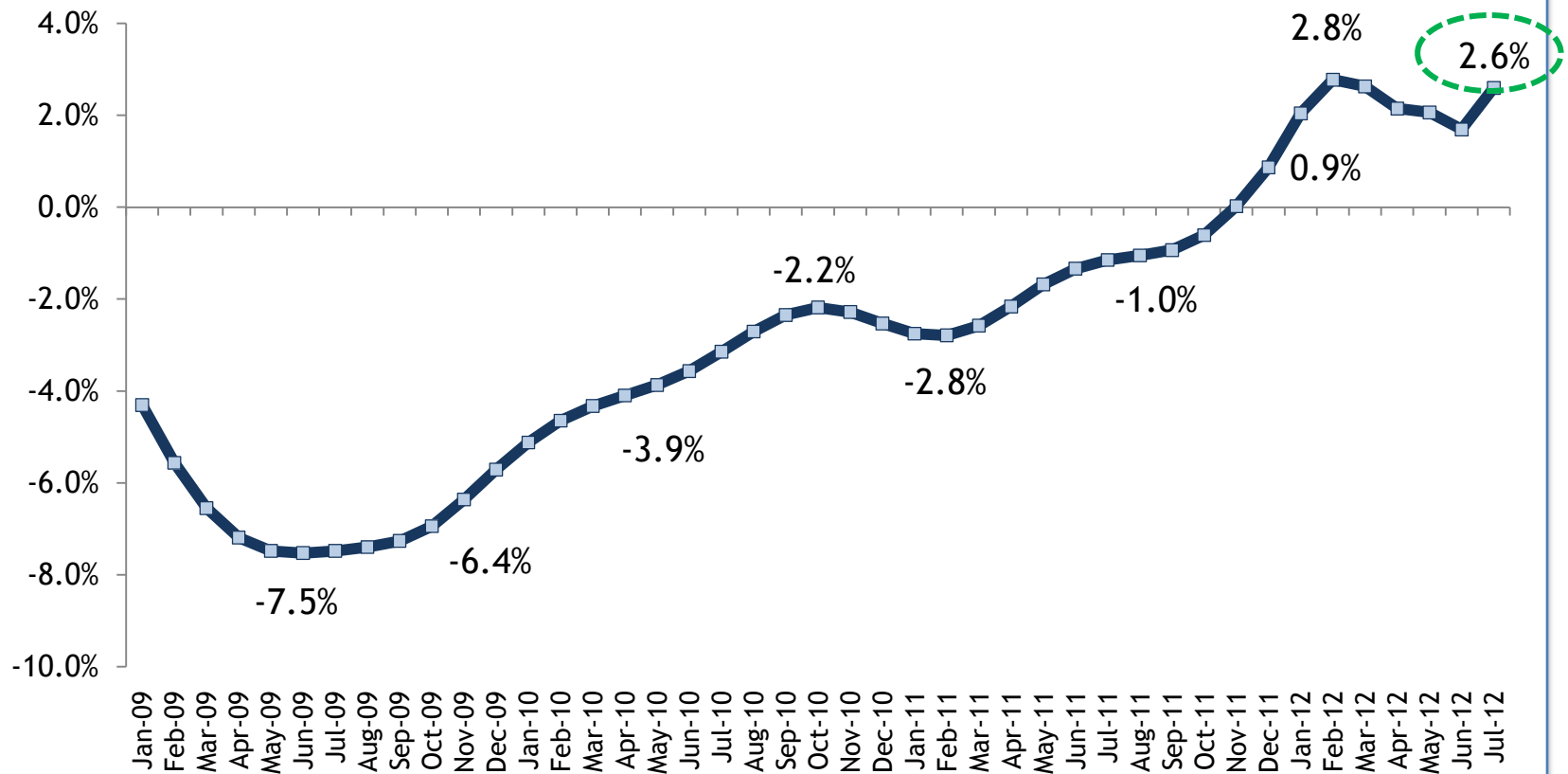
# Unemployment rate has been moving in the right direction since mid-2010 and is now below January 2009 levels



# Total employment continues to improve with the eight consecutive month reflecting a positive year-over-year growth

## Household Employment (YOY % change)

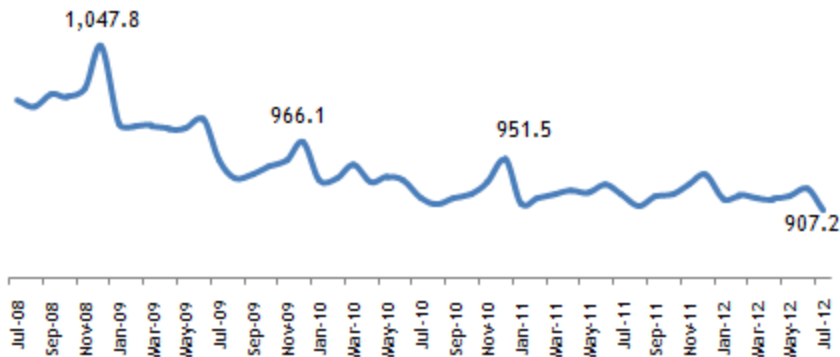
(as of July 2012)



# GDB Economic Activity Index Components

## Total Non-Farm Payroll Employment\*

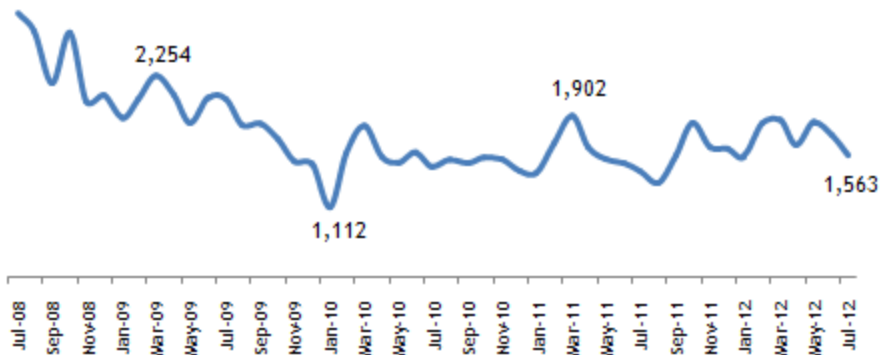
(Thousands of jobs)



- Total non-farm payroll employment for July 2012 totaled 907,200, a YOY reduction of 1.6%.
- Unemployment rate decreased to 13.7% (s.a) when compared to July 2011 when it reflected 15.6% (s.a).
- Household employment data continues to show an improving positive trend, registering a +2.6% YOY growth during the month of July 2012.

## Cement Sales

(Cement Bags sold, in thousands)



- Cement sales totaled 1.563 million bags; a YOY increase of 9.7%.
- Sales for calendar year-to-date (“YTD”) are 9.4% above same period calendar year 2011.
- Sales for FY 2012 ended 7.3% above FY 2011.
- Sales for calendar year (“CY”) 2011 ended 5.2% above year 2010.

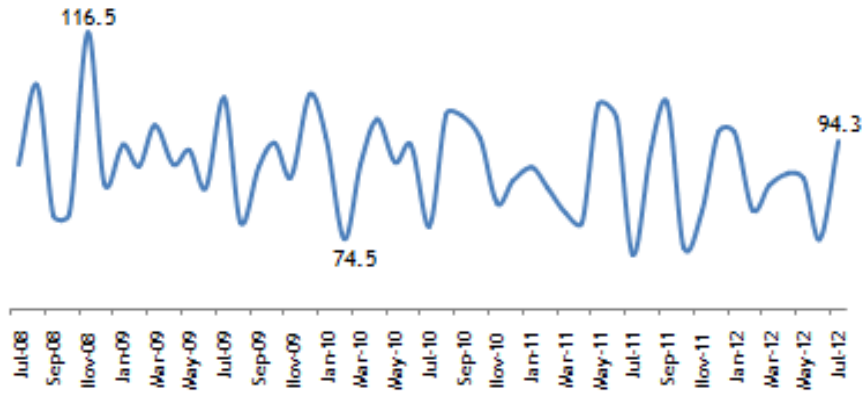
Sources: Dept. of Labor, GDB

\* Not seasonally adjusted.

# GDB Economic Activity Index Components

## Gasoline Consumption

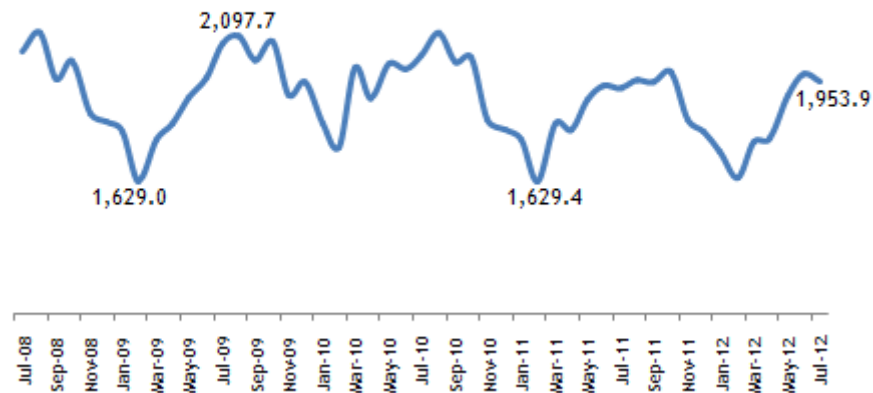
(Millions of gallons)



- Gasoline consumption for July 2012 totaled 94.3 million gallons, a YOY increase of 32.8%.
- 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 July 2012 was 1,953.9 million kWh, a 1.2% YOY increase.
- Electric power generation for fiscal year 2012 ended 1.9% below FY 2011, mainly as a result of higher oil prices.

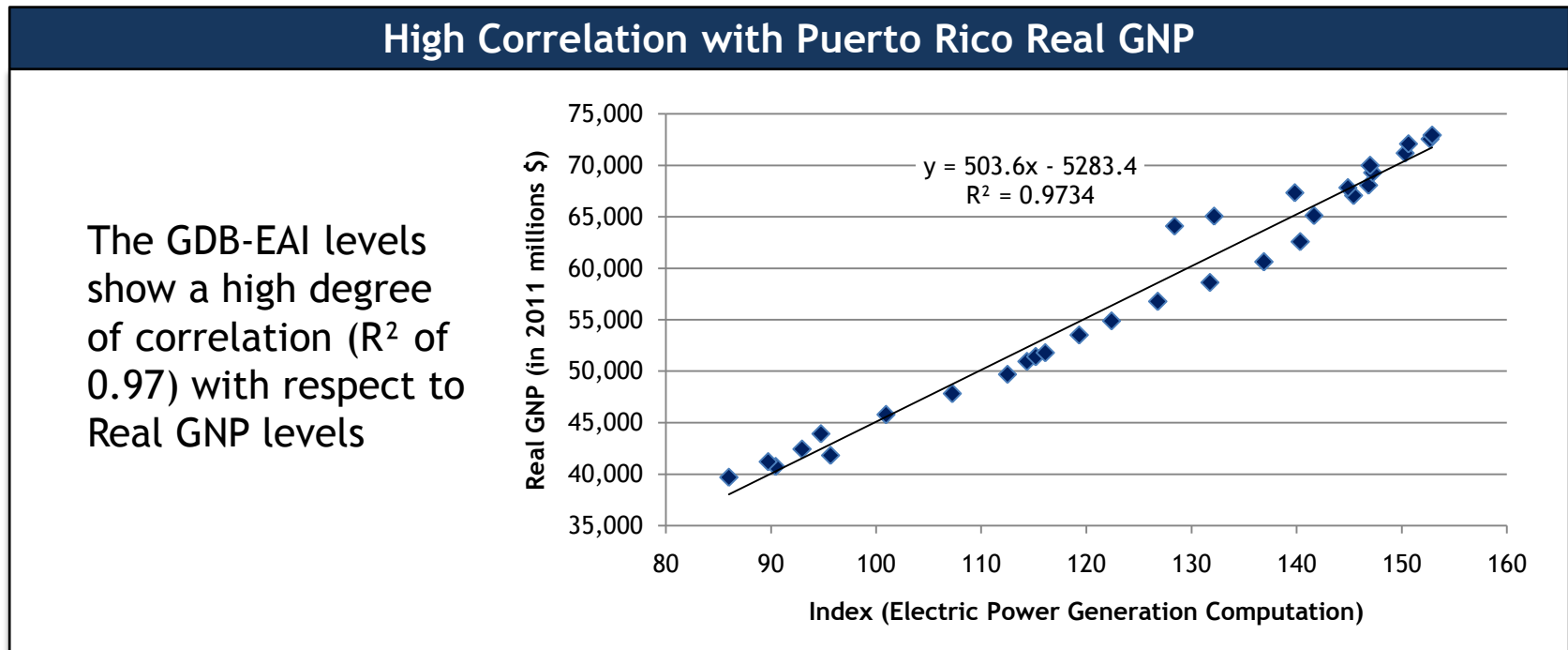
Sources: DTOP, Treasury, PREPA.

# 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.