

2019

PROMOTION PLAN EXECUTIVE SUMMARY



INVEST
PUERTO RICO

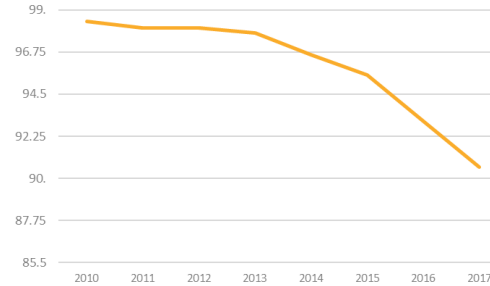
HISTORIC CHALLENGES

PUERTO RICO'S ECONOMIC REALITY

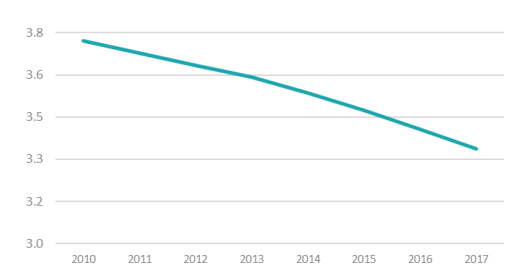
- Talent and population have fled the Island for decades
- Industry has fled since changes to incentive(s)
- Hurricane María exacerbated Island's challenges
- Negative press has affected the Island's brand
- Puerto Rico's unique geopolitical status as a U.S. territory creates opportunity and confusion

10-year trend illustrates critical issues impacting the Island's economic future, accelerated by hurricane's devastation, and requires immediate corrective action.

Puerto Rico GDP 2010 - 2017
(in constant 2010 US\$ billions)



Puerto Rico Population 2010 - 2017 (in millions)



The Economist Puerto Rico declares bankruptcy at last
The island's debts will now bring a protracted legal battle

The New York Times Puerto Rico Is Once Again Hit by an Islandwide Blackout

The New York Times Protest in Puerto Rico Over Austerity Measures Ends in Tear Gas

BBC WORLD SERVICE Massive Increase in Puerto Rico Casualties

BBC NEWS Puerto Rico still in the dark six months after hurricane

The New York Times HURRICANE MARIA ANNIVERSARY One Year and Billions of Dollars Later, Puerto Rico Still Looks Like the Hurricane Just Hit

ECONOMIC IMPACTS OF HURRICANE MARÍA

- Up to \$100 billion in lost economic output
- Up to 20% decline in economic activity
- 2,400 small businesses closed immediately after the hurricane
- Over 5,000 small businesses estimated to have closed permanently

INVESTMENT PROMOTION AGENCIES BRING SUCCESS

Other countries have instituted successful investment promotion models to boost economic development, including the use of investment promotion agencies (IPAs)

BENEFITS OF IPAs:

- Consistent branding, messaging, and effort regardless of political climate
- Single point of contact for prospective investors
- Collaborative link between public and private sectors
- Effective strategies implemented as global competition for FDI increases
- Examples

IDA Ireland: 265 new projects; ~23,000 new jobs

CINDE: 48 new projects; ~12,900 new jobs

EDB Singapore: 48 projects; ~22,500 new jobs

*Statistics are from 2018

IPAs IN THE U.S. AND AROUND THE WORLD



TRANSFORMING PUERTO RICO'S ECONOMY

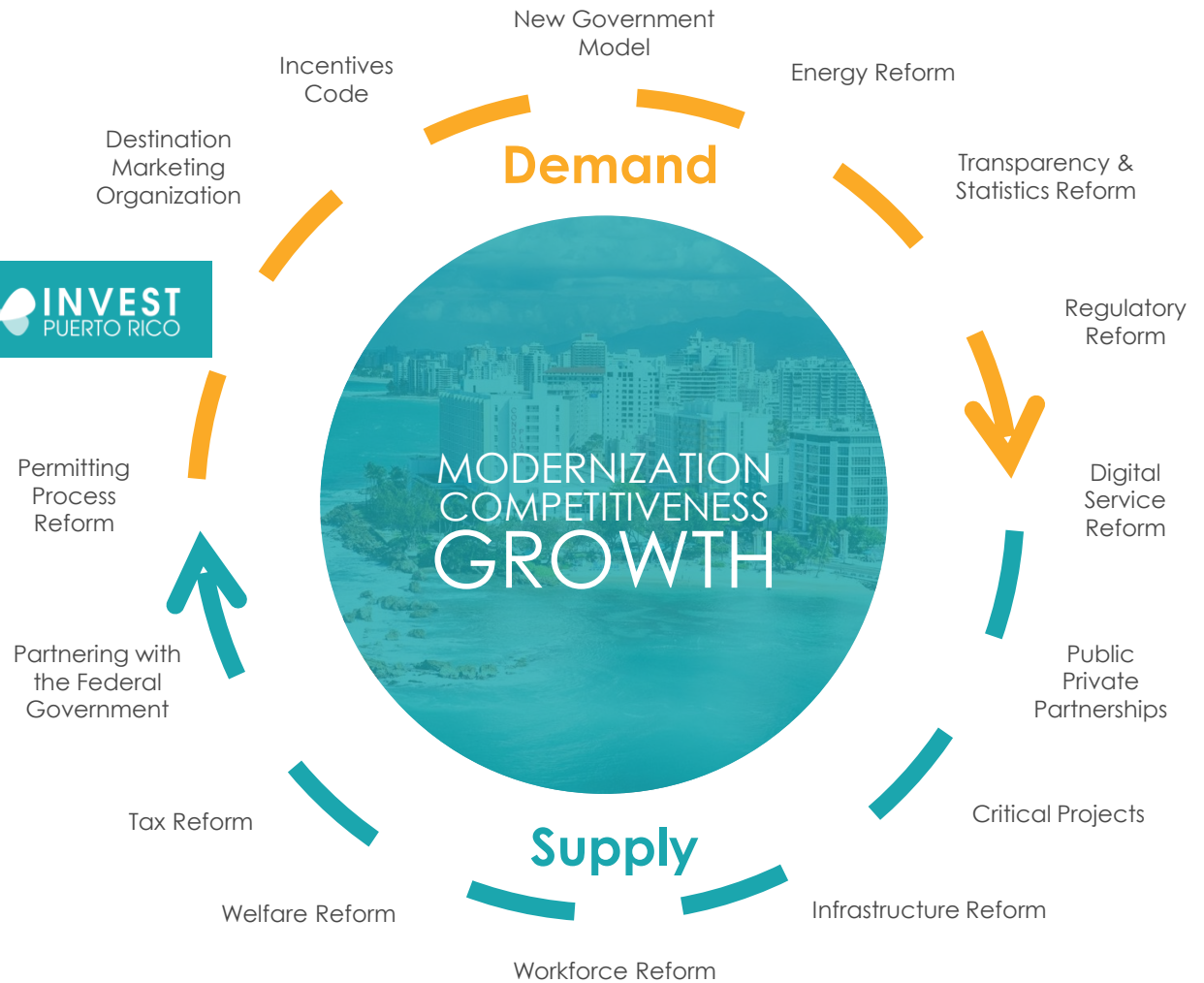
Invest Puerto Rico (“InvestPR”) was created by Law as part of the government’s structural reforms to attract private capital investments and achieve strong, sustainable and balanced economic growth.

MISSION

InvestPR is a not-for-profit organization that promotes Puerto Rico as a competitive investment jurisdiction to attract new business and capital investment to the island.

VISION

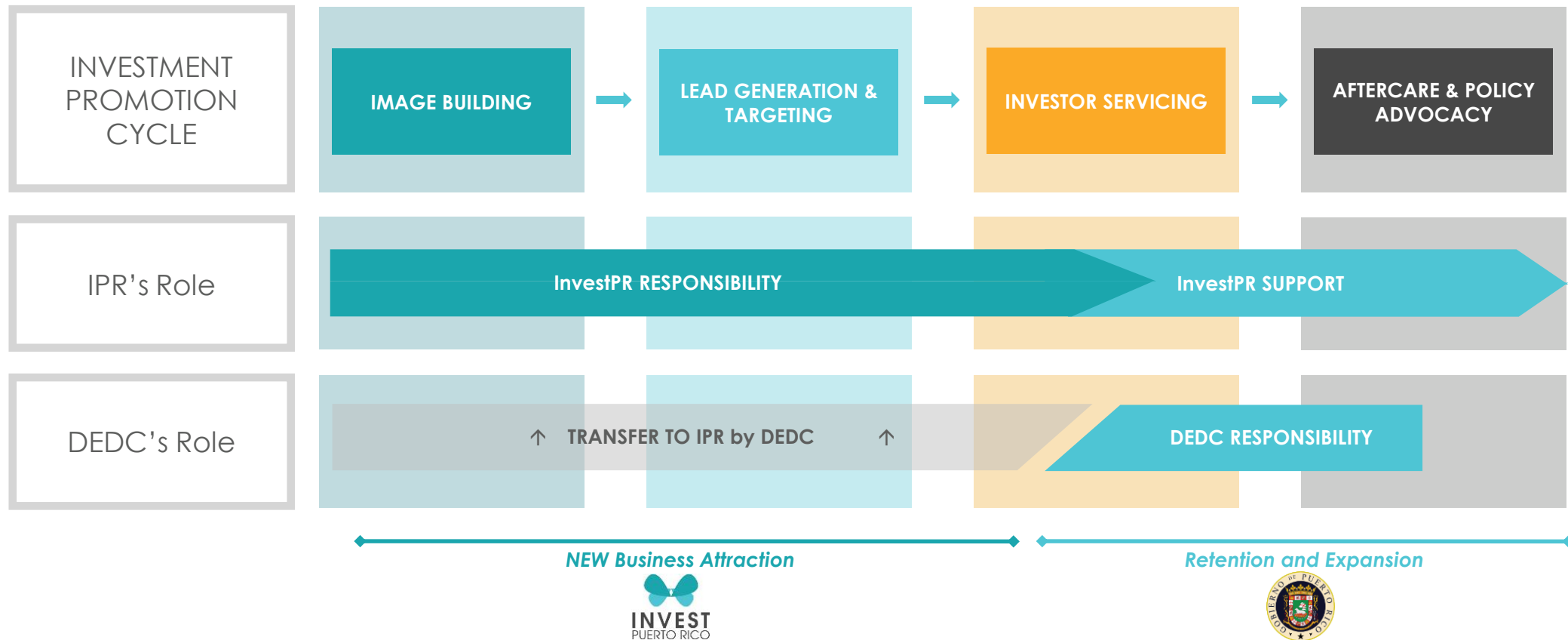
InvestPR will be a transformational and results-oriented accelerator of economic development in Puerto Rico.



Adapted from the New Fiscal Plan for Puerto Rico

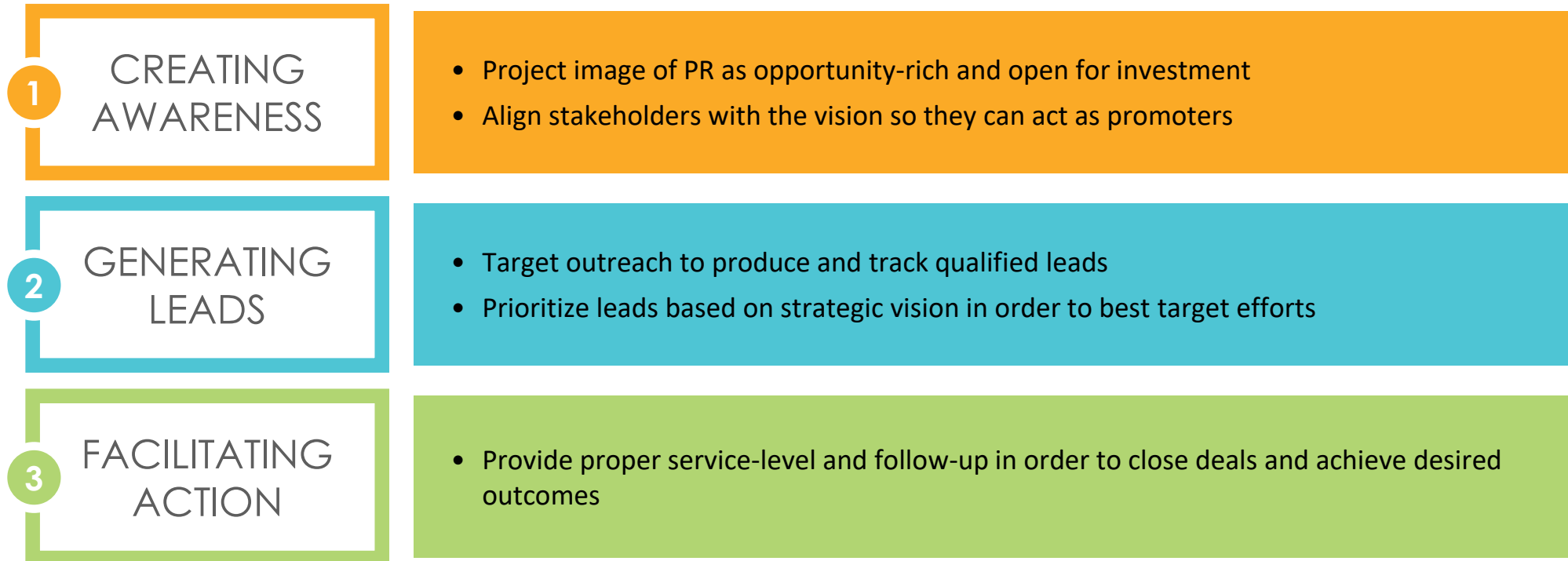
THE ROLE OF INVEST PUERTO RICO

The Investment Promotion Cycle functions have historically been managed by the Puerto Rico Department of Economic Development and Commerce (“DEDCC”), but InvestPR will now take the lead in key areas



OBJECTIVES OF THIS PROMOTION PLAN

The Promotion Plan will guide Invest Puerto Rico's efforts to attract investment and gain significance in global market growth



ALIGN TO BASIC ECONOMIC PRINCIPLES

A comprehensive macroeconomic assessment was used to identify top sectors for Puerto Rico's future economy in alignment to the basic economic principles below



ALIGN TO GLOBAL
MEGATRENDS



CREATE
TARGETING STRATEGY



USE INFORMED GEOGRAPHIC
TARGETING



ASSESS PUERTO RICO'S
COMPETITIVENESS



APPLY
THEORY OF CHANGE



FOLLOW ECONOMIC
DEVELOPMENT BEST PRACTICES



CREATE CLEAR ACTION
FRAMEWORK



RELY ON TRANSPARENCY &
CONTINUOUS IMPROVEMENT

INVESTPR'S FOCUS

A detailed analysis was conducted to determine where InvestPR can have the greatest impact and should focus in the near-term

ANALYSIS OF ALL INDUSTRY SECTORS

ACROSS DETAILED CRITERIA



Global

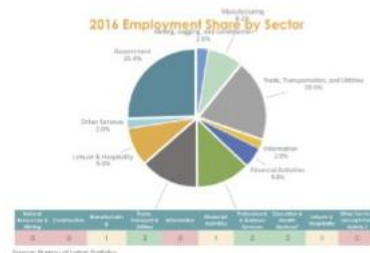
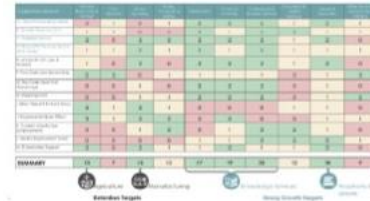


Competitive Advantages and Disadvantage



Local

THROUGH RIGOROUS EVALUATION



OUTPUT

GROWTH TARGETS

Knowledge Services (InvestPR)

Leisure and Hospitality (DMO)

RETENTION TARGETS

Manufacturing (DEDC)

Agriculture (DEDC)

REFINED SUBSECTORS

KNOWLEDGE SERVICES

Professional and Technical Services

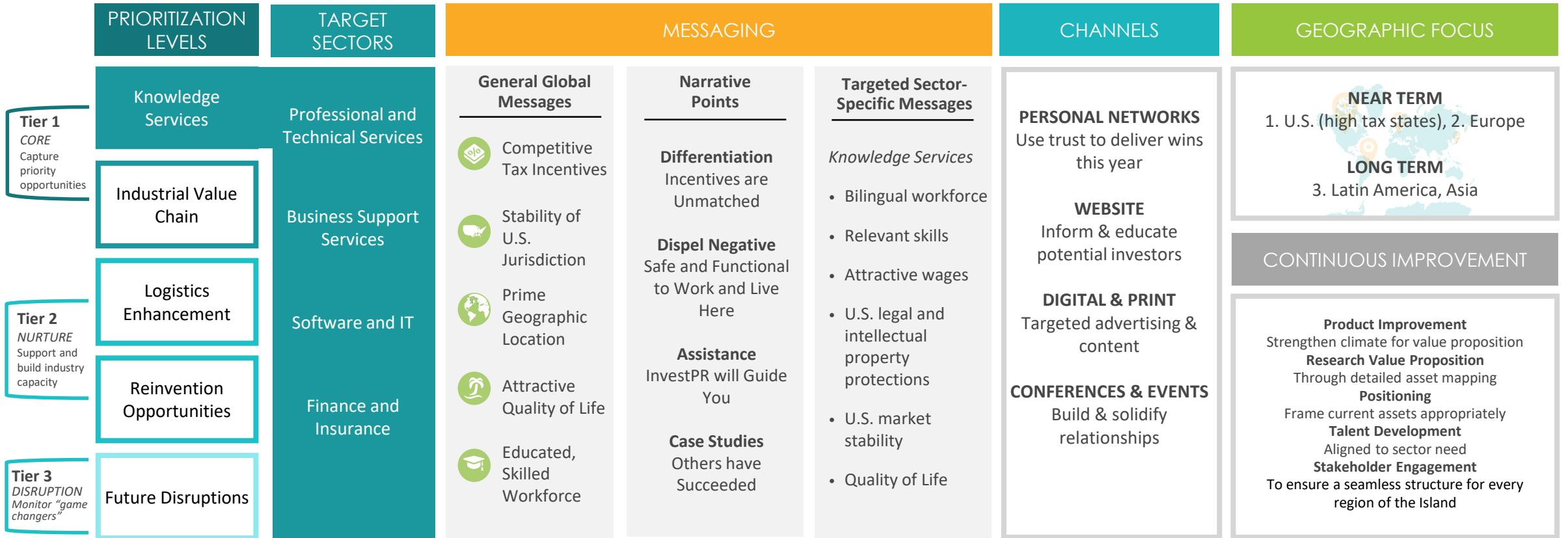
Business Support Services

Software and IT

Finance and Insurance

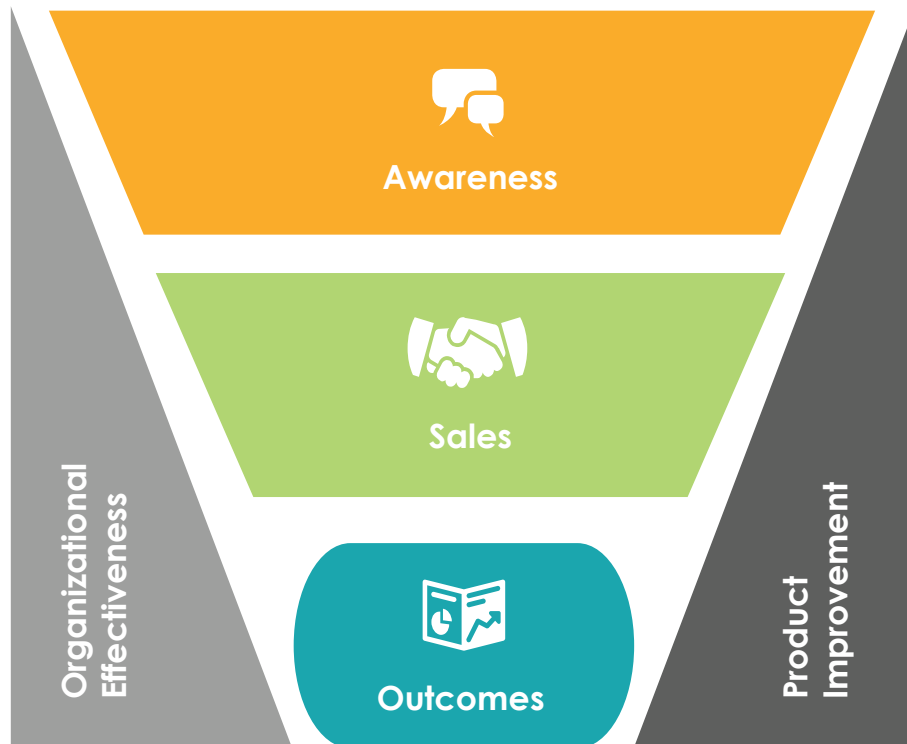
INVESTPR'S PLAN TO DELIVER

InvestPR developed a detailed promotion plan to deliver on its role



HOW INVESTPR WILL MEASURE SUCCESS

InvestPR's KPI framework captures deal flow, as well as product improvement and organizational effectiveness mandates



Awareness KPIs: Track the reach and impact of InvestPR's advertising efforts and include indicators such as the number of media impressions generated, earned media and the number of unique visitors attracted to the website.

Sales KPIs: Measure how well InvestPR is converting advertising and marketing initiatives into tangible opportunities and include indicators such as the number of new leads generated, number of new business opportunities documented, and incentive applications submitted.

Outcome KPIs: Assess the impact of InvestPR's efforts on Puerto Rico's economy and include indicators such as the number of new businesses, number of new jobs created, and amount of new investment generated.

Organizational Effectiveness KPIs: Determine the effectiveness of InvestPR at distinct stages as well as on delivering on its mandate, including indicators like customer satisfaction and funds raised.

Product Improvement KPIs: Measure the improvement of the business climate plus attraction on the Island, talent & economic development capacity, and most importantly: the Island's competitiveness ranking.