

We will seek a federal incentive that bring in new pharmaceutical companies and manufacturing to create jobs in Puerto Rico.

developing

economic and social

The economic and social development of Puerto Rico has been a constant theme for the past three and a half decades. Through the years countless studies on the economic situation, many of them with proposals that are repeated in subsequent studies. The time has come to execute, not to continue philosophizing. Puerto Rico needs and deserves, in addition to good jobs paid, a dynamic and prosperous economy. From Similarly, it needs a facilitating, efficient government, proactive, responsive and results-focused that fosters investment and job creation.

To encourage the creation of new companies, or the expansion of existing ones, it is necessary to create a climate of businesses that provide stability to entrepreneurs. No we can constantly change the rules of the game; the The best example of this is the Internal Revenue Code that has been amended about 100 times since approval in January 2011. These changes create, rightly so, an atmosphere of mistrust on the part of entrepreneurs and increase the costs of doing business in the island.

"Fight poverty and social inequality is one of the fundamental objectives of the Second Transformation from Puerto Rico. For that, it is essential to have an economy robust, that grows sustained and creates jobs what do we need. In this process becomes vitally important our education system, especially the University of Puerto Rico. Our main academic center is the engine of economic development and social mobility of our country. "

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In the "Ease of Doing Business 2020" classification of the World Bank, Puerto Rico is in the position number 65 (overall) out of 190 countries and we get worse results in the areas of tax compliance, property registration and construction permit management with positions 163, 161 and 143, respectively. By On the other hand, the report "Paying Taxes 2020" of the World Bank and PwC highlight that the total contribution rate that pay a company in Puerto Rico is 64.4%. This rate not only includes income tax, but also also considers taxes, IVU, patent, property furniture, social security, unemployment, disability and the Fund of the State Insurance. The rate of 64.4% places us in the position 19 of the 189 countries included in the report.

But Puerto Rico has the most important to grow our economy and achieve sustainable economic and social development. Their people, a human capital that has demonstrated its quality at the world. We also have the University of Puerto Rico, our main educational center that must play a leading role in the economic and social development of Puerto Rico.

We need to establish a 10-year plan that has a clear vision of the economic and social future of the Port Rich. Said plan must be a Country Project where collective interests outweigh group interests individuals. We have to count on the participation of all sectors such as private companies, academia, the trade union sector, professional associations, the sector environment and other key actors of civil society to develop and ensure the implementation of the plan by on top of political changes.

**Development plan
Economic and Social of
Puerto Rico for the years
2021-2030**

goals

- 1. Transform Puerto Rico into a country with a robust economic development and achieve sustained growth of 3% in 10 years

- 2. Create 300,000 new jobs in the private sector in 10 years
- 3. Increase our labor participation rate by 55% in 10 years
- 4. Increase median income (midpoint) per capita by 30% in 10 years from \$ 20,873 to \$ 27,134

Strategies

- 1. We will create, through legislation, the Council of Economic and Social Development of Puerto Rico with the participation and representation of different sectors and key actors in society civil. Its role will be to ensure the development and implementation of the Economic Development Plan and Social of Puerto Rico for the years 2021-2030
- 2. We will create 300,000 jobs in 10 years, mainly in tourism areas, pharmaceutical, construction, health services, services to the elderly, educational services, food industry, and financial services
- 3. We will use federal funds efficiently available for the recovery of Puerto Rico and other opportunities such as the possible return of the pharmaceutical industry to increase the rate of 55% labor participation in 10 years
- 4. We will create better paying jobs, such as of pharmaceutical companies, to achieve a median income per capita of \$ 27,134 over a 10-year period.
- 5. We will use metrics international, particularly that of the World Bank - Ease of Doing Business, to measure the competitiveness of the Country
- 6. We will develop annual goals to achieve the 20th position on the World Bank in a 10 year period

**Key Indicators of
Performance**

- 1. Annual growth rate
- 2. Number of jobs created
- 3. Labor participation rate
- 4. Puerto Rico's position in the Ease of classification World Bank Doing Business 2020

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**Simplification of
Administration and
Tax System**
Bone scan

The tax system in Puerto Rico, both at the state level as municipal, it is complex, this as a consequence of having introduced in our system different provisions separately without an evaluation integral. This complexity represents challenges for both entrepreneurs, as well as the government, since it increases compliance costs by taxpayers and the costs of government oversight.

In the short term, it is necessary to simplify the process doing business by identifying those processes of redundant or unnecessary compliance.

In the medium and long term, it is necessary to develop a integrated tax system in order to reduce the bureaucracy and facilitate compliance and administration of taxes, both at the state and municipal level.

goals

1. Reduce by 20% the number of filings that has to do a merchant related to tax compliance.
2. Eliminate redundant processes that increase number of hours spent by merchants in tax compliance.
3. Transform the administration and the system tax in a comprehensive way to simplify and facilitate doing business in Puerto Rico.

Strategies

1. We will reduce and simplify procedures that individuals and traders have to carry out to stay in compliance with tax agencies.
2. We will eliminate forms or requirements as per example:
 - Quarterly Tax Withholding Return
 - About Payments for Services Rendered
 - Informative Declaration - Ads, Premiums

Insurance, Telecommunications Services, Internet Access and Cable Television or Satellite, as they create confusion and even can double income

3. We will eliminate the requirement to present Informative for the following payments:
 - All payments to non-residents not subject to retention,
 - Payments of utilities (Water and Light)
 - Membership payments for the benefit of employees
 - Maintenance fees paid to condominiums or residents' associations
 - Payments or expenses for continuing education
 - Membership fees paid for the benefit of the employees
4. We will analyze the rest of the filing requirements to eliminate those that are not necessary and achieve a significant reduction in hours invested by employers in compliance with the Department of the Treasury and associated costs.

objective

Simplify compliance with contribution payment estimate and filing of monthly importers return

Strategies

1. We will eliminate the Monthly Sheet of Imports since this information could be contemplated in the Monthly Sales and Use Tax Return (Model SC 2915). In the case of importers not bonded, each import declaration entails the payment of sales and use tax. This process is carried out electronically so which a monthly reconciliation is not necessary. The established importers will make the payment monthly in conjunction with the filing of the Worksheet.
2. We will temper the tax to what is established in the case of South Dakota v. Wayfair, Inc., 585 US ____ (2018). In this way you can eliminate Informative Return - Sales Dispatched by Mail.

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objective

Establish a Uniform Tool for
Tax administration

Strategy

We will centralize all the procedures in a single portal taxes that an individual or a business, specifying that each agency or municipality independently manage each of the modules to preserve municipal autonomy. From this way, the merchant, when accessing a single address electronics, you can interact with all agencies and with each municipality in which you do business.

Key Indicators of Performance

1. Puerto Rico's position in the Ease of classification
World Bank Doing Business 2020
2. Number of compliance requirements removed
3. Number of compliance requirements enhanced
4. Time invested by entrepreneurs to comply
with the requirements of the Department of the Treasury
5. Taxpayer satisfaction

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Transformation of Department of Economic Development and PR trade

Bone scan

In past years, the Secretary of the Department of Economic Development and Trade has become a bureaucratic entity, which is not tempered by moments of crisis we've been going through. The face approach the next few years requires an urgent transformation aimed at serving, promoting and strengthening the investments of local and foreign capital. The current economic situation and the creation of the Umbrella concept, in addition to the lack financial resources, has created a Department of

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Economic Development and Trade inoperative, where the businessman is not the protagonist.

goals

1. Eliminate the bureaucracy of the Secretariat of the Department of Economic Development so that entrepreneurs receive integrated services where can accelerate their growth
2. Create an agile environment to establish companies in Puerto Rico
3. Streamline compliance with laws related to businessmen
4. Attend to the specific situations of the areas to improve the economic and social development of the Port rich
5. Plan in the short term the Transformation of the structure of the Development Department Economic and Trade in a facilitating entity and businessman ally
6. Decentralize the services offered by the Department of Economic Development and Commerce to bring them closer to entrepreneurs and that they can receive services in a proactive, comprehensive way, agile and fast

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Strategies

1. We will restructure the Secretary of the Department of Economic Development and Trade to be focused and directed to promote and promote investment of local and foreign capital
2. We will implement the decentralization of competencies to bring services closer to entrepreneurs at the regional or municipal level. This form the services will be provided in a manner, agile and comprehensive focused on the specific needs of each region or municipalities
3. We will develop a business ecosystem to support business initiatives by strengthening economic and social development of the area.
4. We will identify the risks, in a pro-active way, in the different regions and municipalities in order to minimize the impact of these
5. We will support and assist the employer in the

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steps to establish or formalize your business, thus, as with the different requirements that must comply

Key Indicators of Performance

1. Number of new companies created
2. Percentage of companies that achieve stability
3. Satisfaction of employers with services offered

Transformation and Recapitalization of Development Bank Economic

Bone scan

The Economic Development Bank (BDE) had the direct capacity to promote, finance and nurture the economic development of Puerto Rico and contribute to its transformation. When the Bank was created in 1985 there were 26 commercial banks in Puerto Rico, and even so, the BDE so that there would be a bank that would focus on finance dreams, needs, ideas and projects from a wide range of private sector entities from Puerto Rico. Today, faced with a very different panorama, entrepreneurs face a great challenge due to the lack of capital. Thousands of SMEs, new entrepreneurs, ideas innovative, high-tech projects, and different sectors such as agriculture, do not have access to financing alternatives necessary to develop your ideas or take your business to the next level. For this and other reasons, which we detail later, is necessary to transform and capitalize the BDE.

During the last decade, Puerto Rico has seen severely hampered their access to capital. We have seen the exodus of nine banks, including all banks international With them, Puerto Rico lost more than 60 percent of your business loan capacity, and

most companies now have to use the “Alternative loan operations” that charge fees interest rates that exceed 20% in most cases.

According to the Office of the Commissioner of Institutions Financial (OCIF), in 2008 there was \$ 60.2 billion in outstanding loans in Puerto Rico granted by commercial banks. By 2019, the total portfolio of commercial loans has been reduced to \$ 33.5 thousand million, a decrease of \$ 26.7 billion.

The Economic Development Bank for Puerto Rico was created by virtue of Act No. 22-1985, according to amended, (the Law) as an instrumentality of the Government of Puerto Rico organized as a public corporation. The Law contemplates the creation of a bank committed to the promotion and development private sector in all economic sectors of the Island. The Bank will make available loans, guarantees, and other forms of financing or investments to any individual doing business, partnership, corporation, cooperative, or any other form of organization dedicated to manufacturing, commerce, agriculture, tourism or services, focusing particularly on small and medium entrepreneurs.

Its mission has been to provide financial alternatives and integrated services in a diligent and effective way to small and medium entrepreneurs contributing to socio-economic well-being of Puerto Rico, through the job creation and retention, as well as investment in the creation and development of Puerto Rican capital, necessary to promote the economic growth of Puerto Rico.

Since its creation, the BDE has distinguished itself by providing financing alternatives, services and products innovative to those small and medium entrepreneurs that due to the risk involved in their transactions, qualify for traditional financing in banks private commercial. The BDE also understands that small and medium entrepreneurs need much more than a financing to achieve success. For this one purpose offers orientations, workshops and seminars to across the Island with the support of various public entities and private. Its primary objective is to provide said

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business and more importantly, achieving success in a competitive environment.

With a volume since its founding in the billions dollars, the BDE offers a variety of programs and services including, but not limited to: direct loans, participations in loans granted by banks private, guarantees for loans granted by other financial institutions, capitalization loans and investment capital, thus providing assistance financial necessary for the development of small and medium-sized entrepreneurs in all economic sectors from Puerto Rico.

To achieve the Second Port Transformation Rich and given the reality of the lack of access to capital to an acceptable cost for entrepreneurs, it is imperative that the Economic Development Bank can offer efficiently the services for which it was created to mid-1980s of the last century. For this, the BDE has to carry out its activities away from political ups and downs and with a philosophy closer to the of private banking organizations. Thus will have operational independence and self-sufficiency to provide novel services to its clients.

goals

1. Transform and recapitalize the Development Bank Economic for Puerto Rico to fulfill its mission
2. Implement a business accelerator so that can offer capital and financing to companies growing, with greater agility
3. Develop management consulting programs and continuing education for your clients

Strategies

1. We will reorganize the BDE to professionalize it and make it a separate entity increasing its effectiveness in granting loans and their collections, among others.
2. We will allocate to the BDE \$ 400 million annually for a period of 5 years until reaching \$ 2 billion capital.

powers of the BDE in attracting deposits to the demand from your customers

4. We will amend the Organic Law to create a Board of Directors composed mainly by individuals from the private sector, and the Secretary of the Treasury and the Secretary of the Department of Economic Development and Trade (DDEC), in government representation.

Key Indicators of Performance

1. Number of loans granted that are being paying acceptably within the terms agreed
2. Number of developed companies
3. Efficiency Ratio (Eficiency Ratio)
4. Time of the loan decision cycle commercial (Commercial loan decision cycle time)
5. Adjusted Return on Net Equity (AROE)

Transformation and Development of Cooperativism as key factor for Economic Development and Social of Puerto Rico

Cooperativism has 112 institutions of savings and credit with over \$ 8.9 billion of assets serving more than one million members and around 300,000 depositors. In addition to representing a third part of our population, these partners and depositors constitute, for the most part, our public servants, pensioners, students, women heads of households and senior citizens, that is, our citizens moderate-income and more vulnerable to challenges social and economic of the present. Currently, the cooperative financial system is the primary source of

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serviceability and quick response was demonstrated just after the passage of Hurricane Maria

It is important to recapitalize COSSEC, not only to guarantee the economic stability of the cooperatives, if not so that they can be a key factor in the Economic and Social Development of Puerto Rico.

Objective 1

Recapitalize the cooperative financial system, rectifying the effects of Special Investments at the level of grassroots cooperatives and reestablishing COSSEC's actual capital at the pre-default level Of the debt

Strategies

1. We will implement the necessary measures so that Treasury, during fiscal year 2020-2021, carry out an advance to COSSEC for \$ 600 million, whose resources will be used during the same period to attend to the effects of Special Investments in cooperatives. The repayment of this advance is will be carried out through budget allocations of the General Fund of \$ 200 million over 3 years and no increases in premiums payable for Cooperatives. By the third year, the central government provide COSSEC with the resources that can be necessary for the capital that supports the insurance of shares and deposits is not less than 2.2% of the total shares and deposits insured, existing level prior to the effect of the Investments Specials.
2. We will protect the resources that support the insurance shares and deposits through a trust that preserve the use of such funds for the benefit of insured cooperatives and their partners and depositors.
3. We will not approve changes to laws and regulations applicable to cooperatives without completed this recapitalization and remediation.

**Key Indicators of
Performance**

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2. Ratio (ratio) of the net capital in relation to the total of insured stocks and deposits

Objective 2

Keep in force the safeguards that were adopted through Law 220 of December 15, 2015.

Strategy

1. We will discuss any changes to Laws 114-2001 and 255-2002 (as amended by Act 220-2015) and any amendment will be made by consensus with savings and credit cooperatives
2. We will ensure that changes in the law regarding the composition of the COSSEC Board of Directors are subject to: (a) recapitalization of the system, (b) the directors are persons independent, of proven experience and integrity, free of ties with government entities and without ties to political processes and structures partisan, and (c) maintaining responsibilities and fiduciary duties of said directors towards cooperatives and their partners and depositors.

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Objective 3

Implement the mandates and objectives of the Organic Law of the Cooperative Development Commission (Law 247 of 10 August 2008), especially the recognition of the Cooperativism as a fundamental business model for the achievement of social and economic development sustainable and balanced, centered on the human being and communities.

Strategies

1. We will give priority to the processes of promotion and development of cooperative enterprises in sectors of production and self-management.
2. We will appoint a Development Commissioner Cooperative in dialogue and consensus with the Movement Cooperative. Said official shall be a person with relevant professional experiences and not it will come from the political-partisan field.

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Cooperative the appropriate resources that allow proper functioning of said agency.

4. We will professionalize and depoliticize COSSEC operations.

- Transportation
- Farming

Objective 4

Incorporate, proactively, the Cooperative model to the economic and social development efforts of the Country and promote a leading role of the Cooperative Movement in its self-growth and in the interconnection of sectors productive.

Strategy

1. We will facilitate the creation of micro-businesses cooperatives.
2. We will lead a new type of company cooperative, with the ability to integrate multiple components of the value chain, allowing economic and social linkage. East multisectoral model will have special relevance for the agricultural industry, integrating the phases of production, processing, marketing, distribution and export.
3. We will develop cooperative nuclei ("clusters") in sectors such as tourism, agriculture, SMEs and self-employment, especially of young people, in services such as:
 - Renewable energy projects
 - Support to information systems
 - Accounting and administrative support to small Business
 - Vocational trades, such as plumbing, electricity, cabinetmaking, gardening lightweight construction
 - Collective transportation
 - Health, third sector and the elderly
 - Art, sports and entertainment
4. We will promote alliances between Cooperatives of Savings and Credit and the Municipalities to direct community projects in areas such as:
 - Security

Return of the Industry Pharmaceutical

Manufacturing continues to be one of the pillars of our economy representing about 34% of the Product Gross Domestic; contributes over \$ 6,700 million to the treasury and pays in salaries over \$ 1,100 million to more than 150 thousand employees. This sector represents 20% of revenues net of the General Fund, through Law 154-2010. More than 60% of Puerto Rico's exports, about \$ 64.6 billion, produced by the pharmaceutical industry and medical devices. It is important to highlight and we should fill you with pride that 7 of the 15 medical products best-selling in the world are produced by hands Puerto Ricans here in Puerto Rico. This, despite that in the last 14 years we have lost about 90,000 manufacturing jobs.

Now, as a Country, we have a historic opportunity where the United States interests lie to decrease dependence on medical equipment and medicines produced in China and India with the expertise, experience, capacity and talent of the human capital of the Industry in Puerto Rico. United States has as objective that the pharmaceutical supply chain come home and we are ready to be your partners in this objective by contributing our human capital world-class.

objective

Offer a stable and competitive business environment that will lead to the return of the pharmaceutical industry to Puerto Rico and growth through new projects and investments, from current operations.

- Youth cooperativism
- Social interest housing

Strategies
1. We will form a united front, together with the

professional organizations representing different sectors of the industry, to request the Congress to provide necessary incentives for companies to choose Puerto Rico for establish your operations.

2. We will continue to develop high human capital caliber that has always characterized us, giving emphasis on preparing our students and professionals in matters such as Intelligence Artificial, Business Intelligence, "Big Data", "Machine Learning" and other related topics to the 4th Industrial Revolution. In this strategy universities, especially the University from Puerto Rico, they will play a leading role; So such as projects: 3i (Innovation-Research-Intelligence) and Center for Artificial Intelligence and Robotics (CIAR) described later.
3. We will develop the infrastructure that allows reduce production costs, especially the energy cost. In the infrastructure section of This document details the initiatives on this particular.

Key Indicators of Performance

1. Number of jobs created
2. Total wages paid
3. New manufactured products
4. Percent of Gross Domestic Product
5. Quantity of exports
6. Position of Puerto Rico worldwide

Reduction and / or elimination progressive arbitration 4% paid by certain foreign companies to Puerto Rico

which imposes a 4% tax on certain foreign companies. Said law was approved quickly, without the celebration of public hearings. The rushed approval process of Law 154-2010 generated a lot of uncertainty and it undermined the credibility of Puerto Rico. Further, affected their competitiveness and ability to attract new investment. These companies, for the most part, are dedicated to the manufacture of medicines, medical equipment and technology, and its economic activity is important in the direct and indirect job creation and production from the country. It should be noted that the income generated by this tax represents approximately 20% of the annual income of the general fund of Puerto Rico. The Excise tax will be in effect until December 31, 2027.

In general, the main uncertainty that has caused the discretion of Law 154-2010 is the lack of certainty in around the possibility that companies claim as credit in the United States the payment of said excise duty to Puerto Rico. In 2011, the Treasury Department of the United States advised that it would not challenge the claim of said credit. However, by the federal tax reform approved in 2017, the credit available in the United States by concept of the tax payment to Puerto Rico was limited to 80% of the amount of said payment. On the other hand, the secretary of the Treasury recently stated that the federal government intended to void the notice published in the 2011 on the availability of tax credit of 4% paid to Puerto Rico. This puts the permanence of these companies in Puerto Rico, if not establish alternative and viable measures that replace total or partially the income generated by said tax and that allow any tax burden arising in Puerto Rico is creditable in the United States.

Based on the above, it is necessary to urgently attend this situation to (a) regain the credibility of Puerto Rico, (b) provide certainty to these companies so that stay and expand their operations in Puerto Rico and (c) sustain Puerto Rico's competitiveness over the long term.

Bone scan

On October 25, 2010, Law 154-2010 was approved, the

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objective

Pass legislation that eliminates or reduces progressively the discretion of Law 154-2010

Strategies

1. We will work together with companies outsiders to seek alternate tax measures that substitute the income generated by the Law 154-2010.
2. We will pass legislation that: (a) eliminates progressively the discretion of Law 154-2010; (b) impose a new tax regime on income to these foreign companies; (c) allow the payment of said contribution to Puerto Rico may claimed as a credit in the United States; and (d) establish a precise calendar of the validity of the new regime.
3. We will support federal legislation that increases ability of these companies to do business in Puerto Rico - including reducing or eliminating any limitation on the availability of credit in the United States for contributions paid to Puerto Rico

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tourism**Bone scan**

The tourism and hospitality industry, in the last 20 years, has represented for our Island one of the few sectors that has shown growth sustained, despite the deep economic recession that we began to perceive since 2006 (Calero, 2013). Currently, the tourism industry represents 6.7% of gross national product, with an average expenditure, “of visitor” of \$ 4.1 billion.

From the employment point of view, according to data from the US Bureau of Labor Statistics, tourism has represented

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around 80,000 direct and indirect jobs in the recent years (US Bureau of Labor Statistics 07/2020).

create jobs in Puerto Rico.

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It should be noted that for July 2020 the total number of jobs in the sector was estimated at 58,000 jobs, a decrease of 27.9% compared to the same period in 2019, attributable to changes caused by the Pandemic COVID-19. As a frame of reference, the sector grew in jobs 7.1% from January 2010 to January 2015 (70,000 vs. 81,000) and remained between 80,000 and 81,000 until January 2020, thus exceeding manufacturing in quantity of total jobs by sector.

Long Outlook Term

According to the long-term projections of the Organization World Tourism (UNWTO), included in Tourism Towards 2030 (Tourism towards 2030), arrivals of international tourists worldwide will grow by 3.3% annually between 2010 and 2030, until reaching the 1.8 billion tourists (UNWTO, 2011). The region of Americas registered the highest growth, with an increase 8% in international arrivals, followed by Asia and the Pacific and Middle East (both + 5%).

Situation Prior to Covid-19

2019 was the highest calendar year in recent five years in terms of demand for accommodation with 4.69 million. It is also important to emphasize that not only grew in number of fourth nights, but also in the average cost of accommodation (hotels and supplemental accommodations) to \$ 9.5 billion in the 2019. The air access data published by Aerostar, administrator of the Luis Muñoz International Airport Marín ("AILMM") reveal record figures in recent 5 years with an increase of 13.2% (5.9 million additional seats) and an increase of 11.4% in the

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Current Situation (Covid-19)

The aforementioned plans have been disrupted by a global pandemic that to a greater or lesser extent it has affected the vast majority of countries. Its effect has been devastating in many economic sectors and social, and Tourism has not been the exception. Year 2020 has been catastrophic for this sector worldwide. Entry restrictions to certain countries, reduction of air flights, the suspension of travel by cruise lines, precautions taken by the vast majority of tourists, their concerns about health, are just some of the factors that have influenced the drastic reduction of travelers at the international. If to this we add the fact that many of the tourist attraction places are closed and without public access, helps us understand how the impact has been disastrous not only with foreign tourists, it also has a noticeable decrease with the Internal tourism.

Countries with a high tradition of Tourism (Spain, USA, Mexico, France, Italy, Greece, the Caribbean Islands and Puerto Rico among many others) have seen their foreign exchange inflows in a substantial way. Further, uncertainty reigns concerning the duration of this pandemic, no one knows for sure when it will end confinement, not all countries are in the same stage of development of the disease, and in case little, there is the high possibility of a second and third wave of infections. Places where they were thought to have already after the crisis, they had to take action again extreme to protect the health of the inhabitants, greatly complicating plans to deal with this situation and putting in check the times allotted for any possible solution.

Another problem that exists is that the solution does not it depends solely on actions taken by a certain country, but depends on joint action with its "strategic partners. For example: the actions they take

of the air lines are not flattering:

- United: will cut 36,000 jobs this year.
- American: plans to eliminate over 40,000 jobs in 2020.
- Southwest: asked its employees to embrace early retirement.
- Delta: plans to lay off nearly 2,000 pilots in October.
- Spirit: managed to negotiate that its employees reduce their hours and wages to reduce layoffs.
- Avianca: requested a loan under the laws of Bankruptcy, and you will restructure the company.

The news for Cruise companies is still more dramatic: Costa Cruises will start with cruises in the Mediterranean, but only for citizens Italians and the other lines have no concrete plans by 2020; 2021 is still with serious doubts for many of the routes that existed only a few months.

In the case of Puerto Rico, the negative impact on this sector has been extremely important, according to data reported by various news outlets in early this September. Next, we list some of the data that quantifies the impact had this Pandemic for our Island:

- Until July 2020, losses derived from this disease were calculated at \$ 271 million and it is estimated that for the year full can reach \$ 1,000 million (representing a loss of 55% of the contribution of Tourism to the Domestic Product Gross (GDP))
- Unemployment in the hospitality sector and restaurants is around 27%, and according to comments expressed in the different rotating, "About 43 hotels of the 160 inns endorsed are kept closed and that is

overhead lines will have a significant influence on the speed of recovery of a country, and in the case of Puerto Rico, the impact of air access is even more important for the mere fact of being an Island.

add the non-endorsed, so it can be assume that the figure may be even higher ". I know estimated to be close to 70% unemployment, in the industry directly associated with Tourism.

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- Recovery will be slow and it will take between 24 and 36 months to reach the 2019 figures. It is estimated that the recovery is not expected until 2023. If we take as reference the period of Hurricanes Irma and María, the jobs in the sector took about a year to recover.
- Of the 160 hostels endorsed by the Tourism Company, 43 remain closed. This figure represents a decrease of 2,800 rooms of the total of 15,000 rooms, which is the total inventory of Puerto Rico.
- The airport registers almost half of passengers compared to the same period in 2019.
- Occupancy figures during the period of summer, when domestic tourism is more evident, have been in some cases catastrophically low. There are examples where there is only 10% occupancy, this caused by restrictions on using swimming pools and ban on going to the beaches.

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However, not everything is negative. Surveys conducted internationally and in the US, specifically, clearly reflect the desire of the vast majority of tourists to travel as soon as possible and feel safe to undertake the journey. However, we will meet with a lot of media and promotional competition stronger than normal. All destinations will be promoting your country and the offers will be very attractive. Consequently, the struggle to get that traveler is will make it much more difficult, emphasizing the need to prepare a robust plan to promote the island before of the opening

That moment will be key to destiny. Those places that are willing to invest in promoting and marketing, will be those who will benefit from the tourist who initially decides to travel again.

Strategic alliances with industry partners

There are two points on which any strategy. The first will be innovation and creativity in the promotion and marketing of the destination. Offers for attract the traveler must be well thought out and executed, and there are previous examples (the 9/11 crisis) where Puerto Rico managed to present a very good campaign articulated and above all, with an almost perfect execution. That message has to have the convincing balance of the attractions of the destination with its safety and health, that Covid-19 will not go away. The second point still more important, will be the speed of execution of the Plan. The destination that manages to present an integrated offer that is attractive to the traveler, you will benefit from the beginning and will enjoy greater loyalty to potential future trips of those tourists.

Integrated and balanced creativity with messages most important for the traveler, and the speed of planning and budget available to promote (be ready) and its execution will be the keys to success. This implementation requires that all sectors (public and private) work in tune with the tourism sector and that the promotional offer of the destination is equivalent to the visitor experience once you arrive.

Current situation of the Tourism Company of Puerto Rico

The Reorganization Plan No. 1, which in turn prompted the approval of Law 141-18 eliminated the only agency responsible for the development of public policy of tourism on the Island. Law 17-2017, on the other hand, created the "Corporation for the Promotion of Puerto Rico as Destination "(referred to as "Discover Puerto Rico"). It arises, in part, as a claim of the tourism industry due to the lack of continuity and consistency of message in promoting the destination;

(Hotels, Airlines, cruises, companies dedicated excursions, etc.) will have to be an essential part of any development plan.

However, it has not been without controversy due to the lack of transparency in its operations. The Division of Tourist Transportation passed to the Transportation Bureau and other Public Services, while the Division of Games of Chance became part of the Commission of

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Games of Chance. This has resulted in a corporation that was self-sufficient and did not depend on the Fund General has been dismantled and there is no entity to in charge of defining tourism public policy.

Tourism governance is an area of vital importance for the strategic plan to be carried out carried out successfully and with continuity. Currently the approach should correspond to basic criteria of: Public responsibility, participation of all tourism sectors, long-term strategic approach, recruitment and retention of the best resources, financing and capacity to adapt to changes of the local and global tourism sector.

Access Status

Air and Maritime

Some 24 airlines serve the Puerto market Rico, standing out American Airlines, Spirit, Jet Blue, Southwest, Delta, Frontier, United, Seaborne, and Cape Air in our main New York markets, Philadelphia, Boston, Chicago, Florida and Washington. Increasing competition, not only in the region the Caribbean but at the level of emerging markets, has caused Puerto Rico to lose its position privileged to be an air and maritime hub ("HUB").

In these times of pandemic it is imperative develop strategies that can change this unfortunate course. The decrease, not only of seats, but of existing and potential markets, must be stopped by joining all sectors. That is why the cooperation that may have the Tourism Company, Aerostar as operator of the AILMM, the Ports Authority and the Fortaleza, with the Federal Government, will be crucial for the growth of this important segment.

As a result of the Pandemic the arrival of travelers to Puerto Rico has decreased by 49% since the beginning of

*We will seek a federal incentive
bring new companies*

"Lockdown", compared to last year. Despite this the great Most of the 24 airports with direct service to the Port Rico before the pandemic have restored their service. The current seat capacity or seat capacity for Port Rico ranges from 240 thousand to 565 thousand seats between

pharmaceutical and manufacturing for create jobs in Puerto Rico.

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the months from September to January 2021, taking into account fluctuations that may continue to occur due to the Pandemic. Internationally, air traffic from and towards Latin America and Europe is completely arrested because of the Pandemic. The main markets internationally they are Canada, Mexico, Spain, United Kingdom, Colombia, Germany, Costa Rica, Panama and Argentina. Europe is served primarily through Iberia, via Madrid, with connections to practically all Europe, and Condor mainly serves the German market and nearby countries. Regarding the airlines from Latin America, Copa and Avianca continue without operating internationally also due to the Pandemic, with the recent staggered opening of Copa in the last week of August. The reestablishment of international routes will be conditional on the reopening of tourism and all commercial and corporate activity.

International regional airports, please understand Aguadilla and Ponce, have several services airlines including JetBlue (Aguadilla and Ponce), United (Aguadilla) and Spirit (Aguadilla). The perspective Aguadilla's growth rate is higher than Ponce's in the measure that the Porta del Sol area (western area) increases its attractiveness and hotel complexes are developed with more inventory, which has the ability to generate groups and package demand. Ponce's capacity is more limited, although hotel developments in the area south, as well as infrastructure improvements to facilities of the Mercedita terminal can attract new airlines and frequency expansions.

In the case of the rest of the regional airports, particularly Isla Grande and Ceiba, these serve mainly to connect with Vieques and Culebra. In the as the hotel product is renewed and expanded in both islands, as well as infrastructure issues in all facilities, there is the capacity to handle more traffic. It should be noted that the current Administration is trying to achieve a public-private partnership

"When we support the one from here, we create a strong link of relationships in the economy. Y on that, precisely, is based my development proposal economical to achieve

to manage all regional airports, without
However, this has been delayed by the current situation.

In the cruise sector we must be attentive to
possible refocusing of this sector and rethinking our areas
port facilities to adjust to the new demand, according to

Second Transformation. "

developing economic

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to the needs of the tourist. In the same way we have to
be agile and effective developing and encouraging new
transportation alternatives that integrate the various
regions and are adapted to the diversity of pockets of the
traveler and consumer.

Currently everything is paralyzed in the main
ports of the United States and San Juan and Ponce for
Puerto Rico. The primary reason is that the CDC in States
Unidos has not given the go-ahead to cruise lines
to return to sailing in cruise ports in States
States and Caribbean-United States. Many lines of
cruise ships are canceling their itineraries until 2021 before
the uncertainty of not being able to sell trips since I do not know
It has a final and firm date to resume its routes.

A vision Transformative

This is why, in this Second Transformation,
we must change the paradigm and not only evaluate the
models of success, but learn from them. Also thanks
to the dialogues held with members of the private sector
tourism, we have welcomed your ideas and recommendations,
which we not only applaud, but we are
incorporating as part of this new model and axis of
transformation.

As part of this economic model, we intend
raise the competitive level of the Island, through
education, safety and improve the environment of doing
business. In this Model, apart from capitalizing on the
federal funds assigned to our Island, we will incorporate
as axis three (3) sectors that interact with each other as
it is; tourism, housing construction and agriculture.

General objectives

1. Increase the economic impact of tourism

making the sector a true protagonist
of the country's public policy

Priority Objectives, to Short term

Objective 1

1. Restructure, through legislation, the agencies
destination management and promotion main
tourism
2. Restructure the DMO
3. Strengthen the promotional fund
4. Establish a Governor's Tourist Council

Strategies

1. We will restore the institutionality of the Company
of Tourism of Puerto Rico (CPTR), so that
be autonomous, and self-sustaining, ensuring the
collection of your collections in an agile, fast, and
guaranteeing the sustainability of the industry before
the world.
2. We will review the legislation created by the Authority
for the Convention District, the Company
National Parks and the newly created Commission for
Games
3. We will redefine the structures and roles of the CTPR
as well as the promotional approach, Discover PR,
so that results are maximized and work in
team as allies.
4. We will promote the promotion of new sources of
income for promotion and marketing through
public and private funds.
5. We will prioritize the role of development and management of the
tourism product to elevate the destination as one
world-class, via redefinition of roles, resources,
and continuity of management.
6. We will present legislation that strengthens and encourages

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- 2. Increase air and maritime connectivity
- 3. Improve the tourism offer and product in accordance with the characteristics of the Region together with the Municipalities, emphasizing quality elements and economic, social and cultural sustainability
- 4. Improve the investment and business climate,

- tourism of the Island. Among which is to amend the sustainable tourism law to serve as an axis main for the tourist development of the country.
- 7. We will appoint a Tourist Advisory Committee of the Governor.

Objective 2

Identify tourism development poles and funds necessary for your operation

Strategies

- 1. We will define the tourism development poles: San Juan, North Central Region, South Region, Region East and West Region.
- 2. We will recapitalize the Development Corporation CDBG-DR funded hotelier through a new project financing program improvement of tourism infrastructure main island, ports, airports, attractions tourism and regional projects, among others.
- 3. We will identify CDBG-DR funds to create a new tourism development fund in coordination with local banks for property development at the designated poles and we will design a model financing.
- 4. We will define the project management, sustainability of the same and management of funds. Will include transparent and proper procedures inspection structures, without necessarily being bureaucratic.
- 5. We will establish an agile process for assigning funds for the sustainable development of each of these projects.
- 6. We will structure a financing mechanism and maintenance of each of the projects to its self sustainability and maintenance.

Key Indicators of Performance

- 1. Amount contributed to the Financing Fund Tourist
- 2. Number of tourist developments that operate under the desired quality levels

Objective 3

Increase the promotion of the tourist destination

Strategies

- 1. We will identify funds for the promotion of destination marketing.
- 2. We will invest in public relations promotion fate and the misperception that the latter four years have been in our destination. This is a effort integrated by the public and private sectors. It is important that the CTPR, as well as the office of communications of the DDEC and the Governor, be integrated into the design of communication to bring a single voice as a country.
- 3. We will develop an education campaign for all levels to educate citizens about the importance of tourism for Puerto Rico and its economic growth.
- 4. We will reinvest in marketing cooperation to attract more flights and new airlines to open new markets for the country, especially for LATAM and Europe.

Key Indicators of Performance

- 1. Investment in promotion and marketing
- 2. Return on Investment in promotion and marketing
- 3. Scope of education campaigns
- 4. Number of new airlines and flights

Objective 4

Strengthen domestic tourism and promote the regions Puerto Rico tourist

Strategies

- 1. We will promote adventure tourism niches,

- 3. Numbers of tourist developments that comply with the maintenance schedule
- 4. Amount of funds identified, requested and obtained
- 5. Number of jobs created

- nautical tourism, medical tourism, golf tourism, luxury, destination weddings, among other markets, with the objective of diversifying the tourist offer of the Port Rich.
- 2. We will reposition and resize markets traditional such as sun and beach tourism,

developing
economic

cultural tourism, rural and nature tourism, convention tourism, nautical tourism, tourism equestrian, sports and adventure tourism, tourism cruise ships, among others.

- 3. We will coordinate efforts with the offices municipal, regional, Discover PR, CTPR and the tourism-related organizations, as well as with the private sector for promotions, support financial and establishment of working alliances.
- 4. We will integrate and use the media communication (written press, social networks, among others) for the promotion of the attractions and new offers to keep informed our local stakeholders of the efforts to strengthen the industry.
- 5. We will develop attractive packages for tourism local.
- 6. We will develop indicators to measure the domestic tourism consumption

Key Indicators of
Performance

- 1. Domestic tourism expenditure
- 2. Percent occupancy

Goal 5

Improve the traveler experience by offering technological tools that facilitate your stay and enhance your experience at the destination

Strategies

- 1. We will develop a digital tourist guide located in information centers. For this you must have monitors or fixed "ipads" ("touch screen") with applications that allow the tourist to search for tourist information (tours,

We will seek a federal incentive

- hostels, restaurants, etc.) interactively.
2. We will establish kiosks (removable furniture) of information in tourist areas.

*bring new companies
pharmaceutical and manufacturing for
create jobs in Puerto Rico.*

Key Indicators of Performance

- 1. Number of users
- 2. Number of Kiosks
- 3. Satisfaction of tourists
- 4. Investment in technology

Goal 6

Convert Puerto Rico into Bridge of the Americas from the aerial access point of view

Strategies

- 1. We will return to the level of previous air routes of the Covid-19 by the end of 2022. The priority will be flights from the US, with 8 new cities, followed by flights from Latin America (3 new cities) and Europe (3 new cities).
- 2. We will maximize the In-transit opportunity Waiver of the Federal Department of Transportation granted in April 2020, to convert Puerto Rico in an air hub with multiple overhead lines, increasing air traffic to the Island, and the potential of new passengers visiting the destination.
- 3. We will strengthen our regional airports, mainly Aguadilla.
- 4. We will reestablish the Air Access Committee to define strategies to attract new airlines.

Key Indicators of Performance

- 1. Number of new routes
- 2. Number of flights
- 3. Number of seats
- 4. Number of tourists

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on that, precisely, is based
my development proposal*

Goal 7
Promote the port of San Juan and regional ports as world-class ones to continue attracting cruises and nautical activity.

- Strategies**
1. We will promote the return of cruise ships to

*economical to achieve
Second Transformation. "*

developing economic

- Puerto Rico ports, with 30% of the visits that Sean Home Port.
2. We will develop the Port of Ponce and the Port of Ceiba as part of Roosevelt Roads.
 3. We will review the Cruise Ship Incentive Law to temper it to the current reality of the sector and the new tendencies.

**Key Indicators of
Performance**

1. Number of cruise passengers
2. Number of ships
3. Home-port number
4. Transit port number
5. Average spending in port

- Goal 8**
Improve the security of tourist areas and zones

Strategies

1. We will promote the creation of special units of tourist police in tourist areas at the level Island
2. We will train and educate Special Units about the service and tourism
3. We will promote the integration of organizations community to support the promotion of areas safe.

**Key Indicators of
Performance**

1. Number of personnel in tourist areas
2. Number of customer service trainings specialized in tourism
3. Number of complaints handled

- Strategies**
1. We will develop a Tourist Ornament program for improvements and maintenance of areas tourism so that the traveler's experience be a pleasant one since you arrive at the airport
 2. We will establish a tourist labeling plan

**Key Indicators of
Performance**

1. Number of tourist areas with maintenance to the desired levels
2. Number of tourists
3. Satisfaction of tourists

- Objective 2**
Improve sustainable tourism planning on the Island

Strategies

1. We will develop the tourism master plan sustainable development of Puerto Rico integrating innovative.
2. We will implement planning strategies for projects developed in the area maritime land to avoid risks and promote sustainability on the coasts.
3. We will coordinate in an integrated way the advice on the sustainable planning of hostels integrating renewable energy and energy alternates.
4. We will interconnect the areas of tourist interest that are nearby, but does not have the necessary connection, and that harmonizes the spaces.
5. We will promote communication and coordination with the municipalities for the effective management of the plan spatial planning and tourism development.

Medium and Long term

Objective 1
Improve the infrastructure, beauty and decoration

Untitled

- 6. We will establish a tourist labeling program in collaboration with the DTOP, throughout Puerto Rico, that makes it easier for the visitor to visit our Island.
- 7. We will improve public and tourist transportation with the development of new tourist routes.
- 8. We will support and integrate strategic plans of the blue economy on the Island, which serves to promote

the development of new products and experiences innovations related to our coasts and the use sustainable sea.

- 9. Redefine the concept of Areas of Interest Tourist within the regional and municipal framework.
- 10. We will strengthen tourism initiatives sustainable established by various institutions and government and non-profit organizations for the development of more companies related to sustainability and related certifications.

Key Indicators of Performance

- 1. Number of hotel occupancy outside the metro area
- 2. Number of visits to tourist attractions
- 3. Number of agreements and alliances established
- 4. Satisfaction of tourists

Objective 3

Achieve a better experience for residents, individual tourists and group tourism and conventions

Strategies

- 1. We will develop arts, entertainment districts and culinary according to the characteristics and opportunities of each Region or municipality
- 2. We will create a redevelopment and reuse plan of properties (and inventory) in the area to the investment of new tourism projects, commercial, gastronomic, entertainment and residential.

Objective 4

Strengthen the offer of tourist attractions, by improving and increasing excursions of

economic for sponsoring the maintenance of the main tourist attractions.

- 3. We will establish a short improvement plan, medium and long term.
- 4. We will create basic criteria, in order to define which will be the tourist attractions that comply with the requirements to be endorsed and promoted.
- 5. We will create a Tourist Guide, simple and friendly, that meets all important criteria, basic information of our attractions and places of interest, for the best orientation and reference to visitors and tourists.
- 6. We will redesign the website of the Company Tourism, to make it more efficient and manageable when looking for information and references from all our accommodation offers, places of interest and gastronomy by regions.
- 7. We will diversify the places of interest, creating new classifications of the Markets Specialized, as a promotion strategy, to motivate to generate more attractions throughout the Island, which meet basic criteria.
- 8. We will promote education and training of human resources of the areas and activities tourist.
- 9. We will promote a diversified offer of activities: recreational, cultural, historical, ecological, natural, ecotourism, among others.
- 10. We will promote compliance with facilities and tourist attractions with the infrastructure of accessibility for people with disabilities and adults.
- 11. We will encourage municipalities, agencies and institutions in charge of tourist attractions develop an articulated maintenance plan.

the tourism industry and related sectors.

12. We will reopen tourist areas such as the Parque de the Caverns of the Camuy River.

Strategies

- 1. We will create a detailed inventory of all tourist attractions, destinations and activities available.
- 2. We will identify sources of financing and

Key Indicators of Performance

- 1. Number of tourist attractions operating satisfactorily
- 2. Number of visitors

developing economic

- 3. Visitor satisfaction
- 4. Investment in improvements and maintenance
- 5. Average visitor spending

Goal 5

Strengthen existing tourist routes and develop new routes

Strategies

- 1. We will promote the development of Tourism Gastronomic supporting legislation for this purpose (Law for the Development of Gastronomic Tourism).
- 2. We will promote gastronomic tourism areas, gastronomic markets, designation of attractions gastronomic tourism and gastronomic heritage, conducting gastronomic events, reviewing of the Gastronomic Mesones Program.
- 3. We will promote multisectoral alliances to promote gastronomy in Puerto Rico and elevate it on an international level.
- 4. We will develop new routes and strengthen existing ones such as: Development of the Route of the coffee. The objective of this tourism project gastronomic and cultural is to promote Puerto Rico as a world-class coffee destination.
- 5. We will support the Designation of Gastronomy Puerto Rican as Ambassador of Puerto Rico.
- 6. We will promote in the tourist regions of the Island the development and coordination of gastronomic events regional integrating the various sectors related to these issues.
- 7. We will collaborate for the development of the project the Yunque Scenic Route coordinated by the US Forest Service, the municipality of Canóvanas, and Vitrina Solidarity.

- 8. We will promote Puerto Rico as a destination of world-class hiking developing new routes.
- 9. We will coordinate with the Tourist Offices of the municipalities promoting Tourism Destinations Cultural-Religious of world caliber, especially in the periods of Easter and Christmas.
- 10. We will promote Puerto Rico as a destination for

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create jobs in Puerto Rico.*

musical tourism worldwide, especially for the native music of Plena, Bomba, Dance, Salsa and reggaeton. In collaboration with the offices of municipal tourism of San Juan, Caguas and Ponce, promote Puerto Rico as The World Capital of the sauce, taking advantage of the products made from La Ruta de la Salsa in: San Juan, Caguas and Ponce.

Key Indicators of Performance

- 1. Number of established routes
- 2. Number of routes operating at the desired levels
- 3. Number of new companies created
- 4. Number of jobs created
- 5. Visitor satisfaction
- 6. Average visitor spending

Goal 6

Promote the Sustainable Tourism Development of Vieques and Snakes

Strategies

- 1. We will review and update the Master Plan to the sustainable development of Vieques and Culebra.
- 2. We will reestablish the Vieques Interagency Committee and Snakes.
- 3. We will improve the means of intra-island.

Key Indicators of Performance

- 1. Number of visitors
- 2. Occupancy percentage
- 3. Visitor satisfaction

*"When we support the one from here,
we create a strong link of
relationships in the economy. Y
on that, precisely, is based*

4. Average spending

Goal 7

Promote construction and sustainable development and diversified of lodgings that allow to have the inventory of rooms required to supply the expected demand

my development proposal
economical to achieve
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developing
economic

Strategies

- 1. We will promote, encourage and develop diversified hosting products, such like the inns in the squares, "Bed & Breakfasts", inns, resorts, camping areas, among others.
- 2. We will promote the creation of eco-lodges and agriculture hotels to develop areas of tourist interest and ecotouristic
- 3. We will update the Regulations of the "Short Term Rentals" accommodations - It is proposed the approval of a new Regulation for the development of the "short term rental" with requirements physical and operational and compliance with COVID-19 security protocols, with the objective of having a new alternative accommodation in Puerto Rico and ensure the quality of product for the benefit of the tourist.
- 4. We will maximize the use of urban properties available in the traditional centers of the municipalities to diversify the inventory of hostels.
- 5. We will promote the hotel development of Puerto Rico, with an emphasis on areas of tourist interest, historical areas, urban centers, rural areas, historic properties and agricultural estates.
- 6. We will diversify from the new categories of hostels, "Bed & Breakfast", "glamping", "Boutique hotels", the Posadas program for the revitalization of the urban centers, the green hostel program, agro-lodges, eco-lodges, accommodations alternative, luxury hotels, among other concepts.

Key Indicators of

of the various regions that make up the communities coordinating and developing their own micro-businesses tourist

Strategies

- 1. We will identify communities and tourist attractions
- 2. We will promote orientation activities and community training related to tourist attractions, availability of activities and community participation in the tourist environment
- 3. We will promote tourism as a model of economic development in communities

Key Indicators of
Performance

- 1. Number of communities identified
- 2. Number of developed companies
- 3. Number of jobs created
- 4. Total investment

Goal 9

Develop a tourism culture aimed at providing a high quality service to tourists on the Island

Strategies

- 1. We will establish quality standards at the international in order to position our destination as a market of quality and sustainability.
- 2. We will ensure that the community segments and academics maintain an active role in the formulation of strategies.
- 3. We will achieve high levels of quality in the various visitor service sectors.
- 4. We will develop surveys to measure

Performance

- 1. Number of new rooms
- 2. Number of new hotels
- 3. Number of jobs created
- 4. Total investment

Goal 8

Develop effective community tourism through

Untitled

- satisfaction.
- 5. We will develop human, social, academic and occupational segments population of the various regions that so Directly or indirectly interact with visitors to the region.
 - 6. We will promote, in collaboration with the academy and educational institutions, the development of workshops

educational activities related to tourism that allow the development of a tourist culture in youth and adults of all ages.

- 7. We will promote and guarantee the development of a tourist culture at the level of all sectors that directly or indirectly interact with travelers.
- 8. We will integrate sustainability as part of the quality of tourism.
- 9. We will develop, in collaboration with the academic institutions, associations students and various educational organizations, a talent bank for recruitment in tourism companies and sectors.
- 10. We will promote the use of technology for training and trainings.
- 11. We will exalt the importance of the conservation of historical, natural, heritage resources, cultural, with a view to raising awareness in the community on its use and education on a sustained basis.

Fantasy Contests, were authorized in Puerto Rico through Law 81-2019. This local legislation responds to a determination of the Supreme Court of the States that declared federal legislation unconstitutional that prohibited sports betting.

By 2023, at the United States level, it is expected the betting market to generate \$ 3.1 billion in face-to-face betting and \$ 8.1 billion in betting by Internet. The Innovation market study Group, which is cited by the legislative assembly in the explanatory statement of Law 81-2019, establishes that, at the Puerto Rico level, this industry could have a \$ 87 million market by 2023.

By virtue of Law 81-2019, the Commission of Games of the Government of Puerto Rico (the “Commission”), the which is composed of the scaffolding of the Administration of the Equestrian Sports Industry, the Games Division of Azar of the Tourism Company and the necessary scaffolding to regulate this new sports betting industry. During the end of August, the Commission issued the draft of the proposed regulation and held the hearing public to receive comments for it.

Key Indicators of

Performance

- 1. Number of academic offers in tourism
- 2. Number of students in careers related to tourism
- 3. Percentage of tourism graduates who they stay in Puerto Rico
- 4. Percentage of graduates who are hired by the industry
- 5. Visitor satisfaction with services received
- 6. Score in the Tourism Quality System

objective

Promote the sports betting, eSports and Fantasy Contests in Puerto Rico, to position the Island as a jurisdiction of competitive importance and that way increase the collections that the government receives.

Strategies

- 1. We will amend Law 81-2019 to achieve the efficient operation of the industry
- 2. We will ensure that there is communication and effective coordination between the Commission and

Sports bets,
eSports and Contests
Fantasy (“Fantasy
Answers ”)

Sports betting and eSports, as well as

Department of the Treasury where both entities
can share information and audits and from that
regulate the industry and achieve the collections
expected

Key Indicators of
Performance

- 1. Position in the market compared to others

developing
economic

- jurisdictions
- 2. Collections from the Department of the Treasury and others
agencies
- 3. Percent of client holders that comply with
the established requirements
- 4. Number of direct, indirect and induced jobs
created

Industry and Sports
Horse Riding of Puerto Rico

Bone scan

The Horse Racing Industry and Sports of Puerto Rico is the
promoter of horse racing, the only sport-industry with
uninterrupted presence on the island, and which currently includes
3 centuries, as horse racing and betting on
They date back to the 19th century in Puerto Rico.
It is one of the sports or activities that has been
maintained among the Puerto Rican favorites with a
broad historical background and popular roots in our
culture.

Horse racing is made up of various sectors that
include the Camarero Racecourse, the nerve center
of the Equestrian Industry and place where the
most of the equestrian activity, and a large group of
employers and workers. In this industry they work
race horse owners, race horse breeders
Native career, and other occupations and professions within
of the Industry that generate between 8,000 to 10,000 jobs
direct and indirect, contributing considerably to
the economy of Puerto Rico, and that produces income

significant to the treasury. The Equestrian Industry has the following occupations: horsemen, horsemen, grooms stable, horse trainers, maintenance of specimens, gallopers, farriers, repairmen of implements, transporters, veterinarians and employees specialized companies that regulate the industry. It also generates commercial activity in food, medicine, equipment electronic, veterinary, legal, financial, accounting, cleaning, among others.

Although horse racing continues to enjoy great reception

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bring new companies
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create jobs in Puerto Rico.*

among Puerto Ricans, in the last 20 years the Equestrian Industry is mired in a serious crisis. Since 1996, betting on racing horses show a constant reduction pattern as a consequence of the proliferation and increase in other types of bets by the government itself such as Electronic Lottery with its different modalities, and the slot machines in hotels.

For 1996 the Horse Racing Industry generated a total of \$ 284.5 million in bets while in 2019, it generated just \$ 108.6 million, which is equivalent to a reduction of about 62%. Furthermore, the decrease constant in the bets, and therefore in the prizes, united the economic crisis, has caused fewer owners invest in racing specimens and the number is less of specimens produced by breeders, decreasing significantly the inventory of racing specimens. As a consequence, the decrease in the inventory of copies of career makes the career offer less attractive and therefore the amount of bets is less.

The magnitude of the crisis in the Equestrian Industry, aggravated by the general economic situation in Puerto Rico, went bankrupt in 2005 del Hipódromo (then El Comandante). Before such situation, a company with native capital, Camarero Race Track Corp., ("Camarero") managed to acquire the Hippodrome as an operating company and turned it into the Hippodrome Waiter.

After the approval of Act No. 139-2004, which implemented the Electronic Video Games System, (SVJ), the installation of up to 5,000 terminals was authorized in equestrian agencies. This came to alleviate the crisis that the Equestrian Industry suffers by providing an income

*"When we support the one from here,
we create a strong link of
relationships in the economy. Y*

supplementary. Until December 2019, Camarero had installed and operating in the equestrian agencies of the Island a total of 3,200 terminals of the SVJ. By operation of the SVJ, whose income has been constantly increasing, the Equestrian Industry has benefited and is beginning to give signs of improvement.

However, the Equestrian Industry faces the challenge of be able to compete against other games, bets, sports and entertainment in Puerto Rico, and thus subsist as industry.

on that, precisely, is based my development proposal economical to achieve Second Transformation. "

developing economic

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For this reason, it is necessary to strengthen, expand and improve the entertainment offer of equestrian sport favoring an increase in equestrian activity and in betting on horse racing, until you get back to the numbers of bets on horse races that were recorded in Puerto Rico more than 20 years ago.

objective

Strengthen the equestrian sports industry in Puerto Rico so that it continues to be a pillar of economic development; source of thousands of direct and indirect jobs, attractive tourist and entertainment for the population

Strategies

We will establish strategies to increase remuneration and collections for all components of industry and equestrian sport.

We will provide incentives to the different sectors that can and wish to continue contributing to the improvement of horse riding.

We will strengthen equestrian sport to attract the public in general and especially to the tourism sector.

Key indicator of performance

1. Percent increase in sports revenues equestrian
2. Number of jobs created

Small and Medium

private sector and 71% of retail sales. The immense Most of the SMEs on the Island are Family Businesses and for every million dollars in production, they generate 5.9 jobs. The vast majority of these companies have in common the following: capital of the owner and the family, committed employees, experience, commitment, quality product and service, market knowledge and a strong interest in growing your business, expanding your sales and your workforce.

These businesses so important to our economy suffer from governmental and institutional support structured and permanent. They also lack support technical, empirical analysis and educational programs that help them make informed business decisions now weather. Despite this situation, SMEs are active, producing, creating jobs and paying the payroll of thousands of employees.

Business incubation formally began in the USA in the 1960s, and later developed in the UK and Europe through various forms related (innovation centers, techno-poles / parks scientists). It is recognized as a way to satisfy a variety of economic policy needs and socioeconomic that may include:

- Employment and wealth creation
- Support for small businesses with high potential growth
- Technology transfer
- Promote innovation
- Improve links between universities, institutions of

Companies (SMEs) - Incubators and Business Accelerators

Bone scan

SMEs constitute an important bulwark of the Puerto Rican economy with development potential if the necessary support is provided. About 40 thousand Puerto Rican businesses constitute 95% of all companies in Puerto Rico, 83% of the jobs in the

- Development of business centers
- Evaluation of the risk profile of a company

In general, an incubator is a physical place that provides a defined set of services to individuals or small businesses. This can include specific types of office space, flexible lease terms, technology, financing and technical assistance (such as marketing, law, finance, human resources and others business developments). When locating similar entities

or complementary close to each one, the incubator can also play a critical role in promotion of knowledge transfer, both formally and informally.

Incubation has become a focus interesting to accelerate the development of technologies, industries and business skills. The companies young people are particularly vulnerable in their early years of existence, where there is a higher percentage of inexperienced workers starting businesses. Lack of formal exposure to corporate business management (due to the general lack of opportunities for employment) means that there is a percentage of students or inexperienced entrepreneurs who are trying their luck by start businesses.

Emerging IT, Communications Business and technology tend to attract professionals from technology with little business experience. In addition, the starting environment can be significantly more hostile in an economy where services remain inadequate, inaccessible or expensive.

In a report from the Administration of Small Business (SBA), data shows that 60% of new business in the United States they fail in the first 4 years of establishment. Others analysts claim that failure rates are much more discharges in the first 5 years.

It is widely accepted that incubation rates can dramatically increase survival up to 80% when programs they are well executed. This success rate is surprising, considering that the majority of entrepreneurs

collaboration.

- Diversified models (incubation + office rental) maintain programs sustainable and independent.
- Not be 100% financed with public funds keeps the incubator focused on tenants and services provided.
- Strict entry criteria (focused on innovation and implementation) can ensure a higher success rate.
- Investors / entrepreneurs seeking making new capital investments can motivate yourself to be mentors.
- Companies looking for future clients can provide professional services With discount.
- A strong incubator manager, who monitors both mentors and companies is key.
- Use experienced managers business and can relate.
- Incubation programs can follow being economical and profitable with few employees.
- Ensure that tenants pay for the services they receive and dismiss those that they are not marketable.
- Incubators create a climate of collaboration and "networking" from the beginning.

objective

Promote and strengthen the development of small

they arrive at the incubator with basically a dream.
It is clear that critical success factors for
incubators and accelerators include:

- The grouping of co-located companies is important as it leads to collaboration and natural clusters.
- Entrepreneurs learn more from each other, and of other businesses, than with consultants.
- The combination of start-ups with companies established in the same building encourages

businesses, accelerating start-ups in all axes /
industries of the second transformation of Puerto Rico.

Strategies

1. We will promote 10 incubation and acceleration centers in the regions of the country during the first 2 years with federal grants and collaboration of private entities.
2. We will develop in the incubation centers and acceleration 100 new companies the second year and we will grow to develop 1,000 new

developing economic

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companies per year.

3. We will create incubation and acceleration centers for tourism industries, agricultural production, technology, construction and energy in the centers university students of the Country.
4. We will emulate and promote models of non-profit incubators and accelerators, public, private and combinations of these as Paralelo 18, PRTEC, Grupo Guayacán, UPRM Start Up Lab, UPR I + C, Y Combinator, 500 Startups and Techstars.
5. We will take advantage of the funds available under CDBG-DR to encourage investment from business partners corporations to drive these strategies.

Key Indicators of Performance

1. Number of incubation and acceleration centers created
2. Number of companies created
3. Number of direct, indirect and induced jobs created
4. New business survival rates
5. Number of Hubs / industries developed in the universities

99

One of the initiatives to develop innovation technology that will allow us to insert ourselves into growth economic and social related to the fourth revolution industrial, led by Artificial Intelligence, is the Project 3i (Innovation-Research-Intelligence) that seeks to promote education in Science, Technology, Engineering and Mathematics (STEM) from degrees elementary through college level (K-20). As part of this project, we will attract and retain scientists and world-class researchers through incentives economic and contributory.

Our intention is to establish a class center

*We will seek a federal incentive
bring new companies
pharmaceutical and manufacturing for
create jobs in Puerto Rico.*

world following the models of success that are established in other countries such as:

- Max Planck Institute in Germany
- National Center for Scientific Research in France (CNRS)
- Superior Council of Scientific Investigations in Spain
- National Council for Scientific Research and Techniques in Argentina (CONICET)
- National Development Council Scientific and Technological of Brazil
- National Council of Science and Technology of Mexico

Bone scan

From 1977 to 2018, Puerto Rico has been granted a total of 1,038 patents between individuals and institutions primarily of higher education. This represents an average of 25 patents per year being the year with the highest number 2016 with 51. This it contrasts dramatically with countries of similar size. Next, we see the patents granted in the year 2018.

*"When we support the one from here,
we create a strong link of*

If we analyze the factors that have contributed to success of the various institutions mentioned, can identify as one of the main generating knowledge through basic scientific research and applied, technological development and training high-level human talent. These institutions have as north serving as a counseling center, consult

*relationships in the economy. Y
on that, precisely, is based
my development proposal
economical to achieve
Second Transformation. "*

developing economic

and facilitator of services in the branches of science to both public and private companies nationwide and international.

Factors that are also critical to success of this management are the following:

1. Long-term commitment to human resources properly educated and trained in the identified research disciplines
2. Identification of students who demonstrate special abilities in STEM disciplines in order to further their education
3. Strengthening of educational centers at the intermediate and superior to serve as spear point for the development of the human capital required
4. Integration of world-class researchers by means of research resource incentives, financial and results promotion
5. Guarantee of quality of life for the region where set options in the areas of:
 - Culture
 - Recreation
 - Education
 - Entertainment

objective

Develop Project 3i (Innovation-Research-Intelligence), in the western area, in a joint effort and coordinated between academia, government, both central as municipal, and private company

- reasonable lifetimes for them to continue studies leading to doctorates.
4. We will strengthen the educational entities of level intermediate and higher specialized in STEM as are CROEM, the high school of University Gardens and other specialized schools of the Department of Education and encourage student participation in these programs
 5. We will establish agreements with industrial entities and corporations for the identification of projects and research funding that would be assigned to this research center
 6. We will guarantee through legislation, the funds to be assigned to the University of Puerto Rico, as integral partner of this management
 7. We will promote bilateral relations with Centers of World-class research for exchange information, research resources and results
 8. We will promote and sponsor, through allocations of funds for the municipalities of the area, quality of life environments where the security, culture and entertainment events
 9. We will create the quality of life conditions that invite researchers to participate
 10. We will formalize a collaboration agreement where the responsibilities of each participant, namely (1) central government, (2) municipal government, (3) academia and (4) sector private. This agreement will embody the commitment, both economic and work, for a period

Strategies

- 1. We will establish a Board of Directors composed of by highly reputable people from the academia, government and private enterprise
- 2. We will identify research resources and development within the local intellectual wealth and international who may be interested in participate in this initiative
- 3. We will identify the best level students university in STEM areas to offer scholarships that guarantee both study and income

Untitled

not less than 5 years old, to achieve the establishment of the Research Center proposed.

- 11. We will pass legislation that enables the following Actions:
 - Reduced tax rate for researchers scientists who participate in this initiative
 - Establishment of scholarship funds for students who commit to completing PhDs in STEM subjects already participate in this project for a period not less than 5 years old, once their

doctoral studies.

- Allocation of funds to municipalities that participate in this initiative to improve environment and quality of life.
- 12. We will establish agreements with Centers of World Quality Research for consulting, human capital exchanges and cooperation scientific.
- 13. We will designate resources for the identification, management and obtaining funds from international entities that sponsor scientific research projects and developing

Key Indicators of Performance

- 1. Total budget allocated for innovation technological
- 2. Number of scientists and researchers
- 3. Number of bilateral agreements with Centers of World-class research accomplished
- 4. Number of students at the doctoral level
- 5. Investment in improving the environment and quality of life of the region

natural and others, are components of what we know as artificial intelligence.

The rapid development of this level of automation and acceptance in the industry have given way to what has been called the fourth industrial revolution.

The main components are fed by developments such as the Internet of Things (IoT), analysis of large amounts of data (big data analysis), and predictive analytics.

The penetration of Artificial Intelligence has caused the Organization for Economic Cooperation and Development (OEDC), has developed a series of principles related to Artificial Intelligence (IA). These principles were adopted by the G20 in its June 2019 meeting.

objective

Create the necessary environment, within the ecosystem industrial, to serve as a center for the design and development of new technologies

Strategies

- 1. We will establish, together with the universities in Puerto Rico, the research centers of the technologies described above.
- 2. We will develop educational curricula to raise the degree of knowledge at the vocational level for provide the human capital required to put into practice this new way of carrying out carry out industrial processes.

Bone scan

Automation, which makes use of intelligence artificial and other technologies, has opened countless possibilities. The pace of adoption of these technologies it has been fast. Institutions of all sizes at the level worldwide are leveraging automation to generate value.

Technologies such as robotics, vision by computer, machine learning, understanding natural language text, virtual agents or interfaces conversational skills, generation and understanding of language

- 3. We will promote, together with private companies, the development of programs for the automation of processes and controls.
- 4. We will encourage the participation of Puerto Rico in the research and development opportunity of the fourth industrial revolution, in an effort made up of academia, industry and endorsement governmental.
- 5. We will establish cooperation agreements with the academia, manufacturing companies and companies high-tech to design work together among all participants.
- 6. We will identify alternative funds from entities

developing
economic

available to finance these programs.

7. We will integrate the management of industrial development, demonstrated commitment to contribute to the vision integral part of the fourth industrial revolution.

Key Indicators of Performance

- 1. Number of agreements reached between the industry, academy and high-tech companies
- 2. Human capital educated in vocational aspects of the use of Artificial Intelligence
- 3. Amount of funds raised for research and development of new technologies
- 4. Number of companies that integrate Intelligence Artificial by automating your operational processes

Redevelopment of Roosevelt Roads (RR)

The redevelopment of Roosevelt Roads (RR) represents a unique opportunity to carry out a strategy that include broad economic, tourism and social development to transform the East area and significantly impact to Puerto Rico.

A development opportunity as important as this requires us to dedicate sufficient resources already full time, as has been done in other jurisdictions where facilities have been successfully redeveloped closed military. The redevelopment of land and facilities has to respond to the needs of the residents of the area, municipalities and the regional environment. Likewise, it has to be done in an integrated way and that maximizes opportunities for economic development of the area.

Bone scan

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In 2004 by law of the US Congress Roosevelt Roads naval base is closed by preparing the transfer of it to the Government of the Free State Puerto Rico Associate. Such closure, and the provision of subsequent lands, is carried out according to with the procedures and authorities contained in the Defense Base Closure and Realignment Act of 1990, best known as the BRAC Act. That same year the Law No. 508 that creates the "Law of the Authority for the Redevelopment of Station Grounds and Facilities Naval Roosevelt Roads "(the Authority).

In May 2013, the Authority finally obtained the 3,400 string title for the redevelopment of the old US naval base upon completion of the Economic Development Transportation (EDC) in English). Shortly thereafter, the Authority updated the Plan of Land Use ("ROTFU") and reorganized the Master Plan in 9 development zones under the Development Zones of the Master Plan 2014. That same year the law that creates the Authority through Act No. 158.

Among the existing facilities in said Station Naval, there are the facilities of an airport, nine deep draft docks, housing, hotels, hospital, waste water treatment plant, landfill, three spas, recreational and sports areas, schools, shopping malls, apartments, conservation areas ecological, among others.

The land and buildings transferred to the Authority (3,400 tbsp.) Contain 801 residential buildings with 1,465 units. These buildings comprise a net area

"When we support the one from here,

2,417,010 square feet, which represents 50% of all the net area of the base.

The use of the land incorporated into the Master Plan and approved by the Department of Defense can be summarize within six broad categories that include: (1) economic development; (2) public, educational use and institutional; (3) residential; (4) open spaces and recreational; (5) conservation; and (6) tourism.

we create a strong link of relationships in the economy. Y on that, precisely, is based my development proposal economical to achieve Second Transformation. "

RR land inventory

developing
economic

For planning purposes, the old Base Naval has been divided into nine (9) subareas or zones in the 2014 Master Plan. This plan includes estimates preliminary jobs, construction and investment. The Master Plan estimates a development in 25 years with a total of 12,665,000 square feet of construction, 20,116 jobs, a private investment of \$ 2,379,775,000 and 6,257 residents.

The costs of infrastructure improvements were estimated by \$ 102 million in 2004. These include improvements to roads and utility infrastructure improvements such as water, sewer, flood drainage, electricity and telecommunications. In 2019 it was negotiated

they were used for naval base officers. The investment total project is around \$ 200 million and the project in its entirety will be completed in a period of 10 years and will generate 1,500 direct jobs and 7,500 indirect jobs in your operation.

Notwithstanding the foregoing, develop and achieve approval of the federal authorities of the Master Plan it took the government 10 years. After 16 years of the closing of the naval base, the lack of necessary resources, the absence integration and coordination of efforts between concerned agencies have contributed to the current state of abandonment of their land and facilities. Budget

and awarded IBD Energy a contract to create a micro-network and provide power to Roosevelt Roads by moving it outside from PREPA's electrical network. During the month of July 2020 the Fiscal Control Board allocated \$ 13 million for a new water treatment plant.

Last July 2020, the first stone for the development of one of the 9 zones of the Plan Master (Zone G). Loopland would be the first inn large scale on Roosevelt Roads, focused and designed for millennial families. It will be an adventure center marinas, sports, entertainment, and relaxation, among others, respecting nature and its surroundings. This includes the renovation of 500 residences that

the Authority's current figure is just \$ 2.5 million per year, making it impossible even to maintain the old naval base. The Executive Director is appointed by only 2 years. A strategy is required from the government integrated, appropriate resources and managerial efficiency to to accelerate the redevelopment of Roosevelt Roads.

objective

Promote and implement the 2014 Master Plan

Strategies

- 1. We will integrate and coordinate the Master Plan with the Roosevelt Redevelopment Authority

- Roads and the agencies relevant to this redevelopment: Department of Economic Development, Authority Ports, DTOP / AC, Tourism, Housing, DRN, AAFAF, and the Economic Development Bank
- 2. We will establish a brand identity (branding or brand identity), for example: Perla del Caribe, Punta Esmeralda, Portal del Este District, Port Caribe, etc., at Roosevelt Roads and develop a marketing plan
 - 3. We will increase the number of people who choose to the island as a destination
 - 4. We will incorporate and integrate this redevelopment the Airport and the Hospital
 - 5. We will manage the permits with the federal government to establish an air transshipment port. Last April, permits were granted by the Federal Department of Transportation for these ends at the airports of Aguadilla, Ponce and Carolina. This includes the use of the spring deep draft and a shipyard that will complement with a school to develop naval mechanics.
 - 6. We will request and manage the appointment of RR as a Duty Free Zone and / or a Center International Trade with the Department of Federal trade. We will create a Free Zone Taxes for young entrepreneurs.
 - 7. We will integrate efforts with the federal government to utilize and maximize Promise Zones programs and Disadvantaged Zones.

- two reserves (Punta Medio Mundo and Punta Puerca) ideal for this project.
- 11. We will create a Municipal Tourism Consortium with federal funds for adjacent municipalities: Ceiba, Naguabo, Vieques and Culebra. Establish a vocational and technical school for these municipalities.
 - 12. We will appoint the Executive Director of the Authority for a term of 10 years. This long project term requires continuity and stability in the management of it.
 - 13. We will establish a budget of \$ 15 million annually by transferring funds and services as provided by the enabling law of the Authority.
 - 14. We will coordinate effectively with the agencies state, federal, municipal, academy, community groups and citizens the administration integral of the system of economic, social, tourism, housing, commerce and manufacturing of this important development for the eastern area.

Key Indicators of Performance

- 1. Percentage of projects developed
- 2. Investment in developed projects
- 3. Number of jobs created

8. We will develop a program to repopulate through a broad retirement community and attract the economic activity that this would generate: pharmacy, grocery store, bank, medical facilities and others.
9. We will request renewal proposals and administration of the 27 apartment buildings existing for retired, adult housing seniors (independent living), Eco Hotels and Hotel for the Airport among others.
10. We will implement recreational tourism (outdoor recreation): camping, fishing, ð-roading, sports trails, water sports (kayaking, scuba diving, stand-up padding, boats), cycling in pavement and ð-road, zip-line). Zone C has

Self-management and Social Entrepreneurship and Solidary

The business field within the private sector is not limits that of capital companies, there is also another business field, which starts from another logic or mission, which are social and solidarity enterprises. This type of entrepreneurship has shown that it is a powerful strategy for the generation of decent jobs, to articulate quick and effective responses to help victims in crisis and disaster situations, to

developing economic

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promote social cohesion and transformation of inactive or underutilized productive resources in new and / or better community economic engines. They are distinguished by the fact that enterprises are born from a spirit of innovation, creativity and collaboration, but always starting from autonomy and self-management.

goals

1. Promote the creation and strengthening of companies social and solidarity as one of the pillars for the local or endogenous economic development of urban and rural communities and / or municipalities with high unemployment rates, very low rate of labor participation, dropout problems school or population loss due to emigration.
2. Promote the creation of Community Centers of Digital Literacy
3. Create Public / Community Alliances (APC) as strategy to improve initiatives, programs and recreational-sports, educational and maintenance of public infrastructure, conservation of forests and high value areas landscaper, among others

Strategies

1. We will create the Council of Social Enterprises and Solidarity to assist in their development.

- 2. We will promote and strengthen the practices of incubation of community micro-enterprises and solidarity and companies with social purposes.
- 3. We will design a Plan for Port Development Rico as a world class surf destination and We will incorporate surfing organizations from community base in the design and implementation of said plan.
- 4. We will establish a comprehensive health program holistic, leisure and recreation to promote styles of healthy life in childhood, the constructive use of leisure time of the elderly and to improve quality of life and recreational opportunities sports-tourism of the population of children and adults with disabilities.

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bring new companies
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**Key Indicators of
Performance**

- 1. Number of social and solidarity companies created
- 2. Number of jobs created
- 3. Number of Community Literacy Centers Digitally created
- 4. Number of people attended at the Centers Community Digital Literacy

Orange Economy

Bone scan

It is known as the Orange Economy or Economy Creative to activities that transform ideas into cultural-related goods and services. This model, that generates wealth using intellectual property as a starting point, it includes: cinema, fashion, music, arts visual and scenic, crafts and shows, among others. Among its main characteristics is: development of culture linking it with the economy, development of unique products of great intellectual value and use of

new digital technologies relying on the economy collaborative.

In Puerto Rico we have been very successful in initiatives related to cinema, an industry that worldwide in 2019 had an impact of \$ 414 billion and created 14 million direct jobs. TO local level, during fiscal year 2018-2019, the Program de Cine awarded approximately \$ 100 million in tax credits to 39 projects. It is estimated that these productions invested approximately \$ 200 million in the local economy and created about 8,710 jobs with a payroll of \$ 71 million and used about 11,500 hotel nights. In addition, they had a direct impact on industries such as tourism, goods

"When we support the one from here, we create a strong link of relationships in the economy. Y on that, precisely, is based my development proposal economical to achieve Second Transformation. "

developing economic

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roots, food, transportation and equipment rental.

Puerto Rico has technical and creative staff highly trained and recognized worldwide. The student demand for college majors in film and related fields has experienced growth constant in recent years, increasing the number of people graduating from that field. Not less important is the great variety of locations to film outdoor short distances and the development of various infrastructure projects for indoor filming.

objective

Recognize growth potential and contribution from the Orange Economy to Economic and Social development of Puerto Rico, especially the production industry cinema and audiovisual content

Strategies

1. We will restructure the Film Commission so that have the necessary resources and that way can compete on equal terms with the about 289 cinema commissions that exist in the world in promoting the Island as a destination for shooting
2. We will develop an agile business environment, stable, responding to the needs of the industry and that allows us to compete globally

3. Payroll paid
4. Number of local productions
5. International awards obtained

objective

Achieve that other areas related to the Economy Naranja or Creativa (in addition to cinema) create jobs and become important agents in development economic and social development of Puerto Rico while promoting Our culture

Strategies

1. We will carry out a study on the current situation of the industries related to the Orange Economy, To determine needs, study the cost profit and prioritize
2. We will identify funds to encourage industries
3. We will develop training programs for companies and individuals interested in participating in these economic-cultural programs
4. We will create the business ecosystem necessary to the development of successful companies or growth of existing ones

3. We will promote the development of emerging filmmakers and strengthening the workforce
4. We will evaluate the administration of the programs incentives for them to operate in a consistent and agile
5. We will evaluate the possibility of creating a fund to the production and distribution of local cinema
6. We will promote the development of infrastructure such as studios and filming facilities

**Key Indicators of
Performance**

1. Industry investment in the local economy
2. Jobs generated