

Other cities, states, and countries have confronted the same situation only to regroup in order to rebound and prosper. Our current financial situation was caused by decades of prioritizing on short-term, expedient decisions over long-term plans. But a problem of decades in the making will not disappear overnight.

We have taken firm steps to solve our current situation by reforming our pension system, implementing spending restraint measures, and presenting the most austere budget to ensure liquidity of the government. Also, we are addressing energy - one of our most challenging hurdles in economic development - with a complete restructuring process that will incorporate additional sources of energy production, and will translate into savings and a more reliable system for our people. The fact that we are seeing progress at the negotiating table is a clear sign of our commitment to reform and to be more effective. This represents an invaluable opportunity to collaborate and for strategic alliances in the region.

Our geographical location is our most prized possession. We are all unique but at the same time, just by being neighbor countries in this strategic, geographical location called the Caribbean, we are in some ways perceived as the same. Perception is reality, and we should all take it as a huge opportunity. No matter how you place the map, all the Caribbean countries will appear at the center of the Americas. Center is a powerful word and we must use it to our advantage with carefully designed business collaborations to become the world's center for the new economy. As such, we can be the focal point where forward thinkers of all matters and expertise coincide to exchange knowledge and create ideas.

We have invested time and energy over the last three years to restart key sectors of the economy that hold tremendous potential to generate growth. With the

right legislation and leadership we partnered with the likes of Lufthansa, Honeywell, PricewaterhouseCoopers, Santander, and other well-established investors who decided to break ground in the island to do business much beyond the short term. They are world leaders in technology, real estate, and finance. They did it because they are convinced that Puerto Rico represents a sound investment.

The unemployment rate has gone down to from 16.5 percent to 11.4 percent, the lowest for this time of year since 2008; retail sales have had a steady increase over the past years and will reach a projected \$39.5 billion by the end of the year; and we are finally closing the gap between revenue and expenditure.

Key sectors are flourishing: aerospace, bio-pharma, live sciences, technology, tourism, agriculture, research, finances, insurance, and film, among others. Investors and companies of grand international stature have taken advantage of a four percent corporate tax rate. We have designed a highly competitive set of laws that have resulted in alluring foreign capital to stimulate the local economy. By virtue of our unique commonwealth relationship with the United States, Puerto Rico enjoys fiscal autonomy, which means that it can offer very attractive tax incentives not available elsewhere in the U.S. Yet, all federal laws apply to Puerto Rico and companies can enjoy the benefits and protection of operating within a U.S. jurisdiction, with the benefit of doing so under a foreign tax structure. But that is not all. The bilingual and bicultural nature of its people, have placed Puerto Rico as one of the most competitive business destinations in the world.

We have the necessary transportation infrastructure: a port that ranks at #10 in container movement in the United States; an international airport that handles thousands of direct flights to all major cities; and a communication infrastructure to host any type of glo-