

NPRChamber Statement on Puerto Rico's Economy

Government 2015-07-01 20:00:12

Washington, DC -The National Puerto Rican Chamber of Commerce (NPRChamber) today released a [statement](#) in response to recent negative news pertaining to Puerto Rico's economy.

Within the statement, NPRChamber discusses two significant recent events that have drawn national media attention, along with offering its continued support, and its own economic recommendations.

"Over the past week, significant newsworthy events related to Puerto Rico have included [statements](#) made by fiscal administrators suggesting that the government can no longer afford to continue making payments on its outstanding loans. In addition, a government-sanctioned report, known to many as the '[Krueger Report](#),' described many of the reasons that its authors believe have led to Puerto Rico's fiscal crisis, as well as provided recommendations for policies to change the island's future economic trajectory."

In its own report released in March entitled "[Puerto Rico's Economy: A brief history of reforms from the 1980s to today and policy recommendations for the future](#)," NPRChamber offered suggestions for a sustainable economic path, many of which paralleled those of the government-sanctioned report mentioned above and were reiterated in today's statement.

"In addition to re-obtaining 'institutional credibility,' as noted in Krueger, NPRChamber's recommendations continue to include 1) shifting long-term and current tax and other incentives to focus on investments that directly encourage the hiring of more Puerto Rican citizens; 2) investing in the expansion of primary through post-secondary education to create more human capital; 3) further streamlining island-wide bureaucracies that impede entrepreneurial development; 4) shifting from targeted hiring credits to emphasizing sectoral job training programs; 5) adjusting public assistance programs to ensure that reservation wages do not depress job creation and labor participation; 6) making a quick and permanent status decision; among others."

"Federal legislators can also provide support for the island by reconsidering laws that impede Puerto Rico's economic welfare, as well as offer other forms of direct assistance that do not impose additional burdens on other U.S. taxpayers. For example, the Merchant Marine Act of 1920 (known more commonly as the 'Jones Act') has increased the costs that Puerto Rican citizens and businesses must pay for imported goods. Congress should reexamine whether its benefit to the U.S. mainland economy outweighs the detrimental impact on Puerto Rico's."

"Because Puerto Rico lacks a number of fiscal policy tools (as well as any control over monetary policy) that its international competitors still retain, Congress should consider affording Puerto Rico the opportunity to renegotiate its existing debt load by passing legislation similar to H.R. 870, which is now under consideration in the U.S. House of Representatives and will be presented soon in the Senate. Similar legislation will allow the island to undergo a court-monitored debt restructure if it can prove that it legitimately lacks the resources and ability to repay current obligations."

"Although there are many more specific suggestions that can be made, it is of utmost importance that island legislators make the changes necessary today to ensure that long-term indebtedness does not continue, that legislators do not feel compelled to continue advancing outdated and burdensome policies, and that its citizens are provided an equal chance at future economic success that is given to others who invest on the island, or other American citizens located throughout the U.S."

NPRChamber's full statement can be found [here](#), or can be forwarded upon request via Economy@NPRChamber.org.

About The National Puerto Rican Chamber of Commerce

The National Puerto Rican Chamber of Commerce (NPRChamber) is a non-profit organization created to promote entrepreneurship and economic development throughout the U.S. Feel free to contact the NPRChamber via email: PublicRelations@NPRChamber.org.

WHAT : NPRChamber Statement on Puerto Rico's Economy

WHEN : 2015-07-01 20:00:12

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