



press release

PUERTO RICO FISCAL AGENCY AND FINANCIAL ADVISORY AUTHORITY

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Secretary of State leads delegation before credit rating agencies in New York City

Marrero Díaz and the heads of Hacienda, OGP and COR3 met this week with accreditation agencies S&P Global Ratings, Moody's and Fitch Ratings

(NEW YORK CITY, NY) — Puerto Rico Secretary of State and Executive Director of the Puerto Rico Financial Advisory Authority and Fiscal Agency (AAFAF, in Spanish), Omar J. Marrero Díaz, traveled this week to New York City along with other senior Puerto Rico government officials to provide the latest updates on the island's fiscal and economic outlook to major credit rating agencies, including S&P Global Ratings, Moody's and Fitch Ratings.

“Once again under the mandate of Puerto Rico Governor Pedro R. Pierluisi, we are providing a detailed update on the territory's public finances as well as the local economy,” Marrero said. “This has the dual purpose of continuing to pave the way for an eventual return to the bond market, as well as providing a clear picture of what has been accomplished on the fiscal front and the steps the incoming administration will need to take to continue on the road to recovery,” he added.

The other agency heads in the delegation included Treasury Department Secretary Nelson J. Pérez Méndez, Office of Management and Budget (OMB) Director Juan Carlos Blanco, and Central Office for Recovery, Reconstruction and Resiliency (COR3) Executive Director Manuel A.J. Laboy.

The delegation's presentation to the accrediting agencies' executives focused on several areas, beginning with the Island's economic and fiscal performance over the past few years. Among the data offered under this heading was the unemployment rate, which has remained below 6.5% for 32 consecutive months, after decades with a rate that exceeded 10%.

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“We also emphasized key investments in Puerto Rico by multinational companies such as Sartorius (\$33 million), Baxter (\$30 million) and CooperVision (\$500 million), just to mention a few,” Marrero Díaz stressed.

Regarding the Island's fiscal picture, General Fund revenues were particularly noteworthy, with a compound annual growth rate of 10% over the past five years. Results associated with the Earned Income Tax Credit (EITC) program also exceeded expectations.

The officials also provided updated data on funds that Puerto Rico has received through the Federal Emergency Management Agency (FEMA), of which some \$23.2 billion has been disbursed to date out of an allocated total of \$50.5 billion.

In energy infrastructure, there are currently 191 projects for permanent improvements to the electrical grid, representing some \$6.1 billion provided by FEMA. This represents about 60% of total allocated funds to the Puerto Rico Electric Power Authority for said purposes, which total some \$10.5 billion.

The delegation also provided an update on the latest developments in transactions related to public-private partnerships, an area that Puerto Rico has led in recent years, as well as new practices of transparency and sound fiscal management in the government.

“Last but not least, we offered details on Puerto Rico's debt restructuring process, which is now in its final stages, with the exception of the Puerto Rico Electric Power Authority, which is still in the process of mediation before the Title III Court,” Marrero said. As of today, about 85% of Puerto Rico's public debt has been restructured, resolving approximately \$65 billion in claims and achieving a total debt reduction of 63% as of August 31, 2024.

Both Marrero and the rest of the fiscal team met periodically with the lenders during Governor Pierluisi's administration, most recently last June.

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