



## Editorial

BY MIGUEL FERRER  
PUBLISHER

# Time to Turn the Page

BY MIGUEL A. FERRER

After surviving a tumultuous five-year period that has included the effects of fiscal restructuring, Hurricane María, seismic activity and Hurricane Fiona, it is time to turn the page for Puerto Rico. I have argued recently that we urgently need to speed up the rebuilding of our infrastructure. Now, with so many eyes on Puerto Rico, let us draft a strategy to let the world know how we can emerge as a stronger, stable economy, and a committed society that is ready and willing to support investment and improve quality of life to retain our people and welcome new ones to our shores.

Undoubtedly, there have been setbacks and unnecessary roadblocks in a cash-strapped government to undertake the island's reconstruction. The good thing is that the White House, FEMA as an agency, Congress and our local government are aware of the obstacles, and are keen on facilitating reconstruction. The recent visit by President Biden is an opportunity to present our calling card to the world. Many leaders in the business world, as well as in civil society, are ready to take on the challenge of turning the page on Puerto Rico.

This is a critical moment to make our case. Out of disaster, we get the chance to rebuild our power grid and ensure green energy implementation. It may take five to ten years, but it will take place. Judge Laura Taylor Swain, in her recent decision, did not give up on Puerto Rico and the restructuring of the Puerto Rico Electric Power Authority's debt. If she would have caved to creditors' demands to dismiss Prepa's bankruptcy, Puerto Rico could have easily been doomed. Instead, she forced everyone to go back to the table. The more focused we are in resolving the current controversies, the more likely we will be able to speed up our reconstruction.

This is a unique time for the island – a time when it is important to shout out to the world what we offer. Let us start with a highly valuable asset for a foreign investor considering investing in our country: We have the rule of law. Our government cannot simply seize property as is sometimes feared in various nations. Investors and property owners have both federal and state protections under our laws. We have strong enforcement when it comes to public corruption, as recent arrests evince. We have the federal court system, based on common law, and a local court system, based on civil law. They work in unison to everyone's benefit. We also have a government that understands the value of private investment.

We enjoy direct access to the U.S. economy, and share the same currency and defense. We have good access by air and sea. We also have a skilled labor force, and our universities are competitive in STEM fields, particularly when it comes to graduating engineering and healthcare professionals. Puerto Rico's economy has key strengths in manufacturing, services and tourism.

Moreover, we have fiscal autonomy, a unique and valuable tool for our economy. Thanks to this

autonomy, we can provide investment incentives not available on the mainland. For example, Act 20 (now within Act 60) allows companies to export services to the U.S. mainland and enjoy important tax benefits. Some U.S. entities have quietly taken advantage of it, creating hundreds of jobs here. That said, we should strive to improve the act by maintaining its attractiveness while enhancing its potential to further economic development.

### Let's do more to turn the page:

We can do more, and should do more to present to the world the advantages available in Act 60 (in particular, Act 20 and Act 22, which are part of that statute). It is not only a question of advertising, but also of stressing those unusual benefits to the business world. We should forge a communication strategy that includes articles in key media, particularly the business media, on the opportunities offered. Our private sector should join InvestPR in promoting our story and potential to influential media such as the *Wall Street Journal*, *Forbes*, *Fortune*, *Bloomberg BusinessWeek* and the *New York Times*. We have done this before in a concerted manner, and it worked. Think of Operation Bootstrap's successes.

Our communication and development strategies must go beyond economic incentives. Let us tell the world about our cultural richness, and further stimulate an active cultural program that includes all the arts. We need to strengthen the Casals Festival and support other quality music and arts festivals that serve our population and attract visitors. We need to focus on education, the visual arts and other aspects that can contribute to the quality of life on a beautiful island that has tropical weather all year round, and offers many possibilities for different tastes. We need to attract people to our shores, starting with our diaspora.

We have a good story to tell, but must work on improving our offering. We also must improve the data needed to be effective at attracting investments. Consider what Singapore, an island nation, offers as one of the most competitive places in the world for business opportunities. Just like us, they are small. Just like us, they have a great geographical location, but lack natural resources. Yet, their global strategy for investment is right on the money. Ironically, they took a page from our own development strategy in the 1950s and '60s, and improved it. Look at Singapore's investment website, and you will immediately realize we should follow their lead and improve the information we provide investors.

The goal is to make it easy for businesses to set up by improving the permitting process, providing transparency and consistency in all our processes, and ensuring that data is solid and readily available. It is a perfect time to remind the world that we welcome business, and the investment will be productive – both for the investor, as well as for our people. Let's get the ball rolling, and let the world know we are turning the page to work on a better tomorrow.