



Puerto Rico Economic Overview

Prepared by Russian-Puerto Rican
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Puerto Rico Economic Overview – Agenda

- Introduction
- General facts
- Economic facts
- Opportunities
- Local contacts



Introduction to Puerto Rico



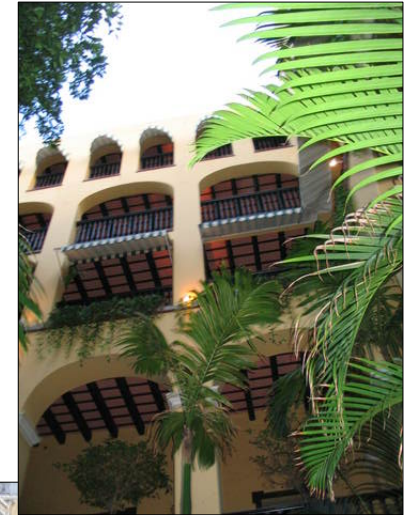
- US Commonwealth territory in the Northern Caribbean, between Dominican Republic and Virgin Islands
- 3.5 hour flight from New York (numerous flights per day, average price only \$250 RT)
- 3 hr flight from Washington, DC
- One of the most dynamic economies in the Caribbean region





Puerto Rico - General

- Governor
 - Anibal Acevedo Vila
- Population (2004E)
 - 3.9 million
 - 4 million tourists per year
- Area
 - 3,500 square miles (almost 3x Rhode Island)
- Capital
 - San Juan
- Ports
 - San Juan, Guanica, Punta Guayanilla, Guayama, Playa de Ponce
- Languages
 - Spanish (native) English (second)
- Currency
 - U.S. Dollar





Puerto Rico – Economic Facts

- GDP: \$74.4 billion, composition by sector (2003):
 - 42.1% manufacturing
 - 17.1% finance, insurance and real estate
 - 11.6% trade
 - 9.9% services
 - 6.9% transportation and other public utilities
 - 2.4% construction and mining
 - 0.3% agriculture
- GDP growth:
 - 1.9% in 2003
 - 3.3% in 2004
 - 2.8% in 2005 Est.
 - 2.4% in 2006–10 Est.





Puerto Rico – Economic Facts

- Inflation (2003) 8.1%, (2004) 8.7%
- Highly diversified economy with major industries:
 - Pharmaceuticals, Electronics, Apparel
 - Food, Instruments, Cement, Tourism
- Merchandise Exports (2003): \$56.3 billion
- Merchandise Imports (2003): \$42.5 billion
- Merchandise Trade Balance Surplus (2003): \$13.8 billion





Russia-Puerto Rico trade statistics

- Opportunity to increase import of Russian goods and services

Статистика по ввозу товаров на Пуэрто-Рико				
	Россия	Австралия	Колумбия	Испания
Объем в долларах США	\$3,311,016	\$33,725,817	\$534,599,901	\$200,852,302
% от импорта из-за границы	0.02%	0.21%	3.26%	1.23%





Puerto Rico – Market Overview

- Average Household Income: \$37,633
- High population density
- High Consumerism
 - Latin Culture, U.S. incomes/access to credit, low interest rates fuelling economy
 - #1 Sam's Club in the world is in Puerto Rico, as well as the top five Sam's Clubs (in \$ sales per square foot). Similar trend in other U.S. national chains with presence in Puerto Rico.





Puerto Rico – Opportunity

- Good trade relations with the United States, its largest trading partner
- Short-term economic outlook looks positive given the strengthening of the U.S. economy, which is expected to grow over 4% this year
- Growing interest in Russia as trade partner
- Products and services should be aimed at the local consumers since the Russian community here is very small.





Current Russian brands & opportunities

- Stolichnaya vodka
- A. Korkunov chocolate (brand launched in 2005 by RuTrex, a company specializing in launching Russian brands in Puerto Rico)
- Currently looking for Russian suppliers for:
 - Consumables: “pryaniki” and other cookies, vodka, caviar, meat products (sausage)
 - Industrial: peat moss, plywood and other types of wood
 - Services: looking for Russian partners to develop “military” tourism (visits to shooting ranges, tank rides, plane rides, possibly space rides).





Product requirements: branded products

- Exporting must be an important priority for senior management of your company.
- Producer is responsible for Russian customs and shipping arrangements.
- If you already have a distributor in the U.S., we can work with them while volume is small. We can also recommend a U.S. wholesale food importer with experience of importing from Russia.
- Brand name on the packaging should be in English (or Spanish)
- U.S. laws apply: food producers should
 - register the factory with FDA, or Food & Drug Administration (<http://www.cfsan.fda.gov/~lrd/imports.html>) and
 - have the Nutrition Facts table on the product (there are some exceptions if volume is small). Labeling information: <http://www.cfsan.fda.gov/label.html>
- Packaging must be appealing. For example: bright colors, original shape, product image on the package.
- Most competing food products on the shelf in the U.S. market will have longer shelf life than typical Russian products. Pick products that have longer shelf life. Check with us on specifics for your category. Getting the product from Russia to Puerto Rico, including customs time, may take up to 4 weeks.
- It helps to have promotional materials (or digital art), photos, public relations materials.





A. Korkunov chocolates on the shelf of a gourmet store in San Juan





Contacts in Puerto Rico

Hon. Anastasia P. Kitsul
Honorary Consul of the Russian Federation in Puerto Rico
and President of RuTrex, Inc.

Tel.: (787) 315-0419

E-mail: consul@russianconsulatepr.org or kitsul@rutrex.com
http://www.camararusapr.com/index_files/Page350.html

Natalya V. Kaydash
President of Russian-Puerto Rican Chamber of Commerce

Tel.: (787) 604-2222

Email: nkaydash@yahoo.com
www.camararusa.com

