



Economic Statistics for Puerto Rico

Consumer Spending, Business Investment, and Trade in Goods

BEA Advisory Committee Meeting
November 15, 2019



- Prototype estimates of select components of Puerto Rico GDP released on October 15
 - Consumer spending, private fixed investment, and net exports of goods
 - Current-dollar and inflation-adjusted
 - Annual estimates, 2012-2017

Project summary: Approach



- Full development of Puerto Rico GDP and other economic accounts, like what exists for the states, would be a lengthy undertaking
- Would require that Puerto Rico be included in many more of the federal government's data collection processes
 - Census Bureau's monthly, quarterly, and annual economic surveys
 - Bureau of Labor Statistics' price programs
- Using a model that is similar to the approach used for the other 4 U.S. territories:
 - Use existing Federal data
 - Use existing local government data

Project summary: Approach (continued)



- Unlike the other 4 territories, the Puerto Rico government already produces its own economic accounts
- However, the methods the local government uses have not been updated for many years and do not follow the latest international guidelines
- BEA's new statistics use different methods from the Puerto Rico government
 - Improves comparability with other data BEA produces for the nation, states, and other territories

Project summary: Approach (continued)

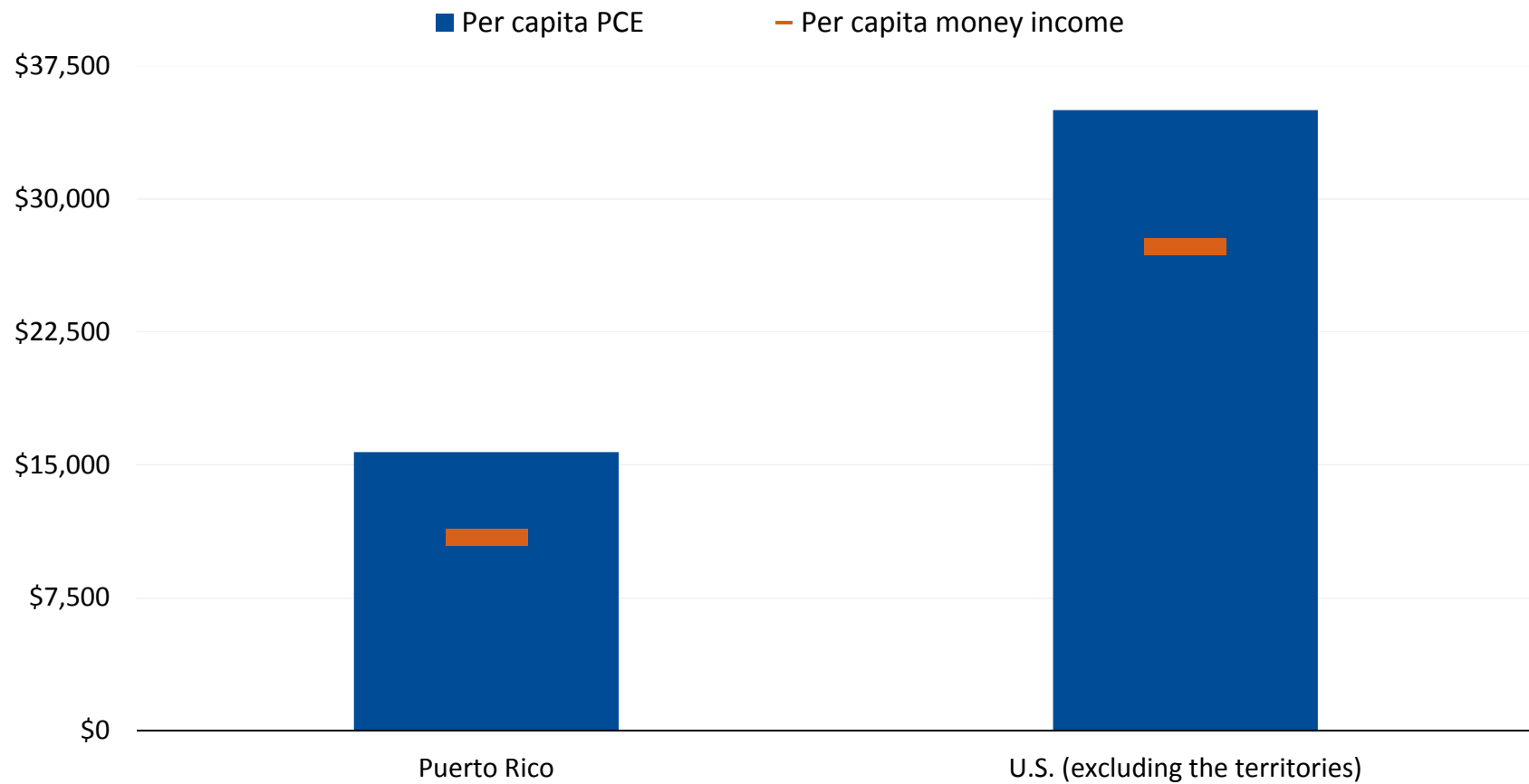


- Differences in methods include:
 - Chain-type indexes (2012 reference year) vs fixed-weighted indexes (1954 base year)
 - Benchmarking components of consumer spending and business investment to 2012 Economic Census of Island Areas
 - Treating expenditures on intellectual property products as investment
 - Deflation at a much higher level of detail
 - Calendar year estimates vs fiscal year

Puerto Rico PCE: Per Capita (2012)



Per Capita PCE in 2012 for Puerto Rico and the U.S.

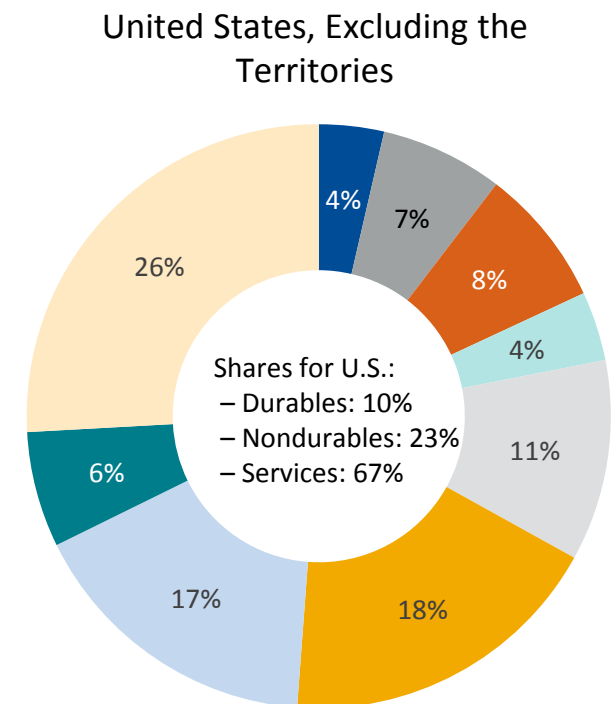
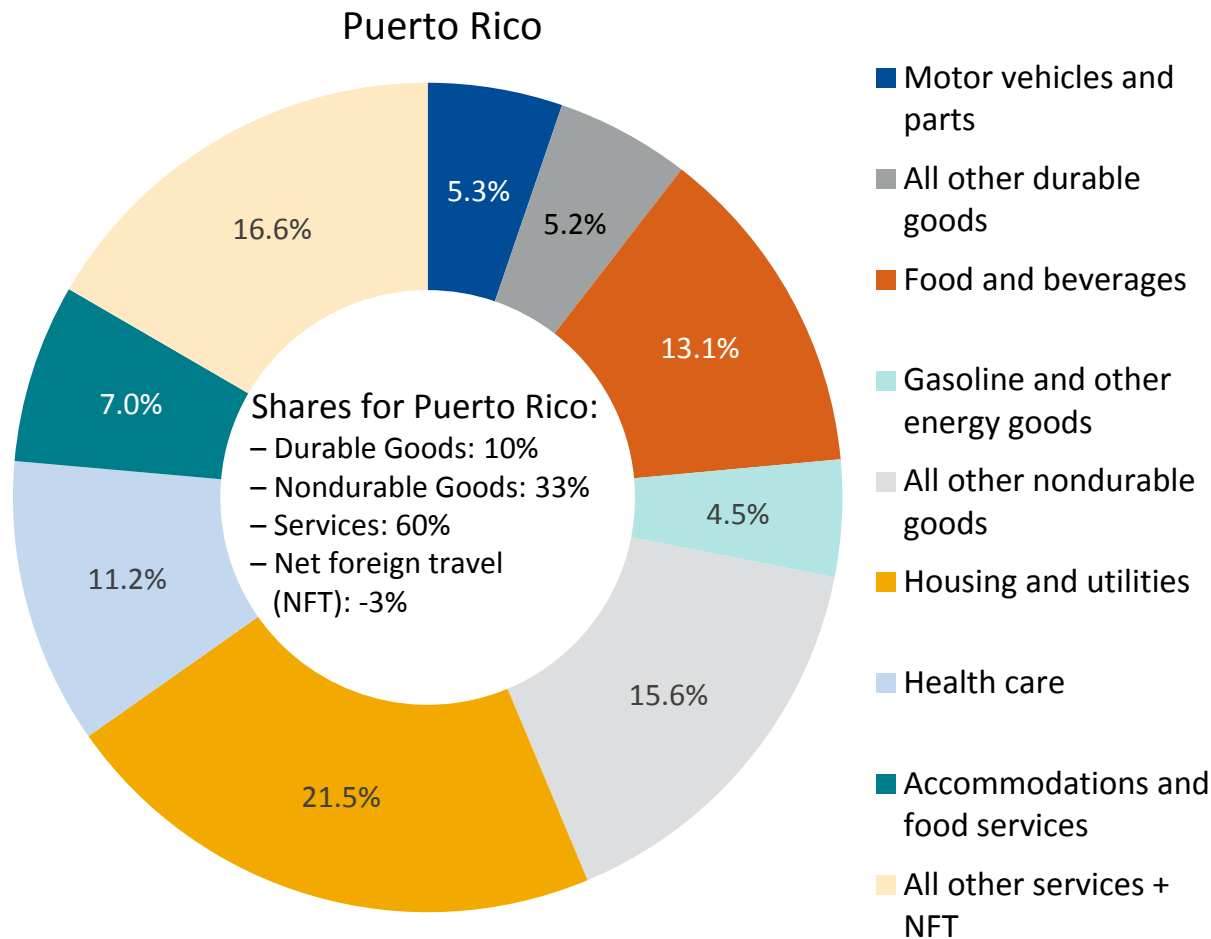


U.S. Bureau of Economic Analysis; U.S. Census Bureau

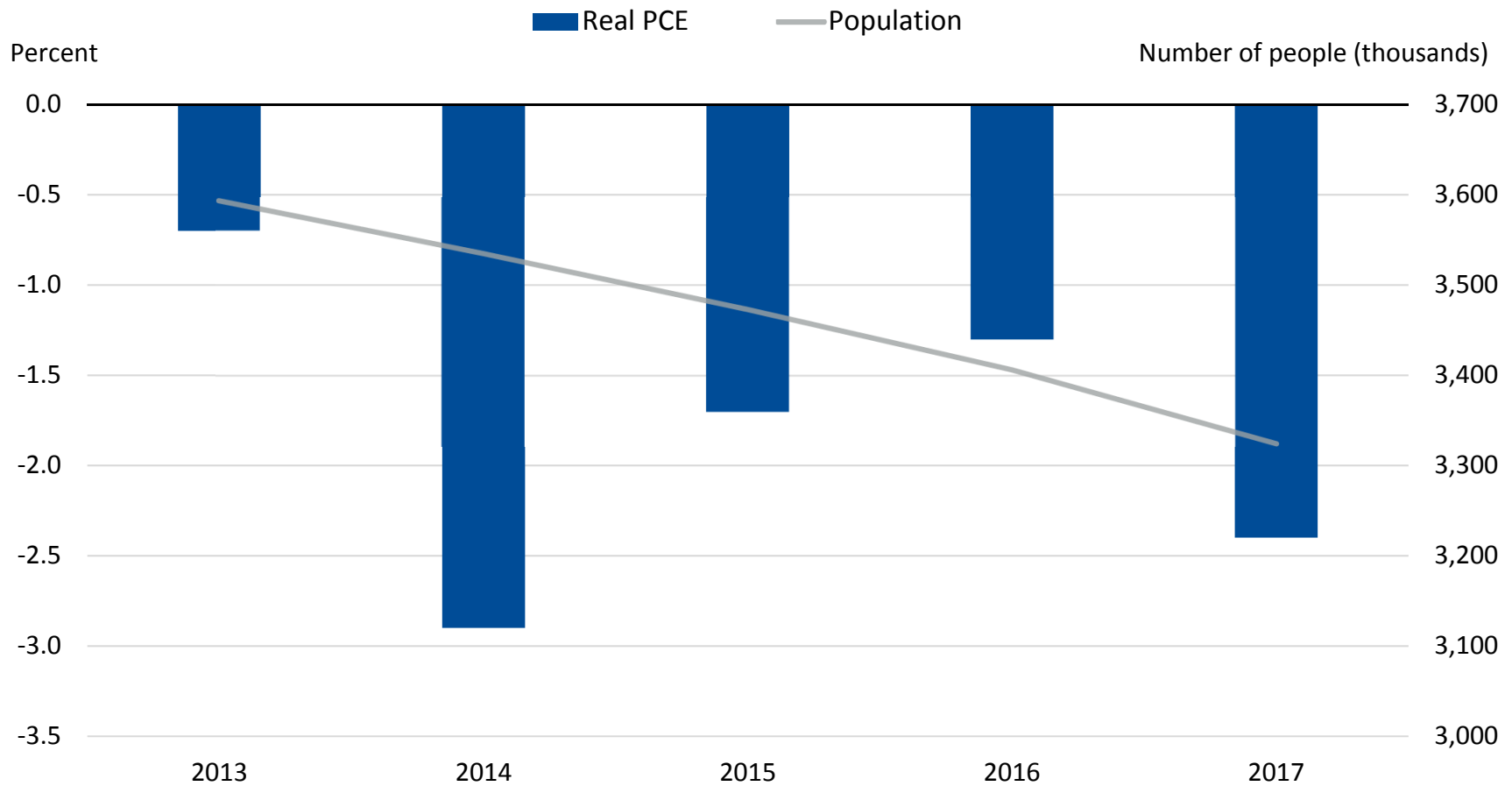
Puerto Rico Real PCE: Percent Change From Preceding Year



Percentage of Components in PCE in 2012



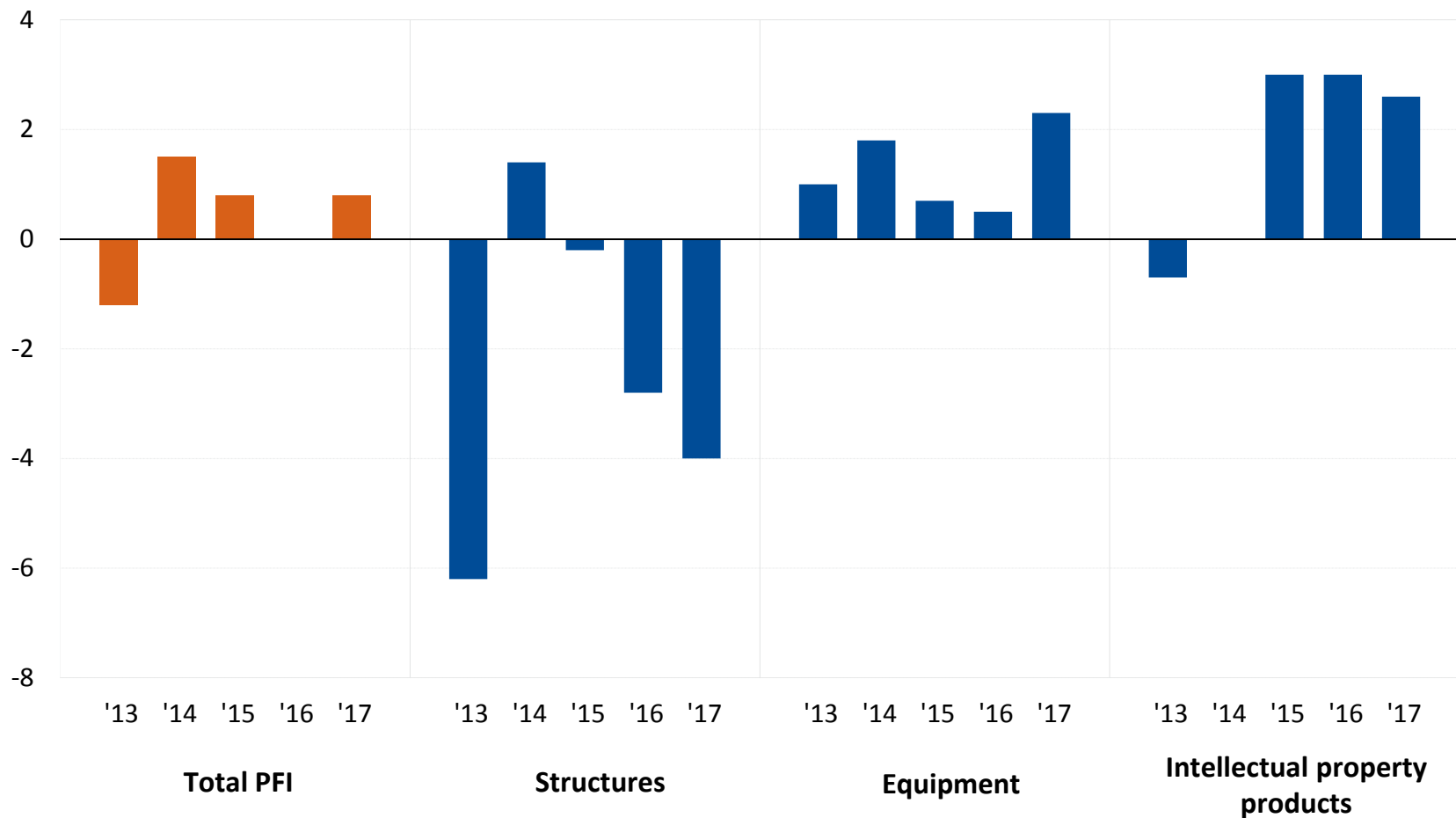
Puerto Rico Real PCE and Population



U.S. Bureau of Economic Analysis; U.S. Census Bureau, Population Division

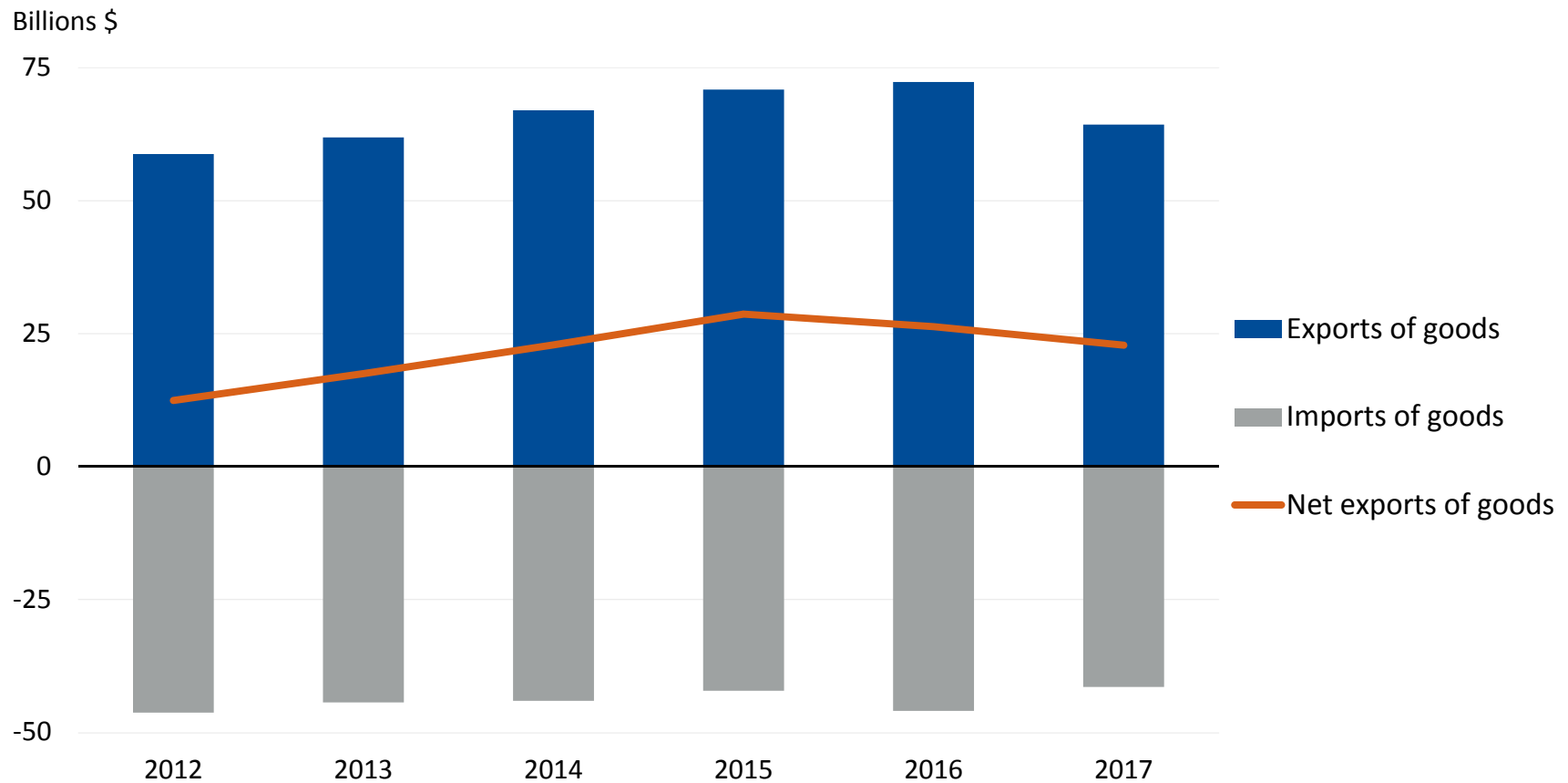
- Consists of business spending on structures, equipment, and intellectual property products
- Intellectual property products is a new category of investment for Puerto Rico
 - Primarily consists of spending on software and research and development (R&D)

Puerto Rico Real PFI: Percent Change From Preceding Year, 2013–2017



U.S. Bureau of Economic Analysis

Puerto Rico: Trade Balance in Goods

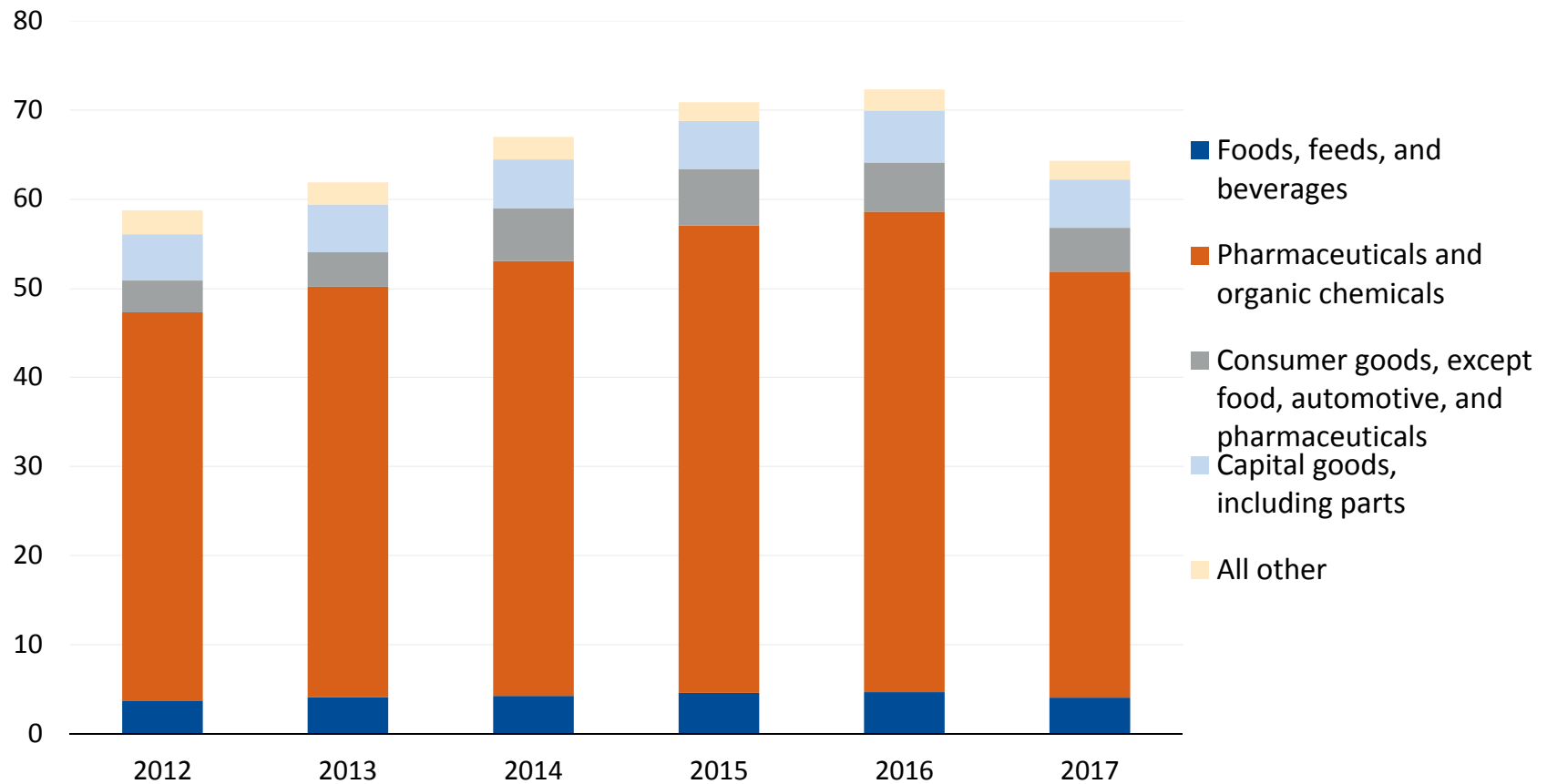


U.S. Bureau of Economic Analysis

Puerto Rico: Exports of Goods



Billions \$

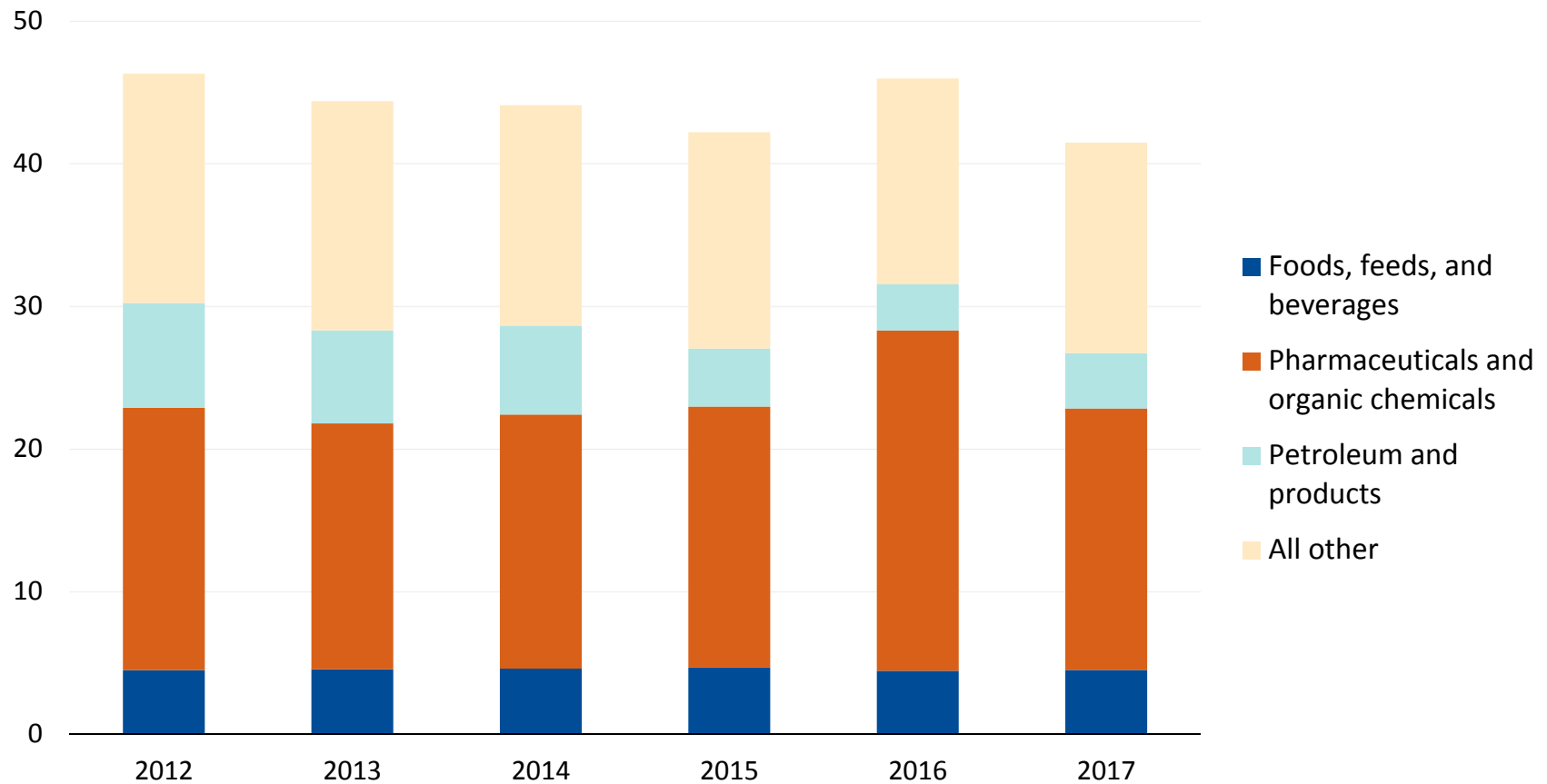


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Puerto Rico: Imports of Goods

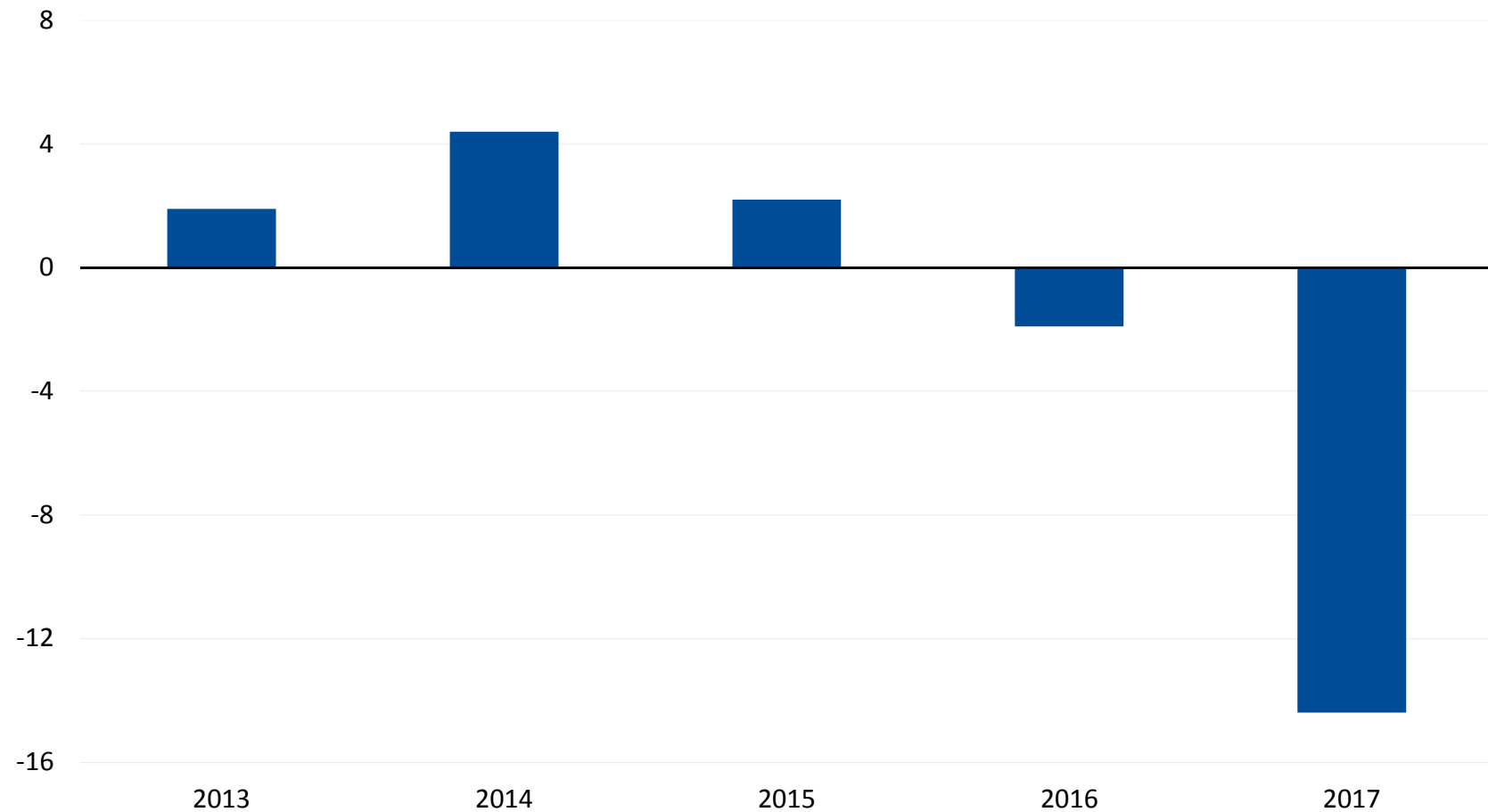


Billions \$



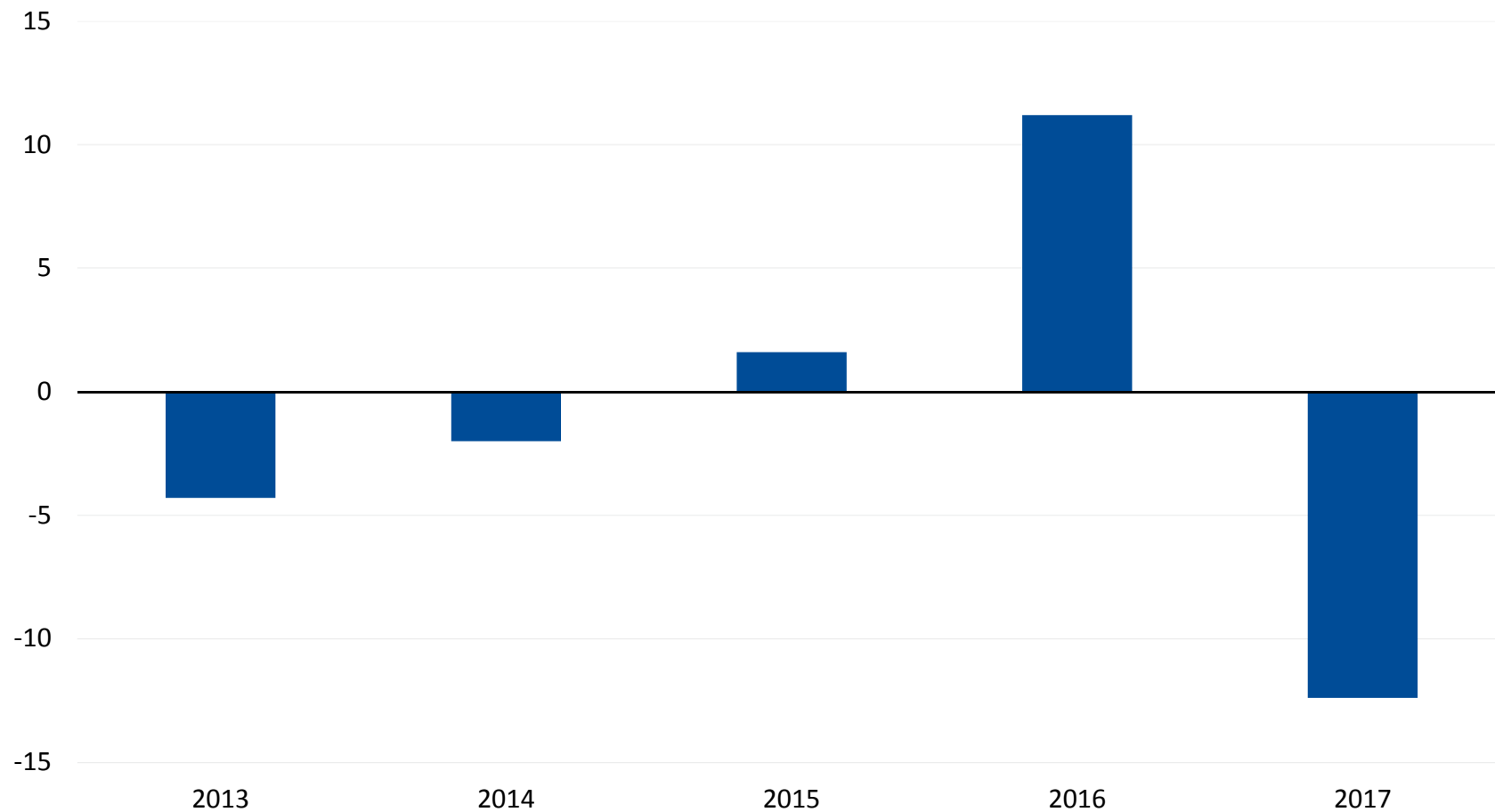
U.S. Bureau of Economic Analysis

Puerto Rico Real Exports of Goods: Percent Change From Preceding Year



U.S. Bureau of Economic Analysis

Puerto Rico Real Imports of Goods: Percent Change From Preceding Year



U.S. Bureau of Economic Analysis

- Prototype estimates of total GDP and its components
 - Remaining components of GDP are:
 - Exports and imports of services
 - Inventory investment
 - Government spending (Federal, central, and municipal)
- Extend time series to include 2018
- Research to develop estimates of GNP
- Incorporate feedback from the current prototype release
 - Federal Register notice