



REMARKS BY THE GOVERNOR
OF THE COMMONWEALTH OF PUERTO RICO
HONORABLE RAFAEL HERNANDEZ COLON
AT THE THIRD ANNUAL CARIBBEAN
BASIN CONFERENCE

OCTOBER 18, 1988
HOTEL CARIBE HILTON

Welcome and thank you for coming to Puerto Rico for the Third Annual Caribbean Basin Conference.

The "CBI Conference and Marketplace" is one of the important endeavors of this Administration to increase and enhance trade and investment in the region, so as to promote economic development and democratic governments in the Caribbean Basin.

This year we added a new dimension to the Conference. We call it a Marketplace -- a marketplace for business and for ideas. A place that creates personal linkages, making it easier, faster and more efficient for all of you to obtain the maximum benefit from your stay here. In our efforts to enhance communications between the Caribbean markets, we are using in this Conference a sophisticated computer system to arrange person to person meetings on the basis of needs and interests. We hope this new format proves more productive.

We, in Puerto Rico, know the importance of communications in the promotional process. It has

played a vital role in the industrialization of the island since the beginnings of Operation Bootstrap.

We also have learned that there is no shortcut to economic development. That is why conferences, missions and seminars are essential to the promotional process. It is after several years of groundwork that the new industrial and service investments take hold.

In the last three years, Puerto Rico has stressed communications by participating in 190 Caribbean-related promotional activities. I myself made seven trips to encourage new investment. Last year Puerto Rico signed an agreement with the US Department of Commerce to jointly promote CBI throughout the world. Our people in Fomento have been joined by leading executives the Federal Government in missions to the Far East, Europe and Latin America.

We have achieved sound progress in sending the message of the importance of investment in the Caribbean through the world's major publications. Hundreds of articles in newspapers, magazines, and

commercial supplements such as the New York Times, Business Week, the Financial Time of London and recently, The Economist, have explained not only the benefits of investing in the Caribbean but also, the promise of democracy and freedom it holds for our people in the Basin.

Considering the numerous setbacks we have encountered, such as the Tax Information Exchange Agreement, required by the U.S. Department of Treasury; and the time needed to build an efficient and industrially oriented infrastructure in many Caribbean countries, I truly think our accomplishments have been remarkable.

In only two years since the creation of the Caribbean Development Office in Fomento, we have promoted a total of 53 projects in the Caribbean, with an investment of \$61.7 million, with a commitment totaling 9,506 direct jobs, half of which are already bringing hope and well-being to many families throughout the Basin. We are presently working on establishing 35 additional projects and are studying petitions for the use of

\$171.5 million in 936 funds to be invested in the region.

The strength of our moral commitment to better the lives of our brothers in the Caribbean, has been channeled also through the technical, educational, and economic assistance programs we are providing to the people of the Caribbean and Central America to enable them to fully develop their human resources.

An example of our commitment is the Puerto Rico Point Four Program we began this year. Thirty-one men and women participated in the program representing nineteen Caribbean Basin countries. They saw at first hand our industrial promotion operation, and worked with us in the development of specific projects for their countries. I am informed that as a result 30 good leads for projects were identified and are now being actively pursued.

I am fully aware that that there is much to be accomplished. My administration is willing to explore new avenues that will contribute to the

developmental process of the region. Today I would like to share with you some of the new programs and efforts we have planned to further Puerto Rico's contribution to the Caribbean Basin Initiative.

In the area of education we plan to create in Puerto Rico, a Center for International Studies to be jointly undertaken with universities in the Caribbean region, the United States and Europe. This center will undertake reasearch in the fields of business, marketing, finance and economics. Businessmen as well as professors will share their experiences in the many fields of industry. We are proud to say that this will be the first center of this type to be established at a regional level in the Caribbean.

In the area of trade we will establish the Puerto Rico Export Program to benefit complementary projects between the Caribbean nations and Puerto Rico. The Puerto Rico Export Program comes forth as an answer to our present marketing needs. We hope that as a result of this export program and the advantages that CBI offers, a surge in exports

will occur to the benefit of all participating countries.

I am happy to announce that as a result of our promotional efforts in the Far East, various Japanese trading companies have shown interest in expanding from San Juan to the rest of the Caribbean, including the Japanese firm Nichimen.

In the area of industrial promotion, it has been agreed that next year we would coordinate with the Eastern Caribbean Nations, a promotional strategy to attract industrial investments interested in the American, European, and Canadian markets. This promotional strategy will use the Benefits of CBI, LOME, and CARIBCAN.

We will also strengthen our specialized promotional strategies in the areas of footwear, garments and agro-industries. It is in these three areas where we see the greatest potential for complementary growth and job creation.

In the area of information services we are designing the Caribbean Data Center. This computerized information system containing

commercial and industrial opportunities in the region will be available to all potential investors. This Center will be administered by the Economic Development Administration - Fomento- at no charge to its users.

In the area of tourism we are collaborating with the Caribbean Hotel Association to expand the current tourism training program. This will result in the training of additional personnel within the region in the latest of tourism services so as to transform the Caribbean into a first class destination in the world.

To become a first class destination we need a first class transportation service, and Puerto Rico is making major advances in this area. Perhaps of all the things that we are accomplishing in fulfilling our commitment to assist in the economic development of the Caribbean, nothing is more dramatic or will have a greater impact than the extraordinary developments in air transportation.

Puerto Rico has become a major hub for Eastern and American Airlines. As a result of these hubs,

travel is facilitated and made even more attractive to millions of travelers who will stay in Puerto Rico several days and those who will move on to other Caribbean destinations. But these modern facilities not only mean millions of additional tourists to our region, but, even more important, they mean greatly increased connections and communications throughout the Caribbean Basin. Just recently the President of American Airlines, Robert Crandall, came to see me to announce an additional \$100 million investment, in addition to its recent \$45 million expansion, that will convert the American terminal in San Juan into one twice as big as their terminal in the Kennedy Airport.

On the other hand, in these coming years, our government and the private sector will invest \$248 million to improve our airport facilities. This must be seen in the context of our new regional tourism policy where we seek to actively promote the Caribbean region as a tourism destination.

CBI has many advocates and active supporters. The US Department of Commerce is promoting new

investment in CBI. The press is spreading the word. Political leaders in the Caribbean are intensely interested. The private sectors and professional associations are active participants.

There is broad bipartisan support in Congress to strengthen CBI. Both presidential candidates are backing the CBI and are committed to its enhancement. It is deplorable indeed that here, in Puerto Rico, the minority party has refused to support the Caribbean Basin Initiative. Major Corrada's position on CBI has been truly contradictory. In 1985 he said he was for CBI, even though he was maneuvering to eliminate Section 936. But now his most recent position, a late electoral year conversion, is his stand against CBI. As in other issues, Corrada once more displays his weather vane politics.

Dear friends, In 1985, I made a commitment with our neighbors in the Caribbean, and with the U.S. Congress, that Puerto Rico would make a good faith effort to promote trade and investment to assist in the development of the region by using

the CBI. We offered to work on new industrial investment through our complementary plants program, and to make more financing through available 936 funds.

Today I wish to assure you that I remain as committed as ever to our Caribbean Development Program, and particularly to the Twin-Plant program. It is an error to judge the CBI program only by the volume of new investment. We have been successful in helping many of our neighboring countries to create new jobs, and again, the numbers are impressive. The jobs created for the working man in the several countries of the Caribbean Basin through our efforts are indeed the bottom line by which our commitment to the people of the Caribbean must be judged.

I believe the Caribbean is finally coming together. The Caribbean is on its way to becoming a single economic region; there is a historical process taking place in front of our very eyes, and each one of us is a vital part of this development.

Puerto Rico is willing to play a central role in this process. We will continue to place at your disposal our human and economic resources: our experience in industrial development, our transportation and communications services, our knowledge of US markets, our access to financial resources. We will continue to battle with you to accomplish the high expectations of CBI.

Thank you again for giving me the opportunity to share with you the enthusiasm and optimism that I feel as to the future of our Caribbean Basin.
