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Chapter

Final Draft

ECONOMIC DEVELOPMENT PLAN FOR ARTS, ENTERTAINMENT, RECREATION, ACCOMMODATION AND FOOD

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ECONOMIC DEVELOPMENT PLAN FOR ART, ENTERTAINMENT, AND RECREATION SECTOR (NAICS 71) AND ACCOMMODATION AND FOOD SERVICES SECTOR (NAICS 72)

I. INTRODUCTION

The Economic and Social Planning Program (ESPP) of the Puerto Rico Planning Board (PRPB) elaborated the Economic Development Plan for the Arts, Entertainment, and Recreation and Accommodation and Food Services. In addition to that sectors, the ESPP has prepared an Economic Development Plan for other sectors. This initiative focuses its efforts on preparing a multi-sector strategic plan and intends to establish courses of action in different sectors in order to improve economic activity in Puerto Rico. The approach of this section will be the Arts, Entertainment, and Recreation classified with code 71 in the North American Industrial Classification System (NAICS 71) and Accommodation and Food Services (NAICS 72).

For the Arts, Entertainment, and Recreation; and Accommodation and Food Services Sector, the ESPP proposes the following Vision and Mission:

Vision: Guide the development of Puerto Rico, establishing a rational, balanced and sensitive plan to promote a process of sustainable economic and social development through improvement in the Arts, Entertainment, and Recreation and Accommodation and Food Services Sector.

Mission: Prepare a Development Plan for the Art, Entertainment, and Recreation and Accommodation and Food Services, which is realistic, executable, and which allows monitoring of the sector and its contribution to the economy of Puerto Rico.

Goal: The Goal for the Arts, Entertainment, and Recreation; and Accommodation and Food Services Sector is to achieve an increase in terms of the Gross Domestic Product (GDP) in current dollars and Employment.

Objective: For this Arts, Entertainment, and Recreation; and Accommodation and Food Services Sector Plan the objectives are proposed in short term (0-3 years), medium term (3-7 years) and long terms (7-20 years). For the GDP in current dollars, the objective is to maintain stable the rate of growth of two (2) to three (3) percent in the short and medium term. In the long term, the objective is to improve the rate of real growth in five (5) percent. In terms of employees and establishments the objective is to have an average rate of growth of 2 percent for the sector.

A. Goal of this Plan

The goal of the Plan for the Arts, Entertainment, and Recreation Sector, and Accommodation and Food Services Sector in Puerto Rico is to evaluate and describe the development of these sectors. Analyze the key variables of the sectors, and conduct an analysis of strengths, weaknesses, opportunities, and threats (SWOT). This allows stakeholders (i.e., government, private sector, investors, among others) to have a guide for setting policies and strategies customized for the Arts, Entertainment, and Recreation Sector, and Accommodation and Food Services Sector. Finally, strategies are suggested to achieve the goal for the sector.

B. Sources of Information

The ESPP uses multiple information sources, among them, official statistics published by government agencies such as, the Planning Board (Governor Economic Report and other publications). In addition, statistics of number of paid employees, annual payroll, and total establishment from the County Business Patterns of the United States Census

Bureau (Puerto Rico, United States and selected states), statistics from the Puerto Rico Tourism Company and international statistics for comparison from the Organisation for Economic Co-operation and Development (OECD), and International Labor Organization (ILO). Other sources of information are the previous Development Plans for Puerto Rico.

C. Organization

The Economic Development Plan for the Arts, Entertainment, and Recreation Sector and Accommodation and Food Services Sector consists of five sections. These five sections focus on identifying the state of the sector, the development of strategies to boost the sector, and creation of mechanisms to implement changes effectively and efficiently. The five sections are detailed below:

- **Section 1:** Diagnostic Assessment.
- **Section 2:** SWOT Analysis
- **Section 3:** Mission, Goals and Objectives.
- **Section 4:** Specific Strategies.
- **Section 5:** Assessment Mechanisms.

Section 1 of the Economic Development Plan consists of a diagnostic assessment of the industry or sector. The Scriven's Logic was used for this diagnostic assessment. The steps for this diagnostic are: (1) select the performance criteria, (2) establish expected standards of performance, (3) identify and report the tools or metrics of measurement for each criteria, (4) compare the performance, based on the instrument or metric standards, and (5) synthesize the results and make judgment.

In Section 2 a SWOT analysis of the sector was conducted. The SWOT analysis identifies four components: (1) strengths, (2) opportunities, (3) weaknesses, and (4) threats. For these components, a matrix will be developed in order to present a macro view of the status of this sector.

In Section 3, the mission, goals and objectives for the sector are defined. The mission presents a statement that provides a philosophical perspective that makes explicit the contribution of this component to the economy. The goal or goals are the expected results in the sector or subsector according to the mission. The objectives are more specific and measurable results that must be achieved in the different terms (i.e., short, medium, and long). The objectives will adhere to the SMART properties (Specific, Measurable, Attainable, Relevant, and Timely).

In Section 4 the specific strategies or necessary activities are specified in order to achieve the objectives for this sector. The strategies for the sector are designed for short term (0-3 years), medium term (3 to 7 years) and long term (7 to 20 years). These strategies must have the input of different stakeholders. For each strategy the related costs and expected benefits are evaluated. These strategies must be supported by theory and empirical evidence.

Section 5 contains specific metrics for formative and summative assessment of each of the specific strategies proposed through the three periods (i.e., short term, medium term, and long term). This section identifies a specific government agency responsible for this assessment.

II. Puerto Rico Diagnosis

In order to facilitate a better understanding of the sectors of Arts, Entertainment, and Recreation, and Accommodation and Food Services and the scope of them, a definition of each sector is presented below.

Arts, Entertainment, and Recreation (NAICS 71)

The Arts, Entertainment, and Recreation sector (NAICS 71) includes a wide range of establishments that operate facilities or provide services to meet varied cultural, entertainment, and recreational interests of their patrons. This sector comprises (1) establishments that are involved in producing, promoting, or participating in live performances, events, or exhibits intended for public viewing; (2) establishments that preserve and exhibit objects and sites of historical, cultural, or educational interest; and (3) establishments that operate facilities or provide services that enable patrons to participate in recreational activities or pursue amusement, hobby, and leisure-time interests.

Some establishments that provide cultural, entertainment, or recreational facilities and services are classified in other sectors. Excluded from this sector are: (1) establishments that provide both accommodations and recreational facilities, such as hunting and fishing camps and resort and casino hotels are classified in Subsector 721, Accommodation; (2) restaurants and night clubs that provide live entertainment in addition to the sale of food and beverages are classified in Subsector 722, Food Services and Drinking Places; (3) motion picture theaters, libraries and archives, and publishers of newspapers, magazines, books, periodicals, and computer software are classified in Sector 51, Information; and (4) establishments using transportation equipment to provide recreational and entertainment services, such as those operating sightseeing buses, dinner cruises, or helicopter rides, are classified in Subsector 487, Scenic and Sightseeing Transportation.

According with the County Business Patterns of the United States Census, the Arts, Entertainment, and Recreation Sector (NAICS 71) in Puerto Rico is organized into 7 subsectors at 4 digits. The subsectors were:

Performing Arts, Spectator Sports, and Related Industries (NAICS 711)

Industries in the Performing Arts, Spectator Sports, and Related Industries subsector group establishments that produce or organize and promote live presentations involving the performances of actors and actresses, singers, dancers, musical groups and artists, athletes, and other entertainers, including independent (i.e., freelance) entertainers and the establishments that manage their careers. The classification recognizes four basic processes: (1) producing (i.e., presenting) events; (2) organizing, managing, and/or promoting events; (3) managing and representing entertainers; and (4) providing the artistic, creative and technical skills necessary to the production of these live events.

Also, this subsector contains four industries for performing arts companies. Each is defined on the basis of the particular skills of the entertainers involved in the presentations.

The industry structure for this subsector makes a clear distinction between performing arts companies and performing artists (i.e., independent or freelance). Although not unique to arts and entertainment, freelancing is a particularly important phenomenon in this Performing Arts, Spectator Sports, and Related Industries subsector. Distinguishing this activity from the production activity is a meaningful process differentiation. This approach, however, is difficult to implement in the case of musical groups (i.e., companies) and artists, especially pop groups. These establishments tend to be more loosely organized and it can be difficult to distinguish companies from freelancers. For this reason, NAICS includes one industry that covers both musical groups and musical artists.

This subsector contains two industries for Industry Group 7113, Promoters of Performing Arts, Sports, and Similar Events, one for those that operate facilities and another for those that do not. This is because there are significant differences in cost structures between those promoters that manage and provide the staff to operate facilities and those that do not. In addition to promoters without facilities, other industries in this subsector

include establishments that may operate without permanent facilities. These types of establishments include: performing arts companies; musical groups and artists; spectator sports; and independent (i.e., freelance) artists, writers, and performers.

Excluded from this subsector are nightclubs. Some nightclubs promote live entertainment on a regular basis and it can be argued that they could be classified in Industry Group 7113, Promoters of Performing Arts, Sports, and Similar Events. However, since most of these establishments function as any other drinking place when they do not promote entertainment and because most of their revenue is derived from sale of food and beverages, they are classified in Subsector 722, Food Services and Drinking Places.

The classification in 4 digit NAICS are:

- NAICS 7111 - Performing Arts Companies
- NAICS 7113 - Promoters of Performing Arts, Sports, and Similar Events
- NAICS 7114 - Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures
- NAICS 7115 - Independent Artists, Writers, and Performers

Museums, Historical Sites, and Similar Institutions (NAICS 712)

Industries in the Museums, Historical Sites, and Similar Institutions subsector engage in the preservation and exhibition of objects, sites, and natural wonders of historical, cultural, and/or educational value. This 3 digit subsector is composed of the following 4 digits subsector:

- NAICS 7121 - Museums, Historical Sites, and Similar Institutions

Amusement, Gambling, and Recreational Industries (NAICS 713)

Industries in the Amusement, Gambling, and Recreation Industries subsector (1) operate facilities where patrons can primarily engage in sports, recreation, amusement, or gambling activities and/or (2) provide other amusement and recreation services, such as supplying and servicing amusement devices in places of business operated by others; operating sports teams, clubs, or leagues engaged in playing games for recreational purposes; and guiding tours without using transportation equipment.

This subsector does not cover all establishments providing recreational services. Other sectors of NAICS also provide recreational services. Providers of recreational services are often engaged in processes classified in other sectors of NAICS. For example, operators of resorts and hunting and fishing camps provide both accommodation and recreational facilities and services. These establishments are classified in Subsector 721, Accommodation, partly to reflect the significant costs associated with the provision of accommodation services and partly to ensure consistency with international standards. Likewise, establishments using transportation equipment to provide recreational and entertainment services, such as those operating sightseeing buses, dinner cruises, or helicopter rides, are classified in Sector 48-49, Transportation and Warehousing.

The industry groups in this subsector highlight particular types of activities: amusement parks and arcades, gambling industries, and other amusement and recreation industries. The groups, however, are not all inclusive of the activity. The Gambling Industries industry group does not provide for full coverage of gambling activities. For example, casino hotels are classified in Subsector 721, Accommodation; and horse and dog racing tracks are classified in Industry Group 7112, Spectator Sports.

This 3 digit subsector is composed of the following 4 digits subsectors:

- NAICS 7131 - Amusement Parks and Arcades
- NAICS 7139 - Other Amusement and Recreation Industries

Accommodation and Food Services (NAICS 72)

The Accommodation and Food Services (NAICS 72) sector comprises establishments providing customers with lodging and/or preparing meals, snacks, and beverages for immediate consumption. The sector includes both accommodation and food services establishments because the two activities are often combined at the same establishment. Excluded from this sector are civic and social organizations; amusement and recreation parks; theaters; and other recreation or entertainment facilities providing food and beverage services.

According with the CBP, United States Census for the year 2011 the Accommodation and Food Services sector in Puerto Rico is organized into 8 subsectors classified in NAICS (classification in four digits).

NAICS 721- Accommodation

Industries in the Accommodation subsector provide lodging or short-term accommodations for travelers, vacationers, and others. There is a wide range of establishments in these industries. Some provide lodging only; while others provide meals, laundry services, and recreational facilities, as well as lodging. Lodging establishments are classified in this subsector even if the provision of complementary services generates more revenue. The types of complementary services provided vary from establishment to establishment. The subsector is organized into three groups: (1) traveler accommodation, (2) recreational accommodation, and (3) rooming and boarding houses. The Traveler Accommodation industry group includes establishments that primarily provide traditional types of lodging services. This group includes hotels, motels, and bed-and-breakfast inns. In addition to lodging, these establishments may provide a range of other services to their guests. The RV (Recreational Vehicle) Parks and Recreational Camps industry group includes establishments that operate lodging facilities primarily designed to accommodate outdoor enthusiasts. Included are travel trailer campsites, recreational vehicle parks, and outdoor adventure retreats. The Rooming and Boarding Houses industry group includes establishments providing temporary or longer-term accommodations that for the period of occupancy, may serve as a principal residence. Board (i.e., meals) may be provided but is not essential. Establishments that manage short-stay accommodation establishments (e.g., hotels and motels) on a contractual basis are classified in this subsector if they both manage the operation and provide the operating staff. Such establishments are classified based on the type of facility managed and operated.

This subsector is comprised of three subsectors at 4 NAICS digit:

- NAICS 7211 – Traveler Accommodation
- NAICS 7212 - RV (recreational vehicle) Parks and Recreational Camps
- NAICS 7213 - Rooming and Boarding Houses

NAICS 722- Food Services and Drinking Places

According with NAICS 2012 the definition of Food Services and Drinking Places subsector was the following:

Industries in the Food Services and Drinking Places subsector prepare meals, snacks, and beverages to customer order for immediate on-premises and off-premises consumption. There is a wide range of establishments in these industries. Some provide food and drink only; while others provide various combinations of seating space, waiter/

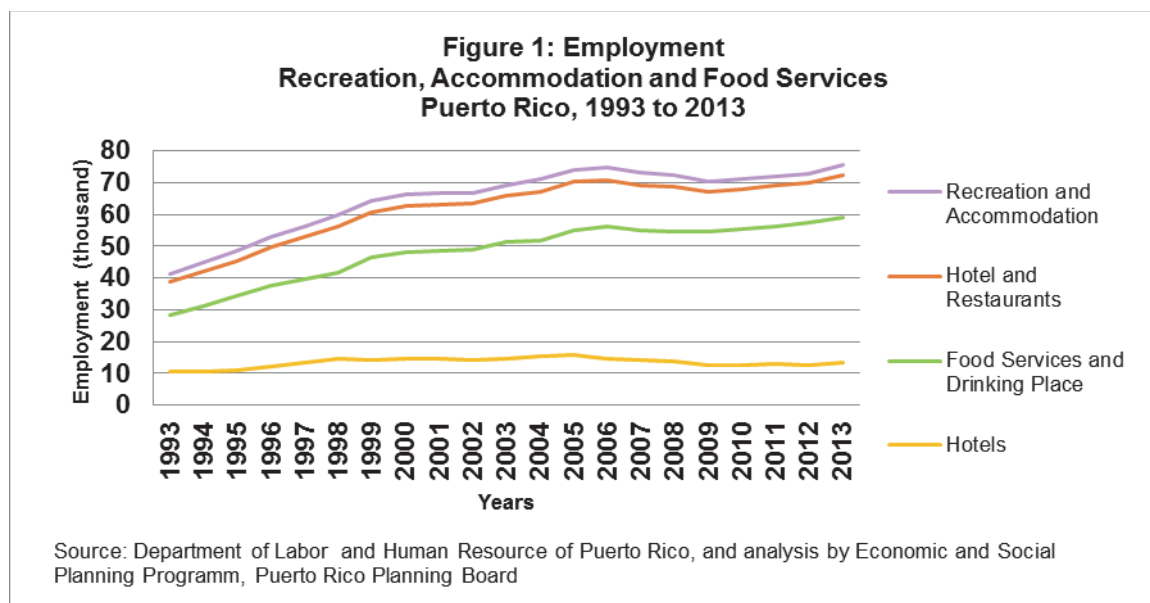
waitress services and incidental amenities, such as limited entertainment. The industries in the subsector are grouped based on the type and level of services provided. The industry groups are special food services, such as food service contractors, caterers, and mobile food services; drinking places; and restaurants and other eating places. Food and beverage services at hotels and motels; amusement parks, theaters, casinos, country clubs, and similar recreational facilities; and civic and social organizations are included in this subsector only if these services are provided by a separate establishment primarily engaged in providing food and beverage services. Excluded from this subsector are establishments operating dinner cruises. These establishments are classified in Subsector 487, Scenic and Sightseeing Transportation because they utilize transportation equipment to provide scenic recreational entertainment.

This subsector is comprised of four subsectors at 4 NAICS digit in the year 2011:

- NAICS 7221 - Full Service Restaurants: data available until the year 2011
- NAICS 7222 - Limited Service Eating Places: data available until the year 2011.
- NAICS 7223 - Special Food Services
- NAICS 7224 - Drinking Places (alcoholic beverages)
- NAICS 7225 - Restaurants and Other Eating Places: In the year 2012, the subsectors: full service restaurants and limited services eating places were consolidate in NAICS 2012 with the code 7225 called restaurants and other eating places subsector.

A. Overview of the Arts, Entertainment, and Recreation; and Accommodation and Food Services in the Economy of Puerto Rico

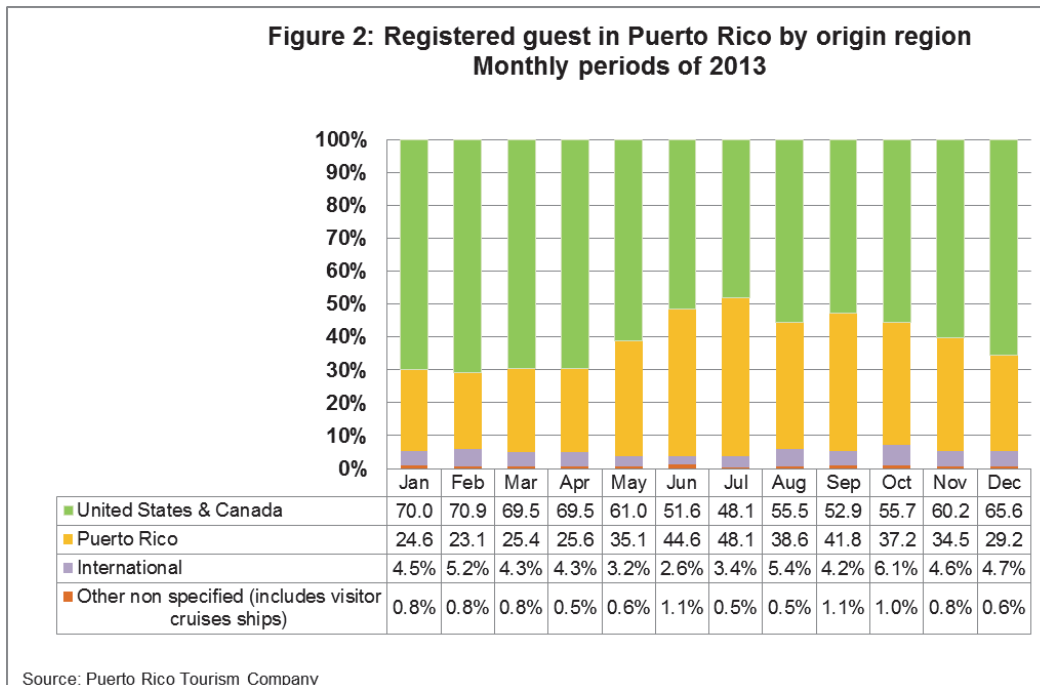
In terms of employment, Figure 1 shows a historical data from 1993 to 2013 of the employment of Recreation, Accommodation and Food Services according to Department of Labor and Human Resource of Puerto Rico. In general terms, the data series show a growth tendency except in the Hotels showing a stable trend.



The visitors' profile of fiscal year 2011 shows that the major expenditures made by visitors (without a touristic package) were distributed as follows: (a) \$11,951,833 on plane tickets which represents a 34.6 percent of the total expenditure; (b) \$6,684,253 on food and beverages or 19.3 percent of the total expenditure; (c) \$5,873,758 on accommodation or 17.0 percent of the total expenditure (JP 2011).

The expenditures of the visitors in 2011 for the sector it could be assigned in the following distribution, 38 percent for the Accommodation and Food Services sector and 6.2 percent for the Arts, Entertainment and Recreation.

An important aspect of the Accommodation and Food Services Sector is the tourism industry. For example, as shown in Figure 2 the majority of the visitors to Puerto Rico in the year 2013 came from United States and Canada and the months that they choose to visit Puerto Rico were from January to April. In the Special Chapter dedicated to Tourism are more detailed data about average occupancy rate, average daily rate in hotels and Paradores, and other statistics related.



B. Historical Review of the Sectors

This section discusses some historical review for the Arts, Entertainment, and Recreation Sector and the Accommodation and Food Services Sector. It is important to note that the Accommodation and Food Services Sector should not be confused with tourism. Tourism is part of Accommodation and Food Services and Art, Entertainment and Recreation, but not all of it. One of the efforts to promote the Food Services subsector as part of tourism industries was the use of program “Mesones Gastronómicos”. The restaurants and eating places across Puerto Rico offer a variety of food services and serve all population including the tourist. Similarly, the Arts, Entertainment, and Recreation Sector serve all population.

The “Instituto de Cultura Puertorriqueña” (Institute of Puerto Rican Culture) is a public corporation dedicated to the study, preservation, diffusion, and enrichments of national culture. This includes expression in all orders of creative activity (i.e. literature, theater, music, graphic arts, historical, anthropological, and folkloric). Culture is above all a concept and a way of life, a spiritual state that defines the profile of a people and a nationality (Alegría, 1978).

Those activities of the Arts, Entertainment, and Recreation sectors also affect other sectors. For example, the act of gambling games of May 15, 1948, as amendment, exposed how to distribute the income generated from the slot machine games to the University of Puerto Rico funds, Tourism Company, and franchisee.

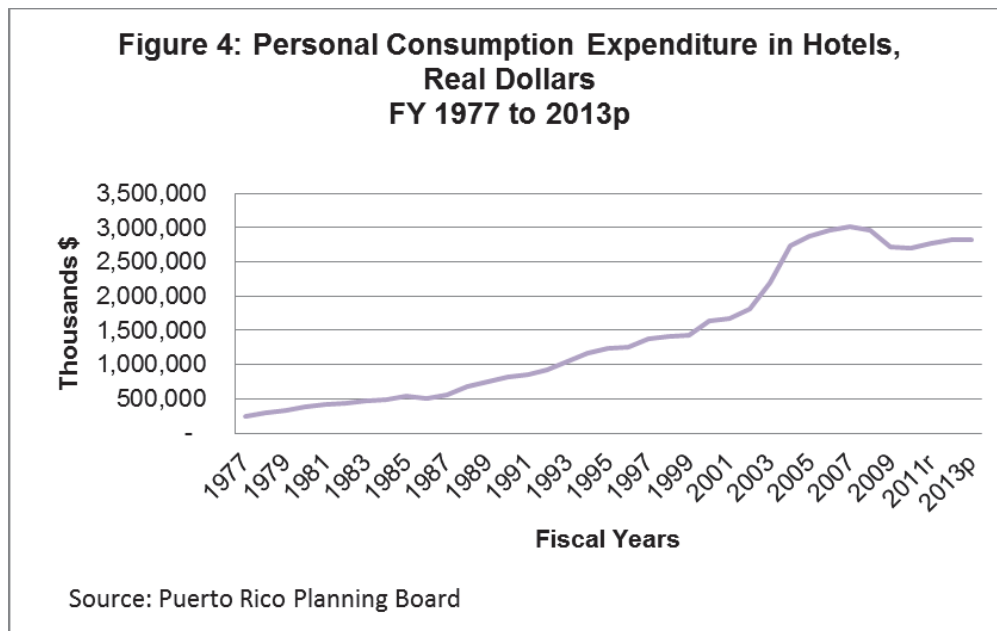
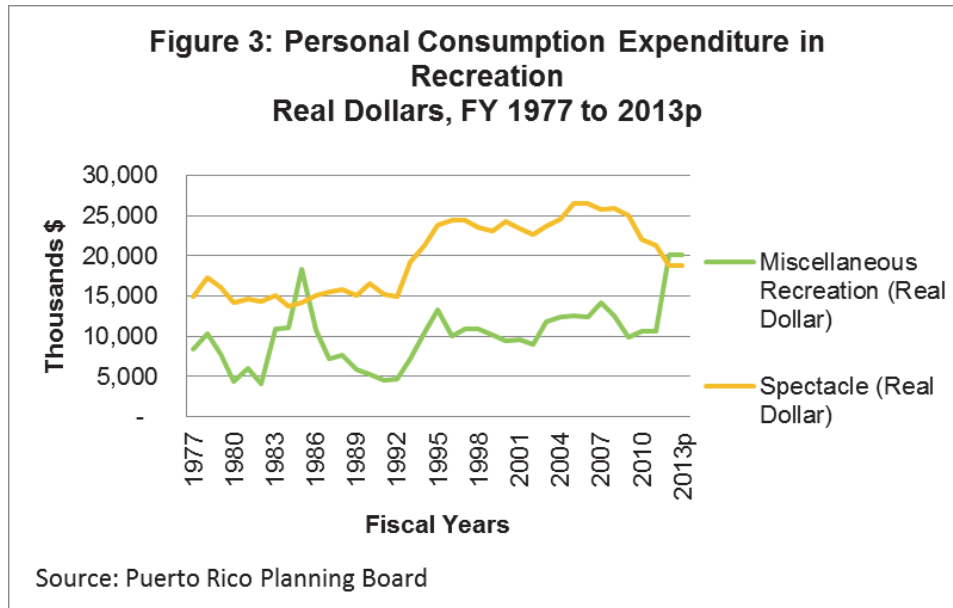
According to the Economic Study of Puerto Rico in 1979 the goal of government was to develop new hotels. Hotels are large fixed structures whose quality and quantity determine much of the character of a tourism destination” (1979, U.S. Department of Commerce, p. 337). At the end of the World War II (1945) the Government of Puerto Rico took several measures to develop tourism. The application of the Act No. 184 of Industrial Contribution Exemption was extended to hotels. In addition, the Government took an active role in the construction of hotel facilities. In 1948-49 the number of visitors was 59,039 and their expenditures were estimated at \$6.5 million. During the 1950s the manufacturing sector gained great momentum of expansion. This expansion led to a significant development of tourism, with the increase in demand for accommodation facilities and places of recreation. In addition, the Act No. 6 of Industrial Incentive of 1954 was extended to hotels. In the 1960s the expenditure of visitors moved from \$58.1 million to \$234 million. At the same time, visitors seeking accommodation increased from 145,900 to 529,500. In this decade the government built new units and gave incentive to the construction and operation of accommodation facilities. In addition, the Puerto Rico Convention Bureau was created in 1962, which promotes different type of conventions and thus collaterally boosts tourism. The Act No. 57 of Industrial Incentive of 1963 was approved to grant tax exemptions to income and property (JP 1999).

For the Accommodation and Food Services Sector, the tourism industry represents a major component. During the 1970s Puerto Rico tourism was characterized as unstable as a result of the United States economic difficulties. In response to that, the Puerto Rico Tourism Company (PRTC) was created by the Act No. 10 of 1970. This public corporation was created to promote tourism development. In the fiscal years of 1974 and 1975 the Puerto Rico economy shrank. The period of 1974-75, 1976-77 was critical to the hotel industry. Some of the factors which had influence in this situation were the development of Caribbean markets, the air fare increase, etc. The first four years of the 1980s were characterized as a period of stagnation for tourism. In this period the hotel industry destabilized sharply, registering significant decrease in the occupancy rate. For that reason, the Act No. 52 of Tourist Incentives of June 2, 1983 was approved.

During the 1990s tourism activity has shown significant fluctuation. In this decade the expenditure by visitors moved from \$1,366.4 million to \$2,138.5 million. At the same time, registered visitors increased from 3,425.8 thousand to 4,221.3 thousand. Some factors that affected tourism and accommodation in the 90s were: the situation of the United States economy, increase of cruise ships traffic, the Gulf War, Hurricane Georges and the strike of pilots of American Airlines. In addition, in this decade the effect of tourism activity decentralization was noticeable, with the opening of accommodation facilities in non-metropolitan regions. In the year 1991 the Hotel Development Corporation was created and the Act of Tourist Promotion of the 1993 was passed. This Act stimulated the creation of a Fund for Tourism Development, and the sale of accommodation owned by the Government (JP 1999). Other central government agencies that promote activities related with the Art, Entertainment, and Recreation Sector are:

- (1) Administration of the Sport of Horse Racing Industry (Administración de la Industria y el Deporte Hípico)
- (2) Puerto Rico National Parks Company (Compañía de Parques Nacionales de Puerto Rico)
- (3) Corporation of Fine Arts Center (Corporación del Centro Bellas Artes)
- (4) Music Conservatory Corporation (Corporación del Conservatorio de Música)
- (5) Corporation for the Development of Arts, Sciences and Film Industry (Corporación para el Desarrollo de las Artes, Ciencias e Industria Cinematográfica)
- (6) Corporation of Musical Arts (Corporación para las Artes Musicales)
- (7) School of Fine Arts (Escuela de Artes Plásticas)
- (8) Institute of Culture of Puerto Rico (Instituto de Cultura Puertorriqueña)
- (9) State Historic Preservation Office (Oficina Estatal de Conservación Histórica).

The ESPP calculate the personal consumption expenditure classified in different types of good and services. For the period 1977 to 2013p the average proportion of personal consumption expenditure for miscellaneous recreation was 0.16 percent, for hotels was 2.34 percent, and spectacle was 0.31 percent. Figure 3 shows a positive slope for personal consumption expenditure in recreation (miscellaneous recreation and spectacle). However, from the year 2010 the miscellaneous recreation expenditure has maintained a growth, while the spectacle expenditure has decrease. In addition, the personal consumption expenditure in hotels as shown in Figure 4 also has a positive slope.



C. Recommendations from previous plans

The recommendation from previous plans for the Arts, Entertainment, and Recreation Sector mainly discuss in two plans. The main strategies in those plans were the improvement of arts education systems (including curricula and social education), preservation and maintenance of the culture patrimony, creation of organization that integrated the difference agency forces, improvement in the infrastructure, among others. For more details see Table 1.

| Plan | Strategy or Recommendation | Page/Slide |
|--|---|-------------------|
| Comité Timón de Puerto Rico 2025, 2004, Puerto Rico 2025: Una Nueva Visión para el Futuro de Puerto Rico | Develop arts and culture. | 50 |
| | Protect Puerto Rico's historic and archaeological heritage and patrimony. | 63 |
| | Improve financing for cultural activities in Puerto Rico | 64 |
| | Promote and develop the musical arts. | 64 |
| | Develop and strengthen culture and recreation centers in municipalities and communities. | 65 |
| | Provide incentives for professional and competitive sports. | 65 |
| | Promote recreation and sport among children and youth in schools and universities. | 65 |
| | Develop human capital for cultural production. | 65 |
| | Facilitate access to schools specializing in art and culture. | 66 |
| | Establish a coordinated organizational model for cultural activities in Puerto Rico, which improves coordination, resource-allocation and continuity, while maintaining autonomy. | 66 |
| | Promote the development, management and coordination of museums. | 66 |
| | Promote Puerto Rican festivities and traditions. | 66 |
| | Promote and develop the plastic arts. | 66 |
| | Promote and develop the representational arts. | 66 |
| | Promote the development of literature and its diffusion within and outside Puerto Rico. | 66 |
| | Promote Puerto Rican cultural production in the international environment. | 67 |
| Promote recreation and sports among seniors. | 67 | |
| Promote recreation and sports among the physically and mentally disabled. | 67 | |
| Gobierno de Puerto Rico 2009, <i>Modelo Estratégico para una Nueva Economía: Crecimiento, Competitividad, Empleos,</i> | Develop the movie, cinematography, and creative service industry, and help transform it into an economically viable industry for the long run. | 26 |

The inclusion of strategies to promote Arts, Entertainment and Recreation (NAICS 71) has been included recently in economic development plans. For example, it is not until the Puerto Rico 2025 plan that 18 strategies dedicated to this sector were proposed. Three plans proposing strategies to encourage activity in this industrial sector were identified. The Arts, Entertainment and Recreation include the following three digits NAICS level subsectors: Performing Arts, Spectator Sports and Related Industries, Museums, Historical sites, and Similar Institutions, Amusement, Gambling, and Recreation Industries. These strategies focus on, promotion, development, management and coordination of cultural, artistic, sporting, and recreational activities and, promotion of human capital and entrepreneur skills in cultural, arts, sports and recreational areas. It is important for future plans to consider the insertion of this sector in tourism. This insertion should look primarily to integrate small and medium businesses in offering a diversified visit. Other strategies to consider are: creation of distribution system and market intelligence that allows the identification of potential export markets and, establishment of support mechanisms to increase efficiency and quality of local production. Perhaps one of the great challenges of this sector is that we should begin to see this sector from the point of view of business and commerce rather than a folk activity separated from the economy.

The previous recommendation for the Accommodation and Food Services Sector was exposed on the tourism industry chapter. Earlier development plans agreed that tourism in Puerto Rico should be reinvented and promoted. The development of tourism industry impacts at the same time the Accommodation and Food Services Sector among others. Recommended strategies focus on policies that promote development, such as: regulations, incentives, tax exemptions and the marketing mix (product, price, promotion, and place).

Tourism on the island would be stronger if a strategy of decentralization of different activities and business were adopted. This decentralization of the tourism includes and concerns the Accommodation and Food Services Sector. Other strategies could be the reduction of tariff and cost associated to the accommodation and tourism related business. The different recommendations should see as synergic factors that influence the capacity of the tourism sector. Those factors includes improvements in infrastructure (including accommodation, transportation, and other facilities), marketing mix, human resource quality (special educations for the work force in the industry, and educate the civil population of Puerto Rico), policy; and create or promote the mechanisms for investing in tourism projects.

Table 2 shows some of the strategies for the Accommodation and Food Services sector (NAICS 72). The sector includes the following three digits NAICS level subsectors: Accommodation and, Food Services and Drinking Places. Most strategies aimed this sector have been focused to encourage tourism by nonresidents. It has been identified three main areas of proposed strategies to promote the Accommodation and Food Services sector as follows: cost reduction to tourists, improving tourism infrastructure and, strategic marketing of Puerto Rico in United States and European markets. While these strategies are still valid and should be part of an ongoing review process, today we should consider adding the following strategies: provide a diversified tourism experience from other tropical regions and is important to identify and consolidate a design for our tourism system that makes us unique, integrate small and medium businesses (including folklore, arts and sports) in offering a diversified visit, create a dynamic process linking the commercial and business tourist with Puerto Rico beyond the period and purpose of visit.

| Table 2: Recommendation summary from previous economic development plan for tourism industry Accommodation and Food Services Sector (NAICS 72) | | |
|--|---|-------------------|
| Plan | Summary Strategy or Recommendation | Page/Slide |
| Comité Interagencial de la Estrategia de Puerto Rico 1975, <i>El Desarrollo Económico de Puerto Rico: Una Estrategia para la Próxima Década (a.k.a Echenique Report)</i> | Develop tourism outside of San Juan and the metro area. Reduce tariffs and costs associated to air travel and accommodations. | 102-104 |
| United States Department of Commerce 1979, <i>Economic Study of Puerto Rico</i> , Vol. 2-B, (a.k.a Krepes report) | Fluctuating Demand - Growth in secondary U.S. market areas, foreign origins, and internal Puerto Rican tourism provide enhanced opportunities for tourism growth and diversification. Urban Concentration of Tourism - Increased demand has facilitated private refurbishing of many tourism facilities and the opening of closed retail establishments and hotels. Air Transportation - New gateways to the U.S. mainland providing additional nonstop service between San Juan and its major U.S. markets. Hotels- Strong demand for tourism should permit the recovery of the hotel industry. | 343-348 |
| Estado Libre Asociado de Puerto Rico 2006, <i>Plan de Desarrollo Económico y Transformación de Gobierno para Puerto Rico</i> | Transform the tourism industry into the economic development motor that drives Puerto Rico. | 9, 19-23 |
| Gobierno de Puerto Rico 2009, Modelo Estratégico para una Nueva Economía: Crecimiento, Competitividad, Empleos | Design new offers to retain and attract and develop new tourist segments. | 26 |
| Departamento de Desarrollo Económico y Comercio 2013, <i>Un Nuevo Puerto Rico: Con Mejores Oportunidades de Negocio</i> | Create and promote the mechanisms for investing in tourism projects. Reinvest, boost, and enlarge tourism options. | 20 |

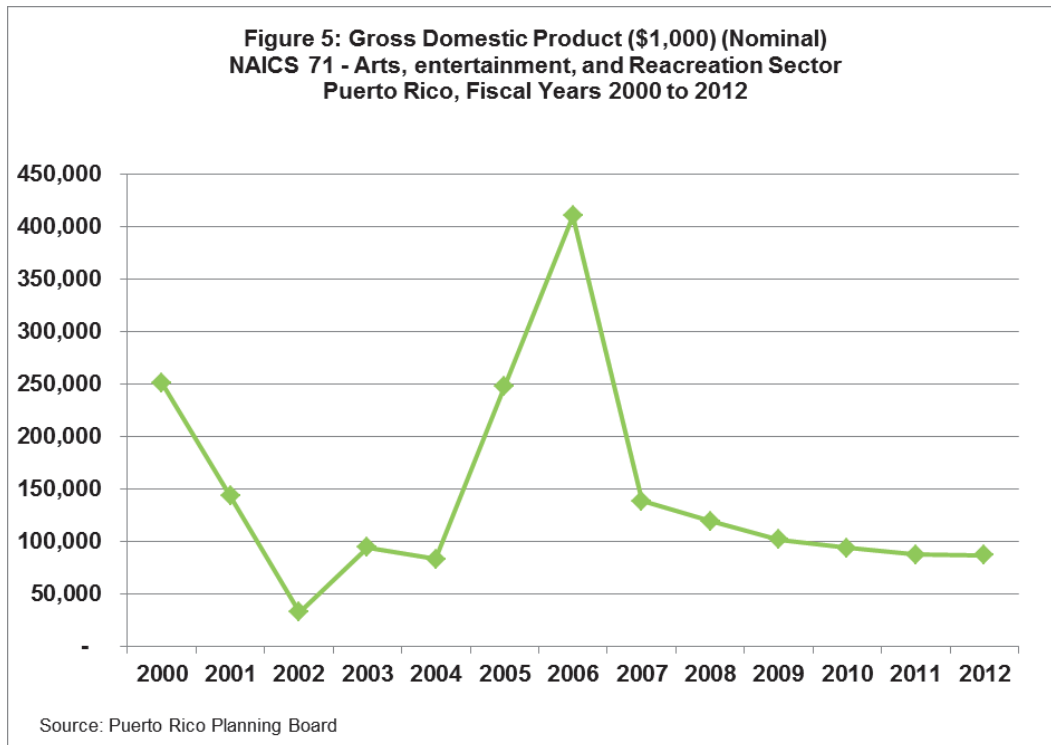
D. Sector Characteristics

This subsection discusses the characteristics of the Arts, Entertainment, and Recreation Sector and Accommodation and Food Services Sector and its respective subsectors. This discussion will be supported with data from the County Business Patterns of the United States Census Bureau and from the Puerto Rico Planning Board. According to the Census, the 2012 NAICS definition for the sectors were the following:

The following sections discuss the characteristics of the Arts, Entertainment, and Recreation (NAICS 71), Accommodation and Food Services (NAICS 72) and their respective subsectors. The sectors characteristics are number of employees, annual payroll, and number of establishments. The annual payroll per employee was calculated by dividing the total annual payroll with the total number of employees for each sector and subsector. The data of gross domestic product (GDP) was obtained from the Puerto Rico Planning Board. The observed years used to analyze the characteristic were from 2005 to 2012. The analysis includes a comparison of years 2006 and 2011 for the gross domestic product, number of employees, annual payroll, annual payroll per employee and the number of establishments.

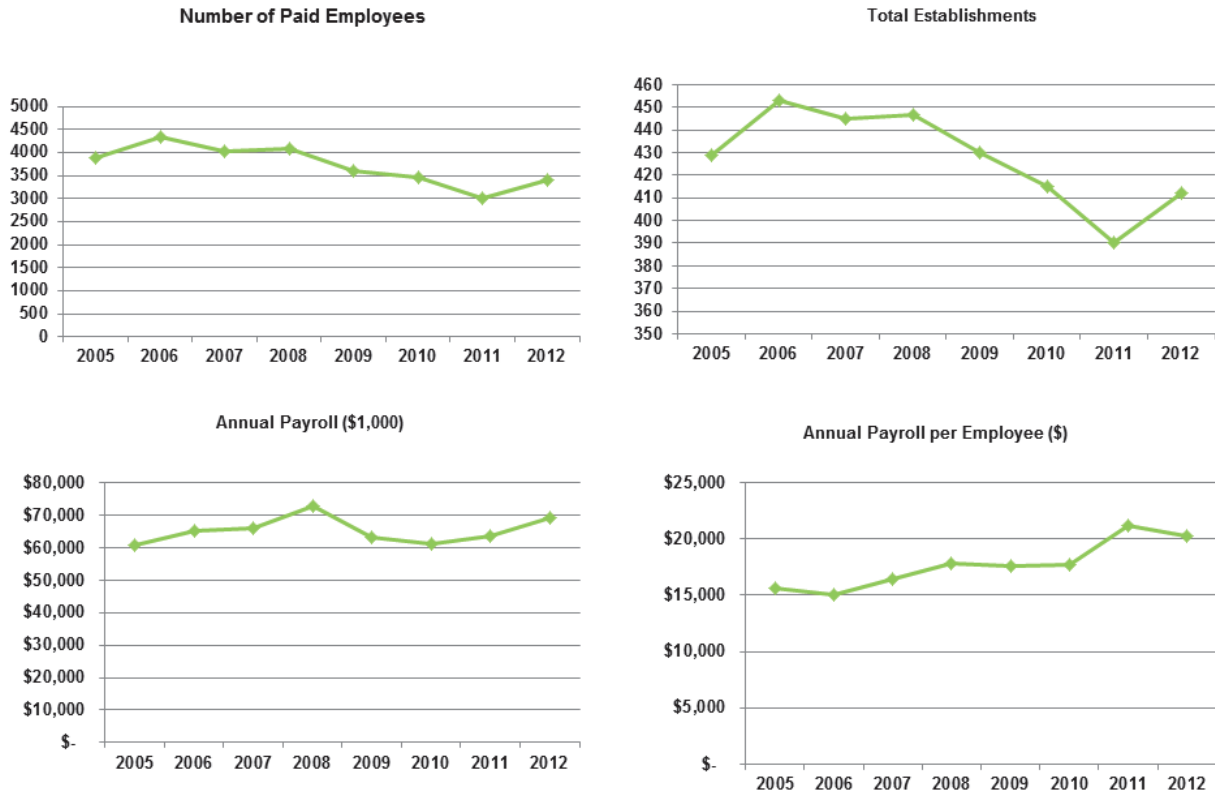
Arts, Entertainment, and Recreation Sector - NAICS 71

The Arts, Entertainment, and Recreation Sector in Puerto Rico amounted \$87,029 thousand or 0.14 percent of the Gross Domestic Product (GDP) for the fiscal year 2012. Figure 5 shows the evolution of the GDP for the sector over the period of fiscal years 2000 through 2012. From the period of 2000 to 2002 the GDP had a downward trend. After that, the Sector experienced a growing trend with a peak in 2006. From 2006 to 2012, the sector again experienced a downward trend. For purposes of analysis, years 2006 and 2011 were selected for comparison. The total gross domestic product for this sector in the year 2006 was \$410,442 thousand and \$87,111 thousand for the year 2011. This represents a decrease of \$323,331 thousand in total gross product or 78.78 percent (on average, 15.76 percent per year for 5 years).



Other variables were studied for the sector such as the number of paid employees in the sector, total establishments, annual payroll, and annual payroll per employee (Figure 6). For the number of employees and number of establishments it could be observed a downward trend. In terms of the number of establishments the tendency it is more drastic.

Figure 6: Comparison of Selected Variable
NAICS 71 – Arts, Entertainment and Recreation Sector
Puerto Rico 2005 to 2012

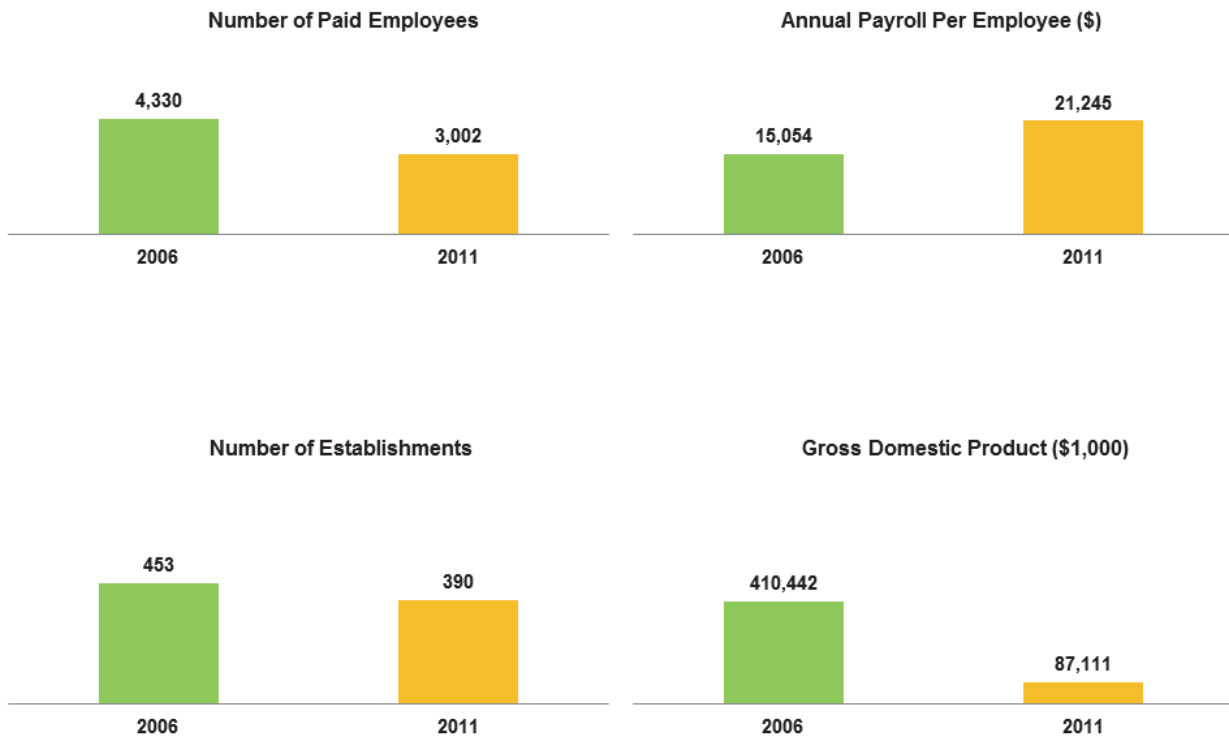


Source: U.S. Census Bureau, County Business Patterns

Figure 7 shows a comparison of the variables for the years 2006 and 2011. As Figure 7 shows, the number of paid employees for this sector in the year 2006 was 4,330 and 3,002 for the year 2011. This represents a decrease of 1,328 paid employees or 30.67 percent (on average, 6.13 percent per year for 5 years).

The annual payroll per employee for the sector in the year 2006 was \$15,054 and \$21,245 for the year 2011. This represents an increase of \$6,192 on payroll per employee or 41.13 percent (on average, 8.23 percent per year for 5 years). The number of establishments for the Arts, Entertainment, and Recreation Sector in the year 2006 was 453 and 390 for the year 2011. This represents a decrease of 63 establishments or 13.91 percent (on average, 2.78 percent per year for 5 years).

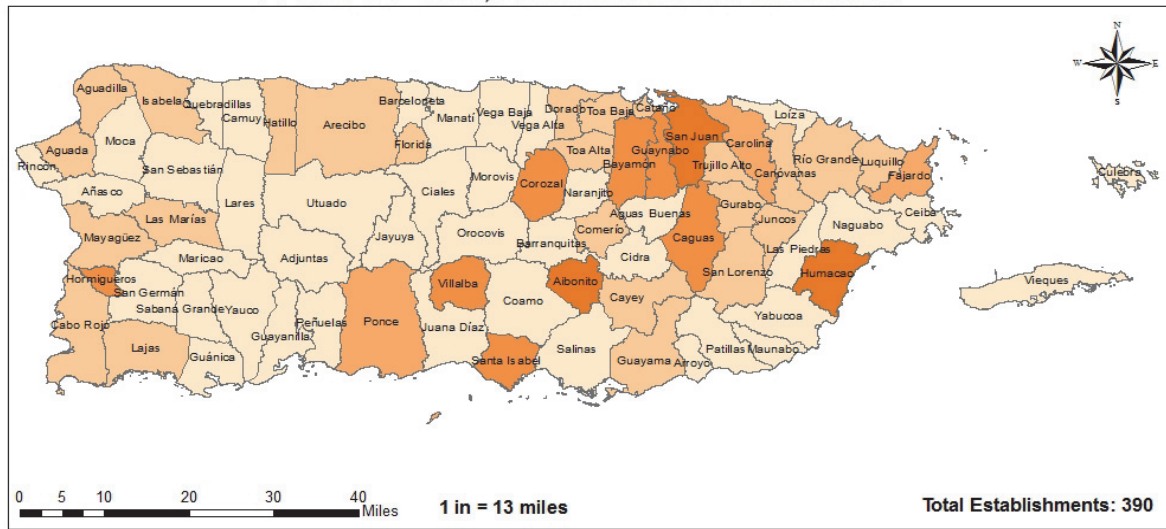
**Figure 7: Comparison of Selected Variable
NAICS 71 – Arts, Entertainment, and Recreation
Puerto Rico, 2006 & 2011**



Source: U.S. Census Bureau, County Business Patterns and Puerto Rico Planning Board

In terms of the number of establishments, Map 1 presents a choropleth map of the distribution of establishments in Puerto Rico. A choropleth map is a thematic map in which regions are colored for the purpose of showing a statistical measure, such as population density or per capita income. The choropleth map highlights the number of establishments for the Arts, Entertainment, and Recreation Sector (NAICS 71) in Puerto Rico for the year 2011. The data was divided into categories calculated by the “Natural Breaks Method”, which is a classification method that seeks to partition data into classes based on natural groups in the data distribution. The categories in the map represent a range of establishments within the municipality, and the frequency refers to the number of municipalities within that category.

Map 1: Choropleth Map
Number of Establishments in Puerto Rico, 2011
NAICS 71 - Arts, Entertainment and Recreation



U.S. Department of Commerce, Census Bureau
 County Business Patterns
 Puerto Rico Planning Board
 Economic and Social Planning Program

| Establishments | Frequency |
|----------------|-----------|
| 0 - 2 | 42 |
| 3 - 8 | 22 |
| 9 - 16 | 3 |
| 17 - 31 | 6 |
| 32 - 130 | 3 |



For the year 2011 the spatial analysis performed for the Arts, Entertainment, and Recreation Sector shows 390 establishments divided into 5 categories. According with the CBP in the year 2011 the municipalities with more establishments in the sector were; San Juan, Guaynabo, Bayamón, Caguas, Humacao, Aibonito, Corozal, Santa Isabel, Villalba and Hormigueros.

The subsections below discuss the different subsectors in the Arts, Entertainment, and Recreation Sector. All the subsectors are described in terms of the GDP, number of paid employees, annual payroll, annual payroll per employee, and total establishments. Despite the figures in the subsection below, in the appendices there are time series table and graphs by variable with full disclosure of the data and analysis of the sector and subsectors (Tables 22 to 26 and Figures 27 to 31).

Performing Arts Companies - NAICS 7111

Figure 8 shows the first subsector in the Arts, Entertainment, and Recreation Sector is the Performing Arts Companies. This subsector experienced a decrease in terms of the GDP. The total gross domestic product for this subsector in the year 2006 was \$119,113 thousand and \$31,226 thousand for the year 2011. This represents a decrease of \$87,887 thousand in total gross domestic product or 73.78 percent (on average, 14.76 percent per year for 5 years).

In terms of the number of paid employees, the subsector experienced decrease. The number of paid employees for this subsector in the year 2006 was 284 and 231 for the year 2011. This represents a decrease of 53 paid employees or 18.66 percent (on average, 3.73 percent per year for 5 years).

Figure 8: Comparison of Selected Variables
NAICS 7111 – Performing Arts Companies
Puerto Rico, 2006 & 2011



Source: U.S. Census Bureau, County Business Patterns and Puerto Rico Planning Board

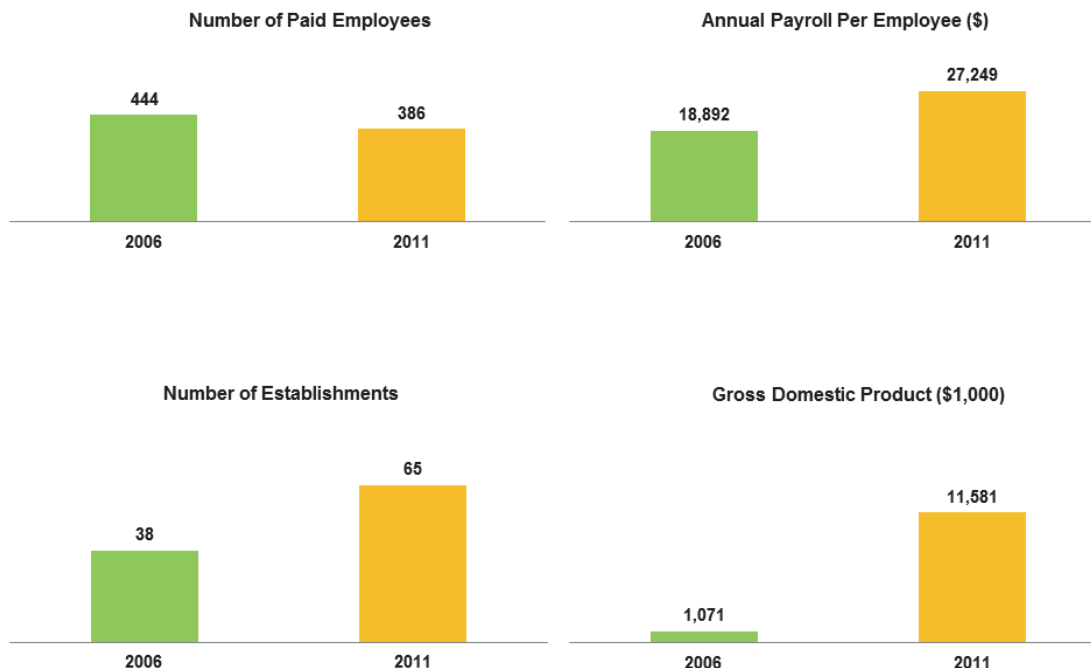
The annual payroll of this subsector fluctuated between \$6,035 thousand and \$8,610 thousand for the period of 2005 to 2012 according with data of the County Business Patterns. On the other hand, the annual payroll per employee averaged \$27,878 for the 2005 to 2012 period. For this analysis, years 2006 and 2011 were selected. Data showed that the annual payroll per employee for this subsector in the year 2006 was \$23,324 and \$31,758 for the year 2011. This represents an increase of \$8,434 on payroll per employee or 36.16 percent (on average, 7.23 percent per year for 5 years). Additionally, the number of establishments for this subsector in the year 2006 was 37 and 28 for the year 2011. This represents a decrease of 9 establishments or 24.32 percent (on average, 4.86 percent per year for 5 years).

Promoters of Performing Arts, Sports, and Similar Events - NAICS 7113

As shown in Figure 9, the GDP for Promoters of Performing Arts, Sports, and Similar Events subsector in the year 2006 was \$1,071 thousand and \$11,581 thousand for the year 2011. This represents an increase of \$10,511 thousand in total gross domestic product or 981.72 percent (on average, 196.34 percent per year for 5 years). In terms of the number of paid employees, data showed that the number of paid employees for this subsector in the year 2006 was 444 and 386 for the year 2011. This represents a decrease of 58 paid employees or 13.06 percent (on average, 2.61 percent per year for 5 years).

Figure 9: Comparison of Selected Variables

Figure 9: Comparison of Selected Variables
NAICS 7113 – Promoters of Performing Arts, Sports, and Similar Events
Puerto Rico, 2006 & 2011



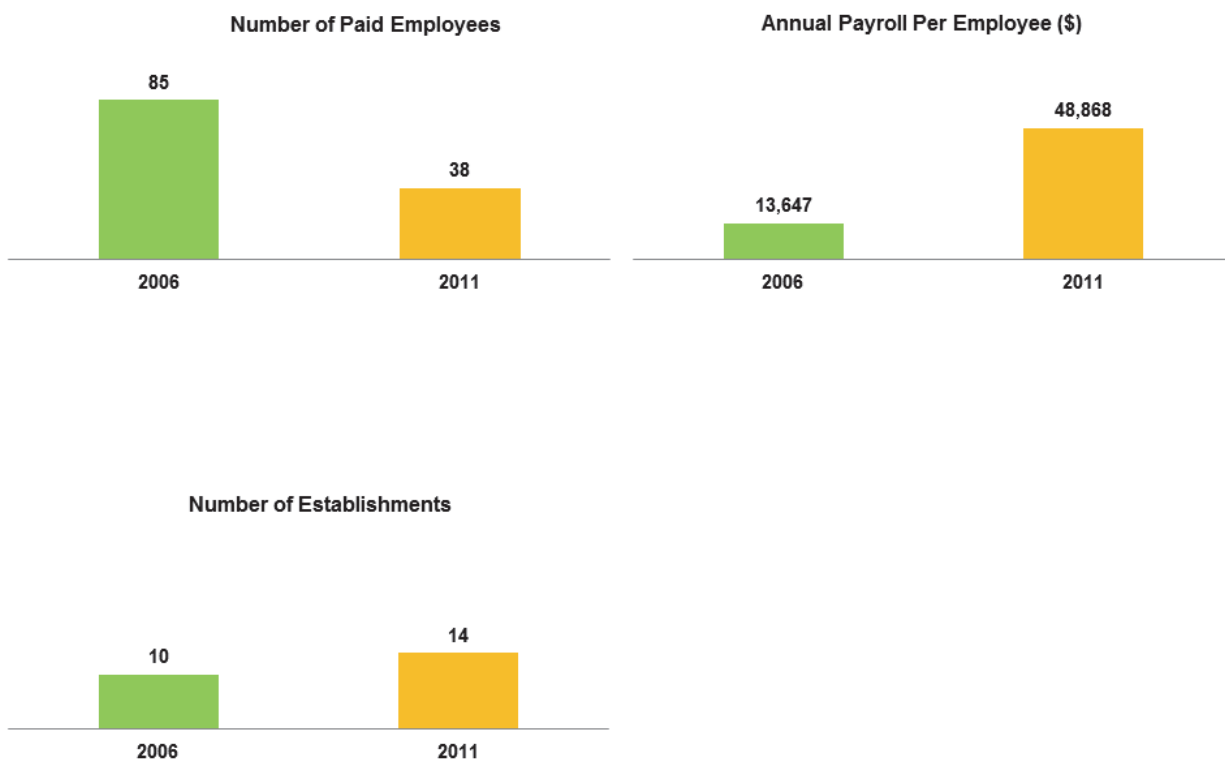
Source: U.S. Census Bureau, County Business Patterns and Puerto Rico Planning Board

The annual payroll of this subsector fluctuated between \$6,154 thousand and \$11,694 thousand for the period 2005 to 2012 according with data of the County Business Patterns. On the other hand, the annual payroll per employee for this subsector in the year 2006 was \$18,892 and \$27,249 for the year 2011. This represents an increase of \$8,357 on payroll per employee or 44.23 percent (on average, 8.85 percent per year for 5 years). The number of establishments for this subsector in the year 2006 was 38 and 65 for the year 2011. This represents an increase of 27 establishments or 71.05 percent (on average, 14.21 percent per year for 5 years).

Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures - NAICS 7114

The Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures subsector showed in Figure 10 that the number of paid employees in the year 2006 was 85 and 38 for the year 2011. This represents a decrease of 47 paid employees or 55.29 percent (on average, 11.06 percent per year for 5 years).

Figure 10: Comparison of Selected Variables
NAICS 7114 – Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures
Puerto Rico, 2006 & 2011



Source: U.S. Census Bureau, County Business Patterns and Puerto Rico Planning Board

The annual payroll of this subsector fluctuated between \$661 thousand and \$2,137 thousand for the period 2005 to 2012 according with data of the County Business Patterns. On the other hand, the annual payroll per employee for this subsector in the year 2006 was \$13,647 and \$48,868 for the year 2011. This represents an increase of \$35,221 on payroll per employee or 258.09 percent (on average, 51.62 percent per year for 5 years). The number of establishments for this subsector in the year 2006 was 10 and 14 for the year 2011. This represents an increase of 4 establishments or 40 percent (on average, 8 percent per year for 5 years).

Independent Artists, Writers, and Performers - NAICS 7115

The GDP for Independent Artist, Writers, and Performers subsector in the year 2006 was \$6,477 thousand and \$6,639 thousand for the year 2011. This represents an increase of \$163 thousand in total gross domestic product or 2.51 percent (on average, 0.5 percent per year for 5 years). For this subsector, as shown in Figure 11, the variable called number of paid employees showed in the year 2006 total employees of 129, while in the year 2011 reflects 103 employees. This represents a decrease of 26 paid employees or 20.16 percent (on average, 4.03 percent per year for 5 years).

Figure 11: Comparison of Selected Variables
NAICS 7115 – Independent Artists, Writers, and Performers
Puerto Rico, 2006 & 2011



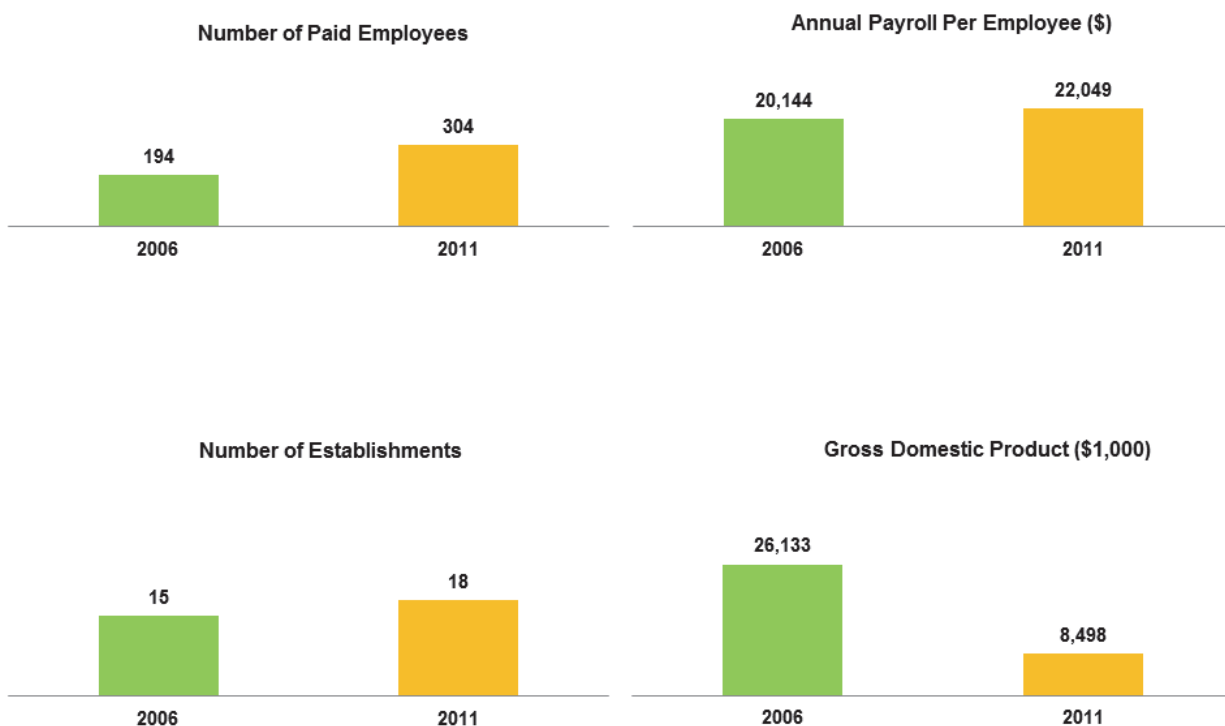
Source: U.S. Census Bureau, County Business Patterns and Puerto Rico Planning Board

The annual payroll of this subsector fluctuated between \$1,895 thousand and \$3,352 thousand for the period 2005 to 2012 according with data of the County Business Patterns. On the other hand, the annual payroll per employee for this subsector in the year 2006 was \$17,961 and \$28,010 for the year 2011. This represents an increase of \$10,048 on payroll per employee or 55.95 percent (on average, 11.19 percent per year for 5 years). For this subsector, the number of establishments in the year 2006 was 33 and 30 for the year 2011. This represents a decrease of 3 establishments or 9.09 percent (on average, 1.82 percent per year for 5 years).

Museums, Historical Sites, and Similar Institutions - NAICS 7121

The GDP for the Museums, Historical Sites and Similar Institutions subsector presented in Figure 12 in the year 2006 was \$26,133 thousand and \$8,498 thousand for the year 2011. This represents a decrease of \$17,635 thousand in total gross domestic product or 67.48 percent (on average, 13.5 percent per year for 5 years). The number of paid employees for this subsector in the year 2006 was 194 and 304 for the year 2011. This represents an increase of 110 paid employees or 56.7 percent (on average, 11.34 percent per year for 5 years).

Figure 12: Comparison of Selected Variables
NAICS 7121 – Museums, Historical Sites, and Similar Institutions
Puerto Rico, 2006 & 2011



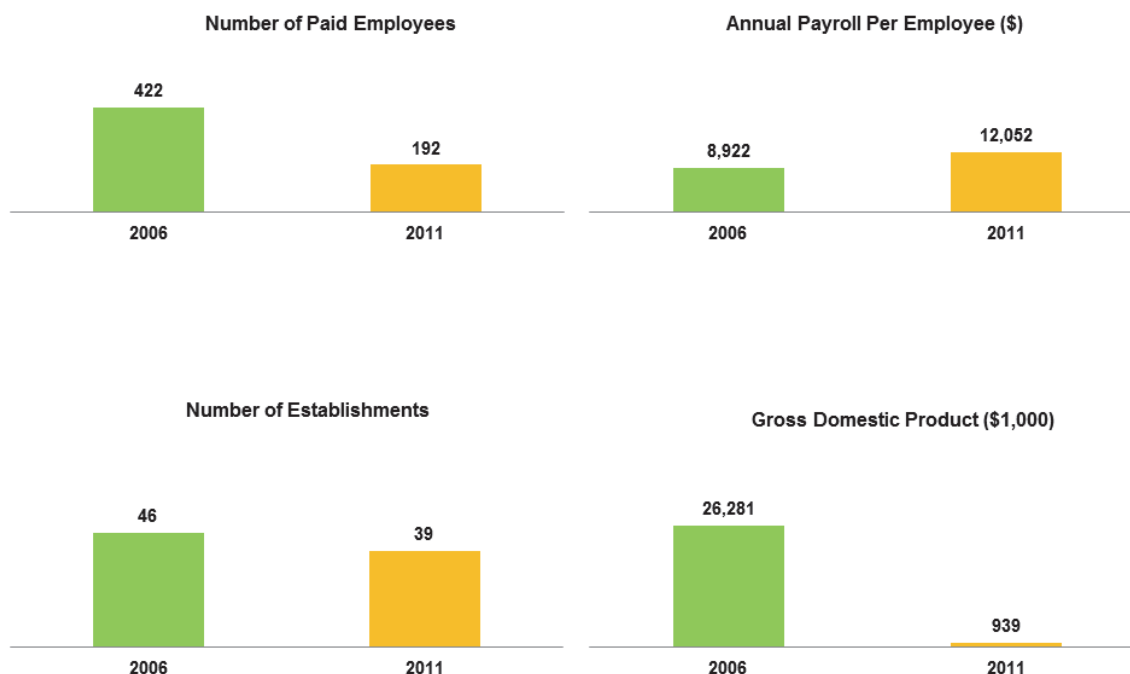
Source: U.S. Census Bureau, County Business Patterns and Puerto Rico Planning Board

The annual payroll of this subsector fluctuated between \$3,672 thousand and \$6,981 thousand for the period 2005 to 2012 according with data of the County Business Patterns. On the other hand, the annual payroll per employee for this subsector in the year 2006 was \$20,114 and \$22,049 for the year 2011. This represents an increase of \$1,905 on payroll per employee or 9.46 percent (on average, 1.89 percent per year for 5 years). The number of establishments for this subsector in the year 2006 was 15 and 18 for the year 2011. This represents an increase of 3 establishments or 20 percent (on average, 4 percent per year for 5 years).

Amusement Parks and Arcades - NAICS 7131

Figure 13 shows the GDP for the Amusement Parks and Arcades subsector in the year 2006 was \$26,281 thousand and \$939 thousand for the year 2011. This represents a decrease of \$25,343 thousand in total gross domestic product or 96.43 percent (on average, 19.29 percent per year for 5 years). For this subsector in the year 2006 the number of paid employees was 422 and 192 for the year 2011. This represents a decrease of 230 paid employees or 54.5 percent (on average, 10.9 percent per year for 5 years).

Figure 13: Comparison of Selected Variables
NAICS 7131 – Amusement Parks and Arcades
Puerto Rico, 2006 & 2011



Source: U.S. Census Bureau, County Business Patterns and Puerto Rico Planning Board

The annual payroll of this subsector fluctuated between \$2,314 thousand and \$3,765 thousand for the period 2005 to 2012 according with data of the County Business Patterns. On the other hand, the annual payroll per employee for this subsector in the year 2006 was \$8,922 and \$12,052 for the year 2011. This represents an increase of \$3,130 on payroll per employee or 35.09 percent (on average, 7.02 percent per year for 5 years). However, the number of establishments for this subsector remains relatively stable. For the year 2006 the number of establishment was 46 and 39 for the year 2011. This represents a decrease of 7 establishments or 15.22 percent (on average, 3.04 percent per year for 5 years).

Other Amusement and Recreation Industries - NAICS 7139

The Other Amusement and Recreation Industries subsector showed in Figure 14 follows the same trend in the GDP such as the Amusement Parks and Arcades subsector. They both have a lot of changes in the GDP during the period 2000 to 2012. For example, the total gross domestic product for this subsector in the year 2006 was \$208,050 thousand and \$27,140 thousand for the year 2011. This represents a decrease of \$180,910 thousand in total gross product or 86.95 percent (on average, 17.39 percent per year for 5 years).

In terms of the number of paid employees, the subsector had a decreasing trend. It could be observed that the number of paid employees for this subsector in the year 2006 was 2,071 and 1,374 for the year 2011. This represents a decrease of 697 paid employees or 33.66 percent (on average, 6.73 percent per year for 5 years).

Figure 14: Comparison of Selected Variables
NAICS 7139 – Other Amusement and Recreation Industries
Puerto Rico, 2006 & 2011

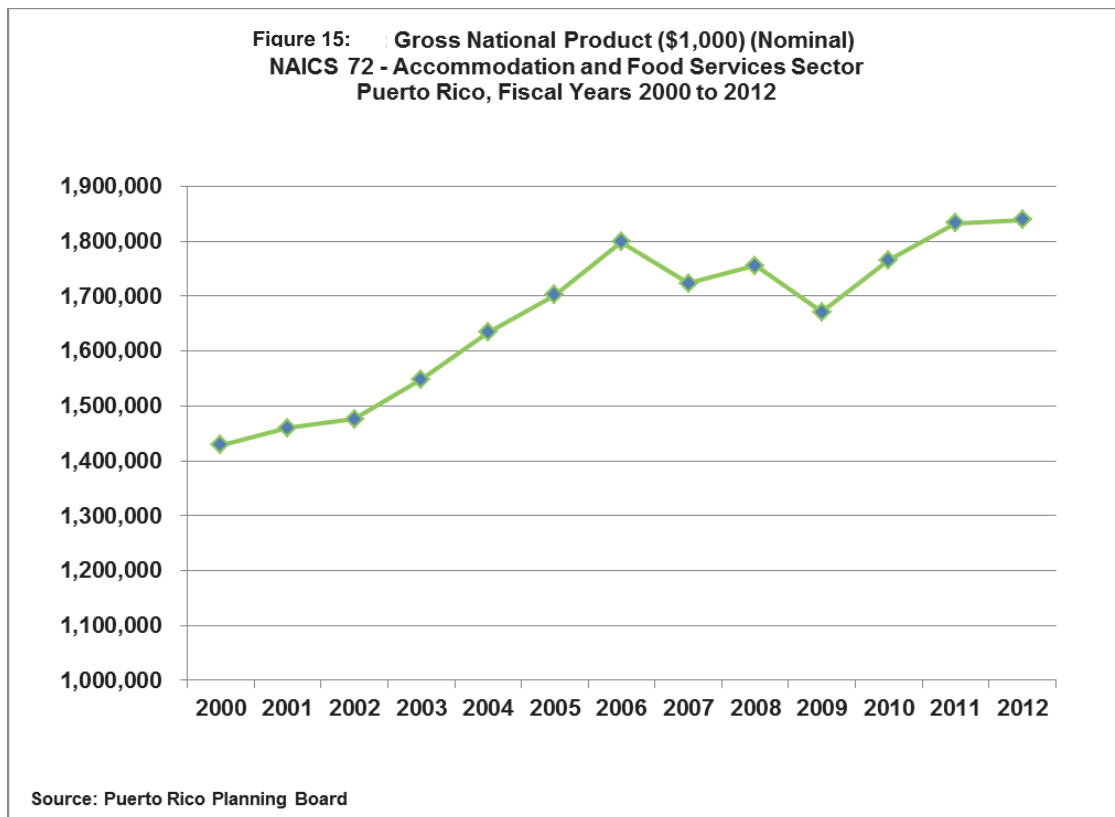


Source: U.S. Census Bureau, County Business Patterns and Puerto Rico Planning Board

The annual payroll of this subsector fluctuated between \$22,883 thousand and \$29,764 thousand for the period 2005 to 2012 according with data of the County Business Patterns. On the other hand, the annual payroll per employee for this subsector in the year 2006 was \$13,494 and \$16,654 for the year 2011. This represents an increase of \$3,160 on payroll per employee or 23.42 percent (on average, 4.68 percent per year for 5 years). The number of establishments for the subsector presents a decreasing trend for the period 2005 to 2012. The number of establishments for this subsector in the year 2006 was 201 and 152 for the year 2011. This represents a decrease of 49 establishments or 24.38 percent (on average, 4.88 percent per year for 5 years).

Accommodation and Food Services Sector - NAICS 72

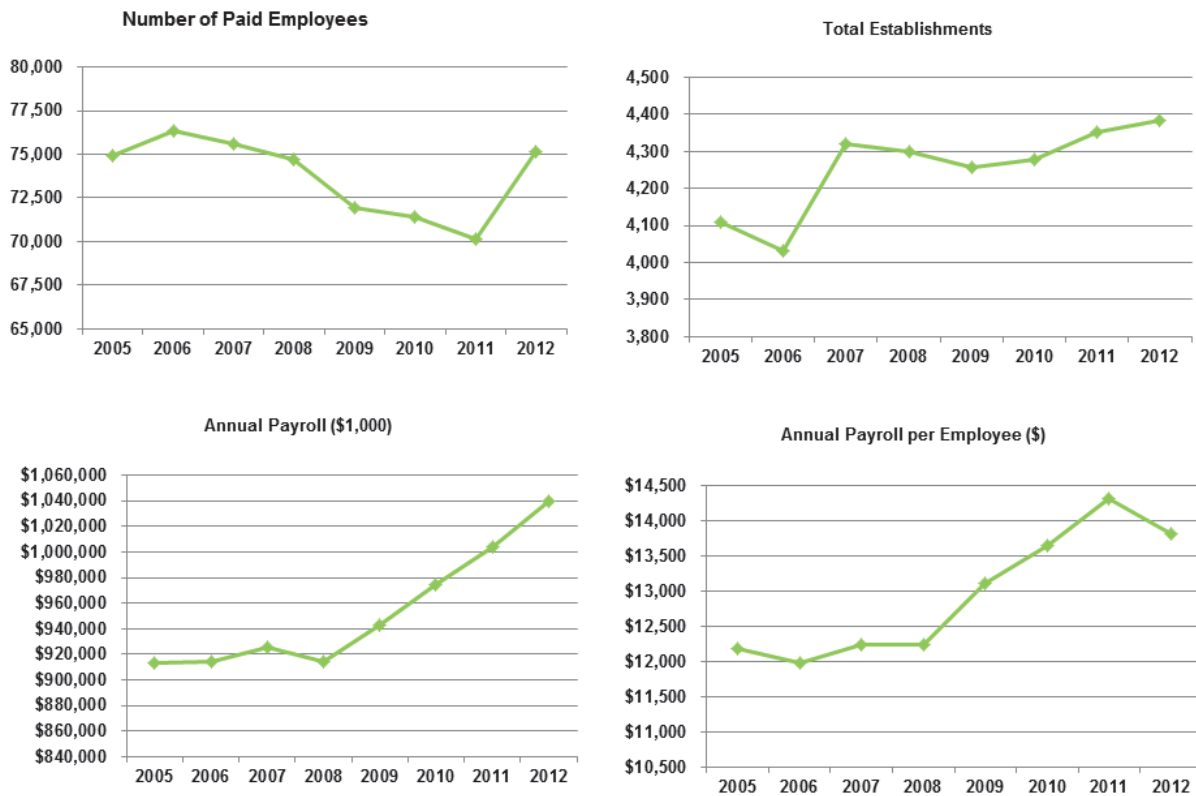
The Accommodation and Food Services Sector in Puerto Rico amounted \$1,839,541 thousand or 1.82 percent of the Gross Domestic Product (GDP) for the year 2012. Figure 15 shows the evolution of the GDP for the sector over the period of 2000 through 2012.



The GDP for the sector shows a growing trend from fiscal years 2000 to 2006. After 2006, the GDP fell in 2007 and 2009. After that, the GDP of the sector showed an ascending trend. For the purposes of analysis, years 2006 and 2011 were selected for comparison. The total gross domestic product for this sector in the year 2006 was \$1,799,152 thousand and \$1,833,364 thousand for the year 2011. This represents an increase of \$34,212 thousand in GDP or 1.90 percent (on average, 0.38 percent per year for 5 years).

Other variables were studied for the sector. Those variables were the number of paid employees in the sector, total establishments, annual payroll, and annual payroll per employee. All data were obtained from the County Business Patterns of the US Census Bureau. A time series of the variables were showed in Figure 16:

**Figure 16: Comparison of Selected Variables
NAICS 72 – Accommodation and Food Services Sector
Puerto Rico 2005 to 2012**



Source: U.S. Census Bureau, County Business Patterns

Figure 17 shows a comparison of the variables for the fiscal years 2006 and 2011. As Figure 17 presents, the number of paid employees for Accommodation and Food Services Sector in the year 2006 was 76,317 and 70,173 for the year 2011. This represents a decrease of 6,144 paid employees or 8.05 percent, (on average, 1.61 percent per year for these 5 years). However, the year 2012 reflects an increase of 7.14 percent with respect of number of employees of the year 2011.

For the Accommodation and Food Services Sector the annual payroll in the year 2006 was \$914,442 thousand and \$1,004,152 thousand for the year 2011. This represents an increase of \$89,710 thousand on payroll or 9.81 percent (on average, 1.96 percent per year for 5 years). In the year 2012, the annual payroll also increase by \$35,196 thousand with respect to 2011, this represents a change of 3.5 percent. Despite the general decrease in the number of employee of the sector the annual payroll increased.

**Figure 17: Comparison of Selected Variables
NAICS 72 – Accommodation and Food Services
Puerto Rico, 2006 & 2011**



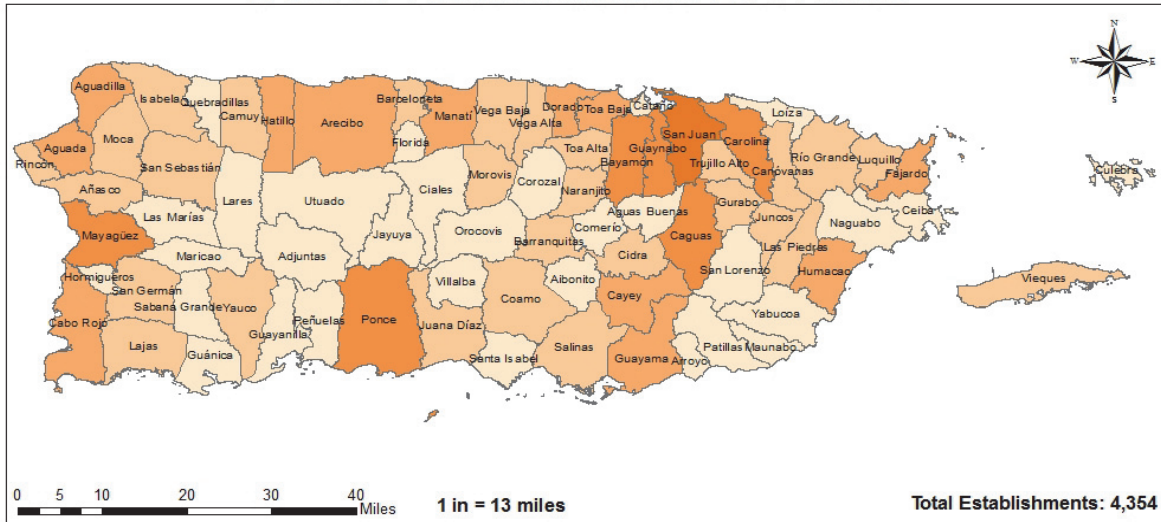
Source: U.S. Census Bureau, County Business Patterns and Puerto Rico Planning Board

However, the annual payroll per employee for the Accommodation and Food Services Sector in the year 2006 was \$11,982 and \$14,310 for the year 2011. This represents an increase of \$2,328 on payroll per employee or 19.42 percent (on average, 3.88 percent per year for 5 years). Conversely, in 2012 the annual payroll per employee of the Accommodation and Food Services declined by \$485 or 3.39 percent with respect to 2011. The annual payroll per employee represents around 50 percent of the average of Puerto Rico annual payroll per employee. Therefore, the annual payroll per employee of the sector was below of the average for Puerto Rico.

The number of establishments for this sector in the year 2006 was 4,033 and 4,354 for the year 2011. This represents an increase of 321 establishments or 7.96 percent (on average, 1.59 percent per year for 5 years). In terms of the number of establishments, Map 2 presents a choropleth map of the distribution of establishments in Puerto Rico. A choropleth map is a thematic map in which regions are colored for the purpose of showing a statistical measure, such as population density or per capita income. The choropleth map highlights the number of establishments for the Accommodation and Food Services Sector (NAICS 72) in Puerto Rico for the year 2011. The data was divided into categories calculated by the “Natural Breaks Method”, which is a classification method that seeks to partition data into classes based on natural groups in the data distribution. The categories in the map represent a range of establishments within the municipality, and the frequency refers to the number of municipalities within that category.

Map 2: Choropleth Map

**Number of Establishments in Puerto Rico, 2011
NAICS 72 - Accommodation and Food Services**



U.S. Department of Commerce, Census Bureau
County Business Patterns
Puerto Rico Planning Board
Economic and Social Planning Program

| Establishments | Frequency |
|----------------|-----------|
| 0 - 20 | 30 |
| 21 - 49 | 28 |
| 50 - 99 | 13 |
| 100 - 262 | 6 |
| 263 - 958 | 1 |



For the year 2011 the spatial analysis performed for the Accommodation and Food Services Sector shows 4,354 establishments divided into 5 categories. According with the CBP in the year 2011 the municipalities with more establishments in the sector were; San Juan, Guaynabo, Bayamon, Caguas, Carolina, Ponce and Mayaguez.

The subsections below discuss the different subsectors in the Accommodation and Food Services Sector. All the subsectors are described in terms of the GDP, number of paid employees, annual payroll, annual payroll per employee, and total establishments. Despite the figures in the subsection below, in the appendixes there a time series table and graphs by variable with full disclosure of the data and analysis of the sector and subsectors (Tables 27 to 31 and Figures 32 to 36).

Traveler Accommodation - NAICS 7211

The first subsector of the Accommodation and Food Services Sector is the Traveler Accommodation. As shown in Figure 18 this subsector experienced a growing trend in terms of the GDP from 2000 to 2008. After that, the subsector fall for two years and in 2011 began to grow again. The total gross domestic product for this subsector in the year 2006 was \$533,408 thousand and \$542,012 thousand for the year 2011. This represents an increase of \$8,605 thousand in total gross domestic product or 1.61 percent (on average, 0.32 percent per year for 5 years).

In terms of the number of paid employees, the subsector experienced a sustained reduction from 2005 through 2010. After that year, the number of paid employees began to grow. For purpose of the analysis, years 2006 and 2011 were selected. Data showed that the number of paid employees for this subsector in the year 2006 was 17,048 and 15,163 for the year 2011. This represents a decrease of 1,885 paid employees or 11.06 percent (on average, 2.21 percent per year for 5 years).

Figure 18: Comparison of Selected Variables
NAICS 7211 – Traveler Accommodation
Puerto Rico, 2006 & 2011



Source: U.S. Census Bureau, County Business Patterns and Puerto Rico Planning Board

The annual payroll of this subsector fluctuated between \$304,380 thousand and \$353,337 thousand for the period 2005 to 2012 according with data of the County Business Patterns. On the other hand, the annual payroll per employee for this subsector in the year 2006 was \$20,189 and \$21,876 for the year 2011. This represents an increase of \$1,686 on payroll per employee or 8.35 percent (on average, 1.67 percent per year for 5 years).

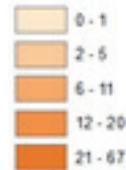
The number of establishments for this subsector in the year 2006 was 247 and 263 for the year 2011. This represents an increase of 16 establishments or 6.48 percent (on average, 1.30 percent per year for 5 years). For the year 2011, the spatial analysis performed for the Traveler Accommodation subsector showed 263 establishments divided into 5 categories (Map 3). According with the CBP in the year 2011 the municipalities of San Juan, Carolina, Ponce, Cabo Rojo and Vieques are the municipalities with more establishments in the subsector.

Map 3: Choropleth Map
Total Establishments in Puerto Rico, 2011
Traveler Accommodation, (NAICS 7211)



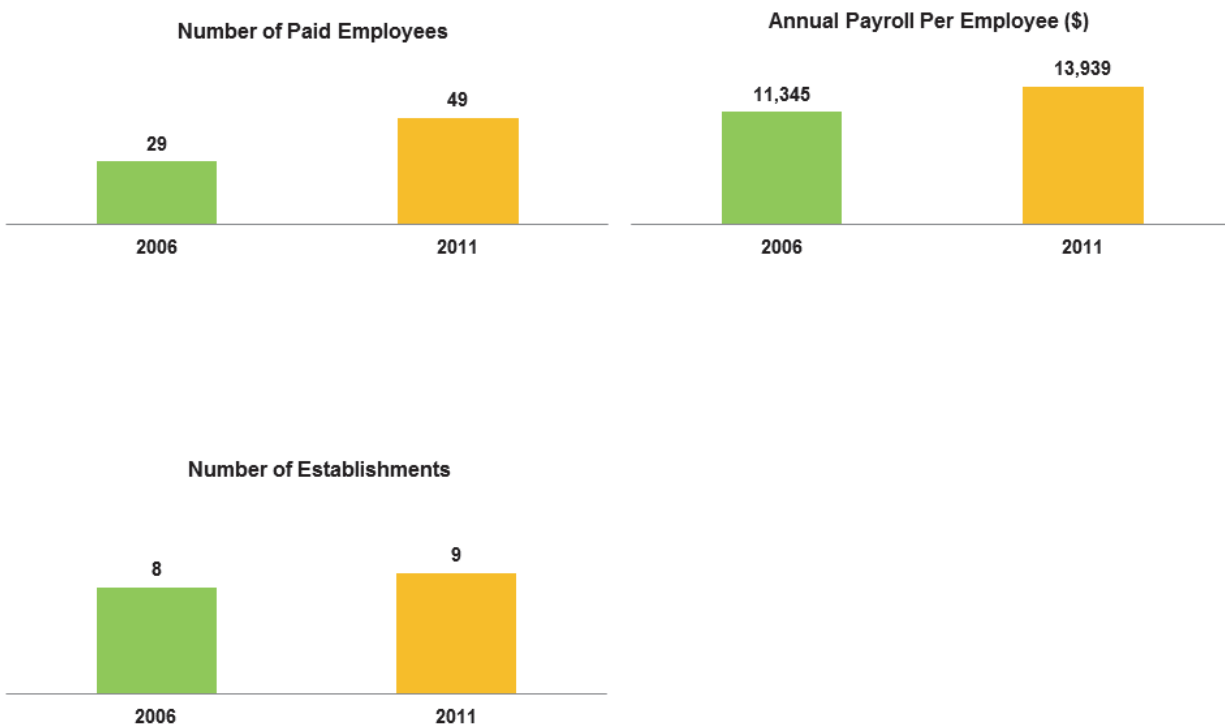
U.S. Department of Commerce, Census Bureau
 County Business Patterns
 Puerto Rico Planning Board
 Economic and Social Planning Program

Establishment



RV (Recreational Vehicle) Parks and Recreational Camps - NAICS 7212

Figure 19 presents RV (Recreational Vehicle) Parks and Recreational Camps which is the second subsector of the Accommodation and Food Services Sector. For this subsector, the number of paid employees remains quite stable over the period 2005-2012, except for the reduction in the year 2006. The number of paid employees for this subsector in the year 2006 was 29 and 49 for the year 2011. This represents an increase of 20 paid employees or 68.97 percent (on average, 13.79 percent per year for 5 years).

Figure 19: Comparison of Selected Variables**NAICS 7212 – RV (Recreational Vehicle) Parks and Recreational Camps
Puerto Rico, 2006 & 2011**

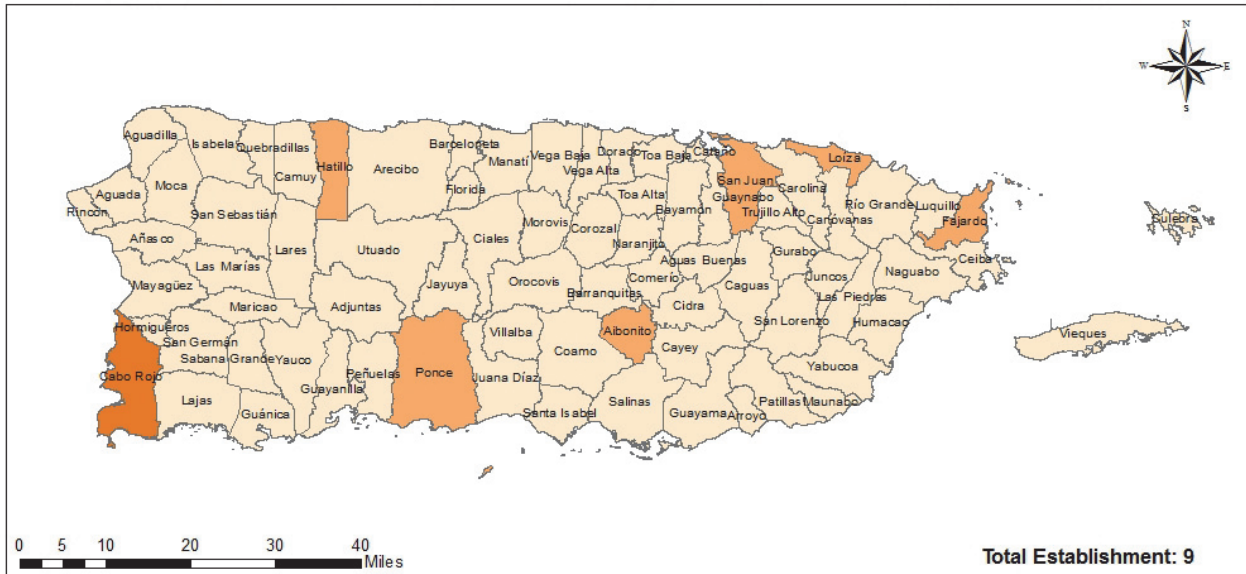
Source: U.S. Census Bureau, County Business Patterns and Puerto Rico Planning Board

The annual payroll of this subsector fluctuated between \$329 thousand and \$683 thousand for the period 2005 to 2012 according with data of the County Business Patterns. On the other hand, the annual payroll per employee for this subsector in the year 2006 was \$11,345 and \$13,939 for the year 2011. This represents an increase of \$2,594 on payroll per employee or 22.86 percent (on average, 4.57 percent per year for 5 years).

The number of establishments for this subsector, a comparison for the years 2006 and 2011 showed that the number of establishments were 8 and 9, respectively. This represents an increase of 1 establishment or 12.50 percent (on average, 2.50 percent per year for 5 years). For the year 2011, the spatial analysis performed for the RV (Recreational Vehicle) Parks and Recreational Camps subsector showed 9 establishments divided into 3 categories (Map 4). According with the CBP in the year 2011 the municipality of Cabo Rojo is the one with more establishments in the subsector.

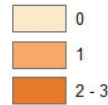
Map 4: Choropleth Map

**Total Establishments in Puerto Rico, 2011
RV (Recreational Vehicle) Parks and Recreational Camps, (NAICS 7212)**



U.S. Department of Commerce, Census Bureau
 County Business Patterns
 Puerto Rico Planning Board
 Economic and Social Planning Program

Establishment



Rooming and Boarding Houses - NAICS 7213

The Rooming and Boarding Houses subsector in Puerto Rico presents variability during the period 2005 to 2012. In terms of the number of paid employees, it could be observed in Figure 20 that in the year 2006 the number of paid employees was 87, while in the year 2011 the subsector had 11 paid employees. This represents a decrease of 76 paid employees or 87.36 percent (on average, 17.47 percent per year for 5 years).

**Figure 20: Comparison of Selected Variables
NAICS 7213 – Rooming and Boarding Houses
Puerto Rico, 2006 & 2011**

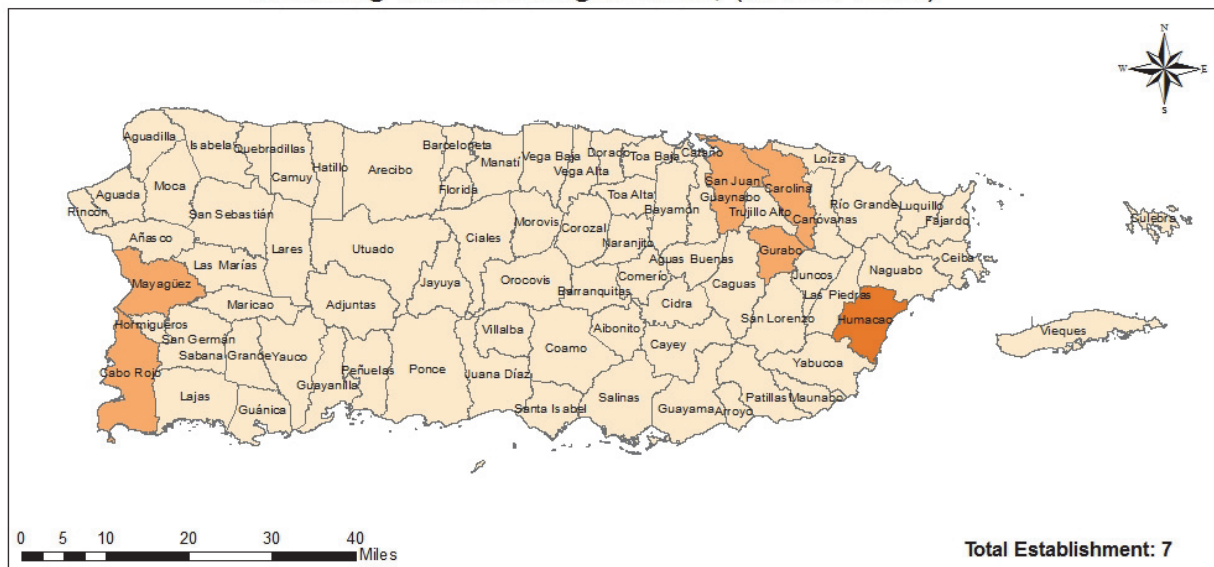


Source: U.S. Census Bureau, County Business Patterns and Puerto Rico Planning Board

The annual payroll of this subsector fluctuated between \$188 thousand and \$943 thousand for the period 2005 to 2012 according with data of the County Business Patterns. On the other hand, the annual payroll per employee for this subsector in the year 2006 was \$10,253 and \$17,091 for the year 2011. This represents an increase of \$6,838 on payroll per employee or 66.69 percent (on average, 13.34 percent per year for 5 years).

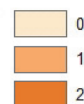
The number of establishments for this subsector in the year 2006 was 11 and 7 for the year 2011. This represents a decrease of 4 establishments or 36.36 percent (on average, 7.27 percent per year for 5 years). For the year 2011, the spatial analysis performed for the Rooming and Boarding Houses subsector showed 7 establishments divided into 3 categories (Map 5). According with the CBP in the year 2011 the municipality of Humacao is the one with more establishments in the subsector.

Map 5: Choropleth Map
Total Establishments in Puerto Rico, 2011
Rooming and Boarding Houses, (NAICS 7213)



U.S. Department of Commerce, Census Bureau
 County Business Patterns
 Puerto Rico Planning Board
 Economic and Social Planning Program

Establishment

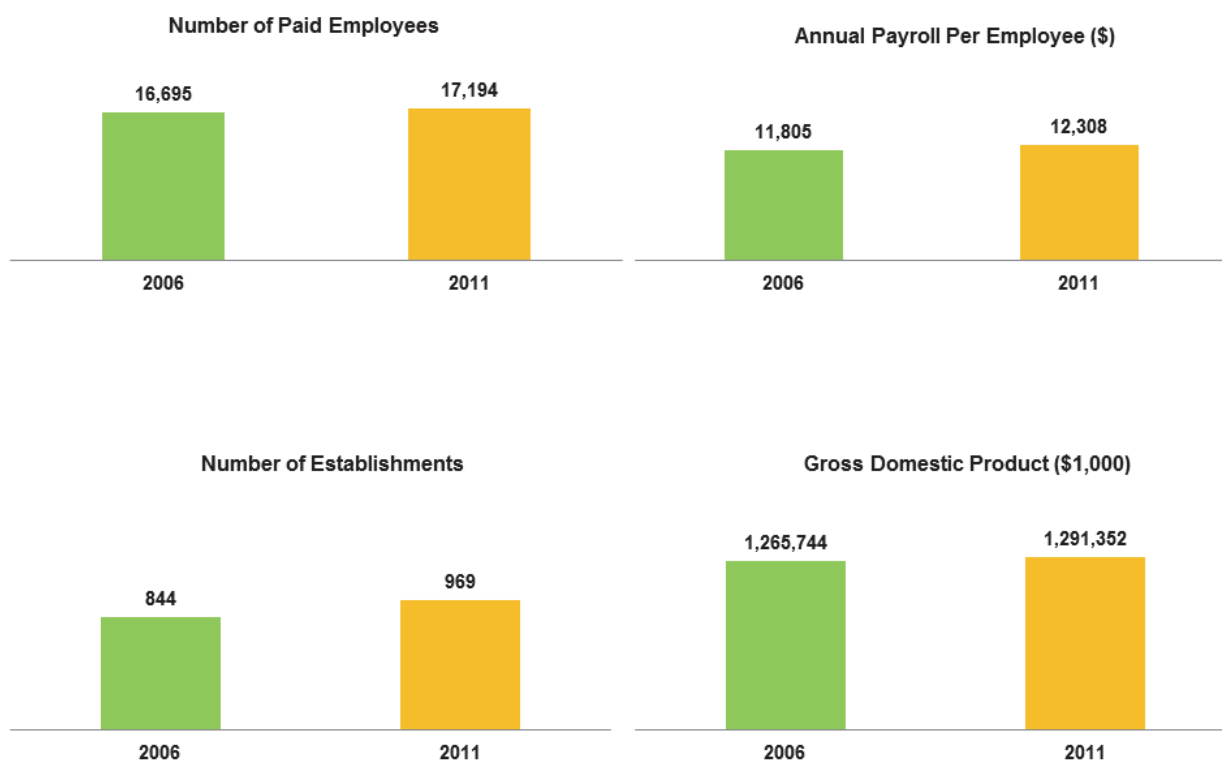


Full Services Restaurants - NAICS 7221

The Full Services Restaurants showed a growing trend in the GDP from 2000 to 2006 as shown in Figure 21. After that, the GDP decreased until 2009 and then started to grow again. For example, the total gross domestic product for this subsector in the year 2006 was \$1,265,744 thousand and \$1,291,352 thousand for the year 2011. This represents an increase of \$25,607 thousand in total gross domestic product or 2.02 percent (on average, 0.40 percent per year for 5 years).

In terms of the number of paid employees, the data remain quite stable for the period 2005 - 2012. For the subsector, the number of paid employees in the year 2006 was 16,695 and 17,194 for the year 2011. This represents an increase of 499 paid employees or 2.99 percent (on average, 0.60 percent per year for 5 years).

Figure 21: Comparison of Selected Variables
NAICS 7221 – Full-Service Restaurants
Puerto Rico, 2006 & 2011



Source: U.S. Census Bureau, County Business Patterns and Puerto Rico Planning Board

The annual payroll of this subsector fluctuated between \$190,033 thousand and \$211,618 thousand for the period 2005 to 2012 according with data of the County Business Patterns. On the other hand, the annual payroll per employee for this subsector in the year 2006 was \$11,805 and \$12,308 for the year 2011. This represents an increase of \$503 on payroll per employee or 4.26 percent (on average, 0.85 percent per year for 5 years).

The number of establishments for this subsector in the year 2006 was 844 and 969 for the year 2011. This represents an increase of 125 establishments or 14.81 percent (on average, 2.96 percent per year for 5 years). For the year 2011, the spatial analysis performed for the Full Services Restaurants subsector showed 969 establishments divided into 5 categories (Map 6). According with the CBP in the year 2011 the municipalities of San Juan, Carolina, Bayamon, Guaynabo, Caguas, Ponce and Mayaguez are the municipalities with more establishments in the subsector.

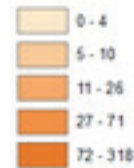
Map 6: Choropleth Map

**Total Establishments in Puerto Rico, 2011
Full-Service Restaurants, (NAICS 7221)**



U.S. Department of Commerce, Census Bureau
County Business Patterns
Puerto Rico Planning Board
Economic and Social Planning Program

Establishment



Limited Service Eating Places - NAICS 7222

The Limited Service Eating Places subsector presents in Figure 22 a stable trend from 2005 to 2008. After 2008, the number of employees began to decrease. For example, in the year 2006 was 38,676 and 34,430 for the year 2011. This represents a decrease of 4,246 paid employees or 10.98 percent (on average, 2.20 percent per year for 5 years).

Figure 22: Comparison of Selected Variables**NAICS 7222 – Limited-Service Eating Places
Puerto Rico, 2006 & 2011**

Source: U.S. Census Bureau, County Business Patterns and Puerto Rico Planning Board

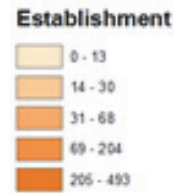
The annual payroll of this subsector fluctuated between \$327,846 thousand and \$414,631 thousand for the period 2005 to 2012 according with data of the County Business Patterns. On the other hand, the annual payroll per employee for this subsector in the year 2006 was \$8,477 and \$12,043 for the year 2011. This represents an increase of \$3,566 on payroll per employee or 42.07 percent (on average, 8.41 percent per year for 5 years).

In terms of establishments, the subsector registered 2,549 establishments for the year 2006 and 2,777 for the year 2011. This represents an increase of 228 establishments or 8.94 percent (on average, 1.79 percent per year for 5 years). For the year 2011, the spatial analysis performed for the Limited-Service Eating Places subsector showed 2,777 establishments divided into 5 categories (Map 7). According with the CBP in the year 2011 the municipalities of San Juan, Carolina, Bayamon, Guaynabo, Caguas, Ponce and Mayaguez are the municipalities with more establishments in the subsector.

Map 7: Choropleth Map
Total Establishments in Puerto Rico, 2011
Limited-Service Eating Places, (NAICS 7222)

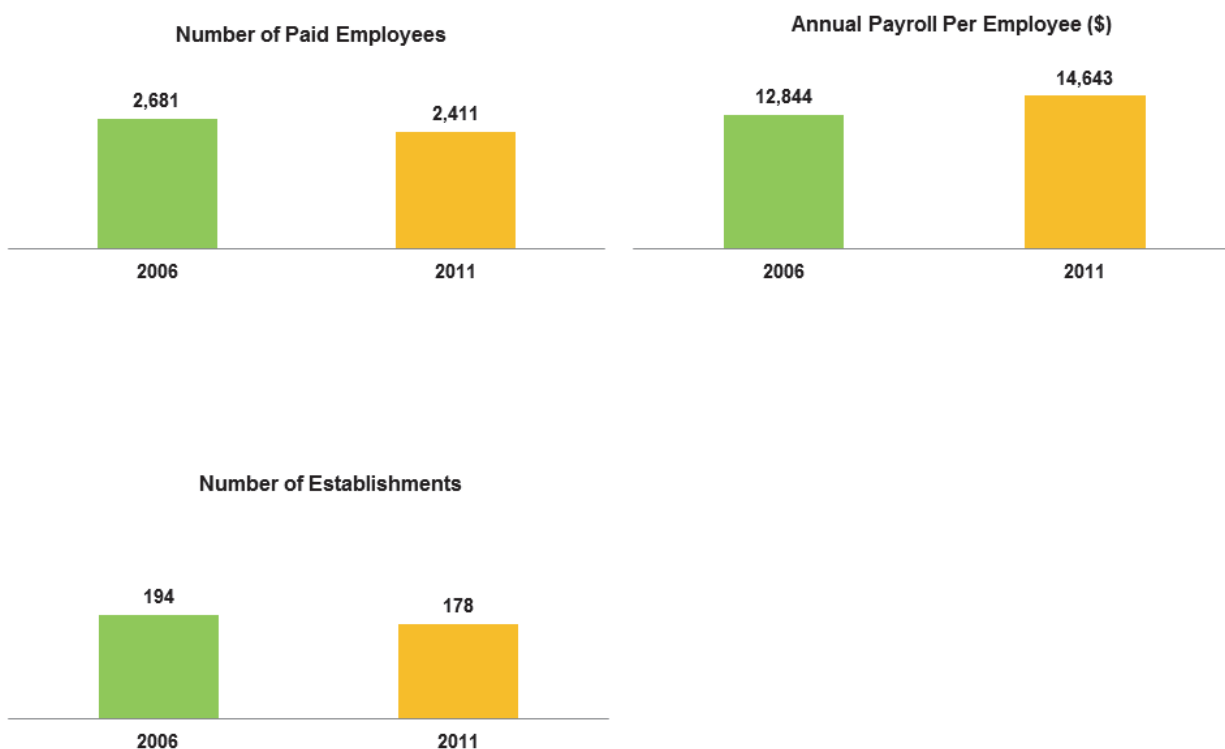


U.S. Department of Commerce, Census Bureau
 County Business Patterns
 Puerto Rico Planning Board
 Economic and Social Planning Program



Special Food Services - NAICS 7223

The Special Food Services subsector had a stable trend in terms of the number of employees. The number of paid employees for this subsector in the year 2006 was 2,681 and 2,411 for the year 2011 as shown in Figure 23. This represents a decrease of 270 paid employees or 10.07 percent (on average, 2.01 percent per year for 5 years).

Figure 23: Comparison of Selected Variables**NAICS 7223 – Special Food Services
Puerto Rico, 2006 & 2011**

Source: U.S. Census Bureau, County Business Patterns and Puerto Rico Planning Board

The annual payroll of this subsector fluctuated between \$28,635 thousand and \$37,492 thousand for the period 2005 to 2012 according with data of the County Business Patterns. On the other hand, the annual payroll per employee for subsector in the year 2006 was \$12,844 and \$14,643 for the year 2011. This represents an increase of \$1,798 on payroll per employee or 14.00 percent (on average, 2.80 percent per year for 5 years).

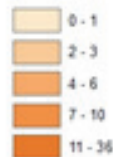
The number of establishments for this subsector in the year 2006 was 194 and 178 for the year 2011. This represents a decrease of 16 establishments or 8.25 percent (on average, 1.65 percent per year for 5 years). For the year 2011, the spatial analysis performed for the Special Food Services subsector showed 178 establishments divided into 5 categories (Map 8). According with the CBP in the year 2011 the municipalities of San Juan, Caguas, Guayama, Bayamon, Ponce, Mayaguez, and Barceloneta are the municipalities with more establishments in the subsector.

Map 8: Choropleth Map
Total Establishments in Puerto Rico, 2011
Special Food Services , (NAICS 7223)



U.S. Department of Commerce, Census Bureau
 County Business Patterns
 Puerto Rico Planning Board
 Economic and Social Planning Program

Establishment



Drinking Places (Alcoholic Beverages) - NAICS 7224

Figure 24 shows data for the Drinking Places (Alcoholic Beverages) subsector in Puerto Rico for the year 2006 and 2011, obtained from the United States Census Bureau, County Business Patterns. Drinking Places (Alcoholic Beverages) subsector showed increasing values from 2005 to 2007 and after that began to fall in terms of the number of employees. For example, the number of paid employees for this subsector in the year 2006 was 1,101 and 915 for the year 2011. This represents a decrease of 186 paid employees or 16.89 percent (on average, 3.38 percent per year for 5 years).

Figure 24: Comparison of Selected Variables**NAICS 7224 – Drinking Places (Alcoholic Beverages)
Puerto Rico, 2006 & 2011**

Source: U.S. Census Bureau, County Business Patterns and Puerto Rico Planning Board

The annual payroll of this subsector fluctuated between \$8,158 thousand and \$11,215 thousand for the period 2005 to 2012 according with data of the County Business Patterns. On the other hand, the annual payroll per employee for this subsector in the year 2006 was \$8,780 and \$10,958 for the year 2011. This represents an increase of \$2,178 on payroll per employee or 24.81 percent (on average, 4.91 percent per year for 5 years).

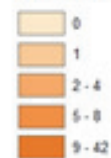
The number of establishments for this subsector in the year 2006 was 180 and 151 for the year 2011. This represents a decrease of 29 establishments or 16.11 percent (on average, 3.22 percent per year for 5 years). For the year 2011, the spatial analysis performed for the Drinking Places (Alcoholic Beverages) subsector showed 151 establishments divided into 5 categories (Map 9). According with the CBP in the year 2011 the municipalities of San Juan, Carolina, Bayamon, Cabo Rojo, Caguas, and Ponce are the municipalities with more establishments in the subsector.

Map 9: Choropleth Map
Total Establishments in Puerto Rico, 2011
Drinking Places (Alcoholic Beverages), (NAICS 7224)



U.S. Department of Commerce, Census Bureau
 County Business Patterns
 Puerto Rico Planning Board
 Economic and Social Planning Program

Establishment



E. Relevance of the Sectors in the economy activity

The relevance of these sectors (NAICS 71 and 72) is to promote activities such as tourism, culture and gastronomy. The sector of Arts, Entertainment, and Recreation is part of the creative economy. The creative industries are those activities that are generated by knowledge, ideas and talents of the people who generate wealth at socio-economic level. These sectors also promote production in sectors such as agriculture, manufacturing, construction, information, professional services, among others. This sector also, encourages and promotes the demand for goods and services, creation of employment, self-employment, business, cultural and social activities, among others.

According to Hernández-Acosta (2013) the creative economy, includes “sectors that rely on creativity, symbolic contents and protected by copyright, provides a unique opportunity to develop an economy that combines add value and intensive labor. This is a sector with linkages with the rest of the economy and in which there is an abundance of their main input: talent. Promotes the creative economy, emphasizing certain sub - sectors, requires understanding the logic behind its value chain. About this, the government can make the necessary interventions to ensure and enhance the quality of inputs.”¹

F. Risks in the Sectors

The risks of these sectors are the competition of other Caribbean islands and their respective All Inclusive hotel packages. In addition to that, the high operational cost and high rates is view as a risk in this kind of business. The poor maintenance or lack of adequate infrastructure that affect these sectors weakens their productivities (view the Special Chapter of Tourism for more details).

¹ It is important to mention that for Hernandez-Acosta, creative economy goes beyond the definition of NAICS 71

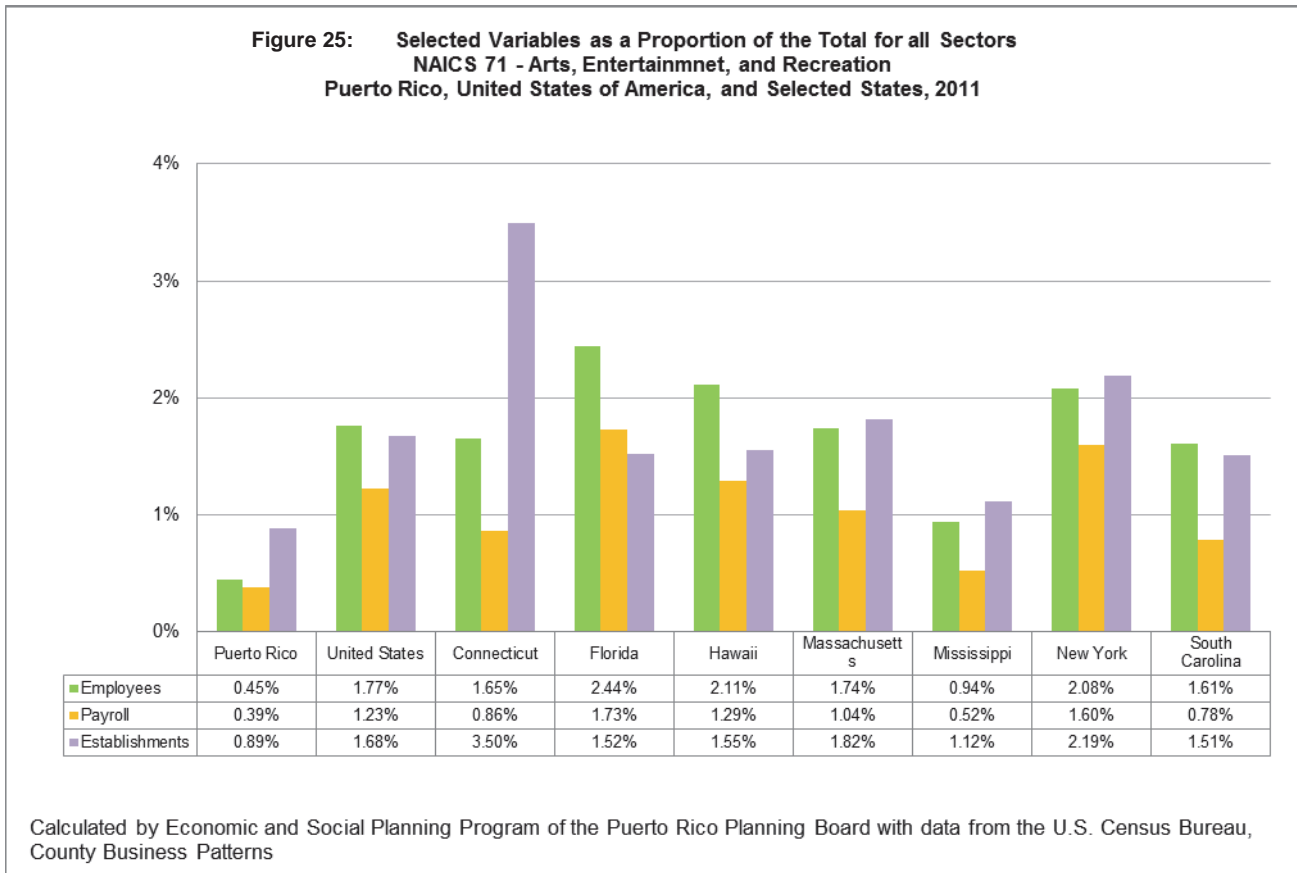
Another risk with respect to the creative economy as Hernández-Acosta (2013) mention is the fragmentation and duplication of cultural institutions, lack of coordination with other cultural areas has great relevance as tourism, economic development, urban planning, education and housing. Also, he said that “put the spotlight on the economic impact of culture, does lose focus on its core value: the identities strengthen, lifestyles, social cohesion, diversity and freedom of creation” (Hernández–Acosta 2013).

III. Regional Trends: Proportions, Location Quotient, and Benchmark Analysis

In order to analyze the regional trends and the performance of the economy sectors different calculations were prepared. Those analyses include proportions, location quotient (LQ), and benchmark. This facilitates the comparison between regions, in this case, Puerto Rico with United States and selected states (Connecticut, Florida, Hawaii, Massachusetts, Mississippi, New York, and South Carolina). The calculations were made for the number of employees, annual payroll, annual payroll per employee, and number of establishments based on Puerto Rico and United States data from the United States Census Bureau, County Business Pattern for the year 2011.

A. Proportions

The proportion analysis was calculated by dividing the amount of the sector or subsector between the total for all sectors of the economy. The proportions of the Arts, Entertainment, and Recreation Sector in Florida and Hawaii have more employees than establishments; while in Puerto Rico and Connecticut have approximately the double of proportion of establishments than employees. Figure 25 shows the proportion by state and variables:



The Arts, Entertainment, and Recreation Sector in Puerto Rico for the year 2011 represent a 0.45 percent of number of employees of total sectors of the economy. Table 3 presents the comparison with United States and the selected states. It could be seen that Florida has the major proportion of number of employees with 2.44 percent versus Puerto Rico that have the lowest proportion for the sector.

**Table 3 : Employees as a Proportion of the Total for all Sectors
NAICS 71 - Arts, Entertainment, and Recreation Sector and Sub-Sectors
Puerto Rico, USA, and Selected States, 2011**

| Industrial Sector | Puerto Rico | United States | Connecticut | Florida | Hawaii | Massachusetts | Mississippi | New York | South Carolina |
|--|-------------|---------------|-------------|---------|--------|---------------|-------------|----------|----------------|
| 71 - Arts, Entertainment, and Recreation | 0.45% | 1.77% | 1.65% | 2.44% | 2.11% | 1.74% | 0.94% | 2.08% | 1.61% |
| 7111 - Performing Arts Companies | 0.03% | 0.10% | 0.11% | 0.07% | 0.28% | 0.10% | 0.02% | 0.26% | 0.07% |
| 7112 - Spectator Sports | N/D | 0.11% | 0.03% | 0.21% | N/D! | 0.06% | 0.01% | 0.13% | 0.07% |
| 7113 - Promoters of Performing Arts, Sports, and Similar Events | 0.06% | 0.11% | N/D | 0.14% | 0.10% | 0.15% | 0.03% | 0.22% | 0.13% |
| 7114 - Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures | 0.01% | 0.02% | 0.03% | 0.01% | 0.00% | 0.01% | 0.00% | 0.06% | 0.00% |
| 7115 - Independent Artists, Writers, and Performers | 0.02% | 0.04% | 0.02% | 0.03% | 0.04% | 0.02% | 0.01% | 0.08% | 0.01% |
| 7121 - Museums, Historical Sites, and Similar Institutions | 0.05% | 0.11% | 0.15% | 0.09% | 0.40% | 0.18% | 0.05% | 0.22% | 0.09% |
| 7131 - Amusement Parks and Arcades | 0.03% | 0.13% | 0.02% | 0.69% | 0.08% | 0.05% | 0.02% | 0.02% | 0.06% |
| 7132 - Gambling Industries | N/D | 0.15% | N/D | 0.05% | 0.00% | 0.00% | 0.18% | 0.05% | 0.06% |
| 7139 - Other Amusement and Recreation Industries | 0.20% | 1.00% | 1.15% | 1.15% | 1.21% | 1.18% | 0.62% | 1.04% | 1.12% |

Calculated by Economic and Social Planning Program of the Puerto Rico Planning Board with data from the U.S. Census Bureau, County Business Patterns
N/D = No Data

In terms of annual payroll, for the year 2011 Puerto Rico represent a 0.39 percent of the total sectors of the economy on the Arts, Entertainment, and Recreation Sector (see Table 4). Again, Florida is the state with the major proportion of annual payroll (1.73 percent) in comparison with Puerto Rico, United States, and the selected states.

**Table 4: Total Annual Payroll as a Proportion of the Total for all Sectors
NAICS 71 - Arts, Entertainment, and Recreation Sector and Sub-Sectors
Puerto Rico, USA, and Selected States, 2011**

| Industrial Sector | Puerto Rico | United States | Connecticut | Florida | Hawaii | Massachusetts | Mississippi | New York | South Carolina |
|--|-------------|---------------|-------------|---------|--------|---------------|-------------|----------|----------------|
| 71 - Arts, Entertainment, and Recreation | 0.39% | 1.23% | 0.86% | 1.73% | 1.29% | 1.04% | 0.52% | 1.60% | 0.78% |
| 7111 - Performing Arts Companies | 0.04% | 0.08% | 0.04% | 0.05% | 0.16% | 0.06% | 0.02% | 0.21% | 0.03% |
| 7112 - Spectator Sports | N/D | 0.31% | 0.01% | 0.48% | 0.01% | 0.34% | 0.01% | 0.34% | 0.04% |
| 7113 - Promoters of Performing Arts, Sports, and Similar Events | 0.06% | 0.06% | N/D | 0.07% | 0.04% | 0.04% | 0.02% | 0.16% | 0.05% |
| 7114 - Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures | 0.01% | 0.04% | 0.03% | 0.02% | 0.00% | 0.01% | 0.00% | 0.11% | 0.00% |
| 7115 - Independent Artists, Writers, and Performers | 0.02% | 0.12% | 0.05% | 0.05% | 0.03% | 0.03% | 0.02% | 0.20% | 0.01% |
| 7121 - Museums, Historical Sites, and Similar Institutions | 0.04% | 0.08% | 0.08% | 0.07% | 0.26% | 0.10% | 0.03% | 0.16% | 0.06% |
| 7131 - Amusement Parks and Arcades | 0.01% | 0.06% | 0.01% | 0.36% | 0.05% | 0.02% | 0.01% | 0.01% | 0.02% |
| 7132 - Gambling Industries | N/D | 0.10% | N/D | 0.04% | 0.00% | 0.00% | 0.13% | 0.03% | 0.05% |
| 7139 - Other Amusement and Recreation Industries | 0.14% | 0.39% | 0.49% | 0.60% | 0.74% | 0.44% | 0.29% | 0.39% | 0.52% |

Calculated by Economic and Social Planning Program of the Puerto Rico Planning Board with data from the U.S. Census Bureau, County Business Patterns
N/D = No Data

Table 5 presents the proportion of the number of establishments for the year 2011 of the total sectors of the economy. The share for the Arts, Entertainment, and Recreation Sector was 0.89 percent. Compared with United States and the selected states, Puerto Rico has the lowest proportion while Connecticut is the highest with 3.50 percent.

**Table 5: Establishments as a Proportion of the Total for all Sectors
NAICS 71 - Arts, Entertainment, and Recreation Sector and Sub-Sectors
Puerto Rico, USA, and Selected States, 2011**

| Industrial Sector | Puerto Rico | United States | Connecticut | Florida | Hawaii | Massachusetts | Mississippi | New York | South Carolina |
|--|-------------|---------------|-------------|---------|--------|---------------|-------------|----------|----------------|
| 71 - Arts, Entertainment, and Recreation | 0.89% | 1.68% | 3.50% | 1.52% | 1.55% | 1.82% | 1.12% | 2.19% | 1.51% |
| 7111 - Performing Arts Companies | 0.06% | 0.12% | 0.20% | 0.11% | 0.14% | 0.11% | 0.05% | 0.27% | 0.08% |
| 7112 - Spectator Sports | 0.05% | 0.06% | 0.06% | 0.10% | 0.03% | 0.03% | 0.02% | 0.05% | 0.05% |
| 7113 - Promoters of Performing Arts, Sports, and Similar Events | 0.15% | 0.09% | 0.19% | 0.09% | 0.07% | 0.10% | 0.03% | 0.15% | 0.08% |
| 7114 - Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures | 0.03% | 0.05% | 0.08% | 0.06% | 0.02% | 0.04% | 0.01% | 0.16% | 0.01% |
| 7115 - Independent Artists, Writers, and Performers | 0.07% | 0.29% | 0.27% | 0.24% | 0.22% | 0.14% | 0.06% | 0.52% | 0.09% |
| 7121 - Museums, Historical Sites, and Similar Institutions | 0.04% | 0.10% | 0.30% | 0.07% | 0.17% | 0.16% | 0.10% | 0.12% | 0.09% |
| 7131 - Amusement Parks and Arcades | 0.09% | 0.04% | 0.08% | 0.07% | 0.07% | 0.04% | 0.03% | 0.03% | 0.07% |
| 7132 - Gambling Industries | 0.05% | 0.04% | 0.00% | 0.02% | 0.00% | 0.00% | 0.02% | 0.02% | 0.05% |
| 7139 - Other Amusement and Recreation Industries | 0.35% | 0.89% | 2.32% | 0.77% | 0.83% | 1.21% | 0.80% | 0.88% | 0.98% |

Calculated by Economic and Social Planning Program of the Puerto Rico Planning Board with data from the U.S. Census Bureau, County Business Patterns

On other hand, the proportions for the year 2011 in the Accommodation and Food Services Sector were 10.4 percent for the number of employees, 6.1 percent for the total payroll and 9.9 percent for the number of establishments. Figure 26 shows the proportion by state and variables:

**Figure 26: Selected Variables as a Proportion of the Total for all Sectors
NAICS 72 - Accommodation and Food Services
Puerto Rico, United States of America, and Selected States, 2011**



Calculated by Economic and Social Planning Program of the Puerto Rico Planning Board with data from the U.S. Census Bureau, County Business Patterns

The Accommodation and Food Services Sector in Puerto Rico for the year 2011 represent a 10.42 percent of number of employees of total sectors of the economy. Table 6 presents the comparison with United States and the selected states. It could be seen that Hawaii has the major proportion of number of employees with 19.26 percent and New York has the lowest proportion of the total sectors with 8.71 percent.

**Table 6: Employees as a Proportion of the Total for all Sectors
NAICS 72 - Accommodation and Food Services Sector and Sub-Sectors
Puerto Rico, USA, and Selected States, 2011**

| Industrial Sector | Puerto Rico | United States | Connecticut | Florida | Hawaii | Massachusetts | Mississippi | New York | South Carolina |
|---|-------------|---------------|-------------|---------|--------|---------------|-------------|----------|----------------|
| 72 - Accommodation and Food Services | 10.42% | 10.19% | 8.92% | 11.26% | 19.26% | 8.76% | 12.90% | 8.71% | 11.70% |
| 7211 - Traveler Accommodation | 2.25% | 1.60% | 1.85% | 2.31% | 7.32% | 0.94% | 3.77% | 1.21% | 1.57% |
| 7212 - RV (recreational vehicle) Parks and Recreational Camps | 0.01% | 0.03% | 0.03% | 0.04% | N/D | 0.04% | 0.02% | 0.02% | 0.06% |
| 7213 - Rooming and Boarding Houses | 0.00% | 0.01% | N/D | 0.01% | N/D | 0.01% | 0.01% | 0.02% | 0.01% |
| 7221 - Full Service Restaurants | 2.55% | 4.03% | 3.57% | 4.88% | 6.44% | 3.97% | 3.40% | 3.71% | 4.76% |
| 7222 - Limited Service Eating Places | 5.11% | 3.62% | 2.61% | 3.24% | 4.55% | 2.74% | 5.09% | 2.58% | 4.55% |
| 7223 - Special Food Services | 0.36% | 0.59% | N/D | 0.51% | N/D | 0.77% | 0.50% | 0.85% | 0.57% |
| 7224 - Drinking Places (alcoholic beverages) | 0.14% | 0.31% | 0.15% | 0.27% | 0.28% | 0.29% | 0.10% | 0.30% | 0.19% |
| 7225 - Restaurants and Other Eating Places | 8.14% | 7.78% | N/D | N/D | N/D | N/D | N/D | N/D | N/D |

Calculated by Economic and Social Planning Program of the Puerto Rico Planning Board with data from the U.S. Census Bureau, County Business Patterns
N/D = No Data

In terms of annual payroll, for the year 2011 Puerto Rico represent a 6.09 percent of the total sectors of the economy on the Accommodation and Food Services Sector (see Table 7). Again, Hawaii is the state with the major proportion of annual payroll (12.86 percent) in comparison with Puerto Rico, United States and the selected states.

**Table 7: Total Annual Payroll as a Proportion of the Total for all Sectors
NAICS 72 - Accommodation and Food Services Sector and Sub-Sectors
Puerto Rico, USA, and Selected States, 2011**

| Industrial Sector | Puerto Rico | United States | Connecticut | Florida | Hawaii | Massachusetts | Mississippi | New York | South Carolina |
|---|-------------|---------------|-------------|---------|--------|---------------|-------------|----------|----------------|
| 72 - Accommodation and Food Services | 6.09% | 3.76% | 3.14% | 4.99% | 12.86% | 3.05% | 6.05% | 3.16% | 4.75% |
| 7211 - Traveler Accommodation | 2.01% | 0.91% | 0.95% | 1.50% | 7.34% | 0.54% | 2.72% | 0.74% | 0.90% |
| 7212 - RV (recreational vehicle) Parks and Recreational Camps | 0.00% | 0.02% | 0.02% | 0.02% | 0.00% | 0.03% | 0.02% | 0.02% | 0.04% |
| 7213 - Rooming and Boarding Houses | 0.00% | 0.00% | 0.00% | 0.00% | N/D | 0.00% | 0.01% | 0.01% | 0.00% |
| 7221 - Full Service Restaurants | 1.28% | 1.44% | 1.15% | 2.08% | 3.35% | 1.34% | 1.34% | 1.34% | 1.95% |
| 7222 - Limited Service Eating Places | 2.52% | 1.03% | 0.68% | 1.06% | 1.69% | 0.74% | 1.69% | 0.65% | 1.52% |
| 7223 - Special Food Services | 0.21% | 0.26% | 0.30% | 0.22% | 0.38% | 0.33% | 0.25% | 0.30% | 0.27% |
| 7224 - Drinking Places (alcoholic beverages) | 0.06% | 0.09% | 0.04% | 0.11% | 0.10% | 0.08% | 0.03% | 0.10% | 0.07% |
| 7225 - Restaurants and Other Eating Places | 3.91% | 2.48% | N/D | N/D | N/D | N/D | N/D | N/D | N/D |

Calculated by Economic and Social Planning Program of the Puerto Rico Planning Board with data from the U.S. Census Bureau, County Business Patterns
N/D = No Data

Table 8 presents the proportion of the number of establishments for the year 2011 of the total sectors of the economy. The share of for the Accommodation and Food Services Sector was 9.88 percent. The lowest proportion was in the United States with 0.57 percent.

Table 8: Establishments as a Proportion of the Total for all Sectors
NAICS 72 - Accommodation and Food Services Sector and Sub-Sectors
Puerto Rico, USA, and Selected States, 2011

| Industrial Sector | Puerto Rico | United States | Connecticut | Florida | Hawaii | Massachusetts | Mississippi | New York | South Carolina |
|---|-------------|---------------|-------------|---------|--------|---------------|-------------|----------|----------------|
| 72 - Accommodation and Food Services | 9.88% | 0.57% | 9.13% | 7.34% | 11.02% | 9.81% | 8.61% | 9.31% | 9.59% |
| 7211 - Traveler Accommodation | 0.60% | 0.05% | 0.45% | 0.65% | 0.91% | 0.56% | 1.17% | 0.44% | 1.07% |
| 7212 - RV (recreational vehicle) Parks and Recreational Camps | 0.02% | 0.01% | 0.06% | 0.07% | 0.02% | 0.08% | 0.08% | 0.08% | 0.06% |
| 7213 - Rooming and Boarding Houses | 0.02% | 0.00% | 0.01% | 0.02% | 0.02% | 0.03% | 0.05% | 0.03% | 0.02% |
| 7221 - Full Service Restaurants | 2.20% | 0.20% | 3.83% | 2.92% | 3.72% | 3.53% | 2.78% | 3.55% | 3.60% |
| 7222 - Limited Service Eating Places | 6.30% | 0.24% | 3.56% | 2.92% | 5.19% | 4.14% | 3.95% | 3.91% | 3.97% |
| 7223 - Special Food Services | 0.40% | 0.03% | 0.87% | 0.38% | 0.46% | 0.93% | 0.40% | 0.64% | 0.51% |
| 7224 - Drinking Places (alcoholic beverages) | 0.34% | 0.04% | 0.36% | 0.38% | 0.72% | 0.54% | 0.19% | 0.66% | 0.36% |
| 7225 - Restaurants and Other Eating Places | 8.42% | 6.96% | N/D | N/D | N/D | N/D | N/D | N/D | N/D |

Calculated by Economic and Social Planning Program of the Puerto Rico Planning Board with data from the U.S. Census Bureau, County Business Patterns

B. Location Quotient (LQ)

The Location Quotient (LQ) is a way of quantify how concentrated an industry is in a region compared to another region. LQ is calculated as a percentage share of the total of the observed variables for the sector or sub-sector in Puerto Rico, divided by the percentage share of the total of the same observed variables for the same sector or sub-sector of another region. LQ was calculated for the variables: numbers of employees, total annual payroll, and number of establishments.

1. Number of Paid Employees

LQ with respect to the number of paid employees for the Arts, Entertainment, and Recreation Sector in 2011 was 0.25, meaning that Puerto Rico had 0.25 paid employees for every 1 paid employee in the United States. The LQ comparisons of Puerto Rico with the selected states were: 0.27 for Connecticut; 0.18 for Florida; 0.21 for Hawaii; 0.26 for Massachusetts; 0.47 for Mississippi; 0.21 for New York; and 0.28 for South Carolina. Table 9 shows the LQ calculated for the Arts, Entertainment, and Recreation Sector and its subsectors with respect of the number of paid employees.

Table 9 : Location Quotient of Number of Employees
NAICS 71 - Art, Entertainment, and Recreation Sector and Sub-Sectors
Puerto Rico, USA, and Selected States, 2011

| Industrial Sector | United States | Connecticut | Florida | Hawaii | Massachusetts | Mississippi | New York | South Carolina |
|--|---------------|-------------|---------|--------|---------------|-------------|----------|----------------|
| 71 - Arts, Entertainment, and Recreation | 0.25 | 0.27 | 0.18 | 0.21 | 0.26 | 0.47 | 0.21 | 0.28 |
| 7111 - Performing Arts Companies | 0.34 | 0.32 | 0.46 | 0.12 | 0.34 | 1.56 | 0.13 | 0.52 |
| 7112 - Spectator Sports | N/D | N/D | N/D | N/D | N/D | N/D | N/D | N/D |
| 7113 - Promoters of Performing Arts, Sports, and Similar Events | 0.50 | N/D | 0.42 | 0.58 | 0.39 | 2.24 | 0.26 | 0.44 |
| 7114 - Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures | 0.36 | 0.20 | 0.48 | 1.61 | 0.83 | 2.18 | 0.09 | 2.20 |
| 7115 - Independent Artists, Writers, and Performers | 0.41 | 0.65 | 0.46 | 0.41 | 0.75 | 2.42 | 0.19 | 1.13 |
| 7121 - Museums, Historical Sites, and Similar Institutions | 0.40 | 0.31 | 0.48 | 0.11 | 0.26 | 0.88 | 0.21 | 0.49 |
| 7131 - Amusement Parks and Arcades | 0.22 | 1.27 | 0.04 | 0.34 | 0.54 | 1.73 | 1.15 | 0.50 |
| 7132 - Gambling Industries | N/D | N/D | N/D | N/D | N/D | N/D | N/D | N/D |
| 7139 - Other Amusement and Recreation Industries | 0.20 | 0.18 | 0.18 | 0.17 | 0.17 | 0.33 | 0.20 | 0.18 |

Calculated by Economic and Social Planning Program of the Puerto Rico Planning Board with data from the U.S. Census Bureau, County Business Patterns
N/D = No Data

In terms of the subsectors, Puerto Rico has the highest LQ (2.42) in the Independent Artists, Writers, and Performers subsector compared with the state of Mississippi. The lowest LQ (0.04) was registered in the Amusement Parks and Arcades subsector compared with the state of Florida.

For the Accommodation and Food Services Sector the LQ with respect to the number of paid employees was 1.02 meaning that Puerto Rico has 1.02 paid employees for every 1 paid employee in the United States. The LQ comparisons of Puerto Rico with the selected states were: 1.17 for Connecticut; 0.93 for Florida; 0.54 for Hawaii; 1.19 for Massachusetts; 0.81 for Mississippi; 1.20 for New York; and 0.89 for South Carolina. Table 10 shows the LQ calculated for the Accommodation and Food Services Sector and its subsectors with respect of the number of paid employees.

**Table 10: Location Quotient of Number of Employees
NAICS 72 - Accommodation and Food Services Sector and Sub-Sectors
Puerto Rico, USA, and Selected States, 2011**

| Industrial Sector | United States | Connecticut | Florida | Hawaii | Massachusetts | Mississippi | New York | South Carolina |
|---|---------------|-------------|---------|--------|---------------|-------------|----------|----------------|
| 72 - Accommodation and Food Services | 1.02 | 1.17 | 0.93 | 0.54 | 1.19 | 0.81 | 1.20 | 0.89 |
| 7211 - Traveler Accommodation | 1.41 | 1.22 | 0.97 | 0.31 | 2.40 | 0.60 | 1.85 | 1.43 |
| 7212 - RV (recreational vehicle) Parks and Recreational Camps | 0.22 | 0.25 | 0.17 | N/D | 0.20 | 0.33 | 0.30 | 0.13 |
| 7213 - Rooming and Boarding Houses | 0.16 | N/D | 0.23 | N/D | 0.31 | 0.11 | 0.09 | 0.22 |
| 7221 - Full-Service Restaurants | 0.63 | 0.71 | 0.52 | 0.40 | 0.64 | 0.75 | 0.69 | 0.54 |
| 7222 - Limited-Service Eating Places | 1.41 | 1.96 | 1.58 | 1.12 | 1.87 | 1.00 | 1.98 | 1.12 |
| 7223 - Special Food Services | 0.61 | N/D | 0.71 | N/D | 0.47 | 0.71 | 0.42 | 0.63 |
| 7224 - Drinking Places (alcoholic beverages) | 0.44 | 0.88 | 0.50 | 0.49 | 0.46 | 1.39 | 0.45 | 0.73 |

Calculated by Economic and Social Planning Program of the Puerto Rico Planning Board with data from the U.S. Census Bureau, County Business Patterns
N/D = No Data

In terms of the subsectors, Puerto Rico had the highest LQ (2.40) in the Traveler Accommodation subsector compared with the state of Massachusetts. The lowest LQ (0.13) was registered in the RV (recreational vehicles) Parks and Recreational Camps subsector compared with the state of Florida.

2. Annual Payroll

LQ with respect to the annual payroll for the Arts, Entertainment, and Recreation Sector in 2011 was 0.31 meaning that Puerto Rico had \$0.31 in annual payroll for every \$1 in annual payroll in the United States. The LQ comparisons of Puerto Rico with the selected states were: 0.45 for Connecticut; 0.22 for Florida; 0.30 for Hawaii; 0.37 for Massachusetts; 0.74 for Mississippi; 0.24 for New York; and 0.49 for South Carolina. Table 11 shows the LQ calculated for the Arts, Entertainment, and Recreation Sector and its subsectors with respect of the annual payroll.

**Table 11: Location Quotient of Total Annual Payroll
NAICS 71 - Art, Entertainment, and Recreation Sector and Sub-Sectors
Puerto Rico, USA, and Selected States, 2011**

| Industrial Sector | United States | Connecticut | Florida | Hawaii | Massachusetts | Mississippi | New York | South Carolina |
|--|---------------|-------------|---------|--------|---------------|-------------|----------|----------------|
| 71 - Arts, Entertainment, and Recreation | 0.31 | 0.45 | 0.22 | 0.30 | 0.37 | 0.74 | 0.24 | 0.49 |
| 7111 - Performing Arts Companies | 0.59 | 1.05 | 0.97 | 0.27 | 0.74 | 2.89 | 0.21 | 1.50 |
| 7112 - Spectator Sports | N/D | N/D | N/D | N/D | N/D | N/D | N/D | N/D |
| 7113 - Promoters of Performing Arts, Sports, and Similar Events | 1.05 | N/D | 0.91 | 1.57 | 1.42 | 3.29 | 0.39 | 1.26 |
| 7114 - Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures | 0.29 | 0.37 | 0.64 | 4.60 | 0.89 | 3.51 | 0.11 | 9.70 |
| 7115 - Independent Artists, Writers, and Performers | 0.15 | 0.33 | 0.35 | 0.55 | 0.59 | 0.82 | 0.09 | 1.35 |
| 7121 - Museums, Historical Sites, and Similar Institutions | 0.53 | 0.54 | 0.59 | 0.16 | 0.40 | 1.19 | 0.26 | 0.71 |
| 7131 - Amusement Parks and Arcades | 0.24 | 1.22 | 0.04 | 0.29 | 0.91 | 1.76 | 1.23 | 0.59 |
| 7132 - Gambling Industries | N/D | N/D | N/D | N/D | N/D | N/D | N/D | N/D |
| 7139 - Other Amusement and Recreation Industries | 0.35 | 0.28 | 0.23 | 0.19 | 0.32 | 0.49 | 0.36 | 0.27 |

Calculated by Economic and Social Planning Program of the Puerto Rico Planning Board with data from the U.S. Census Bureau, County Business Patterns

N/D = No Data

In terms of the subsectors, Puerto Rico has the highest LQ (9.70) in the Agents and Managers for Artists, Athletes, Entertainers and Other Public Figures subsector compared with the state of South Carolina. The lowest LQ (0.04) was registered in the Amusement Parks and Arcades subsector compared with the state of Florida.

For the Accommodation and Food Services Sector, in the year 2011, the LQ with respect to the annual payroll was 1.62 meaning that Puerto Rico has \$1.62 in annual payroll for every \$1 in annual payroll in the United States. The LQ comparisons of Puerto Rico with the selected states were: 1.94 for Connecticut; 1.22 for Florida; 0.47 for Hawaii; 1.99 for Massachusetts; 1.01 for Mississippi; 1.93 for New York; and 1.28 for South Carolina. Table 12 shows the LQ calculated for the Accommodation and Food Services Sector and its subsectors with respect of the annual payroll.

**Table 12: Location Quotient of Total Annual Payroll
NAICS 72 - Accommodation and Food Services Sector and Sub-Sectors
Puerto Rico, USA, and Selected States, 2011**

| Industrial Sector | United States | Connecticut | Florida | Hawaii | Massachusetts | Mississippi | New York | South Carolina |
|---|---------------|-------------|---------|--------|---------------|-------------|----------|----------------|
| 72 - Accommodation and Food Services | 1.62 | 1.94 | 1.22 | 0.47 | 1.99 | 1.01 | 1.93 | 1.28 |
| 7211 - Traveler Accommodation | 2.21 | 2.12 | 1.34 | 0.27 | 3.74 | 0.74 | 2.71 | 2.24 |
| 7212 - RV (recreational vehicle) Parks and Recreational Camps | 0.18 | 0.17 | 0.18 | 2.82 | 0.15 | 0.27 | 0.22 | 0.11 |
| 7213 - Rooming and Boarding Houses | 0.31 | 1.18 | 0.41 | 0.76 | 0.53 | 0.15 | 0.16 | 0.38 |
| 7221 - Full-Service Restaurants | 0.89 | 1.12 | 0.62 | 0.38 | 0.96 | 0.96 | 0.96 | 0.66 |
| 7222 - Limited-Service Eating Places | 2.44 | 3.69 | 2.37 | 1.49 | 3.42 | 1.49 | 3.87 | 1.65 |
| 7223 - Special Food Services | 0.83 | 0.71 | 0.96 | 0.56 | 0.64 | 0.86 | 0.71 | 0.79 |
| 7224 - Drinking Places (alcoholic beverages) | 0.64 | 1.43 | 0.57 | 0.62 | 0.75 | 2.08 | 0.63 | 0.93 |

Calculated by Economic and Social Planning Program of the Puerto Rico Planning Board with data from the U.S. Census Bureau, County Business Patterns

In terms of the subsectors, Puerto Rico has the highest LQ (3.87) in the Limited-Service Eating Places subsector compared with the state of New York. The lowest LQ (0.11) was registered in the RV (Recreational Vehicles) Parks and Recreational Camps subsector compared with the state of South Carolina.

3. Number of Establishments

LQ with respect to the number of establishments for the Arts, Entertainment, and Recreation Sector in 2011 was 0.53 meaning that Puerto Rico had 0.25 establishments for every 1 establishment in the United States. The LQ comparisons of Puerto Rico with the selected states were: 0.25 for Connecticut; 0.58 for Florida; 0.57 for Hawaii; 0.49 for Massachusetts; 0.79 for Mississippi; 0.40 for New York; and 0.59 for South Carolina. Table 13 shows the LQ calculated for the Arts, Entertainment, and Recreation Sector and its subsectors with respect of the number of establishments.

**Table 13: Location Quotient of Number of Establishments
NAICS 71 - Art, Entertainment, and Recreation Sector and Sub-Sectors
Puerto Rico, USA, and Selected States, 2011**

| Industrial Sector | United States | Connecticut | Florida | Hawaii | Massachusetts | Mississippi | New York | South Carolina |
|--|---------------|-------------|---------|--------|---------------|-------------|----------|----------------|
| 71 - Arts, Entertainment, and Recreation | 0.53 | 0.25 | 0.58 | 0.57 | 0.49 | 0.79 | 0.40 | 0.59 |
| 7111 - Performing Arts Companies | 0.54 | 0.31 | 0.57 | 0.44 | 0.60 | 1.20 | 0.24 | 0.77 |
| 7112 - Spectator Sports | 0.81 | 0.86 | 0.49 | 1.67 | 1.65 | 2.15 | 0.89 | 0.92 |
| 7113 - Promoters of Performing Arts, Sports, and Similar Events | 1.60 | 0.76 | 1.63 | 2.11 | 1.47 | 4.55 | 1.00 | 1.81 |
| 7114 - Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures | 0.64 | 0.42 | 0.57 | 1.43 | 0.80 | 6.21 | 0.20 | 2.13 |
| 7115 - Independent Artists, Writers, and Performers | 0.23 | 0.26 | 0.29 | 0.31 | 0.49 | 1.17 | 0.13 | 0.74 |
| 7121 - Museums, Historical Sites, and Similar Institutions | 0.41 | 0.14 | 0.60 | 0.24 | 0.26 | 0.39 | 0.36 | 0.45 |
| 7131 - Amusement Parks and Arcades | 2.08 | 1.15 | 1.30 | 1.27 | 2.20 | 3.24 | 2.67 | 1.35 |
| 7132 - Gambling Industries | 1.37 | 22.98 | 2.61 | N/D | 44.15 | 3.40 | 3.20 | 1.09 |
| 7139 - Other Amusement and Recreation Industries | 0.39 | 0.15 | 0.45 | 0.42 | 0.29 | 0.43 | 0.39 | 0.35 |

Calculated by Economic and Social Planning Program of the Puerto Rico Planning Board with data from the U.S. Census Bureau, County Business Patterns
N/D = No Data

In terms of the subsectors, Puerto Rico has the highest LQ (44.15) in the Gambling Industries subsector compared with the state of Massachusetts. The lowest LQ (0.13) was registered in the Independent Artists, Writers, and Performers subsector compared with the state of New York.

For the Accommodation and Food Services Sector the LQ with respect to the number of establishments was 1.12 meaning that Puerto Rico has 1.12 establishments for every 1 establishment in the United States. The LQ comparisons of Puerto Rico with the selected states were: 1.08 for Connecticut; 1.35 for Florida; 0.90 for Hawaii; 1.01 for Massachusetts; 1.15 for Mississippi; 1.06 for New York; and 1.03 for South Carolina. Table 14 shows the LQ calculated for the Accommodation and Food Services Sector and its subsectors with respect of the number of establishments.

**Table 14: Location Quotient of Number of Establishments
NAICS 72 - Accommodation and Food Services Sector and Sub-Sectors
Puerto Rico, USA, and Selected States, 2011**

| Industrial Sector | United States | Connecticut | Florida | Hawaii | Massachusetts | Mississippi | New York | South Carolina |
|---|---------------|-------------|---------|--------|---------------|-------------|----------|----------------|
| 72 - Accommodation and Food Services | 1.12 | 1.08 | 1.35 | 0.90 | 1.01 | 1.15 | 1.06 | 1.03 |
| 7211 - Traveler Accommodation | 0.81 | 1.34 | 0.92 | 0.66 | 1.07 | 0.51 | 1.35 | 0.56 |
| 7212 - RV (recreational vehicle) Parks and Recreational Camps | 0.21 | 0.35 | 0.27 | 1.29 | 0.27 | 0.25 | 0.27 | 0.33 |
| 7213 - Rooming and Boarding Houses | 0.56 | 2.80 | 0.95 | 1.00 | 0.63 | 0.30 | 0.56 | 0.76 |
| 7221 - Full-Service Restaurants | 0.71 | 0.57 | 0.75 | 0.59 | 0.62 | 0.79 | 0.62 | 0.61 |
| 7222 - Limited-Service Eating Places | 1.68 | 1.77 | 2.16 | 1.22 | 1.52 | 1.60 | 1.61 | 1.59 |
| 7223 - Special Food Services | 0.75 | 0.47 | 1.07 | 0.88 | 0.43 | 1.01 | 0.63 | 0.79 |
| 7224 - Drinking Places (alcoholic beverages) | 0.59 | 0.95 | 0.91 | 0.48 | 0.63 | 1.84 | 0.52 | 0.95 |

Calculated by Economic and Social Planning Program of the Puerto Rico Planning Board with data from the U.S. Census Bureau, County Business Patterns

In terms of the subsectors, Puerto Rico has the highest LQ (2.80) in the Rooming and Boarding Houses subsector compared with the state of Connecticut. The lowest LQ (0.21) was registered in the RV (recreational vehicles) Parks and Recreational Camps subsector compared with the United States.

C. Benchmark

1. Annual payroll per employee (Benchmark)

The annual payroll per employee for the Arts, Entertainment, and Recreation Sector and the Accommodation and Food Services Sector were analyzed comparing the data of Puerto Rico with the United States and selected states as a benchmark. Annual payroll per employee in Puerto Rico is presented as a proportion of the annual payroll per employee for the sector and its subsectors. The proportion was calculated by dividing the annual payroll per employee for Puerto Rico by the annual payroll per employee for the observed state. In Tables 15 and 17 are presented a comparison of the annual payroll per employee between Puerto Rico, United States and selected states for the Arts, Entertainment, and Recreation Sector and the Accommodation and Food Services Sector.

**Table 15: Annual Payroll per Employee
NAICS 71 - Art, Entertainment, and Recreation Sector and Sub-Sectors
Puerto Rico, United States, and Selected States, 2011**

| Industrial Sector | Puerto Rico | United States | Connecticut | Florida | Hawaii | Massachusetts | Mississippi | New York | South Carolina |
|--|-------------|---------------|-------------|----------|----------|---------------|-------------|-----------|----------------|
| 71 - Arts, Entertainment, and Recreation | \$21,245 | \$31,736 | \$ 29,640 | \$27,958 | \$23,118 | \$ 33,324 | \$ 18,623 | \$45,431 | \$ 17,380 |
| 7111 - Performing Arts Companies | \$31,758 | \$34,602 | \$ 22,301 | \$24,265 | \$22,198 | \$33,367 | \$23,374 | \$47,238 | \$15,961 |
| 7112 - Spectator Sports | N/D | \$129,153 | \$ 30,046 | \$89,790 | N/D | \$ 336,400 | \$ 27,927 | \$153,964 | \$17,693 |
| 7113 - Promoters of Performing Arts, Sports, and Similar Events | \$27,249 | \$ 24,158 | N/D | \$20,392 | \$15,465 | \$ 16,932 | \$25,256 | \$ 42,633 | \$13,742 |
| 7114 - Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures | \$48,868 | \$113,503 | \$60,561 | \$59,652 | \$26,471 | \$103,861 | \$ 41,261 | \$102,465 | \$16,205 |
| 7115 - Independent Artists, Writers, and Performers | \$28,010 | \$142,643 | \$126,647 | \$59,213 | \$32,354 | \$81,957 | \$112,089 | \$148,272 | \$34,366 |
| 7121 - Museums, Historical Sites, and Similar Institutions | \$22,049 | \$30,568 | \$28,980 | \$28,804 | \$24,893 | \$32,185 | \$22,382 | \$43,258 | \$22,092 |
| 7131 - Amusement Parks and Arcades | \$12,052 | \$20,632 | \$29,219 | \$20,518 | \$21,953 | \$16,436 | \$16,199 | \$27,103 | \$15,136 |
| 7132 - Gambling Industries | N/D | \$30,241 | N/D | \$31,095 | N/D | \$65,833 | \$23,724 | \$36,413 | \$32,802 |
| 7139 - Other Amusement and Recreation Industries | \$16,654 | \$17,923 | \$24,265 | \$20,793 | \$23,014 | \$20,678 | \$15,243 | \$21,930 | \$ 16,586 |

Calculated by Economic and Social Planning Program of the Puerto Rico Planning Board with data from the U.S. Census Bureau, County Business Patterns
N/D No Data

For the year 2011 the annual payroll per employee in Puerto Rico in the Art, Entertainment, and Recreation Sector was \$21,245 and in the United States \$31,736. This means that, on average, the annual payroll per employee in Puerto Rico is 66.9 percent of what it is in the United States which represents a difference of -\$10,491. The comparison of annual payroll per employee of Puerto Rico with the states results in: 72 percent of Connecticut, 76 percent of Florida, 92 percent of Hawaii, 64 percent of Massachusetts, 114 percent of Mississippi, 47 percent of New York, and 122 percent of South Carolina (Table 16).

**Table 16: Benchmark Analysis of Annual Payroll per Employee
NAICS 71 - Art, Entertainment, and Recreation Sector and Sub-Sectors
Puerto Rico, USA, and Selected States, 2011**

| Industrial Sector | United States | Connecticut | Florida | Hawaii | Massachusetts | Mississippi | New York | South Carolina |
|--|---------------|-------------|---------|--------|---------------|-------------|----------|----------------|
| 71 - Arts, Entertainment, and Recreation | 66.9% | 72% | 76.0% | 91.9% | 63.8% | 114.1% | 46.8% | 122.2% |
| 7111 - Performing Arts Companies | 91.8% | 142% | 130.9% | 143.1% | 95.2% | 135.9% | 67.2% | 199.0% |
| 7112 - Spectator Sports | N/D | N/D | N/D | N/D | N/D | N/D | N/D | N/D |
| 7113 - Promoters of Performing Arts, Sports, and Similar Events | 112.8% | N/D | 133.6% | 176.2% | 160.9% | 107.9% | 63.9% | 198.3% |
| 7114 - Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures | 43.1% | 81% | 81.9% | 184.6% | 47.1% | 118.4% | 47.7% | 301.6% |
| 7115 - Independent Artists, Writers, and Performers | 19.6% | 22% | 47.3% | 86.6% | 34.2% | 25.0% | 18.9% | 81.5% |
| 7121 - Museums, Historical Sites, and Similar Institutions | 72.1% | 76% | 76.6% | 88.6% | 68.5% | 98.5% | 51.0% | 99.8% |
| 7131 - Amusement Parks and Arcades | 58.4% | 41% | 58.7% | 54.9% | 73.3% | 74.4% | 44.5% | 79.6% |
| 7132 - Gambling Industries | N/D | N/D | N/D | N/D | N/D | N/D | N/D | N/D |
| 7139 - Other Amusement and Recreation Industries | 92.9% | 69% | 80.1% | 72.4% | 80.5% | 109.3% | 75.9% | 100.4% |

Calculated by Economic and Social Planning Program of the Puerto Rico Planning Board with data from the U.S. Census Bureau, County Business Patterns

N/D = No Data

In terms of the subsectors, the highest percent (302 percent) of annual payroll per employee as a benchmark were registered in the Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures subsector compared with the state of South Carolina. The lowest percent (20 percent) of annual payroll per employee as a benchmark were registered in the Independent Artists, Writers, and Performers subsector compared with the United States (Table 17).

**Table 17: Annual Payroll per Employee
NAICS 72 - Accommodation and Food Services Sector and Sub-Sectors
Puerto Rico, United States, and Selected States, 2011**

| Industrial Sector | Puerto Rico | United States | Connecticut | Florida | Hawaii | Massachusetts | Mississippi | New York | South Carolina |
|---|-------------|---------------|-------------|----------|-----------|---------------|-------------|-----------|----------------|
| 72 - Accommodation and Food Services | \$14,310 | \$16,806 | \$ 20,069 | \$17,489 | \$ 25,244 | \$ 19,463 | \$ 15,629 | \$ 21,399 | \$ 14,524 |
| 7211 - Traveler Accommodation | \$ 21,876 | \$25,860 | \$29,206 | \$25,543 | \$37,933 | \$32,035 | \$24,052 | \$36,055 | \$20,400 |
| 7212 - RV (recreational vehicle) Parks and Recreational Camps | \$ 13,939 | \$30,808 | \$ 47,998 | \$21,114 | N/D | \$42,928 | \$23,518 | \$46,764 | \$24,076 |
| 7213 - Rooming and Boarding Houses | \$17,091 | \$ 16,712 | N/D | \$15,868 | N/D | \$ 23,227 | \$17,353 | \$ 22,277 | \$14,741 |
| 7221 - Full-Service Restaurants | \$12,308 | \$16,265 | \$18,251 | \$16,799 | \$19,632 | \$18,743 | \$13,120 | \$ 21,330 | \$14,673 |
| 7222 - Limited-Service Eating Places | \$12,043 | \$12,991 | \$14,848 | \$12,913 | \$14,035 | \$14,979 | \$11,064 | \$14,846 | \$11,971 |
| 7223 - Special Food Services | \$14,643 | \$19,952 | N/D | \$17,393 | N/D | \$24,275 | \$16,410 | \$20,802 | \$17,190 |
| 7224 - Drinking Places (alcoholic beverages) | \$10,958 | \$14,116 | \$15,680 | \$15,612 | \$13,494 | \$15,356 | \$9,953 | \$18,971 | \$12,507 |

Calculated by Economic and Social Planning Program of the Puerto Rico Planning Board with data from the U.S. Census Bureau, County Business Patterns

N/D = No Data

On the other hand, for the Accommodation and Food Services Sector, the annual payroll per employee in the year 2011 for Puerto Rico was \$14,310 and \$16,806 in the United States. This means that, on average, the annual payroll per employee in Puerto Rico is 85 percent of what it is in the United States which represents a difference of -\$2,496. The comparison of annual payroll per employee of Puerto Rico with the states results in: 71 percent of Connecticut, 82 percent of Florida, 57 percent of Hawaii, 74 percent of Massachusetts, 92 percent of Mississippi, 67 percent of New York, and 99 percent of South Carolina (Table 18).

**Table 18: Benchmark Analysis of Annual Payroll per Employee
NAICS 72 - Accommodation and Food Services Sector and Sub-Sectors
Puerto Rico, USA, and Selected States, 2011**

| Industrial Sector | United States | Connecticut | Florida | Hawaii | Massachusetts | Mississippi | New York | South Carolina |
|---|---------------|-------------|---------|--------|---------------|-------------|----------|----------------|
| 72 - Accommodation and Food Services | 85.1% | 71.3% | 81.8% | 56.7% | 73.5% | 91.6% | 66.9% | 98.5% |
| 7211 - Traveler Accommodation | 84.6% | 74.9% | 85.6% | 57.7% | 68.3% | 91.0% | 60.7% | 107.2% |
| 7212 - RV (recreational vehicle) Parks and Recreational Camps | 45.2% | 29.0% | 66.0% | N/D | 32.5% | 59.3% | 29.8% | 57.9% |
| 7213 - Rooming and Boarding Houses | 102.3% | N/D | 107.7% | N/D | 73.6% | 98.5% | 76.7% | 115.9% |
| 7221 - Full-Service Restaurants | 75.7% | 67.4% | 73.3% | 62.7% | 65.7% | 93.8% | 57.7% | 83.9% |
| 7222 - Limited-Service Eating Places | 92.7% | 81.1% | 93.3% | 85.8% | 80.4% | 108.8% | 81.1% | 100.6% |
| 7223 - Special food services | 73.4% | N/D | 84.2% | N/D | 60.3% | 89.2% | 70.4% | 85.2% |
| 7224 - Drinking Places (alcoholic beverages) | 77.6% | 69.9% | 70.2% | 81.2% | 71.4% | 110.1% | 57.8% | 87.6% |

Calculated by Economic and Social Planning Program of the Puerto Rico Planning Board with data from the U.S. Census Bureau, County Business Patterns
N/D = No Data

In terms of the subsectors, the highest percent (116 percent) of annual payroll per employee as a benchmark were registered in the Rooming and Boarding Houses subsector compared with the state of South Carolina. The lowest percent (29 percent) of annual payroll per employee as a benchmark were registered in the RV (recreational vehicle) Parks and Recreational Camps subsector compared with the state of Connecticut.

D. Future Regional Perspective of the Sectors

On October 2014 was approved the “Law for Promoting Creative Industries of Puerto Rico”. This law promotes the arts and local talent. The implementation of the law it’s assigned to the Puerto Rico Industrial Development Company (PRIDCO). This law aims to establish tax exemptions with emphasis on the export of creative goods and services in the areas of design, arts, media and creative services.

The current trends that have used the Accommodation and Food Services Sector to expand their business activities were the use of coupon offers. In addition, there have been recommendations in recent years towards tourist openness to other markets besides the United States in order to allow market diversification. According to data from the Puerto Rico Tourism Company, the number of visitors registered shows a tendency of American and Canadian visitors occurred in the months of January to April, while international visitors come in the months of August to October (see Figure 1 in the overview section).

In terms of education related to the sector, Puerto Rico has schools specializing in the areas of arts, hospitality and gastronomy. There are organizations at government level that also promote the different subsectors mentioned. However, there is a widespread perception of a need for these agencies to work together to promote the hotels and restaurants services, the country’s economic activity, education in the creative arts, quality of life, among others. Furthermore, the Puerto Rico Tourism Company has set efforts to develop the sector. Among these efforts, it could be mentioned the campaign of “Five Star Vacation” aimed at boosting domestic tourism.

IV. Global Trends

A. Comparison of Characteristics

This section presents a comparison of some characteristics of the Arts, Entertainment, and Recreation Sector (NAICS 71) and Accommodation and Food Services Sector (NAICS 72) in an international framework. Table 19 shows statistical information of the number of employees in the Accommodation and Food Services Sector as a proportion of total of all sectors of the economy. Data showed that the number of employees as a proportion of the whole economy in Puerto Rico averaged 9.98 percent for the period 2005 to 2009. For United States this percentage is 7.79 for the 2000 to 2009 period. Other countries were selected for comparison purposes and are also presented.

| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|----------------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|-------------|-------------|--------------|
| Austria | 5.23 | 5.23 | 5.34 | 5.45 | 5.54 | 5.59 | 5.75 | 5.77 | 5.92 | 6.09 |
| Belgium | 2.85 | 2.88 | 2.90 | 2.86 | 2.91 | 2.97 | 2.95 | 2.93 | 2.92 | 2.93 |
| Canada | 7.68 | 7.71 | 7.56 | 7.52 | 7.42 | 7.30 | 7.33 | 7.40 | 7.43 | N?D |
| Czech Republic | 3.33 | 3.52 | 3.51 | 3.29 | 3.30 | 3.35 | 3.40 | 3.30 | 3.34 | 3.43 |
| Denmark | 2.88 | 2.89 | 2.88 | 2.92 | 3.08 | 3.19 | 3.23 | 3.29 | 3.36 | 3.33 |
| Estonia | 3.59 | 3.00 | 3.08 | 3.01 | 2.81 | 3.76 | 3.62 | 3.65 | 3.80 | 3.31 |
| Finland | 3.05 | 3.07 | 3.05 | 3.03 | 3.04 | 3.03 | 3.03 | 3.00 | 3.08 | 3.06 |
| France | 3.25 | 3.23 | 3.27 | 3.33 | 3.35 | 3.43 | 3.44 | 3.48 | N/D | N/D |
| Germany | 3.59 | 3.67 | 3.76 | 3.86 | 4.05 | 4.12 | 4.15 | 4.20 | 4.18 | 4.40 |
| Greece | 4.54 | 4.75 | 5.14 | 5.12 | 4.90 | 5.04 | 5.19 | 5.13 | 5.17 | 5.21 |
| Hungary | 3.11 | 3.30 | 3.27 | 3.17 | 3.45 | 3.66 | 3.64 | 3.66 | 3.72 | 3.74 |
| Ireland | 6.65 | 6.40 | 6.44 | 6.71 | 6.30 | 6.35 | 6.33 | 6.75 | 6.51 | 6.69 |
| Iceland | 4.14 | 4.10 | 4.21 | 3.52 | 3.51 | 3.47 | 3.47 | 3.68 | 3.58 | N/D |
| Israel | 4.88 | 4.61 | 4.46 | 4.45 | 4.57 | 4.68 | 4.82 | 4.59 | 4.81 | N/D |
| Italy | 3.59 | 3.84 | 3.89 | 3.95 | 3.99 | 4.06 | 4.27 | 4.44 | 4.49 | 4.49 |
| Korea | 7.44 | 7.56 | 7.58 | 7.12 | 7.28 | 7.33 | 7.22 | 7.09 | 7.05 | 6.72 |
| Luxembourg | 4.09 | 3.98 | 4.00 | 4.25 | 4.33 | 4.31 | 4.28 | 4.22 | 4.17 | 4.25 |
| Netherlands | 3.45 | 3.44 | 3.45 | 3.44 | 3.42 | 3.43 | 3.46 | 3.52 | 3.54 | 3.51 |
| New Zealand | 6.14 | 6.08 | 6.08 | 6.25 | 6.15 | 5.91 | 6.46 | 6.12 | 5.76 | N/D |
| Norway | 3.29 | 3.21 | 3.19 | 3.21 | 3.17 | 3.12 | 3.11 | 3.16 | N/D | N/D |
| Poland | 1.92 | 2.02 | 2.11 | 1.88 | 1.89 | 1.99 | 2.11 | 2.18 | 2.17 | N/D |
| Portugal | 5.38 | 5.74 | 5.64 | 5.78 | 6.00 | 6.19 | 6.41 | N/D | N/D | N/D |
| Slovak Republic | 2.13 | 2.34 | 2.52 | 2.54 | 2.46 | 2.39 | 2.50 | 2.68 | 2.72 | 2.59 |
| Slovenia | 3.32 | 3.28 | 3.20 | 3.19 | 3.21 | 3.33 | 3.37 | 3.42 | 3.45 | 3.61 |
| Spain | 5.41 | 5.36 | 5.60 | 5.65 | 5.86 | 6.01 | 6.28 | 6.33 | 6.37 | 6.70 |
| Sweden | 2.59 | 2.61 | 2.57 | 2.60 | 2.65 | 2.65 | 2.70 | 2.79 | 2.93 | 3.05 |
| United Kingdom | 6.40 | 6.41 | 6.59 | 6.72 | 6.83 | 6.78 | 6.71 | 6.65 | 6.62 | N/D |
| United States | 7.29 | 7.44 | 7.57 | 7.70 | 7.82 | 7.88 | 7.94 | 8.02 | 8.07 | 8.19 |
| Puerto Rico* | N/D | N/D | N/D | N/D | N/D | 9.83 | 10.01 | 9.85 | 9.98 | 10.25 |

Source: Organization for Economic Co-operation and Development (OECD), STAN Database for Structural Analysis, ISIC Rev. 3

*Puerto Rico data information Sources: U.S. Census, County Business Patterns

Analysis by Economic and Social Planning Program of the Puerto Rico Planning Board

N/D = No Data

For the Art, Entertainment, and Recreation Sector Table 20 shows statistical information of the number of employees in the economy as a proportion of total of all sectors of the economy. Data showed that the number of employees as a proportion of the whole economy in Puerto Rico averaged 0.52 percent for the period 2005 to 2011. For United States this percentage was 4.20 for the 2000 to 2010 period. Other countries were selected for comparison purposes and were presented too.

Table 20: Number of Employees of Arts, Entertainment, Repair of Households, Repairs of Households Goods and Other Services Sector as a Proportion of Total of all Sectors (%)
International Comparison
2000 to 2009

| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|----------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Austria | 2.99 | 3.00 | 2.95 | 2.95 | 3.06 | 3.06 | 3.00 | 3.00 | 2.97 | 3.15 | 3.19 | 3.17 |
| Belgium | 2.39 | 2.40 | 2.47 | 2.50 | 2.60 | 2.61 | 2.59 | 2.54 | 2.57 | 2.64 | 2.64 | 2.64 |
| Czech Republic | 1.85 | 1.87 | 1.97 | 2.07 | 2.08 | 1.98 | 1.95 | 1.94 | 1.94 | 2.05 | 2.08 | 2.10 |
| Denmark | 3.59 | 3.60 | 3.65 | 3.69 | 3.71 | 3.65 | 3.60 | 3.56 | 3.58 | 3.65 | 3.74 | N/D |
| Finland | 3.33 | 3.30 | 3.37 | 3.49 | 3.56 | 3.52 | 3.52 | 3.58 | 3.50 | 3.65 | 3.74 | N/D |
| France | 3.80 | 3.86 | 3.96 | 3.96 | 4.02 | 4.05 | 4.09 | 4.10 | 4.12 | 4.23 | 4.30 | N/D |
| Germany | 4.37 | 4.35 | 4.36 | 4.42 | 4.40 | 4.36 | 4.34 | 4.30 | 4.27 | 4.42 | 4.42 | 4.30 |
| Hungary | 3.44 | 3.46 | 3.82 | 3.53 | 3.53 | 3.43 | 3.40 | 3.44 | 3.35 | 3.46 | 3.48 | N/D |
| Italy | 4.62 | 4.63 | 4.59 | 4.50 | 4.59 | 4.61 | 4.62 | 4.74 | 4.87 | 5.14 | 5.17 | 5.19 |
| Netherlands | 2.54 | 2.57 | 2.56 | 2.56 | 2.57 | 2.56 | 2.52 | 2.51 | 2.49 | 2.57 | 2.63 | 2.56 |
| Norway | 2.81 | 2.69 | 2.73 | 2.68 | 2.60 | 2.60 | 2.50 | 2.38 | 2.42 | 2.53 | 2.57 | 2.56 |
| Slovenia | 3.65 | 3.44 | 3.06 | 3.04 | 3.00 | 2.99 | 2.87 | 2.80 | 2.79 | 2.94 | 2.96 | N/D |
| Sweden | 4.00 | 3.95 | 4.06 | 4.09 | 4.12 | 4.14 | 4.12 | 4.00 | 3.95 | 4.14 | 4.14 | 4.05 |
| United States | 4.03 | 4.06 | 4.25 | 4.30 | 4.28 | 4.16 | 4.16 | 4.18 | 4.21 | 4.31 | 4.28 | N/D |
| Puerto Rico | N/D | N/D | N/D | N/D | N/D | 0.51 | 0.57 | 0.53 | 0.55 | 0.51 | 0.51 | 0.45 |

Source: Organization for Economic Co-operation and Development (OECD), STAN Database for Structural Analysis, ISIC Rev. 3

*Puerto Rico data information Sources: U.S. Census, County Business Patterns

Analysis by Economic and Social Planning Program of the Puerto Rico Planning Board

N/D = No Data

In terms of the Annual Payroll, Table 21 shows the proportion of wages and salaries compared with all sectors of the economy. It could be observed that the wages and salaries averaged 5.6 percent for the period 2005 to 2009 in Puerto Rico. For United States this percentage averaged 3.3 percent for the period 2000 to 2009. Other countries were selected for comparison purposes and were presented too.

Table 21: Wages and Salaries of Hotel and Restaurant Sector as a Proportion of Total of all Sectors (%)
International Comparison
Year 2000 to 2009

| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|----------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Australia | 3.08 | 3.01 | 2.89 | 2.87 | 2.89 | 2.61 | 2.51 | N/D | N/D | N/D |
| Austria | 4.09 | 4.08 | 4.17 | 4.29 | 4.35 | 4.37 | 4.41 | 4.35 | 4.41 | 4.54 |
| Belgium | 1.78 | 1.77 | 1.82 | 1.84 | 1.88 | 1.88 | 1.90 | 1.92 | N/D | N/D |
| Czech Republic | 2.22 | 2.25 | 2.33 | 2.12 | 2.15 | 2.27 | 2.26 | 2.21 | 2.48 | 2.59 |
| Denmark | 1.72 | 1.71 | 1.72 | 1.71 | 1.77 | 1.83 | 1.87 | 1.90 | 1.92 | 1.86 |
| Estonia | 1.83 | 1.84 | 1.89 | 2.01 | 2.10 | 2.18 | 2.27 | 2.30 | 2.36 | 2.22 |
| Finland | 2.16 | 2.16 | 2.16 | 2.14 | 2.14 | 2.12 | 2.11 | 2.07 | 2.12 | 2.11 |
| France | 2.82 | 2.76 | 2.87 | 2.84 | 2.87 | 2.97 | 3.02 | 3.01 | N/D | N/D |
| Germany | 1.97 | 2.00 | 2.03 | 2.02 | 2.03 | 2.06 | 2.05 | 2.07 | 2.06 | 2.15 |
| Greece | 3.47 | 3.45 | 3.42 | 3.34 | 3.26 | 3.58 | 3.58 | 3.47 | 3.42 | 3.32 |
| Hungary | 2.27 | 2.31 | 2.33 | 2.49 | 2.47 | 2.38 | 2.45 | 2.54 | 2.40 | 2.46 |
| Ireland | 3.71 | 3.38 | 3.45 | 3.48 | 3.40 | 3.44 | 3.39 | 3.70 | 3.56 | 3.49 |
| Italy | 4.39 | 4.36 | 4.39 | 4.47 | 4.55 | 4.51 | 4.43 | 4.38 | 4.38 | 4.47 |
| Luxembourg | 2.31 | 2.26 | 2.24 | 2.37 | 2.40 | 2.36 | 2.31 | 2.27 | 2.25 | 2.20 |
| Netherlands | 1.89 | 1.87 | 1.82 | 1.76 | 1.76 | 1.77 | 1.77 | 1.75 | 1.74 | 1.72 |
| Norway | 2.50 | 2.42 | 2.41 | 2.38 | 2.32 | 2.28 | 2.27 | 2.29 | 2.23 | 2.18 |
| Poland | 1.49 | 1.46 | 1.32 | 1.29 | 1.38 | 1.39 | 1.34 | 1.32 | 1.55 | N/D |
| Portugal | 3.37 | 3.51 | 3.45 | 3.59 | 3.67 | 3.83 | 3.97 | N/D | N/D | N/D |
| Slovak Republic | 1.61 | 1.75 | 1.90 | 1.93 | 1.65 | 1.70 | 1.82 | 1.69 | 1.65 | 1.59 |
| Slovenia | 2.48 | 2.47 | 2.60 | 2.65 | 2.73 | 2.46 | 2.49 | 2.61 | 2.64 | 2.73 |
| Spain | 7.67 | 7.33 | 7.07 | 6.83 | 6.73 | 6.01 | 5.77 | 5.58 | N/D | N/D |
| Sweden | 1.81 | 1.82 | 1.84 | 1.87 | 1.87 | 1.88 | 1.90 | 1.90 | 1.97 | 2.03 |
| United States | 3.14 | 3.17 | 3.24 | 3.25 | 3.29 | 3.29 | 3.29 | 3.41 | 3.30 | 3.33 |
| Puerto Rico* | N/D | N/D | N/D | N/D | N/D | 5.76 | 5.56 | 5.49 | 5.39 | 5.81 |

Source: Organization for Economic Co-operation and Development (OECD), STAN Database for Structural Analysis, ISIC Rev. 3

*Puerto Rico data information Sources: U.S. Census, County Business Patterns

Analysis by Economic and Social Planning Program of the Puerto Rico Planning Board

N/D = No Data

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Appendixes

| Table 22: Number of Employees NAICS 71 - Arts, Entertainment and Recreation Puerto Rico, 2005 to 2012 | | | | | | | | |
|---|-------|--------|---------|---------|---------|---------|---------|--------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
| 71 - Arts, Entertainment, and Recreation | | | | | | | | |
| Number of Employees | 3,892 | 4,330 | 4,035 | 4,082 | 3,604 | 3,465 | 3,002 | 3,418 |
| Absolute Change | N/D | 438 | (295) | 47 | (478) | (139) | (463) | 416 |
| Percent Change | N/D | 11.25% | -6.81% | 1.16% | -11.71% | -3.86% | -13.36% | 13.86% |
| Proportion of the Total for all Sectors | 0.51% | 0.57% | 0.53% | 0.55% | 0.51% | 0.51% | 0.45% | 0.49% |
| 7111 - Performing Arts Companies | | | | | | | | |
| Number of Employees | 262 | 284 | 227 | 307 | 200 | N/D | 231 | 290 |
| Absolute Change | N/D | 22 | (57) | 80 | (107) | N/D | N/D | 59 |
| Percent Change | N/D | 8.40% | -20.07% | 35.24% | -34.85% | N/D | N/D | 25.54% |
| Proportion of the Total for all Sectors | 0.03% | 0.04% | 0.03% | 0.04% | 0.03% | N/D | 0.03% | 0.04% |
| 7112 - Spectator Sports | | | | | | | | |
| Number of Employees | 526 | 526 | 503 | 409 | 312 | N/D | N/D | N/D |
| Absolute Change | N/D | - | (23) | (94) | (97) | N/D | N/D | N/D |
| Percent Change | N/D | 0.00% | -4.37% | -18.69% | -23.72% | N/D | N/D | N/D |
| Proportion of the Total for all Sectors | 0.07% | 0.07% | 0.07% | 0.05% | 0.04% | N/D | N/D | N/D |
| 7113 - Promoters of Performing Arts, Sports, and Similar Events | | | | | | | | |
| Number of Employees | 252 | 444 | 484 | 492 | 474 | 396 | 386 | 440 |
| Absolute Change | N/D | 192 | 40 | 8 | (18) | (78) | (10) | 54 |
| Percent Change | N/D | 76.19% | 9.01% | 1.65% | -3.66% | -16.46% | -2.53% | 13.99% |
| Proportion of the Total for all Sectors | 0.03% | 0.06% | 0.06% | 0.07% | 0.07% | 0.06% | 0.06% | 0.06% |
| 7114 - Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures | | | | | | | | |
| Number of Employees | 45 | 85 | 40 | 35 | 64 | 42 | 38 | 40 |
| Absolute Change | N/D | 40 | (45) | (5) | 29 | (22) | (4) | 2 |
| Percent Change | N/D | 88.89% | -52.94% | -12.50% | 82.86% | -34.38% | -9.52% | 5.26% |
| Proportion of the Total for all Sectors | 0.01% | 0.01% | 0.01% | 0.00% | 0.01% | 0.01% | 0.01% | 0.01% |
| 7115 - Independent Artists, Writers, and Performers | | | | | | | | |
| Number of Employees | 98 | 129 | 137 | 148 | 108 | 87 | 103 | 102 |
| Absolute Change | N/D | 31 | 8 | 11 | (40) | (21) | 16 | (1) |
| Percent Change | N/D | 31.63% | 6.20% | 8.03% | -27.03% | -19.44% | 18.39% | -0.97% |
| Proportion of the Total for all Sectors | 0.01% | 0.02% | 0.02% | 0.02% | 0.02% | 0.01% | 0.02% | 0.01% |
| 7121 - Museums, Historical Sites, and Similar Institutions | | | | | | | | |
| Number of Employees | 190 | 194 | 266 | 316 | 353 | 345 | 304 | 313 |
| Absolute Change | N/D | 4 | 72 | 50 | 37 | (8) | (41) | 9 |
| Percent Change | N/D | 2.11% | 37.11% | 18.80% | 11.71% | -2.27% | -11.88% | 2.96% |
| Proportion of the Total for all Sectors | 0.02% | 0.03% | 0.03% | 0.04% | 0.05% | 0.05% | 0.05% | 0.05% |
| 7131 - Amusement Parks and Arcades | | | | | | | | |
| Number of Employees | 329 | 422 | N/D | N/D | N/D | N/D | 192 | 258 |
| Absolute Change | N/D | 93 | N/D | N/D | N/D | N/D | N/D | 66 |
| Percent Change | N/D | 28.27% | N/D | N/D | N/D | N/D | N/D | 34.38% |
| Proportion of the Total for all Sectors | 0.04% | 0.06% | N/D | N/D | N/D | N/D | 0.03% | 0.04% |
| 7132 - Gambling Industries | | | | | | | | |
| Number of Employees | 182 | 175 | N/D | N/D | N/D | N/D | N/D | N/D |
| Absolute Change | N/D | (7) | N/D | N/D | N/D | N/D | N/D | N/D |
| Percent Change | N/D | -3.85% | N/D | N/D | N/D | N/D | N/D | N/D |
| Proportion of the Total for all Sectors | 0.02% | 0.02% | N/D | N/D | N/D | N/D | N/D | N/D |
| 7139 - Other Amusement and Recreation Industries | | | | | | | | |
| Number of Employees | 2,008 | 2,071 | 1,899 | 1,934 | 1,611 | 1,535 | 1,374 | 1,506 |
| Absolute Change | N/D | 63 | (172) | 35 | (323) | (76) | (161) | 132 |
| Percent Change | N/D | 3.14% | -8.31% | 1.84% | -16.70% | -4.72% | -10.49% | 9.61% |
| Proportion of the Total for all Sectors | 0.26% | 0.27% | 0.25% | 0.26% | 0.23% | 0.23% | 0.20% | 0.22% |

Source: U.S. Census Bureau, County Business Patterns; Analysis made by Puerto Rico Planning Board

Figure 27: : Number of Paid Employees
 NAICS 71 - Arts, Entertainment and Recreation
 Puerto Rico 2005 to 2012

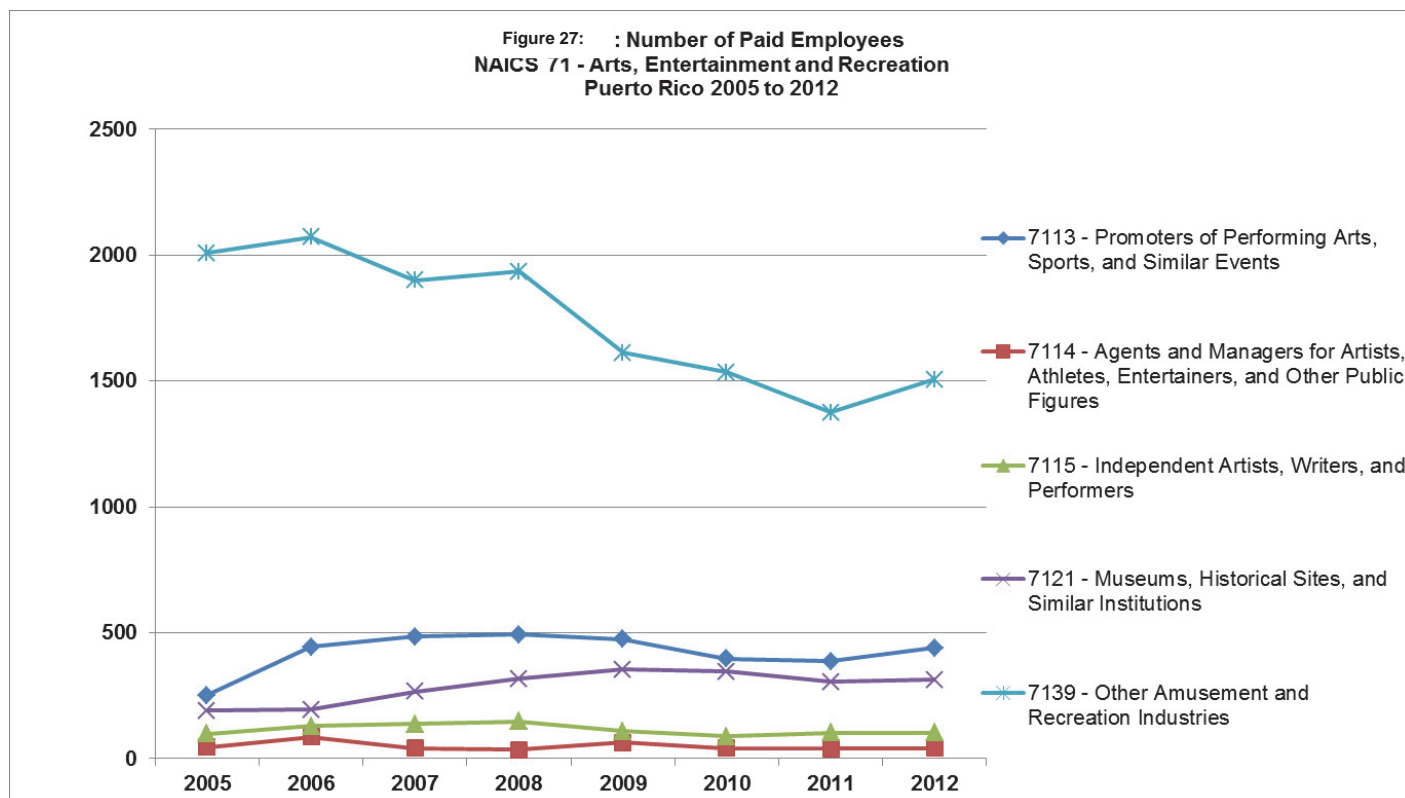


Table 23: Annual Payroll
 NAICS 71 - Arts, Entertainment and Recreation
 Puerto Rico, 2005 to 2012

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|----------|----------|-----------|----------|-----------|-----------|----------|----------|
| 71 - Arts, Entertainment, and Recreation | | | | | | | | |
| Annual Payroll | \$60,675 | \$65,182 | \$66,184 | \$72,815 | \$63,400 | \$61,270 | \$63,778 | \$69,366 |
| Absolute Change | N/D | \$4,507 | \$1,002 | \$6,631 | \$(9,415) | \$(2,130) | \$2,508 | \$5,588 |
| Percent Change | N/D | 7.43% | 1.54% | 10.02% | -12.93% | -3.36% | 4.09% | 8.76% |
| Proportion of the Total for all Sectors | 0.38% | 0.40% | 0.39% | 0.43% | 0.39% | 0.38% | 0.39% | 0.41% |
| 7111 - Performing Arts Companies | | | | | | | | |
| Number of Employees | \$6,852 | \$6,624 | \$7,231 | \$8,610 | \$6,035 | \$6,614 | \$7,336 | \$6,913 |
| Absolute Change | N/D | \$(228) | \$607 | \$1,379 | \$(2,575) | \$579 | \$722 | \$(423) |
| Percent Change | N/D | -3.33% | 9.16% | 19.07% | -29.91% | 9.59% | 10.92% | -5.77% |
| Proportion of the Total for all Sectors | 0.04% | 0.04% | 0.04% | 0.05% | 0.04% | 0.04% | 0.04% | 0.04% |
| 7112 - Spectator Sports | | | | | | | | |
| Annual Payroll | \$8,003 | \$7,864 | \$6,741 | \$6,964 | \$6,433 | N/D | N/D | N/D |
| Absolute Change | N/D | \$(139) | \$(1,123) | \$223 | \$(531) | N/D | N/D | N/D |
| Percent Change | N/D | -1.74% | -14.28% | 3.31% | -7.62% | N/D | N/D | N/D |
| Proportion of the Total for all Sectors | 0.05% | 0.05% | 0.04% | 0.04% | 0.04% | N/D | N/D | N/D |
| 7113 - Promoters of Performing Arts, Sports, and Similar Events | | | | | | | | |
| Annual Payroll | \$6,154 | \$8,388 | \$7,018 | \$9,999 | \$8,289 | \$8,637 | \$10,518 | \$11,694 |
| Absolute Change | N/D | \$2,234 | \$(1,370) | \$2,981 | \$(1,710) | \$348 | \$1,881 | \$1,176 |
| Percent Change | N/D | 36.30% | -16.33% | 42.48% | -17.10% | 4.20% | 21.78% | 11.18% |
| Proportion of the Total for all Sectors | 0.04% | 0.05% | 0.04% | 0.06% | 0.05% | 0.05% | 0.06% | 0.07% |
| 7114 - Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures | | | | | | | | |
| Annual Payroll | \$704 | \$1,160 | \$661 | \$747 | \$2,065 | \$1,773 | \$1,857 | \$2,137 |
| Absolute Change | N/D | \$456 | \$(499) | \$86 | \$1,318 | \$(292) | \$84 | \$280 |
| Percent Change | N/D | 64.77% | -43.02% | 13.01% | 176.44% | -14.14% | 4.74% | 15.08% |
| Proportion of the Total for all Sectors | 0.00% | 0.01% | 0.00% | 0.00% | 0.01% | 0.01% | 0.01% | 0.01% |
| 7115 - Independent Artists, Writers, and Performers | | | | | | | | |
| Annual Payroll | \$1,895 | \$2,317 | \$3,194 | \$3,141 | \$2,664 | \$2,384 | \$2,885 | \$3,352 |
| Absolute Change | N/D | \$422 | \$877 | \$(53) | \$(477) | \$(280) | \$501 | \$467 |

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|----------|----------|------------|-----------|-----------|-----------|-----------|-----------|
| 71 - Arts, Entertainment, and Recreation | | | | | | | | |
| Annual Payroll | \$60,675 | \$65,182 | \$66,184 | \$ 72,815 | \$ 63,400 | \$61,270 | \$ 63,778 | \$ 69,366 |
| Absolute Change | N/D | \$ 4,507 | \$ 1,002 | \$ 6,631 | \$(9,415) | \$(2,130) | \$ 2,508 | \$ 5,588 |
| Percent Change | N/D | 7.43% | 1.54% | 10.02% | -12.93% | -3.36% | 4.09% | 8.76% |
| Proportion of the Total for all Sectors | 0.38% | 0.40% | 0.39% | 0.43% | 0.39% | 0.38% | 0.39% | 0.41% |
| 7111 - Performing Arts Companies | | | | | | | | |
| Number of Employees | \$ 6,852 | \$ 6,624 | \$ 7,231 | \$ 8,610 | \$ 6,035 | \$ 6,614 | \$ 7,336 | \$ 6,913 |
| Absolute Change | N/D | \$ (228) | \$ 607 | \$ 1,379 | \$(2,575) | \$ 579 | \$ 722 | \$ (423) |
| Percent Change | N/D | -3.33% | 9.16% | 19.07% | -29.91% | 9.59% | 10.92% | -5.77% |
| Proportion of the Total for all Sectors | 0.04% | 0.04% | 0.04% | 0.05% | 0.04% | 0.04% | 0.04% | 0.04% |
| 7112 - Spectator Sports | | | | | | | | |
| Annual Payroll | \$ 8,003 | \$ 7,864 | \$ 6,741 | \$ 6,964 | \$ 6,433 | N/D | N/D | N/D |
| Absolute Change | N/D | \$ (139) | \$ (1,123) | \$ 223 | \$ (531) | N/D | N/D | N/D |
| Percent Change | N/D | -1.74% | -14.28% | 3.31% | -7.62% | N/D | N/D | N/D |
| Proportion of the Total for all Sectors | 0.05% | 0.05% | 0.04% | 0.04% | 0.04% | N/D | N/D | N/D |
| 7113 - Promoters of Performing Arts, Sports, and Similar Events | | | | | | | | |
| Annual Payroll | \$ 6,154 | \$ 8,388 | \$ 7,018 | \$ 9,999 | \$ 8,289 | \$ 8,637 | \$10,518 | \$11,694 |
| Absolute Change | N/D | \$ 2,234 | \$ (1,370) | \$ 2,981 | \$(1,710) | \$ 348 | \$ 1,881 | \$ 1,176 |
| Percent Change | N/D | 36.30% | -16.33% | 42.48% | -17.10% | 4.20% | 21.78% | 11.18% |
| Proportion of the Total for all Sectors | 0.04% | 0.05% | 0.04% | 0.06% | 0.05% | 0.05% | 0.06% | 0.07% |
| 7114 - Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures | | | | | | | | |
| Annual Payroll | \$ 704 | \$ 1,160 | \$ 661 | \$ 747 | \$ 2,065 | \$ 1,773 | \$ 1,857 | \$ 2,137 |
| Absolute Change | N/D | \$ 456 | \$ (499) | \$ 86 | \$ 1,318 | \$(292) | \$ 84 | \$ 280 |
| Percent Change | N/D | 64.77% | -43.02% | 13.01% | 176.44% | -14.14% | 4.74% | 15.08% |
| Proportion of the Total for all Sectors | 0.00% | 0.01% | 0.00% | 0.00% | 0.01% | 0.01% | 0.01% | 0.01% |
| 7115 - Independent Artists, Writers, and Performers | | | | | | | | |
| Annual Payroll | \$ 1,895 | \$ 2,317 | \$ 3,194 | \$ 3,141 | \$ 2,664 | \$ 2,384 | \$ 2,885 | \$ 3,352 |
| Absolute Change | N/D | \$ 422 | \$ 877 | \$ (53) | \$ (477) | \$(280) | \$ 501 | \$ 467 |
| Percent Change | N/D | 22.27% | 37.85% | -1.66% | -15.19% | -10.51% | 21.02% | 16.19% |
| Proportion of the Total for all Sectors | 0.01% | 0.01% | 0.02% | 0.02% | 0.02% | 0.01% | 0.02% | 0.02% |
| 7121 - Museums, Historical Sites, and Similar Institutions | | | | | | | | |
| Annual Payroll | \$ 3,672 | \$ 3,908 | \$ 6,293 | \$ 6,981 | \$ 6,424 | \$ 6,537 | \$ 6,703 | \$ 6,837 |
| Absolute Change | N/D | \$ 236 | \$ 2,385 | \$ 688 | \$ (557) | \$ 113 | \$ 166 | \$ 134 |
| Percent Change | N/D | 6.43% | 61.03% | 10.93% | -7.98% | 1.76% | 2.54% | 2.00% |
| Proportion of the Total for all Sectors | 0.02% | 0.02% | 0.04% | 0.04% | 0.04% | 0.04% | 0.04% | 0.04% |
| 7131 - Amusement Parks and Arcades | | | | | | | | |
| Annual Payroll | \$ 3,233 | \$ 3,765 | \$ 3,607 | \$ 3,294 | N/D | \$ 3,128 | \$ 2,314 | \$ 2,746 |
| Absolute Change | N/D | \$ 532 | \$ (158) | \$ (313) | N/D | N/D | \$ (814) | \$ 432 |
| Percent Change | N/D | 16.46% | -4.20% | -8.68% | N/D | N/D | -26.02% | 18.67% |
| Proportion of the Total for all Sectors | 0.02% | 0.02% | 0.02% | 0.02% | N/D | 0.02% | 0.01% | 0.02% |
| 7132 - Gambling Industries | | | | | | | | |
| Annual Payroll | \$ 3,177 | \$ 3,210 | N/D | N/D | N/D | N/D | N/D | N/D |
| Absolute Change | N/D | \$ 33 | N/D | N/D | N/D | N/D | N/D | N/D |
| Percent Change | N/D | 1.04% | N/D | N/D | N/D | N/D | N/D | N/D |
| Proportion of the Total for all Sectors | 0.02% | 0.02% | N/D | N/D | N/D | N/D | N/D | N/D |
| 7139 - Other Amusement and Recreation Industries | | | | | | | | |
| Annual Payroll | \$26,985 | \$27,946 | \$28,423 | \$29,764 | \$23,619 | \$23,199 | \$22,883 | \$26,241 |
| Absolute Change | N/D | \$ 961 | \$ 477 | \$ 1,341 | \$(6,145) | \$(420) | \$(316) | \$ 3,358 |
| Percent Change | N/D | 3.56% | 1.71% | 4.72% | -20.65% | -1.78% | -1.36% | 14.67% |
| Proportion of the Total for all Sectors | 0.17% | 0.17% | 0.17% | 0.18% | 0.15% | 0.14% | 0.14% | 0.16% |

Source: U.S. Census Bureau, County Business Patterns; Analysis made by Puerto Rico Planning Board

Figure 28: Annual Payroll (\$1,000)
NAICS 71 - Arts, Entertainment and Recreation
Puerto Rico 2005 to 2012

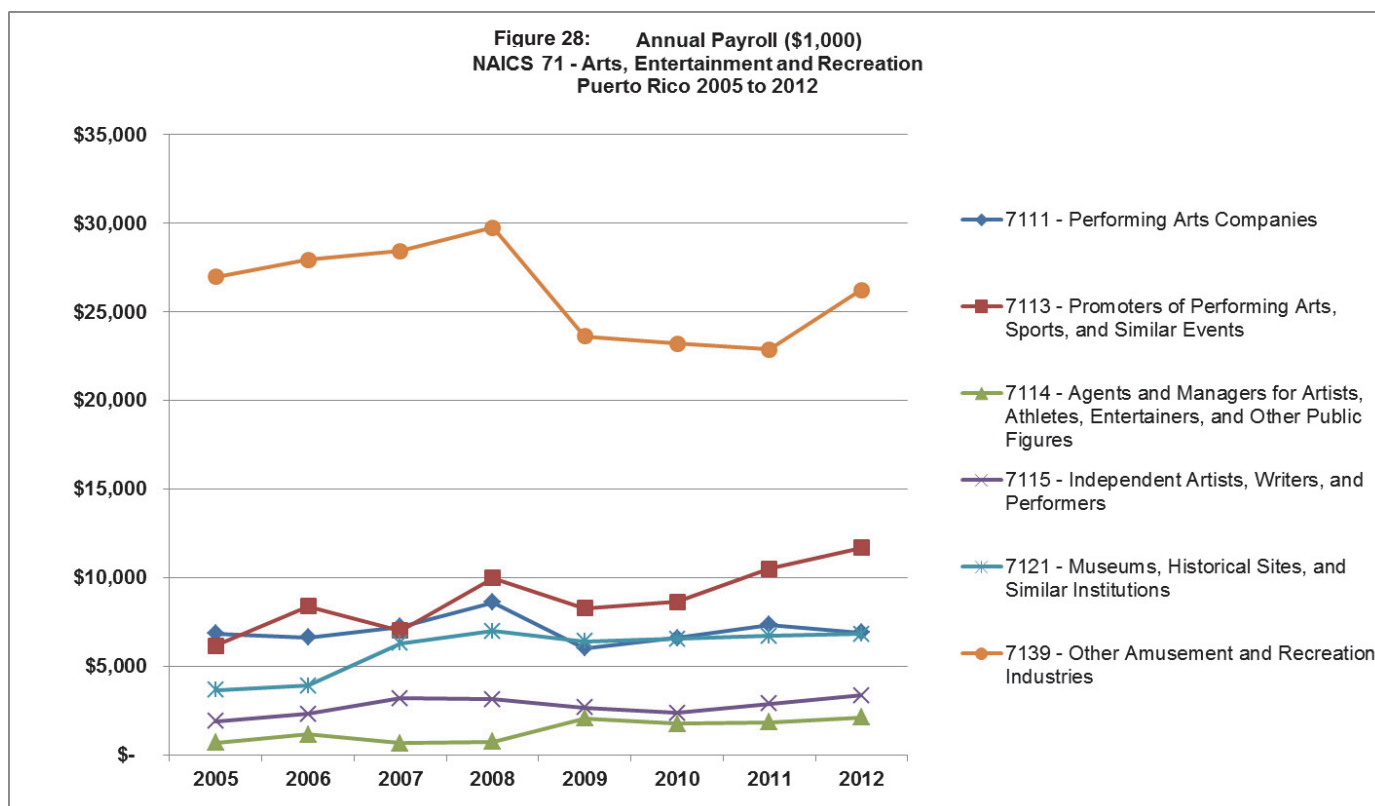
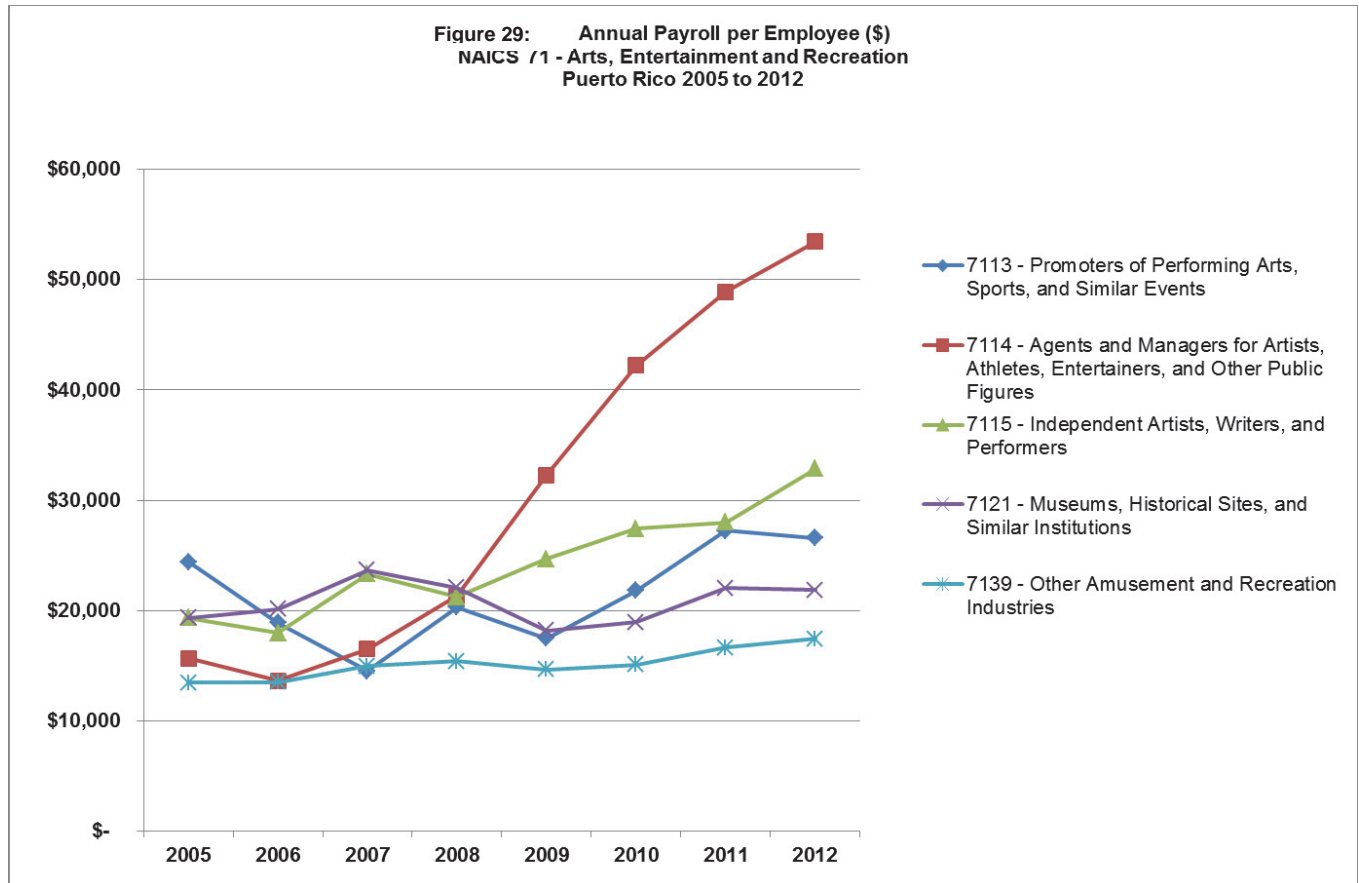


Table 24: Annual Payroll per Employee
NAICS 71 - Arts, Entertainment and Recreation
Puerto Rico, 2005 to 2012

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|----------|------------|------------|------------|------------|----------|----------|------------|
| 71 - Arts, Entertainment, and Recreation | | | | | | | | |
| Annual Payroll per Employee | \$15,590 | \$15,054 | \$16,402 | \$17,838 | \$17,592 | \$17,683 | \$21,245 | \$20,294 |
| Absolute Change | N/D | \$ (536) | \$ 1,349 | \$ 1,436 | \$ (247) | \$ 91 | \$ 3,563 | \$ (951) |
| Percent Change | N/D | -3.44% | 8.96% | 8.75% | -1.38% | 0.52% | 20.15% | -4.48% |
| Benchmark Analysis - Sector vs. Total Average of Puerto Rico | 74.85% | 69.84% | 74.69% | 78.71% | 76.04% | 73.85% | 86.82% | 83.04% |
| 7111 - Performing Arts Companies | | | | | | | | |
| Annual Payroll per Employee | \$26,153 | \$23,324 | \$31,855 | \$28,046 | \$30,175 | N/D | \$31,758 | \$23,838 |
| Absolute Change | N/D | \$ (2,829) | \$ 8,531 | \$ (3,809) | \$ 2,129 | N/D | N/D | \$ (7,920) |
| Percent Change | N/D | -10.82% | 36.57% | -11.96% | 7.59% | N/D | N/D | -24.94% |
| Benchmark Analysis - Sub-Sector vs. Total Average of Puerto Rico | 125.57% | 108.21% | 145.05% | 123.76% | 130.44% | N/D | 129.78% | 97.54% |
| 7112 - Spectator Sports | | | | | | | | |
| Annual Payroll per Employee | \$15,215 | \$14,951 | \$13,402 | \$17,027 | \$20,619 | N/D | N/D | N/D |
| Absolute Change | N/D | \$ (264) | \$ (1,549) | \$ 3,625 | \$ 3,592 | N/D | N/D | N/D |
| Percent Change | N/D | -1.74% | -10.36% | 27.05% | 21.09% | N/D | N/D | N/D |
| Benchmark Analysis - Sub-Sector vs. Total Average of Puerto Rico | 73.05% | 69.36% | 61.03% | 75.13% | 89.13% | N/D | N/D | N/D |
| 7113 - Promoters of Performing Arts, Sports, and Similar Events | | | | | | | | |
| Annual Payroll per Employee | \$24,421 | \$18,892 | \$14,500 | \$20,323 | \$17,487 | \$21,811 | \$27,249 | \$26,577 |
| Absolute Change | N/D | \$ (5,529) | \$ (4,392) | \$ 5,823 | \$ (2,836) | \$ 4,323 | \$ 5,438 | \$ (671) |
| Percent Change | N/D | -22.64% | -23.25% | 40.16% | -13.95% | 24.72% | 24.93% | -2.46% |
| Benchmark Analysis - Sub-Sector vs. Total Average of Puerto Rico | 117.26% | 87.65% | 66.03% | 89.68% | 75.59% | 91.09% | 111.35% | 108.75% |
| 7114 - Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures | | | | | | | | |
| Annual Payroll per Employee | \$15,644 | \$13,647 | \$16,525 | \$21,343 | \$32,266 | \$42,214 | \$48,868 | \$53,425 |
| Absolute Change | N/D | \$ (1,997) | \$ 2,878 | \$ 4,818 | \$10,923 | \$ 9,949 | \$ 6,654 | \$ 4,557 |
| Percent Change | N/D | -12.77% | 21.09% | 29.15% | 51.18% | 30.83% | 15.76% | 9.32% |
| Benchmark Analysis - Sub-Sector vs. Total Average of Puerto Rico | 75.12% | 63.32% | 75.25% | 94.18% | 139.47% | 176.30% | 199.71% | 218.61% |

| | | | | | | | | | |
|---|----------|------------|----------|------------|------------|----------|----------|------------|--|
| 7115 - Independent Artists, Writers, and Performers | | | | | | | | | |
| Annual Payroll per Employee | \$19,337 | \$17,961 | \$23,314 | \$21,223 | \$24,667 | \$27,402 | \$28,010 | \$32,863 | |
| Absolute Change | N/D | \$ (1,375) | \$ 5,353 | \$ (2,091) | \$ 3,444 | \$ 2,736 | \$ 607 | \$ 4,853 | |
| Percent Change | N/D | -7.11% | 29.80% | -8.97% | 16.23% | 11.09% | 2.22% | 17.33% | |
| Benchmark Analysis - Sub-Sector vs. Total Average of Puerto Rico | 92.85% | 83.33% | 106.16% | 93.65% | 106.62% | 114.44% | 114.46% | 134.47% | |
| 7121 - Museums, Historical Sites, and Similar Institutions | | | | | | | | | |
| Annual Payroll per Employee | \$19,326 | \$20,144 | \$23,658 | \$22,092 | \$18,198 | \$18,948 | \$22,049 | \$21,843 | |
| Absolute Change | N/D | \$ 818 | \$ 3,514 | \$ (1,566) | \$ (3,893) | \$ 750 | \$ 3,102 | \$ (206) | |
| Percent Change | N/D | 4.23% | 17.44% | -6.62% | -17.62% | 4.12% | 16.37% | -0.93% | |
| Benchmark Analysis - Sub-Sector vs. Total Average of Puerto Rico | 92.80% | 93.46% | 107.73% | 97.48% | 78.66% | 79.13% | 90.11% | 89.38% | |
| 7131 - Amusement Parks and Arcades | | | | | | | | | |
| Annual Payroll per Employee | \$ 9,827 | \$ 8,922 | N/D | N/D | N/D | N/D | \$12,052 | \$10,643 | |
| Absolute Change | N/D | \$ (905) | N/D | N/D | N/D | N/D | N/D | \$ (1,409) | |
| Percent Change | N/D | -9.21% | N/D | N/D | N/D | N/D | N/D | -11.69% | |
| Benchmark Analysis - Sub-Sector vs. Total Average of Puerto Rico | 47.18% | 41.39% | N/D | N/D | N/D | N/D | 49.25% | 43.55% | |
| 7132 - Gambling Industries | | | | | | | | | |
| Annual Payroll per Employee | \$17,456 | \$18,343 | N/D | N/D | N/D | N/D | N/D | N/D | |
| Absolute Change | N/D | \$ 887 | N/D | N/D | N/D | N/D | N/D | N/D | |
| Percent Change | N/D | 5.08% | N/D | N/D | N/D | N/D | N/D | N/D | |
| Benchmark Analysis - Sub-Sector vs. Total Average of Puerto Rico | 83.82% | 85.10% | N/D | N/D | N/D | N/D | N/D | N/D | |
| 7139 - Other Amusement and Recreation Industries | | | | | | | | | |
| Annual Payroll per Employee | \$13,439 | \$13,494 | \$14,967 | \$15,390 | \$14,661 | \$15,113 | \$16,654 | \$17,424 | |
| Absolute Change | N/D | \$ 55 | \$ 1,473 | \$ 423 | \$ (729) | \$ 452 | \$ 1,541 | \$ 770 | |
| Percent Change | N/D | 0.41% | 10.92% | 2.82% | -4.74% | 3.08% | 10.20% | 4.62% | |
| Benchmark Analysis - Sub-Sector vs. Total Average of Puerto Rico | 64.53% | 62.61% | 68.15% | 67.91% | 63.37% | 63.12% | 68.06% | 71.30% | |

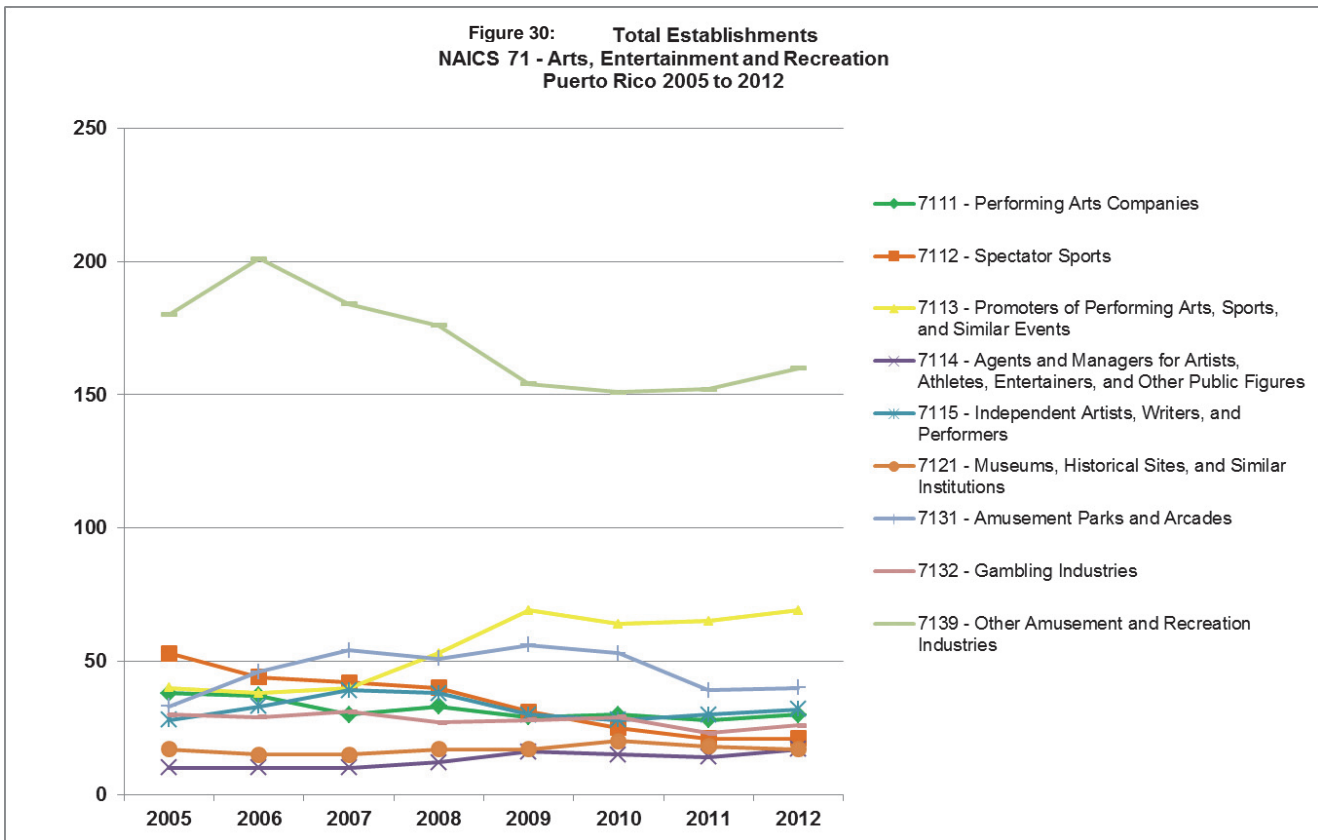
Source: U.S. Census Bureau, County Business Patterns; Analysis made by Puerto Rico Planning Board



| Table 25: Total Establishments NAICS 71 - Arts, Entertainment and Recreation Puerto Rico, 2005 to 2012 | | | | | | | | |
|--|-------|---------|---------|---------|---------|---------|---------|--------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
| 71 - Arts, Entertainment, and Recreation | | | | | | | | |
| Total Establishments | 429 | 453 | 445 | 447 | 430 | 415 | 390 | 412 |
| Absolute Change | N/D | 24 | (8) | 2 | (17) | (15) | (25) | 22 |
| Percent Change | N/D | 5.59% | -1.77% | 0.45% | -3.80% | -3.49% | -6.02% | 5.64% |
| Proportion of the Total for all Sectors | 0.92% | 0.98% | 0.94% | 0.96% | 0.94% | 0.93% | 0.89% | 0.92% |
| 7111 - Performing Arts Companies | | | | | | | | |
| Total Establishments | 38 | 37 | 30 | 33 | 29 | 30 | 28 | 30 |
| Absolute Change | N/D | (1) | (7) | 3 | (4) | 1 | (2) | 2 |
| Percent Change | N/D | -2.63% | -18.92% | 10.00% | -12.12% | 3.45% | -6.67% | 7.14% |
| Proportion of the Total for all Sectors | 0.08% | 0.08% | 0.06% | 0.07% | 0.06% | 0.07% | 0.06% | 0.07% |
| 7112 - Spectator Sports | | | | | | | | |
| Total Establishments | 53 | 44 | 42 | 40 | 31 | 25 | 21 | 21 |
| Absolute Change | N/D | (9) | (2) | (2) | (9) | (6) | (4) | - |
| Percent Change | N/D | -16.98% | -4.55% | -4.76% | -22.50% | -19.35% | -16.00% | 0.00% |
| Proportion of the Total for all Sectors | 0.11% | 0.10% | 0.09% | 0.09% | 0.07% | 0.06% | 0.05% | 0.05% |
| 7113 - Promoters of Performing Arts, Sports, and Similar Events | | | | | | | | |
| Total Establishments | 40 | 38 | 40 | 53 | 69 | 64 | 65 | 69 |
| Absolute Change | N/D | (2) | 2 | 13 | 16 | (5) | 1 | 4 |
| Percent Change | N/D | -5.00% | 5.26% | 32.50% | 30.19% | -7.25% | 1.56% | 6.15% |
| Proportion of the Total for all Sectors | 0.09% | 0.08% | 0.08% | 0.11% | 0.15% | 0.14% | 0.15% | 0.15% |
| 7114 - Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures | | | | | | | | |
| Total Establishments | 10 | 10 | 10 | 12 | 16 | 15 | 14 | 17 |
| Absolute Change | N/D | - | - | 2 | 4 | (1) | (1) | 3 |
| Percent Change | N/D | 0.00% | 0.00% | 20.00% | 33.33% | -6.25% | -6.67% | 21.43% |
| Proportion of the Total for all Sectors | 0.02% | 0.02% | 0.02% | 0.03% | 0.04% | 0.03% | 0.03% | 0.04% |
| 7115 - Independent Artists, Writers, and Performers | | | | | | | | |
| Total Establishments | 28 | 33 | 39 | 38 | 30 | 28 | 30 | 32 |
| Absolute Change | N/D | 5 | 6 | (1) | (8) | (2) | 2 | 2 |
| Percent Change | N/D | 17.86% | 18.18% | -2.56% | -21.05% | -6.67% | 7.14% | 6.67% |
| Proportion of the Total for all Sectors | 0.06% | 0.07% | 0.08% | 0.08% | 0.07% | 0.06% | 0.07% | 0.07% |
| 7121 - Museums, Historical Sites, and Similar Institutions | | | | | | | | |
| Total Establishments | 17 | 15 | 15 | 17 | 17 | 20 | 18 | 17 |
| Absolute Change | N/D | (2) | - | 2 | - | 3 | (2) | (1) |
| Percent Change | N/D | -11.76% | 0.00% | 13.33% | 0.00% | 17.65% | -10.00% | -5.56% |
| Proportion of the Total for all Sectors | 0.04% | 0.03% | 0.03% | 0.04% | 0.04% | 0.04% | 0.04% | 0.04% |
| 7131 - Amusement Parks and Arcades | | | | | | | | |
| Total Establishments | 33 | 46 | 54 | 51 | 56 | 53 | 39 | 40 |
| Absolute Change | N/D | 13 | 8 | (3) | 5 | (3) | (14) | 1 |
| Percent Change | N/D | 39.39% | 17.39% | -5.56% | 9.80% | -5.36% | -26.42% | 2.56% |
| Proportion of the Total for all Sectors | 0.07% | 0.10% | 0.11% | 0.11% | 0.12% | 0.12% | 0.09% | 0.09% |
| 7132 - Gambling Industries | | | | | | | | |
| Total Establishments | 30 | 29 | 31 | 27 | 28 | 29 | 23 | 26 |
| Absolute Change | N/D | (1) | 2 | (4) | 1 | 1 | (6) | 3 |
| Percent Change | N/D | -3.33% | 6.90% | -12.90% | 3.70% | 3.57% | -20.69% | 13.04% |
| Proportion of the Total for all Sectors | 0.06% | 0.06% | 0.07% | 0.06% | 0.06% | 0.06% | 0.05% | 0.06% |
| 7139 - Other Amusement and Recreation Industries | | | | | | | | |
| Total Establishments | 180 | 201 | 184 | 176 | 154 | 151 | 152 | 160 |
| Absolute Change | N/D | 21 | (17) | (8) | (22) | (3) | 1 | 8 |
| Percent Change | N/D | 11.67% | -8.46% | -4.35% | -12.50% | -1.95% | 0.66% | 5.26% |
| Proportion of the Total for all Sectors | 0.38% | 0.43% | 0.39% | 0.38% | 0.34% | 0.34% | 0.35% | 0.36% |

Source: U.S. Census Bureau, County Business Patterns; Analysis made by Puerto Rico Planning Board

**Figure 30: Total Establishments
NAICS 71 - Arts, Entertainment and Recreation
Puerto Rico 2005 to 2012**

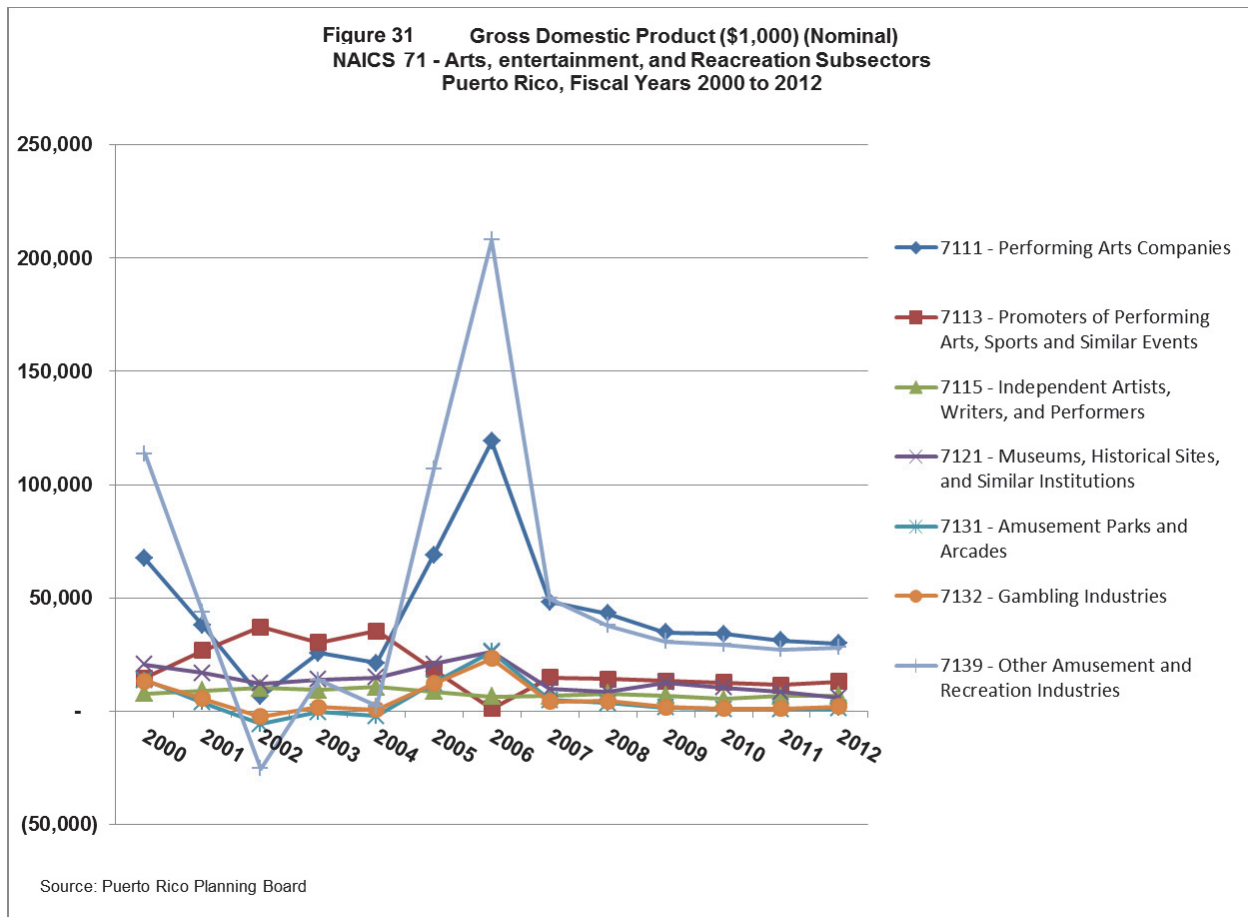


**Table 26: Gross Domestic Product (\$1,000)
NAICS 71 - Arts, Entertainment and Recreation
Puerto Rico, Fiscal Years 2000 to 2012**

| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---------|----------|----------|---------|---------|---------|---------|----------|---------|---------|---------|--------|--------|
| 71 - Art, Entertainment and Recreation | | | | | | | | | | | | | |
| Gross Domestic Product (\$1,000) | 250,869 | 143,331 | 32,592 | 94,397 | 83,007 | 248,024 | 410,442 | 138,276 | 119,287 | 101,476 | 93,816 | 87,111 | 87,029 |
| Absolute Change \$ | | -107,538 | -110,739 | 61,805 | -11,390 | 165,017 | 162,418 | -272,166 | -18,989 | -17,811 | -7,660 | -6,705 | -83 |
| Percent Change | | -42.87% | -77.26% | 189.63% | -12.07% | 198.80% | 65.48% | -66.31% | -13.73% | -14.93% | -7.55% | -7.15% | -0.09% |
| Proportion of the Total for all Sectors | 0.41% | 0.23% | 0.05% | 0.15% | 0.13% | 0.40% | 0.67% | 0.22% | 0.19% | 0.16% | 0.15% | 0.14% | 0.14% |
| 7111 - Performing Arts Companies | | | | | | | | | | | | | |
| Gross Domestic Product (\$1,000) | 67,430 | 37,845 | 6,354 | 25,702 | 21,255 | 68,922 | 119,113 | 48,170 | 43,194 | 34,713 | 34,099 | 31,226 | 29,890 |
| Absolute Change \$ | | -29,584 | -31,491 | 19,348 | -4,447 | 47,667 | 50,191 | -70,943 | -4,976 | -8,481 | -614 | -2,873 | -1,336 |
| Percent Change | | -43.87% | -83.21% | 304.49% | -17.30% | 224.26% | 72.82% | -59.56% | -10.33% | -19.64% | -1.77% | -8.43% | -4.28% |
| Proportion of the Total for all Sectors | 0.11% | 0.06% | 0.01% | 0.04% | 0.03% | 0.11% | 0.19% | 0.08% | 0.07% | 0.06% | 0.06% | 0.05% | 0.05% |
| 7113 - Promoters of Performing Arts, Sports and Similar Events | | | | | | | | | | | | | |
| Gross Domestic Product (\$1,000) | 14,610 | 26,776 | 37,235 | 30,295 | 35,438 | 18,320 | 1,071 | 14,901 | 14,236 | 13,226 | 12,521 | 11,581 | 13,113 |
| Absolute Change \$ | | 12,166 | 10,459 | -6,940 | 5,143 | -17,118 | -17,249 | 13,831 | -665 | -1,010 | -704 | -940 | 1,531 |
| Percent Change | | 83.27% | 39.06% | -18.64% | 16.98% | -48.30% | -94.16% | 1291.84% | -4.46% | -7.10% | -5.33% | -7.51% | 13.22% |
| Proportion of the Total for all Sectors | 0.02% | 0.04% | 0.06% | 0.05% | 0.06% | 0.03% | 0.00% | 0.02% | 0.02% | 0.02% | 0.02% | 0.02% | 0.02% |
| 7115 - Independent Artists, Writers, and Performers | | | | | | | | | | | | | |
| Gross Domestic Product (\$1,000) | 7,699 | 9,184 | 10,274 | 9,343 | 10,545 | 8,576 | 6,477 | 6,745 | 7,808 | 6,925 | 5,360 | 6,639 | 6,852 |
| Absolute Change \$ | | 1,485 | 1,091 | -932 | 1,202 | -1,969 | -2,099 | 268 | 1,063 | -883 | -1,565 | 1,279 | 213 |
| Percent Change | | 19.29% | 11.88% | -9.07% | 12.86% | -18.67% | -24.48% | 4.14% | 15.76% | -11.31% | -22.59% | 23.86% | 3.21% |
| Proportion of the | 0.01% | 0.01% | 0.02% | 0.02% | 0.02% | 0.01% | 0.01% | 0.01% | 0.01% | 0.01% | 0.01% | 0.01% | 0.01% |

| | | | | | | | | | | | | | | |
|---|---------|---------|----------|----------|---------|----------|---------|----------|---------|---------|---------|---------|---------|--|
| Total for all Sectors | | | | | | | | | | | | | | |
| 7121 - Museums, Historical Sites, and Similar Institutions | | | | | | | | | | | | | | |
| Gross Domestic Product (\$1,000) | 20,621 | 16,723 | 12,172 | 13,983 | 14,848 | 20,794 | 26,133 | 9,657 | 8,350 | 12,595 | 10,327 | 8,498 | 5,921 | |
| Absolute Change \$ | | -3,898 | -4,552 | 1,812 | 865 | 5,946 | 5,339 | -16,476 | -1,307 | 4,245 | -2,268 | -1,828 | -2,577 | |
| Percent Change | | -18.90% | -27.22% | 14.88% | 6.18% | 40.05% | 25.68% | -63.05% | -13.54% | 50.83% | -18.01% | -17.71% | -30.32% | |
| Proportion of the Total for all Sectors | 0.03% | 0.03% | 0.02% | 0.02% | 0.02% | 0.03% | 0.04% | 0.02% | 0.01% | 0.02% | 0.02% | 0.01% | 0.01% | |
| 7131 - Amusement Parks and Arcades | | | | | | | | | | | | | | |
| Gross Domestic Product (\$1,000) | 13,676 | 3,859 | (5,742) | (446) | (2,144) | 12,325 | 26,281 | 4,779 | 3,447 | 1,496 | 921 | 939 | 1,228 | |
| Absolute Change \$ | | -9,817 | -9,601 | 5,296 | -1,698 | 14,469 | 13,956 | -21,502 | -1,332 | -1,951 | -574 | 18 | 289 | |
| Percent Change | | -71.78% | -248.79% | -92.23% | 380.89% | -674.85% | 113.23% | -81.82% | -27.88% | -56.61% | -38.41% | 1.90% | 30.76% | |
| Proportion of the Total for all Sectors | 0.02% | 0.01% | -0.01% | 0.00% | 0.00% | 0.02% | 0.04% | 0.01% | 0.01% | 0.00% | 0.00% | 0.00% | 0.00% | |
| 7132 - Gambling Industries | | | | | | | | | | | | | | |
| Gross Domestic Product (\$1,000) | 13,324 | 5,483 | (2,307) | 1,848 | 750 | 12,273 | 23,317 | 4,321 | 4,548 | 1,776 | 1,127 | 1,087 | 1,983 | |
| Absolute Change \$ | | -7,840 | -7,790 | 4,155 | -1,098 | 11,523 | 11,043 | -18,995 | 227 | -2,772 | -649 | -40 | 896 | |
| Percent Change | | -58.85% | -142.08% | -180.11% | -59.40% | 1535.56% | 89.98% | -81.47% | 5.24% | -60.95% | -36.52% | -3.55% | 82.39% | |
| Proportion of the Total for all Sectors | 0.02% | 0.01% | 0.00% | 0.00% | 0.00% | 0.02% | 0.04% | 0.01% | 0.01% | 0.00% | 0.00% | 0.00% | 0.00% | |
| 7139 - Other Amusement and Recreation Industries | | | | | | | | | | | | | | |
| Gross Domestic Product (\$1,000) | 113,510 | 43,460 | (25,394) | 13,672 | 2,315 | 106,814 | 208,050 | 49,702 | 37,704 | 30,746 | 29,460 | 27,140 | 28,042 | |
| Absolute Change \$ | | -70,049 | -68,855 | 39,066 | -11,357 | 104,499 | 101,236 | -158,348 | -11,998 | -6,958 | -1,286 | -2,320 | 902 | |
| Percent Change | | -61.71% | -158.43% | -153.84% | -83.07% | 4513.69% | 94.78% | -76.11% | -24.14% | -18.45% | -4.18% | -7.87% | 3.32% | |
| Proportion of the Total for all Sectors | 0.18% | 0.07% | -0.04% | 0.02% | 0.00% | 0.17% | 0.34% | 0.08% | 0.06% | 0.05% | 0.05% | 0.04% | 0.05% | |

Source and Analysis made by Puerto Rico Planning Board

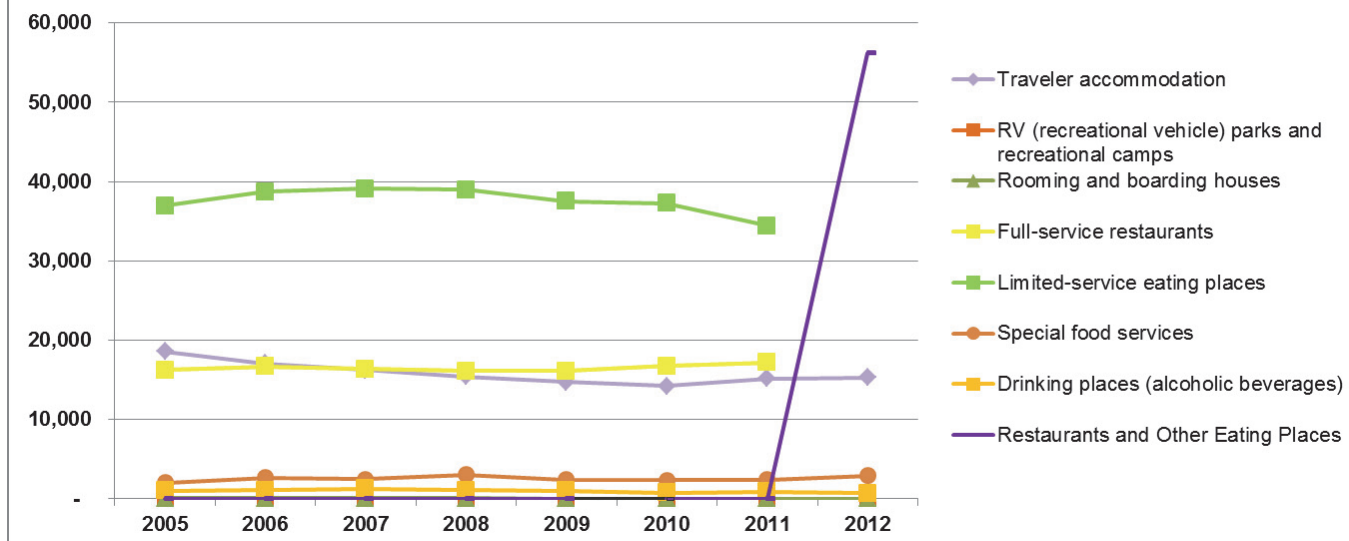


**Table 27: Number of Employees
NAICS 72 - Accommodations and Food Services
Puerto Rico, 2005 to 2012**

| NAICS | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|--------|---------|---------|---------|---------|---------|---------|---------|
| 72 - Accommodation and Food Services | | | | | | | | |
| Number of Employees | 74,910 | 76,317 | 75,595 | 74,733 | 71,957 | 71,408 | 70,173 | 75,182 |
| Absolute Change | N/D | 1,407 | -722 | -862 | -2,776 | -549 | -1,235 | 5,009 |
| Percent Change | N/D | 1.88% | -0.95% | -1.14% | -3.71% | -0.76% | -1.73% | 7.14% |
| Proportion of the Total for all Sectors | 9.83% | 10.01% | 9.85% | 9.98% | 10.25% | 10.53% | 10.42% | 10.89% |
| 7211 - Traveler Accommodation | | | | | | | | |
| Number of Employees | 18,547 | 17,048 | 16,270 | 15,401 | 14,756 | 14,194 | 15,163 | 15,287 |
| Absolute Change | N/D | -1,499 | -778 | -869 | -645 | -562 | 969 | 124 |
| Percent Change | N/D | -8.08% | -4.56% | -5.34% | -4.19% | -3.81% | 6.83% | 0.82% |
| Proportion of the Total for all Sectors | 2.44% | 2.24% | 2.12% | 2.06% | 2.10% | 2.09% | 2.25% | 2.21% |
| 7212 - RV (recreational vehicle) Parks and Recreational Camps | | | | | | | | |
| Number of Employees | 47 | 29 | 32 | 29 | 46 | 45 | 49 | 45 |
| Absolute Change | N/D | -18 | 3 | -3 | 17 | -1 | 4 | -4 |
| Percent Change | N/D | -38.30% | 10.34% | -9.38% | 58.62% | -2.17% | 8.89% | -8.16% |
| Proportion of the Total for all Sectors | 0.01% | 0.00% | 0.00% | 0.00% | 0.01% | 0.01% | 0.01% | 0.01% |
| 7213 - Rooming and Boarding Houses | | | | | | | | |
| Number of Employees | 93 | 87 | 75 | 87 | 53 | 47 | 11 | 22 |
| Absolute Change | N/D | -6 | -12 | 12 | -34 | -6 | -36 | 11 |
| Percent Change | N/D | -6.45% | -13.79% | 16.00% | -39.08% | -11.32% | -76.60% | 100.00% |
| Proportion of the Total for all Sectors | 0.01% | 0.01% | 0.01% | 0.01% | 0.01% | 0.01% | 0.00% | 0.00% |
| 7221 - Full Service Restaurants | | | | | | | | |
| Number of Employees | 16,212 | 16,695 | 16,376 | 16,092 | 16,145 | 16,744 | 17,194 | N/D |
| Absolute Change | N/D | 483 | -319 | -284 | 53 | 599 | 450 | N/D |
| Percent Change | N/D | 2.98% | -1.91% | -1.73% | 0.33% | 3.71% | 2.69% | N/D |
| Proportion of the Total for all Sectors | 2.13% | 2.19% | 2.13% | 2.15% | 2.30% | 2.47% | 2.55% | N/D |
| 7222 - Limited Service Eating Places | | | | | | | | |
| Number of Employees | 36,915 | 38,676 | 39,096 | 38,945 | 37,511 | 37,243 | 34,430 | N/D |
| Absolute Change | N/D | 1,761 | 420 | -151 | -1,434 | -268 | -2,813 | N/D |
| Percent Change | N/D | 4.77% | 1.09% | -0.39% | -3.68% | -0.71% | -7.55% | N/D |
| Proportion of the Total for all Sectors | 4.85% | 5.07% | 5.10% | 5.20% | 5.34% | 5.49% | 5.11% | N/D |
| 7223 - Special Food Services | | | | | | | | |
| Number of Employees | 2,060 | 2,681 | 2,457 | 3,065 | 2,444 | 2,331 | 2,411 | 2,914 |
| Absolute Change | N/D | 621 | -224 | 608 | -621 | -113 | 80 | 503 |
| Percent Change | N/D | 30.15% | -8.36% | 24.75% | -20.26% | -4.62% | 3.43% | 20.86% |
| Proportion of the Total for all Sectors | 0.27% | 0.35% | 0.32% | 0.41% | 0.35% | 0.34% | 0.36% | 0.42% |
| 7224 - Drinking Places (alcoholic beverages) | | | | | | | | |
| Number of Employees | 1,036 | 1,101 | 1,289 | 1,114 | 1,002 | 804 | 915 | 700 |
| Absolute Change | N/D | 65 | 188 | -175 | -112 | -198 | 111 | -215 |
| Percent Change | N/D | 6.27% | 17.08% | -13.58% | -10.05% | -19.76% | 13.81% | -23.50% |
| Proportion of the Total for all Sectors | 0.14% | 0.14% | 0.17% | 0.15% | 0.14% | 0.12% | 0.14% | 0.10% |
| 7225 - Restaurants and Other Eating Places | | | | | | | | |
| Number of Employees | N/D | N/D | N/D | N/D | N/D | N/D | N/D | 56,214 |
| Absolute Change | N/D | N/D | N/D | N/D | N/D | N/D | N/D | N/D |
| Percent Change | N/D | N/D | N/D | N/D | N/D | N/D | N/D | N/D |
| Proportion of the Total for all Sectors | N/D | N/D | N/D | N/D | N/D | N/D | N/D | 8.14% |

Source: U.S. Census Bureau, County Business Patterns; Analysis made by Puerto Rico Planning Board

**Figure 32 Number of Paid Employees
NAICS 72 - Accommodation and Food Services
Puerto Rico 2005 to 2012**



**Table 28: Annual Payroll (\$1,000)
NAICS 72 - Accommodations and Food Services
Puerto Rico, 2005 to 2012**

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-------------|-------------|
| 72 - Accommodation and Food Services | | | | | | | | |
| Annual Payroll | \$913,128 | \$914,442 | \$925,693 | \$914,630 | \$943,224 | \$974,255 | \$1,004,152 | \$1,039,348 |
| Absolute Change | N/D | 1,314 | 11,251 | -11,063 | 28,594 | 31,031 | 29,897 | 35,196 |
| Percent Change | N/D | 0.14% | 1.23% | -1.20% | 3.13% | 3.29% | 3.07% | 3.51% |
| Proportion of the Total for all Sectors | 5.76% | 5.56% | 5.49% | 5.39% | 5.81% | 6.00% | 6.09% | 6.16% |
| 7211 - Traveler Accommodation | | | | | | | | |
| Annual Payroll | \$353,337 | \$344,190 | \$319,146 | \$304,656 | \$304,380 | \$306,542 | \$331,701 | \$332,422 |
| Absolute Change | N/D | -9,147 | -25,044 | -14,490 | -276 | 2,162 | 25,159 | 721 |
| Percent Change | N/D | -2.59% | -7.28% | -4.54% | -0.09% | 0.71% | 8.21% | 0.22% |
| Proportion of the Total for all Sectors | 2.23% | 2.09% | 1.89% | 1.80% | 1.87% | 1.89% | 2.01% | 1.97% |
| 7212 - RV (recreational vehicle) Parks and Recreational Camps | | | | | | | | |
| Annual Payroll | \$ 412 | \$329 | \$352 | \$ 379 | \$ 587 | \$ 624 | \$ 683 | \$ 668 |
| Absolute Change | N/D | -83 | 23 | 27 | 208 | 37 | 59 | -15 |
| Percent Change | N/D | -20.15% | 6.99% | 7.67% | 54.88% | 6.30% | 9.46% | -2.20% |
| Proportion of the Total for all Sectors | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| 7213 - Rooming and Boarding Houses | | | | | | | | |
| Annual Payroll | \$943 | \$ 892 | \$ 820 | \$ 923 | \$ 572 | \$ 427 | \$188 | \$ 230 |
| Absolute Change | N/D | -51 | -72 | 103 | -351 | -145 | -239 | 42 |
| Percent Change | N/D | -5.41% | -8.07% | 12.56% | -38.03% | -25.35% | -55.97% | 22.34% |
| Proportion of the Total for all Sectors | 0.01% | 0.01% | 0.00% | 0.01% | 0.00% | 0.00% | 0.00% | 0.00% |
| 7221 - Full Service Restaurants | | | | | | | | |
| Annual Payroll | \$190,033 | \$197,082 | \$194,626 | \$195,945 | \$200,540 | \$210,966 | \$ 211,618 | N/D |
| Absolute Change | N/D | 7,049 | -2,456 | 1,319 | 4,595 | 10,426 | 652 | N/D |
| Percent Change | N/D | 3.71% | -1.25% | 0.68% | 2.35% | 5.20% | 0.31% | N/D |
| Proportion of the Total for all Sectors | 1.20% | 1.20% | 1.16% | 1.15% | 1.23% | 1.30% | 1.28% | N/D |
| 7222 - Limited Service Eating Places | | | | | | | | |
| Annual Payroll | \$328,991 | \$327,846 | \$366,057 | \$366,821 | \$394,140 | \$411,139 | \$ 414,631 | N/D |
| Absolute Change | N/D | -1,145 | 38,211 | 764 | 27,319 | 16,999 | 3,492 | N/D |
| Percent Change | N/D | -0.35% | 11.66% | 0.21% | 7.45% | 4.31% | 0.85% | N/D |
| Proportion of the Total for all Sectors | 2.07% | 1.99% | 2.17% | 2.16% | 2.43% | 2.53% | 2.52% | N/D |
| 7223 - Special Food Services | | | | | | | | |
| Annual Payroll | \$28,635 | \$34,436 | \$33,477 | \$34,804 | \$33,105 | \$34,974 | \$ 35,304 | \$37,492 |
| Absolute Change | N/D | 5,801 | -959 | 1,327 | -1,699 | 1,869 | 330 | 2,188 |
| Percent Change | N/D | 20.26% | -2.78% | 3.96% | -4.88% | 5.65% | 0.94% | 6.20% |
| Proportion of the Total for all Sectors | 0.18% | 0.21% | 0.20% | 0.21% | 0.20% | 0.22% | 0.21% | 0.22% |
| 7224 - Drinking Places (alcoholic beverages) | | | | | | | | |
| Annual Payroll | \$ 10,777 | \$ 9,667 | \$11,215 | \$11,102 | \$ 9,900 | \$ 9,583 | \$ 10,027 | \$ 8,158 |
| Absolute Change | N/D | -1,110 | 1,548 | -113 | -1,202 | -317 | 444 | -1,869 |
| Percent Change | N/D | -10.30% | 16.01% | -1.01% | -10.83% | -3.20% | 4.63% | -18.64% |
| Proportion of the Total for all Sectors | 0.07% | 0.06% | 0.07% | 0.07% | 0.06% | 0.06% | 0.06% | 0.05% |
| 7225 - Restaurants and Other Eating Places | | | | | | | | |
| Annual Payroll | N/D | N/D | N/D | N/D | N/D | N/D | N/D | \$ 660,378 |
| Absolute Change | N/D | N/D | N/D | N/D | N/D | N/D | N/D | N/D |
| Percent Change | N/D | N/D | N/D | N/D | N/D | N/D | N/D | N/D |
| Proportion of the Total for all Sectors | N/D | N/D | N/D | N/D | N/D | N/D | N/D | 3.91% |

Source: U.S. Census Bureau, County Business Patterns; Analysis made by Puerto Rico Planning Board

Figure 33 Annual Payroll (\$1,000)
NAICS 72 - Accommodation and Food Services
Puerto Rico 2005 to 2012

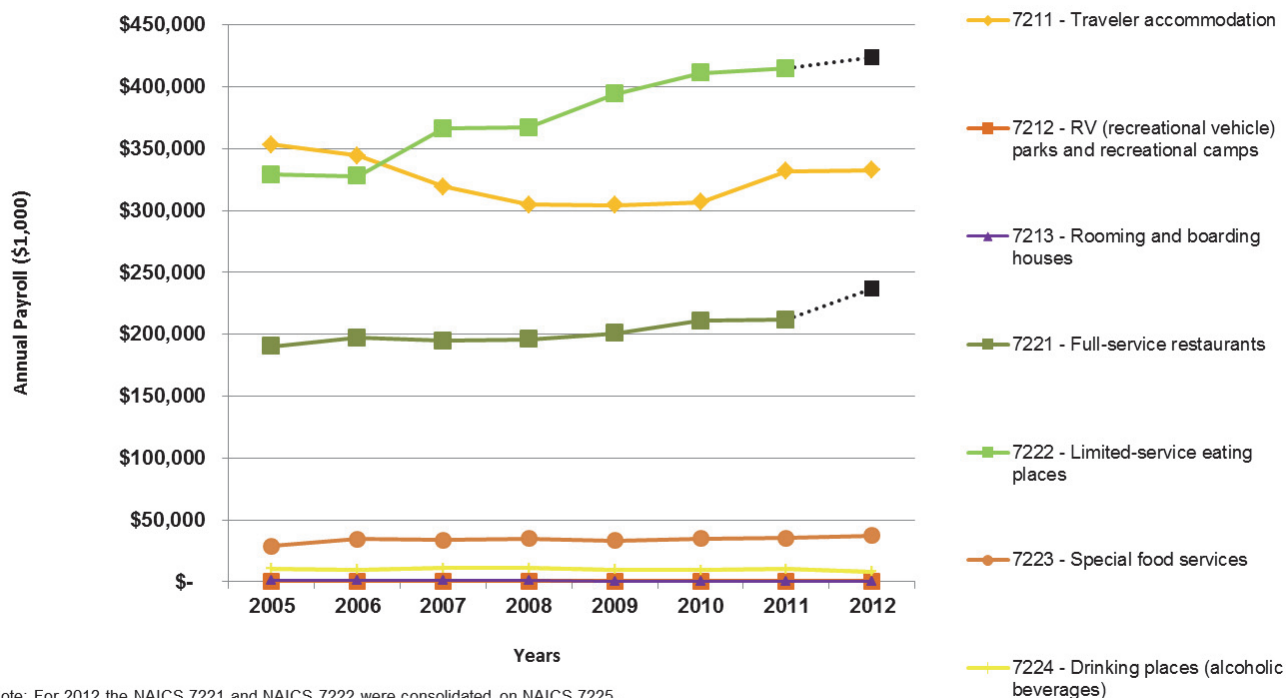


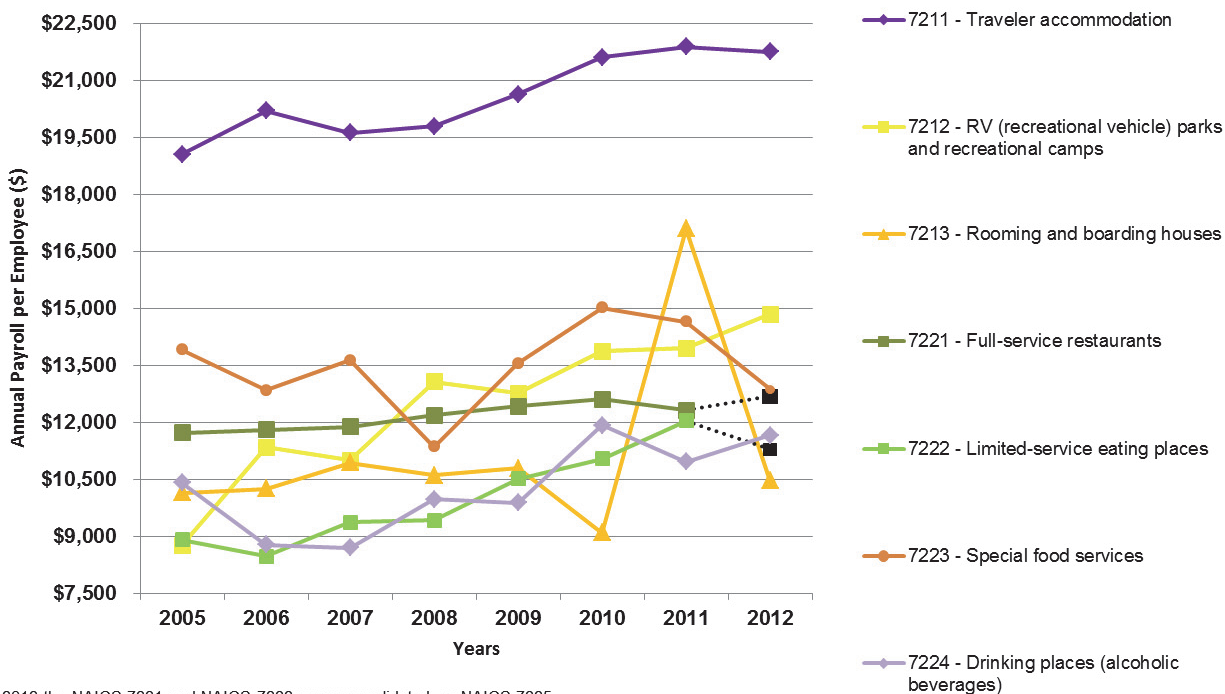
Table 29: Annual Payroll per Employee
NAICS 72 - Accommodations and Food Services
Puerto Rico, 2005 to 2012

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|--------|--------|--------|--------|--------|---------|----------|--------|
| 72 - Accommodation and Food Services | | | | | | | | |
| Annual payroll per Employee (\$) | 12,190 | 11,982 | 12,245 | 12,239 | 13,108 | 13,643 | 14,310 | 13,824 |
| Absolute Change (\$) | N/D | -208 | 263 | -7 | 870 | 535 | 666 | -485 |
| Percent Change | N/D | -1.70% | 2.20% | -0.06% | 7.10% | 4.08% | 4.88% | -3.39% |
| Benchmark Analysis - Sector vs Total Average of Puerto Rico | 58.53% | 55.59% | 55.76% | 54.01% | 56.66% | 56.98% | 58.48% | 56.57% |
| 7211 - Traveler Accommodation | | | | | | | | |
| Annual payroll per Employee (\$) | 19,051 | 20,189 | 19,616 | 19,782 | 20,628 | 21,597 | 21,876 | 21,745 |
| Absolute Change (\$) | N/D | 1,139 | -574 | 166 | 846 | 969 | 279 | -130 |
| Percent Change | N/D | 5.98% | -2.84% | 0.85% | 4.28% | 4.70% | 1.29% | -0.60% |
| Benchmark Analysis - Subsector vs Total Average of Puerto Rico | 91.47% | 93.67% | 89.32% | 87.29% | 89.17% | 90.20% | 89.40% | 88.98% |
| 7212 - RV (recreational vehicle) Parks and Recreational Camps | | | | | | | | |
| Annual payroll per Employee (\$) | 8,766 | 11,345 | 11,000 | 13,069 | 12,761 | 13,867 | 13,939 | 14,844 |
| Absolute Change (\$) | N/D | 2,579 | -345 | 2,069 | -308 | 1,106 | 72 | 906 |
| Percent Change | N/D | 29.42% | -3.04% | 18.81% | -2.36% | 8.67% | 0.52% | 6.50% |
| Benchmark Analysis - Subsector vs Total Average of Puerto Rico | 42.09% | 52.63% | 50.09% | 57.67% | 55.16% | 57.91% | 56.96% | 60.74% |
| 7213 - Rooming and Boarding Houses | | | | | | | | |
| Annual payroll per Employee (\$) | 10,140 | 10,253 | 10,933 | 10,609 | 10,792 | 9,085 | \$17,091 | 10,455 |
| Absolute Change (\$) | N/D | 113 | 680 | -324 | 183 | -1,707 | 8,006 | -6,636 |
| Percent Change | N/D | 1.12% | 6.64% | -2.96% | 1.73% | -15.82% | 88.12% | 38.83% |
| Benchmark Analysis - Subsector vs Total Average of Puerto Rico | 48.69% | 47.57% | 49.79% | 46.82% | 46.65% | 37.94% | 69.84% | 42.78% |
| 7221 - Full Service Restaurants | | | | | | | | |
| Annual payroll per Employee (\$) | 11,722 | 11,805 | 11,885 | 12,177 | 12,421 | 12,599 | 12,308 | N/D |
| Absolute Change (\$) | N/D | 83 | 80 | 292 | 245 | 178 | -292 | N/D |
| Percent Change | N/D | 0.71% | 0.68% | 2.45% | 2.01% | 1.44% | -2.32% | N/D |
| Benchmark Analysis - Subsector vs Total Average of Puerto Rico | 56.28% | 54.77% | 54.12% | 53.73% | 53.69% | 52.62% | 50.30% | N/D |
| 7222 - Limited Service Eating Places | | | | | | | | |

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|--------|---------|--------|---------|--------|---------|----------|--------|
| 72 - Accommodation and Food Services | | | | | | | | |
| Annual payroll per Employee (\$) | 12,190 | 11,982 | 12,245 | 12,239 | 13,108 | 13,643 | 14,310 | 13,824 |
| Absolute Change (\$) | N/D | -208 | 263 | -7 | 870 | 535 | 666 | -485 |
| Percent Change | N/D | -1.70% | 2.20% | -0.06% | 7.10% | 4.08% | 4.88% | -3.39% |
| Benchmark Analysis - Sector vs Total Average of Puerto Rico | 58.53% | 55.59% | 55.76% | 54.01% | 56.66% | 56.98% | 58.48% | 56.57% |
| 7211 - Traveler Accommodation | | | | | | | | |
| Annual payroll per Employee (\$) | 19,051 | 20,189 | 19,616 | 19,782 | 20,628 | 21,597 | 21,876 | 21,745 |
| Absolute Change (\$) | N/D | 1,139 | -574 | 166 | 846 | 969 | 279 | -130 |
| Percent Change | N/D | 5.98% | -2.84% | 0.85% | 4.28% | 4.70% | 1.29% | -0.60% |
| Benchmark Analysis - Subsector vs Total Average of Puerto Rico | 91.47% | 93.67% | 89.32% | 87.29% | 89.17% | 90.20% | 89.40% | 88.98% |
| 7212 - RV (recreational vehicle) Parks and Recreational Camps | | | | | | | | |
| Annual payroll per Employee (\$) | 8,766 | 11,345 | 11,000 | 13,069 | 12,761 | 13,867 | 13,939 | 14,844 |
| Absolute Change (\$) | N/D | 2,579 | -345 | 2,069 | -308 | 1,106 | 72 | 906 |
| Percent Change | N/D | 29.42% | -3.04% | 18.81% | -2.36% | 8.67% | 0.52% | 6.50% |
| Benchmark Analysis - Subsector vs Total Average of Puerto Rico | 42.09% | 52.63% | 50.09% | 57.67% | 55.16% | 57.91% | 56.96% | 60.74% |
| 7213 - Rooming and Boarding Houses | | | | | | | | |
| Annual payroll per Employee (\$) | 10,140 | 10,253 | 10,933 | 10,609 | 10,792 | 9,085 | \$17,091 | 10,455 |
| Absolute Change (\$) | N/D | 113 | 680 | -324 | 183 | -1,707 | 8,006 | -6,636 |
| Percent Change | N/D | 1.12% | 6.64% | -2.96% | 1.73% | -15.82% | 88.12% | 38.83% |
| Benchmark Analysis - Subsector vs Total Average of Puerto Rico | 48.69% | 47.57% | 49.79% | 46.82% | 46.65% | 37.94% | 69.84% | 42.78% |
| 7221 - Full Service Restaurants | | | | | | | | |
| Annual payroll per Employee (\$) | 11,722 | 11,805 | 11,885 | 12,177 | 12,421 | 12,599 | 12,308 | N/D |
| Absolute Change (\$) | N/D | 83 | 80 | 292 | 245 | 178 | -292 | N/D |
| Percent Change | N/D | 0.71% | 0.68% | 2.45% | 2.01% | 1.44% | -2.32% | N/D |
| Benchmark Analysis - Subsector vs Total Average of Puerto Rico | 56.28% | 54.77% | 54.12% | 53.73% | 53.69% | 52.62% | 50.30% | N/D |
| 7222 - Limited Service Eating Places | | | | | | | | |
| Annual payroll per Employee (\$) | 8,912 | 8,477 | 9,363 | 9,419 | 10,507 | 11,039 | 12,043 | N/D |
| Absolute Change (\$) | N/D | -435 | 886 | 56 | 1,088 | 532 | 1,003 | N/D |
| Percent Change | N/D | -4.89% | 10.46% | 0.60% | 11.56% | 5.06% | 9.09% | N/D |
| Benchmark Analysis - Subsector vs Total Average of Puerto Rico | 42.79% | 39.33% | 42.64% | 41.56% | 45.42% | 46.10% | 49.21% | N/D |
| 7223 - Special Food Services | | | | | | | | |
| Annual payroll per Employee (\$) | 3,900 | 12,844 | 13,625 | 11,355 | 13,545 | 15,004 | 14,643 | 12,866 |
| Absolute Change (\$) | N/D | -1,056 | 781 | -2,270 | 2,190 | 1,458 | -361 | -1,777 |
| Percent Change | N/D | -7.60% | 6.08% | -16.66% | 19.29% | 10.77% | -2.41% | 12.13% |
| Benchmark Analysis - Subsector vs Total Average of Puerto Rico | 66.74% | 59.59% | 62.04% | 50.11% | 58.55% | 62.66% | 59.84% | 52.65% |
| 7224 - Drinking Places (alcoholic beverages) | | | | | | | | |
| Annual payroll per Employee (\$) | 10,403 | 8,780 | 8,701 | 9,966 | 9,880 | 11,919 | 10,958 | 11,654 |
| Absolute Change (\$) | N/D | -1,622 | -80 | 1,265 | -86 | 2,039 | -961 | 696 |
| Percent Change | N/D | -15.60% | -0.91% | 14.54% | -0.86% | 20.64% | -8.06% | 6.35% |
| Benchmark Analysis - Subsector vs Total Average of Puerto Rico | 49.95% | 40.74% | 39.62% | 43.98% | 42.71% | 49.78% | 44.78% | 47.69% |
| 7225 - Restaurants and Other Eating Places | | | | | | | | |
| Annual payroll per Employee (\$) | N/D | N/D | N/D | N/D | N/D | N/D | N/D | 11,748 |
| Absolute Change (\$) | N/D | N/D | N/D | N/D | N/D | N/D | N/D | N/D |
| Percent Change | N/D | N/D | N/D | N/D | N/D | N/D | N/D | N/D |
| Benchmark Analysis - Subsector vs Total Average of Puerto Rico | N/D | N/D | N/D | N/D | N/D | N/D | N/D | 48.07% |

Source: U.S. Census Bureau, County Business Patterns; Analysis made by Puerto Rico Planning Board

Figure 34 Annual Payroll per Employee (\$) NAICS 72 - Accommodation and Food Services Puerto Rico 2005 to 2012



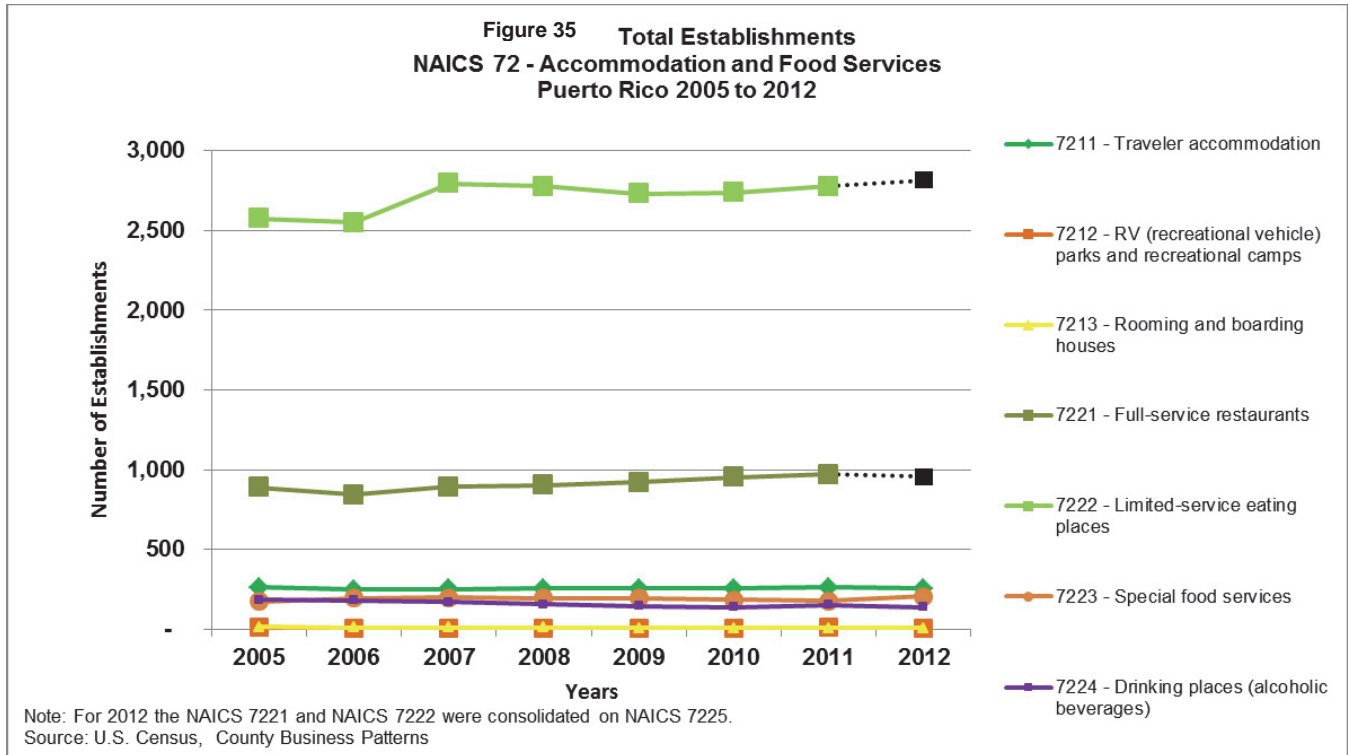
Note: For 2012 the NAICS 7221 and NAICS 7222 were consolidated on NAICS 7225.
Source: U.S. Census, County Business Patterns, Analysis: Puerto Rico Planning Board

Table 30: Total Establishments NAICS 72 - Accommodations and Food Services Puerto Rico, 2005 to 2012

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|-------|--------|-------|--------|--------|-------|--------|--------|
| 72 - Accommodation and Food Services | | | | | | | | |
| Number of Employees | 4,108 | 4,033 | 4,321 | 4,300 | 4,258 | 4,280 | 4,354 | 4,384 |
| Absolute Change | N/D | -75 | 288 | -21 | -42 | 22 | 74 | 30 |
| Percent Change | N/D | -1.83% | 7.14% | -0.49% | -0.98% | 0.52% | 1.73% | 0.69% |
| Proportion of the Total for all Sectors | 8.77% | 8.71% | 9.13% | 9.28% | 9.35% | 9.58% | 9.88% | 9.79% |
| 7211 - Traveler Accommodation | | | | | | | | |
| Number of Employees | 260 | 247 | 251 | 253 | 255 | 256 | 263 | 255 |
| Absolute Change | N/D | -13 | 4 | 2 | 2 | 1 | 7 | -8 |
| Percent Change | N/D | -5% | 1.62% | 0.80% | 0.79% | 0.39% | 2.73% | -3.04% |
| Proportion of the Total for all Sectors | 0.55% | 0.53% | 0.53% | 0.55% | 0.56% | 0.57% | 0.60% | 0.57% |
| 7212 - RV (recreational vehicle) Parks and Recreational Camps | | | | | | | | |
| Number of Employees | 10 | 8 | 6 | 5 | 8 | 8 | 9 | 8 |
| Absolute Change | N/D | -2 | -2 | -1 | 3 | 0 | 1 | -1 |
| Percent Change | N/D | -20% | -25% | -16.7% | 60% | 0% | 12.5% | -11.1% |
| Proportion of the Total for all Sectors | 0.02% | 0.02% | 0.01% | 0.01% | 0.02% | 0.02% | 0.02% | 0.02% |
| 7213 - Rooming and Boarding Houses | | | | | | | | |
| Number of Employees | 15 | 11 | 11 | 9 | 7 | 8 | 7 | 7 |
| Absolute Change | N/D | -4 | 0 | -2 | -2 | 1 | -1 | 0 |
| Percent Change | N/D | -26.7% | 0% | -18.2% | -22.2% | 14.3% | -12.5% | 0% |
| Proportion of the Total for all Sectors | 0.03% | 0.02% | 0.02% | 0.02% | 0.02% | 0.02% | 0.02% | 0.02% |
| 7221 - Full Service Restaurants | | | | | | | | |
| Number of Employees | 889 | 844 | 892 | 903 | 920 | 951 | 969 | N/D |
| Absolute Change | N/D | -45 | 48 | 11 | 17 | 31 | 18 | N/D |
| Percent Change | N/D | -5.06% | 5.69% | 1.23% | 1.88% | 3.37% | 1.89% | N/D |
| Proportion of the Total for all Sectors | 1.90% | 1.82% | 1.88% | 1.95% | 2.02% | 2.13% | 2.20% | N/D |
| 7222 - Limited Service Eating Places | | | | | | | | |
| Number of Employees | 2,575 | 2,549 | 2,793 | 2,778 | 2,730 | 2,737 | 2,777 | N/D |
| Absolute Change | N/D | -26 | 244 | -15 | -48 | 7 | 40 | N/D |
| Percent Change | N/D | -1.01% | 9.57% | -0.54% | -1.73% | 0.26% | 1.46% | N/D |
| Proportion of the Total for all Sectors | 5.50% | 5.51% | 5.90% | 5.99% | 5.99% | 6.12% | 6.30% | N/D |
| 7223 - Special Food Services | | | | | | | | |
| Number of Employees | 174 | 194 | 199 | 196 | 193 | 184 | 178 | 205 |
| Absolute Change | N/D | 20 | 5 | -3 | -3 | -9 | -6 | 27 |

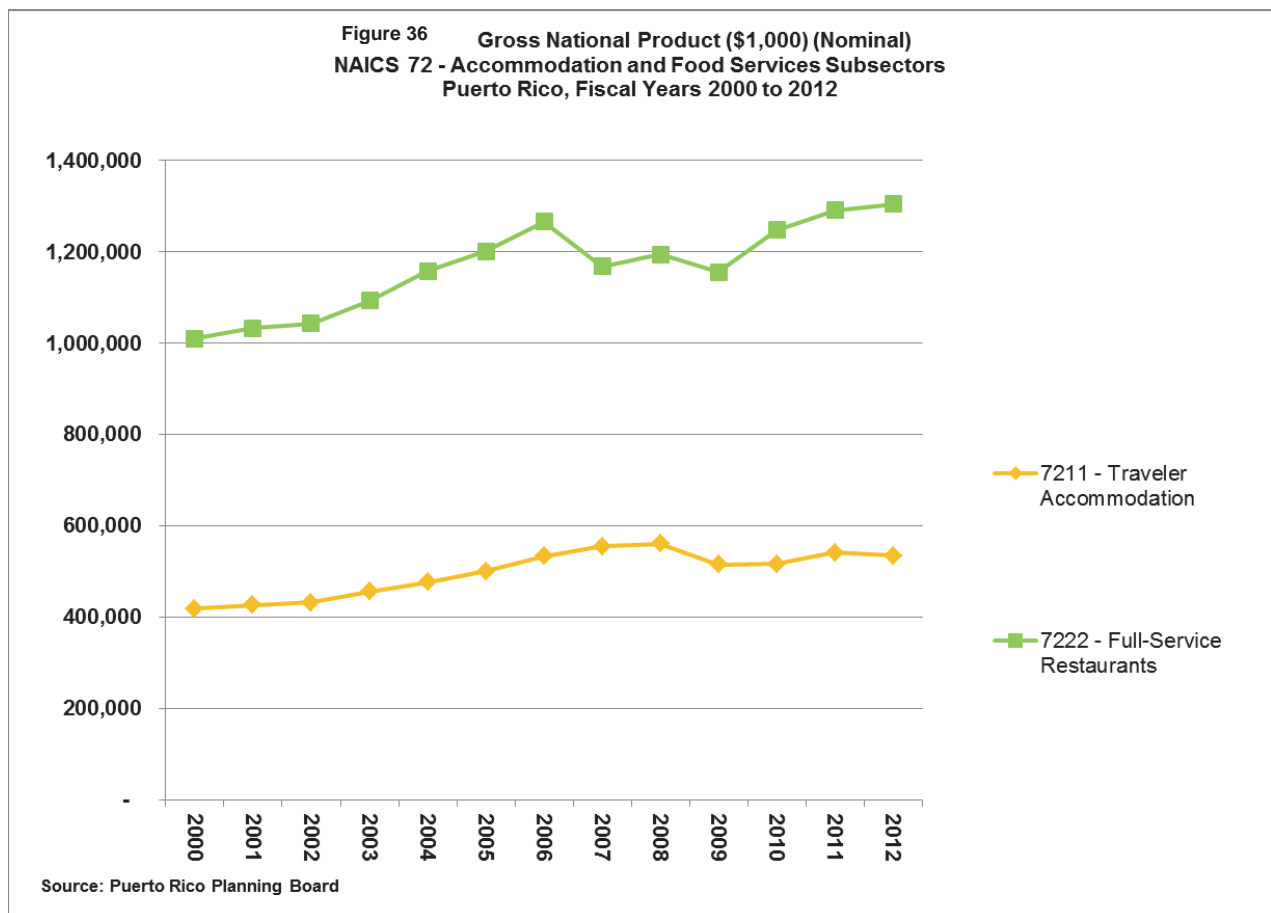
| | | | | | | | | |
|---|-------|--------|--------|--------|--------|--------|--------|--------|
| Percent Change | N/D | 11.49% | 2.58% | -1.5% | -1.53% | -4.66% | -3.26% | 15.17% |
| Proportion of the Total for all Sectors | 0.37% | 0.42% | 0.42% | 0.42% | 0.42% | 0.41% | 0.40% | 0.46% |
| 7224 - Drinking Places (alcoholic beverages) | | | | | | | | |
| Number of Employees | 185 | 180 | 169 | 156 | 145 | 136 | 151 | 138 |
| Absolute Change | N/D | -5 | -11 | -13 | -11 | -9 | 15 | -13 |
| Percent Change | N/D | -2.70% | -6.11% | -7.69% | -7.05% | -6.21% | 11.03% | -8.61% |
| Proportion of the Total for all Sectors | 0.39% | 0.39% | 0.36% | 0.34% | 0.32% | 0.30% | 0.34% | 0.31% |
| 7225 - Restaurants and Other Eating Places | | | | | | | | |
| Number of Employees | N/D | N/D | N/D | N/D | N/D | N/D | N/D | 3,771 |
| Absolute Change | N/D | N/D | N/D | N/D | N/D | N/D | N/D | N/D |
| Percent Change | N/D | N/D | N/D | N/D | N/D | N/D | N/D | N/D |
| Proportion of the Total for all Sectors | N/D | N/D | N/D | N/D | N/D | N/D | N/D | 8.42% |

Source: U.S. Census Bureau, County Business Patterns; Analysis made by Puerto Rico Planning Board



| Table 31: Gross Domestic Product (\$1,000) | | | | | | | | | | | | | |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| NAICS 72 - Accommodations and Food Services | | | | | | | | | | | | | |
| Puerto Rico, Fiscal Years 2000 to 2012 | | | | | | | | | | | | | |
| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
| 72 - Accommodation and Food Services | | | | | | | | | | | | | |
| Gross Domestic Product (\$1,000) | 1,428,945 | 1,460,234 | 1,476,005 | 1,549,020 | 1,634,495 | 1,702,349 | 1,799,152 | 1,723,170 | 1,755,423 | 1,671,261 | 1,765,832 | 1,833,364 | 1,839,541 |
| Absolute Change | | 31,289 | 15,771 | 73,015 | 85,475 | 67,854 | 96,803 | -75,982 | 32,253 | -84,162 | 94,571 | 67,532 | 6,177 |
| Percent Change | | 2.19% | 1.08% | 4.95% | 5.52% | 4.15% | 5.69% | -4.22% | 1.87% | -4.79% | 5.66% | 3.82% | 0.34% |
| Proportion of the Total for all Sectors | 2.32% | 2.10% | 2.03% | 2.04% | 2.03% | 2.03% | 2.06% | 1.92% | 1.87% | 1.73% | 1.79% | 1.83% | 1.82% |
| 7211 - Traveler Accommodation | | | | | | | | | | | | | |
| Gross Domestic Product (\$1,000) | 419,064 | 427,012 | 432,275 | 456,085 | 476,623 | 501,163 | 533,408 | 555,058 | 561,299 | 515,598 | 517,238 | 542,012 | 534,963 |
| Absolute Change | | 7,948 | 5,263 | 23,810 | 20,538 | 24,540 | 32,245 | 21,650 | 6,241 | -45,700 | 1,639 | 24,775 | -7,049 |
| Percent Change | | 1.90% | 1.23% | 5.51% | 4.50% | 5.15% | 6.43% | 4.06% | 1.12% | -8.14% | 0.32% | 4.79% | -1.30% |
| Proportion of the Total for all Sectors | 0.68% | 0.61% | 0.60% | 0.60% | 0.59% | 0.60% | 0.61% | 0.62% | 0.60% | 0.53% | 0.53% | 0.54% | 0.53% |
| 7222 - Full-Service Restaurants | | | | | | | | | | | | | |
| Gross Domestic Product (\$1,000) | 1,009,881 | 1,033,222 | 1,043,730 | 1,092,935 | 1,157,872 | 1,201,186 | 1,265,744 | 1,168,112 | 1,194,124 | 1,155,663 | 1,248,594 | 1,291,352 | 1,304,578 |
| Absolute Change | | 23,341 | 10,508 | 49,205 | 64,937 | 43,314 | 64,558 | -97,633 | 26,012 | -38,462 | 92,932 | 42,757 | 13,226 |
| Percent Change | | 2.31% | 1.02% | 4.71% | 5.94% | 3.74% | 5.37% | -7.71% | 2.23% | -3.22% | 8.04% | 3.42% | 1.02% |
| Proportion of the Total for all Sectors | 1.64% | 1.48% | 1.44% | 1.44% | 1.44% | 1.43% | 1.45% | 1.30% | 1.28% | 1.20% | 1.27% | 1.29% | 1.29% |

Source, and Analysis made by Puerto Rico Planning Board



SWOT Analysis - Accommodation and Food Services Sector (Food Places and Drinks)

This section presents an analysis of the Strengths, Weaknesses, Opportunities, and Threats (SWOT) of the Accommodation and Food Services Sector in Puerto Rico. The analysis of the strengths and weaknesses are focused on the actual conditions of the subsector. In addition, it includes an analysis of the opportunities and threats that exist or could exist in the future. The tourism activity is a crucial part of the accommodation and food and beverages in Puerto Rico. Other markets, as daily activities that promote local market also are part of this sector. Sources such news, reports, journals, and statistics from the Puerto Rico Planning Board and Puerto Rico Tourism Company, among other agencies were used for this analysis. The objectives of the SWOT analysis are the following:

- Conduct an analysis of the strengths and weaknesses of the Sector; and
- Determine the required conditions for the development of the Sector.

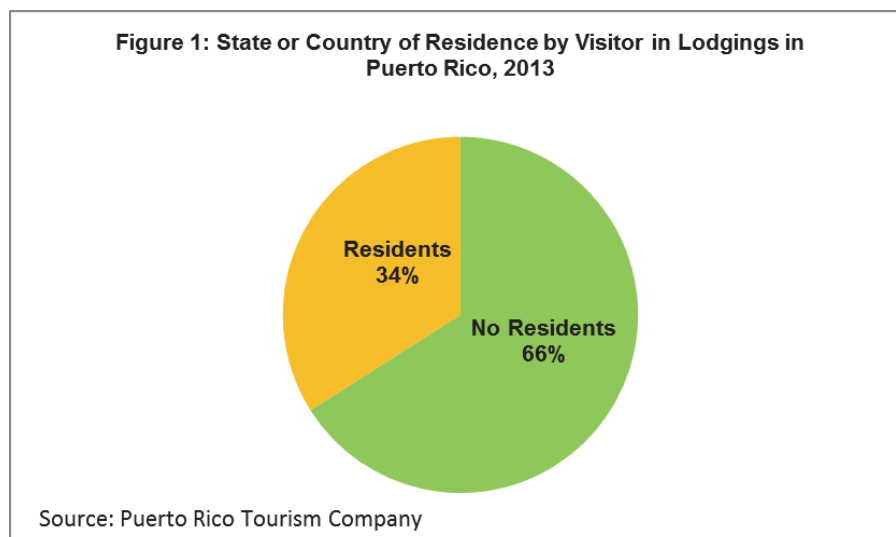
Strengths

Market diversity. This sector has a diversity of markets to which direct their efforts. Those markets include but are not limited to, travelers from abroad and the local market which has diverse tastes and preferences.

Strong domestic tourism market. In Puerto Rico there is a strong domestic tourism² market in summer time for the accommodation subsector (this is shown in Figure 2 of the Section 2: Diagnosis of this Chapter).

Attraction of high-income tourists. The majority of foreign visitors are from the United States, mainly from northeast region (Traveler Survey 2011). This also confirmed by the Puerto Rico Tourism Company data which indicates that the highest percentage of hotels visitors in Puerto Rico are from the United States. Some factors that could explain this are the following: the relationship between Puerto Rico and the United States, the presence of American and multinational companies in Puerto Rico; use of the US dollar as currency; Spanish and English being the official languages; the advantage for the American visitors who do not need a passport to enter; and accessible air transport, among others.

Figure 1 shows the percent of residents and non-residents by state or country of residence in lodgings in Puerto Rico for the year 2013. According to the hotel registration, the visitors from United States and Canada represent a 60.8 percent. The majority of the visitors come from the states of New York, Florida, New Jersey, among others. Instead, less than 6 percent were visitors from Europe, Latin America, Caribbean, Asia, among others.



² According to the definition provides for the World Tourism Organization (WTO), "domestic tourism comprises the activities of a resident visitors within the country of the reference (...)".

Variety of Restaurants. In Puerto Rico coexist different culinary cultures with a variety of restaurant serving: fast-food, local cuisine (comida criolla), gourmet, and international. According to the U.S. Census Bureau, County Business Pattern, Puerto Rico registered a total of 4,114 establishments in the food and beverage preparation services subsector for the year 2012. Also, the analysis using the coefficient of location (discussed in the diagnostic section) showed that Puerto Rico had a larger number of establishments in the limited-services eating places subsector³ compared with the United States and selected States (Connecticut, Florida, Hawaii, Massachusetts, Mississippi, New York, and South Carolina) for the year 2011.

One third of the visitor expenditures are disbursed in accommodation and food services. Table 1 shows the breakdown of the visitor expenditures according to the Traveler Survey for the fiscal year 2011. This total of expenditure that includes trips organized with and without tourist package showed that 20.09 percent of the spending was on food and beverage, and 16.55 percent was in accommodation.

| Breakdown of expenditure | Total (\$) | % |
|----------------------------------|-------------------|------------|
| Passage of aircraft ⁴ | 12,069,645 | 33.38 |
| Meals and beverages | 7,265,475 | 20.09 |
| Accommodation | 5,986,152 | 16.55 |
| Shopping | 2,323,496 | 6.43 |
| Car rental | 2,150,478 | 5.95 |
| Souvenirs | 1,190,816 | 3.29 |
| Casino | 876,812 | 2.42 |
| Cruise passenger | 699,345 | 1.93 |
| Taxi | 647,779 | 1.79 |
| Bottles of distilled spirits | 644,737 | 1.78 |
| Other expenses | 494,449 | 1.37 |
| Excursions | 490,717 | 1.36 |
| Evening concerts | 437,984 | 1.21 |
| Medical treatment | 263,585 | 0.73 |
| Historical museums | 137,925 | 0.38 |
| Other aquatic activities | 122,150 | 0.34 |
| Ecotourism | 119,758 | 0.33 |
| Recreational diving | 79,894 | 0.22 |
| Other sports activities | 68,144 | 0.19 |
| Golf | 59,338 | 0.16 |
| Fishing | 32,027 | 0.09 |
| TOTAL | 36,160,706 | 100 |

Source: Traveler Survey, Puerto Rico Planning Board.

Natural resources and cultural activities as supplement to the accommodation services. Puerto Rico has beautiful beaches, warm climate through the year, tropical vegetation, mountains and walled city of Old San Juan, among other attractions (Proexport 2004). In addition, it has an attractive nightlife with Caribbean rhythms, cultural events, and historical places (Proexport 2004).

³ The Limited-service eating places subsector comprises establishments primarily engaged in providing services to customers ordering restaurants or selected meals at a counter in a bar or place orders by phone and pay before eating. The food and drink are collected for consumption on the premises or take out, or delivered to the customer's location. These establishments may offer a variety of foods, specialties or soft drinks.

⁴ This visitors spending generally do not represent a local income, since usually the passages are purchased from abroad.

Legal and regulatory framework favorable to this sector. Puerto Rico has incentives to promote the development of accommodation services. Some of the laws related to this sector are the Act no. 74 of 2010: Tourism Development Act, the Act no. 118 of 2010: Incentive Act for Municipal Economic Development and Tourism; and Act no. 113 of 2011: Act for the Promotion and Development of the Boat Cruises Industry.

Businesses related to tourism and that are intended to promote are: accommodation (condo-hotels, timeshare properties / vacation clubs), theme parks, golf courses operated or associated with a hotel which, in turn, be business exempt, marine and port facilities considered tourist marinas, natural resources as a source of entertainment, other facilities to serve as a source of active, passive, or entertainment and that stimulate the internal and/or external tourism (DDEC 2014).

According to the Travel and Tourism Competitiveness Index (TTCI) of 2013 Puerto Rico continues with a favorable public policy environment, ranking 19th in the world (ed. Blanke & Chiesa 2013).

Hospitable Population. The Puerto Rican is friendly, hospitable and warmly welcome the foreign visitors (Proexport, 2004). A market research conducted by Proexport (2004) confirmed the kindness and joy of Puerto Ricans during three months of stay. This is part of the factors affecting the satisfaction of customers (tourists/visitors) which in turn has an effect on customer retention.

Increase in low cost airlines flights. The airports in San Juan, Ponce and Aguadilla have increased low cost airlines flights. This could increase the number of visitors coming to Puerto Rico (Terrasa-Soler 2012).

Puerto Rico was classified as a low risk country according to the Health Technologies for the World Traveler: In accordance to the standards of this organization, their Country Risk Report positioned Puerto Rico as a low risk country in terms of political instability, terrorism, health care and transportation. The telecommunications, transportation and health systems were described as more developed when compared with Latin America, although it has a reduced performance when compared with the United States (HTH worldwide 2014).

Puerto Rico has a favorable Global Competitiveness Index when compared to the Americas region. According to TTCI, Puerto Rico was located in the top 10 countries (see Table 2) with better Competitiveness Index related to travel and tourism industry in the Americas Region. Worldwide, Puerto Rico was located in position 52 of 140 (ed. Blanke & Chiesa 2013).

| Country / economy | Index | | | |
|-------------------|-------------------------|--------|---------------|-------|
| | Ranking Region Americas | by the | World ranking | Score |
| United States | 1 | | 6 | 5.32 |
| Canada | 2 | | 8 | 5.28 |
| Barbados | 3 | | 27 | 4.88 |
| Panama | 4 | | 37 | 4.54 |
| Mexico | 5 | | 44 | 4.46 |
| Costa Rica | 6 | | 47 | 4.44 |
| Brazil | 7 | | 51 | 4.37 |
| Puerto Rico | 8 | | 52 | 4.36 |
| Chile | 9 | | 56 | 4.29 |
| Uruguay | 10 | | 59 | 4.23 |

Source: 2013 World Economic Forum (ed. Blanke & Chiesa 2013).

Solid efforts to ensure the sustainability of the environment. According to the Travel & Tourism Competitiveness Index, Puerto Rico continues in advantage in the evaluated pillar of environment sustainability, occupying the 16th position at worldwide level (ed. Blanke & Chiesa 2013). Currently the Puerto Rico Tourism Company grants Sustainable Tourist Installation Certification. This certification program promotes conservation and sustainable practices in the tourist facilities to minimize the impact to the environment.

Prioritization of the tourism on the agenda of the Government. Another pillar that still continues as strength in the Travel and Tourism Competitiveness Index 2013 is the prioritization of the tourism on the agenda of the Government of Puerto Rico (ed. Blanke & Chiesa 2013).

Puerto Rico Tourism Development Fund (TDF). The Government Development Bank for Puerto Rico created the TDF in the 1993 to facilitate project financing in the private sector, particularly to the hotel industry. TDF provides guarantees to financings and may provide direct loans.

Opportunities

Develop hotel products and restaurants with a design for Puerto Rico, unique and differentiated from other markets. The service industries success lies in providing a differentiated and unique experience (Heizer & Render, 2010).

Diversify offers by purpose of the trip. According to the Traveler Survey for the fiscal year 2011 the main purpose of the visitors staying at hotels was vacation. However, there are other purposes identified which would help to attract customers to the accommodation services. Considering the purpose of the trip, the following table shows that the average spending of visitors is greater when the purpose of the trip is for government affairs, studying, travel in groups, medical treatment, and conventions, among others.

| Purpose of trip | Tourist package | | Without tourist package | |
|--|------------------------|-----------------------|-------------------------|-----------------------|
| | Total expenditure (\$) | Average spending (\$) | Total expenditure (\$) | Average spending (\$) |
| Cultural and artistic activities | 330 | 83 | 11,520 | 1,280 |
| Religious activities or pilgrimage | 200 | 100 | 27,070 | 1,083 |
| Government Affairs or military service | 1,600 | 1600 | 23,383 | 1,949 |
| Wedding | 21,880 | 912 | 358,159 | 979 |
| Celebrate birthday | 9,513 | 560 | 66,442 | 1,146 |
| Sports competitions | 14,608 | 266 | 175,921 | 1,173 |
| Shopping | 1,520 | 304 | 44,666 | 1,145 |
| Convention, Conference or Congress | 18,958 | 903 | 234,696 | 1,514 |
| Study | 400 | 200 | 48,335 | 2,685 |
| Honeymoon | 35,310 | 535 | 121,361 | 1,305 |
| Business or professional | 59,398 | 503 | 4,043,790 | 1,551 |
| Holiday | 1,198,721 | 556 | 9,924,450 | 1,365 |
| Group travel | 130 | 130 | 25,459 | 1,697 |
| Visit friends or relatives | 51,506 | 566 | 1,348,879 | 1,252 |
| Other | 16,978 | 472 | 376,187 | 1,267 |
| Not reported | 0 | 0 | 35,662 | 18 |
| Medical treatment | n/d | n/d | 52,796 | 1,553 |
| Total expenditure | 1,431,052 | 549 | 16,918,776 | 1,193 |

Source: 2011 Traveler Survey, Puerto Rico Planning Board.

Promote market offerings. According to Terrasa-Soler (2012) “the tourist comes to fill with something that does not have. Knowing what they are looking for and why is obviously the key to an effective marketing program and strategic planning focused to the growth of the destination.” Puerto Rico needs to present market offering to attract potential customers. For example, each terminal and port must have a tourist information center to help the tourist to get the information concerning the offers of services in Puerto Rico (art, gastronomy, historic sites, cultural activities, transportation, and food). This information center can serve as a point to gather information about visitors.

Use of technology to enhance competitive advantage. It is a growing trend that potential clients review and make decisions in relation to the chosen destinations using the internet. The use of the internet exposes information both for the use of potential customer business and/or destination.

The use of technology could reduce operational costs and increase the proper handling of information for decision making (i.e. better inventory control) for both accommodation and food services (Cook, Yale & Marqua 2010). For example: online reservations, digital orders, touch screen, beeper to alert that the food table is ready, geo-referenced places, application (known as “apps”), bit-coins, among others.

Promote Puerto Rico as a destination visit in international markets. Increase tourist visits from other countries other than the United States will help to diversify the market. Recently, the Department of Economic Development and Commerce established a strategic model for tourism which includes the opening of new air routes that allows Puerto Rico to be a bridge for the Caribbean, increase air access to the European market, and add new routes for Latin America (DDEC 2013).

Conduct research about the taste and preferences of potential clients of Europe and Latin America. To diversify the markets, Puerto Rico need to know the taste and preferences of these customers. Adapt the infrastructure and services to these markets.

Develop tourism products⁵. According Kastarlak and Barber (2012) the tourism product makes the tourist experience possible, this is defined by the sum of attractions, facilities and activities. The tourist experience is possible when the economic sectors linkages harmonized to meet tourist demand.

Develop non-traditional touristic activities (niche markets). Medical tourism, agro-tourism, artistic-cultural tourism, eco-tourism, sports, and business. Some of the current efforts are to promote medical tourism in Puerto Rico. The Department of State, Department of Economic Development and Commerce, Puerto Rico Tourism Company, Export and Trade Company, Department of Health and Hospitals Association, Foundation for Puerto Rico (DTRH 2013) are organized together in order to promote this niche market.

Economic growth potential. Tourism remains one of the world’s fastest growing industries. The tourism industry in Puerto Rico has increased in the last 10 years, generating \$5,600 million and accounting for approximately 6 percent of total GDP (Puerto Rico Tourism Company, 2009).

| | Puerto Rico * | Cuba | Dominican Republic | Jamaica | Bahamas | Aruba | Caribbean |
|---|---------------|------|--------------------|---------|---------|-------|-----------|
| GDP - tourism (US \$ billion) | 5.6 | 3.3 | 8.1 | 4.0 | 4.1 | 2.1 | 41.7 |
| GDP - tourism as a proportion of Total GDP | 6.3 | 6.1 | 17.9 | 27.8 | 54.4 | 90.4 | 15.6 |
| Source: Quoted by the Puerto Rico Tourism Company, 2009 (source: World Travel & Tourism Council and CIA World Factbook) | | | | | | | |
| * Source: Puerto Rico Planning Board | | | | | | | |

⁵ The tourist product consists of attractions, facilities, and activities. Where the attractions and facilities by definition includes all types of infrastructure, such as natural and human-made assets (Kastarlak and Barber 2012) assets. It should be pointed out that accommodation and food services is included in the infrastructure terms.

Possibility of growth in job creation. The Puerto Rico Department of Labor (2013) for the year 2010 reported 55,232 jobs in the sub-sector of food services and drinking places expecting a growth of 4,285 jobs for the year 2020.

Increase integration (linkages) with other sectors. Integration between sectors could reduce dependence on imported products/services to support local production. For example, strengthen the integration between the agricultural and food services sectors (restaurants, fast food, among others) to reduce the imported inputs.

From the point of view of sustainability, it is essential that the food that will be served to the tourists is cultivated in the area. This is important because it makes it a generator of investment and employment locally, since farmers, collectors and transporters are needed in order to meet the demand and keep activity alive. This, as well as encouraging socio-cultural ties, gives food a connotation of typical town. Obviously agricultural practices must be friendly with the environment, according to organic guidelines. Sustainable tourism certification systems insist on the use of locally produced products from local labor, avoiding, to the extent possible, the use of imported products from other regions or countries (Gisolf, 2011) (translation by PRPB).

In addition, the experience of a consumer (specifically the tourist) is based on the interaction of different sectors.

Many institutions have an active participation in tourism, including both people (tourists, hotel staff, air traffic controllers, drivers of bus, among others), and things (hotels, airplanes, souvenirs or landscapes). The mere fact that tourists experience something at a place (a stunning glacier, perhaps) means that many of these entities have been helping actively so that tourists come to that specific place. These entities must work together, such as the operator that makes reservations for hotels and attractions, or the carrier that should know the time that has to pick-up the tourists. Cooperation between entities results in an operational network, and the interaction between networks is what gives life to the concept of tourism (Gisolf, 2012) (translation by PRPB).

Linkages between places of transportation (ports) with the sectors of accommodation, art, entertainment, food in places of high flow of visitors have to be promoted. Also, it must also be integrate the small and medium-business (including folkloric, artistic and sports) in a diversified service offering.

Attract the diaspora and the Hispanic community in the United States to use local hotels and restaurants. A “diaspora” tourist comes constantly, but is mainly hosted in homes of relatives and friends. One of the possibilities is to create promotional packages to attract this population to use local accommodation services.

The emigration of Puerto Ricans that took place in the years 1950 and 1960 to the United States, ensures an almost constant flow of visitors to Puerto Rico, in particular during the holiday season (...) Puerto Rico saw an easy market on the East coast of the United States, given the density of air service that exists and the cities preferred by Puerto Ricans who migrated to the United States (Mendez-Lazaro, et al. 2014) (translation by PRPB).

Enhance the attractiveness and integrate them into the promotional strategies. For example, promotional offers as “all- inclusive” could attract customers who prefer to feel the lodging, meals, and other attractions are fixed at single fee. These offerings are used with frequencies in the Caribbean. Adapt marketing strategies to attractive⁶ destination promoting regional differentiation and seasonality (i.e. Spring Break) in tourism services and products. Emphasize as a promotional tool mix the facilities, attractions, and activities to plan the product (Kastarlak and Barber 2012).

⁶ Attractions “implies the possession of one thing of a quality, or qualities that pulls another thing to it”. “Two type of attractions one fixed and tangible (site attractions), the other movable and intangible (event attractions), draw tourists to a destination and to its tourism product” (Kastarlak and Barber 2012).

Export food services companies to other countries. For example, Puerto Rico could export food service franchises to other countries where there is a Puerto Rican diaspora. In addition, as those services are exported, Puerto Rican food will be promoted in the international market.

Take advantage of demographic changes. Recent studies indicate that the Baby Boomers represent a potential market for tourism (Cook, Yale, & Marqua 2010, Walker & Walker 2011).

Promote the study and evaluation of eco-friendly practices as an alternative to reduce operational costs. Assessing renewable energy practices as an option to reduce operational costs.

Study and evaluate changes in consumption patterns and trends to determine how tourism sectors are impacted to allow an effective adjustment of public policy. The Tourism Satellite Account (TSA) is considered the ideal method for the measurement of tourism from an economic point of view, and for the definition and analysis of the industry in a particular country (Cañada 2013).

Opportunities to strengthen the tourism market. The UNWTO (2013) mentioned the following opportunities and challenges for the tourism in the Americas:

- The development and improvement of the infrastructure of tourist destinations;
- Create the conditions for improving air connectivity within countries as well at intraregional level as abroad;
- Promoting public-private partnership that makes it possible to stimulate the development and consolidation of tourism destinations, the integration of production chains related to the sector and to attract investment;
- Planning and developing new products to meet the demands entailed by the profile of today's tourists and by emerging markets;
- Continuous improvements in the quality and competitiveness of tourist destinations and the price level;
- Intensify marketing strategies and making them more permanent, including branding and aspects related to the perception of risk and security.

Locate nearby hostels to hospital facilities to promote medical tourism. The State Department, Department of Economic Development and Commerce, Tourism Company, PRIDCO, Health Department and Hospital Association and Fundación para Puerto Rico are involved in a recent effort to promote this strategy.

Weaknesses

Poor services of maritime, air and ground transportation between hotels restaurants and art and entertainment facilities. In the report of TTCI for the year 2013, Puerto Rico falls one position from previous report in 2009 mainly attributable to a poor evaluation in terms of transportation (ed. Blanke & Chiesa 2013).

Services are not multilingual. The lack of multilingual staff who can offer services limits the attraction of visitors.

Lack of updated information about the markets. Would be highly recommended the allocation of fiscal resources for the development and implementation of annual surveys to travelers (passengers) in order to examine the trends of the sector to eventually produce a tourism satellite account.

Lack of international routes. The lack of accessibility to international routes could affect markets for these sectors. Terrasa-Soler (2012) argues that Puerto Rico has lost air capacity in recent years. As for example the closing of the International Lounge of the Luis Muñoz Marín International Airport meant the loss of connectivity with airports of international origin and the reduction in routes of the line American Airlines (Terrasa-Soler 2012).

Increase in low cost air traffic in other destinations in the Caribbean. Puerto Rico has lost flight traffic that previously had stopped over on the island as there are more direct flights to the Caribbean served by low-cost airlines (Terrasa-Soler 2012).

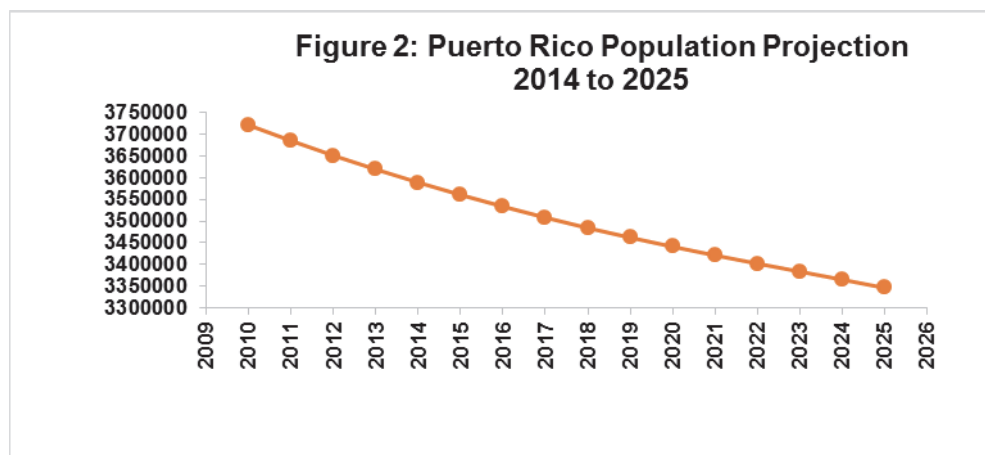
Improve infrastructure related to the sector. According to publishers Blanke & Chiesa (2013) the drop in the ranking of TPCI was mainly attributable to a poor score obtained in the evaluation of tourist infrastructure.

Possible perception by the tourist (traveler) about the crime rate in Puerto Rico. According to Health Technologies for the World Traveler (2014) Puerto Rico was classified as a country with moderate risk in relation to criminal activity. The main threats to foreign travelers are misdemeanors. In this report Puerto Rico has one of the higher rates of petty crimes in the United States. Petty crime is one of the possible threats for tourists, especially in busy tourist areas.

Lack of updated information on the satisfaction of the destiny. It is important to conduct surveys to measure the level of satisfaction that has the visitor about the destination. This will help create better public policies for raising levels of satisfaction.

Threats

Decrease in population. According to the Puerto Rico Planning Board (2014), the projection of the population in Puerto Rico shows a declining tendency that could affect the demand for accommodation and food services (Figure 2).



Source: Puerto Rico Planning Board

Increase in emigration. One of the main causes of the reduction in the population of Puerto Rico has been migration, which has increased in recent years (See Table 5). Emigration could have negative impact on the market of the accommodation and food services. In fiscal year 2011, the 42.7 percent of visitors were mainly stayed with family and friends. In addition to that, the 41.9 percent of the visitors stayed in hotels and the remaining 15.4 percent of the visitors use other type of accommodation, such as: home ownership, rental apartment, rented house, and guest-house, among others (JP 2013). This percentage distribution for lodging preference of the visitors remains quite similar for several periods according to the traveler survey (JP 2002, JP 2003, JP 2009, and JP 2013).

| Year | Net migration |
|---------------|----------------|
| 2011 | -41,908 |
| 2012 | -41,809 |
| 2013 | -41,697 |
| 2014 | -41,588 |
| 2015 * | -41,474 |
| 2016 * | -41,284 |
| 2017 * | -41,065 |
| 2018 * | -40,717 |
| 2019 * | -39,559 |
| 2020 * | -39,110 |
| 2021 * | -38,364 |
| 2022 * | -37,666 |
| 2023 * | -37,327 |
| 2024 * | -37,022 |
| 2025 * | -37,276 |

Source: Puerto Rico Planning Board.
* Projected data

Natural hazards. Besides the interactions between wind and temperatures that influence the orographic effect, cold fronts and tropical disturbances, including storms and hurricanes, affect the climate of Puerto Rico. These weather events can induce high rainfall intensity and long duration, resulting in floods (DRNA 2004). Mendez-Lazaro et al. (2014) demonstrated that climatic factors can affect demand for accommodation, where the local market is less sensitive to climatic factors than overseas market.

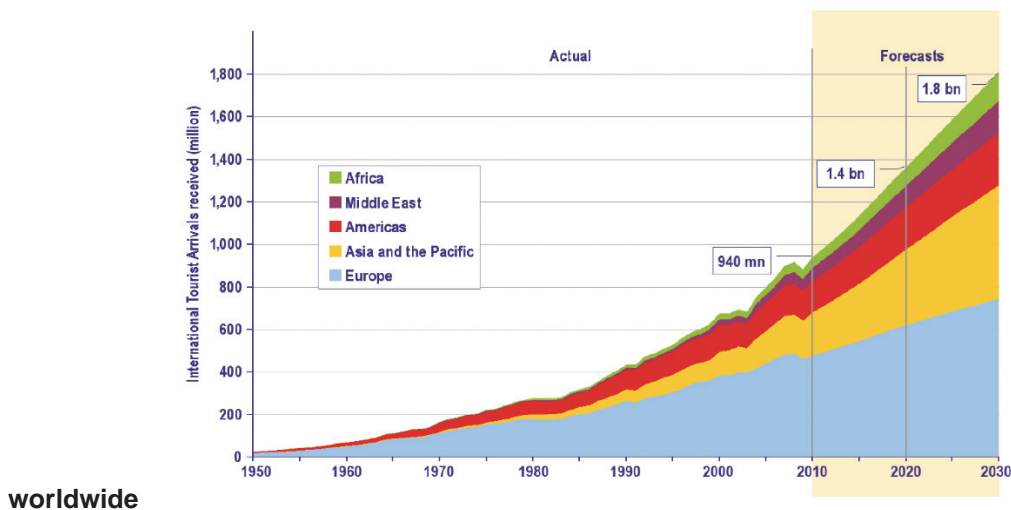
Natural phenomena represent a threat to the economy of Puerto Rico for all sectors. For example, the activity of hotel tourism was one of the most impacted with Hurricane Georges in 1998. With this phenomenon, some hotels were forced to close total or partially (JP 1999).

Climate change might affect hotels and restaurants located on the coastal area. Climate change would bring a number of findings adverse to the economy, mainly to activities and trade carried out in the coastal region of the country (Council of changes climate 2014).

Tourism growth potential of emerging markets. Projections for the year 2030 UNWTO (2014) show that tourism will increase participation in emerging markets such as Asia and Pacific, Middle East, and Africa (Figure 3).

Figure 3: Trend and projection of the tourism market share

UNWTO Tourism Towards 2030: Actual trend and forecast 1950-2030



Source: World Tourism Organization, 2014

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SWOT Analysis - Art, Entertainment and Recreation (NAICS 71)

This section presents an analysis of strengths, weaknesses, opportunities and threats (SWOT) for the Art, Entertainment and Recreation Sector in Puerto Rico. The analysis of the strengths and weaknesses are focused on the actual conditions of the sector. In addition, it includes an analysis of the opportunities and threats that exist or could exist in the future. Sources such news, reports, journals, and statistics from the Puerto Rico Planning Board, among other agencies were used for this analysis. The objectives of the SWOT analysis are the following:

- Perform an analysis of strengths and weaknesses of the Sector; and
- Determine the necessary conditions for its development.

Strengths

Variety of activities related to the Arts, Entertainment and Recreation Sector is diverse. In the field of visual arts, theatre and cinema, Puerto Rico has a rich history and varied contemporary offer. Regarding theater offer it presents a variety of themes like classical and contemporary, among others, with presentations in the major cities of the island. According to the website “teatropr”, only during the month of November of 2014, in Puerto Rico were presented 10 scenic performances (comedies, children’s theater, and political theater) in Caguas, Maunabo, San Juan and others municipalities. This offer come from private productions, theatre of the university and combined initiatives between the government, promoters and theatre companies such as; “Y no había luz...”, “Papel Machete” and “Agua, Sol y Sereno”, among others.

In terms of the plastic arts, Puerto Rico has a diverse offer exposed in museums, halls and galleries, and in public and private spaces around the island. This offer includes traditional and urban exhibitions, some pieces are for sale. Regional and municipal, festivals such as “Festival Nacional del Plátano” in Corozal, “Festival de la Quenepa” in Ponce, “Festival del Juey” in Maunabo, “Festival de la Patita de Cerdo” in Guaynabo and the “Festival del Tinglar” in Luquillo, are examples of different circuits of cultural distribution, both for the plastic art and crafts. Many of these festivals are held annually, encouraging the presentation of multiple musical groups and having repercussions or positive externalities, towards other industrial sectors (tourism, transportation, restaurants, accommodation, etc.). In addition, the shopping centers are contributing to contemporary, plastic and crafts arts by providing spaces for exhibitions and sale.

In sports and recreation, various public and private initiatives were identifies such as children’s, youth’s, amateur’s and professional’s leagues, in all kinds of disciplines. Also, there are public programs, in various municipalities focused on prevention of diseases through recreation and to promote healthy lifestyle in leisure time, for all ages, offering coaching and direction of voluntary physical activities, subsidized by the State, the communities or private companies. Example of this type of initiative is the program of the Department of Sport and Recreation of the Carolina municipality, “Gigantes de la Edad Dorada” that promotes recreational activities and adapted exercises for older adults. Also, in the area of entertainment, Puerto Rico has a diverse variety that includes horse racing, car racing tracks, bowling alleys, water parks, casinos and nightclubs. On the other hand, access to beaches, national forests and the possibility of expeditions in caves and rivers, are also part of the offers in the area of entertainment and recreation.

Government agencies dedicated to promote and regulate the arts, entertainment and recreation sector. Puerto Rico has several entities related to the sector which are mentioned in Table 1:

Table 1: Government entities dedicated to promote and regulate the Arts, Entertainment and Recreation sector

| | |
|---|--|
| Instituto de Cultura Puertorriqueña (ICP) | Corporación de Puerto Rico para la Difusión Pública (WIPR) |
| Compañía de Parques Nacionales de Puerto Rico (CPNPR) | Corporación del Centro de Bellas Artes (CBA) |
| Oficina Estatal de Conservación Histórica (OECH) | Corporación del Conservatorio de Música (CCM) |
| Departamento de Recreación y Deportes (DRD) | Corporación para las Artes Musicales (CAM) |
| Administrador de la Industria y el Deporte Hípico | Escuelas de Artes Plásticas (EAP) |
| Corporación de la Orquesta Sinfónica de Puerto Rico (COSPR) | |

These entities have as a purpose the research, conservation, promotion and dissemination of Puerto Rican culture in its diversity and complexity (ICP); to develop and preserve all natural, historical or recreational parks declared as national parks (CPNPR); the conservation of the historic property, to effectively contributing to the protection of natural resources and economic development (PRSHPO); to promote recreation and sport in all Puerto Rico, chasing and promoting a healthy citizenship, that enjoy their free time through the benefit from recreational and sporting activities (DRD). Also the municipalities have offices dedicated to redouble the efforts for the regulation and promotion of these activities.

Variety of private companies offering artistic, theatrical, sports leagues, entertainment and recreational services, among others. According to the Department of Labor and Human Resources, by 2013 there were 909 employers reported in this sector. This includes establishments that provide services in the areas of arts representation; sports with spectators and related industries; arts representation companies; theatre companies and dinner theatre; dance companies; musical groups and artists; other representation of arts companies; sports with spectators (including sports clubs and the race tracks); promoters for arts representation, sports and similar events; agents and managers for artists, athletes and other public figures; artists, writers and representatives of independent arts; museums, historical sites and similar institutions, entertainment industries, gambling and recreation; amusements parks and gaming rooms; amusement and themes park, gambling industries; and other amusement and recreation industries (including golf courses, skiing facilities, marine and health centers).

Puerto Rico has a variety of artistic and recreational facilities, such as schools, theatres, parks, casinos, sports facilities and other types of entertainment facilities. In terms of museums there are about 79 throughout the island. In the year 2009, 28 percent of these were operated by non-profit corporations, 35 percent were attached to municipalities, 28 percent were entities attached to the central Government, 8 percent to universities, and 3 percent to private institutions (Lobato, 2009). By performing a keyword search in the Puerto Rico State Department's Corporations Register, there is a total of 81 theaters and 4 dinning theaters⁷.

On the other hand, the sports facilities are mostly linked to educational or governmental institutions. However, there are non-governmental organizations, such as YMCA and private leagues which also possess some spaces for specialized sports, contributing to Puerto Rico's recreational and sport facilities inventory. Public parks and courts are coordinated by the 10 regional offices of the Puerto Rico Sports and Recreation Department across the island, in collaboration with the municipalities and the communities which host them.

⁷ Operating corporations through November 14, 2014. Total response could overestimate or underestimate the real number of establishments in both categories of performing arts' establishments or institutions related to performing arts.

Similarly, Puerto Rico has a total of 20 casinos in 12 municipalities which are mostly distributed in different tourist areas around the island. That is how the hospitality industry is linked to recreation considering that most of the casinos are located at hotels or guesthouses.

Opportunities

Increase the linkages of the Arts, Entertainment and Recreation Sector with other sectors through the economy. The arts, entertainment and recreation sector is not necessarily perceived as a classic sector to enforce economic development. However, this sector has potential for development and for that reason we must promote its linkages within other sectors to enhance national economic development. To reach this, partnerships between private, cooperative and non-profit sectors could be promoted to the development of sports clubs and entertainment and recreation projects in municipalities outside the metropolitan area. Furthermore, it can be promoted the exchange between local cinema halls and SMEs (advertising and marketing strategy).

This economic linkages promotion strategies example could be the insertion of the sector of art, entertainment and recreation in the tourist market (tourist product). According to Kastarlak and Barber (2012) amusement⁸ may be inducer of economic growth. Tourists are mainly interested in recreational activities. Without any attractions activities, visitors will travel only for the pleasure of travel. The tourists is attracted by the quality of the touristic product and the value that has the experiences of recreational activities included (Kastarlak and Barber 2012).

Improve funding for the sector of Arts, entertainment and recreation in Puerto Rico. The State must provide tools aimed to help to financing activities in the economic sectors that it wants to be promoted. In recent times the arts, entertainment and recreation sector has emerge as a niche market that can help to generate the economic development. That's why the Creative Industries Act (Ley de Industrias Creativas, 2014) was passed to promote the sector and treating it as another engine to the economic development of Puerto Rico. This Act facilitates the artistic and cultural projects financing. In addition to this legal tool, should enhance the private investment in partnership with governmental entities (PPP) to rehabilitate recreational, sports and entertainment facilities, among others strategies.

Promote the development of local (municipality and regional) leadership and business incubators in arts, entertainment and recreation related areas. In municipalities with decreasing population must be performed a call for business plans for the sector, through cultural entrepreneurs, administrators and artists in contiguous municipalities, in order to enhance the development of the sector. These initiatives can generate development and at the same time, help to retain population.

Experiences like these have worked in some regions in the United States. For example, in article Strengthening Rural Economies through the Arts, authors indicate the following:

“Sixteen states reach rural areas by using decentralized-funding programs that give local or regional groups the authority to spend state resources in alignment with local needs. Among the most recently adopted of these initiatives is the Pennsylvania Partners in the Arts program. One of the state’s local partners is the Venango Center for Creative Development (VCCD), which serves a seven-county rural region. Since becoming a state regranting partner in 1998, VCCD has Strengthening Rural Economies through the Arts 16 become a focal point for arts development in northwestern Pennsylvania. VCCD has regranted more than \$250,000 in state funding, which has helped increase arts audiences to 90,000 attendees per year and strengthened relationships among the arts, business leaders, and civic groups in the region. (Strengthening Rural Economies through the Arts, NGA Center for Best Practices, 2005)”

⁸ The amusements are: events and places. Them includes, without limitations goods and services, generates by the art, entertainment and recreation sector.

Promote the arts, entertainment and recreation as a business activity, through the development of trademarks.

Entrepreneurial and business vision of the sector is fundamental to its development. The trademark concept helps the product supplier a protection because this can be seen as a quality certification of his product. At the same time, from the demand side of this relation, the buyer (or reseller) can obtain a product with some quality warrant. For example, the trademarks strategy of local artisans and crafters can be used with a distinctive logo, who invites them to submit products that interest to be part of the initiative. Examples: “Made in Puerto Rico”, “Breeding 100% in Puerto Rico”, “Built by hands 100% Puerto Rican”, and “100% material recycled and locally manufactured”.

Strengthening development and participation of citizens in the protection of the cultural, historical and archaeological heritage of Puerto Rico.

The promotion of citizen participation for the protection of local heritage is fundamental. Various governmental entities promote that citizens participate in different activities that contribute to the protection and enjoyment of the cultural, historical and archaeological heritage. In terms of public policy, there are different laws that frame this management. Some of these laws are:

- Law 111 of July 12, 1985 - for the “Protection and Conservation of Caves, Caverns and Sinks”.
- Law 10 of August 7, 1987 - for the “Protection, Conservation and Study of Sites and Underwater Archaeological Resources”.
- Law 112 of 20 July 1988 - for the “Protection of the Heritage Archaeological Sites of Puerto Rico”.

At the international level, UNESCO has promoted various meetings to discuss issues related to the protection of heritage. For example, in 2001 was held the Convention for the Protection of the Underwater Cultural Heritage. Also, it could be mentioned the convention for the safeguarding of the intangible heritage in 2005 and the Convention on Biodiversity that was held in 2003. Each convention outlined public policy resolutions on heritage and “models of law for its implementation”.

Framing in the discussions on the subject, Puerto Rico must mold and modified laws and regulations that protect the heritage to the realities that are experienced in the 21st century, and above all, improve, the implementation of the laws. For example, according to the Puerto Rican Archaeology Organization and the Foundation for the Archaeological Heritage Protection, is necessary more than expand protections and the current legal infrastructure, to ensure its implementation and the protection of its actual “checks and balance” and independence mechanisms (Puerto Rican Archaeology Organization and the Foundation for the Archaeological Heritage Protection, presentation).

On the other hand, there have been recent efforts in the direction of heritage protection. For example, the 291 act of 2012 declaring cultural heritage the San Juan Ballet Trust (Fideicomiso del Ballet de San Juan), under the principles of the UNESCO Convention for the safeguarding of the intangible heritage of 2003.

Promote content and/or intangible heritage and cultural practices (unique) originating in particular rural areas to foster regional development.

Intangible heritage refers to the knowledge base, techniques and culture that pass from generation to generation. It is important to preserve the traditions and national culture and in turn create new traditions through cultural development and interactions. To develop this opportunity, it is important to identify traditional practices and geographical areas where these are enjoyed, to promote its preservation and disseminate such practices. Example of this can be the “Bomba”, “Plena”, music described as oral history and folklore music, among others.

Promote participation and use of the intangible heritage, offering cultural, artistic, entertainment and recreation.

State can create mechanisms that promote the arts, entertainment and recreation sector. Through the coordination with different groups of interest, it can be developed incentives to encourage families and individuals in their daily activities, to include visits to theaters, dining theaters, museums and other cultural institutions. All this strategies could promote the economic, social, and institutional development.

Promote the export of the production of the arts, entertainment and recreation sector. In other countries, the promotion of handcrafts and artisan work as the “face of national or local art” has served to the consolidation and positioning through Arts and Culture Festivals. This is the case of Kentucky, in the United States, who through various strategies for the promotion of its handcrafts, have created “Made in Kentucky” an annual festival, one of the most important arts festivals in the United States (National Governors Association, 2014). Puerto Rico could emulate the Kentucky strategy, using the Puerto Rico Trade and Export Company and the Puerto Rico Tourism Company to export and expose the national craft production (crafts, plastic art, etc.) at international fairs, promoting local handcrafted product as logo of our creative sector.

Promote culture, arts, sport and recreation in its many variants in different age groups both at the municipal and community level. Changes in demographic patterns make meritorious to assess the needs of the population in terms of culture, arts, sports and recreation. Municipalities are the closest government unit to the citizen, an effort of these entities is necessary and relevant.

Promote self-management sports. The development of a national registry of recreational facilities, with an assessment of the infrastructure, geographical position, and ownership status (state, municipal, community or private) to support the self-management and planning of events. In addition, current regulations for use of facilities and the laws that promote the creation of non-profit, sports clubs, leagues and other type of organization responsible for promoting the “spectator sports” need to be reviewed.

Weaknesses

The offer of activities and places related to the arts, entertainment and recreation sector generally focuses in the metropolitan area of the island. According to County Business Pattern, for the year 2012, the total number of establishments in the arts, entertainment and recreation sector was 412. Of those 412, a total of 240 (58%) were distributed in the municipalities of San Juan (133 establishments), Bayamón, Guaynabo, Carolina and Caguas.

The need of improvement in the data collection systems for the sector. There is scarce limited information of this industry available. Information that can be obtained often is dispersed and not necessarily represents what is really happening in the sector.

There is little research on the impact of the arts, entertainment and recreation sector in the economy of Puerto Rico. In 1991, Dr. Ángel Ruiz presented a paper on “The Economic Impact of Cultural Activity in Puerto Rico”. Currently, Professor Javier Hernández in 2013 submitted a report entitled “A Profile of Creative Economy in Puerto Rico” where he argues with statistical information, mostly from the Census, around the actual scopes and trends of this industrial sector. This research served as the basis for the adoption of the Creative Industries Act in October 2014. That law aims to promote the sector and to treat it as another Puerto Rican economy engine for development.

The need to provide programs related to arts, entertainment and recreation for people with disabilities. In 2010, the US Census showed that 19.7% (726,334) of the population had some kind of handicap or disability. It is important to coordinate efforts to help this population group to enjoy activities related to arts, entertainment and recreation sector. Different laws and regulations seek to ensure the rights of this population. In Puerto Rico, the Office of the Advocate for Persons with Disabilities (Oficina del Procurador para Personas con Impedimentos) is responsible for ensuring the rights of this population.

Lack of recognition of the arts, entertainment and recreation as a business activity sector. Despite being an economic sector that is measured in the economy and contributes to GDP, activities in this sector are often underestimated and stay in a category of “hobby or leisure time”. This is a productive sector and could generate greater economic development if it is re-focus from a business point of view.

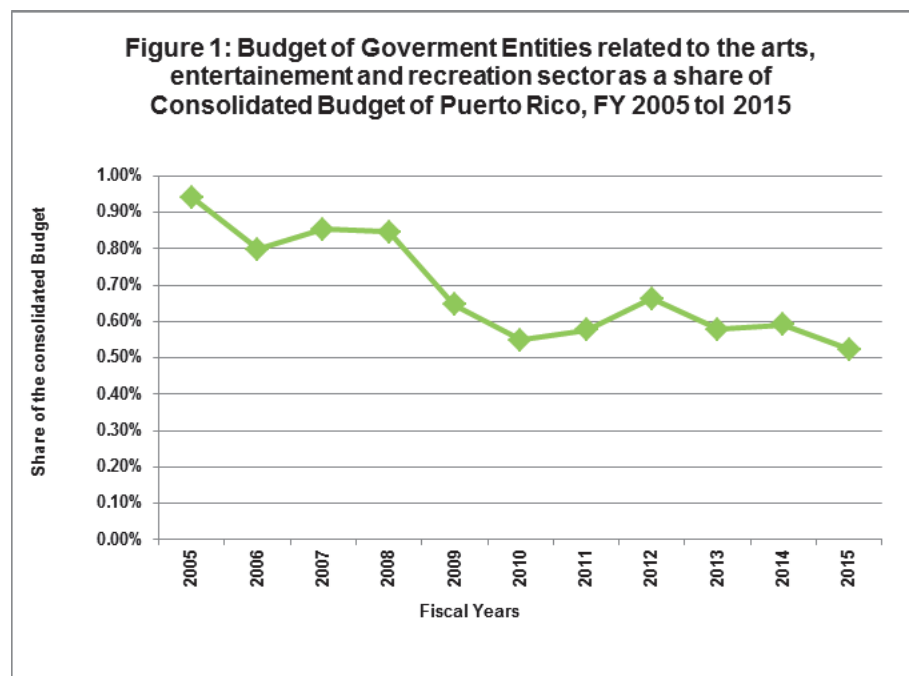
Theatres and other places of entertainment do not have good access to public transportation or it is not served in night schedules. In those municipalities that do not belong to the metropolitan area, the offer of public transportation is very limited or null. In the metropolitan area, there is a range of collective transport but it serves limited zones and with schedules no later than 11 pm. Most of the times, to enjoy of activities related to the field of arts, entertainment and recreation, people should move in private vehicles, excluding those who not have its own.

Threats

Decrease in state budget on items related to the art, entertainment and recreation. Eleven agencies of the Government of the Commonwealth of Puerto Rico were identified which are related to the arts, entertainment and recreation sector. These agencies are:

- a. Instituto de Cultura Puertorriqueña
- b. Compañía de Parques Nacionales de Puerto Rico
- c. Oficina Estatal de Conservación Histórica
- d. Departamento de Recreación y Deportes
- e. Administrador de la Industria y el Deporte Hípico
- f. Escuelas de Artes Plásticas
- g. Corporación de PR para la Difusión Pública
- h. Corporación del Centro de Bellas Artes
- i. Corporación del Conservatorio de Música
- j. Corporación para las Artes Musicales

It has been identified that state agencies involved in the field of arts, entertainment and recreation were about 1 percent of the consolidated budget for 2005 and currently, this ratio is 0.5% for the consolidated budget for 2015. Figure 1 presents that for the 10 year period of 2005 to 2014, the budget of agencies related to the art, entertainment and recreation sector shows a downward trend (Figure 1).



Possible adverse effects of the tourist approach to this sector. Some researchers agree that tourism can be both positive and negative social, economic and cultural change agent (Cook, Yale, & Marquã 2010; Walker & Walker 2011). Negative impact can occur if there is not adequate planning. These social and cultural changes could impact on the arts, entertainment and recreation.

- Cultural deterioration:⁹ For the country host represents a challenge try to maintain the traditions and values when intends to meet the expectations of visitors. Cultural deterioration takes place when the challenges are not met and the solutions are not addressed productively (Kastarlak & Barber 2012 p. 120).
- Relationship of host-guest: host-guest relationship can be a complicated since in both cases, there might be lack of knowledge of the respective customs, which can be aggravated if there are language barriers (Kastarlak & Barber 2012, p. 121).

Damage to authentic historical and archaeological sites could be irreversible (Kastarlak & Barber 2012). There are different laws and regulations that limit the activities and uses in places of high historical and archaeological value. This focuses in the prevention of irreparable damage to these areas. Damages such as: theft, vandalism, and destruction of the resources.

Import of entertainment programming. There is a rise of foreign programming in local television. This programming, commonly known as “programas enlatados” are occupying more space in the air leaving behind the local entertainment and programming and its artists. For example, Puerto Rican television has become a collection of commercial and foreign programs based on the model of the United States (Soto & Ramos 2013).

⁹ According to the Real Academia Española (2014) culture is a set of ways of life, customs, knowledge and degree of artistic, scientific and industrial development in an age, social group, etc.

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SWOT Analysis - Accommodation and Food Services Sector (Food Places and Drink

STRENGTHS

1. Market diversity.
2. Strong domestic tourism market.
3. Attraction of high-income tourists.
4. Variety of Restaurants.
5. One third of the visitor expenditures are disbursed in accommodation and food services.
6. Natural resources and cultural activities as supplement to the accommodation services.
7. Legal and regulatory framework favorable to this sector.
8. Hospitable Population.
9. Increase in low cost airlines flights.
10. Puerto Rico was classified as a low risk country according to the Health Technologies for the World Traveler.
11. Puerto Rico has a favorable Global Competitiveness Index when compared to the Americas region.
12. Solid efforts to ensure the sustainability of the environment.
13. Prioritization of the tourism on the agenda of the Government.
14. Puerto Rico Tourism Development Fund (TDF).

OPPORTUNITIES

1. Develop hotel products and restaurants with a design for Puerto Rico, unique and differentiated from other markets.
2. Diversify offers by purpose of the trip.
3. Promote market offerings.
4. Use of technology to enhance competitive advantage.
5. Promote Puerto Rico as a destination visit in international markets.
6. Conduct research about the taste and preferences of potential clients of Europe and Latin America.
7. Develop tourism products.
8. Develop non-traditional touristic activities (niche markets).
9. Economic growth potential.
10. Possibility of growth in job creation.
11. Increase integration (linkages) with other sectors.
12. Attract the diaspora and the Hispanic community in the United States to use local hotels and restaurants.
13. Enhance the attractiveness and integrate them into the promotional strategies.
14. Export food services companies to other countries.
15. Take advantage of demographic changes.
16. Promote the study and evaluation of eco-friendly practices as an alternative to reduce operational costs.
17. Study and evaluate changes in consumption patterns and trends to determine how tourism sectors are impacted to allow an effectively adjustment of public policy.
18. Opportunities to strengthen the tourism market.
19. Locate nearby hostels to hospital facilities to promote medical tourism

WEAKNESSES

1. Poor services of maritime, air and ground transportation between hotels restaurants and art and entertainment facilities.
2. Services are not multilingual.
3. Lack of updated information about the markets.
4. Lack of international routes.
5. Increase in low cost air traffic in other destinations in the Caribbean.
6. Improve infrastructure related to the sector.
7. Possible perception by the tourist (traveler) about the crime rate in Puerto Rico.
8. Lack of updated information on the satisfaction of the industry.

THREATS

1. Decrease in population.
2. Increase in emigration.
3. Natural hazards.
4. Climate change might affect hotels and restaurants located on the coastal area.
5. Tourism growth potential of emerging markets.

SWOT Analysis - Arts, Entertainment and Recreation (NAICS 71)

STRENGTHS

1. Variety of activities related to the Arts, Entertainment and Recreation Sector is diverse.
2. Government agencies dedicated to promote and regulate the arts, entertainment and recreation sector.
3. Variety of private companies offering artistic, theatrical, sports leagues, entertainment and recreational services, among others.
4. Puerto Rico has a variety of artistic and recreational facilities, such as schools, theatres, parks, casinos, sports facilities and other types of entertainment facilities.

WEAKNESSES

1. The offer of activities and places related to the arts, entertainment and recreation sector generally focuses in the metropolitan area of the island.
2. The need of improvement in the data collection systems for the sector.
3. There is little research on the impact of the arts, entertainment and recreation sector in the economy of Puerto Rico.
4. The need to provide programs related to arts, entertainment and recreation for people with disabilities.
5. Lack of recognition of the arts, entertainment and recreation as a business activity sector.
6. Theatres and other places of entertainment do not have good access to public transportation or it is not served in night schedules.

OPPORTUNITIES

1. Increase the linkages of the Arts, Entertainment and Recreation Sector with other sectors through the economy.
2. Improve funding for the sector of Arts, entertainment and recreation in Puerto Rico.
3. Promote the development of local (municipality and regional) leadership and business incubators in arts, entertainment and recreation related areas.
4. Promote the arts, entertainment and recreation as a business activity, through the development of trademarks.
5. Strengthening development and participation of citizens in the protection of the cultural, historical and archaeological heritage of Puerto Rico.
6. Promote content and/or intangible heritage and cultural practices (unique) originating in particular rural areas to foster regional development.
7. Promote participation and use of the intangible heritage, offering cultural, artistic, entertainment and recreation.
8. Promote the export of the production of the arts, entertainment and recreation sector.
9. Promote culture, arts, sport and recreation in its many variants in different age groups both at the municipal and community level.
10. Promote self-management sports.

THREATS

1. Decrease in state budget on items related to the art, entertainment and recreation.
2. Possible adverse effects of the tourist approach to this sector.
3. Damage to authentic historical and archaeological sites could be irreversible
4. Import of entertainment programming.