Puerto Rico Automotive Industry Report
2012-2013

Grupo Unido de Importadores de Automóviles
"If everyone is moving forward together, then success takes care of itself"

Henry Ford

Father of the automobile mass production
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With great enthusiasm, we present the first ever Automotive Industry Report of Puerto Rico. This report is long overdue, and at Grupo Unido de Importadores de Automóviles, or GUIA, we have taken on the challenge of producing this important reference, which will prove fruitful not only within our industry, both in Puerto Rico and abroad, but also for government entities, industry stakeholders and the general public.

This publication has been possible thanks to the hard work and commitment of our members at GUIA: Bella Group (Honda, Acura and Mazda), Chrysler International (Chrysler, Jeep, Dodge, Ram and Fiat), Ford International (Ford and Lincoln), General Motors (GMC, Chevrolet, Buick and Cadillac), Hyundai de Puerto Rico (Hyundai), Mitsubishi Motor Sales of the Caribbean (Mitsubishi), Motorambar (Nissan, Infiniti and Kia), Suzuki del Caribe (Suzuki) and Toyota de Puerto Rico (Toyota, Lexus and Scion).

Around the world, the automotive industry is considered an important economic indicator, and Puerto Rico hasn’t been the exception. In the following pages, you will be able to obtain relevant information about the current state of the industry in Puerto Rico, as well as historical views pertaining to different aspects of our industry. However, we couldn’t bring forth this information without placing it within the framework and context of the territory where we operate, our island, Puerto Rico. Therefore, we have also provided extensive information regarding the island’s economic situation, our industry’s role in its economy and Puerto Rico as an investment destination. All in all, we have strived to bring you the highest-quality publication with a broad range of up-to-date information about our industry, the local economy and Puerto Rico’s relevance in the business community.

GUIA is a nonprofit organization, which has represented the automotive industry in Puerto Rico since 2006. Our purpose, among others, is to tend to issues that directly impact the industry on the island, as well as its economic recovery and development. Our organization consists of nine members, which represent 96% of all new-vehicle sales in Puerto Rico. In the following pages, you will also have the opportunity to learn more about our members’ organizations.

We trust that you will enjoy browsing through the different sections we have included.

José Ordeix Llabaly
President
Grupo Unido de Importadores de Automóviles (United Automobile Importers’ Group, or GUIA by its Spanish acronym) is an independent, nonprofit organization established in 2006.

The organization represents 96% of exclusive distributors and automobile-brand subsidiaries in Puerto Rico.

The group’s nine members represent the following brands: Acura, Buick, Cadillac, Chevrolet, Chrysler, Dodge, Fiat, Ford, GMC, Honda, Hyundai, Infiniti, Jeep, Kia, Lexus, Lincoln, Mazda, Mitsubishi, Nissan, RAM, Scion, Suzuki and Toyota.

The automotive distributors that are members of GUIA are represented in the organization by their respective top executives.

GUIA board of directors

GUIA’s board includes President José Ordeix Llabady, vice president of Motorambar Inc.; Vice President Ricardo García, general director of Chrysler Group of Puerto Rico; and Treasurer & former President Carlos López-Lay, president & CEO of Bella Group.

Other GUIA members are Mark Buzzell, managing director of Ford International Business Development in the Caribbean & Central America; Luis Omar Monge, General Motors sales & aftersales district manager for Puerto Rico; Víctor Quintero, president & CEO of Hyundai de Puerto Rico; Kimimichi Hirakawa, president & CEO of Mitsubishi Motor Sales of Caribbean; Irma Sotográs Saldaña, senior vice president of Suzuki del Caribe; and Mario Dávila, president of Toyota de Puerto Rico.

GUIA’s mission

The group’s mission is to integrate auto distributors in order to:

• Ensure, respond and take care of all issues related to or affecting the industry, and safeguarding the value the industry provides to Puerto Rican consumers and the economy.

• Encourage a respectful, professional and dialogue-oriented environment between industry members and the government.

• Promote consumer, government and the regulatory agencies’ knowledge about the industry and its contributions to the economy.

GUIA aims to:

• Foster and protect the stability and well-being of the automotive industry in Puerto Rico

• Foster a spirit of cooperation and progress in the Puerto Rico automotive industry

• Stimulate the creativity, progress and professional education of executives, officials and employees of the automotive industry in Puerto Rico

• Promote and ensure compliance of the most strict ethical norms, integrity and professional responsibility in all activities and development of the Puerto Rico automotive industry

• Develop and promote educational and public awareness campaigns

• Compile and distribute information considered of interest for the Puerto Rico automotive industry and the general community

Mission and purpose of GUIA
GUIA-sponsored events

As a trade organization, GUIA has organized and sponsored two Foreign Trade Zone (FTZ) seminars (in 2009 and 2011), to be repeated in May 2013, for all interested industries. Two large-scale auto shows (in 2008 and 2010), have also been successful industry events.

2008 Auto Show

At a $1 million investment, the first GUIA-sponsored auto show was held in 2008 at the Puerto Rico Convention Center.

Titled the Puerto Rico Auto Show-International Series, the event sought to position the island on par with stateside and international auto shows, but also as a pioneer in the Caribbean and Latin America.

The event consisted of 150,000 square feet of exhibits from more than 15 auto manufacturers present in the local market.

In addition to the auto exhibits, the event featured a seminar series with renowned stateside and local speakers, which aimed at increasing the knowledge and expertise of local auto-industry members on several topics such as leadership and sales techniques.

Among the visiting speakers at the professional seminars were Kirk Manzo and Darren Haywood, from Ziegler Supersystems; Jim Atkinson from Assurant Solutions; and Jim Skeans from Jim Skeans Consulting Group LLC.

Experts from Motor Trend Auto Shows, Inc. (MTAS), the largest auto-show producer in the U.S., and Inclusive Management Services, supported by local producer Alberto Pérez Subirá, President of Grupo Pérez Subirá.

During the four-day event, attendees were able to experience 2009 vehicles, concept and exotic cars and motorcycles.

2010 Auto Show

For GUIA’s second sponsored auto show in 2010, the three sections of the Puerto Rico Convention Center’s main ballroom once again provided 150,000 square feet of exhibition space.

As in the first auto show, the expertise and brains of the MTAS and the “muscle” of Inclusive Management Services as general contractor were used.

MTAS produces 23 international auto shows annually as part of the Source Interlink Media Consumer Automotive Group.

As an added attraction, event goers were able to try out their favorite vehicle in the “Ride & Drive” designated area in front of the Convention Center, as well as enjoy a weekend of concerts and youth-related activities within the three-day event.

The 2010 auto show was put together with a $1.5 million investment.

In the near future, GUIA will continue organizing industry-wide events.
Population

According to the 2010 U.S. Census, Puerto Rico has a total population of 3.726 million people, making the island more populous than 25 U.S. states and countries such as Panama, Lebanon and Lithuania, to name a few.

Based on its overall size (3,507 square miles) and population, Puerto Rico can be compared with Connecticut, which has a total area of 5,543 square miles and a population of 3,405,565.

With a population density of 1,088.2 inhabitants per square mile in 2010, Puerto Rico is the third-most densely populated state or territory in the U.S., behind the District of Columbia (9,856.5) and New Jersey (1,195.5).

Moreover, in the metropolitan area of San Juan, the capital city, population density is 5,138.8 inhabitants per square mile, which is roughly equivalent to that of the city of Detroit, Mich.

About 28% of the population of Puerto Rico lives within the San Juan metropolitan area, which comprises the municipalities of San Juan, Carolina, Guaynabo, Trujillo Alto, Bayamón and Toa Baja.

Notwithstanding, population growth during this decade is expected to slow, from 0.8% to 0.5%. This is most likely due to the falling birth rates among Puerto Rican women and emigration to the U.S. mainland.

More than half, 53%, of the population of Puerto Rico is within the 20-to-59 age range. This is expected to shift to the over-60 segment of the population as birth rates continue to fall and more and more baby boomers approach—and attain—retirement age.

The Puerto Rico Planning Board projects that the youngest age group—ages 19 and younger—will only account for 8.7% of the population by 2025. In contrast, this group now accounts for 32% of the population.

Society

Puerto Rico’s population is derived from a mix of cultures and ethnic backgrounds. Although the indigenous Taíno population disappeared within the first 100 years of the arrival of the Spanish, recent genetic studies carried out by the University of Puerto Rico have found genetic similarities between segments of the local population and remnants of Taínos elsewhere in the Caribbean.

The major component of the ethnic and racial mix on the island is the Spanish population, most of whose original members arrived primarily as immigrants from Spain in the 19th and early 20th centuries. Spanish immigrants controlled the island’s economy until the mid-20th century and their influence is still prevalent in certain sectors, such as food imports and distribution.

There were minor migration streams from Corsica, whose members settled mostly in Yauco, a coffee-growing municipality in the southwestern region, and Ireland and England, which is why one comes across such surnames as Lee, Cox, O’Neill, Latimer, Biscombe and Noble.

A significant African cultural influence was established on the island with the slave trade in the late 18th and 19th centuries. African influence is very clear not only in cultural matters, but also in local food. Taíno influence, is prevalent in various cultural and societal aspects of Puerto Rican life.

More recent immigration streams have been mainly comprised of Cubans, in the wake of the Cuban Revolution, and Dominicans. The former, left Cuba for political reasons, while the latter continue to leave their country for economic reasons. Other representative migration has come from Argentina and Venezuela. Each group has greatly influenced contemporary Puerto Rican society.
Government

As a territory of the United States, Puerto Rico falls within the U.S. federal system and is subject to both federal and local law. Specifically, U.S. constitutional law and, in fact, most federal laws and regulations, apply in Puerto Rico, and the island also has its own constitution, laws and regulations that apply to the extent that they are not contrary to federal law. Puerto Rico’s local government, like the federal government and those of the states, includes an executive, legislative and judicial branch.

Puerto Rico has a republican system of government, elected every four years. The executive branch comprises the governor, elected by the people, and cabinet members who are in turn appointed by the governor. The legislative branch is composed of two chambers: the Senate and House of Representatives. In both legislative bodies, the members are elected by the people. The judicial branch, appointed by the Governor with the advise and consent of the Senate, comprises four main bodies: the Supreme Court, Court of Appeals, Court of First Instance and a lower-level system of municipal courts throughout the island.

Municipalities

Puerto Rico consists of 78 municipalities with various degrees of autonomy from the central government. A recent development has been the creation of regional entities in different parts of the island, which are beginning to assume greater prominence, particularly with respect to economic-development initiatives. Four of these already exist. Their names are Inteco (Iniciativa Tecnológica Centro-Oriental), Intene (Iniciativa Tecnológica del Noreste), Intenor (Iniciativa Tecnológica del Norte) and Disur (Desarrollo Integral del Sur). A fifth regional initiative is PRTec (Puerto Rico TechnoEconomic Corridor), which brings together 15 municipalities in the west.

Each region has put in place a plan for assuming control over the permitting process, a concern for many years. A reflection of the importance of these regional initiatives is that the Economic Incentives for the Development of Puerto Rico Act (Act 73 of May 2008) includes these initiatives as eligible for support from a special development fund.

Legal Relations with the United States

Puerto Rico was a Spanish colony for 400 years, but became an unincorporated territory of the U.S. after the Spanish-American War of 1898. After a number of years in political limbo, Puerto Ricans were granted U.S. citizenship in 1917.

In 1952, a constitution was approved providing Puerto Rico with the current commonwealth status with the U.S., or “Estado Libre Asociado” in Spanish.

Under the Puerto Rico Constitution, Puerto Rico is a commonwealth, and Puerto Ricans enjoy a degree of administrative autonomy similar to that of a U.S. state, with the major difference being that it falls outside the federal tax system. In fact, Puerto Rico is considered a foreign tax jurisdiction by the U.S. Internal Revenue Service (IRS).

Puerto Rico residents cannot vote in U.S. presidential elections, but they do participate in primaries to select candidates from both major U.S. parties, the Republican and Democratic parties. When residing in the U.S., Puerto Ricans enjoy the same privileges as U.S. citizens and can vote in presidential elections.

There is free movement of people and goods between the U.S. and Puerto Rico. Island shipping is regulated under the Jones Act, which requires that ships carrying cargo between the island and any of the 50 U.S. states or territories bear the U.S. flag.
The local currency, banking and postal systems are within the U.S. system. Besides having a local judiciary branch of government, Puerto Rico constitutes a district of the federal judiciary and has its own U.S. District Court. Additionally, most U.S. federal agencies have some sort of presence on the island.

Most Puerto Rico residents do not pay federal income tax, but do pay federal payroll taxes (Social Security and Medicare) and Puerto Rico income taxes. Federal employees, or those who do business with the federal government and Puerto Rico-based U.S. corporations that intend to repatriate profits to the U.S., pay federal income taxes.

Puerto Rico residents may enlist in the U.S. armed forces. Since becoming U.S. citizens in 1917, Puerto Ricans have been included in the compulsory draft whenever it has been in effect, have participated in all U.S. wars since the beginning of the 20th century, most notably World War II, the Korean and Vietnam wars, and conflicts in Iraq and Afghanistan.

Puerto Rico has limited representation in the U.S. Congress in the form of a nonvoting delegate, formally called a resident commissioner. The election of this delegate in Puerto Rico is governed by the Federal Election Commission. All other elected officials are governed by the local elections commission, or Comisión Estatal de Elecciones.

Socioeconomic makeup

Puerto Rico’s socioeconomic makeup was transformed in the post-war years. A strong salaried middle class developed as a result of a shift to manufacturing and, beginning in the late 1960s, the growth of government. A more recent development has been the formation of a professional-services sector including health, financial, design, engineering, communications and environmental services. This has become one of Puerto Rico’s major competitive advantages.

The island’s economy is characterized by a very large unreported or informal segment, estimated to be nearly 25% of the overall economy in a recent study by Estudios Técnicos Inc. In addition, figures suggest that poverty is still a major problem, with 45% of the population living below the poverty line.

Politics

Puerto Rico has three main political parties that propose distinct future political scenarios. The Popular Democratic Party (PDP), currently in the majority, seeks to maintain the island’s “association” status as a commonwealth. The New Progressive Party (NPP) seeks statehood, and the Puerto Rican Independence Party (PIP) seeks independence.

During the past five years three additional political parties have been registered and participate in the 2012 elections. The 2008 elections resulted in a landslide win for the NPP’s, Luis Fortuño as governor, who won with a majority in excess of 200,000 votes. This was an extremely large margin, particularly when one considers that the 2004 elections were decided by some 3,000 votes.

In the 2012 elections, the PDP regained control of the executive & legislative branches, plus won the majority of the municipalities. On January 2, 2012 Alejandro García Padilla was sworn-in as one of the youngest governors in Puerto Rico’s history.
Skilled Workforce for the 21st Century

The island’s top-notch labor force—educated and hardworking—has become the No. 1 asset of Puerto Rico’s diverse manufacturing sector, and continues to be one of the main reasons companies remain operating locally and new ones are drawn to the island.

More than 90 public and private university and college campuses award some 30,000 degrees each year, including nearly 10,000 degrees in science, engineering and technology. The University of Puerto Rico’s Mayagüez campus and Universidad Politécnica de Puerto Rico rank 13th and 16th, respectively, in the mainland U.S. in undergraduate engineering enrollment.

A Leader in Innovation

As part of efforts to develop a knowledge-based economy, the government of Puerto Rico has set out to transform the island’s landscape into one with world-class science laboratories and facilities for research & development.

With nearly 2,000 acres dedicated to bioscience, the $3 billion Puerto Rico Knowledge Corridor will soon become a state-of-the-art enclave integrating educational and research campuses with commercial laboratories, vibrant, mixed-use urban neighborhoods, efficient transportation networks and dynamic, open spaces.

The Molecular Sciences Building; Bioprocess Training, Research & Development Center; and Puerto Rico Cancer Center are just a few examples of facilities currently under construction that will further support life sciences innovation in Puerto Rico.

High Productivity & Profitability

Puerto Rico has one of the world’s highest productivity ratios. Value-added manufacturing in Puerto Rico’s factories amounts to $10.02 for every dollar of production-worker wages, which is double the mainland U.S. average for manufacturing of $4.64, according to the U.S. Census business data.

The profit-to-sales ratio for island manufacturing (34.8%) is about seven times higher than the comparable mainland U.S. ratio (4.8%). Furthermore, Puerto Rico’s manufacturing profit-to-equity ratio (34.4%) is more than three times the mainland U.S. average (10.3%).

Holidays

Puerto Rico celebrates religious, local and U.S. holidays. This means that in the month of July, the Fourth is celebrated as well as the 25th, which is the local Commonwealth Constitution Day, and both the 17th and the 27th are celebrated, one for a defender of local autonomy and the other for a proponent of statehood!

Religion

Religion has traditionally played an important role in Puerto Rico’s history, and some churches currently provide educational, health and other social services.

Historically, the Christian faith has been the predominant religion throughout the island.

Editors Note: The following report is excerpted from Caribbean Business Market Fact Book 2013.
The General Economy

After a period of sustained economic contraction, Puerto Rico is starting to show signs of recovery. Long before the principal global markets were beginning to slow down, Puerto Rico was already in the throes of a major recession.

This has been happening in Puerto Rico since 2006, resulting in an economy 14% smaller than it was at the beginning of 2007.

The prospects for fiscal 2013 and subsequent years are clouded by the fact that we aren’t isolated from the rest of the world. The slowing U.S. economy poses a major threat, as do projected cuts in federal spending, the uncertainty created by the European financial situation and the volatility of commodity markets. Fortunately, President Barack Obama’s healthcare program—the Patient Protection & Affordable Care Act, aka Obamacare—will continue, which means Puerto Rico stands to receive some $600 million a year beginning in 2014.

The employment situation appears to be intractable. It wasn’t resolved during good times, with annual growth rates of 3% and 4%, and it is even less likely to be resolved with projected growth rates of about 1%.

Currently, Puerto Rico’s labor-force participation rate is at 39.4%. This means that about two of every five working-age people are actually working, a very low proportion. Every employed person in the private sector supports five others, an extremely high dependency ratio.

In general, the prospects are for a slow-growing economy, with risks confronting it at every turn, both external and internal. The latter includes the Government Employees’ Retirement System’s (ERS) actuarial unfunded liabilities of about $23 billion, which is still far from being resolved, with a less than 17% funded ratio.

Puerto Rico has the resources for achieving sustainable development in its manufacturing and advanced services foundations, its skilled workforce, and the fact that there is little or no country risk. What is missing is a consensus on the path to take, specifically on key components of development policies. There are countries in which divisions have been much deeper than ours, but Chile, for example, was able to reach a broad, multi-party consensus on key development components such as education, infrastructure and fiscal policies.
Gross Domestic Product / Gross Product
(Fiscal years/ $ in millions)

<table>
<thead>
<tr>
<th>Gross Domestic Product</th>
<th>2007</th>
<th>2008</th>
<th>2009r</th>
<th>2010r</th>
<th>2011r</th>
<th>2011p</th>
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<td>975.5</td>
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<td>Real Estate and Rentals</td>
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<tr>
<td>Management of Companies</td>
<td>137.2</td>
<td>156.0</td>
<td>164.6</td>
<td>129.5</td>
<td>153.3</td>
<td>153.3</td>
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<td>Administrative Services</td>
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<td>1,375.9</td>
<td>1,338.8</td>
<td>1,406.4</td>
<td>1,659.7</td>
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<td>Educational Services</td>
<td>701.2</td>
<td>743.1</td>
<td>773.1</td>
<td>828.5</td>
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<td>Healthcare and Social Services</td>
<td>2,893.3</td>
<td>3,043.1</td>
<td>3,332.7</td>
<td>3,436.8</td>
<td>3,539.4</td>
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<td>Art, Entertainment and Recreation</td>
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<td>119.3</td>
<td>101.3</td>
<td>107.2</td>
<td>101.3</td>
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<td>Accommodation and Food Services</td>
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<td>1,755.4</td>
<td>1,871.3</td>
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<td>Other Services</td>
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<td>382.7</td>
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<td>387.9</td>
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<td>Government</td>
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<td>8,762.2</td>
<td>9,347.4</td>
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<tr>
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<td>7,390.5</td>
<td>7,567.1</td>
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<td>6,721.9</td>
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<tr>
<td>Municipal</td>
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<td>1,371.7</td>
<td>1,760.3</td>
<td>1,450.2</td>
<td>1,501.0</td>
<td>1,501.0</td>
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</tbody>
</table>

Source: Puerto Rico Planning Board
The first two quarters of 2012 reflected an improvement in key indicators such as cement and auto sales. The Government Development Bank’s Index of Economic Activity (GDB-EAI) has been positive in the first half of 2012, an indication that the recession is over.

The GDB-EAI has a very close correlation (about 98%) with growth in real GP. Certain institutional changes have been applied for Puerto Rico to be in a much better position to tackle future challenges. One of these is the implementation of the public-private partnership (P3) concept.

The government signed a P3 agreement with a private consortium to manage and operate PR-22 (Puerto Rico’s most commuted road). As of this writing, the government was waiting for Federal Aviation Administration (FAA) approval for the Luis Muñoz Marín International Airport (the most important airport in the Caribbean) concession with another private multinational consortium.

GP Projected Growth

The Puerto Rico Planning Board projected growth in fiscal 2012 at 0.4%, but private analysts project a 0% or even a slightly negative growth rate of -0.2%. For the 2013-2015 period, there is consensus that the economy should experience positive growth, barring any major external events such as the elimination of the president’s healthcare plan, a major reduction in federal funding and a global meltdown due to the European financial situation.

Puerto Rico enjoys a highly diversified economy and has become a formidable player in high-value-added manufacturing industries, which include pharmaceuticals, electronics, petrochemicals, processed foods, clothing and textiles. The service sector is playing an increasingly pivotal role in Puerto Rico’s economic development, contributing significantly to job creation and growth, particularly in educational and health services, professional and business services, and financial and insurance services, among others.
### General Economy
(Fiscal years)

#### Macroeconomic Indicators at Current Prices ($ in millions)

<table>
<thead>
<tr>
<th></th>
<th>2007r</th>
<th>2008r</th>
<th>2009r</th>
<th>2010r</th>
<th>2011p</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Product</td>
<td>$59,520</td>
<td>$61,665</td>
<td>$62,598</td>
<td>$63,058</td>
<td>$64,106</td>
</tr>
<tr>
<td>Net Income</td>
<td>$48,132</td>
<td>$48,993</td>
<td>$48,966</td>
<td>$49,331</td>
<td>$50,402</td>
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<td>Personal Income</td>
<td>$92,110</td>
<td>$96,124</td>
<td>$98,011</td>
<td>$98,915</td>
<td>$99,411</td>
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<td>Disposable Personal Income</td>
<td>$48,752</td>
<td>$53,075</td>
<td>$55,088</td>
<td>$56,042</td>
<td>$56,950</td>
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<tr>
<td>Personal Consumption Expenditures</td>
<td>$31,949</td>
<td>$34,301</td>
<td>$35,533</td>
<td>$37,170</td>
<td>$38,690</td>
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<tr>
<td>Gross Domestic Product</td>
<td>$88,405</td>
<td>$92,606</td>
<td>$95,370</td>
<td>$97,147</td>
<td>$98,757</td>
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<tr>
<td>Gross Domestic Fixed Investment</td>
<td>$11,674</td>
<td>$10,974</td>
<td>$9,699</td>
<td>$8,913</td>
<td>$8,588</td>
</tr>
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#### Macroeconomic Indicators at Constant Prices of 1954 ($ in millions)

<table>
<thead>
<tr>
<th></th>
<th>2007r</th>
<th>2008r</th>
<th>2009r</th>
<th>2010r</th>
<th>2011p</th>
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</thead>
<tbody>
<tr>
<td>Gross Product</td>
<td>$6,974</td>
<td>$6,769</td>
<td>$6,515</td>
<td>$6,294</td>
<td>$6,202</td>
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<tr>
<td>Personal Income</td>
<td>$9,542</td>
<td>$9,761</td>
<td>$9,668</td>
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<tr>
<td>Disposable Personal Income</td>
<td>$8,927</td>
<td>$8,230</td>
<td>$9,209</td>
<td>$9,208</td>
<td>$9,220</td>
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<tr>
<td>Personal Consumption Expenditures</td>
<td>$9,513</td>
<td>$9,478</td>
<td>$9,284</td>
<td>$9,393</td>
<td>$9,534</td>
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<tr>
<td>Gross Domestic Product</td>
<td>$10,804</td>
<td>$10,601</td>
<td>$10,404</td>
<td>$10,314</td>
<td>$10,305</td>
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<tr>
<td>Gross Domestic Fixed Investment</td>
<td>$1,798</td>
<td>$1,632</td>
<td>$1,428</td>
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#### Macroeconomic Indicators Per Capita at Current Prices

<table>
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<tr>
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<th>2010r</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Gross Product</td>
<td>$15,688</td>
<td>$16,348</td>
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<tr>
<td>Net Income</td>
<td>$12,685</td>
<td>$12,989</td>
<td>$13,056</td>
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<tr>
<td>Personal Income</td>
<td>$13,735</td>
<td>$14,879</td>
<td>$15,467</td>
<td>$15,750</td>
<td>$15,995</td>
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<tr>
<td>Disposable Personal Income</td>
<td>$12,949</td>
<td>$14,071</td>
<td>$14,688</td>
<td>$15,020</td>
<td>$15,332</td>
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<tr>
<td>Personal Consumption Expenditures</td>
<td>$13,652</td>
<td>$14,449</td>
<td>$14,606</td>
<td>$15,332</td>
<td>$15,855</td>
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<tr>
<td>Gross Domestic Product</td>
<td>$23,301</td>
<td>$24,551</td>
<td>$25,428</td>
<td>$26,037</td>
<td>$26,588</td>
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#### Macroeconomic Indicators Per Capita at Constant Prices of 1954

<table>
<thead>
<tr>
<th></th>
<th>2007r</th>
<th>2008r</th>
<th>2009r</th>
<th>2010r</th>
<th>2011p</th>
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</thead>
<tbody>
<tr>
<td>Gross Product</td>
<td>$1,838</td>
<td>$1,795</td>
<td>$1,737</td>
<td>$1,687</td>
<td>$1,670</td>
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<tr>
<td>Personal Income</td>
<td>$2,515</td>
<td>$2,588</td>
<td>$2,586</td>
<td>$2,594</td>
<td>$2,590</td>
</tr>
<tr>
<td>Disposable Personal Income</td>
<td>$2,353</td>
<td>$2,447</td>
<td>$2,455</td>
<td>$2,468</td>
<td>$2,482</td>
</tr>
<tr>
<td>Personal Consumption Expenditures</td>
<td>$2,507</td>
<td>$2,513</td>
<td>$2,475</td>
<td>$2,517</td>
<td>$2,567</td>
</tr>
<tr>
<td>Gross Domestic Product</td>
<td>$2,848</td>
<td>$2,810</td>
<td>$2,774</td>
<td>$2,704</td>
<td>$2,774</td>
</tr>
</tbody>
</table>

Source: Puerto Rico Planning Board
Gross Domestic Product (GDP) and Gross Product (GP)

The Puerto Rico Planning Board is the organism responsible for the annual production of Puerto Rico’s economic accounts.

According to data published by the Planning Board, in fiscal year 2011 Puerto Rico’s gross domestic product (GDP) reached $98.76 billion.

Manufacturing continues to be a major force in Puerto Rico’s economy, responsible for more than 45% of the GDP.

In fiscal 2012, which started in July 2011, for the first time in six years the Puerto Rico economy was expected to experience positive economic growth.

Although the island’s economy has been in a recession since 2006, real gross product (GP) is expected to return to positive growth this year in 2013.

In fiscal 2010, GP at current prices was $63.06 billion; it increased to $64.17 billion in fiscal 2011.

In terms of real growth, the Planning Board expects a growth rate of 0.4% while Estudios Técnicos, consulting firm, projects a reduction of 0.2%.

Net income increased from $49.3 billion in fiscal 2010 to $50.4 billion in fiscal 2011, while disposable income increased from $56 billion to $56.9 billion.

Macroeconomic Indicators Per Capita at Current Prices

All main macroeconomic indicators per capita at current prices showed growth in fiscal 2011 compared with fiscal 2010.

Real GP (percentage of growth or contraction since 2005 and projections until 2015).

In fiscal 2011, gross domestic fixed investment increased to $9.588 billion, up from $8.913 billion in fiscal 2010 but lower than a high of $11.833 billion in 2006.

Private and Public Investment

A key characteristic of the recession has been the dramatic decrease in investment. At its peak of $6.6 billion in 2004, investments decreased to $3.8 billion in 2011. What is more interesting is the fact that since 2008, public investment has exceeded private investment; a shift from what had been the historical norm—private investment was the leading form of investment.

To stimulate economic growth, investment needs to accelerate. In fact, during the two periods in the last two decades in which the economy grew at rates in excess of 3%, were precisely periods in which investment grew rapidly, the second half of the 1980s and the second half of the 1990s.

Total investment in construction has also fallen, mainly due to the housing market contraction, from a high of 18% of GP in 1999 to about 7% in 2011. Investment in construction is particularly important because it generates much employment due to its high multiplier effects.

It is, in fact, the fastest way to reactivate the economy, a widely held understanding by economists. Obviously, until the housing market significantly reduces the inventory of unsold units, not much is to be expected in terms of private construction because housing has traditionally been the major share of private investment in construction until recently.
Personal Consumption Expenditures
(Fiscal years/ $ in millions)

<table>
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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$61,049.1</td>
<td>$64,500.9</td>
<td>$62,184.4</td>
<td>$62,011.3</td>
<td>$61,434.6</td>
</tr>
</tbody>
</table>

Medical and Funeral Services
2011: $10,665.9  2010: $10,665.9  2009: $13,139.5  2008: $9,398.4  2007: $8,434.8

Food

Housing
2011: $9,435.4  2010: $9,223.6  2009: $8,011.3  2008: $8,568.8  2007: $8,065.8

Household Operations
2011: $37,115.6  2010: $6,872.8  2009: $5,791.9  2008: $6,314.3  2007: $6,439.0

<table>
<thead>
<tr>
<th>Category</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cosmetic Beverages and Tobacco</td>
<td>$1,783.1</td>
<td>$1,704.7</td>
<td>$1,786.4</td>
<td>$1,924.9</td>
<td>$2,006.7</td>
</tr>
<tr>
<td>Clothing and Accessories</td>
<td>$3,528.0</td>
<td>$3,530.7</td>
<td>$3,556.6</td>
<td>$3,265.0</td>
<td>$3,238.4</td>
</tr>
<tr>
<td>Personal Care</td>
<td>$1,031.0</td>
<td>$1,157.1</td>
<td>$1,212.0</td>
<td>$1,439.4</td>
<td>$1,408.9</td>
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<tr>
<td>Business Services</td>
<td>$3,103.0</td>
<td>$3,621.7</td>
<td>$3,005.5</td>
<td>$2,927.8</td>
<td>$2,809.3</td>
</tr>
<tr>
<td>Transportation</td>
<td>$6,079.0</td>
<td>$6,236.3</td>
<td>$5,479.5</td>
<td>$5,212.6</td>
<td>$6,954.3</td>
</tr>
<tr>
<td>Recreation</td>
<td>$4,935.0</td>
<td>$4,665.7</td>
<td>$4,806.4</td>
<td>$4,377.0</td>
<td>$4,955.8</td>
</tr>
<tr>
<td>Education</td>
<td>$0,376.0</td>
<td>$0,826.0</td>
<td>$1,005.6</td>
<td>$2,201.5</td>
<td>$2,016.5</td>
</tr>
<tr>
<td>Religious and Nonprofit Organizations</td>
<td>$239.2</td>
<td>$435.4</td>
<td>$410.3</td>
<td>$469.4</td>
<td>$412.4</td>
</tr>
<tr>
<td>Foreign Travel</td>
<td>$1,616.9</td>
<td>$1,153.9</td>
<td>$1,777.4</td>
<td>$1,070.5</td>
<td>$1,064.2</td>
</tr>
<tr>
<td>Miscellaneous Purchases</td>
<td>$81.5</td>
<td>$85.4</td>
<td>$860.3</td>
<td>$397.3</td>
<td>$1,038.5</td>
</tr>
</tbody>
</table>

Total Expenditures in P.R. by residents and nonresidents:

Less: Expenditures in P.R. by nonresidents:

Source: Puerto Rico Planning Board
Personal Consumption Expenditures

Even with the local recession, personal consumption expenditures reached $57.2 billion in 2010, up from $49.7 billion in 2006, representing an increase of 15%. In fiscal 2011, it further increased to about $58.9 billion. Major areas of personal consumption expenditures were medical services, housing and food.

Workforce

A prime allure of Puerto Rico is its highly educated and bilingual workforce.

Employers have access to a large pool of qualified job candidates.

According to the Puerto Rico Labor & Human Resources Department, as of October 2012 employment was 1.09 million people strong, an increase of 7,000 compared with October 2011.

The civilian population 16 years and older in October 2012 was 3.219 million, which means that just 34% of the capable population is in the labor force.

In October 2012, there were 17,000 people unemployed for an unemployment rate of 13.8%, a reduction from the 15.4% in October 2011.

The labor-force participation rate (which includes those employed and unemployed who are actively looking for a job) in October 2012 was at 39.4%. There were 1.951 million people outside the labor force, an increase of 68,000 compared with October 2011.

Sales of new housing units

The second quarter of 2012 reflected an increase in sales of new units of nearly 50% when compared with the first quarter. Total sales reached 939 units. The government’s incentive program had an obvious impact when implemented in 2010 and helped stabilize the market. However, new housing sales won’t reach 2008 levels for a number of years.

The State Housing Plan, adopted by the government and the Housing & Urban Development Department last year, calls for renewed efforts in the rental market, housing for the elderly, and low-cost housing in general. The homebuilding industry has been migrating to a different business model in line with the State Plan.

Mortgage Loan Originations

The significant drop in mortgage loan originations in the last four years has been a result of the collapse in the market for new housing units and a falling off in the resale market due to, not only the recession, but also a decreasing and aging population.

This has cut into the resale market and has added inventory of available units in a context of slow growth in aggregate demand. The situation is made worse by the significant number of units that have been or are in the process of being foreclosed. This adds additional units to the available inventory.

Delinquency Rates

The banking system’s asset quality problems are reflected in the delinquency rates that have reached historical highs in areas such as mortgages (15%) and construction loans (62.3%).

Some banks have offloaded their problem assets, lowering the delinquency figures. A particularly worrisome issue is the very high mortgage delinquency rate and the related growth in foreclosures that this has generated. The latest data from the Financial Institutions Commissioner’s Office reflect upward of 3,000 foreclosures in 2011 and a similar number projected for 2012.
Puerto Rico’s Public Debt

Although much has been achieved in reducing the fiscal deficit, structural and otherwise, the government’s public debt has surpassed 100% of Puerto Rico’s GP—$67 billion. Most of the increase in debt over the past three years is due to refinancing existing debt and dealing with the fiscal deficit. The major debt issuers have been the public corporations, with the central government playing a secondary role.

Lending activity

Banks in Puerto Rico have continued to strengthen their position although still restrained from significantly increasing their lending activities to comply with more stringent regulations. These regulations are a result of the financial crisis that affected the U.S. banking system and are generally intended to improve the banking system’s capital. Thus, loans must meet very strict criteria or alternatively must comply with more stringent reserve requirements. Even within this context, and in an economy that has experienced very modest growth rates, banks in the first quarter of 2012 lent out nearly $49 billion.

Assets in the Financial Sector

Undoubtedly, the loss of assets in the banking sector due to bank consolidations in 2011 and 2012 had a major impact on the financial sector as a whole. It’s interesting however; that the loss of asset value has stabilized and although in the first quarter of 2012 there was a loss of some $9 billion, every indication is that banks will partially recover lost assets.

All local banks except one are expected to generate profits in 2012. An interesting development with respect to financial sector assets is the growth in credit unions or cooperatives. They have now become the fourth largest component of the financial sector in terms of assets. International banking entities come in second after banks but, because of their nature, have no impact on local financial sector activities.

Total assets in the financial sector amounted to $162.3 billion as of March 2012.

Cargo Movement: Port of San Juan

After sliding from the peak reached in 2004-05, cargo movement has experienced an upswing in 2011. Total cargo increased by 632,000 tons or close to 8%. Various factors have affected the maritime cargo volume, primarily a shift to intangible and very high-value-added manufacturing. Obviously, the local recession has had an impact on imports, but renewed automobile sales have increased cargo movements through the port of San Juan.
Air Cargo Movement

The recession has had a major impact on air cargo, and its 2012-projected level is for some 600 million pounds, down from 809 million in 2005. Nevertheless, the level has stabilized at the 600 million pound level. The main users of air cargo facilities are the pharmaceutical and medical devices industries, but the largest share of the volume is mostly consumption goods.

Retail Sales

Retail sales have remained stable when measured in current dollars. However, if inflation is factored in, sales have fallen by about 1% per year over the past years. Likewise, if automobile and gasoline sales aren’t included, the rest of the retail sector has experienced decreasing sales. It is important, however, to indicate that retail sales are possibly under-reported due to the changing composition of the sector and underrepresentation of certain retailers. In any case, retail sales are also supported by a strong underground economy, federal transfers and government employment. These three sources are to a large extent countercyclical.

Automobile sales

In 2012 automobile sales exceeded 100,000 units after falling way below that number the previous three years. What accounts for this turnaround?

Automobile sales increase because of the fact that the stock of autos on the road has aged considerably during the recession and substitutions are called for. Since there is no reliable and low cost mass transit system, a substitute for autos during a recession, the automobile is a necessary good. Consumer expectations have also improved due to the stabilization in the economy and prospects for modest improvement in the next one to three years.

Exports and Imports

Total exports in Puerto Rico have continued to grow even after the global and U.S. slowdown mostly due to pharmaceutical exports of about $43.22 billion that make up more than 60% of total exports. Other major export categories consist of medical equipment and supplies, $4.54 billion; and computer and peripherals, $2 billion.

Exports reached $65 billion in 2011. Although figures aren’t yet available for 2012, projections are for a decrease in exports due to Law 154 (tax of controlled foreign corporations) and its impact.

Imports have stabilized at $40 billion to $42 billion. Major import categories include chemicals, pharmaceuticals and medicines, $20.23 billion; petroleum and coal products, $5.739 billion; and computer and electronic products, $2.398 billion.

![Personal Consumption Expenditures GCP Categories for 2011](image-url)
General Government Revenue

The Government of Puerto Rico’s revenue is mainly derived from income-tax collections. In fiscal 2012, it received a total of $8.65 billion, while expenditures amounted to $9.26 billion.

For the current fiscal 2013, which started July 1, 2012, revenue is projected to increase to $8.75 billion and expenditures to decrease to $9.083 billion.

From Commonwealth sources, it collected $7.821 billion mainly from tax revenue ($7.392 billion). For fiscal 2011, personal income tax was down $407.4 million, to $2.186 billion, or about 15%, mainly due to the implementation of the first phase of a tax reform that exempted those with income less than $20,000 from paying taxes and reduced the tax rates to other tax payers.

The sales & use tax, or IVU by its Spanish acronym, contributed $531.7 million to the general fund.

The positive increase in general fund revenue is mainly attributable to a new tax on certain controlled foreign corporations, which paid $677.8 million in taxes.

The general fund also received revenue from non-Commonwealth sources such as the rebate of U.S. excise taxes on offshore shipments of $328.5 million, mainly shipments of Puerto Rico rum to the U.S. mainland.

The structural budget deficit has decreased from $3.18 billion in fiscal 2009 to a projected $333 million in 2013.
Editors Note: The following report is excerpted from Caribbean Business Market Fact Book 2013.

Employment & Unemployment Rates
(As of December 2011)

Total Employment (in thousands)

Unemployment Rate

Source: Puerto Rico Labor & Human Resources Department
Puerto Rico’s longstanding passion for automobiles can be traced back to the early 20th century.

In fact, the story begins in the era of the very first “motorized coaches” that would take over the world by storm and change personal transportation forever.

**Panzardi, the bicycle & automobile pioneer**

According to records at the Puerto Rico General Archives, Italian-born Santiago Panzardi is credited with having imported the very first automobile to the island in 1901.

Born in 1881, in the small region of Lauria Inferiore in Potenza, Italy, Panzardi’s parents immigrated to America in 1890, setting roots in San Germán, on the island’s western region. A few years later, the Panzardi family would settle in Mayagüez, also on the west coast.

Against his parent’s wishes, Panzardi abandoned school at an early age. At age 15, he understood the business opportunity within the expanding transportation sector and established the first bicycle rental business on the island, out of his father’s jewelry store.

Soon after Panzardi’s work with the bicycle business, he initiated his incursion into the automobile world, after which others in Puerto Rico quickly followed. In 1903, Alejandro Franceschini of Yauco, in the southern part of the island, imported the first steam-powered automobile, a White. A year later, a steam-powered automobile, the Locomobile arrived in Puerto Rico, thanks to a syndication formed in San Germán.
By 1904, Panzardi came across the opportunity to acquire two Knox automobiles, which were powered by a single-cylinder engine. The vehicles were imported by a stateside individual named Phillips who tried to establish a passenger and mail-delivery company in Puerto Rico.

Due to the lack of roads and their poor conditions at the time, the mail business failed. That is when Panzardi, along with his partner, Simon Carlo, decided to acquire Phillips’ two Knox vehicles and establish the basis for his automobile business.

Years later, Panzardi organized the first automobile races in Puerto Rico. The most famous and popular ones included the feat of reaching the top of Cerro Las Mesas in Mayagüez.

Further developing the local auto industry, he realized early on the need for good automobile mechanics on the island. Panzardi then provided the financial means to send many locals to the U.S. mainland to be trained as mechanics.

Ultimately, his efforts resulted in the creation of hundreds of direct and indirect jobs in the island’s nascent automotive industry.

Puerto Rico, an automotive haven

Puerto Rico did not end up with one of the largest concentrations of vehicles and roads per square mile in the world by accident. Residents simply fell in love with the motorized four-wheel machine.

According to the U.S. Library of Congress, by Feb. 28, 1911, there had been 510 automobile licenses issued in Puerto Rico.

Based on a list prepared by Puerto Rico’s Department of the Interior,
Division of Property & Accounts, License No. 1 was awarded to a Stevens touring car, registered to Col. George Radcliff Colton, the fifth civil governor of the island, appointed by U.S. President Theodore Roosevelt. The remaining automobile registrants then were Puerto Rico residents, private companies, government officials and public corporations.

Vehicles at the time were registered throughout the island, including in San Juan, Río Piedras, Arroyo, San Germán, Fajardo, Bayamón, Caguas, Aguadilla, Vieques, Mayagüez, Yabucoa, Aguadilla, Yauco, Arecibo, Vega Alta, Ponce, Sabana Grande, Naguabo, Lares, San Lorenzo, Guánica, Naguabo, Manatí, Guayama, Humacao, Utuado, Carolina, Salinas, Gurabo, Coamo, Toa Alta and Cayey.

There were many automobile brands sold at the time on the island, some known and still sold today. At the dawn of the industrial revolution, Henry Ford developed and implemented the assembly line system to mass-produce its Ford Model T, which revolutionized transportation and American manufacturing, and is still in use today.


Two-wheeled vehicles become popular too

Puerto Rican’s love with motorized vehicles also extended to motorcycles. By 1911, there were 60 motorcycle licenses issued on the island. Most owners were individuals, private companies and public corporations.

Just like with their four-wheeled counterparts, there were motorcycles in almost every town. Brand names at the time included many that did not last very long and a couple that still exist today.

These included American, Indian, Hendee, Yale, March, Pierce, Hedstrom, Belgian, Henderson, Consolidated, Pope, Redding, Excelsior, M.C. Equipment & Supply and Steffey.

Service stations and auto dealers arrive

Along with the rapid growth in popularity of motorized vehicles, came the establishment of full-service gasoline and service stations. These began sprouting all over the island. The first gasoline brands to become available in Puerto Rico were Texaco, Standard Oil (previously Esso or Exxon, now Chevron), Gulf, Shell and Mobil.

While the first automobiles to arrive were purchased abroad, it did not take long for local entrepreneurs to establish...
automobile dealership operations as general agents. The auto dealerships were located in cities with large populations.

S.A. Panzardi, the company established by the local automobile pioneer, sold Buicks and Hudsons in San Juan, Guayama, Ponce and Mayagüez. Sánchez Morales & Co. represented the Republic Motor Trucks brand in San Juan, Ponce and Mayagüez.

E. Solé & Co. sold the Studebaker in San Juan; J. Pisa & Co. sold Peerless and Westcott automobiles in San Juan, Ponce and Arecibo; while the Porto Rico Automobile Co. sold the Ajax Six in San Juan, Ponce, Mayagüez and Arecibo. Pietrantoni & Sojo sold the Oldsmobile and Oakland brands in San Juan and Mayagüez.

The automobile diversifies transportation options

As Puerto Rico’s road network expanded and economic conditions improved between the 1920s and 1940s, automobiles continued to proliferate on the island. Like many other jurisdictions, mass transit lines were displaced as other transportation options became accessible.

Cars went even faster and farther, and offered a type of flexibility unknown to public transportation: to go anywhere, anytime. Ultimately, the only trains that remained until the 1950s were those used to transport sugarcane to processing mills.

During the early 1940s, U.S. car makers started dominating the market with brands such as Hudson, Packard, Studebaker, Cadillac, Buick, GMC, Oldsmobile, Chevrolet, Chrysler, Dodge, Ford, Mercury and Lincoln.

The early 1940s also saw luxury cars for the first time rolling off production lines, as a car represented the wealth and status of its owner.
A new car back in the early 1940s cost about $800, and for 18¢, you could buy a gallon of gas. On average, most cars in the 1940s got about 15 miles per gallon (mpg) to 20 mpg.

**World War II and the Jeep**

U.S. car production, however, was dealt a setback. No cars were manufactured after 1942 due to the advent of World War II. Throughout this period, the U.S. saw the conversion of many automotive manufacturing plants to military production. Automobile production for civilians did not resume until 1946 after the war was over.

During WWII, the Department of War came up with a one-quarter-ton four-wheel drive military vehicle called the Jeep, made by a company called Willys-Overland.

The vehicle proved to be so useful, that in 1945, a civilian Jeep was created for agricultural use. Given the island’s rough terrain, especially in the central region, the CJ (short for Civilian Jeep) became very popular in Puerto Rico.

**European brands arrive**

Up until the 1960s, U.S. car makers remained unchallenged in the mainland U.S. and local markets, although European and Japanese brands began to make some inroads with their more compact and efficient models.

In 1965, Automotores Datsun, later known as Motorambar Inc., a subsidiary of Dominican Republic’s Grupo Ambar, introduced the Datsun brand. During that same decade, local dealership Gómez Hermanos sold British, French and German-made vehicles on the island. Among them were the British-made Fords, such as the Anglia, Prefect, Zephyr and Cortina, as well as another British brand called the Hillman.

Gómez Hermanos also sold the French-made Ford Simca and the German-made Ford Taunus. “Back then, those cars cost $500 to $700,” recalled Víctor Gómez II, whose grandfather, Pedro Gómez, started the family’s automotive business, Garage Gómez, in the early 1940s. It was renamed Gómez Hermanos in 1949.

Back in the late 1960s, Gómez said the Volkswagen Beetle became very popular and a cultural icon, forever associated with the hippie movement of the time.

French automakers Renault, Citroën and Peugeot were also sold at the time in Puerto Rico.

Citroën was sold by Río Piedras Motors, owned by Yuyo Carrasquillo. Martorani sold the Italian-made Fiat, while West Indies Machinery distributed British brands Mini and MG. Félix Thillet sold the Austin Healey and Sprite.

**Japanese cars reach our shores**

Initially, the small Toyota 800 sold for about $1,000, while a Toyota Corona sold for $2,500, becoming Toyota’s best-seller in Puerto Rico at the time.

“But the arrival of Toyota changed everything. We saw a future, but not the way sales developed at the beginning. While we obtained the Toyota distributorship in 1964, it was not until 1966 that the brand really began to sell well,” Gómez said. “Back then, we sold about 100 Toyotas a year.”

The Civic’s arrival to the U.S. market coincided with the 1973 oil embargo, which forced many auto buyers to take a second look at smaller, more fuel-efficient Japanese vehicles.

Suddenly, these models were competing against the larger and more powerful, but popular American cars.
“The Civic was a small hatchback whose sales developed and grew over time. Very quickly, Honda realized it needed to bring more powerful and larger vehicles to the U.S. market. Therefore, Honda launched the Accord as a three-door hatchback in 1976. Soon after, other Honda vehicles followed,” recalled Jerómino Esteve-Abril, founder & chairman of the Bella Group Board of Directors.

This period of growth for the Japanese companies brought on the luxury counterparts of each manufacturer. Honda launched its Acura performance luxury car division in 1986 with the Legend, a four-door sedan. Acura was the first Japanese luxury brand to appear in the U.S. market.

Consequently, Bella obtained the distribution rights to Honda’s luxury brand. Soon after, Toyota’s Lexus (Toyota de Puerto Rico) and Nissan’s Infiniti (Motorambar Inc.) luxury brands also entered the local market. To date, Puerto Rico has seen the creation of a niche market in the luxury segment of the industry, including Acura, Infiniti, Lexus, Mercedes-Benz, BMW, Porsche, among other more expensive brands, such as Bentley, Ferrari and Maserati.

**Koreans arrive to Puerto Rico**

Korean automakers first reached the Puerto Rico automotive market in 1989, when the Hyundai brand was launched on the island.

During the early ’90s, Hyundai Excel was the first imported Korean vehicle on the island providing an accessible price, good product supply and a variety of colors, among other features. The launching of the subcompact Excel in 1990 was followed by the Scoupe in 1991, offering unique features like a turbocharged engine within a compact model. By 1994, Hyundai’s market share grew into double digits. By the mid-’90s, customers had a great acceptance of the Korean product, creating the pathway for the launching of the Kia brand into the market in 1994.

Kia distribution on the island started with a joint venture with Plaza Motors Corp., former distributor of Mazda vehicles. Among the first units imported by Kia was the Sephia, a subcompact sedan that offered good amenities at an affordable price. By 1995, Kia launched the first Korean sport-utility vehicle (SUV) with the compact Sportage.

Success of Korean automakers in popular categories like subcompact, compact and small SUVs, provided the opportunity for a third brand to distribute their vehicles in Puerto Rico. By 1997, the Daewoo brand was launched with the subcompact Lanos, compact Nubira and midsize sedan Leganza. In 2004, the brand disappeared from the market.

Even though Daewoo disappeared from the market, remaining Korean brands Hyundai and Kia, had increased their product lineup in several categories.

In 2000, Kia distribution in Puerto Rico was acquired by Motorambar. That paved the way for several introductions in its lineup, which included the Kia Optima in 2001. The next year, Sephia was replaced by the Spectra, Rio was introduced and the Sedona minivan was launched. Finally, in 2003, the Kia Sorento was introduced to the Puerto Rico market.


The year 2009 marked a major milestone for Hyundai as distribution was acquired by Sojitz Corp., establishing themselves as Sojitz de Puerto Rico Corp. d/b/a Hyundai de Puerto Rico. The new distribution opened the path for a stronger dealer network, with the intention of providing better customer service for sales and after-sales.

The creation of Sojitz de Puerto Rico was official in September 2009. This served as the launching venue for four new products: Elantra Touring (currently Elantra GT), Genesis Coupe, Genesis Sedan and Veracruz.

Korean automakers have increased their sales continuously, by 46% in 2009, 72% in 2010, 21% in 2011 and 35% in 2012.
The industry joins efforts

On various occasions throughout the industry’s history in Puerto Rico, local automobile distributors have joined efforts to advance and professionalize the industry. During the 1990s, local distributors agreed to create the Puerto Rico Automobile Sales Report (PRASR), the industry’s first and only official statistics for new-vehicle sales in Puerto Rico and the U.S. Virgin Islands. While there were industry statistics starting from 1990, the first PRASR was produced in 1994, reporting 107,873 new vehicles sold that year.

Later on, in 2006, the industry once again came together to create GUIA. To this day, Grupo Unido de Importadores de Automóviles is the united voice of the automotive industry in Puerto Rico.

GUIA’s relevance can be seen as it carries out one voice for the vehicle-distribution companies in Puerto Rico, and it seeks to promote the philosophy of the group.
The 1990s, a period of sustained growth

The last year of the 20th century, 2000, ended with 123,375 new vehicles sold. During that period, the industry’s record was set in 1998, with 129,516 new units sold.

The last decade of the 20th century was marked by the third-largest sustained economic expansion since WWII. This was combined with a steady but moderate growth in employment, low inflation and interest rates.

The period was characterized by large investments in public works projects, which injected billions of dollars into the local economy. A growing workforce and economy fueled consumer confidence, and thus their appetite for durable goods, including new vehicles.

2001-2005: the Puerto Rico market reaches 140,000 units

The conditions that marked the previous decade continue their trend, with the exception of 2002 and part of 2003, when the second Iraq conflict created a hiccup that was soon reversed with the Puerto Rico economy growing again. By 2002-2003, the industry had hit a flat to decreasing trend, but in a sense, this was provoked by a mild recession and no one could predict at that time that the industry would recover and would be on its way to a record year in sales in 2005 of a total 140,400 new units, a historical milestone.

2006-2010: After the bubble

Two events marked what would be the rest of the decade; the local government’s decision to close operations in early May 2006, combined with the introduction in November of 2006 of the sales & use tax (IVU by its Spanish acronym) and the worldwide recession that was officially declared in the U.S. in 2007. In addition, inflation and a credit crunch set the stage for the rest of the decade.

The impact on the industry was immediate as it saw a sharp sales reduction of minus 19.1%.

Contrary to 2005, 2009 marked another milestone for the industry: This time, the industry reported its lowest sales on record since the inception of the Puerto Rico Automobile Sales Report, with 78,924 new-units sold. This coincides with the toughest labor market to date, record bankruptcies and highest unemployment level in years.
The year 2010 marked the industry’s recovery, followed by positive sales in 2011 and 2012. In fact, with 102,550 new-units sold, 2012 was the first time the industry ventured over the 100,000 mark since 2007. In 2012, Plaza Motors Corp., the Mazda brand distributor on the island, was bought by Bella Group. Formerly a subsidiary of Japan-based Sumitomo Corp., Plaza Motors had taken over the Mazda’s distribution in 1973 from former distributor Allied Motors.

With new and exciting technology, the increasing demand for fuel-efficient alternatives and a growing focus on a more formal and professional workforce, the auto industry in Puerto Rico—although always cautious about the global financial outlook—is looking forward to a steady improvement in the coming years.
Auto industry overview

The Puerto Rico auto industry is a significant contributor to the island’s economic activity.

The island’s auto industry collected $386.8 million in excise taxes and another $62.5 million in vehicle registration fees for the government in fiscal year 2012, which ended June 30, 2012.*

The excise tax and licenses collected by the island’s auto industry in fiscal 2012 represented 66.8% of the general fund’s net revenue. Another $166.5 million in excess taxes on gasoline were collected in fiscal 2012. A total of $29.7 million in sales & use tax relating to the automotive industry were collected in fiscal 2012. Municipal franchise fees of $27.1 million were collected by municipalities from auto dealers in fiscal 2012.*

Nevertheless, the automotive industry is considered one of the island’s most taxed sectors. Between 13% and 40% in excise taxes—20% on average—is paid on vehicles entering Puerto Rico.

Auto importers, or distributors, are responsible for paying the excise tax upon the vehicles’ entry into Puerto Rico, which is in turn included in the price for the end consumer.

The local auto industry also contributes a significant, unspecified amount in sales & use tax (IVU by its Spanish acronym) revenue through the sale of parts and services at dealers, as well as millions more in real property taxes.

It is estimated that the Puerto Rico auto industry’s distributors and their dealers are responsible for about 15,000 direct and indirect jobs.

A roller-coaster ride for local new-auto sales

In recent years, local auto sales have experienced a roller-coaster ride—from a record high of 144,400 units in 2005 to a record low of just 78,924 units in 2009.

Through special manufacturers’ rebates, dealer incentives, attractive financing terms and special sales events, the entire auto industry—distributors, dealers, auto finance and insurance providers—all pitched in to help lift auto sales 16.95% in 2010 to 92,310 new units.

The island’s auto distributors and dealerships moved 93,697 new units in 2011, a 1.5% increase over 2010.

While the nearly 500 auto fairs held during 2010 helped lift new-vehicle sales that year, one of the main factors that propelled auto sales another 1.5% in 2011 was fleet sales, mainly to car-rental companies, thanks to an improved tourism sector.

Rental companies typically upgrade their fleets during summer and winter, but in 2011, many were compelled to do so in March due to increased demand.

An analysis of auto-sales trends in 2011 revealed retail sales had increased 0.5%, while fleet sales grew 8.7%. Nevertheless, retail sales represented 88% of total sales, and fleet sales 12%.

When new-auto sales were broken down geographically, the greater San Juan metropolitan region was responsible for
*Source: Estudios Técnico, Inc.*
about 44.8% of all new-unit sales, followed by the central region (17.5%), northern region (10.6%), western region (9.9%) and eastern region (8%).

New-vehicle sales in the U.S. Virgin Islands by Puerto Rico’s auto distributors represented about 1.2% of total new-unit sales reported.

**Industry remains optimistic**

The United Group of Automotive Importers (GUIA by its Spanish acronym), the leading local trade organization that represents the island’s top nine automobile distributors, projected early in 2012 that new-auto sales in Puerto Rico would increase 1%-3% during 2012 from 2011.

**Election anxiety**

However, industry sources point out to a “slamming on the brakes” by local auto consumers in November. This is considered a normal trend for the month of November, during years where a general election is held.

According to the Automobile Industry Sales Report, which is distributed by GUIA, in November, island distributors sold 8,994 new units, down 3.9% from the same period in 2011.

Nevertheless, December’s Auto Industry Sales Report revealed 12,432 new vehicles were sold during the last month of the year, meaning the island’s auto industry finished 2012 with 102,550 new units sold, or 9.5% higher than in 2011 surpassing GUIA’s projections.

The 102,550-unit sales marked the third-consecutive year of positive sales and the first year surpassing the 100,000-unit mark for Puerto Rico auto distributors since hitting rock bottom in 2009.

**Subcompacts and compacts dominate PR. new-auto sales**

When breaking down auto sales by vehicle segments, three subsegments account for 65% of total sales: subcompacts, compact SUVs (sport-utility vehicles) and compact sedans. These are vehicles in the $15,000 to $30,000 price range, with core sales in the $15,000 to $25,000 price range.

When the midsize SUV, midsize sedan and midsize pickup segments are added to those three sub-segments, the portion of total auto sales rises to about 82%.

With the price of gasoline projected to remain high, this trend toward subcompacts and compacts is expected to continue as consumers move toward more economical and fuel-efficient vehicles.

**A push for hybrids and electric vehicles**

The arrival of electric vehicles (EVs) to the island as early as the first quarter of 2013, as well as the increased interest in gasoline-electric hybrids expected as a result of the passing of Act 204-2012, promises to open a new and exciting chapter in Puerto Rico’s transportation and automotive history.

With 65% of local new-vehicle demand concentrated in the subcompact, compact, sport-utility vehicle (SUV) and compact-sedan segments, there’s no question local auto buyers are looking for more fuel-efficient vehicles to offset rising gas prices.

The passage of Act 204 in 2012 undoubtedly placed Puerto Rico on the world map as one of the most proactive jurisdictions promoting the use of hybrids, plug-in hybrids and all-electric vehicles.

In August 2012, former Gov. Luis Fortuño signed into law Act 204-2012, granting excise tax reimbursements of up to 65% to buyers of hybrid and plug-in hybrids vehicles, while providing 100% tax exemption on fully electric vehicles through 2016.

The new law provides a reimbursement on the excise tax paid on the purchase of a conventional hybrid or a plug-in hybrid, which shall not exceed the following: 65% of the excise tax paid,
not to exceed $8,000, between July 1, 2012 and June 30, 2013; 50% of the excise tax paid, not exceeding $6,000, from July 1, 2013 to June 30, 2014; 40% of the excise tax paid, not to exceed $4,000, from July 1, 2014 to June 30, 2015; and 25% of the excise tax paid, not to exceed $2,000, starting July 1, 2015, with no expiration date.

**EVs are tax-exempt**

Electric vehicles will be tax-exempt through 2016. At that time, the Legislative Assembly will evaluate the effect of the tax incentives to decide whether to extend them.

This law is expected to increase the sale of hybrids, plug-in hybrids and electric vehicles on the island.

The 100% excise-tax exemption on EVs provided by Act 204-2012 paved the way for Japanese automaker Nissan to import the Nissan LEAF EV vehicle to the island in early 2013, thanks in great part to the local government’s “zero emissions, zero excise tax” initiative.

In fact, Puerto Rico is setting the pace by becoming the first market in Latin America where the Nissan LEAF will be sold. Other auto manufacturers are expected to follow suit, making available their EVs to local consumers.

Auto manufacturers such as Toyota, Ford, Hyundai and Kia are already increasing the number of hybrid and plug-in hybrid offerings in their respective vehicle lineups.

In 2012, Ford introduced its all-electric Transit Connect compact cargo van for fleet use in the local market.

Other automakers such as Fiat and Mitsubishi are slated to bring their EVs to the island in the coming months.

**Recharging infrastructure**

Act 204-2012 has also helped expand the first recharging infrastructure for EVs on the island.

With an average daily commute of 40 miles, most local drivers won’t need to recharge their Nissan LEAF to return back home from work. However, a network of charging stations around the island will help extend the vehicle’s estimated 100-mile range per charge.

Already, there are 11 EV charging stations in Bayamón and three in Ponce. Nissan and local distributor Motorambar Inc. have in turn established charging stations at Motorambar’s facilities in Cataño and Toa Baja.

Additional stations are slated to become operational throughout the island as government agencies, municipalities, private companies and auto dealerships embrace and promote the use of zero-emissions, all-electric vehicles.
# Industry Statistics

**PR & USVI Sales Ranking by Brand**  
Calendar Year 2012 vs. 2011

<table>
<thead>
<tr>
<th>AUTOMOTIVE BRANDS</th>
<th>TTL 2011</th>
<th>TTL 2012</th>
<th>SALES % CHANGE</th>
<th>MARKET SHARE 2011</th>
<th>MARKET SHARE 2012</th>
<th>CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toyota</td>
<td>23,446</td>
<td>25,459</td>
<td>12.9%</td>
<td>25.0%</td>
<td>25.3%</td>
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<td>Ford</td>
<td>11,239</td>
<td>11,513</td>
<td>2.3%</td>
<td>12.0%</td>
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<td>Nissan</td>
<td>8,055</td>
<td>10,369</td>
<td>28.7%</td>
<td>8.6%</td>
<td>10.1%</td>
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<td>Hyundai</td>
<td>6,811</td>
<td>9,676</td>
<td>42.1%</td>
<td>7.3%</td>
<td>9.4%</td>
<td>2.2</td>
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<td>Chrysler</td>
<td>9,536</td>
<td>9,436</td>
<td>-1.0%</td>
<td>10.2%</td>
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<td>-1.0 pts.</td>
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<tr>
<td>Kia</td>
<td>7,143</td>
<td>9,131</td>
<td>27.8%</td>
<td>7.6%</td>
<td>8.9%</td>
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<td>Mitsubishi</td>
<td>8,327</td>
<td>6,172</td>
<td>-25.9%</td>
<td>8.9%</td>
<td>6.0%</td>
<td>-2.9 pts.</td>
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<td>Honda</td>
<td>4,003</td>
<td>4,595</td>
<td>14.8%</td>
<td>4.3%</td>
<td>4.5%</td>
<td>0.2</td>
</tr>
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<td>Suzuki</td>
<td>4,247</td>
<td>3,571</td>
<td>-15.9%</td>
<td>4.5%</td>
<td>3.5%</td>
<td>-1.0 pts.</td>
</tr>
<tr>
<td>Mazda</td>
<td>2,388</td>
<td>1,698</td>
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<td>2.5%</td>
<td>1.7%</td>
<td>-0.9 pts.</td>
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<tr>
<td>Scion</td>
<td>886</td>
<td>1,608</td>
<td>81.5%</td>
<td>0.9%</td>
<td>1.6%</td>
<td>0.6</td>
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<tr>
<td>GM</td>
<td>1,337</td>
<td>1,714</td>
<td>28.2%</td>
<td>1.4%</td>
<td>1.7%</td>
<td>0.2</td>
</tr>
<tr>
<td>Mercedes</td>
<td>1,101</td>
<td>1,010</td>
<td>-8.3%</td>
<td>1.2%</td>
<td>1.0%</td>
<td>-0.2 pts.</td>
</tr>
<tr>
<td>Fiat</td>
<td>402</td>
<td>714</td>
<td>77.5%</td>
<td>0.4%</td>
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<td>Acura</td>
<td>735</td>
<td>856</td>
<td>16.5%</td>
<td>0.8%</td>
<td>0.8%</td>
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<td>BMW</td>
<td>930</td>
<td>851</td>
<td>-8.5%</td>
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<td>-0.2 pts.</td>
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<td>630</td>
<td>758</td>
<td>20.3%</td>
<td>0.7%</td>
<td>0.7%</td>
<td>0.1</td>
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<tr>
<td>Mini</td>
<td>410</td>
<td>443</td>
<td>8.0%</td>
<td>0.4%</td>
<td>0.4%</td>
<td>-0.0 pts.</td>
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<td>Infiniti</td>
<td>456</td>
<td>397</td>
<td>-12.9%</td>
<td>0.5%</td>
<td>0.4%</td>
<td>-0.1 pts.</td>
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<td>Audi</td>
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<td>345</td>
<td>1.8%</td>
<td>0.4%</td>
<td>0.3%</td>
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<tr>
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<td>331</td>
<td>18.6%</td>
<td>0.3%</td>
<td>0.3%</td>
<td>0.0</td>
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<tr>
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<td>228</td>
<td>245</td>
<td>7.5%</td>
<td>0.2%</td>
<td>0.2%</td>
<td>-0.0 pts.</td>
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<tr>
<td>Subaru</td>
<td>184</td>
<td>184</td>
<td>0.0%</td>
<td>0.2%</td>
<td>0.2%</td>
<td>-0.0 pts.</td>
</tr>
<tr>
<td>Land Rover</td>
<td>168</td>
<td>187</td>
<td>11.3%</td>
<td>0.2%</td>
<td>0.2%</td>
<td>0.0</td>
</tr>
<tr>
<td>Smart</td>
<td>240</td>
<td>138</td>
<td>-42.5%</td>
<td>0.3%</td>
<td>0.1%</td>
<td>-0.2 pts.</td>
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<td>Volvo</td>
<td>91</td>
<td>85</td>
<td>-6.6%</td>
<td>0.1%</td>
<td>0.1%</td>
<td>-0.0 pts.</td>
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<td>41</td>
<td>39</td>
<td>-4.9%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>-0.0 pts.</td>
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<tr>
<td>Ferrari</td>
<td>5</td>
<td>8</td>
<td>60.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0</td>
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<tr>
<td>Maserati</td>
<td>9</td>
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<td>-11.1%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>-0.0 pts.</td>
</tr>
<tr>
<td>Lotus</td>
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<td>N/A</td>
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<td>Bentley</td>
<td>1</td>
<td>0</td>
<td>-100.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>-0.0 pts.</td>
</tr>
</tbody>
</table>

**GRAND TOTAL**  
93,587  
102,550  
9.5%  
100.0%  
100.0%  
0.0%

Source: P.R. Automobile Sales Report, 2012
Finance and insurance companies are vital to Puerto Rico’s auto industry

Make no mistake about it, without the financial and insurance industries, there would simply be no auto industry.

Second only to the purchase of a home, buying a vehicle is one of the most significant investments a consumer makes in his or her lifetime.

In Puerto Rico, owning an automobile is no longer a luxury, it is a necessity. Without an islandwide mass transit system, about 88% of the island’s working population depends on their personal vehicles for their transportation needs.

Considering that 98% of all vehicles sold in Puerto Rico are financed, it is essential to protect that investment as well.

Record highs and lows

From the local auto industry’s record-setting 2005, when 140,400 new units were sold, new-auto sales slid steadily for the next four years, hitting an all-time low in 2009 with just 78,924 new units delivered, a 43.8% drop from 2005 and down 15.7% from 2008.

In fact, 2009 was the local auto industry’s worst year on record. However, since 2010, the island’s auto industry has experienced a notable recovery, which is expected to continue over the next few years—thanks in part to the support provided by the local auto-finance and insurance companies.

In addition to the arrival of exciting and more fuel-efficient models, aggressive marketing strategies, such as manufacturers’ rebates and dealer incentives, there is no doubt that the availability of attractive financing terms, along with affordable insurance coverage, have been critical factors and major contributors to the local auto industry’s recovery over the past years.

By the same token, the local auto-financing and insurance sectors are prime direct beneficiaries of the island’s auto industry recovery.

Auto financing

According to the latest report by the Financial Institutions Commissioner’s Office (OCIF by its Spanish acronym), the island’s total conventional auto-loan portfolio reached $5.79 billion at the end of the third quarter (Sept. 30) of 2012, a 5.86% increase over the same period in 2011.

Including $822.5 million in leases, the island’s total auto-finance portfolio jumped to a combined $6.61 billion during the said period.

During the quarter, some 14,874 auto loans were generated, for a total of $329.4 million. Of those loans, 8,773 were for new vehicles, amounting to $225.5 million. During the same period, another 6,082 loans, valued at $102 million, were for used vehicles.
The local financial companies that provide conventional auto loans & leases and floor-plan financing—a line of credit to dealers to acquire their vehicle inventories—included in the report are BMW Financial Services, Capex Financial Co., Commercial Equipment Finance, Ford Motor Credit of Puerto Rico, General Motors Acceptance Corp., Mercedes-Benz Finance Services USA, Popular Auto, FirstBank Auto, Reliable Financial Services, Toyota Credit of Puerto Rico and W.C. Finance Inc.

There are other nondepository financial institutions, such as federal credit unions and local savings & loan co-ops that also provide auto financing on the island.

As of September, the local leader in auto financing was Reliable Financial, with $1.74 billion in conventional auto loans generated during the quarter. It was followed by FirstBank and Popular Auto, with $1.22 billion and $1.19 billion, respectively, in auto loans and leases produced during the same period.

According to OCIF, the local auto-finance sector employs a combined 739 people in 23 branches across the island. Of these, 713 were full-time and 26 part-time employees.

Auto insurance

There are about 20 domestic and foreign property & casualty companies operating in Puerto Rico that offer auto-insurance coverage.

According to OCIF, about $635 million in premiums were generated during 2011, of which $192 million went to the Asociación de Suscripción Conjunta (ASC by its Spanish initials), a consortium of private insurance companies that provide compulsory insurance for car owners.

The ASC annually attends to hundreds of thousands of claims and pays tens of thousands of dollars in benefit payments under this compulsory insurance. The ASC operates 15 service centers around the island, employing hundreds of workers in Puerto Rico.

No-fault requirement

Like many U.S. states, when it comes to insurance, Puerto Rico is a no-fault territory. Puerto Rico’s insurance laws require drivers to have no-fault auto insurance coverage. This is called Compulsory Liability Insurance, or CLI coverage.
CLI coverage requires all drivers, including those who don’t reside in Puerto Rico, to have minimum liability coverage of $4,000. This insurance provides automatic coverage for a third party’s vehicle, regardless of which party is at fault.

Vehicles registered in Puerto Rico are assessed a $99 fee for private passenger vehicles or a $148 fee for commercial vehicles. This fee provides basic CLI coverage.

Drivers have the option to purchase additional coverage from a licensed private insurer. Puerto Rico laws allow drivers to sue other drivers for damages only when the damages exceed the $4,000 CLI coverage maximum. Therefore, some drivers purchase additional liability coverage. In addition, all financed vehicles must be insured as required by the financial institution.

Total premiums for auto insurance in 2011 amounted to about $635 million, of which $192 million went to the ASC.

**Bodily injury requirement**

Puerto Rico doesn’t require drivers to have full-liability insurance coverage for injuries, dismemberment and death, but requires medical liability insurance that is much like personal-injury protection, or PIP, insurance that is required in no-fault states, such as Florida.

The Automobile Accident Compensation Administration, or ACAA by its Spanish acronym, provides mandatory coverage. Consumers have the option of purchasing supplemental coverage from a private insurance company.

If the bodily injury expense exceeds the ACAA coverage, the injured party may sue the other driver.

**Uninsured-motorist protection**

Puerto Rico doesn’t require drivers to obtain uninsured-motorist protection. Therefore, a driver who is involved in an accident with a driver who doesn’t have insurance is at greater risk.

To reduce this risk, drivers are required to have no-fault coverage to maintain legal registration from year to year, and drivers who don’t have coverage could be fined up to $500. Drivers have the option of purchasing their own uninsured-motorist coverage from a private insurer.
Bella Group Profile

Distributor:
Bella Group
Main Office
Calle Bechara Esq. Segarra
Edif. 101 Suite 1, San Juan, Puerto Rico

Auto brands distributed
Honda, Acura and Mazda

Company history

Founded in 1963 by Jerónimo Esteve-Abril, Bella Group (Bella) is a privately held Puerto Rican company focused in the wholesale distribution and retail sales of automobiles, motorcycles, watercraft, power products, as well as parts and service. In 2004, the company successfully passed the business on to a second generation, when Carlos A. López-Lay, President & CEO, and his wife, María Isabel Esteve, Senior Executive Vice President, acquired the company from Esteve-Abril. Bella Group is the exclusive distributor of Honda, Acura and Mazda automobiles in Puerto Rico and the United States Virgin Islands.

Bella dedicated its first decade to selling Honda motorcycles, becoming the exclusive distributor of Honda bikes in 1967. In the 1970s the ongoing energy crisis created an opportunity for the company to expand its offering; the company began selling the first generation of Honda Civics in Puerto Rico, shortly thereafter, becoming exclusive distributors of Honda in Puerto Rico. By the mid-1980s, Bella Group had ventured into the power equipment business as well as becoming exclusive distributors of the Acura brand in Puerto Rico.

Bella’s story, however, is one of growth and diversification. During the 1990’s, what was once known as Bella International, now become Bella Group, as the company began to diversify its retail outlets. This is when the organization entered the rental business by adding Bella Rent-A-Car, Bella Marine, Bella Body Shop and establishing a new auto retail operation outside the Honda and Acura brands, with Flagship Chrysler, which was later joined by Flagship Mazda and in 2013 it will venture into the European market with Flagship Volkswagen. In addition to the Honda motorcycle line, Bella is also the exclusive distributor of Triumph and BMW bikes. In January 2013 Bella initiated operations as the exclusive distributor of Mazda in Puerto Rico and USVI.

In a period of economic instability and a deep contraction in the auto industry, Bella Group remained undeterred as it continued to grow at a steady pace. In fact, in the past five years, Bella nearly doubled its workforce, added new dealers, brands and products to its already diverse product line.

In recent years Bella Group has been busy renovating its existing facilities and expanding its retail presence throughout the Island. In San Juan, Bella inaugurated a
new Honda de San Juan dealership, began construction for its Acura retail operation and plans to break ground in early 2013 with a new state of the art Honda Service Center also in Kennedy Avenue.

Bella’s operations in Bayamón also continue to flourish. Here they have established Bella Auto Mall, which consists of the recently inaugurated Honda de Bayamón facility and Flagship Chrysler. In February 2013 Bella Auto Mall will be complete with Flagship Volkswagen.

Puerto Rico’s southern coast has seen important activity from Bella Group as well. With an Acura dealership and the recent acquisition of a new Honda dealership, Ponceños will continue to be served by Bella’s trademark sales and service culture. Meanwhile, the Honda de Ponce store will undergo redevelopment within the next three years.

As Bella Group continues to develop its retail operation, the wholesale distribution business continues to grow. In December 2012, Mazda North American Operations (MNAO) announced that Bella Group spin-off, International Automotive Distributor Group LLC (IADG) would become the new distributor of Mazda cars and sport utility vehicles throughout Puerto Rico and the U.S. Virgin Islands.

After nearly 40 years, Sumitomo Corp., the parent company of former local Mazda distributor Plaza Motors Corp., notified MNAO it was no longer interested in continuing the distribution operation.

With a $10 million investment, Bella Group has already initiated operations at Mazda de Puerto Rico in Cataño. IADG is a new entity Bella Group specifically created to handle all aspects of the distribution, sales and service of Mazda vehicles in Puerto Rico and the USVI.

Current operations

Bella continues to diversify its retail operation with the opening of Flagship Volkswagen scheduled for early 2013, adding a European line to its already varied product line. Bella has also shown further growth in the wholesale operation within the local market.

Employing more than 560 experienced professionals, Bella Group has been recognized by Aon Hewitt as one of Puerto Rico’s Top Employers on five separate occasions (2002, 2003, 2006, 2009 and 2012). In fact, in 2012 it was selected as Puerto Rico’s Top Employer in the Large Company category.

In 2012, new Honda sales totaled 4,595, at a 4.5% market share. Acura sold 856 new vehicles, with a 0.8% market share overall and Mazda sales reached 1,698 with a 1.7% market share.

Warranty information:

Honda
3 years/36,000 miles (bumper to bumper)
5 years/60,000 miles (powertrain)

Acura
4 years/50,000 miles (bumper to bumper)
6 years/70,000 miles (powertrain)

Mazda
3 years/36,000 miles (bumper to bumper)
5 years/60,000 miles (powertrain)

For 2013 and 2014, Bella Group will be offering a number of exciting, new and bolder Honda models featuring new technology and added luxury. These will include the ninth-generation Accord sedan and coupé models, the Crosstour Concept, and the all-new Accord Plug-in Hybrid, which will have the ability to run in all-electric mode for 10 to 15 miles.

The completely redesigned 2013 Acura RDX is the most powerful, fuel-efficient and technologically advanced RDX ever. The new RLX Concept features superior handling performance and exceptional attention to detail.

Mazda will be launching the all new Mazda6, where form meets function; the new Mazda6 will exemplify the definition of a true sports sedan. A revamped CX9 will be hitting stores in early 2013 and a 2014 Mazda3 is expected to be launched towards the end of the year.

Top executive

Carlos A. López-Lay
President & CEO of Bella International
(Since 2004)

Carlos A. López-Lay’s career in Bella Group spans over 20 years, where he has occupied various managerial and operational positions. In 1995, he was named Vice President of Sales &
Bella Group’s dealer network

Honda dealer network includes:
- Honda de Bayamón
- Honda de Ponce
- Honda de San Juan (Kennedy Avenue)
- Triangle 65 (65th Infantry, San Juan)
- Hendricks International (St. Croix, USVI)
- Community Motors (St. Thomas, USVI)
- Virgin Island Motors (Tortola, BVI)

Mazda dealer network includes:
- Centro Automotriz (Aguadilla)
- Barranquitas Mazda
- Caguas Auto Mall
- Cayey Auto Mall
- Cidra Auto Mall
- Cabrera Mazda (Hatillo)
- Autoland (Mayagüez)
- Flagship Mazda (San Juan)
- Mazda 65 Infantería
- Toñito Auto (San Juan)
- Metro Motors (St. Croix, USVI)
- John’s Auto (St. Thomas, USVI)

Acura dealer network includes:
- Acura de Ponce
- Acura de Puerto Rico (Kennedy Ave.)

Operations and became Executive Vice President & COO in 1997. In 2002, he was promoted to President & COO, shortly thereafter becoming President & CEO of Bella Group. In 2004, he and his wife, María Isabel Esteve, became sole owners of Bella Group when they bought the company from María Isabel’s father, Jerónimo Esteve-Abril.

López-Lay earned a Bachelor’s Degree in political science, with a concentration in international relations, from Mount St. Mary’s College, and later obtained his Juris Doctor at Universidad Interamericana de Puerto Rico’s Law School.

As a founding member of GUIA, he is currently the organization’s Treasurer, and served as President from 2009 to 2011. He is also involved in a number of other professional and philanthropic organizations, including the Young Presidents’ Organization (YPO), SER de Puerto Rico, Fundación Padre Juan José Santiago, Puerto Rico Museum of Art.

In 2012, he was inducted into the CARIBBEAN BUSINESS Top 10 Business Leaders Hall of Fame, and was selected as a Top 10 Business Leader for 2008, 2009, 2010 and 2011. He has received numerous other business and management awards as well.
Corporate Values

Integrity and honesty
Excellence in service
Our team
Teamwork
Innovation and technology
High performance

Social responsibility programs

Bella Group’s corporate social responsibility efforts are conducted through its Bella Cares program, with the company’s commitment to the community being one of its guiding principles since Bella’s origins. Initiatives under Bella Cares include the Bella Foundation and Bella Green.

Bella Foundation

Launched in 2003 when the company celebrated its 40th Anniversary, Bella Foundation’s efforts are focused on improving the quality of life for children and young adults through educational opportunities and community development. The Foundation aspires to provide individuals with the necessary tools to achieve a well-rounded and productive life, where each person can contribute to his or her community. The foundation’s mission is to strive to improve quality of life by supporting and promoting programs that are focused on education and overall well-being.

Various philanthropic initiatives include:

CAP Foundation – In 2012 Bella Group raised funds to benefit pediatric cancer initiatives.

MDA – with an ongoing relationship with the Muscular Dystrophy Association (MDA), Bella’s team donates time and resources every year to help raise funds.

SER de Puerto Rico – Bella also has a long-standing tradition of collaborating with the education and rehabilitation society. This year, the company donated $40,000 for various initiatives, including a car that is donated every year for a raffle, with all proceeds benefitting SER. The Bella team is equally committed to volunteering and assisting SER participants.

Universidad del Sagrado Corazón

Bella created the Jerónimo Esteve-Abril Scholarship Fund at USC. With a $1 million endowment, Bella Group is assisting students in achieving their educational and professional goals.

Bella Green – is the company’s program to promote environmental conscious initiatives in the workplace. Bella’s effort includes a recycling program at all of its facilities, as well as a commitment to building and operating all new facilities in such a manner as to reduce Bella’s carbon footprint.
Chrysler, founded in 1925, entered the Puerto Rico market through Boricua Motors in the 1970s.

In 1991, Emérito Estrada Rivera took over the distribution. After that, in 1993, independent dealer/distributors began importing the vehicles directly. This resulted in the current local Dealers Association.

In 1998, Chrysler merged with German automaker Daimler-Benz, forming Daimler-Chrysler. In 2007, Cerberus Capital Management purchased Chrysler from Daimler. Later in 2009 and due to the financial crisis in the United States, Italian automaker Fiat, S.p.A., entered into an agreement with the US Government to purchase Chrysler, forming the new Chrysler Group LLC. In Puerto Rico, the new Chrysler Group International Services (CGIS) emerged with a redefined mission and vision.

At the beginning of 2011, CGIS relaunched the Fiat brand in Puerto Rico (after a 26-year hiatus) with a new concept in car dealerships named Fiat Studios, located in San Juan, Ponce and Mayagüez. Also in 2011, the nine existing Chrysler dealerships on the island completed the remodeling of their facilities, at a significant investment, to adopt the automaker’s new corporate design requirements.

In July 2011, Ricardo M. García was appointed as managing director. He was the first Puerto Rican to head the local and regional office of any
U.S. automaker. At that time, Chrysler was amid a massive product launch of 16 all-new or redesigned models of the four key brands (Chrysler, Dodge, Jeep and Ram) over a 16-month period.

In 2011, CGIS saw record sales of 9,005 units and placed third in overall sales and second in retail sales on the island. The Fiat brand sold 402 units, placing fourth among all European brands. CGIS also finished 2011 with a 9.9% share of the local market, the highest market share achieved by any Chrysler Group office in the international markets. Puerto Rico also became the No. 1 market internationally (outside the U.S. mainland) for the Jeep Wrangler, surpassing larger markets such as Australia, South Africa and China.

**Current operations**

The current CGIS operation consists of nine Chrysler dealers and three Fiat studios, located throughout the Island, which are responsible for the brands’ sales, parts and service operations. The dealers employ more than 500 skilled professionals. The corporate office in Guaynabo, CGIS, has 18 employees.

In 2012, the previous sales record was surpassed with 9,029 units and a 9% market share for the combined Chrysler, Jeep, Dodge & Ram brands. Fiat reported 714 units with a 78% increase over 2011. The Jeep brand, also with a record year, was solidified as the market leader in the SUV segment in the local industry and also had the best year in global sales.

The CGIS product lineup currently features some of the world’s most recognizable and awarded vehicles, including the Chrysler 300 and Town & Country, the Dodge Durango, the all-new Dart, the Ram 1500, the Jeep Grand Cherokee and the iconic Jeep Wrangler. The Fiat 500 allows CGIS to offer a fuel efficient, Italian designed alternative in the subcompact segment with vehicles that deliver up to 40mpg.

For 2013, our goal is to exceed the 2012 results, spurred by new models and redesigns that will be brought to the Island. New offerings will include the redesigned Jeep Grand Cherokee and Jeep Compass, as well as a new mid-size Jeep SUV. In addition, the all-new 640hp Viper and the awarded Motor Trend Truck of the Year and the North American Truck of the Year, the new Ram pickup will arrive. The company will also be introducing the new and larger Fiat 500L four-door model with interior space for 5 passengers.

**Warranty Information:**

**Chrysler Group**
(Chrysler, Dodge, Jeep & RAM)
3 years/36,000 miles  
(bumper to bumper)  
5 years/100,000 miles  
(powertrain coverage)  
5 years/100,000 miles  
Roadside Assistance

**Fiat**
4 years/50,000  
(bumper to bumper & powertrain)  
4 years/unlimited miles  
Roadside Assistance

**Top Executive**

Ricardo M. García  
Managing Director

As managing director of Chrysler Group International Services LLC, García directs the strategic commercial administration of the Puerto Rico, USVI, and Western Caribbean sales, parts and service operations for the Chrysler and Fiat brands.

Before joining CGIS, García was the executive vice president & COO of Hyundai de Puerto Rico. Previously, he served in key executive positions at Mitsubishi Motor Sales of Caribbean (MMSC), where he was responsible for sales & marketing.

**Corporate Mission & Vision**

To return the company to profitability by realigning its mission, vision and principles.

To reinvigorate Chrysler’s design and purpose.

To become profitable by creating the type of exciting, efficient, reliable, safe vehicles the market expects and deserves.

To build cars and trucks people want to buy, will enjoy driving and will want to buy again.
Our Dealers

Chrysler dealers/parts & service centers include:

Alberic Chrysler – San Juan
Benítez Chrysler – Humacao
Berrios Chrysler – Caguas
Cabrera Chrysler – Arecibo
Chrysler 65 – Río Piedras
Chrysler 65 – Carolina
Flagship Chrysler – Bayamón
Triangle Chrysler – Mayagüez
Triangle Chrysler – Ponce
Caribbean Auto Mart – St. Thomas
Chrysler Dodge Jeep – St. Croix
Su Tienda (Parts dealer only)

Fiat Studios include:

Fiat de San Juan
Fiat de Mayagüez
Fiat de Ponce
Social responsibility programs

Chrysler Group LLC, which includes Chrysler Group International Services, believes it is the company’s duty to invest in the health and welfare of the communities it serves. Each year, Chrysler Group’s Community Action Day initiatives mobilize hundreds of employees for intensive, one-day community outreach projects that address urgent social, economic and educational needs.

Chrysler Group also collaborates with the United Way and other nonprofit agencies to provide basic needs such as clothing, food and shelter; raising funds for educational scholarships; mentoring young people; helping Special Olympics athletes realize their dreams; revitalizing schools, community centers and neighborhoods; and delivering toys to children during the holiday season.

Chrysler Group is also proud to support the men and women of the U.S. Armed Forces and various related projects as well. This includes annual monetary donations to the U.S. Marines Toys for Tots program; support toward the construction of the World War II Memorial in Washington, D.C.; financial support for the U.S. Military, Air Force and Naval academies, United Service Organizations (USO); and the donation of Jeep vehicles to selected Operation Gratitude package recipients. The Ram Truck Brand and Zac Brown Band also are partners for the national Letters for Lyrics campaign, which sends letters of appreciation to U.S. soldiers serving throughout the world.

Locally, the Chrysler Group brands support the sports development in the Island through National Basketball Team, National Basketball League as well as the YMCA. It also develops community relation programs such as Kids Serving Kids & Pasa y Apúntalo con Jeep. In 2013, the event Bat for the Cure Prostate Cancer Awareness and Education, will be activated during the World Baseball Classic. This event consists of a blood test to determine the PCA, one of the indicators of prostate cancer. Regarding Fiat, the brand has been involved with the Ricky Martin Foundation, which creates awareness to eradicate child trafficking and with the Contemporary Art Museum in an event to promote the arts and peace within our communities.
Ford Profile

Distributor:
Ford International Business Development Inc.
Main Office
Texaco Plaza
Metro Office Park No. 2, Guaynabo, Puerto Rico

Auto brands distributed
Ford, Lincoln

Company history
Ford Motor Co. was incorporated on June 16, 1903, with the original Ford plant a converted wagon factory in Detroit. The facility initially produced only a few cars a day.

In 1908, Ford revolutionized the way factories worked by introducing the legendary Model T. It was the first car built using a moving assembly line, making it an affordable model that anyone could buy.

By the end of 1913, Ford was producing 50% of all cars in the U.S.

In 1915, Ford Motor Co. came to Puerto Rico.

By 1918, half of all cars in the U.S. were Model Ts.

During the 1950s, Ford introduced the F Series truck to Puerto Rico, and it became the highest-selling Ford model on the island. Other models such as the Mustang, Explorer and Thunderbird soon became popular models in the U.S. and on the island as well.

Today, Ford Motor Co. is a global automotive industry leader based in Dearborn, Mich., manufacturing or distributing automobiles across six continents. With about 172,000 employees and 65 plants worldwide, the company’s automotive brands include Ford and Lincoln. The company provides financial services through Ford Motor Credit Co.
Current operations

Ford currently provides the local market with a full line of cars, crossovers, SUVs and trucks. This includes the Ford Fiesta, Focus, Fusion, Fusion Hybrid, Mustang, Taurus, Escape, Edge, Explorer, Expedition, Transit Connect, Econoline, Super Duty, F-150, C-Max and Flex. The Lincoln luxury lineup includes the MKZ, MKZ Hybrid, MKS, MKX, MKT and Navigator.

The current operation in Puerto Rico includes nine Ford dealerships/service centers, a Lincoln dealership/service center and a standalone service center.

There are 15 members of the Puerto Rico-based Caribbean & Central America Regional Office.

Sales in 2011: 11,259 units (P.R./USVI)
Sales for 2012: 11,513 units (P.R./USVI)
Current market share 11.2%

In 2012, Ford launched the all-new Ford Escape, which is a smarter utility vehicle. It brings SUV-loving customers versatility, new technologies and fuel economy all wrapped in a modern design.

For utility vehicles, the reinvented Explorer entered the 2012 model year with an expanded color palette and all-new Ford EcoBoost four-cylinder engine, delivering class-leading fuel economy and responsive performance. The Edge and Flex were refreshed as well.

Warranty Information:

Ford 3 years/36,000 miles (bumper to bumper)
5 years/60,000 miles (powertrain)

Lincoln
4 years/50,000 miles (bumper to bumper)
6 years/70,000 miles (powertrain)

Top executive
Mark Buzzell
Managing Director Caribbean & Central American Region (Since September 2012)

With more than 23 years of automotive experience before his current position, Buzzell initially held sales and marketing manager positions in the San Francisco and Boston regions, and later became the sales operations manager for the Detroit region. He then served as the regional manager of sales for the Twin Cities region, and was then product marketing manager and later financing manager in Dearborn, Mich. before becoming the regional manager for Ford/Lincoln sales & service for the Chicago region. In September 2012, he was appointed to his current position.

Having also worked as a certified public accountant at Arthur Andersen & Co., he has a bachelor of science in accounting from Pennsylvania State University and an M.B.A. from University of Notre Dame’s Mendoza School of Business. He is also a member of the executive board of the Illinois Chamber of Commerce.

Corporate Mission

The One Ford Plan Ford Motor Co. is focused on creating a strong business that builds great products that contribute to a better world.

One Team:
People working together as a lean, global enterprise for automotive leadership, as measured by customer, employee, dealer, investor, supplier, union/council and community satisfaction.

One Plan:
• Aggressively restructure to operate profitably at the current demand and changing model mix
• Accelerate the development of new products customers want and value
• Finance the plan and improve the balance sheet
• Work together effectively as one team

One Goal:
An exciting, viable Ford delivering profitable growth for all.
Our Dealers

Ford dealerships/service centers include:

Cabrera Ford, Arecibo
Auto Grupo Ford, Bayamón
Caguas Expressway
Alberic Ford, Carolina
Fajardo Ford
Mayagüez Ford
Ford Del Sur, Ponce
Autos Vega, San Juan
Central Ford, Vega Alta

Lincoln dealership/service center:
San Juan Lincoln Kennedy Avenue

Stand-alone service center:
Quick Lane Tire & Auto Center Caguas
Social-responsibility programs

Environmental Grants Program
Created to help individuals and nonprofit organizations that donate their time and effort to conserve the environment in their communities.

Susan G. Komen (SGK) Race for the Cure
Through its Warriors in Pink program, Ford has been able to have an impact on hundreds of women by supporting Race for the Cure. This year, an initiative called Camino a la Cura took place throughout Ford’s nine dealerships around the island to offer free mammograms to women without insurance. Ford’s Dealer Association also donated a Ford Fiesta that was raffled at Race for the Cure. The money raised will help with SGK’s breast-cancer education program and early detection of the disease.

Ready, Safe, Drive
The Ford Foundation in association with the SafeSmartWomen Foundation created this program to teach young girls ages 13 to 17 about everyday preventive auto care. Hundreds of students have participated, defining it as a great experience that urges them to be responsible with their vehicles.

Driving Skills for Life
This is a national program for high school students, which aims to teach them about safe driving. The program relies on theory and practice so students can have a firsthand driving experience where they can apply the knowledge learned about transit safety.

Support to Sapientis
This organization develops programs to support public education. Ford supports various initiatives in which it values the importance of promoting education to improve quality of life in Puerto Rico. This includes Sapientis Week and the summer seminar, whereby intensive courses are offered on themes such as social mobilization, leadership and community service.

Support to Nuestra Escuela
This organization provides hope to young adults who haven’t finished high school. Through donations from Ford, Nuestra Escuela has provided classrooms with digital blackboards, narrowing the gap between students and access to technology.

Hispanic College Fund
This private, nonprofit organization provides grants to Hispanic students in contributing to the development of future leaders. Ford Puerto Rico contributes to the grants program to offer financial assistance to local students who want to study in a university program related to business, science, technology, engineering and mathematics.

San Juan Community Library Support
Promoting enthusiasm for reading, research and cultural enrichment, Ford provides donations to this effort so thousands of families can obtain free annual memberships.

Corporate Values

Build world-class vehicles
Provide exceptional value
Teamwork
Environmentally responsible
Customer, employee and community satisfaction
Profitable growth for all
Deliver style, strength and safety
General Motors Profile

Distributor:
General Motors Corp.
Main Office
Renaissance Center
Detroit, Michigan

Auto brands distributed
Chevrolet, Buick, GMC and Cadillac

Company history

Horse-drawn vehicle manufacturer William “Billy” Durant founded General Motors (GM) in Flint, Michigan on Sept. 16, 1908. At its inception, GM only held the Buick Motor Co., but in a matter of years acquired more than 20 companies, including Oldsmobile, Cadillac and Oakland (later known as Pontiac).

As demand for automobiles grew during the 1920s, GM added Chevrolet, Vauxhall and German-made Opel to its lineup, thus diversifying its selection and expanding its reach.

After World War II, in addition to innovations such as independent front-wheel suspension, unibody construction and the one-piece steel roof, GM pushed the design envelope with the 1949 Buick Roadmaster, the Chevrolet Corvette and BelAir, and the 1959 Cadillac El Dorado.

In 1971, GM pioneered the use of engines that could run on low-lead or unleaded gasoline, and in 1974 introduced the catalytic converter—the most important step in reducing emissions, and still used by the entire auto industry.

During the 1980s and ’90s, global expansion became the central focus, with 1982 marking GM’s largest single production expansion outside North America with the opening of a new complex in Zaragoza, Spain. Joint ventures were also forged with China and India, with Saab and HUMMER added to the GM family as well.

In 1995, annual vehicle sales outside North America exceeded three million units for the first time. By the end of the 1990s, the company had also formed NUMMI—a joint venture with Toyota, as well as introduced a new brand, Saturn.
By the start of the new millennium, GM had built a strong presence in emerging markets such as China and Brazil. In 2002, the company created GM Daewoo, with 2007 seeing the introduction of the innovative Chevrolet Volt plug-in hybrid concept.

Due to the global credit crisis in 2008, General Motors Corp. filed for bankruptcy on June 1, 2009. During the reorganization process, GM shed the Pontiac, HUMMER, Saab and Saturn brands and shut down hundreds of dealers.

On Nov. 18, 2010, GM completed the world’s largest initial public offering, emerging with a solid financial foundation and operating as a smaller, leaner company than before.

Currently, the company offers four brands in the U.S.—Chevrolet, Buick, GMC and Cadillac—and has a more focused network of 4,500 dealers. With more than 70% of its sales coming from outside the U.S., GM’s top five markets include China, U.S., Brazil, United Kingdom and Germany.

The production version of the Chevrolet Volt plug-in hybrid vehicle became available to consumers in late 2010 as a 2011 model year. As of December 2012, some 31,458 Volts have been delivered in the U.S. since its introduction in 2010, making it the top-selling plug-in electric vehicle in the U.S.

The Volt is the most fuel-efficient compact car with a gasoline engine sold in the U.S., as rated by the Environmental Protection Agency.

The Volt operates as an electric vehicle until its plug-in battery capacity drops to a predetermined threshold from full charge, or about 50 miles.

From there, its internal combustion engine powers an electric generator to extend the vehicle’s range if needed. Once the engine is running in this extended range mode, it may at times be linked mechanically, via a clutch, to assist the traction motor in propelling the car to improve energy efficiency. The Volt’s regenerative braking also contributes to its onboard electricity generation.

Current operations

General Motor’s operation in Puerto Rico currently consists of a network of four dealerships:

Alberic Colón Auto Sales
San Juan
(Chevrolet, Buick, GMC & Cadillac)

Benítez
Caguas
(Chevrolet, Buick & GMC)

Cabrera Autos
Arecibo
(Chevrolet, Buick, GMC & Cadillac)

Losada Auto Truck Inc.
Bayamón
(Chevrolet, Buick, GMC & Cadillac)

All dealerships have fully operational service & parts departments, with no additional service centers elsewhere. While no timetable has yet been determined, the company is planning to expand its network to have a presence throughout the entire island.

The company reported a 1.7% market share with 1,714 units sold in 2012. (P.R./USVI)

General Motors currently provides a three-year bumper-to-bumper, 36,000-mile warranty on its Chevrolet and GMC brands, with a four-year, 50,000-mile warranty for Buicks and Cadillacs. Other coverage includes a five-year, 100,000-mile powertrain warranty, five-year, 100,000-mile roadside assistance and five-year, 100,000-mile courtesy transportation. All warranties are fully transferrable.

Top executive

Luis Omar Monge
Sales & Aftersales District Manager

Corporate Mission

Design, build and sell the world’s best vehicles.
Local GM dealers are also anticipating a number of future products:

**Chevrolet:**
Impala, Chevrolet SS, Silverado, Cruze Diesel, Tahoe, Suburban, Corvette, Colorado, Traverse

**Buick:**
Regal, Lacrosse, Encore, Enclave

**GMC:**
Acadia, Sierra, Yukon, Yukon XL

**Cadillac:**
ATS, CTS Sedan
Corporate mission

Making a strong commitment to its customers, employees, partners and other important stakeholders, GM proudly states the five principles guiding the company in everything it does:

Safety and quality first: Safety will always be a priority at GM as the company continues to emphasize its safety-first culture at its facilities and as it grows its business in new markets. Its safety philosophy is at the heart of the development of each vehicle. In addition to safety, delivering the highest-quality vehicles is a major cornerstone of GM’s promise to its customers, with its vehicles going through extreme testing procedures in the lab, on the road and in its production facilities before being offered to customers.

Creating lifelong customers: GM takes nothing for granted in its efforts to earn the confidence and loyalty of its customers, listening to them and making sure their needs and terms are met. Through its relationship with its customers, GM strives to create passionate brand advocates who love their vehicles and freely tell others about their experience.

Innovation: GM’s people challenge themselves to be creative and lead in everything they do—from implementing the smallest improvements to executing big ideas, the company is constantly increasing its competitive advantage to delight and excite its customers.

Delivering long-term investment value: For its shareholders to feel confident about their investments, GM has developed the world’s best vehicles, building upon its strong financial foundation, growing the business and operating with the highest level of integrity.

Making a positive difference: With the belief that its momentum is tied to positive change, GM strives to make a difference in the world and the workplace by finding new ways to improve business operations, achieving as part of a team, and volunteering in the community.

Social-responsibility programs

General Motors Foundation – Since its inception in 1976, the General Motors Foundation has helped to strengthen communities through investments in education, health & human services, environment, energy and community development. Over the past 10 years, the GM foundation has donated more than $350 million to send students to college, educate parents on how to keep children safe in and around vehicles, promote diversity and support vital nonprofit organizations.

Focus areas

Education
Strive to fuel the imagination and ambitions of today’s students and tomorrow’s leaders.

Health & human services
Committed to healthcare, disaster relief and wellness.

Environment & energy
Take seriously the stewardship and responsible sustainable management of the environment.

Community development
Dedicated to economic development and improving communities.
Hyundai Profile

Distributor:

Hyundai de Puerto Rico
Main Office
101 Avenida Conquistadores
Cataño, PR 00962

Auto brands distributed
Hyundai

Company history

Sojitz de Puerto Rico Corp., doing business as Hyundai de Puerto Rico, is a subsidiary of Sojitz Corporation Japan, one of the largest trading companies in the world, which was created when in April 2003 Nichimen Corp. and Nissho Iwai Corp. merged as a sole business group.

Sojitz de Puerto Rico Corp. was established on Sept. 30th, 2008 to cover the distribution operation of Hyundai brand from April 1st, 2009.

Shortly after the establishment of Sojitz in Puerto Rico, Hyundai’s sales volumes and market share increased rapidly, to the extent that between April and December of 2009, Hyundai achieved a 52% growth in sales, while the total industry decreased by 15.8%.

Since then, Hyundai sales in Puerto Rico haven’t stopped growing, thanks to a well-implemented strategic plan that included the complete renewal of the product lineup, the consolidation of a well-established dealer network focused on customer satisfaction, a strong advertising campaign to provide product awareness, and the full commitment of a highly professional and skilled team, working toward customers’ service fulfillment.
Current operations

The company’s headquarters consist of a 14.6-acre site with a storage capacity for about 2,000 new vehicles. It includes 30,300 square feet of administrative offices, sales and service training rooms, and a parts warehouse with more than 14,000 items and 45,000 parts for immediate supply to customers.

As of Dec. 31, 2012, Hyundai de Puerto Rico’s dealer network comprised 18 full-service sales and service dealerships located throughout Puerto Rico, as well as two service centers in the U.S. Virgin Islands (USVI).

The company has 55 employees at its headquarters in Cataño, while its dealership network employs a combined 360 workers, for a grand total of 415 employees.

With 9,676 units sold in 2012, Hyundai de Puerto Rico finished the year with a 9.4% share of the local market. (P.R./USVI)

Top executive

Victor Quintero
President & CEO
Hyundai de Puerto Rico

At the helm of Sojitz de Puerto Rico since its inception is Victor Quintero. He earned a bachelor’s degree in business administration from the University of Carabobo in Venezuela, and a technical degree in mechanical engineering from Universidad de Oriente, also in Venezuela.

He has obtained multiple international certifications and recognitions within the automotive industry, as well as in management.

His management career began in 1977 with Ford Motor Co., until 1989 when he accepted to join the founder’s team of MMC Automotriz S.A., a Japanese company belonging to Sojitz Corp. that assembles and distributes Hyundai, Mitsubishi and Fuso vehicles in Venezuela and the Andean region.

Quintero held the position of executive vice president of MMC Automotriz before his transfer to Puerto Rico to lead the Hyundai project as president & CEO.

Quintero’s vast experience in the automotive industry has allowed him to participate in international forums for the development of Latin American trade organizations such as the Andean Pact and Mercosur communities.

He is the co-author of the essay: “Models of Development for the Automotive Sector” and author of other papers such as “40 Years of Automotive Policy in Venezuela.”

In 2010, Quintero received the Top Management Award for Business Success given by the SME (Sales & Marketing Executives Association of Puerto Rico) in recognition for his contribution in promoting foreign investment to Puerto Rico.

Warranties

Hyundai products come with a transferable basic warranty of five years or 60,000 miles, and a 10-year or 100,000-mile warranty on the powertrain. The vehicles also come with a two-year, unlimited-mileage road-assistance program (five-year unlimited mileage for the Equus model).

Corporate Mission

To strengthen Hyundai’s leadership in the automotive markets of Puerto Rico and the U.S. Virgin Islands by offering a complete portfolio of high-quality products with the latest technology and that are affordable to most consumers, and promoting a service culture throughout the dealer network that is focused on the enhancement of customer loyalty.

While accomplishing its mission, it provides responsible stewardship to the community and environment.
Our Dealers

Dealership network
Hyundai de Bayamón
Hyundai de Caparra
Hyundai de Caguas
Hyundai de Carolina
Hyundai de Cayey
Hyundai de Escorial
Hyundai de Fajardo
Hyundai de Hatillo
Hyundai de Hormigueros
Hyundai de Humacao
Hyundai de Isabela
Hyundai de Mayagüez
Hyundai de Ponce
Hyundai de Rexville
Hyundai de Río Cañas
Hyundai de San Juan
Hyundai de San Sebastián
Hyundai de Vega Alta

Service centers
Hendricks International, St. Croix USVI
John’s Auto Center, St. Thomas USVI
Corporate plans

To continue restructuring the Hyundai dealer network, which includes the modernization of facilities; massive and permanent training in sales & service for dealers’ staff until converting them into specialized centers with a strong service culture that guarantees Hyundai’s leadership in customer satisfaction in Puerto Rico.

Social responsibility programs

In the spirit of the Sojitz Group Statement, the company has defined that corporate social responsibility (CSR) is a management priority and a corporate value, so that the fulfillment of this responsibility is part of their corporate mission.

For these reasons, it makes every effort to conduct business in harmony with society and the environment, while supporting the community in important social programs. Some of them are:

• Hogar Niños Que Quieren Sonreír, American Cancer Society, pediatric program.

• Hospital Pediátrico Universitario del Centro Médico de Río Piedras, Oncology Department (CAP).

• It takes part in activities that promote interaction with the communities closest to the dealerships and executes small but important projects that contribute to improve their living conditions.

Corporate Values

As a subsidiary of Sojitz Corp., it abides by the same code of conduct and ethics of the corporation, which established fundamental principles and high ethical standards governing the conduct of all employees of the company. That is why when carrying out the practice of its mission they always try to:

• Maintain the highest ethical standards and perform all duties with integrity;

• Stay focused on the harmonization of business results and the satisfaction and success of customers, beneficiaries and related business associates;

• Respect the meaning and spirit of the laws and regulations that apply to its business and commercial activities; and

• Protect the health, safety and dignity of its employees and manage its workplace in a responsible and respectful environment.
Mitsubishi Motors began exporting vehicles to Puerto Rico under the Chrysler brand in 1972. Five years later, Mitsubishi Motors opened offices in San Juan.

In 1982, the company renamed itself Tamachi Inc., in honor of the region where the company’s headquarters are located in Japan.

In 1989, Tamachi Inc. moved to its current location in Toa Baja and changed its name to Mitsubishi Motor Sales of Caribbean Inc. (MMSC). At the time, MMSC distributed vehicles to the Central American region and the Caribbean islands.

That same year, the Montero (known as Pajero in other countries) became the best-selling sport utility vehicle, or SUV, in the local market.

By 1992, Mitsubishi had become the No.1 auto distributor in Puerto Rico, and maintained that position for the following six years. The Eclipse became in 1995 the best-selling sports coupe in the local market.

In 1996, MMSC reached a milestone, surpassing the $500 million sales mark. Two years later, the Nativa Special Edition (Montero Sport) arrived and was well received by local consumers.

Mitsubishi launched a public service campaign jointly with the Puerto Rico Transportation Department in 1998 to increase awareness on the importance of using child safety seats in cars. As part of the effort, MMSC donated safety seats to needy families, under the campaign’s slogans “Amárrate a la vida” (Buckle...
in 2005, an important development occurred in the automotive history of Puerto Rico. Mitsubishi rolled out the best bumper-to-bumper and powertrain warranties yet, covering five years or 60,000 miles from bumper to bumper and 10 years or 100,000 miles for the drivetrain.

Five years later, Mitsubishi held on to a solid No.2 position in the Puerto Rico market by offering the best products, prices and warranty as the brand continued to inspire confidence among local consumers.

MMSC in 2010 also launches the ASX (Outlander Sport), quickly becoming the best-selling compact SUV in Puerto Rico.

In 2012, Mitsubishi celebrated 30 years in Puerto Rico. The automaker also began a transformative process to continue offering customers the best products, warranty, innovation and technology at an affordable price.

**Current operations**

The current operations of MMSC consist of a main office and vehicle and parts distribution center in Candelaria Ward, Toa Baja and a network of 15 full-service dealers and 6 additional service centers throughout the island.

MMSC has a staff of 29, while its dealership network employs another 156, for a total of 184 employees.

Since 1972, MMSC has sold to date about half a million vehicles. The company finished 2012 with 6,172 units sold and a 6% share of the local market.

**Top executive**

Kimimichi Hirakawa
President & CEO

Mr. Hirakawa was appointed president of Mitsubishi Motor Sales of Caribbean, Inc. on June 2012.

In 1987, Mr. Hirakawa joined Mitsubishi Motors Corp. (MMC) as a design engineer, and has more than 20 years’ experience in automotive development, including U.S. products.

From 2005 to 2009, as manager, he was responsible for research & development of U.S. products at Mitsubishi Motors R&D of America Inc.

**Warranties**

Mitsubishi offers a 10-year or 100,000-mile powertrain warranty on all its products.

The most lucid and best-known expression of Mitsubishi principles is a creed articulated by the fourth president of the Mitsubishi organization, Koyata Iwasaki, in the 1930s.

Even after more than 80 years, the spirit and values of this creed or “Sankoryo” remain alive and current today. They are:

**Corporate responsibility to society (“Shoki Hoko”)**

Strive to enrich society, both materially and spiritually, while contributing toward the preservation of the global environment.

**Integrity and fairness (“Shoji Komei”)**

Maintain principles of transparency and openness, conducting business with integrity and fairness.

**Global Understanding through Business (“Ritsugyo Boeki”)**

Expand business, based on an all-encompassing global perspective.
Our Dealers

**Full-service dealers:**
- Nimay Auto - Toa Baja
- Nimay Auto - Caguas
- Taino Motors - Carolina
- Cruz Auto - Humacao
- Cruz Auto - Juncos
- Bebo & Mike - Toa Baja
- Miguel Casanova - Coamo
- Caribbean Auto - Carolina
- Auto Stop - Aguada
- Auto Stop - Aguadilla
- Alberic - Caguas
- Cabrera - Arecibo
- Fratello - Guaynabo
- Señorial Auto - Ponce
- Velazquez Auto - Isabela

**Service centers:**
- Bebo & Mike - Bayamon
- Alberic Auto - Caguas
- Auto Servicio San Patricio - Guaynabo
- Professional Car Paint - Toa Baja
- Cartagena Auto Air - San Juan
- Talabartería Cortés - Carolina
Company plans
During 2012, Mitsubishi was working diligently to continue the firm path in the market with the opening of new dealers and to establish a solid base for the upcoming years considering five important factors: compact vehicles, efficiency, environment, safety and quality.

In 2013, Mitsubishi Motors will launch a completely redesigned vehicles and will add new vehicles to its lineup in the Puerto Rico market with the quality that has always characterized the brand, from the production line to the customers’ visit to its service centers.

At the time, MMSC donated essential items to the home, which accommodates up to 18 children ages 5 to 18. They provided the necessary academic and personal tools for independent living.

MMSC is strongly committed to the community by being constantly involved in nonprofit activities.

Last year, the company collaborated with institutions such as the Children’s Hospital. In addition, MMSC has been active in fundraising events to support the victims of the earthquake and tsunami in Japan.

Social responsibility programs
Mitsubishi Motor Sales of Caribbean, Inc. (MMSC) celebrated last year its 30th anniversary in Puerto Rico by reaffirming their commitment to social and community work by offering help to Hogar de Niños Forjadores de Esperanza, (Builders of Hope Children’s Home).
The company’s beginnings can be traced as far back as 1920, when Amadeo Barletta founded Santo Domingo Motors in the Dominican Republic, where the company imported and sold well-known U.S. brands Buick and Chevrolet.

In 1939, Barletta became distributor for General Motors in Cuba, operating as Ambar Motors, a combination of Barletta’s first and last names (Amadeo Barletta). By 1969, Santo Domingo Motors was designated the exclusive distributor for the Nissan brand in the Dominican Republic.

In 1965, Barletta establishes Automotores Datsun in Puerto Rico. Three years later, the name of the company was changed to its present name, Motorambar, Inc.

Barletta’s grandson, Miguel Barletta, begins directing the company in 1985 and to this day serves as president of Grupo Ambar.

In 1993, Motorambar introduces the luxury brand Infiniti with the opening of one exclusive showroom in San Juan’s Kennedy Avenue. Seven years later, in June 2000, Motorambar acquired the distribution rights for Korean brand Kia.

In 2007 Motorambar spun off the retail operation of its Nissan and Kia dealerships in Kennedy Avenue. With this strategic move, Motorambar became exclusively a wholesale car distributor in Puerto Rico and US Virgin Islands.

In 2008, the Ambar Infiniti dealership experienced a complete remodeling, which was followed a year later with a $3 million investment to expand and improve Infiniti’s service area.

Motorambar Profile

Distributor:
Motorambar, Inc.
Main Office
Westgate Industrial Park
Palmas Ward – Cataño, Puerto Rico

Auto brands distributed
Nissan, Infiniti and Kia

Company history

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In 2012, Motorambar inaugurated its new facilities in Westgate Industrial Park, in Cataño’s Palmas Ward. The new headquarters features 15,000 square feet of office space for 100 employees in the areas of sales, marketing, distribution, aftersales and finance for its three brands.

Motorambar also houses a state of the art 53,000 square-foot parts distribution center that contains more than 90,000 types of parts and accessories, for the three brands’ 50 different vehicle models.

This headquarters boasts the latest energy and water saving systems, warehouse receiving docks, water cistern, emergency power generator, 110 parking spaces, two electric vehicle’s charging stations, eight conference rooms, employee gym, and an adjacent lot to be used either as a vehicle proving grounds to train technicians and staff, or as an additional new vehicle holding spot. A few blocks from the new facility, the company has its 65,000 square meter, Vehicle Distribution Center and a new Pre Delivery Inspection Area to speed up the processing and delivery of vehicle to dealers. The lot has the capacity to hold up to 3,500 vehicles.

Motorambar has another 40 employees who work at Ambar Infiniti on Kennedy Avenue. They work in the sales, parts and service and certified pre-owned departments.

**Current operations**

The current operation of Motorambar consist of an exclusive dealer network for Nissan, with 15 sales, service and spare parts dealerships, three independent service centers and one authorized body shop.

The corporation has one high-class Infiniti showroom and one service center in San Juan’s Kennedy Avenue.

The Kia dealership network consists of 14 dealers and service centers throughout Puerto Rico and USVI.

With 10,369 units sold at the end of the year, Nissan finished 2012 with a 10.1% market share. Infiniti reported 397 units sold to December 2012, with a 0.4% market share and Kia, with a solid 8.9% of market share with its 9,131 units sold that year. Motorambar’s total combined sales last year was 19,897 units retail in Puerto Rico and United States Virgin Islands.

All three brands combined achieved a market share of 19.4% of the local market in 2012.

**Top Executive**

José R. Ordeix Llabaly
Vice President
President of GUIA (Grupo Unido de Importadores de Automóviles)

As vice president of Motorambar since 1999, Mr. Ordeix directs the strategic commercial administration of 30 authorized dealerships throughout the island. Prior joining Motorambar, Mr. Ordeix was general manager from 1992 to 1998 of Motor Crédito, S.A., affiliate of Santo Domingo Motors Company in his homeland, Dominican Republic. There, he was responsible for the company’s reengineering, financial and marketing operations.

Between 2006 and 2007, Mr. Ordeix was a member of the Board of Director of PRADA (Puerto Rico Automobile Distributors Association). Between 2009 and 2011, he was treasurer of GUIA. In 2011 Mr. Ordeix became president of GUIA.

He completed his bachelor degree in Economics at the Universidad Nacional Pedro Henríquez Ureña in Santo Domingo in 1987 and obtained a Master in Business and Finance from Webster University in St. Louis, MO in 1991.

**Corporate Mission**

Being leaders in the marketing of vehicles in Puerto Rico and the Lesser Antilles, providing the best products and services to our customers, ensuring:

To our shareholders: Reasonable profitability, preserving the value of their shares, impeccable reputation and unquestioned loyalty.

To our brands: Safeguard our reputation, be agents of value and sustained profitable growth;

To our customers: Quality products and excellent service, recognizing it is our highest priority;

To our employees: Professional growth and empowerment, in the best working environment;

To our business partners: a transparent, effective and sustained relationship;

In our community: respect for the environment and a true social commitment.
Our Dealers

Nissan Dealer Network
Adriel – Toa Baja
Agustín Lugo – San Juan
Aguadilla Motors - Aguadilla
Auto Hermanos – Barranquitas
Auto Grupo – San Juan
Auto Store - Ponce
Autos de Cayey – Cayey
Berrios Auto – Caguas
Cabrera – Hatillo

Infiniti Dealer
Ambar Infiniti – San Juan

Kia Dealer Network
Adriel – Río Grande
Auto Grupo – San Juan
Automarca – Bayamón
Automax – Yauco
Autoland – Hormigueros
Auto Plaza – Toa Baja
Centro Automotriz – Aguadilla
Cidra Auto Mall – Cidra
Henry Motors - Ponce
Medina Auto - Caguas
Nortecars – Arecibo
Pepe Abad – Cayey
Toñito Auto – Río Piedras
Caribbean Automart - St. Thomas

Estebita Auto Corp – Fajardo
Henry Motors – Ponce
Medina Auto - Caguas
Ramar Auto – Humacao
Triangle Dealers– Mayagüez
Yokomuro Auto - Bayamón
Caribbean Automart - St. Thomas
Corporate Social Responsibility Programs

For the past seven years Nissan and its employees have been a strong ally and supporter of the Muscular Dystrophy Association (MDA) of Puerto Rico. The brand is an active supporter in the MDA’s fund raising efforts. The funds collected go towards research, wheel chairs and other special equipment for patients in Puerto Rico.

For the past two years, the corporation, through the Kia brand, in collaboration with Total Petroleum and the Traffic Safety Commission of Puerto Rico, created the Manos en Control campaign whose main message is focused on avoiding dangerous driver distractions while behind the wheel, like texting. In collaboration with the Scuba Dogs Society, Kia has also taken a major role supporting the annual International Coastal Clean-up, an event focused on the cleanup of Puerto Rico’s ocean and river coasts.

Last Christmas, Puerto Rican born and Mayor League Baseball’s Hall of Famer, Roberto Alomar handed out Christmas gifts to patients in the oncology ward of the Pediatric Oncology Hospital on behalf of Ambar Infiniti.

Motorambar Educa

EDUCA is an Internship program dedicated to supporting college students as resource to perform tasks or activities related to their bachelor degree specialty areas. Motorambar EDUCA contributes training to young students in a real working environment. Since its creation, several of these students have become full time employee in Motorambar, Inc.

Reciclaje Ambar

This program seeks to promote recycling as work culture and life vision by the collection, sorting and sale of waste processing companies. Among the office supplies that Motorambar’s employees collect are: recycled paper, newspaper, corrugated cardboard, oil, batteries and metals.

Corporate Vision

Being a leading organization in transportation, motor machinery and related areas, exceeding the expectations of our customers, supported by appropriate human capital and avant-garde technology.

Corporate Values

Corporate and community responsibility
Commitment and loyalty
Strategic vision
Teamwork
Motivation and enthusiasm
Efficiency and effectiveness
Integrity and respect
Innovation
Continuous improvement
Culture of service excellence
The Suzuki brand was initially introduced to Puerto Rico in 1972, when Kyffin Simpson, a businessman from Barbados, founded Simpson Motors. The Suzuki line became very popular and the company expanded quickly. In 1979, Suzuki del Caribe (SDC) was established and incorporated. As a wholly owned subsidiary of K.I. Investments, the operation had only 10 employees at that time and sold 975 units in its first year.

As a result of distinctive sales and customer satisfaction strategies, SDC grew steadily over the years and garnered third place in national market share from 2003 to 2008.

In 2003, Suzuki was granted approval from U.S. Customs to operate as a free-trade zone from its vehicle distribution center in Vega Alta.

In 2004, SDC added its Suzuki motorcycle and marine outboard-engine divisions.

In 2010, a second free-trade zone was approved by U.S. Customs, this time to include the company’s parts & accessories warehouse distribution operation in Carolina, making SDC the first auto distributor with a successful free-trade zone for its parts and warehouse operation.

In March 2010, SDC transferred its two retail stores to other retail dealers—companies within the Suzuki brand—as part of a new business strategy aimed at aligning its solid service goals with its main corporate distribution goals and mission.

Distributor:
Suzuki del Caribe Inc.
Main Office
1179 65th Infantry Avenue
San Juan, Puerto Rico
Auto, motorcycle and outboard marine engine brands distributed
Suzuki

Company history
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Current operations

The current operation of Suzuki del Caribe consists of a network of 12 dealerships throughout Puerto Rico, with SDC employing 56 people directly, and the auto dealers employing a total of 184.

To achieve a lean, dynamic and dealer-oriented operation that will improve its existing operational infrastructure, Suzuki del Caribe recently transferred its retail stores to two of the existing dealers from the network and is currently in the process of reviewing various alternatives for the relocation of its current administrative offices, parts warehouse and distribution facilities.

The plan will also be considering the consolidation of all operations into one to provide significant efficiencies and cost savings, while increasing the corporate image and offering a better work environment for its employees.

In 2012 Suzuki sold 3,571 units, with a 3.5% market share. (P.R./USVI)

In the motorcycle business, Suzuki has had the largest sales penetration in the sports segment for the past eight years. It has also been the first option for police and municipal government fleet sales for the past nine years.

Also primarily for government use, K.I. Investments has added a division to supply Brunswick and Boston Whaler commercial boats.

SDC currently provides a basic three-year, 36,000-mile warranty on its autos, with a five-year, no mileage limit for corrosion and perforations, and a seven-year, 100,000-mile for its powertrain—all transferrable.

For motorcycles, the company offers a one-year, no mileage limit on-road warranty and six months off-road. Outboard marine engines carry a three-year, no hour limit warranty.

The company also offers the GPS (Garantía de Piezas Suzuki) program to cover its warranty on genuine Suzuki parts, which covers one year or 12,000 miles on any part purchased and installed by an authorized Suzuki dealer, to maintain the durability and efficiency of the Suzuki vehicle.

SDC is currently anticipating a number of redesigned Suzuki vehicle models, but no specific dates have been provided by the factory.

Top executive

Irma Isabel Sotográ Saldaña
Senior Vice President

In 2002, Irma Isabel Sotográ Saldaña was hired by SDC to serve as the company’s group financial controller, responsible for the retail and wholesale segments.

Having earned a bachelor’s degree (graduating cum laude) in business administration from the University of Puerto Rico, she obtained her license as a certified public accountant in 1995. She began her professional career at local CPA firm Kevane, Soto, Pasarell, Grant Thornton, where she worked for eight years.

As senior vice president, she currently directs the distribution of Suzuki vehicles, motorbikes and marine engines. Strongly oriented to action and achieving results through people, she is highly committed to goals and objectives, and firmly believes these are only accomplished through a productive team that follows a well-designed strategic plan.

Corporate Mission

Committed to the distribution of transportation products of high durability and efficiency, SDC is strategically directed to satisfy the needs of its dealers and customers.

The vision of Suzuki del Caribe Inc. is to be the leader in the transportation distribution industry, offering high-quality products and superior services through an excellent and dedicated dealer network.
Our Dealers

Suzuki Dealer Network:

Auto Hermanos – Barranquitas
Auto Hermanos – Cayey
Auto Land – Mayagüez
Benítez Auto – Caguas
Cabrera Hermanos – Arecibo
Caribbean Auto – Carolina
Caribbean Auto – Fajardo
Nimay Suzuki – Bayamón
Nimay Suzuki – Caguas
Nimay Suzuki – Kennedy Avenue, San Juan
Nimay Suzuki – Vega Baja
Triangle Suzuki de San Juan
Community Motors – St. Thomas
Metro Motors – St. Croix
Social responsibility programs

**Team Suzuki** – An initiative directed toward supporting the efforts of young Puerto Ricans who have stood out both nationally and internationally in sports. Suzuki currently sponsors Enrique “Quique” Figueroa, who has represented the island in sailing, with a total of nine gold medals and four world championships, setting an example of perseverance and dedication for future generations.

**Frena tu furia** – An awareness campaign to promote courtesy and civility, with the goal of reducing accidents and deaths on the road.

**La Beca Suzuki** – An educational program that teaches future drivers about safety and responsibility to prevent reckless driving. The program includes a raffle for driving classes for students who have their learner’s permits.

**MDA B-Cool** – An annual effort whereby all employees participate in supporting the Muscular Dystrophy Association by purchasing its official apparel.

**Susan G. Komen** – A Race for the Cure sponsorship that is linked to SDC’s Camino al Bienestar Suzuki wellness program, which includes nutritional workshops and exercise sessions.

**Environmental initiatives** – Through its environmental program, Suzuki del Caribe is committed to the protection and conservation of the environment. This includes recycling, reducing and reusing solid waste, and addressing various energy consumption issues. SDC’s labor force also encourages others in the community to pursue this mission for the benefit of Puerto Rico’s environment. Activities include a joint effort with the government to support its initiatives, as well as cleaning up community recreational areas, beaches and sports centers. The program also consists of visiting schools throughout the island to educate future generations creatively so they can enjoy a healthy and clean environment for years to come.
Toyota Profile

Distributor:
Toyota de Puerto Rico Corp.
Main Office
1064 Muñoz Rivera Ave.
San Juan, Puerto Rico

Auto brands distributed
Toyota, Lexus, Scion

Company history

Toyota vehicles were first distributed in Puerto Rico in the early 1960s, providing superior quality, durability and reliability.

In 1994, Japan-based Toyota Motor Corp. (TMC) acquired distribution rights to establish Toyota de Puerto Rico Corp. (TDPR). The corporation also began distribution of the Lexus brand in Puerto Rico this year as well.

In early 1999, TMC transferred its assets to Toyota Motor Sales USA Inc. (TMS), making TDPR a subsidiary of TMS—the largest Toyota corporation in the world after Toyota’s parent company, TMC.

In 2004, it began distributing the Scion brand in Puerto Rico.

Today, Toyota de Puerto Rico isn’t only the market leader on the Island, but a rapidly growing company that encompasses automobile and parts distribution. The Company and its associates, whose talent and professionalism are cultivated to the highest levels possible, remain true to their mission of being the market leader committed to lifetime customer relationships and driven by the vision of being the most successful and admired organization in Puerto Rico.
Current operations

The current TDPR operation consists of 26 dealers throughout Puerto Rico and the U.S. Virgin Islands. TDPR has 108 associates and the dealer network consists of 1,200 employees.

Sales in 2012: (P.R./USVI)

- Toyota 26,459 units with a 25.8% market share
- Lexus 758 units with a 0.7% market share
- Scion 1,608 units with a 1.6% market share

Warranty Information:

**Toyota & Scion**
- 3 years/36,000 miles (comprehensive)
- 5 years/60,000 miles (powertrain)
- 5 years/unlimited mileage (corrosion perforation)
- 8 years/100,000 miles (hybrid system)

**Lexus**
- 4 years/50,000 miles (comprehensive)
- 6 years/70,000 miles (powertrain)
- 6 years/unlimited mileage (corrosion perforation)
- 8 years/100,000 miles (hybrid system)

Top executive

Mario J. Dávila Acarón
President of Toyota de Puerto Rico Corp. (TDPR)

As president of TDPR since 2002, Dávila has led the Puerto Rico team in promoting a culture of customer satisfaction, the development of the dealership network and the strengthening of the Toyota, Lexus and Scion brands.

With more than 23 years of experience in the automotive industry, he has a bachelor’s degree in industrial psychology from the University of Detroit in Michigan and a master’s degree in business administration with a concentration in marketing from Universidad Interamericana de Puerto Rico.

Corporate Vision

To be the most successful and admired organization in Puerto Rico.

Corporate Mission

Toyota de Puerto Rico is a leading organization, dedicated to the strengthening of the best dealer network and the Toyota, Lexus and Scion brands, establishing lifetime relationships in harmony with society, the economy and the environment.
Our Dealers

Toyota dealerships include:
- Toyota de Aguadilla
- Toyota de Bayamón
- Adriel Toyota, Barranquitas
- M.V.P. Auto El Verde, Caguas
- Calesa Motors, Caguas
- M.V.P. Auto Bairoa, Caguas
- Pepe Abad Auto, Cayey
- Adriel Auto, Dorado
- Atlantic Toyota, Hatillo
- Toyota del Oeste, Hormigueros
- Naguabo Auto
- Furiel Auto, Ponce
- Adriel Toyota, Río Grande
- Triangle Toyota, San Juan
- Autocentro Toyota, San Juan
- Braulio Agosto Motors, San Juan

Metro Toyota, Río Piedras
Toyota de San Sebastián
Tocars Toyota, Toa Baja
Procars, Vega Baja
Metro Toyota Bayamón
Toyota de Arecibo
Toyota of St. Croix
Toyota of St. Thomas

Scion dealerships include:
- Adriel Scion, Río Grande
- Braulio Agosto Scion, San Juan
- Furiel Scion, Ponce
- Pepe Abad Scion, Cayey
- Scion de Arecibo
- Scion de Bayamón
- Scion de Caguas
- Scion del Oeste, Hormigueros
- Triangle Scion, San Juan

Lexus dealerships include:
- Lexus de San Juan
- Lexus de Ponce
Corporate Values

Challenge
Continuous Improvement (Kaizen)
Go the source to find the facts (Genchi Genbutsu)
Respect
Teamwork

Social responsibility programs

Given that Toyota is an environmentally conscious company that has made major efforts to establish deep roots in Puerto Rico, it continues to not only focus on providing customers with the best vehicles on the market, but also investing equal amounts of time, effort and money in helping improve the Island’s quality of life. This includes the Toyota Foundation, which was established 15 years ago and encourages people to do their part for the environment by providing funding for ecologically based programs and offering scholarships for students pursuing careers in environmental affairs.

Other environmentally conscious efforts include the development of fuel-efficient technologies found in the Toyota Prius, Prius c, Prius v, Highlander Hybrid and Camry Hybrid, as well as the Lexus CT200h, ES300h, RX450h, GS450h and LS600h. Within the company’s operations, there is also a strong focus on reducing, reusing and recycling various kinds of materials (paper, packages and water), while providing associates with the best working environment.

The corporation’s Lexus with the Arts program also plays a key role in improving the quality of life in Puerto Rico by providing funding for culture and arts programs, as well as scholarships for emerging local artists.
Other industry players

In addition to the nine GUIA members, there are seven other industry players, with manufacturer-authorized distributorship and/or dealership operations in Puerto Rico.

These are Autogermana Inc., Euroclass Motors, Flagship Volkswagen, Garage Isla Verde Inc., Gómez Hermanos Kennedy Inc., Jaguar de Puerto Rico Inc. and Trebol Motors Distributor Corp.

**Autogermana Inc.**
298 Carlos Chardón Ave.
Hato Rey
Top executive:
Donald Guerrero
Vice President & General Manager
Brands sold:
BMW and MINI
Locations:
Hato Rey and Guaynabo

**Euroclass Motors (Autos Vega Inc.)**
John F. Kennedy Expressway
San Juan
Top executive:
Ramón Vega Jr.
President
Brands sold:
Ford and Volkswagen
Location:
John F. Kennedy Expressway
Bechara sector in San Juan

**Flagship Volkswagen**
Highway #2, Hato Tejas
Bayamón
Top executive:
Carlos López-Lay
President
Brand sold:
Volkswagen
Location:
Highway #2, Hato Tejas

**Garage Isla Verde Inc.**
Baldorioty de Castro Expressway
Marginal Los Ángeles
Carolina
Top executive:
Carlos M. Quiñones
President
Brands sold:
Mercedes-Benz and Smart
Locations:
Carolina and Mayagüez

**Gómez Hermanos Kennedy Inc.**
John F. Kennedy Expressway
San Juan
Top Executive:
Víctor M. Gómez III
President
Brands sold:
Audi, Bentley, Ferrari, Hyundai, Land Rover, Lotus, Maserati and Porsche
Locations:
Several dealerships
Bechara sector in San Juan

**Jaguar de Puerto Rico Inc.**
961 Roberto H. Todd Ave.
San Juan
Top executive:
Luis Otero
President
Brands sold:
Jaguar
Location:
San Juan

**Trebol Motors Distributor Corp.**
John F. Kennedy Expressway
San Juan
Top executive:
Ricardo González
President
Brands sold:
Subaru and Volvo
Locations:
San Juan and Ponce
Grupo Unido de Importadores de Automóviles

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