

Location Spotlight – Puerto Rico

November 2022: Complimentary Abstract / Table of Contents



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This report provides perspectives on key aspects of the global sourcing market in Puerto Rico

Location Spotlight – Puerto Rico

Puerto Rico | at a glance



Puerto Rico

Promising location in the Caribbean region, currently being leveraged by both service providers and GBS organizations for delivering IT and BP services to global markets.

KEY FACT

18,000-22,000 annual tertiary graduates

Location Spotlight – Puerto Rico

Puerto Rico | risk profile (page 1 of 2)


Puerto Rico has a moderate risk profile. However, some concerns around the macroeconomic situation persist, especially around unemployment

■ Highly favorable ■ Favorable, some concerns ■ Least favorable

Parameters	Everest Group rating	Comments
Geopolitical	■	<ul style="list-style-type: none"> It ranks 26th out of 167 countries in the EIU Democracy Index 2021 and is classified under the flawed democracy category There are strong concerns around government spending and the political status of the region Being a US territory, Puerto Rico is subject to both federal and local laws; this results in a relatively lower risk profile than other LATAM delivery locations
Macroeconomic	■	<ul style="list-style-type: none"> Standard & Poor's awarded a rating of D with a negative outlook for Puerto Rico in 2022. A major reason for it is the high government debt (~US\$72 billion), which is approximately 69% of the GDP The unemployment rate in Puerto Rico has been around 11% for more than 8 years. This is a cause for concern for the government and the citizens alike It has recorded a 5% population decline in the past decade mainly due to emigration of the young talent pool caused by a dearth of jobs
Infrastructure	■	<ul style="list-style-type: none"> Puerto Rico has a highly privatized (95%) infrastructure as well as power sector, which is one of the major reasons for the availability of modern infrastructural facilities It has a well-developed transportation system with 8 airports and 22 seaports Puerto Rico Act 60 makes dividend paid to firms operating in areas such as shared service centers, call centers, investment banking and financial services, centralized management services, consulting services and others completely tax-free

Source: Everest Group (2022); EIU; Transparency International; WRR; WEF; interviews with market participants.

KEY PLAYERS:



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Research calendar

Locations Insider™

■ Published
 ■ Planned
 ■ Current release

Reports title	Release date
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Risk Radar Newsflash Presidency Win for Gustavo Petro in Colombia Poses Short-term Services Delivery Risk; Firms Should Adopt a Wait-and-Watch Approach	June 2022
Location Spotlight – Peru	July 2022
Location Spotlight – Colombia	July 2022
Location Spotlight – Dubai	July 2022
Location Spotlight – Malaysia	August 2022
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Location Spotlight – Pune, India	September 2022
Location Spotlight – Scotland	September 2022
Location Spotlight – Barcelona, Spain	October 2022
India's Services Delivery Overview – Tier-1 Hubs Continue to Grow, Tier-2/3 Speeding Up	November 2022
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