

PUERTO RICO

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Will new administrations on the island and mainland change any of the chemistry between Puerto Rico and the US? President Bush plans to attend a baseball season opener on the island between the Texas Rangers, a team he used to own, and the Toronto Blue Jays, which seems unremarkable until one realises that this is the first US President to visit Puerto Rico in a quarter century. Sila Calderon, the new Puerto Rican Governor from the anti-statehood Popular Democratic Party, has already had a private meeting with US Defense Secretary Rumsfeld who apparently ordered the Navy to call off its planned training this March on Vieques. This has been a sore subject in Puerto Rico and there has been a long-running series of protests against military exercises on the island. The self-governing commonwealth of the US has sometimes had mixed feelings about its mainland ties and the Vieques issue hasn't helped relations despite the millions of US dollars in aid money to sweeten the situation.

Nevertheless, with only a total land area less than three times the size of Rhode Island and located some 1,600 km east-southeast of Miami the fertile island is a commercially vibrant bilingual and bicultural economy. It thrives on its US infrastructure with economic growth averaging a dynamic 3% annually recently. A diverse industrial sector has surpassed agriculture as the primary locus of economic activity and income, and tourism with some five million annual visitors is also very significant. Encouraged by duty-free access to the US and by tax incentives, US firms have invested heavily in Puerto Rico since the 1950s. The island also has many natural assets: an important location along the Mona Passage which is a key shipping lane to the Panama Canal, one of the biggest and best natural harbours in the Caribbean in San Juan, many small rivers and high central

mountains for water resources with a south coast relatively dry and a fertile coastal plain belt in the north.

Mineral products have traditionally been lime, quicklime, silica sand, seawater salt and dimension stone. There are small reserves of copper nickel, cobalt, iron, chromium, lead, gold and silver, mainly in the centre of the island. In 1996 over 280 ha in Puerto Rico's mining region in Adjuntas were designated as a Puerto Rican State Forest by the Department of Natural and Environmental Resources and the mining law was amended in June 1995 to prohibit open-pit mining of metallic ores.

That mining scene has thus been relatively quiet and singing sensations have been a bigger export than metals. The island's production is now centred on non-metallics-stone, sand, salt and clay, with many large limestone quarries. Sand and gravel resources are of increasing importance for construction and beach replenishment. In the past, construction and industrial minerals have contributed about 1% of GDP and include cement, sandstone and traprock aggregates. Puerto Rican Cement's dry process plant at Ponce along with the smaller San Juan Cement at Dorada produce in the range of 110-115,000 t/month and account for two thirds of the total value of minerals produced in the country annually.

With growing construction needs and a generally dynamic economy, electricity generation is vital. In January 2000 a 507 MW, US\$670 million power plant owned by Enron and Kennetech was connected to the Puerto Rican grid and two more projects are planned. The island is 98% reliant on petroleum for electricity generation, but plans to diversify. The proposed new 454 MW AES power station will be coal-fired and significant

increases in natural gas consumption for power are anticipated. Puerto Rico is dependent on imported fuels mainly from Venezuela and the Netherland Antilles. It has begun importing liquefied natural gas (LNG) from Trinidad & Tobago for power generation. Puerto Rico has a crude oil refining capacity of 49,000 bbl/d (the Caribbean Petroleum Corp./Bayamon) and has independent

petroleum storage facilities of 9 Mbbl. The Sun Company refinery at Yabucoa (on the southeastern coast), a division of Sunoco, announced plans for an investment of about US\$50 million for the expansion of its base oil refinery, to be completed in the second half of this year.