



PRESS RELEASE

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San Juan is the most difficult city to do business in, of all major cities in the U.S.

The capital of Puerto Rico was included for the first time in the *Doing Business North America 2022 Report* published by Arizona State University.

The Center for the Study of Economic Liberty at Arizona State University recently published the *Doing Business North America 2022 Report*, which measures the ease of doing business in 83 major U.S. cities. As a result of the Puerto Rico Institute for Economic Liberty's (ILE) collaboration with the Center, the fourth edition of this report includes the Autonomous Municipality of San Juan for the first time.

The ease of doing business refers to the extent to which the regulatory framework and public policy are favorable for business creation and operation in a given jurisdiction; to ascertain this, the report scored and ranked cities in six categories: "Starting a Business," "Employing Workers," "Getting Electricity," "Paying Taxes," "Land and Space Use," and "Resolving Insolvency."

The top five U.S. cities for ease of doing business in the *Doing Business North America 2022 Report* are Salt Lake City, with a score of 84.86 on a scale of 0 to 100, followed by Boise (83.87), Raleigh (83.22), Atlanta (82.37), and Charlotte (81.87). It should be noted that the top 18 cities in the rankings—located in 14 states—have a rating higher than 80.00 points.

On the lower end, San Juan ranks last with 40.55, preceded by Los Angeles (56.29), New York City (61.39), Newark (61.50), and Fresno (61.53). The report's scores are based on data for the calendar years 2019 and 2020. The components of the study are 2% federal, 70% state, 4% county, and 24% municipal; therefore, San Juan's results could be considered a reflection of Puerto Rico.

"Several components revealed contrasts that explain San Juan's low score; for example, the number of electricity providers in San Juan is 1 while in 5 cities in Texas and Utah it is 68; and the cost to transfer title on immovable property in San Juan is \$1,940.85 while in Charlotte, Durham, Greensboro, and Raleigh it is \$26.00," indicated Dr. Angel Carrión-Tavárez, ILE's Director of Research and Policy.

The report explains that the importance of ease of doing business studies is that their analysis of indicators is used by the private sector to decide where to invest; this, in turn, can have an effect on living standards in a jurisdiction, since private investment and the integration of people into productive activity—either by creating a business or working—have proven to be drivers of socioeconomic development.

“The ease of doing business is vital for small and medium-sized enterprises (SMEs), because they have less capital and resources. Large companies have the means to afford the costs of excessive regulations for doing business; but a business-friendly environment contributes to the creation of SMEs, with the benefit they bring to the community and society,” added doctor Carrión-Tavárez.

The insertion of San Juan in the *Doing Business North America 2022 Report* is part of ILE’s efforts to include Puerto Rico in comparative studies that demonstrate with data the situation of the Island. The objective is that the information provided by these reports helps raise awareness of the public policy changes that are needed to make Puerto Rico competitive and boost socioeconomic development.

For the founder and president of ILE, Jorge L. Rodríguez, “this report shows the hostile environment created by the government that entrepreneurs in Puerto Rico face, not only to start a business but to maintain it. The barriers properly quantified and qualified in the study limit the opportunities on the Island and promote dependency, low wages, economic inequality, and emigration.”

“In short, and taking these results to the human level, Puerto Rico’s government monster makes it up to twice as difficult for people in our land to materialize their dream of investing, opening a small business, producing, and creating wealth than in all the major U.S. cities studied in this report, because the existing public policy and regulations are less favorable to entrepreneurship and business development on the Island,” concluded Rodríguez.

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About the Puerto Rico Institute for Economic Liberty

The Institute for Economic Liberty (ILE) is a 501(c)(3) non-profit, non-partisan, non-governmental organization created with the genuine desire to ensure that everyone on the Island has equal opportunities to unleash their maximum potential and create their own success. We believe that effort and merit should be rewarded and prosperity should be driven by people’s creativity, entrepreneurship, and innovation. We want to live in a Puerto Rico where everyone can be empowered to achieve their goals and progress in a free and open society. You can learn more about ILE at institutodelibertadeconomica.org, as well as on Facebook and Instagram @ilepuertorico.