

GUAM USA

YOUR BUSINESS
SMART
DESTINATION

Destination Guam

For both the new and seasoned investor, Guam possesses numerous investment opportunities that are positioned for the next economic horizon. We invite you to explore Guam's commercial advantages that are perfect for any businesses. As we say on Guam, "Hafa Adai!" – Welcome to our beautiful island.

DEMOGRAPHIC INFORMATION

LOCATION: Guam, the largest and southernmost island of the Mariana archipelago, is the westernmost possession of the United States, and has been since 1898. Guam is situated between Hawaii and the Philippines at 13°28" north latitude, 144°47" east longitude, and in the Western Pacific, serves as the gateway to Micronesia and a crossroad to the Far East. The island is approximately 6,000 miles west of San Francisco; 3,700 miles west-southwest of Honolulu; 1,500 miles southeast of Tokyo; 2,100 miles southeast of Hong Kong; 1,500 miles east of Manila; and 3,100 miles northwest of Sydney. Short flights to all major markets in the Pacific Rim make Guam the best location in the Western Pacific to conveniently and affordably meet your international travel needs.

LAND MASS: Guam has a landmass that is 30 miles long and 4 to 8 miles wide, which is approximately 212 square miles (549 square kilometers).

CLIMATE: Guam's tropical climate is pleasantly warm throughout the year. Temperatures range between 74 and 92 degrees Fahrenheit (23-33 degrees Celsius), with a mean annual temperature of 83 degrees. Our average annual rainfall is 85 to 100 inches with average humidity at 72 to 86 percent. We have two seasons: rainy season from June through November; and, dry season from December through May.

POPULATION: The population, according to the 2000 census, is 154,805, inclusive of active military personnel and their dependents. Guam's indigenous people, the Chamorro, represent the largest ethnic group on the island at 37.1 %. Filipinos account for 26.3%, Caucasians for 6.9% and the remainder includes Korean, Chinese, Japanese, and other Pacific Islanders. The average annual growth rate is 2.2 percent.

LANGUAGE: English and Chamorro are the official languages.

LABOR FORCE: The total employment in Guam as of March 1999 was 62,530 persons in the following sector breakdown: Private Sector 43,590, Territorial Government 14,060, and Federal Government 4,880. The unemployment rate in March 1999 was 15 percent. The minimum hourly wage is \$5.15 and the U.S. Fair Labor Standards Act applies to Guam.

INFLATION: The rate of inflation on Guam in 1998 was -1.28 percent. (Note: The Guam Consumer Price Index market basket of goods and services was updated in 1996 from the previous basket which reflected 1978 buying patterns.)

SOCIO-POLITICAL INFORMATION

HISTORY: The origin of the Chamorro race (the indigenous people of Guam) is believed to be of Indo-Malaya descent originating from Southeast Asia as early as 2,000 BC. Like many Pacific Island nations, Guam's early society was largely agrarian and tribal in nature. The Chamorro flourished as an advanced fishing, horticultural, and hunting society.

In the late 1500s, Spain took control of Guam. The Spanish rule lasted more than 300 years, until the island was ceded to the United States in 1898 at the conclusion of the Spanish-American War. With the exception of a brief period of occupation by Japanese forces during WWII, Guam has maintained a close association with the United States since the Treaty of Paris (1898).

In 1949, U.S. President Harry S. Truman signed the Organic Act making Guam an unincorporated territory of the United States with limited self-governing authority, which it remains today, and granting American Citizenship to the people of Guam. In 1962 the U.S. Navy lifted the security clearance requirements for travel to Guam, and the island's modern free enterprise system was born.

This current chapter of Guam's history is perhaps the most interesting of all. Since the advent of tourism to Guam in 1967, when air travel service was inaugurated between Guam and Japan, the island economy began to diversify and expand. In short, it is a U.S. community in the Western Pacific. We are protected by the Constitution of the United States; the U.S. dollar is our basic currency; and the Internal Revenue Code is our income tax law.

LOCAL GOVERNMENT: Guam, an unincorporated Territory of the United States. Guam's local government is organized into three branches: executive, legislative and judicial. The legislative branch consists of a unicameral legislature with 15 members who are elected for two-year terms. The Legislature is empowered and responsible for creating laws to protect the community, ensure its health and welfare and promote Guam's development. Guam's judicial branch decides issues of local laws and interprets how these laws should be applied. The judiciary consists of two bodies: the Superior Court of Guam and the Supreme Court of Guam. Finally, the executive branch is managed by the island's highest elected officials, the governor and lieutenant governor of Guam. These officials are tasked with the implementation of Guam's laws through its departments, bureaus, committees and agencies that make up the government of Guam.

FEDERAL GOVERNMENT: The United States government also maintains a presence on the island. As set out in the Organic Act of Guam, the government of Guam shares, but in most instances defers, its authority and duties in certain areas of governing our island to the federal government. The federal government maintains jurisdiction over certain areas including immigration, negotiation and execution of treaties and agreements with other nations, certain aspects of the maritime industry, protection of environmental integrity and defense. The existence of an elected government and the presence of the United States government create a secure and stable political climate.

QUALITY OF LIFE

HEALTHCARE: Guam offers some significant health care advantages to Americans living in Asia. Guam's health care system includes two major hospitals, a widespread clinic network, a broad selection of general and specializing physicians, and medical evacuation operations to Hawaii, the U.S. mainland and the Philippines. The island's two hospital facilities are the Naval Regional Medical Center and the Guam Memorial Hospital. While the Naval hospital provides services to veterans, active-duty personnel and military dependents, Guam Memorial Hospital provides health care for the remainder of the general public. The Guam Memorial Hospital is a publicly owned facility operated as part of the government of Guam system.

Guam has ten specialty and emergency care clinics and about 30 pharmacies for prescription drug

needs. Recent additions to specialized healthcare facilities are the Cancer Institute of Guam, the Guam Radiology Consultants, 2 renal care facilities, Guam's first privately owned and operated birthing center with all the comforts of home, a surgicenter for outpatient surgical procedures, and the Heart & Vascular Institute of Guam.

The medical board of physicians on Guam has set standards for practitioners, which are similar to those in California. All doctors must be U.S. trained and board eligible to practice on Guam.

HOUSING: Guam offers a wide variety of housing options ranging from ocean-view villas and executive homes, to cozy condominiums, duplexes and single-family homes well suited for new and growing families. Housing for purchase or lease on Guam is readily available. Construction costs range from \$65 to \$90 and up per square foot (depending on quality) giving an average 3-bedroom house price of approximately \$ 78,000 to \$ 150,000. Mortgage loan funds at attractive rates of 6.5% – 8% are readily available from institutional lenders.

Condominiums and houses are available for sale in Fee Simple. There are certain restrictions to foreign individuals purchasing properties, but corporations registered on Guam can purchase properties freely. Purchases are usually handled at title and escrow companies with title insurance available to protect buyers. Price for a three-bedroom condominium (mid-level unit) averages about \$185,000 with three-bedroom houses selling for about \$210,000.

The rental market indices show most residential leases are for one to three years. A security deposit of one month's rent is a standard charge. Mid-level rentals range from \$900-\$1,100 for a two-bedroom apartment or condominium and \$1300 to \$1600 for a three-bedroom house.

EDUCATION: A full American-style public school system is available to all citizens and residents of the Territory. Education receives particular emphasis, as close to half of the government's budget is education-related. The Government of Guam spends approximately 40% of its annual budget on education and Guam has some of the highest requirements for teaching credentials in the United States. There are 37 public schools and 18 private schools on Guam patterned after school systems in the continental United States. The Chinese and Japanese communities each support schools to preserve their respective language and culture. Public schools, including Guam Community College (GCC) and the University of Guam (UOG) are accredited by the Western Association of Schools and Colleges.

GCC offers associate of science degrees and certificates in more than 40 programs of study. By recognizing its role in the economic prosperity of the community and staying abreast of business trends, the college responds to the predominant training needs of the region by developing new and innovative educational programs. GCC also offers a variety of community service and special programs including English as a second language, adult basic education, general education development preparation and testing, and an adult high school diploma program.

Founded as the Territorial College of Guam in 1952, UOG was granted its charter as the University of Guam in 1968. Enrollment in the five colleges and the University's Center for Continuing Education and Outreach programs is now close to 6,000 students from throughout the world. The University's English Language Institute also offers courses in English as a second language with the primary purpose of preparing non-English speakers to attend American universities.

Premier programs at the university include the Micronesian Area Research Center, which houses thousands of the island's best photographs and documents from the Spanish era. The Marine Laboratory is internationally recognized and holds a collection of 20,000 specimens. UOG's Water and Environmental Research Institute of the Western Pacific also is considered by the U.S. government as one of the top five programs in the nation, and the Micronesian Language Institute is dedicated to the research, testing and service on the indigenous languages in the region.

RECREATION: Guam's organized sports leagues take advantage of favorable weather and year-round opportunities to play and compete. There are various competitive leagues in baseball, bowling, soccer, football, rugby, swimming, running, cycling, volleyball, martial arts, golf, tennis, handball, boxing, wrestling, paddling, jet skiing and wind surfing. There are also public and commercially operated fitness centers. Guam is a paradise for water sports activities such as jet skiing, windsurfing, snorkeling, scuba diving, fishing and parasailing. Guam also has some of the best golf courses in the region. Other amusement centers include bowling alleys, movie theatres and community recreation centers. Guam's infrastructure is able to support international competition in a variety of sports.

**For more information, please contact:
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