

# THE EXTRA POINT

BY JERRY ROBERTS



## # 1802 Where Does Guam's Economy Go From Here?

Yesterday, we talked about tourism and asked what some people probably considered to be disturbing questions. Such as, what makes us think that we're ever going to make up for the million or so visitors who now aren't coming to Guam every year? There's no pandemic to keep people out. It seems there's no reason for them to stay away, other than they don't want to come here...or they don't want to travel at all. We're going to expand on the discussion today and consider where our economy is headed, whatever tourism brings us. I'm Jerry Roberts, and that's next on The Extra Point.

When I returned to Guam in 1993, there was a good deal of talk about the "legs" of our economy. In case the conversation is new to you, the military presence and contributions from the federal government was one leg, and tourism was another. Those two factors put the money in the island's treasury.

Leaders would tell us that all we needed to do was figure out a good and solid third leg, and Guam would enjoy great prosperity. But what could that third leg be? There was much discussion about this, and several ideas were tossed about for years.

Nothing came from any of it, and the third leg that would get us to the next level has to this day remained elusive.

But now the picture is worse, because at this point we don't have two strong legs any more. We're down to one-and-a-half, because the tourism industry was crippled by Covid.

While overall global tourist numbers have returned to pre-pandemic levels, Guam's numbers are about 40% of what they were. There's no guarantee that the numerous million-plus visitor years we racked up will be repeated. If they're not, what then?

In recent years, federal spending has spiked sharply upward with the construction of Camp Blaz. When the base is completed, the feds

will still put hundreds of millions into our community every year, but it only seems reasonable to expect that their contributions won't be at current levels. If not, then what?

I've spoken to many bright people over the years who had ideas to grow the economy; to create opportunity for our youth so they'll believe they can stay home and have a decent career.

Ideas like a captive insurance industry, a communications hub, or creating a world-class medical tourism center for older Asian people. There were other ideas as well. None of them brought results.

I've regularly discussed putting teams on the road in Asia, finding companies of a certain size who would want to set up an office on American soil, with all of the protections offered by our legal structure, yet American soil that is far closer to their own soil.

These companies wouldn't be selling product to the Guam market. They might be in the service sector, or manufacturing.

I outlined the plan for governors, senators, and anybody who would listen. It's not a new idea, because every state in the union does it, along with (I believe) Puerto Rico. This is how one community gets a company in another community to either open a new office, or move their existing operation. It is a very big and competitive game. Yet, I felt we could play because we're the one with American soil close to Asian soil.

The goal would be to identify and eventually close deals with enough companies to create 10,000 good jobs, 20,000 if wildly successful.

When I first exposed the concept, in 1993, I saw it as a five-year project, and at a total cost of \$3-5 million. If successful, the return on that investment would have been huge. It could have been the third leg to our economy. (Con't)

Could that have been the third leg? I don't know, but it would have definitely been a low risk investment that could have provided a huge return.

If we had done this 32 years ago, 22 years ago, 12 years ago, or even two years ago...I think our economy would be better off.

Politicians seem to always have their eyes on low-hanging fruit. That's the military, and it was tourism. If we ever get a third leg, it's going to come from much higher up on the tree, and we're going to need leaders who aren't afraid to go out on a limb to get it.

If we want our kids and grandkids to come back, or convince future generations to never leave, we must develop opportunity for them.

It should be the number one priority for the next governor. Since I know that most or perhaps all of the potential gubernatorial candidates listen to Ray's show, my words are directed to you.

If elected, don't let your term or terms go by with Guam's economy struggling as it is today.

Let your legacy be that you left no stone unturned to create that prosperity that so many before you have promised.

That's the Extra Point. Be responsible and make something good happen today. For 93.3FM, the Ray Gibson Show, and First Hawaiian Bank, I'm Jerry Roberts.

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