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Return surge of Guam construction work inevitable, says economist

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By Nestor Licanto [CONNECT](#)

While Guam is supposed to be in the midst of a huge military buildup, major defense department projects have come to a virtual standstill. But Department of Labor Chief economist Gary Hiles predicts it's just a matter of time before the construction ramps up again.

Speaking before the Rotary Club, Hiles pointed out the significant lull in DOD construction over the past 18 months. "There were a record level, low level for 2016. And so far for 2017 there's been no contracts issued that are large, over \$5 million or \$8 million," Hiles said.

He attributes the stoppage to a bid protest of the military's multiple award construction contract. And while that's now resolved, planned projects remain on hold pending a re-bid. Hiles says construction in general has tapered off because of the drastic drop in foreign workers. About a thousand were sent packing after their visas were not renewed.

But Hiles remains optimistic the visa crisis will be resolved said, "I think we've probably gone down as much as we're likely to in construction due to the repatriation of H-2 workers, over the last year, and its likely to gradually go up from there because there's plenty of work to do."

Generally speaking, Hiles says the Guam economy continues to grow at a modest clip. For the government, Tax revenues are up for the first six months of the year: employee withholding, gross receipts, and the top private revenue source: tourism.

"The Hotel Occupancy Tax has gone up significantly over last number of years," he qualified.