

Guam real GDP decreases 0.3 percent, tourism shows strength

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Construction workers on the site of the Tsubaki Tower hotel project in Tumon, Jan. 22, 2019. The decrease in Guam's GDP is attributed, in part, to decreased spending on construction by the government of Guam and the private sector. (Photo: Frank San Nicolas/PDN)

Guam's real gross domestic product decreased .3% in 2018, after increasing .2% in 2017, according to a report this week from the U.S. Bureau of Economic Analysis.

The United States' real GDP increased 2.9% in 2018 after increasing 2.4% in 2017.

Guam's decline, according to the report, is due to decreases in local spending and investments, both private and by the local government.

Government of Guam spending decreased by 1.3%, according to the report. GovGuam's spending on construction and equipment decreased despite progress on major infrastructure projects, including an improved wastewater treatment plant, the report states.

Private investment decreased 0.9 percent, reflecting a continued decline in business spending on construction.

The report states that overall construction employment grew in 2018, however, much of this employment was related to defense construction. In the private sector, a number of major projects were delayed, the report states.

Some delays may be due to increased restrictions on H-2B visas, which have [challenged contractors' ability to acquire the necessary workforce for projects outside of military fences](/story/money/2019/02/06/h-2-b-bans-have-far-reaching-impact-says-guam-contractors-association/2775204002/) (/story/money/2019/02/06/h-2-b-bans-have-far-reaching-impact-says-guam-contractors-association/2775204002/).

However, the decline was partly offset by growth in exports of services, which primarily consists of tourists' spending, the report states.

Spending by tourists grew 2.2 percent. This reflected increases in total visitor arrivals and average spending by Korean and Japanese tourists, the report states.

2017 GDP

The private sector was the source of growth for Guam's real GDP in 2017, the report states. The largest contributor to growth was distributive services, reflecting increased activity of the retail sector, according to the report.

Industry-specific breakdowns for 2018 are not available yet.

The bureau will also conduct a comprehensive update of Guam's GDP next year.

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