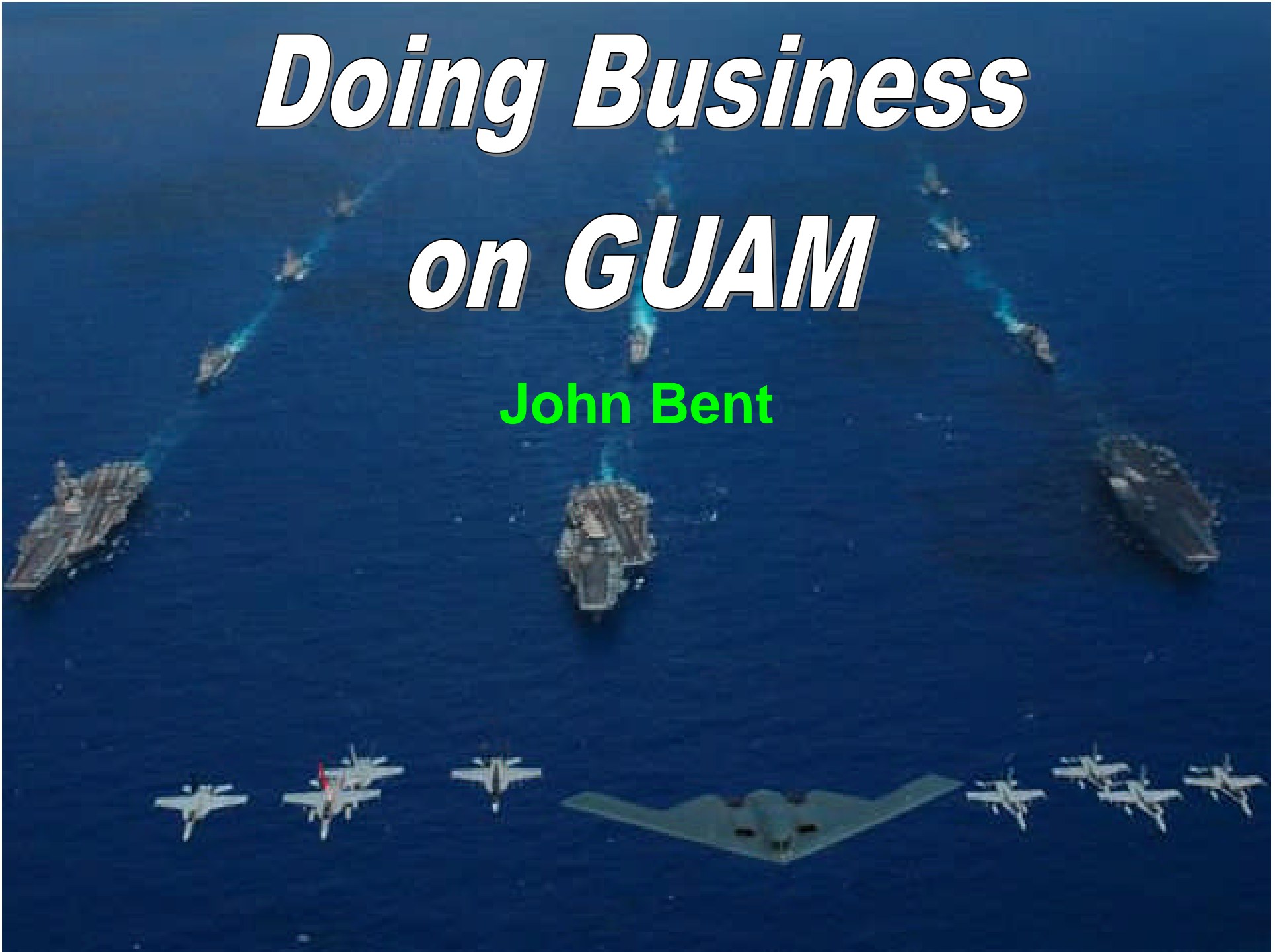


Doing Business *on GUAM*

John Bent



My Life On GUAM

- Arrived in Guam in 1990 to do a business and a Scuba Diving adventure for two years, almost twenty years later returned to Australia to retire.
- A successful business, Guam Tropical Dive Station, tourist based boats, Austrade trade facilitator and even a bit of Consular Warden work.
- We built the shop up to one of the largest in the Pacific, a down town shop and a shop on the Airforce base, two 45 ft dive boats a 28 ft dive boat and a semi submersible for the Japanese tourist



My Life On GUAM - cont

- Got to know all the Government officials, Governors, Colonels of the Air Force, Admirals of the Naval Forces Marianas, I was invited to all the senior military command change over.
- I was on the Civilian advisory committee; I was on the Guam Visitors Bureau, Japan committee, Chamber of Commerce members.
- We were good corporate citizens and as my wife said we became big fish in a little pound.



The Current Situation

- The military build up is about to commence and is real and present event.
- You have heard all the figures and they are real.
- It may seem complex and it is, but if you believe you are capable in some way then Austrade and I will guide you through.



Other Markets



- The existing military is not to be ignores, currently just under, 20,000 people.
- Guam is a R and R port for a couple of the Pacific Fleets.
- They come in for a four to eight day stopover.
- Bringing 8.000 people with plenty of money in their pockets and ready to spend it.



Other Markets - cont

- Do the math $8,000 \times \$2,000$
- They bake 3,000 loaves per day.
- Estimated value of a food order for and Aircraft Carrier and its support fleet is around \$10 million.
- Get your product into that system by working with local distributors.



Tourism

- This industry, this industry was and still is the back bone of Guam with the Japanese tourist being the major force. The world's current financial situation has slowed the numbers down to a little under one million, but as things improve in Japan and the new marketing to mainland China kicks in then, the sky is the limit and a two million target will not be unreasonable.



Tourism - cont



- It was tourism that built Guam and several Australian companies have hooked into the Japan “omiagi” market.
- Patons chocolates are one.
- Gift wine
- Boutique clothes



Hotels

- There are a total of 25 hotels large and small, I think almost 9,000 rooms.
- The tourist market has been slow for a year or so, but is coming back, hotel food, hotel refurbishment.
- Architectural
- Building products
- Food items
- Cooking items



The Local Market

- There are 170,000 people on Guam so in its self a separate market, they all eat, have houses, cars etc.
- Architecture
- Health Services
- Building products
- Furniture
- Food
- Wine



Government of Guam

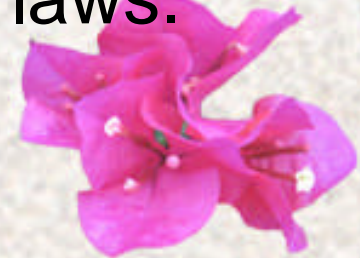
- The present infrastructure can't cope with this expansion, power water, waste, sewerage all have to have massive up grades. These will be mainly Federally funded but will not have the restrictions of Military contracts.

- Power Stations
- Distribution systems
- Health
- Water storage
- Water distribution
- Water saving devices



Guidelines on how to get started in Guam

- You start up a business in Guam as you would in Australia. A registered company or partnership or any of the systems of business ownership that you are familiar with and comfortable with.
- A Guam company can be owned by an Australian but the secretary/ treasurer must reside on Guam.
- Guam has American law, it has a tax office, labor laws, health and safety laws. EPA laws.



Guidelines on how to get started in Guam - cont

- All senior personnel to be onboard with the Idea
- Investigate thoroughly
- Be prepared for the long haul
- If you're a strong company you can probably do a stand alone
- A well selected partnership.
- Joint venture
- Appoint an agent



Do Not Do a Carpet Bag Approach

- A quick visit to an expo doing a dog and pony show will not work.
- Guam people and Guam businesses will expect you to have a permanent presence in one form or another.



Become a Good Corporate Citizen

- Be a part of the local and business community.
- Become a member of the local Chamber of Commerce. The Contractors Association.
- The Guam Hotel and Restaurant Association.
- Or the relevant association that deals with your business.
- You need to be familiar with the local Government Agency that deals with your business.
- They want to have more businesses on Guam. They are approachable and willing to help.



Staff



- Good staff is hard to find, I bet you never heard that before.
- Unemployment is low
- More people are moving to Guam and some easing of the situation may take place. Some Special H2 arrangements.
- Micronesians are looking at Guam in significant numbers.
- Australians can get visas under certain circumstances, E visa is an example.



Culture

- There is a saying on Guam, OOG.
- Guam is America in the Topical Islands, with Island culture and Attitudes.
- Guam is on the doorstep of Asia, four hours to Tokyo, Hong Kong, Seoul, Manila, so the Asian influence is very strong. The hotels have the signs in Japanese.
- They would like to see some diversification from US.



Culture - cont



- Australia is a popular choice
- The local people are Chamorro, they have their own indigenous language. It has a lot of Spanish influence for obvious reasons.
- They have their own time, Guam time! About 15 min later than your time.



Culture - cont



- But the American business attitude is, if your 5 min early, your one time.
- The Catholic religion is very strong.
- They love food and have fiestas all the time and will invite you to join.
- They are very pro US but have a very few who thing that they should be independent again but the US should leave the money behind.



Culture - cont

- They have indigenous rule but fall under Federal rule for Taxes, Immigration and Defense and some Customs laws.
- Guam can be an Island of contradiction, a high Tech military base with every fiber optic cable from Asia to US passing through to having to wait a week or two to get your telephone installed.



Climate

- There are two seasons in Guam.
- Hot Sunny and Rain
- Hot Rainy and Sun
- A typical tropical climate.
- Guam has the other tropical event “typhoons” last one was in 2001, but the next one could be next month. It can have the most perfect weather you could ever imagine and also a typhoon that will blow you car down the street.
- Temp daytime 30 to 33 degrees
- Evening 23 to 28
- Humid yes



Climate - cont

- I found the perfect cure for humidity, sipping martinis or cold beer at the beach bars overlooking a beautiful ocean
- Is it a good place to do business? YES
- Is it a nice place to live? YES
- Do it right and you won't get Guamed.





FLEXIBILITY IS THE KEY

Images courtesy of Guam Visitors Bureau

