



OFFICE OF THE GOVERNOR
HAGÁTÑA, GUAM 96910
U.S.A.

EXECUTIVE ORDER NO. 2008- 07

**RELATIVE TO ESTABLISHING THE GUAM CHINA DEVELOPMENT
COUNCIL**

WHEREAS, Guam and the People's Republic of China (PRC) enjoy geographic proximity to each other in East Asia, thereby affording mutual opportunities in many areas of development, which opportunities have been enhanced following China's entry into the World Trade Organization in 2001; and

WHEREAS, China's economy has changed from a centrally planned system, largely closed to international trade, to a more market oriented economy fueled by rapid growth of its private sector and resulting in China's dramatic economic transformation, which now boasts a nominal GDP (2006) of \$2.7 trillion or the equivalent of \$10 trillion in purchasing power parity, which makes China the third largest economy after the United States and Japan; and

WHEREAS, this economic transformation is shaping and benefiting the economic development of countries around the world and island states in the Asia Pacific region, contributing to a trade environment within East Asia that is growing faster than the region's trade with the rest of the world; and

WHEREAS, according to the US-China Business Council, China's GDP grew 11.1% in the first quarter of 2007 with annual growth projected at 10% which reflects China's enormous trade with the world, and which trade alone with the United States in 2006 accounted for \$55.2 billion in exports and \$287.8 billion in imports; and

WHEREAS, according to a "China Daily" report in July 2007, China's economic development strategy includes the initiative to go global, and to encourage its enterprises to invest overseas, a strategy from which Guam can benefit in the areas of tourism, construction, real estate development, light manufacturing, agriculture, fisheries, aquaculture, and other industries, some of which have already been discussed during the U.S. Department of Interior Investment Conference held in Guam on October 4-6, 2007; and

WHEREAS, an area of opportunity discussed at the Department of Interior 2007 Investment Conference is the tourism industry. Furthermore, Guam's tourism stakeholders recognize that:

1. China is an important source market that can diversify and enhance the long term economic viability of tourism, the island's \$1.3 billion economic sector as reported this year by Global Insights, a company that measured the island's tourism economy;
2. China's outbound tourism has emerged to be the single largest source of international tourism, 34.5 million of whom traveled overseas in 2006 according to the China National Tourism Administration (CNTA). The World Travel Organization (WTO) predicts 100 million Chinese travelers abroad by 2020; and



3. China's developing trends, in a University of Nevada study, reveal that Chinese travelers have a high interest in visiting the United States, reflecting the emergence of a new class of affluent consumers consisting of mostly private overseas travelers with an ever increasing disposable income, a segment that the study identified as "the key to the growth of the rising Chinese overseas travel to the United States," and into which trend Guam, a U.S. territory in East Asia and farthest western U.S. soil, is geographically positioned to harvest;
4. A recent article in ETN Asia reports a 20% increase in Chinese visitors to the United States, totaling 530,000 in 2006, which is a positive embryonic trend that portends well for Guam; and

WHEREAS, Guam must expand its economic base to generate income that can be invested to improve the quality of life for all residents, enhance the island's long-term economic security, and create meaningful and rewarding employment for the thousands of students who graduate each year; and that such effort, with respect to the China opportunity, must be broad in scope and inclusive in local business participation, focused in direction and collaboration, and unified to leverage the most from Guam's limited private and public resources; and

WHEREAS, such effort can be enhanced through an organized group of interested parties having mutual interest and business relations in China and Guam, both sides each having a rich history and culture that are best served by fostering the kind of mutual cooperation and understanding that can enrich the residents of Guam and China in many ways commercial or otherwise; and

WHEREAS, such an organization can be invaluable in guiding and offering counsel to the government of Guam and private stakeholders who are doing or wishing to do business in Guam and participating in the island's economic growth and development; and

WHEREAS, such organized groups are not unique to Guam, given the existence of many groups in other countries and the United States; and

WHEREAS, the creation of an organized group in Guam can focus on the China opportunity, facilitate Sino-Guam economic development cooperation, and maximize the island's tourism potential while promoting mutual understanding between the residents of Guam and China; and

WHEREAS, legislation now pending in the 110th United States Congress contemplates special non-immigrant status for leisure and business travel to Guam, such special status when allowed for China and other countries will enhance the aims of the "Council."

NOW THEREFORE, I, FELIX P. CAMACHO, I Maga'låhen Guåhan, Governor of Guam, by virtue of the authority vested in me by the Organic Act of Guam, as amended, do hereby order:

1. The establishment and creation of the GUAM CHINA DEVELOPMENT COUNCIL, hereinafter "Council," which shall be comprised of representatives from the public and private sectors and appointed by the Governor of Guam to represent broad business participation with immediate focus on tourism opportunities.
2. The "Council" shall be comprised of, but not necessarily limited to, the Chairpersons or designees one each, of the Board from the Guam Visitors Bureau, Guam Economic



Development and Commerce Authority, Guam Hotel and Restaurant Association, Tourism Committee, Liheslaturan Guahan University of Guam, Mayors' Council of Guam and A.B. Won Pat International Airport; the Director of Revenue and Taxation, Director of Labor, and Director of Land Management. Representatives from the private sector shall be one each recommended by the Guam Chamber of Commerce, the Guam Chinese Association, Guam Chinese Chamber of Commerce, the Guam Board of Realtors, and Guam Banking Association, as well as five (5) other private sector members appointed by the Governor of Guam to include businesses now already engaged in or operating in the PRC, as well as representation from the airline, travel agency and option tour industries. The "Council," with approval of the Governor, can expand its membership as deemed appropriate.

3. In carrying out the work of the Council, there is hereby created an Executive Steering Committee (ESC) comprised of seven (7) members to be comprised of members of the committee, the Chairperson and members of whom shall be appointed by the Governor. The ESC shall meet regularly to provide the leadership and determine council priorities, including the allocation of resources at its disposal.
5. The "Council" which shall be a dynamic and active organization with shared public and private responsibilities is authorized to, and shall engage in, various activities that:
 - a. Foster mutual understanding and cooperation;
 - b. Promote and (or) facilitate tourism, economic development, and other business opportunities;
 - c. Promote cultural and educational exchanges; and
 - d. Establish "on the ground presence" in order to develop institutional connections in China that will enable the "Council" to achieve its aims.
6. The "Council" shall establish a working group committee structure to:
 - a. Identify and market viable business or investment opportunities;
 - b. Develop Institutional capacity to market Guam and deliver an experience that will sustain visitor growth; and
 - c. Ensure that proper language training and other market infrastructure development support the growth of visitor arrivals and investments from China.
7. To the extent possible, the "Council" shall:
 - a. Provide a medium for the exchange of ideas to conceptualize, plan and build a strong tourism market base in China and to facilitate the start of direct and scheduled air service to selected cities;
 - b. Provide a platform or channel for cultural, business and educational exchange between Guam and China;
 - c. Sponsor and fund programs or services that improve the development of relations between Guam and China; and
 - d. Unite individuals and organizations in the bonds of friendship, good will, and mutual understanding.
8. The "Council" in collaboration with the Guam Visitors Bureau, Guam Economic Development & Commerce Authority, and A.B. Won Pat International Airport, shall serve as the Clearing House for public spending in China, with respect to destination marketing for leisure and business travel, economic cooperation and cultural or educational exchanges with China, and for air service development in China. All



affected departments, agencies, and instrumentalities of the Government of Guam shall cooperate fully with the "Council," and shall to the extent possible render such financial assistance and other support as may be required and as directed by the Governor.

9. The Guam Visitors Bureau shall be the lead agency, central point of contact for, and otherwise staff the needs of the "Council" as authorized by its Board of Directors.

SIGNED AND PROMULGATED at Hagatna, Guam this 14 day of MAY,
2008.

FELIX P. CAMACHO

I Maga'låhen Guåhan

Governor of Guam

COUNTERSIGNED:

MICHAEL W. CRUZ, M.D.

I Segundu Maga' Låhen Guåhan

Lieutenant Governor of Guam

