



Tourism Industry Update

Hotels, Restaurants and other sectors

Presented by:

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GUAM HOTEL & RESTAURANT ASSOCIATION

GHRA MISSION



GHRA Strives to be an active corporate citizen in the community and works with others to improve the overall quality of life on the island of Guam.

PROMOTES

Highest standards of service and quality

ADVOCATES

Just legislation and governmental regulations

IMPROVES

Business-community relationships

PUBLICIZES

Values and benefits of the visitor industry

GHRA COMMITTEES



**ENGINEERING &
ENVIRONMENTAL**



**SAFETY &
SECURITY**



HOUSEKEEPING



**HUMAN
RESOURCES
& EDUCATION**



**PR & MKTG,
FOOD &
BEVERAGE**



**FRONT DESK
& FINANCE**

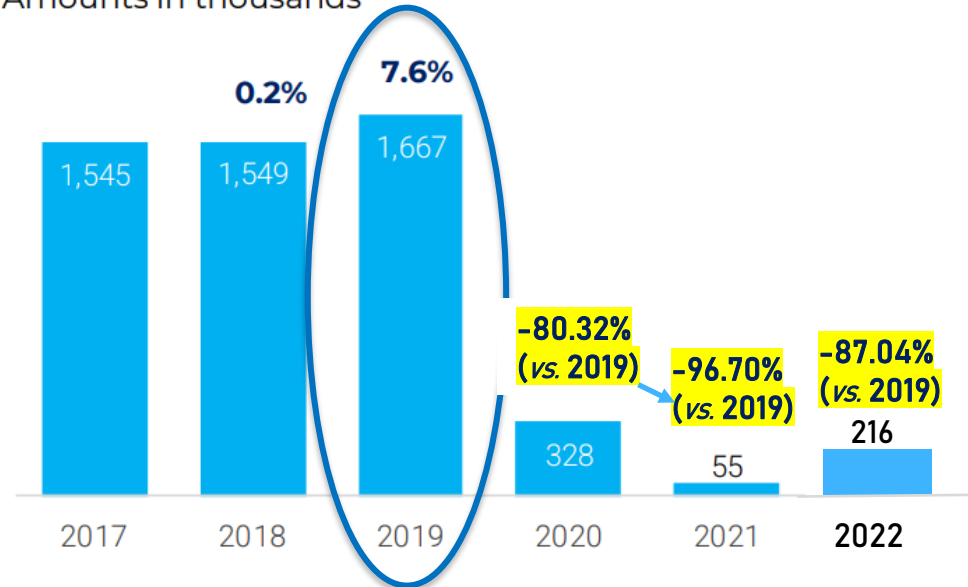
MARKETING & COMMUNICATIONS





Guam visitor volume

Amounts in thousands

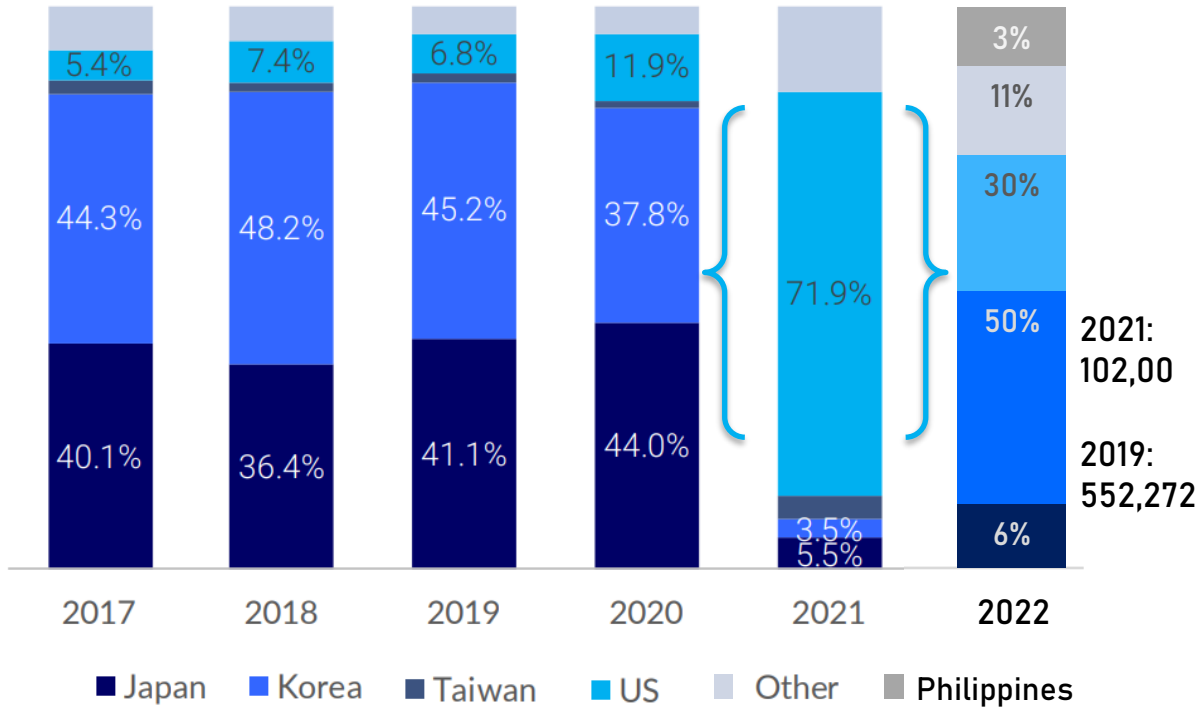


Sources: GVB, Tourism Economics

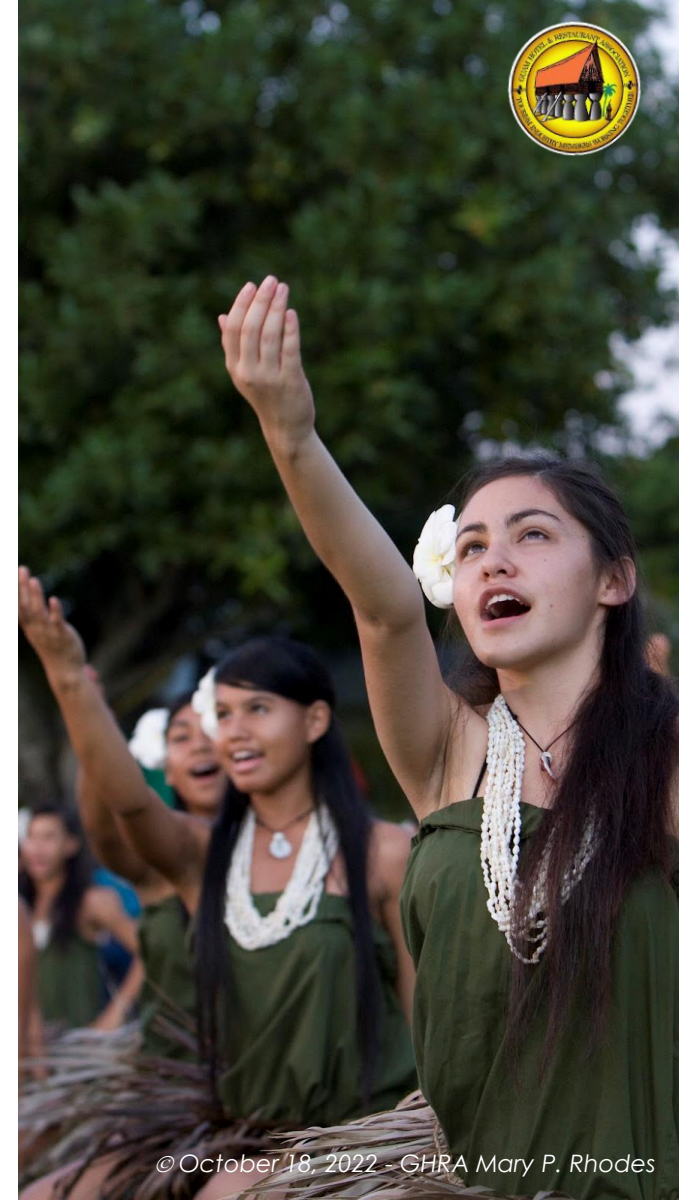
If you deduct 82,487 arrivals from US/Hawaii, CNMI, Palau, FSM and RMI, then Guam received 134,428 foreign visitors in 2022 (-91.93% vs 2019).

Guam origin markets

With share of visitation



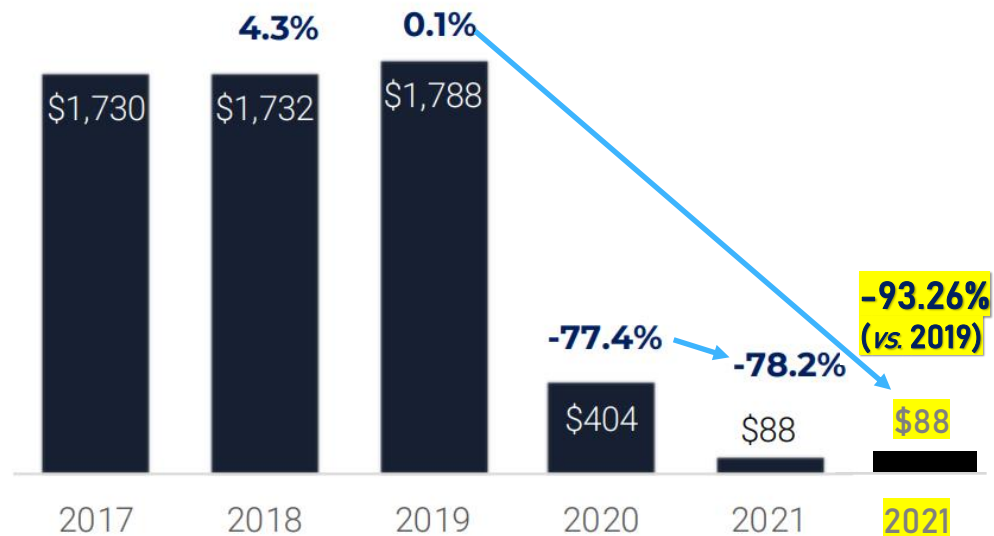
Mainland US visitors were the few with the ability to travel to Guam in 2021. As such, the share of US visitors jumped from 12% in 2020 to 72% of visitors in 2021. This is also likely influenced by the military buildup with contractors or others involved with the buildup helping boost domestic visitation numbers. Sources: GVB, Tourism Economics





Guam visitor spending

Amounts in \$ millions



Sources: GVB, Tourism Economics

VISITOR SPENDING

Significant drop in 2021

Travel was impacted by visitation restrictions for much of the year in 2021, unlike in 2020 where at least the early part of the year was pre-pandemic. With the continued limits on visitation in place, visitor spending dropped 78%.



Guam visitor spending and annual growth

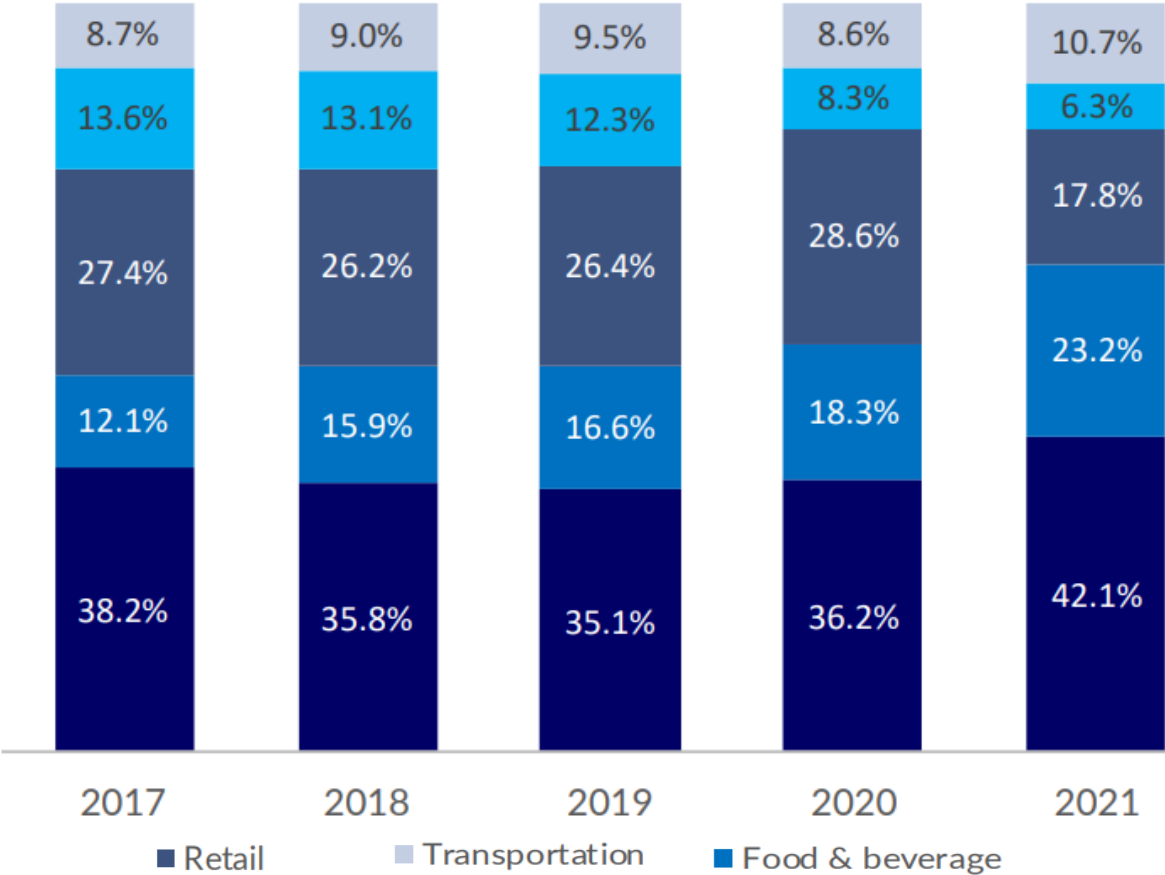
Amounts in \$millions

	2017	2018	2019	2020	2021	2021 Growth	2021 vs 2019
Total visitor spending	\$1,729.9	\$1,732.0	\$1,788.1	\$404.4	\$88.1	-78.2%	-95.07%
Lodging	\$660.1	\$620.3	\$627.6	\$146.5	\$37.1	-74.7%	-94.08%
Food & beverage	\$209.9	\$274.6	\$297.4	\$74.0	\$20.4	-72.4%	-91.14%
Retail	\$474.0	\$454.6	\$472.3	\$115.6	\$15.6	-86.5%	-96.69%
Recreation	\$236.0	\$226.5	\$220.2	\$33.5	\$5.6	-83.4%	-97.45%
Transportation	\$150.0	\$156.0	\$170.7	\$34.9	\$9.4	-73.0%	-94.49%

Sources: GVB, Tourism Economics

Visitor Spending Shares in Guam, 2017-2021

By category, %



Sources: GVB, Tourism Economics

Recreation

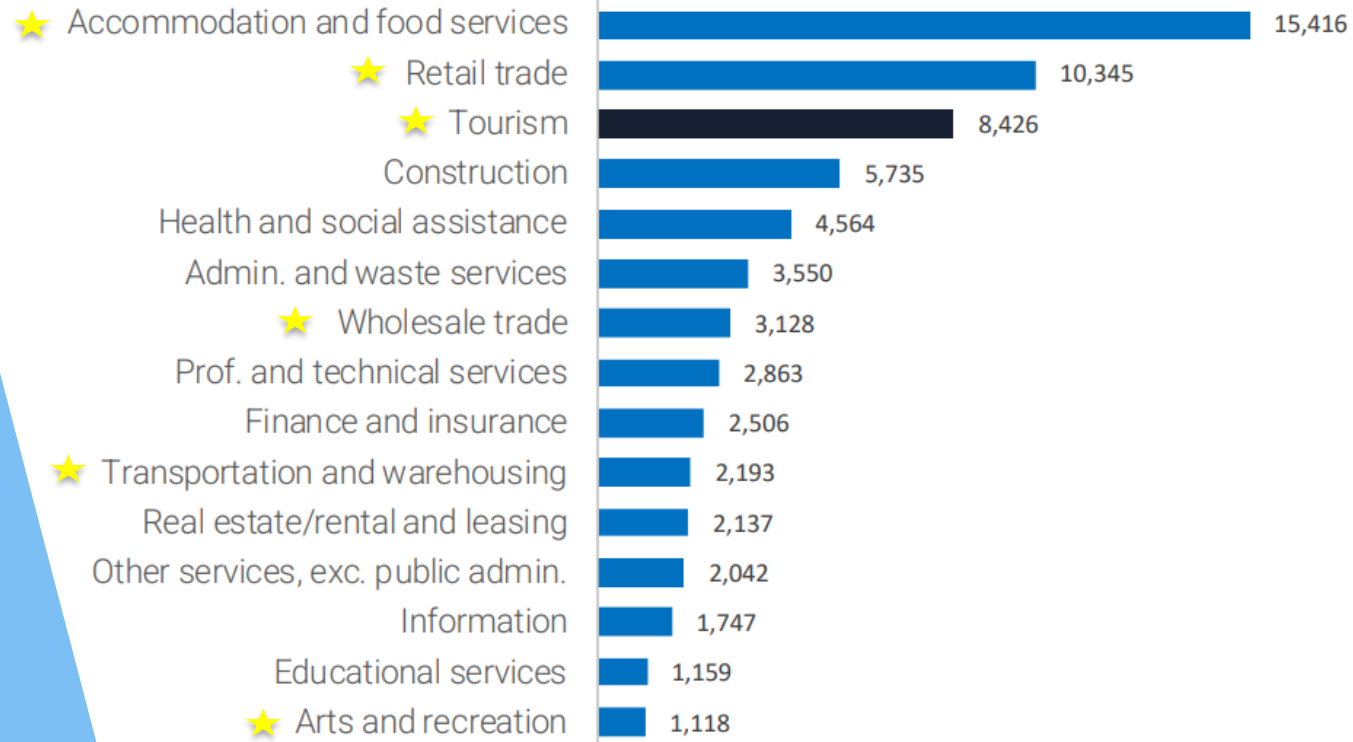
Lodging





Employment in Guam, by major industry

Amounts in number of jobs, direct jobs for Tourism



Sources: GVB, Tourism Economics



Employment Report


	2019	2020	2021	2022	2022 vs. 2019	2022 vs. 2020	2022 vs. 2021
MANUFACTURING	1,450	1,450	1,460	1,610	11.03%	-19.64%	10.27%
TRANSPORTATION	4,650	4,480	3,540	3,600	-22.58%	-10.24%	1.69%
WHOLESALE TRADE	2,530	2,540	2,410	2,280	-9.88%	-18.60%	-5.39%
RETAIL TRADE	13,790	13,870	11,010	11,290	-18.13%	-17.26%	2.54%
SERVICES	18,890	18,540	14,650	15,340	-18.79%	-16.54%	4.71%
	41,310	40,880	33,070	34,120	-17.40%	-16.54%	3.18%

Sources: Bureau of Labor & Statistics, Guam Department of Labor

REOPENING CHALLENGES

- Increases with cost of goods, shipping, utilities, recruiting / retaining employees;
- Employee turnover; cost of retraining / training employees;
- Inventory and supply chain issues; import / export issues;
- Employment or labor issues;
- Increases with sanitary permit and government fees;
- Building permit, business license, and inspection issues;
- Scaling back operations due to increases in cost of doing business;
- Challenges with cash flow, payroll,
- Adjusting to new markets and climate conditions;
- Slow reopening; lack of visitors and airline seats;
- Foot traffic and consumer spending has decreased;
- Different market mix and visitor spending; and
- Operational changes due to staffing, scheduling, hours, deliveries, and adopting technologies.





	2018	2019	2020	2021
Hotel Occupancy Tax	\$42.87 M	\$45.01 M	\$28.35 M	\$13.00M
Hotel Occupancy Rate	85.10%	88.50%	56.40%	45.90%
Hotel Room Rate	\$206.13	\$211.01	\$188.72	\$157.48

	2021 vs. 2018	2021 vs. 2019	2021 vs. 2020
Hotel Occupancy Tax	-69.67%	-71.11%	-54.14%
Hotel Occupancy Rate	-46.06%	-48.13%	-18.62%
Hotel Room Rate	-23.60%	-25.37%	-16.55%



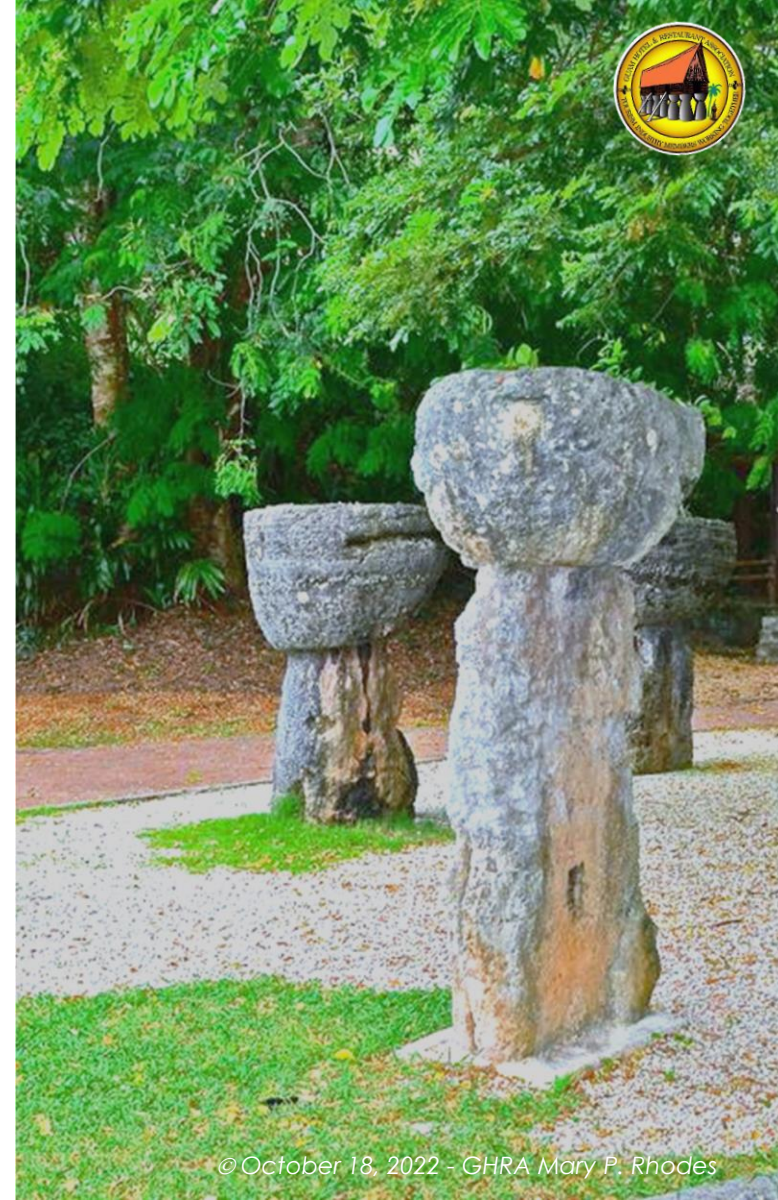
Fiscal (tax) impacts

Amounts in millions of nominal dollars

	2019	2020	2021
Total Tax Revenues	\$238.6	\$116.0	\$56.8
Personal Income	\$11.7	\$6.8	\$3.9
Corporate	\$16.6	\$5.7	\$2.2
Indirect Business	\$21.8	\$13.4	\$6.5
Social Insurance	\$72.8	\$42.0	\$24.3
★ Hotel Occupancy	\$45.1	\$28.4	\$12.9
Gross Receipts	\$58.8	\$17.6	\$6.7
Special Revenues	\$11.8	\$2.2	\$0.4

Source: Tourism Economics

-76.19%



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SUMMARY ECONOMIC IMPACTS Guam Tourism (2021)

-93.26%
(vs. 2019)



\$128M

Direct Traveler
Demand

-87.25%
(vs. 2019)



\$306M

Total
Economic
Impact

-46.21%
(vs. 2019)



12,425

Total
Jobs
Generated

-77.47%
(vs. 2019)



\$57M

Taxes
Generated

$$\begin{array}{ccccccc} \$88M & + & \$40M & = & \$128M \\ \text{Spending by} & & \text{Spending} & & \text{Direct} \\ \text{Travelers} & & \text{supporting} & & \text{traveler} \\ & & \text{traveler} & & \text{demand} \\ & & \text{activity} & & \end{array}$$



\$306 MILLION

Total Economic Impact of Tourism in Guam in 2021

SUMMARY ECONOMIC IMPACTS Guam Tourism (2019)



\$1.9B

Direct Traveler
Demand



\$2.4B

Total
Economic
Impact



23,100

Total
Jobs
Generated



\$253M

Taxes
Generated

$$\begin{array}{ccccccc} \$1.8B & + & \$115M & = & \$1.9B \\ \text{Spending by} & & \text{Spending} & & \text{Direct} \\ \text{Travelers} & & \text{supporting} & & \text{traveler} \\ & & \text{traveler} & & \text{demand} \\ & & \text{activity} & & \end{array}$$



\$2.4 BILLION

Total Economic Impact of Tourism in Guam in 2019



SUMMARY



- Key source markets have reopened, but slow recovery
 - Challenges with air capacity and load factor
 - Challenged with domestic travel promotions and currency
- Arrival Numbers on an upward trend, but minimal impact.
 - Military business from 12% to 71%
 - Military build up, increased federal market
 - Fix rates, minimal revenue impact vs. 1.6M visitors
 - Longer stays impacting visitor spend
 - Overall negative impact by 93.26%
 - Behind by 91.93% behind in the leisure market
 - Korea 102,000 compared to 552,272
 - Impact to taxes (GRT, income, corporate, HOT, others)
 - Impact to Hotels:
 - Hotel Occupancy Tax -72.11%
 - Hotel occupancy rate -48.13%
 - Room rate -25.37%
 - Impact for most restaurants -80% since 2019
- Positive outlook for 2023
 - Increase collaboration and efforts
 - Focus on leisure market's short and Long term strategies



THANK YOU!
SI YU'US MA'ASE!

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