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OIA-BEA ANNOUNCE RELEASE OF GROSS DOMESTIC PRODUCT (GDP) ESTIMATES FOR GUAM FOR 2008 AND 2009

WASHINGTON, D.C. – The Department of the Interior’s Office of Insular Affairs (OIA) and the Department of Commerce’s Bureau of Economic Analysis (BEA) are pleased to announce the release of the gross domestic product (GDP) estimates for 2008 and 2009 for Guam. These estimates follow the initial GDP estimates for Guam for 2002-2007 which were released in May 2010.

The release of GDP estimates for Guam by the BEA, the federal agency responsible for national economic accounts, is the product of a technical assistance agreement between OIA and the BEA. As currently formulated, the BEA’s mandate for GDP calculations, release and updates covers the 50 states and the District of Columbia (DC) but does not include the U.S. insular areas. To produce GDP data for the territories in the same manner it does for the 50 states and DC, OIA entered into a technical assistance agreement with the BEA that covers the cost of its technical expertise and field work in the territories.

Over the course of the last year, the BEA has worked closely with local island staff to develop the first-ever, comprehensive mechanisms for calculating the GDP data for Guam and the remaining insular areas.

The BEA relies heavily on the federal government’s current research and data to estimate the GDP for the 50 states, DC and the United States as a whole. Presently, ongoing initiatives to conduct such research do not include the insular areas. The recent OIA–BEA agreement is the only vehicle to generate these basic economic data that are readily available for the 50 states and DC. GDP estimates produced by the BEA are essential to better understand the territorial economies and how they evolve over time.

“I think this is a necessary step in the right direction and I believe strongly that once we formalize the collection of data and provide our insular governments with a sound sense of the economic activity that is generated on each island, governments will be better equipped to make informed decisions about their economic growth and development policies,” said Assistant Secretary Babauta.

“Going forward, our objective is to formalize the scope of the BEA’s mandate to include the territories. This inclusion is critical as island leaders are increasingly asked to do more with less in the face of stringent budget cuts. The goal is to provide data that is current, accessible and employable,” added Babauta.

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NEWS RELEASE



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THE BUREAU OF ECONOMIC ANALYSIS (BEA) RELEASES ESTIMATES OF GROSS DOMESTIC PRODUCT FOR GUAM

HAGATNA, GUAM (July 18, 2011) -- Today, the Bureau of Economic Analysis (BEA) is releasing estimates of gross domestic product (GDP) for Guam for 2008 and 2009.¹ This release also includes revised estimates for 2002 to 2007.² These estimates were developed under the Statistical Improvement Program funded by the Office of Insular Affairs (OIA) of the U.S. Department of the Interior.

The estimates for Guam show that real GDP -- GDP adjusted to remove price changes -- increased 1.7 percent in 2009 after increasing 0.5 percent in 2008 (see Table 3). For comparison, real GDP for the U.S. (excluding the territories) decreased 2.6 percent in 2009 after remaining unchanged in 2008.

The largest contributor to the growth in real GDP during this period was federal government spending.³ The majority of this spending was by the Department of Defense. Federal spending increased in both 2008 and 2009; the increases in both years largely reflected increases in construction spending and in compensation.

The tourism industry continued to weaken in 2008 and 2009, negatively impacting economic growth. Spending by tourists makes up the vast majority of Guam's exports of services. Real exports of services declined 9.0 percent in 2009 after falling 12.1 percent in 2008 (see Table 3). These declines reflected decreases in the number of visitors to Guam.

Real consumer spending fell 1.5 percent in 2009 after remaining unchanged in 2008 (see Table 3). Consumer prices rose over this period, increasing 1.1 percent in 2009 after increasing 5.5 percent in 2008 (see Table 5).

¹ These estimates are based on limited source data and are subject to revision.

² On May 5, 2010, BEA released estimates of GDP for the period 2002 to 2007 for Guam, as well as for American Samoa, the Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands.

³ In this news release, "consumer spending" refers to "personal consumption expenditures" and "government spending" refers to "government consumption expenditures and gross investment."

Revisions

Estimates for 2002 to 2007 that were released on May 5, 2010 have been revised in order to incorporate improvements to source data and estimation methodologies; these improvements include the following:

- Improving the methodology for measuring petroleum imports by incorporating information on liquid fuel tax revenue from Guam's Territorial Highway Fund.
- Incorporating improved source data for estimating federal government spending, including military compensation.
- Updating territorial government spending to reflect restated revenues and expenses as reported in audited annual financial statements.

The overall growth in the revised estimates is similar to that of the previously published estimates. From 2002 to 2007, real GDP increased at an average annual rate of 1.6 percent; in the previously published estimates, the rate of change was 1.8 percent. Over the 2002 to 2007 period, real GDP growth peaked in 2004 and experienced a significant contraction in 2006. Percent changes in real GDP from the preceding year -- revised and as published in last year's release -- are shown in Table 7.

Methodology

In constructing the estimates for Guam, BEA used methodologies consistent with the methods used to estimate U.S. GDP. Information from the Economic Census of Island Areas was used to establish benchmark levels of GDP for the years 2002 and 2007. For other years, annual series were developed and used to estimate GDP. Because Guam is not included in most of the major surveys used by BEA to estimate U.S. GDP, the support of government leaders in Guam and the assistance provided by the Guam Bureau of Statistics and Plans, the Guam Department of Revenue and Taxation, the Guam Bureau of Labor Statistics, and the Guam Bureau of Budget and Management Research were critical to the successful production of the estimates presented in this release.

BEA's national, international, regional, and industry statistics; the *Survey of Current Business*; and BEA news releases are available without charge on BEA's Web site at www.bea.gov. By visiting the site, you can also subscribe to receive free e-mail summaries of BEA releases and announcements.

Guam

Table 1. Gross Domestic Product

	Line	[Millions of dollars]							
		2002	2003	2004	2005	2006	2007	2008	2009
Gross domestic product	1	3,314	3,435	3,717	4,003	4,004	4,141	4,255	4,491
Personal consumption expenditures	2	2,348	2,182	2,362	2,588	2,662	2,784	2,936	2,924
Private fixed investment	3	137	166	152	145	164	217	252	237
Net exports	4	-854	-824	-812	-908	-1,081	-1,351	-1,544	-1,486
Exports	5	635	574	759	858	838	829	803	720
Goods	6	74	73	71	70	80	115	133	98
Services	7	561	501	688	788	759	714	670	622
Imports	8	1,489	1,398	1,572	1,766	1,919	2,180	2,347	2,206
Goods	9	1,357	1,257	1,413	1,579	1,733	1,949	2,091	1,965
Services	10	132	141	158	187	186	231	256	241
Government consumption expenditures and gross investment	11	1,684	1,911	2,016	2,179	2,259	2,490	2,612	2,816
Federal	12	1,002	1,199	1,295	1,385	1,410	1,580	1,698	1,856
Territorial	13	682	712	721	794	849	911	914	960

NOTE. Detail may not add to total because of rounding.

Guam

Table 2. Real Gross Domestic Product, Chained Dollars

	Line	[Millions of chained (2005) dollars]							
		2002	2003	2004	2005	2006	2007	2008	2009
Gross domestic product	1	3,589	3,615	3,879	4,003	3,850	3,879	3,899	3,966
Personal consumption expenditures	2	2,490	2,286	2,450	2,588	2,557	2,603	2,602	2,563
Private fixed investment	3	156	185	161	145	155	200	228	219
Net exports	4	-1,041	-970	-874	-908	-1,016	-1,194	-1,237	-1,285
Exports	5	763	662	822	858	785	755	680	606
Goods	6	86	82	77	70	75	101	104	82
Services	7	677	580	745	788	710	654	575	523
Imports	8	1,804	1,632	1,696	1,766	1,800	1,949	1,918	1,891
Goods	9	1,648	1,472	1,526	1,579	1,627	1,740	1,699	1,690
Services	10	157	160	170	187	173	209	219	202
Government consumption expenditures and gross investment	11	1,959	2,110	2,143	2,179	2,154	2,275	2,310	2,474
Federal	12	1,175	1,332	1,379	1,385	1,341	1,442	1,503	1,643
Territorial	13	782	777	764	794	813	833	808	831
Addenda:									
Population (thousands) ¹	14	161.1	163.6	166.1	168.6	171.0	173.5	175.9	177.9
Per capita real GDP (chained dollars)	15	22,278	22,097	23,353	23,743	22,515	22,357	22,166	22,293

1. Source: 2008 Guam Statistical Yearbook; U.S. Census Bureau, International Database

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Table 3. Percent Change From Preceding Year in Real Gross Domestic Product

	Line	[Percent]						
		2003	2004	2005	2006	2007	2008	2009
Gross domestic product	1	0.7	7.3	3.2	-3.8	0.8	0.5	1.7
Personal consumption expenditures	2	-8.2	7.2	5.6	-1.2	1.8	0.0	-1.5
Private fixed investment	3	19.0	-13.1	-10.2	7.2	29.0	14.1	-4.1
Net exports	4	.....	.....	.....	.....	.....	.....	.....
Exports	5	-13.2	24.1	4.4	-8.5	-3.8	-9.9	-10.9
Goods	6	-3.7	-6.4	-9.0	6.7	34.8	3.2	-21.0
Services	7	-14.4	28.5	5.8	-9.9	-7.9	-12.1	-9.0
Imports	8	-9.5	3.9	4.1	1.9	8.3	-1.6	-1.4
Goods	9	-10.6	3.6	3.5	3.0	6.9	-2.3	-0.6
Services	10	2.0	6.1	9.9	-7.3	20.9	4.6	-7.9
Government consumption expenditures and gross investment	11	7.7	1.6	1.7	-1.1	5.6	1.6	7.1
Federal	12	13.3	3.5	0.4	-3.2	7.5	4.3	9.3
Territorial	13	-0.6	-1.7	3.9	2.5	2.5	-3.1	3.0

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Table 4. Contributions to Percent Change in Real Gross Domestic Product

	Line							
		2003	2004	2005	2006	2007	2008	2009
Percent change:								
Gross domestic product	1	0.7	7.3	3.2	-3.8	0.8	0.5	1.7
Percentage points:								
Personal consumption expenditures	2	-5.77	4.57	3.57	-0.77	1.19	-0.02	-1.01
Private fixed investment	3	0.78	-0.64	-0.42	0.26	1.19	0.74	-0.23
Net exports	4	1.75	2.49	-0.86	-2.72	-4.80	-1.15	-1.29
Exports	5	-2.54	4.13	0.91	-1.85	-0.79	-2.03	-2.03
Goods	6	-0.08	-0.14	-0.18	0.12	0.71	0.09	-0.62
Services	7	-2.46	4.27	1.09	-1.97	-1.50	-2.13	-1.41
Imports	8	4.29	-1.64	-1.78	-0.86	-4.01	0.88	0.74
Goods	9	4.37	-1.38	-1.35	-1.21	-3.04	1.14	0.27
Services	10	-0.08	-0.26	-0.43	0.35	-0.97	-0.26	0.47
Government consumption expenditures and gross investment	11	3.95	0.89	0.91	-0.61	3.19	0.94	4.27
Federal	12	4.08	1.25	0.15	-1.10	2.66	1.63	3.64
Territorial	13	-0.13	-0.36	0.76	0.49	0.53	-0.69	0.63

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Table 5. Percent Change From Preceding Year in Prices for Gross Domestic Product and Price Indexes for Gross Domestic Product

	Line	2002	2003	2004	2005	2006	2007	2008	2009
		[Percent]							
Gross domestic product	1	.....	2.9	0.8	4.4	4.0	2.6	2.2	3.7
Personal consumption expenditures	2	.....	1.2	1.0	3.7	4.1	2.8	5.5	1.1
		[Index numbers, 2005=100]							
Gross domestic product	3	92.3	95.0	95.8	100.0	104.0	106.8	109.1	113.2
Personal consumption expenditures	4	94.3	95.4	96.4	100.0	104.1	107.0	112.8	114.1

Table 6. Gross Domestic Income

	Line	[Millions of dollars]							
		2002	2003	2004	2005	2006	2007	2008	2009
Gross domestic income	1	3,314	3,435	3,717	4,003	4,004	4,141	4,255	4,491
Compensation of employees	2	2,181	2,410	2,470	2,583	2,675	2,844	3,029	3,178
Taxes on production and imports less subsidies	3	98	127	154	163	165	194	183	175
Gross operating surplus	4	1,035	898	1,093	1,257	1,164	1,103	1,043	1,138

NOTE. Detail may not add to total because of rounding.

Table 7. Revisions to Percent Change in Real GDP

	Line	2003	2004	2005	2006	2007
		Percent change:				
Revised	1	0.7	7.3	3.2	-3.8	0.8
Previously published	2	-0.2	8.1	4.2	-3.4	0.7
Percentage points:						
Revision	3	0.9	-0.8	-1.0	-0.4	0.1