

## Chinese Investors Propose Huge Tourism Development Plans For Yap

By Arlyne Chugen, [The Kaselehlie Press](#) Friday, 07 October 2011

September 27, 2011 Colonia, Yap—The **Exhibit and Travel Group** (ETG)- a private entity headquartered in Chengdu in the Sichuan province of the People's Republic of China is seeking to invest heavily on the island of Yap. If ETG's plans pass scrutiny in Yap it would be the largest investment by a private sector entity anywhere in the FSM.

The ETG proposal includes the construction of 8 to 10 hotel complexes with a combined total of up to 4 000 guest rooms. These complexes could be completed and opened by 2015 if the Yap State Government approves their plan. Their plans extend to the development of as many as 10 000 guest rooms by 2020.

ETG's proposals are not limited to hotel complexes. In their vision to create what they term a "world class island international tourism resort" in Yap, ETG also plans to build convention centers, casinos, and entertainment centers. To complement the need for such world-class resorts, tentative plans of development also include the construction of 8 to 15 golf courses.

The implementation of such a large-scale project would require a vastly improved infrastructure in Yap. In anticipation of that need ETG has included the improvement of the transportation system in order "to satisfy the need of large passenger jets" and the expansion of ports in order "to satisfy the need of international tourism and shipment," in its plans.

In their presentation, ETG claims that their proposed development ideas will "highlight the long history of the indigenous [Yapese] culture, adding a unique ethnic element to sightseeing." The completion of the project "will make tourism the key industry in FSM, which shall also promote the development of agriculture, fisheries, crop farming, and other industries." Further, the private enterprise also claims their ideas reflect on such themes as "green and environmental" and a "combination of environmental protection and development."

One Yap State government official said that nothing is finalized but there are definitely some ideas of development already being discussed.

An ETG entourage lead by ETG chairman **Dèng Hóng**, flew into Yap on August 16, 2011 on a chartered plane where they met with Yap State Leadership to discuss their proposed development plans.

The August meeting between ETG and Yap State leadership was not the first meeting between the two parties. Both groups met earlier in the year to discuss the ideas. ETG had invited representatives from various Yap government agencies to visit Chengdu so that Yap's representatives could see firsthand the types of economic development they have accomplished there.

"ETG investment could be the best thing that happens to Yap, but we must maintain control every step of the way" said one employee of Yap's Division of Commerce and Industry.

Reactions to ETG's proposals amongst members of the public we contacted were mixed ranging from outright skepticism to optimism.

"We stand to gain but what do we know about what to lose?" said **John G. Mangefel**, a Yapese employee working at the Youth Services.

*"It's good foreign investment but history has shown that foreign investment isn't necessarily good for the general populace"* another Yapese who wished to remain anonymous said.

**Dieter Kudler**, General Manager and co-owner of Yap Pacific Dive Resort, held a different view. *"It's a lifetime opportunity for Yap Island"* he said. Kudler is also the General Manager of one of the hotels on the island. He said that he thinks that competition and the possibility of an increased number of flights to the island could work to the advantage of the dive resort.

The Yap State government has not agreed to any development plans in Yap but it is in the process of forming a taskforce with several mandates. In a government communication dated September 5 that was submitted to the Yap State 8<sup>th</sup> Legislature and the Chief Councils, the Governor **Sebastian Anefal** called for the formation of the taskforce, also known as the "Work Group." The Work Group would be tasked to do the following: **1)** *"identify and describe each land parcel that is suitable for development, its relative size, and identify who owns each parcel of land";* **2)** recommend the types of development (hotel, beach expansion, golf course, etc.) most compatible for each identified parcel of land; and **3)** identify such land areas *"that are so ecologically, historically, and culturally important to (the) people of Yap"* that they should be exempted from development plans.

The Work Group is expected to report its findings to the State Leadership by November 30, 2011.

The members of the Work Group, as indicated in the government communication, will consist of five members: a representative of the Administration; two members of the 8<sup>th</sup> Yap State Legislature; one member of the Council of Pilung; and one member of the Council of Tamol. Any decisions and recommendations made by the Work Group will require a unanimous vote by each of the members of the Work Group.

In addition to consensus decisions within the Work Group, the government would need to work out some major current roadblock to such a large scale project. For example, ETG's proposed plans to build casinos would require some changes in Yap State law. Gambling is currently prohibited according to Title 11, Section 601 of the Yap State Code.

The status of the Work Group is still unknown. Government official did not respond to our requests for comments on the status of the project plans.

The Yap State Legislature is currently in recess. Their next regular session is scheduled to begin in January 2012, though their next session day is subject to call.