

AN ANNOUNCEMENT out of the State of Yap in the Federated States of Micronesia prompted a response this week from no less than **Madeleine Z. Bordallo**, Guam's delegate to Congress.

She was reacting to news from Colonia that the Council of Pilung of Yap State has signed a memorandum of understanding with a group of Chinese investors who propose a development so grand in scale that it will transform Yap forever. Bordallo indicated the development emphasizes the importance of a Chinese visa waiver for Guam. We need the Chinese market, she said.

Officially, the Chinese Yap developers are the **Chengdu Century City New International Convention and Exhibition Center Company Ltd.**, which is quite a mouthful, so they're referred to as ETG, which stands for exhibit and travel group. The Marianas Variety-Guam reported on their plans for Yap **back in October**, when they were first announced.

We called it a development which would dwarf anything so far seen in the FSM, and indeed it would – up to 10 separate hotel complexes with some 4,000 rooms ready in three years and, ultimately, upwards of 20,000 rooms – more than twice as many as Guam has. The Chinese investors will improve the transportation system to accommodate long-range jetliners at the Yap airport and international cruise liners in the harbor. Also planned are golf courses, dive sites, and even casinos.

It's a long way from completion, of course, but the MOU is a significant first step. It puts a stamp of acceptance, if not approval, on the concept. "The council (of Pilung) hereby supports ETG regarding the development of the Project to the largest extent, (and) further agrees to give to ETG their full assistance regarding the acquisition of land leases." The traditional leaders even offer to screen other developers who may come along, implying they will favor and protect ETG from competition.

What this all will mean for Guam remains to be seen. If ETG has the backing it seems to have, and if the money begins to be spent quickly, construction could be only months away, with the first tourists from China arriving in Yap in 2015. The project will ultimately cost billions of dollars.

We like the quote from Joann Camacho, the general manager of the Guam Visitors Bureau. When asked by our David Morris whether she thought a development on such a large scale just a few hundred miles from Guam would have any impact on us, she said, "I don't see it as a threat right now. There are enough Chinese to go around." Indeed!