



*For Immediate Release*

## **GVB Economic Impact Assessment on Recreational Marijuana reveals estimated net loss of \$486.2M to Guam's Tourism Industry**

(December 29, 2020 - Tumon, Guam) Results from an Economic Impact Assessment (EIA) conducted by the Guam Visitors Bureau (GVB) on recreational cannabis showed an estimated net loss of visitor expenditures of \$486.2 million and a job loss of over 4,000 to the island.

GVB generated the EIA to better understand the impact that recreational marijuana will have on Guam's tourism industry. The management assessment also honed in on the evaluation of estimated costs and benefits in relation to recreational cannabis being legalized.

The methodology was in consultation with travel industry suppliers and demand distribution channels, to include collective views from the Guam Hotel and Restaurant Association, Japan Guam Travel Association, and Korea Guam Travel Association. Specific market segments were identified and sensitized for cannabis impacts against actual arrivals data for Fiscal Year 2019. Furthermore, sensitivity assumptions in the assessment were based on more moderate views than the draconian assumptions of most industry stakeholders. GVB also established baseline metrics directly from the Tourism Satellite Account Economic Impact report from 2016.

### **Independent Study Before Assessment**

Prior to the EIA, GVB commissioned and paid for an Independent Economic Impact Study (IEIS) on the economic benefits from a newly established cannabis industry. The IEIS was mandated by Public Law 35-5 and submitted to the Guam Legislature through the Cannabis Control Board on October 19, 2020.

While the study on the recreational cannabis industry showed a positive impact of \$11.5 million to the island, GVB noted in its recent EIA that it is far outweighed by the estimated net loss of \$486.2 million to Guam's tourism industry.

"We're all on the same team. We know there are good people on the Cannabis Control Board who have the best intentions for launching the recreational cannabis industry with the proper rules and regulations that will guide it," said Dr. Gerry Perez, Acting GVB President & CEO. "GVB understands the distinct benefits of implementing a new cannabis industry on the island and we'll continue to work with the Cannabis Control Board to ensure the best outcome for the good of our community."

GVB already has representation on the Cannabis Control Board - GVB Board Director/ Guam Behavioral Health and Wellness Director Therese Arriola and GVB Director of Tourism Research Nico Fujikawa.

The Bureau also noted case studies underpinning the IEIS were largely based on western consumer orientation and sensitized to East Asian markets. However, other key factors may have been overlooked in the IEIS. The differences in consumer views, behaviors, and most importantly public policy, are materially significant considerations that the EIA explored.

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