

Republic of Palau: Demographic, Economic and Business Opportunities Summary

Economy, Labor Force and Employment Statistics

Population	19,976	Gross Island Product (GIP, \$ mil)	\$109.5
Total Labor Force	9,607	% Government	29.1
Total Employment	9,383	% Trade	23.1
Workers Born Elsewhere	4,990	% Construction	12.0
Born in Palau	4,393	GIP Per Capita (\$)	\$4,295
Unemployed	224	Imports (\$, mil)	\$95.7
Unemployment Rate (%)	2.3	Exports (\$, mil)	\$12.0

Sources: Bank of Hawaii, *Republic of Palau Economic Report, April 2003*, Honolulu, Hawaii.

I. Competitive Advantages

Primary:

- **Location:** Proximity to major economies of industrial East Asia
- **Political Stability:** Democratic institutions embedded in the traditional culture
- **Infrastructure:** Commercial airport, sea port, telecom, Internet access, world-class hotels and resorts, restaurants and stores, medical facilities
- **U.S. Affiliation:** English-speaking labor and U.S. dollar as currency
- **Governance:** U.S.-style republican system with direct and secret ballot elections of state and national government leaders; legal code follows U.S. common law system; own labor and immigration rules

Secondary:

- **Logistics:** Regular air and shipping routes to East Asia, Guam and Hawaii
- **Climate:** Warm and pleasant tropical climate with spectacularly scenic islands
- **Exclusive Economic Zone:** allows access to a large area for fish and other sea products

II. Opportunities For Economic Growth and Development

- **Agriculture:** Compact Road will circle largest island and provide access to markets
- **Education and Training:** Vocational & technical training; strengthening the Community College of Palau; improvements in health and medical services
- **Tourism:** World-renowned diving sites, welcomes around 60,000 visitors a year; Significant potential for growth in all areas of tourism
- **Manufacturing:** light manufacturing for export to the United States
- **Aquaculture**

III. Potential Investments

- Hotel and golf course construction
- Light manufacturing
- Aquaculture
- Fisheries and fish processing
- Agriculture
- Ocean research