



BLOOMBERG: Guam's Finances Trend Upward, Puerto Rico's Downward

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“Guamanians can be confident we headed in the right direction, and this article proves it. While other territories are sliding down the financial market, Guam continues to do well—outperforming other territories and competing well with big states. This administration worked hard to eliminate the deficit, create a surplus, and remain committed to transparency. Our efforts have been rewarded with more praise from the financial markets in New York.”

– Governor Eddie Baza Calvo

Guam shines on the world-wide stage, again

Guam received worldwide recognition from Bloomberg, the leader in global business and financial information today. The article stated that Guam's General Obligation (GOB's) bonds are trading significantly better than Puerto Rico's GOB's despite Puerto Rico GOB's having a higher S&P rating, a clear sign that investors understand and recognize all of the improvements the Calvo Administration has made.

While S&P dropped Puerto Rico on Feb. 4 to BB+, one step below investment grade, the New York-based company raised Guam four months ago to BB-, the highest since 2003. This upgrade was also done during the first downgrade for the federal government in U.S. history.

Praise directly related to Calvo's efforts on deficit, financial transparency

This improvement and confidence is a direct result of Governor Calvo's fiscal team eliminating a \$336 million deficit at the start of Fiscal Year 2011 and turning it into a \$30 million general-fund surplus at the end of FY2012.

The Bloomberg report states GovGuam's finances have improved substantially in comparison to other U.S. territories — U.S. Virgin Island and Puerto Rico. GovGuam continues moving forward in a profitable direction as indicated in the Comprehensive Annual Financial Report for Guam.

“Guam's bonds are beating the entire municipal market in 2014 for the fifth time in six years,” the Bloomberg article states.

Bond investors confident in island's economy, administration

Guy Davidson, director of municipal bonds at AllianceBernstein Holding LP in New York mentioned in the Bloomberg article that Guam's debt “is small enough and the problems in Puerto Rico are distinct enough that investors haven't fled territory debt broadly.” According to Guam Economic Development Authority's (GEDA) records AllianceBernstein holds Guam General Obligation Bonds, Guam's Business Privilege Tax Bonds, Guam's Section 30 Bonds, Guam Waterworks Revenue Bonds and Guam Power Authority Revenue Bonds.