

Belau (Palau)

Overview:

The Republic of Belau is a sovereign nation in the westernmost part of Micronesia. Palau gained its independence October 1, 1994 with the entry into force of the Compact of Free Association with the United States. Palau was the last Trust Territory of the Pacific Islands territories to gain its independence. Under the Compact, the U.S. remains responsible for Palau's defense for 50 years.

Territory:

Eight inhabited islands (out of 20) plus more than 250 islets and 100 reefs. Area: 458 sq. km. (about 190 sq. mi.) in Terrain: Varies from mountainous main island to smaller, reef-rimmed coral islands. Highest elevation: 240m (Mount Makelulu)

Location:

Nearest Landmasses: Papua New Guinea (410 miles to the south) Philippines (550 miles to the west) Guam (815 miles to the northeast)

Latitude and Longitude:

Time Zone:

GMT +9

Total Land Area:

458

EEZ:

Climate:

Tropical. Temperature averages from a high of 87.5 degrees to a low of 77.5 degrees. Heavy rainfall occurs from May to January and is heaviest in June and July, resulting in more than 150 inches of rainfall a year. Natural Disaster Vulnerability: Tsunami, Coastal Flooding, Cyclones, Drought, Sea Level Rise, Earthquakes. Typhoon Squalls, Sea Level Rise

Natural Resources:

ECONOMY:

Total GDP:	
124500000	2,004.00 USD

Per Capita GDP:	
2005	7,600.00 USD

% of GDP per Sector:			
	Primary	Secondary	Tertiary
2003	0.6%	12%	81.8%

% of Population Employed by Sector			
	Primary	Secondary	Tertiary
	%	%	%

External Aid/Remittances:

Palau's trade imbalance is adequately covered by grants from the United States and other countries, plus receipts from tourism and other exports, all denominated in US dollars. External debt: \$20 million. Japan: (US) \$30 million "grant": The Palau-Japan Friendship Bridge connecting the islands of Koror and Babeldaob. Japan: (US) \$14 million "grant": New airport terminal - due to have been completed in 2003. Republic of China (Taiwan):(US) \$23 million "soft loan": Development of an "economic and commercial" center in Babeldaob - the future new capital of Palau.

Growth:

Annual Growth Rate: 2.3% (2002) 2.1% (2001) 2.2% (2000) 2.1% (1999)

Labour Force:	
2000	9,607
2005	9,777

Unemployment	
Year:	Unemployment Rate (% of pop.)
2005	4.2%

Industry:

Aside from garments, handicrafts, local food processing, and furniture making for domestic markets, there is no manufacturing in Palau. The service

sector dominates the Palauan economy, contributing more than 80% of GDP and employing three-quarters of the work force. Construction is the most important industrial activity, contributing over 9% of GDP. Several large infrastructure projects, including the rebuilding of the bridge connecting Koror and Babeldaob Islands after its collapse in 1996 and the construction of a highway around the rim of Babeldaob, boosted activity at the end of 1990s. Industrial Products: small scale handicrafts Mining Products: gold

Niche Industry:

Apart from duty-free sale of products in the United States, Palau's main comparative economic advantage lies in developing specialty tourism.

Tourism:

Tourists: 45 994 (2001) Visitors: 58 560 (2002) 54 111 (2001) 57 732 (2000) 55 493 (1999) 64 194 (1998) Visitor Spending: \$66 100 000 (2002) \$61 100 000 (2001) \$63 500 000 (2000) \$55 500 000 (1999)

Imports and Exports:	
Tot. Value of Imports	5,882,000.00 US\$ (2005)
From Eu:	
Import Partners (EU:)	
Partners Outside EU:	
Import Partners:	
Tot. Value of Exports	107300000 US\$ (2004)
To Eu:	
Export Partners:	
Partners Outside EU::	
Export Partners:	
Main Imports:	
Main Exports:	

TRANSPORTATION/ACCESS

External:

Number of Airports: 1

1 international airport (located on the island of Babeldaob). Regular and chartered flights from the capital (Koror) to Guam, Tokyo, Taipei, and Manila.

Number of Main Ports:

Internal:

Air

Road:

Road Network: 64 km Paved Roads: 37.8 km A 54 mile, two-lane highway was to be completed in 2005 to connect the villages around the island with the capital and commercial center, Koror. The project is funded by the US and falls within the parameters of the treaty of Free Association. 1 bridge connecting the islands of Koror and Babeldaob. This bridge collapsed in September of 1996 and has since been rebuilt via a grant from Japan valued at \$30 million. It has been named the Palau-Japan Friendship Bridge. Vehicle Ownership: 200 per 1000 people.

Sea:

Other Forms of Transportation:

Economic Zones:

Energy Policy:

Year	Total Energy Production (Mwh)	Type			Total Energy Consumption (Mwh)	Sector				
		Thermic (Mwh)	Geothermic (Mwh)	Other (Mwh)		Domestic (Mwh)	Commercial (Mwh)	Public Service (Mwh)	Industry (Mwh)	Public Lighting (Mwh)

Official Currency:

US Dollar

Banking and Insurance:

Number of Banks and Credit Unions:

Number of Agricultural Credit Unions:

Number of Insurance Companies:

Financial Services:

Legislation making Palau an "offshore" financial center was passed by the Senate in 1998. In 2001 Palau passed its first bank regulation and anti-money laundering laws.

Communications/E-Commerce:**Public Ownership:****Land Use:**

Urbanization: 72% (2002)

Agriculture/Forestry:

Mainly on a subsistence level, the principal crops being coconuts, root crops, and bananas. Agricultural Products: fishing, fruits, vegetables, eggs, betel nuts, root crops, coconuts, copra, cassava, sweet potatoes

Marine Activity:**Fishing:**

A potential source of revenue, but the islands' tuna output dropped by over one-third during the 1990s.

Marine Life:

Human Activities Impacting Environment: Commercial fishing, Illegal fishing and poaching, Habitat destruction, Sand and coral dredging, Solid waste disposal, Cash cropping

Critical Issues:

The main economic challenge confronting Palau is to ensure the long-term viability of its economy by reducing its reliance on foreign assistance. The Compact of Free Association created a trust fund to provide perennial budget support when U.S. direct assistance ends. The value of the trust fund in 2004 was approximately \$140 million.

JURISDICTIONAL RESOURCES**Capital:**

Koror About 70% of the Palauan population lives in the capital city of Koror on Koror Island.

Political System:

Government Type: Constitutional republic in free association with United States. Bicameral legislature. American style democracy with three branches of government. Independence (from U.S.- administered UN trusteeship): October 1, 1994 . Constitution: In effect since January 1, 1981. Branches: Executive--president (head of state and government), vice president, cabinet. Legislative--bicameral parliament elected by popular vote. Judicial--Supreme Court, National Court, Court of Common Pleas, and the Land Court.

Political Parties:

Palau Nationalist Party, Ta Belau Party

Important Legislation:

Legislation making Palau an "offshore" financial center was passed by the Senate in 1998. In 2001 Palau passed its first bank regulation and anti-money laundering laws. Political and Economic Treaties Palau can sell manufactured goods in the United States duty-free. Compact of Free Association: In effect since October 1, 1994. This treaty allows Palau to use the US dollar as their currency and incorporates the jurisdiction into the US monetary system. Under the Compact, Palau conducts its own domestic and foreign affairs as it chooses, while the United States retains control of defence and security matters for which it has exclusive access to Palau's waterways. In return of this exclusivity, the US pays Palau an undisclosed sum of money in the first 15 years of the treaty. The Compact payments are a mix of rent and aid which, over 15 years ending in 2009, amount to a total of about \$630 million. The US Congress dictates the specific uses of the Compact funds. Compact funds are designated for three general uses: (1) to maintain a certain level of public service; (2) to build basic infrastructure such as roads, communication and water facilities; (3) to create a trust fund that would accumulate enough cash reserve in the first 15 years of the Compact to generate interest income that will replace the budgetary aid provided by the United States.

Principal Taxes:

Palau can sell manufactured goods in the United States duty-free.

Associated Power:

United States

Citizenship:**Paradiplomacy:**

Palau is a sovereign nation and conducts its own foreign relations. Since independence, Palau has established diplomatic relations with a number of nations, including many of its Pacific neighbors. Palau was admitted to the United Nations on December 15, 1994, and has since joined several other international organizations including the International Monetary Fund. It maintains diplomatic missions in Washington, Tokyo and Taipei.

HUMAN RESOURCES

Population: 19 976 (2004); 19 129 (2000); 17 225 (1995)

2004			
Island	Area (km sq.)	Population	% of Total Population
Palau	458	20,842	100%

Age structure--35.4% under 18, 6.6% over 65. Population Density: 41 per sq.km / 107 per sq.mi (2002) Population Growth Rate: 2.3% Births: 300 (2001); 278 (2000); 250 (1999); 280 (1998) Deaths: 138 (2001); 125 (2000); 131 (1991); 125 (1998) Life Expectancy: male 64.5 yrs.; female 70.8 yrs. Infant mortality rate: 20/1,000.

Population:	
Year	Resident Population

Age of Population:	0-14	15-24	25-49	50-64	65 and up
2007	5429	0	0	0	981

Migration:

Crude Birth Rate:	
2007	17.7%

Life Expectancy:

Life expectancy--male 64.5 yrs.; female 70.8 yrs. [check] 69 years (female: 72; male: 66)

Crude Death Rate:	
2007	6.77%

Ethnicity:

Palauans (Micronesian with Malayan and Melanesian ancestry) 75%; Filipino 16%; Chinese 3%.

Class Division:

Languages:

English (official in all 16 states), Palauan

Religion:

Roman Catholic 37%; Protestant 26%; Modekngei (an indigenous Palauan religion) 26%; other 10%.

Literacy:

Adult Literacy--92%.

Education System:

Total Pre-schools:()	
Total Primary Schools	
First Level:	
Second Level:	
Third Level:	
Total Secondary Schools:	
Total Professional Schools	
Universities:	

Number of Schools per Island:											
		Pre-school		Elementary			High-school		Prof.	University	
		Pub	Priv	1	2	3	Pub	Priv		Pub	Priv

Students Enrolled:					
Year:	Pre-School	Elementary	High-school	Prof.	University

Teachers							
Year	Pre-School	Elementary			High-School	Prof.	University
		1	2	3			

Medical Services:

HISTORY AND CULTURE

History:

Palau was initially settled more than 4,000 years ago, probably by migrants from what today is Indonesia. British traders became prominent visitors in



the 18th century, followed by expanding Spanish influence in the 19th century. Following its defeat in the Spanish-American War, Spain sold Palau and most of the rest of the Caroline Islands to Germany in 1899. Control passed to Japan in 1914 and then to the United States under UN auspices in 1947 as part of the Trust Territory of the Pacific Islands. While calm in recent years, Palau witnessed several instances of political violence in the 1980s. The republic's first president, Haruo I. Remeliik, was assassinated in 1985, with the Minister of State eventually found to be complicit in the crime. Palau's third president, Lazurus Salii, committed suicide in September 1988 amidst bribery allegations. Salii's personal assistant had been imprisoned several months earlier after being convicted of firing shots into the home of the Speaker of the House of Delegates.

Referenda:

Recent Significant Events:

Music, Dance, Handicraft and Patrimony:

Sources:

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