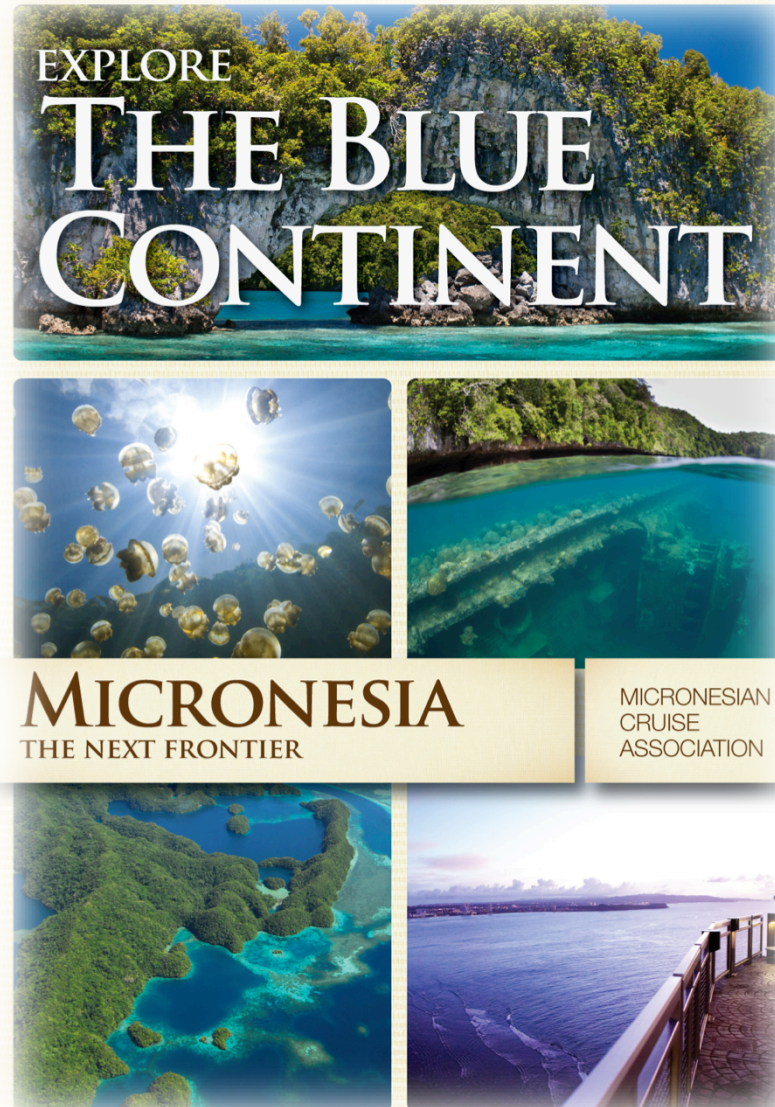


MICRONESIAN CRUISE ASSOCIATION



Asia: Future Cruising Growth Engine

- **Asia growth engine will**
 - Stimulate regional destination development, ports & itineraries
 - Generate regional volume, critical mass and economies of scale
 - Encourage ancillary investments and institutional support businesses
 - Benefit undiscovered and pristine neighboring destinations like Micronesia



Cruise Tourism Benefits

- Strong Export Revenue Source for Micronesia
- Less Infrastructure Required
- Lower Environmental & Social Impact
- Minimal Transit Port Handling Requirements



Cruise Destination Micronesia

- Location and regional description
- Diversity of history, culture, attractions, experiences
- Good airline accessibility
- Port facilities and services
- Shore excursions, business opportunities



Political Jurisdictions

1. Republic of Palau

2. Guam

3. CNMI: Saipan, Rota & Tinian

4. Federated States of Micronesia: Yap,
Chuuk, Pohnpei & Kosrae

5. Republic of the Marshals

6. Republic of Kiribati: Gilbert, Phoenix & Line

Political Jurisdictions

1. Republic of Palau







FEDERATED STATES OF MICRONESIA



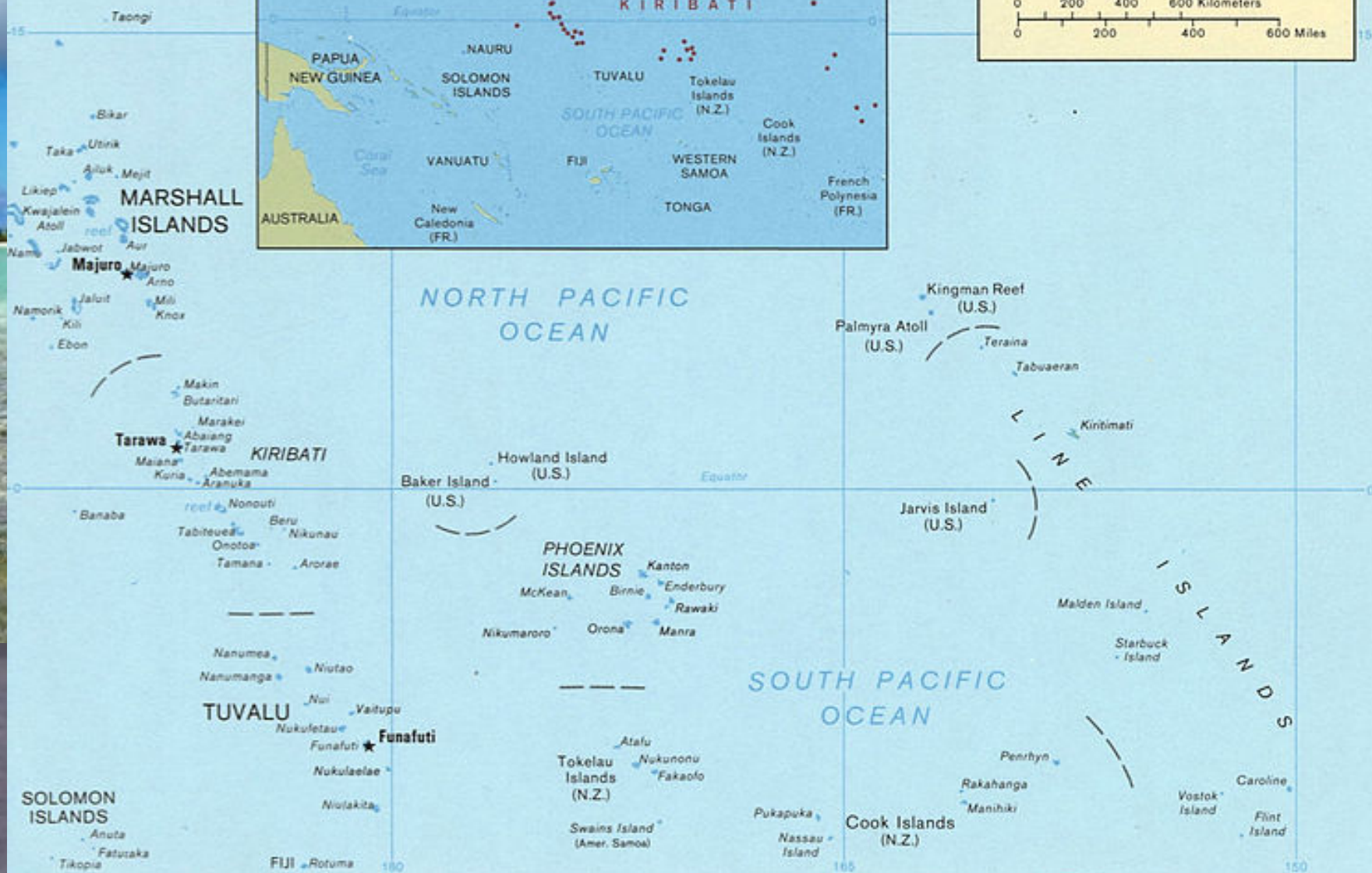
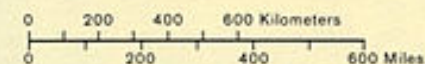




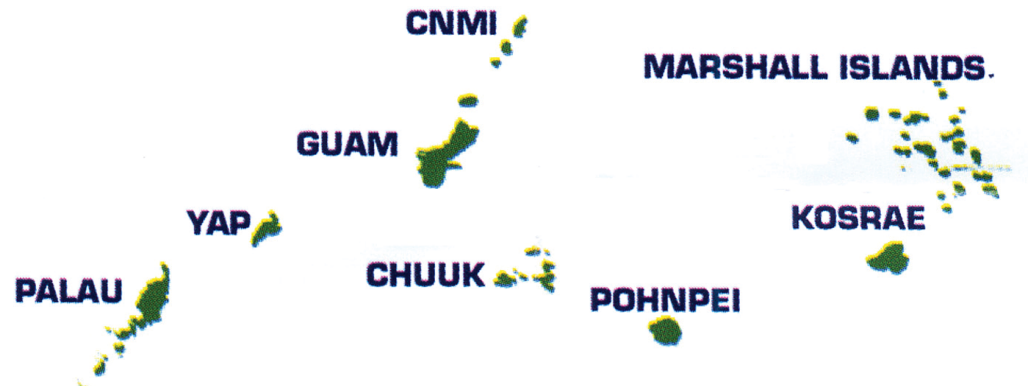
Kiribati

★ National capital

Internal administration is centered on the individual islands. Island Councils exist on Banaba, all 16 of the Kiribati group, and the three northernmost Line Islands. All other islands are uninhabited.



MICRONESIAN CRUISE ASSOCIATION



Gerald S.A. Perez
President



MICRONESIA: *An Emerging Regional Cruise Industry Opportunity*

Micronesian Cruise Association

VISION STATEMENT

A globally sought out regional cruise destination offering
Exceptional itineraries to diverse lifestyles, budgets, and
overland experiences.

Micronesian Cruise Association

MISSION and MANDATE (MCES/APIIL)

1. Build collective regional credibility to capitalize on socially responsible and economically sustainable economic opportunities.
2. Encourage the promotion of, and support for, authenticity in each of the region's island destinations.
3. Facilitate regional collaboration in cultivating and growing market visibility and demonstrating a compelling value proposition among stakeholders, influencers, and consumers.
4. Provide advise, as appropriate, on island specific cruise development initiatives.

Micronesian Cruise Association

April 2013

✓ Strategic Goals

1. Guam, CNMI, Palau

- Incremental business, market diversification
- Economic benefits from supply chain and fly-in/out opportunities

2. FSM and Marshalls

- Tactical infusion of cash without infrastructure burdens and destructive mass market impact
- Creates local economic opportunities that will slow or prevent out-migration and “hollowing out” of villages and communities

Micronesian Cruise Association

April 2013

✓ Strategic Goals

3. Regional

- Expanded arrivals through “overland” tours
- Cost effective market reach (i.e. cruise marketing and newsletters) and regional brand awareness
- Encourages heritage conservation, authenticity, and differentiation by island destination
- Global message reinforces traditional markets and awareness within distribution infrastructure

Micronesian Cruise Association

April 2013

Key Factors in Future Itinerary Planning

1. Operating costs and shore excursions revenue (time sensitive)
2. Passenger interest and attraction
3. Guest satisfaction
4. Increased sensitivity to fuel costs and margins
5. Growth opportunities in Asia
6. More capacity and cruise infrastructure in North Asia

Micronesia at a glance

Basic Info	Palau 08:00 hrs	Guam -09:00	CNMI hrs-	FSM *	Marshall's 10:00 hrs
Land Area (sq.mi)	178	212	180	270	70
No. of Islands	300+	1	15	600+	30+
Population	22,000	175,000	80,000	115,000	60,000
Per Capita GDP (US\$)	5,450	20,000	11,250	1,800	2,250
International Visitor Arrivals	84,000	1,300,000	433,925	21,500	9,000
% Share of Visitors	5.0	71.1	22.2	1.2	0.5
% Share of Tourism Receipts (\$ millions)	70.0	995.4	310.8	16.8	7.0
Tourism \$ Share Per Capita	3,182	5,688	3,875	146	116

* Note: FSM total from 4 states of Yap, Pohnpei, Chuuk and Kosrae



Discover Micronesia

“Sea of Islands” in the Pacific



Queen Mary 2 Guam visit in 2010