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 Marshalls
6. Republic of Kiribati: Gilbert, Phoenix & Line
Political Jurisdictions

1. Republic of Palau

- Independent and sovereign republic.
- Compact of free association with U.S.
- Island archipelagos scattered over 325 miles of ocean in Micronesia's western area just east of the Philippines.
2. U.S. Territory of Guam - Largest island and most populated, central transportation and communication hub in Micronesia - Three hours by jet east of Manila and south of Tokyo.
3. U.S. Commonwealth of Northern Mariana Islands (CNMI) - North South Chain of 15 islands east of the Philippines and 40 minute flight north of Guam - Islands of Rota, Tinian, and Saipan are the three major centers of population.
4. The Federated States of Micronesia - Independent sovereign island nation comprised from the State of Yap (west of Guam 45 minute flight), State of Chuuk (90 minutes east of Guam), State of Pohnpei (the capital 45 minutes east of Chuuk), and State of Kosrae (45 minutes southeast of Pohnpei) - Compact of free association also with U.S.
Republic of the Marshall Islands - Chain of over 20 island atolls in the eastern area of Micronesia and west of Johnston Island - Compact of free association with U.S., the latter having sole responsibility for international defense.
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.
MISSION and MANDATE (MCES/APIL)

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.
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

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

* 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