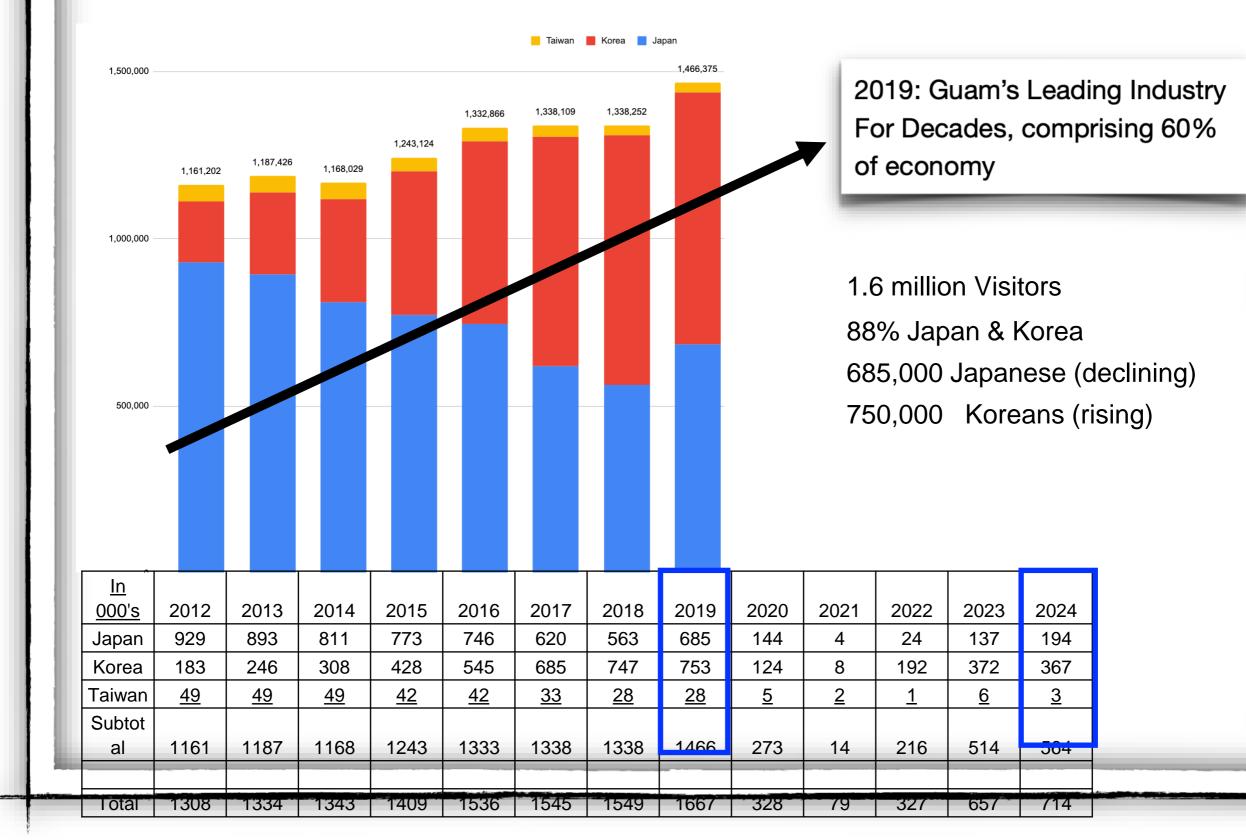


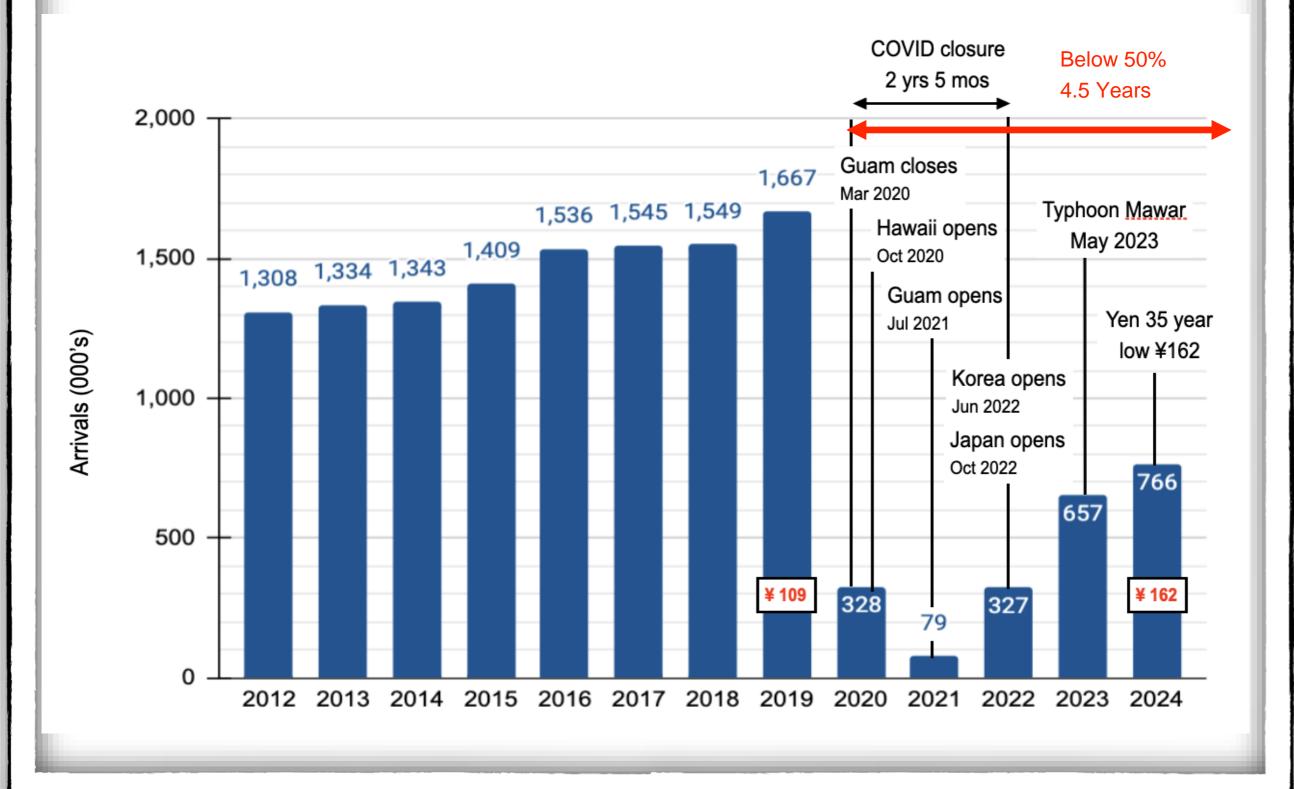
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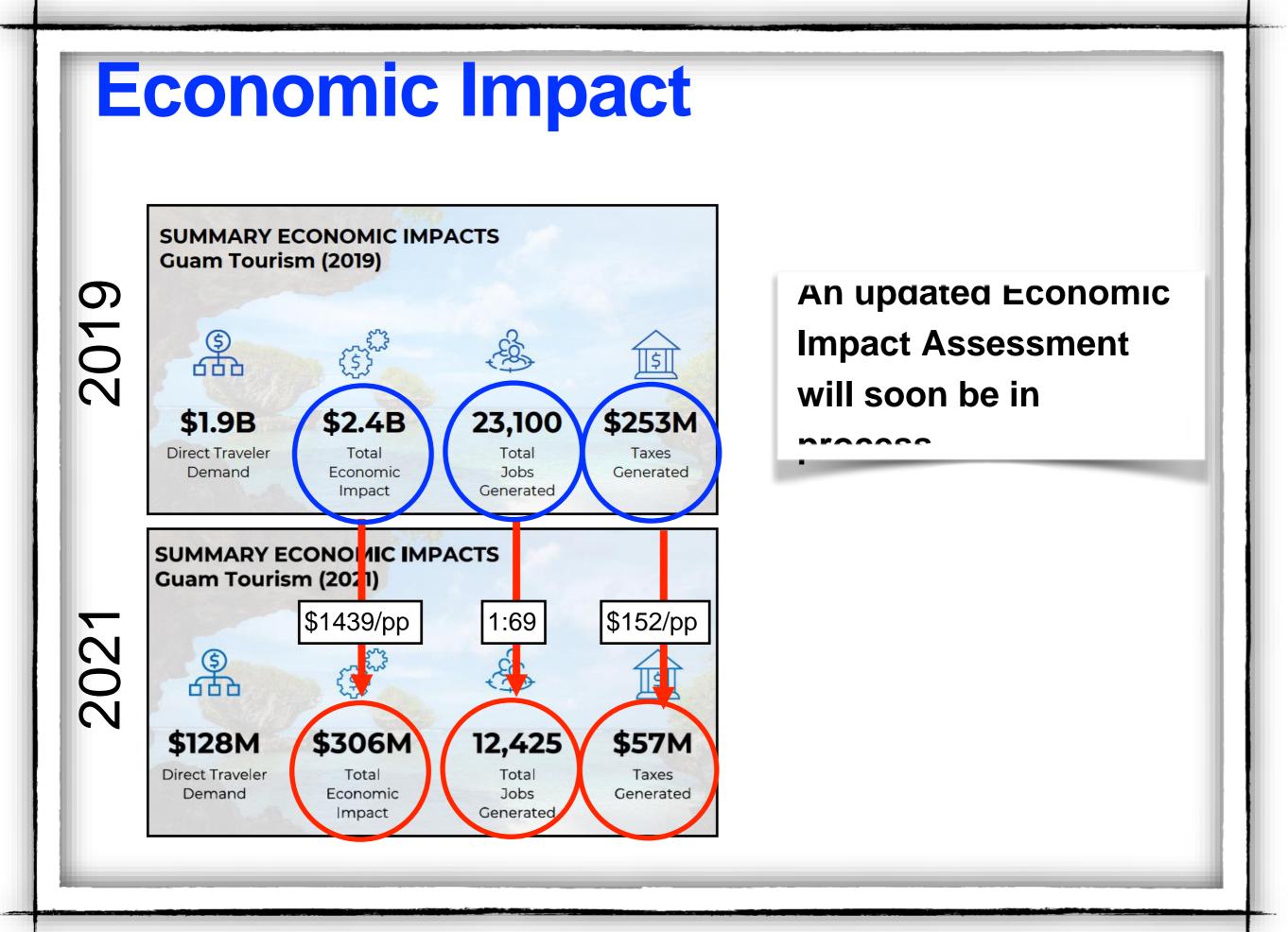
SHORT-TERM TOURISM RECOVERY PLAN AND SITUATION REPORT

Situation Report



2.5 Year Closure





Current Situation: Japan

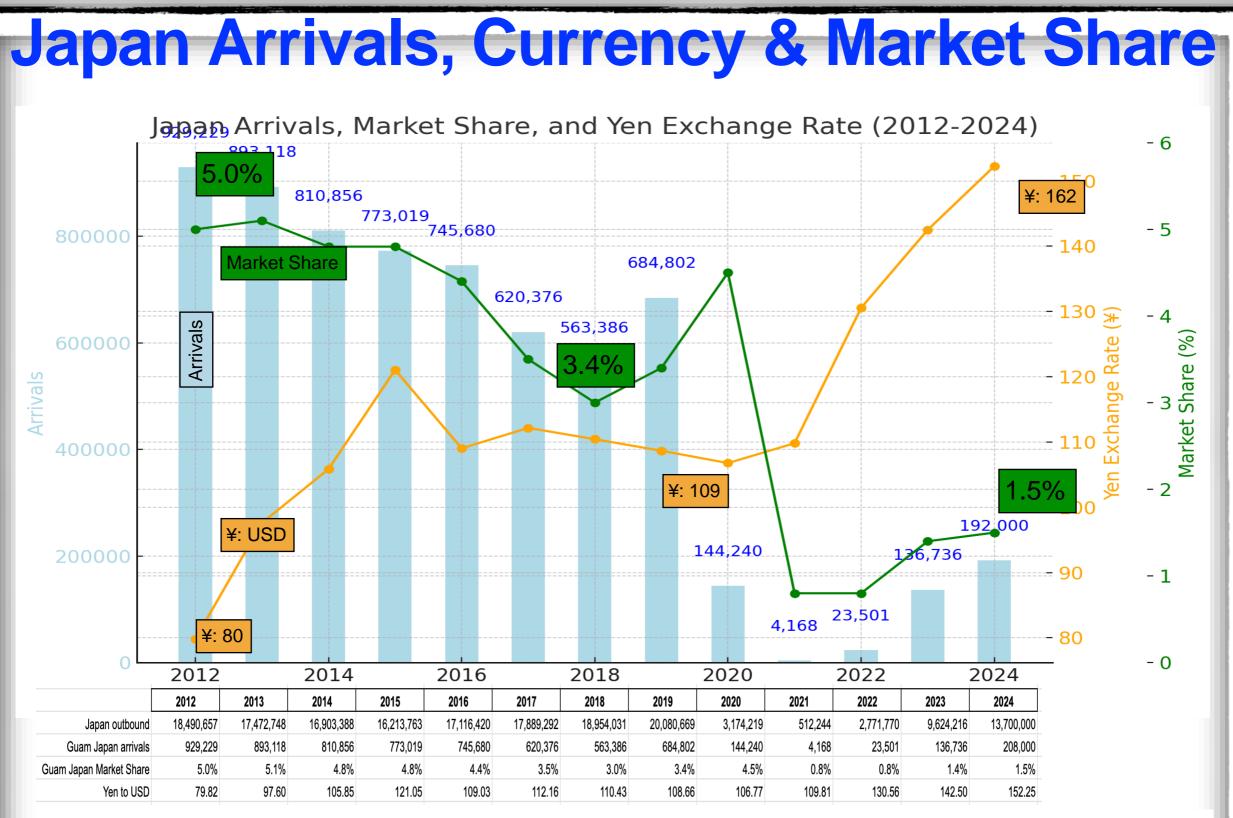
Market	Outbound % Recovery	Guam Arrivals % Recovery	Market Share Change	% Variance in Market Share
Japan	60-70%	30%	3.4% → 1.4%	-59%

Japan Market Share

	А	В	С	D	E	
1						
		ĺ			Market	
2			Outbound	Guam	Share	
3	2019	Jan	1,452,157	58,021	4.0%	
4		19-Feb	1,534,792	58,774	3.8%	
5		19-Mar	1,929,915	72,974	3.8%	
6		19-Apr	1,666,546	47,725	2.9%	
7		19-May	1,437,929	41,989	2.9%	
8		19-Jun	1,520,993	41,027	2.7%	
9		19-Jul	1,659,166	48,103	2.9%	
10		19-Aug	2,109,568	75,630	3.6%	
11		19-Sep	1,751,477	59,758	3.4%	
12		19-Oct	1,663,474	49,218	3.0%	
13		19-Nov	1,642,333	63,789	3.9%	
14		19-Dec	1,712,319	67,794	4.0%	
16	2023	23-Jan	443,105	4,806	1.1%	
17		23-Feb	537,705	5,459	1.0%	
18		23-Mar	694,292	11,583	1.7%	
19		23-Apr	560,183	7,304	1.3%	
20		23-May	675,661	6,011	0.9%	
21		23-Jun	703,259	2,434	0.3%	
22		23-Jul	891,615	10,989	1.2%	
23		23-Aug	1,200,930	23,560	2.0%	
24		23-Sep	1,004,730	13,079	1.3%	
25		23-Oct	937,715	11,893	1.3%	
26		23-Nov	1,027,110	18,342	1.8%	
27		23-Dec	947,911	20,299	2.1%	
28	2024	24-Jan	838,581	18,955	2.3%	
29		24-Feb	978,884	17,343	1.8%	
30		24-Mar	1,219,789	22,343	1.8%	
31		Apr	888,767	14,326	1.6%	
32						

GLOBAL JAPANESE DESTINATION SORTED BY MARKET SHARE GAINS/LOSSES VS. 2019

	MARKET SHARE			
	2019	2023	Variance	
Turkey	0.5%	0.8%	59%	
Korea	16.3%	24.1%	48%	S
Vietnam *RF	4.7%	6.1%	28%	Winners
Australia	2.5%	3.1%	25%	/in
New Zealand	0.5%	0.5%	11%	М
Singapore	4.4%	4.5%	2%	
Canada	1.3%	1.2%	-4%	
Spain	3.3%	3.2%	-5%	
N. Mariana	0.1%	0.1%	-5%	
Switzerland	1.1%	1.0%	-6%	
Philippinnes	3.4%	3.2%	-7%	
Bali(Indonesia	1.3%	1.2%	-7%	
Thailand	9.0%	8.4%	-7%	
Germany	3.1%	2.8%	-8%	-
Taiwan	10.8%	9.6%	-11%	ers
Cambodia *R	1.0%	0.9%	-13%	Losers
U.S.A	18.7%	15.8%	-16%	-
Hawaii	7.9%	6.0%	-24%	
Hong Kong	5.4%	3.6%	-33%	
Austria	1.3%	0.8%	-38%	
Slovenia	0.2%	0.1%	-42%	
Macao	1.5%	0.8%	-47%	
Croatia	0.7%	0.4%	-50%	
Guam	3.4%	1.4%	-59%	

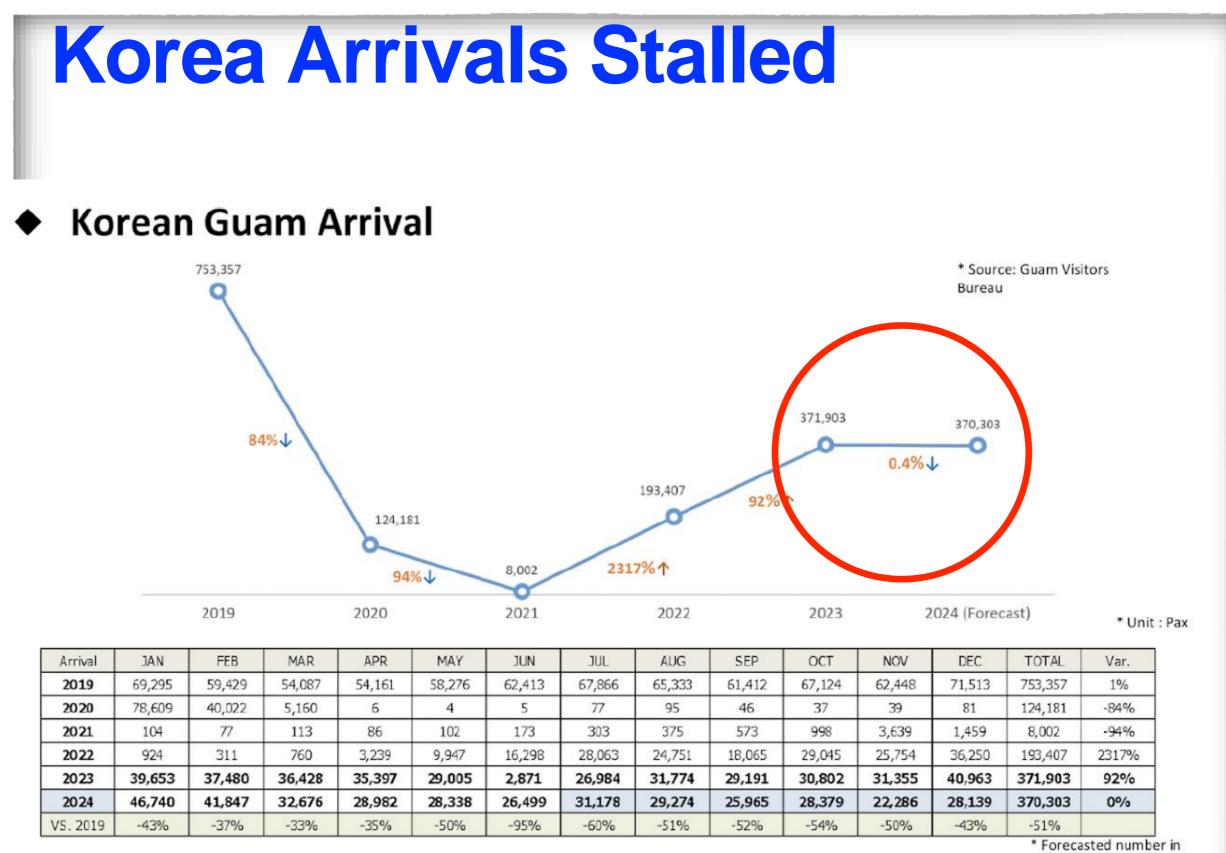


Key Points

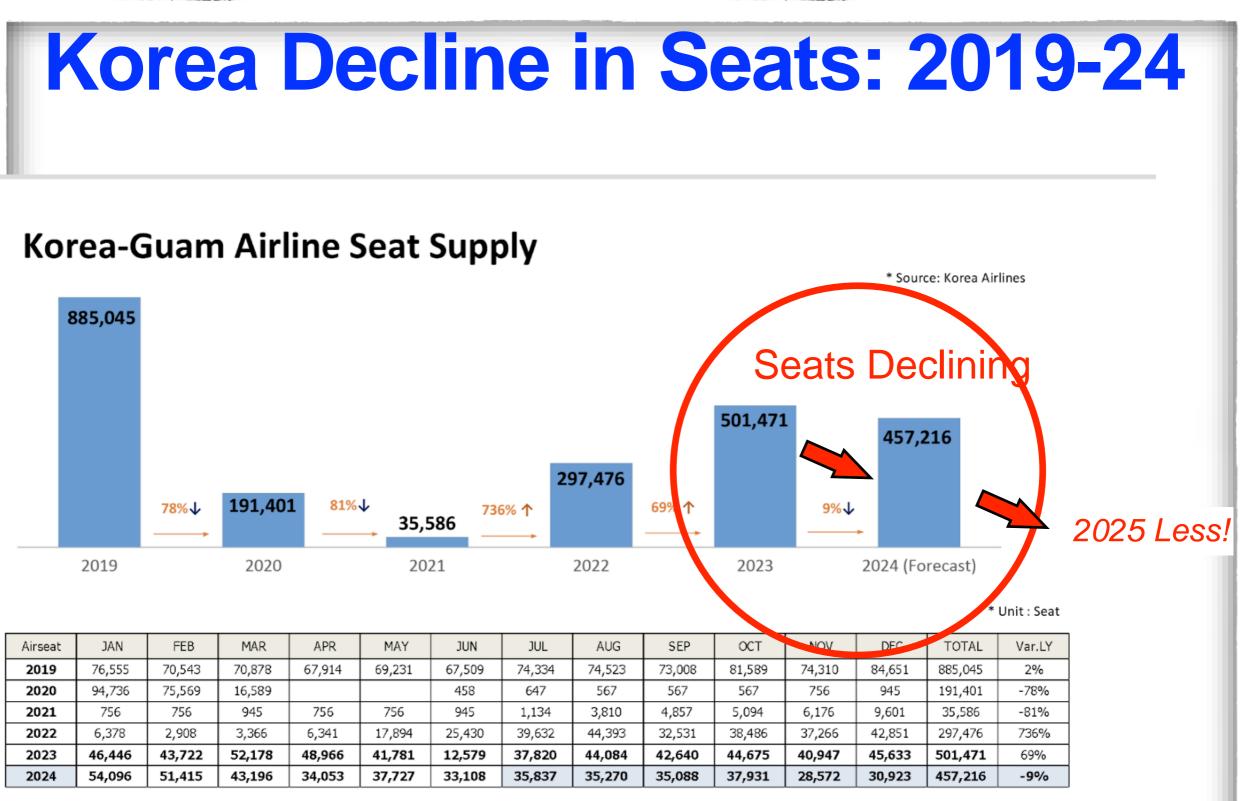
- Arrivals (columns) -70% despite that outbound is only -35%
- Green (market share) was 5% and then 3.4% in 2019 and is now 1.5% (60% down)
- Yellow (yen) shares y-axis 2X versus 2012 and 50% higher than 2019

Current Situation: Korea

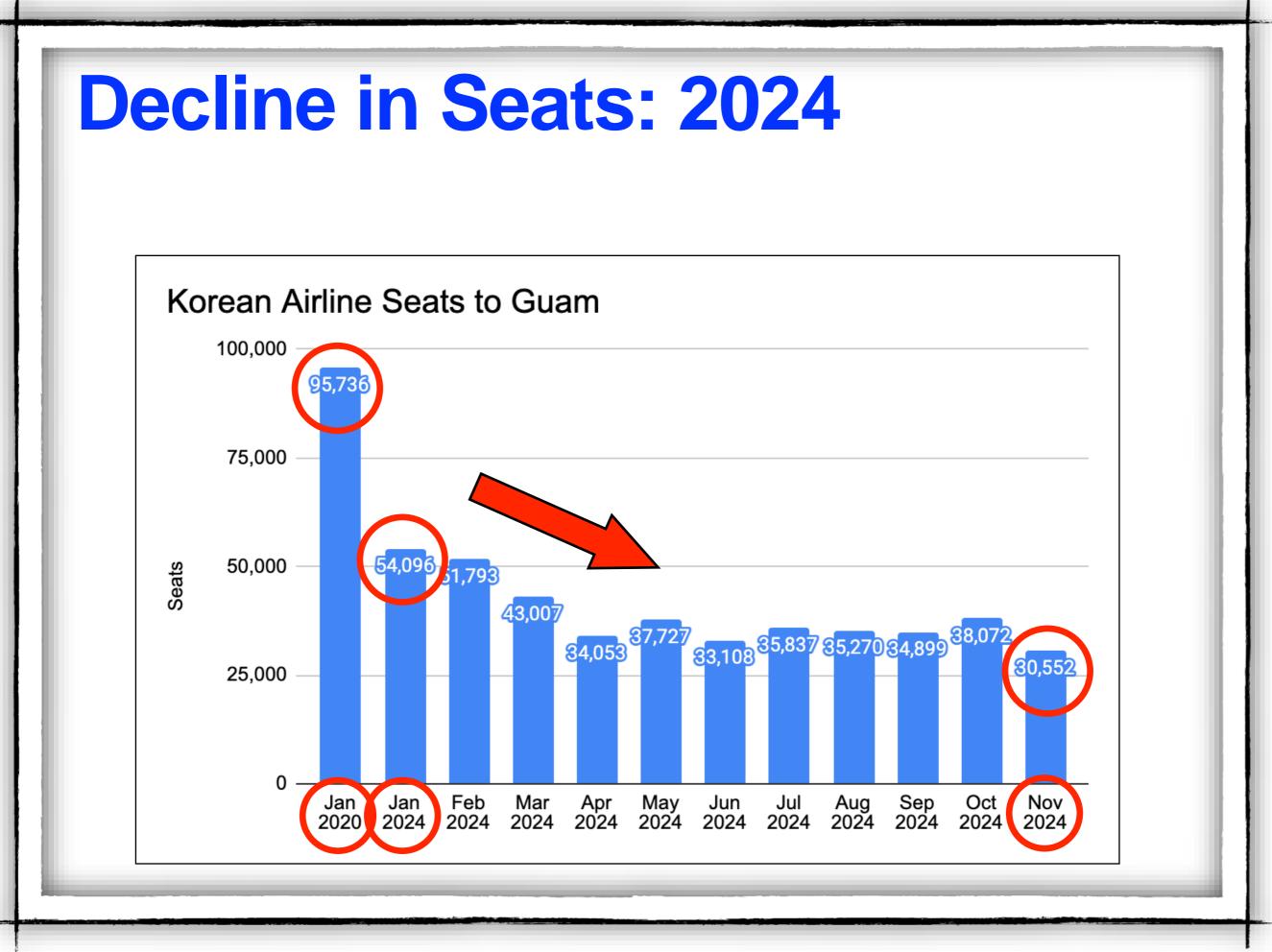
Market	Outbound % Recovery	Guam Arrivals % Recovery	Market Share Change	% Variance in Market Share
Japan	60-70%	30%	3.4% → 1.4%	-59%
Korea	95-100%	50%	2.6% → 1.3%	-50%



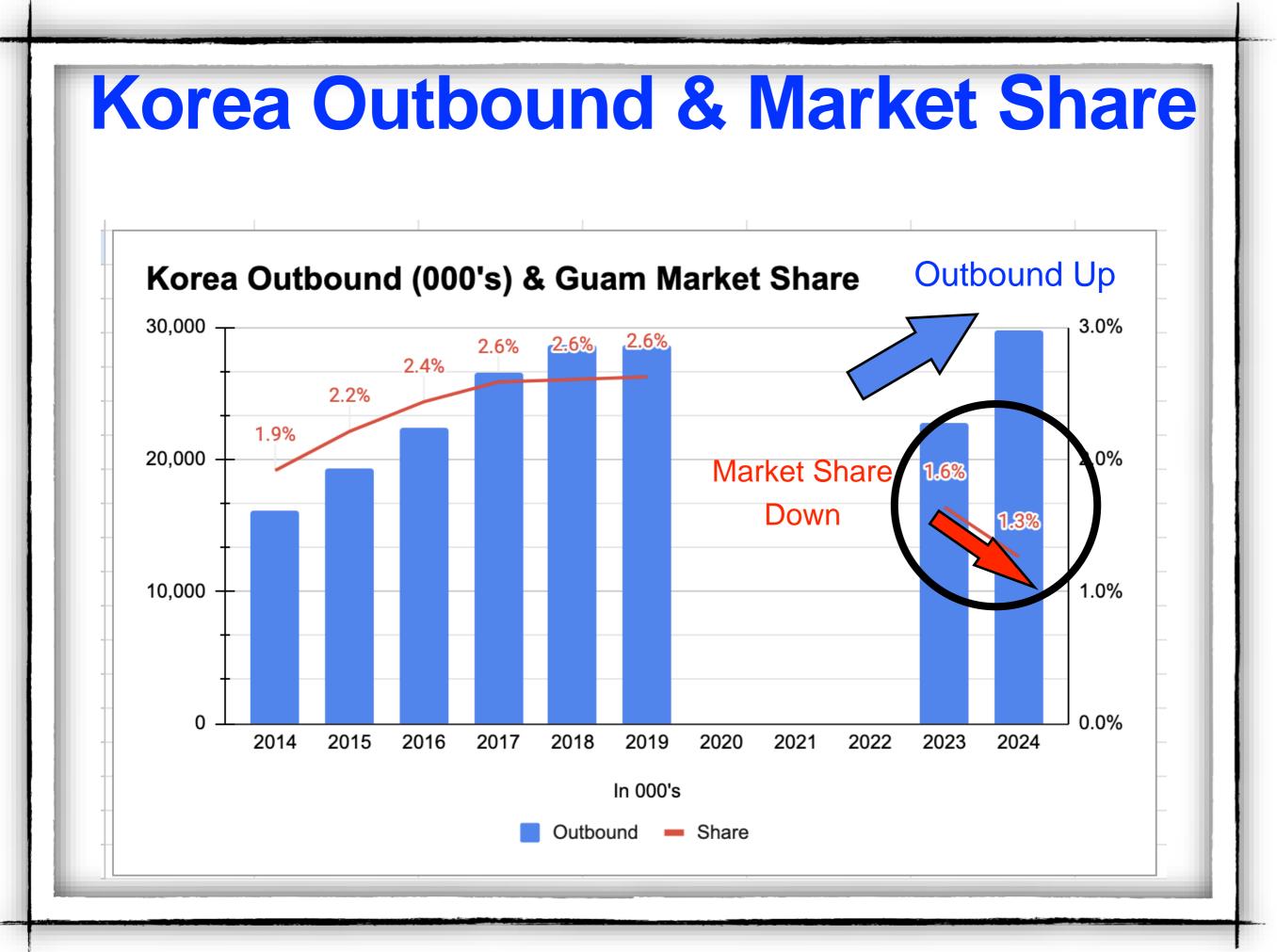
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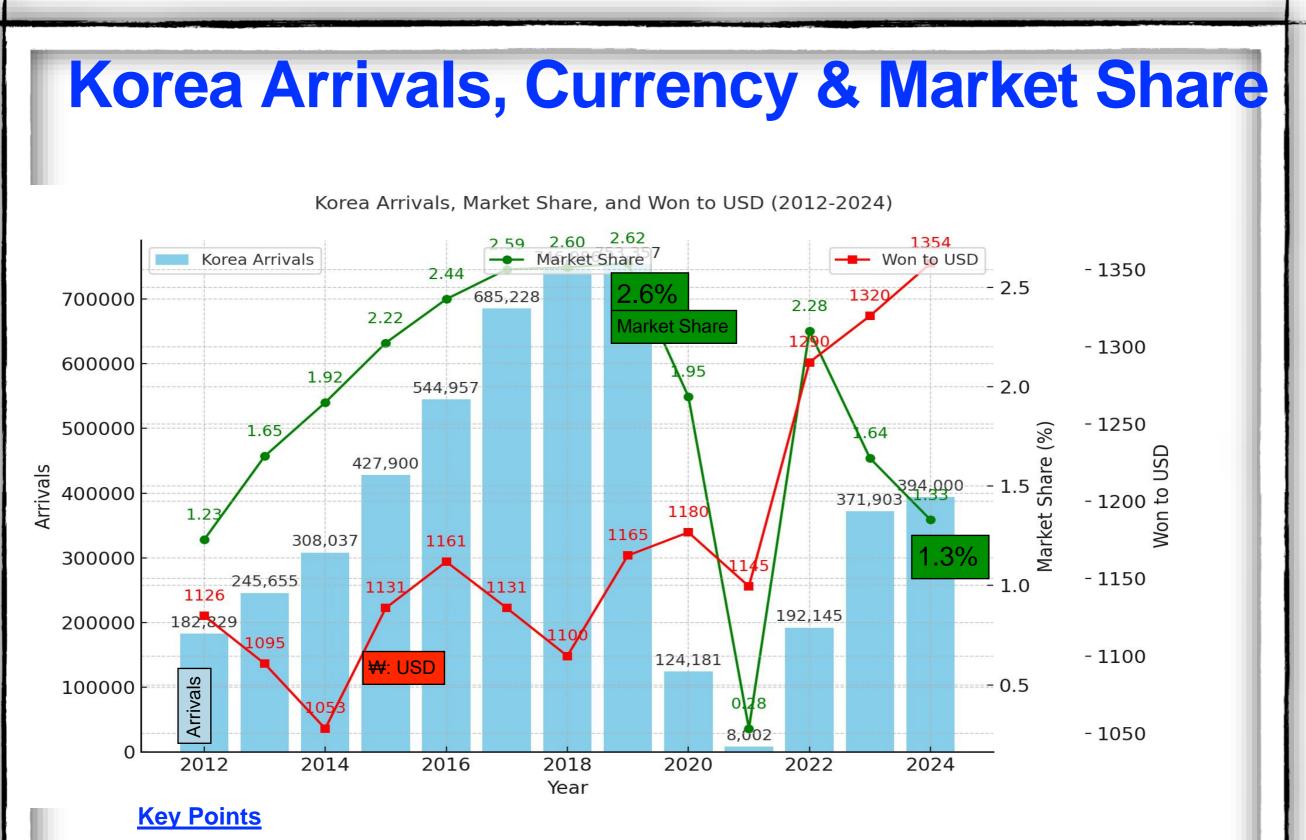


* Forecasted number in blue



Japan and Korea Air Seats Japan and Korea Airlift and Load Factors: 2019, 2023, 2024 Load Load Load Seats Seats Seats Arrivals Arrivals Arrivals Factor Factor Factor 2024 Country 2019 2023 2024 2019 2023 2024 2019 2023 875,084 387,176 529,101 683,777 133,640 192,036 78.1% 34.5% 36.3% Japan 885,045 504,477 85.1% 74.2% Korea 464,029 375,000 80.8% 753,366 374,242





- Arrivals (columns) -50% despite that outbound is back to normal
- Green (market share) was 2.6% in 2019 and is now 1.3% (50% down)
- Red (Won) shares y-axis with market share so it's a bit skewed only a 14% difference vs 2019

Key Challenges

Product Decline

- Public and Private: Tired and run-down after years of closure and the typhoon
- Rising construction costs hinder repairs and improvements
- Customer dissatisfaction

Limited Air Service (Korea and Taiwan)

• Reduced flights. Aircraft shortages. Labor shortages. Rising airfares. Limited seats

Rising Costs

• Inflation and strong U.S. dollar

Increased Competition

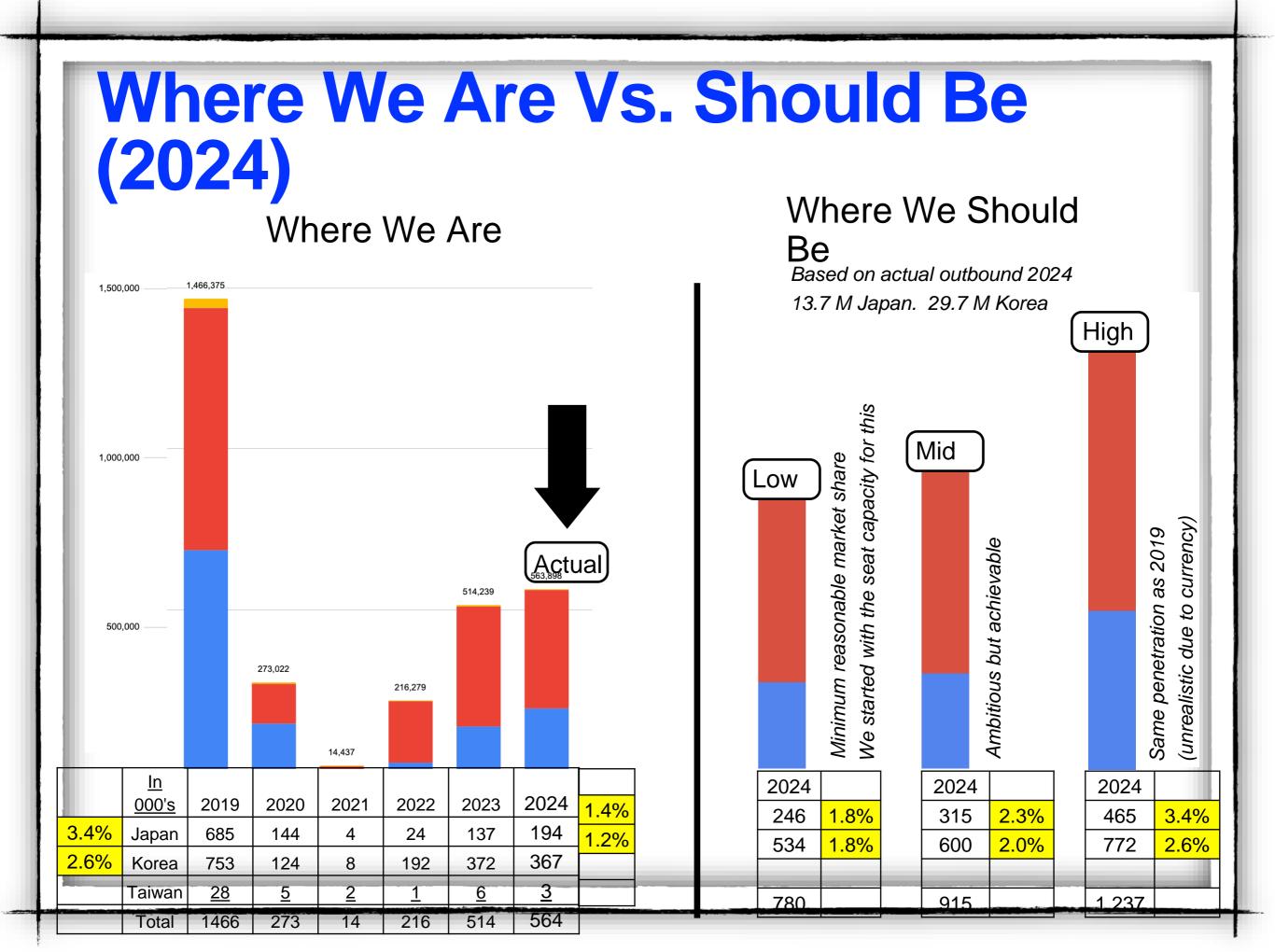
- Thailand, Vietnam, and the Philippines have surged
- Domestic travel and new Japan visa waivers heighten challenges
- Longer term, reliance on few limited source markets must also be addressed

Current Situation

Market	Outbound % Recovery	Guam Arrivals % Recovery	Market Share Change	% Variance in Market Share
Japan	60-70%	30%	3.4% → 1.4%	-59%
Korea	95-100%	50%	2.6% → 1.3%	-50%

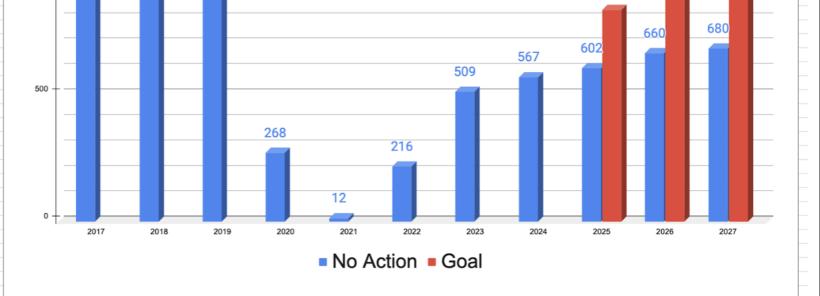
	2019	Forecast 2024	2024 if at 2019 Market Share
Japan	685,000	194,000	471,000
Korea	753,000	367,000	734,000
Combined	1,438,000	561,000	1,205,000

Turning the Page



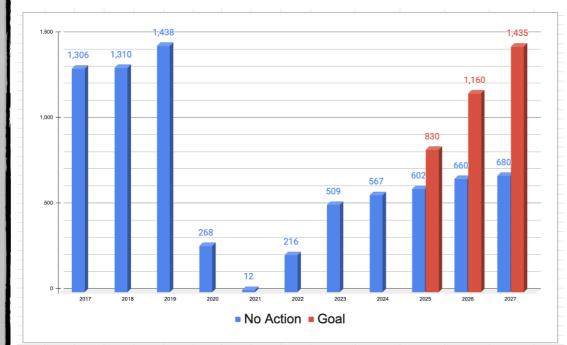
2025 Goals

000's	2019	2024	2025 if no action	2026 if no action	2027 if no action	2025 Goal	2026 Goal	2027 Goal
Japan	685	192	208	260	260	290	500	685
Korea	750	375	394	400	420	540	660	750
Total	1,435	567	602	660	680	830	1,160	1,435
Vs. 2019		-60%	-58%	-55%	-55%	-42%	-20%	_
Japan share	3.4%	1.3%	1.3%	1.3%	1.3%	1.8%	2.5%	3.4%
Korea share	2.6%	1.3%	1.3%	1.3%	1.3%	1.8%	2.2%	2.6%
1,500	06 1,310	1,438				830	1,160	-1,435
					56	7 602	660	80



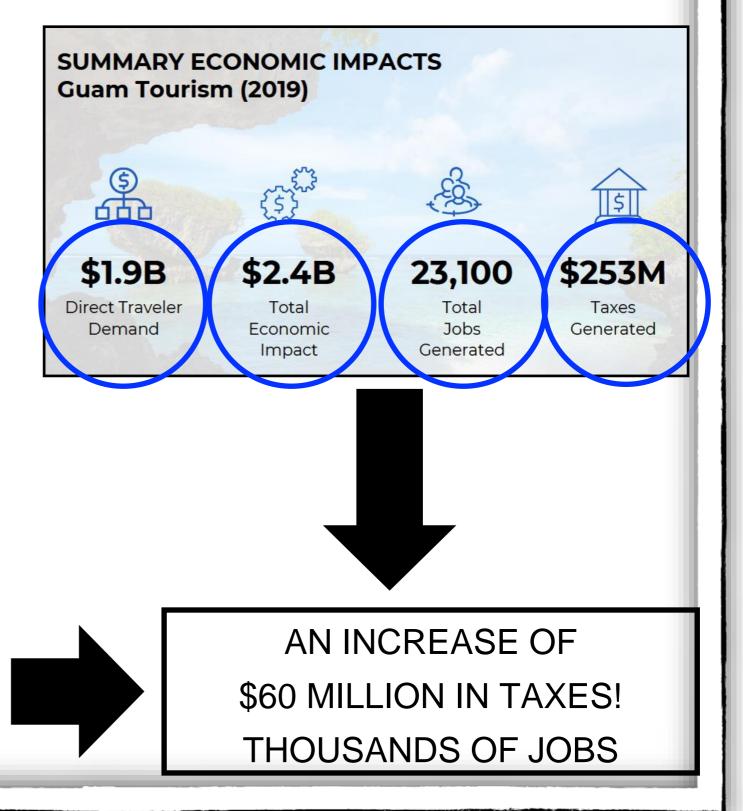
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	Japan share	3.4%	1.3%	1.3%	1.3%	1.3%	1.8%	2.5%	3.4%
	Korea share	2.6%	1.3%	1.3%	1.3%	1.3%	1.8%	2.2%	2.6%



830k pax with intervention

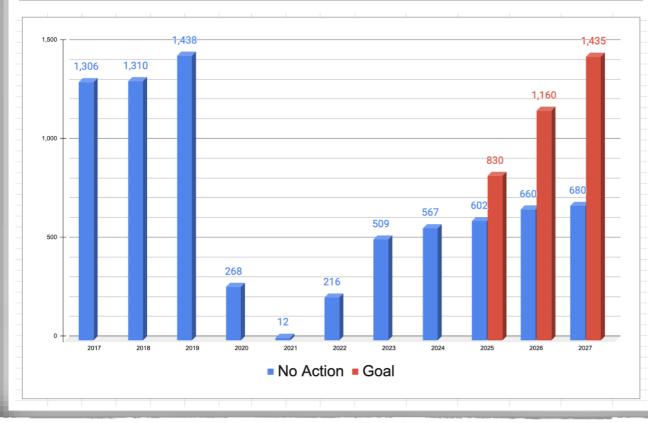
- 600k pax without intervention
- = 230k difference



2025 Goals

Plan Expectations

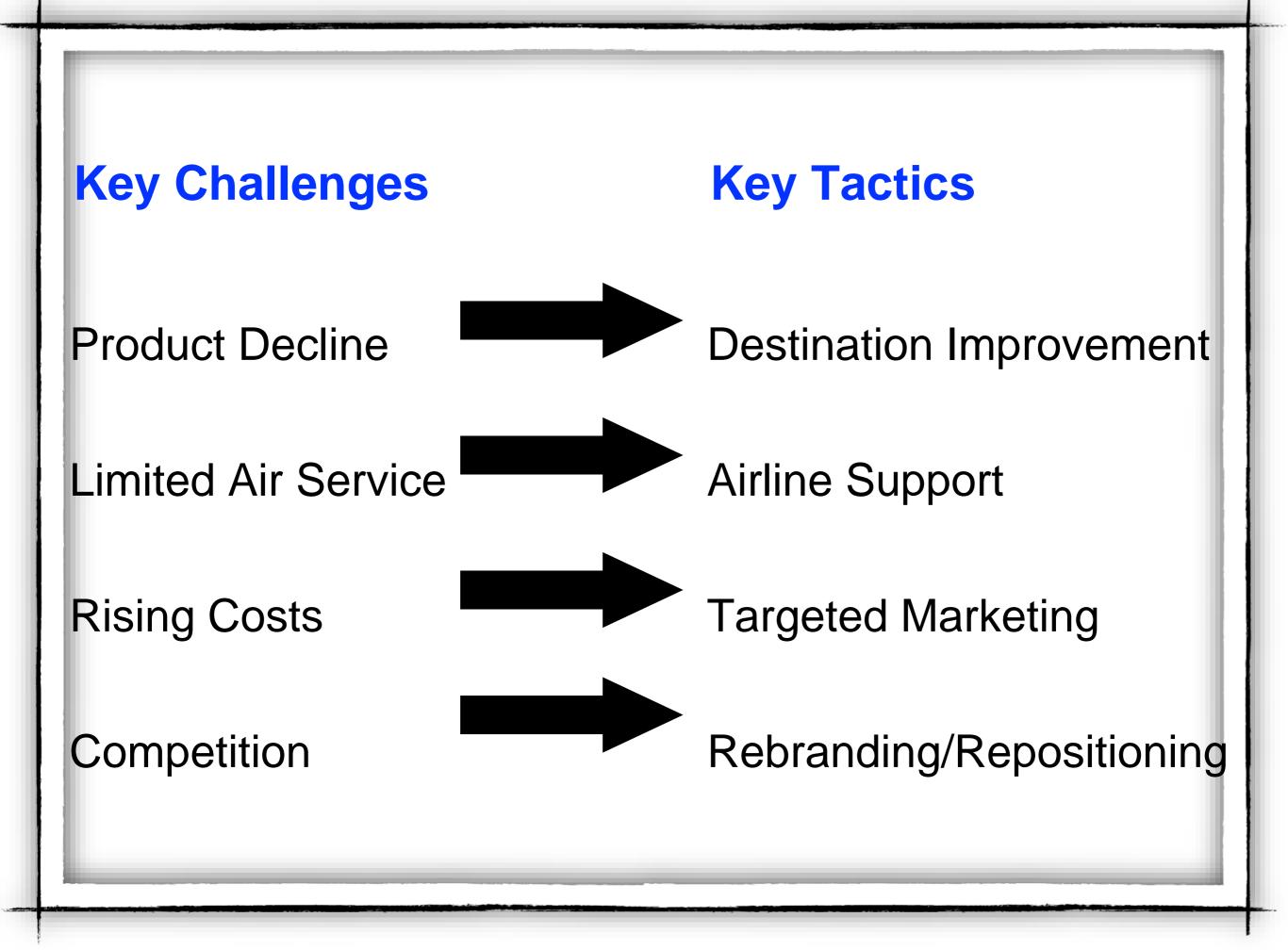
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Vs. 2019		-60%	-58%	-55%	-55%	-42%	-20%	-
Japan share	3.4%	1.3%	1.3%	1.3%	1.3%	1.8%	2.5%	3.4%
Korea share	2.6%	1.3%	1.3%	1.3%	1.3%	1.8%	2.2%	2.6%



GVB Forecast

GUAM FY25 FORECAST - TENTATIVE Conservative Moderate Optimistic FY2025 250,000 290,000 350,000 Japan 377,949 461,731 480,000 Korea USA 102,000 85,000 99,300 17,000 Philippines 12,000 15,731 Taiwan 3,000 5,270 17,430

Others	35,000	42,000		42,000
Total	762,949	914,032	1,0	009,170
Japan/Korea	627,949	751,731		830,000



Essential Requirements

Transparency

Openly communicate tourism's precarious state

Significant Investment

Destination, Airlines, Marketing, share of voice

• SMART Goals

Clear, actionable objectives for management

• Unified Effort

Board, Management, Industry, Community

Community & Stakeholder Engagement

candid	hould be on top of senatorial ates' list among these y items?
O Help lo	ower the cost of food, housing, and fuel.
<u> </u>	eation so more people can afford goods prvices.
\sim	clearer picture of the military buildup's on infrastructure, island security.
<u> </u>	rain and equip more police officers, other forcement officers.
O Build a	a new Guam Memorial Hospital.
C Rebuil	d Simon Sanchez High School, consolidate s.
Other	
Vote	View Results

Part I: Airline Incentives, Market Specific

Guam Landing Fees (cost per enplanement)

Airline Situation

- Global Aircraft Shortage
- Tokyo-Seoul frequency
- Airport costs versus competition
- Fewer flights = higher margins

	2019	2024	Variance
USD	\$ 18.15	\$ 30.61	68.5%
Yen ²	¥ 1,978 1 USD = ¥109.00	¥ 4,660 1 USD = ¥152.25	235.6%
Won	₩ 21,157 1 USD = ₩1165.7	₩ 41,476 1 USD = 1354.84	196.0%

Route Incentives

- Minimum Revenue Guarantees
- Fixed fee support (\$3000-5000/flight = 10 seats)
- Load Factor Bonuses

Cooperative Marketing Support

- New Perspectives
- Long term Route Sustainability

Per Flight Value (Korea flights) 166 seats x 70% load factor 116 seats x 7x/week = 42,000 pax

\$5000/flight = **\$1.8 MM/year** Spend = \$451/pp = **\$19 MM** Guam income Economic Impact = \$1500/pp = **\$60 MM** Taxes = **\$6 MM**

Part II: Marketing

- Substantial <u>Supplemental</u> Funding
- New Approaches. Fresh Vision. Marketing Advisor
- Source Market Feedback
- Target Okinawa: 4% share = 2019 arrivals

. Focus on Unique Selling Points (USPs)

• Diverse, Unique Experiences (aka attractions and option tours)

- CHamoru culture and the warmth of the CHamoru people
- America in Asia: "Where America's Day Begins"

2. Market Experiences

Rebrand "optional tours" as immersive "experiences."



ADVENTURE

Hiking Skydiving

CULTURAL Valley of the Latte

Valley of the Latte Guam Museum

SHOPPING

Donki Duty Free Shoppers Guam Premium Outlets Micronesia Mall Plaza Shops Tumon Sands Plaza

OTHER

Golf PIC Water Park Tagoda Amusement Park Sightseeing Stargazing Tours EVENING Fish Eye Dinner Show Tao Tao Tasi Show Karera at SandCastle Great American Circus Zoh Nightclub Chamorro Village BIG Dinner Cruise

OCEAN

Fish Eye Marine Park Guam Aquarium Dolphin Watching Marine Sports Jet Ski Parasailing Snorkeling Fishing

DINING

Chamorro, Thai, Japanese, Korean, European Fine Dining, Casual Dining, Beachfront Dining









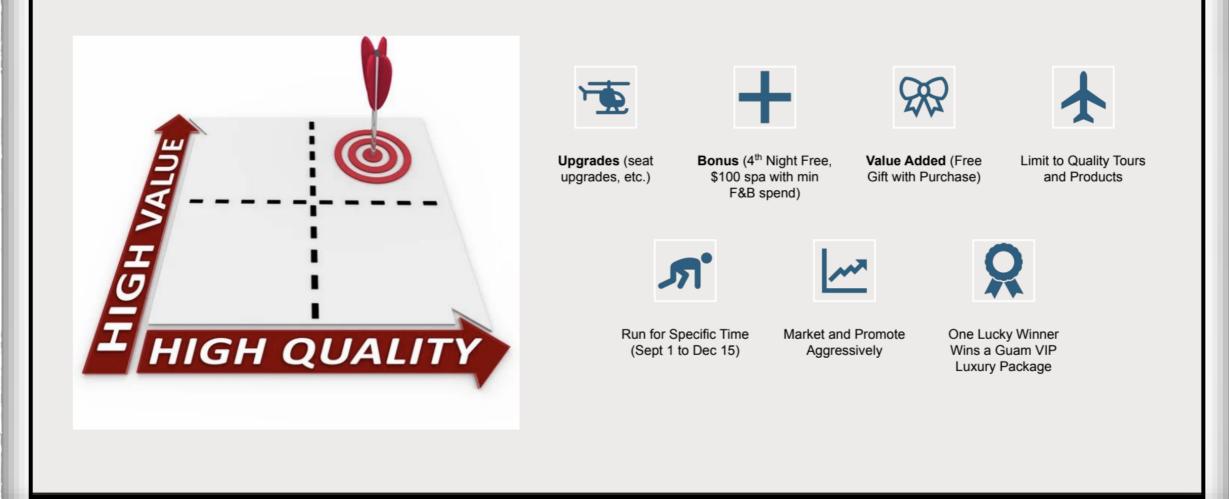


3. Value-Added Promotions

Full industry participation. Value-added benefits (not discounts)

VALUE GUAM, THE GREAT GUAM GIVEAWAY

\$5 MILLION IN CONTRIBUTIONS: UPGRADES, ETC. FULL PARTICIPATION (HOTELS, AIRLINES, ATTRACTIONS, DINING) MARKET HEAVILY: INFLUENCERS, BLOGGERS, TRADITIONAL AND ONLINE MEDIA. LEVERAGE PREMIUM GUAM MEDIA



4. Premium Guam Campaign

Showcase Guam's luxury offerings coupled with a major high profile event Goal: Attract a customer less concerned about the Strong USD / Weak Yen



Part II - Events

Quarter	Event	Target	2025	2026 (Proposed)]
Quarter 1 January-March	NYE Fireworks Celebration	Locals	Jan 1	Jan 1	
	Ko'ko' Kids Race & Japan Festival	Signature Event	Apr 12	Late January	
	Ko'ko' Road Race Ekiden,10K & HM	Signature Event	Apr 13	Late January	
	LOCUS Camping Festival (Electr. Music)	Visitors, Locals		Feb 6-8	
	Inalahan Gadao Festival	Visitors, Locals	Feb 14-15	Feb	
	Guam History & Chamoru Heritage Day	Visitors, Locals	Feb 28-Mar 3	Feb 26-Mar 2	
	Malesso Crab Festival	Visitors, Locals	Mar 28-30	Mar]
Quarter 2 April-June	Agana Heights Coconut Festival	Visitors, Locals	Apr	Apr]
	Waterbomb H2O	Signature Event		Apr	NEW
	Marianas Int'l Dance & Art Festival	Neighboring Islands, Locals, Visitors	Apr 29-May 5	Apr/May	
	Agat Mango Festival	Visitors, Locals	May 23-25	May	
-	King's Guam World Tennis Tour	Visitors, Athletes, Locals	May/Jun	May/Jun	
	Guam Micronesian Island Fair	Signature Event	Jun 7-8	June	
	Electric Island Festival (EIF)	Visitors, Locals	Jun 21	June	
Quarter 3 July-September	Family Treasure Hunt	Visitors, Families	Jun-Aug	Jun-Aug	NEW
	Liberation Day	Veterans, Locals	Jul 21	Jul 21	
	Un Marianas Festival	Signature Event		Aug/Sep	
	Mangilao Donne' Festival	Visitors, Locals	Sep	Sep	
Quarter 4 October-December	International BBQ & Food Competition	Signature Event	May 23-25	Jul 21 or Nov/Dec	NEW
	Chamoru Christmas Festive Garden (Tumon)	Visitors, Locals	Nov-Dec	Nov-Dec	INEW
	International Dragon Boat Festival	Visitors, Locals	Nov	Nov	
	Tour of Guam Cycling	Visitors, Athletes, Locals	Dec	Dec	

Part III Destination Improvement

Destination Improvement

- Destination Maintenance & Operations (DMO)
- Destination Development (DD)
- Product Improvement (Private sector)

Destination Maintenance & Operations

Beach Cleaning & Maintenance

Bus Shelter Maintenance

Culvert Cleaning Maintenance

Holiday Illumination

Tumon Landscape Maintenance

Tumon Trash & Recycling Maintenance

Tumon Tree Trimming

Tumon Street & Sidewalks Improvements

Island Road Maintenance

Islandwide Beautification

Paint, Equipment, Supplies

Total \$2.5M

Evaluate and define scope, roles and funding among GVB, DPR, & DPW

Destination Development

Major Upgrades

• Infrastructure, roads, large scale HOT Bond projects

Immediate Needs: \$12-13 MM

- Urgently address all visitor areas (Both Island-wide and Tumon)
- Repair, improve and maintain public restrooms
- Repair, clean and enhance sightseeing spots
- Remove graffiti promptly and regularly
- Clear junk cars island-wide
- Improve the airport experience

Airport: Support GIAA

Immediate & Low Cost

- Flooring
- Working escalators/walkways
- Greenery
- Music
- Immigration Forms table
- Working iPads
- Baggage claim monitors
- Signage standards
- Leverage unused ad space
- GVB Event banners
- Restrooms
- Waterblast and paint exits

Short & Medium Term

- Hotel Transportation Solution
- Restroom Redevelopment
- Concession Legislation
- Facility Upgrades
- Departure Experience
- Kids Play Areas
- Air Quality and Scent
- Electronic Forms
- Possible Privatization

Beautification

Major Public Initiatives

- Work with Mayors (Villages)
- List and Prioritize
- Assist homeless relocation

Private Sector

- Incentives: water blast and paint
- Remove vinyl banners (VSOs)
- Address graffiti immediately
- Park Quality Officers (PQOs)

<u>Tumon</u>

- Water blast and paint everything! Annual "water blast and paint month"
- Paint curbs and utility boxes quarterly
- Repair crosswalks and sidewalks. Resurface SVR (coop with DPW)
- Condemn and demolish derelict buildings (work with Legislature)
- VSO's report graffiti immediately. Remove graffiti within 48 hours
- Establish CC&Rs

Product Improvement (private sector)

- **GEDA Support** for Upgrades (zero interest, forgivable or matching loans)
- Water blast and paint everything! Annual "water blast and paint month"
- Self-Evaluation. Shared study tours
- Establish and maintain Property Standards (CC&Rs)
- Working Group Feedback (Identify and assist substandard properties)
- Visitor/GVB Feedback (GVB private consultation, assistance)

Other Quality Initiatives

- Safety & Security: JFK intersection, lighting, CCTV cameras, other
- Transportation: Airport, Tumon and Island wide
- **Data**: Re-implement surveys. Examine tools like Symphony
- Communications: Examine free Wi-Fi

Long Term HOT Bond

<u>Must Do</u>

• Major Tumon

upgrade

• Matapang drainage

Should Do

- Tumon flooding
- Village

enhancements

Nice To Do

- Ypao amphitheater
- Ypao garage

Economics & Budgets

Budget

Supplemental Budget	2025	2026	Total
Airline Incentives	\$7,000,000	\$7,000,000	\$14,000,000
Airline Co-Op Mktg	\$2,500,000	\$2,500,000	\$5,000,000
Signature Events	\$2,000,000	\$2,000,000	\$4,000,000
Additional Events	\$1,000,000	\$1,000,000	\$2,000,000
Travel Agent Support	\$1,000,000	\$1,000,000	\$2,000,000
FIT Support (B2C)	\$1,000,000	\$1,000,000	\$2,000,000
Supplemental Marketing	\$5,000,000	\$4,000,000	\$9,000,000
Rebranding & Advisory	\$2,500,000	\$2,500,000	\$5,000,000
Product Improvement	\$11,500,000	\$1,500,000	\$13,000,000
Group Support	\$1,000,000	\$1,000,000	\$2,000,000
Admin & Other	\$500,000	\$500,000	\$1,000,000
TOTAL	\$35,000,000	\$24,000,000	\$59,000,000

2025: \$ 500M Difference in Annual Impact

<u>2025</u>	AS IS (STATUS QUO)	GOAL (SAME AS 2019)	DIFFERENCE
Market Share	1.3%	1.8%	.5%
Arrivals	600,000	830,000	230,000
Tourist Spending	\$ 1.1 Billion	\$ 1.5 Billion	\$ 400 Million
Economic Impact	\$ 1.4 Billion	\$ 1.9 Billion	\$ 500 Million
Taxes	\$ 155 Million	\$ 215 Million	\$ 60 Million

\$ 60 Million in tax difference, year 1

Arrivals based on market share x expected outbound growth

Tourist spending based on arrivals x average spend: GVB Exit Surveys.

Economic Impact and Taxes are extrapolated using Tourism Economics 2019 Guam Report

2027: \$1 Billion Difference in Annual Impact

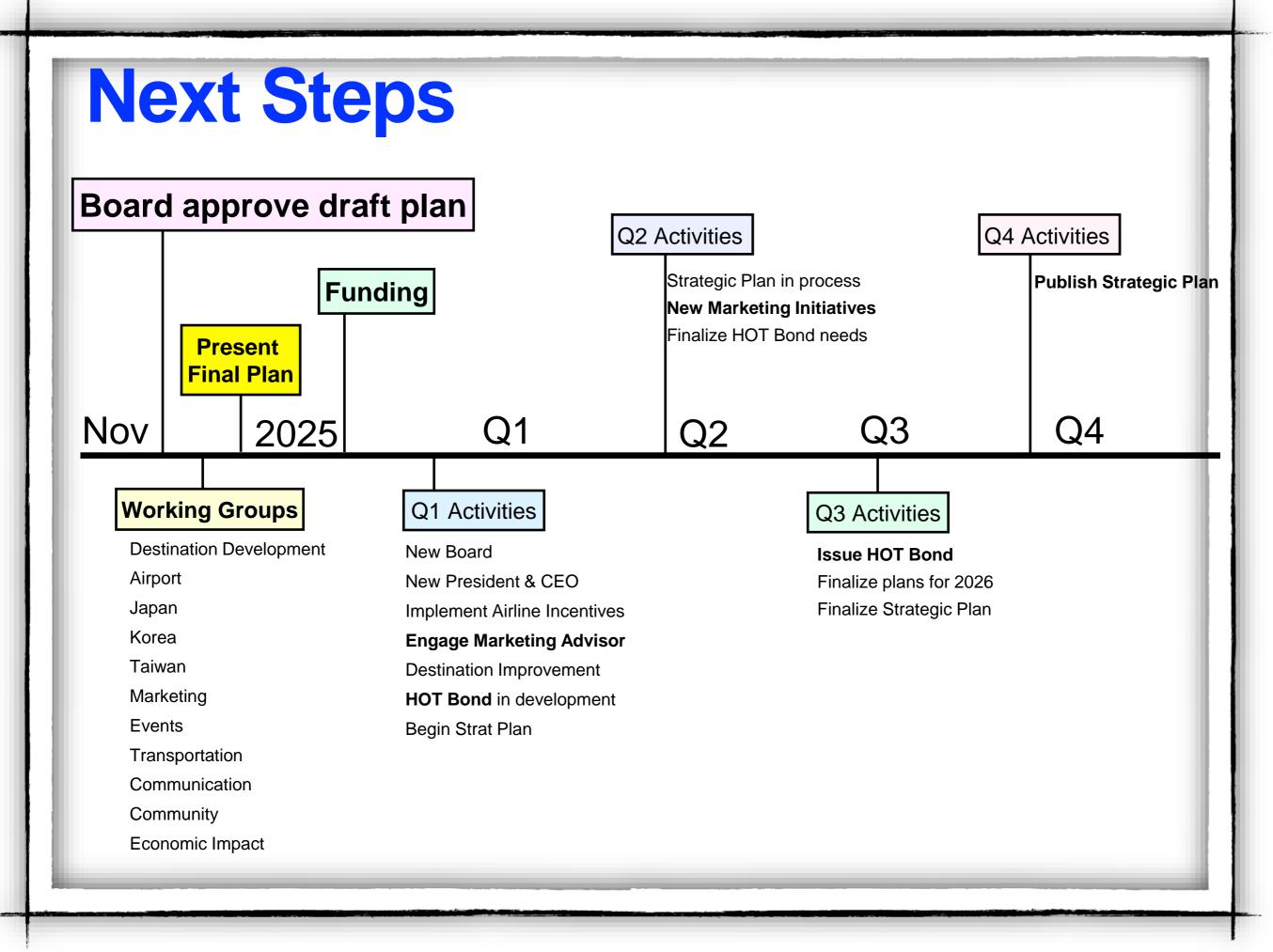
2027	AS IS (STATUS QUO)	GOAL (SAME AS 2019)	DIFFERENCE
Market Share	1.3%	2.9% (3.4 JPN, 2.6 KOR)	1.6%
Arrivals	600,000	1,450,000	770,000
Tourist Spending	\$ 1.1 Billion	\$ 2.6 Billion	\$ 1.5 Billion
Economic Impact	\$ 1.4 Billion	\$ 3.5 Billion	\$ 2.1 Billion
Taxes	\$ 155 Million	\$ 375 Million	\$ 220 Million

\$ 220 Million in tax difference thereafter!

Arrivals based on market share x expected outbound growth

Tourist spending based on arrivals x current average spend: GVB Exit Surveys.

Economic Impact and Taxes are extrapolated using Tourism Economics 2019 Guam Report





houn

SHORT-TERM TOURISM RECOVERY PLAN AND SITUATION REPORT

Collaborative Solution



GUAM



Primary

- Guam Visitors Bureau
- Executives from Guam's tourism industry
- Office of the Governor
- 37th Guam Legislature
- Guam Economic Development Authority
- Department of Parks & Recreation
- Department of Public Works

Secondary (Members)

- Guam International Airport Authority
- Guam Hotel & Restaurant Association
- Japan Guam Travel Association
- Korea Guam Travel Association
- Japan Guam Hotel Association
- Guam Travel & Tourism Association
- Guam Chamber of Commerce
- Guam Women's Chamber of Commerce
- Industry representatives
- Community representatives

Board Management Staff Membership

GTA Guam Travel & Tourism Association



