



A wide-angle photograph of a sunset over a rocky coastline. The sky is filled with dramatic, colorful clouds in shades of orange, yellow, and blue. The sun is low on the horizon, creating a bright glow. The water is calm, reflecting the colors of the sky. In the foreground, there are several large, dark rocks scattered across the shallow water.

GUAM 2.0

.....
Nate Denight, President and CEO
Guam Visitors Bureau

A world class, first tier resort destination of choice, offering a U.S. island paradise with stunning ocean vistas, for two million business and leisure visitors with accommodations and activities from value to five-star luxury – all in a safe, clean, family-friendly environment set amidst a unique 4,000 year old culture.

VISION 2020



TOURISM 2020

MISSION

Grow a sustainable visitor industry that generates economic opportunities and enhances the quality of life for all residents, protecting and respecting our island's unique heritage, cultural and natural environment, and making Guam a better place to live, work and visit.

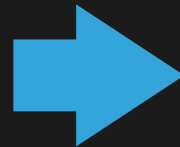
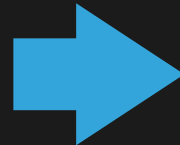
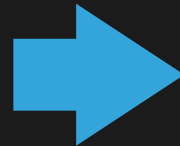
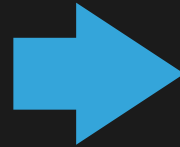
TODAY

Close and cheap
budget destination

1.3M Japanese and
Korean tourists

Middle quality rooms
and activities

No special feature



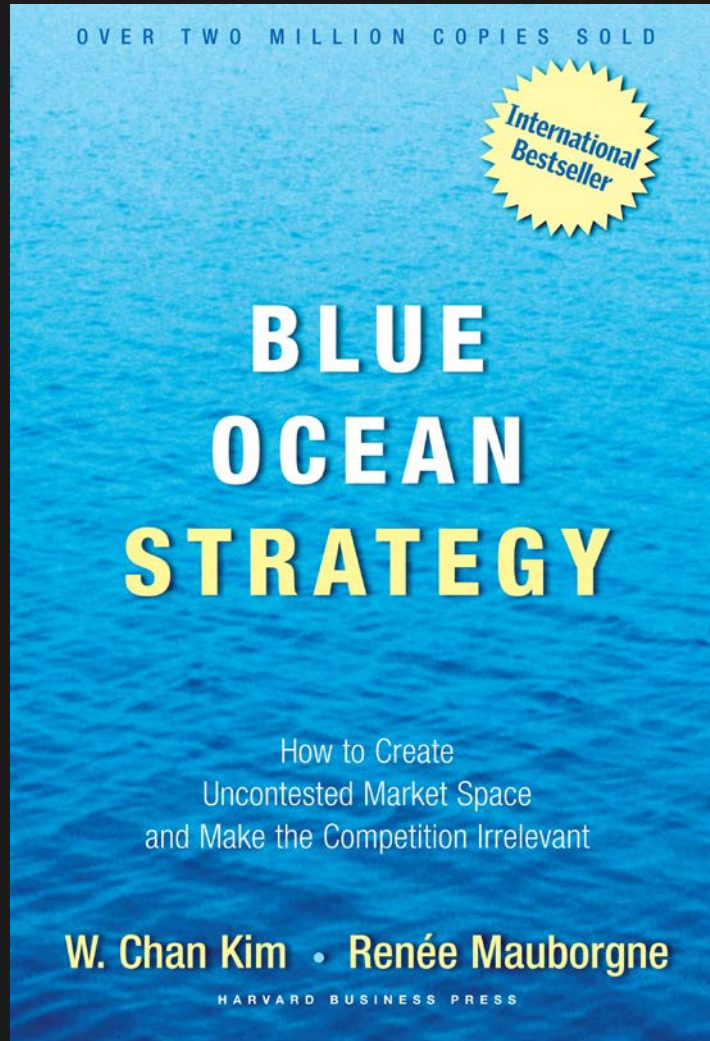
VISION

Quality resort destination
of choice

2M business and leisure
visitors from the region

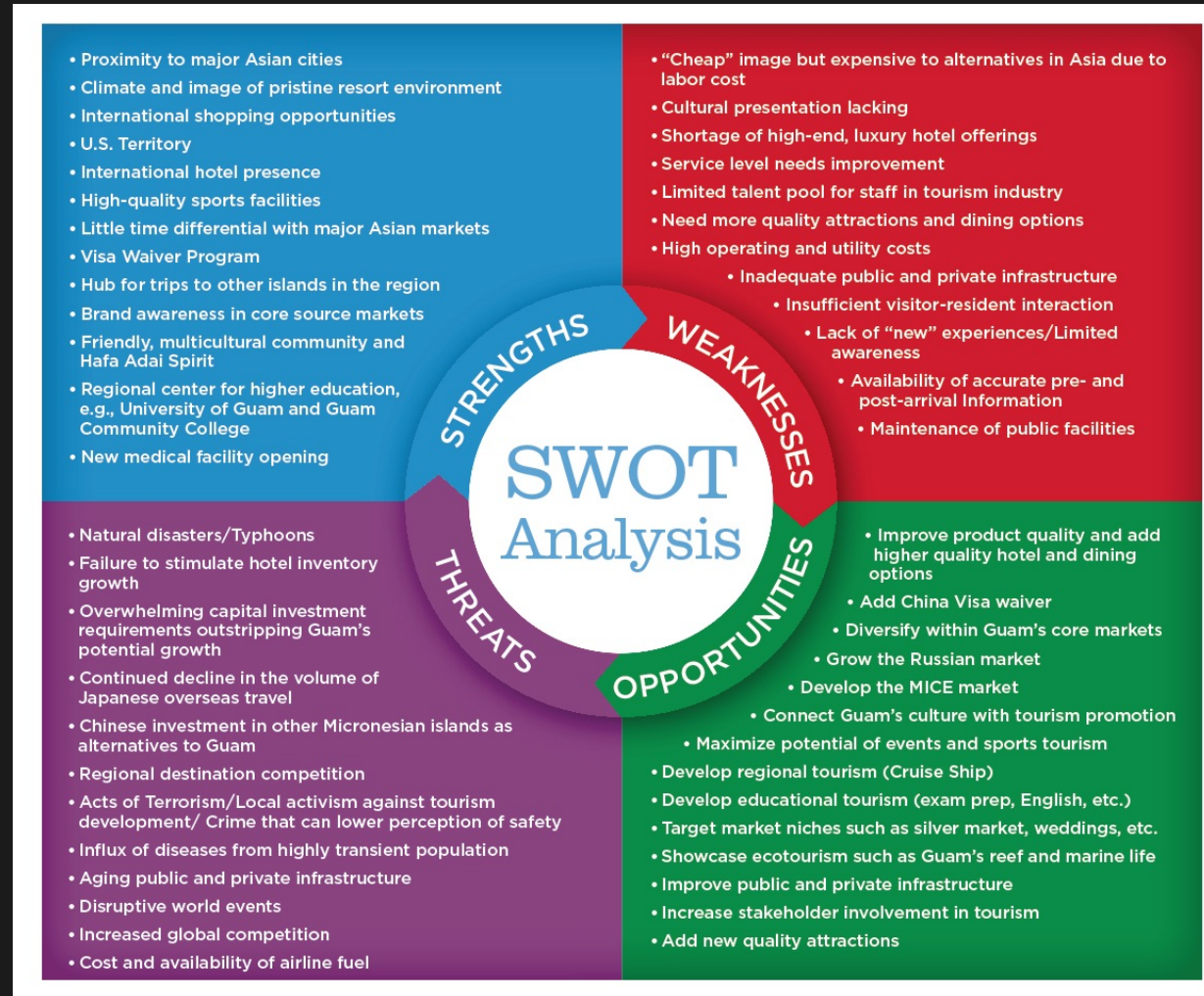
Rooms and activities from
value to 5 star

Safe. Clean. Close.
Family-friendly. Unique
Culture.



“Create uncontested market space and make the competition irrelevant.”

ONLY ON
GUAM



STRENGTHS

- ▶ Beautiful Environment
- ▶ Quality Shopping & Attractions
- ▶ Short flight to main markets
- ▶ U.S. Territory. Visa Waiver.

WEAKNESSES

- ▶ Budget image. Low Spending guests
- ▶ Poor maintenance & service
- ▶ Insufficient rooms (at peaks)
- ▶ Dependent on Japan alone



8 CORE OBJECTIVES

1. Improve Quality & Yield
2. Grow Arrivals & Diversify
3. Add High-End Hotel Rooms
4. Focus on MICE
5. Promote Chamorro Culture
6. Extend Length of Stay
7. Promote Unique Attractions
8. Extend Tourism Past Tumon



OBJECTIVE 1:

IMPROVE
QUALITY
AND YIELD



MAINTENANCE & CAPITAL IMPROVEMENT PROJECTS



SAFETY & SECURITY





COMING SOON

BUS

SHELTERS

WORKFORCE DEVELOPMENT

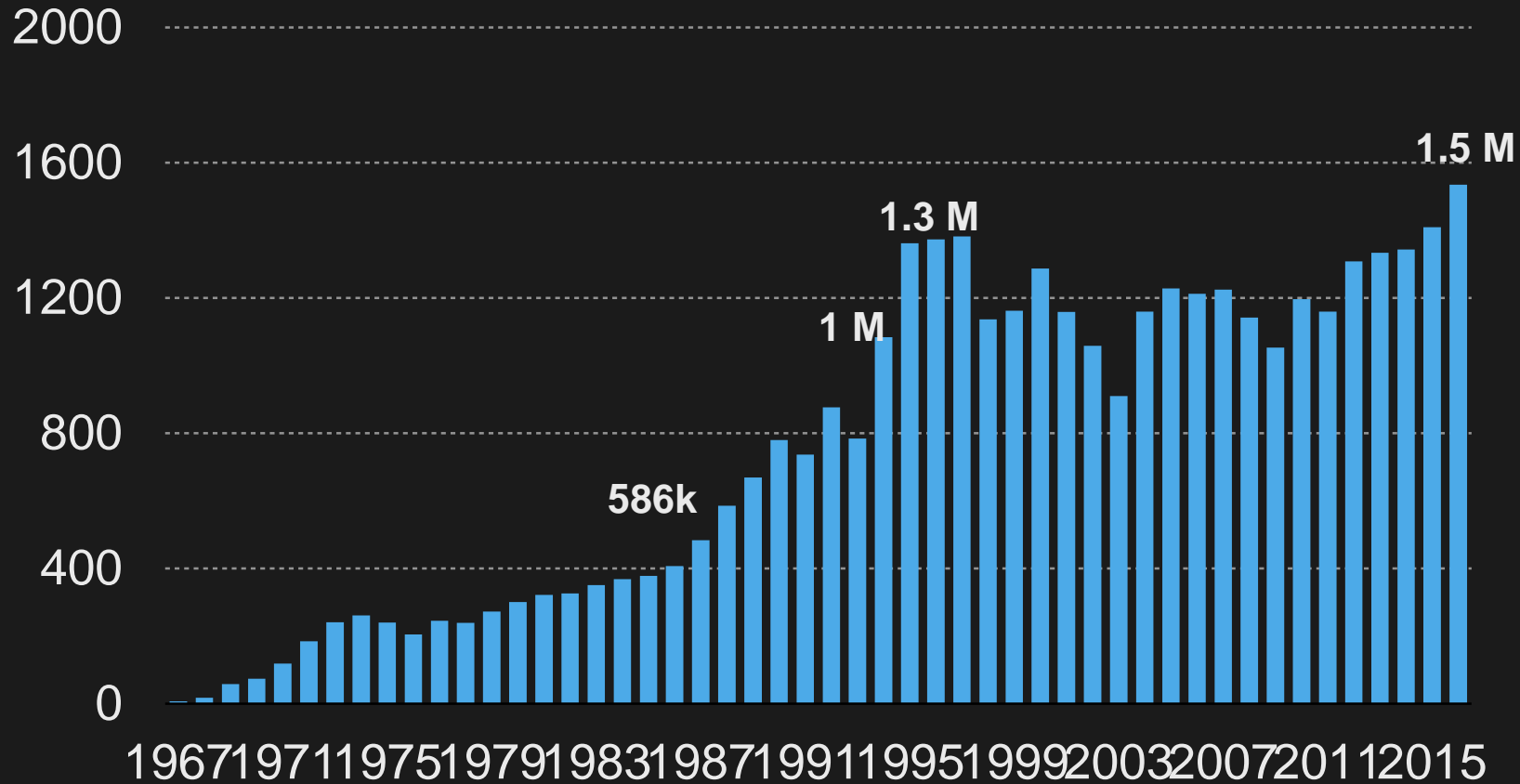
- ▶ Visitor Industry Professional Program
- ▶ Free online training program for hospitality employees
- ▶ Covers customers service, basic language, culture and more
- ▶ Short 2-3 minute video modules



OBJECTIVE 2: GROW ARRIVALS & DIVERSIFY

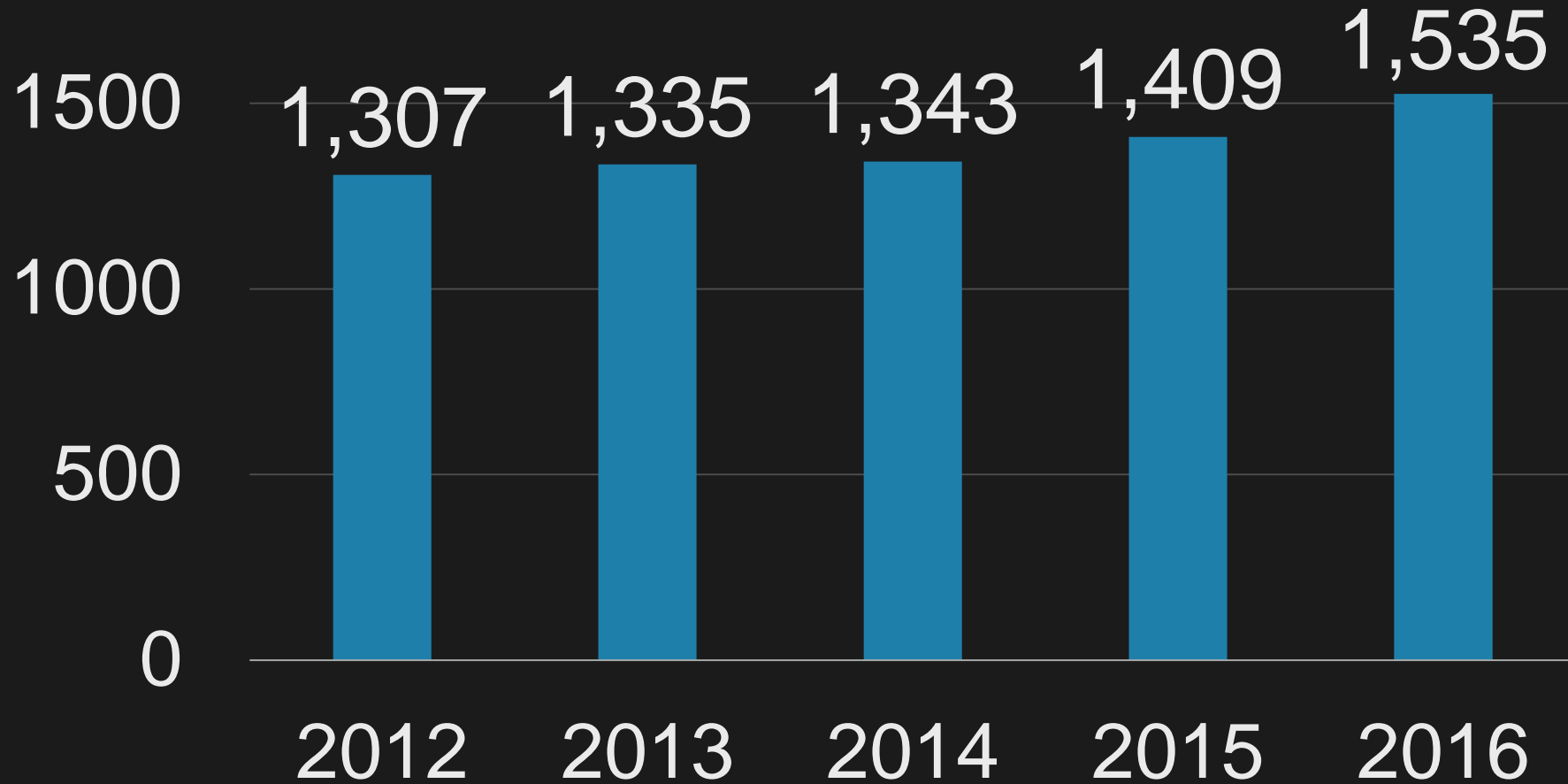
| CALENDAR YEAR ARRIVALS | 2012 | MARKET MIX | 2016 | MARKET MIX | 2020 | MARKET MIX w/o CVW | |
|------------------------|--------|------------|-------|------------|--------|-----------------------|------|
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | % |
| Other | 17,024 | 1.3% | 9,326 | 0.6% | 20,000 | 1.1% | 1.0% |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

GUAM HISTORICAL ARRIVALS 1967-2016



33% growth from 2011-2016

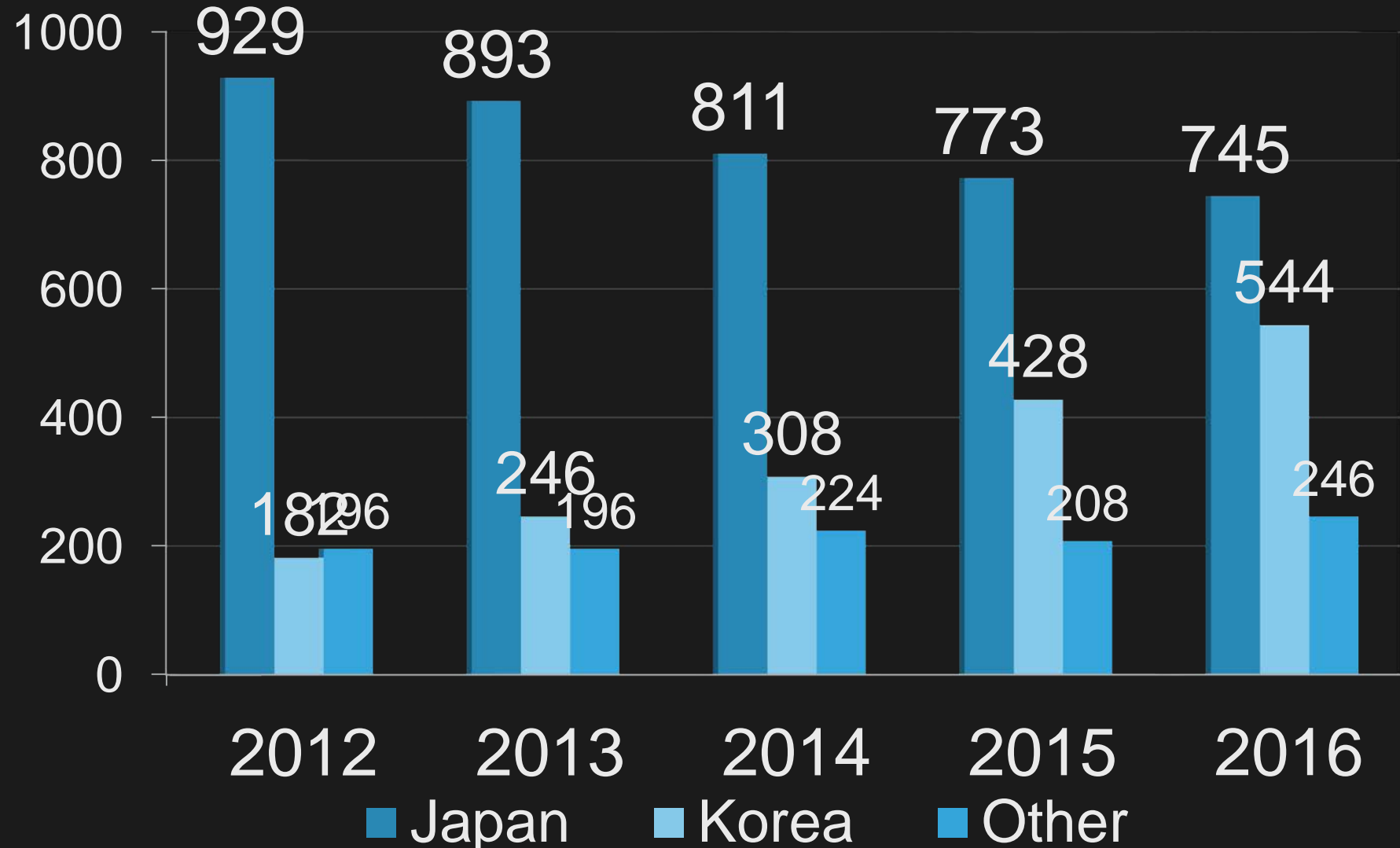
GUAM VISITOR ARRIVALS 2012-2016



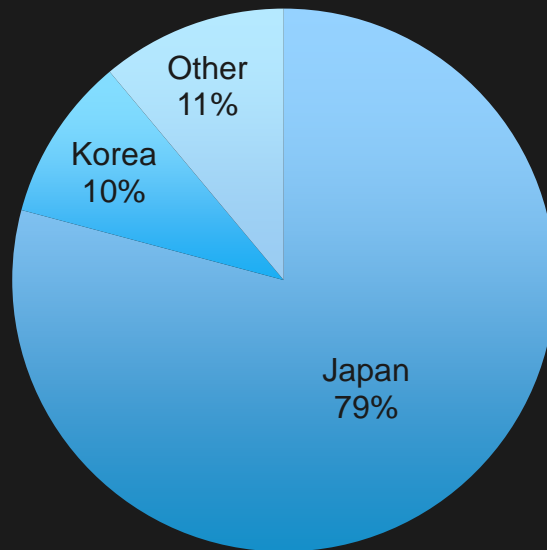
(+17.4%) 2012 vs. 2016

(+9%) 2015 vs. 2016

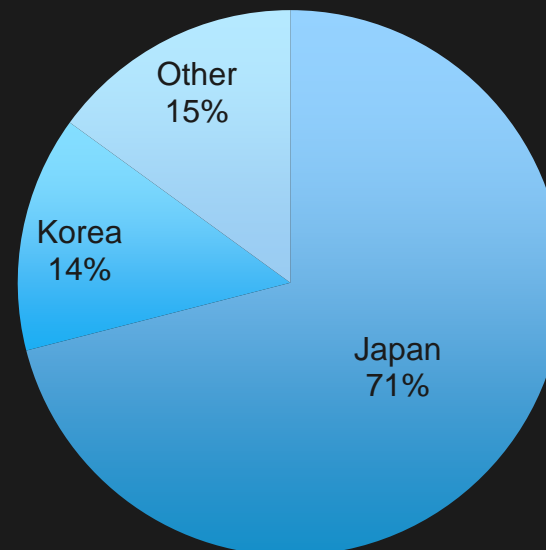
GUAM VISITOR ARRIVALS 2012-2016



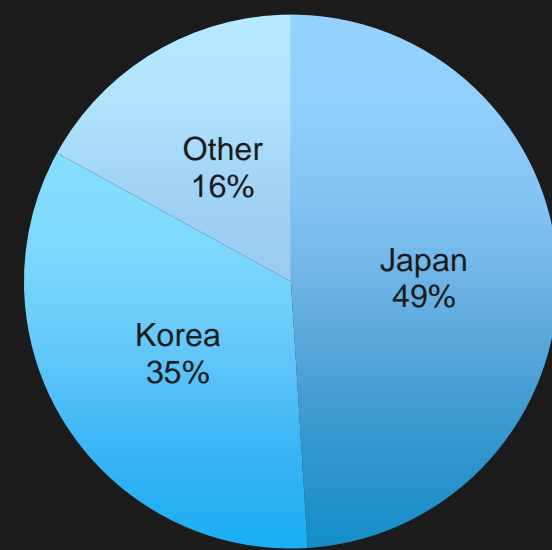
VISITOR ARRIVAL MIX 2006-2016



2006



2012



2016

JAPAN & KOREA OUTBOUND PAX

1996-2016

| <i>In Millions</i> | 1996 20 Years Ago | 2006 10 Years Ago | 2011 5 Years Ago | Today |
|------------------------|----------------------------------|----------------------------------|---------------------------------|--------------|
| Japan | 16.7 | 17.5 | 17.0 | 16.2 |
| Korea | 4.6 | 11.6 | 12.7 | 17.2 |

Note: Current year based on YTD actual through July 2016 and forecast YE
Source: Japan Overseas Travelers, Japan National Tourism Organization.
Korea Overseas Travelers, Korea Tourism Organization

GUAM MARKET SHARE

JAPAN

| <i>In Millions</i> | 1996 20 Years Ago | 2006 10 Years Ago | 2011 5 Years Ago | Today |
|--------------------------|----------------------------------|----------------------------------|---------------------------------|--------------|
| Japan Outbound | 16.7 | 17.5 | 17.0 | 16.2 |
| Japan Market Share | 6.2% | 5.4% | 4.9% | 4.5% |

Note: Current year based on YTD actual through July 2016 and forecast YE
Source: Japan Overseas Travelers, Japan National Tourism Organization.
Korea Overseas Travelers, Korea Tourism Organization

GUAM MARKET SHARE

KOREA

| <i>In Millions</i> | 1996 20 Years Ago | 2006 10 Years Ago | 2011 5 Years Ago | Today |
|--------------------------|----------------------------------|----------------------------------|---------------------------------|--------------|
| Korea Outbound | 4.6 | 11.6 | 12.7 | 16.8 |
| Korea Market Share | 4.9% | 1.0% | 1.2% | 2.4% |

Note: Current year based on YTD actual through July 2016 and forecast YE
Source: Japan Overseas Travelers, Japan National Tourism Organization.
Korea Overseas Travelers, Korea Tourism Organization

AIR SEAT CAPACITY TO GUAM

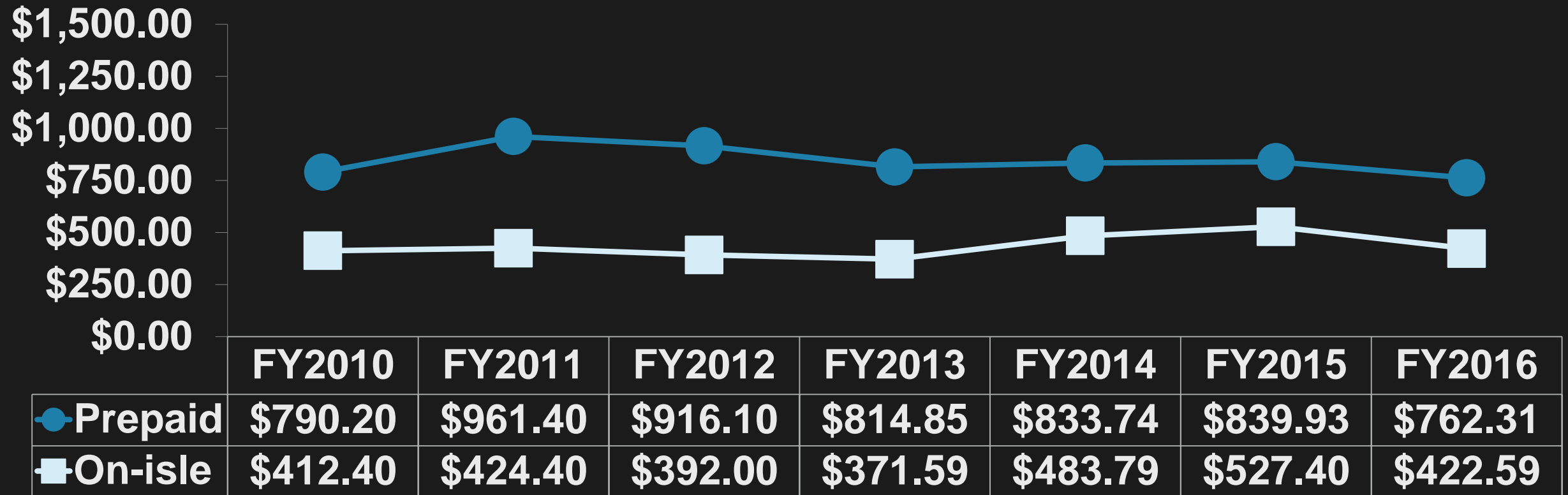
| | <u>2006</u> | <u>2010</u> | <u>2016</u> |
|-----------------|-------------|-------------|-------------|
| JAPAN | 2.4 M | 2.5 M | 1.9 M |
| KOREA | 308 K | 340 K | 1.2 M |
| TAIWAN | 40 K | 70 K | 131 K |
| PHILIPPIN ES | 213 K | 225 K | 346 K |
| HONG KONG | 32 K | 23 K | 72 K |

LCCs IMPACT ON ARRIVALS

| LCC | Launch Date | Market | Impact | | |
|-----------------|---------------|-----------------|---------|---------|---------|
| | | | FY'12 | FY'13 | % v. LY |
| T'WAY | Sept 24, 2015 | KOREA | 384,112 | 519,430 | 35.2% |
| | | | FY'15 | FY'16 | % v. LY |
| JEJU AIR | Sept 27 ,2012 | KOREA | 165,143 | 232,850 | 41.0% |
| | | | CY'15 | CY'16 | % v. LY |
| CEBU PACIFIC | Mar 15, 2016 | PHILIPPIN ES | 12,427 | 21,657 | 74.3% |
| | | | Dec'15 | Dec'16 | % v. LY |
| HK EXPRESS | Dec 15, 2016 | HONG KONG | 1,118 | 2,179 | 94.9% |

KOREA MARKET EXPENDITURES

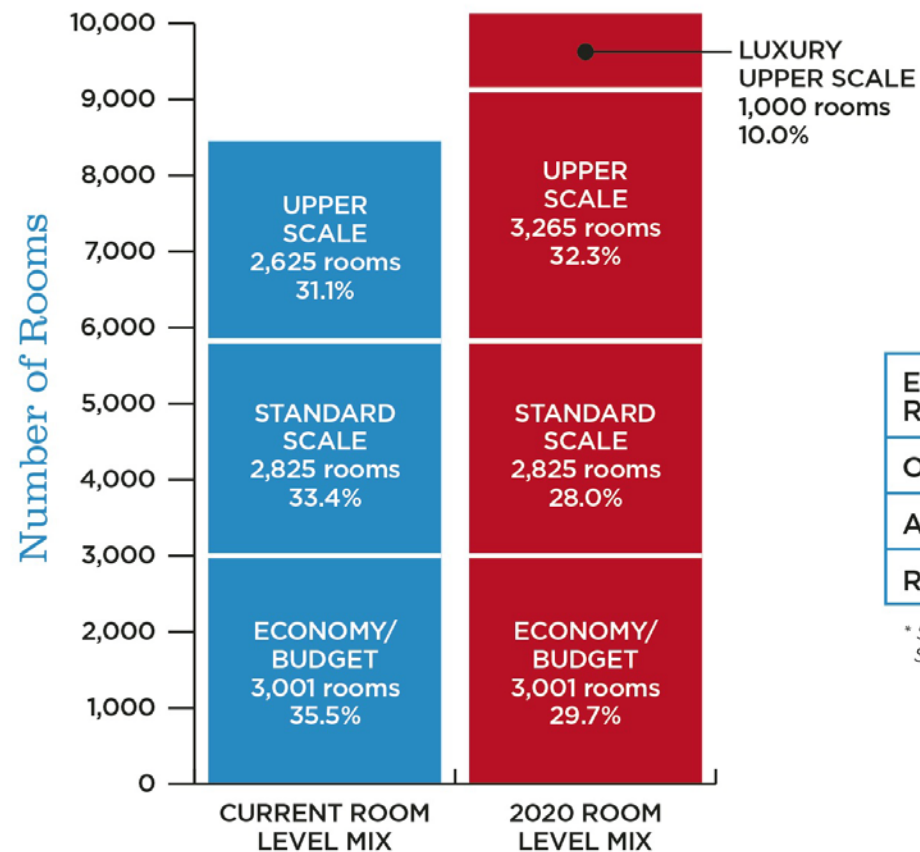
PREPAID V ON-ISLE



Source: GVB Korea Exit Surveys

OBJECTIVE 3: ADD HOTEL ROOMS

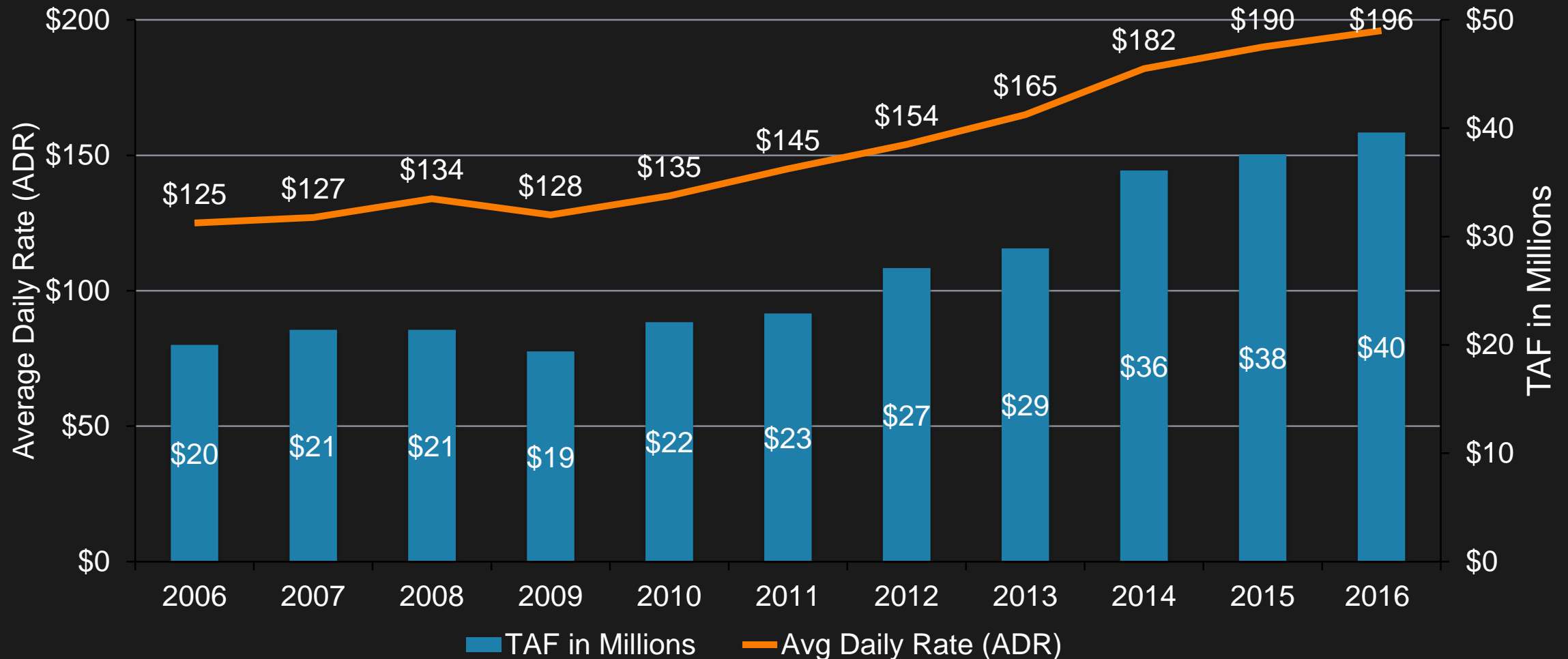
2020 Hotel Room Development Strategy



| | 2013* | 2020 |
|----------------------|-------------|-------------|
| EMPLOYEES/ROOM RATIO | 13,284/1.65 | 16,549/1.64 |
| OCCUPANCY | 77% | 85.1% |
| ADR | \$134 | \$225 |
| RevPAR | \$103 | \$191 |

* Source: Guam Hotel and Restaurant Association Report, September 2013

HOTEL ADR & TAF COLLECTIONS



Note: 2016 based on YTD actual through Sep 2016 and estimated YE Oct-Dec
Source: TAF Collection, Accounting Division, Department of Administration, Hotel ADR, STR.

HOTEL UPDATE

- GEDA launched new hotel QC program
- Lotte Hotel Guam opens
- Hyundai buys Westin
- Dusit Thani Guam opens
- Coming soon: Tsubaki Tower



OBJECTIVE 4: DEVELOP MICE FOR SLOW SEASONS



MICE EVENTS

- ▶ Trans-Pacific Partnership (TPP) Ministerial Meeting
- ▶ World Health Organization (WHO) Conference
- ▶ Pacific Asia Travel Association (PATA) Annual Summit
- ▶ United Nations World Tourism Organization (UNWTO) Ministerial Debate



OBJECTIVE 5:

PROMOTE
GUAM'S
UNIQUE 4,000
YEAR OLD
CULTURE

FESTIVAL OF PACIFIC ARTS





OBJECTIVE 6:

EXTEND
AVERAGE
LENGTH
OF STAY

AVERAGE LENGTH OF STAY (DAYS)

| | <u>2006</u> | <u>2010</u> | <u>2016</u> |
|-------|-------------|-------------|-------------|
| JAPAN | 3.10 | 3.10 | 3.09 |
| KOREA | 3.80 | 3.70 | 3.65 |

| | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|--------|-------------|-------------|-------------|
| RUSSIA | 11.84 | 12.04 | 11.77 |
| CHINA | 3.94 | 4.14 | 4.27 |



OBJECTIVE 7:

PROMOTE
GUAM'S
UNIQUE
ATTRACTIONS

GVB SIGNATURE EVENTS

- ▶ New Year's Eve Fireworks
- ▶ United Guam Marathon
- ▶ Guam Micronesia Island Fair
- ▶ Guam Live International Music Festival
- ▶ Guam BBQ Block Party
- ▶ Guam Summer Beach Fest
- ▶ Guam Ko'ko' Kids Fun Run
- ▶ Guam Ko'ko' Road Races
- ▶ Shop Guam e-Festival



JAPAN VISITOR PROFILE

2006 V 2016

| | <u>2006</u> | <u>2016</u> | | <u>2006</u> | <u>2016</u> |
|---------|-------------|-------------|--------------------------|-------------|-------------|
| Male | 35% | 50% | First Timer | 70% | 57% |
| Female | 65% | 50% | Repeater | 30% | 43% |
| | | | | | |
| 18-34 | 78% | 63% | Full Package | 19% | 21% |
| 35-54 | 20% | 25% | Free Time | 69% | 61% |
| 55+ | 2% | 12% | FIT | 3% | 10% |
| | | | Other | 8% | 8% |
| | | | | | |
| Single | 65% | 57% | Expenditures (on-island) | \$666 | \$422 |
| Married | 35% | 43% | Expenditures (Prepaid) | \$622 | \$820 |

KOREA VISITOR PROFILE

2007 V 2016

| | <u>2007</u> | <u>2016</u> |
|---------|-------------|-------------|
| Male | 61% | 50% |
| Female | 39% | 50% |
| | | |
| 18-24 | 1% | 5% |
| 25-34 | 34% | 47% |
| 35-49 | 63% | 44% |
| 50+ | 2% | 4% |
| Single | 20% | 20% |
| Married | 80% | 80% |

| | <u>2007</u> | <u>2016</u> |
|-----------------------------|-------------|-------------|
| First Timer | 81% | 86% |
| Repeater | 19% | 14% |
| | | |
| Full Package | 62% | 37% |
| Free Time | 23% | 44% |
| FIT | 10% | 17% |
| Other | 5% | 2% |
| Expenditures (on-island) | \$506 | \$422 |
| | | |
| Expenditures (Prepaid) | \$983 | \$762 |

*2007 most historic data available for Korean market



OBJECTIVE 8:

EXTEND
TOURISM
BEYOND
TUMON

TARGETS

KEY PERFORMANCE INDICATORS

2013**2020****VISITOR ARRIVALS****1.34 MILLION****2 MILLION****AVG ON-ISLAND SPEND****\$1,100****\$1,320****TOURISM-RELATED JOBS****20,436****32,000****GOV TAX REVENUES****\$167 MILLION****\$300 MILLION****TOURISM ECONOMY SALES****\$1.47 BILLION****\$2.64 BILLION**



GUAM



SIYU'OS MA'ASE!

.....
Nate Denight, President and CEO
Guam Visitors Bureau