





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 admist 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

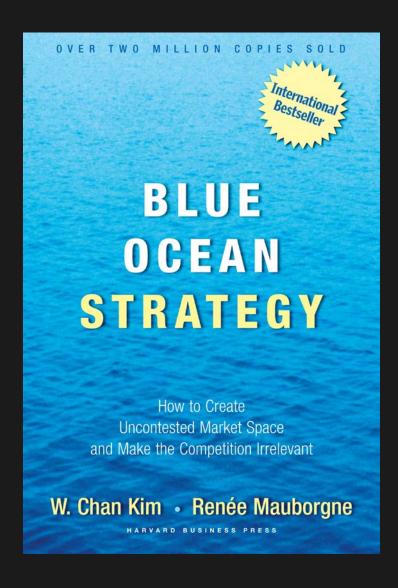


Rooms and activities from value to 5 star



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





"Create uncontested market space and make the competition irrelevant."





- Proximity to major Asian cities
- Climate and image of pristine resort environment
- International shopping opportunities
- U.S. Territory
- International hotel presence
- · High-quality sports facilities
- Little time differential with major Asian markets
- Visa Waiver Program
- Hub for trips to other islands in the region
- 5 RENGTHS Brand awareness in core source markets
- Friendly, multicultural community and Hafa Adai Spirit
- Regional center for higher education, e.g., University of Guam and Guam Community College
- New medical facility opening
- Natural disasters/Typhoons
- Failure to stimulate hotel inventory growth
- Overwhelming capital investment requirements outstripping Guam's potential growth
- Continued decline in the volume of Japanese overseas travel
- Chinese investment in other Micronesian islands as alternatives to Guam
- Regional destination competition
- Acts of Terrorism/Local activism against tourism development/ Crime that can lower perception of safety
- Influx of diseases from highly transient population
- Aging public and private infrastructure
- Disruptive world events
- · Increased global competition
- Cost and availability of airline fuel

- "Cheap" image but expensive to alternatives in Asia due to labor cost
- Cultural presentation lacking
- Shortage of high-end, luxury hotel offerings
- Service level needs improvement
- Limited talent pool for staff in tourism industry
- Need more quality attractions and dining options
- High operating and utility costs
 - Inadequate public and private infrastructure
 - · Insufficient visitor-resident interaction
 - Lack of "new" experiences/Limited awareness
 - Availability of accurate pre- and post-arrival Information
 - Maintenance of public facilities
 - · Improve product quality and add higher quality hotel and dining options
 - Add China Visa waiver
 - · Diversify within Guam's core markets
 - · Grow the Russian market
 - Develop the MICE market
 - Connect Guam's culture with tourism promotion
 - Maximize potential of events and sports tourism
- Develop regional tourism (Cruise Ship)
- Develop educational tourism (exam prep, English, etc.)
- Target market niches such as silver market, weddings, etc.
- Showcase ecotourism such as Guam's reef and marine life
- Improve public and private infrastructure
- Increase stakeholder involvement in tourism
- · Add new quality attractions



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









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



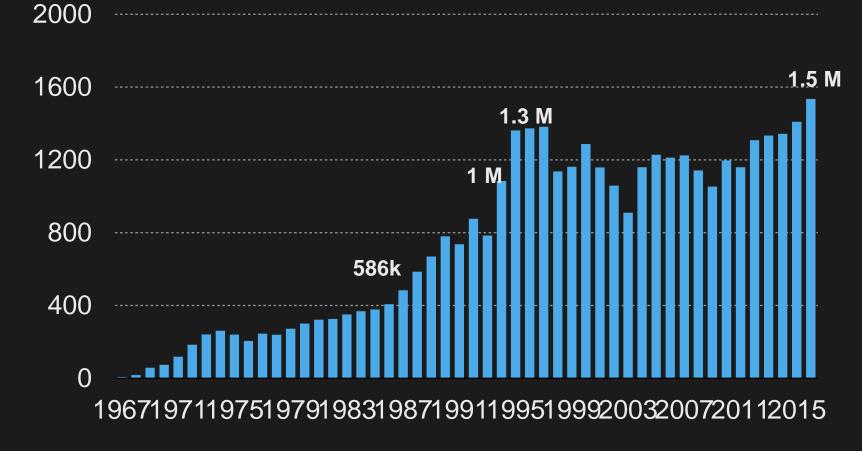


OBJECTIVE 2: GROW ARRIVALS & DIVERSIFY

CALENDAR YEAR ARRIVALS	2012	MARKET MIX	2016	MARKET MIX	2020	MARKET MIX w/o CVW	
							0/
Othor	17.02/	1 70/	0.726	0.60/	20.000	1 10/	1.0%
Other	17,024	1.3%	9,326	0.6%	20,000	1.1%	1.0%



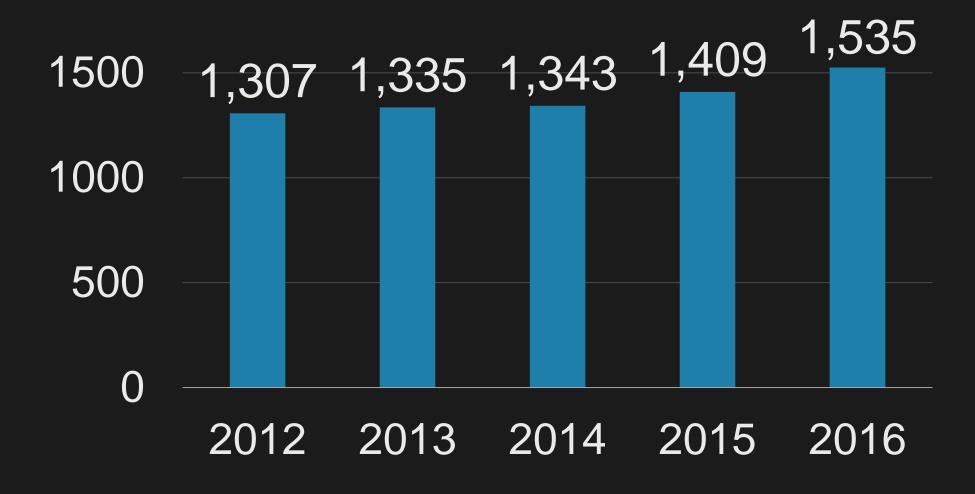
GUAM HISTORICAL ARRIVALS 1967-2016



33% growth from 2011-2016



GUAM VISITOR ARRIVALS 2012-2016

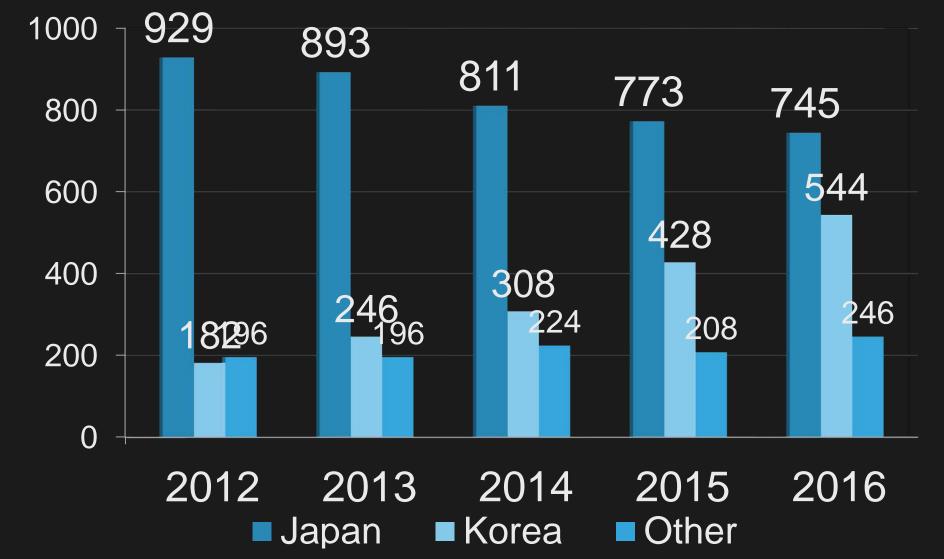


(+17.4%) 2012 vs. 2016

(+9%) 2015 vs. 2016

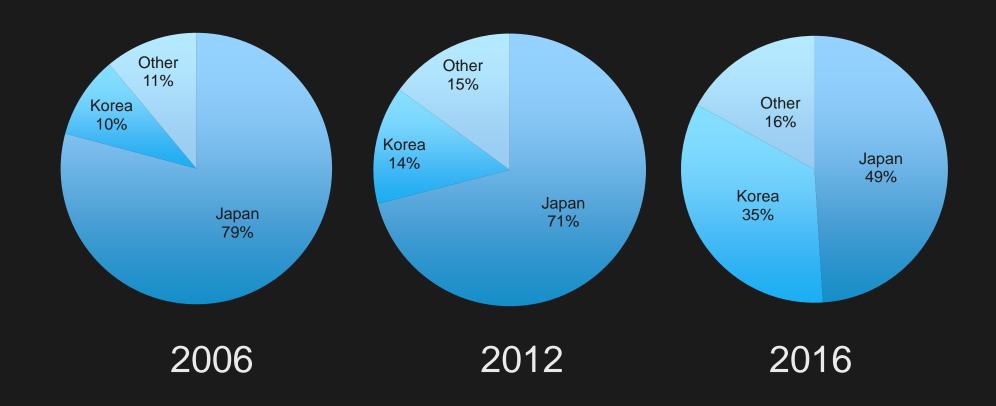


GUAM VISITOR ARRIVALS 2012-2016





VISITOR ARRIVAL MIX 2006-2016





JAPAN & KOREA OUTBOUND PAX

1996-2016

In Millions	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



GUAM MARKET SHARE JAPAN

In Millions	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

In Millions	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

Source: Diio Mi Market Intelligence for the Aviation Industry



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
			1 1 10	1 1 10	/0 V. L I
JEJU AIR	Sept 27 ,2012	KOREA	165,143	232,850	41.0%
				O) (14.0	
			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		HONG			
EXPRESS	Dec 15, 2016	KONG	1,118	2,179	94.9%



KOREA MARKET EXPENDITURES

PREPAID V ON-ISLE

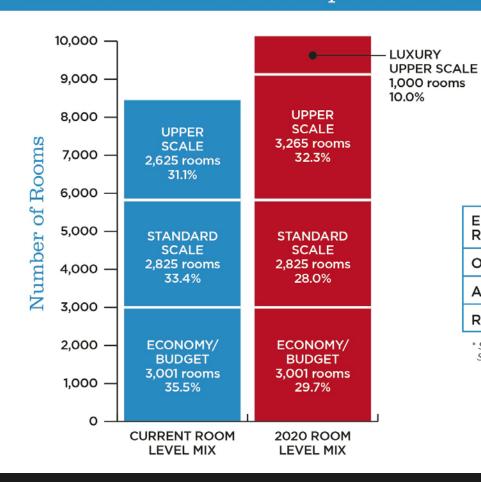


Source: GVB Korea Exit Surveys



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%

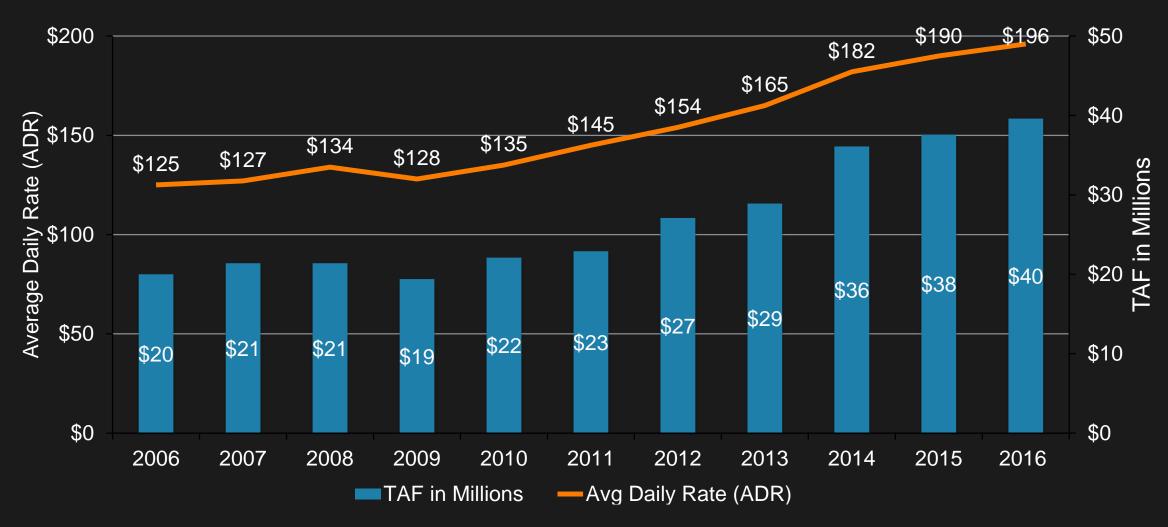
 ADR
 \$134
 \$225

 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





MICE EVENTS

- Trans-Pacific Partnership (TPP) Ministerial Meeting
- World Health Organization (WHO) Conference
- Pacific Asia Travel Association (PATA) Annual Summit
- United National 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)

	2006	<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



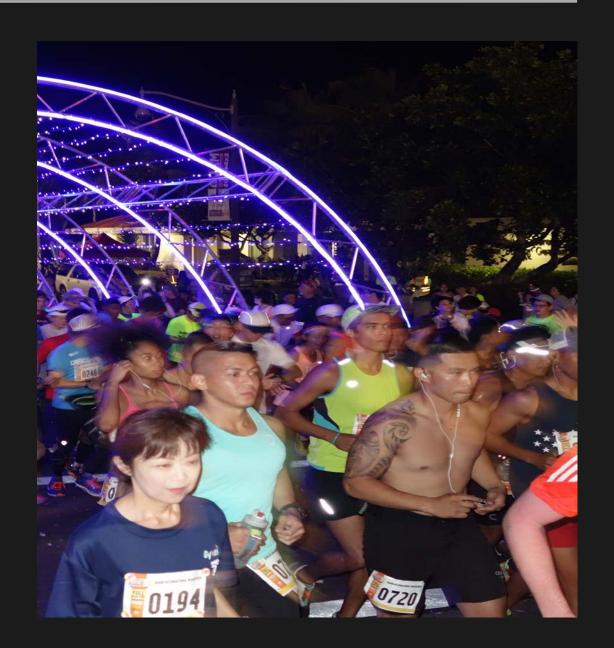
OBJECTIVE 7:

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%
			FIT	3%	10%
55+	2%	12%	Other	8%	8%
			Expenditures (on-	\$666	# 400
Single	65%	57%	island)	\$666	\$422
Married	35%	43%	Expenditures (Prepaid)	\$622	\$820

Source: GVB Japan Exit Surveys



KOREA VISITOR PROFILE

2007 V 2016

<u>2007</u>	<u> 2016</u>		<u>2007</u>	<u>2016</u>
61%	50%	First Timer	81%	86%
39%	50%	Repeater	19%	14%
		Full Package	62%	37%
1%	5%	Free Time	23%	44%
34%	47%	FIT	10%	17%
		Other	5%	2%
2%	4%	Expenditures (on-island)	\$506	\$422
20%	20%	Evpondituros		
80%	80%	(Prepaid)	\$983	\$762
	61% 39% 1% 34% 63% 2% 20% 80%	61% 50% 39% 50% 1% 5% 34% 47% 63% 44% 2% 4% 20% 20%	61% 50% 39% 50% Full Package 1% 5% 34% 47% 63% 44% 2% 4% 20% 20% 80% 80% First Timer Repeater Repeater Full Package FIT Other Expenditures (on-island) Expenditures (Prepaid)	61% 50% First Timer 81% 39% 50% Repeater 19% 1% 5% Full Package 62% Free Time 23% FIT 10% 0ther 5% Expenditures (on-island) \$506 20% 20% Expenditures (Prepaid) \$983



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



