

# Marianas Visitors Authority

Citizen-Centric Report Fiscal Year 2019

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## Public Law 11-15

Pursuant to Public Law 11-15 Section 5, Public Law 13-5, Public Law 13-9, and Executive Order 03-02 of March 10, 2003, the Marianas Visitors Authority shall promote the orderly growth of the CNMI tourism industry.

## Mission

To promote and develop the Northern Mariana Islands as a premier destination of choice for visitors from throughout the world while providing a maximum quality of life for our people. We nurture and encourage cultural interchange and environmental sensitivity for visitors' enjoyment and for our children's children.

Headed by a Managing Director and Deputy Managing Director along with division managers in Saipan, Tinian, and Rota. As of September 2019, the MVA has a total of 35 employees:

26 employees in Saipan, 4 in Tinian and 5 in Rota

The MVA has 11 divisions:

- |  |                         |
|--|-------------------------|
| 1. Accounting                                | 8. Community Projects   |
| 2. Executive                                 | 9. Product Development  |
| 3. Marketing                                 | 10. Rota Field Office   |
| 4. Procurement                               | 11. Tinian Field Office |
| 5. Research                                  |                         |
| 6. Tour Guide Certification                  |                         |
| 7. Human Resources & Administrative Services |                         |

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## The MVA in 2019

The Marianas Visitors Authority lives and breathes its mission to promote and make our islands attractive to our visitors. But we certainly do not and cannot do this alone. As "Tourism is Everybody's Business" states, we need heightened awareness and deeper commitment to hospitality from everyone on our islands for us to spring back from our losses in 2019.

In Fiscal Year 2019 the Marianas received a 30% decrease in visitors compared to FY 2018. The numbers were severely impacted by Super Typhoon Yutu in late October 2018 and its residual effects, including closure of the Saipan International Airport, restoration of all flights not being realized until March 2019, and reduced marketing funding for the MVA, and austerity cuts for MVA personnel that began in June 2019 and will continue until the economy is stronger. Arrivals have also been dampened in late 2019 by the devaluation of the Chinese Yuan, violent protests in the major airport hub of Hong Kong, and the softening of the Korean economy.

Korea is facing an economic struggle. However, Asiana Airlines added a daily daytime flight from Oct. 27 to the end of the year and T'Way Air will operate a second daily daytime flight to Saipan beginning November until late March 2020. Hong Kong Airlines has suspended its service to Saipan since late August. The bright star is the advent of Skymark Airlines offering direct flights from Narita to Saipan this year.

## Our Economy

Tourism is indubitably the engine of our economy. On October 24, 2018, the economy was effectively shut down as Typhoon Yutu ravaged our islands. Ironman 70.3 and the Christmas at the Marianas were cancelled. Due to extensive damages and no power on island, the Saipan International Airport was shut down for the greater part of November putting our visitor arrival numbers at close to zero. Our islands if anything are resilient as our swift and steadfast recovery efforts demonstrate. MVA, however, is still reeling from the effects and difficulty in release of timely allotments from the central government.

# OUR PROGRESS 2019

*How did we further develop our product and engage our community?*

## LOCAL and INTERNATIONAL MARKETING



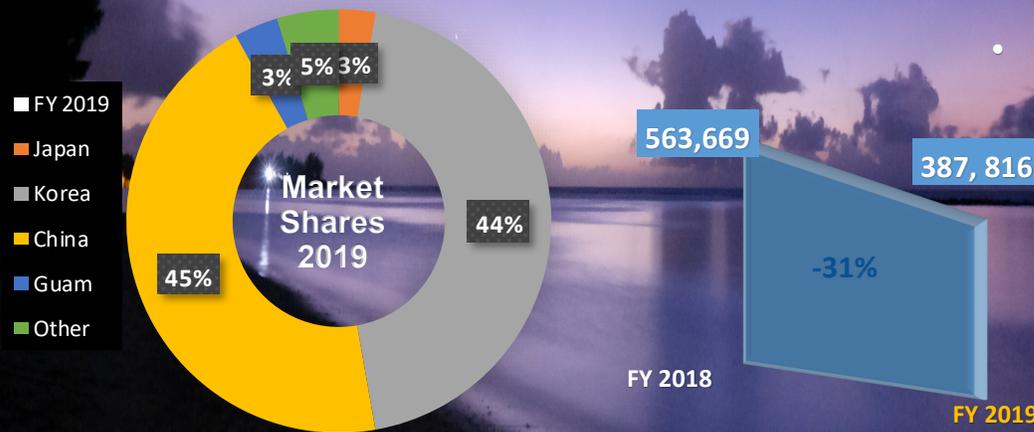
- The announcement of Skymark Airlines initiating their first international route to Saipan immediately after Typhoon Yutu in December 2018. This would be the first direct flight to Saipan by a Japanese carrier since Japan Airlines withdrew in 2005.
- Stronger and more consistent social media presence along with more updated visuals
- Offshore representative offices maintained in Beijing, Guangzhou, Moscow, Seoul, Shanghai, Taipei, Tokyo and Vladivostok .

## COMMUNITY EVENTS



- Historic 1,063 participants in March 2019 Saipan Marathon
- Marianas Strong Year-End Celebration and Fun-Run drew nearly a thousand as the Marianas stood strong in Yutu's aftermath
- MTEC—over 1,000 students came out to engage in learning about how to better promote our islands.
- Taste of the Marianas enjoyed a new record in sales.
- Konqer was held in Rota for the first time

## VISITOR ARRIVALS



## PRODUCT DEVELOPMENT



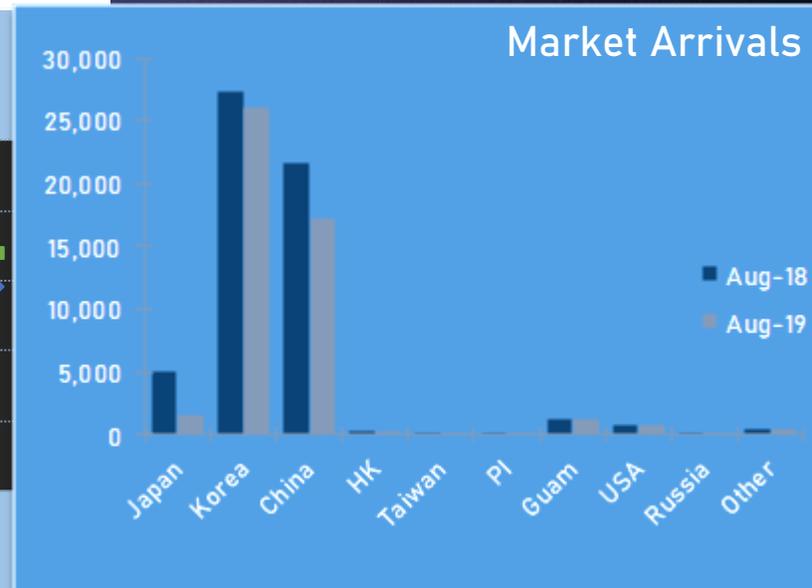
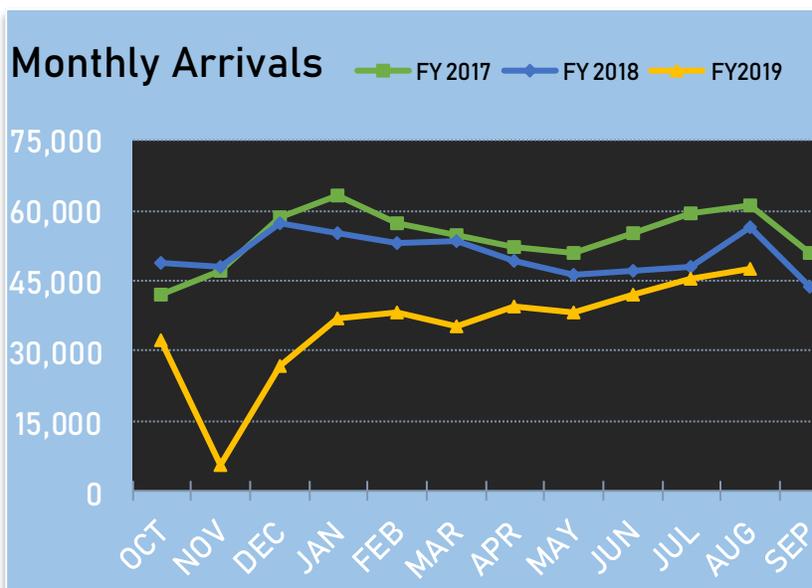
- Iconic Saipan sign redressed, Tinian and Rota signs created and installed.
- 3-D maps of Saipan, Tinian and Rota developed
- Tinian's students became "Tourist for a Day" and "I am a Green Tourist" tree planting on Broadway and Long Beach Interpretive Trail
- Rota office cut and planted 62 varieties of bougainvillea in white, pink and orange
- Project Haligi—spearheaded by Lady Diann Torres Foundation, poles around three islands are painted

## PUBLIC SAFETY & AWARENESS



- 5 Safety Warning signs in key tourist sites.
- Road, marine and personal safety videos shared with car rental companies and airing through KSPN and at the Saipan International Airport.
- G4S Security maintained at key visitor sites Banzai Cliff hours adjusted to meet visitors needs
- Garapan area cleaned daily by LJ Lawn Care
- Submitted for 2019 PATA Gold for Official Marianas Guide Newsletter
- 394 guides went through Tour Guide training . Guides and Operators names listed on MVA website

On April 13, 2019 to lift The Marianas spirit, The #MyMarianas Paradise Festival concert featured incredible moves of dancer Kenichi Ebina of Japan Season 8 winner of America's Got Talent. From South Korea, Ulala Session winner of television talent show Superstar K3 and Super Star K2 season two winner Hu Gak. Singer Yixin Wang of China also performed



# OUR FINANCES

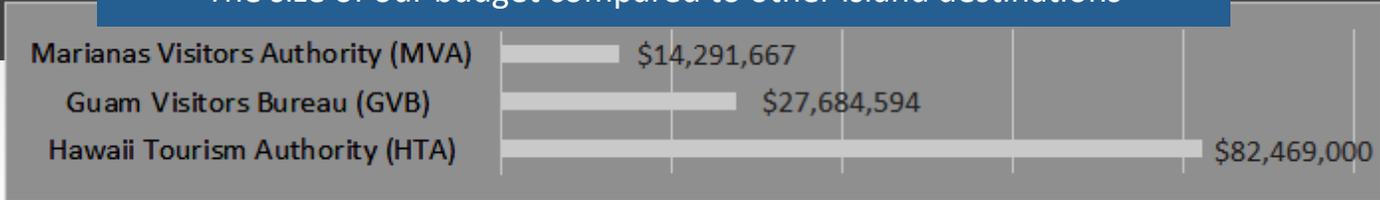


## REVENUES and SPENDING FOR FISCAL YEAR

### Where does the money come from? (2018 Actual \$15,373,266)

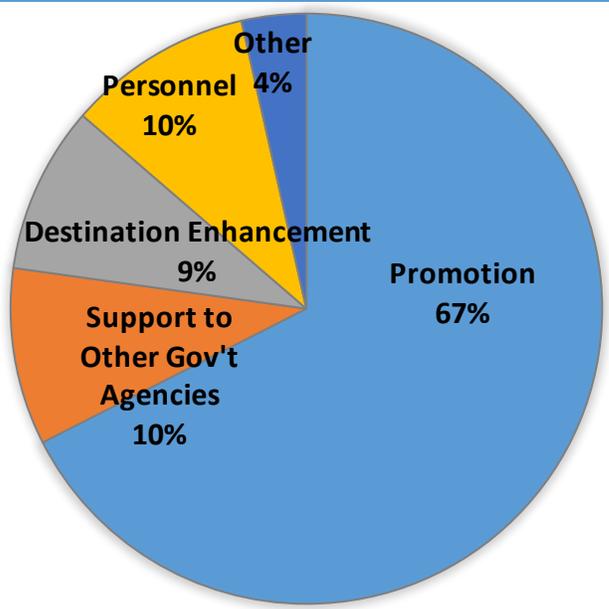
Pursuant to Public Law 18-1, Hotel Occupancy Tax (15%) constitutes the MVA's entire budget. From the tax collected 80% is given to MVA and 20% to Retirement Fund. Out of MVA's 80%, 2.5% goes to Department of Finance for enforcement and 2% (total of 6%) goes to each municipality of Saipan, Tinian and Rota.

The size of our budget compared to other island destinations

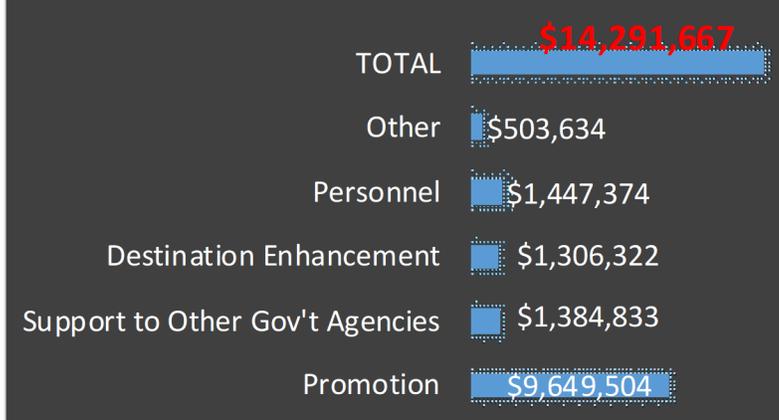


### Where does the money go? (2018 Actual \$14,291,667)

The largest portion of the MVA's budget is spent in promoting our destination in source markets to ensure The Marianas remain viable as an attractive destination: "out of sight, out of mind." Unlike other government agencies, MVA's spending is heavy on revenue generating programs and light on personnel.



#### 2018 MVA Expenditure



MVA's \$9,649,504 overseas promotions serves as the main engine that fuels

CNMI's \$236 million budget

# WHAT IS NEXT

## CHALLENGES AND PLANS

### WHERE'S THE MONEY?



Timely release of MVA allotments from the CNMI central government will help facilitate important tasks such as promotion of our islands, projects and events.

### IDENTITY CRISIS

The Northern Marianas, The CNMI, Saipan and The Marianas are some of the names we call ourselves, through Global Branding RFP, we are attempting to once and for all come up with an identity that will propel us forward in making our presence known globally.

### TYPHOON NO MORE

Funds will also be used to dispel the image of disaster in the Marianas helping us draw more visitors from our source markets. We are putting together an emergency response plan.

### HOMELESS



The MVA has no permanent home and by 2021, we will be forced to vacate the location we currently occupy. We need a home to centrally conduct our business and to receive inquiring visitors. Our building funds have been exhausted in finance strains after Yutu.

### KEEP THEM COMING!



Skymark Airlines has committed to the CNMI. We all need to make a concerted effort to make sure they will stay. Asiana Airlines is the only non-LCC carrier and Incheon and Hong Kong based flights have become vital in assuring we maintain arrival numbers.

### CAN WE HAVE MORE?



With only 35 employees, The MVA needs to expand its workforce to address rising needs of being CNMI's Tourism headquarters as to keep pace with our source markets

### MAKE IT SHINE



Despite finance troubles, the MVA has plans to lay a natural-glowing pebble pathway in Tinian and innovative way to update Banzai Cliff in Saipan.

### LET'S TALK



MVA will continue to work on consistent sharing of information and communication with all our markets.

### Did you know?

#### Our Visitor Profile

- Our islands are predominantly sought after as vacation spots but also for diving!
- Tour agents book our visitors' stays but website is a close second.
- Most visitors are professionals, clerks and students.

