



KOREA MARKETING COMMITTEE (KMC) MEETING MINUTES

Tuesday, January 14, 2025 at 3:30 p.m.

GVB Main Conference Room and GoToMeeting

<https://meet.goto.com/GUAMVISITORSBUREAU/kmc-meeting>

**online attendance*

Members Present:

1. 7-Day Supermarket - Young Sook Hong
2. Arluis Wedding*
3. Crowne Plaza Resort Guam - Alice*
4. DON DON DONKI Guam - Joshua Aguilar*
5. Guam Hana Tour - Jong In Cheong
6. Guam Premier Outlets - Monte Mesa*, Nicole*
7. Guam Reef Hotel - Yuki Motoda*
8. Hoshino Resorts RISONARE - Miho*
9. Hotel Nikko Guam - Jenny Cheon*
10. Korean Guam Travel Association (KGTA) - Tae*
11. Lam Lam Tours (T.P. Micronesia, Inc.) - Takahashi*
12. Leoplace Guam Resort - Keiko Takano*
13. Lotte Duty Free - JJ Lee*
14. Lotte Hotel Guam - Sunny Kim*
15. Micronesia Mall - Anna T*
16. Nissan Rent A Car Guam - Mike Tamayo*
17. Pacific Islands Club - Sage Han
18. RIHGA Royal Laguna Guam Resort - Nicole*
19. Sentry Hospitality LLC - Valerie Carbullido*
20. Stroll - James Rosenberg
21. The Tsubaki Tower - JM*
22. The Westin Resort Guam - Heejin*, Yoshi Otani*, Julia Kim*

Members Absent:

1. Baldyga Group
2. Bayview Hotel
3. Dusit Thani Guam Resort
4. Fish Eye Marine Park
5. Goodwind Development Corporation
6. GTA
7. Guam Guam Style Consulting
8. Guam Plaza Resort & Spa
9. Hard Rock Cafe
10. Hilton Guam Resort & Spa
11. Hotel Tano
12. Hyatt Regency Guam
13. International Dining Concepts, LLC
14. Jae Yu
15. Japan Buslines
16. Jeju Air
17. Kloppenburg Enterprises
18. Korean Air
19. Linden Akademia
20. Royal Orchid Guam Hotel
21. Tommy Hilfiger
22. Triple J Enterprises, Inc.
23. United Airlines
24. University of Guam
25. Valley of the Latte

GVB Board/Management/Staff Present:

1. GVB Director, KMC Chairman – Ho Eun
2. GVB Acting President & CEO – Gerry Perez
3. GVB Director of Global Marketing –Nadine Leon Guerrero
4. GVB Senior Marketing Manager, Korea – Margaret Sablan
5. GVB Senior Marketing Manager, Korea – Nicole Benavente
6. GVB Marketing Manager, Korea – Cierra Sullá
7. GVB Web & IT Coordinator – AJ Rosario
8. GVB Web & IT Coordinator Assistant – Mike Arroyo
9. GVB Web & IT Coordinator Assistant – Brian Cha
10. GVB South Korea Country Manager - Jay Park*
11. GVB Korea Office*



1. CALL TO ORDER

- Chairman Mr. Ho Eun called the meeting to order at 3:30 p.m.

2. REPORT OF COMMITTEE CHAIRMAN

- Chairman Eun reported on the ongoing search for the new President & CEO, which is aimed to be selected within a month. He noted that the application period ends that Thursday. Chairman Eun says they will be reviewing the applications and finalizing the selection process before the meeting, the following Friday. Chairman Eun reported on the Trump administration aiming to issue close to 100 executive orders on January 20. He expressed concerns over the potential economic policies, such as the difficulty of boosting the economy, while at the same time lowering interest. According to Chairman Eun, we could expect the current foreign exchange rate of 1,463 to go down to 1,350 within six to seven months, referencing that during Trump's previous term as President, interest rates were significantly lower than what it is now, which averaged 1,100 to 1,200 at that time. In 2019, before the pandemic, the average exchange rate was 1,165, indicating a 26% weaker USD. Chairman Eun emphasized the need to focus on domestic rehab, alluding to a recent news clip from PDN. Taking all these into account, Chairman Eun stressed that the next six months will be challenging and require endurance.

3. REPORT OF MANAGEMENT

- Acting President & CEO Mr. Gerry Perez reported on the recruitment for a new General Manager. Mr. Perez said that \$5 million was identified from internal sources for Korea airline incentives. He shared that an additional \$4 million from ARP money will provide a total of \$8 million plus towards the incentive program. Mr. Perez acknowledged that Director of Global Marketing Ms. Nadine Leon Guerrero and the Korea team remain in close contact with the South Korea Country Manager Jay Park and other stakeholders in Korea. He indicated that the incentive amount may be increased if they don't receive a positive response. Chairman Eun affirmed that the investment to secure additional seats makes financial sense for both the Government of Guam and the overall economy.
- Senior Marketing Manager Ms. Nicole Benavente presented the latest arrival numbers.

November 2024



November 1-30, 2024

Total: 54,231 (37.7% of 2019)

% Market Mix	Origin	2019	2023	2024	% of 2019
47.2%	Korea	62,448	31,355	25,600	41.0%
32.5%	Japan	63,789	18,342	17,636	27.6%
10.8%	US/Hawaii	6,830	6,030	5,852	85.7%
2.5%	Philippines	2,756	1,422	1,372	49.8%
0.5%	Taiwan	2,023	172	251	12.4%
0.5%	China	599	208	248	41.4%
0.1%	Hong Kong	261	87	52	19.9%

Source: Guam Customs Declaration Forms. Processed by the Guam Visitors Bureau.

- According to Ms. Benavente, November was a very difficult month for Korea, with the lowest arrivals in a calendar month this year, which was also due to the low number of seats.

December 2024



December 1-8, 2024

Total: 15,039 (38.4% of 2019)

% Market Mix	Origin	2019	2023	2024	% of 2019
47.3%	Korea	17,873	10,303	7,117	39.8%
30.5%	Japan	15,850	4,318	4,588	28.9%
11.5%	US/Hawaii	1,844	1,632	1,736	94.1%
2.1%	Philippines	380	243	319	83.9%
2.2%	Taiwan	484	81	331	68.4%
0.4%	China	165	43	55	33.3%
0.1%	Hong Kong	34	22	11	32.4%

Source: Guam Customs Declaration Forms. Processed by the Guam Visitors Bureau.

Note: December 2024 Daily Arrivals reflect Civilian Air arrivals only



- Korea's arrivals for the initial eight days of December is tracking behind the same period last year.

Calendar Year to Date 2024



January - December 8, 2024

Total: 686,981 (44.4% of 2019)

% Market Mix	Origin	2019	2023	2024	% of 2019
51.0%	Korea	699,717	341,243	350,452	50.1%
27.6%	Japan	632,858	120,716	189,807	30.0%
11.7%	US/Hawaii	85,703	78,189	80,190	93.6%
1.8%	Philippines	19,450	12,655	12,610	64.8%
0.5%	Taiwan	26,696	5,517	3,137	11.8%
0.7%	China	11,076	2,549	4,667	42.1%
0.1%	Hong Kong	4,940	754	656	13.3%

Source: Guam Customs Declaration Forms. Processed by the Guam Visitors Bureau.

Note: December 2024 Daily Arrivals reflect Civilian Air arrivals only

Fiscal Year to Date 2025



October - December 8, 2024

Total: 122,347 (41.8% of 2019)

% Market Mix	Origin	2019	2024	2025	% of 2019
49.5%	Korea	135,813	72,460	60,614	44.6%
29.9%	Japan	114,596	34,553	36,605	31.9%
10.9%	US/Hawaii	16,623	14,534	13,348	80.3%
2.5%	Philippines	4,823	2,665	3,016	62.5%
0.6%	Taiwan	4,531	438	743	16.4%
0.6%	China	2,419	721	755	31.2%
0.1%	Hong Kong	1,129	175	118	10.5%

Source: Guam Customs Declaration Forms. Processed by the Guam Visitors Bureau.

Note: December 2024 Daily Arrivals reflect Civilian Air arrivals only

4. MARKET UPDATES

- Ms. Benavente presented the market updates.



JEJU AIR FLIGHT INCIDENT AT MUAN INTERNATIONAL AIRPORT



- Date: December 29, 2024, at 9:03a.m
- Location: Muan International Airport Runway
- Flight Number: 7C2216 (Muan-Bangkok charter flights, operating 4x per week from December 8 2024 to March 23, 2025)
- Aircraft: B737-800
- Destination: Thailand, Bangkok
- On-board Passenger: 181pax
- Accident Cause: Failure of the landing gear due to a bird strike

On Board	Fatality	Rescued
181 (175 passenger, 6 cabin crew)	179	2 (Cabin Crew)

- Ms. Benavente updated the committee on the tragic Jeju Air Flight incident at Muan International Airport that was returning from Bangkok on December 29, 2024, which resulted in 179 fatalities out of the 181 on-board passengers. The tragedy had ripple effects not just in South Korea but to the travel industry in general.

MARKET UPDATES



JEJU AIR FLIGHT INCIDENT AT MUAN INTERNATIONAL AIRPORT

< Current Status of Jeju Air >

- Jeju Air will cut 1,878 (838 domestic and 1,040 international) flights during the winter months through March 29, which is a move aimed at enhancing its operational safety.
- Jeju Air is facing concerns over significant cash outflows. The company has approximately USD193 million in advance payments from customers for tickets. Following the incident, Jeju Air has promised a full refund with no conditions for all domestic and international flights scheduled before March 29, 2025, and will waive cancellation fees.

Impact on Jeju Air Guam Night Flight Schedule

Previous Schedule

- Flight No: 7C3175
- Route: ICN-GUM
- Time: 22:20 – 03:50+1
- Period: January 24 – March 3, 2025
- Seat Supply: 7,371 seats (39 flights)



Changed Schedule

- Flight No: 7C3175
- Route: ICN-GUM
- Time: 22:20 – 03:50+1
- Period: January 24 – February 2, 2025
- Seat Supply: 1,890 seats (10 flights)

MARKET UPDATES



TRAVEL TRADE UPDATE IN KOREA: INCREASE OF GUAM FLIGHT OPERATION



Flight No.	LJ915 (Seasonal Flight)	BX612 (Regular Flight)	7C3175 (Seasonal Flight)
Route	ICN-GUM	PUS-GUM	ICN-GUM
Period	December 19, 2024 – March 29, 2025	March 30, 2025 – October 25, 2025	January 24, 2025 – February 2, 2025
Frequency	Daily 101 Times	6/W (Except Tuesday) 180 Times	Daily 10 Times
Time	8:45-14:05	22:00-03:20+1	20:20-02:00+1
No. of Seats	189	232	189
Remarks	Operation expanded from 1 Daily to 2 Daily	Resumed since the last operation in October 2022	Departures during March 30 – June 30 is TBD 7C3107 daily from Jul 1 – Oct 25 TBC

Turn Around Support Works – 2025 JAN-OCT: 1,525 flights -> 1,816 flights (62,739 seats added)

- Ms. Benavente reported on the added flights from Jinair, Air Busan, and Jejuair. Jinair has increased from one flight to two flights daily, with a total of 101 additional flights from December 19 until March 29. Ms. Benavente recognized Mr. Jay Park for communicating closely with the airlines. As a result of his efforts, Air Busan, who has not operated on Guam

since October 2022, will now be resuming operation between Busan and Guam six times a week, with a total of 180 flights starting March 30 until October 25. Ms. Benavente acknowledged that they will be boosting their promotions in Busan in the coming year to develop that market and fill those seats during that time. Jejuair will operate ten additional flights between January 24 to February 2. In total, these flights account for 62,739 seats added.

MARKET UPDATES



TRAVEL TRADE UPDATE IN KOREA: SPECIFIC ISSUES

**Jin Air to Lead Merger with Air Busan and Air Seoul
Amid LCC Market Shake-Up**

The merger between Korean Air and Asiana Airlines has reached a pivotal stage, triggering a significant shake-up in the domestic low-cost carrier (LCC) industry.

Air Seoul and Air Busan, centered around Jin Air, are leading to the creation of a giant LCC, and other LCCs are likely to form alliances according to their strategies to counter this move.

The move is expected to redefine the competitive landscape of the Korean LCC market, paving the way for further industry realignments.

LCCs Offering Special Discounts to Stimulate Decreased Travel Demand due to Martial Law

After the emergency martial law declaration on December 3, the exchange rate between the Korean won and the US dollar surged from 1,395.1 KRW to 1,475.5 won on December 27.

With the possibility of a high exchange rate continuing for some time, concerns have arisen that this could dampen domestic demand for overseas travel. To minimize any potential decline in demand for international travel, domestic LCCs are launching various promotional discounts on flight tickets.

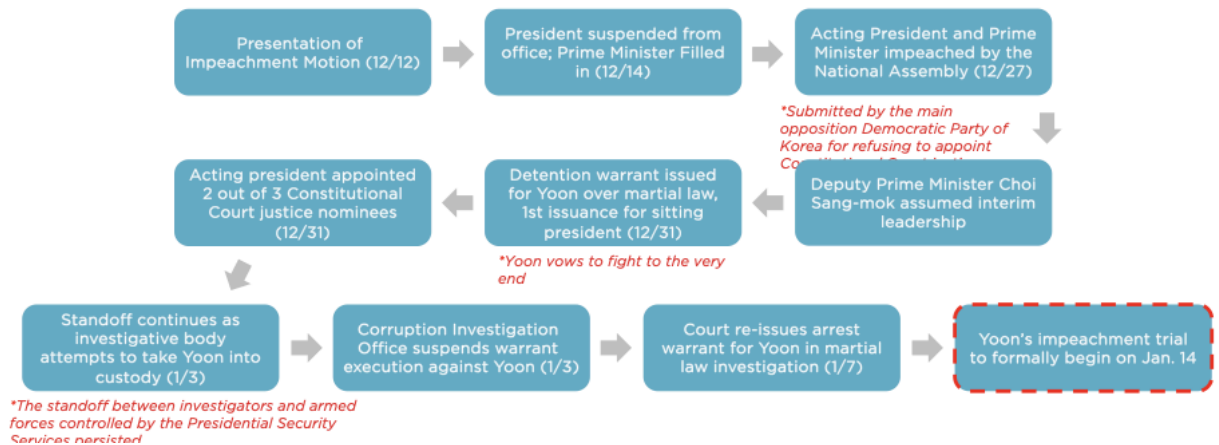
- Ms. Benavente updated the committee on the Korean Air and Asiana Airlines merger, which resulted in the disruption of the LCC industry. LCC alliances are likely to form to counter the Korean Air and Asiana Airlines merger. She also gave an update on the impact of the short-lived martial law declaration on December 3 that resulted in a higher exchange rate and some LCCs responding by offering certain promotions for flight tickets.
- According to Chairman Eun, due to Air Busan ownership being a mixture of the municipality and losing their control over to Korean Air, there is movement in Busan to start a new airline. Mr. James Rosenberg from Stroll added that this is also due to moving their headquarters from Busan to Seoul.
- Mr. Perez asked about an opportunity with Air Seoul. Ms. Benavente replied that nothing has been solidified regarding Air Seoul servicing Guam. However, she added that there has been a more positive outlook due to recent changes.
- Mr. Monte Mesa from Guam Premier Outlets asked the Chairman if the merger between Korean Air and Asiana Airlines has been finalized and if any opportunity exists. Chairman Eun stated that the acquisition was officially completed a long time ago and that they needed to obtain approval from other countries, including the U.S. He noted that they still need to determine their marketing and branding strategies. Chairman Eun continued, saying that Asiana may disappear under the Korean Air wing. He stated that while we don't have any

details yet, the meetings that were held with the governor in Korea were appropriate. Chairman Eun assured the committee that we are trying to get the airlines' attention and that Mr. Park is working very closely with them. Mr. Mesa inquired whether Korean Air will have a larger supply of airplanes as a result of the acquisition, and if that supply includes Asiana flights from Busan. Mr. Perez stressed that it is not merely an equipment issue, but a more complex route networking issue requiring approval from network planners. Chairman Eun added that when they merged two companies, because of the condition imposed on them, they had to surrender many routes including commercial cargo. Because of that they had to replenish their losses, so there might be a possibility they have some available flights for Guam. Mr. Rosenberg noted that Busan airport is currently above their capacity. He also added that it is a military airport for paratroopers, which creates further complications.

MARKET UPDATES

POLITICAL ISSUES IN KOREA: IMPEACHMENT STATUS & PROCESS

"Massive rallies for, against Yoon's impeachment are causing tension, traffic chaos in South Korea. Political uncertainty looms over the new year as the nation waits on the Constitutional Court's decision."



- Ms. Benavente presented a timeline in terms of what has transpired politically. Mr. Park expressed that the situation is very complicated and there is a lot of uncertainty as more news surfaces. Chairman Eun expressed that Korean people are not naive in terms of fighting for democracy, and they will not tolerate the current President. He noted the history of past presidents resigning, being assassinated, incarcerated (family members included), and being forced to commit suicide. Ms. Mia Soun from the GVB Korea office agreed that there are many casualties and uncertainties related to the martial law and impeachment of President Yoon. She stressed that there will be a lot of turmoil throughout the spring election period and the exchange rate will fluctuate dramatically, which will impact the travel industry. Chairman Eun discussed Korean domestic politics, saying it affects roughly 5% of 1,400 exchange rate. He noted that stateside investors are currently settling, which caused it to drop to the 1,460s and considers 1,400 a "Trump 2.0 trade." While acknowledging potential fluctuations above 1,550 during the market, he believes the ending rate will be lower. He

stated that the rate will fluctuate but remain within 5% of current levels. Regarding the settling down of Korean domestic politics, Chairman Eun says because of the impact from the Trump administration, he doesn't believe it will be easily compromised. He anticipates that Trump will not prioritize interest rates for the first six months and will instead observe the effects of his executive order on the U.S. economy before taking action on the FOMC. Chairman Eun explained that current limitations prevent U.S. banks from buying U.S. bonds, hindering a rate decrease. This would force other countries to decrease their currency rates to compensate for their own losses, as they did in previous years. This would limit their ability to sell U.S. bonds, as doing so would raise interest rates. Chairman Eun emphasized the challenges in determining exchange rates and predicting the major challenges that will emerge in the coming six months.

- Ms. Benavente presented the airline schedule for January, February and March.

MARKET UPDATES



AIRLINE SCHEDULE - JANUARY

• Incheon - Guam

**Airline schedule is flexible, subject to change.*

Airlines	Flight No.	Days	DEP Time	ARR Time	Seat Capacity
Korean Air	KE421	DAILY	09:15	14:35	10,478
Jeju Air	7C3101	DAILY	10:05	15:25	5,859
	7C3175*	DAILY	22:20	03:50+1	1,512
Jin Air	LJ913	DAILY	09:35	14:50	5,859
	LJ915	DAILY	08:30	13:50	5,859
T'way Air	TW303	DAILY	08:05	13:30	5,859
TOTAL					35,426

*7C3175: Jan 24th – Feb 2nd: Daily

• Busan - Guam

Airlines	Flight No.	Days	DEP Time	ARR Time	Seat Capacity
Jin Air	LJ921*	DAILY	19:55	01:15+1	5,859
TOTAL					5,859

*LJ921: Dec 12th – Mar 3rd: Daily
Mar 4th – Mar 29th: 4/W



TOTAL OUTBOUND
SEAT CAPACITY
(JANUARY):

41,285 SEATS

- Incheon - Guam
 - Ms. Benavente noted the short period of the additional Jeju Air flight, which will be from January 24 to February 2. She pointed out that Jin Air operates twice daily.
- Busan - Guam
 - Ms. Benavente indicated that Jin Air is operating daily only for that winter period during December 12 to March 3, and is expected to reduce frequency to four times a week starting March 4 to March 29.

MARKET UPDATES



AIRLINE SCHEDULE - FEBRUARY

• Incheon - Guam

**Airline schedule is flexible, subject to change.*

Airlines	Flight No.	Days	DEP Time	ARR Time	Seat Capacity
Korean Air	KE421	DAILY	09:15	14:35	9,464
Jeju Air	7C3101	DAILY	10:05	15:25	5,292
	7C3175*	DAILY	22:20	03:50+1	378
Jin Air	LJ913	DAILY	09:35	14:50	5,292
	LJ915	DAILY	08:30	13:50	5,292
T'way Air	TW303	DAILY	08:05	13:30	5,292
TOTAL					31,010

*7C3175: Jan 24th – Feb 2nd: Daily

• Busan - Guam

Airlines	Flight No.	Days	DEP Time	ARR Time	Seat Capacity
Jin Air	LJ921*	DAILY	19:55	01:15+1	5,292
TOTAL					5,292

*LJ921: Dec 12th – Mar 3rd: Daily
Mar 4th – Mar 29th: 4/W



TOTAL OUTBOUND
SEAT CAPACITY
(FEBRUARY):

36,302 SEATS

- Incheon - Guam
 - Ms. Benavente noted that Jeju's additional flight ends on February 2.
- Ms. Benavente explained that the lower seat count is due to February being a shorter month with only 28 days.

MARKET UPDATES



AIRLINE SCHEDULE - MARCH

• Incheon - Guam

**Airline schedule is flexible, subject to change.*

Airlines	Flight No.	Days	DEP Time	ARR Time	Seat Capacity
Korean Air	KE421	DAILY	09:15	14:35	10,346
Jeju Air	7C3101	DAILY	10:05	15:25	5,859
Jin Air	LJ913	DAILY	09:35	14:50	5,859
	LJ915	DAILY	08:30	13:50	5,481
T'way Air	TW303	DAILY	08:05	13:30	5,859
TOTAL					33,404



TOTAL OUTBOUND SEAT CAPACITY (MARCH):

37,459 SEATS

• Busan - Guam

Airlines	Flight No.	Days	DEP Time	ARR Time	Seat Capacity
Jin Air	LJ921*	DAILY & 4/W	19:55	01:15+1	3,591
Air Busan	BX612**	6/W	22:00	03:20+1	464
TOTAL					4,055

*LJ921: Dec 12th – Mar 3rd: Daily

Mar 4th – Mar 29th: 4/W

**BX612: Mar 30th – Oct 25th: 6/W (Mon, Wed, Thu, Fri, Sat, Sun)

- Busan - Guam
 - Ms. Benavente noted that Air Busan will begin to operate six times daily beginning March 30 until October 25. She said we could expect that flight to positively impact the arrivals going forward.
- Ms. Benavente presented the competitive destination update.

MARKET UPDATES



COMPETITIVE DESTINATION UPDATE



Saipan: Specific Issue

- N/A

Airline Operation Status		
ICN - SPN	FREQUENCY	21/W
PUS - SPN	FREQUENCY	2/W*

* December 20, 2024 - January 10, 2025



Hawaii: Specific Issue

- N/A

Airline Operation Status		
ICN - HNL	FREQUENCY	17/W

MARKET UPDATES



COMPETITIVE DESTINATION UPDATE



Thailand: Specific Issue

- **Fatal Jeju Air Crash** - The Jeju Air route connecting Muan International Airport and Bangkok, Thailand, was a newly added service introduced after a 17-year hiatus, operating for less than a month.

Airline Operation Status		
ICN	FREQUENCY	180/W
	DESTINATIONS	BKK, HKT, CNX, DMK
PUS	FREQUENCY	35/W
	DESTINATIONS	BKK, CNX
TAE	FREQUENCY	7/W
	DESTINATIONS	BKK
TOTAL FLIGHT OPERATION		222/W

- Guam's direct competitors include Thailand, according to Ms. Benavente. She mentioned the Jeju Air flight that recently failed to return from Bangkok. She noted that this was a new route that had been in operation for less than a month before the incident occurred.

MARKET UPDATES



COMPETITIVE DESTINATION UPDATE



Philippines: Specific Issue

- The Philippines recorded approximately 5.44 million foreign tourist arrivals in 2024, reflecting an 8.7% growth compared to the previous year.
- South Korea emerged as the leading source of foreign tourists, contributing nearly 1.57 million arrivals, or 26.4% of the total, up 8.2% from 2023.

Airline Operation Status		
ICN	FREQUENCY	211/W
	DESTINATIONS	MNL, CRK, KLO, TAG, CEB
PUS	FREQUENCY	48/W
	DESTINATIONS	MNL, CEB, CRK, TAG, KLO
TAE	FREQUENCY	7/W
	DESTINATIONS	CEB
CJJ	FREQUENCY	7/W
	DESTINATIONS	CRK, MNL
TOTAL FLIGHT OPERATION		273/W

MARKET UPDATES



COMPETITIVE DESTINATION UPDATE



Vietnam: Specific Issue

- Aero K newly launched its Incheon - Hanoi route with daily schedule, which had been operating from December 19, 2024, until March 25, 2025.

Airline Operation Status		
ICN	FREQUENCY	448/W
	DESTINATIONS	DAD, CXR, SGN, HAN, HPH, DLI, PQC
PUS	FREQUENCY	105/W
	DESTINATIONS	DAD, CNX, SGN, HAN, DLI, PQC
TAE	FREQUENCY	21/W
	DESTINATIONS	DAD
CJJ	FREQUENCY	18/W
	DESTINATIONS	DAD, CXR, PQC
TOTAL FLIGHT OPERATION		592/W

MARKET UPDATES



COMPETITIVE DESTINATION UPDATE



Japan: Specific Issue

- Jeju Air has decided to cut around 1,900 domestic and international flights by March to enhance operational safety checks, especially with Japan and Southeast Asian routes.

Airline Operation Status		
ICN	FREQUENCY	956/W
	DESTINATIONS	NRT, HND, KIX, FUK, NGO, CTS, OKA, KMJ, TAK, KOJ, OKJ, YGJ, KIJ, AOJ, KMI, KMQ, UBJ, MYJ, FSZ, OIT, KKJ, SDJ, HIJ, HSG, SHI, AKJ
GMP	FREQUENCY	126/W
	DESTINATIONS	HND, KIX
PUS	FREQUENCY	198/W
	DESTINATIONS	NRT, KIX, FUK, CTS, NGO, MYJ, OKA, AKJ
TAE	FREQUENCY	28/W
	DESTINATIONS	NRT, KIX, FUK, CTS
MWX	FREQUENCY	1/W
	DESTINATIONS	NGS
CJJ	FREQUENCY	50/W
	DESTINATIONS	KIX, NRT, FUK, CTS, IBR
CJU	FREQUENCY	10/W
	DESTINATIONS	KIX

- Ms. Benavente noted that Jeju Air has maintained high flight frequency on the Japan route, despite cuts to some domestic and international flights.

MARKET UPDATES



COMPETITIVE DESTINATION UPDATE



China: Specific Issue

- N/A

Airline Operation Status		
ICN	FREQUENCY	753/W
	DESTINATIONS	PEK, PVG, TSN, CAN, SHE, SZX, DLC, NKG, TAO, MDG, XIY, YNZ, YNJ, CGQ, TFU, CKG, CGO, XMN, HGH, KWL, DYG, YNT, WUX, CSX, HRB, WEH, KMG, YTY, JMU, SJW, SYX, TNA, WUH, HAK, WNZ, TNA, PKX, YIH, HET
GMP	FREQUENCY	56/W
	DESTINATIONS	PEK, PXX, SHA
PUS	FREQUENCY	66/W
	DESTINATIONS	PEK, PVG, SHE, TAO, YNJ, DYG, SYX, XIY, TNA
TAE	FREQUENCY	9/W
	DESTINATIONS	DYG, PVG, YNJ
CJU	FREQUENCY	125/W
	DESTINATIONS	PEK, PVG, TSN, CSX, NTG, DLC, NKG, NGB, SHE, HGH, CGQ, CGO, HFE, PKX, KHN, XIY, SZX
TOTAL FLIGHT OPERATION		1,009/W



- Mr. Mesa inquired about the load factors on Korean airlines' new routes to the Far East. He asked if the load factors were high enough to continue those flights to Southeast Asian countries that have recently opened to the Korean market, to which Chairman Eun responded affirmatively. Mr. Mesa added that those countries are experiencing a similar load factor as compared to Guam, with our high load factor from Korea, averaging 80%. He said that they are making money everywhere. In response to Mr. Mesa's comments, Chairman Eun said that in regards to return on equity, airline companies are profiting more from servicing Southeast Asia.

5. OLD BUSINESS

- Senior Marketing Manager Mrs. Sablan presented old business.

OLD BUSINESS

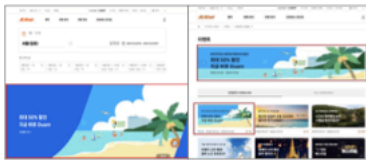


FY2025 ACCOMPLISHED PROJECT: TRAVEL TRADE SUPPORT (AIRLINE CO-OP)

- Channel: Korean Air, Jin Air, Jeju Air
 - Summary:
 - Strategic promotions on B2C/B2B channels effectively boosted ticket sales to Guam, supported by the development of dedicated promotional pages to highlight key offerings and travel options.
 - B2C promotions enhanced Guam's visibility among travelers by showcasing special airfare discounts and exclusive value-added benefits, such as hotel upgrades, early check-in, and discount on activity packages.
 - Additional discounts extended to departures from Busan, to promote night flight schedule to Guam
- Airline Promotion



- Period: October 22, 2024 – November 4, 2024
- Channel: Jeju Air channels
- Scheme: Website promotion, offered airfare discount code and additional hotel & tour benefits



- Period: December 9, 2024 – December 22, 2024
- Channel: Jin Air channels
- Scheme: Website promotion, exclusive airfare discount for Busan departure with additional benefits such as discount on extra baggage, in-flight meals, and hotel bookings



- Period: November 28, 2024 – December 12, 2024
- Channel: TA channels
- Scheme: Offered volume incentive per ticket sales, minimum sale at 20 pax



OLD BUSINESS



FY2025 ACCOMPLISHED PROJECT: TRAVEL TRADE SUPPORT (TA CO-OP)

- Period: October – December, 2024
- Channel: Hana Tour, Mode Tour, Interpark Triple, YB Tour, Verygood Tour, etc.
- Summary:
 - Successfully amplified awareness of Guam by executing promotional activities across various advertisement channels, reaching a broader audience of potential travelers.
 - Collaborated effectively with travel agencies to promote attractive packages, securing special airfare & accommodation deals with extra benefits that boosted traveler interest and expanded visibility.

TA: Hana Tour, Mode Tour, YB Tour, etc. (Social Commerce & Website Promotion)



OLD BUSINESS

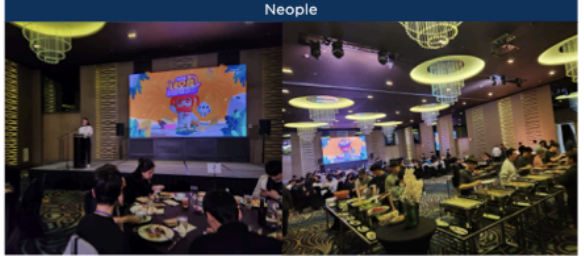


FY2025 ACCOMPLISHED PROJECT: MICE GROUP (LAM RESEARCH / NEOPLE)

- **Group:** LAM Research
- **Completed:** 3 groups (October 13 - 16 / November 24 - 27 / December 1 - 4, 2024)
- **Upcoming:** 5 groups (January 18 - 21 / May 17- 20 / October 18 - 21 / October 25 - 28 / November 15 - 18, 2025)
- **No. of Pax:** 770 pax
- **Airline:** T'way
- **Hotel:** P.I.C Resort / Hilton Resort / Hotel Nikko
- **Summary:** LAM Research completed the first batch of MICE trips in FY2024 and are planning to host additional MICE trips throughout FY2025.



- **Group:** Neople
- **Completed:** 5 groups (November 24 - 27 / November 27 - 31 / November 30 - December 3 / December 3 -6 / December 6 - 9, 2024)
- **Upcoming:** 3 groups (February 15 -18 / February 18 - 21 / February 21 - 24, 2025)
- **No. of Pax:** 1,308 pax
- **Airline:** Korean Air
- **Hotel:** Dusit Thani Guam Resort
- **Summary:** Neople completed the MICE trip departures from Incheon and remaining three group departures in February depart from Jeju with



- Mrs. Sablan gave a brief insight on their MICE market, explaining that in FY24 they welcomed approximately 1,300 pax and spent about \$25,000. The MICE groups included AIA, LAM research, and SBT global. For FY25, they anticipate 3,000 pax but are striving for 5,000 pax. Part of their MICE incentives include monetary support per pax, PCO incentives and for the smaller groups, guidebooks and other giveaways.

OLD BUSINESS



FY2025 ACCOMPLISHED PROJECT: TASTE OF GUAM CELEBRITY CHEF CO-OP

- **Period :** December 15 – 19, 2024
- **Scheme:** Deveoped Guam tour product in collaboration with celebrity chef, featured dinner event at Casa Oceano in The Tsubaki Tower (December 17 – 18)
- **TA Promotion Channels:** Interpark Triple, YB Tour, Mode Tour, My Real Trip, Verygood Tour, Kyowon Tour, Day Tour, Tourvis
- **No. of participants:** 503 pax (Dec 17 - 249 pax / Dec 18 - 254 pax)
- **Summary:**
 - Successfully collaborated with celebrity chef and launched culinary travel packages, attracting a broader audience of F&B oriented travelers
 - Leveraged awareness of Guam as an appealing culinary tourism destination in line with digital contents on the celebrity



- Mrs. Sablan mentioned that they also collaborated with TAs such as Interpark, YB Tour and Modetour to sell packages for groups to come to Guam and experience the event. Close to 200 packages were sold from Korea.

6. NEW BUSINESS

- Mrs. Sablan presented new business.

NEW BUSINESS



FY2025 UPCOMING PROJECT: INFLUENCER CO-OP WITH THE NEW GREY

- **Period:** January 23 - January 26, 2025 (3N4D)
- **No. of Participants:** 10pax (7 Influencers, 2 Production Team, 1 GVB Korea)
- **Channel:** THE NEW GREY & THE NEW GREY Club Members & GVB Korea Instagram
- **Objective:**
 - To diversify the market segment by targeting active seniors
 - To attract new followers to GVB Korea's social platforms and increase online visibility & reach
 - To maximize online exposure and increase awareness of Guam
- **Scheme:**
 - Collaborate with THE NEW GREY to promote Guam, targeting the senior market and generating high media value content
 - Develop visual assets including short-form videos in cooperation with senior creators
 - Expose Guam through effective marketing channels including THE NEW GREY official channel, THE NEW GREY Club channel and each club member's SNS accounts

Category	Main Contents	Influencers
Mom & Daughter	Shopping, Spa, F&B	@red_sil (45K Followers)
		@b.niece (113K Followers)
Wife & Husband	Remind Wedding, Optional Tours, F&B	@style_sook2020 (27.2K Followers)
		@appa_books (22K Followers)
Friends	Golf, Optional Tours, F&B	@gracekwon63 (3.4K Followers)
		@damsolover (2.9K Followers)
		@rorey.teresa (1.8K Followers)



- Mrs. Sablan shared that in FY23, we collaborated with THE NEW GREY to develop visual assets and target the active senior market in Korea. We will be partnering with them again in January to bring in a new group for the same purpose.

NEW BUSINESS



FY2025 UPCOMING PROJECT: EDUCATION FAIRS

- | | |
|---|---|
| <ul style="list-style-type: none"> ■ Event: 57th International Education & Career Korea 2025 ■ Period & Time: February 1 - February 2, 2025 (10:00 - 18:00) ■ Location: COEX A Hall (1F), Seoul, Korea ■ Host: Korea Trade Fairs LTD ■ Main Program: Exhibition, 1:1 Consultation Session, Seminars ■ GVB Booth: Three (3) booth spaces ■ Co-exhibitors: Core Tech Development, Harvest, SIFA, UOG-GLE & Linden Akademia | <ul style="list-style-type: none"> ■ Event: ed:m International Education Fair ■ Period & Time: March 8 - March 9, 2025 (11:00 - 17:00) ■ Location: COEX The Platz (2F), Seoul, Korea ■ Host: ed:m Education ■ Main Program: Language course & study overseas (art school, college, secondary schools) ■ GVB Booth: One (1) Standard Booth |
|---|---|

Participating Co-exhibitors



- Mrs. Sablan expressed her thanks to all the participants joining this year's "57th International Education & Career Korea 2025" and noted that Harvest and SIFA are two new additions to our co-exhibitors. This year's education fair anticipates 25,000 visitors, 400 booths, 160 exhibitors, and representation from 20 countries. The ed:m International Education Fair will also be held at the COEX on March 8 and 9.

NEW BUSINESS

FY2025 UPCOMING PROJECT: MAEKYUNG X KPGA GOLF EXPO

- **Period:** February 7 – February 9, 2025 (10:00 – 18:00)
- **Location:** COEX B Hall (1F), Seoul, Korea
- **Host:** MAEKYUNG, MBN, KPGA, K.Fairs
- **Main Program:** Golf Travel & Services, Golf Equipment, Golf Apparel, and Golf Technology & Training
- **Guam Booth:** Three (3) Premium Booth Spaces
- **Booth Participants:** KGGA / Onward Talofofo Golf Club, Onward Mangilao Golf Club, Country Club of the Pacific, Finest Golf Club & Leopalace Golf Club
- **Objective:**
 - To partner with MAEKYUNG and KPGA to enhance awareness of Guam as a premier golf destination, positioning the island as an accessible and attractive option for South Korean golf enthusiasts.
 - To collaborate with KGGA to promote Guam golf
 - To attract more golfers to Guam by supporting competitive rates and benefits from local golf courses



- Mrs. Sablan shared that the Maekyung Golf Expo is the largest golf-specialized exhibition in Korea. In partnering with the Korea Guam Golf Association, we will be showcasing the different golf courses. GVB also participated in last year's event, which attracted approximately 24,000 visitors. This year's event anticipates about 26,000 visitors and there will be 320 booths total.
- Ms. Benavente presented the FY2025 Budget Summary.

NEW BUSINESS



FY2025 KOREA MARKETING BUDGET

Account Title	Budget	Paid	Committed	Remaining \$	Remaining %
Travel Trade Co-Ops	\$ 2,259,000.00	\$ 66,087.15	\$ 1,579,000.00	\$ 613,912.85	27.18%
Social Media and Digital Media Buys	\$ 600,000.00	\$ 34,870.77	\$ 245,129.23	\$ 320,000.00	53.33%
Public Relations, Advertising, and Media Tie-ins	\$ 795,000.00	\$ 2,200.00	\$ 147,800.00	\$ 645,000.00	81.13%
Familiarization Tours	\$ 100,000.00	\$ -	\$ -	\$ 100,000.00	100.00%
Sales Market Development	\$ 1,249,200.00	\$ 57,942.68	\$ 328,557.94	\$ 862,699.38	69.06%
BUDGET GRAND TOTAL	\$5,003,200.00	\$ 161,100.60	\$ 2,300,487.17	\$ 2,541,612.23	50.80%

**Excluding retainer fees*

Airline Turnaround Support Program	\$ 4,000,000.00	\$ -	\$ 422,000.00	\$ 3,578,000.00	89.45%
BUDGET GRAND TOTAL	\$4,000,000.00	\$ -	\$ 422,000.00	\$ 3,578,000.00	89.45%

- Ms. Benavente reassured the committee that the The Airline Turnaround Support Program is being actively worked on. She pointed out that they included the additional \$4 million for the airline turnaround support program. Ms. Benavente explained that the travel trade co-ops, at \$2 million, includes \$1 million within their own budget for the airline turnaround support program. She acknowledged the board and management's strong support in allocating an additional \$4 million to the program, bringing the total amount to \$5 million. Of the \$5 million, \$1.89 million has already been committed based on the additional flights from Air Busan and the potential return of Jeju Air from July 1st to October 25th.
- In regard to the high demand from Korea, Mr. Mesa inquired about the possibilities for arranging charter flights for special occasions. Chairman Eun explained that initiating this endeavor involves high risk and return. From a government perspective, Chairman Eun does not support GVB making that choice because they are not experts, although he would not oppose someone else initiating it. Mr. Mesa asked Mr. Park if there had been any efforts to explore that opportunity. Mr. Park agreed and stated that GVB's primary focus is on expanding airline capacity. While charter and seasonal flights are options, regular flights are the main priority. He emphasized that any additional flights are of utmost importance. Mr. Mesa asked if there are any opportunities for charter flights in the summertime. Mr. Park guaranteed that they would maintain contact with the airlines regarding any charter flight opportunities for peak seasons, such as Lunar New Year, Summer, and Chuseok. Ms. Leon Guerrero explained that the airline incentive program is broken down into three different levels, from charters, to seasonal charters, and regular service. She assured that the GVB team takes all flight options into consideration. Chairman Eun likes Mr. Mesa's idea, but is concerned about who would be willing to initiate it given the risk. Mr. Mesa said that GVB's marketing efforts in Korea are producing excellent results, with all flights averaging an 80% load factor. Chairman Eun gave an example of China Airlines not committing to making a



software hard block on the hotel through the agency because the flights are only running for a short period of time as a test run. He explained that it is challenging to get commitments from airline companies or agencies due to the difficulty of prioritizing within a short timeframe. Chairman Eun said it is not worth the time, effort, and resources for such a short-term commitment. However, he assured that GVB would support whoever was willing to take on that endeavor. The underlying issue in Korea is a lack of equipment and manpower capacity, according to Mr. Perez. He referenced the airlines as an example, stating they had to hire thousands of new pilots and flight attendants last year just to have enough staff for the equipment they needed to operate. Chairman Eun stated that another issue is the one to two year delay in producing aircraft due to the strikes at Boeing. Chairman Eun further explained that we're leveraging airline subsidies to maximize returns while minimizing risk. Mr. Park received recognition from management for his excellent work and effort for the airline incentive program.

- Mr. Mesa expressed his appreciation for the Chairman's outstanding service during his term and inquired about the possibility of reappointment by the new speaker in the legislature. Mr. Perez explained that the members serve at the pleasure of the speaker and until there is a replacement, they will continue to honor that.

7. ANNOUNCEMENTS

- The next KMC meeting will be Tuesday, February 18, 2025 at 3:30 p.m. (subject to change).

8. ADJOURNMENT

- Chairman Eun adjourned the meeting at 4:14 p.m.

Minutes Prepared By:

Cierra Sulla, Marketing Manager – Korea

Minutes Reviewed By:

Nicole Benavente, Senior Marketing Manager – Korea

Minutes Approved By:

Nadine Leon Guerrero, Director of Global Marketing