

Chapter 10 – Transportation and Communications

Transport and Communications

The Ministry of Transport and Communications is responsible for the overall regulation, promotion and development of transportation and communications in the Marshall Islands. The country has international airports at Majuro and Kwajalein and airstrips all inhabited atolls and islands. Besides Majuro, there are other three designated international ports of entry: Enewetak, Ebeye and Jaluit.

Domestic Shipping

The Ministry of Transport and Communications contracts with private ship operators to make voyages into 5 designated shipping regions, namely: Lower Northern, Upper Northern, Central Eastern, Southern and Western. There are 4 vessels involved in inter-island shipping under this arrangement, three are government owned and one is private.

Intra-Atoll Shipping

Intra-atoll shipping is conducted mainly by small boats with diesel engines, often ranging from 14 feet to 30 feet in length, called “bumbums”.

International Shipping

Several International shipping lines service like the Marshall Islands calling in at Majuro and Ebeye. The ships are mainly container carriers with some multipurpose container and break-bulk carriers. The bulk of the shipping is from the US West Coast, by the Matson and PM&O Lines. The remainder is from East Asia and Australia. Shipping services for the various carriers range from bi-weekly to monthly.

Air Transportation

The Marshall Islands has 32 airfields located on 24 atolls and islands. Two of these—Majuro and Kwajalein are international airports capable of handling regular service by airliners up to the size of a 757. Kwajalein airport is operated by the US Military. The government owned Airline of the Marshall Islands is the sole air service provider to the outer islands operating two Dorniers 228-19 seat turboprop aircraft. AMI recently added a larger Dash 8 aircraft to service the busier routes. Service is available at least once a week to most of the outer islands from Majuro. There are also international air services provided by Aloha and Continental Airlines.

The Marshall Islands is a very “air travel minded” nation. In the US and Canada the average number of flights per person per annum (fpppa) is two and 1.8 fpppa for New Zealand. It is one fpppa for Australia, 0.5 for Japan and Malaysia, 0.2 for Taiwan, 0.02 for Indonesia and 0.6 for Saudi Arabia. For the Marshall Island’s the number of flights per person per annum is about 0.7, significantly more than Japan and more than Australia’s both of whose GNP per capita is significantly higher than the RMI’s. On this basis we can conclude that the Marshall Islands is a leading nation in terms of its use of air travel whether for business or pleasure.

Telecommunications

The Marshall Islands National Telecommunications Authority provides telecommunications services in the Marshall Islands. Telecommunications services in the

Marshall Islands consist of fixed line telephones networks, mobile (cellular) networks and internet, international satellite communications is out of Majuro and Ebeye. There are a number of mobile satellite telephone systems on various outer islands. Some government ministries and agencies, as well as private sector companies operate radio communication networks. Plans are underway to install satellite dishes for provision of communication services on the island of Kili and atolls of Jaluit and Wotje.

Outer Island communications

Public telecommunications in the outer islands consists of high frequency single side band radio links. There are 14 mini satellite phones in various islands, however there is no regular public access to these facilities. The Ministries of Internal Affairs, Health and Education have substantial communications needs with the outer islands.

Broadcasting

There are 6 radio stations in the Marshall Islands. These include Radio Marshalls – V7AB, the government operated National AM radio station broadcasting on 1098 KHZ, Independent Christian Church Radio, a church based FM radio station broadcasting on Majuro, USAKA FM Radio service located on Kwajalein Atoll and a Ebeye FM Radio service. There are also two commercial FM stations on Majuro. Radio Marshalls – V7AB is the only broadcasting service that has national coverage. A commercial cable- TV service is provided by the Marshall Broadcasting Company, which serves the urban areas of Majuro and Laura. Strangely enough MBC has refused to provide the number of cable TV customers claiming that it is proprietary.

Newspapers

Micronitor, a privately owned company is the only commercial printer and publisher in the country. Micronitor publishes a weekly newspaper – The Marshall Islands Journal.

Postal Services

RMI Postal services has three service outlets: Uliga and Delap in Majuro and Ebeye in Kwajalein. There are no arrangements for postal delivery at home and one has to travel significant distances in order to post or collect mail. The outer islands have do not have any postal services and thus 35 percent of the population does not have access to postal services. The entire strength of the staff of the department is 9. The lack of postal services in the rural areas of the Marshall Islands is a barrier to outer island development. It impacts not only the population's ability to communicate with other parts of the country, but also on local government services and businesses trying to trade in the outer islands. In many other countries around the Pacific, postal services play an important role in the transfer of funds to and from the outer islands. Residents and businesses are able to send money orders to wherever a post office exists.

High Lights

- *The number of vehicles in Majuro has more than doubled from a total of 1,307 in 1996 to 3,798 in 2003.*
- *The number of cars in Majuro has increased from 567 in 1996 to 2,700 in 2003.*
- *In 2003, there were 259 taxis and 11 buses in Majuro and 61 taxis in Ebeye.*
- *The number of persons having telephones, cellular phones and HF Radios increased slightly over 2003.*
- *The number of field ship trips provided by the government to the outer islands fell from 54 in 2002 to 37 in 2003.*
- *The total revenue tons of goods imported to the RMI increased from 47,021 in 2001 to 57,057 in 2003, an increase of 21%. In other words, this represents 5,696 containers in 2001 and 6,367 containers in 2003, an increase of 12%*
- *The amount of fuel, oil and lubricants has increased from 22,037 metric tons in 2001 to 78,627 metric tons in 2003, meaning an increase of 257%. This has been because of the increased port activity for fishing vessels and purseiners.*
- *Domestic air travel has increased significantly between 2001 and 2003, increasing from 21,065 passengers to 34,252, representing a 63% increase.*
- *International flight arrivals have also increased from 442 in 2001 to 584 in 2003, this is a 32% increase*
- *The number of ships currently flagged worldwide under the Republic of the Marshall Islands has increased from 408 in 2001 to 626 in 2003.*
- *The position of RMI in the number of telephones per 100 people is much lower than the Cook Islands, Nauru, Fiji and Tonga.*
- *The number of internet users has increased from 263 in 1998 to 674 in 2002. However, RMI is behind FSM, Tonga, Kiribati, Vanuatu, Fiji and Samoa.*

Table 10.1 No. of Vehicles Registered by Type in Majuro: 1986,1991, 1996, and 2001-2003

Type	1986	1991	1996	2001	2002	2003
Car	525	806	567	1,614	1,647	2,700
Jeep	20	24	28	80	89	74
Station Wagon	0	0	34	72	97	100
Mini Pick-up	0	43	12	19	37	15
Mini Van	0	0	30	60	40	54
Scooter/Motor Cycle	10	42	16	38	32	41
Pick-up	258	498	369	530	566	452
Van	65	38	126	115	117	119
Bus	4	4	7	48	58	36
Truck	50	33	48	80	135	113
Heavy Equipment	0	0	70	93	101	94
Total	932	1,488	1,307	2,749	2,919	3,798

This is the total including of the government vehicles.

Source: Traffic Investigation Division, Department of Public Safety, Majuro, RMI

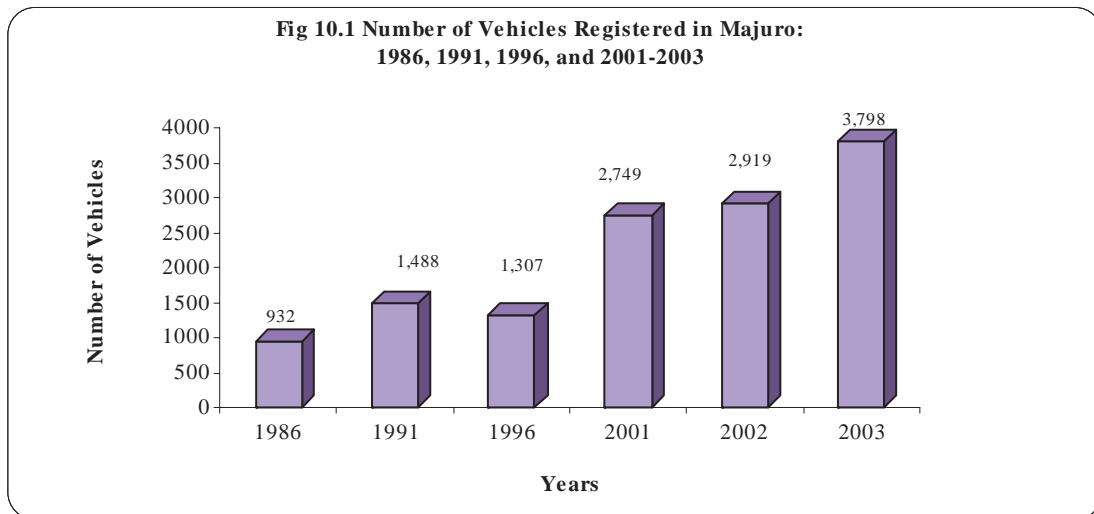


Table 10.2 No. of Vehicles Registered by Type in Ebeye: 2001-2003

Type	2001	2002	2003
Car	68	27	30
Jeep	3	4	5
Station Wagon	2	2	3
Mini Pick-up	0	3	4
Mini Van	14	4	5
Motor Cycle/Scooter	9	3	6
Pick-up	81	80	78
Van	0	6	4
Bus	6	6	7
Truck	8	6	2
Heavy Equipment	3	14	9
Total	194	155	153

Source: National Police, Ebeye

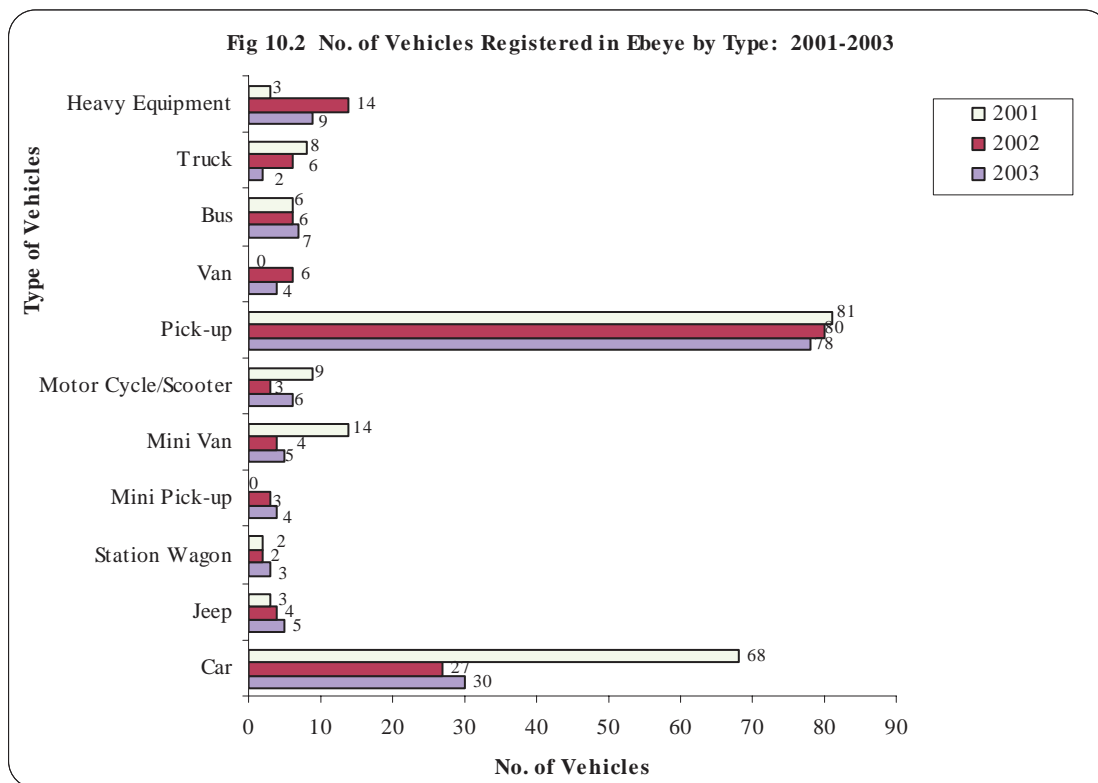


Table 10.3 No. of Government Vehicles Registered by Type in Majuro: 2001-2003

Type	2001	2002	2003
Car	67	55	94
Jeep	4	4	3
Station Wagon	6	1	4
Mini Pick-up	2	2	0
Mini Van	3	1	5
Scooter/Motor Cycle	1	0	2
Pick-up	62	41	72
Van	33	11	43
Bus	21	18	40
Truck	7	15	22
Heavy Equipment	8	6	2
Total	214	154	287

Source: Traffic Investigation Division, Department of Public Safety, Majuro, RMI

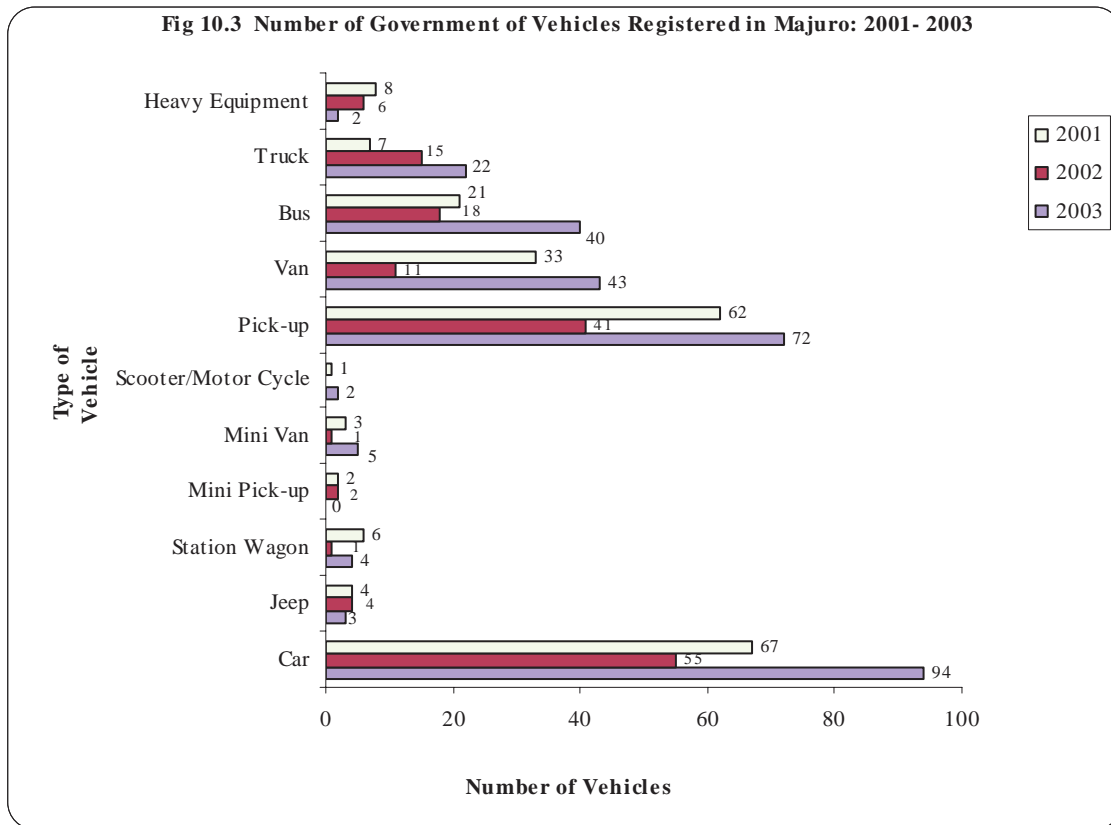


Table 10.4 Number of Taxies and Buses in Majuro and Ebeye: 1995-2003

Year	Majuro		Ebeye	
	Taxies	Buses	Taxies	Buses
1995	...	...	6	0
1996	...	...	13	0
1997	...	...	19	0
1998	...	...	24	0
1999	...	...	45	0
2000	288	6	53	0
2001	391	8	67	0
2002	444	10	75	0
2003	259*	11	61	0

*Figures are for year 2003 to May 2004. Significant decrease in number of taxis is due to implementation of improved monitoring measures.

Source: Local Government, Majuro and National Police, Ebeye.

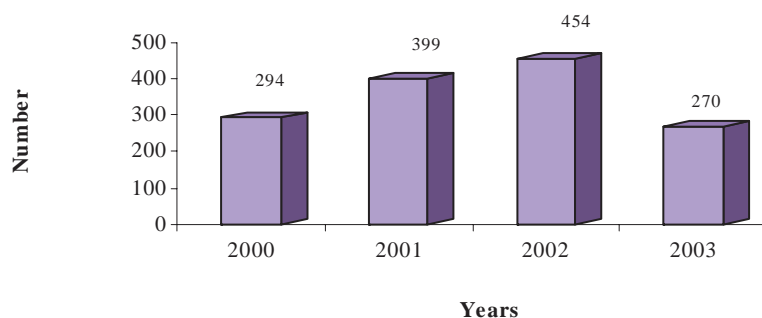
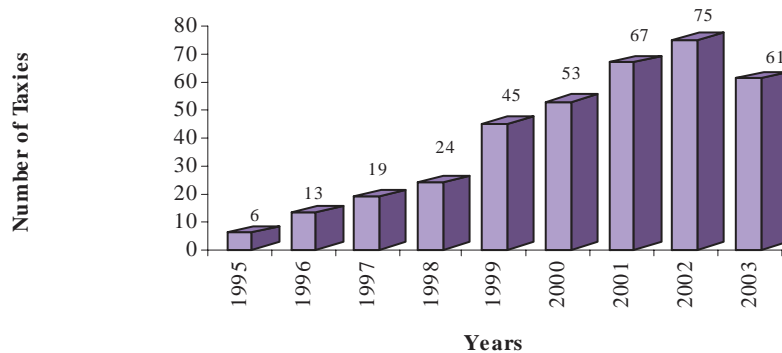
Fig 10.4 Number of Taxies and Public Buses in Majuro: 2000-2003**Fig 10.5 Number of Taxies in Ebeye: 1995-2003**

Table 10.5 Total Vessel/Charter Trips to the Outer Islands by Sectors: 2002 - 2003

Sector	2002	2003
Southern Sector (Ralik Chain)	11	7
Northern Sector (Ratak Chain)	18	10
Western Sector (Kabinmeto)	7	7
Eastern Sector (Reearlaplap)	9	5
Central Sector (Iolap)	9	8
Total	54	37

Source: Ministry of Transportation and Communications

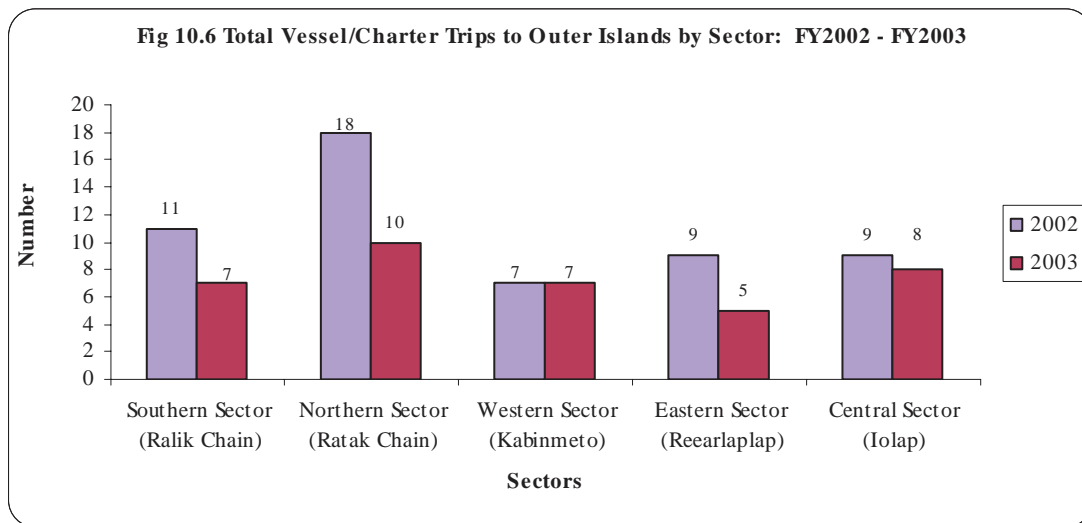
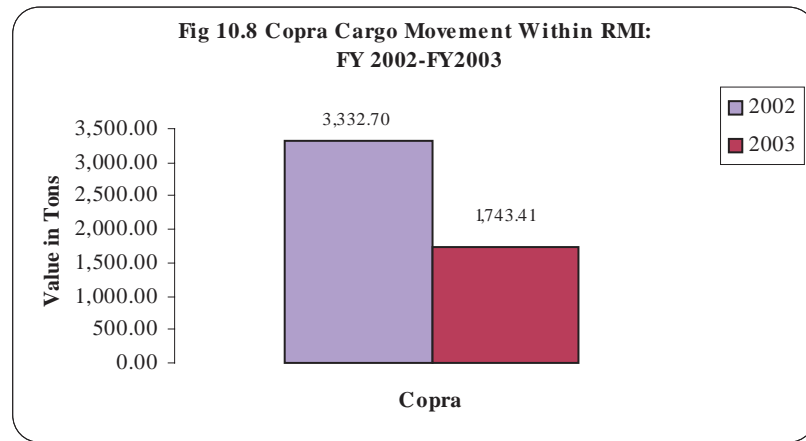
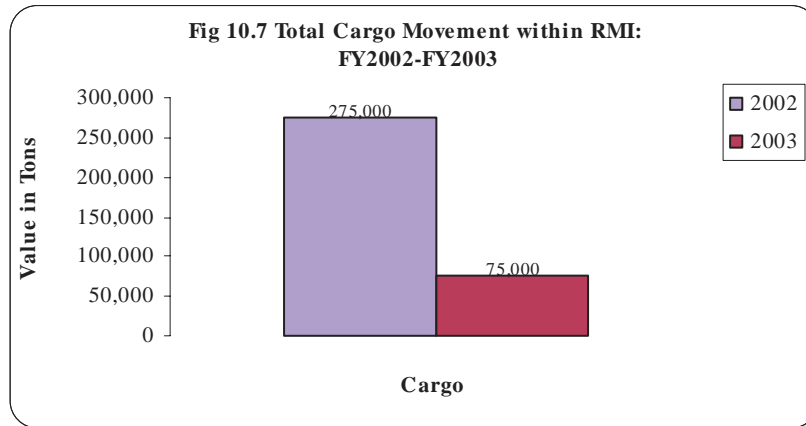


Table 10.6 Total Cargo and Copra Movement within RMI (in Tons): FY2002 -FY2003

Year	Copra	Cargo	Avg. Cargo
2002	3,332.70	275,000	5,092.60
2003	1,743.41	75,000	2,027.00

Source: Ministry of Transportation and Communication



**Table 10.7 Total Passenger Traveling Within RMI by Sea:
2002 - 2003**

Year	No. of Passengers	Average Per Trip
2002	4,958	91.8
2003	3,016	81.5

Source: Ministry of Transportation and Communication



**Table 10.8 Total Cash Paid Out To Copra Farmers Within RMI:
FY2002-FY2003**

Year	Cash Paid Out	Average Per Trip
2002	\$675,766.39	\$12,514.19
2003	\$284,063.92	\$7,677.40

Source: Ministry of Transportation and Communication

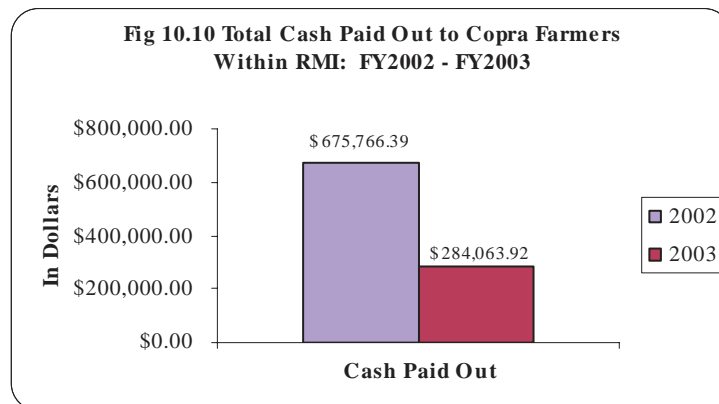


Table 10.9 Cargo Vessel Movements: 2001-2003

Line	2001			2002			2003		
	Revenue Tons	Container	Voyages	Revenue Tons	Containers	Voyages	Revenue Tons	Containers	Voyages
Bali Hai	4,316	186	5	6,298	485	6	6,038	319	6
CCS	3,716	1,058	7	3,834	975	9	10,616	1,066	7
PM&O	22,309	3,210	32	30,960	3,858	34	27,079	4,101	34
Matson	16,680	1,242	13	13,830	1,229	13	13,324	881	13
Subtotal	47,021	5,696	57	54,922	6,547	62	57,057	6,367	60
Mobil**	22,037 M/T		15	60,588 M/T		16	78,627 M/T		22
Total Voyages				72			78		
Total Voyages				72			82		

**Figures are expressed in Metric Tons. Significant rise between years 2001 to 2002 (22,037 to 60,588 MT, respectively) is due to increase in number of incoming fishing vessels/purseiners.

Source: Marshall Islands Port Authority

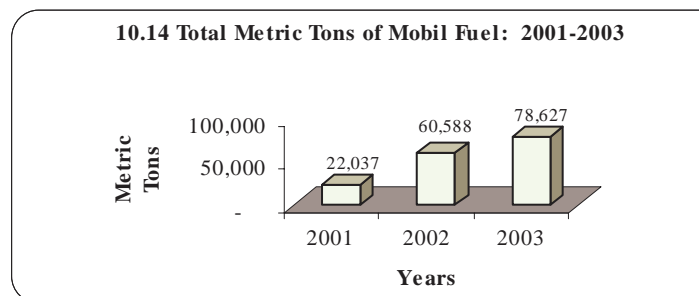
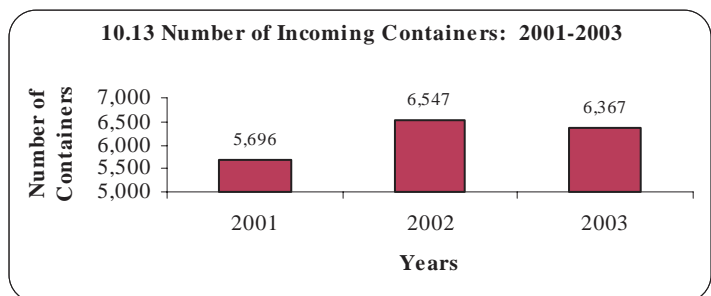
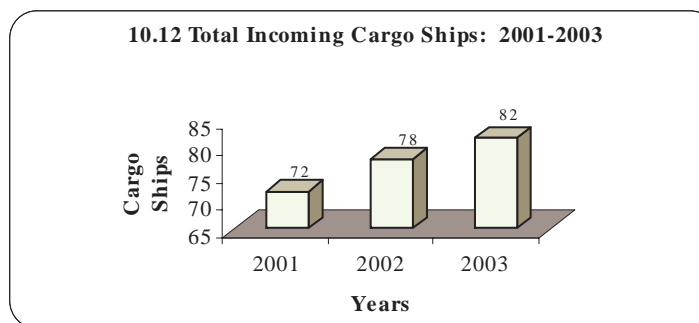
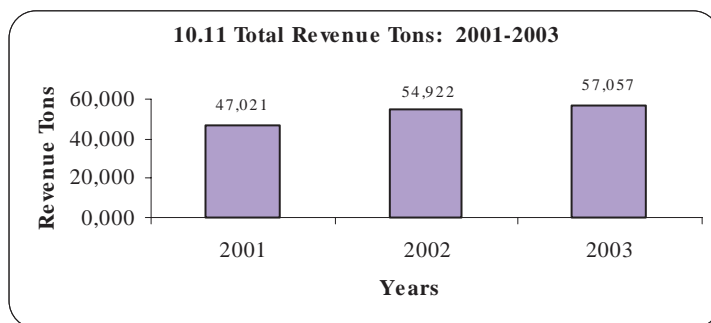


Table 10.10 Number of Incoming Flights to RMI: FY2001-FY2003

Flight Type	FY2001		FY2002		FY2003	
	International	Domestic	International	Domestic	International	Domestic
Scheduled Commercial	442	2,685	491	3,123	584	3,399
Unscheduled General Aviation	98		173		136	
Air Cargo	94		246		401	
Total	634	2,685	910	3,123	1,121	3,399

Note: Aloha Airlines commenced scheduled services from August 27, 1999. Air Kiribati commenced scheduled services from December 25, 2002.

Source: Marshall Islands Airport Authority

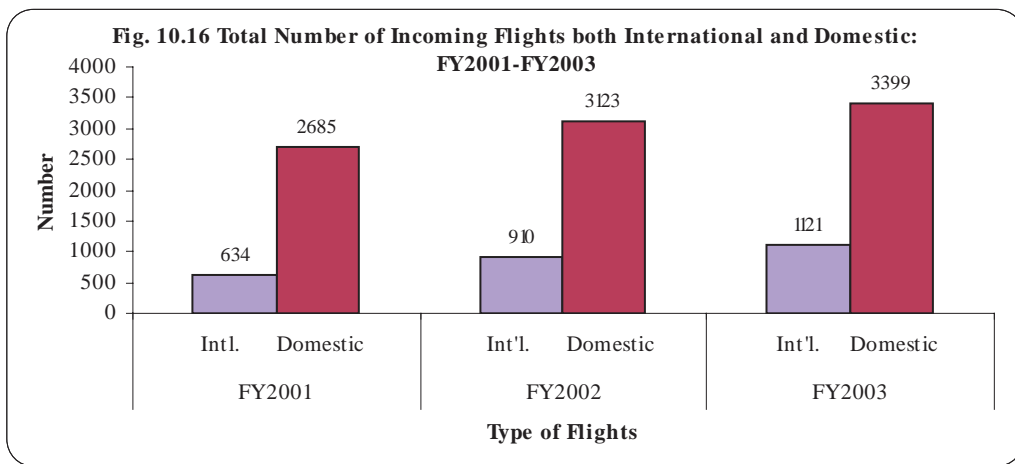
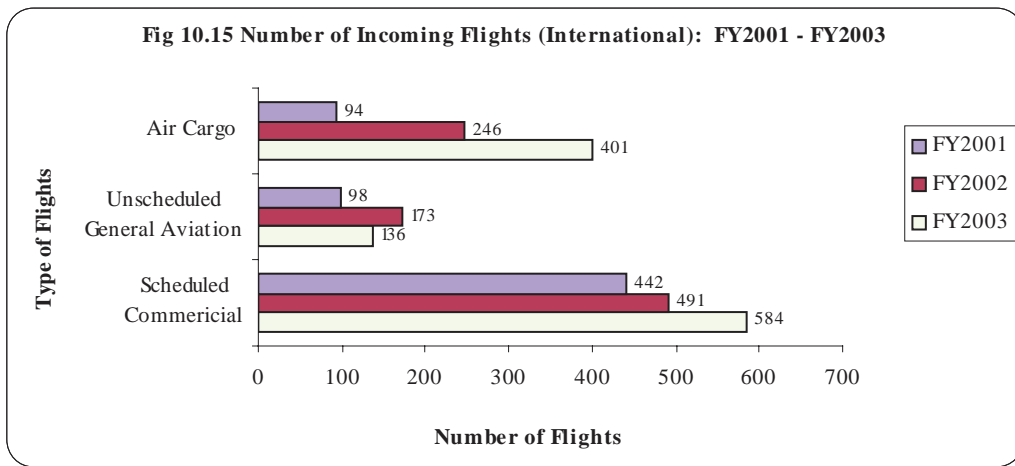


Table 10.11 Air Marshall Islands - Air Transport Performance: 2000-2003

Domestic Air Transport	2000	2001	2002	2003
<i>Source: AMI Financial Reports</i>				
Passengers (arrivals)	21,065	24,664	29,677	34,252
Flights (arrivals)	2,281	2,685	3,123	3,399
Cargo (Tons)	217	187	257	273
International Air Transport (MAJ-TRW)				
Passengers (arrivals)	599	527	546	376
Flights (arrivals)	43	59	55	55
Cargo (Tons)	3	2	8	10
Total Air Transport				
Passengers (arrivals)	21,664	25,191	30,223	34,628
Flights (arrivals)	2,324	2,744	3,178	3,454
Cargo (Tons)	220	189	265	283
FOC domestic passengers	6,088	7,063	6,300	7,604
	29%	29%	21%	22%
Domestic flights (AMI-IATA)	88	59	-643	-398
	4%	2%	-21%	-12%
Domestic				
	2000	2001	2002	2003
<i>Source: AMI report to IATA</i>				
Passengers (arrivals)	14,977	17,601	23,377	26,648
Flights (arrivals)	2,193	2,626	3,766	3,797
Cargo (Tons)	217	187	257	273
International				
Passengers (arrivals & departures)	1,132	1,204	1,215	803
Flights (arrivals & departures)	131	118	110	114
Cargo (Tons)	3	2	8	10
Total Air Transport				
Passengers	16,109	18,805	24,592	27,451
Flights	2,324	2,744	3,876	3,911
Cargo (Tons)	220	189	265	283

Source: Air Marshall Islands

Table 10.12 Air Marshall Islands Financial Performance: 1999-2002 (Year ending Sept. 30)

*Units: \$000s unless indicated.

	1999	Difference	2000	Difference	2001	Difference	2002
Operational Performance							
Revenue							
passenger	3,392.93	504.89	2,888.04	890.07	1,997.97	(295.92)	2,293.89
cargo	506.21	181.32	324.89	42.78	282.11	(109.43)	391.55
charter	896.03	659.64	236.39	58.46	177.93	44.27	133.66
other	399.42	218.84	180.58	(135.16)	315.74	11.90	303.84
Total revenue	5,194.59	1,564.69	3,629.90	856.15	2,773.75	(349.20)	3,122.95
Expenditure							
<i>Airplane related expenditure</i>							
maintenance	1,636.32		1,258.58		967.34		1,444.78
depreciation & amortization	1,630.23		1,167.15		1,259.91		1,254.20
flying operations	1,365.10		820.83		828.74		964.48
aircraft & traffic servicing	648.09		380.86		319.43		340.74
total airplane related expenditure	5,279.75		3,627.41		3,375.41		4,004.20
<i>Passenger and cargo related expenditure</i>							
promotion and sales	704.34		414.78		427.10		372.93
<i>Administration & general</i>							
Administration & general	526.60		1,018.87		714.04		615.87
<i>Net interest expense</i>							
Net interest expense	211.49		67.44		24.79		0.00
Total expenditure	6,722.17	1,593.66	5,128.51	587.17	4,541.34	(451.65)	4,992.99
Operating Surplus	(1,527.57)	(28.97)	(1,498.61)	268.98	(1,767.59)	102.46	(1,870.05)
plus net interest charge	211.49	144.05	67.44	42.65	24.79	24.79	0.00
EBIT	(1,316.09)	115.08	(1,431.17)	311.63	(1,742.80)	127.25	(1,870.05)
NOPAT: net operating profit after tax							
EBIT	(1,316.09)		(1,431.17)		(1,742.80)		(1,870.05)
less taxation	0.00		0.00		0.00		0.00
equals NOPAT	(1,316.09)	115.08	(1,431.17)	311.63	(1,742.80)	127.25	(1,870.05)
NOPAT %	(0.25)		(0.39)		(0.63)		(0.60)
Extraordinary Items							
interest income	30.36		139.46		24.03		1.66
loss on sale of investments					0.00		(143.23)
investments (written off) gains	1,452.78		(585.07)		(187.21)		0.00
interest expense	(211.49)		(67.44)		(24.79)		0.00
gain (loss) on sale of assets - plant & equip	42.83		(2,244.81)		(1.10)		0.00
other expense	(26.29)						
Total extraordinary items	1,288.20	4,046.05	(2,757.85)	(2,568.79)	(189.07)	(47.50)	(141.56)
Net Profit (Loss)	(27.89)	4,161.13	(4,189.02)	(2,257.16)	(1,931.86)	79.75	(2,011.61)
Check total	(27.89)		(2,675.38)		(4,159.01)		(511.61)
Retained earnings at beginning of year	(11,967.76)		(3,943.47)		(2,011.61)		0.00
Retained earnings at end of year	(11,995.65)		(8,132.50)		(3,943.47)		(2,011.61)

Table 10.12 Air Marshall Islands Financial Performance: 1999-2002 (Year ending Sept. 30) continuation...

*Units: \$000s unless indicated.

	1999	difference	2000	difference	2001	difference	2002
Capital Employed							
Debt							
term loans	758.88		0.00		0.00		0.00
capitalized leases	0.00		0.00		0.00		0.00
aircraft related items	0.00		0.00		0.00		0.00
Total debt	758.88	758.88	0.00	0.00	0.00	0.00	0.00
Equity							
shares issued	11,647.73		11,647.73		11,647.73		11,647.73
RMI	544.00		544.00		544.00		544.00
MIDA	4,605.28		4,605.28		4,605.28		4,605.28
MIDB	3,488.45		3,488.45		3,488.45		3,488.45
RMIDF	3,010.00		3,010.00		3,010.00		3,010.00
Initial RMI capital in kind	1,284.72		1,284.72		1,284.72		1,284.72
Contributed RMI capital	9,802.95		3,088.95				
Funds introduced by RMI			2,000.00		0.00		0.00
Funds grants 211 Compact							481.50
airplane maintenance reserve	0.00		0.00		-		0.00
capital (revaluation) reserve	0.00		0.00		0.00		0.00
retained earnings	(11,995.65)		(16,184.67)		(18,116.54)		(20,128.15)
Total equity	10,739.75	8,903.02	1,836.72	7,020.81	(5,184.09)	1,530.11	(6,714.20)
Total Capital Employed	11,498.63	9,661.90	1,836.72	7,020.81	(5,184.09)	1,530.11	(6,714.20)

Source: Air Marshall Islands

Table 10.13 No. of Registered Vessels under the Trust Company of the Marshall Islands, Inc.: 2001-2003

Year (Through Dec. 31)	No. of Registered Vessels	Gross Tonnage
2001	408	12,158,429
2002	490	15,272,796
2003	626	18,476,089

Source: Trust Company of the Marshall Islands, Inc.

Fig 10.17 No. of Registered Vessels under the Trust Company of the Marshall Islands, Inc.: 2001-2003

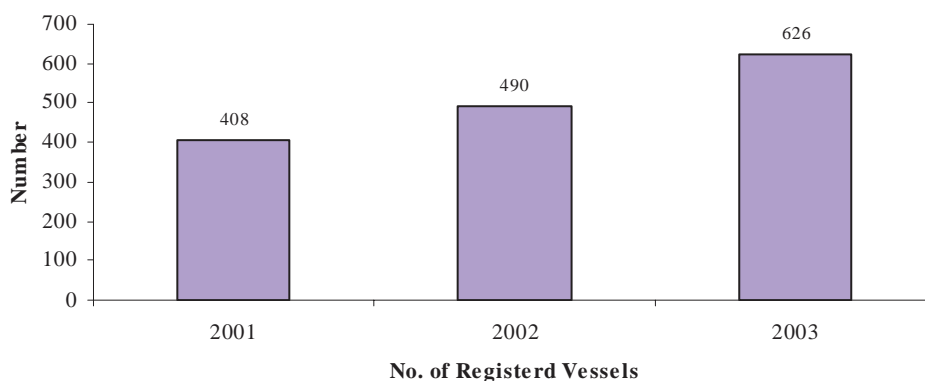


Fig 10.18 Gross Tonnage of Vessels under the Trust Company of the Marshall Islands, Inc.: 2001-2003

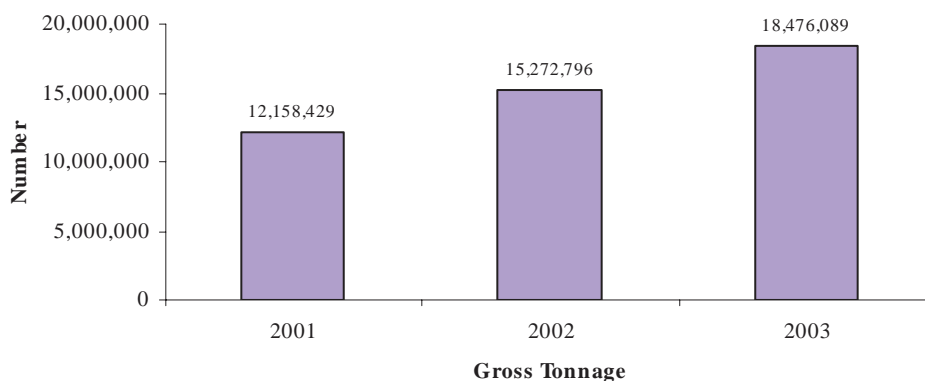


Table 10.14 Subscribers of Various Telecommunications and Internet in RMI: 1995-2003

Calendar Year	Number of Subscribers					
	Telephones	Mini-satellite Phone	Cellular	HF Radio	CB Radio	Internet
1995	2,880	*	*	203	..	*
1996	3,012	*	*	208	..	*
1997	3,167	*	*	218	..	*
1998	3,445	*	345	218	..	263
1999	3,463	*	452	189	..	324
2000	3,566	14	486	178	..	409
2001	3,710	16	528	199	..	472
2002	3,861	14	574	264	225	674
2003	3,863	14	598	372	261	695

* Service not started then.

... Information not available

Source: National Telecommunication Authority, RMI and Ministry of Transport and Communications

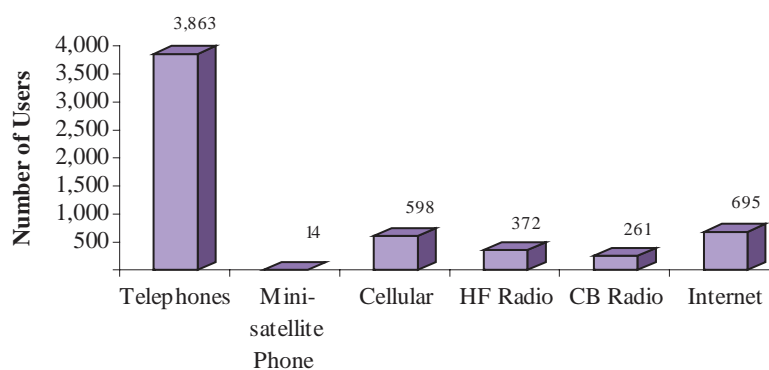
Fig 10.19 Telephones, Mini Satellite Phones, Cellular, HF and CB Radios and Internet Users in RMI: 2003

Table 10.15 Cable TV Subscribers in Majuro, 1995-2003

Year	Subscribers
1995	527
1996	544
1997	499
1998	569
1999	657
2000	760
2001	922
2002	Not Supplied*
2003	Not Supplied*

* The Company refused to supply this public interest information in spite of bringing to their notice that under the Statistical Act such information required by the EPPSO is to be supplied.

Source: Marshalls Broadcasting Company, Majuro

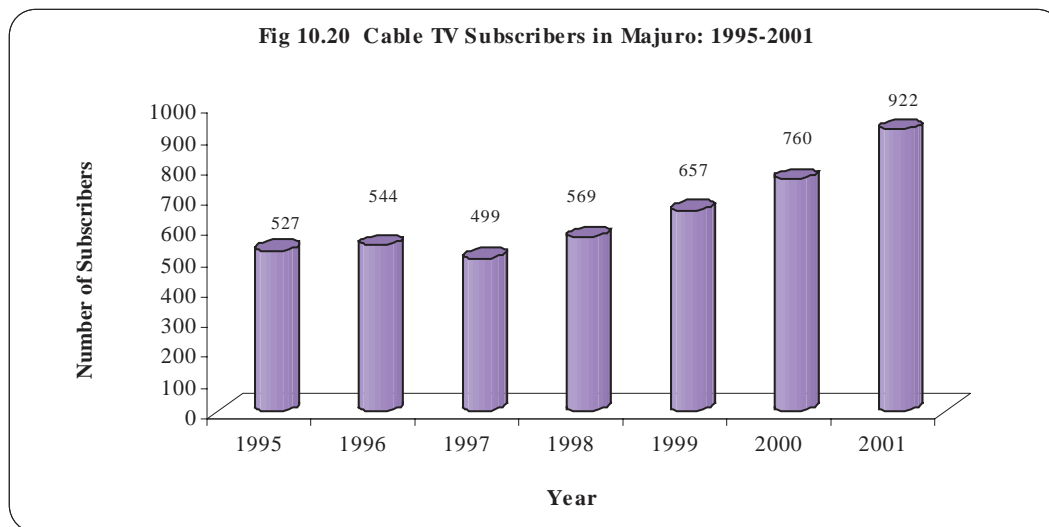


Table 10.16 Telephone Lines and Cellular Subscribers, Per 100 population in Pacific Countries: 1990, 1995 and 2001

Country	1990	1995	2001
Marshall Islands	1.12	7.19	8.56
Cook Islands	16.24	27.12	34.25
Kiribati	1.66	2.61	4.79
Micronesia, Fed. States of	2.5	7.37	8.67
Nauru	13.33	18.64	28.98
Papua New Guinea	0.8	0.99	1.37
Solomon Islands	2.56	4.64	7.48*
Tonga	4.58	7.11	14.70*
Tuvalu	1.33	5.09	6.50
Vanuatu	1.77	2.56	3.54
Fiji Islands	5.76	8.72	21.09

* Figures are of 2002

Source: UNSD, Millennium Indicators Database, ADB Key Indicators 2003

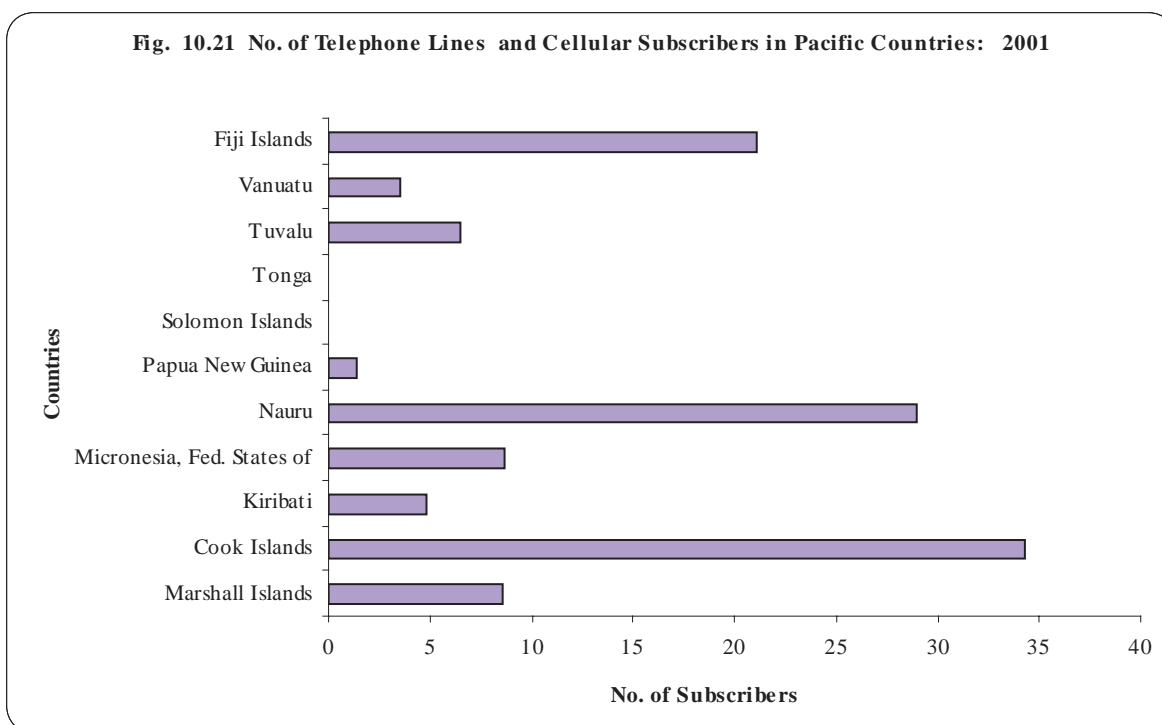


Table 10.17 Internet Users Per 100 Population in Pacific Countries: 1995 and 2001

Country	1995	2001
Marshall Islands	0.00	1.65
Kiribati	0.61	2.32
Micronesia, Fed. States of	0.28	4.30
Papua New Guinea	0.00	0.94
Samoa	0.17	2.22*
Solomon Islands	0.02	0.50*
Tonga	0.12	2.93*
Tuvalu	0.00	10.00
Vanuatu	0.06	2.74
Fiji Islands	0.01	2.64*

* Information is of 2002

Source: UNSD, Millennium Indicators Database, ADB Key Indicators 2003

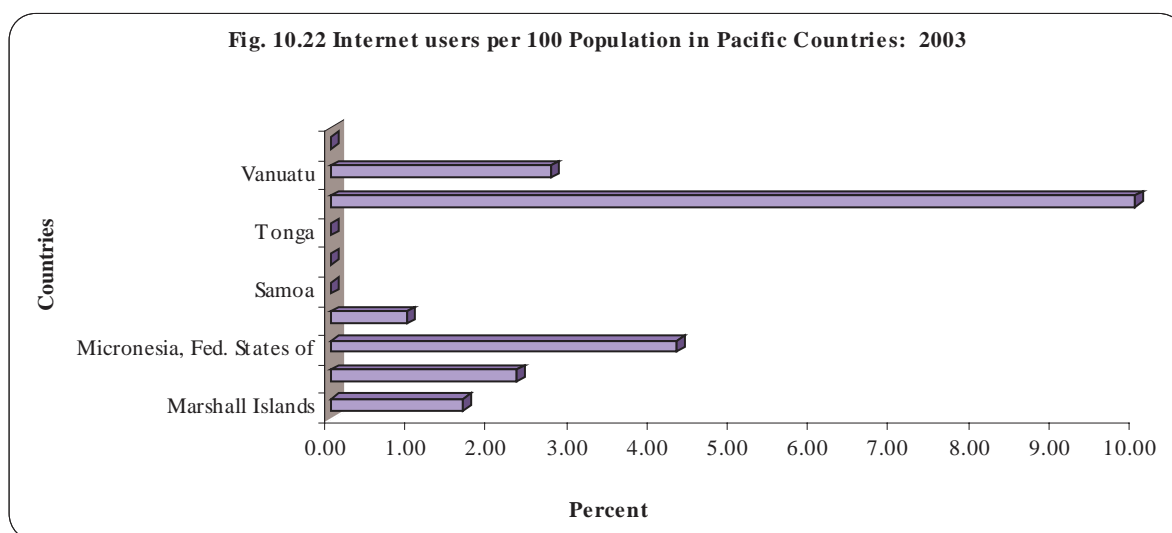
Fig. 10.22 Internet users per 100 Population in Pacific Countries: 2003

Table 10.18 Percent Households with Radio in Selected Pacific Countries: 2000

Country	Percent Households w/ Radio
CNMI	76.0
A. Samoa	79.1
Palau	89.8
FSM	44.3
RMI	85.6

Source: Ben Graham, Statistical Enhancement program, U.S. Census Bureau

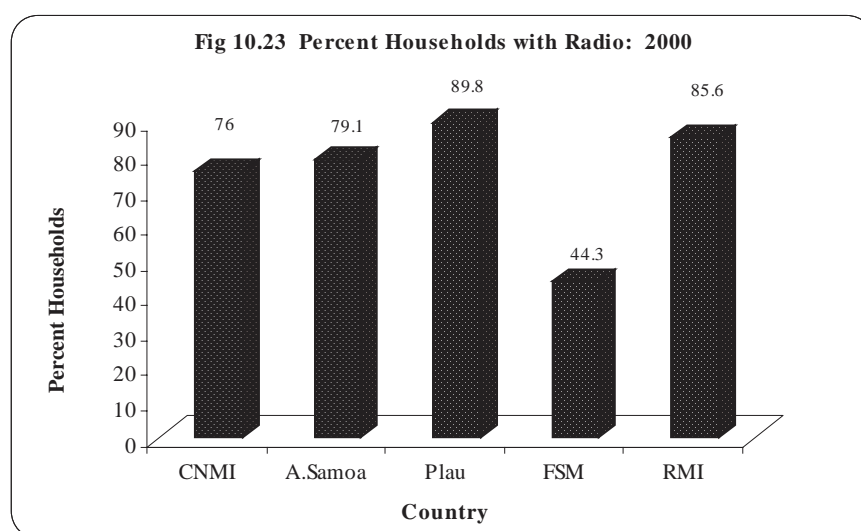


Table 10.19 Percent Households with Telephone in Selected Pacific Countries: 2000

Country	Percent Households w/ Telephone
Guam	93.3
CNMI	70.1
A. Samoa	68.3
Palau	91.0
FSM	28.6
RMI	38.6

Source: Ben Graham, Statistical Enhancement program, U.S. Census Bureau

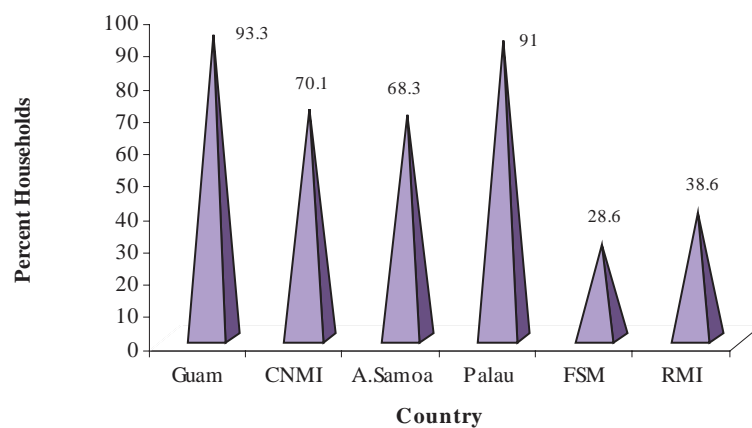
Fig 10.24 Percent Households With Telephone: 2000

Table 10.20 No. of Subscribers of the Marshall Islands Weekly Journal: 2002-2003

Year	Copies distributed				Estimated
	Majuro	Ebeye/Kwajalein	All others	Total	Readers *
2002	2000	325	200	2525	22,725
2003	2000	400	240	2640	26,400

* Estimated @one copy for 9

** Figures for previous years are not available - only modest growth over years.

Source: Editor, *The Marshall Islands Journal*

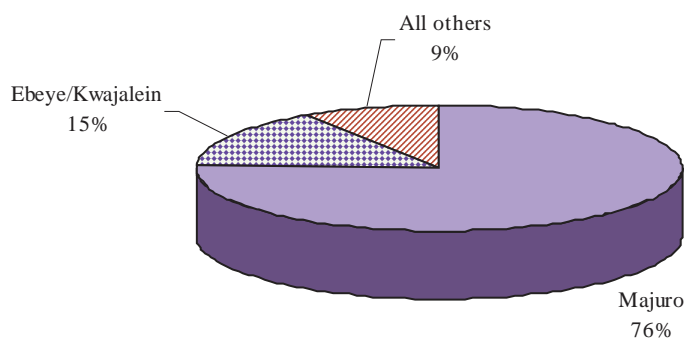
Fig 10.25 Subscribers of Marshall Islands Weekly Journal: 2002 - 2003

Table 10.21 Availability of Computers in RMI: 2002

Sector	Server	PCs
Government	43	461
Education	8	425
Private	13	238
Health	2	20
Total	66	1143

Source: Marshall Islands IT Master Plan, February, 2002

Table 10.22 Staff to Computer Ratio: 2002

Sector	Staff to Computer Ratio	% level of Local Area Networking	% level of Wide Area Networking
Government Agencies	1.97	21	14
Government Statutory	1.67	83	17
Private	1.42	56	44
Higher learning Institute	2.25	50	0
High schools	5.76	0	0
Primary	6.3	0	0
Hospitals	3.62	0	0

Source: Marshall Islands IT Master Plan, February, 2002

