

## KEY FACTS

**Official name:** Republic of the Marshall Islands

**Head of State:** President Christopher Loeak (from 10 Jan 2012)

**Head of government:** President Christopher Loeak

**Ruling party:** A loose coalition of the United People's Party (UPP) and Aelon Kein Ad (AKA) (Our Islands) (from 2008; re-elected Jan 2012)

**Area:** 183 square km consisting of 29 atolls and 1,225 islets

**Population:** 55,000 (2012)\*

**Capital:** Majuro (on Majuro atoll)

**Official language:** Marshallese, English

**Currency:** US dollar (US\$) = 100 cents

**GDP per capita:** US\$3,340 (2012)\*

**GDP real growth:** 1.87% (2012)\*

**GDP:** US\$182.00 million (2012)\*

**Inflation:** 5.70% (2012)\*

**Balance of trade:** -US\$669.00 million (2012)\*

**Foreign debt:** US\$101.00 million (2012)

**Annual FDI:** US\$7.37 million (2011)

\* estimated figure

# Marshall Islands

## COUNTRY PROFILE

### Historical profile

The Marshall Islands comprise over a thousand flat coral islands of white sand beaches and lagoons.

1788 The Marshall Islands were named after Captain John Marshall, who visited the islands on his way to China from Botany Bay.

1886 Germany established a protectorate over the Marshall Islands.

1914 The islands were captured from Germany by Japan.

1935 The Japanese transformed the islands into a military base.

1944 Allied troops occupied the islands.

1945 After the end of the Second World War, control of the Marshall Islands was granted to the US.

1946 The Marshall Islands were used as a nuclear testing ground by the US.

1947 Marshall Islands became one of six entities in the Trust Territory of the Pacific Islands (TTPI) established by the UN with the US as the Trustee.

1962 The US ended nuclear testing on the islands.

1965 The Congress of Micronesia was established, with representatives from all TTPI islands.

1978 The Marshall Islands' first constitution was adopted.

1979 The government of the Marshall Islands was officially established and the islands became self-governing. Amata Kabua was elected president.

1982 The official title of the islands became the Republic of the Marshall Islands (RMI).

1983 RMI voters approved the Compact of Free Association (CFA) with the US.

1986 The US Congress approved the CFA. The RMI was granted sovereignty, aid and US defence, in return for continued US military missile testing.

1990 The UN Security Council formally ended the trusteeship.

1991 The RMI joined the UN.

1995 President Kabua was re-elected for the fourth time.

1996 Amata Kabua died. He was succeeded by his cousin, Imata Kabua

1999 The United Democratic Party (UDP) won the general election.

2000 Kessai Note (UDP) was elected president.

2001 Former inhabitants of Bikini and the Enewetak atolls were awarded over US\$1 billion in compensation for hardship suffered when they were evacuated and re-settled in the 1940s to allow US nuclear tests on the islands.

2003 The RMI concluded negotiations with the US on the provisions of the CFA. 2004 Kessai Note was re-elected as president.

2006 Justin deBrum, a leading politician and presidential candidate died.

2007 The ruling UDP won the general elections. The OECD removed RMI from the blacklist of unco-operative tax havens.

2008 Parliament elected Litokwa Tomeing (representing coalition of United People's Party (UPP) and Aelon Kein Ad (AKA) (Our Islands)) as president by 18 to 15 votes. High tidal surges and a storm flooded low-lying areas resulting in the evacuation of over 300 people.

2009 Taiwan and Australia provided emergency funding and assistance for the flooding. The government-run retirement fund was declared to have a serious funding shortfall of US\$231 million (a sum greater than the CMNI budget for 2009/10 of US\$162 million). The superior court declared the government must fund the missing amount. President Litokwa Tomeing lost a vote of no-confidence in parliament and Jurelang Zedkaia became president.

2010 The first black pearls to be harvested since 2005 prompted renewed interest in the pearl fishing industry. A 1,300 unit haul, as part of a government-backed three-year project of growing oysters on a remote outer atoll, was valued at US\$20,000. An expansion of the industry is planned to provide an annual 50,000 pearls.

2011 In February, the Director of the US Office of Insular Affairs conducted a joint US-Marshall Islands investigation into allegations of fraud involving US federal funds, resulting in the arrest of 10 people who were charged with misappropriation of over US\$500,000. The national census, postponed since 2009, due to lack of funds to undertake the work, was concluded in April. Preliminary results

recorded a population of just over 52,000. In October, an existing shark sanctuary was enlarged, to encompass an ocean area of almost two million square km around the Marshall Islands. At the same time, a new law was enacted, banning commercial shark fishing and the trade in shark products. Parliamentary elections took place on 21 November, in which The United Democratic Party (UDP) won 15 seats, Aelon Kein Ad (AKA) (Our Islands) eight, United People's Party (UPP) seven and independents three.

2012 On 3 January, parliament elected Christopher Loeak (independent), as president, with 21 votes, against 11 votes for incumbent Jurelang Zedkaia. On 10 December Our Airline began weekly scheduled flights to Brisbane (Australia).

2013 The Luen Thai Fishing Venture, a multinational fishing company licensed to fish in Marshall Island waters was fined US\$120,000 and stripped of its fishing licence for Marshall Islands waters after being found with shark fins on board their vessels. The annual meeting of the Pacific Forum was held in the first week of September. Representatives of the world's major climate change offenders attended and agreed that climate change is the greatest threat to the livelihoods, security and well being of the peoples of the region. The Majuro Declaration for Climate Leadership agreed at the end of the summit committed the Pacific nations to cut their own green house gas emissions and fight to combat climate change.

**Political structure**

**Constitution**

The constitution was adopted in 1979. Under the Compact of Free Association (CFA), the Marshall Islands have control over all domestic and foreign affairs with the exception of defence which is the responsibility of the US.

Universal suffrage begins at aged 18.

**Form of state**

Self-governing territory in free association with the US.

**The executive**

Executive power rests with the president and the cabinet. The president is both head of state and head of government, elected by parliament for a four-year term. The president appoints the cabinet from members of the Nitijela (parliament).

**National legislature**

The bicameral system of government includes the Nitijela (lower house), with 33 senators of the Nitijela elected from 24 constituencies, for four-year terms. The Nitijela holds legislative power and elects the president.

The upper house, Council of Iroij (council of chiefs) is an advisory body, of 12 tribal chiefs, with consultative authority on

matters relating to land and customs, who serves four-year terms.

**Last elections**

21 November 2011 (parliamentary); 3 January 2012 (presidential, indirect)

**Results:** Parliamentary: United Democratic Party (UDP) won 15 seats, Aelon Kein Ad (AKA) (Our Islands) eight, United People's Party (UPP) seven and independents three.

Presidential (indirect): Christopher Loeak (independent) 21 votes, Jurelang Zedkaia (AKA) 11; one abstention.

**Next elections**

2015 (presidential); 2016 (parliamentary)

**Political parties**

**Ruling party**

A loose coalition of the United People's Party (UPP) and Aelon Kein Ad (AKA) (Our Islands) (from 2008; re-elected Jan 2012)

**Main opposition party**

United Democratic Party (UDP)

**Political situation**

The 2007 parliamentary elections resulted in two firsts. For the first time an unprecedented number of independent members were elected, leaving the government to be formed by a coalition, also for the first time. The result was determined to be a reaction by many landowners to the previous government's agreement with the US to lease, long-term, Kwajalein Atoll for missile testing. The landowners had consistently rejected the agreement for leasing the atoll until 2086 and said that unless there was an improvement in terms of conditions the agreement must end in 2016.

However by 2010 when a land use agreement (LUA) was thought to be ready for signing, in which landowners could be entitled to share the US\$30 million from the leasing deal with the US military the LUA was found to be in abeyance since the landowners had included provision for funding a US\$570 million infrastructure

programme for the atoll. Neither the US military nor the RMI government were ready to sign the LUA, leaving all sides in need of further negotiations.

**Population**

55,000 (2012)\*

The island of Ebeye, part of Kwajalein atoll, is overcrowded, due to forced removals of people from atolls within the nuclear test zone. Between them, Ebeye and the urban area of Majuro make up around 10 per cent of the total land but are home to almost three-quarters of the population.

A national census, postponed since 2009, due to lack of funds to undertake the work, was concluded in April 2011. Preliminary results recorded a population of just over 52,000. Results of the census were published in May 2012, which showed that 30 per cent of all Marshallese reside in the US.

**Last census:** June 1999: 50,848

**Population density:** 302 inhabitants per square km (2010). Urban population 72 per cent (2010 Unicef).

**Annual growth rate:** 0.7 per cent, 1990–2010 (Unicef).

**Ethnic make-up**

Micronesian

**Religions**

Christian (mostly Protestant).

**Education**

In 2009 the government announced that it would join the 'one laptop per child' programme (OLPC).

An agreement between the education departments of Guam and the Marshall Islands, signed in October 2010, will allow an exchange of students to study at the University of Guam and the College of the Marshall Islands.

**Enrolment rate:** 134 per cent (boys); 133 per cent (girls), gross primary enrolment of the relevant age group (including repetition rates) (Unicef).

KEY INDICATORS		Marshall Islands				
	Unit	2008	2009	2010	2011	2012
Population	m	*0.62	-6	-5	-5	*0.06
Gross domestic minus gold	US\$bn	166.00	155.00	0.16	0.17	*0.18
GDP per capita	US\$	3,130	2,891	3,015	3,169	*3,340
GDP real growth	%	-1.9	-1.3	5.2	5.0	*1.9
Inflation	%	14.8	0.5	2.2	1.5	*5.7
Exports (fob) (goods)	US\$m	-16.0	14.0	-	-	-
Imports (fob) (goods)	US\$m	90.9	85.0	-	-	-
Balance of trade	US\$m	-69.8	-73.3	-100.8	-68.6	-
Current account	US\$m	-43.1	-19.0	-46.0	-11.0	-12.0
Exchange rate	per US\$	1.00	1.00	1.00	1.00	1.00
* estimated figure						

### Health

Type II diabetes (a disease associated with diet and lifestyle) became the leading cause of deaths among the Marshallese in 2011.

Over 80 per cent of children are immunised against measles. RMI has the highest per capita rate of leprosy in the world.

**Life expectancy:** 62 years, 2004 (WHO 2006)

**Fertility rate/Maternal mortality rate:** 4.4 births per woman, 2004 (WHO 2006)

**Birth rate/Death rate:** 34 births per 1,000 population; five deaths per 1,000 population (2003).

**Child (under 5 years) mortality rate (per 1,000):** 38 per 1,000 live births (WHO 2012)

### Main cities

Majuro (capital, on Majuro atoll, Dalap-Uliga-Darrit Municipality, estimated population 20,301 in 2012), Ebeye (on Kwajalein) (9,627), Laura (3,046), Ajeltake (2,167).

### Languages spoken

There are two main Marshallese dialects from the Malayo-Polynesian family. Marshallese is used by the government. English is taught in the schools and is widely spoken. Japanese is also spoken.

**Official language/s**  
Marshallese, English

### Media

#### Press

The *Marshall Islands Journal* ([www.marshallislandsjournal.com](http://www.marshallislandsjournal.com)) containing items in both Marshallese and English, is published every Friday and the government published *Marshall Islands Gazette* has official news.

#### Broadcasting

The government-owned radio station V7AB and MBC Television station are the only national broadcasters. Micronesia Heatwave is a commercial radio station and V7AA is a religious station. Pay-to-view, cable TV is available in some areas.

**Other news agencies:** ABC Pacific Beat: [www.radioaustralia.net.au/pacbeat](http://www.radioaustralia.net.au/pacbeat)  
Pacific Magazine: [www.pacificmagazine.net](http://www.pacificmagazine.net)  
Pacific Islands New Association (Pina): [www.pina.com.fj](http://www.pina.com.fj)

### Economy

The Marshall Islands has a limited revenue base; most income is derived from payment by the US under the Compact of Free Association (CFA), the latest of which came into effect in 2004, and which commits the US to long-term financial support, international aid and a few commercial ventures. Following an initial US\$29 million, the US contributes US\$7 million a

year to the Intergenerational Investment Fund (IIF) until 2023. Together with government contributions the Fund should be able to provide investment for the islanders' future. However, in December 2009 the International Monetary Fund (IMF) warned that if the government persisted in deficit spending while at the same time denying substantial money to the fund, as seen over the past years, the country will end up with a major financial crisis by 2023.

The government employs over 45 per cent of the salaried workforce; unemployment is as high as 34 per cent. Agriculture, a small sector of GDP, is largely subsistence level production of food crops such as breadfruit, taro and pandanus; small quantities of commercial copra are processed but with limited means of trade. The Marshall Islands licenses ships as a flag of convenience and has around 1,200 ships registered, making it the fifth largest fleet in the world and earning about US\$1 million annually.

The economy fell into recession in 2008, with GDP growth of -1.9 per cent. There was a slight improvement in 2009, to -1.3 per cent. The economy recovered with strong growth of 5.2 per cent in 2010, which moderated to an estimated 5 per cent in 2011.

The Chinese fishing company Shanghai Deep Sea Fisheries invested US\$8.5 million in a processing plant in Manuro in 2007. The plant is for skipjack tuna processing for the Asian market. In 2009 the Marshall Islands Service Corporation went ahead with plans to buy and operate modern fishing vessels for the island's tuna industry.

### External trade

The Marshall Islands (RMI) is a member of the South Pacific Regional Trade and Economic Co-operation Agreement (Sparteca) along with 12 other regional nations, which allows products duty free access by Pacific Island Forum members to Australian and New Zealand markets (subject to the country of origin restrictions).

Semi-manufactured goods, assembled in the islands, enjoy preferential access to US markets under the Compact of Free Association. Light manufacturing includes soap, cooking oil, salad oil, margarine and cosmetics, using local processed coconut oil.

### Imports

Principal imports, which far outstripping exports, are foodstuffs, petroleum, machinery and equipment, beverages and tobacco.

**Main sources:** US, Japan, Australia, New Zealand, Singapore, Fiji, China, Philippines.

### Exports

Principal exports are copra cake, coconut oil, handicrafts and fish

**Main destinations:** US, Japan, Australia, China.

### Agriculture

Subsistence farming of taro, breadfruit, bananas, yams, sweet potatoes and vegetables, along with pig and poultry raising, is the main occupation. Large areas of potentially arable land remain uncultivated.

Fishing, particularly tuna, is important, supplying the principal source of protein as well as export revenues. A dozen longline tuna boats built with Asian Development Bank money almost doubled the fleet in the mid-1990s. Tuna is supplied to the country's tuna processing factory, located at Majuro.

A Hawaiian company, Black Pearl Inc, noted after extensive research the potential for breeding black pearl oysters. Some farms have opened but it will be several years before they can compete with world market leaders. Seaweed farming may offer an alternative. Typical pearl and shell harvest production is 100,000 units per annum.

In April 2010 the Parties to the Nauru Agreement (PNA) (eight island states including the Marshall Islands) collectively agreed to close to *purse seine* fishing in 4.55 million square kilometres of high seas in their area, from 1 January 2011, to vessels licensed to fish in their waters. The area involved stretches from Palau and Papua New Guinea in the west to Kiribati in the east, from the Marshall Islands in the north to Tuvalu in the south; it holds an estimated 25 per cent of the world's tuna supply.

On 12 April 2011, a summit of the Parties to the Nauru Agreement (PNA) concluded its strategy for a policy of sustainable fishing in the Pacific. The PNA treaty, which was established in 1989 and expires in 2012, is seen as in need of an overhaul. As a collective region (FSM, Kiribati, Marshall Islands, Nauru, Palau, PNG, Solomon Islands and Tuvalu) control around 25–30 per cent of world stocks of tuna. Only 5 per cent of sales revenue is returned to the PNA and ministers called for specific changes, including an increased share of profits, PNA crews on-board *purse seine* vessels (minimum 10 per cent), conservation and management measures including a limit to fish trapping (fish aggregating devices (FADs)), net mesh rules and the establishment of an observer agency and fisheries information management system.

### Industry and manufacturing

Small-scale industries include handicrafts, fish processing, copra processing,

bakeries and boat building and repairs. A tuna processing factory which opened in 1999 was a significant addition to industry.

The Marshall Islands Ports Authority agreed with the Ching Fu Shipyard of Taiwan to locate a floating drydock in Majuro in 2005, which is the largest ship repair facility in the central Pacific.

### Tourism

Tourism is relatively underdeveloped with the opportunity for growth dependent on air access. There were around 6,000 visitors in 2008; the industry typically employs around 10 per cent of the workforce.

In December 2011, the only airplane belonging to the state-owned Air Marshall Islands was taken out of commission for a thorough service and all of its scheduled flights were suspended. The government has been considering the future of its airline since 2009–10 when the proposal to part-privatise (selling a 51 per cent stake) was first voiced; by September 2011 it was being actively promoted. The airline has been a long-term drain on the economy as it never made a profit in its 30 years of operations.

A national holiday was declared for 1 March 2012, to mark the anniversary of the first hydrogen bomb testing on Bikini Atoll in 1954. The Atoll is included on Unesco's World Heritage List as an important historic site at the start of the nuclear age.

### Environment

In October 2011, an existing shark sanctuary was enlarged, to encompass an ocean area of almost two million square km around the Marshall Islands. At the same time, a new law was enacted, banning commercial shark fishing and the trade in shark products.

### Mining

Small mineral deposits exist, but exploitation is hampered by a shortage of land to accommodate the displaced population and doubts about economic viability. Extraction of phosphate occurs at Ailinglaplap.

### Hydrocarbons

There are no known hydrocarbon reserves; all petroleum products are imported to meet domestic needs.

### Energy

The Marshall Energy Company is responsible for generation and supply of electricity on all but Ebeye where the Kwajalein Atoll Joint Utility Resource provides energy.

In 2008, as the implementation of national electrification, based on solar-photovoltaic systems, was about to begin

Marshall Island utilities participated in technical training workshops run by Pacific Power Association (PPA) and E8 (utility companies from G8 countries offering help and sponsorship in renewable energies).

### Banking and insurance

Growth in the Marshall Islands' banking sector is limited by the size of its population. Commercial bank lending in 2004 was some US\$45 million while deposits were substantially greater at US\$81 million.

### Time

GMT plus twelve hours

### Geography

The Marshall Islands are located in the area of the Pacific Ocean known as Micronesia (which includes Kiribati, Tuvalu and other territories). The islands lie about 3,200km (2,000 miles) south-west of Hawaii and about 2,100km (1,300 miles) south-east of Guam.

The Marshall Islands comprises around 1,200 coral islands and islets, of which five are single islands, the rest combining into 29 atolls. The territory extends over 750,000 square km of sea area in two parallel chains: Ratak (Sunrise) to the east and Ralik (Sunset) to the west. Total land mass of the system is around 183 square km. The mean height is two metres. The atolls are narrow and encircle large lagoons. Beaches are white sand.

### Hemisphere

Northern

### Climate

Tropical climate. Warm and humid, temperatures 23–30 degrees Celsius, humidity around 80 per cent. High temperatures are cooled by trade winds. Rainfall variable, minimum 250mm per year, can occur in downpours. Hurricanes are possible.

### Entry requirements

#### Passports

Required by all, valid for six months beyond date of departure.

#### Visa

Required by all, except nationals of the US, Federated States of Micronesia and Palau. Tourist and business visas are issued on arrival for stays up to three months.

All visitors must have proof of adequate funds and return/onward passage. Special regulations may apply to some non-tourist destinations. Further information can be obtained through [www.rmiembassyus.org](http://www.rmiembassyus.org).

### Health (for visitors)

#### Advisable precautions

Vaccinations for hepatitis A and B and typhoid are recommended; those for

tetanus and diphtheria should be updated as needed.

### Hotels

There are a number of first class and other hotels, mainly on Majuro and Ebeye, and guesthouses, which are more widely distributed.

### Credit cards

Visa, Mastercard and American Express are accepted by most major businesses.

### Public holidays (national)

#### Fixed dates

1 Jan (New Year's Day), 1 Mar (Nuclear Survivors Day), 1 May (Constitution Day), 21 Oct (Compact Day), 17 Nov (President's Day), 25 Dec (Christmas Day). Some dates vary from island to island.

#### Variable dates

Fishermen's Day (first Fri in Jul), Rijerbal/Labour Day (first Fri in Sep), Manit/Customs Day (last Fri in Sep), Gospel Day (first Fri in Dec).

### Working hours

#### Banking

Mon–Fri: 1000–1500; Fri: 1000–1800.

#### Business

Mon–Fri: 0800–1700.

#### Government

Mon–Fri: 0800–1700.

#### Shops

Mon–Sat: 0800–2000; (Sun) 0800–1800.

### Telecommunications

#### Telephone/fax

International satellite links provide fax and Internet facilities. Communication with the outer islands is by radio.

#### Postal services

There are US Postal Service offices on Majuro and Ebeye.

#### Mobile/cell phones

Cellular service is available on Maburo, Ebeye and Kwajalein.

### Social customs/useful tips

In business an informal attitude prevails. Appointments should be made. Business cards are exchanged. Business is usually conducted in English. Permission should be sought before taking photographs of people. The minimum drinking age is 21 years. Swimsuits, shorts or short skirts should not be worn in urban areas. Tipping is optional.

### Getting there

#### Air

**National airline:** Our Airline  
**International airport/s:** Amata Kabua International International (MAJ), 25km from Majuro. There are buses, taxis and hotel transport from the airport to the city.  
**Airport tax:** US\$15.

#### Surface

**Main port/s:** Majuro and Kwajalein.

## Nations of the World: A Political, Economic and Business Handbook

### Getting about

#### National transport

**Air:** Air Marshall Islands flies services to most of the atolls.

**Road:** The main roads on the major islands are paved. Others are stone-, coral- or laterite-surfaced roads and tracks.

**Water:** The government operates several vessels, which link the islands on an irregular schedule. Inter-island cruises are available and boats can be hired privately.

#### City transport

**Taxis:** Taxis are plentiful and relatively cheap, but usually operate on a shared basis.

#### Car hire

There are many car hire operators. Driving is on the right.

### BUSINESS DIRECTORY

The addresses listed below are a selection only. While World of Information makes every endeavour to check these addresses, we cannot guarantee that changes have not been made, especially

to telephone numbers and area codes. We would welcome any corrections.

#### Telephone area codes

The international direct dialling (IDD) code for Marshall Islands is +692 followed by area code and subscriber's number:

Ebeye            329    Majuro            625.

#### Chambers of Commerce

Majuro Chamber of Commerce, PO Box 1318, Majuro 96960 (tel: 625-3051; fax: 625-3343; e-mail: majurochamber@hotmail.com).

#### Banking

Bank of Marshall Islands, PO Box J, Majuro 96960 (tel: 625-3636; fax: 625-3661; e-mail: bankmar@ntamar.com).

#### Travel information

Air Marshall Islands, PO Box 1319, Majuro 96960 (tel: 625-3731; fax: 625-37; e-mail: amisales@ntamar.net).

Marshall Islands Visitors Authority, PO Box 5, Majuro 96960 (tel: 625-6482; fax:

625-6771; e-mail: tourism@ntamar.com).

#### Ministry of tourism

Ministry of Resources and Development, Tourism Office, PO Box 1727, Majuro 96960 (tel: 625-6482; fax: 625-3218).

#### Other useful addresses

Marshall Islands Embassy (USA), 2433 Massachusetts Avenue, NW, Washington DC 20008 (tel: (+1-202)-234-5414; fax: (+1-202)-232-3236; e-mail: info@rmiembassyus.org).

**News agencies:** ABC Pacific Beat: www.radioaustralia.net.au/pacbeat

Pacific Magazine: www.pacificmagazine.net

Pacific Islands New Association (Pina): www.pina.com.fj

#### Internet sites

Our Airline: www.ourairline.com.au

Website of the Marshall Islands: www.rmiembassyus.org/

The Pacific business centre: <http://cba.hawaii.edu/pbcp/>