

KEY FACTS

Official name: Commonwealth of the Northern Mariana Islands

Head of State: President of the United States of America Barack Obama (from 20 Jan 2009)

Head of government: Governor Benigno R Fitial (Covenant) (from 2006; re-elected 23 Nov 2009)

Ruling party: Republican Party (since 2007; re-elected 7 Nov 2009)

Area: 471 square km (14 islands) – Saipan (122 square km); Tinian (101 square km)

Population: 51,170 (July 2013)* (53,883; 2010, census figure)

Capital: Garapan (Saipan)

Official language: English

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

* estimated figure

Northern Marianas

The Commonwealth of Northern Mariana Islands (CNMI) launched its first local airline on 1 July 2012. Saipan Air will target Japan, CNMI's largest market, and is expected to boost tourist arrivals by 22 per cent in 2012 alone. This possibly over-optimistic forecast would mean an increase in visitor numbers from 369,012 in 2011 to 450,226 in 2012. The question is, will the rest of the sector be able to cope? Especially if the forecast of over 728,000 visitors by 2015 is correct it would necessitate almost double the number of hotel bed nights. A planned US\$1 billion investment in a five-star residential/condominium complex for high-end tourists in the northern part of Saipan will go some way to meeting the expected demand for accommodation.

The forecast was made by Jerry Tan, president of Tan Holdings, one of the largest companies in CNMI, in a presentation to the Saipan Chamber of Commerce. He urged his audience to 'Believe in the CNMI'. And co-incidentally to encourage the CNMI House Ways and Means Committee to pass the bill legalising casino gambling in Saipan, a vital ingredient in his calculations for the success of Saipan Air.

Mr Tan expects tourist spending to average US\$667 each, boosting the islands' economy by some US\$33 million.

Brennan and other business leaders rallied behind Tan's optimism about the economy and a private sector-driven recovery, even as some elected leaders have been pushing for the legalization of casino gambling on Saipan to help save the economy.

Representative Ray Basa (R-Saipan), chairman of the CNMI House Ways and Means Committee, also hopes CNMI will bring international brands back to Saipan, which used to have some 30 garment factories manufacturing products for global brands such as Levi's, Gap, Guess, Abercrombie & Fitch and Polo Ralph Lauren.

Because of a shrinking economy, the government has been unable to collect much in taxes and fees to be able to pay most of its employees' 80 hours biweekly and instead pay only 64 hours every two

weeks. Economy is also blamed on every other matter: unemployment and closures of businesses, high cost of living, and delayed release of tax rebate and scholarship checks.

The CNMI economy has been shrinking in recent years and in 2011 the government's US\$102 million budget was back to nearly the same level as it was 22 fiscal years ago. Government budget peaked at US\$247 million in the fiscal year 1997 but it has been almost downhill since then because of a combination of factors including the Asian economic crisis in the late 1990s, the wars against terror, the pullout of Japan Airlines, the demise of the garment industry, and to a large extent, the lack of austerity measures by the government that led to the steady drop in government collection from taxes and fees.

The CNMI government and private sector's optimism for 2012 tries to defy a December 2011 First Hawaiian Bank economic analysis of Guam and the CNMI that says the CNMI economy 'continues to lack promise'.

But Tan Holdings' 'Believe in the CNMI' campaign, which embraces tourism as the islands' only major industry, is now making headway. One of the major aspects of the tourist campaign is believing in and marketing the CNMI's natural beauty which for decades has attracted tourists such as its clean air, beautiful weather, stunning beaches, beautiful sunrises and sunsets, as well as historical significance. Mr Tan said Tan Holdings was doing their bit by launching Saipan Air and he hoped the government would continue to fund CNMI's marketing agency – the Marianas Visitors Authority (MVA) – so it could continue to market the CNMI as a tourist destination.

'Funding the MVA should be seen as an investment in CNMI's tourism and economy, not expenditure,' Tan added.

COUNTRY PROFILE

Historical profile

Ancestors of the native Chamorros settled on the islands in about 2000 BC. 1521 Magellan claimed the islands for Spain.

1698 The native population was transferred to Guam.

1899 The Germans bought the islands from the Spaniards.

1914 The Japanese seized the islands from the Germans.

1947 Northern Marianas was the first Japanese territory in the Western Pacific to be invaded by the US; it became a part of the Trust Territory of the Pacific Islands (TTPI), administered by the US, under a mandate granted by the UN.

1975 In a referendum islanders voted to become an unincorporated territory of the United States under a covenant.

1977 A new local constitution was adopted.

1978 The Commonwealth of Northern Mariana Islands (CNMI) was created, as the TTPI was dissolved.

1980s Tourism and clothing manufacture became major industries, leading to foreign contract workers outnumbering local residents.

1984 Many US civil and political rights were made available to the islands' residents.

1986 Following the end of the UN mandate, the islands, under the *Covenant to Establish a Commonwealth of the Northern Mariana Islands (CNMI) in Political Union with the United States*, acquired US Commonwealth status and residents were granted US citizenship

1990 The UN Security Council formally terminated its Trusteeship. Under the covenant, the US has responsibility for foreign affairs and defence but CNMI is exempt from customs and labour laws.

2001 The Republican Party was re-elected and Juan Babauta (Rep) was elected governor.

2003 The Covenant Party won the parliamentary elections.

2004 Anatahan's active volcano had a small eruption. Northern Marianas and Guam were struck by super-typhoon Chaba.

2005 Numerous (over 500) small earthquakes were recorded on three uninhabited islands. Anatahan volcano continued erupting, with the largest eruption sending ash up to a height of 15,000 metres. In gubernatorial elections, Benigno Fitial won 28.1 per cent and unseated the incumbent, Juan Babouta.

2006 The CNMI revised its agreement with the US for increased environmental protection on the US missile testing range on Kwajalein Atoll. Two extra seats were added to the House of Representatives.

2007 In parliamentary elections the Covenant party lost much of its support as the Republicans won 12 seats (out of 20), the Covenant Party four, independents three and the Democrats one, in the House of Representatives. In the Senate, of the

three seats in contention, independents won two and the Covenant Party one.

2008 The Northern Mariana Islands Delegate Act (immigration, security and labour act) was passed by the US Congress.

2009 The US announced the establishment of a protective marine zone around the Pacific islands it was responsible for, totalling 500,000 square km of sea and sea floor. Mining and commercial fishing, out to 50 nautical miles (54.26km) from shore, was banned. Lieutenant Governor Timothy Villagomez resigned, following his conviction on corruption charges including conspiracy, theft of US government funds, bribery and wire fraud; Eloy S Inos replaced him. Responsibility for immigration was taken out of the hands of CNMI officials and given to a US federal government agency, which now applies the same visa regulations as the mainland US. Tourism was the first industry to be hit by the changed rules, as the process of visiting became more difficult and time consuming. However, the handover controls access to the vital US naval base while applying curbs to illegal activity of multinational criminal gangs from China and Japan. In the gubernatorial election neither of the leading candidates won sufficient votes for an outright win; the runoff was won by incumbent Governor Fitial. In parliamentary elections, the Republican Party won the single largest number of seats (nine out of 20) and won four seats out of nine in the Senate.

2010 The resident population took part in the United States census of 1 April, which, after personal details, included questions on race, housing and internet and mobile phone access. The Northern Marianas College (NMC) was given notice by the US-based Western Association of Schools and Colleges (WASC) to show 10 specific improvements in administration or risk losing accreditation. Over 700 students at the only college in CNMI receive a total of US\$2.6 million from the Pell Scholarship fund, which would be withdrawn without a college to attend. Gregorio Sablan (independent) won re-election as Delegate to the US Congress.

2011 In January the legislature passed a ban on shark fishing within the territorial waters of CNMI. Acting Governor Inos declared a state of emergency on 22 July, due to 'an imminent threat of disruption of the delivery of critical healthcare services... due to a severe cash shortage'. The health care system was operating with a US\$3 million debt and with a lack of vital medical laboratory supplies. The result of the census showed a population fall of 22.7 per cent, from 62,392 in 2000 to 48,220 in 2010. In October, CNMI offered to lease several of its uninhabited islands to China, specifically for

recreational and industrial purposes only, in a move designed to alleviate CNMI's desperate need for foreign exchange.

However, the move was not looked on with favour by the US, which does not want a greater Chinese presence in the region.

2012 On 29 June, Saipan Air announced that it was ceasing operations and filing for bankruptcy. The NMC was given accreditation by WASC in time for the start of the academic year.

2013 Russian visitors to the Marianas jumped from 688 in March 2012 to 1,648 in March 2013. As a result the Marianas Visitors Authority (MVA) proposed opening a tourism office there.

Political structure

Constitution

The 1978 constitution was fully effective until 1986. It provides for an executive governor and a bicameral legislature. It also obligates the people of the Northern Mariana Islands to adopt a Commonwealth Constitution providing for a republican form of government which contains a bill of rights.

CNMI citizens have US citizenship and have a degree of autonomy and are exempt from some US federal laws concerning employment and immigration. CNMI defers to the US for foreign policy and defence and CNMI citizens do not vote in US presidential elections. There is one resident representative present in the US Congress and federal government.

Form of state

Democratic, self-governing commonwealth

The executive

An executive governor and lieutenant governor are elected every four years by universal suffrage.

National legislature

A bicameral legislature consisting of a 20-member House of Representatives and a nine-member Senate (with staggered terms); all elected in single-seat constituencies for two-year terms.

Legal system

The system is based on US jurisprudence but is exempt from US laws for customs, wages, immigration and taxation.

Last elections

7 November 2009 (parliamentary); 7/23 November 2009 (gubernatorial and runoff)

Results: Parliamentary: (House of Representatives) Republican Party won nine seats (out of 20), Covenant Party seven, independents four. Senate: (six seats up for election) Republican Party won four seats (out of nine), independents two (Covenant Party lost two seats). Gubernatorial (first round): Benigno Fitial (Covenant Party) won 36.21 per cent of

the vote, Heinz Hofschneider (Republican) 36.27 per cent, Juan 'Pan' Guerrero (independent) 19.34 per cent, Ramon Deleon Guerrero (independent) 7.96 per cent. Runoff: Fitial won 51.4 per cent, Hofschneider 48.6 per cent; turnout was 76 per cent.

Next elections

November 2013 (parliamentary and gubernatorial)

Political parties

Ruling party

Republican Party (since 2007; re-elected 7 Nov 2009)

Main opposition party

Covenant Party

Political situation

In 2007 the US Senate took a long hard look at the state of the CNMI Covenant Implementation Act, and its exemption from immigration and employment laws. The US federal government proposed a federalisation bill to bring the immigration system under its control. It was seen that CNMI authorities were unable to provide a fully comprehensive screening process for all visitors and migrant workers to the islands. US concerns regarding this did not only cover security – the CNMI was seen as a backdoor route to the US – but also problems of human trafficking, particularly of girls for the sex-trade and inappropriate migrant workers' visas. A federal minimum wage bill was also included in the federalisation bill. Further study questioned why there were so many migrant workers, and concluded there was a historical legacy following the collapse of the garment manufacturing industry and the general downturn in tourism.

The CNMI federalisation bill came into force in November 2009.

In March 2011, the Republican controlled US-Congress voted to rescind the voting rites of representations of CNMI, effectively disenfranchising their electorate in policies that directly affect them.

Population

51,170 (July 2013)* (53,883; 2010, census figure)

The high growth rate is largely accounted for by the recruitment of large numbers of foreign workers, particularly in the garment and tourism sectors.

Last census: 1 April 2010: 53,883

Population density: 143 inhabitants per square km.

Annual growth rate: 3.3 per cent (2003)

Ethnic make-up

There are tensions between the resident population and people from other countries – Philippines, Republic of Korea, Thailand and China. Approximately 75

per cent of the native population is Chamorro, the rest are Carolinian.

Religions

Roman Catholic and indigenous beliefs.

Education

Education is based on the US system. There are several private schools available to cater for the international community.

Literacy rate: 97 per cent, adult rate.

Compulsory years: Six to 16

Health

The major medical needs of the population are met by the Commonwealth Health Centre (CHC). The CHC operates inpatient and outpatient services. There is 24-hour emergency care available provided by a team of emergency nurses, emergency physicians and support staff. In addition to the CHC, there are several private health clinics. All medical services are required to meet US standards, although the cost of medical care is much cheaper than in the US.

Main cities

Garapan/Susupe (Saipan) (capital, estimated population 4,360 in 2012), Dandan (7,426), San Antonio (6,920), San Vicente (6,719), Tanapag (6,307), Kagman (4,230).

Main islands

Six islands, including the three largest (Saipan, Tinian and Rota) are inhabited.

Languages spoken

Chamorro and Carolinian are the native tongues and are widely spoken. Japanese and Korean are also spoken.

Official language/s

English

Media

Press

The daily newspaper *Saipan Tribune* (www.saipantribune.com) has the largest circulation, while *Marianas Variety* (www.mvariety.com) has news covering from other Micronesian islands.

Broadcasting

Radio: There are several radio stations including the public KRNMI (www.krnm.org), commercial KRSI

(www.pacificnewscenter.com), KPXP (www.radiopacific.com/p99) and KQAW (www.magic100radio.com). Religious stations include KFBS (www.febc.org) and KYOI.

Television: The TV station WSZE 10 transmits via cable and satellite.

Other news agencies: ABC Pacific Beat: www.radioaustralia.net.au/pacbeat Pacific Magazine: www.pacificmagazine.net

Economy

The economy of the islands is small and has few natural resources. Bilateral aid from the US remains an important source of income, particularly aid directed towards improving the inadequate infrastructure. In 2006 an unfunded government liability of US\$500 million in the Defined Pension Plan was identified and prompted new legislation in 2007, for the introduction of a new pension system designed to be self-sustaining through employee's contributions. However, by 2009 the government had suspended pension payments as the national pension fund was in imminent danger of bankruptcy. A US court had ruled in June that full restitution of lost investment payments should be paid by the CNMI government to the CNMI employees' pension fund. In February 2012, the government had yet to pay US\$325 million, as ordered in 2009, and was planning to issue 10-year government bonds (pension obligation bond (POB)), to raise US\$300 million cover the financial void.

Tourism is the mainstay of the economy. In 2009 the former chief justice said that restrictive land laws as enshrined in the constitution made foreign investors reluctant to do business in CNMI as leased land could only be held by non-CNMI people for up to 40 years and 55 years for public and private land respectively. The constitution regarding land ownership was reconsidered in 2011, but after due consideration was rejected by the islands' senate in 2012.

The textile sector, which has been in decline since the US halted its Multi-Fibre Agreement (MFA), lost US\$518.4 million in export revenue between 2004–07; nevertheless garment manufacturing is still the largest export, with the bulk of production going to the US.

A Seattle-based fishing company secured a 30-year contract to begin long-line fishing for swordfish, tuna and other species in CNMI waters in 2008.

Despite millions of US dollars being available through development and capital improvement funds, by 2009 much of the money had gone unspent due to the lack of an auditing entity in place to allow funds to be transferred from the US and for it to be fully documented and accounted for.

External trade

As a self-governing territory of the US, CNMI has an open market with the US. Tourism is the main provider of foreign exchange, with Japanese visitors accounting for 51.4 per cent of total numbers in 2007. The textile sector, which is in decline due to the US halting its Multi-Fibre Agreement (MFA), lost US\$518.4 million

in export revenue between 2004–07; nevertheless garment manufacturing still provides the highest export revenue, with the bulk of production going to the US.

Imports

Principal imports are food, construction equipment and materials, petroleum products and consumer goods.

Main sources: US, Japan

Exports

The principal export is garments; minor exports include livestock, tuna fish, fruit and vegetables.

Main destinations: Mainly to US

Agriculture

The agricultural sector contributes approximately 14 per cent to annual GDP. Cultivable land is rich and volcanic.

Vegetables such as coconuts, breadfruit, tomatoes, melons and cucumbers are widely grown on smallholdings. Livestock is reared for export. The copra industry is also important.

The fishing sector has revived following a blanket ban in some areas, introduced in 2000, due to over-fishing. Stocks include black-tip sharks, tuna, emperor ship and bonito. Tuna is transshipped en route to the US via the canneries at Pago Pago (Fagatogo) in American Samoa.

Industry and manufacturing

The industrial sector contributed approximately 19 per cent to annual GDP while the garment industry flourished under the Multi-Fibre Agreement (MFA). However, when this ended in 2004 exports to the US were threatened by even cheaper exports from China and a number of factories closed, putting some 2,000 workers out of their jobs.

Other industrial activity consists of construction, small-scale fish processing and handicrafts manufacture.

Tourism

Tourism is an important component of the economy, providing an estimated 25 per cent of GDP with around 50 per cent of the workforce employed in the travel and tourism sector.

Annual visitor numbers have fallen from 385,000 in 2007 to 345,000 in 2009, at a time of economic instability. Although Japan still provides the largest number of visitors to CMNI (13,094 visitors in November–December 2011, a fall of 8 per cent from the same period in 2010), China is a growing market, along with South Korea (up by 8 per cent to 11,345 visitors) and Russia (up by 20 per cent to 673 visitors). The number of flights from China grew from two in December 2010 to six in December 2011, as arrivals from China grew in the same period by 59 per cent (5,708 visitors).

A report to the US Department of Commerce in December 2011 noted that CNMI has a pristine and safe natural environment, and along with its close affiliation to the US offers scope for growth in educational and eco-tourism. Both could be combined to offer sustainable development.

Hydrocarbons

There are no known hydrocarbon reserves and all petroleum needs are met by imports.

Energy

With the rise in global oil prices, which has impacted on the price of energy production, there has been an expansion in the use of renewable energy, such as solar-photovoltaic panels for water heaters and lighting and wind turbines.

Banking and insurance

Central bank

US Federal Reserve (Washington DC)

Time

GMT plus 10 hours

Geography

The Northern Marianas Islands comprises 16 islands across 640km of the western Pacific Ocean, about 5,300km (3,300 miles) west of Hawaii. The islands are part of the chain of Mariana Islands. The ones in the south are formed of limestone terraces, and those in the north are volcanic, several of which are still active. The largest volcano, Agrihan, is also the tallest peak in the islands at 965 metres. Saipan is a fertile island with lagoons and rolling hills. Rota has dense rain forests and is largely undeveloped.

Climate

The climate is tropical marine.

Entry requirements

Passports

Passports required by all except US citizens with proof of citizenship; (all US nationals require a passport for re-entry to the US from January 2007).

Visa

Required by all. There are a few exceptions for visits up to 30 days. See www.cnmiago.gov.mp or www.mymarianas.com for a full list and details or contact the Division of Immigration for further information. All applications must be made at least four weeks before intended departure.

Prohibited entry

See www.mymarianas.com for a full list and details, contact the Division of Immigration for further information.

Currency advice/regulations

The US dollar is the official currency. There are no restrictions on import and export of local and foreign currency,

however all amounts over US\$10,000 (or foreign equivalent) must be declared.

Prohibited imports

Fruits, vegetables, plants and soils, meat and meat products, live animals and animal products.

Firearms and ammunition require a permit, obtained in advance. For more information see: www.cnmiago.gov.mp.

Health (for visitors)

Mandatory precautions

Vaccination certificate required for yellow fever if travelling from an infected area.

Advisable precautions

Vaccination for diphtheria, TB, hepatitis A and B, polio, tetanus, typhoid. Rabies risk. Water from the mains is usually chlorinated and although safe to drink, may cause mild abdominal upsets. Drinking water outside the main cities and towns may be contaminated. Sterilisation by boiling is thus advisable.

Full medical facilities are available, although they are not free of charge. Health insurance is advisable.

Hotels

There is a 10 per cent hotel tax. A tip of 10–15 per cent is usual.

Credit cards

Major credit cards are accepted on Saipan and at car rental agencies on Rota.

Working hours

Banking

Mon–Thu: 0900–1500, Fri: 1000–1800.

Business

Mon–Fri: 0800–1200, 1300–1700.

Government

Mon–Fri: 0730–1130, 1230–1630.

Shops

Mon–Sat: 0800–2000, Sun: 0800–1800.

Telecommunications

Mobile/cell phones

A 1900 GSM service is available.

Electricity supply

220/240V, 50Hz

Weights and measures

Imperial

Getting there

Air

International airport/s: Saipan International (SPN), 13km south-east of Garapan, with duty-free shops, bar, restaurant, currency exchange, shops and car hire. Taxis are available to the centre of town.

Airport tax: None

Surface

Main port/s: Saipan, Tinian, Rota.

Getting about

National transport

Air: There are several daily flights between Saipan and Tinian and between Rota and Saipan.

Road: Roads are good on the main islands, particularly around the main centres. Driving is on the right-hand side.

Buses: There is no public bus system on Saipan, although shuttle buses run between the major towns.

Water: There are sea links between the islands.

City transport

Taxis: A taxi service is available on Saipan. Taxis are metered and privately owned.

Buses, trams & metro: Tour bus from airport to city centre, journey time is about 15 minutes.

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 Northern Marianas is +1 670, followed by the subscriber's number.

Useful telephone numbers

Police, fire, ambulance: 911

Chambers of Commerce

Saipan Chamber of Commerce, PO Box 500806, Saipan MP 96950 (tel: 233-7150; fax: 233-7151; e-mail: saipanchamber@saipan.com).

Banking

Central bank

Bank of Saipan, PO Box 500690, Saipan MP 96950 (tel: 235-6260; fax: 235-1802; email: bankofsaipan@saipan.com).

Federal Reserve System, 20th Street and Constitution Avenue, NW, Washington DC 20551 (tel: (202) 452-3000; fax: (202) 452-3819).

Travel information

Continental Micronesia, PO Box 138CK, Saipan (tel: 234-8223; fax: 234-8358). Pacific Island Travel, Herengracht 495, 1017 BT Amsterdam, The Netherlands (tel: (+31-20) 626-1325; fax (+31-20) 623-0008; internet: www.pacificislandtravel.com).

Saipan International Airport, PO Box 1055, Saipan (tel: 664-3500/01; fax: 234-5962; e-mail: cpa.admin@saipan.com).

Travel Bureau, PO Box 503 Rota (tel: 532-3561; fax: 532-3562).

National tourist organisation offices

Marianas Visitors Authority, P O Box 500861, Saipan, (tel: 664-3200/3201; fax: 664-3237; internet: www.mymarianas.com).

Other useful addresses

All Northern Marianas postal addresses have the US zip code: MP 96950, USA

Commonwealth of the Northern Mariana Islands, Caller Box 10,007, Saipan, (tel: 664-2200; internet: www.gov.mp).

Division of Immigration, Office of the Attorney General, Afetna Square Bld, San Antonio Village, PO Box 10007, Saipan (tel: 236-0922, 236-0923; fax: 664-3190; internet: www.cnmiago.gov.mp).

Other news agencies: ABC Pacific Beat: www.radioaustralia.net.au/pacbeat

Pacific Magazine: www.pacificmagazine.net

Internet sites

Commonwealth of the Northern Marianas General Information: www.gov.mp

Marianas Variety, newspaper: www.mvariety.com

Saipan Tribune: www.saipantribune.com

US Office of Insular affairs: www.doi.gov/oia