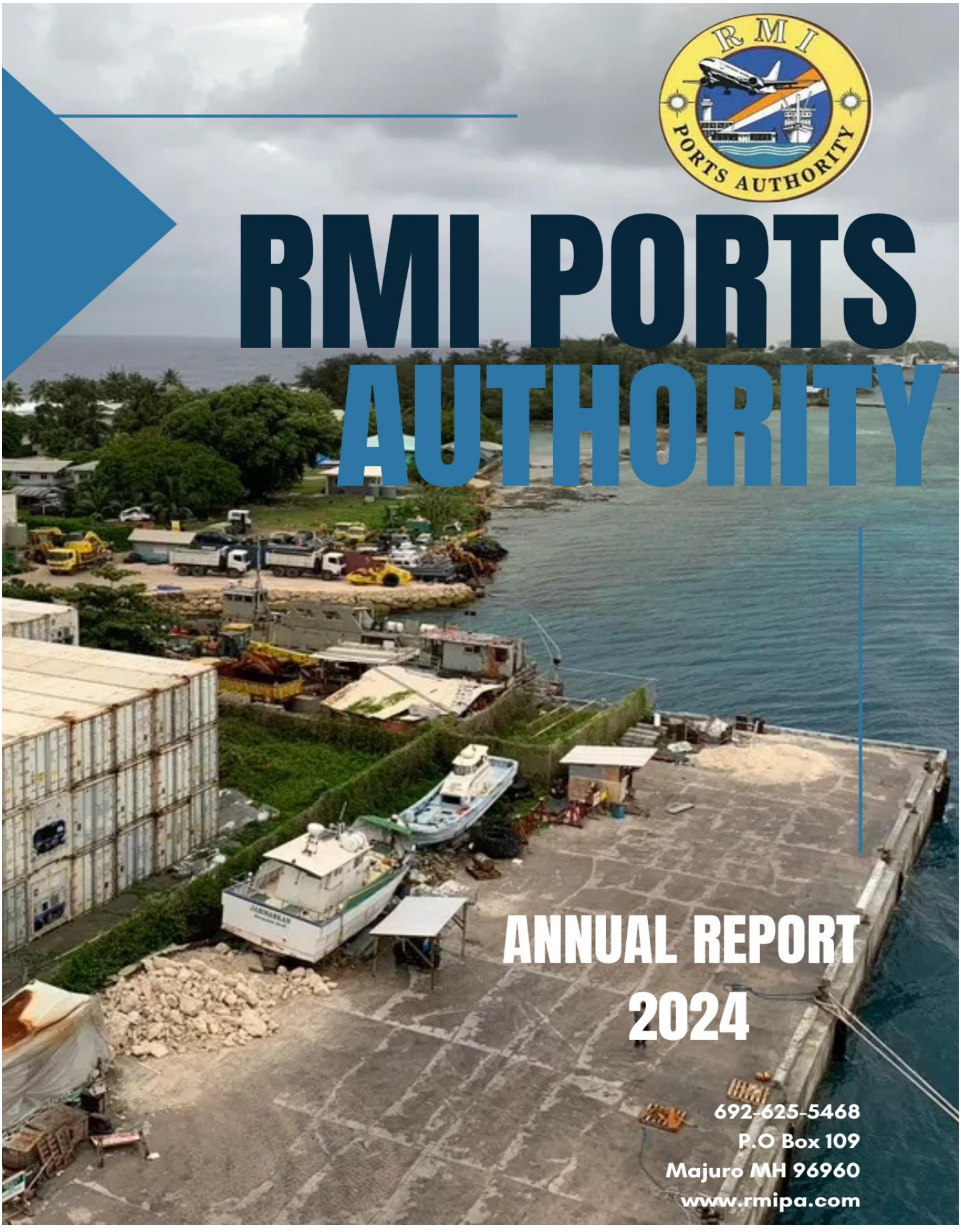

RMI PORTS AUTHORITY

ANNUAL REPORT 2024

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EXECUTIVE SUMMARY

The Republic of the Marshall Islands Ports Authority (RMIPA), created in 2003, oversees the operation and development of public ports, including the Amata Kabua International Airport (AKIA) and key seaports. While its infrastructure supports economic activity, RMIPA faces challenges such as subsidizing airport operations with seaport revenues and high maintenance costs for valuable assets.

RMIPA's vision is "To be an efficient and commercially-minded Air and Sea Ports management organization" and its mission is "To contribute to the economic and social development of the Marshall Islands by providing, maintaining and managing efficient commercial port facilities in accordance with the Government National Development Goals".

While RMIPA's core business lies in the management of commercial port facilities, the Government may from time-to-time request or require it to undertake ancillary maritime activities, including the operation of domestic shipping services and assistance with the operation of non-commercial ports on the outer islands.

SWOT Analysis:

A SWOT analysis of RMIPA highlights its strengths, weaknesses, opportunities, and threats, providing a comprehensive overview of its operational environment. RMIPA's strengths include its high-quality assets, strategic location in the North Pacific, and a dedicated team of staff. However, the analysis also reveals weaknesses such as high operational costs due to limited traffic and the challenges posed by its remote location. On the opportunities side, RMIPA can benefit from fee restructuring, developing its potential as a regional hub, and investing in capacity building to enhance its efficiency and services. Conversely, the threats identified include stringent regulatory demands, the impacts of climate change, and financial dependence on government support, which could pose significant challenges to its sustainability and growth. This analysis serves as a foundation to develop objectives, strategies and performance measures to address these on an annual basis

Key objectives defined under this FY2024 annual report are:

- Manage the ports and airport facilities under our control in a commercially responsible manner
- Deliver a high quality of service to all users of the ports and airport
- Charge for airport and port facilities and services in a way which ensures that the cost of providing, maintaining and operating the ports is fairly shared amongst all users

- Ensure the timely and efficient provision of the airport and port facilities required to serve both cargo and passenger traffic
- Provide safe operating conditions for those who use or work in the airport and ports under our control
- Develop and manage the airport and ports in harmony with the environment
- Maintain a rewarding working environment and opportunities for skill development for employees of the RMI Ports Authority.

A suite of relevant strategic actions and KPI's have been developed in order to achieve these onward objectives.

Although RMIPA is operating commercially, it will explore any CSO costs that need to be subject to a CSO Agreement. Beyond this, there is a high asset base, beyond what is currently (at existing prices and level of activity) supported by commercial revenues. This means RMIPA is dependent on a level of support to maintain the asset base. Because of this, the profit/loss forecast shows operating losses after depreciation for the planning period. The financial forecasts are summarized in the following table:

Profit/Loss Forecast					
	FY2021 Audited	**FY2022 Audited**	**FY2023 Forecast**	**FY2024 Forecast**	**FY2025 Forecast**
Operating Revenues	$ 2,988,546.00	$ 2,976,674.00	$ 4,294,308.00	$ 4,295,000.00	$ 4,295,000.00
Other Revenues (inc. subsidy)	$ 782,044.00	$ 1,761,487.00	$ 5,103,819.00	6,700,00	$ 7,500,000.00
Operating Expenses	$ (7,451,527.00)	$ (7,618,076.00)	$ (6,481,464.00)	$ (7,677,858.00)	$ (7,842,219.00)
Net Change [Profit/(loss)]	$ (3,680,937.00)	$ (2,879,915.00)	$ 2,916,663.00	$ 3,317,142.00	$ 3,952,781.00

1 POLICIES AND GUIDELINES GOVERNING THE DEVELOPMENT OF THE FY2024 ANNUAL REPORT

The RMI Ports Authority was created in 2003 to integrate the Marshall Islands Ports Authority and the Marshall Islands Airports Authority into a single ports authority, as the RMI Ports Authority. RMIPA is responsible for the establishment, maintenance and operation of all public ports in the Marshall Islands and reports to the Minister of Transportation, Communications and Information Technology and is governed by a seven-member Board of Directors appointed by the Cabinet.

RMIPA operates under principles that prioritize compliance, infrastructure development, and accountability. The organization adheres to international maritime and aviation safety standards established by the International Maritime Organization (IMO), Federal Aviation Administration (FAA), and Transportation Security Administration (TSA). It actively enhances connectivity to outer islands and supports the development of new airline and shipping routes to promote regional accessibility. Additionally, RMIPA upholds accountability by fulfilling its reporting obligations under the RMIPA Act, with oversight from its Board to ensure strategic alignment and adherence to legislative requirements.

The core mandate of the RMIPA is the provision of ports infrastructure and the management, operation and the coordination of ports activities: (private companies will be licensed or contracted to provide ports services where this is feasible and efficient)

- To provide services at its ports;
- To operate or assist in operating landing facilities in the outer islands;
- To provide navigational aids and to regulate the movement of aircraft and ships in and around the ports;
- To provide security at its ports;
- Have permanent port facilities such as docks, wharves, Airport or landing ramps capable of accommodating commercial vessels and aircrafts;
- Require the attendance of permanent staff; and
- Are expected to handle enough passenger and cargo traffic to make it possible to generate sufficient revenue to cover at least operating costs.
- Harbor Piloting Services
- Ports Stevedoring Services
- Ground Handling Services
- Air Traffic Control Services
- Management of Airport and Sea Port facilities

The RMI Ports Authority functions primarily as a port manager and

operator, but provides port services where it believes that doing so will be commercially viable and is in the public interest:

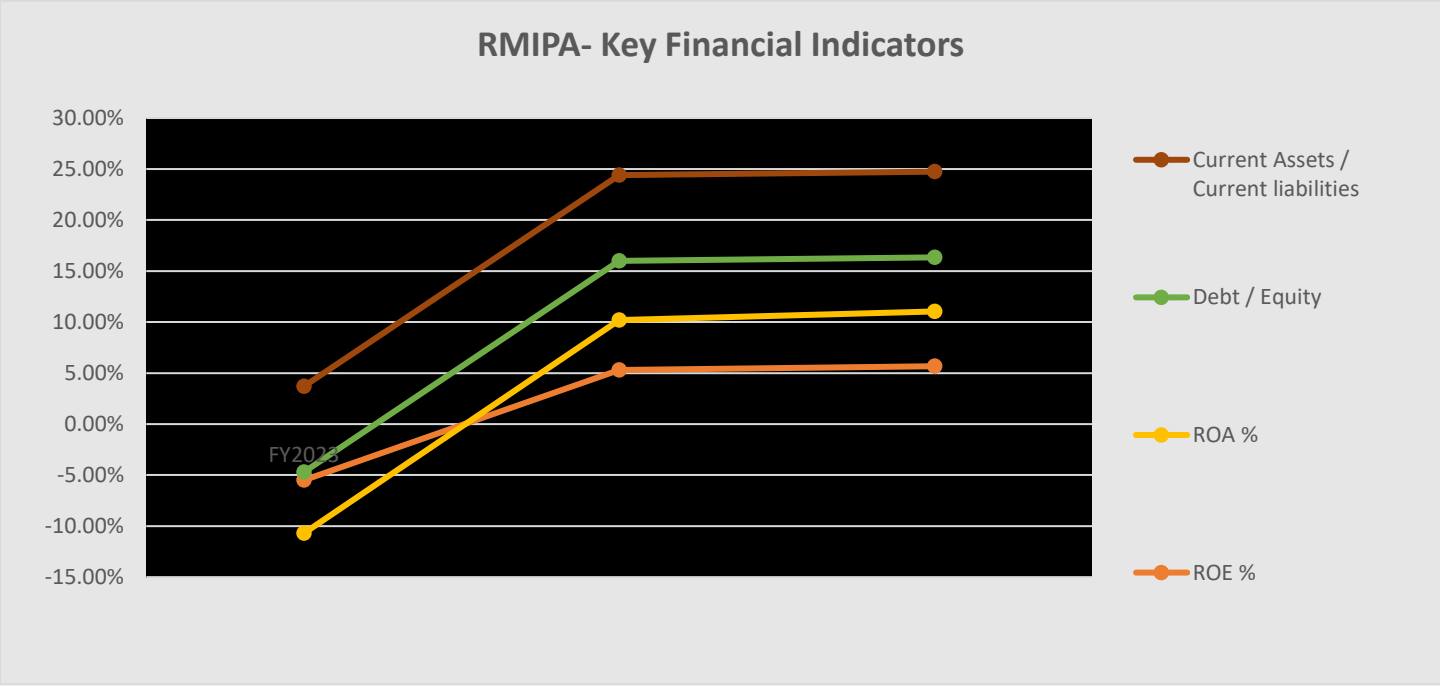
RMIPA has been supported through the US federal government that provides significant annual grants for the Amata Kabua International Airport infrastructure projects. Seaport operations are subsidizing the Airport operations, where expenses are increasing following new road and runway upgrades, yet income remains around $1.2m annually. The migratory nature of tuna has a negative effect in the fishing vessels traffic to Majuro especially in CY2023 and CY2024. These vessels contribute significantly to seaport revenues.

2 PLANNING INPUTS

2.1 Assessment of Recent Results

The Ports Authority has endured a challenging period through 2022 as a result of the COVID19 pandemic. Operational expenditures have been contained to similar levels to recent periods, while operating revenue has fallen by 9%, mostly in seaport income. Generally, the fees received from seaport and aviation earnings and from lease and other income provide a good margin on earnings before depreciation. But like many ports in the Pacific RMIPA suffers from high-value assets and relatively low traffic, such that reasonable fee rates cannot cover the returns (or depreciation value) of the operating assets. In the years 2022 and 2024 RMIPA was beneficiary of a substantial contribution from the US Government (over $30m in 2024)

Financial Highlights ($ '000)	2022	2023	2024	3-yr Average
Revenue	$2,977.00	$4,294.00	$4,295.00	$3,855.00
Net Profit (Loss) After Tax	($2,880.00)	$2,917.00	$3,317.00	$1,118.00
CSO payments / subsidies / grants	$1,594.00	$5,104.00	$6,700.00	$4,466.00
Total Assets	$55,538.00	$58,472.00	$61,772.00	$58,594.00
Total Liabilities	$3,159.00	$3,194.00	$3,111.00	$3,155.00
Shareholders' Funds	$52,379.00	$55,272.00	$58,661.00	$55,437.00
ROE %	-5.50%	5.30%	5.67%	2%
ROA %	-5.20%	4.90%	5.37%	1.90%
Debt / Equity	6%	5.80%	5.30%	5.70%
Current Assets / Current liabilities	2:01	2:01	2:01	2:01



2.2 External Elements

Legal & Environmental Issues

- International Maritime Organization (IMO): As a UN agency, the IMO sets global standards for shipping safety, security, and environmental performance. RMI, an IMO member since 1998, ensures compliance with these standards while safeguarding its policies.

- International Civil Aviation Organization (ICAO): ICAO sets international aviation standards. RMI aligns airport operations with ICAO Annex 14, ensuring safety, efficiency, and environmental responsibility.
- US Transportation Security Administration (TSA): TSA ensures security for U.S. air carriers operating in RMI. RMIPA complies with TSA mandates to safeguard air transportation.
- US Federal Aviation Administration (FAA): FAA Part 139 regulations govern safety standards at Majuro Airport, including firefighting and operational requirements. RMIPA ensures compliance to maintain certification.
- US Coast Guard (USCG): USCG enforces maritime safety and security through ISPS compliance, ensuring RMI ports meet international shipping standards.
- Micronesian Shipping Commission (MSC) & Central Pacific Shipping Commission (CPSC): Both organizations promote regional efficiency and knowledge sharing among ports, shipping companies, and terminal operators, significantly influencing RMIPA's operations and strategies

Market & Competitor Issues

RMIPA operates the major ports (airports and seaports) in RMI and is essentially a monopoly provider. However, the small size of RMI, its remote geographic location and the regional competition for both air and sea traffic, means that RMI ports remain relatively small and provide limited scope for growth of services and revenue generation.

Operating revenues in FY23 rise by 44% to $1.3 m which is approximately two-thirds from the seaport and one-third from airport revenues

In both divisions, RMIPA has evaluated opportunities to increase revenues, through review of pricing and in trying to attract more traffic. Revenues derive from:

- Air Traffic Control & Landing Fees
- Departure Fees
- Screening Fees
- Rental of airport facilities
- Fees for navigational aids
- Harbor Piloting Fees
- International & Domestic docking fees
- Wharfage and bunkering fees

At both airport and seaport, the lower general traffic in FY24 as against FY23 reduced the value of all revenue streams.

As a remote Pacific destination, AKIA airport, Majuro is an important potential emergency destination and in 2024 attracted 218 unscheduled or special flights. The number reduced again in 2023, but effort towards facilitating special flights, providing excellent services and achieving fair and full pricing, is an important marketing opportunity for RMIPA.

As of December 31, 2024, AKIA attracted 1,454 scheduled flights (UA, NA, APA and AMI) with cancellations totaling 104 flights mostly AMI.

A Government policy was issued in May 17, 2012, which directed RMIPA to exempt certain port charges for vessels owned by Koo's Fishing Company. This policy has an adverse effect on RMIPA's financial performance. It is estimated that there is $80,000 - $100,000 of revenue per annum exempt under this policy. In 2024 the RMI Ports Authority entered into agreement with Majuro Atoll Local Government to turn over Anchorage Fees that are collected by the Ports Authority. This agreement has an adverse effect on RMIPA's financial performance. It is estimated that there is $60,000 - $70,000 of revenue loss per annum under agreement.

External Business Risks

RISK	MITIGATION
Increasingly regulated maritime sector	▪ Improve management of RMIPA procedures
Competition within region and alternative docks that threaten traffic volumes	▪ Promote effective pricing and regional hub concept
Stagnant pricing, exemptions and ability to increase revenue	▪ Identify any CSO claims

Quality expensive assets (Main wharf, Airstrip runways) are not utilized effectively to provide returns on the investment	▪ Develop Asset Management Plan ▪ Identify any potential cash shortfalls that will impede safety and maintenance

2.3 Internal Elements

Staffing Structure

The RMI Ports Authority (RMIPA) employs 91 staff as of December 31, 2024 (including the Ebeye Port) across various operational and administrative departments to support its critical airport and seaport functions. The Aircraft Rescue and Fire Fighting (ARFF) Unit, comprising 14 firefighters who also serve as Airport Security Officers (ASOs), plays a pivotal role in ensuring compliance with international aviation safety standards. Airport Security is managed by 8 dedicated staff, while Airport Operations and Maintenance have 7 personnel each, though maintenance staffing levels may pose challenges in meeting operational demands. On the seaport side, Seaport Security is staffed by 21 personnel, and Seaport Operations includes 11 staff. Administrative functions are supported by 7 staff each in Administration and Finance, with an additional 9 personnel based in the Ebeye Office.

RMIPA remains focused on optimizing its workforce while addressing challenges related to dual roles, resource constraints, and enhancing staff capacity through training and development initiatives.

Physical Assets/Equipment Issues

These assets constitute the backbone of the RMI Ports Authority business spectrum that once rendered "in-operational" will greatly affect the Ports business environment:

- Pilot Boats
- ARFF Fire Trucks
- Docks (Uliga, Delap and Ebeye)
- Airport Runway
- Airport Terminal
- Aids to Navigation
- Generators (Airport and Docks)

Collectively, RMIPA assets have a net-book value in s at 30 September 2024, representing the highest valued group of assets in RMI. This attaches significant responsibility to the RMIPA as an organization and as a management team, since it is very challenging, with constraints on pricing and the location of RMI, to attract sufficiency of traffic to achieve fair returns on this value of assets.

Specifically, RMIPA needs to develop an appropriate Asset Management Plan to ensure effective on-going maintenance and upkeep to these major assets, and to indicate that suitable provision is being made for the regular maintenance that is needed. Provision for maintenance deriving from operational revenue may prove to be challenging for RMIPA under its current pricing model and review of costs, prices and maintenance requirements are essential outputs arising from this business plan.

Services and Business Systems

RMIPA manages operations through regular management meetings and employee accountability for assigned tasks as per authorized job descriptions. Generally, levels of authority are respected, reasonable instructions are followed, and necessary tasks and activities are completed effectively.

There is scope for better information and data collection to inform decision-making and to assist in overall business improvement/development. A new financial management system is under review to upgrade from Quick books to MIP/Microix accounting, and plans are already in place to investigate e-commerce systems for collection of fees and for other relevant data management.

Internal Business Risks

There are a number of risks arising from consideration of internal elements:

RISK	MITIGATION
Continuity of skilled and capable people	▪ Developing a Performance Management System ▪ Providing Training and Capacity building
Maintenance of quality expensive assets (Main wharf, Airstrip runways)	▪ Develop Asset Management Plan ▪ Identify funding requirements
Need to ensure standard operating procedures are up-to-date and satisfy relevant standards	▪ Process evaluations ▪ Drafting new SOP's
Need to modern communication and business systems for reliable data	▪ Review requirements ▪ Upgrade to financial management systems

Summary of SWOT Analysis

RMIPA stands at a pivotal point for business growth and development. Its key assets, including wharves and airstrips, offer significant potential for increased traffic and revenue, but balancing higher volumes with regulatory compliance, safety standards, and operational costs remains challenging. Airport operations rely on subsidies from seaport revenues, and while efforts are underway to boost aircraft services and market non-scheduled flights, expanding scheduled services faces regional and political hurdles. Seaport traffic, particularly from fishing vessels, presents opportunities for growth. High depreciation costs underscore the need for effective asset management and securing funds for necessary maintenance and rehabilitation, making a comprehensive Asset Management Plan essential.

3. 2024 PERIOD and ONWARD OBJECTIVES

3.1 Broad statement to reconcile key challenges and risks

RMIPA aims to establish robust mechanisms for managing port facilities commercially, focusing on financial planning, cost control, and revenue generation. A strong customer service orientation is essential, requiring clear performance standards and processes to monitor user satisfaction. As a monopoly provider, RMIPA must achieve financial goals without unfairly burdening users, necessitating a cost center-based accounting system to evaluate service costs and revenues effectively, especially when undertaking non-core government-mandated activities.

Timely and efficient service provision depends on a comprehensive Asset Management Plan to ensure proper maintenance and orderly development of facilities. Clear definitions of RMIPA's land and water jurisdiction are crucial, alongside robust safety procedures for staff and third parties operating within the ports. Environmental responsibilities, including compliance with the Marine Resources Act and international pollution regulations, require RMIPA to monitor and manage maritime activities within its boundaries.

The Authority's success hinges on the skills and commitment of its staff. Investing in staff development and fostering engagement will be critical to achieving RMIPA's operational and commercial objectives.

3.2 2024 Clear Statement of Objectives accomplishments and onward

	Key Objectives
A	Manage the Port Facilities under our control in a commercially responsible manner
B	Deliver a high quality of service for all users of the Ports and airport
C	Charge for airport and port facilities and services in a way which ensures that the cost of providing and operating the Ports is fairly shared amongst all users

D	Ensure the timely and efficient provision of the airport and port facilities required to serve both cargo and passenger traffic
E	Provide safe operating conditions for those who use or work in the airport and ports under our control
F	Develop and manage the airport and ports in harmony with the environment
G	Maintain a rewarding working environment and opportunities for skill development for employees of RMIPA

4. 2024 STRATEGIES/ACTIONS TO SATISFYING OBJECTIVES

4.1 Key Strategies

Strategic Actions	Who	Resources
A. Manage the Port and Airport Facilities under our control in a commercially responsible manner		
1. Develop a systematic financial planning model	Deputy Director	
2. Achieve RMIPA budget targets and financial performance targets	CFO	
3. Develop a practical approach to trade and revenue forecasting	Deputy Director	
4. Improve efficiencies through identifying key functions to contract-out to external service providers	Director	
5. Develop an internal audit mechanism	CFO	External Assistance
6. Develop a performance-based contract arrangement for management of Ebeye port	Deputy Director	Government Local Government
B. Deliver a high quality of service for all users of the Ports		
7. Develop KPI's and regional performance benchmarks	Deputy Director Airport/Seaport Managers	EPPSO
8. Develop processes for regular customer communications and satisfaction assessments	Managers/HR and Deputy Director	
9. Develop processes for the effective movement of shipping and cargo through the port	Airport/Seaport Managers	
10. Develop internal systems and processes for staff to foster a customer service culture	CFO	
C. Charge for airport and port facilities and services in a way which ensures that the cost of providing and operating the Ports is fairly shared amongst all users		
11. Establish clear and publicly available criteria for any exemptions to Port fees and charges	Director Airport/Seaport Managers CFO	
12. Develop a clear cost center structure for the RMIPA and adapt the port's chart of accounts to ensure that it supports the allocation of costs by cost center.	CFO	
13. Review the structure of port prices in order to ensure an appropriate balance of costs and revenues at each major cost center.	Director CFO	
D. Ensure the timely and efficient provision of the airport and port facilities required to serve both cargo and passenger traffic		

14. Develop an Asset Management Plan for full allocation of maintenance and cost estimates, including proposed funding; for all RMIPA assets including a remediation plan for existing port facilities that are in need of urgent restorative work	Airport/Seaport Managers	
15. Prepare a comprehensive Master Plan for the future development of the ports of Majuro, Ebeye and Jaluit	Director	
E. Provide safe operating conditions for those who use or work in the airport and ports under our control		
16. Clearly establish both the landward and seaward limits of the ports under the control of RMIPA	Director Airport/Seaport Managers	
17. Develop and codify operating procedures in a RMIPA operations manual	Director Airport/Seaport Managers	
18. Develop and implement a training program in safe ports working practices for all RMIPA personnel	Director Airport/Seaport Managers	
19. Develop and implement procedures and regulations to ensure that all other organizations undertaking management and operations within the ports observe safe working practices	Director Airport/Seaport Managers	
20. Establish and implement appropriate incident reporting and review systems	Director Airport/Seaport Managers	
21. Establish and implement an appropriate performance monitoring system.	Director Airport/Seaport Managers Controller	
F. Develop and manage the airport and ports in harmony with the environment		
22. Identify and clarify the obligations placed on the RMIPA through the various pieces of environmental legislation that impact on ports operations.	Director Airport/Seaport Managers	
23. Develop Memoranda of Understanding with the EPA and if necessary MIMRA and Other Government Agencies to clarify the areas of responsibility of, and interaction between, RMIPA and these bodies;	Deputy Director Airport/Seaport Managers	
24. Introduce appropriate procedures for the monitoring and control of the discharge of pollutants from Aircraft and Vessels.	Director Airport/Seaport Managers	
25. Review and refine procedures for the handling of noxious and hazardous cargoes within the ports and incorporate these in the port operations manual.	Director Airport/Seaport Managers	External Partner/National and Regional
26. Review and refine procedures for response to environmental emergencies, such as oil spills, within the port, and incorporate these within the ports' operations manual.	Director Airport/Seaport Managers	External Partner/National and Regional
27. Review and where appropriate amend Ports Regulations SOPs and Manuals to ensure that the RMIPA has the authority necessary to effectively carry out its duties with respect to environmental and climate change management and mitigations.	Director Airport/Seaport Managers	
G. Maintain a rewarding working environment and opportunities for skill development for employees of RMIPA		
28. Ensure the duties of each member of the RMIPA staff are clearly defined and that each officer has sufficient delegated authority to satisfactorily discharge those duties:	Managers/HR and Deputy Director	

29. Develop and introduce a system of information sharing and decision – making to encourage employee participation.	Managers/HR and Deputy Director	
30. Introduce a structured staff performance review and enhancement system.	Managers/HR and Deputy Director	
31. Develop and introduce a targeted employee development strategy designed to close any gaps between the skill requirements of the RMIPA and the skills and abilities of staff, both now and in the future.	Managers/HR and Deputy Director	
32. Recognize and where possible reward outstanding effort and / or achievement on the part of individual employees and / or work groups.	Deputy Director Airport/Seaport Managers CFO	

While there are some reviews being undertaken and overall performance improvements being considered and analysed, RMIPA must manage existing operations, customer relationships and earnings and ensure that the budget targets are reached.

Plans should be developed to implement customer and employee survey's and feedback in a structured manner and with regularity. These types of activities can inform future business plans and provide important and necessary inputs to policy and procedural developments.

Understanding, in a formal way, customer attitudes to port services, schedules, prices and similar will assist overall accountability and similarly, employee attitudes impact on performance and together they form the platform for the continuation and sustainability of the entity. Information on these matters, while continuing with usual operations will be of benefit during the planning period.

Budget targets should be seen as stretch targets to be achieved and monitoring of such performance should emerge early in the planning period and become a normal part of board and management activity.

5. PERFORMANCE MEASURES

5.1 SMART KPI's that relate specifically to each strategy

Strategic Actions	Measure	When
A. Manage the Port Facilities under our control in a commercially responsible manner		
1. Develop a systematic financial planning model	Model Developed	31 December 2024
2. Achieve RMIPA budget targets and financial performance targets	Positive RoE	31 December 2024
	NPAT >5%	31 December 2024
3. Develop a practical approach to trade and revenue forecasting	Forecasting Model by	31 March 2025
	Model Approved and operational by	30 January 2025
4. Improve efficiencies through identifying key functions to contract-out to external service providers	Business Process Review by	30 January 2025
	Recommendations to Board by	30 January 2025
	Service contracts in place	31 March 2025

5. Develop an internal audit mechanism	Internal Audit mechanism by	31 June 2025
	Mechanism approved and operational by	28 August 2025
6. Develop a performance-based contract arrangement for management of Ebeye port	Draft contract by	31 March 2023
	Approved by AG and operational by	30 June 2023
B. Deliver a high quality of service for all users of the Ports		
7. Develop KPI's and regional performance benchmarks	Cargo throughput	Completed 2024
	No. of Vessels	Completed 2024
	Aircraft/Ship turnaround	Completed 2024
8. Develop processes for regular customer communications and satisfaction assessments	Design customer survey	Completed 2024
	Issue survey	30 June 2025
9. Develop internal systems and processes for staff to foster a customer service culture	Board approve new SOP	Not completed
C. Charge for airport and port facilities and services in a way which ensures that the cost of providing and operating the Ports is fairly shared amongst all users		
10. Establish clear and publicly available criteria for any exemptions to Port fees and charges	Develop new fees & charges schedule + exemptions	Completed 2022
	Cabinet Submission approved	Completed 2022
11. Review the structure of port prices in order to ensure an appropriate balance of costs and revenues at each major cost center.	Develop new pricing structure	30 March 2025
	Board approval	Not yet
D. Ensure the timely and efficient provision of the airport and port facilities required to serve both cargo and passenger traffic		
12. Develop an Asset Management Plan for full allocation of maintenance and cost estimates, including proposed funding; for all RMIPA assets including a remediation plan for existing port facilities that are in need of urgent restorative work	Develop Asset Management Plan	Not completed
	Identify funding sources	Not completed
13. Prepare a comprehensive Master Plan for the future development of the ports of Majuro, Ebeye and Jaluit	Draft Master Plan developed	On-going
	Stakeholder consultations by	Not Completed
	Final Plan approved	Not Completed
E. Provide safe operating conditions for those who use or work in the airport and ports under our control		
14. Clearly establish both the landward and seaward limits of the ports under the control of RMIPA	Map criteria and limits	Completed in 2024
15. Develop and implement a training program in safe ports working practices for all RMIPA personnel	Develop training program	Not completed
	Commence implementation of program	31 March 2025
16. Develop and implement procedures and regulations to ensure that all other organizations undertaking management and operations within the ports observe safe working practices	Develop training program	On-going
	Commence implementation of program	30 June 2025
17. Establish and implement appropriate incident reporting and review systems	Implement System	Completed in 2024
18. Establish and implement an appropriate performance monitoring system.	Independent safety audit certification	Completed in 2024
F. Develop and manage the airport and ports in harmony with the environment		
19. Identify and clarify the obligations placed on the RMIPA through the various pieces of environmental legislation that impact on ports operations.	Develop register of legislation & obligations	On-going

	Determine impact on RMIPA and any resource requirements	31 July 2025
20. Develop Memoranda of Understanding with the EPA and if necessary MIMRA and Other Government Agencies to clarify the areas of responsibility of, and interaction between, RMIPA and these bodies;	Identify RMIPA obligations	30 September 2020
	MoU signed	Completed I 2024
21. Introduce appropriate procedures for the monitoring and control of the discharge of pollutants from Aircraft and Vessels.	Develop SOP	Completed in 2024
22. Review and refine procedures for the handling of noxious and hazardous cargoes within the ports and incorporate these in the port operations manual.	Develop SOP	On-going
	Presented to IMO auditors	31 October 2025
23. Review and refine procedures for response to environmental emergencies, such as oil spills, within the port, and incorporate these within the ports' operations manual.	Develop SOP	Completed in 2024
24. Review and where appropriate amend Ports Regulations SOPs and Manuals to ensure that the RMIPA has the authority necessary to effectively carry out its duties with respect to environmental and climate change management and mitigations.	Final update to SOPs and Manual	On-going
	Revised Regulations approved	31 October 2025
G. Maintain a rewarding working environment and opportunities for skill development for employees of RMIPA		
25. Ensure the duties of each member of the RMIPA staff are clearly defined and that each officer has sufficient delegated authority to satisfactorily discharge those duties:	Develop SOP Manual	On-going
26. Develop and introduce a system of information sharing and decision – making to encourage employee participation.	RMIPA intranet/newsletter system by	On-going
27. Introduce a structured staff performance review and enhancement system.	Design PMS system	On-going
	Consultations with staff by	June 2025
28. Recognize and where possible reward outstanding effort and / or achievement on the part of individual employees and / or work groups.	Part of PMS, implement by	1 October 2025

Although each strategy/action has a specific purpose there is some overlap between the proposed actions and this can prove to be beneficial and to ease the processes to implement. Developing standard operating procedures (SOPs) for some tasks will also be relevant to other tasks and some safety and environmental challenges will require similar SOPs and solutions. Ultimately, the need is for RMIPA to develop a suite of SOPs and a comprehensive operating manual to ensure that all relevant legislation, safety and environmental regulations are complied with and amid moving forward.

Proposed deadline dates reflect the need to address some issues, perhaps in priority to others, and to allocate resources towards such issues over a reasonable timeframe.

6. SUPPORT FOR GOVERNMENT POLICIES

6.1 Statement of compliance with relevant Government Policies and CSORMIPA endeavors to comply with all Government policies and directives. Compliance with the RMIPA Act 2003 intended that full compliance with the requirements and timeframes within the Act will be achieved during FY2025.

Currently, RMIPA has no CSO Agreements in place and will, during its work in FY2023 review activities and costs and draft proposals for any CSO Agreements as considered appropriate.

6.2 Statement of Support from Government and / or Development Partners and details of contracts, obligations and financial impact on business

RMIPA has no outstanding loans

RMIPA has benefitted from US federal grants and donor support for the airport and wharf developments. Year 2024 plans for further development partner assistance included:

- World Bank Maritime Infrastructure Improvement, cancelled but it will be reintroduced in fy2025
- FAA Airport Improvement Program for fy2024, Runway 25/7 Rehabilitation still on-going

- FAA Airport Improvement Program for fy2024, Evault Relocation completed in fy2024
- FAA Airport Improvement Program for fy2024, Airport AGIS still on-going completion in May2025
- US Army Corp of Engineers for fy2024, Delap Dock Security Fence Project is 98% completed in 2024

- JICA funded, new Airport Terminal design phase has commenced in fy2024 and to be completed in fy2025
- RMI/US funded, new terminal parking and a new road re-alignment project to commence design and build in May2025, with a completion date of March 2026.
- Completed the signing of a sister-port agreement between the RMIPA and the port of Kaohsiung, Taiwan.

7. FINANCIAL FORECASTS

7.1 Profit & Loss statement, Balance Sheet and Cash Flow statements

The following section presents RMIPA's Profit & Loss Statement, Balance Sheet, and Cash Flow Statements in the standardized format used for RMIPA Annual Report. These statements cover the full audited year prior to the planning period (actual), estimates for the current year, and forecasts for the next three years.

The financial objectives and measures outlined in this report focus on improving RMIPA's overall operating performance. However, significant improvements in profitability are not expected in the short term. RMIPA faces a financial challenge due to its high capital asset base, which incurs a substantial annual depreciation charge. While operating activities generally yield a cash surplus, the depreciation expense results in annual operating losses. The financial forecasts include provisions for additional capital grants and further investment to address this issue.

In previous years, RMIPA benefited from federal grants, which contributed to favorable financial returns. These grants are not anticipated during the forthcoming period. Nevertheless, despite operating losses, RMIPA's cash flow remains positive, and liquidity ratios are expected to stay strong. Efforts to review operating costs and identify new revenue opportunities will continue as part of RMIPA's strategy to monitor and improve its financial position.

7.1.1 Profit & Loss statemen

	2023 Actual	2024 Estimate	2025 Forecast	2026 Forecast	2027 Forecast
Revenue			'000s	'000s	'000s
Seaport fees	$ 2,765,607	$ 2,783,513	$ 2,786,168	$ 2,767,893	$ 2,786,674
Aviation fees	$ 867,254	$ 872,982	$ 873,663	$ 823,131	$ 831,174
Concession and lease income	$ 234,689	$ 225,822	$ 250,034	$ 221,186	$ 221,186
Other	$ 424,647	$ 412,683	$ 385,135	$ 356,583	$ 358,292
Total	**$ 4,292,197**	**$ 4,295,000**	**$ 4,295,000**	**$ 4,168,793**	**$ 4,199,326**
Recovery (provision) bad debts	$ 2,111	-	-	-	-
Total Operating Revenue	**$ 4,294,308**	**$ 4,295,000**	**$ 4,295,000**	**$ 4,168,793**	**$ 4,199,326**
Expenses					
Depreciation and Amortization	$ 3,078,614	$ 4,670,171	$ 4,642,533	$ 3,925,780	$ 3,965,038
Salaries, Wages & benefits	$ 1,495,311	$ 1,647,073	$ 1,696,472	$ 1,617,321	$ 1,622,390
Pilotage	$ 385,247	$ 334,665	$ 336,732	$ 335,216	$ 336,592
Pilot boat	$ 102,014	$ 161,563	$ 151,659	$ 174,125	$ 174,996
Land lease	$ 108,045	$ 111,813	$ 111,814	$ 111,814	$ 111,814
Utilities	$ 445,246	$ 241,027	$ 273,633	$ 265,531	$ 266,858
Training and travel	$ 333,432	$ 129,105	$ 246,080	$ 329,630	$ 327,782
Insurance	$ 57,470	$ 72,118	$ 61,533	$ 60,760	$ 60,848
Gas, oil and fuel	$ 101,424	$ 65,095	$ 66,669	$ 58,140	$ 58,431
Repairs and maintenance	$ 82,975	$ 49,304	$ 148,535	$ 36,500	$ 36,683
Communications	$ 37,899	$ 33,401	$ 35,788	$ 37,240	$ 37,426
Professional Fees	$ 39,410	$ 26,095	$ 35,336	$ 31,500	$ 30,780
Supplies	$ 49,093	$ 18,778	$ 18,882	$ 18,335	$ 18,243
Miscellaneous	$ 165,284	$ 117,650	$ 16,553	$ 153,781	$ 153,255
Total Operating Expenses	**$ 6,481,464**	**$ 7,677,858**	**$ 7,842,219**	**$ 7,155,672**	**$ 7,201,525**
Operating Profit / (Loss)	**$ (2,187,156)**	**$ (3,382,858)**	**$ (3,547,219)**	**$ (2,986,879)**	**$ (3,002,199)**
Other Revenues	$ 94,649	$ 72,456	$ 106,874	$ 101,530	$ 99,500
Other Expenses	$ (9,340)	$ (436)	$ (29,373)	$ (14,689)	$ (7,345)
Capital contributions	$ 5,103,819	$ 6,700,000	$ 7,500,000	$ 5,000,000	$ 5,000,000
Change in Net Position	**$ 3,001,972**	**$ 3,389,162**	**$ 4,030,282**	**$ 2,099,962**	**$ 2,089,956**

7.1.2 Balance Sheet and Cash Flow statements.

	2023 Actual	2024 Estimate	2025 Forecast	2026 Forecast	2027 Forecast
Assets					
Current Assets					
Cash& Deposits	$ 4,471,641	$ 4,611,899	$ 2,817,726	$ 2,210,700	$ 1,830,370
Receivables	$ 767,782	$ 574,415	$ 127,253	$ 91,622	$ 71,622
Prepaid Expenses	$ 6,474	$ 123,514	$ 17,007	$ 17,007	$ 17,007
Total Current Assets	$ 5,245,897	$ 5,309,828	$ 2,961,986	$ 2,319,329	$ 1,918,999
Capital Assets					
Non-depreciable Assets	$ 7,625,278	$ 8,387,806	$ 9,226,586	$ 10,149,245	$ 11,164,170
Depreciable Assets	$ 43,892,117	$ 48,074,630	$ 53,478,785	$ 55,322,801	$ 56,010,162
Total Capital Assets	$ 51,517,395	$ 56,462,436	$ 62,705,371	$ 65,472,046	$ 67,174,332
Other Assets	$ 1,709,205	$ -	$ -	$ -	$ -
Total Assets	$ 58,472,497	$ 61,772,264	$ 65,667,357	$ 67,791,375	$ 69,093,331
Liabilities					
Current Liabilities					
Notes Payable	$ -	$ -	$ -	$ -	$ 200,000
Accounts Payable	$ 111,168	$ 25,824	$ 47,265	$ 49,628	$ 49,628
Other liabilities & accruals	$ 2,299,717	$ 2,300,450	$ 2,143,820	$ 2,162,513	$ 1,162,513
Total Current Liabilities	$ 2,410,885	$ 2,326,274	$ 2,191,085	$ 2,212,141	$ 1,412,141
Non-current Notes Payable	$ -	$ -	$ -	$ -	$ 800,000
Total Non-current Liabilities	$ 783,310	$ 785,000	$ 785,000	$ 788,000	$ 800,000
Total Liabilities	$ 3,194,195	$ 3,111,274	$ 2,976,085	$ 3,000,141	$ 2,212,141
Net Assets	$ 55,271,828	$ 58,660,990	$ 62,691,272	$ 64,791,234	$ 66,881,190
Opening Net Position	$ 52,269,856	$ 55,271,828	$ 58,660,990	$ 62,691,272	$ 64,791,234
Change in Net Position	$ 3,001,972	$ 3,389,162	$ 4,030,282	$ 2,099,962	$ 2,089,956
Closing Net Position	$ 55,271,828	$ 58,660,990	$ 62,691,272	$ 64,791,234	$ 66,881,190

7.1.3 Balance Sheet and Cash Flow statement

	2023 Actual	2024 Estimate	2025 Forecast	2026 Forecast	2027 Forecast
Cash Flows from operating activities					
Cash received from customers	$ 3,033,995	$ 2,650,641	$ 2,625,496	$ 2,623,797	$ 2,841,461
Cash payments to suppliers	$ (1,351,142)	$ (1,480,914)	$ (2,713,357)	$ (1,945,799)	$ (1,980,912)
Cash payments to employees	$ (1,307,924)	$ (1,446,340)	$ (1,680,943)	$ (1,846,339)	$ (1,807,924)
Net cash used for operating activities	$ 374,929	$ (276,613)	$ (1,768,804)	$ (1,168,341)	$ (947,375)
Cash Flows from capital and related finance activity					
Acquisition of assets	$ (2,397,639)	$ (6,252,657)	$ (7,525,369)	$ (1,938,685)	$ (1,818,246)
Principal paid on long-term debt	$ (359,723)	$ (23,000)	$ -	$ -	$ (111,322)
Interest paid on long-term debt	$ (9,340)	$ (7,472)	$ -	$ -	$ (6,538)
Sale of Capital Assets	$ 4,501	$ -	$ -	$ -	$ 3,151
Capital contributions received	$ 5,103,819	$ 6,700,000	$ 7,500,000	$ 2,500,000	$ 2,500,000
Net Cash provided by capital and related finance activity	$ 2,341,618	$ 416,871	$ (25,369)	$ 561,315	$ 567,045
Cash flows from non-capital activity					
Cash flows from investing activity					
Net change in cash	$ 2,716,547	$ 140,258	$ (1,794,173)	$ (607,026)	$ (380,330)
Cash at beginning of year	$ 1,755,094	$ 4,471,641	$ 4,611,899	$ 2,817,726	$ 2,210,700
Cash at end of year	$ 4,471,641	$ 4,611,899	$ 2,817,726	$ 2,210,700	$ 1,830,370