

**DEZA
DEPARTMENT OF ECONOMIC AND LABOUR AFFAIRS
ISLAND TERRITORY OF BONAIRE**

**THE BONAIRE
ECONOMIC NOTE 2006**

KRALENDIJK, AUGUST 2007

FOREWORD

DEZA - the Department of Economic and Labour affairs - is proud to present the 3rd Edition of The Bonaire Economic Note, 2006.

What is different compared to the Economic Notes of 2005 and 2004 is firstly that The Bonaire Economic Note 2006, aside from the statistical figures and analysis, contains five economic evaluations. Secondly, this year's Edition contains statistics from the Bank of the Netherlands Antilles. DEZA will continue to improve upon The Bonaire Economic Note in the years to come.

This Note gives an impression of and in-depth insight into the economic development and results of the island of Bonaire in the year 2006, often in comparison to previous years. Implicitly or explicitly, the analysis in this Note also looks forward to the current year, 2007.

DEZA has the aspiration that the Bonaire Economic Note 2006 will provide informational and inspiring reading material, and will contribute to the realization of future plans and investments on Bonaire.

DEZA extends its gratitude to all those who contributed in making The Bonaire Economic Note 2006 possible.

Jeffrey Levenstone

Kralendijk, Bonaire
August 2007

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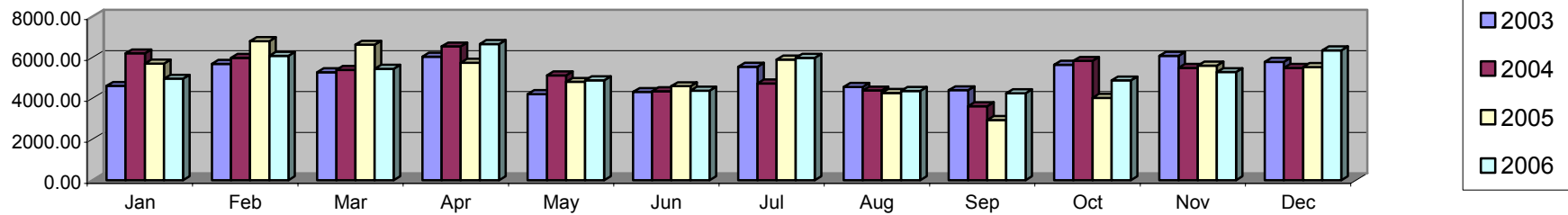
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TOURISM (source: Tourism Corporation Bonaire)

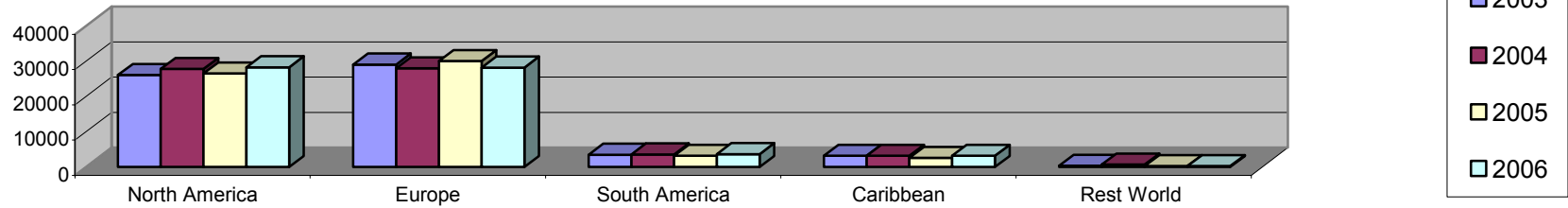
A. TOTAL ARRIVALS PER COUNTRY

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals 2006	Totals 2005	% Change	Market Share 2006	Market Share 2005
North America																	
USA	2.150	2.483	2.501	2.445	1.943	2.322	2.841	1.962	1.778	1.661	2.012	2.692	26.790	25.363	5.6	42.15	40.55
Canada	173	214	214	151	55	40	56	71	35	66	146	290	1.511	1.157	30.6	2.38	1.85
	2.323	2.697	2.715	2.596	1.998	2.362	2.897	2.033	1.813	1.727	2.158	2.982	28.301	26.520	6.7	44.53	42.40
Europe																	
Netherlands	1.154	2.085	1.612	1.749	1.661	1.088	1.622	1.175	1.355	1.641	1.695	2.009	18.846	20.676	(8.9)	29.65	33.06
Germany	132	197	177	229	106	88	58	100	142	180	186	114	1.709	2.072	(17.5)	2.69	3.31
Great Britain	115	152	187	336	303	240	264	244	247	265	260	158	2.771	2.790	(0.7)	4.36	4.46
Belgium	42	55	51	75	65	22	53	29	41	55	70	35	593	722	(17.9)	0.93	1.15
Switzerland	107	57	47	77	38	22	79	42	52	72	78	40	711	714	(0.4)	1.12	1.14
Sweden	111	52	35	27	35	26	42	7	29	47	138	107	133	622	(78.6)	0.21	0.99
Norway	11	25	20	31	35	8	19	1	11	43	32	5	71	175	(59.4)	0.11	0.28
Finland	34	22	24	22	12	25	20	4	10	14	25	17	59	274	(78.5)	0.09	0.44
France	48	40	45	45	21	3	15	11	9	22	33	35	91	294	(69.0)	0.14	0.47
Italy	38	42	43	50	16	24	28	109	19	18	21	83	120	463	(74.1)	0.19	0.74
Other	477	93	96	101	96	53	78	109	100	102	156	167	1.628	1.264	28.8	2.56	2.02
	2.269	2.820	2.337	2.742	2.388	1.599	2.278	1.831	2.015	2.459	2.694	2.770	28.202	30.066	(6.2)	44.38	48.07
South America																	
Venezuela	128	137	80	271	97	99	132	140	88	249	99	122	1.642	1.632	0.6	2.58	2.61
Colombia	19	21	17	23	15	30	28	11	7	19	14	24	228	222	2.7	0.36	0.35
Brazil	48	187	44	104	41	56	70	19	63	41	108	53	834	415	101.0	1.31	0.66
Peru	10	25	14	52	26	25	70	21	25	35	21	43	367	278	32.0	0.58	0.44
Ecuador	7	11	10	54	10	14	25	10	8	7	9	24	189	251	(24.7)	0.30	0.40
Other S.A.	17	38	26	61	46	27	33	48	34	18	10	13	371	354	4.8	0.58	0.57
	229	419	191	565	235	251	358	249	225	369	261	279	3.631	3.152	15.2	5.71	5.04
Caribbean																	
Aruba	81	81	162	632	191	112	374	203	154	267	111	224	2.592	2.018	28.4	4.08	3.23
Other Caribbean	46	47	35	104	60	34	59	27	28	43	30	56	569	554	2.7	0.90	0.89
	127	128	197	736	251	146	433	230	182	310	141	280	3.161	2.572	22.9	4.97	4.11
Rest World																	
	15	21	14	20	17	21	22	23	14	15	34	41	257	240	7.1	0.40	0.38
Tourist Arrivals 2006	4.963	6.085	5.454	6.659	4.889	4.379	5.988	4.366	4.249	4.880	5.288	6.352	63.552	62.550	1.60	100.00	100.00
Tourist Arrivals 2005	5.702	6.798	6.623	5.742	4.808	4.599	5.897	4.272	2.942	4.029	5.603	5.535	62.550				
Tourist Arrivals 2004	6.201	5.982	5.391	6.539	5.130	4.352	4.736	4.387	3.624	5.836	5.492	5.486	63.156				
Tourist Arrivals 2003	4.612	5.693	5.277	6.045	4.216	4.317	5.544	4.558	4.401	5.648	6.081	5.787	62.179				
% Change 2005-2006	(13.0)	(10.5)	(17.7)	16.0	1.7	(4.8)	1.5	2.2	44.4	21.1	(5.6)	14.8	1.6				
% Change 2004-2005	(8.0)	13.6	22.9	(12.2)	(6.3)	5.7	24.5	(2.6)	(18.8)	(31.0)	2.0	0.9	(1.0)				
% Change 2003-2004	34.5	5.1	2.2	8.2	21.7	0.8	(14.6)	(3.8)	(17.7)	3.3	(9.7)	(5.2)	1.6				
Total Excursionists	6	1	2	11	3	2	3	1	-	-	4		33	25	32.0		
Total Visitors	4.969	6.086	5.456	6.670	4.892	4.381	5.991	4.367	4.249	4.880	5.292	6.352	63.585	62.575	1.61		
Stayover in Paid Accom.	41.959	45.389	37.473	42.039	33.544	29.395	42.180	28.591	29.032	29.654	35.394	40.557	435.207	428.091	1.66		
Stayover in Non Paid Accom.	16.759	18.646	14.500	15.684	12.085	14.131	18.215	12.219	10.506	11.251	14.091	27.913	186.000	158.846	17.09		
Total Stayover Nights	58.718	64.035	51.973	57.723	45.629	43.526	60.395	40.810	39.538	40.905	49.485	68.470	621.207	586.937	5.84		
Average Length of Stay	11.83	10.52	9.53	8.67	9.33	9.94	10.09	9.35	9.31	8.38	9.36	10.78	9.77	9.66	1.14		
Occupancy Rate	73.00	88.00	65.00	74.00	57.00	56.00	75.00	51.00	51.00	51.00	64.00	85.00	66.00	64.00	3.13		
Cruise Passengers	7.685	11.598	7.580	4.761	693	-	464	732	753	819	12.658	14.101	61.844	40.077	54.31		
Cruise Calls	5	8	6	5	1	-	4	5	8	9	14	13	78	89	(12.36)		

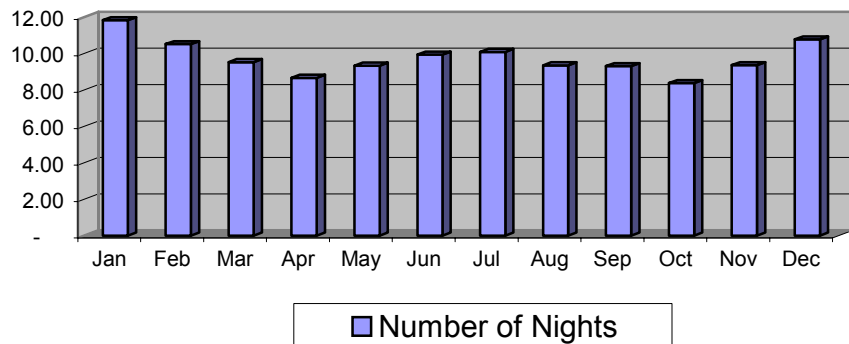
Estimated Total Arrivals per Month



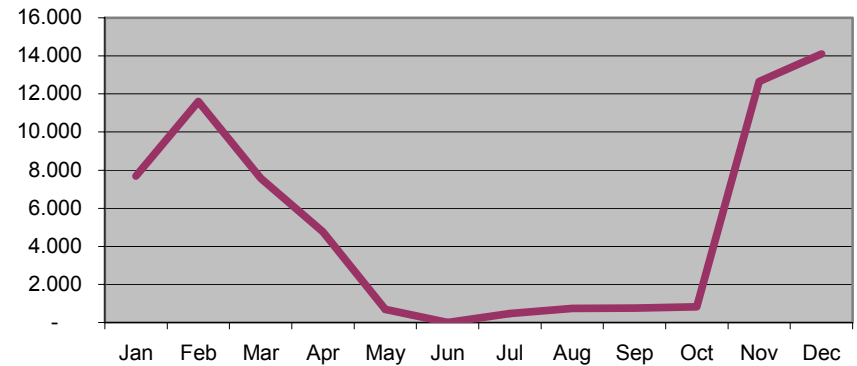
Total Arrivals per Region



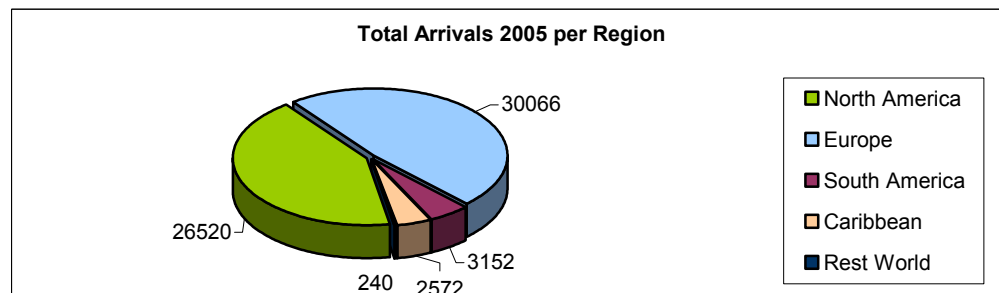
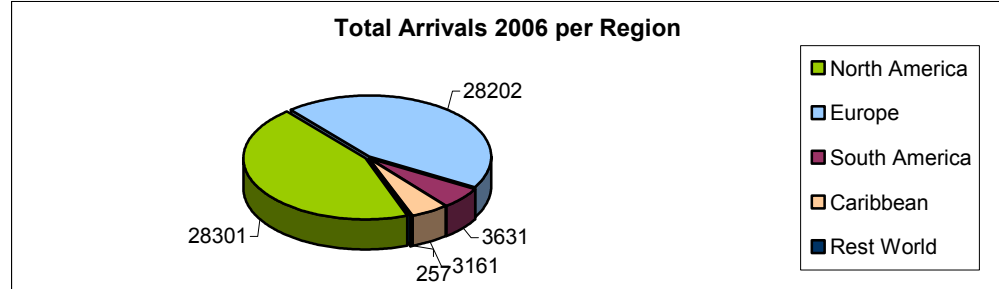
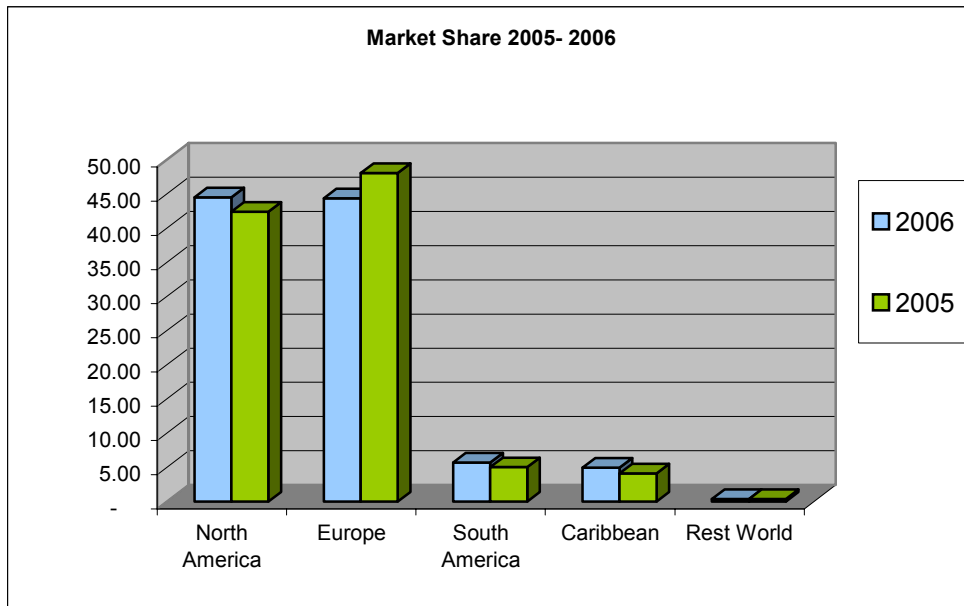
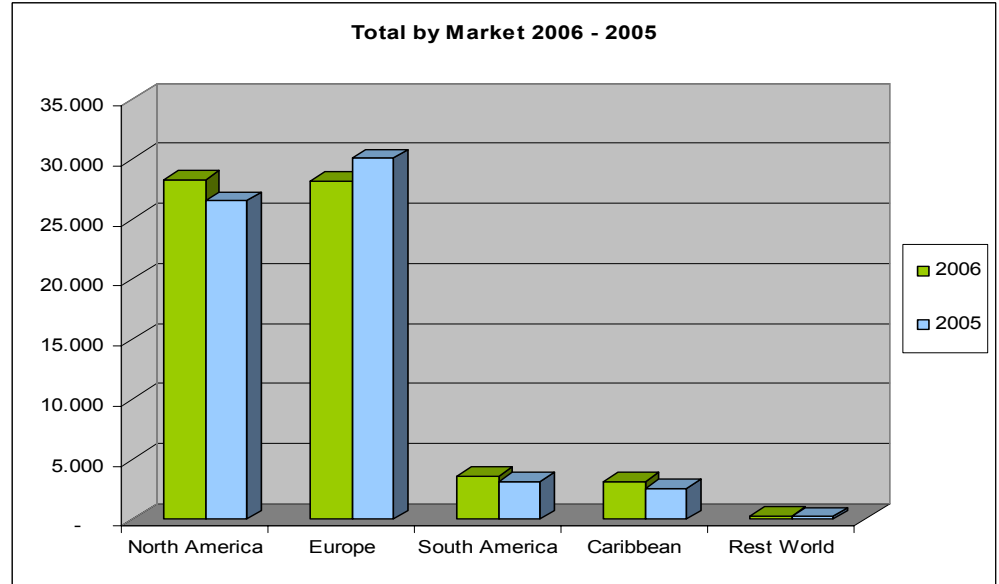
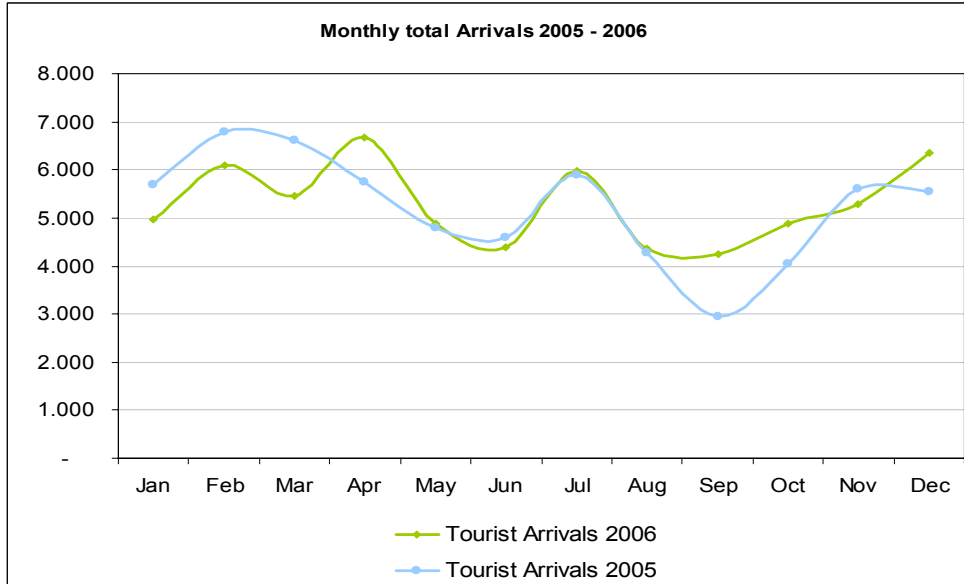
2006 Average Length of Stay



2006 Cruiseship Passengers per Month



B. MONTHLY ARRIVALS, MARKET SHARE AND ARRIVALS PER REGION



TOURISM (Tourism Corporation Bonaire)

More people visited Bonaire in 2006 than in 2005. There was an increase from 62,550 to 63,552 tourists, representing a growth of approximately 1.6%. After suffering a slight decrease in tourism arrivals of 1% in 2005, the island's total tourist arrivals has improved to end positively when looking back at the whole year 2006. The increases in tourism arrivals in the North American, South American, Caribbean, and other tourism-markets have compensated a decrease in arrivals from our European tourism-market. Increases and decreases are attributable mainly to seat capacity available to the island.

In 2006, there was an increase of 5.6% in year-over-year growth from the United States when compared with 2005, and North America achieved an overall growth of 6.7%. The major influencer of the increase in 2006 North American tourism arrivals was additional airlift. The total number of weekly inbound seats to the island from North America reached a level that exceeds the number of seats in the tourism-marketplace prior to the cessation of the three Air Jamaica flights in 2005, that being 785 vs. 765. The 30% increase in tourist arrivals from Canada can be attributed to the improvements in airlift. In this regard, the success story of the first ever non-stop flight to Bonaire serviced by Continental which flies Houston - Bonaire non-stop has proven to be a great asset to the island, both for U.S. and Canadian tourists. American Eagle's increase in number of flights per week has also helped the North American tourism-market to bounce back in 2006.

In 2006, the European tourism-market decreased by 6.2% when compared with 2005 arrivals. Bonaire's main tourism-market, the Netherlands, experienced a decrease of 8.9%. The other European tourism-markets show a higher decrease. Historically, Bonaire has always received between 28.000 and 30.000 European tourists per year. Total arrivals in 2006 were 28,202 which is a fluctuation once again caused by a decrease in available seat capacity. However, efforts to compensate this loss through stimulation of traffic via neighbouring islands as per the summer period of 2006 have been successful. It wasn't till after the summer season that a positive trend became noticeable with the introduction of Arkefly in November 2006.

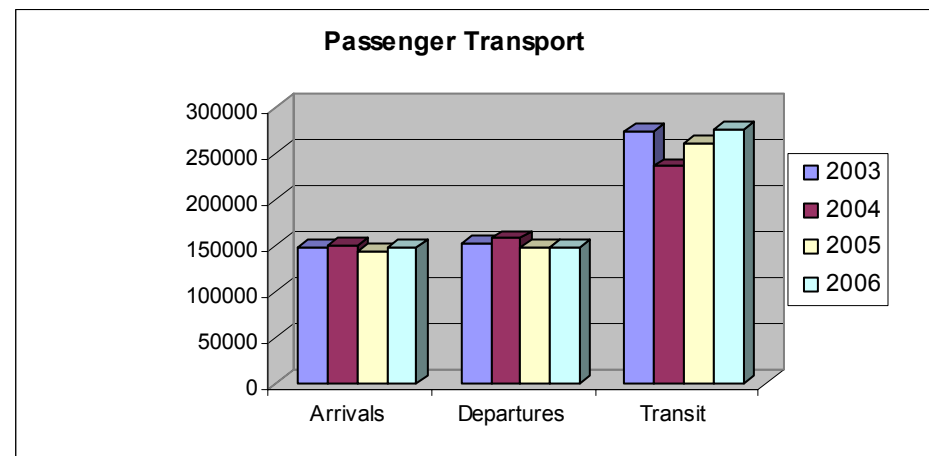
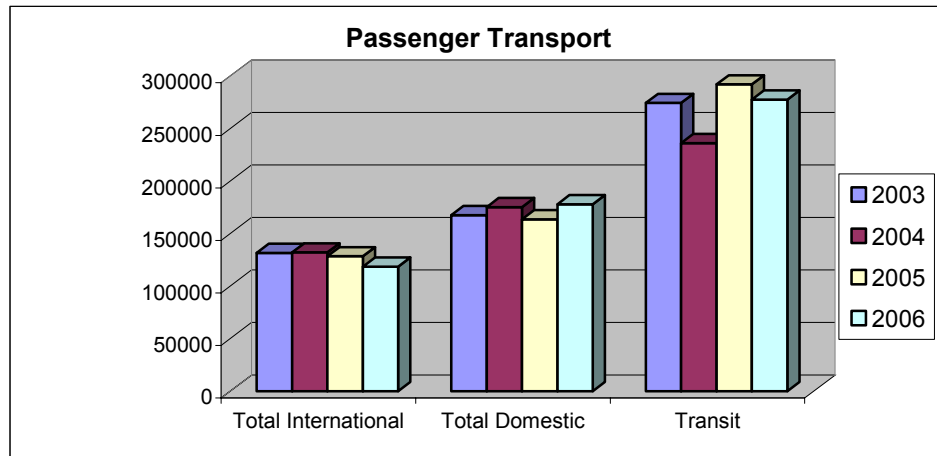
The South American tourism-market in 2006 experienced a 15.2% year-over-year growth when compared with 2005, with the main contributor being the Brazilian tourism-market, due to increased tourism-marketing efforts in 2005. Only the Equatorian tourism-market has shown a decrease in 2006. Venezuela, Colombia, Peru and other South American destinations have performed positively.

Total tourism arrivals from the Caribbean region, with Aruba being the main tourism market, have increased from a total of 2,572 to 3,161 visitors in 2006.

2. BONAIRE INTERNATIONAL AIRPORT (source: BIA)

A. PASSENGER TRANSPORT

	2005/2006					2005/2006					2005/2006				
	2006 ARR	2005 ARR	2004 ARR	2003 ARR	% CHG ARR	2006 DEP	2005 DEP	2004 DEP	2003 DEP	% CHG DEP	2006 TOTAL	2005 TOTAL	2004 TOTAL	2003 TOTAL	% CHG TOTAL
International															
Scheduled	57425	58970	61158	62991	-2.62	57387	62636	65368	62997	-8.38	114812	121606	126526	125988	-5.59
Non-Scheduled	774	2348	1732	1365	-67.04	749	2457	1945	1644	-69.52	1523	4805	3677	3009	-68.30
Non-Commercial	1022	1050	900	1298	-2.67	1124	950	912	1282	18.32	2146	2000	1812	2580	7.30
Total International	59221	62368	63790	65654	-5.05	59260	66043	68225	65923	-10.27	118481	128411	132015	131577	-7.73
Domestic															
Scheduled	65203	60739	70206	65386	7.35	64757	61397	72694	67520	5.47	129960	122136	142900	132906	6.41
Non-Scheduled	23313	19782	15386	16353	17.85	23449	20302	16012	17227	15.50	46762	40084	31398	33580	16.66
Non-Commercial	416	523	358	431	-20.46	668	798	573	634	-16.29	1084	1321	931	1065	-17.94
Total Domestic	88932	81044	85950	82170	9.73	88874	82497	89279	85381	7.73	177806	163541	175229	167551	8.72
Total Int'l/Domestic	148153	143412	149740	147824	3.31	148134	148540	157504	151304	-0.27	296287	291952	307244	299128	1.48
Transit											277505	260465	229407	272567	6.54
Total General	148153	143412	149740	147824	3.31	148134	148540	157504	151304	-0.27	573792	552417	536651	571695	3.87

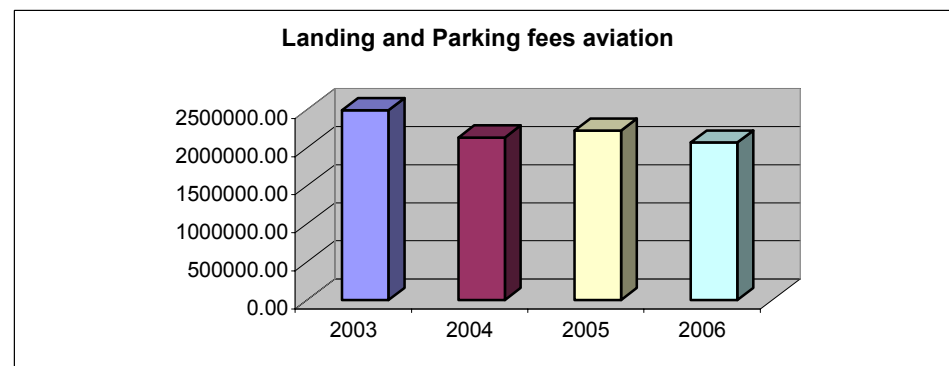
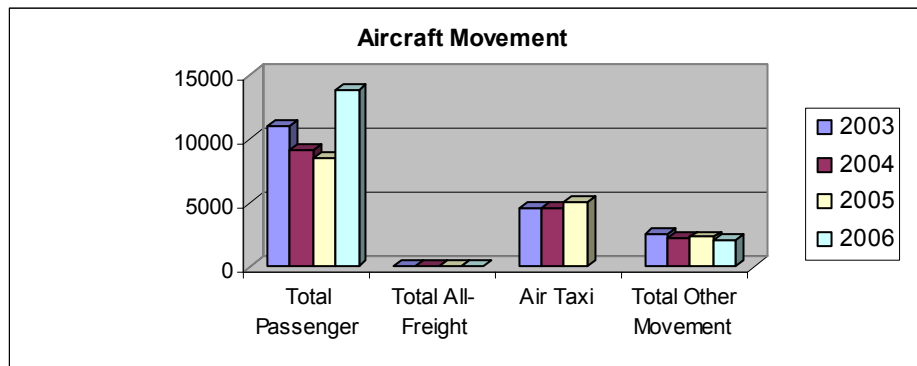


	2006 ARR	2005 ARR	2004 ARR	2003 ARR	2006 DEP	2005 DEP	2004 DEP	2003 DEP
International	39.97%	43.49%	42.60%	44.41%	44.46%	44.46%	43.32%	43.57%
Domestic	60.03%	56.51%	57.40%	55.59%	55.54%	55.54%	56.68%	56.43%

B. AIRCRAFT MOVEMENT

		2005/2006					2005/2006					2005/2006				
		2006	2005	2004	2003	% CHG	2006	2005	2004	2003	% CHG	2006	2005	2004	2003	% CHG
		Dom.	Dom.	Dom.	Dom.	Dom.	Int'l	Int'l	Int'l	Int'l	Int'l	Total	Total	Total	Total	Total
Commercial Air Transport																
Passenger	Scheduled	3981	4083	4826	5847	-2.50	3577	3963	4020	4835	-9.74	7558	8046	8846	10682	-6.07
	Non-Scheduled	6220	5115	4676	4680	21.60	92	406	193	187	-77.34	6312	5521	4869	4867	14.33
	Total	10201	9198	9502	10527	10.90	3669	4369	4213	5022	-16.02	13870	13567	13715	15549	2.23
All-Freight	Scheduled	0	0	10	48	0.00	0	0	10	52	0.00	0	0	20	100	0.00
	Non-Scheduled	0	5	1	0	-100.00	2	5	1	0	-60.00	2	10	2	0	-80.00
	Total	0	5	11	48	-100.00	2	5	11	52	-60.00	2	10	22	100	-80.00
Total Passenger & Freight	Scheduled	3981	4083	4836	5895	-2.50	3577	3963	4030	4887	-9.74	7558	8046	8866	10782	-6.07
	Non-Scheduled	6220	5120	4677	4680	21.48	94	411	194	187	-77.13	6314	5531	4871	4867	14.16
	Total	10201	9203	9513	10575	10.84	3671	4374	4224	5074	-16.07	13872	13577	13737	15649	2.17
Air Taxi*	Non-Scheduled		0	0	0			0	0	0			0	0	0	
Total Commercial Air Transport		10201	9203	9513	10575	10.84	3671	4374	4224	5074	-16.07	13872	13577	13737	15649	2.17
Other movement	General Aviation	691	839	612	591	-17.64	987	1268	1469	1778	-22.16	1678	2107	2081	2369	-20.36
	Military/Police	60	37	30	18	62.16	0	0	0	0		60	37	30	18	62.16
	Government	1	2	0	0	-50.00	1	2	0	2	-50.00	2	4	0	2	-50.00
	Local	31	39	74	46	-20.51						31	39	74	46	-20.51
	Training	367	136	0	111	169.85	2	0	0	0	0.00	369	136	0	111	171.32
Total	1150	1053	716	766	9.21	990	1270	1469	1780	-22.05	2140	2323	2185	2546	-7.88	
Total General		11351	10256	10229	11341	10.68	4661	5644	5693	6854	-17.42	16012	15900	15922	18195	0.70
Landing and Parking fees aviation (in Nafis)												2,067,995	2,223,239	2,132,878	2,491,751	-6.98

* In previous years, Air Taxi Non-Scheduled was listed separately. Since 2006, these amounts are included in Commercial Air Transport-Passenger-Non Scheduled



BONAIRE INTERNATIONAL AIRPORT

In 2006, overall passenger transport increased nearly 4%, due to an increase in Transit (6.54%) and Domestic (8.72%) passengers. International passengers decreased by almost 8% overall, attributable to the decrease of two weekly KLM flights (a reduction from 26 to 24), and the cancellation of Dutch Antillean Express' (DAE) Bonaire-Aruba-Bonaire flight in August 2005. Conversely, overall domestic passengers increased 8.72% due to an increase in flights from DAE, Charters E-Liner, and Insel Air.

Non-Scheduled passenger transport shows a decrease of 68.3%, however, it must be taken into account that prior to 2006 Transaven Airlines had been operating as a Non-Scheduled air charter. In 2006, Transaven began to operate as a Scheduled air charter, thus the cause for the great difference in numbers.

New to the Economic Note are the "Landingsrechten", or "Landing Fees" for Bonaire International Airport (BIA). When comparing the preceding four years, in 2006 BIA collected NAfl. 2.067.995 in Landing Fees, compared with NAfl. 2.491.751 in 2003, representing an overall decline of 17%. Causes for the decrease over the years are DCA (Dutch Caribbean Express) decreasing its flights in 2003 until it stopped flying altogether in October 2004, Air Jamaica reducing its flights to once weekly in 2005, and, as previously mentioned, the reduction of KLM's flights from 26 to 24 per week.

With the introduction of ArkeFly in November of 2006, and the addition of Continental Airlines' once weekly flight (Bonaire-Newark-Bonaire), international passenger transport for 2007 looks promising.

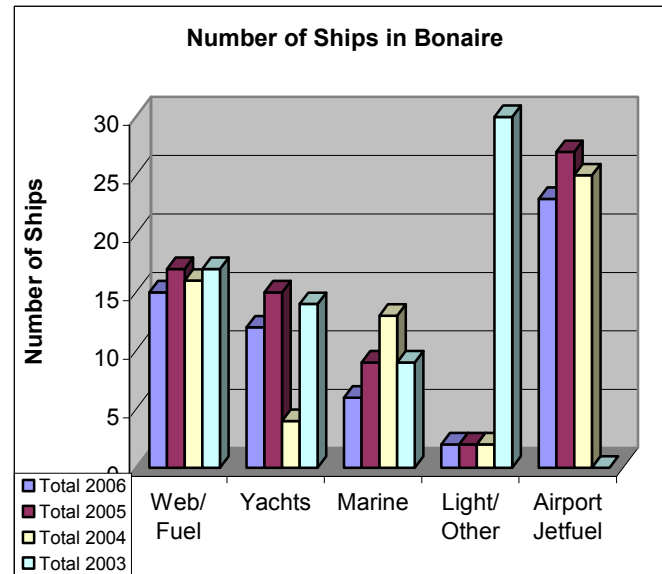
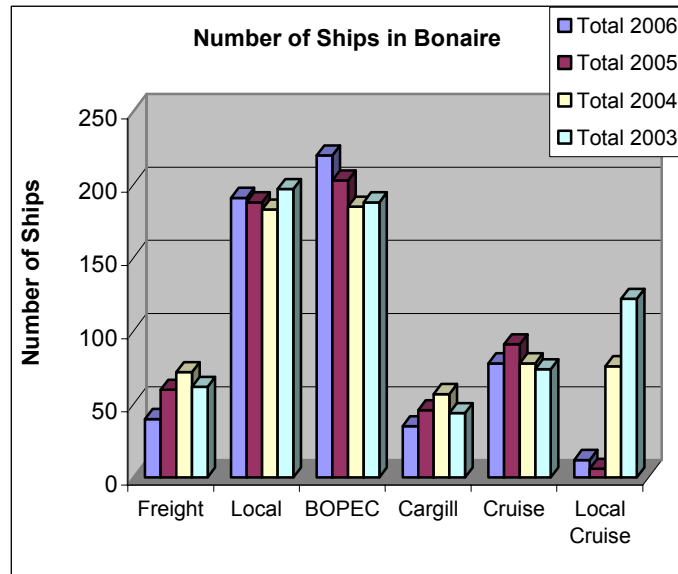
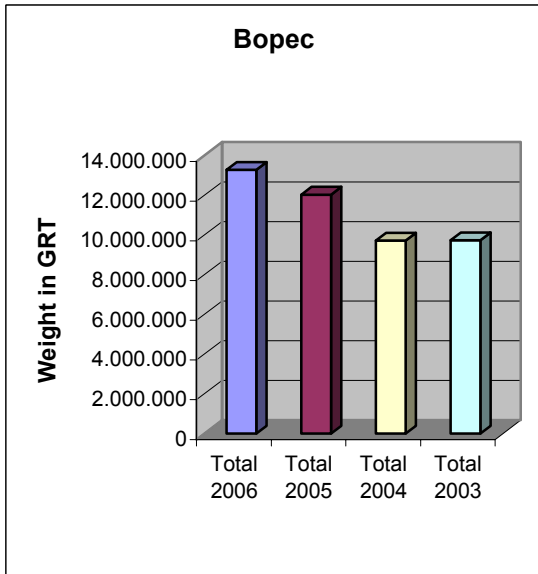
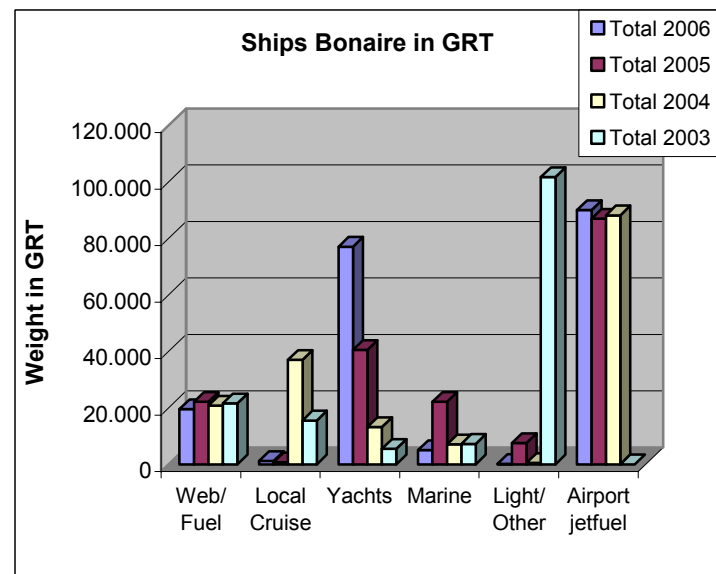
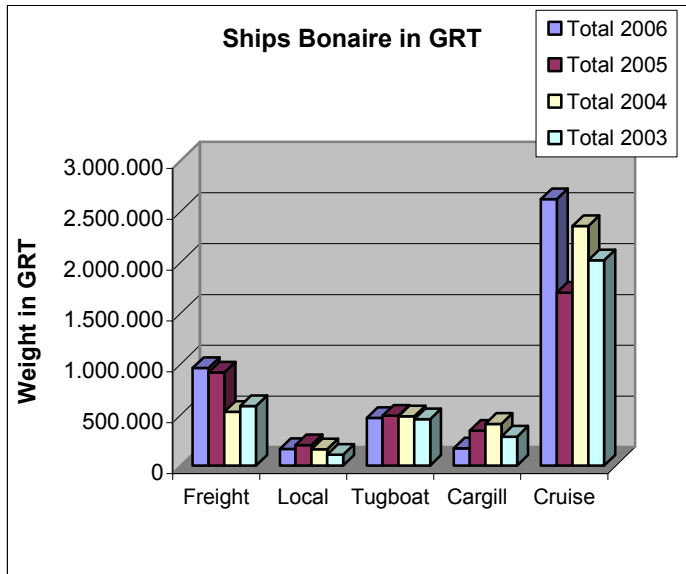
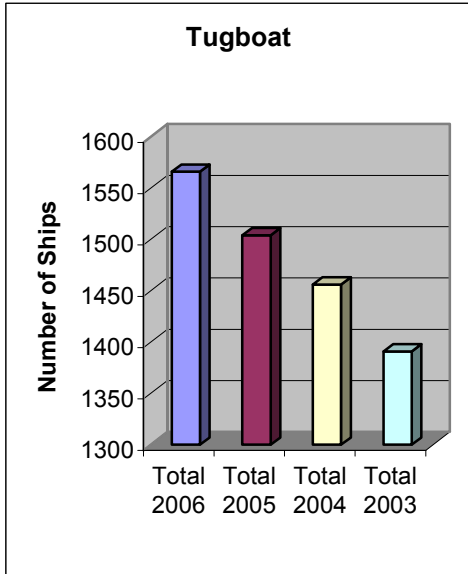
3. HARBOUR (source: Harbour & Piloting Department)

A. NUMBER OF SHIPS BONAIRE

Month	Freight	Local	Tugboat	Bopec	Cargill	Cruise	Web/Fuel	Loc.Cruis.	Yachts	Marine	Light/Other	Airport Jetfuel	Total 2006	Total 2005	Total 2004	Total 2003
January	2	11	100	13	2	5	1	0	0	0	0	1	135	168	187	161
February	2	14	126	19	3	8	1	2	1	1	0	2	179	176	173	192
March	3	18	120	15	3	6	2	0	2	2	0	2	173	213	204	189
April	3	19	172	25	2	5	1	1	0	2	0	2	232	221	157	271
May	4	22	133	20	5	1	1	0	0	1	0	2	189	200	171	181
June	5	16	174	26	1	0	0	0	0	0	0	2	224	180	159	124
July	4	14	166	25	4	4	2	0	0	0	0	2	221	184	148	197
August	6	14	144	21	6	5	1	1	0	0	0	2	200	145	143	179
September	2	14	132	17	3	8	1	0	1	0	1	2	181	139	166	133
October	2	14	90	11	2	9	2	8	0	0	1	2	141	209	208	208
November	2	18	119	17	3	14	1	0	1	0	0	2	177	162	217	150
December	5	17	90	11	1	13	2	0	7	0	0	2	148	171	234	163
Total 2006	40	191	1566	220	35	78	15	12	12	6	2	23	2200	..	..	..
Total 2005	60	188	1504	203	46	91	17	6	15	9	2	27	..	2168	..	..
Total 2004	72	183	1456	185	57	78	16	76	4	13	2	25	..	..	2167	..
Total 2003	62	197	1391	188	44	74	17	122	14	9	30	0	..	..	..	2148

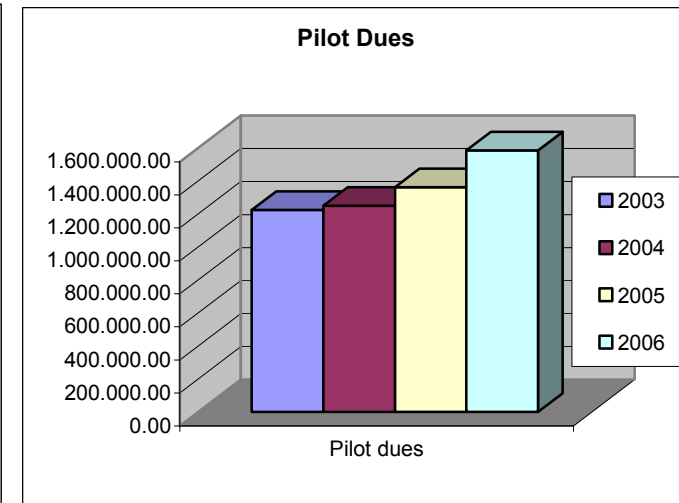
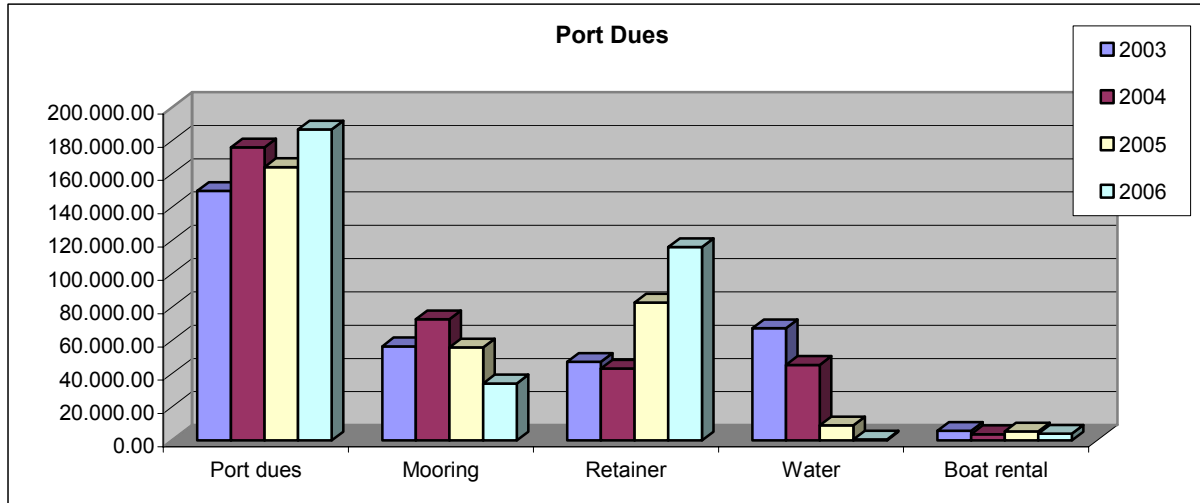
B. SHIPS BONAIRE IN GRT

Month	Freight	Local	Tugboat	Bopec	Cargill	Cruise	Web Fuel	Local Cruise	Yachts	Marine	Light Other	Airport jetfuel	Total 2006	Total 2005	Total 2004	Total 2003
January	50.996	11.606	29.740	839.532	17.220	295.395	1.302	0	0	0	0	4.666	1.250.457	1.152.748	1.362.059	924.683
February	30.849	13.709	37.382	1.105.491	4.702	450.981	1.302	182	3.268	0	0	6.676	1.654.542	1.261.955	1.524.978	1.418.985
March	102.332	13.848	35.649	832.887	18.269	290.510	2.604	0	3.403	412	0	8.004	1.307.918	2.949.558	1.310.773	1.520.177
April	80.300	10.654	50.842	1.513.064	1.214	189.688	1.302	116	0	4.440	0	9.332	1.860.952	1.411.328	952.902	1.609.992
May	52.305	15.832	39.560	1.174.209	26.068	37.983	1.302	0	0	206	0	8.004	1.355.469	1.368.098	801.867	1.064.893
June	94.394	14.086	51.702	1.669.612	2.514	0	0	0	0	0	0	6.676	1.838.984	1.126.957	873.379	727.677
July	87.866	12.479	52.001	1.413.221	30.365	39.120	2.604	0	0	0	0	8.004	1.645.660	1.123.534	822.388	1.208.034
August	99.896	13.709	43.377	1.203.894	15.434	40.860	1.302	116	0	0	0	8.004	1.426.592	969.793	650.743	1.035.969
September	89.925	11.864	39.231	1.125.319	18.915	46.080	1.302	0	683	0	67	8.004	1.341.390	746.625	1.075.662	600.539
October	38.870	13.709	26.914	632.115	16.341	55.860	2.604	753	0	0	67	6.676	793.909	1.370.285	965.503	1.225.911
November	83.837	16.923	35.420	1.183.448	18.829	553.411	1.302	0	187	0	0	8.004	1.901.361	1.053.531	1.306.581	822.167
December	149.100	14.582	26.848	596.789	1.094	620.945	2.604	0	69.524	0	0	8.004	1.489.490	1.330.919	2.180.402	1.110.733
Total 2006	960.670	163.001	468.666	13.289.581	170.965	2.620.833	19.530	1.167	77.065	5.058	134	90.054	17.866.724	..	..	..
Total 2005	916.776	200.037	489.897	12.034.711	343.719	1.700.214	22.134	696	40.477	22.146	7.561	86.963	..	15.865.331	..	..
Total 2004	529.809	159.328	483.384	9.721.947	410.451	2.356.000	20.832	37.026	13.213	7.084	470	88.163	..	..	13.827.237	..
Total 2003	584.199	107.400	456.476	9.745.654	284.588	2.016.912	21.582	15.536	5.502	7.241	101.670	0	..	..	..	13.269.760



C. PILOT AND PORT DUES

Month	Pilot dues	Port dues	Mooring	Retainer	Water	Boat rental	Total 2006	Total 2005	Total 2004	Total 2003
January	89.630.00	15.124.00	4.200.00	1.059.00	0.00	0.00	110.013.00	125.261.00	148.073.00	116.433.50
February	133.552.00	18.947.00	4.650.00	9.028.00	0.00	1.225.00	167.402.00	135.047.50	159.961.75	140.769.75
March	108.715.00	17.451.00	6.000.00	1.534.00	0.00	525.00	134.225.00	170.055.00	144.862.50	164.461.00
April	180.006.00	11.938.00	3.600.00	3.879.40	0.00	1.225.00	200.648.40	149.535.00	124.642.75	183.786.25
May	124.470.00	6.350.00	3.957.00	27.403.00	0.00	1.050.00	163.230.00	170.893.25	105.120.25	126.174.00
June	191.074.00	7.888.00	600.00	10.813.00	0.00	0.00	210.375.00	151.365.25	112.743.75	98.231.25
July	149.936.00	10.584.00	0.00	11.581.00	0.00	0.00	172.101.00	151.902.75	122.884.75	147.567.00
August	141.616.00	11.016.00	0.00	9.908.00	0.00	0.00	162.540.00	117.347.00	83.828.50	134.872.50
September	128.316.00	10.777.00	0.00	17.920.00	0.00	0.00	157.013.00	92.025.00	119.594.00	85.514.75
October	93.195.00	10.190.00	0.00	4.305.00	0.00	0.00	107.690.00	154.430.50	114.744.00	145.313.50
November	145.611.00	28.540.00	3.300.00	9.986.00	0.00	0.00	187.437.00	122.904.00	155.430.00	95.651.00
December	99.544.00	37.998.00	7.800.00	8.675.00	526.25	0.00	154.543.25	139.594.25	199.804.00	113.335.00
Total 2006	1.585.665.00	186.803.00	34.107.00	116.091.40	526.25	4.025.00	1.927.217.65	..	..	..
Total 2005	1.363.257.00	164.160.00	55.815.00	82.765.00	9.025.00	5.338.50	..	1.680.360.50	..	..
Total 2004	1.250.923.00	175.934.00	72.767.00	43.109.00	45.281.25	3.675.00	..	..	1.591.689.25	..
Total 2003	1.225.701.50	149.795.00	56.475.00	47.058.00	67.408.00	5.672.50	..	..	..	1.552.110.00



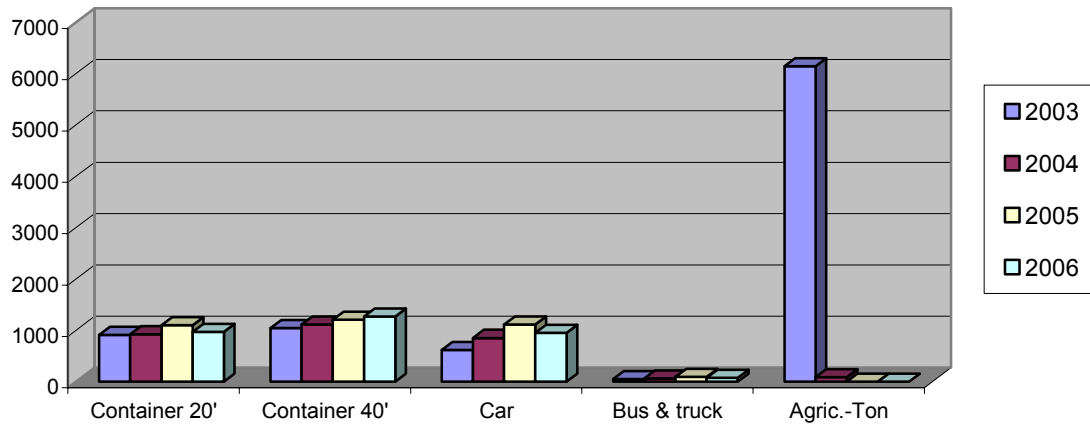
D. REGISTERED CARGO

Month	Container 20'	Container 40'	Car	Bus & truck	Loose Cargo-Ton	Agric.-Ton
January	63	82	58	7	220	0
February	64	87	42	9	2567	0
March	98	114	91	13	330	0
April	64	106	179	7	280	0
May	88	93	64	4	2736	0
June	85	99	71	7	5645	0
July	78	95	44	6	238	0
August	100	105	84	4	3195	0
September	77	109	73	8	283	0
October	79	115	58	4	2305	0
November	79	139	70	5	644	0
December	95	122	114	1	2439	0
Total 2006	970	1.266	948	75	20.882	0
Total 2005	1.100	1.205	1.111	94	34.590	0
Total 2004	926	1.113	853	63	1.701	88
Total 2003	912	1042	618	51	6790	6146

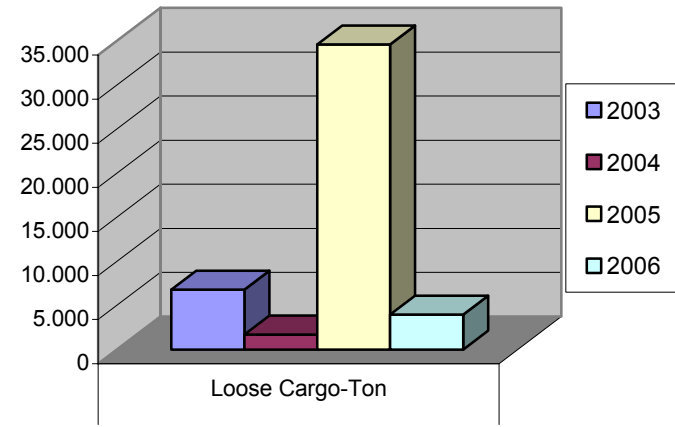
E. PORTS RIGHTS AND RETRIBUTIONS

Month	Container 20'	Container 40'	Car	Truck Freight	Loose Cargo-Ton	Agric.	Total 2006	Total 2005	Total 2004	Total 2003
January	5.040.00	9.840.00	1.015.00	175.00	385.00	0.00	16.455.00	20.939.00	19.221.71	19.327.50
February	5.120.00	10.440.00	735.00	225.00	4.491.41	0.00	21.011.41	19.125.00	16.851.50	19.955.63
March	7.840.00	13.680.00	1.592.50	325.00	577.50	0.00	24.015.00	28.456.26	20.722.50	16.530.00
April	5.120.00	12.720.00	3.132.50	175.00	490.00	0.00	21.637.50	32.084.76	21.300.63	24.395.95
May	7.040.00	11.160.00	1.120.00	100.00	4.788.70	0.00	24.208.70	20.644.75	17.475.63	18.078.13
June	6.800.00	11.880.00	1.242.50	175.00	9.879.45	0.00	29.976.95	23.788.25	21.510.00	15.967.50
July	6.240.00	11.400.00	770.00	150.00	416.50	0.00	18.976.50	40.413.13	24.949.75	24.172.25
August	8.000.00	12.600.00	1.470.00	100.00	5.590.38	0.00	27.760.38	24.900.88	19.443.13	17.408.13
September	6.160.00	13.080.00	1.277.50	200.00	495.25	0.00	21.212.75	23.699.95	23.625.00	46.080.00
October	6.320.00	13.800.00	1.015.00	100.00	4.033.75	0.00	25.268.75	23.437.25	22.645.38	47.249.13
November	6.320.00	16.680.00	1.225.00	125.00	1.127.00	0.00	25.477.00	28.348.26	22.240.00	23.100.00
December	7.600.00	14.640.00	1.995.00	25.00	4.267.55	0.00	28.527.55	28.912.50	25.469.38	23.335.63
Total 2006	77.600.00	151.920.00	16.590.00	1.875.00	36.542.49	0.00	284.527.49	..	..	..
Total 2005	88.000.00	144.600.00	19.267.50	2.350.00	60.532.49	0.00	..	314.749.99	..	..
Total 2004	74.080.00	133.560.00	14.927.50	1.575.00	29.775.61	1.536.50	..	..	255.454.61	..
Total 2003	72.960.00	125.040.00	10.815.00	1.275.00	74.753.56	10.756.29	..	..	..	295.599.85

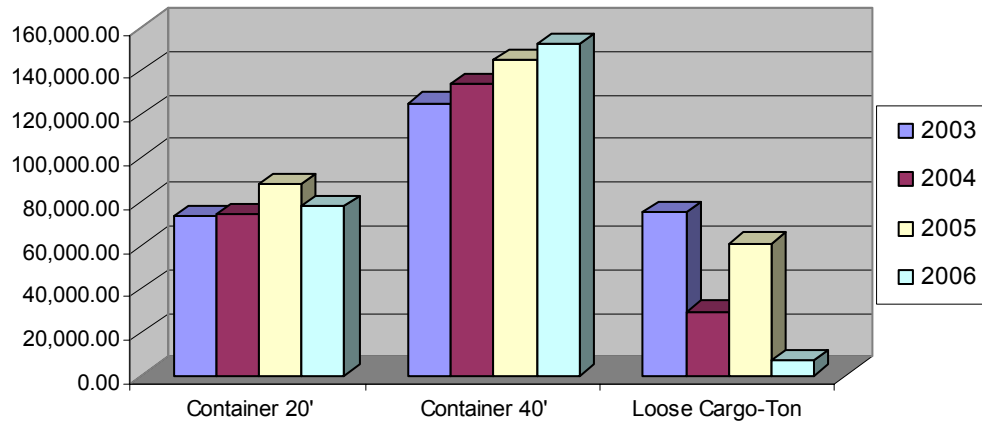
Registered Cargo



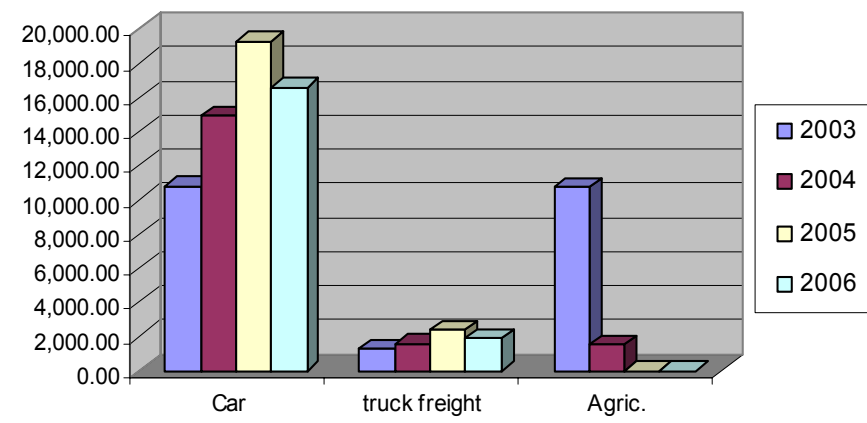
Registered Cargo



Ports Rights and Retributions



Ports Rights and Retributions



HARBOUR

Freight ships

In 2006 there has been a decrease in ships transporting freight: from 60 ships in 2005 to 40 ships in 2006. This diminished activity of 33% is due to the fact that the local freight ship "Don Andres" was temporary out of service because of repairs abroad. In 2005 the number of ships decreased with 17% and in 2004 there was an increase of 16%.

Despite the sharp decrease in the number of ships with freight in 2006 there was a slight increase of 5% in GRT (gross tonnage), so also in the total weight of the goods they carried. In 2005 there was a much higher increase in GRT of 73% and in 2004 the GRT decreased with 9%.

These ships represent mainly car carriers, cargo carriers and bulk carriers.

Tugboats and tankers

In 2006 more tugboats were used to assist the tankers (1.566, that is 4% more than in 2005), due to the fact that more tankers frequented Bonaire compared to 2005: 17 extra tankers, an increase of 8%.

It is also noticeable that the tankers were bigger in 2006. In 2006, 24 VLCCs (Very Large Crude Carriers) of 160.000 GRT docked at Bonaire, while the average tanker visiting Bonaire is of 60.407 GRT.

These two facts combined had an increasing effect on the gross tonnage (GRT) in 2006 of 10%. In 2005 there was an increase in GRT of 24%, while in 2004 there was little change.

Local Cruise ships

Local cruise ships are those making oversea trips between Curaçao and Bonaire, and vice versa. After the booming years 2002, 2003 and 2004 for local cruise ships (500 in 2002, 122 in 2003 and 76 in 2004), the amount of local cruise ships visiting Bonaire dropped drastically to a total of 6 in 2005. In 2006 there was a slight recovery noticeable, with 12 local cruise ships visiting Bonaire.

In 2002 there were a total of 493 trips (average of 9.4 per week) because of the introduction of a local ferry which was doing trips between Bonaire and Curaçao. One year later, its activities dropped drastically by 78% to 103 trips (average of 1.9 per week). The decrease was largely due to the cessation of its activities in May 2003. Almost one year after the last trip another ferry/ cargo ship began with local oversea trips. The capacity of Tribon was much higher than Chogogo, and it was responsible for an average of 1.5 trips per week. Unfortunately, this ferry stopped its activities at the end of 2004, after being active for only 9 months.

In total, 78 non-local cruise ships visited Bonaire in 2006, nearly the same level as in 2004 and 2003, but 13 less (- 14%) than in 2005. However, in GRT terms there is a noticeable growing trend, with a dip in 2005. This means that the capacity per cruise ship visiting Bonaire is growing, so (more) larger ships are visiting Bonaire. Compared to 2005, less cruise ships visited Bonaire in 2006, but they account for a much higher GRT due to their larger size.

Non-local cruise	Ships	Change compared to previous year	GRT	Change compared to previous year
Total 2006	78	-14%	2,620,833	54%
Total 2005	91	17%	1,700,214	-28%
Total 2004	78	5%	2,356,000	17%
Total 2003	74		2,016,912	

Airport jet fuel ships

The figure of airport jet fuel shows a decrease of 4 ships transporting fuel for the Flamingo airport. There has been a decline in flights of some airlines, which has affected the number of ships carrying jet fuel to Bonaire.

Pilot and port dues

The result of the bigger tankers and the larger car carriers visiting Bonaire means that more pilot dues are gained. Larger ships pay higher dues. All ships of 50 GRT or more that makes use of pilot services pay pilot dues.

As a result, pilot dues have increased by 16% in 2006 compared to 2005, or approximately NAfls 1.6 million compared with approximately NAfls 1.4 million.

The result is that port dues have also shown a positive gain in 2006. These revenues have increased by 14% compared to 2005, and have even reached the highest level over the last 4 years, of roughly NAfls. 187,000.00.

Mooring fees

Port dues only include ships mooring at the 4 government. The mooring fee represents the use of the pilot boat to embark and disembark the pilot, and to help with the mooring and unmooring of the ships. Larger cruise ships, cargo ships, and car carriers mainly use this service.

The mooring revenues have diminished by 39% in 2006, the lowest level in 4 years. The cause of this decrease is because the pilot boat that forms an important part in the mooring-process was out of service for a period of 4 months (since July until October 2006) thus causing a negative effect on the mooring revenues.

Retainer fees

The retainer fee represents a 20% surcharge on the pilot dues for every extra half hour of pilot services.

Obviously Bigger ships pay higher pilot dues and thus are charged higher retainer fees.

The revenues from the retainer fees have continued rising since 2005, while there were low figures noticeable in 2004 (43.109) and 2003 (47.058). In 2005 (82.765) these revenues almost doubled due to visits of VLCCs. Due to the increase of tankers (VLCCs) in 2006, the revenues based on the retainer fees have also augmented significantly.

Water revenues

In 2005, the delivery of fresh water to the ships was affected by a technical problem at the Northern pier. The pipeline was damaged and water could not be provided through the usual water meter of the harbor. The pipeline was not fixed until November 2006 and thus income could not be generated before December 2006. This is clearly noticeable in the figures of table C (Pilot and Port dues, water).

Boat rental

The revenue from boat rental have decreased by 25% in 2006 and represents the rental of the pilot boat that gives service by embarking and disembarking people and goods from the ships, which are lying outside the port of Kralendijk.

Registered cargo

There has been less registered cargo in 2006 than the previous year. The figures show only an increase of registered 40' containers, while the rest have decreased. The loose-cargo displays a decrease of 39.65% in 2006 compared to 2005. This loose-cargo ton represents mainly sand and cement for construction. The sand is imported from Curaçao and the cement from Venezuela. In 2006, Bonaire imported 4.200 metric tons of sand and 12.726 metric tons of cement intended for the construction sector.

Ports rights and retributions

The ports rights and retributions have decreased by 12% and represent fees charged for the use of the pier upon arrival only. These fees vary according to the size of the container, with different fees for cars, buses, trucks, and a per tonnage fee of loose-cargo.

With less import of registered cargo, the ports rights and retributions have also decreased accordingly. The decrease in income on loose-cargo can be attributed to the transporting of more and more loose-cargo in containers. Previously, loose-cargo was transported on the deck of ships; presently loose-cargo is transported in containers, which is more effective and efficient.

Conclusion

Overall in 2006, compared to previous years, the harbor of Bonaire generated more revenues due to more activity.

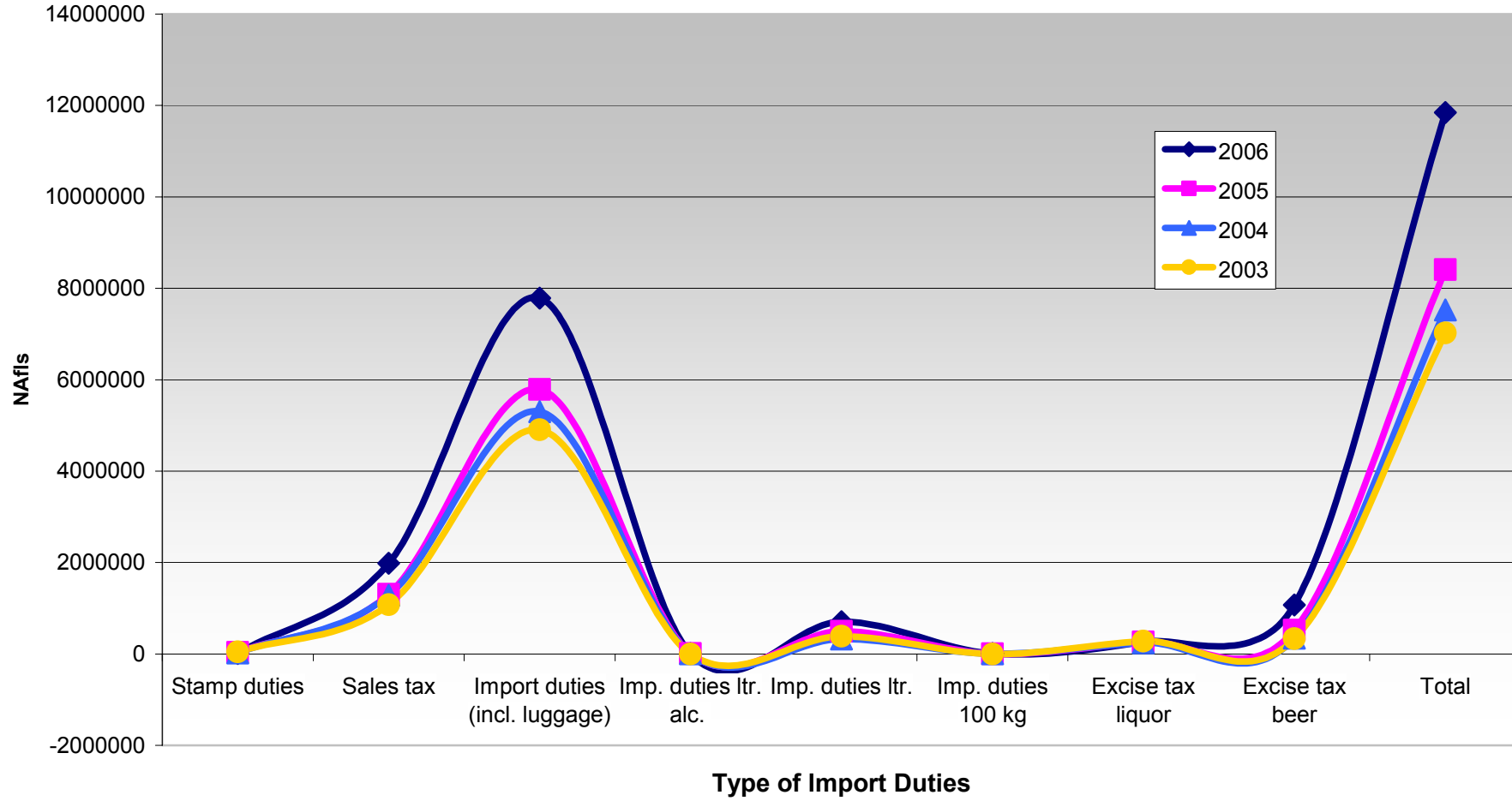
4. CUSTOM DUTIES (source: Customs Office)

CUSTOM DUTIES AND TAXES

Type of Import Duties/Tax	January	February	March	April	May	June	July	August	September	October	November	December	Total 2006
Stamp duties	565.00	262.50	710.00	262.50	165.00	1.752.50	1.037.50	337.50	1.442.50	785.00	692.50	2.362.50	10.375.00
Sales tax	149.996.70	130.830.60	137.652.64	123.983.88	155.001.56	186.206.59	148.890.66	177.512.94	174.020.75	193.951.60	253.338.70	151.471.69	1.982.858.31
Import duties	532.888.41	486.172.21	580.094.93	654.443.49	603.177.42	712.031.05	535.623.64	667.672.73	681.735.60	742.232.89	752.283.34	839.088.35	7.787.444.06
Imp. duties ltr. alc.	314.30	2.655.60	404.10	671.00	760.60	180.50	493.60	489.10	585.50	628.80	779.60	758.00	8.720.70
Imp. duties ltr.	55.187.40	28.144.40	68.019.20	74.360.70	45.912.70	71.210.10	58.660.10	31.452.50	111.897.00	61.585.60	58.324.70	43.897.00	708.651.40
Imp. duties 100 kg	3.117.90	166.60	335.70	4.433.40	409.80	307.00	86.70	463.20	67.10	57.80	251.70	399.00	10.095.90
Excise tax liquor	11.960.10	35.278.90	15.377.80	25.592.10	28.968.50	6.898.90	18.823.20	18.588.60	22.303.10	24.024.70	29.810.50	28.897.20	266.523.60
Excise tax beer	116.024.40	15.825.60	119.684.40	102.057.60	64.362.00	126.640.80	84.908.40	39.805.80	199.184.40	86.667.60	57.151.20	57.858.00	1.070.170.20
Total 2006	870.054.21	699.336.41	922.278.77	985.804.67	898.757.58	1.105.227.44	848.523.80	936.322.37	1.191.235.95	1.109.933.99	1.152.632.24	1.124.731.74	11.844.839.17
Excise tax gasoline	406.743.75	393.079.88	374.753.41	441.265.99	394.297.06	409.620.45	395.657.19	388.924.03	391.293.37	385.355.30	415.683.06	420.833.70	4.817.507.19
DVL (servicecharge)	10.102.48	16.877.00	14.900.55	27.339.65	33.496.98	9.658.50	31.639.90	28.255.40	36.036.92	22.439.50	33.347.80	32.315.75	296.410.43

Type of Import Duty	2006	2005	2004	2003	Change 2006/2005
Stamp duties	10.375	34.743	21.520	43.278	-70%
Sales tax	1.982.858	1.303.834	1.282.096	1.076.859	52%
Import duties (incl. luggage)	7.787.444	5.786.913	5.301.956	4.904.555	35%
Imp. duties ltr. alc.	8.721	6.894	2.859	0	26%
Imp. duties ltr.	708.651	493.137	327.130	387.310	44%
Imp. duties 100 kg	10.096	2.364	910	0	327%
Excise tax liquor	266.524	261.480	245.200	281.769	2%
Excise tax beer	1.070.170	520.598	342.708	331.831	106%
Total	11.844.839	8.409.963	7.524.380	7.025.602	41%

Custom Duties and Taxes



CUSTOM DUTIES

The imports show a seasonal pattern: in June an August till December more is imported. Consequently in these months the import revenues are higher.

There are four kinds of import duties:

- a. Import duties 100 kg: products like sugar, butter and margarine fall into this category. The duties are charged per 100 kg.
- b. Import duties alcohol: products like strong alcoholic beverages (whisky, rum, etc) fall into this category. The duties are charged per case.
- c. Import duties liter: products like soft drinks, mineral water, drink yoghurt, malta, wine fall into this category. The duties are charged per liter.
- d. Import duties: All other products that are not free of duties (see below) fall into this category. The duties are charged ad valorem, so based on the total value of the imported product, more specifically labeled as the CIF value. CIF stands for Costs, Insurance and Freight.

Products that are free of duties are for example flour, cooking oil, cheese, potatoes, rice, milk and books. The philosophy behind this is that they are “bare necessity” products.

The huge growth of revenues from “import duties 100 kg” is due to the fact that the separate administration of these revenues on a regular basis and in a systematic manner began in October 2005. Before that, these revenues for the greatest part were registered in the general category “Import duties”.

Only one category, stamp duties, showed a decrease of 70% in revenues over the year 2006 compared with the previous year. The stamp duties are collected on transit goods. For example, an imported motor/engine for a yacht that is temporarily in Bonairean waters. The decrease of revenues in this category is due to the fact that the Venezuelan government put a stop to what was considered the misuse which Venezuelan boats made of the opportunity to import mainly whisky and cigarettes through Bonaire to Venezuela at a relatively low cost.

The figures of the revenues from excise tax on gasoline and from DVL (“dienstverlening”, that is service charge) are not available over previous years and are therefore not included in the graph. The revenues from excise tax gasoline are a responsibility of the Financial department (“Ontvanger”). Since 2006 the Financial department informs the Customs Office of these revenues, so in turn the Customs Office includes these revenues in their figures for the Bonaire Economic Note. As can be seen in the chart the category “excise tax on gasoline” is a major source of income for Bonaire.

In 2006, the Bonaire Customs Office collected more import duties, sales tax and excise tax than in previous years. This is due to the fact that more products, especially beer and other beverages, were imported directly from abroad (Holland, USA) by entrepreneurs established in Bonaire. This significant change came about primarily as the consequence of a combination of five factors or developments:

1. The closing of the beer factory in Curaçao.
2. The direct import from Holland of beer to the island of Bonaire.
3. The end of market protection for Antillean-made products per January 2005.
4. An increase of the freight paid over imported goods from the USA, resulting in higher revenues from import duties and import taxes, both of which are based on the CIF-value.
5. A growing optimism in 2006 among the entrepreneurs of Bonaire regarding the economic prospects of the island.

The combined effect of above mentioned factors was the creation of more possibilities for and greater profit from the direct import of good to the island of Bonaire. This in turn resulted in more goods being imported to Bonaire in 2006 compared to the previous years. The expectations are that this positive, growing trend will continue in 2007.

5. ECONOMIC AND LABOUR AFFAIRS (source: DEZA)

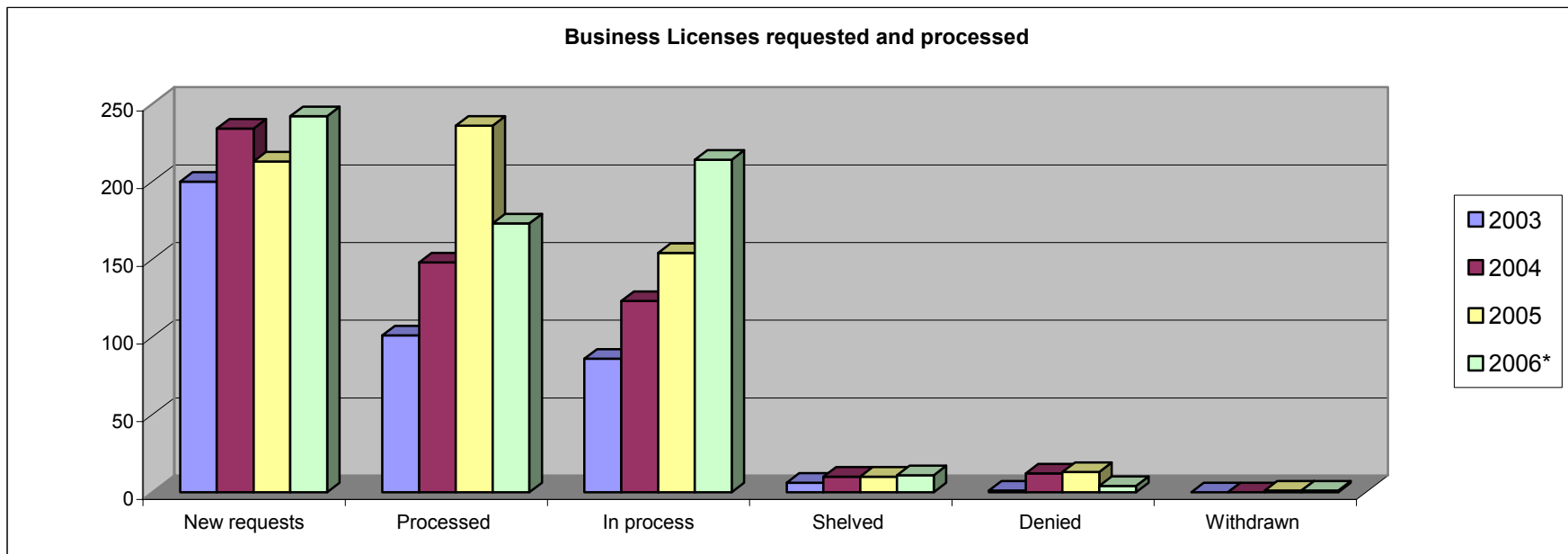
A. LICENSES AND PERMITS

a. Business Licenses Requested and Processed

	2003	2004	2005	2006*	Change 2003/2004	Change 2004/2005	Change 2005/2006
New requests	200	234	213	242	34	-21	29
Processed	101	148	236	173	47	88	-63
In process	86	123	154	214	37	31	60
Shelved	6	10	10	11	4	0	1
Denied	1	12	13	4	11	1	-9
Withdrawn	0	0	1	1	0	1	0

2006*: the requests processed, in process, and denied, include requests of previous years.

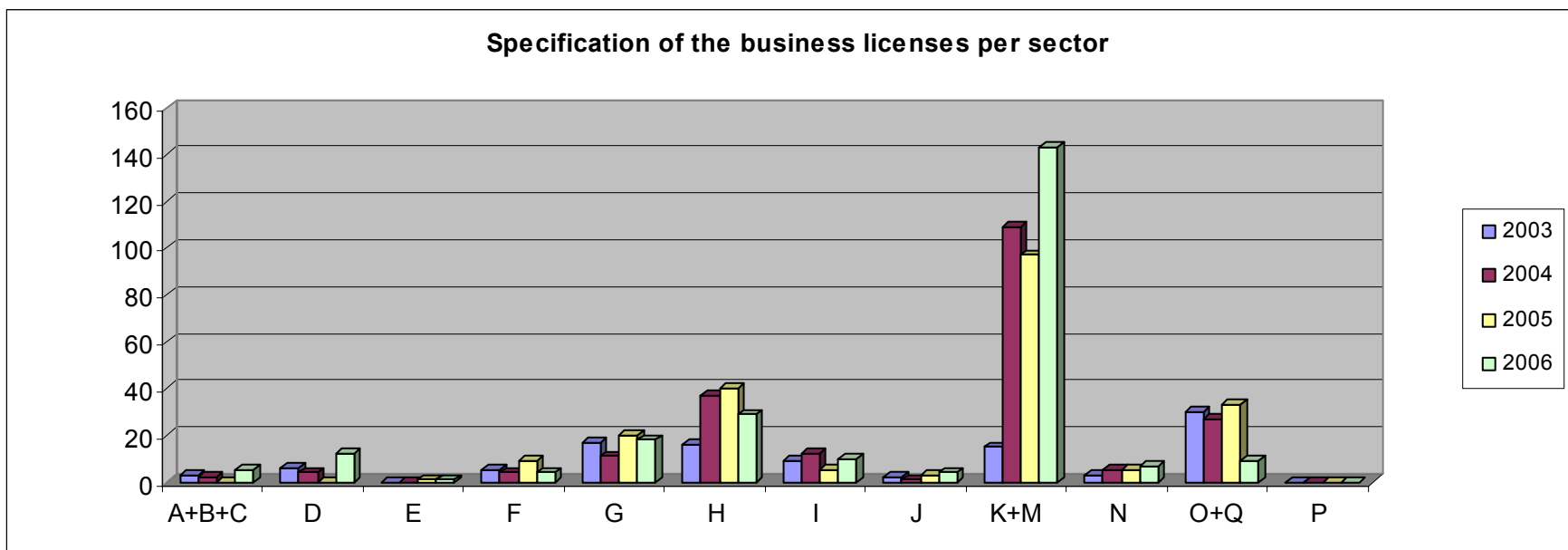
Breakdown of New Requests	2006
Change of Address	22
Change of Name	7
Change of Objective	31
Change of Legal Body	8
Branch	15
Withdrawal	6
One-man business	21
New Business Licenses	132
Total	242



b. Specification of the New Business Licenses Requested per Sector

SECTOR		2003	2004	2005	2006	Change 2003/2004	Change 2005/2004	Change 2005/2006	% CHG 05/06
A+B+C		3	2	1	5	-1	-1	4	400%
D	Manufacturing	6	4	2	12	-2	-2	10	500%
E	Public utilities: electricity, gas and water	0	0	1	1	0	1	0	0%
F	Construction	5	4	11	4	-1	7	-7	-64%
G	Wholesale and retail trade	17	11	23	18	-6	12	-5	-22%
H	Hotels and restaurants	16	37	41	29	21	4	-12	-29%
I	Transport, storage and communication	9	12	5	10	3	-7	5	100%
J	Finance	2	1	3	4	-1	2	1	33%
K+M	Real estate, business services and education	15	109	113	143	94	4	30	27%
N	Healthcare and social work	3	5	5	7	2	0	2	40%
O+Q	Other services, social and personal services, extra-territorial organizations	30	27	8	9	-3	-19	1	13%
P	Households with domestic personnel	0	0	0	0	0	0	0	
Total		106	212	213	242	106	1	29	14%

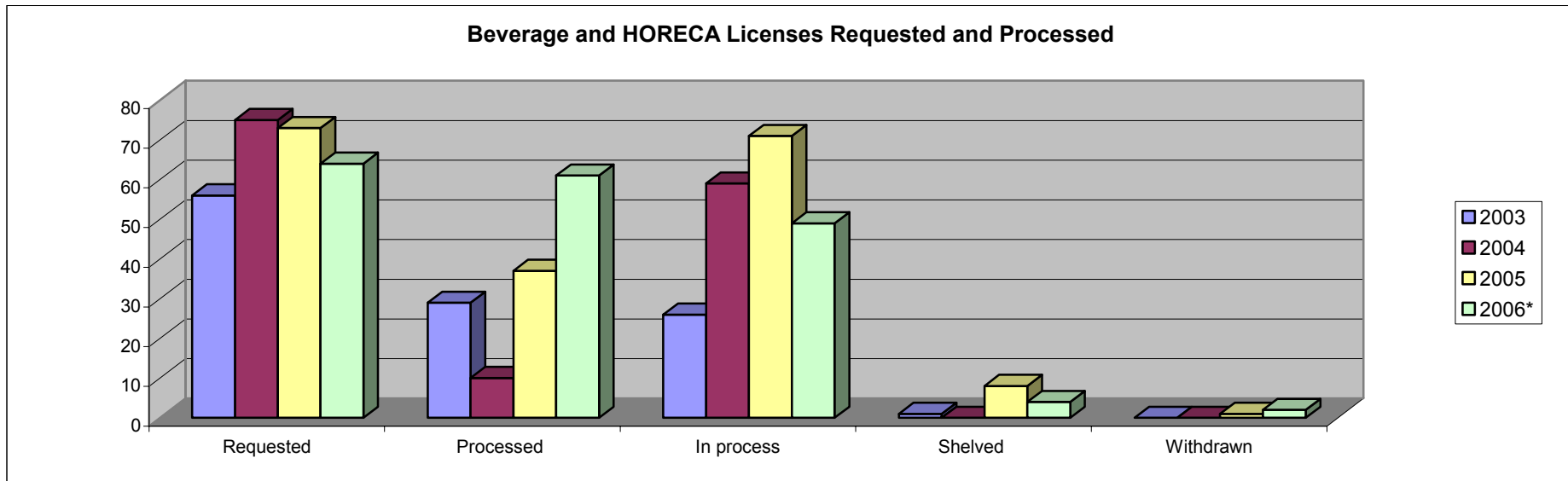
Specification of the business licenses per sector



c. Beverage & HORECA Licenses Requested and Processed

	2003	2004	2005	2006*	Change 2003/2004	Change 2004/2005	Change 2005/2006
Requested	56	75	73	64	19	-2	-9
Processed	29	10	37	61	-19	27	24
In process	26	59	71	49	33	12	-22
Shelved	1	0	8	4	-1	8	-4
Withdrawn	0	0	1	2	0	1	1

2006*: the requests processed, in process, and denied, include requests of previous years.



Beverage and HORECA Licenses per Type of Request

Bar	Rest.	Music Dance	Beer	Snack	Domino	Billard	Liquor	Wholes.	Take-out	Icehouse	Apartm.	Hotel	Accom.	Withdr.	Exten.	Tot.	
11	10	5	5	3	6	1	0	8	0	4	4	2	1	0	0	2	62

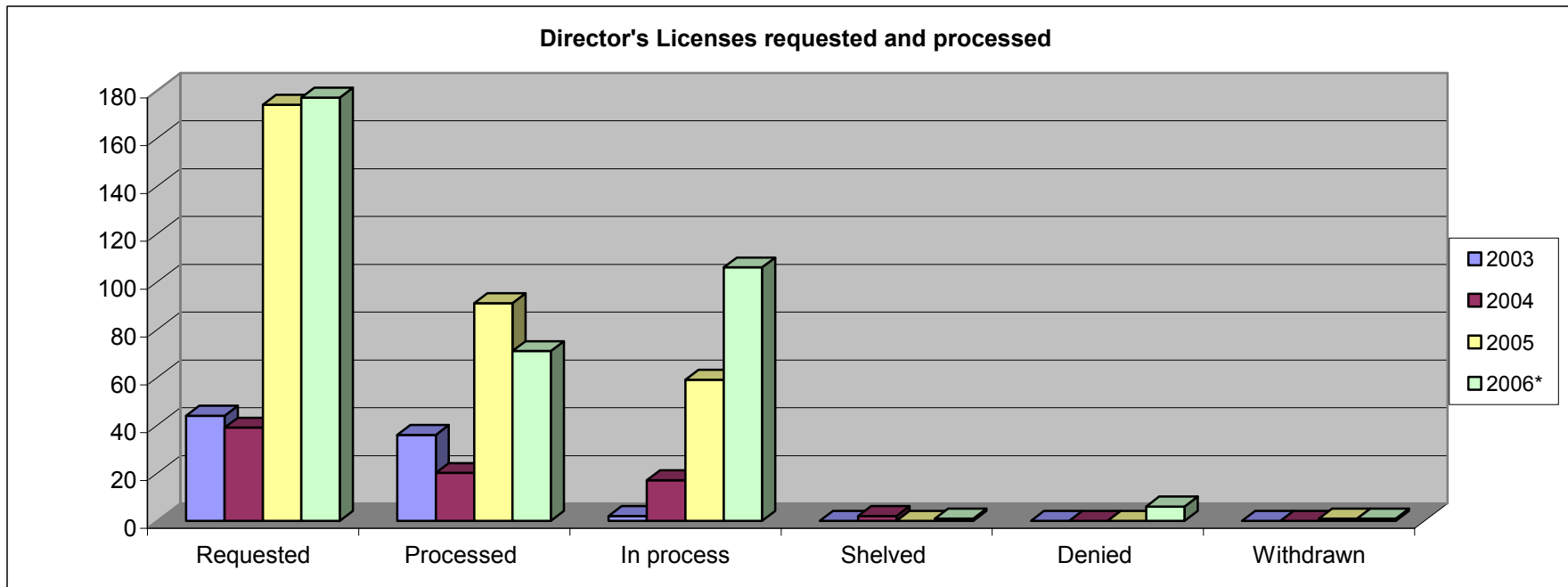
The 62 businesses applied for 12 different combinations of HORECA licenses.

d. Director's Licenses Requested and Processed

	2003	2004	2005	2006*	Change 2003/2004	Change 2004/2005	Change 2005/2006
Requested	44	39	174	177	-5	135	3
Processed	36	20	91	71	-16	71	-20
In process	2	17	59	106	15	42	47
Shelved	0	2	0	1	2	-2	1
Denied	0	0	0	6	0	0	6
Withdrawn	0	0	1	1	0	1	0

2006		
new req.	changes	total
124	53	177
45	26	71
79	27	106
1	0	1
4	2	6
1	0	1

2006*: the requests processed, in process, and denied, include requests of previous years.



LICENSES AND PERMITS

Business Licenses

In 2006 there were 14% more license requests than in 2005. This is a positive sign, indicating that more businesses have been created.

In 2005 there were more licenses processed as extra effort was implemented to handle the backlog of previous years. Of the 242 business licenses requested in 2006, 132 (55%) are for new businesses, 13% concerned change of objective, 15% change of address, name or legal form and the rest (17%) of the requests had other reasons.

The majority of business licenses (59%, that is 143) are granted in the sector of “business services” representing maintenance service companies, plumbing, cleaning, electricity, handyman services and other.

The HORECA sector, one of the tourism-pillars, is historically an important sector in which many business licenses are granted: 12%, that is 29 in 2006. However, in 2006 there has been a decrease of 12 requests in this category compared to 2005.

The wholesale and retail trade is also leveling off after the booming in 2005. This sector represents supermarkets and any type of retail business. Regarding the sector of social and personal services, the amount of licenses requested stayed almost the same.

Beverage and HORECA licenses

The requests of Beverage and HORECA licenses have decreased with 12% while the processed requests have increased with 65%. The system of granting these permits depends on the advice and input of several government departments, including the police. In 2006 these advices and input given by the parties involved were handled more rapidly than usual, hence accelerating the process and increasing the results. The 64 applications for a Beverage and HORECA license in 2006 (after withdrawal of 2 remaining 62) represent in fact 12 different combinations of HORECA licenses, of which the majority concerns: bars (17%), restaurants (16%), liquor stores (12%), snacks (9%), music and dance (both 8%).

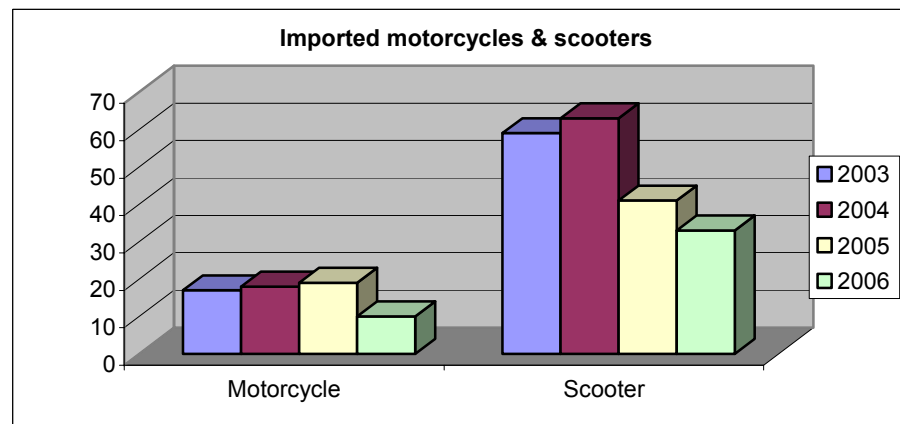
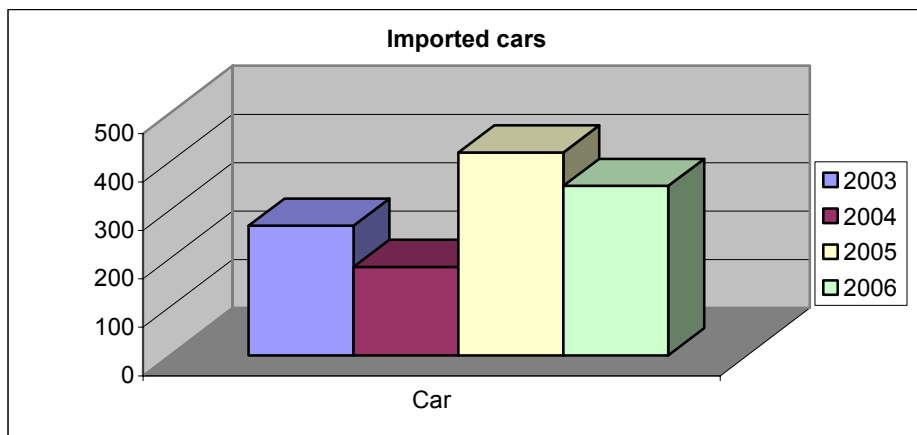
Director's licenses

Since 2005 director's licenses are being registered separately. Before 2005 they were included in the business license requests. Director's licenses were only registered when applied for separately, for example in case of a new director or change of director. Registration of the figures of 2006 and 2005 can not be compared to those of previous years.

B. CALCULATION AND CONTROL

a. Registration of imported goods conform ordinance PB.1968, nr.42 (source: Customs Office)

Product	2006	2005	2004	2003	Change 2006/2005	% CHG 06/05	% CHG 06/04	% CHG 06/03	Change 2005/2004	% CHG 05/04	Change 2004/2003	% CHG 04/03
Car	350	419	183	268	-69	-16%	91%	31%	236	129%	-85	-32%
Motorcycle	10	19	18	17	-9	-47%	-44%	-41%	1	6%	1	6%
Scooter	33	41	63	59	-8	-20%	-48%	-44%	-22	-35%	4	7%
Total	393	479	264	344	-86	-18%	49%	14%	215	81%	-80	-23%



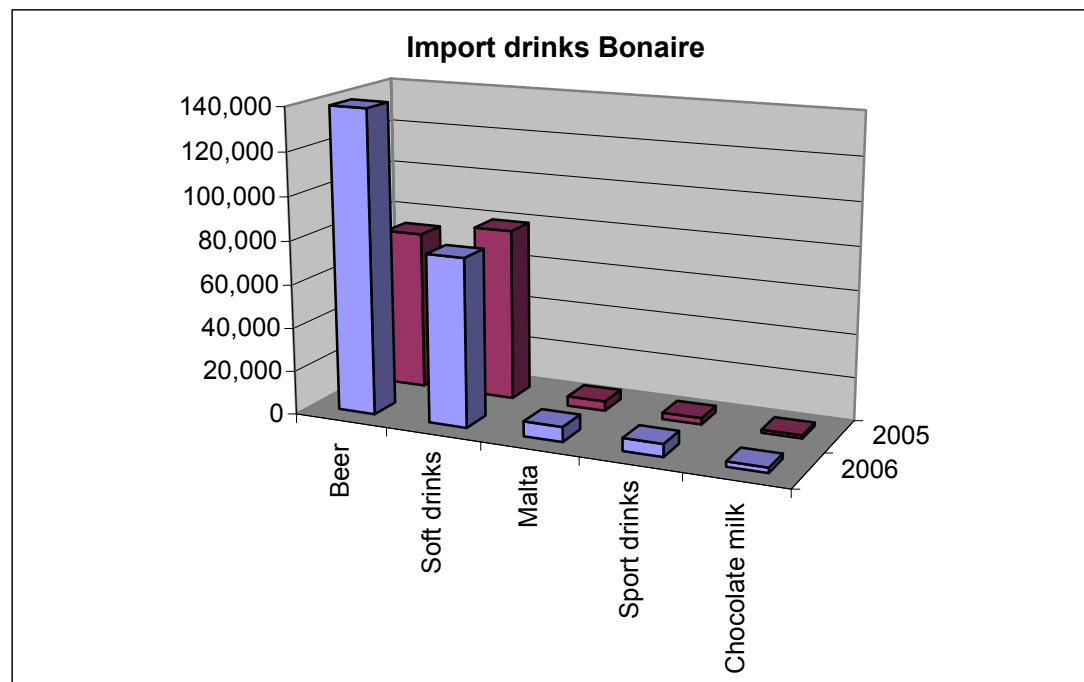
CARS, MOTORCYCLES AND SCOOTERS

After the tremendous increase in 2005 (129%), 2006 shows a slight decrease (16%) in the amount of cars imported. Even so, in 2006 more cars were imported than in 2004 and 2003: an increase of 91% and 31% respectively. In 2006 in total 350 cars were imported. Although this number consists of new cars as well as secondhand cars, the car import in 2006 existed mainly of new cars. This fact leads to the conclusion that the import of secondhand cars was a temporary hype which concentrated itself mainly in 2005. The difficulty in attaining car parts was the major contributing factor to the considerable decline in the amount of secondhand cars imported.

The decrease of the import of scooters that began in 2005 has continued in 2006. Also, there is a significant decrease noticeable in 2006 of the import of motorcycles. Both developments are due to the saturation of the market.

b. Imported beer and soft drinks per case* (source: Customs Office)

Product	2006	2005	Change 2006/2005
Beer	139.449	73.408	90%
Soft drinks	77.221	79.302	-3%
Malta	6.872	4.427	55%
Sport drinks	5.893	2.975	98%
Chocolate milk	2.347	1.518	55%
Total	231.782	161.630	43%



* 1 case = 24 bottles

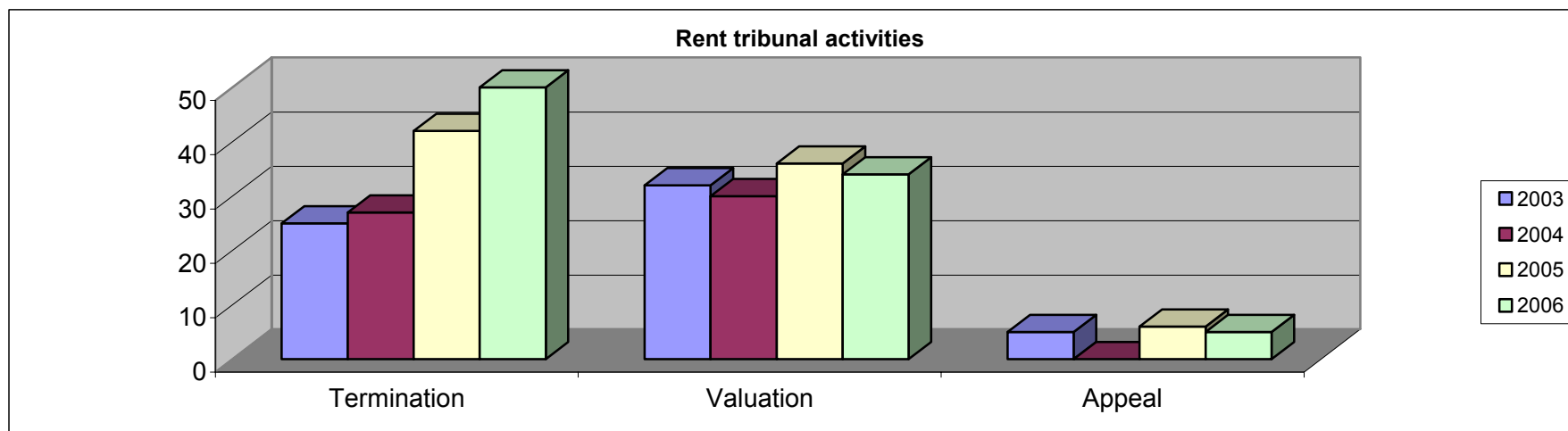
BEER AND SOFT DRINKS

The main reason for the great increase of imported beer in 2006 compared to 2005 is the direct import to Bonaire of two beer brands from Holland after the brewery in Curaçao definitively had to close at the end of 2005. Previously beer arrived in Bonaire mainly through import of Curaçao or from the brewery in Curaçao. Neither routes are labeled "import to Bonaire".

The amount of imported malted drinks, sport drinks and chocolate milk increased considerably in 2006 compared to the previous year. This is due to a combination of three factors: 1. more entrepreneurs importing, 2. higher demand for these products due to a more prosperous economy, 3. easier importing to Bonaire (direct and less bureaucratic) with better profit perspectives.

c. Rent Tribunal Activities

	2006	2005	2004	2003	Change 2006/2005	% Change 2006/2005	Change 2005/2004	Change 2004/2003
Termination	50	42	27	25	8	19%	15	2
Valuation	34	36	30	32	-2	-6%	6	-2
Appeal	5	6	0	5	-1	-17%	6	-5
Total	89	84	57	62	5	6%	27	-5



RENT TRIBUNAL BONAIRE

A rent tribunal was founded on Bonaire in order to avoid unreasonable rental prices of houses. The main task of the rent tribunal is to set prices of rents for houses, apartments, and business premises on Bonaire. The rent tribunal also has the task to intermediate in conflicts between renters and landlords. The rent tribunal consists of representatives who look after the interests of the renters as well as those of the landlords. The term "house" is intended to mean each building or piece of building that can be rented out.

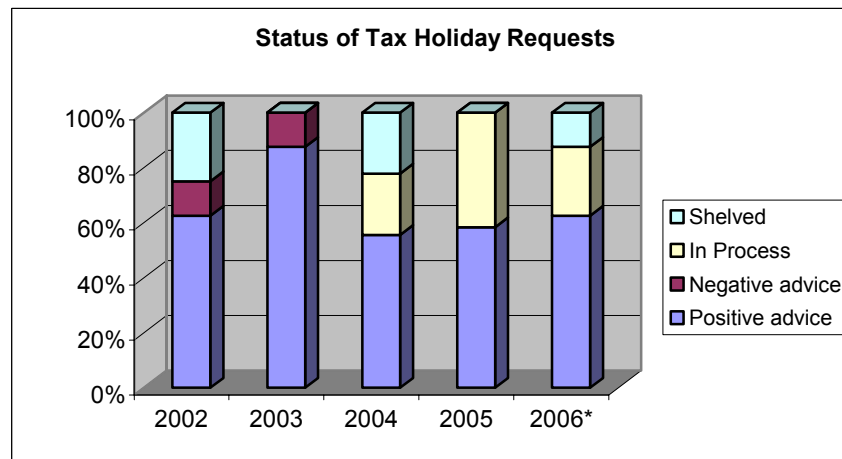
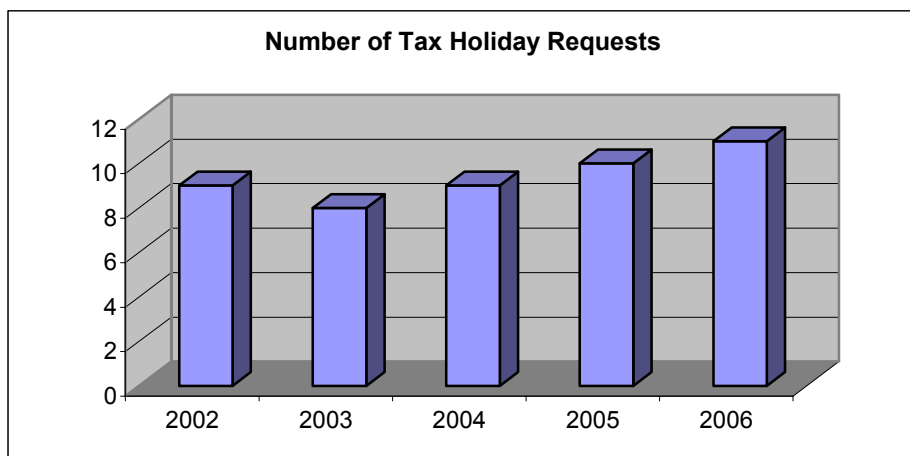
In 2006 there was an increase of 19% in the amount of rent-contract terminations carried out by the Rent Tribunal. On the other hand, both the amount of valuations and the amount of appeals carried out by the Rent Tribunal decreased in 2006: with 6% and 17% respectively. Overall the Rent Tribunal handled 6% more cases in 2006 compared to 2005. Looking to the structural increase of cases handled by the Rent Tribunal through the years (from 25 in 2003 to 50 in 2006, an increase of 100% in 3 years!) it can be concluded that the Rent Tribunal is becoming an increasingly important partner in the field of 'house' rentals.

C. TAX HOLIDAY

Tax Holidays Requested and Processed

	2002	2003	2004	2005	2006*
Number of Requests	9	8	9	10	11
Positive advice	5	7	5	7	10
Negative advice	2	1	0	0	0
In Process	0	0	2	5	4
Shelved	2	0	2	0	2

2006*: the requests processed, in process, and shelved, include requests of previous years.



TAX HOLIDAY

In 2006, DEZA received slightly more requests for a tax holiday compared to previous years: 11 in total. In comparison, 2002, 2003, 2004, and 2005, DEZA received 9, 8, 9 and 10 petitions respectively for a tax holiday.

The tax holiday requests are mainly intended for projects in the HORECA/tourism sector, such as apartment complexes and hotels.

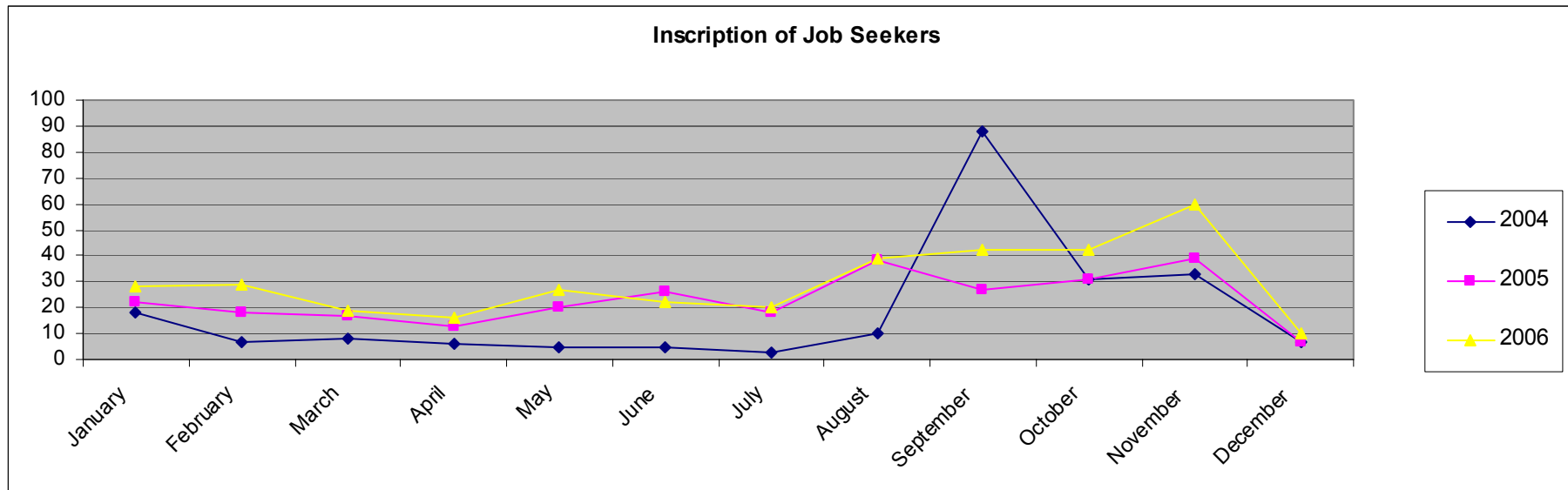
The projects are not always new projects; some projects concern, for example, renovation of a hotel or apartment complex by changing the furniture and/or full renovations. Other investors expand their hotel or apartment complex by building more rooms. There are tax holiday requests which are in process since 2004 and 2005. These mainly concern projects that require further information or companies that have undergone changes during the petition process (change of owner of company, director, type of company etc.). All these are factors that cause delays in the tax holiday process.

Moreover, some tax holiday requests from B.V.'s have been put on hold since, by law, only N.V.'s are eligible for tax holidays. The B.V.'s now have to change their B.V. into an N.V. because it will take too long before the law will be changed.

D. LABOUR AFFAIRS

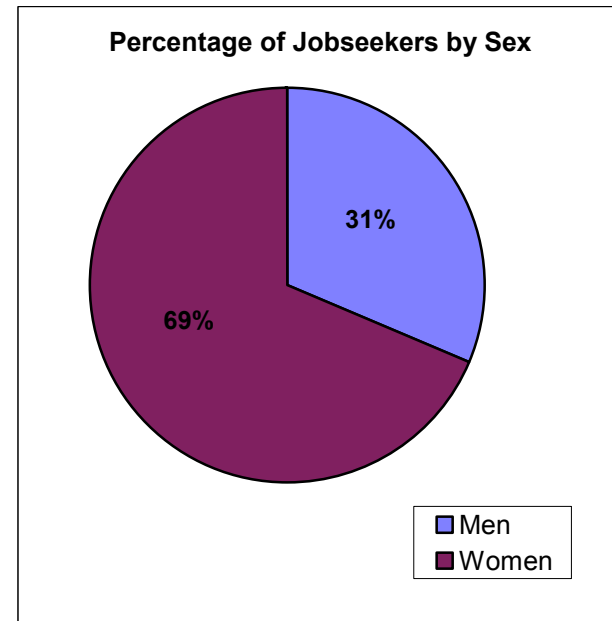
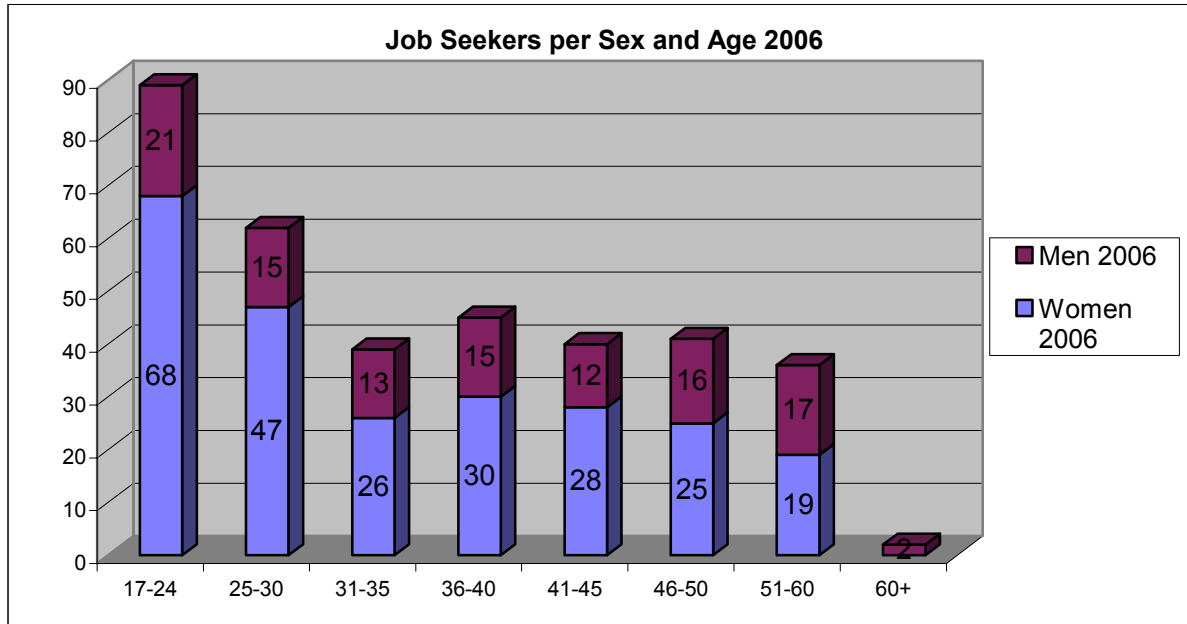
a. Registration of Job Seeker Incriptions

Jobseekers	2004	2005	2006
January	18	22	28
February	7	18	29
March	8	17	19
April	6	13	16
May	5	20	27
June	5	26	22
July	3	18	20
August	10	38	39
September	88	27	42
October	31	31	42
November	33	39	60
December	7	7	10
Total	221	276	354
Unemployed	157	111	245
Placed	42	70	64



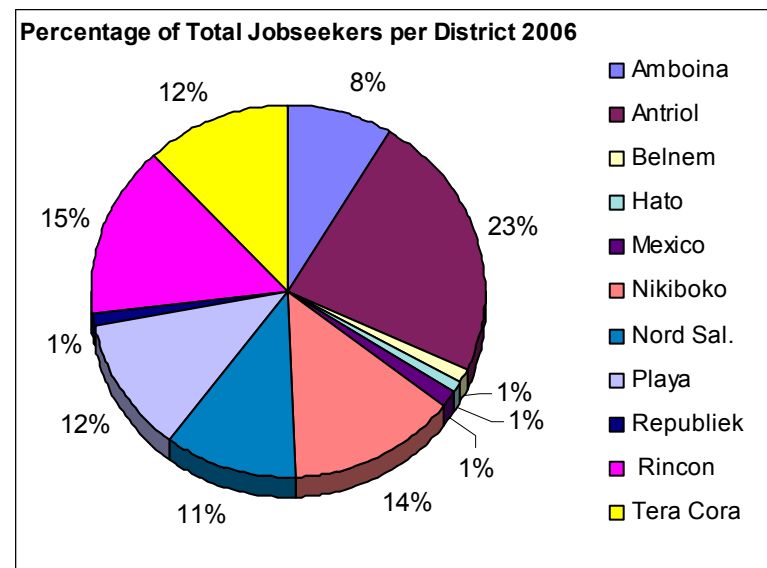
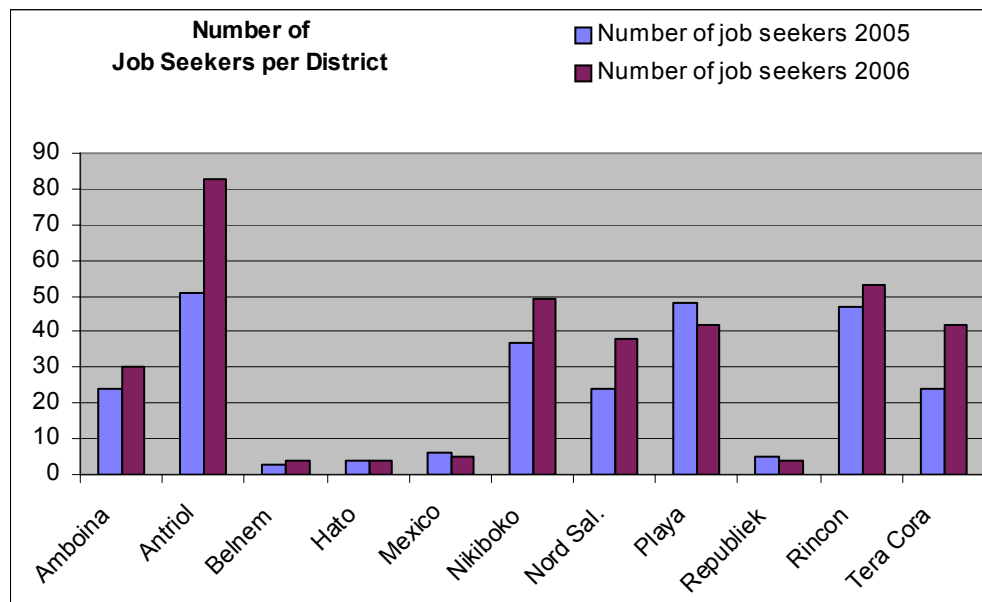
b. Total number of Job Seekers per Sex and Age

Age group	Women 2005	Men 2005	Women 2006	Men 2006	Total 2005	Total 2006
17-24	38	21	68	21	59	89
25-30	35	13	47	15	48	62
31-35	17	11	26	13	28	39
36-40	15	15	30	15	30	45
41-45	25	16	28	12	41	40
46-50	20	12	25	16	32	41
51-60	13	23	19	17	36	36
60+	0	2		2	2	2
Total	163	113	243	111	276	354



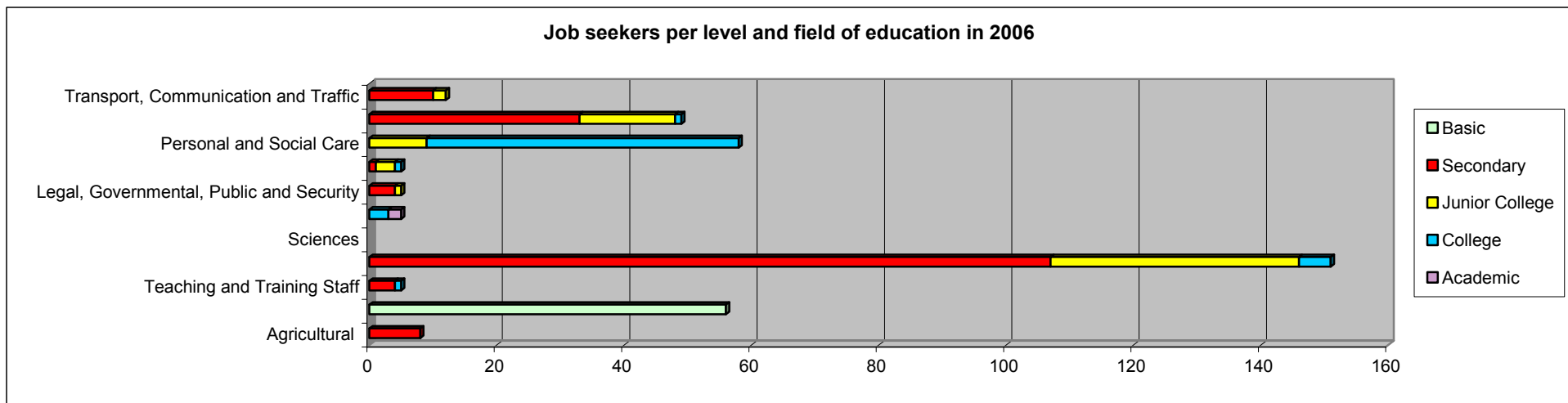
c. Job Seekers per District

DISTRICT	Number of job seekers 2005	Number of job seekers 2006	Percentage of Total Jobseekers per District	Active Population	Percentage of Active Population
Amboina	24	30	8.5%	512	5.9%
Antriol	52	83	23.4%	1.918	4.3%
Belnem	3	4	1.1%	333	1.2%
Hato	4	4	1.1%	599	0.7%
Mexico	6	5	1.4%	116	4.3%
Nikiboko	38	49	13.8%	1359	3.6%
Nord Sal.	24	38	10.7%	598	6.4%
Playa	48	42	11.9%	1704	2.5%
Republiek	5	4	1.1%	337	1.2%
Rincon	47	53	15.0%	1027	5.2%
Tera Cora	25	42	11.9%	730	5.8%
Total	276	354	100.0%	9.233	
% of active pop.	3.0%	3.8%			



d. Job Seekers per Level and Field of Education

Education Field	Basic	Secondary	Junior College	College	Academic	Total 2006	Total 2005
Agricultural		8				8	11
General	56					56	50
Teaching and Training Staff		4		1		5	4
Economic, Administrative and Commercial		107	39	5		151	105
Sciences						0	1
Behaviour and Society				3	2	5	1
Legal, Governmental, Public and Security		4	1			5	2
Medical and Paramedical		1	3	1		5	2
Personal and Social Care			9	49		58	40
Technical		33	15	1		49	48
Transport, Communication and Traffic		10	2			12	12
Total	56	167	69	60	2	354	276



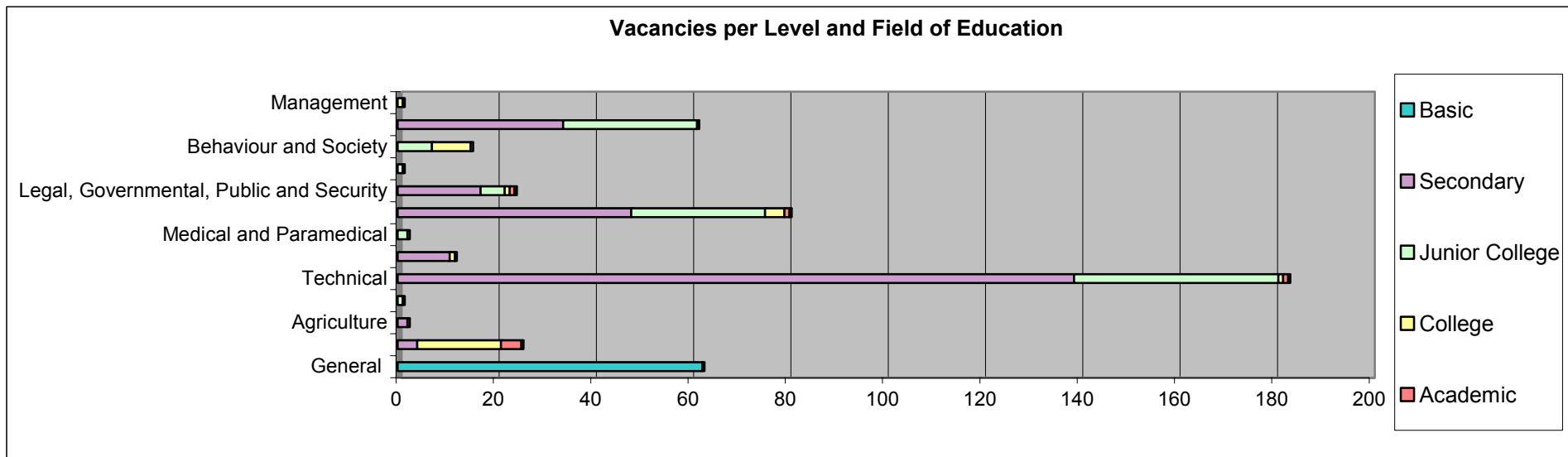
	2005	2006
Total job seekers inscribed	276	354
Total DEZA Placements	62	64
Percentage placed	22.5%	18.1%

e. Reasons for Inscription

Reasons for Inscription	Number of Jobseekers	Employed	Unemployed	Placed by DEZA	Found a job themselves	Number of People who found a Job
Adapted work for Physical Disabilities	2		2			0
Imminent Unemployment	4	4		1	1	2
End of contract	25		25	4	8	12
Conclusion of FORMA course	3		3	1	1	2
Flex workers	33	33		5	3	8
FORMA training duty candidate	8		8	3		3
Returners to work	3		3			0
Immigration	1		1			0
Dismissal during trial period	7		7	2	3	5
Reduction of personnel	8		8	2	2	4
Long term unemployed	69		69	10	12	22
Unjustified Dismissal	1		1			0
Resignation	29		29	9	5	14
Dismissal after placement	4		4	2	2	4
Dismissal after labour dispute	2		2			0
Dismissal for long term sickness	2		2			0
Immediate dismissal	8		8	2	1	3
Immediate dismissal after placement	1		1	4		4
Liquidation of company	4		4		1	1
Liquidation of own business	2		2			0
Reclassification	1		1	2		2
Rehabilitation	4		4	1		1
Repatriation	42		42	8	10	18
Part time Student workers	2		2			0
School dropout	7		7	2		2
Migrating from Aruba	1		1		1	1
Migrating from Curacao	7		7		1	1
Foreigner living with partner of dutch nationality	1		1		1	1
Reduced pay	1		1		1	1
Part time worker	19	19		1	3	4
Looking for another job	53	53		10	8	18
Total	354	109	245	69	64	133
Percentage	100%	31%	69%	19%	18%	38%

f. Registered vacancies per Level and Field of Education

2006	Code	Basic	Secondary	Junior College	College	Academic	Full-time vacancies	Percentage
General	01	63					63	13.3%
Teaching and Training Staff	02		4		17	4	25	5.4%
Agriculture	04		2				2	0.4%
Science	05			1			1	
Technical	06		139	42	1	1	183	38.9%
Transport, Communication and Traffic	08		11		1		12	2.5%
Medical and Paramedical	09			2			2	0.4%
Economic, Administrative and Commercial	11		48	28	4	1	81	17.1%
Legal, Governmental, Public and Security	13		17	5	1	1	24	5.1%
Language and Culture	15			1			1	
Behaviour and Society	16			7	8		15	3.2%
Personal and Social Care	17		34	28			62	13.1%
Management	18				1		1	0.2%
Total registrations		63	255	113	33	7	471	100%
Full-timers		56	262	110	27	9	464	
Percentage		12.1%	56.4%	23.7%	5.8%	2.0%	100.0%	

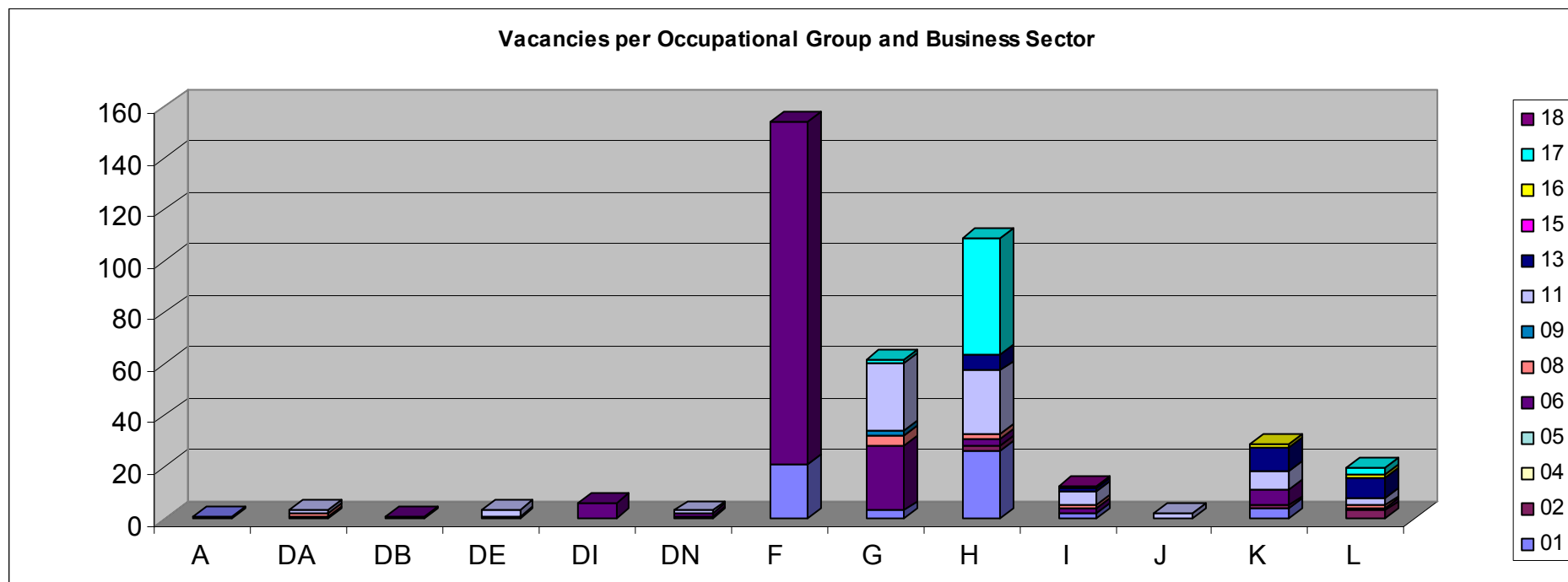


g. Number of vacancies registered per Field

Sector	code	01	02	04	05	06	08	09	11	13	15	16	17	18	Total
Agriculture, Cattle and Fishery	A	1													1
Manufacturing	D				1	10	1		4						17
Construction	F	21				133									154
Wholesale and retail trade	G	3				25	4	2	26				1		61
Hotels and Restaurants	H	26	2			3	2		24	6			46		109
Transport, storage and communication	I	2				2	2		5	1				1	13
Financial Institutions	J								2						2
Real estate and business services	K	4	1			6			8	9		1			29
Public government departments and social security	L		3			1	1		3	8		1	3		20
Education	M		18									7			25
Healthcare and social work	N	2					2		4			5	2		15
Environmental, cultural recreation, and other services	O	3	1	2		3			4		1	1	9		23
Households with domestic personnel	P	1											1		2
Total		63	25	2	1	183	12	2	81	24	1	15	62	1	471

h. Total Placements by DEZA per industrial classification (fte and pte)

Sector	code	01	06	08	11	13	16	17	Total
Agriculture, Cattle and Fishery	A	2.0							2.0
Manufacturing	D				0.9				0.9
Construction	F	5.0	1.0						6.0
Wholesale and retail trade	G		2.0		2.0				4.0
Hotels and Restaurants	H	7.0			8.4			8.5	23.9
Transport, storage and communication	I			0.5	1.0				1.5
Financial Institutions	J				1.0				1.0
Real estate and business services	K				3.8	5.0			8.8
Public government departments and social security	L				2.0				2.0
Education	M						1.0		1.0
Healthcare and social work	N	0.9			1.5			1.0	3.4
Environmental, cultural recreation, and other services	O	1.0	1.0		1.0		1.0	6.0	10.0
Households with domestic personnel	P							1.0	1.0
Total		15.9	4.0	0.5	21.6	5.0	2.0	16.5	65.5
Percentage		24.3%	6.1%	0.8%	33.0%	7.6%	3.1%	25.2%	100.0%



JOBSEEKERS

Comparing the figures of the last few years, the low numbers of job inscriptions in 2004 are due to the fact that the Department of Economic and Labour Affairs (D.E.Z.A) began a structured and digitalized registration method of inscribing jobseekers only towards the end of the year. Accordingly, the figures of August and September 2004 are particularly high; as the department of Labour Affairs started with a new system every registered jobseeker was re-inscribed.

The figures in August and September for all years are the highest because a lot of people are migrating to the island during these months. School-leavers, either locally or abroad, and flex workers tend to inscribe during the month of September (this in relation with the start of the school period in August). December is traditionally low as the construction sector is on “construction leave,” and the HORECA sector has filled its openings for the upcoming high season.

There has been an overall increase in jobseeker inscriptions since 2004, with an increase of 37.6% when comparing 2006 to 2004, and an increase of 28.3% when compared with 2005. This steady increase is due to a greater awareness of the job inscription programme at DEZA. Most of the jobseekers are between the age of 17-24 and 25-35, primarily due to a lack of job experience, job skills, and the necessity of an improved work attitude.

There are considerably more women than men of the total active population inscribed – 69% women and 31% men – and in the 17-24 age group, women are 19.2% of the total inscriptions, while men are only 5.9%. Reasons for this trend are teenage pregnancy and the difficulty in finding stable employment during office hours when proper childcare is more readily available. Women, particularly in the younger age groups, are not able to work shifts as is often required in the HORECA

sector due to familiar obligations. It can be seen in the statistics that once these children have reached school age, the number of female jobseekers drop. When comparing female vs. male jobseekers, women are consistently higher, most likely due to women being more open to using all resources available to find a job.

Since January 2005, the department of Education and Culture together with FORMA introduced the compulsory training, a pilot project applicable on all islands of the Netherlands Antilles, which consists in a compulsory training for all youngsters between 16 and 24 years old. Through this program, youngsters receive professional training but also social education to prepare for a job or to pursue further education. Youngsters can only be exempt from this program in case of special circumstances such as teenage pregnancy or if they already have a job.

The main reasons for jobseekers to inscribe themselves in 2006 are as follows:

1. Long-term unemployment (19.5%)—those who have been unemployed for longer than one year
2. Looking for Another Job (15%) – those who are, for various reasons such as low salary, uncomfortable working conditions, unhappy with their current employment situation, or are working below their level of qualification
3. Repatriation (12%)— Bonaireans who are moving back to the island
4. Flex workers (9%) – those without permanent employment (on-call, or fill-in employees)
5. Resignation (8%)— those who are unhappy with their employment situation
6. End of Contract (7%)— seasonal workers, caused by unsure employers who are unwilling to take on permanent employees, fearing an unstable economic situation
7. Part-time work (5.5%) – those who are looking for extra hours as supplemental income, or are searching for full-time employment.

Jobseekers with the most success are:

1. Those looking to improve their employment situation usually go on to find a better job and/or better salary
2. Those who resign (for same reasons as above)
3. Those who have repatriated, since in general they have enhanced their skills, are better prepared, and have a positive work ethic.

Vacancies are registered in the following manner:

Office hours	=	40.0 hours per week
Retail hours	=	45.0 hours per week
HORECA hours	=	48.0 hours per week

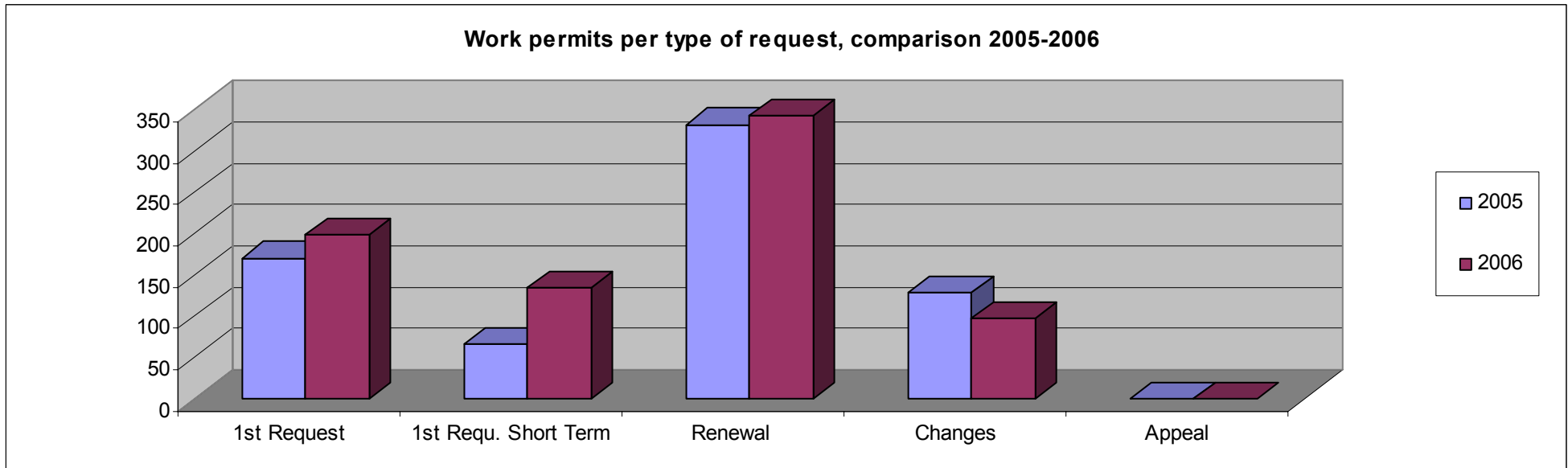
In 2006, there were a total of 471 full time vacancies, where the majority of openings were in Technical (38.9%), Economic, Administration and Commercial (17.1%), and General and Personal & Social Care (13.3% and 13.1% respectively). The large majority of vacancies within the Technical field, such as construction, repairperson and electrician, are for those with Secondary education, as is with vacancies in Economic, Administration and Commercial field. Most placements were in the HORECA sector - 24 of 66, a continuation of the previous years' trend.

In general, the highest number of vacancies is in March, April, July and December due to preparations for high-season in the construction and HORECA sectors. There are more vacancies than jobseekers, 470.7 full time vacancies to 354 jobseekers; however matchmaking is difficult due to lack of skills, lack of adequate childcare, difficulties in working in the HORECA sector due to familial obligations, and the necessity of an improved work attitude, as was previously mentioned.

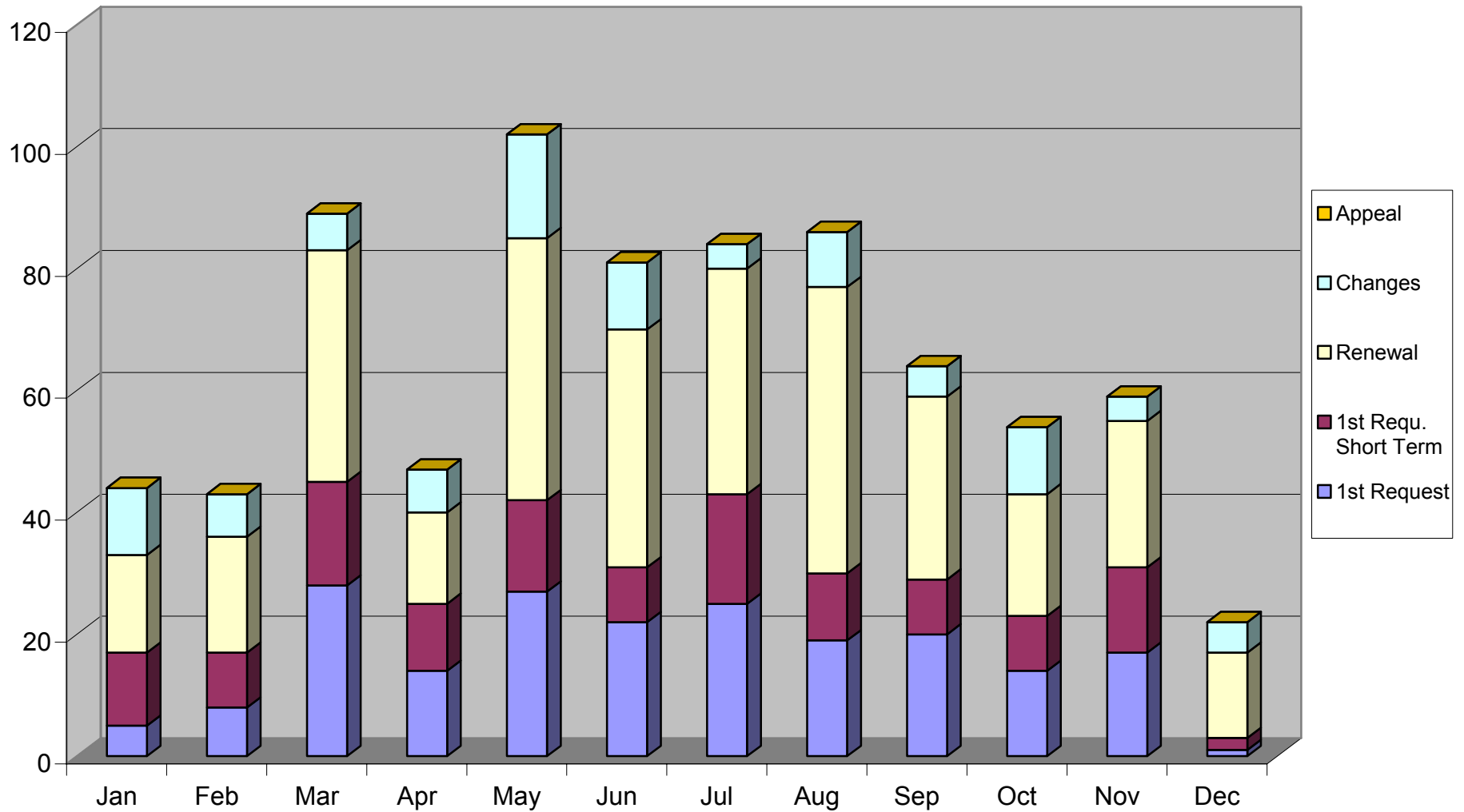
As a continuation from previous years, Bonaire still has difficulties in job matchmaking due to lack of qualified personnel (for various reasons) and is deprived of quality childcare for most the young workforce's children, leaving them with no other alternative but to remain unemployed. However, it can be seen as an improvement that there are more jobseekers and vacancies being registered, whereby the hope for job matching is improved.

i. Work Permits per Type of Request

2006	1st Request	1st Requ. Short Term	Renewal	Changes	Appeal	Total
Jan	5	12	16	11	0	44
Feb	8	9	19	7	0	43
Mar	28	17	38	6	0	89
Apr	14	11	15	7	0	47
May	27	15	43	17	0	102
Jun	22	9	39	11	0	81
Jul	25	18	37	4	0	84
Aug	19	9	47	9	0	84
Sep	20	9	30	5	0	64
Oct	14	9	20	11	0	54
Nov	17	14	24	4	0	59
Dec	1	2	14	5	0	22
Total 2006	200	134	342	97	0	773
percentage	25.87%	17.34%	44.24%	12.55%	0%	100%
Total 2005	170	66	332	128	0	696
percentage	24.43%	9.48%	47.70%	18.39%	0.00%	100%

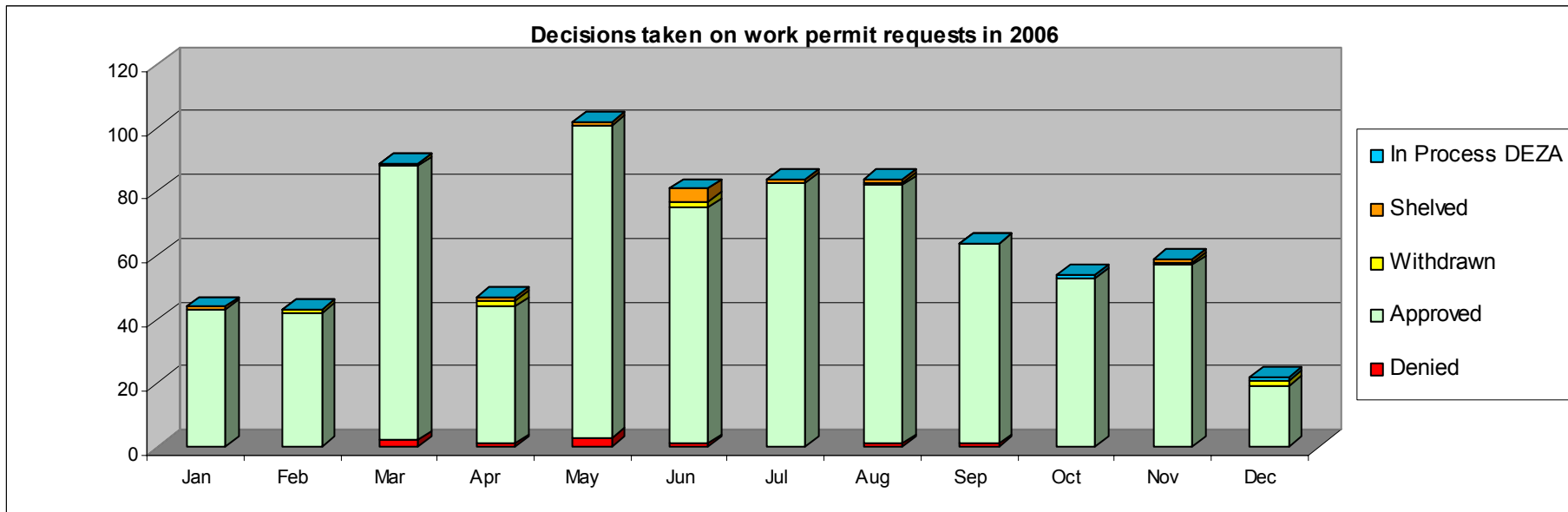


Work permits per type of request in 2006



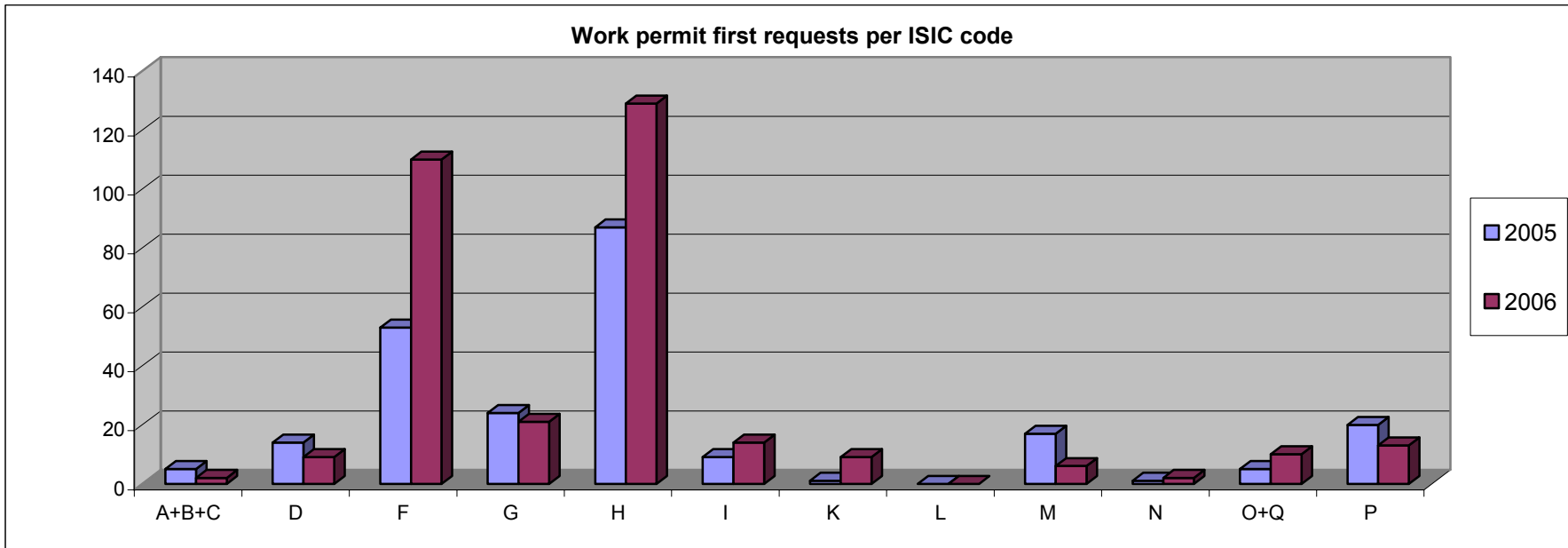
j. Decisions taken on Work Permit Requests

2006	Denied	Approved	Withdrawn	Shelved	In Process DEZA	Total
Jan	0	43	0	1	0	44
Feb	0	42	1	0	0	43
Mar	2	86	1	0	0	89
Apr	1	43	2	1	0	47
May	3	98	0	1	0	102
Jun	1	74	2	4	0	81
Jul	0	83	0	1	0	84
Aug	1	81	1	1	0	84
Sep	1	63	0	0	0	64
Oct	0	53	0	0	1	54
Nov	0	57	1	1	0	59
Dec	0	19	2	0	1	22
Total 2006	9	742	10	10	2	773
percentage	1.16%	95.99%	1.29%	1.29%	0.26%	100%
Total 2005	15	637	20	17	7	696
percentage	2.16%	91.52%	2.87%	2.44%	1.01%	100%



k. Work Permit First Requests per Economic Sector

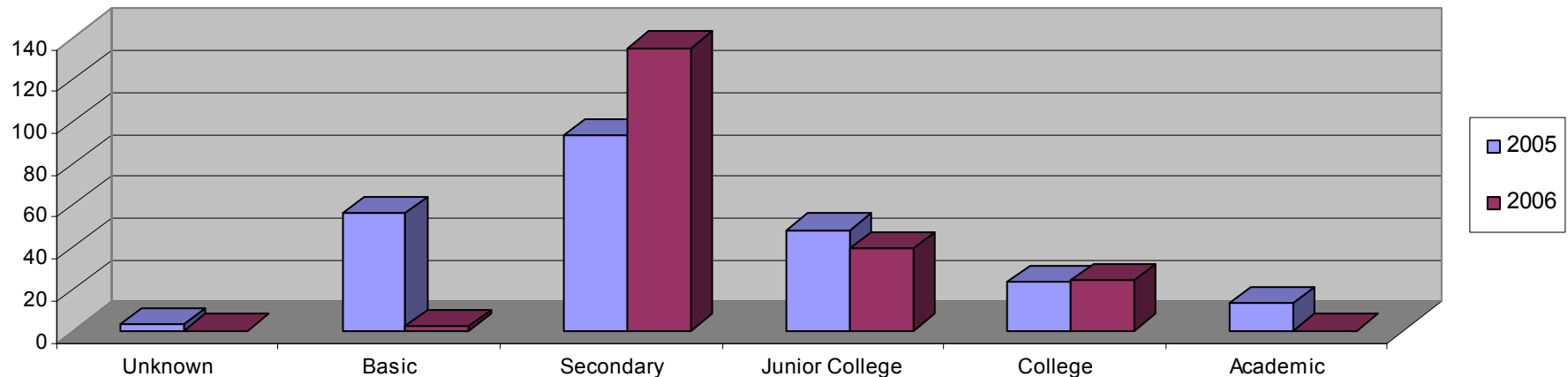
Work Permit First Requests	Agriculture, cattle breeding, fishing and mining	Manufacturing	Construction	Wholesale and retail trade	Hotels and restaurants	Transport, storage and communication	Real estate and business services	Government Departments and Social Security	Education	Healthcare and social work	Other services, social and personal services, extra-territorial organizations	Households with domestic personnel	Total
ISIC code	A+B+C	D	F	G	H	I	K	L	M	N	O+Q	P	
2006	2	9	110	21	138	14	9	0	6	2	10	13	334
2005	5	14	53	24	87	9	1	0	17	1	5	20	236



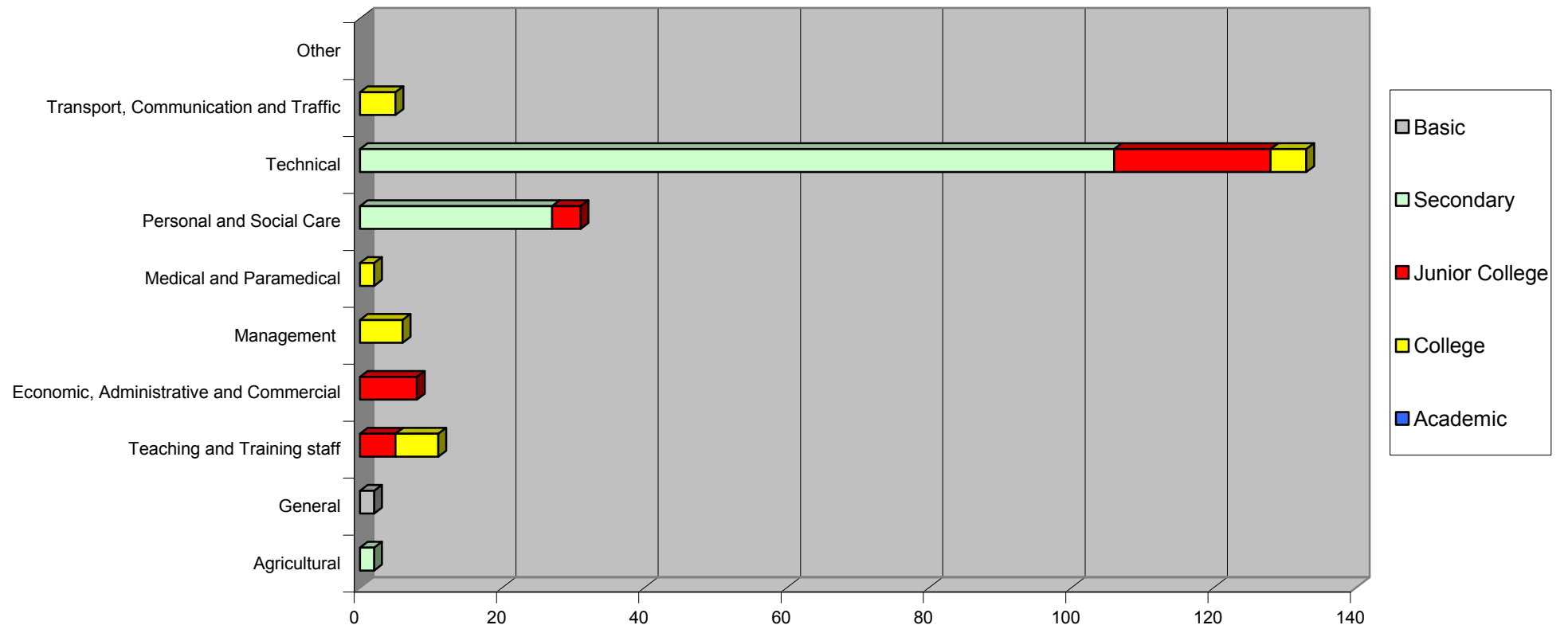
I. Work Permit First Requests per Field and Level of Education

Field	Unknown	Basic	Secondary	Junior College	College	Academic	Total Requests
Agricultural			2				2
General		2					2
Teaching and Training staff				5	6		11
Economic, Administrative and Commercial				8			8
Sciences							0
Branch Manager							0
Behaviour and Society							0
Legal, Governmental, Public and Security							0
Management					6		6
Medical and Paramedical					2		2
Personal and Social Care			27	4			31
Technical			106	22	5		133
Transport, Communication and Traffic					5		5
Other							0
Total 2006	0	2	135	39	24	0	200
Percentage	0%	1%	68%	20%	12%	0%	100%
Total 2005	3	56	93	48	23	13	236
Percentage	1%	24%	39%	20%	10%	6%	100%

Work permit first requests per level of education, comparison 2005-2006



Work permit requests per field and level of education in 2006



WORK PERMITS

Since 2005, a new procedure is in place with respect to hiring staff from abroad. Employers must list their vacancy at DEZA to check if there is any local worker available in DEZA's database of job seekers. Employers also must publish their vacancy in the local newspaper to see if there is any suitable local candidate. Only after completing this procedure they may apply for a work permit for a foreign worker.

In 2006, there was a small increase in Work Permit 1st Requests due to an increase in petitions mainly for construction, technical, and live-in workers. However, in the 1st Requests Short Term category there has been a considerable increase in requests which can be attributed to the change of regulations requiring that exotic dancers coming from abroad must apply for a work permit. Prior to the end of 2005 when stricter regulations went into effect, exotic dancers were only required to apply for a temporary residence permit with the Immigration Department. Since then, adult entertainers are now required to pay for their work permit, along with taxes on any income earned, equal to all other foreign employees on the island. Applications for changes to work permits have decreased by 24%, which also can be attributed to the changes in regulations effective end of 2005.

It can be noted that in 2006, there were no appeals regarding decisions made on work permits.

March received the highest requests for work permits for construction workers, both 1st requests and renewals, and May represents the month with the highest amount of decisions made on work permits, with nearly all coming from the construction sector. Most decisions were regarding 1st requests and renewals. June, July, and August received more requests for renewals, once again mostly in the construction sector.

When comparing the number of requests per ISIC code, the HORECA and Construction sectors are clearly those with the highest number of requests, each with considerable increases. The construction sector received more than double the amount of requests, 110 compared to 53 in 2005. Additionally, the HORECA sector received an increase of 59% when compared with 2005.

There has been a remarkable decrease in those with only a basic education applying for a work permit. There were only 2 requests in 2006 compared with 56 in 2005, representing a total decrease of 54 requests, or 96%. This decrease is also attributable to changes in regulations which went into effect at the end of 2005, as explained above. The rise in requests of those who have secondary education, a total of 45%, is attributed to technical workers, such as carpenters.

E. SUPERVISION AND CONTROL

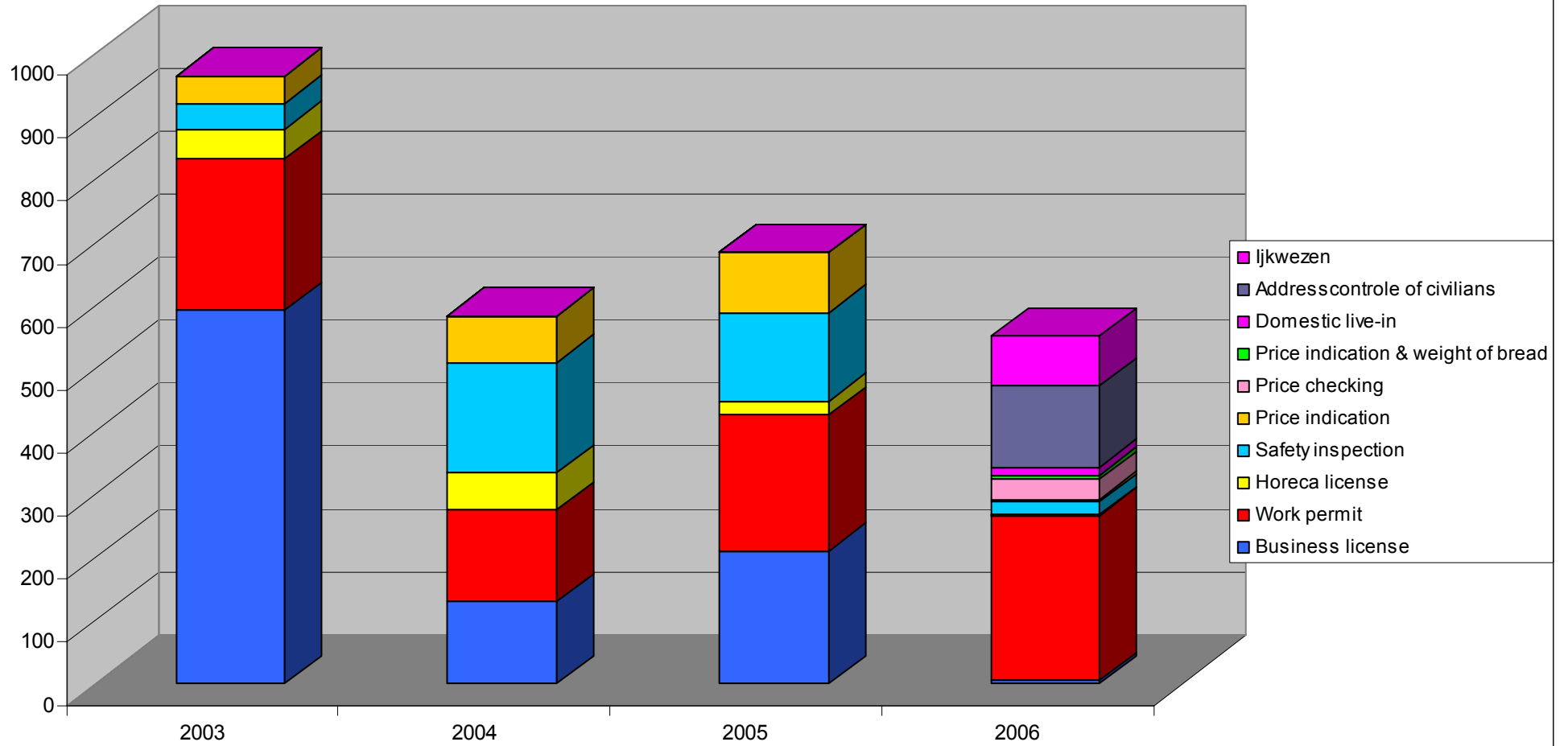
Control Findings

Control-category	2006 in order	2006 not in order	2005 in order	2005 not in order	2004 in order	2004 not in order	2003 in order	2003 not in order
Business license	4	2	201	10	109	22	555	38
Work permit	261	1	204	12	133	12	217	24
Horeca license	0	1	18	4	48	11	43	4
Safety inspection	15	5	95	45	99	76	3	38
Price indication	4	0	94	2	47	27	23	20
Price checking	31	1	0	0	0	0	0	0
Price indicat. & weight of bread	4	2	0	0	0	0	0	0
Domestic live-in	13	0	0	0	0	0	0	0
Address info of civilians	129	0	0	0	0	0	0	0
Ijkwezen	80	0	0	0	0	0	0	0
Total	541	12	612	73	436	148	841	124

Types and quantity of controls

Control-category	Total 2006	Total 2005	Total 2004	Total 2003	Change 2005/2006	Change 2004/2005	Change 2003/2004
Business license	6	211	131	555	-205	80	-424
Work permit	262	216	145	217	46	71	-72
Horeca license	1	22	59	43	-21	-37	16
Safety inspection	20	140	175	3	-120	-35	172
Price indicat.	4	96	74	23	-92	22	51
Price checking	32	0	0	0	32	0	0
Price indicat. & weight of bread	6	0	0	0	6	0	0
Domestic live-in	13	0	0	0	13	0	0
Addressinfo of civilians	129	0	0	0	129	0	0
Ijkwezen	80	0	0	0	80	0	0
Total	553	685	584	841	-132	101	-257

Types and quantity of controls



SUPERVISION AND CONTROL

General

In 2006, most controls were performed on work permits (47%), verification of civilian addresses (23%), and on the verifying of weights and measures (14%). Together, these above-mentioned controls form 84% of all the controls performed by Supervision and Control 2006.

In 2006 Supervision and Control performed 19% fewer controls than in 2005, but the controls had a wider spread: so in 2006 there were controls done in all 10 categories, as opposed to the 5 areas in which the controls in 2005 were performed.

Business licenses

When controlling a business license the S&C-department checks:

1. if there is a business license;
2. the validity of the business license;
3. the objectives to make sure the business is operating according to the objectives of its license.

Practically all business licenses were checked in 2003. Those licenses are valid for an indefinite period of time. In 2004 and 2005, mainly business licenses of newly established companies were checked. The section supervision and control obtains on a regular basis a list of newly established companies from the department of licenses & permits. This enables the department to put together a controlling-program for business licenses. As can be noticed in the figures, in the years 2003, 2004 and 2005 a substantial number of business licenses have been subjected to a control. This explains why in 2006 only 6 controls on business licenses were performed. So the sharp decrease in controls of business licenses in 2006 compared to previous years does not imply a sharp decrease of new companies in 2006.

Work permits

In 2006 there was an increase in controls of work permits compared to previous years: 262, as opposed to 216 in 2005 (+21%), 145 in 2004 (+81%) and 241 in 2003 (+9%). The work permits are valid for one year. In 2006 Supervision and Control checked 262 work permits, of which 1 was not in order.

This positive development indicates that applicants of work permits are becoming more aware of the terms of the permit. Furthermore this leads to the conclusion that controls on work permits are effective.

Safety inspection

In 2006, safety controls were performed in the construction sector, namely on the equipment used. Of the controlled working sites (20), 25% (5) were not in order.

This aspect has been a serious problem in the past years and still needs a lot of attention. In 2003 93% of the controlled working sites were not in order, in 2004 43%, and in 2005 32%. These figures clearly illustrate that the safety inspections still need to be on the high priority list.

Price controls

In 2006 there were three types of price-controls: (i). price indication, (ii). price checking, and (iii). price indication related to the weight of bread, of which the last two are new to the control program.

The amount of controls on price indication in 2006 was minimal compared to previous years: only 4 (2 not in order), compared to 96 (2 not in order), 74 (36 not in order) and 43 (20 not in order) in 2005, 2004 and 2003 respectively. The controls on price indication concerns price labeling and proper pricing of all goods.

Yearly, every August a special control is done on school articles and the results are published in the local newspaper. The purpose of this is to create more awareness in the community concerning school articles.

Regarding price checking (checking if the prices are clearly displayed), in total 32 controls took place in 2006, resulting in 1 business not being in order. Regarding price indication related to the weight of bread 6 controls were held in 2006, resulting in 2 negative scores.

Domestic live-in

There were 13 controls done in 2006 on domestic live-in and of all the 13 controlled working-situations everything was perfectly in order.

Civilian Address Information

DEZA assisted the Civil Affairs office controlling address information of civilians in 2006. All the 129 controls had a positive result.

Verifying of weights and measures (“Ijkwezen”)

The verifying of weights and measures took place in cooperation with the Directorate of Economic Affairs. Of the controls carried out in 2006 (80 in total), all the results were positive.

F. PUBLIC TRANSPORT

a. Taxi Driver Licenses

	2006	2005	2004
New taxi driver license requests	18	18	0
Approved	2	2	0
On waiting list	16	13	0
Not placed on waiting list	0	1	0
Requests rejected	2	2	0
Taxi driver license extensions	14	21	28
Taxi driver licenses not extended/still valid	14	4	2
Assistant taxi driver license extensions	5	8	11
Asst. taxi driver license not extended/still valid	3	3	2
Withdrawal of taxi driver licenses	2	3	0
Withdrawal of assistant taxi driver licenses	0	1	0
Advice for withdrawal of taxi driver license	2	1	0

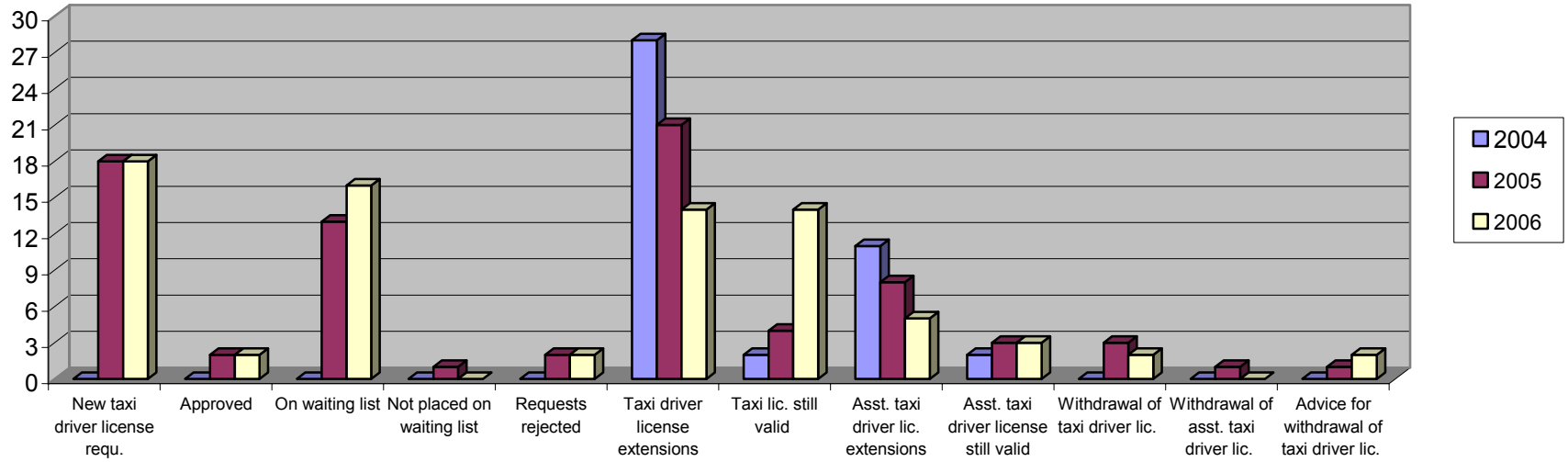
Total taxi	2006	2005	2004
Taxi driver licenses in use	28	28	30
Taxi driver licenses available	7	7	5
License plates reserved for taxis	35	35	35
Assistant taxi driver licenses in use	7	11	13
Assistant taxi driver licenses available	21	17	17

b. Bus Driver Licenses

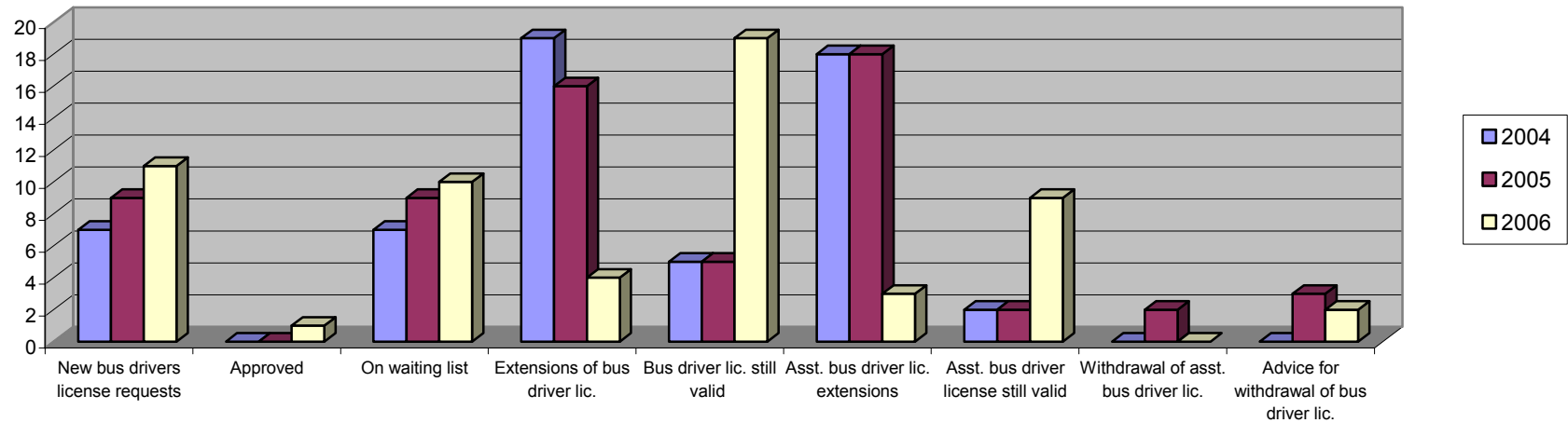
	2006	2005	2004
New bus drivers license requests	11	9	7
Approved	1	0	0
On waiting list	10	9	7
Extensions of bus driver licenses	4	16	19
Bus driver licenses not extended/still valid	19	5	5
Assistant bus driver license extensions	3	18	18
Asst. bus driver license not extended/still valid	9	2	2
Withdrawal of assistant bus driver licenses	0	2	0
Advice for withdrawal of bus driver license	2	3	0

Total bus	2006	2005	2004
Bus driver licenses in use	23	24	24
Bus driver licenses available	12	11	11
License plates reserved for buses	35	35	35
Assistant bus driver licenses in use	13	20	20
Assistant bus driver licenses available	10	4	4

Taxi driver licenses



Bus driver licenses



PUBLIC TRANSPORT

General

A committee for public transport was instituted in November 2003. This committee advises the island government of Bonaire on mainly two aspects:

- granting of taxi and bus licenses;
- changes in laws and regulations affecting public transport.

This committee prepares concept licenses to be signed by the island government of Bonaire. Taxi licenses and bus licenses can only be approved by the island government. The committee handles new requests and communicates with the taxi and bus drivers to evaluate if there is a need for more taxi and bus drivers, depending on the market, the demand, and the itineraries.

The commission is studying the possibility of having a system of identifiable scheduled buses, among other future plans.

Activities 2006 and other specifics

In 2006, the committee submitted a positive advice regarding 2 new taxi and 1 bus driver license request. In 2006, the amount of taxi license requested equals 2005 and the amount of bus-driver license requests is somewhat higher than in the previous year.

The purpose of the extensions is the updating of all current permits so as to ensure their validity. Some extensions are granted for 1 year and others for 2 years

In 2005 the committee started handling new license requests. Some requests were put on a waiting list, and others were advised for withdrawal. The same was done in 2006, and it is noticeable that there have been more requests placed on a waiting list in 2006 compared to the previous year. This is due to the large amount of requests and the limited market; to protect the saturated market the government has implemented a moratorium in the taxi and bus branch.

Regarding the assistant drivers licenses, it is worth mentioning that not all taxis and buses have an assistant but they are entitled to request one to replace them in case of illness or when traveling abroad.

Anyone applying for a taxi or bus driver's license can make use of the opportunity to participate in a special public transport course on tourism awareness offered by FORMA. Completing this course successfully gives the driver the advantage that the certificate entitles him or her to a 2-year license; otherwise, they need to renew their license annually by sending a letter to the island executive council. A second advantage is that following the course contributes positively to the outcome of the license application process. And last but certainly not least there is an important third advantage of the successful completion of the above mentioned course: a taxi one-(wo)man business that is certificated has a special status, especially regarding the quality of service to the client.

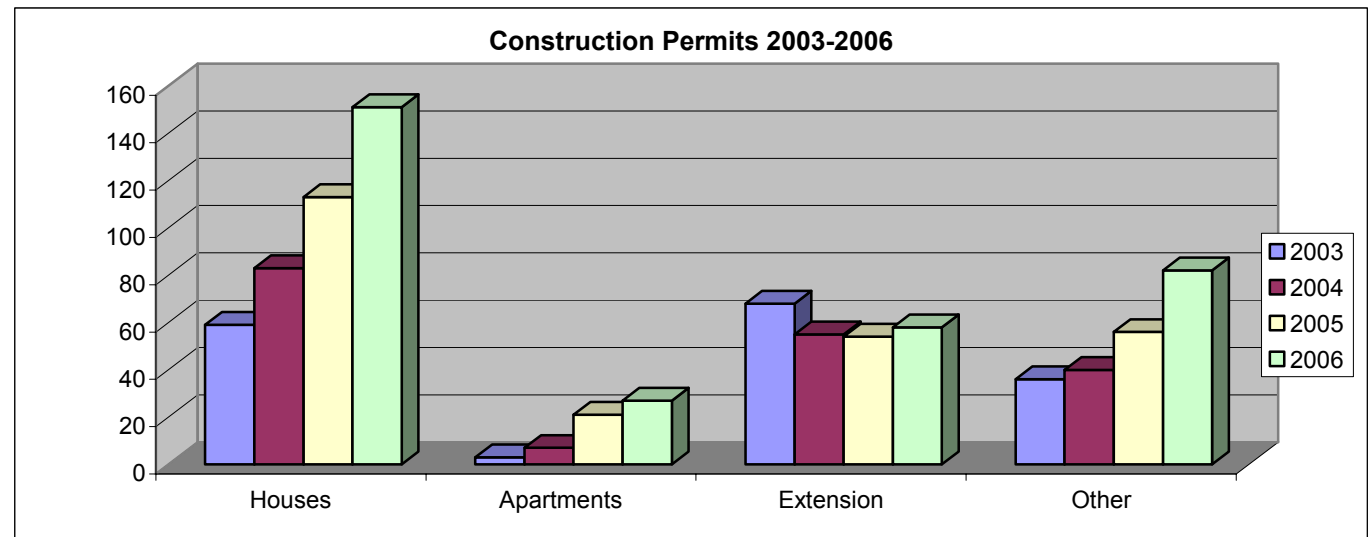
In 2006, the committee created an island decree stipulating the new applicable tariffs, which was subsequently approved and published on the 27th of September 2006. These official tariffs were then placed at the Bonaire International Airport so tourists and other passengers are aware of the price for their trip.

6. CONSTRUCTION (source: DROB)

A. CONSTRUCTION PERMITS PER BUILDING CATEGORY

	2003 Houses	2004 Houses	2005 Houses	2006 Houses	2003 Apartments	2004 Apartments	2005 Apartments	2006 Apartments	2003 Extension	2004 Extension	2005 Extension	2006 Extension	2003 Other**	2004 Other	2005 Other	2006 Other
January	4	11	4	8	0	0	0	4	6	4	3	8	3	4	3	4
February	5	6	7	8	0	0	1	2	3	5	4	6	3	6	2	2
March	5	4	6	15	0	1	3	4	4	2	4	2	2	5	4	5
April	2	5	14	17	0	2	1	1	9	3	7	4	1	1	3	10
May	5	7	9	10	1	1	3	1	7	5	7	4	5	4	6	14
June	2	13	9	20	0	0	2	2	7	11	6	5	3	4	6	8
July	4	7	14	12	0	0	2	2	6	5	5	3	3	6	4	8
August	0	6	9	18	1	2	2	4	6	4	5	7	2	4	7	5
September	7	8	6	9	1	0	4	0	8	2	1	5	3	2	1	5
October	8	3	15	9	0	0	0	2	5	6	3	3	2	2	5	9
November	11	5	11	13	0	0	2	4	5	1	4	5	4	2	10	9
December	6	8	9	12	0	1	1	1	2	7	5	6	5	0	5	3
Total	59	83	113	151	3	7	21	27	68	55	54	58	36	40	56	82

	Total 2003	Total 2004	Total 2005	Total 2006
January	13	19	10	24
February	11	17	14	18
March	11	12	17	26
April	12	11	25	32
May	18	17	25	29
June	12	28	23	35
July	13	18	25	25
August	9	16	23	34
September	19	12	12	19
October	15	11	23	23
November	20	8	27	31
December	13	16	20	22
Total	166	185	244	318



**Other: renovation, workshop, fuel tanks, maid's room, garage, shop premises, club house, pier, swimming pool, water sport facilities.

B. CONSTRUCTION PERMITS PER MONTH

	Total 2003	Total 2004	Total 2005	Total 2006	CHG 2003/2004	CHG 2004/2005	CHG 2005/2006
January	13	19	10	24	6	-9	14
February	11	17	14	18	6	-3	4
March	11	12	17	26	1	5	9
April	12	11	25	32	-1	14	7
May	18	17	25	28	-1	8	3
June	12	28	23	35	16	-5	12
July	13	18	25	25	5	7	0
August	9	16	23	34	7	7	11
September	19	12	12	19	-7	0	7
Oktober	15	11	23	23	-4	12	0
November	20	8	27	31	-12	19	4
December	13	16	20	22	3	4	2
Total	166	185	244	317	19	59	73



C. CONSTRUCTION VALUE

Construction value 2003 (NAfls.)					
	Houses	Apartments	Extensions	Other	Total Value
January	688.000	0	230.512	89.000	1.007.512
February	391.800	0	42.000	314.000	747.800
March	1.254.050	0	1.063.000	60.400	2.377.450
April	435.000	0	1.321.200	34.000	1.790.200
May	1.321.100	33.900	466.360	1.897.900	3.719.260
June	649.000	0	469.400	151.000	1.269.400
July	1.095.000	0	334.000	104.200	1.533.200
August	140.000	0	1.293.600	2.168.000	3.601.600
September	1.226.000	124.000	278.600	234.000	1.862.600
Oktober	808.000	0	198.175	1.125.000	2.131.175
November	1.915.200	0	102.200	212.000	2.229.400
December	1.163.000	0	52.000	354.500	1.569.500
Total	11.086.150	157.900	5.851.047	6.744.000	23.839.097

Construction value 2004 (NAfls.)					
	Houses	Apartments	Extensions	Other	Total Value
January	6.911.521	0	145.000	729.200	7.785.721
February	1.968.000	0	1.195.700	3.300.400	6.464.100
March	809.300	2.000.000	117.000	246.500	3.172.800
April	873.000	1.739.500	83.000	480.000	3.175.500
May	1.266.000	436.000	315.500	150.000	2.167.500
June	2.642.000	0	416.850	106.000	3.164.850
July	1.535.750	0	572.000	2.337.000	4.444.750
August	1.732.250	686.250	252.200	618.000	3.288.700
September	2.001.000	0	68.500	135.700	2.205.200
Oktober	387.000	0	501.500	69.200	957.700
November	1.046.000	0	20.000	157.000	1.223.000
December	1.060.600	248.000	477.000	0	1.785.600
Total	22.232.421	5.109.750	4.164.250	8.329.000	39.835.421

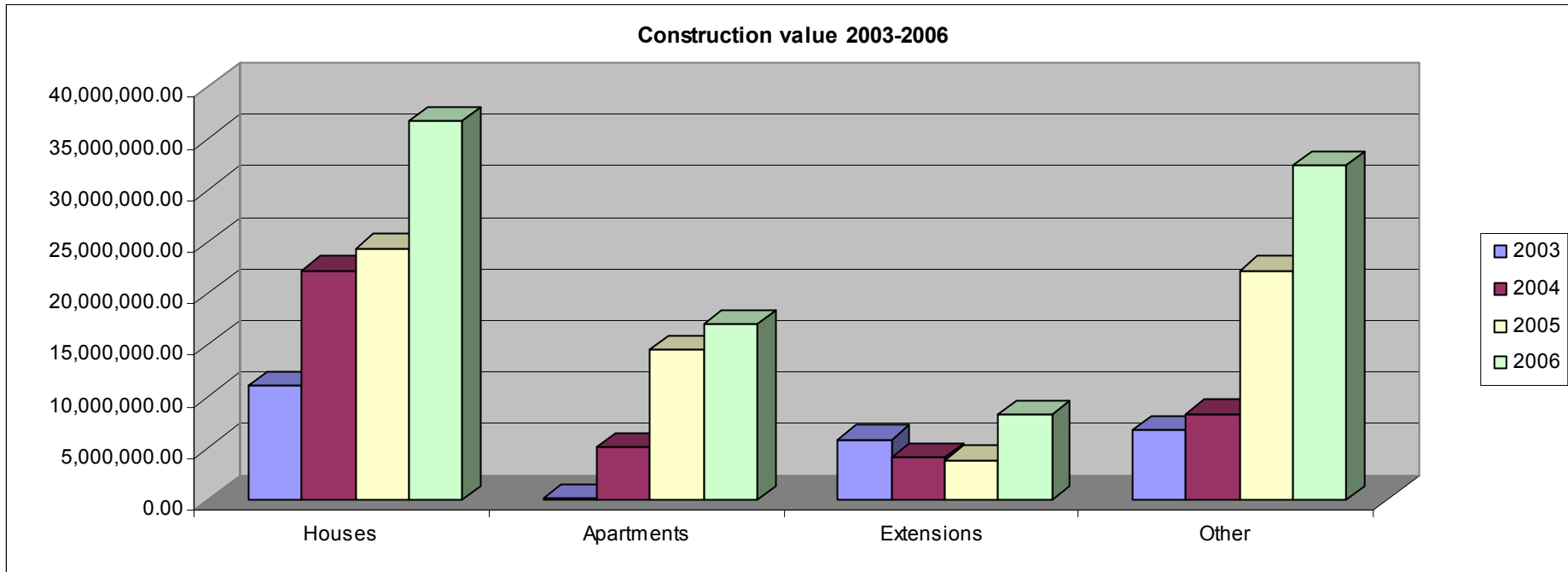
Construction value 2005 (NAfls.)					
	Houses	Apartments	Extensions	Other	Total Value
January	878.000	0	73.000	437.500	1.388.500
February	1.316.200	100.000	409.500	108.000	1.933.700
March	1.588.617	1.899.000	212.000	334.500	4.034.117
April	3.511.396	131.200	802.363	174.500	4.619.459
May	1.471.905	1.216.000	391.850	642.850	3.722.605
June	1.492.700	78.174	656.200	631.860	2.858.934
July	2.638.069	1.132.000	143.000	445.600	4.358.669
August	3.192.400	5.162.900	169.305	15.941.681	24.466.286
September	1.234.100	3.076.000	80.000	108.000	4.498.100
Oktober	3.486.160	0	116.080	1.237.591	4.839.831
November	2.314.768	1.120.000	606.500	1.524.880	5.566.148
December	1.263.350	657.000	213.200	657.480	2.791.030
Total	24.387.665	14.572.274	3.872.998	22.244.442	65.077.379

Construction value 2006 (NAfls.)					
	Houses	Apartments	Extensions	Other	Total Value
January	1.609.508	4.364.000	198.000	2.734.700	8.906.208
February	1.460.340	497.000	367.820	664.250	2.989.410
March	2.546.991	3.111.785	211.000	1.091.050	6.960.826
April	3.529.151	147.870	301.400	6.055.500	10.033.921
May	2.876.210	118.750	81.250	6.042.790	9.119.000
June	4.993.500	645.480	285.313	1.971.250	7.895.543
July	2.193.130	650.000	337.000	4.219.680	7.399.810
August	5.488.850	1.261.000	314.800	311.863	7.376.513
September	2.451.000	0	5.569.000	1.154.000	9.174.000
Oktober	2.690.600	322.000	83.400	2.940.665	6.036.665
November	2.992.217	5.724.980	295.500	1.122.750	10.135.447
December	3.925.200	123.000	210.100	4.108.160	8.366.460
Total	36.756.697	16.965.865	8.254.583	32.416.658	94.393.803

CONSTRUCTION VALUE 2003-2006

	Total 2003	Total 2004	Total 2005	Total 2006
Houses	11.086.150	22.232.421	24.387.665	36.756.697
Apartments	157.900	5.109.750	14.572.274	16.965.865
Extension	5.851.047	4.164.250	3.872.998	8.254.583
Other	6.744.000	8.329.000	22.244.442	32.416.658
Total	23.839.097	39.835.421	65.077.379	94.393.803

2003/2004	% 2003/2004	2004/2005	% 2004/2005	2005/2006	% 2005/2006
11.146.271	101	2.155.244	10	12.369.032	51
4.951.850	3.136	9.462.524	185	2.393.591	16
-1.686.797	-29	-291.252	-7	4.381.585	113
1.585.000	24	13.915.442	167	10.172.216	46
15.996.324	67.10	25.241.958	63.37	29.316.424	45.05



D. CONSTRUCTION DUES

Construction dues 2003 (NAfls.)					
	Houses	Apartments	Extensions	Other	Total Value
January	3.382	0	1.433	625	5.440
February	2.211	0	240	1.629	4.080
March	5.327	0	3.930	351	9.608
April	2.060	0	5.978	230	8.268
May	5.685	230	3.372	7.082	16.369
June	2.641	0	2.470	860	5.971
July	4.885	0	1.845	616	7.346
August	720	6.890	4.752	60	12.422
September	6.308	656	1.718	670	9.352
Oktober	3.312	0	1.161	4.195	8.668
November	9.006	0	615	1.130	10.751
December	5.372	0	300	1.890	7.562
Total	50.909	7.776	27.814	19.338	105.837

Construction dues 2004 (NAfls.)					
	Houses	Apartments	Extensions	Other	Total Value
January	24.514	0	700	3.105	28.319
February	8.197	0	2.318	11.915	22.430
March	3.705	6.410	705	1.532	12.352
April	3.985	5.768	480	1.850	12.083
May	5.353	1.770	1.618	990	9.731
June	12.698	0	2.320	730	15.748
July	7.019	0	2.486	8.872	18.377
August	7.394	2.880	1.266	3.048	14.588
September	8.590	0	395	841	9.826
Oktober	2.005	0	2.432	466	4.903
November	4.830	0	60	875	5.765
December	5.449	1.154	3.195	0	9.798
Total	93.739	17.982	17.975	34.224	163.920

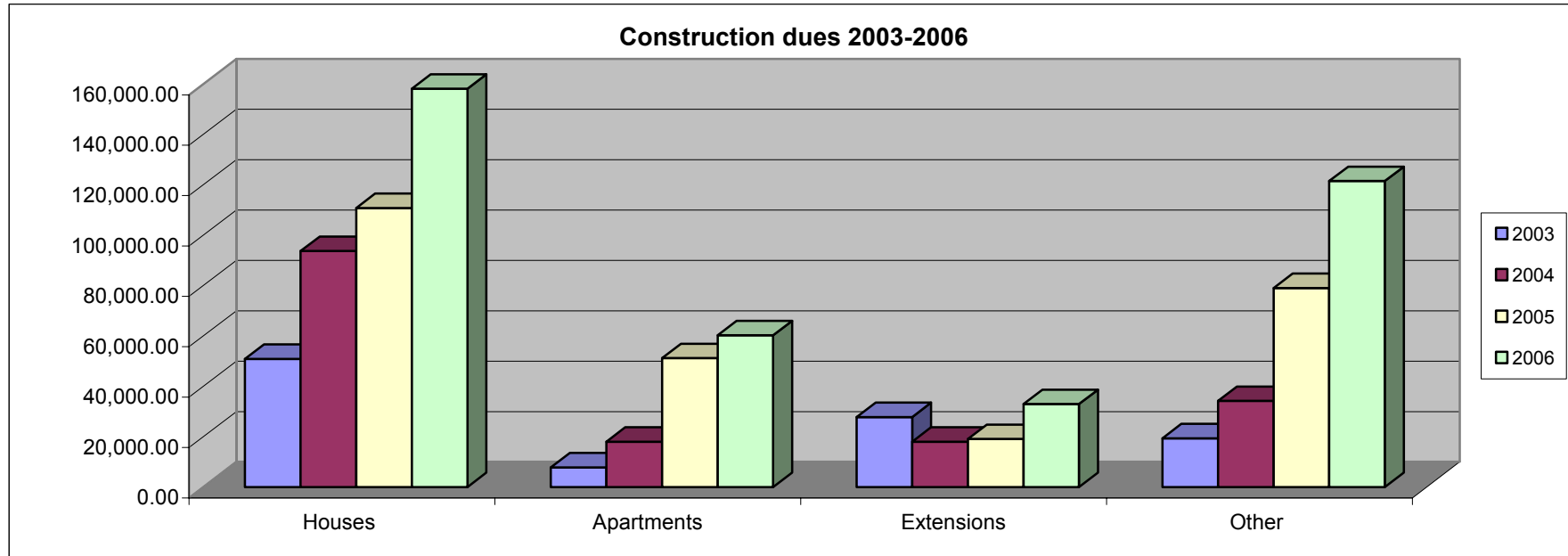
Construction Dues 2004 (NAfls.)					
	Houses	Apartments	Extensions	Other	Total Value
January	3.990	0	285	2.136	6.411
February	6.080	560	1.575	660	8.875
March	6.885	6.726	1.000	1.890	16.501
April	15.939	685	3.899	1.000	21.523
May	7.174	4.867	2.204	3.735	17.980
June	7.232	510	2.777	2.904	13.423
July	12.627	4.098	800	2.218	19.743
August	12.717	16.085	1.147	49.329	79.278
September	5.818	11.522	460	592	18.392
Oktober	15.385	0	761	4.712	20.858
November	10.593	3.760	2.933	6.901	24.187
December	6.365	2.381	1.235	2.961	12.942
Total	110.805	51.194	19.076	79.038	260.113

Construction dues 2006 (NAfls.)					
	Houses	Apartments	Extensions	Other	Total Value
January	7.357	14.386	1.190	9.294	32.227
February	6.902	2.031	2.152	2.691	13.776
March	12.381	10.866	1.129	4.590	28.966
April	12.941	751	1.697	20.553	35.942
May	12.216	635	471	22.625	35.947
June	22.314	2.758	1.525	8.460	35.057
July	10.173	2.560	1.835	15.213	29.781
August	22.956	5.349	1.824	1.574	31.703
September	10.370	0	17.857	5.041	33.268
Oktober	11.099	1.608	497	11.691	24.895
November	13.365	18.672	1.458	6.685	40.180
December	16.140	652	1.306	13.091	31.189
Total	158.214	60.268	32.941	121.508	372.931

CONSTRUCTION DUES 2005-2006

Nafis.	Total 2003	Total 2004	Total 2005	Total 2006
Houses	50.909	93.739	110.805	158.214
Apartments	7.776	17.982	51.194	60.268
Extensions	27.814	17.976	19.076	32.941
Other	19.338	34.225	79.038	121.508
Total	105.837	163.921	260.113	372.931

CHG 2003/2004	%CHG 03/04	CHG 2004/2005	%CHG 04/05	CHG 2005/2006
42.830	84	17.066	18	47.409
10.206	131	33.212	185	9.074
-9.839	-35	1.101	6	13.865
14.887	77	44.814	131	42.470
58.084	54.88	96.192	58.68	112.818



DROB: CONSTRUCTION

General

Over the past few years, there has been a structural increase in the amount of construction permits requested. The construction permits requested can be divided into 4 categories: houses, apartments, extensions and others.

Houses

In 2006 approximately 34% more construction permits for houses were requested than in 2005. The growth in this sector clearly shows a high structural trend: 41%, 36%, 34% increase in 2004, 2005 and 2006 respectively. From 59 requests in 2003 to 83 in 2004 and 113 in 2005, there are now in 2006 a substantial amount, 151 requests, to build a house over the year, which is an increase of 156% over 4 years.

Most of these houses are second properties being built by local residents with the purpose of renting them out. In 2006 there were still effects noticeable of the assignment received by the department of domain management to make an inventory of all terrains that had been leased between 1998 and 2002 in order to withdraw and reassign the terrains where no construction had yet taken place. Many of those terrains have been assigned which explains the increasing construction permit requests for houses and apartments. Terrains are also being used immediately to build on when assigned.

Apartments

The amount of construction permits for apartments requested in 2006 was approximately 29% higher than in 2005. After two booming years with increases of 200% in 2004 and 133% in 2005 respectively, 2006 shows a leveled growth.

The majority of the apartment complexes are being built for tourists in the residential areas of Belnem, Hato, Kralendijk and vicinity. Some smaller apartments called "maid's rooms" appear in the "other" construction permit category. When requesting a permit for a maid's room there is no need to request a change of objective of the terrain. However, a permit is necessary for the construction of an apartment.

Construction trend

The construction trend per month shows that the most construction permits are being requested in the months April, May, June and August with another peak in November (end of the year). The latter is usually intended for construction projects planned to be initiated in the following year.

Revenues

The revenues generated by DROB from the construction dues in 2006 show a growth of 43% compared to 2005. The three previous years also experienced substantial growth in these revenues, about 55% and 59%. The construction revenues generated by DROB tripled from 105.837.00 thousand NAfls in 2003 to 372.931 thousand NAfls in 2006. This booming development can be interpreted as a crucial indication that the Bonairean economy has been developing in a fast pace in recent years. In 2005 the construction dues were raised from NAfls. 800 per m² to NAfls. 950 per m².

Construction Value

The construction value has increased from 23.8 million NAfls. in 2003 to 94 million NAfls. in 2006 due to higher transport costs triggered by the global increase of oil prices and the higher cost of construction materials, such as sand, cement, and cement blocks, due to scarcity on the island.

7. DEPOSITS AND LOANS

(source: BNA, Bank of the Netherlands Antilles)

BNA Code	BREAKDOWN OF DEPOSITS AND LOANS BONAIRE (Nafis.)	YEARTOTAL							
		2006		2005		residents		non-residents	
		Residents	Nonresidents	Residents	Nonresidents	Change 2006/2005		Change 2006/2005	
Description									
A.I.	Demand Deposits	1.004.470	199.534	859.685	165.553	144.785	17%	33.981	21%
A.I.1	DemDep Central Government	71.149	0	24.576	0	46.573	190%	0	
A.I.2	DemDep Island Government	27.201	0	15.248	0	11.953	78%	0	
A.I.3	DemDep Banks	11.721	0	7.591	0	4.130	54%	0	
A.I.4	DemDep Individuals	234.103	100.029	200.299	80.929	33.804	17%	19.100	24%
A.I.5	DemDep Business	660.296	99.505	611.971	84.624	48.325	8%	14.881	18%
A.II.	Savings Deposits	907.267	85.284	786.867	101.138	120.400	15%	-15.854	-16%
A.III.	Time Deposits	593.825	34.295	639.624	22.464	-45.799	-7%	11.831	53%
A.III.1	Time Central Government	0	0	0	0	0	0	0	0
A.III.2	Time Island Governments	115	0	8.285	0	-8.170	-99%	0	
A.III.3	Time Banks	0	0	0	0	0		0	
A.III.4	Time Individuals	248.453	28.500	239.023	17.413	9.430	4%	11.087	64%
A.III.5	TimeDep Business	345.257	5.795	392.316	5.051	-47.059	-12%	744	15%
A.	Total Deposits	2.505.562	319.113	2.286.176	289.155	219.386	10%	29.958	10%
B.I.	Loans Business	1.039.432	82.211	1.081.840	79.708	-42.408	-4%	2.503	3%
B.II.	Loans Individuals	1.118.232	22.442	1.024.126	26.927	94.106	9%	-4.485	-17%
B.II.1	Individuals Current Account	35.346	2.197	36.173	2.303	-827	-2%	-106	-5%
B.II.2	Individuals Time Loans	655.863	15.945	621.562	19.873	34.301	6%	-3.928	-20%
B.II.3	Individuals Mortgages	427.023	4.300	366.391	4.751	60.632	17%	-451	-9%
B.III.	Loans Other	138.689	0	165.418	0	-26.729	-16%	0	
B.IV.	Loans Central Government	0	0	121	0	-121	-100%	0	
B.V.	Loans Island Government	1.634	0	1.637	0	-3	0%	0	
B.V.1	Current Account Overdrafts	1.634	0	1.637	0	-3	0%	0	
B.V.2	Other	0	0	0	0	0		0	
B.VI.	Loans Banks	0	0	0	0	0		0	
B.	Total Loans	2.297.987	104.653	2.273.142	106.635	24.845	1%	-1.982	-2%

DEPOSITS AND LOANS 2006

Analysis by DEZA, based on BNA Statistics

The figures in the chart above give a complete picture of the total loans and deposits in the banks on the island of Bonaire at the end of the year 2006, according to the administration of BNA (Bank of the Netherlands Antilles).

A, Total Deposits, is the sum of A.I (Demand Deposits), A.II (Saving Deposits) and A.III (Time Deposits). B, Total Loans, is the sum of B.I (Loans Business), B.II (Loans Individuals), B.III (Loans Other), B.IV (Loans Central Government), B.V (Loans Island Government) and B.VI (Loans Banks).

Some of these subcategories, are specified in sub-subcategories: for instance B.II consists of B.II.1, B.II.2 and B.II.3; A.III consists of A.III.1 up to A.III.5.

In 2006, the total deposits increased with 10%: for residents as well as non-residents. The total amount of loans increased by 1% for residents and decreased by 2% for non-residents.

There is a balance between deposits (savings) on the one hand and loans (investment and consumption) on the other hand. This balance contributes to and is a signal of a healthy and prosperous economy. Furthermore, total deposits of NAfls. 2.5 million and loans of NAfls. 2.3 million by residents of Bonaire, an island of approximately 13.000 inhabitants, can be considered as signifying:

- a. a structural successful economic development of the island of Bonaire and
- b. positive expectations of the residents of Bonaire -consumers and investors alike- regarding the economic prospects of the island, now and for the near future.

The deposits and loans by non-residents in 2006 are a fraction of these amounts: circa NAfls. 320 thousand and circa NAfls. 105 thousand respectively. These relatively low amounts are most likely due to the rules and regulations regarding citizenship applied by the banks in their transactions with potential clients.

8. CONSUMER INDEX PRICES (source: CBS)

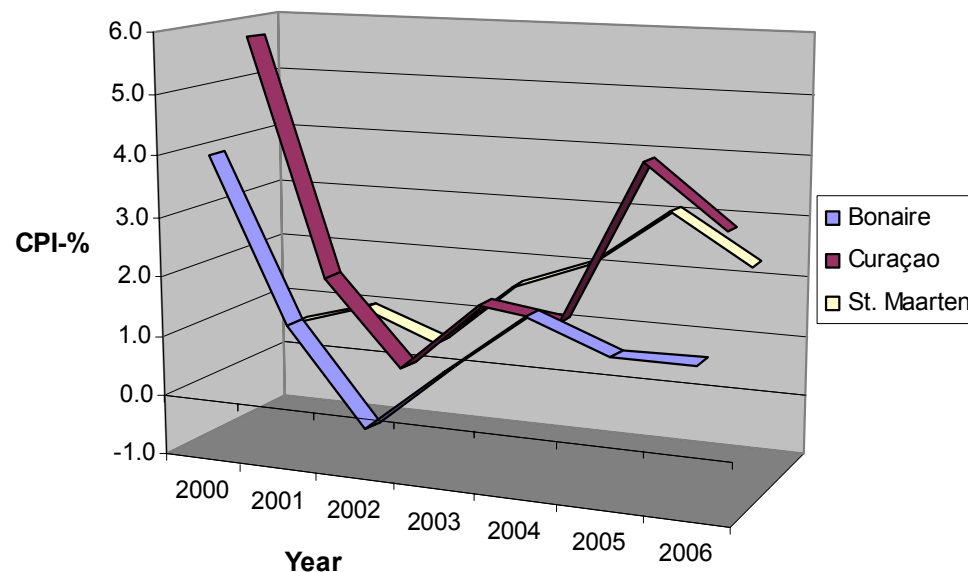
CPI BONAIRE: CONSUMER PRICE INDEX

	2000	2001	2002	2003	2004	2005	2006
Food	4.4%	1.4%	1.7%	2.9%	5.0%	4.2%	3.4%
Drinks & Cigarettes	5.9%	-1.9%	-1.4%	0.2%	1.3%	-4.6%	0.8%
Clothing & Footwear	1.6%	0.1%	0.0%	0.0%	0.2%	0.0%	0.0%
Housing	2.1%	1.7%	1.4%	1.8%	1.8%	1.8%	1.7%
Furniture & Household goods	3.0%	-1.2%	-2.4%	0.8%	0.6%	3.1%	2.2%
Health care	1.0%	0.5%	0.9%	2.0%	1.2%	0.7%	1.3%
Transport & Communication	8.7%	3.4%	-3.5%	-1.3%	1.1%	-0.5%	-0.8%
Recreation & Development	1.1%	-0.1%	0.0%	0.0%	0.1%	0.0%	0.1%
Other	3.0%	1.0%	0.4%	0.1%	1.2%	1.1%	1.4%
Total	4.0%	1.3%	-0.3%	0.8%	1.8%	1.3%	1.3%

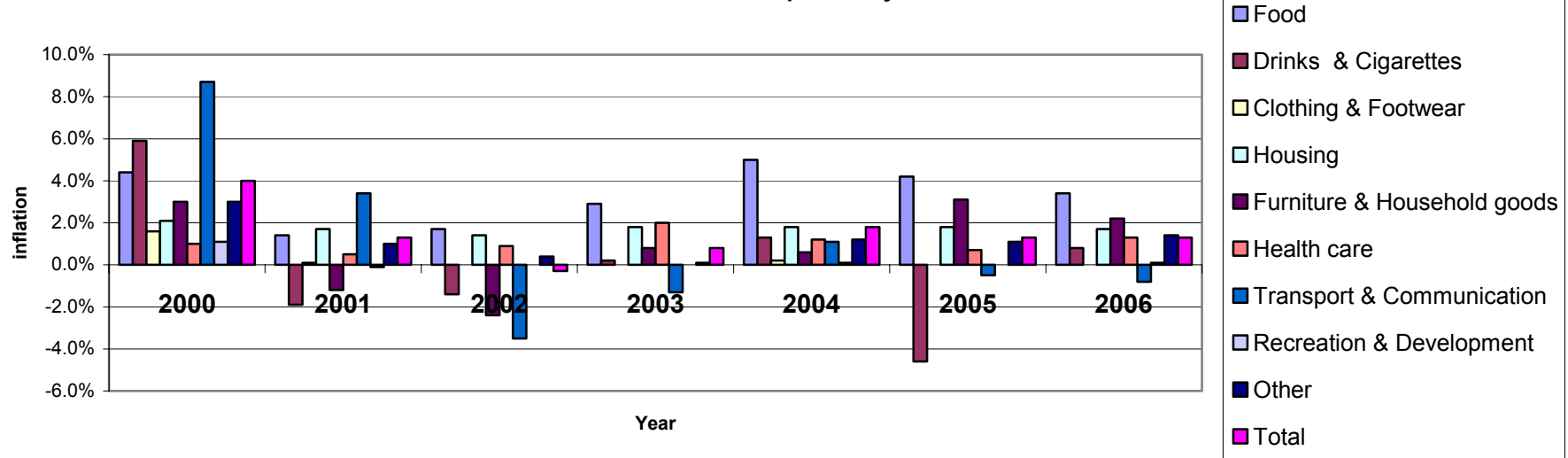
CPI Bonaire from an Antillean perspective

CONSUMER PRICE INDEX MUTATION IN %

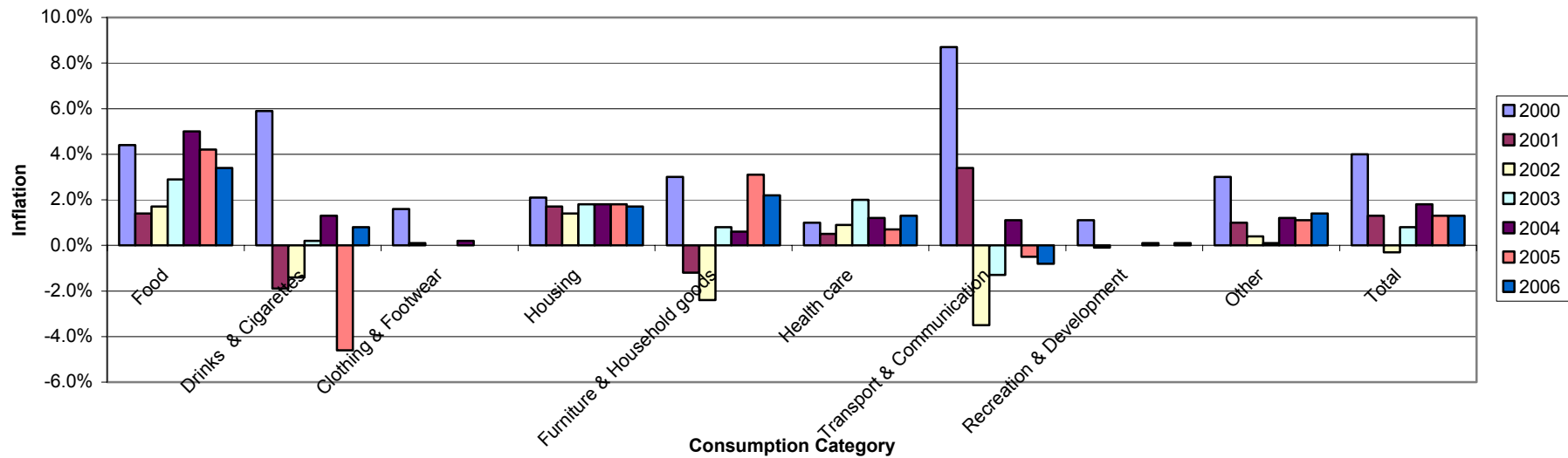
	2000	2001	2002	2003	2004	2005	2006
Bonaire	4.0	1.3	-0.3	0.8	1.8	1.3	1.3
Curaçao	5.8	1.8	0.4	1.6	1.4	4.1	3.1



CPI Bonaire: a comparative yearview



CPI Bonaire: comparative view per consumption category



CBS: CONSUMER PRICE INDEX

Overall, the inflation in 2006 was at the same level as in 2005: an average of 1.3%. All consumption-categories show an increase of the prices in 2006, except for Transport & Communication (-0.8%) and Clothing & Footwear (0%). If we focus on the price increases in 2006, the category Food shows the highest inflation rate (3.4%) and the category Recreation & Development the lowest (0.1%).

Compared to Curaçao and St. Maarten (inflation St. Maarten includes Saba and St. Eustatius), in 2006 Bonaire has had the lowest inflation rate since 2002, with the exception of 2004. A low inflation is a sign of a prosperous economy as well as a positive ingredient for a good economic development.

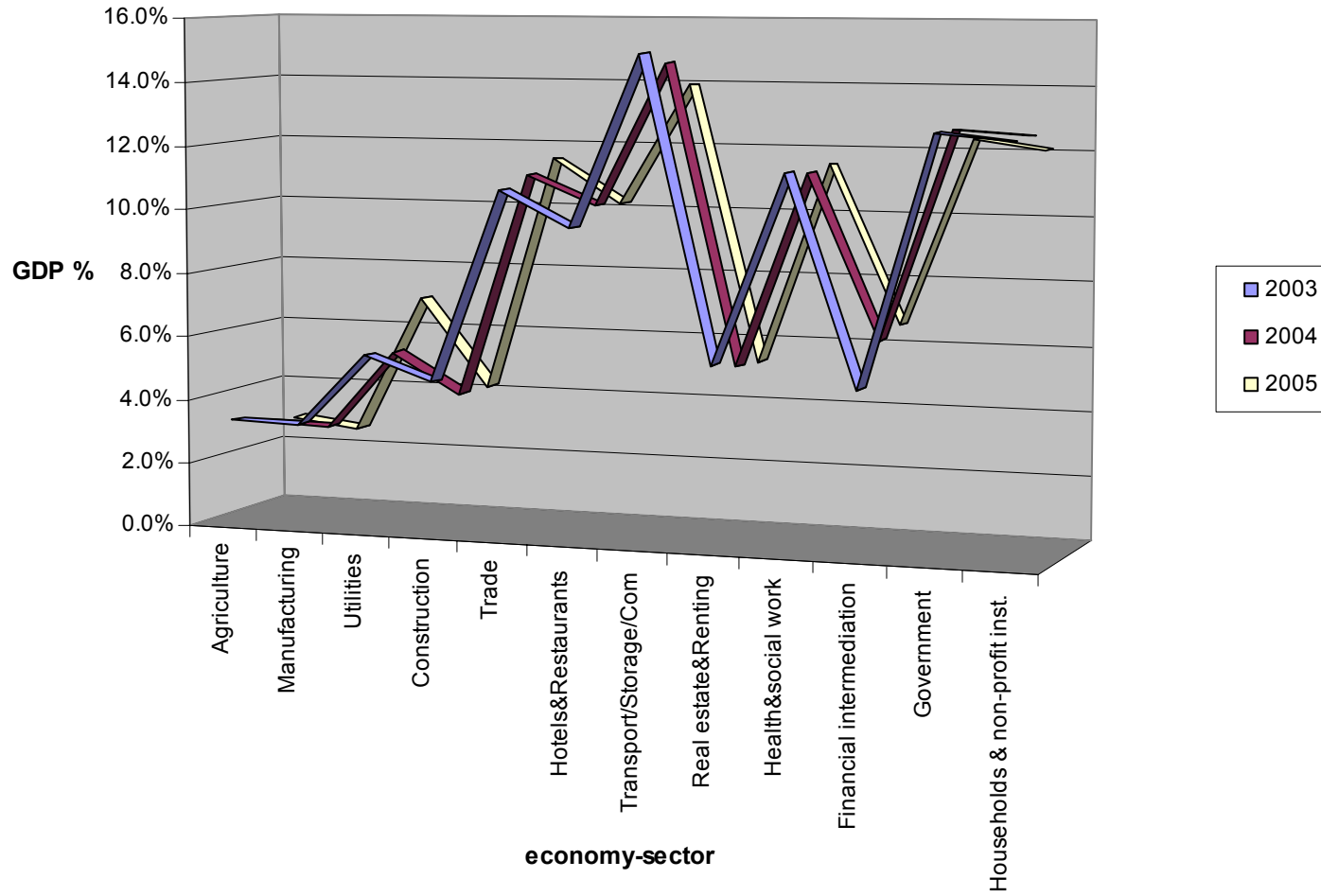
Comparing the figures through the years shows that the inflation in Bonaire has dropped significantly since 2000, with the lowest level in 2002. After some increase in 2003 and 2004 the inflation has been stable since 2005 at a low level of 1.3%. It can be logically argued that a structural low level of inflation has a positive effect on the expenditure capacity of the consumer, resulting in a positive effect on the economy as a whole.

source: CBS

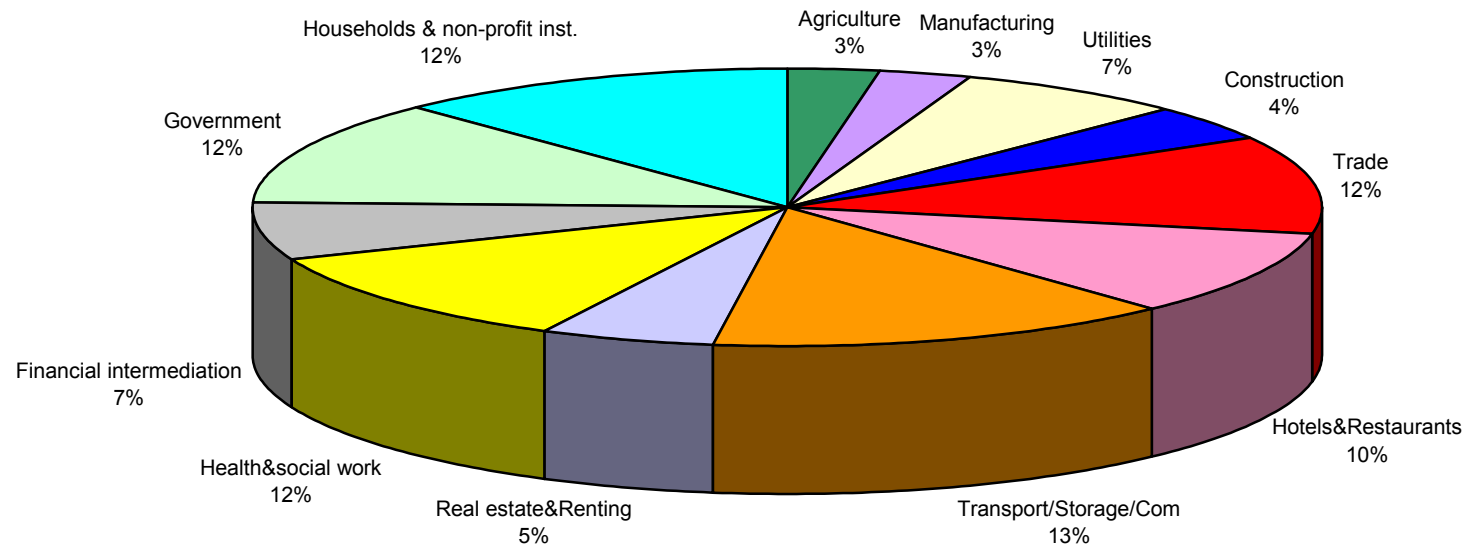
9. GROSS DOMESTIC PRODUCT (source: CBS)

Gross Domestic Product (GDP) by Sector and Industry, Bonaire (mln ANG)									
MOST RECENT GDP BONAIRE: 2005		2000	2001	2002	2003	2004	2005	% of GDP2005	2005/2004 % CHANGE
Non-financial corporations									
A+B+C	Agriculture, fishing and mining	9.2	11.9	11.2	9.6	8.9	8.9	2.9%	0%
D	Manufacturing	9.8	12.8	8.9	9.5	8.8	8.1	2.6%	-8%
E	Electricity, gas and water	13.0	12.8	12.1	16.0	16.1	21.5	6.9%	33%
F	Construction	19.2	19.6	12.8	13.8	12.5	12.8	4.1%	3%
G	Trade	25.5	25.9	31.1	31.0	33.3	35.8	11.5%	7%
H	Hotels and restaurants	23.9	25.4	27.7	27.8	30.6	31.4	10.1%	3%
I	Transport,storage and communications	33.7	35.3	43.8	43.2	43.9	43.2	13.9%	-2%
K	Real estate, renting and business activities	20.4	17.7	14.4	16.2	16.1	16.4	5.3%	2%
NO	Health and social work,other services	22.7	25.2	29.0	33.0	34.0	35.7	11.5%	5%
Value added, gross, marketprices		177.4	186.6	191.1	199.9	204.2	213.8	68.9%	5%
Financial corporations									
J	Financial intermediation	17.2	11.9	16.3	14.6	19.0	20.5		8%
Value added, gross, marketprices		17.2	11.9	16.3	14.6	19.0	20.5	6.6%	8%
Government **									
AB	Agriculture	0.0	0.0	0.0	0.0	0.0			
I	Transport,storage and communications	2.8	2.7	2.7	2.7	2.7			
K	Real estate, renting and business activities	0.3	0.1	0.2	0.2	0.1			
L	Public administration and defence;compulsory social security	26.9	25.2	23.7	25.1	26.2			
M	Education	3.1	2.9	2.7	2.6	2.7			
N	Health and social work	4.4	4.0	3.8	3.7	3.8			
O	Other community, social and personal service act.	2.8	2.6	2.5	2.4	2.6			
Value added, gross, marketprices		40.4	37.6	35.6	36.7	38.1	38.4	12.4%	1%
Households & Non-profit institutions serving households **									
ABC	Agriculture and fishing	0.0	0.0	0.0	0.0	0.0			
D	Manufacturing	0.1	0.1	0.1	0.1	0.1			
F	Construction	0.1	0.1	0.0	0.0	0.0			
G	Trade	0.1	0.0	0.0	0.1	0.1			
H	Hotels and restaurants	0.2	0.3	-0.5	-0.5	-0.5			
I	Transport,storage and communications	1.1	1.2	1.0	1.1	1.3			
K	Real estate, renting and business activities	22.7	24.1	24.5	27.9	29.1			
N	Health and social work	0.1	0.1	0.1	0.1	0.1			
O	Other community, social and personal service act.	13.3	13.7	8.5	6.5	6.9			
P	Private households	0.8	0.7	0.7	0.8	0.6			
Value added, gross, marketprices		38.5	40.3	34.4	36.1	37.7	37.5	12%	
Total Value Added gross, market prices		273.5	276.3	277.4	287.3	299.0	310.2	100%	4%
Taxes less subsidies on products		30.6	28.9	27.6	31.7	33.2	35.4		7%
Less Fisim*		4.6	3.0	2.4	4.8	5.4	5.8		6%
Domestic Product gross, market prices		299.5	302.2	302.7	314.3	326.8	339.8		4%
nominal GDP growth (%)		-1.6	0.9	0.1	3.8	4.0	4.0		
inflation (%)		4.0	1.2	-0.3	0.8	1.8	1.3		
real GDP growth (%)		-5.6	-0.3	0.4	3.1	2.2	2.7		
<i>*fisim = financial intermediation services indirectly measured, is always deducted from gdp worldwide.</i>									
<i>** 2005 figures not yet available</i>									

GDP Bonaire



GDP Bonaire 2005: Gross Domestic Product by economy sector



GROSS DOMESTIC PRODUCT BONAIRE (based on CBS figures)

The GDP of 2005, being the most recent GDP-figures from CBS, serves as a good reference for the economic development of Bonaire in 2006.

1. Profit and non-profit GDP-section

The GDP (excluding taxes) can be categorized in a profit and a non profit section. The profit section contributes circa 75% to the Bonairean GDP 2005 and consists of non-financial and financial corporations. The non-profit section contributes circa 25% to the Bonairean GDP 2005 and consists of government, households and non-profit organizations.

Focus in this chapter is directed to the profit section of the Bonairean GDP/economy.

2. Bonaire's GDP 2005: economic growth

Bonaire had a GDP of NAfls. 310.2 million excluding taxes and NAfls. 339.9 million including taxes.

When overlooking the period 2000-2005, till 2003 there is small growth. From 2003 onwards there is a reasonable nominal and real growth. The latter is the nominal GDP-increase (or decrease) minus inflation.

The real GDP-growth being the monitor of the economic growth, it can be concluded that Bonaire is experiencing a reasonable economic growth since 2003: 3.1%, 2.2% and 2.7% respectively.

GDP-growth= growth Bonaire's economy	2003	2004	2005
Nominal GDP-increase	3.8%	4.0%	4.0%
Inflation	0.8%	1.8%	1.3%
*Real Growth	3.1%	2.2%	2.7%

**Taking into account normal arithmetical differences ("afrodingsverschillen")*

In 2005 Bonaire experienced an equal nominal growth as in 2005: 4%. However, the real growth was higher in 2006 (2.7%) compared to the previous year (2.2%), due to the lower inflation.

In 2005 the sector "utilities" displayed the highest growth (33%), followed by the sectors "financial intermediation" (8%) and trade (7%).

3. Largest sectors

The six largest sectors of the Bonairean economy, in terms of their contribution to the total GDP2005 (or their part in the total GDP-pie 2005) are numbered below in terms of the GDP-%.

- 1st. Transport & Communications: 13.9%.
- 2nd. Government: 12.4%
- 3rd. Households & non-profit institutions: 12%
- 4th. Trade: 11.5%.
- 4th. Health & Social work: 11.5%.
- 5th. Hotels & Restaurants: 10.1%.

Together they account for 71.4% of Bonaire's economy, in terms of GDP2005.

4. Shrinking sectors

The sectors Manufacturing and Agriculture&Fishing are gradually becoming a smaller part of Bonaire's economy. In 2005 Manufacturing experienced a decline and Agriculture&Fishing stabilized. These two sectors account each for less than 3% of Bonaire's economy, in terms of GDP2005: 2.6% and 2.9% respectively.

5. Three tourism-linked sectors

The three largest sectors that are closely linked to tourism, Bonaire's "core business" are: 1) Trade, 2) Hotels & Restaurants, 3) Transport & Communications.

Zooming in on the development over the years (2000-2005), there are a few interesting remarks to be made.

- The sector Trade had an enormous peak in 2002, after which in 2003 there was negative growth; from 2004 onwards there is a reasonable growth.
- The sector Hotels & Restaurants display a continual growth, even though the growth of 3% in 2005 is levelled compared to previous years.
- The sector Transport & Communications shows stabilization after an initial climb and even a tremendous peak in 2002.
- Over the period 2001-2005 the average growth in these three above mentioned sectors were 7.4%, 5.6% and 5.4% respectively.
- These three sectors accounted for respectively NAfls. 35.8 million, NAfls. 31.4 million and NAfls. 43.2 million of the Bonaire GDP in 2005.

GDP-growth	2001	2002	2003	2004	2005	Average growth 2001-2005
Trade	2%	20%	0%	8%	7%	7.4%
Hotels & Restaurants	6%	9%	0%	10%	3%	5.6%
Transport & Communications	5%	24%	-2%	2%	-2%	5.4%

These three sectors together form circa one third of the Bonaire GDP 2005. During the period 2000-2005, the trends in these sectors have stabilized: Hotels & Restaurants at circa 10% GDP, Trade at circa 11% GDP and Transport & Communications at circa 15%. However, the relative GDP-value of the sector Trade has increased in 2005 to 11.5% and that of Transport & Communications shows a decrease to 13.9%. The GDP of 2006, to be published in 2008, will give an indication if these are structural trends.

Relative GDP- value (Piece of the GDP)	2000	2001	2002	2003	2004	2005
Trade	9%	9%	11%	11%	11%	11.5%
Hotels & Restaurants	9%	9%	10%	10%	10%	10.1%
Transport & Communications	12%	13%	16%	15%	15%	13.9%

6. Uptrend and downtrend

This section takes a closer look at the remaining sectors forming the profit section of Bonaire's GDP. These five sectors are resumed below.

1. Financial intermediation
2. Construction
3. Utilities
4. Health & Social Work & Other services
5. Real estate & Renting & Business services

GDP-growth (compared to previous year)	2001	2002	2003	2004	2005	Average growth 2001-2005
Financial Intermediation	-31%	38%	-10%	30%	8%	7%
Construction	2%	-35%	7%	-10%	3%	-6.6%
Utilities (electricity, gas, water)	-2%	-5%	31%	1%	33%	11.6%
Health, Social work & Other services	11%	15%	14%	3%	5%	9.6%
Real estate, Renting & Business Services	-13%	-19%	13%	-1%	2%	-3.6%

These figures show that three of these sectors are structural growing sectors: Financial Intermediation, Utilities and Health & Social work. Furthermore the figures portray two sectors as being declining sectors: Real estate, Renting & Business services.

10. STAKEHOLDER AND ECONOMIC EVALUATIONS 2006:

1. STINAPA
2. Bonaire Restaurant Association
3. Bank Association
4. AKIB
5. The Bonaire Economic Platform

STINAPA

Purpose

STINAPA Bonaire is the non profit organization that manages the two parks: the Bonaire National Marine Park and the Washington Slagbaai National Park for the island government of Bonaire.

In a world where there are fewer and fewer natural areas, where many coral reef eco-systems are dead or at risk and where numerous land and water based species are endangered, STINAPA's mission "the conservation of Bonaire's natural and historical heritage through the sustainable use of its resources" becomes even more critical to the island's future.

The goals of STINAPA are:

- 1) To protect, conserve and restore all the natural resources, including but not limited to the native flora and fauna of Bonaire for future generations;
- 2) To ensure that the conservation of these natural resources is given the highest priority in all public decision making processes;
- 3) To ensure that the residents of and visitors to Bonaire receive quality education and information about the protection of nature and the environment;
- 4) To ensure that the natural and historical resources of Bonaire are used in a sustainable manner.

STINAPA receives income, among others, through charging the users of the parks an entrance fee. This income is used to cover the costs of operations derived from management of the two parks.

STINAPA'S direct economic impact: Revenues and Visitors

Fees for the use of the **Bonaire National Marine Park (BNMP)** are as described in the four points below. Together they form the sources of income of the **BNMP**.

- 1) For SCUBA diving: \$25 per person per calendar year or \$10 per day.
- 2) For the use of the waters for any other purpose but SCUBA: \$10 per person per calendar year or \$2 per day.
With the proof of receipt and an ID, the holder of the dive tag and the other user fee may enter the Washington Slagbaai National Park (**WSNP**) for free.
Exempt from paying are all who can proof with an ID (sédula) that they are a resident of the Netherlands Antilles or Aruba. Non residents younger than 12 years of age are also exempt.
For SCUBA diving all users pay, there is no exemption here.
- 3) The yachts that stay on a buoy in the bay of Kralendijk pay a daily fee of \$10. Harbour Village Marina manages these for STINAPA and retains 35% for the expenses of managing and maintaining the buoys system.
- 4) The use of a buoy for private and commercial purpose: NAfls. 500 per year for each buoy.

The **Washington Slagbaai National Park (WSNP)** has two main sources of income.

- The payment of entrance fees: \$10 for tourists, \$5 for children, NAfls. 5 for residents of the Netherlands Antilles and Aruba and NAfls. 1 for children.
- Revenues from the sale of souvenirs, drinks and goats.

Comparison

The figures of STINAPA for the years 2005 and 2006 cannot be compared since a new legislation was introduced on March 31st, 2005. The fee for SCUBA diving increased from \$10 to \$25 and the fee for use of the waters of the **BNMP** for other purposes than SCUBA diving was introduced as well as the day passes. With this new legislation the income of the **BNMP** went up and that of the **WSNP** went down.

Results

In 2006 STINAPA had the following results in terms of revenues and visitors; the figures for 2005 are also shown, to illustrate the difference explained above.

Revenues (Total income in NAfls.)

	2006	2005
BNMP	1.654.870	1.239.789
WSNP	98.620	170.216

Visitors

	2006	2005
Total number of SCUBA divers	29.403	29.015
Total number of other users of the BNMP	12.095	7.025
Day pass SCUBA divers	1.062	624
Day pass other users of the BNMP	1.835	438
Total number of visitor to the WSNP	22.852	19.331

BONAIRE RESTAURANT ASSOCIATION

The Bonaire Restaurant Association (B.R.A.) has been somewhat inactive in the last five years with the exception of corroborations with the Bonaire Dining Guide and SGB Inter-Island Chef Competitions.

In 2006 there were 73 operating restaurants (including larger snacks) with a total of approximately 4,260 seats. In 2006, 12 restaurants closed or changed operators. In the past 5 years 41 restaurants have gone out of business or changed hands.

One important pending issue with the most potential to eliminate more restaurants services is the proposed mandatory 40-hour workweek, which will increase the hourly wage by 20% and create from B.R.A.'s point of view an even greater labor shortage.

In the year 2006 economic growth in the restaurant sector, as far as turnover is concerned, seems to be equal or slightly higher in comparison to 2005. However, the high turnovers of the years 1996-1998 have not been reached again. The number of restaurants increased over the years, the number of seats increased, and the number of tourists remained stable. Therefore, in general, less turnover per restaurant and vigorous competition between restaurants.

The Bonaire Restaurant Association members are limited in time and resources to organize or participate in on-island events, mostly due to small owner operator establishments and, no time or labor for the added events. However, the SGB Culinary Competition ongoing since 2001 between the ABC-islands has been supported by assisting in training and uniform purchase. And last but not least: "Taste of Bonaire" organized by TCB is also supported by the Bonaire Restaurant Association.

BANK ASSOCIATION

Financial Sector

In 2006 the Financial Sector of Bonaire consisted of the following 3 Banks:

- Maduro & Curiel's Bank (Bonaire) NV
- RBTT Bank NV
- Banco di Caribe

All the 3 Banks are members of the Bonaire Bankers Association.

They all have noted an increase in both their Loan – and Deposit portfolio compared to 2005.

The overall Bonaire Financial Sector has growth in 2006 compared to 2005 by 18%, while the deposits increased by 22 % and the loans by 13 %.

The growth in the deposits are mainly attributed to funds that comes in from abroad, fresh new cash, for purchasing and/or sale of Local Real Estate, such as houses and apartments.

Please find below the statistics for 2005 and 2006 (amounts x NAfls. 1.000):

Category	<u>2005</u>	<u>Est. 2006</u>	<u>Incr./Decrease</u>
Demand Deposits	82,585	116,975	42%
Savings Deposits	76,427	93,639	23%
Time Deposits	59,471	56,064	(6%)
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Total Deposits	218,483	266,678	22%
Total Loans	195,789	220,490	13%
	-----	-----	
Grand Total	414,272	487,168	18%
	=====	=====	

The Economic Outlook for 2007 is very promising and a moderate overall increase of minimum 10 % is estimated for this New Year.

AKIB

The most important objectives of the Bonaire Business Association, AKIB, are to:

- Advise and inform its members;
- Contribute to more economic development, growth and diversification;
- Monitor economic development locally, regionally and internationally;
- Serve as a bridge between the private and public sector;
- Create and maintain a close relationship with private and public organizations with similar objectives.

Considering the recent economic developments and trends, AKIB can say that it has had a very positive impression of the economy of Bonaire of 2006. There is more economic development in all industries, Bonaire is acquiring a new status within the Kingdom of the Netherlands, and there is a closer relationship and cooperation between the private and the public sector.

Besides the abovementioned economic developments, there are also the following recent economic trends that give AKIB a positive view of the Bonairean economy:

- Diversification in the Tourism Industry
- Growth in the (tele)communication industry
- Better infrastructure
- More airlift
- Businesses establishing outside city-center
- Growth in construction industry
- More local entrepreneurs
- More interest from foreign investors

AKIB has recently done a survey among Bonairean companies. This survey was sent by fax to 500 local companies at random of which 133 filled it in and returned it correctly. 52% of the companies think Bonaire has had a good economic development during the past three years, and 6% find Bonaire has had a very good economic development during the past three years.

To maintain the good economic development, AKIB advises to:

- Strengthen the cooperation and communication between all public and private organizations involved directly in the economic development of the island of Bonaire;
- Do the “homework”, meaning revise the taxes, laws and regulations, educate and inform the local community in order to stimulate local entrepreneurship.

In the light of an actualized agenda with a new program, AKIB is looking forward to have a productive and inspiring year 2007, during which busy days are ahead in order to accomplish the envisioned projects, of course with the will and support of its members.

THE BONAIRE ECONOMIC PLATFORM

Point of view on Bonaire's economic development in 2006

Bonaire experienced a good year once again in 2006, with an economic growth of approx 3%, unemployment of 3.7%, and all sectors recorded a moderate to above projections growth. The uptrend in population figures continued, showing an increase of 3.4% and bringing total inhabitants to 14,006 per December 31, 2006.

The construction and real estate sectors are booming for the second year in a row, with a number of projects in the pipeline and some under construction, including several three-to five-floor developments of 12 to 32 units. The residential area of Sabadeco is expanding, the Divi Group will initiate construction of 250 rooms and 60 apartments at the former Sunset Beach site, and other Hotel chains are still interested in Resort Development.

Oil transshipment and storage as well as salt mining both accounted for foreign exchange production as well as increased employment in 2006, consequently contributing to Island Government revenue generation.

Our major industry-Tourism- was stable in 2006 in terms of stay-over guests, despite a continued struggle with airlift. The airlift situation this year appears to be in much better shape than last year, with a healthy outlook. The projects expected to initiate in 2007 will afford Bonaire the room inventory necessary to further improve airlift to the island.

Cruise tourism had a very positive effect again on merchants business in 2006, both for retailers as for ground tour operators. There were a total of 78 Cruise calls in 2006, with an expected increase of 21% in number of passengers, which is above projections. Overall, US Market arrivals increased with approximately 4% after a few years of stagnation.

Bonaire has spent much of 2006 analyzing its branding in order to reposition itself more accurately in the tourism market. The fresh new approach is financed by USONA, and will allow the island to make an impact in marketing and promotion in 2007, the effects of which should be felt for some time.

The process of privatization of the Port Entity remained on hold throughout 2006, as did the plans for a Cruise terminal. Port authorities reported an increase in activities at all Bonaire's ports. Projections for 2007 confirm an increase in calls and expected number of tourists.

The Bonaire International Airport also recorded a growth in total passenger traffic of 3.9%, a slight increase in 2006. Domestic as well as International passenger traffic registered an increase while transit passengers also exceeded the 2005 percentage. Commercial flights increased by 2% compared to 2005. The upcoming constitutional changes, whereby Bonaire will have a direct link with Holland, are expected to positively influence foreign and local investment to further fuel economic activity in 2007.

THE BONAIRE ECONOMIC NOTE 2005
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