



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

**THE BONAIRE ECONOMIC
NOTE 2004**

KRALENDIJK, AUGUST 2005

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Preamble by Commissioner Mr. Burney el Hage

As we know, Bonaire's economic development is closely linked to tourism. In 2003, Bonaire counted 62.179 tourists and in 2004, 62.507. Positive developments started in 2002, and 2004 showed an increase of 1% compared to 2003. This increase is lower than expected but, considering the wave of bad publications in the second half of 2004 related to crime activities on the island, this increase of 1% is still a satisfying performance. It is envisioned that in 2005 Bonaire will continue growing for what concerns tourism arrival figures. With the crime situation more under control and a less negative impact of publications regarding crime on the island, it is expected that growth of 2005 will be between 5% and 10%. Specifically for what concerns the two main markets for Bonaire, it is a very positive development that the North American market is increasing again. The European market though went down a little compared to 2003 and until now, it is estimated that this decrease is due to less seats available in 2004. Special care needs to be taken though by analyzing the figures of 2004 and comparing them to 2003, since there is a possibility of having reached a saturation point in growth. It is imperative that Bonaire continues its strive to build and open more hotel-rooms because, although the figures of 2004 were affected by the negative publicity due to crime and by less seats available from Europe to Bonaire, there is a critical point where the tourism arrival figures cannot increase anymore without additional hotel rooms. As a matter of fact, Bonaire has almost reached the peak figures of 1996 with 64.000 tourists while the room inventory is considerably lower than in 1996.

One of the other economic pillars is the construction sector which has been booming late 2003 and in 2004. There have been more construction of houses, more extensions and more other small constructions and renovations in 2004 than in 2003 and the total construction value of these houses has increased by 78%. Also, many small businesses have established this year with the development of new service providers especially in the tourism industry. Further on, new establishments such as the Den Laman apartments and restaurant, the ocean front apartments of the Dutch Rooster N.V, the new apartment complex in playa, new restaurants, new boutiques and shops, a new VIP lounge at the airport were added to the tourism infrastructure of the island. The results of BOPEC have been very positive in 2003 and 2004 and Cargill has even reached a record in production and export of salt this year. Nevertheless, some companies did close down this year such as the Antillean Rice Mills who did not manage to obtain more favorable tax incentives and Dutch Caribbean Airlines who went bankrupt.

In order to reach a sustainable development, Bonaire must continue developing and improving its infrastructure such as the airport and harbor, improve the airlift especially from the USA, increase its room capacity with big construction projects such as the former Sunset Beach hotel, the development of the playa marina resort parcels, the construction of a hotel school as well as other small hotels and apartment projects which will continue developing next year. Bonaire must improve considerably the condition of its roads, which will be possible thanks to a loan of 12 Million NAf. from the central bank.

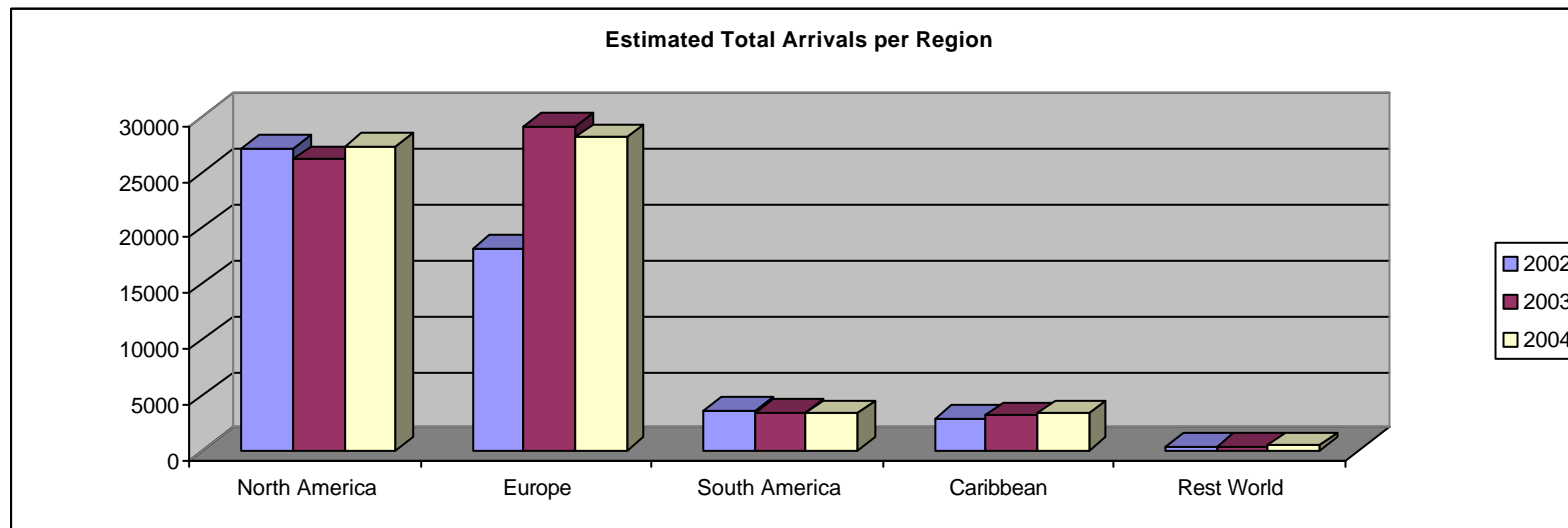
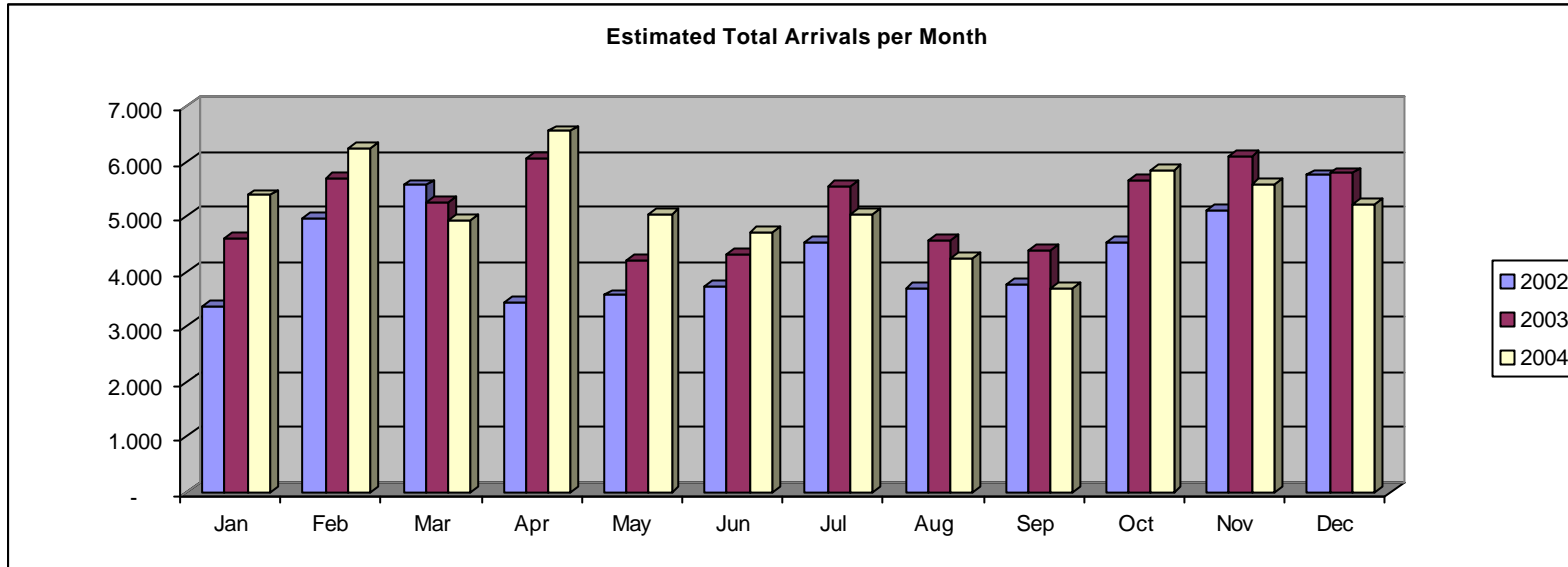
One of the major challenges this year will be to better educate, train and motivate the local labor force and get them involved in the labor market. In this regard, the government has envisioned a huge project of reorganizing FORMA, the institution for adult education, which will lead to an institution that will have the capacity and finance to train and motivate the job seekers in order to integrate them in the job market and help those already employed to keep their job. The government will also implement a more stringent policy on allowing foreigners to immigrate to the island. If the island overcomes this challenge of the labor force it can also overcome another huge ordeal, which is the island safety. The past crime activities which have affected the island do not correspond to the island's philosophy and characteristics of a quiet peaceful island. In this field, major efforts are being done to reorganize the police force and implement neighborhood surveillance by involving the community in order to reach a more controllable situation.

Bonaire is developing into the right direction as shown by the statistics. Recently, CBS published a survey on the labour market of Bonaire comparing figures of 2004 with the last survey done in 2002. The figures are showing a very positive development in 2004 as compared to 2002. Unemployment has decreased with more than 6% and around 300 new jobs were created to the satisfaction of the government since the government policy that is being implemented is having concrete positive results. The positive developments and challenges de overcome have to be a motivation for both government and private sector to keep the hard work and eliminate unnecessary hurdles and obstacles, which are often an impediment for a positive and stable development of the island.

1. TOURISM (source: TCB)

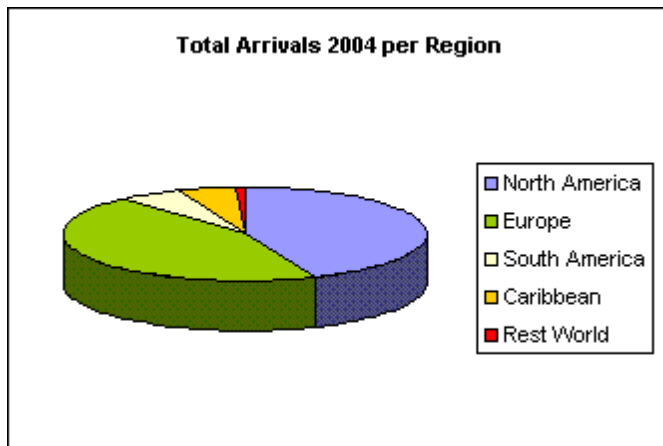
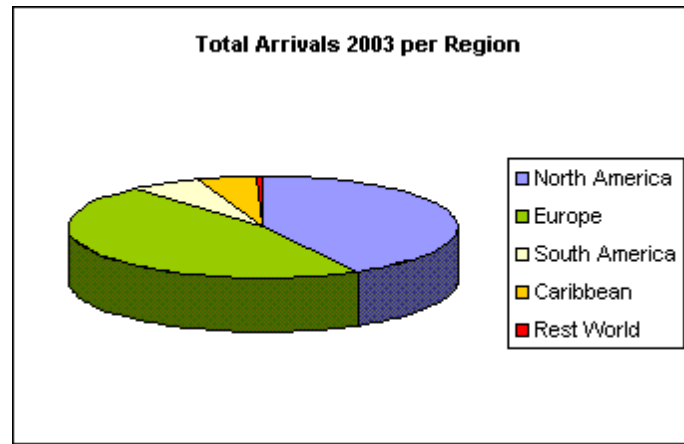
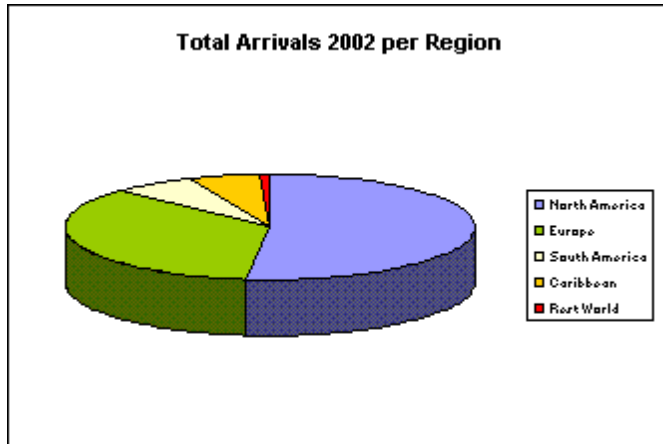
A. Estimated Total Arrivals per Country

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Total 2004	YTD Total 2003	% Chge
<u>North America</u>															
USA	2.525	2.688	2.060	2.222	2.022	2.413	2.201	1.866	1.332	2.204	2.332	2.281	26.146	25.259	3,5
Canada	170	271	152	143	40	31	24	46	18	62	101	73	1.131	843	34,2
	2.695	2.959	2.212	2.365	2.062	2.444	2.225	1.912	1.350	2.266	2.433	2.354	27.277	26.102	4,5
<u>Europe</u>															
Netherlands	1.691	2.090	1.547	2.043	1.796	1.243	1.606	1.154	1.209	1.788	1.667	1.678	19.512	19.987	(2,4)
Germany	169	166	264	285	112	79	84	101	118	252	317	113	2.060	2.236	(7,9)
Great Britain	111	148	158	186	212	208	166	254	267	315	235	132	2.392	3.038	(21,3)
Belgium	55	66	54	77	69	32	62	32	35	94	59	45	680	663	2,6
Switzerland	42	71	43	90	53	40	42	50	79	110	104	81	805	861	(6,5)
Other	241	259	192	283	139	135	183	279	166	204	334	233	2.648	2.294	15,4
	2.309	2.800	2.258	2.964	2.381	1.737	2.143	1.870	1.874	2.763	2.716	2.282	28.097	29.079	(3,4)
<u>South America</u>															
Venezuela	88	141	82	239	114	117	145	101	107	206	116	166	1.622	1.725	(6,0)
Colombia				36	11	11	15	17	9	18	9	22	148	235	(37,0)
Brazil				41	52	72	30	22	16	18	25	31	307	234	31,2
Peru				54	34	23	60	37	26	50	32	41	357	655	(45,5)
Ecuador	n/a	n/a	n/a	29	23	37	25	57	12	41	18	24	266	280	(5,0)
Other S.A.	107	151	56	53	28	25	41	28	29	37	26	40	621	341	82,1
	195	292	138	452	262	285	316	262	199	370	226	324	3.321	3.470	(4,3)
<u>Caribbean</u>															
Aruba	93	114	247	532	238	161	266	149	231	382	175	215	2.803	2.493	12,4
Other Caribbean	74	48	52	66	32	45	34	18	34	52	35	35	525	685	(23,4)
	167	162	299	598	270	206	300	167	265	434	210	250	3.328	3.178	4,7
Rest World	22	22	26	170	61	49	59	22	16	13	7	17	484	350	38,3
<u>Tourist Arr. 2004</u>	<u>5.388</u>	<u>6.235</u>	<u>4.933</u>	<u>6.549</u>	<u>5.036</u>	<u>4.721</u>	<u>5.043</u>	<u>4.233</u>	<u>3.704</u>	<u>5.846</u>	<u>5.592</u>	<u>5.227</u>	<u>62.507</u>	<u>62.179</u>	<u>0,5</u>
<u>Tourist Arr. 2003</u>	<u>4.612</u>	<u>5.693</u>	<u>5.277</u>	<u>6.045</u>	<u>4.216</u>	<u>4.317</u>	<u>5.544</u>	<u>4.558</u>	<u>4.401</u>	<u>5.648</u>	<u>6.081</u>	<u>5.787</u>	<u>62.179</u>		
<u>Tourist Arr. 2002</u>	<u>3.385</u>	<u>4.976</u>	<u>5.568</u>	<u>3.446</u>	<u>3.571</u>	<u>3.720</u>	<u>4.540</u>	<u>3.704</u>	<u>3.766</u>	<u>4.541</u>	<u>5.118</u>	<u>5.751</u>	<u>52.086</u>		
<u>% Chge 2002-03</u>	<u>36,2</u>	<u>14,4</u>	<u>(5,2)</u>	<u>75,4</u>	<u>18,1</u>	<u>16,0</u>	<u>22,1</u>	<u>23,1</u>	<u>16,9</u>	<u>24,4</u>	<u>18,8</u>	<u>0,6</u>	<u>19,4</u>		
<u>% Chge 2003-04</u>	<u>16,8</u>	<u>9,5</u>	<u>(6,5)</u>	<u>8,3</u>	<u>19,4</u>	<u>9,4</u>	<u>(9,0)</u>	<u>(7,1)</u>	<u>(15,8)</u>	<u>3,5</u>	<u>(8,0)</u>	<u>(9,7)</u>	<u>0,5</u>		
<u>Total Excursionists</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23</u>	<u>13</u>	<u>6</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42</u>	<u>-</u>	
<u>Total Visitors</u>	<u>5.388</u>	<u>6.235</u>	<u>4.933</u>	<u>6.572</u>	<u>5.049</u>	<u>4.727</u>	<u>5.043</u>	<u>4.233</u>	<u>3.704</u>	<u>5.846</u>	<u>5.592</u>	<u>5.227</u>	<u>62.549</u>	<u>62.179</u>	<u>0,6</u>
Stayover Nights	n/a	n/a	n/a	54.823	43.328	41.902	49.548	n/a	n/a	n/a	n/a	n/a	189.601	n/a	
Cruise Passengers	11.484	9.259	5.388	3.603	346	-	574	477	390	774	7.715	13.333	53.343	28.587	86,6
Cruise Calls	8	6	5	7	3	-	3	4	4	9	13	16	78	39	100,0



B. Estimated Total Arrivals per Region

	2002	2003	2004	2002	2003	2004
North America	52,02%	41,98%	43,64%	27093	26102	27277
Europe	34,85%	46,77%	44,95%	18152	29079	28097
South America	6,84%	5,58%	5,31%	3565	3470	3321
Caribbean	5,55%	5,11%	5,32%	2891	3178	3328
Rest World	0,74%	0,56%	0,77%	385	350	484
	100,00%	100,00%	100,00%	52086	62179	62507

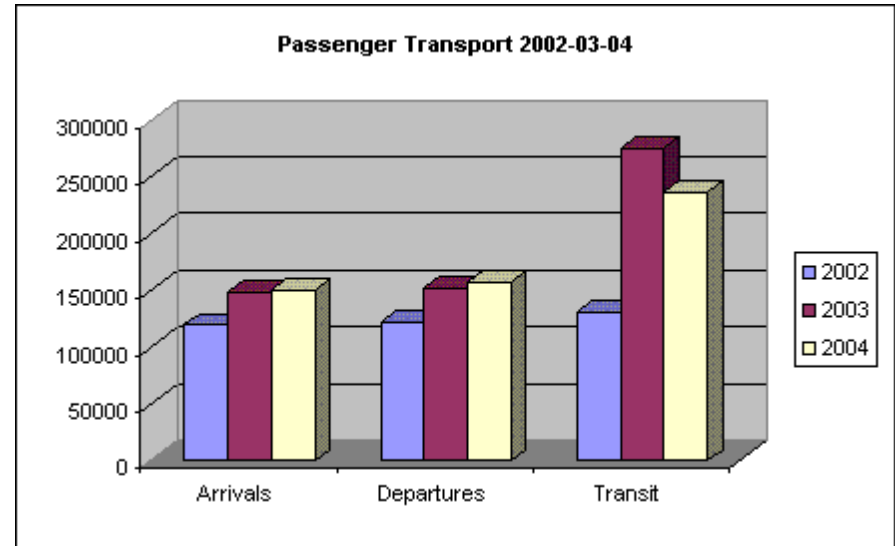


In 2003, Bonaire counted 62.179 tourists and in 2004, 62.507. Positive developments started in 2002, and 2004 showed an increase of 1% compared to 2003. This increase is lower than expected but, considering the wave of bad publications in the second half of 2004 related to crime activities on the island, this increase of 1% is still a satisfying performance. It is envisioned that in 2005 Bonaire will experiment a 5% to 10% growth for what concerns tourism arrival figures. While the North American market is increasing again, the European market went down a little compared to 2003 and until now, it is estimated that this decrease is due to less seats available in 2004. Special care needs to be taken though by analyzing the figures of 2004 and comparing them to 2003 since there is a possibility of having reached a saturation point in growth. Although the figures of 2004 were affected by the negative publicity due to crime and by less seats available from Europe to Bonaire, there is a critical point where the tourism arrival figures cannot increase anymore without additional hotel rooms. As a matter of fact, Bonaire has almost reached the peak figures of 1996 with 64.000 tourists while the room inventory is lower.

2. BONAIRE INTERNATIONAL AIRPORT (source: BIA)

A. Passenger Transport

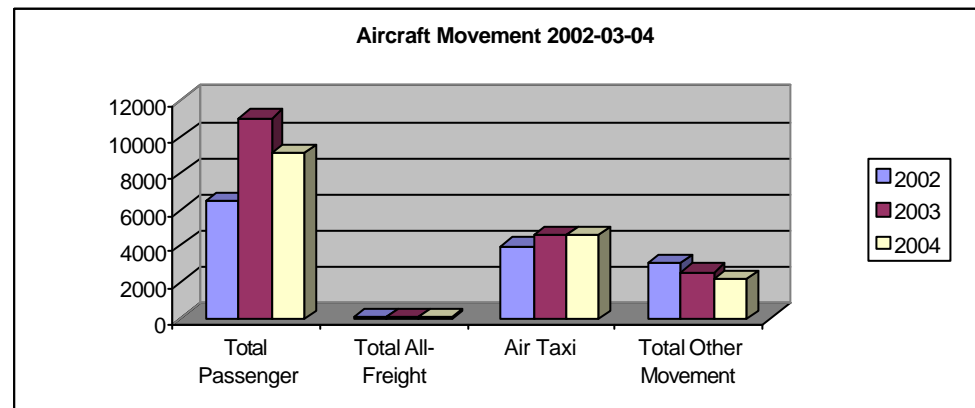
	2004 ARR	2003 ARR	2002 ARR	2003/2004	% CHG	2004 DEP	2003 DEP	2002 DEP	2003/2004	% CHG	2004 TOTAL	2003 TOTAL	2002 TOTAL	2003/2004	% CHG
International															
Scheduled	61158	62991	57451	-1833	-2,91	65368	62997	50141	2371	3,76	126526	125988	107592	538	0,43
Non-Scheduled	1732	1365	2316	367	26,89	1945	1644	1754	301	18,31	3677	3009	4070	668	22,20
Non-Commercial	900	1298	1292	-398	-30,66	912	1282	1296	-370	-28,86	1812	2580	2588	-768	-29,77
Total International	63790	65654	61059	-1864	-2,84	68225	65923	53191	2302	3,49	132015	131577	114250	438	0,33
Domestic															
Scheduled	70206	65386	46338	4820	7,37	72694	67520	54735	5174	7,66	142900	132906	101073	9994	7,52
Non-Scheduled	15386	16353	11752	-967	-5,91	16012	17227	13084	-1215	-7,05	31398	33580	24836	-2182	-6,50
Non-Commercial	358	431	305	-73	-16,94	573	634	546	-61	-9,62	931	1065	851	-134	-12,58
Total Domestic	85950	82170	58395	3780	4,60	89279	85381	68365	3898	4,57	175229	167551	126760	7678	4,58
Total Int'l/Domestic	149740	147824	119454	1916	1,30	157504	151304	121556	6200	4,10	307244	299128	241010	8116	2,71
Transit											236145	274359	130795	-38214	-13,93
Total General	149740	147824	119454	1916	1,30	157504	151304	121556	6200	4,10	543389	573487	371805	-30098	-5,25



	2004 ARR	2003 ARR	2002 ARR	2004 DEP	2003 DEP	2002 DEP
International	42,60%	44,41%	51,12%	43,32%	43,57%	43,76%
Domestic	57,40%	55,59%	48,88%	56,68%	56,43%	56,24%

B. Aircraft Movement

		2004	2003	2002	2003/2004	%	2004	2003	2002	2003/2004	%	2004	2003	2002	2003/2004	%
		Dom.	Dom.	Dom.		CHG	Int'l	Int'l	Int'l		CHG	Total	Total	Total		CHG
Commercial Air Transport																
Passenger	Scheduled	4826	5847	2893	-1021	-17,46	4020	4835	3132	-815	-16,86	8846	10682	6025	-1836	-17,19
	Non-Scheduled	79	159	94	-80	-50,31	184	180	344	4	2,22	263	339	438	-76	-22,42
	Total	4905	6006	2987	-1101	-18,33	4204	5015	3476	-811	-16,17	9109	11021	6463	-1912	-17,35
All-Freight	Scheduled	10	48	20	-38	-79,17	10	52	22	-42	-80,77	20	100	42	-80	-80,00
	Non-Scheduled	1	0	0	1		1	0	0	1		2	0	0	2	
	Total	11	48	20	-37	-77,08	11	52	22	-41	-78,85	22	100	42	-78	-78,00
Total Passenger & Freight	Scheduled	4836	5895	2913	-1059	-17,96	4030	4887	3154	-857	-17,54	8866	10782	6067	-1916	-17,77
	Non-Scheduled	80	159	94	-79	-49,69	185	180	344	5	2,78	265	339	438	-74	-21,83
	Total	4916	6054	3007	-1138	-18,80	4215	5067	3498	-852	-16,81	9131	11121	6505	-1990	-17,89
Air Taxi	Non-Scheduled	4597	4521	3963	76	1,68	9	7	9	2	28,57	4606	4528	3972	78	1,72
Total Commercial Air Transport		9513	10575	6970	-1062	-10,04	4224	5074	3507	-850	-16,75	13737	15649	10477	-1912	-12,22
Other movement	General Aviation	612	591	874	21	3,55	1469	1778	1457	-309	-17,38	2081	2369	2331	-288	-12,16
	Military/Police	30	18	26	12	66,67	0	0	0	0		30	18	26	12	66,67
	Government	0	0	2	0		0	2	0	-2		0	2	2	-2	-100,00
	Local	74	46	24	28	60,87						74	46	24	28	60,87
	Training	0	111	665	-111	-100,00	0	0	0	0		0	111	665	-111	-100,00
	Total	716	766	1591	-50	-6,53	1469	1780	1457	-311	-17,47	2185	2546	3048	-361	-14,18
Total General		10229	11341	8561	-1112	-9,81	5693	6854	4964	-1161	-16,94	15922	18195	13525	-2273	-12,49



The Flamingo International airport has shown a slight decrease in international passenger transport during 2004. This is mainly due to the fact that American Eagle has decreased its weekly flights and also due to DCA's bankruptcy.

The domestic passenger transport has shown an increase mainly due to the transport service of BonairExel.

The transit passenger shows a slight decrease due to the reduction of the KLM flights.

The freight movements also show a decrease and this is mainly due to the fact that Amerijet stopped flying to Bonaire in March 2004.

3. HARBOR OFFICE BONAIRE (source: Bonaire Ports Authority)

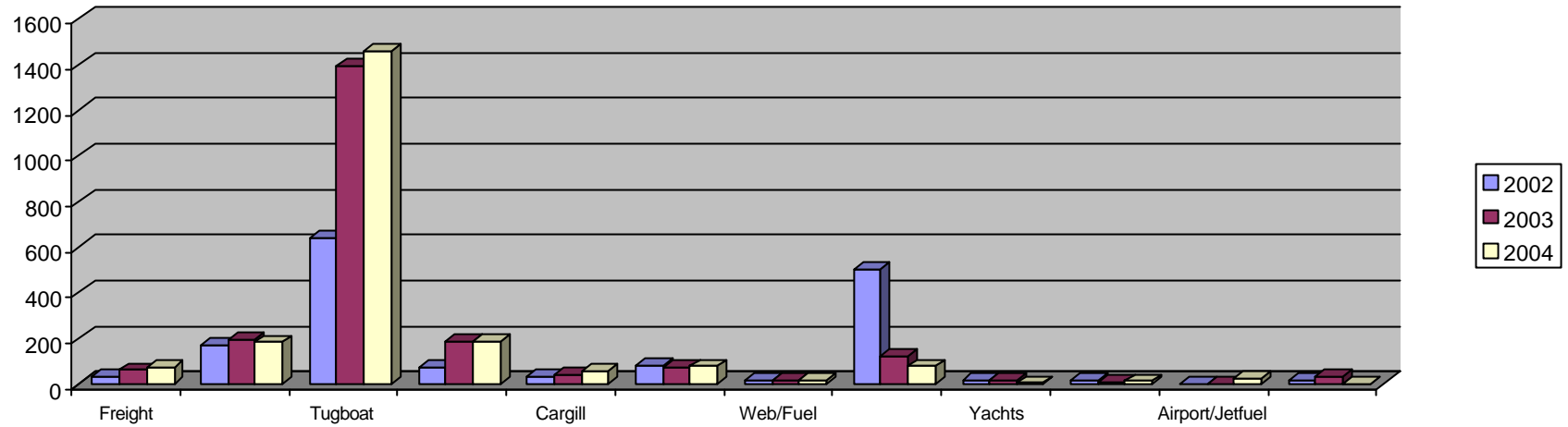
A. Number of Ships Bonaire

Month	Freight	Local	Tugboat	Bopec	Cargill	Cruise	Web/Fuel	Loc. Cruise	Yachts	Marine	Airport jetfu	Light/Other	YTD 2004	Total 2003	Total 2002
January	6	16	130	15	7	8	1	0	2	0	2	0	187	161	164
February	5	11	125	15	3	6	2	1	0	3	2	0	173	192	127
March	6	16	148	17	6	5	1	1	0	1	3	0	204	189	110
April	4	16	105	13	5	7	1	5	0	0	1	0	157	271	132
May	2	12	111	14	2	3	2	19	0	2	4	0	171	181	83
June	5	16	111	14	6	0	2	1	0	2	2	0	159	124	122
July	5	15	103	14	3	3	1	1	0	1	2	0	148	197	128
August	7	14	99	13	3	4	1	1	0	0	1	0	143	179	99
September	4	18	112	15	3	4	1	5	0	2	2	0	166	133	181
October	7	15	128	18	8	9	2	16	1	1	2	1	208	208	214
November	13	14	137	17	5	13	1	13	0	1	2	1	217	150	132
December	8	20	147	20	6	16	1	13	1	0	2	0	234	163	98
Total 2004	72	183	1456	185	57	78	16	76	4	13	25	2	2167
Total 2003	62	197	1391	188	44	74	17	122	14	9	0	30	..	2148	..
Total 2002	33	172	639	71	34	82	15	500	14	15	0	15	1590

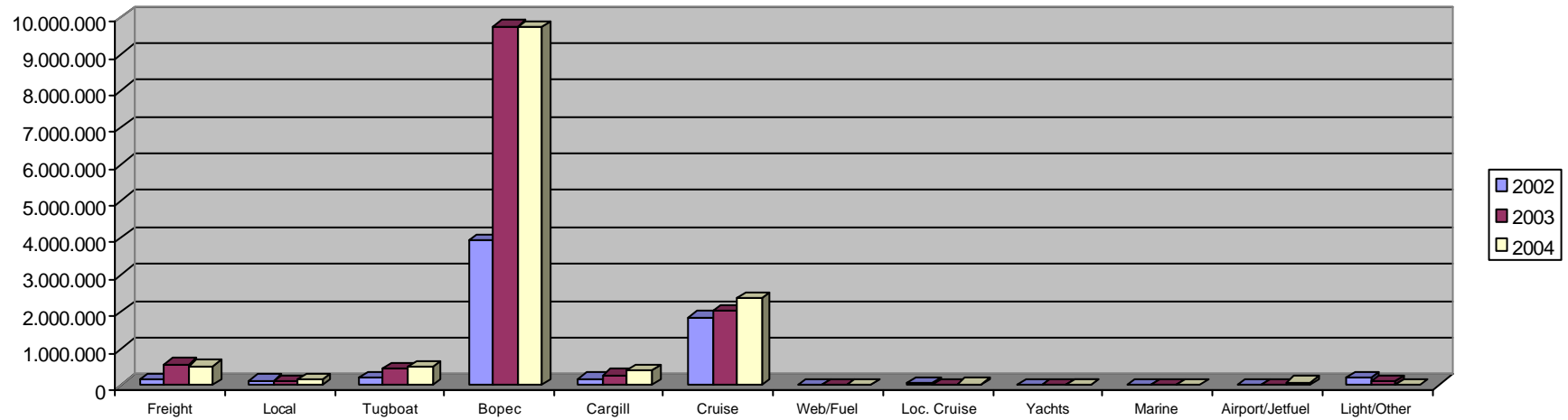
B. Ships Bonaire in GRT

Month	Freight	Local	Tugboat	Bopec	Cargill	Cruise	Web/Fuel	Loc. Cruise	Yachts	Marine	Airport jetfu	Light/Other	YTD 2004	Total 2003	Total 2002
January	85.768	7.868	42.899	729.449	46.904	428.981	1.302	0	11.930	0	6.958	0	1.362.059	924.683	683.957
February	76.296	9.693	41.426	1.011.076	31.437	341.566	2.604	116	0	3.796	6.968	0	1.524.978	1.418.985	620.894
March	76.135	14.001	48.821	893.548	54.240	211.841	1.302	514	0	65	10.306	0	1.310.773	1.520.177	438.705
April	40.351	13.386	34.631	652.835	39.148	164.835	1.302	3.076	0	0	3.338	0	952.902	1.609.992	450.599
May	26.899	10.804	36.844	675.433	10.807	21.145	2.604	9.376	0	711	7.244	0	801.867	1.064.893	143.581
June	7.719	14.616	36.742	748.710	52.821	0	2.604	116	0	412	9.639	0	873.379	727.677	332.173
July	11.176	14.137	34.016	713.558	11.189	29.340	1.302	494	0	500	6.676	0	822.388	1.208.034	258.267
August	44.036	12.394	33.445	497.128	16.136	39.120	1.302	494	0	0	6.688	0	650.743	1.035.969	404.804
September	3.390	16.206	38.252	946.237	21.117	39.120	1.302	2.470	0	600	6.968	0	1.075.662	600.539	596.455
October	48.235	14.137	42.485	751.291	31.335	55.860	2.604	7.904	1.126	500	10.026	235	965.738	1.225.911	1.141.401
November	57.882	13.026	45.202	772.287	58.165	345.119	1.302	6.422	0	500	6.676	235	1.306.816	822.167	984.198
December	51.922	19.060	48.621	1.330.395	37.152	679.073	1.302	6.044	157	0	6.676	0	2.180.402	1.110.733	728.867
Total 2004	529.809	159.328	483.384	9.721.947	410.451	2.356.000	20.832	37.026	13.213	7.084	88.163	470	13.827.707
Total 2003	584.199	107.400	456.476	9.745.654	284.588	2.016.912	21.582	15.536	5.502	7.241	0	101.670	..	13.346.760	..
Total 2002	157.434	128.648	208.359	3.932.079	190.427	1.855.435	19.530	63.806	4.949	11.202	0	212.032	6.783.901

Number of Ships Bonaire 2002-03-04

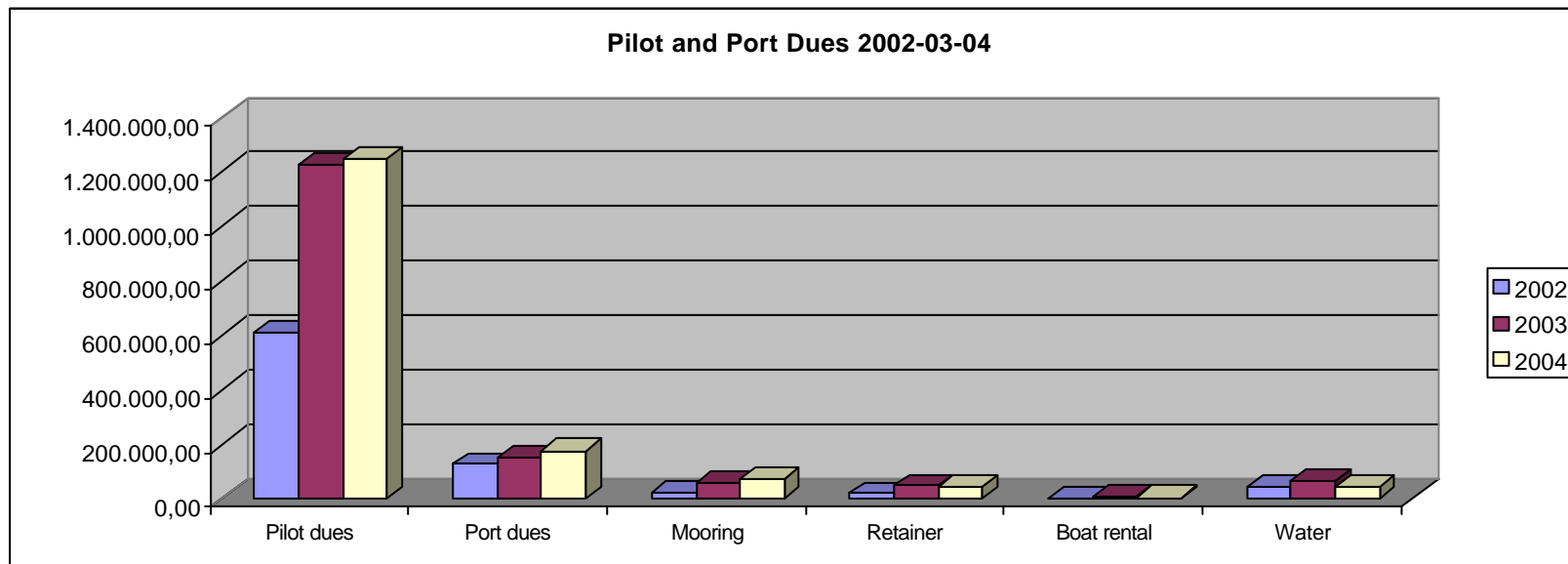


Ships Bonaire (GRT) 2002-03-04



C. Pilot and Port Dues

Month	Pilot dues	Port dues	Mooring	Retainer	Boat rental	Water	YTD 2004	Total 2003	Total 2002
January	113.402,00	23.099,00	8.025,00	2.847,00	700,00	0,00	148.073,00	116.433,50	77.905,00
February	130.231,00	17.739,00	5.850,00	3.498,00	175,00	2.468,75	159.961,75	140.769,75	65.279,00
March	112.564,00	16.253,00	7.800,00	5.953,00	875,00	1.417,50	144.862,50	164.461,00	43.843,00
April	85.362,00	13.807,00	7.500,00	2.060,00	175,00	15.738,75	124.642,75	183.786,25	51.708,00
May	86.244,00	6.169,00	1.200,00	2.261,00	175,00	9.071,25	105.120,25	126.174,00	30.544,00
June	99.984,00	7.632,00	0,00	4.919,00	0,00	208,75	112.743,75	98.231,25	51.123,00
July	94.925,00	6.950,00	1.500,00	6.371,00	0,00	13.138,75	122.884,75	147.567,00	41.795,00
August	67.427,00	8.666,00	3.600,00	898,00	0,00	3.237,50	83.828,50	134.872,50	61.787,00
September	102.421,00	7.639,00	3.300,00	5.534,00	700,00	0,00	119.594,00	85.514,75	88.618,00
October	91.208,00	11.185,00	11.375,00	276,00	700,00	0,00	114.744,00	145.313,50	147.926,00
November	110.982,00	23.607,00	12.450,00	8.216,00	175,00	0,00	155.430,00	95.651,00	105.992,00
December	156.173,00	33.188,00	10.167,00	276,00	0,00	0,00	199.804,00	113.335,00	54.903,00
Total 2004	1.250.923,00	175.934,00	72.767,00	43.109,00	3.675,00	45.281,25	1.591.689,25
Total 2003	1.225.701,50	149.795,00	56.475,00	47.058,00	5.672,50	67.408,00	..	1.552.110,00	..
Total 2002	609.557,00	127.243,00	20.835,00	18.960,00	2.450,00	42.378,00	821.423,00



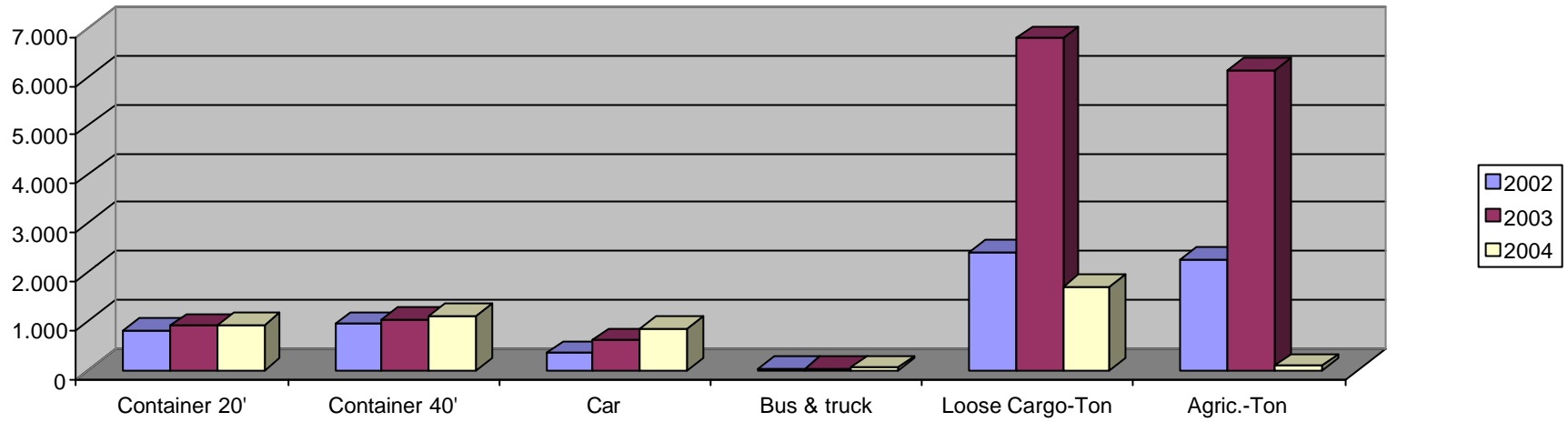
D. Registered Cargo

Month	Container 20'	Container 40'	Car	Bus & truck	Loose Cargo-Ton	Agric.-Ton
January	76	78	60	3	151,812	0
February	61	66	44	4	149,000	33
March	76	95	48	3	133,000	0
April	74	93	83	8	146,750	0
May	56	73	94	3	143,750	0
June	88	97	57	4	44,000	55
July	91	90	38	2	351,700	0
August	68	86	57	4	147,750	0
September	97	119	53	6	29,000	0
October	73	92	160	7	159,450	0
November	79	111	63	6	77,000	0
December	87	113	96	13	168,25	0
Total 2004	926	1.113	853	63	1.701	88
Total 2003	912	1.042	618	51	6.790	6.146
Total 2002	814	946	361	44	2.429	2.260

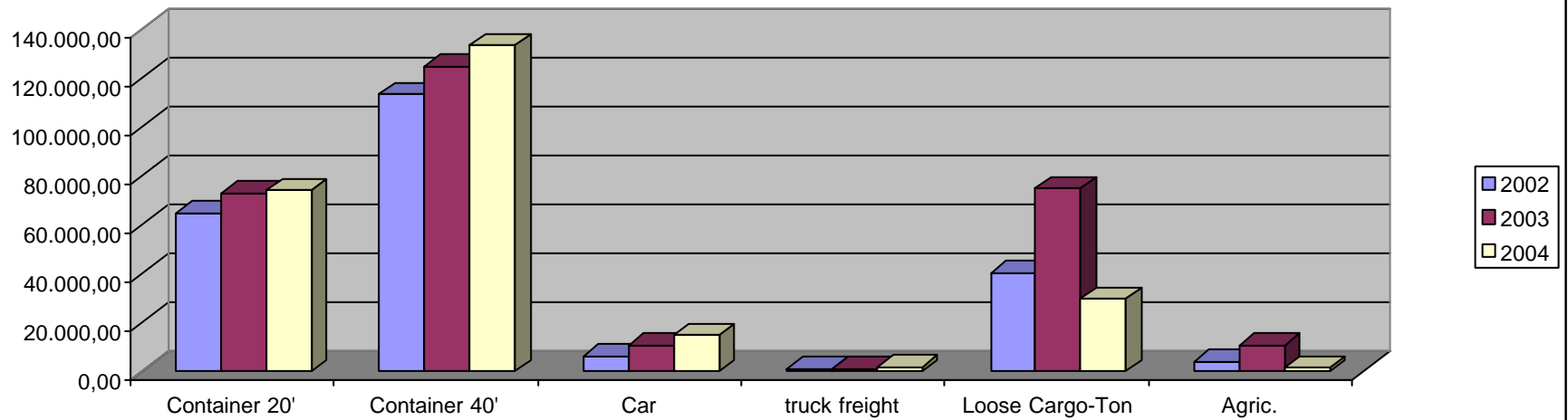
E. Ports Rights and Retributions

Month	Container 20'	Container 40'	Car	truck freight	Loose Cargo-Ton	Agric.	YTD 2004	Total 2003	Total 2002
January	6.080,00	9.360,00	1.050,00	75,00	2.656,71	0,00	19.221,71	19.327,50	19.698,50
February	4.880,00	7.920,00	770,00	100,00	2.607,50	574,00	16.851,50	19.955,63	15.941,75
March	6.080,00	11.400,00	840,00	75,00	2.327,50	0,00	20.722,50	16.530,00	14.233,75
April	5.920,00	11.160,00	1.452,50	200,00	2.568,13	0,00	21.300,63	24.395,95	17.116,50
May	4.480,00	8.760,00	1.645,00	75,00	2.515,63	0,00	17.475,63	18.078,13	27.813,75
June	7.040,00	11.640,00	997,50	100,00	770,00	962,50	21.510,00	15.967,50	18.231,30
July	7.280,00	10.800,00	665,00	50,00	6.154,75	0,00	24.949,75	24.172,25	14.495,00
August	5.440,00	10.320,00	997,50	100,00	2.585,63	0,00	19.443,13	17.408,13	23.986,25
September	7.760,00	14.280,00	927,50	150,00	507,50	0,00	23.625,00	46.080,00	18.415,63
October	5.840,00	11.040,00	2.800,00	175,00	2.790,38	0,00	22.645,38	47.249,13	23.907,50
November	6.320,00	13.320,00	1.102,50	150,00	1.347,50	0,00	22.240,00	23.100,00	19.558,13
December	6.960,00	13.560,00	1.680,00	325,00	2.944,38	0,00	25.469,38	23.335,63	16.990,00
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	..
Total 2002	65.120,00	113.520,00	6.317,50	1.100,00	40.380,39	3.950,17	230.388,06

Registered Cargo 2002-03-04



Ports Rights and Retributions 2002-03-04



Harbor Office: In general, 2003 has been a much better year than 2002 and in 2004 the number of ships have exceeded the level of 2003. At the end of the year, the **cruise** ships amounted to 78 compared to 74 in 2003. In 2005 we can expect to see fewer cruise ships but with a bigger gross tonnage and capacity. This will result in higher port dues as bigger ships pay higher dues.

With respect to **local cruise**, the figures have dropped significantly since 2002 as the ferry Chogogo stopped being operational in may 2003. Nevertheless, in September 2004, the figures have picked up a little thanks to the ferry Tribon. The results of **BOPEC** have a significant impact on other figures such as on the number of tugboats being used and on the pilot dues. The **pilot dues** have doubled in 2003 as there were 188 tankers compared to 71 in 2002. In 2004, there have been fewer tankers of heavy fuel but with a bigger gross tonnage and a different destination: the Far East.

Cargill has increased its production and export of salt compared to previous years and even reached a record at the end of 2004. Though the USA is still the main market of export, Cargill has found new markets for their product such as Belgium and Mexico. In 2004 there have been fewer **yachts**, which have possibly moved to other cheaper destinations where anchoring is possible. In 2004 there has been a drop in the category **light/other** since it represents the barges used for the reconstruction of certain piers in 2002 and for the construction of the airport pier in 2003. With respect to the **registered cargo**, the number of containers and **loose cargo-ton** was significantly higher in 2003 due to construction activity mainly at the airport. Also the **agriculture ton** is almost inexistent in 2004 compared to 2003 since the free market has been established for the import of rice. This category will most likely disappear since ARM is no longer operational. As consequence, this will affect the port rights and retributions in 2005.

4. CUSTOM DUTIES (source: Customs Office)

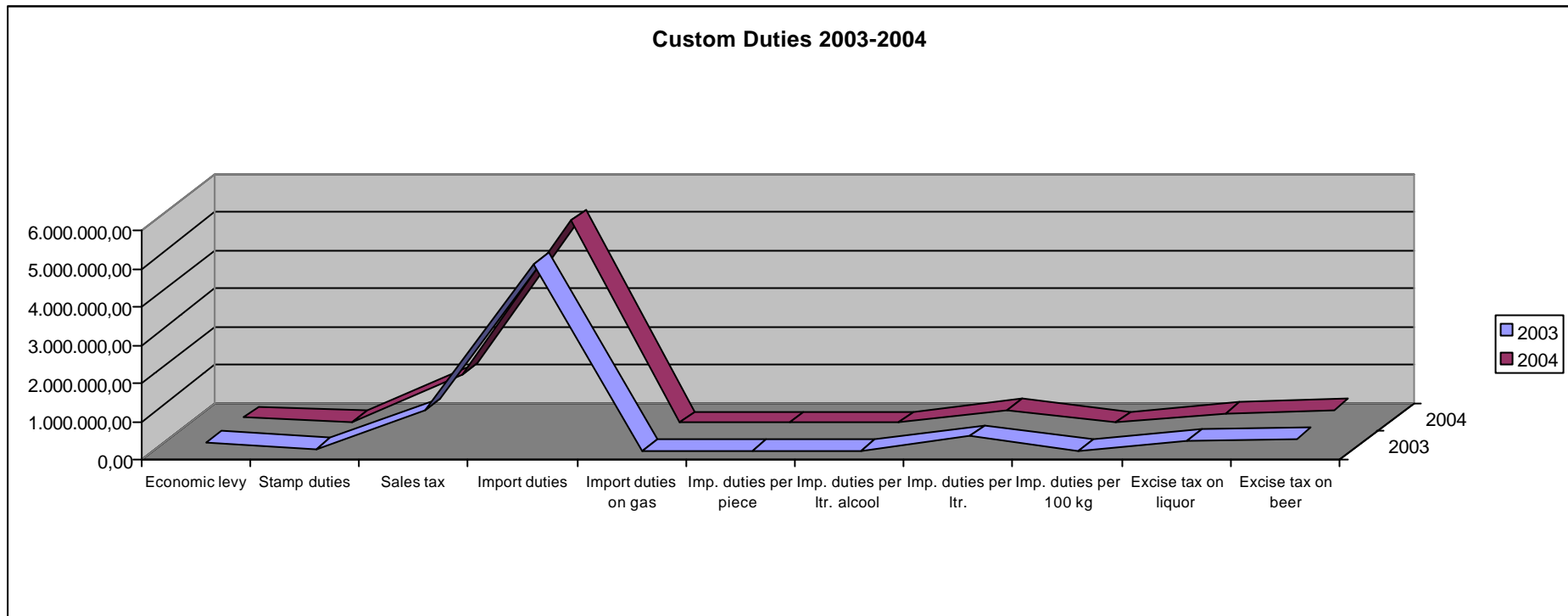
A. Custom Duties

	2003												Total 2003
	January	February	March	April	May	June	July	August	September	October	November	December	
Import duties	287.163,23	486.127,48	420.971,71	361.988,45	381.625,00	418.144,33	413.069,80	282.921,07	362.804,17	482.415,11	462.860,05	544.464,29	4.904.554,69
Import duties gas	63,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	63,00
Economic levy	6.646,15	20.230,22	15.086,98	10.225,40	22.619,71	16.389,69	25.044,22	14.416,19	22.920,72	19.185,41	23.893,52	34.005,96	230.664,17
Stamp duties	7.265,00	3.560,00	2.875,00	5.302,50	2.900,00	3.617,50	3.985,00	3.530,00	3.325,00	635,00	1.325,00	4.957,50	43.277,50
Excise tax beer	14.467,20	26.421,60	13.652,40	15.103,20	44.628,00	26.366,40	51.433,20	10.322,40	29.677,20	26.869,20	29.101,20	43.789,20	331.831,20
Excise tax liquor	28.589,00	37.478,50	19.745,50	38.398,50	8.385,80	35.893,69	33.686,95	15.394,36	7.486,50	11.562,10	14.478,50	30.670,04	281.769,44
Sales tax	83.449,65	81.145,50	59.018,25	75.158,30	88.200,70	85.648,70	83.627,99	85.341,50	88.355,95	110.392,60	86.455,20	150.064,30	1.076.858,64
Import duties ltr.	39.468,15	30.385,65	32.016,40	28.540,75	29.747,65	36.238,45	35.138,30	19.158,50	26.855,05	30.170,90	26.536,50	53.054,05	387.310,35
Total 2003	467.111,38	685.348,95	563.366,24	534.717,10	578.106,86	622.298,76	645.985,46	431.084,02	541.424,59	681.230,32	644.649,97	861.005,34	7.256.328,99

	2004												Total 2004
	January	February	March	April	May*	June**	July**	August	September	October	November	December	
Economic levy	12.020,54	4.423,24	13.193,17	11.608,53	1.909,20	0,00	0,00	1.829,50	41.493,70	9.891,80	7.881,90	21.675,40	125.926,98
Stamp duties	310,00	1.242,50	1.345,00	1.562,50	175,00	0,00	0,00	150,00	2.892,50	1.467,50	3.042,50	9.332,50	21.520,00
Sales tax	109.730,70	61.996,52	75.100,75	113.078,95	12.222,80	0,00	0,00	26.908,70	400.936,30	112.008,00	157.201,00	212.911,90	1.282.095,62
Import duties	394.428,68	403.483,98	384.769,62	447.198,32	46.274,21	0,00	0,00	68.382,64	1.543.858,56	462.076,40	531.022,10	1.020.461,90	5.301.956,41
Imp. duties gas	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Imp. duties piece	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	15,00	0,00	0,00	15,00
Imp. duties ltr. alc.	0,00	0,00	0,00	0,00	58,80	0,00	0,00	0,00	1.894,60	529,00	376,70	0,00	2.859,10
Imp. duties ltr.	38.186,40	19.749,05	46.084,95	37.039,90	2.336,30	0,00	0,00	0,00	131.516,30	30.058,40	22.158,90	0,00	327.130,20
Imp. duties 100 kg	0,00	0,00	0,00	0,00	0,90	0,00	0,00	0,00	788,80	36,40	84,00	0,00	910,10
Excise tax liquor	8.093,70	32.204,72	13.827,83	18.943,95	2.254,00	0,00	0,00	0,00	72.327,00	20.015,80	14.252,00	63.281,20	245.200,20
Excise tax beer	33.295,20	13.537,20	29.077,20	36.757,20	0,00	0,00	0,00	9.321,60	115.326,00	19.423,20	30.393,60	55.576,80	342.708,00
Total 2004	596.065,22	536.637,21	563.398,52	666.189,35	65.231,21	0,00	0,00	106.592,44	2.311.033,76	655.521,50	766.412,70	1.383.239,70	7.650.321,61

*= start ASYCUDA++ system.

**= date of (payment) processing in Modacc system is the payment date. After May, the assessment statements were processed in August/September.



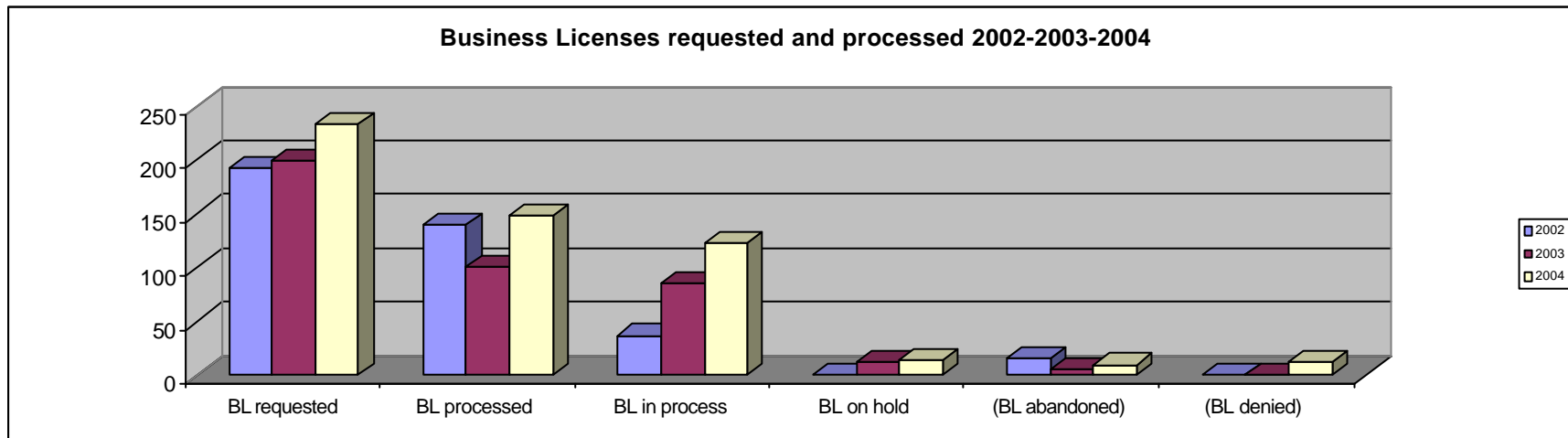
The date of reprocessing in the computer system is considered as cashing date though it does not mean that custom duties are being cashed on that specific date. In a more accurate system, the processing date and the cashing date should be the same. With respect to the June and July figures, during these two months the assessment notes were not processed, they were processed in August and in September, which explains the high figures of the month of September covering several months. In 2004, the income of customs has increased by 5% compared to 2003. The customs income for the economic levy has decreased with 45% with the gradual phasing out of the economic levy and its abolition in January 2005. Import duties have increased with 6%, which reflects that the economy is confident; there have been more import of cars. Also, some companies such as WEB and Trans world radio no longer benefit from tax holiday since 2004 which means that they now pay import duties on all machinery, parts, oil needed for their operations. In January 2003, a new central government decree on import duties was introduced (LVTI Landsverordening Tarief van Invoerrechten P.B. 2002 nr.109) regarding custom value, exemptions and restitutions. With this new law, the custom value is regulated and determined by the cost of the good, the insurance and the freight (CIF value); exemptions are better regulated as well as restitutions, which now need to be redeemed within a period of 9 months. Sales tax has increased by 19%, which is also a positive feature. With respect to the decrease in stamp duties by almost 50%, it reflects mainly a drop in export of liquor and cigarettes.

5. ECONOMIC AND LABOUR AFFAIRS (source: DEZA)

A. LICENSES AND PERMITS

a. Business Licenses requested and processed

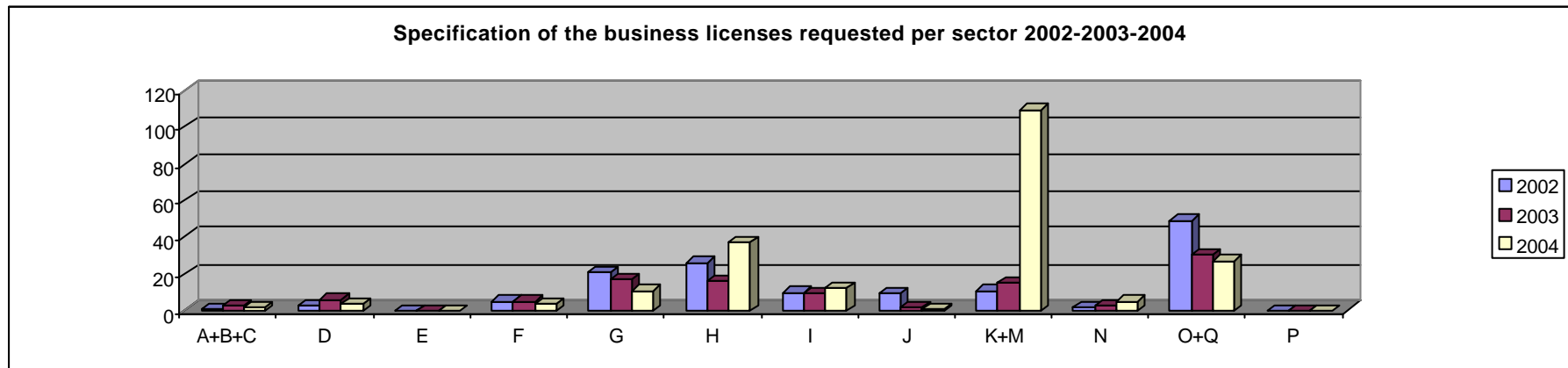
	2002	2003	2004	2002/2003 Change	2003/2004 Change
BL requested	193	200	234	7	34
BL processed	140	101	148	-39	47
BL in process	37	86	123	49	37
BL on hold	0	13	14	13	1
(BL abandoned)	16	6	10	-10	4
(BL denied)	0	1	12	1	11



In 2004 there have been 17% more business license requests than in 2003, which is a positive sign since more businesses have been created. More licenses have been processed as well, which means that the productivity has gone up by almost 50%. Nevertheless there is still a big amount of business licenses in process (124) in 2004 due to the backlog of 2003. These licenses have been processed in 2004 so the current backlog represents business license requests entered in 2004.

b. Specification of the Business Licences Requested per Sector

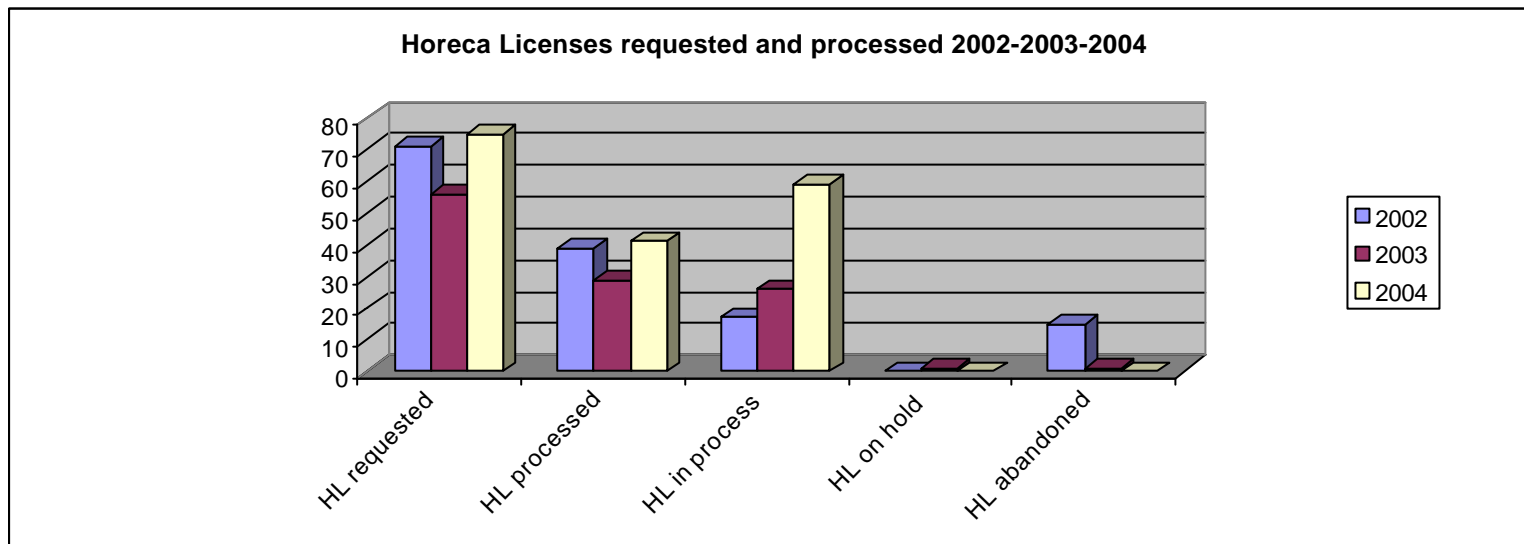
		2002	2003	2004	2002/2003 Change	2003/2004 Change
A+B+C	Agriculture, cattle breeding, fishing and mining	1	3	2	2	1-
D	Manufacturing	3	6	4	3	2-
E	Public utilities: electricity, gaz and water	0	0	0	0	0
F	Construction	5	5	4	0	1-
G	Wholesale and retail trade	21	17	11	-4	6-
H	Hotels and restaurants	26	16	37	-10	21
I	Transport, storage and communication	10	9	12	-1	3
J	Finance	9	2	1	-7	1-
K+M	Real estate, business services and education	11	15	109	4	94
N	Healthcare and social work	2	3	5	1	2
O+Q	Other services, social and personal services, extra-territorial organizations	49	30	27	-19	3-
P	Households with domestic personnel	0	0	0	0	0
Total		137	107	212	-30	105



With respect to the types of businesses, what is striking is the significant increase in the number of business license requests in the field of business services such as maintenance companies (electricity, plumbing, painting, gardening, cleaning, house-sitting) but also tourism related services such as guided tours, internet services etc.

c. Beverage & HORECA Licenses Requested and Processed

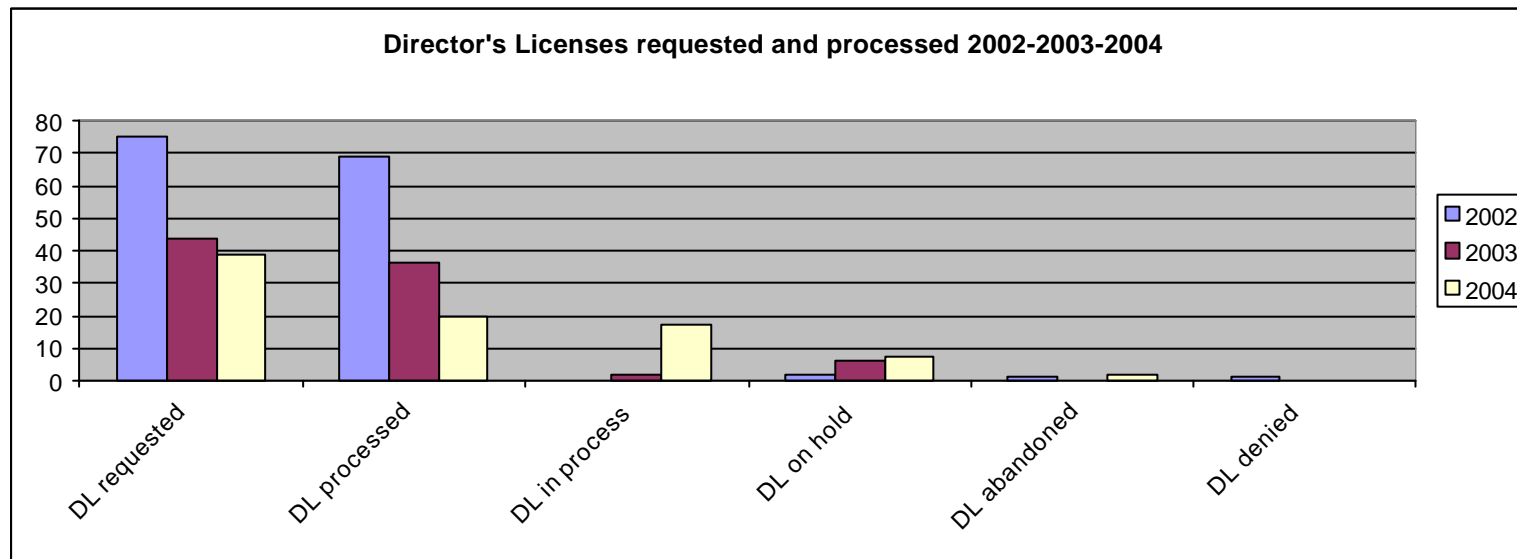
	2002	2003	2004	2002/2003 Change	2003/2004 Change
HL requested	71	56	75	-15	19
HL processed	39	29	41	-10	12
HL in process	17	26	59	9	33
HL on hold	0	1	0	1	-1
HL abandoned	15	1	0	-14	-1



After a decline in 2003, the HORECA sector has seen an upward trend with 34% more license requests and a 40% increase in the number of HORECA licenses processed in 2004, which reflects an increase in productivity. Here again, there is still a number of HORECA licenses still in process due to the backlog of 2003. These HORECA license are mainly licenses that have been granted to new restaurants replacing closed existing restaurants which means that actually there are only a few new restaurants that have been created in new locations. Also, a new trend is that a number of HORECA licenses have been granted to small hotel and apartment complexes such as bed and breakfasts.

d. Director's Licenses requested and processed

	2002	2003	2004	2002/2003 Change	2003/2004 Change
DL requested	75	44	39	-31	-5
DL processed	69	36	20	-33	-16
DL in process	0	2	17	2	15
DL on hold	2	6	7	4	1
DL abandoned	1	0	2	-1	2
DL denied	1	0	0	-1	0

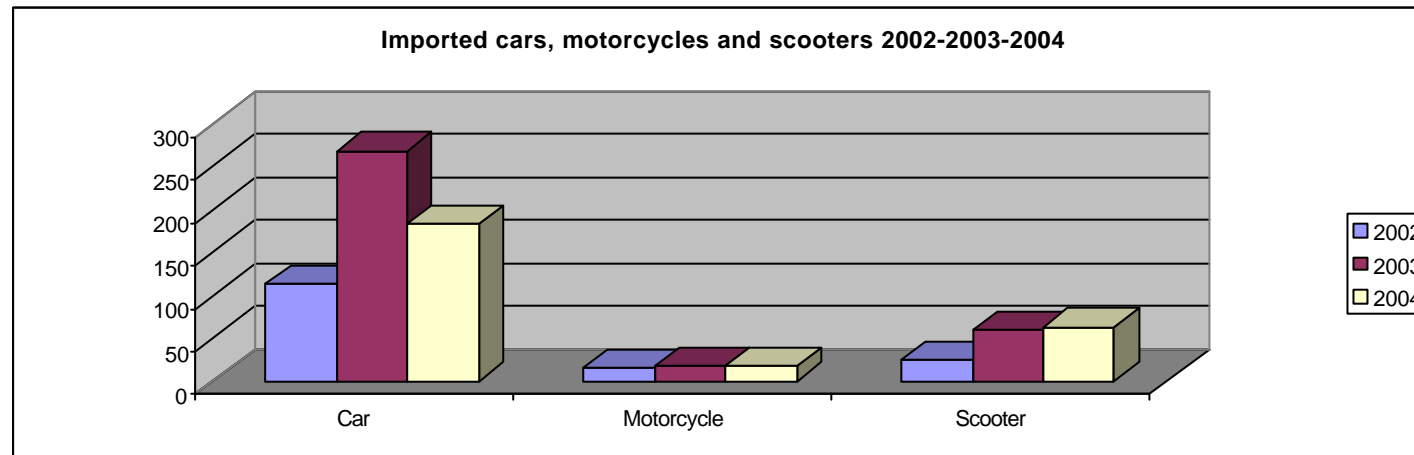


With respect to Director's Licenses, in 2004, there have been fewer Director license requests than in previous years which can be explained by the fact that most of the new businesses are owned by locals (born in the N.A.) or owned by foreign investors but run by local managers who do not need such a licenses to operate a business.

B. Calculation and Control

a. Registration of imported goods conform ordinance

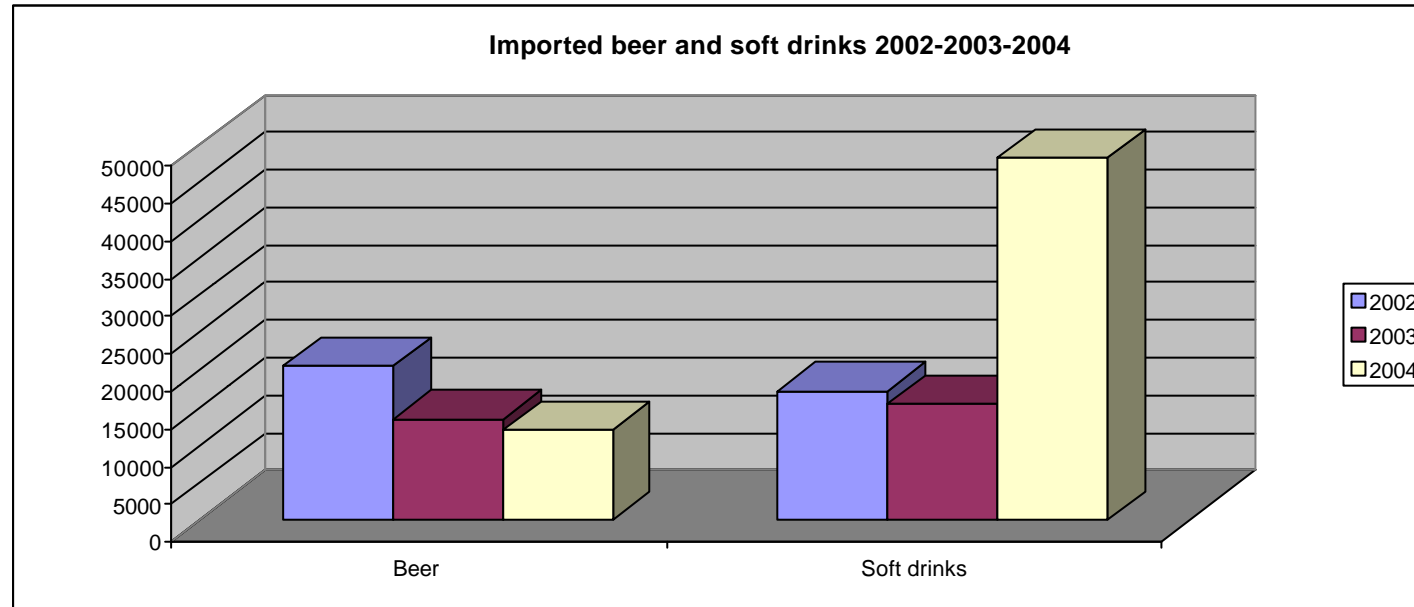
	2002	2003	2004	Change 2002/2003	Change %	Change 2003/2004	Change %
Car	112	268	183	156	139	-85	-32
Motorcycle	15	17	18	2	13	1	6
Scooter	24	59	63	35	146	4	7
Total	151	344	264	193	128	-80	-23



In 2002 the import of second hand vehicles went up by 128%. This can be explained mainly by the fact that in 2002 the central government decree for import and export (P.B. 1976 nr. 170 and P.B. 1968, nr. 42) was abolished as well as the economic levy. Before 2002, a 52% import tax was applicable on all second hand vehicles imported from abroad. After 2002 the import tax was reduced to 27% plus 5% sales tax and the economic levy was abolished (official car dealers do not pay the 5% sales tax). In addition, the decree prohibited the resale, lease, rent, raffle etc. of the imported second hand vehicles for a period of 3 years. As a result, in 2003 a considerable amount of cars were imported from the USA, which might explain why the trend is slightly lower in 2004. We can also notice a new trend in the purchase of second hand scooters from Europe, cheaper than in Curacao.

b. Imported beer and soft drinks 2002-2003-2004

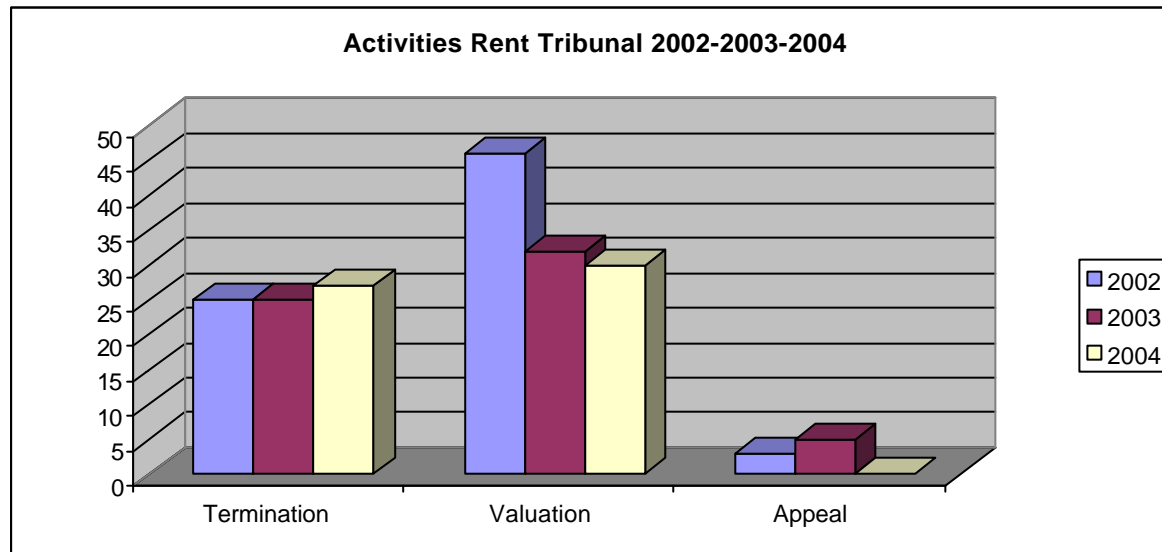
	2002	2003	2004	Change 2002/2003	Change %	Change 2003/2004	Change %
Beer	20492	13461	12169	-7031	-34	-1292	-10
Soft drinks	17236	15510	48301	-1726	-10	32791	211



After the introduction of the central government decree on goods (P.B. 2003 Nr. 55) the customs are making stricter controls on the import of beer and soft drinks from abroad, namely from Venezuela, due to the numerous cases of import of expired beer bought illegally in Venezuela and transported to Bonaire for resale. One of the reasons that can explain the significant rise in import of soft drinks in 2004 is the reduction of the economic levy, which reached 0% in January 2005. With the economic levy going down in 2004, buying soft drinks in Venezuela became cheaper than buying from Curacao. Nevertheless this high quantity of import of soft drinks also includes the expired merchandise confiscated by customs and destroyed thereafter.

c. Rent Tribunal Activities

	2002	2003	2004	Change 2002/2003	Change 2003/2004
Termination	25	25	27	0	2
Valuation	46	32	30	-14	-2
Appeal	3	5	0	2	-5
Total	74	62	57	-12	-5

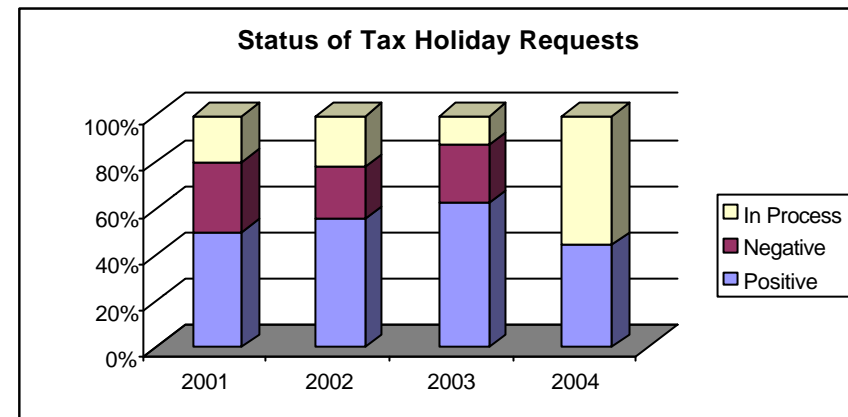
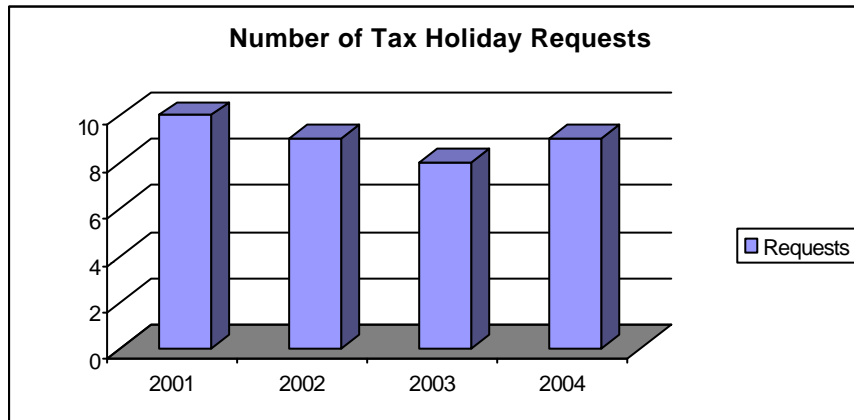


A high number of valuations can be noticed in 2002, which represent valuations made for shopping malls with a big number of units to be valued. In 2003 and 2004 the number of valuations have slightly dropped, generally new businesses are renting existing spaces, which had been rented out before to other businesses for which there is no need to re-valuate, the same goes for private homes and apartments for rent. Nevertheless, the Rent Tribunal expects a rise in the number of valuations in 2005 as it has received many complaints namely from medical students paying abusive rents. The number of appeals has dropped to 0 in 2004, generally, renters who owe rent do not appeal... On the whole, the number of activities displayed by the rent tribunal is scarce because renters are afraid of being expelled by the owners in case of complaints even though the law protects them.

C. Tax Holiday

a. Tax Holiday Requested and Processed

	2001	2002	2003	2004
Number of Requests	10	9	8	9
Positive advice	5	5	5	4
Negative advice	3	2	2	0
In Process	2	2	1	5

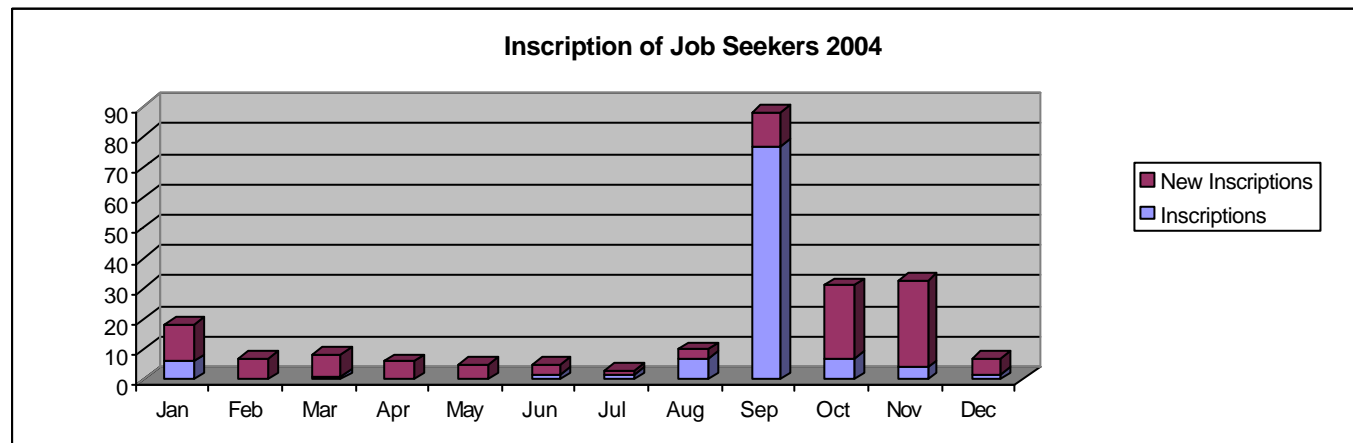


60% of all tax holiday requests entered in the past 4 years are projects of the HORECA sector, for the building of hotels, apartments, restaurants and catering. The number of tax holiday requests amounts more or less to 10 per year. A majority of requests are granted tax holiday because they respond to the criteria as described in the Ordinance of the Central Government to Promote the Establishment and the Building of Hotels, the Ordinance of the Central Government for Industrial Enterprises, the Ordinance of the Central Government for the Renovation of Hotels or the Ordinance of the Central Government to Promote Land Development. Tax holiday requests, which have been denied, are those who do not respond to the criteria. Requests still in process are generally cases that require further information from the applicant regarding the project, or projects that are still at an initial phase.

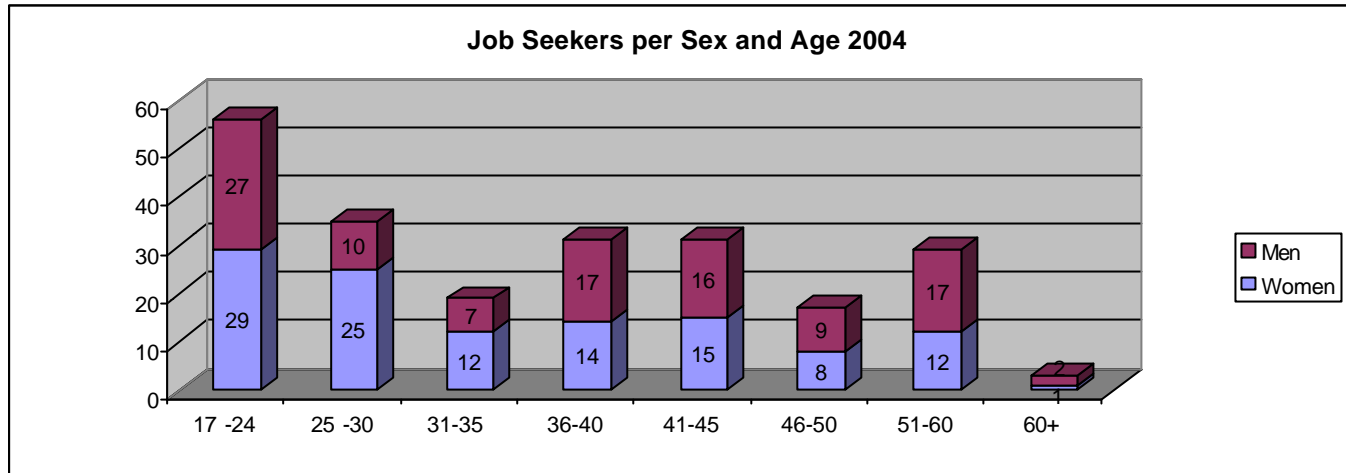
D. Labour Affairs

a. Registration of Job Seeker Incriptions

2004	Inscriptions	Percentage	New Incriptions	Percentage	Total
Jan	6	2,71%	12	5,43%	18
Feb	0	0,00%	7	3,17%	7
Mar	1	0,45%	7	3,17%	8
Apr	0	0,00%	6	2,71%	6
May	0	0,00%	5	2,26%	5
Jun	2	0,90%	3	1,36%	5
Jul	2	0,90%	1	0,45%	3
Aug	7	3,17%	3	1,36%	10
Sep	77	34,84%	11	4,98%	88
Oct	7	3,17%	24	10,86%	31
Nov	4	1,81%	29	13,12%	33
Dec	2	0,90%	5	2,26%	7
Total	108	48,87%	113	51,13%	221

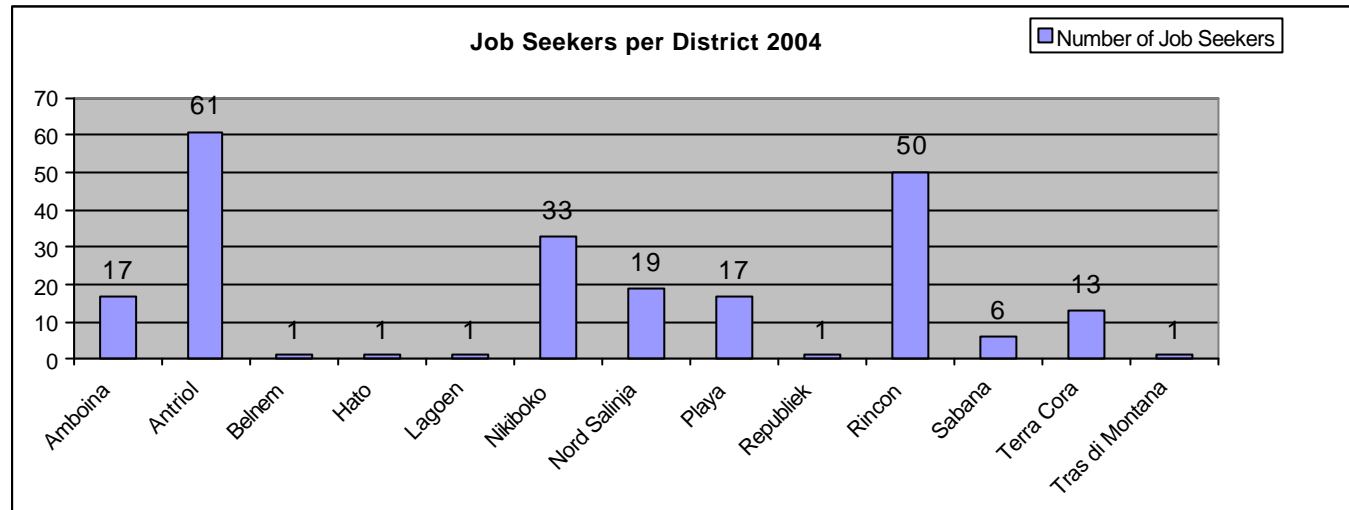


b. Job Seekers per Sex and Age



In 2004 DEZA re-registered all the job seekers with a new improved registration system and updated the information. In the month of September, 88 people registered themselves as job seekers due to a mailing of 445 letters from the labour department inquiring about the status of the people inscribed and if they wanted to remain on the list of job seekers. 80% responded to the mailing. Out of these 88 people, 77 were already inscribed and 11 were new candidates. The repercussion of this mailing can also be observed in the following months of October and November since many new people inscribed themselves probably due to word of mouth. Throughout the year 2004, a total amount of 221 people inscribed themselves as job seekers, out of which 108 were already registered and 113 were new inscriptions. With regards to sex and age, out of these 221 registered people, 116 are female and 105 are male. 40% of all job seekers are between 17 and 30 years old and more specifically 25% are between 17 and 24 years old, which is a very young age group.

c. Job Seekers per District



With respect to the geographical area, a majority of job seekers (61) are from the Antriol area and 50 people are from Rincon, the second biggest area in the number of inhabitants.

d. Job Seekers per Level and Field of Education

	Elementary	Basic	Secondary	High	Total
General	55				55
Agricultural		1			1
Economic, Administrative and Commercial		61	12		73
Behaviour and Society			1		1
Legal, Governmental, Public and Security		5			5
Medical and Paramedical		5			5
Personal and Social Care		32	3		35
Technical		31	8	1	40
Management				1	1
Transport, communication and Traffic		4			4
Unknown					1
Total	55	139	24	2	221

By categorizing the job seekers according to their level and field of education, as per the standard vocational classification of 1992, revised in 2001, it can be observed that 194 (88%) of the registered job seekers belong to the low-qualified category (basic education) in the fields of economy, administration, commerce, social care, and technique; sectors where there are little or no job opportunities on Bonaire. The remaining 26 job seekers with a secondary or higher education can more easily be placed by DEZA.

e. Reasons for Inscription

Reasons for Inscription	Number
Unemployed	108
Returned emigrant	25
Liquidation of company	18
Positive improvement	18
Contract not renewed	11
Reduction of personnel	10
Flex workers	8
School dropout	8
Resigned	7
Labor conflict	2
Dismissal during trial period	2
Immediate dismissal	2
Completed military service	1
Unfair dismissal	1
Total	221

People who register at DEZA are not necessarily unemployed. People who already have a job can also register at DEZA. The reasons of registration can vary. 108 people out of the 221 registered job seekers came to DEZA because they were unemployed or did not have a permanent job. Most of them have already been looking for a job for a year or more. Some registered because they lost their job, their contract was not renewed, they had been laid-off or the company they were working for simply ceased operations. In such a small community as Bonaire, the closing down of a company or hotel can have a huge impact on the labour market, as can have the opening of a resort. A positive feature is that out of the 221 registered job seekers, 25 were Bonaireans who re-immigrated to Bonaire after living in Holland and a majority of them could easily be placed by DEZA mainly because of their work experience and attitude towards work. Also, they are new to the labour market compared to those who have a job history on the island and for whom it is difficult to mediate. Others register because they are looking for a better position and do not have any opportunity to grow within the company they work for.

f. Status of Inscribed Job Seekers and Percentage Placed in 2004

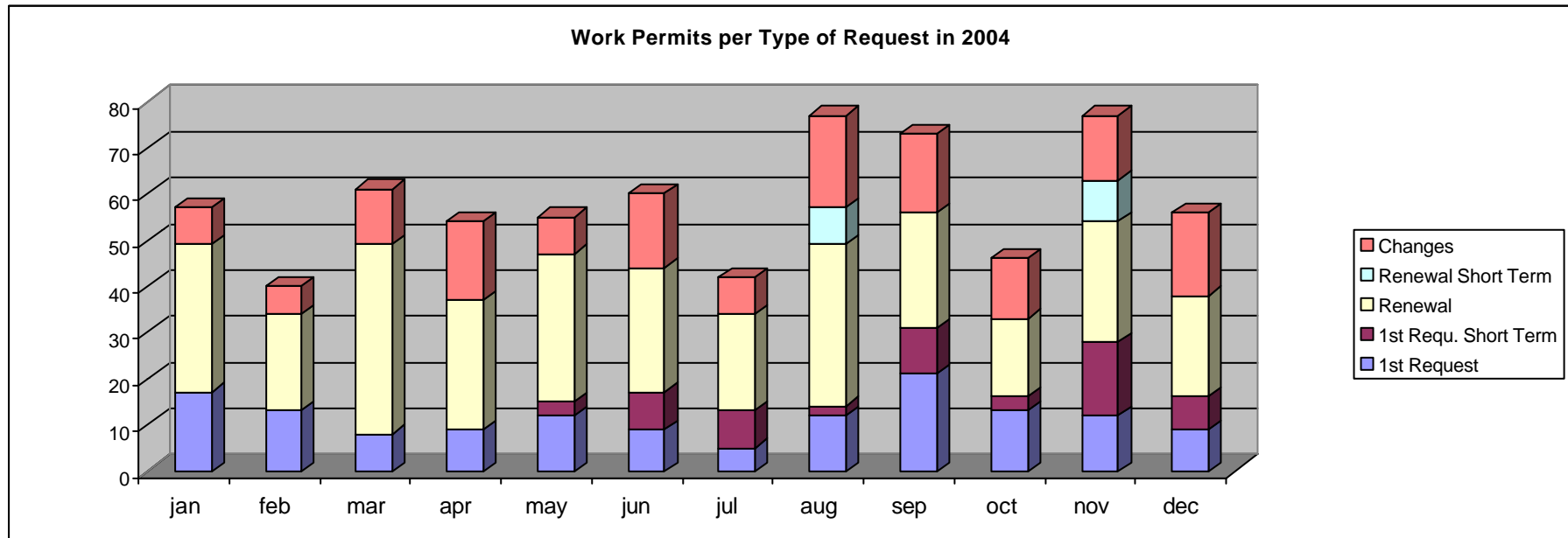
Status of Inscribed Job Seekers	Number
Immigrated	2
Unknown	16
Attending School	1
Employed	45
Unemployed	157
Total	221

Placed in 2004	Percentage of Job Seekers
42	19,00%

Per December 31, 2004, out of the 221 registered job seekers, 157 did not have any job and 45 already had a job. Thanks to the mediation of DEZA, 42 people found a job (19%), which is a satisfying result taking into consideration the educational level and background of the registered job seekers. In order to pursue the task of placing people in the job market an effort must be done to upgrade the job seekers and provide them professional training through the educational system, FORMA, CKB and other institutions.

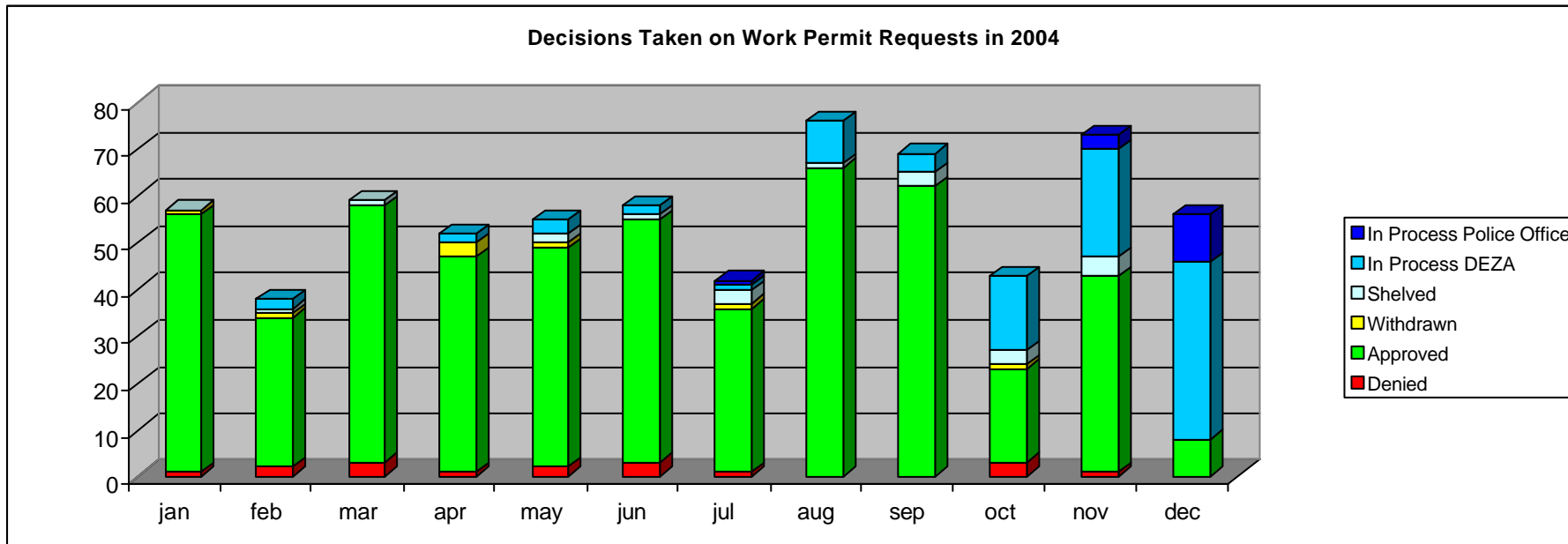
g. Work Permits per Type of Request

2004	1st Request	1st Requ. Short Term	Renewal	Renewal Short Term	Changes	Total
jan	17	0	32	0	8	57
feb	13	0	21	0	6	40
mar	8	0	41	0	12	61
apr	9	0	28	0	17	54
may	12	3	32	0	8	55
jun	9	8	27	0	16	60
jul	5	8	21	0	8	42
aug	12	2	35	8	20	77
sep	21	10	25	0	17	73
oct	13	3	17	0	13	46
nov	12	16	26	9	14	77
dec	9	7	22	0	18	56
Total	140	57	327	17	157	698
percentage	20,06%	8,17%	46,85%	2,44%	22,49%	100,00%



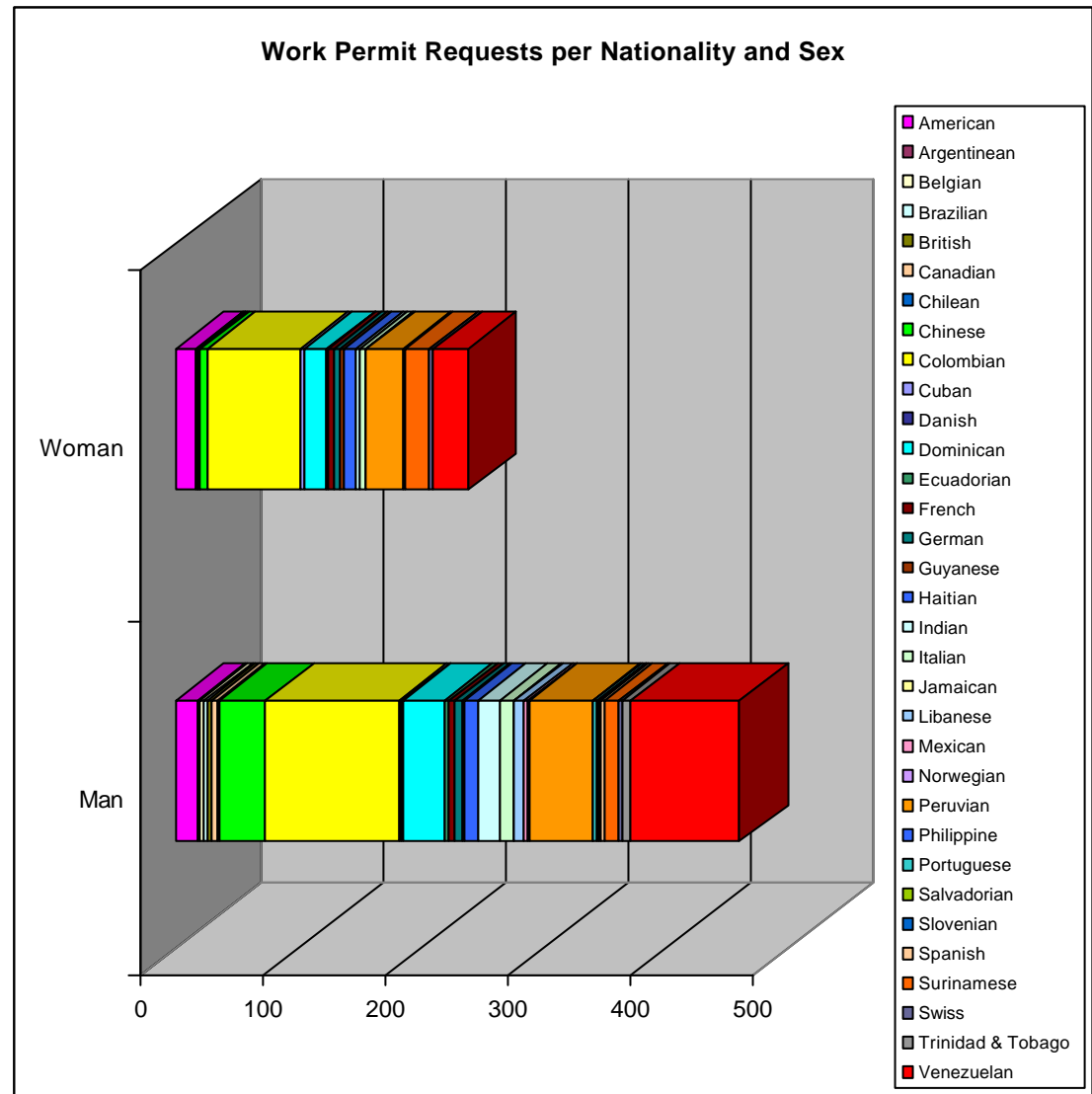
h. Decisions Taken on Work Permit Requests

2004	Denied	Approved	Withdrawn	Shelved	In Process DEZA	In Process Police Office	Total
jan	1	55	1	0			57
feb	2	32	1	1	2		40
mar	3	55	0	1			61
apr	1	46	3	0	2		54
may	2	47	1	2	3		55
jun	3	52	0	1	2		60
jul	1	35	1	3	1	1	42
aug	0	66	0	1	9		77
sep	0	62	0	3	4		73
oct	3	20	1	3	16		46
nov	1	42	0	4	23	3	77
dec	0	8	0	0	38	10	56
Total	17	520	8	19	100	14	698
percentage	2,44%	74,50%	1,15%	2,72%	14,33%	2,01%	100,00%



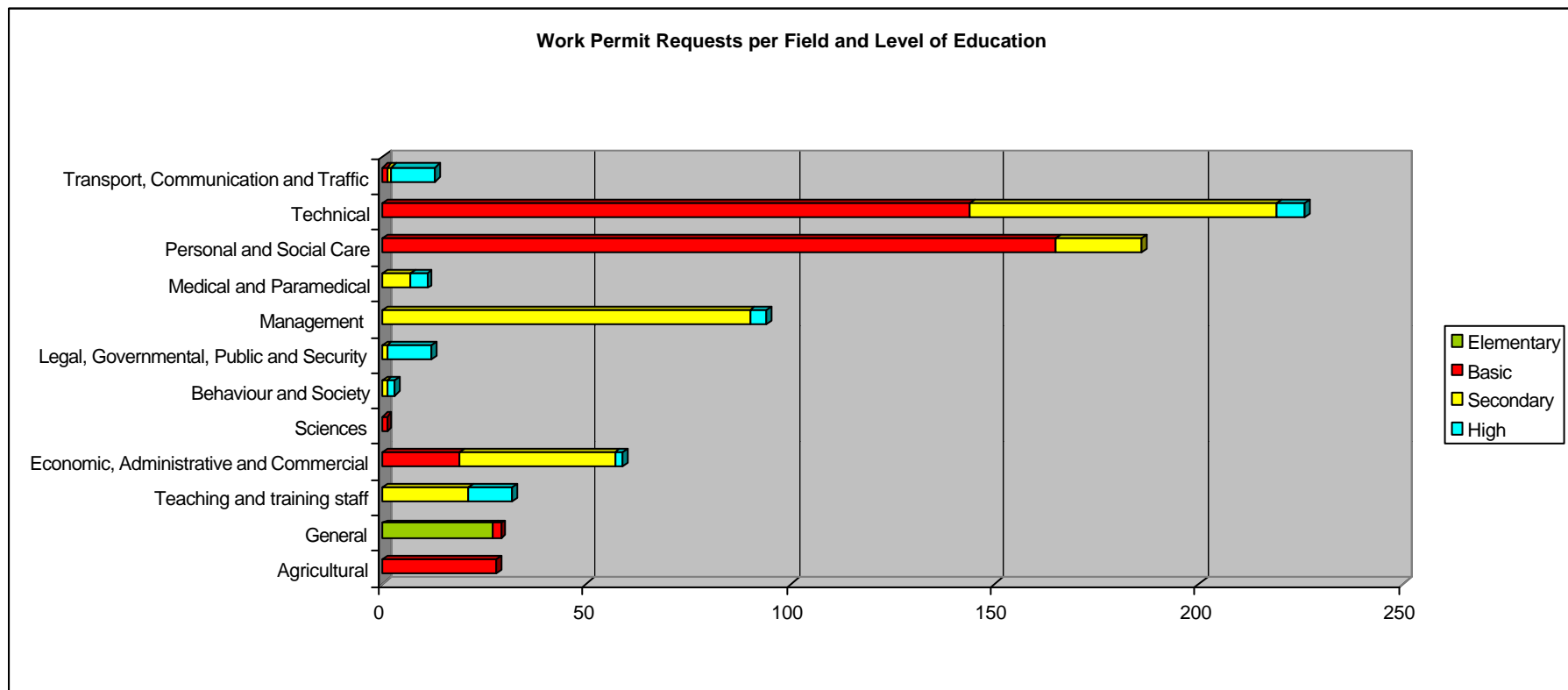
i. Work Permit Requests per Nationality and Sex

Place of Birth	Man	Woman	Total
American	17	16	33
Argentinean	2	1	3
Belgian	4	0	4
Brazilian	3	0	3
British	3	1	4
Canadian	5	1	6
Chilean	1	1	2
Chinese	38	6	44
Colombian	109	75	184
Cuban	2	3	5
Danish	1	0	1
Dominican	34	19	53
Ecuadorian	4	1	5
French	5	5	10
German	5	4	9
Guyanese	2	4	6
Haitian	11	10	21
Indian	18	3	21
Italian	11	4	15
Jamaican	1	0	1
Libanese	8	1	9
Mexican	3	0	3
Norwegian	1	0	1
Peruvian	52	30	82
Philippine	1	2	3
Portuguese	3	0	3
Salvadorian	1	0	1
Slovenian	1	0	1
Spanish	3	0	3
Surinamese	12	20	32
Swiss	3	3	6
Trinidad & Tobago	7	0	7
Venezuelan	89	28	117
Total	463	241	704
percentage	65,77%	34,23%	100,00%



j. Work permit Requests per Field and Level of Education

Field	Elementary	Basic	Secondary	High	Total Requests
Agricultural		28			28
General	27	2			29
Teaching and training staff			21	11	35
Economic, Administrative and Commercial		19	38	2	59
Sciences		1			1
Behaviour and Society			1	2	3
Legal, Governmental, Public and Security			1	11	12
Management			90	4	94
Medical and Paramedical			7	4	12
Personal and Social Care		165	21		186
Technical		144	75	7	226
Transport, Communication and Traffic		1	1	11	13
Total	27	360	255	52	698

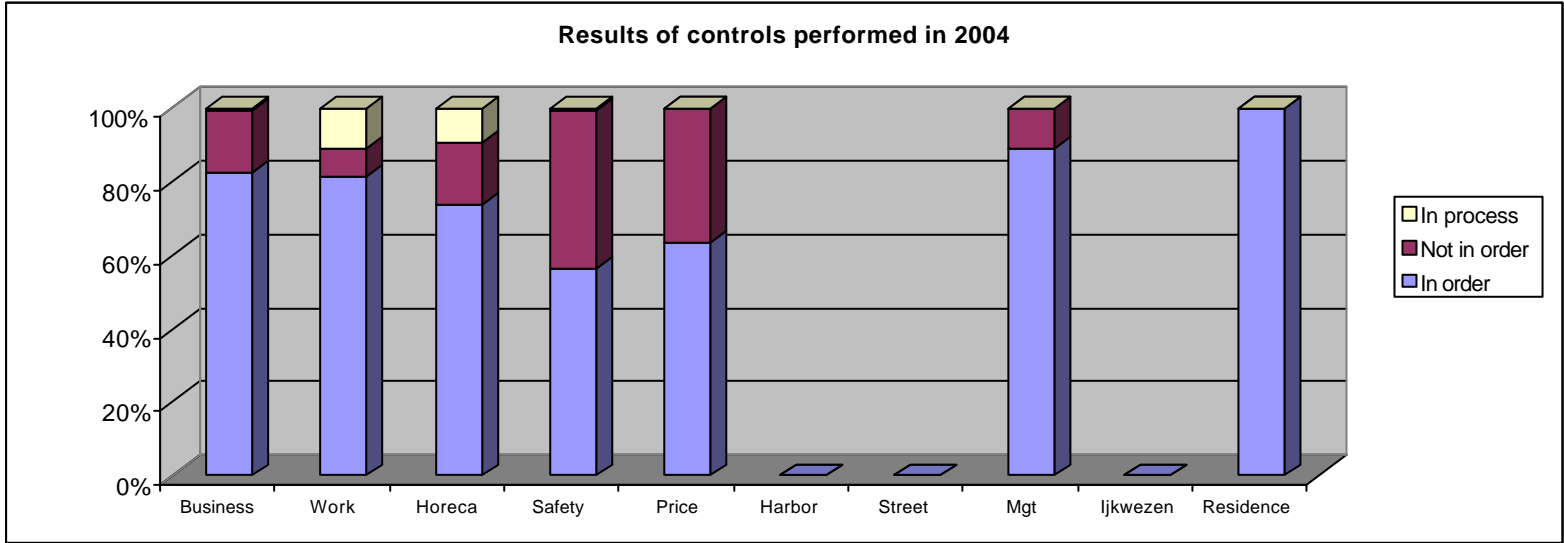
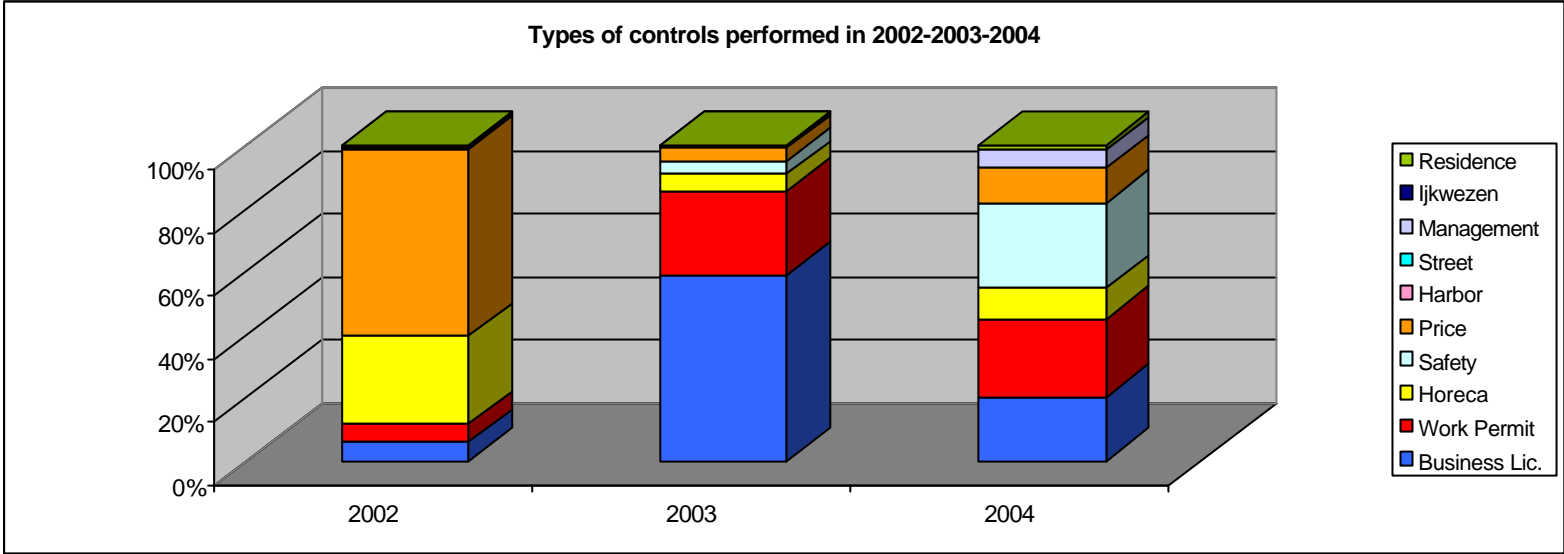


E. Supervision and Control

A. Controls performed by the department of Supervision and Control

	2002 In order	2002 Not in order	2002 In process	2003 In order	2003 Not in order	2003 In process	2004 In order	2004 Not in order	2004 In process
Business licence	14	12	1	555	38	8	109	22	1
Work permit	15	8	3	217	24	30	133	12	18
Horeca licence	85	37	7	43	4	8	48	11	6
Safety inspection	0	0	0	3	38	0	99	76	1
Price indication	206	65	0	23	20	0	47	27	0
Control at harbor	0	0	0	0	5	0	0	0	0
Street-trader's licence	1	0	0	0	1	0	0	0	0
Management licence	2	0	0	0	2	0	32	4	0
Ijkwezen	1	0	0	0	0	0	0	0	0
Residence permit	0	0	0	0	0	0	10	0	0
Total	324	122	11	841	132	46	478	152	26

	Total 2002	Total 2003	Total 2004	Change 2002/2003	Change 2003/2004
Business licence	27	601	132	574	469-
Work permit	26	271	163	245	108-
Horeca licence	129	55	65	-74	10
Safety inspection	0	41	176	41	135
Price indication	271	43	74	-228	31
Control at harbor	0	5	0	5	5-
Street-trader's licence	1	1	0	0	1-
Management licence	2	2	36	0	34
Ijkwezen	1	0	0	-1	0
Residence permit	0	0	10	0	10
Total	457	1019	656	562	-363

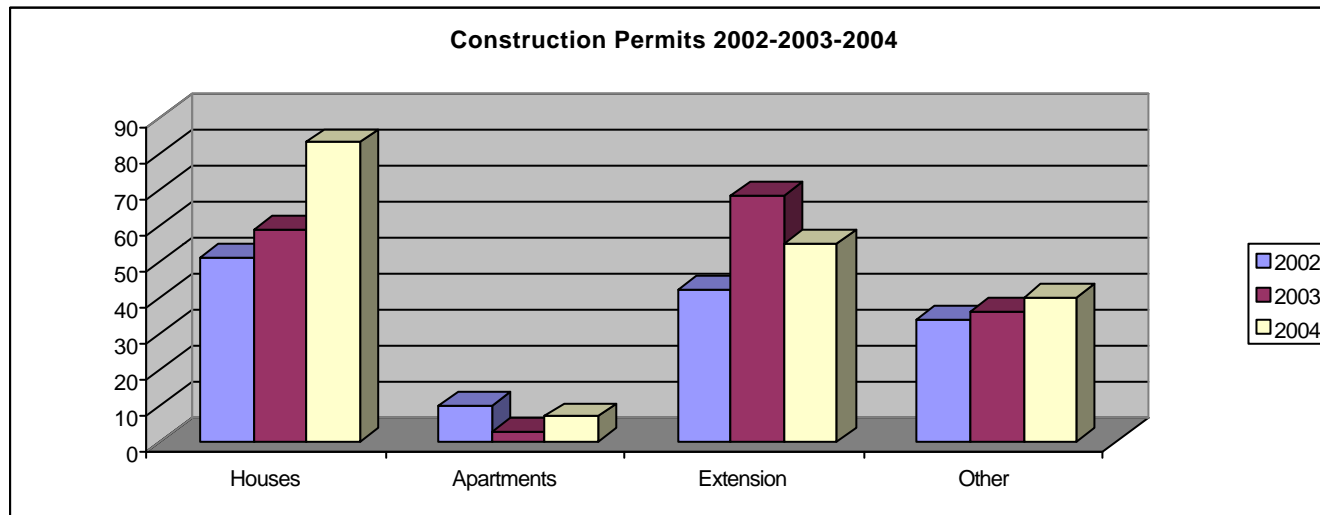


Supervision and Control: In 2002, a priority was given to price indication controls (almost 80% of the controls made). DEZA hired new inspectors and chose to start with checking prices and making sure that all items for sale carry a price tag. These controls were made in combination with HORECA license controls at hotels, restaurants and cafés. In 2003, the inspectors focused mainly on business licenses (60% of the controls made) combined with work permits (more than 25% of the controls). In 2004, the Supervision and Control department started to balance the controls in different fields. The inspectors continued to check business licenses together with work permits and added the safety inspections to their priorities (25% of the controls). A majority of permits checked in 2004 were in order. Some licenses are not checked very often such as business licenses valid for an indefinite period of time or HORECA licenses, valid for 5 years. Nevertheless, these licenses can be checked several times in case of a change of business or location. Work permits are checked on a regular basis since they are only valid one year and must be renewed by the employer 6 weeks before they expire. Most of the work permits were in order, only a small quantity of permits not in order are those which were not renewed on time. Almost 50% of the businesses checked did not comply with the safety regulations meaning they had no fire extinguishers. Also at construction sites, some workers do not wear safety shoes and helmets, which need to be provided by the employer. 40% of the controls made on prices were not in order meaning the goods for sale did not carry any price indication though, according to the law, all goods must carry a price in Antillean Guilders, followed by another currency. With respect to the controls carried on management licenses, some managers were not aware that they need a management license to operate a business if they are not Dutch people born in the Netherlands Antilles. Other controls such as controls performed at the harbor, street or “ijkwezen” controls (of weight scales) only occur sporadically, the last “ijkwezen” controls were done in 2002 and will take place again in 2005. In 2004, the supervision and control department issued 9 fines to businesses employing workers without a work permit. In 2003, 2 fines were issued and the department started working with new forms for summons in September 2003. It is the prosecutor who decides upon the amount of the fine to be paid.

6. CONSTRUCTION (source: DROB)

A. Construction permits

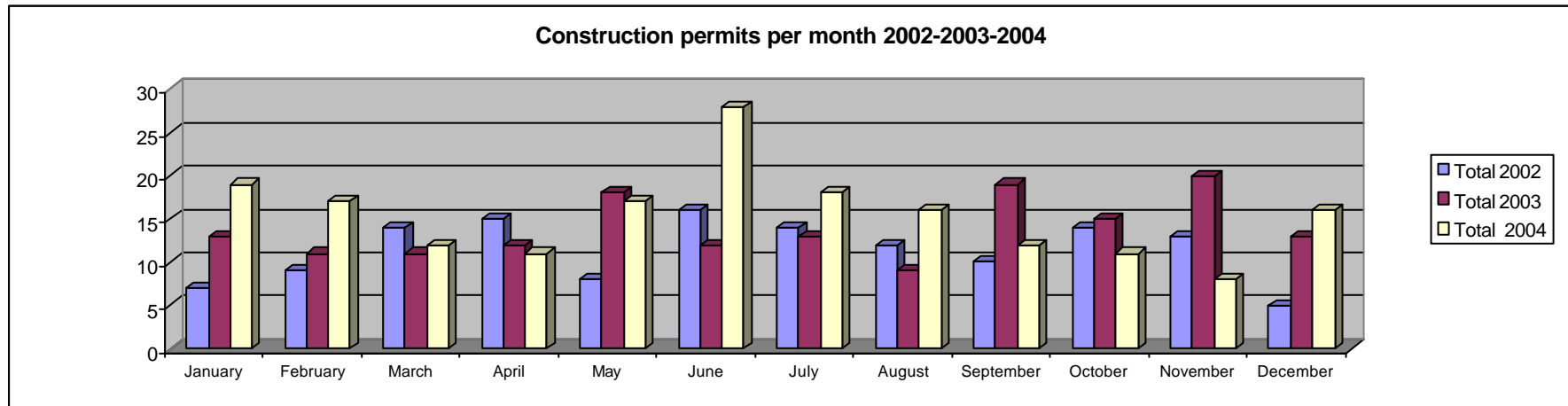
	2002 Houses	2003 Houses	2004 Houses	2002 Apartment	2003 Apartment	2004 Apartment	2002 Extension	2003 Extension	2004 Extension	2002 Other**	2003 Other	2004 Other	Total 2002	Total 2003	Total 2004
January	1	4	11	0	0	0	3	6	4	3	3	4	7	13	19
February	4	5	6	0	0	0	2	3	5	3	3	6	9	11	17
March	5	5	4	1	0	1	5	4	2	3	2	5	14	11	12
April	9	2	5	2	0	2	2	9	3	2	1	1	15	12	11
May	2	5	7	1	1	1	3	7	5	2	5	4	8	18	17
June	5	2	13	0	0	0	6	7	11	5	3	4	16	12	28
July	5	4	7	0	0	0	5	6	5	4	3	6	14	13	18
August	6	0	6	2	1	2	1	6	4	3	2	4	12	9	16
September	1	7	8	1	1	0	4	8	2	4	3	2	10	19	12
October	6	8	3	2	0	0	6	5	6	0	2	2	14	15	11
November	5	11	5	1	0	0	3	5	1	4	4	2	13	20	8
December	2	6	8	0	0	1	2	2	7	1	5	0	5	13	16
Total	51	59	83	10	3	7	42	68	55	34	36	40	137	166	185



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

B. Construction Permits per Month

	Total 2002	Total 2003	Total 2004	2002/2003	% CHG	2003/2004	% CHG
January	7	13	19	6	86	6	46
February	9	11	17	2	22	6	55
March	14	11	12	-3	-21	1	9
April	15	12	11	-3	-20	-1	-8
May	8	18	17	10	125	-1	-6
June	16	12	28	-4	-25	16	133
July	14	13	18	-1	-7	5	38
August	12	9	16	-3	-25	7	78
September	10	19	12	9	90	-7	-37
October	14	15	11	1	7	-4	-27
November	13	20	8	7	54	-12	-60
December	5	13	16	8	160	3	23
Total	137	166	185	29	21	19	11



C. Construction value

Construction value 2002

	Houses 2002	Apartments 2002	Extensions 2002	Other 2002	total value 2002
January	96.000,00	0,00	101.500,00	562.000,00	759.500,00
February	806.825,00	0,00	205.000,00	174.000,00	1.185.825,00
March	736.800,00	60.000,00	244.000,00	436.300,00	1.477.100,00
April	2.039.320,00	105.120,00	29.000,00	334.000,00	2.507.440,00
May	183.000,00	255.500,00	175.000,00	80.000,00	693.500,00
June	660.012,00	0,00	1.376.860,00	2.035.700,00	4.072.572,00
July	1.030.600,00	0,00	409.000,00	1.321.400,00	2.761.000,00
August	1.522.500,00	1.348.200,00	48.000,00	253.000,00	3.171.700,00
September	400.000,00	1.100.000,00	124.500,00	1.157.076,00	2.781.576,00
October	727.400,00	195.000,00	152.400,00	0,00	1.074.800,00
November	1.111.000,00	119.000,00	86.000,00	657.000,00	1.973.000,00
December	265.000,00	0,00	53.200,00	28.000,00	346.200,00
Total	9.578.457,00	3.182.820,00	3.004.460,00	7.038.476,00	22.804.213,00

Construction value 2003

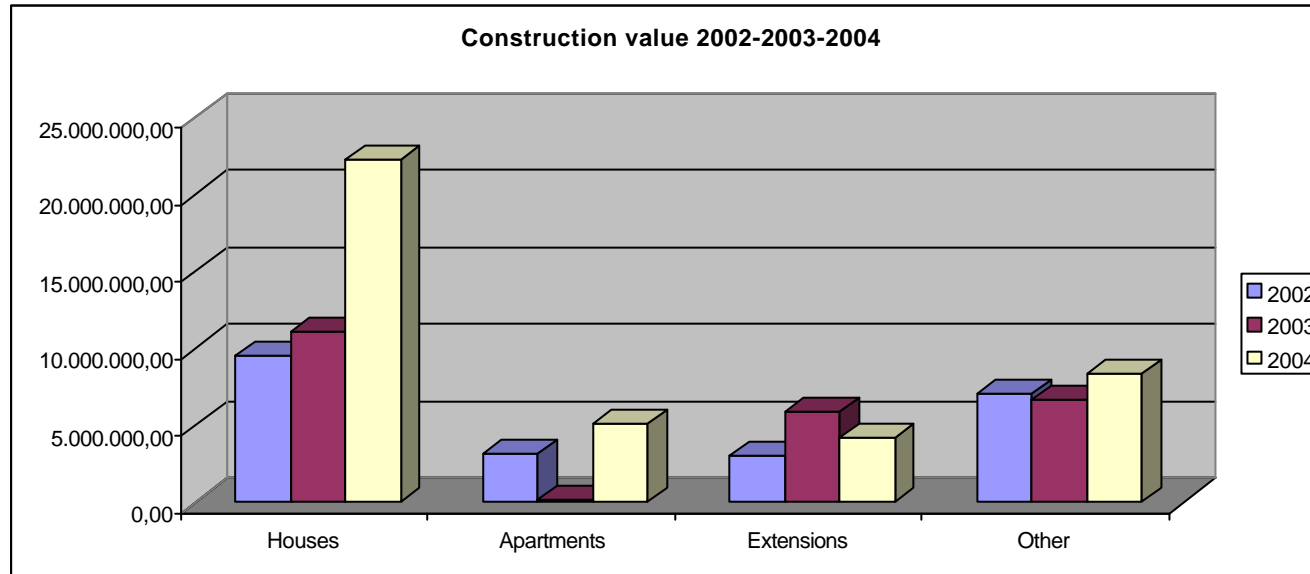
	Houses 2003	Apartments 2003	Extensions 2003	Other 2003	total value 2003
January	688.000,00	0,00	230.512,00	89.000,00	1.007.512,00
February	391.800,00	0,00	42.000,00	314.000,00	747.800,00
March	1.254.050,00	0,00	1.063.000,00	60.400,00	2.377.450,00
April	435.000,00	0,00	1.321.200,00	34.000,00	1.790.200,00
May	1.321.100,00	33.900,00	466.360,00	1.897.900,00	3.719.260,00
June	649.000,00	0,00	469.400,00	151.000,00	1.269.400,00
July	1.095.000,00	0,00	334.000,00	104.200,00	1.533.200,00
August	140.000,00	0,00	1.293.600,00	2.168.000,00	3.601.600,00
September	1.226.000,00	124.000,00	278.600,00	234.000,00	1.862.600,00
October	808.000,00	0,00	198.175,00	1.125.000,00	2.131.175,00
November	1.915.200,00	0,00	102.200,00	212.000,00	2.229.400,00
December	1.163.000,00	0,00	52.000,00	354.500,00	1.569.500,00
Total	11.086.150,00	157.900,00	5.851.047,00	6.744.000,00	23.839.097,00

Construction value 2004

	Houses 2004	Apartments 2004	Extensions 2004	Other 2004	total value 2004
January	6.911.521,00	0,00	145.000,00	729.200,00	7.785.721,00
February	1.968.000,00	0,00	1.195.700,00	3.300.400,00	6.464.100,00
March	809.300,00	2.000.000,00	117.000,00	246.500,00	3.172.800,00
April	873.000,00	1.739.500,00	83.000,00	480.000,00	3.175.500,00
May	1.266.000,00	436.000,00	315.500,00	150.000,00	2.167.500,00
June	2.642.000,00	0,00	416.850,00	106.000,00	3.164.850,00
July	1.535.750,00	0,00	572.000,00	2.337.000,00	4.444.750,00
August	1.732.250,00	686.250,00	252.200,00	618.000,00	3.288.700,00
September	2.001.000,00	0,00	68.500,00	135.700,00	2.205.200,00
October	387.000,00	0,00	501.500,00	69.200,00	957.700,00
November	1.046.000,00	0,00	20.000,00	157.000,00	1.223.000,00
December	1.060.600,00	248.000,00	477.000,00	0,00	1.785.600,00
Total	22.232.421,00	5.109.750,00	4.164.250,00	8.329.000,00	39.835.421,00

Construction value 2002-2003-2004

	Total 2002	Total 2003	Total 2004	2002/2003	% CHG	2003/2004	% CHG
Houses	9.578.457,00	11.086.150,00	22.232.421,00	1.507.693,00	16	11.146.271,00	101
Apartments	3.182.820,00	157.900,00	5.109.750,00	-3.024.920,00	-95	4.951.850,00	3136
Extension	3.004.460,00	5.851.047,00	4.164.250,00	2.846.587,00	95	-1.686.797,00	-29
Other	7.038.476,00	6.744.000,00	8.329.000,00	-294.476,00	-4	1.585.000,00	24
Total	22.804.213,00	23.839.097,00	39.835.421,00	1.034.884,00	5	15.996.324,00	67



D. Construction Dues

Construction dues 2002

	Houses 2002	Apartments 2002	Extensions 2002	Other 2002	total dues 2002
January	540,00	0,00	688,00	2.334,00	3.562,00
February	1.635,00	0,00	960,00	1.037,00	3.632,00
March	3.694,00	360,00	1.514,00	2.080,00	7.648,00
April	9.127,00	646,00	220,00	1.656,00	11.649,00
May	1.015,00	1.176,50	1.055,00	470,00	3.716,50
June	3.387,00	0,00	5.250,00	7.326,00	15.963,00
July	4.691,00	0,00	2.208,00	4.329,00	11.228,00
August	6.450,00	4.865,00	300,00	1.422,00	13.037,00
September	1.610,00	675,00	3.710,00	4.738,00	10.733,00
October	4.499,00	1.050,00	970,00	0,00	6.519,00
November	4.825,00	636,00	510,00	2.630,00	8.601,00
December	1.263,00	0,00	336,00	200,00	1.799,00
Total	42.736,00	9.408,50	17.721,00	28.222,00	98.087,50

Construction dues 2003

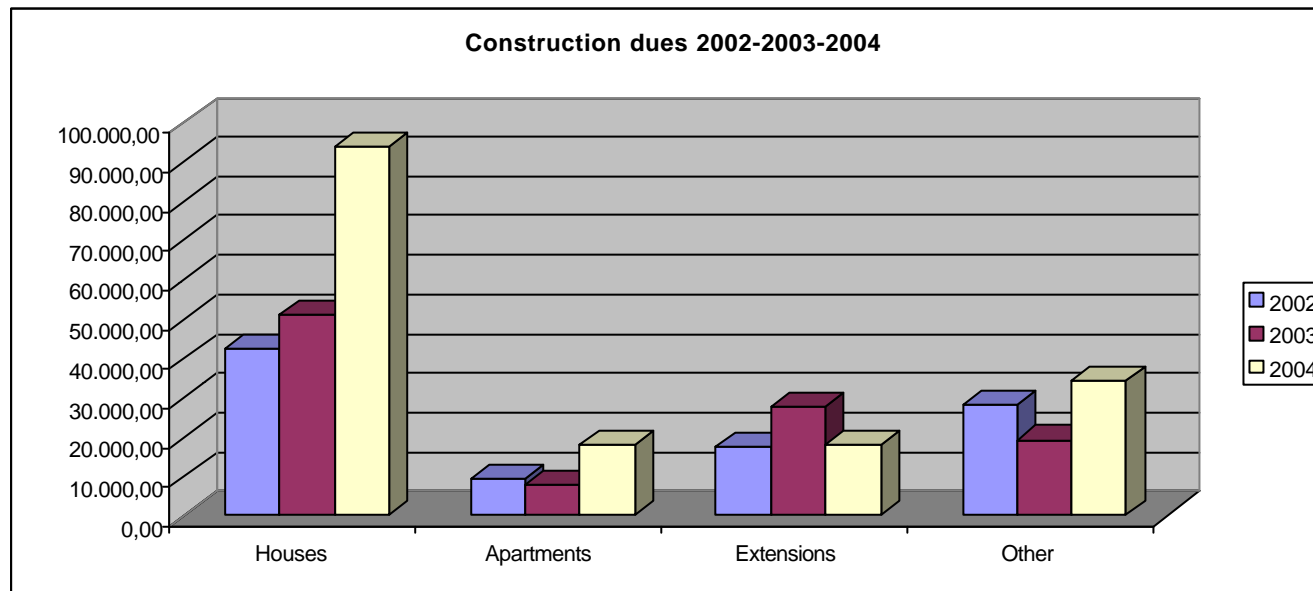
	Houses 2003	Apartments 2003	Extensions 2003	Other 2003	total dues 2003
January	3.382,00	0,00	1.433,00	625,00	5.440,00
February	2.211,00	0,00	240,00	1.629,00	4.080,00
March	5.327,00	0,00	3.930,00	351,00	9.608,00
April	2.060,00	0,00	5.978,00	230,00	8.268,00
May	5.685,00	230,00	3.372,00	7.082,00	16.369,00
June	2.641,00	0,00	2.470,00	860,00	5.971,00
July	4.885,00	0,00	1.845,00	616,00	7.346,00
August	720,00	6.890,00	4.752,00	60,00	12.422,00
September	6.308,00	656,00	1.718,00	670,00	9.352,00
October	3.312,00	0,00	1.161,00	4.195,00	8.668,00
November	9.006,00	0,00	615,00	1.130,00	10.751,00
December	5.372,00	0,00	300,00	1.890,00	7.562,00
Total	50.909,00	7.776,00	27.814,00	19.338,00	105.837,00

Construction dues 2004

	Houses 2004	Apartments 2004	Extensions 2004	Other 2004	total dues 2004
January	24.514,00	0,00	700,00	3.105,00	28.319,00
February	8.197,00	0,00	2.318,50	11.915,00	22.430,50
March	3.705,00	6.410,00	705,00	1.532,50	12.352,50
April	3.985,00	5.768,00	480,00	1.850,00	12.083,00
May	5.353,00	1.770,00	1.618,00	990,00	9.731,00
June	12.698,00	0,00	2.320,00	730,00	15.748,00
July	7.019,00	0,00	2.486,00	8.872,00	18.377,00
August	7.394,00	2.880,00	1.266,00	3.048,00	14.588,00
September	8.590,00	0,00	395,00	841,00	9.826,00
October	2.005,00	0,00	2.432,00	466,00	4.903,00
November	4.830,00	0,00	60,00	875,00	5.765,00
December	5.449,00	1.154,00	3.195,00	0,00	9.798,00
Total	93.739,00	17.982,00	17.975,50	34.224,50	163.921,00

Construction dues 2002-2003-2004

	Total 2002	Total 2003	Total 2004	2002/2003	% CHG	2003/2004	% CHG
Houses	42.736,00	50.909,00	93.739,00	8.173,00	19	42.830,00	84
Apartments	9.408,50	7.776,00	17.982,00	-1.632,50	-17	10.206,00	131
Extensions	17.721,00	27.814,00	17.975,50	10.093,00	57	-9.838,50	-35
Other	28.222,00	19.338,00	34.224,50	-8.884,00	-31	14.886,50	77
Total	98.087,50	105.837,00	163.921,00	7.749,50	8	58.084,00	55



Department of Physical Planning and Environmental Issues (DROB): In 2000-2002 there were less construction permit requests, as the economy was not doing so good. In 2003, the economic situation stabilized and people started requesting more construction permits to extend their existing house or property with a porch, an additional bedroom etc. We can notice this by the high number of extension permit requests in 2003. Also in 2003, there were only very few construction permit requests for apartments and hotels. In 2004, people gained more confidence in the market and started requesting construction permits to build new houses. The middle class is building bigger houses than before in the areas of Belnem and also the foreigners who decide to retire on Bonaire are building houses in the area of Sabadeco for example. The houses are bigger and the construction value of these houses is much higher in 2004 than in previous years.

With regards to the trend per month, generally, towards the end of the year, there are less construction permit requests. At the beginning of the year Jan/Feb there are many new permit requests and people look for financing, in March/April they generally receive an answer and pursue with the construction plans and by the mid year they hand in their request which explains why in June/July/Aug there are many construction permit requests. Also, in the summer holidays people have more time to dedicate to their house or property. In 2004 there were more construction permit request for apartments/hotels than in previous years since more investment have taken place in the tourism sector. There have been fewer extensions in 2004 and more new constructions. With respect to the construction dues, they reflect the construction value and follow the same trend. To conclude, the figures show that there is confidence in the future since there are more construction permit requests in 2004 than in previous years.

7. CONSUMER INDEX PRICES (source: CBS)

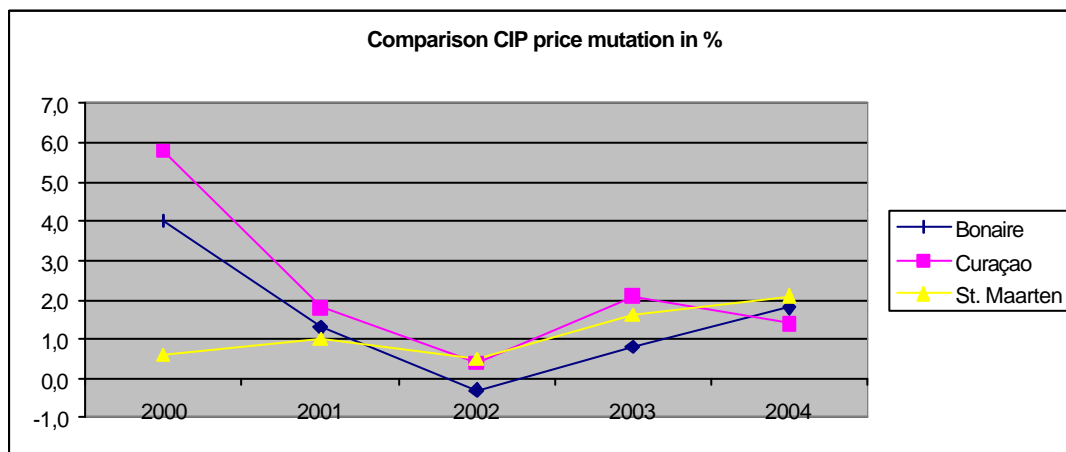
A. CONSUMER INDEX PRICES (Source: CBS)

Consumer Index Prices Bonaire

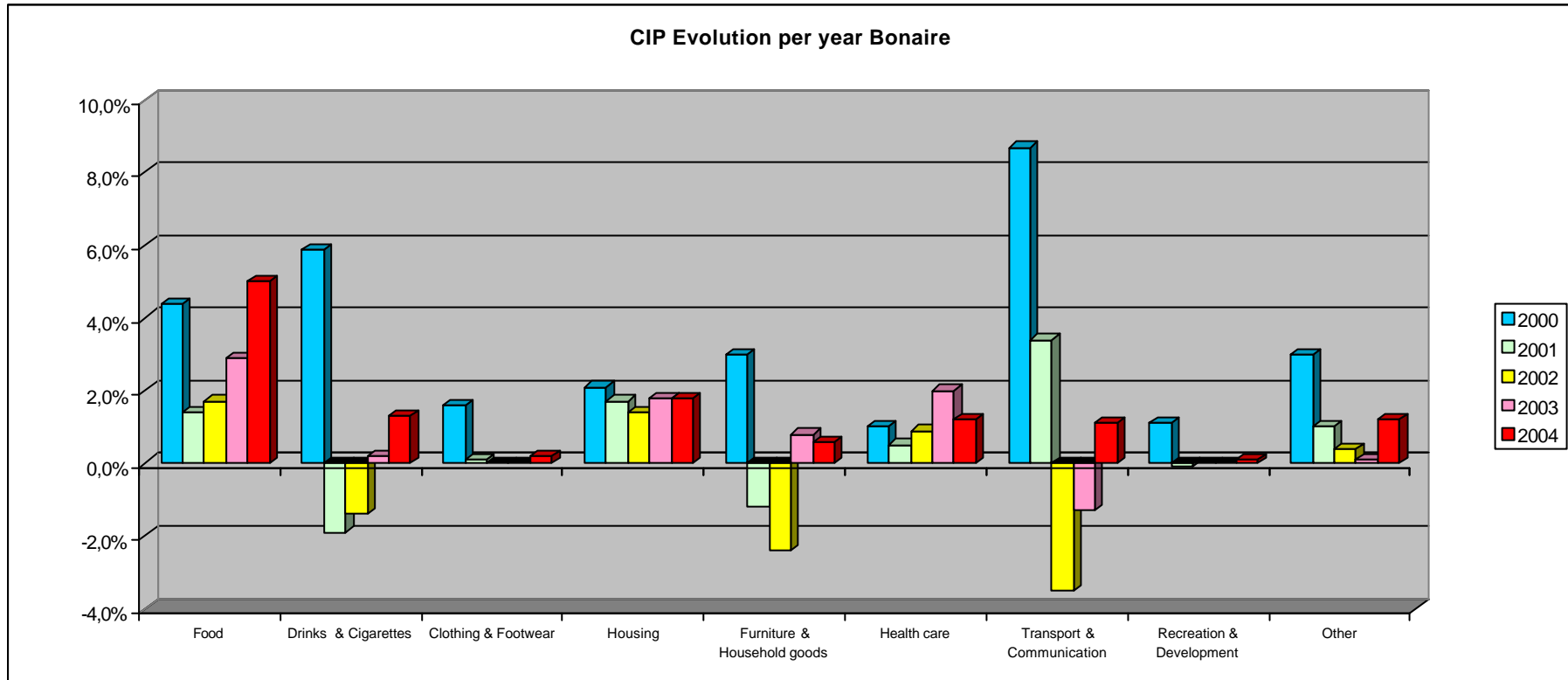
	2000	2001	2002	2003	2004
Food	4,4%	1,4%	1,7%	2,9%	5,0%
Drinks & Cigarettes	5,9%	-1,9%	-1,4%	0,2%	1,3%
Clothing & Footwear	1,6%	0,1%	0,0%	0,0%	0,2%
Housing	2,1%	1,7%	1,4%	1,8%	1,8%
Furniture & Household goods	3,0%	-1,2%	-2,4%	0,8%	0,6%
Health care	1,0%	0,5%	0,9%	2,0%	1,2%
Transport & Communication	8,7%	3,4%	-3,5%	-1,3%	1,1%
Recreation & Development	1,1%	-0,1%	0,0%	0,0%	0,1%
Other	3,0%	1,0%	0,4%	0,1%	1,2%
Total	4,0%	1,3%	-0,3%	0,8%	1,8%

Consumer Index Price mutation in %

	2000	2001	2002	2003	2004
Bonaire	4,0	1,3	-0,3	0,8	1,8
Curaçao	5,8	1,8	0,4	2,1	1,4
St. Maarten	0,6	1,0	0,5	1,6	2,1



While the inflation on Bonaire and St. Maarten has gone up, the inflation in Curaçao is on a downward trend. In Bonaire and Curaçao, the increase in prices concerned mainly the sectors of food and housing while in St. Maarten it concerned the sectors of housing and transport & communication.



The average consumer price mutation in 2004 was 1.8% which gives an indication of the development of a long-term inflation. Prices have soared in the food sector during the past 4 years. In 2004 the biggest price increase took place in the sectors of food, housing and drinks and cigarettes. In the food sector, while the prices of sugar and chocolate have decreased (-10.4%) as well as the prices of dairy products (-0.9%), the biggest increase concerned meat and fish (+14.7%), cooking oils (+10.3%) and potatoes, fruits and vegetables (+7.4%). In the housing sector the increase of prices concerned garden and house maintenance and energy due to the raise of gas tank prices in april 2004. Prices of drinks and cigarettes increased with 1.3% in 2004 . A 1.2% price increase affected the sectors of healthcare and other. The prices of transport and communication went up with 1.1% as a result of the increase of the transport means as well as an increase of gasoline prices in the month of april 2004. The increase of prices in the sectors of furniture and household goods, clothing and footwear as well as recreation was less significant.

8. GROSS DOMESTIC PRODUCT (source: CBS)

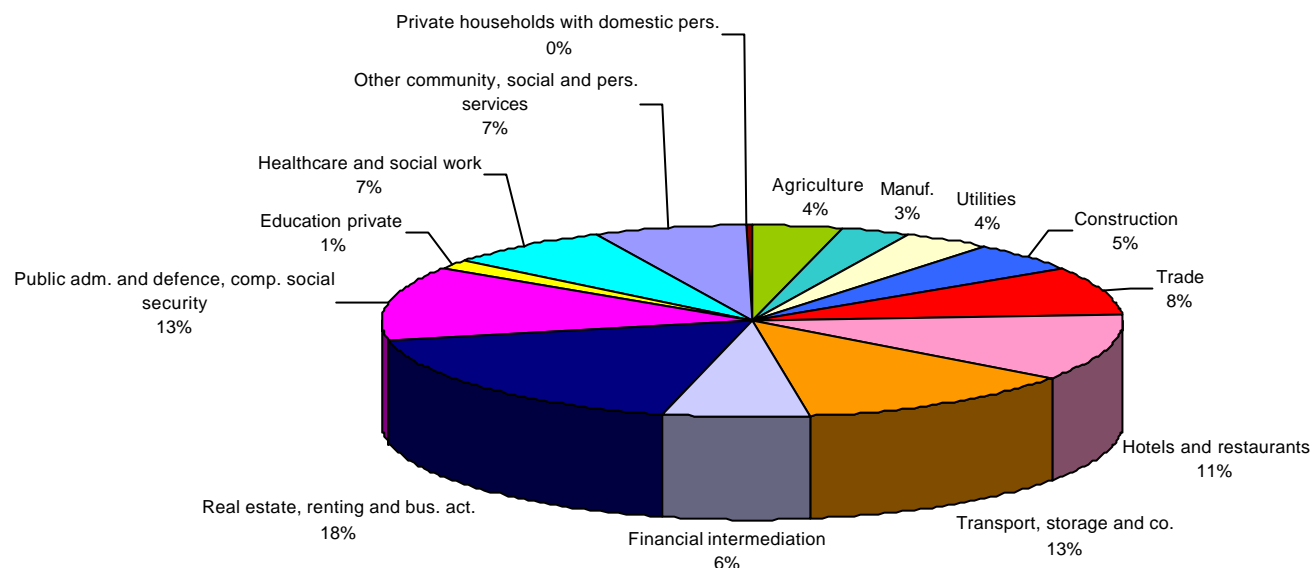
A. Gross Domestic Product by economic activity (in Mln NAf.)

	1996	1997	1998	1999	2000	2001	2002	2003	2003 in %
Agriculture, fishing and mining	9,3	8,4	4,8	13,3	8,9	9,1	9,6	10,0	3,75%
Manufacturing	9,9	5,3	7,3	7,7	6,9	8,3	8,7	8,8	3,29%
Utilities	9,1	12,1	9,5	10,2	12,3	9,6	9,4	10,0	3,75%
Construction	24,9	32,0	20,9	16,3	15,9	14,4	12,4	13,6	5,08%
Trade	23,1	23,1	23,4	23,8	24,9	21,3	20,3	21,7	8,11%
Hotels and restaurants	16,1	21,0	22,2	28,3	21,9	22,5	26,4	29,5	11,01%
Transport, storage and communications	47,1	47,9	48,0	37,2	40,1	35,8	35,6	33,8	12,62%
Financial intermediation	19,1	17,2	10,1	12,5	20,3	14,6	14,9	16,8	6,29%
Real estate, renting and business activities	34,4	31,9	42,7	43,8	46,2	43,6	45,4	47,2	17,64%
Public administration and defence, compulsory social security	2,9	26,8	23,9	36,9	35,4	32,8	33,2	34,6	12,92%
Education private	21,9	13,6	4,1	4,0	3,8	3,6	3,6	3,7	1,40%
Healthcare and social work	21,5	10,6	21,3	21,6	23,8	23,7	20,5	19,2	7,17%
Other community, social and personal services	62,2	32,8	21,6	22,3	19,9	17,9	19,3	17,7	6,62%
Private households with domestic personnel	0,9	0,8	0,8	0,7	0,8	0,8	0,9	0,9	0,35%
Value added, gross, marketprices	302,4	283,5	260,6	278,6	281,0	258,2	260,1	267,6	100,00%
Taxes less subsidies on products	20,6	19,2	22,4	21,7	24,9	25,7	22,2	26,2	
Domestic Product gross, market prices	323,0	302,7	283,0	300,2	306,0	283,9	282,4	293,8	

B. GDP Mutation in Percentage

	2001	2002	2003
Producers of goods			
Agriculture, fishing and mining	-36	-7	46
Manufacturing	-6	-19	-11
Utilities	-4	-2	6
Construction	-27	-12	21
Commercial service providers			
Wholesalers and retailers	-3	-15	5
Hotels, restaurants and cafés	1	24	13
Transport and communication	-16	0	-7
Financial service providers	2	3	5
Business service providers and private education	12	6	10
Non-commercial service providers			
Government	-4	-5	-3
Healthcare	3	9	-2
Other services	-1	-1	-10
Private households	-36	-1	3
Interest margin	2	3	5
Real GDP growth	-5,8	-1,1	3,4

Gross Domestic Product by Sector and kind of Economic Activity 2003



In 2003, the real GDP in Bonaire has grown with 3.4%. The goods producing industries show an increase in their value added with exception of manufacturing which shows a decline of 11%. The value added for agriculture, fishery and mining has increased with 46%, utilities with 6% and construction with 21%. For the industries in the commercial services like trade (wholesale and retail) and the hotel, restaurant and cafés, their value added has improved respectively with 5% and 13%, while the value added of the transport and communication industry has dropped with 7%. The financial intermediation and real estate, renting, business activities and private education have also shown a value added growth of respectively 5% and 10% compared to 2002. The industries in the non-commercial services have all shown a decline in their value added with the exception of private households with employed persons, which value added has increased with 3%. The value added of the other industries like public administration, health and social work, and other community, social and personal service activities all has decreased with respectively 3%, 2% and 10%.

THE BONAIRE ECONOMIC NOTE 2004
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