BONAIRE TOURISM

ANNUAL STATISTICS REPORT 2010

Table of Contents

Foreword:

This report provides important tourism statistics for Bonaire. It contains information that is determinant for decisions to be made with regards to our tourism industry.
This report has been prepared for you by the Statistics department of the Tourism Corporation Bonaire in cooperation with other stakeholders.

1. Background

The Tourism Corporation Bonaire (TCB) publishes the Annual Statistics Report for Bonaire's Tourism Industry, for both local as well as international stakeholders. This statistical report contains information useful for those studying and planning the development of the tourism industry in Bonaire, and the development of individual operations comprising our tourism industry.

2. Data definitions:

Visitors: Any person traveling to a place other than that of his/her usual environment for less than 12 months and whose main purpose of visit is other than the exercise of an activity remunerated from within the place visited.
Tourists: Usually a visitor whose stay includes at least one overnight stop in a hotel or other tourist accommodation and, or, a consumer of tourism services.
Same-day-visitors/Excursionists: A visitor that travels for tourism purposes with no overnight stay in the country visited.
Cruise Passengers: Special type of same day visitors (even if the ship overnights in port)

(Data definitions are recommended by the World Tourism Organization (WTO)

For more Information: Tourism Corporation Bonaire

Kaya Grandi 2, Kralendijk, Bonaire, Dutch Caribbean
Telephone 599 717-8322 / Fax 599 717-8408
E-mails: joannytrinidad@tourismbonaire.com.

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Overview

Tourist arrivals for Bonaire continue to rebound. Aggregate tourists arrivals to Bonaire as gauged by a recorded arrivals from 66.000 to 70.000 in the year 2009 vs. 2010 with an increased of 5.29% after a decrease of 9.88%.

The activities in the US market were favorable for Bonaire recording a 3.52 % increased for the first seven months in 2010. The five last months the US market slow down with decreases in August, September, October, November and December this decreasing of -12.74% on the total tourists arrivals for this market . The Canadian market grew, by 17.57% so far this year.

European markets did admirably well in 2010 with an increase of 7.19%. The biggest market for Bonaire is Netherlands showing an increase of 11.73% and a 36.58% on the market share. While main the second market decreased with 7.48%. The total European market share is 45.94% on the total tourist arrivals 2010.

1. Past development and current status of tourism demand

1.1 Tourist Arrivals

Tourist arrivals are displayed in table 1.1 for a ten-year period, 2001-2010, according to the country of origin. Figure 1 provides a graphical presentation of Bonaire's arrivals for the period of 2001-2010.
For the past ten years Bonaire's tourism arrivals have experienced several fluctuations. The table indicates that the most drastic decrease took place in 2001, with a total tourist arrival of 50,395**.** A total of 74.309 in 2007 and 74,342 tourists visited Bonaire in 2008 the latter represents a growth of 0.04%. This is a new record for Bonaire's tourism and can be attributed to improved airlift, increase in room capacity and a strong demand for the island. A total of 66,998 tourist visited Bonaire in 2009 when compared to 2008 this represents a decrease of 9.88%.
For the year 2010 the Bonaire tourist arrivals show an increase for in the first period of 4%. The month July, August and September showed 7% decrease.

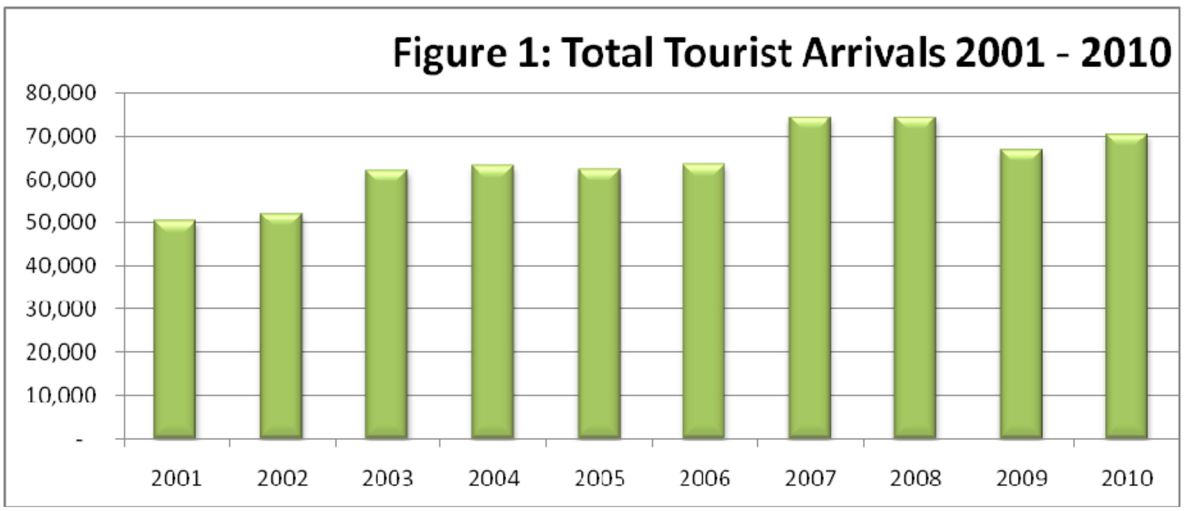


Table 1.1											%Change
Markets	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**09/10**
North America	**27,455**	**27,093**	**26,102**	**27,798**	**26,520**	**28,301**	**33,801**	**34,291**	**27,035**	**27,025**	**-0.04**
USA	26,357	26,500	25,259	26,623	25,363	26,790	32,085	32,267	25,236	24,910	-1.29
Canada	1,098	593	843	1,175	1,157	1,511	1,716	2,024	1,799	2,115	17.57
Europe	**16,326**	**18,152**	**29,079**	**27,973**	**30,066**	**28,202**	**31,427**	**30,768**	**30,234**	**32,409**	**7.19**
Netherlands	11,860	12,814	19,987	19,506	20,676	19,246	23,692	23,732	23,093	25,802	11.73
United Kingdom	975	1,141	3,038	1,868	2,072	1,709	1,648	1,666	1,017	1,838	80.73
Germany	1,511	1,602	2,236	2,541	2,790	2,771	1,703	1,646	2,254	885	-60.74
Switzerland	602	570	861	715	722	593	818	505	567	783	38.10
Belgium	357	433	663	846	714	711	539	783	897	463	-48.38
Sweden	109	122	460	572	622	656	668	427	301	355	17.94
Norway	42	63	292	188	175	241	146	199	123	198	60.98
Finland	15	122	157	153	274	229	200	115	79	104	31.65
France	177	231	292	304	294	327	382	333	307	382	24.43
Italy	227	287	475	413	463	491	522	394	390	413	5.90
Rest Europe	451	767	618	867	1,264	1,228	1,109	968	1,206	1,186	-1.66
South America	**4,494**	**3,564**	**3,418**	**3,537**	**3,152**	**3,631**	**4,559**	**4,370**	**5,005**	**4,784**	**-4.42**
Venezuela	3,462	2,150	1,725	1,633	1,632	1,642	2,538	2,186	2,643	2,125	-19.60
Colombia	341	437	235	222	222	228	305	340	444	547	23.20
Brazil	241	246	234	479	415	834	826	1,038	839	1,102	31.35
Peru	27	97	655	437	278	367	247	46	133	75	-43.61
Ecuador	30	262	280	396	251	189	245	261	361	361	0.00
Rest South America	393	372	289	370	354	371	398	499	585	574	-1.88
Caribbean	**1,819**	**2,891**	**3,178**	**3,172**	**2,572**	**3,161**	**3,831**	**4,451**	**4,220**	**5,628**	**33.36**
Aruba	1,191	2,162	2,493	2,690	2,018	2,592	3,159	3,928	3,689	3,080	-16.51
Dominican Republic	188	250	145	122	102	92	84	69	129	146	13.18
Rest Caribbean	440	479	540	360	452	477	588	454	402	2,402	497.51
Rest of the World	**301**	**385**	**402**	**676**	**240**	**257**	**691**	**462**	**504**	**693**	**37.50**
Total tourist arrivals	**50,395**	**52,085**	**62,179**	**63,156**	**62,550**	**63,552**	**74,309**	**74,342**	**66,998**	**70,539**	**5.29**
Absolute Value	**(874)**	**1,690**	**10,094**	**977**	**(606)**	**1,002**	**10,757**	**33**	**(7,344)**	**3,541**	

Note: *Figures of tourist arrivals from the Netherlands Antilles are not listed separately, as these arrivals are not registered through E/D cards. Arrivals from Curacao especially are expected to be significant.*

1.1 Growth of tourist arrivals and market share

Table 1.2 shows the growth percentage in tourist arrivals and market share percentage year by year, for the past five years, by country of origin. Market share is defined as being that portion of tourism demand for Bonaire that can be associated with a given country of origin. In table 1.2 it is shown through the relative distribution of tourist arrivals according to country of origin for the years 2006-2010.
Figure 2 provides a graphical presentation of market share distribution 2006-2010.

Table 1.2	**Growth Percentage Per Year**					**Market Share per Year (Percentage)**				
Market	2006	2007	2008	2009	2010	2006	2007	2008	2009	2010
North America	-4.4	19.4	1.45	-21.16	-0.04	45%	45%	46%	46%	40%
USA	-5.3	19.8	0.57	-21.79	-1.29	42%	43%	43%	43%	38%
Canada	13.3	13.6	17.95	-11.12	17.57	2%	2%	3%	3%	3%
Europe	-11.2	11.4	-2.10	-1.74	7.19	44%	42%	41%	41%	45%
Netherlands	-10.9	23.1	0.17	-2.69	11.73	30%	32%	32%	32%	34%
United Kingdom	-0.5	-38.5	1.09	-38.96	80.73	3%	2%	2%	2%	2%
Germany	-25.6	-3.6	-3.35	36.94	-60.74	4%	2%	2%	2%	3%
Switzerland	-7.2	-24.2	-38.26	12.28	38.10	1%	1%	1%	1%	1%
Belgium	-20.5	37.9	45.27	14.56	-48.38	1%	1%	1%	1%	1%
Sweden	-43.4	1.8	-36.08	-29.51	17.94	1%	1%	1%	1%	0%
Norway	-5.3	-39.4	36.30	-38.19	60.98	0%	0%	0%	0%	0%
Finland	-56.3	-12.7	-42.50	-31.30	31.65	0%	0%	0%	0%	0%
France	-44.8	16.8	-12.83	-7.81	24.43	1%	1%	0%	0%	0%
Italy	-39.4	6.3	-24.52	-1.02	5.90	1%	1%	1%	1%	1%
Rest Europe	-37.7	-9.7	-12.71	24.59	-1.66	2%	1%	1%	1%	2%
South America	19.2	25.6	-4.15	14.53	-4.42	6%	6%	6%	6%	7%
Venezuela	-8.1	54.6	-13.87	20.91	-19.60	3%	3%	3%	3%	4%
Colombia	2.7	33.8	11.48	30.59	23.20	0%	0%	0%	0%	1%
Brazil	102.4	-1.0	25.67	-19.17	31.35	1%	1%	1%	1%	1%
Peru	32.0	-32.7	-81.38	189.13	-43.61	1%	0%	0%	0%	0%
Ecuador	-24.7	29.6	6.53	38.31	0.00	0%	0%	0%	0%	1%
Rest South America	11.1	7.3	25.38	17.23	-1.88	1%	1%	1%	1%	1%
Caribbean	13.7	21.2	16.18	-5.19	33.36	5%	5%	6%	6%	6%
Aruba	13.9	21.9	24.34	6.08	-16.51	4%	4%	5%	5%	6%
Dominican Republic			-17.00	86.96	13.18	0%	0%	0%	0%	0%
Rest Caribbean	12.8	18.1	-22.79	-11.45	497.51	1%	1%	0%	0%	1%
Rest of World	-34.4	168.9	-33.14	9.09	37.50	0%	1%	1%	1%	1%
Total tourist arrivals	-5.9	16.9	0.04	-9.88	5.29	100%	100%	100%	100%	100%

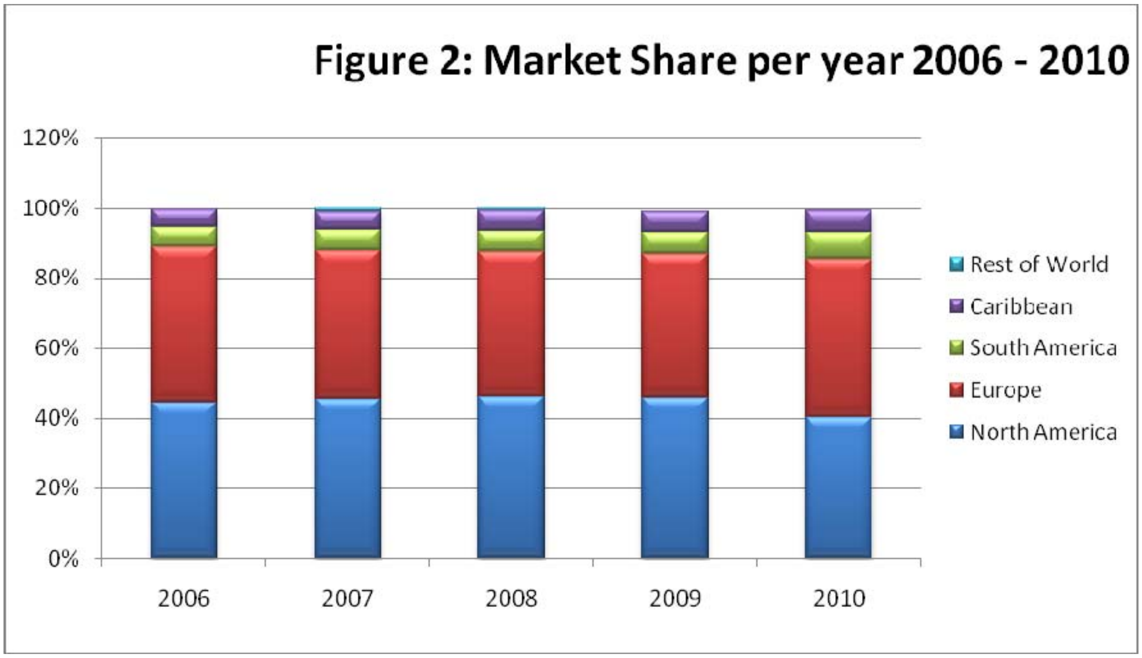


Figure 2: Market Share per year 2006 - 2010
120%
100%
80%
60%
40%
20%
0%
2006
2007
2008
2009
2010
Rest of World
Caribbean
South America
Europe
North America

1.2 United States Market

North American Market performance in 2010 as compared to 2009 was relatively unchanged at a –0.04%, reflecting a year-over-year difference of 10 passengers. The US arrivals declined by 1.29% (326 passengers), while Canada by 17.57% (316 passengers).

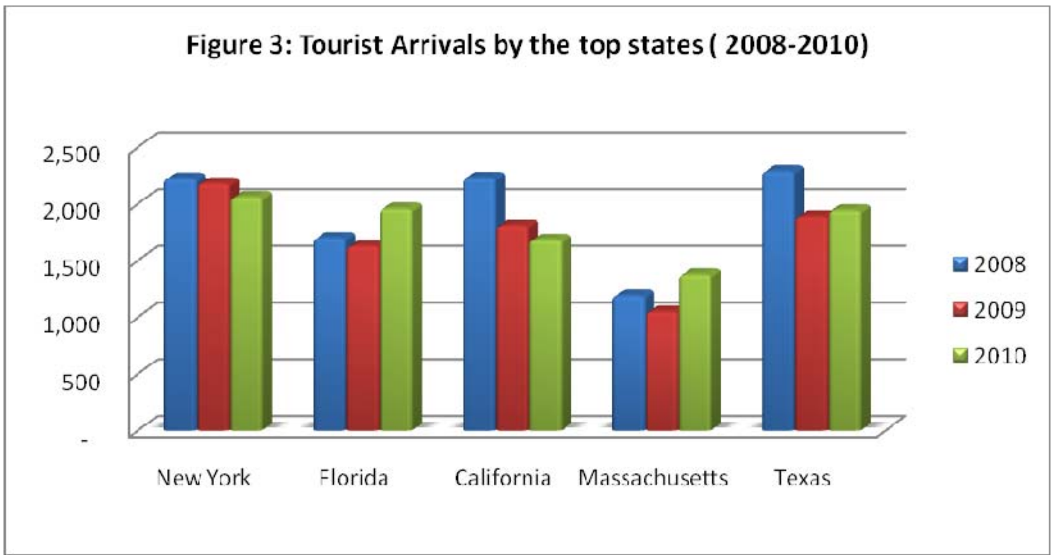
These numbers were achieved in the face of a very unstable airlift situation resulting from the airlines' reaction to the 2008-2009 recession and skyrocketing fuel prices, a slower than expected return to "normal" travel patterns following the recession and an increase in airfares that often left Bonaire at a price disadvantage as compares to other dive destinations.

Additionally, the Continental and Delta schedules were constantly changing as capacity was shifted between gateways, outright cancelled or temporarily reduced for the annual seasonality of service. Finally, the low levels of the US market's usage of the Insel Air Miami flight did not allow the gateway to produce the numbers of visitors that it had in the past when Miami was a key O/D market feeding the American Eagle flight to Bonaire from San Juan.

Miami was not the only market that did not perform as it had when American Eagle tied Bonaire into the American Airlines system. With the loss of the link to the American system half year way through 2009, ***the next 12 months through mid-2010,*** became ones of educating the visitors as to new ways to connect to Bonaire using Continental and Delta. California and Texas once two of Bonaire's top producing states declined in the state-by-state rankings for nearly a year and did not resume producing numbers as they had previously until the third quarter of 2010. The fact they came back so quickly can be attributed to the aggressive marketing program put in place by TCB and the private sector to educate the marketplace on the new Bonaire services.

By the fourth quarter 2010, airlift had stabilized, albeit with a reduced number of seats due to Delta's decision to cancel the JFK flight going into peak season in November and December, and consumers were finding the new routings and new airlines to get back to Bonaire.

The Top 10 generating USA states						
Table 1.3	2008	Share %	2009	Share %	2010	Share %
New York	2,224	7%	2,180	7%	2,060	6%
Florida	1,700	5%	1,629	5%	1,959	6%
California	2,229	7%	1,806	6%	1,684	5%
Massachusetts	1,193	4%	1,050	3%	1,379	4%
Texas	2,289	7%	1,891	6%	1,945	6%
Illinois	1,385	4%	1,082	3%	1,334	4%
Virginia	1,245	4%	1,060	3%	1,214	4%
Pennsylvania	1,432	4%	1,023	3%	1,509	5%
New Jersey	1,409	4%	1,075	3%	1,370	4%
Colorado	1,311	4%	1,058	3%	1,229	4%
Other States	15,850	49%	11,382	35%	9,227	29%
Total USA	32,267	100%	25,236	100%	24,910	100%



1.3. United States market by state

Table 1.3.1 indicates performance by state for the years 2008 and 2009 and how each state has developed percentage wise last year.

Table 1.3.1	2009	2010	% Chg.
Middle Atlantic	4,403	4,995	13.45%
New Jersey	1075	1370	27.44%
New York	2180	2060	-5.50%
Delaware	125	56	-55.20%
Pennsylvania	1023	1509	47.51%
New England	2,054	2,137	4.04%
Connecticut	458	388	-15.28%
Maine	195	138	-29.23%
Massachusetts	1050	1379	31.33%
New Hampshire	125	95	-24.00%
Rhode Island	116	84	-27.59%
Vermont	110	53	-51.82%
South Atlantic	5,141	4,987	-3.00%
Florida	1629	1995	22.47%
Georgia	817	512	-37.33%
Maryland	735	591	-19.59%
North Carolina	527	459	-12.90%
South Carolina	249	142	-42.97%
Virginia	1060	1214	14.53%
West Virginia	124	74	-40.32%
North Central	6,210	5,456	-12.14%
Illinois	903	1334	47.73%
Indiana	276	176	-36.23%
Iowa	207	131	-36.71%
Kansas	168	148	-11.90%
Michigan	648	447	-31.02%
Minnesota	379	233	-38.52%
Missouri	369	199	-46.07%
Nebraska	68	58	-14.71%

	2009	2010	chg.%
North Dakota	38	26	-31.58%
Ohio	724	326	-54.97%
South Dakota	27	76	181.48%
Wisconsin	394	293	-25.63%
South Central	2,919	2,879	-1.37%
Alabama	155	148	-4.52%
Arkansas	100	95	-5.00%
Kentucky	111	148	33.33%
Louisiana	109	98	-10.09%
Mississippi	110	85	-22.73%
Oklahoma	159	120	-24.53%
Tennessee	284	240	-15.49%
Texas	1891	1945	2.86%
West	4,367	4,304	-1.44%
Arizona	324	299	-7.72%
California	1806	1684	-6.76%
Colorado	880	1229	39.66%
Hawaii	18	11	-38.89%
Idaho	98	87	-11.22%
Montana	95	45	-52.63%
Nevada	105	95	-9.52%
New Mexico	125	100	-20.00%
Oregon	159	122	-23.27%
Utah	146	156	6.85%
Washington	555	431	-22.34%
Wyoming	56	45	-19.64%
Not Stated	142	152	7.04%
Total	25,236	24,910	-1.29%

1.4 European Market

Analysis: new record European market with 32.409 arrivals

Step to place the 2010 statistics in historical perspective. It becomes apparent that from 1993 onwards, the arrival numbers fluctuated around 15-20.000 per year. After the fall in numbers towards the end of the 90's we see a significant jump in numbers thanks to new marketing approach and direct KLM flights and flight of Arkefly.

In 2007 we finished the Dutch market with a growth of more than 20%. This was a record-breaking year for the European market with 31,427 visitors. In 2008 we ended with 30,268 visitors and in 2009 we ended with 30,427 visitors. Since the end of the 90's the last 3 years 2007-2008-2009-2010 was the best years for European arrivals. In 2010 we ended with a record breaking number of 32,409 arrivals! **In 2010 Europe had realized a (leading) market share of 46% of the total arrivals to Bonaire. More that 60% market share in nights**.

Markets	*2009*	*2010*	*Change*
Netherlands	23,093	25,802	+12%
Germany	2,254	1,838	-18%
Great Britain	1,017	885	-13%
Belgium	897	783	-13%
Switzerland	567	463	-18%
Sweden	301	355	+18%
Norway	123	198	+61%
Finland	79	104	+32%
France	307	382	+24%
Italy	390	413	+6%
Other	1,206	1,186	-2%
Total Europe	30,234	32,409	+7%

Because of the high prices of the KLM tickets in the secondary market and the low capacity of KLM seats the arrivals from some markets decreased.

What do we expect from 2011 (and 2012?)

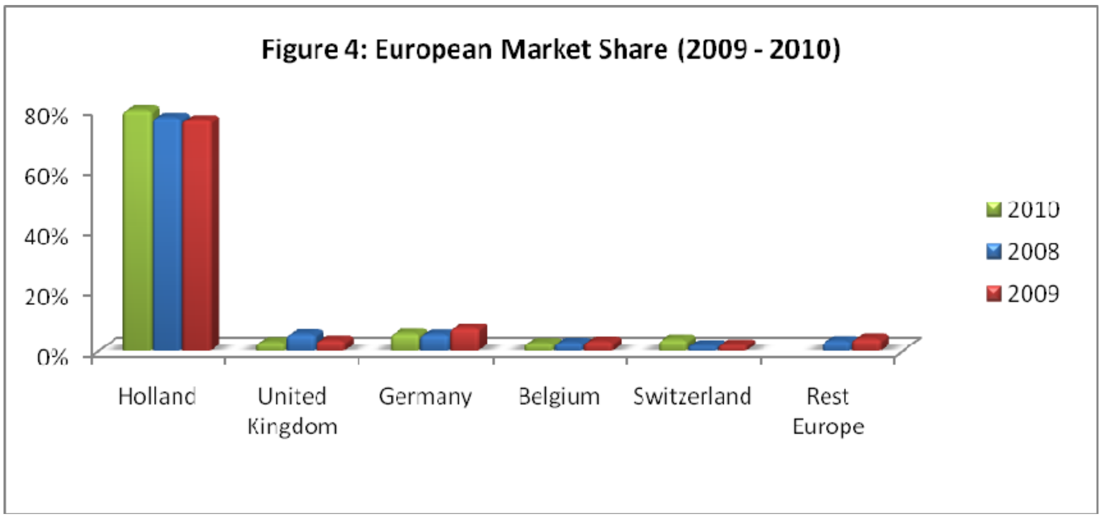
We expect the same pattern: the arrivals from the Netherlands will be the most important, because the flight capacity will grow to 9 flights a week. We expect that KLM will lower their prices in the end of 2011. And because they will push the consumer markets in our secondary countries we expect the German speaking markets maybe will improve.

Given the uncertainties in airlift we can foresee in 2011 the following:

- The pattern shall stay the same, but will be negatively affected by the crisis, and a weak Euro. 2011 will have an increase of maybe 5% or more.
- If we ensure additional seat capacity in the secondary markets, we will be able to improve the arrivals in these markets: therefore we will stimulate our cooperation with the KLM country managers in the secondary markets
- Together with Aruba we will promote the new flights of KLM with a special program (in house training, online promotions, etc.) This will have a positive effect on arrivals
- Because of the new constitutional status Bonaire attracts more Dutch employees and trainees. Together with family visit this has a positive effect on the European arrivals. This will also stimulate the market of private house rentals and apartments.
- In addition, Bonaire has become popular brand, visited by an up market European tourist. In the last 10 years we doubled the arrivals. And we also achieved to attract an up-scale market of European tourist, which spends more money on island. Therefore Bonaire has become less interchangeable with other Antillean or Caribbean Islands.

But we face a very important challenge in 2012. To keep the 9 flights we will need 50,000 arrivals in 2012/2013. With the current campaign and resources we will not be able to achieve this goal next years. **This year we need additional marketing funds** to show ArkeFly and KLM in the beginning of 2012 they have to keep the capacity of 9 flights per week.

Table 1.4	The European Top 10 states					
	2008	Share %	2009	Share %	2010	Share %
Holland	23,732	77%	23,093	76%	25,802	80%
United Kingdom	1,666	5%	1,017	3%	885	3%
Germany	1,646	5%	2,254	7%	1,838	6%
Belgium	783	3%	897	3%	783	2%
Switzerland	505	2%	567	2%	463	1%
Sweden	427	1%	301	1%	355	1%
Italy	394	1%	390	1%	413	1%
France	333	1%	307	1%	382	1%
Norway	199	1%	123	0%	198	1%
Finland	115	0%	79	0%	104	0%
Rest Europe	968	3%	1,206	4%	1,186	4%
Total Europe	30,768	100%	30,234	100%	32,409	100%



1.5 South American Market

The analysis of 2010 visitor statistics, show our primary diving market **Brazil** with an important increase of **31.35%,** followed by **Colombia** also a significant **23.20%,** but the main market in the region **Venezuela**, presents a decrease of **19.60%** while affects the outcome of the region with a decrease of **4.42%** compared to 2009. It is very important to highlight the recovery of the Brazilian market ending 2010, giving positive numbers again!

Venezuela traditionally the market leader in tourism to Bonaire, continues with a very complicated political environment. It undoubtedly affects the tourism industry, showing a decrease of **19.60%.** The dollar continues to rise which makes hotel packages to Bonaire more expensive, additionally to the exchange control, limiting travellers to obtain foreign currency.

Other factors which have influenced in the decrease: Bonaire not participating at Avavit trade show. Little promotion of Bonaire properties in the market. Charter flights to the Caribbean suspended by the Government.
However, despite the economic climate that characterizes Venezuela in recent years, TCB SA maintains its press trip program, promoting Bonaire in the tourism and diving industry as well as the general public. The island of Bonaire continues being the most popular destination for Venezuelan divers. We keep in close contact with the diving schools through personalized attention and a sales blitz program. They continue sending dive group to the island during holidays and high season. An ad campaign in tourism press is maintained generating press releases marketing keepingBonaire visible in the market.

In terms of airlift, Dutch Antilles Express had daily flights from Caracas and Valencia to Curacao. Inser Air operating from Valencia with daily flights to Curacao. Tiara Air with flights from Las Piedras to Aruba. Airlines with convenient connections to Bonaire same day.

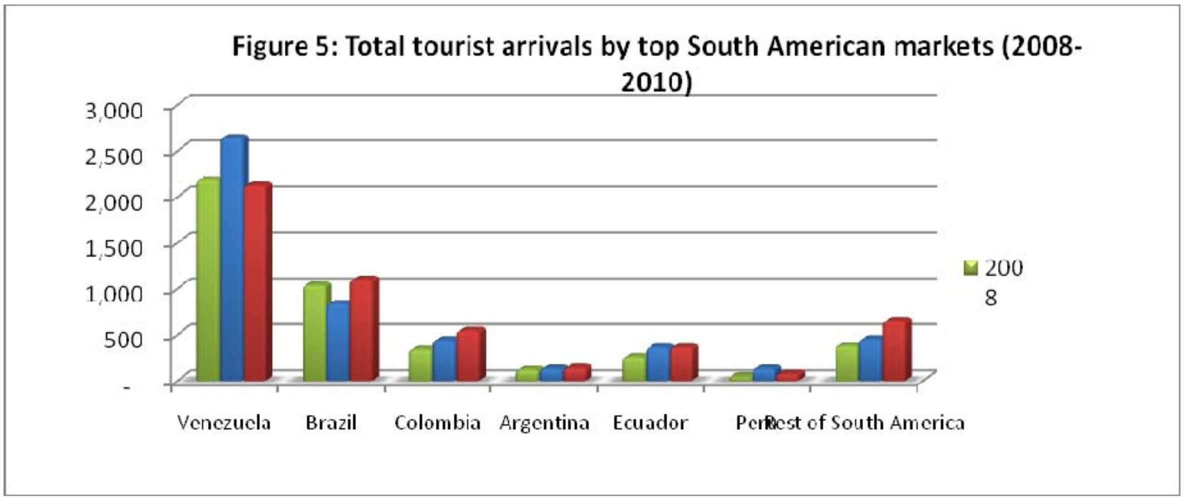
Brazil the strongest dive market in the region showed an substantial increase of **31.35%**, as result of the recovery of the economy and the promotional efforts done in the market by TCB and the properties. The Brazilian currency “reais” continues to strengthen against the dollar reaching the value of R$1.78 at the end of 2010, considered by tour operators an excellent exchange rate. Dive groups in large numbers; continue arriving on island throughout the year.

TCB works closely with the diving schools and tour operators. The Bonaire ad campaign continues in the main magazines: Mergulho, Decostop, Brazil Mergulho as well as Bonaire special reports in print dive media and online sites during the year. Bonaire keeps visible also, in specialized events such as Padi Dive Festival, NAUI, Adventure Show, consolidating Bonaire as the most popular dive destination in Brazil.

Airlift an important factor to mention, not allowing the market to increase the number of visitors expected. There are many stopovers before arriving to Bonaire, sometimes taking more than 12 hours. Additionally to lost luggage, flight delays which can cause loosing the international connection. It creates mistrust among tour operators and dive schools. Aware of the importance to improve the airlift toward Bonaire, TCB maintains lobbing with the airlines. This year, during Padi Dive Festival in Sao Paulo and counting with the presence of Ronalla Croes, director of Tourism, an important meeting with GOL airlines was carried out. It counted with the presence of a group of Bonaire official Brazilian tour operators. Among the requests to the airlines were: prepaid seats, extra kilos for divers as well as a proposal to extend flight – once a week – to Bonaire.

Colombia is another market reflecting a sizeable increase of **23.20%**. With promotional investment directed to the dive niche and now again to the tourism industry, the market has reacted positively. First Colombian dive groups are starting to arrive this year to Bonaire. This as result of the ambitious sales blitz program in major cities of Bogota, Cali and Medellin where dive centres’ are located was a factor. Additionally, promotion and participation of Bonaire in the most important trade show “Vitrina de Anato”, having Bonaire more visible in the market. Initiation of an ad campaign at Ladevi magazine (directed to the tourism industry), was made possible with the support of our properties. All these promotional efforts, will allow us to achieve loyalty and commitment from tour operators and dive schools toward Bonaire, our main goal!

Table 1.5	South American Arrivals					
	2008	Share %	2009	Share %	2010	Share %
Venezuela	2,186	50%	2,643	53%	2,125	49%
Brazil	1,038	24%	839	17%	1,102	25%
Colombia	340	8%	444	9%	547	13%
Argentina	120	3%	132	3%	141	3%
Ecuador	261	6%	361	7%	361	8%
Peru	46	1%	133	3%	75	2%
Rest of South America	379	9%	453	9%	654	15%
Total South America	4,370	100%	5,005	100%	5,005	115%



In terms of airlift, DAE started flying between Cartagena and Curacao last April 17, additionally to its two weekly flights from Bogota to Curacao with convenient connections to Bonaire. Inser Air also is announcing soon air operation to the city of Medellin and Bogota. The visa for Colombians is more flexible today. Those Colombian visitors with American or Canadian visas, valid in their passports, do not need request Dutch visa to visit Bonaire.

Expectation for 2011..

We definitely have much expectation in South America for 2011. According to economic analysts, Latin America in general shows a strong recovery, with an estimated growth of 2.9% to 4% for 2011.

Brazil, with the largest economy in the region, presents excellent numbers in growth. At least in the upcoming 6 years a steady growth is expected in the country, which is hosting the two most famous events in the world: Soccer World Cup 2014 and the Olympic games in 2016. For sure it will bring great income to the country, making it a much stronger economy.

Colombia, has also showed important economic growth. **Venezuela** will be probably the only economy to experience contraction, but certainly we can say that these are better times for Latin America, especially for Brazil and Colombia.

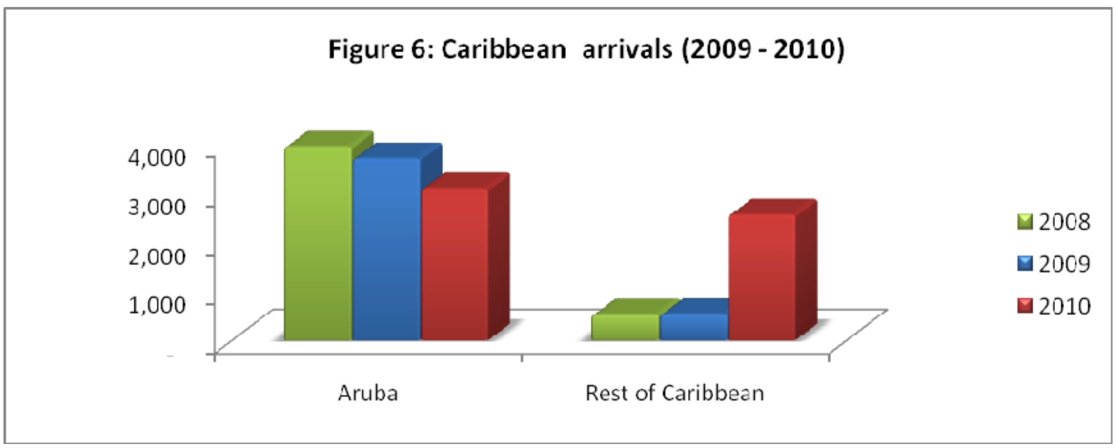
We're always focused in growth but airlift difficulties persist, in flight connections and air seat availability to the island, making us cautious in our growth expectation in the region.

1.6 Caribbean Market and Rest of the world

Caribbean

Total tourism arrivals from the Caribbean region, with Aruba still positioned as the main market; have decreased from a total of 3689 to 3080 visitors in 2010. Arrivals from Aruba show a decrease of 4.37% in 2010 as compared to 2009. Bonaire's Caribbean marketing efforts continue to focus on Aruba, as primary market and on Curacao and St. Maarten to a lesser extent, as secondary markets. Figures for Curacao and St. Maarten arrivals are included in the Rest Caribbean only for the year 2010. Table 1.6 illustrates tourism arrivals for Aruba and rest of the Caribbean in 2008, 2009 and 2010
. Same information is graphically illustrated in figure 6.

Table 1.6	Caribbean Tourist Arrivals					
	2008	Share %	2009	Share %	2010	Share %
Aruba	3,928	88%	3,689	87%	3,080	73%
Rest of Caribbean	523	12%	531	13%	2,548	60%
Total Caribbean	4,451	100%	4,220	100%	5,628	133%



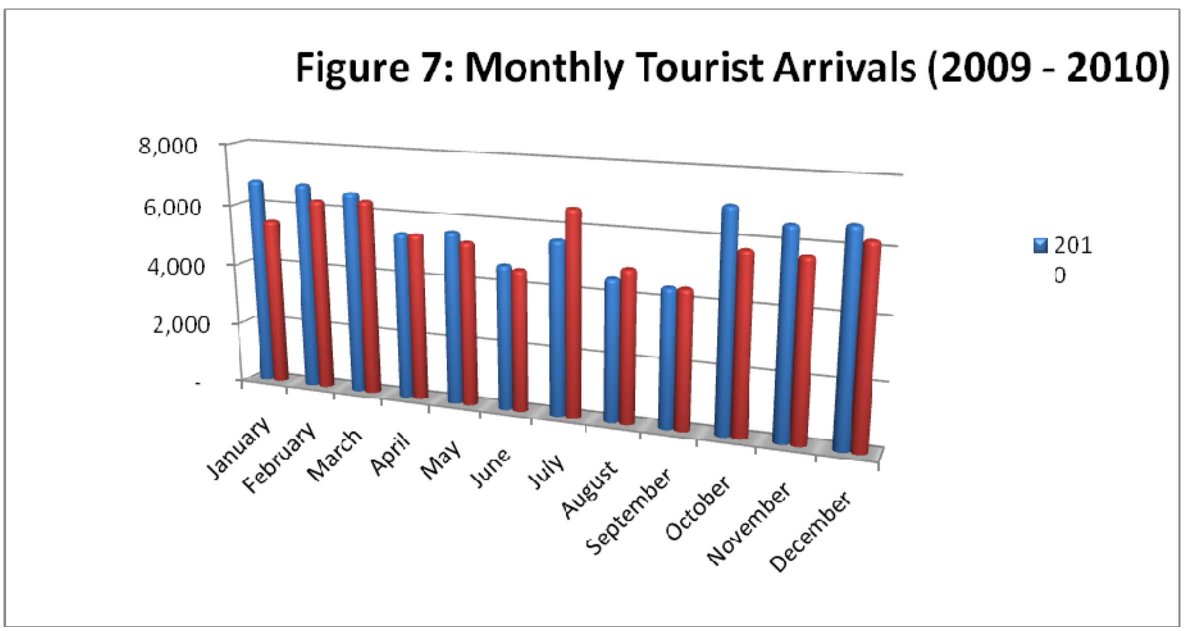
Rest of the World

Performance of other countries not listed separately in TCB's arrivals breakdown, due to their significance in the overall tourism arrivals, have increased by 37.50%. A total of 504 arrivals have been categorized under this group in 2009, whereas in 2010 this increased to a total of 693 arrivals.

1.7 Seasonality

2010, while it started well faced its challenges, due to a record 41.300 arrivals in the first 6 months of the year. There were increases in tourist arrivals in the months of January, February, March, April, May, June, July, and October November and December compared to 2009. In October Bonaire received the highest amount of tourists compared to 2009. A total of 6991 tourists visited Bonaire this month in 2010. Noteworthy is that even though there was an increase in the first 6 months of 2010, there was no contradicting shift in the trend. Fewer tourists visited in October, November and December, but number of arrivals followed the usual trend. Table 1.7 presents tourist arrivals in Bonaire by month and year for the past two years. Figure 7 depicts this data in a graphical format.

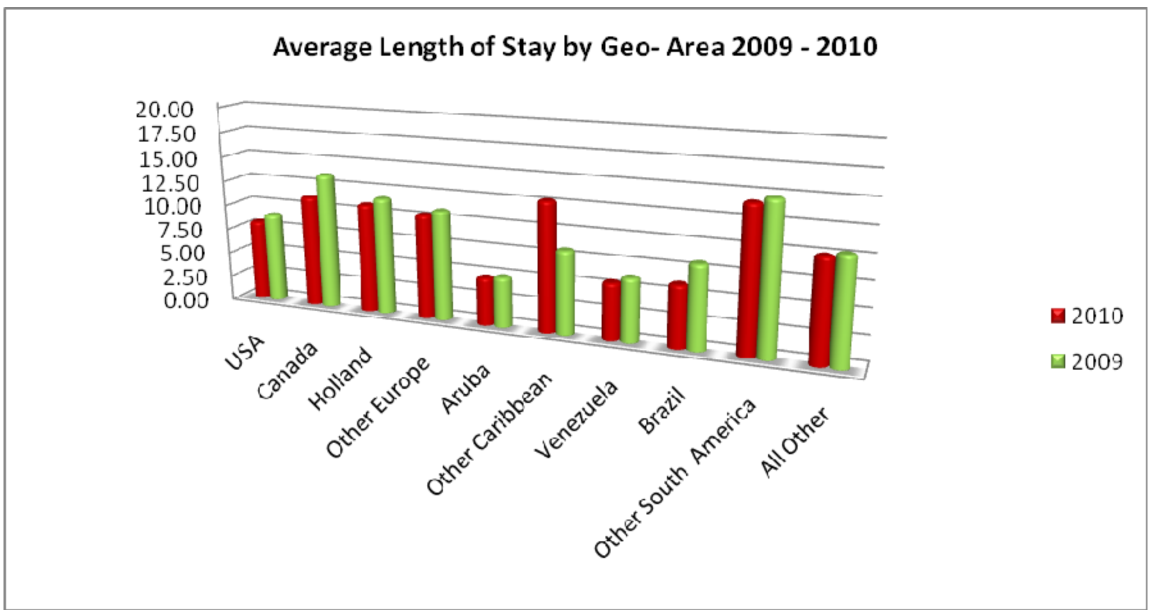
Table 1.7	**Tourist Arrivals**		**%**	**Percent Share**	
MONTH	2009	2010	Change	2009	2010
January	5,488	6,786	23.65	7.8	9.6
February	6,266	6,766	7.98	8.9	9.6
March	6,365	6,589	3.52	9.0	9.3
April	5,409	5,412	0.06	7.7	7.7
May	5,301	5,591	5.47	7.5	7.9
June	4,566	4,671	2.30	6.5	6.6
July	6,594	5,587	-15.27	9.3	7.9
August	4,885	4,544	-6.98	6.9	6.4
September	4,442	4,433	-0.20	6.3	6.3
October	5,740	6,991	21.79	8.1	9.9
November	5,680	6,558	15.46	8.0	9.3
December	6,262	6,671	6.53	8.9	9.4
Total	66,998	70,599	5.37	100.00	100.00



1.8 Average Length of stay

Based on the tourist arrivals and departure data obtained from the E/D cards, table 1.8 indicates that the average length of stay. Figure 8 it is also visible that all markets shows clearly the length of stay of our tourists has not seen major shifts throughout the last 10 months of 2010.

Average length of stay by Geo- Area		
GEO-AREA	2009	2010
USA	9.0	8.2
Canada	13.6	11.2
Holland	11.7	11.0
Other Europe	11.0	10.5
Aruba	5.0	4.8
Other Caribbean	8.3	12.9
Venezuela	6.3	5.7
Brazil	8.3	6.2
Other South America	14.8	14.3
All Other	10.4	10.1
TOTAL AVERAGE	10.0	8.6

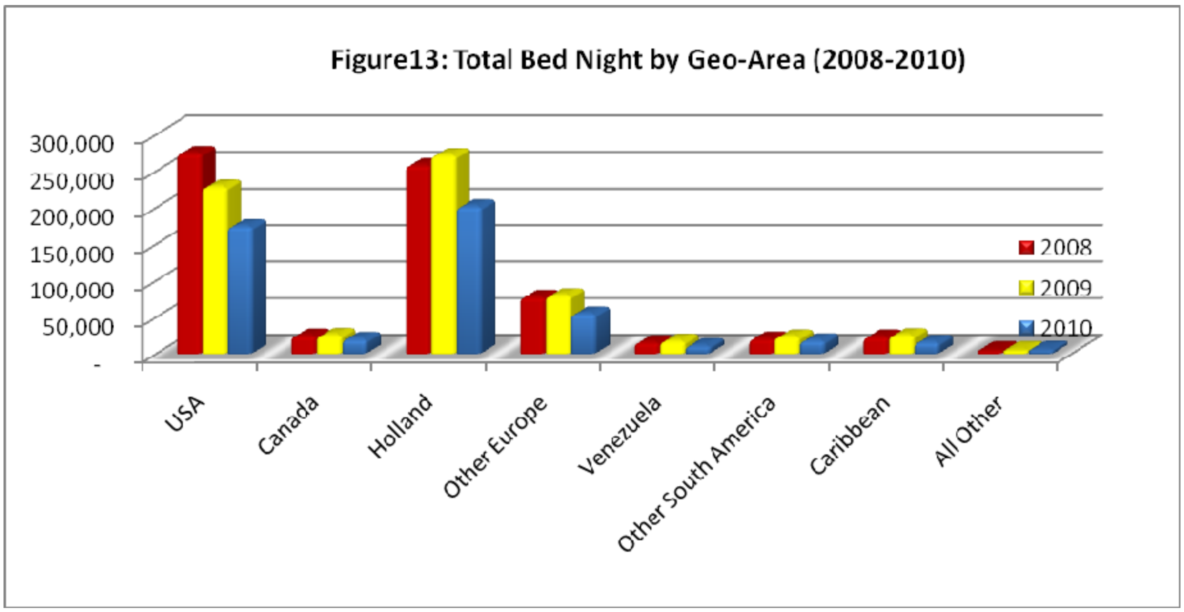


Note: the data's Average Length of Stay are available until October. 2010.

1.9 Bed Nights

Bed nights or guest nights are the number of nights all tourists spend on Bonaire. The number of bed nights is equally important as the number of tourist arrivals; it is in fact better to have one tourist staying a week than two tourists staying two days.
Based on table 1.9 it can be concluded that the US and the Dutch market still accounted for most of the bed nights in 2010. We can see increase in bed nights in some markets but overall they remain stable.

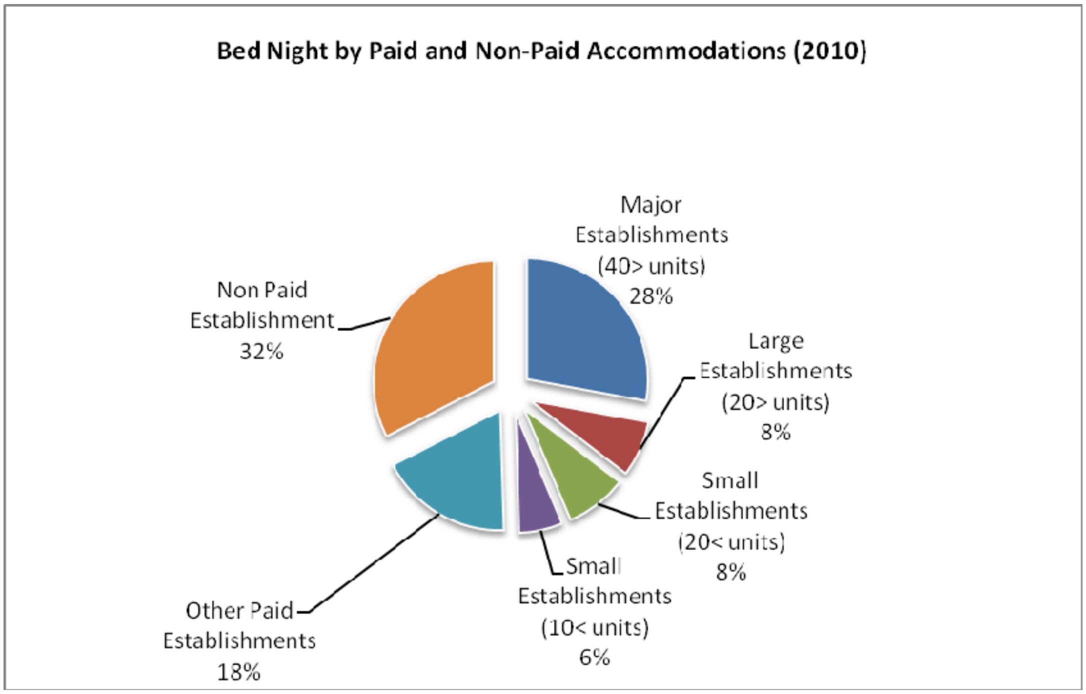
Table 1.9	Total Bed Nights Geo-Area					
	2008	%	2009	%	2010	%
USA	273,768	39%	227,858	34%	173,524	35%
Canada	23,992	3%	24,543	4%	19,310	4%
Holland	257,418	37%	270,951	40%	200,633	40%
Other Europe	76,830	11%	78,754	12%	53,969	11%
Venezuela	14,977	2%	16,692	2%	10,087	2%
Other South America	19,884	3%	22,542	3%	17,414	4%
Caribbean	22,567	3%	24,332	4%	15,323	3%
All Other	4,801	1%	4,783	1%	5,284	1%
TOTAL	694,237	100%	670,455	100%	495,544	100%



Note: the data's Average Length of Stay are available until October. 2010.

Bed Nights by Paid and Non-Paid Accommodations

	Paid Accommodation	
	2009	2010
Major Establishments (40> units)	196,585	138,117
Large Establishments (20> units)	52,273	37,307
Small Establishments (20< units)	59,454	41,022
Small Establishments (10< units)	44,052	29,017
Other Paid Establishments	109,048	89,017
Non Paid Establishment	209,043	161,064
Total	670,455	495,544



Note: the data's Tourisbed nights are available until October. 2010.

2 Current status of Tourism Supply and future development

2.1 Tourism Accommodation Capacity

According to TCB's most recent Tourism Accommodation Inventory (table 2.1); Bonaire has six major establishments (40 units or more) offering in total an amount of 1102 rental units capable of accommodating about 1628 tourists.
Bonaire also has thirteen large establishments (20 units or more) which offer a total of 410 units for rent with a total bed capacity of 1066 persons.
The island's other tourism accommodation establishment, comprised of smaller hotels, inns, pensions, apartment complexes, villas and bungalows contain about 627 rental units with an overall capacity to accommodate 2244 tourists. Thus, Bonaire presently boasts some 2139 rental units able to accommodate around 4938 tourists. The bed capacity can in reality be more, since most rooms have two double beds and we assume they accommodate on average two persons; however they might well accommodate four persons, especially during high season. Additionally the last column in table 2.1 gives a forecast of the additional units of which construction has started / is planned. This totals 683 units, including the highlighted ones which are completely new. The afore-mentioned information has been obtained through our most recent room inventory survey.

Room Inventory as per January 2009/2011	Total Units Available	Units for Rental Available	Total Bed Cap. in person	Units Not for Rental	No. Condo's	Building Permit/ Committed Yes/No
Major Establishments (40>units)						
Bellisima	96	96				96
Bonacara Resort	56	56				56
Buddy Dive Resort/Lions Dive	78	77	212	1	106	1
Captain Don's Habitat	62	62	184	0	5	0
Divi Flamingo Beach Hotel	129	129	258	0	0	0
Divi Sunset	345	275	140	70	70	345
Harbour Village Beach Hotel	80	40	92	0	40	0
Hilton Bonaire Resort & Spa	144	144				144
Plaza Resort Bonaire	174	174	570	0	48	0
Sand Dollar Condominium Resort	85	49	172	36	85	0
Sub Total	**1249**	**1102**	**1628**	**107**	**354**	**642**
Large Establishments (20>units)						
Almar	28	28				**28**
Bel Mar oceanfront Apts.	22	20	86	0	0	0
Bellafonte Chateau de le Mer	22	19	52	3	0	0
Bonaire Exclusive	26	26	110	0	26	1
Bonaire Lagoen Hill Bungalows	21	21	66	61	82	0
Caribbean Club Bonaire	33	33	84	0	0	6
Caribbean Court Bonaire	26	26	102	5	0	0
Coco Palm Garden/ Casa Oleander	23	23	66	0	3	2
Eden Beach Resort	42	42	96	0	0	0
Hamlet Oasis	38	32	64	6	0	6
	Units	**Units for**	**Total Bed**	**Units**	**No.**	**Building Permit/**

	Available	Rental Available	Cap. In Person	Not for Rental	Condominiums	Committed Yes/No
Kings Beach Resort	30	30				30
Kontiki Beach club & Lac Bay	21	19	58	2	21	0
Playa Lechi Residence	20	20				20
Port Bonaire	26	14	48	12	26	0
Sorobon Beach Resort	32	32	70	0	0	0
Sun Rentals Bonaire Apartments/Villas	26	25	164	0	0	0
Sub Total	**436**	**410**	**1066**	**89**	**158**	**93**
Small Establishment (20<units)						
Bonaire Sun Oceanfront apartments (SRB)	13	13	42	0	17	0
Bonaire Happy Holidays Homes	14	14	54	0	0	0
Bonaire Oceanfront Villas	15	15	160	0	15	10
Bonaire Beach Villas	12	12	56	0	0	0
Emely Apartments & rooms	12	12	24	0	0	0
Den Laman Condominiums	16	16	46	0	0	0
Djambo	17	17	38	0	17	0
Paradise Rentals	11	11	74	0	11	5
Perla Boneriano	12	12	42	0	12	0
The Lizard Inn Bed & Breakfast	12	11	22	1	0	0
The Lodge	12	12	24	0	0	0
Tropical Inn Bonaire	12	12	24	0	0	0
Tropicana Apartments	12	12	30	0	0	0
Hotel Rochaline	17	17	34	0	0	0
Wanadive Hut	16	15	32	0	0	11
Yacht Club Apartments	12	12	40	0	0	0
Sub Total	**215**	**213**	**742**	**1**	**72**	**26**
Total	**1900**	**1725**	**3436**	**197**	**584**	**761**
Small Establishments (10<units)						
Amsterdam Apartments	0	0	0	0	0	0
Andre Site Apartments	3	2	12	1	3	0
Antar Atman Bhaven Apartments	7	7	26	0	0	0
Aqua Land Apartments	2	2	8	0	0	0
Bellevue Condominiums	5	5	20	5	10	0
Blachi Koko Apartments	6	6	16	0	0	0
Black Durgeon	9	9	18	0	0	0
Blue Divers/ Palm Studios	10	10	20	0	0	0
Bonaire Village Villas	2	2	32	0	2	0

	Total Units Available	Units for Rental Available	Total Bed Cap.in Person	Units Not for Rental	No. Condominiums	Building Permit/ Committed Yes/No
Bonaire Sunset Marina Oceanfront	1	1	4	0	0	0
Bonaire Town Homes	4	4	12	0	0	0
Carib Inn	10	10	26	0	0	0
Caribbean Chillout	4	4	8	0	0	0
Casa Bonita	2	2	4	0	0	0
Casa Germi	1	1	4	0	0	0
Coral Cottage	1	1	4	0	0	0
Coral Paradise Resort	6	6	24	2	0	2
Deep Blue View	5	5	10	0	0	0
Divah House & Apartment Rental	5	5	10	0	0	0
Dive Inn Apartments	7	7	14	0	0	0
Divers Paradise	7	7	14	0	0	0
Dos Iguana	3	3	8	1	0	0
Flamingo Runway Rentals	10	10	40	0	0	0
Grand Playa Pabou Apartments	2	2	6	0	0	0
Golden Reef Inn	8	8	18	0	0	0
HOI Bonaire	1	1	4	0	0	4
Hotel Roomer	10	10	20	0	0	0
Island Rental Bon Villas	3	2	12	1	0	0
Kadushi Apartment	4	4	10	0	0	0
Kajesa Apartments	6	5	12	1	0	0
La Pura Vista	5	5	10	0	0	0
Lime Inn	4	4	6	1	0	0
Millenimium Inn 2000	9	9	18	0	0	0
Mills Residence	2	2	8	0	0	0
Mel Rose Place	3	3	12	0	0	0
Oceanview Villas	3	3	8	0	0	0
Pamboe Apartment and Villa	5	2	6	3	0	0
Pilot Fish	3	3	6	0	0	0
Raigellis Vacation Apartment	1	1	2	0	0	0
Real Estate Harbour Town	6	6	54	0	0	0
Rose Inn Bed & Breakfast	6	5	22	1	0	0
Sanders Apartments	1	1	4	0	0	0
Seaelement Lodge	2	2	6	0	0	0
Sea Side Apartment	6	6	28	0	0	0
Sonrisa Apartments	10	10	22	0	0	0
Travellers Inn	4	4	8	0	0	0
Turqouise apartments & house	3	3	10	0	0	0
Voorhof Apatrments	8	8	16	0	0	0
Windsock Apartments	8	7	28	1	0	36

	Total Units Available	**Units for Rental Available**	**Total Bed Cap.in Person**	**Units Not for Rental**	**No. Condominiums**	**Building Permit/ Committed Yes/No**
Yellow Crown Villa	2	2	8	0	0	0
Zambezi Lodge	17	34	136	0	0	34
Sub Total	***258***	***267***	***854***	***17***	***15***	***76***
Real Estates						
Bonaire Partners	84	80	302	4	9	0
Remax Paradise Homes	16	16	100	0	14	0
Sunbelt Realty	51	51	246	0	51	3
Sub Total	***151***	***147***	***648***	***4***	***74***	***3***
TOTAL	***2309***	***2139***	***4938***	***218***	***673***	***840***

2.2 Tourism Accommodation Occupancy rate

Data on occupancy rates are not obtainable directly from the lodging establishments. However, intended accommodation addresses declared on the E/D cards serve as an indirect source for estimating the approximate occupancy levels shown in table 2.2 for larger and smaller establishments in 2003 through 2009. This occupancy rate is calculated on basis of international tourists, since TCB does not get E/D cards of the domestic tourist.

Table 2.2	Occupancy Rate by Year	
2008	2009	2010
69%	67%	60%

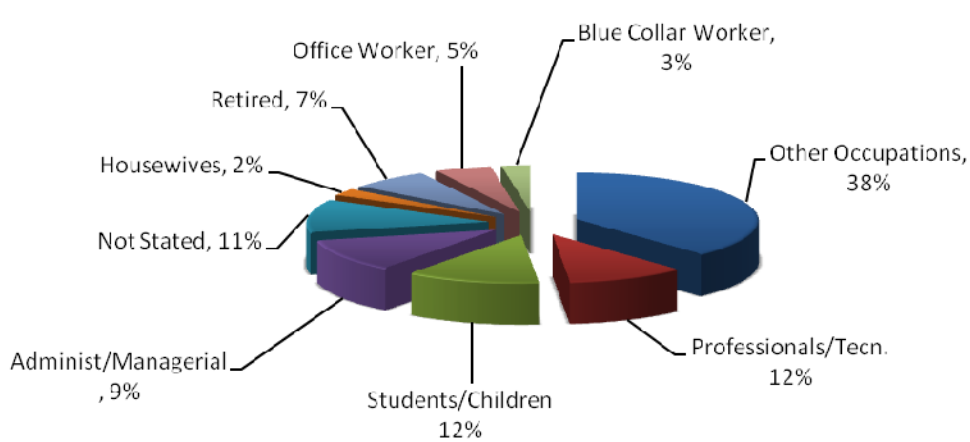
Note: the data's Occopancy rate are available until October. 2010.

2.3 Tourist Occupational Structure

Table 2.4 displays information on occupation of our tourists, illustrating this information for the years 2007 through 2009. The table indicates that Professionals/Technicians and Students/Children are the predominant occupation classes among the island's tourist population. Together they represent 25% of the total. However there are still a significant number of tourists (9%) who did not state their occupation on the E/D cards and 38% percent responded 'other occupation'. This can be seen in Figure 11.

Table 1.9	Tourist occupational structure					
	2008	% Share	2009	% Share	2010	% Share
Other Occupations	27,546	38%	25,695	38%	18,330	38%
Professionals/Techn.	8,724	12%	7,743	12%	5,001	10%
Students/Children	9,025	12%	8,799	13%	5,667	12%
Administ/Managerial	6,843	9%	6,948	10%	5,373	11%
Not Stated	8,254	11%	5,928	9%	5,468	11%
Housewives	1,566	2%	1,687	3%	1,163	2%
Retired	4,670	6%	4,254	6%	3,425	7%
Office Worker	4,803	7%	3,131	5%	2,442	5%
Blue Collar Worker	1,806	2%	2,813	4%	1,239	3%
Total	73,237	100%	66,998	100%	48,108	100%

Fugure 9: Occupation Stuture share (2010)



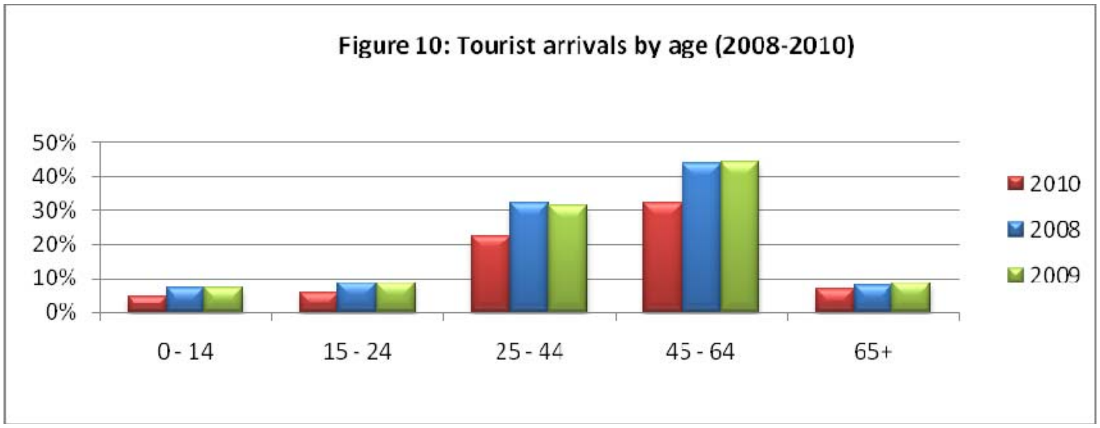
Note: the Occupation data's are available until October. 2010

2.4 Tourists' age structure

Table 2.4 shows that tourists' age structure has remained fairly stable as shown by the E/D cards data for the past three years. Variations within individual age brackets are small. The 25-44 and 45-64 year age brackets continue to embrace around 80% of tourist arrivals, representing a mature population sector. About 15% of visitors are younger than the age of 25 and 8% consists of tourists who are 65+. Figure 12 provides a graphical depiction of the below table and the above conclusions.

Table 1.10	Tourist Age Structure					
	2008	% Share	2009	% Share	2010	% Share
0 - 14	5,281	7%	4,847	7%	3,148	5%
15 - 24	6,472	9%	5,742	9%	3,931	6%
25 - 44	24,021	32%	21,027	31%	15,007	22%
45 - 64	32,724	44%	29,634	44%	21,586	32%
65+	5,844	8%	5,748	9%	4,469	7%
Total	74,342	100%	66,998	100%	48,141	72%

	Age by Countries 2010				
Market	**0-14**	**15-24**	**25-44**	**45-64**	**65+**
USA	932	1418	4533	10074	2029
Canada	66	132	482	823	122
Holland	1386	1493	5456	6813	1583
Rest Europe	245	273	1714	1759	358
Venezuela	159	116	699	497	89
Rest South America	95	141	1006	496	83
Aruba	216	268	779	851	159
Caribbean	17	46	132	78	12
Rest of World	32	44	206	195	34
Toal	3148	3931	15007	21586	4469



Note: the data's Age structure are available until October. 2010

2.5 Airline Services

Table 2.6 shows the number of passengers traveling by air to Bonaire, for the past three years (2007-2009). The table illustrates this total per carrier. KLM still has the largest share of passenger flow, though it decreased with an amount of 1% compared to 2007. Continental Airlines is in second place with a share of 18.14% followed by Dutch Antilles Express with a 16.78% share.

Table 1.11	**Total Visitor Arrivals by Airline**					
	2008	Share %	2009	Share %	2010	Share %
CONTINENTAL AIRLINE	13,476	18%	12,138	18%	9,569	20%
AMERICAN EAGLE	9,128	12%	1,485	2%	-	0%
AIR JAMAICA	1,186	2%	-	0%	-	0%
ARKEFLY	4,483	6%	3,902	6%	2,267	5%
INSEL AIR	613	1%	3,242	5%	5,116	11%
KLM	19,805	27%	17,922	27%	12,339	26%
DELTA AIR LINES	6,757	9%	9,498	14%	6,748	14%
DUTCH ANTILLEAN EXPRES	12,471	17%	12,211	18%	8,048	17%
DIVI DIVI	2,085	3%	2,249	3%	1,306	3%
TIARA AIR	2,060	3%	2,334	3%	1,830	4%
EZ-AIR	71		224	0%	108	0%
AVIA AIR	1,280	2%	366	1%	-	0%
CHARTER FLIGHTS	219	0%	235	0%	36	0%
PRIVATE FLIGHTS	708	1%	1,192	2%	774	2%
OTHER AIR	-	0%	-	0%	-	0%
TOTAL	74,342	100%	66,998	100%	48,141	100%

Note: *The airline figures are for visitors to Bonaire, and thus include the people staying less than 24 hours on Bonaire. Statisticallythe last flight determines under which carrier the passenger will be counted.*

Note: *The data's Airlift are available until October. 2010*

3 Cruise Tourism Development

3.1 Introduction

The methodology of the cruise survey for the year 2010-2011 had been conducted by means of cruise surveys, which were distributed and collected on major cruise days at Kralendijk's pier(s), between February 2011 and April 2011.
Cruise tourism information in concern to activities on Bonaire, ratings on Bonaire, visitor profile and specific feedback/ recommendations have been gathered out of 1000 cruise surveys. The survey results have been collected and processed in the statistical data program SPSS. The data has been compared with the outcomes of the previous seasons; 2006-2007, 2007-2008, 2008-2009, and 2009-2010. Eventually these data have been aggregated and analyzed in the form of a report.
The compilation of the questioned cruise ships has been as following:

Cruise ship	**Cruise line**	**Respondents per ship**
Constellation	Celebrity/RCCL	143
Aida Vita	Aida Vita	55
Emerald Princess	Princess Cruises	108
Caribbean Princess	Princess Cruises	236
Star Princess	Princess Cruises	117
Sea Princess	Princess Cruises	123
Ventura	P&O Cruises	59
Noordam	HAL	60
Queen Victoria	Cunrad	99
Total respondents		**1000**

The cruise tourism is relatively new on Bonaire. Starting the season 2006-2007 the cruise tourism has been growing rapidly over the last seasons. The cruise ship calls have increased from 104 in 2006 to 143 in 2011. Additional the numbers of passengers has increased from 50.838 in 2005 to 222.922, which is an increase of 338%. An overview of the recent growth in cruise tourism on Bonaire can be seen in the figure 3.1

3.1 Season	**2005-2006**	**2006-2007**	**2007-2008**	**2008-2009**	**2009-2010**	**2010-2011**
Cruise passengers	50,838	78,183	144,192	228,147	224,416	222,922
Cruise Calls	73	104	101	107	151	142

Table 3.2 illustrates the amount of cruise ship calls and passengers for the years 2001-2010. The calls have increased for the last 10 years from 64 to 143 in 2010.The numbers of passengers have increased from 213.191 in 2009 to 230.933 in 2010. Figure 11 illustrates total passenger arrivals per year, which gives a more clear indication of total cruise tourists who visited in year.

Table 3.2	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Ship- Calls	64	81	72	78	89	78	97	92	117	143
Cruise Passengers	40,535	42,181	44,601	53,343	40,077	61,844	97,635	175,702	213,191	230,933
Total Stay Over Tourists	50,395	52,086	62,179	63,156	62,550	63,552	74,309	74,342	66,998	70,539
Total Visitors	90,930	94,348	106,852	116,577	102,716	125,474	172,041	250,136	280,306	301,615

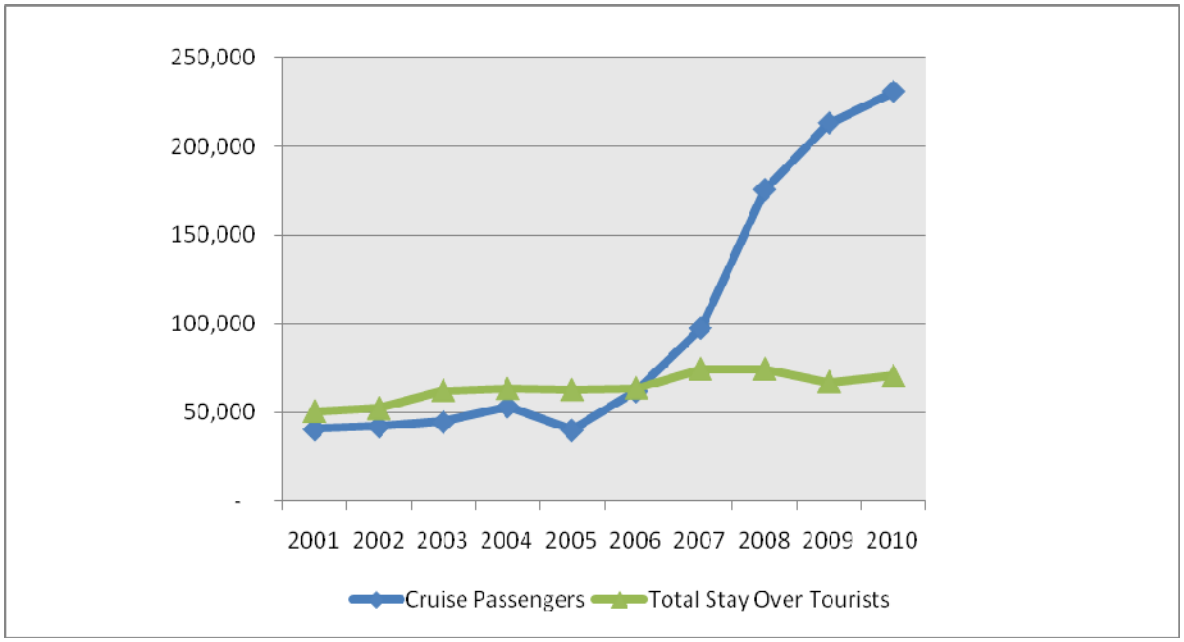
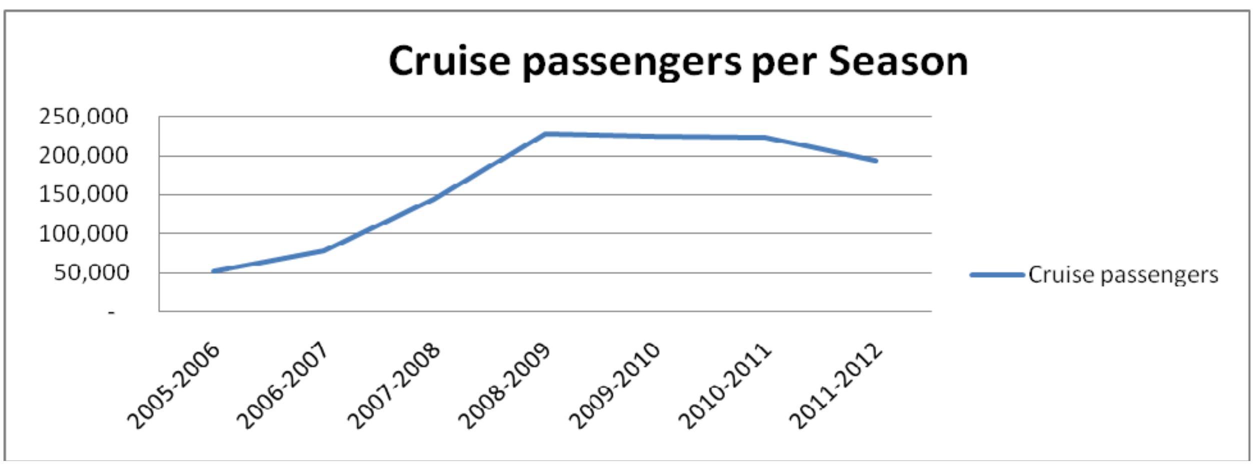


Table 3.3 illustrates the amount of cruise ship calls and passengers for the season 2005-2011. The calls have increased from 73 to 142 in 2005 compared to 2011 though the numbers of passengers have increased from 50.838 in 2005 to 222.922 in 2011. Figure 11 illustrates total passenger arrivals per year, which gives a more clear indication of total cruise tourists who visited in year.

Tabel: 3.3 Season	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Cruise passengers	50,838	78,183	144,192	228,147	224,416	222,922	193,775
Cruise Calls	73	104	101	107	151	142	85



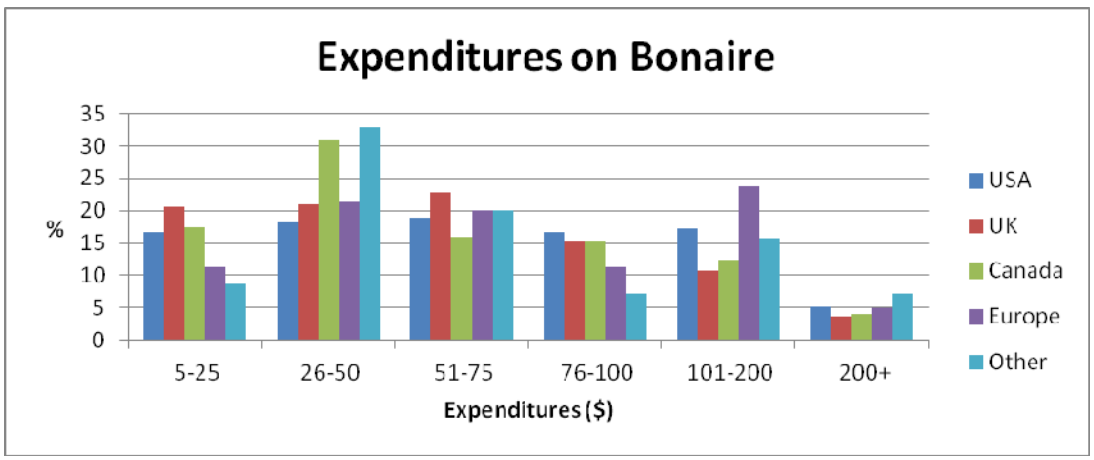
***Note**: figures from Port Authority*

Table 3.4 Expenditures

The question "How much did you approximately spend during your stay on Bonaire?" was included in order to measure the spending pattern of cruise visitors coming to Bonaire. This question had to been asked on a personal basis, so it is supposed to be representative for 1 individual.

Expenditures ($)	**Count**	**Percentage**
5-25	169	16.9
26-50	224	22.4
51-75	196	19.6
76-100	151	15.1
101-200	149	14.9
200+	49	4.9
Total excluding missing value	**938**	**93.8**
No answer	62	6.2
Total including missing value	**1000**	**100**

The figure shows that the cruise visitors mostly spent between 5 and 75 dollar during their stay on Bonaire, with 58.9%. Peaking is the category of 26-50, with 22.4%.
The following chart shows the expenditure patterns of the different cruise markets on Bonaire in comparison to each other:

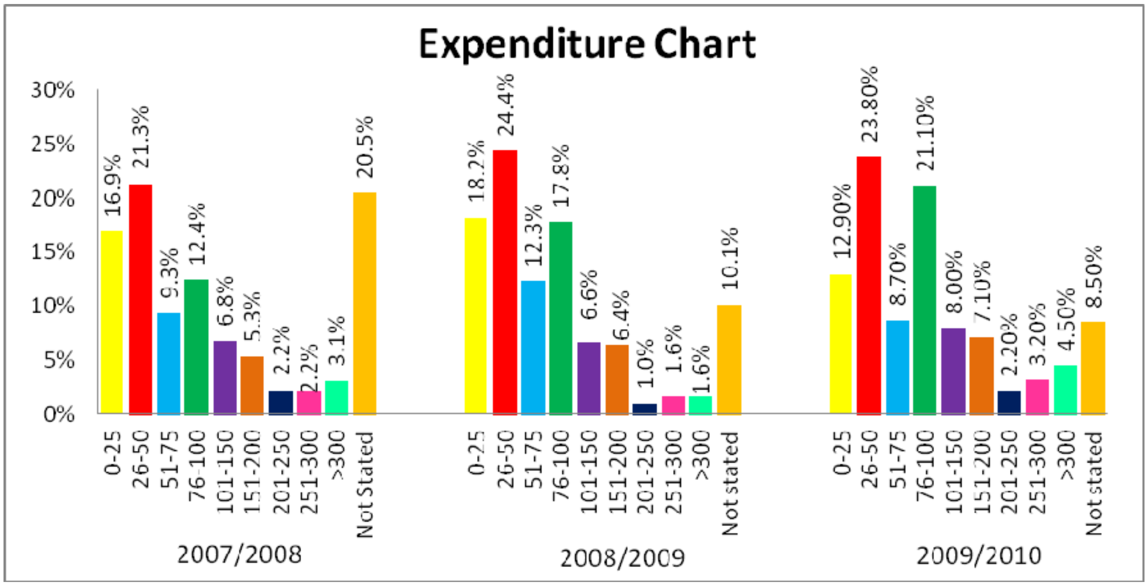


North American market: The US market is similar to the cruise market in general. However, the expenses of the US market had been spread more equally. Canada figure show that the Canadian market is similar to the cruise market in general. Nevertheless, the Canadian market spent remarkably more in the category of 26-50 with 30.8%. Furthermore, no remarkable differences can be notified.

European market: The European market is partly similar to the cruise market in general. Nevertheless, the peaking category for the European cruise visitors had been 101+200 with 23.8% in the season of 2010-2011. This has been remarkably more than the cruise market in general and other markets. Therefore, the European market is to be considered as the overall biggest spender.

The markets from over the rest of the world are similar to the cruise market in general. However, the categories of 5-25 and 76-100 had been under represented in comparison with the cruise market in general. In contradiction, the category of 26-50 had been represented wider with 32.9%.

The following chart shows the cruise visitor's expenditures in compared to previous seasons:



Different expenditure categories had been implemented in the cruise reports of previous seasons. Nevertheless, the following compared with previous seasons have been drawn:

-19.6% of the cruise visitors during the cruise season of 2010-2011 stated they spent between 51-75 dollar, which is around 10% more for this category in compared to previous seasons.
-19.8% of respondents during the cruise season of 2010-2011 stated spent more than $200, which is 4.2% less than the respondents during the cruise season of 2009-2010. Therefore, the cruise visitors ten to spent less than before.

3.2 Dive Industry

Table 1.13 indicates the numbers and percentages of divers compared to total of visitors for the years 1999 through 2008. This information is derived from STINAPA's sales of dive tags. However in our attempt to give a realistic figure, we've also added the estimated repeaters' percentage among divers. For calculation purposes, we've used a repeaters percentage of 25%. This is a rough estimate, as the latter information is not available. The table shows that the diving sector over the past ten years has experienced both growths and decreases but has still managed to stay stable, between 55% and 65% of total tourist arrivals. In 2007 there was a decrease of 6% and as we compare it to 2008 we can see a 2% increase in the number of tourists who visited Bonaire with the purpose of diving. Figure 12 gives a graphical depiction of this information.

Table 1.13	**Number of Divers vs. total amount of tourist**									
	2001	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Dive tags sold	26,116	26,427	27,651	31,077	28,622	31,010	32,450	33,939	27,902	31,033
Estimated divers repeaters	6,529	6,607	6,913	7,769	7,156	7,753	8,113	8,485	6,976	7,758
Total divers arrivals	32,645	33,034	34,564	38,846	35,778	38,763	40,563	42,424	34,878	38,791
Total tourist arrivals	50,395	52,085	62,179	63,156	62,550	63,552	74,309	74,342	66,998	70,539
% Of total tourists	65%	63%	56%	62%	57%	61%	55%	57%	52%	55%