

BONAIRE TOURISM

HALFYEAR STATISTICS REPORT 2006



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 Tourism Corporation Bonaire in cooperation with Bonaire International Airport (BIA), Immigration, Bonhata and all other tourism entities.

1. Background

The Tourism Corporation Bonaire (TCB) has published this Half Year Report for the Bonaire Tourism Industry, for both the 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. The data contained in this report is derived from the Embarkation/Debarcation (E/D cards).

2. Data definitions:

Visitors: Any person visiting a country other than that in which they normally reside, for not more than one year.

Tourists: Visitors staying at least 24 hours on the island.

Same-day-visitors/Excursionists: Visitors staying less than 24 hours on the island.

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))

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3. Summary of Bonaire Tourism Markets:

For the first six months of 2006, 32,266 people visited our island. Compared to 2005 these figures show an overall decline of 5.9%. When benchmarking this decline against the loss in seat capacity, one can conclude that Bonaire has performed positively despite the huge loss in seat capacity. Positive developments that have taken place this year is the introduction of the non-stop service Newark-Bonaire as of December, the upgrading of the Houston flight for the upcoming high season, and the introduction of Arke Fly in November, should increase the seat capacity and thus number of arrivals to the island.

4. Highlight Tourist Arrivals USA/ Canada Market:

Jan-June, 2006 US Market Analysis

For the first six months of 2005 (and prior to the July, 2005' cessation of three of the four Air Jamaica flights to Bonaire), the total number of available seats coming inbound to the island was 765 a week. In the first six months of 2006 the total number of seats coming inbound to the island was 659 a week (this number includes the addition of the Continental Airlines' non-stop service from Houston), and represents a net loss of seats of 14%.

Remarkably, the loss of air seats has not caused an equally severe loss in US visitors to the island. It has slowed the US market, with the arrival numbers

for the first six months of 2006 reflecting a decline of 5.3% (and an overall decline in North America of 4.4%) over the same period last year. However, it is worthwhile to investigate just "how and why" the decline in arrivals was significantly smaller than the total number of seats lost.

Basically, the demand for Bonaire is still high. Visitors still want to travel to Bonaire, and they are finding ways to get here. First, there is better utilization of the seat capacity in the marketplace. All three carriers serving Bonaire, Continental Airlines, Air Jamaica and American Eagle are operating at near capacity load factors. Additionally, many tourists in the Air Jamaica markets have switched to American/American Eagle service from the same gateway. Finally, Visitors are using Aruba and Curacao as connecting points taking Divi Divi and Dutch Antilles Express to reach the island.

At this time it appears that the situation will only improve when on December 16, 2006, Continental Airlines introduces the non-stop flight from Newark, NJ to Bonaire. While the US economy remains strong, and travel is at a post-September 11 all time high, the increase in hostilities in the mid-east and the concurrent rise in oil prices remain the unknown factors in the continued strength of the US travel market.

5. Highlight Tourist Arrivals Europe Market:

Jan-June 2006 European Market Analysis

Due to an increase in demand from South America on the existing direct KLM connections, the seat capacity available for Bonaire has decreased. Moreover the price for trips to Bonaire has increased significantly as a consequence of decreased supply of seats capacity on these flights with end destination Lima and Quito. The first six months of 2006 show the respective decrease in tourism arrivals. The reduced seat capacity on KLM flights has not been compensated adequately by the Dutch Antilles Express and Divi Divi connections via Curacao. On a positive note, as a result of continuous efforts and heightened need to expand the seat capacity to Bonaire, and as a result of the attractiveness in market potential that Bonaire represents, Arke Fly will be starting service to Bonaire as of November, 2006.

The Netherlands

The Dutch market shows a decrease of 10.9%. A more in-depth attempt should be made to compensate the arrivals from the Dutch market via Curacao stop-over (Dutch Antilles Express / Divi Divi). Combined with the introduction of Arke Fly, efforts should lead to a more optimal approach towards the market and hence an improved offering to meet the existing demand to travel to Bonaire.

Rest of Europe

Since the other European countries already have a stop-over in Amsterdam, the Curacao connections are not attractive and are less easy to sell, as for the travelers it represents having a dual stop-over. The

latter has led to a decrease from other European countries in the first six months of 2006.

The only exception is the UK, where the figures show an increase. The 2005 figures were rather low due to seat availability problems in de UK last year. This was (mostly) solved by meetings with KLM UK, leading to an increase in first half of 2006.

The afore-mentioned scenario makes marketing outside of the Netherlands less attractive and therefore TCB will put emphasis during the second half of 2006 on the Dutch market. Direct KLM-connections, the stop-over options via Curacao, and the introduction of Arke Fly will be the focus.

6. Highlight Tourist Arrivals South America Market:

Jan-June 2006 South American Market Analysis

In general the entire region shows an increase of almost 20% in arrivals due to satisfactory results in arrivals from Brazil. The Brazilian dive market poses many opportunities for Bonaire and TCB is putting a lot of attention in improvement of airlift from this market. Venezuela continues to be an important market for Bonaire, and if plans of Dutch Antilles Express succeed, there should be improvement on the airlift front through a direct connection from Caracas to Bonaire. Attention will continued to be given to the Peruvian and Equatorian markets also, which have direct

connections to Bonaire with KLM, and which together with a stop in Bonaire represent an ideal dual destination package for travellers.

Brazil

Bonaire is reaping fruits from an active and continuous approach in this huge “dive” market. Through continuous promotional efforts, which include among other promotional visits to tour operators and diving schools in the most important cities (Sao Paulo, Rio, Belo Horizonte), participation of Bonaire in diving events, advertising campaigns in the prestigious diving magazine Mergulho, distribution of press releases, support to a group of important tour operators, and most importantly considerable improvements in the available airlift, today the Brazilian market shows an increase in tourist arrivals of 162.3% YTD, compared to the same period in 2005. Avianca flies daily from Rio and Sao to Aruba, whereby Brazilians can connect the same day to Bonaire with Dutch Antilles Express. Four weekly connections via Curacao with Avianca are also available. Bonaire still has significant market potential to tap into, it is therefore that there’s a vast focus on introduction of airlift from the Brazilian market, which has the number one focus of TCB and the private sector in terms of markets within the South American region.

Venezuela

Even though the market reflects a small decrease of **8,1%** in the first half of 2006, Venezuela continues to lead the region. Bonaire maintains presence in

the main trade shows, maintains support and close contact with important tour operators and diving schools, and maintains permanent advertising in the tourism press. Bonaire is well known in the market but the airlift is the main limitation to bring more visitors to the island. Not having flights coming from Caracas on the weekends to Bonaire, and having a connection from Valencia with Dutch Antilles Express to the island but via Curacao and without commissionable rates to tour operators, are big negative issues. Nevertheless, the diving groups continue arriving to the island chartering their own small planes on holidays and long weekends. According to plans, Dutch Antilles Express expects to introduce a direct connection from Caracas to Bonaire soon, signifying a potential boost of arrivals out of Venezuela.

7. Highlight Tourist Arrivals Caribbean/ Rest World Market:

Jan-June 2006 Caribbean and Rest of the World Market Analysis

Caribbean

Compared to 2005, the Caribbean market has increased with 13.7% in the first half of 2006. A positive result, mainly attributable to PR and promotion of various events on island, for example “Dia di Rincon”. PR within markets, such as Aruba especially has had its positive impact on tourism arrivals. Nevertheless, airlift remains a problem

especially during events, such as the aforementioned and Regatta.

decrease from 163 to 107 visitors, which is indicative of the low impact of this decrease on Bonaire's total tourism.

Rest of the World

Tourist arrivals from the rest of the world have decreased in first half of 2006 compared to same period in 2005. In absolute numbers this is a

Table 1: TOURIST BY COUNTRY OF ORIGIN

	YTD Totals	YTD Totals	PCT Change	YTD Market Share	
	<u>2006</u>	<u>2005</u>		2006	2005
<u>North America</u>					
USA	13,765	14,534	(5.3)	42.66	42.41
Canada	841	742	13.3	2.61	2.17
	14,606	15,276	(4.4)	45.27	44.57
<u>Europe</u>					
Netherlands	9,695	10,884	(10.9)	30.05	31.76
Germany	925	1,243	(25.6)	2.87	3.63
Great Britain	1,330	1,337	(0.5)	4.12	3.90
Belgium	310	390	(20.5)	0.96	1.14
Switzerland	347	374	(7.2)	1.08	1.09
Sweden	133	235	(43.4)	0.41	0.69
Norway	71	75	(5.3)	0.22	0.22
Finland	59	135	(56.3)	0.18	0.39
France	91	165	(44.8)	0.28	0.48
Italy	120	198	(39.4)	0.37	0.58
Other	515	827	(37.7)	1.60	2.41
	14,089	15,863	(11.2)	43.67	46.29
<u>South America</u>					
Venezuela	810	881	(8.1)	2.51	2.57
Colombia	124	112	10.7	0.38	0.33
Brazil	480	183	162.3	1.49	0.53
Peru	151	110	37.3	0.47	0.32
Ecuador	106	110	(3.6)	0.33	0.32
Other S.A.	215	186	15.6	0.67	0.54
	1,886	1,582	19.2	5.85	4.62
<u>Caribbean</u>					
Aruba	1,253	1,100	13.9	3.88	3.21
Other Caribbean	325	288	12.8	1.01	0.84
	1,578	1,388	13.7	4.89	4.05
Rest World	107	163	(34.4)	0.33	0.48
<u>Tourist Arrivals</u>	<u>32,266</u>	<u>34,272</u>	(5.9)	100.00	100.00

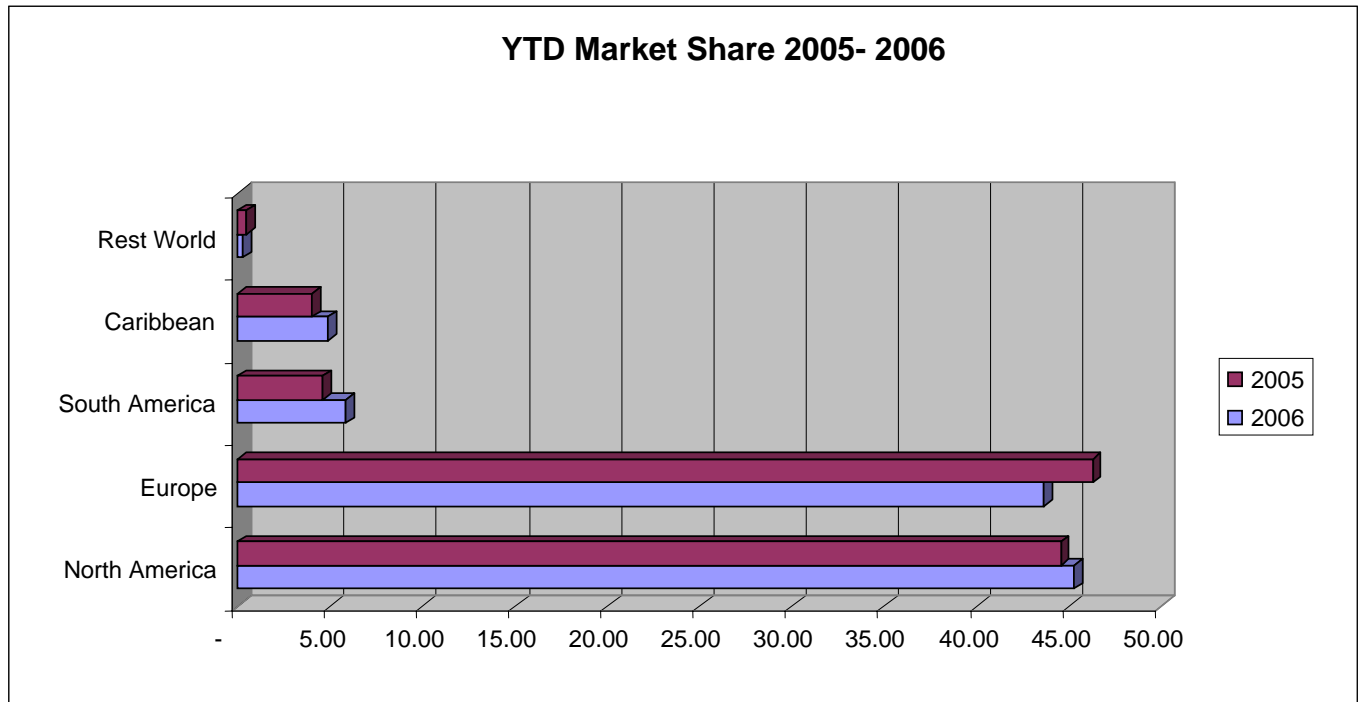
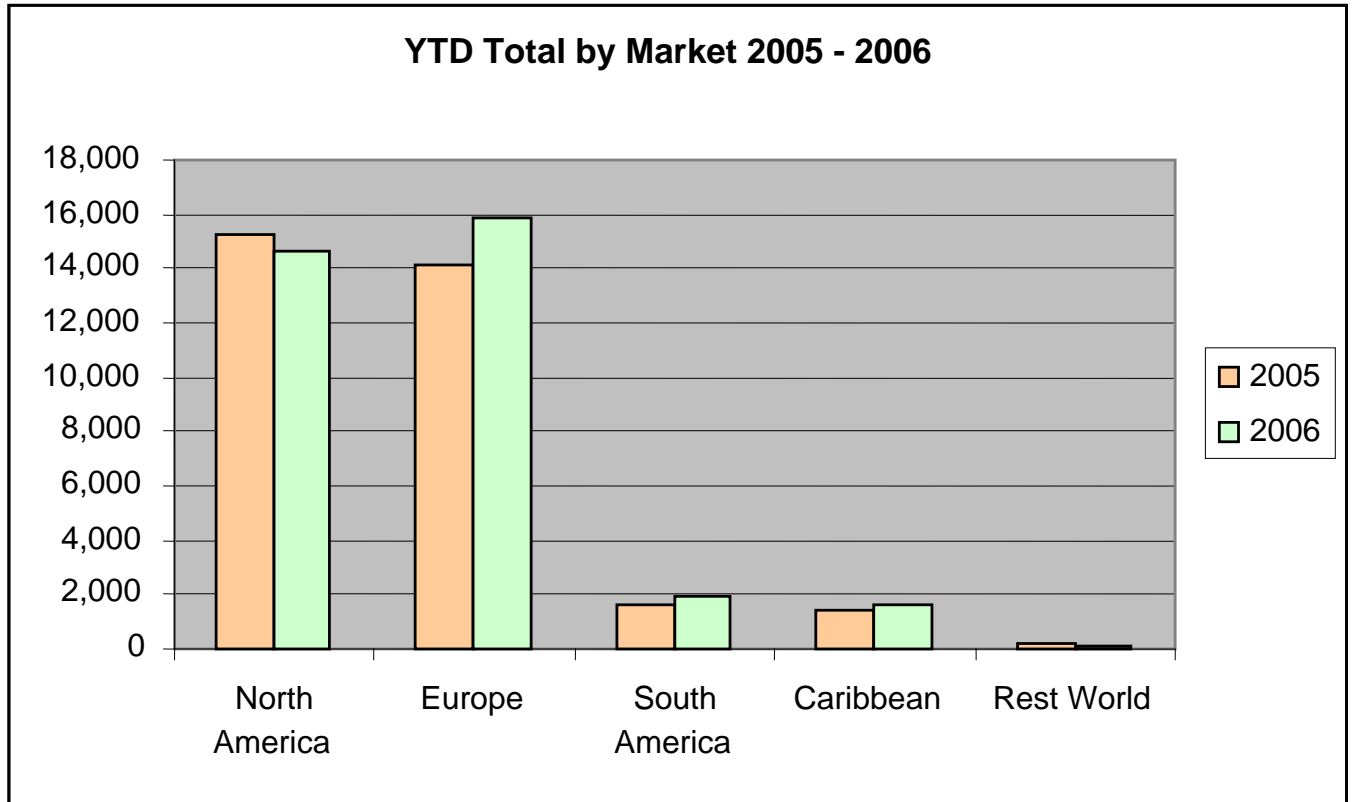


Table 2: TOURIST ARRIVALS PER MONTH

	2005		2006		% Chng.	
Jan	5,702	17%	4,920	15%	(13.7)	-782
Feb	6,798	20%	5,998	19%	(11.8)	-800
Mar	6,623	19%	5,450	17%	(17.7)	-1173
Apr	5,742	17%	6,630	21%	15.5	888
May	4,808	14%	4,889	15%	1.7	81
Jun	4,599	13%	4,379	14%	(4.8)	-220
Total	34,272	100%	32,266	100%	(5.9)	-2006

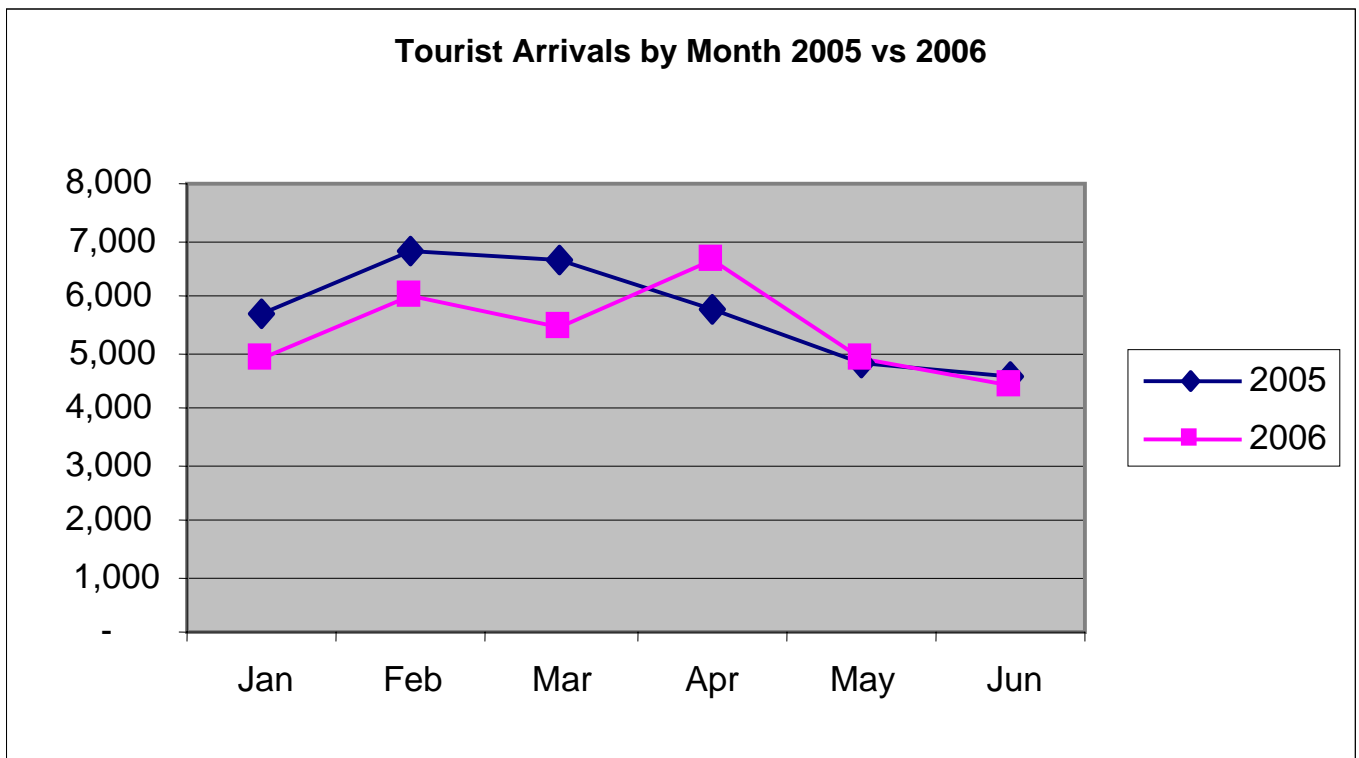


Table 3: Tourist Arrivals By USA / Canada Market

	2005	2006	% Chng.	
Jan	2,442	2,304	(5.7)	-138
Feb	3,023	2,659	(12.0)	-364
Mar	3,194	2,713	(15.1)	-481
Apr	2,508	2,570	2.5	62
May	1,700	1,998	17.5	298
Jun	2,409	2,362	(2.0)	-47
Total	15,276	14,606	(4.4)	-670

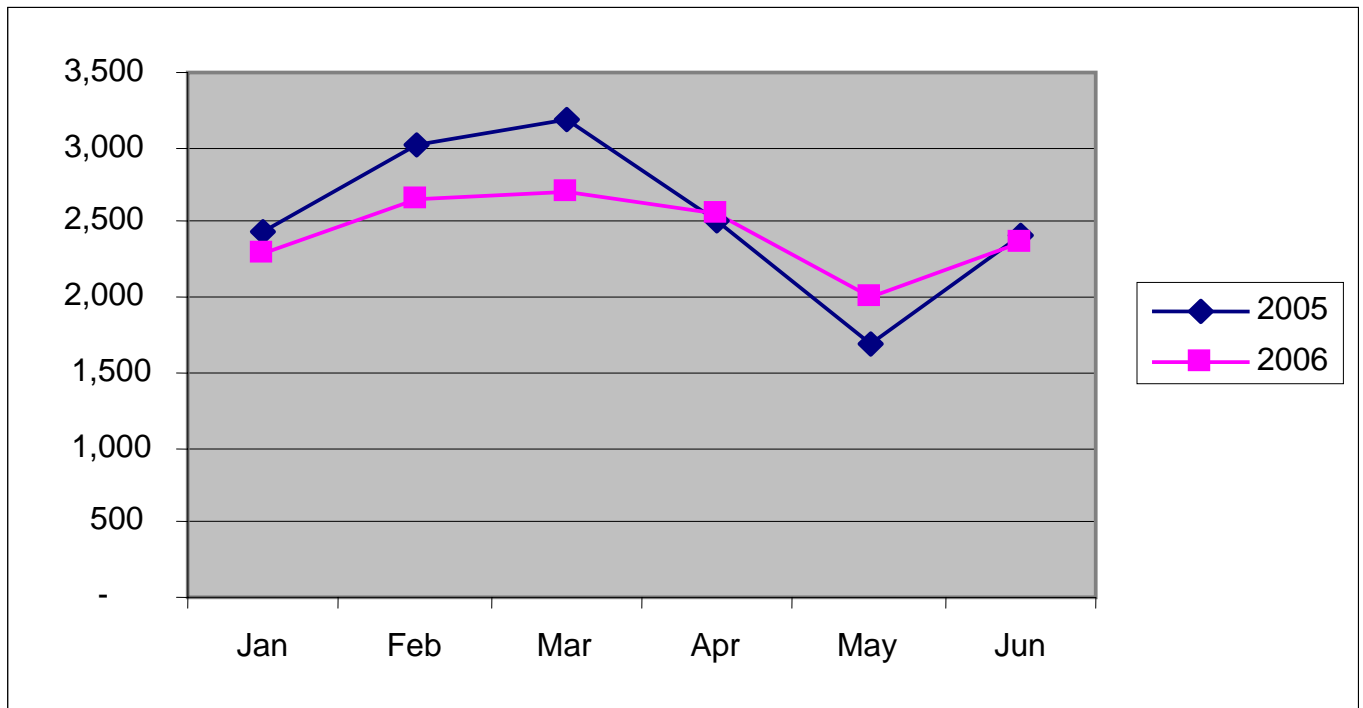


Table 4: Tourist Arrivals By Europe Market

	2005	2006	% Chng.	
Jan	2,789	2,248	(19.4)	-541
Feb	3,371	2,778	(17.6)	-593
Mar	2,754	2,337	(15.1)	-417
Apr	2,596	2,739	5.5	143
May	2,639	2,388	(9.5)	-251
Jun	1,714	1,599	(6.7)	-115
Total	15,863	14,089	(11.2)	-1774

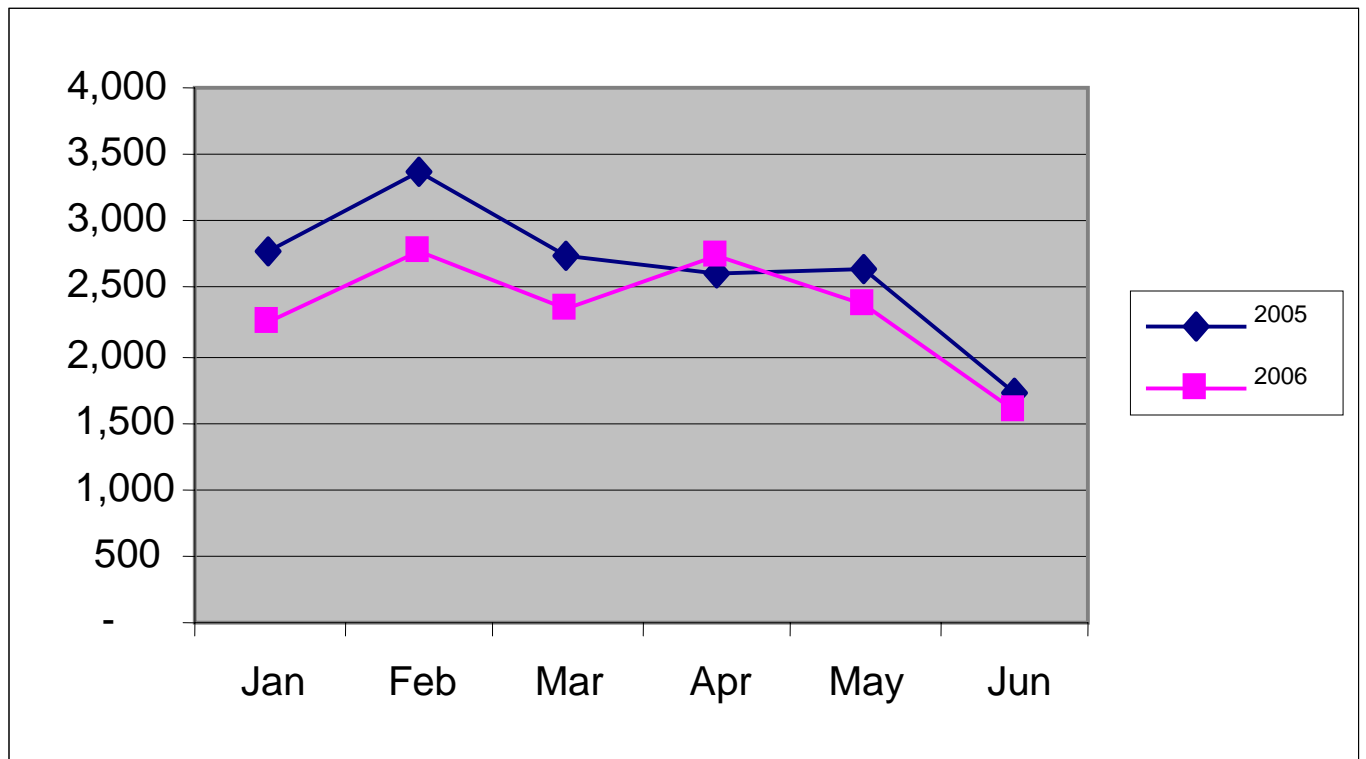


Table 5: Tourist Arrivals By South America Market

	2005	2006	% Chng.	
Jan	213	228	7.0	15
Feb	255	418	63.9	163
Mar	393	189	(51.9)	-204
Apr	199	565	183.9	366
May	232	235	1.3	3
Jun	290	251	(13.4)	-39
Total	1,582	1,886	19.2	304

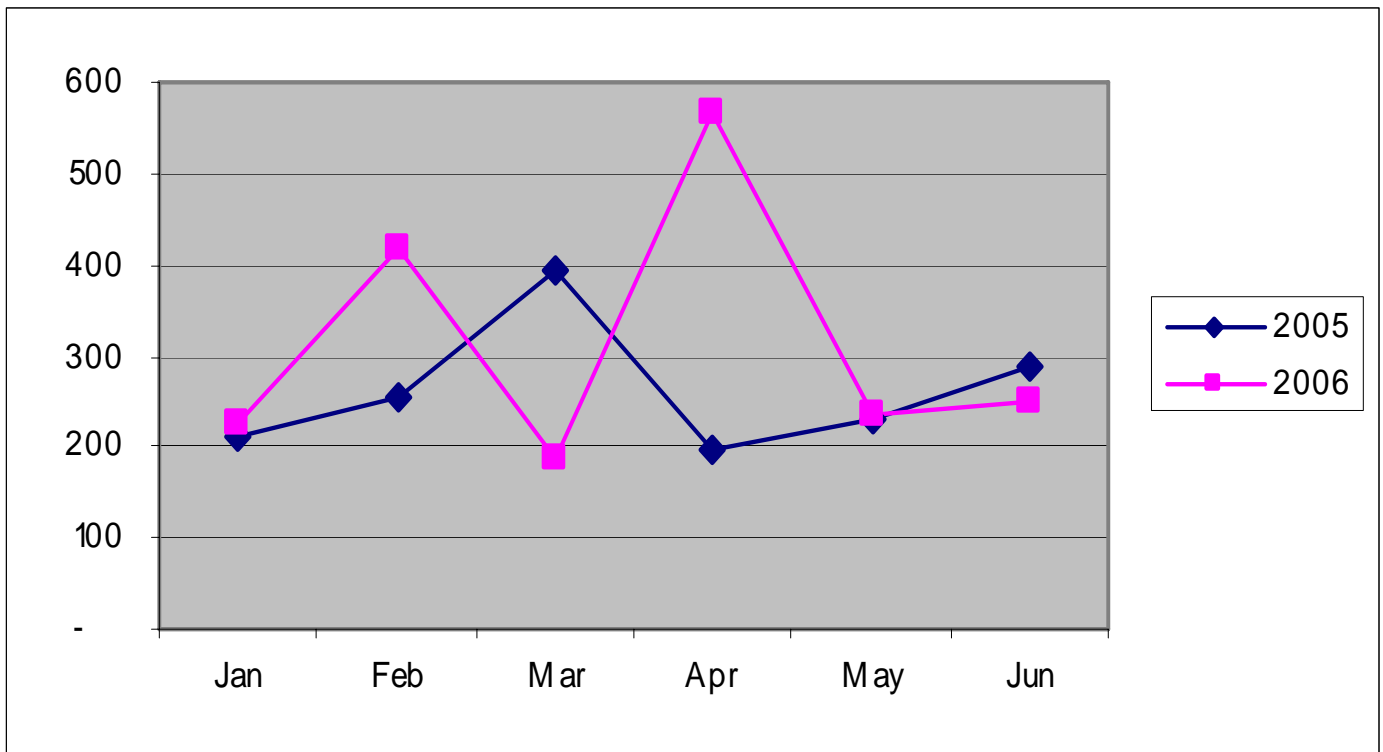


Table 6: Tourist Arrivals By Caribbean/Rest World Market

	2005	2006	% Chng.	
Jan	215	125	(41.9)	-90
Feb	122	123	0.8	1
Mar	268	197	(26.5)	-71
Apr	407	736	80.8	329
May	210	251	19.5	41
Jun	166	146	(12.0)	-20
Total	1,388	1,578	13.7	190

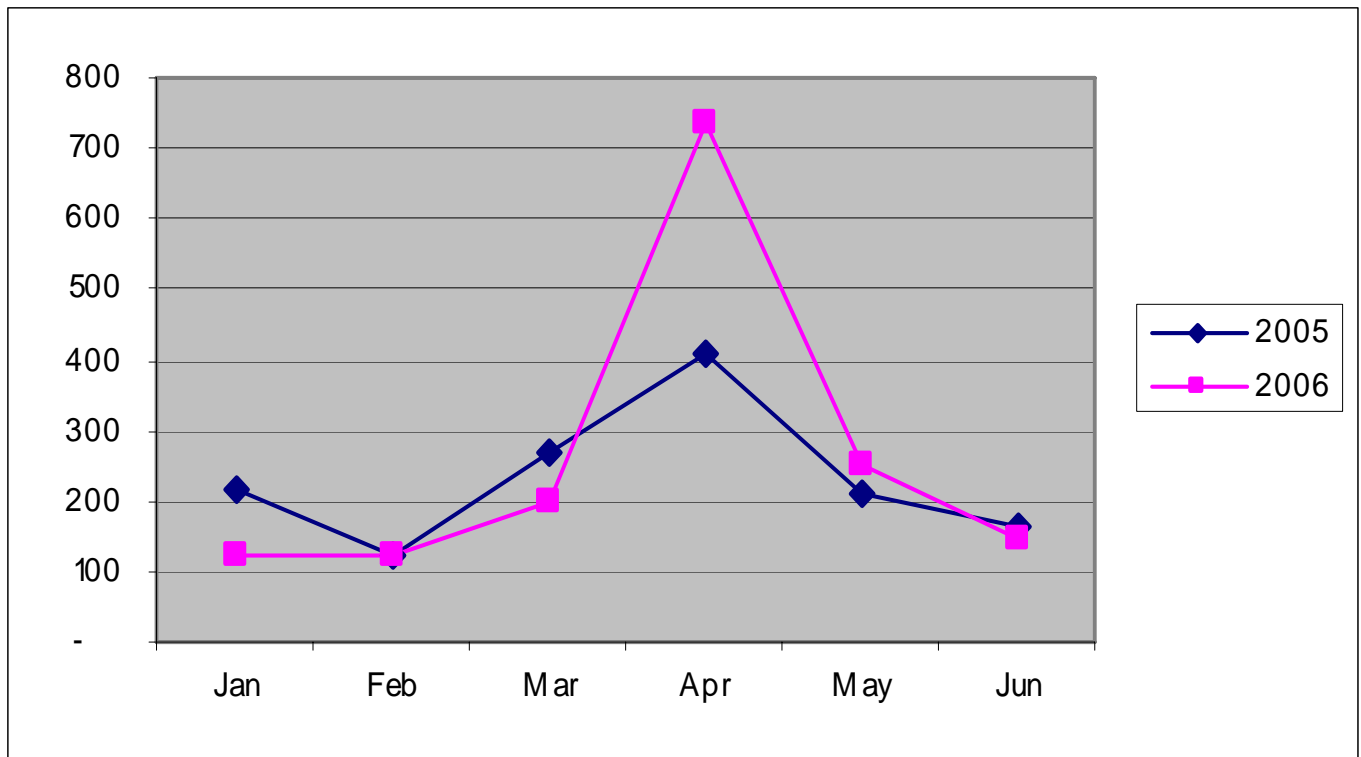
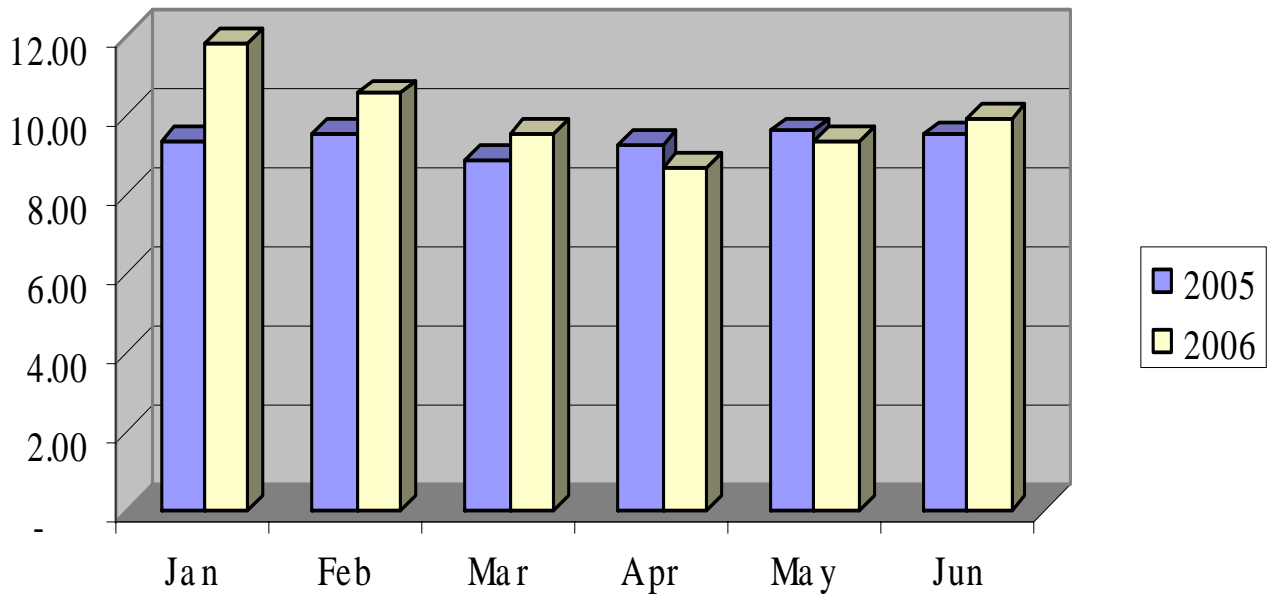


Table 7: BED NIGHTS & LENGTH OF STAY**Tourist Bed Nights by Months in Paid and Non-Paid Accommodations**

				Average Stay	
	2005	2006	% Chg.	2005	2006
Jan	52,207	58,266	11.6	9.16	11.84
Feb	50,115	63,217	26.1	7.37	10.54
Mar	58,728	51,945	(11.5)	8.87	9.53
Apr	53,248	57,517	8.0	9.27	8.68
May	46,273	45,629	(1.4)	9.62	9.33
Jun	44,399	43,526	(2.0)	9.65	9.94
Total	304,970	320,100	5.0	8.90	9.92

Average Length of Stay in All Accommodations

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