

High Tech specialist contribution to the project

## **Bonaire – Focus On Attracting High Technology**

By Jake Richter, NetTech N.V.

January 2001

### **Goal:**

To boost Bonaire's economy and improve the future of the Bonairean people by making Bonaire attractive to non-polluting high technology companies as a location for establishing new companies and establishing satellite development offices for existing companies.

### **Rationale:**

Bonaire's primary growth industry, tourism, has been unstable at best over the past decade, and any major growth in that area will require significant concessions in areas, which are not necessarily in the best interest of the island's ecology – the same ecology being used to attract tourists in the first place. Additionally, while tourism provides jobs, those jobs for the most part are low-paying, providing small hope for advancement for the majority of tourism industry workers. This in turn leads to little motivation to improve the quality and level of education available on Bonaire, which then in turn sentences many, if not most, Bonaireans to working forever more as unskilled labour.

The Bonairean brain-trust – those exceptionally bright and motivated young people who could make a real difference in Bonaire's future, tend to leave the island for places like Holland, where their education and skills can be furthered, rarely returning back to Bonaire or the Antilles because there is, at present, very little opportunity for them here.

By taking the steps necessary to make Bonaire attractive as a place for high technology companies to open offices, Bonaire's population will ultimately benefit on a number of fronts. Among these benefits are better education, especially in areas which will serve Bonaireans well in the future – basic and advanced computer skills, more formal language training in English, the predominant language of high technology, an understanding of how to use and apply the Internet, and entrepreneurial.

An added bonus is that the establishment of Bonaire as a high technology center will likely attract some of Bonaire's "brain-trust" back from Holland as jobs for skilled labour in the high tech area, and subsidiary areas, become available.

### **Initial Industry Focus:**

The high technology industry consists of a great diversity of disciplines, ranging from software development and hardware creation to biotechnology and silicon chip design. While most research and development aspects of high technology are conceivably well suited to functioning and existing on Bonaire, some things, in particular manufacturing,

are not. Chip foundries, where computer chips are made, for example, are not particularly environmentally sound because of the poisonous chemicals and metals used. Similarly, manufacturing of computers involves a lot of trash in terms of packaging materials; lead (from soldering components together), as well as a requirement for lots of cargo handling capabilities – that in turn leads to greater demands to build piers and other non-eco-friendly infrastructures.

But, with research and development, the main product created is intellectual property – something which is not a physical product, but instead one of the mind, which can be transmitted elsewhere for manufacture – someplace with the necessary infrastructure and pollution handling capabilities necessary. In most cases, R&D work does not require the creation of extensive and complicated facilities – it generally requires a reasonably well laid out office building, ample space and local support for connecting and interconnecting computers, and bright, talented people with a business plan. The key for Bonaire, of course, is to do what it can to attract these people.

Perhaps the most basic form of high-tech research and development (R&D), with the greatest general return, is the development of software. As such, it is my recommendation that Bonaire's initial target technology area, in terms of types of high-tech to attract to the island, should be *software development*.

Once a seed community of software development companies and satellite offices has been firmly established on Bonaire, natural evolution will result in growth of other high tech sectors, such as hardware development, Internet technology, e-commerce, transaction processing, and call centers, among others. And then we end up with Bonaire, the Silicon Island, as an alternative to Silicon Valley, Silicon Alley, Silicon Glen, etc.

It should be noted that high technology, geographically speaking, is a world-wide effort, but from Bonaire's perspective, because of Bonaire's location, the Americas should be the initial target to attract capital and interest from, and in particular North America, as that is the heart of high technology, as well as the heart of the Internet. This report focuses on North American needs and issues, and attempts to document ways in which Bonaire can take advantage of problems which exist in North America, but for which Bonaire may be able to provide a solution.

### **Background:**

There are a number of reasons I've taken the time to develop this initial report. Among them are:

- I consider Bonaire my home, and the home for my family for as far into the future as I can imagine and I would like to help Bonaire find economic growth and fulfil its potential in a way which both helps preserve its wonderful ecology while also improving the economic position of its residents.
- I have been involved in one aspect or another of high technology in the U.S. since 1979, having worked for computer sellers; computer hardware companies, hardware peripheral makers, and even ran my own software company for a

number of years. My software company's clients included all the major makers of personal computers, as well as countless other makers of computer parts. I also helped get a major international high technology standards organization operating, ran a monthly roundtable of presidents of software companies, and served on the board of several high technology non-profit organizations. I've also written approximately 400 articles and several books on various aspects of computing, presently run Bonaire's largest Internet consulting and Web hosting company, and am co-developer of the world famous Bonaire Web Cams project, among many other things. (My full CV can be found at <http://www.richterscale.org/jakeres.htm>)

- It's a topic I have discussed at some length with Theo Thyssen of DEZA, and believe that Bonaire is interested in devoting some resources to pursuing.
- I would like to see the educational system on Bonaire improved, perhaps even to the point that Bonaire could ultimately have its own institution of high learning (e.g. a college or university).

The combination of the above items leads me to believe that I am in a position to help Bonaire understand what might be necessary to attract this new type of industry to Bonaire – both from a perspective of experience and desire.

### **Overview of the Software Development Process:**

In very basic terms, software development involves taking an idea for a software program, writing text on a computer which tells a computer how and what to do to implement the idea (this is called “writing code”), spending some time testing the written code, integrating with other applicable software, and then shipping it to wherever it will be packaged and sold (perhaps via boxes in a store, directly over the Internet, or packaged with some other hardware or software). Of course, the bigger the idea, the more complex the software program, and the more people who need to work on it in order to complete it in a reasonable amount of time.

However simple or complex, software development requires a core set of things:

- One or more programmers. These are the people who write code. May include technical managers.
- Computer equipment. To develop and test the code on – the programmer or his company supplies this.
- A good, fast Internet connection. For research, as well as support from peers and vendors of programming tools. Needs to be locally available, at a reasonable fee, and be reliable.
- Good phone communications. For communicating in real-time with clients, parent companies, vendors, etc. Again, must be readily available, at a reasonable fee, and be reliable.
- Testers/Quality Assurance staff. Skilled computer users who can test software programs, write up “bug” reports (a “bug” is a problem in the software), and then follow up with the programmers to determine the severity and solution to the bug.

- Technical writers. These people document the program, frequently as part of the production of a manual on how to use the software, but also to provide internal documentation.

Not covered in the above list are things like administration, marketing, and sales, many of which don't necessarily occur at a development facility (but could for a small company).

### **Demographics of Potential Transplants:**

When reviewing what it is that Bonaire has to offer and needs to offer, it's important to try and figure out what type of people would be most likely to be willing to leave their current country to be part of a new venture on a relatively remote Caribbean island. It is my belief that such people would fall into three categories:

- 1) Young people (ages 20-35) from developed western nations (primarily U.S. and Canada, with some European). Some would have families, others only spouses. Some would be singles (but those would be unlikely to manage to cope with single life on Bonaire).
- 2) People from the moderately undeveloped Far East nations (India, China, Malaysia, Singapore, Taiwan) of varying ages (20-65, balance in the 30-45 range). Most likely with large families, although these may join their Bonaire-residing member later. I will explain why this group of people in particular is very likely for Bonaire.
- 3) Older people (ages 35-55) as managers, mostly from developed countries. These would also have families.

### **Pros, Cons, and Other Issues for Bonaire:**

Below I detail what I see to be the pros – i.e. the positive things Bonaire already has today to offer incoming high-tech companies, in particular software companies; and the cons – i.e. the things Bonaire lacks, or things Bonaire has which would act as a deterrent for a high-tech company looking to establish itself on Bonaire. Please note that these items are not sorted in any way. In other words, the list in each section is not prioritised.

#### Cons

##### **High taxes (both personal & corporate)**

Because of the financial problems within the Netherlands Antilles, and therefore subsequently Bonaire, personal and corporate taxes are much higher on Bonaire than in the U.S. Corporate taxes may not be an issue if the tax-free floating zone concept discussed under "Pros" can be made to apply to any high tech company, but if it can't, taxation is a very real problem. Most U.S. high tech companies pay very little in the way of corporate taxes, thanks to incentives like Research & Development credits, loss carry forwards, and other accounting magic.

High personal taxes are a very critical issue, at least if you want to have North Americans move to Bonaire to start and work in the area of high technology. U.S. citizens, for example, must pay taxes on all their income (although there is a foreign earned income exclusion up to a certain level of approximately \$80,000). Suppose you had an experienced American software engineer earning \$120,000/year (not too outrageous these

days). He'd pay around 45% of his salary in taxes to the Netherlands Antilles, and then the U.S. would tax him at another 15-28% in the U.S. on the amount above \$80,000. Considering that the worst-case tax burden in the U.S. would be 45% in a place like New York City, where you pay Federal, State, and City tax, and more like around 35% elsewhere in the U.S., this is a very significant issue.

For citizens of other countries, it depends on what taxation was like in their countries. However, considering that much of the high technology effort we want to attract will in one way or another originate in the U.S., a solution needs to be found.

### **Telecomm quality and cost**

Currently, the quality and cost of telecommunications between Bonaire (and even just on Bonaire) and the U.S. is not up to the standards that U.S. companies would expect. Having just spent two weeks in the U.S. calling Bonaire daily, or being called, the quality was poor most of the time, with problems ranging from nearly 1 second propagation delays on either end, to people on Bonaire unable to successfully dial international numbers for several days (either direct or via call-back). Costs, while much better than they used to be, are still significant, considering that within the U.S. you can call across the country for less than 10 U.S. cents per minute, and to Europe for about 10-30 cents/minute. Calling Bonaire from the U.S. if you have an International plan appears to be about 40 cents/minute (similar for using call-back services from Bonaire), while direct dial from Bonaire is around 60 cents/minute.

If we want Bonaire to play home to high technology companies, the technical problems and propagation issues absolutely need to be resolved. Roy should be able to find a workable solution for this, but it may be costly – involving links to fiber. The former Roy can help address, while I believe the latter requires access to fiber for long distance calling – satellite, unless it's low earth orbit (LEO) is unlikely to be satisfactory, since even at best you're looking at .3 to .5 seconds of delay.

Also, because high tech companies need a lot of support, there has to be some better mechanism for accessing toll free numbers in the U.S., which now include a series of different prefixes: 800, 888, 877, etc.

Further, the support which Telbo provides would need to be optimised – currently it's quite time consuming to get problems with lines and bills resolved unless you have an "in" within Telbo. U.S. telephone companies learned long ago how to provide timely and accurate customer service, and any U.S.-originated high tech companies will have similar expectations for so vital a service.

### **Internet access, speed, cost**

When they work, Bonaire's dial-up Internet services are pretty reasonable, with BonaireLive offering the fastest throughput, and while the cost difference between unlimited access fees between Bonaire and the U.S. is negligible, the cost of local calls to make an Internet connection are way out of proportion with the U.S., mainly because there are no per-minute metered charges on local calls in the U.S.

Similarly, high speed Internet access via DSL and Cable Modem technologies are proliferating wildly in the U.S., and a very high speed T-1 connection (30 times faster than a modem connection) can be arranged for between \$1,000 and \$2,000 in the U.S. To get a T-1 equivalent on Bonaire costs \$30,000/month via Antelecom/Carats. Completely unrealistic. And slower high-speed consumer connections, like DSL and Cable Modem (each between \$30-60/month in the U.S.) are not even available on Bonaire. Instead we are looking at ISDN, which is slower than DSL and Cable Modems, and something, which never caught on in the U.S. (although it did and has in Europe, as I understand it). If you tell an American you offer ISDN as your high-speed access, they will wonder what cave you've been hiding in to not be offering DSL instead.

Reliable high speed access (like a T-1 or shared T-1, or E-1 in local terminology) is critical for high tech companies these days, while fast consumer technologies are important for high technology workers in their homes. After all, high tech workers, based on my experience, typically work 12 hour days, 8-10 of that at the office, and then more at home. And high tech companies want to ensure that nothing gets in the way of their employees working hard.

I realize that Telbo has a very different operating environment than telcos in the U.S. do, but Telbo or another communications company need to solve the above access, speed, and cost issues to make high tech company location viable on Bonaire.

#### **Power quality, type, cost, reliability**

Bonaire's unusual power supply – 127V (actually 118V-135V) at 50 Hz – is a real hassle to cope with, especially when one has to contend with random power outages, and outrageously high prices. For example, in my office, I have 4 battery back-up systems, several transformers, line filters, and countless other devices to protect our 6 active computers and all the computer accessories from Bonaire's power. I even recently had to purchase an external generator for extra security. To power our office, and a couple of air conditioners we currently broke the NAF 1000, - barrier in electric bills from WEB.

Either straight advice has to be given to new high tech companies about all the additional equipment they need to purchase to make things work safely, or some sort of high tech park with its own more reliable power source needs to be developed. The former will just add to the list of inconveniences and costs a company has to consider when thinking about starting up in Bonaire, while the latter will cost the government lots of money.

#### **Cost of living (staple goods, fuel, utilities, etc.)**

While housing expenses are low, costs for certain staple items, like milk, are quite high relative to the U.S. Things that are on par are meats, but produce (vegetables and fruit) as well as milk are extremely high in contrast, and that's for a poor selection most of the time. Fuel and utility costs are about 2-3x what they are in the U.S., resulting in higher operational costs for both high tech companies and workers on Bonaire.

### **Air travel issues – U.S.**

While daily flights to/from Miami are possible via ALM and Curaçao, my experience is that this is a very time consuming process, and it's never entirely clear when one's bags or self will actually arrive at a destination when using Air ALM. And, since the only way to Curaçao or Aruba to catch a flight on American, for example, you're still stuck with ALM. Business people, and not just in high tech, need air service they can rely on. And Air ALM isn't it. (Air Jamaica's not bad though, but they only fly twice a week.)

A related problem is that getting to/from the West Coast of the U.S. (e.g. Silicon Valley) is a real ordeal, invariably requiring an overnight flight or a stay at a hotel in one direction of both because of the limited flight schedules and routings available when using Air ALM.

### **Duties & Taxes on imports**

In order to attract high tech to Bonaire, costs have to be lowered wherever possible, and one of those areas is when importing goods to be used during the ordinary course of business and/or for employee use, in other words, duties and taxes. Presently, duties on computer goods are 10.5% plus another 5% NAOB. That means in addition to shipping costs a company or individual needs to pay another 16% in fees to get a computer to Bonaire. It could certainly be worse, but it could also be better, especially considering that Bonaire gets none of these duties and taxes as revenue for itself, as I understand it.

Another issue with duties are the arduous procedures one has to follow to return defective products to the U.S. Serial numbers need to be matched, and customs refunds the return of for defective goods already imported to Bonaire are impossible to get.

In terms of cost of living, the current 51% (I think) duty on cars seems absurdly high, especially considering that there's only a 10.5% duty on pick-up trucks.

Also, the excessive extra duties on electronic security systems will raise eyebrows among people looking to establish high tech facilities on Bonaire, since security systems with key cards, entry logs, motion and infra red detectors, etc. are common fare at most high technology companies in North America.

### **Lack of affordable, timely low-speed shipping**

My understanding is that if a person or company wants to ship materials back to the U.S. right now, they have three choices: FedEx (expensive), Post NA (of questionable reliability, and high cost for large or heavy items), and freight by boat (also costly and could take months for shipments less than a container). The only affordable and moderately quick way to send things back to the U.S. is to send a whole container, which will only take a couple of weeks instead of months if you only have a partial container's worth of goods.

### **Work Permits (residency issues)**

While, with the Bonairean government's support, it should be far easier to get work permits than it has been, I believe there is presently still a multi month delay in getting

everything approved for a foreigner to come and work here. This could be an issue for someone wanting to hire an employee quickly.

### **Bureaucracy**

I would assume that everything possible would be done to expedite the paperwork and permissions necessary to allow a high tech company to get started on Bonaire, because as it stands, the multi-month wait to get an NV approved and finalized is an unnecessary and likely dissuasive hurdle for someone wanting to start a high tech company on Bonaire.

### **School/Educational system**

The current shift in Curaçao and Bonaire to teach more classes at an older age in Papiamentu, as well as Bonaire's poor showing in higher education (at the high school level) is a situation that would be likely to turn away any families wanting to move to Bonaire where one or both parents would work for high tech companies.

The solution is to either start moving Bonairean skills to being taught primarily in English, something I see very unlikely to happen (and perhaps not fully desirable since Bonaire is beholden to Holland), or that the government assist in starting an English language International school for all school years – kindergarten through high school here on Bonaire (this would be a project that I would be very interested in as well).

There would be a significant community benefit of an International school, in that resident foreigners who may already be a vital part of Bonaire don't feel they have to leave Bonaire because they can't get the type of education they feel their children need. Additionally, Bonairean families could send their children to such an International school to better prepare them for university training followed by careers in, for example, high technology and finance positions (hopefully on Bonaire by the time they get out of school and university).

And, with an International School on Bonaire, it would likely improve the quality of the traditional Bonairean schools, since those would now have competition of sorts.

### **Existing labor force**

The majority of Bonaire's current work force is what is called "unskilled labour" – people whose training, or lack thereof, and frequently education, prevents them from being able to work in skilled positions, such as professional administration, accountancy, engineering, design, programming, management, technical support, marketing, professional sales, etc.

High technology companies require a skilled labour force in order to operate, and demand for unskilled, manual labour among such companies is generally limited to janitorial and facilities maintenance, assuming there are no manufacturing requirements for such a company on Bonaire.

This is a difficult issue to resolve quickly – it's more of a philosophical and cultural issue, which relates very much to the quality of education offered on Bonaire combined

with the motivation offered to Bonairean youths to invest their time and efforts at excelling in such education. At present, both of these factors are not present in anywhere close to the magnitude they need to be to have Bonaire be able to generate a significant volume of skilled labour.

The skilled labour force issue is one reason that high tech companies are most likely to sprout up in areas where there is a large base of college students, as such tend to be skilled already, and will certainly be skilled once they graduate. And often, entrepreneurial college students start such high tech companies.

### **Local computer sales, support**

High technology companies are very computer and technology dependent. On Bonaire, however, there is overall rather poor support for computer sales and maintenance. The good technical support people on the island are overburdened because there are not enough of them for the current population, never mind any incoming high tech companies. And, because of the struggling Bonairean economy, corners are being cut wherever possible, leading most computer sellers on Bonaire to sell computers with pirated software. With the government doing nothing to enforce intellectual property protection (e.g. copyrights and preventing software piracy), high technology companies will be concerned that anything they create and invent will not be afforded the protection it might get in Europe or the U.S.

So, solutions here are to allow more competition in the area of computer sales and service on Bonaire while at the same time cracking down on software piracy and other violations of international intellectual property laws and standards.

### **Office space**

If an incoming high tech company wants standard high tech office space, they won't find it on Bonaire at present. Some of the key features such space has to offer includes the ability to run high speed networking cabling and telephone throughout the building; comprehensive security systems and support thereof; HVAC systems; proper internal lighting; ample power supply with tap points every few feet; etc. As far as I'm aware, such spaces don't currently exist on Bonaire, at least not for rent. And with construction being such a lengthy process on Bonaire, it's not clear that that is a viable alternative.

That's not to say that smaller high tech companies couldn't find a way to work with what Bonaire has, but larger companies would be heartily challenged to find accommodations, which suit their need.

### **Duration to clear customs**

High tech companies, when in need of parts or components, need to be able to quickly get things from their suppliers and other divisions. At present, with customs only operational 5 days a week, and then working on a backlog, it can take several days (if not weeks in extreme cases) for customs to clear critical items. While I understand that at present Bonaire does not control the customs force, some means to expedite the customs process needs to be determined.

### **Lack of on-going English language educational programs (e.g. PBS on TV)**

Because English is the de facto language of high technology, it's probably important that English become more of a part of the educational fare offered at all ages to both Bonaireans and resident foreigners alike. High tech workers with families would benefit from these, as would the multi-lingual education of others here on the island. My recommendation would be to work with Flamingo TV to get them to add U.S. PBS (Public Broadcast Service) to their channel line-up on cable TV. This offers educational programming all day, and then news and documentaries in the evening and at night, all without commercials and the crass American commercialism and materialism other American channels become over-saturated with. (I will pursue this project with Juni in any event)

### **No good coffee shop**

While it probably sounds minor, in North America, there is an addiction among many high tech workers to quality coffee and pastries. Bonaire is lacking in this area, and I would suspect that a high tech influx would find an entrepreneurial person starting such a business.

### **Employment laws complicated and confusing and not in English**

As an English-language business owner on Bonaire, I'll be the first to admit that I have a difficult time understanding what can and cannot be accomplished in terms of hiring, maintaining, and firing employees, as there is limited, if any, documentation on the whole process of operating a business on Bonaire written in English. And when questions are asked, the level of English spoken within some of the pertinent government departments is slim at best, leaving one more confused instead of less. This would be something that would need to be addressed as part of the effort to entice high tech companies to establish themselves on Bonaire. A simple way to start would be to have one or two people designated as liaisons with the English language business community on Bonaire, where such people can help resolve any issues dealing with understanding local requirements and regulations, as well as help mediate any disputes.

### Pros

#### **Climate**

Bonaire's temperate, year round climate, as well as a lack of hurricanes, is a very attractive feature of Bonaire, for all categories of potential high technology workers.

#### **Duty Free Zone option**

Having a duty free zone on Bonaire for high technology companies would allow them to take advantage of the special 2% income tax on some part of their software sales, especially if sold off a Web site (however, OECD is changing rules on taxation relating to server locations). A very attractive aspect of the duty free zone would be the ability, as I understand it, of being able import all materials (e.g. computers, supplies, etc.) tax and duty free. Because of how software development works (people don't necessarily have to be in the same building to work together), being able to institute "floating duty free zones" for high technology companies would be quite beneficial in that it would not

require the development of a special area of real estate, and could allow for quicker start-up as a result. This is a topic I've spoken to Theo about, and he seemed to agree.

### **Housing**

Renting and buying homes on Bonaire is not prohibitive compared with North America or Europe. In fact, compared to most areas where high tech is a big part of the local economy, prices and rents are several times what they are on Bonaire. With respect to housing costs relative to people from the far east, Bonaire is likely more expensive, but those costs would likely be subsidized to some extent by the company hiring such workers, in some fashion.

### **Ecology**

Bonaire's ecological perspective (as long as it is adhered to strictly), serves as a major attraction to people in the first category – young North Americans and Europeans who have been brought up with “eco-consciousness” as part of their daily lives. It won't matter as much to the other two groups.

### **Outdoor Activities**

Bonaire offers quite a bit in terms of recreational activities, such as diving, snorkelling, windsurfing, sailing, and mountain biking - again something very important to the young group of westerners. Many high tech companies in the U.S., for example, foster various clubs for such recreational activities. Again, not as important to the other two groups.

### **Quality of Life**

Bonaire offers a safe and peaceful environment, and combined with some of the other items mentioned above, that provides for a good quality of life, almost regardless of income level. A particular area where this is apparent is for children. In the U.S. and Canada for example, parents no longer let their children run around in their own yards without intense supervision because it's just not safe because of abductions, child molestation by strangers, etc. Bonaire in contrast is very safe, and, considering children can be outside just about every day of the year, it's healthier too. From the health perspective, it should be noted that because of the flora on Bonaire, typical allergies, like hay fever, just don't happen on Bonaire, and since the air is cleaner on Bonaire than most anywhere in a highly developed country, many other health problems are avoided. And, with clean, drinkable water right out of the tap, another very basic necessity that we come to take for granted, but which isn't often as available in the Far East, provides another improvement in Quality of Life.

### **Multi-Lingual Environment**

Because of its Dutch relationship, proximity to South America and North America, Bonaire's population is generally multi-lingual, something that may be of interest to high tech companies looking for clerical and administrative staff on-island. In the reverse, because Bonaireans can usually understand English, Dutch, and Spanish, it provides for greater comfort for transplants that speak only a single language (usually English, since it is the language of high tech).

**Good flight connections to Europe**

Bonaire has great flight connections to Europe, and if the current problems at the airport in terms of security and facilities are overcome, then Bonaire may start getting very regular European flights.

**Close to U.S.**

Bonaire's proximity to North America is also a benefit, and with twice weekly one-stop routing to many major U.S. cities, travel is possible (albeit not always easy) to and from the U.S. and Canada.

**Work Permits easier than U.S.**

Perhaps one of the most critical factors in attracting high technology operations to Bonaire is the ability of Bonaire to set its own immigration policies. At present, it is very difficult for U.S. companies to find qualified high technology staff in the U.S., and even more difficult to import such talent from abroad because of the costly and lengthy procedure to procure "green cards" for foreign workers. If Bonaire promotes itself as a place where U.S. companies can start satellite offices staffed by high technology workers from the far east (the major source of such people at present) because it has a liberal immigration policy for allowing work permits and residency, then this would be a major selling point.

**Time Zone convenient to both U.S. & Europe**

With Bonaire in Atlantic Standard Time, it is possible for people to conduct business both in Europe and in North America from here.

**Dutch colony**

Bonaire's status as a Dutch colony (presently under the Netherlands Antilles) is a comfort to investors, as it means that they don't have to worry each day about arbitrary government decisions as to the disposition of their companies and property, as they might in small independent countries or in South America, where coups and rebel groups are still sadly part of the landscape.

**International banking & accountancy**

As Bonaire has long time experience in international banking due to its status as an offshore center, this experience could be of benefit to new companies as well those wish to move some or all of their operations here. Such experience can help with tax and finance issues.

**Potential access to offshore investment funds**

With the right connections it might be possible to use "tax free status" high technology companies as an investment vehicle for the large number of offshore financial management groups located throughout the Netherlands Antilles.

### **Cellular phone communications**

With cell phones being in wide use through Bonaire and the Netherlands Antilles, high tech workers don't need to worry about not being able to keep in touch with business partners and parent companies abroad.

### **Wireless know-how**

With Radio Netherlands and Telbo's (growing) experience in the area of wireless communications, opportunities open up for the creation of "virtual" high tech companies on Bonaire, where high tech employees work out of their homes on Bonaire, and utilize a private network (or even better, a public network with secure links) to communicate in real-time, which helps minimize infrastructure costs, while increasing the spread of high technology communications throughout Bonaire. In any event, the knowledge to install such technology exists here.

### **FedEx**

Having access to reasonably speedy courier service is a must on Bonaire, and fortunately, via FedEx, it has been achieved. While there are still occasional logistical snafus (see the Cons section), it works pretty well for the most part.

### **Movie Theater & Live Music**

People moving to Bonaire from North America and Europe are generally used to have a wide range of entertainment options available to them after work, ranging from concerts and plays to movies and other forms of entertainment. Bonaire currently has a two-screen theatre, which shows reasonably recent U.S. movies, as well as a range of musical entertainment – more than one might expect of such a small island.

### **Dining Options, Spa**

Bonaire, thanks to its current levels of tourism, also features excellent dining options as well as several Spas (with Harbour Village's being ranked in the top Caribbean-wide).

### **Low profile tourism = low traffic**

Bonaire's tourism is presently low profile, and reasonably low volume. While having tourism means that certain services, like fine dining, are available to all who live on the island, having low-profile tourism means that prices on the island for things like real-estate and accommodations are not obscene as there are on more developed (in terms of tourism) islands. The other benefit of low-profile tourism is that it means there is a bearable amount of automobile and people traffic, unlike places like Aruba and the Caymans, where rush hour feels similar to that in large U.S. cities.

The traffic issue is particularly important, at least relative to the U.S., since in areas like Silicon Valley, commuting by car for 2-4 hours daily is not uncommon. Bonaire can offer no traffic jams and short commutes. Bliss to Silicon Valley people.

### **Lack of regulations vs. U.S.**

Doing business in the U.S. can be a real challenge these days because of sorts of regulations imposed by the Federal and State government, covering things like hiring

practices, workplace activities, and worst of all, constant threat of litigation. Bonaire is far less restrictive in most of this area especially now that the labour laws in the Netherlands Antilles have been loosened. All this means that the cost of business as it pertains to having to meet governmental regulations is less on Bonaire.

### **Other Research To Perform**

Several other countries and states in this hemisphere have programs designed to entice high technology companies to relocate or form in their areas, offering a variety of financial and quality of life incentives. It would probably be worthwhile to research these. Among the countries known to have such programs are:

- Canada
- Mexico
- Barbados
- Hawaii (U.S.)

### **Conclusion**

The issue of what Bonaire can do to make itself attractive to high technology companies as a base of operations in some form needs to take second priority to a much more fundamental issue, namely, is Bonaire able and willing to do what it takes to make high tech happen on Bonaire. As with tourism, there are things that Bonaire needs to do to attract high technology, which will negatively impact Bonaire's culture. The issue is whether such a negative impact will be outweighed enough by the positive aspects of becoming a high tech Mecca, including a better educated populace, a boost to the economy, and a cleaner, less impacted natural environment.