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The supply and use table 2004 Netherlands Antilles

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Netherlands Antilles

Central Bureau of Statistics
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Preface

This publication presents a detailed supply and use table for the Netherlands Antilles. In the Modus: "Statistisch Magazine" an imbalanced supply and use for 2004 for the different islands was described.

The supply and use table integrates data from the national accounts system which has been prepared in accordance with the recommendations of the System of National Accounts, SNA 93.

The aim of this publication is to give information on the methodology, the sources and structure of the supply and use table in general, and in particular of the structure of the supply and use tables and the compilation of supply and use tables for the Netherlands Antilles in 2004.

In the tables presented here, the sources and uses have been completely adjusted and balanced.

In this publication the total supply is seen as the sum of output and imports and the total use as the sum of intermediate consumption, final consumption, gross capital formation and exports. The publication also contains information on Gross Domestic Product, as a result of the supply and use.

The supply and use table 2004 has been constructed after a complex manual process of adjusting and reconciling the sources of products with the uses, which are compiled according to different methods and based on different statistical systems. This is done for the different islands of the Netherlands Antilles, i.e. Bonaire, Curacao and the Windward Islands. Data for Sint Maarten, Saba and Sint Eustatius are combined together in the Windward Islands, for the reason that Saba and Sint Eustatius are small islands and not all data is available.

This publication is written and compiled by Drs. Lorette Ford, senior statistician at the Economic Statistics Section of the Central Bureau of Statistics. A special word of thanks goes to the head of this section Drs. M.Blokland-Bergwijn and all other members involved.

The Director,
Drs. F.Vierbergen

List of Abbreviations

CCIS	Cross Classification between Industries and Sectors
C.i.f.	Cost, insurance and freight
F.o.b.	Free on board
CPC	Central Product Classification
GDP	Gross Domestic Product
GFCF	Gross Fixed Capital Formation
GVA	Gross Value Added
FISIM	Financial Intermediation Services Indirectly Measured
ISIC	International Standard Classification of ALL Economic Activities
NPISH	Non-profit Institutions serving Households
SNA	System of National Accounts
SUT	Supply and Use Tables

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Explanatory notes to the tables

- Data are in ANG mln
- 0.0 = less than half of he unit chosen
- blank = category not applicable
- the numbers of the analytical tables and central framework are a combination of the first letter of the name of the island and a sequence number.

All articles that are used in this publication are derived from the "System of National Accounts 1993" (SNA'93).
All tables, figures and chart in the text are derived from the tables in the annexes

Introduction

The supply and use tables (SUT) enable the whole economy to be seen in terms of two tables, a supply and a use table. Supply and use tables are set up in the form of matrices that record how supplies of different kinds of goods and services originate from domestic industries and imports. It also records how those supplies are allocated between various intermediate uses of production industries as well as for final uses (private and general government consumption, capital formation and exports).

These supply and use tables involve the compilation of a set of integrated production and generation of income accounts for industries that are able to draw upon detailed data from industrial censuses or surveys. Furthermore the supply and use tables provide an accounting framework within which the commodity flow method of compiling national accounts (in which the total supplies and uses of individual types of goods and services have to be balanced with each other) can be systematically exploited. The supply and use tables also provide the basic information for the derivation of detailed input-output tables that are extensively used for purposes of economic analysis and projections.

In the case of the Netherlands Antilles, the SUT is based on the cross classification of industries, sectors and products (CCIS). Before drawing a supply and use table the CCIS is set up. The CCIS shows breakdown of output. In the CCIS corresponding enterprises are grouped into related industries by main activity. The classification of industries is according to the International Standard Industrial Classification (ISIC) rev.3. In the case of the Netherlands Antilles the number of industries amounts to a total of 19 industries.

The classification of the goods and services in the supply and use tables is based on the Central Product Classification (CPC). The number of the products classifications amounts to 40. The selection of products is based on a research of the products that the industries (at the 4 digit level) produce.

In the SUT the homogeneous industries are combined together across the sectors. In the SUT also data by products for imports, exports, consumption, fixed capital formation, taxes, subsidies and others are added.

According to the equilibrium theory all goods and services provided for on the market should in one way or other be used, either as intermediate use or as final use.

For each product total supply should balance with total use. The basic equation is:

Total supply = Output + imports

Total use = intermediate consumption + final consumption + exports + gross capital formation (= gross fixed capital formation + changes in inventories).

Therefore total supply = total use.

Each supply of a product should balance with each use of that product. For this reason the reconciliation or balancing process is done. Once the reconciliation process is finished and supply and use of the products are equal, the analyses can begin.

This publication describes a balanced supply and use table for 2004 meaning the supply and use by industry and product are equal.

The content of this publication is as follows:
Chapter I gives the methodology, concepts and definition used in this publication.
It also gives the structure of the supply and use table in general and a brief description of the reconciliation or balancing process.
Chapter 2 will focus on the supply and use table of the Netherlands Antilles in 2004, and finally Chapter 3 gives an analysis of the Gross Domestic Product.

I Methodology, concepts en definitions

I.1 Introduction

According to the System of National Accounts 1993 (SNA 1993), the supply and use table provides information concerning the products that are produced by the different industries, the imports by product and how the output of industries is broken down by types of products and how the domestic and imported supply of goods and services is allocated among various intermediate and final uses.
The use table also shows the industry structure of production costs and income generated.

I.2 The supply table

The supply table gives information about the resources of goods and services. It shows characteristic products in rows and the industries in columns. In the rows the various types of products are presented according to the Central Products Classification (CPC. In the supply table a distinction is made between domestic output by industries and imports. In the case of the Netherlands Antilles the supply table is valued at producers' prices.

Table 2: A simplified supply table

Groups of characteristic products	Industry 1,2,…… …….n	Rest of the World	Total supply
	Output by industry and product	Imports by products	
1 2 . . . . N	Producing industries		
	Total output by industry	Total imports	Total supply

Table 2 presents a simplified supply table, which shows that supply consists of:
►output by industries according to the activity classification in International Standard Industrial Classification (ISIC, rev.3) and showing the product breakdown of industries' output by CPC sections. In the Netherlands Antilles the output as derived from the national accounts questionnaire is in producers' prices.
► Imports showing the product breakdown.

1.2.1 Output

Output consists only of those goods or services that are produced within an establishment that become available for use outside that establishment. When an enterprise contains more than one establishment, the output of the enterprise is the sum of the outputs of its component establishments (art. 6.38 of the SNA).

In general output is calculated as the gross turnover minus the changes in inventories for almost all enterprises/production units. For some industries exceptions are made, e.g.

The output for trade is calculated as the trade margin. This is the difference between the selling price of the good for resale and the price that would have to be paid by the distributor to replace the good at the time it is sold.

The output of financial intermediary services (ISIC 65), is basically calculated as the difference between the interest, fees and commissions received and the interest paid. An exception is being made for the international financial enterprises. With regard to the latter the ISIC is adapted in the sense that the following four categories were added:

- Trust companies (isic 65950)

- Financial holdings (isic 65960)

- Off-shore banks (isic 65970)

- Individual offshore companies with employees (isic 65980)

The output of these enterprises is calculated as the sum of the costs, consisting of labor costs, depreciation, and intermediate costs, and profit tax paid.

The commercial bank data is derived from the consolidated income statements of commercial banks (administrative data source), while the data regarding the international financial institutions is derived from the general questionnaire.

Output of Insurance and pension funding, except compulsory social security

The output of insurance companies, both life and non-life, is calculated as premiums earned plus premium supplements minus claims plus/minus additions to reserves. Data source is the consolidated profit and loss accounts of insurance companies as published by the central bank.

Output of the oil refinery

The output is equal to the refining fee, which is exported. This is related to the resident concept and production boundary in the SNA93.

In the SNA a distinction is made between market output, output for own final use and non-market output.

Market output

Market output is output that is sold at prices that are economically significant or otherwise disposed of on the market or intended for sale or disposal on the market. Prices are economically significant when they have a significant influence on the amounts the producers are willing to supply and on the amounts purchasers wish to buy, in other words, the prices are determined by the market mechanism. (art.6.45)

Output produced for own final use

This type of output consists of goods or services that are kept for their own final use by the owners of the enterprises in which they are produced. Examples in the case of the Netherlands Antilles are the own account investments, housing services produced for own consumption by owner-occupiers, and services produced on own account by employing paid domestic help. The output excludes domestic and personal services produced for own consumption within households by the same household. (art.6.46)

Other non-market output

Other non-market output consists of goods and services produced by the non-profit institutions serving households and government sector. The goods and services are supplied free of charge or at prices that are not economically significant, to other institutional units or the community

Financial Intermediation Services Indirectly Measured (FISIM)

Some financial intermediaries are able to provide services for which they do not charge explicitly by paying or charging different rates of interest to borrowers and lenders (and to different categories of borrowers and lenders). They pay lower rates of interest than would otherwise be the case to those who lend them money and charge higher rates of interest to those who borrow from them. The resulting net receipts of interest are used to defray their expenses and provide an operating surplus. This scheme of interest rates avoids the need to charge their customers individually for services provided and leads to the pattern of interest rates observed in practice. However, in this situation, the System must use an indirect measure, financial intermediation services indirectly measured (FISIM), of the value of the services for which the intermediaries do not charge explicitly. (6.124, 6.125, 6.126)

In the case of the Netherlands Antilles there is a consolidated income statement from the central bank available containing information regarding interest paid and interest received. The interest received consists of interest on interbank funds sold, interest and dividend on investments and interest and fees on loans and leases.

1.2.2 Imports

Imports consist of purchases, barter, or receipts of gifts or grants, of goods and services by resident from non-residents (art.14.88).

The import data are a combination of the Balance of trade statistics from the Customs. From the Customs we collect detailed flows of imports that are usually valued at cost, insurance and freight (c.i.f.). Since total imports are valued at f.o.b. and imports by products at c.i.f., an adjustment has been made to reconcile the different valuations. The adjustment is necessary to avoid that the value of insurance and freight are counted twice.

C.i.f. price is the price of a good delivered at the frontier of the importing country, or the price of a service delivered to a resident, before the payment of any import duties or other taxes on imports or trade margins within the country.

I.3 The use table

According to the SNA The use table details the use of goods and service by product and by type of use. The table contains information regarding:

- The intermediate use quadrant, which shows intermediate consumption by the same products, and industries in the supply table. The rows represent sale of products, and the columns show the purchases.
- The final use quadrant, which shows exports, final consumption expenditure and gross capital formation by product.
- The uses of value added quadrant, which shows the uses of value added such as compensation of employees, taxes less subsidies on production and imports, consumption of fixed capital, and net mixed income and operating surplus by industry.

Table 3 presents a simplified use table, wherein the different components are shown. In the case of the Netherlands Antilles the use tables are valued at purchasers' prices.

Either in the supply table as in the use table the same classification of products has been used.

Table 3: A simplified Use table

Groups of characteristic products	Industry 1, 2,…….....n	Exports	Consumption	Gross Capital Formation
1 2 . n	Quadrant I Intermediate consumption	Quadrant II Final consumption expenditure		
	Total intermediate consumption (at purchaser's price)	Total final consumption expenditure		
	Quadrant III Value Added Components			

The next sub-paragraphs elaborate on the 3 abovementioned quadrants

I.3.1 The intermediate use quadrant

The intermediate use quadrant shows intermediate consumption by industries in the columns and by products on the rows.
Intermediate consumption consists of the value of all goods (non-durable) and services consumed in the process of production. Intermediate consumption includes rentals paid on use of fixed assets, goods and services supplied by other establishments of the same enterprise, goods and services used as inputs into the ancillary activity.
It excludes the value of consumption of fixed capital used and goods and services (intermediate products) used within the establishment, expenditure on valuables (work or arts, precious metals etc) as stores of value.
In the intermediate use quadrant no entries are needed neither for trade margins or taxes less subsidies since intermediate use is measured at purchasers' price. The format of the intermediate use is identical to the format of the output part of the supply table.

An important data source for the total of intermediate consumption is the yearly National Accounts survey conducted by the Central Bureau of Statistics. The results of this survey provide information about the profit and loss account and the balance sheet.
Every 5 years an additional survey is being held on the specification of the intermediate use by industry and product. The coefficients of the year in which the additional survey is held are used for the following years.

I.3.2 The Final Use quadrant

The final use quadrant shows exports, final consumption expenditure and gross capital formation. The final use is valued at purchaser's price, including non-deductible value added tax.

Final use is the sum of the following components:

- Final consumption expenditure,
- Gross fixed capital formation,
- Changes in inventories and
- The exports of goods and services.

Final Consumption Expenditure

Final consumption expenditures consist of goods and services used by individual households or the community to satisfy their individual or collective needs or wants (art.1.49).

A distinction is made in final consumption expenditure by households and non-profit institutions serving households (Npish) and by government. According to the SNA Household final consumption expenditure consists of the expenditure, including imputed expenditure, incurred by resident households on individual consumption goods and services, including those sold at prices that are not economically significant. (art. 9.94 a).

Household final consumption is calculated on the basis of a 5-yearly Budget Survey extrapolated for recent years by inflation and change in the number of households. This figure is then adapted for the difference between the use and supply of products.

Final consumption expenditure on Npishs consists of the expenditure, incurred by resident npish's on individual consumption goods and services

Government final consumption expenditure consists of expenditure, including imputed expenditure, incurred by general government on both individual consumption goods and services and collective consumption services.

General government consumption expenditure equals the value of its intermediate consumption of inputs, compensation of employees, taxes on production (including taxes on wages and employers' tax) and consumption of fixed capital.

The estimates of government final consumption expenditure are based on the accounting records of the island and central departments of Finance and the annual reports of government unincorporated enterprises.

Exports

Exports of goods and services consist of sales, barter, or gifts or grants, of goods and services from resident to non-residents.

In the case of the Netherlands Antilles export data of goods and services are a combination of the Balance op Payment and trade statistics of the Custom Union. Exports are valued at free on board price (f.o.b.).

F.o.b. price can be regarded as the purchaser's price that would be paid by an importer taking delivery of the goods at the exporter's frontier after loading on to a carrier and alter payment of any export taxes or the receipt of any tax rebates.

Gross Fixed Capital Formation

Gross fixed capital formation (GFCF) is the value of acquisitions less disposals of (durable) fixed assets. Fixed assets are produced assets (mostly machinery, equipment, buildings or other structures but also including some intangible assets) that are used repeatedly or continuously in production over several accounting periods (more than one year); (art.1.49).

Gross fixed capital formation of the different sectors and industries is mainly based on the yearly national accounts survey. GFCF on owner occupied dwelling is based on a combination of census data and data from the Department of Public Works. The GFCF of the commercial banks and government is based on the respective annual reports.

Changes in inventories

Changes in inventories are measured by the value of the entries into inventories less the value of withdrawals and the value of any recurrent losses of goods held in inventories (art.10.96)

1.3.3 The Value Added Quadrant

The value added quadrant is given by industry. In this quadrant we can observe the following components:

- Value added by industry
- Compensation of employees, consisting of wages and salaries and employers' social contributions
- Taxes less subsidies on products
- Taxes less subsidies on production
- Consumption of fixed capital
- Mixed income/operating surplus

Value Added

Value added can be measured either gross or net, that is before of after deducting consumption of fixed capital.

Gross value added is defined as the value of output less the value of intermediate consumption.

Net value added is defined as the value of output less the values of both intermediate consumption and consumption of fixed capital

Compensation of employees

Compensation of employees is defined as the remuneration, in cash or in kind, payable by an employee in return for work done by the latter during the accounting period art (7.21)

Direct information is available on compensation of employees for the different sectors and industries on the basis of the yearly national accounts survey, and additional data regarding commercial banks, unincorporated government enterprises, taxis, bus drivers, domestic services and the government sector. Operating surplus is basically derived as a residual item.

In the case of the government sector, data are obtained from the accounting records of government bodies. Depreciation data is also derived form the aforementioned sources.

Taxes and subsidies

The taxes are divided in:

- taxes on products
- other taxes on production.

Taxes on products are defined as taxes levied per u nit of goods or services.
The taxes on products in the Netherlands Antilles consist of e.g. import duties, export taxes, excise on beer and liquor. The other taxes on production consist in the case of the Netherlands Antilles mainly of taxes on the ownership or use of land, motor vehicle tax paid for company cars, legal charges and license fees.
The total taxes on products are equal to the total taxes on products received by government. The breakdown of the import duties is based on the trade statistics.

Subsidies are current unrequited payments that government units, including non-resident government units, make to enterprises on the basis of the levels of their production activities or the quantities or values of the goods and services which they produce, sell or import. They are receivable by resident producers or importers. In the case of resident producers they may be designed to influence their levels of production, the prices at which their outputs are sold or the remuneration of the institutional units engaged in production.
Subsidies are divided into subsidies on products and other subsidies on production. A subsidy on a product is a subsidy payable per unit of a good or services and can be given as a fixed amount per unit, as percentages of price, or as the difference between the market price and a specific target price. Examples are subsidies on bus, water and waste disposal company.
The remaining subsidies are the subsidies on production, which resident enterprises may receive as a consequence of engaging in production. Examples of such subsidies mentioned in the SNA are subsidies on payroll or workforce and subsidies to reduce pollution. In the case of the Netherlands Antilles subsidies to market non-profit institutions are registered under this heading.

In the Netherlands Antilles subsidies are also based on government data. The breakdown by product is based on the type of subsidy.

Consumption of Fixed Capital

Consumption of Fixed Capital is the decline, during the course of the accounting period, in the current value of the stock of fixed assets owned and used by a producer as a result of physical deterioration (or wear and tear), normal obsolescence, or normal accidental damage. It excludes the value of fixed assets destroyed by acts of war or exceptional events such as major natural disasters which occur very infrequently. Such losses are recorded in the SNA for "Other changes in the volume of assets".(art.6.179).

Operating surplus/mixed income

Operating surplus and mixed income are two alternative names for the same balancing item used for different types of enterprises. Operating surplus of mixed income is defined as: value added

minus compensation of employees payable minus taxes on production payable plus subsidies receivable.
Mixed income/operating surplus is measured here net, so the value added should also be measured net, that is after deducting consumption of fixed capital.(art.7.8)

Price concepts
The producer's price is the price that the purchaser of a product pays to the producer, minus any Value Added Tax (VAT), or similar deductible tax, invoiced to the purchaser. It excludes any transport charges invoiced separately by the producer.
The purchaser's price is the price paid by the purchaser, minus any deductible VAT or similar deductible tax, plus any transport charges paid separately by the purchaser. It is used for the valuation of goods and services including intermediate consumption.
Since we didn't have information regarding the transport margins we only used the output of trade as the trade margin. The supply structure of the products with a margin was used to allocate the total margin to the various products.

The valuation of total imports and exports is free on board (f.o.b.), and for detailed imports costs insurance and freight (c.i.f.).
F.o.b. price can be regarded as the purchaser's price that would be paid by an importer taking delivery of the goods at the exporter's frontier after loading on to a carrier and alter payment of any export taxes or the receipt of any tax rebates.
C.i.f. price is the price of a good delivered at the frontier of the importing country, or the price of a service delivered to a resident, before the payment of any import duties of other taxes on imports of trade margins within the country.

1.4 Adjustment and balancing or reconciliation of the supply and use table

Adjustment and balancing of the supply and use table is a complex process. It involves the coordinating and balancing the estimates of sources with estimates of uses for these sources.
In the case of the Netherlands Antilles first the use at purchaser's prices is adjusted to producers' price to balance it with the supply at producer's price. In order to adjust the use to producers' prices three columns are added, namely:

- the taxes less subsidies by product:
  Taxes on products are distributed between domestic suppliers and imports of the products. Subsidies on products are distributed between domestic suppliers of the products.
- the trade margins by product:
  According to the definition of trade services in national accounts, the total trade margins are equal to the output of trade industries in the supply table. In a separate column in the use table this amount is allocated to the different products. To avoid that the value of the trade margins are counted twice, the value of trade margins at producers' price has to be zero. To accomplish this, total trade margins appear as negative entries in the intersections of the row for trade industries.
- and the total amount of fisim.

The use table at producers' price is calculated by deducting the use at purchasers price with the net taxes less subsidies and adding the fism (see table 4)

Table 4 : Derivation from a use table at purchasers' price to a use table at producers price

Groups of characteristic products	Use at purchaser's price	Taxes less subsidies on products	Trade margins	Fisim	Total use at producers price
1. . .15 . 22 . n			. . (negative entry)		
	Total (1)	Total (2)	**0 (3)**	Total (4)	5 = 1-2-3+4

When totals are already balanced and valued at the same prices (in this case at the producers price), also the supply and use of each product should be balanced. This means that supply of goods and services should be equal to the use of the same goods and services. The balancing process is done manually and is done by looking at the most weak data. The data that are

regarded as less accurate are related to the product breakdown. The least accurate data are related to the intermediate consumption by product since, as mentioned before; these data are based on input coefficients from a previously compiled SUT for two of the five islands of the Netherlands Antilles. Changing the product breakdown of intermediate consumption by compensating the plusses with the minuses of the difference does most of the balancing. The remainder of the balancing is done through the final uses.
When the SUT is completely balanced, then the analyses can begin.

II. Supply and use of the Netherlands Antilles in 2004

In this chapter the supply and use table 2004 for the Netherlands Antilles, will be described. The Netherlands Antilles consist of five islands, namely Bonaire, Curaçao, Sint Maarten, Sint Eustatius and Saba. Data for Sint Maarten, Sint Eustatius and Saba are combined together as the Windward Islands.
The most important industries and products will be analyzed. All data are a derivation of the tables in the annexes.

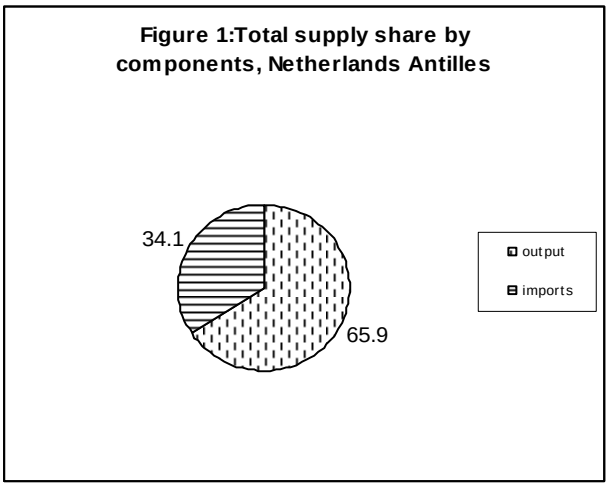
Table 5 contains a summary of the supply and use table. In the next paragraphs more details are given of the components of this table.

Table 5: Supply and Use summary , 2004 (mln ANG)

	Netherlands Antilles	Bonaire	Curaçao	Windward Islands
Supply				
Output	9544.1	491.6	6576.6	2475.9
Imports of merchandise and services	4935.5	109.7	3051.3	1774.6
Total supply	14479.6	601.2	9627.9	4250.5
Use				
Intermediate consumption	4398.2	192.6	2889.3	1316.3
Final consumption expenditure	4196.2	158.6	3367.2	670.4
Gross fixed capital formation	1569.7	66.5	1223.7	279.6
Changes in inventories	134.6	-18.8	59.4	94.0
Exports of merchandise and services	4611.4	230.3	2425.4	1955.8
Total use at purchasers prices	14910.1	629.1	9965.0	4316.0
Adjustments				
Taxes less subsidies on products	553.6	33.2	428.0	92.4
Financial Intermediation Indirectly Measured (Fisim)	123.1	5.4	90.9	26.8
Total use at producers prices	14479.6	601.2	9627.9	4250.5
Total supply at producers prices	14479.6	601.2	9627.9	4250.5

II.1 Total Supply

The supply consists of the output of all industries and the imports from the rest of the world. From figure 1 it can be deduced that the total output in the Netherlands Antilles has a share of 66 percent of the total supply, while the imports account for 34 percent of the total supply. The following sub-paragraphs will deal with the components of the supply namely output and imports.



II.1.1 The output by industry

In this section the largest share of output is described in terms of industries and in terms of products. Table 6 shows the detailed output by industry in 2004.

The total output in the Netherlands Antilles is 9,544.1 mln guilders of which almost 70 percent comes from Curaçao, more than a quarter from the Windward Islands and the rest from Bonaire.

Table 6: Output by industry, 2004

		Netherlands Antilles		Bonaire		Curaçao		Windward Islands	
		mln ANG	%	mln l ANG	%	mln ANG	%	mln ANG	%
ABC	Agriculture, fishing and mining	119.7	1.3	23.9	4.9	78.2	1.2	17.6	0.7
D	Manufacturing	663.4	7.0	14.6	3.0	519.5	7.9	129.3	5.2
E	Electricity, gas and water	591.6	6.2	27.0	5.5	421.1	6.4	143.5	5.8
F	Construction	805.4	8.4	17.2	3.5	469.9	7.1	318.3	12.9
G	Trade	1167.5	12.2	59.2	12.0	703.9	10.7	404.5	16.3
H	Hotels and restaurants	612.8	6.4	66.4	13.5	289.8	4.4	256.6	10.4
I	Transport, storage and communication	1133.7	11.9	83.3	16.9	762.8	11.6	287.6	11.6
J	Financial intermediation	1252.7	13.1	28.6	5.8	1096.9	16.7	127.2	5.1
K	Real estate, renting and business activities	1243.7	13.0	55.1	11.2	805.3	12.2	383.3	15.5
L	Public administration and defense; compulsory social security	600.7	6.3	31.5	6.4	426.8	6.5	142.5	5.8
M	Education private	268.3	2.8	5.5	1.1	225.7	3.4	37.1	1.5
N	Health and social work	475.4	5.0	26.8	5.5	382.7	5.8	65.9	2.7
OP	Other community, social and personal service activities & private households	609.2	6.4	52.6	10.7	394.1	6.0	162.5	6.6
	Total	9544.1	100.0	491.6	100.0	6576.6	100.0	2475.9	100.0

The industries with the largest contributions to output in the Netherlands Antilles are Financial Intermediation (13.1%), "Real Estate, renting and business activities" (13.0%), Trade (12.2%), and "Transport, storage and communications" (11.9%)

The output of financial intermediation consists of bank services, life-insurance, non-life insurance and "activities auxiliary to financial intermediation".

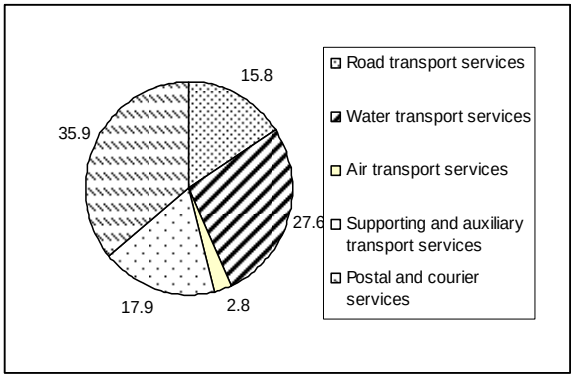
"Real Estate, renting and business activities" produces four products, namely project development and timeshare, other real estate activities, renting of machineries and equipment and other business activities.

The output in the trade industry is the trade margin, calculated as the difference between the selling price of the goods for resale and the price that would have to be paid by the distributor to replace the good at the time it is sold.

"Transport, storage and communications" has 3 sub-industries, namely transport, storage and communications. Together they produce 5 products, namely road services, water services, air transport services, supporting and auxiliary services and postal and courier services.

From table 6 it can be further observed that the industries with the largest share of output in Bonaire are "Transport, storage and communications" (16.9%), "Hotels and restaurant" (13.5%), Trade (12.0 %), "Real estate, renting and business activities" (11.2%) and "Other community, social and personal service activities" (10.6%).

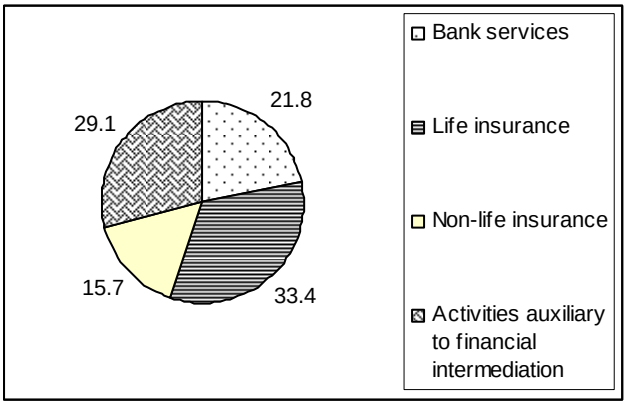
Figure 2: The output of "Transport, storage and communications:



In Figure 2 the output of "Transport, storage and communications" which was equal to 83.3 mln guilders, consisted of road transport services (15.8%), water transport services (27.6%), air transport services (2.8%) and "supporting and auxiliary transport services" (17.9%).

In the case of Curaçao the industries with the largest share of output are Financial Intermediation (16.7%), "Real estate, renting and business" (12.2%), Transport, storage and communications (11.6%), Trade (10.7%) and Manufacturing (7.9%).
As figure 3 reveals the output of Financial Intermediation consists of life insurance (33.4%), bank services (21.8%), activities auxiliary to financial intermediation (29.1) and non-life insurance (15.7%).

Figure 3: The output of financial intermediation

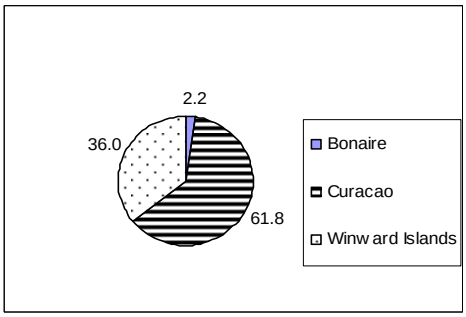


In the Windward Islands the total output is 2475 mln guilders , of which Trade (16.3%) has the largest share, followed by Real estate, renting and business activities (15.5%), Construction (12.9%), "Transport, storage and communications" (11.6%) and Other community, social and personal service activities (6.3%).

II.1.2 The Imports

The total imports in the Netherlands Antilles are equal to 4935.5 mln guilders, of which 2 percent is registered in Bonaire, 62 percent in Curaçao and the remaining in the Windward Islands.

Figure 4: Total imports by island



The total imports in the Netherlands Antilles consist for 71 percent of merchandise and 29 percent of services.

In Bonaire a value of 109.7 mln guilders has been registered, of which about 55 percent consists of goods and 46 percent of services. The total imports of Bonaire consist mainly of transport equipments, air transport services, food products and other manufacturing products.

The total imports of Curacao are 3051.2 mln guilders of which 69.5 percent consists of merchandise and 30.5 percent of services. The import consists especially of food services, construction services, petroleum products, textile, wood and paper and other manufacturing products, chemical products, etc.

Table 7: Imports of merchandise and services, 2004

	Netherlands Antilles		Bonaire		Curaçao		Windward Islands	
	mln ANG	%	mln ANG	%	mln ANG	%	mln ANG	%
imports of merchandise	3500.9	70.93	59.9	54.6	2120.9	69.5	1320.1	74.4
imports of services	1434.6	29.07	49.8	45.4	930.4	30.5	454.5	25.6
Imports of merchandise and services	4935.5	100.0	109.7	100.0	3051.3	100.0	1774.6	100.0

From the total imports of the Windward Islands more than 70 percent consist of merchandise. The main imports of the Windward Islands consists of food products, transport equipment, petroleum products, gas and other petroleum materials, business services, preparation & finishing of textiles, wood and paper, and other manufacturing products.

II.2 Total Use

This chapter will focus on the various components of the use table, namely intermediate consumption, final consumption expenditure, gross fixed capital formation and changes in inventories. Table 8 shows the share of these components in 2004.

Table 8: Total Use by component, Netherlands Antilles, 2004

	Netherlands Antilles		Bonaire		Curaçao		Windward Islands	
	mln ANG	%	mln ANG	%	mln ANG	%	mln ANG	%
Intermediate consumption	4398.2	29.5	192.6	30.6	2889.3	29.0	1316.3	30.5
Final consumption expenditure	4196.2	28.1	158.6	25.2	3367.2	33.8	670.4	15.5
Gross fixed capital formation	1569.7	10.5	66.5	10.6	1223.7	12.3	279.6	6.5
Changes in inventories	134.6	0.9	-18.8	-3.0	59.4	0.6	94.0	2.2
Exports of merchandise and services	4611.4	30.9	230.3	36.6	2425.4	24.3	1955.8	45.3
Total use at purchasers prices	14910.1	100.0	629.1	100.0	9965.0	100.0	4316.0	100.0

On all Islands, except for Curaçao, the exports have the largest share, followed by intermediate consumption. In the Netherlands Antilles the exports account for a third of total demand, in Bonaire more than a third and in the Windward Islands almost half of total demand.

In Curaçao the component with the largest contribution is the final consumption expenditure with more than a third, followed by the intermediate consumption with more than a quarter.

II.2.1 Intermediate Use

In 2003 the Central Bureau of Statistics has held a survey regarding the intermediate cost structure of 2002. This survey was held in conjunction with the National Accounts Survey. In the National Account Survey a total amount is being asked for the intermediate consumption, while in the intermediate cost structure survey a specification is asked of the cost of the enterprises.
The calculation of the intermediate use for 2004 is based on the coefficients of the intermediate uses of 2002. The ratios of that survey are multiplied by the total amount of the intermediate consumption of 2004, to arrive at the cost structure for 2004.

From table 9 it appears that the total intermediate use in the Netherlands Antilles is about 4398.1 mln guilders. From this total almost 14 percent is consumed by "Transport, storage and communication", 12 percent by Construction industry, 11.7 percent by Trade and 10 percent by the financial intermediation industry. The rest of the industries have used less than 10 percent of the total value.

The total intermediate use in Bonaire is 192.6 mln guilders. The industries with the largest share are "Hotels and restaurants", "Transport, storage and communications", and Trade.
Hotels and restaurants has a total intermediate use of about 36.3 mln guilders consisting especially of food products, electra, beverages, other manufactured products, and bank services.

Table 9: intermediate use by industry, 2004

		Netherlands Antilles		Bonaire		Curaçao		Windward Islands	
		mln ANG	%	mln ANG	%	mln ANG	%	mln ANG	%
ABC	Agriculture, fishing and mining	86.6	2.0	15.0	7.8	58.3	2.0	13.3	1.0
D	Manufacturing	362.4	8.2	5.7	3.0	257.6	8.9	99.0	7.5
E	Electricity, gas and water	336.2	7.6	10.8	5.6	241.0	8.3	84.3	6.4
F	Construction	530.4	12.1	4.7	2.4	305.8	10.6	219.9	16.7
G	Trade	512.5	11.7	25.7	13.4	295.8	10.2	190.9	14.5
H	Hotels and restaurants	402.3	9.1	36.3	18.9	196.6	6.8	169.4	12.9
I	Transport, storage and communication	604.9	13.8	35.5	18.4	409.2	14.2	160.2	12.2
J	Financial intermediation	444.7	10.1	9.6	5.0	391.2	13.5	43.9	3.3
K	Real estate, renting and business activities	401.6	9.1	9.8	5.1	225.1	7.8	166.6	12.7
L	Public administration and defense; compulsory social security	147.3	3.3	5.3	2.7	94.3	3.3	47.7	3.6
M	Education private	68.5	1.6	2.8	1.4	43.1	1.5	22.7	1.7
N	Health and social work	210.7	4.8	7.6	4.0	168.3	5.8	34.7	2.6
OP	Other community, social and personal service activities & private households	290.1	6.6	23.7	12.3	202.8	7.0	63.6	4.8
	Total	4398.1	100.0	192.6	100.0	2889.3	100.0	1316.3	100.0

From the total intermediate use of 2889.3 mln guilders in Curaçao the industries with the largest share are "Hotels and restaurants" and "Transport, storage and communications", Financial Intermediation, Construction, Trade, Manufacturing and Utility.
Hotels and restaurants has a total intermediate use of 196.6 mln guilders consisting especially of food products, electra, water, beverages, other manufactured products, and bank services.

In the Windward Islands the industry with the largest share in intermediate use is the construction industry with 16.7 percent. Trade is the next larger contributor (14.5%). After construction and trade the industries with the largest share are "Hotels and restaurants" (12.9%), "Real estate, renting and business activities" (12.7%), and 'Transport, storage and communication" (12.2%).

It is also worth mentioning the input-output coefficients by industry, which is shown in the next table.

Table 10 : Input-output coefficient by industry

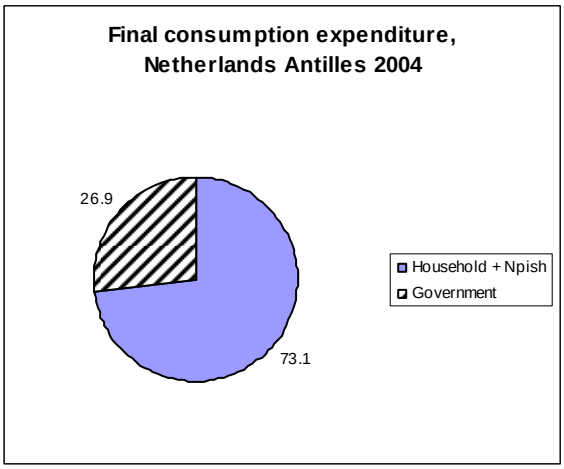
		Netherlands Antilles	Bonaire	Curaçao	Windward Islands
ABC	Agriculture, fishing and mining	0.7	0.6	0.7	0.8
D	Manufacturing	0.5	0.4	0.5	0.8
E	Electricity, gas and water	0.6	0.4	0.6	0.6
F	Construction	0.7	0.3	0.7	0.7
G	Trade	0.4	0.4	0.4	0.5
H	Hotels and restaurants	0.7	0.5	0.7	0.7
I	Transport, storage and communication	0.5	0.4	0.5	0.6
J	Financial intermediation	0.4	0.3	0.4	0.3
K	Real estate, renting and business activities	0.3	0.3	0.3	0.4
L	Public administration and defense; compulsory social security	0.2	0.2	0.2	0.3
M	Education private	0.3	0.2	0.2	0.6
N	Health and social work	0.4	0.5	0.4	0.5
OP	Other community, social and personal service activities & private households	0.5	0.3	0.5	0.4

In the case of the Netherlands Antilles for an output of 119.7 mln guilders the agriculture industry has needed an intermediate input of 86.6 mln guilders which is a coefficient of 0.7.
In Bonaire the coefficient in the same industry is 0.6, in Curacao 0.7 and the Windward Islands 0.8.
For the products also coefficients can be calculated. For example in Bonaire for an output of 17.2 mln guilders the construction industry needed 1.1 mln guilders of sand: this equals a coefficient of 0.3

II.2.2 Final Consumption Expenditure

Final consumption expenditures consist of consumption of government and households and non-profit institutions serving household (npish's). Figure 5 shows the share of both sectors in the total final consumption expenditures.

Figure 5: Final consumption expenditure by sector



The total final consumption in Bonaire is equal to 158.6 mln guilders.
More than 60 percent is used by households and non-profit institutions serving households and the remaining by the government.
The final consumption of the government consist among others of "public administration and defense" (27 %), health services (13 %), and "other community and social services" (11 %).
The final consumption of households consist, among others, of food and beverages, rent of building, electra and water, shoes and clothes, and recreation.

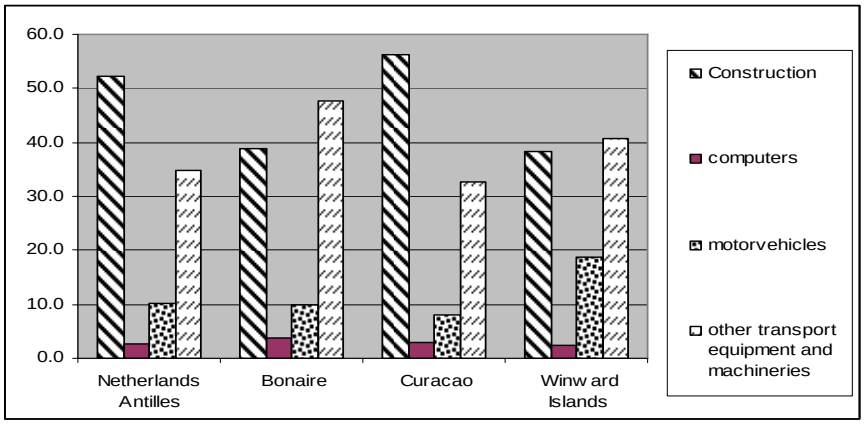
Of the final consumption in Curaçao, which is equal to 3367.2 mln guilders, more than 70 percent is used by households and non-profit institutions serving households and the remaining by the government.
The final consumption of the government consist among others of public administration and defense (44 %), health services (7 %), education (44%), and other community and social services (11 %).
The final consumption of households consist, among others, of food and beverages, rent of building, electra and water, shoes and clothes, and recreation.

In the Windward Islands the final consumption expenditure is 670.4 mln guilders. More than 65 percent is consumed by households and non-profit institutions serving households and the remaining by the government.

II.2.3 Gross Capital Formation

Gross capital formation consists of gross fixed capital formation and changes in inventories.

Figure 6: Gross Capital formation



The gross fixed capital formation in Bonaire is 66.5 mln guilders. This gross fixed capital formation consists of other transport equipment and machineries both with 48 percent, construction for 39 percent and the remaining 13 percent in motor vehicles and computers.

Curaçao has registered a gross fixed capital formation of 1223.7 mln guilders in 2004. The share of products is as follows: 56 percent in construction, 33 percent in other transport equipment and machineries, and the remaining 11 percent in motor vehicles and computers.

In 2004 the Windward Islands have invested a total amount of 279.6 mln guilders, of which 41 percent in other transport equipment and machineries, 38 percent in construction and the remaining 21 percent in computers and motor vehicles.

II.2.4 The Exports

The total exports in the Netherlands Antilles are 4611 mln guilders. Table 11 reveals that in all of the islands export of services has the largest share. The most important products that the Netherlands Antilles have exported are manufacturing products, horeca services, and business services.

The main exports of Curaçao are refined petroleum products, other manufactured products, and business services.

Table 11: Exports of merchandise and services

	Netherlands .Antilles		Bonaire		Curaçao		Windward Islands	
	mln ANG	%	mln ANG	%	mln ANG	%	mln ANG	%
exports of merchandise	1389.7	30.1	31.6	13.7	793.1	32.7	565.0	28.9
exports of services	3221.7	69.9	198.7	86.3	1632.3	67.3	1390.8	71.1
Exports of merchandise and services	4611.4	100	230.3	100	2425.4	100.0	1955.8	100.0

II.3 Value Added

Gross Value Added (GVA) is conceptually the same aggregate as Gross Domestic Product (GDP). They both measure the added value generated in the economy by the production of goods and services. The difference between the two concepts is that GDP is measured after including product taxes and deducting product subsidies and adding the "financial intermediation service indirectly measured"(fisim). Gross Value Added can be computed for industrial groups as the sum of compensation of employees and operating surplus (profits).

This chapter will focus on the GVA and these two components of GVA. The GVA in the Netherlands Antilles is equal to 5146 mln guilders. (table 9)

The industries with the largest contributions to GVA in the Netherlands Antilles in 2004 are "real estate, renting and business activities" with 16.4 percent. Financial intermediation was the next largest contributor (15.7%), followed by Trade (12.7%) and Transport, storage and communications with 10.3 percent.

Table 12: Gross Value Added by industry, 2004

		Netherlands Antilles		Bonaire		Curaçao		Windward Islands	
		mln ANG	%	mln ANG	%	mln ANG	%	mln ANG	%
ABC	Agriculture, fishing and mining	33.1	0.6	8.9	3.0	19.8	0.5	4.4	0.4
D	Manufacturing	301.0	5.8	8.9	3.0	261.9	7.1	30.2	2.6
E	Electricity, gas and water	255.4	5.0	16.1	5.4	180.1	4.9	59.2	5.1
F	Construction	275.0	5.3	12.5	4.2	164.1	4.5	98.4	8.5
G	Trade	655.0	12.7	33.4	11.2	408.0	11.1	213.5	18.4
H	Hotels and restaurants	210.5	4.1	30.1	10.0	93.2	2.5	87.2	7.5
I	Transport, storage and communication	528.9	10.3	47.8	16.0	353.7	9.6	127.3	11.0
J	Financial intermediation	808.0	15.7	19.0	6.4	705.7	19.1	83.3	7.2
K	Real estate, renting and business activities	842.2	16.4	45.3	15.1	580.2	15.7	216.7	18.7
L	Public administration and defense; compulsory social security	453.4	8.8	26.2	8.8	332.4	9.0	94.8	8.2
M	Education private	199.7	3.9	2.7	0.9	182.6	5.0	14.4	1.2
N	Health and social work	264.7	5.1	19.2	6.4	214.3	5.8	31.2	2.7
OP	Other community, social and personal service activities & private households	319.0	6.2	28.8	9.6	191.3	5.2	98.8	8.5
	Total	5146.0	100.0	299.0	100.0	3687.4	100	1159.6	100.0

In Bonaire the industries with the largest contribution to gross value added are "Transport, storage and communications" (16.0%), "real estate and business activities" (15.1%), Trade (11.2%), "Hotels and restaurants" (10.0%).

From table 9 it can also be seen that in Curacao the share of Financial intermediation is the highest (19.1%), followed by real estate, renting and business activities" (15.7%), trade (11.1%)and public and administration and defense (9.0%)

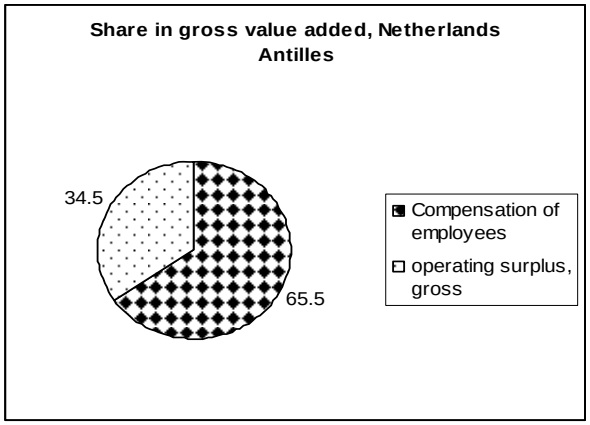
The gross value added in the Windward Islands was about 1200 mln guilders, of which the industry of "real estate, renting and business activities" accounted for almost 19 percent, trade

for 18 percent, "transport, storage and communications" for 11.0 percent and construction for 8.5 percent.

Compensation of employees

From figure 6 it can be seen that compensation of employees has the largest share in the gross value added with 65.5 percent, while operation surplus contributes with 34.5 percent.

Figure 6



Because trade, "financial intermediation" and "public administration and defense" have registered the largest compensation of employees in the Netherlands Antilles, their share in gross value added is also the largest, 8.9 percent, 7.4 percent and 7.3 percent respectively. According to table 13 industries with the smallest share are agriculture (0.5%), Electricity, gas and water (2.2 %) and Hotels and restaurants (3.6%) (see table 13)

Table 13 : share of compensation of employees in gross value added, Netherlands Antilles

		Mln ANG	%
ABC	Agriculture, fishing and mining	23.6	0.5
D	Manufacturing	183.8	3.6
E	Electricity, gas and water	111.8	2.2
F	Construction	230.9	4.5
G	Trade	460.1	8.9
H	Hotels and restaurants	183.0	3.6
I	Transport, storage and communication	314.2	6.1
J	Financial intermediation	380.6	7.4
K	Real estate, renting and business activities	334.4	6.5
L	Public administration and defense; compulsory social security	374.9	7.3
M	Education private	204.1	4.0
N	Health and social work	285.3	5.5
OP	Other community, social and personal service activities & private households	281.5	5.5
	Compensation of employees	3368.3	65.5

Gross operating surplus

The industry that has registered the highest share of operating surplus in GVA in the Netherlands Antilles in terms of Value Added is "real estate, renting and business activities" with 9.9 percent (table 11). The next larger contributor is "financial intermediation" with 8.3 percent followed by "transport, storage and communication" with 4.2 percent. Table 11 further reveals that education and "health and social work" has a negative share in terms of gross value added because of a negative operating surplus.

Table 14: share of gross operating surplus in gross value added Netherlands Antilles

		Mln ANG	%
ABC	Agriculture, fishing and mining	9.5	0.2
D	Manufacturing	117.0	2.3
E	Electricity, gas and water	143.6	2.8
F	Construction	44.1	0.9
G	Trade	194.9	3.8
H	Hotels and restaurants	27.5	0.5
I	Transport, storage and communication	214.6	4.2
J	Financial intermediation	427.4	8.3
K	Real estate, renting and business activities	507.8	9.9
L	Public administration and defense; compulsory social security	78.5	1.5
M	Education private	-4.3	-0.1
N	Health and social work	-20.6	-0.4
OP	Other community, social and personal service activities & private households	37.5	0.7
	Gross Operating Surplus	1777.5	34.5

II.4 Equation of supply and use at producers' price

The use at purchaser's price is adjusted to use at producers prices to balance it with the supply at producers' prices. By adjusting this with taxes less subsidies, trade margins and FISIM we arrive at the use at producers' prices. As already explained the total of trade margins in the use table is equal to zero.

Table 12 reveals that the total use at purchasers' price in the Netherlands Antilles is 14910.1 mln guilders. By deducting the net taxes (= taxes less subsidies) and adding the FISIM we arrive at the total use at producers' price, which now is equal to the supply at purchasers' price.

The total use at producer's price for Bonaire was equal to 601.2, for Curaçao 9627.9 mln guilders and for the Windward Islands it is equal to 4250 mln guilders

Table 15: Equation of supply and use at producers price				
	Netherlands Antilles	Bonaire	Curaçao	Windward Islands
Total use purchasers' price	14910.1	629.1	9965.0	4316.0
Taxes less subsidies	553.6	33.2	428.0	92.3
Fisim	123.1	5.4	90.9	26.8
Total use at producers prices	14479.6	601.2	9627.9	4250.5
Total supply at producers prices	14479.6	601.2	9627.9	4250.5

III. Gross domestic product as result of supply and use

With the entire abovementioned components Gross Domestic Product (GDP) can be derived as a result from supply and use. It can be measured through the following approaches:

- Production approach
- Expenditure approach
- Income approach

Measuring of GDP through these 3 approaches gives the same results, which is shown in the next paragraphs.

III.1 GDP by production approach

According to the production approach Gross Domestic Product is equal to the sum of gross value added of all resident producer units plus part of taxes less subsidies on products, which is not included in the valuation of output, minus FISIM

Table 16: Gross Domestic Products, by production approach, in mln guilders				
	Netherlands Antilles	Bonaire	Curaçao	Windward Islands
Output	9544.1	491.6	6576.6	2475.9
Intermediate Consumption	4398.1	192.6	2889.3	1316.3
Value added, gross	5146.0	299.0	3687.4	1159.6
Taxes on products	571.7	35.2	444.1	92.4
Subsidies on products	18.1	2.0	16.1	0.0
Fisim	123.1	5.4	90.9	26.8
Gross Domestic Product	5576.4	326.8	4024.5	1225.1

The Gross Domestic Product, derived by production approach, is 327 mln guilders for Bonaire, 4025 mln guilders for Curaçao and 1225 mln guilders for the Windward Islands. For the total economy of the Netherlands Antilles the gross domestic product in 2004 is 5576 mln guilders.

III.2 GDP by expenditure approach

According to the expenditure approach gross domestic product can be derived as the sum of total final demand plus exports less imports of goods and services.

- Household final consumption
- Government final consumption
- Changes in inventories
- Gross fixed capital formation
- Exports less imports of goods and services

Table 17 :Gross domestic product by expenditure approach

	Netherlands .Antilles	Bonaire	Curaçao	Windward Islands
HH (incl Npish) final consumption	3066.0	99.5	2523.2	443.4
Government final consumption	1130.1	59.1	844.0	227.0
Gross fixed capital formation	1569.7	66.5	1223.7	279.6
Changes in inventories	134.6	-18.8	59.4	94.0
Exports	4611.4	230.3	2425.4	1955.8
Imports	4935.5	109.7	3051.3	1774.6
Gross Domestic Product	5576.4	326.8	4024.5	1225.1

Table 17 shows that the derivation of Gross Domestic Product by expenditure approach in the Netherlands Antilles is equivalent to 5576 mln guilders.

III.3 GDP by income approach

According to the income approach Gross Domestic Product is measured as the sum of:

- compensation of employees
- taxes less subsidies on production and imports
- mixed income/operating surplus, net
- consumption of fixed capital

As table 18 shows, the Gross Domestic Product, measured by income approach, is equal to 5576 for the Netherlands Antilles, 327 mln guilders for Bonaire, 4025 mln guilders for Curaçao and 1225 mln guilders for the Windward Islands.

Table 18 :Gross domestic product by income approach

	Netherlands Antilles	Bonaire	Curaçao	Windward Islands
Compensation of employees	3368.3	173.6	2532.4	662.3
Taxes on products	571.7	35.2	444.1	92.4
subsidies on products	18.1	2.0	16.1	0.0
Other taxes on production	31.4	3.8	19.2	8.4
Other subsidies on production	25.0	0.0	25.0	0.0
Mixed income/operating surplus, net	890.0	73.1	513.5	303.5
Consumption of fixed capital	758.1	43.1	556.4	158.6
Gross Domestic Product	5576.4	326.8	4024.5	1225.1

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