

# Aruba



Photo: Aruba Tourism Authority/Fernando Arroniz

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## HAPPINESS ISLAND

Known as ‘the island where happiness lives’, Aruba is one of the Caribbean’s top vacation destinations. Just 15 miles north of Venezuela, and easily accessible from the United States, Aruba’s tropical climate, perfect sandy beaches and warm turquoise sea are reason enough to go there. And there’s so much more to enjoy and explore—which is why so many of its visitors return again and again to this unique and fascinating holiday hotspot.

## INTERVIEW NELSON ODUBER

Aruba's Premier talks about investment, safety and tourism

Nelson Oduber took over as Prime Minister following a landslide victory for his People's Electoral Movement Party (MEP) at the polls in September last year. The MEP won 12 out of 21 Parliamentary seats making it the first single political party to take control of the island since the early 1980s.

### What kind of foreign investment is Aruba looking for?

We are working to improve the service and quality that we offer—this is the direction we are going in now. We are looking for investors for premium hotels in the private sector. We want to invest more in our communications, airport and service industry. We recently took a \$100 million investment commitment. Announcing investment like that is great, it inspires confidence. Last week I had investors interested in Aruba from Hong Kong. This is impressive. They see the potential in Aruba. They want to come with a different concept of tourism.



**NELSON ODUBER**  
Prime Minister  
of Aruba

### Why should U.S. investors come to Aruba as opposed to any other Caribbean island?

We have a lot of American investors already on the island. We are associated with the European Union through being part of the Dutch Kingdom. That relationship is important. We can introduce ourselves easily in the European market. Our good relations with the U.S. and the EU give us the capacity to act as a bridge of markets. We speak their languages—the whole administration of the private sector is conducted in English. We have good infrastructure, water, electricity, airport and telecommunications, and our education is very high level. We will also continue to offer incentives to investors.

### Is Aruba a safe destination for foreign investment?

It is important for a country to have political stability if it is to attract investors. Aruba is very safe and stable. We are the only party in the history of Aruba that ever won a majority without a coalition. Investments are secure here. We have supervision of our financial sector and we can use the Dutch supreme court. Our relationship with the Dutch is crucial. They guarantee our financial system and human rights. Both international and local investors are well treated here. You can bring your money in and take it out of the country without any problems. Integrity is a key factor. We have been working on this with the Organization for Economic Cooperation and Development (OECD). Integrity is what the world is looking for and this is what we offer.

### How important is tourism and what is being done to develop the sector?

Tourism is the most important pillar of Aruba's economy. We have to work with the private sector, to promote and market Aruba. We have to differentiate ourselves from the other Caribbean islands. We have to work on our identity, culture and heritage. Arikok park, archaeological sites, marine biodiversity, art and culture are all important. We need to show our tourists things other than the sea, sun and beaches of Aruba. We will have a new golf course and we are looking for new investment to create something like Fisherman's Wharf in San Francisco to enhance the area and attract other businesses to the island. We want to stress safety. We are a good product as a tourist destination because of our relations with the United States, the Latin American and Caribbean region and the Dutch Kingdom. All these create a perfect combination on a small island with happy people. Investors and tourists need to know this.

### How important is quality?

We are focusing primarily on higher quality investments and diversification. Hotel rooms will increase in terms of quality rather than quantity. We want to attract and satisfy people who will pay \$400 a night for a room, not \$50. We are working to attract income earners of more than \$75,000. Service must be assured if such high-standing guests are to come here and become repeated visitors to the island. Developing conference tourism is also part of our plan.



Photo: ATA/Fernando Arroniz



Photo: ATA/Fernando Arroniz

## BROADENING THE ECONOMIC BASE

The financial services industry will soon rank as a major pillar of Aruba's economy, alongside tourism, oil refining and international trade

A small island of approximately 69 square miles, located in the southwest corner of the Caribbean, with a population of more than 90,000 inhabitants and a per capita income of approximately US\$22,000, Aruba is vigorously strengthening its reputation as a financial center in the region.

Being an autonomous part of the Kingdom of the Netherlands, Aruba is

associated with the European Union and has the beneficial status of an Overseas Country and Territory. Having links with the European Community, and being located between North and South America, it is expected that its financial services industry will soon rank as a major pillar of the national economy, alongside tourism, oil refining and international trade. With the arrival of more than one million visitors on an annual basis, Aruba is considered to be a leader and a top tourism destination in the region.

The Aruban administration is firmly pro-free enterprise. Private, rather than public investment, has been the main engine of growth, while promotion of foreign investment is an integral part of government's economic policy. As additional assets, entrepreneurs enjoy the guarantees of political, financial and juridical stability, as Aruba has a democratic parliamentary system, while the Highest Court of Appeal is located in the Netherlands.

The current administration has a social democratic signature and has been exactly one year in office. Its mandate is to strengthen the economy after the events of September 11, 2001 and to promote sustainable growth by means of diversifying Aruba's tourism-related economy. The fiscal deficit for 2003 is projected to be less than three percent of GDP and the public debt ratio is approximately 35 percent of GDP.

The success of the financial sector—as Aruba is projected to become an increasingly popular choice for trusts and investment funds—will highlight the island's progress in moving away from a dependency mainly on tourism. It has already become home to some 4,000 active offshore companies and 600 low tax entities.

The Aruban administration and the monetary authorities are working closely with global financial regulatory agencies, passing new anti-money laundering legislation, to improve investment conditions and to enhance the island's reputation. As a result, last year, Aruba was ready to sign an agreement with the OECD, with the

purpose of complying with international regulations on harmful tax competition. It has also received praise from the IMF for "very substantial progress" in addressing regulatory shortcomings.

The Minister of Finance and Economic Affairs, Nilo Swaen, says there is a firm commitment towards transparency, which will enable Aruba to build a platform for long-term growth. "We want to promote Aruba as a place of financial integrity and a place where supervision is in accordance with international rules. We only aim at trustworthy entrepreneurs to invest here," he says.



**NILO SWAEN**  
Minister of Finance  
& Economic Affairs



**RAMON LEE**  
Minister of Labor,  
Culture & Sport

Mr. Swaen adds that the government is aggressively working on a new fiscal regime, with the objective of stimulating investment in Aruba, especially in the financial sector. "Together with a solid regulatory environment, it will secure the long-term prosperity of the industry and eventually the island economy." Captive insurance, where a subsidiary of a company is formed to insure and/or to re-insure the risks of its parent, has a high priority. At the moment, there are at least two captives awaiting the introduction of the new legislation per January 1, 2003.

U.S. investors will play a key role, Mr. Swaen predicts. "Closer links with Latin America are also part of Aruba's strategy to attract investors. We are setting the framework for good business and a profitable future for the country in the years to

come," he says. "An important aspect of the new fiscal regime is the attempt to differentiate Aruba from its competitors, as the island faces stiff competition from neighboring islands promoting financial services as well." According to Peter Palmen, High Commissioner of the Financial Center, tourism and financial services can blend comfortably together. "Although the conception is not there yet," he says, "this will grow automatically."

Besides financial services and international trade, there are strong ambitions to develop Aruba as a center for multimedia, recording business and film production, plus aircraft leasing and shipping. The main

purpose of developing these new areas is to diversify the economy and to enhance the local educational level. The only university that the island counts is therefore dynamically expanding its curriculum to respond to the new socio-economic needs. The knowledge economy is very high graded by the administration.

Essential services, such as telecommunications and the postal service—due to be privatized in the coming year—will be upgraded to comply with the latest state of the art technology.

Minister Swaen stresses, that in spite of the strategy of this administration to broaden the economic base of the island, tourism will continue to be the main economic activity in the near future. Nevertheless is he very much aware of the fact that a stable environment for investment will open the doors to new opportunities.

He pledges that he will attain his objectives of greater job security and a better future for all Arubans, within the four-year-term of the administration.

## ARUBA IN BRIEF

- **STATUS** part of the Kingdom of the Netherlands, but with full autonomy in its internal affairs since it left the Netherlands Antilles group in 1986. Queen Beatrix of the Netherlands is the Head of State
- **POPULATION** more than 90,000 of whom over 20,000 live in the capital, Oranjestad. Religion: 82 percent are Roman Catholic
- **GEOGRAPHY** Aruba is the smallest and most westerly of the Leeward group of the Dutch Caribbean islands. Its terrain is mostly flat. The highest point is Mount Jamanota
- **ECONOMY** Years of constant growth have made Aruba the second wealthiest country in the Caribbean after the Cayman Islands. The economy is expected to grow by one percent this year, with three percent growth expected next year.
- **POLICY** The government's objective is sustainable economic development through diversification of the economy. Activities it seeks to boost include small and medium-sized businesses, logistics and transportation, and the knowledge economy sector.



## DREAM DESTINATION

Safe and welcoming, Aruba is an ideal vacation location

Visitors to Aruba are invariably struck by the warm and friendly atmosphere. Arubans are hospitable people who greet strangers with the words "Bon bini", meaning "welcome" in Papiamentu, the native language.

Thanks to their Dutch heritage and geographical position—"Where the Americas Meet"—most Arubans speak three other languages: Dutch, English and Spanish, which facilitates communication with visitors.

The weather—constant all-year round at around 82 degrees Fahrenheit—is pleasantly moderated by trade winds from the Atlantic Ocean. And, unlike some Caribbean locations, Aruba is safely outside the hurricane belt.

Getting to the island is no problem, which is one reason why Aruba's largest market for tourists is the United States. Six U.S. airlines fly there, with direct, non-stop flights from New York—not to mention Boston, Atlanta, Miami, Chicago and Philadelphia. Getting back is easy too. Aruba's Queen Beatrix International Airport is one of only five to offer U.S. customs clearance. So, on

return, American visitors can pass through customs and immigration before boarding and traveling home on a 'domestic' flight—much easier than standing in a long line on landing back home.

Once on Aruba, there is no danger of being bored. For those seeking sun and sand, it would be hard to imagine a more perfect location. Palm Beach, where most of the luxury resorts are to be found, extends for seven palm-fringed miles. Indeed, one of Aruba's beaches—Eagle Beach, with its famed sugar white sand and marine turtles—has been called "the best beach in the world."

But there is much to see beyond the beaches. To the north, there is a fascinating and beautiful desert landscape, filled with cactus plants and the island's ubiquitous divi-divi trees. Further down on the eastern side of the island, there's Arikok National Park and amazing landmarks like the Natural Bridge and the Natural Pool, carved out of the coral by the pounding surf on the east coast.

A huge variety of activities are on offer. On land, there's everything from golf, horseback riding and hiking along nature trails to sightseeing and shopping in Oranjestad, Aruba's pretty Dutch capital city. The island is ideal for all kinds of water sports, ranging from windsurfing, snorkeling and scuba diving, to kayaking, water-skiing, sailing and deep-water fishing.

In the evening, there are plenty of restaurants to choose from and some of the best nightlife and casinos in the Caribbean. The colorful annual carnival—held in February—is so popular, it may be staged twice a year in future!

Since the passing of a new law at the



**EDISON BRIESEN**  
Minister of Tourism & Transportation

A great place to soak up the sun, but there are plenty of activities on offer too



Photo: ATA/Fernando Arroniz

beginning of the year, visitors can even get married in Aruba—a move that has brought an influx of additional tourism to the island with hundreds of couples booking beachside weddings.

Best of all, however, Aruba is a safe vacation destination—safe to travel to and from, and safe to enjoy when you get there. "People come here to feel free and de-stress," says Edison Briesen, Minister of Tourism and Transportation. "Our airport is state-of-the-art, up to international standards and beyond, and we focus very strongly on the safety aspect for our passengers."

"You can wander around the island and mingle with everyone without looking over your shoulder. People can feel they are in their second home."

Add a completely individual culture—a

mix of Caribbean, American and European—and value for money, and Aruba can pride itself on offering its visitors something quite unique. "We are proud of welcoming our visitors and giving good service," says Myrna Janssen-Feliciano, Acting General Manager of the Aruba Tourism Authority.



**MYRNA JANSSEN-FELICIANO**  
Acting GM of Aruba Tourism Authority

"A lot of people who come here want to come back. We are one of the safest islands in the Caribbean and our culture is unique. With our Dutch heritage and American influences, we are altogether different from other islands."

Tourism accounts for 70 percent of Aruba's gross domestic product and—either directly or indirectly—employs 80 percent of the labor force. The government is focusing on sustainable development of the industry in cooperation with the private sector.



Photo: ATA/Fernando Arroniz

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## QUALITY IS THE KEY

The best advertising Aruba has is word of mouth, and the high standard of service provided at the island's luxury resorts makes a major contribution to its reputation for quality.

It is a standard that the private sector's Aruba Hotel and Tourism Association (AHATA) is determined to maintain and even improve on.

"This is one of the most unique opportunities for a vacation experience that you will ever find in the Caribbean," says Horace Hord, the association's CEO and Chairman. "Those who come here go and tell their friends."

AHATA has put quality control in place by funding spot checks on member hotels carried out by independent assessors. "We also have in place programs that are very specific to food preparation and storage," says Mr. Hord.

"The hotels should invest and continue to improve. There are still opportunities

for improvement, even though there are no hotels on Aruba where you wouldn't wish to stay."

David Shahriari, General Manager of the Aruba Marriott Resort and Stellaris Casino, agrees. "Even though we are at 82 percent occupancy rates all year round, you can always do better," he says. His dream is to see the hotel 100 percent occupied for an entire month.

"However, growth is not just a matter of high occupancy rates," he adds. "You can improve the business by providing better services and amenities for the guests."

"One of the things that attracts customers to Marriott hotels worldwide is the consistency of the quality and service we provide. On top of that you can always see new and exciting changes taking place. We are always updating ourselves."

The Marriott accommodates the highest percentage of visitors and is

the island's biggest employer. It is currently constructing its second time-share unit—where sales prior to completion have exceeded all expectations.

Mr. Shahriari has stepped up staff training and undertaken a number of projects to enhance the resort. He sees it as his job to position the business for long-term growth. "What I do today will affect the hotel five years from now," he says. "That is why we are constantly improving."

He believes that competition between the island's resorts is beneficial. "I firmly believe that while healthy competition exists, everyone will be successful," he says.

Occidental Grand Aruba is part of the Occidental-Allegro Hotels & Resorts group, the world's largest all-inclusive resort company and the largest hotel chain in the Caribbean.

*continues on page 6*

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Formerly known as Allegro Resort Aruba, the hotel is to undergo improvements next year. "This is a star hotel for our company in terms of income," says Abdel Zouari, the

Photo: ATA/Fernando Arroniz



group's Vice President of Operations (Islands Division). "We have a plan for 10-12 million dollars of renovations."

An all-inclusive resort, located on the exclusive Palm Beach, Occidental Grand Aruba offers a variety of all-inclusive activities for its guests, including daily activities by the pool and on the beach, water sports and nightly entertainment.

"We don't just provide a room, we offer a unique experience," says Mr. Zouari. "We are on the best part of the beach. At night, we have the casino, shows and a disco. People get very good value for their money—that's why they come back to us."

"In the winter we have repeat visitors—40-50 percent and more. Then at Christmas, in February and at Easter we have families. From May-June until October, we have honey-

**Aruba's hotels and restaurants are famed for their fresh and delicious food**

mooners. With an all-inclusive service, it's easier to do things very well."

In addition to high-quality service, Aruba's hotels and restaurants are renowned for the quality of their cuisine. Mr. Hord at the AHATA says, "The number one motivating factor that brings people to Aruba is its safety, the second is the beaches and the third is the food."

Easy access is another major attraction. "There is an extraordinary network of flights from the U.S., which is very unique for a country as small as Aruba," says Mr. Hord. "Each of the major carriers that fly here has increased their service or is considering increasing it."

With so much top-class accommodation, it is not surprising that the island is also marketing itself as an ideal location for corporate meetings or conventions. Staff at the Aruba Convention Bureau (ABC) provide information and promotional resources and work closely with professional organizations, government departments and the local hospitality and business community.



Photo: Cruise Tourism Authority/Stuart Cummings

**Oranjestad, the pretty and historic capital, is an ideal place for cruise passengers to shop. Day visitors enjoy quality service, according to the Cruise Tourism Authority**

Other important cruise companies whose mega-cruisers visit the island include Cunard, Royal Cruise Line and Princess Cruises. Even during the off-season—from May to September—this year Aruba has been welcoming up to nine large cruise liners every month.

Kathleen Rojer, Marketing and PR Director of the Cruise Tourism Authority, explains why Aruba is proving such a popular destination for cruise ships. "Quality service and the safety factor play a key role in this increase. Cruise passengers come here for a day visit and the experience they get is marvellous," she says.

Arrivals are greeted with courtesy and the Aruban smile. Along the wharf, merchants sell fresh fish and produce right off the boats every morning. The proximity of the port to the town center is an important selling point.

"It's a great advantage that the terminal is literally a few steps away from the center," she adds. In the city itself, there are the tall multicolored houses of Wilheminastraat, which combine carved wooden doors and traditional Dutch tiles, with sloping Aruban-style roofs. There is shopping, there are museums, and an array of other attractions.

The short stopovers can even be enough to entice some visitors back for longer stays, a benefit to the local hotels sector, according to Ms. Rojer. "They can come back and spend more time on the island," she says. "Happy cruise passengers mean more business for Aruba because they keep the ships coming. We have done surveys and many people say they took the cruise because Aruba was on the itinerary."

Since the September 11 attacks, Aruba's reputation as a safe location has made it a popular choice among cruise liner executives and American tourists. Three-quarters of Aruba's cruise ship visitors originate from the United States.

## NEW RECORD FOR CRUISE VISITORS

Aruba is a regular port of call for giant ships, bringing increasing numbers of passengers to the island

The growth of cruise tourism has been a remarkable success story in Aruba, where passenger numbers have virtually doubled in recent years. This year, the island is on course to break all previous records by receiving around 570,000 passengers, the first time the number has exceeded half a million and up from 487,000 last year. The number of cruise ships to dock in Oranjestad, will this year reach 343, again the highest ever figure.

There are several reasons for this extraordinary growth. The fact that cruise ships have gotten bigger and are carrying more and more passengers is a key factor. Royal Caribbean International's 'Adventure of the Seas', for example, one of the largest cruise ships in the world, carries some 3,800 passengers and has become a familiar sight in Aruba port, docking there every two weeks.



**KATHLEEN ROJER**  
Marketing & PR Director of the Cruise Tourism Authority

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**ARUBA FINANCIAL CENTER**

The Aruba Financial Center is the regulatory authority of the non-bank financial sector. The center is a government office that incorporates limited liability companies and issues permits for these companies, including companies that act as a legal representative and or director of companies with foreign ownership.

For more information please contact: Peter E. Palmen, High Commissioner  
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## UPGRADED PORT CREATES THE RIGHT IMPRESSION

Ready to receive the increasing numbers of visitors and help them to enjoy the island

The first sight to greet passengers visiting Aruba on the huge cruise ships is the island's main port of Oranjestad, which has been improved considerably over the last decade. Beautification and renovation work has been undertaken by the Aruba Ports Authority (APA) to make visits to the port as comfortable as possible and create a positive impression.

The private sector has been working in conjunction with the authority and the Aruba Tourism Authority to cater for the rapidly rising numbers of visitors, and local companies compete with each other for the tourist dollar.

"When you are receiving 2,000-3,000 people you've got to offer an organized society and services," says the APA's General Manager, Milton Henriquez. "When people get off the ship, the first thing they want to do is see what the island is about. Some want to go scuba-diving or take jeep tours. More restaurants have opened up. There were not enough taxis, so De Palm Tours bought new buses."

Mr. Henriquez took the helm at a time

when the port needed upgrading, but there was precious little money available to carry it out. The APA, which is under state ownership but operates along private sector lines, took a slow but sure approach and has succeeded in transforming both itself and the port, improving efficiency and raising its financial profile.

Safety is also one of Aruba's most prized features and Mr. Henriquez makes the point that Oranjestad is regarded as one of the safest ports of call in the whole of the Caribbean. "Aruba and the Bahamas are the only two locations where cruise ships will stay after 10pm," he says. "They stay on until 1am because of the nightlife."

Despite the improvements, Mr. Henriquez says that the port remains a functional facility. "Tourists don't come to see terminals, they come to see the island," he says. "Our policy is not to keep the visitor in the port, we want them to see

Aruba. Of course, we arrange all the services for tourists to enjoy the island.

"We have the advantage that we are so close to the town of Oranjestad that we are completely integrated with it. Visitors get off the boat, walk through the clean terminal and are in front of the main shopping area. We are minimalist and it works."

The APA is also looking to develop the island's cargo business—the port handles roughly 17,700 containers a year—and there are plans to shift cargo operations to a new facility in the next few years. As well as the cruise liner and container port in Oranjestad, there is also Baccadera industrial port plus the oil port of San Nicolas, both on the east side of the island.

But Mr. Henriquez insists that tourism will continue to be the main force driving the development of Aruba's maritime infrastructure. "Aruba has and will continue to develop through tourism," he says.



**MILTON HENRIQUEZ**  
MD of Aruba Ports Authority



Oranjestad is a regular port of call for giant cruise ships. Aruba Ports Authority is also looking to develop the island's cargo business

Photo: Aruba Ports Authority

## NEW LOOK PUTS AIRPORT IN TOP FLIGHT

Apart from those on the cruise liners, most visitors to Aruba arrive through the impressively re-designed Queen Beatrix International Airport, the main gateway to the island, which was completed in 2000.

First-time visitors are often pleasantly surprised to find a huge, state-of-the-art international airport, rather than a more typical Caribbean-style facility. The new look is set to raise the profile of Aruba as a hub serving the whole of the region.

Capable of handling the world's largest aircraft, including Boeing 747s, the airport has a capacity of 2.6 million passengers a year. It is well connected to locations throughout the United States, Latin America, Europe and the rest of the Caribbean region.

In addition to the electronic display systems, retail stores and restaurants, you would expect to find at a modern international airport, its dedicated U.S.-bound passenger terminal with full customs and immigration pre-clearance facilities is a welcome convenience for American travelers.

Much of the credit for the completion of the airport rests with Simon Arends, Managing Director of the Aruba Airport



Authority (AAA), which manages the complex. A former banker, Mr. Arends was brought in at a time when the money for the airport upgrade was running short.

"They were in phase two of expanding the airport with the bond issue of 1997, but the money was finished and the work was only 60-70 percent completed," he says. "Even though the construction was

finalized, the airport was not operational."

Within a few months of his taking charge, the authority raised a further \$33 million in additional funding, enough to rescue the initiative. Since then, Mr. Arends has overseen a major overhaul of both the airport and the AAA itself, with extensive restructuring, management changes, and improvements to opera-

State-of-the-art facilities at Queen Beatrix International have lifted the island's profile

tions, security and other essential areas.

"I only came here for the finance part but, once I was here, circumstances also put me into the operational part," he says. Under his management, there has been significant progress on security matters. In a recent visit, FBI aviation authorities found no areas of concern. "We have made a lot of changes and we can still make a lot of improvements but it will take a couple more years," Mr. Arends adds.

The AAA is now looking at ways in which it can take its expertise elsewhere, encouraging collaboration between neighboring island states. It is examining ways to promote cargo traffic, in conjunction with the free zone, and develop aircraft maintenance operations, as well as simply attracting more passenger traffic. Exploiting the stopover market—from Latin America to the United States—is one possibility that is being explored.

But lots of other words are. Words like welcome. Warmth. Friendliness. And charm. We go about things with efficiency, a reflection of our heritage. We're highly educated—most of us speak four languages. And you'll find we're a happy island that genuinely loves people.

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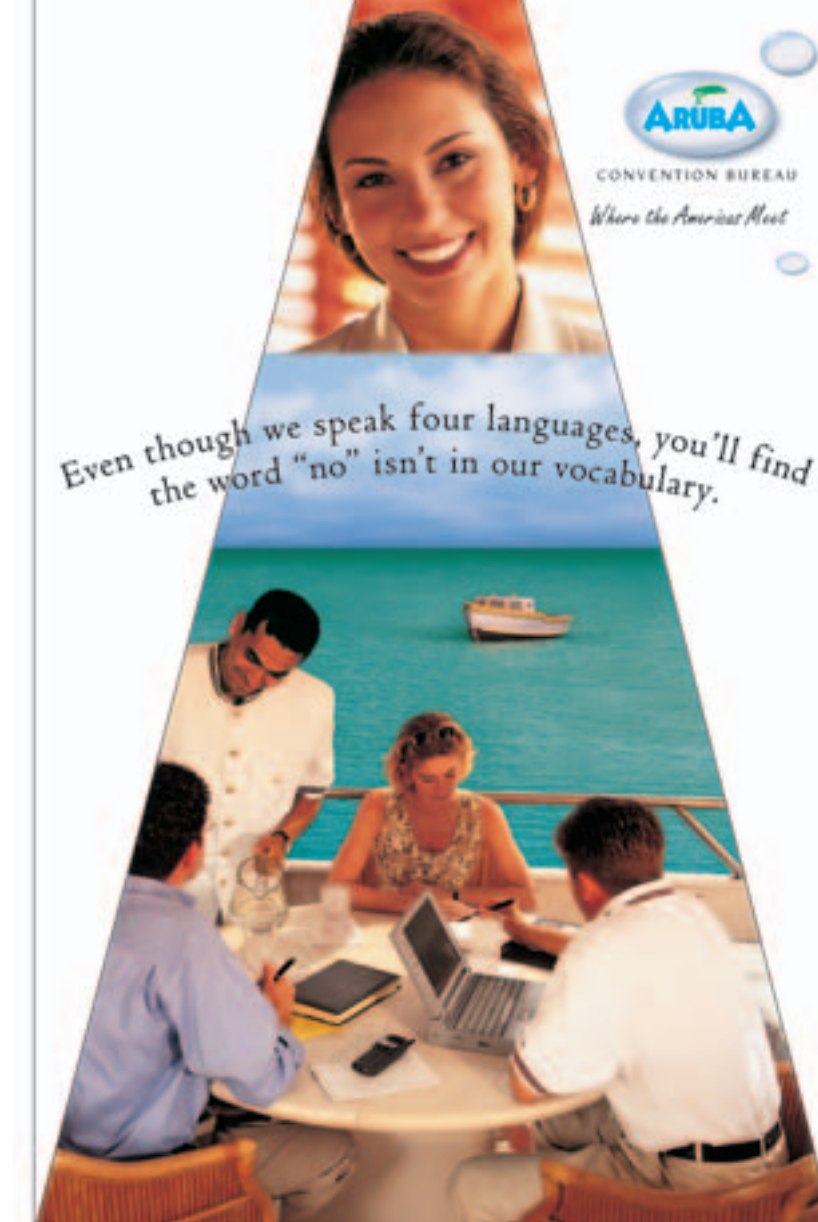
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Even though we speak four languages, you'll find the word "no" isn't in our vocabulary.



## 'CHAMPAGNE' FROM A TAP

Some of the most impressive utility services in the region are to be found in Aruba, an essential requirement for attracting foreign investment. There are no power blackouts, and everyone has access to good, clean water. In fact, Aruban drinking water has been dubbed 'the champagne of the Caribbean', and is even bottled and shipped to nearby Curaçao.

Utilities Aruba NV is the state-owned entity that oversees water and electricity services on the island through two operating subsidiaries. Water en Energiebedrijf Aruba (WEB) is the generating and production arm, while Electriciteit-Maatschappij Aruba (Elmar) is the distribution arm.

Julio Curriel, Utilities Aruba's Managing Director, says that the island is now producing 50 percent more water and electricity than a decade ago, with the same number of employees, while simultaneously keeping prices stable. Total power generating capacity stands at around 149 megawatts from steam turbines, and a further 20 megawatts from standby diesel turbines.

"We have invested about \$230 million in the past 10 years and have only increased the price of water by six percent in 1999," he says. Half of the investment comes from internally-generated sources, the rest from external financing structures.

There is continual expansion and innovation, such as a recently launched automated billing system. A new power generator is due to come onstream in 2004.

Mr. Curriel thinks that one of the guiding principles in the transformation of the utilities sector is keeping politics out of the business side, despite state ownership. "We pay on time, we manage effectively and our people are the best," he says. Disciplined financial management has also allowed the organization to tap into more affordable private financing from overseas.

Joss Lacle, Managing Director of WEB, says that his organization has been labeled an example of how companies should be run. "We are not in the business to make money," he says. "We must provide excellent water and electricity to our people, as mandated by the government."

There is a desire to stay ahead. Aruba—which has a 70-year history in water desalination—is currently looking into alternative energy sources like wind and solar power. Mr. Lacle says that WEB plays an important role in supplying businesses with the best water and a reliable source of power. It is also a plus for the tourism sector. "The backbone of tourism in Aruba is the people, but the infrastructure has to be good," he adds.

## NEW ERA FOR TELECOMS FIRM SETAR

Already highly competitive, Setar has ambitious plans for its future as a private company



Established by the government in 1986, when Aruba acquired its independent status within the Dutch Kingdom, the telecommunications company, Setar (Servicio di Telecomunicacion di Aruba), is beginning a new era as a private company.

Its Director, Ludwig Jansen, is fully aware of the need for a fresh approach following privatization, and is looking forward to the challenge with excitement and confidence. "You need a different mentality to work as a private company, and we are

ready for it," he says. "We intend to restructure the company and be more proactive in promotion and advertising, as well as expanding services."

Although Setar no longer holds a monopoly, such is its dominance of the island's telecommunications sector, he believes that any rival company would be "wasting their time and money" trying to compete. He has focused on making Setar a competitive enterprise ever since he was appointed to his present position in 1996.

"We listened to the needs of our cus-

tomers and dropped our prices," he says. "We undertook five or six tariff reductions, making Setar's prices among the cheapest in the area, whereas we used to be the most expensive."

The results were highly positive—over the next three to four years Setar's profits quadrupled. The company provides a variety of advanced telecommunications services. "At the moment we are one of the most modern companies in the Caribbean, delivering every kind of service," says Mr. Jansen. "Whatever you can imagine existing in the communications world, exists here in Aruba."

Setar has an advanced network of 5ESS digital exchanges interconnected by means of fiber optic and digital microwave networks. The penetration rate of services on Aruba is 40 percent on regular phones and 60 percent on cellular, one of the highest in the region. International direct and operator-assisted calls are possible with all countries in the world, while internet service has been available since 1995, under the name Setar-net, and has a growing number of subscribers.

The company aims to be the first in the region offering GPRS (General Packet Radio Service), which enables networks to offer 'always-on', higher capacity, internet-based content and packet-based data services. The launch is planned for next year.

"We will be the first in South America, Central America, the Caribbean and most of the United States to have GPRS," says Mr. Jansen. "We always try to be ahead of the game as a company and we are proud of that."

The company is interested in joint ventures with content providers to ensure the complete range of services that are available to European GPRS users. "There is a huge market to explore, for us and for them," he says.

Setar has also been working with the island's hotels to introduce wireless internet and high speed ADSL. Mr. Jansen has also been negotiating roaming agreements with leading providers to enable visitors to Aruba from Europe and the United States to use their cell phones.

## LUXURY CONDOMINIUM PROJECT LAUNCHED

Currently under construction in the heart of Oranjestad is the Aqua Marina Bay project, the latest addition to the proliferating commercial development in the island's colorful capital.

The \$17 million investment, being built in two phases is the biggest development on the Oranjestad ocean-front in years and is seen as marking the beginning of the condominium era on the island. The project, which is being carried out by the Mar Azul Development Company, will include 64 luxury condominiums, high-class shops, restaurants and office space, a swimming pool and a marina. More than 75 percent of the ground floor retail space, has already been booked for rent.

The first stone was ceremoniously laid in July by the Prime Minister of Aruba, Mr. Nelson Oduber, the investor and Director of Mar Azul, Paul Bhatia, and co-investor Gordan Tewani.

Mr. Bhatia, who originally envisioned the project, says, "I saw the opportunity and I jumped at it. It is planned as an exciting place to live. You cannot go wrong in Oranjestad where you will be only feet away from the night life, a marina, the cruise terminal, the ocean front and the shopping area, but at

the same time we guarantee exclusivity."

The project is being built with luxury in mind. It will feature tropical architecture that harmonizes with other buildings in the area and adds beauty to the area. "We want to surpass all expectations of what can be done," Mr. Bhatia adds.

"We would love New Yorkers to come and own a condominium in this project. However we are not only looking at

potential home owners. We have received many calls from people who see it as a solid investment opportunity."

As a resident of Aruba for more than 10 years, his confidence in the development is founded in his love for the island. "I believe that 99.5 percent of the people who come to Aruba for the first time fall in love with it," he says. "It is so diverse and has so many different attributes. The quality of life here is perfect."



Premier Nelson Oduber (center) lays the first stone, with development company director Paul Bhatia

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There's a friendly island in the Dutch Caribbean where the people are as pleasant as the weather. You'll find the only solace you can take in leaving Aruba is knowing that you'll be back soon.



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Transparency, a good sign

# Aruba

*Aruba* may be best known for the quality of its beaches, but this earthly paradise also harbors a well-developed financial sector, and an economy which has experienced strong growth over the last decade. Now, building on its successes, the government of *Aruba* is further strengthening its financial services industries by introducing new tax legislation that offers after benefits for both domestic and foreign investors.

Just as *Aruba's* geographical location, combined with strong links to both the US and the European Union has been a factor in building a tourism industry, so these assets will guarantee a serious, transparent, well-regulated, but flexible financial services sector.

*Aruba* has implemented a wide range of laws since the mid-1990s which have created an investment-friendly environment, while establishing a transparent, internationally approved framework and which is subject to strict supervision. Talk to us about the opportunities for inward investment, and about establishing a business on the island. *Aruba* has a lot more to offer than cool, blue water, as you can see.



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