

Distribution of organizations in Curaçao, by industrial classification

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Introduction

The Central Bureau of Statistics Curaçao (CBS) conducted a Business Census during the second half of 2014. The Census was commissioned by the Ministry of Economic Development with the objective to collect relevant data of all organizations (businesses and non-profit institutions) established in Curaçao to be able to analyze the characteristics, e.g. location, size (micro, small, medium and large) and the number and share of organizations per industry on the island.

CBS made use of this opportunity to update her database of organizations in Curaçao. The database is used as sampling frame for surveys on businesses, e.g. for the National Accounts Statistics.

Beside the contact information, the database contains valuable information of a majority of organizations, for instance the year of establishment, legal form, main activity (coded by ISIC Rev.4¹) and geographical location (coded by zone²). Data collected through the conducted surveys, e.g. number of personnel and turnover, are added to the basic data and are updated regularly.

Recently, the Ministry of Economic Development published preliminary figures of the Business Census³. This article, however, presents an analysis of the market concentration per industry of CBS's database of organizations that were active per January 1st, 2016. The focus is on the industries with the highest concentration of organizations. A further breakdown of the industries with the highest concentration into sub-industries is offered.

Definitions

The International Standard Industrial Classification of All Economic Activities (ISIC) is a classification system recommended by the United Nations.

Industries are the industrial sectors. According to ISIC Revision 4, there are 21 industries, namely:

¹ International Standard Industrial Classification of All Economic Activities, Revision 4

² The island is divided into 65 administrative areas called geozones

³ <http://businesscensus.cw>

- Agriculture, forestry and fishing
- Mining and quarrying
- Manufacturing
- Electricity, gas, steam and air conditioning supply
- Water supply; sewerage, waste management and remediation activities
- Construction
- Wholesale and retail trade; repair of motor vehicles and motorcycles
- Transportation and storage
- Accommodation and food service activities
- Information and communication
- Financial and insurance activities
- Real estate activities
- Professional, scientific and technical activities
- Administrative and support service activities
- Public administration and defense and compulsory social security
- Education
- Human health and social work activities
- Arts, entertainment and recreation
- Other service activities
- Activities of households as employers (undifferentiated goods- and services-producing activities of households for own use)
- Activities of extraterritorial organizations and bodies

Concentration is market concentration. This is the share of organizations per industry.

Organizations are businesses and non-profit institutions. Contrary to non-profit institutions, the primary purpose of businesses is to make profit. Non-profit institutions, on the other hand, usually pursue furthering a particular social cause or point of view.

Methodology

All visible organizations⁴ were interviewed during the Business Census. For organizations that employed at least one person for a minimum of 15 hours per week, a more extensive interview was held with the owner or manager and a questionnaire was filled. The results from the Census were compiled in a database with the basic information, e.g. name and contact information, of all the organizations (including the organizations that did not employ at least one person for a minimum of 15 hours per week) and a database with information relevant to the Ministry of Economic Development.

⁴ Organizations that are noticeable for the public through, for instance, a sign

CBS's database of organizations was compared to the database with basic information, collected through the Business Census. Organizations that did not appear on the database of the Business Census were additionally contacted by interviewers to check their economic status and interviews were conducted according to the criteria of the Business Census.

The database with basic information was used as the basis to update the database of organizations of the CBS. Relevant information, including from the former database of organizations, was added thus resulting in a new database for CBS with organizations that were established up to the end of 2014.

In addition, CBS received a database from the Chamber of Commerce that contains information of organizations that were established from mid-2014 to the end of 2015. The economic status of these organizations was checked and the economically active organizations were added to the CBS database. The result is database containing a majority of organizations, approximately 7000, that were economically active per January 1st, 2016.

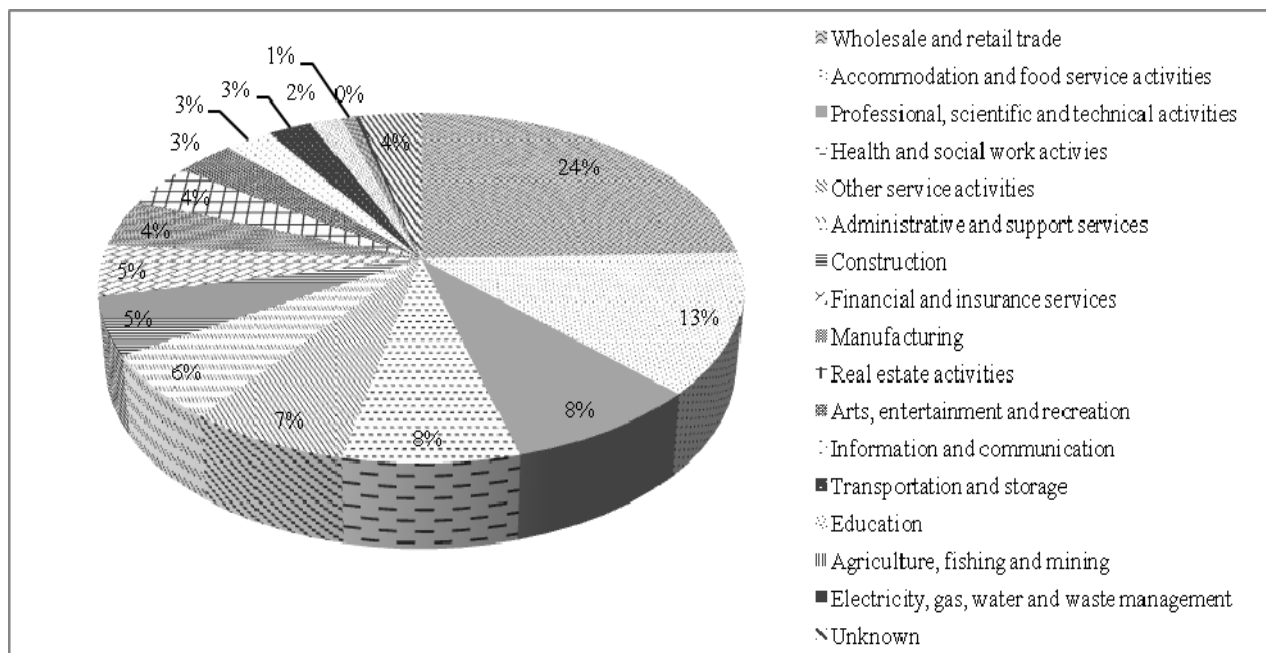
In this article, a descriptive analysis on the concentration of organizations is made by examining the resulting database. Ranked from high to low by share of the total population, the eight largest industries are discussed in the following paragraph.

Industries

Organizations in Curaçao are mostly concentrated in 'Wholesale and Retail Trade'. Almost a quarter of all organizations are in this industry (see figure 1). The second largest industry, measured by share of organizations, is 'Accommodation and Food Services' (13%). Subsequently, 'Professional, Scientific and Technical Services' and 'Health and Social Work Activities' are the third and fourth largest industries (8% each). Other industries with a substantial number of organizations are 'Other Service Activities' (7%), 'Administrative and Support Services' (6%), 'Construction' (5%) and 'Financial and Insurance Services' (5%).

A breakdown into sub-industries for the abovementioned industries gives a better understanding of the types of organizations that were economically active per January 1st, 2016. The shares presented in the following sections are as compared to the population of the pertaining industry.

Figure 1. Concentration of organizations per industry in Curaçao⁵



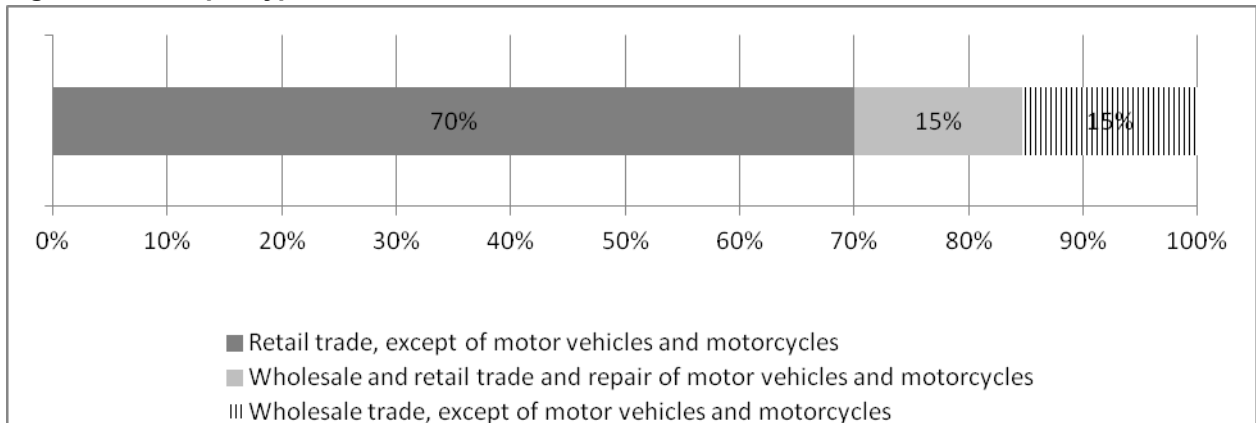
Wholesale and Retail Trade

This industry consists of businesses offering wholesale and retail sale of any type of goods. Wholesaling and retailing are the final steps in the distribution of goods (without transformation). Also the rendering of services related to the sale of these goods is included in this industry, e.g. repair of motor vehicles.

As shown in figure 2, businesses in this industry in Curaçao are mostly engaged in retail sale of goods (approximately 70%). These retailers are frequently non-specialized stores with food, beverages or tobacco predominating (17%), retailers of clothing, footwear and leather articles in specialized stores (16%), retailers of other household equipment in specialized stores (9%) and other retail sale of new goods in specialized stores (9%). Other retailers include retailers specialized in sales of pharmaceutical and medical goods, cosmetic and toilet articles (5%), retailers specialized in sales of food, beverages and tobacco (4%), retailers specialized in sales of cultural and recreation goods (e.g. books and magazines, sports gear; 3%), retailers specialized in sales of information and communications equipment (2%), retailers engaged in sale via stalls and markets (2%), retailers of automotive fuel (1%) and other retailers in non-specialized stores (1%).

⁵ 'Public administration and defense; compulsory social security', 'Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use' and 'Activities of extraterritorial organizations and bodies' are not included in CBS's database.

Figure 2. Share per type of business in Wholesale and Retail Trade



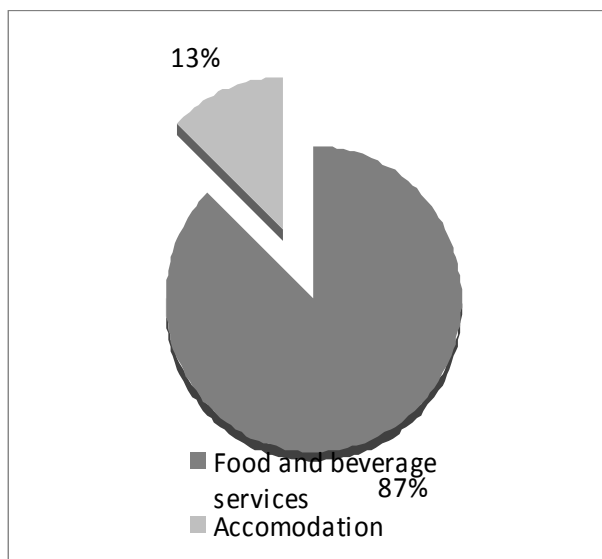
Furthermore, a significant number of businesses in this industry have activities in the category wholesale and retail sale and repair of motor vehicles and motorcycles (15%, see figure 2), with predominantly repair of motor vehicles as main activity (11%). The remaining businesses in this category are engaged in sale of motor vehicle and of motor vehicles parts and accessories (2% each).

Other wholesalers include wholesalers of household goods (4%), wholesalers of food, beverages and tobacco (3%), wholesale of machinery, equipment and supplies (2%), other specialized wholesalers (2%) and non-specialized wholesalers (4%).

Accommodation and Food Services

Businesses in this industry provide mainly short-stay accommodation for visitors or food and beverages for immediate consumption.

Figure 3. Share per type of business in Accommodation and Food Services



In Curaçao, 87 percent of businesses in this industry engage their main activity in food and beverage service activities (figure 3), while about 13 percent engage in accommodation services.

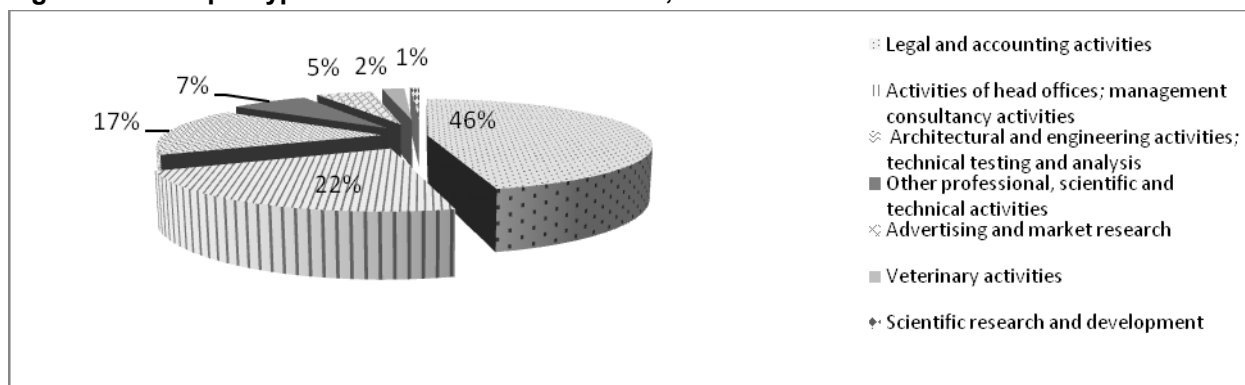
Approximately 79 percent of the businesses in above mentioned industry are restaurants (40%) and mobile food businesses (39%; food trucks, catering services, food delivery services, ice-cream parlors). The remaining businesses are predominantly beverage service businesses, e.g. pubs and discotheques.

Professional, Scientific and Technical Services

This industry includes specialized professional, scientific and technical activities, e.g. legal and accounting services, management consultancy activities, architectural and engineering activities, scientific and marketing research. These are activities that require a high degree of training and make specialized knowledge and skills available to users.

The businesses providing services in this industry on the island are mostly legal and accounting businesses (see figure 4; 46%), of which legal services account for 20 percent of the number of businesses and accounting, bookkeeping and auditing activities and tax consultancy for 26 percent.

Figure 4. Share per type of business in Professional, Scientific and Technical Services



Other frequent business activities in this industry are activities of head offices and management consultancy activities (22%) and architectural and engineering activities (17%). Businesses in advertising and market research account for 5 percent of businesses in this industry and businesses in other professional, scientific and technical activities, like specialized design activities and photographic activities, account for about 7 percent of businesses. In addition, veterinary businesses account for 2 percent of businesses and scientific research organizations account for 1 percent.

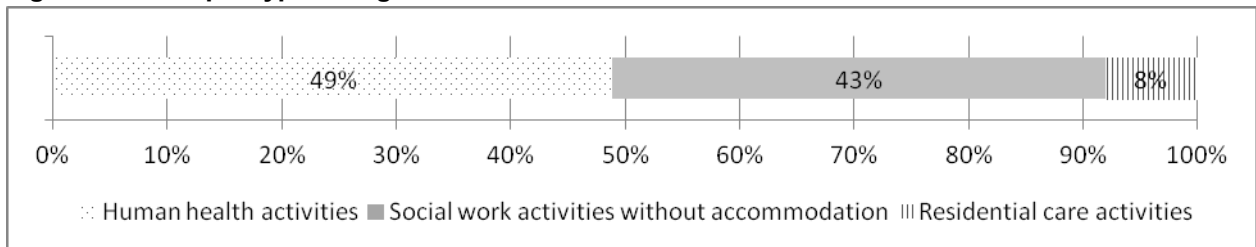
Health and Social Work

Activities in this industry include a wide range of activities: from health care provided by trained medical professionals in hospitals and other facilities, over residential care activities that still involve a degree of health care activities to social work activities without any involvement of health care professionals.

As can be seen in figure 5, almost 50 percent of organizations that provide health and social work activities in Curaçao offer human health services and about 43 percent offer social work activities without accommodation. Organizations providing human health services are mainly general practitioners (15%), medical specialists and surgeons (9%), physical therapists (8%) and dentists (6%). The remaining

businesses are predominantly psychologists, midwives and other paramedical practitioners, like chiropractors, nutritionists, acupuncturist and medical laboratories.

Figure 5. Share per type of organization in Health and Social Work



Social work activities without accommodation include mainly child day-care activities (26%) and charitable activities like fund-raising or other supporting activities aimed at social work (10%). Organizations engaged in social work activities without accommodation for the elderly and disabled, welfare and guidance activities for children and adolescents, household budget counselling, marriage and family guidance, credit and debt counselling services and community and neighborhood activities are also included in this category.

Residential care facilities account for 8 percent of organizations in Health and Social Work. These organizations include care for the elderly and disabled, care for mental health and substance abuse and other residential care facilities, e.g. orphanages and homes for persons with social or personal problems.

Other Service Activities

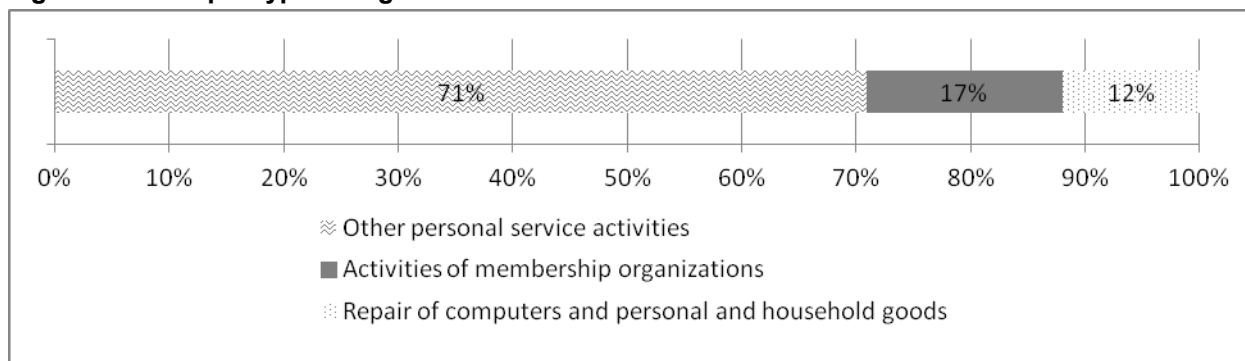
This industry consists of organizations that offer activities of membership organizations, repair of computers and personal and household goods and a variety of personal service activities, like laundry and dry-cleaning services, hairdressing and beauty treatments and funeral services.

In Curaçao, organizations in this industry offer mainly personal services (71%; see figure 6), such as hairdressing (41%) and beauty treatment services (14%), but also laundry and dry-cleaning services (9%). Other businesses in this category include businesses offering baths, saunas, and solariums and massage salons, wedding planners and pet care services.

Membership organizations account for 17 percent of all organizations in this industry. In this category, organizations not directly affiliated to a political party but furthering a public cause or issue are predominant (8%). Moreover, the category consists of, among others, organizations pertaining to religious activities, trade unions and political organizations.

Additionally, businesses offering repair of computer and personal and household goods account for 12 percent of businesses in this industry.

Figure 6. Share per type of organization in Other Service Activities



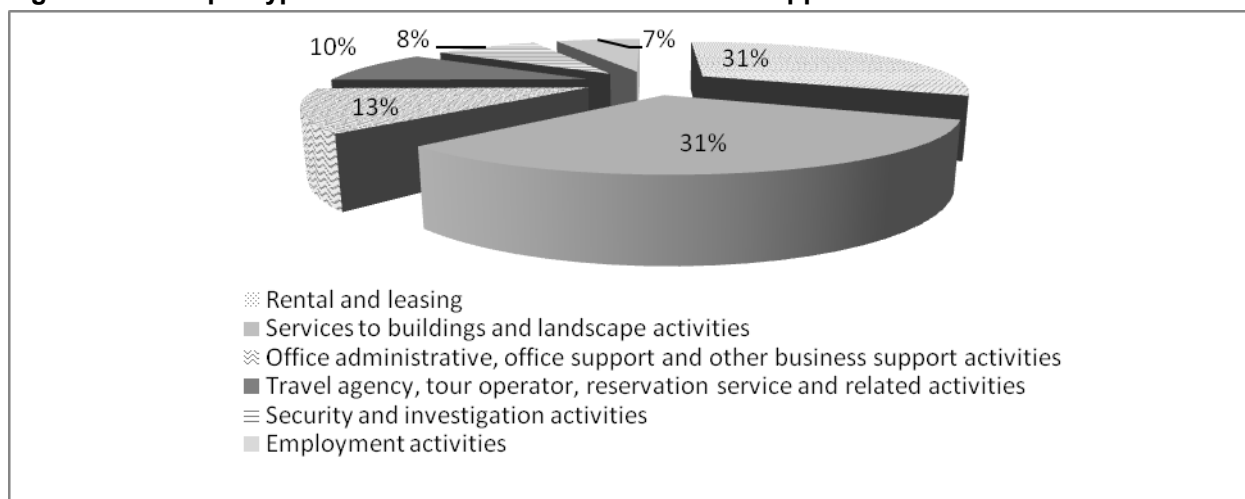
Administrative and Support Services

Contrary to the activities under the category professional, scientific and technical services, the primary purpose of these activities is not the transfer of specialized knowledge, but support to general business operations.

Main activities in this industry in Curaçao (see figure 7) are concentrated in rental and leasing activities (31%) and services to building and landscaping activities (31%). The former includes activities like renting and leasing of motor vehicles (20%), renting and leasing of personal and household goods (6%) and renting and leasing of other machinery, equipment and tangible goods (5%).

Services to building and landscaping activities include cleaning activities and landscape care and maintenance service activities. Businesses with cleaning activities account for 16 percent of businesses in the industry and businesses with landscape care and maintenance as service activities account for 14 percent.

Figure 7. Share per type of business in Administrative and Support Services



Other noteworthy activities of this industry in Curaçao include office administrative, office support and other business support activities (13%), mainly office administrative and support activities (5%) and business support service activities (7%), travel agency, tour operator, reservation service and related activities (10%), security and investigation activities (8%) and employment activities (7%).

Construction

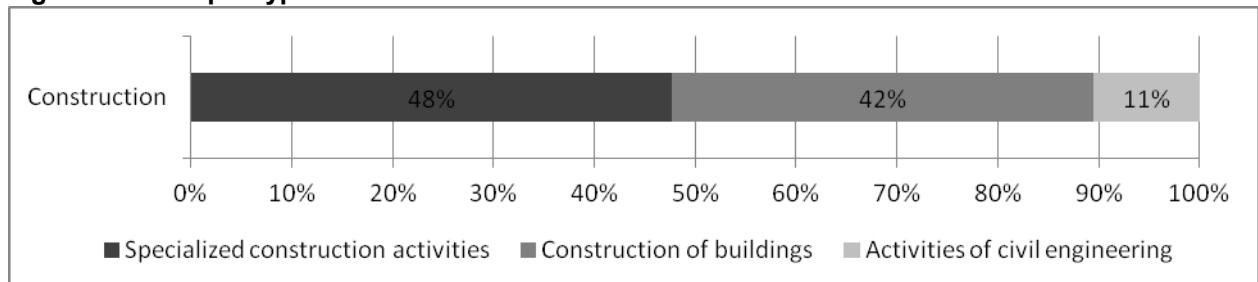
The construction industry consists of businesses offering general construction and specialized construction activities for buildings and civil engineering works. It includes new work, repair, additions and alterations, the erection of prefabricated buildings or structures on the site and also construction of a temporary nature.

In Curaçao, activities in this industry are mostly concentrated on specialized construction activities (48%) and construction of buildings (42%), as can be seen in figure 8. The former includes demolition and site preparation, electrical, plumbing, heat and air-conditioning and other construction installation activities and building completion and finishing (e.g. plastering, painting, floor and wall tiling).

Construction of buildings include constructions of residential and non-residential buildings and remodeling or renovating of existing residential structures.

Activities of civil engineering are among about 11% of the businesses in this sector. These include construction of roads, construction of utility projects and construction of other civil engineering projects.

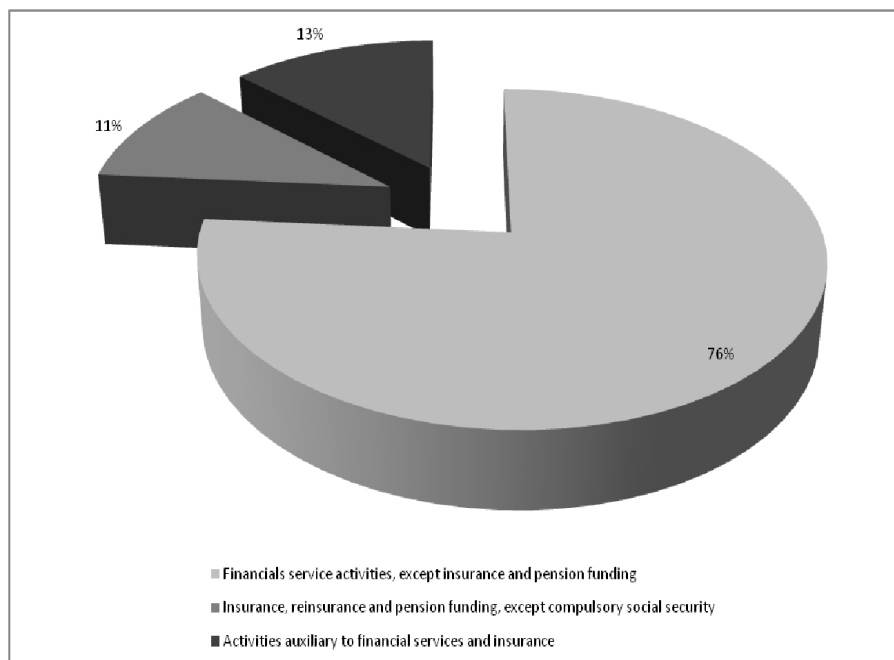
Figure 8. Share per type of business in Construction



Financial and Insurance Services

This sector includes financial service activities, including insurance, reinsurance and pension funding activities and activities to support financial services. The activities of holding assets, such as activities of holding companies and the activities of trusts, funds and similar financial entities are also included.

Figure 9. Share per type of business in Financial and Insurance services



As visualized in figure 9, businesses in Curaçao in this industry are concentrated in financial service activities (76%). The activities include monetary intermediation (27%), activities of holding companies (24%), trusts, funds and similar financial entities (15%) and other financial service activities, like granting of consumer credit and other types of money lending outside the banking system, pawnshops and pawnbrokers (10%).

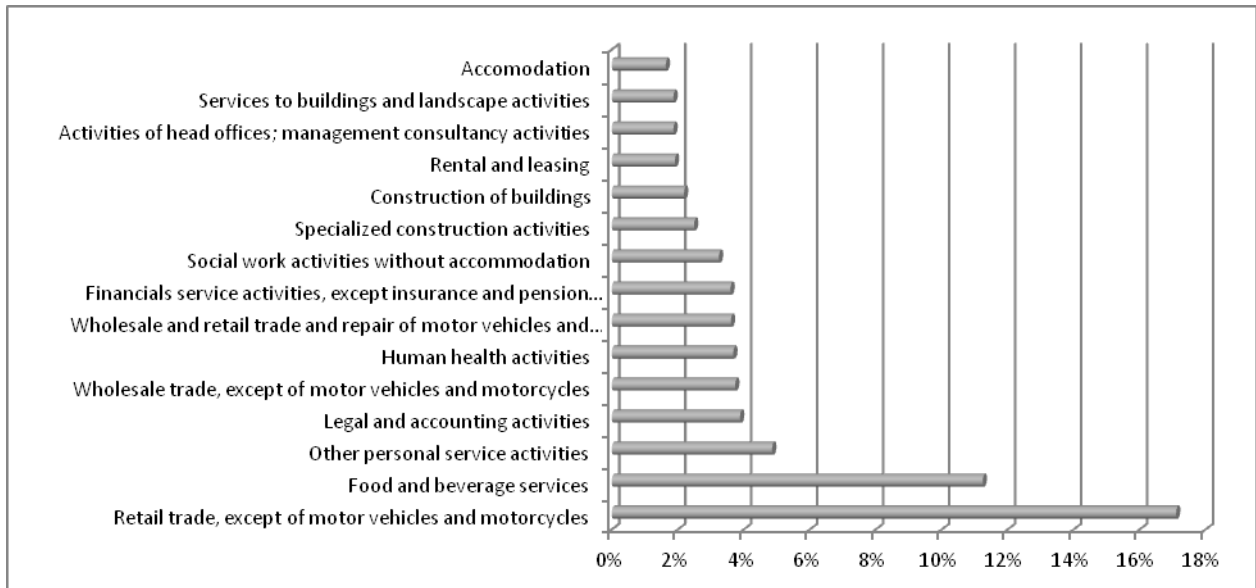
Insurance, reinsurance and pension funding account for approximately 11 percent of the businesses in this industry. Most of these businesses (7%) are insurance companies. The other four percent are pension funds.

Businesses with activities auxiliary to financial service and insurance activities account for 13 percent of the businesses in this industry. Eight percent of businesses in this industry are insurance agents and brokers. The remaining businesses with activities auxiliary to financial services and insurance activities include businesses dealing in financial markets on behalf of others and businesses offering actuarial services.

Main sub-industries

The fifteen major sub-industries are presented in figure 10. The figure shows the share in total population. Approximately 17 percent of all organizations that were active per January 1st, 2016 were businesses with activities in retail trade and 11 percent were businesses selling food and beverages for immediate consumption.

Figure 10. Share per sub-industry in total population



Conclusion

When considering the sub-industries with the highest concentration of organizations, it can be concluded that 'Retail trade' is by far the sub-industry with the highest concentration of businesses in Curaçao, followed by 'food and beverage services', with mainly restaurants and mobile food businesses.

Furthermore, businesses are concentrated in 'personal services', for instance hairdressing, beauty treatment and laundry and dry-cleaning services, 'legal and accounting activities' and 'wholesale trade, except for motor vehicles and motorcycles'.

'Human health activities', mainly medical and dental practice activities, 'wholesale and retail trade and repair of motor vehicles and motorcycles' and 'financial services', e.g. monetary intermediation, activities of holding companies, trusts and funds and granting of consumer credit and other types of money lending outside the banking system, also account for a substantial number of organizations in Curaçao.

Additionally, 'social work without accommodation', e.g. child day-care activities, and 'specialized construction activities', are also noteworthy.

It can be concluded, based on the presented analysis, that business activities in Curaçao are very diverse, but with a high concentration in wholesale and retail trade.

