

# “The Canary Islands: The investment location for your business”



Washington, 28th June 2010



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## THE CANARY ISLANDS I



### “Autonomous Spanish Community”

- Autonomous Spanish region belonging to the European Union
- Double taxation treaty agreements
- Within the euro zone

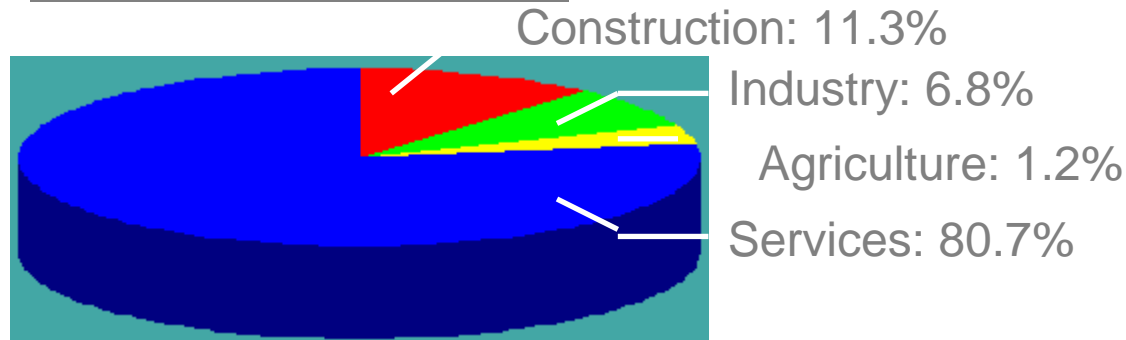
#### Basic Data

7 Islands	25° - 15° all year around
7,747 km <sup>2</sup>	Population: 2, 025,951
GDP: 64.172.616 Bill USD	



## THE CANARY ISLANDS III: BASIC ECONOMIC INDICATORS

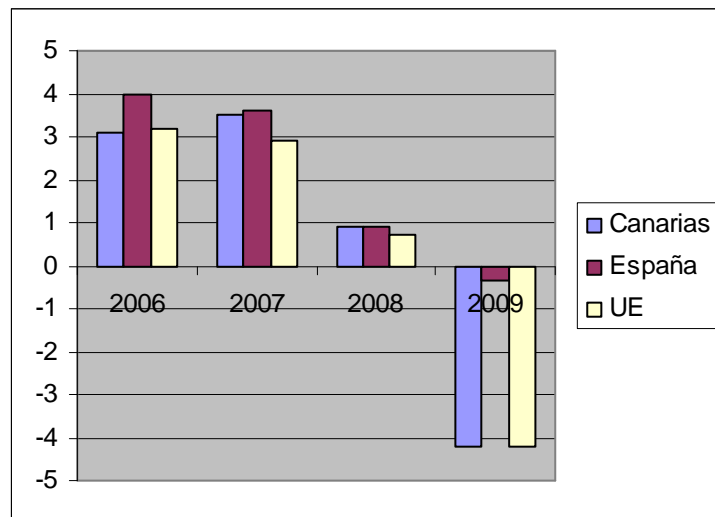
### GDP Distribution (2009):



### Consumer Price Index (in %)

	Spain	Canaries
2004	3.2	2.5
2005	3.7	2.8
2006	3.5	2.9
2007	4.2	4.3
2009	1.1	1.3

### GDP Growth Comparative

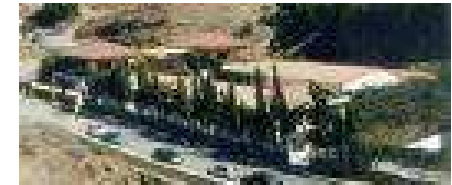


## AMERICAN LINKS

From the 70s a numerous American community was establish in the Canary Islands due to its closeness to the African petroleum bases.

Nowadays:

- **Businesses** establish: General Electric Water and Processes, NCH Corp, AOL, Philip Morris,....
- **Social** activities: 1 American school and 16 British schools, American Spanish Chamber: Canary Islands Chapter
- 798 American residents in 2009
- Direct **weakly flights** to Miami and a growing number of one-scale flight



## ***ACCESS TO MARKETS***

### **European Union:**

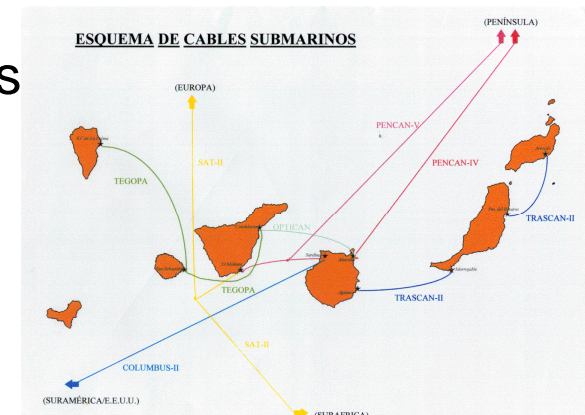
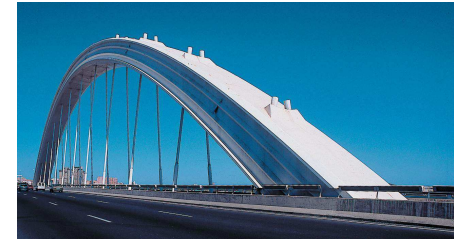
Canary Islands is fully integrated in the European Union  
Test market for introducing new products  
Fiscal advantages

### **Africa**

140 million people in West Africa  
Closeness  
Double Taxation agreements with some countries  
Political support and framework  
Logistics advantage: 22 port lines plus direct flights.  
International

## INFRASTRUCTURES

- Modern infrastructures:
  - ✓ 8 airports (6 international):
    - 32 Mill. passangers/year
    - Direct flights weekly to Europe: 1500
  - ✓ 10 commercial harbours, 15 Yachting Marinas
  - ✓ Extraordinary highway network
- Concentration of fibre optic underwater cables
- Industrial areas available
- More than 1,300 branches of national and international banks
- Representation of global consultant companies  
(Andersen, Ernst&Young, KMPG, PWC, ...)

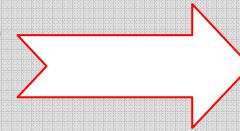


## HUMAN RESOURCES

- Young Population (31% under 25 years)
- 2 public Universities, numerous multilingual schools




- Concentration of technical careers :
  - Engineering & Technology: 31.4%
  - Health Sciences: 14.1%
  - Experimentation: 5.8%



**51.3%** of  
Students in  
technical  
careers

- Continuous Training and Financial Support  
(Subsidies for training, job creation, RD+i, etc. )



 Universidad  
de La Laguna



UNIVERSIDAD DE LAS PALMAS  
DE GRAN CANARIA

 PROEXCA  
for the Canary Islands

 Gobierno  
de Canarias

## CENTRE OF KNOWLEDGE

### UNIVERSITIES + RESEARCH CENTRES

Main focus in applied research applications, with important results in:

- Development of systems for development of EERR and water cycles
- Physiology, cultivate, production and improvement of maritime species
- Water treatment, aquaculture and algae
- Canarian Astrophysics Centre (IAC)



## SECTORS OF OPPORTUNITY

### Audiovisual and Media:

Reduced tax regimen up to 40%  
Institutional support through Canarias Film Commission  
Excellent conditions for natural plato

### Advanced tourist services

More than 12 mio. Tourist at year  
Consolidate and continuous growing market  
Presence of major tour operators

### TICs and Call centers

Telecommunications, micro-electronics and software engineering are the most outstanding opportunities  
Lower costs on infrastructures and personnel  
3rd biggest supercomputer of Spain after Barcelona  
Several institutes and research centers  
NAP West Africa located in Tenerife

### Biotechnology:

Macrolaboratory with 80% of Spanish biodivers  
Higher productivity rates in algae production an pioneer on R+D with the National Bank Algae institute of Natural Products reference in Europ and 1st of Spain

### Renewable Energies

Pioneer in water treatment  
Production and R&D on wind, marine and photovoltaic energies.  
Project "El Hierro 100% auto sustainable" 1st island on the world to become auto sustainable

### Trading

Telecommunications, micro-electronics and software engineering are the most outstanding opportunities  
Lower costs on infrastructures and personnel



## ECONOMIC AND FISCAL REGIMEN I

- **CANARY SPECIAL ZONE (ZEC)**  
*Corporation Tax : 4%*
- **RESERVE FOR INVESTMENTS ON THE C.I. (RIC)**  
*Reduction of the tax base for Corporation Tax up to 90%*
- **INVESTMENT TAX CREDIT (Deduction for Investments)**  
*Greater amount of deduction in respect to the national ones*
- **MANUFACTURING TAX CREDIT (Allowances for Production)**
- **x 2 FREE TRADE ZONES (out of 5 in Spain)**
- **INDIRECT TAX ADVANTAGES: I.G.I.C.: 5% (vs. 16% V.A.T.)**



***Integrated in the Spanish  
Legislation and fully authorized by  
the European Commission***



## ECONOMIC AND FISCAL REGIMEN II: Grants and Subsidies

Type of subsidy:	Origin and/or programme	Activities and areas subsidised:	Maximum levels of subsidy:
<b>CAPITAL SUBSIDIES</b>	<b>European Programme of Regional Incentives.</b>	Creation, expansion, modernization and transfer of companies.	Up to 40% of the total subsidisable investment.
	<b>Canary Islands Government</b>	Creation, expansion, modernization and transfer of companies, energy saving, import of basic products, inter-island transport, quality, alternative energies, new technologies, textile processing, trade, overseas promotion, computer equipment, communications, tourism, agriculture and livestock.	Up to 40% depending on the business activity, number of jobs created and applied technological innovation.
<b>TRAINING</b>	<b>CANARY ISLANDS GOVERNMENT</b>	Training for the unemployed and for those in jobs.	Up to 100% of the eligible expenses by means of authorised bodies.
<b>EMPLOYMENT</b>	<b>CANARY ISLANDS GOVERNMENT</b>	Doctors, reorganization of working time, the handicapped unemployed, hotels and restaurants, tourism, construction, collectives with special difficulties of insertion, substitution of overtime, self employed and permanent contracts.	Discount of Social Security contribution of between 20% and 90% in the first year and between 20% and 85% the second year.
<b>EMPLOYMENT</b>	<b>CANARY ISLANDS GOVERNMENT</b>	Hiring of doctors, technologists and skilled technicians	Doctor: 28,488€ Technologist: 20,987€ Skilled technician: 20,987€ Micro-company: 100%. Small: 95%. Large: 50%.
<b>RESEARCH AND DEVELOPMENT</b>	<b>PROFIT</b> , Programme for Promotion of Technical Research.	Research and development: industrial, pre-competitive development, technological demonstration, international programmes and applied research.	Up to 50% of the subsidisable investment and costs.

## PROEXCA: What can we do for your business?

### Who are we?

The Economic Development Agency of the Autonomous Government of the Canary Islands attached to the Ministry of Economy and Treasury of



### Who are we for your business?

The reference-point within the **process of investment in the Canary Islands**



### Which are our services?

**We offer a professional and confidential free cost service:**

- Assist, orientate, inform and follow up new businesses on the region
- Organisation and coordination of trade missions.
- Identification of key contacts for the setting-up of the initiative.
- Point of contact with institutions at national, regional and local level.
- Search of potential investors and lines of subsidies and aids for your business.

**THANK YOU VERY  
MUCH FOR YOUR ATTENTION**

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**[www.investinthecanaryislands.com](http://www.investinthecanaryislands.com)**

