



INVEST IN **GRAN CANARIA**,
CONNECT YOUR BUSINESS TO THE WORLD

1. *PROFILE AND GENERAL CHARACTERISTICS*



1. PROFILE AND GENERAL CHARACTERISTICS

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1. PROFILE AND GENERAL CHARACTERISTICS

1.1 Principal Characteristics

1.1.1 Situation and geographical environment

Gran Canaria is one of the seven islands comprising the Spanish Archipelago of the Canary Islands. It is situated in the extreme south of the European Union in the Atlantic Ocean at 1,250 kilometres from the Spanish Mainland and 210 kilometres off the coast of North-west Africa.

Its position in the Atlantic makes it a natural logistics platform between Europe, Africa and the Americas, with whom it has traditionally maintained economic and cultural links.

The Archipelago is in the Greenwich Mean Time zone and the official language is Spanish.

Gran Canaria covers an area of 1,560 square kilometres and has a 236 kilometre coastline. The diversity of its climate and flora (both of which differ according to zone and altitude) has led to it being described as “a continent in miniature” and recognised for the richness of its natural heritage. In that respect, UNESCO declared it a World Biosphere Reserve in 2005.



1.1.2. Principal demographic data

The island is divided into 21 municipalities, of which Las Palmas de Gran Canaria, Telde, San Bartolomé de Tirajana, Santa Lucía and Arucas are the most important centres of population.

In December 2009, the population of Gran Canaria was 838,397¹ inhabitants, which represents 40% of the population of the Canarian Archipelago. Its high density is reflected in its 537 inhabitants per square kilometre. The population is young with 24% below the age of 19.

1.1.3. Political and institutional framework

Gran Canaria is part of the Canarian Autonomous Community, one of the 17 such communities that make up the Kingdom of Spain, all of which enjoy a high level of political autonomy. On Gran Canaria, the State maintains its competences in the management of ports and airports, part of the fiscal system and matters of public safety.

Like the rest of Spain, Gran Canaria is part of the European Union and the Euro Zone. Consequently, its currency is the euro and it participates in the Single European Market, including its customs regulations; however, the Canarian Economic and Fiscal Regime (REF) enables Gran Canaria to offer significant fiscal and economic incentives that represent a real attraction to foreign investors.

As in the case of each of the other Canary Islands, the Island's administration is its Cabildo (Island Government), an institution that is particularly committed to the economic development of the island.

On the island we can find the institutional headquarter "La Casa de Africa" ("The House of Africa"), as a tool for public diplomacy, on duty for the State's external actions, as well as the representation of the Executive Committee of the Advisory Council for the Trade with Occidental Africa aka CAP-CAO.

1.1.4. Education System and Human resources

The education system on Gran Canaria is the same as in the rest of Spain and, with its offer of more than 500 state and private centres, meets all the primary and secondary education needs of the population. Moreover, there are high quality international and bilingual schools that satisfy the demand for education in English, German, French and other languages.

The Vocational Training offer is outstanding and around 11,000 students are currently enrolled in the 44 centres that teach more than 80 specialities to meet the demand from the different productive sectors.

Higher education is provided by the University of Las Palmas of Gran Canaria, which offers 62 different degree courses to the more than 22,000 students that are currently enrolled. 26 of those 62 degree courses are technical degrees, with almost 7,000 current students.

The Spanish Open University (UNED) also has a Headquarters on the island with 3,597 registered students, in 2008.

¹ Source: Canarian Institute of Statistics (ISTAC, 2008)

1.1.5. Socioeconomic indicators

GENERAL DATA: GRAN CANARIA			
	DATA	UNIT	YEAR
TERRITORY AND POPULATION			
Territory	1.560,10	Km ²	
Population 2009	838.397	Inhabitants	2009
Demographic density 2009	537	Inhabit/km ²	2009
PRODUCTIVE STRUCTURE			
Economic figures			
GDP pm. Canarias	41.411.271	Thousands of Euros	2009*
Contribution to national GDP. Canarias	4	%	2009
Gross Value Added Gran Canaria	14.198.269	Thousands of Euros	2006
Tourism (Gran Canaria)			
Incoming foreign tourists	2.349.533	Tourists	2009
National tourists	1.122.790	Tourists	2008
Foreign tourists (national flights)	97.761	Tourists	2008
Hotel occupancy (per bed)	65,89	%	2009
Overnight stays	12.591.748	Nº	2009
Average stay	6,84	Nº days	2009
Average expenditure per person per day	122,68	Euros	2009
Hotel offer	52.708	Beds	2009
Non-hotel accommodation offer	86.658	Beds	2009
4-star hotel establishments	44	Establishments	
5-star hotel establishments	11	Establishments	
Beds in 4-star hotels	23.322	Beds	
Beds in 5-star hotels	6.042	Beds	
Services (Gran Canaria)			
Data: Port of Las Palmas			
Passengers	709.010	Passengers	2009
Goods	16.004.891	Tonnes	2009
Nº Ships	8.542	Ships	2009
Containers	987.711	TEUS	2009
Data: Gran Canaria Airport			
Passengers	9.155.670	Passengers	2009
Aircraft movements	101.551	Nº movements	2009
Cargo	25.992	Tonnes	2009
Labour market (Canaries)			
Annual salary cost	18.288,60	Euros	2008
Annual labour cost	25.323,52	Euros	2008
Active population	1.077,50	Thousands of people	2009
Employed population	795,28	Thousands of people	2009
Unemployed population	282,22	Thousands of people	2009
Annual unemployment rate	26,19	%	2009
Economic activity rate	62,14	%	2009
Overseas Sector (Canarias)			
Value of total exports	2.686.322,61	(thousands of €)	2009
Value of total imports	11.871.971,67	(thousands of €)	2009
Educational Indicators			
University students			
Nº of University degree courses (ULPGC)	25.837	Students	2009
Nº of University degree courses (ULPGC)	62	Nº Degrees	2008
Vocational Training Students	24.250	Students	2008

* 2009 Estimate

Sources:

- National Institute of Statistics (INE)
- Canarian Institute of Statistics (ISTAC)
- Spanish Airports and Air Traffic Control (AENA)
- Port of Las Palmas, Department of Education
- Universities, Culture and Sport- Canarian Government
- University of Las Palmas de Gran Canaria (ULPGC)
- Spanish Open University (UNED)

1.2 Environment and quality of life

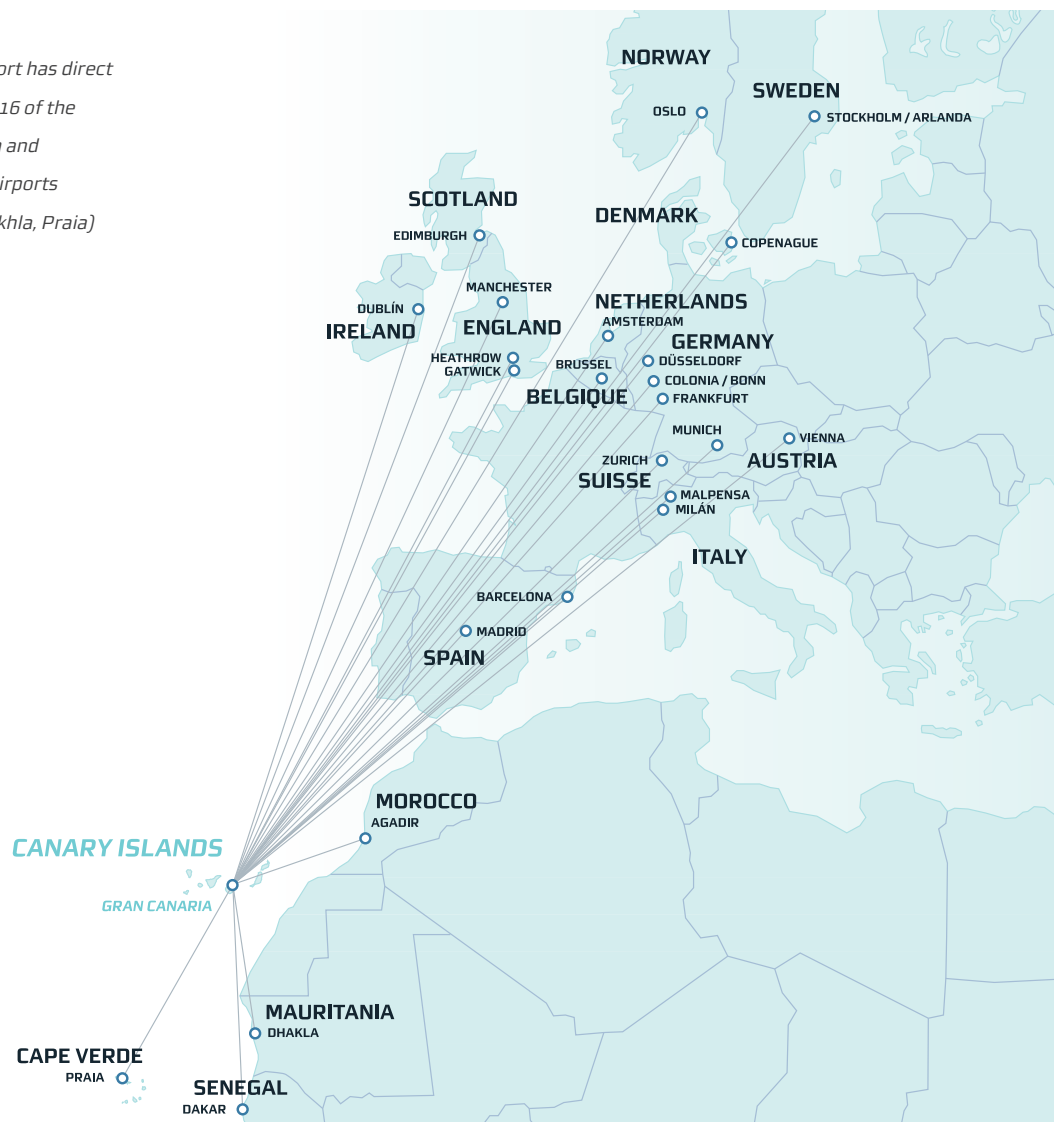
While Gran Canaria is internationally known as a tourist destination for excellence, it is also particularly attractive as a place to live. In fact, the foreigners who have established homes on the island represent almost 9% of the island's total population.

Las Palmas de Gran Canaria, the island's capital and largest city, has a population of more than 380,000 inhabitants. It is a cosmopolitan city that is open to the sea on two sides. It boasts two beaches, the east-facing Alcaravaneras, and the west-facing Las Canteras beach with over 3 kilometres of sand and all the amenities and services expected of a modern city. The average temperature rarely falls below 18° C in winter or rises above 30°C in summer. Moreover, since the city is open to the sea, there is almost no air pollution.

The quality of life enjoyed by Gran Canaria's residents is due to many factors, some of which have been mentioned, such as the excellent internal communications that enable anyone living in the South of the island, with its fabulous beaches, to commute to the capital or travel to any other part of the island in under 40 minutes. Less than 15 minutes from Las Palmas de Gran Canaria, the towns of Telde and Arucas offer non-urban areas that offer highly attractive locations in which to live. In general, the cost of housing in the Canaries is below the Spanish average; around 1,673€ per constructed square metre as opposed to 1,902€ in the rest of Spain².

Overseas communications by sea and air are also excellent and frequent, with direct daily flights to the Spanish mainland and the main European capitals. The flight times vary from two and a half hours to Madrid or Barcelona to under four hours to London, Brussels and the principal German and Central European cities. Inter-island travel in the Archipelago is particularly well developed with hourly flights that take around 30 minutes between the closest islands and 50 minutes between the more distant ones.

Gran Canaria airport has direct connections with 16 of the 25 main European and Western African airports (Agadir, Dakar, Dakhla, Praia)



² Source: Data for the 3rd Quarter 2009-Canarian Institute of Statistics (ISTAC)- Ministry of Housing-Spanish Government.

In the Canary Islands, as in the rest of Spain, the healthcare system offers free, universal cover to residents and tourists from European Union countries. Gran Canaria has two large public hospitals (Complejo Hospitalario Materno-Insular de Gran Canaria and the Hospital de Gran Canaria Doctor Negrín) offering services of national reference, and a network of Health Centres that covers all the island's municipalities. The public health system is complemented by a significant offer of private doctors and clinics and the presence of the leading national medical insurance companies.

Another incentive to choose Gran Canaria is its variety of shopping centres and hypermarkets where all the well-known national and international brands are represented.

The possibility of practising sport all year round and enjoying the island's splendid cultural offer also represents added value.

In that respect, Gran Canaria is known for its sports facilities and its specialisation in certain disciplines that include sailing, swimming and golf, which have produced many world-class sportsmen and women. The favourable climatic conditions that permit year-round sport attract many sporting professionals who come here from other European countries to continue their training during the winter months.

From the cultural offer point of view, special mention must be made on the concerts featuring world renowned orchestras and conductors in venues such as the Alfredo Kraus Auditorium, which hosts the Canary Islands Music Festival every year (January-February) and is home to the Gran Canaria Philharmonic, or the recently renovated Pérez Galdós Theatre, which stages international ballet and opera, among other events. Three other theatres offer varied programmes throughout the year. Other music festivals, such as WOMAD, are also held in Las Palmas of Gran Canaria, as well as a world-famous Film festival and many heavily attended popular fiestas, for example, Carnival, which attracts thousands of participants and many more spectators every year.

In addition to those factors, which reflect the quality of life on Gran Canaria, there is the island's superb gastronomy, with the modern and the traditional combining to create dishes in which the freshness and quality of local produce are the true stars. Canarian cuisine thrives alongside an international cuisine that can be enjoyed in magnificent restaurants in the capital, in the coastal areas and in the interior of the island.

1.3 Infrastructures

In recent years, constant sustained effort has been devoted to modernising Gran Canaria's infrastructures, the level of which is now above the Spanish average.

Since Gran Canaria is an island, the most important factor to be considered in its infrastructures is its transport networks, which are in conditions to ensure internal and external connectivity.

1.3.1 Land Air and Sea Transport Infrastructures

Air transport

This is a strategic element of the island's communications. Gran Canaria International Airport is located half-way (less than 30 minutes) between the capital city and the principal tourist resorts of the south and is very close to the main industrial areas. The airport, which is the country's fifth busiest in terms of

passengers and aircraft movements, has a cargo terminal covering 11,000 m², with a handling capacity of 72,000 tonnes a year. In 2009, the airport handled 9,155,670 passengers, 101,551 aircraft movements and 25,992 tonnes of goods³. The optimum meteorological conditions of the zone enable the airport to be operational 24 hours a day, 365 days of the year. There are scheduled flights to 86 destinations, including the principal cities of Spain, Europe and the rest of the world, as well as numerous airlines operating charter flights.

The airport is currently expanding its capacity to attend travellers and significantly improve the Airport services.

Sea transport

The port of Las Palmas, situated in Palmas de Gran Canaria, is the ideal platform for marine traffic between Europe, Africa and the Americas and constitutes an Atlantic “hub”. The port, which connects Gran Canaria to 135 ports worldwide, is known as the great refuelling station of the Atlantic because of the 1,500,000 tonnes of oil products that it supplies every year. It is the leading distributor of goods in the Canary Islands and one of the most important in Spain, as well as world leader in the handling of frozen fish. The port also has important shipyards and Naval Repair Facilities as well as numerous companies specialising in the supply of goods, equipment and services.

The Port of Agaete, in the North of the Island and mainly used for ferry connections to the neighbouring island of Tenerife, should be mentioned together with the Port of Arinaga, located in the south-east of the island and providing goods to the firms established in the industrial zone in that part of Gran Canaria.

Land transport

With regard to land communications on the island, Gran Canaria’s road network is fully developed and incorporates the latest advances and safety measures required by the European Union. The 1,180 kilometres of roads, 128.98 kilometres of which are dual carriageways, link all the population centres, industrial areas and other places of interest.

A project is currently being developed for a railway to connect the city of Las Palmas de Gran Canaria with the airport and the tourist zone in the south of the island.

1.3.2 Areas for the location of firms and industrial land

Firms wishing to establish their activities on Gran Canaria have a wide range of sites to choose from, especially in the capital and the coastal corridor of the South - East, whether they are seeking offices, industrial premises or other types of site for their activity. The prices are around 230€/square metre for unbuilt land or 98€/square metre for office rental⁴.

There are various industrial zones and estates with a total area of 11,055,339 square metres distributed among the 38 that are currently in operation. The most important are Arinaga, El Goro and Salinetas, near the airport, and El Sebadal in Las Palmas of Gran Canaria.

New areas are in the process of being created for the establishment of 21 new industrial estates with a total area of 2,713,088 square metres of industrial land. The most important projects are being carried out in the municipalities of Telde, Las Palmas of Gran Canaria, Arucas, Ingenio, and Agüimes.

³ Source: Spanish Airports and Air Traffic Control (AENA).

⁴ Data provided by The Arinaga Industrial Estate Mixed Association.

1.3.3 Telecommunications Infrastructures and Development of the Information Society

Gran Canaria is fully integrated in the Information Society.

The cables that connect West and South Africa with Europe (SAT 3), Europe with South America (Columbus & Atlantis) and the Canaries with continental Europe are laid on the island. Connectivity currently exceeds 150 Gbites per second and there are various initiatives to increase that capacity. The broadband telecommunications network, which is offered by Europe's leading telecommunications operators, reaches all the important urban, tourist and business areas of the island. The level of business access to Internet is 98%.

1.3.4 Research, Development and Technological Innovation (R+D+i)

The island has several centres that develop R+D projects in different activities and combine significant knowledge in emerging technological sectors.

The R+D+i activities are mainly led by the University of Las Palmas de Gran Canaria in its Science and Technology Park, with centres on the Campuses of Tafira and Taliarte. Some 150 research groups work in those centres and employ more than 1,000 researchers and 1,000 doctorate students. The most important research areas are those related to cybernetics, telecommunications, medical technology, oceanography, marine farming, renewable energies and environmental conservation.

Special mention should be made of the following University Institutes and Research Centres whose infrastructures are used to carry out those activities:

- University Institute of Cybernetic Sciences and Technologies
- University Institute of Applied Microelectronics
- University Institute of Animal Health and Food Safety
- Institute of Intelligent Systems and Numerical Applications in Engineering (SIANI)
- Centre for Innovation in the Information Society
- Centre for Biodiversity and Environmental Management
- Technological Centre for Innovation in Communications

Those centres are mostly located in the University of Las Palmas of Gran Canaria Science and Technology Park on the Tafira Campus (8km from the capital city). They are specially designed and equipped to house business incubators and firms linked to the environment and university resources.

The Canarian Centre for Marine Development. This centre in Taliarte (Telde) is bound to become a world reference for research and the development of oceanographic and marine activities. The University and the Canarian institutions are firmly committed to this centre for the development of the marine sector in the Archipelago in all its economic, scientific and technological aspects. The complex has spaces to house new technological centres and firms related to this sector. It is home to various marine related research centres, including the Centre for Marine Biotechnology, which forms part of the ULPGC Technology Park, and the Canarian Institute for Marine Sciences.

The Canary Islands Oceanic Platform (PLOCAN) is currently being constructed in that environment. This platform is a state-of-the-art facility for marine research where the meeting of companies and scientific/technological communities will enable all types of works and advanced scientific-technological research to be carried out.

Moreover, health and wellbeing tourism is on the increase and the islands best hotels have the most advanced facilities for Spa, health and beauty services.

The island's 5 leisure marinas and various amusement and theme parks diversify and increase the leisure offer on Gran Canaria.

The high quality hotel offer of more than 30,000 beds distributed among eleven 5-star and forty-four 4-star hotels provides the best conditions for business tourism. These hotels offer facilities for meetings, conferences, telematic transmission media, videoconferences and the possibility of combining work with leisure activities.

Finally, Gran Canaria boasts a complete offer of modern, high quality infrastructures and service companies for Trade Fairs and Congresses, both in Las Palmas of Gran Canaria and in Maspalomas (in the tourist zone in the south of the island), which, combined with the exceptional climate, permit such events to be held throughout the year. The principal spaces are INFECAR (70,000 square metres) and the Canarian Congress Centre-Alfredo Kraus Auditorium (13,200 square metres) in the capital, and Expomeloneras (14,000 square metres) in Maspalomas.

All the following factors mean that the island has significant potential as a natural movie set. The spring-like climate, the magnificent panoramas of ocean and mountains and the first class hotel facilities are perfect natural settings for making movies, and filming TV series and advertisements all twelve months of the year. In addition to those natural conditions, there are firms offering specialised and auxiliary services to cinematographic production companies and the support offered by the institutions for the development of those artistic activities.