

regime – known as “Regimen Economico y Fiscal” (REF). The REF contains a series of fiscal incentives aimed at the creation and development of entrepreneurial activities to make Gran Canaria attractive for investment. Companies established in the islands are eligible for a series of benefits, grants and subsidies. Gran Canaria is also eligible for a series of incentives for business activities granted by the European Union, the State Government and the Regional Government, which complement other support that businesses receive through the REF. In addition, Gran Canaria is also included in the zones of Objective 1 of the European Union, allowing preferential access to European Structural Funds.

The free trade status of the Canary Islands reflects in exemptions to consumers, lower indirect tax rates, and the avoidance of certain state monopolies. The Special Economic and Tax Regime for the Canaries (Spanish: REF) was implemented in 1972. This aimed at promoting the economic and social development of the Archipelago. When Spain joined the European Community in 1985, the Special Economic and Tax Regime for the Canaries changed to fit with national and European conditions. The Department of Economic Affairs and Treasury authorized the Free Trade Zone (FTZ) in 1998. The aim of the FTZ is to become an inward processing area to promote exports, thus encouraging the establishment of trade and industrial activities in the Canaries.

The Free Trade Zone of Gran Canaria is located in two different strategic areas, the Port of Las Palmas and the Arinaga Industrial Zone. The Port of Las Palmas serves as a strategic export point to Europe, Africa and the Atlantic coast of Latin America. The Arinaga Industrial Estate is located in the area with the greatest industrial and trade potential on the island, just thirteen miles from the most important tourist resort in the Canarian Archipelago and five miles from the Airport. The Free Trade Zone in the



7.7 View over the Playa de las Canteras, Las Palmas.