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CANARY ISLANDS

Magnificent seven set new tourism records

Millions are discovering why the striking Spanish archipelago is so much more than just a beach destination, with stunning terrain, year-round temperate climate and superb connectivity

opular for decades with sun-starved northern European tourists seeking guaranteed sunshine in summer, winter and the shoulder seasons, the Canary Islands broke all records in terms of international tourist arrivals last year, with more than 14.1 million foreign visitors enjoying the stunning archipelago's countless charms in 2023.

That impressive figure represented a robust 6.9% year-on-year increase versus pre-pandemic levels of around 13 million tourist arrivals to the seven-strong island chain, which comprises Tenerife, Gran Canaria, Lanzarote, Fuerteventura, La Palma, La Gomera and El Hierro.

With each of the islands boasting its own distinct terrain, rich character, culture and history, tourists often find that one visit is insufficient to enjoy and experience all the welcoming and safe Spanish archipelago has to offer, including its outstanding local and international cuisine, high-end accommodation and lively nightlife.

As the largest and most populous island, Tenerife also attracts the greatest share of international arrivals, with the long-established destination especially famous for its black and gold beaches and Mount Teide volcano. While local government officials are, understandably, delighted with this excellent track record, they are determined to follow their successful "quality

ROSA DÁVILA PRESIDENT, ISLAND COUNCIL OF TENERIFE

"The Canary Islands' variety of experiences go well beyond the traditional sunand-beach tourism."

over quantity" approach to developing the industry over the next few years and longer term.

"A very important factor in the Canary Islands' recent success in tourism terms is due to us having a very clear strategy for recovery, not only returning to pre-pandemic levels, but exceeding them," says Rosa Dávila, President of the Island Council of Tenerife.

"This growth is not just in terms of the number of tourists, but how much they spend, which is of more importance to us. We also focused on offering new experiences to our visitors, which has likely influenced the perception of the Canary Islands as a high-quality destination.

This variety of experiences go well beyond the traditional sun-and-beach tourism. Visitors can enjoy nature, gastronomy and other unique experiences and adventures. For instance, between Tenerife and La Gomera, we have one of the three largest whale sanctuaries in the world.

"Not only do we have a fantastic climate one that is also pleasant throughout the year but we have placed significant focus on quality, sustainability and safety in all aspects. We have also worked intensively on maintaining and



Rosa Dávila President, Island Council of Tenerife

"We are very well positioned compared to competing destinations like the Caribbean, which is the usual choice for many American tourists. Our focus is on growing sustainably, ensuring that quality is prioritized over the number of tourists."

Sustainability at Gran Canaria's heart Like Tenerife, Gran Canaria blends incredible



Antonio Morales President, Island Council of Gran Canaria

of hosting international visitors of all ages, including young families and large groups.

Tourism accounts for mo3re than a third of the beautiful island's annual income - generated by around 4.5 million visitors — and is also responsible for nearly 40% of all employment. Like many of its peers, Gran Canaria's infrastructure and facilities are on a par with major European cities, including connectivity, healthtermined to develop innovative niches in the economy. These efforts are spearheaded by an economic promotion society specifically aimed at attracting resources and facilitating the establishment of investors on the islands, as well as promoting local entrepreneurs overseas.

"We also have two outstanding tax initiatives: the free trade zone and the special tax zone, which offers incentives for investment, making such investment in the island very attractive for foreign capital," highlights Antonio Morales, President of the Island Council of Gran Canaria.

His talented team has designed a comprehensive sustainable development plan that encompasses the concept of an 'eco-island'. This strategy aims to build on Gran Canaria's enviable reputation for enjoyable vacations while ensuring its future is secured. The plan rests on three fundamental pillars: energy sovereignty, water security and food sovereignty

"Additionally, we aim to strengthen the audiovisual sector and the renewable energy sector, which are essential for the development and generation of industry on the island," the senior official explains. "At the same time, our social policy is inclusive.

"The US tourism market is very important to us. In the 1970s, 20% of our tourists were American. Our goal is to regain that high-qual-



expanding connectivity, including our direct route to New York (Newark Airport).

scenery with a broad range of tourism activities that have been fine-tuned over many decades care services and public amenities. As well as tourism, local officials are de-

ity tourism, which is loyal, has a high average stay and generates significant spending here."

Balancing tourism pressures with daily life

While Tenerife's tourism boom shows no sign of slowing, island officials are eager to ensure such success is not to the detriment of locals, while a fiscal diversification drive is also gathering pace

enerife's outstanding tourism offering means it remains the leading destination in the archipelago for domestic and foreign tourists, but ensuring its popularity among visitors does not detract from locals' quality of life is a tricky balancing act.

Spearheading these efforts of equilibrium between large numbers of overseas arrivals' desire for fun and adventure, but almost one million residents' wishes for a safe, tranquil and social situation is the Island Council of Tenerife.

The public body has a wide range of roles and responsibilities, among which are helping the island optimize its tourist, business and investment potential. As well as promoting Tenerife's natural and human resources to a wider audience, the council works hand in hand with the private sector and supports enterprises of all sizes and across all fiscal sectors to help improve the quality and profitability of their respective operations and activities.

LOPE AFONSO **VICE PRESIDENT** ISLAND COUNCIL OF TENERIFE

"We have a destination that is ambitious in terms of quality in all areas of the economy.

"We have to exercise responsible leadership, because we are aware that the arrival of so many visitors also implies tension with other factors that have to be compatible with the life that takes place on the island," states Lope Afonso, Vice President, Island Council of Tenerife, who also wears the hat of Councillor for Tourism.

"In addition, the preservation of the natural environment - which is one of the main tourist attractions - is extremely important. Our strategy has to focus on ensuring that the tourism that comes to Tenerife has a perception of quality in everything that is done.

"This means having the guarantee of managing the territory well, of sustainably managing natural resources and of offering good public services."

Green light to economic diversification

Tenerife is currently enjoying a stellar year for visitor numbers and leads the regional market with an impressive 40-45% share. While tourism is clearly the main economic driver, officials are eager to embrace economic diversification, hence their commitment to internationalizing the economy via many initiatives and projects.

We have a platform called 'Why Tenerife?," Afonso adds. "Why Tenerife? Because we have this combination of climate and tourist company; a logistics platform for exchange with Africa, and cultural flow towards America that allows us to be the bridge for many investments.

We have a destination that is ambitious in terms of quality in all areas of the economy and society, but tourism in particular is so important that if it's capable of functioning well with these levels of demand that we impose, it has a driving effect for other sectors of the economy.

"If tourism works well, it demands more quality construction activity, more quality auxiliary services and generates better professionals to deal with all areas. The driving effect of tourism is definitive and essential generally in the Canary Islands, and specifically in Tenerife.

"Diversification has led us to take advantage of the rural environment and natural heritage, cultural and sporting events, identity and gastronomy to vary the profile of the visitor, gradually reducing the profile of the traditional sun and beach visitor in favor of those who come looking for different, new experiences."

In recent years, Tenerife's tourism industry has become so large and successful it has created stresses on local infrastructure like housing. Officials have acknowledged such concerns and are working to address them while ensuring the sector continues to grow and thrive.



Tenerife's welcoming waters and outdoor swimming pools are popular year-round



Vice President and Councillor for Tourism,

"A lack of housing makes it more difficult for

us to find workers who can live on the islands

because rents have multiplied," states Jorge

Marichal, President of the Hotel Association of

Santa Cruz de Tenerife (ASHOTEL) and Pres-

ident of the Spanish Confederation of Hotels

it more difficult for workers to get to their jobs.

They can no longer live next to their workplace

because housing is very expensive and com-

muting to work from far away is very costly as

"With tourism being the main economic

they have to spend two hours on the roads.

"In addition, the traffic situation has made

and Tourist Accommodation (CEHAT).

Island Council of Tenerife



Jorge Marichal President, ASHOTEL and CEHAT

sector, everyone looks at us, for the good and the bad. Generally, no one talks about the good, but everyone tries to multiply the bad by 10. That is precisely where we have to focus."

While the number of hotels and hotel beds has only increased by 4% over the last 15-20 years, other types of accommodation, especially holiday rentals, have changed the housing fabric of the island and created shortages.

"The great challenge is to achieve social sustainability not just for our workers, but for society," Marichal adds. "It's the most important challenge we face, not only on these islands, but everywhere with respect to tourism activity."



Protecting and preserving its natural assets for future generations while also optimizing them for the here and now makes for an exciting transition to renewable energies

Sustainability push means investment openings abound

The islands' decarbonization drive is moving up a gear as exciting renewables projects featuring state-of-the-art technologies help accelerate the region's energy transition

s an isolated archipelago that overwhelmingly relies on its natural resources for its tourism-based econo-L L my and socioeconomic development, sustainability sits at the heart of public and private sector activities and strategies, with the Ca-

naries striving to become "eco-islands". While each member of the Canary Islands has its own specific targets and challenges, they all fall under the same sustainability umbrella. Three fundamental pillars — energy and water security as well as food sovereignty — provide the strong foundations for the construction and launch of environmental and economic diversification projects on islands like Gran Canaria.

Progress has certainly been made as official data shows that over the past three years, the to promote cooperation among the university islands' tourism sector has reduced its carbon footprint by more than 20%, meaning it is well on the way to achieving its challenging target of a 50% reduction by the end of the current decade. Energy-saving measures, the adoption

of ambitious renewable energy sources and expansion of water conservation initiatives are whind this ongoing success.

At the vanguard of environmental protection implementation and policy creation to promote sustainability is the regional government. In adherence to this commitment, the localization process of the UN's 2030 Agenda within the Canary Islands was concretized as "Agenda Canaria 2030" a few years ago following a lengthy participatory process involving many parties. Born out of the need for a comprehen-

sive approach to current, emerging and future challenges, the Innovation Center for Sustainable Development (ICSD) was subsequently launched. According to its creators, ICSD aims and scientific community, economic and social agents of the archipelago and the regional government in the field of research regarding the structuring of productive activity and the creation of quality employment.

Regarded as the region's showcase ener-gy transition project, Salto de Chira is a cutnewables, the Canaries can become an ideal destination for initial renewable energy projting-edge strategic infrastructure development on Gran Canaria being developed with the sigects," savs Mariano Hernández, Councillor for nificant fiscal support of major financial institu-Ecological Transition and Energy at the regiontions like the European Investment Bank. al public authority. "The opportunities here are abundant and

"We believe that with our emphasis on re-

we are confident that the future lies in attracting

strategic investments in our region. We have an

exceptional climate and a landscape well-suit-

ed for various renewable energy technologies,

such as offshore wind and geothermal energy.

ANTONIO MORALES

PRESIDENT, ISLAND COUNCIL

OF GRAN CANARIA

"The Chira hydroelectric

facility is more than just a

hydroelectric plant; it's a

groundbreaking project."

"We are committed to becoming a green,

environmentally responsible region that sets an

example in the global effort to decarbonize. Our

goal is to showcase how a territory can success-

blueprint for others to follow. With this vision,

the Canary Islands offer an attractive opportu-

nity for testing and developing renewable ener-

the Canary Islands' sustainability strategies is

the way they have been embraced by companies

of all sizes and across all sectors. This is partic-

ularly true of the tourism industry, where lead-

ing accommodation providers like Dreamplace

Hotels and Resorts are setting the benchmark.

prove sustainability for several years," explains

Marco López, CEO of Dreamplace Hotels and

Resorts. "Every year we set different goals and

we've been awarded several certifications for

our achievements in terms of sustainability.

We're continuing to move forward and each

year do a little more; we're making progress."

"We have been working on measures to im-

What has been particularly impressive about

gy solutions that can be exported worldwide."

fully transition away from fossil fuels, creating a

The huge project combines a pumped-stor-age hydroelectric power plant of 200 megawatts installed power capacity and a desalination plant. It will strengthen the island's electricity system, providing a fundamental back-up to guarantee energy security and electricity supply, critical issues for citizens as well as businesses.

"We have designed a unique proposal that has no equivalent anywhere else in the world," says Antonio Morales, President of the Island Council of Gran Canaria. "The Chira hydroelectric facility is more than just a hydroelectric plant; it's a groundbreaking project. It will produce 700,000 cubic meters of water annually to support the primary sector, retain population in the territory and help combat fires.

"In Gran Canaria, 90% of the water we consume is produced from seawater, and we are working to utilize 100% of wastewater for irrigation - this includes natural grass fields, sports facilities, gardens and the primary sector. We have been experiencing a decade of con-

tinuous drought, but the island now has more than 70 large dams, making it one of the regions with the highest density of dams globally. Gran Canaria will also be the only island in the archipelago to implement offshore wind energy, with a potential of 900 megawatts. Many international companies are interested in this initiative as the island has enormous potential to generate economic activity centered around renewable energy production."

Range of renewable investment projects With the Canary Islands promising to become carbon neutral by 2040, the comprehensive decarbonization drive has created a favorable environment for foreign direct investment (FDI), which the regional administration actively encourages and welcomes as it looks to build on its sustainability pledges.

High-end hotels ensure a real taste of luxury

Tenerife's charms open to the world as airline and cruise visitors flock

Showcasing its natural, cultural and traditional treasures to more than half a million people a month. Tenerife has plenty to offer visitors

ar the most populous and most visited ember of the Canary Islands, it stands to eason that Tenerife is also the best connected of its archipelagic associates, with leading airlines offering flights to over 150 airports worldwide, including to New York (Newark).

Just over two hours by air from the Spanish mainland and around four hours from most European capitals, such enviable connectivity is one of the key drivers behind the rise of a powerful tourism sector that attracts 6.5 million travelers to its sun-kissed shores each year, arrivals who collectively spend around \$8 billion. Predominantly of European origin, most visitors originate from the traditionally reliable sources of the UK, Germany and Spain, reveals Dimple Melwani, CEO, Tenerife Tourism Corporation. While obviously delighted with the rebound in tourist arrival numbers post-COVID-19, the tourism agency chief insists officials adopt a quality over quantity approach to protect its reputation.

"Our objective as a destination is not so much to increase the total number of travelers, but to attract more tourists interested in exploring and enjoying everything that Tenerife offers in a respectful and conscious way, while generating more income for the island," she says. "We offer a subtropical climate with an average

annual temperature of more than 71 degrees Fahrenheit, beaches of volcanic origin and extraordinary laurel forests. Fun outdoor activities such as hiking, windsurfing, kite surfing, diving, golf and paragliding are also available year-round. "Our original gastronomy, with fresh products

and unique wines, charming towns and cities, such as La Orotava, Garachico, Icod de los Vinos or La Laguna — a UNESCO World Heritage Site — as an example of an open-walled colonial city that



Dimple Melwani

stunning

CEO, Tenerife Tourism Corporation served as a model for cities in the Americas, such as Havana, Lima and Cartagena de Indias, are truly

Fun in the sun for young families too

As a family friendly destination, Tenerife is not just about fine dining and high-end shopping at the end of a relaxing day on the beach. The island boasts a range of excellent water and theme parks, meaning children of all ages can enjoy thrilling rollercoasters, exciting waterslides and great shows and entertainment.

Other popular outdoor activities include whale watching as the island's waters are home to stable colonies of tropical pilot whales and bottlenose dolphins, while stargazing once the sun goes down is also increasing in popularity. With a favorable



La Laguna's colonial old town is ideal for tasting the island's mouth-watering cuisine

geographical location and extremely clear skies due to strict policies on maintaining natural light influence and pollution, Tenerife is an official Starlight Reserve, making it a haven for the emerging market of astronomic tourism "As our slogan says, 'Tenerife, awakens emo-

and five-star accommodation facilities in Europe,

cases, to enjoy complete wellness facilities with pro-

grams and sessions that revitalize body and mind."

In recent decades, Tenerife's varied landscapes have

become a regular feature in mainstream movies

as international production companies and box-

office stars take advantage of its attractive climate,

industry talent, generous tax breaks and other

Cast and crew from North America are es-

pecially frequent visitors as they utilize its rather

rugged terrain. This means Tenerife has figura-

incentives, to shoot movies of all genres.

1984 and Rambo: Last Blood.

Backdrops to big screen blockbusters

idents, to guarantee the well-being of citizens and better public services. "This commitment to sustainability is not only environmental, but also economic and social. That tions, and everything that awakens emotions always remains in our hearts," Melwani states. is why our efforts are focused on generating income "Tenerife has the largest and most modern fouron the island and promoting employment among

tees a unique tourist experience by preserving our

natural resources, managing the territory correctly and ensuring a balance between tourists and res-

the local population by improving training, so that as well as villas and boutique hotels that make a we can take advantage of all the opportunities offered by tourism in the broadest sense." stay unforgettable, and where it's possible, in many While highly reliant on spending by European

visitors, boosting the island's appeal to visitors from long-haul destinations such as Asia Pacific and North America is among the priorities of Tenerife

DIMPLE MELWANI CEO, TENERIFE TOURISM CORPORATION "Last year, 36,500 American visitors, 45% more than in 2022, stayed in establishments on the island."

tively walked the red carpet many times over the years, having appeared in successful Hollywood Tourism Corporation. Most travelers from those regions who currently visit its shores disembark from giant cruise liners, many of which are run by leading US operators.

Other relevant segments of the tourism industry that offer plenty of untapped potential include those associated with gastronomy, sports and culture, Melwani notes. However, she cautions such activities must appreciate environmental sensitivities and the local impact on civil society.

are committed to responsible tourism that guaran-



"Our medium and long-term vision ensures we ensure a greater influx."



TOP 5 REASONS TO VISIT TENERIFE

Unique and original gastronomy with European, Atlantic and African influences

A pleasant climate, with an annual average of 73 degrees Fahrenheit



With almost 50% of its territory protected, a visit to the World Heritage Teide National Park is a must

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GRAN TACANDE

Upscale hotel provider Dreamplace Hotels and Resorts has truly perfected the art of resting

aving opened its first luxury hotel in 1988 in Tenerife, family firm Dreamplace Hotels and Resorts embarked on an ambitious expansion drive and now encompasses four brands, seven hotels and four destinations. Its family spirit, however, has remained unchanged throughout its impressive story of growth.

The award-winning company's sense of belonging and genuine concern and care about the well-being of others continue to define to a great extent what it represents. One of its most successful and popular hotels is the stunning Hotel Gran Tacande. Refurbished in 2017, it stands as a luxury oasis on the island's beautiful Costa Adeje, allowing guests to relax their five senses.

Located on the seafront, the Hotel Gran Tacande is so near the shore that you'll be able to smell the ocean, making it a great option if your perfect holiday consists of disconnecting," says Marco López, CEO. "Leave all your worries behind while you discover a hotel designed to give you the rest you deserve.

"Costa Adeje offers an enticing blend of sun, sea, and sophistication for visitors from the US seeking a dreamy escape," he enthuses. "This exclusive resort area, located on the southwest coast of Tenerife, boasts stunning landscapes with volcanic backdrops, pristine beaches, and luxurious amenities that cater to discerning travelers. From world-class resorts and gourmet dining to thrilling water sports and vibrant nightlife, Costa Adeje promises an unforgettable vacation experience."

MARCO LÓPEZ CEO, DREAMPLACE HOTELS AND RESORTS

"The welcome from the staff [at the Hotel Gran Tacande] typifies the warmth and affection of the Canary Islands."

Asked what makes the hotel so special - apart from its incredible setting and eye-catching architecture, of course - the experienced industry expert highlights the wealth of gastronomic options that will activate guests' taste buds.

"Other highlights include a wellness center with sweet aromas, rooms so spacious and carefully decorated that you won't be able to stop looking at them and spectacular swimming pools that will make you forget the rest of the world and only focus on the relaxing feeling of the water on your skin," he explains.

"The first thing you feel when you go through the hotel door, after admiring its imposing facade,

Marco López **CEO**, Dreamplace Hotels and Resorts

is the grandeur and tranquility of the atmosphere. The welcome from the staff typifies the warmth and affection of the Canary Islands and you realize that any request or wish you make will be attended to immediately."

With everything so connected - every detail and every corner — the senior executive describes how as soon as visitors enter the hotel, they sink into an oasis of calm and serenity. "All the rooms have been designed to not only cover guests' basic needs, but also to offer them the perfect wellness space with exclusive amenities, welcome details, pillow menu and so much more," he adds.

"Guests can enjoy our fresh, rich and seasonal cuisine, with all kinds of dining options, at the Zurron Market Buffet. Quick and more daring options during the day are available at our Bocana Beach Club, while sparkling bubbles of champagne and crunchy crudités with sublime views and unparalleled sunsets are found at our rooftop Azotea Sunset Raw Bar."

For guests who love that extra touch of luxury and distinction, the hotel's Gold Level and Suite Imperial rooms are the final word in luxury accommodation. As well as being equipped with jacuzzis or private swimming pools, they give access to the beautiful hotel's most exclusive area with a spectacular infinity pool, Bali beds, wellness drinks and snacks service, and stunning views of the Atlantic Ocean.

"The jewel in our crown is the recently renovated Vitanova Thalasso Spa, offering the latest treatments, massages, therapies and guided holistic activities for complete connection between body and mind," López adds. "All this is complemented by our thalasso water circuit which provides all the benefits of seawater."

awakens emotions

The greatest luxuries are created to be felt.

Explore extraordinary landscapes. Conquer unknown emotions. Feel Tenerife.



CANARY ISLANDS SPECIAL 5

Green light to huge spending spree on key infrastructure

The local government has allocated a record budget to a portfolio of crucial infrastructure projects focused on connectivity and improving the region's housing stock

eveloping increasingly robust infrastructure that fits the islands' insular reality while also taking into account its environmentally fragility means new civil construction projects must be adapted to the archipelago's unique ecological context. Connectivity and territorial cohesion are fundamental elements of concern given more than seven times the region's two million population arrives each year by sea and air for vacations, putting social cohesion and public infrastructure under huge, year-round pressure.

Tasked with financing, managing and developing major public works projects, housing policy (both public and private), and mobility between islands and mainland Europe is the regional government's Department for Public Works, Housing and Mobility, headed by Councillor Pablo Rodríguez.

The ex-alumni of the University of Las Palmas de Gran Canaria acknowledges his office has a real job on its hands to meet the "significant challenges" posed by the islands' popularity, with the field of road infrastructure proving to be one of the most difficult problems to solve.

"The economic and social leap that we experienced was significant when inter-island connectivity became more efficient," he states. "When we were more isolated, everything was much more challenging. Thus, the area encompassing road infrastructure, transport and mobility is crucial, as it serves as a cohesive and

cross-cutting element for our development. "Additionally, housing has become an increasingly significant issue. Because our territory is limited by the sea, we face substantial environmental fragility. A large part of our land



Pablo Rodríguez Councillor for Public Works, Housing and Mobility

is environmentally protected. High demand for housing now far exceeds the available supply." The official notes a clear imbalance between housing supply and demand, leading to a substantial increase in house prices. "It has become a critical issue for Canarians and residents to access decent and affordable housing," he says. Addressing this demand is one of the key challenges we face right now and finding solutions to this housing crisis is of utmost importance."

Record budget funds scores of projects

Given his office this year received the largest budget in its history, exceeding \$770 million in public expenditure, Rodríguez has been in the spotlight on plenty of occasions, particularly



Large wind farms form an important part of the region's shift to cleaner energies

when it comes to making crucial investment decisions that will impact the lives of millions. "Investments play a crucial role in this budget and we are the ministry with the greatest investment capacity in the entire regional government and the institution with the highest investment capacity across the archipelago. This means we must lead public investment," he says. "Our focus is primarily on two key areas.

Firstly, road infrastructure: we have an agreement with the state worth over \$1.5 billion, which covers the improvement of the entire road network of the archipelago until 2027. Secondly, we have several housing plans currently being implemented, with investments exceeding \$600 million. These areas are pivotal

for public works, and we are deeply committed to addressing these challenges. "There are several challenges that, while not as financially significant as the investments mentioned, are equally important and crucial for the future of our region. The first is the cross-sectoral approach we have adopted. The Canary Islands are environmentally fragile, so we need a comprehensive strategy focused on sustainability and green policies.

"In the area of roads, we have developed a green strategy to create multipurpose infrastructure. Our highways will not only serve as thoroughfares for vehicles, but also as spaces

where clean energy can be harnessed, making them sustainable and self-sufficient." Similar initiatives are being pursued in the area of ports, including the introduction of

emission-neutral, efficient and self-sufficient. Meanwhile, as part of the well publicized decarbonization drive, a large part of the energy transition is focusing on the electrification of mobility, particularly urban and inter-urban. "Sustainable mobility is a major focus and we have the challenge of implementing a longterm strategy for the next three decades," Rodríguez states. "This involves rethinking how

modern "eco-ports" that are designed to be

PABLO RODRÍGUEZ COUNCILLOR FOR PUBLIC WORKS. HOUSING AND MOBILITY

"Our challenge is to turn our record budget [of over \$770 million] into tangible benefits.'

transportation works across the Canary Islands, not just land transport, but also maritime transport, which is crucial for our archipelago.

"Territorial and social cohesion has always been vital and our success in connecting the islands, both internally and externally, has made us the most well-connected archipelago globally. We owe much of this to our tourism potential, but we must keep improving connectivity. "Our challenge is to turn our record budget into tangible benefits. It's not just about planning investments, but ensuring they're fully executed, which is vital for residents' well-being."

Decarbonization dream is becoming a reality

The islands are striving to showcase to the world how a trailblazing territory can successfully transition away from fossil fuels, creating a blueprint for others

"The responsibility for territorial planning lies with the councils, while energy planning is the responsibility of the government. This is why we are attempting to finalize this work so that we are all comfortable when taking the definitive step towards renewable energy. What we want to determine is where renewables will

continue to be developed." Streamlined legislation is step forward To this end, the regional administration earlier this year made an important amendment to the Climate Change Act, which seeks to "simplify bureaucracy, provide legal certainty and speed up its implementation, as the future of the

Canary Islands depends on renewables".

Action on energy matters is also "urgent

tional corporations already involved. "Our region offers significant opportunities for collaboration, driven by our commitment to sustainability," he continues. "The Canary

Islands boast unique natural landscapes, including impressive national parks, and are strategically positioned to stand at the forefront of renewable energy advancements. We have an exceptional climate and a landscape well-suited for various renewable energy technologies, such as offshore wind and geothermal energy. "Our government's push for decarbonization by 2040 creates a favorable environment for FDI, which we actively encourage and welcome. We believe that with our emphasis on re-

the archipelago, the senior official confirms that is the case, with US investment and multina-

Mariano Hernández



The Canary Islands are incredibly well served by many leading international airlines Locally grown tropical fruits are sold at markets and restaurants across the islands

Economic diversification sees wealth of opportunities

With improved connectivity, local companies in multiple sectors are reaching out to the world

he critical goal of economic diversification has been embraced across the archipelago in recent years as public and private sector officials strive to reduce the region's overdependency on tourism revenues and generate new business segments and employment to support their internationalization ambitions and strengthen trade ties.

of Canarian businesses, as well as attracting a

Regional and international collaboration

As a collaborating entity of the local arm of the

Enterprise Europe Network (EEN), PROEXCA

provides clients with a range of free support and

specialized advisory services and access to EU

helps businesses innovate and grow on an inter-

national scale. It is the world's largest support

network for small- and medium-sized enter-

prises (SMEs) with international ambitions and

"PROEXCA has two fundamental objec-

tives," savs Pablo Martín, Managing Director.

"The first is the promotion of exports from the

Canary Islands, keeping in mind that the region

is a limited space, with a small market of two

million inhabitants. The growth of companies

depends on going beyond the local market to

access other markets. Some firms only target

the local market, but when entities start to grow,

they need to go abroad if they want to expand.

"We aim to support all companies that want

is also active worldwide.

This access is incredibly valuable as the EEN

policies, programs and funding openings.

constant flow of FDI to all the islands.

we have a customs system here, selling to mainland Spain is considered the same as selling to our important external markets elsewhere in Europe, Africa or North America. Business growth through exports is essential to help companies grow larger, become more competitive and employ more people.

to sell outside of the Canary Islands. Because

"The other very important objective is the While no doubt appearing daunting at first, plenty of progress has been made of late and the attraction of investment which is linked to the future certainly looks bright for companies of all diversification of our economy. There is also a third objective, which is accompanied by a layer sizes and active in a range of sectors as they seek to debut in new markets at home and abroad. of training to equip Canary Islands businesses with the necessary skills to go abroad, and also Assisting local enterprises in their efforts are organizations such as PROEXCA, a public comto help companies that come here find specialpany attached to the regional government that is ized talent. Progress is being made on this, but the training also serves the other objectives." tasked with promoting the internationalization

COSME GARCÍA MANAGING DIRECTOR. SPEGC "We view innovation as a key factor in improving the competitiveness of companies on the island of Gran Canaria."

Official data shows the regional economy is increasingly service-based, with this shift allowing for the export of knowledge and services, which are not geographically limited in the same way physical products are. When it comes to tangible goods, the region's favorable climate for agricultural has seen agro-food industries become the cornerstone of the local economy and central to exports. Large cargoes of perishable goods like bananas, tomatoes, flowers and plants leave the islands on a daily basis.

According to the experienced business expert, American companies looking to enter the European technology market will find the Canary Islands particularly appealing as the is-





Managing Director. PROEXCA

lands are well placed to serve as a golden hightech gateway to the continent.

Pablo Martín

"While it's true that companies might not relocate their R&D operations here — since that typically happens at their headquarters — there are still plenty of opportunities to set up specific R&D units in Europe.

"The audiovisual sector is especially promising in the Canary Islands. Additionally, there are significant opportunities for companies linked to Africa that require logistical support. For example, Houston-based clients, such as shipping and oil firms, often use the region as a strategic platform due to our location."

Instrumental investment entities on call This upbeat view on the myriad of promising business, commercial and investment openings available on the islands is echoed by peers of PROEXCA elsewhere in the region, including by bosses of the influential Economic Promotion Society of Gran Canaria (SPEGC). As its title suggests, the society's mission focuses on generating wealth, economic activity and employment. With a special focus on di-

versifying the island's economic structure and creating higher-quality jobs, the organization is a powerful weapon in the Island Council of Gran Canaria's investment armory.

"Our focus is on supporting new business

Cosme García Managing Director. SPEGC

initiatives with various tools, mainly: funding, advisory services, mentoring, project acceleration and technological and legal consulting," explains Cosme García, Managing Director of SPEGC

"We view innovation as a key factor in improving the competitiveness of companies on the island. While we support the tourism industry, we don't attract companies to invest in new hotels or similar ventures, as this is already a mature sector that continues to grow. Instead, we focus on fostering the growth of new sectors and employment niches on the island.

"For instance, we're concentrating on industries like the audiovisual sector, including film and series production, industries related to digital animation, digital creative industries, video

games and new production technologies. We're also focused on the software industry, where there's global competition for talent, but we've a unique position that offers opportunities." Given geopolitical tensions in the wider region, the island's port and aviation infrastructure have become busier, García notes. "Our port is not just a refueling station and has been growing rapidly, especially due to the crisis

in the Middle East, that has increased traffic

through the region. "Our port offers advanced specialized services, especially in naval repairs and providing services to offshore platforms."

he clock is ticking on the Canary Islands' challenging goal of being completely carbon neutral by the end of the next decade. While solid progress has been achieved to date, officials across the archipelago are now ramping up decarbonization and associated sustainability policies, initiatives and investments — the latter with the help of local and international enterprises — as the countdown to 2040 gathers pace.

"Currently, we have a renewable energy penetration of only around 20%," says Mariano Hernández, Councillor for Ecological Transition and Energy at the regional government. "We need to take determined and clear steps forward, which is why we are working closely with the councils of each of the islands on this very important issue.

bearing in mind the energy emergency situanewable energy, the Canary Islands can become an ideal destination for initial renewable energy tion in which we find ourselves", Hernández notes, adding more than \$103 million has been committed to geothermal energy research in recent years for the development of a reliable

mixed energy portfolio base focused on wind, solar (photovoltaic) and hydroelectric power. The Spanish government has also provided substantial funding for feasibility studies into potentially significant geothermal reserves on the islands of La Palma, Tenerife and Gran Canaria. "Exploratory drilling will take place at depths of around two miles to determine the viability of these projects," Hernández savs.

"If successful, it would lead to a transformative shift in our efforts toward decarbonization. Geothermal energy projects are singularly important for us, along with offshore wind and pumped hydroelectric storage infrastructures, like the Salto de Chira project now being built." Quizzed on whether large sums of FDI have been allocated to renewable energy projects in

projects. The opportunities here are abundant, and we are confident that the future lies in attracting strategic investments in our region." Local talent offered strong support Given the above, it is clear the archipelago has the natural resources, ambition and funding to

develop renewables, but what about the large pool of skilled workers required to ensure the decarbonization drive hits its 2040 deadline? Local officials are absolutely committed to working hand in hand with companies to train the next generation of workers for renewables projects. For example, when the region finally makes its foray into offshore wind energy, it will only be when there are sufficiently trained people in this specific field. This is part of the training program the regional administration has decided to develop with private sector com-

panies of varying size and origin.

helping to protect and preserve the planet. The unique characteristics of the Canary Islands' energy system revolve around our isolation, which requires a distinct electrical system for each island," Hernández adds. "At the same time, we are determined to be at the forefront of offshore wind and geothermal energy devel-

> opment in Spain. "Our goal is to showcase how a territory can successfully transition away from fossil fuels, creating a blueprint for others to follow. With this vision, we offer an attractive opportunity for testing and developing renewable energy solutions that can be exported worldwide."

Councillor for Ecological Transition and Energy

All in all, it adds up to an exciting and poten-

tially lucrative return on investment for inter-

national energy players, with the added bonus

of such renewables and sustainability projects

Enticing tax regime ticks all the right FDI boxes

Business of any origin and active in any of the islands' economic sectors can benefit from an exceptionally attractive tax environment

he Canary Islands' long-established and distinctive fiscal regime to promote FDI and growth means the archipelago's great distance from the European mainland does not hurt its economic performance and socioeconomic development. The region's forward-thinking blueprint is aligned with the strategy of being an outermost

region of the EU, meaning there are compensations for the additional costs associated with transportation, electricity, water and many other areas. Such generous fiscal compensations are necessary to address the higher costs faced by businesses, residents and investors.

In addition, the islands' special tax regime is designed to foster the economic and social development of the islands by using economic activity as a lever to promote this development. The ultimate goal is to promote both aspects through economic activity via operational support and investment, senior officials explain.

"We are an outermost region of the EU and part of the strategy for outermost regions," explains Matilde Asián, Councillor for the Tax Authority and Relations with the EU.

"What defines an outermost region is not a strict definition but the accumulation of factors, such as insularity and distance from the mainland. We are in Spain, but we are far from the continent and also close to a developing continent. It's the combination of these circumstances that distinguishes an outermost region from. say, a mere island or a distant region.

lows for this special treatment."

"This special treatment for outermost re-Matilde Asián **Councillor for the Tax Authority and Relations** gions means that European policies are adapted with the EU our specific characteristics. For instance, energy policy is adjusted, cohesion policy is modrope," she adds. "The Directorate-General for European Affairs, which is part of this ministry. ified and all the policies of the EU are tailored to our needs. The outermost region strategy alhas top-level experts - some of the best in their

ropean institutions. We also have a delegation Hard work generates welcome results in Brussels dedicated to issues concerning the Given the archipelago's impressive economic Canary Islands. growth and excellent track record for securing substantial FDI in the tourism space as well as special regime, the councillor underlines how other core sectors, the councillor is quick to pay incentives cover both indirect taxation and general taxation on consumption. "For example, tribute to her colleagues at home and abroad,

whose efforts have made this success possible. we don't apply VAT here, but a tax called the "The Canary Islands, along with the Canar-'Canary Islands General Indirect Tax' (known ian governments, have done a great job in Euas the IGIC in Spanish), which has a very wide



field - who are in constant dialogue with Eu-

Switching her attention back to the region's

are exempt from certain excise taxes. "Most importantly, we have significant advantages in direct taxation. These advantages can be categorized into investment aid and

differential compared to VAT rates. We also

have a special treatment for excise taxes and we

operational aid, both of which are important. Operational aid refers to supporting an activity without the need for an initial investment. This too has special tax treatment.

"We also offer a 50% bonus for the production of physical goods — basically any general industrial activity, not just transformation processes. Additionally, there's a deduction for investments in strategic sectors."

One area that is particularly important for the diversification of the economy and an ideal business opportunity for foreign investors is R&D and technological innovation. In general, the deduction for R&D investment in Spain is 25%, but nearly double that on the islands at 45%. As for technological innovation, the deduction on the mainland is 12%, but nearly four times higher in the Canary Islands at 45%.

Councillor Asián confirms many of the highly attractive deductions are compatible with each other, in accordance with Spanish law and the limits set by the EU for authorized aid. "We want to attract investment in activities related to innovation, development and technological innovation," she affirms.

We are interested in promoting activities in the Canary Islands that are compatible with our social development and that can support us in improving the well-being of our citizens."

Ensuring world trade keeps on flowing

Significant disruption to the crucial Red Sea trade route has boosted maritime activities and revenue, as has the surge in cruise calls

aritime activities and operations are embedded in the DNA of archipelagos and the same is certainly true of the Canary Islands, perhaps even more so given it is strategically located at the crossroads of three continents in one of the world's largest oceans.

With a reputation as a strategic bunkering hub, fueling stations for merchant ships have been working round the clock since the closure in early 2024 of the Red Sea to the majority of maritime vessels due to the poor security situation. Instead, scores of ships each week must now take a lengthy detour around the Cape of Good Hope, rather than transit the Suez Canal.

Now often the first, or last, port of call for ships moving goods and commodities - not to mention massive cruise liners - thousands of nautical miles over several weeks between major importing and exporting countries in the east and west, the holiday islands' maritime services have been exceptionally busy, a challenge that local officials have relished.

The fact that local ports have taken all the extra business in their stride is a real testament to their professionalism, investment in training and infrastructure and decades of experience serving vessels performing transatlantic voyages between scores of ports in Africa, Europe and the Americas.

B

Highly attractive tax regime

that includes the lowest

corporate tax rate in Europe

"At the Port of La Luz in Las Palmas, leading maritime companies are already well established and our hyper-connectivity reinforces to the offshore maritime industry.

our role as a major international hub," high lights Pablo Rodríguez, Councillor for Public Works, Housing and Mobility. Leading figures in the multi-billion dollar

cruise industry are eager to take advantage of the Canary Islands' popularity - millions of passengers disembark each year — and are investing large sums in new infrastructure to support their expansion plans. One such example is the construction of modern cruise terminals in Las Palmas de Gran Canaria, Lanzarote and Fuerteventura by an international and local we are attracting companies that will benefit

joint venture, Global Ports Canary Islands. The major works will cost more than \$40 million. "Construction of specialized cruise facilities will positively contribute to the transformation of the sector with a remarkable impact in the local economy," the company confirmed. "The project will optimize guest experience at port y customer oriented-services, by enhancing at the same time the sustainable development of the cruise industry at the islands."

ports shows no sign of slowing. In addition to The regional government has given its handling vast numbers of cruise vacationers wholehearted support to such international inthroughout the year, naval repairs, oil and gas vestment and also dug deep into its own pockvessel servicing, offshore platform handling and ets last year with the launch of the Maritime the development of floating and fixed offshore Innovation Center that was developed in conwind energy infrastructure are an increasingly junction with the Port Authority of Las Palmas. The attractive center is focused on technological innovations for the maritime and port industry and is intended to become a reference

- and lucrative - presence at regional ports. At the bustling Port of Las Palmas, several ambitious projects focused on growth and sustainability are underway. One of the pripoint for how new technologies can be applied mary goals is to further consolidate the facility's core services, such as bunkering and ship

TOP 5 REASONS TO INVEST IN THE CANARY ISLANDS

101

An enviable geo-strategic

position between Europe, the

Americas and near Africa

pected to grow globally."

from technologies such as AI and data manage-

ment," comments SPEGC's García. "The center

is already fostering a hub of companies focused

on finding solutions for this sector, which is ex-

Such solutions will almost certainly be needed

given commercial and passenger traffic at local

A can-do attitude supports

high-tech scientific facilities

and applied research centers

Popular ports on the crest of a wave



"This is a booming sector due to the growrepair, where it already ranks second and third ng demand for offshore energy solutions and in Spain, respectively. The port is also working

to maintain its strong position in general cargo, where it holds the fourth spot in the country. Meanwhile, the Port Authority of Santa Cruz de Tenerife is investing heavily in strengthening its role as a vital hub for maritime, trade and tourism activities. Several US Navy vessels docked in April, highlighting its capacity to ac-

commodate large-scale operations. Looking ahead, early 2026 will mark the installation of a state-of-the-art floating dock, financed by Tenerife Shipyards and constructed in China. This advanced facility, capable of lifting ships of up to 22,000 metric tons, will be the largest of its kind in the Canary Islands. It aims to revolutionize the ship repair industry in Tenerife, providing dry-dock services for larger vessels and boosting the local economy.

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Outstanding connectivity

and abundant cutting-edge

communication infrastructure

With expanding infrastructure, a revitalized focus on ship repair and increasing cruise traffic, the port is positioning itself as a premier maritime hub, with its contributions to economic growth and tourism much appreciated.

£

Generous incentives for

companies involved in R&D

and technological innovation

CANARY ISLANDS SPECIAL

Businesses benefit from support of key organizations

Help is at hand for companies of all sizes in the archipelago as well-connected entities provide important support and advice

iven the forward-looking island is leading the way in the archipelago's Tutilization of renewable energies, Gran Canaria is well along the path toward the goal of a more diversified and resilient economy, taking advantage of its unique resources and adapting to new global realities.

A powerful driving force behind the push to consolidate the internationalization of companies and the associated efforts to promote its increasing connectivity — Gran Canaria is regarded as a "Bridge to West Africa" - is the Chamber of Commerce, Industry, Services and Navigation of Gran Canaria.

Headed by President Luis Padrón, the trade body stands at the center of strategies to promote the general interests of companies of all sizes active on the island. Among the strands of its work are the creation of detailed market research reports for firms considering entry into new markets, trade mission visits and the provision of assistance to members in their various

trade information requirements. Chamber officials frequently visit, as well as host, international trade fairs, including in key sectors like food and agriculture, digital technology, energy, navigation, aerospace, animation, audiovisual, fashion, geospatial industry, real estate and digitalization. With a strategic approach, the group has implemented various measures to facilitate the global expansion of local companies, taking advantage of opportunities in international markets and strengthen-

ing the island's presence on the global scene. The chamber is also taking significant steps

in promoting innovation and supporting entrepreneurs in the technological field. With a proactive approach, the entity has deployed a series of initiatives to boost local technological development and provide solid support to those seeking to start a business in this sector.

In addition, the award-winning entity leads a range of key initiatives and projects aimed at reinforcing the training and capacity building of local professionals, thus recognizing the importance of fostering talent in the region.

"Gran Canaria's prospects are very promising," says Padrón. "The tourism sector is interesting, with foreign firms setting up here and elsewhere in the archipelago, establishing their headquarters and looking toward Africa and benefiting from the fiscal advantages available. for setting up businesses," he states.

"Our main challenge is never lowering our guard when it comes to connectivity. In a geographically isolated territory like ours, connectivity is the key issue. Another challenge is commercial freedom guaranteed by a European framework. However, we're especially interested in the unique tax regime that the Canary Islands enjoy. This gives us a distinct advantage, and we need to ensure that we remain open in all aspects of commercial freedom, making it

Connectivity oils the engine of trade

easy to do business in Gran Canaria."

According to the senior official, the island needs to offer similar facilities to those seen in other global business hubs and make it easier to market products locally. He acknowledges Gran Canaria's toughest task is positioning itself as a major commercial platform for the nearby African market, which is growing rapidly. "Gran Canaria is in an incredibly strategic

location," he continues. "Even though we feel close to mainland Spain, we are actually closer to Africa, and that's an opportunity we must capitalize on. This geographical location should be leveraged to connect European businesses with Africa, a market that is increasingly important. That's why we've been working with African chambers of commerce; we want to foster Gran Canaria as a commercial bridge linking Spain and Europe with West Africa."

LUIS PADRÓN PRESIDENT, CHAMBER OF COMMERCE, INDUSTRY, SERVICES AND NAVIGATION OF

GRAN CANARIA "The unique tax regime the Canary Islands enjoy gives us a distinct advantage.'

Turning his attention to the Americas and potential investors from the US, Padrón is eager to drive home the point to potential American investors that when local leaders talk about Canary Islands, they are actually talking about Europe, which provides absolute legal security. "The market is relatively small, which may seem limited from a North American perspective, but it's about the European legal security

Islands Confederation of Entrepreneurs (CCE). Approaching its 40th anniversary, the CCE boasts a broad voluntary membership base

Valuable support for firms of all sizes

Luis Padrón

America



Ports across the islands are a constant hive of activity with goods traffic of all sizes



Pedro Ortega President, Canary Islands Confederation of President, Chamber of Commerce, Industry, Entrepreneurs Services and Navigation of Gran Canaria

comprising over 20,000 companies, through "There's no better place for such companies than to be based in the EU, a loyal and friendaround 200 sectorial, branch and territorial business organizations, in which firms, cooperly partner to the US. The Canary Islands offer stability, unlike some African countries that atives and self-employed persons are integrated. may face political or economic instability, even "Our task is to listen to the challenges, needs though improvements have been achieved. and desires of businesses, while also being able "We provide a commercial hub of trust, a

to communicate these needs to the administraregion with excellent air and sea connections tion," states Pedro Ortega, President of CCE. to West Africa and where your investments "At the same time, we work to align the political will be backed by the EU. For North American and economic strategies of the administration businesses, it's a perfect place to expand and with the interests of businesses. the chamber is here to host and support for-"Public-private cooperation is the key ineign investment. We are highly motivated to atstrument that we are using to coordinate with tract foreign investment, especially from North

government strategies and policies aimed at improving our society. Through this, we hope to capitalize on the effectiveness and capabilities of the private sector to ensure that these strategies are executed efficiently.

On a more regional level, the leading business organization providing thousands of local With the Canary Islands offering a solid companies with the necessary mechanisms base for international companies to establish to position themselves in their markets and themselves in Europe, the ambitious archipelimprove their competitiveness is the Canary ago could also play an important role in the future development of Africa, thus "offering tremendous opportunities for anyone looking to be part of that journey", Ortega adds.

Investment in luxury hotels creates a splash

As its reputation for an outstanding vacation grows, so does spending by luxury hotel

Grupo CIO — which has branched out into The enterprise's deep connection with Tenerife — where its headquarters are based more traditional industrial areas like securities, real estate and bottled water - debuted in the and the other islands is absolutely fundamental tourism sector 31 years ago with the aforemen to its identity, notes Francisco Zamorano, CEO of Grupo CIO. "Although the islands are con-





The stunning white beaches and coves of Playa Blanca are found at Papagayo.

Resembling the surface of another world, La Geria is a unique, coned landscape.

LANZAROTE Wellness hub eyes exciting new types of tourism

With a myriad of resorts and spas, Lanzarote is ideal for travelers looking to recharge their batteries, though it has so much more to offer, as a new marketing campaign underlines

ell on course to receive more than three million foreign visitors this year, Lanzarote has certainly never been more popular when it comes to tourists opting to embark on a relaxing vacation on its year-round, sun-soaked shores. The gorgeous island is far more than a beach destination though, with its incredible natural and cultural treasures increasingly capturing the hearts and minds of visitors from outside of Europe. This trend has been fueled by the growing

interest in wellness and mental health tourism, particularly in markets like the US, meaning it is now firmly on the vacation radar for travelers from across the Atlantic and farther afield. "Lanzarote boasts high-level accommodations, exceptional gastronomy, vibrant sporting activities and rich cultural experiences, making

it a perfect choice for unforgettable holidays," says Héctor Fernández, CEO of the SPEL-Turismo Lanzarote (Tourism Lanzarote), proudly. vate collaboration has yielded excellent results.

"The island can play a significant role as a premier destination in the Atlantic, offering a Accommodation options are geared towards unique value proposition. Lanzarote offers a sports tourism, and restaurants focus on farmhigh-quality wellness tourism experience, ento-table dining, emphasizing healthy, locally sourced ingredients. This approach positions compassing facilities and services for thalassotherapy, spas and wellness centers. Lanzarote as a destination where tasty and "Almost all top-tier hotels are equipped with healthy gastronomy goes hand in hand."

these conveniences, but Lanzarote takes it a step further. The island's climate, with mild temperatures year-round, significantly aids health recovery, especially when combined with sports activities and exceptional gastronomy. "Lanzarote has been investing in sports tour-

ism and gastronomy for many years, creating a high-level, structured offering. The public-pri-

Sustainable projects appeal to investors



CEO, SPEL-Turismo Lanzarote

The marketing revamp highlights the union of all the unique assets that make Lanzarote such a "different, personal, open and diverse island". The rebrand zooms in on a quintet of tourism segments that will be promoted and encouraged: sports, convention bureaus, music festivals. film commissions and superyachts.

"We have presented the new Lanzarote brand and defining a new direction for our island," commented Oswaldo Betancort, president of the Island Council of Lanzarote, during the campaign's launch ceremony in May.

Lanzarote's share already impressive share of the With sun, wind and waves guaranteed Earlier this year, a colorful, new brand imthroughout the year, Lanzarote is a firm fixture age was launched: "Lanzarote, A unique island". on the calendar of water sports enthusiasts, be

growing source of income for the island and follows major investment to improve and extend supervacht services, shipyard facilities and longand short-term berthing for refits and repairs. Three established luxury marinas provide 1,368 berths and nearly three dozen convenient supervacht berths. Each marina has its own

they surfers, windsurfers, divers, sailors, cyclists,

transatlantic connectivity, Lanzarote's confi-

dence in its convention bureaus hosting capabil-

ities is well placed. Like the meetings, incentives,

conferences and exhibitions (MICE) segment,

bringing scores of international business and

sales executives together in modern surround-

ings under a clear blue sky is certainly a tempting

rich tapestry of cuisine strongly influenced by its

colorful culture and unique position at a cross-

roads between southern Europe and west Africa. In recent years, leading chefs from around the

world have visited the island and high-profile

meetings, talks, festivals, markets and events re-

and diverse landscapes globally, Lanzarote forms

the ideal backdrop to small and big screen pro-

ductions. Lanzarote Film Commission facilitates

the work of companies and professionals in the

audiovisual sector through the provision of free

Meanwhile, the supervacht segment is a

Blessed with some of the most eye-catching

lated to gastronomy are held each year.

information and advisory services.

On the gastronomic front, Lanzarote boasts a

Given its excellent intercontinental and

mountain bikers or runners

proposition for organizers.

unique personality and selection of world-class restaurants, bars and international stores.



Oswaldo Betancor resident. Island Council of Lanzarote

New strategy highlights key attributes

regional and national tourism market

Despite its success to date, tourism officials are

not resting on their laurels as they seek to increase

groups like the pioneering Grupo CIO

ith the uptick in tourist arrival numbers to the islands show-ing no sign of slowing, it is just as well for international visitors that leading accommodation providers have invested heavily in the renovation of existing hotels and resorts, and also spent substantial sums on the construction of new places to stay too. One of the more distinct characteristics of

the region's robust tourism sector is the number of family operated businesses dotted across the seven islands. While international chains and brands are certainly present, locally run accommodation providers continue to thrive.

As a fourth-generation, family owned company, fully rooted in the islands with 100% Canary capital, Grupo CIO is a textbook example of how innovative ideas, hard work and a dedication to its trade can create rich rewards and provide a springboard to greater success.



Francisco Zamorano CEO, Grupo CIO

tioned Bahía del Duque, a now iconic hotel that sidered sisters to each other, they each offer direcreates a traditional Canarian colonial villa verse landscapes and climates," he states. from the 19th Century. "At the time, that hotel "Some islands have dramatic beaches, othconcept was a significant departure from the typical, more vertical hotels that were common ers lush green areas or microclimates. Tenerife, specifically, has a stunning contrast between the in the Canary Islands," Zamorano admits. green and lush north and the arid, almost des-"We wanted to create a space that incor-

ert-like south, offering an incredible variety of porated greenery and open areas, giving it the feel of a small Canarian village. This idea was experiences in a relatively small area." unconventional and even considered risky because it required a substantial investment.

Embodying the essence of the Canaries All of the group's hotels aim to capture the Many doubted it would succeed, but it turned history, culture and taste of the archipelago, with the architecture of its first hotel, Bahía del Duque, reflecting traditional Canarian styles and staff uniforms inspired by local attire. "We emphasize corporate social responsibil-

ity, prioritizing local products and ingredients, from wines to fresh produce, to support the regional economy," the senior executive explains. This philosophy permeates our company that was established over a century ago, - from the family owners to our employees and our overall operations. We strive to make sure that every part of our hotels breathes the spirit of the

Canary Islands every single day."

out to be a remarkable success from the start. "The property's unique magic and the feeling of being in an expansive yet intimate environment have always made it special. Bahía del Duque has become a destination in itself, highly respected and recognized. "We've received numerous awards over the

years, including service excellence awards from Condé Nast, which we are particularly proud of. The service at Bahía del Duque is something we continually invest in, emphasizing staff training and the personalized attention that sets us apart. Our slogan, 'Experience the Difference', truly comes to life through our dedicated team."

Lopesan embarks on major expansion drive

Boasting one of the largest hotels in all of Europe, hotel group Lopesan is investing substantial sums in multiple new projects

egarded as the region's leading tourism company courtesy of its impressive real estate portfolio that comprises over a dozen hotels in Gran Canaria and Fuerteventura, Lopesan Hotel Group continues to set the pace when it comes to major hotel infrastructure investment and expansion. With the help of international partners, the company has invested more than \$200 million in its property estate in the past seven years alone. The group's Lopesan Costa Meloneras Resort and Spa in Gran Canaria is the largest single-building hotel in Spain and one of the largest in all of Europe. With 1,136 rooms and five-star status, it is not only the firm's flagship site, but its most successful and best known.

"Lopesan is not just another hotel chain. We see ourselves more as a destination creator than just a hotelier," says José Alba, General Director Lopesan Hotel Division, Lopesan Hotel Group. "We cover practically the entire spectrum of

tourists and are very focused on the upscale segment. We have adults-only hotels and even lifestyle hotels with music concepts, like The Faro, which has the best location in the region.

"For a more classic luxury experience, we have Lopesan Villa del Conde in the Meloneras area. It offers a value proposition focused more on gastronomy, catering to families and couples, particularly those aged 45 and over. "Meanwhile, San Bau Aprissor is a five-star family hotel that is also probably the most icon-

ic on the entire island. It has an African theme, which makes it truly unique and something most certainly worth experiencing."

Plenty of new projects in the pipeline In early 2024, Lopesan outlined three major new projects in Gran Canaria, comprising nearly 130 luxury beachside villas, an expansion of Villa del Conde Resort & Thalasso Hotel and a five-star themed hotel project with more than

950 rooms that the experienced senior executive expects to become the most important family resort in the Canary Islands.

"This new hotel will feature a range of amenities and elements of value for family guests that have never been seen before in any hotel in the Canary Islands," Alba reveals. "Among these will be a water park, theme park, commercial area with restaurants from recognized brands and more entertainment options. It will be a unique concept and we aim to disrupt the market when we open it, which will be in about two or three years' time

"Our development of 128 luxury villas will create a high-impact product aimed at a segment looking for a different experience from a hotel. These villas will be independent, with their own kitchen for service, access to the promenade and an a la carte restaurant with a Michelin star as we seek to position this product in the highest luxury segment."

Lopesan not only benefits from its own vast experience, outstanding reputation and exceptional service, but through collaboration with international parties, substantial investment

has been secured for the refurbishment and expansion of existing hotels and resorts, as well as the creation of new spaces as the group looks to build its already sizeable market share and grow its footprint both regionally and farther afield in Europe and on other continents



José Alba General Director, Lopesan Hotel Divisior

"The largest investor in the islands is US investment fund Blackstone, through its hotel investment branch," Alba notes. "We are honored to call them friends and partners. The longterm vision for Lopesan is to continue playing a central role in promoting tourism as a sector that not only offers great potential for personal and professional fulfillment but also generates positive outcomes for the community and environment"

Blessed with incredible biodiversity, Lanzarote is protecting its past, but also focusing on a sustainable future through hefty investment in state-of-the-art renewables technologies

anzarote enjoys a growing reputation as a place that offers something beyond what is usually found in a regular sun and beach destination, as illustrated by the increasing number of sustainable projects

appearing across the island in recent times. Known as an island absolutely committed to the protection and preservation of its diverse range of marine flora and fauna, and sustainability, in 1993 it was declared a Biosphere Reserve by the United Nations Educational, Scientific and Cultural Organization (UNESCO), and is a part of the global network of Geoparks.

Awarded not just for its natural habitats but all its charming towns and villages, that UNES-CO title was joined by another in 2015. That was the year when Lanzarote was declared the first global destination to obtain the coveted Biosphere Responsible Tourism certification from

The latter award was definitive acknowledg-

Sustainability strategies gather pace

Since those prestigious titles were handed out, Tourism Lanzarote has embarked on various strategies to position the island in international circuits. Such efforts include original promotional campaigns pivoted around a firm commitment to sustainable development while balancing the economic needs of tourism accommodation, operations and activities.

"The island possesses excellent environmental qualities and is home to emblematic ecosysnew and cutting-edge, there is a need to import tems as well as highly protected enclaves," states talent and technology that may not yet be avail-Betancort. "Lanzarote brings innovative aspects able locally. This necessity opens up significant to the world network of Biosphere Reserves. The nies from various sectors." highlight is the integration of artistic creation in the territory, as an element that strengthens the island's culture, also generating added value as a Green light for renewables projects resource for tourism.

"This also offers aesthetic enhancements, bringing with them the improvements in inintellectually enriching and also economically come generation associated with the restoration

of degraded spaces: cultural values, physical limits and environmental conditions are all reflected in the agricultural landscapes."

Lanzarote possesses excellent environmental qualities and has iconic ecosystems, all of which are protected by different legal instruments. Given its guaranteed year-round sunshine, the island is also a popular choice for renewable energy firms seeking to create zero-carbon power from projects such as wind farms, including a new investment in such a facility in the San Bartolome municipality

"Lanzarote's commitment to sustainability in recent years has sparked the emergence of a parallel industry that supports this transformation." explains SPEL-Turismo Lanzarote's Fernández. "The green transition, often described in grand terms, requires an industry capable of accelerating and effectively supporting it.

HÉCTOR FERNÁNDEZ CEO, SPEL-TURISMO LANZAROTE "Companies and countries with more advanced technology than what will find investment potential here."



The white washed town of Yaiza has won many top awards for its beauty and charm.

beneficial tourism industry, resilient in the face of global challenges and dedicated to preserving its natural environment

"This strategy reflects a commitment to maintaining Lanzarote's value as a tourist destination while addressing the critical challenges of our time," he says. "Lanzarote aims to reduce emissions by 50% by 2030. These policies improve our image, positioning and attract international interest.

"Companies and countries with more advanced technology than what currently exists in Spain will find investment potential here. The country is making rapid progress in developing technologies that facilitate the green transition across various business and industrial sectors. "Notable areas include geothermal, wind and

solar energy. Spain is recognized for its advancements in these technologies, leading to a grow-

there is a need for imported technology and talent, ample investment opportunities exist. "We are confident that our destination will meet and exceed the expectations of even the most demanding travelers, especially those responsible and committed to the global environmental situation," he adds. "Lanzarote is ready to welcome and impress tourists from around the world, fulfilling their desires for a sustain-

able and enriching travel experience."

ing percentage of green energy being integrated

into the national grid. This trend is clearly posi-

tive for Spain and the Canary Islands, as it aligns

with global sustainability goals and offers abun-

standing commitment to sustainability, the

island strives to reflect the current global sen-

sitivity towards environmental concerns. While

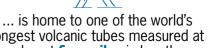
As a mature tourist destination with a long-

dant investment openings."

DID YOU KNOW THAT LANZAROTE... \mathbb{X} ... was formed over **15 million** years ... features the coastal area known "When establishments invest in renewable ago when large volumes of lava from as Los Hervideros, which is famous energy, a network of suppliers must be available various volcanic eruptions solidified. for its "boiling seas". to facilitate and encourage these efforts. A small, but highly specialized industry is developing on γόόγ the island and throughout the Canary Islands, one that supports the green transition for firms, ... is home to one of the world's ... another natural oddity is the "However, given this technology is relatively longest volcanic tubes measured at remarkable green lake known as

investment opportunities for qualified compa-The tourism executive is keen to capitalize on the island's green credentials and rich potential, with his agency's vision comprising a sustainable,

. has a successful wine industry thanks to its volcanic vineyards that create amazing wines infused with the island's fiery spirit.



almost **five miles** in length.

... boasts Europe's only underwater art museum, located at a depth of **40-50 feet** in Playa Blanca that offers a unique cultural experience.

Charco de los Clicos.

currently exists in Spain

administrations, and public entities.

the Global Sustainable Tourism Council.

ment of the islanders' long, hard work to main-

Lanzarote's impressive biological wealth - including almost 100 species found nowhere else in the world — quaint fishing villages and vol-

canic terrain

tain one of their most defining and identifying traits: their continued interest in respecting and preserving the environment. It also recognized

LA PALMA Land of Volcanoes is tourism hotspot

Offering excitement and adventure for visitors of all ages, La Palma blends rugged terrain with beautiful beaches, ancient forests and year-round sun that guarantees a warm welcome for all

reated over tens of millions of years by volcanic activity, La Palma is unsurprisingly known as the Land of Volcanoes. Unfortunately, on Sept. 19, 2021 the Tajogaite cone in the Cumbre Vieja ridge roared back into life after half a century and triggered an eruption so strong that the reverberations are still being felt by locals more than three years later.

While, thankfully, the almost three monthlong lava flows did not cause any fatalities, they caused severe damage to the beautiful and welcoming island's agricultural and tourism-dependent economy, ruined hundreds of homes and offices and badly damaged key infrastructure, both physical and intangible.

Resilience is a common feature of the island's citizens and from an absolutely catastrophic situation, determined officials and residents vowed to turn the disaster into a moment of opportunity and pledged to emerge stronger than before. This strategy includes imminent plans for a state-of-the-art National Volcanological Center staffed by teams of experts to closely monitor and analyze volcanic activity as an early warning system against future eruptions.

SERGIO RODRÍGUEZ PRESIDENT, ISLAND COUNCIL OF LA PALMA

"La Palma is committed not only to geothermal energy but also to sustainable energy. We will promote wind energy and leverage solar power, given our advantageous location."

"The Cumbre Vieja eruption destroyed many homes, most of which were primary residences, where the affected people lived but also impacted the economic sector," explains Sergio Rodríguez, President of the Island Council of La Palma. "Second homes, holiday homes and a significant part of La Palma's primary sector, agriculture, particularly banana plantations, were severely damaged. Many people lost their homes and farms as they were often located in the same place.

"The catastrophe was different from others in the sense that in cases of flooding, earthquakes or fires, the land remains, allowing for reconstruction. However, with volcanic eruptions, the land cannot be built upon until the lava cools down; new terrain must be found to relocate these homes. Over the past three years, five decrees have been approved to allow reconstruction in various areas, and this process is now beginning."

Focus on harnessing geothermal energy Admirably, instead of being fixated on concerns over future eruptions, the senior official and his colleagues are working to ensure La Palma takes advantage of the vast amount of geothermal energy stored in its underground terrain, and exploit its sustainable energy potential from renewable resources like wind and solar power.

"When we talk about an island offering op-



Sergio Rodríguez President, Island Council of La Palma

"La Palma is committed not only to geothermal energy but also to sustainable energy as a whole. We will promote wind energy, including offshore wind sources, and leverage solar power, given our advantageous location. This presents a significant opportunity for investors, supported by favorable legislation."

Learning from the past to protect future

Given nearly half of La Palma comprises an active volcano, fresh eruptions are seen as inevitable, hence comprehensive plans and strategies to predict and manage the response to the next volcanic emergency are well advanced.

Quizzed as to how officials are striving to

Spanish territory where volcanic eruptions can occur. Tenerife has the Teide, but La Palma has the active Cumbre Vieja volcano, which has significantly impacted the island's population.

"The National Volcanological Center would play a crucial role in our economic recovery, given La Palma's commitment to tourism development, renewable energy implementation, and fostering a knowledge-based economy."

The 2021 eruption was particularly devastating for the island as it compounded the very serious fiscal fall-out from the COVID-19 pandemic that had hit leading tourism destinations around the world hard in the year prior.

While the tourism sector was seriously disrupted for many months by the eruption, once the island reopened, tourism levels failed to rebound as quickly as expected, even though the situation brought a wave of thrill-seekers and people interested in visiting volcanoes.

"Due to the unfortunate messages we conveyed, there was an initial misconception that La Palma was a dangerous place, which was not entirely accurate," Rodríguez explains. "Volcanic activity is highly localized and closely monitored, both during and after eruptions, especially within clearly defined exclusion zones that require strict surveillance.

"Over time, however, as people have come to understand the true level of risk, a new perspective has emerged. La Palma now boasts Europe's newest volcano, a phenomenon that many have long imagined witnessing. Having seen firsthand its raw power and destructive potential, there is also a profound recognition of the need to co-exist with natural forces. Extensive research is underway, encompassing tourism, scientific exploration and geological studies, all focused on understanding and leveraging this unique volcanic environment. "From an administrative standpoint, efforts are underway to effectively manage and economically benefit from tourist visits. The goal is to promote the volcano as a unique attraction that draws visitors while ensuring their safety.

itself is not lethal, high concentrations can displace oxygen and pose risks. Rigorous monitoring enables informed decisions to safely accommodate visitors, with sensors acting as a safety measure for those exploring these areas.

"Furthermore, this unique aspect, not found anywhere else in the world, needs to be highlighted to attract interest and curiosity from visitors eager to understand these phenomena unique to La Palma. We need to flip the situation around and effectively market it so that people are intrigued to learn about and experience what happens here, unlike anywhere else."

The local official says his council is actively promoting the island, not only showcasing its inherent natural beauty — such as its seascape, climate and cuisine — but also emphasizing the resilience and unique character of its people in facing the rare challenges posed by a volcano.

SERGIO RODRÍGUEZ

PRESIDENT, ISLAND COUNCIL OF LA PALMA "We aim to prioritize quality and sustainable tourism. Our focus is on rural tourism accommodations that integrate harmoniously with the landscape and heritage."

"The people of La Palma themselves are a testament to human resilience, transforming disasters into economic opportunities for the island," he adds. "La Palma has historically



portunities, we refer to the exploration of areas that are interesting for anyone with economic potential," Rodríguez adds. "The eruption itself has opened up opportunities to explore geothermal energy. Islands like the Azores — also in the Atlantic Ocean — which I visited to learn about their approach, have it easier as their geothermal resources are at a shallower depth.

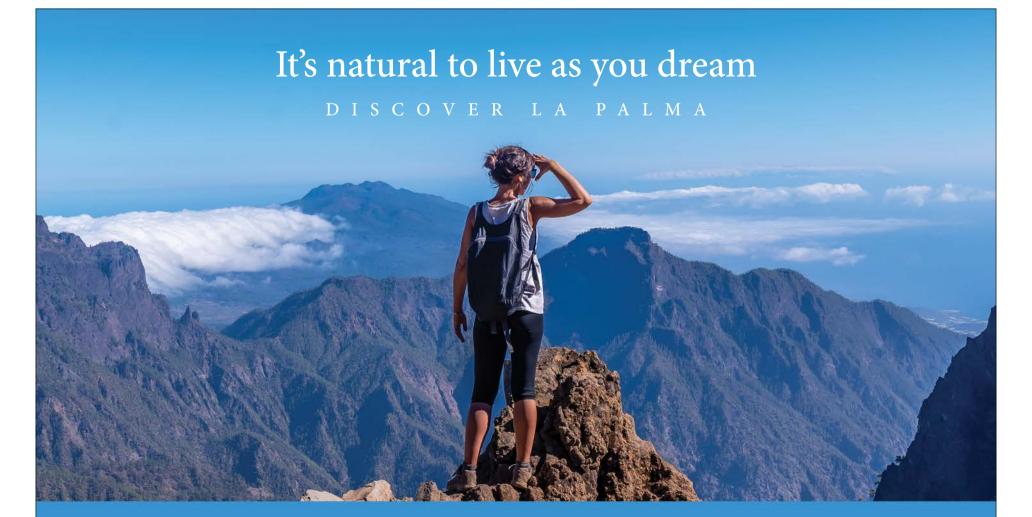
"However, we aim to explore high-enthalpy geothermal energy, which is the most powerful. Although this means a larger investment is required, the return on such an investment will be more significant. prevent such events from occurring again, and the measures taking place to study and address such issues, Rodríguez confirms lessons have been obtained from previous eruptions across the Canary Islands and also in other nations.

"During my previous tenure as a Member of Parliament, a reconstruction commission was established in the Parliament of the Canary Islands. The conclusions, supported by all political groups, suggested La Palma should be the location for the National Volcanological Center, especially following the recent eruption.

"The Canary Islands are the only place on

"There are still areas affected by CO2 emissions along the coast," he continues. "This area is the most monitored in the world, equipped with sensors that track CO2 levels. While CO2 lagged in tourism compared to other Canary Islands, receiving less than 2% of the total tourist arrivals in the archipelago.

"We aim to chart a different path forward by prioritizing quality and sustainable tourism over sheer numbers. Our focus is on rural tourism accommodations like guesthouses, holiday homes, and villas that integrate harmoniously with the natural landscape and heritage. Once visitors experience the island and its people, they will return often. I've witnessed this often with tourists who purchase homes and split their time between here and their home nation."



From hiking between volcanoes, through ancient forests or along La Palma's stunning coastline, to mountain biking, whale watching, diving and stargazing, get closer to nature and explore a world of unforgettable year-round experiences on the pristine Isla Bonita.



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