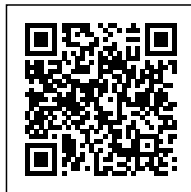


MADEIRA - BEYOND THE FREE TRADE ZONE

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The perception of Madeira as merely a cruise and tourist destination, and a producer of wine, belies its position as Portugal's third largest economic region, and of its capital, Funchal, as a conduit for international investment into the European Union (EU), says Miguel Teixeira de Abreu, managing partner of Abreu Advogados.

Madeira, comenta Miguel Teixeira de Abreu, socio director de Abreu Advogados, es más que un popular destino turístico y un productor vinícola: posee una economía en expansión y es un próspero centro de

negocios. En calidad del tercer núcleo económico de Portugal, Madeira tiene una zona de libre comercio que ofrece un régimen fiscal especial para empresas y que ya alberga a más de 4.000 empresas en la Unión Europea.

The Madeira Free Trade Zone (FTZ) now counts around 4,000 companies in the Madeira International Business Centre and has recently agreed an extension of its preferential corporate tax regime until 2020 with the European Commission. Also with one of Europe's lowest VAT rates, only 14%, Madeira has also proved particularly attractive to companies looking to reach across the EU, notably in the e-commerce and telecoms sectors.

But Madeira also has a thriving domestic economy, he emphasises. Inevitably tourism and leisure are significant areas of activity, while the Madeira Free Trade Zone already accounts for around 20% of the Island's GDP. The Island is also the birthplace of some of Portugal's best known economic groups. For example, The Pestana Group, Portugal's largest private hotel operator is based in Funchal. But there is also significant food and beverages and construction activity, with the regional government acting as a major driver of the local economy.

✘ "The Island has seen significant investment in its infrastructure – in roads, bridges and its airports – and further municipal developments affecting the Island's water and power networks are also now planned and present obvious opportunities" he says.

Abreu Advogados' recent merger with SMS Law Firm, Madeira's largest local firm, has more than doubled the size of its presence on the island, and will significantly enhance its clients' ability to capitalise on the opportunities presented by both the FTZ and the local markets, believes Teixeira de Abreu.

The firm took the strategic decision to grow outside of Lisbon some years ago and to be a firm of national dimension but comprised of local practices with local people. "The ability to offer on the ground expertise, but also to connect nationally and internationally, means that clients will be able to access the firm's expertise in Madeira and across Portugal."