

TRAVEL

THE INSIDE STORY FOR BUSINESS TRAVELLERS

BUSINESS CITY GUIDE

SANTA CRUZ HI-TECH TENERIFE

More than a leisure destination, the Canaries' largest island is a growing hotbed for startups, says **Tim Hulse**

Raúl Kripalani is an engineer who works for ConsenSys, the New York-based company that's at the forefront of developments in blockchain technology. And he lives in Tenerife. This may come as a surprise, given that the island is principally known as a tourist destination that's famous for its year-round temperate climate. But in recent years, Tenerife has begun to establish itself as an attractive business destination, too. And that's why Kripalani, who grew up in Tenerife, went to university in the UK and then headed to the USA, decided six years ago to come back.

"In the past, people left Tenerife because they couldn't find opportunities here, but now there are a lot of people like me who have studied and worked elsewhere who have decided to return and settle," he says. "We have a great opportunity here, because we have a great quality of life, the cost of living is pretty low compared to the rest of Europe, we have great tax incentives for investment, and there's lots to do."

Since he's been back, Kripalani has seen the steady growth of an island ecosystem founded on entrepreneurship and given backing by both local and national government. In the modern digital world, an island location in the Atlantic Ocean off the coast of North Africa is no barrier to competing with the rest of Europe. And Tenerife has plenty going for it in terms of tech creds, including two highly regarded universities, high-speed internet



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MINS

DID YOU KNOW...

- Canaries take their name from the islands, rather than the other way round. Some say the name is derived from *canis*, the Latin word for dog, because early settlers found many dogs (or possibly seals – sea dogs) there. Others believe it comes from the name of a Berber tribe from the African mainland.
- **Lord Horatio Nelson was shot in the arm during an assault on Santa Cruz, the Tenerife capital, in 1797. According to a naval journal, the arm was amputated immediately and within 30 minutes Nelson was back giving orders. Residents of the city still celebrate their victory over the British Admiral on 25 July each year.**
- The summit of Mount Teide is the highest point in Spain, at 12,198ft, and the volcano is also said to cast the largest sea shadow in the world. In 1998, members of a mainly German religious cult planned a mass suicide, believing a spaceship would arrive and carry them away from Mount Teide's summit. They were stopped by the police.
- **Unlike Spaniards on the mainland, the inhabitants of Tenerife do not speak with the familiar lisp. And their time is an hour behind the mainland, too.**

INSIDE

Skyports are popping up on roofs

How hotels are responding to Airbnb

News and offers from British Airways



Startup settlers
Lourdes Rivas (centre) with the workforce at Gear Translations. Below: Raúl Kripalani

connectivity and the second largest supercomputer in Spain.

"Things have changed here," says Kripalani. "Young people coming out of university are no longer thinking just about finding a job for life, they're becoming entrepreneurs. There are lots of programmes helping them understand that entrepreneurship is not just about building a company the hardcore way like in the past but it's an exploratory effort. Pick a market, explore it, understand it."

The Intech Tenerife enterprise park, established by the Tenerife government and spread across various shiny facilities on the island, offers tech training programmes for local youngsters as well as those already in employment. It also has three incubators and co-working space for companies in a range of sectors, including astrophysics, life sciences, ICT and tourism innovation.

And there are plenty of other co-working spaces to be found all over the island, which is a far cry from just ten years ago, when Jaime Caveno established the very first co-working space here. "The concept of co-working spaces wasn't so well known then, so I had to call it a business centre," he laughs. A tireless serial entrepreneur who's invested in more than 60 companies, Caveno now devotes much of his time to helping those who are just starting out.

"You reach a stage in your life when you decide that what is more important is to give advice and share experience with people who are at the beginning of their

journey," he says. "It makes me much happier than making money."

Caveno is the prime mover behind Mentor Day, a monthly five-day programme for up to 15 budding entrepreneurs from around the world. They each pay just €160 for food and accommodation, and over the course of a few days get specialist advice, often on a one-to-one basis, from around 60 experts. Caveno has a bank of around 350 experts in total, all of whom give their time and advice for free.

"It's good to help other businesses and you also get fresh ideas,"

says Alfonso Rodriguez, a local consultant who's a regular volunteer. "If you can share your experiences, you can stop others making the same mistakes."

For Caveno, another advantage is that the five-day programme acts as an advertisement for the island: "When they come here, they discover there's a strong ecosystem, and some of them decide to stay," he says.

Lourdes Rivas came to Tenerife two-and-a-half years ago from Argentina and did just that. She'd entered her startup in a local competition and won the €25,000 prize. Her company, Gear Translations, offers technical business translations done by AI and checked by humans. To be closer to the lucrative European market, she'd initially intended to move to mainland Spain, but is happy to remain in Tenerife.

"It's cheaper here than in the mainland," she says. "Our first investors were here, and the costs are low, so it was a natural choice.

"People come here and discover a strong ecosystem and some of them decide to stay"

And when you're an online company, you don't have any ties, you can be anywhere."

Another major draw for Rivas – and for many others – is the fact that Tenerife is part of a special fiscal arrangement, the Zona Especial Canaria (ZEC), which means corporation tax of just four per cent, as well as other tax incentives, for companies setting up there with at least five employees.

"What's good about the ZEC is that it's a real tax incentive for real businesses," says Christopher Pennington of Capital Investment Canaries, which helps companies raise the value of their business, particularly by global expansion, using the Canary Islands as a platform. But he stresses that the islands shouldn't be seen as some form of tax haven.

"What we love about the ZEC is the transparency and legality," he says. "You can't use shell companies and you can't hide money." The Canary Islands government also offers loans of up to €100,000 to tech-based startups via its venture capital arm, Sodecan.

For established businesses, WhyTenerife is a local project that not only promotes the advantages of the island but also tries to make the process of setting up a company there as easy as possible.

"The public institutions are making a big effort to bring companies here," says Pilar Molina, COO of Party Play, whose app allows users to share their music playlists.

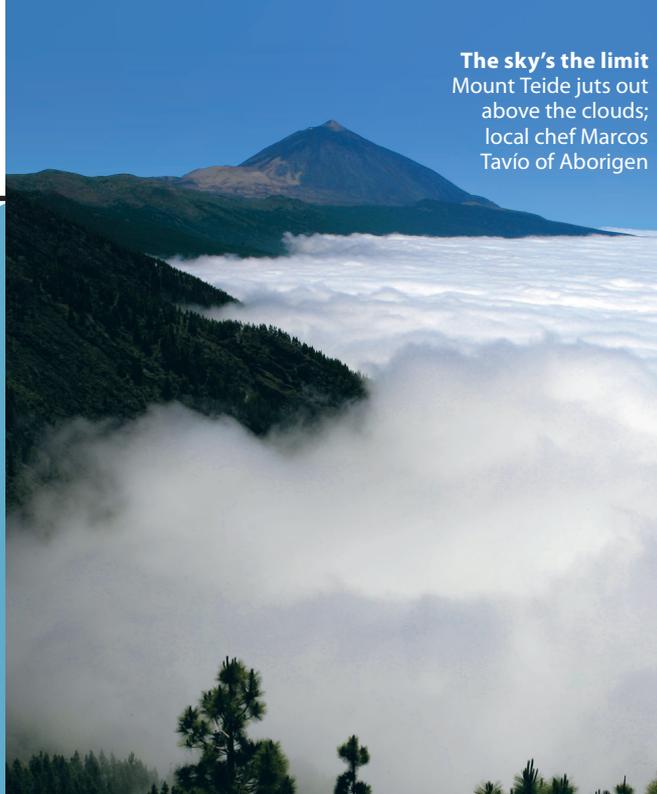
Molina comes from the neighbouring island of Lanzarote, while the founder of Party Play comes from Ukraine and the app's main target market is the USA. It's a perfect illustration of Tenerife's advantageous location at the centre of a triangle formed between Europe, the Americas and the so far relatively untapped market of Africa.

Is a new, hi-tech Canary beginning to sing? "I think the potential is here," says Kripalani. "We just need to create more opportunities to express that potential."



The sky's the limit

Mount Teide juts out above the clouds; local chef Marcos Tavío of Aborigen



LOCAL VIEWS

"Nub is the latest restaurant in Tenerife to be awarded a Michelin star. It occupies a beautifully restored colonial building, so its looks are almost on a par with its cuisine. But it's the elegantly presented tasting menus that innovatively fuse Italian, Chilean and traditional Canarian flavours that have garnered so much praise."

Pilar Molina, COO, Party Play

"In the north of the island, in a village called San Juan de La Rambla, there's a beautiful restaurant called Las Aguas. It's a charming building with nice views of the ocean and the waves hitting the rocks. Their specialities are seafood and different kinds of *arroz caldoso* (brothy rice). On the ride from Santa Cruz you get several glimpses of Mount Teide."

Raúl Kripalani, protocol engineer, ConsenSys

"I hadn't realised you could go whale watching in Tenerife and I had a great time! Various agencies offer tours. You can book online and choose the duration of the trip and the services included, from 40 minutes of whale watching to five-hour private experiences for groups, including catering. I took the two-hour one and it included a biologist explaining facts about the different species we were watching, as well as snorkelling masks to swim with dolphins and turtles, and listen to whales by Los Gigantes cliff. Just amazing."

Lourdes Rivas, founder & CEO, Gear Translations



Santa Cruz to San Andrés fishing village and the **Posada del Pez** restaurant, where freshly caught local fish are cooked to perfection. The golden crescent of Las Teresitas beach is a short walk away.

And wherever you eat, be sure to embrace Tenerife's local wine. The Elizabethans were fond of a "cup of canary", as Shakespeare put it, and Tenerife's volcanic soil still produces distinctive, flavoursome reds and whites.

FOOD & DRINK

Tenerife rightly prides itself on its gastronomy and the quality of its fresh local produce. And the relatively low cost of living means that even the very finest of fine dining is affordable.

Much-travelled local chef Marcos Tavío recently opened **Aborigen** at the Iberostar Grand Hotel Mency in Santa Cruz. The outside Terrazza features a fusion of Mexican, Japanese and local flavours, while indoors, Tavío's 'archipelago cooking' showcases the best produce from the Canary Islands' many different microclimates.

At **Strasse Park**, located at the edge of the García Sanabria park in the heart of Santa Cruz, you'll find classic local dishes such as the island's prized wrinkly potatoes and spicy mojo sauce. Also in the centre, **La Mesa de Noche** combines simple décor with surprisingly sophisticated dishes.

For a taste of Tenerife's seafood, head just north of

the carnival's fascinating history (it managed to flout Franco's ban for 20 years) and exhibits many of the remarkable costumes that have featured over the years.

A short drive from Santa Cruz (and a few degrees cooler) is the historic old town of **La Laguna**, a Unesco World Heritage site. Its grid of narrow streets, flanked by pastel-coloured mansions, became a model for colonial towns across Latin America, and today it draws tourists attracted by its quirky shops and many period charms.

No trip to Tenerife is complete without a visit to Mount Teide, the towering volcano at its centre. The road trip takes you through some of Tenerife's many microclimates, from lush rainforest to pine forest to desert, and a genuine 'wow' moment comes when you rise above the mist and see Mount Teide floating in a sea of clouds. There's a cable car to make the final journey to the top, where the views are outstanding.

WHERE TO STAY

ALL THE HOTELS BELOW CAN BE BOOKED AT BA.COM

IBEROSTAR GRAND HOTEL MENCY

Elegant, colonial-style five-star close to the centre of Santa Cruz that offers gourmet dining as well as a spa and fitness centre.

HOTEL SILKEN ATLANTIDA

Modern and functional hotel in the financial centre of Santa Cruz. Handily placed for the city's largest shopping malls.

NH TENERIFE

No-nonsense offering from the Spanish NH chain, providing good value for money. ■

OUT AND ABOUT

Tenerife's busy yet somehow relaxing capital, Santa Cruz, has much to offer visitors, not least some high quality (and relatively cheap) shops, art galleries and museums and a wide variety of bars and restaurants. And the port city is small enough to mean that everything is within walking distance.

In February, the city is home to one of the biggest carnivals in the world. If you miss out, you can get a taste of the excitement at the **Casa del Carnaval**, a museum that tells



HOW TO GET THERE

BA flies daily from London Gatwick to Tenerife South Airport. The express bus 111 from the airport to Santa Cruz leaves every 30 minutes and takes an hour and 15 minutes. The fare is €9.35. A taxi costs around €100 and takes about 40 minutes. Visit ba.com/tenerife