

## Madeira

### Overview:

The Madeiras are located in the North Atlantic Ocean, about 360 miles from the African coast, 535 miles from Lisbon, 240 miles from Tenerife, and 480 miles from Santa Maria, the nearest of the Azores. They are an Autonomous Region in the Portuguese Republic.

### Territory:

The Madeiras are an archipelago of eight islands – two of which, Madeira (736 square km), and Porto Santo (43 square km), are inhabited; as well as the Desertas (three islands – 14 square km), and the Selvagens (three islands – 4 square km). The islands are the summits of submarine volcanoes and have lush tropical and semi-tropical plant life. Madeira, the largest of the islands, has a mountain range that runs from end to end (east to west) with an average altitude of 4,000 feet. Steep ravines run down to the coast. The south of the island is relatively deforested, but the north still has some native growth forest after which it was named. The highest peak (Ruvio de Santana) is 6,106 feet (1,861m) tall.

### Location:

North Atlantic Ocean, between North-Western Africa and North America.

### Latitude and Longitude:

33 00' N and 17 00' W.

### Time Zone:

GMT

### Total Land Area:

797

### EEZ:

200

### Climate:

The Madeiras are known for their warm climate year-round. Temperatures range from 16 degrees c in the winter to 22 degrees c in the summer. Rainfall is heavier in the north of Madeira than the south.

### Natural Resources:

Fertile volcanic soil and rich marine resources. The Madeiras have the highest percentage of their total territory designated as protected in Portugal. Two-thirds of the islands, or 57,000 hectares of countryside are protected, including rainforest, high plateaus, mountain ranges, and the Desertas and Selvagens, which are not open to the public. The Parque Natural de Madeira (National Park of Madeira) was founded in 1982, and other marine and terrestrial protected areas were established in the 1970's. The hunting of whales and dolphins is banned, and the territorial waters (200nm around the whole archipelago) have been declared a national park for marine mammals. The laying of gillnets has been banned in coastal waters to protect the endangered monk seal, and improve fish stocks. Reserves have also been created for the breeding grounds of approximately ten species of deep sea birds. The laurisilva forest, which lies in the north of Madeira, is the largest area of preserved laurel forest in the world, and was designated as a UNESCO World Heritage Site in 1999. The park occupies 22% of the island, and comprises 15,000 hectares. The woodlands are home to many rare plants and animals including a rare species of pigeon. The islands host 171 endemic species of molluscs, such as snails, and the endemic Madeiran Zinos Petrel nests in the steep coastal areas.

### ECONOMY:

Total GDP:	
2000	3,915,001,823.00 USD
2001	4,124,750,262.00 USD

Per Capita GDP:	
1998	13,259.00 USD
2000	16,269.00 USD
2001	17,169.00 USD

% of GDP per Sector:			
	Primary	Secondary	Tertiary
1998	3.2%	19.2%	77.6%
2000	2.7%	20.1%	77.3%
2002	2.8%	17.1%	80.1%

% of Population Employed by Sector			
	Primary	Secondary	Tertiary
2002	12%	27%	61%
2003	9%	27%	64%

### External Aid/Remittances:

The pace of economic development on the islands increased dramatically in 1992 with the EC implementation of the structural fund POSEIMA (Programs of Options for the Remoteness and Insularity of Madeira and the Azores). The fund allocated more than 400 million USD to improving Madeira's infrastructure (roads, bridges, buildings, health clinics and communications). Economically it is seen as having been a tremendous success. Culturally it has meant that the traditional economic sectors are struggling to survive. Aid to improve the agricultural sector ended up completely transforming the sector from a primarily locally-oriented sector to one focused on export. The dynamic between the modern tourism industry and International Business Centre, headed up by the younger generation, and the farming, wine-making and fishing communities represented primarily by the older generation is uncomfortable at best, and the islanders have not yet found a way that the two sectors can co-exist.

### Growth:

Over the last ten years the Madeiras have been making a steady shift from an economy dependent upon the primary sector and export of agricultural products (sugarcane, wine, bananas) to an economy whose main focus is the tertiary sector. The islands have a booming tourism industry that expands annually, and as a result of major investments in infrastructure improvements now market themselves as an international centre for offshore commerce.

### Labour Force:

Unemployment	
Year:	Unemployment Rate (% of pop.)
2002	2.5%
2003	3.4%

### Industry:

The main industries in the Madeiras are food and drink manufacturing, processing of tobacco, construction, and embroidery, tapestry and wicker-work. In 2002 there were 30,300 people employed in industry. An average of 10,300 were employed in the transformative industry and 19,300 in construction. Hand-made crafts used to make a significant contribution to the economy. They still contribute on a smaller scale, but more importantly, they play an important role in reducing unemployment in rural areas. Economic Strategies: Madeira has been the fastest growing region in Portugal over the last ten years. It has had a consistently low inflation rate, and has a system of low direct and indirect taxes and very low operational costs to appeal to international investors. The islands' International Business Centre is their main tool for attracting investment. The strategy has been approved by the EU as a legitimate programme of economic development. The large investments in infrastructure have provided new roads, a new commercial airport at Funchal, modern, state of the art telecommunications systems, and a technology centre. Conference rooms, office centres, the university facilities and laboratories are also attractions. The islands are making full use of their strategic location (easy access to distribution centres such as sea-cargo connections to Lisbon, N.Y., Bremen, Hamburg, Antwerp, Rotterdam, and London); their biological diversity and excellent climate (for the cultivation of medicinal plants, development of organic agriculture, protection of the environment); the presence of a strong tourism industry (which needs to be supplied with products needed by the hotel industry); and the low taxes and overall operation costs (such as low import duties on electronic components which can then be assembled in Madeira and then exported) to compete in the international market.

### Niche Industry:

International offshore commerce; tourism; wine-production; shipping. Wicker work made from the willows that grow along the islands' many creeks is very popular; embroidery and tapestry are also highly prized crafts on the islands, and are exported to other areas of the world.

### Tourism:

The service sector is currently the most important sector in the Madeiran economy and tourism is an ever-growing contributor to it. Although the vast amount of international investment has gone into infrastructure, a large amount has also gone into the construction of new hotels and restaurants. In 2003 there were 190 establishments for tourists, the majority of which were hotels, hotel apartments, tourist apartments, and pensions. The total capacity for all accommodations was 27,019. In 2003 there were 856,482 recorded visitors to the islands; 221,721 from Portugal and 634,761 from abroad. The majority of Madeira's visitors come from the EU: 783,401. In descending order, the largest number of visitors come from: Portugal, the U.K., Germany, France, Finland, Sweden, the Netherlands, Spain, Belgium, Denmark, Austria, Italy, Ireland, Luxemburg, and Greece. From outside the EU the main visitors are from Switzerland, Norway, Russia, the U.S., Brazil, Canada and Japan. The main visitors staying in alternative types of accommodations such as rural tourism, camp-sites, and youth hotels are from Portugal, Germany, and France, with lesser numbers from the Netherlands, the U.K., and Belgium. The main tourist activities are horse-riding, mountain-biking, hang-glider, paragliding, mountaineering, canyoning, walking, swimming, surfing, windsurfing, diving, sailing, canoeing, water skiing, golf (there are currently two courses), hunting, and sport fishing.

### Imports and Exports:

The Madeiras have had a negative balance of trade for many years. In 2003 the total value of their imports was 118,000,000 Euro and the value of exports 25,802,000 Euro. The islands import more from EU countries than from outside the union. In 2002 Madeira had 347 import enterprises with the EU, valued at 79,410,000 Euro in comparison to only 180 of value 38,772,000 from outside the EU. The islands' main import partners are Germany, Belgium, Denmark, Spain, France, Ireland, Italy, the Netherlands, the U.K., and Sweden (from within the EU); as well as Brazil, China, the U.S, and Turkey (from outside the EU). For exports, the international market plays a more dominant role. Europe only has 40 export enterprises with the Madeiras whose value is 10,206,000 Euro, while the international market has 90 export enterprises with the islands, of value 15,596,000 Euro. The Madeiras' main export partners within the EU are Spain, France, Italy and the U.K., and outside the EU: Angola, Cape Verde, Mozambique, Sao Tome and Principe, Australia, Brazil, Canada, Japan, Norway, Poland, Switzerland, South Africa and Venezuela. Main Imports: Foodstuffs, vehicles and machinery, clothing, fuels. Main Exports: Bananas, tobacco, embroidery and craft materials, wine, pharmaceuticals, cosmetics, electronic goods.

<b>Tot. Value of Imports</b>	118,000,000.00 Euro (2003)
<b>From Eu:</b>	
<b>Import Partners (EU:)</b>	Germany, Belgium, Denmark, Spain, France, Ireland, Italy, the Netherlands, the U.K., and Sweden



<b>Partners Outside EU:</b>	Brazil, China, the U,S, and Turkey
<b>Import Partners:</b>	
<b>Tot. Value of Exports</b>	25802000 Euro (2003)
<b>To Eu:</b>	
<b>Export Partners:</b>	Spain, France, Italy and the U.K.
<b>Partners Outside EU::</b>	Angola, Cape Verde, Mozambique, Sao Tome and Principe, Australia, Brazil, Canada, Japan, Norway, Poland, Switzerland, South Africa and Venezuela
<b>Export Partners:</b>	
<b>Main Imports:</b>	Foodstuffs, vehicles and machinery, clothing, fuels.
<b>Main Exports:</b>	Bananas, tobacco, embroidery and craft materials, wine, pharmaceuticals, cosmetics, electronic goods.

## TRANSPORTATION/ACCESS

### External:

#### Number of Airports: 3

The three airports are in Funchal and Santa Cruz, Madeira; and Vila Baleira, Porto Santo. There are regular flights both to Lisbon as well as directly to other main European cities, and charter flights to smaller regional European airports. The inter-continental airport at Funchal was built in 2000 to accommodate the increase in arrivals on the island of Madeira and has quickly become the major site of entry for the islands. In 2002, 11,857 aircraft landed at Funchal: 3,810 international, 8,040 national (5,385 from the mainland and 2,662 regional). 1,114,441 passengers left from Funchal (522,709 international, 591,732 national (516,834 from Portugal and 74,898 from the islands). The same year, 1,115,081 passengers arrived at Funchal: 525,854 international, 589,236 national (517,354 from the Portuguese mainland and 71,882 from the islands). 6,069 tonnes of cargo were loaded and 2,342 tonnes unloaded. At Porto Santo, 2,919 aircraft landed in 2002: 29 international, 2,890 (196 from Portugal and 2,694 from within the islands). 88,398 passengers left from the Porto Santo airport: 955 international and 87,443 national (14,888 from Portugal and 72,555 from the islands). 87,606 passengers arrived at the airport: 50 international, 87,556 national (11,622 from the Portuguese mainland and 75,934 from the islands). 196 tonnes of cargo were loaded and 16 unloaded.

#### Number of Main Ports: 3

The three main ports in the Madeiras are at Funchal, Porto Santo, and the Zona Franca (or free-trade port). Portugal has created a captive register on Madeira for Portuguese-owned ships: ships on the Madeira register (MAR) will have the taxation and crewing benefits of a flag of convenience (1998). In 2003, 1,117 vessels entered the Funchal port; 401 entered Porto Santo and 75 the Zona Franca. In Funchal, 82 ships carried liquid cargo, 65 solid, 311 carried containers, 13 dry cargo, 343 general cargo, and 302 were passenger ships. In 2003, 142,052 passengers left Funchal by boat, and 145,382 arrived by boat. In Porto Santo, 143,268 left by boat and 139,988 arrived.

### Internal:

#### Air

#### Road:

While there are no trains on the islands, there is a public bus service connecting the main areas on Madeira. The islands have seen a dramatic increase in the number of cars on the islands over the last ten years. In 2001 there were 6,271 vehicles (including large and farming) sold. In 2002 there were 5,563 vehicles sold. In 2003 there were 446 km of urban roads and 2,842 km of inter-urban roads in the Madeiras. Taxis exist as well as many car-rental dealerships.

#### Sea:

There are regular ferries between the islands, and cars can be loaded onto the ferries.

### Other Forms of Transportation:

#### Economic Zones:

The offshore sector in the Madeiras is known as the Madeira International Business Centre, or MIBC. The sector consists of four sections: the International Free Trade Zone (IFTZ), which came first, and was intended initially for use by manufacturing companies; the International Services Centre which has no exact physical location, but allows companies associated with the IFTZ to establish themselves anywhere in Madeira and take advantage of the IFTZ's exemptions; the Offshore Financial Centre, which provides an equivalent regime for banks, trusts, and other financial sector companies; and the Madeira Shipping Register, which has special regulations regarding ships and shipping companies. Companies that apply and obtain a license to carry out their business activities within the MIBC between January 1, 2003 and December 31, 2006 will benefit from a reduced rate of corporate tax in 1% in 2003-2004, 2% in 2005-2006, and 3% between 2007 and 2011. There are conditions that have to be met however – the provision of a certain number of jobs being one of them. If more than five jobs are created then companies have access to the regime without any further conditions. Otherwise they must make a minimum investment of 75,000 euro during the first two years of operation to qualify. Pure holding companies are exempt from withholding tax on the distribution of dividends from EU affiliated companies and from capital gains taxes; manufacturing companies enjoy custom duties exemption on the importation of certain raw materials and components. A 50% reduction on the taxable income may also be applicable to these companies when fulfilling two of the following criteria: contribution to the modernization of the economy through technical innovation, new products and procedures; diversification of the regional economy by introducing new activities of added value; fixation of qualified human resource; contribution to the improvement of the environment; or the creation of 15 jobs for a period of five years. All companies licensed to operate in the Business Centre can also benefit from the network of international treaties ratified by Portugal to avoid double taxation. Madeira has the lowest VAT rate in Europe (13%) which is also attractive to businesses wishing to open up in the region. The MIBC is managed and administered by Sociedade de Desenvolvimento da Madeira, S.A. (SDM), a privately operated company that has the support of the Autonomous Region of Madeira. In 2003 there were 49 entities in the IFTZ, 255 in MAR, the International Shipping Register of Madeira; 4,793 entities in International Services; and 42 in Financial Services. Some of the areas in which enterprises have been established are: sugar production; fish and fish products; food products; storage of wheat; electricity production; cigarette production; electronic components; oil and lubricants; oil derivatives; plastic bags; metallomechanics; aluminum; civil construction; cement; aloe vera products; cosmetics; cleaning products; recycling of waste; reparation of ships; automobile repair and assembling; industrial inks; textiles; industrial laundry; packaging and processing of paper; chemical products; furniture manufacturing; metal recycling; storage and distribution of fuel; and orthopedic shoes.

#### Energy Policy:

Energy demand in the Madeiras grew by 76.3% between 1991 and 2000 – equivalent to 6.4% annually. Energy consumption in the tertiary sector grew by 114% during this same period, making it the area which contributed most to the growth in demand. The land transport sector's demand doubled

between 1991 and 2000, representing 57% of energy demand in 2000. In 2000, energy demand for the islands was 5,497 Gwh: agriculture/cattle-raising/fishing represented 1% of that; construction 4%; industry 5%; the hotel sector 6%; services 10%; domestic 17%; (and land transport, 57%). That year petroleum-based products provided 93% of primary energy demand. The remaining 7% was met by local alternative sources of energy. In 1997, hydro-power contributed 23%, and wind 2% to total electricity demand, but the dramatic increase in demand has meant relying on thermal energy as alternatives simply cannot meet the current demand. In 2002, 666,382 Kwh of energy were consumed: 211,961 Kwh domestically; 6,358 Kwh by the agricultural sector; and 86,214 Kwh by industry. In 2003, 756,127 Kwh were produced – of this, 126,270 Kwh were from hydro-energy; 617,684 Kwh were thermal; and 12,173 Kwh were solar power.

Year	Total Energy Production (Mwh)	Type			Total Energy Consumption (Mwh)	Sector				
		Thermic (Mwh)	Geothermic (Mwh)	Other (Mwh)		Domestic (Mwh)	Commercial (Mwh)	Public Service (Mwh)	Industry (Mwh)	Public Lighting (Mwh)



**Official Currency:**  
The Euro

**Banking and Insurance:**  
Number of Banks and Credit Unions:  
Number of Agricultural Credit Unions:  
Number of Insurance Companies:

**Financial Services:**

**Communications/E-Commerce:**

**Public Ownership:**

**Land Use:**  
Approximately 75% of the population lives on 35% of the territory. Two-thirds of the land-area is protected. This fact, coupled with the steep landscape has meant that most of the land not inhabited or protected is terraced for agriculture. The uninhabited archipelagos of the Desertas and Selvagens are not open to the public, and are under the jurisdiction of the Secretary of Agriculture, Forests and Fisheries. Unlike the Azores, where settlement was concentrated into towns and cities, mirroring practices in mainland Portugal; settlement on the Madeiras was traditionally very dispersed so that although there is a strong migratory movement towards the more developed areas, there is also a high rural population that is very dispersed throughout the countryside.

**Agriculture/Forestry:**  
Agriculture has played a major role in the development of the Madeiras' economy. Originally claimed to be the site of first sugar cane plantations, Madeira has been internationally known for its sugar, its wine, and its bananas. All three have suffered as a result of the forces of globalization and free trade. Today the Madeiras produce figs; oranges; lemons; cereals (maize, wheat, rye and barley) at low altitudes; cherries, apples and plums in the valleys; and bananas, sugar cane, custard fruit, mango and passion fruit higher up. Potatoes and sweet potatoes bring in the highest revenue, along with wine-grapes as the islands' wine is still famous globally. Horticulture products and especially floriculture is a new area that is currently growing. Cattle-raising and other kinds of animal husbandry provide fertilizer for the land as well as meat, eggs and dairy products both for the local market and for export on a small scale. Plots are small and planting done on terraces due to the steepness of the land available for agriculture.

**Marine Activity:**

**Fishing:**  
Fishing traditionally was a main part of the local economy. Today it supplies fish for the local market as well as exporting mainly to mainland Portugal. In 2001 there were 1,443 fishermen. In 2002 this number had dropped to 805 and in 2003 it dropped again to 689. The number of vessels has dropped from 544 in 2001 to 439 in 2003. In 2001 revenues from the fishing industry were at 13,068,420 euro. In 2002 revenues dropped to 15,259,117 euro, and in 2003 they were 12,810,839 euro. Culturally the sector is important to the island, but it, like agriculture, is having trouble competing with other sectors of the economy as well as larger, more mechanized fishing vessels in the region.

**Marine Life:**

**Critical Issues:**  
The most critical issue in the Madeiras is finding a way that the traditional economic sectors can co-exist with the service sector. Agriculture and fisheries contribute significantly to the local cultural capital, and as they become more and more marginalized, and are replaced by the tertiary sector, a great deal of tradition is being lost. Maintaining these sectors also ensures that the islands' economic base is diverse and that they are not dependent upon importing food for survival. Finding a way to continue to develop the service sector while not further eroding away traditional economic activities also narrows the gap between the younger and older generations which is already wide as a result of the improved educational opportunities not available until the 1970's and 80's. Environmentally, the Madeiras have yet to face the long-term implications of their rapidly developing economy and increased level of material consumption. While they are recycling glass and paper to a certain degree, there is no official means of enforcement, and all the rest of the solid waste is going into landfills. The number of used cars being dumped in farmers' fields is already an issue. Also, only 97.7% of the population is serviced by municipal garbage collection, translating to only five communities that have 100% service (Calheta, Funchal, Machico, Porto Muniz, and Porto Santo). Given the limited size of the territory, and the importance of tourism to the economy, the local government needs to find a more sustainable way of handling their solid waste.

## JURISDICTIONAL RESOURCES

**Capital:**  
Funchal

**Political System:**  
Madeira is an Autonomous Region of the Republic of Portugal. The Regional Legislative Assembly and the Regional Government are the organs of the regional administration. The Regional Government is responsible politically to the Legislative Assembly. The region also elects five representatives to serve in the Portuguese Republic's National Assembly. The Regional Legislative Assembly is composed of deputies elected by universal suffrage in harmony with the principle of proportional representation by electoral circles. Every municipality constitutes an electoral circle. Each circle elects a deputy for every 3,500 registered voters or more than 1,750. Some circles may be represented by less than two deputies. Portuguese citizenship is

required to vote. The deputies represent the whole region and not just the communities that elected them. They serve for a term of four years. Deputies present projects regarding legislative initiatives, legislative decrees, alterations to proposals, and resolutions. They also participate and intervene in parliamentary debates, request and obtain any information and or official publications they need to carry out their job from the Regional Government or other public regional entities. They formulate questions to the Regional Government on acts that relate to the public administration of the region, and ensure that the Constitutional Tribunal declares the unconstitutionality or illegality of laws being proposed that are not respecting the rights or pre-existing laws of the region. The Regional Assembly's political responsibilities are to approve the Regional Government program; to approve the Regional Social and Economic Development Plan; to approve the regional budget; authorizing the Regional Government to realize internal and external loans and other credit operations (of short and long duration); votes of confidence and censuring of the Regional Government; to present proposals for regional referendi on questions relevant to the region; to define the areas in which the region will work with the EU to contribute to the development of the European Community (at a regional level); participate in defining the position of the state with regards to the EU on issues that specifically relate to or are of interest to the region; establish cooperation with other regional entities abroad and participate in organizations whose objectives are to facilitate dialogue and inter-regional cooperation; and to send representatives to meetings of the Republic's Assembly. The Regional Assembly's legislative competencies are to elaborate, modify, and withdraw projects or proposals concerning the alteration of the Political-Administrative Statute of the Region; to introduce legislative initiatives; to legislate on issues regarding the region which are not within the exclusive competencies of the sovereign government; to adapt national fiscal policies to suit the region; to elevate villages to the category of town or city; to create public services, institutes, public funds and enterprises to carry out needed activities and services within the region; and to define illegal acts that merit legal sanctions. The Assmbeley's fiscal competencies are to approve regional accounts annually and to approve funds for regional social and economic development; to solicit the Constitutional Tribune to declare the unconstitutionality and illegality of laws emanating from organs of the sovereign government which violate the rights of the region; and to deal with structural funds for the region, as well as EU or national programmes operating within the region. In addition to the regional constitution, section VII of Portuguese constitution outlines the competencies of the Autonomous Regions (articles 225-334). Up until 1997, the constitution of Portugal stated in article 297 that Madeira would operate under a provisional autonomy statute (which had been in effect since 1976) until the corresponding definitive statute came into force. The national constitution has undergone six revisions, the latest being in 2004. The 2004 version of the constitution has eliminated article 297. Executive Authority: The Regional Government is the executive political and administrative regional organ. It is composed of the President and the Regional Secretaries, and if need be, a Regional Vice-President and Sub-Secretaries. The President of the Regional Government is nominated by the Minister of the Republic (keeping in mind the results of the local elections for the Legislative Assembly and the political parties represented). The rest of the members of the government are named by the Minister of the Republic under the recommendation of the President of the Regional Government.

#### Political Parties:

The Madeiras have enjoyed a great deal of political stability since 1978 when the social democrats came into power. The social democratic party has remained in power ever since, and the current president has been in power since 1978.

#### Important Legislation:

Madeira has its own political administrative statute, Estatuto Politico-Administrativo da Regiao Autonoma da Medeira (1976). Competencies: The Regional Government has special competencies in the following areas: -political demography (emigrants as well as residents); -local self-rule and territorial demarcation; -orientation, direction, coordination and financing of services and public institutes as well as national enterprises that exercise their activities exclusively, or predominantly in the region; -infrastructure and maritime and air transport including tariffs; -administration of ports, airports, including air and port taxes on travel between the islands and to the outside; -fisheries and aquaculture; -agriculture, silviculture, and animal husbandry/cattle breeding; -judicial regime; -exploration of territory including rural leasing; -land-use and planning, and ecological equilibrium; -water, mineral, and thermal resources; -local energy production; -health and social services; -work, employment, and professional training; -pre-school, elementary school, high-school, higher education, and professional schools; -classification and protection of cultural patrimony; -museums, libraries, and archives; -shows and public entertainment; -export, -tourism, and hotel business; -arts and folklore; -reclamation and expropriation of resources for public utility; -public affairs and social equipment; -housing and urban areas; -social communication; -internal commerce, external commerce, and supply; -direct foreign investment and transfer of technology; -mobility of transfers created within the region with the goal of financing investments; -industrial development; -adaptation of national fiscal regimes to regional economic reality; -concession of fiscal benefits; -articulating the regional civil protection service as competent national entities; -regional statistics; -forests, parks, and natural reserves; -roads and streets; -maritime issues; -quality of life and human resources; -protection of the environment; -protection of natural resources as well as the health of the human, animal and plant populations; -organizing regional administration; -maintaining public order; -construction, instillation, or utilization of infrastructures of observation, study and scientific investigation;

#### Principal Taxes:

#### Associated Power:

Republic of Portugal

#### Citizenship:

Under the agreement that establishes the Madeiran archipelago as an Autonomous Region of the Republic of Portugal, Madeirans are Portuguese citizens and may move to Portugal to live and work.

#### Paradiplomacy:

While Madeira is represented internationally by Portuguese Consulates, it hosts an American Consular Agency, a Greek Honorary Consulate, a Belgian Consulate, a Brazilian Consulate, a British Honorary Consulate, a French Consulate, an Italian Honorary Consulate, and Norwegian Royal Consulate, a South African Honorary Consulate, a Swedish Honorary Consulate, and a Venezuelan Consulate. S.D.M. (the private firm managing the MIBC) has correspondents and representatives in Italy, the U.K., Germany, Greece, the US, France, Norway, Monaco, Luxembourg, Switzerland, the Isle of Man and the Channel Islands, Brazil, and Argentina in order to support investors interested in setting up and investing in Madeira's IBC.

## HUMAN RESOURCES

The Madeiras are administratively divided into 11 concelhos, which are divided into 54 freguesias. The eleven concelhos are: Calheta (110.3 square km; 8 freguesias, pop. 11,718); Camara de Lobos (52.5 square km; 5 freguesias; pop.34,458); Funchal (75.7 square km; 10 freguesias; pop.101,458); Machico (67 sq. km; 5 freguesias; pop. 21,260); Ponta do Sol (46.8 sq.km; 3 freguesias; pop. 7,988); Porto Muniz (82.6 sq.km; 4 freguesias; pop. 2,796); Ribeira Brava (64.9 sq.km; 4 freguesias; pop. 12,264); Santa Cruz (68 sq.km; 5 freguesias; pop. 30,464); Santana (136.3 sq.km; 6 freguesias; pop. 8,496); Sao Vicente (80.8 sq.km; 3 freguesias; pop. 6,012); and Porto Santo (42.4 sq.km; 1 freguesia; pop. 4,360). In 2001, 42% of the population lived in Funchal; 14% in Camara de Lobos; 12% in Santa Cruz; 9% in Machico; 5% in Calheta; 5% in Ribeira Brava; 4% in Santana; 3% in Ponta do Sol; 2% in Porto Santo; and 1% in Porto Muniz. The population in all of these places has been dropping annually, except for Santa Cruz (29,721 in 2001 and 30,464 in 2002). Nevertheless there has been a slight growth over the past few years as a result of islanders returning home.

Island	Area (km sq.)	Population	% of Total Population
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#### Population:

Year	Resident Population
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<b>Age of Population:</b>	<b>0-14</b>	<b>15-24</b>	<b>25-49</b>	<b>50-64</b>	<b>65 and up</b>
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**Migration:**

Throughout history Madeirans have emigrated for a variety of reasons. They emigrated to find a better quality of life; they emigrated to populate Portugal's new colonies; they emigrated to find work as indentured workers on sugar cane plantations in other countries' colonies when slavery was abolished. There is a diaspora of close to 1 million Madeirans living around the world today. The largest communities are in South Africa and Venezuela, but there are also large numbers of islanders in the US and the UK. Just as they emigrated to find a better quality of life, the last few years have been many of them returning to their homeland either to retire, or find work in the growing economy so that while historically the Madeiras have generally had a negative migratory rate, today their population is actually growing, albeit slowly (although this is not reflected in their 2001 and 2002 population statistics).

<b>Crude Birth Rate:</b>	
2000	13.2%
2001	12.9%
2002	13%

**Life Expedctancy:**

<b>Crude Death Rate:</b>	
2000	10.9%
2001	11%
2002	11.1%

**Ethnicity:**

Most of the original settlers of the Madeiras were from the Portuguese regions of Algarve and Minho, but there were also people of African descent (mainly slaves), as well as other Europeans that moved onto the islands. Many Jews also moved to the islands to escape persecution. Today the population is a mix of diverse ethnic backgrounds.

**Class Division:**

**Languages:**

Portuguese is the official language spoke in the Madeiras. English is taught in schools, and is widely spoken, as are Spanish, German, and French.

**Religion:**

**Literacy:**

**Education System:**

Like in the Azores, the other insular Autonomous Region in the Portuguese Republic, education in the Madeiras was severely neglected until after the islands obtained their autonomous status after 1974. The result was that as late as 1960, the illiteracy rate in Funchal was 45.7%, the highest in Portugal (including the Azores). There have been major investments in education both by the local government and by the EU, and today the situation is much better. Nevertheless a large percentage of the older population never received more than a basic elementary school education at best.

<b>Total Pre-schools:()</b>	
<b>Total Primary Schools</b>	
<b>First Level:</b>	
<b>Second Level:</b>	
<b>Third Level:</b>	
<b>Total Secondary Schools:</b>	
<b>Total Professional Schools</b>	
<b>Universities:</b>	

<b>Number of Schools per Island:</b>										
	<b>Pre-school</b>		<b>Elementary</b>			<b>High-school</b>		<b>Prof.</b>	<b>University</b>	
	<b>Pub</b>	<b>Priv</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>Pub</b>	<b>Priv</b>		<b>Pub</b>	<b>Priv</b>
Madeira	129	38	141	29	31	17	1	7	1	1

<b>Students Enrolled:</b>					
<b>Year:</b>	<b>Pre-School</b>	<b>Elementary</b>	<b>High-school</b>	<b>Prof.</b>	<b>University</b>

2002-03	7,321	35,536	9,507	1,257	2,731
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Teachers							
Year	Pre-School	Elementary			High-School	Prof.	University
		1	2	3			
2002	986	1,789	1,224	1,432	1,239	124	179

In the 2002/2003 academic year there were 167 pre-schools: 129 public and 38 private. Calheta had 11 public and 2 private; Camara de Lobos had 18 public and 4 private; Funchal had 32 public and 4 private; Machico had 13 public and 1 private; Ponta do Sol had 7 public and 1 private; Porto Muniz had 2 public; Ribeira Brava had 12 public; Santa Cruz had 12 public and 4 private; Santana had 10 public and 1 private; Sao Vicente had 7 public; Porto Santo had 4 public. There were 141 primary schools at the first level in 2002/2003; 29 at the second level; and 31 at the third level (if a school has more than one level it is counted more than once). Calheta had 10, 1, and 1; Camara de Lobos had 22,3 and 3; Funchal had 47, 13 and 15; machico had 10, 3 and 3; Ponta do Sol had 7, 1 and 1; Porto Muniz had 2, 1 and 1; Ribeira Brava had 12, 1 and 1; Santa Cruz had 12, 3 and 3; Santana, 9, 1 and 1; Sao Vicente, 6, 1 and 1; and Porto Santo, 4, 1 and 1. In 2002/2003 there were 17 public secondary schools and 1 private. Calheta, Ponta do Sol, Porto Muniz, Ribeira Brava, Santa Cruz, Sao Vicente and Porto Santo all had 1 public secondary school. Camara de Lobos and Machico each had 2 public secondary schools; and Funchal had 5 public secondary schools and 1 private. The islands had 7 professional schools, 1 public institution of higher education, and 2 private in 2002/2003. All of these were located in Funchal. In 2003/2003 there were 4,682 students enrolled in public pre-schools, and 2,639 enrolled in private pre-schools. At the elementary level, there were 16,228 students at the first level, 7,928 at the second level, and 11,380 at the third level. There were 8,637 public secondary school students and 870 private secondary school students; and there were 1,257 professional students, 2,731 higher-education students enrolled at the University of Madeira, and 401 students enrolled at private institutions. For this same period there were 817 public and 169 private pre-school teachers, 1,789 elementary teachers at the first cycle, 1,224 at the second and 1,432 at the third (if teachers teach more than one cycle at a time they are counted multiple times). At the secondary level there were 1,048 public and 191 private teachers; and in higher education there were 179 public and 124 private teachers. In 2002 there were 61 libraries in Madeira (2 in Calheta, 4 in Camara de Lobos, 35 in Funchal, 4 in Machico, 2 in Ponta do Sol, 2 in Porto Muniz, 2 in Ribeira Brava, 5 in Santa Cruz, 3 in Santana, 1 in Sao Vicente and 1 in Porto Santo).

#### Medical Services:

In 2001 there was one general hospital and 7 specialized hospitals with a total of 1,745 beds (in Funchal). In 2002 there were 12 healthcare facilities: 3 with overnight facilities and 9 without. There were 37 extension health centres and a total of 52 beds. The health centres with overnight facilities were in Calheta (1, with 23 beds); Santana (1 with 22 beds), and Porto Santo (1 with 7 beds). Camara de Lobos had one outpatient facility; Funchal 2; Machico, Ponta do Sol, Porto Muniz, Ribeira Brava, Santa Cruz, and Sao Vicente all had 1. Calheta had 7 extension clinics; Camara de Lobos, 5; Funchal, 4; Machico, 3; Ponta do Sol, 2; Porto Muniz, 4; Ribeira Brava, 2; Santa Cruz, 3; Santana, 5; and Sao Vicente, 2. In 2002 there were 42 pharmacies and 65 pharmacists. That same year there were 489 doctors – an average of 2 doctors and 1.7 pharmacies per 1,000 islanders. There was an average of 7.5 beds per 1,000 inhabitants, these being 75.6% occupied. In 2001 there were 1,393 nurses on the islands. It is important to note that these figures do not account for regional disparities in numbers. For example, Funchal has 395 doctors, but Ponta do Sol, Porto Muniz, Ribeira Brava and Porto Santo all only have one doctor. Likewise, while the figure for beds occupied for the islands is 75.6%, this figure for Santana is 102.1%.

## HISTORY AND CULTURE

### History:

In 1419 the Captains of Prince Henry the Navigator, Jono Goncalves Zarco and Tristao Vaz Teixeira were driven onto the island of Porto Santo by a storm, and gave it this name for saving their lives. An expedition was later sent out to populate the island and take possession on behalf of the Portuguese Crown. The islands were divided into the captaincies of Funchal, Machico and Porto Santo for administrative purposes, and the first settlers started arriving in 1432 or 1433. Cereal production was promoted, and about 150 big farms produced more than 3,000 square miles of wheat, much of it for the mainland, and other Portuguese settlements. In 1497 Madeira was formally annexed into the Kingdom of Portugal and Funchal declared the capital. Wine and sugarcane were introduced – Madeira is said to have been the world's first sugarcane plantation. Importation of African slaves began in 1452. The sugar industry brought prosperity until the Portuguese introduced it into Brazil and Sao Tome using Madeiran expertise and manpower. As a result of the competition, the Madeiran economy declined and many islanders emigrated. Between 1580 and 1640 the islands were under Spanish control. After independence, Madeira obtained many contracts with the British who had discovered its wonderful climate and excellent wine. Wine became the islands' most important export, becoming world famous and contributing significantly to economic development in the region. In 1775, abolition of slavery (temporarily) caused problems with cultivating the plantations, and many islanders left to work on plantations in British and French colonies which had also abolished slavery (the British in 1834, the French in 1848). In 1850 embroidery was introduced to the islands by a British woman, and quickly became a thriving industry which made major contributions to the local economy. Tourism began at the end of the 1800's, and at the turn of the century the banana was introduced which became a major export crop until competition from Central America in the late 1980's and 1990's forced many islanders to shift to other crops. In 1901 Madeira was granted a limited degree of autonomy, and then between 1926 and 1974 Portugal was ruled by a fascist regime that undermined much of the progress that had been made on the islands. In 1974 the government was overthrown and Madeira was granted far-reaching political autonomy.

### Referenda:

### Recent Significant Events:

### Music, Dance, Handicraft and Patrimony:

Handicrafts: Wicker work made from the willows that grow along the islands' many creeks is very popular; embroidery and tapestry are also highly prized crafts on the islands, and are exported to other areas of the world. Festivals and Celebrations: There are many festivals and religious celebrations on the islands. Saints days are popular throughout the communities, as are gastronomic festivals such as the cherry festival in June, the wine festival in September, and the Chestnut festival in October. The festival of the Lord is in August, and the festival of the Most Holy Sacrament in September. Carnival is in February, and the Flower Festival for which the islands are famous is in May. Christmas, Easter and New Years are other occasions that are celebrated.

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