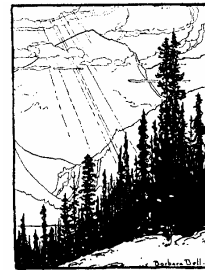




International Club of Andorra NEWS MONTHLY FOR MEMBERS ONLY

Editor: John Pinnell



The News Monthly is a selection from the main items in the local press, information of general interest and Club news. It would be appreciated if any factual errors could be brought to the attention of the editor. Please note that any opinions expressed are not necessarily those of the C.I.A. Board.

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News for January 2008

If you like this newsletter you may also be interested in the additional news and articles on the International Club Andorra website. It is easy to access - just click here to enter www.international-club-andorra.com

As the Treasurer has just sent out annual membership direct debits to the banks (no increase for anybody and a reduction for single members from €18 to €12) I would like to take this opportunity to ask for additional volunteers to help organize Club events and to join the Board - we could do more if we had more active helpers. Thank you.

John Pinnell

MAIN NEWS

The state of the Nation:

For once there has been some optimism around – the hotels and ski stations reported a good Xmas and New Year period and the shops reported lots of people shopping (and then spoiled the news by saying that the shoppers then spent less than last year).

In fact the number of tourists was up 2% across Xmas 2007 – with an increase in Spanish visitors and a decline in French and a noticeable decline in British. But please remember that on an annual basis 58% of all visitors are Spanish and 39% French, so only 3% in total come from all other nationalities. The drop in British visitors only affects a very small part of the tourist trade.

There was even snow – the snow on January 3 seemed to catch many people out – so the usual scenes of traffic chaos were reported as drivers had no chains or did not know how to put them on. On the road up from Encamp to Canillo two motor caravans managed to block the main road completely (no chains and no clue).

The outlook for the winter ski season seemed positive. Then the weather suddenly warmed up, much of the snow melted and it was not quite so wonderful.

In real terms the situation is clearly worrying a number of people:

- New car sales were 2,866 in 2007 which is the lowest for a decade. But look at the top three sales – BMW and Mercedes exceeded 300 units each and then Audi came third. Even Porsche sold 45 units – the same as in 2006. It is the “ordinary” people who are worried and holding off buying cars (whether new ones or second hand ones).
- New apartment sales prices are said to have gone up 3% in 2007 to an average of €4,900 per square metre. But sales (in units) are well down and sales of second hand apartments are both much slower and at lower prices per square metre. There are also many more apartments available to rent (including many new ones).
- The total number of people paying CASS contributions fell in 2007 (the first time this has ever happened) as total employment eased slightly to 44,500.
- Inflation in 2007 was 3.9% - and several comments have been heard that this really understates what is happening.
- The population still grew in 2007 – by 2.35% to 83,000 with 30,500 Andorrans, 27,500 Spanish and 13,500 Portuguese. However, this represents low growth compared to the past.

The Consols showed themselves well aware of the tightening situation by agreeing that they could have up to 20% pay increases (note only that the pay only increases every four years).

The Government 2008 budget was passed. This includes a clause allowing the Government to take out up to €20 million of temporary bank loans.

Other items:

The Government is hoping that its three new labour laws will be introduced shortly – covering health and safety at work, labour relations and union activity. One provision of interest is that the working year is defined as 1,800 hours (ie no basic limit per working day or week) and the maximum number of overtime hours allowed will be 350 (as against an official 80 in Spain).

The revised CASS law is now expected to only be effective for 2010 as it will come into force one year after final approval. It is expected that some increases in indirect taxes will be needed to fund the improved benefits to be offered.

NEWS IN BRIEF

The legal system is simply “snowed under”. The Batlle reports that there are some 12,000 open items at the end of the last legal year (June 30, 2007) and that the rate at which items are closed off is significantly slower than the rate at which new ones are referred in from the Government and the Comus. The main issue is unpaid vehicle fines (mainly for the annual licence) – some 5,000 items; then there are unpaid local taxes – some 3,000 items, and unpaid local vehicle fines – some 1,500. Interestingly the number of open items varies wildly by Comu – as expected Andorra la Vella has the most open items (1,750) but La Massana which is so much smaller has about 850. One of the main issues is that everything is manual – there is simply no mechanization of anything to do with the processes.

RATV expects total operating income of about €5.3 million of which some €3.8 million comes directly from the Government as subsidies (6% more than last year) – but in fact there is another subsidy as the Government accounts for about 20% of all advertising revenues. By the way – the budget assumes that advertising revenues will go up by 20% in 2008 – which is very different from any projections about that subject seen internationally.

Latest climate predictions for Andorra indicate a rise of about 3° C in average temperatures, with hotter summers (but still with cold winters) and less rain or snow overall and especially in winter. Ski stations should survive – but opening later than the beginning of December and using mainly the higher ski slopes. Note that similar surveys in Spain have concluded that many Spanish ski stations situated at below 2,000 metres simply have no future.

The report commissioned by the Government on the possibility of locating an airport in Andorra has been delivered. It appears to be pessimistic but not to rule out the possibility altogether. What does appear to confirm is that only an airport for small commercial planes would be possible. From statements made it really does seem as though this idea is one strongly supported by Xavier Jordana in his ministerial role and by some good friends of his rather than a firm part of Government policy. It would surely be better now just to press on with the agreed plans for la Seu d’Urgell.

Emile Bazin is a name that none of us should have heard. He appears to be French with bank accounts in Spain and he offers tourist apartments in Pas de la Casa via internet sites. The problem is that after making bookings and signing contracts and paying deposits the tourists find that the apartments simply do not exist. About 100 cases have appeared so far and the total fraud is thought to be worth about €60,000.

A second series of cases has now appeared (also in Pas de la Casa) – about 70 instances and another €40,000 affected.

Grandvalira has grand intentions – except that two of the main participants in Grandvalira are highly incensed. A presentation was made in the name of Grandvalira of a major expansion project across the border into France that would involve total additional investment of €150 million (and many apartments and hotels and a golf course as well as new ski slopes that would link in to those at Pas de la Casa). This all has the strong support of the local French municipality involved. However, the Consol Major of Canillo, speaking for ENSISA which is a partner in Grandvalira (and holds the concessions for Soldeu and El Tarter) is most insistent that this is an initiative of SAETDE only (the entity which holds the concessions for Pas de la Casa and Grau Roig). Then the Consol Major of Encamp, which is a shareholder in SAETDE, is most insistent that this is not an initiative of SAETDE but of a separate entity – so that Encamp would not bear any possible risk. Reading the articles it really does seem that key people in SAETDE did not stop and think through

what was simply bound to happen – how could the two Comus possibly react any way except protectively about such a big new adventure from which they would not see any benefits?

The SAAS is being sued by the parents of a four month old baby that died early in the month from a severe viral respiratory infection. The baby was taken to the hospital emergency room in the early hours of January 3, treated and sent home. The emergency ambulance was called in the early afternoon of January 4 but the baby was dead on admission to hospital. The issue is the failure of the emergency room to either diagnose the infection correctly or to admit the baby – as other similar cases were diagnosed and admitted.

The fraud that was discovered at the old people's home Sola d'Enclar now seems to have amounted to about €300,000 – all taken (in cash) by the accountant / administrator.

Valora again – the issue is now that the proposed dissolution of the entity has been blocked by the Batlle and so the depositors and creditors are once more without any short term hope of seeing any money. The Government is unhappy with the confused image now being given of Andorran regulatory ability. Most of the depositors are Spanish and never declared the funds they deposited for Spanish taxes – they find themselves in a difficult situation.

Orfund – this long since dead entity appears likely to make some headlines in 2008 as there are some quite relevant creditors – including one Swiss one allegedly for €1.3 million. The winding up process being solicited is likely to be long and newsworthy.

Some 50 police were involved in weekend drug raids on various discos and night clubs in Andorra la Vella, Escaldes, Erts and Arinsal. A total of seven people were arrested (all Andorrans or residents) for possession of drugs. After a very rapid trial they were all fined and released.

The Batlle has ordered action to be taken against a doctor who was originally accused of three cases of sexual harassment of patients – in 2002. In each case the female patient went to the doctor with respiratory problems and ended up with a second visit in which rather unexpected intimate explorations appear to have been required. A fourth case appeared in 2006. It is certainly about time this case was resolved.

The new community policing is claimed to already have brought positive results – a reduction in minor crimes such as pick pocketing.

New night bus lines will start soon – running on Saturday night from 11 pm to 3.30 am from Andorra la Vella and Escaldes to Encamp, Ordino (via La Massana) and Sant Julia.

There are now about 5,500 residents who have been in Andorra over 20 years but have not taken up Andorran nationality. Most of these are Spanish and a good number are French – but from other nationalities 174 are British.

The number of homes with internet connections (via ADSL) in Andorra is showing up in one recent survey at only 28% - which is not much more than half the level of France or Spain, and well below Portugal.

The Automobile Club looks set to report a surplus of almost €100,000 for 2007 – new management having successfully closed off the high cost activities of the previous management which led to significant deficits.

AROUND THE PARISHES

La Massana – last month came the announcement that the National Museum and the National Archives would be on the same site and in La Massana – now the Comu has to find that site as the original National Archives site in Sispony is not apparently suitable for a “double bill”. The Comu is busy looking.

Andorra la Vella – in the first meeting between the new Consols and Albert Pintat two issues were put on the table – the first to make the “capital” more appreciated as the “capital” of Andorra (ie pay more attention to us please in major protocol events and the like) – the second naturally to reclaim the National Museum for the capital.

Sant Julia – the Government has been following up on some 16 cases of unauthorised movements of earth (sic) in the parish – most of them carried out without any permissions at all. It appears that what is generally happening is that new fields are being created behind retaining walls (which may mean felling trees and bushes first) and some of these structures are quite substantial. Note that later news has also included other parishes as being guilty of allowing such unauthorized movements.

Ordino – the company that owns the Hotel Subira in El Serrat has entered “suspension of payments” (ie is unable to pay its debts) and creditors are said to be owed about €2 million – which seems an awful lot

unless the hotel was built using loans. No wonder the hotel looks forlorn and totally abandoned.

La Massana – negotiations continue about the development of the large unfinished Edifici Astra in Arinsal and it now appears that some of that building could end up as social housing – up to 30 units.

Ordino – the new Comu promises a fresh look at Arcalis (and no major new works on debutante facilities or monster carparks) and a year of austerity in all matters. Rather than the €32 million that was previously spoken of as being needed by the Plan Director of Arcalis to make it viable the new regime has initially indicated a figure of around €15 million.

La Massana – the Comu, shopkeepers and others are all pressing for the Government to allow a new and more regular bus service to Arinsal.

Sant Julia – Naturlandia has been in the news again (apart from mention of further delays in opening Turbotronc). The ex minister Puigdevoll has been saying that the various activities planned will break environmental rules and the technical director of the theme park responding that detailed reviews are being carried out for each activity with particular regard to water resources.

Andorra la Vella – rocks falling on to the municipal sports ground pitch required it to be closed for a few days.

La Massana – about 4,000 cubic metres of rock slid down onto the Avda El Travès early one Friday evening – just too late to catch the traffic jam caused by returning skiers and without actually injuring anybody (although virulent local rumours talked of three dead). Local parked vehicles were damaged. The road was shut from Friday evening to Sunday morning and all traffic for Ordino was diverted via Anyos and Aldosa (making that road highly dangerous). The 10 families resident in the neighbouring building were evacuated (and are still kept out of their homes).

Andorra la Vella – a small outbreak of burglaries one weekend – 6 of them, of which 5 in apartments occupied by Indian families and the sixth in the apartment directly above one. It would appear that the Indian families were being targeted – especially as all that was taken was cash, jewellery and gold.

Canillo – la Pleta de de San Pere at El Tarter has three apartments sealed off – two belonging to suspected drug dealers and now the 168 square metre triplex belonging to Mariano Ayuso the town architect of Los Alcazares in Murcia who is

suspected of being the ringleader in a major town planning scandal (and who could only have bought such a place from resources other than his official salary). It appears he came up to Andorra only infrequently and always well accompanied (ie not with his wife).

La Massana – the Consols awarded themselves a 23% pay increase in line with the maximum the meeting of Consols had earlier agreed.

Escaldes – the Consols agreed to only increase their salaries by inflation and the Comu approved the 2008 budget with just over €31 million of expenditure (of which almost €9 million on investments) and a deficit of almost €1.5 million.

Andorra la Vella – the Consols decided to freeze their salaries.

CLUB NEWS

The Club continues to have activities – are you as a member aware of them and taking part?

The weekly coffee morning is at the Hotel Ibis in Escaldes – starting at 11 am each week.

The (now annual) January lunch was once more held for all our carnivores (it just so happens that the restaurant has a menu where neither fish nor vegetarian dishes feature).

The first of two ice karting events took place at the end of the month (which was followed by dinner – a dinner that ended quite late).

Coming right up – the Valentine's Lunch at the Hotel Babot above Ordino – on February 14 – Contact George Trepte.

Then at the end of the month “another small wine tasting” – free entry and no collection – organized by La Verema with John Pinnell on February 27 (contact John Pinnell on 355275 or john.pinnell@pinnejo.com for details).

More activities are in the works – but we would very much appreciate ideas and volunteers to help organize them – and volunteers to serve on the Board as from the AGM too.