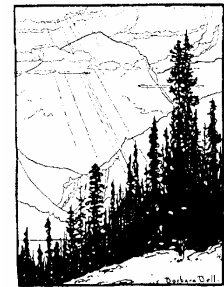




International Club of Andorra NEWS MONTHLY

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 July 2008

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The summer always seems to bring a slowdown in news – partly because the political activity in the country slows down – but also, this month, there has also been a reduction in the number of stories about major (or odd) traffic accidents and criminal cases. As a result this issue is almost a page short. My apologies.

John Pinnell

MAIN NEWS

Public services and public spending:

Last month the Government announced a major effort to cut back on expenditure for the rest of the year so as to be able to balance a budget suffering from a lack of revenues. The Comus have also got problems – and some had already started to address them.

This month the newspapers have carried articles about revenues and expenditures and at the end of the month covered the Government's announcement of the cuts in expenditure that have now been agreed.

Here are some of the key points:

The Government started the month by asking the local banks for a significant increase in its lines of credit so that it would have enough cash to see out the year – and the banks agreed an increase of €40 million, as requested.

Total salary costs of the Government, the Comus and the semi state entities (eg STA and FEDA) have reached over €200 million for 2008 – an increase of close to 9% on 2007 – all as reported by El Diari. Of this, €87 million is for Government employees and

€52 million for the Comus. The increase in salary costs was calculated as 5% for the Government and 9% for the Comus (and much more for some semi state entities – especially SAAS – hospital services – and CASS). The Government has effectively introduced a hiring freeze and has also announced cuts in the number of classes (and so in the number of teachers) for the new school year in the Andorran schools as the number of pupils will reduce as immigrants leave for home.

The spending per head of population in the Comus was also analyzed – with Ordino showing as spending the most at €1,170 per inhabitant followed by Encamp at €711. The Comu of Ordino has already been working on cutting back all it can (and has stressed that a significant proportion of its salary costs come from the sports centre and the kindergarten – one suspects that this has been done to allow them to show just how much both centres are being subsidized). The Comu of Encamp has defended itself by stressing that it is unique in having to duplicate services (at Encamp and again at Pas de la Casa). Meanwhile there are even signs that the normally mutually hostile Comus of Escaldes and Andorra la Vella may be ready to talk about some cooperation – while Ordino and La Massana have already started on that path. It is much cheaper to do things together.

To cut costs this year the Government has announced “savings” of just over €50 million – but some €45 million of that is on investments (which have been deferred mainly rather than abandoned – so this is really pushing problems into future years). The Minister stoutly maintained that future governments


ARINSAL • CANILLO • LA MASSANA
IMMOBILIÀRIA • LLOGUERS • GESTORIA

would not be compromised by these decisions - but the long queue of multi year projects already committed and the lack of any special financing mechanism makes that statement seem rather hollow.

By the way – we are not in recession – the latest growth forecast is 1.4% - so still (just) positive. However we do have ever increasing inflation – which reached over 5.5% for the year to June.

NEWS IN BRIEF

The record for speeding on the C-14 appears to have been set by a 26 year old resident of Encamp who was first “clocked” at 190 km/h coming out of Oliana and then stopped a long way further down the road by the Catalan police. Remember – being caught on the radar is not enough as the Spanish systems do not have details of Andorran car registrations and owners (yet).

More news about road improvements – the N-260 between Adrall and la Seu d’Urgell is to be changed into a motorway (eventually) and follow a new path that will avoid all those built up areas between the outskirts of Adrall and Anserall – ie it will bypass La Seu d’Urgell and pass by the new airport and make getting in and out of Andorra easier when it happens – there is no date yet for finalizing the plans for it.

Meanwhile, work on the N-145 from La Seu d’Urgell to the border is due to start in September.

A 27 year old Portuguese resident lost control of his Suzuki motorbike at Racons on the way into Canillo and after coming off his bike slid down a thirty metre bank with his bike and was killed.

A BMW ploughed into the back of a stationary Fiat Panda that was waiting behind another car for a pedestrian to cross the street near the Pont de Paris. The Panda was “sandwiched” and the driver seriously injured. This was at 8 am – and the driver of the BMW tested positive for alcohol and there was no sign whatever that he had seen what was in front of him and tried to brake.

The demolition work on the old Hotel Marticella is starting so as to allow the work on the Carrer de l’Unió to start this autumn and be completed by the end of the year.

The Spanish frontier suffered various days of “work to rule” by the Spanish Policia Nacional – they looked at papers for all drivers they could and caused major hold-ups. They are (so far unsuccessfully) demanding improved salaries based on what the equivalent Catalan police forces are paid.

The moving of spoil from Encamp (beside where the tunnels have been dug) to a tip at Beixalis (in La Massana parish) via Escaldes and Andorra la Vella provoked lots of adverse comments. Encamp complained at giving the contract to another parish. Escaldes complained about the idea of 80 truckloads a day passing through narrow streets to get to La Massana. Somebody suggested that we all wait until the tunnel is open to truck the spoil directly through the tunnel. The trucks started moving anyway.

Andorra has agreed to pay most of the cost of a new piece of four lane road down from Pas de la Casa to the new French frontier post – presumably so that the queue of traffic is more comfortably situated.

The Government is proposing a reduction in fuel tax for all commercial vehicles that comply with emission standards – the effect should be to help get rid of old vehicles and to help hauliers and taxi drivers reduce their high fuel costs.

The first criminal claim has been filed regarding the minibus accident at El Serrat last year – and facts that have emerged recently include the vehicle not having had a change of brake fluid for about four years and the driver having had very little experience with the vehicle.

Albert Pintat used part of his visit to Zaragoza to ask that the TGV express rail line be extended to La Seu d’Urgell. The request was repeated in a meeting between the ministers of public works of Spain and Andorra late in the month. The reply from the Spanish side was very non committal.

The census shows that through June 30 the population has continued to grow – now reaching almost 84,000. The biggest gain is among Andorran citizens (with the number of Spanish dropping but the number of Portuguese still increasing). By parishes, Andorra la Vella is not growing but Escaldes is.

The hotel sector was quite pessimistic about the start of the summer season – rumour has it that occupancy rates were about 10% down in June.

The property developers’ association asked the Government to help them promote social housing by freeing them from the 15% forced surrender of land to the Comus, reducing the local building taxes and allowing higher density building - and offered lower priced homes in return.

A report has recommended that the local police be allowed to carry truncheons or some sort of

protection. The proposal has to be researched and approved – so it will be a long time before anything firm emerges.

The minister of tourism wanted each Comu to contribute €60,000 to two advertising campaigns (one aimed at attracting British tourists) – they said “no” of course. An editorial in El Diari ruminated on the “death” of the English tourist trade that used to make El Tarter and Arinsal part of the UK temporarily each winter – and how to recover that business.

The leader of the PSD indicated that in his view there will be no relevant legislation after the new CASS law is approved in September and so the elections should be brought forward.

Three people (two Algerian men and a French woman) were detained after their car was stopped on the way out of Andorra and goods apparently stolen from six different stores were found in the car.

€70,000 vanished from the association of parents of the Santa Coloma school – but this was lost in 1997 to 1999 and the case has only just come to court. The defence appears to have said that so much was happening back then they just could not keep proper books.

The Guardia Civil went after a convoy of three vehicles on the road to Os de Civis and lost two – but one was caught and found to have 30,000 cartons of cigarettes in the back.

The welfare department attended to 716 cases last year – over half of which were about problems caused by medical costs, while the second major issue was incomes just simply insufficient to live on.

There were 59 reported cases of domestic violence in the first four months of this year.

The Portuguese community has openly criticised the ambassador as having been more interested in his own profile than in helping the community in Andorra. Meanwhile the association of Portuguese businesses here is very concerned about the ability of its members to survive a prolonged crisis.

Local temporary work offices are reporting a lack of demand for their services. Meanwhile a public opinion survey shows potential unemployment as being a concern for the first time ever.

Jordi Pujol (ex President of Catalunya) stated in a speech that Andorra should be seeking to join the EU

– possibly he simply fails to appreciate the massive changes that would require.

The Strasbourg European Court has overturned an Andorran legal decision for the second time (the first time was over a decision related to inheritance law). This time the decision overturned relates to the long drawn out dispute over misuse of planning permissions in the building of two blocks called El Vilars. The award in this second case of relatively small monetary damages is of less importance than the fact that an appeal to Strasbourg of decisions already reviewed at the level of the highest court in Andorra has changed the verdict.

The Andorran pavilion at the Expo in Zaragoza is reported locally to be receiving lots of visitors – but in the Spanish national press it does not appear among the top 10 exhibits.

AROUND THE PARISHES

Ordino – the audit commissioned by the new Comu has concluded that the debt at the end of 2007 was indeed €26 million rather than the figure quoted by the outgoing Consol Major (which was some €3 million less).

Andorra la Vella – 19th century wooden roundabout horses brought from Toulouse are available all summer in the renovated Plaza del Poble

La Massana - the agreement for the acquisition of the land required for building the national archives and museum to be designed by Frank Gehry has been signed – this allows for the five landowners to cede 23% of the total land area to the Comu for the project in exchange for full building rights over the remainder. However, there has been some publicity given to the fact that this same site was considered years ago as a possible site for the Andorran school in the parish and rejected in part because its location close to the river would have required special foundations.

Encamp – a study by the head of HR for the Comu apparently shows that many of the departments of the Comu are over staffed and that the main issues causing this are lack of training for the staff, lack of communication between departments and a need to improve processes.

Escaldes – the works on the Avda Carlemany are now running almost one month ahead of schedule – so the disruption caused by them should be over quicker.

La Massana – Vallnord has reported an increase in visitors in June of almost 30% - largely due to the success of the BTT bike trials(BTT bikers have increased 50% over last year).

Escaldes – the rights and wrongs of the land to be ceded to the Comu by property developers has been in the news as a revised plan for development of a large area at Clot d'Emprivat has led to the Comu demanding (and being granted in a first decision) an extra 1.98% of the land (based on reconsidering the effect of new streets on the available land subject to the 15% cession rule). The original calculation was made back in 1999. What makes all this so important for the Comu (and also for the 15 owners of the land affected) is that the first estimate of the value of this extra 1.98% is €18 million – which would be a succulent addition to parish revenues were the final decision to go in favour of the Comu.

Sant Julia – the Comu officially approved the plan which would allow for the long term development of Naturlandia. It also erected larger signs indicating how to get there. There is also confirmation that the increase in share capital (up to €15 million at €35 per share) will be carried out in November after a bank has been found to agree to underwrite the issue.

Sant Julia - the annual live pigeon shoot (which attracts some 400 participants, many from outside Andorra) has had to be cancelled for lack of pigeons to shoot.

Andorra la Vella - a fire at the Borda Pairal (which dates back to 1630) caused lots of smoke and internal damage to the building.

Canillo – the annual sheepdog trials celebrated their twentieth anniversary. The winner was the same team (shepherd and dog) as last year.

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 Wednesday.

Ron Spiers (841817) is organizing the “big splash” again this year on August 14 – swim followed by lunch at the Hotel Coma Bella in Jubberri – price €22.