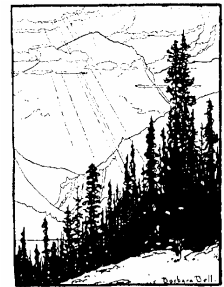




International Club of Andorra NEWS MONTHLY

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 2010

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This month I went to stay in France and tried to get French Telecom to lay on an ADSL line. Well – I had ordered it in November and as of January 30 it was still neither installed nor working. So I walked out to find wi-fi locations and did not do as thorough a review of the news as I should have been doing as it was just plain inconvenient. Apologies...

John Pinnell

MAIN NEWS

Will the politicians agree to anything?

There has been lots of news about the issues that JB has in trying to get any measures approved by the Consell General when he only has 14 of the 28 seats in the hands of the PS and when the centre minority party, ApC, appears to be permanently against everything as proposed.

The month ended without the 2010 budget appearing to be any nearer being approved - which means that the 2009 budget will continue in force. Luckily, inflation was officially exactly 0% for 2009 so there are no automatic salary rises for public administration employees. In a press conference at the end of the month JB stated that even the worst possible situation (no 2010 budget approval and no approval of the tax reform proposals) would not be catastrophic and that he had no intention of convening early elections.

A little earlier it had been hinted that CR would vote for the budget if JB were to agree to dissolving the Consell General and calling early elections.

Right at the beginning of the month CR was obviously anticipating early elections as its present leader, Joan Gabriel, stated that he would not run

again for leader and the party began to get ready to elect a new candidate.

In the middle of the month JB called in the parliamentary leaders of all three parties to try to agree a course of action that would have allowed a 2010 budget to be passed as well as tax reform legislation. The two opposition parties were not convinced by his arguments it seems. The representative of CR left the meeting upset with contradictory messages about austerity and increasing salaries for public sector workers saying “you cannot defend austerity and still proceed to give the monster cookies” – interesting when the PLA (the immediate predecessor of CR) was in power for so long that it has to be assumed to be the creator of the “monster”.

ApC had each of its three members of the Consell General make specific statements indicating that they would not be joining the Government in voting for the budget or be deserting their party.

The Sindic stated that, in his view (and his view as leader of the Consell General should carry some weight) if there is no solution to the budget issue by June then there should be early elections – and quoted a precedent from the 1990s.

CR announced a party congress that will have to agree a new name for the group and some statutes as well as electing a new president. Joan Gabriel indicated that he might stand for president of the party.

The situation continues...

NEWS IN BRIEF


ARINSAL • CANILLO • LA MASSANA
IMMOBILIÀRIA • LLOGUERS • GESTORIA

As indicated above, 2009 closed with annual inflation of exactly 0.0%. Both CR and ApC called for a review as to how the inflation statistics are compiled. However, as a result of the official level of inflation there will be no automatic increases in rents or salaries or pensions for 2010. As the minimum wage does not go up, nor will the minimum income requirements for passive residents.

2010 is not expected to show any economic recovery in Andorra – based on the poor performance of Spain as well as local issues such as the continuing drop in the number of visitors and in their spending while here.

JB went to Madrid to sign the tax information exchange agreement with Spain and to spend 45 minutes with Zapatero, the Spanish Prime Minister and, for the first six months of 2010, the leader of the country holding the chair at the EU. Zapatero apparently promised to help Andorra reach a new agreement with the EU. Spain also agreed to strike Andorra from its list of tax havens as the information agreement had been signed.

CASS lost about €20 million on its health cover side (against the forecast of €22 million). Among its extra costs in 2009 were those for geriatric patients at El Cedre which cost CASS about €2,500 per month each.

On the other hand the news later in the month was that CASS had earned almost 8% on its retirement funds which closed the year at almost €690 million. There was a surplus on pension contributions of almost €27 million.

RATVA forced out its executive director and its director of advertising on the grounds that it could not afford them. The executive director was reputed to have been earning about €300,000 per annum – and of course has stated that he will take his case (appealing his dismissal conditions) to the courts.

FEDA appears to have been pressured into making some investments in photo-voltaic electricity generation – and two public buildings have been volunteered as initial experimental sites (or rather their roofs have been offered as sites).

Andorra is sending five participants to the Winter Olympic Games in Vancouver.

41% of respondents to the periodic social survey indicated that their biggest concern was jobs or unemployment. This was never given as a major concern before last year.

In the same survey only 20% of participants showed any interest in politics (and those who did were almost all men over 40 years old) while 76% were uninterested in what political parties said. The overall rating of the Government was 5.9 (out of 10).

Various participants in working groups called by the Government to discuss and propose concrete actions in specific sectors to improve performance etc have stated (off the record) that the meetings were not much use (no agendas, too complex, too bureaucratic are some of the supposed comments).

The volume of patients passing through the local health centres (the CAP) since they started almost 20 years ago has risen sharply – in 2008 they saw 17,000 patients in 113,000 separate visits – and they are now an integral part of the health service.

Back at the beginning of the month:

The Reyes cavalcade in Andorra la Vella had 19 floats and attracted lots of people.

The ski stations said they had a lot of skiers over the holiday period – Grandvalira reaching a total of 20,000 and Vallnord 12,000 on a peak day – so volumes were higher than a year ago.

A total of 40,000 vehicles entered the country on the peak weekend – of which 75% came from Spain. Hotel occupancy was around 85%, which is much the same as last year. Retailers reported lots of purchases being made but at lower prices than a year ago.

There were four babies born on January 1st in the hospital.

Some final data for 2009:

New vehicle sales were the lowest since 1980 at 1,715 in total.

The number of people employed per CASS dropped to 37,750 (end of October data – the latest seen).

Property transactions were lower per the ITP records – there was one extraordinary transaction involving land by the Reig family and Abertis in Encamp with a value of €300 million but, excluding this, the total for the first nine months of the year was only €181 million and so 27% below 2008, which was already a slow year.

As a result the Comus all received less income – except for Encamp which had a €5 million “bonus” from just one huge transaction.

The total level of bank deposits continued to grow – with Crèdit Andorrà having €8,450 million, BIBM €4,700 million, Andbanc €4,500 million, BPA €2,550 million and Banc Sabadell €900 million.

The average monthly salary at the end of 2009 was €1,933 overall but in public administration it was €2,245 and that sector (which includes health and education) has a total of 6,494 employees.

In 2008 “only” 123 women from Andorra went down into Catalunya for an abortion – as against 157 in 2007.

2009 saw a significant increase in the reported cases of maltreatment of women – up from 118 in 2008 to 182 in 2009.

Work was restarted on the main section of the bridge at the exit from the Túnel amid an atmosphere of sadness. No work at all is being allowed on the part of the approach viaduct that collapsed. Meanwhile, families of three of the five men killed in the accident have agreed compensation and the other two are in discussions with total payments expected to reach €2 million.

The number of work permits for non EU employees for the winter ski season has dropped – down to 1,450 out of a possible quota of 1,750.

JB stated in an interview for Catalunya Radio that there are illegal workers in Andorra who are not paying into CASS and who have no health or other benefits as a result. This is the first time that any politician has admitted that this might be happening.

Criminal matters reported this month:

A French resident was arrested in France, accused of being involved in a 2008 homicide in Montpellier.

A Hungarian ex Olympic wrestling champion was arrested in a local hotel under an international arrest order from Hungary where he is condemned to five years in prison for drug offences.

Gitte Mecklenberg was extradited to the USA to face fraud charges.

Gasopas lost fuel oil to a total value of €330,000 – apparently due to leaks. Then further investigations showed fraud and two ex managers are accused of stealing the fuel oil. Both were noted to have been enjoying a lifestyle well above what could have been provided by their salaries.

In one survey, Andorra was rated as the country with the least homicides in the world per head of population – as in the year selected there were none recorded here.

A French lady tourist was arrested after an accident outside Canillo. She was driving towards Soldeu, overtaking another car, when she lost control. Nobody was seriously hurt but she failed the alcohol test and was arrested.

An Andorran man aged 32 resident in Belgium has brought a suit against his ex wife aged 36 for “sequestering” their child aged 4. He thought his ex wife had taken the child away from Andorra so as to stop him from having custody of her over the holidays. Apparently there have been previous incidents where the ex wife failed to keep to agreed visit and custody arrangements.

The Battle is investigating the trail of money sent to Andorra from Belize by two Panamanians and then apparently sent back out again in another direction. The total involved is about \$1,7 million and is believed to be from illegal pyramid sales operations by an entity called DMG from Colombia, where DMG is accused of having defrauded over 200,000 families.

In the ski and tourism world there have been some movements:

SAETDE has talked about investing up to €80 million over the next ten years and creating 300 new jobs.

Valnord Tourisme S.A. has been formed jointly by the Comus of La Massana and Ordino with a capital of €600,000 to support joint tourism initiatives – mainly for the summer season.

There are three stages of the Pirena dog sledging competition in Andorra this year and the Government has agreed a subsidy of €55,000 – up €15,000 from last year.

One of the first conclusions from a study on producing savings at Grandvalira indicated that integrating the three management structures currently in existence would produce important cost reductions.

A 14 year old girl from Madrid on a school skiing trip to Andorra lost her life at Arcalis on a blue slope when she lost control of her skis and crashed into a support at the side of the piste. She was wearing her crash helmet – but the impact broke her neck.

Cyril Despres (who is a resident) won the motor cycle section of the Dakar rally in South America.

CASS first sought to get the doctors to include the reason why patients had been to see them on the CASS claim form, and then retreated when the doctors objected strongly.

The heads of the Portuguese, Spanish and French residents groups (which are sponsored by their Governments) have dropped some hints that they would like to form a combined foreign residents group so as to have more leverage when lobbying the Government.

The size of our economy seems to be a matter of debate. The Government has used a figure of €3,000 million for GDP for 2008. Standard & Poors, in its report on the economy, uses €2,300 million. It all seems to depend on how you add up the figures. But the gap is significant.

AROUND THE PARISHES

Andorra la Vella - after the period across the holidays when the parking meters were switched off, they have come back to life with the agreed new higher charges.

Pas de la Casa – local residents have complained to Andorra Telecom that they keep losing signals from Mobiland as the repeaters from French operators are more powerful near the border.

Sant Julia – the General Secretary of the PS has indicated a willingness to study whether the route of the bypass could still be modified so as to be less intrusive – and to then consider action if this were found to be viable both technically and financially.

Ordino – the Comu wants a publicity “spot” to show the attractions of the parish and has so far received offers from eight local entities for making this for a fee not to exceed €10,000.

Encamp – the owner of a local business installed a metal ladder on the façade in 2007 and was given a fine of €601 and an order to remove it from the Comu. He refused and appealed. There was administrative silence. He went to the Battle, who in 2009 decided that he should take the ladder down or pay a fine of €100 per day for non-compliance. He appealed to the courts and finally the Constitutional Court has ruled that the fine has lapsed but not the order to remove the ladder. Now to see if the ladder is finally removed.

Ordino – Reig Capital Group is behind an initiative to make wine from grapes grown on land on the approaches to Ordino from La Massana. Since 2007 there have been experiments with different vines – just five examples of each – and now the decision has been taken to plant four varieties (two each for red and white wine), so there should be some grapes to harvest by 2012.

Ordino - the Comu has approved a new regulation so as to tackle the problem of abandoned vehicles. These will now be collected and taken to a pound (€116 fine to get them out) and if not collected the fine increases by 20% after 10 days and then after 30 days the vehicle may be destroyed if not rescued by its owner.

Encamp - the deficit for 2009 may reach as much as €4 million.

La Massana – a British resident came home from abroad in late 2008 to find a demand for €21,000 in back local taxes. She appealed and has now finally won her case in the Supreme Court on the grounds that the Comu had failed to properly notify the taxes as they became due. She has also had her legal costs awarded to her.

Andorra la Vella – the theatre is rented by the Comu at a cost of €65,000 per annum and it needs major maintenance (including a new heating boiler). So the Comu is thinking of giving it up and using the conference centre instead – but that replaces an intimate theatre of 246 seats with the 900 seat conference centre.

Andorra la Vella – there are strong debates over the budget deficit of €1.5 million – is the Comu really solvent still and are costs really being kept under control are the major issues being put forward in debate.

CLUB NEWS

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

The weekly coffee morning is held at the Hotel Ibis, each Wednesday between 11.00 and 13.00. Please come and join us there.

Tony Dawtrey has agreed to organize a Valentine's Day lunch at the San Andreu in Arinsal on Sunday, February 14. Watch for details and then contact Tony please.