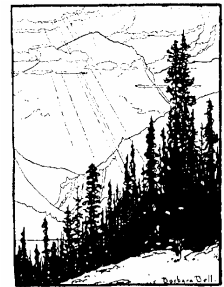




International Club of Andorra NEWS MONTHLY

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 November 2009

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website at www.servissim.com to see their services.

Please do note in your diaries that the Club Xmas Coffee Morning will be held at the Ibis Hotel on Wednesday December 16 (yes – the same day as the Dinner Dance) and all members are invited to a glass of cava with us there.

John Pinnell

MAIN NEWS

Why did the bridge collapse at the Túnel?

There is an official enquiry by three engineers which is said to be making good progress – and rumour has it that a definite cause will be determined (other rumours would indicate that it has been determined). Meanwhile all work on the La Massana end of the Túnel de los Dos Valires has been suspended.

It was about 11.30 a.m. on a Saturday morning and 35 men were working on and under the part of the new exit road that was to form the entrance to a mid air traffic roundabout. They had started pouring large quantities of concrete. Suddenly, a few minutes later, the whole structure started to give way and liquid concrete poured out of the designated area and down on to men working below.

A total of 11 men were caught up in the accident that immediately resulted. Mostly they had been working below the structure where the concrete was being poured. Three men died at once; a fourth was missing for some hours but found dead – and believed to have been dead since the accident. A fifth man was buried up to his waist in liquid concrete and rescuers were unable to get to him because of the maze of structural supports in their way. He suffered for over twelve hours before he was able to be rescued, and, despite all efforts during his rescue, he died on his way to hospital – mainly from hypothermia.

There were 6 injured – two of whom were taken to the burns unit in the Val d'Hebron hospital in Barcelona as a result of the damage caused to their skin by liquid concrete. Within a little over a week all of the injured were out of danger or released from hospital.

The four dead at the site were unable to be recovered until a special crane had been brought in from Catalunya. It arrived on Monday (late – causing severe traffic problems at morning rush hour) and was only able to move debris sufficient for the four bodies to be recovered on the Tuesday. The ongoing recovery attempts brought pain to the relatives and friends of the dead and an excess of voyeurs to the edge of the site (which further held up traffic and kept the police busy).

All of those caught up in the accident were Portuguese, some of them long time residents, and most of them living in La Massana. The impact on the Portuguese community was profound.

A memorial funeral service led by the Bishop of La Seu d'Urgell was held at Sant Esteve in Andorra la Vella and over 1,000 people turned out – filling the church and the square outside it.

Speculation on possible causes of the accident was immediate and varied. Excess weight from pouring too much concrete in a hurry was ruled out by comments that stated that less trucks had come up to the site than had been planned. Failure of the piles holding up the structure was ruled out by comments indicating that the collapse started from the top and not from any supports giving way. That would appear to leave design failure or failure to build the


ARINSAL • CANILLO • LA MASSANA
IMMOBILIÀRIA • LLOGUERS • GESTORIA

supporting structure in accordance with the design. Speculation will continue until the official report is out – with the latest leaked reports indicating that the middle of three supporting structures is the one that gave way and raising issues about the way in which the design of the structure was sub contracted and then the building of it further sub contracted.

The newspaper published the information that the joint venture that won the bid for this work did so with a bid at €2 million below the valuation given in the tender document. The implication was clear – corners might have been cut.

The president of Dragados (the major Spanish construction and engineering group leading the joint venture) has been to see JB – and the main shareholder was said to be following close behind to defend the reputation of his company.

Watchers of Spanish television in particular were shown lots of footage of the accident. Too many sightseers came to look at the site. The Portuguese community continues in shock and with a large number of men inactive while work is stopped.

NEWS IN BRIEF

CASS also made headlines at the beginning of the month. It has made projections for the results on its health and sickness costs – starting with an initial projected deficit for 2010 of €44 million – a huge number and one that would soon have all its reserves built up in the past used up. That the headline numbers then grew to €70 million for 2011 and €100 million for 2012 was simply shocking.

There are many reasons for the problem. First, the new CASS law that came into effect November 1 expands the services (and so the costs) required to be provided. Second, there are additional facilities – such as Les Cedres geriatric home which will cost some €3 million a year to CASS (but solve some of the problems of a growing population of old people unable to be looked after at home). Then there is a key issue – the number of people paying in to CASS has dropped down to 38,500 (ie the level last seen in 2003) while earlier CASS plans had assumed a steady growth in contributors.

Very rapidly, CASS came up with a proposal to make many changes in 2010 so as to save €11 million in costs. All sounded potentially sensible but many upset people. The changes included requiring the prescription of generic drugs where available, limiting the use of specialists to one per condition or illness, eliminating a right to treatment outside Andorra when it is available locally, requiring that

patients be referred to specialists via their main doctor, and so on. The health and finance ministers made a mess of explaining what all this meant. JB stated that Andorra could not afford a “5 star” health system.

CASS has severe problems that need to be resolved, the Government will have to fund any deficits resulting and the Government itself has severe financial problems to solve. It simply needs a wider tax base to fund all the costs of the services it sets out to provide. Getting that is a big issue when the PS has no majority in the Consell General, repeated talks with ApC fail to result in any agreement to cooperate and CR is being more aggressive in its opposition (eg promising to vote against the budget on the grounds that it does not add up by €400,000 and that revenue assumed to come from an increase in tobacco taxes cannot be included as the increase has not been put to a vote yet - as one report had it say).

CASS has another little issue to tackle too – as a result of the new law it has to renegotiate contracts with all its medical suppliers. However, the detail rules for this have not yet been settled. So – for now the system is muddling along on the old contracts.

Looking at a few statistics:

Although employment has dropped, average earnings are up 1.5% on a year ago.

Inflation for the year ended October 31 was a negative 1.5%.

Total spending on public administration is estimated to have doubled (from €4,000 per head to €8,000 per head) in the last five years.

The number of visitors was down 5% in October – with a rise of French visitors partially offsetting a bigger drop in Spanish visitors.

Andorra Telecomm reckons that 63% of homes have broadband access. There are 37,500 fixed telephone lines and 63,700 mobile phone contracts at present. Almost 4,000 homes are now connected to the optical fibre network.

Sales of heavy trucks for the year to October 31 were just 28 as against 89 a year earlier. Sales of light vans are only down 20% though. Car sales have stabilised in October – 290 were sold (exactly one more than in the same month last year).

In an annual study of living costs for expatriates produced by William Mercer, out of 150 cities studied, Andorra came in at 130 – ie one of the

cheapest. Barcelona came in at 37. Andorra apparently has relatively low housing costs (that is what was reported) but the report mentions issues with immigration and work permits as a negative aspect.

The issue of public holidays and shop opening hours kept coming up. Shops will have to shut on Constitution Day – March 14. They will be able to open next year on May 1 although that will become an official holiday – as there is expected to be heavy tourist traffic from both France and Spain. Shops will have to close on 10 Sundays a year (all to be outside the main tourist seasons). One proposal that did not get approval would have had all shops closing on all Sundays by 14.30. Naturally there are lobbies for and against longer or more flexible opening hours – with big shops in favour of flexibility and small ones and employees against.

At one point (when it had just snowed a lot) the ski stations were hoping to open for the last weekend in November. Later it all melted and they worried about being open on time for the major Spanish public holidays on December 6 and 8. At the end of the month some more snow fell. The Catalan press was reporting that nobody was booking hotels yet – all eyes were on the weather forecasts. The outlook for the ski season is very hard to predict. More locals are working at the ski stations – 196 of them, a much higher figure than last year.

The new French border post was opened. It has apparently cost Andorra €8.5 million. It seems to be working smoothly. It has been agreed that the old one will be demolished.

A new French Lycée will be built at Prada de Moles with some 600 places – and it should open in 2013.

The Government hopes that Andorra University degrees will be Bologna compliant for next year.

Early one Sunday morning a Volvo 360 driven by a young Andorran left the road while coming down from Arinsal to Erts. There were four young people in the car. One, eighteen years old, was killed. Tests showed that the driver had been drinking (the test showed a level of over double the limit) and also had been smoking hash. He is now in prison, held on a charge of homicide due to careless driving.

There has been a certain amount of “noise” asking for a night bus service to be extended to Arinsal – like there is to Ordino.

A 13 year old fell down a steep bank close to the school at La Margineda and was severely injured.

This happened just after the end of the school day and from the edge of the area where school buses come to pick up pupils. Nobody could explain what had happened.

More progress on the tax information exchange agreements. One was signed with the Netherlands. The Spanish one is ready to be signed (just needs a date fixing). The Portuguese one is coming along. There is no confirmed news of the progress with the Nordic countries. As yet it looks as though Andorra will not sign the 12 agreements in total needed to get off the OECD “grey list” before the end of the year – but will get there early in 2010.

ApC have stated they will vote against the basic income tax and economic activity laws by proposing a total amendment to the texts and apparently they also appear to want a higher tax rate on Andorran earnings by non residents (the current proposed rate is 10%).

The construction crisis is leading to more and more competition for public works contracts. In one case at Encamp 18 companies made bids – and 6 of those were for exactly 85% of the published estimated value of the contract and another 4 were within 3 Euros of that (on a contract worth over €600,000). The issue is that bidding more than 15% below the published value is treated as being “unreasonable” while 85% of the “points” value of a bid is based on price (and only 15% on other criteria such as perceived quality or experience).

Issues with the incinerator – this time issues about smells and possible imports of rubbish to burn and the contract for the incinerator. Simply stated Andorra is not producing enough rubbish to keep the incinerator working at the minimum level contracted. This means the incinerator has to keep stopping work (which damages it) and that rubbish has to be stored until there is enough to burn (causing smells). The cure – to import rubbish (perhaps). Meanwhile the Government is required to pay a minimum charge regardless of how much rubbish is burned.

It was alleged that Frank Gehry had been paid twice for some amounts. The headlines were large but the amounts sound relatively small (mainly about travel and hotel costs paid locally but also billed by his office). There were noisy protests from Frank Gehry.

A minor upset – questions as to why the woodwork for the new Consell General chamber was ordered from Tarragona rather than from a local firm.

The newspaper published a long story about some land at Soldeu that had been sold and resold since the

1960s at ever higher prices and was now about to cause a major problem for its current owners. The land was originally sold for the equivalent of €110,000 in the 1960s. The buyer took a bank loan, failed to pay, the bank took the land – and held it and sold it for many times that value. That buyer in turn sold it on (we are now at the end of the 1970s) at an even higher price. Development started on half the land and again it changed hands. Finally in the heady boom years a little while ago 50% of the original land was sold to some “investors” for €30 million. They borrowed the money. The third public auction (starting price - €25 million) has just failed to attract any interest. Will there be another boom to rescue the latest “investors”?

The bypass at Sant Julia is estimated to have a total cost of about €85 million. The aim is to have a group promise to build it and be paid over 40 years at an implicit interest rate of 4.5% and to also cover its maintenance (at a set price increasing at 2.5% per annum). The total price tag over 40 years then works out at €213 million. Can Andorra afford it? Will any group bid for the contract?

AROUND THE PARISHES

Ordino – as the month drew to a close it was confirmed that the geriatric home project at La Cortinada is going ahead and so the Comu should receive just over €1 million of extra revenues before the end of the year. The budget for 2010 was also presented – with a cut of 10% below 2009 levels – a budget that was accepted by both opposition groups.

La Massana – expenses for the 2010 budget have been cut back significantly – the newspaper reported them as now being planned at only 50% of the level of ten years ago.

Canillo – the Comu has prepared a 2010 budget with about €2.5 million less expenses than in 2009 – a cut of about 14%.

Escaldes – the Comu approved a 2010 budget with a deficit of €3.2 million on total spending of €27.5 million (which includes €6.5 million of investments).

Sant Julia – in the first nine months of the year the Comu only collected 42% of budgeted revenues. The outlook for the year as a whole is thus gloomy.

Sant Julia – after being closed for repairs for six weeks, Tobotronic has opened for business again. The Comu has decided to shut the shooting range though as it is permanently loss making.

Andorra la Vella – prices at La Serradella sports centre will be increased for 2010 in an effort to cut the losses made on running it.

La Massana – an escape of heating oil from a building in Arinsal ended up dumping 4,000 litres in the river. This was largely recovered and so the pollution caused was limited.

Sant Julia – a threatened collapse of a retaining wall had some 20 people locked out of their homes at the Font de la Vall. Some were out when the order to evacuate was given and could not get access to collect any belongings. After a few days they were allowed back – but just to collect some of their things.

La Massana – the project to build cars that run on compressed air (and that should have resulted in a factory opening in September) has been shelved.

La Massana – the Government confirmed its intention to build a National Archives Museum in the parish if the Comu can find another site (this would be the third potential site selected).

Canillo – first a car went off the road into the river just above Canillo – the driver was rescued by the fire service and was not seriously injured. Then a truck went off the bridge near the church – and the driver was not seriously injured. Both accidents appeared to have no obvious cause.

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. The special Xmas Coffee Moring (with cake and cava) will be held on December 16.

Tony Dawtrey still has some tickets for the annual Dinner Dance to be held at the Coma Hotel in Ordino on December 16. There are special rates available for those wishing to take a room for the night so as to avoid the drive home.

Virginia Adam will be organizing the annual New Year lunch just across the border in Spain a little later in January this coming year. Details will be in the next newsletter.