



The head of government, Xavier Espot, and the president of the Chamber of Commerce, Industry and Services (CCIS), Josep Maria Mas.

Services and construction continue to lead economic activities

The Chamber of Commerce presents the results of the 2023 economic report

ARNAU OJEDA GARCIA
ANDORRA LA VELLA

The president of the Chamber of Commerce, Industry and Services (CCIS), Josep Maria Mas, yesterday presented the results of the 2023 Economic Report in an event attended by the Head of Government, Xavi-

er Espot. In the framework of the 29th edition, this publication reviews in depth the main economic dynamics of the year 2023, both internationally and in Andorra, as well as offering a view on the prospects for 2024 to help us anticipate possible future scenarios and better understand the challenges

There is an increase in the number of establishments and the number of employees in the commercial sector

and opportunities that lie ahead.

Thus, the Andorran economy continued to show a positive evolution during the year 2023, as indicated by the latest Economic Report of the Chamber of Commerce for the year 2023 presented today. The Principality had real GDP growth of

THE FIGURES

43.7%

The increase in the aggregate profits of Andorran banking during the 2023 financial year.

11%

The percentage the number of visitors that increased to reach nearly 9.4 million.

1.4%

Andorra's real GDP growth in 2023, an expansion rate lower than that of Spain.

1.4%, a rate of expansion lower than that of Spain, but higher than that of France and that of the euro zone as a whole.

A result that, broadly speaking, represents a significant slowdown compared to the previous two years, which can be explained by the fact that normal activity levels have been reached after the post-pandemic rebound. The sectors that drove economic growth in 2023 were mainly services and construction, the two activities with the most weight and relevance in the Andorran economy. Specifically, construction was

the most dynamic sector, with a rate of activity that remained very high. This positive trajectory was mainly concentrated in the housing segment, although public investment, as indicated by the Chamber of Commerce, also contributed, since it increased for the third consecutive year to reach the maximum value since 2012.

The industry presented activity records that were still modest, but better than those of 2022. This improvement was reflected in an increase in the number of employees and establishments in the sector. Likewise, the Chamber's surveys show an increase in turnover and positive, but discrete, assessments of production levels. The good performance of the services sector was driven by financial, professional, real estate and technical activities, as well as those linked to hotels and tourism, which continue to be the main engine of the Andorran economy. Thus, the number of visitors increased by 11%, reaching nearly 9.4 million, the highest figure in the last fifteen years. At the same time, the number of employees in the hotel industry increased by 4.3%, although the supply of accommodation and beds decreased.

In terms of trade, activity

showed a more modest upward trend than in the hotel sector. Specifically, there were increases in the number of establishments and the number of employees, as well as a notable growth in the volume of imports without fuel, although more moderate than in 2022. The commercial sector has a weight on the Value Gross Aggregate (VAB) of 16.3% (2022) and in employment of 21.6% (2023), lower than it had in the labor market in 2005, when it was 26.7%. This loss of economic importance, according to the report, has to do with the process of transformation of the business model that has been taking place for years in

The economy has reached normalized levels of activity after the post-pandemic bounce back

retail and which mainly responds to two causes.

On the one hand, the structural change in the behavior of the consumer, who, with the same budget, values the experience much more than the purchase of products. On the other hand, the rapid growth of e-commerce, which has also accelerated following the pandemic. Finally, other factors must be added, such as the loss of the product's differential value, the lower presence of trade in tourism spending and the reduction in the purchasing power of the average customer.

As for the financial sector, the evolution was very favorable. In particular, Andorran banking closed the 2023 financial year with an increase in aggregate profits of 43.7%, favored by economic growth and, above all, by the rise in interest rates. This rise was accompanied by more resources managed by clients (+16%), as well as an increase in gross credit investment at consolidated level and deposits. All of this raised the profitability ratio of the banking sector's own resources. At the same time, the delinquency ratio trended downward, with levels of solvency and liquidity above the records of the previous year and the average of European banks.●

Your leading real estate agency in Andorra.

Our experience guarantees results, realtors since 1988.



 (+376) 353 424 / (+376) 379 769

 (+376) 747 747

 laportella@andorra.ad

 Casa Nova Olivet 10 · Ordino

 www.laportella.ad

