



CONSEQUENCES OF THE WAR IN UKRAINE

## The price of light will go up at 20% from April

Street lighting and electric car chargers are no longer free

The bill for a domestic customer with heating of 85 euros per month will increase by more than 13 euros

EL PERIÒDIC  
ANDORRA LA VELLA  
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Starting this Friday, the electricity bill will increase by between 15% and 20% in domestic tariffs and up to 20% in the case of large consumers. This was announced yesterday by the Minister of the Environment, Agriculture and Sustainability and President of FEDA, Sílvia Calvó, and the General Manager of the electricity company, Albert Moles, assuring that an attempt has been made to increase the impact "as little as possible" in the citizenry, but that is a matter of "necessity" for the volatility that the market currently presents as a result of the Russian invasion of Ukraine. «We do this because FEDA must continue to be the guarantor of the country's energy supply, it must continue to have relations with neighboring countries and it must not stop investing in the energy transition,» said Calvó, who also pointed out that the price increase is in April because «heating is

**Calvó assures that** the increases will not be the same as in the neighboring countries, but he cannot promise that there will be no more

no longer needed and we have more hours of natural light.» However, the minister stated that in no case will the scenario be similar to that of Spain and France, «with systematic increases and disproportionate increases», although she could not promise that there will be no further increases during this year. It should also be noted that there are currently a thousand people who take advantage of a discounted rate (under the criteria of Social Affairs) and that this will be maintained.

Moles, for his part, recalled that 37% of the electricity consumed in the Principality is exposed to the market price of Spain and France, while the rest is covered by fixed-term contracts for eight years (the last ones are signed in 2019 and 2020) or is of Andorran production,



► The president of FEDA, Sílvia Calvó, and the general manager of the company, Albert Moles, during appearance.

mainly hydroelectric. Thus, in a domestic case in which the monthly bill is 31.72 euros, the increase will be 5.18 euros; in a home with electric heating of 85.05 euros on average will be 13.42 euros, in small professionals and self-employed who pay 173.70 euros each month will be 27.04 euros; in average professionals, shops and restaurants that have a monthly bill of 909.75 euros will be 200.46 euros and in the case of large malls that pay about 5,730 euros per month the increase will be 1,433 euros. In any case, Moles reported that «the most significant price increases will be in the hours of less usual consumption» and, therefore, «we should not worry» about when to use appliances, but «we must think by saving more in general».

On the other hand, Calvó an-



**SÍLVIA CALVÓ**  
PRESIDENT OF FEDA

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**ALBERT MOLES**  
GENERAL MANAGER OF FEDA

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nounced that the public lighting, which until now was free, will also be charged, and the municipalities will be charged 50%, and that the charging points for electric vehicles will have a cost, since «they are only emergency chargers and for tourists».

As for the FEDA accounts, the director general acknowledged that this year will probably also close in the negative, while the minister pointed out that «no company in the world can make predictions for the future because we do not know where the war will go or what will happen next». Spokesman Eric Jover added that FEDA's aim is «not to make a profit» and that the increases are needed to avoid «supply cuts» and to be increasingly «sovereign» in energy. ≡

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## NATIONAL INSURANCE

# Retirement fund increases 122 million thanks to equity

Contributions «do not have the capacity» to cover pensions due to the increase in the number of retirees

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The Andorran Social Security Fund (CASS) retirement fund increased by 122 million euros in 2021, almost twice as much as in 2020, thanks to the management of the equity portfolio. In this sense, over the past year, fixed income showed losses in most cases, while the variable was positive in all stock markets except Hong Kong and emerging markets. Other assets such as real estate and the revaluation of the dollar also turned out to be positive figures for the fund's investment.

The director of the CASS Retirement Reserve Fund, Jordi Cinca, stated that «we cannot play with a high risk for our fund because we have to pay long-term pensions as a final goal», therefore, «we carry out a super-fractional management and we do not concentrate anything to a great extent». On the other hand, when referring to the contributions of the surpluses of the retirement branch, he stated that «in 2021 it showed that the downward trend in contributions continues, which do not have the capacity to cover pensions» due to the increase in the number of retirees year after year. Thus, Cinca added that «now it's time to be conservative because if we have any scares or contingencies, the fund must be prepared and must have room to offer solutions.»

On the other hand, it should be noted that if investments in fixed and variable income had been dispensed with during the year 2021, the reserve fund would have stopped earning a total of 373 million euros «which it isn't the most part of the 1.5 billion, but with that amount you can pay a lot of pensions. Banking management costs have fallen from 0.33% to 0.14% since 2015, a 57% drop in spending and a saving of more than 1 million euros. Similarly, expenditure on staff and external services, such as audits, fell by 0.12% since 2017 to 0.22%, reflecting that «more than three years ago years that these expenses are stable and even



► The President of the CASS Retirement Reserve Fund, Jordi Cinca, during the press conference.



**Jordi Cinca**

PRES. RETIREMENT FUND

«Although we have met the targets set for the past year, we must keep our eyes on the medium and long term»

tend to decrease».

Going into detail about the objectives of the CASS, Cinca remarked that an increase in the «diversification of investments, both in the geographical area and in the currency» is needed. He added that «we must continue with the long-term strategic vision in order to achieve a higher return on Andorran inflation in the future» and, more recently, «we need to select investments to complete the analysis of financial aspects with environmental and social criteria».

Finally, Cinca pointed out that, despite the good results obtained during the past year and the fulfillment of the purposes of the Retirement Reserve Fund, «we cannot

look at the figures from year to year because it is of little use; it is necessary to make comparisons in the medium and long term». With regard to the forecast for this year, it should be noted that the first quarter «has been disastrous» due to various factors such as rising prices and the invasion of Ukraine. In this sense, Cinca stressed that «although the conflict will end soon, we will have to deal with inflation that can be up to 8% and, with a return of 3 or 4%, we will hardly have a good result in end of the year». He also said that «every day that passes without an alternative for the pension system, makes the measures more forceful in the future; we are open to all proposals, but we need real numbers. ≡

## The CASS health deficit climbs to 41.7 million euros during the 2021 financial year

►► The health deficit of the general branch of the CASS continues to increase and stands at 41.7 million euros. This is clear from the 2021 report, which was provided by the body's Board of Directors in a statement. In this way, over the previous year, a total of 134.7 million euros were received from the contributions of employees and the self-employed, while the benefits covered stood at 176.4 million, figures that show the CASS deficit. Going into more detail, the income from contributions of the general branch increased by 0.7% and the expenses did so by 5% compared to the data of 2020. In relation to the expenses of health benefits, these were located at 109.8 million euros, 14.3% more than the previous year. However, the cost of economic benefits, which includes sick leave, disability pensions and orphan's pensions, fell by 7.4% to 66.6 million euros. With regard to the retirement branch, the gap between income and expenditure continues to narrow year after year, placing a positive balance of 26.1 million euros. The CASS states that income from contributions increased by 1.3% compared to 2020, when it stood at 137.6 million, reaching 147.9 million. As for contributions for economic benefits, ie pensions and sick leave, they reached 4.6 million, and a total of 5.7 million was transferred from the Government to finance non-contributory pensions. In terms of spending, last year it climbed to 121.8 million euros, 7.9% more than in 2020.

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