



Interview with the president of AIVA ▶ Current state of the automobile sector in the Principality



## Carles Sansa

President of AIVA

«The country gives what it gives in terms of sales, and nowadays, living off a single brand is very difficult»

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Carles Sansa has been president of the Association of Vehicle Importers of Andorra (AIVA) for nearly three years, and he has been working in the sector for a decade, where he arrived pushed by his love of motorcycles. His mandate has not been easy, however, marked by the coronavirus pandemic, supply problems and the current energy crisis. Nevertheless, from the AIVA they work to defend the rights of the associates and to become an actor that is taken into account in matters such as traffic legislation, the redistribution of mobility or road safety.

### –What is the current situation of the automobile sector?

–The car sector has learned to live with everything that the coronavirus has brought, and now we stop talking about a pandemic to refer to an economic and an energy crisis. The beginning of my term at AIVA was an obstacle course with a very dark horizon, but if we look back today, I think we can say that, not only the car sector but in the whole country, we can be satisfied and happy with where we are. Therefore, we can assess that

the country has practically recovered normality.

### –Do you consider that sales volumes have already recovered?

–Yes. We are already working with pre-pandemic figures, whether 5% above or 5% below. The pace of work, sales and imports shows data like before covid. So, we can consider that we have passed the test.

### –However, do you think it is a sector that can continue to grow in the Principality?

–The growth of the sector is difficult to quantify, because it is closely linked to the economic activity of the country and the welfare state. We are talking about a market in which part of the sales are linked to work and the other comes from the private customer, from which we distinguish the purchase by renewal and the one made on impulse. Among the different positionings, we can say that there are some that are strictly necessary, such as the one for work, which would be the commercial vehicle or the light industrial vehicle, and that with a certain periodicity, they must be renewed either yes or no. In a similar vein, with private customers there is also a volume that is maintained

and consistent, which is that of periodic renewal, since rarely, beyond 10 or 12 years, vehicles do not change hands or are scrapped. And finally, when we talk about the impulse purchase of those who can afford it and feel like changing their car even if theirs is not old, we are talking about very variable sales that are linked to the activity country's economy and the buyer's economic well-being. So, when four bad news stories appear in the media and fear sets in, this is the first customer profile to stop trading.

### –And the high-end users, do they represent a significant volume or not as much as it might seem?

–Well, here we can differentiate between premium brands and those that are not so much. In any case, the sales volume of a premium brand and an expensive or outrageously expensive vehicle, globally, is not a very high figure either. What we have been able to notice is that, the brands we consider premium, have gone in search of another young customer profile in recent years, with specific ranges for them, thus moving away from the older buyer with purchasing power which they traditionally addressed. And the truth is that they got it right, because the registration

data shows the trend, with the German brands setting the standard.

### –You have assessed that the crisis due to the pandemic has already been overcome, but has there been any business that has had to close down along the way?

–The pandemic has precipitated a trend that was already visible, which is the grouping and concentration of brands under the same entity. In the end, the country gives for what it gives in terms of sales, and the fact of being able to share resources such as a mechanical workshop area and a trained and experienced staff in the different areas that the business requires, apart from adding a brand to the offer range is an important value to consider. However, if we read it the other way around, we could say that, today, living off a single brand is very difficult. The main spirit of the seller is to bring the customer to his home, and once he has him, try to offer him an option A, B, C, D and whatever it takes to prevent him from leaving. So, having more brands makes this job easier.

### –With regard to the type of vehicle according to its energy source, have you noticed a paradigm shift in

### acquisitions?

–It can be considered that all this has been linked to the new and great diversity of vehicles that are available depending on the type of energy source consumed. Before the pandemic, what we found was that this created a lot of confusion. But from 2020 until today, what the market has done has been to enhance interest and a great demand for information, in front of a future purchase, of the efficient vehicle. And within the efficient, it has had great relevance, and this is reflected in the registrations, the hybrid vehicle, which is what we use to move within the country in a clean way, as well as being able to make long journeys without worry about refills. So, in the economic recovery, the efficient vehicle in any of its modes, and also the electric one, have come to play a very, very relevant role.

### –So, can it be said that today, the best-selling vehicle is the efficient one?

–It should be borne in mind that, within the concept of efficient, a vehicle can be qualified in many ways. If we understand as efficient all the improvements that cars and motorcycles have incorporated exponen-

tially over the years, and especially, with reference to the European regulations for emissions of polluting gases, we can see that combustion vehicles have also improved a lot, and we don't just have to focus on the electric vehicle and the hybrid. Above all, what we have experienced has been a change in trend from not wanting to know anything about petrol and reversing the cycle, and now it is diesel that is most pointed out. The new order of purchase priorities after the pandemic is that gasoline occupies the first drawer, and then we find hybrids and electrics, which are generating more and more interest. And finally there is diesel, which has been criminalized, although it is slowly recovering, because it is also gaining efficiency and, in the end, it will not die either.

**-And how do you rate the Engega Plan in this regard?**

-We are happy with the importance that the Government has given to this type of vehicle with the Startup Plan. We are satisfied with the support for their acquisition that they have promoted, and we have been able to verify that all editions of the program have been very welcome, well received and always sold out. In fact, I'm convinced that if they had

been duplicated, they would have sold out anyway. Therefore, we can consider that the end customer is very aware that, if not definitively in the medium or short term, it is a very valid option. And in fact, following the energy crisis we are experiencing, they have become even more prominent, apart from the criminalization I mentioned of diesel. It can be said that all the winds are blowing in favor of this type of vehicle, and as such, it has occupied a place that we are convinced belongs to, which is very high in the vehicle sales chain. Whether or not a vehicle with clean consumption must be adopted, and the proof is that in countries not so far away, they are already putting an expiration date on vehicles with a combustion engine.

**-Another very present element in the public debate is mobility in Andorra. From the sector, have you been able to demonstrate a change in the habits of the inhabitants in the country?**

-We think that travel will never stop. It is impossible to stop the mobility. However, you can try to rearrange or reduce as much as you can, because avoiding it is completely impossible. Within this, it is true that there are customers who have been able to modulate their routes depending

on the availability of charging points using electric vehicles, but to be able to say that it is a number of customers, not anecdotal but indeed reduced. On the contrary, there are sectors such as goods transport or passenger transport that we don't even need to talk about, to the point where there are companies that have tried it and found it very difficult to change their mobility towards this new horizon, having of taking a step back with vehicles they had already



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acquired due to the existing difficulty of recharging points. But it is a growing line, so from the sector we are satisfied that the customer and end user understand that mobility, although it cannot be eliminated and hardly reduced, we can take a step from our particularity and contribute to the fact that trips are more efficient.

**-So, do you think that the electricity infrastructure in the country is insufficient?**

-Completely. The infrastructure needed for electric vehicles must go far ahead of their sales. And I have cited a very clear case of a company dedicated to industrial activity, with a fleet of around twenty vehicles. The fact that they have tried to move to 100% electric mobility and have had to take a step back says a lot about the ease or complication they have encountered to be able to make daily use of these vehicles. If each worker, in the evening, has to have difficulty finding a charging point to be able to use the car the next day, or much less, having to take his car home to put in the one at work, it is not feasible. We are extremely far from what the infrastructure and availability of charging points in Andorra should be.

**-And recovering the aspect of mobility: what do you think is the role of the motorcycle in its redefinition, at least in the central parishes?**

-The motorcycle has always played a primary role in short journeys, and especially in the capital. In fact, despite being a very seasonal country, in Andorra there has always been a great tradition of two wheels. But, within the mobility that is sought in the central parishes, personal mobility vehicles (VMP) must play a very relevant role. Save for the difficulties that each area has, the different types of VMP must gradually gain relevance, despite the fact that the motorcycle will remain, especially on longer journeys or when you have to climb beyond the extra radius of the central valley to go to neighboring parishes, which it is clear that a VMP will not be able to reach. But we are seeing, especially in the cities of neighboring countries, that mobility is being adapted as much as necessary to make room for the new VMPs. And it is true that this is creating some difficulties, and that there are people who like it more and others who like it less having to share the road with these vehicles. But the reality is that, in areas with a lot of traffic and very high traffic peaks, the VMP is a good solution. ≡

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