



Interview ▶ The new dean of the Official College of Economists of Andorra (COEA) takes stock

The COEA, against increasing the debt

Economists believe that complying with the IMF's recommendations may cause the country to lose its competitive advantages

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The Official College of Economists of Andorra (COEA) stands against the increase in public debt, as recommended by the delegation of the International Monetary Fund (IMF) during its analysis of the economy and the finances of the Principality. In this sense, the dean of the COEA, Eduard Jordi, indicated that «the Government relied on the opinion of IMF experts without taking into account our opinion regarding these measures». In fact, he added that the forecasts are «pessimistic» in his opinion, since «the country currently has an element of economic growth and openness, although it is necessary to closely observe the global economic context».

The reason why economists are unfavorable to the observations of the international organization revolves around the «reduction of

The measures to increase purchasing power contribute to saving and protecting the environment

the country's competitive advantages». In this sense, Jordi stressed that, in relative terms, good work has been done in reducing the public deficit and this would mean «taking steps backwards».

In the same way, he stated that, if it is not really necessary, «it is not advisable to increase the debt levels, because it gives me the feeling that there will not be operational capacity to repay some obligations».

With regard to the measures to improve the purchasing power of citizens that the Executive put in place, economists take a favorable position in this regard. Thus, the COEA states that, in relation to free public transport, funding

has been obtained to maintain the service efficiently. However, Jordi stressed that «personally, I'm not 100% in agreement with free of charge, since when this happens, society doesn't value it that much, even if adherence and support are in the majority», in fact, «it would be good to add a very low price, as if it were symbolic».

In addition, he highlighted this measure as an illustrative example of the dedication of finalist resources by the public administration. «It is necessary to check how taxes and contributions from companies and society in general materialize into tangible elements that contribute to improving the quality of life», added Jordi.

Following the same line, he emphasized that, on the one hand, the measures favor the public sector due to the accession of a greater number of users; an environmentally friendly action is carried out, «because it encourages the reduction of private mobility» and, in turn, promotes collective savings. In addition, he asserted that, actions like these on the part of public authorities, «are what determine the identity of a country, relating human heritage, respect for the nature of the territory and cultural traits».

On the other hand, the COEA recognized that not all colleges see the negotiation of the association agreement with the same eyes. One of the most decisive facts regarding the discord between professional groups is the free entry into the Principality of goods and services in line with the policies of the European Union (EU). In this sense, economists point out that they have a more open view on the establishment of foreign companies. As indicated by the dean, «we do not need a regulation to put barriers to the entry of competition, but to establish reciprocity in their action and protect European and Andorran citizens so that they have the opportunity to carry out their businesses within legislative framework». ≡



«We constantly detect very unprofessional activities»

EDUARD JORDI Dean of the Official College of Economists

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After 14 years of non-stop training in Catalonia, Eduard Jordi landed in the Principality in 1999 to start working in the banking sector for the following 10 years. Later, he decided to launch a start-up project around auditing and taxation. He has been part of the board of the Official College of Economists of Andorra (COEA) for four years now.

–How did you become the dean of the professional college?

–The members of the board asked me to put myself at the head of the college in front of a continuity project from the last dean's office with similar lines of action. However, I am taking over at a time of great challenges for the profession and the country in general. This is why we have decided to increase the members of the board, since we increasingly need more hands and a more consolidated structure with the desire to become a powerful collective like the bar association.

–Why has this particular college stood out?

–Because the representatives of our group and the lawyers go hand in hand. It is a profession with which we constantly interact in our work environment, just as the nursing school and doctors do.

–What, then, would be the trajectory that the COEA wants to take to face the challenges it faces?

–We have carried out a very ambitious strategic plan that affects, above all, the regulation of the professions that our college includes. This is a key issue, because both the Government and we constantly detect very unprofessional activities. We need general regulation because it is a profession that encompasses a wide range of sectors.

– Why do you think there is a lack of legislation?

–There is no global law for the economist, nor the accountant, nor the auditor. Therefore, a differentiation between qualified and re-

gulated professions is necessary. The association agreement has been one of the catalysts to push ahead with these demands and prepare for Europe and play our cards.

– Could you tell me what the exact function of the COEA is?

–To protect society and its members in a sector that affects everyone directly or indirectly. All professional groups owe their professions and we no wonder.

–Is there any other more specific objective that you would like to highlight?

– We face a new challenge in front of a society that needs to have an image of representative associations. In this sense, we want to improve our presence in the media and do some lobbying in institutions and entities. Very rarely is our voice counted and, in fact, we have richer and more privileged information in the economic field, because we are in direct contact with customers. There are times when the Department of Statistics makes public some results that we already knew.



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– Since you represent the economists, could you give us information about the current situation?

–First of all, it should be noted that the Principality is not isolated from the world. We live in an internationalist and quite dangerous environment. Many times we have the mistaken view that Andorra lives in a separate dimension and this is not the case. Here what affects us is inflation and energy dependence. In the economy the most important thing is balance, if you touch one side, the other is unbalanced. We know it as the law of the pendulum.

– And covid?

–The pandemic caused companies to regulate their stock due to the drop in economic activity and, now that everything seems to be reviving, demand is meeting a reduced supply. This is a problem that we drag along with the conflict in Ukraine and the crisis of the Chinese giant.

–Some positive fact must be visualized in the Andorran economy, right?

–We have the competitive advantage of low taxation which has always existed and it is also worth noting the openness of foreign investment which continues to increase and which is attracted by different



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country assets such as public safety, the quality of life, the investment level and nature, among other things.

–However, foreign investment can be a double-edged sword.

–It's like this. Foreign investment is good if it is sustainable. More sustained economic growth would have been more beneficial and we are doing it too fast. At this point I refer to the theory of balance from before.

–What are the weak points of Andorra speaking in economic terms?

–Mainly, the size. This makes us more agile for the implementation of certain measures, but at the same time weaker in others. Energy and sustainable independence would be a key issue for us, as the geopolitical position is one of the weak points.

– Is there any possibility of calming such a tense housing market?

–Yes and no. The cost of building sustainable housing is increasingly expensive and land and resources are limited. The costs of the new work will hardly go down and it will end up happening like in all cities; it will be built higher and higher and only people with high purcha-

sing power will be able to access the central areas. I think the solution is to offer more social assistance and, from the public sector, to understand the casuistry of empty flats and act on it. The option of building a few flats two years from now will not solve the problem.

–Then you defend a market intervention?

–The market regulates itself, but this occurs when no imbalance is detected. This is when the institutions must intervene. However, if these measures are abused, it will create insecurity in the owners and we will again experience economic problems. Again I return to balance.

– Will we benefit from it after going through all these economic difficulties?

–Hopefully I'm wrong, but I'm not optimistic in this regard. In fact, I think there may be a crisis. Inflation still has it for a few months.

– It will be different from the one in 2008, right?

–They are all different, but this one will not have so many speculative components. Now it is structural, the population has grown excessively and the banks do not give mortgages so easily. ≡

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