



GLOBAL PRICE RISE

The stations assume the cost of oil and blame the green tax

Porqueres confirms that this fact makes still cheaper to make petrol in Andorra

Asidca points out that the increase in the price of a barrel is due to the economic recovery



ARXIU ANA

►► Fuel dispensers at a petrol station in Andorra.

The struggle in Ukraine has historical as well as strategic reasons

►► Historical tensions between Ukraine and Russia have been intensified in recent weeks, despite attacks between the two countries for years. After its independence from the USSR, Ukraine became ethnically divided, with about 30% of the pro-Russian population located in the east of the country. This area has been the scene of attacks by more Russian citizens since 2014 in order to break away from Kiev, with actions such as the annexation of Crimea to Russia and the declaration of the People's Republics of Donetsk and Lugansk. And without a peaceful resolution, intelligence warnings of an accumulation of Russian troops on the border with Ukraine have raised tensions, to the point that even the United States has moved there. But beyond the historical and geopolitical motivation, we must not ignore the key situation in Ukraine with regard to the gas pipelines that supply much of the gas that Europe consumes and that comes from Russia.

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Andorran service stations have had little effect on the increase in oil prices on the final price of fuel. This was stated by the president of the Association of Importers and Distributors of Fuels of Andorra (Asidca), David Porqueres, who shared that this fact had been caused by the entry into force of the tax on hydrocarbons, better known with the green rate. «We have found that in neighboring countries, petrol stations have had the strongest impact on this large increase in the price of a barrel of oil», said the president of Asidca, who shared that in Andorra they were «restrained» by the coincidence of this increase with the green rate. «We are aware that the consumer, if the increase in taxes

caused by the government, we pass on the whole increase in the price of a barrel, would have had a much stronger rise, and that is why we have retained», said the president. He shared that this situation had also meant that «in Andorra it is still cheaper to fill the tank than in neighboring countries, even compared to low-cost stations».

In this way, Porqueres called this context a «perfect storm», pointing out that in both France and Spain, «as there was a very high price of energy, they have stopped all their various actions that had planned for an increase in taxes and similar», and in some cases they have distributed energy checks, that is, giving money to consumers so that the rise of electricity or fuel does not become so cumbersome». «Here in Andorra, the government had made a decision, and instead of reviewing



David Porqueres
PRESIDENT OF THE ASIDCA

«In Andorra, the government had made a decision and instead of reviewing it given the context, it took the law and applied it»

it given the context, it pushed for the law and has applied it as well, remaining so broad», criticized Porqueres.

RISING FORECAST // As stated by the president of the Asidca, in Andorra it has also been possible to observe the «sharp rise» in the price of a barrel of oil. «In December, the barrel was around 72\$ and now it is at 89\$» said Porqueres, who pointed to the «economic recovery» as the determining factor in the increase. On the other hand, he pointed out that it was not possible to establish how long this upward trend would remain, although he emphasized that «normally, when there is more demand, oil-producing countries produce more, which means that the price goes down and stabilizes».

Thus, Porqueres found little impact on the price of oil from the cur-

rent tension between Ukraine and Russia, although he could not completely rule out that this could affect it in the near future. In fact, some companies in the financial sector point to a possible upward trend due to this conflict. JPMorgan said in a recent report that tensions between Russia and Ukraine «will increase the risk of a significant increase this quarter», putting a ceiling of 150\$ per barrel, while Goldman Sachs predicts a rise in prices to 100\$.

But even though this increase has not had such an impact in Andorra, it is clear that the cost of filling the deposit is now higher than two months ago. According to the calculation of the president of the Asidca, only as a result of the green tax, «for a full 50 liters of diesel, the consumer pays two euros more, and 1.60 euros in the case of gasoline».

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HOUSING

APBI calls for legal certainty to stimulate the rental offer

Real estate owners believe that more administrative agility is needed to make the industry more attractive

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In a context in which the housing problem is particularly important, especially after the results of the latest survey by Andorra Research and Innovation (ARI) - the former CRES -, which showed that about half of the citizens consulted stated that the main concern was access to housing (14 points more than the previous one), real estate owners believe that greater legal certainty and administrative agility would make it easier to make the sector more attractive and therefore it would increase the supply of the rental park and lower the prices.

The new president of the Association of Real Estate Owners (APBI), Antoni Bea - will head the entity until the end of the year, taking over from Artur Homs, who has become vice president -, considers that makes a misdiagnosis because the problem is that the problem has not been defined. It has been said that rents are expensive, but are they expensive or are wages low? He adds: "Wages are too low, construction costs are expensive, available land is limited and the climate is quite aggressive. The owner tries to make a profit, but he doesn't succeed because it ends up being low, as the investments are high", he assures.

It is at this point that the APBI demands legal certainty, a security that they do not have right now, according to them, mainly as a result of the decisions taken by the government during the pandemic. «If there is no security, many investors will move away, because the investment must be reasonable», he said. As an example, the landlord's representative recalls that many have had to bear the cost of renting some commercial premises that have been closed. Thus, he criticizes, «the measures dictated by the Government during the health crisis have harmed us» and therefore «we have felt like second-class entrepreneurs».

In addition, regarding the limitation of the rise in the rental price of the Consumer Price Index (CPI), Bea complains that the contracts



►► The façade of a building with flats for rent.

The illegality of the Model 720 «could be a solution and take pressure»

►► The Court of Justice of the European Union (ECJ) has ended the Spanish Tax Agency's Form 720 and declared it illegal, as has become known in recent days. The regulations required Spanish residents to declare their assets abroad and, therefore, also directly affected the housing problem in Andorra, as many of these flats are not on the market for sale or rent for fear of their owners being 'dis-

covered' by the Spanish tax authorities. In this sense, the president of the Association of Real Estate Owners (APBI), Antoni Bea, stated that «now it will be necessary to see how we continue in Andorra after this sentence». Therefore, "it would be necessary to understand how in Andorra these could be done so that these flats could enter the sector, or that they could be sold or put up for rent, as this would be a solution that,

from the outset, would a lot of very important flats, and that would put pressure on the problem. « It should be remembered that Form 720 was an informative statement on the property and rights of Spaniards abroad to prevent and combat tax fraud. In this way, it aimed to report on the accounts of financial institutions, rights and real estate, securities, insurance and income that citizens have abroad.



ANTONI BEA

PRESIDENT OF THE APBI

«It is to say that the rents are expensive, it is like that or are the wages low?. The problem should be defined»

«Tenants have more rights than landlords, and that should be balanced; some measures have harmed us»

have been frozen for many years and there has been the impossibility of termination, but he sees with good eyes the 10% increase in the case of five-year contracts that expired in 2019. However, «tenants have many more rights than landlords, and that should be balanced», although he acknowledges that some landlords have abused and been disrespectful to tenants. «But you can't criminalize an entire sector so that a few don't do well», he said.

STABLE RULES // About how the situation is reversed, the new president of the APBI adds that «we need to know what the rules of the game are and that these rules are stable». At the administrative level, the sector «could be streamlined much more dynamically», as «it is less of a hassle today to build flats for sale than for rent». If that were to change, «there are likely to be a lot of people willing to rent out». In this regard, Bea criticizes the effectiveness of public housing developments and argues that «historically, the market is always more efficient than the administration».

Another way to improve the housing problem is to put vacant flats on the market. In this sense, the owners consider that «the opinion on the tax on this type of apartment is the one that derives from the response it has had», in reference to the fifteen properties that have faced this rate. ≡

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