

The 2025 budget foresees revenues of 633 million euros

17.1 million will be allocated to the construction and reform of homes

EL PERIÒDIC
ANDORRA LA VELLA

This Tuesday, the Minister of Finance, Ramon Lladós, presented the draft Budget Law for the year 2025, which foresees a total income of 633,793,270 euros, 8% more than the previous year. According to Lladós, this budget aligns with the objectives of sustainable development, highlighting the focus on health, housing, education and digitization as fundamental pillars for the sustainable growth of the country. The State's debt would be around 1,210 million euros, 1,175 of which in long-term issues.

Indirect taxes, with a total of 359,551,215 euros, represent the main source of income, including the General Indirect Tax (IGI) and tobacco. Direct taxes, on the other hand, will contribute 188,750,464 euros, an increase which, according to Lladós, is a good symptom of the diversification of the country's economy: «It is good that direct taxes can grow, since this shows that Andorra's economy is diversifying», emphasized the minister. Among these taxes, personal income tax amounts to 64,867,209 euros, while corporate tax amounts to 100,382,998 euros.

Fees and other income, on the other hand, experience a drop, standing at 40,837,409 euros,



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RAMON LLADÓS
FINANCE MINISTER

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while property income reaches 44,612,382 euros. This last amount is boosted by the contributions of Andorra Telecom, which contributes 29 million, and FEDA, which after two years without generating income due to the energy crisis, is again contributing 8 million to the Government. «FEDA is recovering its investment capacity to face future challenges such as wind farms and connections with neighboring countries», explained the Finance portfolio holder.

In terms of expenses, the budget foresees a current expenditure of 548,050,062 euros, with a notable increase in personnel expenses, which grow by 11% to 164,997,847 euros. This increase is explained by the revision of the wage scales and the high CPI,

factors that Lladós pointed out as priorities in the current economic context: «We had to make an adjustment in wages because the CPI has been higher of what had been budgeted». In addition, expenditure on consumption of current goods and services increased by 8%, up to 73,392,867 euros.

The budget also allocates 120,590,903 euros to capital expenditure, with a real investment of 68,657,982 euros for projects directly managed by the Government. In addition, a 19% increase in capital transfers is expected, amounting to 51,932,921 euros, for investments made by other entities.

One of the highlights of the budget are the items allocated to housing, which include 17.1 mi-

llion euros for the construction of new developments such as Borda Nova and the reform of buildings for affordable rent. In addition, 3.8 million will be earmarked for the purchase of buildings for the rental market, as well as 1 million for a support program for the purchase of the first home, a measure that has been extended with respect to mandated by the General Council last year.

In terms of infrastructure, the budget provides 6.9 million for the Massana-Ordino diversion and 4.1 million for the Sant Julià diversion. In addition, 9.1 million will be allocated to the improvement of general roads - such as the extension of the CG-2 in the parish of Canillo, between the Moles waterfall and La Trava -, 5.9 million of which will be allocated to works and 3.2 million on paving, while 3.3 million will go to secondary roads.

On the other hand, the 6.5 million euros for the remodeling of the facilities of the Hospital Nostra Senyora de Meritxell stand out: specifically, for the adaptation of the hemodynamics and oncology spaces and the improvement of equipment. And on the other, the adaptation of the new spaces of the University of Andorra (1.5 million euros in total) to consolidate higher education in the country. 2.6 million will also be earmarked for the transfer of Environment to the old Casama-

nya hotel.

Regarding the main variations in expenses and transfers, the item of 9.2 million euros for public transport, specifically for the free bus service, stands out, with an increase of 1 million compared to the previous year. Lladós underlined the «triple positive impact» of this measure, which contributes to the environment, helps to reduce road traffic and,

THE FIGURES

1.210

The Principality currently has a debt of around 1,210 million euros.

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The contribution to the budget of Andorra Telecom (29 million) and FEDA Ecoterm (8 million).

6,9

The budget foresees an item of 6.9 million for the diversion of the Massana-Ordino.

6,5

The budget foresees an item of 6.5 million for the remodeling of the hospital.

at the same time, allows families to compensate for the loss of purchasing power.

Other key areas include education, with a budget of 87 million euros, 4.5 million more than the previous year, and the health sector, which will receive 41.5 million for the SAAS, which is increased its budget by 13%, and 46.5 million for the CASS. Social Affairs, for its part, will receive 43.2 million (8.3 million more). 5.5 million will also be invested in aid to sports federations and clubs (100,000 euros more), and 20.1 million for tourism promotion through Andorra Turisme (200,000 euros more). It should be noted that the head of government will have a budget of 67,384,084 euros, an increase of 14%, which includes digitization projects and other priority mea-

asures for the country.

In relation to the golden rule, Lladós recognized that the budget will breach two of the four conditions: current expenditure higher than GDP and the limitation of the weight of direct taxes. However, he has defended that the two most important parameters (a debt of less than 40% of GDP and a deficit of less than 1% of GDP) are met, but that structural changes in the economy make it difficult to meet the others two «It is necessary to make a reflection in order to promote a well-done reform of the golden rule», added Lladós, noting that this aspect has already been discussed with the general councilors, who are also proposing a modification of the rule in the framework of the processing of the budget. ●



Lladós, handing over the budget documentation to Carles Ensenyat and Josep Hinojosa.

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