

Andorra

COUNTRY PROFILE

Historical profile

One of the world's smallest countries, Andorra is also one of the oldest nations in Europe, established by Charlemagne in 803 as a buffer state against a Muslim Spain.

803 Charlemagne captured the area from Spanish Muslims and his son, Louis the Pious, presented the area's inhabitants with a charter of liberties.

843 The Valls d'Andorra (Valleys of Andorra) were granted to Sunifred, Count of Urgell.

1278 Co-principality established between France (originally represented by a nominee of the king, then the emperor and laterly the president himself) and Spain (in the person of the Bishop of Seu d'Urgel).

1419 A parliament, the Consell de la Terra (Council of the Land), was established to represent the Andorran people.

1866 The Consell General de las Valls (Council of the Valleys) replaced the Council of the Land, during the year of the New Reform, which introduced democratisation to Andorra.

1933–34 The Council of the Valleys was temporarily dissolved by the courts. Elections were held and all men over 25 years were granted the right to vote.

1981 Constitutional reforms were enacted to move power away from the feudal co-princes and towards the parliament.

1983 Income tax was introduced following public spending needed for storm damage and a general recession.

1985 Universal suffrage was introduced.

1991 Andorra joined a customs union with the EU.

1993 Andorra introduced a new constitution, establishing the country as a sovereign parliamentary democracy, and a new 28-member parliament, the Consell General (General Council). The first elections were won by Agrupament Nacional Democratic (AND) (National Democratic Grouping).

1994 A coalition government was formed, led by Unió Liberal (UL). Marc Forné Molné of the Partit Liberal Andorra's (PLA) (Liberal Party of Andorra) was elected prime minister by the General Council.

2001 The PLA was re-elected.

2002 The Organisation for Economic Co-operation and Development (OECD)

blacklisted Andorra as a tax haven with 'prejudicial' tax practices. The principality refused to agree to lift the secrecy surrounding its banking sector. Préfet Philippe Massoni was appointed representative of the President of France in Andorra.

2003 Joan Enric Vives Sicília succeeded Joan Martí Alanís as Bishop of Seu d'Urgel and ex officio co-prince of Andorra.

2004 An agreement on a Savings Tax Directive concerning tax withholding and savings between the EU and Andorra was reached.

2005 The ruling PLA won general elections and Albert Pintat Santolària was elected head of government.

2006 Measures to reform the economy and improve the country's reputation as a financial centre were adopted.

2007 Nicolas Sarkozy, as president of the French Republic, became co-prince.

2009 Banking secrecy laws were reformed allowing Andorra's removal from the OECD blacklist. In parliamentary elections, the opposition PSD won 45.03 per cent of the vote, (14 seats out of 28). The ruling party contested the election as part of the Coalició Reformista (CR) (Reformist Coalition) (with three other parties) and together won 32.34 per cent (11 seats). Turnout was 75.3 per cent. Jaume Bartumeu (PSD) won after two rounds for elections of Cap de Govern (head of government).

2011 Early parliamentary elections were held on 3 April –called due to the failure by parliament to pass the budget and important legislation on value added tax (VAT). The opposition, Demòcrates per Andorra (Democrats for Andorra) (Democrats), a successor to the RF, won 71.4 per cent of the vote (20 seats out of 28), PSD 21.4 per cent (six), Lauredian Union 7.1 per cent (two). Turnout was 74.1 per cent. In May, Antoni Martí, leader of the Democrats was elected prime minister by parliament, with 21 votes (out of 28).

2012 On 15 May, François Hollande as president of the French Republic became co-prince. On the same day, Préfet Sylvie Hubac was appointed representative of the President of France in Andorra. From 25 September street views of Andorra became available on Google Maps Street View.

KEY FACTS

Official name: Principat d'Andorra
(Principality of Andorra)

Head of State: Co-Princes: Bishop of Seu d'Urgel (Spain), Joan Enric Vives i Sicília (from 2003) and President François Hollande (France); represented by Préfet Sylvie Hubac (from 15 May 2012)

Head of government: Cap de Govern Antoni Martí Petit (from 11 May 2010)

Ruling party: Demòcrates per Andorra (Democrats for Andorra) (Democrats) (from 3 Apr 2011)

Area: 468 square km

Population: 78,115 (2011)

Capital: Andorra la Vella

Official language: Catalan

Currency: Euro (€) = 100 cents

Exchange rate: €0.75 per US\$ (Jul 2013)

GDP per capita: US\$44,952 (2008)

GDP real growth: 3.60% (2008)

Labour force: 42,220 (2008)

Unemployment: 7.00% (2008)

Inflation: 3.20% (2008)

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2013 A new law governing the tax system and establishing a new fiscal framework was approved by the government on 15 August. The law is the culmination of a radical shake up of the tax system to bring Andorra into line with the rest of Europe.

Political structure

Constitution

The first written constitution was adopted 14 March 1993 after a referendum. The constitution allows Andorra to hold full sovereignty, to be able to form trade unions and political parties, and to have an independent judiciary. It can also decide its own foreign policy and join international organisations.

Form of state

Andorra is a co-principality under the joint sovereignty of the President of France and the Spanish Bishop of Seu d'Urgel, who are represented locally by officials called *verguers*.

The executive

The co-princes (the Bishop of Seu d'Urgel and President of France), are titular heads of state. The country is governed by an administration formed by the party or coalition with the largest number of seats in the legislature.

National legislature

The unicameral General Council (Consell General, Consell General de les Valls) has 28 members, who serve for four-year terms, of which, 14 elected by proportional representation in a single national constituency and 14 are elected by seven parroquies, or parishes from a national list. The General Council elects the Cap de Govern (head of government) (subject to the approval by the co-princes), who is leader of the largest party and who presides over the executive council.

Legal system

Independent judiciary

Last elections

3 April 2011 (parliamentary)

Results: Parliamentary: Demòcrates per Andorra (Democrats for Andorra) (Democrats) won 71.4 per cent of the vote (20 seats out of 28), Partit Socialdemòcrata (PSD) (Social Democratic Party) 21.4 per cent (six), Unió Laureiana (Laurelian Union), 7.1 per cent (two); two other political parties failed to win any seats. Turnout was 74.1 per cent.

Next elections

2015 (parliamentary)

Political parties

Ruling party

Demòcrates per Andorra (Democrats for Andorra) (Democrats) (from 3 Apr 2011)

Main opposition party

Partit Socialdemòcrata (PSD) (Social Democratic Party)

Population

78,115 (2011)

Last census: July 2000: 66,089

Population density: 147 people per square km. Urban population 88 per cent (2010 Unicef).

Annual growth rate: 2.4 per cent, 1990–2010 (Unicef).

Ethnic make-up

Of Andorra's total population, only about 33 per cent are natives with the right to vote. The rest include Spaniards (43 per cent), Portuguese (11 per cent), French (7 per cent), English, Australians, Moroccans and others (6 per cent).

Religions

Roman Catholicism is predominant.

Education

A range of universal, free public French, Spanish and Andorran lay schools provide education up to secondary level. Although schools are built and maintained by Andorran authorities, teachers are paid for the most part by France or Spain. The government provides free nursery schools, although supply falls short of demand. About 50 per cent of Andorran children attend the French primary schools, and the rest attend Spanish or Andorran schools. In July 1997, the University of Andorra was established, which serves principally as a centre for virtual studies, connected to Spanish and French universities. The only two graduate schools in Andorra are the Nursing School and the School of Computer Science.

Compulsory years: Four to 16

Health

Fertility rate/Maternal mortality rate: 2.4 births per woman, 2010 (Unicef 2012)

Child (under 5 years) mortality rate (per 1,000): 3 per 1,000 live births (WHO 2012)

Welfare

Social security in Andorra is based on a points system with two distinct programmes covering health and old-age insurance.

Health insurance covers illness, pregnancy, accidents at work, disability and death. Social security payments cover nearly 75 per cent and 90 per cent of expenditure relating to illness and hospitalisation respectively. There is no discrimination against disabled persons in employment, education, or in the provision of other state services.

Unemployment benefit includes 50 per cent of the average salary calculated in the first month and 66 per cent calculated from the second month onwards.

Pensions

People pay contributions towards their old-age pension and on retirement

receive a pension proportional to the number of points collected. All salaried workers pay contributions to the Andorran Social Security Fund (CASS). Old-age pension is paid to those covered from the age of 65.

Family support

Maternity care and childbirth are fully covered by social security, while disability benefits are calculated in each individual case.

Main cities

Andorra la Vella (capital, estimated population 20,643 in 2012), Escaldes-Engordany (17,008), Encamp (8,900), Sant Julià de Lòria (8,012), La Massana (5,192).

Languages spoken

French and Castilian

Official language/s

Catalan

Media

The constitution guarantees the freedom of speech and of the press.

Press

In Catalan, there are several newspapers including the *Diari d'Andorra* (www.diariandorra.ad), *Bondia* (www.bondia.ad), and *El Periodic d'Andorra* (www.elperiodico.com).

Broadcasting

Radio Televisió d'Andorra (RTVA) (www.rtvasa.ad) is the national broadcaster; Spanish TV also broadcasts in Andorra (www.tvc.cat). All TV services are provided by digital technology.

Radio: Radio Nacional d'Andorra (RNA) is the only public station. Privately-owned commercial stations include Radio Valira, Andorra 1 (www.andorra1.ad) and Andorra 7 (www.andorra7radio.com).

Radio signals from Spain and France can be picked up with ease.

Economy

With more than 10 million visitors a year, Andorra is heavily reliant on the tourist sector, which accounts for around 80 per cent of GDP. Financial services are an important magnet for foreign investment. Andorra is a tax haven with a banking system aimed at attracting foreign private funds.

Andorra was removed from the OECD's list of unco-operative tax havens in 2009, following Andorra's agreement to operate equivalent measures in transparency and information exchange regarding taxation of income from savings as other EU member states.

There is a very small-scale agriculture sector, given that Andorra only some 2 per cent of land is arable; tobacco growing and sheep farming are the main sectors. Consequently, there is a heavy reliance on food imports. Light industry in Andorra

consists almost entirely of tobacco products, handicrafts and furniture, which are the primary exports.

The most important activities of the service sector are commerce and the hotel trade, which employ almost 40 per cent of the workforce. There are insufficient modern and dynamic services, such as specialised services for businesses, and a reliance on traditional sectors limits the economy's potential.

Andorra is a member of the EU customs union and is treated as an EU member with no tariffs on manufactured goods when trading with EU members.

External trade

As a member of the European Union Customs Union with favourable excise duties Andorra is a major entrepôt for numerous European goods. However, Andorra is treated as a non-EU member and its agricultural products are subject to tariffs.

Spain and France are Andorra's main export partners.

The nearly 3km long Envalira tunnel, between Andorra and France, runs under the highest mountain pass in Europe. It is one of the longest road tunnels in the world.

Imports

Three-quarters of Andorra's revenue is from import tariffs. Main imports are foodstuffs, electricity, raw materials, manufactures and consumer goods.

Main sources: Spain (typically over 50 per cent of total), France (over 20 per cent), US (1 per cent)

Exports

The volume of exports is typically under 5 per cent of GDP, a figure far below that of most OECD countries, indicating the unusual nature of the economy, based on retail sales to tourists. Main exports include tobacco products and furniture. EU members take 99.5 per cent of total exports.

Main destinations: Spain (typically over 50 per cent of total), France (over 30 per cent).

Agriculture

The agricultural sector is a small part of the economy and typically employs less than 1 per cent of the working population. Agricultural production is limited by a scarcity of arable land, and most food has to be imported. Milk is sourced domestically. Principal crops are tobacco and potatoes, rye, wheat, barley, oats. Some other vegetables are also grown.

The principal livestock activity is sheep husbandry.

Land use: 2 per cent permanent crops, 56 per cent forest and woodland, 20 per cent irrigated land.

Andorra imports fish from Spain for domestic needs. Trout are plentiful in streams.

Logs are transported to Spain. Most reforestation is in pines.

Industry and manufacturing

The industrial sector has fallen to around 20 per cent of economic activity. The small manufacturing sector primarily services tourism, but also includes cigarettes, cigars and furniture.

Tourism

The Andorran economy is heavily dependent on tourism with 10.5 million visitors in 2009. It is very well known as a winter destination, with an established infrastructure catering for its many skiing tourists. During summer it caters for the active tourist and those favouring spa holidays. It also relies on day-trippers who visit the principality to shop for duty-free consumer and luxury items. The number of visitors not arriving from either Spain or France did not rise above 40,000 in 2009. Despite the detrimental impact on tourism in Europe of the global economic crisis, Andorra did not experience either a drop in visitor numbers or weakness in business growth in the tourist industry during the late 2000s. This was probably due to the perception of Andorra as a destination as good value for money for most Europeans.

Environment

Current issues are deforestation and overgrazing of mountain meadows contributing to soil erosion. Natural hazards include snowslides and avalanches.

Mining

Forges in Andorra were once famed. There are small amounts of iron ore and lead but access is a problem. Even though Andorra has good hydroelectric facilities, around three-quarters of energy consumed is by imported oil from France and Spain. It does not import coal or natural gas.

Energy

Electricity demand is estimated at 500GWh, of which around 50 per cent is supplied by Endesa of Spain, and the remainder by Electricité de France (EDF) and the country's only hydroelectric plant.

Banking and insurance

The banking sector with its tax haven status contributes substantially to the economy. Seven commercial banks operate some 34 branches. Strict secrecy laws are maintained.

Andorra's financial service sector is benefiting from the eurozone which provides greater stability and enhanced opportunities. After being denounced as an unco-operative tax haven by the OECD in

2003, Andorra conceded to EU standards regarding taxation of income from savings. From 2005 Andorra has imposed a withholding tax, up to 35 per cent, which is passed to the tax department of an EU citizen's country. Instead of informing the relevant EU country about the amount of money in savings accounts, the anonymity of the saver is preserved. In an effort to avoid joining the global list of non-co-operative tax havens, held by the Organisation of Economic Co-operation and Development (OECD), Andorra eased its banking laws to allow the sharing of bank data that cracks down on offshore tax evasion.

Andorra has also agreed to supply information on tax fraud, for criminal or civil trials, and notify EU member states about additional malpractices.

Central bank

European Central Bank (ECB)

Time

GMT plus one hour (daylight saving, late March to late October, GMT plus two hours)

Geography

Andorra lies high in the eastern Pyrenees mountains in south-western Europe. The lowest elevation is 838 metres, reaching to nearly 3,000 metres at the peak of Coma Pedrosa. Andorra is landlocked, sharing borders with France and Spain.

Hemisphere

Northern

Climate

Warm summers and moderately cold winters; temperatures range from 0–30 degrees Celsius.

Entry requirements

Passports

Required by all except for nationals of France and Spain, who only require an identity card.

Visa

Not required, but the relevant regulations of Spain and France, depending on point of transit, should be followed. Stays of up to three months without a visa are allowed.

Currency advice/regulations

No currency restrictions.

Health (for visitors)

Mandatory precautions

None

Advisable precautions

Up-to-date tetanus, Measles-mumps-rubella, varicella and polio immunisations are recommended; also influenza if visiting Nov-Apr.

Hotels

Around 270 hotels, most with modern facilities.

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Public holidays (national)

Fixed dates

1 Jan (New Year's Day), 6 Jan (Epiphany), 14 Mar (Constitution Day), 1 May (Labour Day), 24 Jun (St John's Day), 15 Aug (Assumption Day), 8 Sep (Mare de Déu de Meritxell, National Day), 1 Nov (All Saints Day), 4 Nov (St Charles Day), 8 Dec (Immaculate Conception), 24 Dec (Christmas Eve), 25–26 Dec (Christmas Holiday), 31 Dec (New Year's Eve).

Variable dates

Good Friday, Easter Monday, Ascension Day, Whit Monday.

Working hours

Banking

Mon–Fri: 0900–1300, 1500–1700; Sat: 0900–1200.

Business

Considerable variation in times, depending on whether following French or Spanish working practices.

Shops

Mon–Fri: 0900–2000; Sat: 0900–2100; Sun: 0900–1900.

Getting there

Air

International airport/s: The closest international airports are located in France (Toulouse-Blagnac, 180km) and Spain (Barcelona, 200km), connecting to inter- and intra-continental destinations. Approximately three hours drive. Regular shuttle bus services connect both airports with Andorra.

Surface

Road: From Spain: Barcelona-Andorra via Cervera; Barcelona-Andorra via Calaf; Barcelona-Andorra via Solsona. Madrid-Andorra via Zaragoza. Buses run regularly from Barcelona and Madrid. Other road connections to Lleida, Puigcerdà, Tarragona and Girona. Mountainous roads exist over the Envalira pass to Perpignan, Tarbes and Toulouse. From France: Paris-Andorra via Aix-les-Thermes; Marseilles-Andorra via Perpignan; Biarritz via St Gaudens. A road runs from the Spanish to the French frontiers through Saint Julia, Andorra la Vella, Escaldes-Engordany, Encamp, Camillo and Soldeu.

Rail: From Spain: Barcelona to Puigcerdà, then by bus to La Seu d'Urgell and Andorra. Madrid to Lleida, then bus to La Seu d'Urgell and Andorra. From France: Paris to Aix-les-Thermes or L'Hospitalet, then bus to Andorra;

Perpignan to La Tour de Carol, then bus to Andorra .

Getting about

National transport

Road: There are 269km of roads, of which 198km are paved. Roads can be blocked by snow in winter and congestion in summer.

Buses: Constant minibus services link all the villages.

BUSINESS DIRECTORY

The addresses listed below are a selection only. While World of Information makes every endeavour to check these addresses, we cannot guarantee that changes have not been made, especially to telephone numbers and area codes. We would welcome any corrections.

Telephone area codes

The international direct dialling (IDD) code for Andorra is +376, followed by customer's number.

Useful telephone numbers

Mountain rescue: 112

Police: 110

Fire: 118

Ambulance: 118

Chambers of Commerce

Andorra Chamber of Commerce, Industry and Services, C/Prat de la Creu 8, Edifice le Mans 204, Andorra la Vella (tel: 809-292; fax: 809-293; e-mail: ccis@andorra.ad).

Banking

Banc Agricol i Comercial d'Andorra, Mossen Cinto 6, Andorra la Vella (tel: 821-333).

Banca Cassany SA, Avinguda Meritxell 39-41, Andorra la Vella.

Banc Internacional, Avinguda Meritxell 32, Andorra la Vella (tel: 820-037).

Banca Mora SA, Placa Coprinceps 2, Les Escaldes (tel: 820-607).

Banca Reig, Avinguda Meritxell, Andorra la Vella (tel: 822-618).

Credit Andorra, Avinguda Princep Benloch 19, Andorra la Vella (tel: 820-326).

La Caixa, Pl Rebés, Andorra la Vella (tel: 820-015).

Central bank

European Central Bank (ECB), Kaiserstrasse 29, D-60311 Frankfurt am

Main, Germany (tel: +49(69) 13-440; fax: +49(69) 1344-6000).

Travel information

Caseta d'Informació i Turisme (tourism kiosk opposite Restaurant Martí), Andorra la Vella (tel: 827-117).

Sindicat d'Iniciativa Oficina de Turisme (national tourist office at the top of Carrer Doctor Vilanova between Plaça del Poble and Plaça Rebés), Andorra la Vella (tel: 820-214).

Ministries

Government of Andorra, C/ Prat de la Creu 62, Andorra la Vella (tel: 829-345; internet: www.govern.ad).

Ministry of Finance, Andorra la Vella (tel: 829-245).

Ministry of Commerce, Industry and Agriculture, Andorra la Vella.

Ministry of Tourism and Environment, C/Prat de la Creu, Andorra la Vella (tel: 875-7 02; fax: 860-184; e-mail: turisme@andorra.ad)

Other useful addresses

French Embassy, C/ Les Canals 38-40, Andorra la Vella (tel: 820-809).

French Post Office, C/Bonaventura Armengol, Andorra la Vella (tel: 820-408).

General Syndic's Office (tel: 821-234).

Pas de la Casa Customs Post (Andorran frontier with France) (tel: 855-120).

Police, Andorra la Vella (tel: 821-222).

Sant Julia de Loria Customs Post (Andorran frontier with Spain) (tel: 841-090).

Servei de Telecomunicacions d'Andorra STA, Avinguda Meritxell 110, Andorra la Vella (tel: 821-021).

Sindicat d'Iniciativa de les Valls d'Andorra, c/Dr Vilanova, Andorra la Vella (tel: 820-214).

Spanish Embassy, C/ Prat de la Creu 34, Andorra la Vella (tel: 820-013).

Spanish Post Office, c/o Joan Maragall, Andorra la Vella (tel: 820-257).

Internet sites

Only Andorra yellow pages: <http://www.onlyandorra.com>

Andorra information: <http://www.andorra.ad/>