



## PURCHASING POWER

# A tenth distorts the salary increase law approved in the Council

The Government, the majority, Chamber and CEA are aware of the error, but none has communicated it publicly

The text has not been published in the BOPA and there are companies that have not applied the increase in the January salary

EL PERIÒDIC  
ESCALDES-ENGORDANY  
@PeriodicAND

Last January 19th, the General Council approved the draft law on urgent measures to improve the purchasing power of citizens, which, among other things, included the mandatory increase of all salaries included in the range of 14,414.40 euros per year to 48,240, corresponding to 94% of the country's wage earners. The formula for applying the increase, of a maximum of 7% for the lowest salary and 0.5% for the highest, was made by professor emeritus of the University of Andorra (UdA) Florenci Pla, who volunteered to advise a general counsel after realizing that the Government's initial proposal, which provided for a grid with jumps every 200 euros, was not mathematically valid or ethically correct. With the new calculation, the increase was taken into account according to the annual remuneration of each worker, thus preventing a person who earned more than another from being paid less because he was in a lower section of the table.

But when giving the green light to the text, which was announced for the first time at the end of November, the general councilors decided that instead of starting from 7%, it would be done from 7.1% (equivalent to the final CPI of 2022), which has caused, once again, the initial dysfunction. To check this, you only need to access the virtual simulator that the Executive has published to try to facilitate the calculations (<https://www.govern.ad/calculadora-revaloritzacio-dels-salaris>) and see how a person who previously earned 16,800 euros, with the new law, now earns 17,992.80 (+7.1%), while one who earned 16,810, now earns 17,986.35 (6.9%), that is to say, 6.45 euros less [see image]. «In a formula for sections, you cannot change a number just like that, because it affects everything», laments Pla, who does not believe that the error is the result of the «bad faith» of the politicians, but is rather a «mathematical ignorance».

The political solution to the blunder, however, is not simple, since the law has been approved for more than two weeks (although it has not yet been published in the BOPA) and just this Tuesday the General Council was dissolved after serve four years of the legislature. «It is hard for me to understand that something that has been done wrong cannot be fixed because there is no Council. The Government, even if it is in office, should correct the anomaly by means of a decree; I have already notified them, but no one is paying attention», denounces Pla, who assures that, in addition to the Head of Government, Xavier Espot, and the Minister of Finance, César Marquina, the parliamentary groups of the majority, the Chamber of Commerce and the Andorran Business Confederation (CEA). In this regard, it must be borne in mind that no person or insti-

**For employers** who want to be «fair», Plan recommends establishing a fixed salary for the affected range

tution has publicly warned of the problem and that, as the law has not been announced in the BOPA, many companies have not applied the increase for the month of January, when the text was supposed to have already entered into force. However, the measure is retroactive and, therefore, will have to be added to the month of February for a double entry.

«AN UNFAIR LAW» // However, for those employers who want to be «fair» to their workers, and «apply common sense», the professor emeritus proposes that, apart from ignoring the law, establish a wage fixed rate of 17,992.80 euros for salaries between 16,800 and 16,815.70 euros. A situation exactly the same as that contemplated for the sections between 48,000 and 48,240, where a different calculation method was predetermined from the rest. Pla recalls that «at first, it was wan-

SOURCE GOVERN D'ANDORRA GRAPHIC PAKO TEMPRADO

Calculation method  
Gross annual

Salary before the law  
16.800 €

Inc (%)  
7,1000 %

Salary under the new law  
17.992,80 €

Calculate again

.....

Calculation method  
Gross annual

Salary before the law  
16.810 €

Inc (%)  
6,9979 %

Salary under the new law  
17.986,35 €

Calculate again

ted that the salaries of 48,000 euros be increased by 0.5%, but from 48,001, 0%. This cannot be because the people who were above 48,001 would ask to be paid less in order to

benefit from the increase, so it was agreed that between 48,000 and 48,240 euros, everyone would be paid 48,240 euros. «Why has it been decided to end the increases at

0.5% and not at 0%? I don't know, it's a political decision, but mathematically it's another anomaly», says Pla. And he adds: «There has been an unjust» and surreal law. ≡

Don't miss any special editions  
of **El Periòdic!**

«THE VALUE OF THE WORD»

# Espot explains Andorra's homologation process in Barcelona

The Head of Government reviews the historical context and praises the latest economic and social policies

EL PERIÒDIC  
ESCALDES-ENGORDANY  
@PeriodicAND

The head of government, Xavier Espot, gave a conference last Thursday at the Barcelona Tribuna forum, in the Catalan capital, entitled Homologation, openness and opportunities. Espot participated at the invitation of the same forum and the Barcelonese Economic Society of Friends of the Country, organizer of the event. The Head of Government started his conference by recounting the historical context of the Principality linked to the economic reforms. Thus, he pointed out that after the political transformation that the country experienced with the approval of the Constitution in 1993, in 2005 and with Albert Pintat as head of government, the impetus to face «a deep change of the economic model».

Espot reviewed milestones such as the first step towards cooperation in fiscal matters, the total lifting of bank secrecy, the non-double taxation agreements, the launch of appro-

**The Principality** closed 2022 with a surplus and debt issues have a value of 1,175 million euros

vable figures with moderate rates or the entry into the International Monetary Fund: «The model of success that I am coming to explain to you, which allows us to be the second fastest growing economy in Europe in 2022, is not the exclusive merit of this Government, it is the result of a collective effort of four governments of a different political sign», pointed out the highest representative of the Executive. In this sense, «with the process of economic opening, the diversification of the country also came: the hotel, restaurant and leisure offer is more robust; the financial sector, which has undergone a profound paradigm shift, remains a solid pillar of our economy», he recalled.



►► The Head of Government, Xavier Espot, in his conference in Barcelona, last Thursday.

The Head of Government also referred to the current situation: «Andorra is experiencing a gentrification process, which results in difficulties in accessing housing and an increase in the cost of living», he acknowledged. At this point, he explained the policies carried out by the Executive to «revalue wages, contain the increase in the price of housing and not pass on the increase in the cost of energy to the consumer».

Regarding the Andorran economy, Espot made two remarks: one, that Andorra closed 2022 with a significant budget surplus. The other, that international debt issues have been placed on the markets for

**Amics del País** is an organization created in 1822 whose mission is to contribute to the definition of Catalonia's challenges

a value of 1,175 million euros, 85% of which in green, social and sustainable bonds.

The last topic presented by the Head of Government during his presentation was the current negotiation between the Principality and the European Union to reach an association agreement. The Head of Government confirmed to the participants that the text will have an adaptation on the free movement and establishment of people: «In Andorra there is a direct link between residence and economic activity, and the social cohesion of our country is closely related to the maintenance of 'this link', he pointed out.



**Xavier Espot**  
HEAD OF GOVERNMENT

«The successful model is not the exclusive merit of this Government, but of a collective effort of four different governments»

According to Espot, achieving this fit with the European Union will also serve for the Principality to assume a leadership role in its environment, to explore synergies with the neighboring Catalan regions and with the bordering French departments: Andorra can be a driving force in the region of the Pyrenees».

At the end of the event, the Head of Government participated in a discussion with the attendees moderated by La Vanguardia journalist Enric Sierra. Among the guests was also the episcopal co-prince, Joan-Enric Vives.

Amics del país (Country's friends) On the other hand, Amics del País, organizer of the event, is an organization created in 1822 whose mission is to contribute to the definition of Catalonia's main challenges through debate and dialogue with different agents.

Barcelona Tribuna, an initiative of Amics del País, is a plural and international forum of opinion and debate that meets periodically during a lunch-conference-colloquium with outstanding personalities from the economic, social, cultural and scientific worlds. Barcelona Tribuna sessions are open to the general public and are usually attended by various institutional, business and representatives of Barcelona and Catalan civil society. ≡

Your leading real estate agency in Andorra.

Our experience guarantees results, realtors since 1988.



(+376) 353 424 / (+376) 379 769

(+376) 747 747

laportella@andorra.ad

Casa Nova Olivet 10 · Ordino

www.laportella.ad