







/// Andorra, a unique country

— 1278

A Peace treaty signed by the count of Foix [France] and the Bishop of Urgell [Spain] puts an end to the dispute over the territory of the Valleys of Andorra and the Principality of Andorra is established. A new country emerges with a unique institutional functioning: two co-princes.

— 1419

Andorrans create one of the first parliaments to govern the country under the co-princes' sovereignty.

— 1993

Andorra adopts its own Constitution in order to be internationally recognized as an independent and sovereign nation, and becomes a member of the UN and the European Council. The country establishes itself as a parliamentary democracy with a Head of Government elected by the General Council [Parliament]. The president of the French Republic and the Bishop of Urgell both hold the title of Heads of State undividedly. Andorra is a modern state, profoundly rooted in its origins, benefiting from a unique and stable political system.

It's not just Andorra's history which makes it unique. It is also its social and natural environments, and its dynamic economy. Andorra is a developed country and attractive to investors.

Andorra



Nacional Flag



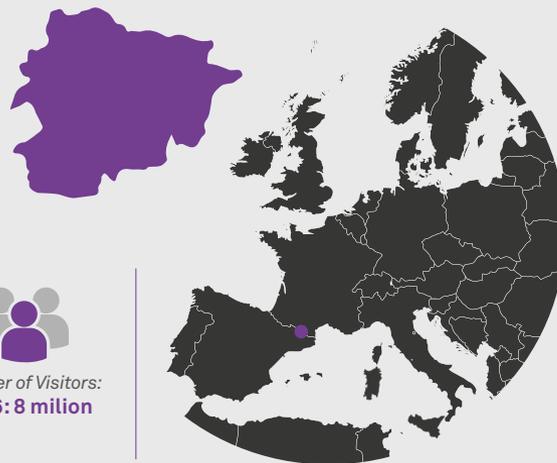
Number of inhabitants
2016: 78.264



Surface:
468 km²



Proximity:
Barcelona: 207,1 km
Toulouse: 180,4 km



Official Currency:
Euro



Official Language:
Catalan



Other Languages Spoken:
French, Spanish
and Portuguese



Number of Visitors:
2016: 8 million

/// A prosperous and diverse country



GDP per inhabitant 2015 [\$ PPPS]



- Cosmopolitan population: 50% of the population is foreign, coming mainly from Spain, Portugal and France.
- Over 100 nationalities.

[Source: Andorran Statistics Department]

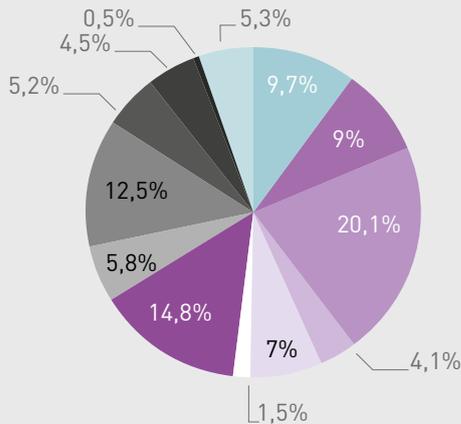
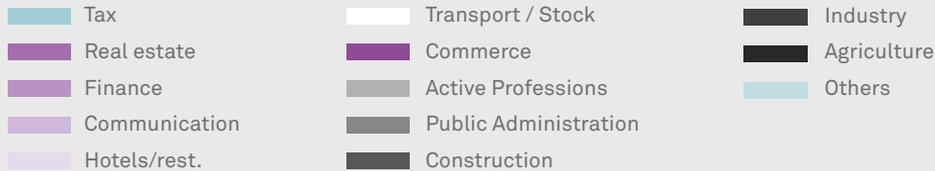
/// High Quality of Life



- Low crime rate [0 crimes in 2016].
- Free public education systems with a choice from the Andorran, French or Spanish systems.
- First ranked country in terms of healthcare access and quality index.
- Oceanic climate with over 2.000 hours of sun per year.
- Excellent or good air quality 89% of the year, 81% of surface water has an excellent or good quality, and 88% of acoustic contamination control stations meet with the objectives set.
- Protected national Parks represent 36% of the territory.

[Source: Ministry of Social Affairs, Justice and Interior; Report "The lancet"; Andorran Statistics Department and Ministry for the Environment, Agriculture and Sustainability]

/// An economy centered on services

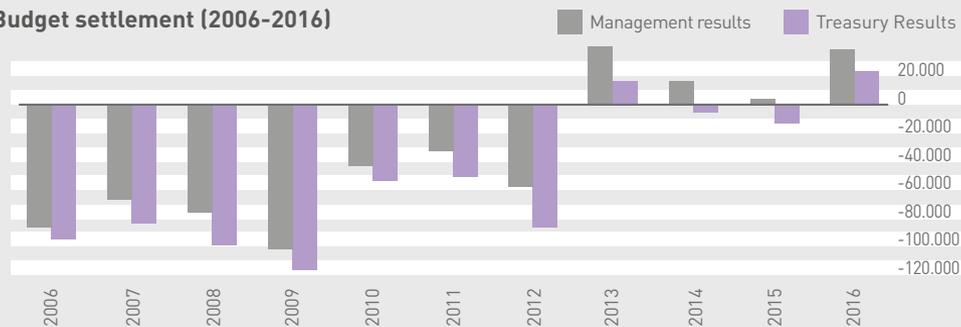


- GDP of 2.584 million euros in 2016.
GDP growth of 1,9% in 2016.
- Average GDP growth of 3,2% [2000-2016].
- Total Imports: 1.226,1 million euros in 2016.

[Note 1: nominal GDP growth]
[Source: Andorran Department of Statistics]

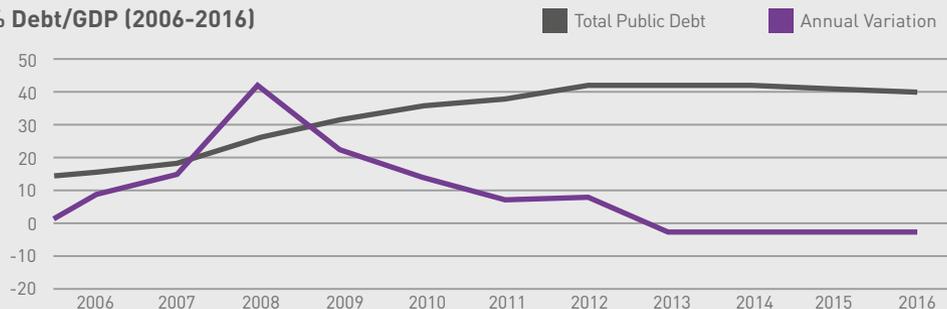
/// A solid Public Finances System

Budget settlement (2006-2016)



- Management surplus in 2016: 38.8 million euros.
- Treasury surplus in 2016: 22.6 million euros.

% Debt/GDP (2006-2016)



- National debt: 931 thousand euros in 2016.

[Source: Andorran Department of Statistics, Ministry of Finance]

/// A competitive business environment

- Culturally open population to businesses and foreign investors.
- Customs union with the EU in relation to non-agricultural products.
- Committed to the OCDE's International Financial Transparency standards [24 TIEA signed].
- Double Taxation Convention [DTC] signed with France, Spain, Luxemburg, Liechtenstein, Portugal, UAE and Malta.
- Ongoing negotiations to reach an association agreement with the EU.
- High performance internet infrastructure: 98% of homes and businesses have access to broadband internet.
- 100% of homes and businesses log on to the Internet through Optical fiber network [100Mbps symmetric].
- Extremely competitive price of electricity for companies, around 0,094 €/kWh in 2016.
- Excellent quality of electrical supply with a total interruption time [TIEPI] of 4 minutes and 55 seconds in 2016.

[Sources: Ministry of Foreign Affairs, Andorra Telecom, Electrical Forces of Andorra]



/// Important Touristic Center

La Vuelta

From 21/08/2017
To 22/08/2017

Scalada: Stelar by Cirque du Soleil

From 01/07/2017
To 30/07/2017

Andros Trophy

December 2017

Alpine Skiing World Cup Finals

2019

- 8 million visitors in 2016.
- Main purpose for visits is shopping.
- High density of visitors, 17.000 per km².
- Tourists stay for an average of 3 days.
- Wide offer of accommodation [44.886 beds including hotels, touristic apartments and other accommodation categories].

[Source: Andorra Tourism; Andorran Department of Statistics; Ministry of Tourism and Trade]



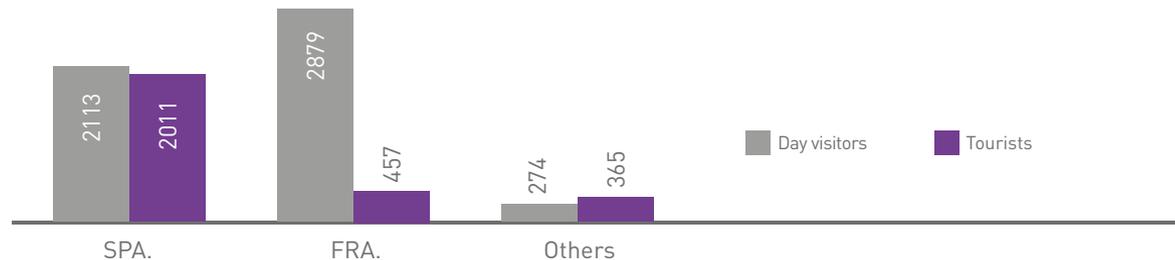
/// Diversification of Tourism

41,8% of visitors come mainly to shop

39,1% of visitors come to Andorra for leisure, health and wellness

9,3% of visits are connected with sport and nature touristic activities

Distribution per nationality [in thousands 2016]



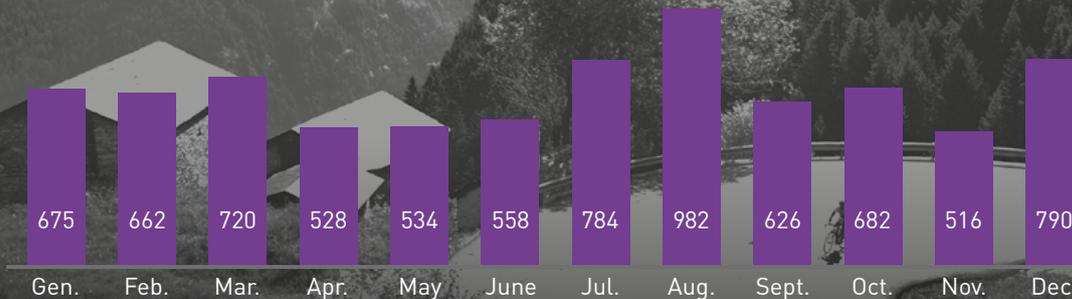
- Focus on emerging markets.
- Growth in the French market [+3,9% more tourists in 2016].
- Growth in the Spanish market [+5,9% more tourists in 2016].
- Protocols of understanding in terms of touristic co-operation recently signed with Portugal, UAE, Brazil, Columbia, the Czech Republic and Poland.

[Source: Andorran Department of Statistics, Ministry of Tourism and Trade]

/// A year round destination

52,3% of tourists come to Andorra to practice winter sports

Number of visitors [in thousands 2016]



- 2 ski resorts, one of which is included in the Top 15 ski resorts in the world with regards to affluence.
- Over 2 million ski days sold.
- Over 300km of slopes.
- Over 105 chairlifts, with a transport capacity of more than 156.000 people/hour.
- Thermal area Caldea & Inúu with over 385.000 visitors in 2016.
- 60% of guaranteed slopes thanks to snow canons.
- The Madriu-Perafita-Claror valley is a Unesco world heritage site.
- 26 mountain refuges.
- Naturlandia with over 183.000 visitors in 2016.
- Around 50 churches, many of which dating from the 11th and 12th centuries, with original Romanic ornamentation.
- The Basilica Sanctuary of Meritxell is included in the Mariana Route.

[Sources: Andorran Department of Statistics, Ski Andorra, Caldea-Inúu Thermal Center, Andorra Tourism, UNESCO and Naturlandia]





/// A new legal framework

The Government combines a program of reforms: fiscal homologation and cooperation and the opening of the economy to foreign investment.

- Since 2009, OCDE tax information exchange agreements have been signed [24 signed TIEAs].
- Approval and application of a new fiscal framework:
 - Corporate Tax [IS]: 10%.
 - Personal Income Tax [IRPF]: 10%.
 - Tax on the income of non-residents for tax purposes [IRNR]: 10%.
 - General indirect tax [IGI]: 4,5%.
- This new fiscal framework has made it possible to sign the first agreements to avoid double taxation convention [DTC] with France, Spain, Luxemburg, Portugal, Liechtenstein, UAE and Malta. The government's will is to create a DTC network in order to develop the services sector.

/// Opening to foreign capital

For decades, Andorra's economy was of a restricted nature for foreign investment.

In 2012, Andorra approved a law to open the economy to foreign companies and investment:

- Investors can increase their capital up to 100%.
- The time frame for foreign investment applications has been reduced to 1 month.
- Extension of economic rights to residents.
- Access to liberal professions for residents.



/// Invest in Andorra (Actua)

Actua is a collaboration initiative made up of various ministries, government organisms, associations and the private sector. It's program has been developed in parallel with legal reforms with the participation of all economic agents and in order to facilitate investment and economic diversification in Andorra.

Within the Actua program we find the development and economic promotion agency for both national and foreign investors looking to carry out business in the country.

www.actua.ad

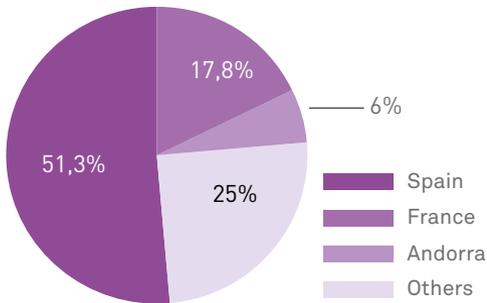


It is based on three key pillars:

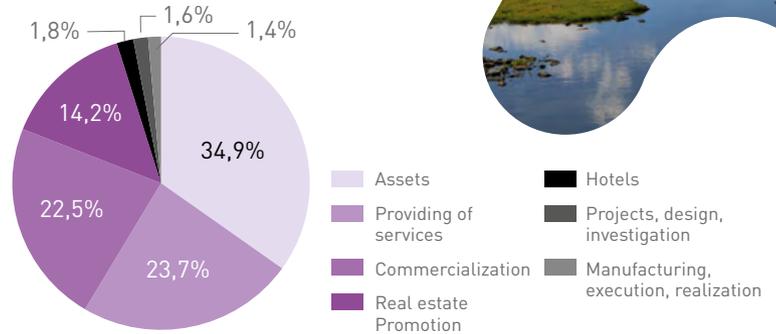
- **Economic diversification** through the development of clusters oriented towards the fields of innovation, Health and wellness, education and sport.
- **Attracting direct foreign investors** and supporting national companies throughout their internationalization process.
- **Supporting entrepreneurs:** promoting collaboration between the public and private sectors and giving support to the development of new business initiatives.

/// Direct foreign investment in Andorra

Top investors per country 2012-2016
(Value of formalized investments)



Investment per sectors 2012-2016
(Value of formalized investments)



- Formalized foreign investment by country of origin from 2012 to December 2016 represents 277 million €, 97 million of which were in 2016.
- Initial formalized foreign investment in 2015 represented 3,8% of that year's GDP.
- Creation of 1.041 jobs (2012-2015).
- 956 new businesses or acquisitions (2012-2015).

[Source: Ministry of Tourism and Trade]



/// The Education Cluster

The cluster was created with the purpose of promoting educational projects and creating synergies between the public and private sectors. Since its creation it has helped to introduce new educational tools in schools and has collaborated with starting a postgraduate degree in mountain studies, among other initiatives. It is currently wor-

king on an entrepreneurship plan, along with the Ministry of Education and the Center for Vocational Professions, with the aim of creating new projects within businesses, collaborating with professionals from the education sector, and simultaneously motivate the students' spirit of innovation and retain local talent.



/// The Health and Wellness cluster

Andorra wants to establish itself as a Health destination taking advantage of the 8 million tourists we receive each year with a rising tendency towards the Health and Wellness sector.

This Actua initiative cluster was born with the will to join the country's Health sector and connect it to the country's touristic potential. Taking into account the existing offers, improve and adapt them to the expectations of the tourists that visits us. Currently, it includes close to 200 professionals from both inside the country and abroad who, through generated synergies, help diversify our economy and, at the

same time, attract and facilitate the implantation of new Health and Medical centers.

One of the tasks being carried out is the mobilization of the country's Medical actives. We are optimizing existing Health resources and creating new business opportunities for our members. In addition, our aim is to provide Andorran patients with the best Medical technology, bringing it up to date with current treatments, as well as create a new Medical infrastructure for the country and generate a brand image around the concept of Health tourism.



/// The sports cluster

The sports cluster, not even a year old it already counts 106 companies and 120 members, 96% of which are national. Headed by business woman, triathlete and biologist Laurence Lestang, and the president of Bàsquet Club Morabanc, Gorka Aixàs, it has organized various workshops since its creation, in December 2015.

Recently, a project has been started to characterize the sports sector in Andorra, make an initial diagnosis of the current situation and identify companies' strategic aims as well as the agents who shape it. In order to carry out this task we have the help of a consulting firm, specializing in clusters, with a vast experience in strategic analysis and in the reinforcement of competition.



/// The Actinn cluster

As Andorran society lives in a continuous process of change, as entrepreneurial spirit is imprinted in our DNA, as we want to continue innovating with the times, as the need to collaborate arises...

We are a group of independent companies - innovative or recently created, small, medium and large – as well as institutions, interconnected, belonging to the same sector or

market, located in geographic proximity and collaborating in order to be more competitive and to stimulate innovative activity. We promote intense interaction, a shared use of resources, exchange of knowledge and experience so as to efficiently contribute to the transfer of technology, network creation and the spreading of information within the cluster's companies.

/// Innovation

The Andorran Government has promoted the project in order to position Andorra as an internationally recognized “intelligent” destination.

So as to actively promote this project, the Foundation was created, with the goal of establishing a frame of reference for the deployment and promotion of technological projects with added value which contribute to the development of the innovation sector within the frame of the economic opening process.

With a firm aim on innovation, the Foundation is made up of a transversal team presided by the Government and which includes members from Andorra Telecom, Electrical Forces of Andorra (FEDA) and the University of Andorra (Ud’A).

The Foundation wants to take advantage of a privileged environment to develop specific projects in diverse

fields such as tourism, mobility, telecommunications or energy, and promote Andorra as a living lab. The 8 million visitors the Principality receives every year, along with the concentration of commerce and the technological infrastructure available in the country, present an exceptional active for companies and investigators to test their products and business models.

The Foundation established collaboration with the Massachusetts Institute of Technology (MIT) in 2015, specifically with the Changing Places department (CP) of the Media Lab.

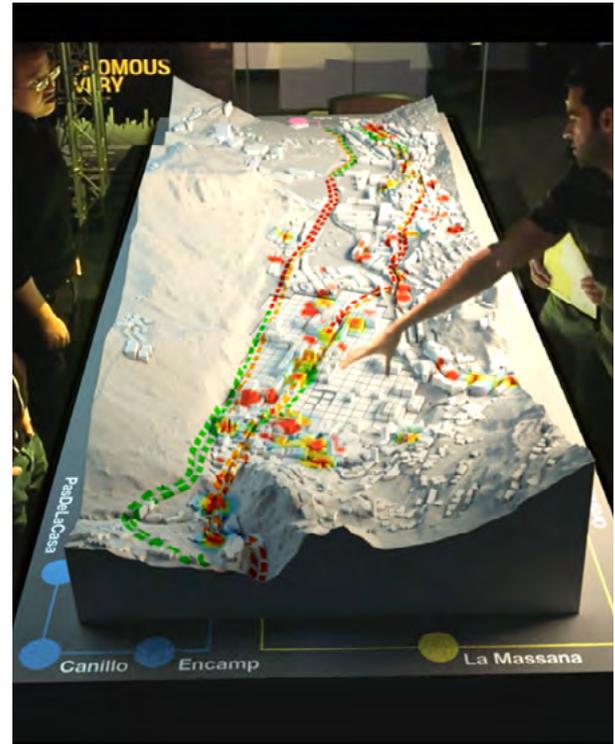
Within this frame, a variety of projects and initiatives have been launched:

1.

/// BIG DATA – CITY SCOPE

The aim of this project is to create a platform that integrates data from the mobility sector, the energy sector, parking lots and telecommunications. This interface will serve as a support tool for the Administration in its decision making process and will allow it to improve aspects such as public investment and service to citizens.

Big Data will allow private sector companies to develop applications and services as well as added value benefits.



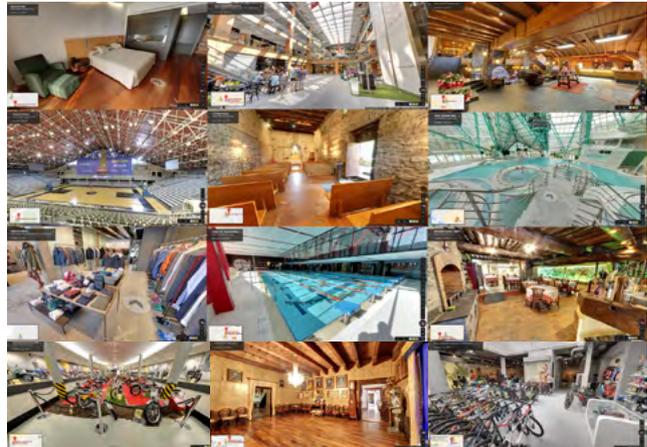
2.

/// Google Business View

In May 2013, Actua began a project with the goal of making Andorra the first country in the world with its entire shopping offer available on Google Maps, through Google Business View.

In May 2014, more than 96% of the country's businesses were already accessible by using this tool. Subsequently, new complements have been introduced, and the project was expanded to more than 95% of Andorran **monuments of historical and cultural interest**, such as **museums and churches**. **Sports resorts** were also included.

Currently there is a clear wish to give this project continuity in order to provide new functionalities to businesses allowing them to become more global and competitive.



3.

/// PEV Persuasive Electric Vehicle

PEV is designed to encourage healthy lifestyle habits and provide a sustainable means of transportation. It combines the benefits of an electric powered vehicle, of an autonomous vehicle and of the shared bicycle programs.

Functionality:

- Functioning as transportation of goods, the PEV could cover delivery on what is known as “the last urban mile”. In other words, the PEV could be used as an autonomous courier service taking advantage of its attributes –small and maneuverable– to efficiently service congested city areas or cuts in traffic.
- Functioning as passenger transport, the PEV would function as a bicycle providing more safety and comfort thanks to its structural design, which offers more protection than conventional bikes, as well as its electrical assistance system, easing effort while pedaling.



On September 23rd 2016, the Comú of Escaldes Engordany and the Foundation signed a collaborative agreement for promoting innovation and technology. The town council is sensitive to new technologies and they see the deployment of new initiatives or projects that favor innovation as an opportunity to promote entrepreneurial spirit and to transform the parish. Furthermore they have provided technicians with spaces in the parish to carry out field tests.

Citizens involvement in the creation/innovation process allows the end user to participate in the prototype’s design improvement and, therefore, for the final product to be better accepted.

On September 24th 2016, a pilot test for the PEV took place at the Coprínceps Square.

4.

/// TerMITes

Sensorization of the Andorran Elementary school in Andorra la Vella.

The Massachusetts Institute of Technology (MIT) has designed a combination of tools and sensors, called MITs and TerMITes, which capture behavioral patterns and help to study habits related to the consumption of energy.

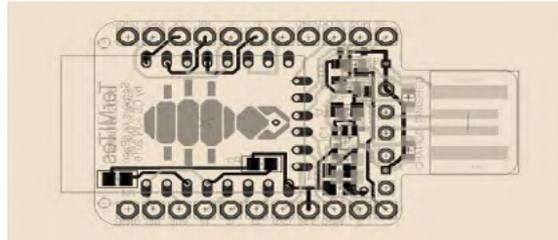
The characteristics are:

Technology

La seva plataforma encara és un prototip, i per tal de provar aquesta tecnologia s'han instal·lat al voltant de 40 sensors a l'Escola Andorrana de Santa Coloma.

Education

Gamification will allow us to develop the educational component, where students will learn to interact with the



sensors and understand their functioning as well as their functionality. This learning process will also help improve the sensors and the user experience.

Sustainability

This deployment of sensors will permit the gathering of measurements and studying the impact of the building's energy consumption on the school's day to day life.

Project objectives:

1. **Test** the sensors developed by MIT.
2. **Investigate** how to study energy consumption taking into account the patterns of usage.
3. **Make** the technology accessible to the younger students so that they can materialize their ideas and projects.
4. **Connect** citizens with this innovation project.
5. **Promote** collaboration between institutions.



5.

/// Andorra Wi-Fi

Andorra Wi-Fi is the public Wi-Fi network of Andorra Telecom. It has been installed on the main commercial avenues and in the ski resorts with the particularity that it is free of charge.



6.

/// Andorra Go!

This is Andorra Tourism's official Mobile phone app, it includes the country's entire touristic and commercial offer, and is the result of the first collaboration project carried out between Andorra Tourism and Andorra Telecom within the framework of the Actua initiative.

Download Andorra Go!





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