

The Front Desk



June 2010

¡Hola Clientes y Amigos!

May has been an excellent month in Spain, with fine weather for most of the time and with improving temperatures. Unfortunately some visitors have been delayed or have even had to cancel their visits because of the ash cloud. We experienced the problem ourselves when Jamie and I returned from Greece. Our very relaxing holiday in Greece ended with a 19 hour hire-car drive back from Barcelona, because flights to Malaga had been cancelled.

Fiestas

As mentioned last month, on Friday 11th June we celebrate the Feria of San Bernabé, the patron saint of Marbella. The week leading up to this will be a full of celebration and in common with other businesses, our office will be closed on that day.

New Bicycle Route in San Pedro

The first three-kilometre stage of a new cycle path network has been opened in San Pedro, making it safer for cyclists to get around. Let's hope that they are not as crazy as the moto riders!!! Plans are already in place for extending the bike network over the coming years.

Spanish Economy

First-quarter unemployment rose to 20.05% from 18.83% in the fourth quarter of last year. It is the highest in the developed world and Spain's highest since 1997. The Spanish economy has contracted for six consecutive quarters. The government has promised an overhaul of the labor market that would reduce Spain's costs for hiring and firing, one of the key factors behind the country's historically high unemployment rate. Job losses have been particularly acute among people younger than 25

Traffic Fines

A new website has been launched so that drivers can find out whether there are any outstanding traffic fines registered against them. The site is www.buscamultas.com and has become a popular site with Michael...I am beginning to worry about him!!

IVA Increase in 2010

This is a reminder that the standard rate of IVA will increase by 2% to 18% with effect from 1st July 2010. The Partido Popular has started a campaign to encourage voters to apply pressure on the government to withdraw this increase. With a general election during the next year it is an interesting political move. Unfortunately, in line with all businesses, we will have to pass this cost through immediately, except where the prepayments of fees have been made, i.e. 5% reduction on annual fees paid in advance.

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Water Reserves

After the wettest winter on record and with reservoirs full it is easy to forget that we have experienced serious water shortages over several years. As part of the solution to this a second desalination plant to be built in Mijas is awaiting approval by the Environment Ministry. Once construction starts the project will take 18 months to complete and will serve the western Costa del Sol and possibly even part of the city of Malaga. When combined with the Marbella desalination plant, the two will be able to process enough water to cover more than half the demand between Torremolinos and Manilva.

Property Tax (IBI) Arrears

Now that tax revenues from building licences have effectively dried up, town halls are looking to other sources of revenue including focusing on arrears of IBI. Difficulties often arise with the purchase of new properties since the owners do not receive their first IBI bill for two or sometimes three years. Consequently, they are immediately in debt. Marbella along with other town halls has introduced a payment plan, but these are very difficult to administer for ex-pat owners, since much of the documentation required assumes that the owner is unemployed in Spain and living on a low income.

Government Announces Cuts

At last the Government has announced a package of austerity measures to deal with "La Crisis". The plan is aimed at reducing public expenditure and debt over the next two years. Those most immediately affected are public sector workers who will experience pay cuts averaging 5% from June, with salaries frozen from then onwards. Similarly state pensions will no longer be linked to inflation.

Some Good Economic News

The price of groceries fell by about 7% during the first three months of 2010 in Malaga province compared with the same period in 2009, due largely to a price war being waged between the supermarkets. The reductions vary across the range of products with fruit and fresh vegetables down by 19% and own-brand products in supermarkets down by almost 20%. However, shoppers in Marbella are not seeing the same level of reduction as elsewhere in the province – no surprise there!!

Even More Drama

After the drama of our return trip from Greece, Jamie and I performed in a play reading at Fuengirola on 26th May. Our role was in the one-act comedy Rats, Brats and Bureaucrats where Jamie played the role of Russ, a Rodent Operative (rat catcher to you and I) and I played Tessa, a school teacher looking for a more sedate way a life after months of not being able to control her classes. A good time was had by all and hopefully by the time you receive this you may be able to see photos of us in action on the THESPA website www.theatrecoastadelsol.com.

Car Sales

According to reports in Euro Weekly car sales in Malaga province soared in April by 24% compared to the same month last year – the fourth consecutive month of increased sales. This increase is attributed in part to the incentive schemes promoted by both the Government and the manufacturers, but also to purchases being made before the increase in IVA on 1st July. There are also indications that the scale of the increase is due to purchases by car rental companies which have been able to secure finance this year. So hopefully we will not experience the shortage of hire cars in 2010 and the associated extortionate prices.

That's all for this month. Hope you all have a good June.

Saludos,

Beverley

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