



PRESS RELEASE

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Opposition Committed to Criticism despite the GSLP-LIBERAL Government's Excellent Financial Management

It is clear that the GSD Opposition do not care about what is good for Gibraltar in terms of public finances. All that Mr Feetham and Mr Clinton want to do is criticise, criticise and criticise even if the actions taken by the GSLP-LIBERAL Government are in the clear best interests of Gibraltar and its people.

The financing transaction proposed by financial expert Albert Mena the Financial Secretary, and on which Peter Montegriffo QC, the founder of the GSD, has advised the Government, is an excellent deal for Gibraltar.

The deal is in the company structure which had no real debt at the time the GSLP left office in 1996 but which had accumulated nearly £200m in GSD debt by the time of the election in December 2011.

The commitment from the GSD was to increase company debt by at least another £150m for their diesel power station (including increasing electricity prices to every home and business in Gibraltar by 100% over 20 years).

That GSD company debt was in addition to the over half a Billion pounds in debt which the GSD administration had accumulated in public debt.

As a result, the position inherited by the GSLP-LIBERALS in 2011 was a BILLION POUNDS OF DEBT if the debt and commitment to debt of companies was included in the calculation as the Opposition now, contrary to the rules on public finances, wants to do.

In fact, what is clear is that THE GSD WAS THE PARTY OF THE BILLION POUNDS OF DEBT.

Indeed, the GSD fought the 2015 election arguing that they would raise the debt ceiling to £900m!

The GSLP-LIBERALS Government has in fact reduced the gross public debt in cash and GDP ratio terms and has now entered into an excellent financing arrangement which is not public debt and is at HISTORIC low rates.



As Mr Clinton should know, and as the Chief Minister explained during the Budget Debate, the Bank of England overnight borrowing rate has no bearing on what the composite rate for 30 year borrowing would be. So the rates available today are not lower than the excellent 3.85% composite rate we secured for Gibraltar. Indeed, it is clearly a rate that would have increased and not decreased, given the uncertainty that the Brexit referendum result now brings to the United Kingdom and Gibraltar.

The Opposition is therefore wrong in every aspect of its erroneous analysis of the brilliant financing arrangements which the GSLP-LIBERAL Government has secured for Gibraltar and which is exactly what future generations of Gibraltarians would expect us to have done just before the Brexit referendum.

The Chief Minister, the Hon Fabian Picardo QC MP, said: "Mr Feetham and Mr Clinton are political ostriches that have their heads buried in the quick-sand of the GSD's shameful debt history. They want to ignore the huge debt created by the GSD in the Government company structure AND the huge debt in the public finances of Gibraltar that they created. They want to pretend company debt started the day I became Chief Minister.

"I have cut the public debt and I have worked - with the advice of Joe Bossano, Albert Mena and Peter Montegriffo QC - to refinance the company debt at historic low rates under a very strong board of directors made up of James Levy QC, John Collado and Charles Serruya.

"It is the right deal, based on the best advice and in the best interests of Gibraltar. Endless Feetham sniping won't change that.

"Objective third parties are congratulating us for an excellent deal. We are also therefore no longer aggressively trying to sell our post-war housing stock as the GSD administration were trying and failing to do, selling our family silver from under us and leaving us without modern housing stock for families that need homes and a growing housing waiting list.

"Mr Feetham and Mr Clinton are pretending that the world before 2011 was all rosy, when it was actually a time when they hugely indebted Gibraltar in its public finances and in its companies. THE GSD ARE THE BILLION POUND DEBTORS. We are sorting it out the debt position they left us by prudent investment, wise restructuring of borrowing and careful spending all as we grow the economy and the debt shrinks in cash and in GDP ratio terms.

"That is what the public want us to do and that is what we are doing.

"The Opposition's scaremongering isn't working now, as it didn't work before the election.

"The public can see that the Opposition are ready to talk Gibraltar down and to criticise for the sake of criticising. The demagoguery will get them nowhere. We will continue to invest in our nation and our people and we will continue to seek to deliver more effective and more efficient public services. That is our obligation and it is what we are doing very successfully indeed."