



PRESS RELEASE

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**CHIEF MINISTER'S ADDRESS
GIBRALTAR FEDERATION OF SMALL BUSINESSES
ANNUAL DINNER 2018**

Mr President,
Members of the Board of the Federation,
Ladies and Gentlemen

Thank you very much indeed of the opportunity to address you tonight.

Elsewhere on the continent, there is another dinner ongoing this evening.

The Prime Minister, Theresa May, has sat down in Brussels tonight with all other leaders as part of the March European Council.

At that meeting, EU Council President, Donald Tusk has said that he will confirm that the EU 27 have agreed in principle to a "Transition Period".

Public reports suggest also that the EU will on Friday publish its negotiating guidelines for the next stage of Brexit talks, which will focus on future ties between Britain and the EU once the proposed 20-month transition period comes to an end.

Reports this afternoon also suggest that those Guidelines will contain a reference which will read as follows:



"The European Council calls for intensified efforts on the remaining withdrawal issues as well as issues related to the territorial application of the Withdrawal Agreement, notably as regards Gibraltar."

In effect, Mr President, this is now more than a re-statement of the position set out in the nefarious EU Negotiating Guidelines from last April.

Everyone in Gibraltar felt disappointed and let down by the adoption of those guidelines.

They were the first indication of what has become clear since then, namely that remaining EU 27 are going to stand together on issues that matter to them.

Ireland matters to them because it matters to the Republic.

Gibraltar matters to them because it matters to Spain.

And that is why we argued, so successfully led by your predecessor, Ms Gemma Vasquez, that REMAIN was the safest option for Gibraltar.

But what we have demonstrated since April, Mr President, is that Gibraltar doesn't just matter to Spain.

It doesn't just matter to the remaining EU 27.

It also matters to the United Kingdom.

And, of course, it matters more to us, to the Gibraltarians, than it can ever matter to anyone else.



And in the time to date, it is clear also that the United Kingdom has entirely held the line in respect of the inclusion of Gibraltar in any agreements it may enter into with the EU, DESPITE the EU guidelines.

That is what you heard Secretary of State David Davis explicitly say in his press conference on Monday alongside Michel Barnier.

That is what Gibraltar expects and that is what we have been working to ensure.

Moreover, it is what we have been specifically briefing your elected representatives on.

Members of the Cabinet and Members of the Brexit Select Committee have been fully, entirely and completely briefed on the work being done by the Government.

The briefings have been identical.

And they have not been selective in any way.

Indeed, Members of the GSD Opposition are actually on record as saying that the Government “has left no stone unturned” in the work we are doing to deal with the Brexit challenge.

I am grateful for that statement, although it may be at odds with some other things which have now been said about the transparency of the strategy we are pursuing.

In fact, as is well known, the Government has been very clear, and very public, about its Brexit Strategy and its objectives in the Brexit negotiations.

Indeed, by the autumn of 2016, and after several months of very hard work following the referendum result in June 2016, the Government knew what its Brexit Strategy was.



I made our objectives public in the evidence I gave to the House of Lords EU Committee on 13 December 2016, in the evidence I gave to the House of Commons Select Committee on the Exiting the EU on 25 January 2017 and in the further evidence I gave to the European Parliament's Committee on Constitutional Affairs on 30 January 2017.

And indeed, last year - AT YOUR SPECIFIC REQUEST - the Attorney General addressed this very dinner of the GFSB and explained the Government's Brexit Strategy and objectives in some detail.

Let me repeat it our position.

- 1. We have worked and have now delivered the maintenance and, where possible, enhancement of our trading relationship with the UK.**
- 2. With regard to the EU, a satisfactory solution for the Border, maintenance of the status quo in relation to trade in goods and to form part of the eventual UK-EU Agreement in relation to services.**
- 3. Once Brexit occurs in full, to form part of the new trade agreements that the UK will enter into with third countries.**

That Strategy has been refined and developed over the months, but it remains the same one.

Most importantly, Mr Speaker, I believe that we are entirely on track to deliver exactly that arrangement.

This has involved, and continues to involve, challenging negotiations but negotiations that are starting to bear fruit and provide certainty for our business community and our community at large.

A considerable amount of our efforts in the last 18 months have been devoted to securing our current trade arrangements with the UK and enhancing them where possible.



This was the one area where progress could be achieved independently of the difficult negotiations between the UK and the EU.

This is also the one area which, as we have also repeatedly stated, is vital to the Gibraltar economy since the largest share of our trade takes place with the UK.

The UK is, by far, our most important market in particular in the area of financial services and online gaming.

Well our work has paid off.

The UK has now IN FACT guaranteed Gibraltar **financial services** firms' access to UK markets on current arrangements until 31 December 2020.

That is to say, nothing will change between now and 31 December 2020.

This date is important because it coincides with the date set by the EU Commission for the end of the implementation or transition period being sought by the United Kingdom with the EU.

And it dispels any doubt that Spain's attempts to seek to exclude Gibraltar from the cushion of the transitional period will have any effect whatsoever on our continued access to the UK market for financial services based on EU passporting rights.

That is the importance of that date.

But you can be in no doubt that that is not the end of the access.

ADDITIONALLY the United Kingdom has ALREADY – and I repeat, ALREADY – committed itself to the maintenance and where possible the enhancement of market access for services from Gibraltar, including Financial Services, beyond 2020.



It did so on 20 December 2017, during a House of Commons Debate on the European Union (Withdrawal) Bill, when the Hon. Steve Baker MP, Parliament Under-Secretary of State for Exiting the European Union, stated:

“it is the UK Government's UNSHAKEABLE OBJECTIVE to ensure the seamless continuation of existing market access [for Gibraltar] to the UK and enhance it where possible”.

And in January of this year, the Secretary of State himself, the Rt Hon David Davis, made the position of the United Kingdom abundantly clear in terms which cannot be misinterpreted. In his letter to the House of Lords European Union Committee, he said:

"HMG and GoG intend to pursue a close economic partnership underpinned by shared, high standards of regulation. It is the UNSHAKEABLE OBJECTIVE of the UK Government to ensure the seamless continuation of existing market access into the UK and enhance it where possible..."

Those commitments are not just UNSHAKEABLE.

They are also OPEN ENDED AND NOT LIMITED IN TIME.

No one can be in any legitimate doubt about that.

No one can legitimately cast any doubt on that either.

So I am able to confirm, as I did in Parliament last Friday, that the United Kingdom market will remain OPEN to Gibraltar in financial services also after 2020.

Indeed, detailed work is already under way to achieve this.



This is better than excellent progress at this stage in the game when operators in other jurisdictions do not have any certainty or clarity of what access they may have into the UK market in services.

The UK's UNSHAKEABLE and OPEN ENDED commitment to market access is particularly relevant also to the **online gaming** industry.

Gibraltar is today the only jurisdiction to have the benefit of a firm UK commitment on continued market access after we leave the European Union.

Specifically, the UK has provided assurance that gambling operators based in Gibraltar will continue to access the UK market after we leave the EU in the same way they do now.

This is an important advantage for Gibraltar as no other EU jurisdiction at all can boast such a clear and unequivocal statement of continued market access post BREXIT.

Here too, we have been working closely and tirelessly with the UK Government in relation to agreeing an MOU which will enable closer working and collaboration between gambling regulators in Gibraltar and the UK.

Additionally, we also reached agreement with the UK Government on other issues which are of importance to us, not least in relation to student fees and healthcare.

Ladies and gentlemen.

These achievements and the benefits they bring cannot be underestimated.

Without the firm commitment we now have from the UK Government on continued access to the UK market, whatever we may now achieve with Europe would be meaningless.

THEY ARE THE ESSENTIAL FOUNDATIONAL BLOCKS FOR OUR FUTURE.



They are the realisation of my Government's own objectives for phase 1 of the Brexit negotiations.

The first and essential part of our Brexit Strategy.

WE HAVE ACHIEVED THEM.

WE HAVE DELIVERED.

They are the fruit of very hard work.

The Brexit team I lead alongside the Deputy Chief Minister, Dr Garcia, has worked flat out these past eighteen months to achieve them.

And our rhythm of work and engagement will not decrease one bit as we move forward.

I come now to the second declared pillar of our Brexit Strategy, our future relationship with the EU.

In January of this year the negotiations entered the second phase which is on the Withdrawal Agreement which is where we are now, before it enters the third phase which will be on the future relationship between the UK and the EU.

On Monday, the EU published its colour-coded draft of the WA.

We were closely involved with the UK team dealing with the negotiations leading up to the joint press conference between Mr Davis and Monsieur Barnier.

The document they published sets out a transitional period, which is to last until 31 December 2020, during which EU law will continue to apply to the UK as if it were still an EU Member State, except for the amendments made by the WA itself.



The principal issue for us at this stage has been to ensure that we are not excluded from the transitional period.

This means that the WA must apply to Gibraltar.

Monday's agreed text achieves that.

And of course we do not accept that the application of that Withdrawal Agreement can be suspended or not extended to Gibraltar as a result of Spain's clause 24 or any other permutation of it.

That is the position of Spain; and it is worth repeating that it is not accepted by the UK or Gibraltar.

Indeed, Secretary of State Davis has been clear with me in saying the UK would not do a deal that excludes Gibraltar and I have no reason to doubt his word.

Yet, despite Clause 24, not because of it, we will continue to seek to co-operate with our neighbour.

We will continue to offer an olive branch.

And we will continue to ensure that we disentangle ourselves from membership of the EU involuntarily in a manner that protects the interests of all citizens in this area.

Achieving that is sensitive.

It is difficult.

But it is equally something that we have an obligation to try to do.

It is equally easy to try to argue against doing so, as we can have little by way of trust.



But we as Gibraltarians must stick together as we seek to carve out a future for all of us which is grounded in protection of our exclusively British sovereignty, jurisdiction and control.

The GSLP which I lead and the Liberal Party which is in partnership with us in Government, will never countenance any compromise in that respect.

These are things with which we will not barter or trade.

And no one will reasonably believe that we have shifted on any of our fundamental positions.

But what has disappointed me in relation to the current, imperfect, draft of the Withdrawal Agreement, is the position taken by some locally this week.

I must say that I am flabbergasted by the extent to which some have completely misunderstood it and the Brexit negotiations generally.

Let me explain the errors of interpretation which have been made.

That will also help me to dispel any uncertainty that may have been created in your minds by these ill-informed and mistaken remarks.

It has been said "*there is no clear extension [of the agreement] to Gibraltar*" and that "**Gibraltar is not included**".

Well it is.

The definition of the "United Kingdom" contained in Article 3 of the WA makes it clear, explicitly and beyond any possible doubt, that any references to the United Kingdom in the WA, include Gibraltar.



This is what Article 3 says, “any reference in this Agreement to the United Kingdom and its territory shall be understood as referring to- (a) the United Kingdom, (b) Gibraltar”.

Some press reports suggest that the inclusion of this reference “enraged” some.

Clearly, Spain has an interpretation of whether or not that clause will be applicable and in what circumstances.

But that is not an interpretation accepted by the United Kingdom or Gibraltar.

And the definition of the term “United Kingdom national” in Article 2(d) also includes Gibraltarians as British Citizens.

And that is not a part of the agreement that is subject to aspect of Clause 24.

It is important this is understood, Mr President.

So whatever the effect of Clause 24, which we do not accept, it must be understood to apply to Gibraltar, but it does NOT and CANNOT apply to Gibraltarians who are, without distinction, British Citizens.

Indeed, if Clause 24 were activated and we were let down by a UK that accepted the agreement without it applying to Gibraltar, the most disadvantaged would be EU citizens working in Gibraltar.

They would not have the benefit of the withdrawal agreement protecting their positions in Gibraltar, because it would be Gibraltar – not Gibraltarians – who would not be covered by the agreement.

But Gibraltarians, as British Citizens, would have the same rights as any British Citizens under the agreement.

That is why it is wrong to suggest that the Withdrawal Agreement as it currently stands has only secured the rights of frontier workers and EU citizens resident in Gibraltar and that “*it does not*”



provide general freedom of movement across the border to Gibraltarians or UK nationals resident and working in Gibraltar”.

And that is also why it is wrong to suggest – as I heard another party leader suggest - that the Government “*only wish to introduce arrangements that protect cross-frontier workers and EU nationals more than resident UK nationals or Gibraltarians*”.

Well, not my Government, Mr President!

Article 13 of the WA clearly states that Union citizens and UK Nationals shall have the right to leave and enter and to travel with a valid passport or national identity card in the same way as they do today.

That of course applies to Gibraltarians.

And it applies also to UK nationals residing in Gibraltar because the definitions of both the “United Kingdom” and “UK Nationals” in the WA cover Gibraltar as I have already explained.

So for any person to suggest that we must put pressure on the UK Government so that “***we achieve freedom of movement within the transitional arrangements***” demonstrates a failure to understand what the current state of play already is.

Ladies and gentlemen.

Brexit is a serious and highly complex issue that deserves commentary of a mature and non-partisan level.

Creating confusion unnecessarily does not assist Gibraltar.

But rest assured that my Government will not be distracted by party political games.



Now is not the time for partisan arguments.

This is a moment for strategy and commitment to the greater good of our small nation; not our own narrow party interests.

We have and will continue to pursue our work undeterred, with hard work and a lot of planning, thinking and lobbying.

We have and will put pressure on the UK whenever we feel we have to do so.

We have and will support the UK when we see we too are supported by the UK in this process.

We have and will lobby in the UK Parliament in London in the Lords and Commons.

We have and will lobby in the European Parliament in Brussels and Strasbourg.

In fact, in the period June 2016 to December 2017, no less than 52 questions on Gibraltar and Brexit were tabled in the House of Commons and House of Lords.

No less than 62 statements on Brexit and Gibraltar were made in the House of Commons and House of Lords.

I have given evidence before both chambers.

Lords and Commons have visited Gibraltar.

6 JMC meetings have been held.

We have done everything we have had to do and more.



And as we move forward, we will continue to work for a differentiated solution, which will be in accordance with the Brexit Strategy publicly announced by my Government more than a year ago.

Whether we can achieve that or not will be a matter that can only be determined at the end of this fraught process that we did not wish upon ourselves.

And we will be judged by results.

But we are all in it together my friends.

That's why at the end of each briefing we say to all Parliamentary colleagues – from the official opposition and from the independent members : if you think we can do anything else, tell us; if you think we can do anything more, tell us.

To date, they have not suggested we should change tact in any way, that we should do something we are not yet doing or that we should do anything differently.

But I repeat that entreaty also to you all tonight:

If you think we can do anything else, tell us.

If you think we can do anything more, tell us.

We are elected to serve you and we want to deliver the right and best result.

Because it is a result that will endure for generations.

We believe that we shall do so.

We owe it to our children as much as we owe it to our forefathers.



And we will NOT let them down.

Mr President, six men have held the high office of Chief Minister of Gibraltar.

You are not being addressed tonight by the one who will drop the ball at the crucial part of the game.

ENDS