



# HM Government of Gibraltar

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Deputy Chief Minister

## PRESS RELEASE

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### **New Year Message 2020**

### **Deputy Chief Minister and Leader of the Liberal Party**

### **The Hon Dr Joseph Garcia MP**

*Gibraltar will emerge successful whatever happens, says Garcia*

Gibraltar, together with the United Kingdom, will leave the European Union at the end of this month. This will mark the end of an era. It will bring to a close some 46 years of membership of the club and will open the door to new opportunities elsewhere.

This was not the route that the people of Gibraltar chose in 2016, nor is it the preferred option of the Government or the Parliament of Gibraltar.

However, we must now rise to the challenge.

#### **PHASE ONE – UK BILATERALS**

You will recall that we worked very hard in Government to protect the position of Gibraltar in view of a potential EU exit. The first phase entailed a bilateral negotiation with the United Kingdom in order to ensure that we ring-fenced the existing access to the UK market of our financial services and on-line gaming companies. There were also agreements on student fees and on health.



## PHASE TWO – EU EXIT

Phase two were the actual negotiations for the departure of the UK and Gibraltar from the European Union. We managed to successfully navigate those waters with skill, common sense, determination and tact.

Gibraltar met with all the Member States of the European Union as part of that process. We met with Spain also at a time when the Partido Popular was in power and when Mr Margallo had been replaced by Mr Dastis in the Foreign Ministry.

This phase ended with Gibraltar included in the UK/EU Withdrawal Agreement. It was a considerable achievement. A framework of four Memoranda of Understanding and a Tax Treaty flowed from the Gibraltar Protocol to the Agreement. This framework will protect the position of Gibraltar when we exit at the end of this month.

The Memoranda provide for the creation of a number of Committees in which Gibraltar will be represented together with the United Kingdom, the European Union and Spain. The preparatory work for the establishment of these Committees will start in Madrid later this month.

There is provision for these Committees to come to an end on 31 December 2020 at the same time as the transitional period.

## TRANSITION

This framework also means that Gibraltar will form a part of the transitional period together with the United Kingdom. This was again an important achievement.

A transition will ensure that nothing much will change on a day-to-day basis for the ordinary citizen. However, the UK will become a third country, will lose all its MEPs from the moment of departure, will lose its judge in the European Court of Justice and its seat and vote in the Council.

The transition will come to an end on 31 December 2020. There is a possibility to extend this until the end of 2022, but the UK Government intends to legislate against this happening.

Gibraltar will need to legislate also. We have been shadowing the UK legislative process and have already adopted our own European Union (Withdrawal) Act. This month we will introduce the European Union (Withdrawal Agreement) Act into the Gibraltar Parliament. It follows the passing of this legislation at Second Reading in the House of Commons where it will now move forward to Committee Stage.

Our Parliament has already made provision for the voluntary implementation of EU legislation in Gibraltar, to match EU standards where we wish to in certain areas, even though there will no longer be an obligation to do so once we are out.

We are conscious of the fresh mandate we received from the electorate, both in terms of our handling of Brexit so far and in terms of our ability to deal with any future challenges to come. Led by the Chief Minister, the Attorney General, the Financial Secretary and I, supported by other



officials, will once again bat for Gibraltar. I want to congratulate the Attorney General on the award of a well-deserved CMG from HM The Queen.

### **PHASE THREE – THE FUTURE**

The third phase will open as from 1 February when the UK and the EU will start negotiations on a future relationship. The UK has made it clear that it will be negotiating for the whole British family of nations, including Gibraltar. Indeed, the Gibraltar Government has been fully involved with UK officials in preparatory talks on the future for many months now.

There will obviously be a need to talk to the EU and to Spain, our nearest EU neighbour, as we work our way through this process. The meetings we held for the exit negotiations were held in a largely positive and constructive spirit. We met Spanish officials here in Gibraltar, in London, in Brussels and also in Madrid. There was variable geometry for these discussions with different formats depending on the subject matter. This worked to produce an outcome that protected Gibraltar.

All sides must now work to ensure that our departure from the European Union does not impact negatively on citizens or businesses wherever they may be based.

### **NO DEAL BETTER THAN A BAD DEAL**

The clock is ticking for the UK and EU to conclude a future trade agreement before the end of the year. Gibraltar has no manufacturing industry, we have no agriculture and no fishing industry.

We will therefore need to examine very carefully the contents of any future UK/EU agreements in order to determine their relevance.

Moreover, there is always the possibility that we could be asked to pay an unacceptable political price in order to enjoy any benefits.

**The Chief Minister has already made it clear that no deal is better than a bad deal. Gibraltar must be ready to walk away from the negotiations if we have to.**

In those circumstances, the no deal planning that has consumed us for many months will stand us in good stead.

It will be recalled that we were supposed to have left the EU on 31 March 2019, then on 12 April 2019, then on 31 October 2019 and now finally on 31 January 2020. This all led to detailed contingency planning which we expect to continue as a prudent precaution. The structures we established will remain in place and the invaluable data and experience of the last two years will be put to good use.

Indeed, in that no deal context, it is true to say that we have left no stone unturned and we have dealt with whatever issues were in our control. It is quite simply impossible to have done more.

As this new phase opens, the intensity and the pace will pick up once again. It is not in Gibraltar's interests to provide a blow-by-blow account in public of everything that happens. At the same time,



we do need to be conscious of political mischief-making on the part of others outside Gibraltar during that sensitive period. The Government has already pledged to keep the Opposition parties in the Brexit Select Committee of the Gibraltar Parliament fully informed of developments.

## **NEW MARKETS**

As we leave the European Union, and having secured our major market which is the United Kingdom, 2020 will see us turn our eyes to new markets and opportunities elsewhere. The Government was delighted with the establishment of trade associations with the United States AMCHAM and with Israel GIBRAEL. We also welcome and support the Gibraltar Morocco Business Association as a step towards encouraging greater commercial links with our closest non-EU neighbour.

We will turn to the Commonwealth too. The Commonwealth Enterprise and Investment Council have already agreed to open an office in Gibraltar, with the full support of the Government. The High Commissioners of Australia, Canada, India and New Zealand to the United Kingdom have all visited since the 2016 referendum. That work with the organisations and members of the Commonwealth will continue throughout 2020.

## **VOTE OF CONFIDENCE**

The vote of confidence you gave us in October means that we also have a full and exciting manifesto to deliver at the same time as we deal with events outside our borders. This is a four-year programme of Government. Our record of implementation in this area is second to none.

Government policy reflects our manifesto commitment to commemorate important events in our history. Indeed, this is what we did with the wartime evacuation, the 1967 referendum and the closing of the border in 1969. This is particularly important for the younger generations of Gibraltarians. We are convinced that knowledge of the past is the key to the future.

There are important commemorations this year too. The Government has announced a Bank Holiday to mark the 75<sup>th</sup> anniversary of VE Day. On 8 May 1945 the Allied Powers formally accepted the unconditional surrender of Nazi Germany. Gibraltar played its part in this struggle against tyranny. Not least in the evacuation of the civilian population in 1940, 80 years ago this year, and in Operation Torch, the Allied offensive in North Africa. We are truly proud of our long and historic association with our armed forces, which are the armed forces of the United Kingdom, and indeed, also with those of the United States.

The National Archives will be holding an exhibition this year to coincide with the anniversary of VE Day which will highlight the Gibraltar connection and contribution towards this important global event.

2020 will also mark 70 years from the date when a Legislative Council was established in Gibraltar. This was an important constitutional step forward in the evolution of Gibraltarian self-government



which was achieved despite opposition from the then Prime Minister Clement Attlee. This year also marks 190 years of the formal establishment in 1830 of the Supreme Court.

The infamous Lisbon Agreement of 1980 will be 40 years old this year. This generated considerable controversy in Gibraltar since it implicitly linked sovereignty negotiations with the re-opening of the land border by Spain.

We must all learn the lessons of the past. Our long and turbulent history over centuries of battles, sieges, bombardments, political pressure, restrictions and blockades have made us resilient and determined. We have become a product of that past and of that shared common experience. That is what makes a people. This background will always stand us in good stead.

And so, as we prepare to leave the European Union, we should now look forward to the new opportunities that a new focus on the wider world beyond will bring.

You can rest assured that with skill, determination and perseverance, Gibraltar will emerge successful from this latest phase in our historical and political evolution - whatever happens.

I take this opportunity to wish you all a peaceful, restful, happy and prosperous 2020.

ENDS