



PRESS RELEASE

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Opposition Arguments Completely Vacuous: Government Deserves Congratulations NOT Petty Complaints

The Opposition have again jumped to all the wrong conclusions regarding the excellent £300 million institutional investment deal that this Government has secured. This financing is a transaction that Her Majesty's Government of Gibraltar is enormously proud of. Indeed, with no risk to Gibraltar Government tenants, it is one of the best financing deals that Gibraltar has ever made. This massive institutional investment in Gibraltar also represents an important vote of confidence in Gibraltar's economy from major institutional wealth managers, something that the Opposition seem to be doing their best to undo for reasons best known to themselves and totally contrary to the best interests of Gibraltar and its people.

For the second time in two days the Opposition have sought to discredit the hard work of the professionals in Government, and its external advisers, without bothering to actually learn the facts of the issues at hand. Contrary to what the Opposition are attempting to make the public believe, there is absolutely zero risk to the homes of those who live in Government housing estates. There are no realistic or relevant circumstances in this deal that would lead to anyone being evicted from their property and the Opposition have no excuses for deceiving the public into thinking otherwise.

Of course, the Opposition are already fully aware of this: the Chief Minister stated in Parliament on 5th July 2016 that 'the security of all tenants is completely unaffected and secured'. The Opposition have had, in the Budget debate, every opportunity to discuss the terms and conditions of the investment in the proper Parliamentary forum. Further opportunities will arise in September when the questions that the Opposition has tabled will be answered. In past years, however, the Opposition have stated that they do not want to do July question and answer sessions and that they do not want to do Parliamentary sessions in August. It is therefore surprising that they complain that their questions have not been answered yet and that they are making public statements and issuing misleading leaflets when their questions have not yet been dealt with. Previously they have complained about the Government making public statements on subjects where there are questions pending. Evidently, the Opposition prefer to jump to conclusions and indulge in spreading false information through press releases rather than actually do the work to find out what is actually happening in Gibraltar.



The Government renews its congratulations to the Financial Secretary, Albert Mena, for his proposal for this scheme and to the legal team led by Peter Montegriffo QC for having advised on it.

To clarify, the £300 million did not become part of the Government's useable cash reserves but of the cash pool of the Government companies in the way that was established by the GSD when they were in office. It has nothing to do with the Government's direct borrowing or spending, and the Opposition's arguments are completely null and void.

What the Opposition have failed to remind the public in their attacks is that during their term in office they planned to go as far as to sell all the Government's post-war housing stock and actually prepared to do so by putting estates into companies. Had this process been allowed to continue by the current Government, Gibraltar would now be facing an even more significant shortage of social housing. Even worse, during their term in Government the GSD also implemented a policy that they called 'sale and leaseback financing', which put up our hospital as collateral so that it could be repossessed and patients could be removed from their beds if the GSD administration didn't pay the bills! And all that was to finance their borrowing levels. Mr Feetham complained about this before he joined the GSD, went along with it when he joined, and now condemns it once again despite the fact that he is now the current leader of the GSD. His and the Opposition's position is so inconsistent that the only certainty that the public can have about their statements today is that they are unlikely to represent what the Opposition will believe or say tomorrow!

Again the Opposition have been caught criticising a policy that is far more secure and beneficial for Gibraltar's future than the gambles and sales of the family silver that they embarked upon when in they were in power. Indeed, what the Opposition do not seem to realise is that this is a policy that is increasingly being taken up by UK Housing Associations as a safe and sustainable way to raise financing whilst retaining the key assets. In Gibraltar this investment was carefully negotiated in the lead-up to the EU referendum in order to ensure the best deal possible for Gibraltar by taking advantage of the very low interest rates. Through considerable planning and effort the Government has locked in an extremely low composite interest rate of 3.85% over 30 years for this investment, an incredible feat in the current climate of uncertainty, and all at no risk whatsoever for Gibraltar tenants. It is congratulations that the Government and its officials and advisers deserve, not petty, small minded and unhelpful complaints from an Opposition that should know better.