



## PRESS RELEASE

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### **Clinton Ignores GSD almost Bankrupted Gibraltar**

The statement from Roy Clinton on public finances belies his failure to understand the rotten legacy of the GSD in respect of Gibraltar's debt and useable cash reserves.

Mr Clinton talks about cash reserves but fails to address the fact that the GSD had accumulated £520 million of Gross Public Debt and that at the end of the GSD's last financial year in office Gibraltar only had £2m available and only after the then new GSLP-LIBERALS Government had stopped all the ongoing GSD projects. If the projects had continued, Gibraltar would have breached its maximum permitted legal borrowing limit. Mr Clinton should note that, at the time, an advance of £87 million had been made by the GSD administration to the Government-owned companies and that this was projected to increase to £100 million by the end of the financial year. The effect of this was that the end-of-year Cash Reserves were estimated to end at £100 million less than had been anticipated in the published estimates. The only other alternative, which former GSD leader proposed, was to increase the borrowing limit in order to fund the capital expenditure already committed by the GSD administration as well as to meet the then planned £150 million Diesel Power Station and the remaining balance on the £83 million Airport Terminal Building.

In addition, the GSLP-LIBERALS have paid over £90 million since the financial year 2011/12 and continue to pay £25m each year in order to cover the recurrent deficits in the Government trading companies which the GSD established and which were previously not being reflected in the published estimates.

Moreover, Mr Clinton's analysis fails to address the huge risk that the GSD took with Community Care in having failed to fund that charity so that its reserves were reduced to zero. That charity has to date received in excess of £100m from the first GSLP-LIBERAL Government.

Further, Mr Clinton also fails to refer to the GSD's historic plundering of the reserves of the Gibraltar Savings Bank which were also reduced to zero by the GSD when they took £17m to spend on general expenditure.

All of this was less than prudent and is a serious blot in the GSD's history of management of the finances of our nation.



The Chief Minister, the Hon Fabian Picardo QC MP, said from London: "Mr Clinton wants to gloss over the near bankruptcy of Gibraltar which arose from the over half billion pounds of gross debt which the GSD was responsible for. People will not forget that. Mr Clinton is using monthly figures to try to extrapolate what the position will be at the end of the year without factoring in how Government cash flow changes throughout the year. I am confident we will meet the targets set out in our estimates. The public have, just over two months ago, overwhelmingly preferred our prudent proposed manner of dealing with the public finances for the next four years. Mr Clinton needs to accept that and see how our economy and public finances will continue to flourish and improve in the coming months and years".