



PRESS RELEASE

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Chief Minister's Emergency Budget Speech – 20th March 2020

Mr Presiding Member

I wish to thank the Presiding Officer, who is a spritely 71 and the Father of the House, who is spritely 80, for leading by example and not coming to the House today.

I also want to recognise members opposite have not all come in order to help us to practise social distancing, which we now all understand is so important, and to make an example to our community.

I want to particularly mention Mr Feetham who is self isolating due to the immunity issues arising from his having lost his spleen in the knife attack he suffered some years ago.

Mr Presiding Member, on the Government side, you are present but not on our benches as you take the Chair.

I want to thank you for the work you have done with the Department of Education and Nasuwt in relation to education.

Additionally, the members who are present have been working in each of the areas of political responsibility.

Those who are not, apart from Sir Joe, are not here because they continue at their work stations at the coal face.

Samantha Sacramento has been in constant work with Ivor Lopez on the logistics of this public health emergency which is, of course, also a civil contingency.

John Cortes has been fronting much of the decision making and advice, given that he is the Minister for Public Health and as such is the pivotal Minister in relation to this public health emergency.

With Sohail Bhatti, they have been working almost round the clock on these issues now for weeks.

And finally, Mr Presiding Member, the Minister for Health, Paul Balban has been in constant work alongside the many professionals in the GHA as that organisation prepares itself for the influx of patients.



The Minister for Health's role has been secondary to that of the Minister for Public Health, until now, because the latter is the one preparing for the work to 'flatten the curve' that we are so keen to do.

The Health Authority however, has been preparing.

And they have prepared extraordinarily well thanks to the work of its professionals and the leadership of Paul Balban.

And Mr Presiding Member, in particular, I want to reflect on Paul's stoic approach in the face of some undignified criticism. He has just carried on regardless with the job at hand.

Today, for example Mr Presiding Member, our hospital has 96 available beds at St Bernard's.

We are therefore as ready as possible for what is to come.

COVID EMERGENCY BUDGET STATEMENT 2020

Mr Presiding Member

It saddens me greatly that we are meeting today, at the time of this public health emergency.

The House is having to consider measures in extremis against the background of a scenario which none of us would ever have wanted to countenance.

I am sure that I speak for every Member of the House when I say that, in that respect, I have no doubt I can include all those Members who are not in the House today in expressing that sadness.

If I may say so, Mr Presiding Member, they are all greatly missed, whichever side they may sit on.

The House has been asked today to meet to consider a Bill published less than 48 hours ago.

It is a Finance Bill, an Appropriation Bill, that will amend our existing Appropriation Act.

It is agreed with the Leader of the Opposition and his party.

And Ms Hassan Nahon has also indicated that she considers it is best that we should proceed in this way.

When we consider that our Budget Sessions are traditionally the time when we debate what we call 'The State of the Nation', it is really remarkable and unprecedented that, instead, we should now by way of agreement, bring an extension to our existing appropriation at a time when the state of the Nation is in such flux.



It is no hyperbole to describe this moment as without precedent in the history of our democracy.

We are living in unprecedented times.

But in bringing this Bill, we are assisted by precedents established in different, perhaps less extreme circumstances.

The virus, Covid-19, is coming at us at an exponential speed.

Physically it manifests upon the body first gradually and then suddenly.

It will use the same speed to infect and disrupt our economy.

Its effects have already been felt by the vast majority of businesses operating on our Rock.

Bars, restaurants and other establishments are closed by Order of the Government.

Large events have all been cancelled.

Gibraltar is closed to tourists.

Main Street, Mr Presiding Member, is a far cry from the hive of activity that we all know it to be.

Businesses are being stretched to their limits and they will be pushed to further extremes in the weeks to come.

Those over 70 are confined to their homes by an Order of the Minister for Civil Contingencies approved by the Government in a Cabinet meeting on Monday attended also by the Leader of the Opposition.

The Hon Mr Azopardi was not invited to vote.

Only Ministers voted.

But I am grateful he attended and questioned experts and contributed to the debate.

And it was the first time we have voted on a measure since our election in 2011, given that we have sought always to resolve matters by consensus.

The vote was unanimous.

It was important that it should be.

Because, Mr Presiding Member, this is a seminal measure that deprived of their liberty some of the people in our community we all have the highest regard for.



A measure imposed out of our love for them and our desire to protect them from the invisible killer that lurks amongst us and which puts them at the highest risk.

But it is clear, Mr Presiding Officer, that society is not functioning normally.

To quote a character that may be better known to our 70 year olds than our 17 year olds, Dr McCoy from the ORIGINAL Star Trek television series, what is happening on our streets and homes today is “life Jim, but not as we know it.”

In fact, it is impossible to understand that in a liberal, modern society, there are some who are calling for the Government to do more to confine even larger sections of our population.

And we may have to do so, but we can only do so on advice.

Liberty is one of the most precious and fundamental of our freedoms and we will be loathe to go further in restricting citizens rights of movement unless we are unequivocally advised to do so for the protection of the most overwhelming of our fundamental rights which is the right to life.

That is why at the time when the Government has taken the unprecedented step to curtail the usual freedom of movement for our over 70s, I have also asked all other members of our community to try of their own volition to follow where possible the advice given to 70 years olds.

Do not go out unless it is absolutely essential.

Avoid contact with others as much as humanly possible.

Of course, such instructions and advice are good to slow the spread of the virus.

But they are the antidote of our usually buoyant economic activity.

And in this alien environment, like our constituents and our businesses, the Government is also being stretched beyond our ordinary parameters, because our primary focus is and continues to be the protection of life.

The safety and security of our people.

The first duty of Government.

The same applies to so many of our departments, authorities and agencies – not just the Gibraltar Health Authority, which is undoubtedly the front line in the response to the virus.

Indeed, Mr Presiding Member, as you are accutely aware, normally at this time of year, the Government finance teams would usually be working in earnest and progressing their preparations for the estimates of revenue and expenditure.

That work was progressing well this year as usual, but in the present circumstances, we simply do not know what the next couple of weeks or months will bring.



This is a time in the calendar where I would usually engage with the Financial Secretary and convene meetings with the larger departments, as might have been necessary, to discuss their budgetary requests for the next 12 months such that the Estimates of Revenue and Expenditure could be laid in Parliament by the end of April as is required by the Constitution.

The largest spending department of all in our government structure is the Gibraltar Health Authority.

Not only would such meetings now detract our key civil servants from planning and executing our defence against this virus, they would also be wholly inconsistent with our social distancing objectives.

It is unrealistic in the extreme that these meetings could now go ahead.

Like so many aspects of what we have hitherto considered to be normal or routine, they have had to be cast aside in these moments of massive human and economic uncertainty.

One of the things we would be doing would be assessing what the forecast outturn for the year would likely be by the end of March and any unusual or extraordinary expenses we might have in the last quarter would have to be factored in.

Of course this year, whilst our estimates were being assessed, our costs across the board are all being severely affected by the unusual and extraordinary expenditure that we are seeing and committing to in our fight against this virus.

And this will not just be reflected in the last months of the financial year, but in the coming months of what would then be the new financial year.

At this stage, we are unable to have any clarity on how spending will have to evolve.

We cannot see trends yet when dealing with a new threat that is not yet even hitting us as hard as it will.

This is not only an expenditure in terms of the GHA.

The GHA will have whatever it needs in order to deal with this virus.

But there is also the expenditure that we are expecting in associated areas such as contingency planning and the cost implication of our injections of measures for our economy generally in respect of the initiatives announced and to be announced in support our economy during this challenging time.

As we have stated in various of our press statements, the economic measures I have announced will need to be dynamic and may need to be updated as this public health crisis evolves.



Any changes to these economic measures would also have a natural and delayed impact on any budget that we could present.

Therefore any submission of estimates at this stage is difficult if not impossible to close.

Additionally it will almost certainly not be ultimately representative of the true costs to be incurred throughout the next year, as the financial impact associated with this virus is exceedingly difficult to project at this time.

For this reason I am proposing to the House this morning, that we should change the financial year and extend the present financial year by six months, that is to a re-stated financial year end September 2020.

Mr Presiding Member in the present crisis, I am thankful to the Leader of the Opposition, the Hon Keith Azzopardi, and also Ms Marlene Hassan Nahon as they have both lent their support for this approach.

I have spoken also with the shadow member for Public Finance, Mr Clinton and discussed aspects of my intervention with him.

He has indicated publicly the areas he wants to have further clarity on in the context of this debate.

I am therefore going to address these in the course of my intervention now.

The areas in question are extent of the Rainy Day Funds available and the Government's intention when it comes to borrowing.

In respect of the former, I am able to advise the House that the Rainy Day Funds hold available cash in the region of £150 million pounds of readily available cash.

£46 million pounds is in the Savings Bank Reserve.

£15 million pounds is in the General Sinking Fund.

£1 million pounds is in the Government Insurance Fund.

£1 million pounds is in the Note Security Fund.

It is additionally reported to the Government by the Trustees of Community Care that the sum of £87.5 million pounds is available to that charity to enable them to continue to pay Household Cost Allowance and Community Officers in months and years to come, even if the Government were unable to provide them with the usual annual and extraordinary contributions.

These sums are subject to the usual end of month and year journal adjustments, which we have not been able to carry out, and the figures I am giving the House are therefore reasonable estimates considered to be correct as at the end of February.



Mr Presiding Member I turn now to address the latter issue raised by Mr Clinton of anticipated further borrowing that the Government may consider engaging in these difficult times.

I can confirm we will now increase borrowing.

We are able to do so because of our existing level of direct borrowing and this will enable us to be able field the necessary fire power to assist individuals and businesses in this difficult situation.

I do not ask Honourable Members opposite to abandon their views in respect of the structure of borrowing, but I can tell them the following:

We intend to stay within the 40% ratio of direct borrowing to GDP.

In calculating therefore, the maximum borrowing that we will incur, we will work conservatively with the GROSS borrowing figure.

On that basis I can advise, the gross borrowing figure is presently materially unchanged from the earlier reported figures at £447 million.

The GDP of Gibraltar as reported at the time of the last Budget for March 2019, almost exactly a year ago was £2.35 BILLION.

We conservatively estimate that the GDP is now at least £2.44 BILLION.

At those levels, the 40% ratio would produce a potential maximum borrowing of £940 million with the GDP at £2.35 BILLION and £978 million with the GDP at £2.44 BILLION.

Mr Presiding Member, we consider that this calculation CONSERVATIVELY allows us a borrowing now of an ADDITIONAL HALF A BILLION POUNDS if our community requires it.

It is important to note that sovereign borrowing rates are presently at a historic low, with the Bank of England Base Rate at 0.1%, the lowest it has ever been since 1694.

So Mr Presiding Member, we are ready to take up to £500 million of borrowing if we need it.

We are already confident we have access to that level of lending.

That equates to a package of measures which will amount to over 20% of GDP.

Importantly, we have already stated to work towards a first tranche of £150 million to be immediately available should it be required in the immediate, short term.

The Hon Mr Clinton has also spoken at length with the Father of the House about some of the details of the Schedule to the amending legislation.

The Schedule to this Bill will in effect replace the Schedule to the existing Appropriation Act under which all Government departments are presently spending.



I would usually take the House carefully through the Schedule and then my colleagues would go into great detail on the work being done by their departments in respect of each of their areas of political and ministerial responsibility.

I will not do so today in that level of detail.

The numbers are in great measure simply an addition of six months, that is to say, half again, the expenditure voted by the House to the service of each department.

I am grateful to Mr Clinton for his approach to this proposal and to this debate.

We have had a long running difference as to the mechanics of this debate and the casting of the Estimates Book.

He has agreed to put that continuing difference of opinion to one side to support the passage of this Bill through its stages in the House today.

I fully recognise that the position being taken by the Official Opposition is WITHOUT PREJUDICE to their continuing contentions in respect of what one might call the traditional Budget Debate.

I am not going to suggest, in hopefully happier times to come, that they somehow have abandoned those positions by supporting us in this crisis now.

It is also true that the Honourable Mr Clinton and I have had many disagreements and periferal, less important but perhaps more contentious matters.

We have both agree to put those disagreements entirely to one side.

It is important we should do so at this time.

I do hope we will be able to say we have done that not just for now, but for good, when everything returns to normal - whilst still taking a robust, but mutually less personalised position in respect of our different views on the technical aspects of the public finances.

Mr Presiding Member, it is important that people watching should understand what it is that this Bill does.

In both technical and layman's terms what this Bill does is change the financial year period.

The effect is that the next financial year will now start on the 1 October 2020 because this financial year will end on 30 September 2021.

Under the Constitution, the Estimates of Revenue and Expenditure need to be laid within 30 day after the commencement of the financial year.



This is provided for in Section 69(1) of the Constitution, which provides as follows under the heading of “*Authorisation of expenditure*”:

69. (1) *The Minister with responsibility for finance shall cause to be prepared and laid before the Parliament, before or not later than thirty days after the commencement of each financial year, estimates of the revenues and expenditure of Gibraltar for that year.*

By changing the year end as proposed, we effectively push back this requirement to around the end of October 2020.

It is possible – depending on how matters progress - that in the coming months, we may seek to further extend the financial year.

But these are not decisions that we can take today, which is why the extension proposed is for a limited period of 6 months.

Additionally, as the Leader of the Opposition has pointed out to me, we may nonetheless together decide that it is less convenient for all that we should have a Budget for 6 months in October and we may decide that it is better to run an accounting period of 24 months in these extraordinary circumstances before reverting to a ‘normal’ 12 month accounting period to run once again from the usual date of 1st April to 31st March.

I have no doubt, however, Mr Presiding Member, that all Honourable Members and everyone watching us, would have felt like real APRIL FOOLS if we had been attempting to debate matters with a 1st April start date this year with what is going on around us.

As I indicated, there is ironically some precedent for this unprecedented situation.

This process of changing the financial year has been undertaken once before, in 1970, when the year end was extended from December 31st until the following March to seek to align Gibraltar’s year end with the United Kingdom’s year end.

As this was done by the Intergration with Britain Party when they were in Government as perhaps a first, I wonder if it was a first, faltering step towards integration? It has not been done since and we stuck with the March 31st date.

In order to provide the necessary financial headroom for the date extension to happen, the Bill not only changes the year end but also adjusts the Appropriation Bill 2019/20 we passed last year to increase the amounts in the Schedule.

In regard and in respect of the numbers in the Schedule, the following points should be noted:

Most departments, agencies and authorities recurrent amounts have been increase by 50% to reflect a further six months of operation.

That does not apply to the GHA, where an extra amount of head room has been applied.



In this regard our people should understand we will deploy the necessary resources to face this health crisis.

The Gibraltar Health Authority will have what it needs to face this crisis.

Throughout the Schedule, all amounts have been rounded to the nearest £ 1000;

An exercise has been done by the Financial Secretary and the Ministry of Finance in respect of the Improvement & Development Fund to provide for those projects that have commenced and are continuing and not to provide where projects have finished during the period to March 2020.

Therefore the amounts provided here are less than the 50% extra applied elsewhere.

The reduced allocation here reflects the fact that no new projects will commence within the next six months.

The next six months will in effect be similar to the start of each financial year whereby departments are curtailed and required to remain within the previous year's budget save this period will extend to six months rather than the usual four months.

Notwithstanding the change in Ministerial portfolios, the ministries will have the same structure as in the current approved estimates of revenue and expenditure save a new minister is now responsible broadly in line with the announced responsibilities when we distributed portfolios after the general election.

In the circumstances I do believe this is the best way to proceed in this period where changes are occurring on a daily basis and our focus rightly needs to be on public health concerns.

In doing the things we are doing today in the manner in which we are doing them today in the House, united and together in the common purpose of saving our economy from systemic failure, what the Government, the Opposition and the whole Parliament is saying WITH ONE VOICE is that things are going to get worse before they get better.

We are delivering a nation wide EXTREME WEATHER WARNING.

An extreme weather warning of indeterminate but massive potential strength.

With massive potential adverse effects.

And for an indeterminate period.

We are planning for the very, very worst.

We are hoping for the very, very best.

Mr Presiding Member, large and small business, employers, employees and the self employed will need considerable help as we navigate these uncharted and turbulent waters.



That is what the Government is very keen to ensure we are delivering.

And we want to ensure that our measures are designed to deliver the relief necessary in every affected sector.

Indeed, it is becoming increasingly likely that we will have a shorter list to compile of the sectors that will not be affected than the list of sectors that will be.

So, Mr Presiding Member, I already made announcements on Monday in my Ministerial Statement.

I will provide some more detail on those measures now and I will provide additional measures and create a framework to produce new measures for those businesses, employers, employees and the self employed to help them to get through this gathering storm.

Mr Presiding Member in the financial crisis of 2008, the key concern of central banks was to alleviate the plight of Banks.

In this looming financial hurricane about to hit, the key must be to alleviate the businesses and employers so that they can take care of the employees.

And we will not forget the self employed.

In the end, they are the ones whose ability to spend will determine whether or not our economy and economies around the world will be able to bounce back and they will bounce back.

So, Mr Presiding Member, the Government will provide relief across all affected sectors.

We will provide support for businesses.

I welcome the commercial support already being provided to businesses by all commercial lending institutions.

We will introduce measures to encourage all lenders in our economy to take the approach of the commercial banks to the borrowing of businesses and individuals.

Lenders should realise that a loan extended is better than a loan defaulted or by liquidation of a borrower and bankruptcy of a guarantor.

I am sure all sensible lenders realise this.

The measure we have introduced already on Monday in respect of Landlords has already been positively received by many who are commercial tenants.

I must say I have been very pleasantly surprised by the approach of Landlords.



Individual landlords have approached the Government to confirm that they will take the measures proposed or do even more to alleviate the plight of commercial tenants.

These include some of Gibraltar largest and most prestigious landlords of some of the most important commercial properties in Gibraltar and I want to express the Governments gratitude for the extraordinarily positive approach.

The Government itself will extend its measure beyond the sectors initially proposed and will be providing full details of the sectors to be supported in this way.

Again, the list of sectors which are not affected will be shorter than those that are not affected.

Additionally, I will be meeting with the Gibraltar Landlords Association to on Monday to discuss how best this sector can continue to assist businesses through this crisis.

Measures may also be required in respect of residential rents payable to landlords.

In this respect I will propose a measure for private landlord rents to be treated in the same way as commercial rents in cases where a landlord enjoys the benefit of the property rented free of a mortgage or where the landlord is able to secure mortgage relief from the lending institution involved.

This measure, as all others I am considering, will be implemented only AFTER I have met with the Covid Economic Liaison and Advisory Committee which I am hereby establishing.

I will invite Unite the Union and the GGCA as well as the GFSB, the Chamber, the GBGA, the Finance Centre Council and the Landlords Association to form part of the CELAC.

I will convene the CELAC to meet tomorrow, Saturday, to continue to thrash out the exact details of measures out in a manner that works for business.

This will also provide the further clarity in respect of the measures already adopted and which the GFSB and Chamber have welcomed but need more detail on.

Additionally, Mr Presiding Member, in order to be able to target the cost of this crisis in terms of support for the economy we are considering setting up a Covid 19 special fund into which most of the borrowing fire power will be placed.

This fund will then apply its amounts to economic initiatives, incentives and other measures we introduce in consultation with CELAC to protect this economy such that it endures this crises. In this way these costs will be contained and measurable.

This applies to economic initiatives, the additional costs to the GHA and within Government which will be met from the usual heads.

The fund will contribute as appropriate to cover these costs.



It is in order to give effect to the measures we will implement in law that I am proposing the inclusion of a new section 8 into the Appropriation Act 2019.

It is a section designed to give me very wide power to make regulations and amend legislation.

The power will be used only as necessary, to give economic relief to businesses and to individuals.

The fact is that we still not have full clarity of what is going to be required to keep our businesses afloat and that in that way our workers can be properly funded when they need to be.

We may need to scale up our support further, not just by announcing measures but by also providing the certainty that the relevant rules and laws are being changed.

I want to be clear that the power I am seeking is limited in time and purpose.

It will exist only for 90 days.

It can then only be renewed by this House or – if that is impracticable - by my express written agreement with the Leader of the Opposition, and with that written agreement to be tabled in the House at the first available opportunity thereafter.

Additionally, Mr Presiding Member, I want to record in Hansard that I will use this power sparingly and will only do so without consulting the Leader of the Opposition unless it is absolutely impracticable to do so.

It is a power not just to make any regulations but also to amend any primary or secondary legislation, as may be necessary to put in place measures to assist businesses, registered employers and employees and the self-employed.

The power is curtailed to matters arising in the context of the public health emergency created by the Coronavirus Covid 19.

Mr Presiding Member, the House can be assured of my undertaking, that the power will be used properly and as required only.

At this time that we are considering the plight of employees in the private sector, we can also reflect perhaps less wryly and more positively upon the size of Gibraltar's public sector.

So often in this House we recriminate each other on the size of the public sector.

Today we can congratulate ourselves on it for one reason.

The Government will of course lead by example and every employee, whether self isolating, redeployed or sick with Coronavirus COVID 19 will of course continue to be paid.



We will thereby ensure that a large chunk indeed of our labour market will have no need for concern in respect of their salaries.

By doing so we will have a trickle down effect on the rest of the economy.

But I want to do one thing today which is important.

I want to thank every single one of our public sector workers for the work they do and are doing.

I want to single out every single one of them.

I want to thank them and highlight the work of those on the front line of this crisis in our health services and care sector.

In our elderly residential services as much as in our GHA.

In our civil contingencies departments.

In our law enforcement agencies and in our emergency services and in our utilities.

And generally everyone in the public sector.

Thank you all for what you do.

You are assured your salaries.

You will also largely be in the front line.

And I want to recognise all those in the private sector who keep working and who are not so assured their salaries. We will work to assure them.

Especially those who are keeping our people fed and watered in supermarkets and grocery stores and in pharmacies and chemists.

And our cooks and delivery people.

Each and every one of you.

And I want to thank every one of our volunteers. Almost 900 already.

Thank you all so very much for coming forward and for being ready to do more.

Mr Presiding Member, our key objective is to ensure our businesses can stay afloat.

We will do whatever we can to ensure that no business will face insolvency as a result of this crisis.



But our fundamental objective will not just be the businesses, it will be the employees of the businesses and the self employed.

For that reason we are today asking employers not to lay off staff.

We are seeking to establish a mechanism in coming days, which we will finalise in consultation with CELAC to protect employment and employee income.

This may include the establishment of a temporary lay off scheme linked to new benefits scheme payable to employees.

I know that the GFSB and the Chamber have already written to me on this basis and the Unions will need to understand, and be comfortable with, the measure proposed.

The Government will need to be satisfied that such a measure will offer employees protection for the relevant period of unemployment and ensure that they have income in that period.

We will also propose an alternative measure for employers, employees and the Government to share the cost of this period.

Essentially we may propose, for discussion, a mechanism where each of those parties bears the burden of funding employment for a period.

An employer pays full salary for a day, the employee takes no remuneration for a day or loses a day of paid holiday pay, and the government funds a day at an agreed amount.

Again, this proposal will be put to the CELAC for consideration and will include consideration of further measures to be announced in the United Kingdom today or in coming days. I believe the Chancellor will be making a statement today.

We are seeing measures from all EU states, from Supra-national bodies and from Central Banks.

We want to ensure we put in place the most effective measures to protect businesses and workers.

Indeed, Mr Presiding Member, the UK is about to see a third tranche of Budget measures announced in one week and we continue to keep a very keen eye on what is being done there by Chancellor Sunak to determine how best to act here also.

As all Honourable Members know, I met last week with the Prime Minister, the Rt Hon Boris Johnson MP, in Downing Street in London.

We spoke about the future relationship negotiations with the European Union which at that time seemed like quite a pressing matter.

We spoke also about the developing issues facing all of Europe in respect of Covid 19.



I asked the Prime Minister for support in respect of the challenge that Covid 19 represented to Gibraltar in particular, given our geographic reality at the southernmost tip of the Iberian Peninsula.

At the Prime Minister's invitation, I wrote to him detailing the support we expected we would need in respect of Covid 19.

I wrote to the Prime Minister immediately after our meeting.

I detailed the short, medium and long term challenges I could see developing for Gibraltar.

One of my key requests of the Prime Minister, who has always been fully supportive of Gibraltar, and who told me we would have what we needed to deal with this challenge, was that we should have access to the package of measures being made available by the Chancellor of the Exchequer to UK based businesses.

My request arose from the fact that packages of measures are being assembled for access by European small and medium sized businesses to which Gibraltar would have had access forty five days ago before our de jure departure from the EU, but which Brexit may now denied us.

Gibraltar is unique amongst the Overseas Territories and Crown Dependencies in this respect, as none of the others had access to European Regional Funds before the end of January.

The UK model to replace European Regional Funds has not yet been developed.

As a result of this, and subsequent communications via colleagues in the Foreign Office, I spoke late last night at some considerable length with the Financial Secretary to Her Majesty's Treasury in the United Kingdom.

Financial Secretary Rt Hon Jesse Norman MP was positive in his understanding of the particular difficulties that Gibraltar is facing given our geographic reality and the UK facing nature of our financial services and online gaming industry, as well as the problems being faced by our tourist industry given the current lock down in Spain, which in turn is creating huge uncertainties for the people who work in these sectors.

This is adding huge stress at an already very stressful time.

I am taking forward discussions, therefore, with the UK to develop a meaningful package of measures of the scale required to allow Gibraltar's small and medium based businesses to access funding which will enable them to survive the economic crisis that accompanies the progress of the virus through Gibraltar and as we take increasingly stricter measures to slow its progress.

There will be much work to be done, but the commitment to work to develop the package and to make it meaningful and of the scale required, will give great confidence to all in our economy.

And we will work together with the United Kingdom to develop that package in a way that is fair, that protects entrepreneurs ability to continue to be generators of wealth in our economy and protects workers in these unprecedented circumstances.



I am also taking forward discussions with the UK on support for the Gibraltar government's own borrowing needs to ensure that we have the headroom and firepower to protect our economy at this difficult time and ensure that we can survive this historic global economic downturn as well as regenerate once the crisis recedes.

SPECIFIC MEASURES

Specifically, I must turn now to some measures which will apply to particular sectors of the economy requiring immediate direct support.

Mr Presiding Member in the Hotel Industry, we are talking directly to our hotel operators to finalise a package that will enable them to continue trading and to continue to fund staff costs.

We need to be ready to have our hotels available when this crisis passes.

We may also need our hotels in the coming weeks and months to house additional medical personnel or for other purposes.

It is not advisable therefore that we should see our hotels close, if we can avoid it.

We will finalise the package for our hotels to remain open in the coming hours.

Our online and financial services industries are aware that we have worked and are working hard to maintain border fluidity for essential workers, goods and services.

Our approach in respecting the Spanish decree, liaising closely with the Spanish Authorities and Health Services and taking our own austere measures to guard the most vulnerable in our community, gives no cause to think that essential cross border migration will be curtailed.

But cross border movement is subject to the same rules as the Spanish State of Emergency decree provides for one you enter Spain.

Indeed, Mr Presiding Member, I should record the gratitude of Her Majesty's Government of Gibraltar and the people of Gibraltar for the call from Spanish Foreign Minister Ms Aranzte Gonzalez Laya earlier this week during which we reconfirmed our views on the importance of fluidity at the border.

The public nature of the conversation will have created great confidence about continued fluidity in the context of respect for the Spanish State of Emergency.

Today the Gibraltar Government has published notices in our local newspapers so that cross frontier workers are clear on the documentation necessary to cross the frontier.

Most online gambling companies have now implemented remote working policies and other business contingency arrangements which will serve them well when we emerge from this pandemic.



The same is true of the public sector where many are now able to work from home.

We will look forward to working with them directly and through the GBGA to relaunch all activities as soon as possible and especially as the sporting calendar resumes in the months to come.

What we need to put in place now are the support mechanisms that can be provided to those companies and their employees.

For that purpose we will shortly establish the Gaming Industry Contingency Framework that will enable us to understand individual companies and collective industry pressures at this hugely challenging time.

It will enable us to be agile in our response, and Gambling Division resources will be focussed on that.

Initially I can confirm that the next date for Licence Fee payments for Gaming Firms which is 1st April will be deferred to 1st July this year.

Additionally, I can confirm that the deferral of PAYE/Social Insurance contributions I referred to on Monday will apply to this sector.

Our motor industry will also enjoy the terms of the duty waiver announced by me on Monday, but will do so only in a way that we are satisfied delivers the savings in the duty entirely to the ultimate consumer in a manner verifiable by the Ministry of Finance.

We will finalise the details of how this will be operated by way of rebate with our motor vehicle importers in coming days.

This we trust will create continued confidence in this sector which employs a large number of people.

All of these measures are about continuing employment and continuing to pay staff.

Keeping people paid and on the books or otherwise provided for under the temporary lay off provisions we will make.

Mr Presiding Member we are working constructively with all unions.

With the NASUWT we are working closely on keeping our schools available for those who are key workers and whose children need to be provided for whilst they work.

Our teachers, LSAs, Schools secretaries, cleaners, technicians, caretakers, all our school staff have been brilliant.

They are our partners in what we are trying to do.



And Unite and the GGCA and the Chamber of Commerce and the Federation of Small Businesses are working with us also in a common endeavour – to keep our economy alive.

That is our common aim.

We will do so in a way that protects all aspects of our economic activity.

In fact, Mr Presiding Member, the Government cannot do this alone.

But we can all do it together.

Not looking inwards to self interest but outwards to community interests.

Sharing the pain.

But also reaping rewards together.

PRICE CONTROL

And in this respect, Mr Presiding Member, we will not hesitate to act to stop profiteering,

We have seen remarkable work from volunteers.

The Chronicle and Panorama are gifting their papers to our vulnerable over 70s.

The Gibraltar Confectionary are donating bread daily to our elderly citizens.

Eroski and Morrisons are making special provision for our elderly to shop.

Even our rugby players are supporting our elderly with cake deliveries.

And I cannot mention everyone who is acting out of sheer kindness and community spirit, because there are so many.

But if we find someone profiteering, we will implement Price Controls, and we will do so retrospectively if necessary.

Mr Presiding Member, already today the Office of Fair Trading will start a price monitoring scheme.

Now, people must also understand that, it is true that, our retailers and our wholesalers will be suffering from the increases in prices in the world markets as a result of the problems of huge demand and low supply of some goods.

So some of what might appear as profiteering in the shops will actually just be an increase in the cost to the shopkeeper and the wholesaler which is NOT happening just at a local level.

If it is, we will stop it.



But it is part of protecting our vulnerable and our working people to also stop price abuse if it exists.

Mr Presiding Member,

On Monday evening, in my Statement to the Nation, I announced certain measures in respect of the retail distributive and catering trade.

But I want to be clear.

We are going to reach out to all affected sectors.

We will work so that no prudently managed business will go into liquidation.

No worker, no person, no family, will go without.

So that by next week no worker, no person or family will have to worry about paying the rent or buying food or essentials.

That is what I will use the extraordinary power I am taking to achieve and I will do so, in the closest consultation with the Leader of the Opposition.

We will do whatever is necessary to get through this crisis together.

Now is the time for our society to come together.

To make the best for all

To work for all

Because we are all at the mercy of the physical world – even its invisible challenges.

In the last financial crisis the banks were bailed out.

This time we have to bail out our people and businesses.

To put a shield around the most vulnerable in this community.

Because we will come out of this.

But when we do, we will be a different Gibraltar.

We must be a different Gibraltar.

And we must be in a different world.



Where we better know what matters most.

Where we will be the better for it if we do.

Honourable Members must know that if worst case predictions are borne out our toughest moments yet to come.

So today I am asking for sacrifices by employers and by employees.

I am not forgetting about the self employed.

And I am calling for social, communal and national unity.

We will have to reconstruct, rebuild, our nation – socially and economically.

When we do so, we will have a generational responsibility

To rebuild a better society.

A better social model.

A society built on responsibility.

The age of entitlement is long gone now.

The age of responsibility is all we have left.

But this will not just redefine or mark a generation of Gibraltarians.

This is a moment of global redefinition.

And as we hanker to go ‘back to normal’ we must be ready to challenge ourselves also.

Let us take the good out of the normal that we knew and bring it back with care and refinement.

Let us take the bad out of the normal we knew and confine those aspects of our previous lives as we knew them to history

Let us adopt a different definition of success going forward.

We need to ensure that the way we act in coming days is fashioned around the key principle of human solidarity, social solidarity and community solidarity.

Let us do so only in a manner that achieves the common good

That is our responsibility.



The history books are being written by our actions.

The judgement of history will be harsh if we fail and harsher still if we allow our egos, our partisan interests or any objective beyond the safety and security of our people based on the best clinical advice to determine how we act.

If we don't take drastic economic measures now, we shall suffer drastic economic consequences in the future.

Mr Presiding Member, conscious of the historic challenge we face, conscious of the needs of our community and conscious that the first duty of Government is the protection of the safety and security of our citizens, which we best do by extending the 2019 Act as I have explained, I commend this Bill to this House.