



PRESS RELEASE

No: 420/2020

Date: 24th June 2020

Government ready to work with ambition for sensible Brexit solution

The Government notes that the referendum on the United Kingdom and Gibraltar's continued membership of the European Union took place four years ago, and that today is the exact anniversary of the announcement of the result. That outcome was not supported by the vast majority of the people of Gibraltar, including all the political parties and the main representative organisations. The Government of Gibraltar considers that it was a bad result for Gibraltar, for the United Kingdom and for the European Union as a whole.

However, even though the outcome was not to our liking, the Government fully respected the result of the referendum and set out to work in a constructive manner in order to protect the best interests of Gibraltar and its people.

Despite the heavy workload arising from the COVID-19 pandemic, the Government team has never taken its eye off the Brexit ball and has continued to monitor all developments and to take whatever action was necessary.

The core Brexit team, which remains to this day, consists of the Chief Minister, the Deputy Chief Minister, the Attorney General and the Financial Secretary. The huge logistical exercise in respect of EU exit included many other public servants, countless documents and over five hundred meetings in Gibraltar, London, Brussels and Spain. It will be recalled that there was a very real risk that Gibraltar would be excluded from the Withdrawal Treaty and from the transitional period.

The Government successfully navigated those waters and, through a Protocol to the Withdrawal Agreement, four MoUs and a Tax Treaty, secured the inclusion of Gibraltar in the UK-EU exit arrangements including in the transition.

There was a separate work-stream at the time which sought to prepare Gibraltar for the effects of a no-deal Brexit in the event that the United Kingdom and the European Union failed to conclude a Withdrawal Agreement. Some of the preparations for no-deal have proved to be very useful for Gibraltar in different scenarios, and will continue to be today, in the event that the UK and EU do not agree the framework for a future relationship.

The Government, four years after the referendum vote, has started work on the future relationship also. This has covered many months of discussions and meetings with the United Kingdom. More recently Gibraltar attended a positive meeting in Malaga with the UK and with Spain, our nearest EU neighbour.



It is no secret that there is considerable economic interdependence between Gibraltar and the region next door. There are some 15,000 persons who live in Spain and who work in Gibraltar, making us the second largest employer for the region of Andalucia, after their regional administration. Gibraltar residents spend over £70 million a year in goods and services in Spain. Gibraltarians with second homes in Spain make an annual contribution of over £62 million to the Spanish economy and Gibraltar imports over 1.5 billion euros a year from Spain. This makes Gibraltar the largest export market for the province of Cadiz, ahead of the United Kingdom and France. Indeed, the data suggests that Gibraltar contributes some 20% of the GDP of the Campo area next door.

This means that decades of EU membership have created a close economic relationship between both sides of the border. It is important for all involved that this is not lost as we move forward to agree a future relationship with the EU. Indeed, in the right circumstances, the shared prosperity that already exists could be expanded and extended even further.

It is in the interests of all sides to make sure that there is a sensible solution in place once the transitional period comes to an end.

The Government is committed to work tirelessly on our future relationship with the European Union, with the same degree of ambition, energy and enthusiasm, that we have displayed in the past.