



## PRESS RELEASE

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### **Government welcomes UK Sovereign Guarantee**

Her Majesty's Government of Gibraltar has welcomed the Written Ministerial Statement on Gibraltar's Covid Response filed today by the Secretary of State for Foreign, Commonwealth & Development Affairs of the United Kingdom, Rt Hon Dominic Raab MP.

The Written Ministerial Statement confirms that it has been agreed that the United Kingdom Government will provide a loan guarantee to the Gibraltar Government for a lending facility of up to £500m.

This guarantee will provide resilience to the Government's finances by enabling Gibraltar to borrow at more favourable rates, relying on the UK government's higher sovereign credit rating as the guarantor and confirming the Government of Gibraltar's capacity to repay the principal loan and thereby also providing HMG with the reassurance regarding its liability under the guarantee.

We are now finalising loan arrangements pursuant to this guarantee on which we will say more as soon as possible.

The Chief Minister of Gibraltar, the Hon Fabian Picardo QC MP, said:

'I warmly welcome the support for Gibraltar that this sovereign guarantee represents.

'I want to specifically thank the Prime Minister, the Chancellor and the Foreign Secretary for their understanding and support in these difficult times.

'This guarantee is the result of the work which started when I spoke at length to Financial Secretary to the Treasury, the Rt Hon Jesse Norman MP, late in the evening of the 19<sup>th</sup> March this year. At that very early stage, pre-lockdown, he understood how the COVID pandemic was likely to affect our finances and was quickly running with the need for support that Gibraltar was going to need.

'The fact that the arrangements have been approved speaks to the exceptional relationship that we have built with the UK over the last nine years at every level of Government.

'It also reflects and demonstrates the maturity of the relationship between Gibraltar and the United Kingdom. In times of difficulty we can openly discuss our concerns, find a way through



dialogue to address these and work together to deliver results. That is a mature relationship of partnership of which we can be justly proud.

'I am greatly satisfied with the guarantee as it will enable Government to borrow at much reduced rates and more easily at this difficult time.

'This will enable the Government to have the additional firepower it will need to address the financial consequences of the COVID crisis. This is even more likely now that there are hopeful signs that we can see a way out of the pandemic through vaccinations in coming months and the early part of next year.

'It also shows not just support from the UK, but is also, importantly, an unprecedented statement of confidence in our jurisdiction, our economy and the state of our public finances at the point of arrival at this crisis. Additionally, the guarantee demonstrates also that Gibraltar has been right, over successive administrations, to take the approach we have on our commitments on transparency and the highest international standards and our placing of our jurisdiction in a way that is mainstream.

'I want also specifically to end by thanking the officials in Gibraltar and the United Kingdom, including the Convent in Gibraltar, who have assisted in facilitating this guarantee and making it a reality. In Gibraltar, the Financial Secretary, Albert Mena, and his team have been key to securing this guarantee. We have been lucky to have their talents at the disposal of our community at this time.

'This is excellent news and I am delighted to be able to inform the community of this massive show of support from the United Kingdom at this difficult time.'

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