



GOVERNMENT OF GIBRALTAR
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PRESS RELEASE

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Yesterday, Bruesa informed its sub-contractors and the staff of sub-contractors that they could not be paid because of lack of funds due the Government's alleged failure to pay them £20 million due to them under the Contract. This is untrue.

The Government has paid to Bruesa every single penny that is owed to it in accordance with the contract between the parties, on the due date under the contract. This has been confirmed in writing by Bruesa to the Government, in a recent letter from its President to the Chief Minister in which he says: "We have no complaints against you, as the Employer and we respect that you have honoured all the Payment Certificates issued by the Contract Administrator."

The monies now apparently owed by Bruesa to its sub-contractors are monies for works and materials for which the Government has already paid Bruesa, but for which Bruesa has failed to pay its own sub-contractors.

Bruesa is now claiming against the Government for payment of sums (over £15 million) over and above the sums specified in the contract. In the opinion of the Independent Contract Administrator, and in the opinion of Government and its advisers, these claims are wholly unrealistic and inflated. Bruesa has the contractual right to submit those fanciful claims to arbitration, which it is doing. The Government is firmly contesting those claims, which it believes to be spurious. Therefore, to say that the Government owes these monies to Bruesa and that it will not pay, is thus a pre meditated misrepresentation of the position aimed, presumably, at fobbing off its creditors. Under the terms of the contracts, the Government presently owes Bruesa nothing.

The Government calls on Bruesa, and its parent company, both of which are Spanish Companies to face up to and honour the liabilities and obligations of Bruesa to its sub-contractors, and to desist from raising false smokescreens to avoid its commitments. It is Bruesa's responsibility to finance its contractual commitments.

A spokesman for No 6 Convent Place said:-

"Bruesa has not honoured its commitments to the Government either, and the Gibraltar Government has therefore already been obliged to sack Bruesa from one project, and is now pursuing the contractual procedure to sack it from another project. The Government will not submit to orchestrated pressure for the Gibraltar tax payer to pay Spanish or any other construction companies more than they are due under contract, or twice for the same work."