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Opposition created the Savings Bank issue they are now complaining about

The recent statement on the Savings Bank by Mr Feetham shows that either he is suffering from a massive dose of amnesia or that he does not have a shred of political integrity.

The Gibraltar Government and the Gibraltar Savings Bank, as has already been indicated, have been paying higher interest rates to savers than commercial banks for the last 25 years.

Indeed the gap between the two was increased by the GSD as a social policy to provide local savers with higher returns on their savings and defended as a good thing in parliament.

The Savings Bank is therefore today offering fixed term debentures on the same terms as was being done before the 9th December 2011. If it is the case that there are local investors removing their savings from other institutions and putting them in the Savings Bank it can only be because Mr Feetham's attempts at scaring investors by suggesting that the Savings Bank is now as less well regulated than in the past have failed. The Savings Bank is regulated now in exactly the same way as it has been for the 15 years under the GSD Government and before that since it was created. It has never failed to pay interest or repay depositors and therefore in today's climate of failing commercial banks it provides a very safe alternative home for people's savings.

It is correct to say that unlike the commercial bank the Savings Bank does not have its own reserves but it is incredible that Mr Feetham should criticise this and say that it is unfair competition since it was the GSD that eliminated the reserves and he knows that the present Government is committed to restoring them.

The Gibraltar Savings Bank used to be required to keep 10% of all the money deposited with it as their level of reserves by law. The GSD Government first changed the law to remove the 10% cover from deposits placed in the bank by the Government itself and then at a later stage did the same in respect of the 10% reserve on deposits from the general public. They argued then that there was no need to keep this money lying idle and took the reserves away, some £20,000,000 and spend it.

So if Mr Feetham believes that this situation creates unfair competition then the party he now leads is responsible for having created it.

The policy of the Government is to restore the reserves of the Savings Bank over a number of years.

To date the Gibraltar Savings Bank still provides only the same range of fixed term debentures for savers at the same rate of interest as it was done in the past.

The GSD in Government increased this gap by providing much higher interest to encourage savings.

They, now from the Opposition criticise this and apparently want the Government to pay lower interest rates to pensioners and other savers to protect commercial banks, the opposite of the policy they advocated when they were in Government.