



HM GOVERNMENT OF GIBRALTAR
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No 6 Convent Place
Gibraltar

PRESS RELEASE

No: 852/2013

Date: 26th November 2013

Garcia accuses Spain of seeking to undermine the economy of Gibraltar

The Deputy Chief Minister Dr Joseph Garcia delivered one of the lead interventions in the discussions on the economy which are taking place at the Joint Ministerial Council (JMC) in London. This brings together Overseas Territories Ministers with different UK Government Ministers.

He said that the most immediate, direct challenges to the economy of Gibraltar came not from the world economic crisis but from political decisions taken in both London and Madrid. He accused the Spanish Government of seeking to undermine the economy of Gibraltar by effectively blocking the frontier and threatening action elsewhere.

Dr Garcia said that another challenge to our economy comes from the UK's proposed Point of Consumption Tax in online gaming, which if not calibrated properly may prove seriously challenging to both the UK and Gibraltar.

The Deputy Chief Minister explained that 60% of all bets placed online in the UK are taken by Gibraltar licensed gaming companies. He told the meeting that Gibraltar has been successful in diversifying into service areas like on-line gaming and leads the industry world-wide both in terms of the quality of business and also regulation. He said that gaming employs over two thousand people, which is about 10% of Gibraltar's workforce; a similar number to those employed by the MoD all those years ago.

In this way, Dr Garcia explained the transition that the economy of Gibraltar has undergone from a sheltered Ministry of Defence based economy to one which is competing in the open market. "The world changed and we had to adapt to it," he said.

"Our economy grew by about 8% last year. Government finances produced a record surplus of £35 million. The size of economy, the GDP, is about £1.2 billion. We have one of the highest GDP per capita ratios in the world. The economy provides employment for thousands of frontier workers who live in Spain and work in Gibraltar," he explained.

Dr Garcia outlined the different components of the economy of Gibraltar in areas like tourism, gaming, financial services and port related activities like bunkering.

The Deputy Chief Minister added that Gibraltar is a part of the European Union and has to implement EU laws and directives. "Our record of transposition and compliance is second to none. Gibraltar is completely up to date with a record which is better than that of many, if not all, Member States of the European Union with infinitely more resources at their disposal", he told the conference.

The Deputy Chief Minister will be joined in London for tomorrow's session by the Minister for Health and the Environment Dr John Cortes.