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**PRESS RELEASE**

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**Chief Minister addresses Chamber of Commerce**

The Chief Minister, the Hon Fabian Picardo, MP, has said the biggest challenge to his Government has been the attitude of Spanish Foreign Minister Jose Manuel Garcia Margallo and the Partido Popular Government but that the Gibraltar Government believes all issues can only be resolved in one way: “Dialogue, Dialogue, Dialogue.” Speaking in a mid-term address to the Chamber of Commerce, yesterday evening, the Chief Minister reminded those present that during the previous Chief Minister’s term of Office from 1996 and 2000, lengthy queues were the order of the day – although the particularly vicious pedestrian queue is a new phenomenon. Gibraltar was referred to as a Tax Haven with talk of 80,000 companies and the frontier was closed by fishermen as a result of a dispute. Extensive searches of vehicles were carried out causing 2 hour queues and 7,000 complaints were received by the European Commission. The Spanish Foreign Minister, at the time, Abel Matutes called Gibraltar “The Dirty Money Colony” and talked of the mafias using the Rock for money laundering.

“There was, however,” said Mr Picardo one huge difference. The then Leader of the Opposition Joe Bossano was very clear “Before they get to him (Mr Caruana) they need to get through me!” No one from Gibraltar even countenanced blaming the Government here for the problems created by the arrest of a fishing vessel in our waters.

When Josep Pique took over the Spanish Foreign Ministry, in 2000, matters became worse. With Jose Maria Aznar heading the PP Government and relations between Gib and UK not as close as they should have been, the situation deteriorated into the threat of joint sovereignty. Today, there is no question of a return to that and the very close relationship between the UK and Gibraltar Governments will ensure there is no way back on the agenda.

The Chief Minister explained how prominent members of the Partido Popular all had one thing in common. Long before the current fishing impasse, they were positioning themselves for an onslaught to change the Moratinos approach, which had led to the Trilateral Forum.

“The common denominator of the problems is the Partido Popular’s approach to Gibraltar. The Gibraltarians must not allow themselves to be divided on these issues. During the period 1996 to 2003, the GSLP/Liberal Opposition never went to Spain to criticise Peter Caruana on mishandling his defence of the Rock. We stuck together. The Government is ready for dialogue but Spain has not yet responded to the UK’s most recent proposal.”

The Chief Minister said:

“Let us not lose sight either of the fact that the Trilateral did not meet for almost two years whilst the PSOE was in Government. It was Mr Caruana who warned in October 2010 that “There were serious issues that could not be co-operated away”. He was right, of course.” Mr Picardo went on to say: “Strong leadership in defence of Gibraltar is not to provoke. The Government will do everything with UK support to resolve the issues despite an intransigent Spanish Government.”

Dealing with the economy, the Chief Minister told the Chamber that although the first two years had not been easy they had been amongst the most successful in our nation’s history. The Rock’s economy was the fastest growing in southern Europe at close to 8%, GDP from £1.137m to £1.226 bn, well on track to meet the £1.65m target. There has been a surplus of £37m gross debt, net debt has been reduced and the Government expects to meet its manifesto commitment in this area and had already delivered on a more democratic, open and transparent system of Government.

Mr Picardo referred to his political opponents saying they cannot work out where the Government finds the money to fund its projects. He said: “They just need to remember they spent £61m over budget at the Airport and sunk £10m into a hole in the ground at the old Theatre Royal. £71m builds you a whole Government estate and leaves a little over for some cladding too.”

The Chief Minister also mentioned two new 5-star hotels coming into stream together with new Government and Private Sector projects. But Mr Picardo also spoke of the challenge Gibraltar faced from the UK Exchequer on a point of consumption tax. He confirmed the Government was fully engaged with the UK Treasury in addressing potential solutions to the concerns of the industry. Mr Picardo said huge amounts of money had been invested to ensure Gibraltar complied with all EU Directives on Financial Services. HM GoG supports the pioneering efforts of the Prime Minister David Cameron to use leadership of the G8 to end moneylaundering and tax evasion because Gibraltar has led on these initiatives.

[Editors please find attached a full copy of the Chief Minister’s Speech]