



**HM GOVERNMENT OF GIBRALTAR
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PRESS RELEASE

No: 223/2014

Date: 15th May 2014

PICARDO RESPONDS TO FEETHAM

- *This is exactly the right time to carry out this consultation*
- *The UK's own potential referendum in 2017 raises the prospect of withdrawal from the EU*
- *The Balance of Competences Review is a consultation on Justice & Home Affairs matters*

Speaking from London, having held meetings with senior Ministers, Labour Leader Ed Miliband and others, the Chief Minister said that his week in London has so far been enormously useful in briefing friends of Gibraltar on how matters are progressing here.

Mr Picardo said: "Although being away for four days is always professionally challenging, it is very helpful to have had the opportunity to meet face to face again with Ministers and other MPs who are interested in what is happening in Gibraltar. In particular, it is clear to me that the strength of feeling in support of Gibraltar and its Government has not at all abated.

"I have in particular been struck by the overwhelming support that there has been from those who we met for the consultation we are going to undertake - which will be done with the Chamber and the GFSB - on Gibraltar's current status within the EU on Schengen and the Common Customs Union. People who have thought through our thinking and our timing on this subject have appreciated that we have rightly chosen this time to explore all the possibilities, given the position in the United Kingdom on the EU referendum to be held in 2017 if the Conservative Party were to win the General Election set for May 2015. In fact, as I have already said in Parliament, the UK is undertaking a Balance of Competences review which is dealing with the application of Justice & Home Affairs issues to the UK and Gibraltar, so it is right to also now consider these other aspects of our EU status. It is of course only by dealing with these issues now, before that election or referendum, that we can guarantee that we are not inserting any uncertainty into any decision on whether or not to invest in Gibraltar.

"In the past there have been studies done by the Government on this subject and some by other sectors. For the Government today the important opportunity has arisen to consider

this subject with the Community as a whole in a consultation - to be led by the Government and business organisations.

"It is hugely important that we undertake this work and get this answer right for the next generation of Gibraltarian businesses and our community as a whole. At first blush there is no doubt that without a detailed analysis we may all think the answer should simply be that we should stay out of the Common Customs Territory. But with detailed advice on what Gibraltar's full scale of options might be, those opinions might or might not change. These may include joining the Common Customs Territory for goods but not for services (ie not for financial services or gaming). That's what we need to consider together.

"Of course it is true that my Government is presently undertaking a huge number of projects; in particular creating new housing for affordable home ownership, refurbishing previously forgotten abandoned estates, a new small boats marina and delivering on many other fantastic manifesto commitments. That doesn't, however, stop us from being able to deal with this issue alongside all others.

"The huge support that we have garnered from businesses in Gibraltar and other members of our community who have thought through all aspects why we are carrying out this consultation now confirms we have been absolutely right to announce it and to be aiming to have finalised it during the course of this calendar year.

"It would seem to me that the only person seeking to create uncertainty in respect of this important and open process is the GSD's own, self-described "nightwatchman", Mr Feetham who it seems to me from his recent statements is so uncertain of his own position that he thinks that uncertainty affects everything and everyone and not just him and his increasingly untenable position!"