



**HM GOVERNMENT OF GIBRALTAR
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GSD Opposition would increase cost of doing business in Gibraltar

- *Opposition cannot 'run with the hares and hunt with the hounds'*
- *They oppose freezing electricity costs, so they support increases*
- *They oppose spending on projects, so they would not finish them*

The Leader of the Opposition Daniel Feetham chose to have a debate on the sums of money that are being spent on Government projects. He obviously failed to realise that the logical conclusion of his criticism of this public spending is that he would not have pursued the projects or continued with them if the GSD came into office.

It is as simple as that. The Opposition cannot 'run with the hares and hunt with the hounds.'

If Mr Feetham is against the expenditure on the cladding and beautification of Glacis, Laguna and Moorish Castle Estates then the GSD would not have proceeded with this project.

If Mr Feetham is against the expenditure on the construction of affordable homes for our people, then the GSD would not have proceeded with these projects.

If Mr Feetham is against the expenditure on the small boats marina, then the GSD would not have proceeded with the project.

Now they have criticised the freeze in electricity costs, which must mean they remain committed to the policy of raising electricity costs. This means the GSD position would substantially increase the costs of doing business in Gibraltar.

The central issue which Mr Feetham is trying to avoid is that the Opposition cannot have it both ways. They should come clean and tell the people of Glacis, Laguna and Moorish Castle Estates that they are against the refurbishment and beautification, they should tell the applicants on the waiting lists for affordable homes that the GSD will not build any and they should tell small boat owners that the GSD will continue to ignore the desperate need for berths.

The Opposition are now trying to cloud the issue after they have put their foot in it. It is well known that when the GSD were in Government, they too funded capital projects through Government-owned companies which they were not accountable for in Parliament. Indeed, Mr Caruana removed £ 17 million from the reserves held by the Savings Bank in order to spend this money elsewhere. This capital expenditure through companies was not approved by Parliament and it amounted to £ 271.3 million from the period 31 March 2002 until 31 March 2011.

The present leadership of the GSD behave as if they did not know what was happening during their time in Government. In 2008, £ 48.2 million was spent by the GSD on capital projects through Government companies and this figure increased to £ 95 million in the 2011 budget, of which £ 63 million was through Government-owned companies.

At the time of the General Election, the GSLP/Liberals made the point that public debt, as defined by the GSD, was too high. We have proceed to reduce that debt. The surprise came in December 2011 when the new Government discovered that there was a £ 100 million black hole in public finances through the losses of Government-owned companies. These losses were not shown in the Estimates of Revenue and Expenditure and were not accounted for to Parliament. In other words, the information was withheld by the Government of which Mr Feetham was a part. The GSLP/Liberal Government now shows company losses in the accounts of Gibraltar which is something that was hidden from the public before we came into office! Mr. Feetham and his nonsense press statements cannot hide that fact!

Moreover, the GSD Government already had advanced secret plans to increase borrowing even further through a private placement loan immediately after the general election. This was stopped by the incoming administration. As a result, the useable cash reserve left by the GSD was £2m by then end of the election financial year. That was the "perfect storm" which, thanks to the GSLP/Liberal Government, Gibraltar was able to navigate without having to further increase borrowing from the £520m in Government debt and the £100m in Company debt that was the rotten and hollow financial inheritance they left our nation.

Mr Feetham, for all his bluster and his hubris, cannot get away from that!

It is clear that the Opposition either do not understand public finances and that they are only interested in hiding their record from public scrutiny. In this way, they are avoiding the central issue which is their failure to understand that by criticising the expenditure on Government projects they are also taking the view that these should not happen at all. The Government will continue with the positive delivery of its manifesto commitments which are designed to improve the quality of life for residents of Gibraltar, regardless of the petty and negative views expressed by the Opposition.

Chief Minister Fabian Picardo MP said: "Danny Feetham has become Peter Caruana's loudest and biggest critic. Everything he says we are doing wrong, the Caruana GSD had already established as acceptable. Yet when we act prudently in controlling spending, increasing useable cash reserves and reducing debt from the 2011 level, he criticises us. Things are going so well for Gibraltar Mr Feetham seems not to know what to say, so he is just spouting nonsense in an attempt to have the last word, despite the overwhelming facts against him. The nightwatchman on the GSD's graveyard shift had better stop digging, because his particular brand of alchemy is not persuading anyone that he has any answers, just repeated, negative, shrill criticism that does nothing for Gibraltar or it's people."