



HM GOVERNMENT OF GIBRALTAR
Office of the Minister for Tourism, Commercial Affairs,
Public Transport and the Port
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BUDGET SPEECH 2014
BY THE MINISTER FOR TOURISM, COMMERCIAL AFFAIRS,
PUBLIC TRANSPORT AND THE PORT,
THE HON NEIL F COSTA MP

Mr Speaker, it is, as always, a real pleasure and a privilege to deliver my Budget Address to the Gibraltar Parliament. This Speech, Mr Speaker, marks my seventh Budget contribution as a Member of Parliament and my third as Minister with responsibility for Tourism, Commercial Affairs, Public Transport and the Port. For all of the reasons that I shall develop Mr Speaker, it has been a rewarding year and one where my teams and I have continued to painstakingly develop and cement commercial relationships, which, I am convinced, will stand Gibraltar in good stead in years to come. Moreover Mr Speaker, insofar as is humanly possible among my many and varied business trips abroad, weekly meetings of Cabinet, monthly sessions of Parliament, functions, events and the incessant tide of all manner of correspondence, (which of course, Mr Speaker now includes personal Facebook messages, Whatsapp texts, ordinary texts, in addition to e-mails and traditional mail), I remain as committed, as ever, to be as accessible as I have always been to all members of our community and very interested in listening to new ideas. And, Mr Speaker, in discharging the constitutional obligations with which the Hon the Chief Minister has entrusted me, the betterment of Gibraltar and of our community is always at the forefront of my thinking and of my decision-making process. And it is

with this guiding principle in mind, Mr Speaker, that I turn to my different areas of responsibility.

COMMERCIAL AFFAIRS

With your indulgence Mr Speaker, I will start with Commercial Affairs.

As this House will know, the Small Business Unit and I have focused on the preparation of an Office of Fair Trading Bill. We have carried out a thorough and detailed consultation with the Gibraltar Federation of Small Business, the Chamber of Commerce, the Trade Licencing Authority and my Department of Consumer Affairs. I take this opportunity to thank every single individual who reverted with constructive comments and proposed revisions. After such a wide-ranging process, Mr Speaker, I can confidently say that this Bill will make sound and robust consumer protection and business friendly law. I am, therefore Mr Speaker, delighted to be able to inform this House that the Fair Trading Bill will today be published as a Command Paper. I also wish to thank from this House, Mr Speaker, my solicitors Isolas, and, in particular, Ms Sarah Miles who with unflinching tact and good-humoured patience endured my legalistic pedantry and my numerous requests for revisions to revisions!

Mr Speaker, the importance of this Bill cannot be underestimated and no one will doubt, on reading this Bill, that it is, in fact, transformative. With its introduction, a long overdue single point of contact to set up a business will finally be put into place as rightly demanded by the Chamber and the GFSB for various years. The OFT shall provide for the various licencing and registration requirements handled by different Government departments to be dealt with under one roof. The single point of contact will ease an applicant's present administrative burden by supplying the applicant intending to apply for a trade licence with all the relevant forms to be completed relating to town planning, development and environment permits, employment registration, registration of businesses, registration for trade licencing and registration for tax and social insurance.

The overall objective of the OFT is to enhance consumer confidence and, equally as importantly, to ensure a fair playing field in Gibraltar's market. There shall be specific

consumer bodies designated to be able to submit 'super-complaints' to the OFT where it is considered that a market feature, such as the structure of a market or the conduct of those operating within it, appears to be significantly harming the interests of consumers. The aim is to strengthen the rights of consumers, as they may not have the individual access to the information necessary to judge whether markets are failing them.

Critically Mr Speaker, the existing Trade Licensing Act of 1978 shall be repealed upon the implementation of the Act and a revised, streamlined trade licencing procedure will be introduced. The Bill introduces and gives practical effect to a statutory presumption that an applicant is able to trade in Gibraltar subject to obtaining the required trade licence in respect of that business in accordance with the Act. There is also a presumption that, if the criteria required for the original trade licensing application is still met by the applicant at its renewal date and there has been no breach of the terms of the licence since it was granted, a renewal shall be granted by the Trade Licensing Authority.

Just as importantly, the new Office of Fair Trading will be adequately staffed and resourced in order to provide the most professional and efficient service possible. In particular and crucially, Mr Speaker, the OFT shall employ a legally qualified Director to give effect to the provisions of the Bill. Enforcement officers will also be deployed to ensure that the Act is being observed and to take appropriate action wherever necessary. Mr Speaker, I shall say much more about the objective and functions of the OFT during the course of the debate on the merits of the new law.

To other commercial matters, Mr Speaker, the Small Business Board, which the House will remember I established when I first came into office, continues to meet on a regular basis and carries on its valuable work of identifying problems faced by small businesses in Gibraltar and seeking solutions. In particular, Mr Speaker, the Board considers in detail, ways in which the Government can provide the most propitious environment for small businesses to flourish and, equally, or more importantly, depending to whom one speaks, to keep overheads to a minimum. One such fundamentally important measure, of course Mr Speaker, was already introduced by the Government, which was to freeze the prices of electricity and water during our

first term in office. And, as I do not tire of saying, the prize freeze is not a policy that can be underestimated, not least when one considers that the price of electricity and water would already have increased by 15% since our election, that is to say, Mr Speaker, 5% every year, had the previous administration continued with their plans in this respect.

And, naturally Mr Speaker, this is not the only policy of the Government that will have an importantly beneficial impact on businesses' bottom line. As Honourable Members will recall, the Honourable the Chief Minister in his Budget Address announced that businesses that make early payments of rates will receive a 15% discount. Again Mr Speaker, another measure that will really help businesses. In this regard, it is important to highlight that this important reduction in rates arose as a direct result of the recommendations of the Small Business Board to the Government. To my mind, Mr Speaker, such a result is a shining example not just of the continuous and close discussion with relevant stakeholders but of the real accessibility of Government Ministers and our willingness to react promptly to sound representations that benefit our business community.

Further still, the Honourable Chief Minister yesterday announced a series of important import duty reductions to 0%, such as in respect of sunglasses, writing implements and mobile phones, which will be a welcome boost to Main Street traders.

Further to the seminars the Small Business Board organised last year on on-line shopping and on pricing and invoicing rules, the Business Support Unit has continued to look at ways to encourage business in Gibraltar. Gibraltar's first "Small Business Saturday" was organised in early December - discounts and incentives were provided by traders in order to encourage local business. Events and activities were also provided for all members of the family. It proved to be such a resounding success with the trading community, as well as with all members of the family, that a Christmas Extravaganza was also organised on the weekend before Christmas.

The House will also have heard the very exciting measure announced yesterday by the Honourable the Chief Minister to set up a committee that will assist in the setting

up of startups and supporting new and innovative business as a further means of encouraging new economic activity within our community. It will be my pleasure to lead this team in partnership with the GFSB and the Chamber of Commerce.

GBCL

I turn now to my transport responsibilities Mr Speaker.

Mr Speaker, I am thrilled to be able to make the second announcement of my address, which is to say that Gibraltar's very own Bassadone Motors has been awarded the tender for the supply of 20 Man Lions City Midi-Sized Buses.

The good news does not end there, Mr Speaker. I am assured by Bassadone Motors that the first four buses will arrive in Gibraltar on 29th September 2014, with 4 buses being delivered every week for 5 weeks. In other words, Mr Speaker, Gibraltarians will enjoy an entirely modern, eco-friendly and fully accessible bus fleet. By way of even further good news, the complete package includes a 10-year maintenance and after sales service programme and the option to part exchange the vehicles after six years have elapsed. The latter could result in significant savings.

We on this side of the House, Mr Speaker, are confident that the Man buses are the ideal buses for Gibraltar's urban routes as these buses provide great comfort and safety. Additionally, they offer the facility of flexibility and reliability for passengers by having two doors (an entry and exit), coupled with a maximum capacity for 61 passengers, (24 seated, 37 standing, 1 mother and child seat and 2 tip up seats), with ample space for wheelchairs, making these buses really versatile. The body length of these buses is 8.8 m. They are equipped with a special solution air conditioning system designed for regions that encompass hot climates, a state of the art video surveillance system and a ramp that offers easy access to passengers with reduced mobility.

The technology and diesel engines of the MAN buses are based upon modern engine and injection technologies, ensuring compliance with the Euro 6 exhaust gas limits.

Additionally, as part of Government's strategy on accident prevention, MAN will be offering professional training to all our drivers. As a result, we are persuaded that this training will achieve fuel saving together with a decrease in vehicle damage.

I am also delighted to say that this new fleet of environmentally friendly buses will meet all of Gibraltar's topographical requirements given the nature of our terrain.

Mr. Speaker, with these buses we will also see the introduction of the latest state of the art in Intelligent Ticketing System. This will not only provide statistical data, but will also incorporate GPS and WIFI facilities thus helping those members of our society who are visually and hearing impaired as well as those who rely on their Smart Phones. The ITS will incorporate talking signs and it is envisaged that real time arrival information will be a reality at selected bus stops.

Once again, Mr Speaker, this Government is showing its unyielding commitment to invest in those areas of public services that bring about real improvements in the quality of service afforded to all of our citizens.

Mr Speaker, whereas the feedback received shows that the public is very happy with the existing service and existing route network, I must say that we do receive requests for additional bus stops at different parts of Gibraltar. Whereas I do not wish to anticipate the announcements that will be made on publication of the Sustainable Traffic, Transport and Parking Plan, it will not have escaped the notice of Honourable Members that the Midi-Sized Fleet will increase by 2 buses from 18 to 20. The GBC will also purchase smaller, but fully accessible buses, for certain routes. As a result, new routes will be introduced and these will be announced when unveiling the new STTPP.

As well as the buses themselves being wheelchair-friendly, a program to improve the wheelchair access at bus shelters commenced following the successful implementation of access ramps in Market Place, underlining the commitment of this Government to enable those with disabilities to be able to access fully all the public services on offer. This work also highlights the Government's commitment to

providing a high quality, accessible public Transport service and in doing so, making areas previously inaccessible, accessible.

All bus shelters that required works to enable them to be wheel chair friendly have now been completed in places where persons with disabilities most needed the facilities. It goes without saying that we will spare no effort to ensure that we remain sensitive to the needs of persons with disabilities and remove all obstacles, which might make their lives unnecessarily difficult.

Further still, Mr Speaker, on a separate but related matter, over the next months the general public will begin to see the installation of solar powered lights in most of the bus shelters following the trials at Market Place in keeping with the Government's environmental filter.

GMA

Mr Speaker, I now turn to my responsibilities for the Port and Shipping, and, in the first place, to the Gibraltar Maritime Administration.

The number of commercial ships on the Gibraltar Ship Register has increased to 322 overall at the end of 2013 and tonnage is also up with a total over 3.4 million. The fleet is projected to grow again steadily this year, with new target markets identified. Gibraltar remains an attractive registry for central and northern European ship owners, particularly due to the quality service given by the department, local ship representatives and the reputation of the Gibraltar flag, which in March 2013 achieved US Coastguard 'QUALSHIP 21' recognition, one of only twenty recognised by the US. Mr Speaker, it pleases me to note that once again this year the GMA achieved US Coastguard 'Qualship 21' recognition and I am sure that the whole House will welcome and applaud such an important professional accolade.

The Gibraltar Yacht Registry also continues to expand its fleet. The number of yachts on the flag has increased to 814 at the end of 2013. And Mr Speaker, in a continuous bid to further stimulate yacht registration, I can make a further announcement: I am pleased to see the introduction of two new products: the

Registration of very large Mega Yachts, as well as b) Registration of 'Yachts under Construction'. The Yacht Registry will now offer the complete package for yacht owners of any type, vessel size and construction, opening up the possibilities of increasing not just the number of yachts but the diversification of the fleet type.

The department's core infrastructure is also being improved, with an overhaul of the internal quality management system and new database modules for online payments, accounting and certification currently undergoing testing. The GMA is one of the departments at the forefront of our new e-government project. A smartphone app is also being finalised and will be released at the end of the summer.

The Survey Division has been provided with two new administrative support staff to handle work volume, particularly with Port State Control matters, freeing up Surveyors to undertake more revenue-earning work on board ships worldwide.

Furthermore, Mr. Speaker, the GMA's Seafarers' Section reported a record year for crew certification, with over 4,800 provisional and full-term Endorsements issued in 2013, a 20% increase in 12 months. The department has prepared an online registration, submission and payment database to facilitate this service ever further.

The GMA also monitors and manages Gibraltar's cadet programme in the UK, co-sponsored with the bunkering companies, with five young persons presently undertaking training to be qualified British ship officers. Within the next six to seven years, we will have a sizeable group of qualified Masters and Chief Engineers returning to Gibraltar and contributing directly to the maritime cluster.

The GMA co-sponsored the IBIA seminar in 2013's 'London International Shipping Week' along with the Gibraltar Port Authority and was actively engaged with the Gibraltar Maritime Day in London.

The Gibraltar Maritime Administrator, Registrar of Yachts and a senior Partner from one of Gibraltar's leading law firms were invited to the 'World Congress of Ocean' conference in ['Hang-chow'] Hangzhou, China, in September 2013. This conference involved presentations and networking with clients from the yachting, marine

insurance and ship management sectors. The GMA has been invited again in 2014 and a more targeted marketing campaign is in the planning stages, taking advantage of contacts made in the region, as well as HM Government of Gibraltar's new representative in Hong Kong.

Following the yearly visit to Germany to meet existing clients and possible new ones, the GMA were invited by the German Ship Owners, along with 7 other EU flags, to a two day Seminar in Hamburg and Leer in January this year. This allowed the GMA to make two major presentations and, more importantly, meet many ship owner/operators on a face-to-face basis. The Maritime Administration was accompanied by one of the local representatives and the quality services offered by the flag were highlighted. As a result of these presentations, the Gibraltar Ship Registry has been approached to register three ships from new clients over the last month, including a high value ship construction project.

The GMA is continually exploring new avenues to expand its business by targeting ship owners in Scandinavia and the Far East in 2014 and 2015. As a result, I have increased the department's marketing budget by 30% in this Financial Year to enable both the Ship and Yacht registries to expand their market presence. Looking forward, some major events hosted by the GMA are lining up.

German ship owners make up around 70% of the Gibraltar fleet. This is indicative of the importance of this market. As a result, the GMA will be co-hosting a promotional event in Germany with the leading local representatives in September, in which all aspects of ship registration in Gibraltar will be marketed and there will be the opportunity for technical discussions with current and potential clients.

We are also hosting the Red Ensign Conference in Gibraltar this week, wherein all the British maritime registries will gather and discuss a range of maritime topics, monitor quality standards and look at future initiatives. This important conference provides a useful forum for delegates to network and share best practices as well as an opportunity for Gibraltar itself to demonstrate what we offer.

Finally, my Ministry, the GMA and representatives from the Gibraltar Superyacht group will be hosting a yacht marketing event at the 'Cannes yacht show' in September 2014, where a range of yacht stakeholders and businesses will be invited. This will be a showcase event for Gibraltar's yachting industry, from marinas to company managers, financiers to agents.

With these new resources, new services, online facilities and an increase in marketing activities over the next year, the Gibraltar Maritime Administration is positioning itself as one of the high quality attractive registries for commercial as well as leisure vessels in Europe.

Gibraltar Port Authority

Mr Speaker I now turn to the Gibraltar Port Authority.

The end of the financial year shows the GPA as being well within the approved budget with a total expense (including capital expenditure) of £4,808,653 from a total approved budget of £5,142,000, thus making a saving of £333,347. Additionally, total recurrent revenue for 2013/2014 was £6,116,326 and when offset against the total expenditure, shows a surplus of £1,307,673.

In fulfilment of manifesto commitments, work continues to improve port facilities and infrastructure, including the provision of enhanced facilities for operational personnel. The new mess room and facilities for launches and crews has now been completed at the old ferry terminal at Water port. As well as welfare facilities for crew, this site will also provide sheltered berthing and workshop facilities for the port boats. Work is now under way to design the new port workshop, in conjunction with the new premises to be created for HM Customs which will be located at eastern section of water port ferry terminal.

In yet further announcements Mr Speaker, it pleases me to say in this House, that work on the new port administration building, incorporating a better location for VTS and improved accommodation, has started, with the first stage of demolition of the old building well under way. It is envisaged that the new port building will be

completed within eighteen months. This will represent a further substantial injection of capital investment in the port in order to fulfil yet another critical manifesto commitment of reversing so many years of chronic underinvestment in the Port.

The new electronic Vessel Management System is now fully operational and is allowing ships' agents to input data remotely in order to provide the most recent information on a vessel's movements, further streamlining port operations.

In line with further manifesto commitments, we have also carried out an extensive review of our port charges and the House will have heard the excellent series of measures announced by the Chief Minister. It is my opinion, as well as that of the Capitan of the Port and the Marine Officer, that the new raft of economic measures, together with a slight relaxation on the limit of number of bunker barges operating in the western anchorage, is likely to lead to an increase in activity levels and reinforce our competitive edge amidst the recent financial crisis world-wide and the competition from neighbouring ports. It also behoves me Mr Speaker to mention the close consultation with and useful proposals of the Gibraltar Port Operators' Association that led, directly, to the series of economic measures announced yesterday by the Hon the Chief Minister.

Mr Speaker, the House will remember that on 22nd May of last year, the Hon Ministers for Health and Justice and I, announced the 700-berth small boat marina project. It pleases me tremendously to advise this House, and small boat owners, that this major project, to provide sufficient berthing to accommodate 700 small boats in accordance with another manifesto commitment, has now commenced. The marina will be constructed in the mid-harbour area and will incorporate 400 six-metre and 300 eight-metre finger pontoon berths. It will have electrical and water points, secure entry to the pontoons and CCTV security cameras. The introduction of the new reporting berth as part of this new project will realise yet another major manifesto commitment. Plans are now being developed to accommodate members of the GPA, the Border and Coastguard Agency, and Customs, the three agencies staffing the new reporting berth. As the House will also undoubtedly recall, the reporting berth was removed by the previous administration, inexplicably so, as far as

concerns those on this side of the House, removing this vital control on one of the most important entry points into Gibraltar.

On security, in addition to the new closed circuit television system that was introduced at the port last year, enhancing both safety and security, the Government in conjunction with the GPA and Technical services will be modifying the restricted area within the port estate to comply with the UK Department of Transport's most recent recommendations. A new traffic management plan for taxis and coaches will be implemented shortly within the restricted area in order to assist with passenger flow.

And Mr Speaker, no one, not even our political detractors can possibly doubt this Government's real commitment to our environment, and in particular, our marine environment. I take this opportunity to remind this House of the new and meaningfully deterring legal sanctions for polluters that I introduced last year, as well as the legislation, also enacted last year, making it mandatory that cargo transfer between ships must take place within British Gibraltar Territorial Waters under the direct supervision of the Port Authority. Further still, last year the Port announced its participation in the Green Award scheme whereby a 5% reduction in tonnage dues is granted to all Green Award certified vessel. As a result, the Port was presented with a Green Award reflecting the Port's corporate social responsibility by encouraging safe and environmentally conscious shipping. Even further still, the Environmental, Health and Safety Advisor, which is a post created by this Government, is providing a robust Environmental, Health and Safety culture within the port to ensure compliance with health and safety regulations and marine environmental legislation.

In addition to the Vikoma Alligator skimmer purchased last year, we have recently acquired six hundred metres of oil spill containment booms, which will be pre-sited at both harbour entrances as well as the entrance to Ocean Village. This is a major enhancement in our response time in order to successfully mitigate any impact of pollution to these areas. We have plans to complement this capability with the procurement of dedicated oil spill detection radars, which will enable timely detection of oil spills from vessels outside British Gibraltar Territorial Waters. Initial steps have been taken with the DPC approving in principle the proposed radar sites.

And finally, a strategy for marketing the port and its activities is constantly under review with greater emphasis on face-to-face meetings and the development of relationships with industry stakeholders. The business strategy for the Port goes from strength to strength with the attendance of key personnel from the GPA to important conferences not only in the cruising industry but also in the bunkering world and wider marine community. Mr Speaker, you will be aware that our very own Bunkering Superintendent, Mr John Ghio, spoke at the recent high profile 5th Annual European Bunker conference in Rotterdam, organised by PLATTS, the leading worldwide provider of energy, petrochemicals, metals and agriculture information. This is a huge step in the recognition of the importance and reputation that the Port of Gibraltar holds world wide, which this Government wholeheartedly supports. This was followed more recently by a delegation from the GPA, led by the CEO and Captain of the Port, promoting the port at Posidonia 2014, the maritime industry's global showcase that is held every two years in Athens. The GPA is also looking into the possibility of hosting high-level conferences here in Gibraltar over the next twelve months to further enhance the port's profile across the shipping community. It also seeks to consolidate its reputation in the Mediterranean and northern Europe, and plans to participate in the principal global maritime event, the London International Shipping Week in September of next year.

Mr Speaker, we are confident that this forward-thinking marketing strategy, combined with the measures announced by the Honourable the Chief Minister, will reverse the moderate reduction in bunker activity; a decline that started at the time of the global economic crisis as from 2009.

Locally, stakeholder engagement continues to be built upon with forums being developed to represent commercial and leisure activities. The GPA continues to engage in dialogue with all maritime businesses to ascertain how the local maritime industry is performing and how best we can compete in such a dynamic environment.

Further Mr Speaker, the House will also recall the announcement made by the Honourable the Chief Minister that in order to promote the use of Gibraltar as a

maritime jurisdiction, passenger tax at Gibraltar Airport has been abolished for passengers joining vessels.

Further still Mr Speaker, in even more good news, the House will recall that the Hon the Leader of the Opposition noted that bunkering charges were down this last financial year by 33% over the 2012/13 financial year on the basis of the Estimates. I am happy to report, however, and I am sure that the whole House will be delighted to hear that revenue from bunkering charges is, in fact, up by 21.08%. Happy days Mr Speaker even when the Spanish authorities have, if I may put it as charitably as I possible can, not missed a trick in trying to promote her own neighbouring port.

Last but by no means least, this House will be aware that Bob Sanguinetti is the new CEO and Captain of the Port and has now been in post for just over a month. Delighted to have returned to his homeland after a highly successful career in the Royal Navy, I am pleased to say he is wasting no time in settling in, and is already providing the drive and leadership needed to continue the growth and development of the port.

TOURISM

And Mr Speaker, I turn now to Tourism.

I start, Mr Speaker, with air connectivity and, in very brief terms, Mr Speaker, the relevant background since our election in December 2011.

As this House will recall in 2012, easyJet operated its Liverpool service 3 times a week, and Bmibaby, which launched a brand new route to East Midlands, operating 3 times a week. Both services were discontinued: for commercial reasons in respect of easyJet and the closing down of bmibaby. As a result, it is indeed encouraging news that despite the loss of two routes in 2012, visitor arrivals by air decreased only by a negligible 1.1% in 2013, reflecting the growth of passenger numbers in real terms on the remaining existing routes. Nonetheless and moreover, soon after the loss of these 2 routes, Nicky Guerrero and I successfully negotiated with British Airways to increase the frequency on its London Heathrow schedules from 7 to 9 per

week. We also successfully ensured that Monarch increased its frequency on its Manchester service to 4 per week to offset the loss of the Liverpool route. All of this, Mr Speaker, was in addition to negotiations with Monarch resulting in service to the Midlands being re-launched with flights to Birmingham 3 times weekly. If I may so, Mr Speaker, a decidedly good effort!

As a result, the loss of 6 weekly services to the UK was turned into an increase of 7 weekly flights by 2013 with both regions affected, the North West and the Midlands, achieving a frequency increase and a brand new service from Birmingham respectively.

And indeed Mr Speaker we continue to engage with airlines both for an increase in capacity on existing services, in addition to exploring the possibilities of opening up new links to regional destinations in the UK, as well as to points in Europe. The latter is a particularly arduous task but one on which we have no intention to relent.

The Monarch Airlines Birmingham service, which this Government managed to secure after the loss of service from East Midlands, carried over 29,000 passengers in the first 9 months of operation and continues to show increasing passenger numbers in this year, highlighting how regional links to the UK can and do work.

Winter seasons, where traditionally traffic slows down, has, in fact, shown an increase in passenger numbers. London Luton services this last winter increased to 4 services per week for the first time in a number of years and Manchester services continued to operate at 4 services per week all year round. British Airways continued growing its 9 times per week service to London Heathrow and Easyjet introduced larger aircraft on specific days of the week this winter.

It is in this light Mr Speaker that it greatly pleases me to announce that the airport has recorded a 20.5% increase in passengers in the first quarter of 2014 compared to 2013. In real terms, this represents an additional 14,500 extra passengers compared to the same period last year. It is equally as important to note, if perhaps not even more so, that this growth has been in the traditionally 'slower' winter months. This highlights my Ministry's and the GTB's ongoing commitment to the

airport by actively carrying out joint marketing with airlines to promote Gibraltar. It pleases me even further Mr Speaker to say that to the end of May this trend has continued with total passenger numbers being up by 16.3% over 2013. I am sure that the whole House will hope with me that this growth is sustained over the entire year and beyond.

Looking forward to this summer season, which started at the end of March 6 destinations will be served from Gibraltar International Airport. Overall, services to the UK have increased by one weekly flight, to London Luton over last year with 33 weekly departures now on offer in the peak summer period. Sundays, like last year, still being the busiest day but now with 7 services on offer.

Mr Speaker we continue to constantly engage with existing and new airlines in marketing Gibraltar to them as a destination for business and leisure, especially in the light of new hotel stock and refurbishments in existing stock, which will attract a new category of customer visiting the Rock. Only last month I have held meetings once again with our current operators in London. In addition, our very able team at the GTB continue to attend the important ROUTES Europe development forum to meet with airports and airlines face to face.

Honourable Members can rest assured Mr Speaker that our efforts are relentless in expanding air services in a very tough and competitive market. To illustrate how tough this job can be, Mr Speaker, in a recent television programme about Edinburgh Airport and in particular the first episode of the series, the route development team noted that it can take up to five years for new routes to materialise, even for an airport the size of Edinburgh, which handled over 9 million passengers in 2013. As this House will recall, however, not long after this Government came into office my team and I were able to secure extra services by British Airways, an increase in capacity from Manchester and a new service by Monarch Airlines from Birmingham, which clearly reflects, beyond any shadow of a doubt, the constant work that is conducted behind the scenes in promoting Gibraltar.

HOTELS

And Mr Speaker, the number of air arrivals and the growth we are seeing this year as I have just detailed a few moments ago, has also translated into noticeable growth in hotel occupancy. Indeed, Mr Speaker, in 2013, our hotel occupancy report shows that All Arrivals at hotels increased by 3.4% over 2012. A not insignificant stride has been made in the category of Room Occupancy that increased by 1.7 percentage points and stood at 61% as an average for 2013. Mr Speaker, I am also pleased to say that although the statistics will not be tabled at this house until next year, the first quarter of this year in terms of occupancy looks extremely encouraging. Once again Mr Speaker our tireless efforts in working with UK based tour operators, airlines and the industry in general is yielding tangible results for our industry.

As I said last year, an advance in the provision and variety of bed stock in Gibraltar is necessary. The Sunborn Hotel has already opened for business and has brought a new product bracket in the form of five star accommodation to the rock. I am delighted to also report that the Rock Hotel's refurbishment programme is under way, that the Caleta Hotel is planning a major project and the O'Callaghan Elliott Hotel is also to undertake refurbishment works.

CRUISE INDUSTRY

Mr Speaker, like with air services, I think it important to properly set out the historical background and context of this important business to Gibraltar. And Mr Speaker, an objective analysis of the facts will in itself explain the present situation in terms of calls and passenger numbers, unpleasant as that may be for those who only wish to make political and partisan mischief and operate, wholly disingenuously, in a vacuum. In this respect, Mr Speaker, I take the opportunity to remind this House that the number of cruise calls went down in 2010 by no less than 64 calls - 64, Mr Speaker, in just one year. Sirens, alarm bells and all other manner of loud, jarring devices should have gone off in my predecessor's office that something had seriously gone wrong and to try to determine the reasons for this shockingly worrying loss of business. Instead, the response of the GSD was to do nothing other than to continue to spend tens of thousands on a stand once a year that the figures clearly showed actually translated in a spectacular loss of commercial opportunities for Gibraltar.

Mr Speaker, let me elucidate, mainly for the benefit of the Honourable Members opposite and his contributions in this House, that since our election, we continue with our determined policy of one-to-one meetings and building up strong personal relationships with the industry. In particular, Mr Speaker, the GTB and I have done everything humanly possible to assure cruise companies that Gibraltar is ready to listen to and address their concerns. And the signs are already bearing fruit that cruise line companies are slowly once again increasing their calls to Gibraltar, as I have been able to illustrate by the series of press announcements: in this respect, I refer to my press announcements in respect of Pullmantur, Thomson and Island Cruises and Carnival UK.

But, Mr Speaker, as encouraging as the signs are, it is also the case that cruise companies have their own itinerary, commercial and other considerations for not calling at Gibraltar. An element of fluctuation in calls and passenger numbers is inevitable, however, as a result of cruise companies own financial and other considerations. The key, however, for me, Mr Speaker, is that we do not leave any stone unturned in ensuring that all that can be done is done. In this respect, Mr Speaker, I am firmly of the view, having spoken personally with the top cruise executives globally, and local agents, that we have done and reads doing as much as we can do to attract cruise liners. This will certainly become clear from this part of my speech.

And indeed, calls for 2014 as at today's date are scheduled to increase to 180 with passengers numbers also anticipated to rise to 294,752, that is to say, Mr Speaker, 10,000 more passengers this calendar year.

Once again this year, I have held meetings with senior cruise executives in the UK and Miami along with senior officials. This demonstrates the consistency that this Government has shown in promoting Gibraltar's assets as a cruise destination.

Although the cruise lines are not yet in a position to move forward on the issue of cruise turnarounds, for their own commercial and itinerary reasons, we continue to pursue this opportunity and have once again pressed the case as hard as possible with three UK cruise companies earlier this month.

As I announced last year, Azamara Club Cruises, through their agents in Gibraltar, M H Bland, have once again held an AzAmazing evening in Gibraltar on 31st May. This has been as a direct result of the success of last year's visits and is also a testament to all those involved in the organisation of these events, both in the public and private sectors. I am delighted that another event is scheduled for 5th September.

In addition Saga cruises also held what they entitled as an Enchanting Evening at St Michael's Cave on 26th April, where passengers enjoyed a concert by the band of the Royal Gibraltar Regiment.

We were delighted to learn in February of this year that Royal Caribbean International announced that its newest ship, Anthem the of the Seas, will call at Gibraltar seven times on 2015 during its inaugural season. As I said in public at the time of this announcement, this sends out a very strong signal that Gibraltar is a serious and committed player in this industry.

So as not to stand still in the passing of pro-cruise legislation, this year we also announced changes to the Port Rules that regulate the discounts on passenger dues for cruise ships calling at Gibraltar. The amendment allows 'repositioning' calls from the Mediterranean to the Caribbean or vice-versa to benefit from a 100% markdown on passenger dues. There will also be further reductions applied, depending on the number of passengers on-board the individual cruise ships, calculated cumulatively in respect of vessels belonging to a particular maritime line.

Mr Speaker, another initiative we have taken this year, after detailed consultation with all relevant stakeholders individually and via the UK Gibraltar Tourism Association, is the amendment to the Marriages Act, which I am pleased to note, was passed unanimously by this House.

One of the main provisions is that under the new legislation a passenger ship's master is now allowed to conduct wedding ceremonies on board Gibraltar registered passenger ships under a special licence. This will provide an added bonus to this

industry as a whole and it is hoped will act as a further incentive for ship owners to re-register their vessels under the Gibraltar flag.

Another of the changes in the new law is that couples married under special licence are required to spend at least one night in Gibraltar, either before or after the ceremony therefore creating more opportunities for the local hospitality industry within this market. There is the added flexibility that the visiting couple can spend the relevant night as the guest of a Gibraltar resident, rather than in a hotel.

Mr Speaker, in respect of Tourist sites receipts, the House will also remember that the Hon. the Leader of the Opposition noted that this Head was down by 5%. It pleases me to say that notwithstanding the very best efforts of Señores Margallo and Rajoy, these receipts are down only 1.61% which reflects the resilience of the economy. Further still, in news that will hearten all Gibraltarians, overall Tourism receipts, even when including Coach Park receipts, is down only by 1.6%. Mr Speaker, let me tell those who wish us harm from our Parliament that it will take much more to strangle our inept resilience, love of country and entrepreneur spirits. It is also Mr Speaker, veritable testament to the unstinting professionalism, sheer hard work and undiminished dedication of the GTB and private tourism partners.

As I said in my press statement on this matter, this is yet another example of the Government's commitment to promote the Rock as a tourism destination and to be innovative in its approach to developing the activities of the Gibraltar Ship Registry.

We continue also to participate in those events and organisations that help to promote Gibraltar as a port of call to the cruise lines. Gibraltar is highly respected at Medcruise and within Seatrade, where we are often applauded for taking pro-cruise industry initiatives and for being very pro-active in some of the ways I have just highlighted.

The feedback I receive at all meetings and events is that Gibraltar is good to the cruise industry and that it is a pleasure to see how a community welcomes cruise passengers wholeheartedly.

The dedication of the GTB, the shore excursion agents, the shipping agents and all those involved in the industry undoubtedly shows the proactive stance that Gibraltar has in relation to tourism and reflects the dynamism and energy that we as a Government have brought to this sphere, so far, in our term of office.

IMPROVEMENTS TO THE VISITOR ATTRACTIONS

Mr Speaker, no one can deny that this Government has invested in the tourism product in an unprecedented manner. The improvements in the first full financial year were there for all to see and have continued this last financial year. As a result Mr Speaker it will come as no surprise to Gibraltar, but it will nonetheless not deprive me of any pleasure in so announcing, that once again, for the third consecutive financial year, the Government will pledge an additional £1 million pounds to continue to improve the existing tourist product.

Mr Speaker, over three financial years this Government will have spent just over 3 million pounds in improvements to the visitor attractions. In the six financial years previous to this Government coming into office, the GSD spent just over 1 million pounds. Therefore Mr Speaker, we have invested 191% more in just three years than the previous Government did in six years, in respect of the tourist product. Evidence, without any shadow of a doubt, of this Government's pledge to invest in the tourist product for the benefit of all.

Works on the second phase of improvements at the Great Siege Tunnels have been completed. A highlight has been the opening of Holy Land Tunnel, which affords marvellous views of the East side of Gibraltar. Extra mannequins have been installed and existing ones re-conditioned. The ticket office at the Great Siege Tunnels has also been refurbished.

The viewing platform outside the Tunnels has also been reinforced for safety reasons.

At the 100 Ton Gun improvements include new fencing, a new staff room and new a new entrance that provides greater accessibility to the attraction.

At Jews' Gate the resurfacing of the viewing platform, which was started last year, has been completed along with the second phase of the replacements of the railings.

At St Michael's Cave we have introduced new sound and light equipment, completed the second phase of the replacement of the hand railings and installed stair lighting. These improvements have enhanced the cave for all to enjoy and has had a remarkable effect on the tourist experience in one of our most visited, sites.

The GTB took over the running of the WW11 tunnels attraction last year and one of the first priorities was the complete refurbishment and upgrading of the toilets. Other improvements are planned for this attraction.

New signs have been installed within the Upper Town area for those walking to and from the Nature Reserve and are now in the process of looking at additional signs within the Nature Reserve.

My aim Mr Speaker is not just to enrich our existing attractions to reflect our steadfast commitment to the tourism product, important as that may be, but also to restore a sense of ownership and of pride in the intrinsic wonders contained in our touristic pockets of excellence. These are our some of our national treasures Mr Speaker and we must, all of us, preserve them. At the same time, as a Government we also believe it is our duty to provide the best possible conditions to our employees, which are achieving in attending to well and long overdue refurbishments to staff facilities. A win for our tourists, a win for us Gibraltarians and a win for our staff.

Beaches

Last year I announced further improvements to our beach and bathing facilities. This year the list of initiatives increases to include:

1. The provision of a lifeguard weekend service as from 12th April, with a full lifeguard service as from 7th June.

2. The beach facilities, including showers, have been available on weekends as from 12th April and daily as from 1st May.
3. New beach umbrella stores have been provided at Camp Bay and Eastern Beach.
4. The complete refurbishment of the swimming pools at both Camp Bay and Little Bay, including a new chlorination and filtration system. The pool at Camp Bay pool includes a new accessible ramp.
5. Waterparks have been installed at all the beaches. (Mr Speaker I confess that I have not yet tried this myself, but am assured by numerous families that they are excellent fun and a very welcome addition. (I promise to try one of them soon!))
6. New walkways have been provided at Eastern Beach, Catalan Bay and Western Beach. The new material avoids imbalances in the surface and is more durable.
7. The toilets, showers and changing facilities at Sandy Bay have been refurbished.
8. The Lifeguard post at Western Beach has been relocated.
9. A new lifeguard boat store has been provided at Western Beach.
10. New marine grade stainless steel steps have been installed at Camp Bay

Mr Speaker, once again, I repeat that no one can, in seriousness, doubt this Government's commitment to invest in projects that will be thoroughly enjoyed by the entire community.

SANDY BAY

Sandy Bay, I think, deserves special mention. Mr Speaker, as detailed in a press conference last week, major coastal protection and regeneration works have transformed Sandy Bay from a pitiful state, into a sensational beach, laid and enlarged with 50,000 tons of sand imported from Morocco.

Two curved groynes and a frontal breakwater have also been constructed, to protect the beach from the full erosional impact of wave action and trap shifting sand. The project has been extended to include a submerged breakwater connecting the ends of both groynes.

As I said recently the achievement of an enlarged Sandy Bay, where there is now a permanent solution to protect the beach from disappearing, is an engineering feat in its own right. Our beach culture is vibrant and we are thrilled at the prospect of returning it to its former and magnificent glory.

I must, Mr Speaker, congratulate the Technical Services Department and all involved in this project for their efforts.

As the House will also be aware, the Gibraltar Bus Company also commenced a summer shuttle service last June to provide accessibility for the beach users of Sandy Bay Beach.

Once again Mr Speaker I take great delight in being able to announce more and more improvements to enhance what is a treasured Gibraltarian tradition and another important aspect of our tourism product.

INFORMATION TECHNOLOGY

As I announced last year Wi-Fi hotspots have been installed at the following:

Gibraltar Cruise Terminal

Queensway Quay

John Mackintosh Square

Casemates

Frontier

St Michaels Cave

100-ton gun Exhibition
Great Siege Tunnels
Moorish Castle
Europa Point
Gibraltar Museum
Garrison Library
Eastern Beach
Catalan Bay
Camp Bay
Little Bay
Western Beach
New Coach Terminus facility
Apes' Den

The installation of the hot spot at Sandy Bay should be operational this month.

Installations at Ocean Village started during week of 9th June. Limited coverage should be in place by 11th July with further access points added to cover black spots as from the following week.

As far as the installation at Trafalgar Cemetery is concerned, there are some outstanding issues being addressed with the use of a lamppost in this location but we are confident that this area should be covered in due course.

The last areas to be covered will be the Cable Car top and ground stations, once agreements have been completed with this private concern.

As I outlined last year the Government has contracted with Gibtelecom for free access to a number of local websites at each location. Access to more general websites, outside this "walled garden", would be directed to Gibtelecom's Wi-Fi payment portal, where users would be charged on-line by the Company at their standard Wi-Fi rates.

EVENT-LED TOURISM

The first Gibunco Gibraltar International Literary Festival was held last October. It is my opinion Mr Speaker, based on the numerous comments my team and I received from participating authors and attendees alike, that the event proved to be a tremendous success, with both speakers and audiences enjoying a literary feast for the senses.

Further, this Festival, certainly for us on this side of the House, is one of the many successful events that this Government has introduced with a view to encouraging event-led tourism to Gibraltar, such as the Jazz Festival and the Music Festival.

One distinguished speaker, Booker Prize winning author and poet Ben Okri, described the Festival as "a triumph". Not only did the Festival attract some of the top writers in their respective fields, but it also provided national coverage in the UK media by showcasing a different aspect of Gibraltar.

Following on the success of last year's event, I'm delighted to say I'm very much looking forward to the second edition of the Festival, which will take place from 14th to 16 November. I recently launched the Festival and revealed the names of some of the distinguished writers who will be participating in this year's event. I have no doubt that this year's festival will be just as good, if not better, than last year's; and I believe it will continue to develop on its success for many years to come.

THE UKGTA

The United Kingdom Gibraltar Tourism Association (UKGTA) and the team at Gibraltar House in London continue to bring together all the tourism partners at their quarterly meetings. This Association has recently expanded to include the cruise companies based in the UK - this is certainly, Mr Speaker, an important development. Attendance is strong and the information exchanged in this forum is critical in the communication process between the GTB and the local and UK industry. It is a good opportunity Mr Speaker to review the results of our deliberations, as follows:

In August of 2013 Classic Collection holidays, one of the members of the UKGTA announced for last summer to be up 21% on the previous year.

In September of last year and for the second time in the year, Superbreak Holidays of the UK announced an increase of 300% year on year on booking to Gibraltar.

In March of this year another tour operator was added to the growing list of those featuring Gibraltar in the UK. Enable Holidays which specialises in organising tailor made vacations to meet the specific travel and accommodation needs of persons with disabilities included Gibraltar in its latest online business brochure.

Cosmos Holidays, part of the Monarch Airlines group, also started selling holidays earlier this year to Gibraltar.

Mr Speaker it is evident once again that the GTB's constant support and dialogue with these companies has yielded tangible results. We will continue our steady approach to this so that the local tourism, hospitality, leisure and retail industry has no doubt that it is this Government that is delivering the results they expect from a vibrant tourism approach.

Mr Speaker it is undoubtedly our concerted approach to joint marketing campaigns and the GTB's direct marketing efforts in the UK and in other markets, that have been yielding results in our overnight tourism sector. It is precisely this sector where more growth is encouraged. Overnight visitors contribute greatly to the economy and deliver an always welcome revenue stream to all those involved in the leisure, retail, tourism and hospitality industries.

NEW MARKETS

We continue with consistent alacrity to pursue new markets. We have not let up with our efforts in Germany and the GTB exhibited at the ITB fair in Berlin. The event has been supported with marketing activity in Germany to begin the process of making this market aware of Gibraltar as a destination. Five companies from the local industry supported the event.

HMGoG introduced a further revision to the Visa waiver programme for Russian, Chinese, Indian and Mongolian nationals.

In Morocco, a country for which we have again relaxed visa restrictions, we have carried out destination marketing campaigns aimed at promoting the current charter service being operated from Marrakech.

In April the GTB once again exhibited at the China Outbound Travel and Tourism Market (COTTM) in Beijing, China. The GTB will now begin a process of consultation with the local tourism industry to explore ways in which to attract this market to our shores.

CONCLUSION

Mr Speaker, before I conclude, I must thank all of my staff at my Ministry, the Gibraltar Tourist Board, the Gibraltar Maritime Administration, the Department of Consumer Affairs, the Gibraltar Port Authority, the Gibraltar Bus Company and the Business Support Unit for maintaining the, at most times, unforgiving rhythm of work they have come to expect from me and for their unstinting support in delivering this Government's exciting program - it has meant a lot of work. It is true to say, Mr Speaker, that it would simply not be possible for me to have been able to stand in this House to make so many announcements or to report on the completion of so many projects without them. I owe them, all of them, therefore, a very big thank you. And, of course, I take the opportunity to thank Mr Speaker, and the kind, patient and excellent assistance of your staff, namely, Frances, Stephen and Kevin. Mr Speaker, on this occasion I take the opportunity to add my gratitude to the former Clerk Mr Farrell, who, in my opinion, was a formidable, always professional and also kind public servant and, of course, to wish Mr Farrell's successor, Mr Paul Martinez all the very best in his new post, which I know he relishes. I look forward to our future collaboration.

To conclude therefore, Mr Speaker, all objective commentators will agree that the Government has, in all of the areas of which I am responsible in this House, done as

much as can possibly be done and acted, always, with the best interests of all of the entire community. Along with the rest of my Cabinet colleagues, I look forward to this new financial year and on working every day to improve on the results of the year before and to work tirelessly every day for our entire community.