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Feetham will make taxpayer pay for GSD failures

- GSD would increase costs of doing business in Gibraltar by 40% at least in respect of electricity
- GSD would not provide subsidy for electricity, affecting every household in Gibraltar
- Huge extra cost of GSD power station remains entirely unexplained and at worst reflects recklessness in procurement

The Leader of the Opposition's attempts to explain away the failure of his Government to tackle the problem with electricity generation and infrastructure are feeble and unconvincing. The reality is that the GSD were warned in a Report in 1999 that Waterport Power Station had a maximum lifespan of 10 years and that they failed to tackle the issue in a timely manner.

The Report entitled "Strategic Review of the Electricity Department" by Manx Energy was made available to the then GSD Government in 1999. This means that even in 2007 the GSD had known the state of play in relation to electricity for eight years and they still did precious little about it.

Mr Feetham has also questioned the 40% subsidy in electricity that consumers enjoy at present. It is clear that the policy of the Leader of the Opposition to abolish this 40% electricity subsidy will increase the cost of doing business in Gibraltar and impact on the disposable income of many households. This is bad news for consumers in the event that Mr Feetham or his party might ever get into Government.

The Leader of the Opposition has also confirmed that the business plan placed before the banks by the previous GSD Government included a 5% increase in electricity per year for 20 years in connection with the funding of their power station at Lathbury Barracks. When this is coupled with the GSD policy of abolishing the subsidy, it would have represented a huge increase in the price of electricity to the end user. It says much about the attitude of the GSD that they went to a general election in 2011 knowing that the price of electricity was going to increase year on year and yet they said nothing to the electorate. This was

clearly an unpleasant surprise that they intended to spring on unsuspecting voters had they won.

Commenting on the matter, the Chief Minister Fabian Picardo said:

“Mr Feetham has now finally admitted that the loan the GSD arranged was based on 5% increases in the cost of electricity over 20 years! That alone would have meant about 265% increases.

The GSD policy of abolition of the 40% subsidy would be bad for business and for bad for home users.

Now we finally know where we are with the GSD. They would have abolished the subsidy and they would have increased the price of electricity in order to make the taxpayer pay for their own failures to tackle the question of power generation and distribution.

The GSD shares the blame with itself for its inaction on the new power station and for misleading the public and businesses in Gibraltar as to the cost of its plans for power generation! It is a good thing for all households and all businesses in Gibraltar that we are not going to increase the cost of electricity by 40% now as Mr Feetham would or by 265% over 20 years as Mr Feetham has now admitted that the business plan they were committed to with the banks provided for. Talk about increasing the costs of doing business in Gibraltar!"