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**PRESS RELEASE**

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**Mendez de Vigo Statements have no Factual Basis**

The statements attributed to PP Minister for Europe, Sñr Mendez de Vigo, have no basis in reality or fact and represent no more than a financial flight of fancy. In fact, the manner in which Sñr de Vigo has expressed himself seems designed only to keep alive and fan the flames of the Gibraltar story, with further prejudicial language that is not representative of the reality of the situation.

First of all Sñr de Vigo can have no way of asserting an annual Billion Euro loss to the Spanish exchequer other than as a wild estimate. He nonetheless asserts his figures as if they were factual.

Secondly, even as an estimation the amounts proposed are clearly just an attempt to add credibility to Spain's repeated mantra that Gibraltar's status as a financial services centre is somehow prejudicial and not beneficial to Spain.

Thirdly, the reality is that neither in lost tobacco duties nor in financial services can any loss be justified at the purported levels or anywhere near them.

Indeed, out of the 15,673 ACTIVE companies (ie companies that are in good standing with the Registrar of Companies) there are only 102 Spanish nationals with a Spanish address holding one or more shares in a total of 66 companies. This helps to clearly demonstrate that Gibraltar is, unsurprisingly, not seeing significant numbers of Spanish individuals using Gibraltar's financial services.

Moreover, Gibraltar's Income Tax Act 2010 has, after minor amendments by the current administration, been approved by the Code Group of the EU with only Spain not approving it. That demonstrates that the relevant Gibraltar legislation fulfils all the criteria required by Brussels in this respect; although Spain is continuing its attempt to ensure our law is nonetheless found to fall foul of the requirements. A state-aid investigation is still under way.

The calculations also fail to account for the considerable lost revenue to the Gibraltar exchequer as a result of businesses in Spain operating in competition with local businesses, whilst not registering for PAYE, social insurance or tax purposes. In many instances local residents also make purchases in Spain and import those goods into Gibraltar without paying duty.

The Chief Minister, Hon Fabian Picardo MP said: "The fact is that the calculation Spanish Government officials and politicians should be doing is to value what Gibraltar contributes to the Spanish economy today. Apart from the jobs we already create for the region and the saving on unemployment benefits there are also the salaries that flow from Gibraltar to Spain, the social insurance set-offs, the spending of Gibraltar residents in Spain and the supply to Gibraltar businesses of goods and services etc. This is a huge amount the central Government in Madrid will not contemplate; although reduced by the negative climate created by the present Government's attitude to Gibraltar. These synergies could grow for mutual benefit and could easily net Spain over a Billion Euros or more a year in benefit alongside great job-creation strategies for the whole area if the Partido Popular moved on from its medieval hang-ups on Gibraltar and started to work with us for the economic good of all in the region. Sñr Mendez de Vigo would therefore do better to concentrate on that sort of co-operation with Gibraltar and move on from just bashing the Rock in August, which is fast becoming one of the hallmarks of this PP Administration. It does nothing the for the thousands of unemployed in the region who deserve better from their elected politicians."