



## PRESS RELEASE

No: 642/2018

Date: 18th October 2018

---

### **Chief Minister's Statement - Update On The European Exit Negotiations Regarding Gibraltar**

Mr Speaker,

I rise to provide further information to the House and to the Public about the ongoing negotiations for the departure of Gibraltar and the United Kingdom from the European Union.

Mr Speaker, in making my address today, I am conscious that the current Spanish Foreign Minister, Snr Borrell, made an address yesterday to the Spanish Parliament's Foreign Affairs Committee.

In the time since the Parliament last met and I updated the House further rounds of negotiations have been held with the Spanish negotiating team.

As Honourable Members know, as a result of these ongoing negotiations, I decided not to attend the meeting of the Fourth Committee of the United Nations General Assembly.

Instead, the Honourable the Deputy Chief Minister attended the UN session in New York and delivered the address on behalf of Gibraltar.

Mr Speaker, I think all those of us who viewed Dr Garcia's intervention will have seen that he did an excellent job in representing Gibraltar in that forum.

And it is important Mr Speaker that I should reflect that the Government which I lead considers that attendance at the UN is an essential part of the defence of Gibraltar.

My decision not to attend this year was driven only by the exigencies of the Brexit negotiations.

I was able to make the decision, Mr Speaker, safe in the knowledge that Gibraltar's position would ably and properly be represented by the Deputy Chief Minister.

As a result, Mr Speaker, I travelled to London last week with the Deputy Chief Minister and the Attorney General. Dr Garcia went on to New York and I remained in London to coordinate and strategise with colleagues in the Foreign and Commonwealth Office.



On Wednesday I traveled to Brussels.

On that day, I led the Gibraltar team in the negotiations, which lasted until the early hours of the morning.

The negotiations were held in the residence of the British Ambassador to the European Union, on Rue Ducale.

The Deputy Chief Minister travelled from New York direct to Brussels in order to join us after his address at the UN and at Princeton University.

We subsequently returned to Gibraltar late on Friday.

The Attorney General remained in Brussels to continue the work of analysing and drafting documentation over the weekend.

During the course of Saturday in Gibraltar, I was able to brief the whole of the Cabinet on the latest progress of the talks.

I was also able to brief members of the Brexit Select Committee.

I want to thank all members of the Select Committee, in particular Mr Feetham and Ms Hassan Nahon for their support to date.

In the early hours of Sunday morning, the Deputy Chief Minister and I returned to Brussels to conduct a further round of negotiations.

That evening, the negotiating teams of Spain, the United Kingdom and Gibraltar reconvened at Rue Ducale.

We finished in the early hours of Monday.

Honourable Members will know, Mr Speaker, that at that stage it was expected that the whole Withdrawal Agreement would have been finalised by Monday.

A meeting of the Sherpas of all the remaining 27 Member States was expected for 4pm on the Monday that would have confirmed agreement from the Member States to the draft agreement.

In fact, as anybody keeping even a cursory eye on the news would know, that final agreement on other matters proved elusive and has not yet been finalised.

Mr Speaker, the shape of the application of the Withdrawal Agreement to Gibraltar is, however, clearer now, as a result of these further negotiating rounds.

I therefore want to say something about the structure of the deal that is being put in place.



There is now a fairly final Protocol on Gibraltar which will be a part of the Withdrawal Agreement.

I think it is important to keep in mind that the Withdrawal Agreement is between the United Kingdom and the European Union.

That is to say, it is not with each or any one of the Member States.

It is between the UK and the EU.

Additionally, the various Protocols that will be an integral part of the Withdrawal Agreement are also entered into between the Union and the United Kingdom.

The Protocol on Gibraltar is no different, Mr Speaker.

It is not between the United Kingdom and any particular Member State.

It is between the United Kingdom and the European Union.

And this is text which is agreed – as it has to be – with Task Force 50; the group of legal experts of the European Commission that have carriage of the draft Withdrawal Agreement as a whole with the UK team at the Cabinet Office and the Department for Exiting the European Union.

Mr Speaker the Protocol follows, in great measure, the structure of the Protocol on Northern Ireland, which is already published.

It also addresses aspects of the structure of the arrangements being entered into.

Some of my reflections today arise in the context of Snr Borrell's remarks yesterday.

Mr Speaker, the Protocol on Gibraltar between the United Kingdom and the European Union is not yet finalised, but there are not many points outstanding.

Snr Borrell also said yesterday that it was almost closed.

He also said more categorically that it is closed and "in green".

Mr Speaker, I interpret that as a reference to the analysis undertaken before the summer by the EU's Chief Negotiator, Michel Barnier, and the former Brexit Secretary, David Davis, of the texts of the Withdrawal Agreement with different parts in different colours.

The green parts of the texts were those that were agreed.

In those circumstances, Mr Speaker, I believe that there is genuine reason for optimism that there is no longer any question mark over the inclusion of Gibraltar in any transitional or implementation period.

There is no longer talk of vetoing Gibraltar's inclusion in the transition or implementation period.



In fact, Mr Speaker, I think it is clear that neither the United Kingdom nor Gibraltar has ever doubted that would be the case.

Beyond the Protocol, there are also to be a number of sets of practical arrangements reflected in various Memoranda of Understanding.

These will reflect the cooperation in areas where both sides have identified “irritants”, as I highlighted in my Ministerial Statement in March and in my last update to this House.

At this stage, we have reached a large measure of agreement on the substance of four such memoranda.

## CITIZENS RIGHTS

The first of these sets of practical arrangements will deal with the implementation of the rights of citizens which are protected under the main Withdrawal Agreement.

## THE ENVIRONMENT

The second will deal with matters related to the environment. As all Honourable Members know, this has been an area on which Gibraltar has long wanted to cooperate with our neighbours. We have only one environment. There is no Planet B, as President Macron has rightly said. The environment knows no frontiers. And we have long been keen to see cooperation in this area on a basis which is clearly without prejudice to the sovereignty, jurisdiction and control position on which we would never compromise, expressly or impliedly, in any respect in particular in respect of Gibraltar’s British Gibraltar Territorial Waters.

## POLICE & CUSTOMS COOPERATION

The third memorandum addresses matters of police and customs cooperation. In this area there has long been excellent regional cooperation between our respective law enforcement agencies in many respects. Unfortunately, there have also been some every high profile instances of a lack of cooperation occurring between law enforcement agencies. We sincerely hope that we can leave disagreements behind and move toward more fluid cooperation. Mr Speaker, the only ones who should tremble at the thought of this new approach to cooperation should be criminals!

## TOBACCO

The fourth memorandum will deal with matters relating to the trade in tobacco in order to progress the shared agenda of wishing to control illicit tobacco activity and to protect our respective legitimate markets. This has been a key area of concern for me since my election, as Honourable Members will know. In fact, in my time in Government I have already increased the price of tobacco



in Gibraltar by 148% since my election. I have said, as recently as in the last budget that I consider this commodity to be on a permanent price escalator and that the health consequences of tobacco consumption concern me and the government greatly.

In this particular respect, I sincerely hope we will be able to move forward in the cooperation we enjoy with relevant agencies and competent authorities across the frontier.

The work on this memorandum is not yet finalised, however, and we do want to continue discussions to seek agreement.

## TAX

Finally, Mr Speaker, we are also seeking to try to agree a tax treaty to settle the perennial misunderstanding by some in Spain of our internationally accepted tax system. This Memorandum is also not yet agreed. I do not know if it will be possible to reach final agreement in respect of this matter at this stage but we continue our discussions to seek agreement.

The technical work on this memorandum is being ably undertaken for Gibraltar by the Financial Secretary and the Commissioner of Income Tax and their Senior Crown Counsel.

## AIRPORT

On the airport, Mr Speaker, as Snr Borrell told the Spanish Foreign Affairs Select Committee yesterday, the position to be reflected will be the position of status quo.

We have not found the PSOE Government of Spain prepared to move to implement the arrangements agreed in Cordoba by the former PSOE Government of Spain in this respect.

Honourable members know that those of us on this side of the House had our reservations about the Cordoba agreement. There were aspects of it that we did not like at all. Be that as it may, the Cordoba Airport Agreement was defended by them in the 2007 General Election and they won that election. As a result, they went on to spend in excess of £84m of taxpayers' money implementing the Gibraltar obligations under the Cordoba Agreement. The Government of Gibraltar takes the view that the Gibraltar side has complied with its obligations under the Cordoba Agreement and we are ready to see it come into effect.

Mr Speaker, there will be no change or progress in respect of enhanced use in respect of Gibraltar Airport, however.

## CONCLUSION

Finally, Mr Speaker, I should reflect both my continued optimism that we will be in any implementation period agreed as well as the reality that the negotiations are not yet over.



For that reason, it is not yet possible or prudent to share publicly our own analysis of each clause and how we have ensured that Gibraltar's interests are entirely protected.

It is important that we should keep in mind that these negotiations have reached the advanced stage at which we are under a PSOE administration.

The President of the Spanish Government has repeatedly been positive in the remarks he has made about Gibraltar.

When he first spoke as Prime Minister in the Spanish Congress he spoke of going beyond the eternal sovereignty claim and using Brexit to create a positive dynamic with Gibraltar.

In New York at the United Nations he spoke of a new relationship creating mutual benefit for Gibraltar and the Campo de Gibraltar.

And in the informal summit in Salzburg he was clear about the fact that there are two different levels to the Withdrawal aspects of the agreements: the UK/EU level and the practical level involving arrangements between Spain and Gibraltar.

Today, in Brussels, President Sanchez met with Prime Minister Theresa May and tweeted his view that he was confident that it was possible to reach a common agreement to finalise the Brexit negotiation and in respect of Gibraltar in a constructive spirit.

We have welcomed that positive approach that leaves to one side the stale Spanish position on sovereignty, as was specifically agreed by Snr Dastis and confirmed by Snr Borrell and his President Snr Sanchez.

Mr Speaker, I will not say more as the negotiation is not yet over.

It is therefore not yet possible to publish texts.

That moment will come as soon as final agreement is reached and the whole and final Withdrawal Agreement is published.

But I am sure that I speak for every Gibraltarian when I say that we would never agree to anything which would in any way compromise – de facto or de jure – the sovereignty, jurisdiction or control of any part of the territory of Gibraltar or of British Gibraltar Territorial Waters.

I want to end by thanking all those who have supported me in this negotiation.

The Deputy Chief Minister, the Attorney General and the Financial Secretary have been the core team.

The UK teams from the Foreign Office, HM Treasury, the Department for Exiting the European Union and the Cabinet Office have been enormously supportive and helpful.

Mr Speaker, I think for now that is as much as I should say.