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Budget Address - Deputy Chief Minister Hon Dr Joseph Garcia MP

INTRODUCTION

Mr Speaker,

In February 1999 I was elected to this House for the first time. It was then still the Gibraltar House of Assembly.

This means that I had served as a Member for exactly twenty years this past February. Today is therefore my 21st Budget address overall and my eighth as a member of the Government.

I propose to cover the areas over which I have ministerial responsibility and also to comment on others of particular interest.

BREXIT

Mr Speaker, my time over the last financial year has been dominated by Brexit.

That is true of the Government in general.

In particular of the Chief Minister, the Attorney General and the Financial Secretary who have formed the core Brexit team.

I started with one Brexit file on my desk and have ended up with some sixty.

And we have still not finished.

The House knows that the volume of work generated by the United Kingdom and Gibraltar's proposed departure from the EU has been, and continue to be, voluminous.

I use the words "proposed departure" deliberately here given the uncertainty that continues to surround this very issue.

Opinions in the UK have sharpened and hardened.

We should not forget that Europe has always been a divisive question in the United Kingdom.

This division is nothing new.



The argument about the UK's relationship with Europe has destroyed Prime Ministers.

It brought down Margaret Thatcher.

It haunted John Major.

It brought about David Cameron's resignation.

Theresa May went too.

The question of Europe has ruined political careers in the UK.

So I think it is relevant to reflect on this background for a few minutes.

It is obvious that the UK's exit from Europe is proving to be as controversial now, as its entry proved to be at the time.

Because Europe has continued to divide and dominate UK politics since 1972.

Indeed, already by 1975 the first UK-wide referendum was held on continued membership of the European Economic Community (EEC).

This was only three years after going in!

The Heath government was replaced by a Labour administration in 1974.

Upon taking power Harold Wilson made two clear promises.

The first was to renegotiate the UK's terms of membership of the European Economic Community.

And secondly to put those terms to the people in a referendum.

Mr Speaker, this all sounds very familiar!

It was a process that David Cameron was to repeat in 2016.

The result of the 1975 referendum was a landslide.

On a 64.5 % turnout, more than two-thirds of voters opted to stay in.

In the 2016 referendum, as Honourable Members know, the outcome was sadly a very different one.

That is why we find ourselves where we are today.

Nonetheless, it is important to reflect on the point that 1975 and 2016 impacted very differently on Gibraltar.



First because Gibraltar did not vote in 1975.

And second because Spain was not even in the EEC in 1975.

Mr Speaker, through the ups and downs and the twists and turns of the Brexit saga, there are some factors that we often overlook.

The fact that the Government secured Gibraltar's participation in the 2016 referendum, at the very outset, was already an achievement in itself.

We were able, quite literally, to put Gibraltar on the map.

And Gibraltar made an impact.

We were the first area to report.

The outcome here left no room for doubt.

The House knows that there have been plenty of challenges along the way.

Opposition Members of the Brexit Select Committee have been informed in detail in over twenty briefings as the negotiations have progressed.

The first challenge was called Jose Manuel Garcia Margallo.

He served as the Foreign Minister of Spain from December 2011 until November 2016.
He laid the markers early on.

First, he said, all options were open to Spain when we left the European Union, including closing the border completely.

Second, he added, if Gibraltar wanted a relationship with the European Union then shared sovereignty would be a pre-condition.

The EU, at this stage, refused to open negotiations with the United Kingdom until they received a formal notification of the intention to leave.

The Article 50 letter.

This was delivered on 29 March 2017.

The clock then started ticking.

The challenges mounted.

Mr Speaker, the negotiating guidelines of the European Council were published on 29 April 2017.



Clause 24 read:

“After the United Kingdom leaves the Union, no agreement between the EU and the United Kingdom may apply to the territory of Gibraltar without the agreement between the Kingdom of Spain and the United Kingdom.”

This set the scene for Spain’s infamous second veto.

That is to say, all the Member States had a veto on the outcome of the UK-EU exit negotiations. Spain had a second veto on how or whether that outcome would apply to Gibraltar.

Mr Speaker, this is the background against which those exit negotiations took place.

Again it is easy to forget.

Both the UK and Gibraltar rejected Clause 24.

Indeed, the United Kingdom repeatedly made it clear that it was negotiating for the whole UK family, including Gibraltar.

The then Secretary of State for Exiting the EU David Davis went as far as to personally assure my honourable friend the Chief Minister that there would be no deal without Gibraltar.

Mr Speaker, even then, it was possible to argue that the wording of Clause 24 set the EU position “after the United Kingdom leaves the Union” and that therefore it set the scene for the future only.

However, on 15 December 2017, following a meeting of the European Council, Spanish Prime Minister Rajoy declared that Spain’s agreement was necessary for withdrawal and transitional arrangements to apply to Gibraltar.

Mr Speaker, the challenges continued to mount.

It was not only the future that was an issue but our orderly exit as well.

A situation where Gibraltar exited the EU abruptly on 31 March 2019, as was then envisaged, while the UK stood to benefit from the cushion provided by a transition, was clearly not where we wanted to be.

The United Kingdom and Gibraltar engaged separately with all the Member States of the European in order to put forward our point of view.

We engaged with Spain also.

A Spain where the Partido Popular was still the Government.

But where Mr Dastis had replaced Mr Margallo at the Spanish Foreign Ministry.



A new condition was added in public at around this time in respect of Gibraltar Airport.

An Airport deal or no deal at all.

A number of direct discussions between the Spanish Government and the Gibraltar Government took place.

There were also meetings which included the United Kingdom and further meetings with the European Union too.

The political background changed further in June 2018 when the PSOE came to power on a back of a motion of no-confidence.

The context, Mr Speaker, was joint sovereignty, possible frontier closure, exclusion from the Withdrawal Agreement, exclusion from the transition and airport or nothing.

And we turned it around.

It was not easy.

I want to pay tribute to my Honourable Friend and colleague the Chief Minister who led those discussions ably, wisely and intelligently from the front.

And whose contacts within the Spanish political system proved to be vital as those discussions progressed.

I take my hat off also to the core of the Brexit team, in particular the Attorney General and the Financial Secretary.

Thank you also to the many officials across the Government involved in this detailed work.

History will show the measure of the challenge that we faced.

The constant volume of work that we had to churn around.

The skill with which we had to navigate past the many obstacles that were thrust in our path. The delicate balancing act that we had to perform in order to preserve the best interests of our country.

History will show, Mr Speaker.

And we owe a debt of gratitude to our wives and families also for their support.

The intensity of the Brexit process has taken control over our lives.

We have missed key moments in the schooling of our children.



The Chief Minister said recently that it was hell.

I agree.

It has been brutal at every level.

And there is more to come.

More than five hundred meetings on Brexit have taken their toll.

Importantly, though, those meetings produced results.

The inclusion of Gibraltar in the Withdrawal Agreement and therefore in its transitional provisions was a considerable achievement.

I think that the House agrees that the worst case scenario would have been for the UK to have enjoyed the benefit of a transition while Gibraltar was left out.

In the event, it is far from clear whether the Withdrawal Agreement will come into effect.

If it does, then Gibraltar will be a part of it Mr Speaker, almost since the referendum, two parallel work-streams have ensued.

One of these has centred on planning for a no deal Brexit.

The other has focused on the work to deliver the Withdrawal Agreement.

I want to pay tribute once again to the many public servants who have been involved in this exercise.

Most of the Members opposite have been briefed on the details of the contingency planning for a no-deal Brexit.

This planning has also involved the private sector.

I do not propose to go into this in any detail in public for obvious reasons.

The course of events now remains to be seen.

Teresa May has resigned.

The Conservative Party are embroiled in a leadership race.

The pendulum continues to swing back and forth between deal and no deal.

It has done so for months.

There are, at one end of the spectrum, those who doubt whether we will leave the European Union at all.



Then, at the other end, leaving without a deal comes closer with a possible new Brexiteer Prime Minister.

The view of the Government is that is in the best interests of Gibraltar to remain in the European Union together with the United Kingdom.

The preferred option would be for the UK to revoke article 50 and stay in. Failing that to hold a referendum.

This is our clear and unequivocal message.

It was a message delivered by the electors of Gibraltar in June 2016 with a massive 96% support. It was echoed by our voters once more during the European elections last month.

The outcome in Gibraltar with 77% Liberal Democrat and 5% Green already adds up to 82% for clearly remain options.

The Government will continue to prepare whatever the way forward might be.

GIBRALTAR HOUSE - LONDON

Mr Speaker, I move on to Gibraltar House in London.

Before I run through the political and other activities of that office can I pause to pay tribute to someone who worked there until recently.

Some Members will recall Mr Ian Leyde.

Sadly, after over two decades employed at the London office, on the tourism front in particular, he passed away suddenly and without warning whilst working.

He was, Mr Speaker, a highly professional marketing man for Gibraltar Tourism and a veteran of Gibraltar roadshows and exhibitions.

In particular, he was an enthusiastic ambassador for Gibraltar at the many UK political conferences where he helped to man the Gibraltar stand.

That is how I knew him.

May he rest in peace.

Our condolences to his family, friends and colleagues.

LONDON - BREXIT WORK

Mr Speaker, the Brexit saga has meant that the office in London has continued to be a hub of activity.



This is where the Chief Minister, the Attorney General, the Financial Secretary and I together with other officials are based during our time in London.

Gibraltar House has been involved in work dealing with Whitehall departments across the board. Since the 2016 referendum the office has almost evolved into a natural extension of No 6.

Gibraltar House facilitates support for the numerous meetings that have taken place at ministerial and official level.

Our engagement with UK over the past three years has shown that to build relationships and trust it is important to have regular personal contact between those involved.

This has been critical in the sensitive discussions that have taken place.

Working groups from both Governments have met at Whitehall and in Gibraltar House in order to consider plans for a no-deal Brexit.

Our own Government departments and authorities have enjoyed fluid access to our facilities in London.

There has also been close preliminary work on the future UK-EU relationship.

We must be ready just in case such a relationship were ever to materialise.

LONDON - LOBBYING

Of course, Mr Speaker, Gibraltar House in London serves as much more than a mere physical platform for the government's work.

Our representative Dominique Searle and his team are very active in lobbying the Westminster Parliament.

They collect and collate information relevant to the government's efforts in order to protect and promote Gibraltar interests across the board.

The All Party Gibraltar Group in Parliament continues to go from strength to strength under the presidency of Sir Lindsay Hoyle MP and the chairmanship of Bob Neill MP.

The Group has consistently put its support for Gibraltar above the argument between Leavers and Remainers.

This has allowed Gibraltar to harness support across both sides of the divide from all the political parties in the House of Commons and the House of Lords.

Our United Kingdom Representative has fully briefed both the All Party Group on Gibraltar and also the Group on the Overseas Territories.



Indeed, the Chief Minister and I have had the opportunity on several occasions to address special meetings of the Gibraltar group.

There continues to be a considerable amount of interest, sympathy and support for Gibraltar in Westminster.

Mr Speaker, we have throughout held numerous individual meetings with key MPs and Peers who are influential in the Brexit debate.

Members from both sides of the argument.

The aim has been to ensure that the nuances of Gibraltar's concerns are not lost in the wider discussion affecting the United Kingdom itself.

Many of those meetings have been reported in the media.

I should add that another important aspect to the work at Gibraltar House is to monitor the UK Parliament.

That work has resulted in us engaging widely and formally with Parliamentary Committees and with Committee Chairs.

This contact has included the EU committees in both Houses, the Foreign Affairs Committee the Scrutiny Committee and others of relevance to Gibraltar.

LONDON – MP VISITS

Therefore, Mr Speaker, the House can rest assured that MPs and Peers are regularly briefed about Gibraltar.

In addition to National Day, the London office organised a very useful visit by senior level MPs and Peers last spring.

In May 2018, for example, a select group of five MPs visited Gibraltar in order to learn more about the status of the Brexit negotiations.

That group included Liz McInnes MP, Labour Shadow Foreign Affairs Minister, and the Rt Hon Tom Brake MP, Liberal Democrat Spokesperson for Exiting the European Union.

The programme included a briefing from myself on Brexit as well as from my friend and colleague the Minister for the Environment Professor John Cortes.

Members will recall that the group also met with the Brexit Select Committee in the Gibraltar Parliament and with representatives of the Chamber of Commerce.

LONDON - NATIONAL DAY

Mr Speaker, Gibraltar hosted 26 MPs and Peers from the UK Parliament on National Day 2018.

In addition to this, there were 4 members from the European Parliament present.



It was also a pleasure to welcome Arlene Foster MLA, the Leader of the DUP in Northern Ireland and former First Minister. Her presence and the strong support from the DUP sent a powerful message.

Their programme included briefings from the Chief Minister and myself, a visit to the Frontier, a briefing on Finance and Gaming from my colleague the Minister for Commerce Albert Isola and a call on HE the Governor.

Members were also able to attend the annual National Day rally and associated events.

Mr Speaker, we always say that there is no better way to understand Gibraltar than to visit Gibraltar.

LONDON - GIBRALTAR DAY

Mr Speaker, the annual Gibraltar Day reception was again hosted at The Gherkin, on Monday 22nd October.

The event was attended by eleven Ambassadors and High Commissioners along with ten Deputy Ambassadors. There was further diplomatic representation of lower rank.

There were 26 members of the House of Commons and House of Lords present.

Over 100 members of the Gibraltar community in the UK were hosted at a Thanksgiving Mass and Reception in Fulham on the preceding day.

Three hundred members of the Financial Services industry attended a lunch in the City of London.

Mr Speaker, we continue keep these events and their focus constantly under review.

However, I am sure Honourable Members will appreciate the importance of keeping all UK political parties informed and on-side.

Gibraltar's interests transcend the Brexit debate as does the importance of maintaining our close relationship with the United Kingdom.

It has been a priority that our position is understood more widely:

by countries with which we may trade in the future;

by members of the Commonwealth; and indeed

by existing member states of the European Union too.

They heard that message clearly and categorically in London during Gibraltar Day.



LONDON - GENERAL

Mr Speaker, our Representative in the United Kingdom, is included with other Overseas Territories Representatives as part of Her Majesty's Government's Diplomatic List.

This means that he has attended a number of Royal Household functions and Embassy events representing Gibraltar.

The Overseas Territories are now collectively pressing for direct representation at the Remembrance Day ceremony in London.

I would add that each year Gibraltar is formally represented at the Commonwealth Day Mass in the presence of Her Majesty the Queen.

This year two young Gibraltarians who won an essay competition were also present.

It continues to be an important policy to keep our friends fully informed, including former Governors, as they have proven time and again to be true allies of Gibraltar and its people.

The Friends of Gibraltar too remains a bastion of support from the United Kingdom.

They continue to make good use of the facilities at Gibraltar House.

This year the office helped to organise several of their talks.

In this context may I pay tribute to the late Tim Lawson Cruttenden one of the most active of the Friends who sadly passed away here in Gibraltar just a few weeks ago.

His family continue to have strong ties with the Rock and our condolences go out to them.

COMMONWEALTH

Mr Speaker, I would like to expand further on our relations with the Commonwealth.

Members will recall that High Commissioners of Australia and India visited Gibraltar this last year.

The Government continues its engagement with the different organisations and countries of the Commonwealth.

These Commonwealth themes came together very well in a seminar organised by the Government and the Royal Commonwealth Society in March.

The event was entitled "Changing times: Brexit, the Commonwealth and opportunities for Gibraltar".

It brought together a distinguished panel from outside Gibraltar.

These were:



Lord Marland, the Chairman of the Commonwealth Enterprise and Investment Council:

Mr Abkar Khan the Secretary General of the Commonwealth Parliamentary Association; and

The Honourable Alexander Downer, who was Minister of Foreign Affairs of Australia from 1996 until 2007 and who retired as High Commissioner to the United Kingdom only last year.

This seminar has served as a catalyst for further interaction with the Commonwealth.

My colleague the Minister for Economic Development Sir Joe Bossano has since had a preliminary discussion in London with Lord Marland on business opportunities.

And I am pleased to announce that the Executive Committee of the Commonwealth Parliamentary Association, at its last meeting in Ottawa has confirmed Gibraltar as the venue for 2021.

The Commonwealth remains an organisation that we value and with which we want to build closer ties.

Indeed, as a result of Brexit those ties are now more important than ever.

On that basis we have decided that this year the educational visit of Gibraltar students to Brussels will switch to London instead.

There will be interaction with United Kingdom institutions and with Commonwealth organisations.

Gibraltar continues to be a member of the Commonwealth Enterprise and Investment Council.

We participate in events organised by the Commonwealth Parliamentary Association, the Commonwealth Telecommunications Union and the Commonwealth Local Government Forum.

We have also built a relationship with the Commonwealth Secretariat and allied institutions.

LONDON - PARTY CONFERENCES

Mr Speaker, the London office once again organised Gibraltar's participation at the different UK political party conferences.

The participation of Gibraltar covers all the main parties.

Last year, we were present at the Conservative, Labour, Liberal Democrat, Scottish National Party and Democratic Unionist Party conferences.

The Gibraltar receptions at these conferences were all a great success.

The support was truly overwhelming.



The Prime Minister herself shared a platform with the Chief Minister at the Gibraltar reception during the Conservative Party conference.

The Shadow Foreign Secretary Emily Thornberry spoke at the Labour Party conference.

And the Leader of the Liberal Democrats Sir Vince Cable shared the stage with me at the Liberal Democrat conference.

The high-ranking speakers at these events is a reflection of the considerable effort that our team in London have put into keeping Gibraltar visible where it matters.

It remains a priority to ensure that the various parties, their politicians, members and policy makers all understand our issues properly.

LONDON - UKOTA

I should mention that our UK representative and his deputy meet regularly, often at Gibraltar House, with the other British Overseas territories.

This happens often under the umbrella of UKOTA (the UK Overseas Territories Association).

In this for the UK Overseas Territories, including Gibraltar, discuss issues in common and interact with the Foreign and Commonwealth Office on a monthly basis.

LONDON – STRATEGIC ISSUES

Mr Speaker, the bulk of the work of our London Office is centred on Westminster.

Brexit has devoured our and their time and energy.

However, Gibraltar House in London also monitors the foreign and national security policies of Spain and the United Kingdom, including their bilateral relationship.

We do this to try to assess how these may affect Gibraltar's political and economic security in the future.

This is particularly relevant as the UK tries to reconfigure its overall global posture.

I do not need to remind the House that defence and security issues are a UK responsibility.

Nonetheless, the Government of Gibraltar does have a view on these matters.

Mr Speaker, it is widely expected that there will be a re-shaping of existing alliances and a building of new ones.

We want to ensure that, whilst we always remain supportive of the United Kingdom's strategic objectives, we never become a tradeable commodity in the wider game.



Our aim is to protect our sovereignty and our interests.

An overview of the situation will help in understanding the complexities we face beyond Brexit and the political crisis in the United Kingdom.

Britain has relied on NATO and the EU, as the two key Euro-Atlantic alliances, to protect itself and its global interests.

Gibraltar has benefitted from the UK's membership and leadership in both.

But, the Euro-Atlantic alliances are under stress as the European powers try to find a balance within themselves, and between themselves, and their place in the new world order.

It is not yet clear how states will align with each other within the EU to fill the void being left by the United Kingdom.

We know that Spain is keen to be at the top table and will strive to bend European policy towards its interests.

Indeed, we have experienced this already.

This was probably a mere taster of what to expect when we leave.

When it comes to NATO, we find that it is routinely under the spotlight, especially because of political developments in the United States.

There is regular criticism of Europe's commitment to its own security.

In contrast, the United Kingdom continues to perform its NATO duties and Gibraltar too plays a role.

The most obvious visible sign of this role are the regular visitors to our port.

The one positive aspect is that the Euro-Atlantic space remains rules based, with the overarching structures of the EU and NATO still in place.

However, beyond our immediate geopolitical space the world order is changing.

The UK has an eye on these changes, particularly in the Indo-Pacific region.

Importantly, the Royal Navy has conducted freedom of navigation patrols in the South China Sea.

From Gibraltar's point of view, the Royal Navy's activities there demonstrate that the UK is meticulously keeping within the terms of UNCLOS.

Mr Speaker, it is important that the UK acts with the same resolve and determination in British Gibraltar Territorial Waters where there are similar UNCLOS issues.



In a sense, Brexit is a rehashing of the centuries old British policy debate about the balance that Britain should strike between its European interests and its interests in the wider world. The indications are that it could take a long time to find this balance.

It will logically involve a modus vivendi with Europe.

Mr Speaker, some may be wondering what this global tour has to do with Gibraltar?

It seems obvious that political and financial realities will shape the policy choices that the United Kingdom makes going forward.

The UK will have to make compromises and trade-offs.

Gibraltar must ensure it retains a high profile among those who matter as the UK makes those policy choices.

SPAIN – SECURITY MATTERS

Mr Speaker, Spain sees Brexit as an opportunity to enhance its standing in Europe.

Their National Security Strategy is firmly directed towards this part of the World.

We regularly see how it attempts to exert control over the Strait and BGTW as part of its National Maritime Security Strategy – now using larger and more capable vessels.

Furthermore, Spain is striving to expand and strengthen the EU's security remit, particularly in the Strait and in West Africa.

In addition to EU activities, Spain remains committed to NATO.

Our own bottom-line remains as it always has been.

It is right and proper that allies should cooperate on security matters, particularly on major global issues.

Moreover, it is good that the UK and Spain enjoy a positive and fruitful relationship.

However, that positive and fruitful relationship should be reflected in the way in which Spain operates in this area and in how they behave towards Gibraltar generally.

We will continue to encourage our friends in the UK to be strong in our neighbourhood and strong in other theatres.

We will do our bit to ensure that this is so.

Gibraltar has, after all, been a military base for over three hundred years.



We know who our friends are.

SPAIN

Mr Speaker, it is too early to tell what the effect of the local, regional and national elections in Spain will be.

One thing is certain. It could have been worse – much worse given the political landscape.

The Government continues to invest considerable time and effort in putting across our point of view to those parts of the political classes in Spain who are willing to listen.

The Honourable Members opposite have been briefed on the extent of those contacts.

The Government will continue to develop this further in the best interests of Gibraltar as we move forward.

Mr Speaker, I thank our Head and Deputy Head of Mission in London and all the staff at Gibraltar House.

Gibraltar House in London can be found at Head 12, Sub-Head 2(2)(a) in the Estimates.

GIBRALTAR HOUSE - BRUSSELS

Mr Speaker, I now turn to report on the work carried out by our office in Brussels.

On 9 July 2014 the Government announced that it would be laying the foundations for the expansion of Gibraltar's representation to the European Union in Brussels.

Suitable premises were acquired within walking distance of the three main institutions of the EU.

Staffing arrangements were made.

Our representation, on 17 Square Ambiorix, was officially inaugurated by the Chief Minister on 27 May 2015.

I know that this was a source of pride for him and also for me personally.

We had set ourselves the challenge of promoting Gibraltar in Brussels long before we were first elected.

A little over four years have elapsed since the office opened for business.

At the same time, a Parliament and Commission was elected and appointed following on from the elections to the European Parliament of 2014.

It was an exciting time to kick start our expanded operation in the heart of the European Union.



Now, as the sun sets on this EU legislature, and as a new legislative term starts, it is a good moment to reflect on what has been achieved by the Gibraltar House in Brussels over those four years.

Mr Speaker, it is fair to say that the European panorama looked rather different in May 2015.

So too did we look different.

Looking back at the photographs of the Chief Minister and I at the inauguration event, it is also evident that I had a little more hair back then than I do now.

Clearly a lot must have happened in the intervening period.

When we proudly set up our new representation, the possibility of a UK and Gibraltar exit was a mere spectre on the horizon.

A distant, unlikely event.

In a little over a year from its inauguration the office would be thrown in at the deep end.

A baptism of fire, Mr Speaker.

A young operation programmed to achieve more inside the EU would instead be called upon to assist the Government in its preparations to leave the EU.

I am proud to say that the office has resolutely defended Gibraltar's interests in Brussels with professionalism, with vigour and with competence.

They have done so despite the challenges,

despite the obstacles; and

despite having to compete with the vast diplomatic corps and resources of one particular Member State.

Our work in Brussels will have to continue, even if it is from a position outside the EU.

Indeed, Bermuda have recently opened an office there.

I said last year that our activity in Brussels had not escaped the attention of Madrid.

Only a couple of weeks ago, in statements made to El Mundo, Partido Popular MEP, Esteban Gonzalez Pons, said the following:

"Gibraltar, with an official population of less than 35,000 people, with a small office operating from a normal Brussels address, has a lobbying apparatus that I would love to have for Valencia or any other Spanish region".



Mr Speaker, we must be doing something right.

Over the last year, I have visited Brussels twice.

Both visits took place in October 2018 as we worked on the final package of measures agreed with the EU as part of the Gibraltar Protocol in the draft Withdrawal Agreement.

At the invitation of the Greens/EFA Group of the European Parliament, I also visited Strasbourg in October to address its members who were specifically working on Brexit.

As usual, the Attorney General has made several other visits to Brussels throughout the year.

BRUSSELS – ENGAGEMENT WITH EU INSTITUTIONS

Mr Speaker, the work of the European Parliament is fundamental in shaping EU policy not just in relation to Brexit but in relation to EU affairs in general.

Our permanent assets in Brussels continue to lobby its Members.

They have secured for Gibraltar a level of access that we have never previously enjoyed.

Their records indicate that a total number of 74 MEPs were formally seen in the 2018 calendar year.

Engagement with the European Parliament does not end with MEPs. Day to day contact proceeds with advisors, coordinators, researchers and with staff.

Numbers are similarly high for the current year.

Not least because the office was pivotal in its front foot defence of Gibraltar's position on being labelled a "colony of the British Crown" by the European Council at the request of the Spanish Government.

This episode is one which I would like to highlight in order to demonstrate the importance of our presence in Brussels.

Our representation during this time was heavily involved in influencing MEPs and educating policy makers on Gibraltar's status under international law.

The office was also able to gather vital intelligence keeping the Government apprised with developments on a daily basis.

Mr Speaker, the vote in the European Parliament plenary was, eventually, to adopt the relevant measure with the offensive language on Gibraltar.

This happened under pressure of a possible Brexit on 12 April.



Even then, the European Parliament had to take the unprecedented step of unjustifiably ousting its appointed rapporteur, Labour MEP Claude Moraes.

They also proceeded against the wishes of 230 MEPs who had voted to reopen the text primarily because of the Gibraltar language.

230 MEPs from different countries and from different political groups.

I want to pay tribute here to Claude Moraes and welcome his re-election to the European Parliament last month.

He stood up for the Parliament against the Council.

He resisted and exposed the unfair bullying tactics of Spain until virtually the last minute.

Even MEPs who, under pressure from a looming Brexit deadline, finally ended up on the other side of the argument were appalled at the behaviour of their Spanish counterparts.

Therefore the vote I have referred to was, in some ways, a considerable achievement.

On behalf of the Government, and I am sure of the whole House, I want to thank Sir Graham Watson, Daniel D'Amato and the team in Gibraltar House, Brussels.

Whilst it was the drama linked to this particular affair which took all of the headlines, I need to stress that the work of our Office is constant and persistent.

Much of it takes place away from the spotlight.

The Office have successfully, in the context of other dossiers, managed to influence language on Gibraltar.

The result has been to divert support away from hostile Spanish amendments.

I would also like to underline that we do more than simply take our arguments to Brussels.

There is no better place to make those arguments than here in Gibraltar.

A total number of 17 different MEPs have visited Gibraltar to see for themselves since the referendum.

When they visit, they learn the reality of the situation on the ground.

The office has also organised visits to Gibraltar for the ever influential MEP assistants.

Two such visits have taken place in the last financial year.

A total of 12 programmes have been organised so far.



This has seen up to 65 MEP assistants, Commission officials and diplomats visit Gibraltar.

BRUSSELS OFFICE SOFT DIPLOMACY

The branches of our informal “Friends of Gibraltar” Group in Brussels continue to grow at the same time.

Our office actively participates in countless events in Brussels – whether they are organised by governmental representations, NGOs, consultancies, think tanks or other entities.

One particular example I would like to mention is that of an informal grouping made up of Brussels Based UK Offices and Organisations.

This started to meet this year with a view to sharing information and perspectives ahead of the UK’s departure from the European Union.

The group is made up of government representatives of all the British family of nations.

It includes UK regional and city representations as well as trade associations and the representative offices of British industry.

The group is conducting essential work in coordinating to properly position British interests in the EU post-Brexit.

Gibraltar has been an active participant in all the working groups and discussions so far.

This is yet a further example of the versatility of Gibraltar House in Brussels.

They do interact with EU actors but also with those from the United Kingdom as well.

Mr Speaker, not all of the work that the Office engages in is political.

Some of it has a more commercial angle.

In particular, the Office has energetically worked to present Gibraltar in Brussels as the cutting edge jurisdiction in the cryptocurrency space.

Gibraltar, for example, participated in the Blockchain for Europe Summit organised by APCO Brussels in the European Parliament.

That event saw Paul Astengo from our Finance Centre Department on a panel alongside Pēteris Zilgalvis, the Co-Chair of the European Commission’s FinTech Task Force, and other key influencers.

It raised a significant amount of positive interest in Gibraltar.



BRUSSELS OFFICE: LOOKING AHEAD

Mr Speaker, looking ahead, and following on from the elections to the European Parliament of 23 May, a new legislature will take up their seats.

New relationships will need to be forged, and good relationships already formed will need to be maintained.

I want to pause for a moment to thank Labour's Claire Moody and Conservative Ashley Fox for their support of Gibraltar.

They were not re-elected.

Thank you also to Julie Girling, Julia Reid and William Dartmouth.

All three have now left the European Parliament also.

Mr Speaker, I wrote to our six MEPs straight after they were elected.

We will work with them where this is in the best interests of Gibraltar.

Our Office has already mapped out the changing landscape of new faces.

In so doing, they have identified obvious personalities who will create difficulties and also other Members who could bring about new opportunities.

A new President of the Commission and a new College of Commissioners is also to be appointed.

Come what may, and whilst at this moment in time the Brexit process remains in a state of flux, let me assure the House that we are well equipped in Brussels to continue to fight our corner in Europe.

Mr Speaker, I want to thank Sir Graham Watson, Daniel D'Amato and the staff of our office in Brussels.

Gibraltar House in Brussels can be found at Head 12 Sub-Head 2(2)(b).

LOBBYING IN WASHINGTON

Mr Speaker, the Government has continued to promote and advance the interests of Gibraltar in Washington.

I was there at the end of May.

Here too we are up against the negative actions of Spain.

Their motivation can only be to prevent Members of Congress from learning about Gibraltar directly from Gibraltarians themselves.

The truth is that there is no better way for them to understand what this is all about.



Spain would rather subject them to their own distorted version of reality unchallenged.

That is not going to happen.

We will continue to challenge every distortion of the truth.

I am pleased to report to the House that despite these goings-on 34 Members of Congress, including several sub-committee Chairs, have already signed up to a resolution which backs self-determination for Gibraltar.

It also honours the role that Gibraltar has played in support of the United States over hundreds of years.

The last session saw a record of 54 co-sponsors, some of whom have now left Congress.

Members have signed up on a bipartisan basis with supporters from both the Democratic and the Republican parties.

The Government intends to continue with our information campaign in Washington.

We will also put across our position twice a year at the United Nations in New York, and once at the annual UN seminar.

CIVIL AVIATION

Mr Speaker, I move on now to civil aviation.

In this area too, the Government has been busy preparing for Brexit.

The Director of Civil Aviation has amended all of the directly applicable EU regulations in order that these can be promulgated as domestic legislation on the day that the UK and Gibraltar leave the EU.

If there is no Withdrawal Agreement – a No-Deal Brexit

The EU is in the process of adopting a measure that will allow air carriers from the UK to fly across EU territory after the UK leaves the EU in the event of a no-deal Brexit.

It is disappointing, but not surprising, that at Spain's insistence Gibraltar has been excluded from the geographic scope of this legislation.

However, the proposed legislation does permit UK air carriers to fly across the territory of the EU en-route to Gibraltar, as normal, in the same way as they would be able to fly across the territory of the EU to any other third country.

Similarly, we have been assured that UK aircraft needing to divert to Malaga Airport, because they are unable to land at Gibraltar Airport, will be able to continue to do so.



The principle of the right to overfly and the right to divert are further enshrined in the International Air Services Transit Agreement (IASTA).

Flights between Gibraltar and Morocco

In preparation for the UK and Gibraltar leaving the EU, the UK has negotiated an Air Service Agreement with Morocco.

The Agreement, which will come into effect on the date of the UK's exit from the EU, has been extended to include flights to and from Gibraltar Airport.

Flights operated between Gibraltar and Morocco would therefore be able to continue as normal even in the event of a No-Deal Brexit.

Security

Mr Speaker, as part of the preparations for a No-Deal Brexit, the Government has ensured that EU Security Regulations will be retained in Gibraltar law.

Therefore, passengers using Gibraltar Airport will not notice any change to existing security arrangements.

The current security arrangements would continue to apply to mail, cargo/freight, live animals or courier mail carried in the hold of an aircraft.

Passenger rights

Mr Speaker, the same air passenger rights as apply today will continue to apply after the UK leaves the EU for air passengers on flights between the UK and Gibraltar.

This will be so because EU passenger rights legislation will be retained in UK law for passengers travelling on UK Airlines.

Legislation

The drafting of Brexit related legislation has taken priority across the whole Government. Nonetheless, the Civil Aviation (Investigation of Air Accidents and Incidents) Regulations 2018 have now been published.

These update EU Regulations on the subject.

Safety Plan

The UK have recently issued a revised State Safety Programme, which sets out the basis through which aviation safety is managed in the UK, the Crown Dependencies and the Overseas Territories.

As a consequence, the Director of Civil Aviation has updated the Gibraltar element of the plan.

Drones

Local interest in the operation of Drones continues to rise and there are now a total of five local operators recognised by the Director of Civil Aviation.



The disruption suffered by Gatwick Airport shortly before Christmas, brought into sharp focus the problems that unauthorised drone flying close to airfields can cause.

As a result, the Government has reviewed its procedures for controlling the use of drones. Like the UK, we intend to introduce new drone related legislation.

In addition, the Director is working with the Government IT Department to develop a Drone Activity Reporting System.

The system will require authorised drone operators to register their flying activity on a publicly available website prior to take-off.

This means that if the public or the Emergency Services see a drone flying, they will be able to check quickly if the activity is authorised.

In this way, swift action can be taken by the Emergency Services to detain anyone found to be flying without authorisation.

Emergency Response Training

The Airport has exercised different areas of their emergency procedures during the year.

As always, each Exercise helps identify useful lessons to improve the response effectiveness of the myriad of organisations that play a part in the Emergency Orders.

In addition, this year saw the UK Air Accident and Investigation Branch, supported by their military counterparts, send out a training team to instruct on the assistance they will require should the need ever come for them to investigate an aviation accident in Gibraltar.

The training was well supported and over 50 members of the airport, military and emergency service staff attended the two-day training course.

Mr Speaker, I would like to thank the Director of Civil Aviation for his support throughout the year.

Civil Aviation can be found at Head 13 of the Estimates of Revenue and Expenditure.

GIBRALTAR NATIONAL ARCHIVES

Mr Speaker, I hold ministerial responsibility for the Gibraltar National Archives.

There were 1295 visitors to the archives over the last financial year.

These were people who physically consulted digital or original material in person at the archives.

The archives website enjoyed nearly twenty six thousand hits from 94 countries in that time.

The Archivist, Mr Anthony Pitaluga, has attended a number of training conferences and meetings abroad. In April 2018 he went to digital preservation workshops at Merton College, Oxford University.



He was asked to give a presentation to a global audience regarding the on-going digitisation and digital preservation programme in Gibraltar.

In August, the Archivist attended the conference in Glasgow of the Archives & Records Association of the United Kingdom and Ireland (ARA).

This covered Archival Science best practices, and Conservation, Digitisation and Digital Preservation.

A number of very popular film nights have been held by the Archives at the University on the last Wednesday of each month.

These have been very well attended.

Mr Speaker, last week, it was a pleasure to open an exhibition at the John Mackintosh Hall in order to mark the 50th anniversary of the closure of the border.

This was organised by the archives together with my office.

The exhibition contained photographs, press cuttings and footage from that traumatic time.

There were also several displays of relevant memorabilia including the actual Spanish frontier gates themselves.

The border closure was an important stepping stone in our road to greater self-government and in the forging of our distinct identity as a people.

Franco predicted that Gibraltar would fall like a ripe fruit.

He could not have been more wrong.

The fruit did not ripen.

Instead, it hardened further.

in our determination to resist the Spanish claim,

on the part of the generation that lived the years of closure and on the part of those who followed them.

The exhibition continues to be open until 14 June and I urge those who have not had a chance to visit it to do so.

Mr Speaker, the House will recall that booklets were distributed to our schools which cover key moments in our history.



The first in 2015 followed on from the 75th anniversary of the wartime evacuation of civilians.

The second in 2017 served to commemorate the 50th anniversary of the 1967 referendum.

A further book to mark the closure of the border is already at an advanced stage of preparation.

This will be distributed to all our schools during the new academic year.

Mr Speaker, I take the opportunity to once again thank the Archivist Anthony Pitaluga and his staff who carry out their task with pride, passion and professionalism.

The Gibraltar National Archives can be found at Head 12 of the Estimates book.

NORTHERN DEFENCES

Mr Speaker, I would also like to say a brief word about the project to recover and restore the Northern Defences.

The area continues its transformation from a jungle into a jewel.

Spanning hundreds of meters, this series of tunnels, paths, bastions, towers and military fortifications is second to none.

Having witnessed this site at first hand, I am convinced that we have uncovered not only another world class tourist product, but also a much needed outdoor space for our community.

The Government will enter its fifth year of clearing out works to expose the remaining elements of a unique and formidable defensive network.

Particularly interesting has been our latest find which seems to have exposed a military line of defence which dates back to the early 1600s or even the late 1500s.

This wall was curiously referred to as “el Muro de San Joseph” and later as Hanover Line.

The defensive structure appears in plans which go back to 1627 and seems to extend from Hanover Battery all the way up to outside the Tower of Homage itself.

Clearing out works have revealed its staggered arrangement, length and remarkably good condition.

It is relevant to note that already the site has become the source of much interest from international academic institutions and journals.

It will not only become a world class heritage attraction but its potential for outdoor activities cannot be ignored and will be maximised.

Given the location of the site and access by foot from Casemates Square, the northern defences will become an area to be enjoyed by all.



It has been closed off for decades.

I want to take the opportunity to thank the Project Director Carl Viagas and the team working on the site.

The Government is also very grateful to the Royal Engineers who continue to work there on a regular basis.

Thanks also to the Heritage Trust who continue to conduct tours of the area.

Mr Speaker, Honourable Members will see that there is provision in the Improvement and Development Fund for the Northern Defences.

There is also specific provision to commence restoration works at the Grand Battery.

While on the general subject of lands, I wish to thank the staff of the Lands Office in Convent Place and the Directors and Staff of Land Property Services Ltd for their support throughout the year.

CONCLUSION

Mr Speaker, there will be a general election at some point this year.

The Estimates of Revenue and Expenditure before this House show a record surplus.

This reflects the Government's prudent management of the economy, despite the all-consuming challenge posed by Brexit.

We are delivering on our commitments with regard to new sporting facilities.

The investment in education and through this in the future of our children is unprecedented.

The construction of new schools and the refurbishment of others is well under way.

A new Primary Care Centre will soon be delivered.

Hundreds of new homes for our people are in the pipeline.

We have delivered what we promised.

All this regardless of Brexit work that has consumed the time of Ministers and countless officials.

Later this year, we will urge the people of Gibraltar once again

to put their trust in us;

to let us continue to make use of the political relationships we have built abroad;

to let us navigate Brexit with the knowledge and experience we have gained;



to allow us to continue to defend the best interests of our country.

Mr Speaker, I close by thanking my personal staff at No 6 Convent Place for their support in what has been an intense and sometimes stressful year.

Thanks also to the Clerk, to the staff of the Parliament and to you too Mr Speaker

Thank you.