

CHECK AGAINST DELIVERY

BUDGET SPEECH 2012

**Ministry for Tourism, Public Transport and the Port
Budget Speech 2012
Minister Costa**

Mr Speaker, whereas this is my fifth Budget Speech, it is not an exaggeration to say that I feel immensely privileged to deliver my maiden Budget Address as Minister of H M Government of Gibraltar for Tourism, Public Transport and the Port. I am also honoured, Mr Speaker, by the trust vested by the people of Gibraltar to represent them in the affairs of government. I know I speak for all of my Cabinet Colleagues when I say that we are enthused and entirely committed to implement our exciting programme for government, which is a social contract Mr Speaker that will not only benefit all Gibraltarians but which will, once and for all, provide the quantum leap in the political development of our country as rightly demanded by a majority of Gibraltarians. Any objective observer, Mr Speaker, amongst which, of course, I cannot count the Hon Members Opposite in the light of their Budget speeches, will agree with me that the new Government has already met a sound number of its electoral pledges and is therefore well-poised to deliver even more within its first mandate in office. Just yesterday Mr Speaker the Honourable the Chief Minister and my Hon Ministerial colleagues announced even further manifesto commitments that have been met.

Mr Speaker, the Honourable the Chief Minister has entrusted me with a wide portfolio of responsibilities and I intend to take these in turn. In the first instance, I intend to set out, in brief terms, the Government's various achievements in the last 6

months in office, as well as highlighting the projects that the Government will undertake this financial year.

Whilst highlighting the many Government achievements in only 7 months of office Mr Speaker and the manifesto commitments we will accomplish in this financial year alone, I will also not just take, but seize the opportunity to highlight the more outrageous instances of political mismanagement of the previous administration and no amount of protestation from the Opposition Benches will deter us from addressing in this House, what can properly, truly and best be described as the electorally “big lies” of the party opposite. Mr Speaker, what the Hon Members opposite cannot do with any degree of political integrity and credibility is to cry foul and pretend to suffer mortal wounds and soliloquise thereon when we criticise their past policy failures as a result of which we have had to act as expeditiously as possible and comment to that effect in our Budget addresses – such statements Mr Speaker are perfectly pertinent and valid. Moreover Mr Speaker, it is highly ironic that the GSD should accuse us of being in Opposition mode but spend the entirety of their speeches disingenuously trying to rubbish without foundation, like political neurotics scratching at their festering defeat at the election polls, what are clearly policy successes. Does the GSD think they can adopt baseless and purely partisan political postures and that we will not rise to put the record straight? Further still Mr Speaker, if the Hon Mr Figueras really thinks that when a new government, barely 7 months in office, is acting like an Opposition by raising very recent past, relevant political issues in the light of current developments, he would have wailed and caterwauled in despair to hear the Hon the Leader of the Opposition then as Chief Minister argue at length in his four replies whilst I was a Member of the Opposition that it was relevant, actually

relevant to go as far back as 1988 and blame the GSLP for the situation in 2008, 2009, 2010 and 2011! Now he can genuinely despair, as I did.

Political considerations aside Mr Speaker, I turn, firstly, to the Gibraltar Port Authority.

Gibraltar Port Authority

Mr Speaker, it is the view of the Government, that the time has certainly come to consolidate the port operation by investing in the infrastructure and equipment with a programme of capital expenditure that has suffered a chronic lack of investment for many years. The new Captain of the Port, Roy Stanbrook, joined at the end of February and I endeavour to meet him weekly to develop an ongoing strategy to maintain and grow the port business, while safeguarding the infrastructure and our environment.

In order to maintain and improve the commercial viability and safety of the Port of Gibraltar, investment in infrastructure and personnel is essential. It is to be noted Mr Speaker that the systematic underinvestment that I have highlighted just a few moments ago has surfaced in the recent security and insurance audits that have exposed painful shortcomings, which, this Government is ensuring the Gibraltar Port Authority addresses. At the same time Mr Speaker, continuing and ongoing audits of infrastructure and systems have exposed vulnerabilities in business critical systems. A project to identify such issues and build resilience into the port operation is currently underway and I look forward to receiving the recommendations of the GPA.

Further, the security of our port and the safety of its users remain paramount and therefore the continued investment in an integrated closed circuit television system with wide area surveillance of all areas of the port is considered essential. The system, which augments the CCTV, which is already installed, will be fitted within weeks.

Mr Speaker, it is clear to everyone, although it is patently obvious that successive GSD Port Ministers were blind to this reality, that the fabric of the port requires continuous maintenance in order to sustain safe access for vehicles and pedestrians alike. As recently announced therefore Mr Speaker, we have embarked on a programme of resurfacing roads and walkways within the port, as well as repairs and refurbishment to the Detached Mole in order to make it safe for anyone landing there, including the large numbers of fishing enthusiasts who use the facility for leisure purposes, such as the annual angling competition. In this respect, toilet facilities are already installed and first aid facilities are also being provided.

As this House is also aware Mr Speaker, modified procedures have now been developed and agreed between the Port and the Gibraltar Federation of Sea Anglers to enable access for resident fishermen to the port when it is safe and practical to do so.

Further still Mr Speaker, a programme of augmentation and replacement of the oil spill response equipment necessary to protect the marine environment is also in progress to ensure that we are always able to meet the challenge should there be an

oil spill. At this juncture Mr Speaker, I must associate myself with the comments made by the Hon Minister for Health and the Environment Dr Cortes and in this House publically thank the staff of both the GPA and the Department of the Environment for their impeccable professionalism and unwavering and around the clock dedication in tackling the oil spill, which they successfully contained.

As a result of the issues encountered during the recent oil spill, a full review of the Oil Spill Contingency Plan including pollution equipment stock levels together with their suitability for use in the Gibraltar environment will be carried out with special regard to the changing environmental sensitivities, including protected areas and species. The Captain of the Port in conjunction with the Gibraltar Maritime Administration are putting together recommendations for the Cabinet to consider.

Mr Speaker, whilst not referring to the circumstances of the oil spill that took place in Gibraltar on making the following comments, it did become clear that there is a lack of sufficient criminal penalties for pollution offences and therefore a complete absence of an effective deterrence. Whereas the Government recognises the importance of bunkering to Gibraltar's economy, it is equally conscious of its environmental responsibilities and Gibraltar must send a strong and clear message that it will not accept criminally irresponsible operations. A proposed change to Port Rules will bring the criminal penalties in Gibraltar in line with those in the UK for pollution offences, effectively increasing the maximum penalty from £2,000 to £250,000.

As the port launches become older they are becoming more expensive to maintain. As a result, the work of specifying the requirements for a new port launch is now underway.

As with all of my areas of responsibility Mr Speaker, work continues to engage with stakeholders of the port. The Gibraltar Port Operators Association, the Bunker Forum and engagement with leisure interests are all examples of the strategy of engagement being pursued. It is also important to note that senior officials of the GPA and of the Department of the Environment meet and liaise regularly with the Environmental Safety Group to discuss environmental concerns relating to port related operations.

As the House is also aware, a project is underway to provide a sufficient number of berths to accommodate the boats of all boat owners as well as those currently on the waiting list. Detailed investigations have commenced and an Inter-Ministerial Committee is driving this project forward. The Government will make an announcement in due course.

The port building, Mr Speaker, has also suffered a lack of structured investment over the years resulting in accommodation, which is barely fit for the purpose of running a twenty-first century port. Work is therefore underway to specify the requirements for a new port building, which will be constructed over the coming years.

Mr Speaker, I now turn to the Gibraltar Maritime Administration.

Gibraltar Maritime Administration (GMA)

Mr Speaker, it is well known that the general down turn in the world economy has had an impact on both the volume and value of the maritime trade. The fallout from this has been that some companies have ceased trading, but in many cases the vessels have been sold on to other companies and, in the main, continued to operate under the Gibraltar flag.

Overall the number of ships on the Gibraltar Ship Registry's fell by 3% from 316 to 306 ships but there was an increase in overall Gross Tonnage from 2.12 million in April 2011 to 2.37 million in April 2012 and the mean average age of the fleet fell from 11 to 9 years.

This means the fleet is getting younger and the change of the fleet size is towards larger ships. The reduction in the age of the fleet indicates the confidence in the owners in placing these new and larger ships on the Gibraltar register in these difficult trading conditions.

The difficult trading conditions to which I have just referred have required the careful management of both the technical and administrative resources available to the GMA. The resignation of some surveyors and the significant delay in recruiting replacements in 2011 resulted in some changes to the way audits and surveys had to be carried out. While more tasks were delegated to the classification society, increased monitoring of these organisations was introduced to ensure the overall quality of the fleet did not decline. The owners and operators of ships, which were

not performing to the standards, expected of Gibraltar registered ships were monitored and in two instances the ships were removed from the register.

To sustain the position of the GMA I approved two targeted promotional visits, with local representatives in this year. For the first time a visit was made to Norway to meet both existing owners and possible new owners. The existing owners expressed their satisfaction of the service provided by the GMA and there have been several enquiries from companies that did not have ships registered in Gibraltar previously.

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 6 other EU flags, to a two-day Seminar during Easter week (10-13 April 2012). 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 two local representatives, in order that the whole maritime package available in Gibraltar was presented. This visit Mr Speaker is pursuant to the Government's philosophy of establishing continuous personal contacts to attract investment to and in Gibraltar - and although in its early days several new German companies have transferred new, much larger ships, to the GMA. The schedule over the next 12 months indicates up to 35 new ships, totalling over 700,000 gross tonnes will be registered with the GMA. The latter represents a 30% increase in the size of the fleet and many of these ships are larger units of over 50,000 GT. Already a schedule of changes of flag is arranged stretching into 2013. To facilitate this schedule, and to improve the service to the clients, and also a first, a surveyor has

been stationed in Hamburg and another surveyor is now in place in Hong Kong who has already undertaken work on behalf of the GMA. Both the surveyors are part of an initiative to share resources with other members of the Red Ensign Group, particularly the Isle of Man and the Cayman Islands.

Mr Speaker, it is also to be noted that the Seafarers section issued nearly 2,000 Endorsements to Officers serving on Gibraltar-registered ships. This is an important aspect of maintaining the safety and maritime protection standards expected on board the ships of the fleet. The Provisional Endorsements, which are issued on line, is normally completed with 24 hours. The stated service standard for the full term Endorsement is 2-3 weeks but it is usually completed within 8 days for online applications, which is an additional service introduced just a few months ago and has been very welcomed by our customers worldwide.

Further still Mr Speaker, the Gibraltar Yacht Registry (GYR) is now an integral part of the GMA and during the year the number of yachts on the register increased from 751 to 755. The drive to enter the Mega Yacht market continued, but this is a difficult market to gain an initial toe-hold. Discussions with other interested parties were held during the year and in this connection I had great pleasure in opening the first Gibraltar Yacht Seminar in Ocean Village. At the seminar, the GMA issued an open invitation to all parties interested in the area of the maritime world to a meeting, to take place this month, to discuss how best to market Gibraltar.

In this respect Mr Speaker and in order to further facilitate and improve the services of the GYR, I promulgated two Legal Notices: numbers 30 of 2012 and 41 of 2012.

The first of these Mr Speaker, the LOCATION OF THE OFFICE OF THE REGISTRAR OF PLEASURE YACHTS NOTICE 2012 (LN 41 of 2012), which formally recorded the move of the GYR into the GMA premises and out of Company House.

The second, the GIBRALTAR MERCHANT SHIPPING (PLEASURE YACHTS) (AMENDMENT) REGULATIONS 2012 (LN 30 of 2012), provides that the Marine Administrator may impose conditions for registration on pleasure yachts of 24 metres or over intended to be used for charter. This amendment Mr Speaker enabled the registration of the commonly called super-yachts for the first time in Gibraltar. The House will also have taken due note of the budget measures announced by the Honourable the Chief Minister yesterday to stimulate the use of 'superyacht' vessels by reclassifying these vessels and therefore not subjecting them to any import duty; and reducing import duty on vessels under 18 metres of length from 12% to 6%.

Mr Speaker, following on from my responsibilities for the Port and the Gibraltar Maritime Administration, it makes sense to discuss the cruising industry, as a port related operation.

Cruise Brief

Mr Speaker, the entire House will appreciate the indisputable importance of the cruising industry to the economy of Gibraltar. Everyone will agree Mr Speaker of the vitally critical economic activity generated by cruise liners and cruise passengers

disembarking at Gibraltar's Port. The relevance of cruising Mr Speaker is not simply limited to the direct expenditure in retail, as important as that is, but also to the other services that Gibraltar operators can offer such as bunkers and the whole gamut of chandlery and other services. It is against this background Mr Speaker that we find that in 2011 Gibraltar received 186 calls in comparison to the 238 calls in 2009 and 174 calls in 2010 with 303,759 passengers. This year, the figure is anticipated to dip again slightly from 2011, with 177 calls currently booked, with anticipated drop in passenger figures to approximately 305,000. And it is against the hard facts Mr Speaker, that this House and the whole of Gibraltar have to endure the hard faced comments by the Honourable Mr Bossino that we are to follow the so-called "*success story*" of the GSD's policy on tourism – Mr Speaker, one really has to have '*la cara dura*', and there really is no English substitute for this Spanish expression Mr Speaker, to have done nothing in recovering the position in the drop in calls as from 2009 and yet pretend that things are on the up and up and, to top the hypocrisy, thanks to them.

Mr Speaker, let me elucidate, mainly for the benefit of the Honourable Gentleman opposite and his contributions in this House, that the figures of cruise calls for 2012 has gone up by seven from what we inherited in December 2011, as a result of this Government's philosophy of implacably pursuing personal contacts and structuring continuous and fluid communication with the decision makers in the cruise industry.

Mr Speaker, sirens and alarm bells should have gone off in my predecessor's office, when cruise calls went down in 2010 from 2009 by no less than 64 calls, 64 Mr Speaker and the response from the GSD was to do nothing other than to continue to

spend tens of thousands of pounds on a stand once a year that the figures clearly showed actually translated in a loss of business to Gibraltar. And we were led to believe in the recent election campaign Mr Speaker that "*Gibraltar has never been better.*" It is indeed a testament to the wisdom of Gibraltarians that they knew that it was time NOT "*to keep trusting*", to borrow yet another of the most politically misconceived slogans in Gibraltar's modern political history.

Political considerations aside Mr Speaker and continuing to look at the reality of cruising, we turn to consider the Western Arm, which, as the House is aware, is a major entry point for visitors to Gibraltar. Including crew, an estimated half a million people arrived last year by cruise ship. In the 16 years of its operation, following a decision by the last GSLP Administration to convert a warehouse into the Cruise Terminal, this facility has successfully handled over 2.5 million passengers. As the House is aware and as a result of the initiative of the Government, the derelict Ice Box Building has now been demolished and remedial re-surfacing works are currently underway, while the whole area is being spruced up, including tiling of an important area where visitors regularly frequent.

Further, Mr Speaker, the Government is considering a number of infrastructural options on how best to develop our cruise facilities. And indeed Mr Speaker, one is forced to wonder why, if cruise passenger arrivals are so much higher than visitors by air, the previous Government did not strategise on how to maximise the potential for cruises rather than spend 74 million euros, and rising, on an unnecessarily extravagant air terminal.

As the House knows, in March I visited Miami for two days, prior to what is known as the Seatrade Cruise Convention. Meetings were held with executives of Royal Caribbean, Azamara Club Cruises, Prestige Cruise Holdings (which owns both Regent Seven Seas Cruises and Oceania Cruises) and Silversea Cruises. I also met Giora Israel, Senior Vice President, Global Port Development, for Carnival Corporation, which owns 10 cruise lines, including P&O, Costa, Cunard and Holland America Line.

The purpose of these meetings was to establish a line of personal communication between the Gibraltar Government and these senior executives, whose companies account for the greater part of our cruise business. In 2013, vessels owned by Carnival Corporation alone, will account for 45% of the anticipated total of calls here and 55% of the expected number of passengers. I was also able to brief them on the Government's policies in respect of Tourism and the Port, as well as on other matters of mutual interest. It therefore gives me great personal satisfaction to note in this House that we will shortly be receiving Mr Israel to Gibraltar to progress further on various cruise-related issues. It must be noted Mr Speaker that various factors, including social unrest in a number of Mediterranean countries including Greece and Syria, has dampened demand for cruises in the region by North Americans over the past year and therefore makes this visit extremely important.

In addition to this, the Government will now endeavour to hold quarterly meetings with Cruise lines in the UK. Unlike the previous Administration, who did not undertake any efforts to establish personal contacts in this industry, the Government have instigated contacts with all major cruise lines in the UK. This initiative will

hopefully remedy the significant decrease in calls Gibraltar suffered since 2009 very much to the detriment of our Main Street traders and Tourism operators in general. According to the European Cruise Council, Gibraltar currently sits in 13th position as a country of destination for cruise passengers and we must work as hard as we can to see whether we can improve that position.

The first of these quarterly meetings was held last week in the United Kingdom. I met with 8 of the major cruise lines directors and port and itinerary managers with a view to continue the new Government's marketing drive to attract new cruise business to Gibraltar and to establish closer working relationships with senior cruise line management. These cruise lines all cater to the British market which is the largest source market for cruise passengers in Europe with 1.7 million residents having purchased cruises in 2011, a 4.8% increase over 2010.

During the course of these meetings, senior management and senior itinerary planning and shore excursion decision makers provided their feedback to us so that in turn, Gibraltar can use this to its benefit in developing the services and facilities provided to cruise ships and their passengers. The Government firmly believes that one to one meetings with representatives of the industry are the most effective way in which to increase awareness about the products and services Gibraltar has to offer. It is also Mr Speaker the best way to advise these executives of all pertinent tourism and port issues that will affect their decision as to whether or not to call at Gibraltar.

It is clear to us, having visited both Miami and the UK, that the drop in calls to Gibraltar are directly due to the complete lack of communication between Gibraltar Government and the cruise liners – and Mr Speaker, there cannot be any other cogent explanation given that calls to Gibraltar have reduced dramatically at a time when Europeans are booking more cruisers than ever. In 2011 Mr Speaker there was an increase in 9% of European residents booking cruisers but “Gibraltar had never been better Mr Speaker!” The fact that Gibraltar will see the return of the French Pullmantur product as well as 4 newly scheduled calls from Azamara the same year we held meetings is a testament to what personal contacts can achieve.

Another major discussion point with the cruise lines was that of introducing Gibraltar as a possible turnaround port in the future. Incentive packages in this regard were also discussed in major detail. Due to the business relationships we have developed, Gibraltar will now be increasingly used in the cruise line publications and catalogues. This will also put Gibraltar ‘in the limelight’ of cruising passengers.

It is interesting to note that the amount that cruise lines have spent on fuel has increased by 157.5% in the last six years. Throughout all of my discussions, it was made absolutely clear to us that the cost of fuel is at the heart of the decision-making processes in respect of itineraries. Due to Gibraltar’s strategic geographical location and efficient and competitively priced bunkering services, we are strategically well placed in this respect.

These meetings have also highlighted areas for improvement and I will be arranging for the setting up of a working group to work on several new initiatives to boost and transform the Gibraltar cruise and shore experience.

The Gibraltar Government will no doubt rise its ante in the cruising industry and these one to one meetings with cruise lines is just the first step in keeping Gibraltar's image fresh in the minds of all major decision makers in the industry and to initiate the follow-up communications to keep the momentum going and to make Gibraltar a fundamental pillar in this fast-moving and competitive industry.

TOURISM

Mr Speaker, inextricably linked to my duties in the Port and Cruising is Tourism.

In this financial year, Gibraltar House will continue to be an important part of the Gibraltar Tourist Board's marketing activities. With the UK being Gibraltar's principal source market, most of the marketing and advertising activity will be co-ordinated with Gibraltar House. This will include attendance at selective major travel industry events, as well as Gibraltar-specific trade and consumer roadshows. These roadshows are organised primarily in cities that are close to the airports that operate flights to Gibraltar. Our plan for this year includes events in North-west England and the Midlands. In order to increase capacity on existing air routes, we shall also look into organising activities in the Heathrow, Gatwick and Luton catchment areas.

One of this Government's initiatives for increasing visitor numbers is the setting-up of events that will attract niche-market visitors to Gibraltar. Gibraltar House is working on various projects and we expect to make at least one announcement during the following few months.

This year, Gibraltar House will continue its active presence on social media through the Gibraltar Tourist Board's Facebook page and Twitter feeds. The number of followers on both media continues to grow. These include industry professionals from travel agencies and tour operators who follow us for updates on events in Gibraltar and product improvements. The social media activities will complement the new platforms that we are developing and to which I will make reference later in this speech.

This year, we will continue with our product briefings for travel agents. This has proved to be a worthwhile initiative at which our UK sales manager visits travel agencies to train their sales staff on Gibraltar as a destination.

The close cooperation between the GTB in Gibraltar and Gibraltar House will continue through a series of weekly meetings so as to ensure that the momentum of our marketing campaign and our new initiatives is not lost.

Mr Speaker, by way of background I will now set out the following statistics relating to January to March 2012.

- Air arrivals have increased by 25.5% over 2011.

- Departures by Air have increased by 21.6% over 2011.
- Cruise passenger arrivals increased by 7.74% over 2011 (this figure includes April)
- Visitor arrivals by land increased by 3.59% over 2011.
- The number of visitors to the Upper Rock Nature Reserve increased by 9.07% over 2011.
- Number of Coaches arriving via the land frontier has decreased by 3.49%.

Mr Speaker on becoming Minister for Tourism, professionals in every single operator with whom I have met without exception have noted to me their disappointment with the lack of understanding of the previous administration in relation to this vital economic activity – this is not me saying so but professionals of tourism and these comments are recorded for posterity in the minutes of meetings, some of which I (gladly) highlighted in reply to answer to my learned and Hon colleague Mr Bossino. It is in relation to tourism, Mr Speaker that the Hon gentleman opposite has made some of his most remarkable statement and to which, of course, I shall refer.

It is in order Mr Speaker that the people of Gibraltar appreciate the importance that this Government attaches to tourism, that this Government will begin with real and much needed investment in the product and in the first instance to the existing visitor attractions. These sites will, in the short term, be refurbished to bring desperately crucial and long overdue improvements and will be followed by a longer-term policy to create a truly memorable visitor experience. As the House knows, the Government is engaged in an intense consultation process with the industry, through the GTB, to make important changes to what should be one of the most important revenue

generators to our economy.

Government would also like to see greater investment and participation of the private sector in the development of tourism. It is in order to encourage our private operators to invest in their product with confidence and to show them that the Government wants to fully realise and unlock the potential of our tourism sector, that this Government will initiate a much-needed investment programme on the tourist sites at the visitor attractions, which represents a quantitative and qualitative leap in investment. A substantial figure of £1m has been allocated in this financial year alone for this task. This figure is more than the previous Government allocated in total in the last 5 financial years. The allocated funds are scheduled to be spent this financial year on various projects that will include the provision of absolutely needed new toilets at various locations, the refurbishment of existing facilities, improvements to St Michael's Cave and the Great Siege Tunnels and other works.

Although the Government has identified the improvements it would like to carry out within the financial year, we are already involved in receiving feedback from current stakeholders and it will be inviting representations generally and, in particular, through the Tourism Advisory Council, on which projects should be prioritised. The Government would ideally like some of the tender notices for these projects to be issued in the next six to eight weeks.

As this House is also aware Mr Speaker, the Government will invest on some infrastructure works at the beaches for the next season. What we will not do Mr Speaker, is to spend almost a million pounds of tax payers' money in sand

replenishment without structures that prevent the sand from disappearing a few months later! It is only in the fanciful world of the GSD Mr Speaker, that an administration throws away money with an absolute cavalier disregard and patently for electoral considerations without an iota of forward planning. You do not even need a GCSE in engineering Mr Speaker to know that if you need to re-sand a beach, it is because the wave action is claiming the sand and that structures are needed to prevent the loss!

Mr Speaker, in any case, this year the GTB embarked on a full programme of works to the beaches as I outlined in the last question time of this House with the additional innovations that I set out. Examples of such innovations include weekly cleaning of all beaches from 1 February 2012, laying of all walkways at all beaches from mid-May, the purchase of new lifeguard boats and the employment of senior lifeguards.

Further Mr Speaker, it gives me great pleasure to announce in the House that the Government has focused on restoring a full complement to the GTB and has restructured the team to enhance the responsive approach of the Board in attracting visitors to Gibraltar. The Government has restructured the management team at the GTB to offer an effective and timely implementation of Government policies and business opportunities. Conduits have also been set up to ensure the follow-up of all business opportunities.

This brings me Mr Speaker to the importance of effectively marketing Gibraltar in a cost-effective manner and one where we measure the success or otherwise of the strategy by tangible results.

Mr Speaker, with the GTB, the Government has set about to create personal relationships with the key decision makers in the tourism industry. This framework ensures that these individuals are always fully aware of the opportunities available to them and their companies or organisations in Gibraltar. In this way the Government is actively seeking inward investment in the tourism industry and will give the sector the importance that it deserves. To this end the GTB is engaged in developing a new interactive web platform that will work more effectively in marketing Gibraltar in a modern, vibrant and dynamic way. Full details of this project will be revealed in due course in this calendar year.

Undoubtedly the internet has changed the way in which tourism destinations sell and promote their products and services. The Government will improve and enhance the online tools available to promote Gibraltar and use this channel to keep the tourism industry abreast of all that is happening in Gibraltar.

In furtherance of employing new marketing tools, the Government will introduce Wi-Fi hotspots at the most important locations visited by tourists. These will enable visitors to download applications that are available about Gibraltar and to browse the internet for information. The GTB will issue details in due course.

Further, 2 applications on Gibraltar have recently been launched which are very useful tools for independent visitors to use when planning a visit to Gibraltar and as a guide when they are here. These are private sector initiatives which my Ministry is encouraging and which the GTB is providing advice on tourism content.

Pursuant to our manifesto commitment of marketing in an intelligent, targeted and cost-effective way, the Government will review the levels of attendance at trade fairs and exhibitions and will decide whether to continue to participate in some of these events and, if so, which ones. However, even if we do attend conferences, our participation must be in a more focussed manner and results driven. By creating activities and opportunities for the industry partners and visitors to the exhibitions, we will make these events work harder for Gibraltar. This year Mr Speaker, will be the first time I attend the World Travel Market (WTM) and like with the Miami Cruise Trade Convention, we will investigate to see whether it offers value for money. Whilst undertaking this investigation this year, I will be making full use of the events and facilities made available to tourism Ministers from around the world and set up face-to-face meetings with operators that could bring business to Gibraltar.

It is essential that more focus is given to driving niche market tourism and in developing the products and services for this sector. Gibraltar's history, heritage and natural assets are an advantage when trying to place the Rock among its competitors in this market.

Event led tourism is becoming more important with tourists now looking for reasons in which to travel to a destination. The Chess Festival in Gibraltar is a perfect example and the Government will work to attract similar events to Gibraltar. In co-operation with my colleagues at the Ministry of Culture the Government has already set up events such as the excellent Gibraltar Jazz Festival and will work hard to promote this and other events, which we hope will become annual events targeted

during seasons where hotel occupancy is low.

The GTB, in co-operation with the tourism industry partners, will actively pursue the meetings and incentive market. Gibraltar has excellent facilities and services for the small to medium size meetings and conference market and will explore more opportunities in this field. With a range of unique products the Rock can also place itself firmly in the incentive travel sector.

In a bid to open up other tourism markets the Government has set up a visa waiver scheme that will enable Gibraltar based tour operators to offer day trip excursions to non-EU nationals, commencing with Russian and Chinese tourists, as part of an organised tour. The Gibraltar based tour operators will have to adhere to certain conditions set out by the Borders and Coastguard Agency, which will ensure the repatriation of any visitors if this becomes necessary.

Mr Speaker, I turn now to the airlines.

As we have seen recently the airline industry has had its share of turmoil, in what is, in any case Mr Speaker, a habitually changeable industry. These changes have affected Gibraltar. We have seen easyJet take a commercial decision to discontinue services from Liverpool to Gibraltar and the cessation of services by bmibaby from East Midlands Airport due to the takeover of the parent company.

Mr Speaker, at this juncture, I find that I must pause to make a special reference to my Honourable friend Mr Bossino's statements in respect of BMI services. The

House will recall, as the public certainly do, that Mr Bossino saw fit to issue a press statement to say the service "...was secured by the GSD Government." Mr Bossino goes on to describe this as an "unprecedented success story of the aviation industry under the previous administration." Mr Bossino issued this statement Mr Speaker after I had expressly said in this House that the Government had never said nor would it ever say that it had secured this service, as it would be a "patent falsehood." The Hon Gentleman further says that the GSD caused this jamboree of extra flights notwithstanding the incontrovertible reality that for the majority of the time under the GSD, there were, in fact, less air links to and from Gibraltar than there had been in 1996. But hey, Mr Speaker, why let facts and figures get in the way of transparently self-serving statements.

The Press Release is even more unfortunate given that the Hon Mr Bossino clearly forgot the costly fiascos of the GSD to include the Regional Air Lines Flight to Casablanca and more recently Andalus Airlines.

The Press Statement is further spectacularly unmeritorious in ingeniously attempting to justify the expenditure of 74 million Euros (and rising) by the addition of BMIbaby – Mr Speaker one would be moved to laughter at the callow, baseless and politically self-serving statements if it were not quite so serious that a government project should overrun by 50 million.

In any case Mr Speaker, Mr Bossino says all of this on Tuesday 10th April and on Friday 13th April, very unlucky for some indeed Mr Speaker, the press reports the takeover of bmi – a story Mr Speaker that all of us that kept quite a close eye on this

company knew of, full well. You would think the Hon Mr Bossino at that point would cease his pointless vindication that it was the GSD that clinched the deal with BMI Baby, especially Mr Speaker, given that no one had said otherwise – alas Mr Speaker, no he did not. The Hon Mr Bossino issues yet another statement to repeat exactly the same things again. And of course Mr Speaker it is then confirmed and I pause here, as it is then unfortunately confirmed to Gibraltar and to the world that BMI baby will cease operation to Gibraltar as from September.

Mr Speaker, you simply cannot make these things up! And if I were to adopt the hollow and entirely opportunistic style of the Hon Mr Bossino, I would now accuse his administration of not having done their due diligence properly or of not seeking air connectivity with another airline – but, of course Mr Speaker, I will not and I will continue to allow the Hon Gentleman opposite to play party politics whilst we actually govern for the benefit of Gibraltar. After all, Mr Speaker, who am I to submit the Honourable gentleman opposite into sanity and common sense?

And indeed Mr Speaker, I am delighted to report that it is directly as a result of our hands-on, and working round the clock philosophy that we have been able to ensure that services from the northwest of the UK have been sustained by Monarch Airlines boosting capacity from Manchester to Gibraltar and that connections from the Midlands will not be lost as I can today confirm Mr Speaker that Monarch Airlines will operate from this region as from next summer. We are currently finalising the exact details and we expect Monarch to make an announcement in due course.

Services from Heathrow, Gatwick and Luton continue all year round providing

capacity to the South East of the United Kingdom.

We continue to push for increased capacity on routes from the UK and for more regional services from the UK and I am confident that these will materialise.

We are also pursuing the possibility of connections from other destinations in Europe. Airline planning happens several seasons in advance and decisions and announcements on the start of new routes do take some time to come forward. In this respect we are finalising our plans to meet with airlines in Germany and Northern Europe.

Among other initiatives this Government has taken is the setting up of inter-ministerial meetings to promote a co-ordinated approach to heritage, culture, tourism and environmental matters including the Upper Rock. The Government attaches a high level of importance to these matters which it believes are inextricably linked. This is also part of the Government's manifesto commitment to conduct certain projects through inter-ministerial committees. The first meeting was held on 21st February 2012.

In addition to this I have also set up an expanded Tourism Advisory Council. The Council has now met on two occasions this year, on 11th April and 31st May, and will be meeting again this month. By far, the most consistent feedback from the Council so far has been the need to really invest in Gibraltar's tourism product and to embrace on-line marketing tools to a greater extent. And Mr Speaker because we

believe that our professionals and people on the ground know best, we have done just that in our very first Budget.

With the GTB I now endeavour to hold weekly meetings with senior management where I am briefed on all the initiatives and activities to do with the Board. The meetings are followed up with action points. Indeed in all aspects I have initiated a policy of consistent and constructive follow up procedures for all matters, be they internal or external.

Small Business

I now turn to another of my Ministerial responsibilities: Commercial Affairs.

In line with our manifesto commitments, I have been appointed as Minister with responsibility for small businesses. The first order of business was to establish effective communication with businesses in order to encourage entrepreneurship.

To nurture this, a Small Business Board that I chair has been set. This board first met on the 5th April and meets regularly. It has been set up to help and foster development and continually review the needs of small business. The aim of the Board is to make recommendations to the Cabinet and thereby assist the Government in formulating policy that will have a direct impact on small businesses and generally advising on issues appertaining to small businesses.

In addition to this a Business Support Unit has been set up within my Ministry. The aim of this unit is to offer help and advice to businesses that have either relocated to Gibraltar or have already set in Gibraltar but require nurturing. This unit is currently being resourced and should be operating in the very near future.

Further Mr Speaker, a complete review and overhaul is currently under way in respect of all consumer related legislation. This is in response to calls from both the Chamber of Commerce and the GFSB that current legislation in this sector be reviewed. It is my intention once this review is completed and subject to its conclusions to establish an Office of Fair Trading that will encompass the existing Consumer Protection. The aim is to protect consumers from unscrupulous traders. It is anticipated that the legislative framework will be ready to be presented to Parliament within one calendar year.

In the interim, whilst this review is under way, computerisation of the procedures of the Trade Licensing Authority will commence shortly. It is the intention to make the whole process more user-friendly.

Further still Mr Speaker; I am delighted to announce to this House that a Bill is now ready to provide for two additional members of the Trade Licensing Authority to be appointed after consulting the Gibraltar Federation of Small Businesses. This, Mr Speaker, corrects a historical discrepancy and rightly recognises the rightful place of the GFSB as a vital umbrella organisation for small and medium sized enterprises.

I now turn Mr Speaker to another important responsibility that affects everyone and that is transport.

Indeed Mr Speaker, yesterday the Hon the Chief Minister announced a whole raft of budgetary measures, including, notably for new companies starting up businesses in Gibraltar, a discount of 50% for early payment of rates for their first year of trading; not to mention that the Government has abandoned the 3% increase in electricity and water charges announced by the previous administration.

Transport

I am also happy to note Mr Speaker that the Government continues to meet its manifesto commitments in the transport sector, very much; it would appear, to the utter dismay of the Hon Mr Figueras given his Budget contribution.

Within weeks of being elected a route was put in place to take passengers from Market Place to Both Worlds. This was to meet the self-evident demand of a sector of our community, those that live in the area and especially the elderly resident of Both Worlds, who did not have adequate public transport and had been neglected by the previous administration. This is not to mention Mr Speaker that it was also the GSD that removed parking for residents. You see, Mr Speaker, how we can justifiably highlight the shortcoming of the previous administration to reflect current changes introduced? How we can criticise and govern simultaneously?

I know that the Honourable Mr Bossino, in particular Mr Speaker, will be delighted to note that this route has been operating very successfully now since December 2012.

And Mr Speaker, Mr Bossino, in what has become his characteristic political impetuosity issues no less than two press releases to criticise the start of the bus route – all of this Mr Speaker, whilst residents of Both Worlds are writing letters to thank the new Government for correcting the unfair situation created by the GSD. Mr Speaker even the former director of the GBC, Mr Perera, in an extensive interview to the Panorama acknowledges the benefit of this route.

Never in the modern history of Gibraltar has a newly elected MP been mentioned in so many letters in such a short space of time criticised for his position on a question of policy!

Another manifesto commitment that has also been met is the revision of the whole system of the “club card” system that had been established by the previous Government.

As from 1st May of this year, bus transport has been free, on routes 1 to 4 only for residents of Gibraltar and those holding Gibraltar ID cards and other approved identification documents. This will include MoD personnel posted in Gibraltar and their registered dependents.

Much to the chagrin of the Honourable Mr Bossino, (but then again Mr Speaker, what does the Hon Member not complain about), cross-frontier workers will also be

entitled to free bus travel on production of proof that they have a valid contract of employment and they are up to date with their taxes. As previously noted Mr Speaker, this system has the beauty of ensuring compliance with the employment laws of Gibraltar and that taxes and social insurance is paid.

When this new service was introduced, the Government was approached by parents expressing concern that schoolchildren should have to carry with them their I D Cards. To allay their concerns, a Junior Club Card was immediately introduced for all persons from the ages of 5 to 16 years, who are not in possession a valid Gibraltar Identity Card.

Like the truly responsive Government that we are Mr Speaker, the Government constantly monitors the routes that are operated and facilities provided to ensure that they meet the demands of the bus users. Only recently a new request-stop has been introduced at the junction of Prince Edward's Road/Castle Road/Flat Bastion Road to service the Upper Town. In addition, and after listening to the concern of the neighbours, a bus shelter has been scheduled to be erected at the top of Tank Ramp. Talk about stake-holder engagement Mr Speaker!

Further Mr Speaker, as the House will know, the large buses that are operated by the Gibraltar Bus Company are now around 9 years old and are powered by old technology engines that are not as efficient as those being produced now. In fact, the cost of maintaining these buses is now running at around £30,000 per month and since 2005 has cost the taxpayer over £1.5 million. This spending is unsustainable and the Government is committed to reducing the running costs of the company as

much as possible as a whole without affecting the valuable service to the community that the company currently provides. It is a damning indictment, Mr Speaker, that the GBCL should have cost the tax-payer £2.3 million in one year alone – not “headlines” Mr Speaker as the Hon the Leader of the Opposition said in a GBC call in, but actual and dreadful facts.

The Government is committed to replacing the bus fleet with environmentally friendly buses that will reduce emissions and are more in line with our environmental policy. In this respect, I am delighted to announce, once again especially to the Hon Mr Figueras, that the Government has today issued a Tender for the bus fleet replacement.

The Government, as part of its sustainable development and Euro 2020 objectives, is inviting tenders for the supply of Midi sized, Eco-Friendly Buses. The successful tenderer will be responsible for the delivery of 18-20 Eco-Friendly Buses. The successful tenderer will also be responsible for the training of the staff of the Gibraltar Bus Company Limited and any other staff associated with the operation and maintenance of the buses and would further be expected to, crucially, given the figures I have just mentioned, provide an after-sales supply of spares for repair, maintenance, and servicing of the vehicles.

The Government is seeking to procure high quality, competitively priced, low carbon emitting vehicles capable of traversing the existing and any future routes, except for those routes serviced by mini sized buses servicing the upper town area, whilst

complying with all relevant Gibraltar and EU Laws governing traffic and transport issues. The Government will expect the successful tenderer to provide a safe and comfortable vehicle in line with the highest standards of public transport and fitted with A/C and Heating.

Mr Speaker, I am also delighted to be able to announce today changes to the current routes operated by the Gibraltar Bus Company. This has been done in consultation with the public and taking into account the many complaints and representations that have been received. These new routes have been designed in an effort to improve the service that is currently being offered and to meet the complaints received. I must further point out Mr Speaker that these new routes are not set in stone and we will be constantly monitoring them to see if there is any room for improvement.

In the first place, Mr Speaker, I can announce that negotiations have been successfully concluded with the other company that operates route 5, (the frontier route), to introduce free bus travel for pensioners on this route. On enabling this private operator to exclusively service Route No.5, the GBCL has not only been able to redeploy the buses used in that route to other routes thus improving the service but, in addition, Calypso Transport Limited has agreed to carry all pensioners that are resident in Gibraltar free of charge. It is envisaged that free bus travel for resident old age pensioners in this route will commence on 1st August of this year this fulfilling yet another manifest commitment and details will be issued to the public in due course before then.

These improvements, to which I have referred, Mr Speaker, will see an additional bus used on Route No2. to increase the passenger carrying capacity of this route.

Route 4 will have its frequency increased by the addition of two extra buses to operate this route. This will mean that although the frequency of this route will continue to be from 20 minutes, the extra buses will provide greater passenger-carrying capacity.

Furthermore, routes 3 and 4 have been revised to offer a more efficient service that should address the concerns by residents of the South District travelling into Town and the Hospital.

It is also the intention to further improve route 7, the Mount Alvernia, by increasing the length of its route and frequency. This is a longer-term project that should fruition during the course of next year, as the GBCL acquires additional assets.

All these changes have already been approved by the Transport Commission and the necessary administrative processes are currently being carried out to give effect to these changes. It is intended that these new changes should come into effect by the end of August at the very latest.

The public will be informed of these changes as they come into operation through press releases and the media.

This is what the Hon Mr Figueras has called not very much in the area of transport.

In addition Mr Speaker, the Government is also working to introduce a bus tracking system and a pilot scheme is currently working in a test environment. This is a web-based system that will enable users, via their computers, to see the bus routes and the location of any bus on a route on a real-time basis.

Mr Speaker, a lot is said about the service of taxi drivers and the need to ensure a fully serviced City Service.

I am therefore glad to advise this House that I am working with the Gibraltar Taxi Association to improve the service available to the community as a whole. With this in mind, the Government is assisting the GTA with the replacement of its current infrastructure including taximeters. The new system will include GPS technology incorporated into the taximeter that will enable the nearest taxi to be sent to deal with a telephone request. This should ensure that response times are shorter and the service maximised and improved.

The GTA is firmly committed, along with the Government, to improve the city service that is being provided and ensure that we have a public transport service that Gibraltar can be proud of. Plans are now being finalised to deploy Transport Inspectors. Their role will be to ensure that all public transport operators, and this includes buses, taxis and coaches, deliver a service that is up to standard and meets the expectations of the public. These officers will be appointed under the Transport Act and will have, amongst other powers the ability to issue on the spot fines to public transport operators.

I now turn Mr Speaker to one of those “vision things” that had, and have still, the habit of going so horribly wrong under the GSD - the Gibibikes scheme. Mr Speaker, whereas I had finished my Budget Address earlier in the week, my own compulsion just got the better of me and I felt it necessary to slightly revise my Speech to remind the public of the dire consequences and costly perils that come when capital expenditure projects are rushed purely and exclusively for electoral purposes. The Hon Mr Figueras clearly either did not hear me or has mischievously decided to ignore what I told him in answer to Question 352 of 2012 on Thursday 17 May 2012, so let me remind him of the problems:

“five stations down, damaged locks, sparsity of bikes at peak hours; stations out of action and other problems are as follows: □ Stations out of action are City Hall; Orange Bastion; Europort has to be restarted manually several times during the day. At the Frontier, from a potential 45 locks available to our clients at present, there are only 12. □ Bike availability: from a maximum of 130, 18 are locked, 31 have their anti-tilt tags broken and there are no spares to repair them; 12 require spares to make them roadworthy; 22 are held in reserve, but these may have problems with their anti-tilt mechanisms, which leaves a total of 47 bikes available to our client-base of 419.”

The so-ballyhooed “paradigm shift” trumpeted by Mr Figueras in respect of transport – a la GSD Mr Speaker, which translates into: “money is no object stupid; there’s an election!” And if the Hon Mr Figueras is so naïve as to think that this was not yet another of a long catalogue of infinitely expensive pre-electoral gimmicks, he can think again. Because if this paradigm shift was so important Mr Speaker, the GSD would have done something well before 27 November 2011 a few days before a general election!

Mr Speaker, as debated at the last meeting of Parliament, however, whilst the widespread defects have now been cured the Government is in the process of finalising negotiations on outstanding issues with the suppliers of the scheme. As previously noted, the Government is seeking to finalise written assurances that all defects will be rectified should they re-emerge. On finalising these negotiations, MBS will roll out phase two of the project that will see stations be set up in the south district, the beaches and other areas within Gibraltar.

In addition the Government will work with the suppliers to localise all maintenance associated with this scheme. This will create more job opportunities for residents of Gibraltar.

Concluding remarks

Mr Speaker, by any objective standard this Government is clearly prioritising investment in the right measures in the Port, GMA, Tourism, Public Transport and Commercial Affairs that will maximise the creation of opportunities for Gibraltar. Not only that Mr Speaker, but from the outset, all members of this Government have been accessible to all who have sought to meet with us and within weeks have demolished the veils of secrecy of government and opened our Parliamentary and governmental processes. Moreover, over the last 7 months I have been able to rely on the friendship, advice and support of every single one of my Ministerial colleagues and I very much look forward to continue to work together for the benefit of whole of our community. No longer Mr Speaker do Gibraltarians endure an overly

centralised system of Government, when projects sometimes take years as a result of one person having to take all decisions.

I take this opportunity Mr Speaker to thank the staff of the Gibraltar Parliament for their kind attention and patience. I also take this opportunity Mr Speaker to note and to thank you for your own conscientious rigour and patience in presiding over our sometimes quite heated and tumultuous debates in this House and publically record my personal opinion of the unfailing fairness reflected in your rulings. I, for one Mr Speaker, learnt a lot on reading your various statements from the chair in Hansard in preparation for my very first Budget Address.

I also wish to thank all of my officials at my different areas of responsibility in my Private Office, the GTB, the GPA, the GMA, the Department of Transport and the officials in the GBCL, for their tireless hard work and dedication and for enduring my not infrequent requests at all hours with such good cheer and sheer determination to achieve the government's goals. It is entirely true to say that it would be impossible to have done so much in so little time without their unflinching support, hard work and determination.