



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

MORNING SESSION: 11.04 a.m. – 1.17 p.m.

Gibraltar, Thursday, 22nd July 2021

Contents

Appropriation Bill 2021 – Second Reading – Debate continued	2
<i>The House recessed at 11.45 a.m. and resumed its sitting at 11.50 a.m.</i>	10
Appropriation Bill 2021 – Second Reading – Debate continued	10
<i>The House adjourned at 1.17 p.m.</i>	30

The Gibraltar Parliament

The Parliament met at 11.04 a.m.

[MR SPEAKER: Hon. M L Farrell BEM GMD RD JP *in the Chair*]

[CLERK TO THE PARLIAMENT: P E Martinez Esq *in attendance*]

**Appropriation Bill 2021 –
Second Reading –
Debate continued**

Clerk: Meeting of Parliament, Thursday, 22nd July 2021.

We continue with the Second Reading of the Appropriation Bill.

5 **Mr Speaker:** The Hon. Albert Isola.

Minister for Digital, Financial Services and Public Utilities (Hon. A J Isola): Thank you, Mr Speaker.

I think, before I move on to my departmental responsibilities, across my areas of responsibility, 10 I would like to just make some observations, firstly in respect of COVID and then in respect of some of the contributions we have heard from friends opposite, which I will have a little bit to say in a brief moment.

15 Mr Speaker, I think as every Member has already referred during their intervention, this past 18 months/two years have been really quite extraordinary. We have lost 94 of our own; our essential services, our care workers, our front-line workers, my people at Gibelec, my people at AquaGib, have really put in an incredible shift to keep this place going. Indeed, it is not just in respect of the work they have done to look after our health, (*Interjection*) it is also of course the work that has gone into looking after our economic health, the work that the Financial Secretary and his team have put in, the Employment Department and the BEAT measures with furlough. 20 Every single part of our community has pulled together including, I must say, the Opposition who worked closely with us leaving aside their political issues to support Team Gibraltar in getting through this pandemic.

25 But of course, Mr Speaker, I have to say that during this time what really struck me – and I have to confess that on more than one occasion I was stopped in the street, on quite a number of occasions, by people saying ‘Thank you so much for everything you are doing.’ Of course, collective responsibility means that when something goes wrong you take it with your colleagues, and collective responsibility also means that when you have done nothing but your colleagues have done something good, you can also take the credit at that time for that too. So I did.

30 But, Mr Speaker, I say with enormous pride that this past 18 months working with my colleagues on this side of the House has been a privilege and a pleasure; and the shifts that they have put in, the work that Paul, Samantha, John, Joseph have put in in several contingencies in Health and Public Health really have been quite incredible. For a community of our size to manoeuvre and move what they have each done is absolutely incredible and we owe them all an enormous debt of gratitude for the work that they have done during this time.

35 Of course, you will have noted that I did not mention the Chief Minister, who is looking rather dapper this morning in his new suit. The work that he has done, the leadership that he has shown,

a true leader is demonstrable in our darkest time, in our most difficult challenge; and there he was decisive, leading from the front, taking difficult decisions every day of the week for 18 months, and I really, really have nothing but huge respect for the work that he has done, and my
40 colleagues, in together driving us through this pandemic in the quite fabulous way that we have. I think it really is worthy of specific mention because when I look at other communities our size and bigger have coped and managed, I think we have left people with a lot of them wondering why we cannot be doing this in other places too. Indeed, in the business community, my interaction with those in financial services and those in gaming has had nothing but admiration,
45 sheer admiration, for the manner in which we have coped with all the different facets of the COVID pandemic. So my thanks to all of my colleagues and the teams behind them for having delivered to Gibraltar and our people what they have done.

Mr Speaker, as I move to the contributions from the Opposition I am afraid I am not able to be quite so kind. The nonsense we have heard from them these past few days leads me to believe
50 they live in cuckoo land. I do not say that just flippantly, I say it because when you look what they are saying and you look at what they are meant to be meaning there is an absolute conflict, which are incompatible with each other.

Mr Speaker, you cannot say that you are in financial ruin and then criticise every time you try to do something about it. There is a blatant conflict! How can you say you are in intensive care –
55 and I am going to go through these comments in a moment – you are at death's door as an economy, but no to raising social insurance, no to raising this, no to raising that, and I will go into these in a little bit more detail. It is a total conflict. Of course, what does that tell you? What is the motive for doing that? It is purely, purely, purely political. The moral compass is off the Richter scale, it does not exist, and it is just about votes and politics. They are not here to do the right
60 thing. Of course, we do what we believe to be best, we may make mistakes, we are not perfect, of course we are not, and we do make mistakes, and we are happy to be criticised when we do; but, Mr Speaker, the starting position that each of the speakers this far have taken us through are in complete conflict with what they are meant to be meaning and meant to be saying.

The role of any Opposition is to probe, is to question, is to criticise, yes we all know that and it
65 is also to produce an alternative strategy. So when they say no to the tax treaty, no to a mobility treaty – what are they suggesting in place? Or, is it that we just cover our eyes with our hands and hope for the very best?

Mr Speaker, Gibraltar is fortunate today at these difficult times to have this Chief Minister and this Deputy Chief Minister who take the responsibility to do what has to be done. Not throw eggs
70 from the other side with no help, with no suggestion, with no contribution, with no alternative for the people of Gibraltar. Their arguments stink of 'do as I say but not as I do', because another running feature of everything they have said is that when they did certain things in Government that was okay, no problem, hunky dory; but when we do exactly the same thing – 'not transparent, not accountable, not responsible'.

75 Well, let's have a look at some of those things and understand a little bit better the responsibility of Government and the irresponsibility of the Opposition because, Mr Speaker, as I mentioned just previously, the Leader of the Opposition said, 'We are in the financial intensive care unit.' He said ICU.

Mr Roy Clinton said, 'that Government now has to beg, borrow and scrape to balance the books, to get out of the financial hole that it is in. We are begging from the general public, a
80 begging-bowl budget'. Well, extraordinary! And Mr Elliott Phillips says, 'The bank has to bail out the Government for a concrete jungle.'

Just stopping there for a second: if they honestly believed, as Gibraltarians, that we have a
85 begging-bowl budget because we have not got any money, surely they would welcome that somebody gives us £4 million to pay for a beautiful park that Gibraltar would enjoy for many, many years to come. Surely, if you really think we are bust, then say, 'Welcome the £4 million'!

No, no, no, it is a begging-bowl budget. Why? Because they do not give a damn, they are just here to make cheap political points, day in and day out! (*Interjections and banging on desks*)

90 So, Mr Speaker, we now know *really* what they are after, but then as if you want another explanation, Sir Joe Bossano comes and tells this Parliament as he has done every day that he has been here for many, many years, that every penny counts – every penny counts. The Hon. Roy Clinton said, ‘I agree with Sir Joe Bossano, every penny counts!’ Well, by Jove, he has got a funny way of showing it because, Mr Speaker, he is against the increase in social insurance – every penny counts. He wants to give more money to the BID, the Business Investment District of my friend Mr Daryanani. He wants to give him more money than he asked for! But every penny counts!

95 He wants to give the patron associations more money than we gave them at BEAT – but every penny counts! He wants to pay everyone who has not crossed the lines irrespective of what they earn. My Jove, as the Father of the House said yesterday, it is the height of irresponsibility to do that to our economy, especially at this particular time. But Mr Speaker, of course, pay everyone everything! But he says every penny counts.

100 The opposite, my friend Mr Damon Bossino says he is concerned at the nature reserve increase in price. Hey, but every penny counts! Why would he be concerned? Surely we are getting every penny we can into the coffers, if you believe what you are saying. I happen to not believe what you are saying. Even, Mr Speaker, just imagine how ridiculous it gets that when we announced the fee for parcel delivery of £4, the Leader of the Opposition said, ‘The GSD Government would 105 abolish it! £4! He has not tried to abolish the fee for Hungry Monkey for goodness sake! £4! But every penny counts.

110 Well, Mr Speaker, I have to say I find it very difficult to reconcile the statements that they make with the beliefs they pretend to present to us; and, of course, they are against the private sector joining with the public sector, which is normal in every other part of the world in what are called ‘public/private sector partnerships’, in supporting Government in different things that it wants to do.

115 Now, Mr Speaker, either there is no problem with money or they are 100% irresponsible because it is just inconceivable that they should genuinely believe what they do. But then of course we get to probably the best example of all. Mr Clinton says we are now resorting to flogging berths at the small boats marina to plug the hole. Flogging berths to plug the hole. I want to remind the hon. Member that in the GSD Manifesto of 2011 they too promised to build many hundreds of berths. In fact, one of the Members opposite yesterday was talking about everyone having a letter from the Chief Minister before every election. Well, it is funny, isn’t it, because they have a 120 letter from *their* former Chief Minister on the wall in a print in a frame saying, ‘I promise to build you a marina with x hundred berths’. The very same letter they complained about yesterday. The small boats marina had one from them.

125 How are they going to fund it? Because we know how the finances were when we arrived in 2011. How are they going to fund it? (*Interjections*) Which the former Chief Minister accepted live on television that he would have to come to Parliament to increase the borrowing limit to be able borrow the money we were going to need to put into place – Did he say nonsense? Well, he should watch it again because I am sure it is on YouTube. (*Interjections*)

130 Mr Speaker, but of course that is not all, because the hon. Member opposite is a banker. If I would have come to him, and said, ‘I want to build in the Harbour, 700 berths; and I am going to create on the outside five, six, seven huge berths for superyachts, and it is not going to cost me a penny!’ He should have said, ‘Genius. Flipping genius!’ Today, this morning, there were four superyachts berthed on this new facility. But yet, when we tell him that there is a possibility that we are going to sell the berths and recover the cost and some, of building that marina, and still have the superyacht berthing, he says, ‘Now we are resorting to flogging berths to plug the hole!’ 135 Well, can’t he say congratulations? Because I think it is sheer genius! (*Interjection*) I think it is a masterstroke. Well it *is* brilliant! And, let me tell you, it is a lot more brilliant than anything you have ever done! (*Interjections and banging on desks*) There is plenty of time.

140 Mr Speaker, they also like to talk about entitlement – the ‘age of entitlement’, as Mr Phillips said. Well, Mr Speaker, if they are so much against the age of entitlement why do they not allow us to do something about it? Because when we want to charge for things, which move away from

the age of entitlement, and you pay as go – they are against it. Everything we want to do to increase revenue, to reduce cost, they are against!

145 I was walking down Main Street a couple of months back and somebody saw one of my colleagues from across the floor walking down Main Street, and he pointed at him and he said, ‘Que hay un demonstration’. Because it seems for a time that whatever demonstration there was, there was one of you in it! For whatever it was!

150 Mr Speaker, there is this desire to criticise ‘age of entitlement’ and when we try to do something about it, ‘No. No! We are against that. We are concerned about that. You cannot do that. Pay them more, give them more, even if they do not want it!’ Well, again, I really struggle to reconcile the statements.

155 And of course Mr Clinton went further, incredibly so. He said, ‘Mr Speaker, your manifesto promised these things and now projects that this community legitimately deserves and expects are not going to be delivered.’ Wow. He is criticising the Government for not implementing the manifesto, when he tells us we are in financial ruin, and that people have a legitimate expectation, i.e. entitlement, from a Member of the Opposition who is the Banker, who is meant to be the financial wizard, is complaining that they have a legitimate expectation to get those projects delivered. A legitimate expectation! Your colleagues to your left, the lawyers, will explain to you what those words mean and it will not be pretty reading.

160 Mr Speaker, how can you honestly tell the people of Gibraltar that they have a legitimate expectation at a time like this when we are in an economic crisis? The Chief Minister detailed at some extent what that is. But no, this is just about political points and cheap scoring. Well, I have read our Manifesto, Mr Speaker, and we will get to where we need to get to within the confines of the economic situation we find in, because we are prudent, because we are responsible, not because we are anything like the Members opposite. (*Interjections and banging on desks*)

165 Mr Speaker, we then had the same old tunes of transparency and accountability: ‘Do as I say, not as I do.’ All again, all over again.

170 Mr Speaker, Mr Clinton suddenly discovered in his intervention yesterday that we now have a third category of debt, a new third category of debt. Never seen before! Wow, I thought. Whoa, what is this? This is going to be interesting. Until of course, he carried on: asset borrowing and renting them, rather than just building them. They cannot scrimp the money. (**A Member:** They cannot.) And I thought, good God! It costs the taxpayer more in the long run! Why rent?

175 Then he says, ‘Now resorting to renting buildings ...’ because he does not have the cash to build them. Well, hello, Mr Speaker, that is what I can say to the Member, ‘Hello, wake up, look back a bit and realise that that is exactly what the GSD did in building the Hospital, in building the carparks, in raising the money off PFIs, leasing these back, renting the Hospital, renting the carparks! (*Interjection*)

180 For goodness’ sake, did he not know that? (*Interjections*) Did he not know that? The Hospital you rented! (*Interjection*) You bound this community to rent the Hospital for years at huge cost. (*Interjection*) Huge cost. Why? But now, suddenly, he has discovered this new asset class – asset borrowing he calls it. Well, thank you for the lesson in economics. Thank you for the lesson and thank you for teaching us as to what we should and should not be doing. But I would suggest that he confers with his Members to his left who were sitting in Government at the time that they actually did it themselves. (*Interjection*) He was the Minister for Health, indeed he was.

185 **Hon. Chief Minister:** When they rented the ICC!

Hon. A J Isola: Yes, that is true! (*Interjections*)

A Member: Disgraceful!

190 **Hon. A J Isola:** Yes, when the GSD rented out the office of Euro port (*Interjections*) Exactly the same. Yes, absolutely.

Two Members: Who from?

195 **Hon. A J Isola:** From the owners! (*Interjections*)
Oh, my gosh, yes, exactly! Oh, my gosh. I mean, what depths have we sunk to that they should be –

200 **A Member:** Disgraceful, Mr Speaker!

205 **Hon. A J Isola:** That is what they allowed into Gibraltar, let's be clear about that. No. Okay, okay.

Mr Speaker, we then get to the same issues on transparency – definition of debt and 'net debt'. They did exactly the same – come on, let's be mature, let's understand and accept.

210 Use of companies, it is harder now, but it was fine when they did it. On and off balance sheet, it is fine when they did it, we cannot do it. Asset finance, the new dawn, I suppose, for Mr Clinton's understanding of economics. They did it too. But of course if we do it, it is not transparent, it is not accountable, it is not responsible, there is no trust.

What utter nonsense, Mr Speaker.

215 Mr Speaker, Elliott Phillips said that the GSD has always been the party of financial independence, prudence and responsibility. But I am not trying to mimic his tone because I could not, possibly. (*Interjection*) Financial independence, prudence and responsibility. Well, Mr Speaker, Mr Phillips obviously believes that, and he believed it at the time, which is why he stood against them in successive elections. So if they were the team of prudence, independence, why did you not just stay with them?

Again, if we look at his position on the Crimes Act, it is a bit of a yes/no, yes/no, flip flop, flip flop. But, hey, this is politics and we understand that. Mr Speaker, more and more, we have come to expect less and less from the Members opposite.

220 We then had – and I had to congratulate my friend the Chief Minister for his use of his definition of Mr Phillips' speech at the end, he really has a way with words, calling it a 'paper hammer'. (*Laughter*) I thought that was really quite an articulation of my friend Mr Phillips' speech.

225 I suggest to him after having had his lecture on transport, (*Interjection*) that he rereads – if he has not read it already – he might want to listen, because I am going to give him some advice. Yes. I suggest he rereads his part on transport from his manifesto, because let me tell you that nothing of what you said yesterday is in it. There are hints and droppings, as there normally are, in five very small paragraphs on transport and parking, I think it is: e-scooters, which he almost chastised – I think they were proposing to regulate, and I think we are proposing to regulate too. So there is not too much difference, and there was no need to chastise my friend Mr Daryanani, or indeed Mr Balban, or in any of the other areas of transport, and indeed in his insult to my good friend Mr Cortes in calling him a pussycat. (*Interjection*)

230 Mr Speaker, if I can just move, finally, to my friend Mr Bossino and his comments on the call – (*Interjections*) not today, or yesterday. (*Interjections and Laughter*) Mr Speaker, Mr Bossino who sought to tell my good friend the Minister for Tourism that he should resign, because one of theirs had run into problems with their own licensing. A system that is normal, an airline comes, agrees everything with you, they go away and they do their things, and they come back to us to issue a statement. Mr Daryanani said, 'If you want to issue a statement, you issue a statement.' And they did. But as a consequence of that, he, Mr Bossino – and I do not know why, but I find it quite extraordinary – said that Mr Daryanani should resign. Resign. (*Interjection by Mr Bossino*) You suggested it more than once. Yes, you did. (*Interjections*)

235 In fact, I find it quite incredible because tomorrow, Friday, we have flights coming in from Manchester, Gatwick, Heathrow, Southampton, Heathrow, London City, Luton, Gatwick. Tomorrow, in one day, with four different carriers – Eastern Airways have never been to Gibraltar before, British Airways, easyJet and Wizz Air.

245 Mr Speaker, I do not think my friend should resign, I think we all have to congratulate
Mr Daryanani (**Several Members:** Hear, hear!) for the extraordinary work that he has done to raise
these airlines. There was a period not too long ago where there was a new route being celebrated
almost every day of the week! On Saturday, 29th May the *Gibraltar Chronicle* reports, ‘Travel soars
250 with passenger rates tripling and hotel bookings unprecedented.’ Then if the hon. Member had
cared to turn the page inside, which I am sure he did not, they would have said, ‘The water cannon
salute was heard for the second time this week as Eastern Airways inaugural flight from
Birmingham flew into Gibraltar yesterday evening. The new service will be operating twice a week,
all year long.’ This follows the first flight from Southampton that flew in on Monday. Two inaugural
flights in one week! That is incredible. But of course, in addition to all the rest that I have just
described for tomorrow, we also have Bristol and Edinburgh.

255 Well, Mr Speaker, if that is what causes the call for Mr Daryanani to resign, I think we all need
to start packing our bags because none of us will ever hit the mark that my colleague,
Mr Daryanani, has in achieving the huge success he has, at a very difficult time, in attracting new
business to Gibraltar. I honestly think, and I commend to my hon. Friend, that he should
congratulate him, not mimic him.

260 Mr Speaker, moving on to my prepared speech, I believe it is absolutely remarkable that after
these last two years of horror, I should be standing here telling you how well and resilient the
businesses in my areas of responsibility are doing. Brexit was without question the biggest
265 challenge to our Gaming and Financial Services firms. That was until COVID-19 came along. Yet,
quite incredibly, both of these sectors have adjusted, planned and executed their structural
changes, and got on with what they do best – running their businesses. Travel Insurance firms and
Bureaux were the most impacted by the pandemic, for obvious reasons.

270 Mr Speaker, today, despite all the European business having been lost by our Gaming firms –
and we need to understand that we have lost all the European business in our Gaming firms in
Gibraltar, it has had to go for Brexit, so there is nothing here. Having lost some of this business,
we still have today some 3,400 jobs in this sector, and growing. I am pleased to report that we
have new applications *en route* and our firms continue to employ here, which is very much
welcome.

275 In Financial Services, having lost the European passporting rights, we secured passporting
rights to the United Kingdom – the only piece of land in the entire world to have achieved this.
Not bad for a ‘bad’ Brexit deal. As a consequence of this excellent work delivered by the UK’s
confidence and trust in our regulatory and legal systems, and the quite extraordinary skills of our
Brexit negotiating teams – led by my friends the Chief Minister and the Deputy Chief Minister, and
280 of course the Attorney General and the Financial Secretary – I can report that in the last half
of 2020 the GFSC had the highest number of applications in its history; and the numbers of Cat 2s
and HEPSS in Q1 of 2021 are also at record levels.

285 Mr Speaker, Members will have noticed that I have not yet mentioned COVID in respect of
these two sectors. That is, put simply, because these firms adjusted their working practices and
just carried on. At the very first meeting of CELAC, the representatives of both our Gaming and
Financial Services businesses were asked if their sectors required any of the BEAT support
measures that we were designing. They of course were involved in the architecture of those
systems. They both, Mr Speaker, said ‘No’. And they were true to this for the entire period of the
Pandemic and, as a consequence, we owe them a debt of gratitude for their complete
professionalism, and we are fortunate to call them our stakeholders.

290 Moving on to the work of our teams, I must say that technology has come to the rescue and
we have very much carried on these past 18 months with business close to ‘as usual’. In lieu of
travel and face-to-face meetings, the team has carried on with Zoom meetings, webinars and
telephone calls to continue the promotion of our jurisdiction, with some significant degree of
success. We have found these face-to-face virtual meetings to be extremely rewarding,
particularly as partners or directors of the target firms have joined from diverse locations including
295 as far away as Los Angeles, together with their colleagues in New York and London. We have

worked hard to successfully present Gibraltar as an attractive and competitive jurisdiction in many different areas, and even during the height of the pandemic we attracted new businesses to Gibraltar. Our USP of speed-to-market and access to Government and Regulators is compelling.

I am pleased to report that a strong flow of new applications has continued over the past two years. The pipeline, including DLT firms in GFSC, as I said, is at its highest level in many years.

We have also seen an increase in the amount of business written collectively by Gibraltar's insurance companies over the past two years, and we saw a significant interest in new applications in 2020. There are strong indications, Mr Speaker, that the market share of our motor insurers in the UK will be edging towards 30% by the end of this year. We often talk, Mr Speaker, of our companies having 24% of the UK market; I believe by their growth that we will hit 30%. That is almost one in three cars driving in the United Kingdom with Gibraltar-issued policies.

A natural progression for DLT and eMoney licensed firms is to mature from Virtual Asset Service Providers (VASPs) or money transmitters to fully-fledged credit institutions. XAPO is the first to complete this journey in Gibraltar. The growth of digital banks is expected to continue and provide competition to traditional players.

Mr Speaker, it is worthy of note that Gibraltar DLT firms are punching well above their weight, not just domestically but importantly globally. BITSO, the first Unicorn in South America with a recent raise of \$250 billion and a valuation of \$2.2 billion.

LMAX, a large London Group whose Gibraltar firm LMAX Digital recently raised \$300 million with a valuation in excess of \$1 billion.

INX, the Gibraltar firm which was the first ever United States SEC-registered token IPO, subsequently raising some \$117 million.

BLOCK.one, recent announcement of their Global 'Bullish' platform with \$10 billion of liquidity funding.

Mr Speaker, and of course, we have eToro growing internationally, and our own Huobi with their Charity which donated \$1M to UNICEF, the first institutional Bitcoin donation accepted by UNICEF, ever. Closer to home, Dam/Damex continue to promise and grow. It is interesting, Mr Speaker, because Dam or Damex is a Gibraltar start-up, and it is the first company, Gibraltar DLT firm, that has been accepted on Crowdcube for crowd funding for raising investment and raising the money they require for the next stage of their expansion. So I congratulate them also in terms of their fantastic work.

Mr Speaker, we should also note that Gibraltar has recently been pushed up into third spot in the PWC report on Crypto Hedge Funds most favoured jurisdictions – we have come third after the United States and the Cayman Islands.

In Insurance, Mr Speaker, our firms also continue to impress. In October 2019, the first UK Insurtech to start its own insurance company commenced trading from Gibraltar. It was followed in late 2020 by the second UK Insurtech to start its own insurance company, which commenced trading in January 2021. We welcome Zego and Marshmallow as two of our newest insurance companies, and importantly the first two Insurtech firms in the UK, both Gibraltar businesses.

We continue to work to stay ahead of the curve with our DLT Framework and we will shortly be publishing the '10th Core Principle' – my friend Mr Clinton was asking before about the progress of that. This defines standards of market integrity and will be established with forward-thinking views on Decentralised Finance (DeFi) and Non-Fungible Tokens (NFTs) working in partnership with the Financial Services Commission and the Gibraltar Association for New Technologies (GANT).

In the funds sector, we have overhauled our Limited Partnership Act to make our legislation more competitive, and introduced the Protected Cell Limited Partnerships Bill with expert support from a leading London funds lawyer and ably supported by the Gibraltar Funds and Investments Association (GFIA). My thanks to all of them.

In all of our sectors, we continue to promote and enhance the product and our engagement with firms and international organisations all over the world. We believe this gives us a wider reach than traditional means, and this has worked particularly well in DLT and, indeed, Insurance.

350 Mr Speaker, I welcome the development of GANT. In early 2021, outgoing Chairperson David Parody completed his two-year term of office. I would like to extend my grateful thanks to him for his work in getting this started. I look forward to working with Anthony Provasoli and Joey Garcia as the new Co-Chairs of GANT.

355 We have also worked closely with the Gibraltar Funds Association both in product development and of course in business development. They are great partners of Government and fully understand the power of working closely together for the benefit of the jurisdiction. My thanks to Jay Gomez and James Lasry, the Chairman and Vice-Chairman.

360 There has also been a much closer working relationship with the Gibraltar Insurance Association (GIA), and last month the first post-COVID GIA and Gibraltar Finance Insurance event was held here in Gibraltar.

365 I would also like to thank Francis Carreras and Lynda Martin, the Chair and Deputy-Chair of the Gibraltar Association of Pension Fund Administrators (GAPFA) for their extensive time, input and technical support in respect of the Private Sector Pensions Law.

370 Mr Speaker, I must thank Mr Marc Ellul for his leadership, support and insightful contributions as the Chairman of the Finance Centre Council over the past three years. This has been a really tough and transformational period for the sector, and despite this it has been a real pleasure working with him. During lockdown, Marc agreed to extend his Chairmanship for a further year to provide continuity at that difficult time and I am grateful to him for that. In June 2021 in a role reversal, the Council elected Mr Nick Cruz as the new Chairman for a two-year period with Marc continuing to serve as the Deputy Chair. I look forward to continuing to work closely with the Council and with Nick as its new Chair. They have an important role to play in supporting the development of our policy and business development opportunities.

375 In spite of a very difficult year in 2020 due to the coronavirus pandemic, Gibraltar International Bank performed considerably well under the circumstances. The results for the first half of 2021 show that the lifting of restrictions earlier in the year has to some extent increased economic activity and this has manifested itself by the bank experiencing increasing numbers of transactions across all sectors.

380 Deposits have grown by £500 million over the past year and now stand at £1.3 billion, a remarkable deposit figure. The bank currently has around 18,500 clients that hold 28,000 accounts. With regard to loans/mortgages the book currently stands at £468 million and the lending book has continued to grow.

385 Mr Speaker, the bank has recently been subjected to a number of cyberattacks, which have placed the bank and its staff under some strain, leading to staff extensively reviewing transactions manually in order to protect its clients and their own transactions. I am most grateful for their care and diligence.

I am also grateful to the CEO, Lawrence Podesta, his executive team and his staff, for their professionalism in managing the bank and the Chairman of the Board, Albert Langston and his team, for their work throughout the year.

390 Mr Speaker, I touched on the Gibraltar Authorisation Regime at the start of this report. Let me remind the House that the UK government issued a Statutory Instrument (SI) in early 2019, setting out the temporary arrangements for Gibraltar's ongoing passporting arrangements in financial services into the UK post-Brexit. During 2020, detailed discussions about Gibraltar's permanent passporting arrangements were held with HM Treasury and then set out in the UK's Financial Services Bill, which was published towards the end of last year. The permanent arrangements we now refer to as the 'GAR', started its passage through the House of Commons towards the end of 2020 as part of the Bill. The latest position from Treasury is that the GAR will come into effect during 2024 so there will be further UK Statutory Instruments to cover 2022 and 2023 so as to ensure a seamless transition. Importantly, anyone or any firm seeking confirmation about Gibraltar's future permanent passporting rights can be referred to the UK's Financial Services Act of 2021.

400 The GAR provides a single market in financial services between the UK and Gibraltar, which is unique and not available to any other British Overseas Territory, Crown Dependency or Third Country.

405 Mr Speaker, we have since the last full Budget a new CEO at the Financial Services Commission (GFSC). I am most grateful to Kerry Blight, the CEO, for his excellent work since he took over. I know the sector have warmly welcomed his accessible, open and transparent style of operation and I too welcome this, as well as his efforts to maintain budgetary control – a battle that he is winning. He is a pleasure to work with.

410 Mr Speaker, we also have Stephen Haddrill our new Chairman, and we are fortunate to have such a man and secured his services. He is an incredibly able individual with enormous knowledge and expertise in financial services and he will be invaluable to the Commission in the work that they do, as he has already demonstrated in the short time that he has been with us.

I am grateful to all of the Board and staff of the GFSC for their quiet and untiring work and professionalism.

415 Mr Speaker, the test of a good team is how they perform in difficult times and, under unusually difficult circumstances, the team at Gibraltar Finance led by James Tipping have excelled this past two years. Jimmy, Mike Ashton, Paul Astengo and Tim Haynes have worked closely ...

[Technical interference]

The Speaker: We are experiencing some technical difficulties in relation to the recording of the proceedings of the House so we are going to take a short recess of 15 minutes to see whether we can overcome this issue.

Thank you.

The House recessed at 11.45 a.m. and resumed its sitting at 11.50 a.m.

**Appropriation Bill 2021 –
Second Reading –
Debate continued**

420 **The Speaker:** I am happy to report that things are back on track.

Hon. A J Isola: Mr Speaker, my thanks; and my thanks also to the technical team that have put us back on track so quickly.

425 Mr Speaker, I also have to thank the team at HM Treasury for their collaborative and supportive approach on GAR. We have some way to go, but I am grateful for their enduring understanding and support: James Tipping, who manages our relationship with HMT and has driven the GAR project from our side, with Julian Sacarello at the GFSC, and I am sincerely grateful to them both for their excellent work on this critical project for the industry.

430 Mr Speaker moving to the Gambling Sector. The gambling sector has been broadly self-sustaining through the lockdown. The firms that are primarily focused on sports betting were significantly affected by the lack of live sporting events. Even our land-based operator, whose casino and betting premises were completely closed in the early months of lockdown, met its own employment costs until the latter part of the crisis.

435 Mr Speaker, I am happy to report that, throughout the lockdown period, the Gambling Division remained fully operational and effective. Significant effort has gone into assessing business continuity plans and working closely with virtual betting and gaming content providers in order to sustain operator revenues. Virtual compliance visits have also taken place and there has been a

focus on social responsibility and the wider business risks created by the pandemic. The focus has been on supporting business whilst maintaining regulatory standards.

440 Despite the headwinds of COVID-19 and Brexit, we have maintained a vibrant industry in Gibraltar. In the period April 2019 to March 2021, the Gambling Division have issued 11 new licences, resulting in gaming licence revenue remaining in a healthy state. There are at least three pending B2C licence applications and a potential pipeline of B2B licensees also.

445 Finally, I am pleased to announce the establishment of the independent Gambling Care Foundation in Gibraltar, which has been funded by the industry, and which will have as one of its objectives the support of the Centre of Excellence for Responsible Gambling, a research and training institution established at the University of Gibraltar. With the support of our firms, I expect we shall be the only jurisdiction in the world that will have all of its employees having attended a certified course at the University directly focusing on responsible gambling.

450 My thanks to the Gambling Regulator, Andrew Lyman, and his team for their excellent work during these very difficult and challenging times. Andrew has been a great signing for Gibraltar, and I am fortunate to have his expertise and knowledge available to me.

455 Mr Speaker, the Liaison Department continues to provide invaluable assistance to our firms and with emerging and new technologies introduced within the public sector, the support provided by this unit is instrumental in identifying swift solutions for all queries relating to most Government Departments. I am most grateful to Lizanne and Tanya for their interaction with our firms and all Departments for resolving their issues in, quite frankly, record time

460 Mr Speaker, in considering the Gibraltar Broadcasting Corporation, GBC were quick to adapt to the pandemic and the needs of our community, who relied on the public broadcaster for trusted news on our response to COVID. Mr Speaker, they stepped up to the plate, covering the daily press briefings from No. 6 and increased programming as more and more people stayed at home. In all, 270 hours of additional programming were aired by GBC Television during the three-month lockdown, with further programming also being provided by Radio Gibraltar.

465 The charity's 'Lockdown Edition' of GBC Open Day managed to raise £180,000 in 24 hours, which was then topped up by the Open Day Charitable Trust by £50,000, resulting in a total of £230,000. This money was contributed, on behalf of the people of Gibraltar, to the COVID-19 fund. A very worthwhile exercise indeed and my sincere thanks to them for this quite spectacular effort. In December 2020, GBC held its traditional fundraising day when they incredibly raised a further £128,000 for local worthy causes through the annual marathon radio and television shows.

470 Mr Speaker, a new era for GBC is now around the corner. GBC is due to go live from the new broadcast centre in South Jumpers Bastion on a soft launch on Monday, 9th August, with a transitional period to follow for a few weeks while existing electronic systems are migrated from one building to the other. Full programming from the new studio complex begins in early October. This is a technically advanced broadcast centre providing two television studios and four radio studios, as well as a variety of technical and production areas and office spaces designed to enhance creativity and the working environment, while combining the heritage aspects of the Bastion with the new build above it. It has been well worth the wait and is appropriate, as GBC enters its 60th year of existence in 2022 next year.

480 Mr Speaker, I would like to thank all those in front of the cameras and microphones, as well as those behind the scenes and even those in administrative positions for the work they do, day in, day out. Gerard and his team have been busy managing business as usual during these unusual times whilst also ensuring the build and delivery of the new systems in time for the historic opening of the new Broadcasting House. Exciting times indeed.

485 Mr Speaker, in turning to my responsibilities for Town Planning and Building Control, the Department has had a busy two years, as one can imagine; and in common with other Departments, has had to deal with the challenges thrown up by the pandemic. Notwithstanding the pandemic, the volume of applications managed by them has increased over the last two years. In 2019, 594 applications were processed and 665 in 2020. It is worth noting a significant

490 proportion of these are large scale and/or more complex applications than in previous years involving significant input and staff.

495 It is a credit to the team that, despite the pandemic, DPC meetings continued during this time and I must thank them and ITLD for their great work in making this a reality; not just for the DPC, but also enabling the public to join and have access to these meetings. We believe in public participation in Planning and are delighted to have been able to deliver this, even in these extraordinary times. I should mention here that with the introduction of the Town Planning Act in September of 2019, meetings of the Development Appeal Tribunal are now also public.

500 Mr Speaker, the new Town Planning Act now also requires Government projects to obtain planning permission and, where the nature of the project requires it, are subject to a similar public participation process as are other applications. The e-Planning service continues to operate successfully. It allows easy access to application details and provides a platform through which applicants can submit their applications online. The proportion of Planning and Building Control applications submitted online in 2019 was some 63%. In 2020, the figure rose to 86%, so a substantial increase in just two years in the use of the online facilities.

505 Mr Speaker, the Town Planning and Building Control teams are both working with us on a review of their work and their practices and systems with a view to modernising and updating them. I am confident that we will make good progress this year and be able to publish the review in the coming months. Building Control are also reviewing the Building Rules made under the Public Health Act with a view to updating these to bring them in line with the UK and European Standards ensuring best working practices are maintained for the benefit of both the users and 510 occupiers of the built environment.

I would like to take this opportunity, Mr Speaker, to thank Paul and Norman and all of their staff at the Town Planning and Building Control Departments for their hard work and dedication, particularly during these past two years.

515 In looking at AquaGib, they continue to service contracts in respect of potable, seawater and sewerage services in Gibraltar. The Government continues to invest in capital projects as part of its asset replacement plan aimed at maintaining and improving the water infrastructure assets around Gibraltar. This includes the increased supply of potable and saltwater to the Westside area and indeed the Eastside. We have agreed a short-term extension to the AquaGib contract to enable both parties, once relieved of the extreme pressures of COVID-19 and treaty negotiations, 520 to focus on this important negotiation.

525 Mr Speaker, in turning to the Gibraltar Electricity Authority: since the last Budget session there has been a huge effort going into the final stages of commissioning and the initial operational phase of the new North Mole Power Station, the associated new high-voltage distribution centres, the new infrastructure, the new high voltage cabling network and of course the decommissioning of the old and polluting Waterport Power station.

At present 88% of Gibraltar's power is generated by the North Mole Power Station and around 12% from the Energyst rental plant. Once the initial teething problems – which are normal for a new power plant of this size – are resolved, we envisage no further running from the Energyst rental plant.

530 On the issue of emissions, the CO₂ emission this year saw a decrease of around 9% from 136,468 tonnes in 2019, to 123,869 tonnes in 2020. (*Interjection*) The pussycat believes it is excellent. I am delighted. Thank you, sir.

535 Anecdotally in 2016, before the advent of LNG, the CO₂ emissions from power generation in Gibraltar were at a level of 161,000 tonnes, close to 25% more of what is emitted today. I know that my friend the Hon. Mr Cortes was instrumental in enabling us to reach the levels that we have reached today. (*Interjection*)

540 During the pandemic, the GEA continued to function as normal. This is particularly notable when you consider that the North Mole Power Station commissioning works had not yet concluded. This, however, occurred at a slower pace due to travel restrictions that some of the specialised contractors found themselves in when moving across Europe.

545 The team at the GEA are only remembered when there is a power failure, and often teased – unfairly, in my view – when we are open and honest as to the causation. Mr Speaker, people need to understand that the workers at the power station do not want a power cut. There is no point blaming them for a power cut that has been caused by a problem in generation, a problem on the grid, a problem in one of the power stations, a problem because a contractor has cut through a power cable. There are many, many reasons as to why we have power cuts, but not all are because somebody working in the GEA wants one to happen.

550 So I would ask my friends opposite to be a little bit more sympathetic to them and I have seen them working first-hand when they have had a power cut in the extraordinary effort they go to, to bring power back as quickly as possible, safely. I am sure all Members will agree it is critical that power is restored safely. So when my friend the Hon. Leader of the Opposition tweets – I have got a big picture of him here – ‘Not the falling instruction manual again’, when there is a power cut, he is not funny. (*Interjection*) It is humour, it is not funny; it may be humour, but it is not funny. Not for the people who are working their butts off – forgive my French – to restore power safely, 555 as quickly as is possible. So I would ask people to be more understanding and sympathetic to the hard work that these individuals do to maintain, safeguard and restore power as quickly as is possible.

560 I would ask the community to remember that these failures are few and infrequent, and as we get through the normal teething problems will decrease still further. But the work going into maintaining the grid, dealing with the complex systems of power generation, upgrading old infrastructure and attending to contractors interfering with our cabling network are worthy of mention and appreciation. I have witnessed first-hand, as I have just mentioned, the response to these problems and I am grateful to Michael Caetano the CEO, and his entire team for their good work in keeping the lights on, especially when we suffer a failure.

565 Mr Speaker, this year has been an important year for the Gibraltar Regulatory Authority, in particular because of the work undertaken as a result of the UK’s exit from the EU. In response to the change in regime, the GRA published Brexit-related guidance and held dedicated Brexit-related workshops in the second half of 2020. Gibraltar’s exit from the EU, as I am sure Members are aware, means that the jurisdiction is now considered a ‘third country’ for the purposes of the EU GDPR. Consequently, organisations in the EU are required to implement measures before data is transferred to Gibraltar, thereby affecting the flow of data between the jurisdictions.

570 The Data Protection Act 2004 and the Gibraltar General Data Protection Regulation, which came into force on 1st January 2021, provide a comprehensive and modern framework for data protection in Gibraltar.

575 Whilst I am on data protection, Mr Speaker, as you may all be aware, this field is extremely reactive and the majority of the Data Protection Officer’s role focuses on dealing with advisory work, requests from members of the public and engaging with the Regulator about data protection with regard to any Government practice.

580 Departments and authorities internally continue to apply privacy legislation to their considerations whenever they undertake new processing of personal data. This was evident during the height of the COVID-19 pandemic, when public sector bodies set out appropriate agreements and procedures for the sharing of information. The Government has also recently purchased Egress Secure, which will allow for the encryption of emails and attachments. The ITLD Department will be rolling this out to all Government bodies in the coming year.

585 Mr Speaker, hon. Members will also be aware of the Bill that we have laid before Parliament and which we will discuss when we are able, dealing with the issue of Inter-Government Data Exchange. The Bill will I think enable Government to work more efficiently and effectively particularly in relation to its eServices with the implementation of this Bill which is very much what the UK has done themselves to be able to do exactly the same thing themselves.

590 Mr Speaker, turning to Information Technology and Logistics Department (ITLD) and technology, during the past year the COVID-19 pandemic has forced a great deal of uncertainty on all nations around the world. During lockdown and beyond, people were obliged to work from

home with little to no face-to-face interactions, except with their immediate families. Reliance on virtual forms of work and communication was not just a requirement, it was essential. The ITLD team were under considerable pressure to deliver remote working to Government officers working from home. I am delighted to say that under the leadership of Tyrone Mañasco and his team, the Department have done an incredible and fantastic job in introducing these tools across the entire Government to support a wide range of remote working options. My thanks and appreciation to each and every one of them for enabling the public sector to be able to continue working.

ITLD service and maintain the Government computer network. This includes everything from enhancing the physical network infrastructure to maintaining software platforms. They are the backbone to our digital services, which rely on their work to deliver strong and resilient services. Investment in IT is set to continue as the Government continues to develop and improve its online capabilities. The challenge is to build a digital environment that is fit for purpose, robust and secure. Improved IT systems have become an important focal point and a key building block for the future.

Mr Speaker, turning to Digital Services the Government is firmly committed to realising its ambition to become a fully digital Government for its citizens, businesses and public services. Significant work is going into the implementation of systems, which will enable the Government to move away from manually driven processes and control, which are inefficient and difficult to sustain. As from the 1st April 2021, the Government has an integrated solution for procurement, purchasing and payment. This means that our supply chain management and purchasing systems are now integrated into the financial accounting system of the Government, something that was not possible before.

Mr Speaker, the Government has also centralised the processing of invoices. The Accounts Payables team, run from my Ministry, is made up of a team of four people. They have the responsibility of processing all Government invoices with the use of specialist software. This system, called Invoice Capture, eliminates the manual keying in of paper and PDF invoices done previously by the Treasury. Since we started this work in November 2019, some 38,000 invoices have been processed by the new team, of which 28,205 have been exported to P2P for payment.

The e-Administration team is now finalising the work being done on HR, Expenses and Payroll. An incredible amount of work is being put into the configuration of these systems to manage shifts, requests for annual leave, calculate rolling sick leave, etc. It will enable the Government to capture employee information and the operational needs of the workforce like time and attendance, demand-driven scheduling and absence. These systems are being integrated, not only with each other, but with the financial system as well. Ultimately, it will produce the Enterprise Resource Planning system that spans across all of Government administrative systems.

In essence, Mr Speaker, the implementation of these software systems has enabled the Government to transform from manual processes to digital ways of working. This transformation is likely to be the most significant change to our administration in a generation.

I must thank the teams at the Ministry of Finance, under the Financial Secretary, and Treasury under Charles Santos, the Accountant General, for their work in making this a reality. We have worked hard and closely together and I am grateful to them all for their professionalism, enthusiasm and support – even when we have disagreed. I am also looking forward to working further with the Treasury IT team under the leadership and direction of Mr Eddie Diaz.

Mr Speaker, the other main project that we are working on is eServices. As a result of the COVID-19 pandemic, a significant number of Counter Reduction Services were also developed across many areas of the Government. These are basic services, but they come with a virtual office, a payment gateway and a customer support portal. Almost a year on since we started putting eServices online, we have processed over 20,000 applications with fee payments in excess of £760,000.

We have also started to roll out Integrated eServices. The experience is much more inclusive than the more basic Counter Reduction Services. Applicants need to register on the [Gov.gi](#) portal

645 and a citizen profile is created for each and every individual. The work that we have done on the Counter Reduction Services will obviously be very helpful to us as we move those into the eServices because the backbone has been built.

650 Mr Speaker, on 9th February the Government went live with Integrated eServices for the Department of Employment. A small number of local companies took part in the soft launch prior to that. On 18th May, the Government made the platform available to *all* companies requiring employment services.

655 On 1st July 2021, registration for Tax Services went live and on 12th July citizens were able to manage their allowances online. The next set of Tax Services include Income Declaration, which is due to be completed next month. The next set of Departments that form part of the roll-out plan includes Housing, the Gibraltar Health Authority and the Office of Fair Trading.

Currently, there are 8,306 registered users for eServices and a total of 26,279 applications have been submitted to Departments since its inception. These are promising numbers.

660 Mr Speaker, the Government recognises that change takes time to implement. Not everybody finds it easy to interact with Government Departments online. We have therefore opened a [Gov.gi](#) eServices Office at 323 Main Street, opposite the John Mackintosh Hall, where people can seek face-to-face assistance from the Government in attaining whichever eService they may require assistance with. Just for the sake of clarity, Mr Speaker, it is important to stress that the support office is solely for eServices. It is not possible to support Government Departments that do not yet have an online presence or which still deal with paper-driven processes and files at this time from these offices.

665 I should add that yesterday we issued a press release notifying of the availability of COVID-19 certificates issued by the GHA. Overnight, since that was launched yesterday, some 1,500 applications have been received – a huge number of these. If people require help from Government in filling these online, this unit in Main Street, which is already open, is available to them to get their support in helping them to process the very simple application that requires to be done.

670 Government Departments have embraced the effort to digitise our systems and services and I am grateful to Debbie Garcia and her team at the Employment Department, and John Lester and his team at the Income Tax Office. I welcome the interaction across all Government Departments in our work to digitise and share their desire to get these services out as soon as we are able.

675 Mr Speaker, I must especially thank Julian Baldachino and Karon Cano who are at the heart of all things digital. I could not have made the inroads I have referred to, and much more, without their total commitment. Heath Watson and Justin McNeice have also worked closely with us and I am sincerely grateful to them too.

680 Mr Speaker, the entire team at Digital Services who work closely with the team at ITLD and also the ITLD section in Treasury are all working closer than ever before, to deliver the ambition and the vision that we have set to deliver these services. I am grateful to each and every one of them for the work that they are doing under extreme pressure. When we went live on the administration system one of the members of staff whose name I have already mentioned, but I will not mention again so as not to embarrass him, spent the entire night in his office ensuring that the handover and the transition worked effectively. They are all remarkable individuals.

690 All that remains for me now, Mr Speaker, is to thank my team at my Ministry: Gareth, who always keeps me smiling and going at the darkest of times, (**A Member:** Hear, hear.) Karl, Lourdes and Karl and all the others for their continuous hard work and support. They are always there for me and available at any time to go the extra mile. My sincere thanks to them all.

Thank you, Mr Speaker. (*Banging on desks*)

Mr Speaker: The Hon. Vijay Daryanani.

695

Minister for Business, Tourism, Transport and the Port (Hon. V Daryanani): Mr Speaker, this is my first Budget address as Minister for Business, Tourism and the Port. (A Member: Hear, hear.) I feel immensely proud to deliver my maiden Budget address today and, in particular, it is a huge honour and privilege to be able to represent our fellow Gibraltarians in the affairs of Government.

700 Mr Speaker, the Hon. the Chief Minister appointed me as Minister for Business, Tourism and Transport after the October 2019 General Election. In August 2020, the Hon. the Chief Minister entrusted me with additional responsibilities for the Port and Commercial Aviation.

705 On 21st June this year, the Hon. the Chief Minister asked me to relinquish my responsibility as Minister for Transport and devote more time to marketing Gibraltar in both business and tourism as the world emerges from the shadow of the pandemic, at the same time attracting business and helping Gibraltarian business to grow. (*Interjection*)

710 Mr Speaker, I intend to set out the Government's various achievements since the General Election, as well as highlighting the projects which we intend to undertake during this financial year.

715 Mr Speaker, starting with tourism, I am very excited to be delivering my first speech on a subject about which I have always been passionate. As I took over as Minister for Tourism in 2019, Gibraltar was enjoying an excellent year and looking forward to an even better year in 2020. In 2019, the published figure for the total number of visitor arrivals, excluding non-Gibraltarian frontier workers, increased year-on-year by 3.1%. The number of visitor arrivals by land, excluding non-Gibraltarian frontier workers, grew by 4.1%. Visitor arrivals crossing by motor vehicle were up by 3.8% on 2019 and the number of pedestrians increased over the year by 4%. This was partially offset by a decrease in the number of visitors arriving in coaches, falling by 3.2%.

720 Arrivals by sea decreased by 18.6%. This was mainly due to a drop in the number of cruise ship passengers by 19.4%. Although the number of yachts fell by 10.3%, there was growth in the number of yacht crew arrivals by 5.3%. The reason for this increase is the growth in mega-yacht and super-yacht crew arrivals in 2019, up by 30.3% and 15.1% respectively over the year.

725 Tourist expenditure for 2019 has been estimated at a record £307.57 million, a year-on-year increase of 12.4%. The largest contribution to the increase came from excursionists from Spain, growing by £31.06 million, 16%, over the year from £193.86 million to £224.92 million. The numbers staying in supplementary accommodation grew by 21.5% according to the Tourist Survey data collected. Expenditure by this visitor grew by 33.6% up £4.65 million, from £13.82 million to £18.47 million in 2019. The Small Island Games and other sporting events will have contributed to this increase.

730 Spending by cruise excursionists fell by 9.9% over the period to £15.05 million due to the drop in arrivals. The average expenditure by this visitor actually increased by 11.8% in 2019, from £41.03 to £45.88 per person, and 2019 was a year where cruise companies were repositioning their ships. Some had been moved to the Caribbean from Europe; also, the uncertainty of Brexit was another reason for their approach in Europe, and Gibraltar suffered because of this uncertainty.

735 Hotel arrivals hit a record high for the fourth year in a row in 2019. The overall number of arrivals increased year-on-year by 8.9% from 85,050 to 92,657 in 2019. Tourist arrivals at hotels increased in 2019 by 8.5% compared to the previous year. Room nights offered increased by 6.7% compared with the previous year. This growth was mainly due to the opening of additional rooms offered at the Holiday Inn Express and Elliott Hotel following an extensive refurbishment.

740 Room occupancy increased to 69.4% in 2019 from 68.7% the previous year. Room occupancy rates varied throughout the year with the highest rate recorded in June at 81.7% and the lowest in the month in December at 46.0%. Average length of stay decreased marginally over the year from 3.1 days to 3 days.

745 Therefore, you can see, Mr Speaker, that the tourism policies of the GSLP/Liberal Government have produced results for all to see. Indeed, our results would have been even better had it not been for the global pandemic. At the start of 2020, we were forecasting more visitors by air and by sea than in the previous year. Our marketing campaigns in the UK would no doubt have also

750 driven more overnight leisure visitors than ever before. Having said that, Mr Speaker, I most certainly did not stop the momentum because of the pandemic of trying to keep as much interest in the destination going and doing as much preparation for the future.

755 The Tourist Board has been tireless in its efforts to ensure that virtual assets have been enhanced and the travel industry has been kept abreast of the great product Gibraltar has to offer. The Tourist Board is also very active on social media, posting several times daily to keep Gibraltar at the forefront of people's minds with high positive engagement, so that we are at the top of the agenda as travel restrictions ease.

760 Gibraltar's safety has always been an important attraction for our visitors. Now more than ever it is important that visitors feel secure with us, when they visit this magnificent destination. As a result of this energy and drive, we are seeing all our hotels full. I am delighted to report that we have had many days when every single hotel room has been full. I am extremely proud of this achievement, as I do not recall Gibraltar being in this situation before, resulting in having to turn business away.

765 Mr Speaker, there must be no doubt in anybody's mind now that this Government has done more to attract new airlines with new destinations to Gibraltar than ever before. Visitor arrivals by air in 2019 increased by 13.4% year-on-year. Visitors by air staying in Gibraltar grew by 16.1%. Visitors in transit by air increased by 11.3%. The percentage of total visitors by air staying in Gibraltar, however, continues to rise where it stood at 45% in 2019 compared to 44% in 2018.

770 In 2019 the number of seats used for scheduled arrivals increased by 10.1%. The number of seats offered also grew by 15.5%. The number of seats used for scheduled departures in 2019 increased by 11.8%. The number of scheduled flights increased by 15.9%.

775 In 2019 the total passenger movements for all types was up 11% on 2018. Passenger numbers were recovering after the collapse of Monarch Airlines in October 2017 and summer 2019 saw 43 flights per week. For obvious reasons, in 2020 total passenger movements all types were down by 62% on 2019. However, by way of comparison, Malaga was down 74% and Jerez 80%, according to AENA statistics.

780 A lifeline link to the UK was maintained during the entire pandemic, with British Airways operating services to London Heathrow. This proved essential for cargo, post, business traffic, medical needs and for students.

785 The number of planned summer weekly flights for 2020 was 40 per week: easyJet's Edinburgh route was planned to start on 31st March 2020 but was unable to start because of the pandemic. In the midst of the pandemic, this Government secured the restart of London Luton services, but this time by a new carrier to Gibraltar, Wizz Air, the fastest growing airline in Europe.

790 With the UK imposing a lockdown during the start of 2021, the early part of 2021 saw vital links to the UK continuing to operate. British Airways operated to London Heathrow, and easyJet continued operations to London Gatwick. With the lifting of restrictions on travel from the UK on 17th May this year, recovery is starting to show. London Luton services by Wizz Air restarted immediately on that date, and both easyJet and British Airways added additional flights to meet demand in May from London Heathrow, London Gatwick, Manchester and Bristol. As I said earlier, from June, Gibraltar saw more links to the UK than ever before, including its first link to Scotland. It has also seen an additional two new airlines operating services, Eastern Airways and BA CityFlyer.

795 Mr Speaker, more achievements by this Government: easyJet started services to Edinburgh on Saturday, 5th June, running twice-weekly on Tuesdays and Saturdays until the end of October; BA CityFlyer, a new carrier to Gibraltar, started operations to London City Airport, in the heart of London's Financial District on Friday 11th June, two weeks earlier than originally announced, to meet customer demand. Flights will operate twice a week on Mondays and Fridays until the end of September.

Another new airline, Eastern Airways, has also been welcomed to Gibraltar. Eastern is operating from not one but two UK regional airports: Southampton, the first time this airport has been served from Gibraltar; and Birmingham, bringing back this popular link to the Midlands that

800 was last operated by Monarch Airlines in 2017. Both routes are operating twice weekly and the initial plan is to operate all year round, also attracting tourism to Gibraltar away from the summer months and providing leisure opportunities for Gibraltar's population, as well as a vital link for Gibraltar's student population studying at or near these cities.

805 In summary, Gibraltar Airport will see 44 services per week to a record nine UK cities this summer. Given that we are hopefully on the back end of the pandemic, this is one additional service per week more than the Summer of 2019, four more than was planned for Summer 2020, and getting closer to Summer 2016 and Summer 2017 figures, which saw 48 services per week.

810 The opening-up of new catchment areas in the UK will lead to unprecedented opportunities for our tourism, leisure, retail and hospitality industry. Indeed the community as a whole will benefit, as the economic impact of this activity will benefit us all. Over the last two years, I have tirelessly engaged in one-to-one personal meetings with airline executives to achieve this. I will stop at nothing to ensure that we are better connected than ever before.

815 Mr Speaker, given what I have just said, the plain fact is that Gibraltar Airport will be served by more airlines to more destinations than ever before. This will bring in more passengers to Gibraltar by air than before. This is excellent news for our hotels, our tourism industry, our economy and for everyone. To recap, Gibraltar will be served by flights to London Heathrow, London Gatwick, London Luton, London City, Manchester, Southampton and Edinburgh, together with three new airlines – Wizz Air, Eastern Airways and BA CityFlyer.

820 Having said this, it is important we remain cautious and work hard on maintaining air capacity to Gibraltar. It has been an extremely difficult year for airlines, some reporting losses of between €500 million to €1 billion. All European destinations are suffering changes as airlines react to different COVID restrictions in different countries.

825 Gibraltar is no different and there will be a time that we will see change when an airline feels it can no longer sustain certain economic situations. The recent cancellation of flights in August by Wizz Air is proof of this. I know the opposition was delighted to see Gibraltar suffer this loss – so typical of them, Mr Speaker, as they undermine and damage every attempt by the Government to lead Gibraltar to economic recovery.

830 I will keep on trying my best, Mr Speaker, it cannot always be good news! People will recognise and judge for themselves the excellent work that the Government is doing to achieve unprecedented connectivity at Gibraltar International Airport. No amount of political posturing, negativity and desperate attempts to score cheap political points from the Members opposite, will deter nor discourage me from continuing to work as hard as possible to point Gibraltar in the direction of a successful return to our former levels of tourist activity. (**A Member:** Hear, hear.)

835 Mr Speaker, the Members opposite cause a lot of damage and prejudice Gibraltar's position and I have no doubt that our people will question their intentions. My vision for Gibraltar is clear: full hotels, a buzzing airport and successful businesses. It is not easy, Mr Speaker, but I intend to meet this challenge head on.

840 Mr Speaker, whilst unfortunately the cruise industry is not just yet recovered, the Port of Gibraltar has been very successful during the pandemic in providing a service to ships that not many other ports have. Following very strict protocols we have ensured that crew changes and the provision of supplies has continued. As far as the cruise industry is concerned Gibraltar is now seen in excellent light, and indeed these efforts were recognised by MedCruise during the second edition of the Association's awards, where Gibraltar was named as the 'Western Mediterranean MedCruise port showing the greatest commitment during the pandemic'.

845 I was pleased to announce recently that Gibraltar is now ready to welcome back cruise ships. Aside from many of the physical protocols that will remain in place, if passengers and crew have either a valid PCR or lateral flow test taken up to 72 hours before arrival, they will be able to disembark and visit Gibraltar. Unfortunately, it is early to say whether this will be a reality. The industry as a whole has done excellent work to ensure the protocols are in place for the safe return to the cruise industry. You will have seen recently that I went on board one of Viking's new ships and saw the excellent facilities that included a PCR-testing laboratory. This is something that most

cruise lines are investing in and will help us to ensure that not only are the passengers safe but also our community. The visit of the Viking included a meeting with the Chairman of the cruise company, who flew in to meet me to continue my conversation about them including Gibraltar in their future itineraries. I will carry on engaging with all the operators who visit and also those who have not in the past. This is a difficult process and it will take time.

855 One other very important aspect of the port and cruising, which must not go unnoticed, is that we are now able to supply LNG fuel to cruise ships. Many cruise ships are now LNG-powered and LNG bunkering is now in position, and this shows our commitment to a cleaner and more sustainable environment. These ships would have gone to other ports in the Mediterranean but now will be able to come to Gibraltar.

860 We continue to be prominent within the MedCruise Association and engage in all the Seatrade events, ensuring that Gibraltar remains at the forefront of the industry. This activity has continued in a virtual environment for the last year and, as always, Gibraltar retains its reputation as a very proactive destination. Gibraltar's place on the Board of Directors of MedCruise, representing large ports in the Western Mediterranean, also allows us access to the most up-to-date information for the sector. I also personally maintain regular meetings on a virtual platform with the top cruise line executives.

865 Our campaigns in the United Kingdom and Spain kicked off last year. The campaign in the United Kingdom is entitled 'Time to be Enlightened'. This was devised just before the Brexit scenario and continues reinforcing Gibraltar's product to the British market and our recently coined phrase, 'Your Great British Staycation in the Mediterranean'. We must not forget the attractiveness Gibraltar has for the British market, as one of the British Family of Nations. As destinations look to stimulate recovery by encouraging consumers to move locally, regionally, nationally and then internationally, Gibraltar's British-brand credentials will work well to feed a 'home-from-home' narrative which will encourage UK visitors to come to the Rock before other destinations. The campaign is once again being supported by an extensive online and offline media campaign in the UK.

870 Clearly, this year has posed many challenges in terms of attending trade fairs and promotional activities, particularly in our home market in the UK. However, this has not stopped us from taking part in many of these events online. It is unlikely that we will physically attend any major trade fairs this year, until global fluidity in terms of travel resumes. Before the start of the pandemic, we held very successful roadshows in Edinburgh, Bristol, Manchester and the London area and we attended FITUR in Madrid. The GTB also participated in the Meeting & Incentive Forum Europe in Tenerife.

875 At the start of 2020, I also held meetings in the UK with the main cruise operators. I attended the World Travel Market in 2019, where the Chief Minister made a much-welcome visit to the event. I look forward to him visiting again, providing his energetic approach to tourism in Gibraltar. I thank him for his continued support.

880 The GTB, at the start of this year, committed to attend a number of exhibitions in the UK across different sectors. Some of these are transferred to future dates and some will continue in an online format. One of the highlights of our events calendar has been the Gibunco Gibraltar International Literary Festival and whilst we may not have a fully-fledged event this year, I will try that next year we will be able to hold the event to the level of professionalism and prestige that it has now reached. We continue to thank Her Royal Highness the Princess Royal for her role as Patron of the Festival. These types of events offer great potential to increase social media reach and thereby increasing our consumer following for updated travel offers.

890 Mr Speaker, as we look forward to the future, you will know that the new Chief Executive of the Gibraltar Tourist Board is to be based in London. The short-sighted concerns raised by the Opposition to gain political points will no doubt fade into memory as the relocation of this task shows its advantages. The Government will take its time in making this appointment.

900 I will continue giving it my all as Minister for Tourism both here and in London when required. The GTB has an extremely well established and experienced team that looks after operations on

the ground and will continue to do so in a very professional manner. I have received extremely encouraging support from the industry for the relocation of the CEO to London and for our future vision. I communicated this recently in meetings held with the GFSB, the Chamber of Commerce and the hoteliers. We will no doubt be able to reach a larger tourism market for the trade and the consumer by having the CEO based in London rather than in Gibraltar. In these very complicated times, we need to be more ambitious and forward-thinking in trying our best to deliver for Gibraltar PLC in this extremely challenging industry.

May I remind all of us once again that it is the GSLP/Liberal Government that has taken steps to market Gibraltar, sell the destination and invest in the product in an unprecedented manner. As I have said before, we look forward to a recovery in the tourism industry following this pandemic and there will be no doubt in the minds of the industry and in our community that the Government has done everything possible to ensure future prosperity.

In addition to our campaigns in the UK, last year the Gibraltar Tourist Board launched a marketing campaign in Spain. This consisted of regional advertising in southern Spain on Cadena SER and Talk Radio Europe along with targeted Facebook campaigns. As a continuation of this, a dedicated radio programme on Cadena SER radio featuring Gibraltar will air soon. Television adverts also went out on regional television along with a dedicated television programme in Spain last August. We also saw the return of some very proactive bloggers from Spain.

Not only has the Government continued to promote the destination to ensure future business but we also supported the industry through the BEAT COVID-19 support packages. In addition, we have remained in constant contact with the industry and have worked on future strategies in consultation with all stakeholders. The Government has done everything possible under the circumstances to support the industry and will continue to do so as it goes down the path to recovery and growth.

To compete in the busy, challenging and competitive global marketplace we are invigorating confidence in Gibraltar as one of the safest places in Europe. This has been done by raising destination awareness and being ready for an anticipated high level of demand. Gibraltar's swift reaction to the crisis has kept its population safe and Government economic packages have kept us stable.

Thanks to the excellent support from the UK government, our population is fully vaccinated, making Gibraltar one of the safest places to visit in Europe today. Proof of this was that we were one of the first countries to be placed on the UK's green list and this has no doubt given us advantage, not only in the short term but for the medium and in the long term too.

I have engaged with the industry to remind all of the responsibility that we have as a destination to make true that wonderful Gibraltarian hospitality, for which we are known. The Gibraltar Tourist Board has continued to keep all lines of communication open with all its trade partners, overseas and Gibraltar based, with frequent updating. It continues to regularly communicate with UK homeworking travel agents and the travel agency network through its online Travel Training portal, www.gibraltartraining.com, through which the GTB is able to release updates about Gibraltar's current position.

The GTB takes part constantly in industry forums for weekly crisis updates on how the UK and wider industry are reacting. Over the past year, the GTB has participated in webinars and virtual events through MedCruise and other entities. As part of my efforts with the UK travel sector the GTB is running online educational webinars through AITO, the Association of Independent Tour Operators and ANTOR, the Association of National Tourist Offices and Representatives.

Last year the GTB launched a virtual destination platform to highlight Gibraltar's attractions in a 360° format and a docu-series where Gibraltar experts are able to talk about the services they promote. These virtual assets were marketed through online tools and social media and used to drive viewers to sign up for regular newsletters, which in time will be able to promote specific offers to Gibraltar.

Clearly, the pandemic has changed the world and, in many ways, how we do business. Those in the tourism, leisure and hospitality sector will have to rethink how they provide their products

and services and whether or not the target market has changed. I am confident that, as always is the case in Gibraltar, businesses will adapt and respond proactively and innovatively to move forward. Recently we have added even further guides to the VisitGibraltar website, giving suggestions as to what to do in Gibraltar from between one and seven days. This has been done 960 to reflect the expected demand for longer stays on the Rock this year due to our position as a green list country.

Mr Speaker, the media attention that I have personally worked so hard on to bring Gibraltar to the forefront of the industry has been unprecedented. Over the last year my teams and I have hosted prestigious journalists, particularly from the UK, that have been attracted by Gibraltar's 965 marvellous handling of the Covid pandemic and our vaccination programme, but above all the excellent product that Gibraltar has in the tourism industry. We have been able to display our beautiful Rock with its unique attractions to a wider audience than ever before.

We were particularly honoured last year and once again this year to welcome Simon Calder, amongst other prestigious journalists, to the Rock. I intend to hold press events in London over 970 the coming months, as I look to cement Gibraltar's position as a leading destination from the UK. Mr Speaker, I must also thank all those in the local tourism industry that have weathered the storm and have worked so hard under difficult conditions and who are now prepared to face a future with optimism.

I must also acknowledge the extremely hard work that the team at the Gibraltar Tourist Office 975 has undertaken during these difficult times. Not only have they been able to continue undertaking some of these very important tasks but also they have, in the main, been redeployed to help the Gibraltar Health Authority and other bodies during both lockdowns. They have worked tirelessly for the benefit of our community. I applaud their efforts and I am very thankful for this. I must also thank our team in London for having worked remotely during these difficult times and kept 980 the UK trade and consumers aware of all our activities.

Mr Speaker, I would like to give a special mention to Nicky Guerrero who retired on 30th June 2021 as the CEO of the Gibraltar Tourist Board. (*Banging on desks*) I wish him a long and happy retirement. Nicky has worked for 24 years at the GTB, his passion for tourism is evident and we will miss him.

I now move on to the Air Terminal. Mr Speaker, the Air Terminal played an important role in 985 the response to the COVID-19 pandemic and continues to do so now as part of the efforts by Her Majesty's Government of Gibraltar (HMGoG) to bring about the economic recovery of Gibraltar. From providing lifeline flights to the United Kingdom, to assisting in the repatriation of our own residents back to Gibraltar and the many seafarers back to their countries of origin, the Air 990 Terminal remained open and operational during the lockdown. We did not fare badly in aircraft movements compared to other airports, who unfortunately were forced to run down their operations considerably.

There were a total of 2,290 civilian aircraft movements in 2020 compared to 4,382 in 2019 that 995 although showing a drop in approximately 50% of traffic, is still a respectable amount in comparison with other airports in the United Kingdom who dropped capacity tremendously. Of the 2,290 movements, 391 were private aircraft and charter traffic movements in comparison to 401 in 2019, which only shows a very slight drop.

The work done in ensuring that we had an air corridor open also assisted greatly with logistical 1000 concerns varying from the original testing of swabs and samples to the delivery of essential supplies, personnel and mail, and ensured that Gibraltar always had a means of physically connecting with the outside world. This was achieved in partnership with RAF Gibraltar, who ensured that the airfield stayed open for both military and civilian flights throughout the whole of the pandemic, and brought about many instances of mutual assistance and support.

The safety of passengers and staff has always, and will always, be the top priority of travelling 1005 through Gibraltar Airport, and a whole series of measures were implemented aimed at mitigating the risks of exposure to the virus, and these continue in selected areas. Careful planning, an extensive cleaning and disinfection programme, modification of work practices and the absolute

co-operation and commitment of all the members of staff from the different organisations that work together in the Air Terminal, ensured that at no time were there any interruptions to operations or service delivery.

With Gibraltar being listed as a green country by the United Kingdom, a substantial amount of work has been done to get ready for the expected increase in flights and passengers, which will keep the Air Terminal at the forefront of the economic recovery process. Testing facilities were also provided for passengers and these serve to add a layer of protection in order to further protect our population.

Mr Speaker, Her Majesty's Government of Gibraltar and the MOD work closely on a daily basis to ensure that Gibraltar Airport operates in a safe and secure environment for all of its users. The Air Terminal was also able to provide assistance to the MOD at short notice with the provision of optional parking for their transport aircraft during the pandemic when the North Dispersal, the aircraft parking area to the East of the Civilian Stands, was out of commission due to essential works. Co-operation continues on all fronts with the common aim of achieving efficient service delivery and remaining compliant as we progress in a post-COVID-19 environment towards the restoration of normality.

Mr Speaker, with regard to works at the Air Terminal, works on the relocation of the Handling Agent mechanics and the Airside Storage and Mess Room Unit were finalised during 2020. The workshops were finalised in February and the Airside Storage and Mess Room Unit in July, both providing facilities which are very much in demand. Mr Speaker, may I take this opportunity to thank the staff at the Air Terminal, led by Terence Lopez.

I now move on to the Port. Mr Speaker, before reporting on all matters relating to the Port during the last period it must be noted that the COVID-19 pandemic, whilst having a dramatic impact on all aspects of life, has not stopped the Port from being operational 24/7 since the pandemic started. I must commend all parties involved for their commitment and hard work during this difficult period.

Bunkering activities and other maritime services have been able to continue during the pandemic, but with additional strict measures being implemented to avoid transmission of the virus to the local population. Cruise ships have only been allowed to carry out technical calls and yachts have had to adhere to Public Health guidelines regarding crew movements while visiting Gibraltar, in the same way as all other vessels calling into our port. Mr Speaker, despite the pandemic, I am pleased to report the Port Authority has continued on its mission in promoting Gibraltar Port as a centre of maritime excellence, along with its partners and key stakeholders, and has received recognition for its proactive stance in offering the maritime industry options during the pandemic.

Whilst positive growth trends seen in previous years were starting to flatten somewhat due to changing global trends, overall port activity has remained reasonably stable over the last couple of years and we actually saw a small increase of 3.62% in the total number of vessels calling into Gibraltar for 2020 against the previous year. Bunkering volumes have reduced very slightly over the last period due to continuing downward global trends, as well as the effects that the pandemic has had on global shipping. However, I am pleased to report that Shell are now fully licensed to deliver LNG bunkering in Gibraltar and we are already seeing encouraging activity in this market. Gibraltar's position is one of leading the way in supporting the changeover to this fuel, which will significantly improve the environmental performance of shipping and is of paramount importance. The Government is delighted with the progress and the keen interest that this is generating for our Port.

Mr Speaker, we also continue to receive approaches from other external entities who are interested in setting up operations in Gibraltar and I believe this is an indication of the strong reputation and continuing solid fundamental strength that underpins the bunkering industry in our Port.

Mr Speaker, the cruise industry has been particularly badly affected by the pandemic – 2020 saw five passenger cruise calls before cruises were stopped from visiting Gibraltar. No passenger

1060 cruise calls have been recorded since the beginning of the pandemic but we have seen a sharp increase in technical calls for cruise ships, something that was very welcome by the cruise industry. As the cruise industry starts to find its feet again, it is expected that some cruise liners will start operating shortly. The Government will continue to talk with all the leaders in the cruise industry in its efforts to resume services to Gibraltar.

1065 Mr Speaker, unfortunately the Port's marketing strategy to engage directly with its partners and prospective clients has been curtailed by the pandemic, but the Port Authority has participated in various webinars and virtual events with key organisations, such as the International Association of Ports and Harbours, the International Bunkering Industry Association and MedCruise in its efforts to maintain Gibraltar's profile, albeit virtually. As with many industries, exhibitions and events have also been cancelled or postponed to later dates, but the Authority is ready to re-engage with those events as soon as they restart.

1070 1075 Mr Speaker, earlier this week I announced that the Maritime Week Gibraltar event will take place between 8th and 12th November. This event is designed to showcase and promote Gibraltar's thriving maritime sector to a wider international audience with the aim of driving more maritime-related business into Gibraltar for the benefit of every stakeholder in Gibraltar, and will follow on from the very successful inaugural event in 2019.

1080 Mr Speaker, I now turn to the Port's finances and report that for the financial year 2019/2021 revenue received was £15,306,066.59 against the original budgeted figure of £15,144,000. The financial year was extended to include 2020/21 but the revenue figure remained unchanged. I am pleased to report that expenditure for the same period amounted to £13,465,031 allocated against a budget of £14,564,000 for the full period.

1085 As for Capital Expenditure, the Authority spent a total of £353,695 against an allocated figure of £380,000. It should be noted that some of the projects planned were not realised due to the pandemic. However, we were able to improve some of the port's infrastructure with spending on new security posts, cladding of the harbour office, improved CCTV capabilities, new Bay lighting and general refurbishment at the North Mole.

1090 Mr Speaker, both the senior management team and the Ministry for the Port continue to look at ways of increasing revenue streams further with a variety of proposals under consideration. There are also a number of projects which the Authority, and Government are engaged with in its efforts to improve and enhance existing infrastructure.

1095 Mr Speaker, this year the UK will be audited by the IMO under the IMO Member State Audit scheme (VIMSAS) for compliance of the IMO Instruments Implementation Code, which is known as the Triple I Code (III Code). Gibraltar, being part of the UK flag, had a mock audit of all three areas of responsibility, which are Flag State, Port State and Coastal State. Minor issues were identified and both the Gibraltar Port Authority and the Gibraltar Maritime Administration are now working to correct those.

1100 Mr Speaker, in mid-February this year, we experienced the first oil spill in Gibraltar in many years. I had the opportunity to go out to the Bay with the Captain of the Port to witness at first hand the clean-up operation being undertaken by the Port Authority and other agencies, and I was very impressed by the scale of the operation. Thankfully, this sort of incident does not occur often, but when it does it is reassuring to see that we have all the protocols and procedures in place to ensure a rapid response. I would like to take this opportunity to thank all those involved with the clean-up.

1105 Mr Speaker, a week after the oil spill, a Hong Kong-registered bulk carrier suffered an explosion aboard as the vessel entered British Gibraltar Territorial Waters in the Bay of Gibraltar. The explosion on board resulted in a total of four crew members being injured. Two crew members were treated aboard by paramedics from the GHA and the other two crew members were evacuated for urgent treatment at St Bernard's Hospital and subsequently transferred to Seville. I would also once again like to extend my gratitude to all agencies, authorities and individuals who assisted in dealing with this incident.

1115 Mr Speaker, the Port of Gibraltar has been and will continue to be one of the key pillars of the local economy and this is down to the hard work, dedication and willingness to do whatever it takes of the whole port community in Gibraltar. I would also like to take this opportunity to thank my team at the Port Authority led by Captain of the Port, Manolo Tirado and Deputy Captain of the Port, John Ghio for their determination to deliver, which makes my role as Minister for the Port a lot easier.

1120 Mr. Speaker, I will now turn to the Gibraltar Maritime Administration. Once again, the Gibraltar Ship Register has retained its 'White List' status worldwide. This is reflected in the annual International Chamber of Shipping's (ICS's) 'Flag State Performance Table' for 2021.

1125 The Gibraltar Ship Registry, administered by the Gibraltar Maritime Administration is rated in the table with positive performance indicators in every aspect reviewed by the ICS. Gibraltar ranks highly in its overall technical performance levels by the Paris MOU and Tokyo MoU ports and is recognised as a quality register by the United States Coastguard in their USCG Qualship 21 system.

1130 Being inherently global in nature, the shipping industry and all those entities who operate within it have been impacted by the COVID 19 pandemic in some way. The GMA is no exception. The closing of borders and travel restrictions have meant, like the rest of the industry, the GMA has had to adapt to ensure the continued facilitation of trade for those vessels registered in Gibraltar. Despite the challenges, the GMA has continued to support the managers and seafarers serving on board the Gibraltar-registered fleet. Throughout the pandemic, the GMA has been liaising with all of the relevant organisations, agencies and governments and has remained unwavering in its support to its customers and the wider maritime community both in Gibraltar and abroad in tackling the effects of the virus. The GMA has continued to provide up-to-date information, guidance and recommendations to operators during these most challenging of times and importantly have, for the most, continued to provide the full range of registration services throughout the pandemic.

1135 Mr Speaker, the GMA was subject to an IMO Instruments Implementation Code audit by the United Kingdom Maritime Coastguard Agency (MCA). Internal preparations for the audit took place over five days in February 2021. The preparatory work began in October 2019 and involved a significant process that encapsulated the implementation of the main international maritime conventions and their secondary frameworks. The work also included the enactment of legislation, internal systems and process to ensure compliance with Gibraltar's obligations as a flag and port state. The work undertaken by the GMA together with other stakeholders culminated in a successful audit.

1140 The GMA also successfully completed several International Organization for Standardization (ISO) 9001:2015 Quality Management System audits since October 2019. The latest was a recertification audit in February 2021.

1150 The loss of access to EU tax benefits and EU cabotage trade, as a result of Brexit and the ongoing uncertainties of the situation, has had an impact on new ship registrations. However, the Yacht Registers have remained unaffected by Brexit, whilst the Small Ship Registers have continued to grow.

1155 The current ship fleet remains at 206 ships, 897 yachts and 281 small ships being registered in Gibraltar. The current combined ship and yacht fleet at the end of May 2021 stood at 1,103 and a total tonnage of 1.6 million gross tons. Gibraltar remains a Category 1 Red Ensign Group register and continues to offer other advantages. These benefits are now accessible to a wider pool of owners from around the world following recent changes in legislation expanding the ownership eligibility criteria. In addition, the number of responsibilities accepted by the GMA for seafarers serving on Gibraltar-registered vessels has expanded considerably, allowing greater flexibility to owners to recruit shipboard personnel.

1160 In addition, the Department has undertaken a series of detailed studies focused on a post-Brexit and COVID scenario. As a result of the work done, the Administration has identified enhancements to the standard of service it provides, and new incentives. The majority of the groundwork has been undertaken and the aforementioned enhancements and new incentives are

1165 expected to be rolled out throughout the year. These include enhanced online services, digital certification for ship and seafarer documentation, new incentives for yachts, a new website and simplified registration processes, all of which will make our registers more competitive.

The GMA is continually exploring new avenues to diversify its fleet by targeting ship owners in other regions, in close co-operation with local ship representatives. The GMA will be attending the London International Shipping Week in September and will also be attending the Monaco Yacht Show in September 2021 with other stakeholders – all this, COVID permitting.

1170 The GMA will once again provide assistance with training to external entities with surveyors from Bermuda intending to visit Gibraltar this month to undertake Port State Control training. Furthermore, Mr. Speaker, the GMA's Seafarers' Division continues to issue a significant number of provisional and full-term certificates. Since January 2019 until 25th May 2021, the GMA has issued a total of 3,495 endorsements and 3,501 provisional certificates.

1175 In relation to domestic operations, the GMA continues to provide technical support to the Gibraltar Port Authority, Gibraltar enforcement authorities via a framework in way of survey and certification. The Government's strategy for the GMA for the next few years is to continue maintaining its high level of quality service, increase the fleet size by bringing in business from new geographic areas and further develop its position as a training hub for Port State Control training for the Red Ensign Group.

1180 The GMA can be the international maritime gateway for businesses into the Gibraltar market, and Gibraltar offers the full spectrum of maritime services from finance to insurance, crew certification to ship suppliers. Mr Speaker, I would like to express my gratitude to the team at the GMA.

1185 Mr Speaker, I now intend to go over all the work that I led on over the last 20 months while I was Minister for Transport. I am going to list items that my colleague, Minister Balban, included in his speech and give details of others.

1190 (1) Online DVLD services and applications via the new e-Government portal, 13 new services were introduced, Mr Speaker: apply for compulsory basic training; apply for an International Driving Permit; apply for a driving licence; apply for a learner's licence; book a driving test; book a driving theory test; book a roadworthiness test (MOT); buy or transfer a personalised registration number; change of address; change of vehicle ownership; disposal of a Motor Vehicle; duplicate logbook or road worthiness certificate; register a motor vehicle. I pushed for this during a difficult time at DVLD and I am delighted to see the results that I have achieved with our people now using these services with ease. I would like to thank my friend, the Minister for Digital Services, for assisting me on this.

(2) The introduction of the motor cycle compulsory basic training course for riders.

(3) The introduction of the latest equipment to test vehicle emissions.

(4) Stricter emissions check on the road for diesel vehicles.

1200 (5) The introduction of training on the carriage of dangerous goods, which is now carried out by DVLD rather than outsourcing this function as was the case in the past. My intention was to keep on training our people on this so that we can keep our roads safe.

(6) Our transport inspectors, who always do a brilliant job, have in this instance excelled in ensuring that COVID measures were being respected on our public service vehicles.

1205 Mr Speaker, even during lockdown, the DVLD was operating a temporary counter at the Royal Gibraltar Post Office (RGPO) at 104 Main Street to serve members of the public that required personal assistance. As Minister for Postal Services I was able to co-ordinate this with the staff at the Post Office. I am grateful to them for assisting. I am also happy to report that I commenced the works on providing four new counters at the Test Centre at Eastern Beach. I look forward to these opening soon so those who prefer not to, or cannot use our eServices can attend in person.

One of my main areas when I was Minister for Transport was my commitment on increasing safety on our roads and to this end, I have worked to introduce the point system on driving licences. I had consulted with the Commissioner of Police (COP) who is very much in favour of this.

1215 The legislation is now ready and I am sure it will be brought to Parliament by my successor. The same goes for the legislation on e-scooters.

Finally, I would like to take this opportunity to thank the entire DVLD team for their hard work. A special mention to Mr Pepe Moreno, the acting Chief Examiner. Mr Moreno retired in April. He could have done so last year but stayed on at my request, I thank him for that and wish him an enjoyable retirement.

1220 I now move on to the Sustainable Traffic, Transport and Parking Plan (STTPP). During the past 20 months I have launched several projects as part of the STTPP. I will list those that my colleague Minister Balban has gone over in his speech and give more detail of others.

1225 (1) New Pay and Display at South Pavilion car park; (2) New School Bus Service, S2, and extended Route 7 service hours; (3) Old Street Signs, Phase 2; (4) New Pay & Display at Harbour Views Road; (5) Pay & Display, Ex-Queens Cinema; (6) Pay & Display, Coaling Island; (7) Changes to Zone 1, additional parking in Grand Parade; (8) New Automatic Security Bollards at Casemates Gates; (9) New Transport Advisory Committee: this Committee was launched by me on 25th June 2020. I have always thought it is important to involve as many people as possible in the decision-making of Government. The working group was chaired by me and its aim was to include 1230 representatives from different sectors of the community, relevant associations and the general public; (10) New parking for Sandy Bay Users, revised timings on Sir Herbert Miles Road, and new speed limit.

1235 Civil works at Brian Navarro Way were completed on 24th June 2021 to allow for the demarcation of 22 new parking bays, and a new demarcated motorcycle bay on the site previously intended for unloading oil tankers. Beach users of Sandy Bay, which has been superbly restored by this Government, are now enjoying these new parking spaces, and are available to use between the months of April and September between the hours of 8 a.m. and 2 a.m. daily. Between the months of October and March, those parking bays will be for the use of Both Worlds' residents 1240 permit holders only, where demand for beach parking in this area is low. With this, we can efficiently use the available parking stock in the immediate area for all types of users of the area. More importantly, the residents can now utilise this parking area, which was previously demarcated for the bathing season only.

1245 In addition to this, the timing of the summer season temporary parking arrangements along Sir Herbert Miles Road has now been extended, to allow for parking between the hours of 7 a.m. and 2 a.m. daily. This allows beach users to enjoy Sandy Bay for longer periods during the day and evening, and aid to reduce the speed of traffic in this area as the one-way traffic light system is operational up to 2 a.m. every day. Further new speed-calming measures have been implemented by way of introducing a 30 km/h-zone between Blackstrap Cove southbound, as from the exit of Dudley Ward Tunnel, northbound. I am extremely happy to have announced the reduction of the 1250 speed limit in this section of Sir Herbert Miles Road, which will go a long way to ensure the safety of pedestrians, cyclists and traffic alike, especially during the summer months where this area is frequently used by many families.

1255 (11) Additional trial bus routes A, B and C. The launch of a trial of new bus routes in Gibraltar commenced on Monday 6th July 2020 and ran through up to mid-September 2020. The key features of this trial were to provide an addition to the full existing schedule of bus routes. At a time that we were operating at 50% capacity due to COVID, this was a great help for the community who wanted to use public transport.

1260 New Route A ran from the Trafalgar Cemetery via Line Wall Road to the Sun Dial roundabout and return in a continuous loop. This service saw two buses running from 8 a.m. until 1.15 p.m. Monday to Friday, providing further capacity for those seeking access to or wishing to cross the city centre via Line Wall Road. This service did not operate on weekends.

1265 New Route B ran from Trafalgar Cemetery via Queensway and the Europort area, on to the beaches, and then returned via the same route. This service was operated by four buses that ran from 1 p.m. to 7 p.m. daily, with weekend services covered by six buses running from 11 a.m. to 8 p.m.

New Route C, a circular route that serviced town and the West side/Europort area on a loop from Trafalgar Cemetery via Line Wall Road, Corral Road, Waterport, returning via Bishop Caruana Road and Queensway back to the Trafalgar Cemetery. This route operated by two buses from 8 a.m. until 1.15 p.m. Monday to Friday, and from 8 a.m. to 2 p.m. on Saturday and Sunday.

1270 (12) New bicycle racks at 10 locations in Gibraltar. The roll-out of new bicycle racks at 10 locations throughout Gibraltar, providing an increase of 70 cycle spaces complementing the existing bicycle parking facilities at key locations within the City Centre and other leisure areas. The new locations are British War Memorial, St. Anne's School, Referendum Gates, Rosia Ramp, Casemates, John Mackintosh Hall, Glacis Road, Laguna Youth Club, Plater Youth Club and John Mackintosh Square. These locations coincide with existing bicycle parking at Europort Road, Little Bay, Waterport Road and North Mole Road, to name a few.

1275 Mr Speaker, I now move on to the Gibraltar Bus Company, which I dealt with during my time in the Transport Ministry. In early 2020 the Ministry of Business, Tourism and Transport in conjunction with GibSams announced the roll-out of an awareness campaign by way of informational posters throughout bus shelters and bus stop signposts, as well as on the Gibraltar Bus Company fleet buses. Mr Speaker, the hon. Members will recall during the height of the COVID-19 pandemic normal route bus services were temporarily suspended and only operated a dedicated school service for children.

1280 Towards the end of 2020, various fully electric buses were tested on our roads to ascertain their performance given the technical and geographical constraints in Gibraltar's road networks.

1285 Mr Speaker, in line with Public Health guidelines, capacity on Gibraltar's buses reverted to 100% on 24th June 2021. The night bus service resumed on 4th June 2021 and will be offered for the summer months. This service was resumed despite a very limited use when it was last offered. An additional stop on Reclamation Road exit of Chatham Counterguard was introduced to attempt 1290 to increase uptake of the service.

Finally, I am grateful to all those at the Bus Company, and in particular the manner in which we were able to maintain a reduced service during the pandemic.

1295 Mr Speaker, the transport portfolio is a difficult one. Every decision I took over the 20 months was taken with good intentions for our community; with the health of our people in mind; with the environment of our country in mind; and with the long-term future of our children in mind.

The Opposition are experts at 'bandwagoneering', that is their style of politics, Mr Speaker, but we will continue doing our best for our people as always. (*Interjections*)

1300 Mr Speaker, I turn now to the Office of Fair Trading. During these past two years the OFT's role as a business regulator has continued to develop while adapting to the challenges that COVID-19 has presented. I am happy to report that despite lockdown, social distancing measures and the redeployment of staff for extended periods to other Government Departments, the OFT has remained fully operational throughout. It is also worth noting, Mr Speaker, that the OFT was also the first Government Office to reopen its counters to the public after the second lockdown.

1305 The office has continued to receive business licence applications throughout these past two years despite the disruption the business community has faced. Since June 2019 the OFT received approximately 1,400 business licence applications. Incredibly, these figures cover both lockdowns and show that business licence applications were received every single week. This, Mr Speaker, demonstrates Gibraltar business's resilience in adversity. In fact, a whopping 32 applications were commenced in a single week at the height of the second wave. The figures show that there have been approximately three applications received by the Business Licensing team every single day. This is a great indicator that the business community in Gibraltar is flourishing despite the adversity created by the pandemic.

1310 Mr Speaker, the OFT's Consumer Protection team has during this period also had to adapt to the numerous consumer complaints which are directly related to COVID-19, particularly in relation to cancelled travel arrangements in the immediate wake of the outbreak. Additionally, at the height of the first lockdown when Personal Protective Equipment (PPE) was in short supply, the OFT team also proactively assisted the GHA with the identification of fit-for-purpose PPE and

testing thereof abroad. Furthermore, it also monitored excessive pricing of essential high-demand supplies such as hand sanitiser and masks, to avoid abusive profiteering by local businesses.

1320 In 2021 the OFT launched its consumer awareness programme which seeks to educate local consumers about their consumer rights in various transactions. To date, the programme has raised awareness on multiple subjects including cancelled travel arrangements, travelling in the ‘new normal’ and distance contracts which have increased significantly in Gibraltar as COVID-19 forced many of us to purchase goods and services online during lockdowns. The OFT has also reached out to relevant business sectors so that they too may understand their rights and responsibilities.

1325 Mr Speaker, in relation to the OFT’s third major responsibility, the office has continued to develop its anti-money laundering and counter-terrorism financing role by implementing new procedures to adequately supervise the real estate agent and high value good dealer sectors. It has also issued 12 new or updated guidance and forms since January 2019 to support businesses 1330 to achieve compliance. The office has in particular dedicated significant effort to the follow-up to Moneyval’s follow-up assessment and report on Gibraltar’s anti-money laundering and counter-terrorism financing roles, the effectiveness of which will be discussed in Moneyval’s upcoming plenary at the Council of Europe in December 2021.

1335 Mr Speaker, I am happy to have continued the excellent work of my ministerial colleague and friend, Albert Isola, to create a more appropriate and mature framework within which the OFT can operate. I have therefore worked with the OFT on the Fair Trading Bill 2020 to create a revised version of this significant new piece of legislation, which is now practically in final form. This has been done in consultation with the Gibraltar Federation of Small Businesses and the Chamber of Commerce to ensure that it will support the business community in Gibraltar.

1340 The Bill will make the establishment of new businesses easier and quicker by simplifying the business licensing process. This will include the introduction of a new database for the OFT and a new online application process which shall drastically improve the manner in which the OFT can provide its services to the public. At the same time the new Bill will protect consumers in Gibraltar as the new legislative framework shall allow the OFT to set trading standards for businesses 1345 operating in Gibraltar and encourage a level playing field.

Finally, Mr Speaker, the OFT has proactively made the most of the closure of public counters during lockdown to make small but effective changes to its offices in Europort, with no disruption to the public. As a result, the office has doubled its counter space while creating a more usable office space for OFT staff. Mr Speaker, I would like to thank all the staff at the OFT.

1350 I now turn to other business-related matters. Mr Speaker, in November 2019, I launched the Small Business Board the aim of which is to assist and foster positive development of businesses locally. The board consists of representatives of the Gibraltar Chamber of Commerce, the Gibraltar Federation of Small Businesses, in addition to a cross-section of local businessmen and women. The board has met on several occasions.

1355 Mr Speaker, the Government fully supported the launch of the Business Improvement District (BID) for Main Street and surrounding streets. Hon. Members will recall that Parliament recently approved the Business Improvement Districts Act and the preparations are under way for this first ballot to take place. I am really looking forward to this project, as it will inject some much-needed sparkle to our town centre and its businesses.

1360 Also Mr Speaker, I announced early on this year the launch of the Business Liaison Unit at the Ministry of Business, as a one-stop shop for business start-ups. The primary aim of the one-stop shop is to assist members of the public with the formalities of setting up a new business in Gibraltar thus ensuring that the process is hassle-free for the individual. The Business Liaison Team assist with all the required documentation that needs to be submitted, and liaise with the relevant Government Departments to ensure everything is processed in a timely manner.

1365 Mr Speaker, I now turn to my responsibilities as Minister for Postal Services. I would like to commence by saying how proud I am that the replacement of all Royal Gibraltar Post Office vehicles to brand new electric vehicles, in line with the manifesto commitment for a Green Gibraltar, was completed. This makes the Royal Gibraltar Post Office the first public postal service

1370 in the world to have a fully electric fleet of delivery vehicles. The all-electric postal vans were rolled out in December last year and now deliver mail across all areas of Gibraltar. The electric vehicles will allow the postal service to deliver letters and parcels safely and efficiently in the most environmentally friendly way possible and help preserve the beauty of Gibraltar, both in terms of carbon emission and noise.

1375 Although the top motivation to go electric is the environment, the second biggest driver is the lower total cost of ownership when you factor in both direct and indirect costs and the savings over the life of the vehicle. The electricity charge is around one-fifth as much per kilometre as buying petrol. The saving on fuel on the average usage of the fleet will therefore partly pay for the leasing cost. At the same time financially, the Government has not had to pay for the vehicles 1380 upfront and this leasing arrangement will allow us to continue having the most up-to-date vehicles and to have them properly maintained and serviced. I am delighted to have delivered on this manifesto commitment.

1385 Most importantly, despite all the flight and transport disruptions worldwide and the many logistical problems faced during COVID-19 by postal operations, the Royal Gibraltar Post Office was able to provide a continuous non-interrupted service to the community throughout the pandemic, connecting Gibraltar to 192 countries worldwide. Not only did they deliver our mail and parcels, they also worked closely with other Government Departments, for example, with the delivery of pensions, medical items and food to the over-70s, and people with underlying medical conditions. This really was a team effort.

1390 Mr Speaker, there is no question that technology reduces the use of letter mail and that online purchasing has significantly increased the volumes of parcels. We have worked hard to adapt and made changes on how we operate and serve the public's needs with the use of new technology. Throughout the last year, there have been improvements made to the online services provided by the Post Office. A new website was launched with improved tracking options, postage stamps can now be ordered online and PO Box renters can pay their annual rental fees online, thus avoiding having to visit the Main Street Post Office counters. Over 600 PO Box renters, just under 1395 50% paid online this last financial year. The EPOST system now has 4,500 registered customers who receive all their parcel notifications electronically. This reduces the amount of notification cards printed and speeds up the delivery process as the email is sent automatically within two hours of the parcel being registered in the system instead of the recipient having to wait for a notification card to arrive home.

1400 However, the Post Office is not only about new technology, it is part of our heritage and British identity. Seven new red pillar boxes were introduced in various key locations around Gibraltar to make the postal service more accessible to the community. Furthermore, all 34 red historic pillar boxes in Gibraltar were refurbished and these are now being maintained, as they are also a key part of our tourist product. In my capacity as Minister for Tourism, I am looking forward to seeing tourists take photos beside our iconic red post box situated outside our Main Street Post Office, which is probably one of the most photographed locations.

1410 Mr Speaker, since 2013, the Royal Gibraltar Post Office has co-ordinated a local Letter-Writing Competition with the Department of Education. Each year, the winning letter is forwarded to the UN UPU International Letter-Writing Competition. In 2020, local pupil Alana Sacarello aged 10 at the time, was the winner of the Gibraltar competition and finished second worldwide in the United Nations Universal Postal Union Letter-Writing Competition. Alana became the first Gibraltarian to reach the top three out of 980,000 applicants, for which I presented her with 1415 various prizes donated by the UPU. A remarkable achievement indeed.

1420 During 2021 and 2022, the Royal Gibraltar Post Office will have the opportunity to focus on the future as we return to a new normal. A number of new express and insured mail services are planned, plus the installation of electronic parcel lockers in key locations around Gibraltar is under consideration.

Finally, I want to take this opportunity to publicly thank the Post Office staff for the sterling job they did during these very challenging times.

1425 Mr Speaker, it has been a baptism of fire for me. The last 21 months have taught me a lot of different things. I have given it my all and tried my best always to have time for our people, because politicians are nothing without the people. Every single morning since I became a Minister I have looked forward to going to work, so that I can improve things and to help our community. We all have petty differences, but what unites us is the love for our Gibraltar.

1430 Since I was 17 years of age I used to sit in the public gallery and hope that one day I would be given the opportunity to do my little bit. It has been an absolute honour to discharge my responsibilities for our people. We are a close-knit community, we are a family and we should all work together more often to improve our beloved Gibraltar. (**A Member:** Hear, hear.) Unfortunately, all I have seen this week during my first Budget debate is a venomous and destructive opposition. (**Member:** That is right!) I was not expecting anything different.

1435 Mr Speaker, I would like to end by thanking the people who have helped me during the last 21 months. Firstly, my friends the Hon. the Chief Minister and the Hon. the Deputy Chief Minister. From day one, 25th September 2019, when I signed up to contest the elections, during times when they have been tied down with Brexit negotiations and at the height of the COVID pandemic, they have always been there for me. I will never forget their support.

1440 My cabinet colleagues, who have welcomed me with open arms, there are some who I have more dealings with and with some I have less, but we all work together as a team for the good of our Gibraltar.

1445 My excellent Ministry staff, led by Gerard Teuma and John Reyes. From the first day that I walked into my offices at Europort, they have stood by me and supported me. Replying to my WhatsApps and emails at odd hours and weekends. During some difficult times their words of encouragement have made the difference. I will always remain grateful to them; they all know what they mean to me. Also the Civil Service as a whole, I have met many good people, all who have welcomed me as the new Minister, with a smile and an eagerness to assist. And, of course, I would like to thank Mr Speaker and all the Parliament staff for the sterling job that they do for us. A special mention for the Clerk, Mr Paul Martinez, I would like to wish him an enjoyable retirement.

1450 Thank you, Mr Speaker. [*Banging on desks*]

Hon. Chief Minister: Well, Mr Speaker, after that magnificent maiden contribution, and with the Minister Daryanani a 'Budget virgin' no more, I propose that we should break for lunch and return at 4.15 p.m. this afternoon.

1455 **The Speaker:** The House will recess until 4.15 p.m. this afternoon.

The House adjourned at 1.17 p.m.