



PRESS RELEASE

No: 171 /2018

Date: 19th March 2018

EU/UK draft transition agreement agreed text covers application to Gibraltar

Her Majesty's Government of Gibraltar notes that the draft legal text on the transition published today includes Gibraltar within its territorial scope. It also welcomes the specific and explicit statement made by the Secretary of State for Exiting the European Union David Davis that the agreement includes Gibraltar.

It is important to note that there are still a number of areas of disagreement that remain in respect of the agreement as a whole and that in any case nothing is agreed until everything is agreed.

The transition phase agreed in principle today is intended to cushion the effects of the UK's departure from the European Union by extending the existing EU legal order until the end of 2020. This means that things will continue very much as they are except that the UK will lose its representation in the EU institutions, these being the Parliament, the Council, the Commission and the Court.

The EU Council negotiator Michel Barnier has confirmed the logical and legal reality that it is a legal requirement for the transition to be extended to Gibraltar so that we can actually leave the European Union at the same time as the United Kingdom. He has also pointed to the EU's support for the position of Spain, very much in the same way as they have previously pointed to their support for the position of Ireland. The Government deeply regrets that the EU should take this position in regard to Gibraltar when 96% of us gave the EU a vote of confidence by voting to remain in the referendum of June 2016. Such remarks give credence to the arguments of those who have argued to leave the EU. It is also particularly galling that the EU should side with a potential Spanish veto on the application of any aspect of the UK/EU deal to Gibraltar instead of siding with the many thousands of EU nationals, from all the Member States, who live and work in Gibraltar and who need consistency, security and clarity going forward. That makes no moral sense whatsoever.

Commenting on the matter, the Chief Minister Fabian Picardo said:

"It's not yet half time, there is still more than a year to run in the Article 50 process, and we are making good progress. There is a lot still to do and at the end of this fraught process, the only thing that will matter are the final, executed versions of the agreements. For now, it is very helpful that the texts demonstrating Gibraltar's inclusion in the Withdrawal and Transitional Periods are agreed between the EU and the UK. At the same time, we have also recently agreed the principle of indefinite continued market access to the UK for Gibraltar services (including financial services,



insurance and online gaming amongst others) and the mechanisms underpinning that until the end of this Transition Period. Gibraltar thus becomes the only territory that can boast continued access to the UK services market post Brexit, a gain which should not be underestimated, particular in respect of online gaming.

In this context, my Government will continue to be of the view that Brexit presents us with a possibility to progress cooperation with the EU in the future and with Spain, our neighbour, in particular. We will not hesitate to say that there are opportunities that we can realise as a part of this unfortunate process. I describe these as a rainbow of potential opportunities that can create increased wealth to lap the shores of all of the Bay of Gibraltar. Having said, I want to be explicit again in clarifying that no one should expect that we would ever cross our well known red lines and no one should expect any concessions or even any hint of any concessions on sovereignty, jurisdiction or control. If anyone holds out for those, they will be sorely disappointed.

Finally, the statements from Mr Barnier in relation to 'solidarity' might have been more genuinely deployed if aimed at the many people who cross the frontier every day and not to a particular government. Such remarks are unhelpful and don't help to lower the temperature. Gibraltar won't rise to them and will instead continue to concentrate on wanting to cooperate and work with the EU Member States in future as the only part of the Continent of Europe that will remain resolutely British forever."