

**STATEMENT BY THE GSLP/LIBERAL OPPOSITION
67/2008**

9 July 2008

The decision by the Government to sign a contract for the construction of a new air terminal and associated works at a cost of 59 million euros is an error of judgment on current indicators. It represents a major policy difference between the Government and the Opposition since we would not have proceeded with the construction of a new terminal had we been elected into Government.

This is huge expenditure, about £ 48 million, to service the level of traffic that there is at present. There is no indication that building a larger terminal will lead to more flights.

Indeed, the latest available figures for air arrivals from the United Kingdom show that in the first four months of this year there was a drop of nearly 3000 passengers when compared to the first four months of 2007. It will be recalled, moreover, that the 14 flights a week to Madrid became 7 when GB Airways pulled out last year, and these were later cut even further when Iberia reduced them to only 2.

Despite suggestions in the industry that Iberia might increase the number of flights during the summer months, this has not happened.

At present, Gibraltar is served by four commercial airlines flying three routes. British Airways and Easyjet fly to London Gatwick, Iberia to Madrid and Monarch to London Luton (and to Manchester from September). It is a fact that the airport is served by less routes now than it was in 1996, when there were also air links between Gibraltar and Morocco.

Commenting on the matter, Shadow Minister for Tourism and Civil Aviation Dr Joseph Garcia said:

“The Government have generated expectations of an increase in routes over the years which have simply not been met. The Fly Gibraltar experiment which was going to establish a number of direct connections with destinations in the United Kingdom and Ireland has

not materialized. The route to Barcelona which was mooted for around March 2007 has also not materialized and the number of weekly flights to Madrid has been cut to only two which are operating on average at about 50% capacity.

There has not been any public information as to whether a detailed analysis has been made of the demand that exists for a such a large-scale airport terminal in Gibraltar, or indeed whether this need, if it is there, could be met by expanding the existing terminal instead of building a new one. In this sense, and on the present showing, the decision to spend about £ 48 million on a new air terminal appears to be based more on wishful thinking than on hard facts.”

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