

STATEMENT BY THE GSLP/LIBERAL OPPOSITION

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The news that Andalus has terminated its flights between Gibraltar and Spain is another serious blow to the policy of the Government to spend tens of millions of pounds on a new air terminal and relocate it next to the frontier. It has become increasingly obvious that the Government has completely mishandled the situation and the political responsibility for this mess must fall squarely on their shoulders.

The taxpayers of Gibraltar are now expected to pay for the mistakes that this Government has made first in relation to the scale of the air terminal project and secondly in allowing Andalus to build up a huge debt without any guarantee that this money would ever be paid back.

It will be recalled that at the last meeting of Parliament the Government refused to supply any information in relation to the passenger tax and landing charges fees owed by Andalus airline. It is obvious now that the Government did have something to hide and that this information, which had been supplied in the past without problem, was now being held back in order to protect their own party political interests. The fact is that it was in their political interests that flights between Gibraltar and Spain should be seen to continue even if this meant that the Government was indirectly subsidising the venture by allowing the airline to delay its payments or not make them at all.

It has since emerged that the amount due is estimated to be in the region of £100,000. It is absolutely scandalous that at a time when the Government is cracking down on local small businesses to ensure that they pay their dues, they should have been prepared to be so flexible and lenient with the sums owing by the Spanish airline.

However, to make matters worse, this was not the only cost of the operation. The Government also embarked on a joint marketing campaign with the airline which it was said at the time would cost a further £ 50,000. The airport shuttle bus to and from La Linea has cost a further £ 22,000 even though it has hardly been used in the months that Andalus has been operating to and from Gibraltar.

The airline have pointed to the poor load factors and the low demand that existed for the route to Madrid. This confirms the analysis of the Opposition that there was little or no market research conducted by the Government on the demand that existed in this part of the world for flights between Gibraltar and Spain. This should have been done before the decision was taken to embark on the costly air terminal project.

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

“The policy of the Government is in tatters. It will be recalled that when Iberia and GB Airways abandoned the route, there were those who argued that it would be economically viable with smaller aircraft and with morning departure and evening return. This has now been tried and it has failed as well. If it has not been possible to make a success of flights to Madrid on this basis, logically the prospect of establishing flights to anywhere else in Spain in the immediate future must be even more bleak. It is disgraceful that once again the taxpayers of Gibraltar will now have to foot the bill for the failure of the policy of the Government.”

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