

## Gibraltar needs a unique Brexit solution, says the territory's chief minister

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CNBC, 22 Oct 2018



Gibraltar's chief minister told CNBC that the British overseas territory needs a different Brexit solution to the rest of the U.K.

Speaking on CNBC's "Squawk Box Europe," Fabian Picardo said Gibraltar had different Brexit requirements due to its distinguished EU membership and geographical position next to Spain.

"We have a border with the Schengen territory of the European Union," he said. "(But) free movement issues are different for us than they might be for ... Northern Ireland and the Republic of Ireland, because they have a common travel area, something we don't presently have with the Schengen area."

Europe's Schengen Area is comprised of 26 states that have abolished passport and border control at their mutual borders.

Gibraltar's "differentiated membership" with the EU means the territory is not a member of the customs union that governs the trading of goods between member states. Picardo told CNBC that this meant Gibraltar was less focused on post-Brexit trade agreements with the bloc.

"The Chequers plan is not so relevant to us because (it) is primarily about the movement of goods," he said. "We haven't been in the common customs union in all of the period of membership of the past 46 years."

British Prime Minister Theresa May is continuing to push ahead with her so-called [Chequers plan](#), which involves ending the free movement of people between the EU and the U.K. and establishing an independent trade policy.

Picardo also said negotiations had resolved the issue of maintaining Gibraltar's access to the U.K. market — where around 90 percent of its business is done — beyond the Brexit transition period, which meant economic security for the territory.

"People have realized that Gibraltar's a great place to access the U.K. market, they don't want to move, and I think that is going to give the certainty that the market needs," he said. "We're seeing more people come into Gibraltar, more corporates come into Gibraltar, more gaming companies, more insurance companies — they see a settled market and one that they want to form part of."

While Gibraltar was progressing with Brexit negotiations, Picardo said he could not envisage a solution to the [Irish backstop problem](#).

"I don't understand how you get out of the backstop on Ireland, because it's an issue of logic," he said.

"If you have two separate systems of customs, how do you have a barrier that ensures the integrity of each of those systems? I think the problem is that when politics comes straight up against logic, words don't fix the problem."