

The conversation started politely enough. We were on a Gibraltar-flagged sailing yacht, coming back into the bay when the VHF radio's coastguard channel squawked into life. At the same moment, a Spanish police boat whizzed alongside us: "Guardia Civil, Guardia Civil, this is British Navy vessel, British Navy vessel. Good afternoon."

The messages from the naval ship – likely HMS Westminster, which had passed us earlier, an imposing grey giant in the Med's blue waters – steadily got sterner towards the Spanish police launch. "State your intentions," it demanded.

On the last day of our sailing course, the most pressing question was which bar we might visit later for a reviving G&T. But the events on the water were no laughing matter to the Royal

Navy. They finally invoked the United Nations Law of the Sea (Article 19, since you ask, which deals with territorial waters and "innocent passage" of foreign ships) and told the Spanish patrol: "We will be reporting your behaviour to higher authorities."

The patrol had been speeding up and down right on the edge of Gibraltar's – and therefore Britain's – territorial waters. The situation was emblematic of heightened tensions between Spain and the estimated 30,000 people who live on this strategically important tip of continental Europe. Tensions have changed daily life.

Cross-border commuters wait hours to have their papers checked by the Spanish authorities – a process that previously took less than a few seconds. Day-trippers from the Costa del Sol



Gibraltar: Between The Rock and a hard place

no longer bother to visit the Macaques – the only ape colony in Europe – and there are warships just outside the harbour.

The latest eruption in this 300-year-old relationship is hitting tourism hard. Along with shipping and financial services, they make up Gib's main industries. About 10% to 12% of the entire UK motor insurance market is run out of the Territory.

Gibraltar is also the hub for refuelling ships. Those too big

to harbour refuel from smaller "bunker" ships in the bay and the attractive tax-free price of fuel makes the bay a magnet for tankers. The contrast is stark with the surrounding region of Spain, which has been hit hard by the crisis.

The current altercation between these co-members of the EU began with the laying of an artificial reef designed to prevent Spanish trawlers from overfishing waters Gibraltar claims as its own. At the end of the airport runway, which

straddles the tiny territory's Northern edge, the Gibraltarians sank 70 concrete blocks.

Spain's current government doesn't even think Gibraltar owns this dolphin-filled patch of sea, as territorial waters weren't a concept when the Rock became British.

Edward Macquisten, chief executive of the Gibraltar Chamber of Commerce, says: "There's been 309 years of intermittent adversity from our friends across the way. What differs each time is the reason."

He says the reef is a "sideshow", compared with the queues at the border, which are "completely unjustified and completely unwarranted", and in breach of EU rules, which uphold free movement of goods, services – and people.

What's more, he adds, they hurt Spain as much as

Gibraltar. Between 6,000 and 8,000 people commute across the border to work every day, and the onerous border checks are preventing this.

All eyes are now on Brussels to arbitrate. The European Commission said on August 27 that preparations are under way to send a team of experts to The Rock to look into the numerous grievances "as soon as possible".

Commission spokeswoman Pia Ahrenkilde Hansen told reporters: "The mandate of the technical mission, which will go to Gibraltar to address a variety of issues... is quite clear.

"The fact-finding mission will cover border controls, the movement of people and goods, and customs controls including smuggling."

Given the EU's current list of urgent problems, this tour could take some time.

Frances Robinson