

PORTS IN A STORM

Activists Choke Growth Of European Shipping

Space Demand Increases

As Asian Imports Rise;

Ms. Apers's Crusade

By JOHN W. MILLER

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When local residents got in the way of the Yangshan deep-water port near Shanghai in 2002, Chinese authorities knocked down their houses, sent a few protesters to labor camp and finished the three-year expansion right on time.

The Chinese, however, didn't have to contend with Marina Apers, a 45-year-old cleaning woman who has become the bane of Belgium's Port of Antwerp, a major shipping terminal for European goods and an important hub for receiving Asian exports.



Marina Apers

Supported by strict European Union environmental laws and a band of die-hard residents, squatters and Gypsies, Ms. Apers has sued to keep alive the 17th-century village of Doel, which was slated for destruction. Her efforts delayed the first stage of the Antwerp port's expansion by three years and now stand in the way of new infrastructure and a second container dock, port officials say.

At a time when the global container-shipping trade is growing by 11% a year, thanks to booming exports from Asia, Europe's ports can't keep up, say growth advocates. A combination of environmental protections and resistance from local residents is helping to stifle ports' expansion plans across the continent. And with China planning to spend \$54 billion in the next 10 years on building and expanding ports, the mismatch between its capacity to ship and Europe's ability to receive goods is growing fast.

Some maritime economists say all this could have big implications for the European economy. As Europe's deep-water ports jam up, ships from China will face growing costs as they wait in line to dock. Fewer imports could lead to higher prices for consumers and shortages of some goods made in Asia. If exports are affected, it could restrict economic growth in Europe. Activists contend that port-expansion projects are classic boondoggles that offer few benefits while causing more pollution, traffic and the loss of plant and animal life. They wonder why existing ports can't be modified to handle more capacity -- or why consumers can't simply change their spending habits.

"Europe just needs to buy less from Asia," says Joris Wijnhoven, a Netherlands-based campaigner against port expansion at Friends of the Earth, an environmental group.



In the first quarter of 2007, 73% of container ships arrived late in European ports, up from 45% in the same period last year, according to the latest annual report by Drewry Shipping Consultants Ltd. Every extra day at sea costs shipping companies an average \$30,000 per vessel. Rotterdam in the Netherlands, Hamburg in Germany and Southampton in the United Kingdom all had to turn away container ships for lack of docking space lately. In March alone, Rotterdam sent away or delayed more than 30 ships and 50,000 containers. The average European port-expansion

project delay caused by activism or environmental hurdles is now four years, according to Drewry.

"In that time, China builds another Rotterdam," says Neil Davidson, the consulting firm's London-based director. Rotterdam is the world's third-biggest port in terms of tonnage shipped, after Singapore and Shanghai.

U.S. ports face expansion hurdles too. Environmental activists and local residents in Houston, Los Angeles and Charleston, S.C., have delayed projects. Although the U.S. also has tough environmental rules and protected areas, its coastline is less crowded and offers more area for expansion, say port experts. Additionally, ports in Mexico and Canada have been taking some of the overflow. That's an option the EU doesn't have, because of bad road and rail connections, and strict border controls with eastern neighbors like Russia and Turkey.

At the heart of the scramble to build more port space is the world economy's increasing reliance on containers. These are 20- or 40-foot steel boxes that goods are packed into so they can be easily transferred within ports, then mounted on ships, trucks or trains. Containerized shipping requires deep-water docks, new infrastructure and more storage space.



Doel, Belgium, located between a nuclear plant and docks, is the site of a planned port expansion.

Asia, increasingly the world's factory, has moved fast to build up container port capacity so it can ship and sell its goods. Singapore alone can handle 25 million container units -- with a unit defined as one 20-footer or half a 40-footer -- per year. Five other Asian ports can handle more than 10 million units; in Europe, only Rotterdam can. Los Angeles, at around eight million units, is the top American port.

British ports have so little capacity to receive big container ships from Asia that they often send them to dock across the English Channel, where containers are then transferred to smaller ships destined for Britain.

Port authorities in Hamburg plan to deepen parts of the Elbe River, so the port can handle bigger container ships. The project has yet to begin because of opposition from environmental activists and a group called Save the Elbe.

In Rotterdam, environmentalists and a fishermen's association have used the courts and EU law to delay a new \$3.4 billion terminal that port authorities had hoped to start building in 2002. The mammoth project will involve putting down new dikes and filling in 5,000 acres of North Sea water with sand. Opponents complain the new docks will disrupt the transport of fish larvae and silt along the coast, and damage air quality.

Construction on the Rotterdam project is now scheduled to begin in 2008, six years late, and to be completed by 2012. Friends of the Earth's Mr. Wijnhoven, however, says the group plans further legal action, meaning that further delays are possible.

WATER WORLD

- **The Issue:** Environmental activists and local residents are fighting port expansion in Europe.
- **The Background:** The growth in containerized shipping and Asian imports is choking ports across the continent.
- **What's at Stake:** European economies could be affected if expansion projects continue to be delayed by the courts.

Besides advocating less consumption, activists also decry the polluted water and air that ports produce. They point out that Europe has dozens of smaller ports that could handle excess capacity. "Why do we have to choose between people and the economy? Why can't we have both?" asks Rudi Van Buel, a Doel resident who opposes the expansion. Port advocates counter that smaller ports lack the railway lines, roads and barge connections to handle more traffic. "EU environmental law allows activists here to cause massive delays and legal uncertainty for investors," says Eric Van Hooydonk, a lawyer retained by the Antwerp port who has written a book called "The Impact of EU Environmental Law on Ports and Waterways."

Indeed, activists across Europe have been using the EU's 1992 Habitats Directive. It prohibits major construction near protected nature areas, unless builders can prove the project is fundamental to national economic interest and can't take place anywhere else. Because European coastlines are so crowded, ports are frequently located near nature reserves. The European Commission, the EU's executive arm, is now preparing a special policy to give Europe's ports extra legal ammunition in battles with environmental activists. "If our rules on the environment unduly hamper investment in ports, trucks will stay on the road, with all the negative consequences," EU transport commissioner Jacques Barrot said in a speech last year. In China, there have been more cases of individuals blocking projects in recent years, but protesters are often at the mercy of the state. When residents of Little Yangshan Island opposed plans to evict them to make way for expanding the port there, government officials moved in to negotiate, case by case. But when a group of residents traveled to Beijing to protest, the government convicted several of organizing an "illegal complaint trip." One was sentenced to jail and five were sent to a labor camp. Some 4,000 people were moved out of their homes ahead of schedule. The \$1.5 billion project was completed on time in 2005. The port of Antwerp faces steeper obstacles. Nearly a decade after Belgian authorities ordered Doel to be razed in 1998, the village is still standing, holding up expansion plans, while traffic at the port has almost doubled.

Antwerp, Belgium's second-biggest city, blossomed as a world-class harbor in the Middle Ages, and its port grew rapidly as it rode Europe's industrial recovery after World War II. The right bank of the Schelde River was developed first, because it was on higher ground. On the left bank, scenic villages such as Doel became popular getaway destinations. Day-trippers took in the windmill, the beach and the 17th-century house that once belonged to the family of Peter Paul Rubens. That structure is a prominent element of Marina Apers's defense of Doel, although the Flemish painter himself never lived there.



The Port of Antwerp wants to destroy the village of Doel to make more room for ships carrying container between Europe from Asia.

When villages on the Schelde's right bank got in the way of port development in the 1950s and 1960s, inhabitants were evicted and compensated. "There were opponents, but they didn't have the support of EU environmental law," says Patrick Verhoeven, president of the Brussels-based European Sea Ports Organization.

By the 1970s, the right bank was crowded with petrochemical plants and docks. In 1978, the Belgian government announced it would start expanding the port on the left bank -- where a massive nuclear-power already sat -- and in 1998, it was Doel's turn. The plan was to first build a new container dock south of the village, and a second where the village stands at a later date. The government set aside \$500 million to buy up homes and ordered it to be leveled.

By 2001, roughly 80% of Doel's 900 inhabitants had cleared out. Streets are quiet now, and most houses are empty. "You can't really live there anyway," says Eddy Bruyninckx, the CEO of the Antwerp Port Authority, noting the growing traffic to serve the newly built dock and the nuclear-power plant, which towers over the village just a few hundred yards from Ms. Apers's kitchen window.

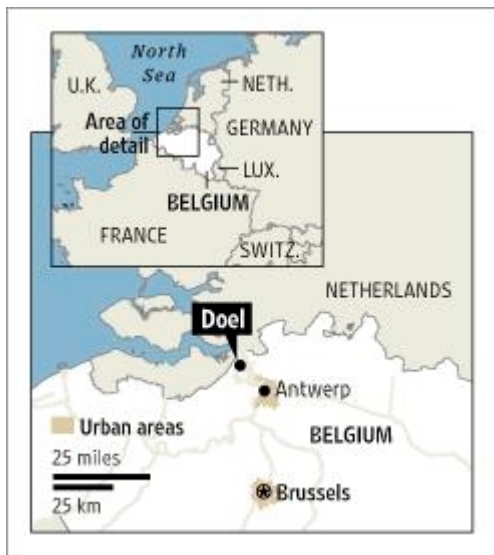
That's not how some residents felt. One elderly man, in despair at having to leave, hanged himself. Ms. Apers, who moved here with her family in 1991, likes the beach and her 10-minute bicycle ride to work at the nuclear-power plant. "We won't become monkeys in a traffic jam," says Ms. Apers.

She hired a prominent Belgian lawyer named Mathias Storme, who agreed to work for a minimal fee. She also helped found an activist group called Doel 2020. Filing regular legal motions, she and Mr. Storme held up the project several times. In March 2001, she filed a petition claiming the port project violated the EU Habitats Directive, and won. The project was delayed until 2002, when the Flemish regional government grew so frustrated it invoked special emergency powers to overrule the court ruling. According to the government, Doel was an uninhabitable no man's land.

"We needed the project for jobs," says Marc Van de Vijver, mayor of Beveren county, which includes Doel. Authorities estimate the \$2 billion expansion will create 30,000 jobs. The first dock was finished in 2005, three years late.

Support for Ms. Apers has come from an unlikely source -- the motley crew that moved in to Doel's empty houses.

Pieter De Winter says he was living a life of "PlayStation and parties" with his girlfriend in Brussels when he heard about the empty houses in Doel. The high-school dropout moved into a three-bedroom brick home with a large backyard on the main strip. Squatters, vagrants and Gypsies -- now known as Roma -- from all over Europe started showing up, and Doel became a cause célèbre among European environmentalists.



In response, the Flemish authorities negotiated a settlement. The squatters could stay if they paid rent. Most of the Roma families left. Mr. De Winter stayed. Where else could he find a three-bedroom house for \$500 a month?

To pay the rent, Mr. De Winter and his girlfriend started a café called Effort. He now makes a living selling cheap beer to locals and visiting activists. A delegation from the hard-line environmental group Sea Shepherds and delegates from a Finnish nature group were through recently, says Mr. De Winter.

At first, Ms. Apers was suspicious of her new neighbors. "Then I realized all these people living here could help us argue in court it's worth protecting," she says. Five young women in town are pregnant, she notes. The new inhabitants helped persuade the Flemish government earlier this year to push back the

date for Doel's demolition to August 2009, to give them time to leave. The port says it plans to start construction on a second container dock shortly thereafter, or use the space to support the existing one.

Ms. Apers and her lawyer have filed suit against the demolition decision at the European Court of Human Rights in Strasbourg, arguing that the Flemish government violated normal judicial procedure and is unjustified in ruling that the town is uninhabitable. A win, she hopes, could secure Doel's future.

Flemish authorities say they'll start knocking down more than 100 uninhabited houses this August. Sabine Gillin, a 41-year-old who moved to Doel 18 months ago, has already painted large red hearts on every doomed door.

--Ellen Zhu in Shanghai contributed to this article.

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