



Speech by Senior Minister of State for Law, Indranee Rajah, at the Asian Maritime Law and Arbitration Conference

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Mr Goh Joon Seng, Chairman of the Singapore Chamber of Maritime Arbitration;
Mr Nick Sansom, President of the Maritime Law Association of Singapore;
Justice Belinda Ang;
Mr Lucien Wong, Chairman of the Maritime Port Authority of Singapore
Distinguished guests;
Ladies & Gentlemen;

Introduction

1. Good morning.
2. I am delighted to be here at this first joint Asian Maritime Law and Arbitration Conference (AMLAC) organized by the Singapore Chamber of Maritime Arbitration ("SCMA") and the Maritime Law Association of Singapore ("MLAS").

Growth of Trade and Maritime Activity in Asia

3. In recent years, we have seen tremendous growth in the volume of trade, business, investment and finance into Asia:
 - a. Total ASEAN trade has more than tripled from US\$759bn in 2000 to US\$2.386 trillion in 2011.
 - b. Foreign Direct Investment (FDI) inflows into Asia have grown by nearly 30% since 2009. (It stood at about US\$400 billion as of 2012. That accounted for 30% of global FDI flows in 2012).
 - c. In 2013, FDI into the ASEAN 5 countries (namely: Indonesia, Malaysia, the Philippines, Singapore and Thailand) grew by 7% (totalling US\$ 128.4 billion) and outstripped FDI into China (US\$117.6 billion) for the first time.
4. The maritime sector has experienced similar growth:
 - a. Global seaborne trade has risen, reaching a record high of over 9 billion tons in 2012. This growth has been driven by growing domestic demand in China and increased intra-Asian and South-South trade; and
 - b. Asia also continued to dominate as the main loading and unloading region in 2013 for gas, oil and other dry cargo.
5. With the increase in maritime activity and cross border transactions in this part of the world, we can expect that the demand for legal and dispute resolution services to increase in tandem.

Singapore as a Legal Services and Dispute Resolution Hub

6. According to surveys, Singapore has become the third most preferred seat of arbitration. Based on statistics from SIAC, we have seen a 10% increase in caseloads from 235 cases received in 2012 to 259 cases received in 2013. The total sum in dispute has also increased from S\$3.61 billion in 2012 to S\$6.06 billion in 2013.
7. In the area of maritime arbitration, SCMA has also done very well:
 - a. With 63 arbitrators on its panel, SCMA has been able to provide potential appointers with a good mix of arbitrators with diverse maritime experience and who are also culturally diverse in terms of nationality;
 - b. More than 70 case references have been registered and more than 50% of the disputants are non-resident, suggesting a wide acceptance of SCMA's Arbitration Rules beyond our shores;
 - c. SCMA has been engaging with the stakeholders in the maritime sector regularly through seminars, talks and dialogue sessions to raise awareness of maritime arbitration as a viable and cost effective alternative dispute resolution mechanism; and
 - d. Last year, SCMA launched a new procedure, the SCMA Expedited Arbitral Determination of Collision Claims or SEADOCC, to deal with apportionment of liability for ship collisions through arbitration. SEADOCC is a serious effort to deal with the thorny and rather complex area of liability apportionment when parties wish to depart from the traditional path of court procedures in order to save time and costs.
8. In addition, Singapore now stands alongside London and New York as one of three designated arbitration seats for disputes arising under BIMCO contracts. BIMCO is one of the most influential and globally significant players in the maritime industry, representing ship owners controlling around 65% of the world's tonnage.

9. International organisations in maritime law are also setting up regional bases in Singapore. For example, Comite Maritime International (CMI), a non-governmental international organization devoted to the unification of maritime law, opened a representative office in Singapore in 2013 to develop and encourage the development of Asian maritime law associations. All these developments bode well for Singapore's development as a legal services hub for the maritime sector.

Plans for Singapore's Dispute Resolution Sector

10. Beyond the maritime sector, we are also looking to provide users with the entire suite of dispute resolution services so that they can pick the solutions that best meet their needs.

11. More specifically, we will see the establishment of the Singapore International Mediation Centre ("SIMC") and the Singapore International Commercial Court ("SICC"), which aim to further develop Singapore's dispute resolution offerings in international commercial mediation and litigation respectively.

12. Mediation is an important complement to arbitration and litigation. It gives parties an additional option in their dispute resolution, allowing for determination of disputes or mutually negotiated settlements in an efficient and cost-effective manner. The SIMC aims to offer a panel of high quality international mediators and experts, as well as innovative mediation products and services. We expect that the SIMC will be launched later this year.

13. The SICC on the other hand, aims to attract international litigants engaged in cross-border disputes by leveraging on Singapore's traditional strengths and institutional advantages such as rule of law, reputation for judicial integrity, sound and business-friendly legal system, and experienced commercial lawyers. As a division of the High Court, the SICC's panel of judges will consist of specialist commercial judges and eminent foreign jurists.

Conclusion

14. MinLaw will continue to improve our dispute resolution ecosystem to benefit commercial users. We will do this by adding breadth to offer the whole suite of international services from mediation to litigation, and by building depth of expertise to serve the unique requirements of important economic sectors such as maritime.

15. I note from the programme that discussions will be meaty with a strong focus on practical issues that could arise in the context of maritime transactions and arbitrations. We welcome any feedback from you on how we can further improve our current system and framework.

16. I wish participants a fruitful discussion in the day ahead, and wish MLAS and SCMA's work towards supporting growth and development of the maritime law and arbitration in the maritime industry in Singapore every success.

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