CHAIRMAN’S MESSAGE

A YEAR OF ACCOMPLISHMENTS AND BREAKTHROUGHS

Twenty eighteen, remained a good, although still challenging, year for the maritime and shipping industry, with global port activities and cargo handling volume increasing. The world’s centre of gravity for shipping, finance, commerce and trade continued to shift eastwards, fuelled in the main by China’s rising commercial and political influence. This shift to Asia places Singapore, an international maritime hub, at the crossroads of exciting new opportunities.

The SCMA continued to expand its role and influence as an international maritime arbitration institution in 2018. The burgeoning maritime activities in Asia led to a corresponding increase in the number of disputes which resulted in arbitrations notified to the SCMA. The total number of case references received by the SCMA increased from 38 in 2017 to 56 in 2018.

I am delighted to announce that this is the highest number of case references received by the SCMA since its inception in 2009. The SCMA’s achievements were also evident in other areas, such as the average value of the disputes referred, which increased from US$1.46 million in 2017 to US$1.8 million in 2018.

These are indeed very encouraging improvements for the SCMA as a young arbitration institution.

The SCMA’s strong performance is a testimony to the growing confidence amongst maritime users and international traders in entrusting their disputes to the SCMA. The SCMA’s unique value proposition of neutrality, coupled with our flexible and cost-effective arbitration framework, continues to resonate with our users. For this, I am immensely grateful for the staunch support and partnership extended by our users, stakeholders and members of the maritime community.

During this eventful year, our small but industrious team at the SCMA launched a total of 15 marketing and outreach events in the region to promote Singapore as the seat of choice for international maritime arbitration.

The team undertook three promotional trips to China, one of our key markets, covering the three major port cities of Shanghai, Nanisha and Qingdao. These engagements provided us with valuable insights into China’s shipping industry and maritime dispute resolution sector.

The SCMA also charted its marketing outreach into new territory with its first ever conference in the United Arab Emirates (UAE). The conference was well attended by our members and local participants, as well as participants from other countries in the Middle East and West Asia. It provided a platform for thought-provoking discussions on maritime dispute resolution.

In addition, we returned to Korea after an interval of six years with a joint conference with the Korean Shipowners’ Association (KSA). The event generated insightful discussions and showcased the attractiveness of maritime arbitration through the SCMA for Asian parties. The conference was a resounding success, with many delegates expressing an interest in attending future SCMA-KSA conferences.

On the home front, the SCMA signed a Cooperation Agreement with the China Maritime Arbitration Commission (CMAC) to strengthen ties between our two institutions. The SCMA also hosted Dr Yu Jianlong, Secretary-General of the China Chamber of International Commerce and Vice-Chairman of the China International Economic and Trade Arbitration Commission (CIETAC) and the CMAC, as the SCMA Distinguished Speaker for 2018. In his lecture, Dr Yu shared valuable perspectives from China on the business and legal challenges and opportunities arising from the Belt and Road Initiative.

Besides these events, the SCMA also redesigned the arbitrators’ profile page on our newly revamped website so as to improve the experience of users searching for arbitrators on our panel of arbitrators. This change was welcomed by visitors to our website, who found it more user-friendly and much easier to navigate.

In January 2018, the SCMA Board underwent a renewal process. Four new members joined the Board, bringing with them fresh new perspectives stemming from their divergent backgrounds and experiences.

The SCMA will turn 10 in 2019. To commemorate our 10th anniversary, we will embark on a year-long marketing campaign to reach out to the maritime industry. The highlight of our outreach initiative will be the SCMA 10th Anniversary Conference. The conference will trace the SCMA’s development from its humble beginnings as a small department within the Singapore International Arbitration Centre (SIAC), and eminent speakers from the industry will be invited to discuss the issues that maritime arbitration institutions face today.

We will also continue to step up our overseas engagements to maintain the relationships built up over the years, and to assure users of our continuing relevance as an effective and neutral institution for resolving maritime disputes.

Finally, I wish to place on record the Board’s deepest appreciation to the SCMA’s outgoing Chairman, Mr Goh Joon Seng, for his outstanding leadership, dedication and contributions since the SCMA’s inception in 2009. Under his stewardship, the SCMA has made remarkable progress, and is now widely recognised as a viable and competitive alternative in the maritime dispute resolution industry.

On behalf of the Board, I would also like to express our gratitude to all our members, stakeholders and partners for their active participation and unswerving support of the SCMA in 2018. Last but not least, I thank the SCMA team for the hard work and unfailing efforts which it put in as the SCMA continued to break new ground in 2018.
CASE MANAGEMENT

CASELOAD DATA
SCMA registered a record 56 maritime case references in 2018. This is the highest case reference since the formation of SCMA in 2009. We are encouraged by the increase and the growing confidence amongst maritime users and international traders in entrusting their disputes to SCMA.

NATURE OF REFERENCES
SCMA continued to receive diverse nature of case references. Charterparties accounted for about 20% of the total dispute cases in 2018. SCMA also received a good share of references from commercial sales, ship sales and ship building and repair.

QUANTUM COMPARISON
The total claim amount for 2018 increased to US$89 million from US$53 million in 2017. In addition, compared to 2017 average claim quantum of US$1.46 million, 2018 average case quantum exceeded US$1.8 million.
PROMOTIONAL EVENTS

2018 was a productive and vibrant year for SCMA. The team continued on the momentum of our 2017 promotion effort. The team expanded into new markets and sectors as they worked to promote Singapore as the choice arbitral destination.

SCMA Presentation in Kuala Lumpur

Delegates from KLRCA, PORAM, and CIMB Bank Berhad attended the presentation that focus on the advantages of the SCMA Arbitration Rules (3rd edition) and the KLRCA Arbitration Rules 2017. SCMA also explored arbitration as the maritime industry’s preferred choice of dispute resolution mechanism, with emphasis on regional disputes arising out of charterparties, bills of lading, commodity sale contracts or marine insurance contracts.

SCMA & 20 Essex Street Tea Talk 2018
In an age where competing arbitral institutions and dispute resolution centres defined themselves with unique procedural processes and rules, some believed that an innovative counsel is what the clients really need. SCMA convened a debate on 1 March 2018 on the motion: “This House believes that Lawyers Lack Imagination”.

The event was hosted by Stephen Valley, Managing Director, Senior Counsel, Castleton Commodities International. The debate attracted debaters such as Michael Ashcroft, Queen’s Counsel, 20 Essex Street, Lawrence Teh, Senior Partner, Dentons Rodyk & Davidson LLP, Iain Sharp, Head of Legal, Asia-Pacific, Gunvor Singapore Pte Ltd, and Oliver Caplin, Junior Counsel, 20 Essex Street to debunk the motion before the house.

SCMA Dubai Conference
SCMA organised its inaugural SCMA Dubai Conference on 22 March 2018 and this marked SCMA first outreach to Middle East.

We hosted the Dubai and regional maritime community to an exciting afternoon discussing the maritime arbitration experiences in Singapore, China and India. Members shared their experiences earnestly on maritime arbitration in their home jurisdictions as guest speakers. Speakers also engaged in lively discussions on the growing shift of business and dispute resolution activities to the various Asian jurisdictions. The conference concluded with cocktails and a networking dinner.
April

Promotional Events

SCMA-KSA Conference

SCMA partnered Korean Shipowners’ Association to organise the SCMA-KSA Korea Conference 2018 on 5 April 2018. SCMA members shared updates on the developments of maritime arbitration in Singapore and Korea, and our shared and unique experiences on effectively handling shipping and maritime disputes.

Speakers also examined the suitability of Singapore as a neutral and impartial arbitral venue, and its geographical proximity to the major Asia-Pacific cities. SCMA delivered a closing presentation on the SCMA Arbitration Rules and its applicability to maritime arbitration.

SCMA also hosted delegates from the Government of Busan in September 2018. The delegation from Korea were keen to learn and understand about SCMA Maritime development. We showcased SCMA’s growth, challenges and experiences as a specialised maritime arbitration institution.

SCMA Marketing Visits in Shanghai

China is one of the four key markets identified in our promotion strategy. In 2018, SCMA sustained our promotion efforts to China and made three promotional trips to Shanghai, Nansha and Qingdao.

SCMA joined the Maritime and Port Authority of Singapore (MPA) from 17-18 April 2018 on their marketing visits to key shipping and trading companies in Shanghai followed by attending Clyde & Co’s Shipbuilding and Offshore Construction Conference on 19 April 2018. The Conference presented SCMA with an excellent opportunity to network with various Chinese shipbuilders, brokers, and their clients.

Nansha Conference

In Nansha, SCMA Executive Director, Dennis Chan, presented at the Conference titled “Shipping and Arbitration: New Opportunities and New Charm - Development of Arbitration”, jointly organised by the Guangzhou Arbitration Commission, Nansha CPC Committee and Nansha People’s Government from 18-20 April 2018. During the presentation, he shared SCMA’s vision for the future of Asian arbitration in the “Asian Century” led by China’s Belt and Road Initiative (BRI).

Tea with The Right Honourable Lady Justice Gloster

SCMA hosted The Right Honourable Lady Justice Gloster, Vice-President of the Civil Division of the Court of Appeal of England and Wales, to an exclusive afternoon tea session with SCMA members on 19 April 2018. Lady Justice Gloster and our members discussed, among other things, the importance of the right of appeal in the development of English maritime jurisprudence and the evolving role of oral advocacy in litigation and arbitration.
19th International Maritime Law Arbitration Moot Competition (IMLAM)

SCMA was a General Sponsor and Prize Sponsor of the 19th International Maritime Law Arbitration Moot Competition (IMLAM) organised by the Murdoch University School of Law from 29 June – 3 July 2018 in Brisbane.

IMLAM is a moot competition open to students enrolled in a law degree and who have not been admitted to practice. The moot exposes students to a real life dispute relating to commercial maritime law and the controversy is determined before an arbitral tribunal.

28 teams from 13 countries participated in the competition and SCMA was the prize sponsor for the Best Respondent Memorandum and Best Claimant Memorandum awards. Angus Stewart, SC from New Chambers in Sydney, an SCMA Panel Arbitrator, presented the memorandum prizes to the deserving teams.

International Maritime Arbitration Practical Symposium

SCMA’s Legal Manager, Lee Shi Yan visited Qingdao to represent Singapore maritime arbitration at the “International Maritime Arbitration Practical Symposium 2018 – From the Perspectives of the Belt & Road Initiative” held from 15-16 September 2018. The Symposium drew delegates from P&I clubs based in China, end-users of arbitration, Chinese maritime lawyers and admiralty judges.

AXA-SCMA Marine Training Workshop

Following from a series of well-received introductory tea-talks to Lloyds’ Asia syndicates and other marine insurers, SCMA conducted a workshop on 29 September 2018, titled “Introduction to Marine Arbitration Under the SCMA Arbitration Rules”, to an audience of participants from AXA, Marsh, AON and JLT. The workshop provided an overview of Singapore maritime arbitration and introduced the SCMA Arbitration Rules and the benefits and costs of each mechanism to marine insurers and brokers as one of the tools within the maritime dispute resolution tool kit. This knowledge allows marine insurers and brokers to select the appropriate dispute resolution mechanism when drafting charterparties and marine insurance contracts.
On 31 October 2018, the Guest of Honour for SCMA Distinguished Speaker Series, Senior Minister of State for Law and Health Edwin Tong, opened the event with a welcome address that highlighted the close economic and cultural ties between Singapore and China.

In this rare occasion, the Distinguished Speaker, Yu Jianlong, Secretary General of the China Chamber of International Commerce (CCOIC) shared the Chinese perspectives of the foreseeable opportunities and challenges that may arise from the different and dynamic business and legal environments along the BRI with the participants.

In addition, several key Chinese companies presented insightful views on their thoughts and opportunities on the BRI. The conference also featured industry speakers such as Li Man, Vice President of COSCO Corporation, and Tan Youquan, Managing Director of China Merchants Energy Trading (Singapore) Pte Ltd and Ming Wah (Singapore) Agency Pte Ltd.

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SCMA presented an overview of Singapore maritime arbitration and chartered Singapore’s year-on-year growth. SCMA case statistics also showed an increase in the average quantum of disputes referred to arbitration. The shift of business activity to the Asia-Pacific region and Greater China heralded the rise of Singapore maritime arbitration as a neutral and impartial forum. Panelists discussed the rising prominence of Singapore maritime arbitration and noted its increasing acceptance by international end users and counsel.

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Hee Theng Fong, Consultant at Eversheds Harry Elias, chaired a three-way discussion between Dr Yu and other panelists. The Panel discussed specific business and legal risks that may arise and the Chinese approach to resolving cross-border BRI disputes. The Panel also explored various Chinese and regional ADR initiatives and discussed Singapore’s continuing role in providing neutral and effective dispute resolution services.
SCMA- CMAC Joint Event and MOU Signing

In the area of maritime dispute resolution, the China Maritime Arbitration Commission (CMAC) and SCMA collaborated in a joint seminar in Singapore, titled “Maritime Arbitration in a Rising Asia: The Singapore and China Experience” on 13 November 2018.

Speakers from maritime arbitration and mediation practitioners from China and Singapore presented on innovations in alternative dispute resolution and connectivity of Sino-Singapore maritime arbitration legal services.

During the joint seminar, SCMA and CMAC discussed ways for closer collaboration to promote Asia as an international maritime arbitration hub and to leverage the opportunities and overcome the challenges presented by a fast-changing world environment.

SCMA and CMAC also inked a Collaboration Agreement that paved the way to strengthen co-operations and working relationship between both institutions.

8th Annual Maritime and Shipping Law Symposium

SCMA visited Australia to speak at the 8th Annual Maritime and Shipping Law Symposium held in Perth on 16 November 2018.

The Symposium attracted delegates from various Western Australian port authorities and maritime lawyers. SCMA presented the development of Singapore maritime arbitration and promoted some unique features of the SCMA Arbitration Rules.

Bani Arbitration Centre and Institute Arbiter Indonesia Seminar

SCMA participated in a seminar jointly organised by Badan Arbitrase Nasional Indonesia (BANI Arbitration Center) and Institut Arbiter Indonesia (IArbI) on 29 November 2018. The theme of the seminar was “Enhancing Regional Arbitration Cooperation: Emerging and Current Issues.”

The conference covered current hot-button issues related to construction and maritime disputes, conflicts of interest and effective enforcement of arbitration awards. Several SCMA members and arbitrators contributed actively in the Maritime and Liability issues in Commercial Maritime Disputes segments.

SCMA also received encouraging reception during visits to several law firms and coal mining/trading companies to promote the use of Singapore and SCMA arbitration.
WHAT TO EXPECT IN 2019:

SCMA marks its 10th Anniversary of its independent reconstitution from SIAC in 2009. A year-long marketing campaign and celebratory events are planned to commemorate the anniversary and to raise the profile of SCMA.

The major highlight of the celebrations is the 10th Anniversary Conference on 4th October 2019. Our Guest of Honour, The Honourable Chief Justice, Sundaresh Menon, will be gracing the event as the keynote speaker. The 1-day event will trace the development of Singapore maritime arbitration from the beginning and expounding on present and future challenges to remain relevant in a competitive dispute resolution market.

SCMA will continue to engage users in our key markets of China, Indonesia and India through joint conferences and promotional events.

Speaking Engagement on ADR Choices at JTJB Breakfast Seminar Series

SCMA participated in JTJB Breakfast Seminar entitled: “The Power of Choice in Dispute Resolution” on 11 December 2018. As an increasing number of jurisdictions begin to position themselves as dispute resolution hubs with the establishment of international commercial courts, arbitration and mediation centres, the user’s choice of arbitration rules, seat, and choice of governing law has become significantly enlarged.

In this seminar, JTJB Deputy Managing Partner, John Sze, and the Executive Director of SCMA, Dennis Chan, discussed the various dispute resolution options and the advantages and disadvantages of each alternative. The speakers also highlighted the importance of seeking early legal advice and the need for precision and clarity in drafting a dispute resolution clause.