



THE MARITIME ARBITRATION UNIVERSE IN NUMBERS: WILL BREXIT IMPACT LONDON'S STANDING?

Looking back on the rather bumpy ride of the last few years, the maritime industry is taking stock. Global economic challenges have impacted shipping as the industry is faced with significant geo-political change, including the UK's surprise vote to exit the European Union.

London has been at the centre of global maritime dispute resolution, but it has been suggested that after the Brexit vote the balance of power is shifting away from London to emerging maritime disputes hubs around the world.

After Brexit London arbitration awards will still be internationally enforceable in the same way they are now, under the New York Convention 1958. Companies arbitrating in London could theoretically also gain the right to use anti-suit injunctions to prevent attempts to start litigation in other EU countries in breach of London arbitration clauses.

Our analysis shows that in fact London remains far and away the most trusted jurisdiction for resolving shipping disputes.

The latest maritime arbitration numbers

In London approximately 1700 individual maritime arbitrations were handled by the LMAA alone in 2016. In the same period a total number of over 1750 maritime arbitrations were held in London when LCIA and ICC disputes are included.

London's strongest competitor Singapore is setting itself up as a disputes hub and is already operating as a major regional commercial maritime cluster. Hong Kong is coming up behind Singapore, promoting itself as an alternative regional centre and gateway to mainland China.

Singapore saw less than 10% of London's maritime arbitration case load in 2016, with approximately just over 120 SIAC, SCMA, LMAA and ICC cases in Singapore in 2016¹. **In Hong Kong HKIAC dealt with approximately 36 maritime arbitrations in the same year and up to around 10 LMAA arbitrations were seated in Hong Kong².** The numbers show both centres have some way to go to attract the bulk of the industry's litigants.

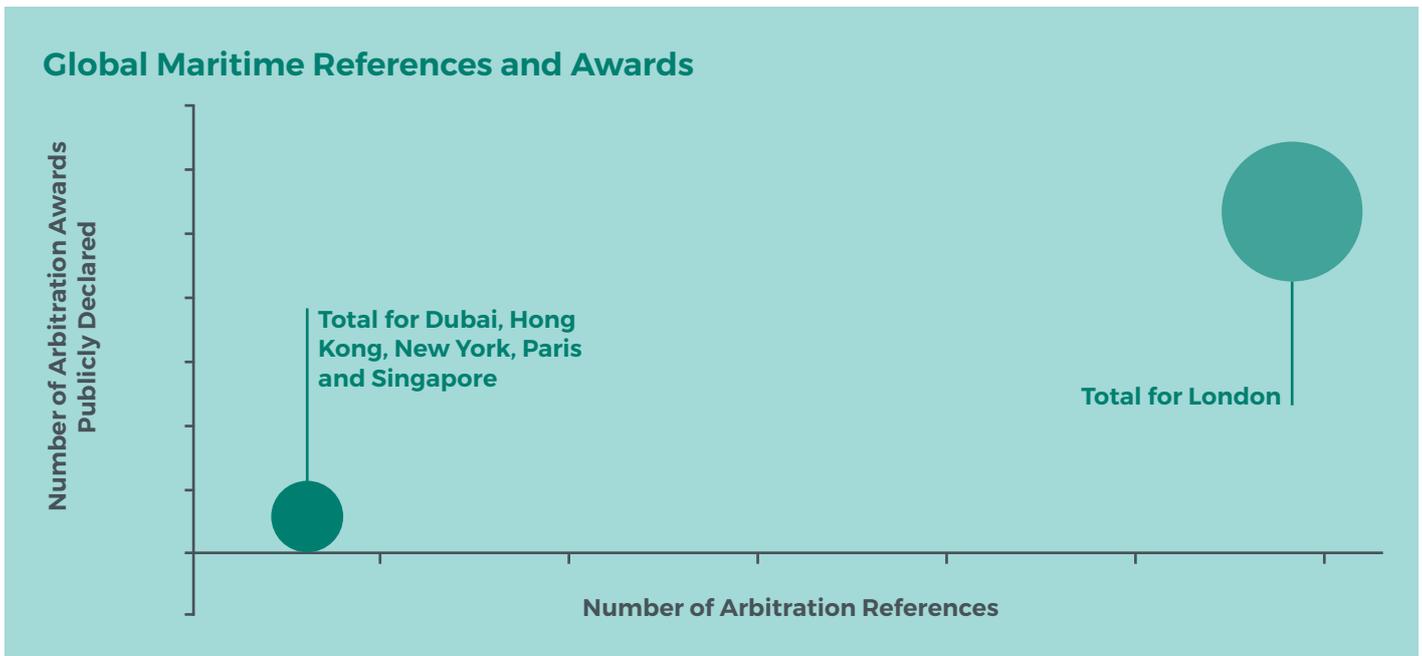
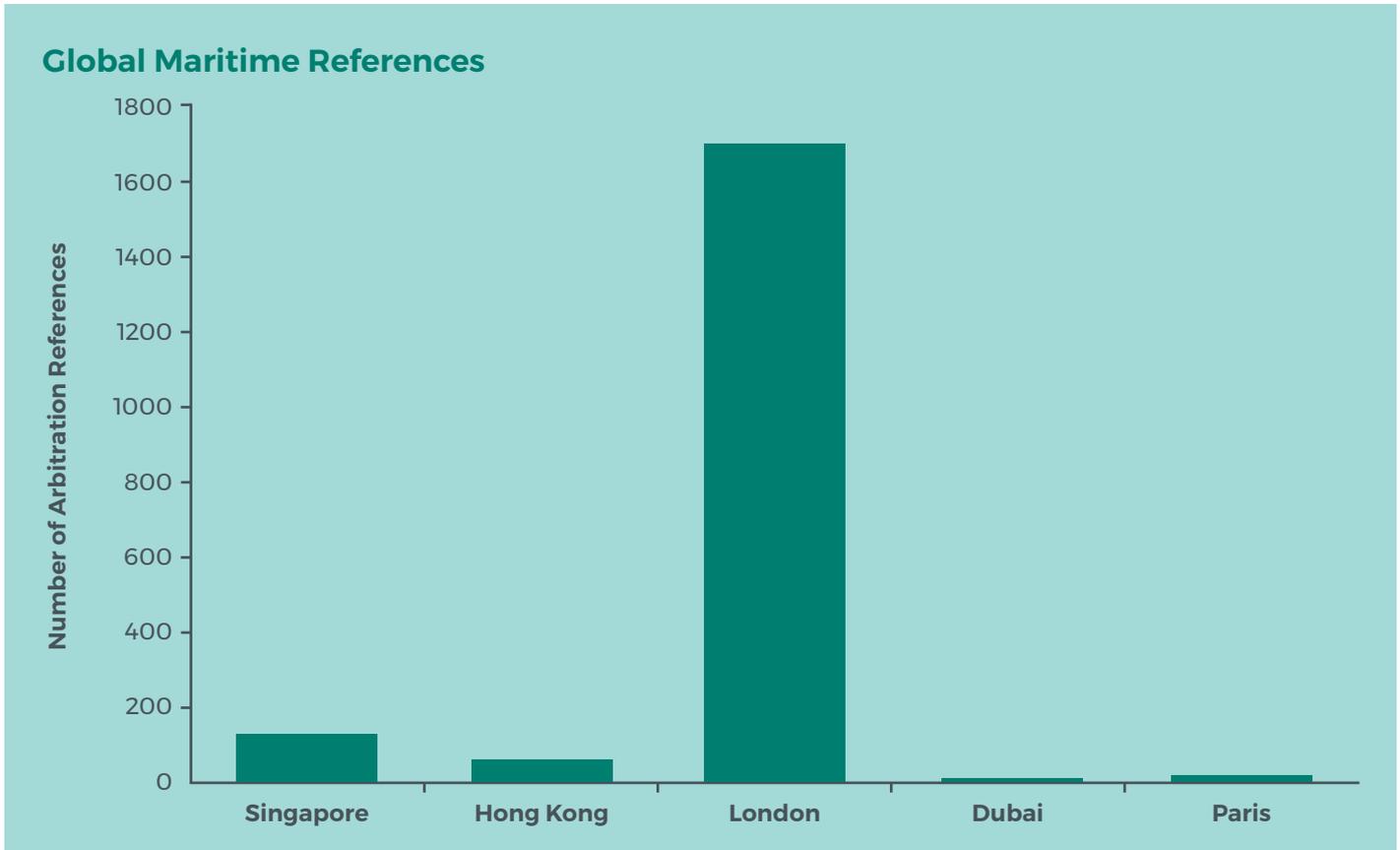
Dubai and Paris are the next two centres to watch. In the Middle East, Dubai is building itself into a regional and global maritime hub. The Emirates Maritime Arbitration

1. SIAC have informed us they handled 67 maritime cases in 2016. The SCMA have told us they had 46 marine references in the same year. The LMAA say they have on average 15-20 cases seated in Hong Kong and Singapore annually.

2. HKIAC have advised us they had 36 maritime cases in 2016.

Centre (EMAC) was launched in 2016 and aims to serve as the first specialised marine arbitration centre in the Middle East³. In Europe, Paris has a long-standing reputation as a maritime arbitration forum. **Dubai and Paris arbitration institutions together hosted fewer than 20 maritime arbitrations in total in 2016⁴**. At the moment neither jurisdiction is a major challenger to London.

Maritime arbitrations are also carried out in other centres around the globe including in New York, Scandinavia and China. There is a longstanding shipping arbitration base in New York, though the volume of disputes dealt with there appears to be modest. There were only 29 Society of Maritime Arbitrators (SMA) awards published in 2016. The SMA do not make all their arbitration statistics public and have not provided them to us⁵.



Bar Chart & Bubble Diagram - We have not included figures for the total number of maritime references in New York in these tables as they were not publically available and were not provided to us upon request.

3. We understand from the DIFC-LCIA that they had 2 maritime cases filed with them in 2016. There was 1 case seated in Dubai under London LCIA rules in 2016. As only 19.4% of cases at the LCIA were maritime it is unlikely that this was a maritime case so we have not included it in our statistics. The ICC have not provided details of any ICC maritime cases that may have been seated in Dubai in 2016, but Dubai was not in the top ten ICC jurisdictions in 2016.

4. There are likely to have been more maritime arbitration references that were seated in Paris but which cannot easily be tracked, as there is a significant ad hoc maritime arbitration caseload there.

5. The SMA do not publish all their arbitration awards so this figure will be an underestimate of their caseload. However, it does not appear likely that New York arbitration had volumes close to the London figure. For example, a 2013 article saw total cases in New York in 2012 standing at around 100 cases, see <http://www.lmaa.london/uploads/documents/The%20State%20of%20London%20Maritime%20Arbitration%20-%20Baltic%20Magazine.pdf>

The Scandinavian maritime clusters are seeking to promote a future Nordic shipping arbitration centre. We understand the number of shipping disputes dealt with there involving non-Scandinavian parties is currently relatively low, so have not included these in our statistics⁶. Nordic arbitration may ultimately emerge as a future force in international maritime arbitration to challenge Hong Kong and Singapore as a London alternative⁷.

Although there are numerous maritime arbitrations taking place in mainland China, these generally involve at least one domestic party. Mainland Chinese maritime arbitration is currently rarely chosen by international maritime companies with no connection to China. We have therefore not included figures for China in our statistics.

Comparing London's maritime arbitration volumes for 2016 with the volumes of arbitration at the key maritime arbitration centres outside London shows the degree of London's current dominance.

The numbers show that **London remains strongly in favour with the industry and is currently likely to be dealing with over 80% of all maritime arbitrations.**

The future?

Increased competition between maritime disputes centres across the globe and the shipping industry's drive for greater efficiency and cost effectiveness are welcome developments.

Singapore and Hong Kong are both likely to be increasingly attractive centres for companies operating in Asia and looking to arbitrate locally. We anticipate that more companies may well choose to arbitrate in Dubai once EMAC begins to take on a larger caseload and Paris and New York will continue to enjoy a solid reputation for dispute resolution. If a new Nordic arbitration centre gains traction that may also come to attract some shipping litigants.

However, we at HFW believe London will continue to be the leading maritime centre for dispute resolution globally both in the short and medium term after Brexit. We explain this in more detail in our briefing released late last year '**Who Rules the Waves?**'.

The statistics above are our best estimates produced from the figures for maritime arbitrations both published and provided to us on request⁸. They cannot completely capture all maritime arbitrations as not all arbitration institutions provide full breakdowns by jurisdiction and sector and ad hoc arbitrations are difficult to track. There is a fuller explanation of the statistics [here](#).

10%

Singapore saw less than 10% of London's maritime arbitration case load in 2016

36

In Hong Kong HKIAC dealt with approximately 36 maritime arbitrations in the same year

<20

Dubai and Paris arbitration institutions together hosted fewer than 20 maritime arbitrations in total in 2016

>80%

London remains strongly in favour with the industry and is currently likely to be dealing with over 80% of all maritime arbitrations

6. The Arbitration Institute of the Stockholm Chamber of Commerce (SCC) report on their website states that as much as 48% of the SCC's caseload in 2016 related to Swedish parties alone.

7. An article entitled 'Nordic maritime and offshore arbitration' covers the future potential for a Nordic maritime arbitration centre and how this might be established. It also explains that the SCC and other Nordic arbitration centres have yet to gain widespread acceptance in the global maritime industry. <http://www.bahr.no/en/frontpage/article-in-marius-nordic-maritime-and-offshore-arbitration>

8. The authors are grateful to Robert Shorrocks for his assistance with the arbitration data.

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