

## De-Centralisation of Maritime Arbitration

London has a long, long maritime history, and as a result it is a dominant hub of maritime business and law. Maritime arbitration is no different. The London Maritime Arbitrators Association (LMAA) is by far the busiest of the world's arbitration centres. In 2016 more than **1700** individual maritime arbitrations were handled by the LMAA.

Despite the long maritime history of Great Britain the LMAA is far from the oldest of the world's arbitration centres. The Tokyo Maritime Arbitration Commission was

1926 • Japan

established as part of the Japan Shipping Exchange 34 years earlier than the LMAA. However, in 2016 TMAC handled only **16** arbitrations.

1930 • Russia

1959 • China

1959 • France

1960 • London

1963 • New York

1980s • Spain

1981 • Denmark

1983 • Germany

1986 • Canada

1988 • Netherlands

1999 • USA

2004 • Singapore

2005 • Greece

2005 • Nigeria

2007 • Australia

2014 • Hong Kong

2016 • Dubai

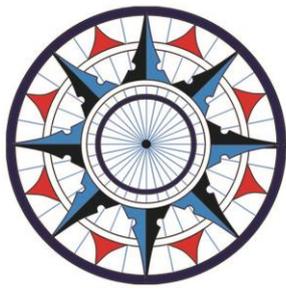
There are now more than 20 maritime arbitration centres operating world-wide and it is very clear that age does not determine popularity. The LMAA is dealing with more than 80% of the world's arbitrations, but for how long will this continue?

There is no doubt that 1700 matters at the LMAA is an unrivalled statistic, however the fact that arbitration centres are proliferating across the world displays that there is a demand for local arbitration options.

Singapore is already a well-developed shipping hub and it is the arbitration centre of next preference to the LMAA. The Singapore Chamber of Maritime Arbitration was not established until 2004 but its popularity is flourishing with **120** arbitrations, **46** of which were new in 2016. This number has grown progressively each year since inception, however it is still less than 10% of the arbitrations undertaken in London.

Hong Kong International Arbitration Centre was not establish until 10 years after Singapore, but is not too far behind dealing with approximately **36** maritime arbitrations in the past year and up to around **10** LMAA arbitrations were seated in Hong Kong. Hong Kong is promoting itself as an alternative regional centre and gateway to China.





# Pacific Maritime

## LAWYERS & CONSULTANTS

An even more recent entrant to the action is the Emirates Maritime Arbitration Centre, established in 2016 and located in Dubai. EMAC aims to serve the maritime arbitration needs of the Middle East and is seated comfortably in Dubai which is building itself as a regional and global maritime hub.

It is reported that the Asia Pacific Maritime Arbitration Centre is set to open in Busan and become South Korea's first maritime arbitration centre. South Korea may be manoeuvring to create a maritime hub in Busan, comparable with Hong Kong or Singapore.

Locally, the Australian Maritime and Transport Arbitration Commission was instituted in 2007. While AMTAC is one of the younger arbitration centres, it has not seen large growth in popularity. Arbitration is, by its nature, private and the numbers of arbitrations held at AMTAC are not public. However, it is acknowledged that while AMTAC is full to the brim with experience, knowledge and expertise, it is relatively quiet. While shipping is vital to Australia, Australia is not vital to shipping as we are often the end of the line, rather than a busy junction as Singapore or Dubai might be considered to be.

It appears that the major competition to the LMAA is from arbitration centres further afield. Europe is not yet posing a threat to the business of London. However, the author submits that given that Scandinavia is a global strength in shipping, and a growing divide is growing between the Nordic laws favoured by Scandinavian shipping parties and English law, we may soon be talking about a burgeoning Scandinavian arbitration scene.

While London maintains its position at the top, without comparison, that does not mean that other arbitration centres are not required or desired.



**Written by:**

Kendall Messer  
Pacific Maritime Lawyers  
Trainee Solicitor

