

28 September 2021

**Speech by Justice Chao Hick Tin at “Pandemic Disruptions to International Trade and Shipping: What are Your Rights and Liabilities”**

Dr Pasit Asawawattananorn, Managing Director, THAC,

Distinguished panelists,

Distinguished guests,

Ladies and gentlemen,

1. A very good afternoon and welcome to this webinar titled, “Pandemic Disruptions to International Trade and Shipping: What are Your Rights and Liabilities”. SCMA is very pleased to be jointly organising this webinar with THAC on this very important topic, a subject which we believe is of direct interest to maritime and trade users in this part of the world. We hope that through this Webinar there will be better understanding on the part of the users as to the problems which the current pandemic has brought about. We view this Webinar as the beginning of more cooperation and collaboration between our two institutions. We look forward to engaging more deeply with each other.

**A Brief Introduction to SCMA**

2. According to the Xinhua-Baltic International Shipping Centre Development (ISCD) Index, Singapore is the world’s top maritime centre for the 8th consecutive year. With a high volume of transactions occurring in this part of the world, parties in the maritime and trade industry would naturally run a heightened risk of being involved in disputes which require resolution. It is inevitable that with greater economic interaction, more disputes will arise.
3. It is in this regard, that SCMA plays a crucial role, by providing parties with a specialist forum to resolve maritime-related disputes. SCMA’s self-administered arbitration model provides parties with flexibility over the arbitration process. If and when required, parties could also turn to the SCMA’s dedicated Secretariat for assistance.
4. Looking at the statistics, we note that maritime trading parties do see the relevance of SCMA. In 2020, despite it being a COVID-19 challenging year, SCMA saw a 5% increase in the cases

handled over the previous year. SCMA hopes that this growth momentum will continue and help achieve our vision of being the leading arbitration centre in Asia for maritime-related disputes.

### **The Impact of COVID-19 on the Maritime Industry**

5. It goes without saying that the current COVID-19 pandemic has extensively disrupted the economic activities of almost every country, including activities relating to international trade and shipping industries. Because of the unique nature and huge extent of the disruption caused thereby, challenging issues have arisen which require special and out of the normal mould solutions.
6. Therefore, SCMA has been engaging stakeholders in discussions on various problems which COVID-19 has brought about. On 21 April 2021, we organised a webinar, "Arbitration's Role in Dispute Resolution and the New Normal: Enhancing SCMA's Relevance" as part of Singapore Maritime Week. Our panelists, which comprised dispute resolution and maritime professionals, had shared with us the numerous challenges which the pandemic has brought about.
7. Maritime lawyers have found advising and working with clients on issues such as ship arrests and filing protective proceedings to protect time bars outside of Singapore to be challenging. Shipping companies have faced different challenges at different stages of the pandemic. In stage one, issues of port closures, logistical interruptions, diverting of ships and force majeure came to the fore. In stage two, which is the current stage, they are facing issues of crew change, relevant contracts such as time charter parties and voyage charter parties, quarantine and notice of readiness.
8. Maritime insurers have concerns on the welfare and safety of crews and have faced roadblocks imposed by local regulations. Maritime insurers have also been receiving many queries from owners, operators, and charterers as to the party who should bear responsibility for such delays.
9. Investigators and surveyors have been facing issues in gathering evidence. With COVID-19, there are difficulties in getting experts and surveyors on board ships to collate evidence and for bunker surveyors to get samples.
10. The pandemic has further accelerated the process of digitalisation at work. For example, pre-COVID, it was the norm for arbitration hearings to be done physically in the same location and that entailed those involved in the case having to travel, often a long way, to the location of hearing. However, today, virtual hearings are becoming more commonplace. While digital technologies are not perfect and present their own set of challenges, it would appear that virtual hearings are here to stay. Virtual hearings do present many cost and time saving advantages. However, for certain highly fact intensive and/or fact disputed cases, physical hearing may still be preferred. That said, in the longer term, the arbitration scene will likely be a mixed one, with some being physical and others being virtual.

## **Developments at SCMA**

11. Understanding that the maritime and trade communities that we serve face numerous new developments and challenges, SCMA too tries to keep itself current and responsive to their needs. With virtual hearings, at this point in time, becoming the norm rather than the exception, as early as in October 2020 we published our Specimen Directions for Virtual Hearings to provide guidance to arbitrators, tribunals, and users of SCMA. We also conducted an electronic public consultation exercise on SCMA Rules in 2020 and are expecting to launch the 4<sup>th</sup> edition of SCMA Arbitration Rules soon. We have also created QR codes to make it easier for users to access SCMA Model Clauses and notify SCMA of arbitrations. With an intention to create a diverse and richer panel of arbitrators, we have very recently launched the Maritime Arbitrator Accreditation Program in collaboration with the Singapore Institute of Arbitrators.

## **Conclusion**

12. SCMA will continue to adapt to keep itself relevant and better serve the needs of the maritime and trade industry.
13. Many of the speakers who will come before you today in this Webinar are prominent personalities with vast experience in the areas of dispute resolution or maritime affairs. I am confident that this Webinar will be an interesting learning experience for all of you. I also hope that you will participate actively in the discussion. May I conclude by wishing you an intellectually stimulating afternoon.

