MARITIME SINGAPORE: 
OUR ARC, ANCHOR AND ASPIRATIONS

Keynote address

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The Honourable Justice Steven Chong

Supreme Court of Singapore*

I. Introduction

1. I am delighted to be here with you this morning. I spent much of my career before joining the Bench as a shipping lawyer, and so it gives me special pleasure to be amongst a community whose members share the same passion as I do for this unique area of practice. Indeed, by reason of its highly technical nature, maritime law has been described as “mysterious”, even “magic[al]”,¹ but I think you will agree with me that devoting a substantial part of your professional lives to uncovering her secrets and treasures has been a thoroughly rewarding experience notwithstanding the occasional turbulent storms.

2. I am also very honoured to be delivering this keynote address because this conference breaks new ground in at least two respects. First, it marks a maiden collaboration between the Maritime Law Association of Singapore and

*¹I wish to acknowledge the valuable assistance of my colleague, Bryan Fang for his research in the preparation of this speech.
the International Maritime Claims Conference (“IMCC”), two highly regarded organisations within the international maritime community. There is much to commend in this kind of mutual endeavour which recognises that in our modern interconnected world, dialogue on important commercial and practical issues must often be multi-disciplinary and cross-jurisdictional to bear real fruit. Allow me therefore to take this opportunity to thank the organisers for their tremendous effort in bringing you — an international gathering of lawyers, arbitrators, claim handlers, adjusters, marine surveyors and more — together for what should be two very productive days of discourse at the intersection of your various fields. The other reason why this is a novel occasion is because it is also the first time that the IMCC has ventured outside of Dublin since its inaugural conference some 15 years ago. That the IMCC should look to Singapore as its first overseas port of call says, I think, something special about our country, and it is on that note that I want to begin my address by tracing our historical arc as a maritime nation.

II. From port to hub

3. The rise of Singapore to emerge as a maritime hub has been nothing short of breathtaking. We have of course been blessed with a strategic geographical location but we have not got to where we are today by accident; we are here by dint of the foresight, design, courage and resolve of our early pioneers who were convinced that we could become so much more than the
merchants’ emporium that we were under British colonial rule.²

4. Our modern maritime story begins not long after independence when the fateful decision was taken in 1966 to establish the first container port in Southeast Asia at Tanjong Pagar.³ This was a bold call at the time because containerisation was still at its infancy — a “disruptor” in the industry if you will — whose effects no one could be entirely certain of. But how profound they have proven to be. Containerisation has completely redefined the carriage of goods by sea and, with the benefit of hindsight today, we see clearly how that vision to set up Tanjong Pagar port was a true turning point in our history. Indeed, by 1982, we had become the world’s busiest port by shipping tonnage.⁴ This perhaps gives you some sense as to why the late Mr Lee Kuan Yew had described the port in those early years as Singapore’s *raison d’être* – our very reason for existence.⁵

5. We continued to build diligently on those early foundations and, in 1991, we made another big decision to expand the port beyond Tanjong Pagar to Pasir Panjang. This again demonstrated real courage and vision because the expansion was on a massive scale; it would increase our overall port capacity by sixfold from six million to 36 million Twenty-foot Equivalent Units (“TEUs”) of containers.⁶ We had to be resolute in the belief that we could make that giant leap and how we have, and more. Barely twenty years later, in 2004, we found ourselves inching towards even that upper limit and so new plans
were made to expand the port at Pasir Panjang even further to 50 million TEUs.\textsuperscript{7} And extraordinary as that is in itself, it is but a step in our long-term plans to consolidate all our port facilities in the Tuas megaport which will have a capacity of 65 million TEUs – that is almost \textit{double} the container throughput that passed through Singapore last year.\textsuperscript{8}

6. The arrival of the first container vessel, the MV Nihon, at Tanjong Pagar terminal almost 50 years ago would now seem in retrospect like the coming of a new dawn for Singapore. But Singapore's maritime story is about more than just the growing size of her port. It is also about the strength of the entire intricate \textit{ecosystem} which we have built up to allow the maritime industry to flourish as a whole. By this I am referring to the business-friendly environment that we have painstakingly created over the years – one that is framed by sound government policies, driven by passionate stakeholders such as yourselves, and undergirded by the rule of law.

7. These are the essential intangibles that have elevated us from a country recognised for her \textit{port} to one that is widely admired as a true maritime \textit{hub}. Indeed, in a report published last year by the Norwegian consultancy firm Menon Economics, Singapore was ranked for the third time as the leading maritime capital in the world.\textsuperscript{9} This ranking was based on a global study which benchmarked renowned maritime cities such as Hamburg, Oslo, Shanghai and London, each assessed according to a wide range of more than 20
objective indicators including finance and law, maritime technology, ports and logistics, and attractiveness and competitiveness. We scored well on all of these indices, leading the analysts to single out the impressive “width” of our maritime industry as a reason for us being able to maintain pole position.\textsuperscript{10} Indeed, that “width” is plainly manifest in the convergence here of so many key players that provide essential services across the entire maritime spectrum. Singapore is home to more than 130 of the world’s top shipping groups, important international maritime organisations like the Baltic Exchange, more than 20 major banks with ship finance portfolios,\textsuperscript{11} and leading Hull and Machinery Insurers and Protection and Indemnity (“P&I”) Clubs.\textsuperscript{12}

8. The presence of these actors here has helped to generate a strong current of economic activity but I suggest to you that those exchanges would be far less vibrant without the anchor of our stable and certain laws and a world-class legal environment that give businessmen the confidence to carry on their transactions here. Our courts have been pivotal on this front. Over the years, they have thoughtfully developed our admiralty jurisprudence and, in the process, established our position as a mature and respected maritime jurisdiction. Many of our leading cases have in fact influenced and enriched the law on admiralty across the Commonwealth and it is to some of these cases that I now wish to turn.\textsuperscript{13}
III. Our legal bedrock

9. Singapore first rose to international prominence in the area of admiralty law with *The Permina 108*, a case decided more than 40 years ago. This was a decision of the Court of Appeal on the important issue of admiralty jurisdiction and, in particular, the scope of the sister ship arrest rule. The defendant had chartered *The Ibnu* from the plaintiff but when it failed to pay the charter hire, the plaintiff proceeded to commence an *in rem* action against and to arrest *The Permina 108*, a vessel that was beneficially owned by the defendant/charterer at the time of the writ.

10. The question before the court was whether s 4(4) of the High Court (Admiralty Jurisdiction) Act (“HC(AJ)A”) allowed the arrest of *The Permina 108* as a sister ship of the offending vessel and our then Chief Justice Wee Chong Jin, delivering the judgment of the court, held that it did. In other words, the offending and sister ships need not be under common ownership. What was significant about this decision is that it chose not to follow *The Eschersheim*, a decision of the House of Lords where Lord Diplock observed in *obiter* that the offending ship as well as the arrested sister ship had to be owned by the same party. Equally significant is the fact that, after it was decided, *The Permina 108* has gone on to be endorsed by the courts in Hong Kong, New
Zealand, and the United Kingdom, where the observation by Lord Diplock in The Eschersheim now no longer applies.¹⁶

11. Another important local decision whose influence has extended beyond our shores is The Daien Maru No 18.¹⁷ In that case, the plaintiffs were crew members who commenced an action in rem and obtained summary judgment against the shipowners before proceeding to arrest the vessel. The question which arose in these circumstances was whether a vessel could be arrested after judgment had been obtained or whether the plaintiffs were to be treated as having lost their right of arrest on account of their cause of action having merged in the judgment.

12. Justice L P Thean declined to follow the English case of The Alleta,¹⁸ holding that while the plaintiffs’ cause of action had merged in the judgment, this did not necessarily mean that their right to security in the ship was lost or extinguished. He observed that that right had been lost in the English cases because security had been provided to secure the release of the vessel, and not because of the merger. Having thus distinguished the English cases, Justice Thean reasoned that in a case where judgment is obtained in rem against the res as well as in personam against the defendant (as the defendant had entered an appearance), it followed that the judgment could be enforced against the res by a remedy in rem, namely, the procedure of arrest. The Daien Maru No 18 has since been cited with approval by the Hong Kong
courts. Notably, it was also referred to some 20 years later by Justice David Steel in *The Ruta*,\(^1\) where it was observed that the new UK Admiralty Practice Directions may have effectively reversed *The Alletta* and adopted the Singapore approach.

13. Singapore has also made an important contribution to the jurisprudence surrounding the question of what might constitute an acceptable form of security to procure the release of an arrested vessel. In *The Arcadia Spirit*,\(^2\) Judicial Commissioner Joseph Grimberg, relying on an unreported New Zealand decision, held that the provision of a letter of undertaking from a reputable P&I Club of sound financial standing was acceptable. This departed from the established English position that such letters of undertaking were merely private arrangements which the admiralty courts would not enforce acceptance of. As I had occasion to observe previously, this decision is of substantial import given the large presence of P&I Clubs in Singapore. It has also no doubt created a more attractive business environment in Singapore for shipowners and charterers who, with this form of security, are more readily able to secure the expeditious release of their vessels and carry on trading.

14. In more recent times, I had the opportunity while sitting as a Judicial Commissioner in 2010 to consider a question relating to the scope of the sister ship arrest rule. This was the case of *The “Catur Samudra”*.\(^3\) The issue before
me there was whether a ship owned by a guarantor could be considered a sister ship for the purposes of arrest under the HC(AJ)A. The plaintiff had entered into a sale and lease back agreement with a wholly owned subsidiary of the defendant and, as a condition precedent of that agreement, the defendant guaranteed the subsidiary’s performance and payment obligations. Upon default by the subsidiary, the plaintiff proceeded to arrest The Catur Samudra, a vessel owned by the defendant. Notwithstanding authorities from New Zealand and Canada which held that the court’s admiralty jurisdiction could be invoked in such circumstances, I held otherwise. As I had explained, the sole purpose of the guarantee was to provide financial protection to the plaintiff against the risk of default by the defendant’s subsidiary – it did not relate to the use or hire of the defendant’s sister ship.

15. What emerges clearly from this small sampling of cases is that our courts have been robust, when the occasion has called for it, to chart a new course for our admiralty laws. We may have received the common law from the United Kingdom—and that has no doubt given us significant foundations from which to build—but we have not allowed the comfort and assurance of the past to dictate how we develop our laws to meet the commercial needs of the present. Through the quality of reasoning and soundness of judgment in these cases, our courts have demonstrated their strong legal pedigree and that has led to us becoming a well-respected jurisdiction for the resolution of
maritime disputes. Indeed, it is worth mentioning that our maritime cases receive by far the most treatment overseas compared to cases in any other branch of the law. An excellent empirical study of the entire corpus of local cases between 1965 and 2013 showed that no less than 70 of our judgments in the area of “Admiralty, Shipping and Aviation Law” have been cited in foreign judgments; this is almost double the number of cases for the next most cited area of law (viz, Company Law).22

16. But it is not just our courts that have put us on the map as a leading jurisdiction for the resolution of maritime disputes. We have a thriving maritime arbitration scene as well that further enhances our attractiveness as a maritime hub. The Singapore Chamber of Maritime Arbitration (“SCMA”) has contributed significantly towards this. The SCMA was originally established under the Singapore International Arbitration Centre but, since it was reconstituted as a separate entity in 2009, it has grown from strength to strength. From six cases in its first year of operations, it received 37 case references last year with the total amount in dispute exceeding US$50 million.23

17. There is good cause to be optimistic that we will see the SCMA’s caseload rise even further in the years ahead because of two significant developments in the last few years. The first was the launch of the Singapore Ship Sale Form in 2011 which, importantly, includes an SCMA arbitration
clause. Remarkably, within 18 months of its launch, it was reported that the Singapore Ship Sale Form had already been used in more than a 100 transactions and this number can only have risen much further now that major groupings such as the Federation of ASEAN Shipowners’ Association and the Asian Shipowners’ Forum have endorsed the form and encouraged their members to use it.\textsuperscript{24} The second major development followed shortly after in 2012 when BIMCO announced that Singapore would be included as the third seat of arbitration in all its standard forms alongside London and New York. As Chief Justice Sundaresh Menon has observed before, this is a milestone that holds “enormous promise” for maritime arbitration in Singapore given the fact that around 70\% of the world’s contracts for maritime trade use BIMCO standard forms as their basis.\textsuperscript{25}

18. Our mature laws and dispute resolution framework have no doubt provided the bedrock from which we have scaled the heights we have today. But where do we go from here?

\textbf{IV. Steady as she goes}

19. I think there is no questioning that what we must continuously aspire towards is preserving our pre-eminent position as a leading maritime hub of the world. This will require hard work. To think that we will maintain our current course simply by letting our systems run on auto-pilot is plain folly. The
currents around us are constantly changing and if we take no notice of them, we may soon find ourselves floundering as others overtake us.

20. The competition lies not far afield. Malaysia, for example, has announced plans to double the capacity of the Port of Tanjung Pelapas by 2030 and to build a new port on Pulau Carey next to Port Klang. Indonesia is consolidating cargo traffic from various facilities across the country at Tanjung Priok in North Jakarta, its largest and most advanced port. In Thailand, the idea of building a canal through the Kra isthmus — which came about centuries ago — has recently resurfaced and despite no concrete plans for its construction, it “continues to linger as a potential threat for the Port of Singapore”. And on the subject of changing sea routes affecting Singapore, global climate change has also opened up Arctic shipping lanes, particularly Russia’s Northern Sea Route which runs across Siberia. This offers the shortest route between Europe and Asia and industry experts expect “rapid growth” in tonnage shipped over it in the next decade.

21. The point simply is that the picture for us can change dramatically in an instant. Just as we moved quickly ahead of the competition those many years ago with the decision to build our first container port at Tanjong Pagar, we can easily fall behind if we grow complacent and stand idly by. Mr Andrew Tan, Chief Executive of the Maritime and Port Authority of Singapore, captured exactly this sentiment in an interview with The Straits Times two years ago.
He said this:\(^{30}\)

“The key here is that the clock doesn’t stop for us. It is a continuous process of invention and reinvention. It is hard for us to predict how the industry will change, but with each shift there is, we want to make sure that we are part of that narrative.”

22. I mentioned earlier that we have ambitious plans to build a megaport in Tuas and that is no doubt a centrepiece of our strategy to staying relevant amidst the sea of change. But what we need to complement all the infrastructural muscle it offers is a real spirit of endeavour on the part of all our stakeholders to drive Singapore’s maritime industry in the same direction.

23. Let me give you a recent example of what I mean by this. Earlier in March, the Court of Appeal heard an appeal involving the question of whether a shipowners’ lien over sub-freights was a charge registrable under s 131 of the Companies Act. We found in the affirmative with the outcome in that case being that the shipowner, who had not registered its charge, could not enforce its lien against the liquidator of the insolvent bareboat charterer. But we were cognisant that our decision had a much wider import beyond the case on appeal. In full grounds of decision which we released in May in *Diablo Fortune Inc v Duncan, Cameron Lindsay and another* (“*Diablo Fortune*”),\(^ {31}\) we noted the “strong reaction by the local shipping community” to our decision.\(^ {32}\) This was not entirely surprising given that, as we explained in our decision, requiring shipowners’ liens to be registered is “hugely inconvenient and
impracticable”.\textsuperscript{33} It is inconvenient especially if the charter is for a short duration or for a single voyage.\textsuperscript{34} And it is impracticable because shipowners may not even be aware about the relevant sub-charterparty for the purposes of registering a charge since charterparties are often entered on a back-to-back basis.\textsuperscript{35} However, given the state of the law and the relevant legislation, it was clear to us that a shipowners’ lien was a floating charge over the company’s assets and registrable as such under the Companies Act. We nevertheless took the step of highlighting in our grounds of decision the “negative impact” that registration might have on the local shipping industry and on Singapore’s competitive edge as a leading maritime hub as a whole.\textsuperscript{36} We indicated that it might be appropriate for legislative reform and that has followed swiftly.

24. The Ministry of Law has since completed a public consultation on the issue of exempting shipowners’ liens over sub-freights from the requirement of registration under s 131 of the Companies Act. And based on the industry feedback that was received, Parliament proceeded expeditiously in August to pass amendments to the Companies Act to carve out shipowners’ liens from registration. As the Second Minister for Finance, Ms Indranee Rajah SC, said during the second reading of the amendment bill, this legislative change has been swiftly introduced precisely so as to “preserve the ease of doing shipping business in Singapore”\textsuperscript{37}. 
25. The *Diablo Fortune* episode is I think an excellent microcosm of the interplay of our various strengths. It showcases an astute judiciary with a firm grasp of commercial reality, a responsive government that is sensitive to industry feedback, a collection of active maritime players that engages productively with the government, and a legislative body that wastes no time in ensuring that our legal framework facilitates rather than fetters business. All of these key stakeholders worked in harmony and with urgency to achieve an outcome that benefits Singapore as a whole. If each member of our community continues to share in the same clear vision and pull in the same direction, I am confident that we can maintain our status as a leading maritime hub whatever headwinds might blow our way.

V. Conclusion

26. Singapore has clearly journeyed far from her humble beginnings. The steady expansion of our port over the years has been a symbol of our successes but of equal importance in our trajectory has been the creation of a strong legal framework and a cohesive network of public and private actors. The future as ever is full of uncertainty but I think we have every reason to go out and meet it with a sense of assuredness. We are after all building on strong foundations and today is another example of how we keep the momentum going. Through conferences such as this, we gather committed industry players like you to spot trends, think laterally, develop innovative solutions,
and ultimately foster a collaborative spirit that will serve Singapore’s aspirations of remaining a leading maritime hub well. That sense of a shared purpose has been, and will continue to be, key to how we navigate the waters of tomorrow. With that, it remains for me to wish all of you two very meaningful days of dialogue ahead. Thank you all very much.
1 See the Richard Cooper Memorial Lecture delivered by Paul Myburgh, "Admiralty Law


8 See the fairplay article, “How Singapore, the world’s top maritime hub, can raise its ship finance game” (13 March 2018), accessible at https://fairplay.ihs.com/commerce/article/4298741/how-singapore-the-world-s-top-maritime-hub-can-raise-its-ship-finance-game.


10 I had the occasion to canvass some of these decisions in greater detail when I delivered the keynote speech at the launch of the launch of the National University of Singapore’s Centre for Maritime Law, “Maritime Law in Singapore and Beyond – Its Origins, Influence and Importance” (March 2017), accessible at https://www.supremecourt.gov.sg/Data/Editor/Documents/%20Speeches/NUS%20Centre%20for%20Maritime%20Law%20(03.09.15).pdf.


12 See, for example, The “Catur Samudra” 2010] 2 SLR 518 at [2].


See the Straits Times article, “Singapore geared up to keep its spot as major port” (21 August 2017), accessible at https://www.straitstimes.com/business/spore-g geared-up-to-keep-its-spot-as-major-port.

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See Diablo Fortune at [76].

See Diablo Fortune at [77].

See Diablo Fortune at [3] and [71].

See Diablo Fortune at [4].

See Diablo Fortune at [77].