



WAH KWONG

Why Not Hong Kong?

A shipowner's perspective on maritime arbitration today

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AGENDA

1. Shipping's Dispute Landscape is Changing
2. Why London the Default Choice?
3. The Centre of Gravity Has Shifted
4. What Do Shipowners Actually Need?
5. Why Hong Kong? Why HKMAG?



1

Shipping's Dispute Landscape is Changing

Sanctions, digitalisation, and decarbonisation are reshaping maritime disputes and creating new categories of contractual risk.



When policy becomes a multimillion port invoice — in days, not years

A two-week episode that reset commercial assumptions overnight.

- **10 OCT 2025** China announces special port fees for U.S.- related vessels.
- **14 OCT** Implementation begins at RMB 400 per net ton.
- **13–15 OCT** **MANUKAI** calls at Ningbo;
reported invoice about RMB 4.46m.
- **14 OCT** **MATSON WAIKIKI** berths at Shanghai;
reported invoice about RMB 12.09m.
- **NOV 2025** Matson says it paid US\$6.4m before a 12-month pause.



RMB 400 initial fee per net ton

RMB 16.54m

reported invoices for
two Matson vessels

US\$ 6.4m

company-level fees
reported by Matson



Traditional Maritime Disputes: Operational, Contractual & Predictable

The factual questions usually sat within familiar shipping operations.

HISTORICAL CENTRE OF GRAVITY

- Freight or hire
- Demurrage or detention
- Off-hire and performance warranties
- Cargo loss, damage and delay
- Shipbuilding, defects or delivery delays
- Bunker quality and port disputes

A FAMILIAR VALUE CHAIN



Fixture



Voyage



Cargo



Delivery



Payment

Mature clause architecture

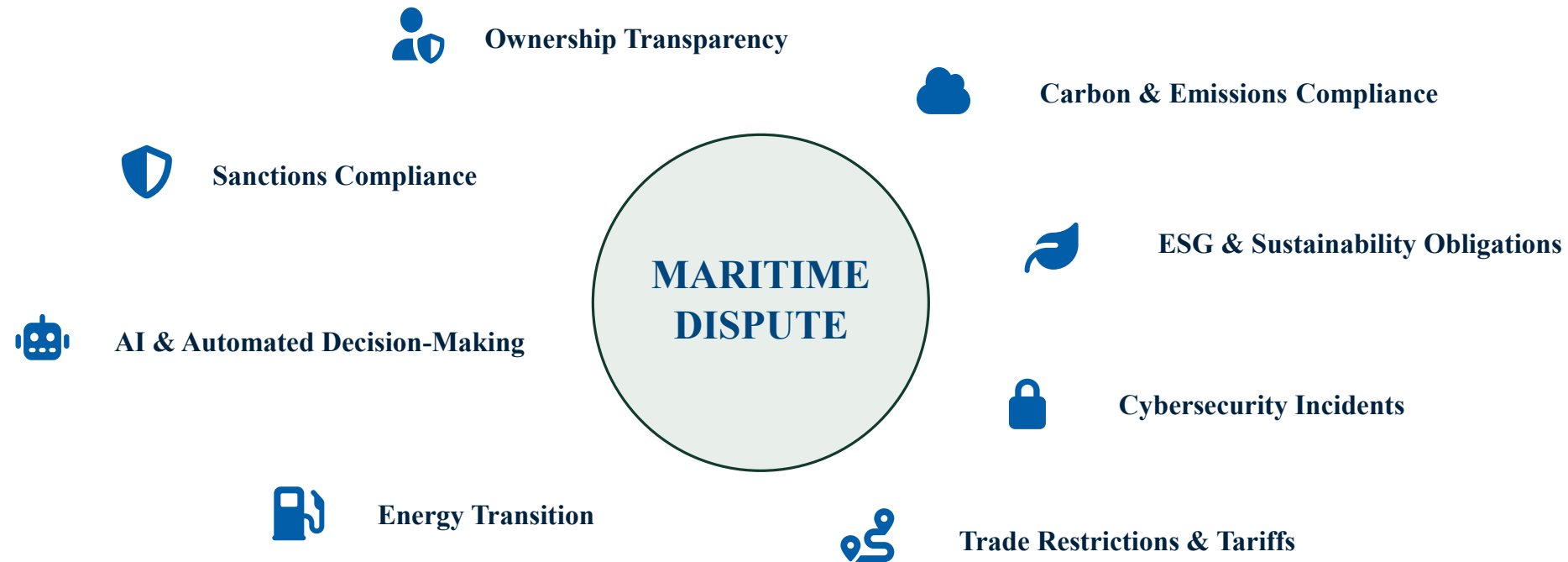
Standard forms, established case law and experienced maritime arbitrators made outcomes easier to assess and resolve.

The dispute could usually be understood through the ship, the cargo and the contract.



The operating environment has changed. Disputes are changing with it.

The underlying issue may be legal, technical, regulatory and evidentiary at the same time.



The dispute is no longer only about what happened on the voyage; it is also about how the parties react to fast-moving external rules.



2

Why London the Leading Choice?

Acknowledging the historical centre of maritime arbitration and the strengths that built it.

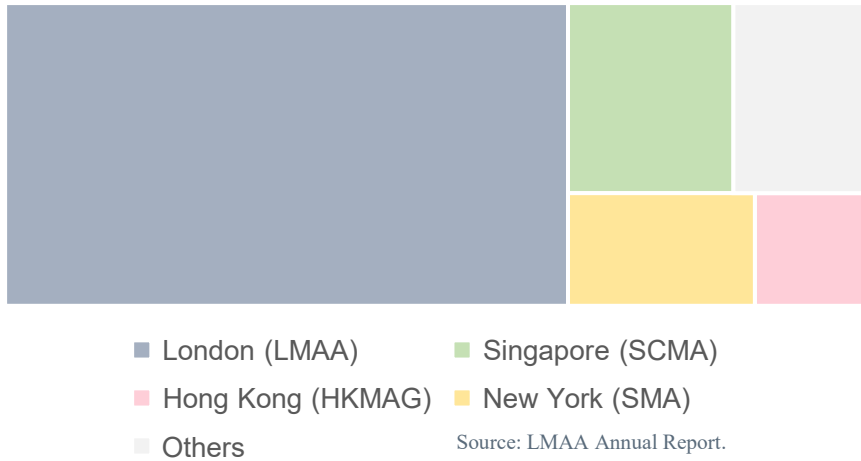


London Remains a Leading Maritime Arbitration Centre

London has been the default choice for maritime arbitration for decades. The **London Maritime Arbitrators Association (LMAA)** handles the majority of global shipping disputes.

English law is the most commonly chosen governing law.

Relative Caseload Scale of Major Maritime Arbitration Centres



LONDON'S ESTABLISHED STRENGTHS



- **English Law** — Centuries of maritime jurisprudence; predictability and depth of precedent
- **Deep Expertise Pool** — Largest concentration of specialist maritime arbitrators globally
- **Institutional Infrastructure** — LMAA, Commercial Court, and supporting legal ecosystem
- **Enforcement Record** — Strong track record under the New York Convention

London remains a leading choice, but the appropriate forum increasingly depends on the needs of the transaction and the dispute.



3

The Centre of Gravity Has Shifted

Trade flows, shipbuilding activities, and dispute patterns tell a compelling story.

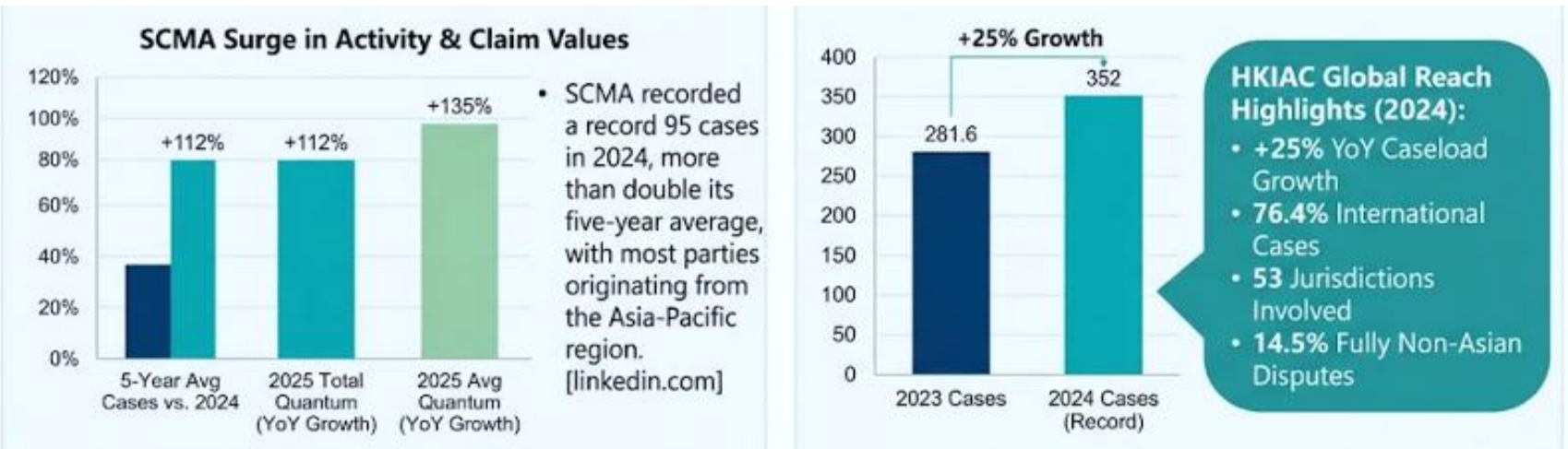


Do Traditional Assumptions Still Reflect Where Business Is Conducted?

Factor	Traditional Assumption	Current Reality (2025)
Shipbuilding	Europe and Japan dominated newbuildings	China: 69% of global orders
Trade Origin	Developed economies drove freight demand	Asia-Pacific: 54% of maritime freight
Financing	European banks dominated ship finance	Asian banks: increasingly active
Disputes	Primarily European counterparties	Chinese and Asian parties: Growing participation



When most newbuildings are ordered in Asia, increasingly financed by Asian Institutions and delivered from Asian shipyards, is it inevitable that disputes should continue to be resolved elsewhere?





4

What Do Shipowners Actually Need?

Dispute resolution as a commercial tool, not an academic exercise.



For shipowners, the Commercial Consideration

- 1 **Speed**
Decisions before commercial value disappears
- 2 **Commercial understanding**
A tribunal that understands shipping practice
- 3 **Predictability**
A stable framework and realistic timetable
- 4 **Cost efficiency**
Proportionate process and administration
- 5 **Enforceability**
An award that can be converted into value
- 6 **Specialist arbitrators**
People who know the industry, not just the law

WHAT ARBITRATION CONTINUES TO OFFER



Flexibility



Industry expertise



Confidentiality



Enforceability

WHAT ARBITRATION USERS INCREASINGLY SCRUTINISE

- 1 **Time**
Can the process match commercial urgency?
- 2 **Cost**
Are fees and legal spend proportionate?
- 3 **Administration**
Is the process easier than the dispute?





5

Why Hong Kong? Why HKMAG?

An arbitration framework aligned with modern shipping disputes,
and Asian commercial realities.



Hong Kong’s Unique Mainland China Advantage

Winning the arbitration is only half of the battle.

ONE-COUNTRY, TWO-SYSTEMS

Hong Kong is the only jurisdiction combining common law tradition with direct institutional access to Mainland China's legal system.

STATUTORY TIMELINE

Eligible Hong Kong arbitrations may seek court-ordered interim measures in Mainland China, with urgent preservation applications subject to expedited statutory timelines.

For example, in urgent cases, the court is required to rule within 48 hours after accepting the application.

Where maritime disputes involve Mainland Chinese counterparties or assets, the ability to obtain interim protection before the award can be commercially decisive.

Feature	Hong Kong	London	Singapore	New York
Access under the Mainland–Hong Kong Interim Measures Arrangement	Yes Direct Access	No	No	No
Question		Hong Kong		
Can I obtain asset preservation in Mainland China before award?		Yes		
Can I seek evidence preservation in Mainland China?		Yes		
Can I seek conduct preservation orders in Mainland China?		Yes		



The Arrangement Concerning Mutual Assistance in Court-ordered Interim Measures came into force in **October 2019**

Advantage v Reality

Mainland Courts Preserved US\$3.9 Billion of Assets Since 2019

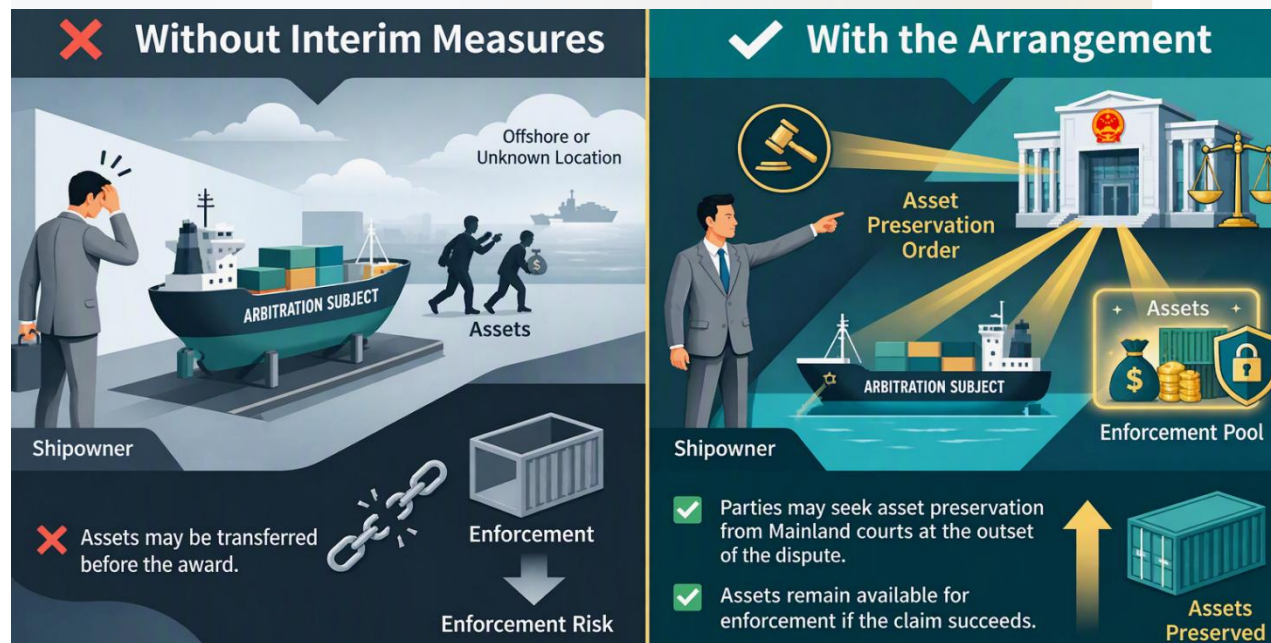
Not merely a legal advantage on paper

Since the interim measure arrangement came into force in 2019, Mainland courts have issued decisions preserving assets of over 100 applications totaling **RMB 27.8 billion** (approx. **US\$3.9 billion**) in support of Hong Kong-seated arbitrations.

Why This Matters to Shipowners

US\$ 3.9B

TOTAL ASSETS PRESERVED (2019–2024)



- Security before Award**

Assets may be preserved even before arbitration commences or before the tribunal renders its final award.

- Mainland Asset Access**

Particularly relevant where a shipyard, charterer, guarantor or leasing counterparty has assets in Mainland China.

- Enhanced Recovery Prospects**

Early preservation can help keep assets available for enforcement if the claim succeeds.

- Commercial Leverage**

Interim measures often facilitate settlement discussions before the final award.

Source: HKIAC Statistics on the Hong Kong-Mainland Interim Measures Arrangement

HKMAG: Specialist, Familiarity, Cost-efficiency

The seat matters. So do the decision-makers.

The framework is designed for users who know shipping — and for disputes where time, cost and commercial sense decide arbitration outcomes.

1 Maritime specialists



HKMAG arbitrators come from shipping, maritime law, P&I, chartering and operations — not from a pool of general commercial arbitrators.

They understand bills of lading, demurrage and off-hire without lengthy explanation.

MARITIME LAW · P&I · CHARTERING · OPERATIONS

“Parties should not spend months teaching a tribunal basic shipping knowledge.”

2 Familiar to LMAA users



The HKMAG Terms are substantially based on the LMAA Terms, developed with the LMAA’s support and permission.

Parties used to London arbitration will recognise the structure and the procedure.

FAMILIAR PROCEDURES · RECOGNISED STRUCTURE · LOW TRANSITION RISK

Not “better than London” — familiar to those who already know it.

3 Cost efficiency



HKMAG avoids ad valorem administrative fees and keeps administration deliberately light:

No administrative fee scaled to the amount in dispute, and a registration fee fixed at HKD 1,000.

The process stays proportionate to the claim.

“Arbitration should not cost more than the dispute itself.”

HKMAG: Designed for how shipping disputes actually happen

Practical procedures for shipping disputes, from constitution of the tribunal to managing complex charterparty chains.

Shipping disputes rarely stay inside one contract. HKMAG Terms anticipate it, and the Hong Kong seat offers an additional practical advantage where a dispute involves Mainland Chinese counterparties, evidence or assets.

4 Practical appointments



The Terms set out the appointment process clearly, reducing disputes over tribunal size and appointment mechanics — reducing disputes over tribunal constitution and the court applications that often follow ambiguous arbitration clauses.

**SIMPLICITY · PREDICTABILITY · PROCEDURAL
EFFICIENCY**

“Less time fighting about procedure, more time resolving the dispute.”

5 Designed for Charterparty Chains



One casualty can produce four arbitrations: owner, time charterer, voyage charterer, sub-charterer.

The Terms expressly provide for charterparty chains, concurrent proceedings and evidence sharing.

**CHARTERPARTY CHAINS · CONCURRENT ARBITRATIONS
· CONSISTENT OUTCOMES**

“Shipping disputes rarely exist in isolation.”

6 The Mainland China advantage



HKMAG is a designated institution under the Mainland–Hong Kong Interim Measures Arrangement.

Parties can ask Mainland courts for asset, evidence and conduct preservation.

**ASSET PRESERVATION · EVIDENCE PRESERVATION ·
CONDUCT PRESERVATION**

“Winning may not be enough if the assets disappear before the award arrives.”



Thank you!

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