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Interim Measures in Shipbuilding Arbitration By Jeremy M Joseph Joseph and Partners Malaysia

Introduction

The shipbuilding industry is, unarguably, one of the most important sectors of any maritime economy. Despite this, the industry has been plagued with many uncertainties in recent years. As shown in Clarkson Research's report for the year 2017, there was a more gradual fall in deliveries, which declined by 34% between 2010 and 2014. Unfavourable trends like these typically suggest that there is pressure on the sector to be more efficient. As the impact on the environment increases disputes concerning shipbuilding contracts will be assuming new and complex design elements. This trend automatically increases the risk of technical disputes.

In 2020, global new orders of ships fell to a historic low in the first half of the year amid the coronavirus pandemic. According to data provided by global market researcher Clarkson Research Service, the tally marks the lowest since 1996, with a 42 percent drop from the previous year. South Korea, China, and Japan (in that order) have the largest market share in the global shipbuilding market. In 2018 for instance, the completed gross tonnage per country would show that South Korea's shipbuilding industry has reached 49,600,000 tons; China's 43,900,000 tons while the Japanese

¹ 'Shipbuilding – Clarksons Research 2017' (Clarksons Research, 2019)

https://clarksonsresearch.wordpress.com/category/shipbuilding-2/ accessed 7 November 2019.

² 'Arbitrating Disputes Under Shipbuilding Contracts | Global Law Firm | Norton Rose Fulbright' (*Nortonrosefulbright.com*, 2019)

https://www.nortonrosefulbright.com/en/knowledge/publications/a6cecc31/arbitrating-disputes-under-shipbuilding-contracts accessed 7 November 2019.

shipbuilding industry stood at 13,005,000 tons³. In terms of shipbuilding companies, South Korea's "big three", Hyundai, Samsung, and Daewoo Shipbuilding, are leaders of the global market.

With such a rapidly growing market, it is important to consider not just the possible disputes that may arise, but also the arbitration clauses in shipbuilding contracts. Another critical issue that needs to be on the front burner is the connection between arbitration and national courts vis-à-vis their ability to not only issue but also ensure compliance with interim measures. For example, the typical interim measures, which tend to crop up in shipbuilding disputes would be injunctions to restrain the call upon a refund guarantee issued by the yard's Bank, search orders and preservation of evidence orders.

As a result of the foregoing, the focus of this paper is to discuss certain interim measures in international commercial arbitration as related to shipbuilding contracts.

B. The Power to grant Interim Measures in Shipbuilding disputes

To comment upon the use of interim measures by the tribunal or national courts in a potential shipbuilding dispute arbitration, we must understand the nature of shipbuilding contracts and what are the arbitration rules and legislation that commonly apply to these disputes.

Shipbuilding Contracts

Although shipbuilding contracts come in different varieties, there is some sort of similarity between them and construction contracts although there are decided cases that show that it is a pure sale contract⁴. Nevertheless, the design, financing, and

³ Largest Shipbuilding Nations Based on Gross Tonnage 2018 | Statista' (*Statista*, 2019)

https://www.statista.com/statistics/263895/shipbuilding-nations-worldwide-by-cgt/ Statista> accessed 7 November 2019.

⁴ Hyundai Heavy Industries Co v Papadopoulos [1980] 2 Lloyd's Rep 1

exploitation of the vessel are all unique. While shipbuilding contracts can sometimes deal with unique standalone vessels, at other times, some contracts deal with the completion of a fleet of sister ships. Another instance of the variety of shipbuilding contracts is that of natural gas carriers and bulk carriers. While the natural gas carriers use state-of-the-art technology, the bulk carrier makes use of standard technology. Again, we can also note that some shipbuilding contracts build vessels entirely in the same shipyard. Whereas in other situations, different yards are required to complete the building of the vessel because of rationalisation.

In contractual shipbuilding obligations, there is usually a framework of industrystandard contract forms within which shipbuilding contracts are made. Parties are of course free to decide the terms used in the form and this will include naturally the choice of the procedural and substantive law of arbitration as well as the seat of arbitration.

With regards to the forms used, some of the standard forms include SAJ Form published by the Shipbuilders' Association of Japan in January 1974. The major players in the industry i.e. South Korea, China, Singapore, and Taiwan commonly use the framework of this form. Also popular is the AWES Form i.e. the standard shipbuilding contract of the Association of European Shipbuilders and Ship repairers revised and reissued in May 1999. Alternatively, parties can also use the Shanghai Form which is a shipbuilding contract issued by the China Maritime Arbitration Commission (CMAC). With regards to the rules used, again it is important to stress that parties are at liberty to decide what rules apply. Further, these forms also allow the parties to determine the *lex arbitri*.

In so far as the choice of rules in the dispute resolution clauses are concerned, the Tokyo Maritime Arbitration Commission Rules (TOMAC)⁵ is commonly applied as a default choice in many of the standard forms such as the SAJ form or the AWES form. In 2007, The Baltic and International Maritime Council (BIMCO) produced its form of shipbuilding contract called the Newbuildcon. As BIMCO is a renowned shipping association with many ship-owners on its membership books, it comes to no surprise then that the Newbuildcon is a much more buyer-friendly contract. Although it is a more modern contract, the Newbuildcon, however, has not seemed to gain traction

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⁵ Simon Curtis, *The Law of Shipbuilding Contracts* (4th edn, Taylor and Francis) p. 235

among the shipbuilding industry and appears to have not caught on. Perhaps this is because of the shipyard resistance encountered in practice⁶. That said, BIMCO's Newbuildcon does stipulate an arbitration clause under the London Maritime Arbitrators Association Terms (LMAA) as a default.

Many negotiated nonstandard form contracts also stipulate arbitration clauses referring to arbitration in London, the European continent and around the world. On the European continent, for example, shipbuilding disputes are regularly decided according to the Arbitration Rules of the Chambre Arbitrale Maritime de Paris (CAMP) or of the International Chamber of Commerce (ICC) whereas, in Asia, Japan uses the Tokyo Maritime Arbitration Commission Rules (TOMAC). Also, popular is the China Maritime Arbitration Commission (CMAC) Rules, commonly used by Chinese yards as an alternative to TOMAC for parties using the Shanghai Form⁷. Also, on the rise in Asia is the use of the Singapore Chamber of Maritime Arbitration (SCMA) in solving shipbuilding disputes. This is in line with the aim of SCMA to provide a framework for maritime arbitration that is responsive to the maritime industry. Statistics show that currently, 10.4% of SCMA's arbitration disputes deal with shipbuilding and repair disputes⁸.

To further understand what interim measures a Court and a Tribunal can grant, we will briefly explore the arbitration laws applicable in England.

English Arbitration Act 1996

Section 38 of the English Arbitration Act 1996 empowers the Tribunal to give directions for the inspection, photographing, preservation, custody or detention of the property by the tribunal, an expert or a party⁹ concerning any property which is the

⁶ 'Editors Preface - The Shipping Law Review - Edition 6 - The Law Reviews' (*Thelawreviews.co.uk*, 2019) accessed">https://thelawreviews.co.uk/edition/the-shipping-law-review-edition-6/1195089/shipbuilding>accessed 7 November 2019.

⁷ Simon Curtis, *The Law of Shipbuilding Contracts* (4th edn, Taylor and Francis) p. 210, 235 and Article 26, CMAC Form

⁸ 'About Us' (*Scma.org.sg*, 2019) accessed 7 November 2019.

⁹ S. 38(4)(a) Arbitration Act 1996

subject of the proceedings. Under the same section, the tribunal can also order that samples are taken from or any observation be made of or experiment conducted upon the said property¹⁰. The Act also allows the Tribunal to give instructions for the examination of a party or witness during the proceeding and specific preservation of evidence, among other things. Further, Section 39 allows the tribunal to make a provisional order for the payment of money or the disposition of property between the parties or an order to make an interim payment on account of the costs of arbitration¹¹. In granting this relief, the Act allows the Tribunal to act without seeking any help from the English courts.

However, in circumstances where the Tribunal is either not constituted yet or where the Tribunal has no power to act, parties can have recourse to the English High Court. Section 44 of the Act is the most common route under which court intervention is sought especially when there is a sense of urgency needed for the relief sought. The remedies available under section 44 usually is for either the granting of an interim *injunction* (section 44(2)(e)), an order for the inspection, photographing, preservation, custody or detention of property in dispute (section 44(2)(c)) or for the preservation of evidence (section 44(2)(b)).

Arbitration Rules

As mentioned earlier, parties may also give the Tribunal greater powers than those afforded under the Arbitration Act 1996 by adopting relevant arbitration rules. Almost all the international arbitration rules commonly used in shipbuilding disputes such as the CMAC Rules 2018, ICC Rules 2017, the SCMA Rules 2015, the CAMP Rules 2019 and UNCITRAL Arbitration Rules 2013 have provisions for interim measures. The table below helps us understand those rules by doing a comparison of some of the rules used:

¹⁰ S. 38(4)(b) Arbitration Act 1996

¹¹ S.39 (2) (a) & (b) Arbitration Act 1996

	CMA	IC	SCM	CAM	UNCITRA	
	C	C	A	P	L	AIAC
	201	201	2015	2019	Arbitration	Arbitrati
	8	7	2013	2017	Rules 2013	on Rules
	· ·	,				2018
Tribunal'	Article 27.2	Article 28	Rule 36.2	Article XII	Article 26.1	Rule 8
S						Interim
discretion	• At the	Unless the	The Tribunal	They may	The arbitral	Measures
to order	request of a	parties have	may make	render an	tribunal may, at	1. The arbitral
Interim	party, the	otherwise	interim	interim	the request of a	tribunal may, at
Measures	arbitral	agreed, as soon	awards or	procedural	party, grant	the request of a
	tribunal	as the file has	separate	award, order	interim	Party,
	may decide	been	awards on	any	measures.	grant interim
	to order or	transmitted to	different	temporary		measures
	award any	it, the arbitral	issues at	or		pursuant to
	interim	tribunal may, at	different	conservator		Article 26
	measure it	the request of a	times.	y measures		(UNCITRAL
	deems	party, order any		as well as all		2013)
	necessary or	interim or		preliminary		
	proper in	conservatory		measures		2. A Party in
	accordance	measure it		(including		need of urgent
	with the	deems		the		interim
	applicable	appropriate.		power to		measures prior
	law or the	The arbitral		order the		to
	agreement	Ţ.,		hearing of		the constitution
	of the 23	make the		witnesses)		of the arbitral
		granting of any		which shall		tribunal may
	2 1	such measure		be		submit
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	requesting	appropriate		y		appoint an
		security being		enforceable		emergency
	provide	furnished by				

ај	ppropriate	the requesting	if need be	arbitrator to the
se	ecurity in	party. Any such		Director
co	onnection	measure shall		pursuant to
W	vith the	take the form of		Schedule 3.
m	neasure.	an order, giving		
		reasons, or of		
		an award, as the		
		arbitral tribunal		
		considers		
		appropriate.		

The table above shows clearly that the CMAC Rules 2018, ICC Rules 2017, the SCMA Rules 2015, the CAMP Rules 2019 and UNCITRAL Arbitration Rules 2013 all have constructed similar rules granting the tribunals the power to grant measures irrespective of the application by any of the parties involved. Most arbitration rules also allow for the provision of emergency arbitrators to circumvent the weeks and months needed to constitute a tribunal. For example, Article 27.1 and Appendix III of the CMAC Rules 2018 and Article 29 and Appendix V of the ICC Rules 2017 provide avenues for parties to make use of emergency arbitration. The role of an emergency arbitrator in these rules is to provide interim relief on an urgent basis before the constitution of the Tribunal. Notwithstanding, all interim measures must be initiated by the parties to the dispute before the Tribunal can grant any measures ¹².

It is interesting to note that commonly used Rules in shipbuilding contracts like the TOMAC Rules 2014 and the LMAA Terms 2017 lack special provisions for tribunals to issue interim measures. In this instance, unless parties agree otherwise, the Tribunals constituted under these rules would only have recourse to the Arbitration Act 1996 to award interim measures¹³.

¹² See s. 44, Arbitration Act 1996

¹³ See s. 44 (5), Arbitration Act 1996

There are four important grounds, which a Tribunal considers before granting interim measures. They are;

- That the relief sought is urgently 14 required
- The status quo ought to be preserved
- A party cannot be allowed to increase the weight and length of an arbitration
- That the final award must be enforceable.

From the English Arbitration Act 1996 and the arbitration rules that we have considered, the Tribunal has a lot of power at their disposal to grant interim measures. If the reason for giving such powers to the tribunal is to maintain the status quo pending when the dispute will be resolved, then it clear that this can be achieved. Anything less than this will only sabotage the preservation of the status quo.

C. Potential Shipbuilding Disputes and the Application of

Interim Measures.

Having gone through the relevant legislation and arbitral rules that apply to shipbuilding arbitration, we now turn our attention to their practical application in disputes that arise in shipbuilding contracts. While many disputes can prop out from the niceties of a shipbuilding contract, for brevity's sake we have limited our area of research to focus on three main areas of disputes namely:

- i) Repayment of Refund Guarantees;
- ii) Parties to a dispute; and
- iii) Cancellation of Contracts and Delays in Construction of Vessels.

I. Repayment of Refund Guarantees

Repayment of refund guarantees is one of the main issues in shipbuilding contracts that often lead to disputes.

¹⁴ Cetelem SA v Roust Holdings Limited [2005] EWCA Civ 618, Article 17 (2) Model Law

It is commonplace for parties to a contract to include whatsoever clauses they desire in a shipbuilding contract. That way, provisions for refund guarantees can be made as provided for in shipbuilding financing contracts. Before taking delivery, the buyer will have to pay a certain amount in advance. By making this payment, the refund guarantee provides security for such advance payments. In a refund guarantee scheme, the builder's financiers, usually a bank places an undertaking that if the buyer backs out of the contract for an acceptable reason (in practice when the yard becomes insolvent) and the builder yard fails to refund the advance payments, the builder bank will refund those monies on behalf of the builder.

i. Chinese Bank Refund Guarantee

The situation is a bit different for Chinese banks. Usually, they expect parties to a contract to commence arbitration in as little as few days to one month. Because of the banks' position, buyers must permit their lawyers to proceed to initiate arbitration proceedings within the required time.

Owing to the likelihood of having many pending disputes before the tribunal was established, starting the proceedings of arbitration, and constituting an arbitral tribunal within few weeks may not be feasible. However, there may be an exception. Arbitrations conducted under some of the arbitration rules that shipbuilding disputes currently employ such as the CMAC Rules 2018 and the ICC Rules 2017 allow parties to the dispute to access interim relief within the process of arbitration by appointing an emergency arbitrator.

Parties to the dispute who are using the CMAC Rules 2018 and ICC Rules 2017 ¹⁵who opt to apply English law, can rely on Section 38 and Section 39 of the Arbitration Act 1996 for an emergency tribunal to convene to adjudicate and give directions concerning the repayment under the refund guarantee where the subject matter falls. In this case, the emergency arbitrator can even give directives that those refund guarantees be made

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¹⁵ Article 27.1 and Appendix III of the CMAC Rules 2018 and Article 29 and Appendix V of the ICC Rules 2017 provide for Emergency Arbitrators

as security for costs and deposited into escrow accounts to be paid out once the dispute is adjudicated and a final award issued¹⁶.

ii. Restraining the Call of a Refund Guarantee

Another example, concerning refund guarantees, is an injunction to restrain the call upon a refund guarantee issued by the Yard's Bank.

There are several types of refund guarantees that fulfil the role of security. One such type of refund guarantee is an "on-demand" refund guarantee. Over time, the traditional wording of refund guarantees gave rise to guarantees that were payable on "demand" or "by first demand". These types of guarantees, therefore, became payable on demand without the need for substantial evidence of the yard's default.

As such, it is not surprising that a yard would look to restrain the payment of a refund guarantee before the completion of arbitration to preserve their rights. It is at this juncture that yards usually look for injunctive relief to prevent the calling of the bond before the commencement of the arbitration.

Since tribunals lack the coercive power of an injunction due to granting interim measures in the form of procedural orders incapable of being enforced under the New York Convention 1958¹⁷, parties would have to rely on section 44(2)(e) of the Arbitration Act 1996 and seek recourse to the courts for injunctive relief to preserve assets.

The general rule would be to enforce the bond. However, the Courts have granted injunctions based on two established grounds, namely fraud on the party that there was

¹⁷ Articles 17H and 17I of the UNCITRAL Model Law on International Commercial Arbitration 1985 (with amendments as adopted in 2006) also allows recognition and enforcement of interim reliefs issued in the form of an interim award, which may be enforceable under the New York Convention 1958.

¹⁶ See e.g., ICC Case No. 8307 (2001) (2011) ICC Bulletin, Special Supplement: Interim, Conservatory and Emergency Measures in ICC Arbitration", vol. 22, p. 8 (stating that "[Respondent 1] shall within Applications for Security for Costs thirty days from the date of this Interim Award put up a security in favour of [Respondent 2] in the amount of…in the form of a guarantee issued by a first class bank having offices in Geneva (the place of arbitration).")

a default on behalf of the yard¹⁸ and where the written demand placing a call upon the bond is itself deficient¹⁹.

If the Yard can show that the call is either fraudulent or deficient it can seek for injunctive relief by applying to the High Court to restrain the call on the refund guarantee and preserve the status quo pending a final award by an arbitral tribunal.²⁰

II. Parties to A Dispute

A shipbuilding contract is usually between a buyer and a builder. However, several other parties also have roles to play while executing the contract and who will be involved if a dispute arises from the contract.

Such parties include naval architects who are responsible for the plans and drawings of the ship; classification societies, who are responsible for approvals as well as subcontractors who are expected to make specific equipment such as the propelling system, deck cranes and navigation system available.

Usually, the builder will agree to offer a warranty to assure the vessel, which covers machinery and equipment. Because of this obligation to the buyer, if there is a dispute, the litigation will oppose the two parties to the shipbuilding contract. However, if the defects discovered are due to other parties such as the subcontractor or supplier, the builder will accept no responsibility but will rather want the subcontractor or supplier to be liable for the defect. By so doing, the scope of the dispute will expand.

In the middle of all this, the subcontractor or the supplier too may have crossclaims against the shipbuilder. An instance is a situation where a builder is aware that a naval

¹⁸ Edward Owen Engineering Limited v Barclays Bank International Limited [1978] 1 QB 159 (CA)

¹⁹ In Franz Maas (UK) Limited v Habib Bank AG Zurich [2001] Lloyd's Rep 14 a call could be made on the bond in writing where the principal "had failed to pay... under [its] contractual obligations". The demand stated that there had been a failure "to meet contractual obligations".

²⁰ 'Interim Court Assistance in Arbitral Proceedings Under Section 44 Of the Arbitration Act 1996: A Reducing or Expanding Jurisdiction?' (*Arbitration Blog*, 2019)

http://arbitrationblog.practicallaw.com/interim-court-assistance-in-arbitral-proceedings-under-section-44-of-the-arbitration-act-1996-a-reducing-or-expanding-jurisdiction/ accessed 7 November 2019.

architect or a subcontractor was going to going to dispose of his assets and as such wants to buy them and get the important documents to guarantee his rights.

As discussed above, a tribunal/court needs to grant an interim measure because of these reasons;

- That the relief sought is urgently²¹ required
- The status quo ought to be preserved
- A party cannot be allowed to increase the weight and length of an arbitration
- That the final award must be enforceable.

A party to the dispute can rely on any of these criteria to apply to procure an interim measure for the inspection, preservation and custody of evidence from the arbitral tribunal to guarantee the continuous availability of evidence, which is relevant to the dispute. Most arbitration rules allow for this. However, this only applies to evidence held by parties in arbitration and excludes third parties like a naval architect or subcontractors.

In other words, the power wielded by the Tribunal is obtained from parties to an arbitration agreement and they have no powers vis-à-vis third parties²². Therefore, only the courts are empowered by law to order, for instance, a search on a third party's premises or offices for documents even if the parties in a dispute give that power to the Tribunal.

Similarly, there is no power of a tribunal to force third parties to a shipbuilding dispute, through an order, compelling them to produce or preserve evidence. Our submission in this regard is that the courts can come to the aid of a tribunal in effecting an order against a third party²³. Section 44 2(b) of the Arbitration Act 1996 lends credence to

²¹ Cetelem SA v Roust Holdings Limited [2005] EWCA Civ 618, Article 17 (2) Model Law

²² See ICC Case 10062 (2000) in (2011) ICC Bulletin, Special Supplement: Interim, Conservatory and Emergency Measures in ICC Arbitration, vol. 22, p. 31 ("[a]ny award made by an arbitral tribunal, be it final or interim, may only address the parries of the arbitration agreement and any award involving third persons is a domain strictly reserved to state courts and, may, consequently, not be awarded by this arbitral tribunal.") See also, ICC Case 14287 in (2011) ICC Bulletin, Special Supplement: Interim, Conservatory and Emergency Measures in ICC Arbitration, vol. 22, p. 78

²³ Article 27 of UNCITRAL Model Law 2006, IBA Rule Article 4(9). Also, for example jurisdictions like the French courts consider that their jurisdiction will be justified if the situation is urgent —where a state of urgency has been duly established, the existence of an arbitration agreement cannot prevent

the fact that the courts can grant interim orders for the preservation of evidence. Therefore, the Courts thus have the power to compel a third party to provide evidence in aid of a shipbuilding arbitration dispute.

Parties to arbitration are also capable of seeking a court order under section 44 (2) (e) of the Arbitration Act 1996 for a prohibitive interim injunction to prevent the loss of evidence to preserve the strength of their case.

III. Cancellation of Contracts and Delays in Construction of Vessels

The third major area of dispute within shipbuilding contract arbitration is, of course, the cancellation or delay of the delivery of a vessel.

There have been many disputed shipbuilding contract cancellations as collapses in asset values, chartering revenues have forced buyers to reassess their order books, and shipyards have sought to hold reluctant buyers to the terms of their contracts.

As the shipping industry rests on turnaround speed and is popular for its fast-paced nature, disputes arise also about the conformity of the vessel when completed to the specifications agreed upon in advance between the contract parties.

As a dispute progresses to arbitration, parties involved can naturally find that the buyer was correct in rejecting the vessel and award damages. However, such damages are a paltry return as they are often restricted to the only repayment of the instalment plus interest. This is scant compensation to the buyer, especially where the vessel sale value increases. Of course, the most palatable remedy for the buyer would be that the vessel is delivered without the technical issue or at least at a reduced price.

It is common sense therefore that the risk to the buyer is generally lower if technical issues are discovered at a more nascent stage, as the dispute is generally more easily settled within the contractual framework. Naturally, parties will have a substantial advantage if the shipbuilding contract contains an arbitration clause providing for expedited arbitration proceedings for pre-delivery disputes. In those circumstances, the

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the exercise of the powers of the courts to grant interim relief (CA Paris 12 December 1990, Bull. Joly 1991) 595

buyer can seek recourse to an arbitral tribunal to obtain an urgent interim declaration that the builder must rectify the defect without fear that the contract will be terminated. Provided that the parties have not agreed to the contrary, arbitrators have the power to grant interim measures which require a party to take, or refrain from taking, specified actions²⁴. This would include rectifying the ship defect. The pressure is then on the builder since it must decide whether to continue with construction and risk having to give in to the buyer's demands.²⁵ There is also benefit to the builder in agreeing to an expedited procedure for pre-delivery arbitrations since it will also benefit from having certainty at a much earlier stage as to how the defect will be rectified and how financial issues would be resolved.²⁶

Recommendation

Parties to shipbuilding arbitral disputes may need to seek interim measures of protection to protect their rights before the issuance of a final arbitral award. But the LMAA and TOMAC rules which are popularly used in shipbuilding contracts lack relevant provisions on interim measures. It is suggested that these rules be reviewed to include the latest and most innovative interim measures that are available to a tribunal to adjudicate disputes in shipbuilding contracts.

Another deficiency of interim relief granted by arbitral tribunals, particularly in many shipbuilding disputes is that interim reliefs are not issued unless an arbitral tribunal is constituted. Hence, the need for emergency arbitrators. Again, the LMAA Rules, TOMAC as well as the SCMA Rules, all three rather popular arbitration rules used in the shipbuilding industry, lack provisions for emergency arbitrators. Perhaps considering its importance, these arbitration rules ought to include procedures for emergency arbitration in line with other common shipbuilding arbitration rules such as CMAC Rules 2018 and ICC Rules 2017.

If these recommendations are adopted by the TOMAC, SCMA and LMAA arbitration rules, it will foster a better appreciation of Section 44 (5) of the Arbitration Act 1996

²⁴ Commentary on Article 5, Paragraph (ii) (ii), International Arbitration Practice Guideline - Application for Interim Measures' (*Ciarb.org*, 2019) https://www.ciarb.org/media/4194/guideline-4-applications-for-interim-measures-2015.pdf accessed 7 November 2019.

²⁵ 'Arbitrating Disputes Under Shipbuilding Contracts (n 2)

²⁶ Ibid

that aims to provide a hands-off approach by the High Court i.e. that the court shall act only if the tribunal has no power or is unable for the time being to act effectively.

Conclusion

In conclusion, it is beyond doubt that the interim measures in arbitration have a deep impact on shipbuilding disputes to aid it to become more effective in procuring a fair settlement for all parties involved. We believe that this analysis of interim arbitration measures in shipbuilding disputes have identified strengths and weaknesses and developed some ideas on how to improve the arbitration process in a bid to further strengthen the notion that arbitration is a viable alternative to the litigious nature of a national court.

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