AN APPRAISAL OF ARBITRATION AS A DISPUTE RESOLUTION MECHANISM IN MARITIME CLAIMS IN NIGERIA UNDER INTERNATIONAL LAW

BY

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DECLARATION

I hereby declare that this work is the product of my own research efforts; undertaken under the supervision of Professor Lawrence Atsegbua SAN and has not been presented elsewhere for the award of a degree or certificate. All sources have been duly distinguished and appropriately acknowledged.

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CERTIFICATION

This is to certify that the research work for this dissertation and the subsequent preparation of this dissertation by **Anuoluwapo ADE-AKINBAMI** (**LAW2006576**) were carried out under my supervision.

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DEDICATION

This work is dedicated firstly to God almighty who has held me from my cradle days to this very moment and has blessed me with every good thing to be able to achieve this feat.

Also, I dedicate this work to my amazing parents, Pastor and Pastor Mrs. Ademola Akinbami who have been a solid support system and have contributed immensely with their love, finances, prayers and time to my life and to my wonderful siblings Ayomikun, Ayomipo and Adetomiwa,

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.

TABLE OF CASES

TABLE OF STATUTES

Nigeria

Admiralty Jurisdiction Act 1991

Arbitration and Conciliation Act 1988

Arbitration and Mediation Act 2023

Arbitration Ordinance Act of 1958

Constitution of the Federal Republic of Nigeria 1999

Federal Supreme Court (General Provisions) Ordinance of 1955

Merchant Shipping Act 2007

Nigerian Maritime Administration and Safety Agency Act 2007

Foreign

Colonial Courts Admiralty Act 1890

English Arbitration Act of 1889

Singapore International Arbitration Act 1994

UK Arbitration Act 1996

Vice Admiralty Courts Act 1863

International

Hague Rules 1924

Hague-Visby Rules 1968

Hamburg Rules 1978

New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958

Rotterdam Rules 2008

The United Nations Convention on the Carriage of Goods by Sea 1978

The United Nations Convention on the Law of the Sea 1982

United Nations Commission on International Trade Law

ABBREVIATIONS

AAA	American Arbitration Association
ADR	Alternative Dispute Resolution
AMA	Arbitration and Mediation Act
CMAC	China Maritime Arbitration Commission
GMAA	German Maritime Arbitration Association
HKIAC	Hong Kong International Arbitration Centre
ICC	International Chamber of Commerce
ICJ	International Court of Justice
LCA	Lagos Court of Arbitration
LCIA	London Court of International Arbitration
LMAA	London Maritime Arbitration Association
MAA	Maritime Arbitration Association of the United States
MAAN	Maritime Arbitration Association of Nigeria
NICARB	Nigerian Institute of Chartered Arbitrators
NIMASA	Nigerian Maritime Administration and Safety Agency
NNPC	Nigerian National Petroleum Corporation
NPA	Nigerian Port Authority
SCMA	Singapore Centre for Maritime Arbitration
SIAC	Singapore International Arbitration Centre
TAMARA	Transport and Maritime Rotterdam-Amsterdam
UK	United Kingdom
UN	United Nation
UNCITRAL	United Nations Commission on International Trade Law
UNCLOS	United Nations Convention on the Law of the Sea
VMAA	Vancouver Maritime Arbitration Association

TABLE OF CONTENT

CHAPTER FOUR: RECOMMENDATIONS AND CONCLUSION

ABSTRACT

Maritime trade remains the lifeblood of global commerce, yet the disputes that arise from it demand swift, specialized, and reliable mechanisms of resolution. This project dives into the effectiveness of arbitration as a tool for resolving maritime claims in Nigeria, a jurisdiction whose strategic coastal economy makes efficient dispute settlement indispensable. Anchored in the framework of international maritime law, the study probes Nigeria's legal and institutional structures for maritime arbitration and evaluates their conformity with global benchmarks such as the UNCITRAL Arbitration Rules and key instruments.

Through this inquiry, the research uncovers fundamental strengths and persistent gaps within Nigeria's arbitration landscape, offering a nuanced assessment of its capacity to support modern maritime activity. The study's significance extends beyond theoretical contribution; by situating Nigeria's experience within comparative international practice, it highlights reforms needed to enhance procedural efficiency, promote investor confidence, and align domestic mechanisms with international best standards.

Employing a doctrinal methodology, the project draws on statutes, conventions, case law, arbitral decisions, and institutional rules, supplemented by comparative and analytical perspectives. This approach enables a thorough and systematic appraisal of the legal issues at stake. Ultimately, the research not only advances the understanding of maritime arbitration in Nigeria but also provides practical insights that may shape future legislative and institutional developments.

CHAPTER ONE

GENERAL INTRODUCTION

1.1. BACKGROUND TO THE STUDY

The sea has always been central to the development of international trade. From the earliest days of human civilization, maritime routes facilitated the exchange of goods, culture, and ideas. In modern times, the sea continues to be the lifeline of global commerce. According to the United Nations Conference on Trade and Development (UNCTAD), more than 80 percent of global trade by volume and over 70 percent by value is carried by sea[1]. In fact, maritime trade can be attributed to be the backbone of international commerce.

More than half of the oxygen needed by living organisms is produced by marine bio diversity, which also helps to moderate the weather and climatic condition on earth[2].In the twenty first century, the worldwide maritime sector has gained greater significance following globalization, advancements of science and technologies. Maritime areas contain huge viability that could sustain the world's economy such that it is referred to as the "blue gold" or "blue economy"[3].Maritime shipping accounts for 90% of international commodity trade traffic, in addition to deposits of living and non-living resources found

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1 UNCTAD, *Review of Maritime Transport 2023* (UNCTAD 2023).

2 Duffy, J. & Godwin, Casey & Cardinale, Bradley, Biodiversity Effects in the Wild are Common and as Strong as Key Drivers of Productivity. *Nature International Journal of Science* (2017) 261-264. <https://www.researchgate.net/publication/319508922_Biodiversity_effects_in_the_wild_are_common_and_as_strong_as_key_drivers_of_productivity > accessed 30 September 2025

3 < https://sustainabledevelopment.un.org/content/documents/2978BEconcept.pdf > accessed 30 September 2025

in various maritime spaces[4]. The contemporary vitality of maritime domain is traced to the historical perception of sea dominance as a symbol of political power. The consciousness of economic importance of maritime shipping came to lime-light in the post-world-War II era during which various sea-routes were discovers as leading to expanded markets to promote capitalism[5]. Merchants are said to have been the founders of maritime practice as they navigated the sea to boost mercantile trade and in the process discovered other territories. Thus operation of the World Maritime Industry is in the hands of private individuals and groups, while nation-states played the role of boundary delimitation and enforcement of developmental laws[6].

With the emergence of maritime practice arises the inevitability of disputes such as cargo disputes, charter party disputes, oil spills, ship collision, piracy, even between nations over borders, damage to the environment, etc. The resolution of such disputes is integral for sustaining the efficiency, stability, and predictability of maritime commerce. Generally, disputes in maritime transactions were resolved through litigation before municipal courts. Litigation is the process of carrying on a law suit[7]. Very rarely were other resolution mechanisms considered. In Nigeria, litigation that involves shippers and providers of shipping services have consistently been long drawn and, sometimes, inclusive, leaving either the plaintiff or the defendant and even both parties, in some

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4 Abdullahel Bari, *Our Oceans and the Blue Economy: Opportunities and Challenges* (2017) (5 – 11) Procedia Engineering. 194.

5 Sophus Reinert and Robert Fredona, '*Merchants and the Origins of Capitalism*' (Working Paper 18 021, Havard Business School 2017) 2-10.

6 Ekpo Imoh, 'Impact of Shipping on Nigerian Economy: Implications for Sustainable Developmen*t'* (2012) 2(7) *Journal of Educational and Social Research* 107-109.

7 ABA Gumel, *'Trends in the Adjudication of Maritime Cases: The Experience of a Trial Court Judge*" (2003)1 NJML, 58.

situations, feeling short changed. Maritime disputes are often regarded as unique due to the fact that they often involve cross border elements. Ships registered in one state may be owned by nationals of another state, insured in a third state, and chartered by parties from yet another jurisdiction. This multiplicity of connections complicates the choice of law and forum for dispute resolution[8].

Over time, people began to get enlightened through education that there was an increasing need to resolve disputes through alternative mechanisms such as arbitration and this emanated from the fact that litigation has often been criticized for being time-consuming, costly, and inflexible, especially in cases involving international parties[9].

Arbitration has therefore emerged as the preferred mechanism for resolving maritime disputes. Arbitration offers parties procedural flexibility, the opportunity to select arbitrators with specialized expertise in maritime law, confidentiality, and the assurance of international enforceability of awards[10] through instruments such as the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards which has been ratified by over 170 states including Nigeria and ensures that arbitral awards enjoy near-universal recognition and enforcement[11]. This gives arbitration a clear advantage over litigation.

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8 D Joseph, *Jurisdiction and Arbitration Agreements and their Enforcement* (3rd edn, Sweet & Maxwell 2015) 15.

9 A Redfern and M Hunter, *Law and Practice of International Commercial Arbitration* (5th edn, Sweet & Maxwell 2009) 32.

10 *Ibid*

11 Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York, 10 June 1958) 330 UNTS 3.

At the international level, arbitration is deeply rooted within maritime law. The United Nations Convention on the Law of the Sea (UNCLOS) of 1982 establishes, within its framework for dispute resolution particularly under Annex VII arbitration as a mechanism to address disputes among states concerning maritime boundaries and the utilization of oceanic resources[12].Likewise, the international arbitral centres like the London Maritime Arbitrators Association (LMAA), the International Chamber of Commerce (ICC), and the United Nations Commission on International Trade Law (UNCITRAL) framed guidelines and mechanisms that govern maritime arbitration[13].These bodies have earned global credibility due to their specialized rules, experienced arbitrators, and established precedents. High profile state disputes such as the *South China Sea Arbitration (Philippines v China)*[14] demonstrate the importance of arbitration in maintaining order in the law of the sea.

Nigeria, recognized as the foremost oil exporter on the African continent and an influential participant in maritime trade, possesses a distinct interest in the efficacy of resolving maritime disputes.

Nigeria is blessed with a vast coast line having a stretch of about 850 square kilometres and navigable inland waters which flows into the West African Atlantic coast. The country’s advantageous positioning along the Gulf of Guinea, coupled with its reliance on the exportation of oil and gas, contributes to the prevalence of maritime disputes. The

12 United Nations Convention on the Law of the Sea (UNCLOS) (1982)

13 LMAA Rules 2021; ICC Arbitration Rules 2021; UNCITRAL Arbitration Rules 2013.

14 No 2013-19, ICGJ 495 (2016), Permanent Court of Arbitration [PCA]

Nigerian maritime industry though not fully harnessed already accounts for 120 million tons of maritime shipping[15]. Thus, frequency of occurrence of commercial transactions in the Nigerian maritime space implies frequency of maritime disputes[16] which calls for timely and viable intervention. Such conflicts typically emerge concerning charter party agreements, cargo claims, demurrage issues, collisions, oil pollution, acts of piracy, and boundary disputes.

Nigeria's maritime sector is regulated by a complex legal framework including the Arbitration and Mediation Act 2023[17], the Admiralty Jurisdiction Act 1991[18], the Merchant Shipping Act 2007[19], and the Nigerian Maritime Administration and Safety Agency *(NIMASA)* Act 2007[20]. In spite of these frameworks, arbitration in Nigeria records significant challenges. Nigerian parties often opt for arbitration in London or Singapore, thereby undermining local arbitration institutions and leading to capital flight[21]. Enforcement of arbitral awards in Nigerian courts is frequently delayed by technical objections and judicial intervention, despite Nigeria's obligations under the

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15 I Oraegbunam and C Okafor, 'Problems of Litigation in Settlement of Maritime Disputes for Nigeria Today: The Preference for Arbitration' (2013) *Nnamdi Azikiwe University Journal of International Law and Jurisprudence* 4(31-35).

16 A Rhodes-vivour, 'Arbitration in the Resolution of Maritime Disputes' (Paper Presented at the 11th Maritime Seminar for Judges on the 1st-3rd June, 2010) 3 < http://www.drvlawplace.com/media/arbitration maritime-disputes.pdf > accessed 1st October 2025.

17 Arbitration and Mediation Act, 2023 (No.10 of 2023), Laws of the Federation of Nigeria.

18 Admiralty Jurisdiction Act, Cap A5 Laws of the Federation of Nigeria (LFN) 2004

19 Merchant Shipping Act, 2007 (No. 18 of 2007), Laws of the Federation of Nigeria.

20 Nigerian Maritime Administration and Safety Agency Act 2007 (No. 17 of 2007), Laws of the Federation of Nigeria.

21 F Oditah, *Commercial Arbitration in Nigeria: The Legal Framework and Practice* (2019) Arbitration International 35(3) 465.

New York Convention[22]. Furthermore, the country lacks a specialized maritime arbitration institution comparable to the LMAA or SCMA.

Against this background, the current study provides an analysis of arbitration as a mechanism of dispute resolution in marine issues within Nigeria, particularly as guided by international law. Such an analysis will help identify flaws within Nigeria's legal landscape and recommend reforms that enhance the effectiveness of dispute resolution.

1.2. STATEMENT OF PROBLEM

Nigerian maritime disputes continue to rise following intensified international trade, oil exploration activities, and security issues within the Gulf of Guinea. Although arbitration provides an effective means of resolving such disputes, varying challenges inhibit its effective use within Nigeria.

Amongst the myriad of them, there exists a disconnect between Nigeria's law and internationally acceptable best standards with respect to maritime arbitrations. An example is Nigeria's ratification of the New York Convention despite its failure of serious implementation of arbitral enforcement due to judicial delays coupled with procedural complexities[23]. Another aspect is that Nigeria lacks a dedicated arbitral institution such as the LMAA or the Singapore Chamber of Maritime Arbitration

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22 *Statoil (Nigeria) Ltd v NNPC* (2013) 14 NWLR (Pt 1373) 1 SC.

23 *M. V. Lupex v Nigerian Overseas Chartering and Shipping Ltd* (2003) 15 NWLR (Pt 844) 469 SC.

(SCMA). Existing arbitral centres such as the Lagos Court of Arbitration and the Maritime Arbitrators Association of Nigeria are neither fully developed.[24]

Thirdly, the expertise of Nigerian arbitrators in managing intricate maritime disputes is still minimal. Maritime disputes often require arbitrators with specialized technical and legal knowledge of shipping, oil and gas, and international maritime law. However there exists a gap of expertise in the Nigerian maritime industry, thus most parties favour cross-border arbitration from overseas jurisdictions[25]. This trend not only depletes Nigeria's capability of arbitration but also contributes to the outflow of capital.

These issues bring into question the effectiveness of arbitration as an instrument of resolving sea disputes in Nigeria from an international law standpoint, hence the need for this study.

1.3.AIM AND OBJECTIVES OF THE STUDY

The overarching aim of this study is to undertake an effective analysis of arbitration as a dispute resolution mechanism of maritime matters in Nigeria against the backdrop of international law. This is a study that seeks to examine the adequacy, effectiveness, and challenges of Nigeria's legal and institutional frameworks against international best standards with a view to developing reform proposals.

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24 Maritime Arbitrators Association of Nigeria (MAAN), *About Us* (2022)< https://maan.org.ng > accessed 10th October 2025.

25 A Akinbola, 'Maritime Arbitration in Nigeria: Challenges and Prospects' (2018) *Nigerian Journal of Maritime Law* 12(2) 45.

OBJECTIVES

The objectives of this long essay are as follows:

i. To examine the concept and nature of maritime disputes and highlight why arbitration has become the preferred mechanism for resolving them in international commerce.

ii. To examine the legal framework for maritime arbitration in Nigeria.

iii. To analyse the international legal framework governing arbitration in maritime disputes, including treaties, conventions, arbitral rules, and the jurisprudence of international arbitral bodies such as UNCITRAL, ICC, and the LMAA.

iv. To identify challenges militating against the effective practice of maritime arbitration in Nigeria, and propose solutions.

v. To highlight policy and legal recommendations for cementing arbitration as a viable and effectual dispute resolution technique for maritime disputes in Nigeria.

1.4.SCOPE AND LIMITATIONS OF THE STUDY

This long essay is confined to appraising the effectiveness and operation of arbitration in maritime disputes under Nigerian jurisprudence with an interface on international law. The existing legal and institutional framework in Nigeria will be examined in lieu of international practices. While related processes like conciliation and mediation especially as defined within the Arbitration and Mediation Act 2023 may be noted, the predominant focus is upon arbitral proceedings.

Moreover, the study does not include only purely domestic disputes unrelated to maritime commerce. The essay does not in any matter or form employ empirical work, data collection or field work and while recourse may be made to economic and political frameworks where germane, the appraisal is primarily legal in character.

Limitations noted include the scarceness of available Nigerian case law on maritime arbitrations stemming from the confidentiality of arbitral proceedings.

1.5.SIGNIFICANCE OF THE STUDY

The significance of this study lies in its academic, practical, policy, and economic contributions to the field of arbitration and maritime law. From an academic perspective, the research contributes to existing scholarship by filling a notable gap in literature. While arbitration has been widely studied in the context of international commercial disputes, relatively little attention has been paid to its role in maritime disputes in Nigeria under the framework of international law. This study therefore provides fresh insights and a deeper understanding of how arbitration operates in the Nigerian maritime sector, and how it compares with international best practices.

Apart from its academic relevance, this essay matters to legal practitioners, arbitrators, and judges who are actively involved in resolving maritime disputes. By critically examining Nigeria’s legal and institutional framework alongside international conventions and arbitral rules, the research provides a guide to navigating arbitration processes in maritime matters. It further sheds light on the common challenges encountered in enforcement, jurisdiction, and procedure, thereby equipping practitioners with knowledge that can improve dispute resolution in practice.

Finally, within the broad canvas of international law, the study contributes to the international discourse on the use of arbitration as a means of resolving maritime disputes. It puts Nigeria's experiences against the backdrop of the international legal system while providing comparative insights drawn from other legal systems. In doing so, it offers perspectives that could not only advance Nigeria's interests but also add fuel to discourses on improving arbitration approaches across emerging maritime jurisdictions.

1.6. RESEARCH METHODOLOGY

The methodology adopted for this research is primarily doctrinal, also known as library-based research. The study will therefore rely on primary sources such as statutes, international conventions, treaties, case law, and institutional rules governing arbitration in maritime disputes. Judicial decisions of Nigerian courts, as well as arbitral tribunals and international case law, will also be consulted in order to provide practical illustrations of how arbitration operates in maritime disputes.

In addition to these primary sources, the research will also make extensive use of secondary materials such as textbooks, journal articles, law reports, conference papers, and official publications from both national and international organizations. These secondary materials will help to provide scholarly opinions, critical perspectives, and comparative insights on arbitration and maritime law. Online legal databases, including HeinOnline, Westlaw, LexisNexis, and Nigerian-specific repositories such as Law

Pavilion, will be utilized to access up to date information. Also, Artificial Intelligence will be minimally utilized though painstakingly cross checked and verified.

The study approach is overwhelmingly comparative and analytical. It shall be analytical in that it will exercise an extremely thorough analysis of the advantages and disadvantages of Nigeria's legal and institutional regime concerning maritime arbitration, and comparative because it shall draw lessons from other jurisdictions like the United Kingdom and Singapore that have established strong regimes of maritime arbitration. In this way, the study shall endeavour to place Nigeria's practices within the wider international law context and discern best practices that may be adopted at home.

This methodology is adequate to achieve the objectives of the study, as it allows for a comprehensive and critical appraisal of the legal issues involved.

CHAPTER TWO

CONCEPTUAL AND LEGAL FRAMEWORK

2.1. INTRODUCTION

This chapter sets the foundation for understanding the core legal and conceptual terms relevant to this research. It defines key concepts such as arbitration, maritime disputes and international law while also examining the applicable legal frameworks in both Nigerian and international frameworks.

2.2. CONCEPT OF ARBITRATION

Arbitration is a form of Alternative Dispute Resolution (ADR) mechanism used in resolving dispute without reference to a formal court procedure. It has been described as the reference of a dispute between two or more parties for determination by a person besides a court of competent jurisdiction, in a semi-judicial manner, after hearing both sides.[1] It is a legal technique for the resolution of disputes outside the courts, wherein the parties to a dispute refer it to one or more persons (the "arbitrators", "arbiters" or arbitral tribunal"), by whose decision (the "award") they agree to be bound[2]. Simply put, arbitration is a form of dispute resolution, where parties can avoid settling their disputes in the public traditional means of litigation. The concept of ADR is a phenomenon that has been utilized by mankind as early as the time of the ancient civilization of Egypt, Mesopotamia and Assyria[3]. In fact, arbitration as a method for dispute resolution has a long and complex history. King

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1 A Asouzu*, International Commercial Arbitration and African States: Practice, Participation and Institutional Development* (Illustrated, Cambridge University Press 2001) 5.

2 Business Bliss Consultants FZE, 'What is Arbitration?' (Lawteacher.net,September 2025)

3 J Thomas, Admiralty and Maritime Law: Cases and Materials (1st edition, Charlottesville Va 1984) 1.

Solomon's decision to "split the baby" is the first recorded arbitration decision[4]. The use of arbitration veraciously expanded in the formal law of the Romans, in early Judeo-Christian communities, in Islamic law, and in the settlement of commercial disputes of the Middle Ages[5].

ADR refers to methods "generally and procedures used to resolve disputes either as alternatives to the traditional disputes resolution mechanism of the court or in some cases as supplementary to such mechanism".[6]This concept of ADR was given a precise definition in the Black's Law Dictionary as "a procedure for settling a dispute by means other than litigation such as arbitration or conciliation"[7] Also, the Australian National Alternative Dispute Resolution Advisory Committee-(NADRAC) broadly defines it as "processes, other than judicial determination, in which an impartial person (an ADR practitioner) assists those in a dispute to resolve the issues between them."[8]

Arbitration has been described as one of the foremost ADR mechanisms that is known for its procedural flexibility which allows parties to engage in an efficient, confidential and fair process leading to a final, binding and enforceable award. An arbitral award has a similar effect as the judgment of a court[9]. Arbitration awards are enforceable in over 150 countries around the world due to the application of the New York Convention on the

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4 1Kings 3:16-28, King Solomon is known for the judgment he passed when the two women came before him both claiming to be the mother of the same child.

5 D Nolan, Labor Arbitration Law and Practice 2-3 (West Publishing Co.1979);Randy Linda Sturman, House of judgment: Alternative Dispute Resolution in the Orthodox Jewish Community,36 CAL. W.L.REV. 417,418 (2000)

6 B Adesina, 'Customary and Modern Arbitration in Nigeria: A Recycle of Old Frontiers' (2014) 2 *Journal of Research and Development* 50-58.

7 Bryan A. Garner, Black's Law Dictionary (Ninth Edition Thomson West 2009) 9.

8 Melissa Lewis and Les McCrimmon 'The Role of ADR in Criminal Justice System: A View from Australia' (2005), (ALRAESA Conference, Uganda 4-8 September 2005) 2

9 *Ras Pal Gazi Construction Company Ltd V FCDA* (2001) 10 NWLR Part 722, 559.

Recognition and Enforcement of Foreign Arbitral Awards (the New York Convention). The Supreme Court of Nigeria in *M.V. Lupex v Nigerian Overseas Chartering & Shipping Ltd*[10] recognized arbitration as a legitimate method of dispute settlement. The court emphasized that parties who voluntarily submit disputes to arbitration must be held to their bargain.

In international law, arbitration provides a neutral forum where parties to maritime contracts can resolve disputes without resorting to the national courts of one party. Its nature is consensual, neutral, flexible, confidential, and final, since arbitral awards are binding and widely enforceable under the New York Convention of 1958. Arbitration is not a new phenomenon in Nigeria and can be traced to our rudimentary and customary way of resolving disputes. In *Okpuruwu v Okpokun*, the Honorable Justice Oguntade JCA (as he then was) observed thus:

> In the pre-colonial times and before the advent of the regular courts, our people [Nigerians] certainly had a simple and inexpensive way of adjudicating over disputes between them. They referred them to elders or a body set up for that purpose. The practice has over the years become strongly embedded in the system that they survive today as custom[11]

Arbitration may be classified in many ways and this classification includes domestic arbitration, international arbitration, institutional and ad hoc arbitration. Ad hoc arbitration, typically characterized by party autonomy and flexibility, is contrasted with institutional arbitration, where the arbitral process is supervised by recognized institutions. In ad hoc arbitration, the parties have a wide autonomy to determine the rules of procedure and select arbitrators without any interference by an external institution. This method is often chosen

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[10] n 23

[11] [1998] 4 NWLR Pt 90, 554 at 586.

for its streamlined approach and the ability to tailor the arbitration process to the specific needs of the dispute[12].

On the other hand, institutional arbitration is regulated by specialist arbitration institutions such as the International Chamber of Commerce (ICC), the American Arbitration Association (AAA), the London Court of International Arbitration (LCIA) and the Lagos Court of Arbitration (LCA). These organizations provide pre-agreed rules and procedures, and administrative support, which can enhance the efficiency and consistency of the arbitration process. Institutional arbitration is occasionally preferred for its formal attitude and the fame of the governing institution, which can provide additional fairness and professionalism. But the institutional structure is supported by greater expense and less flexibility than under ad hoc arbitration. According to a study by the Queen Mary University and Price Waterhouse Coopers[13], 86% of arbitration awards rendered arose from institutional arbitration, in comparison with 14% made in ad hoc proceedings.

Also, we have domestic arbitration, which is arbitration practiced within a single country, involving parties bound by the same national legal system. As opposed to international arbitration among parties across different nations, where there are disputes caused by cross-border transactions or investments. It is important to note that international arbitration is governed by international treaties, conventions, and rules, such as the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards. The distinction influences much of the arbitration process, including the governing legal framework, rules of procedure, and the enforceability of arbitral awards.

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12 J Gross, Arbitration archetypes for enhancing access to justice, Fordham Law Rev 2020

13 http://www.pwc.co.uk/en_UK/uk/assets/pdf/pwc-international-arbitration-2008.pdf accessed 30th September 2025

Over all, arbitration possesses the key features of party autonomy, neutrality, confidentiality, finality, flexibility and enforceability and this is why arbitration is not considered as ADR per se because of its unique characteristics.

2.3. CONCEPT OF MARITIME DISPUTES

Disputes are unavoidable in any societal context. Human beings are bound to disagree on and at almost every point in life, as long as they interact[14]. Man has been referred to as a gregarious animal and hence disagreements should occur in the process of co-existence and interaction in daily activities. The same goes for the maritime sector. There are a myriad of key players involved in the maritime sector and this includes ship owners, charterers, the crew, insurance companies, port administrators, dock workers, inspection agents, bankers, sellers and buyers. Thus, the many contractual relationships generated thereby are potential sources of disputes in the sector[15]. Maritime disputes cover a wide range of areas such as charter parties, bills of lading, sale of ships, ship financing, ship building contracts and contracts of marine insurance. Such disputes usually span oceans and are international in nature[16]. Disputes may also ensue between parties who are not bound by an agreement. For instance, ship collision or contact damage arising at the ship berth or involving a third party may result in disputes.

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14 K Alna, The Multi-door Court House Concept: a Silent Revolution in Legal Practice' (June 2008) 6 (1) NBLPJ

15 A Rhodes- Vivour, The Agreement to Arbitrate- A Primary Tool for the Resolution of Maritime Disputes' (2008)

16 A Rhodes-vivour, Arbitration in the Resolution of Maritime Disputes.

By its nature, maritime dispute may be a simple disagreement or a complex, multi-party, multi-jurisdictional disagreement worth millions of dollars[17].

In essence, maritime disputes are those arising out of the use of the sea, shipping activities, and marine resources. They are admiralty law-based disputes, international maritime conventions, and commercial shipping custom disputes. Because maritime commerce by its nature is international, with ships, cargo, and parties from different jurisdictions, such disputes often transcend national boundaries and give rise to complex legal problems requiring neutral and enforceable dispute resolution mechanisms, most prominently arbitration.

Maritime activities constitute a vital sector of the Nigerian economy. Having a coastline of approximately eight hundred and fifty three kilometres, Nigerian maritime infrastructure and facilities also include ports, and inland waterways of about three thousand kilometres[18].

Nigeria shipping industry accounts for approximately 120 million tones mile (approximately 0.13% making up part of the world aggregate and at the same time playing an integral role in the national economy, second only to petroleum. Nigerian port, specifically, is an integral source of nation's revenue, and given the spate of activities within the sector including that relating to incoming and outgoing cargo, maritime disputes are bound to arise. Therefore,

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17 N Coleman, 'Conflict and Compromise; Maritime Dispute Resolution' on GARD (27 July, 2017)

18 A Rhodes-vivour, *Maritime Arbitration in Lagos* (International Bar Association Conference, Hamburg Germany, 26th-28th April 2007) <htlp://www.drvlawplace.com/media/ maritimearbitration > accessed on 3rd October, 2025

maritime transactions and consequently maritime disputes are an ever present feature of the Nigerian commercial landscape[19].

In Nigeria, maritime claims may take any of the following forms; it may be a matter relating to propriety interest in a ship, any matter relating to a ship prior to 1991, ship related case which is subject to limitation of liability or matters arising from liability for offshore oil pollution. Cases may also arise from inland waters declared as national waterway; involve claims for loss or damage of goods in a federal port. Other potential causes of maritime disputes from which claims may arise include issues of constitution and powers of a government agency like the Nigerian Ports Authority or National Maritime Authority particularly concerning documentation of cargo, imported or exported. Maritime claims may also include criminal causes and monetary or non-monetary carriage of goods agreement[20].

Under Nigerian law, by the provision of the Admiralty Jurisdiction Act of 1991[21], a claim in maritime could be 'proprietary' or 'general' in nature. Proprietary matters are claims that affect the res or subject matter directly. While general claims solely affect the subject matter indirectly and may only arise out of dealings with the res. Proprietary claims may include claims relating to possession of a ship, title or ownership of a vessel or any part thereof, mortgage of a ship or any part thereof or mortgage of ship freight. On the flip side, potential general claims are innumerable and may comprise claims arising from collision, ship wreck, loss of life or personal injury, cargo loss, carriage of goods or vessel-hire agreements. General claims may also arise from salvage, pilotage, towage of ship or water-borne aircraft,

[19] Comment on Mrs Adcdoym Rhodes- vivour's Paper Titled: Arbitration in the Resolution of Maritime Disputes' A Paper Presented at the 11th Maritime Seminar for Judges on the 1st of June, 2010. A Compilation of Ministry of Justice Library, Awka p. 3.

[20] Rhodes-vivour (n42)

[21] Admiralty Jurisdiction Decree No 59, 1991, S.2(2).

claims regarding ship construction, claims arising from port charges, charter or agent agreement, insurance claims, claims for payment of crewmen, claims for enforcement of arbitral awards, proprietary maritime claims or claims for interest in proprietary maritime claims[22].

Apart from the general and proprietary claims, maritime claims may also take the form of a lien. This is due to the fact that upon registration of a ship, it acquires legal personality similar to that of a registered company. Therefore, a ship is perceived as a real property with distinct legal personality from its owners and not a personal property. As a result, maritime claim over a ship transcends its ownership. Such claims are known as liens. A lien related claim may either be maritime lien or statutory lien[23].A maritime lien may include salvage relating to life, cargo or wreck based found on land, claims for wages related damages by master or crew members[24],and claims by the master for disbursement of a ship's account[25].On the other hand, statutory lien includes claims arising from the supply of necessaries, claims for repair of ships and mortgage claims.

Maritime disputes also emanate in international frontiers. International maritime disputes refer to conflicts that arise between nations concerning the rights and responsibilities associated with maritime boundaries and navigation. These disputes often involve complex issues related to territorial claims, resource allocation, and the free passage of vessels through international waters. Maritime disputes are common where countries compete over inhabited and uninhabited Islands. Maritime disputes also involve the question of

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22 Ibid S 2(3).

23 n 45 (S. 59)

24 *Fernando & Ors v Owners of MV "Rhodesia Trader"* (1980 – 1986) 2 N.S.C. 339.

25 *Maxwell Ebube v Gold Star Line Limited* 4 N.S.C. 226.

sovereignty over certain islands. Two countries can claim the same Island or the same area of mainland as in the case between Nigeria and Cameroon. Cameroon had taken Nigeria to the International Court of Justice (ICJ) in 1994 over a dispute relating essentially to the question of sovereignty over the Bakassi Peninsula[26], which it claimed was in part under military occupation of Nigeria. Cameroon extended the subject of the dispute to include the question of sovereignty over Cameroonian territory in the area of the Lake Chad and the frontier between Cameroon and Nigeria from Lake Chad to the Sea. 1CJ decided on 10th October 2002 that sovereignty over the Bakassi Peninsula lies with Cameroon and that the boundary is delimited by the Anglo German agreement of March 1913. Maritime disputes are therefore common where countries compete over inhabited and uninhabited islands. Such disputed areas may often contain important natural resources, such as mineral resources.

Again, dispute may arise from overlapping entitlements to maritime rights and jurisdictions. Delimitation of maritime boundaries has for a long time become a lively issue because of the establishment by states of economic rights over areas of the sea. Most disputes can be categorized into three primary types: territorial disputes, navigation rights disputes, and resource exploration disputes. Each category poses unique challenges and reflects the intricacies of international law as it applies to diverse maritime scenarios.

2.4. ARBITRATION IN MARITIME DISPUTES

As already established, arbitration is the settlement of disputes between parties who agree not to go before the court but to accept the decision of a panel of their choice as final, in a

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[26] *H v Lukong*, The (Cameroon-Nigeria Border Dispute Management and Resolution 1981-2011 (Cameroon: Langaa Research & Publishing Common Initiative Group, 2011) p. 88.

place of their choice, usually subject to laws agreed upon in advance and usually under rules which avoid much of the formalities, proof and procedure required by the courts.[27] In the context of the wider international arbitration world, maritime arbitration is sometimes described as *"sectorial"*. It is identified in the International Bar Association (IBA) Guidelines[28] as a specific category of arbitration. Arbitration is often used to resolve maritime disputes, which are disputes that arise from the shipping industry and the reason for this is not difficult to conceive. Arbitration is popularly the favored method of resolving maritime disputes[29] and this is so because maritime disputes often span international borders. Parties to international contracts are reluctant to submit to foreign national courts, thus making the option of arbitration in the maritime field a preferable choice of private resolution of the dispute outside the National courts system.

Internationally, the origins of maritime arbitration can be traced as far back as voyages of ships owned by ancient Phoenicians carrying the cargoes of Greek traders[30]. Professor Tetley observed that arbitration may have existed in pre-historic times and was definitely practiced by about 1200A.D on the Atlantic and Northern coasts of Europe and in certain Mediterranean ports, where the customary lex maritime prevailed, in its two great medieval codifications, the Roles of Leron and the Consolato del Mare. He observed that recorded

[27] Rhodes-Vivour (n 40)

[28] IBA Guidelines on Conflicts of Interest in International Arbitration

[29] A Rhodes-Vivour, 10 Years of MAAN The Development of Maritime Arbitration in Nigeria: A Legal Perspective < 10-YEARS-OF-MAAN-The-development-of-Maritime-Arbitration-in-Nigeria-A-legal-Perspective.pdf >

[30] W Tetley, *Marine Cargo Claims* (4th edn, Carswell 1965 Vol. 1 chapter 28).

arbitral decisions have been traced back to those rendered in Latin and preserved in the greffe of Giraud Amalric, a notary in Marseilles, dating from as early as 1248 A.D[31].

Maritime arbitration is simply the process of resolving maritime disputes through arbitration[32]. The major maritime activity that often leads to disputes to be resolved by arbitration is the carriage of goods by sea[33].The other maritime activities under which disputes can be settled by arbitration include the financing, building, construction, sale, acquisition, or repair of ships; the deployment of ships; fishing; salvage; charter parties; damage to goods and liability therefore; damage to ship; lay days and demurrage including damage resulting from late entry to late access to the wharf, force majeure and maritime insurance.

The legal basis for arbitration in maritime disputes is founded on a combination of international conventions, national laws and institutional rules. It is a settled principle of law that where parties mutually consent in their agreement to resort to arbitration, the courts are bound to give effect to such voluntary agreement by referring the parties to arbitration[34]. There have been various pronouncements on this issue by Nigerian courts. For instance, in the case of *M.V. Lupex v. Nigerian Overseas Chartering and Shipping Ltd*[35] which related to a claim for damages for loss suffered by the plaintiff who was a charterer to the defendant under a charter party agreement, the Supreme Court appeared to have settled the matter when it held that it was an abuse of the court process for the respondent in that case to

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31 *Ibid*

32 Rhodes-vivour (n 40)

33 *Ibid*

34 Section 5 AMA 2023 and *Frontier Oil Limited v Mai Epo Manu Oil Nigeria Limited* (2005) 2 CLRN 148

35 M V Lupex (n23)

institute a fresh suit in Nigeria against the appellant for the same dispute during the pendency of the arbitration proceedings in London. The appellant in that case urged the Federal High Court to stay proceedings in the action filed by the respondent in view of 'clause 7' of the agreement entered into by the two parties which provided arbitration in London as the dispute resolution mechanism. The Federal High Court, however, refused to stay proceedings and that decision was affirmed by the Court of Appeal. On further appeal to the Supreme Court, the apex Court allowed the appeal and ordered a stay of proceedings. Iguh, JSC, while giving his judgment on the need for courts to enforce arbitration clause held thus:

> The law is settled that…[s]o long as an arbitration clause is retained in a contract that is valid and the dispute is within the contemplation of the clause, the court ought to give due regard to the voluntary contract of the parties by enforcing the arbitration clause as agreed by them[36]

A similar decision was adopted in *Onward Enterprises Ltd. v MV Matrix*[37], a case that related to a dispute with respect to the carriage of goods by sea from Bangkok, Thailand to Lagos and Port Harcourt in Nigeria. In this case, the Court of Appeal held that the courts should stay proceedings pending foreign arbitration based on the courts duty to enforce arbitration agreements. The Court of Appeal stayed proceedings pending the reference of the dispute to arbitration in London. The Court held inter alia as follows:

> *Once an arbitration clause is retained in a contract which is valid and the dispute is within the contemplation of the clause, the court should give regard to the contract by enforcing the arbitration clause… It is therefore the general policy of the court to hold parties to the bargain*

36 *Niger Progress Ltd. v North East Line Corporation* (1989) 3 NWLR (Part 107) 68 SC

37 (2010) NWLR (Part 1179) 350.

> *into which they had entered unless there is a strong, compelling, and justifiable reason to hold otherwise or interfere. In the instant case… [t]here is nothing to show that the arbitration agreement was imposed on the appellant. Since both parties entered into the agreement, same should therefore be binding on them."*

Therefore, a cogent ground for the use of arbitration in maritime disputes arises from arbitration clauses in bills of lading and charter parties[38].

Furthermore, at the international level, international conventions play a crucial role in the applicability of arbitration in disputes in the maritime sector.

2.5. INTERNATIONAL LEGAL AND INSTITUTIONAL FRAMEWORK GOVERNING ARBITRATION IN MARITIME DISPUTES

Due to the fact that conflicts arising from maritime relationships are inherently international; transcending state borders and demystifying geographical territories, the parties may submit any dispute that arises out of or in relation to their contract to any Arbitral institution within their domestic jurisdiction or in any other state of their choice. However, some arbitration rules have been specifically formed to cover maritime disputes, and some arbitration institutions are specifically concerned with only maritime disputes.

The international legal framework overseeing arbitration in maritime disputes is dependent on conventions, arbitral rules, institutional practice, and judicial precedent. Nigeria, as a major maritime nation, participates in this framework through ratification of international treaties and enactment of domestic legislation. There are a myriad of treaties that apply to arbitration internationally. However, international commercial arbitration is based on the duo of the

[38] *Niger Progress Ltd v North East Line Corporation* (1989) 3 NWLR (Pt 107) 68 SC, where the Nigerian Supreme Court upheld the enforceability of an arbitration clause in a bill of lading.

United Nations (UN) Commission on International Trade Law (UNCITRAL) Model Law and The New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958 among others.

The UNCITRAL model law which originated from a unification of relevant provisions from arbitration laws globally was adopted by the UN General Assembly in 1985. Over time, it has received universal acceptance in the international business domain as an acceptable international standard and yardstick which protects investors from being subjected to discriminatory dispute settlement provisions and unfair practices. The law lays down the principle of non-intervention[39] to the effect that in any matter to which the model apply, the domestic courts shall not interfere except as provided in the model law. Its extensive acceptance globally has aided recourse to arbitration for the settlement of maritime disputes globally.

The New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958 obliges contracting states to recognize written arbitration agreements and to enforce arbitral awards as binding, subject only to certain exceptions[40].The Convention is regarded as '*one of the most important and successful United Nations treaties in the area of international trade law, and the cornerstone of the international arbitration system'*[41]. With over 170 signing states, it ensures that maritime arbitral awards are enforceable across borders. Nigeria

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39 UNCITRAL Model Law on International Commercial Arbitration, G.A.. Res. 40/72, 40 U.N. G.A.O.R. Supp. (No. 17), U.N. Doc. A/40/17 (June 21, 1985), revised in 2006, G.A. Res., Article 5; This is the principle of non-intervention, adopted into various National Laws including the English Arbitration Act section (c) 1996.

40 United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York, 10 June 1958), Articles II & V.

41 Message from the Secretary of UNCITRAL' (United Nations Commission on International Trade Law), published on the< **newyorkconvention1958.org** > accessed 10th October 2025

ratified the Convention in 1970, and its provisions are domesticated under section 57 of the Arbitration and Mediation Act 2023. The Nigerian Supreme Court has consistently affirmed the binding force of arbitration agreements in maritime contracts, as seen in *M.V. Lupex v Nigerian Overseas Chartering & Shipping Ltd*,[42] where the Court stayed proceedings in favour of arbitration, thereby giving effect to international arbitral practice.

Additionally, the United Nations Convention on the Law of the Sea (UNCLOS, 1982) provides a framework for arbitration in state-to-state maritime disputes. Frequently referred to as the "constitution of the oceans," the United Nations Convention on the Law of the Sea (UNCLOS) is an extensive international agreement that creates the legal foundation for all marine and maritime operations. The agreement has been ratified by more than 160 nations since its adoption in 1982 and entry into effect in 1994[43]. Nigeria ratified UNCLOS in 1986, and as a coastal state in the Gulf of Guinea, it is bound by its provisions, including those on arbitration.

International conventions dealing with carriage of goods by sea also intersect with arbitration. The Hague Rules 1924[44], Hague-Visby Rules 1968[45], Hamburg Rules 1978[46] and Rotterdam Rules (2008) deal with the rights and liabilities of the carrier and shipper. Although, The Hague Rules and Hamburg Rules do not include provisions on arbitration, the time bar limits may impact on the application of arbitral clauses. On the other hand, The Hamburg Rules

42 M.V Lupex (n23)

43 R Carson (2018), The Deep water Horizon Oil Spill: Environmental and Legal Aftermath, *Environmental Impact Assessment Review,* 45, 45-53.

44 The International Convention for the Unification of Certain Rules of Law Relating to Bills of Lading, signed at Brussels, August 25, 1924 and in force June 2, 1931.

45 The Protocol to Amend the International Convention for the Unification of Certain Rules of Law Relating to Bills of Lading, signed at Brussels February 23, 1968 and in force June 23, 1977.

46 The United Nations Convention on the Carriage of Goods by Sea, 1978.

contain specific rules on arbitration. Article 22(2) provides that an arbitration clause in a charter party must be specifically incorporated by reference into the bill of lading by a special annotation for such a clause to be binding upon a holder who has acquired the bill in good faith. As a practice, arbitration clauses tend to be included in bills of lading and charter parties governed by such conventions. Nigerian courts have upheld such clauses, as in the more recent case of *NNPC v Fung Tai Eng.Co.Ltd*.[47], where the apex court delivered a judgment of significant relevance to the nation's arbitration jurisprudence to the effect that arbitration clauses should be upheld.

Arbitration in maritime disputes is also influenced by institutional rules and practices. The London Maritime Arbitrators Association (LMAA), the Singapore Chamber of Maritime Arbitration (SCMA), the Hong Kong International Arbitration Centre (HKIAC), and the Maritime Arbitrators Association of Nigeria (MAAN) offer specialized arbitration services for maritime disputes. The LMAA alone handles thousands of maritime cases annually and TheCityUK's 2024 report highlights London as the global epicentre for maritime arbitration, confirming its position with more disputes referred here than any other worldwide venue thus setting global standards for maritime arbitration. Nigeria's MAAN, though younger, reflects the country's effort to align with global practice by providing a specialized platform for maritime arbitration within its jurisdiction.

Judicial development in jurisdictions has equally entrenched arbitration in maritime law. In *Fiona Trust & Holding Corp v Privalov*[48] that concerned the scope and effect of arbitration clauses in eight charter parties in Shelltime 4 form made between eight companies forming

[47] (2023) 15 NWLR (Pt.1906) 117 SC

[48] (2007) UKHL 40

part of the Sovcomflot group of companies (which is owned by the Russian state) and eight charterers, the House of Lords provided that clauses invoking arbitration must be construed broadly so as to include all disputes that may arise out of the contractual relationship. This principle has been influential in maritime arbitration, where contracts such as charter parties and bills of lading give rise to diverse disputes. Nigerian courts too have taken a similar pro-arbitration stance, emphasizing the enforceability of arbitration agreements both at domestic law and international conventions. Although this is not without its lacuna and gaps to its enforceability and development in the practice of arbitration in resolving maritime disputes.

Over all, the international legal and institutional framework governing arbitration in maritime disputes can be referred to as a multi-layered system that includes international conventions such as the New York Convention and UNCLOS, procedural rules like the UNCITRAL Rules, substantive shipping conventions, institutional arbitral practices, and judicial precedent. Nigeria, by ratifying key instruments and reforming its arbitration law, has positioned itself within this framework, with the aim that maritime disputes arising in its jurisdiction are resolved in line with international standards. This framework guarantees that arbitration retains its position as the most reliable, neutral, and enforceable mechanism for settling maritime disputes in an increasingly globalized shipping industry.

CHAPTER THREE

ARBITRATION IN THE RESOLUTION OF MARITIME CLAIMS IN NIGERIA

3.1. INTRODUCTION

Nigeria is a coastal state strategically located on the Gulf of Guinea and is at the hub of West African maritime trade. Nigeria's seaports in Lagos, Port Harcourt, and Calabar handle a large volume of import and export transactions. Maritime disputes are, thus, inevitable and frequently arise out of contracts of carriage of goods by sea, ship charter parties, marine insurance, and other ancillary commercial relationships.

Arbitration has long been established and accepted as a suitable tool for the settlement of commercial disputes in Nigeria[1]. This is due to the fact that as far back as 1914, the English Arbitration Act of 1889 was made applicable to commercial disputes in the country and subsequently replaced with the Arbitration Ordinance Act of 1958[2]. Maritime arbitration appears to be one of the commonest aspect under which arbitration may arise in Nigeria. Maritime arbitration in Nigeria is particularly important, being key to unfolding the immense economic potential which the maritime sector holds for the nation. The Nigerian maritime industry has been described as 'a multi-million dollars industry which if fully explored may create the much desired room for diversification from current oil dependence thereby diving economic growth and sustainable development'.[3]

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1 *Okpuruwu v Okpokam* (1998) 4 NWLR Part 90, 554 at 586

2 J Olakunle Orojo and M Ayodele Ajomo, Law and Practice of Arbitration and Conciliation in Nigeria (Mbeyi & Associates (Nigeria) Limited 1999) Chapter 1, pages 3 & 13

3 E O Babatunde, 'Arbitration Mechanisms in Nigeria's Maritime Disputes Settlement: Challenges and Prospects' (2019) *Brawijaya Law Journal Vol.6 No* 1

This chapter addresses how arbitration operates as a means of resolving disputes in maritime claims within the Nigerian context, its institutional and legal setting, and perceptions by the judiciary, challenges, and the influence of international law.

3.2. NATURE OF MARITIME CLAIMS IN NIGERIA

Maritime claims, also known as admiralty claims include a myriad of problems pertaining to maritime activities, such as shipping, sea transport, and marine trade. In Nigeria, these claims are largely under the purview of the Admiralty Jurisdiction Act 1991, which is amended by the Merchant Shipping Act 2007, relevant international conventions, and other applicable legislation.

Admiralty is a term that is often associated with maritime law and the law of the sea. The term has been attributed several meanings and interpretations. A plethora of international conventions, protocols, treaties and national laws regard admiralty law and maritime as one and the same. Wikipedia defines admiralty law or maritime "as a distinct body of laws that governs maritime questions and offences". Furthermore, it is said to be a body of both domestic laws governing maritime activities, and private international law governing the relationship between private entities that operate vessels on the ocean. It is also described as the law that deals with matter including maritime commerce, maritime navigation, maritime salvages, shipping, sailors and the commercial activities that are land based or occurring wholly on land or that are maritime in character.

The Federal High Court has exclusive jurisdiction over admiralty proceedings as stipulated in Section 251(1)(g) of the 1999 Constitution and the AJA and this jurisdiction extends to both in rem and in personam proceedings.

The emergence of the Admiralty Jurisdiction as we know it today in Nigeria can be traced back to the year 1863 when the British administration established the Vice Admiralty Courts pursuant to the Vice Admiralty Courts Act 1863. The Supreme Court of the Colony of Lagos was created in 1876 as a superior court of record, being on an equal footing with the modern day high court. At inception, it lacked any admiralty jurisdiction. Noteworthy, however, was the occurrence in 1890′ with the promulgation of the Colonial Courts Admiralty Act, which gave colonial courts the same powers held by the High Court of Justice in England in hearing claims relating to admiralty matters. The admiralty jurisdiction was thereupon vested in the Supreme Court, assuming the admiralty jurisdiction previously exercised by the Vice-Admiralty Courts.

With the creation of a Federal Supreme Court pursuant to the 1954 Federal Constitution, that court was granted original jurisdiction over admiralty matters. The instrument through which this was effected was the Federal Supreme Court (General Provisions) Ordinance of 1955[4]. An early example of the exercise of that original jurisdiction is to be found in *Anchor Limited v The Owners of the Ship Eleni*[5]. By the 1962 Admiralty Jurisdiction Act which came into force in September 1963, regional high courts were given jurisdiction over admiralty matters. The high courts continued to exercise jurisdiction in respect of admiralty matters until the establishment of the Federal Revenue Court in 1973. The name of that court was changed to Federal High Court in 1979 and it was granted exclusive jurisdiction over admiralty matters.

A statutory framework for classifying maritime claims is provided under Section 2 of the Admiralty Jurisdiction Act. Under the jurisprudence of Nigerian law, maritime claims are

[4] Section 10 Federal Supreme Court (General Provisions) Ordinance of 1955

[5] (1956) 1 NSC, 16

categorized into proprietary maritime claims and general maritime claims, each with distinct procedural implications. Pursuant to Section 2(3) of the Admiralty Jurisdiction Act, a reference to a general maritime claim is a reference to a claim for loss or of damage to goods carried by a ship[6]. Proprietary maritime claims involve ownership, possession, and mortgage disputes concerning ships. They also cover claims related to a ship's title or proceeds from its sale. Common examples include ship ownership disputes, possession claims and enforcement of maritime liens and mortgages.

Despite the existing framework for litigation in maritime claims in Nigeria, a number of issues make it a least preferred resort in the settlement of disputes within the maritime sector. The key disadvantages cut across jurisdictional complexities, time consumption, limited expertise, cost intensiveness and so on. Unlike litigation, arbitration transcends national boundaries, providing a uniform and enforceable mechanism for resolving disputes across jurisdictions.

3.3. THE LEGAL FRAMEWORK FOR MARITIME ARBITRATION IN NIGERIA

The Nigerian law on arbitration has dual bases; domestic and international provisions. On the domestic front, the major enactment is the Arbitration and Mediation Act 2023, which has revoked the erstwhile Arbitration and Conciliation Act 1988[7]. The Arbitration and Mediation Act 2023 has incorporated the UNCITRAL Model Law on International Commercial Arbitration, thereby ensuring that Nigeria has an international best practice compliant alternative dispute resolution process in the field of arbitration in the country.

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6 *Purechem Ind. Ltd. v SPICA Shipping Co. Ltd*. (2012) 3 NWLR (Pt. 1287) 327 CA

7 Arbitration and Conciliation Act, Cap Al 8, Laws of the Federation of Nigeria,2004

The legal framework for maritime protection in Nigeria includes the Constitution[8], statutes and government regulations, case law, which provides binding judicial precedents, and international maritime conventions. As already established, maritime disputes in Nigeria fall under the Admiralty Jurisdiction Act 1991 (AJA), which vests exclusive jurisdiction in the Federal High Court over claims such as carriage of goods by sea, collisions, and ship arrests. This dual framework means that while arbitration is encouraged, the courts still play a supervisory role, especially in issues of enforcement and interim measures.

At the most fundamental level, the legal basis for maritime arbitration in Nigeria begins with party autonomy. Commercial shipping contracts like charter parties, bills of lading, ship-building contracts, salvage agreements and marine insurance policies commonly contain arbitration clauses by which the parties agree in advance to submit disputes to arbitration rather than national courts. Courts in Nigeria have repeatedly given effect to such clauses. For example, the Court of Appeal and later the Supreme Court have enforced arbitration clauses found in shipping documents and related contracts, acknowledging that parties who freely contract to arbitrate should be held to their bargain[9].

Such contractual basis receives very strong statutory support through the recent reforms. The Arbitration and Mediation Act, 2023 presently remains the major Nigerian arbitration statute at the current play level. Section 5 of the AMA validates an arbitration clause in an agreement. In fact, the AMA 2023 follows the UNCITRAL Model Law on the practice of international commercial arbitration and reflects up-to-date and arbitrator friendly provisions on such issues as the parties' autonomy, arbitrator appointment, interim measures, judicial limited

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8 Constitution of the Federal Republic of Nigeria 1999 (as amended)

9 *Niger Progress Ltd v North East Line Corporation* (1989) 3 NWLR (Pt 107) 68 (SC)

intervention, and the recognition and enforcement of arbitration awards[10]. As a further statutory support, the AMA provides that the arbitration agreement shall be in writing pursuant to Section 2(2) AMA. Thus, in order to refer a maritime dispute to arbitration, parties may have agreed, in writing to submit such dispute to an arbitral panel. Notably, the AMA fully localizes the New York Convention 1958, supra the Convention on the Recognition and Enforcement of Foreign Arbitral Awards, thus implementing the Convention's regime for foreign enforcement within Nigerian statute law and thereby facilitating the enforcement in the country of arbitration agreements and awards delivered in other Convention-countries according to the limited grounds specified within the Convention's rules on enforcement[11].AMA's provisions on the recognition and enforcement of interim measures contain rules on enforcement practice at the contemporary level of global arbitration practice[12].

The Admiralty Jurisdiction Act 1991 interacts closely with arbitration practice in maritime matters. The AJA vests admiralty jurisdiction in the Federal High Court and enumerates a wide list of maritime claims over which the court has jurisdiction including claims relating to the carriage of goods, salvage, collisions and ship mortgages the very claims that often feature arbitration clauses. The AJA also contains provisions designed to prevent parties from using litigation to circumvent arbitration agreements. Notably so, courts have power under the AJA to stay or dismiss admiralty proceedings where arbitration has been validly agreed, and to impose such conditions as are just and reasonable in the circumstances. Nigerian case law has

10 Arbitration and Mediation Act 2023. The Act adopts Model Law principles and modernised provisions on interim measures and enforcement; see commentary on the new Act

11 The New York Convention (1958) (Convention on the Recognition and Enforcement of Foreign Arbitral Awards), domesticated under the AMA 2023 (see schedule to the Act) and discussed in Global Arbitration Review commentary on Nigeria.

interpreted these statutory provisions in a manner that generally favours the enforcement of arbitration clauses, while recognising the court's supervisory role in matters where arbitral jurisdiction or public policy issues arise[13].

Nigerian courts have, over time, built a body of authority that clarifies how arbitration operates in maritime disputes. The Supreme Court's decision in the renowned case of *The Owners of the M.V. Lupex v Nigerian Overseas Chartering & Shipping Ltd*[14] is particularly instructive; the Court held that it was an abuse of process to commence fresh litigation where parties had agreed to arbitrate, and it stayed court proceedings in favour of arbitration. Iguh, JSC, while giving his judgment on the need for courts to enforce arbitration clause held thus:

> The law is settled that…[s]o long as an arbitration clause is retained in a contract that is valid and the dispute is within the contemplation of the clause, the court ought to give due regard to the voluntary contract of the parties by enforcing the arbitration clause as agreed by them.

A similar decision was reached in *Onward Enterprises Ltd. v MV Matrix*[15], where the Court of Appeal held that the courts should stay proceedings pending foreign arbitration based on the duty of the courts to enforce arbitration agreements. In the instant case, the Court of Appeal stayed proceedings pending the reference of the dispute to arbitration in London. The Court held inter alia as follows:

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13 T Adegoke, 'Stay of Proceedings pending Arbitration in Maritime Disputes: Is Section 20 of the AJA a Sword or a Shield?' G-Elias < Is_Section_20_of_the_AJA_a_Sword_or_a_Shield_.pdf > accessed 1 November 2025

14 M.V Lupex (n 23)

15 Onward Enterprises (n61)

Once an arbitration clause is retained in a contract which is valid and the dispute is within the contemplation of the clause, the court should give regard to the contract by enforcing the arbitration clause… It is therefore the general policy of the court to hold parties to the bargain into which they had entered unless there is a strong, compelling, and justifiable reason to hold otherwise or interfere. In the instant case… [t]here is nothing to show that the arbitration agreement was imposed on the appellant. Since both parties entered into the agreement, same should therefore be binding on them."

These decisions align Nigeria with the larger common-law trend favouring arbitration, reflected in decisions from other jurisdictions.

Further statutory reinforcement is found in the Merchant Shipping Act 2007, which governs issues of ship registration, marine safety, and crew employment, all of which frequently give rise to disputes resolved through arbitration clauses embedded in contractual agreements. Although, the Act does not explicitly address maritime arbitration in any detailed or self-standing provisions, which in itself is a challenge to the effective practice of maritime arbitration, there are a few inferences and areas of importance to arbitration in the context of maritime claims. For example, Section 399 of the Act stipulates limitation periods for maritime claims e.g salvage actions which apply to both judicial and arbitral proceedings. The Nigerian Maritime Administration and Safety Agency (NIMASA) Act 2007 also promotes fair maritime practices and provides institutional support for dispute avoidance and resolution mechanisms. Collectively, these statutes create a basic domestic foundation for maritime arbitration in Nigeria.

3.4. INSTITUTIONAL AND PRACTICAL FRAMEWORK FOR MARITIME ARBITRATION IN NIGERIA

The institutional framework within which maritime arbitration operates in Nigeria is a critical determinant of whether maritime arbitration is able to serve as a dispute resolution forum for maritime or offshore-related disputes. On paper, Nigeria currently boasts a legal framework conducive to commercial arbitration. This includes a pro-arbitration law comparable to the UNCITRAL model law on international commercial arbitration, national infrastructure to support maritime arbitrations or the administration thereof, and governmental agencies with interests in maritime dispute prevention or resolution. In practice, however, the strength of that framework depends on institutional capacity, availability of specialised arbitrators, judicial cooperation, enforcement mechanics and stakeholder confidence.

Globally, maritime arbitral institutions have played significant roles in the development of maritime arbitration in any jurisdiction. In fact, it was due to the recognition of the importance of institutions that the Chief Justice of Singapore, Sundaresh Menon, in his keynote address to the SIAC congress in May 2018, clearly stated that institutions had a 'duty to shape the future of arbitration'. The most renowned arbitral institution in the maritime sector is the London Maritime Arbitrators Association. The LMAA reportedly saw an increase of 16% in caseloads between 2017 and 2024[16] which is commendable in comparison to its counterparts. Other national maritime arbitral organizations include; Maritime Arbitration Association of the United States (MAA), Society of Maritime Arbitrators New York (SMA New York), Singapore Maritime Arbitrators Association (SMAA),German Maritime Arbitration

[16] J Clanchy, Arbitration statistics 2024: surveys v reality < https://www.lexisnexis.co.uk/blog/research-legal-analysis/arbitration-statistics-2024-surveys--v--reality > accessed 1st October 2025

Association (GMAA) Vancouver Maritime Arbitrators Association (VMAA), China Maritime Arbitration Commission (CMAC), Association of Maritime Arbitrators Canada, Spanish Maritime Arbitration Association, Transport and Maritime Rotterdam-Amsterdam (TAMARA) and so many others.

Institutionally, maritime arbitration in Nigeria is aided by a number of arbitral institutions and associations. The Maritime Arbitrators Association of Nigeria (MAAN) formed to facilitate maritime arbitration, aims to develop specialist knowledge in the administration of shipping arbitrations and to bring Nigerian practices in line with international standards. MAAN was established in 2005, by professionals who have developed specialist knowledge in commercial and maritime arbitration and were well aware of the imperatives to position Nigeria as a suitable location for maritime arbitration. Its focus is to develop Nigeria as a maritime arbitration location and ensure there is a high standard for practitioners and users in the specialized field of maritime arbitration. MAAN's priority includes capacity enhancement in the specialized area of maritime arbitration dispute resolvers. The association has a panel comprising of arbitrators, mediators and experts and has the capability of administering arbitration and acts as appointing authority. Furthermore, MAAN has developed arbitration rules for short claims arbitration schemes as well as that relating to large claims.

In analysing the contribution of the association after a decade of existence, Adedoyin Rhodes-Vivour underscored the fact that MAAN was motivated by various factors including the high level of "Nigerian" disputes which were taken out of Nigerian shores for settlement oftentimes by non-Nigerian dispute resolvers and at huge financial costs invariably of disputes that could otherwise have been settled in Nigeria[17].

Complementing MAAN on the institutional level is the Lagos Court of Arbitration (LCA) which was established under the Lagos State Arbitration Law, 2009, and serves as a modern, independent arbitration centre with a strong institutional presence in West Africa. The LCA offers rules, facilities, and a roster of arbitrators and can accommodate both domestic and international arbitrations. As an institutional seat with enabling legislation, the LCA is a significant move towards creating a predictable procedural framework for cross-border parties who could elect to sit in London or Singapore.

Other institutional players include the Chartered Institute of Arbitrators (Nigeria Branch) which encourages capacity building and accreditation of arbitrators, and ad hoc personnel and multi-door courthouses that handle dispute resolution matters in Lagos and other hubs. Collectively, these institutions form a domestic supply chain for arbitration services from training and accreditation, to case administration and enforcement of awards.

The public maritime regulator body which is the Nigerian Maritime Administration and Safety Agency (NIMASA**)** also has a practical though indirect role. Irrespective of the fact that NIMASA is not an arbitral institution, its mandate to promote maritime safety, oversee shipping standards and engage port stakeholders creates an ecosystem in which ADR can be encouraged as a means of reducing litigation and promoting sector stability. NIMASA's public advocacy and cooperation with arbitration bodies have been notable in recent years, signalling official approval of ADR as a policy objective for the maritime industry.

[17] Rhodes-Vivour (n53)

In spite of the legal framework and the presence of institutions, practical challenges remain. The practical application of arbitration in maritime claims entails specific steps. First, the process is initiated by a written arbitration clause in a maritime agreement (e.g., charter party, bill of lading, marine insurance policy). Then, the parties usually select one or more arbitrators, most times specialists with maritime expertise. Institutions like MAAN can act as the appointing authority if the parties cannot reach a consensus. Thereafter, the arbitration typically follows the rules chosen by the parties (e.g., MAAN rules, UNCITRAL rules, LMAA terms). The proceedings are private, flexible, and confidential and then the arbitral tribunal issues a final, binding award. This award can then be enforced by the Federal High Court, in the same manner as a court judgment[18], under the provisions of the AMA 2023. Notably, parties may still approach the Federal High Court for interim relief (such as a ship arrest to secure a claim) or for the enforcement of the final award.

3.5. JUDICIAL ATTITUDE TO MARITIME ARBITRATION IN NIGERIA

The attitude of the courts in Nigeria towards arbitral proceedings can be described as pro-arbitration, reinforcing the autonomy of arbitration agreements and respecting the finality of arbitral awards but also features a history of inconsistency due to conflicting statutory interpretations. The Supreme Court's decision in the renowned *M.V. Lupex v Nigerian Overseas Chartering & Shipping Ltd*[19]case remains the cornerstone of Nigerian jurisprudence on the enforcement of arbitration clauses in maritime contracts. The need for judicial support to the arbitral process is imperative in view of the nature of the arbitral system, a consensual

[18] Ras Pal Gazi Construction Company Limited v FCDA 2001 10 NWLR PT 722 at 559 at 572 Paras D-F where the Supreme Court of Nigeria declared that an Arbitration Award is at par with a judgement of the court has the same force and effect and cannot be tampered with except as provided in the Act.

[19] n 23

process in which arbitrators derive their authority from the agreement of the parties. Arbitral tribunals need the assistance and support of the courts for their effectiveness.

In *Frontier Oil Ltd v Mai Expo Manu Oil Nigeria Ltd*[20] the court rightly held that where parties have by their own agreement opted for arbitration, the Court will always respect such agreements and decline jurisdiction. This portrays the general attitude of the courts in upholding arbitration clauses in commercial contracts which includes maritime transactions.

Nevertheless, there are instances where judicial intervention and procedural delays have crippled the efficacy of arbitration. A recent example occurred in 2021 in the case of *Fugro Sub Sea LLC v Petrolog Limited*[21] where the Court of Appeal unanimously held that despite the arbitration clauses contained in the memorandum of agreement and charter party agreement between the parties, the agreements were admiralty contracts and that the arbitration clauses relied on by the appellant were null and void on the ground that they purport to oust the jurisdiction of the Federal High Court, in the face of unambiguous constitutional and statutory provisions[22]. Onyekachi Aja Otisi, JCA who delivered the lead judgement stated thus:

> The Respondent's claims arose from a Charter Party Agreement between the Respondent as owners of the Vessel and the Appellant as charterers/hirers of the Vessel. As rightly found by the lower Court, the facts of the case position the contract within the confines of the admiralty jurisdiction of the lower Court. I therefore find no reason to disturb the conclusion of the learned trial Judge that the agreement between the parties came within the contemplation

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20 [2005] 2 CLRN 148

21 (2021) LPELR-53133 CA

22 Specifically, section 251(1)(g) of the Constitution of the Federal Republic of Nigeria, 1999 (as amended) and Sections 1 and 20 of the AJA

> of provision of Section 20 of the Admiralty Jurisdiction Act, 1991, which rendered the arbitration clauses null and void. The decision of the lower Court delivered on 4/5/2018 dismissing the Appellant's motion on notice, is therefore, hereby affirmed.

The implication of the above decision of the Court of Appeal is that an arbitration clause in a maritime contract is null and void *ab initio* in the sense that such clause purports to oust the jurisdiction of the court in lieu of constitutional and statutory provisions. In a different perspective, it also means that parties to a maritime contract no longer have the liberty to determine the forum for the resolution of their disputes. This decision has been rebuked as a dangerous precedent in the Nigerian jurisprudence. Perhaps the court's holding would have been overturned if it proceeded to the Supreme Court. The correct position is established in Section 5 of the AMA which mandates courts to stay proceedings and refer parties to arbitration when a valid arbitration agreement exists and this rule of law has been given credence in a plethora of cases which ensures that the Nigerian judiciary's institutional attitude remains firmly pro-arbitration. .

Nigerian courts have also adopted a pragmatic approach to the enforcement of arbitral awards, including those resulting from maritime disputes. Under Section 57 of the Arbitration and Mediation Act 2023, arbitral awards are binding and enforceable in the same manner as judgments of the court. In *Calais Shipholding Co. v Bronwen Energy Trading Limited (of the Commonwealth of Dominica) (Charterer of the MT "Amor")*[23], the court held that an arbitral award obtained anywhere in the world can be registered and recognized by any court in

[23] CA/L/53/2011 Unreported delivered on the 6th day of May, 2014.Also *Tulip Nigeria Ltd. v Noleggioe Transport Maritime S.A.S* [2011] 4 NWLR [Part 1237] page 254 CA

Nigeria without recourse to a foreign court to first adopt same as its judgment subject however to narrow grounds such as fraud, misconduct, or public policy.

The Nigerian judiciary has also demonstrated a positive attitude by supporting the procedural autonomy of arbitral tribunals. The Arbitration and Mediation Act 2023 empowers arbitral tribunals to grant interim measures particularly Sections 19–23 and allows courts to assist arbitrations by issuing interim measures of protection where necessary to preserve assets or evidence. This provision is germane in maritime disputes that deal with perishable goods, vessel arrests, or freight security.

Despite this largely positive trend, certain challenges persist. Some trial courts continue to display misunderstanding of arbitration principles, leading to unnecessary delays in staying proceedings or enforcing awards.[24] Additionally, procedural congestion in the Federal High Court, where most maritime disputes originate often slows down enforcement applications. These shortcomings reflect systemic inefficiencies rather than hostility, but they nonetheless affect the attractiveness of Nigeria as a maritime arbitration venue.

3.6. CHALLENGES OF MARITIME ARBITRATION IN NIGERIA

Despite the many advantages, maritime arbitration in Nigeria is still beset by some formidable difficulties. One of the challenges of maritime arbitration in Nigeria is the commonly adopted standard form of maritime agreements. Most maritime contracts such as shipbuilding agreement, ship repair agreement, ship purchase agreement, bills of lading and charter parties are based on standard form contracts with little enabling environment for negotiation of terms by the weaker party. The contracts usually contain arbitration clauses which stipulate the

[24] A. Anya, *Judicial Review of Arbitration Awards in Nigeria: The Emerging Trend*, (2022) Nigerian Law Journal Vol. 14, pp. 45–67.

forum of dispute settlement to be established centres for international arbitration like London, Singapore and New York[25].This occasion hardship on Nigerian parties in view of the associated cost of travelling, mobilizing and paying the legal team. As a result, the foreign parties are often times better equipped to succeed in the arbitration, due to their ability to hire the best hands available. Asides legal intervention, industry sensitization and enlightenment of players in the maritime industry is required to create increased awareness on the consensual nature of arbitration which necessitates for negotiation of all terms in the arbitration contract including the dispute settlement clause. Thus, even if laws are passed prohibiting the insistence on foreign arbitration clauses by parties to contracts in Nigeria, maritime arbitration will only grow when contracting parties insert arbitration clauses in their maritime contracts with the arbitration forum specified as a place in Nigeria. It must be acknowledged that MAAN has been relentless in the attempt to create awareness, for instance, in 2011, a joint committee was set up to review the dispute settlement clause in the standard contract of various trading partners, and the committee produced a sample standard form contract which incorporates the 2010 Incoterms (Terms of Shipment) and sample of dispute settlement clause making Nigeria the forum. Also, in 2016, the association facilitated a forum to create awareness on the resolution of maritime disputes via ADR to further sensitize Nigerians in the maritime sector on negotiation of dispute settlement clauses in maritime agreements to protect their interests. So the role of maritime arbitrators in Nigeria cannot be ignored.

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25 Memorandum of Agreement (Norwegian Saleform 1993) Clause 16; Gencon Charter party 1994 of the Baltic and International Maritime Council (BIMCO), Clause 19; Lloyd's Standard Form of Salvage Agreement (1995), Clauses 7 – 10 and Para. I Lloyd's Standard Form of Salvage Agreement (2000), Para. I.

Another critical challenge is the lack of specialized expertise in maritime arbitration. Unlike London or Singapore, Nigeria has a limited number of arbitrators with technical knowledge of maritime operations, ship finance, and marine insurance. Maritime matters often involve highly technical issues such as seaworthiness, navigation, collisions, or marine insurance and Nigeria currently suffers from a shortage of arbitrators with specialised maritime knowledge and practical shipping experience. Many arbitrators are drawn from the general legal community, and few possess the dual expertise in maritime law and arbitration practice required for complex matters. Consequently, parties frequently prefer foreign arbitrators or international institutions, undermining confidence in domestic maritime arbitration.

Furthermore, inconsistent judicial support is another significant challenge. While superior courts of record in Nigeria have generally demonstrated a pro-arbitration attitude, as reflected in *M.V. Lupex*[26], inconsistent decisions at the lower court level remain problematic. Some judges of trial courts still treat arbitration clauses as attempts to oust their jurisdiction, leading to unnecessary delays before arbitration can even begin. Also, delays in ruling on applications to stay proceedings, enforce awards, or set aside awards often erase the efficiency that arbitration is meant to achieve. This inconsistency affects Nigeria's reputation as an arbitration friendly jurisdiction, especially in time sensitive maritime disputes.

On top of that, the enforcement of arbitral awards, particularly foreign ones remains another formidable challenge. Although Nigeria is a signatory to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards (1958), domestic enforcement can be hindered by procedural bottlenecks. Section 57 of the Arbitration and Mediation Act 2023 permits recognition of foreign awards, but Nigerian courts have occasionally required

[26] n 23

excessive formalities such as certification of foreign documents or proof of reciprocity. In *Owners of the M.V. Arabella v NAIC*[27], the Supreme Court struck out proceedings for procedural defects, demonstrating how strict rules on service and writs can frustrate substantive justice. Similarly, in *Noble Drilling (Nigeria) Limited v NIMASA & The Minister of Transportation*[28], the Court of Appeal reinforced procedural strictness in admiralty litigation. In maritime context, where vessels are mobile and assets transient such delays can render awards practically unenforceable.

Another salient issue arises where maritime disputes involve state owned entities such as the Nigerian Ports Authority (NPA) or the Nigerian National Petroleum Corporation (NNPC) which is often complicated by bureaucratic interference. Government agencies may resist arbitration or enforcement proceedings, relying on sovereign immunity arguments or political influence. These actions not only delay resolution but also deter foreign investors from choosing Nigeria as a seat of arbitration.

A subtle but pervasive challenge lies in the limited awareness and acceptance of arbitration among Nigerian maritime operators. Many ship-owners, port agents, and freight forwarders still perceive arbitration as elitist or foreign driven. In fact, many shipping stakeholders in Nigeria remain litigation-oriented. As a result, standard shipping contracts drafted locally sometimes omit arbitration clauses altogether, or include them without clear procedural details, leading to disputes over validity and enforceability. Even MAAN has repeatedly called for more advocacy to promote awareness and adoption of maritime arbitration at Nigerian ports.

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[27] (2008) 265/2002 SC

[28] (2013) JELR 35427 CA

Moreover, educational institutions and professional associations in Nigeria have yet to integrate maritime arbitration as a principal area of training. The Nigerian Institute of Chartered Arbitrators (NICArb) and the Chartered Institute of Arbitrators (UK) Nigeria Branch have made efforts to bridge this gap, but progress remains slow.

An important point to note is that modern arbitration significantly relies on technology for document management, virtual hearings, and electronic submissions. Nigeria's infrastructure, especially outside Lagos is still very much inadequate in this regard. The jurisdiction is riddled with frequent power outages, poor internet connectivity, and lack of digitised case management systems that hinder the efficiency of arbitral proceedings. These limitations became particularly evident during the COVID-19 pandemic, when virtual arbitration became the global norm but many, if not all Nigerian institutions were unprepared for online dispute resolution.

To strengthen maritime arbitration in Nigeria, certain reforms are imperative. Maritime arbitration in Nigeria possesses enormous potential but remains limited by multifaceted challenges. With sustained institutional commitment, Nigeria can overcome these obstacles and evolve into a reputable maritime arbitration hub for West and Central Africa.

3.7. COMPARATIVE LESSONS FOR NIGERIA

Nigeria can draw valuable lessons from international arbitration centers. The London Maritime Arbitrators Association (LMAA) provides an exemplary model, offering highly specialized arbitrators and predictable procedural rules. The Singapore Chamber of Maritime Arbitration (SCMA) has achieved international prominence by maintaining neutrality and procedural flexibility, supported by government policy. For Nigeria to become a regional maritime arbitration hub, it must develop similar institutional credibility, expand the pool of specialized maritime arbitrators, and ensure judicial consistency in upholding arbitral awards. Strengthening the Maritime Arbitrators Association of Nigeria (MAAN), enhancing legislative clarity, and promoting government and private sector collaboration would position Nigeria as a competitive player in global maritime arbitration.

International maritime arbitration in London operates within a robust framework of law and well established infrastructure. This is because arbitration in England is conducted in terms of rules that have been enshrined in legislation. This legislation is known as the Arbitration Act of 1996. This legislation incorporates basic principles such as arbitration autonomy, non-interference, and arbitration awards. It is supplemented by a maritime arbitration body known as the LMAA, which was put together in 1960. The judiciary in London, particularly the Commercial Court, is globally respected for its technical expertise and consistent support for arbitration. Courts in England adopt a minimal intervention approach.

Singapore is one of the examples of excellent strategic development in maritime arbitration. This is ensured through its International Arbitration Act and International Arbitration (Amendment) Act 2020, which have a highly favorable law regime based on the UNCITRAL Model Law. There is also an independent body in Singapore named the Singapore Chamber of Maritime Arbitration (SCMA) that works in collaboration with the Singapore International Arbitration Centre (SIAC). One of the success factors in London and also in Singapore is that it has specialist arbitrators with maritime or technical knowledge. In London, arbitrators are often experienced shipmasters, maritime engineers, or maritime lawyers. Similarly, in Singapore, SCMA's panel of arbitrators also has a broad range of arbitration experience in areas related to shipping, insurance, and offshore activities. On the other hand, in Nigeria, the number of experienced maritime arbitrators is low. Moreover, those that have maritime law expertise do not possess arbitration expertise or experience. As a result, it is rare for shipping firms involved in global maritime business to choose arbitrators from Nigeria as against those from other countries.

Both London and Singapore have adequate judiciary systems in place to ensure that arbitration agreements and awards are enforced. In England, it is not usual that a court will fail to enforce an arbitration agreement or award, so long as it is not in conflict with either the New York Convention of 1958 or Section 68 of the Arbitration Act 1996[29]. Similarly, in Singapore, awards are enforced without much delay through the International Arbitration Act.[30]

In Nigeria's experience, however, it is less encouraging. Nigeria is a signatory to the New York Convention, but its courts have occasionally displayed a lack of flexibility in adjudication, insisting on a scheme of unnecessary documentation or redetermination of the dispute. In addition, in Nigeria, interlocutory appeals are common, thereby adding to delays of arbitration. In conclusion, it is generally an unpredictable and slow judiciary that discourages maritime parties from selecting Nigeria as an arbitration venue.

London arbitration, though traditionally expensive, justifies its cost through procedural efficiency, predictability, and enforceability of awards.[31] Singapore, on the other hand, has achieved a balance between cost-effectiveness and high standards by offering competitive institutional fees and leveraging technology to conduct virtual hearings. Both jurisdictions

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29 UK Arbitration Act 1996 [c. 23]

30 Singapore International Arbitration Act 1994 (Cap 143A), s 31.

31 L Mistelis and J Lew, *Arbitration Insight* (Kluwer Law International 2015) 112.

also benefit from world class infrastructure. Nigeria's arbitration costs, while generally lower than London's, are disproportionately high relative to service quality. The absence of dedicated arbitration facilities outside Lagos, unreliable electricity supply, and poor digital infrastructure impede efficiency. Moreover, most arbitral proceedings still rely on manual filing and in person appearances, which increase delays and costs.

The COVID-19 pandemic revealed Nigeria's infrastructural limitations, as most arbitration institutions lacked virtual hearing capacity. In contrast, both London and Singapore easily transitioned to online hearings without disrupting case schedules. In both London and Singapore, maritime arbitration is embedded in the commercial culture. Ship-owners, insurers, and freight forwarders understand arbitration clauses and routinely include them in contracts. In Nigeria, however, there is limited awareness of arbitration among local maritime stakeholders. Many shipping contracts drafted domestically either omit arbitration clauses or include them without designating procedural rules or seats, resulting in avoidable jurisdictional disputes.

Additionally, policy support in Nigeria has been relatively weak. While Singapore's government actively promotes arbitration through the Ministry of Law and the Maritime and Port Authority, Nigeria's efforts through NIMASA have been largely declaratory, lacking sustained institutional follow up.

Criteria	**London**	**Singapore**	**Nigeria**
Legal Framework	Stable, Arbitration Act 1996	Modern, Model Law- based	Recently reformed (AMA 2023), still evolving
Institutional upport	LMAA (maritime-specific)	SCMA (maritime-specific)	MAAN(evolving)
Judicial Attitude	Strongly pro-arbitration	Strongly pro-arbitration	Improving but inconsistent
Expertise	Extensive maritime specialists	Growing base of maritime experts	Limited expertise
Infrastructure	Advanced	Advanced	Developing
Costs	High but efficient	Moderate and efficient	High relative to efficiency

This table highlights that problems in Nigeria are actually systemic and structural in nature, rather than conceptual. Principles of effective arbitration include party autonomy, judicial restraint, technical expertise, and institutional integrity, all of which have been well-understood, while lacking in real implementation.

CHAPTER FOUR

FINDINGS, RECOMMENDATIONS AND CONCLUSION

4.1. INTRODUCTION

This chapter presents the major findings of the research on arbitration as a dispute resolution mechanism in maritime claims in Nigeria under international law. It evaluates how effectively arbitration operates within Nigeria's maritime sector. The chapter further provides policy and legal reform recommendations and concludes by summarizing the overall contribution of the research to the study of maritime law and dispute resolution in Nigeria.

4.2. SUMMARY OF FINDINGS

This research further clarified in addition to already existing expositions that arbitration is one of the most effective ways of resolving maritime disputes because of its flexibility, confidentiality, impartiality, as well as its technical expertise. Indeed, maritime disputes are considered complex because they include transnational commercial relationships, highly technical issues, and high-level financial stakes. Consequently, court litigations, which are rigid and slow-moving, have been considered less effective in resolving maritime disputes. In fact, arbitration as an alternative dispute resolution procedure, when conducted in line with rules that have an international component such as UNCITRAL Arbitration Rules of 2010 and New York Convention of 1958, is a fitting means of resolving maritime disputes that have an international component.

One of the integral findings of this research is that significant legislation has been realised in Nigeria in conforming its arbitration regime to best practices in line with new legislation such as the Arbitration and Mediation Act 2023, which replaced the Arbitration and Conciliation

Act 1988. This new act is in line with the UNCITRAL Model Law Regarding International Commercial Arbitration. Nevertheless, it should be noted that in spite of such legislation, its application in maritime arbitration in Nigeria is sometimes ridden with overlapping jurisdictional prescriptions in its maritime law.

Under the Admiralty Jurisdiction Act 1991, comprehensive admiralty jurisdiction is conferred exclusively upon the Federal High Court in all admiralty cases[1]. This situation has often resulted in conflicts where maritime contracts include arbitration agreements. Although in M.V. Lupex v Nigerian Overseas Chartering & Shipping Ltd[2], the Supreme Court supported the validity of arbitration agreements in maritime contracts, divergent judicial interpretations have often hampered arbitration's need for certainty in resolving a dispute. It appears that the judiciary in Nigeria is becoming increasingly arbitration-friendly at times when it displays interventionist qualities that hamper arbitration.

Institutionally, Nigeria does not have a robust maritime arbitration system in place similar to those in London in the London Maritime Arbitrators Association (LMAA) or in Singapore in the Singapore Chamber of Maritime Arbitration (SCMA) arbitration institutions. Though the maritime arbitration systems of the Maritime Arbitrators Association of Nigeria (MAAN) and that of Lagos Court of Arbitration (LCA) have been making strides, they are yet to be utilized fully. Most shipping and oil firms have often been selecting arbitration institutions in London, Paris, or Singapore as the arbitration centre out of lack of familiarity with Nigerian arbitration systems. This is actually denying Nigeria a platform to establish itself as one of the maritime arbitration hubs of Africa.

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1 Admiralty Jurisdiction Act, Cap A5, Laws of the Federation of Nigeria 2004, s. 1.

2 n 23

The study also finds that Nigeria's arbitration practice, though inspired by international law, still struggles with gaps in implementation. International legal instruments like the United Nations Convention on the Law of the Sea (UNCLOS 1982), the New York Convention, and the UNCITRAL Arbitration Rules overall provide the prescriptive framework governing arbitration in maritime matters. These instruments encourage neutrality, uniformity, and enforceability of awards across constituencies. Nigeria's legislative corporation with these norms reflects commendable commitment, but the challenge remains one of effective operationalization rather than adoption.

Conclusively, the study establishes that arbitration is not a mere legal substitute but a prerequisite for resolving maritime disputes in Nigeria. Given the cross border nature of commercial maritime transactions, arbitration presents the predictability, neutrality, and technical precision required for efficient dispute resolution. Nevertheless, institutional weakness, limited expertise, and inconsistent judicial support continue to halt its full potential.

4.3. RECOMMENDATION

Cogent reforms are required to establish maritime arbitration in Nigeria. First, it is essential to unify statutory frameworks. In order to remove overlaps that lead to jurisdictional confusion, the Arbitration and Mediation Act 2023, the Admiralty Jurisdiction Act 1991, and the Merchant Shipping Act 2007 should be examined. When a maritime contract contains an arbitration clause, the courts must defer to arbitration unless there are extraordinary circumstances affecting public policy or illegality.

Secondly, institutional capacity building is critical. The Maritime Arbitrators Association of Nigeria (MAAN) should be restructured and adequately funded to provide training and certification for maritime arbitrators. Nigeria can learn from the operational models of the LMAA and the SCMA, both of which have established procedural frameworks that ensure consistency and credibility. Public private partnerships between MAAN, NIMASA, and the Nigerian Ports Authority could promote the use of Nigerian arbitral centers in shipping contracts.

Also, judicial education and reform must be prioritized. The role of the judiciary in arbitration should be limited to procedural supervision and enforcement of awards, as provided under Article 5 of the UNCITRAL Model Law. Nigerian judges, particularly those of the Federal High Court, should receive continuous training on international arbitration principles to ensure uniformity in decisions and timely enforcement of awards.

Additionally, Nigeria must actively promote itself as an arbitration friendly jurisdiction. The government should implement policies that encourage local and international parties to select Nigeria as the seat of arbitration for maritime disputes. Lagos and Port Harcourt, given their maritime location, can be developed into regional arbitration hubs through infrastructure development and targeted policy incentives. Hosting international conferences and forming partnerships with global arbitral institutions can also enhance Nigeria's credibility in the maritime arbitration space.

Finally, the enforcement of arbitral awards must be simplified. A specialized division of the Federal High Court dedicated to arbitration matters would expedite enforcement proceedings. Moreover, the public policy exception should be narrowly construed, consistent with the approach in international practice. Streamlined enforcement procedures would encourage foreign investors and maritime operators to have greater confidence in Nigeria's arbitration system.

4.4. CONCLUSION

In conclusion, arbitration remains the most viable and efficient mechanism for resolving maritime disputes in Nigeria under international law. It offers confidentiality, speed, neutrality, and expertise qualities that traditional litigation often lacks. Nigeria's recent legislative reforms, especially the Arbitration and Mediation Act 2023, represent a commendable step toward aligning the country with international arbitration standards. Nevertheless, effective arbitration in maritime disputes requires more than statutory reform; it demands consistent judicial support, institutional development, and practical implementation.

If Nigeria can harmonize its maritime and arbitration laws, strengthen arbitral institutions, and cultivate a judiciary that is arbitration conscious and internationally aligned, the country will be well positioned to emerge as a maritime arbitration hub in Africa. Such progress will not only enhance the efficiency of maritime dispute resolution but will also contribute to Nigeria's economic stability and global legal reputation. Ultimately, arbitration, when properly institutionalized and supported, holds the key to transforming maritime dispute resolution in Nigeria into a credible and internationally respected system.

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