



**STATEMENT BY PROF. DR. RAHMAT BIN MOHAMAD,
SECRETARY-GENERAL, AALCO AT THE “NATIONAL
CONFERENCE ON ARBITRATION IN INDIA: AN OVERVIEW” ON
11th DECEMBER 2009 AT SCOPE COMPLEX MAIN AUDITORIUM,
NEW DELHI**

Good Afternoon,

Hon'ble Mr. Justice V.S. Sirpurkar, Judge, Supreme Court of India,

Dr. Uddesh Kohli, Chairman, Construction Industry Arbitration Council
(CIAC),

Mr. P.H. Parekh, Senior Advocate, Supreme Court of India,

Mr. Harish N. Salve, Senior Advocate and Former Solicitor-General of India

Mr. Minn Naing Oo, CEO, Singapore International Arbitration Centre
(SIAC),

Mr. Chander Verma, Chairman, Construction Industry Development Council
(CIDC),

Distinguished Guests, Ladies and Gentlemen,

Indeed, it is my great privilege and honour to be here before this august gathering of distinguished jurists and eminent experts. On behalf of the Asian-African Legal Consultative Organization (AALCO) and on my own behalf, I sincerely congratulate the organizers of this National Conference on Arbitration in India, which I feel is very timely and crucial one.

Allow me to briefly give an overview of the work of AALCO in promoting arbitration. It may be recalled that AALCO was established on 15 November 1956 as one of the institutional outcomes of the historic Bandung Conference (Indonesia) held in 1955. The basic purpose of the Organization as conceived by the founding fathers is to provide a consultative forum for consideration of legal issues of common concern and thus to promote cooperation on international law matters among the states of the Asian and African regions. AALCO's pioneering work related to alternative settlement of disputes started way back in 1970s. The unsatisfactory situation faced by the developing countries during that time prompted AALCO to realize the need to develop and improve the procedure for international commercial arbitration, the necessity of institutional support, develop necessary expertise and create environment conducive to conduct arbitration in the Asian and African regions.

In 1978, AALCO established its first Regional Centre for Commercial Arbitration in Kuala Lumpur, Malaysia and subsequently Cairo, Nigeria, Tehran Arbitration Centre's were established. An agreement was signed in 2007 with the Government of Kenya to establish the Nairobi Arbitration Centre and it would be functional soon. AALCO also established its relationship with other international trade organizations such as UNCITRAL, UNCTAD and so on.

Today, arbitration has been one of the most effective and widely used tools for settling international commercial and trade disputes in the Asian-African region. The revolution in information technology, globalization and liberalization of international economy, arbitration as a means of settling disputes has become even more important, and at the same time has become diversified and highly specialized. The scope and application of arbitration

has widened from adjudicating common commercial disputes to disputes relating to E-commerce, E-banking, domain name and other specialized areas. The Arbitration Centers, both national and international, have to keep pace with the fast changing concept and scope of arbitration.

Indeed, the developing countries are now better equipped than before. However, much more needs to be done. There are many challenges and opportunities which Asian and African countries should address and explore. There is a need for the present arbitral setup to recognize and accommodate different cultural and legal traditions. The traditional advantages of arbitration such as cost effectiveness and simplicity of procedure seem to have become redundant. These problems and lack of harmonization in arbitral law and practice, have resulted in constant tension with national courts in the recognition and enforcement of foreign arbitral awards. At the same time, there is pressure on the developing countries to make their arbitral and other laws appropriate to attract investments.

Ladies and Gentlemen,

If arbitration is to continue to be a preferred means of resolving trade disputes, it has to address the realities to particular needs of the developing countries. There is also a need to harmonization of arbitral law in Asian and African regions.

I am very confident that this Conference would provide insightful exchange of discussions, opinions to address the present day challenges of arbitration. I wish the Conference a successful one. Thank you.