

Dr M URGES COURTS TO PROMOTE ^(T) ARBITRATION _{Dr. M.}

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KUALA LUMPUR, Tues. — The use of arbitration to settle commercial disputes can help ease congestion in the courts, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

He urged courts to be sympathetic towards this practice and to promote its use in settling commercial disputes as an alternative to litigation.

He said because arbitration took place in private, confidentiality was assured.

"Businessmen do not like their problems and technical secrets aired in public for it sours the relationship between parties who have to carry out a contract to its conclusion. They also do not like their money held up for too long.

"The wide use of the arbitration process would also ease caseload congestion in the courts. In this context, the courts' sympathetic attitude towards arbitration would do much to promote its use in settling commercial disputes as an alternative to litigation," Dr Mahathir said when opening the conference on International Commercial

Arbitration.

About 120 people from the Asia-Pacific region are attending the two-day conference, organised by the Kuala Lumpur Regional Centre for Arbitration.

Dr Mahathir said arbitrators must conduct proceedings impartially to enhance confidence in the process.

He said that when he opened the centre's first conference 10 years ago he gave an assurance that the Government would examine the relevant legislation on arbitration.

Malaysia had, since then, acceded to the 1958 New York Convention for the Recognition and Enforcement of Foreign Arbitral Awards, he said. This means that awards handed in arbitration proceedings under the auspices of the centre can be enforced in Malaysia and countries which are signatories to the convention.

"We have also amended the Arbitration Act to remove arbitrations conducted under the Rules of the Kuala Lumpur Centre from the supervision of the courts.

"This advantage is open

to any party from the region or elsewhere who may choose to arbitrate under the Rules of the Kuala Lumpur Centre," he said.

He added that since the establishment of the Kuala Lumpur centre, several other arbitral institutions had been set up in the Asia-Pacific region to cater to the needs of businessmen in the Pacific Rim.

This showed an increasing awareness of the usefulness of arbitration, as well as of mediation and conciliation and the need for speedy and private resolution of disputes, he said.

Dr Mahathir said he was glad the centre had begun to administer arbitrations and helping to promote the idea of arbitration in the domestic context.

The Government, he said, had gone a long way to help create a favourable environment for the conduct of international commercial arbitrations at the centre.

"The arbitral scenario is changing rapidly as more new players enter the field to cater the new markets which are opening up as newly industrialised countries or NICs," he said.