

SPEECH BY THE PRIME MINISTER OF
MALAYSIA YAB DATO HUSSEIN ONN
AT THE OPENING OF THE REGIONAL
CENTRE FOR ARBITRATION, AT KUALA
LUMPUR HILTON, ON TUESDAY,
17TH OCTOBER, 1978 -.10.00 AM.

*The Honourable, Minister of Law and
Attorney-General, Dato Seri Hamzah Abu Sanja*

*2. Dr. B. Sen, Secretary-General of the Asian-African
Legal Consultative Committee.*

3. Honourable Ministers and Deputy Ministers.

Your Excellencies, Members of the Diplomatic
Corp.

Distinguished Guests.

I am most happy to be present
here today at the formal inauguration of
the Asian Regional Centre for Commercial
Arbitration. May I extend my congratulations
to the Asian-African Legal Consultative
Committee for its efforts in setting up
this Centre. Malaysia has been honoured

I wish to thank the Asian-African
Legal Consultative Committee, for the great
honour in inviting me to inaugurate
its Regional Centre for Commercial Arbitration,
at our Capital City of Kuala Lumpur. may
I take the opportunity, to congratulate the
Committee for its magnificent efforts in
setting up the Centre. It is indeed a great
honour to Malaysia, for having been
chosen, as the location for the Centre.
The Malaysian Government fully supports
the project, and will cooperate to
make the Centre a success, as the
arbitral institution for the Asian region.

by the choice of Kuala Lumpur as the location for this Centre, and therefore, the Malaysian Government will give its fullest support and cooperation so as to ensure the Centre's success as the arbitral institution for the Asian region.

2. I understand that, apart from co-ordinating the existing activities of national arbitral institutions in the region, and rendering assistance to parties in the conduct of ad hoc arbitration, the Centre will also provide facilities for arbitration

under its own auspices. The provision of such facilities in this region is most welcome. Netherto, business organisations and government agencies, have to resort to arbitration under teh auspices of arbitral institutions outside of Asia in the settlement of commercial disputes. This situation has contain defects and is not advantageous to the Asian parties to s dispute. First, some arbitrations can be very expressive, if they are protacted over a long period of time. Secondly, the arbitral procedures adopted, do not reflect the peculiarities

of our commercial practices and custom
Furthermore, the rapid economic development-
taking place in Asian countries, will see
in the substantial increase of international
commercial transactions in by these
countries. Consequently, there is a greater
number of disputes arising from breach
of commercial contracts.

3. these factors will make the existence
of a Regional Centre

the
 to nationals and organisations of the Asian
 countries. The Centre, by being aware of the
 peculiarities of commercial practices in
these countries,, *and positive* can play a significant
 role in assisting the parties concerned
 to draw up the most *suitable* arbitration
 clause *a* in contract or, *an*
 arbitration agreement. This will
no doubt help to dispel any fears of
at a being/disadvantage *as has been the case*
 arbitration *is* when *any* referred to
 institutions outside of Asia.

4. The effectiveness of this Centre depends largely on the extent to which parties, both within and outside the region, make use of the facilities provided. It is, therefore, imperative that the Centre enjoys the confidence of not only the Governments of the Asian countries, but that of the trading community in these countries as well. In this respect, the various national Chambers of Commerce, should seriously study the facilities offered by the Centre, and encourage their members to use their utility. Their participation and support are particularly important

because first

use

we have to encourage the -

of the Centre's facilities in intra-Asian

transactions;

trade and commercial

hope the

before we can non-Asian parties to

use them as well.

However, the suggestion to

obtain the United Nations' endorsement of

the concept of regional commercial arbitration

should be supported, as this would give

an

the Centre/international recognition.

and thereby encourage the - *use* of

the Centre's facilities by non-Asian parties.

Ladies and Gentlemen.

5.

that a seminar on Commercial Arbitration.
and a conference of Trade Ministry officials
and representatives of Chambers of Commerce
from ASEAN member countries, will be held
to mark the occasion of the opening
of the Centre. ASEAN, as one of Asia's viable
regional organisations, in a good position
to use the facilities offered by the Centre.
The recent Preferential Trade Arrangements
amongst the ASEAN member countries will increase
the level of intra-ASEAN trade, and in consequence,

it can be expected that the Centre will be
used
 in any commercial arbitration
arising out of
 of intra-ASEAN
 trade and commercial *transactions.*

9
 hope that the Seminar on Commercial
Arbitration, will be able to encourage the
 use of the Centre's facilities by the commercial
 community in the ASEAN member-
countries.

Ladies and Gentlemen.

In conclusion, I would like to
 once again congratulate
 the Asian-African Legal Consultative Committee,
able
 under the leadership of its Secretary-General,

efforts and

Dr. B. Sen, for its/success in establishing
the Asian Regional Centre for Arbitration.

I am confident that with the support from
the governments and the commercial
community of the Asian countries, the Centre
a focal point in this part of the world,
will be

*where advice, guidance and information on matters
of commercial arbitration, can be obtained. I wish
the Centre every success.*

7. I now *have* great pleasure in
this
inaugurating Regional Centre
for Arbitration in Kuala Lumpur.



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