

Director-General's Review of 2001

Introduction

The LCIA enjoyed another successful year in 2001 in all its areas of activity. We are most appreciative of the continuing support of our many members, for whom we have endeavoured to provide activities, information and services of the high quality for which the LCIA is renowned.

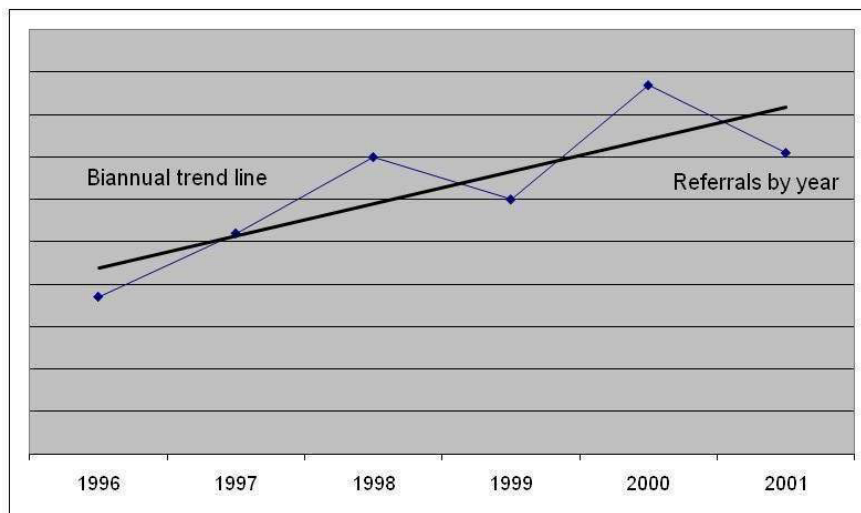
In a market which is witnessing many changes in approach to the resolution of commercial disputes, be it in innovations in forms of ADR (including greater use of e-technology) or in new approaches to binding decisions, such as adjudication, the LCIA has found itself increasingly involved in the creation of tailor-made procedures and has broadened its range of administrative services to support dispute resolution proceedings conducted other than under its own rules.

The International Dispute Resolution Centre (IDRC), established in 2000 with the enthusiastic support of the LCIA, has thrived during 2001. It has provided first class hearing suites and support facilities for arbitration and ADR conducted under the auspices of many institutions, as well as those proceeding on an *ad hoc* basis. The LCIA is pleased to be associated with this most successful centre, which bears witness to the increasing popularity of London as a neutral venue for all types of commercial dispute resolution.

Our location at IDRC has ensured a steady stream of visitors to the secretariat, as members take the opportunity of their attendance at arbitrations at the centre, to call in. We are always very pleased to welcome our members whenever they find themselves in London.

New referrals

Casework referrals in 2001 did not quite match the level of 2000, which had been the LCIA's best ever year, but turned in the second best performance for the institution, with the 158 cases filed during the LCIA's biennial monitoring period for 2000/2001 showing a 21% increase in arbitrations commenced, as compared to the previous twenty four month period.



Contracts in dispute emanated **from diverse commercial fields**, of which 21% related to various aspects of the oil and gas and petrochemical industries; 14% related to disputes among shareholders in **a variety of** commercial enterprises; and 10% each related to insurance disputes and disputes arising out of finance and banking agreements. Other categories ranged from aerospace to telecommunications, from agency agreements to shipping.

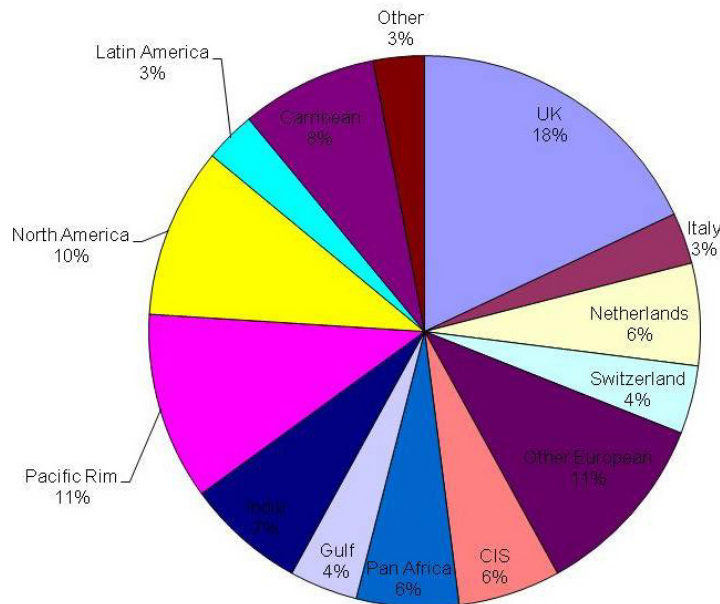
20% of the new cases filed during 2001 were cases in which the LCIA was requested to act as either appointing authority and/or administrator in UNCITRAL-rules arbitrations or in other arbitrations commenced on an *ad hoc* basis. We regard this as a significant development at a time when parties and their attorneys appear to be adopting a more creative and flexible approach to arbitration options, whilst still recognising the added value of the professional administrative services provided by the established arbitral institutions.

Sums in issue

There has also been a discernable increase, in 2001, in Requests in which claims are initially unquantified. In a little over half of all referrals in 2001, Claimants sought a combination of unspecified damages and declaratory relief. Of the remaining cases, in which damages were quantified in the Request, half specified claims in excess of US\$5million, with half of that number being in excess of US\$20million and the highest claim advanced in 2001 being for US\$750million.

The parties

As ever, the parties were from a wide range of jurisdictions, though the common-law jurisdictions accounted for the majority of new referrals. The following chart shows, in percentage terms, the nationalities of all parties, Claimants and Respondents, in cases referred in 2001.



The Tribunals

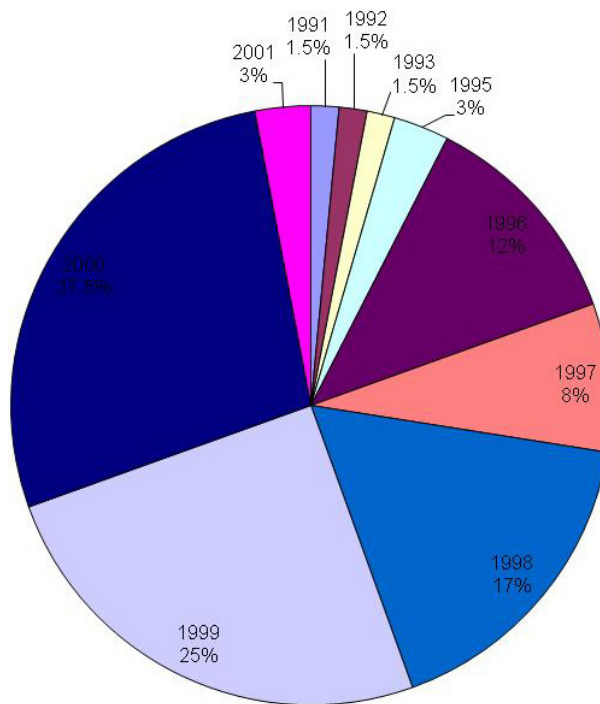
The LCIA Court made a total of 94 individual appointments of arbitrators during the course of 2001, to a total of 51 tribunals. Seven of those tribunals were in respect of cases referred towards the end of 2000. Forty-four were in respect of year 2001 cases. The parties nominated 34 of the 94 individuals; the LCIA Court selected the remaining 60. Of the party nominees 18 (53%) were of UK nationality. Of the Court nominees 24 (40%) were of UK nationality.

As in previous years, therefore, English arbitrators were selected more frequently in 2001 than other nationalities, both by the parties and by the LCIA Court, though there is a greater propensity on the part of the parties themselves to select English arbitrators than on the part of the Court, when it is called upon to make the selection.

In addition to the English arbitrators appointed by the LCIA Court, the nationalities of arbitrators appointed during 2001 included Australian, Austrian, Belgian, Canadian, Chilean, Dutch, French, German, Ghanaian, Indian, Irish, Italian, New Zealand, Russian, South African, Swedish, Swiss and US.

Contract dates

The breakdown of the dates of the contracts in dispute in year 2001 cases (where known) is shown in the next chart. More than 50% of new referrals for the year were in respect of contracts entered into in the previous two years.



Conferences and Symposia

The LCIA once again ran a full programme of its ever-popular symposia. We put on a total of 11 events during 2001, distinguished again by the highest quality of speakers, delegates and debate.

There were traditional symposia, in the unique LCIA style, in Mexico City and in Miami, as well as the LCIA's two flagship symposia at Tylney Hall, one in the spring, the other in the autumn.

In addition, we ran a successful conference jointly with the Canadian Bar Association in Toronto and a series of symposia for the LCIA's Young International Arbitration Group. Three one-day specialist symposia were held in London during the year, in co-operation with various law firms:- on engineering disputes; on the use of e-technology in arbitration; and on oil and gas disputes, respectively.

As ever, the success of these events depended not only on the hard work and great efficiency of Irene Bates and her team, but also upon the active participation of all delegates, who again submitted a large number of the thought-provoking topics that ensure the stimulating debate that continues beyond the working sessions into the bars and lounges of the symposia venues. In previous Newsletters, we have mentioned by name the many chairpersons who have lead the debates and we extend our thanks to them again, along with the officers and members of the LCIA Court and Board who always lend their active support.

A special mention, I think, for the Miami symposium, held just a few weeks after the shocking attack on New York. A full house of delegates for this event demonstrated a common determination not to allow such horrors to deter friends and colleagues from getting on with their lives.

In addition to its own conferences, the LCIA contributed to, and addressed, international arbitration conferences organised by other bodies in many venues, including Barcelona, Brussels, Dublin, Kenya, London, New York, and Prague.

Looking forward

It is impossible to recall the events of 2001, without reflecting on the shocking terrorist attack on New York on 11 September. Those dreadful events are beyond the understanding of many ordinary people and it is not for the LCIA to endeavour to comprehend the causes of, and motives for, such acts. However, the LCIA exists for the purposes of providing independent and neutral assistance to parties of diverse nationalities involved in commercial disputes and counts among its large membership and very many friends, people from the four corners of the world and from every legal, cultural and religious background. It is for this reason, especially, that we view these events with a real sense of sadness and we extend our sympathies to all the victims of the New York attack and of the ensuing conflict and, in common with the broad international community, we hope for a speedy return to a level of peace and co-operation that one might reasonably hope for at the beginning of the twenty-first century.

For all this, the LCIA begins 2002 in an enthusiastic mood, looking forward to continued growth in its endeavours and, including a full programme of conferences, at which we hope to welcome many more of our members.

Adrian Winstanley
Director General