



Worshipful Company of Arbitrators

Mansion House

27th Jan 2010

Lord Mayor Locum Tenens
Alderman Sir Michael Savory

Master, Wardens, My Lord, Sheriffs, Ladies and Gentlemen

Thank you for the Civic Toast and for the very kind cheque for the Lord Mayor's Appeal. I am delighted to welcome you all to the Mansion House on behalf of the Lord Mayor Nick Anstee, who was very sorry not to be here: he is just returning from a short trip to the USA promoting the UK's financial and professional strengths.

I was Lord Mayor a few years ago, and with me tonight is Alderman David Wootton, Sheriff of London, with his wife Liz, Sheriff Peter Cook and his wife Julie. We are being looked after by Senior Programme Manager Richard Martin, who organises some of the Lord Mayor's overseas trips.

Master, I wanted to start with a very quick scene setter on the economy. As we learned earlier this week¹, the UK was out of recession in the last quarter of 2009 - and the economic prospects for 2010 are looking much better. There are many positive indicators in the City - overall City jobs have fallen since 2007, but sectors such as insurance, law, arbitration, fund management and

¹ FT 25 Jan, should be confirmed in ONS stats ion 26th

even many of the banks are performing well. Clearly some reforms will be introduced but must be global in nature to be effective.

The City of London has retained its place as the world's leading international financial centre -: in October last year, the World Economic Forum's Financial Development Report rated the UK number one, followed by Australia; and the City's own Global Financial Centres Index a month before placed London marginally ahead of New York. And for all the media's tendency to talk the UK down, PWC's November UK Economic Outlook predicts that if London's GDP makes it the world's 5th greatest City today, by 2025 that GDP may have grown to make it number 4²! So - while there is much work to do promoting this City and getting those positive messages across, - we are not downhearted.

Master, I know that this company - like many in the Livery - has a strong social and charitable purpose - for which I must congratulate you. In times like these, charity is more important than ever. But I also believe that this company - with your 157 professional liverymen, and your 83 freemen - is one of the forums which will help to grow the UK's business over the coming years.

I am particularly delighted to be in the company of Arbitrators tonight - and David, who's a lawyer, assures me he is delighted too. Because while you may well take some of the lawyers' work and some of their fees, it would be foolish lawyer indeed who would begrudge that. Like the UK's common law system, the UK's strengths in Arbitration are attracting business from around the world.

I know that dispute resolution is on the agenda when the Lord Mayor travels to Dubai in February - an initiative being developed by International Financial Services London. Additionally there may be dispute resolution events on his travels to India China, Singapore, Greece, and Russia. If anyone here is interested, a full itinerary is on the City of London's website - look at the Lord Mayor section.

² http://www.pwc.co.uk/eng/publications/uk_economic_outlook_download_report.html

When the Lord Mayor, Chairman of Policy and even the Sheriffs travel overseas to promote the UK, people are very interested to hear about the UK's strengths in alternative dispute resolution.

The latest report on arbitration and mediation by International Financial Services London estimates that 10,000 disputes were resolved here in 2007 - but I know your Master believes that there have been at least 20,000 - and points out that the RICS alone appoints more than 10,000 arbitrators, adjudicators and mediators each year.

I hope you will pardon me, Master, if I give a little run down on the messages that the Lord Mayor will take overseas on the UK's strengths in ADR.

In basic terms, arbitration and other forms of ADR have become very popular in the UK:

- We have a friendly legal framework under which an award is universally enforceable
- we have a flexibility of approach
- all proceedings are confidential
- party autonomy in language and law
- an independent judiciary which actively encourages ADR
- rigorous neutrality by the adjudicators
- and the availability of suitable venues and supporting services such as interpreters, translators and IT services.

As you know, the financial crisis has seen a tremendous increase in disputes and work for many, including for example the London Maritime Arbitrators Association - after shipping deals struck at the height of the boom fell through. And from what we can make out, people are choosing to resolve more international disputes here.

There are any number of jurisdictions which have embraced Common Law for dispute resolution, such as Dubai and Qatar. In the Dubai International Finance Centre, for example, all contracts are written in Common Law and enforced in terms of arbitration before a purpose-built court presided over by an English judge. It works very well.

ADR is pragmatism writ large and business is all about pragmatism, efficiency and cost-control. So ADR is a powerful alternative to lengthy and expensive litigation in the courts. It comes in various sizes and shapes to fit almost any dispute. It works equally well in any sector from aviation to banking, commodities, construction and engineering, insurance and reinsurance, maritime, gas oil and telecommunications. It also works well with disputes involving distribution agreements, employment, intellectual property, boundary disputes, joint ventures, professional negligence and technology transfer.

It helps all the parties involved in a dispute to resolve their conflict rapidly. It does not matter which jurisdiction the parties are from. It works equally well for disputants coming from civil and / or common law jurisdictions. Most importantly it enables the parties to put the dispute behind them so that they can resume a fruitful relationship without the anger and resentment which all too often accompanies a court case.

Allied to the above is the universal applicability of ADR. It is not just commercial enterprises which use it, but more and more it is being used in and by governments. For example, a government may wish to consider applying ADR techniques to its own disputes or, indeed, insist that ADR is the preferred way to handle any disputes with a supplier or contractor, large or small.

Master, I hope you will forgive my focus on business tonight. This has been a wonderful evening, and I would like to give you a small present from the Lord Mayor, a leather jotter - so you never miss a trick.

Thank you. (No toast)