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Arbitration team to seek Korean clients

By JENNIFER COOKE

A DELEGATION from Hongkong's International Arbitration Centre (IAC) is due back from Seoul today after talks with Korean trade companies in an effort to tap the potential disputes market there.

Trying to persuade South Korean trade companies to select the territory as its neutral place of arbitration for disputes, two lawyers - Mr Neil Kaplan, QC, and Mr Hugh Stubbs, both members of the IAC's managing committee - have spent three days discussing the issue.

Their main targets were trading corporations who may indirectly deal with the People's Republic of China and company legal advisers.

To avoid direct contact between South Korea and China it is often done through friendly Hongkong companies or via a Chinese company in Hongkong seek-

ing Korean merchandise.

China has no diplomatic ties with Seoul. It deals with the communist-controlled North Korean Government while South Korea recognises the Government in Taiwan.

The British Embassy in Seoul and the Korean Commercial Arbitration Board (KCAB) acted as liaison bodies as the IAC delegation attempted to sell Hongkong as a geographically convenient neutral site for future dispute settlements.

"This is the first time we have had a promotional visit to get Koreans to realise the potential of Hongkong as a place to arbitrate their disputes," said the Centre's joint secretary-general, Mr Robin Peard yesterday.

Although China has not yet used the services of the IAC, in the past two years it has cited Hongkong as the preferred centre of arbitra-

tion in case a dispute arises in several contracts entered into with other countries.

The Centre has been seeking for the past six months to be the preferred arbitration site for deals involving China and South Korea.

"We had been talking to lawyers in Korea and the KCAB and it seemed to be promising. That's why we are following it up with some direct round table talks involving them all - rather like a mini-conference," Mr Peard said.

When the IAC was set up in October 1985, it envisaged becoming the "business umpire" of Asia. But it is still competing with Sydney and Melbourne for this title despite being more conveniently located.

It started out well at the end of the 1983-1985 economic downturn when there was "time" for the construc-

tion industry to air disputes, according to Mr Peard.

But since then that industry - which provides most of the IAC's business - has experienced a boom and there is little time for arbitrated dispute settlements.

This has resulted in the IAC facilities being used at less than half their capacity.

However, a track record with satisfied customers is being established in the past two years.

To date, 22 cases have been heard in the two hearing rooms - the longest, involving the Government, took nearly four months to settle.

One international case, between American and Thai parties over the management of a Thai hotel, took one week arbitrated by two Thai lawyers with a neutral chairman, an Australian lawyer.

Much of the IAC's busi-

ness is dealt with by one arbitrator involving local concerns, usually a construction firm and the Government or shipping and commercial disputes, Mr Peard says.

A panel of 145 arbitrators from a mixed bag of professional areas including retired judges, engineers, surveyors, lawyers, shipping experts, insurance industry experts and accountants can be called upon to arbitrate disputes.

Mr Peard said the IAC had also been given a list of 12 Chinese arbitrators who can be called upon when the need arises after recent close contact with the China Council for the Promotion of International Trade (CCPIT) in Beijing.

The CCPIT runs two commissions, the Foreign Economic Trade Arbitration Commission (FETAC) and the Maritime Arbitration Commission.