

Need to promote institutional arbitration to place India amongst top 50 countries in the World Bank's ease of doing business ranking – Legal Affairs Secy

NEW DELHI, 22 December, 2014: Mr. P K Malhotra, Secretary, Department of Legal Affairs, Ministry of Law and Justice, Government of India, today underlined the need for promoting institutional arbitration to achieve Prime Minister Mr. Narendra Modi's vision of placing India amongst the top 50 countries in the World Bank's ease of doing business ranking. To improve India's ranking, enforcement of contracts and quick commercial dispute resolution were the need of the hour, he added.

While addressing a seminar on 'Arbitration in India: The Future Scenario' organized by Indian Council of Arbitration (ICA) on the occasion of its 49th Annual General Meeting, Mr. Malhotra said that the biggest impediment to make India an international arbitration hub was lack of sincerity on the part of arbitrators, advocates and at times the parties involved, who have a languid approach towards arbitration. He added that long delays in settlement of disputes and lack of infrastructure also acted as hindrances and discouraged international arbitration to take place in the country.

On opening up of the legal sector for other communities, Mr. Malhotra said that the Bar Council of India needs to come onboard and efforts were being made to get the stakeholders on the same platform. He added that it would be feasible to open the sector step by step but the pace of the process needs to be quickened.

Speaking on commercial courts, he said that dedicated courts at the district level could speed up the process of judgment as subject expert judges could be appointed to deal with commercial disputes.

Justice S S Nijjar, Former Judge, Supreme Court of India, said that it was time for the governments both at the Centre and states to encourage arbitration. In India, arbitration was not considered seriously and commitment on the part of lawyers and arbitrators was missing. For instance, majority of the lawyers take up an arbitration case only after court hours or on weekends. The approach needs to change and arbitration should not be considered as a part time activity.

Mr. N. G. Khaitan, President, ICA, said that to resolve commercial disputes there were two ways – litigation and arbitration. Today people were ready to adopt arbitration over litigation but there was a need for an institutional arbitration mechanism. Also, it was necessary to discipline ad-hoc arbitration to avoid delays and to pronounce judgments in a time bound manner. He suggested that 'fly-in, fly-out' for foreign lawyers should be allowed for international arbitration cases, like Singapore and Malaysia, to make India an arbitration hub.

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