



Editorial

I have the honour to present to you the forth issue of Volume 3, Special Edition 2 of Dubai International Arbitration Centre (DIAC) Journal "Arbitration in the Middle East".

The year 2009 was so important for both national and international commercial arbitration. It became clear that there was a need for developing Alternative Dispute Resolution mechanisms and subsequent development of laws and rules regulating arbitration, and the establishment of relevant specialized arbitration centres.

As a result of the unforeseen economic events, mainly the downturn of world economy, and the suspension of many projects and investments, thus leading to complications in commercial relations that entailed disputes and claims filed before courts and arbitration tribunals.

Here, arbitration revealed its ability to play a fundamental role in mitigating the crisis. Parties to commercial contracts, particularly foreign investors, do not prefer to have recourse to national courts in the countries where they carry out their business. In fact, they prefer to have recourse to arbitration to resolve disputes due to many reasons, such as; fear by foreign parties that national courts would favour national interests; and foreign parties' lack of knowledge of litigation proceedings, language or even the laws that govern litigation proceedings. These facts are well known to all those who follow international reports and practices. Usually international companies insist on including arbitration clauses in all contracts. If the country hosting investments has developed arbitration mechanisms, it will be in a better position than others to attract investors; for it can establish a trusted economic environment with ADR mechanisms being implemented.

Furthermore, the existence of arbitration centres of international standards attracts investors that will have more confidence to place their assets in the market. On the other hand, this is yet another indication of the country's developed legal system providing security for parties to commercial transactions.

Therefore, DIAC believes it is its duty as a reliable regional arbitration institution to support international business activities and provide the best ADR mechanisms according to the highest international standards. DIAC was successful in overcoming many difficulties facing 292 commercial arbitration cases registered at DIAC in 2009.