MESSAGE FROM THE CHAIRMAN

After an interval of four months, we hope this is the right time for the issue of the third edition of the Centre’s Bulletin. Successful launching of the Bulletin, in a quarterly sequence, reflects our determination to continue this venture.

The first two editions of the Bulletin have done the basic spade work for establishing a communication link between sectors related to commercial arbitration, such as, arbitrators, legal, engineering and auditing professionals besides experts and expertise houses. The Bulletin has also been effective in enlightening the concerned sectors of the Centre’s activities, initiatives as well as developments in the regional and international fields of commercial arbitration.

Since the seventh meeting of the Board of Directors of the Centre in April 1996, the GCC Commercial Arbitration Centre, under the able guidance of the Secretary General, has been taking an active role in making its presence felt in the GCC Countries.

At the eleventh general meeting of GCC Secretariat General and office bearers of various Gulf Chambers of Commerce held at Riyadh in April 1996, the Centre was represented by the Secretary General, Mr. Yousif Zaiin Al Abeddin Zainal. Meanwhile Dr. Hasan Eisa Mulla, member of the Board of Directors, and Mr. Yousif Zainal have met the new Secretary General of the GCC, congratulated him on his appointment and discussed with him issues of mutual concern.

With an aim to disseminate arbitral awareness, the Centre has organised short term courses and seminars on commercial arbitration subjects. The first one of its kind was a symposium on arbitration aspects followed by two training courses for arbitrators. The courses were organised in collaboration with the Chartered Institute of Arbitrators, UK. Further more, a seminar on “Role of Arbitration in Resolving Banking Disputes” was organised in association with the Bankers’ Society of Bahrain.

The Centre has opened its channels to the international arena by participating in the 12th meeting of the International

The Seventh Meeting of BOD of the Centre Bahrain, 10 April 1996

The BOD of the Centre held its Seventh Meeting in its headquarters in Bahrain on 10th of April 1996. The Meeting aimed to activate the Centre by discussing its activities during the last period commencing from the Meeting in Muscat last January and what actions/decisions have been implemented since then regarding the centre’s working plan for this year. The Meeting was held after the Federation of the GCC Chambers, in its Meeting in Riyadh in last April, had adopted a recommendation urging the member Chambers to continue their support to the Centre.

The agenda of the Meeting included other items related to the assessment of the seminar on the Arbitration aspects in the Region held in Bahrain in 19th of April 1996, the periodical bulletin of the Centre as well as relations with the universities in the GCC States within the framework previously adopted by the BOD. The agenda of the Meeting included the approval of the new members to be registered in the Panel of Experts and other administrative and organizational matters. It was agreed to hold the next meeting of the BOD in Bahrain on 3rd of October 1996.

The 4th Economic Decision of the 14th Session of the Supreme Council of the Gulf Arab States Co-operation Council - Bahrain - 20-22 December 1993

The GCC Commercial Arbitration Centre

After having acquainted with the memorandum of the General Secretariat regarding the project of the GCC Commercial Arbitration Centre; and with the recommendation of the Commercial Co-operation Committee adopted in its 19th meeting held in Abu Dhabi in September 1993 on the same; and with the support of Ministers
Arbitration Aspects in the Region
Seminar - Bahrain 9 April 1996

Under the patronage of Mr. Ali Yousuf Fakho, Chairman of Bahrain Chamber of Commerce & Industry, the GCC Commercial Arbitration Centre held a seminar on “The Arbitration Aspects in the GCC Unified Economic Agreement” and presented by Dr. Mohammad Soud Al Sayari, General Manager of Legal Affairs at the General Secretariat of the GCC in Riyadh. The first part of this paper dealt with arbitration as a means of dispute resolution, its importance in the commercial field and its position among the laws of the GCC countries. The paper dealt also with some decisions taken by the GCC states regarding arbitration. The most important decisions are:

The 12th Meeting of the International Congress of Maritime Arbitrators
Paris, 24 - 28 June 1996

The 12th Meeting of the International Congress of Maritime Arbitrators, hosted by the Chamber of Maritime Arbitrators in Paris, was held during 24 - 28 June 1996. It has become a tradition to hold a meeting of maritime arbitrators from all over the world every two or three years in order to discuss and exchange ideas and information related to maritime arbitration, in addition to new trades in the practical aspects of those arbitrators who possess inverte experience in different fields of maritime arbitration and maritime trade. The meeting was attended by more than 250 participants from different countries of the world. The GCC countries were represented by the Secretary General of the GCC Commercial Arbitration Centre beside a delegation from Kuwait Petroleum Corporation. The meeting was also attended by delegations from Egypt, Tunisia and Morocco. The delegation of Morocco was the largest Arab delegation attending the meeting. This can be ascribed to two or three important reasons such as the existence of the Chamber of Maritime Arbitration in Morocco, the accommodation of the 7th Congress of Maritime Arbitrators by Morocco in 1985 and the location of Morocco near the international maritime arbitration centres such as Paris and London.

The sessions of the Meeting were rich in different subjects of maritime arbitration as a specified, accurate and effective way of solving maritime disputes of international character, whereas maritime commerce is considered as an international one which needs large investments. Some of the sessions of the Meeting were devoted to the comparison between maritime arbitration in London and Paris and between London and Germany due to the importance of these international centres in maritime.

INTERNATIONAL COUNCIL FOR COMMERCIAL ARBITRATION
Seoul Conference 1996
October 10 - 13, 1996 Seoul, Korea

INTERNATIONAL DISPUTE RESOLUTION:
Towards an International Arbitration Culture

This time The International Council for Commercial Arbitration (ICCA) will hold its conference in Seoul - Korea in October 10-13-1996. The last ICCA conference was held in Bahrain in February 1993 under the main theme “International Arbitration in a Changing World”.

Cont. Page - 5
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On June 9, 1996, the GCC Commercial Arbitration Centre in collaboration with the Bankers' Society of Bahrain held a seminar entitled, "Arbitration in Banking Matters", at the Bahrain Institute of Banking and Finance. The seminar, chaired by Elizabeth Hall, in-house counsel to Gulf International Bank, Bahrain, was divided equally into three parts. Mr. David Bennet, an associate solicitor at Norton Rose, Bahrain, first presented a paper entitled, "The Advantages of Arbitration in Banking Matters", followed by Mr. Yousif Zainal, Secretary General of the GCC Commercial Arbitration Centre, with a paper entitled, "Commercial Arbitration Under the Rules of the GCC Centre", and ended with a discussion session. Members of the audience actively participated in the discussion session, drawing upon their own professional experiences as well as asking questions of the panel and themselves. The seminar was particularly fortunate to have the presence of Mr. Mohammed M.J. Nader (of Nader Law and Translation Offices located in Jeddah, Riyadh, Madinah, K.S.A., and London, England) who was able to answer questions concerning the arbitration practice, the advantages of having arbitral awards compared to judicial judgements and the enforcement of arbitral awards in the Kingdom of Saudi Arabia.

While the seminar's attention focused on arbitration as an alternative dispute resolution forum for banks and their clients here in the Gulf and the role to be played by the GCC Commercial Arbitration Centre to help the arbitrating parties, it was noted that the topic is of current interest around the world and especially in financial centres like London, New York and Paris. The immediate relevance of the subject and certainly the organisational efforts of Ms. Wendy Tooran, Administrator of the Bankers' Society of Bahrain, assured the high attendance at of the seminar and its success.

We look forward to offering many more of these types of seminar meetings where professional participants, be they presenters or members of the audience, can freely exchange experiences, ideas, developments and trends as well as other types of information vital to the growth and maturity of commercial arbitration in the Gulf, generally, and the Centre, specifically. We are committed in our dedication to serve you to the highest standards.

Please find below the paper given by Mr. Bennet at the seminar.

**USE OF ARBITRATION IN BANKING DISPUTES**

Traditionally there has been a reluctance amongst banks and financial institutions, and their legal advisors, to include arbitration clauses in their contracts. It is more usual for disputes arising out of such contracts to be referred to the courts of a particular specified state (often the lender's home state). This may be because the most common type of claim arising under a financial services contract is a claim for a debt due in consequence of a default in payment and it is perceived, or has been in the past, that debt-recovery claims are better pursued through the courts. This is due to the powers of the courts, in certain jurisdictions at least, to provide summary judgment in such cases and to provide processes for effective enforcement of the court judgement.

Such a tradition, and the reasoning behind it, is the subject of re-evaluation at present in international financial centres such as London, Paris and New York. In the writer's opinion, however, it should be even more the subject of reconsideration in the GCC States and the wider Middle East. The provision of an arbitration clause in financial services and banking contracts in such jurisdictions would appear to have a number of advantages when compared with taking proceedings before the relevant courts. This is particularly the case when the perceived advantages of court proceedings over arbitration are generally not applicable in the GCC States where the local courts are reluctant to award any form of summary judgement, and the enforcement measures available for arbitration awards (in Bahrain at least) are effectively identical to that of court judgements, both requiring the involvement of the Execution Court.

Nine potential advantages of arbitration proceedings are listed below. This list is not intended to be exhaustive. On the other hand, such advantages will not always apply and each case must be considered individually.

1. **Specialist expertise of Arbitrators**: While judges often have considerable experience in financial affairs, they obviously do not have the expertise of those who have spent a lifetime in the field in question. In complex banking matters, therefore, proceedings before a court will require the party to submit the evidence of those
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Arbitration Aspects in the Region...

1. The decision of Supreme Council of the GCC in its 13th Session held in 1982 to approve the establishment of the Gulf Investments and its constitution which included a paragraph saying "disputes raising amongst the contracted states or between these states and the Gulf Investments interpret on interpretation of the terms of the agreement of establishment the Gulf Investment or its constitution must be settled through arbitration".

2. The Decision of the Financial & Economical Cooperation Committee taken in its 17th Meeting which says that "the meant state must refer any dispute, which the established Technical Committee for settlement of eligibility of the industrial establishment to attain terms of exemption and their registration in the Directory of conversional industries, to an arbitration panel, the umpire of which will be appointed by the GCC Secretariat.

3. The Decision of the Financial & Economical Cooperation Committee taken in its 22nd Meeting in 1989 regarding the recourse of disputes to arbitration if the procedures approved by the Committee in its 19th Meeting to settle problems of commercial exchange are exhausted.

4. The Decision of the Supreme Council taken in its 14th Session (December 1993) to approve the establishment of the GCC Commercial Arbitration Centre and its constitution.

The second part of the first paper was dedicated to discussion of arbitration fields of the Unified Economic Agreement of the GCC Countries. Dr. Yousuf Al Hakim, who is one of the leading main Lawyers and Commercial Arbitrators in the Arab World, presented the second paper titled "Recognition and Enforcement of Foreign Arbitral Awards".

MESSAGE FROM THE CHAIRMAN

Congress of Maritime Arbitrators held in Paris during June 1996. The Centre delegation also held discussions with the officials of the International Court of Arbitration, of the International Chamber of Commerce, Paris. Possibility of implementing a Mutual Co-operation Agreement, signed in last January was focal point of discussion with the Secretary General of the German Institute of Arbitration. Signing of similar agreement with the Arbitration Institute of the Stockholm Chamber of Commerce is in the offing.

The Centre's efforts in the international sphere are intended to build confidence of foreign investors in the GCC countries and to ensure them that there is no dearth of fast and cost-effective mechanism for settlement of commercial disputes in the GCC Countries.

It is with immense pleasure that I am presenting this third issue of the Bulletin before you. My fellow Directors and I hope that you will accept this issue with the same warmth that you have shown for our earlier issues.

Ali bin Khamis Al Alawi
Chairman

The 12th Meeting of......

arbitration. There were questions about the response of arbitration systems in such centres as London, New York and Paris to the requirements of users of arbitration. The meeting also dealt with the New English Arbitration Act which had been adopted in the beginning of this year. Some presented papers tackled the problem of Jurisdiction in the contracts of carriage of goods by sea.

The attendance of East Asian delegates was remarkable. They were represented by the Chinese (the largest East Asian Delegation), the Japanese, the Korean and the Thai delegations. They played a big role in the discussions of the Meeting whereas a number of submitted papers dealt with very important topics which covered the experience of maritime arbitration in China and the advantages provided to foreign arbitration users by the maritime arbitration in Tokyo.

The Cairo Regional Centre of International Arbitration presented a paper related to the Maritime Arbitration in accordance with the UN Convention on the Carriage of Goods by Sea which is known as "Hamburg Rules".

A special session was denoted to ADR i.e., Alternative Dispute Resolutions. Despite their effectiveness as a means to solve some international commercial problems, the ADR are not very popular in solving maritime matters. Some commentators even consider these methods as waste of time and expensive, as they precede the arbitration phase, unless the dispute is not solved cordially by a mediator or a conciliator. In any case, this subject is debatable.

Another special session was denoted to the role of international institutions and organizations in maritime arbitration whereas a number of relevant papers were submitted. The main discussion question was: "Is it necessary to have a specialized (separate) international organization for maritime arbitrators with its own administrative body or to content with current international arbitration organizations, no matter whether they are maritime or non-maritime organizations?"

There was a consensus among delegates that another alternative organization for general international arbitration was not necessary. However, conferences and meetings, such as the current Meeting, must be held continuously under the patronage of temporary maritime organizations (i.e., organizations with no permanent administrative body).

The meeting also discussed several papers regarding charter parties as well as Bill of Lading.

It is worth mentioning that Charter Parties, being several in quantity and different in quality, always include the arbitration clause. However, Bills of Lading do not include the arbitration clause and it is insignificant for the holder of the bill of lading in good faith.

Several other important papers on maritime arbitration were presented during the Meeting, including papers on Marine Salvage, Maritime Fraud, Limitation of Liability of shipowners and the enforcement of Foreign Arbitration award in maritime arbitration etc.

Apparently, the congress has successfully covered all the aspects of shipping and maritime commerce. Its sessions have been serious with comprehensive subjects.

At the end of the congress, it was decided to hold the next meeting in February 1999 in Auckland, New Zealand.

Report prepared by

Yousif Zainal
Secretary General
One of the themes suggested is “International Disputes Resolution: Towards an International Arbitration Culture” which seems especially appropriate for Seoul Conference. Several sub-topics could easily evolve from this theme and would lead to further discussions in greater detail thus ensuring that the Conference is important to all participants.

The theme of the 1996 Seoul ICCA Conference must be of both conceptional importance and practical relevance to advocates and arbitrators in international commercial dispute resolution, particularly as we approach the next millennium. Examining moves towards an international arbitration culture is such a theme. How best should it be approached? What do we expect to learn? The proposal which follows is to divide the topic into four parts with a single speaker on each part. The four topics are:

a) Is there a growing international arbitration culture?

b) Is there an expanding culture that favours combining arbitration with conciliation or other dispute resolution procedures?

c) To what extent do arbitrators in international cases disregard the bag and baggage of national systems?

d) When and where do national courts reflect an international culture when deciding issues relating to international arbitration?

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P.O. Box: 305
Seoul 135-603
Tel.: 82 2 596 8900
Fax: 82 2 591 0731/2

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The 4th Economic Decision ....

of Justice for the establishment of the Centre in their 5th meeting held in September 1993; and with recommendations of the Financial and Economical Co-operation Committee and the Ministerial Council in its 49th (Preparatory) session on the same, the Supreme Council has decided to:

“Consent with the establishment of the GCC Commercial Arbitration Centre according to the attached drafting (Annex No. 2). The Council of the Federation of the GCC Chambers shall designate the headquarters of the Centre”.

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ARBITRATION IN BANKING MATTERS

a court or the award of an arbitration tribunal is of little use if it is unenforceable. Often there is a need to enforce decisions in countries where the assets of the defendant are situated and, in the modern international community, the transportability of decisions is an important element in their effectiveness. Although court judgements of the GCC States are enforceable in other GCC States, difficulties can be encountered when there is a need to enforce such judgements in, say, a European state, in particular former communist states, or the United States of America. As a general rule, arbitration awards are much more widely enforceable internationally than court judgment.

8. No public submission to the national courts of another state: Some financial institutions, especially if owned by a state, may find it difficult to agree to submit disputes to the courts of another state; on the other hand, the counterpart will not wish disputes to be decided by the courts of the state in question. A simple compromise, therefore, is to agree to arbitration, usually to be held in a neutral third country.

9. Culturally more acceptable: Because of their consensual nature, arbitrations are not considered to be as combative as court cases. Culturally, arbitration may therefore be considered more appropriate or acceptable as a form of dispute resolution between Arab individuals or entities.

In light of the above, arbitration may be an appropriate or advantageous means of dispute resolution in banking and financial services cases. Provision for arbitration therefore bears serious consideration in the drafting of the jurisdiction clauses in banking documents, under certain laws at least, to draft a clause providing for arbitration at the option of the bank. It should be noted, in addition, that even where a contract originally provides for disputes to be referred to the courts, it is still possible when a dispute arises for the parties to mutually consent to resolve such dispute by way of arbitration. This will require the parties simply to agree an arbitration agreement.

In each case, therefore, the parties’ legal advisers should give due consideration to the possibility of arbitration as the means of dispute resolution before inevitably committing their clients to court proceedings.

David Berner, as assistant in the Bahrain office of Norton Rose, is a member of Norton Rose’s Middle East Group and is also a registered arbitrator with the GCC Commercial Arbitration Centre. In addition, he has recently been admitted as an Associate of the Chartered Institute of Arbitrators. He is a commercial litigation and arbitration specialist.
IT IS POSSIBLE UNDER UAE LAW TO ATTACH ASSETS IN THE UAE PENDING THE OUTCOME OF FOREIGN ARBITRATION

SUMMARY:

In an action filed before the Dubai Courts, the Court held that a company may obtain an attachment against the assets of a Defendant company as security for arbitration proceedings outside of the UAE and request the Court to maintain the attachment and suspend the case pending the outcome of the arbitration proceedings.

CLAIM:

The action was brought before the Dubai Court by the owners of a vessel (the "Plaintiff") under a charter party dated 23 September 1993. The Plaintiff chartered the vessel to the first Defendant for a period of 120 days at a daily hire rate of US $4,600. The charter party was later amended whereby the first Defendant's obligations were assigned to the second Defendant in this proceeding. However, it was agreed that the first Defendant would remain as a guarantor for the obligations of the second Defendant under the charter.

The Defendants failed to pay the charter hire and the Plaintiff obtained an attachment order against their bank accounts in Dubai.

Since the charter party contained a clause for arbitration in England, the Plaintiff gave notice of arbitration and proceeded with the arbitration in England.

COURT OF FIRST INSTANCE:

The Court of First Instance dismissed the action and attachment orders on the grounds that the Dubai Court had no jurisdiction since the parties had agreed to refer the dispute to arbitration.

COURT OF APPEAL:

The Plaintiff appealed to the Dubai Court of Appeal. The Court upheld the judgement delivered by the Court of First Instance.

COURT OF CASSATION:

The Court of Cassation overturned the judgements delivered by the lower Courts and held that it was possible under Article 22 of the UAE Civil Procedure Law\(^1\) ("the CPL") and relevant procedure to:

* attach assets in the UAE
* File a request, within eight days of such attachment, to uphold the attachment proceedings without requesting the Court to deal with the merits of the case.

The parties may then proceed to arbitration according to the agreement. The arbitrator will not have jurisdiction to deal with any application regarding the execution of judgment or the attachment of assets.

It is therefore possible for the Plaintiff to apply to the competent Court for an attachment and to file an action within eight days to maintain the attachment proceedings and to proceed with the main action elsewhere according to the relevant agreement.

Accordingly, the Court of Cassation referred the matter back to the Court of Appeal to deal with the same according to the guidelines set out by the Court of Cassation. The Court of Cassation further ordered that in case the Defendants failed to appoint their arbitrator, the Court of Appeal should proceed with the action on the merits and order the Defendants to pay the Plaintiff an amount of Dhs. 2,714,507 plus interest and legal costs.

Notwithstanding the above, Dubai Court of Appeal dismissed the action on the grounds that the parties had agreed to proceed to arbitration and therefore the Dubai Court had no jurisdiction.

The Plaintiff further appealed to the Dubai Court of Cassation and argued that the Court of Cassation's judgement in this case had been to allow the Plaintiff to attach assets in the UAE and to proceed with the main action elsewhere according to the agreement made by the parties. The Plaintiff had filed the main action (i.e. the arbitration proceedings) within eight days of the attachment in accordance with UAE law and it is possible under Article 22 of the CPL to proceed to foreign arbitration and attach assets locally in the UAE. Even if the Court had no jurisdiction on the merits of the claim, it was consistent with Articles 102 and 225 of the CPL to uphold the attachment and request the Court to suspend the main action pending the outcome of the arbitration. The judgement, however, delivered by the lower Courts did not take account of this and dismissed the case in violation of UAE law.

It was established that it was not possible to refer matters such as attachments or execution proceedings to an arbitrator unless the party specifically has agreed to do so. Accordingly, the attachment proceedings must be filed with a competent Court and not the arbitrator. It was evidenced in this case that the Plaintiff proceeded to arbitration in London according to the charter party and that they had therefore filed the main action as required by UAE Law within eight days following the attachment proceedings in Dubai whilst requesting the Dubai Courts just to maintain the attachment proceedings pending the London Arbitration Award.

The Court of Cassation therefore held that the judgments delivered by the lower Courts were wrong in law. The Court of Cassation held that the Plaintiff had the right to commence the attachment action in Dubai, which was quite separate from the arbitration proceedings in England, and request the Dubai Courts to simply maintain the attachment proceedings rather than determining the merits of the case which fall within the jurisdiction of the arbitrator in England.

Accordingly, the Court of Cassation cancelled the judgement delivered by the Appeal Court and again referred the matter back to the Appeal Court to deal with according to the guidelines set out by the Court of Cassation.

\(^1\) Article 22 of the UAE Civil Procedure Law provides (where relevant) as follows: "The registration offices shall prepare a register for recording the registration applications and the documents. Applicant shall be given a receipt, including the registration number and date."
Objective of the Study
This study aims at analysing the trends, during 1986-1994, in both intra-GCC and international trade and the need for arbitration mechanism to solve any disputes which may arise between the trading partners.

Introduction
In November 1981, the heads of the GCC states signed the “Unified Economic Agreement” (UEA). The UEA set out the economic objectives of the GCC concerning the co-ordination and unification of economic, fiscal, monetary, industrial and trade policies. The UEA contained seven Chapters, of which Chapter One covers "Trade Exchange" in seven articles. The implementation of Chapter One and other Chapters of the UEA may result in disputes which in turn need to be solved in fast and professional manners. This is achievable through commercial arbitration. Consequently, in December 1993, the establishment of the GCC Commercial Arbitration Centre (GCCAC) was approved by the heads of the GCC states.

Intra - GCC Trade
As can be seen from Table No. 1, the trade between GCC countries grew by 66.7% in imports and by 25% in exports between 1986 and 1994.

<table>
<thead>
<tr>
<th>Year</th>
<th>Exports ($ Billion)</th>
<th>% Change</th>
<th>Imports ($ Billion)</th>
<th>% Change</th>
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<tbody>
<tr>
<td>1986</td>
<td>4</td>
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<td>1994</td>
<td>5</td>
<td>0.0</td>
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<td>25.0</td>
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% Change 1986 - 1994: Exports = 25%; Imports = 66.7%

In a macro view, while the exports between GCC states recorded a growing trend in the 1980s, and declining trend in the 1990s, the imports rose steadily. However, to be able to examine closely the trends in trade exchange between GCC countries, individual state’s position must be analysed. While most of the Bahrain’s imports is oil from Saudi Arabia, its 1990s’ non oil exports to the UAE and Qatar fell sharply, and non oil imports from the UAE grew slowly. Kuwait’s imports from GCC states accounted for about 10% of its world imports. Oman has maintained significant trade exchange with three of the six members of GCC states, i.e. Bahrain, Saudi Arabia and the UAE. As in the case of Kuwait, Qatar’s imports from GCC states constituted about 10% of its global imports. Saudi Arabia imports from GCC were around 3% of its international imports. However, Saudi Arabia imports from GCC - recorded a growing trend - it imports more than one half from the UAE and Bahrain. The UAE imports from GCC countries registered a declining trend during the 1980s and showed some recovery in the 1990s.

GCC - World Trade
Table No. 2, shows trends in trade between GCC and the world. In this case, trade grew at higher rate than that recorded in intra - GCC trade. GCC’s exports to the world rose by 91.5% and imports by 71.1% from 1986 to 1994. Again, in order to understand the trends in GCC - World trade, an individual look at each GCC state is needed.

<table>
<thead>
<tr>
<th>Year</th>
<th>Exports % Change</th>
<th>Imports % Change</th>
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<tbody>
<tr>
<td>1986</td>
<td>47</td>
<td>38</td>
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<td>1988</td>
<td>54</td>
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<td>68</td>
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<tr>
<td>1994</td>
<td>90</td>
<td>65</td>
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</tbody>
</table>

% Change 1986 - 1994: Exports = 91.5%; Imports = 71.1%

Given the fact that Bahrain’s trade consisted of 50% of imports and exports of oil, its trade with the world affected directly by the movements in the prices of oil. Kuwait, on the other hand, imports rose sharply after 1990’s crises, its exports were largely affected. However, oil exports recovered noticeably during the last 3 years. Oman’s imports from the world remained stable during the 1980s, its imports rose slowly in the 1990s. Qatar’s imports from the world dropped steadily in the 1980s and grew slowly in 1990s. Saudi Arabia imports from the world declined steadily during the 1980s with some recovery in the 1990s. This is reflecting the success made "import substitution" policy. The UAE experienced somewhat similar trends as that of Saudi Arabia.

The Growth in Trade and the Need for Arbitration
Regardless of the fact that the growth in trade in value and volume, both the intra-GCC and GCC - World is positive, there are also side effects which need to be addressed. These side effects are disputes, parties of which may be 1) individuals and/or firms from within the country or from different countries; 2) governmental entities - firms and/or individual - of one or different countries. If these disputes arise, there have to be a mechanism to solve them. This mechanism may take one of the following forms: 1) the use of the regular juridical system in a given country; 2) solving disputes by selecting acceptable institution by all parties involved; 3) forming a specially designated committee to find a solution for a given dispute; 4) the use of local arbitration in the same state, or international arbitration in the region, or international arbitration in general. If we take a specific case of intra - GCC trade as one venue of implementing the UEA with regards to the adaptation of “Certificate of Origin”, this resulted in some disputes, in solving these disputes or any other disputes which may result from the implementation of the GCC’s UEA, the use of the services of the GCCCAC would be of advantage for all GCC members. These advantages came from the fact that GCCCAC was established by the heads of the GCC states as an acceptable regional arbitration body by all of the GCC members.

The Centre has recently received a letter from Bahrain Telecommunications Company (B.S.C.) - Batelco - stating that the GCC Commercial Arbitration clauses will be given preference in its contracts with local and overseas suppliers. The following wordings will be used as an arbitration clause:

"All disputes, differences or questions between the parties to the contract with respect to any matter arising out or relating to the contract may be settled amicably between the parties. Failing amicable settlement, the same shall be referred to the arbitration under the rules and procedures set out in the Charter and Arbitral Rules of Procedure of the G.C.C. Commercial Arbitration Centre".

In this occasion, we would like to express our deep gratitude to Batelco and it's officials for the trust and we assure them that their choice is the right and appropriate one.

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**NOTE**

The views expressed and information provided in this bulletin are not necessary those of the GCC Commercial Arbitration Centre or it's Board of Directors. The GCCCACC has no liability whatsoever which may be placed upon it.
TWO SHORT COURSES SUCCESSFULLY HELD

The Centre successfully held two short courses in International Arbitration. The Advanced course was held from 13 - 15 - April 1996. The Entry course was held from 15 -17 April 1996. Both courses were organized in collaboration with Chartered Institute of Arbitrators (UK). The member of participants of the 2 courses exceeded 40 candidates.

The Advanced Course, sitting from right, the Center’s Secretary General Yousif Zainal, Brian Trotterdel of C.I. Arb, Vienna Based Secretary of UN Commission on International Trade Law, Dr. Gerald Herman, Dr. Nael G Bunni of C I Arb, and, standing third from the left, C I Arb representative David Griffiths, and course participants.

Tutors and participants of the Entry Course.

Members of the Centre’s Panel of Arbitrators attended the Entry Course with their tutors, Jeffery Howker, standing first from the left, Brain Trotterdel, standing first from the right. Both are also members of the Panel of Arbitrators. Sitting in the centre is the Secretary General of the Centre, Yousif Zainal.