

**Speech of Hon'ble Minister of Law & Justice
at the Inaugural function of the
2015 UNCITRAL India Workshop on
Dispute Resolution in the Construction Industry
held on 16th February, 2015 at New Delhi**

Mr. Joao Ribeiro, Mr. Christopher To, Prof. Oh Soogeun, Dr. Kohli, Dr. B D Mundhra, dignitaries on and off the Dias, it gives me immense pleasure to be with you this morning and address the galaxy of experts who, during the course of the day, would be deliberating on various aspects of resolving business disputes.

As all of you are aware, development of physical infrastructure in the nation is our prime priority. Building assets, generating employment, enhancing the economic growth are the obvious resultants, which the nation demands now, more than ever.

Positive development could only happen with a robust and healthy work and business environment and one major ingredient to ensure this is speedy, equitable and fair dispute resolution.

With an annual investment of over INR 4.3 trillion in building the assets in the nation and generating employment of over 42 million, construction Industry plays a vital role in achieving stated objectives. Ironically, it is this activity, which suffers most by unresolved business disputes. According to recent estimates, over 18% of the annual output remains stuck in a variety of disputes. This, I am aware, inhibits the growth, creates an environment of uncertainty and results in poor business confidence, and the situation needs immediate reversal.

We all know that our regular courts are overburdened with huge pendency of civil as well as criminal cases. Therefore, we need to resort to Alternative Dispute Resolution (ADR) mechanisms

like arbitration for settling commercial disputes. The basic advantages of arbitration are: (a) simplicity of procedure, (b) low costs, (c) cordial atmosphere and (d) expeditious disposal.

One of the very important objectives of our Government led by the Hon'ble Prime Minister is to make India an international hub for arbitration. It can happen only when certain basic systems are put in place, like reducing the time taken for deciding a dispute, certain modifications in the process adopted and the finality of those awards and the legal sanctity attached to the legal process. If all these are properly put in place, India can certainly dream of becoming an international hub for arbitration. The Government will shortly bring out necessary amendments to the Arbitration and Conciliation Act.

Some of the measures being undertaken on priority basis for ensuring the timely and effective enforcement of commercial contracts involve exploring the possibility of setting up of specialized fast track courts/tribunals at the subordinate level and specialized commercial divisions at the High Court level to deal with the commercial cases and encouraging arbitration to resolve contractual disputes.

I am happy to note that the Construction Industry Arbitration Council jointly with UNCITRAL & CIDC has organized this Workshop to evolve workable strategies to overcome these impediments. Adopting Institutional Arbitration replacing the ad-hoc arbitration, understanding and resorting to alternative methods of dispute resolution, and most importantly introduction of on-line mode of dispute resolution, specially for small value disputes needing resolution, are some of the most important issues needing not only deliberations but for definite resolution.

These issues have been identified for action in the 12th National Plan and my Ministry shall be very pleased to ensure their implementation. In this context I shall be very keen to have the recommendations of today's Workshop and would invite Construction Industry Arbitration Council to work with my Ministry to ensure speedy implementation of the good practices recommended by the experts present here.

I would like to end by thanking the organizers for inviting me to this event and wish you all the very best for the success of this Workshop.

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