

Kluwer Arbitration Blog

LIDW 2024: International Arbitration Day – Keynote and Panel Discussion on the Role of Arbitration in Saudi Arabia’s Giga Growth

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London International Dispute Week (“LIDW”) 2024 kicked off with more than 700 people attending events starting with a thought-provoking keynote speech by [Jan Paulsson](#) – President of the, [Saudi Center for Commercial Arbitration](#) (“SCCA”) Court – on the topic “*International Arbitration in the Year 2050: Shipwrecked or Basking on the Shores of the Promised Land?*”, followed by a panel discussion on the topic “*Vision 2030 and Beyond: Arbitration’s role in Saudi Arabia’s transformation*” jointly hosted by Clyde & Co, Covington & Burling and Kirkland & Ellis.

Keynote Speech: International Arbitration in the Year 2050 – Shipwrecked or Basking on the Shores of the Promised Land?

Mr. Paulsson recounted his unexpected journey into the field of international arbitration, starting with an unplanned job in Paris where he was initially unprepared and unfamiliar with the International Chamber of Commerce (“ICC”) arbitration. Despite these challenges, he successfully handled his first arbitration case as case manager, which set the foundation for his career.

He reflected on the evolution of international arbitration over the past 50 years, noting significant changes such as the professionalization of the field and the establishment of arbitration departments in law firms. He highlighted the shift from a time when arbitration was a niche practice to its current status as a specialized and full-time profession.

In particular, Mr. Paulsson raised concerns as to the increasing complexity and length of arbitration documents, who are often written by young authors unknown to the parties. He criticised the fact that written submissions in arbitration proceedings can now easily override 200 to 300 pages, a practice that he qualified of “endless over-lawyering” and that can be detrimental in some respects for clients.

Mr. Paulsson also addressed the implications of these changes, expressing concerns about the potential loss of wisdom and experience in favour of technical expertise among new arbitrators. He discussed the impact of technology on arbitration, such as the advent of faxes to using BlackBerry, and speculated on the future role of artificial intelligence in producing lengthy documents, which

could very likely lead to more lengthy submissions and awards.

Mr. Paulsson further emphasized the need to maintain ethical standards and avoid the pitfalls of professionalizing arbitration too much, which could lead to a system where decisions are influenced by factors other than merit. He called for a balance between leveraging new technologies and preserving the integrity and fairness of the arbitration process.

In particular, Mr. Paulsson highlighted the need for practitioners to show that they are not profit-driven and profiting from injustice.

Lastly, Mr. Paulsson concluded his speech addressing the growth of arbitration and commerce in the Gulf region, emphasizing several key points. He mentioned that Bahrain is considering establishing an arbitration court in its special economic zone, drawing parallels to the Singapore International Commercial Court, which, despite handling a small number of cases, is highly influential and operates as a “truly international” court within a state with judges for jurisdictions around the world—a model Bahrain is contemplating.

He contrasted this with courts in New York, Sweden, and England, which, despite their reputations, do not function as truly international courts. The speakers raised concerns about the high costs and unenjoyable nature of arbitration, suggesting that a system of international national courts might offer a more efficient alternative.

Vision 2030 and Beyond: The Role of Arbitration in Saudi Arabia’s Transformation

The LIDW 2024 keynote address was followed by a panel discussion on the topic “*Vision 2030 and Beyond: Arbitration’s role in Saudi Arabia’s transformation*”. The panellists included [Dr. Hamed Merah](#) (SCCA), [Joza Al Rasheed](#) (Herbert Smith Freehills), [Amani Khalifa](#) (Freshfields), [Dr. Anna Rogowska](#) (SABIC) and [Haroon Niazi](#) (HKA) as speakers and [Professor Loukas Mistelis](#) (Clyde & Co) as moderator.

The panel discussion focused on [Saudi Arabia’s Vision 2030](#) and the critical role arbitration plays in the Kingdom’s transformation. The session featured key insights from prominent figures in the legal and arbitration sectors, highlighting the rapid development in various sectors, the introduction of new laws, and the establishment of arbitration as a key enabler for economic growth and international investment.

The panellists discussed that Saudi Arabia’s Vision 2030 is a strategic initiative aimed at reducing the Kingdom’s reliance on oil, diversifying its economy, and enhancing public service sectors such as health, education, infrastructure, recreation, and tourism.

The plan includes ambitious projects like [Neom](#), a USD 500 billion mega-city comparable in size to Albania and designed as a hub for innovation and sustainability, and the [Red Sea Global project](#), a 20,000 km² tourism destination powered entirely by renewable energy, featuring 90 islands and pristine marine environments. These projects aim to attract 100 million visitors annually by the end of the decade. Further, the panelists highlighted the development of an arbitration ecosystem in Saudi Arabia, emphasizing the creation of special economic zones with tailored regulations to attract foreign investment and facilitate dispute resolution. They also noted the proactive role of the government in promoting arbitration through supportive regulations and public-private

partnerships.

In terms of legal reforms, the panellists emphasised that Saudi Arabia has implemented substantial legal reforms to bolster its economic objectives, including the enactment of the [Civil Transactions Law in December 2023](#), which offers a comprehensive legal framework for contracts and commercial dealings. Complementing this, the Commercial Transactions Law addresses specific commercial activities. Additionally, the SCCA has been established to efficiently handle disputes, with a significant rise in caseload indicating growing confidence in arbitration.

The panellists underscored the pivotal role of arbitration in facilitating Saudi Arabia's ambitious Vision 2030 and giga projects. They highlighted the SCCA's expanding presence in special economic zones, collaboration with regulators, and surging caseload, reflecting growing trust from local and international parties. The panellists emphasized the importance of a robust legislative framework and the integration of international arbitration standards to attract foreign investment. They noted the increasing acceptance of SCCA rules by investors and the judiciary's supportive stance towards arbitration awards, positioning arbitration as a reliable dispute resolution mechanism. Additionally, the success of the [Riyadh International Dispute Week](#) ("RIDW"), which attracted nearly 5,000 attendees from 79 countries, was showcased as a testament to Saudi Arabia's commitment to becoming a regional arbitration hub.

The panel discussed that Saudi Arabia's Vision 2030 is driving unprecedented legal and economic reforms. Although the panel agreed that arbitration is playing a crucial role in this transformation by providing a reliable mechanism for dispute resolution, thereby enhancing investor confidence and supporting the Kingdom's ambitious development projects, one of the panellists opined that they would prefer adjudicating the dispute through Commercial Courts in Saudi Arabia than arbitration as they are quick, highly digitalised and have a good reputation. The panellists deemed that the ongoing legal reforms and the establishment of the SCCA are key components of this strategy, positioning Saudi Arabia as a leading destination for international arbitration in the MENA region.

While the discussions majorly were towards effectiveness of arbitration in Saudi Arabia, the session concluded with a witty audience question regarding the adoption of alcohol policies or arbitration interest to draw a parallel to how far will international arbitration be adopted in Saudi Arabia. According to one of the panellists, the imposition of interest on arbitral awards is not under consideration, either now or in the future, and suggested that alternative options can be explored when drafting the arbitration agreement.

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