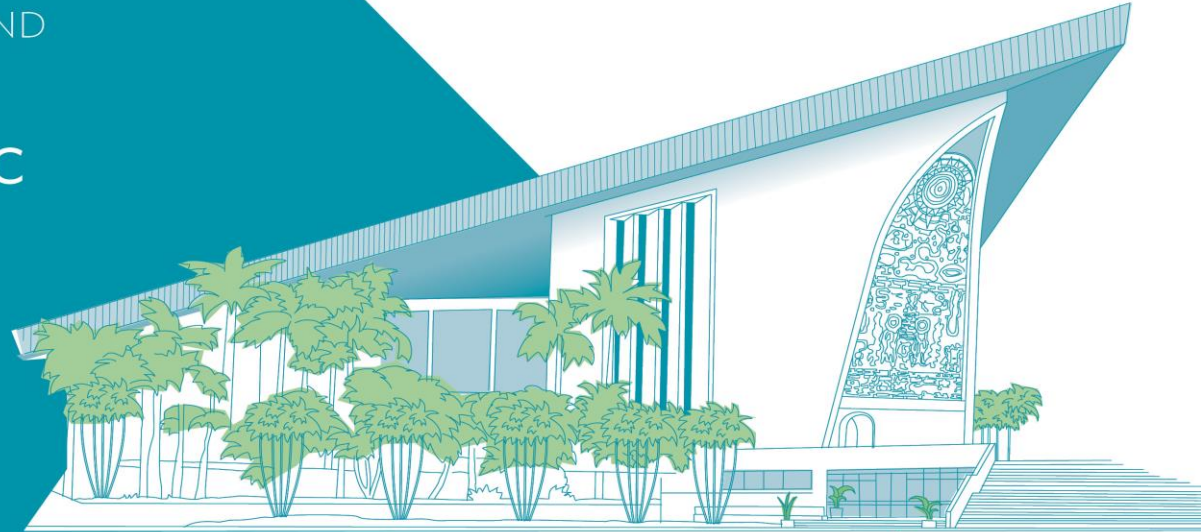




INTERNATIONAL MEDIATION AND  
ARBITRATION CONFERENCE

# 2nd South Pacific International Arbitration Conference

25–26 March 2019  
Stanley Hotel, Port Moresby  
Papua New Guinea



**PROMOTING CONFIDENCE IN INTERNATIONAL BUSINESS  
THROUGH BUILDING ON THE RULE OF LAW**

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- What needs to be done: International Arbitration

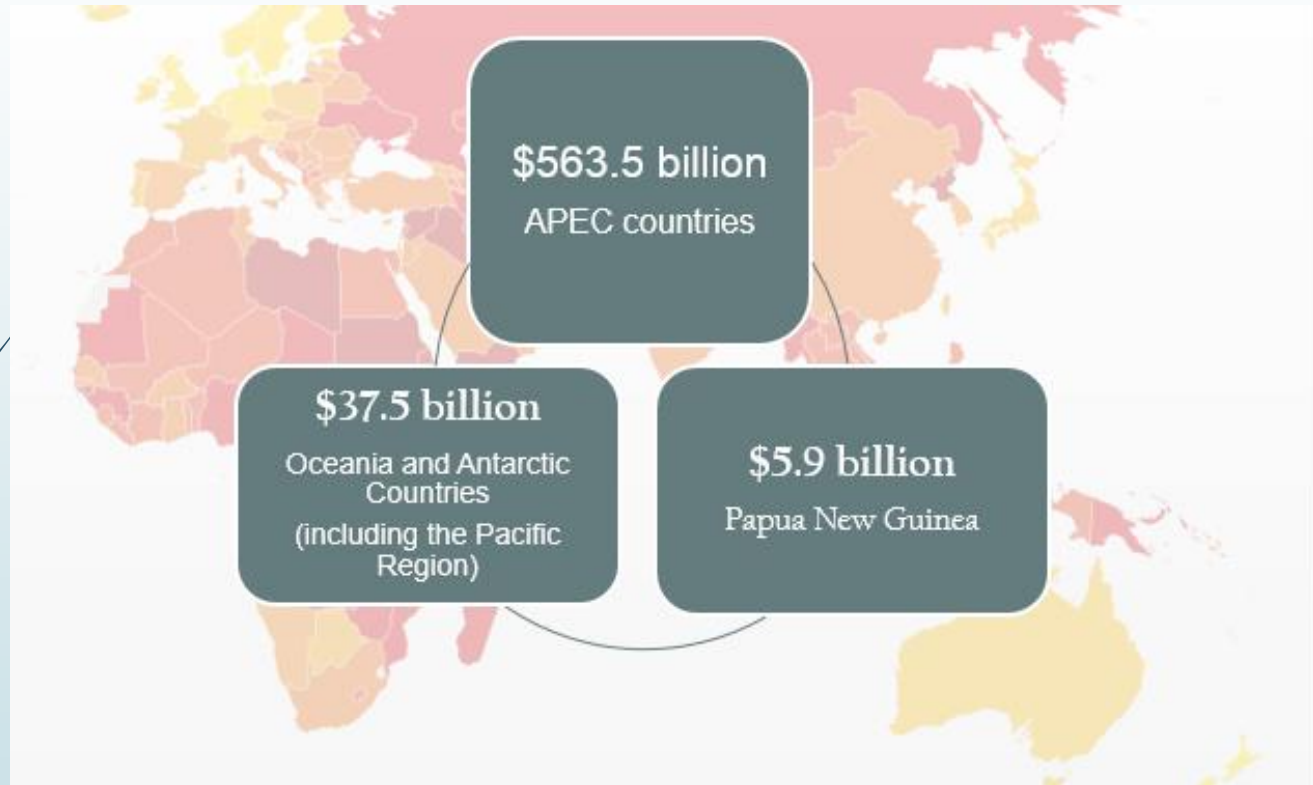


# Background

Australian Department of Foreign Affairs and Trade:

- › Pacific region continues to experience significant economic challenges
- › Pacific economic growth is limited and not increasing relative to population growth
- › Sources contributing to the challenging business environment include:
  - inefficient and burdensome regulation;
  - ineffective contract enforcement;
  - corruption;
  - limited access to finance; and
  - inadequate access to insurance and risk mitigation products.

## Trade between Australia and other nations in 2017



Source: Australian Department of Foreign Affairs and Trade – 'Calendar Years'



# The need for reform and International Arbitration

## Current state of business environment


- › Many South Pacific nations experience issues with corruption and the rule of law.
  - Discourages foreign investment and creates a perception that disputes between parties are unable to be resolved in domestic courts.
- › Investors may be unable to enforce foreign court judgments due to the absence of reciprocal enforcement agreements.
- › Foreign investors are more likely to invest in countries where efficient and modern laws are upheld; increasing certainty and aiding risk management.

## Benefits of international arbitration reform

- › Likely to increase foreign direct investment. Will similarly address issues identified as limiting investment, including:
  - reducing the reliance on domestic courts by foreign investors and decreasing the potential for corruption;
  - supporting the enforcement of foreign court judgments; and
  - mitigating the effect of a small legal market.



## What needs to be done: International Arbitration



Promoting international arbitration

*Acceding to the New York Convention and establishing domestic arbitral institutions*

*Adopting the 'Model Law' and encouraging the judiciary to support arbitration and enforcement of arbitral awards*

*Continuing capacity building efforts to promote the use of arbitration – progressively maturing the arbitration framework*



# Thank you

For further information, please contact

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