

The future of dispute resolution in commercial disputes is with arbitration!

Arbitration has transformed dispute resolution in the commercial sphere:

Dispute resolution mechanisms must fulfill difficult, often thankless tasks, particularly in international disputes: parties who often use every available procedural and other opportunity to disadvantage one another simultaneously [demand](#) rapid, expert and objective results at minimal cost. Despite these generally unrealistic expectations, arbitration has for centuries been perceived as the most effective-if by no means flawless- means for resolving international **commercial disputes**. That perception has been strengthened during the past several decades and is reflected in several developments, including steadily increasing caseloads at leading arbitral institutions. The caseloads have increased between 3 and 5-fold in the past 30 years. The same increasing preference for, and use of, international commercial arbitration is reflected in surveys of users, in empirical studies of the use of arbitration clauses in international commercial agreements and studies of dispute resolution in international sale of goods settings. These conclusions have been confirmed in recent surveys of corporate users. For instance, in its 2021 International Arbitration Survey, the school of International Arbitration at Queen Mary, University of London (surveying 1200 respondents) found that 90% of the respondents preferred international arbitration to resolve cross-border disputes. Moreover, in a report published by the International Institute for Conflict Prevention & Resolution (CPR); it was found that commercial arbitration cases were typically resolved 30% faster than those going through traditional litigation channels. This significant time-saving is crucial in the fast-paced world of business, where delays can result in substantial financial losses. Additionally, a study by the American Arbitration Association (AAA) and the Institute for Conflict Prevention & Resolution (CPR), examined the costs associated with commercial arbitration and litigation. Findings suggested that while arbitration may have higher upfront costs, it tends to be more cost-effective overall due to shorter proceedings and lower overall expenses.

In conclusion, arbitration has undeniably become the cornerstone of resolving commercial disputes, offering rapid, expert, and objective outcomes at reasonable cost. The substantial increase in caseloads over the past few decades, coupled with overwhelming preference from corporate users, underscores its efficacy. Furthermore, its ability to expedite resolutions and a conducive environment for amicable settlements solidifies arbitration's vital role in shaping the future of dispute resolution in the commercial sphere.

Sources:

1. Gary B. Born "International Commercial arbitration, third edition.
2. 2021 International Arbitration Survey: Adapting arbitration to a changing world.