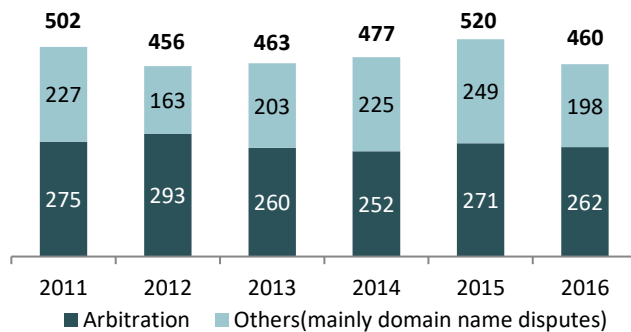




Hong Kong as an international arbitration centre

Figure 1 – Number of dispute resolution cases in Hong Kong\*



Note: (\*) Referring to cases handled by HKIAC only.

Figure 2 – Distribution of arbitration cases in 2016

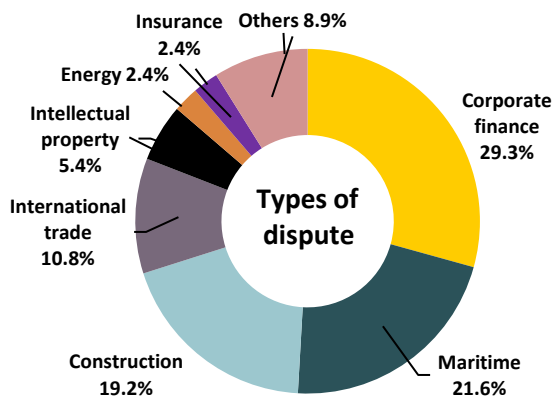
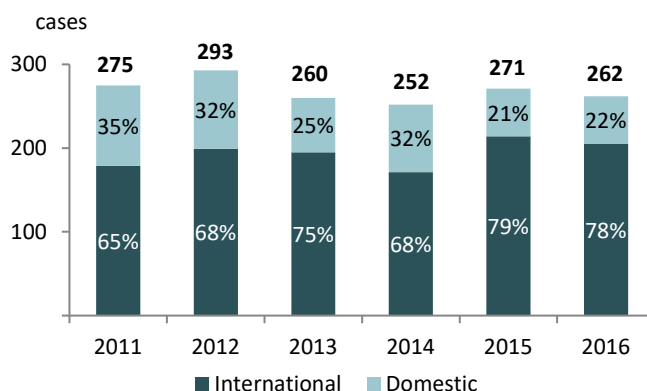


Figure 3 – Share of international arbitration cases

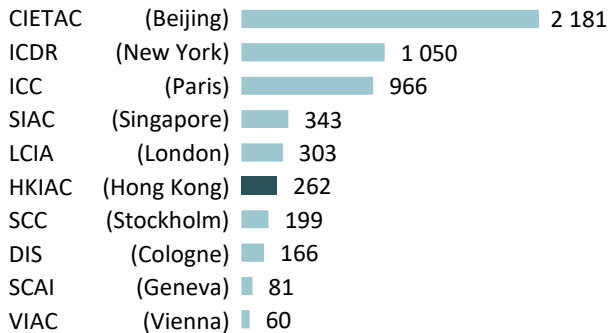


Highlights

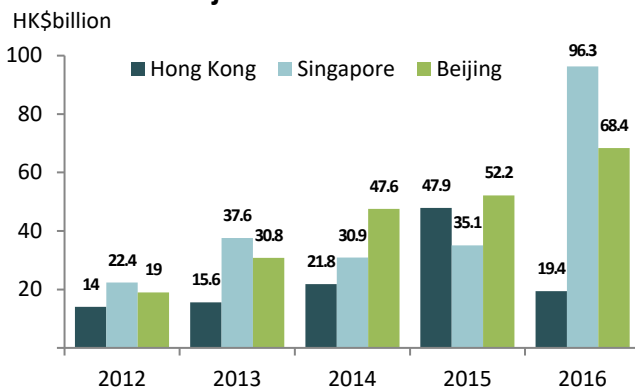
- Arbitration (i.e. concerned parties submitting their dispute to impartial arbitrators for resolution) is considered to be more cost-effective than litigation in dispute resolution. The new Arbitration Ordinance enacted in June 2011 helped simplify the arbitration regime in Hong Kong and aligned it to international practices.
- Leveraging on its strength as a global financial hub, Hong Kong has long been a dispute resolution centre in the world. Founded in 1985, the Hong Kong International Arbitration Centre ("HKIAC") is a non-profit making body offering alternative dispute resolution services, on the back of government support. During 2011-2016, the annual number of disputes filed to HKIAC hovered at around 500 cases. While about half of these cases were filed for arbitration, the rest were for mediation and domain name disputes resolution (Figure 1).
- Analyzed by sector, HKIAC's arbitration cases showed a great diversity in 2016. Most of them were related to corporate finance (29%), followed by maritime (22%), construction (19%), international trade (11%), and intellectual property disputes (5%) (Figure 2).
- Most of the HKIAC's cases were increasingly cross-boundary in nature, commensurate the position of Hong Kong as a global business hub. In 2016, 78% of the cases handled were international cases with parties from 39 different jurisdictions, up from the share of 65% in 2011 (Figure 3).

## Hong Kong as an international arbitration centre (cont'd)

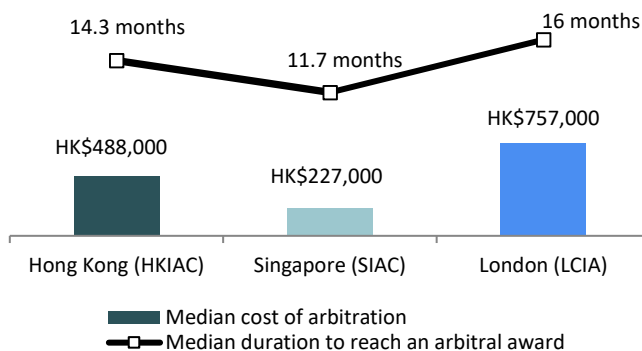
**Figure 4 – Caseload comparison among major arbitration centres in 2016**



**Figure 5 – Comparison of total amount in dispute in major arbitration centres in Asia**



**Figure 6 – Median duration and cost of arbitration\***



Note: (\*) The cost of arbitration include the arbitrators' fee and other administrative costs.

### Highlights

- HKSIAC is generally regarded as a competitive arbitral institution worldwide, given Hong Kong's favourable legal environment, proximity to the Mainland and the Government's efforts to strengthen Hong Kong's edges in provision of arbitration services. That said, the arbitration caseload of Hong Kong was ranked sixth largest among major centres in the world in 2016, after Beijing, New York, Paris, Singapore and London (Figure 4).
- In terms of the monetary value of the disputes for arbitration, Hong Kong also lagged behind Singapore, the market leader in the region. In 2016, the total amount of disputes for arbitration in Singapore was HK\$96.3 billion, which was four times more than that of HK\$19.4 billion in Hong Kong (Figure 5). On average value per arbitration case, Singapore's was about 3 times above that of Hong Kong's.
- Based on limited publicly available data from individual institutions in 2016 or 2017, the median duration for arbitration cases handled in Hong Kong was 14.3 months, 1.7 months shorter than that in London, but 2.6 months longer than that in Singapore. As regards the total cost of arbitration, the median cost was HK\$488,000 in Hong Kong, which was 115% higher than that in Singapore but 36% lower than that in London (Figure 6).

Data sources: Latest figures from HKSIAC, SIAC, LCIA and other arbitration centres.

Research Office  
Information Services Division  
Legislative Council Secretariat  
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Tel: 2871 2127

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