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**The Cairo Regional Centre  
for International Commercial Arbitration ( CRCICA )**  
*An international organization operating in Egypt since 1979*

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**Progress Report**  
July 2002 – March 2003

**Presented by :**  
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Director

**Submitted to :**  
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**□ Definitions :**

- ◆ **“The CRCICA , the Centre , the Cairo Centre”**  
Alternates for the Cairo Regional Centre for International Commercial Arbitration
  
- ◆ **“The period under reporting”:** the period beginning in July 2002 and ending in March 2003.

## **From the Director**

We are proud to notice that the Centre has raised its profile all over the world and that there is a remarkable increase in our case referrals. The remarkable growth of the quantificational importance of cases is also quite interesting. Over the few past years, the CRCICA witnessed a number of important cases involving significant trademarks in both the Arab and the international marketplace. It is also being noticed with satisfaction that major infrastructure contracts in the area, especially the Hosting Country, come to involve the CRCICA Arbitration Clause. One of the recent examples in this concern is the International Gas Exportation Agreement Egypt entered into with France in January 2002 to export Egyptian Liquefied Natural Gas (ELNG) over 20 whole years by a capacity of 3.6 millions tons of gas annually.

As we have a proudful present, we avow to plan a better future. Out of this perception, the CRCICA plans to intensify institutional responsiveness towards the different sectors of trade, commerce and industry and has accordingly set up an expansion of activities scheme on both the geographical and the substantial levels. In 2001, the Centre established two new branches being the Alexandria Centre for International Commercial Arbitration and the Mediation and ADR Centre and is currently working on similar future projects of expansion including the establishment of a Branch in Ismailia, a vital Egyptian City and the seat of the Suez Canal Authority. Parallel to horizontal expansion in space, the CRCICA plans a vertical development of services by negotiating the establishment of sectoral ADR branches to handle business disputes of special nature. Within the bounds of this, the CRCICA contemplates the possibility of establishing a Branch for the Settlement of Banking Disputes. To this end, it is scheduled to hold an international conference on this type of disputes in 2003 jointly with the World Bank to see through the different aspects and peculiarities involved and introduce other international institutional initiatives. It is also worth noting that the Centre is approached as a key expert-organization to provide assistance in establishing and operating an arbitration center for the settlement of stock exchange disputes. Similarly, the Centre will start considering the establishment of new locations in the about-to-be-launched Free Economic Zones after the promulgation of Law no. 83/2002 issued in June 2002 in this concern.

All over the period under reporting, the Centre has scored various successes in the world of law. The present report provides illustrations in this concern.

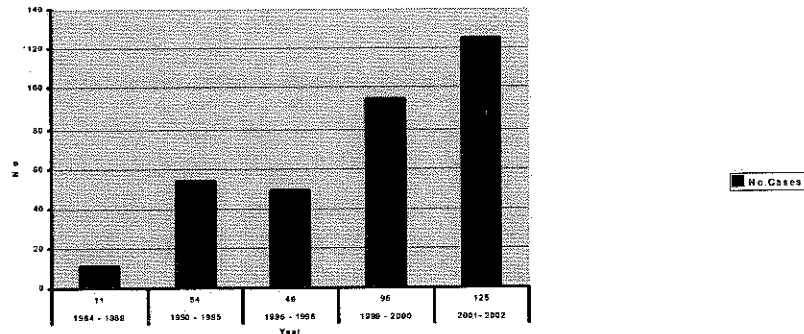
*Mohamed Aboul-Enein*

# Case Report

Increase  
in  
CRCICA  
Referrals  
types of  
disputes

The total number of international arbitration cases filed before the CRCICA reaches 327 international cases. It is notable that the average annual increase significantly rises from some ten cases till more than 50 cases per year and the expected annual average is envisaged to reach 100 cases by 2011 (see the illustrating diagram). Generally speaking, construction arbitration still ranks top among the types of arbitrations administered by the Centre. Other types of cases are related to hotel managements, software contracts, oil contracts, insurance contracts, credit risk management contracts, intellectual property rights, distribution agreements and investment agreements.

No. Cases vs. Year



The geographical scope of the CRCICA cases compasses a significant span. Beside multinational consortia, countries involved in the 2002-filed cases are Egypt, Lebanon, Oman, Germany, France, Belgium, Romania, Spain, Switzerland and the U.S.A. More CRCICA disputes are having two non- Egyptian parties involved ; illustrating examples are Emirati versus Saudi , Canadian versus Canadian disputes ..... etc. In such cases, CRCICA sessions are sometimes held outside Egypt.

Nationalities  
of Parties

In 2002, the Centre acted as the appointing authority in many arbitrations. Appointments were either of chairmen of tribunals or co-arbitrators and were mostly based on the UNCITRAL List Procedure and according to the UNCITRAL Rules. The increasing trust in the Centre as an appointing authority is actually rooted back to the fact that the Centre has an international panel of arbitrators including more than 570 international arbitrators from all countries of the world.

CRCICA  
as an  
appointing  
authority

On equal footing, the Centre is being obviously resorted to in the appointment of technical experts in the course of various arbitrations and it was seen therefore necessary to update the Centre's List of Experts with the intention of widening the scope of expertise covered therein. The initiative well resulted in a radical increase in the total number of the CRCICA experts reaching by the end of 2002 about 200 experts. Responding to the fact that engineering disputes constitute about 45% of the disputes referred to the Centre generally, the CRCICA updating scheme obviously

focuses on experts in all engineering-related areas. Where exceptional needs arise to appoint experts in fields hard to meet by the list for rarity, through cooperation agreements, overseas organizations assist the Centre in this concern. Although the Centre's appointment of technical experts is principally related to requests by tribunals during the arbitration process, the Centre was approached in the pre-arbitration stage – by entities, companies and individuals that had not been yet a party to an arbitral case – to – appoint experts to review some technical points in order to make sure of their positions before getting to arbitration.

There have been recently some rising procedural aspects of the CRCICA arbitrations emerging out of users' needs and the CRCICA institutional framework proves flexible enough to help them operate as soundly as can best be. It is notable, for instance, that some recent CRCICA arbitrations have witnessed hybrid procedural patterns mixing between the arbitration measures of the civil as well as the common law systems – and in some instances the Shari'a Law – to procedurally respond to legal cultural differences issues.

In promotion of the use of arbitration and other ADR and in response to users' needs, the Cairo Centre issued an addendum to its rules effective as of 21 November 2002. In its most significant Article, the addendum stipulates the reduction of the CRCICA administrative fees by 20% in international cases and by 30% in domestic cases. Other articles are added to regulate the proportionality of fees among members of arbitral tribunals and the tearing-down of documents after given time limits.

CRCICA  
New  
RULES

## Testimonials

*I was quite impressed with the quality of the Centre and its assistants. Mrs. Nanis A. El Mashed who acted as secretary to the Tribunal had perfectly well taken care of all arrangements so that everybody felt much at ease. Her knowledge of the file, her understanding of the issues and the rapidity of her reactions were important elements in the pleasant development of the hearing.*

**Serge Lazareff**  
Chairman of the ICC Institute of World Business Law

*The Cairo Arbitration Centre has well proved its effectiveness as a highly reliable institutional framework applying progressive rules and regulations and having on its panels highly qualified expert arbitrators. What is also seen as a credential asset added to the various advantages of the Centre is that it has expansively raised its profile in the international arbitration arena as an international organization balancing up efficiency with independence*

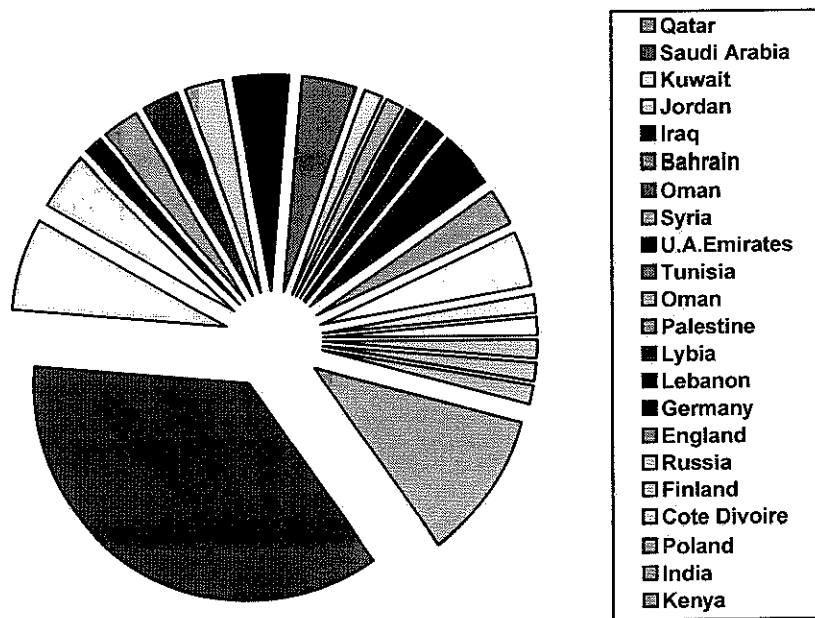
**Dr. Fathy Sorour**  
Speaker of the Egyptian People's Assembly

## CRCICA Events

*A Regional limelight...on International rules ... In a Changing world*

Well cognizant of the various challenging changes in law, trade and investment and the direct influence they are likely to have on the economies of the region, the Centre develops a comprehensive scheme of events meant to intersect the international with the regional and to create a contact point between the various approaches in the said fields inspite of geographical barriers.

One of the outstanding archetypicals in this concern is the series of Conferences the Centre has held since 1998 on the Impact of WTO Agreements on the Economies of the Third World Countries. Viewing the influence the WTO agreements is envisaged to have on international trade practices – and accordingly on dispute-settlement mechanisms – after the experimental application of the Uruguay Results scheduled to end by the year 2005, it has grown necessary to expose the pros and cons involved and attempt creating a comprehensive vision to face all future challenges. The CRCICA series of WTO Conferences comes responsive to this demand bringing to dialogue key WTO representatives and regional governmental officials and businessmen from different developing countries. The underlying motive backing such conferences is to stress the importance of having more public awareness of all rights developing countries are entitled to – but in many instances seem unaware of – within the framework of the WTO. The CRCICA calls upon developing countries to perceive the mutuality of rights and obligations in WTO Agreements. Future related plans include holding the fifth WTO Conference in cooperation with the Egyptian Ministry of Foreign, the Arab League and the WTO Secretariat as well as establishing a CRCICA Unit to exclusively deal with WTO matters and design training programs in this field.



Nationalities of participants in the CRCICA Series of WTO Conference  
1998 – 2001

The period under reporting well reflected the wide-ranging aspects of CRCICA events. On 21 – 22 September 2002 , the CRCICA - jointly with the French Arbitration Committee - organized a Conference entitled “ *Cairo .... A Place of International Arbitration*” . The French legal culture has long been significantly influential to its Egyptian counterpart and the French trade community in Egypt is instrumental in wheeling on today’s world of business. It was seen therefore necessary to enhance the legal ties of cooperation between France and Egypt generally and to boost forth arbitration in bilateral trade transactions in particular.

Dr. Ahmed Fathi Sorour, Speaker of the Egyptian People's Assembly inaugurated the Conference and about 150 participants were in attendance from Egypt, France, Saudi Arabia, Libya, Syria and Yemen. In implementation of the Conference's recommendations, the CRCICA and the French Arbitration Committee examine all possible ways to enhance cooperation between Egypt and France in the field of arbitration. This includes *plans* to exchange experiences related to the revision of both the French and the Egyptian Arbitration Laws, being now in parallel processing, *calls* to take the French Example in establishing arbitration-related judicial circuits and *plans* to design specialized training programs for Arab and African judges.

On 14 – 15 December 2002, the CRCICA held its Fourth International Procurement Conference jointly with the Egyptian Ministry of Finance , the World Bank (WB) , the United Nations Commission on International Trade Law (UNCITRAL), the International Law Institute of Washington, the WTO and other regional and local entities. Held since 1994, the CRCICA Procurement Conferences have provided a token of non-governmental endeavors up the way of increasing the efficiency of public procurement. Speaking of the 2002 Conference, it was structured to evaluate the Egyptian Procurement Law with the contribution of WB and WTO experts, key governmental officials from the Ministry of Finance, the Egyptian Cabinet, members of the Egyptian People's Assembly and Advisory Council , key contractors, lawyers, academicians and other specialists. The conferees issued various improvement recommendations to be examined and further discussed through a highly specialized committee under the auspices of the Cairo Arbitration Centre as of January 2003, outcome of studies are said to be announced at the Fifth International Procurement Conference scheduled for 6-7 December 2003. Within this context, the Centre calls upon individuals and entities to send their comments and practical studies relating to the current Egyptian Procurement Law for committee consideration.

On 26-30 January 2003 , the Centre hosted and organized the first Arbitration Training Program organized by the Middle East Development Law Institute (MEDLI), a newly inaugurated Branch of the International Law Institute ( ILI ) of Washington <sup>1</sup>. Co-organized by the Saudi Arbitration Group, the Course was a great success and was attended by trainees from Egypt, Saudi Arabia , Ethiopia , Uganda, Bahrain and Syria. What was considered by all participants as the most interesting and innovating feature of the Course is that it was based on a cross-exposition of different cultural aspects of arbitration, mastered by Mr. Markam Ball , Director of ILI's Worldwide Program of Arbitration and ADR, and Dr. Mohamed Aboul-Enein , the CRCICA Director.

On 7 February 2003, the Cairo Centre collaborated with the European Court of Arbitration and the Mediterranean Arbitration Council in holding a Mediterranean Conference on International Finance and Arbitration in Milan. The agenda of the Conference tackled, inter alia, disputes of financial transactions and their settlement , syndicated loans and arbitration, international finance disputes with governments and ICSID Arbitration, stock exchange and arbitration as well as international finance and mediation. It is worth noting that in March 2001 the three mentioned Organizations developed the tradition of holding international conferences in Mediterranean

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<sup>1</sup> See Brief News , para 1

Countries by rotation to promote and improve the use of Arbitration. Putting the idea into practice, the first conference in the series was held on March 24-25, 2001 in Cairo under the title Arbitration 2001 : *Emerging Arbitral Issues in the Mediterranean and Middle Eastern Region*.

2003 Events*		
<i>To be organized or largely contributed to by CRCICA</i>		
Date	Event	Other/Main Organizers
26-27 May	ALI/UNIDROIT Principles and Rules of Transnational Civil Procedure Cairo – Egypt	American Law Institute ( ALI) International Institute for the Unification of Private Law ( UNIDROIT)
June	Third International E-Commerce Conference Cairo – Egypt	United Nations Commission on International Trade Law ( UNCITRAL)
June	Third Arab Judicial Colloquium Cairo – Egypt	UNCITRAL
26-27 June	IFCAI Conference on Interim Measures Vienna – Austria	International Federation of Commercial Arbitration Institutions ( IFCAI)
27 – 28 September	Third International Conference on World Trade Organization Agreements Cairo – Egypt	Egyptian Ministry of Foreign Affairs Egyptian Ministry of Foreign Trade World Trade Organization ( WTO )
October	Seventh International Conference on Build-Own-Transfer ( BOT ) Projects Sharm El Sheik – Egypt	International Law Institute of Washington
October	Arbitration Training programs leading to the Membership of the Chartered Institute of Arbitrators ( CIArb ) Cairo – Egypt	The Chartered Institute of Arbitrators ( CIArb ) London – England
6-7 December	Fifth International Procurement Conference Cairo – Egypt	World Bank WTO UNCITRAL ILI
Undated	Customized Construction Law Training Program ( Abu Dhabi – United Arab Emirates )	Ministry of Defense ( Abu Dhabi – United Arab Emirates )
Undated	Banking Disputes International Conference Cairo – Egypt	World Bank Various Local and Regional Banks

\* Some dates are still tentative



***CRCICA .... Chair-Institution***  
**Of the Fourth IFCAI Institutional Section Meeting**  
**on 22 November , 2002**  
**Paris – France**

By virtue of the Geneva Resolution of the International Federation of Commercial Arbitration Institutions ( IFCAI ) issued on 23 October 1997 and since 1998 , the Institutional Section of the Federation chaired by Dr. Mohamed Aboul-Enein has held four meetings in Paris, New York and London for members to share experiences and discuss matters of common concern relating to the day to day administration of international arbitration and other dispute resolution proceedings. Hosted by the ICC , the fourth meeting was held in Paris on the 22<sup>nd</sup> of November 2002 and was attended by top representatives of twenty-eight international arbitral institutions including the International Centre for the Settlement of Investment Disputes ( ICSID ), the American Arbitration Association ( AAA ) , the London Court of International Arbitration ( LCIA) and the World Intellectual Property Organization ( WIPO).

The agenda of the Meeting focused on four topics : the advantages of institutional arbitration as compared to ad hoc arbitration, online arbitration, the independence and impartiality of arbitrators and problems related to arbitrators' fees.

On discussing the advantages of institutional arbitration, it was expressed that they are yet to be more frequently preached as users of ad hoc arbitration seem to be not totally aware of the wide ranging role of institutions in administering arbitrations. Members emphasized that dispute resolution procedures are demand-driven and that arbitral institutions should focus on ways to promote institutional arbitration generally, whilst enhancing their respective services, in particular, and should ensure that their services are sufficiently flexible and relevant to meet users' needs.

The Meeting also addressed the challenges technology does impose on the practice of Alternative Disputes Resolution ( ADR ) Techniques stressing the importance of institutionally responding to the needs of users in a revolutionary age of technology. Institutions shared their online Dispute Resolution experiences. Intensive reports were given on the online practices of the AAA and the WIPO Arbitration and Mediation Centre. The basic common feature binding all reported experiences together is that users tend not to convert everything to a completely on-line system. In response, institutions focus more on the use of information technology in support of arbitration and other dispute resolution techniques than on Online Dispute Resolution as a system.

The agenda also tackled the independence and impartiality of arbitrators seen to be essential for international arbitration to have credibility in international business community. Members discussed current complex independence questions especially taking into consideration that there is no commonly identified standard of what constitutes independence. Within this context , it was agreed upon that arbitral institutions do have quite significant roles in handling key independence and

impartiality issues as presented mainly in two stages ; the appointment stage and the stage of dealing with the challenge of arbitrators.

Members intensively discussed an initiative launched by the International Bar Association (IBA) to draft "Guidelines Regarding the Standard of Disclosure in International Commercial arbitration". Such Guidelines – in their draft form – classify disclosure into three categories a black list, white list and a gray list. Members were called upon to give their opinions because straightening out such a matter requires in the first place the neutral judgment of arbitral institutions. Although it was seen that it may prove in some cases a bit impractical to try to draw clear lines in certain matters where a question of degree is involved , it was expressed that having a sort of universal standard would provide clear-cut criteria in certain situations and save the time and efforts likely to be wasted in investigating undue challenges that sometimes are nothing but tactics to delay arbitral processes. The various differing aspects involved in this matter brought about a collective call that the IBA Guidelines should comprehensively handle the cases where cultural differences are involved and avoid general statements in this concern.

On handling issues related to arbitrators' fees , many relevant problems were discussed regarding the difficulties encountered in fixing fees taking into consideration the sometimes opposing factors being ; the value of disputes, the culture of arbitrators and the financial capacity of parties involved. Discussions revealed the fact that legal cultural differences highly affect radical arbitrators' fees issues. Some members suggested that it would be useful to have all-inclusive standards or a check list regulating all important questions of costs including travel expenses ...etc and handling issues peculiar to different jurisdiction and legal cultures.

On considering the future works of the IFCAI, members lent special attention to interim measures and the UNCITRAL relevant works. It was considered necessary for the IFCAI to hold meetings and discussions in this concern and to call for creating relevant contacts between arbitration institutions in each country and their respective governments in order to spring national stances out of factual practices. Within such context, it was scheduled to hold an IFCAI Conference on Interim Measure on 26 - 27 June 2003 in Vienna/Austria with the cooperation of the UNCITRAL.

It was seen necessary to develop post-meeting inter-cooperation between member-institutions and keep on exchanging their experiences on the five focal topics discussed during the Paris Meeting as well as on newly emerging institutional questions. Special consideration should be also given to issues related to legal cultural differences and their effects on arbitral procedures.

## Brief News

- **A CRCICA WTO Unit ..... under establishment** : The Cairo Centre will soon establish a WTO Unit to exclusively deal with all WTO-related issues and to design training programs for officials, businessmen and lawyers of developing countries to best cope with the new trade order. Key regional and international organizations and monetary funds will be involved in the project.
- **Breaking through one more vital field of business** : CRCICA boosts forth arbitration in stock exchange disputes : The Centre negotiates an agreement with the Cairo and Alexandria Stock Exchanges to provide technical and administrative know-how in establishing and operating an arbitration center for the settlement of stock exchange disputes.[0] Among other activities, the Centre will tailor a number of arbitration training programs in this field.
- **CRCICA hosts the Middle East Development Law Institute (MEDLI)** : Since 1971, the International Law Institute (ILI) of Washington has provided training for over 9,000 public officials and other professionals from 185 countries and in 1997, it decided to establish a global network of regional campuses in key countries in the developing world. In 2002, the ILI established its Middle East Branch in Cairo. CRCICA was chosen to be the hosting organization and its Director, the Chairman of the MEDLI's Advisory Board.
- **First and Soon to appear in the Arab Book Market : A CRCICA-produced Arabic Version of an UNCTAD/WTO Publication** : The Cairo Centre entered into an agreement with the International Trade Centre UNCTAD/WTO granting the former exclusive right to reproduce the first Arabic version of the latter's Publication entitled: "Arbitration and Alternative Dispute Resolution – how to settle international business disputes." Distribution scheme extends to include Egypt and Arab-speaking countries of North Africa and the Middle East. The publication is expected to appear on the market in June 2003.
- **Kluwer Law International will soon publish the Second English Volume of the CRCICA Awards**, expected to include the most recent awards issued under the auspices of the Centre.
- **The First Arabic Book compiling the CRCICA Awards (2000 – 1984)** is now available on the market. It is worth noting that Kluwer Law International will soon publish the Second English Volume of the CRCICA Awards expected to include the most recent awards issued under the auspices of the Centre.

**Draft Resolution to be considered  
for Adoption by the 42<sup>nd</sup> Session of the AALCO.**

- A. In lieu of the decisions taken at the AALCO (hereinafter the Committee) Baghdad and Doha Sessions, held in February 1977 and January 1978 respectively, bringing into existence an Asian African integrated scheme for the settlement of commercial disputes.
- B. Recalling the agreements concluded between the Government of the Arab Republic of Egypt and the AALCO on January 28<sup>th</sup>, 1979 and November 15<sup>th</sup>, 1983, March 30 and June 3<sup>rd</sup>, 1986, May 24<sup>th</sup>, 1987 and July 24<sup>th</sup>, 1989 concerning the establishment and functioning of the AALCO Centre in Cairo (hereinafter the Centre).
- C. Appreciating the report presented by the Director of the Cairo Regional Centre for International Commercial Arbitration (the Director) on the progress made by the Centre during 2002/2003.
- D. Commending the speedy progress which the Centre had made to provide West Asia and Africa with the efficient, expeditious, fair and cost-effective system for the settlement of commercial disputes promoting in so doing Alternative Dispute Resolution techniques other than arbitration such as conciliation, mediation and technical expertise.
- E. Esteeming the Centre's other activities and endeavors to qualify Asian and African Arbitrators and to provide through its pioneering Institute of Arbitration and Investment a pivotal regional contact -point for all international investment - related progression by organizing international seminars and conferences as well as providing a new computerized system for trilingual storage of all arbitral information.
- F. Viewing with appreciation the Centre's tremendous financial efforts exerted for more appropriation of its owned Headquarters in Cairo.
- G. Encouraging the promotion of the above mentioned Asian African integrated scheme for the settlement of commercial disputes.

**In Witness thereof;**

The Committee requests and extends recommendations to:

1 (a) - All the AALCO Member Governments to recommend to proper entities and parties in their respective countries to include an arbitration clause in each agreement or contact referring the settlement of all disputes related to these agreements or contacts to the Centre.

1(b) - To fully support the growing activities of the Centre, to benefit from it and to consider consolidating its finances through regular annual and/or Ad Hoc

contributions to assist and help it implement its ambitious plans of activities, services and expansion.

2 – The Committee Secretary-General to kindly lend his valuable assistance and dynamic contacts to the Centre to this effect.

3 – The Secretary-General and the Director to report to the AALCO coming 43<sup>rd</sup> Session the continuing progress of the works of the Centre.