

**SPEECH BY MR K SHANMUGAM, MINISTER FOR LAW AND SECOND MINISTER FOR HOME AFFAIRS, AT 1ST ASIAN
MEDIATION ASSOCIATION CONFERENCE: "MEDIATION DIVERSITY - ASIA & BEYOND", 04 JUNE 2009, 10:50 AM AT MARINA
MANDARIN SINGAPORE**

President Martti Ahtisaari,

Chief Justice,

Judges,

Excellencies,

Distinguished guests,

Ladies and gentlemen,

Thank you for inviting me to this inaugural conference of the Asian Mediation Association (AMA).

2 The members of the AMA – the Delhi Mediation Centre, Hong Kong Mediation Centre, Indonesian Mediation Center, Malaysian Mediation Centre, Philippine Mediation Center and Singapore Mediation Centre – have come together to promote mediation in an effective way. The AMA brings together institutions which have deep knowledge of the cultures they serve to discuss challenges encountered in this field and share the best practices available with each other. This is crucial to building mediation thought leadership in this part of the world, and is a highly commendable initiative.

A Comprehensive Legal System

3 Mediation is a crucial facet of our efforts to build a holistic and sophisticated dispute resolution centre. Any dispute resolution system should have at least three key pillars: dispute resolution through the Courts, arbitration and mediation. We have focused a lot on making sure dispute resolution through our Courts is effective and efficient.

4 A dispute can be heard in Singapore from the time of issue of the writ to the disposal of the trial within 18 months. Any appeal can be disposed of within three to four months thereafter. International organisations today rank Singapore's Judiciary highly. Singapore's strong reputation for the rule of law is underpinned by a strong and independent judiciary. And under the leadership of our Honourable Chief Justice, our Judiciary will continue to be a highly regarded institution.

Alternative Dispute Resolution

5 But, litigation is not without its drawbacks. Compared to alternative dispute resolution methods, litigation can be costlier, more public, more time-consuming and often creates irreparable damage to the relationships amongst the parties involved. A significant number of parties do not actually need to resort to litigation. Society will benefit if strong and comprehensive alternate dispute resolution processes are made readily accessible.

6 The two alternates are arbitration and mediation.

Arbitration

7 In recent years, Singapore's convenient location, good legal system and neutrality have made us an arbitration venue of choice in the region.

8 We have created an environment that is not only conducive, but also attractive for arbitration hearings to be held in Singapore. A 2007 report published by the ICC International Court of Arbitration ranked Singapore as the top city in Asia for ICC arbitrations and one of the five most popular ICC arbitration venues since 2000, alongside Paris, London, Geneva and Zurich. Parties' rights to arbitrate have been strongly upheld, and our Courts do not intervene too readily in arbitrations. Parties are free to engage lawyers of any nationality and use any governing law, and not just Singapore-qualified lawyers or Singapore law. Parties now have access to top international arbitral institutions in Singapore, such as the American Arbitration Association and the Permanent Court of Arbitration. We also have our very own Singapore International Arbitration Centre, whose clauses and reputation are gaining ground internationally. Its recent board appointments of world-renowned arbitrators not only brings with them international expertise, but undoubtedly positions it to be one of the leading arbitration centres in Asia and the world. Last but not least, we have established the Maxwell Chambers, which will house a first-class venue for international hearings equipped with state-of-the-art facilities for arbitration. We have been anticipating the opening of the Maxwell Chambers for some time now and this will be taking place very soon in a matter of months.

9 But arbitration is only one pillar of the alternate dispute resolution system. While Singapore develops as an important arbitral centre, we also recognise that mediation must also be strongly supported and is the other pillar of alternate dispute resolution. The processes of civil litigation and arbitration have a strong economic focus – more so of course for arbitration than litigation. Mediation with its strong social focus complements litigation and arbitration. In that way, mediation performs a critical role.

Mediation

Advantages of Mediation

10 Mediation increases access to justice by mitigating the costs and risks involved in litigation and arbitration. Particularly for the man in the street, without the deep pockets of a large corporation, mediation is an important way of accessing justice. And for corporations involved in large disputes, mediation is still a sensible route to take, to see if litigation or arbitration can be avoided.

11 A sensible and firm mediator can often help reduce a messy dispute, saving the parties much money and the acrimony and a protracted litigation or arbitration. Mediation not only offers better access to justice, it also improves the process of justice. This is essential as justice is not only about the results achieved. Being private, non-confrontational and non-intimidating, mediation is ideal for a society like ours, where there is an underlying ethos of maintaining harmony. The flexibility that mediation offers also affords opportunities for imaginative solutions to be formulated. For example, I understand that in a case mediated at the Singapore Mediation Centre, the "last gap" (or final difference) between the parties was closed by way of a donation to a charity in the parties' joint names.

12 Mediation has flourished in Singapore since the early 1990s. Our Judiciary introduced court-based mediation in 1994 through the institution of Court Dispute Resolution in the Subordinate Courts. In 1996, the Honourable the Chief Justice, then the Attorney-General, in a far sighted move, suggested the establishing of a commercial mediation centre to encourage a more harmonious approach to settling differences. This led to the setting up of the

Singapore Mediation Centre (SMC) a year later in 1997. To encourage the use of mediation in resolving community and social disputes, the first Community Mediation Centre (CMC) was set up by the Ministry of Law in 1998.

Existing Infrastructure

13 Today, the SMC is Singapore's flagship mediation centre. It has set our mediation scene in the global context through its numerous avenues of cooperation with international partners. For instance, SMC co-founded the International Mediation Institute, a non-profit foundation incorporated in the Netherlands. This was the culmination of a pioneering effort to standardise and promote an international competency standard for mediators. The SMC has also continually made efforts in capacity-building for its international partners. To date, it has provided negotiation and mediation training for more than 900 overseas participants from more than 80 different countries worldwide. Twice or thrice a year, SMC will also host 20 to 30 participants from all around the world in conflict resolution workshops as part of the Singapore Cooperation Programme.

14 SMC's commercial emphasis is completed at the community level by the CMC, which focuses on community and neighbourly disputes, ensuring a robust social fabric. We now have three CMCs providing mediation services to Singaporeans living in various parts of the island.

15 In addition to mediation at these institutions, mediation is also being conducted at tribunals and Government departments and agencies. There are also numerous mediation services provided by professional, industry, trade and consumer bodies for practically every significant area of dispute.

Growth in Mediation

16 Some numbers would give us a sense of how far mediation has come since the 1990s. Between June 1994 and March 2009, the Subordinate Courts mediated some 188,000 cases. These include civil matters, maintenance, small claims and other family-related disputes. The average settlement rate is 90 per cent.

17 There is also encouraging feedback from users of mediation. The SMC has been administering an ongoing survey to parties and lawyers at the end of each mediation session at the Centre. Of the 1,911 parties who responded to the survey from 1997 to the end of March 2009, 81 per cent indicated that they had saved costs. Eight-five per cent reported that they had saved time. The response from lawyers is equally positive. Out of 1,590 lawyers who responded over the same period, 82 per cent noted that their clients were likely to have saved costs. Eighty-one per cent thought that they and their clients were likely to have saved time. Costs and time savings were reported even in cases that were not settled or partially settled. What I think is most heartening, however, is this: 93 per cent of the parties and 98 per cent of the lawyers said that they would recommend the use of mediation to others in similar situations.

18 Within the community, the CMC has come a long way since its inception. The Centres have handled a total of more than 4,100 cases in the last 10 years. From the 120 cases the first CMC processed in 1998, the three CMCs handled almost 700 cases in 2008.

Support for Mediation

19 Mediation has proven to be a vital part of our legal system. The Government will continue to strongly support the use of mediation and encourage efforts to develop the field of mediation through research, studies and training.

20 The members of the AMA are well-placed to promote the appropriate use of mediation both in the board rooms and the communities at home. Together, this will bring about greater harmony and prosperity to the region.

21 But we should not stop there. There are different levels of development in the capacity for mediation across various countries in the region. I would also like to urge the AMA and other mediation players within and even outside Asia to broaden your efforts to help each other with capacity-building. Our societies can only be enriched by efforts to spread the spirit of peace and to share mediation as a method of making peace.

Conclusion

22 Let me conclude by congratulating the AMA for putting this Conference together and the SMC for hosting it. My best wishes for all bonds of friendship and co-operation. Thank you.